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(Securities Code: 8395)
June 6, 2018

To Shareholders with Voting Rights:

Hideaki Sakai
President
The Bank of Saga Ltd.
7-20, Tojin 2-chome, Saga City
Saga, Japan

NOTICE OF CONVOCATION OF THE 89TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

We would like to express our sincere appreciation for your continued support and patronage.

You are cordially invited to attend the 89th Annual General Meeting of Shareholders of The Bank of Saga 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 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 no later than 5:30 p.m. on Wednesday, June 27, 2018 Japan time.

1. **Date and time:** Thursday, June 28, 2018 at 10:00 a.m. Japan time

2. **Place:** 8F Hall, Head Office of the Bank, 7-20 Tojin 2-chome, Saga City, Saga, Japan

3. **Meeting agenda:**

Matters to be reported:
1. The Business Report and Non-consolidated Financial Statements for the Bank's 89th Fiscal Year (from April 1, 2017 to March 31, 2018)
2. Consolidated Financial Statements for the Bank's 89th 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 Auditors

Proposals to be resolved:

Proposal No. 1: Appropriation of Surplus
Proposal No. 2: Election of Three (3) Directors
Proposal No. 3: Election of One (1) Corporate Auditor

4. Guide to exercise of voting rights

1. Exercise of voting rights if attending the Annual General Meeting of Shareholders

Date/time of the Annual General Meeting of Shareholders: 10:00 a.m., Thursday, June 28, 2018 Japan time
When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk on the day of the meeting.

2. Exercise of voting rights by postal mail (in writing)

Exercise deadline: Form must arrive by 5:30 p.m., Wednesday, June 27, 2018 Japan time
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 exercise deadline.

3. Exercise of voting rights via electromagnetic means (the Internet, etc.)

Exercise deadline: 5:30 p.m., Wednesday, June 27, 2018 Japan time
Please access the Bank's designated voting website (https://soukai.mizuho-tb.co.jp/) and follow the instructions on the screen to indicate your vote for or against the proposals.
Please confirm the "Instructions for Exercise of Voting Rights via the Internet" (not included in this partial translation) when voting via electromagnetic means (the Internet, etc.).

1) 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.
2) If you submit your vote multiple times via electromagnetic means (the Internet, etc.), only the last vote will be valid.

5. Other Decisions relating to the Convocation of the General Meeting of Shareholders

If you wish to exercise your voting rights by proxy, you must delegate your voting rights to a proxy who is a shareholder of the Company with voting rights. Delegation of voting rights is limited to only one proxy.

End

Request:

◎ When attending the meeting, please submit the enclosed **Voting Rights Exercise Form** at the reception desk on the day of the meeting.

Notices:

◎ Of the documents to be provided with this notice of convocation, "Matters Concerning Stock Acquisition Rights of the Bank, etc.", "Basic Policy Regarding Persons Who Control the Company's Decisions on Financial Matters and Business Policies", "Systems to Secure the Appropriateness of Operations and the Status of its Utilization", "Matters Concerning Specified Wholly-Owned Subsidiaries", "Matters Concerning Transactions with the Parent Company", "Matters Concerning Accounting Advisor" and "Others", "Non-Consolidated Statements of Changes in Net Assets" and "Notes to the Non-consolidated Financial Statements", "Consolidated Statements of Changes in Net Assets" and "Notes to the Consolidated Financial Statements" are, in accordance with laws and regulations as well as Article 16 of the Articles of Incorporation of the Bank, posted on the Bank's website (http://www.sagabank.co.jp/) and are therefore not included in this document. Accordingly, the documents attached to this notice of convocation constitute a part of the Non-consolidated Financial Statements and the Consolidated Financial Statements audited by the Accounting Auditor in preparing its Audit Report, and a part of the Business Report, the Non-consolidated Financial Statements and the Consolidated Financial Statements audited by the Board of Auditors in preparing its Audit Report.

◎ Any revision to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements and Consolidated Financial Statements will be posted immediately on the Bank's website (http://www.sagabank.co.jp/).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Appropriation of Surplus

The Bank's basic policy in regard to the appropriation of surplus is to pay stable dividends, taking an internal reserve into consideration. It is proposed that the year-end dividend for the fiscal year under review be ¥35 per share in order to maintain a stable dividend in accordance with the basic policy.

Based on the resolution of the 88th Annual General Meeting of Shareholders held on June 29, 2017, the Bank consolidated its common shares at a ratio of 10 shares to 1 share with October 1, 2017 as the effective date. Since the Bank paid an interim dividend of ¥3.50 per share with September 30, 2017 as the record date before the consolidation, the annual dividend for the fiscal year under review will be ¥7 per share including the interim dividend of ¥3.50 and the year-end dividend of ¥3.50 on a pre-consolidation basis, which is equal to ¥70 per share including the interim dividend of ¥35 and the year-end dividend of ¥35 after reflecting the ratio of the consolidation of shares.

