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(Securities Code: 8345)
May 30, 2019

To Shareholders with Voting Rights:

Sachio Taguchi
President
The Bank of Iwate, Ltd.
2-3, Chuodori 1-chome, Morioka,
Iwate, Japan

NOTICE OF CONVOCATION OF THE 137TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 137th Annual General Meeting of Shareholders of The Bank of Iwate, 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, or via the Internet. Please review the Reference Documents for the General Meeting of Shareholders (described hereinafter) and exercise your voting rights by no later than 5:15 p.m. on Thursday, June 20, 2019 Japan time.

- 1. Date and Time:** Friday, June 21, 2019 at 10:00 a.m. Japan time
- 2. Place:** 9F, Hall, Head Office of the Bank, 2-3, Chuodori 1-chome, Morioka, Iwate, Japan
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report and Non-consolidated Financial Statements for the Bank's 137th Fiscal Year (from April 1, 2018 to March 31, 2019)
 2. Consolidated Financial Statements for the Bank's 137th Fiscal Year (from April 1, 2018 to March 31, 2019) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
- Proposals to be resolved:**
- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Partial Amendments to the Articles of Incorporation
- Proposal No. 3:** Election of Ten (10) Directors (excluding Directors serving as Audit and Supervisory Committee Members)
- Proposal No. 4:** Election of One (1) Director serving as Audit and Supervisory Committee Member
- Proposal No. 5:** Election of One (1) Director serving as substitute Audit and Supervisory Committee Member

Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights.

The following three methods are available for exercising your voting rights.

- (1) Exercise of voting rights upon attendance at General Meeting of Shareholders
Date and time of General Meeting of Shareholders: Friday, June 21, 2019, 10:00 a.m. Japan time
Please submit the enclosed Voting Rights Exercise Form at the reception desk of the Bank's head office.
Please bring this "Notice of Convocation of the 137th Annual General Meeting of Shareholders" with you to conserve paper resources.
- (2) Exercise of Voting Rights in Writing
Deadline for exercise: Votes received by no later than 5:15 p.m. on Thursday, June 20, 2019 Japan time
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 the deadline for exercise.
- (3) Exercise of Voting Rights via the Internet
Deadline for exercise: Votes sent by no later than 5:15 p.m. on Thursday, June 20, 2019 Japan time
Before exercising voting rights via the Internet, please read the "Procedures for Exercise of Voting Rights via the Internet," which is described below (Japanese version only) , and exercise you voting rights by the deadline.

[Handling of Duplicate Voting]

If you exercise your voting rights both by mailing the Voting Rights Exercise Form and via the Internet, only the vote placed via the Internet is deemed valid.

If you exercise your voting rights more than once via the Internet, only the last vote is deemed valid.

End

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- ◎ Of the documents required to be presented along with this notice of convocation, "Matters concerning Stock Acquisition Rights, etc. Held by the Bank," "Non-Consolidated Statements of Changes in Net Assets" and "Notes to Non-Consolidated Financial Statements," and "Consolidated Statements of Changes in Net Assets" and "Notes to Consolidated Financial Statements" are, in accordance with laws and regulations, and Article 16 of the Articles of Incorporation of the Bank, posted on the Bank's website (<https://www.iwatebank.co.jp/ir/stock/meeting.html>) and are therefore not included in the documents attached to this notice of convocation.
Accordingly, the documents attached to this notice of convocation are part of the Business Report, Non-consolidated Financial Statements and Consolidated Financial Statements which have been audited by the Audit and Supervisory Committee for the preparation of the Audit Report and by the Accounting Auditor for the preparation of the Independent Auditor's Report.
- ◎ Please note that updates or corrections, if any, to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Financial Statements and the Consolidated Financial Statements will be posted on the Bank's website (<https://www.iwatebank.co.jp/ir/stock/meeting.html>).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Appropriation of Surplus

Given the public nature of a bank and from a standpoint of ensuring its sound management, the Bank strives to retain sufficient internal reserves. Meanwhile, the Bank is committed to continuously providing stable dividends to shareholders based on its basic policy. In accordance with the dividend policy, the Bank proposes that dividends payout at the end of the 137th fiscal year, and appropriation of other surplus will be as follow by taking into account the business results of the fiscal year under review, management climate and future operational expansion in a comprehensive manner.

