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(Securities Code: 8341)
June 6, 2017

To Stockholders with Voting Rights:

Teruhiko Ujiie
President
The 77 Bank, Ltd.
3-20, Chuo 3-chome, Aoba-ku,
Sendai City, Miyagi Prefecture,
Japan

**NOTICE OF CONVOCATION OF
THE 133RD ANNUAL GENERAL MEETING OF STOCKHOLDERS**

You are cordially invited to attend the 133rd Annual General Meeting of Stockholders of The 77 Bank, Ltd. (the “Bank”). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights by either of the methods described below. Please review the Reference Documents for the General Meeting of Stockholders described hereinafter and exercise your voting rights by 5:00 p.m. on Wednesday, June 28, 2017, Japan standard time.

Exercise of voting rights by mail

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it so that it is received by the deadline indicated above.

Exercise of voting rights via the Internet etc.

Please access the website for exercising voting rights designated by the Bank (<http://www.e-sokai.jp>) using the “voting rights exercise code” and the “password” indicated on the enclosed Voting Rights Exercise Form and follow the on-screen guidance to enter whether you are for or against each of the proposals.

Please confirm the “Instructions for Exercise of Voting Rights via the Internet” on pages 62 to 63 when voting via the Internet.

If you vote both in writing on the Voting Rights Exercise Form and via the Bank’s designated voting website on the Internet, only your vote exercised via the Internet will be deemed valid. In addition, if you submit your vote multiple times via the Internet or submit in duplicate via a computer and a cellphone, only the last vote will be deemed valid.

- 1. Date and Time:** Thursday, June 29, 2017 at 10:00 a.m. Japan standard time
- 2. Place:** 4F, Conference Room, Head Office, the Bank, 3-20, Chuo 3-chome, Aoba-ku, Sendai City, Miyagi Prefecture, Japan
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report and Non-consolidated Financial Statements for the Bank’s 133rd Fiscal Year (from April 1, 2016 to March 31, 2017)
 2. Consolidated Financial Statements for the Bank’s 133rd Fiscal Year (from April 1, 2016 to March 31, 2017) and results of audits of the Consolidated

Financial Statements by the Accounting Auditor and the Audit & Supervisory Board

Proposals to be resolved:

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Consolidation of Shares
- Proposal No. 3:** Partial Amendments to the Articles of Incorporation
- Proposal No. 4:** Election of Fourteen (14) Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)
- Proposal No. 5:** Election of Five (5) Directors Serving as Audit & Supervisory Committee Members
- Proposal No. 6:** Election of One (1) Substitute Director Serving as an Audit & Supervisory Committee Member
- Proposal No. 7:** Establishment of Limit of Compensation for Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)
- Proposal No. 8:** Establishment of Limit of Compensation for Directors Serving as Audit & Supervisory Committee Members
- Proposal No. 9:** Determination of the Amounts and Details of Performance-linked Stock Compensation for Executive Directors

4. Matters Determined for Convocation

Notice of inconsistent voting

If you wish to make inconsistent voting, please notify the Bank in writing of your intention of making inconsistent voting and the reasons thereof at least three (3) days prior to the Annual General Meeting of Stockholders.

End

- ◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk of the Bank's head office on the day of the meeting for confirmation.
- ◎ Of the documents that need to be attached to this notice of convocation, the Non-consolidated Statement of Changes in Net Assets and the Notes to the Non-consolidated Financial Statements, and the Consolidated Statement of Changes in Net Assets and the Notes to the Consolidated Financial Statements are, in accordance with laws and regulations as well as Article 16 of the Articles of Incorporation of the Bank, posted on the Bank's website (<http://www.77bank.co.jp/>) and are therefore not included with this document.
Accordingly, the Attached Documents of this Convocation Notice are part of the Non-consolidated Financial Statements and the Consolidated Financial Statements that have been audited by the Accounting Auditor and the Audit & Supervisory Board in preparing their respective audit reports.
- ◎ In the case where revisions are made to the Reference Documents for the General Meeting of Stockholders, the Business Report, the Non-consolidated Financial Statements and Consolidated Financial Statements, the revised version will be posted on the Bank's website (<http://www.77bank.co.jp/>).
- ◎ The temperature of the venue is set slightly higher to save energy, and as such we would like to request our stockholders to wear light clothing when attending.

Reference Documents for the General Meeting of Stockholders

Proposals and References

Proposal No. 1: Appropriation of Surplus

With respect to the appropriation of surplus, the Bank's basic policy is to continue stable dividend payment, taking into consideration the public nature of the banking business and maintaining soundness of management, while paying attention to the internal reserve to strengthen the management structure. It is proposed that the surplus be appropriated as follows:

1. Matters concerning year-end dividends
 - (1) Type of dividend property
Cash
 - (2) Matters concerning the allotment of dividend property and the total amount
4.50 yen per share of common stock, for a total of 1,667,741,837 yen
Including interim dividend, dividends to be paid for the full year amount to 9.00 yen per share.
 - (3) Effective date of distribution of surplus
June 30, 2017
2. Other matters concerning the appropriation of surplus
 - (1) Item and the amount of surplus to be increased
General reserve 13,500,000,000 yen
 - (2) Item and amount of surplus to be decreased
Retained earnings brought forward 13,500,000,000 yen

Proposal No. 2: Consolidation of Shares

1. Reasons for implementing consolidation of shares

In accordance with the “Action Plan for Consolidating Trading Units,” all stock exchanges in Japan aim to consolidate the number of shares constituting one unit of stock, which is the trading unit of shares of common stock of domestically listed companies, to 100 shares by October 1, 2018.

With due respect to the above, on May 12, 2017, the Board of Directors of the Bank resolved to change the number of its shares constituting one unit of stock from 1,000 shares to 100 shares effective October 1, 2017, provided that this proposal is approved.

In addition, the Bank proposes to implement consolidation of shares for the purpose of maintaining the level of investment unit that is considered preferable by stock exchanges in Japan (50,000 yen or more and less than 500,000 yen) and of facilitating investment in the Bank’s shares.

2. Details of consolidation of shares

(1) Ratio of consolidation of shares

With respect to common shares of the Bank, the Bank proposes to consolidate shares at a ratio of 5 shares to 1 share.

Fractional shares that arise as a result of the consolidation of shares will be aggregated and disposed of pursuant to the applicable provisions of the Companies Act, and the proceeds of such disposal will be distributed to the stockholders in proportion to their fractional shares.

(2) Effective date of consolidation of shares

October 1, 2017

(3) Total number of shares authorized to be issued as of the effective date of consolidation of shares

268,800,000 shares

3. Other

The Bank requests that other procedural matters be left to the discretion of the Board of Directors.

(Reference)

If this proposal is approved as proposed, pursuant to the provisions of Article 182, Paragraph 2, and Article 195, Paragraph 1 of the Companies Act, amendments to the Articles of Incorporation will take effect on October 1, 2017, without resolution by the General Meeting of Stockholders concerning the partial amendments to the Articles of Incorporation. The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">CHAPTER II. SHARES</p> <p>(Total Number of Shares Authorized to be Issued) Article 6. The total number of shares authorized to be issued by the Bank shall be <u>one billion three hundred and forty-four million (1,344,000,000)</u> shares.</p> <p>(Number of Shares Constituting One Unit of Stock) Article 8. The number of shares constituting one unit of stock shall be <u>one thousand (1,000)</u>.</p>	<p style="text-align: center;">CHAPTER II. SHARES</p> <p>(Total Number of Shares Authorized to be Issued) Article 6. The total number of shares authorized to be issued by the Bank shall be <u>two hundred and sixty-eight million and eight hundred thousand (268,800,000)</u> shares.</p> <p>(Number of Shares Constituting One Unit of Stock) Article 8. The number of shares constituting one unit of stock shall be <u>one hundred (100)</u>.</p>

Note: Although the total number of shares authorized to be issued will decrease to one-fifth as a result of consolidation of shares, net assets, etc. will be unchanged. Thus, net assets per share will be 5 times that before consolidation of shares. Therefore, excluding other factors such as fluctuation of the stock market, the asset value of the Bank’s shares held by its stockholders will be unchanged.

Proposal No. 3: Partial Amendments to the Articles of Incorporation

1. Reasons for amendments

It is proposed to amend the Articles of Incorporation of the Bank to transition to a “company with an audit & supervisory committee” for the purpose of enhancing corporate value through further enhancement of corporate governance.

Moreover, pursuant to the “Act for Partial Amendment to the Companies Act” (Act No. 90 of 2014), it has become possible for companies to enter into agreement limiting liability with Directors who do not execute business. This is another reason for proposing amendments to the Articles of Incorporation.

The consent of the Audit & Supervisory Board has been obtained for the submission of this proposal.

- (1) In line with the transition to a company with an audit & supervisory committee, provisions concerning the Audit & Supervisory Committee and Audit & Supervisory Committee Members will be added, provisions concerning Audit & Supervisory Board Members and the Audit & Supervisory Board will be removed, and provisions concerning Directors and the Board of Directors will be revised.
- (2) In order to enable the Bank to enter into liability limitation agreements with Directors who do not execute business, provisions concerning liability limitation agreements will be revised.
- (3) In line with the establishment and deletion of the above articles, necessary revisions will be made, such as changing the numbering of the articles.
- (4) The amended Articles of Incorporation will take effect upon conclusion of this Annual General Meeting of Stockholders.

