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(Securities Code: 8349)

June 1, 2017

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 97TH ANNUAL GENERAL MEETING OF SHAREHOLDERS AND CLASS MEETING OF COMMON SHAREHOLDERS

You are cordially invited to attend the 97th Annual General Meeting of Shareholders and Class Meeting of Common Shareholders of THE TOHOKU BANK, LTD. (the “Bank”), which will be held as described below.

At the Annual General Meeting of Shareholders, “Consolidation of shares” will be brought up as Proposal 2, and “Partial amendments to the Articles of Incorporation (Part 1)” will be brought up as Proposal 3. As these proposals will be resolved based on Article 322, paragraph 1, of the Companies Act, we will hold a Class Meeting of Common Shareholders at the same time.

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., Wednesday, June 21, 2017 (Japan Standard Time).

1. Date and Time: Thursday, June 22, 2017 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:

(Annual General Meeting of Shareholders)

Items to be reported:

1. Business Report and Non-Consolidated Financial Statements for the 97th Term (from April 1, 2016 to March 31, 2017)
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 97th Term (from April 1, 2016 to March 31, 2017)

Items to be resolved:

- Proposal 1:** Appropriation of surplus
Proposal 2: Consolidation of shares
Proposal 3: Partial amendments to the Articles of Incorporation (Part 1)
Proposal 4: Partial amendments to the Articles of Incorporation (Part 2)
Proposal 5: Election of two (2) Corporate Auditors

(Class Meeting of Common Shareholders)

Items to be resolved:

- Proposal 1:** Consolidation of shares
Proposal 2: Partial amendments to the Articles of Incorporation

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 97th term, we plan to pay ¥2.50 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 ¥236,844,790.

(2) Class 1 preferred stock

We plan to pay ¥0.14 per share of class 1 preferred stock as stipulated under the Articles of Incorporation. The total amount of dividends will be ¥5,600,000.

3. Effective date of distribution of dividends of surplus

June 23, 2017

Proposal 2: Consolidation of shares

1. Reasons for the consolidation of shares

Japanese stock exchanges have announced the “Action Plan for Consolidating Trading Units,” aiming to standardize the trading unit of the common stock of all listed domestic companies at 100 shares.

As a company that is listed on the Tokyo Stock Exchange, we respect the intent of this plan and propose changing the trading unit of our common stock (number of shares per share unit) from 1,000 shares to 100 shares under Proposal No. 3 “Partial amendments to the Articles of Incorporation (Part 1).” In conjunction with this, we would like to consolidate our common stock on the basis of one for every 10 shares for the purpose of maintaining the investment unit level (at least ¥50,000 but less than ¥500,000) that the stock exchange considers desirable after the change in the number of shares constituting one unit of shares. Additionally, so that there is no change in the associated rights, we also propose changing the number of shares constituting one unit of shares of class 1 preferred stock from 1,000 shares to 100 shares under Proposal No. 3 “Partial amendments to the Articles of Incorporation (Part 1).” In conjunction with this, we would like to consolidate class 1 preferred stock on the basis of one for every 10 shares (hereinafter, the share consolidation of common stock and the share consolidation of class 1 preferred stock will be referred to as “the consolidation of shares”).

2. Details of consolidation of shares

(1) Types of stocks to be consolidated

Common stock and class 1 preferred stock

(2) Consolidation ratio

For both common stock and class 1 preferred stock, the Company proposes to consolidate every 10 shares into one.

If fractional shares of less than one share arise as a result of the consolidation of shares, such shares shall be subject to a bulk sale in accordance with the provisions of the Companies Act, and payment shall be distributed to shareholders holding fractions of shares according to the ratio thereof.

(3) Effective date of consolidation of shares

October 1, 2017

(4) Total number of shares authorized to be issued on the effective date of consolidation of shares

30,000,000

3. Other

The consolidation of shares is conditioned on approval of Proposal 3 “Partial amendments to the Articles of Incorporation (Part 1)” and on approval of the proposal on the consolidation of shares and Proposal 3 “Partial amendments to the Articles of Incorporation (Part 1)” at the class meetings of common shareholders and class 1 preferred stock shareholders to be held on June 22, 2017.

