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(Securities Code: 8343)
June 5, 2018

To Shareholders with Voting Rights:

Akihiro Araya
President, Director
THE AKITA BANK, LTD.
2-1, Sanno 3-Chome, Akita-shi

NOTICE OF CONVOCATION OF THE 115TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 115th Annual General Meeting of Shareholders of THE AKITA 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 by submitting the Voting Rights Exercise Form, or via electromagnetic means (the Internet, etc.). Please review the Reference Documents for the General Meeting of Shareholders (described below) and exercise your voting rights by no later than 5:00 p.m. on Tuesday, June 26, 2018, Japan time.

- 1. Date and Time:** Wednesday, June 27, 2018 at 10:00 a.m. Japan time
- 2. Place:** Conference room, 10F Head Office of the Bank, 2-1, Sanno 3-Chome, Akita-shi
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report and Non-consolidated Financial Statements for the Bank’s 115th Fiscal Year (from April 1, 2017 to March 31, 2018)
 2. Consolidated Financial Statements for the Bank’s 115th Fiscal Year (from April 1, 2017 to March 31, 2018) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors

Proposals to be resolved:

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Partial Amendments to the Articles of Incorporation
- Proposal No. 3:** Election of eleven (11) Directors (excluding Directors Serving as Audit and Supervisory Committee Members)
- Proposal No. 4:** Election of five (5) Directors Serving as Audit and Supervisory Committee Members
- Proposal No. 5:** Election of one (1) Substitute Director Serving as Audit and Supervisory Committee Member
- Proposal No. 6:** Remuneration for Directors (excluding Directors Serving as Audit and Supervisory Committee Members)
- Proposal No. 7:** Remuneration for Directors Serving as Audit and Supervisory Committee Members
- Proposal No. 8:** Remuneration and Contents of Stock Compensation-Type Stock Options for Directors (excluding Directors Serving as Audit and Supervisory Committee Members)
- Proposal No. 9:** Election of Accounting Auditor

4. Exercise of Voting Rights:

(1) 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 aforementioned deadline.

(2) Exercise of Voting Rights via the Internet

Please access the voting website specified by the Bank (<https://evote.tr.mufg.jp/>) using the “Login ID” and “Temporary Password” printed on the enclosed Voting Rights Exercise Form, and indicate your vote for or against the proposals by the aforementioned deadline.

For detail, please refer to the “Procedures for Exercise of Voting Rights via the Internet, etc.” which is described below (Japanese version only).

(3) Handling of Duplicate Voting

If you exercise your voting rights both by mailing the Voting Rights Exercise Form and via the Internet, only the vote placed via the Internet will be deemed valid.

If you exercise your voting rights more than once via the Internet, etc., only the last vote will be deemed valid.

End

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◎ Request

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. If attending the meeting by proxy, please submit a document authorizing the proxy at the reception desk together with the Voting Rights Exercise Form. (The proxy must be another shareholder of the Bank having voting rights.)

◎ Notice

Of the documents required to be presented along with this notice of convocation, “Matters Concerning the Bank’s Subscription Rights to Shares, etc.”, “Non-Consolidated Statements of Changes in Net Assets”, “Notes to Non-Consolidated Financial Statements”, “Consolidated Statements of Changes in Net Assets” and “Notes to Consolidated Financial Statements” are, in accordance with laws and regulations and Article 16 of the Articles of Incorporation of the Bank, posted on the Bank’s website and are therefore not included in the documents attached to this notice of convocation.

Please note that revisions, if any, to the Reference Documents for the General Meeting of Shareholders and attached documents will be posted on the Bank’s website.

The Bank’s website (<https://www.akita-bank.co.jp/aboutus/investor/kabusiki/soukai/>).

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Appropriation of Surplus

The Bank proposes that appropriation of surplus be as following:

1. Matters concerning year-end dividends

The Bank proposes that year-end dividends for the 115th fiscal year be as follows in consideration of continuing stable dividends and business results of the fiscal year and other factors.

(1) Type of dividend assets

Cash

(2) Matters concerning the allotment of dividend assets and the total amount

¥35.00 per common share of the Bank

The total amount: ¥628,308,590

Note: On October 1, 2017, the Bank conducted reverse stock split to consolidate 10 (ten) shares of its common stock into 1 (one) share. As the interim dividend of ¥3.50 per share paid with the record date of September 30, 2017 is converted to ¥35.00 per share after the reverse stock split, the annual dividend for the 115th fiscal year will be equivalent to ¥70.00 per share, including the interim dividend.

(3) Effective date of distribution of surplus

June 28, 2018

2. Matters concerning the provision of general reserve

With an aim to strengthen the financial structure, the Bank proposes that appropriation of surplus be as follows:

(1) Item and amount of surplus to be increased

General reserve: ¥2,000,000,000

(2) Item and amount of surplus to be decreased

Retained earnings brought forward: ¥2,000,000,000

Reference for Proposal No. 2 to Proposal No. 8

In order to further enhance corporate governance, the Bank would like to make a transition to a company with an Audit and Supervisory Committee, newly established organizational form pursuant to the “Act Partially Amending the Companies Act” (Act No. 90 of 2014). Proposal No. 2 to Proposal No. 8 listed in page 6 to page 29 of this Reference Documents for the General Meeting of Shareholders are all related to the transition to a company with an Audit and Supervisory Committee. Described below are outline of a company with an Audit and Supervisory Committee, reasons for the transition to a company with an Audit and Supervisory Committee, and summary of each of Proposal No. 2 to Proposal No. 8.

1. Outline of a company with an Audit and Supervisory Committee

- Under a company with an Audit and Supervisory Committee, Audit and Supervisory Committee shall be set up, comprised of three (3) Directors or more, in place of Corporate Auditors and Board of Corporate Auditors, and the majority of its members are Outside Directors.
- Directors Serving as Audit and Supervisory Committee Members hold voting rights at the Board of Directors, involved in the determination of proposals concerning the election and dismissal of Directors, the appointment and dismissal of Representative Directors, and other decision-making activities in general (except for activities delegated to Directors). Audit and Supervisory Committee holds authority to state its opinions at an Annual General Meeting of Shareholders regarding the election and dismissal of and remuneration for Directors excluding Audit and Supervisory Committee Members. Therefore, oversight function by Audit and Supervisory Committee Members and the Audit and Supervisory Committee is expected to improve in comparison with that by Corporate Auditors and the Board of Corporate Auditors.
- Under a company with an Audit and Supervisory Committee, based on the provisions of the Articles of Incorporation, delegation of authority regarding certain decision-making to Directors is possible by resolution of the Board of Directors. The Bank believes that this will speed up decision-making process of business operations and further enhance the effectiveness of audit.

2. Reasons for the transition to a company with an Audit and Supervisory Committee

The Bank positions the enhancement of corporate governance as the most important management issue, and it has been striving to improve the transparency of management and ensure the promptness of decision-making. By making a transition to a company with an Audit and Supervisory Committee, the Bank believes that Audit and Supervisory Committee Members with voting rights at the Board of Directors will strengthen their oversight function at the Board of Directors, leading to further enhancement in the soundness and transparency of management. Moreover, with the delegation of authority of decision-making to Directors from the Board of Directors, further promptness of decision-making on business operations will be achieved, developing structure that allows swift and aggressive decision-making that is essential in the business environment surrounding the Bank.

3. Proposal No. 2 to Proposal No. 8

In order to make a transition to a company with an Audit and Supervisory Committee, it is necessary to make amendments to the Articles of Incorporation, including establishment of new provisions concerning the Audit and Supervisory Committee and Audit and Supervisory Committee Members. In Proposal No. 2: Partial Amendments to the Articles of Incorporation, amendments necessary for the transition are proposed in addition to other changes.

Under a company with an Audit and Supervisory Committee, Directors who are not Audit and Supervisory Committee Members and Directors Serving as Audit and Supervisory Committee Members are elected separately. Accordingly, in Proposal No. 3, Proposal No. 4, and Proposal No. 5, election of Directors (excluding Directors Serving as Audit and Supervisory Committee Members), election of Directors Serving as Audit and Supervisory Committee Member, and election of Substitute of Directors Serving as Audit and Supervisory Committee are proposed respectively.

