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Notice Regarding Allotment of Stock Options (Share Acquisition Rights) Offered
As Stock-Based Compensation
(Matters Decided Concerning Offering, Etc.)

The Chiba Kogyo Bank, Ltd. (hereinafter, the “Bank”) hereby announces that the Board of Directors of the Bank decided at a meeting held today the details of an offering of share acquisition rights as stock-based compensation (hereinafter, the “share acquisition rights offered”) that are to be provided, in accordance with Article 238, Paragraphs 1 and 2 and Article 240, Paragraph 1 of the Companies Act, to Directors and Executive Officers of the Bank in order to further enhance their motivation to contribute to improvement of the Bank’s performance and corporate value and their commitment to shareholder-conscious management. The details decided, including regarding the call for subscribers to the share acquisition rights, are as indicated below.

The actual paid-in amounts for the share acquisition rights offered and other details not yet determined will be decided on July 24, 2025, which is the scheduled date for allocation of the share acquisition rights.

1. Title of share acquisition rights offered:

The 13rd Share Acquisition Rights of The Chiba Kogyo Bank, Ltd.

2. Recipients of allotment of share acquisition rights, and total number of share acquisition rights to be allotted

Directors of the Bank: 5 recipients, 108 share acquisition rights

Executive Officers of the Bank: 16 recipients, 179 share acquisition rights

Total: 21 recipients, 287 share acquisition rights

The total number of share acquisition rights listed above is the number of share acquisition rights scheduled to be allotted. In the event the total number of share acquisition rights offered to be allotted decreases due to a reason such as failure to subscribe, the actual total number of share acquisition rights offered to be allotted shall be the total number of share acquisition rights issued.

3. Class and number of shares underlying the share acquisition rights offered

The class of shares underlying the share acquisition rights offered shall be common stock of the Bank, and the total number of shares to be allotted per share acquisition right offered (number of shares allotted) shall be 100. In the event that the common stock of the Bank becomes subject to a stock split, an allotment of shares without contribution, or a reverse stock split following the day of allotment of the share acquisition rights offered (prescribed in 13 below), the number of shares allotted shall be adjusted using the formula below. If the results of adjustment include any fractions less than one share, said fractions shall be rounded down.

Adjusted number of shares allotted = unadjusted number of shares allotted × ratio of stock split, allotment of shares without contribution, or reverse stock split

In the case of a stock split or an allotment of shares without contribution, the adjusted number of shares allotted shall apply from the day following the record date of the stock split or allotment of shares without contribution. In the case of a reverse stock split the adjusted number of shares allotted shall apply from the effective date of the reverse stock split. However, in cases where a stock split or an allotment of shares without contribution is to be carried out on the condition that a general meeting of shareholders of the Bank approves a proposal to increase stated capital or capital reserves by reducing the amount of surplus, and where the record date of said stock split or an allotment of shares without contribution is to be on or preceding the day of conclusion of said general meeting of shareholders, the adjusted number of shares allotted shall apply from the day following said day of conclusion.

Furthermore, in cases where the share acquisition rights are carried over in an absorption-type merger or incorporation-type merger of the Bank or where the share acquisition rights are carried over in a share exchange/transfer in which the Bank becomes a wholly owned subsidiary, the number of shares allotted can, if deemed necessary, be adjusted based on the merger ratio, etc. When adjusting the number of shares allotted, the Bank shall, by the date on which the adjusted number of shares allotted takes effect, give notification or public announcement concerning the necessary matters to the holders of all share acquisition rights recorded in the register of share acquisition rights (hereinafter, the “share acquisition right holders”). In cases where the notification or public announcement cannot be given by said effective date, it shall be given promptly thereafter.

4. Value of assets to be contributed in the exercise of share acquisition rights offered

The value of assets to be contributed in the exercise of share acquisition rights offered shall be an amount calculated by multiplying the number of shares allotted and an exercise price of one yen per share deliverable in the exercise of share acquisition rights offered.

5. Period in which the share acquisition rights offered can be exercised

From July 25, 2025 to July 24, 2055

6. Matters concerning increases in stated capital and capital reserves when issuing shares in the exercise of share acquisition rights offered

- (1) The amount of increase in stated capital when issuing shares in the exercise of share acquisition rights offered shall be determined by multiplying 0.5 and the maximum amount of increase in stated capital, etc. as calculated according to Article 17, Paragraph 1 of the Regulation on Corporate Accounting. Any resulting fractions less than one yen shall be rounded up to the next whole number.
- (2) The amount of increase in capital reserves when issuing shares in the exercise of share acquisition rights offered shall be the maximum amount of increase in stated capital indicated in (1) above, less the amount of the increase in stated capital calculated according to (1) above.

7. Restrictions on transfer of share acquisition rights offered

Acquisition of share acquisition rights offered through transfer is subject to approval by the Bank’s Board of Directors.

