



June 24, 2025

Company name:	Bank of The Ryukyus, Ltd.
Name of representative:	Ken Shimabukuro President
Securities code:	8399 (TSE Prime Market, FSE)
Inquiries:	Shinichiro Higa General Manager, General Planning Department
Telephone:	+81-98-860-3787

Notice Concerning Disposal of Treasury Shares as Restricted Stock Compensation

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

1. Overview of the Disposal

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| (1) Disposal date | July 18, 2025 |
| (2) Class and number of shares to be disposed of | 61,483 common shares of the Bank |
| (3) Disposal price | 1,143 yen per share |
| (4) Total value of shares to be disposed of | 70,275,069 yen |
| (5) Allottees and number thereof, and number of shares to be disposed of | 6 Directors of the Bank (excluding Outside Directors)
54,511 shares
1 Executive Officer of the Bank 6,972 Shares |
| (6) Other matters | The written notice of securities has been submitted with respect to the Disposal of Treasury Shares as stipulated in the Financial Instruments and Exchange Act. |

2. Purpose and reasons for the Disposal

At the Board of Directors meeting held on May 10, 2019, the Bank has resolved to introduce a Restricted Stock Compensation Plan (hereinafter, referred to as the “Plan”) as a new compensation plan for the Bank’s Directors excluding Outside Directors (hereinafter, referred to as the “Eligible Directors”) to provide a medium- to long-term incentive and to share shareholder value. Based on the Plan, approval was obtained at the 103rd Annual General Meeting of Shareholders held on June 27, 2019 for granting monetary compensation claims at a maximum of 80 million yen per year to the Eligible Directors as monetary compensation to be contributed as property for the acquisition of restricted shares and to set the transfer restriction period for restricted shares to be 30 years from the date of allotment.

The details of the Plan are as described below.

[Overview of the Plan]

The Eligible Directors shall pay all monetary compensation claims granted by the Bank in the form of property contributed in kind in accordance with the Plan, and shall receive common shares of the Bank through issuance or disposal. Furthermore, the total maximum number of common shares to be issued or disposed of by the Bank for the Eligible Directors under the Plan shall be 80,000 shares per year. The amount to be paid per share shall be determined by the Board of Directors, after deliberation by the Corporate Governance Committee, an advisory committee of the Board of Directors, to be held prior to the Board of Directors meeting, within a range that is not particularly advantageous to the Eligible Directors receiving the shares of common stock, based on the closing price of the Bank's common stock on domestic securities exchanges where the Bank's common stock is listed, on the business day preceding the date of each resolution of the Board of Directors (if there are no trades on this day, the closing price on the most recent preceding trading day).

In addition, when issuing or disposing of the Bank's common shares under the Plan, the Bank shall enter into a restricted share allotment agreement with the Eligible Directors. The agreement shall include clauses, such as (i) the Eligible Directors shall not transfer, create security interests on, or otherwise dispose of the allotted common shares of the Bank for a certain period of time as stated in the agreement, and (ii) the Bank shall acquire the common shares without consideration under certain circumstances.

This time, the Bank granted a total of 70,275,069 yen of monetary compensation claims (hereinafter, referred to as the "Monetary Compensation Claims") and 61,483 common shares to further motivate the Eligible Directors and the Executive Officer (hereinafter, referred to as the "Eligible Officers"), as well as to appoint talented personnel as officers, by taking into account the Plan's objective, business conditions of the Bank, scope of responsibilities of the Eligible Officers, and various circumstances.

As for the Disposal of Treasury Shares, seven Eligible Officers to whom the shares will be allotted shall pay all Monetary Compensation Claims to the Bank in the form of property contributed in kind, and shall receive common shares of the Bank (hereinafter, referred to as the "Allotted Shares") through disposal. The overview of the restricted share allotment agreement (hereinafter, referred to as the "Allotment Agreement") entered into between the Bank and the Eligible Officers for the Disposal of Treasury Shares is provided in the item 3. below.

