

June 26, 2025

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Notice Concerning the Disposal of Treasury Shares as Restricted Stock Remuneration

The Toho Bank, Ltd. (hereinafter the “Bank”) hereby announces that it has resolved, at the meeting of the Board of Directors held today, to dispose of treasury shares (hereinafter the “Treasury Shares Disposal” or “Disposal”), as described below.

1. Overview of the disposal

(1) Date of disposal	July 25, 2025
(2) Class and number of shares for disposal	Shares of the Bank’s common stock: 182,571 shares
(3) Disposal price	326 yen per share
(4) Total amount of disposal	59,518,146 yen
(5) Recipients of the disposal, their number, and number of shares for disposal	Directors of the Bank other than Directors serving as Audit and Supervisory Committee Members: 4 recipients; 98,648 shares Executive Officers of the Bank: 14 recipients; 83,923 shares
(6) Other matters	The Treasury Shares Disposal shall be conditional on the effect of the securities notice to be filed under the Financial Instruments and Exchange Act.

2. Purpose and reason for the disposal

The Bank resolved, at the meeting of the Board of Directors held on May 12, 2023, to introduce a restricted stock remuneration plan (hereinafter the “Plan”) as a new remuneration system for Directors of the Bank other than Directors serving as Audit and Supervisory Committee Members (excluding Outside Directors; hereinafter the “Eligible Directors”) and Managing Executive Officers. The Plan is designed to incentivize the Eligible Directors and Managing Executive Officers to strive for the sustained improvement of the corporate value of the Bank, and to encourage them to further align their values with those of shareholders. The 120th Annual General Meeting of Shareholders held on June 26, 2023 approved that, based on the Plan, the Bank pays monetary claims not exceeding 70 million yen per annum to the Eligible Directors as property to be contributed in kind in exchange for the grant of restricted stock (hereinafter the “Restricted Stock Remuneration”) and issues or disposes of common shares of the Bank up to 350,000 shares per annum. This approval also included details such as the transfer restriction period of the restricted stock, which commences on the date on which the allotment of the common shares of the Bank was received and ends at the point in time immediately following each Eligible Director’s retirement from the position(s) of officer and/or employee of the Bank set forth in advance by the Board of Directors, based on the restricted stock allotment agreement concluded between the Bank and each Eligible Director.

The Bank has also decided to introduce a restricted stock remuneration plan for Executive Officers, similar to the Plan, to incentivize them to strive for the sustained improvement of the corporate value of the Bank, and to encourage them to further align their values with those of shareholders.

The details of the Plan are presented below.

Overview of the Plan

Eligible Directors and Executive Officers (hereinafter “Eligible Directors, etc.”) pay in all monetary claims granted to them under the Plan in the form of property contributed in kind and, in return, receive common shares of the Bank via issuance or disposal. The amount to be paid in per share is determined by the Board of Directors based on the closing price of common shares of the Bank on the Tokyo Stock Exchange on the business day preceding the date of each resolution of the Board of Directors (or, if there is no transaction executed on this day, the closing price on the trading day immediately preceding this day) to the extent that it is not particularly advantageous to the Eligible Directors, etc. receiving these common shares.

When receiving common shares of the Bank via issuance or disposal in this way, each Eligible Director, etc. concludes a restricted stock allotment agreement with the Bank that includes the following terms and conditions: (i) the Eligible Director, etc. is prohibited from transferring to a third party the common shares of the Bank allotted under the restricted stock allotment agreement, creating a security interest in them, or otherwise disposing of them in any way; (ii) the Bank will acquire the allotted common shares for no consideration under certain circumstances.

On this occasion, after deliberation by the Nomination and Remuneration Committee, given the objectives of the Plan, the Bank’s business condition, the scope of responsibility of each Eligible Director, etc., and other factors, the Bank has decided to pay a total of 59,518,146 yen in monetary claims (hereinafter the “Monetary Claims”) to Eligible Directors, etc., for the grant of 182,571 common shares. This payment is aimed at further increasing the motivation of the Eligible Directors, etc.

In this Treasury Shares Disposal, the 18 Eligible Directors, etc., to whom the allotment is to be made, will pay in all of the Monetary Claims in the form of property contributed in kind and, in return, receive the disposal of common shares of the Bank (hereinafter the “Allotted Shares”), based on the Plan. A summary of the restricted stock allotment agreement concluded between the Bank and each Eligible Director, etc. in this Treasury Shares Disposal (hereinafter the “Allotment Agreement”) is presented in section 3., below.