8. Conditions for acquisition of share acquisition rights offered

- (1) In the event that a proposal falling under any of items (i), (ii), (iii), (iv), or (v) below is approved by a general meeting of the shareholders of the Bank (or by the Bank’s Board of Directors in cases not requiring a resolution by a general meeting of shareholders), the Bank shall have the right to acquire the share acquisition rights offered without compensation by a date to be separately prescribed by the Board of Directors.

- (i) Proposal to approve a merger agreement in which the Bank will be the extinguishing company
- (ii) Proposal to approve a company split agreement or an incorporation-type company split plan in which the Bank will be the splitting company
- (iii) Proposal to approve a share exchange agreement or a share transfer plan in which the Bank will become a wholly owned subsidiary
- (iv) Proposal to approve amendments to the Articles of Incorporation for establishing provisions on requirements for the Bank's approval of acquisition of the Bank's stock through a transfer of all shares issued by the Bank
- (v) Proposal to approve amendments to the Articles of Incorporation for establishing provisions on requirements for the Bank's approval of acquisition of shares through transfer of the shares underlying the share acquisition rights offered, or provisions on the Bank's acquisition, based on a resolution of the Board of Directors, of all shares in the relevant class of stock
- (2) In addition to the provisions of the preceding paragraph, the Bank shall have the right to acquire and retire the share acquisition rights offered without compensation in cases where such action is provided for by the share acquisition rights allotment agreement established between the Bank and the share acquisition right allottee.

9. Matters concerning handling of share acquisition rights in the case of a merger, absorption-type split, incorporation-type company split, or share exchange/transfer

In cases where the Bank is to undergo a merger (limited to those where the Bank will be the extinguishing company), an absorption-type split, or an incorporation-type company split (limited to those where the Bank will be the splitting company), or where a share exchange or share transfer (limited to exchanges/transfers where the Bank will become a wholly owned subsidiary) will take place (hereinafter, these cases are collectively referred to as the "reorganization"), the Bank shall deliver to the share acquisition right holders who still hold share acquisition rights offered (hereinafter, "remaining share acquisition rights") immediately before the effective date of the reorganization (if absorption-type merger, the effective date of said merger; if incorporation-type merger, the date of incorporation of the newly merged company; if absorption-type split, the effective date of said split; if incorporation-type company split, the date of incorporation of the company newly formed from said split; if share exchange, the effective date of said exchange; if share transfer, the date of incorporation of the wholly owning parent company newly formed from said transfer) share acquisition rights in the relevant stock company listed in Article 236, Paragraph 1, viii, (a) to (e) of the Companies Act (hereinafter, "the reorganized company"). The absorption-type merger agreement, incorporation-type merger agreement, absorption-type split agreement, incorporation-type company split plan, share exchange agreement, or share transfer plan shall provide for the following conditions regarding the delivery of share acquisition rights in the reorganized company.

- (1) Number of share acquisition rights in the reorganized company to be delivered
The share acquisition rights shall be delivered in a number equal to the remaining share acquisition rights held by each share acquisition right holder.
- (2) Class of shares of the reorganized company underlying the share acquisition rights
The class of shares shall be common stock of the reorganized company.
- (3) Number of shares of the reorganized company underlying the share acquisition rights
The number shall be decided according to 3 above, giving consideration to the terms of the reorganization, etc.
- (4) Value of assets to be contributed in the exercise of share acquisition rights
 - (i) The value of assets to be contributed in the exercise of share acquisition rights shall be an amount determined by multiplying the post-reorganization paid-in amount prescribed in (ii) below and the number of shares of the reorganized company underlying the share acquisition rights as determined under (3) above.

- (ii) The post-reorganization paid-in amount shall be calculated as one yen per share of the reorganized company deliverable in the exercise of share acquisition rights.
- (5) Period in which the share acquisition rights can be exercised
This period shall commence on either the first day of the period for exercising share acquisition rights offered stated in 5 above or the effective date of the reorganization, whichever is later, and shall end on the last day of the period for exercising share acquisition rights offered stated in 5 above.
- (6) Matters concerning increases in stated capital and capital reserves when issuing shares in the exercise of share acquisition rights
These shall be determined in accordance with 6 above.
- (7) Restriction on acquisition of share acquisition rights
Acquisition of share acquisition rights through transfer is subject to approval by the reorganized company's Board of Directors.
- (8) Conditions for acquisition of share acquisition rights
These shall be determined in accordance with 8 above.
- (9) Other conditions on the exercise of share acquisition rights
These shall be determined in accordance with 11 below.
- 10. Handling of fractions less than one share in the exercise of share acquisition rights offered
In the event that fractions of less than one share result in the calculation of the number of shares to be delivered to share acquisition right holders in their exercise of share acquisition rights, said fractions shall be rounded down.
- 11. Other conditions on the exercise of share acquisition rights offered
 - (1) Share acquisition right holders shall have the right to exercise all their share acquisition rights offered at once, limited to a 10-day period that will commence on the day after they lose their status as a Director or Executive Officer of the Bank.
 - (2) Notwithstanding the provision of the preceding paragraph, in cases where a proposal to approve an absorption-type merger agreement in which the Bank becomes the extinguishing company or a proposal to approve a share exchange agreement or a share transfer plan in which the Bank becomes a wholly owned subsidiary is approved by a general meeting of the shareholders of the Bank (or by the Bank's Board of Directors in cases not requiring a resolution by a general meeting of shareholders), the share acquisition right holders shall have the right to exercise their share acquisition rights, limited to a 15-day period that will commence on the day following said approval. However, this shall not apply in cases where share acquisition rights in the reorganized company are delivered to the share acquisition right holders in accordance with 9 above.
 - (3) In the event of the death of a share acquisition right holder, the heir(s) shall have the right to exercise the decedent's share acquisition rights. The conditions that apply to such exercise of share acquisition rights by heirs shall be as provided for in the share acquisition rights allotment agreement.
 - (4) Other conditions on the exercise of share acquisition rights apart from those stated above shall be as provided for in the share acquisition rights allotment agreement.
- 12. Method of calculating paid-in amount for share acquisition rights offered
The paid-in amount for share acquisition rights offered shall be an amount determined by multiplying the number of shares allotted and the option price per share, which is calculated according to the following formula based on the Black-Scholes model, using the basic values in (2) through (7) below (any fractions less than one yen shall be rounded to the nearest whole number).