1. 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

Cash dividend of ¥35 per common share of the Bank

In this case, the total dividends payable will be ¥627,030,075. As a result, the annual dividend will be ¥70 per share, including ¥35 per share of interim dividend which the Bank has already paid.

(3) Effective date of distribution of surplus

June 24, 2019

2. Other matters concerning the appropriation of surplus

(1) Item and amount of surplus to be decreased

Retained earnings brought forward 3,000,000,000 yen

(2) Item and amount of surplus to be increased

General reserve 3,000,000,000 yen

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments

With the objective of reinforcing the soundness of its management foundation, and in order to further enhance the corporate governance and improve corporate value, the Bank proposes to increase the number of Directors serving as Audit and Supervisory Committee Member by one (1) and to make the number of Directors serving as Audit and Supervisory Committee shall not exceed five (5), rather than four (4) as stipulated under Article 20 of the current Articles of Incorporation.

2. Details of the amendments

Details of the amendments are as follows.
 Note that these amendments shall take effect at the conclusion of this General Meeting of Shareholders.

(Note) Changes are indicated by underlines.

Current Articles of Incorporation	Proposed Amendments
CHAPTER IV. DIRECTORS AND BOARD OF DIRECTORS	CHAPTER IV. DIRECTORS AND BOARD OF DIRECTORS
(Number of Directors)	(Number of Directors)
Article 20. The number of Directors (excluding Directors serving as Audit and Supervisory Committee Members) of the Bank shall not exceed 12.	Article 20. The number of Directors (excluding Directors serving as Audit and Supervisory Committee Members) of the Bank shall not exceed 12.
2. The number of Directors serving as Audit and Supervisory Committee Members of the Bank shall not exceed <u>4</u> .	2. The number of Directors serving as Audit and Supervisory Committee Members of the Bank shall not exceed <u>5</u> .

Proposal No. 3: Election of Ten (10) Directors (excluding Directors serving as Audit and Supervisory Committee Members)

Since the terms of office of the ten (10) Directors (excluding Directors serving as Audit and Supervisory Committee Members; same for the proposals below) will expire at the conclusion of this Annual General Meeting of Shareholders, the election of ten (10) new Directors is proposed.

The Audit and Supervisory Committee concluded that each candidate was qualified as Director of the Bank after considering this proposal.

The candidates for Directors (excluding Directors serving as Audit and Supervisory Committee Members) are as follows:

No.	Name	Current Position	Attendance at Board of Directors meetings (times)
1	Masahiro Takahashi	Chairman <input type="checkbox"/> Reappointment	14/14 (100%)
2	Sachio Taguchi	President <input type="checkbox"/> Reappointment	14/14 (100%)
3	Shigeki Miura	Managing Director <input type="checkbox"/> Reappointment	14/14 (100%)
4	Motomu Sato	Managing Director <input type="checkbox"/> Reappointment	14/14 (100%)
5	Yasushi Sasaki	Managing Director <input type="checkbox"/> Reappointment	14/14 (100%)
6	Kensei Ishikawa	Executive Officer General Manager of Tokyo Office <input type="checkbox"/> New Appointment	-
7	Yasutaka Kakiki	Executive Officer General Manager of Personnel Division <input type="checkbox"/> New Appointment	-
8	Hiroshi Miura	Outside Director <input type="checkbox"/> Reappointment <input type="checkbox"/> Outside <input type="checkbox"/> Independent	14/14 (100%)
9	Atsushi Takahashi	Outside Director <input type="checkbox"/> Reappointment <input type="checkbox"/> Outside <input type="checkbox"/> Independent	13/14 (92%)
10	Fumio Ube	Outside Director <input type="checkbox"/> Reappointment <input type="checkbox"/> Outside <input type="checkbox"/> Independent	14/14 (100%)

Candidates for Directors (excluding Directors serving as Audit and Supervisory Committee Members)

1 Masahiro Takahashi (December 25, 1950) Reappointment

- Number of shares of the Bank held 5,100 shares
- Past experience, positions, responsibilities, and significant concurrent positions

