



May 9, 2025

Company Name: THE SHIGA BANK, LTD.
Representative: Shinya Kubota,
President & CEO
(Securities code: 8366, TSE Prime Market)
Inquiries: Masaaki Hiranuma
General Manager of General Planning Dept.
(Telephone: +81-77-521-2200)

Notice of Disposal of Treasury Shares as Restricted Stock Compensation

The SHIGA BANK, Ltd. (the “**Bank**”) hereby announces that it has resolved at the meeting of its board of directors held on May 9, 2025, to dispose of its treasury shares as restricted stock compensation (the “**Disposal of Treasury Shares**”), as follows.

1. Overview of disposal

(1) Payment date	September 1, 2025
(2) Class and number of shares to be disposed of	197,900 shares of the Bank’s common stock
(3) Disposal value	5,930 yen per share
(4) Total disposal value	1,173,547,000 yen
(5) Recipients of disposed shares	1,979 Bank employees: 197,900 shares
(6) Other	The Bank has submitted an extraordinary report under the Financial Instruments and Exchange Act in connection with the Disposal of Treasury Shares.

2. Purpose of and reasons for disposal

The Bank resolved at the meeting of its board of directors held on May 9, 2025, to introduce a stock compensation plan to deliver shares with restriction on transfer (the “**Restricted Shares**”) for the purpose of giving incentives to the Bank employees to sustainably increase the Bank’s corporate value, as well as further encouraging those employees to share the same values as the Bank’s shareholders (the “**Plan**”).

The Bank resolved at the meeting of its board of directors today to allot 197,900 shares of its common stock as specified shares with restriction on transfer. Specifically, the Bank will grant monetary remuneration receivables totaling 1,173,547,000 yen to 1,979 Bank employees, who are contemplated allottees (the “**Eligible Allottees**”), as restricted stock compensation for the period from September 1, 2025 to June 1, 2029. Thereafter, the Eligible Allottees will pay all the monetary remuneration receivables so granted in the form of property contributed in kind. The amount of monetary remuneration receivables

payable to each Eligible Allottee has been uniformly set as 593,000 yen after comprehensive consideration of various matters such as the degree of contribution of the Eligible Allottees at the Bank. As the scale of dilution by the Disposal of Treasury Shares is minor at 0.43% (rounded off to the third decimal place) to the 46,081,984 shares of the total number of issued (excluding treasury shares and) outstanding shares of the Bank as of March 31, 2025, it is considered reasonable in light of the purpose of the Plan. The aforementioned monetary remuneration receivables are paid subject to the respective Eligible Allottees executing an allotment agreement for Restricted Shares (the “**Allotment Agreement**”) with the Bank that substantially includes the following details as the content thereof.

3. Overview of the Allotment Agreement

(1) Restriction period

Period from September 1, 2025 to June 1, 2029.

During the above transfer restriction period (the “**Restriction Period**”), no Eligible Allottees shall transfer, create a pledge or mortgage by transfer on, offer as an inter vivos gift, make a bequest of, or otherwise dispose of, the Restricted Shares allotted to them (the “**Allotted Shares**”) to or in favor of any third parties (the “**Transfer Restrictions**”).

(2) Acquisition of Restricted Shares without contribution

If an Eligible Allottee retires from his or her position as employee of the Bank prior to expiration of the Restriction Period, the Bank shall automatically acquire the Allotted Shares without contribution upon the retirement, unless there is a reason deemed valid by the Bank’s board of directors.

If there are Allotted Shares on which Transfer Restrictions have not been lifted at the expiration of the Restriction Period (the “**Expiration**”) pursuant to any of the Transfer Restriction lifting events set forth in (3) below, the Bank shall automatically acquire those Allotted Shares without contribution, immediately after the Expiration.

