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(Securities Code: 8341)  
June 4, 2019

**To Stockholders with Voting Rights:**

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

**NOTICE OF CONVOCATION OF  
THE 135TH ANNUAL GENERAL MEETING OF STOCKHOLDERS**

You are cordially invited to attend the 135th 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 in writing or via the Internet etc. Please review the Reference Documents for the General Meeting of Stockholders described hereinafter and exercise your voting rights according to the Guide for Exercise of Voting Rights (Page 3) by 5:00 p.m. on Wednesday, June 26, 2019, Japan standard time.**

- 1. Date and Time:** Thursday, June 27, 2019 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 135th Fiscal Year (from April 1, 2018 to March 31, 2019)
  2. Consolidated Financial Statements for the Bank's 135th Fiscal Year (from April 1, 2018 to March 31, 2019) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Committee

**Proposals to be resolved:**

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Partial Amendment to the Articles of Incorporation
- Proposal No. 3:** Election of Eleven (11) Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)
- Proposal No. 4:** Election of Six (6) Directors Serving as Audit & Supervisory Committee Members

#### **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 of votes and the reasons thereof at least three (3) days prior to the Annual General Meeting of Stockholders.

End

## Guide for Exercise of Voting Rights

Please exercise your voting rights by one of the following methods.

### **If you are attending the meeting**

- Please submit the enclosed Voting Rights Exercise Form at the reception desk.
- Please bring this Notice of Convocation with you as a reference material.

\*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.

**Date and time of the General Meeting of Stockholders: Thursday, June 27, 2019 at 10:00 a.m. Japan standard time**

### **If you are unable to attend the meeting**

#### 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.

**Deadline: Wednesday, June 26, 2019 at 5:00 p.m. Japan standard time**

#### Exercise of voting rights via the Internet, etc.

Please access the website for exercising voting rights designated by the Bank (<https://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.

**Deadline: Wednesday, June 26, 2019 at 5:00 p.m. Japan standard time**

For details, please refer to Pages 4-6 of this Notice.

#### <Handling of duplicated exercise>

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.

\*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 (<https://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 Committee 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 (<https://www.77bank.co.jp/>).

## 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. Taking into consideration the financial performance, it is proposed that the surplus be appropriated as follows for the fiscal year ended March 31, 2019:

1. Matters concerning year-end dividends
  - (1) Type of dividend property  
Cash
  - (2) Matters concerning the allotment of dividend property and the total amount  
25.00 yen per share of common stock, for a total of 1,868,868,500 yen  
(An increase of 2.50 yen per share compared with the year-end dividend for the previous fiscal year)  
Including the interim dividend, dividends to be paid for the full year amount to 47.50 yen per share.
  - (3) Effective date of distribution of surplus  
June 28, 2019
2. Other matters concerning the appropriation of surplus
  - (1) Item and the amount of surplus to be increased  
General reserve 14,500,000,000 yen
  - (2) Item and amount of surplus to be decreased  
Retained earnings brought forward 14,500,000,000 yen

**Proposal No. 2:** Partial Amendment to the Articles of Incorporation

1. Reasons for the amendment

It is proposed to increase the maximum number of Directors serving as Audit & Supervisory Committee Members specified in Article 19, Paragraph 2 of the current Articles of Incorporation of the Bank from five (5) to six (6) in order to strengthen management oversight functions of the Audit & Supervisory Committee so as to establish a more effective corporate governance system.

2. Details of the amendment

The details of the amendment are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p><b>CHAPTER IV. DIRECTORS AND BOARD OF DIRECTORS</b></p> <p>(Number of Directors)</p> <p>Article 19. The Bank shall have no more than fourteen (14) Directors (excluding Directors serving as Audit &amp; Supervisory Committee Members).</p> <p>2. The Bank shall have no more than <u>five (5)</u> Directors serving as Audit &amp; Supervisory Committee Members.</p>	<p><b>CHAPTER IV. DIRECTORS AND BOARD OF DIRECTORS</b></p> <p>(Number of Directors)</p> <p>Article 19. The Bank shall have no more than fourteen (14) Directors (excluding Directors serving as Audit &amp; Supervisory Committee Members).</p> <p>2. The Bank shall have no more than <u>six (6)</u> Directors serving as Audit &amp; Supervisory Committee Members.</p>

**Proposal No. 3: Election of Eleven (11) Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)**

The terms of office of all the eleven (11) Directors (excluding Directors serving as Audit & Supervisory Committee Members; hereinafter the same applies in this Proposal) will expire at the conclusion of this Annual General Meeting of Stockholders.

