



March 25, 2026

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Notice Concerning Partial Revisions to the Stock-based Remuneration System

Nishi-Nippon Financial Holdings, Inc. (the “Company”) hereby announces that at the meeting of the Board of Directors held on March 25, 2026, it resolved to add Directors (excluding Directors who are Audit and Supervisory Committee members; hereinafter the same shall apply unless otherwise stated) and Executive Officers of THE NISHI-NIPPON CITY BANK, LTD. (hereinafter, “NISHI-NIPPON CITY BANK”), a subsidiary of the Company (hereinafter, collectively with Directors of NISHI-NIPPON CITY BANK, “NISHI-NIPPON CITY BANK Directors, etc.”), to the Stock-based Remuneration System (Board Benefit Trust (“BBT”)) (hereinafter, the “System”; the trust established pursuant to the trust agreement entered into with Mizuho Trust & Banking Co., Ltd. in relation to the System shall be referred to as the “Trust”), which was introduced at the 6th Annual General Meeting of Shareholders held on June 29, 2022, and to make associated partial revisions to the System (hereinafter, the “Revisions”), as follows.

The Revisions shall take effect on the condition that the proposal to introduce the System is approved as originally proposed at the General Meeting of Shareholders of NISHI-NIPPON CITY BANK scheduled to be held in June 2026 and at the subsequent meeting of the Board of Directors.

An overview of the System was disclosed in the “Notice Concerning the Introduction of a Stock-based Remuneration System for Directors” dated March 25, 2022 (hereinafter, the “Initial Disclosure”) but shall be partially revised as described in 2. below.

1. Background and purpose of the Revisions

The Company has introduced the System to make clearer the link between compensation to the Company’s Directors (excluding Directors who are Audit and Supervisory Committee members; hereinafter the same shall apply unless otherwise stated) and the Company’s stock value and to further raise awareness of the need to contribute to the enhancement of corporate value over the medium and long term.

The Company has now decided to make NISHI-NIPPON CITY BANK Directors, etc. eligible for the System to make clearer the link between compensation to NISHI-NIPPON CITY BANK Directors, etc. and the Company’s stock value and to further raise awareness of the need to contribute to the enhancement of the corporate value of the Nishi-Nippon FH Group over the medium and long term. In the meantime, shares already acquired by the Trust shall be used to provide NISHI-NIPPON CITY BANK Directors, etc. with the Company’s common stock (hereinafter, the “Company Shares”) and money in the amount equivalent to the fair value of the Company Shares (hereinafter, collectively with the Company Shares, the “Company Shares Etc.”).

