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(Securities code: 8388; Tokyo Stock Exchange Prime Market)
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Notice Concerning Changes to Shareholder Return Policy

The Awa Bank, Ltd. (the “Bank”) hereby announces that it has resolved, at a meeting of the Board of Directors held today, to change its shareholder return policy, as described below.

1. Details of the changes

Before the changes	<p>The Bank recognizes that returning profits to shareholders is an important management issue, and its basic policy is to continue to provide stable and proactive profit returns to shareholders while striving to enhance internal reserves in order to strengthen its future earnings base.</p> <p>Based on this policy, <u>the Bank aims to set the shareholder return ratio, consisting of dividends and own share acquisitions, at 40% or more of profit attributable to owners of parent.</u></p>
After the changes	<p>The Bank recognizes that returning profits to shareholders is an important management issue, and its basic policy is to continue to provide stable and proactive profit returns to shareholders while striving to enhance internal reserves in order to strengthen its future earnings base.</p> <p>Based on this policy, <u>the dividend payout ratio is targeted at 40% or more of profit attributable to owners of parent as the Bank aims to increase dividend per share through profit growth. In addition, the Bank implements flexible and agile treasury share repurchases based on improvements in its capital efficiency, market conditions, and other factors.</u></p>

2. Reasons for the changes

The Bank will change its shareholder return policy as described above to increase corporate value by further enhancing shareholder returns, while considering the balance between the use of capital for growth investments and the maintenance of sound equity. In addition, in line with these changes, the Bank will change the management target regarding shareholder returns set out in the long-term management plan, “Growing beyond 130th” (FY2023-FY2027) by replacing the shareholder return ratio of 40% or more with the dividend payout ratio of 40% or more.

3. Timing of the changes

The Bank will apply the changes beginning with the fiscal year ending March 31, 2027.

End