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(Securities Code: 8388)  
June 3, 2016

**To Shareholders with Voting Rights:**

Yoshifumi Okada  
President and Director  
The Awa Bank, Ltd.  
24-1, Nishisemba-cho 2-chome,  
Tokushima, Japan

## **NOTICE OF CONVOCATION OF THE 204TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

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

We wish to convey our deepest sympathies to those who were affected by the Kumamoto Earthquake that occurred in April 2016.

You are cordially invited to attend the 204th Annual General Meeting of Shareholders of The Awa 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 or via the Internet, etc. Please review the Reference Documents for the General Meeting of Shareholders attached below and exercise your voting rights.

- 1. Date and Time:** Wednesday, June 29, 2016 at 10:00 a.m. Japan time
- 2. Place:** 3F Large Conference Room, Head Office of the Bank  
24-1, Nishisemba-cho 2-chome, Tokushima, Japan
- 3. Meeting Agenda:**  
**Matters to be reported:**
  1. The Business Report and Non-consolidated Financial Statements for the Bank's 204th Fiscal Year (from April 1, 2015 to March 31, 2016)
  2. Consolidated Financial Statements for the Bank's 204th Fiscal Year (from April 1, 2015 to March 31, 2016) 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 Six (6) Directors
- Proposal No. 3:** Election of Two (2) Audit & Supervisory Board Members
- Proposal No. 4:** Granting of Retirement Benefits to Retiring Directors

## Exercise of Voting Rights:

|  |   |
|--|---|
| Exercise of voting rights by attending the meeting |   |
| Voting Rights Exercise Form                        | Meeting date and time: Wednesday, June 29, 2016 at 10:00 a.m. Japan time  |
|  | For those attending, please present the enclosed Voting Rights Exercise Form to the receptionist on arrival at the meeting.   |
| Exercise of Voting Rights in Writing               |   |
|  | Exercise deadline: Tuesday, June 28, 2016 at 5:30 p.m. Japan time   |
|  | Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it to Securities Agent Department of JAPAN SECURITIES AGENTS, LTD. so that it is received by the time indicated above.                    |
| Exercise of Voting Rights via the Internet, etc.   |   |
|  | Exercise deadline: Tuesday, June 28, 2016 at 5:30 p.m. Japan time   |
|  | Please access the Bank's designated voting website ( <a href="http://www.e-sokai.jp">http://www.e-sokai.jp</a> ) (in Japanese), follow the instructions on the screen, and indicate your vote for or against the proposals by the time indicated above. |

### 1. Handling of Duplicate Voting

If you exercise your voting rights both in writing and via the Internet, etc. as described above, only your vote placed via the Internet, etc. will be valid regardless of the timing of the vote.

In addition, if you submit your vote multiple times via the Internet, etc., only the last vote will be valid.

### 2. Exercise of voting rights by proxy

Exercise of voting rights by proxy will be limited to cases where another shareholder with voting rights is appointed as a proxy and only one such proxy can be appointed.

End

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- ◎ Of the documents to be attached to this notice of convocation, the Notes to the Non-consolidated Financial Statements and the Notes to the Consolidated Financial Statements are posted on the Bank's website (<http://www.awabank.co.jp/profile/>) (in Japanese) in accordance with laws and regulations as well as Article 16 of the Articles of Incorporation of the Bank, and are therefore not included in this document. Therefore, the documents attached to this notice of convocation constitute a part of the non-consolidated and consolidated financial statements audited by the Accounting Auditor in preparing its accounting audit report and part of the business report, non-consolidated and consolidated financial statements audited by the Audit & Supervisory Board Members in preparing its audit report.
  - ◎ Please note that the air conditioning at the venue will be operated moderately to save electricity. Attending shareholders are recommended to dress in light clothing.
  - ◎ 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.awabank.co.jp/profile/>) (in Japanese).

# Reference Documents for the General Meeting of Shareholders

## Proposal No. 1: Appropriation of Surplus

The Bank recognizes the return of profit to shareholders as one of the key management tasks and its basic profit appropriation policy is to return profit to shareholders in a stable and active manner on an ongoing basis while striving to enhance internal reserves for the purpose of strengthening its future profit foundation.

