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(Securities Code: 8368)
June 1, 2018

To Shareholders with Voting Rights:

Toshiyasu Ito
Director and President
THE HYAKUGO BANK, LTD.
21-27, Iwata,
Tsu City, Mie, Japan

NOTICE OF CONVOCATION OF THE 203RD ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 203rd Ordinary General Meeting of Shareholders of THE HYAKUGO 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 enclosed Voting Rights Exercise Form, or via electromagnetic means (the Internet, etc.). Please review the Reference Documents for the General Meeting of Shareholders (described hereinafter) and exercise your voting rights by Wednesday, June 20, 2018 at 5:15 p.m. Japan time.

1. **Date and Time:** Thursday, June 21, 2018 at 10:00 a.m. Japan time (Reception begins at 9:00 a.m.)

2. **Place:** 2F, Auditorium, Marunouchi Headquarters Building of the Bank, 31-21, Marunouchi, Tsu City, Mie, Japan
   * (Please refer to "The Venue Information for the General Meeting of Shareholders" (Japanese only) at the back of this document.)

3. **Meeting Agenda:**
   Matters to be reported:
   1. The Business Report and Non-consolidated Financial Statements for the Bank's 203rd Fiscal Term (from April 1, 2017 to March 31, 2018)
   2. Consolidated Financial Statements for the Bank's 203rd Fiscal Term (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: Election of One (1) Director
   Proposal No. 3: Election of One (1) Corporate Auditor
   Proposal No. 4: Partial Amendments to the Exercise Condition of Stock Options (Stock Acquisition Rights) as Stock-Based Compensation

4. Instructions on Exercising Voting Rights, etc.:

(1) Exercise of Voting Rights in Writing

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 Electromagnetic Means (the Internet, etc.)

Please access the Bank's designated voting website (https://evote.tr.mufg.jp/) using the "Login ID" and "Temporary Password" enclosed with the Voting Rights Exercise Form, follow the instructions on the voting website, and indicate your vote for or against the proposals by the aforementioned deadline.

(3) Handling of Duplicate Voting

If you vote both in writing on the Voting Rights Exercise Form and via electromagnetic means (the Internet, etc.), only your vote placed via electromagnetic means (the Internet, etc.) will be valid. In addition, if you submit your vote multiple times via electromagnetic means (the Internet, etc.), only the last vote will be valid.

(4) The Items Provided through the Internet

Of the documents needed to be attached to this notice of convocation, the items in 1) to 3) below are, in accordance with laws and regulations as well as Article 18 of the Articles of Incorporation of the Bank, posted on the Bank's website (https://www.hyakugo.co.jp/) and are therefore not included with this Attached Documents.

1) Matters Regarding Stock Acquisition Rights, etc., of the Bank in the Business Report
2) Non-consolidated Statement of Changes in Shareholders' Equity and Notes to Non-consolidated Financial Statements in the Non-consolidated Financial Statements
3) Consolidated Statement of Changes in Shareholders' Equity and the Notes to Consolidated Financial Statements in the Consolidated Financial Statements

Furthermore, the Business Report, Non-consolidated Financial Statements, and Consolidated Financial Statements audited by the Corporate Auditors include the Business Report, Non-consolidated Financial Statements, and Consolidated Financial Statements attached to this Notice of Convocation, as well as the items in 1) to 3) above.

Additionally, the Non-consolidated Financial Statements and Consolidated Financial Statements audited by the Accounting Auditor include the Non-consolidated Financial Statements and Consolidated Financial Statements attached to this Notice of Convocation, as well as the items in 2) and 3) above.

End

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- As no parking spaces are available, please use public transportation, etc. when attending the meeting.
- Any updates to the Reference Documents or the Attached Documents for the General Meeting of Shareholders will be posted on the Bank's website (https://www.hyakugo.co.jp/).
- Shareholders who wish to receive the items provided through the Internet by regular mail should inform the General Affairs Section of the General Affairs Division (tel.: 059-223-2305).
  Please note that copies of the documents will be kept at reception on the day. Attending shareholders are welcome to take them.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Appropriation of Surplus

In order to secure a stable management base for the long term, the Bank holds a basic policy of taking enrichment of internal reserves into consideration, while also providing stable return of profits to shareholders. Concerning year-end dividends and other appropriation of surplus for the fiscal year under review, in consideration of business results and future business expansion, the Bank proposes the following.

1. Matters concerning year-end dividends
   (1) Type of dividend property
   Cash
   (2) Matters concerning the allotment of dividend property and the total amount
   4 yen per share of common stock,
   The total amount of dividends in this case is 1,014,929,568 yen
   (3) Effective date of distribution of surplus
   June 22, 2018
2. Other matters concerning the appropriation of surplus
   (1) Item and the amount of surplus to be increased
   General reserve 9,000,000,000 yen
   (2) Item and the amount of surplus to be decreased
   Retained earnings brought forward 9,000,000,000 yen

Proposal No. 2: Election of One (1) Director

To ensure transparency of management and for the purpose of further strengthening corporate governance, the Bank has decided to increase the number of Outside Directors. Accordingly, the election of one (1) Director is proposed.