2. Details of amendments

The details of the amendment are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">CHAPTER I. GENERAL PROVISIONS</p> <p>(Organs)</p> <p>Article 4. The Bank shall have the following organs in addition to General Meeting of Stockholders and Directors:</p> <ol style="list-style-type: none"> 1. Board of Directors; <u>2. Audit & Supervisory Board Members;</u> <u>3. Audit & Supervisory Board; and</u> <u>4. Accounting Auditor</u> <p style="text-align: center;">CHAPTER IV. DIRECTORS AND BOARD OF DIRECTORS</p> <p>(Number of Directors)</p> <p>Article 19. The Bank shall have no more than <u>sixteen (16)</u> Directors.</p>	<p style="text-align: center;">CHAPTER I. GENERAL PROVISIONS</p> <p>(Organs)</p> <p>Article 4. The Bank shall have the following organs in addition to General Meeting of Stockholders and Directors:</p> <ol style="list-style-type: none"> 1. Board of Directors; <u>2. Audit & Supervisory Committee;</u> <u>3. Accounting Auditor</u> <p style="text-align: center;">CHAPTER IV. DIRECTORS AND BOARD OF DIRECTORS</p> <p>(Number of Directors)</p> <p>Article 19. The Bank shall have no more than <u>fourteen (14) Directors (excluding Directors serving as Audit & Supervisory Committee Members).</u></p> <p><u>2. The Bank shall have no more than five (5) Directors serving as Audit & Supervisory Committee Members.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>(Election of Directors) Article 20. Directors shall be elected at the General Meeting of Stockholders. Resolutions for the election of Directors shall be adopted by a majority vote of the attending stockholders who hold one-third (1/3) or more of the voting rights of stockholders entitled to exercise voting rights. Resolutions for the election of Directors shall not be by cumulative voting.</p> <p>(Term of Office of Directors) Article 21. The term of office of a Director shall expire upon conclusion of the Annual General Meeting of Stockholders held with respect to the last fiscal year ending within one (1) year from his/her election to office.</p>	<p>(Election of Directors) Article 20. Directors shall be elected at the General Meeting of Stockholders, <u>making distinction between Directors serving as Audit & Supervisory Committee Members and other Directors.</u> Resolutions for the election of Directors shall be adopted by a majority vote of the attending stockholders who hold one-third (1/3) or more of the voting rights of stockholders entitled to exercise voting rights. Resolutions for the election of Directors shall not be by cumulative voting.</p> <p>(Term of Office of Directors etc.) Article 21. The term of office of a Director <u>(excluding Directors serving as Audit & Supervisory Committee Members)</u> shall expire upon conclusion of the Annual General Meeting of Stockholders held with respect to the last fiscal year ending within one (1) year from his/her election to office.</p> <p><u>2. The term of office of an Audit & Supervisory Committee Member shall expire upon conclusion of the Annual General Meeting of Stockholders held with respect to the last fiscal year ending within two (2) years from his/her election to office.</u></p> <p><u>3. The term of office of a Director serving as an Audit & Supervisory Committee Member who was elected as a substitute of the Audit & Supervisory Committee Member who retired before the expiration of his/her term of office shall be the remaining term of office of the retired Audit & Supervisory Committee Member.</u></p> <p><u>4. The resolution concerning election of a Substitute Director serving as an Audit & Supervisory Committee Member pursuant to Article 329, Paragraph 3 of the Companies Act shall be effective until the start of the Annual General Meeting of Stockholders held with respect to the last fiscal year ending within two (2) years from his/her election to office, unless the effective period is shortened by the resolution.</u></p>
<p><u>(Exemption of Election of Director to Fill a Vacancy)</u> <u>Article 22. Even when the position of any Director becomes vacant, the Bank may, by resolution of the Board of Directors, choose not to elect any Director to fill such a vacancy if the vacancy will have no impact on the execution of business and the number of Directors does not fall below that stipulated by laws.</u></p>	<p>(Removed)</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Executive Directors) Article 23. The Bank may, by resolution of the Board of Directors, <u>have</u> one (1) Chairman, one (1) President, one (1) Deputy President, and several Senior Managing Directors and Managing Directors.</p> <p>Article 24. (Omitted)</p> <p>(Representative Directors) Article 25. The President shall represent the Bank. Directors representing the Bank other than the President may be elected by resolution of the Board of Directors of the Bank. Each Director representing the Bank shall represent the Bank severally.</p> <p>(Compensation, etc. of Directors) Article 26. The amount of compensation, bonuses and any other proprietary benefits (<u>hereinafter referred to as “compensation, etc.”</u>) to be granted to Directors by the Bank as consideration for their performance of duty shall be determined by resolution of the General Meeting of Stockholders.</p> <p>(Liability Limitation Agreement with <u>Outside</u> Directors) Article 27. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Bank may enter into an agreement with each of the <u>Outside</u> Directors to the effect that any liability for damages of such <u>Outside</u> Director arising from negligence in the performance of his/her duties shall be limited; provided, however, that the limit of the liability shall be an amount set by laws and regulations.</p> <p>Article 28. (Omitted)</p>	<p>(Executive Directors) Article 22. The Bank may, by resolution of the Board of Directors, <u>elect</u> one (1) Chairman, one (1) President, one (1) Deputy President, and several Senior Managing Directors and Managing Directors <u>from among Directors (excluding Directors serving as Audit & Supervisory Committee Members)</u>.</p> <p>Article 23. (Unchanged)</p> <p>(Representative Directors) Article 24. The President shall represent the Bank. Directors representing the Bank other than the President may be elected <u>from among Directors (excluding Directors serving as Audit & Supervisory Committee Members)</u> by resolution of the Board of Directors of the Bank. Each Director representing the Bank shall represent the Bank severally.</p> <p>(Compensation, etc. of Directors) Article 25. The amount of compensation, bonuses and any other proprietary benefits to be granted to Directors by the Bank as consideration for their performance of duty shall be determined by resolution of the General Meeting of Stockholders, <u>making distinction between Directors serving as Audit & Supervisory Committee Members and other Directors</u>.</p> <p>(Liability Limitation Agreement with Directors) Article 26. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Bank may enter into an agreement with each of the Directors (<u>excluding Executive Directors, etc.</u>) to the effect that any liability for damages of such Director arising from negligence in the performance of his/her duties shall be limited; provided, however, that the limit of the liability shall be an amount set by laws and regulations.</p> <p>Article 27. (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Convocation of the Board of Directors Meeting) Article <u>29</u>. A notice of convocation of a meeting of the Board of Directors of the Bank shall be sent to each Director <u>and Audit & Supervisory Board Member</u> at least four (4) days prior to the meeting; provided, however, that in the event of urgency, such period may be shortened.</p> <p>When the consent of all Directors <u>and Audit & Supervisory Board Members</u> is obtained in advance, a meeting of the Board of Directors of the Bank may be held without following the procedures for convening a meeting.</p> <p>Article <u>30</u>. (Omitted)</p> <p style="text-align: right;">(Newly established)</p> <p style="text-align: center;"><u>CHAPTER V. AUDIT & SUPERVISORY BOARD MEMBERS AND AUDIT & SUPERVISORY BOARD</u></p> <p style="text-align: right;">(Newly established)</p> <p style="text-align: right;">(Newly established)</p>	<p>(Convocation of the Board of Directors Meeting) Article <u>28</u>. A notice of convocation of a meeting of the Board of Directors of the Bank shall be sent to each Director at least four (4) days prior to the meeting; provided, however, that in the event of urgency, such period may be shortened.</p> <p>When the consent of all Directors is obtained in advance, a meeting of the Board of Directors of the Bank may be held without following the procedures for convening a meeting.</p> <p>Article <u>29</u>. (Unchanged)</p> <p><u>(Delegation of Determination of Significant Business Execution)</u> Article <u>30</u>. <u>In accordance with the provisions of Article 399-13, Paragraph 6 of the Companies Act, the Board of Directors may delegate to Directors all or part of determination of significant business execution (excluding matters stated in each Item of Article 399-13, Paragraph 5 of the Companies Act) by resolution of the Board of Directors.</u></p> <p style="text-align: center;"><u>CHAPTER V. AUDIT & SUPERVISORY COMMITTEE</u></p> <p><u>(Audit & Supervisory Committee)</u> Article <u>31</u>. <u>The Audit & Supervisory Committee shall audit execution of duties of the Bank's Directors and prepare audit reports.</u> <u>The matters concerning the Audit & Supervisory Committee shall be governed by the Audit & Supervisory Committee Regulations determined by the Audit & Supervisory Committee.</u></p> <p><u>(Convocation of Meeting of the Audit & Supervisory Committee)</u> Article <u>32</u>. <u>A notice of convocation of a meeting of the Audit & Supervisory Committee of the Bank shall be sent to each Audit & Supervisory Committee Member at least four (4) days prior to the meeting; provided, however, that in the event of urgency, such period may be shortened.</u> <u>When the consent of all Audit & Supervisory Committee Members is obtained in advance, a meeting of the Audit & Supervisory Committee of the Bank may be held without following the procedures for convening a meeting.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">(Newly established)</p>	<p><u>(Standing Audit & Supervisory Committee Members)</u> <u>Article 33. The Audit & Supervisory Committee shall elect by resolution one or more standing Audit & Supervisory Committee Members.</u></p>
<p><u>(Number of Audit & Supervisory Board Members)</u> <u>Article 31. The Bank shall have no more than five (5) Audit & Supervisory Board Members.</u></p>	<p>(Removed)</p>
<p><u>(Election of Audit & Supervisory Board Members)</u> <u>Article 32. Audit & Supervisory Board Members shall be elected at the General Meeting of Stockholders.</u> <u>Resolutions for the election of Audit & Supervisory Board Members shall be adopted by a majority vote of the attending stockholders who hold one-third (1/3) or more of the voting rights of stockholders entitled to exercise voting rights.</u></p>	<p>(Removed)</p>
<p><u>(Term of Office of Audit & Supervisory Board Members)</u> <u>Article 33. The term of office of an Audit & Supervisory Board Member shall expire upon conclusion of the Annual General Meeting of Stockholders held with respect to the last fiscal year ending within four (4) years from his/her election to office.</u> <u>The term of office of an Audit & Supervisory Board Member elected to fill a vacancy shall be the same as the remaining term of office of his/her predecessor.</u></p>	<p>(Removed)</p>
<p><u>(Exemption of Election of Substitute Audit & Supervisory Board Member to Fill a Vacancy)</u> <u>Article 34. Even when the position of any Audit & Supervisory Board Member becomes vacant, the Bank may, by resolution of the Board of Directors, choose not to elect any Audit & Supervisory Board Member to fill such a vacancy if the vacancy will have no impact on the execution of business and the number of Audit & Supervisory Board Members does not fall below that stipulated by laws.</u></p>	<p>(Removed)</p>
<p><u>(Standing Audit & Supervisory Board Members)</u> <u>Article 35. The Audit & Supervisory Board shall elect by resolution one or more standing Audit & Supervisory Board Members.</u></p>	<p>(Removed)</p>
<p><u>(Compensation, etc. of Audit & Supervisory Board Members)</u> <u>Article 36. The amount of compensation, etc. to be granted to Audit & Supervisory Board Members shall be determined by resolution of the General Meeting of Stockholders.</u></p>	<p>(Removed)</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>(Liability Limitation Agreement with Outside Audit & Supervisory Board Members)</u> <u>Article 37. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Bank may enter into an agreement with each of the Audit & Supervisory Board Members to the effect that any liability for damages of such Audit & Supervisory Board Member arising from negligence in the performance of his/her duties shall be limited; provided, however, that the limit of the liability shall be an amount set by laws and regulations.</u></p> <p><u>(Audit & Supervisory Board)</u> <u>Article 38. The Audit & Supervisory Board of the Bank shall determine important matters concerning the execution of duties of Audit & Supervisory Board Members. The matters concerning the Audit & Supervisory Board shall be governed by the Audit & Supervisory Board Regulations determined by the Audit & Supervisory Board of the Bank.</u></p> <p><u>(Convocation of the Audit & Supervisory Board Meeting)</u> <u>Article 39. A notice of convocation of a meeting of the Audit & Supervisory Board of the Bank shall be sent to each Audit & Supervisory Board Member at least four (4) days prior to the meeting; provided, however, that in the event of urgency, such period may be shortened.</u> <u>When the consent of all Audit & Supervisory Board Members is obtained in advance, a meeting of the Audit & Supervisory Board of the Bank may be held without following the procedures for convening a meeting.</u></p>	<p>(Removed)</p> <p>(Removed)</p> <p>(Removed)</p>
<p style="text-align: center;">CHAPTER VI. ACCOUNTS</p> <p>Articles <u>40-43</u> (Omitted)</p>	<p style="text-align: center;">CHAPTER VI. ACCOUNTS</p> <p>Articles <u>34-37</u> (Unchanged)</p>

