

These documents are partial translations of the Japanese originals for reference purposes only. In the event of any discrepancy between these translated documents and the Japanese originals, the originals shall prevail. The Bank assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translations.

(Securities Code: 8562)
June 2, 2017

To Shareholders with Voting Rights:

Hideharu Morikawa
Director and President
THE FUKUSHIMA BANK, LTD.
2-5 Banseicho, Fukushima City,
Fukushima, Japan

NOTICE OF CONVOCATION OF THE 151ST ANNUAL GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 151st Annual General Meeting of Shareholders of THE FUKUSHIMA 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 by in writing or via the Internet. Please review the Reference Documents for the General Meeting of Shareholders (described hereinafter) and exercise your voting rights by 5:00 p.m. on Thursday, June 22, 2017.

- 1. Date and Time:** Friday, June 23, 2017 at 10:00 a.m. Japan time
- 2. Place:** Large Hall, Basement, Head Office of the Bank
2-5 Banseicho, Fukushima City, Fukushima, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report and Non-consolidated Financial Statements for the Bank's 151st Fiscal Year (from April 1, 2016 to March 31, 2017)
 2. Consolidated Financial Statements for the Bank's 151st Fiscal Year (from April 1, 2016 to March 31, 2017) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board

Proposals to be resolved:

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Consolidation of Shares
- Proposal No. 3:** Partial Amendments to the Articles of Incorporation
- Proposal No. 4:** Election of Eight (8) Directors
- Proposal No. 5:** Election of One (1) Audit & Supervisory Board Member

4. Exercise of Voting Rights:

- (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 5:00 p.m. on Thursday, June 22, 2017 Japan time.
- (2) Exercise of Voting Rights via Electromagnetic Means (the Internet, etc.)
Please access the Bank's designated voting website (<http://www.e-sokai.jp/>) using the "Voting Rights Exercise Code" and "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 5:00 p.m. on Thursday, June 22, 2017. Please confirm the "Instructions for Exercise of Voting Rights via the Internet" on pages 37 to 38 (Japanese version only) when voting via the Internet.
- (3) Handling of Duplicate Voting
If you vote both in writing (via mail) on the Voting Rights Exercise Form and via the Bank's designated voting website on the Internet, only your vote placed via the Internet will be valid, regardless of the date the vote arrives.
In addition, if you submit your vote multiple times via the Internet, only the last vote will be valid.

End

- ////////////////////////////////////
- ◎ 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 for confirmation.
 - ◎ Any updates 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 on the Bank's website (<http://www.fukushimabank.co.jp/>).
 - ◎ Of the documents needed to be attached to this notice of convocation, "8. Systems to Ensure the Appropriateness of Business and Operational Status of the Systems" in the Business Report, the Notes to the Non-consolidated Financial Statements and the Notes to the Consolidated Financial Statements are, in accordance with laws and regulations as well as Article 15 of the Articles of Incorporation of the Bank, posted on the Bank's website (<http://www.fukushimabank.co.jp/>) and are therefore not included with this document. As a result, the attached documents of this notice of convocation are a subset of the Business Report, the Non-consolidated Financial Statements and Consolidated Financial Statements audited by the Accounting Auditor during preparation of the Independent Auditor's Report, Non-consolidated Financial Statements, and Consolidated Financial Statements audited by Audit & Supervisory Board Members during preparation of the Audit Report.
 - ◎ Semiformal dress code will be implemented on the day of the meeting, and as such we would like to ask shareholders to follow the same dress code when attending.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Appropriation of Surplus

Regarding year-end dividends for the 151st fiscal year, in consideration of business results for the fiscal year under review and the status of internal reserves, the Bank proposes the following.

Matters concerning year-end dividends

- (1) Type of dividend property
Cash
- (2) Matters concerning the allotment of dividend property to shareholders and the total amount
2 yen per share of common stock, for a total of 459,570,038 yen
- (3) Effective date of distribution of surplus
June 26, 2017

Proposal No. 2: Consolidation of Shares

1. Reasons for consolidation of shares

Japanese stock exchanges have announced the “Action Plan for Consolidating Trading Units,” aiming to make the unit for purchase and sale (trading unit) for all domestic companies listed on Japanese stock exchanges to 100 shares.

As a company listed on the Tokyo Stock Exchange, Inc., the Bank respects this intention and will change the number of shares constituting one trading unit to 100 shares. With the intent of making the post-consolidation share price in line with an investment unit deemed as a desirable level by the stock exchanges (50,000 yen or more, but less than 500,000 yen), the Bank will consolidate its shares and change the number of shares constituting one unit from 1,000 shares to 100 shares.

