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Securities Code: 8563

June 1, 2017

To our shareholders:

Takao Suzuki
Director and President
THE DAITO BANK, LTD.
19-1, Nakamachi, Koriyama City, Fukushima

NOTICE OF CONVOCATION OF THE 112TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 112th Annual General Meeting of Shareholders of THE DAITO 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 by submitting the Voting Rights Exercise Form. Please review the Reference Documents for the General Meeting of Shareholders (described hereinafter) and exercise your voting rights by indicating your vote for or against the proposal on the enclosed Voting Rights Exercise Form and return it so that it arrives by 5:00 p.m. Thursday, June 22, 2017 (JST).

- 1. Date and Time:** Friday, June 23, 2017, at 10:00 a.m. (JST)
- 2. Place:** 6F, Main Conference Room, Head Office of the Bank
19-1, Nakamachi, Koriyama City, Fukushima

3. Meeting Agenda:

Matters to be reported:

1. The Business Report and Non-consolidated Financial Statements for the Bank's 112th Fiscal Year (from April 1, 2016 to March 31, 2017)
2. Consolidated Financial Statements for the Bank's 112th 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 Board of Corporate Auditors

Proposals to be resolved:

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Election of Nine (9) Directors
- Proposal No. 3:** Election of One (1) Corporate Auditor
- Proposal No. 4:** Consolidation of Shares

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form to the reception desk. Please also bring this Convocation Notice to save resources when attending the meeting.
- Of the documents to be provided with this Convocation Notice, the following items are omitted as they are posted on the Bank's website (<http://www.daitobank.co.jp/>) in accordance with laws and regulations and Article 15 of the Articles of Incorporation of the Bank:
 - 1) Non-consolidated Statement of Changes in Shareholders' Equity
 - 2) Notes to Non-consolidated Financial Statements
 - 3) Consolidated Statement of Changes in Shareholders' Equity
 - 4) Notes to Consolidated Financial Statements
- Any updates to the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements, or Non-consolidated Financial Statements will be posted on the Bank's website (<http://www.daitobank.co.jp/>).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Appropriation of Surplus

The Bank proposes the appropriation of surplus as follows.

1. Matters concerning year-end dividends

With regard to the year-end dividends for the 112th fiscal year, comprehensively taking into account continuing to provide stable dividends and the business results of the Bank for the fiscal year under review, the Bank proposes as follows.

In addition, internal reserves will continue to be used efficiently for effective investments, etc., in order to enhance the Bank's operational foundations and strengthening the management structure.

(1) Dividend asset type

Cash

(2) Matters concerning the allotment of dividend property to shareholders and the total amount
3 yen per share of common stock, for a total of 380,295,411 yen

(3) Effective date of distribution of surplus

June 26, 2017

2. Other matters concerning the appropriation of surplus

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

General reserve 800,000,000 yen

(2) Item and amount of surplus to be decreased

Retained earnings brought forward 800,000,000 yen

Proposal No. 2: Election of Nine (9) Directors

The terms of office of all eight (8) Directors will expire at the conclusion of this Annual General Meeting of Shareholders. In that regard, the Bank proposes the election of nine (9) Directors, increasing the number of Directors by one (1) to further enhance the management system and corporate governance.

The candidates are as follows:

No.	Name (Date of birth)	Past experience, positions, and roles at the Bank, and significant concurrent positions	Number of shares of the Bank held
1	Takao Suzuki (November 15, 1953) Reelection	Apr. 1976 Joined the Bank Feb. 1996 General Manager of Uneme Branch Mar. 1998 Deputy General Manager of Head Office Business Division Apr. 2001 General Manager of Nihonmatsu Branch Mar. 2003 Asahi Area Manager and General Manager of Asahi Branch June 2004 Managing Director June 2008 Senior Managing Director June 2010 Director and President To the present	91,000 shares
		<p><Reasons for nomination as a candidate for Director> Mr. Suzuki possesses a wealth of business knowledge and experience through his services as Branch General Manager, and since becoming Managing Director in 2004, he has amassed abundant management experience through holding positions as Senior Managing Director. Therefore, the Bank believes that he is capable of conducting the Bank's business management in an accurate, fair, and efficient manner, and thus has nominated him as a candidate for Director.</p>	
2	Yasuhiro Oka (November 30, 1955) Reelection	Apr. 1974 Joined the Bank Mar. 1999 General Manager of Ishikawa Branch Apr. 2001 General Manager of Kawamata Branch Mar. 2003 General Manager of Shirakawa Branch June 2004 General Manager of Credit Management Division July 2008 Executive Officer and General Manager of Credit Division June 2010 Director and General Manager of Credit Division June 2013 Managing Director To the present	25,000 shares
		<p><Reasons for nomination as a candidate for Director> Mr. Oka possesses a wealth of business knowledge and experience through his services as Branch General Manager and General Manager of Credit Management Division and Credit Division, and since becoming a Director in 2010, he has amassed abundant management experiences. Therefore, the Bank believes that he is capable of conducting the Bank's business management in an accurate, fair, and efficient manner, and thus has nominated him as a candidate for Director.</p>	