Proposal No. 4: Election of Fourteen (14) Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)

The terms of office of all the fifteen (15) Directors will expire at the conclusion of this Annual General Meeting of Stockholders.

The Bank will transition to a company with an audit & supervisory committee, provided that Proposal No. 3 “Partial Amendments to the Articles of Incorporation” is approved.

Accordingly, the election of fourteen (14) Directors (excluding Directors serving as Audit & Supervisory Committee Members; hereinafter the same applies in this Proposal) is proposed.

The resolution of this Proposal shall take effect, provided that the amendments to the Articles of Incorporation in Proposal No. 3 “Partial Amendments to the Articles of Incorporation” take effect.

The candidates for directors are as follows.

No.	Name (Date of birth)	Past experience, positions, and responsibilities (Significant concurrent positions)	Number of shares of the Bank held
1	Hiroshi Kamata (Apr. 11, 1941)	<p>Apr. 1965 Joined the Bank</p> <p>Jun. 1991 General Manager, Accounting Div., the Bank</p> <p>Jun. 1992 General Manager, Planning Div., the Bank</p> <p>Jun. 1993 Director and General Manager, Planning Div., the Bank</p> <p>Jun. 1995 Director and General Manager, Head Office Business Div., the Bank</p> <p>Jun. 1997 Managing Director, the Bank</p> <p>Jun. 2001 Senior Managing Director, the Bank</p> <p>Jun. 2002 Representative Director and Deputy President, the Bank</p> <p>Jun. 2005 Representative Director and President, the Bank</p> <p>Jun. 2010 Representative Director and Chairman, the Bank (current position)</p> <p>(Significant concurrent positions) Chairman, Sendai Chamber of Commerce and Industry Outside Director (Audit & Supervisory Committee Member), TOYO KNIFE CO., LTD.</p>	156,645 shares
<p>(Reasons for selection as a candidate for Director)</p> <p>Based on his long experience in financial operations and successful track record of exercising leadership in management of the Bank as a Director since June 1993 and as a Representative Director since June 2002, the Bank believes that Mr. Hiroshi Kamata has knowledge and experience that enable him to precisely, fairly and efficiently perform management oversight and has sufficient social credibility, and thus selected him as a candidate for Director.</p>			

No.	Name (Date of birth)	Past experience, positions, and responsibilities (Significant concurrent positions)	Number of shares of the Bank held
2	Teruhiko Ujii (Aug. 29, 1946)	<p>Apr. 1969 Joined The Industrial Bank of Japan, Limited</p> <p>Aug. 1992 Associate Director-General, Related Business Department, The Industrial Bank of Japan, Limited</p> <p>Jun. 1993 Director and General Manager, Business Development Div., the Bank</p> <p>Jun. 1995 Director and General Manager, Business Promotion Div., the Bank</p> <p>Jun. 1997 Director and General Manager, Head Office Business Div., the Bank</p> <p>Jun. 1998 Managing Director and General Manager, Head Office Business Div., the Bank</p> <p>Jun. 1999 Managing Director and General Manager, Investigation Div., the Bank</p> <p>Mar. 2000 Managing Director, the Bank</p> <p>Jun. 2002 Senior Managing Director, the Bank</p> <p>Jun. 2005 Representative Director and Deputy President, the Bank</p> <p>Jun. 2010 Representative Director and President, the Bank (current position)</p> <p>(Responsibilities) Audit & Inspection Div.</p> <p>(Significant concurrent positions) Outside Audit & Supervisory Board Member, TOHOKU STEEL CO., LTD.</p>	869,921 shares
<p>(Reasons for selection as a candidate for Director)</p> <p>Based on his long experience in financial operations and successful track record of exercising leadership in management of the Bank as a Director since June 1993 and as a Representative Director since June 2005, the Bank believes that Mr. Teruhiko Ujii has knowledge and experience that enable him to precisely, fairly and efficiently perform management oversight and has sufficient social credibility, and thus selected him as a candidate for Director.</p>			
3	Hidefumi Kobayashi (Sep. 22, 1957)	<p>Apr. 1981 Joined the Bank</p> <p>Mar. 2000 General Manager, Izumichuo Branch, the Bank</p> <p>Mar. 2002 Manager, Retail Business Dept., Retail Business Div., the Bank</p> <p>Jun. 2004 Manager, Tokyo Liaison Office, the Bank</p> <p>Jun. 2006 General Manager, Treasury Div., the Bank</p> <p>Jun. 2008 General Manager, General Planning & Coordination Div., the Bank</p> <p>Jun. 2010 Director and General Manager, General Planning & Coordination Div., the Bank</p> <p>Jun. 2013 Director and General Manager, Head Office Business Div., the Bank</p> <p>Jun. 2014 Managing Director and General Manager, Head Office Business Div., the Bank</p> <p>Jun. 2015 Managing Director, the Bank</p> <p>May 2016 Managing Director, the Bank</p> <p>Jun. 2016 General Manager, Ishinomaki Branch and Minato Branch (current position)</p> <p>(Responsibilities) General Planning & Coordination Div., Risk Management Div.</p>	20,000 shares
<p>(Reasons for selection as a candidate for Director)</p> <p>After serving as General Manager of the Bank's branches and General Manager of the General Planning & Coordination Div., Mr. Hidefumi Kobayashi was appointed Director in June 2010. Ever since, he has been mainly responsible for the Planning Div. and has been performing management oversight precisely, fairly and efficiently. The Bank believes that he also has sufficient social credibility and thus selected him as a candidate for Director.</p>			

No.	Name (Date of birth)	Past experience, positions, and responsibilities (Significant concurrent positions)	Number of shares of the Bank held	
4	Makoto Igarashi (Mar. 18, 1957)	Apr. 1980	Joined the Bank	23,000 shares
		Sep. 2000	General Manager, Onahama Branch, the Bank	
Jun. 2002	General Manager, Bashonotsuji Branch, the Bank			
Jun. 2004	General Manager, Shiroishi Branch, the Bank			
Jun. 2005	General Manager, General Affairs Div., the Bank			
Jun. 2006	General Manager, Personnel Div., the Bank			
Jun. 2009	Director and General Manager, Tokyo Branch, the Bank			
Jun. 2012	Director and General Manager, Business Promotion Div., the Bank			
Jun. 2013	Managing Director, the Bank (current position)			
(Responsibilities) Business Promotion Div., Corporate & Retail Banking Div., Mortgage Loan Div.				
(Reasons for selection as a candidate for Director) After serving as General Manager of the Bank's branches and General Manager of the Personnel Div., Mr. Makoto Igarashi was appointed Director in June 2009. Ever since, he has been mainly responsible for the Business Promotion Div. and has been performing management oversight precisely, fairly and efficiently. The Bank believes that he also has sufficient social credibility and thus selected him as a candidate for Director.				
5	Takeshi Takahashi (Oct. 17, 1957)	Apr. 1981	Joined the Bank	6,000 shares
		Mar. 2002	General Manager, Minato Branch, the Bank	
Mar. 2004	General Manager, Osaka Branch, the Bank			
Jun. 2006	General Manager, Shiogama Branch, the Bank			
Jun. 2008	General Manager, Credit Supervision Div., the Bank			
Jun. 2011	Director and General Manager, Credit Supervision Div., the Bank			
Jun. 2012	Director and General Manager, Ishinomaki Branch, the Bank			
Mar. 2013	Director and General Manager, Ishinomaki Branch and Minato Branch, the Bank			
Jun. 2014	Director, Executive Officer and General Manager, Ishinomaki Branch and Minato Branch, the Bank			
Jun. 2015	Director, Executive Officer and General Manager, Head Office Business Div., the Bank			
Jun. 2016	Managing Director, the Bank (current position)			
(Responsibilities) Regional Development Promotion Div., Treasury Div.				
(Reasons for selection as a candidate for Director) After serving as General Manager of the Bank's branches and General Manager of the Credit Supervision Div., Mr. Takeshi Takahashi was appointed Director in June 2011. Ever since, he has been mainly responsible for the Regional Development Promotion Div. and has been performing management oversight precisely, fairly and efficiently. The Bank believes that he also has sufficient social credibility and thus selected him as a candidate for Director.				