$$C = Se^{-qT}N(d) - Xe^{-rT}N(d - \sigma\sqrt{T})$$

where

$$d = \frac{\ln\left(\frac{S}{X}\right) + \left(r - q + \frac{\sigma^2}{2}\right)T}{\sigma\sqrt{T}}$$

- (1) Option price per share (C)
- (2) Share price (S): Closing price of the Bank's common stock in regular trading on the Tokyo Stock Exchange on July 24, 2025 (if there was no closing price on said date, then the standard price of the following trading day will be used).
- (3) Exercise price (X): 1 yen
- (4) Expected time to maturity (T): 15 years
- (5) Volatility (σ): Share price volatility rate calculated from the closing price of the Bank's common stock in regular trading on each trading day of the 15-year period from July 25, 2010 to July 24, 2025
- (6) Risk-free interest rate (r): Interest rate of Japanese Government Bonds whose maturity corresponds to the expected remaining period
- (7) Dividend yield (q): Dividend per share (simple average of dividends paid per share in the past two years) \div the share price indicated in (2) above
- (8) Standard normal cumulative distribution function ($N(\cdot)$)

- The amount calculated based on the formula above is a fair price for the share acquisition rights, and does not constitute preferential issuance.
- The allottees' right to claim compensation from the Bank is offset by their obligation to pay the paid-in amount for the share acquisition rights.

13. Day of allotment of share acquisition rights offered
July 24, 2025

14. Deadline for paying in cash in exchange for share acquisition rights offered
July 24, 2025

15. Method of exercising share acquisition rights offered and paying in
- (1) Share acquisition rights offered shall be exercised by filling in the necessary information on the Bank's prescribed form for requesting exercise of share acquisition rights, signing the form and affixing one's personal seal, and submitting the form to the office prescribed in 16 below that handles those requests.
 - (2) When submitting the request form prescribed in (1) above, the share acquisition right holder shall also pay in cash, to the bank account and by the deadline specified by the office prescribed in 17 below that handles money paid in for the exercise of share acquisition rights, an amount calculated by multiplying the value of assets contributed in the exercise of share acquisition rights offered by the number of share acquisition rights offered being exercised.

16. Office that handles requests to exercise share acquisition rights offered
General Administration Division, The Chiba Kogyo Bank, Ltd. (if the handling duties have been reassigned to a different unit, then that unit will be the competent office)

17. Office that handles money paid in for the exercise of share acquisition rights offered
Sales Division of Head Office, The Chiba Kogyo Bank (if this unit has been abolished due to integration or other reorganization, then the unit that took over this duty will be the competent office)
18. Timing of effect of exercise of share acquisition rights offered, etc.
 - (1) Share acquisition right holders who exercised their share acquisition rights offered shall, in accordance with Article 282 of the Companies Act, become shareholders who own the shares underlying said share acquisition rights.
 - (2) Immediately following the exercise of share acquisition rights, the Bank shall complete the necessary procedures for stating or recording the shares acquired by the share acquisition right holder through the exercise of the share acquisition rights in the account that the share acquisition right holder established in their name at a financial instruments business operator, etc. and designated in advance to the Bank.
19. Handling of replacement of text in these guidelines and other measures
In the event that certain provisions of these guidelines need to be replaced due to amendment or repealing of provisions in the Companies Act or other competent laws and regulations, the Bank shall have the right to amend the relevant text in these guidelines, using a method that it deems reasonable and in accordance with the spirit of the Companies Act and these guidelines. Such amended text shall be considered part and parcel of these guidelines.
20. Open access to issuance guidelines
The Bank shall keep a certified copy of the issuance guidelines for share acquisition rights offered at its head office and make it available for inspection by share acquisition right holders during business hours.
21. All other necessary matters pertaining to the share acquisition rights offered shall be left to the discretion of the President (CEO) and Managing Executive Officer.