Under this Policy, the Bank intends to maintain a stable dividend of 5 yen per share (2.5 yen for interim dividend and 2.5 yen for year-end dividend), which is paid together with an additional dividend that is determined based on the financial results of each fiscal year.

### 1. Matters concerning year-end dividends

In comprehensive consideration of the financial results and other factors, the Bank proposes to pay the following year-end dividend, including a commemorative dividend for the 120th anniversary of the Bank, in appreciation for the ongoing support of our shareholders.

#### (1) Type of dividend property

Cash

#### (2) Matters concerning the allotment of dividend property to shareholders and the total amount 6 yen per share of common stock of the Bank (ordinary dividend of 4.5 yen and commemorative dividend of 1.5 yen)

In this case, the total amount of dividend will be 1,356,493,572 yen.

If the proposed year-end dividend of 6 yen per share is approved, the annual dividend will be 12 yen per share (ordinary dividend of 9 yen and commemorative dividend of 3 yen) including the interim dividend of 6 yen per share (ordinary dividend of 4.5 yen and commemorative dividend of 1.5 yen), which is an increase of 3 yen per share as compared with the previous fiscal year.

#### (3) Effective date of distribution of surplus

June 30, 2016

### 2. Other matters concerning the appropriation of surplus

The Bank proposes the following appropriation of surplus to bolster its business foundation and contribute to the increase in shareholder value through the improvement of capital efficiency by securing funds to retire its own shares.

#### (1) Item and the amount of surplus to be increased

General reserve 8,000,000,000 yen

Reserve for retirement of stocks 2,000,000,000 yen

#### (2) Item and amount of surplus to be decreased

Retained earnings brought forward 10,000,000,000 yen

**Proposal No. 2:** Election of Six (6) Directors

The terms of office of six (6) Directors Yoshifumi Okada, Yasuo Onishi, Susumu Nagaoka, Takehisa Fukunaga, Masaru Machida and Toshihiro Kamada will expire, and one (1) Director: Satoru Hiraoka will resign at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of six (6) Directors is proposed.

The candidates for Directors are as follows.

| No. | Name<br>(Date of birth)                | Career summary, positions and responsibilities at the Bank<br>and significant concurrent positions   | Number of<br>shares of the<br>Bank held |
|-----|--|--|---|
| 1   | Yoshifumi Okada<br>(September 6, 1956) | <p>April 1979    Joined the Bank<br/> June 1998    General Manager, Kawauchi Branch<br/> February 2000    General Manager, Nishi Osaka Branch<br/> June 2001    General Manager, Credit Division<br/> June 2004    Director, General Manager, Corporate Planning<br/> Division<br/> June 2006    Managing Director<br/> June 2008    President and Director (Representative Director)<br/> (current position)<br/> (Significant concurrent positions)<br/> Chairman, Tokushima Prefecture Bankers Association</p> <p>[Reason for nomination as a Director candidate]<br/> Mr. Okada has extensive work experience in the Credit and Corporate Planning Divisions in addition to the Sales Division and is well versed in the business of the Bank. He has been serving as a Director since 2004 and the President and Director since 2008 and has properly executed his duties in these positions. He has been nominated as a candidate for Director as he is expected to continue to contribute to the management of the Bank drawing on such experience and knowledge.</p> | 105,715                                 |
| 2   | Yasuo Onishi<br>(September 23, 1955)   | <p>April 1979    Joined the Bank<br/> February 1999    General Manager, Itano Branch<br/> August 2000    General Manager, Okayama Branch<br/> February 2002    General Manager, Sales Promotion Division<br/> June 2004    Director, General Manager, Human Resources<br/> Division<br/> June 2006    Managing Director<br/> June 2014    Senior Managing Director (Representative<br/> Director) (current position)<br/> (In charge of Sales Promotion Division)</p> <p>[Reason for nomination as a Director candidate]<br/> Mr. Onishi has extensive work experience in the Sales Promotion and Human Resources Divisions in addition to the Sales Division and is well versed in the business of the Bank. He has been serving as a Director since 2004 and a Senior Managing Director since 2014 and has properly executed his duties in these positions. He has been nominated as a candidate for Director as he is expected to continue to contribute to the management of the Bank drawing on such experience and knowledge.</p>                                      | 22,000                                  |