No.	Name (Date of birth)	Past experience, positions, and responsibilities (Significant concurrent positions)	Number of shares of the Bank held	
6	Masakatsu Tsuda (Jul. 3, 1956)	Apr. 1981	Joined the Bank	16,000 shares
		Mar. 2003	General Manager, Wakuya Branch, the Bank	
		Mar. 2005	General Manager, Nagoya Branch, the Bank	
		Jun. 2007	General Manager, Nakakecho Branch, the Bank	
		Jun. 2009	General Manager, Personnel Div., the Bank	
		Jun. 2011	Director and General Manager, Personnel Div. and General Manager, Affected People Support Office, the Bank	
		Jun. 2014	Director, Executive Officer and General Manager, Personnel Div., the Bank	
		Jun. 2016	Managing Director, General Manager, Personnel Div., the Bank (current position)	
		(Responsibilities) Compliance Management Div., Personnel Div.		
(Reasons for selection as a candidate for Director) After serving as General Manager of the Bank's branches and General Manager of the Personnel Div., Mr. Masakatsu Tsuda was appointed Director in June 2011. Ever since, he has been mainly responsible for the Personnel Div. and has been performing management oversight precisely, fairly and efficiently. The Bank believes that he also has sufficient social credibility and thus selected him as a candidate for Director.				
7	Toshimi Homareda (Apr. 2, 1958)	Apr. 1982	Joined the Bank	12,000 shares
		Mar. 2004	General Manager, Tsurugaya Branch, the Bank	
		Jun. 2005	General Manager, Ogawara Branch, the Bank	
		Jun. 2006	General Manager, Miyamachi Branch, the Bank	
		Jun. 2008	General Manager, Treasury Administration & International Div., the Bank	
		Jun. 2012	Director and General Manager, Tokyo Branch, the Bank	
		Jun. 2014	Director, Executive Officer and General Manager, Audit & Inspection Div., the Bank (current position)	
(Reasons for selection as a candidate for Director) After serving as General Manager of the Bank's branches and General Manager of the Treasury Administration & International Div., Mr. Toshimi Homareda was appointed Director in June 2012 and Director and Executive Officer in June 2014. Ever since, serving as General Manager of the Audit & Inspection Div., he has been performing management oversight precisely, fairly and efficiently. The Bank believes that he also has sufficient social credibility and thus selected him as a candidate for Director.				

No.	Name (Date of birth)	Past experience, positions, and responsibilities (Significant concurrent positions)		Number of shares of the Bank held
8	Toru Sugawara (Dec. 21, 1959)	Apr. 1983	Joined the Bank	13,000 shares
		Jun. 2003	General Manager, Ogimachi Branch, the Bank	
		Jun. 2005	General Manager, Kitasendai Branch, the Bank	
		Jun. 2006	General Manager, Osaka Branch, the Bank	
		Jun. 2008	Deputy General Manager, System Development Div., the Bank	
		Jun. 2009	General Manager, System Development Div., the Bank	
		Jun. 2013	Director and General Manager, System Development Div., the Bank	
		Jun. 2014	Director, Executive Officer and General Manager, System Development Div., the Bank (current position)	
(Reasons for selection as a candidate for Director) After serving as General Manager of the Bank's branches and General Manager of the System Development Div., Mr. Toru Sugawara was appointed Director in June 2013 and Director and Executive Officer in June 2014. Ever since, serving as General Manager of the System Development Div., he has been performing management oversight precisely, fairly and efficiently. The Bank believes that he also has sufficient social credibility and thus selected him as a candidate for Director.				
9	Koichi Suzuki (Feb. 26, 1962)	Apr. 1984	Joined the Bank	7,000 shares
		Mar. 2005	General Manager, Wakuya Branch, the Bank	
		Sept. 2007	General Manager, Masuda Branch, the Bank	
		Jun. 2009	General Manager, General Affairs Div., the Bank	
		Jun. 2013	General Manager, Business Promotion Div., the Bank	
		Jun. 2014	Executive Officer and General Manager, Business Promotion Div., the Bank	
		Jun. 2015	Director, Executive Officer and General Manager, Oroshimachi Branch, the Bank (current position)	
(Reasons for selection as a candidate for Director) After serving as General Manager of the Bank's branches and General Manager of the Business Promotion Div., Mr. Koichi Suzuki was appointed Executive Officer in June 2014 and Director and Executive Officer in June 2015. Ever since, serving as General Manager of the Oroshimachi Branch, he has been performing management oversight precisely, fairly and efficiently. The Bank believes that he also has sufficient social credibility and thus selected him as a candidate for Director.				
10	Atsushi Shito (Feb. 7, 1962)	Apr. 1985	Joined the Bank	12,000 shares
		Jun. 2005	General Manager, Secretariat, the Bank	
		Jun. 2008	General Manager, Fukushima Branch, the Bank	
		Jun. 2010	General Manager, Izumi Branch, the Bank	
		Jun. 2012	General Manager, Treasury Administration & International Div., the Bank	
		Jun. 2014	Executive Officer and General Manager, Tokyo Branch, the Bank	
		Jun. 2016	Director, Executive Officer and General Manager, Head Office Business Div., the Bank (current position)	
(Reasons for selection as a candidate for Director) After serving as General Manager of the Bank's branches and General Manager of the Treasury Administration & International Div., Mr. Atsushi Shito was appointed Executive Officer in June 2014 and Director and Executive Officer in June 2016. Ever since, serving as General Manager of the Head Office Business Div., he has been performing management oversight precisely, fairly and efficiently. The Bank believes that he also has sufficient social credibility and thus selected him as a candidate for Director.				

No.	Name (Date of birth)	Past experience, positions, and responsibilities (Significant concurrent positions)	Number of shares of the Bank held	
11	Yoshikazu Onodera (Mar. 19, 1962)	Apr. 1985	Joined the Bank	6,000 shares
		Sep. 2007	General Manager, Hachimanmachi Branch, the Bank	
Mar. 2009	General Manager, Yoshioka Branch, the Bank			
Jun. 2011	General Manager, Operations Management Div., the Bank			
Jun. 2013	General Manager, General Planning & Coordination Div., the Bank			
Jun. 2014	Executive Officer and General Manager, General Planning & Coordination Div., the Bank			
Jun. 2016	Director, Executive Officer and General Manager, Ishinomaki Branch and Minato Branch, the Bank (current position)			
(Reasons for selection as a candidate for Director) After serving as General Manager of the Bank's branches and General Manager of the General Planning & Coordination Div., Mr. Yoshikazu Onodera was appointed Executive Officer in June 2014 and Director and Executive Officer in June 2016. Ever since, serving as General Manager of Ishinomaki Branch and Minato Branch, he has been performing management oversight precisely, fairly and efficiently. The Bank believes that he also has sufficient social credibility and thus selected him as a candidate for Director.				
12	*Kenji Kikuchi (Dec. 2, 1961)	Apr. 1985	Joined the Bank	4,000 shares
		Sep. 2007	General Manager, Watari Branch, the Bank	
Jun. 2009	General Manager, Koriyama Branch, the Bank			
Jun. 2011	Deputy General Manager, Personnel Div., the Bank			
Jun. 2012	General Manager, Ichibancho Branch, the Bank			
Mar. 2014	General Manager, Corporate & Retail Banking Div., the Bank			
Jun. 2015	Executive Officer and General Manager, Business Promotion Div., the Bank (current position)			
(Reasons for selection as a candidate for Director) Based on his wealth of business experience gained through his service as General Manager of the Bank's branches and General Manager of the Corporate & Retail Banking Div., Mr. Kenji Kikuchi has been participating in management as Executive Officer since June 2015. If he is appointed Director, he is expected to contribute to the Bank's business development. The Bank believes that he also has sufficient social credibility and thus selected him as a candidate for Director.				
13	Masahiro Sugita (Oct. 20, 1944)	Apr. 1967	Joined the Bank of Japan	2,000 shares
		May 1996	General Manager, International Dept., the Bank of Japan	
Jun. 1998	Director, Research Institute of Overseas Investment, the Export-Import Bank of Japan			
Sep. 1999	Auditor, the Bank of Japan			
Dec. 2003	Standing Audit & Supervisory Board Member, Banyu Pharmaceutical Co., Ltd. (currently MSD K.K.)			
Jun. 2006	Director, Horiba, Ltd. (current position)			
Jun. 2007	Audit & Supervisory Board Member, the Bank			
Oct. 2009	Standing Audit & Supervisory Board Member, Banyu Pharmaceutical Co., Ltd. (currently MSD K.K.)			
Jun. 2013	Director, the Bank (current position)			
	(Significant concurrent positions) Outside Director, Horiba, Ltd.			
(Reasons for selection as a candidate for Director) As Mr. Masahiro Sugita has a wealth of specialized knowledge and practical experience mainly in the financial field, the Bank believes that he is suitable for the position of Outside Director of the Bank and selected him as a candidate for Director.				

No.	Name (Date of birth)	Past experience, positions, and responsibilities (Significant concurrent positions)	Number of shares of the Bank held
14	Ken Nakamura (Jan. 7, 1948)	Apr. 1974 Registered as Attorney-at-Law (Sendai Bar Association) Sep. 1977 Opened Nakamura Ken Law Office (current position) Jun. 1996 Audit & Supervisory Board Member, KOHSOKU CORPORATION Nov. 2004 Audit & Supervisory Board Member, HOKUSHU Co., Ltd. (current position) Jun. 2007 Audit & Supervisory Board Member, the Bank Jun. 2013 Director, KOHSOKU CORPORATION Jun. 2015 Director, the Bank (current position) Jun. 2016 Director (Audit & Supervisory Committee Member), KOHSOKU CORPORATION (current position) (Significant concurrent positions) Attorney-at-Law Outside Director (Audit & Supervisory Committee Member), KOHSOKU CORPORATION	6,000 shares
(Reasons for selection as a candidate for Director) As Mr. Ken Nakamura has insight and experience gained through his long career as an attorney-at-law, the Bank believes that he is suitable for the position of Outside Director of the Bank and selected him as a candidate for Director.			