3. Summary of the Allotment Agreement

(1) Transfer restriction period

The transfer restriction period will begin on July 25, 2025 (hereinafter the “Disposal Date”) and end at the point in time immediately following the Eligible Director’s retirement from all positions of Director or Executive Officer of the Bank.

(2) Conditions for the lifting of transfer restrictions

If the Eligible Director, etc. continuously holds the position of Director and/or Executive Officer of the Bank throughout the period from the day when the execution of the relevant duties began to the point in time immediately preceding the conclusion of the first subsequent Annual General Meeting of Shareholders (hereinafter the “Service Period”), the transfer restrictions on all of the Allotted Shares will be lifted at the expiration of the transfer restriction period.

(3) Handling in the case that the Eligible Director, etc. retires during the Service Period due to the expiration of the term of office or other reasonable cause

(i) Timing of the lifting of transfer restrictions

If the Eligible Director, etc. retires from all positions of Director or Executive Officer of the Bank due to the expiration of the term of office or other reasonable cause (including retirement due to death), the transfer restrictions will be lifted at the point in time immediately following the retirement of the Eligible Director, etc.

(ii) Number of shares subject to the lifting of transfer restrictions

The transfer restrictions will be lifted for the number of shares (provided, however, that fractions of less than one share resulting from the calculation shall be rounded down) calculated by multiplying the number of Allotted Shares held by the Eligible Director, etc. at the time of retirement described in (i), above, by the following quotient (or by 1, if the quotient is greater than 1): the number of months from the month that includes the Disposal Date to the month that includes the retirement date of the Eligible Director, etc. divided by the number of months in the Service Period (12).

(4) Acquisition by the Bank for no consideration

If the Eligible Director, etc. commits an act that violates laws or regulations during the transfer restriction period, or in other circumstances corresponding to the causes set forth under the Allotment Agreement, the Bank will acquire all of the Allotted Shares held by the Eligible Director, etc. at that point for no consideration, as a matter of course. The Bank will also acquire, for no consideration, any Allotted Shares for which the transfer restrictions are not lifted at the expiration of the transfer restriction period or the point in time designated for the lifting of transfer restrictions in (3) above, as a matter of course.

(5) Handling in the event of an organizational restructuring, etc.

If, during the transfer restriction period, a merger agreement in which the Bank becomes the non-surviving company, a share exchange agreement or share transfer plan in which the Bank becomes a wholly-owned subsidiary, or any other matters concerning organizational restructuring, etc., is approved by the General Meeting of Shareholders of the Bank (however, if said organizational restructuring, etc., does not require the approval of the General Meeting of Shareholders of the Bank, then the Board of Directors), the Bank, by a resolution of the Board of Directors, will lift the transfer restrictions, at the time immediately preceding the business day prior to the effective date of the organizational restructuring, etc., for the number of shares (provided, however, that fractions of less than one share resulting from the calculation shall be rounded down) calculated by multiplying the number of Allotted Shares held at the time by the Eligible Director, etc. by the following quotient (or by 1, if the quotient is greater than 1): the number of months from the month that includes the Disposal Date to the month that includes the approval date of said organizational restructuring divided by the number of months in the Service Period (12). The Bank will acquire, for no consideration, any Allotted Shares for which the transfer restrictions have not been lifted immediately after the point at which the transfer restriction period expires, as a matter of course.

(6) Administration of the shares

The Allotted Shares will be administered through a dedicated account established by the Eligible Director, etc. at Nomura Securities Co., Ltd. throughout the transfer restriction period, in order not to be transferred, created a security interest, or otherwise disposed of in any way. The Bank has concluded an agreement with Nomura Securities Co., Ltd. regarding the administration of accounts containing Allotted Shares held by the Eligible Directors, etc., to ensure the effectiveness of the transfer restrictions on the Allotted Shares. The Eligible Director, etc. shall consent to the details of the administration of this account.

4. Basis used to calculate the amount to be paid in and the details thereof

The Treasury Shares Disposal to planned allottees will be made in return for the contribution in kind of the monetary claims granted as the Restricted Stock Remuneration for the Bank's 123rd Fiscal Year, based on the Plan. The disposal price will be 326 yen per share, which is the closing price of the Bank's common shares on the Prime Market of the Tokyo Stock Exchange on June 25, 2025 (the business day immediately preceding the resolution by the Board of Directors), to eliminate any arbitrariness. This is the market share price on the day immediately preceding the Board of Directors resolution and is considered reasonable and not particularly advantageous to any party.