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(Securities Code: 8543)  
June 6, 2016

**To Shareholders with Voting Rights:**

Hiroaki Hattori  
President  
The Minato Bank, Ltd.  
1-1, Sannomiya-cho 2-chome,  
Chuo-ku, Kobe, Japan

## **NOTICE OF CONVOCATION OF THE 17TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

You are cordially invited to attend the 17th Annual General Meeting of Shareholders of The Minato 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. Please review the Reference Documents for the General Meeting of Shareholders (described hereinafter) and exercise your voting rights by Tuesday, June 28, 2016 at 5:00 p.m. Japan time.

- 1. Date and Time:** Wednesday, June 29, 2016 at 10:00 a.m. Japan time
- 2. Place:** Meeting Room, 9F, Head Office of the Bank  
1-1, Sannomiya-cho 2-chome, Chuo-ku, Kobe, Japan
- 3. Meeting Agenda:**
  - Matters to be reported:**
    1. The Business Report and Non-consolidated Financial Statements for the Bank's 17th Fiscal Year (from April 1, 2015 to March 31, 2016)
    2. Consolidated Financial Statements for the Bank's 17th 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 Board of Corporate Auditors
  - Proposals to be resolved:**
    - Proposal No. 1:** Appropriation of Surplus
    - Proposal No. 2:** Consolidation of Shares
    - Proposal No. 3:** Partial Amendments to the Articles of Incorporation
    - Proposal No. 4:** Election of Two (2) Directors
    - Proposal No. 5:** Election of Two (2) Corporate Auditors

#### 4. Exercise of Voting Rights:

(1) Exercise of Voting Rights in Writing (Mail)

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it so that it may be received by Tuesday, June 28, 2016 at 5:00 p.m. Japan time.

(2) Exercise of Voting Rights via the Internet

Please exercise your voting rights via the Internet by Tuesday, June 28, 2016 at 5:00 p.m. Japan time.

End

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◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. Additionally, to conserve resources, please bring this Notice of Convocation with you.

◎ Of the documents required to be attached to this Notice of Convocation, the following items are posted on the Bank's website (<http://www.minatobk.co.jp>) and are therefore not included with this document, pursuant to laws and regulations and Article 24 of the Articles of Incorporation.

(1) Notes to Non-consolidated Financial Statements

(2) Notes to Consolidated Financial Statements

Furthermore, the Non-consolidated Financial Statements and the Consolidated Financial Statements shown in the attached documents of this Notice of Convocation are a subset of the Non-consolidated Financial Statements and Consolidated Financial Statements audited by the Accounting Auditor during preparation of the Audit Report.

◎ In the event that revisions to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements or the Consolidated Financial Statements are required, the revised items will be posted on the Bank's website (<http://www.minatobk.co.jp>).

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### **Proposal No. 1:** Appropriation of Surplus

In view of the public nature of banks, the Bank holds as its basic policy to expand its management fundamentals, aim to enrich its internal reserves, and implement stable dividends. Under this policy, appropriation of surplus for the fiscal year under review is proposed as follows.

Matters concerning year-end dividends

- (1) Matters concerning the allotment of dividend property to shareholders and the total amount  
5 yen per share of common stock, for a total of 2,051,564,090 yen
- (2) Effective date of distribution of surplus  
June 30, 2016

## **Proposal No. 2: Consolidation of Shares**

### 1. Reasons for consolidation of shares

Japanese stock exchanges have announced the “Action Plan for Consolidating Trading Units,” aiming to make the unit for purchase and sale (trading unit) for all domestic companies listed on Japanese stock exchanges to 100 shares of common stock.

As a company listed on the Tokyo Stock Exchange, the Bank shall respect this intention and change the number of shares constituting one trading unit of stock from 1,000 shares to 100 shares, while with the intent of making the post-consolidation share price in line with an investment unit seen as a desirable level by the stock exchanges (50,000 yen or more, less than 500,000 yen).

### 2. Content of consolidation of shares

#### (1) Type of stock to be consolidated

Common stock

#### (2) Ratio of consolidation

For common stock, the consolidation will be at a rate of ten shares for every one share.

Additionally, if fractional shares of less than one share arise as a result of the consolidation of shares, such shares shall be subject to a bulk sale in accordance with the provisions of Article 235, Paragraph 1 of the Companies Act, and the proceeds shall be distributed to the target shareholders in proportion to their respective shareholdings.