Proposal 3: Partial amendments to the Articles of Incorporation (Part 1)

1. Reasons for the amendments

As a listed company, we respect the intent of the initiative of the domestic stock exchanges of Japan to standardize the trading unit of the common stock of all listed domestic companies at 100 shares. We will change the trading unit of our common stock (number of shares per share unit) to 100 shares and, so that there are no changes in the rights associated with class 1 preferred stock, we will change the number of shares constituting one unit of shares to 100 shares. Additionally, considering that the total number of common stock and class 1 preferred stock issued will decrease as a result of the consolidation of shares in relation to Proposal 2, we will change the total number of class shares authorized to be issued of common and class 1 preferred stock set forth in Article 6 of the Bank's Articles of Incorporation.

A supplementary provision will be established in regards to these changes to make them effective as of October 1, 2017, which is the effective date of the consolidation of shares. This supplementary provision is to be deleted on October 1, 2017.

Moreover, these changes are conditioned on approval of Proposal 2 "Consolidation of shares" and on approval of the proposals on Proposal 2 "Consolidation of shares" and on amendments to the Articles of Incorporation at the class meetings of common shareholders and class 1 preferred stock shareholders to be held on June 22, 2017.

2. Details of the amendments

The details of the amendments are as follows. Only the amended articles are listed, and the amendments are underlined.

Comparison of Current Articles of Incorporation and Proposed Amendments

Current Articles of Incorporation	Proposed Amendments
Chapter 2 Shares (Total Number of Shares Authorized to be issued and Total Number of Class Shares Authorized to be issued) Article 6 The total number of shares authorized to be issued of the Bank shall be <u>300 million shares</u> , the total number of common stock authorized to be issued shall be <u>300 million shares</u> , and the total number of class 1 preferred stock authorized to be issued shall be <u>300 million shares</u> .	Chapter 2 Shares (Total Number of Shares Authorized to be issued and Total Number of Class Shares Authorized to be issued) Article 6 The total number of shares authorized to be issued of the Bank shall be <u>30 million shares</u> , the total number of common stock authorized to be issued shall be <u>30 million shares</u> , and the total number of class 1 preferred stock authorized to be issued shall be <u>30 million shares</u> .
Article 7 Omitted (Number of Shares per Share Unit)	Article 7 Omitted (Unchanged) (Number of Shares per Share Unit)
Article 8 The number of shares constituting one unit of shares for all types of the Bank's stocks shall be <u>1,000 shares</u> .	Article 8 The number of shares constituting one unit of shares for all types of the Bank's stocks shall be <u>100 shares</u> .
Article 9-Article 12 Omitted (Newly established)	Article 9-Article 12 Omitted (Unchanged) <u>Supplementary Provision</u> <u>(Effective Date)</u> <u>Article 1</u> <u>The amendments in Article 6 and Article 8 shall be effective as of October 1, 2017 and this supplementary provision shall be removed on the same date.</u>

(Note) Among the amendments of Article 6 of the Articles of Incorporation above (Total Number of Shares Authorized to be issued and Total Number of Class Shares Authorized to be issued), the amendment of the total number of shares authorized to be issued from 300 million to 30 million shall be deemed effective as of October 1, 2017, which is the effective date of the consolidation of shares, based on Article 182, Paragraph 2 of the Companies Act if Proposal 2 is approved and adopted in its original form.

Proposal 4: Partial amendments to the Articles of Incorporation (Part 2)

1. Reasons for the amendments

In conjunction with the enactment of the Act Partially Amending the Companies Act (Act No. 90 of 2014), Article 32 of the current Articles of Incorporation shall be amended to reflect the amendment in the paragraph numbers within the text of the Companies Act.

2. Details of the amendments

The details of the amendments are as follows. Only the amended articles are listed, and the amendments are underlined.

