



June 25, 2025

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## **Notice of Disposal of Treasury Shares as Restricted Stock Compensation**

The SHIGA BANK, Ltd. (the “Bank”) hereby announces that it has resolved at the meeting of its board of directors held on June 25, 2025, to dispose of its treasury shares as restricted stock compensation (the “Disposal of Treasury Shares”), as follows.

### **1. Overview of disposal**

(1) Payment date	July 14, 2025
(2) Class and number of shares to be disposed of	4,924 shares of the Bank’s common stock
(3) Disposal value	5,870 yen per share
(4) Total disposal value	28,903,880 yen
(5) Recipients of disposed shares	Six directors of the Bank (excluding outside directors): 4,204 shares Nine executive officers of the Bank (excluding those who concurrently serve as directors): 720 shares

### **2. Purpose of and reasons for disposal**

At the 135th Ordinary General Meeting of Shareholders held on June 24, 2022, the Bank introduced a restricted stock compensation plan (the "Plan") for directors (excluding outside directors, hereinafter referred to as "Eligible Directors"). The purpose of this Plan is to enhance the alignment of interests between Eligible Directors and shareholders by sharing both the benefits and risks of stock price fluctuations while further incentivizing efforts toward increasing stock value and corporate value.

Under the Plan, Eligible Directors are granted restricted stock compensation, with a maximum annual total of 100 million yen in monetary compensation claims and a maximum allocation of 40,000 shares per fiscal year. The restriction period applies from the date of allocation until the retirement of the directors.

Additionally, the Bank has resolved at today's Board meeting to extend the application of the Plan to executive officers (excluding those who concurrently serve as directors, collectively referred to as "Eligible Participants" together with Eligible Directors).

Following this resolution, the Board of Directors approved the allocation of restricted stock compensation to 15 Eligible Participants for the period from the 138th Ordinary General Meeting of Shareholders to the 139th Ordinary General Meeting of Shareholders scheduled for June 2026. The monetary compensation claims provided will amount to 28,903,880 yen, and Eligible Participants will allocate this compensation entirely through in-kind contribution, receiving 4,924 shares of the Bank's ordinary shares as restricted stock.

As the scale of dilution by the Disposal of Treasury Shares is minor at 0.01% (rounded off to the third decimal place) to the 46,081,984 shares of the total number of issued (excluding treasury shares and) outstanding shares of the Bank as of March 31, 2025, it is considered reasonable in light of the purpose of the Plan.

The amount of monetary compensation claims granted to each Eligible Participant has been determined based on a comprehensive evaluation of various factors, including the individual's contribution to the Bank. Such monetary compensation claims will be provided on the condition that each Eligible Participant enters into a Restricted Stock Allocation Agreement (the "Allocation Agreement") with the Bank, which shall include, in substance, the following terms.

### **3. Overview of the Allotment Agreement**

#### **(1) Restriction period**

From July 14, 2025, until the Eligible Participant retires as a director or executive officer of the Bank.

During this period, Eligible Participants may not transfer, pledge, or otherwise dispose of their allocated restricted stock ("Allotted Shares") to any third party ("Transfer Restrictions").

#### **(2) Acquisition of Restricted Shares without contribution**

If an Eligible Participant retires before the first annual general meeting following the start of the restriction period, the Bank shall automatically acquire the Allotted Shares without contribution upon retirement, unless the retirement is deemed valid by the Board.

If there are Allotted Shares for which Transfer Restrictions have not been lifted at the expiration of the restriction period, the Bank shall automatically acquire those Allotted Shares without contribution immediately after expiration.

### (3) Lifting of Transfer Restrictions

Upon expiration of the Restriction Period, the Bank shall lift Transfer Restrictions on all Allotted Shares held by an Eligible Participant, provided they continuously hold their position throughout the Restriction Period.

If an Eligible Participant retires due to death or other valid reasons before expiration, Transfer Restrictions on a proportional number of Allotted Shares will be lifted based on tenure.

### (4) Management of shares

Eligible Participants shall open an account with SMBC Nikko Securities Inc. designated by the Bank, and shall keep and maintain their Allotted Shares in the account until Transfer Restrictions are lifted.

### (5) Treatment during reorganization

If the Bank undergoes corporate restructuring during the Restriction Period (e.g., merger, stock exchange making the Bank a subsidiary), Transfer Restrictions may be lifted on a proportional number of Allotted Shares before the effective date, based on tenure calculations determined by the Board.

On the effective date of corporate restructuring, the Bank shall automatically acquire without contribution all Allotted Shares for which Transfer Restrictions have not been lifted.

## **4. Basis of calculation and specific details of amount to be paid in**

To eliminate any arbitrariness in the disposal value in the Disposal of Treasury Shares, 5,870 yen, which is the closing value of shares of the Bank's common stock on the Tokyo Stock Exchange on the business day immediately prior to the date of resolution by the Bank's board of directors (June 24, 2025), is used as the disposal value. The value is the Bank's market stock price immediately prior to the date of resolution of its board of directors, which the Bank considers is a rational value and not particularly favorable.

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