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(Securities Code: 8562)
June 5, 2018

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 152ND ANNUAL GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 152nd 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 Wednesday, June 20, 2018.

1. Date and Time: Thursday, June 21, 2018 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 152nd Fiscal Year (from April 1, 2017 to March 31, 2018)
 2. Consolidated Financial Statements for the Bank’s 152nd 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 Audit & Supervisory Board

Proposals to be resolved:

- Proposal No. 1:** Appropriation of Surplus
Proposal No. 2: Election of Seven (7) Directors

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 Wednesday, June 20, 2018 Japan time.

(2) Exercise of Voting Rights via Electromagnetic Means (the Internet, etc.)

Please access the Bank's designated voting website (<https://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 Wednesday, June 20, 2018. Please confirm the "Instructions for Exercise of Voting Rights via the Internet" on pages 35 to 36 (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

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- ◎ 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 the business results for the fiscal year under review, as described in the Business Report (available in Japanese only), the Bank has posted a loss regrettably.

Taking into consideration future business development, in accordance with Article 452 of the Companies Act, part of general reserves will be reduced to compensate for the loss for the fiscal year under review.

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| (1) Item and amount of surplus to be decreased | |
| Other retained earnings (general reserves) | 4,000,000,000 yen |
| (2) Item and amount of surplus to be increased | |
| Other retained earnings (retained earnings brought forward) | 4,000,000,000 yen |

Proposal No. 2: Election of Seven (7) 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 seven (7) Directors is proposed.

The candidates for Director are as follows:

No.	Name	Current positions and responsibilities at the Bank
1	[New candidate] Takahiro Kato	Advisor
2	[Reappointment] Akinori Sato	Director and General Manager, Planning Headquarters
3	[Reappointment] Takashi Yanai	Director and General Manager, Administrative Headquarters
4	[New candidate] Toshihiko Sato	Executive Officer and General Manager, Credit Department and General Manager, Credit Control Department
5	[Reappointment] [Outside Director] [Independent Director] Akira Koketsu	Director
6	[Reappointment] [Outside Director] [Independent Director] Akira Kawate	Director
7	[Reappointment] [Outside Director] [Independent Director] Yumiko Nihei	Director

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Bank held
1	Takahiro Kato (Dec. 2, 1956) [New candidate]	<p>Apr. 1980 Joined THE TOHO BANK, LTD. Mar. 2000 Branch Manager, Koriyama-higashi Branch Oct. 2003 Branch Manager, Sukagawa Branch Jun. 2006 General Manager, Financial Markets Department Jun. 2007 General Manager, General Planning Department Jun. 2008 Director and General Manager, General Planning Department Jun. 2009 Managing Director Jun. 2012 Managing Director (Representative Director) Jun. 2013 Senior Managing Director (Representative Director) Jun. 2015 Retired Director Chairman, Fukushima Corporation Aug. 2015 Representative Director and President, Toho Securities Co., Ltd. May 2018 Retired Chairman, Fukushima Corporation Retired Representative Director and President, Toho Securities Co., Ltd. Jun. 2018 Advisor, the Bank (to the present)</p>	- shares
[Reasons for selection] Mr. Takahiro Kato is well-versed in the region and the management of regional financial institutions, and has a good personality, insight, capability, and achievements. The Bank has thus judged that he is the most appropriate person as a representative of the Bank.			
2	Akinori Sato (Apr. 19, 1956) [Reappointment]	<p>Apr. 1980 Joined the Bank 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)</p>	7,600 shares
[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.			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Bank held
3	Takashi Yanai (Feb. 6, 1959) [Reappointment]	Apr. 1982 Joined the Bank	4,543 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			
Jun. 2017 Director 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.			
4	Toshihiko Sato (Jul. 30, 1968) [New candidate]	Apr. 1991 Joined the Bank	2,600 shares
		Oct. 2008 General Manager, Corporate Support Office, Corporate Sales Team	
Apr. 2010 Senior Vice President, Corporate Support Office			
Mar. 2011 General Manager, Revitalization Support Office			
Apr. 2013 General Manager, Credit Management Office			
Aug. 2015 General Manager, Credit Control Department			
Jun. 2016 Executive Officer and General Manager, Credit Department and General Manager, Credit Control Department (to the present)			
[Reasons for selection] Mr. Toshihiko Sato has served as General Manager of the Credit Department and General Manager of the Credit Control Department, and has wide-ranging expertise and abundant experience not only in the credit division, but also in the areas of credit management and business revitalization support. The Bank therefore wishes to utilize this wide knowledge and experience in the business execution of the Bank.			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Bank held
5	Akira Koketsu (Apr. 21, 1952) [Reappointment] [Outside Director] [Independent Director]	Apr. 1976 Joined Hakuhold Incorporated Dec. 1995 General Manager, Sales Department Dec. 1999 Acting General Manager, Sales Bureau Jun. 2002 Representative Director and President, Fukushima Hakuhold Incorporated Thereafter, served as Representative Director and President and Director, Morioka Hakuhold Incorporated, Akita Hakuhold Incorporated, Fukushima Hakuhold Incorporated, and Sendai Hakuhold Incorporated and Director, Aomori Hakuhold Incorporated Jul. 2012 Advisor, Tohoku Hakuhold Incorporated Mar. 2013 Retired Advisor Apr. 2013 Visiting Professor, Yamagata University Jun. 2013 Director, the Bank (to the present)	3,000 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.	
6	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)	600 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
7	Yumiko Nihei (Aug. 31, 1950) [Reappointment] [Outside Director] [Independent Director]	<p>Apr. 1995 Part-time Instructor, Sakura no Seibo Junior College (Lifestyle Culture Theory)</p> <p>Apr. 2000 Full-time Instructor, Sakura no Seibo Junior College</p> <p>Apr. 2004 Chairperson, Fukushima Prefecture Joint Male-Female Committee (until Feb. 2015)</p> <p>Apr. 2006 Associate Professor, Sakura no Seibo Junior College</p> <p>Apr. 2013 Professor, Career Education Department, Sakura no Seibo Junior College (Japanese Constitution, Legal, Labour Laws, Human Rights, Fukushima Studies, etc.)</p> <p>Oct. 2013 Committee Member, Fukushima Regional Labour Committee</p> <p>Mar. 2016 Retired Sakura no Seibo Junior College</p> <p>Jun. 2016 Director, the Bank (to the present)</p>	1,000 shares
<p>[Reasons for selection]</p> <p>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.</p>			

(Notes)

- There are no special interest relationships between each candidate and the Bank.
- 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 each of them are elected at this General Meeting, they are scheduled to continue to be an Independent Director.
- The Bank has concluded agreements with Mr. Akira Koketsu, Mr. Akira Kawate, and Ms. Yumiko Nihei in accordance with Article 427, Paragraph 1 of the Companies Act and the Bank's Articles of Incorporation to limit their liabilities that correspond to the requirements provided in Article 423, Paragraph 1 of the Companies Act. If each of them are reappointed, the Bank is scheduled to continue the agreement with them. The maximum amount of liability for damages based on said agreement for Outside Directors is 15 million yen or the minimum amount of liability as stipulated in Article 425, Paragraph 1 of the Companies Act, whichever is higher.
- The term of office of Mr. Akira Koketsu as Outside Director of the Bank will be five 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 two years at the conclusion of this General Meeting.
- Mr. Akira Koketsu, Mr. Akira Kawate, and Ms. Yumiko Nihei have not been business executors or executives of the Bank or its subsidiaries.
- 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.
- 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.
- 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.
- 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.
- 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.

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