Accordingly, the election of eleven (11) Directors is proposed.

The Audit & Supervisory Committee examined this proposal. With respect to the details of this proposal, there were no specific matters to be commented on at the General Meeting of Stockholders in accordance with the provisions of the Companies Act as the nomination of candidates was done appropriately after the deliberation by the Corporate Governance Committee in accordance with the policy on nomination of candidates and the nomination procedures specified in the basic policy on corporate governance and each candidate is suitable for the position of the Bank's Director.

The candidates for Directors are as follows.

No.	Name	Candidate attributes	Current positions at the Bank
1	Teruhiko Ujiie	Reappointment	Representative Director and Chairman
2	Hidefumi Kobayashi	Reappointment	Representative Director and President
3	Makoto Igarashi	Reappointment	Representative Director and Senior Managing Director
4	Toru Sugawara	Reappointment	Managing Director
5	Koichi Suzuki	Reappointment	Managing Director
6	Atsushi Shito	Reappointment	Managing Director and General Manager, Head Office Business Div.
7	Yoshikazu Onodera	Reappointment	Managing Director
8	Takuji Tabata	New candidate	Senior Executive Officer and General Manager, Credit Supervision Div.
9	Masahiro Sugita	Reappointment	Outside Director Independent Director
10	Ken Nakamura	Reappointment	Outside Director Independent Director
11	Emiko Okuyama	Reappointment	Outside Director Independent Director

No.	Name (Date of birth)	Past experience, positions, and responsibilities (Significant concurrent positions), Number of shares of the Bank held	
1	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Reappointment</div> Teruhiko Ujiie (Aug. 29, 1946)	Apr.	1969 Joined The Industrial Bank of Japan, Limited
		Aug.	1992 Associate Director-General, Related Business Department, The Industrial Bank of Japan, Limited
		Jun.	1993 Director and General Manager, Business Development Div., the Bank
		Jun.	1995 Director and General Manager, Business Promotion Div., the Bank
		Jun.	1997 Director and General Manager, Head Office Business Div., the Bank
		Jun.	1998 Managing Director and General Manager, Head Office Business Div., the Bank
		Jun.	1999 Managing Director and General Manager, Investigation Div., the Bank
		Mar.	2000 Managing Director, the Bank
		Jun.	2002 Senior Managing Director, the Bank
		Jun.	2005 Representative Director and Deputy President, the Bank
		Jun.	2010 Representative Director and President, the Bank
Jun.	2018 Representative Director and Chairman, the Bank		
	(current position)		
(Significant concurrent positions)		Outside Audit & Supervisory Board Member, TOHOKU STEEL CO., LTD.	
(Number of shares of the Bank held)		174,884 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 1993 and as a Representative Director since June 2005, the Bank believes that Mr. Teruhiko Ujiie 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.			

No.	Name (Date of birth)	Past experience, positions, and responsibilities (Significant concurrent positions), Number of shares of the Bank held	
2	Reappointment	Apr. 1981	Joined the Bank
	Hidefumi Kobayashi (Sep. 22, 1957)	Jun. 2006	General Manager, Treasury Div., the Bank
Jun. 2008		General Manager, General Planning & Coordination Div., the Bank	
Jun. 2010		Director and General Manager, General Planning & Coordination Div., the Bank	
Jun. 2013		Director and General Manager, Head Office Business Div., the Bank	
Jun. 2014		Managing Director and General Manager, Head Office Business Div., the Bank	
Jun. 2015		Managing Director, the Bank	
May 2016		Managing Director, the Bank General Manager, Ishinomaki Branch and Minato Branch	
Jun. 2016		Managing Director, the Bank	
Jun. 2017		Representative Director and Deputy President, the Bank	
Jun. 2018	Representative Director and President, the Bank (current position)		
		(Responsibilities) Audit & Inspection Div.	
		(Number of shares of the Bank held) 5,700 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 2010 and as a Representative Director since June 2017, the Bank believes that Mr. Hidefumi Kobayashi 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.			
3	Reappointment	Apr. 1980	Joined the Bank
	Makoto Igarashi (Mar. 18, 1957)	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	
Jun. 2017		Senior Managing Director, the Bank	
Jun. 2018		Representative Director and Senior Managing Director, the Bank (current position)	
		(Responsibilities) Secretariat, General Planning & Coordination Div., Tokyo Liaison Office	
		(Number of shares of the Bank held) 5,600 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 2009 and as a Representative Director since June 2018, the Bank believes that Mr. Makoto Igarashi 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.			