Apr. 1973 Joined the Bank
Oct. 1996 General Manager of Tairadate Branch
Oct. 1998 Loan Supervision Officer of Loan Supervision Division
Apr. 2000 General Manager of Loan Supervision Division
Jul. 2002 Executive Officer / General Manager of Loan Supervision Division
Jun. 2003 Managing Director
Jun. 2007 President
Jun. 2014 Chairman (current position)

- [Reason for nomination as a candidate for Director]

Since assuming office as President in June 2007, Mr. Masahiro Takahashi has played a prominent role in the Bank's management in an accurate and efficient manner. In June 2014, he assumed office as Chairman. He has the ability to execute management and administration of the banking business accurately, fairly and efficiently by drawing on his wealth of experience and based on his achievements, and possesses sufficient social credibility. For these reasons, he is reappointed as a candidate for Director.

2 Sachio Taguchi (September 28, 1953) Reappointment

- Number of shares of the Bank held 3,000 shares
- Past experience, positions, responsibilities, and significant concurrent positions

Apr. 1977 Joined the Bank
Jun. 2003 General Manager of Consumer Banking Division
Jul. 2006 Executive Officer / General Manager of Consumer Banking Division
Jun. 2007 Executive Officer / General Manager of Tokyo Office
Jun. 2009 Director / General Manager of Tokyo Office
Jun. 2010 Managing Director
Jun. 2013 Senior Managing Director
Jun. 2014 President (current position)

- [Reason for nomination as a candidate for Director]

Since assuming office as Director in June 2009, Mr. Sachio Taguchi has managed the loan supervision, banking, marketing, and planning divisions, in addition to serving as General Manager of the Tokyo Office, through which has accumulated extensive experiences both at the Head Office and business branches with a good sense of balance. Since June 2014, he has played a prominent role in the Bank's management as President. He has the ability to execute management and administration of the banking business accurately, fairly and efficiently by drawing on his wealth of experience and based on his achievements, and possesses sufficient social credibility. For these reasons, he is reappointed as a candidate for Director.

3 Shigeki Miura (November 25, 1957) **Reappointment**

- Number of shares of the Bank held 3,300 shares
- Past experience, positions, responsibilities, and significant concurrent positions
- Apr. 1981 Joined the Bank
- Jun. 2007 General Manager of Consumer Banking Division
- Apr. 2010 General Manager of Miyakochuo Branch
- Jun. 2012 General Manager of General Planning Division
- Jul. 2012 Executive Officer / General Manager of General Planning Division
- Apr. 2013 Executive Officer / General Manager of General Planning Division and General Manager of Public Relations and CSR Office
- Jun. 2013 Director / General Manager of General Planning Division and General Manager of Public Relations and CSR Office
- Apr. 2014 Director / General Manager of General Planning Division
- Jun. 2015 Managing Director (current position)
(in charge of General Affairs Division, Corporate Strategy Division and Retail Strategy Division)

■ [Reason for nomination as a candidate for Director]

In addition to serving as Director / General Manager of General Planning Division from June 2013 after serving in various posts such as General Manager of a branch and General Manager of Consumer Banking Division, Mr. Shigeki Miura has managed the Loan Supervision, Risk Management, General Planning, General Affairs, Corporate Strategy and Retail Strategy Divisions as Managing Director since June 2015. Through serving the above positions, he is well versed in the Bank's operations overall. He has the ability to execute management and administration of the banking business accurately, fairly and efficiently by drawing on his wealth of experience and based on his achievements, and possesses sufficient social credibility. For these reasons, he is reappointed as a candidate for Director.

4 Motomu Sato (February 13, 1961) **Reappointment**

- Number of shares of the Bank held 800 shares
- Past experience, positions, responsibilities, and significant concurrent positions
- Apr. 1983 Joined the Bank
- Oct. 2005 General Manager of Midorigaoka Branch
- Oct. 2008 Acting General Manager of Systems Development and Operations Division
- Apr. 2009 Vice General Manager of Systems Development and Operations Division
- Jul. 2011 General Manager of Systems Development and Operations Division
- Apr. 2013 General Manager of Systems Division
- Jul. 2015 Executive Officer / General Manager of Systems Division
- Jun. 2016 Director / General Manager of Systems Division
- Jul. 2017 Director / General Manager of Business Management Division
- Jun. 2018 Managing Director (current position)
(in charge of Personnel Division, Risk Management Division and General Secretariat)