Comparison of Current Articles of Incorporation and Proposed Amendments

Current Articles of Incorporation	Proposed Amendments
<p>Chapter 5</p> <p>Corporate Auditors and Board of Corporate Auditors</p> <p>Article 29-Article 31 Omitted (Substitute Corporate Auditors)</p> <p>Article 32</p> <p>(1) The effective term of the resolution for election of a Substitute Corporate Auditor under Article 329, <u>paragraph 2</u> of the Companies Act shall expire at the beginning of the Annual General Meeting of Shareholders relating to the last fiscal year ending within four (4) years from the resolution for election of the Substitute Corporate Auditor unless shortened by said resolution.</p> <p>(2) Omitted</p> <p>Article 33-Article 36 Omitted</p>	<p>Chapter 5</p> <p>Corporate Auditors and Board of Corporate Auditors</p> <p>Article 29-Article 31 Omitted (Unchanged) (Substitute Corporate Auditors)</p> <p>Article 32</p> <p>(1) The effective term of the resolution for election of a Substitute Corporate Auditor under Article 329, <u>paragraph 3</u> of the Companies Act shall expire at the beginning of the Annual General Meeting of Shareholders relating to the last fiscal year ending within four (4) years from the resolution for election of the Substitute Corporate Auditor unless shortened by said resolution.</p> <p>(2) Omitted (Unchanged)</p> <p>Article 33-Article 36 Omitted (Unchanged)</p>

Proposal 5: Election of two (2) Corporate Auditors

Of four (4) Corporate Auditors, the term of office of Toshihiko Nakano will expire at the conclusion of this Annual General Meeting of Shareholders. In that regard, the Company proposes the election of two (2) Corporate Auditors, increasing the number of Corporate Auditors by one to strengthen and enhance the management monitoring system.

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

The candidate for Corporate Auditor is as follows:

Candidate No.	Name (Date of birth)	Career summary and position in the Bank (Significant concurrent positions outside the Bank)	Number of the Bank's shares owned
1	(New election) Shunpei Miyata (March 7, 1956)	Nov. 2008 Executive Officer/Manager of Business Operations Administration Div.	Common Stock 22,000
		June 2010 Managing Director/Manager of Business Operations Administration Div.	
		July 2010 Managing Director (present) (In charge of Credit Div. and Financial Market Div.)	
[Reasons for selection as a candidate for Corporate Auditor] Assuming the office of Director in 2010, Miyata has engaged in management of the Bank mainly as Director in charge of corporate planning, risk management, business operations administration, and financial market. He is well versed in banking operations and also possesses proper knowledge of finance and accounting. 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.			
2	(New election) Atsuo Saito (April 11, 1955)	Apr. 1980 Joined Iwate Prefectural Government	Common Stock -
		Apr. 2012 Director-General of Wide Coastal Area Promotion Bureau, Iwate Prefectural Government	
		Apr. 2014 Commissioner of Regional Policy Department, Iwate Prefectural Government	
		Apr. 2015 Planning Director, Iwate Prefectural Government	
		July 2016 President of Iwate Industrial Research Institute (present)	
[Reasons for selection as a candidate for Corporate Auditor] Saito has extensive administration experience and broad knowledge, serving as personnel of the prefectural government for long years since joining Iwate Prefectural Government in 1980. 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. None of the above two (2) candidates have any special interest in the Bank.
 2. Atsuo Saito is a candidate for Outside Corporate Auditor.
 3. Atsuo Saito meets the requirements as Independent Officer provided by the Tokyo Stock Exchange (TSE) and the Bank plans to submit Saito as Independent Officer to the TSE.
 4. Atsuo Saito is scheduled to retire from the position of President of Iwate Industrial Research Institute on June 19, 2017.

Reference Documents for the Class Meeting of Common Shareholders

Proposal 1: Consolidation of shares

Same as Proposal 2 “Consolidation of shares” provided on page 3 of the Reference Documents for the General Meeting of Shareholders.

Proposal 2: Partial amendments to the Articles of Incorporation

Same as Proposal 3 “Partial amendments to the Articles of Incorporation (Part 1)” provided on page 4 of the Reference Documents for the General Meeting of Shareholders.