No.	Name (Date of birth)	Past experience, positions, and responsibilities (Significant concurrent positions), Number of shares of the Bank held	
4	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Reappointment</div> Toru Sugawara (Dec. 21, 1959)	Apr. 1983	Joined the Bank
		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
		Jun. 2017	Managing Director, the Bank (current position)
		(Responsibilities) Digital Strategy Div., Credit Supervision Div., General Affairs Div., Operations Management Div. (Number of shares of the Bank held) 4,000 shares	
(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. Ever since, he has been mainly responsible for the Digital Strategy 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	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Reappointment</div> Koichi Suzuki (Feb. 26, 1962)	Apr. 1984	Joined the Bank
		Mar. 2005	General Manager, Wakuya Branch, the Bank
		Sep. 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
		Jun. 2018	Managing Director, the Bank (current position)
		(Responsibilities) Compliance Management Div., Risk Management Div., Personnel Div. (Number of shares of the Bank held) 1,700 shares	
		(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, he has been mainly responsible for the Compliance Management 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	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Reappointment</div> <p>Atsushi Shito (Feb. 7, 1962)</p>	Apr. 1985 Jun. 2005 Jun. 2008 Jun. 2010 Jun. 2012  Jun. 2014 Jun. 2016  Jun. 2018  (Number of shares of the Bank held) 4,700 shares	Joined the Bank Chief Secretary, the Bank General Manager, Fukushima Branch, the Bank General Manager, Izumi Branch, the Bank General Manager, Treasury Administration & International Div., the Bank  Executive Officer and General Manager, Tokyo Branch, the Bank Director, Executive Officer and General Manager, Head Office Business Div., the Bank  Managing Director 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.		
7	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Reappointment</div> <p>Yoshikazu Onodera (Mar. 19, 1962)</p>	Apr. 1985 Sep. 2007 Mar. 2009 Jun. 2011 Jun. 2013 Jun. 2014  Jun. 2016 Jun. 2018  (Responsibilities) Personal Banking & Direct Promotion Div., Regional Development Promotion Div., Treasury Div. (Number of shares of the Bank held) 2,200 shares	Joined the Bank General Manager, Hachimanmachi Branch, the Bank General Manager, Yoshioka Branch, the Bank General Manager, Operations Management Div., the Bank General Manager, General Planning & Coordination Div., the Bank Executive Officer and General Manager, General Planning & Coordination Div., the Bank  Director, Executive Officer and General Manager, Ishinomaki Branch and Minato Branch, the Bank Managing Director, 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, he has been mainly responsible for the Personal Banking & Direct 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	
8	<div style="border: 1px solid black; padding: 2px; width: fit-content;">New candidate</div> Takuji Tabata (Apr. 26, 1962)	Apr. 1986	Joined the Bank
		Sep. 2007	General Manager, Koriyama Branch, the Bank
		Jun. 2009	General Manager, Tokyo Liaison Office, the Bank
		Jun. 2012	General Manager, Treasury Div., the Bank
		Jun. 2015	General Manager, Credit Supervision Div., the Bank
		Jun. 2016	Executive Officer and General Manager, Credit Supervision Div., the Bank
		Jun. 2018	Senior Executive Officer and General Manager, Credit Supervision Div., the Bank (current position)
		(Number of shares of the Bank held) 2,200 shares	
(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. Takuji Tabata was appointed Executive Officer in June 2016 and Senior Executive Officer in June 2018. Ever since, serving as General Manager of the Credit Supervision 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	<div style="border: 1px solid black; padding: 2px; width: fit-content;">Reappointment</div> <div style="border: 1px solid black; padding: 2px; width: fit-content;">Outside Director</div> <div style="border: 1px solid black; padding: 2px; width: fit-content;">Independent Director</div> Masahiro Sugita (Oct. 20, 1944)	Apr. 1967	Joined the Bank of Japan
		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. (Number of shares of the Bank held) 400 shares	
(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
10		Apr. 1974 Registered as Attorney-at-Law (Sendai Bar Association)
	Reappointment	Sep. 1977 Opened Nakamura Ken Law Office (current position)
	Outside Director	Jun. 1996 Audit & Supervisory Board Member, KOHSOKU CORPORATION
	Independent Director	Nov. 2004 Audit & Supervisory Board Member, HOKUSHU Co., Ltd. (current position)
	Ken Nakamura (Jan. 7, 1948)	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 (Number of shares of the Bank held) 1,800 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.		
11	Reappointment	Apr. 1975 Joined the Sendai City Government
	Outside Director	Aug. 2009 Mayor, Sendai City
	Independent Director	Jun. 2018 Director, the Bank (current position)
	Emiko Okuyama (Jun. 23, 1951)	(Number of shares of the Bank held) 100 shares
Outside Director	Candidate for Outside Director provided for in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act	
Independent Director	Candidate for Director whom the Bank intends to designate as an independent director as defined by the Tokyo Stock Exchange and the Sapporo Securities Exchange and notify them of the designation	

