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(Securities Code: 8325)
June 3, 2016

To Shareholders with Voting Rights:

Satoru Araki
President
The Hokuetsu Bank, Ltd.
2-14, Otedori 2-chome,
Nagaoka City, Niigata, Japan

**NOTICE OF CONVOCATION OF
THE 111TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

You are cordially invited to attend the 111th Annual General Meeting of Shareholders of The Hokuetsu 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 or via electromagnetic means (the Internet, etc.). Please review the Reference Documents for the General Meeting of Shareholders (described below) and exercise your voting rights such that they arrive by 5:00 p.m. Japan time on Tuesday, June 21, 2016.

- 1. Date and Time:** Wednesday, June 22, 2016 at 10:00 a.m. Japan time (Reception begins at 9:00 a.m.)
- 2. Place:** Auditorium, 2F, Head Office of the Bank, 2-14, Otedori 2-chome, Nagaoka City, Niigata, Japan
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report and Non-consolidated Financial Statements for the Bank's 111th Fiscal Year (from April 1, 2015 to March 31, 2016)
 2. Consolidated Financial Statements for the Bank's 111th 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 Three (3) Corporate Auditors
- Proposal No. 5:** Election of One (1) Substitute Corporate Auditor
- Proposal No. 6:** Payment of Bonuses to Directors and Corporate Auditors

4. Exercise of Voting Rights:

(1) Exercise of Voting Rights by Mail

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it such that it arrives by 5:00 p.m. on Tuesday, June 21, 2016 Japan time. When mailing, please use the enclosed privacy sticker.

Additionally, if there is no indication of vote for or against a proposal, the vote will be deemed to have approved such proposal.

(2) Exercise of Voting Rights via Electromagnetic Means (the Internet, etc.)

Please access the Bank's designated voting website (<http://www.it-soukai.jp>), use the "Voting Rights Exercise Code" and "Password" enclosed with the Voting Rights Exercise Form, follow the instructions on the voting website, and indicate your vote for or against the proposals by 5:00 p.m. on Tuesday, June 21, 2016. Please see the "Instructions for Exercise of Voting Rights via the Internet" on pages 00 to 00.

(3) Handling of Duplicate Voting

If you vote both in writing on the Voting Rights Exercise Form and via electromagnetic means (the Internet, etc.), the vote placed via the Internet, etc. will be valid. In addition, if you submit your vote multiple times via electromagnetic means (the Internet, etc.), the last vote will be valid.

End

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- ◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. Votes may only be exercised via proxy if the proxy is also a shareholder with voting rights of the Bank. Additionally, you may only designate one (1) proxy.
 - ◎ If you wish to make a diverse exercise of voting rights, please notify the Bank of your intent and reason for doing so no later than three (3) days before the General Meeting of Shareholders.
 - ◎ Pursuant to laws and regulations and Article 17 of the Articles of Incorporation of the Bank, the following items are posted on the Bank's website (<http://www.hokuetsubank.co.jp/>), and are not included in this convocation notice. As a result, the documents attached to this convocation notice are a subset of the non-consolidated financial statements and consolidated financial statements audited by the Board of Corporate Auditors and the Accounting Auditor in preparation of the Audit Report.
 - 1) "Statement of Shareholders' Equity" and "Notes" to the Non-consolidated Financial Statements
 - 2) "Consolidated Statement of Shareholders' Equity" and "Notes" to the Consolidated Financial Statements
 - ◎ Any updates to the Reference Documents, the Business Report, the Non-consolidated Financial Statements and/or the Consolidated Financial Statements for the General Meeting of Shareholders will be promptly posted on the Bank's website (<http://www.hokuetsubank.co.jp/>)
 - ◎ As in the previous year, air conditioning temperatures will be moderate at the venue. As such, the Bank requests that shareholders attend lightly dressed ("Cool Biz"), and representatives from the Bank will also be lightly dressed.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Appropriation of Surplus

From the perspective of securing healthy bank management and while considering internal reserves for the purposes of strengthening its management structure, the Bank holds continuous stable dividends as its fundamental dividend policy. Under this policy, the following year-end dividends are proposed, taking into account profit conditions, etc. at the Bank for the fiscal year under review.