#### (3) Effective date of consolidation of shares

October 1, 2016

#### (4) Total number of authorized shares as of the effective date of consolidation of shares

100,000,000 shares

In line with the ratio of consolidation of shares, the Bank will reduce the number of shares from the current 1,000,000,000 shares to 100,000,000 shares.

### 3. Other

The consolidation of shares in this Proposal is contingent upon the approval of Proposal No. 3: “Partial Amendments to the Articles of Incorporation.”

Additionally, any other procedure issues that may need to be addressed shall be entrusted to the Board of Directors.

(Note) Due to the consolidation of shares, the number of shares of the Bank held will be reduced to 1/10 of the amount held prior to the consolidation, but as there will be no change before and after the consolidation to the assets, capital, etc., of the Bank, net assets per share will increase by a factor of 10, and excluding other factors such as variation in the stock market, the asset value of shares of the Bank held by shareholders will not change.

**Proposal No. 3: Partial Amendments to the Articles of Incorporation**

1. Reason for the proposal

With respect to Article 6 (Total number of authorized shares) and Article 8 (Number of shares constituting one trading unit) of the current Articles of Incorporation, while reducing the total number of authorized shares in line with the ratio of consolidation of shares, the number of shares constituting one trading unit shall be revised from 1,000 shares to 100 shares.

Additionally, with respect to Article 14 (Preferred dividends) and Article 16 (Distribution of residual assets), although the Bank has not issued preferred shares at this time, in line with the consolidation of shares, the Bank shall make revision to place it on the same level as the regulations in the current Articles of Incorporation.

Furthermore, these partial amendments to the Articles of Incorporation are contingent upon the approval of Proposal No. 2 “Consolidation of Shares” and the consolidation of common shares in said proposal taking effect, and will take effect on October 1, 2016.

2. Content of the amendments

The content of the amendments is as follows:

(Underlines indicate changed sections.)

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">CHAPTER II STOCK</p> <p>(Total number of authorized shares) Article 6 The total number of authorized shares of the Bank shall be <u>1,000,000,000 shares</u>, and the total number of authorized shares of preferred stock shall be <u>100,000,000 shares</u>.</p> <p>(Number of shares constituting one trading unit) Article 8 The number of shares of the Bank constituting one trading unit shall be <u>1,000 shares</u> for all share types.</p> <p>(Preferred dividends) Article 14 Ahead of shareholders holding common stock (hereinafter the “Common Shareholders”), or registered pledgees of common stock (hereinafter the “Registered Common Stock Pledgees”) recorded or registered in the final shareholder registry on March 31 of every year, the Bank will distribute surplus of an amount defined by resolution of the Board of Directors (hereinafter the “Preferred Dividends”) to shareholders holding preferred shares (hereinafter the “Preferred Shareholders”) or registered pledgees of preferred shares (hereinafter the “Registered Preferred Stock Pledgees”) recorded or registered in the final shareholder registry on the same date, with a maximum of <u>45 yen</u> per share of preferred stock. However, if during said fiscal year that ends on March 31, Preferred Interim Dividends as defined in Article 15 are paid, the amount shall have said Preferred Interim Dividends deducted.</p> <p>2. (Omitted) 3. (Omitted)</p> <p>(Distribution of residual assets) Article 16 When distributing residual assets of the Bank, ahead of Common Shareholders or Registered Common Stock Pledgees, the Bank shall pay <u>600 yen</u> per share of preferred stock to Preferred Shareholders.</p> <p>2. (Omitted)</p>	<p style="text-align: center;">CHAPTER II STOCK</p> <p>(Total number of authorized shares) Article 6 The total number of authorized shares of the Bank shall be <u>100,000,000 shares</u>, and the total number of authorized shares of preferred stock shall be <u>10,000,000 shares</u>.</p> <p>(Number of shares constituting one trading unit) Article 8 The number of shares of the Bank constituting one trading unit shall be <u>100 shares</u> for all share types.</p> <p>(Preferred dividends) Article 14 Ahead of shareholders holding common stock (hereinafter the “Common Shareholders”), or registered pledgees of common stock (hereinafter the “Registered Common Stock Pledgees”) recorded or registered in the final shareholder registry on March 31 of every year, the Bank will distribute surplus of an amount defined by resolution of the Board of Directors (hereinafter the “Preferred Dividends”) to shareholders holding preferred shares (hereinafter the “Preferred Shareholders”) or registered pledgees of preferred shares (hereinafter the “Registered Preferred Stock Pledgees”) recorded or registered in the final shareholder registry on the same date, with a maximum of <u>450 yen</u> per share of preferred stock. However, if during said fiscal year that ends on March 31, Preferred Interim Dividends as defined in Article 15 are paid, the amount shall have said Preferred Interim Dividends deducted.</p> <p>2. (Unchanged) 3. (Unchanged)</p> <p>(Distribution of residual assets) Article 16 When distributing residual assets of the Bank, ahead of Common Shareholders or Registered Common Stock Pledgees, the Bank shall pay <u>6,000 yen</u> per share of preferred stock to Preferred Shareholders.</p> <p>2. (Unchanged)</p>