- (Notes)
- There is no special interest relationship between the candidates and the Bank.
  - Mr. Masahiro Sugita, Mr. Ken Nakamura, and Ms. Emiko Okuyama are candidates for Outside Director. The Bank designated Mr. Masahiro Sugita, Mr. Ken Nakamura, and Ms. Emiko Okuyama as independent directors as defined by the Tokyo Stock Exchange and the Sapporo Securities Exchange and notified them of the designation.
  - The number of years Mr. Masahiro Sugita, Mr. Ken Nakamura, and Ms. Emiko Okuyama will have served as Outside Director, respectively, at the conclusion of this Annual General Meeting of Stockholders is as follows.  
Mr. Masahiro Sugita: 6 years  
Mr. Ken Nakamura: 4 years  
Ms. Emiko Okuyama: 1 year
  - 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.

5. 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.
6. Ms. Emiko Okuyama 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.
7. Ms. Emiko Okuyama used to work for Sendai City, which is a business partner of the Bank. The Bank is a 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.
8. Although Mr. Ken Nakamura has never been directly involved in corporate management, he has a wealth of experience and wide-ranging knowledge as an attorney-at-law. 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.
9. Although Ms. Emiko Okuyama has never been directly involved in corporate management, she has a wealth of experience and wide-ranging knowledge gained through her involvement in local administration. Therefore, it is the Bank's judgment that she is suitable for the position of Outside Director of the Bank and capable of appropriately fulfilling her duties as an Outside Director of the Bank.
10. If election of candidates for Outside Director Mr. Masahiro Sugita, Mr. Ken Nakamura and Ms. Emiko Okuyama is approved as proposed, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Bank plans to continue with the liability limitation agreements that have been concluded with Mr. Masahiro Sugita, Mr. Ken Nakamura and Ms. Emiko Okuyama, 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. 4: Election of Six (6) Directors Serving as Audit & Supervisory Committee Members**

The terms of office of all the five (5) Directors serving as Audit & Supervisory Committee Members will expire at the conclusion of this Annual General Meeting of Stockholders.

Accordingly, the election of six (6) Directors serving as Audit & Supervisory Committee Members is proposed by increasing the number of Outside Directors serving as Audit & Supervisory Committee Members by one (1) in order to strengthen management oversight functions of the Audit & Supervisory Committee so as to establish a more effective corporate governance system.

