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(Securities Code: 8349)
June 1, 2018

To shareholders with Voting Rights:

Naoto Murakami
Director and President
THE TOHOKU BANK, LTD.
3-1, Uchimaru, Morioka, Iwate, Japan

NOTICE OF CONVOCATION OF THE 98TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 98th Annual General Meeting of Shareholders of THE TOHOKU BANK, LTD. (the "Bank"), which will be held as described below.
If you are unable to attend the meeting in person, you may exercise your voting rights by postal mail. Please indicate your approval or disapproval of the proposals on the enclosed voting form after reviewing the attached Reference Documents for the General Meeting of Shareholders, and return it by postal mail to reach us no later than 5:00 p.m., Thursday, June 21, 2018 (Japan Standard Time).

1. **Date and Time:** Friday, June 22, 2018 at 10:00 a.m. (Japan Standard Time)
2. **Venue:** 4th floor Hall, Head office of the Bank
   3-1, Uchimaru, Morioka, Iwate, Japan
3. **Purposes of the Meeting:**

Items to be reported:

1. Business Report and Non-Consolidated Financial Statements for the 98th Term (from April 1, 2017 to March 31, 2018)
2. Consolidated Financial Statements, as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors for the 98th Term (from April 1, 2017 to March 31, 2018)

Items to be resolved:

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

Reference Documents for the General Meeting of Shareholders

Proposal 1: Appropriation of surplus

The Bank proposes the appropriation of surplus as follows:
Matters related to year-end dividends

1. Type of dividend property
   Cash
2. Allocation of dividend property and total amount thereof
   (1) Common stock
   As year-end dividend for the 98th term, we plan to pay ¥25 per share of common stock, taking into consideration the performance in the fiscal year under review and business development plans in the future.
   The total amount of dividends will be ¥236,816,375.
   (2) Class 1 preferred stock
   We plan to pay ¥0.75 per share of class 1 preferred stock as stipulated under the Articles of Incorporation.
   The total amount of dividends will be ¥3,000,000.
3. Effective date of distribution of dividends of surplus
   June 25, 2018

Proposal 2: Election of nine (9) Directors

At the conclusion of this Annual General Meeting of Shareholders, the terms of office of all eight (8) Directors will expire.
In that regard, the Bank will increase the number of Directors by one (1) to further enhance the corporate governance system and strengthen the management system, and it proposes the election of nine (9) Directors, including two (2) Outside Directors.
The candidates for Directors are as follows:

No.	Name	Current position in the Bank	Attribute	Attendance at meetings of the Board of Directors
1	Naoto Murakami	Representative Director and President	Reelection	12/12 (100.0%)
2	Masato Kokubun	Senior Managing Director	Reelection	12/12 (100.0%)
3	Hidenobu Yokosawa	Managing Director	Reelection	12/12 (100.0%)
4	Junetsu Takahashi	Managing Director	Reelection	12/12 (100.0%)
5	Takeshi Sato	Managing Director	Reelection	12/12 (100.0%)
6	Hiroki Mori	Executive Officer	New election	-
7	Masahiro Onodera	Executive Officer	New election	-
8	Saburo Murai	Outside Director	Reelection Outside Independent	12/12 (100.0%)
9	Toyoaki Sawaguchi	Outside Director	Reelection Outside Independent	12/12 (100.0%)

Reelection: Candidate for Director to be reelected
New election: Candidate for Director to be newly elected
Outside: Candidate for Outside Director
Independent: Independent officer as provided for by stock exchanges and other institutions

