

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: 8388)  
June 2, 2017

**To Shareholders with Voting Rights:**

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

## **NOTICE OF CONVOCATION OF THE 205TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

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

You are cordially invited to attend the 205th 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:** Thursday, June 29, 2017 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 205th Fiscal Year (from April 1, 2016 to March 31, 2017)
    2. Consolidated Financial Statements for the Bank's 205th 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:** Election of Two (2) Directors
    - Proposal No. 3:** Election of One (1) Audit & Supervisory Board Member
    - Proposal No. 4:** Granting of Retirement Benefits to a Retiring Director and an Audit & Supervisory Board Member

## Exercise of Voting Rights:

Exercise of voting rights by attending the meeting	
Voting Rights Exercise Form	Meeting date and time: Thursday June 29, 2017 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: Wednesday, June 28, 2017 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: Wednesday, June 28, 2017 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

- ◎ 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/>) (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/>) (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.

(1) Type of dividend property

Cash

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

In this case, the total amount of dividend will be 999,969,408 yen.

If the proposed year-end dividend of 4.5 yen per share is approved, the annual dividend will be 9 yen per share including the interim dividend of 4.5 yen per share.

(3) Effective date of distribution of surplus

June 30, 2017

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 7,000,000,000 yen

Reserve for retirement of stocks 3,000,000,000 yen

(2) Item and amount of surplus to be decreased

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

**Proposal No. 2:** Election of Two (2) Directors

The terms of office of three (3) Directors: Eiji Nishimiya, Hiroshi Sonoki and Kenzo Asaoka will expire, and one (1) Director: Eiji Nishimiya will retire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of two (2) Directors is proposed.

The candidates for Directors are as follows.

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Bank and significant concurrent positions	Number of shares of the Bank held
1	Hiroshi Sonoki (August 14, 1946) [Reappointment] [Outside Director]	<p>April 1970      Joined Yamato Accounting Firm (current KPMG AZSA LLC)</p> <p>March 1977      Registered as a certified public accountant</p> <p>July 1994      Representative Partner, Asahi &amp; Co. (current KPMG AZSA LLC)</p> <p>June 2001      Managing Partner, Head Office and Managing Partner, Osaka Office</p> <p>June 2003      Senior Managing Partner</p> <p>June 2006      Head, Osaka Office, AZSA &amp; Co. (current KPMG AZSA LLC)</p> <p>June 2009      Retired</p> <p>July 2009      Opened Hiroshi Sonoki Certified Public Accountant Office</p> <p>June 2011      Audit &amp; Supervisory Board Member, the Bank</p> <p>June 2015      Director, the Bank (current position)</p> <p>[Reason for nomination as an Outside Director candidate] Mr. Sonoki has been providing appropriate opinions from a fair and impartial standpoint by drawing on his expert knowledge of accounting and extensive experience in auditing listed companies, etc. as a certified public accountant. He has been nominated as a candidate for Outside Director as he is expected to continue to monitor management from a highly independent standpoint as well as contribute to the enhancement of the transparency of the Bank's Board of Directors.</p>	0
2	Kenzo Asaoka (January 5, 1937) [Reappointment] [Outside Director]	<p>April 1967      Registered as an attorney with the Osaka Bar Association</p> <p>March 1971      Opened the Asaoka Law Firm (restructured into the current Asaoka &amp; Taki Law and Accounting Firm)</p> <p>April 1989      Assumed office as Vice President, Osaka Bar Association</p> <p>March 1990      Left office of Vice President</p> <p>September 1991      Assumed office as Auditor, Kumon Institute of Education Co., Ltd. (current position)</p> <p>June 2014      Assumed office as Auditor, Takamatsu Construction Group Co., Ltd. (current position)</p> <p>June 2015      Director, the Bank (current position)</p> <p>(Significant concurrent positions) External Auditor, Kumon Institute of Education Co., Ltd. External Auditor, Takamatsu Construction Group Co., Ltd.</p> <p>[Reason for nomination as an Outside Director candidate] Mr. Asaoka has been providing appropriate opinions from a fair and impartial standpoint by drawing on his extensive knowledge of law and experience as an attorney. He has been nominated as a candidate for Outside Director as he is expected to continue to monitor management from a highly independent standpoint as well as contribute to the enhancement of the transparency of the Bank's Board of Directors.</p>	20,000

(Notes)

