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To whom it may concern,

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Notice Regarding Disposal of Treasury Shares as Restricted Stock Incentives for Employee Shareholding Association

The Hyakujushi Bank, Ltd. (the “Bank”) hereby announces that the Bank has resolved, at a meeting of the Board of Directors held today, to introduce the Restricted Stock Incentive Plan for the Employee Shareholding Association (hereinafter the “Plan”), and to dispose of treasury shares as restricted stock (hereinafter the “Disposal of Treasury Shares” or the “Disposal”), with The Hyakujushi Bank Employee Shareholding Association (hereinafter the “Shareholding Association”) as the scheduled allottee, based on the Plan as described below.

1. Overview of the Disposal

(1) Date of disposal	August 5, 2026
(2) Class and number of shares disposed of	162,581 common shares of the Bank (Note)
(3) Disposal price	2,397 yen per share
(4) Total disposal amount	389,706,657 yen (Note)
(5) Disposal method (scheduled allottees)	The Bank will allot to the Shareholding Association the number of shares applied for as determined by the Shareholding Association within the range of the number of shares to be disposed of set forth in (2) above (such number of shares allotted shall constitute the number of shares to be disposed of) by way of a third-party allotment and subject to subscription by the Shareholding Association. (The Hyakujushi Bank Employee Shareholding Association: 162,581 shares) No partial applications for the number of shares to be granted from any Eligible Employees (as defined below) will be accepted.
(6) Other	An extraordinary report has been filed pursuant to the Financial Instruments and Exchange Act in connection with the Disposal of Treasury Shares.

(Note) The “number of shares to be disposed of” and the “total disposal amount” are calculated on the assumption that shares will be granted as restricted stock to each of the 2,017 employees of the Bank, which represents the maximum number of employees to whom the Plan may apply. The actual number of shares to be disposed of and the total disposal amount will be determined according to the number of employees of the Bank who agree to the Plan (hereinafter the “Eligible Employees”) after completion of the enrollment promotion for non-members of the Shareholding Association and the confirmation of consent to the Plan by members of the Shareholding Association (up to a maximum of 2,017 employees) and the number of shares granted per person as specified according to the Bank’s employee grade structure (Pattern A: up to 607 employees, 125 shares; Pattern B: up to 688 employees, 83 shares; Pattern C: up to 722 employees, 41 shares). Specifically, as set forth in (5) above, the number of shares applied for as determined by the Shareholding Association shall constitute the “number of shares to be disposed of,” and the amount obtained by multiplying such number by the disposal price per share shall constitute the “total disposal amount.”

2. Objective and reason for the Disposal

At a meeting of the Board of Directors held today, the Bank determined to introduce the Plan for the Eligible Employees among the employees of the Bank who are members of the Shareholding Association. The objective is to assist the Eligible Employees in building their assets, to provide the Eligible Employees with incentives to achieve the sustainable enhancement of the Bank's corporate value, and to promote further value sharing between the Eligible Employees and the Bank's shareholders by creating, through the Shareholding Association, opportunities for the Eligible Employees to acquire the Bank's common shares issued or disposed of by the Bank as restricted stock, as a measure to enhance employee benefits and welfare.

The Bank will celebrate its 150th anniversary in 2028. With this milestone in mind, and under our new Medium-Term Management Plan, "“DAKARA IDOMU” That's why, we challenge," we will use the Plan to strengthen employee engagement and enhance sustainable growth in corporate value.

An overview, etc. of the Plan is as follows.

[Overview, etc. of the Plan]

Under the Plan, the Eligible Employees will be granted a monetary claim as a special incentive for the grant of shares as restricted stock (hereinafter the "Special Incentive") by the Bank, and the Eligible Employees will contribute the Special Incentive to the Shareholding Association. The Shareholding Association will then receive the issuance or the disposal of the Bank's common shares as restricted stock by making an in-kind contribution to the Bank of the Special Incentive contributed by the Eligible Employees.

In the event that the Bank's common shares are newly issued or disposed of under the Plan, the payment amount per share of such common shares will be determined by the Board of Directors, based on the closing price of the Bank's common share on the Tokyo Stock Exchange on the business day immediately preceding the date of the relevant Board resolution pertaining to such issuance or the disposal (or, if no transaction took place on that day, the closing price of the immediately preceding trading date), within a range that is not particularly favorable to the Shareholding Association (and, by extension, the Eligible Employees).

When issuing or disposing of the Bank's common shares under the Plan, the Bank and the Shareholding Association will enter into a restricted stock allotment agreement that includes: (i) a prohibition, for a certain period, on the transfer to a third party, creation of a security interest, or other disposal of the allotted shares (hereinafter the "Transfer Restriction"); and (ii) provisions under which the Bank will acquire the allotted shares without consideration upon the occurrence of certain events. In addition, the grant of the Special Incentive to the Eligible Employees will be conditional upon the execution of a restricted stock allotment agreement between the Bank and the Shareholding Association.

