

(Securities Code: 8349)

June 1, 2016

To Shareholders with Voting Rights:

Naoto Murakami

Director and President

THE TOHOKU BANK, LTD.

3-1, Uchimaru, Morioka, Iwate, Japan

**NOTICE OF CONVOCATION OF
THE 96TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

You are cordially invited to attend the 96th Annual General Meeting of Shareholders of THE TOHOKU BANK, LTD. (the “Bank”), which will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights by postal mail.

Please indicate your approval or disapproval of the proposals on the enclosed voting form after reviewing the attached Reference Documents for the General Meeting of Shareholders, and return it by postal mail to reach us no later than 5:00 p.m., Tuesday, June 21, 2016 (Japan Standard Time).

Meeting Details

1. Date and time: Wednesday, June 22, 2016 at 10:00 a.m. (Japan Standard Time)

2. Venue: 4th floor Hall, Head office of the Bank
3-1, Uchimaru, Morioka, Iwate, Japan

3. Purposes of the Meeting:

Items to be reported:

1. Business Report and Non-Consolidated Financial Statements for the 96th Term (from April 1, 2015 to March 31, 2016).
2. Consolidated Financial Statements, as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors for the 96th Term (from April 1, 2015 to March 31, 2016)

Items to be resolved:

- Proposal 1:** Appropriation of surplus
- Proposal 2:** Election of nine (9) Directors
- Proposal 3:** Election of one (1) Corporate Auditor
- Proposal 4:** Election of one (1) substitute Corporate Auditor

Reference Documents for the General Meeting of Shareholders

Proposal 1: Appropriation of surplus

The Bank proposes the appropriation of surplus as follows:

Matters related to year-end dividends

1. Type of dividend property
Cash
2. Allocation of dividend property and total amount thereof
 - (1) Common stock
As year-end dividend for the 96th term, we plan to pay 2.50 yen per share of common stock, taking into consideration the performance in the fiscal year under review and business development plans in the future.
The total amount of dividends will be 236,870,515 yen.
 - (2) Class 1 preferred stock
We plan to pay 0.19 yen per share of class 1 preferred stock as stipulated under the Articles of Incorporation.
The total amount of dividends will be 7,600,000 yen.
3. Effective date of distribution of dividends of surplus
June 23, 2016

Proposal 2: Election of nine (9) Directors

The terms of office of ten (10) Directors will expire at the conclusion of this Annual General Meeting of Shareholders: Arata Asanuma, Naoto Murakami, Yukinaga Chiba, Shunpei Miyata, Masahiko Sato, Masato Kokubun, Hidenobu Yokosawa, Yuzo Kumagai, Toyoaki Sawaguchi, and Saburo Murai. We therefore propose that the number of Directors be decreased by one (1) in order to make flexible decisions at Board of Directors meetings and that nine (9) Directors be elected.

The candidates for Directors are as follows:

No.	Name (Date of birth)	Career summary, position and responsibilities in the Bank (significant concurrent positions outside the Bank)	Number of the Bank's shares owned
1	Arata Asanuma (February 19, 1945)	June 1997 Managing Director/Manager of Planning Div. June 2000 Senior Managing Director June 2003 Representative Director and Vice President June 2004 Representative Director and President June 2014 Representative Director and Chairman June 2015 Director and Chairman (present)	Common Stock
		[Reasons for selection as a candidate for Director] Assuming the office of Director in 1994, Asanuma has engaged in management of the Bank mainly as Director in charge of planning. He has properly fulfilled his duties and responsibilities, assuming office as Representative Director in 2003 and serving as Director and President from 2004. We judged that he will be able to contribute to the Bank's management by using his affluent experience and insight obtained in his career as the Bank's top executive for years.	71,000
2	Naoto Murakami (February 18, 1952)	June 2006 Managing Director June 2010 Senior Managing Director June 2011 Representative Director and Senior Managing Director June 2012 Representative Director and Vice President June 2014 Representative Director and President (present) (In charge of Internal Audit Div.)	Common Stock
		[Reasons for selection as a candidate for Director] Assuming the office of Director in 2006, Murakami has engaged in management of the Bank mainly as Director in charge of credit, corporate planning, and personnel. He has abundant experience and broad knowledge. He has properly fulfilled his duties and responsibilities, assuming office as Representative Director in 2011 and serving as Director and President from 2014. We judged that he will be able to contribute to the Bank's management by utilizing his experience and knowledge.	30,000