Going forward, as we continue our basic policy of paying a stable dividend, we aim to return profits to all our shareholders while taking overall consideration of factors such as business results.

Furthermore, it is proposed that a general reserve of ¥11,000,000,000 be retained as an internal reserve.

1. Matters concerning year-end dividends
   (1) Matters concerning the allotment of dividend property and the total amount
   ¥35 per share of common stock, for a total of ¥585,295,270
   (2) Effective date of distribution of surplus
   June 29, 2018
2. Other matters concerning the appropriation of surplus
   (1) Item and the amount of surplus to be increased
   General reserve ¥11,000,000,000
   (2) Item and amount of surplus to be decreased
   Retained earnings brought forward ¥11,000,000,000

Proposal No. 2: Election of Three (3) Directors

The terms of office of Directors Mr. Kingo Tominaga, Mr. Kazuyuki Tsutsumi will expire at the conclusion of this General Meeting of Shareholders.

Furthermore, Directors Mr. Mitsunori Furukawa and Mr. Akihisa Ueno will resign at the conclusion of this General Meeting of Shareholders. Accordingly, the election of three (3) Directors is proposed.

The candidates are as follows:

No.	Name		Current Position, etc.
1	Kingo Tominaga	Reappointment	Director Business Headquarters and General Manager, Business Promotion Department
2	Kazuyuki Tsutsumi	Reappointment	Director
3	Toru Unoike	New Appointment	Executive Officer General Manager, Head Office Business Department

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Bank held
1	Kingo Tominaga (March 15, 1960) [Reappointment]	April 1982 Joined the Bank June 2001 General Manager, Katae Branch, the Bank June 2004 General Manager, Nishijinmachi Branch, the Bank June 2007 General Manager, Kurume Branch, the Bank June 2010 General Manager, Karatsu Area, and General Manager, Karatsu Branch, the Bank June 2012 General Manager, Tosu Area, and General Manager, Tosu Branch, the Bank April 2014 Executive Officer, Business Headquarters and General Manager, Promotion Office, Fukuoka Headquarters, the Bank April 2016 Executive Officer, Business Headquarters and General Manager, Business Promotion Department, the Bank June 2016 Director, Business Headquarters and General Manager, Business Promotion Department, the Bank (current position) (Reasons for nomination as a candidate for Director) Since joining the Bank in 1982, Mr. Tominaga has served as General Manager, Tosu Branch and General Manager, Promotion Office, Fukuoka Headquarters, and gained extensive knowledge and experience of banks overall. He was appointed Executive Officer in 2014 and Director in 2016 and is fulfilling those responsibilities and duties in an appropriate manner. Mr. Tominaga is nominated as a candidate for Director for the reason that he will continue to demonstrate his abilities in the management of the Bank, applying his experience and understanding of bank management based on his past performance.	1,300 shares

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Bank held
2	Kazuyuki Tsutsumi (May 29, 1960) [Reappointment]	April 1984 Joined the Bank June 2002 General Manager, Hibaru Branch, the Bank April 2004 General Manager, Hoshiguma Branch and General Manager, Noke Branch, the Bank June 2004 General Manager, Hoshiguma Area and General Manager, Hoshiguma Branch and General Manager Noke Branch, the Bank June 2006 General Manager, Hakata Eki Higashi Area and General Manager, Hakata Eki Higashi Branch and General Manager, Naka Branch, the Bank June 2008 General Manager, Tokyo Branch and General Manager, Tokyo Representative Office, General Planning Department, the Bank June 2010 General Manager, Kurume Branch, the Bank June 2012 General Manager, Konomachi Area and General Manager Konomachi Branch, the Bank April 2015 Executive Officer, General Manager, Konomachi Area and General Manager, Konomachi Branch, the Bank April 2016 Executive Officer, General Manager, Head Office Business Department, the Bank June 2016 Director, General Manager, Head Office Business Department, the Bank April 2018 Director (current position) (Reasons for nomination as a candidate for Director) Since joining the Bank in 1984, Mr. Tsutsumi has served as General Manager, Konomachi Branch, and General Manager, Head Office Business Department and gained extensive knowledge and experience of banks overall. He was appointed Executive Officer in 2015 and Director in 2016, and is fulfilling those responsibilities and duties in an appropriate manner. Mr. Tsutsumi is nominated as a candidate for Director for the reason that he will continue to demonstrate his abilities in the management of the Bank, applying his experience and understanding of bank management based on his past performance.	6,800 shares