■ [Reason for nomination as a candidate for Director]

In addition to serving as General Manager of a branch, Mr. Motomu Sato has assumed various posts such as in the Personnel, Business Planning and Systems Divisions, and is deeply versed in the banking business overall. He has been managing the Systems Division as General Manager from July 2011, as Executive Officer from July 2015 and as Director from June 2016. In addition, he has been managing the Personnel, Risk Management and General Secretariat as Managing Director since June 2018. He has the ability to execute management and administration of the banking business accurately, fairly and efficiently by drawing on his wealth of experience and based on his achievements, and possesses sufficient social credibility. For these reasons, he is reappointed as a candidate for Director.

5 Yasushi Sasaki (June 23, 1961) Reappointment

- Number of shares of the Bank held 1,620 shares
- Past experience, positions, responsibilities, and significant concurrent positions
- Apr. 1984 Joined the Bank
- Oct. 2005 Acting General Manager of Personnel Division
- Apr. 2009 General Manager of Tono Branch
- Jun. 2012 General Manager of Risk Control Division and General Manager of Financial Products Management Office
- Apr. 2013 General Manager of Risk Management Division and General Manager of Financial Products Management Office
- Jun. 2015 General Manager of General Planning Division
- Jun. 2016 Director/ General Manager of General Planning Division
- Jun. 2018 Managing Director (current position)
(Commissioned General Manager of General Planning Division)

■ [Reason for nomination as a candidate for Director]

In addition to serving as General Manager of a branch, Mr. Yasushi Sasaki has assumed various posts such as in the personnel, risk control and planning divisions, and is deeply versed in the banking business overall. He assumed General Manager of the Risk Control Division from June 2012 and General Manager of the General Planning Division from June 2015, managing the General Planning Division as Director from June 2016 and as Managing Director from June 2018. He has the ability to execute management and administration of the banking business accurately, fairly and efficiently by drawing on his wealth of experience and based on his achievements, and possesses sufficient social credibility. For these reasons, he is reappointed as a candidate for Director.

6 Kensei Ishikawa (May 27, 1961) New Appointment

- Number of shares of the Bank held 600 shares
- Past experience, positions, responsibilities, and significant concurrent positions
- Apr. 1984 Joined the Bank
- Nov. 2003 General Manager of Hitaka Branch
- Jun. 2005 Senior Manager of Financial Markets Division
- Feb. 2006 Acting General Manager of Financial Markets Division
- Jun. 2009 Vice General Manager of Financial Markets Division
- Jun. 2010 General Manager of Ichinohe Branch
- Apr. 2013 General Manager of Financial Markets Division
- Jun. 2016 General Manager of Tokyo Office
- Jul. 2016 Executive Officer / General Manager of Tokyo Office (current position)

■ [Reason for nomination as a candidate for Director]

In addition to serving as General Manager of a branch, Mr. Kensei Ishikawa has assumed various posts such as in the Marketing Division, and is deeply versed in the banking business overall. He assumed General Manager of the Financial Markets Division from April 2013 and Executive Officer / General Manager of the Tokyo Office from July 2016. He has the ability to execute management and administration of the banking business accurately, fairly and efficiently by drawing on his wealth of experience and based on his achievements, and possesses sufficient social credibility. For these reasons, he is reappointed as a candidate for Director.

7	Yasutaka Kakiki	(April 14, 1960)	New Appointment
■	Number of shares of the Bank held 700 shares		
■	Past experience, positions, responsibilities, and significant concurrent positions		
Apr. 1983	Joined the Bank		
Oct. 2001	Acting General Manager of Personnel Division		
Apr. 2008	General Manager of Ichinohe Branch		
Jun. 2010	General Manager of Nakanohashi Branch		
Jun. 2013	General Manager of Personnel Division		
Apr. 2015	General Manager of Mizusawa Branch		
Apr. 2016	Administrator / General Manager of Mizusawa Branch		
Apr. 2017	Executive Officer / General Manager of Kitakami Branch		
Apr. 2018	Executive Officer / General Manager of Personnel Division (current position)		
■	[Reason for nomination as a candidate for Director]		
	In addition to serving as General Manager of a branch, Mr. Yasutaka Kakiki has assumed various posts such as in the Personnel Division, and is deeply versed in the banking business overall. He assumed General Manager of the Personnel Division from June 2013, Executive Officer / General Manager of the Kitakami Branch from April 2017, and Executive Officer / General Manager of the Personnel Division from April 2018. He has the ability to execute management and administration of the banking business accurately, fairly and efficiently by drawing on his wealth of experience and based on his achievements, and possesses sufficient social credibility. For these reasons, he is reappointed as a candidate for Director.		