3. Overview of the Allotment Agreement

(1) Transfer restriction period

From July 18, 2025 to July 18, 2055

(2) Condition for the lifting of transfer restrictions

The Bank shall lift the transfer restrictions on all Allotted Shares when the transfer restriction period ends, subject to the Eligible Officers serving continuously in the positions of Directors or Executive Officers of the Bank during the period from June 24, 2025 to the conclusion of the Annual General Meeting of Shareholders in the following year (hereinafter, referred to as the "Expected Service Period").

(3) Treatment upon retirement of the Eligible Officers due to death or other justifiable reasons during the transfer restriction period

(i) Timing of the lifting of transfer restrictions

If the Eligible Officers retire from their positions as Directors or Executive Officers of the Bank due to death or other justifiable reasons, the Bank shall lift the transfer restrictions upon their retirement.

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

The number of shares is based on the number of the Allotted Shares held at the time of the retirement as stated in (i) multiplied by the number of months of the Eligible Officers tenure pertaining to the Expected Service Period divided by 12 (if the number exceeds one, then it is taken as one), rounding down any fractional shares resulting from the calculation.

(4) Treatment upon retirement of the Eligible Officers due to death or other justifiable reasons after the end of the service period and before the end of the transfer restriction period

(i) Timing of the lifting of transfer restrictions

If the Eligible Officers retire from their positions as Directors or Executive Officers of the Bank due to death or other justifiable reasons, the Bank shall lift the transfer restrictions upon their retirement.

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

Number of the Allotted Shares held at the time of the retirement as stated in (i)

(5) Acquisition by the Bank without consideration

The Bank shall automatically acquire, without consideration, any Allotted Shares from which transfer restrictions have not been lifted, at the end of the transfer restriction period or at the time of the lifting of the transfer restrictions as stated in (3) and (4) above.

(6) Management of shares

The Allotted Shares shall be managed in dedicated accounts opened by the Eligible Officers at Nomura Securities Co., Ltd. to prevent the Eligible Officers from transferring, creating security interests on, or otherwise disposing of the shares during the transfer restriction period. The Bank has entered into an agreement with Nomura Securities Co., Ltd. related to the management of the accounts of the Allotted Shares held by the Eligible Officers in order to secure the effectiveness of the transfer restrictions, etc. pertaining to the Allotted Shares. In addition, the Eligible Officers shall agree to the contents of the management of the accounts.

(7) Treatment in organizational restructuring, etc.

If, during the transfer restriction period, the General Meeting of Shareholders of the Bank (or the Board of Directors of the Bank in cases when approval by the General Meeting of Shareholders of the Bank is not required in regard to the organizational restructuring, etc.) approves a merger agreement with the Bank as the disappearing company, share exchange agreement where the Bank will become a wholly owned subsidiary, share transfer plan, or other items related to organizational restructuring, etc., the Bank shall lift the transfer restrictions immediately before the business day preceding the effective date of the organizational restructuring, etc., in accordance with the resolution of the Board of Directors, for the number of shares based on the number the Allotted Shares held at the time multiplied by the number of months from June 2025 to the month including the date of the approval divided by 12 (if the number exceeds one, then it is taken as one), rounding down any fractional shares resulting from the calculation. In addition, the Bank shall automatically acquire, without consideration, all Allotted Shares from which transfer restrictions have not been lifted, immediately after the lifting of the transfer restrictions.

4. Basis of calculation of the amount to be paid and specific details thereof

The Disposal of Treasury Shares to the scheduled allottees shall be conducted with the Monetary Compensation Claims granted as restricted stock compensation in the form of property contributed in kind, under the Plan for the Bank's 109th fiscal year. The disposal price of the shares is set at the closing price of the Bank's common stock, which is 1,143 yen, on the TSE Prime Market on June 23, 2025 (on the business day preceding the date of the resolution of the Board of Directors) to avoid disposing of the shares at an arbitrary price. This is the market price of the day immediately before the date of the resolution of the Board of Directors, and thus the Bank considers it reasonable and not a particularly advantageous price.