(3) Lifting of Transfer Restrictions

Upon the Expiration, the Bank shall lift the Transfer Restrictions on all Allotted Shares held by an Eligible Allottee at that time (However, if the Eligible Allottee takes a leave of absence during the Restriction Period, then the Transfer Restrictions on the number of Allotted Shares calculated as follows will be lifted at that time: $(46 - (a)) \div 46 \times (b)$; where (a) is the number of months from the month in which the date of commencement of leave of absence falls, to the month in which the date of reinstatement is included (if the last day of the Restriction Period falls earlier than the date of reinstatement, then the number of months to the last day of the Restriction Period), and (b) is the number of Allotted Shares then held by the Eligible Allottee (any fractional shares less than one share resulting from the calculation will be discarded)), subject to the Eligible Allottee continuing to hold the position of employee of the Bank throughout the Restriction Period. However, if the Eligible Allottee (i) will retire from the position of employee of the Bank for reaching retirement age or other reasons

deemed valid by the Bank's board of directors prior to the Expiration, (ii) retires from the position of employee of the Bank for death or other reason deemed valid by the Bank's board of directors prior to the Expiration, or (iii) reaches the age of 55 years old while holding the position of employee of the Bank prior to the Expiration, then the Transfer Restrictions on the number of Allotted Shares calculated as follows will be lifted (i) the first day of the month in which the date of retirement is included, (ii) immediately after the retirement, or (iii) the time immediately after expiration of the last day of the month in which the date on which the Eligible Allottee reaches the age of 55 years old is included (if the last day falls prior to the date of submission of the semiannual securities report related to the Bank's 139th fiscal year, the date immediately following the date of submission of the semiannual report): (a) the number of months beginning September 2025 to the month in which the Eligible Allottee (i) will retire from the position of employee of the Bank, (ii) retires from the position of employee of the Bank, or (iii) the month in which the date on which the Eligible Allottee reaches the age of 55 years old is included, (however, if the Eligible Allottee takes a leave of absence during the Restriction Period, excluding the number of months from the month in which the date of commencement of leave of absence falls, to the month in which the date of reinstatement is included (if (i) the first day of the month in which the date of retirement is included, (ii) the date of retirement, or (iii) the last day of the month in which the Eligible Allottee reaches the age of 55 years old falls earlier than the date of reinstatement, then the number of months to the month including such dates)), divided by 46, multiplied by (b) the number of Allotted Shares then held by the Eligible Allottee (any fractional shares less than one share resulting from the calculation will be discarded).

(4) Management of shares

The Eligible Allottees shall complete the opening of an account with SMBC Nikko Securities Inc. to enter or record the Allotted Shares in a manner designated by the Bank and shall keep and maintain the Allotted Shares in the account until the Transfer Restrictions are lifted.

(5) Treatment during reorganization

If, during the Restriction Period, a proposition relating to a merger agreement in which the Bank is the disappearing company, a share exchange agreement or share transfer plan in which the Bank becomes a wholly owned subsidiary, or other reorganization or other similar procedures (the "**Reorganization**") is approved at the Bank's General Meeting of Shareholders (or at a meeting of its board of directors in cases where approval at the Bank's General Meeting of Shareholders is not required in relation to the Reorganization) (limited to cases where the date on which the Reorganization becomes effective falls earlier than the Expiration, the "Time of Approval of Reorganization"), then the Transfer Restrictions on the number of Allotted Shares calculated as follows will be lifted by a resolution of the Bank's board of directors immediately before the business day immediately prior to the date on which the Reorganization becomes effective: (a) the number of months from September 2025 to the month in which the approval is given (however, if the Eligible Allottee takes a leave of absence during the Restriction Period, excluding the number of months from the month in which the date of commencement of leave of absence falls, to the month in which the date of reinstatement is included (if the date of approval falls earlier than the

date of reinstatement, then the number of months to the month including the date of approval)), divided by 46, multiplied by (b) the number of Allotted Shares held by the Eligible Allottees on the date of approval (any fractional shares less than one share resulting from the calculation will be discarded).

At the Time of Approval of Reorganization, the Bank shall, as of the business day immediately prior to the date on which the Reorganization becomes effective, automatically acquire without contribution all Allotted Shares on which Transfer Restrictions have not been lifted on that day.

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

To eliminate any arbitrariness in the disposal value in the Disposal of Treasury Shares, 5,930 yen, which is the closing value of shares of the Bank's common stock on the Tokyo Stock Exchange on the business day immediately prior to the date of resolution by the Bank's board of directors (May 8, 2025), is used as the disposal value. The value is the Bank's market stock price immediately prior to the date of resolution of its board of directors, which the Bank considers is a rational value and not particularly favorable.

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