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities in the Bank (Significant concurrent positions outside the Bank)	Number of the Bank's shares owned
1	Naoto Murakami (February 18, 1952) Reelection	June 2006 Managing Director June 2010 Senior Managing Director June 2011 Representative Director and Senior Managing Director June 2012 Representative Director and Vice President June 2014 Representative Director and President (present)	Common Stock 3,400
	[Reasons for selection as a candidate for Director] Assuming the office of Director in 2006, Murakami has engaged in management of the Bank mainly as Director in charge of credit, corporate planning, and personnel. He has abundant experience and broad knowledge. He has properly fulfilled his duties and responsibilities, assuming office as Representative Director in 2011 and serving as Director and President from 2014. We judged that he will be able to contribute to the Bank's management by utilizing his experience and knowledge as Director.		
2	Masato Kokubun (January 16, 1954) Reelection	June 2010 Executive Officer/Risk Compliance Administration Div. and Manager of Customer Consultation Office Dec. 2010 Executive Officer/Manager of Internal Audit Div. June 2014 Director/Manager of Internal Audit Div. June 2015 Managing Director/Manager of Internal Audit Div. Oct. 2015 Managing Director June 2017 Senior Managing Director (present) (In charge of Secretariat and Personnel Div.)	Common Stock 2,600
	[Reasons for selection as a candidate for Director] Kokubun has extensive experience and detailed knowledge of the banking business, serving as Manager of Personnel Division, Risk Compliance Administration Division, and Internal Audit Division. He has properly fulfilled his duties and responsibilities, assuming office as Director in 2014. We judged that he will be able to contribute to the Bank's management by utilizing his experience and knowledge as Director.		
3	Hidenobu Yokosawa (August 22, 1954) Reelection	June 2011 Executive Officer/Manager of Business Operations Administration Div. June 2013 Executive Officer/Manager of Head Office June 2014 Director/Manager of Head Office June 2015 Managing Director/Manager of Head Office Apr. 2016 Managing Director (present) (In charge of General Affairs Div., Business Operations Administration Div. and Tokyo office)	Common Stock 2,700
	[Reasons for selection as a candidate for Director] Yokosawa has extensive experience and detailed knowledge of the banking business, serving as Manager of Personnel Division, Business Operations Administration Division, and Head Office. He has properly fulfilled his duties and responsibilities, assuming office as Director in 2014. We judged that he will be able to contribute to the Bank's management by utilizing his experience and knowledge as Director.		

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities in the Bank (Significant concurrent positions outside the Bank)	Number of the Bank's shares owned
4	Junetsu Takahashi (February 9, 1962) Reelection	June 2006 Manager of Credit Management Div. Apr. 2009 Manager of Hachinohe Branch Feb. 2012 Manager of Corporate Planning Div. June 2013 Councilor/Manager of Corporate Planning Div. June 2015 Executive Officer/Manager of Corporate Planning Div. June 2016 Managing Director/Manager of Corporate Planning Div. Mar. 2018 Managing Director/Manager of Credit Div. Apr. 2018 Managing Director (present) (In charge of Corporate Planning Div. and Credit Administration Div.)	Common Stock 500
	[Reasons for selection as a candidate for Director] Takahashi has extensive experience and detailed knowledge of the banking business, serving as Manager of Credit Management Division, Hachinohe branch and Corporate Planning Division. He has properly fulfilled his duties and responsibilities, assuming office as Director in 2016. We judged that he will be able to contribute to the Bank's management by utilizing his experience and knowledge as Director.		
5	Takeshi Sato (June 6, 1966) Reelection	Apr. 2010 General Manager of Strategy Support Office May 2011 Manager of Strategy Managing Div. June 2013 Councilor/General Manager of Miyako area/Manager of Miyako Branch Apr. 2015 Councilor/Manager of Area Support Div. June 2016 Managing Director/Manager of Area Support Div. Apr. 2017 Managing Director (present) (In charge of Branch Management Div., Asset Management Consulting Services Div., Area Support Div. and Financial Market Div.)	Common Stock 700
	[Reasons for selection as a candidate for Director] Sato has extensive experience and detailed knowledge of the banking business, serving as Manager of Miyako branch, Sales Promotion and Sales Management. He has properly fulfilled his duties and responsibilities, assuming office as Director in 2016. We judged that he will be able to contribute to the Bank's management by utilizing his experience and knowledge as Director.		
6	Hiroki Mori (May 18, 1963) New election	Apr. 2009 Manager of Credit Management Div. Feb. 2012 Manager of Tonan Branch Apr. 2014 Manager of Kuji Branch June 2015 Councilor/Manager of Kuji Branch Apr. 2016 Councilor/Manager of Head Office June 2016 Executive Officer/Manager of Head Office (present)	Common Stock 1,900
	[Reasons for selection as a candidate for Director] Mori has extensive experience and detailed knowledge of the banking business, serving as Manager of Credit Management Division, Kuji branch and Head Office. He has properly fulfilled his duties and responsibilities, assuming office as Executive Officer in 2016. We judged that he will be able to contribute to the Bank's management by utilizing his experience and knowledge as Director.		

