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June 8, 2026

To whom it may concern,

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Name of representative: Kazumasa Nagahori, President
(Securities code: 8336; TSE Prime)
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Musashino Bank's Opinion on the Recommendation of ISS, a Proxy Advisory Company, to Vote against the Third and Fourth Proposals of the 103rd General Meeting of Shareholders

Musashino Bank, Ltd. (the "Bank") has confirmed that Institutional Shareholder Services, Inc. (hereinafter referred to as "ISS"), a proxy advisory firm, has issued a report recommending voting against the election of some of the candidates for " Proposal No. 3: Election of Six Directors (excluding Directors who are Audit and Supervisory Committee Members)" and " Proposal No. 4: Election of Six Directors who are Audit and Supervisory Committee Members" to be submitted to the 103rd Ordinary General Meeting of Shareholders which is to be held on June 25, 2026.

The reasons for the election of the candidates regarding the proposals, etc. are described in the Notice of convocation, however, considering the ISS's recommendation to vote against the proposals, the Bank's opinion is as follows.

We ask our shareholders to understand the Bank's opinion and to consider the said proposals.

1. Regarding Proposal No. 3: "Election of Six Directors (excluding Directors who are Audit and Supervisory Committee Members)"

(1) Details of recommendation to vote against the third proposal

Candidate number	Candidate name	Reasons for recommendation to vote against the proposal
1	Kazumasa Nagahori	As it meets the quantitative criteria to "recommend voting against the election of the top management Directors if the value of cross-shareholdings amounts to 20% or more".

*ISS is required to use "investment shares held for purposes other than net assets" and "deemed holdings of shares" as described in its Securities Report.

(2) The Bank's opinion on the recommendation to vote against Proposal No. 3

In the "Proxy Voting Guidelines for Japan 2026" published by ISS (the "ISS Guidelines"), ISS stipulates as a standard that it will recommend voting against the election of directors belonging to top management when a company is deemed to hold an excessive amount of so-called policy shareholdings (i.e., when the amount of such shareholdings is 20% or more of its net assets).

However, as information corresponding to "deemed holdings of shares" was omitted in the Bank's Notice of Convocation, the disclosure requirements defined by ISS are not met. It is our understanding that, as a result, ISS considers the Annual Securities Report for the fiscal year ended March 2025 to be the latest disclosure, and recommends that shareholders vote against the proposals on the grounds that the ratio of such shareholdings in that fiscal year exceeds ISS's quantitative criteria.

As stated in the "Notice of Convocation of the 103rd Ordinary General Meeting of Shareholders," in the fiscal year ended March 2026 the Bank reduced its policy shareholdings by a book value of 6.4 billion yen (market value of 10.8 billion yen) compared with the previous fiscal year, and the ratio of the market value of such shareholdings to consolidated net assets was 17.0%.

In addition, there were no items falling under deemed holdings of shares in either of the fiscal years ended March 2025 and March 2026.

Therefore, the Bank considers that there are no grounds for the recommendation to vote against these proposals and that there are no issues with the election of the Directors.

Status of cross-shareholdings

		Fiscal year ended March 2025	Fiscal year ended March 2026	Change
Number of different issues (issues)	Unlisted stocks	87	83	(4)
	Stocks other than unlisted stocks	59	41	(18)
	Total	146	124	(22)
Balance sheet Amount recorded (million yen)	Unlisted stocks	1,647	1,630	(17)
	Stocks other than unlisted stocks	57,062	46,240	(10,822)
	Total	58,710	47,871	(10,839)
Consolidated net assets (million yen)		267,974	280,497	12,523
Percentage of consolidated net assets		% 21.9	% 17.0	% (4.9)

*The Bank does not hold any shares that fall under deemed holdings of shares.

2. Regarding Proposal No. 4: "Election of Six Directors who are Audit and Supervisory Committee Members"

(1) Details of recommendation to vote against the fourth proposal

Candidate number	Candidate name	Reasons for recommendation to vote against the proposal
3	Yukimitsu Sanada	Due to a conflict with the independence criteria, as, with respect to The Bank of Tokyo, Ltd. (which later became The Bank of Tokyo-Mitsubishi, Ltd. and is now MUFG Bank, Ltd.), where he was previously employed, the Bank holds, as policy shareholdings, shares of its parent company, Mitsubishi UFJ Financial Group, Inc.

(2) The Bank's opinion on the recommendation to vote against Proposal No. 4

ISS stipulates in the ISS Guidelines that, with respect to outside directors, "in many cases they are deemed not to be independent where they have experience working for an investee organization whose shares are judged by the company to be held for policy (strategic) purposes."

In the current report, with respect to The Bank of Tokyo, Ltd. (which later became The Bank of Tokyo-Mitsubishi, Ltd. and is now MUFG Bank, Ltd.), where Mr. Yukimitsu Sanada was previously employed, ISS refers to the Annual Securities Report for the fiscal year ended March 2025, which states that the Bank holds shares of its parent company, Mitsubishi UFJ Financial Group, Inc., and we understand that, on the grounds that this conflicts with its independence criteria, ISS recommends that shareholders vote against the proposals.

However, the Bank plans to disclose in its Annual Securities Report for the fiscal year ended March 2026 that its purpose in holding shares of Mitsubishi UFJ Financial Group, Inc. is purely for investment purposes.

Moreover, after joining The Bank of Tokyo, Ltd. in April 1981, Mr. Sanada worked there until November 1997, and at the time of his retirement he served as Deputy Chief Branch Manager of The Bank of Tokyo-Mitsubishi, Ltd., Seoul Branch; however, he was not in a position to be directly involved in the management of either the bank or the Financial Group. In addition, more than 28 years have passed since his retirement, and he is not currently in a position to be involved in the management of either the bank or the Financial Group.

Based on the above experiences, we have determined that there is no concern regarding Mr. Sanada from the viewpoint of independence with respect to the Bank's holding of shares in the UFJ Financial Group, Inc.

Mr. Sanada has experience of studying abroad, has a wealth of business experience, such as serving as the General Manager of the Corporate Credit Department at the Tokyo Branch of Dresdner Bank, and in addition, he has been working as an university professor specializing in international finance until today.

The Bank expects that such experience and expertise and broad knowledge of overall management will be reflected in the supervision, advice, etc. on the execution of business by the Directors.