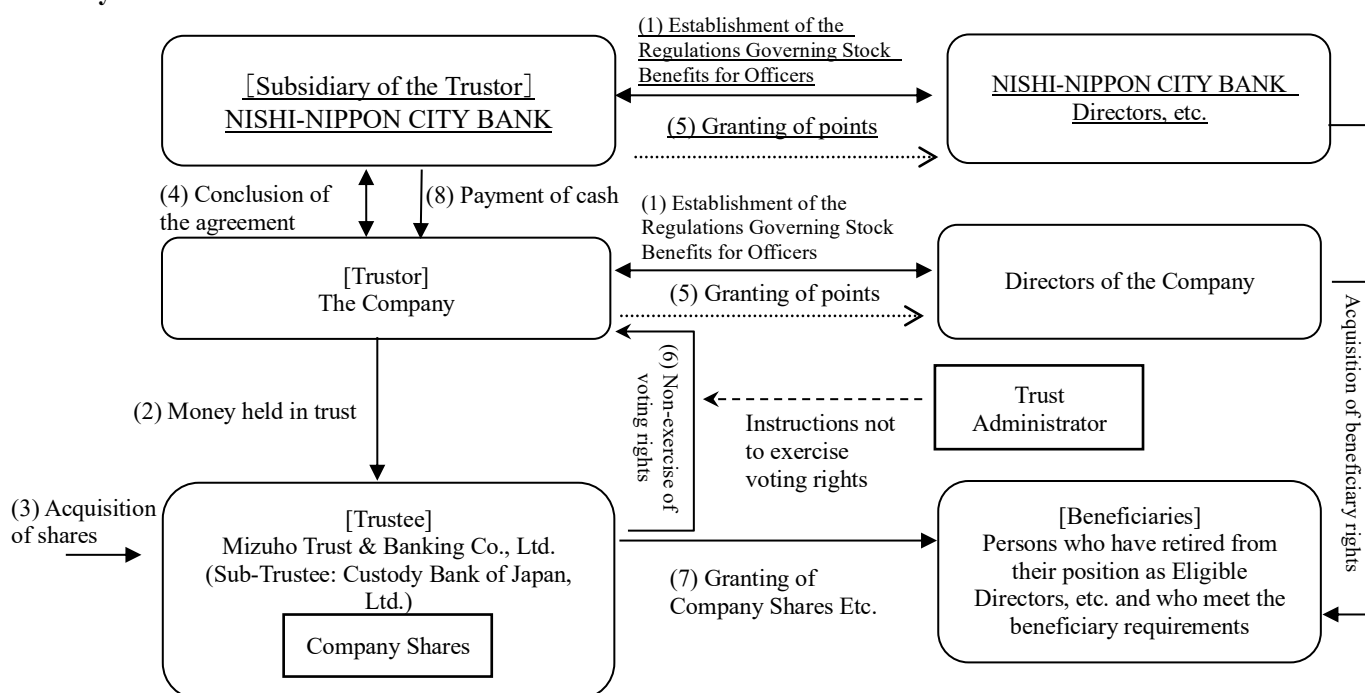
2. Summary of the System

In accordance with 1. above, the existing System shall be partially revised (main revisions are underlined. Please refer to the Initial Disclosure for details of the existing System).

(1) Summary of the System

Under the System, the Company Shares are acquired through the Trust by using cash contributed by the Company as funds. The Company Shares Etc. are provided through the Trust to persons eligible under the System as stipulated in (2) below (hereinafter, the “Eligible Directors, etc.”) in accordance with the Regulations Governing Stock Benefits for Officers established by the Company and NISHI-NIPPON CITY BANK; provided that in principle, the timing of the provisions of the Company Shares Etc. to Eligible Directors, etc. is when they retire from their position as Eligible Directors, etc.

<System Structure>



- (1) The Company and NISHI-NIPPON CITY BANK shall obtain a resolution concerning officer compensation with regard to the System at their respective general meetings of shareholders, and shall establish Regulations Governing Stock Benefits for Officers within the framework approved at their respective general meetings of shareholders.
- (2) The Company shall entrust money to the extent approved by resolution of the general meetings of shareholders in (1).
- (3) The Trust shall use the money entrusted in (2) as funds to acquire Company Shares either by purchasing them from the stock exchange or by subscribing for treasury shares offered by the Company.
- (4) The Company and NISHI-NIPPON CITY BANK shall enter into an agreement regarding the implementation of the stock benefit system.
- (5) The Company and NISHI-NIPPON CITY BANK shall grant points to Eligible Directors, etc. pursuant to the Regulations Governing Stock Benefits for Officers.
- (6) The Trust shall follow the instructions of the Trust Administrator, who is independent from the Company, and shall not exercise voting rights related to the Company Shares held in the Trust account.
- (7) The Trust shall provide Company Shares to retired Eligible Directors, etc. who meet the beneficiary requirements stipulated in the Regulations Governing Stock Benefits for Officers (hereinafter, “Beneficiaries”) in accordance with the number of points granted to said

- Beneficiaries. However, if Eligible Directors, etc. meet the requirements stipulated in the Regulations Governing Stock Benefits for Officers, the Trust shall provide a certain percentage of the points in the form of cash equivalent to the market value of the Company Shares.
- (8) In accordance with the agreement described in (4), NISHI-NIPPON CITY BANK shall make a settlement to the Company for the amount of money equivalent to the Company Shares Etc. granted to NISHI-NIPPON CITY BANK Directors, etc. described in (7). (In such case, the amount of money equivalent to the Company Shares Etc. shall be the accounting amount and not the market value at the time of the grant.)

(2) Persons eligible for the System

Directors (excluding Directors who are Audit and Supervisory Committee members) of the Company and Directors (excluding Directors who are Audit and Supervisory Committee members) and Executive Officers of THE NISHI-NIPPON CITY BANK, LTD.

(3) Term of trust

The term of trust shall be from September 2022 to the time of termination of the Trust (provided that any specific expiry date of the term of trust of the Trust shall not be determined and that the Trust shall continue to exist as long as the System continues; provided, however, that the Trust shall terminate, as set forth in item (10) below, in the event of the delisting of the Company Shares, the abolition of the Regulations Governing Stock Benefits for Officers, etc.)

(4) Amount of trust

The Company shall introduce the System for the three fiscal years of the fiscal year ended March 31, 2023 to the fiscal year ended March 31, 2025 (hereinafter, these three fiscal years shall be referred to as “the Initial Period,” and the Initial Period and each of the three fiscal year periods ensuing the Initial Period as “the Period”) and each of the Periods thereafter, and has contributed a maximum of 90 million yen in cash to the Trust at the time of establishment of the Trust (September 2022) as funds to be used for the Initial Period by the Trust for acquiring Company Shares to provide the Company Shares Etc. for Directors of the Company.