Until the Transfer Restriction is lifted, pursuant to the rules of the Shareholding Association and its operational bylaws, etc. (hereinafter the "Shareholding Association Rules, etc.") (Note), the Eligible Employees will be restricted from withdrawing their membership interests (hereinafter the "Restricted Stock Interests" or the "RS Interests") in the restricted stock that they will hold in proportion to the monetary claims contributed to the Shareholding Association.

(Note) The Shareholding Association plans to resolve, at the Board meeting of the Shareholding Association to be held promptly after the Board of Directors' resolution regarding the Disposal of Treasury Shares, to amend the Shareholding Association Rules, etc. to align with the Plan, prior to receiving the Disposal of Treasury Shares. Such amendments are scheduled to take effect two weeks after the issuance of a notice to the members of the Shareholding Association pursuant to the Shareholding Association Rules, etc. following a resolution by the Board meeting of the Shareholding Association, provided that objections from the members of the Shareholding Association are less than one-third of the total number of its members.

In the Disposal of Treasury Shares, pursuant to the Plan, the Bank will dispose of its common shares (the "Allotted Shares") to the Shareholding Association, the proposed allottee, by having the Shareholding Association pay in all of the Special Incentive contributed by the Eligible Employees as properties contributed in kind. An overview of the restricted stock allotment agreement (the "Allotment Agreement") to be entered into between the Bank and the Shareholding Association in connection with the Disposal of Treasury Shares is as described in "3. Overview of the Allotment Agreement" below. The number of shares to be disposed of in the Disposal of Treasury Shares will be determined at a later date, as described in the (Note) in 1. above. However, if all 2,017 employees of the Bank, which is the maximum number of employees to whom the Plan may apply, join the Shareholding Association and agree to the Plan, the number of shares to be disposed of is expected to be 162,581. Assuming such number of shares to be disposed of, the scale of dilution of shares in the Disposal of Treasury Shares will be 0.14% of the total number of issued shares as of March 31, 2026, which was 114,520,000 shares (rounded to the second decimal place; the same shall apply hereinafter in the calculation of percentages) (With March 31, 2026 as a record date, the Bank conducted a 4-for-1 stock split of its common shares held by shareholders listed or recorded in the shareholder register as of the end of that date, effective April 1, 2026. Accordingly, the total number of issued shares and the total number of voting rights as of March 31, 2026, are calculated and presented at a ratio of 4 shares for each common share, and the dilution ratio is calculated accordingly.), and 0.14% of the total number of voting rights as of March 31, 2026, which was 1,127,652.

The introduction of the Plan is intended to assist the Eligible Employees in building their assets, to provide the Eligible

Employees with incentives to achieve the sustainable enhancement of the Bank's corporate value, and to promote further value sharing between the Eligible Employees and the Bank's shareholders by creating, through the Shareholding Association, opportunities for the Eligible Employees to acquire the Bank's common shares issued or disposed of by the Bank as restricted stock, as a measure to enhance employee benefits and welfare. The Bank believes that this will contribute to increasing the corporate value of the Bank. The Bank has determined that the number of shares to be disposed of and the scale of dilution of shares in the Disposal of Treasury Shares are reasonable, and that, even in light of such dilution, the impact on the market will be minimal.

The Disposal of Treasury Shares will be implemented on the conditions that the revised Shareholding Association Rules, etc. take effect by the day preceding the date of the Disposal of Treasury Shares, and that the Allotment Agreement is executed between the Bank and the Shareholding Association within the prescribed period.

3. Overview of the Allotment Agreement

(1) Transfer Restriction period

From August 5, 2026 to June 1, 2029

(2) Conditions for lifting the Transfer Restriction

Subject to the condition that an Eligible Employee has continuously been a member of the Shareholding Association throughout the Transfer Restriction period, the Transfer Restriction on all of the Allotted Shares in the number corresponding to the Restricted Stock Interests held by such Eligible Employee who has satisfied this condition will be lifted upon the expiration of the Transfer Restriction period.

(3) Treatment in the event of withdrawal from the Shareholding Association

If, during the Transfer Restriction period, an Eligible Employee withdraws from the Shareholding Association due to mandatory retirement, appointment as an officer, or other justifiable reason (meaning a loss of membership or the submission of an application for withdrawal, including withdrawal due to death), the Bank shall lift the Transfer Restriction as of the date on which the Shareholding Association receives the Eligible Employee's application for withdrawal (or, in the case of a loss of membership, the date of such loss, and, in the case of withdrawal due to death, the date of death; hereinafter the "Date of Acceptance of Application for Withdrawal"), on all of the Allotted Shares in the number corresponding to the Restricted Stock Interests held by such Eligible Employee as of the Date of Acceptance of Application for Withdrawal.