No.	Name (Date of birth)	Past experience, positions, and roles at the Bank, and significant concurrent positions	Number of shares of the Bank held
3	Kenichi Miura (January 26, 1958) Reelection	<p>Apr. 1980 Joined The Long-Term Credit Bank of Japan, Limited (currently Shinsei Bank, Limited)</p> <p>July 2008 General Manager of Fukuoka Branch of Shinsei Bank, Limited</p> <p>Nov. 2010 Seconded to the Bank from Shinsei Bank, Limited Executive Officer and General Manager of Management Division</p> <p>June 2012 Director and General Manager of Management Division</p> <p>July 2012 Director and General Manager of Sales Planning Division</p> <p>July 2014 Director and General Manager of Management Division</p> <p>July 2015 Director and General Manager of Systems Division</p> <p>Aug. 2015 Director, General Manager of Systems Division, and General Manager of Administration Division</p> <p>June 2016 Managing Director, General Manager of Systems Division, and General Manager of Administration Division To the present</p>	13,000 shares
<p><Reasons for nomination as a candidate for Director> Mr. Miura possesses a wealth of business knowledge and experience through his services as Branch General Manager at a major bank and serving as General Manager at the Bank's Management Division, Sales Planning Division, Systems Division and Administration Division, and since becoming Director in 2012, he has amassed abundant management experiences. Therefore, the Bank believes that he is capable of conducting the Bank's business management in an accurate, fair, and efficient manner, and thus has nominated him as a candidate for Director.</p>			
4	Ryo Haga (May 14, 1962) Reelection	<p>Apr. 1986 Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.)</p> <p>Feb. 2009 Deputy General Manager of Operation Planning Division of Mizuho Bank, Ltd.</p> <p>Jan. 2011 General Manager of Fukuoka Branch and General Manager of Fukuoka Branch Division 1 of Mizuho Bank, Ltd.</p> <p>Aug. 2013 Seconded to the Bank from Mizuho Bank, Ltd. Executive Officer and General Manager of Sales Planning Division of the Bank</p> <p>June 2014 Director and General Manager of Sales Planning Division</p> <p>July 2015 Director, General Manager of Sales Planning Division, and General Manager of Personal Loan Division To the present</p>	5,000 shares
<p><Reasons for nomination as a candidate for Director> Mr. Haga possesses a wealth of business knowledge and experience through his services as Branch General Manager at a major bank and serving as General Manager of the Bank's Sales Planning Division and Personal Loan Division. Therefore, the Bank believes that he is capable of conducting the Bank's business management in an accurate, fair, and efficient manner, and thus has nominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Past experience, positions, and roles at the Bank, and significant concurrent positions	Number of shares of the Bank held
5	Mitsuo Furukawa (June 10, 1961) Reelection	Apr. 1984 Joined the Bank July 2002 General Manager of Tsurumidan Branch July 2005 Koriyama A Block Manager, General Manager of Houhaccho Branch, and General Manager of Koharada Branch July 2008 Iwaki Block Manager and General Manager of Taira Branch July 2010 Northern Block Manager and General Manager of Fukushima Branch June 2012 Executive Officer, Northern Block Manager, and General Manager of Fukushima Branch July 2013 Executive Officer, General Manager of Credit Division, and General Manager of Credit Management Division July 2014 Executive Officer and General Manager of Head Office Business Division June 2016 Director and General Manager of Head Office Business Division To the present	17,000 shares
<Reasons for nomination as a candidate for Director> Mr. Furukawa possesses a wealth of business knowledge and experience through his services as Branch General Manager, General Manager of Credit Division and Credit Management Division, and General Manager of Head Office Business Division. Therefore, the Bank believes that he is capable of conducting the Bank's business management in an accurate, fair, and efficient manner, and thus has nominated him as a candidate for Director.			
6	Hiroshi Murakami (September 30, 1961) Reelection	Apr. 1984 Joined the Bank Mar. 2003 General Manager of Hiwada Branch July 2005 General Manager of Tokyo Branch and General Manager of Tokyo Office July 2007 Koriyama C Block Manager and General Manager of Asaka Branch July 2010 Iwaki Block Manager and General Manager of Taira Branch June 2013 Executive Officer, Iwaki Block Manager, General Manager of Taira Branch and Kabeya Branch July 2013 Executive Officer, Northern Block Manager, General Manager of Fukushima Branch and Fukushima Minami Branch June 2016 Director, Northern Block Manager, General Manager of Fukushima Branch and Fukushima Minami Branch July 2016 Director and General Manager of Management Division To the present	33,000 shares
<Reasons for nomination as a candidate for Director> Mr. Murakami possesses a wealth of business knowledge and experience through his services as Branch General Manager, General Manager of Tokyo Branch, and General Manager of Tokyo Office. Therefore, the Bank believes that he is capable of conducting the Bank's business management in an accurate, fair, and efficient manner, and thus has nominated him as a candidate for Director.			