**Proposal No. 4:** Election of Two (2) Directors

The terms of office of two (2) Directors: Messrs. Shinya Kimura and Tomohiko Kondo will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of two (2) Directors is proposed.

The candidates are as follows:

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Bank held
1	Shinya Kimura (Mar. 18, 1958)	<p>Apr. 1980 Joined Taiyo Kobe Bank Limited</p> <p>Jan. 2005 General Manager, Hiratsuka Branch, Sumitomo Mitsui Banking Corporation</p> <p>Apr. 2008 Deputy Director-General, Financial Markets Department, the Bank</p> <p>Apr. 2009 General Manager, Financial Markets Department</p> <p>Apr. 2010 Executive Officer and General Manager, Financial Markets Department</p> <p>Apr. 2011 Managing Executive Officer and General Manager, Financial Markets Department</p> <p>Jun. 2012 Managing Director and Managing Executive Officer, General Manager, Financial Markets Department</p> <p>Jul. 2013 Managing Director and Managing Executive Officer</p> <p>Apr. 2015 Senior Managing Director and Senior Managing Executive Officer (current position)</p> <p>(Responsibilities) Financial Markets Department, Securities and International Department, Operations Administration Department, Operations Department</p>	25,000 shares
2	Tomohiko Kondo (Sep. 7, 1958)	<p>Apr. 1982 Joined The Hyogo Sogo Bank, Ltd.</p> <p>Oct. 2003 General Manager, Konan Branch, the Bank</p> <p>Apr. 2006 Deputy Manager, Corporate Solution Business Department</p> <p>Apr. 2007 General Manager, Operations Planning Department</p> <p>Apr. 2009 General Manager, Personnel Department</p> <p>Apr. 2010 Executive Officer and General Manager, Personnel Department</p> <p>Jun. 2011 Executive Officer and General Manager, Planning Department</p> <p>Apr. 2012 Managing Executive Officer and General Manager, Planning Department</p> <p>Jun. 2012 Managing Director and Managing Executive Officer, General Manager, Planning Department</p> <p>Apr. 2013 Managing Director and Managing Executive Officer (current position)</p> <p>(Responsibilities) Legal Compliance Department, Corporate Risk Management Department, Personnel Department</p>	42,000 shares

Notes: 1. No conflict of interest exists between the Bank and the above candidates for Directors.

2. Reasons for selection of Mr. Shinya Kimura and Mr. Tomohiko Kondo as candidates for Director

- Mr. Shinya Kimura served as General Manager at Sumitomo Mitsui Banking Corporation, the Bank's parent company, and subsequent to serving as Executive Officer and General Manager, Financial Markets Department at the Bank, he was appointed Managing Director and Managing Executive Officer in 2012, and has served in the markets division and operations division, etc. As the Bank has judged that he has experience and achievements as Director, high ability and insight, and can contribute to the further development of the Bank, he has again been selected as a candidate for Director.
- Subsequent to serving as Executive Officer and General Manager, Personnel Department at the Bank, Mr. Tomohiko Kondo was appointed Managing Director and Managing Executive Officer in 2012, and has served in the planning division, legal compliance division, corporate risk management division, and personnel division, etc. As the Bank has judged that he has experience and achievements as Director, high ability and insight, and can contribute to the further development of the Bank, he has again been selected as a candidate for Director.

**Proposal No. 5:** Election of Two (2) Corporate Auditors

The term of office of Corporate Auditor: Mr. Hironori Oasa will expire at the conclusion of this Annual General Meeting of Shareholders, and Mr. Katsuyuki Watanabe will resign at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of two (2) Corporate Auditors is proposed.

This proposal has received the approval of the Board of Corporate Auditors.