Based on the Articles of Incorporation of the Bank, the term of office of the Director appointed at this Ordinary General Meeting of Shareholders shall be the period until the expiration of the terms of other Directors currently in office.

The candidate for Director is as follows:

Name (Date of birth)	Past experience, positions, and significant concurrent positions	Number of shares of the Bank held
Ichiro Wakasa (Jan. 1, 1955) [New candidate] [Outside Director] [Independent Director]	Apr. 1977 Joined the Meiji Life Insurance Company (currently Meiji Yasuda Life Insurance Company) Jul. 2005 Director Jul. 2006 Executive Officer Apr. 2008 Managing Executive Officer Apr. 2012 Senior Managing Executive Officer Apr. 2014 Deputy President Jul. 2014 Retired as Deputy President Jul. 2014 Vice Chairman, The Life Insurance Association of Japan Jul. 2017 Retired as Vice Chairman Jul. 2017 Representative Director and Chairman, Meiji Yasuda Real Estate Management Company Limited (current) (Significant concurrent positions) Representative Director and Chairman, Meiji Yasuda Real Estate Management Company Limited	0 shares
Reasons for nomination as a candidate for Outside Director The Bank has nominated him as a new candidate for Outside Director, having judged that he can utilize his wealth of experience and broad insight into the life insurance industry built up over the years for providing advice and making proposals with regard to the management of the Bank as well as determining important management matters and supervising the business execution of Directors.		

(Notes) 1. There are no special interests between the Bank and Mr. Ichiro Wakasa.

2. Mr. Ichiro Wakasa is a candidate for Outside Director. Furthermore, Mr. Ichiro Wakasa is a candidate for Independent Director as stipulated by the Tokyo Stock Exchange, Inc. and the Nagoya Stock Exchange, Inc.

3. A summary of liability limitation agreements with Outside Directors is as follows.
As stipulated in the Articles of Incorporation and based on stipulations of Article 427, Paragraph 1 of the Companies Act, the Bank has concluded liability limitation agreements with Outside Directors to limit liabilities as set forth in Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability borne under the agreement shall be limited to the lower limit amount stipulated in Article 425, Paragraph 1 of the Companies Act, assuming that there is no willful misconduct or gross negligence during the execution of duties by the Outside Director.
If Mr. Ichiro Wakasa is elected as Outside Director at this General Meeting, the Bank is scheduled to conclude this agreement with him.

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

The term of office of Corporate Auditor Hiizu Ichikawa will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of one (1) Corporate Auditor is proposed.

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

The candidate for Corporate Auditor is as follows:

Name (Date of birth)	Past experience, positions, and significant concurrent positions	Number of shares of the Bank held
Takashi Nishida (Sep. 28, 1953) [New candidate] [Outside Corporate Auditor] [Independent Auditor]	Apr. 1976 Joined The Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.) Sep. 2002 Executive Officer, Mitsubishi Securities Co., Ltd. (currently Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. Jun. 2003 Managing Executive Officer Jun. 2004 Retired as Managing Executive Officer Jun. 2004 Executive Officer, The Bank of Tokyo-Mitsubishi, Ltd. (currently MUFG Bank, Ltd.) Jun. 2007 Retired as Executive Officer Jun. 2007 Outside Corporate Auditor, Mitsubishi Chemical Holdings Corporation Jun. 2007 Outside Corporate Auditor, Mitsubishi Chemical Corporation Jun. 2007 Outside Corporate Auditor, Mitsubishi Pharma Corporation (currently Mitsubishi Tanabe Pharma Corporation) (current) Jun. 2015 Retired as Outside Corporate Auditor, Mitsubishi Chemical Holdings Corporation Mar. 2017 Retired as Outside Corporate Auditor, Mitsubishi Chemical Corporation (Significant concurrent positions) Outside Corporate Auditor, Mitsubishi Tanabe Pharma Corporation (scheduled to retire on June 22, 2018)	0 shares
Reasons for nomination as a candidate for Outside Corporate Auditor He has wealth of experience and broad insight into financial matters cultivated through his experience at banks and securities companies as well as his service as a corporate auditor. The Banks believes that he can utilize such experience and insights for the auditing activities at the Bank, and nominated him as a new candidate for Outside Corporate Auditor.		