Moreover, under a company with an Audit and Supervisory Committee, remuneration for Directors is determined separately for Directors (excluding Directors Serving as Audit and Supervisory Committee Members) and Directors Serving as Audit and Supervisory Committee Members. Accordingly, in Proposal No. 6, Proposal No. 7, and No. 8, remuneration for Directors (excluding Directors Serving as Audit and Supervisory Committee Members), remuneration for Directors Serving as Audit and Supervisory Committee Members, and remuneration and contents of stock compensation-type stock

options for Directors (excluding Directors Serving as Audit and Supervisory Committee Members) are proposed respectively.

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reason for the amendments

With aims of further improving the transparency of management and ensuring the promptness of decision-making through reinforced corporate governance, the Bank will amend the Articles of Incorporation in order to make a transition to a company with an Audit and Supervisory Committee, newly established organizational form pursuant to the “Act Partially Amending the Companies Act” (Act No. 90 of 2014, hereinafter referred to as the “Revised Companies Act”).

- (1) In line with this transition to a company with an Audit and Supervisory Committee, necessary amendments shall be made, including new establishment of provisions concerning the Audit and Supervisory Committee and Audit and Supervisory Committee Members, and removal of provisions concerning the Board of Corporate Auditors and Corporate Auditors.
- (2) A new provision shall be established to the effect that by resolution of the Board of Directors, the entire or part of decision-making regarding significant business operations (excluding matters stated in each Item of Article 399-13, Paragraph 5 of the Companies Act) can be delegated to Director(s).
- (3) With the Revised Companies Act, it became possible to enter into liability limitation agreements with Directors who do not execute business. In order for Directors who do not execute business to fully perform their duties as expected, the Bank shall amend provisions concerning liability limitation agreement. The amendments to the Articles of Incorporation regarding the liability limitation agreements have received consent from each Corporate Auditor.
- (4) Other items, including the numbering of articles related to the new establishment and removal of provisions mentioned above, shall be revised accordingly.

2. Details of the amendments

The Bank’s Articles of Incorporation will be amended as follows.

This proposal will become effective upon the conclusion of this Annual General Meeting of Shareholders.

Comparison Table of Current Articles of Incorporation and Proposed Amendments
(Note) Amended parts are underlined.

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">Chapter I GENERAL PROVISIONS (Organization)</p> <p>Article 4 The Bank shall establish the following bodies in addition to General Meeting of Shareholders and Directors. (1) Board of Directors (2) <u>Corporate Auditors</u> (3) <u>Board of Corporate Auditors</u> (4) <u>Accounting Auditor</u></p> <p style="text-align: center;">Chapter IV DIRECTORS AND BOARD OF DIRECTORS (Number of Directors)</p> <p>Article 19 The number of Directors of the Bank shall not exceed <u>twelve (12)</u>.</p> <p style="text-align: center;">(Newly established)</p>	<p style="text-align: center;">Chapter I GENERAL PROVISIONS (Organization)</p> <p>Article 4 The Bank shall establish the following bodies in addition to General Meeting of Shareholders and Directors. (1) Board of Directors (2) <u>Audit and Supervisory Committee</u> (Deleted) (3) <u>Accounting Auditor</u></p> <p style="text-align: center;">Chapter IV DIRECTORS AND BOARD OF DIRECTORS (Number of Directors)</p> <p>Article 19 The number of Directors (<u>excluding Directors Serving as Audit and Supervisory Committee Members</u>) of the Bank shall not exceed <u>eleven (11)</u>. <u>2. The number of Directors Serving as Audit and Supervisory Committee Members of the Bank shall not exceed five (5)</u>.</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Election of Directors)</p> <p>Article 20 Directors shall be elected at General Meetings of Shareholders.</p> <p>2. (Omitted)</p> <p>3. (Omitted)</p> <p>(Term of Office of Directors)</p> <p>Article 21 The term of office of a Director shall expire at the end of the Annual General Meeting of Shareholders held with respect to the last business year ending within one (1) year after his/her appointment to office.</p> <p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p>	<p>(Election of Directors)</p> <p>Article 20 Directors shall be elected at General Meetings of Shareholders, <u>where elections shall be made separately with respect to Directors who are Members of the Audit and Supervisory Committee and other Directors.</u></p> <p>2. (Unchanged)</p> <p>3. (Unchanged)</p> <p>(Term of Office of Directors)</p> <p>Article 21 The term of office of a Director <u>(excluding Director Serving as Audit and Supervisory Committee Member)</u> shall expire at the end of the Annual General Meeting of Shareholders held with respect to the last business year ending within one (1) year after his/her appointment to office.</p> <p>2. <u>The term of office for a Director Serving as Audit and Supervisory Committee Member shall expire at the end of the Annual General Meeting of Shareholders held with respect to the last business year ending within two (2) years after his/her appointment to office.</u></p> <p>3. <u>The term of office of a Director Serving as Audit and Supervisory Committee Member appointed as a substitute of Director Serving as Audit and Supervisory Committee Member who resigned before his/her end of term shall be when the term of the resigned Director Serving as Audit and Supervisory Committee Member of office expires.</u></p> <p>4. <u>The effective term of the resolution for election of a Substitute Director Serving as Audit and Supervisory Committee Member under Article 329, Paragraph 3 of the Companies Act shall expire at the beginning of the Annual General Meeting of Shareholders held with respect to the last business year ending within two (2) years from the time of the said resolution unless it is shortened by the said resolution.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>(Representative Directors and Directors with Special Titles) Article 22 The Board of Directors shall appoint Representative Directors by its resolution.</p> <p>2. The Board of Directors shall be able to appoint by its resolution one Chairman, one President, and a small number of Deputy Presidents, Senior Managing Directors and Managing Directors.</p> <p>(Notice of Convocation of Board of Directors) Article 24 A notice of convocation of a meeting of the Board of Directors shall be given to each Director <u>and Corporate Auditor</u> by five (5) days prior to the scheduled date of the meeting; provided, however, that this period can be shortened in the event of an emergency.</p> <p>2. In case all Directors <u>and Corporate Auditors</u> agree, a meeting of the Board of Directors shall be convened without undergoing the procedures of convocation.</p> <p>(Remuneration and Other Financial Benefits for Directors) Article 27 The remuneration, bonus and other financial benefits received from the Bank in consideration of execution of the duty (<u>hereinafter referred to as “remuneration and other financial benefits”</u>) of Directors shall be determined by resolution at a General Meeting of Shareholders.</p> <p>(Liability Limitation Agreement for <u>Outside</u> Directors) Article 28 In accordance with Article 427, Paragraph 1 of the Companies Act, the Bank shall be able to enter into an agreement with <u>Outside Director</u> to limit liability for damages of such <u>Outside Director</u> as outlined under Article 423, Paragraph 1 of the same Act; provided, however, the liability amount pursuant to such agreement shall be the sum of the amount stipulated in each Item of Article 425,</p>	<p>(Representative Directors and Directors with Special Titles) Article 22 The Board of Directors shall appoint Representative Directors <u>from among Directors (excluding Directors Serving as Audit and Supervisory Committee Members)</u> by its resolution.</p> <p>2. The Board of Directors shall be able to appoint by its resolution one Chairman, one President, and a small number of Deputy Presidents, Senior Managing Directors and Managing Directors <u>from among Directors (excluding Directors Serving as Audit and Supervisory Committee Members)</u>.</p> <p>(Notice of Convocation of Board of Directors) Article 24 A notice of convocation of a meeting of the Board of Directors shall be given to each Director by five (5) days prior to the scheduled date of the meeting; provided, however, that this period can be shortened in the event of an emergency.</p> <p>2. In case all Directors agree, a meeting of the Board of Directors shall be convened without undergoing the procedures of convocation.</p> <p>(Remuneration and Other Financial Benefits for Directors) Article 27 The remuneration, bonus and other financial benefits received from the Bank in consideration of execution of the duty of Directors shall be determined by resolution at a General Meeting of Shareholders, <u>where determinations shall be made separately with respect to Directors who are Members of the Audit and Supervisory Committee and other Directors.</u></p> <p>(Liability Limitation Agreement for Directors) Article 28 In accordance with Article 427, Paragraph 1 of the Companies Act, the Bank shall be able to enter into an agreement with Director (<u>excluding Director who execute business</u>) to limit liability for damages of such Director (<u>excluding Director who execute business</u>) as outlined under Article 423, Paragraph 1 of the same Act; provided, however, the liability amount pursuant to such agreement shall be the sum of the amount</p>