8	Hiroshi Miura	(March 1, 1943)	Reappointment	Candidate for Outside Director	Independent Director
■	Number of shares of the Bank held 0 shares				
■	Past experience, positions, responsibilities, and significant concurrent positions				
Apr. 1968	Joined THE IWATE NIPPO CO., LTD.				
Jul. 1995	General Manager of Editing Office				
Jun. 1996	Director / General Manager of Editing Office				
Jun. 2000	Managing Director / General Manager of Administration Office				
Jun. 2002	Senior Managing Director / General Manager of Administration Office				
Jun. 2004	President				
Jun. 2009	Director of the Bank (current position)				
Jun. 2014	Chairman of THE IWATE NIPPO CO., LTD.				
Jun. 2018	Advisor (current position)				
	(Significant concurrent position)				
	Advisor of THE IWATE NIPPO CO., LTD.				
■	[Reason for nomination as a candidate for Director]				
	Mr. Hiroshi Miura served as the Chairman of THE IWATE NIPPO CO., LTD. until June 2018, and currently holds the post of Advisor to the company. In order for him to continue to make use of the abundant experience and wide range of knowledge he obtained as a management executive, he is reappointed as a candidate for Outside Director of the Bank.				

9 Atsushi Takahashi (July 23, 1941) **Reappointment** **Candidate for Outside Director** **Independent Director**

- Number of shares of the Bank held 1,000 shares
- Past experience, positions, responsibilities, and significant concurrent positions

Apr. 1965 Joined The Sumitomo Trust and Banking Co., Ltd.
(current Sumitomo Mitsui Trust Bank, Limited)

Jun. 1991 Director / General Manager of Planning and Coordination Dept.

Jun. 1993 Managing Director / General Manager of Planning Dept.

Feb. 1995 Managing Director

Jun. 1997 Senior Managing Director

Mar. 1998 President

Jun. 2005 Chairman

Apr. 2011 Advisor

Jun. 2011 Director of the Bank (current position)

Jun. 2011 Director of Keio Corporation (current position)

Jul. 2016 Special Advisor of Sumitomo Mitsui Trust Bank, Limited

Jul. 2018 Honorary Advisor (current position)

(Significant concurrent position)

Honorary Advisor of Sumitomo Mitsui Trust Bank, Limited

Director of Keio Corporation

- [Reason for nomination as a candidate for Director]

In addition to serving as Chairman of The Sumitomo Trust and Banking Co., Ltd. (current Sumitomo Mitsui Trust Bank, Limited) until March 2011, Mr. Atsushi Takahashi currently serves as Honorary Advisor to that company as well as Outside Director of Keio Corporation. In order for him to continue to make use of the abundant experience and wide range of knowledge he obtained as a management executive of a financial institution, he is reappointed as a candidate for Outside Director of the Bank.

10 Fumio Ube (May 13, 1948) **Reappointment** **Candidate for Outside Director** **Independent Director**

- Number of shares of the Bank held 0 shares
- Past experience, positions, responsibilities, and significant concurrent positions

Apr. 1973 Joined Tohoku Electric Power Company, Incorporated

Jun. 2005 Executive Officer / General Manager of Secretariat

Jun. 2007 Senior Executive Officer / General Manager of Tokyo Branch Office

Jun. 2009 Managing Director / Branch Supervisor

Jun. 2010 Representative Director & Executive Vice President

Jun. 2012 Resigned from Tohoku Electric Power Company, Incorporated

Jul. 2012 Vice Chairman of Tohoku Economic Federation

Jun. 2013 Director of the Bank (current position)

Jun. 2015 Chairman of Tohoku Productivity Center (current position)

(Significant concurrent position)

Chairman of Tohoku Productivity Center

- [Reason for nomination as a candidate for Director]

In addition to serving as the Representative Director & Executive Vice President of Tohoku Electric Power Company, Incorporated until June 2012, Mr. Fumio Ube also served as Vice Chairman of Tohoku Economic Federation until June 2015. He is currently serving as Chairman of Tohoku Productivity Center. In order for him to continue to make use of the abundant experience and wide range of knowledge that he obtained as a management executive, he is reappointed as a candidate for Outside Director of the Bank.