| No. | Name<br>(Date of birth)                   | Career summary, positions and responsibilities at the Bank<br>and significant concurrent positions  | Number of<br>shares of the<br>Bank held |
|-----|---|---|---|
| 3   | Susumu Nagaoka<br>(January 12, 1957)      | <p>April 1980    Joined the Bank</p> <p>January 1997    General Manager, Edogawa Branch</p> <p>August 2000    General Manager, Aizumi Branch</p> <p>June 2002    General Manager, General Administration Division</p> <p>June 2004    General Manager, Sales Promotion Division</p> <p>June 2006    Executive Officer, General Manager, Credit Division</p> <p>June 2008    Director, Human Resources Division</p> <p>June 2010    Director, General Manager, Tokyo Branch</p> <p>June 2012    Managing Director (current position)<br/>(In charge of Business Administration Division,<br/>Risk Management Division)</p> <p>[Reason for nomination as a Director candidate]<br/>Mr. Nagaoka has extensive work experience in the Credit and Human Resources Divisions in addition to the Sales Division and is well versed in the business of the Bank. He has been serving as a Director since 2008 and a Managing Director since 2012 and has properly executed his duties in these positions. He has been nominated as a candidate for Director as he is expected to continue to contribute to the management of the Bank drawing on such experience and knowledge.</p>   | 27,000                                  |
| 4   | Takehisa<br>Fukunaga<br>(August 28, 1961) | <p>April 1984    Joined the Bank</p> <p>June 2003    General Manager, Itano Branch</p> <p>June 2005    General Manager, Sakai Branch</p> <p>June 2007    General Manager, Corporate Administration Division</p> <p>June 2008    General Manager, Credit Division</p> <p>June 2009    General Manager, Corporate Planning Division</p> <p>June 2010    Executive Officer, General Manager, Corporate Planning Division</p> <p>June 2012    Director, General Manager, Corporate Planning Division and General Manager, Management Quality Promotion Division</p> <p>June 2013    Director, General Manager, Human Resources Division</p> <p>June 2014    Managing Director (current position)<br/>(In charge of Credit Division, Securities and International Division)</p> <p>[Reason for nomination as a Director candidate]<br/>Mr. Fukunaga has extensive work experience in the Corporate Planning and Human Resources Divisions in addition to the Sales Division and is well versed in the business of the Bank. He has been serving as a Director since 2012 and a Managing Director since 2014 and has properly executed his duties in these positions. He has been nominated as a candidate for Director as he is expected to continue to contribute to the management of the Bank drawing on such experience and knowledge.</p> | 15,392                                  |