No.	Name (Date of birth)	Past experience, positions, and roles at the Bank, and significant concurrent positions	Number of shares of the Bank held	
7	Hiroaki Osato (December 26, 1957) New election	Apr. 1981	Joined the Bank	3,000 shares
		Apr. 2001	Deputy Manager of Securities and International Division	
		Mar. 2003	Deputy Manager of General Planning Division	
		June 2004	Deputy Manager of Management Division	
		July 2005	Deputy General Manager of Management Division	
		July 2008	General Manager of Securities and International Division	
		June 2013	Executive Officer and General Manager of Securities and International Division	
			To the present	
<p><Reasons for nomination as a candidate for Director> Mr. Osato possesses a wealth of business knowledge and experience through his services as Deputy General Manager of Management Division and General Manager of Securities and International Division. Therefore, the Bank believes that he is capable of conducting the Bank's business management in an accurate, fair, and efficient manner, and thus has nominated him as a candidate for Director.</p>				
8	Gaku Ohashi (January 22, 1950) Reelection Outside Director Independent Officer	Apr. 1973	Joined Koriyama City Office	5,000 shares
		Apr. 2008	General Manager of Living Environment Division	
		July 2008	General Manager of Sewerage Division	
		Apr. 2009	General Manager of General Affairs Division	
		Apr. 2010	Director of Koriyama City Social Welfare Council	
		June 2010	Full-time Vice Chairman	
		Mar. 2013	Resigned from Full-time Vice Chairman	
		June 2013	Outside Director of the Bank	
			To the present	
<p><Reasons for nomination as a candidate for Outside Director> Based on Mr. Ohashi's knowledge, experience, etc., gained from his years in government service, the Bank has nominated him based on the judgment that he is capable of aptly executing his duties as Outside Director, such as providing accurate advice toward the Bank's general management from his wide-ranging perspective.</p>				
9	Yoshihiro Kasama (August 10, 1952) Reelection Outside Director Independent Officer	Nov. 1987	Passed the bar examination	1,200 shares
		Apr. 1990	Registered as an attorney-at-law (TOKYO BAR ASSOCIATION)	
		Apr. 1992	Joined Shimizu Kiyoshi Law Office	
			Resigned from Shimizu Kiyoshi Law Office	
			Changed registration to Fukushima Bar Association and established Kasama Law Office	
		June 2008	Corporate Auditor of the Bank	
		June 2015	Outside Director	
			To the present	
<p><Reasons for nomination as a candidate for Outside Director> Mr. Kasama possesses a wealth of experience in the legal profession as well as a high level of acumen as a legal specialist, and thus the Bank has nominated him based on the judgment that he is capable of aptly executing his duties as Outside Director, such as providing accurate advice toward the Bank's general management from his wide-ranging perspective.</p>				

- (Notes)
1. There is no special interest between each candidate for Director and the Bank.
 2. Candidates for Director Gaku Ohashi and Yoshihiro Kasama are candidates for Outside Director. The Bank has appointed Messrs. Gaku Ohashi and Yoshihiro Kasama as Independent Officers prescribed by Tokyo Stock Exchange and submitted a notification of the appointment to the same Exchange.
 3. Matters concerning the candidates for Outside Directors are as shown below.
 - (1) Regarding the number of years since the Outside Director candidates assumed the position of Outside Director
Mr. Gaku Ohashi currently serves as an Outside Director of the Bank. His term of office as Outside Director will be four years at the conclusion of this year's Annual General Meeting of Shareholders. Mr. Yoshihiro Kasama currently serves as an Outside Director of the Bank. His term of office as Outside Director will be two year at the conclusion of this year's Annual General Meeting of Shareholders.

(2) Limited liability agreements with Outside Directors

The Bank has stipulated in the Articles of Incorporation to allow for the conclusion of agreements with Outside Directors that limit their liability for damages to a certain range so that they can fully perform their expected roles. If the election of Messrs. Gaku Ohashi and Yoshihiro Kasama is approved as proposed, the Bank plans to renew agreements that limit their liability for damages set forth in Article 423, paragraph 1 of the Companies Act pursuant to the provisions of Article 427, paragraph 1 of the said act. The liability limitation agreements define that if an Outside Director is held liable for damages due to negligence of duties, he/she will be responsible for such liability to the extent of the minimum liability amount set forth in laws and regulations or 1 million yen, whichever is greater.