The Company shall additionally contribute cash for, in principle, each of the Periods ensuing the Initial Period until the termination of the System. The maximum amount of additional contributions following the Revisions shall be 530 million yen for the three fiscal years of the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2028 (of which 90 million yen shall be for Directors of the Company; with regard to the amounts for Directors and Executive Officers of NISHI-NIPPON CITY BANK, for the two fiscal years of the fiscal year ending March 31, 2027 to the fiscal year ending March 31, 2028, 280 million yen shall be for Directors of NISHI-NIPPON CITY BANK and 160 million yen shall be for Executive Officers of NISHI-NIPPON CITY BANK) and for each of the Periods ensuing said Period, 750 million yen (of which 90 million yen shall be for Directors of the Company, 420 million yen shall be for Directors of NISHI-NIPPON CITY BANK, and 240 million yen shall be for the Executive Officers of NISHI-NIPPON CITY BANK), provided that for each additional contribution, if any Company Shares (excluding the Company Shares to be provided for Eligible Directors, etc. in proportion to the points granted to Eligible Directors, etc. for each of the preceding Periods) or cash remains in the trust property of the Trust (hereinafter, collectively “the Remaining Shares Etc.”), the sum of the amount of the Remaining Shares Etc. (of which the amount of those Company Shares shall be the market value as of the last day of the immediately preceding Period) and the amount of the additional contribution shall not exceed 530 million yen for the three fiscal years of the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2028 (of which 90 million yen shall be for Directors of the Company; with regard to the amounts for Directors and Executive Officers of NISHI-NIPPON CITY BANK, for the two fiscal years of the fiscal year ending March 31, 2027 to the fiscal year ending March 31, 2028, 280 million yen shall be for Directors of NISHI-NIPPON CITY BANK and 160 million yen shall be for Executive Officers of NISHI-NIPPON CITY BANK) and for each of the Periods ensuing said Period, 750 million yen (of which 90 million yen shall be for Directors of the Company, 420 million yen shall be for Directors of NISHI-NIPPON CITY BANK, and 240 million yen shall be for the Executive Officers of NISHI-NIPPON CITY BANK).

(Note) The actual amount of the cash contributed by the Company to the Trust will be the sum of the above funds for acquiring shares and the estimated amount of necessary expenses, such as trust fees.

(5) The process of the acquisition of Company Shares by the Trust and the number of shares to be acquired

The Trust shall acquire Company Shares either by purchasing them from the stock exchange or by subscribing for treasury shares offered by the Company, and use the cash contributed as set forth in item (4) above as funds for the acquisition.

As the points to be granted to Eligible Directors, etc. for each fiscal year shall not exceed 136,000 points in total as set forth in item (6) below, the number of Company Shares to be acquired by the Trust for each Period will not exceed 408,000 shares, which is equivalent to the limit on the points for each fiscal year multiplied by 3, the number of years included in each Period (provided that for the three fiscal years of the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2028, the Period applicable to Directors and Executive Officers of the NISHI-NIPPON CITY BANK shall be the two fiscal years of the fiscal year ending March 31, 2027 to the fiscal year ending March 31, 2028, and the number of shares shall therefore be 314,000 shares.) The limit on the total points and the limit on the number of Company Shares to be acquired have been determined in view of the limit on the contribution to the Trust set forth in item (4) above.

Details of any acquisition of Company Shares by the Trust will be disclosed in a timely and appropriate manner.

(6) The limit on the number of Company Shares Etc. to be provided for Eligible Directors, etc.

Eligible Directors, etc. shall be granted points based on their respective duty for each fiscal year in accordance with the Regulations Governing Stock Benefits for Officers; provided that the points to be granted to Eligible Directors, etc. for each fiscal year shall not exceed 136,000 points in total (42,000 points for Directors of the Company, 60,000 points for Directors of NISHI-NIPPON CITY BANK, and 34,000 points for Executive Officers of NISHI-NIPPON CITY BANK). The Company considers this limit appropriate as it has been determined in view of the level of the market price of Company Shares, the level of remuneration of Eligible Directors, etc., the trend in and the outlook for the number of Eligible Directors, etc. as a whole.