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities in the Bank (Significant concurrent positions outside the Bank)		Number of the Bank's shares owned
7	Masahiro Onodera (July 30, 1960) New election	Apr. 2009 June 2012 June 2013 June 2015 Apr. 2017	Manager of Hanamaki Branch Councilor/General Manager of Hanamaki area/Manager of Hanamaki Branch Councilor/General Manager of Oushu area/Manager of Mizusawa Branch Executive Officer/Manager of Mizusawa Branch Executive Officer/Manager of Kitakami Branch (present)	Common Stock 2,800
	[Reasons for selection as a candidate for Director] Onodera has extensive experience and detailed knowledge of the banking business, serving as Manager of Hanamaki branch, Mizusawa branch and Kitakami branch. He has properly fulfilled his duties and responsibilities, assuming office as Executive Officer in 2015. We judged that he will be able to contribute to the Bank's management by utilizing his experience and knowledge as Director.			
8	Saburo Murai (July 27, 1963) Reelection Outside Independent	Apr. 1990 Mar. 2000 Apr. 2000 Nov. 2000 Jan. 2010 Apr. 2013 Apr. 2014 May 2014 June 2015	Appointed as a Public Prosecutor Retired from a Public Prosecutor Registered as Attorney-at-Law Opened Saburo Murai Law Office Chairman of the Fair Duties Review Board for Morioka City (present) Chairman of Iwate Bar Association Director of Japan Federation of Bar Association Director of Iwate Bar Association (present) Chairman of Iwate Human Rights Advocacy Committee Federation (present) Director of the Bank (present)	Common Stock -
	[Reasons for selection as a candidate for Director] After serving as a public prosecutor and currently acting as an attorney, Murai has extensive experience and broad expertise and has provided the Bank with useful advice mainly from the standpoint of compliance. We judged that he will be able to contribute to the Bank's management by utilizing his experience and knowledge as Outside Director.			
9	Toyoaki Sawaguchi (January 2, 1952) Reelection Outside Independent	Apr. 1976 July 1980 July 1982 July 1988 July 1990 Feb. 1992 Mar. 2000 May 2014 June 2014	Joined the National Tax Agency Co-Ordination Div., Management and Co-ordination Dept., Tokyo Regional Taxation Bureau Second Large Enterprise Examination Dept., Tokyo Regional Taxation Bureau Information and Examination Div., Direct Taxation Dept., Tokyo Regional Taxation Bureau Commissioner's Secretariat, the National Tax Agency Retired from the National Tax Agency and joined Sawaguchi Accounting Firm & Co. Representative Director, Sawaguchi Accounting Firm & Co. (present) Representative Director of Sawaguchi Planning Firm & Co. (present) Director of the Bank (present)	Common Stock -
	[Reasons for selection as a candidate for Director] Sawaguchi has detailed knowledge of corporate management and financial and tax affairs as a certified tax accountant and corporate manager. He has extensive experience and broad knowledge. We judged that he will be able to contribute to the Bank's management by utilizing his experience and knowledge as Outside Director.			

Notes: 1. None of the above nine (9) candidates have any special interest in the Bank.

2. Saburo Murai and Toyoaki Sawaguchi are candidates for Outside Directors.
3. The Bank has submitted notification to the Tokyo Stock Exchange, Inc., that Saburo Murai and Toyoaki Sawaguchi have been designated as independent officers as provided for by the aforementioned exchange. If their reelections are approved, the Bank plans for their appointments as independent officers to continue.
4. Of the candidates for Outside Directors, their tenures as Outside Director at the conclusion of this Annual General Meeting of Shareholders will be three (3) years for Saburo Murai and four (4) years for Toyoaki Sawaguchi.

Proposal 3: Election of one (1) Corporate Auditor

The term of office of Corporate Auditor Yuzo Kumagai will expire at the conclusion of this Annual General Meeting of Shareholders. We therefore propose that one (1) Corporate Auditor be elected.
The Board of Corporate Auditors has given its consent to this proposal.
The candidate for Corporate Auditor is as follows:

Name (Date of birth)	Career summary and position in the Bank (Significant concurrent positions outside the Bank)	Number of the Bank's shares owned
Yuzo Kumagai (August 7, 1947) Reelection	Mar. 1991 Representative Director and President, Morioka Gas Co., Ltd. Nov. 1991 Representative Director and President, Morioka Fuel Gas Co., Ltd. June 1994 Auditor of the Bank June 2002 Director of the Bank June 2016 Auditor of the Bank (present) June 2017 Representative Director and Chairman, Morioka Fuel Gas Co., Ltd. (present) Mar. 2018 Representative Director and Chairman, Morioka Gas Co., Ltd. (present)	Common Stock -
[Reasons for selection as a candidate for Corporate Auditor] Serving as manager of local companies for many years, Kumagai has extensive experience and broad knowledge. He served as Outside Auditor of the Bank from 1994 and Outside Director from 2002, and Auditor from 2016, and properly fulfilled his duties and responsibilities. We judged that he will be able to monitor the Bank's management and provide the Bank with proper advice by utilizing his experience and knowledge.		

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