The candidates for Corporate Auditor are as follows:

No.	Name (Date of birth)	Past experience, positions, and significant concurrent positions	Number of shares of the Bank held
1*	Mitsutoshi Kimura (Mar. 12, 1951)	Apr. 1974 Joined Hyogo Prefectural Government Apr. 1996 Director of Policy Planning, Office of the Governor Apr. 1997 Director, Public Relations Division Apr. 1998 Director, Arts & Culture Division Apr. 2003 Deputy Executive Director General and Director General, Policy Planning & Administration Department, Nishiharima District Administration Office Apr. 2004 Director General, Community Cooperation Promotion Bureau, Prefectural Affairs & Civil Policies Department Apr. 2007 Deputy Director, Hyogo Prefectural Museum of Art Apr. 2009 Superintendent of Emergency Management Mar. 2011 Retired from Hyogo Prefectural Government Apr. 2011 President, Hyogo Arts & Culture Association Apr. 2016 Vice Chairman (current position) (Significant concurrent positions) Vice Chairman, Hyogo Arts & Culture Association	0 shares
2*	Junichi Yoshitake (May 4, 1951)	Apr. 1976 Joined Kobe City Government Apr. 2001 Councillor, Planning and Coordination Bureau (Kobe Institute of Urban Research) Apr. 2008 Director General, Industrial Promotion Bureau Apr. 2010 Transportation Business Administrator Mar. 2012 Retired from Kobe City Government May 2012 Representative Director and President, Kobe New Transit Co., Ltd. Oct. 2014 Senior Executive Director, Japan Finance Organization for Municipalities (current position) Apr. 2015 Full-time Corporate Auditor, OM Kobe Co., Ltd. (Significant concurrent positions) Senior Executive Director, Japan Finance Organization for Municipalities	0 shares

Notes: 1. No conflict of interest exists between the Bank and the above candidates for Corporate Auditor.

2. Mr. Mitsutoshi Kimura and Mr. Junichi Yoshitake are candidates for External Corporate Auditor. Matters concerning the above candidates are as shown below.

(1) Reasons for selection as candidates for External Corporate Auditor

- Although Mr. Mitsutoshi Kimura has not been directly involved in corporate management, he has a wealth of experience and wide insights from serving many years in government, and the Bank has judged that he is suitable as External Corporate Auditor. Additionally, the Bank plans to submit an Independent Director/Auditor Notification to the Tokyo Stock Exchange to designate him as an Independent Director/Auditor.
- Mr. Junichi Yoshitake has a wealth of experience and wide insights from involvement in the government for many years and serving as a corporate manager and Full-time Corporate Auditor, etc., and the Bank has judged that he is suitable as External Corporate Auditor. Additionally, the Bank plans to submit an Independent Director/Auditor Notification to the Tokyo Stock Exchange to designate him as an Independent Director/Auditor.

(2) Liability limitation agreements

- To allow for Corporate Auditors to fully perform their expected duties, based on Article 427, Paragraph 1 of the Companies Act, the Bank has stipulated in Article 44 of the Articles of Incorporation that the Bank may conclude agreements with Corporate Auditors to limit their liability for damages resulting from negligence of duties. As a result, if both Mr. Mitsutoshi Kimura and Mr. Junichi Yoshitake are elected as Corporate Auditors, the

Bank plans to conclude liability limitation agreements with them. The content of the liability limitation agreement is as follows.

- In the event that negligence of duties by Corporate Auditors causes liability damages to the Bank, provided that the Corporate Auditor was acting in good faith and without gross negligence, the Corporate Auditor will be liable for maximum damages that are the minimum amount stipulated by Article 425, Paragraph 1 of the Companies Act, and any amounts in excess of this amount shall be exempt.
- (3) Neither Mr. Mitsutoshi Kimura nor Mr. Junichi Yoshitake was a business executor or executive of the Bank or a subsidiary of the Bank in the past.
  - (4) Neither Mr. Mitsutoshi Kimura nor Mr. Junichi Yoshitake is a parent company, etc., of the Bank, and was not a parent company, etc., of the Bank within the past five years.
  - (5) Neither Mr. Mitsutoshi Kimura nor Mr. Junichi Yoshitake is a business executor or executive of a designated related party of the Bank, and was not a business executor or executive of a designated related party of the Bank within the past five years.
  - (6) Neither Mr. Mitsutoshi Kimura nor Mr. Junichi Yoshitake plans to receive a significant amount of cash or other property from the Bank or a designated related party of the Bank, and has not received such cash or other property within the past two years.
  - (7) Neither Mr. Mitsutoshi Kimura nor Mr. Junichi Yoshitake is spouses or relatives to within the third degree or equivalent relatives of a business executor or executive of the parent company, etc., of the Bank, the Bank, or a designated related party of the Bank.
3. \* denotes a new candidate for Corporate Auditor.