In providing the Company Shares Etc. as set forth in item (7) below, the number of points granted to Eligible Directors, etc. shall be converted into the number of Company Shares at the ratio of one point to one share (provided that if, after this proposal is approved, share split, share allotment without contribution, consolidation of shares, etc. is carried out for Company Shares, reasonable adjustments shall be made, based on the ratio etc. applied thereto, to the limit on the points to be granted, the points that have been granted, or the ratio for converting the number of points into the number of Company Shares).

The number of Company Shares that is equivalent to the limit on the points to be granted to Eligible Directors, etc. for each fiscal year (136,000 shares) accounts for approximately 0.10% of the total number of shares outstanding (as of December 31, 2025) less the number of treasury shares.

The points to be used as the base in providing the Company Shares Etc. for Eligible Directors, etc. as set forth in item (7) below shall be, in principle, the points that will have been granted to the Eligible Directors, etc. by the time of their retirement as Eligible Directors, etc. (hereinafter, "the Definite Points").

(7) Provision of the Company Shares Etc.

If retired Eligible Directors, etc. meet the requirement for the beneficiary provided for in the Regulations Governing Stock Benefits for Officers, such Eligible Directors, etc. shall be entitled to, in principle, receive from the Trust, after retirement, the provision of the number of Company Shares that is equivalent to the Definite Points determined as set forth in item (6) above, by completing a designated procedure for determining the eligibility as the beneficiary; provided, however, that if relevant requirements provided for in the Regulations Governing Stock Benefits for Officers are met, such Eligible Directors, etc. shall, with respect to 30% of the Definite Points, receive the provision of the amount of cash that is equivalent to the market value of the corresponding number of Company Shares instead of the provision of Company Shares. The Trust may sell Company Shares to provide the cash for such Eligible Directors, etc.

The amount of remuneration, etc. to be received by each individual Director shall be based on the amount that is obtained by multiplying the total points to be granted to each individual Director by the book value per share of the Company Shares held by the Trust at the time of granting the points (provided that if share split, share allotment without contribution, consolidation of shares, etc. is carried out for Company Shares,

reasonable adjustments shall be made based on the ratio, etc. applied).

As approved at the 6th Annual General Meeting of Shareholders held on June 29, 2022, the Company shall, under the System, limit the amount of remuneration, etc. to be received by Directors of the Company and the amount of “Fixed Price Remuneration (cash remuneration),” paid on a monthly basis to a maximum of 300 million yen per year.

(8) Exercise of voting rights

Based on an instruction from a trust administrator, none of the voting rights pertaining to the Company Shares on the account of the Trust shall be exercised, in order to ensure neutrality about the management of the Company.

(9) Handling of dividends

Dividends pertaining to the Company Shares on the account of the Trust shall be received by the Trust and be appropriated for the payment of the acquisition of Company Shares by the Trust, trust fees paid to the trustee, etc.; provided that if the Trust terminates, the dividends, etc. remaining in the Trust shall be prorated and provided for each of the then incumbent Eligible Directors, etc. in proportion to the points held by each of the Eligible Directors, etc. in accordance with the provisions of the Regulations Governing Stock Benefits for Officers.

(10) Handling of trust property in case of the termination of the Trust

The Trust shall terminate in the event of the delisting of the Company Shares, the abolition of the Regulations Governing Stock Benefits for Officers, etc. The Company plans to acquire, free of charge, all Company Shares in the property of the Trust remaining at the time of the termination of the Trust and thereafter cancel the same subject to a resolution of the Board of Directors of the Company. Cash in the property of the Trust remaining at the time of the termination of the Trust, less the cash provided for Eligible Directors, etc. as set forth in item (9) above, shall be provided for the Company.

(11) Other specifics of the System

Other specifics of the System shall be determined by the Board of Directors of the Company when the Trust is established, the trust agreement is revised or an additional contribution to the Trust is made.

Overview of the Trust

- (1) Name : Board Benefit Trust (BBT)
- (2) Trustor : The Company
- (3) Trustee : Mizuho Trust & Banking Co., Ltd.
(Sub-Trustee: Custody Bank of Japan, Ltd.)
- (4) Beneficiaries : Persons who have retired from their position as Eligible Directors, etc. and who meet the beneficiary requirements stipulated in the Regulations Governing Stock Benefits for Officers
- (5) Trust Administrator : A third party with no conflict of interest with the Company
- (6) Type of trust : Monetary trust other than a specified money trust (third-party benefit trust)
- (7) Date of execution of the trust agreement : September 8, 2022
- (8) Date of entrustment of the money : September 8, 2022
- (9) Term of the Trust : From September 8, 2022 until the termination of the Trust (No specific termination date has been established; the Trust shall continue as long as the System continues.)

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