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

Corporate Auditor Takahiro Ono will resign at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of one (1) Corporate Auditor is proposed.

Furthermore, since the candidate for Corporate Auditor Tadashi Sakuma will be elected as Mr. Ono's substitute, his term of office will be until the expiration date of the retiring Corporate Auditor's term of office, as provided for in the Bank's Articles of Incorporation.

The Board of Corporate Auditors has previously given its approval to this proposal.

The candidate is as follows:

Name (Date of birth)	Past experience, positions at the Bank, and representation of other corporations	Number of shares of the Bank held
Tadashi Sakuma (October 11, 1953) New election	Apr. 1972 Joined the Bank July 2007 Koriyama B Block Manager, Asahi Area Manager and General Manager of Asahi Branch July 2009 General Manager of Audit Division June 2010 Executive Officer and General Manager of Audit Division July 2011 Executive Officer and General Manager of Personal Loan Division June 2014 Director and President of The Daito Credit Service. Ltd. June 2015 Director and President of Sawayaka Shoji Co., Ltd. To the present	26,800 shares
<Reasons for nomination as a candidate for Corporate Auditor> Mr. Sakuma possesses a wealth of business knowledge and experience through his services as the Bank's Branch General Manager, Executive Officer and General Manager of Audit Division and Executive Officer and General Manager of Personal Loan Division as well as management experiences as Director and President of The Daito Credit Service. Ltd. and Sawayaka Shoji Co., Ltd. Therefore, the Bank has nominated him based on the judgment that he is capable of aptly executing his duties as Corporate Auditor.		

(Note) There is no special interest between the candidate for Corporate Auditor and the Bank.

Proposal No. 4: Consolidation of Shares

(1) Reasons for the proposal

The Japanese stock exchanges are promoting the “Action Plan for Consolidating Trading Units,” which aims to consolidate 100 shares of common stock of domestic companies listed on Japanese stock exchanges into one (1) trading unit (number of shares per share unit), for the convenience of users of the stock markets, such as investors. In accordance with this initiative and the provisions of the Companies Act, the Bank has decided to alter its number of shares constituting one unit of shares from 1,000 to 100 based on the resolution of the Board of Directors meeting on May 12, 2017.

In this regard, to maintain price level per trading unit of the Bank’s shares and the number of voting rights of each shareholder after the alteration of the number of shares constituting one unit of shares, the total number of shares authorized to be issued will also be changed with this ratio, from the current 180,000,000 shares to 18,000,000 shares, to coincide with the combination of ten (10) of the Bank’s shares into one (1) share.

Moreover, on the condition that approval is given for this proposal as originally proposed, the aforementioned alteration to the number of shares per share unit will become effective as of October 1, 2017.

(2) Ratio of the consolidation

The Bank will consolidate ten (10) shares into one (1) share.

For all shareholders for whom fractional shares of less than one share of equity securities arise as a result of the consolidation of shares, such shares shall be subject to a bulk sale in accordance with the provisions of the Companies Act, and the Bank will issue the proceeds of this sale in a proportion that corresponds to the fraction of shares owned.

(3) Date on which the consolidation of shares will come into effect (effective date)

October 1, 2017

(4) Total number of shares authorized to be issued as of the effective date

18,000,000 shares

Through this consolidation of shares, and based on the stipulations of Article 182, paragraph 2 of the Companies Act, the Bank shall be deemed to have changed the provisions of the Articles of Incorporation regarding the total number of authorized shares to be issued as of the effective date.

[Reference]

On the condition that approval is given for this proposal as originally proposed, as of October 1, 2017, some of the Bank’s Articles of Incorporation will change as follows.

(Amendments are underlined)

Current Articles of Incorporation	Proposed Change
<p>(Total Number of Shares Authorized to Be Issued) Article 6. The total number of shares authorized to be issued by the Bank shall be <u>180,000,000 shares</u>.</p> <p>Article 7. (Omitted)</p> <p>(Number of Shares per Share Unit) Article 8. The number of shares constituting one unit of shares of the Bank shall be <u>1,000 shares</u>.</p> <p>(Newly established)</p>	<p>(Total Number of Shares Authorized to Be Issued) Article 6. The total number of shares authorized to be issued by the Bank shall be <u>18,000,000 shares</u>.</p> <p>Article 7. (Unchanged)</p> <p>(Number of Shares per Share Unit) Article 8. The number of shares constituting one unit of shares of the Bank shall be <u>100 shares</u>.</p> <p>Supplementary provision <u>Amendments of Article 6 (Total Number of Shares Authorized to Be Issued) and Article 8 (Number of Shares per Share Unit) will come into effect on October 1, 2017, and this supplementary provision will be removed on the day following the effective date.</u></p>