(Notes)

1. There is no special interest relationship between each candidate and the Bank.
2. Messrs. Hiroshi Miura, Atsushi Takahashi and Fumio Ube are candidates for Outside Directors.
3. Messrs. Hiroshi Miura, Atsushi Takahashi and Fumio Ube are currently Directors of the Bank, and their term of office as Outside Directors at the conclusion of this Annual General Meeting of Shareholders will be ten, eight and six years, respectively. The Bank has registered Messrs. Hiroshi Miura, Atsushi Takahashi and Fumio Ube as Independent Directors with the Tokyo Stock Exchange in accordance with its regulations.
4. Liability limitation agreement with Outside Directors
The Bank has entered into liability limitation agreements with candidates for Outside Directors, Messrs. Hiroshi Miura, Atsushi Takahashi and Fumio Ube, to limit their liabilities for damages to the Bank caused by negligence in the performance of their duties, to the minimum liability amount stipulated by laws and regulations, in accordance with Article 427, Paragraph1 of the Companies Act. In the event of the reappointment of the three Messrs. nominated above, the Bank intends to continue the said agreements.

Proposal No. 4: Election of One (1) Director serving as Audit and Supervisory Committee Member

The election of one (1) Director serving as Audit and Supervisory Committee Member is proposed to increase the number of Directors serving as Audit and Supervisory Committee Members for the purpose of further strengthening the audit and supervisory functions, subject to the resolution on the approval of the Proposal No. 2 “Partial Amendments to the Articles of Incorporation.”

The Bank has obtained a prior consent from the Audit and Supervisory Committee for the submission of this proposal.

This proposal shall become effective on condition that the amendments to the Articles of Incorporation become effective as proposed in Proposal No. 2 “Partial Amendments to the Articles of Incorporation.”

The candidate for Director serving as Audit and Supervisory Committee Member is as follows:

Hiroaki Takahashi (January 29, 1961) New Appointment

- Number of shares of the Bank held 1,400 shares
- Past experience, positions, responsibilities, and significant concurrent positions
 - Apr. 1984 Joined the Bank
 - Apr. 2007 Acting General Manager of Head Office and Manager of Sales Affairs
 - Apr. 2009 General Manager of Tairadate Branch
 - Jun. 2011 General Manager of Loan Supervision Division
 - Jun. 2014 General Manager of Tokyo Office
 - Jul. 2014 Executive Officer / General Manager of Tokyo Office
 - Jun. 2016 Managing Director (current position)
(in charge of Loan Supervision Division and Financial Markets Division)
- [Reason for nomination as a candidate for Director]

In addition to serving as Executive Officer / General Manager of the Tokyo Office from July 2014 after serving in various posts such as General Manager of a branch and General Manager of the Loan Supervision Division, Mr. Hiroaki Takahashi has managed the Business Management, Systems, Loan Supervision and Financial Markets Divisions as Managing Director since June 2016, and is deeply versed in the banking business overall. He has knowledge and experience to audit the execution of duties of Directors accurately, fairly and efficiently, and possesses sufficient social credibility. For these reasons, he is appointed as a candidate for Director serving as Audit and Supervisory Committee Member.

(Note) There is no special interest relationship between Mr. Hiroaki Takahashi and the Bank.

Proposal No. 5: Election of One (1) Director serving as substitute Audit and Supervisory Committee Member

The election of one (1) Director serving as substitute Audit and Supervisory Committee Member is proposed in advance, in preparation for the shortage of the number of Directors serving as Audit and Supervisory Committee Members prescribed under laws and regulations.

The Bank has obtained a prior consent from the Audit and Supervisory Committee for the submission of this proposal.

