Completed in 1604, Godaido was the first temple built in Matsushima by Date Masamune (1567– 1636), who created the wealthiest feudal domain in the Tohoku region. The building is a recreation of an older temple built by Ennin (794–864), a monk who brought the teachings of Tendai Buddhism to northern Japan. Before Ennin's temple, there was a hall built here for the worship of Bishamon, a fierce Buddhist deity known as the Guardian of the North. This hall was built by Sakanoue no Tamuramaro (758–811), a general sent by the Imperial Court to defeat the Emishi, an aboriginal group that inhabited Tohoku at the time. When Ennin built Godaido he dedicated it to another group of protective deities, the Five Wisdom Kings (Japanese: Godai Myo-O).

Masamune rebuilt the temple with a square-tented roof, entrance canopy, and railed veranda. The struts under the eaves are carved with the twelve signs of the Chinese zodiac. Both the temple and the statues inside it are designated Important Cultural Properties. The Buddha statues inside the temple are displayed to the public every thirty-three years.