| No.    | Name<br>(Date of birth)                 | Career summary, positions and responsibilities at the Bank<br>and significant concurrent positions  | Number of<br>shares of the<br>Bank held |
|--------|---|---|---|
| 5<br>* | Toshiyuki<br>Miyoshi<br>(June 8, 1958)  | <p>April 1981    Joined the Bank</p> <p>August 1996    Manager, Corporate Planning Division</p> <p>June 1997    Section Chief, Planning and Research Section,<br/>Corporate Planning Division</p> <p>August 1999    Section Chief, Sales Promotion Section, Sales<br/>Promotion Division</p> <p>June 2001    General Manager, Ishii Branch</p> <p>June 2003    General Manager, Kochi Branch</p> <p>June 2005    Section Chief, Corporate Section, Credit Division</p> <p>June 2006    General Manager, Human Resources Division</p> <p>June 2008    General Manager, Osaka Branch</p> <p>June 2012    Executive Officer, General Manager, Tokyo<br/>Branch</p> <p>June 2014    Managing Executive Officer, General Manager,<br/>Tokyo Branch (current position)</p> <p>[Reason for nomination as a Director candidate]<br/>Mr. Miyoshi has extensive work experience in the Credit and Human Resources Divisions in addition to the Sales Division and is well versed in the business of the Bank. He has been serving as an Executive Officer since 2012 and a Managing Executive Officer since 2014 and has properly executed his duties in these positions. He has been nominated as a candidate for Director as he is expected to continue to contribute to the management of the Bank drawing on such experience and knowledge.</p> | 12,000                                  |
| 6      | Toshihiro<br>Kamada<br>(March 11, 1964) | <p>April 1986    Joined the Bank</p> <p>February 2002    Section Chief, Human Resources Section, Human<br/>Resources Division</p> <p>February 2004    Sales Promotion Manager, Sales Promotion<br/>Division</p> <p>June 2006    General Manager, Ishii Branch</p> <p>June 2008    General Manager, Kobe Branch</p> <p>April 2010    Deputy General Manager, Internal Audit Division</p> <p>June 2011    General manager, Kamojima Branch</p> <p>June 2013    Executive Officer, General manager, Anan Branch<br/>and General manager, Minobayashi Branch</p> <p>June 2014    Director, General Manager, Credit Division</p> <p>June 2015    Director, General Manager, Sales Promotion<br/>Division (current position)</p> <p>[Reason for nomination as a Director candidate]<br/>Mr. Kamada has extensive work experience in the Credit and Sales Promotion Divisions in addition to the Sales Division and is well versed in the business of the Bank. He has been serving as a Director since 2014 and has properly executed his duties in these positions. He has been nominated as a candidate for Director as he is expected to continue to contribute to the management of the Bank drawing on such experience and knowledge.</p>  | 20,000                                  |

(Notes)

1. An asterisk (\*) indicates a new candidate for Director.
2. There is no special interest between the Bank and any of the candidates.

**Proposal No. 3:** Election of Two (2) Audit & Supervisory Board Members

The terms of office of Audit & Supervisory Board Members Yasuhiro Komatsu and Takeaki Nishino will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of two (2) Audit & Supervisory Board Members is proposed.

The candidates for Audit & Supervisory Board Members are as follows.

The Bank has obtained the consent of the Audit & Supervisory Board in advance for the submission of this proposal.

| No. | Name<br>(Date of birth)                   | Career summary, positions at the Bank<br>and significant concurrent positions   | Number of<br>shares of the<br>Bank held |
|-----|---|---|---|
| 1   | Yasuhiro<br>Komatsu<br>(January 24, 1954) | <p>April 1977    Joined the Bank</p> <p>January 1993    Section Chief, Salary and Welfare Section, Human Resources Division</p> <p>August 1996    General Manager, Kuramoto Branch</p> <p>January 1998    General Manager, Sakai Branch</p> <p>June 2001    General Manager, Takamatsu Branch</p> <p>June 2004    General Manager, Komatsushima Branch</p> <p>June 2007    General Manager, Administration Division</p> <p>June 2010    General Manager, General Affairs Division</p> <p>June 2012    Audit &amp; Supervisory Board Member (current position)</p> <p>[Reason for nomination as an Audit &amp; Supervisory Board Member candidate]</p> <p>Mr. Komatsu has extensive work experience in the Administration and General Affairs Divisions in addition to the Sales Division and is well versed in the business of the Bank. He has been serving as an Audit &amp; Supervisory Board Member since 2012 and has properly executed his duties in these positions. He has been nominated as a candidate for Audit &amp; Supervisory Board Member as he is expected to be capable of properly executing duties as an Audit &amp; Supervisory Board Member drawing on such experience and knowledge.</p> | 56,000                                  |
| 2   | Takeaki Nishino<br>(December 29, 1941)    | <p>April 1964    Joined the Japan Dyestuff and Industrial Chemicals Association</p> <p>April 1968    Joined Nishino Store Co., Ltd. (currently NISHINO KINRYO CORPORATION)</p> <p>May 1971    Director</p> <p>May 1975    Managing Director</p> <p>July 1983    President and Representative Director</p> <p>June 1995    Audit &amp; Supervisory Board Member, the Bank (current position)</p> <p>May 2015    Chairman and Representative Director, NISHINO KINRYO CORPORATION (current position)</p> <p>(Significant concurrent positions)<br/>Chairman and Representative Director, NISHINO KINRYO CORPORATION<br/>Representative Director, Kinryo Co., Ltd.</p> <p>[Reason for nomination as an Outside Audit &amp; Supervisory Board Member candidate]</p> <p>Mr. Nishino has extensive experience as corporate management in addition to excellent insight. He has been nominated as a candidate for Outside Audit &amp; Supervisory Board Member as he is expected to contribute to the establishment of a strong corporate governance system of the Bank by performing check function through fair and impartial audits from an independent standpoint.</p>   | 65,000                                  |

