

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.



May 9, 2025

Company name: The Awa Bank, Ltd.  
Representative: Takehisa Fukunaga  
President and Director  
(Securities code: 8388; Tokyo Stock Exchange Prime Market)  
Inquiries: Akira Toyota, Director and General Manager of Business Management Division  
(Telephone: +81-88-623-3131)

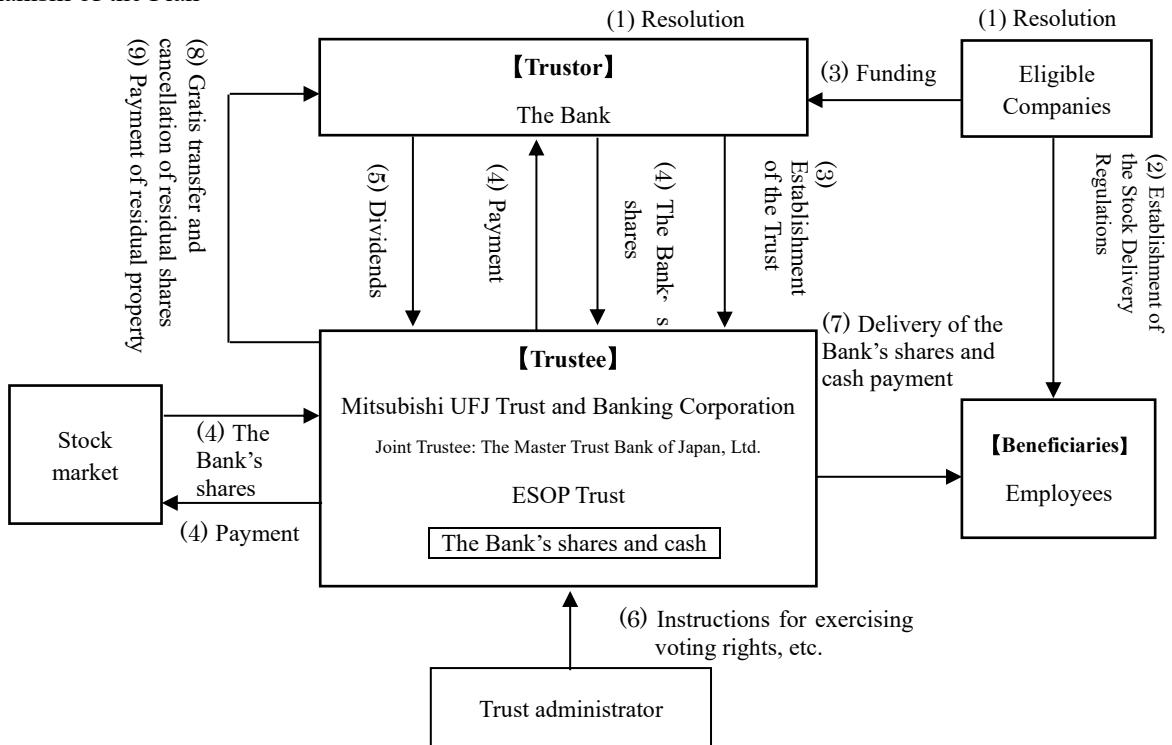
## **Notice Concerning the Introduction of the Stock-based Compensation Plan for Employees (Details Determined)**

As announced in the “Notice Concerning the Introduction of the Stock-based Compensation Plan for Employees” dated February 26, 2025, The Awa Bank, Ltd. (the “Bank”) has resolved to introduce a stock-based compensation plan (hereinafter, the “Plan”) for employees (hereinafter, the “Employees”) of the Bank and its consolidated Group subsidiaries (hereinafter, the “Eligible Companies”). At a meeting of the Board of Directors held on May 9, 2025, the Bank determined details of the Plan, including the timing of its introduction and the total amount of shares to be acquired. The details are described below.

