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(Securities Code: 8563)
June 2, 2016

To Shareholders with Voting Rights:

Takao Suzuki
Director and President
THE DAITO BANK, LTD.
19-1, Nakamachi, Koriyama City,
Fukushima, Japan

NOTICE OF CONVOCATION OF THE 111TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 111th Annual General Meeting of Shareholders of THE DAITO 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. Please review the Reference Documents for the General Meeting of Shareholders (described hereinafter) and exercise your voting rights by indicating your vote for or against the proposal on the enclosed Voting Rights Exercise Form and return it so that they arrive by 5:00 p.m. Thursday, June 23, 2016 Japan time.

1. **Date and Time:** Friday, June 24, 2016 at 10:00 a.m. Japan time

2. **Place:** 6F, Main Conference Room, Head Office of the Bank, 19-1, Nakamachi, Koriyama City, Fukushima, Japan

3. **Meeting Agenda:**

Matters to be reported:

1. The Business Report and Non-consolidated Financial Statements for the Bank's 111th Fiscal Year (from April 1, 2015 to March 31, 2016)
2. Consolidated Financial Statements for the Bank's 111th Fiscal Year (from April 1, 2015 to March 31, 2016) 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: Election of Eight (8) Directors
Proposal No. 3: Election of One (1) Corporate Auditor

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form to the reception desk. Please also bring this Convocation Notice when attending the meeting to save resources.
- Of the documents to be provided with this Convocation Notice, the following items are omitted as they are posted on the Bank's website (http://www.daitobank.co.jp/) in accordance with laws and regulations and Article 15 of the Articles of Incorporation of the Bank:
  1) Non-consolidated Statement of Changes in Shareholders' Equity
  2) Notes to Non-consolidated Financial Statements
  3) Consolidated Statement of Changes in Shareholders' Equity
  4) Notes to Consolidated Financial Statements
- Any updates to the Reference Documents or the Attached Documents for the General Meeting of Shareholders will be posted on the Bank's website (http://www.daitobank.co.jp/).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Appropriation of Surplus

The Bank proposes the appropriation of surplus as follows.

1. Matters concerning year-end dividends

With regard to the year-end dividends for the 111th fiscal year, comprehensively taking into account continuing to provide stable dividends and the business results of the Bank for the fiscal year under review, the Bank proposes as follows.

In addition, internal reserves will continue to be used efficiently for effective investments, etc., in order to enhance the Bank's operational foundations and strengthening the management structure.

(1) Dividend asset type
Cash

(2) Matters concerning the allotment of dividend property to shareholders and the total amount
3 yen per share of common stock, for a total of 380,306,319 yen

(3) Effective date of distribution of surplus
June 27, 2016

2. Other matters concerning the appropriation of surplus

(1) Item and the amount of surplus to be increased

General reserve	1,500,000,000 yen

(2) Item and amount of surplus to be decreased

Retained earnings brought forward	1,500,000,000 yen

Proposal No. 2: Election of Eight (8) Directors

The terms of office of all eight (8) Directors will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of eight (8) Directors is proposed.

The candidates are as follows:

No.	Name (Date of birth)	Past experience, positions, role at the Bank, and significant concurrent positions	Number of shares of the Bank held
1	Reappointment Takao Suzuki (Nov. 15, 1953)	Apr. 1976 Joined the Bank Feb. 1996 General Manager, Uneme Branch Mar. 1998 Deputy General Manager, Headquarter Sales Division Apr. 2001 General Manager, Nihonmatsu Branch Mar. 2003 Asahi Area Manager and General Manager, Asahi Branch Jun. 2004 Managing Director Jun. 2008 Senior Managing Director Jun. 2010 Director and President To the present	87,000 shares
	<Reasons for nomination as a candidate for Director > Mr. Suzuki possesses a wealth of business knowledge and experience through his services as Branch General Manager, and since becoming Managing Director in 2004, he has amassed abundant management experience through holding positions as Senior Managing Director. Therefore, the Bank believes that he is capable of conducting the Bank's business management in an accurate, fair, and efficient manner, and thus has nominated him as a candidate for Director.		
2	Reappointment Yasuhiro Oka (Nov. 30, 1955)	Apr. 1974 Joined the Bank Mar. 1999 General Manager, Ishikawa Branch Apr. 2001 General Manager, Kawamata Branch Mar. 2003 General Manager, Shirakawa Branch Jun. 2004 General Manager, Credit Management Division Jul. 2008 Executive Officer and General Manager, Credit Division Jun. 2010 Director and General Manager, Credit Division Jun. 2013 Managing Director To the present	24,000 shares
	<Reasons for nomination as a candidate for Director > Mr. Oka possesses a wealth of business knowledge and experience through his services as Branch General Manager and General Manager of Credit Management Division and Credit Division, and since becoming a Director in 2010, he has amassed abundant management experiences. Therefore, the Bank believes that he is capable of conducting the Bank's business management in an accurate, fair, and efficient manner, and thus has nominated him as a candidate for Director.		