2. Content of consolidation of shares

(1) Type of share to be consolidated

Common share

(2) Ratio of consolidation

For common stock, the consolidation will be at a rate of one share for every ten shares.

Additionally, if fractional shares of less than one share arise as a result of the consolidation of shares, such shares shall be subject to a bulk sale in accordance with the provisions of Article 235 of the Companies Act, and the proceeds shall be distributed to the target shareholders in proportion to their respective shareholdings.

(3) Effective date of consolidation of shares

October 1, 2017

(4) Total number of authorized shares as of the effective date of consolidation of shares

Total number of authorized shares of the Bank is 90 million, and total number of authorized shares of each particular class of shares is 90 million common shares and 90 million type A preferred shares, respectively.

3. Other

The consolidation of shares in this Proposal is contingent upon the approval of Proposal No. 3: “Partial Amendments to the Articles of Incorporation.”

Additionally, any other procedure issues that may need to be addressed shall be entrusted to the Board of Directors.

(Note) Due to the consolidation of shares, the number of shares of the Bank held will be reduced to 1/10 of the amount held prior to the consolidation, but as there will be no change before and after the consolidation to the net assets, etc., of the Bank, net assets per share will increase by a factor of 10, and excluding other factors such as variation in the stock market, the asset value of shares of the Bank held by shareholders will not change. Also, there will be no change before and after the consolidation to the rights of shareholders such as voting rights and incentives.

Proposal No. 3: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments to the Articles of Incorporation

Under the condition that Proposal No. 2: Consolidation of Shares is approved and the resolution of the same Proposal takes effect, the Bank proposes the reduction of the total number of authorized shares and the total number of authorized shares of each particular class of shares to match the ratio of share consolidation (1:10), while changing the number of shares constituting one unit from the current 1,000 shares to 100 shares with regard to Article 5 (Total Number of Authorized Shares and Total Number of Authorized Shares of Each Particular Class of Shares) and Article 7 (Number of Shares Constituting One Unit) of the current Articles of Incorporation.

Additionally, with regard to the amendments, Article 1 of the Supplementary Provisions shall be established to declare that the effectiveness of the amendments to the Articles of Incorporation in these matters shall arise on October 1, 2017, the effective date of the consolidation of shares, and upon the effectiveness taking place, the supplementary provision shall be removed.

2. Content of the amendments

The content of the amendments is as follows.

(Underlines indicate amended sections)

| Present Articles of Incorporation | Proposed Amendment |
|---|---|
| <p>CHAPTER II</p> <p>(Total Number of Authorized Shares and Total Number of Authorized Shares of Each Particular Class of Shares)</p> <p>Article 5 The total number of shares the Bank is authorized to issue shall be <u>900 million</u> shares, and the total number of authorized shares of each particular class of shares shall be <u>900 million</u> common shares and <u>900 million</u> type A preferred shares respectively.</p> <p>(Number of Shares Constituting One Unit)</p> <p>Article 7 The number of shares constituting one unit for common shares and type A preferred shares of the Bank shall be <u>one thousand (1,000)</u> respectively.</p> <p>(Added)</p> | <p>CHAPTER II</p> <p>(Total Number of Authorized Shares and Total Number of Authorized Shares of Each Particular Class of Shares)</p> <p>Article 5 The total number of shares the Bank is authorized to issue shall be <u>90 million</u> shares, and the total number of authorized shares of each particular class of shares shall be <u>90 million</u> common shares and <u>90 million</u> type A preferred shares respectively.</p> <p>(Number of Shares Constituting One Unit)</p> <p>Article 7 The number of shares constituting one unit for common shares and type A preferred shares of the Bank shall be <u>one hundred (100)</u> respectively.</p> <p><u>Supplementary Provision</u></p> <p>Article 1 <u>The amendments to Article 5 (Total Number of Authorized Shares and Total Number of Authorized Shares of Each Particular Class of Shares) and Article 7 (Number of Shares Constituting One Unit) shall take effect on October 1, 2017, and this supplementary provision shall be removed upon the effectiveness taking place.</u></p> |