(Notes) 1. * indicates new candidates.

2. There is no special interest relationship between the candidates and the Bank.
3. Mr. Masahiro Sugita and Mr. Ken Nakamura are candidates for Outside Director. The Bank designated Mr. Masahiro Sugita and Mr. Ken Nakamura as independent directors as defined by the Tokyo Stock Exchange and the Sapporo Securities Exchange and notified them of the designation.
4. Mr. Masahiro Sugita will have served as an Outside Director of the Bank for four years and Mr. Ken Nakamura will have served as an Outside Director for two years at the conclusion of this Annual General Meeting of Stockholders.
5. Mr. Masahiro Sugita is a business partner of the Bank. The nature of the transactions is ordinary banking transactions as an individual depositor and it is deemed not to have any impact on the decisions of stockholders and investors, and thus, description of the outline of the transactions is omitted.
Mr. Masahiro Sugita retired from the office of Audit & Supervisory Board Member of MSD K.K. in April 2017.
6. Mr. Ken Nakamura and Nakamura Ken Law Office are business partners of the Bank. The nature of the transactions with the Bank is ordinary banking transactions as individual depositors and it is deemed not to have any impact on the decisions of stockholders and investors, and thus, description of the outline of the transactions is omitted.
7. If election of candidates for Outside Director Mr. Masahiro Sugita and Mr. Ken Nakamura is approved as proposed, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Bank plans to continue with the agreement limiting liability that has been concluded with Mr. Masahiro Sugita and Mr. Ken Nakamura, which limits their liability as Outside Directors of the Bank for damages arising from neglect of their duties to the minimum liability amount stipulated by laws and regulations.

Proposal No. 5: Election of Five (5) Directors Serving as Audit & Supervisory Committee Members

The Bank will transition to a company with an audit & supervisory committee, provided that Proposal No. 3 “Partial Amendments to the Article of Incorporation” is approved and the terms of office of all four (4) Audit & Supervisory Board Members will expire at the conclusion of this Annual General Meeting of Stockholders. Accordingly, the election of five (5) Directors serving as Audit & Supervisory Committee Members is proposed.

The resolution of this Proposal shall take effect, provided that the amendments to the Articles of Incorporation in Proposal No. 3 “Partial Amendments to the Articles of Incorporation” take effect.

The candidates for Directors serving as Audit & Supervisory Committee Members are as follows.

No.	Name (Date of birth)	Past experience and positions (Significant concurrent positions)	Number of shares of the Bank held
1	*Yoshiaki Nagayama (May 15, 1947)	Apr. 1971 Joined the Bank Jun. 1993 General Manager, New York Branch, the Bank Jun. 1995 General Manager, International Div., the Bank Jun. 1997 Director and General Manager, Business Promotion Div., the Bank Jun. 1999 Director and General Manager, Tokyo Branch, the Bank Apr. 2001 Director and General Manager, General Planning & Coordination Div., the Bank Jun. 2003 Managing Director, the Bank Nov. 2003 Managing Director and General Manager, International Div., the Bank Jun. 2004 Managing Director, the Bank Jun. 2006 Senior Managing Director, the Bank Jun. 2008 Representative Director and Senior Managing Director, the Bank Jun. 2010 Representative Director and Deputy President, the Bank (current position) (Significant concurrent positions) Outside Audit & Supervisory Board Member, Karula Co., Ltd.	54,500 shares
(Reasons for selection as a candidate for Director) Based on his long experience in financial operations and successful track record of exercising leadership in management of the Bank as a Director since June 1997 and as a Representative Director since June 2008, the Bank believes that Mr. Yoshiaki Nagayama has knowledge and experience that enable him to precisely, fairly and efficiently audit the performance of duties of the Bank’s Directors and has sufficient social credibility, and thus selected him as a candidate for Director serving as an Audit & Supervisory Committee Member.			

No.	Name (Date of birth)	Past experience and positions (Significant concurrent positions)	Number of shares of the Bank held	
2	*Shuji Nakamura (Mar. 6, 1958)	Apr. 1980	Joined the Bank	10,000 shares
		Jun. 2004	General Manager, Akita Branch, the Bank	
Mar. 2007	Deputy General Manager, General Planning & Coordination Div., the Bank			
Jun. 2008	General Manager, Nihonbashi Branch, the Bank			
Mar. 2011	General Manager, Ichibancho Branch, the Bank			
Jun. 2012	Standing Audit & Supervisory Board Member, the Bank (current position)			
(Reasons for selection as a candidate for Director) After serving as General Manager of the Bank's branches, Mr. Shuji Nakamura was appointed Standing Audit & Supervisory Board Member in June 2012. The Bank believes that he has knowledge and experience that enable him to precisely, fairly and efficiently audit the performance of duties by the Bank's Directors and has sufficient social credibility, and thus selected him as a candidate for Director serving as an Audit & Supervisory Committee Member.				
3	*Toshio Suzuki (Sep. 29, 1947)	Apr. 1970	Joined Tohoku Electric Power Co. Inc.	4,000 shares
		Jun. 2001	Deputy Director and General Manager, Human Resources Division, Tohoku Electric Power Co. Inc.	
		Jun. 2005	Director and General Manager, Human Resources Division, Tohoku Electric Power Co. Inc.	
		Jun. 2006	Director and General Manager, Miyagi Branch, Tohoku Electric Power Co. Inc.	
		Jun. 2007	Senior Executive Officer and General Manager, Miyagi Branch, Tohoku Electric Power Co. Inc.	
		Jun. 2009	Standing Statutory Auditor, Tohoku Electric Power Co. Inc.	
		Jun. 2010	Corporate Auditor, The Daishi Bank, Ltd.	
		Jun. 2013	Audit & Supervisory Board Member, the Bank (current position)	
		Jun. 2013	Chairman and Representative Director, Tohoku Intelligent Telecommunication Co., Inc.	
		Jun. 2015	Advisor, Tohoku Intelligent Telecommunication Co., Inc.	
(Reasons for selection as a candidate for Director) Mr. Toshio Suzuki has a wealth of successful track record gained through his service as a Director and an Audit & Supervisory Board Member of a listed utility company as well as practical experience as an Outside Audit & Supervisory Board Member of a regional bank. The Bank believes that he has knowledge and experience that enable him to precisely, fairly and efficiently audit the performance of duties by Directors of a bank and has sufficient social credibility, and thus selected him as a candidate for Director serving as an Audit & Supervisory Committee Member.				

No.	Name (Date of birth)	Past experience and positions (Significant concurrent positions)	Number of shares of the Bank held
4	*Masai Yamaura (Mar. 15, 1950)	Oct. 1973 Joined the Sendai City Government	2,000 shares
		Sep. 2005 Vice Mayor, Sendai City	
Apr. 2006 Chief Director, Sendai Green Association			
Jun. 2007 President and Representative Director, Sendai Software Center Co., Ltd.			
Jun. 2008 Auditor, Sendai Meat Wholesale Market Co., Ltd. (current position)			
Apr. 2014 Chairman, Sendai Council of Social Welfare (current position)			
		Jun. 2015 Audit & Supervisory Board Member, the Bank (current position)	
(Reasons for selection as a candidate for Director) Mr. Masai Yamaura has experience of involvement in corporate management as well as a wealth of experience and wide-ranging knowledge gained through his involvement in local administration for many years. The Bank believes that he has knowledge and experience that enable him to precisely, fairly and efficiently audit the performance of duties by Directors of a bank and has sufficient social credibility, and thus selected him as a candidate for Director serving as an Audit & Supervisory Committee Member.			
5	*Masahiro Wako (Jan. 18, 1951)	Apr. 1975 Joined the Miyagi Prefectural Government	0 shares
		Jul. 2010 Vice Governor, Miyagi Prefecture	
(Reasons for selection as a candidate for Director) Mr. Masahiro Wako has a wealth of experience and wide-ranging knowledge gained through his involvement in local administration for many years. The Bank believes that he has knowledge and experience that enable him to precisely, fairly and efficiently audit the performance of duties by Directors of a bank and has sufficient social credibility, and thus selected him as a candidate for Director serving as an Audit & Supervisory Committee Member.			

(Notes) 1. * indicates new candidates.

2. There is no special interest relationship between the candidates and the Bank.
3. Mr. Toshio Suzuki, Mr. Masai Yamaura, and Mr. Masahiro Wako are candidates for Outside Directors. The Bank designated Mr. Toshio Suzuki and Mr. Masai Yamaura as independent directors as defined by the Tokyo Stock Exchange and the Sapporo Securities Exchange and notified them of the designation. The Bank intends to designate Mr. Masahiro Wako as an independent director as defined by the Tokyo Stock Exchange and the Sapporo Securities Exchange and notify them of the designation.
4. Mr. Toshio Suzuki is a business partner of the Bank. The nature of the transactions of Mr. Toshio Suzuki with the Bank is ordinary banking transactions as an individual depositor and it is deemed not to have any impact on the decisions of stockholders and investors, and thus, description of the outline of the transactions is omitted.
5. Mr. Toshio Suzuki used to work for Tohoku Electric Power Co. Inc., which has transactions with the Bank, including deposits and loans. However, the nature of the transactions between the Bank and Tohoku Electric Power Co. Inc. is ordinary banking transactions and it is deemed not to have any impact on the decisions of stockholders and investors, and thus, description of the outline of their transactions is omitted. Although Tohoku Electric Power Co. Inc. is a stockholder of the Bank, the percentage of voting rights it holds is 2.30% as of March 31, 2017 and the Bank judges that there is no concern about his independence.
6. Mr. Masai Yamaura and Sendai Council of Social Welfare, where he serves as the Chairman, are business partners of the Bank. The nature of the transactions of Mr. Masai Yamaura with the Bank is ordinary banking transactions as an individual depositor and it is deemed not to have any impact on the decisions of stockholders and investors, and thus, description of the outline of the transactions is omitted. The transactions of Sendai Council of Social Welfare with the Bank include deposits. However, the nature of the transactions between the Bank and Sendai Council of Social Welfare is ordinary banking transactions and it is deemed not to have any impact on the decisions of stockholders and investors, and thus, description of the outline of the transactions is omitted.
7. Mr. Masai Yamaura used to work for Sendai City and Sendai Software Center Co., Ltd., which are business partners of the Bank. The Bank is a designated financial institution designated by Sendai City and handles administrative tasks of collection and payment of public funds and the transactions of Sendai City with the Bank include deposits and loans. In light of the nature of the transactions, it is deemed not to have any impact on the decisions of stockholders and investors,