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Past experience, positions, role at the Bank,
and significant concurrent positions</th><th>Number of shares of the Bank held</th></tr>
<tr><td rowspan="2">3</td><td>Reappointment

Kenichi Miura
(Jan. 26, 1958)</td><td>Apr. 1980 Joined The Long-Term Credit Bank of Japan, Limited (currently Shinsei Bank, Limited)
Jul. 2008 General Manager, Fukuoka Branch of Shinsei Bank, Limited
Nov. 2010 Seconded to the Bank from Shinsei Bank, Limited Executive Officer and General Manager, Management Division
Jun. 2012 Director and General Manager, Management Division, the Bank
Jul. 2012 Director and General Manager, Sales Planning Division
Jul. 2014 Director and General Manager, Management Division
Jul. 2015 Director and General Manager, Systems Division
Aug. 2015 Director and General Manager, Systems Division and General Manager, Administration Division
To the present</td><td>10,000 shares</td></tr>
<tr><td colspan="3"><Reasons for nomination as a candidate for Director >
Mr. Miura possesses a wealth of business knowledge and experience through his services as Branch General Manager at a major bank and serving as General Manager at the Bank’s Management Division, Sales Planning Division, and Systems Division, and since becoming Director in 2012, he has amassed abundant management experiences. Therefore, the Bank believes that he is capable of conducting the Bank’s business management in an accurate, fair, and efficient manner, and thus has nominated him as a candidate for Director.</td></tr>
<tr><td rowspan="2">4</td><td>Reappointment

Ryo Haga
(May 14, 1962)</td><td>Apr. 1986 Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.)
Feb. 2009 Deputy General Manager, Administration and Planning Division of Mizuho Bank, Ltd.
Jan. 2011 General Manager, Fukuoka Branch and General Manager, Fukuoka Division 1 of Mizuho Bank, Ltd.
Aug. 2013 Seconded to the Bank from Mizuho Bank, Ltd. Executive Officer and General Manager, Sales Planning Division
Jun. 2014 Director and General Manager, Sales Planning Division, the Bank
Jul. 2015 Director and General Manager, Sales Planning Division and General Manager, Personal Loan Division
To the present</td><td>3,000 shares</td></tr>
<tr><td colspan="3"><Reasons for nomination as a candidate for Director >
Mr. Haga possesses a wealth of business knowledge and experience through his services as Branch General Manager at a major bank and serving as General Manager of the Bank’s Sales Planning Division and Personal Loan Division. Therefore, the Bank believes that he is capable of conducting the Bank’s business management in an accurate, fair, and efficient manner, and thus has nominated him as a candidate for Director.</td></tr>
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<table>
<tr><td>No.</td><td>Name
(Date of birth)</td><td colspan="3">Past experience, positions, role at the Bank,
and significant concurrent positions</td><td>Number of shares of the Bank held</td></tr>
<tr><td rowspan="2">5</td><td>New appointment

Mitsuo Furukawa
(Jun. 10, 1961)</td><td colspan="3">Apr. 1984 Joined the Bank
Jul. 2002 General Manager, Tsurumidan Branch
Jul. 2005 Koriyama A Block Manager, General Manager, Houhaccho Branch and General Manager, Koharada Branch
Jul. 2008 Iwaki Block Manager and General Manager, Taira Branch
Jul. 2010 Northern Block Manager and General Manager, Fukushima Branch
Jun. 2012 Executive Officer and Northern Block Manager and General Manager, Fukushima Branch
Jul. 2013 Executive Officer and General Manager, Credit Division and General Manager, Credit Management Division
Jul. 2014 Executive Officer and General Manager, Headquarter Sales Division
To the present</td><td>14,000 shares</td></tr>
<tr><td colspan="5"><Reasons for nomination as a candidate for Director >
Mr. Furukawa possesses a wealth of business knowledge and experience through his services as Branch General Manager, General Manager of Credit Division and Credit Management Division, and General Manager of Headquarter Sales Division. Therefore, the Bank believes that he is capable of conducting the Bank’s business management in an accurate, fair, and efficient manner, and thus has nominated him as a candidate for Director.</td></tr>
<tr><td rowspan="2">6</td><td>New appointment

Hiroshi Murakami
(Sep. 30, 1961)</td><td colspan="3">Apr. 1984 Joined the Bank
Mar. 2003 General Manager, Hiwada Branch
Jul. 2005 General Manager, Tokyo Branch and General Manager, Tokyo Office
Jul. 2007 Koriyama C Block Manager and General Manager, Asaka Branch
Jul. 2010 Iwaki Block Manager and General Manager, Taira Branch
Jun. 2013 Executive Officer and Iwaki Block Manager, General Manager, Taira Branch and General Manager, Kabeya Branch
Jul. 2013 Executive Officer and Northern Block Manager, General Manager, Fukushima Branch, General Manager, Fukushima Minami Branch
To the present</td><td>7,000 shares</td></tr>
<tr><td colspan="5"><Reasons for nomination as a candidate for Director >
Mr. Murakami possesses a wealth of business knowledge and experience through his services as Branch General Manager, General Manager of Tokyo Branch and General Manager of Tokyo Office. Therefore, the Bank believes that he is capable of conducting the Bank’s business management in an accurate, fair, and efficient manner, and thus has nominated him as a candidate for Director.</td></tr>
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<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Past experience, positions, role at the Bank,
and significant concurrent positions</th><th>Number of shares of the Bank held</th></tr>
<tr><td rowspan="2">7</td><td>Reappointment
Outside Director
Independent Officer