Proposal No. 4: Election of Eight (8) Directors

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

The candidates for Director are as follows:

| No. | Name (Date of birth) | Past experience, positions, responsibilities, and significant concurrent positions | Number of shares of the Bank held |
|---|--|---|---|
| 1 | Hideharu Morikawa (Aug. 6, 1955) [Reappointment] | Apr. 1979 Joined Bank of Japan Jul. 1998 General Manager, Corporate Affairs Section, Personnel Department Jun. 1999 General Manager, Corporate Affairs Section, Secretariat of the Policy Board Nov. 2001 General Manager, Fukushima Branch Mar. 2005 Internal Auditor Nov. 2007 Deputy Director General, Financial System and Bank Examination Department May 2009 General Manager, Internal Auditors' Office May 2011 Retired Bank of Japan May 2011 Advisor, the Bank Jun. 2011 Director and Vice President Apr. 2012 Director and President (to the present) | 145,000 shares |
| [Reasons for selection] Mr. Hideharu Morikawa has wide knowledge regarding finance fostered by the Bank of Japan and wide knowledge regarding the overall management of the Bank as Director, and the Bank wishes to continue to utilize this knowledge in the management of the Bank. | | | |
| 2 | Toshimitsu Kuno (Sep. 28, 1956) [Reappointment] | Apr. 1980 Joined the Bank Apr. 2004 Team Leader, Corporate Sales Team Jul. 2004 Team Leader, Sales Planning Team Apr. 2005 Team Leader, Retail Sales Team Mar. 2006 General Manager, Fukushima-nishi Branch Mar. 2008 Team Leader, Risk Management Team Oct. 2008 Team Leader, Corporate Management Team Jul. 2009 General Manager, Sales Headquarters Jun. 2010 Director and General Manager, Management Headquarters Mar. 2011 Director and General Manager, Planning Headquarters Jun. 2013 Managing Director and General Manager, Planning Headquarters Jun. 2014 Managing Director and General Manager, Operations Headquarters (to the present) | 106,000 shares |
| [Reasons for selection] Mr. Toshimitsu Kuno has wide knowledge regarding sales, planning, credit management, and organizational management of the Bank as Director, and the Bank wishes to continue to utilize this knowledge in the management of the Bank. | | | |

| No. | Name (Date of birth) | Past experience, positions, responsibilities, and significant concurrent positions | Number of shares of the Bank held |
|---|--|---|---|
| 3 | Akinori Sato (Apr. 19, 1956) [Reappointment] | Apr. 1980 Joined the Bank | 69,000 shares |
| | | Mar. 2000 General Manager, Taira-higashi Branch | |
| Jun. 2001 General Manager, Tanagura Branch | | | |
| May 2002 General Manager, Public Relations Section, Corporate Planning Department | | | |
| May 2003 General Manager, Corporate Sales Department, Main Office Sales Department | | | |
| Apr. 2005 General Manager, Corporate Relations Department, Main Office Sales Department | | | |
| Oct. 2005 General Manager, Soma Branch | | | |
| Jul. 2007 General Manager, Nihonmatsu Branch | | | |
| Jul. 2009 General Manager, Aizu Branch | | | |
| Jun. 2012 General Manager, Taira Branch | | | |
| Jun. 2014 Executive Officer and General Manager, Planning Headquarters | | | |
| Jun. 2015 Director and General Manager, Planning Headquarters (to the present) | | | |
| [Reasons for selection] Mr. Akinori Sato has wide knowledge regarding sales, branch management, and planning of the Bank as a manager of core branches, Executive Officer, and Director, and the Bank wishes to continue to utilize this knowledge in the management of the Bank. | | | |
| 4 | Toshiya Takano (May 6, 1958) [Reappointment] | Apr. 1981 Joined the Bank | 64,000 shares |
| | | Oct. 2002 General Manager, Haramachi Branch | |
| Apr. 2005 Team Leader, Corporate Sales Team | | | |
| Mar. 2006 Team Leader, Credit Management Team | | | |
| Jun. 2006 General Manager, Sukagawa Branch | | | |
| Jul. 2009 General Manager, Securities Insurance Office | | | |
| Apr. 2010 General Manager, Sales Promotion Office | | | |
| Jun. 2011 General Manager, Shirakawa Branch | | | |
| Jun. 2012 Executive Officer and General Manager, Koriyama Sales Department | | | |
| Jun. 2014 Executive Officer and General Manager, Main Office Sales Department | | | |
| Jun. 2015 Director and General Manager, Sales Headquarters (to the present) | | | |
| [Reasons for selection] Mr. Toshiya Takano has wide knowledge regarding sales, branch management, and planning of the Bank as a manager of core branches, Executive Officer, and Director, and the Bank wishes to continue to utilize this knowledge in the management of the Bank. | | | |
| 5 | Takashi Yanai (Feb. 6, 1959) [New candidate] | Apr. 1982 Joined the Bank | 41,430 shares |
| | | Apr. 2004 Team Leader, Corporate Planning Team | |
| Mar. 2006 Team Leader, Operation Development Team | | | |
| Jun. 2006 Team Leader, Risk Management Team | | | |
| Mar. 2007 Team Leader, Sales Planning Team | | | |
| Mar. 2008 Team Leader, Corporate Planning Team | | | |
| Jul. 2009 General Manager, Risk Management Office | | | |
| Apr. 2010 General Manager, Sales Planning Office | | | |
| Apr. 2012 General Manager, Omiya Branch | | | |
| Apr. 2014 General Manager, Administrative Control Office | | | |
| Aug. 2015 General Manager, Administrative Planning Department | | | |
| Jun. 2016 Executive Officer and General Manager, Administrative Headquarters (to the present) | | | |
| [Reasons for selection] Mr. Takashi Yanai has served as a manager of planning divisions of headquarters such as Team Leader of Corporate Planning Team, General Manager of Sales Planning Office and Administrative Planning Department, recently promoting the streamline of administration as General Manager of Administrative Headquarters, and the Bank wishes to utilize this wide knowledge and experience in the management of the Bank. | | | |