(4) Treatment in the event of becoming a non-resident of Japan

If, during the Transfer Restriction period, the Bank decides that an Eligible Employee will become a non-resident of Japan due to an overseas transfer, etc., the Transfer Restriction on all of the Allotted Shares in the number corresponding to the Restricted Stock Interests held by such Eligible Employee as of the date of such decision (hereinafter the "Date of Decision on Overseas Transfer, etc.") shall be lifted as of the Date of Decision on Overseas Transfer, etc.

(5) Acquisition by the Bank without consideration

If, during the Transfer Restriction period, an Eligible Employee commits an act in violation of laws or regulations, or otherwise falls under any of the certain events set forth in the Allotment Agreement, the Bank shall automatically acquire, without consideration, all of the Allotted Shares in the number corresponding to the Restricted Stock Interests held by such Eligible Employee as of that time. In addition, the Bank shall automatically acquire, without consideration, any of the Allotted Shares for which the Transfer Restriction has not been lifted as of the expiration of the Transfer Restriction period or as of the time of the lifting of the Transfer Restriction as set forth in (3) or (4) above.

(6) Management of shares

During the Transfer Restriction period, the Allotted Shares will be managed in a dedicated account opened by the Shareholding Association with Nomura Securities Co., Ltd., in order to prevent the transfer, creation of a security interest, or other disposal of the Allotted Shares during that period. Furthermore, the Shareholding Association shall, in accordance with the provisions of the Shareholding Association Rules, etc., register and manage the Restricted Stock Interests separately from the other membership interests held by the Eligible Employees (hereinafter the "Ordinary Interests").

(7) Treatment in the event of organizational restructuring, etc.

In the event that, during the Transfer Restriction period, a merger agreement in which the Bank is to be the absorbed company, a share exchange agreement or a share transfer plan in which the Bank becomes a wholly owned subsidiary, or any other matter relating to organizational restructuring, etc. is approved at the Bank's General Meeting of Shareholders (or, if such organizational restructuring, etc. does not require approval by the Bank's General Meeting of Shareholders, by the Bank's Board of Directors), then, by a resolution of the Board of

Directors, the Transfer Restriction on all of the Allotted Shares held by the Shareholding Association in the number corresponding to the Restricted Stock Interests held by the Eligible Employees as of the date of such approval shall be lifted immediately prior to the close of business on the business day immediately preceding the effective date of such organizational restructuring, etc.

4. Basis and specific details of the calculation of the disposal amount

The Disposal of Treasury Shares to the Shareholding Association, the scheduled allottee, will be carried out through contributions by the Eligible Employees to the Shareholding Association of the Special Incentive that was granted to the Eligible Employees for the grant of restricted stock, as a contribution in kind. The disposal amount has been set at 2,397 yen, which is the closing price of the Bank's common share on the Prime Market of the Tokyo Stock Exchange on May 11, 2026 (the business day immediately preceding the date of the Board of Directors' resolution), in order to eliminate arbitrariness. This is the market price immediately prior to the date of the Board of Directors' resolution, and the Bank believes that it is reasonable and does not constitute a particularly favorable amount.

The deviation rate of this disposal amount from the average closing price of the Bank's common share on the Prime Market of the Tokyo Stock Exchange (rounded to the second decimal place) is as follows (The deviation rate is calculated using the share price that takes into account the stock split effective as of April 1, 2026.).

Period	Average closing price (rounded down to the nearest yen)	Deviation rate
One month (April 12, 2026 to May 11, 2026)	2,377 yen	0.84%
Three months (February 12, 2026 to May 11, 2026)	2,283 yen	4.99%
Six months (November 12, 2025 to May 11, 2026)	2,015 yen	18.96%

5. Matters related to procedures under the code of corporate conduct

Since (i) the dilution ratio is less than 25%; and (ii) the Disposal of Treasury Shares does not involve a change in controlling shareholders, the Bank is not required to obtain an opinion from an independent third party or to confirm the intent of shareholders, as stipulated in Article 432 of the Securities Listing Regulations established by the Tokyo Stock Exchange.

(Reference)

[Structure of the Plan]

- (i) The Bank will grant monetary claims to the Eligible Employees as a special incentive for the grant of restricted stock.
- (ii) The Eligible Employees will contribute the monetary claims described in (i) above to the Shareholding Association.
- (iii) The Shareholding Association will aggregate the monetary claims contributed in (ii) above and pay them in to the Bank.
- (iv) The Bank will allot the Allotted Shares to the Shareholding Association as restricted stock (referred to as “RS” in the diagram below).
- (v) The Allotted Shares will be deposited, through Nomura Securities Co., Ltd., into a dedicated account opened by the Shareholding Association, and withdrawals will be restricted during the Transfer Restriction period.
- (vi) Following the lifting of the Transfer Restriction, the Allotted Shares will be transferred to the Ordinary Interests or a securities account in the name of the Eligible Employee.