Current Articles of Incorporation	Proposed Amendments
Paragraph 1 of the same Act.	stipulated in each Item of Article 425, Paragraph 1 of the same Act.
<p>(Newly established)</p> <p>Chapter V <u>CORPORATE AUDITORS AND BOARD OF CORPORATE AUDITORS</u> (Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p> <p>(Number of Corporate Auditors) <u>Article 29</u> <u>The number of Corporate Auditors of the Bank shall be not more than four (4).</u></p>	<p><u>(Delegation of Determination of Business Execution to Directors)</u> <u>Article 29</u> <u>The Bank, based on the provisions of Article 399-13, Paragraph 6 of the Companies Act, may delegate to Directors all or part of decisions on significant business execution (excluding matters stated in each Item of the same Article, Paragraph 5 of the Same Act) by resolution of the Board of Directors.</u></p> <p>Chapter V <u>AUDIT AND SUPERVISORY COMMITTEE</u> <u>(Standing Audit and Supervisory Committee Members)</u> <u>Article 30</u> <u>The Audit and Supervisory Committee shall be able to appoint Standing Audit and Supervisory Committee Member</u></p> <p><u>(Notice of Convocation of Audit and Supervisory Committee)</u> <u>Article 31</u> <u>A notice of convocation of a meeting of the Audit and Supervisory Committee shall be given to each Audit and Supervisory Committee Member by five (5) days prior to the scheduled date of the meeting; provided, however, that this period can be shortened in the event of an emergency.</u></p> <p>2. <u>In case all Audit and Supervisory Committee Members agree, the meeting of the Audit and Supervisory Committee shall be able to be held without the procedures of convocation.</u></p> <p><u>(Regulations of Audit and Supervisory Committee)</u> <u>Article 32</u> <u>In addition to laws and regulations, and these Articles of Incorporation, matters regarding operation of the Audit and Supervisory Committee shall comply with the Regulations of the Audit and Supervisory Committee established by the Audit and Supervisory Committee.</u></p> <p>(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<u>(Election of Corporate Auditors)</u>	
<u>Article 30</u> <u>Corporate Auditors shall be elected at General Meeting of Shareholders.</u>	(Deleted)
<u>2.</u> <u>Corporate Auditors shall be elected by a majority of votes of the shareholders present and holding shares representing one-third (1/3) or more of the number of shareholders who can exercise the voting rights.</u>	(Deleted)
<u>(Term of Office of Corporate Auditors)</u>	
<u>Article 31</u> <u>The term of office of a Corporate Auditor shall expire at the end of the Annual General Meeting of Shareholders held with respect to the last business year ending within four (4) years after his/her appointment to office.</u>	(Deleted)
<u>2.</u> <u>The term of office of a Corporate Auditor appointed as a substitute of Corporate Auditor who resigned before his/her end of term shall be when the term of the resigned Corporate Auditor of office expires.</u>	(Deleted)
<u>(Substitute Corporate Auditors)</u>	
<u>Article 32</u> <u>The effective term of the resolution for election of a Substitute Corporate Auditor under Article 329, Paragraph 3 of the Companies Act shall expire at the beginning of the Annual General Meeting of Shareholders held with respect to the last business year ending within four (4) years from the time of the said resolution unless it is shortened by the said resolution.</u>	(Deleted)
<u>2.</u> <u>Term of office of a Corporate Auditor assumed by a Substitute Corporate Auditor shall be when the term of the resigned Corporate Auditor of office expires; provided, however, it shall not exceed the end of the Annual General Meeting of Shareholders held with respect to the last business year ending within four (4) years from his/her appointment to office.</u>	(Deleted)

Current Articles of Incorporation	Proposed Amendments
<u>(Standing Corporate Auditors)</u>	
<u>Article 33</u> <u>The Board of Corporate Auditors shall appoint Standing Corporate Auditors by its resolution.</u>	(Deleted)
<u>(Notice of Convocation of Board of Corporate Auditors)</u>	
<u>Article 34</u> <u>A notice of convocation of a meeting of the Board of Corporate Auditors shall be given to each Corporate Auditor by five (5) days prior to the scheduled date of the meeting; provided, however, that this period can be shortened in the event of an emergency.</u>	(Deleted)
2. <u>In case all Corporate Auditors agree, the meeting of the Board of Corporate Auditors shall be able to be held without undergoing the procedures of convocation.</u>	(Deleted)
<u>(Regulations of Board of Corporate Auditors)</u>	
<u>Article 35</u> <u>In addition to laws and regulations, and these Articles of Incorporation, matters regarding operation of the Board of Corporate Auditors shall comply with the Regulations of the Board of Corporate Auditors established by the Board of Corporate Auditors.</u>	(Deleted)
<u>(Remuneration for Corporate Auditors)</u>	
<u>Article 36</u> <u>The remuneration for Corporate Auditors shall be determined by resolution at a General Meeting of Shareholders.</u>	(Deleted)
<u>(Liability Limitation Agreement for Outside Corporate Auditors)</u>	
<u>Article 37</u> <u>In accordance with Article 427, Paragraph 1 of the Companies Act, the Bank shall be able to enter into an agreement with Outside Corporate Auditor to limit liability for damages of such Outside Corporate Auditor as outlined under Article 423, Paragraph 1 of the same Act; provided, however, the liability amount pursuant to such agreement shall be the sum of the amount stipulated in each Item of Article 425, Paragraph 1 of the same Act.</u>	(Deleted)
CHAPTER VI ACCOUNTING	CHAPTER VI ACCOUNTING
Article <u>38</u> – Article <u>41</u> (Omitted)	Article <u>33</u> – Article <u>36</u> (Unchanged)

Proposal No. 3: Election of eleven (11) Directors (excluding Directors Serving as Audit and Supervisory Committee Members)

On the condition that Proposal No. 2: Partial Amendments to the Articles of Incorporation is approved, the Bank will make a transition to a company with an Audit and Supervisory Committee.

Accordingly, as the terms of office of all eleven (11) Directors will expire at the conclusion of this Annual General Meeting of Shareholders, the election of eleven (11) Directors (excluding Directors Serving as Audit and Supervisory Committee Members) is proposed.

This Proposal shall become effective when the amendments to the Articles of Incorporation under Proposal No. 2 take effect.

The candidates for Directors (excluding Directors Serving as Audit and Supervisory Committee Members) are as follows:

Candidate number	Name	Current positions at the Bank	
1	Takao Minatoya	Representative Director / Chairman	[Reappointment]
2	Akihiro Araya	Representative Director / President	[Reappointment]
3	Toshiyuki Sasaki	Senior Managing Director	[Reappointment]
4	Masayuki Takada	Senior Managing Director	[Reappointment]
5	Takanori Kudo	Managing Director	[Reappointment]
6	Naoki Handa	Managing Director	[Reappointment]
7	Takashi Kato	Director	[Reappointment]
8	Masato Tsuchiya	Director	[Reappointment]
9	Kiichiro Nishimura	Outside Corporate Auditor	[New appointment] [Outside]
10	Yoshiyuki Tsuji	Outside Director	[Reappointment] [Outside]
11	Junichi Sakaki		[New appointment] [Outside] [Independent]