| No. | Name (Date of birth) | Past experience, positions, responsibilities, and significant concurrent positions | Number of shares of the Bank held |
|---|---|--|---|
| 6 | Akira Koketsu (Apr. 21, 1952) [Reappointment] [Outside Director] [Independent Director] | Apr. 1976 Joined Hakuodo Incorporated Dec. 1995 General Manager, Sales Department Dec. 1999 Acting General Manager, Sales Bureau Jun. 2002 Representative Director and President, Fukushima Hakuodo Incorporated Thereafter, served as Representative Director and President and Director, Morioka Hakuodo Incorporated, Akita Hakuodo Incorporated, Fukushima Hakuodo Incorporated, and Sendai Hakuodo Incorporated and Director, Aomori Hakuodo Incorporated Jul. 2012 Advisor, Tohoku Hakuodo Incorporated Mar. 2013 Retired Advisor Apr. 2013 Visiting Professor, Yamagata University Jun. 2013 Director, the Bank (to the present) | 24,000 shares |
| [Reasons for selection] Mr. Akira Koketsu has specialized knowledge regarding organizational management, marketing, and ethics, etc., from his many years of experience as a corporate manager and as a university professor (in charge of engineering ethics), and the Bank wishes to continue to utilize this wide and advanced knowledge and experience, etc., in the management of the Bank. | | | |
| 7 | Akira Kawate (Sep. 26, 1953) [Reappointment] [Outside Director] [Independent Director] | Apr. 1978 Joined Ministry of Home Affairs Apr. 1992 Deputy General Manager, Planning and Procurement Department, Fukushima Prefecture Apr. 1993 General Manager, Commercial and Industrial Labour Department, Fukushima Prefecture Apr. 1996 General Manager, General Affairs Department, Fukushima Prefecture Apr. 1999 Vice Governor, Fukushima Prefecture Dec. 2006 Vice Chairman, Emergency Development Foundation Jul. 2012 Full-time Director, Japan Firefighting Association Jul. 2013 Advisor, Sumitomo Mitsui Trust Bank, Limited Aug. 2015 Executive Director, National City Development Association Jun. 2016 Director, the Bank (to the present) | 2,000 shares |
| [Reasons for selection] Mr. Akira Kawate has superior knowledge and experience regarding regional affairs and organizational management as the Vice Governor of Fukushima Prefecture and foundation executive, and the Bank wishes to continue to utilize this wide and advanced knowledge and experience, etc., in the management of the Bank. | | | |