(Notes)

1. There is no special interest between the candidate Mr. Yasuhiro Komatsu and the Bank.
2. There are normal banking transactions such as loan transactions between the Bank and NISHINO KINRYO CORPORATION and Kinryo Co., Ltd., at which the candidate Mr. Takeaki Nishino serves as the Chairman and Representative Director and the Representative Director, respectively.
3. Mr. Takeaki Nishino is a candidate for Outside Audit & Supervisory Board Member.

4. The term of office since the candidate for Outside Audit & Supervisory Board Member assumed office as an Outside Audit & Supervisory Board Member

Mr. Takeaki Nishino will have held office as Outside Audit & Supervisory Board Member for 21 years at the conclusion of this Annual General Meeting of Shareholders.

5. Liability Limitation Agreements with the Outside Audit & Supervisory Board Member

The Bank has provided in its current Articles of Incorporation that the Bank may enter into an agreement with an Outside Audit & Supervisory Board Member to limit his or her liability for damages to the Bank within a certain limit, thereby enabling them to fully perform their expected roles as Outside Audit & Supervisory Board Member.

Based on this provision, the Bank has entered into a liability limitation agreement with Mr. Takeaki Nishino and will continue this agreement if he is re-elected as an Outside Audit & Supervisory Board Member at this Annual General Meeting of Shareholders.

The overview of the agreement is as follows.

- If an Outside Audit & Supervisory Board Member is held liable due to negligence of duties, the Outside Audit & Supervisory Board Member will be responsible for such liability to the extent of minimum liability amount set forth in Article 427, Paragraph 1 of the Companies Act.
- The liability limitation agreement mentioned above only applies when the relevant Outside Audit & Supervisory Board Member has acted in good faith and is not grossly negligent in performing his/her duties.



**Proposal No. 4:** Granting of Retirement Benefits to Retiring Directors

It is proposed that retirement benefits be granted to Directors Satoru Hiraoka and Masaru Machida who will retire at the conclusion of the this Annual General Meeting of Shareholders, in appreciation of their meritorious services to the Bank, in amounts within a reasonable range based on the specified standards of the Bank. It is also proposed that the decisions as to the specific amounts, timing and method of payment of the benefits be entrusted to the Board of Directors.

The Career summary of the retiring Directors is as follows.

| Name           | Career summary |  |
|----------------|----------------|--|
| Satoru Hiraoka | June 2007      | Director, General Manager, Corporate Planning Division, the Bank                             |
|                | June 2009      | Director, General Manager, Corporate Administration Division                                 |
|                | June 2010      | Director, General Manger, Human Resources Division   |
|                | June 2013      | Director, General Manager, Credit Division   |
|                | June 2014      | Managing Director (current position)   |
| Masaru Machida | June 2004      | Executive Officer, General Manager, Tokyo Branch, the Bank                                   |
|                | June 2008      | Managing Executive Officer, General Manager, Sales Promotion Division                        |
|                | June 2010      | Managing Executive Officer, General Manager, Naruto Branch and General Manager, Otsu Branch  |
|                | June 2012      | Managing Executive Officer, General Manager, Osaka Branch                                    |
|                | June 2014      | Director, Senior Managing Executive Officer, General Manager, Head Office (current position) |