Candidates for Directors

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Bank held
1	<p style="text-align: center;">Takao Minatoya (Sep. 25, 1951)</p> <p style="text-align: center; border: 1px solid black; display: inline-block; padding: 2px;">Reappointment</p>	<p>Apr. 1975 Joined the Bank</p> <p>Jun. 1997 Deputy General Manager of Head Office Business Department / Manager of Foreign Exchange Section</p> <p>Feb. 1999 General Manager of Sendai Branch</p> <p>Jun. 2001 Director / General Manager of Loan Supervision Department / Manager of Corporate Management Support Office</p> <p>Jun. 2005 Director / Executive Officer / General Manager of Business Headquarters / General Manager of Business Support Department</p> <p>Jun. 2007 Managing Director</p> <p>Jun. 2009 Representative Director, Senior Managing Director</p> <p>Jun. 2011 Representative Director, Senior Managing Director / General Manager of Business Headquarters</p> <p>Jun. 2013 Representative Director / President</p> <p>Jun. 2017 Representative Director / Chairman (current position)</p>	3,640 shares
<p>Reasons for nomination as a candidate for Director:</p> <p>Mr. Takao Minatoya has various professional skills based on a wealth of experience in overall banking operations, including various sectors such as corporate planning, business promotion, securities trading, and loan screening, and is well-versed in a wide range of operations from experience as a branch manager, etc. After assuming the position of President in June 2013, he has created a medium- to long-term management vision and has taken the lead in promoting growth strategies considering management challenges of the Bank.</p> <p>By utilizing these insights and skills concerning management, the Bank has determined that he can continue to supervise management while leading the Bank's corporate group (the "Group") and contributing to the continuous development of the Bank, and has nominated him as a candidate for Director.</p>			
2	<p style="text-align: center;">Akihiro Araya (Feb. 9, 1955)</p> <p style="text-align: center; border: 1px solid black; display: inline-block; padding: 2px;">Reappointment</p>	<p>Apr. 1977 Joined the Bank</p> <p>Apr. 1999 Deputy General Manager of HR Department</p> <p>Mar. 2002 General Manager of Prefectural Office Branch</p> <p>Jun. 2005 Executive Officer / General Manager of Head Office Business Department</p> <p>Jun. 2007 Director / Executive Officer / General Manager of Corporate Planning Department / Manager of Public Relations Office</p> <p>May 2010 Managing Director / General Manager of Corporate Planning Department / Manager of Public Relations Office / General Manager of Compliance Administration Department</p> <p>Jun. 2011 Managing Director / General Manager of Operations Headquarters</p> <p>Jun. 2013 Representative Director, Senior Managing Director</p> <p>Jun. 2016 Representative Director / Deputy President</p> <p>Jun. 2017 Representative Director / President (current position)</p>	2,900 shares
<p>Reasons for nomination as a candidate for Director:</p> <p>Mr. Akihiro Araya has a wealth of experience in operations, including corporate planning, risk management, and HR, and is well-versed in a wide range of banking operations from experience as a branch manager, etc. He assumed the position of Representative Director and President in June 2017, and has since created a medium- to long-term management vision, while taking the leading in promoting growth strategies considering management challenges of the Bank.</p> <p>By utilizing these insights and skills concerning management, the Bank has determined that he can continue to supervise management while leading the Group and contributing to the continuous development of the Bank, and has nominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Bank held
3	<p>Toshiyuki Sasaki (May 16, 1959)</p> <p><u>Reappointment</u></p>	<p>Apr. 1982 Joined the Bank</p> <p>Mar. 2000 Deputy General Manager of Business Administration Department</p> <p>Mar. 2004 General Manager of Akita Branch</p> <p>Jun. 2006 General Manager of Koriyama Branch</p> <p>Jun. 2009 General Manager of Tokyo Branch / General Manager of Tokyo Representative Office</p> <p>Jun. 2011 Executive Officer / General Manager of Head Office Business Department</p> <p>Jun. 2013 Director / Executive Officer / General Manager of Head Office Business Department</p> <p>Jun. 2014 Director / Executive Officer / General Manager of Corporate Planning Department / Manager of Public Relations & CSR Office</p> <p>Jun. 2015 Managing Director / General Manager of Operations Headquarters</p> <p>Jun. 2017 Senior Managing Director / General Manager of Business Headquarters (current position)</p> <p>Reasons for nomination as a candidate for Director: Mr. Toshiyuki Sasaki, based on a wealth of experience and achievements in executing operations, assumed the position of Senior Managing Director and General Manager of Business Headquarters in June 2017, and has since been contributing to the improvements of the business results of the Bank while making efforts to foster industrial growth in the prefecture by cooperating with various local authorities in the prefecture and providing support for renewable energy and transport-related business. By utilizing these insights and skills concerning management, the Bank has determined that he can continue to execute proper operation in the areas of his responsibility and perform appropriate and fair supervision on management, and has nominated him as a candidate for Director.</p>	2,000 shares
4	<p>Masayuki Takada (Oct. 24, 1958)</p> <p><u>Reappointment</u></p>	<p>Apr. 1982 Joined the Bank</p> <p>Mar. 2007 General Manager of Ushijima Branch</p> <p>Jun. 2009 General Manager of Koriyama Branch</p> <p>Jun. 2011 General Manager of Tokyo Branch / General Manager of Tokyo Representative Office</p> <p>Jun. 2012 Executive Officer / General Manager of Tokyo Branch / General Manager of Tokyo Representative Office</p> <p>Jun. 2013 Executive Officer / Officer supervising Yuhei Area</p> <p>Jun. 2014 Director / Executive Officer / Deputy General Manager of Business Headquarters</p> <p>Jun. 2015 Managing Director / General Manager of Business Headquarters</p> <p>Jun. 2017 Senior Managing Director (current position)</p> <p>Reasons for nomination as a candidate for Director: Mr. Masayuki Takada, based on a wealth of experience and achievements in executing operations, assumed the position of Senior Managing Director in June 2017, and has since been directing market transactions in addition to strengthening management control in HR and general affairs, etc. By utilizing these insights and skills concerning management, the Bank has determined that he can continue to execute proper operation in the areas of his responsibility and perform appropriate and fair supervision on management, and has nominated him as a candidate for Director.</p>	1,900 shares

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Bank held	
5	Takanori Kudo (Jan. 22, 1961) <u>Reappointment</u>	Apr. 1983	Joined the Bank	1,500 shares
		Apr. 2005	Deputy General Manager of Corporate Planning Department	
		Apr. 2006	General Manager of Niigata Branch	
		Jun. 2008	General Manager of Securities & International Department	
		Jun. 2010	General Manager of Securities & International Department / Manager of Overseas Business Support Office	
		Jun. 2011	Executive Officer / General Manager of Corporate Planning Department / Manager of Public Relations & CSR Office	
		Jun. 2013	Director / Executive Officer / Deputy General Manager of Business Headquarters / General Manager of Regional Support Department	
		Jun. 2014	Director / Executive Officer / General Manager of Loan Supervision Department / Manager of Corporate Management Support Office	
		Jun. 2017	Managing Director / General Manager of Operations Headquarters (current position)	
Reasons for nomination as a candidate for Director: Mr. Takanori Kudo, based on a wealth of experience and achievements in executing operations, assumed the position of Managing Director in June 2017, and has since been managing the screening division while serving as the General Manager of Operations Headquarters. He has also made efforts to reinforce the system for administrative risk control and has taken initiatives to build the loan management system focused on business evaluation and improve the Bank's loan asset quality. By utilizing these insights and skills concerning management, the Bank has determined that he can continue to execute proper operation in the areas of his responsibility and perform appropriate and fair supervision on management, and has nominated him as a candidate for Director.				
6	Naoki Handa (Jan. 29, 1960) <u>Reappointment</u>	Apr. 1982	Joined the Bank	1,510 shares
		Mar. 2002	Manager of Customers Relations Section, Head Office Business Department	
		Apr. 2005	General Manager of Kushiro Branch	
		Mar. 2008	General Manager of Noshiro Station Branch	
		Jun. 2010	Deputy General Manager of Loan Supervision Department	
		Jun. 2011	General Manager of Securities & International Department / Manager of Overseas Business Support Office	
		Jun. 2014	Executive Officer / General Manager of Head Office Business Department, supervising Head Office and Yabase Area	
		Jun. 2016	Director / Executive Officer / General Manager of Corporate Planning Department / Manager of Public Relations & CSR Office	
		Jun. 2017	Managing Director (current position)	
Reasons for nomination as a candidate for Director: Mr. Naoki Handa, based on a wealth of experience and achievements in executing operations, assumed the position of Managing Director in June 2017, and has since been managing corporate planning, compliance, internal audits, etc., addressing management challenges and enhancing compliance systems. By utilizing these insights and skills concerning management, the Bank has determined that he can continue to execute proper operation in the areas of his responsibility and perform appropriate and fair supervision on management, and has nominated him as a candidate for Director.				