| No. | Name (Date of birth) | Past experience, positions, responsibilities, and significant concurrent positions | Number of shares of the Bank held |
|--|--|--|---|
| 8 | Yumiko Nihei (Aug. 31, 1950) [Reappointment] [Outside Director] [Independent Director] | Apr. 1995 Part-time Instructor, Sakura no Seibo Junior College (Lifestyle Culture Theory) | 3,000 shares |
| | | Apr. 2000 Full-time Instructor, Sakura no Seibo Junior College | |
| Apr. 2004 Chairperson, Fukushima Prefecture Joint Male-Female Committee (until Feb. 2015) | | | |
| Apr. 2006 Associate Professor, Sakura no Seibo Junior College | | | |
| Apr. 2013 Professor, Career Education Department, Sakura no Seibo Junior College (Japanese Constitution, Legal, Labour Laws, Human Rights, Fukushima Studies, etc.) | | | |
| Oct. 2013 Committee Member, Fukushima Regional Labour Committee | | | |
| Mar. 2016 Retired Sakura no Seibo Junior College | | | |
| | | Jun. 2016 Director, the Bank (to the present) | |
| [Reasons for selection] Ms. Yumiko Nihei has specialized knowledge regarding legal studies and women's studies, etc., through many years of instruction at Sakura no Seibo Junior College, etc., and has also served in many public positions such as Committee Member, Fukushima Regional Labour Committee, and the Bank wishes to continue to utilize this wide and advanced knowledge and experience, etc., in the management of the Bank. | | | |

(Notes)

1. There are no special interest relationships between each candidate and the Bank.
2. Mr. Akira Koketsu, Mr. Akira Kawate, and Ms. Yumiko Nihei are candidates for Outside Director. Mr. Akira Koketsu, Mr. Akira Kawate, and Ms. Yumiko Nihei have been submitted to the Tokyo Stock Exchange as an Independent Director based on the definitions of said Exchange, and if they are elected at this General Meeting, they are scheduled to continue to be an Independent Director.
3. The term of office of Mr. Akira Koketsu as Outside Director of the Bank will be four years at the conclusion of this General Meeting. Also, the term of office of Mr. Akira Kawate and Ms. Yumiko Nihei as Outside Directors of the Bank will be one year at the conclusion of this General Meeting.
4. Mr. Akira Koketsu, Mr. Akira Kawate, and Ms. Yumiko Nihei have not been business executors or executives of the Bank or its subsidiaries.
5. Mr. Akira Koketsu, Mr. Akira Kawate, and Ms. Yumiko Nihei are not parent companies, etc., of the Bank, and were not parent companies, etc., of the Bank within the past five years.
6. Mr. Akira Koketsu, Mr. Akira Kawate, and Ms. Yumiko Nihei are not business executors or executives of designated affiliated companies of the Bank, and were not business executors or executives of designated affiliated companies of the Bank within the past five years.
7. Mr. Akira Koketsu, Mr. Akira Kawate, and Ms. Yumiko Nihei are not scheduled to receive a significant amount of cash or other property from the Bank or a designated affiliated company of the Bank, and have not received any within the past two years.
8. Mr. Akira Koketsu, Mr. Akira Kawate, and Ms. Yumiko Nihei are not spouses, relatives within the second degree, or equivalent persons of a business executor or executive of the parent company, etc., of the Bank, the Bank, or a designated affiliated company of the Bank.
9. Mr. Akira Koketsu, Mr. Akira Kawate, and Ms. Yumiko Nihei were not business executors at a stock company for which the Bank succeeded rights and obligations via a merger, absorption-type split, incorporation-type demerger, or transfer of business directly before said merger, etc., within the past two years.

Proposal No. 5: Election of One (1) Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member Mr. Fumio Sakurai will expire at the conclusion of this General Meeting. Accordingly, the Bank would like to request the appointment of one (1) Audit & Supervisory Board Member.

The Audit & Supervisory Board has approved this Proposal.

The candidate for Audit & Supervisory Board Member is as follows:

| Name (Date of birth) | Past experience, positions, and significant concurrent positions | Number of shares of the Bank held |
|---|---|---|
| Osamu Inamura (Nov. 11, 1956) [New candidate] | Apr. 1980 Joined the Bank Mar. 2000 General Manager, Yabuki Branch Sep. 2002 General Manager, Higashidate Branch Apr. 2005 General Manager, Onahama Branch Mar. 2008 Team Leader, Sales Support Team Jul. 2009 General Manager, Sugakawa Branch Jun. 2012 General Manager, Aizu Branch Jun. 2015 Executive Officer and General Manager, Main Office Sales Department Jun. 2016 Director and General Manager, Main Office Sales Department (to the present) | 54,000 shares |
| [Reasons for selection] Mr. Osamu Inamura has served as General Manager for core branches such as the Sukagawa Branch and Aizu Branch and also for Main Office Sales Department, served as Executive Officer and Director, and is well versed in the sales promotion and branch management of the Bank, and the Bank wishes to utilize this wide knowledge and experience in the management of the Bank. | | |

(Note) There are no special interest relationships between the candidate and the Bank.

End