1. Type of dividend property
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 718,437,633 yen
Furthermore, dividends to be paid for the full year amount to 6 yen per share, including the interim dividend.
3. Effective date of distribution of surplus
June 23, 2016

Proposal No. 2 Consolidation of Shares

1. Reason that a consolidation of shares is necessary
In line with the “Action Plan for Consolidating Trading Units,” the Japan Stock Exchanges determined and announced that the unit for purchase and sale of common shares of listed companies in Japan (number of shares constituting one unit of stock) shall be 100 shares, and set a deadline for transition.
The Bank, as a company listed on the Tokyo Stock Exchange and with due respect to the above, proposes to change the unit for purchase and sale of common shares of the Bank (number of shares constituting one unit of stock) to 100 shares, and to consolidate shares with the intent of realizing the level of investment unit that is considered preferable by the Japan Stock Exchanges (50,000 yen or more and less than 500,000 yen).
2. Content of consolidation of shares
 - (1) Ratio of consolidation of shares
With respect to common shares of the Bank, the Bank proposes to consolidate shares at a ratio of 10 shares to 1 share.
Fractional shares that arise as a result of the consolidation of shares will be aggregated and sold pursuant to the applicable provisions of the Companies Act, and the proceeds of such sales will be distributed to the shareholders in proportion to their interests in such fractional shares.
 - (2) Effective date of consolidation of shares
October 1, 2016
 - (3) Total number of issuable shares as of the effective date of consolidation of shares
60 million shares
 - (4) Other
This consolidation of shares is conditioned upon the approval of Proposal No. 3: “Partial Amendments to the Articles of Incorporation.”
The Bank requests that other procedural matters be left to the discretion of the Board of Directors.

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

1. Reasons for the amendments

- (1) In consideration of the decrease in the total number of issued shares of the Bank due to the consolidation of shares covered by Proposal No. 2, the Bank proposes to make amendments to Article 6 (Total Number of Shares Authorized to be Issued) of the existing Articles of Incorporation to change the total number of issuable shares from the current 600 million shares to 60 million shares, reflecting the ratio of the consolidation of shares.
- (2) With due respect to the “Action Plan for Consolidating Trading Units” announced by the Japan Stock Exchanges, the Bank proposes amendments to Article 8 (Number of Shares Constituting One Unit of Stock) of the existing Articles of Incorporation to change the number of shares constituting one trading unit from 1,000 shares to 100 shares.
- (3) The Bank proposes to add supplementary provisions to indicate that the effectiveness of amendments to the Articles of Incorporation mentioned in (1) and (2) above will take place on October 1, 2016, the effective date of the consolidation of shares covered by Proposal No. 2.
- (4) The “Act for Partial Revision of the Companies Act” (Act No. 90 of 2014), enforced on May 1, 2015, changed the scope of corporate executives with whom the Bank may enter into liability limitation agreements. This change now allows the Bank to enter into liability limitation agreements also with Directors not involved in the execution of business and with Corporate Auditors who are not Outside Corporate Auditors. To allow such officers to fully perform their duties as expected, the Bank proposes to amend Article 30 (Liability Limitation Agreements with Outside Directors) and Article 40 (Liability Limitation Agreements with Outside Corporate Auditors) of the existing Articles of Incorporation.

Regarding the submission of the proposal to amend the applicable provisions of in Article 30 of the Articles of Incorporation, the approval of each Corporate Auditor has been obtained.

2. Contents of the amendments

(Underlines indicate amended sections)