No.	Name (Date of birth)	Career summary, position and responsibilities in the Bank (significant concurrent positions outside the Bank)	Number of the Bank's shares owned
3	Shunpei Miyata (March 7, 1956)	November 2008 Executive Officer/Manager of Business Operations Administration Div. June 2010 Managing Director/Manager of Business Operations Administration Div. July 2010 Managing Director (present) (In charge of Secretariat and Tokyo office)	Common Stock 20,000
		[Reasons for selection as a candidate for Director] Assuming the office of Director in 2010, Miyata has engaged in management of the Bank mainly as Director in charge of risk management, business operations administration, and financial market. He has properly fulfilled his duties and responsibilities. We judged that he will be able to contribute to the Bank's management by utilizing his experience and knowledge.	
4	Masato Kokubun (January 16, 1954)	June 2010 Executive Officer/Risk Compliance Administration Div. and Manager of Customer Consultation Office December 2010 Executive Officer/Manager of Internal Audit Div. June 2014 Director/Manager of Internal Audit Div. June 2015 Managing Director/Manager of Internal Audit Div. October 2015 Managing Director (present) (In charge of Personnel Div. and Risk Compliance Administration Div.)	Common Stock 22,000
		[Reasons for selection as a candidate for Director] Kokubun has extensive experience and detailed knowledge of the banking business, serving as Manager of the Personnel Division, Risk Compliance Administration Division, and Internal Audit Division. He has properly fulfilled his duties and responsibilities, assuming office as Director in 2014. We judged that he will be able to contribute to the Bank's management by utilizing his experience and knowledge.	
5	Hidenobu Yokosawa (August 22, 1954)	June 2011 Executive Officer/Manager of Business Operations Administration Div. June 2013 Executive Officer/Manager of Head Office June 2014 Director/Manager of Head Office June 2015 Managing Director/Manager of Head Office April 2016 Managing Director (present) (In charge of Business Operations Administration Div.)	Common Stock 23,000
		[Reasons for selection as a candidate for Director] Yokosawa has extensive experience and detailed knowledge of the banking business, serving as Manager of the Personnel Division, Business Operations Administration Division, and Head Office. He has properly fulfilled his duties and responsibilities, assuming office as Director in 2014. We judged that he will be able to contribute to the Bank's management by utilizing his experience and knowledge.	

No.	Name (Date of birth)	Career summary, position and responsibilities in the Bank (significant concurrent positions outside the Bank)		Number of the Bank's shares owned
6	Junetsu Takahashi (February 9, 1962) New election	April 2006 June 2006 April 2009 February 2012 June 2013 June 2015	Manager of Credit Div.1 Manager of Credit Management Div. Manager of Hachinohe Branch Manager of Corporate Planning Div. Councilor/Manager of Corporate Planning Div. Executive Officer/Manager of Corporate Planning Div. (present)	Common Stock 2,000
	[Reasons for selection as a candidate for Director] Takahashi has extensive experience and detailed knowledge of the banking business, serving as Manager of Credit Management Division, Hachinohe branch and Corporate Planning Division. He has properly fulfilled his duties and responsibilities, assuming office as Executive Officer in 2015. We judged that he will be able to contribute to the Bank's management by utilizing his experience and knowledge.			
7	Takeshi Sato (June 6, 1966) New election	October 2006 April 2010 May 2011 June 2013 April 2015	Manager of Strategy Support Office General Manager of Strategy Support Office Manager of Strategy Managing Div. Councilor/General Manager of Miyako area/Manager of Miyako Branch Councilor/Manager of Area Support Div. (present)	Common Stock -
	[Reasons for selection as a candidate for Director] Sato has extensive experience and detailed knowledge of the banking business, serving as Manager of Miyako branch, Sales Promotion and Sales Management. He has properly fulfilled his duties and responsibilities, assuming office as Councilor in 2013. We judged that he will be able to contribute to the Bank's management by utilizing his experience and knowledge.			
8	Toyoaki Sawaguchi (January 2, 1952)	April 1976 July 1980 July 1982 July 1988 July 1990 February 1992 March 2000 June 2014	Joined the National Tax Agency Co-Ordination Div., Management and Co-ordination Dept., Tokyo Regional Taxation Bureau Second Large Enterprise Examination Dept., Tokyo Regional Taxation Bureau Information and Examination Div., Direct Taxation Dept. Commissioner's Secretariat Retired from the National Tax Agency and Joined Sawaguchi Accounting Firm & Co. Representative Director, Sawaguchi Accounting Firm & Co. (present) Director of the Bank (present)	Common Stock -
		[Reasons for selection as a candidate for Director] Sawaguchi has detailed knowledge of corporate management and financial and tax affairs as a certified tax accountant and corporate manager. He has extensive experience and broad knowledge. We judged that he will be able to contribute to the Bank's management by utilizing his experience and knowledge as Outside Director.		