- and thus, description of the outline of the transactions is omitted. Sendai Software Center Co., Ltd. was established by joint investment by public and private sectors for the purpose of promoting informatization of local regions and promoting local industry and the Bank has a 2.15% equity stake in Sendai Software Center Co., Ltd. The transactions of Sendai Software Center Co., Ltd. with the Bank include deposits and loans. However, the nature of the transactions between the Bank and Sendai Software Center Co., Ltd. is ordinary banking transactions and it is deemed not to have any impact on the decisions of stockholders and investors, and thus, description of the outline of the transactions is omitted.
8. Senior Managing Director Mr. Tetsuya Fujishiro serves as an Outside Director of Sendai Software Center Co., Ltd. and thus, the Bank and Sendai Software Center Co., Ltd. have relationships of interlocking outside officers. However, this will not affect the independence of Mr. Masai Yamaura as an Outside Director.
 9. Mr. Masahiro Wako is a business partner of the Bank. The nature of the transactions of Mr. Masahiro Wako with the Bank is ordinary banking transactions as an individual depositor and it is deemed not to have any impact on the decisions of stockholders and investors, and thus, description of the outline of the transactions is omitted.
 10. Mr. Masahiro Wako used to work for the Miyagi Prefectural Government, which is a business partner of the Bank. The Bank is a financial institution designated by Miyagi Prefectural Government and handles administrative tasks of collection and payment of public funds and the transactions of Miyagi Prefectural Government with the Bank include deposits and loans. In light of the nature of the transactions, it is deemed not to have any impact on the decisions of stockholders and investors, and thus, description of the outline of the transactions is omitted.
 11. Mr. Masahiro Wako is scheduled to assume office as the President of the Miyagi Organization for Industry Promotion at the meeting of its Board of Directors to be held in June 2017. The Miyagi Organization for Industry Promotion has transactions with the Bank, including deposits and loans. However, the nature of the transactions between the Bank and the Miyagi Organization for Industry Promotion is ordinary banking transactions and it is deemed not to have any impact on the decisions of stockholders and investors, and thus, description of the outline of their transactions is omitted.
 12. Mr. Masahiro Wako is scheduled to assume office as the President and Representative Director of TECHNO PLAZA Miyagi, Inc. at its Annual General Meeting of Stockholders to be held in June 2017. TECHNO PLAZA Miyagi, Inc. is an enterprise established by joint investment of the public sector and the private sector for the purpose of developing industry in the region through support of enterprises and the Bank has a 3.45% stake in it. TECHNO PLAZA Miyagi, Inc. has transactions with the Bank, including deposits. However, the nature of transactions between the Bank and TECHNO PLAZA Miyagi, Inc. is ordinary banking transactions and it is deemed not to have any impact on the decisions of stockholders and investors, and thus, description of the outline of the transactions is omitted.
 13. At TECHNO PLAZA Miyagi, Inc., a former officer of the Bank serves as an outside director. If Mr. Masahiro Wako assumes office as the Bank's Outside Director, the Bank and TECHNO PLAZA Miyagi, Inc. will have relationships of interlocking outside officers. However, this will not affect the independence of Mr. Masahiro Wako as an Outside Director.
 14. Although Mr. Masahiro Wako has never been directly involved in corporate management, he has a wealth of experience and wide-ranging knowledge gained through his involvement in local administration for many years. Therefore, it is the Bank's judgment that he is suitable for the position of Outside Director of the Bank and capable of appropriately fulfilling his duties as an Outside Director of the Bank.
 15. Mr. Toshio Suzuki will have served as an Outside Audit & Supervisory Board Member of the Bank for four years and Mr. Masai Yamaura will have served as an Outside Audit & Supervisory Board Member of the Bank for two years at the conclusion of this Annual General Meeting of Stockholders.
 16. If election of candidates for Outside Director Mr. Toshio Suzuki, Mr. Masai Yamaura, and Mr. Masahiro Wako as Directors serving as Audit & Supervisory Committee Members is approved as proposed, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Bank plans to conclude liability limitation agreements with them, which limit their liability as Outside Directors of the Bank for damages arising from neglect of their duties to the minimum liability amount stipulated by laws and regulations.

Proposal No. 6: Election of One (1) Substitute Director Serving as an Audit & Supervisory Committee Member

The Bank will transition to a company with an audit & supervisory committee, provided that Proposal No. 3 “Partial Amendments to the Articles of Incorporation” is approved.

Accordingly, in order to ensure that the number of incumbent Directors serving as Audit & Supervisory Committee Members does not fall short of that required by laws and regulations, pursuant to the provisions of Article 329, Paragraph 3 of the Companies Act, the election of one (1) substitute Director serving as an Audit & Supervisory Committee Member is proposed.

The resolution of this Proposal shall take effect, provided that the amendments to the Articles of Incorporation in Proposal No. 3 “Partial Amendments to the Articles of Incorporation” take effect.

The candidate for a substitute Director serving as an Audit & Supervisory Committee Member is as follows.

Name (Date of birth)	Past experience and positions (Significant concurrent positions)	Number of shares of the Bank held
*Yusuke Ishii (Apr. 2, 1974)	Oct. 2000 Registered as Attorney-at-Law (Tokyo Bar Association) Joined Mori Sogo Law Firm (currently Mori Hamada & Matsumoto Law Firm) (current position) (Significant concurrent positions) Attorney-at-law	0 shares
<p>(Reasons for selection as a candidate for substitute Director serving as an Audit & Supervisory Committee Member)</p> <p>Mr. Yusuke Ishii has profound insight and experience as an attorney-at-law for many years. Therefore, the Bank believes that he is suitable for the position of a substitute Director serving as an Audit & Supervisory Committee Member and thus selected him as a candidate for substitute Director serving as an Audit & Supervisory Committee Member.</p>		

(Notes) 1. * indicates a new candidate.

2. The Bank receives legal services from other attorneys-at-law who belong to the Mori Hamada & Matsumoto Law Firm to which Mr. Yusuke Ishii belongs. However, the amount of transactions is insignificant and it is deemed not to have any impact on the decisions of stockholders and investors, and thus, description of the outline of the transactions is omitted.
3. Mr. Yusuke Ishii is a candidate for substitute Outside Director serving as an Audit & Supervisory Committee Member.
4. Although Mr. Yusuke Ishii has never been directly involved in corporate management, he has profound insight and experience as an attorney-at-law for many years. Therefore, it is the Bank’s judgment that he is capable of appropriately fulfilling his duties, if he assumes office as Outside Director serving as an Audit & Supervisory Committee Member of the Bank.
5. If Mr. Yusuke Ishii assumes office as Director serving as an Audit & Supervisory Committee Member, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Bank plans to conclude an agreement limiting liability with him, which limits his liability as an Outside Director to the Bank for damages arising from neglect of his duties to the minimum liability amount stipulated by laws and regulations.

Proposal No. 7: Establishment of Limit of Compensation for Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)

The Bank will transition to a company with an audit & supervisory committee, provided that Proposal No. 3 “Partial Amendments to the Articles of Incorporation” is approved.

Accordingly, in accordance with the provisions of Article 361, Paragraph 1 and Paragraph 2 of the Companies Act, the Bank proposes to discontinue the current compensation for Directors and set the maximum amount of compensation for Directors (excluding Directors serving as Audit & Supervisory Committee Members; hereinafter the same applies within this Proposal) at 270 million yen per year as “base compensation” (including 15 million yen for Outside Directors), which is compensation of a fixed amount paid at fixed intervals, and 90 million yen per year as “performance-linked monetary compensation,” taking into consideration the economic climate and other circumstances.

The “performance-linked monetary compensation” shall be linked to the level of net income.

Compensation for Outside Directors shall solely consist of “base compensation,” and the base compensation and performance-linked monetary compensation for Directors concurrently serving as employees shall not include the employee portion of the salaries (bonuses).

The Bank intends to obtain the approval of the compensation limit proposed in this agenda separately from the performance-linked stock compensation proposed in Proposal No. 9.

The current number of Directors is fifteen (15) (including two (2) Outside Directors). If Proposal No. 3, “Partial Amendments to the Articles of Incorporation,” and Proposal No. 4, “Election of Fourteen (14) Directors (Excluding Directors Serving as Audit & Supervisory Committee Members),” are approved as originally proposed, the number of Directors will be fourteen (14) (including two (2) Outside Directors).

The resolution of this Proposal shall take effect, provided that the amendments to the Articles of Incorporation in Proposal No. 3 “Partial Amendments to the Articles of Incorporation” take effect.

Proposal No. 8: Establishment of Limit of Compensation for Directors Serving as Audit & Supervisory Committee Members

The Bank will transition to a company with an audit & supervisory committee, provided that Proposal No. 3 “Partial Amendments to the Articles of Incorporation” is approved.

Accordingly, in accordance with the provisions of Article 361, Paragraph 1 and Paragraph 2 of the Companies Act, the Bank proposes to set the maximum amount of “base compensation,” which is compensation of a fixed amount paid at fixed intervals, for Directors serving as Audit & Supervisory Committee Members at 80 million yen per year, taking into consideration the economic climate and other circumstances.

Compensation for Directors serving as Audit & Supervisory Committee Members shall solely consist of “base compensation.”