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">CHAPTER II SHARES</p>	<p style="text-align: center;">CHAPTER II SHARES</p>
<p>(Total Number of Shares Authorized to be Issued) Article 6 The total number of issuable shares of the Bank shall be <u>600 million shares</u>.</p>	<p>(Total Number of Shares Authorized to be Issued) Article 6 The total number of issuable shares of the Bank shall be <u>60 million shares</u>.</p>
<p>(Acquisition of Own Shares)</p>	<p>(Acquisition of Own Shares)</p>
<p>Article 7 (Omitted)</p>	<p>Article 7 (Unchanged)</p>
<p>(Number of Shares Constituting One Unit of Stock)</p>	<p>(Number of Shares Constituting One Unit of Stock)</p>
<p>Article 8 The number of shares constituting one trading unit of the Bank shall be <u>1,000 shares</u>.</p>	<p>Article 8 The number of shares constituting one trading unit of the Bank shall be <u>100 shares</u>.</p>
<p style="text-align: center;">CHAPTER IV DIRECTORS AND THE BOARD OF DIRECTORS</p>	<p style="text-align: center;">CHAPTER IV DIRECTORS AND THE BOARD OF DIRECTORS</p>
<p>Article 20 to Article 29 (Omitted)</p>	<p>Article 20 to Article 29 (Unchanged)</p>
<p>(Liability Limitation Agreements with <u>Outside Directors</u>)</p>	<p>(Liability Limitation Agreements with <u>Directors</u>)</p>
<p>Article 30 Based on the stipulations of Article 427, Paragraph 1 of the Companies Act, the Bank may conclude with <u>Outside Directors</u> agreements to limit liability for damages of Article 423, Paragraph 1 of said Act. However, the limit of liability under said agreement shall be the minimum amount of liability as stipulated by laws and regulations.</p>	<p>Article 30 Based on the stipulations of Article 427, Paragraph 1 of the Companies Act, the Bank may conclude with <u>Directors</u> (excluding <u>Directors involved in the execution of business, etc.</u>) agreements to limit liability for damages of Article 423, Paragraph 1 of said Act. However, the limit of liability under said agreement shall be the minimum amount of liability as stipulated by laws and regulations.</p>
<p style="text-align: center;">CHAPTER V CORPORATE AUDITORS AND THE BOARD OF CORPORATE AUDITORS</p>	<p style="text-align: center;">CHAPTER V CORPORATE AUDITORS AND THE BOARD OF CORPORATE AUDITORS</p>
<p>Article 31 to Article 39 (Omitted)</p>	<p>Article 31 to Article 39 (Unchanged)</p>
<p>(Liability Limitation Agreements with <u>Outside Corporate Auditors</u>)</p>	<p>(Liability Limitation Agreements with <u>Corporate Auditors</u>)</p>
<p>Article 40 Based on the stipulations of Article 427, Paragraph 1 of the Companies Act, the Bank may conclude with <u>Outside Corporate Auditors</u> agreements to limit liability for damages of Article 423, Paragraph 1 of said Act. However, the limit of liability under said agreement shall be the minimum amount of liability as stipulated by laws and regulations.</p>	<p>Article 40 Based on the stipulations of Article 427, Paragraph 1 of the Companies Act, the Bank may conclude with <u>Corporate Auditors</u> agreements to limit liability for damages of Article 423, Paragraph 1 of said Act. However, the limit of liability under said agreement shall be the minimum amount of liability as stipulated by laws and regulations.</p>
<p style="text-align: center;">(Newly established)</p>	<p style="text-align: center;"><u>SUPPLEMENTARY PROVISIONS</u></p> <p>Article 1 <u>The amendments to Article 6 (Total number of issuable shares) and Article 8 (Number of shares constituting one trading unit) shall become effective on October 1, 2016, and these supplementary provisions shall be removed on the day following the effective date.</u></p>

Proposal No. 4: Election of Three (3) Corporate Auditors

The terms of office of Corporate Auditors Toshiaki Sakai, Toshio Kitamura, and Shiro Watanabe will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Bank proposes the election of three (3) Corporate Auditors.

The Board of Corporate Auditors has given consent to the submitted Proposal.

The candidates for Corporate Auditors are as follows:

No.	Name (Date of birth)	Past experience, positions, and significant concurrent positions	Number of shares of the Bank held
1	<p style="text-align: center;"><u>Reappointment</u></p> <p style="text-align: center;"><u>Outside</u></p> <p>Toshio Kitamura (Mar. 20, 1950)</p>	<p>Oct. 1977 Joined Tetsuzo Ota Audit Firm (currently Ernst & Young ShinNihon LLC)</p> <p>Mar. 1981 Registered to open office as a certified public accountant</p> <p>Dec. 1989 Retired from Tetsuzo Ota Audit Firm (currently Ernst & Young ShinNihon LLC)</p> <p>Jan. 1990 Opened certified public accountant office</p> <p>Mar. 1990 Registered as a certified tax accountant</p> <p>Oct. 1991 Appointed Committee Member, Nagaoka City Audit Committee (current position)</p> <p>Jun. 2006 Substitute Corporate Auditor of the Bank</p> <p>Jun. 2008 Committee Member, Niigata Prefecture Public Welfare Approval Deliberation Committee</p> <p>Sep. 2008 Corporate Auditor of the Bank (current position)</p> <p>Apr. 2010 Vice President, The Nagaoka Chamber of Commerce and Industry (current position)</p> <p>May 2011 Corporate Auditor, Coop Building Co., Ltd. (current position)</p> <p>Jun. 2011 Auditor, Chuetsu Gakuen Educational Corporation (current position)</p> <p style="text-align: center;">To the present</p>	

Reason for selecting the candidate for a Corporate Auditor and reasons for determining that the candidate can appropriately execute the duties as an Outside Corporate Auditor, etc.