No.	Name (Date of birth)	Career summary, position and responsibilities in the Bank (significant concurrent positions outside the Bank)	Number of the Bank's shares owned
9	Saburo Murai (July 27, 1963)	<p>April 1990 Appointed as a Public Prosecutor</p> <p>March 2000 Retired from a Public Prosecutor</p> <p>April 2000 Registered as Attorney-at-Law</p> <p>November 2000 Opened Saburo Murai Law Office</p> <p>April 2013 Chairman of Iwate Bar Association</p> <p>Director of Japan Federation of Bar Association</p> <p>April 2014 Director of Iwate Bar Association (present)</p> <p>May 2014 Chairman of Iwate Human Rights Advocacy Committee Federation (present)</p> <p>June 2015 Director of the Bank (present)</p>	Common Stock -
	<p>[Reasons for selection as a candidate for Director]</p> <p>After serving as a public prosecutor and currently acting as an attorney, Murai has extensive experience and broad expertise and has provided the Bank with useful advice mainly from the standpoint of compliance.</p> <p>We judged that he will be able to contribute to the Bank's management by utilizing his experience and knowledge as Outside Director.</p>		

Notes:

1. None of the above nine (9) candidates have any special interest in the Bank.
2. Toyoaki Sawaguchi and Saburo Murai are candidates for Outside Directors.
3. Toyoaki Sawaguchi and Saburo Murai meet the requirements as Independent Officers provided by the Tokyo Stock Exchange (TSE) and the Bank plans to submit Sawaguchi and Murai as Independent Officers to the TSE. At a Board of Directors meeting held on November 25, 2015, the Bank established the "Independence Standards concerning Outside Directors." Sawaguchi and Murai are the candidates for Independent Officers who meet the standards.
4. Terms of office as Outside Directors for each candidate
 The term of office for Toyoaki Sawaguchi as Outside Director will be two years at the conclusion of this Annual General Meeting of Shareholders.
 The term of office for Saburo Murai as Outside Director will be one year at the conclusion of this Annual General Meeting of Shareholders.

Proposal 3: Election of one (1) Corporate Auditor

Of four (4) Corporate Auditors, Ryuichi Fujimoto is scheduled to resign at the conclusion of this Annual General Meeting of Shareholders. We therefore propose that one (1) Corporate Auditor be newly elected.

The term of office of the Corporate Auditor to be elected at this Annual General Meeting of Shareholders will expire at the conclusion of the Annual General Meeting of Shareholders to be held in June 2018.

The Board of Corporate Auditors has given its consent to this proposal.

The candidate for Corporate Auditor is as follows:

Name (Date of birth)	Career summary and position in the Bank (Significant concurrent positions outside the Bank)	Number of the Bank's shares owned
Yuzo Kumagai (August 7, 1947) New election	March 1991 Representative Director and President, Morioka Gas Co., Ltd. (present) November 1991 Representative Director and President, Morioka Fuel Gas Co., Ltd. (present) March 1992 Representative Director and President, Morioka Gas Service Co., Ltd. (present) August 1993 Representative Director and President, Astomos Gas Center Iwate Co., Ltd. (present) June 1994 Auditor of the Bank June 2002 Director of the Bank (present)	Common Stock -
[Reasons for selection as a candidate for Corporate Auditor] Serving as manager of local companies for long years, Kumagai has extensive experience and broad knowledge. He served as Outside Auditor of the Bank from 1994 and Outside Director from 2002 and properly fulfilled his duties and responsibilities. We judged that he will be able to monitor the Bank's management and provide the Bank with proper advice by utilizing his experience and knowledge.		

Notes:

1. The candidate doesn't have any special interest in the Bank.
2. The Bank has loans and other transactions with Morioka Gas Co., Ltd. and Morioka Fuel Gas Co., Ltd. for which Yuzo Kumagai, candidate for Corporate Auditor, serves as Representative Director and President.

Proposal 4: Election of one (1) substitute Corporate Auditor

The Bank proposes that one (1) substitute Corporate Auditor be elected in accordance with the provision in Article 329, paragraph 3 of the Companies Act in preparation for the shortage of the number of Auditors stipulated in laws and regulations. The candidate shall be a specific substitute in case the office of Corporate Auditor Toshihiko Nakano turns vacant. The effectiveness of the election under this Proposal may be cancelled based on a resolution of the Board of Directors with the consent of the Board of Corporate Auditors, only before the candidate assumes office as Auditor. The Board of Corporate Auditors has given its consent to this proposal.

The candidate for substitute Corporate Auditor is as follows:

Name (Date of birth)	Career summary and position in the Bank (Significant concurrent positions outside the Bank)	Number of the Bank's shares owned
Kuniaki Kindaichi (November 23, 1957) New election	September 2007 Manager of Compliance Administration Div. April 2009 Manager of Auditor Office December 2010 Manager of Risk Compliance Administration Div. October 2012 Personnel Div. (present)	Common Stock -
[Reasons for selection as a candidate for substitute Corporate Auditor] Kindaichi has extensive experience and detailed knowledge of the banking business, serving as Manager of the Risk Compliance Administration Division and the Auditor Office. He has also proper knowledge of the Bank's financial and accounting affairs as he engaged in the Corporate Planning Division (Accounting) for long years. We judged that he will be able to monitor the Bank's management and provide the Bank with proper advice as Corporate Auditor by utilizing his experience and knowledge.		

Note: The candidate doesn't have any special interest in the Bank.