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Bank held
3	Toru Unoike (April 24, 1962) [New Appointment]	April 1986 Joined the Bank June 2004 General Manager, Katae Branch, the Bank June 2006 General Manager, Hoshiguma Area, and General Manager, Hoshiguma Branch, and General Manager, Noke Branch, the Bank June 2007 General Manager, Yahata Branch, the Bank June 2010 General Manager, Kasuga Area, and General Manager, Kasuga Branch, and General Manager, Sugu Branch, and General Manager, Nakagawa Branch, the Bank October 2010 General Manager, Kasuga Area, and General Manager, Kasuga Branch, and General Manager, Sugu Branch, the Bank June 2012 General Manager, Hakata Branch, the Bank April 2014 General Manager, Fukuoka Branch, the Bank March 2015 General Manager, Fukuoka Area, and General Manager, Fukuoka Branch, the Bank April 2016 General Manager, Promotion Office, Fukuoka Headquarters, Business Headquarters, the Bank April 2017 Executive Officer, Business Headquarters and General Manager, Promotion Office, Fukuoka Headquarters, the Bank April 2018 Executive Officer, General Manager, Head Office Business Department, the Bank (current position) (Reasons for nomination as a candidate for Director) Since joining the Bank in 1986, Mr. Unoike has served as General Manager, Fukuoka Branch and General Manager, Promotion Office, Fukuoka Headquarters, and gained extensive knowledge and experience of banks overall. He was appointed Executive Officer in 2017 and is fulfilling those responsibilities and duties in an appropriate manner. Mr. Unoike is nominated as a candidate for Director for the reason that he will demonstrate his abilities in the management of the Bank, applying his experience and understanding of bank management based on his past performance.	650 Shares

(Note) There are no special interests between the candidates for Directors and the Bank.

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

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

The approval of the Board of Auditors has been obtained for this proposal.

The candidate is as follows:

Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Bank held
Toshiaki Tanaka (January 28, 1950) [New Appointment]	April 1972 Joined Kitakyushu Local Finance Bureau of Ministry of Finance July 2000 Director of Budget Division, Local Finance Department, Fukuoka Local Finance Branch Bureau July 2001 Security and Exchange Surveillance Inspector, Tohoku Local Finance Bureau July 2003 Inspection Administrator, Local Finance Department, Fukuoka Local Finance Branch Bureau March 2004 Resigned from Fukuoka Local Finance Branch Bureau April 2004 Deputy General Manager, Administrations Department, Yokohama Sakae Kyosai Hospital, Federation of National Public Service Personnel Mutual Aid Associations January 2005 Deputy General Manager, Administrations Department, Hamanomachi Hospital, Federation of National Public Service Personnel Mutual Aid Associations April 2005 General Manager, Administrations Department, Hamanomachi Hospital, Federation of National Public Service Personnel Mutual Aid Associations April 2012 Mutual Aid Dissemination Expert, Kyushu Headquarters, Organization for Small & Medium Enterprises and Regional Innovation (resigned in March 2017) (Reasons for nomination as a candidate for Outside Corporate Auditor) Through his duties in Ministry of Finance, Mr. Tanaka has gained extensive knowledge and experience of financial institutions from a ministerial perspective. He is nominated as a candidate for Outside Corporate Auditor for the reason that he will fulfill his responsibilities as Outside Corporate Auditor, applying his experience and understanding based on his past performance.	0 shares

(Note)

1. There are no special interests between the candidate for Corporate Auditor and the Bank.
2. Mr. Toshiaki Tanaka is a candidate for Outside Corporate Auditor as stipulated in Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act. Mr. Toshiaki Tanaka satisfies the requirements for an independent officer that are set forth in the provisions of the Tokyo Stock Exchange and Fukuoka Stock Exchange.
3. Liability limitation agreement with Outside Corporate Auditors:

The Bank has provided in its Articles of Incorporation to allow conclusion of agreements with Outside Corporate Auditors limiting their liability for damages to the Bank to a certain extent. Should Mr. Toshiaki Tanaka be elected, the Bank plans to enter into an agreement with him to limit his liability for damages as an Outside Corporate Auditor.

Details of the content of this agreement are as follows:

・In the event an Outside Corporate Auditor causes damage to the Bank due to negligence of his or her duties, the amount of liability assumed shall be limited to the total amount specified in each Item of Article 425, Paragraph 1 of the Companies Act, provided that the performance of duties by the said Outside Corporate Auditor were carried out in good faith and without gross negligence.