Although Mr. Toshio Kitamura has not been directly involved in corporate management, he has financial knowledge from his many years of experience as a certified public accountant and has a mastery of corporate finance. The Bank has judged that he will be able to appropriately execute duties as an Outside Corporate Auditor, and proposes to elect him as an Outside Corporate Auditor.

His term of office as an Outside Corporate Auditor of the Bank will be seven years and ten months as of the conclusion of this Annual General Meeting of Shareholders.

No.	Name (Date of birth)	Past experience, positions, and significant concurrent positions	Number of shares of the Bank held
2	Shiro Watanabe (Oct. 16, 1937) <u>Reappointment</u> <u>Outside</u>	Jun. 1967 Joined Nihon Youki Kougyo Co., Ltd. May 1978 Director of the above company May 1985 Representative Director of the above company Apr. 1996 Representative Director, NYK Co., Ltd. Mar. 1999 Director & Chairman of Board, Nihon Youki Kougyo Co., Ltd. (current position) May 1999 Director & Chairman of Board, NYK Co., Ltd. (current position) Jun. 1999 Counselor, Koshiji Nature Foundation (current position) Oct. 2004 Representative Director, Mizusawa Co., Ltd. (current position) Mar. 2010 Representative Director & Chairman, Marukyo Co., Ltd. (current position) Mar. 2010 Representative Director, Cleanlead Co., Ltd. (current position) Jun. 2012 Corporate Auditor of the Bank (current position) To the present	

Reason for selecting the candidate for a Corporate Auditor and reasons for determining that the candidate can appropriately execute the duties as an Outside Corporate Auditor, etc.
 Mr. Shiro Watanabe has a wealth of experience and wide insights from his many years of experience as a corporate manager. As a result, the Bank has judged that he will be able to provide objective advice and recommendations to the management of the Bank, and proposes to elect him as an Outside Corporate Auditor.
 His term of office as an Outside Corporate Auditor of the Bank will be four years as of the conclusion of this Annual General Meeting of Shareholders.

No.	Name (Date of birth)	Past experience, positions, and significant concurrent positions	Number of shares of the Bank held
3	Shuichi Nomizu (Mar. 31, 1960) <u>New appointment</u>	Apr. 1983 Joined the Bank Jun. 2005 General Manager, Terao Branch Jun. 2007 General Manager, Tokyo Office Jan. 2009 General Manager, Niitsu Branch, and General Manager, Ogikawa Branch Apr. 2009 General Manager, Niitsu Branch Apr. 2010 General Manager, Ojima Branch Apr. 2012 General Manager, Kashiwazaki Branch Apr. 2014 General Manager, Audit Division To the present	

Reason for selecting the candidate for a Corporate Auditor
 Aside from involvement in the Audit Division, Mr. Shuichi Nomizu has a wealth of operational experience and achievements acting as the General Manager of branches and offices.
 The Bank has judged that, by utilizing this experience and knowledge, he will be able to appropriately execute duties as a Corporate Auditor, and proposes to elect him as a Corporate Auditor.

- (Note)
1. Candidate 1 Mr. Toshio Kitamura and Candidate 2 Mr. Shiro Watanabe are candidates for Outside Corporate Auditors.
 2. The Bank has submitted Mr. Toshio Kitamura to the Tokyo Stock Exchange as an Independent Director/Auditor who is unlikely to have any conflict of interests with general shareholders, and if he is reelected as an Outside Corporate Auditor, he is scheduled to continue to serve as an Independent Director/Auditor.
 3. Although the Bank has ordinary banking transactions with Nihon Youki Kougyo Co., Ltd., NYK Co., Ltd., Mizusawa Co., Ltd., Marukyo Co., Ltd., and Cleanlead Co., Ltd., where Mr. Shiro Watanabe serves as a Director, the ratio of the amount of transactions with the Bank as against the amount of net sales of each of these five companies, and the ratio of the amount of the total income from transactions with each of these five companies as against the amount of the consolidated total income of the Bank is less than 1%, respectively.
 4. There are no special interest relationships between the candidates and the Bank.
 5. Liability limitation agreements with Outside Corporate Auditors
 To allow Outside Corporate Auditors to fully perform their duties as expected, the Bank provides in its Articles of Incorporation that it can enter into agreements with Outside Corporate Auditors that limit their liability to the extent permitted by the applicable in laws and regulations.

