

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



June 23, 2025

Company name: THE HYAKUGO BANK, LTD.  
Name of representative: Masakazu Sugiura, Director and President  
(Securities code: 8368; TSE Prime, NSE Premier)  
Inquiries: Takanori Nishikawa, General Manager of Corporate Planning Division  
(Telephone: +81-59-227-2151)

## Notice Concerning Issuance of Share Compensation-Type Stock Options for Directors

THE HYAKUGO BANK, LTD. (Director and President: Masakazu Sugiura; the “Company”) hereby announces that, at a meeting of the Board of Directors held today, and pursuant to Articles 236, 238, and 240 of the Companies Act, it determined details of the offering of share acquisition rights to be allotted to Directors of the Company as share compensation-type stock options and resolved to solicit subscribers to the share acquisition rights. The details are described below.

### 1. Reasons for issuing share acquisition rights as stock options

In the fiscal year ended March 31, 2012, the Company changed its officer compensation programs as part of its management reforms. The Company discontinued its retirement allowance program for officers and introduced share compensation-type stock options.

The Company issues share acquisition rights as share compensation-type stock options to promote stronger ties between compensation to Directors and the share price of the Company, have the Directors share the benefits and the risks of changes in the share price with shareholders, and further boost motivation and morale of the Directors for enhancing the corporate value and increasing the share price in the medium to long term.

### 2. Summary of the issuance of the share acquisition rights

#### (1) Name of the share acquisition rights

THE HYAKUGO BANK, LTD. 15th Share Compensation-Type Share Acquisition Rights

#### (2) Persons eligible for the allotment of the share acquisition rights and the number thereof

Directors of the Company (excluding Outside Directors): Six persons

#### (3) Total number of the share acquisition rights

308 rights

The total number stated above represents the planned number of the share acquisition rights to be allotted. If any eligible Directors do not apply for subscription, or if the total number of the share acquisition rights to be allotted decreases for any other reason, the total number of the share acquisition rights to be issued shall be the total number of the share acquisition rights to be allotted.

#### (4) Class of shares underlying the share acquisition rights and the number thereof

The class of shares underlying the share acquisition rights shall be common shares of the Company, and the number of the underlying shares to be issued upon exercise of share acquisition rights shall be 100 per share acquisition right.

If the Company conducts a share split (including allotment of shares without contribution; the same shall apply hereinafter) or a reverse share split of its common shares after the date of allotment of the share acquisition rights, the Company will use the formula presented below and adjust the number of the underlying shares to be issued upon exercise of share acquisition rights yet to be exercised as of the date of the share split or the reverse share split. If the adjusted number has a fraction of less than one, the fraction is rounded down to zero.

$$\text{Number of the underlying shares to be issued after the adjustment} = \text{Number of the underlying shares to be issued before the adjustment} \times \text{Ratio of the share split or the reverse share split}$$

If the Company conducts a merger or a company split, or in a case similar to those that requires adjustment of the number of the underlying shares to be issued, the number of the underlying shares to be issued shall be appropriately adjusted within a reasonable range.

(5) Amount to be paid in for the share acquisition rights

The amount to be paid in for the share acquisition rights shall be a fair estimate calculated according to the Black-Scholes model on the date of allotment of the share acquisition rights. The amount represents a fair value of the share acquisition rights, and therefore the allotment does not constitute an issuance on favorable terms.

In lieu of making the payment of the amount to be paid in, the allottees of the share acquisition rights (the “Allottees”) shall offset the amount to be paid in with their compensation claims against the Company.

(6) Date of allotment of the share acquisition rights

July 30, 2025

(7) Value of the assets to be contributed upon exercise of the share acquisition rights

The value of the assets to be contributed upon exercise of the share acquisition rights shall be calculated by multiplying one yen, which is the price per share to be issued upon exercise of the share acquisition rights, by the total number of the shares to be issued.

(8) Period in which the share acquisition rights can be exercised

The period in which the share acquisition rights can be exercised (the “Exercise Period”) shall be from July 31, 2025 to July 30, 2055.

If the final day of the Exercise Period falls on a holiday of the Company, the final day of the Exercise Period shall be the preceding business day.

(9) Matters related to the amounts of share capital and legal capital surplus to be increased when shares are issued due to exercise of the share acquisition rights

i) The amount of share capital to be increased when shares are issued due to exercise of share acquisition rights shall be one half of the maximum increase in share capital calculated in accordance with the provision of Article 17, Paragraph 1 of the Regulations for Corporate Accounting. When the calculated amount has a fraction of less than one, such fraction shall be rounded up to one.

ii) The amount of legal capital surplus to be increased when shares are issued due to exercise of the share acquisition rights shall be calculated by subtracting the amount of the share capital to be increased specified in i) above from the maximum increase in share capital stated in i) above.