### **1. Introduction of the Plan**

- (1) In order to realize the sustainable growth of the Group, the Bank will introduce the Plan as part of its “human capital investment” with the aims of further raising employees’ awareness of business performance and improvements in the share price, further increasing employee engagement, and improving the motivation of employees to contribute to the enhancement of corporate value.  
The Bank will celebrate the 130th anniversary of its founding in 2026. With this milestone of 130 years in mind, and with a view to achieving our long-term management plan, “Growing beyond 130<sup>th</sup>,” we will develop a sense of unity throughout the Group through the introduction of the Plan, and aim for the further growth and development of the Group.
- (2) The Plan employs a mechanism known as the Employee Stock Ownership Plan (ESOP) Trust (hereinafter, the “ESOP Trust”). The ESOP Trust is an employee incentive plan that is based on the U.S. ESOP Plan, whereby the shares of the Bank acquired by the ESOP Trust are delivered to employees in accordance with the pre-determined Stock Delivery Regulations.
- (3) The introduction of this Plan will enable employees to receive economic benefits from any rise in the Bank’s share price, which is expected to encourage employees to take the share price into consideration when performing their duties, and to increase their motivation to work. In addition, the exercise of voting rights to the Bank’s shares that are part of the trust property of the ESOP Trust is a mechanism that reflects the will of employees who are potential beneficiaries, thereby making it an effective corporate value enhancement plan that encourages employee participation in management.

## 2. Mechanism of the Plan



- (1) The Bank and each Eligible Company pass the necessary resolutions regarding the introduction of the ESOP Trust.
- (2) The Bank and each Eligible Company establish the Stock Delivery Regulations regarding the Plan for each Eligible Company.
- (3) The Bank and each Eligible Company make monetary contributions to establish an ESOP Trust with employees who meet the beneficiary requirements as beneficiaries.
- (4) In accordance with instructions from the trust administrator, the ESOP Trust uses the funds contributed in (3) to acquire the number of shares expected to be delivered to the beneficiaries within the trust period, either from the stock market or from the Bank (disposal of treasury shares).
- (5) Dividends are payable on the Bank's shares held in the ESOP Trust, similarly on other shares of the Bank.
- (6) Regarding the Bank's shares held in the ESOP Trust, the trust administrator provides instructions regarding the exercise of shareholder rights, including voting rights, throughout the trust period, and the ESOP Trust exercises its shareholder rights in accordance with these instructions.
- (7) During the trust period, employees who meet certain requirements in accordance with the Stock Delivery Regulations are granted a certain number of points based on their position and performance, etc., and receive the Bank's shares, etc. according to the number of points held.
- (8) If there are any residual shares at the end of the trust period, the ESOP Trust may be used as an incentive plan similar to the Plan by amending the trust agreement and making additional contributions. If the ESOP Trust is to be discontinued, the residual shares are transferred to the Bank without consideration, and are canceled by resolution of the Board of Directors.
- (9) Any remaining dividends pertaining to the Bank's shares held in the ESOP Trust upon the expiration of the trust period are used as funds to acquire shares in the event that the ESOP is to be continued. However, if the ESOP Trust is terminated due to the expiration of the trust period, the portion exceeding the trust's expense reserves is donated to an organization with no vested interest in the Bank.

Note: In the event that, during the trust period, there is a possibility that the number of shares in the ESOP Trust will become insufficient, or that the money in the trust property will become insufficient to pay trust fees and trust expenses, additional monies may be entrusted to the ESOP Trust.

●Details of the trust agreement

1. Type of trust:	Monetary trusts other than specified individually managed money trusts (third-party benefit trust)
2. Purpose of the trust:	To provide incentives to employees
3. Trustor:	The Bank
4. Trustee:	Mitsubishi UFJ Trust and Banking Corporation (Joint Trustee: The Master Trust Bank of Japan, Ltd.)
5. Beneficiaries:	Employees who meet the beneficiary requirements
6. Trust administrator:	A third party with no vested interest in the Bank
7. Date of trust agreement:	May 19, 2025 (scheduled)
8. Trust period:	From May 19, 2025 to August 31, 2034 (scheduled)
9. Start date of the Plan:	May 19, 2025 (scheduled)
10. Exercise of voting rights:	The trustee exercises the voting rights pertaining to the Bank's shares in accordance with instructions from the trust administrator, which reflect the voting status of the potential beneficiaries.
11. Class of shares to be acquired:	Common shares of the Bank
12. Total amount of the shares to be acquired:	1,500 million yen (scheduled)
13. Acquisition period of the shares:	From May 22, 2025 (scheduled) to June 20, 2025 (scheduled)
14. Method of acquiring shares:	Acquisitions from the stock market (including ToSTNeT)
15. Holder of vested rights:	The Bank
16. Residual property:	The residual property that the Bank, as the holder of vested rights, may receive is within the scope of the trust expense reserve.