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Bank held
7	Takashi Kato (May 9, 1960) <u>Reappointment</u>	<p>Apr. 1983 Joined the Bank</p> <p>Mar. 2003 Deputy General Manager of Tokyo Branch</p> <p>Apr. 2005 Deputy General Manager of Head Office Business Department / Manager of Public Relations Section</p> <p>Apr. 2007 Deputy General Manager of Head Office Business Department / Manager of Financing Section</p> <p>Mar. 2008 General Manager of Oodate-ekimae Branch</p> <p>Jun. 2011 General Manager of Business Planning Department</p> <p>Jun. 2013 General Manager of Tokyo Branch / General Manager of Tokyo Representative Office</p> <p>Jun. 2014 Executive Officer / General Manager of Tokyo Branch / General Manager of Tokyo Representative Office</p> <p>Jun. 2015 Executive Officer / General Manager of Oomagari Branch, supervising Oomagari-minami Area / General Manager of Oomagari Personal Plaza, Retail Business Department</p> <p>Jun. 2017 Director / Executive Officer / General Manager of Corporate Planning Department / Manager of Public Relations and CSR Office (current position)</p>	800 shares
<p>Reasons for nomination as a candidate for Director:</p> <p>Mr. Takashi Kato, based on a wealth of experience and achievements in executing operations, assumed the position of Director in June 2017, and has since been serving as the General Manager of the Corporate Planning Department, addressing management challenges and leading the formulation of plan for the sustainable growth of the Bank.</p> <p>By utilizing these insights and skills concerning management, the Bank has judged that he can continue to execute proper operation in the areas of his responsibility and perform appropriate and fair supervision on management, and has nominated him as a candidate for Director.</p>			
8	Masato Tsuchiya (Nov. 7, 1962) <u>Reappointment</u>	<p>Apr. 1986 Joined the Bank</p> <p>Mar. 2007 General Manager of Tashiro Branch</p> <p>Jun. 2009 General Manager of Ushijima Branch</p> <p>Jun. 2011 General Manager of Akita-higashi Chuo Branch supervising East Akita Area</p> <p>Jun. 2014 Executive Officer / General Manager of Regional Support Department</p> <p>Apr. 2017 Executive Officer / General Manager of Regional Support Department / Manager of Public Affairs Office</p> <p>Jun. 2017 Director / Executive Officer / Deputy General Manager of Business Headquarters / General Manager of Business Promotion Department (current position)</p>	500 shares
<p>Reasons for nomination as a candidate for Director:</p> <p>Mr. Masato Tsuchiya, based on a wealth of experience and achievements in executing operations, assumed the position of Director in June 2017, and has since been serving as Deputy General Manager of the Business Headquarters and General Manager of the Business Promotion Department, and contributing to the improvements of the business results of the Bank.</p> <p>By utilizing these insights and skills concerning management, the Bank has determined that he can continue to execute proper operation in the areas of his responsibility and perform appropriate and fair supervision on management, and has nominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Bank held
9	Kiichiro Nishimura (Nov. 21, 1940) <div style="border: 1px solid black; padding: 2px; width: fit-content;">New appointment</div> <div style="border: 1px solid black; padding: 2px; width: fit-content;">Candidate for Outside Director</div>	Apr. 1963 Joined Idemitsu Kosan Co., Ltd. Jan. 1966 Joined YAMANI Co., Ltd. Apr. 1989 President and Representative Director of YAMANI Co., Ltd. (current position) Feb. 1997 Representative Director of Yamani Shisetsu Kougyo Co., Ltd. (current position) May 2006 Representative Director of Yamani Kensetsu Shizai Co., Ltd. (current position) Jun. 2012 Corporate Auditor of the Bank (current position) May 2017 Chairman and Representative Director of Yamani Co., Ltd. (current position)	581 shares
Reasons for nomination as a candidate for Outside Director: Mr. Kiichiro Nishimura has served for many years as representative directors of a wholesaler of petroleum products and a retailer both of which are among the major corporations in the prefecture. He assumed the position of Outside Corporate Auditor of the Bank in June 2012, and has been utilizing his skills based on high character and a wealth of experience as a corporate manager and broad insights into various fields in conducting audits of the Bank. The Bank has determined that he is capable to supervise management and participate in important decision-making from an objective standpoint based on these professional insights, and has nominated him as a new candidate for Outside Director.			
10	Yoshiyuki Tsuji (Jul. 2, 1956) <div style="border: 1px solid black; padding: 2px; width: fit-content;">Reappointment</div> <div style="border: 1px solid black; padding: 2px; width: fit-content;">Candidate for Outside Director</div>	Dec. 1986 Director of AKITA ISUZU MOTORS LIMITED May 1999 Director and Vice President of AKITA ISUZU MOTORS LIMITED Apr. 2002 Representative Director and President of Tsujihyo Co., Ltd. (current position) Jun. 2002 Representative Director and President of Tsuji Real Estate Services Co., LTD. (current position) May 2004 Representative Director and President of AKITA ISUZU MOTORS LIMITED (current position) Dec. 2008 Representative Director and Chairman of ATEC Co., Ltd. (current position) Jun. 2011 Representative Director and Chairman of Komatsu Akita Co., Ltd. (current position) Jun. 2011 Representative Director and Chairman of Akita Sogo Lease Co., Ltd. (current position) Nov. 2014 Representative Director and Vice Chairman of Akita Xerox Co., Ltd. (current position) Mar. 2015 Representative Director and Chairman of Royal Motor Co., Ltd. (current position) Nov. 2016 Vice President of Akita Chamber of Commerce and Industry (current position) Jun. 2017 Director of the Bank (current position)	639 shares
Reasons for nomination as a candidate for Outside Director: Mr. Yoshiyuki Tsuji has served for many years as the management of major corporate groups in the prefecture, and served in important positions at industry organizations such as the role of Vice President of the Akita Chamber of Commerce and Industry, etc. He assumed the position of Outside Director of the Bank in June 2017, and has since been taking active initiatives to provide the Board of Directors of the Bank with advice and suggestions, based on high character and a wealth of experience as a corporate manager and wide insights into various fields. The Bank has determined that he is capable to supervise management and participate in important decision-making from an objective standpoint based on these professional insights, and has nominated him as a candidate for Outside Director.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Bank held	
11	Junichi Sakaki (Dec. 23, 1954) <u>New appointment</u> <u>Candidate for Outside Director</u> <u>Independent Director</u>	Apr. 1980	Joined Ishikawajima-Harima Heavy Industries Co., Ltd. (currently IHI Corporation)	0 shares
		Jul. 2003	General Manager of Engineering Div., Private Sector Engine Business, Aero Engine and Space Business of Ishikawajima-Harima Heavy Industries Co., Ltd. (currently IHI Corporation)	
		Jul. 2004	Vice General Manager of Vehicle Turbocharger Business Div., Machinery Business / General Manager of Quality Management Div. of Ishikawajima-Harima Heavy Industries Co., Ltd. (currently IHI Corporation)	
		Apr. 2009	Vice General Manager of Vehicle Turbocharger Sector / General Manager of Planning Div. of Ishikawajima-Harima Heavy Industries Co., Ltd. (currently IHI Corporation)	
		Apr. 2010	Representative Director and President of IHI Compressor and Machinery Co., Ltd.	
		Apr. 2012	Executive Officer / General Manager of Compression and Machinery Sector of IHI Corporation	
		Apr. 2017	Managing Executive Officer / Vice President of Industrial Systems & General-Purpose Machinery Business Area / General Manager of Vehicle Turbocharger Business Unit of IHI Corporation	
	Apr. 2018	Advisor of IHI Corporation (current position)		
<p>Reasons for nomination as a candidate for Outside Director:</p> <p>Mr. Junichi Sasaki joined Ishikawajima-Harima Heavy Industries Co., Ltd. (currently IHI Corporation), followed by serving as President of IHI Compressor and Machinery Co., Ltd. and assumed the position of Managing Executive Officer at IHI Corporation. He currently serves as Advisor at IHI Corporation.</p> <p>With a wealth of experience concerning corporate management and advanced knowledge into the field of transport machinery industry, etc., in addition to his high character and considerable insights, the Bank has determined that he is capable to supervise management and participate in important decision-making from an objective standpoint, and has nominated him as a new candidate for Outside Director.</p>				

(Note) 1. There are special interest relationships between the following candidates for Director and the Bank.

- (1) The Bank is engaged in regular banking transactions with Yamani Co., Ltd., Yamani Shisetsu Kougyo Co., Ltd., and Yamani Kensetsu Shizai Co., Ltd., to which Mr. Kiichiro Nishimura serves as Representative Director.
 - (2) The Bank is engaged in regular banking transactions with AKITA ISUZU MOTORS LIMITED, Tsujihyo Co., Ltd., Tsuji Real Estate Services Co., LTD., ATEC Co., Ltd., Komatsu Akita Co., Ltd., Akita Sogo Lease Co., Ltd., Akita Xerox Co., Ltd., and Royal Motor Co., Ltd., to which Mr. Yoshiyuki Tsuji serves as Representative Director.
 - (3) There is no special interest relationship between the other candidates for Directors and the Bank.
2. Mr. Kiichiro Nishimura, Mr. Yoshiyuki Tsuji and Mr. Junichi Sakaki are candidates for Outside Directors.
 3. The Bank intends to designate Mr. Junichi Sakaki as Independent Director as stipulated by the Tokyo Stock Exchange, if he is elected as Outside Director.
 4. The number of years since each candidate was first appointed as an Outside Director or Outside Corporate Auditor.
 - (1) Mr. Kiichiro Nishimura is an incumbent Outside Corporate Auditor and will have served as Outside Corporate Auditor for six years at the conclusion of this Annual General Meeting of Shareholders.