Gaku Ohashi
(Jan. 22, 1950)</td><td>Apr. 1973 Joined Koriyama City Office
Apr. 2008 General Manager, Living Environment Division
Jul. 2008 General Manager, Sewerage Division
Apr. 2009 General Manager, General Affairs Division
Apr. 2010 Director, Koriyama City Social Welfare Council
Jun. 2010 Full-time Vice Chairman of Koriyama City Social Welfare Council
Mar. 2013 Resigned from Full-time Vice President of Koriyama City Social Welfare Council
Jun. 2013 Outside Director, the Bank
To the present</td><td>5,000 shares</td></tr>
<tr><td colspan="3"><Reasons for nomination as a candidate for Director >
Based on Mr. Ohashi’s knowledge, experience, etc., gained from his years in government service, the Bank has nominated him based on the judgment that he is capable of aptly executing his duties as Outside Director, such as providing accurate advice toward the Bank’s general management from his wide-ranging perspective.</td></tr>
<tr><td rowspan="2">8</td><td>Reappointment
Outside Director
Independent Officer

Yoshihiro Kasama
(Aug. 10, 1952)</td><td>Nov. 1987 Passed the bar examination
Apr. 1990 Registered as an attorney-at-law (TOKYO BAR ASSOCIATION)
Joined Shimizu Kiyoshi Law Office
Apr. 1992 Resigned from Shimizu Kiyoshi Law Office
Changed registration to Fukushima Bar Association and established Kasama Law Office
Jun. 2008 Corporate Auditor, the Bank
Jun. 2015 Outside Director
To the present</td><td>1,200 shares</td></tr>
<tr><td colspan="3"><Reasons for nomination as a candidate for Director >
Mr. Kasama possesses a wealth of experience in the legal profession as well as a high level of acumen as a legal specialist, and thus the Bank has nominated him based on the judgment that he is capable of aptly executing his duties as Outside Director, such as providing accurate advice toward the Bank’s general management from his wide-ranging perspective.</td></tr>
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(Notes)

1. There is no special interest between each candidate for Director and the Bank.
2. Candidates for Director Gaku Ohashi and Yoshihiro Kasama are candidates for Outside Director. The Bank has appointed Messrs. Gaku Ohashi and Yoshihiro Kasama as Independent Officers prescribed by Tokyo Stock Exchange and submitted a notification of the appointment to the same Exchange.
3. Matters concerning the candidates for Outside Directors are as shown below.

(1) Regarding the number of years since the Outside Director candidates assumed the position of Outside Director:

Mr. Gaku Ohashi currently serves as an Outside Director of the Bank. His term of office as Outside Director will be three years at the conclusion of this year’s Annual General Meeting of Shareholders.

Mr. Yoshihiro Kasama currently serves as an Outside Director of the Bank. His term of office as Outside Director will be one year at the conclusion of this year’s Annual General Meeting of Shareholders.

(2) Liability limitation agreements with Outside Directors

The Bank has stipulated in the Articles of Incorporation to allow for the conclusion of agreements with Outside Directors that limit their liability for damages to a certain range so that they can fully perform their expected roles. If the election of Messrs. Gaku Ohashi and Yoshihiro Kasama is approved as proposed, the Bank plans to conclude agreements that limit their liability for damages set forth in Article 423, Paragraph 1 of the Companies Act pursuant to the provisions of Article 427, Paragraph 1 of the said act. The liability limitation agreements define that if an Outside Director is held liable for damages due to negligence of duties, he/she will be responsible for such liability to the extent of the minimum liability amount set forth in laws and regulations or 1 million yen, whichever is greater.

Proposal No. 3: Election of One (1) Corporate Auditor

The term of office of Corporate Auditor Hisao Endo will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of one (1) Corporate Auditor is proposed.

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

The candidate is as follows:

Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Bank held
New appointment Takahiro Ono (Aug. 5, 1955)	Apr. 1980 Joined the Bank Apr. 2001 Senior Chief Assistant, General Planning Division Aug. 2003 Fukuyama Area Manager and General Manager, Fukuyama Branch Jul. 2005 Executive Officer and General Manager, Management Division Jul. 2008 Executive Officer and General Manager, Sales Planning Division Jun. 2010 Director Jun. 2012 Managing Director Jun. 2015 Senior Managing Director To the present	27,200 shares
<Reasons for nomination as a candidate for Corporate Auditor> Mr. Ono possesses a wealth of business knowledge and experience through his services as Branch General Manager, General Manager of Management Division, and General Manager of Sales Planning Division, and since becoming Director in 2010, he has amassed management experiences from holding positions as Managing Director and Senior Managing Director. Therefore, the Bank believes that he is capable of executing duties as Corporate Auditor in an appropriate manner, and thus has nominated him as a candidate for Corporate Auditor.		

(Note) There is no special interest between the candidate for Corporate Auditor and the Bank.