



July 24, 2026

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Notice Concerning Disposal of Treasury Shares as Restricted Stock Compensation

The Shikoku Bank, Ltd. (the “Bank”) hereby announces that it has resolved, at a meeting of the Bank’s Board of Directors held today, to dispose of treasury shares as restricted stock compensation (the “Treasury Share Disposal”), as described below.

1. Overview of disposal

(1)	Date of disposal	August 12, 2026
(2)	Class and number of shares for disposal	12,700 shares of common stock of the Bank
(3)	Disposal price	3,315 yen per share
(4)	Total value of disposal	42,100,500 yen
(5)	Planned allottees of shares	6 Directors of the Bank* 12,700 shares *Excluding Directors who are Members of the Audit & Supervisory Committee and Outside Directors

2. Purpose and reason for disposal

At a meeting of its Board of Directors held on May 11, 2018, the Bank passed a resolution to introduce a stock compensation plan (the “Plan”) under which shares of restricted stock are allotted to the Bank’s Directors (excluding Directors who are Members of the Audit & Supervisory Committee and Outside Directors; the “Eligible Directors”) as an incentive to work to sustainably enhance the Bank’s corporate value, as well as to promote value sharing between the Eligible Directors and shareholders. In addition, at the 204th Annual General Meeting of Shareholders of the Bank held on June 26, 2018, it was resolved, among other things, that the total amount of monetary compensation claims to be paid to the Eligible Directors as compensation, etc. related to the transfer restricted stock under the Plan shall be set at not more than 70 million yen per year, that the total number of restricted stock to be allotted to the Eligible Directors in each fiscal year shall be not more than 75,000 shares, and that the transfer restriction period of the restricted stock shall be a period of 30 years.

Today, by resolution of the Bank’s Board of Directors, the Bank will grant monetary compensation claims of 42,100,500 yen to six Eligible Directors (the “Allottees”) as restricted stock compensation for the period from the Bank’s 212th Annual General Meeting of Shareholders to its 213th Annual General Meeting of Shareholders scheduled to be held in June 2027, and that 12,700 shares of the Bank’s common stock would be allotted as specified restricted shares by way of the Allottees making contribution in kind of all of the said monetary compensation claims. The amount of monetary compensation claims for each Allottee is determined in accordance with their position and performance in the previous fiscal year. Furthermore, the monetary compensation claims will be paid to each Allottee on the condition that the Allottee enters into a restricted stock allotment agreement (the “Allotment Agreement”) with the Bank, which includes, in general, the following terms.

3. Overview of the Allotment Agreement

(1) Transfer restriction period

August 12, 2026 – August 11, 2056

During the period of transfer restriction (the “Transfer Restriction Period”) set forth above, the Allottees may not transfer to a third party, create a pledge, grant a security interest, or make a living gift, bequest, or otherwise dispose of the allotted transfer restricted stock (the “Allotted Shares”) provided to the Allottee (the “Transfer Restrictions”).

(2) Acquisition of restricted shares without compensation

If an Allottee loses their position as an Eligible Director prior to the expiration of the Transfer Restriction Period, the Bank will as a matter of course acquire the Allotted Shares without compensation as of the time of such loss, unless there is a reason (the conclusion of term of office, etc.) that the Bank’s Board of Directors deems justifiable. In addition, if any of the Allotted Shares have not been released from the restrictions on transfer in accordance with the provisions of (3) below at the time when the Transfer Restriction Period expires (the “Expiration Date”), the Bank shall as a matter of course acquire such Allotted Shares without compensation as of the time immediately following the Expiration Date.

(3) Removal of Transfer Restrictions

Subject to the condition that the Allottee has continuously been in a position as an Eligible Director during the Transfer Restriction Period, the Bank will remove the Transfer Restrictions of all Allotted Shares held by the Allottee as of the Expiration Date of the Transfer Restricted Period. However, in the event that an Allottee loses their position as Eligible Director prior to the conclusion of the Transfer Restriction Period for a reason deemed justifiable by the Bank’s Board of Directors (the conclusion of term of office, etc.), the Transfer Restrictions shall be removed at a point in time immediately after said loss with respect to the Allotted Shares, the number of which shall be obtained by dividing by 12 the number of months passed from July 2026 up to and inclusive of the month the Allottee loses their position as Eligible Director (however, when the resulting number is more than 1, the number shall be set at 1), and then multiplying this value by the number of Allotted Shares held by the Allottee at such point in time (any fractions less than one resulting from the calculation shall be rounded down).

(4) Rules on the administration of shares

The Allottees shall complete procedures for opening an account at SMBC Nikko Securities Inc. in the manner as designated by the Bank for stating or recording matters related to the Allotted Shares, which shall be kept and maintained in said account until such time that the Transfer Restrictions have been removed

(5) Treatment in case of organizational restructuring, etc.

If, during the Transfer Restriction Period, any matter relating to a merger agreement in which the Bank becomes the dissolving company, a share exchange agreement, or share transfer plan in which the Bank becomes a wholly-owned subsidiary, or other organizational restructuring is approved at a General Meeting of Shareholders of the Bank (or, if an approval at a General Meeting of Shareholders of the Bank is not required regarding the above mentioned organizational restructuring, etc., then the approval of the Board of Directors of the Bank), pursuant to the resolution of the Board of Directors of the Bank, the Transfer Restrictions on the Allotted Shares of a number obtained by dividing by 12 the number of months passed from July 2026 up to and inclusive of the month in which said approval was given (however when the resulting number is more than 1, the number shall be set at 1), and then multiplying this value by the number of Allotted Shares held by the Allottee as of the date of said approval (any fractions less than 1 resulting from the calculation shall be rounded down), shall be removed immediately prior to the business day preceding the effective date of such organizational restructuring, etc.

In such a case, pursuant to the provisions mentioned above, all Allotted Shares on which Transfer Restrictions have not been removed as of the business day immediately preceding the effective date of the organizational restructuring, etc. shall be acquired as a matter of course by the Bank without compensation on said date.

4. Basis of calculation of the payment amount and specific details thereof

To eliminate arbitrariness in the determination of the disposal price for the Treasury Share Disposal, said price shall be set at 3,315 yen, which is the closing price of the Bank’s common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of resolution by the Board of Directors of the Bank (July 23, 2026). As this is the market price of the day immediately preceding the day of resolution of the Board of Directors of the Bank, we believe it is reasonable and does not represent a particularly favorable price.

*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.

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