The resolution of this Proposal shall take effect, provided that the amendment to the Articles of Incorporation in Proposal No. 2 “Partial Amendment to the Articles of Incorporation” takes effect.

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

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

No.	Name	Candidate attributes		Current positions at the Bank
1	Yoshiaki Nagayama	Reappointment		Director serving as Audit & Supervisory Committee Member
2	Mitsuo Chubachi	New candidate		
3	Toshio Suzuki	Reappointment	Outside Director Independent Director	Director serving as Audit & Supervisory Committee Member (Outside Director)
4	Masai Yamaura	Reappointment	Outside Director Independent Director	Director serving as Audit & Supervisory Committee Member (Outside Director)
5	Masahiro Wako	Reappointment	Outside Director Independent Director	Director serving as Audit & Supervisory Committee Member (Outside Director)
6	Yoko Ushio	New candidate	Outside Director Independent Director	

No.	Name (Date of birth)	Past experience, positions, and responsibilities (Significant concurrent positions) , Number of shares of the Bank held
1	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Reappointment</div> <p>Yoshiaki Nagayama (May 15, 1947)</p>	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		
Jun. 2017 Director serving as Audit & Supervisory Committee Member, the Bank (current position)		
(Significant concurrent positions)		Outside Audit & Supervisory Board Member, Karula Co., Ltd.
(Number of shares of the Bank held)		64,320 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 Representative Director, 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.		
2	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">New candidate</div> <p>Mitsuo Chubachi (Oct. 10, 1961)</p>	Apr. 1985 Joined the Bank
		Mar. 2011 General Manager, Nihonbashi Branch, the Bank
		Jun. 2013 General Manager, Risk Management Div., the Bank
		Jun. 2015 Audit & Supervisory Board Member, MIYAGI SYOJI Co., Ltd.
		Jul. 2016 Director and General Manager, Administration Div., 77 Securities Co., Ltd. (current position)
(Number of shares of the Bank held)		1,800 shares
(Reasons for selection as a candidate for Director)		
Based on his experience as General Manager of the Bank's branches and General Manager of the Risk Management Div. and successful track record concerning his service as an Audit & Supervisory Board Member at another company and involvement in management of the Bank's subsidiary, the Bank believes that Mr. Mitsuo Chubachi 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, positions, and responsibilities (Significant concurrent positions) , Number of shares of the Bank held			
3	Toshio Suzuki (Sep. 29, 1947)	Reappointment	Apr. 1970 Jun. 2001	Joined Tohoku Electric Power Co. Inc. Deputy Director and General Manager, Human Resources Division, Tohoku Electric Power Co. Inc.	
		Outside Director	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.	
		Independent Director	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		
		Jun. 2013	Chairman and Representative Director, Tohoku Intelligent Telecommunication Co., Inc.		
		Jun. 2015	Advisor, Tohoku Intelligent Telecommunication Co., Inc.		
		Jun. 2017	Director serving as Audit & Supervisory Committee Member, the Bank (current position)		
		(Number of shares of the Bank held)	1,300 shares		
(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.					
4	Masai Yamaura (Mar. 15, 1950)	Reappointment	Oct. 1973 Sep. 2005	Joined the Sendai City Government Vice Mayor, Sendai City	
		Outside Director	Apr. 2006	Chief Director, Sendai Green Association	
			Jun. 2007	President and Representative Director, Sendai Software Center Co., Ltd.	
		Independent Director	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		
		Jun. 2017	Director serving as Audit & Supervisory Committee Member, the Bank (current position)		
				(Number of shares of the Bank held)	1,100 shares
		(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.			