- (2) Mr. Yoshiyuki Tsuji is an incumbent Outside Director and will have served as Outside Director for one year at the conclusion of this Annual General Meeting of Shareholders.

5. Liability limitation agreement with Directors

Mr. Kiichiro Nishimura and Mr. Yoshiyuki Tsuji have entered into the liability limitation agreements based on Article 427, Paragraph 1 of the Companies Act with the Bank. If the election of Mr. Kiichiro Nishimura, Mr. Yoshiyuki Tsuji and Mr. Junichi Sakaki is approved as proposed, on the condition that Proposal No. 2: Partial Amendments to the Articles of Incorporation is approved, the Bank intends to enter into similar liability limitation agreements with them.

The outline of the liability limitation agreements is as follows:

- In the event that Directors are liable to the Bank due to negligence of their duties, their liability shall be limited to the sum of the amount stipulated in each item of Article 425, Paragraph 1 of the Companies Act.
- The aforementioned liability limitation shall be applied only in cases where such Directors performed their duties giving rise to such liabilities in good faith and without gross negligence.

6. Refer also to page 42 and 43 (Japanese only) for the positions and responsibilities at the Bank of the candidates for Director.

Proposal No. 4: Election of five (5) Directors Serving as Audit and Supervisory Committee Members

On the condition that Proposal No. 2: Partial Amendments to the Articles of Incorporation is approved, the Bank will make a transition to a company with an Audit and Supervisory Committee.

Accordingly, the election of five (5) Directors Serving as Audit and Supervisory Committee Members is proposed.

The Bank has obtained a prior consent of the Board of Corporate Auditors for this proposal.

This Proposal shall become effective when the amendments to the Articles of Incorporation under Proposal No. 2 take effect.

The candidates for Directors Serving as Audit and Supervisory Committee Members are as follows:

Candidate number	Name	Current positions at the Bank	
1	Hideto Ono	Corporate Auditor	[New appointment]
2	Masahiko Sato	Executive Officer/ General Manager of Securities & International Department	[New appointment]
3	Masashi Kitajima	Outside Corporate Auditor	[New appointment] [Outside]
4	Masahiro Morohashi	Outside Corporate Auditor	[New appointment] [Outside] [Independent]
5	Kenichi Kobayashi		[New appointment] [Outside] [Independent]

Candidates for Directors Serving as Audit and Supervisory Committee Members

	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Bank held
1	<p align="center">Hideto Ono (Mar. 26, 1959)</p> <p align="center"><u>New appointment</u></p>	<p>Apr. 1982 Joined the Bank</p> <p>Apr. 2000 Deputy General Manager of HR Department</p> <p>Apr. 2004 General Manager of Fukushima Branch</p> <p>Jun. 2006 General Manager of Tsuchizaki Branch, supervising Tsuchizaki Area</p> <p>Jun. 2009 General Manager of Sendai Branch</p> <p>Jun. 2011 Executive Officer / General Manager of Operations Administration Department</p> <p>Jun. 2013 Director / Executive Officer / General Manager of Corporate Planning Department / Manager of Public Relation & CSR Office</p> <p>Jun. 2014 Director / Executive Officer / General Manager of Corporate Administration Department</p> <p>Jun. 2016 Corporate Auditor (current position)</p>	3,300 shares
	<p>Reasons for nomination as a candidate for Director:</p> <p>Mr. Hideo Ono, based on a wealth of experience and achievements in executing operations, assumed the position of Director in June 2013, and has since been serving as the General Manager of the Corporate Planning and Corporate Administration Departments. He is thus well-versed in branch operations and headquarters business. In addition, He assumed the position of Corporate Auditor in June 2016, and has since been utilizing his extensive experience and special knowledge in conducting audits of the Bank.</p> <p>By utilizing these insights and skills concerning management, the Bank has determined that he can contribute to the enhancement of audit systems of the Bank and performance of appropriate and fair supervision on management, and has nominated him as a new candidate for Director Serving as Audit and Supervisory Committee Member.</p>		
2	<p align="center">Masahiko Sato (Dec. 27, 1961)</p> <p align="center"><u>New appointment</u></p>	<p>Apr. 1985 Joined the Bank</p> <p>Apr. 2007 General Manager of Kisakata Branch</p> <p>Jun. 2009 General Manager of Oomagari-ekimae Branch</p> <p>Jun. 2011 General Manager of Akita-ekimae Branch</p> <p>Jun. 2014 Executive Officer / General Manager of Securities & International Department / Manager of Overseas Business Support Office</p> <p>Jun. 2017 Executive Officer/ General Manager of Securities & International Department (current position)</p>	1,900 shares
	<p>Reasons for nomination as a candidate for Director:</p> <p>Mr. Masahiko Sato, based on a wealth of experience and achievements in executing operations, assumed the position of Executive Officer in June 2014, and has since been serving as the General Manager of the Securities & International Department. He is thus well-versed in branch operations and headquarters business. In addition, he has taken active initiatives to expand the Bank's international division, including his contribution to the opening of a representative office in Taipei, the Bank's first overseas base.</p> <p>By utilizing these insights and skills concerning management, the Bank has determined that he can contribute to the enhancement of audit systems of the Bank and performance of appropriate and fair supervision on management, and has nominated him as a new candidate for Director Serving as Audit and Supervisory Committee Member.</p>		

	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Bank held
3	Masashi Kitajima (Jan. 2, 1948) <input type="checkbox"/> New appointment <input type="checkbox"/> Candidate for Outside Director	Oct. 1974 Participated in founding Iyataka Kaikan Co., Ltd. (currently Iyataka Co., Ltd.) Mar. 1990 President and Representative Director of Iyataka Co., Ltd. (current position) Mar. 1998 Representative Director of PRODUCE PRO INC. Mar. 2014 Chairman and Representative Director of PRODUCE PRO INC. (current position) Jun. 2014 Corporate Auditor of the Bank (current position)	1,850 shares
	Reasons for nomination as a candidate for Outside Director: Mr. Masashi Kitajima has served for many years as representative directors of a bridal company and a restaurant company both of which are among the major corporations in the prefecture. He assumed the position of Corporate Auditor of the Bank in June 2014, and has since utilizing his skills based on high character and a wealth of experience as a corporate manager and broad insights into various fields in conducting audits of the Bank. Based on these professional insights, the Bank has determined that he is capable to contribute to the enhancement of audit systems of the Bank, supervise management and participate in important decision-making from an objective standpoint, and has nominated him as a new candidate for Outside Director Serving as Audit and Supervisory Committee Member.		
4	Masahiro Morohashi (Apr. 22, 1947) <input type="checkbox"/> New appointment <input type="checkbox"/> Candidate for Outside Director <input type="checkbox"/> Independent Director	Sep. 1982 Joined AKITA SHURUI SEIZOH Co., Ltd. Sep. 1996 Managing Director / General Manager of Sales Department of AKITA SHURUI SEIZOH Co., Ltd. Aug. 2001 President and Representative Director of AKITA SHURUI SEIZOH Co., Ltd. Aug. 2012 Part-time Director of AKITA SHURUI SEIZOH Co., Ltd. (current position) Jun. 2015 Director of the Bank (current position)	4,200 shares
	Reasons for nomination as a candidate for Outside Director: Mr. Masahiro Morohashi has served for many years as president and representative director of a major manufacturer in the prefecture. He assumed the position of Director of the Bank in June 2015, and has since been taking active initiatives to provide the Board of Directors of the Bank with advice and suggestions, based on high character and a wealth of experience as a corporate manager and wide insights into various fields. Based on these professional insights, the Bank has determined that he is capable to contribute to the enhancement of audit systems of the Bank, supervise management and participate in important decision-making from an objective standpoint, and has nominated him as a new candidate for Outside Director Serving as Audit and Supervisory Committee Member.		