(10) Transfer restriction on the share acquisition rights

An acquisition of the share acquisition rights by transfer shall require an approval of the Board of Director of the Company.

(11) Conditions for exercise of the share acquisition rights

i) An Allottee may exercise the share acquisition rights in a single exercise only during a ten-day period from the day following the date on which he/she is neither a Director nor an Executive Officer of the Company.

ii) If an Allottee is deceased, and only if the share acquisition rights belong solely to one of the legal heirs of the Allottee (the “Successor”), the Successor may exercise the share acquisition rights subject to each of the conditions presented below in accordance with the share acquisition rights allotment agreement individually concluded between the Allottee and the Company. However, a person deemed to have committed a serious criminal offense may not become the Successor.

(a) If the Successor is deceased, his/her heirs may not inherit the share acquisition rights.

(b) The Successor must complete inheritance procedures prescribed by the Company within ten months after the start of the inheritance and before the final day of the Exercise Period.

(c) The Successor may exercise the share acquisition rights in a single exercise only in the Exercise Period specified in (8) above and in two months from the completion of the inheritance procedures prescribed by the Company.

(12) Matters concerning acquisition of the share acquisition rights

i) If an Allottee becomes unable to exercise the share acquisition rights pursuant to the provisions in (11) above or the provisions in a share acquisition rights allotment agreement before he/she

exercises the share acquisition rights, the Company may acquire the share acquisition rights without contribution on a day separately specified by the Board of Directors of the Company.

- ii) When a proposal requesting an approval for a merger agreement under which the Company will be a disappearing company, an absorption-type company split agreement or an incorporation-type company split plan under which the Company will be a split company, or a share exchange agreement or a share transfer plan under which the Company will be a wholly-owned subsidiary is approved at a General Meeting of Shareholders of the Company (or the Board of Directors of the Company if approval at a General Meeting of Shareholders is not required), the Company may acquire on a day separately specified by the Board of Directors of the Company the share acquisition rights yet to be exercised as of the day without contribution.

(13) Handling of the share acquisition rights on a reorganization

If the Company conducts a merger (only if the Company disappears in the merger), absorption-type company split, incorporation-type company split, share exchange, or share transfer (collectively, the “Reorganization”), outstanding share acquisition rights as of the effective date of the Reorganization shall be extinct, and share acquisition rights of the stock company provided for in Article 236, Paragraph 1, Item 8, (a) through (e) of the Companies Act (the “Reorganized Company”) shall be newly delivered to the Allottees based on the following conditions.

However, the delivery shall be made only if new delivery of share acquisition rights of the Reorganized Company based on the following conditions is prescribed in a merger agreement, an absorption-type company split agreement, an incorporation-type company split plan, a share exchange agreement, or a share transfer plan.

- i) Number of the share acquisition rights of the Reorganized Company to be delivered  
The same number of share acquisition rights as the outstanding share acquisition rights held by the Allottees shall be delivered.
- ii) Class of the shares of the Reorganized Company underlying the share acquisition rights and the number thereof  
The class of the shares underlying the share acquisition rights shall be common shares of the Reorganized Company, and the number of the shares of the Reorganized Company to be delivered upon exercise of the share acquisition rights shall be determined according to (4) above after taking into consideration several factors, including conditions of the Reorganization.
- iii) Value of the assets to be contributed upon exercise of the share acquisition rights  
The value of the assets to be contributed upon exercise of the share acquisition rights shall be calculated by multiplying the exercise price after the Reorganization specified below by the number of the shares to be issued upon exercise of the share acquisition rights. The exercise price after the Reorganization shall be one yen per share of the Reorganized Company to be issued upon exercise of the share acquisition rights to be delivered.
- iv) Period in which the share acquisition rights can be exercised  
The period in which the share acquisition rights can be exercised shall be from the later of the start date of the Exercise Period specified in (8) above and the effective date of the Reorganization to the expiration date of the Exercise Period specified in (8).
- v) Matters related to the amounts of share capital and legal capital surplus to be increased when shares are issued due to exercise of the share acquisition rights  
They shall be determined in accordance with (9) above.
- vi) Transfer restriction on the share acquisition rights  
An acquisition of the share acquisition rights by a transfer shall require an approval of the Board of Directors of the Reorganized Company.
- vii) Matters concerning acquisition of the share acquisition rights  
They shall be determined in accordance with (12) above.

(14) Treatment of fractions of less than one share

If an Allottee has exercised the share acquisition rights and the number of the shares to be delivered to the Allottee has a fraction of less than one, the fraction is rounded down to zero.

(15) No issuance of certificates of the share acquisition rights

The Company shall not issue certificates of the share acquisition rights.

(16) Place that handles the payment of assets to be contributed upon exercise of the share acquisition rights

Head Office Business Division, THE HYAKUGO BANK, LTD.  
21-27, Iwata, Tsu City, Mie, Japan