No.	Name (Date of birth)	Past experience, positions, and responsibilities (Significant concurrent positions), Number of shares of the Bank held	
5	Reappointment	Apr. 1975	Joined the Miyagi Prefectural Government
	Outside Director	Jul. 2010	Vice Governor, Miyagi Prefecture
		Jun. 2017	President and Representative Director, TECHNO PLAZA Miyagi, Inc. (current position)
	Independent Director	Jun. 2017	President, Miyagi Organization for Industry Promotion (current position)
		Jun. 2017	Director serving as Audit & Supervisory Committee Member, the Bank (current position)
Masahiro Wako (Jan. 18, 1951)	(Number of shares of the Bank held) 300 shares		
(Reasons for selection as a candidate for Director) Mr. Masahiro Wako has a successful track record 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.			
6	New candidate	May 2001	Senior Managing Director and General Manager, Fujisaki Comfortable Lifestyle Research Institute Co., Ltd.
	Outside Director	May 2003	Director, Department Store Fujisaki Co., Ltd.
		Jan. 2011	Advisory Fellow, Tohoku Regional Advancement Center
	Independent Director	Apr. 2012	Fellow, Tohoku Regional Advancement Center (current position)
		Apr. 2016	Auditor, Tohoku University (current position)
Yoko Ushio (Jul. 31, 1953)	(Number of shares of the Bank held) 0 shares		
(Reasons for selection as a candidate for Director) Ms. Yoko Ushio has a successful track record of involvement in corporate management as well as practical experience as an Auditor of a national university corporation. The Bank believes that she has knowledge and experience that enable her to precisely, fairly and efficiently audit the performance of duties by Directors of a bank and has sufficient social credibility, and thus selected her as a candidate for Director serving as an Audit & Supervisory Committee Member.			
Outside Director	Candidate for Outside Director provided for in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act		
Independent Director	Candidate for Director whom the Bank intends to designate as an independent director as defined by the Tokyo Stock Exchange and the Sapporo Securities Exchange and notify them of the designation		

- (Notes)
- There is no special interest relationship between the candidates and the Bank.
  - Mr. Toshio Suzuki, Mr. Masai Yamaura, Mr. Masahiro Wako, and Ms. Yoko Ushio are candidates for Outside Director. The Bank designated Mr. Toshio Suzuki, Mr. Masai Yamaura, and Mr. Masahiro Wako 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 Ms. Yoko Ushio as an independent director as defined by the Tokyo Stock Exchange and the Sapporo Securities Exchange and notify them of the designation.
  - The number of years Mr. Toshio Suzuki, Mr. Masai Yamaura, and Mr. Masahiro Wako will have served as an Outside Director, respectively, at the conclusion of this Annual General Meeting of Stockholders is as follows.  
Mr. Toshio Suzuki: 2 years  
Mr. Masai Yamaura: 2 years  
Mr. Masahiro Wako: 2 years
  - Mr. Toshio Suzuki, Mr. Masai Yamaura, and Mr. Masahiro Wako are business partners of the Bank. The nature of the transactions of each of them 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 2.27% as of March 31, 2019 and the Bank judges that there is no concern about his independence.
6. Sendai Council of Social Welfare, where Mr. Masai Yamaura serves as the Chairman, is a business partner of the Bank. 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, which is a business partner 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.
8. 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.
9. TECHNO PLAZA Miyagi, Inc., where Mr. Masahiro Wako serves as the President and Representative Director, 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.
10. At TECHNO PLAZA Miyagi, Inc., a former officer of the Bank serves as an outside director and the Bank and TECHNO PLAZA Miyagi, Inc. have relationships of interlocking outside officers. However, this does not affect the independence of Mr. Masahiro Wako as an Outside Director.
11. The Miyagi Organization for Industry Promotion, where Mr. Masahiro Wako serves as the President, 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 the transactions is omitted.
12. Ms. Yoko Ushio used to work for Fujisaki Department Store Co., Ltd., which has transactions with the Bank, including deposits and loans. However, the nature of the transactions between the Bank and Fujisaki Department Store 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.
13. If election of candidates for Outside Director Mr. Toshio Suzuki, Mr. Masai Yamaura, and Mr. Masahiro Wako is approved as proposed, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Bank plans to continue with the liability limitation agreements that have been concluded with Mr. Toshio Suzuki, Mr. Masai Yamaura, and Mr. Masahiro Wako, 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.  
If election of candidate for Outside Director Ms. Yoko Ushio as Director serving as Audit & Supervisory Committee Member is approved as proposed, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Bank plans to conclude a liability limitation agreement, which limits her liability as Outside Director of the Bank for damages arising from neglect of her duties to the minimum liability amount stipulated by laws and regulations.