(Notes)
1. There are no special interests between the Bank and Mr. Takashi Nishida.
2. Mr. Takashi Nishida is a candidate for Outside Corporate Auditor. Furthermore, Mr. Takashi Nishida is a candidate for Independent Auditor as stipulated by the Tokyo Stock Exchange, Inc. and the Nagoya Stock Exchange, Inc.
3. Mitsubishi Tanabe Pharma Corporation, where Mr. Takashi Nishida worked as Outside Corporate Auditor, was sanctioned with an administrative penalty by the Ministry of Health, Labour and Welfare in September 2013 in connection with the failure of its subsidiary Bipha Corporation regarding its manufacture and sale of recombinant human serum albumin preparations manufactured through the addition of ingredients not listed on approval documents. Mr. Nishida has expressed his opinions and called attention to matters regarding the overall business management system from the perspective of compliance and development of internal control systems, on a regular basis. After the facts were discovered, he also expressed his opinions regarding the need to investigate the causes of the incident and take thorough measures to prevent any recurrence.
4. A summary of liability limitation agreements with Outside Corporate Auditors is as follows.
   As stipulated in the Articles of Incorporation and based on stipulations of Article 427, Paragraph 1 of the Companies Act, the Bank has concluded liability limitation agreements with Outside Corporate Auditors to limit liabilities as set forth in Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability borne under the agreement shall be limited to the lower limit amount stipulated in Article 425, Paragraph 1 of the Companies Act, assuming that there is no willful misconduct or gross negligence during the execution of duties by the Outside Corporate Auditor. If Mr. Takashi Nishida is elected as Outside Corporate Auditor at this General Meeting, the Bank is scheduled to conclude this agreement with him.

Proposal No. 4: Partial Amendments to the Exercise Condition of Stock Options (Stock Acquisition Rights) as Stock-Based Compensation

The Bank will introduce an executive officer system for the purpose of further strengthening corporate governance by revitalizing Board of Directors meetings and speeding up decision-making, as well as by enhancing business execution functions. We accordingly seek approval in connection with the introduction of this system to make partial amendments to the already approved resolution No. 7 "Determination of the Amount of Stock Option for Directors and its Details," passed at the 196th Ordinary General Meeting of Shareholders held on June 24, 2011.

The parts to be amended and the details thereof are as follows.

(Amended parts are underlined.)

Current	Proposed amendments
Omitted	Same as current
2. Details of stock acquisition rights	2. Details of stock acquisition rights
Omitted	Same as current
(4) Exercise period for stock acquisition rights Stock acquisition rights may be exercised during a period within 30 years from the day following the date of allocation. However, if the final day of the period of exercise of these rights falls on a holiday of the Bank, the final day shall be the preceding business day.	(4) Exercise period for stock acquisition rights Same as current
(5) Major conditions on exercise of stock acquisition rights A Stock Acquisition Right Holder may, during the exercise period set forth above, exercise his/her stock acquisition rights in their entirety only within 10 days from the day following the day of loss of <u>his/her status as Director of the Bank</u>.	(5) Major conditions on exercise of stock acquisition rights A Stock Acquisition Right Holder may, during the exercise period set forth above, exercise his/her stock acquisition rights in their entirety only within 10 days from the day following the day of loss of <u>his/her any status as Director and/or Executive Officer of the Bank</u>.

(Reference)

2. Details of stock acquisition rights (after amendment)

(1) Total number stock acquisition rights and class and number of shares subject to stock acquisition rights

The maximum number of stock acquisition rights shall be 2,000 units per year.

The class of shares subject to stock acquisition rights shall be common shares of the Bank, and the maximum number of shares subject to stock acquisition rights shall be 200,000 shares per year.

The number of shares subject to one stock acquisition right (hereinafter the "Number of Shares Granted") shall be 100 shares.

The Bank will make any adjustments it deems necessary in cases where it is appropriate to change the Number of Shares Granted due to merger, corporate split, gratis share allotment, stock split or stock consolidation, etc.

(2) Amount to be paid in for stock acquisition rights

The amount to be paid in for stock acquisition rights shall be a fair value as calculated using the Black-Scholes model on the day of allocation of stock acquisition rights. Furthermore, a person to whom stock acquisition rights are allotted (hereinafter the "Stock Acquisition Right Holder") shall have such payment set off against his/her compensation receivable from the Bank, in lieu of making the above amount of payment.

(3) Value of assets to be contributed when stock acquisition rights are exercised

The value of assets to be contributed when stock acquisition rights are exercised shall be the amount obtained by multiplying the Number of Shares Granted by ¥1 per share issued in exchange for a stock acquisition right exercised.

(4) Exercise period for stock acquisition rights

Stock acquisition rights may be exercised during a period within 30 years from the day following the date of allocation.

However, if the final day of the period of exercise of these rights falls on a holiday of the Bank, the final day shall be the preceding business day.

(5) Major conditions on exercise of stock acquisition rights

A Stock Acquisition Right Holder may, during the exercise period set forth above, exercise his/her stock acquisition rights in their entirety only within 10 days from the day following the day of loss of his/her any status as Director and/or Executive Officer of the Bank.

(6) Restriction on transfer of stock acquisition rights

The acquisition of stock acquisition rights by transfer shall require the approval of the Bank's Board of Directors.

(7) Other details of stock acquisition rights

The particulars stated in (1) to (6) above and other details of stock acquisition rights shall be decided by the Bank's Board of Directors which determines the subscription requirements for stock acquisition rights.

End