If Proposal No. 3, “Partial Amendments to the Articles of Incorporation,” and Proposal No. 5, “Election of Five (5) Directors Serving as Audit & Supervisory Committee Members,” are approved as originally proposed, the number of Directors serving as Audit & Supervisory Committee Members will be five (5).

The resolution of this Proposal shall take effect, provided that the amendments to the Articles of Incorporation in Proposal No. 3 “Partial Amendments to the Articles of Incorporation” take effect.

Proposal No. 9: Determination of the Amounts and Details of Performance-linked Stock Compensation for Executive Directors

1. Reasons for the proposal and reasons the compensation is appropriate

The Bank will transition to a company with an audit & supervisory committee, provided that Proposal No. 3 “Partial Amendments to the Articles of Incorporation” is approved.

At present, the compensation of Directors of the Bank (excluding Outside Directors) comprises “monthly compensation,” “bonuses,” and “stock compensation-type stock options,” but as a new stock compensation plan replacing the “stock compensation-type stock options,” the Bank proposes the introduction of “performance-linked stock compensation” (hereinafter, the “Plan”), whereby shares in the Bank are delivered to Executive Directors and Executive Officers of the Bank (hereinafter, “Directors, etc.”) in accordance with the level of the achievement of business performance, etc.

The objective of the introduction of the Plan is to further clarify the linkage between the compensation of Directors, etc. and the share value of the Bank, and to increase the desire to contribute to improvement in the Bank’s business performance and corporate value over the medium- to long-term, and we therefore believe that its introduction is appropriate.

This Proposal proposes to pay “stock compensation” based on the Plan to Directors, etc., separately from the maximum amount of compensation for Directors that will be paid if Proposal No. 7 “Establishment of Limit of Compensation for Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)” is approved.

If Proposal No. 3 “Partial Amendments to the Articles of Incorporation” and Proposal No. 4 “Election of Fourteen (14) Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)” are approved as proposed, the number of Directors eligible for the Plan shall be twelve (12) persons.

Furthermore, provided this proposal is approved, the compensation in relation to stock acquisition rights as stock compensation-type stock options, which was approved at the 125th Annual General Meeting of Stockholders held on June 26, 2009, will be discontinued, and, subject to the commencement of the Plan, current Directors, etc. shall waive unexercised stock acquisition rights as stock compensation-type stock options that have been granted to them, and shall be granted points under the Plan equivalent to the number of shares underlying the waived stock acquisition rights, as a measure to transition from the stock compensation-type stock options.

However, current Directors, etc. who will not assume positions either as Executive Directors or Executive Officers after the conclusion of this General Meeting of Stockholders may exercise stock acquisition rights as stock options that have already been granted up to ten (10) days after the day following their retirement from the position of Executive Director or Executive Officer, and shall not be granted points under the Plan.

If Proposal No. 7, Proposal No. 8, and this Proposal are approved, the compensation for Executive Directors of the Bank shall comprise three (3) components: “base compensation,” which is compensation of a fixed amount paid at fixed intervals; “performance- linked compensation,” which is linked to net income; and “stock compensation,” which is linked to the share value. In addition, the compensation of “Directors serving as Audit & Supervisory Committee Members” and “Outside Directors,” who are independent from business execution, shall solely comprise “base compensation,” which is compensation of a fixed amount paid at fixed intervals.

2. Amount and details, etc. of compensation, etc. under the Plan

(1) Overview of the Plan

The Plan is a stock compensation plan whereby the Bank’s shares will be acquired through a trust, using the compensation of Directors, etc. contributed by the Bank as funds, and the Bank’s shares and money equivalent to the converted value of the Bank’s shares (hereinafter, the “Bank’s shares, etc.”) will be delivered or paid (hereinafter, the “deliver(y), etc.”) to Directors, etc. (details are as described in item (2) below).

1) Persons eligible for the delivery, etc. of the Bank's shares, etc. to which the Plan applies	<ul style="list-style-type: none"> Executive Directors and Executive Officers of the Bank
2) Impact of the Bank's shares to which the Plan applies on the total number of shares issued	
Upper limit of the amount of money to be contributed by the Bank (details are as described in item (2) below)	<ul style="list-style-type: none"> The upper limit shall be a total of ¥900 million for "Trust I" and "Trust II" for each applicable period, which will comprise three (3) fiscal years (¥300 million per fiscal year). ¥630 million for "Trust I" (*1) (¥210 million per fiscal year) ¥270 million for "Trust II" (*1) (¥90 million per fiscal year) However, for the first applicable period, which will start from this fiscal year, the upper limit shall be a total of ¥2,200 million for "Trust I" and "Trust II," which will apply to four (4) fiscal years. ¥1,840 million for "Trust I" (*2) ¥360 million for "Trust II" (¥90 million per fiscal year) *1 "Trust I" shall be for points granted according to rank "Trust II" shall be for points granted according to the level of achievement of management targets, etc. and rank *2 This includes ¥210 million per fiscal year, and ¥1,000 million provided as a transitional measure from the stock compensation-type stock options.
Method of acquiring the Bank's shares (as described in item (2) below) and upper limit of the number of the Bank's shares, etc. to be acquired by Directors, etc. (details are as described in item (3) below)	<ul style="list-style-type: none"> It is planned that the Bank's shares be acquired from the stock market or the Bank (disposal of treasury stock). One (1) point in the Plan shall equal one (1) share. The upper limit of the total points to be granted to Directors, etc. per fiscal year in Trust I and Trust II shall be 750,000 points. "Trust I" 525,000 points "Trust II" 225,000 points However, in the first year of the Plan, which will start from this fiscal year, a maximum of 1,373,500 points shall be granted separately in "Trust I," to provide for the transition from stock compensation-type stock options. The ratio of the number of shares equivalent to the upper limit of points to be granted to Directors, etc. per fiscal year (excluding points that are provided as a transitional measure from the stock compensation-type stock options) to the total number of shares issued by the Bank (as of March 31, 2017; excluding treasury stock) shall be approximately 0.20%.
3) Details of performance achievement conditions (as described in item (3) below)	<ul style="list-style-type: none"> The number of points granted in "Trust II" shall fluctuate according to the level of achievement of management targets, etc. for each fiscal year.
4) Timing of the delivery, etc. of the Bank's shares, etc. to Directors, etc. (as described in item (4) below)	<ul style="list-style-type: none"> At the retirement of the Director, etc. (at the time of losing the position of either Executive Director or Executive Officer of the Bank; or in the event of death, at the time of death) * In the event of the death of a Director, etc., money equivalent to the converted value of the Bank's shares at the time of death shall be paid to his or her heir.

(2) Upper limit of amount of money to be contributed by the Bank

The Plan shall apply to a period of three (3) consecutive fiscal years (hereinafter, the “applicable period”).

However, the applicable period of the Plan that shall be implemented from this fiscal year (hereinafter, the “initial applicable period”) shall be a total of four (4) fiscal years covering the fiscal year ending on March 31, 2018, which is the remaining period of the current medium-term management plan, and from the fiscal year ending March 31, 2019 to the fiscal year ending March 31, 2021, which is the period of the new medium-term management plan, after which subsequent applicable periods shall be three (3) consecutive fiscal years.

For each three (3) fiscal years forming an applicable period, the Bank shall contribute an amount of money with an upper limit of ¥900 million (¥630 million for Trust I and ¥270 million for Trust II) as the compensation for Directors, etc. of the Bank, and shall establish a trust with a trust period of three years with Directors, etc. who fulfill the beneficiary requirements as beneficiaries (trusts shall be established for both Trust I and Trust II; hereinafter, collectively referred to as the “Trust”) (including extensions of the trust period as set forth in paragraph 5 of this item (2)). The Trust shall follow the instructions of the trust administrator and acquire the Bank’s shares from the Bank (disposal of treasury stock) or the stock market using the money placed in trust as funds. During the trust period, the Bank shall grant points (as described in item (3) below) to Directors, etc., and the Trust shall deliver, etc. the Bank’s shares, etc.

However, as the initial applicable period shall be a period of four (4) fiscal years, as described above, the upper limit shall be ¥1,200 million (¥840 million for Trust I and ¥360 million for Trust II), and additionally, as acquisition funds for shares relating to points provided as a transitional measure from the stock compensation-type stock options, the Bank shall contribute an amount of money with an upper limit of ¥1,000 million (*) to Trust I as compensation for Directors, etc. of the Bank.

(*) This has been calculated as the funds to acquire shares relating to the introduction of the Plan in which Directors, etc. shall waive all rights to unexercised stock acquisition rights granted to current Directors, etc. based on stock compensation-type stock options, and shall be newly granted points based on the Plan equivalent to the number of shares underlying the waived stock acquisition rights as a transitional measure from the stock compensation-type stock options (the planned number of shares to be granted under the Plan as a transitional measure is 1,373,500 shares).

In addition, at the expiry of the trust period of the Trust, the Bank may continue the Trust by making amendments to the trust agreement and additional entrustments. In such a case, the trust period shall be extended by three (3) years, and the three (3) fiscal years following the extension of the trust period shall be the applicable period. For each extended trust period, the Bank shall make additional entrustments together with an amount of money additionally contributed of up to ¥900 million (¥630 million for Trust I and ¥270 million for Trust II), while the Bank shall continue to grant points to Directors, etc. during the extended trust period, and the Trust shall continue to deliver, etc. the Bank’s shares, etc. during the extended trust period. Extensions to the trust period are not limited to a single occasion, and the Trust may subsequently be continued in a similar manner.

However, when making such an additional contribution, if there are shares in the Bank (excluding the Bank’s shares corresponding to points granted to Directors, etc. for which delivery, etc. is not yet complete) or money remaining in the trust assets on the last day of the trust period prior to the extension (hereinafter, collectively referred to as “remaining shares, etc.”), the total amount of the value of the remaining shares, etc. and the money to be additionally contributed to the Trust shall be no more than ¥900 million (¥630 million for Trust I and ¥270 million for Trust II).

In addition, when terminating the Trust, if Directors, etc. who may fulfill the beneficiary requirements are incumbent at the expiry of the trust period, the trust period of the Trust may be extended up to a designated period without immediately terminating the Trust. However, in this case, new points shall not be granted to Directors, etc.