	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Bank held	
5	Kenichi Kobayashi (Nov. 6, 1946) New appointment Candidate for Outside Director Independent Director	Apr. 1969	Joined Akita Prefectural Government Office	0 shares
		Jul. 2003	Director-General of Planning and Promotion Department of Akita Prefectural Government Office	
		Apr. 2004	Director-General of General Affairs Department / In charge of Risk Management of Akita Prefectural Government Office	
		May 2005	Director-General of General Affairs and Planning Department of Akita Prefectural Government Office	
		Apr. 2006	Director-General of Governor's Office of Akita Prefectural Government Office	
		Apr. 2008	President of Akita Enterprise Revitalization Center	
		Jun. 2010	Chairman of Credit Guarantee Corporation of Akita	
	Reasons for nomination as a candidate for Outside Director: Mr. Kenichi Kobayashi, after being in charge of the planning and promotion, and general affairs and planning at Akita Prefectural Government Office, took active initiatives to promote businesses in Akita Prefecture by serving as President of Akita Enterprise Revitalization Center and Chairman of Credit Guarantee Corporation of Akita. Although he has not been involved in corporate management, he has abundant experience in local administration and various fields as well as high characters and insights. The Bank has therefore determined that he is capable to contribute to the enhancement of audit systems of the Bank, supervise management and participate in important decision-making from an objective standpoint, and has nominated him as a new candidate for Outside Director Serving as Audit and Supervisory Committee Member.			

- (Note) 1. The Bank has usual banking transactions with each of Iyatoka Co., Ltd. and PRODUCE PRO INC., to which Mr. Masashi Kitajima serves as Representative Director. There is no special interest relationship between the other candidates for Directors and the Bank.
2. Mr. Masashi Kitajima, Mr. Masahiro Morohashi and Mr. Kenichi Kobayashi are candidates for Outside Directors.
3. The Bank has designated Mr. Masahiro Morohashi as Independent Director as stipulated by the Tokyo Stock Exchange. If he is reelected, the Bank plans to continue to designate him as Independent Director. In addition, if Mr. Kenichi Kobayashi is elected as Outside Director, the Bank intends to designate him as Independent Director as stipulated by the Tokyo Stock Exchange.
4. The number of years since each candidate was first appointed as an Outside Director or Outside Corporate Auditor.
- (1) Mr. Masashi Kitajima is an incumbent Outside Corporate Auditor and will have served as Outside Corporate Auditor for four years at the conclusion of this Annual General Meeting of Shareholders.
- (2) Mr. Masahiro Morohashi is an incumbent Outside Director and will have served as Outside Director for three years at the conclusion of this Annual General Meeting of Shareholders.
5. Liability limitation agreement with Directors
- Mr. Masashi Kitajima and Mr. Masahiro Morohashi have entered into the liability limitation agreements based on Article 427, Paragraph 1 of the Companies Act with the Bank. If the election of Mr. Masashi Kitajima, Mr. Masahiro Morohashi and Mr. Kenichi Kobayashi is approved as proposed, on the condition that Proposal No. 2: Partial Amendments to the Articles of Incorporation is approved, the Bank intends to enter into similar liability limitation agreements with them.

The outline of the liability limitation agreements is as follows:

- In the event that Directors are liable to the Bank due to negligence of their duties, their liability shall be limited to the sum of the amount stipulated in each item of Article 425, Paragraph 1 of the Companies Act.

- The aforementioned liability limitation shall be applied only in cases where such Directors performed their duties giving rise to such liabilities in good faith and without gross negligence.
6. Refer also to page 42 and 43 for the positions and responsibilities at the Bank of the candidates for Directors.

Proposal No. 5: Election of one (1) Substitute Director Serving as Audit and Supervisory Committee Member

On the condition that Proposal No. 2: Partial Amendments to the Articles of Incorporation is approved, the Bank will make a transition to a company with an Audit and Supervisory Committee. For the purpose of preparing the case in which the number of Directors Serving as Audit and Supervisory Committee Members falls below the minimum number stipulated in the laws and regulations, the election of one (1) Substitute Director Serving as Audit and Supervisory Committee Member is proposed.

The Board of Directors shall be able to cancel the said election based on its resolution, provided such cancellation is done prior to the assumption of office and with a consent of the Audit and Supervisory Committee.

The Bank has obtained a prior consent of the Board of Corporate Auditors for this proposal.

This Proposal shall become effective when the amendments to the Articles of Incorporation under Proposal No. 2 takes effect.

The candidate for Substitute Director Serving as Audit and Supervisory Committee Member is as follows:

Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Bank held
<p>Hideki Matsui (Oct. 27, 1964)</p> <p><u>New appointment</u></p> <p>Candidate for Outside Director</p>	<p>Apr. 1990 Registered as an attorney (Tokyo Bar Association) Joined Mori Law Office (currently Mori Hamada & Matsumoto)</p> <p>Apr. 1997 Partner of Mori Law Office (currently Mori Hamada & Matsumoto) (current position)</p> <p>Apr. 2004 Visiting Associate Professor of The University of Tokyo Graduate Schools for Law and Politics</p>	<p>0 shares</p>
<p>Reasons for nomination as a candidate for Substitute Director Serving as Audit and Supervisory Committee Member:</p> <p>Mr. Hideki Matsui has a wealth of experience and achievements in corporate legal affairs as an attorney. The Bank has determined that, based on these professional insights, he is capable to contribute to the enhancement of audit systems of the Bank, supervise management and participate in important decision-making from an objective standpoint, and has nominated him as a new candidate for Substitute for Outside Director Serving as Audit and Supervisory Committee Member.</p>		

(Note) 1. The Bank has an advisory contract with Mori Hamada & Matsumoto, to which Mr. Hideki Matsui serves as Partner. However, in light of the transaction amount, he satisfies the independence requirements set forth in the Bank's "Independence Standards for Outside Director/Corporate Auditor."

2. Mr. Hideki Matsui is a candidate for Substitute for Outside Director Serving as Audit and Supervisory Committee Member.

3. Although Mr. Hideki Matsui does not have direct experience in corporate management, the Bank has determined that in the event that he assumes office of Outside Director Serving as Audit and Supervisory Committee Member, he can successfully fulfill his duties by utilizing his insights and experience garnered through his long career as an attorney.

4. Liability limitation agreement with Directors

In the event that Mr. Hideki Matsui assumes office of Director Serving as Audit and Supervisory Committee Member, on the condition that Proposal No. 2: Partial Amendments to the Articles of Incorporation is approved, the Bank intends to enter into a liability limitation agreement with him following his assumption of office.

The outline of the liability limitation agreement is as follows:

- In the event that Directors are liable to the Bank due to negligence of their duties, their liability shall be limited to the sum of the amount stipulated in each item of Article 425, Paragraph 1 of the Companies Act.

- The aforementioned liability limitation shall be applied only in cases where such Directors performed their duties giving rise to such liabilities in good faith and without gross negligence.

[Reference] Independence Standards for Outside Director

The Bank designates Outside Director who meets the following standards as an Independent Director.

An Independent Director shall not fall under any of the items below currently or recently ^(note 1).

1. A party to whom the Bank is a major business partner ^(note 2), or a person who executes the business thereof if the party is a corporation, etc.
2. A party who is a major business partner of the Bank ^(note 3), or a person who executes the business thereof if the party is a corporation, etc.
3. A shareholder who holds 10% or more of the total voting rights of the Bank, or a person who executes the business thereof if the party is a corporation, etc.
4. A consultant, accounting specialist or legal professional who has received money, etc., from the Bank for an average of more than 10 million yen annually for the last three years other than remuneration for Director (in the case where the party who receives money, etc., is an organization such as a corporation and association, a person who belongs to such organization)
5. A relative within the second degree of the following individual
 - (1) An individual who falls under any of the above (1) to (4) (limited to significant person ^(note 4))
 - (2) Director, Executive Officer and employee of the Bank or its subsidiary

(Note)

1. “Recently” is defined as the time when the details of proposal(s) to elect a candidate as Director are finalized for submission to an annual general meeting of shareholders.
2. “A party to whom the Bank is a major business partner” is defined as that transaction amount between the Bank and such party accounts for 2% or more of the total consolidated sales for the most recent fiscal year of the said party, or that the Bank is the major bank of such party and transactions with the Bank have significant impact on business management of the said party.
3. “A major business partner of the Bank” is defined as that such party pays the Bank the amount equivalent to 2% or more of the total consolidated gross profit for the most recent fiscal year of the Bank.
4. “Significant person” is defined as a person who is, among persons who execute the business as Director, Executive Officer, Manager or other equivalent title, or a person who, among accounting specialists and legal professionals, holds a professional license such as certified public accountant and attorney-at-law.