Although the Bank has concluded a liability limitation agreement with Mr. Toshio Kitamura and Mr. Shiro Watanabe, if their reappointment as Corporate Auditors are approved, the Bank plans to conclude a liability limitation agreement with them as Outside Corporate Auditors. The outline of the relevant agreement is as follows:

- If the Outside Corporate Auditor fails to perform his duties and incurs any liability for damage sustained by the Bank, he shall be liable for the damages up to the Minimum Liability Amount set forth in Article 425, Paragraph 1 of the Companies Act.
- The above liability limit will be accepted only if the Outside Corporate Auditor has acted in good faith and without gross negligence in performing his duties.

Proposal No. 5: Election of One (1) Substitute Corporate Auditor

In order to prepare for the contingency of the number of Corporate Auditors falling below the statutorily required number, the Bank proposes the election of one (1) Substitute Outside Corporate Auditor in advance.

The Board of Corporate Auditors has given consent to the submitted Proposal.

The candidate for Substitute Corporate Auditor is as follows:

Name (Date of birth)	Past experience, positions, and significant concurrent positions	Number of shares of the Bank held
Yoshiharu Izu (Feb. 10, 1950)	Apr. 1986 Registered as an attorney (Member of Niigata Bar Association) Joined Akihiko Ban Law Office Apr. 1994 Established Yoshiharu Izu Law Office (Niigata City) Apr. 1996 Vice Chairman, Niigata Bar Association Apr. 2007 Member of Aga Town Bidding Supervision Committee (current position) Apr. 2009 Member of Niigata Family Court Domestic Relations Conciliation Committee (current position) Jun. 2012 Director, Niigata Health Foundation (current position) Jul. 2012 Commissioner for the Protection of Human Rights, Legal Affairs Bureau (current position) Dec. 2012 Member of Compliance Advisory Committee, Hokuriku Regional Development Bureau (current position) To the present	
Reason for selecting the candidate for a Corporate Auditor and reasons for determining that the candidate can appropriately execute the duties as an Outside Corporate Auditor, etc. Although Mr. Yoshiharu Izu has not been directly involved in corporate management, he has specialized insights from his experience as a lawyer. As a result, the Bank has judged that he will be able to appropriately execute duties as a Outside Corporate Auditor, and proposes to elect him as a Substitute Outside Corporate Auditor.		

- (Note)
1. There is no special interest relationship between the candidate and the Bank.
 2. Mr. Yoshiharu Izu is to be elected as the candidate for a Substitute Outside Corporate Auditor.
 3. Liability limitation agreements with Outside Corporate Auditors

To allow Outside Corporate Auditors to fully perform their duties as expected, the Bank provides in its Articles of Incorporation that it can enter into agreements with Outside Corporate Auditors that limit their liability to the extent permitted by the applicable in laws and regulations.

If Mr. Yoshiharu Izu takes the office of the Corporate Auditor, the Bank plans to conclude a liability limitation agreement with Mr. Yoshiharu Izu as an Outside Corporate Auditor. The outline of the relevant agreement is as follows:

- If the Outside Corporate Auditor fails to perform his duties and incurs any liability for damage sustained by the Bank, he shall be liable for the damages up to the Minimum Liability Amount set forth in Article 425, Paragraph 1 of the Companies Act.
- The above liability limit will be accepted only if the Outside Corporate Auditor has acted in good faith and without gross negligence in performing his duties.

Proposal No. 6: Payment of Bonuses to Directors and Corporate Auditors

In consideration, among others, of the business results for the fiscal year under review, the Bank proposes to pay bonuses to seventeen (17) Directors and five (5) Corporate Auditors who are in the office during such year in the total amount of 25,000,000 yen (or 18,860,000 yen for Directors (including 2,700,000 yen for Outside Directors), and 6,140,000 yen for Corporate Auditors).

The Bank requests that amounts to be paid to each Director and each Corporate Auditor be discussed and determined by the Board of Directors and the Board of Corporate Auditors, respectively, at their discretion.