(3) Calculation method and upper limit of the Bank's shares to be acquired by Directors, etc.

On June 1 of every year during the trust period, points shall be granted for the fiscal year ending on March 31 of the same year (the first instance shall be for the fiscal year ending on March 31, 2018). "Trust I" shall be for points granted according to rank at the end of each fiscal year, and "Trust II" shall be for points granted according to the level of achievement of management targets, etc. for each fiscal year and rank at the end of the fiscal year. In addition, as described above, for "Trust I," an appropriate amount of points shall be granted without delay after the commencement of the Plan to Directors, etc. that have waived stock acquisition rights based on stock compensation-type stock options in accordance with the introduction of the Plan, as a transitional measure from the stock compensation-type stock options. Delivery, etc. of the Bank's shares, etc. corresponding to the points accumulated (hereinafter, the "accumulated points") shall be made to Directors, etc. at the time of their retirement.

One (1) point shall equal one (1) share. However, if events occur during the trust period whereby it is recognized that adjusting the points is fair, such as a share split or consolidation of shares in relation to the Bank's shares, the number of the Bank's shares per point shall be adjusted according to the split or consolidation ratio, etc.

Furthermore, if Proposal No. 2 "Consolidation of Shares" is approved as proposed, the number of the Bank's shares per point is planned to become 0.2 shares, owing to the consolidation of shares that will be conducted with an effective date of October 1, 2017.

The maximum total number of points that shall be granted to Directors, etc. per fiscal year shall be 750,000 points (525,000 points for Trust I and 225,000 points for Trust II). However, in this fiscal year, a maximum of 1,373,500 points shall be granted separately in Trust I as a transitional measure from the stock compensation-type stock options.

(4) Timing of delivery, etc. of the Bank's shares, etc. to Directors, etc.

Directors, etc. who fulfill the beneficiary requirements shall receive delivery, etc. of a number of the Bank's shares, etc. calculated based on the above item (3) at the time of their retirement. At that time, the Director, etc. shall receive delivery of a number of the Bank's shares corresponding to 50% of the accumulated points in each trust (shares less than one unit shall be rounded up), and shall be paid money equivalent to the converted value of the remainder, after their conversion within the Trust.

Furthermore, in the event of the death of a Director, etc. while he or she is incumbent, in principle, money equivalent to the converted value of the Bank's shares corresponding to the accumulated points granted at that time shall be paid to the heir of the Director, etc., after their conversion within the Trust.

(5) Voting rights pertaining to the Bank's shares

Voting rights for the Bank's shares within the Trust shall not be exercised during the trust period to ensure neutrality to management.

(6) Treatment of dividends on the Bank's shares in the Trust

Dividends relating to the Bank's shares in the Trust shall be received by the Trust, and shall be allocated to the trust fees and trust expenses for the Trust. If there is any remainder after allocation to trust fees and trust expenses at the time of the termination of the Trust, it shall be paid to Directors, etc.

(7) Other details of the Plan

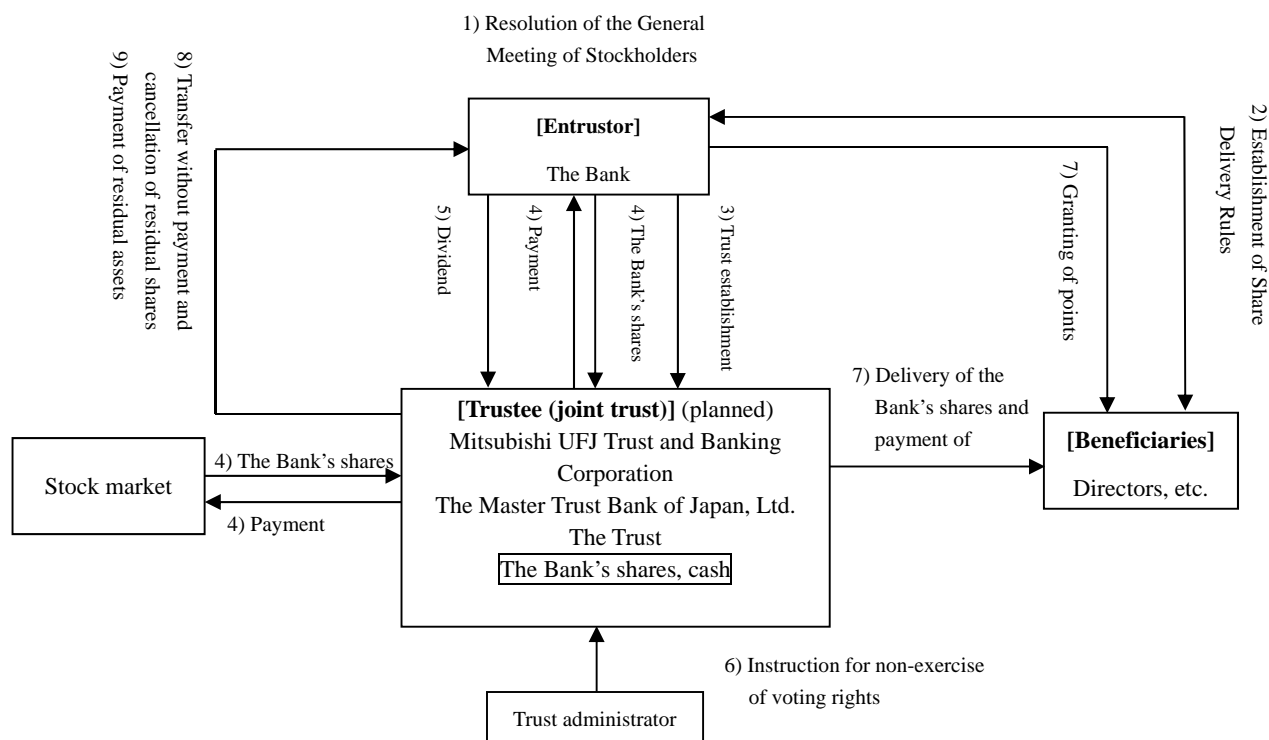
Other details relating to the Plan shall be determined by the Board of Directors when the Trust is established, when the trust agreement is amended or when additional contributions are made to the Trust.

The effectiveness of the resolution of this Proposal shall be subject to the amendments to the Articles of Incorporation in Proposal No. 3 "Partial Amendments to the Articles of Incorporation" taking effect.

Furthermore, please refer to the press release dated May 12, 2017 "Notice on Discontinuation of the "Stock Compensation-Type Stock Option Plan" and the Introduction of a "Performance-Linked Stock Compensation Plan"" for details of the Plan.

(Reference: Extract from May 12, 2017 press release)

1. Overview of the Plan



- 1) When introducing the Plan, the Bank obtains a resolution regarding officers' compensation at the General Meeting of Stockholders.
- 2) The Bank establishes Share Delivery Rules in relation to the details of the Plan at a meeting of the Board of Directors.
- 3) The Bank establishes the Trust with Directors, etc. who fulfill the beneficiary requirements as beneficiaries by entrusting money that will be the funds for compensation for Directors, etc. of the Bank, within the range approved at the General Meeting of Stockholders in item 1).
- 4) The Trust follows the instructions of the trust administrator, and uses the money contributed in item 3) as funds to acquire the Bank's shares from the Bank (disposal of treasury stock) or the stock market. The number of shares acquired by the Trust shall be within the range approved at the General Meeting of Stockholders in item 1).
- 5) Dividends shall be paid to the Bank's shares in the Trust, in the same manner as other shares in the Bank.
- 6) No voting rights shall be exercised on the Bank's shares in the Trust during the trust period.
- 7) During the trust period, a certain number of points shall be granted to Directors, etc. every year in accordance with the level of achievement of targets set forth in management plans, etc. and rank. Delivery, etc. of the Bank's shares, etc. shall be made to Directors, etc. who fulfill certain beneficiary requirements, in accordance with accumulated points at the time of their retirement.
- 8) If there are residual shares at the expiry of the trust period, owing to such reasons as failure to achieve the targets set forth in management plans, etc., the Bank plans to either continue to use the Trust as a new stock compensation plan by amending the trust agreement or making additional entrustments, or transfer the residual shares from the Trust to the Bank without payment and cancel them by a resolution of the Board of Directors.
- 9) Upon termination of the Trust, residual assets after distribution to the beneficiaries are planned to be reverted to the Bank, which shall be the rights holder, within the range of the reserve for trust expenses after deduction of funds for the acquisition of shares from the trust money.

2. Details of the trust agreement
 - 1) Type of trust
Money trust other than a specified solely-administered monetary trust (third-party benefit trust)
 - 2) Purpose of trust
To provide incentives to Directors, etc.
 - 3) Entrustor
The Bank
 - 4) Trustee
Mitsubishi UFJ Trust and Banking Corporation (planned)
(Joint trustee: The Master Trust Bank of Japan, Ltd. (planned))
 - 5) Beneficiary
Retired Directors, etc. who fulfill the beneficiary requirements
 - 6) Trust administrator
A third party who is a specialist practitioner and with whom the Bank has no special interest relationship
 - 7) Date of trust agreement
August 15, 2017 (planned)
 - 8) Trust period
August 15, 2017 (planned) to August 31, 2021 (planned)
 - 9) Start date of the Plan
August 17, 2017 (planned)
 - 10) Exercise of voting rights
Voting rights will not be exercised.
 - 11) Type of shares to be acquired
Common stock of the Bank
 - 12) Rights holder
The Bank
 - 13) Residual assets
Residual assets that may be received by the Bank, which shall be the rights holder, shall be within the range of the reserve for trust expenses after deduction of funds for the acquisition of shares from the trust money.

3. Details of administration relating to the trust and shares
 - 1) Trust-related administration
Mitsubishi UFJ Trust and Banking Corporation and The Master Trust Bank of Japan, Ltd. are planned to be the trustees of the Trust and shall perform trust-related administrative tasks.
 - 2) Share-related administration
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. is planned to perform administrative tasks necessary for the delivery of the Bank's shares to the beneficiaries based on the administration service agreement.