Proposal No. 6: Remuneration for Directors (excluding Directors Serving as Audit and Supervisory Committee Members)

With regard to the remuneration amount for Directors of the Bank, it was approved at the 103rd Annual General Meeting of Shareholders held on June 29, 2006 to be ¥173.4 million or less per annum, and it is still in effect today. However, on the condition that Proposal No. 2: Partial Amendments to the Articles of Incorporation is approved, the Bank will make a transition to a company with an Audit and Supervisory Committee. Accordingly, the Bank proposes that the currently effective resolution concerning the remuneration amount for Directors be abolished and that the amount of remuneration, including the amount equivalent to bonuses, for Directors (excluding Directors Serving as Audit and Supervisory Committee Members) shall be ¥180.0 million or less per annum (of which ¥15.0 million or less is for Outside Directors), upon taking into consideration various factors such as the state of the economy.

Furthermore, the remuneration amount for Directors (excluding Directors Serving as Audit and Supervisory Committee Members) shall continue not to include compensation as an employee for those who serve concurrently as both employees and Directors.

The number of Directors is currently eleven (11) including three (3) Outside Directors. If Proposal No. 2: Partial Amendments to the Articles of Incorporation and Proposal No. 3: Election of eleven (11) Directors (excluding Directors Serving as Audit and Supervisory Committee Members) are approved as proposed, the number of Directors (excluding Directors Serving as Audit and Supervisory Committee Members) will be eleven (11) including three (3) Outside Directors.

This Proposal shall become effective when the amendments to the Articles of Incorporation under Proposal No. 2 take effect.

Proposal No. 7: Remuneration for Directors Serving as Audit and Supervisory Committee Members

On the condition that Proposal No. 2: Partial Amendments to the Articles of Incorporation is approved, the Bank will make a transition to a company with an Audit and Supervisory Committee. Accordingly, the Bank proposes that remuneration amount for Directors Serving as Audit and Supervisory Committee Members be ¥55.0 million or less per annum, considering duties and responsibilities of Directors Serving as Audit and Supervisory Committee Members. If Proposal No. 2: Partial Amendments to the Articles of Incorporation and Proposal No. 4: Election of five (5) Directors Serving as Audit and Supervisory Committee Members are approved as proposed, the number of Directors Serving as Audit and Supervisory Committee Members will be five (5).

This Proposal shall become effective when the amendments to the Articles of Incorporation under Proposal No. 2 take effect.

Proposal No. 8: Remuneration Amount and Details of Stock Compensation-Type Stock Options for Directors (excluding Directors Serving as Audit and Supervisory Committee Members)

Remuneration amount for Directors concerning subscription rights to shares in the form of stock compensation-type stock options was approved at the 106th General Meeting of Shareholders held on June 26, 2009 to be ¥30 million or less per annum, separately from remuneration for Directors, and it is still in effect today. However, on the condition that Proposal No. 2: Partial Amendments to the Articles of Incorporation is approved, the Bank will make a transition to a company with an Audit and Supervisory Committee.

Accordingly, the Bank proposes that the currently effective resolution regarding the remuneration amount for Directors concerning subscription rights to shares in the form of stock compensation-type stock options be abolished and that remuneration amount concerning subscription rights to shares in the form of stock compensation-type stock options be granted to Directors (excluding Directors Serving as Audit and Supervisory Committee Members) within the same amount of ¥30 million or less per annum, separately from the remuneration amount proposed in Proposal No. 6.

The value of remuneration in the form of stock options is calculated by multiplying fair value per subscription right to shares on the grant date by the number of subscription rights to shares granted.

For Outside Directors, subscription rights to shares in the form of stock compensation-type stock options shall not be granted, taking into consideration their roles and responsibilities.

If Proposal No. 2: Partial Amendments to the Articles of Incorporation and Proposal No. 3: Election of eleven (11) Directors (excluding Directors Serving as Audit and Supervisory Committee Members) are approved as proposed, the number of Directors other than Outside Directors (excluding Directors Serving as Audit and Supervisory Committee Members) will be eight (8).

Details of subscription rights to shares to be granted as remuneration to Directors (excluding Outside Directors and Directors Serving as Audit and Supervisory Committee Members) are as follows:

- (1) Total number of subscription rights to shares, and class and number of shares to be issued
 - (a) The number of subscription rights to shares:
Up to 800 subscription rights to shares shall be granted within one (1) year from the date of the Annual General Meeting of Shareholders for each fiscal year.
 - (b) The class and number of shares to be issued:
The class of shares to be issued shall be common stock of the Bank, and the number of shares to be issued upon the exercise of one (1) subscription right to shares (hereinafter referred to as the “Number of Issued Shares”) is ten (10) shares.
In the event that the Number of Issued Shares needs to be adjusted due to such circumstances as merger, company split, gratis allotment, reverse stock split, the Bank may make necessary adjustment as appropriate.
- (2) The amount to be paid for subscription rights to shares
The amount of payment for subscription rights to shares is determined based on the Black-Scholes model, etc., on the grant date of subscription rights to shares.
- (3) The value of assets to be contributed upon the exercise of subscription rights to shares
The value of assets to be contributed upon the exercise of each subscription right to shares shall be equal to the amount of ¥1, per-share payment amount for shares issued upon the exercise of such subscription right to shares, multiplied by the total Number of Issued Shares.
- (4) Exercise period of subscription rights to shares
Exercise period shall be no longer 30 years from a day after subscription rights to shares are granted, and shall be set by the Board of Directors.
- (5) Restriction of acquisition of subscription rights to shares by transfer
Acquisition of subscription rights to shares by transfer shall require an approval of the Board of Directors of the Bank.
- (6) Conditions for the exercise of subscription rights to shares
The holder of subscription rights to shares may only exercise his/her entire rights on a lump-sum basis within 10 days from the day after he/she lost his/her position as Director (excluding Director Serving as Audit and Supervisory Committee Member) of the Bank.
- (7) Other details of subscription rights to shares
Specifics of the above and other details of subscription rights to shares shall be determined by the Board of Directors.

Proposal No. 9: Election of Accounting Auditor

The term of office of Ernst & Young ShinNihon LLC, the Bank's Accounting Auditor, will expire at the conclusion of this Annual General Meeting of Shareholders due to expiration of its term of office. Accordingly, the Bank proposes the election of Deloitte Touche Tohmatsu LLC as Accounting Auditor of the Bank. This proposal was submitted based on the resolution of the Board of Corporate Auditors.

Deloitte Touche Tohmatsu LLC has been selected as a candidate of Accounting Auditor as a result of comprehensive examination by the Board of Corporate Auditors of factors such as the independence and quality management systems of Deloitte Touche Tohmatsu LLC, as well as consideration of the number of years for which the current Accounting Auditor has been the Bank's Accounting Auditor, followed by conclusion that Deloitte Touche Tohmatsu LLC can be expected to implement audits from a new viewpoint and Deloitte Touche Tohmatsu LLC is well qualified to be the Accounting Auditor of the Bank.

The candidate for the Accounting Auditor is as follows.

(As of February 28, 2018)

Name	Deloitte Touche Tohmatsu LLC		
Office	Main Office	Shinagawa Intercity, 2-15-3 Konan, Minato-ku, Tokyo	
History	May 1968	Tohmatsu Awoki & Co. established	
	May 1975	Joined Touche Ross International (TRI) (currently Deloitte Touche Tohmatsu Limited (DTTL)) alliance	
	Feb. 1990	Changed name to Tohmatsu & Co.	
	Jul. 2009	Transitioned to a limited liability company and changed name to Deloitte Touche Tohmatsu LLC	
Summary	Capital		¥968 million
	Personnel Structure	Partners (CPAs)	530 persons
		Non-CPA Partners	51 persons
		CPAs	2,829 persons
		Successful CPA Exam Candidates, etc. (including Junior Accountants)	1,188 persons
		Other Specialists	1,791 persons
		Other Staff	293 persons
		Total	6,682 persons
Companies with audit involvement		3,399 companies (as of May 31, 2017)	