The candidate for Director serving as substitute Audit and Supervisory Committee Member is as follows:

Masakazu Watanabe	(July 17, 1969)	New Appointment	Candidate for Outside Director	Independent Director
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- Number of shares of the Bank held 0 shares
 - Past experience, positions, responsibilities, and significant concurrent positions
 - Apr. 1996 Registered with Japan Federation of Bar Associations
 - Apr. 1999 Established Masakazu Watanabe Law Office (current position)
 - Apr. 2012 Chairman of Iwate Bar Association
 - Apr. 2012 Director of Japan Federation of Bar Associations
 - Oct. 2016 Domestic relations conciliation commissioner of Morioka Family Court (current position)
- (Significant concurrent position)

Attorney at law

- [Reason for nomination as a candidate for Director serving as substitute Audit and Supervisory Committee]

Since Mr. Masakazu Watanabe is well versed in corporate legal affairs as an attorney at law and has extensive legal knowledge and insight, the Bank concluded that he has the ability to strengthen the audit structure of the Bank, as well as supervise management from an objective standpoint and participate in important decision-making. For these reasons, he is appointed as a candidate for Outside Director serving as substitute Audit and Supervisory Committee Member.

(Notes)

1. Although Mr. Masakazu Watanabe serves as one of the Bank's corporate attorneys, he meets the independence standards set forth by the Bank's "Independence Standards for Outside Directors" in light of the amount of advisory fees, etc. the Company pays to him. In addition, when he is appointed as Director serving as Audit and Supervisory Committee Member, the Bank intends to register him as Independent Directors with the Tokyo Stock Exchange in accordance with its regulations.
2. Mr. Masakazu Watanabe is a candidate for Outside Director serving as substitute Audit and Supervisory Committee Member.
3. Although Mr. Masakazu Watanabe does not have experience in direct corporate management in the past, he has insight and experience as an attorney at law for many years. The Bank therefore concluded that if he is appointed as Outside Director serving as Audit and Supervisory Committee Member of the Bank, he will appropriately execute the duties thereof.
4. Liability limitation agreement with Outside Directors
If Mr. Masakazu Watanabe is appointed as Director serving as Audit and Supervisory Committee Member, the Bank intends to enter into a liability limitation agreement with him to limit his liabilities for damages to the Bank caused by negligence in the performance of his duties, to the minimum liability amount stipulated by laws and regulations, in accordance with Article 427, Paragraph 1 of the Companies Act.

Reference

The Bank of Iwate Independence Standards for Outside Directors

Based on the premise that Outside Directors satisfy the independence standards set forth by the Tokyo Stock Exchange, Inc., the Bank defines their independence as not falling under any of the items listed below. In principle, Outside Directors, including candidates, who do not fall under any of the items shall be deemed “independent” Outside Directors.

1. A person or an executing person for whom the Bank is a major business partner
2. A person or an executing person who is a major business partner of the Bank
3. An accounting expert or legal expert who receives from the Bank monetary consideration or any other property in the amount of over 10 million yen per year in average over the past three years, in addition to compensation that he or she receives from the Bank
4. The Accounting Auditor of the Bank or an employee of the Accounting Auditor
5. A major shareholder of the Bank or an executing person for such shareholder who holds 10% or more of the total voting rights
6. A recipient of donation from the Bank or an executing person for such recipient in the amount of over 10 million yen per year in average over the last three years
7. The spouse or relative within the second degree of kinship of any of the person listed below.
 - i) A person who falls under any of the above 1. to 6.
 - ii) An executing person of the Bank or any of its subsidiaries
8. A person who may have constant and substantive conflicts of interest with general shareholders of the Bank due to reasons other than those stated in the above 1. to 7.

* Definition of a “major business partner”

Person for whom the Bank is a major business partner

Regular transactions: It is determined based on the ratio of the person’s sales to the Bank (2% or more) to the person’s total net sales for the most recent fiscal year.

Financing transactions: The Bank is in the highest rank of the person’s lenders and changes in the Bank’s loan policy have a serious impact on the person.

Major business partner of the Bank

Financing transactions: The Bank is lending 1% or more of its total assets to the business partner.

Deposit transactions: Deposits made by the business partner accounts for 1% or more of the Bank’s total deposits payable.