1. There is no special interest between the candidate Mr. Hiroshi Sonoki and the Bank.
2. There are normal banking transactions such as loan transactions between the Bank and the candidate Mr. Kenzo Asaoka.
3. Mr. Hiroshi Sonoki and Mr. Kenzo Asaoka are candidates for Outside Director. Currently, the Bank has designated the two Outside Directors as independent officers as stipulated in Article 436-2 of Securities Listing Regulations by the Tokyo Stock Exchange, Inc. (TSE), and registered them with the TSE.
4. Reason for the determination that the candidates are capable of executing duties appropriately as Outside Directors  
Although Mr. Hiroshi Sonoki and Mr. Kenzo Asaoka have never been involved in corporate management in ways other than serving as an Outside director, the Bank has determined that they will appropriately execute their duties as Outside Directors for the reasons stated in [Reasons for nomination as an Outside Director candidate] above.
5. Both Mr. Hiroshi Sonoki and Mr. Kenzo Asaoka currently serve as Outside Directors of the Bank and will have held office for two years at the conclusion of this Annual General Meeting of Shareholders. Further, Mr. Hiroshi Sonoki will have held office as an Outside Audit & Supervisory Board Member for four years.

6. Liability Limitation Agreements with Outside Directors

The Bank has provided in its current Articles of Incorporation that the Bank may enter into an agreement with an Outside Director 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 Director.

Based on this provision, the Bank has entered into a liability limitation agreement with Mr. Hiroshi Sonoki and Mr. Kenzo Asaoka, respectively, and will continue this agreement if they are re-elected as Outside Directors at this Annual General Meeting of Shareholders.

The overview of the agreement is as follows.

- If an Outside Director is held liable due to negligence of duties, the Outside Director 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 Director has acted in good faith and is not grossly negligent in performing his/her duties.

**Proposal No. 3: Election of One (1) Audit & Supervisory Board Member**

Audit & Supervisory Board Member Koichi Tamura will resign at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of one (1) Audit & Supervisory Board Member is proposed.

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

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

Name (Date of birth)	Career summary, positions at the Bank and significant concurrent positions	Number of shares of the Bank held
Kojiro Araki (February 18, 1960) [New appointment] [Outside Audit & Supervisory Board Member]	April 1983 July 1999	0
	June 2001	
	October 2003 July 2007	
	March 2009 October 2010	
	June 2013	
	September 2014 May 2017	
	[Reason for nomination as an Outside Audit & Supervisory Board Member candidate] Mr. Kojiro Araki has been nominated as a candidate for Outside Audit & Supervisory Board Member as he is expected to draw on his outstanding insight on finances and regional economy as well as his extensive experience in the financial sector to conduct the objective audit.	

(Notes)

1. There is no special interest between the candidate Mr. Kojiro Araki and the Bank.
2. Mr. Kojiro Araki is a new candidate for Outside Audit & Supervisory Board Member.
3. Mr. Kojiro Araki is scheduled to retire from the Bank of Japan in June 2017.
4. Reason for the determination that the candidate is capable of executing duties appropriately as Outside Audit & Supervisory Board Member  
Although Mr. Kojiro Araki has never been involved in corporate management, the Bank has determined that he will appropriately execute his duties as Outside Audit & Supervisory Board Member for the reasons stated in [Reason for nomination as an Outside Audit & Supervisory Board Member candidate] above.
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 intends to enter into a liability limitation agreement with Mr. Kojiro Araki if he is 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 a Retiring Director and an Audit & Supervisory Board Member

It is proposed that retirement benefits be granted to Director Eiji Nishimiya and Audit & Supervisory Board Member Koichi Tamura 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 for a Retiring Director be entrusted to the Board of Directors, and those for a Retiring Audit & Supervisory Board Member be entrusted to the consultation among the Audit & Supervisory Board Members.

The Career summaries of the retiring Director and Audit & Supervisory Board Member are as follows.

Name	Career summary	
Eiji Nishimiya	June 2001	Director, General Manager, Human Resources Division, the Bank
	June 2004	Managing Director
	June 2006	Senior Managing Director (Representative Director)
	June 2008	Vice President and Representative Director
	June 2012	Chairman of the Board and Representative Director
Koichi Tamura	April 2017	Director and Advisor (current position)
	June 2003	Audit & Supervisory Board Member, the Bank (current position)