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Announcement of Disposal of Treasury Shares as Restricted Stock Remuneration

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

1. Outline of the Disposal

(1)	Disposal date	July 25, 2025
(2)	Class and number of shares to be disposed of	13,000 shares of the Bank’s common stock
(3)	Disposal price	2,480 yen per share
(4)	Total value of shares to be disposed of	32,240,000 yen
(5)	Allottees and number thereof, number of shares to be disposed of	Directors of the Bank (excluding Directors serving as Audit and Supervisory Committee Members): 6 persons, 6,300 shares Executive Officers not concurrently serving as Directors of the Bank: 9 persons, 6,700 shares

2. Purposes and Reasons for the Disposal

The Bank, at the Board of Directors meeting held on May 14, 2021, resolved to introduce a restricted stock remuneration plan (the “Plan”) as a new remuneration system for the Bank’s Directors (excluding Directors serving as Audit and Supervisory Committee Members; “Eligible Directors”) and Executive Officers who do not concurrently serve as Directors (collectively, “Eligible Directors, etc.”), with the aim of providing an incentive to strive for the sustainable enhancement of the Bank’s corporate value, and further promoting shared value with all shareholders. In addition, at the 211th Annual General Meeting of Shareholders held on June 29, 2021, the Bank obtained approval to provide monetary claims of up to 50 million yen per year to Eligible Directors as monetary remuneration to be used as in-kind contributions for the acquisition of restricted stocks (“Restricted Stock Remuneration”) under the Plan, as well as approval for the issuance or disposal of up to 50,000 shares per year of the Bank’s common stock and for the transfer restriction period of the restricted stock to be set at 30 years.

The outline of the Plan is as follows:

<Outline of the Plan>

Eligible Directors, etc. shall receive common stock of the Bank through issuance or disposal, in return for contribution in

kind of all monetary claims provided by the Bank under the Plan. The amount to be paid in per share will be determined by the Board of Directors, based on the closing price of the Bank's common stock on the Tokyo Stock Exchange on the last day of business before the date of each resolution of the Board of Directors (or if trading is not concluded on that date, the closing price on the most recent trading date prior to that day) within a range that is not especially favorable to the Eligible Directors, etc. receiving the common stock.

In addition, the issuance or disposal of common stock of the Bank under the Plan shall be conditional upon the conclusion of a restricted stock allotment agreement between the Bank and the Eligible Directors, etc. that includes the following content: (1) Eligible Directors, etc. are prohibited from transferring to a third party, pledging, or otherwise disposing of the common stock of the Bank allotted under the restricted stock allotment agreement for a certain period; (2) the Bank shall rightfully acquire the common stock for no consideration if certain events occur.

After receiving the recommendations of the Remuneration Advisory Committee, in consideration of the Bank's business performance, the scope of responsibilities of each of the Eligible Directors, etc., and various other circumstances, the Bank has decided to grant total monetary claims of 32,240,000 yen (the "Monetary Claims") and 13,000 shares of common stock, with the aim of providing an incentive for each of the Eligible Directors, etc. to strive for the sustainable enhancement of the Bank's corporate value, and further promoting shared value with all shareholders.

In the Disposal of Treasury Shares, the 15 Eligible Directors, etc. as the scheduled allottees shall pay all of the monetary claims to the Bank as property contributed in kind under the Plan, and in turn shall receive the disposal of the Bank's common stock (the "Allotted Shares"). In the Disposal of Treasury Shares, the outline of the restricted stock allotment agreement to be concluded between the Bank and the Eligible Directors, etc. (the "Allotment Agreement") is as described in "3." below.

3. Outline of the Allotment Agreement

(1) Transfer restriction period

From July 25, 2025 (the "Disposal Date") to July 24, 2055

(2) Conditions for Removal of the Transfer Restrictions

On the condition that the Eligible Directors, etc. have served continuously in any one of the positions including Directors of the Bank or Executive Officers who do not concurrently serve as Directors for the duration of the transfer restriction period, the Bank shall remove the transfer restrictions at the expiration of the transfer restriction period.

(3) Treatment in the event that an Eligible Director, etc. retires due to the expiration of term of office or other proper cause during the transfer restriction period

① Timing of the removal of the transfer restrictions

If an Eligible Director, etc. retires from any position as Director of the Bank or Executive Officer who does not concurrently serve as a Director due to the expiration of term of office or other proper cause (including retirement due to death), the transfer restrictions shall be removed immediately upon such retirement.

② Number of shares subject to removal of transfer restrictions

The number of Allotted Shares shall be calculated by multiplying the number of Allotted Shares held at the time of retirement specified in ① by the number obtained by dividing the term of office (in months) of the Eligible Director, etc. during the transfer restriction period by 12 (if that number exceeds one, it will be set to one).

However, if the calculation results in a fraction less than one unit share, such fraction shall be rounded up to the nearest unit share.

(4) Acquisition by the Bank without consideration

If the Eligible Directors, etc. have violated laws and regulations, or any of the events specified in the Allotment Agreement occurs, the Bank shall rightfully acquire all of the Allotted Shares for no consideration at such time. In addition, the Bank shall rightfully acquire, for no consideration, the Allotted Shares for which transfer restrictions have not been removed when the transfer restriction period expires or when the transfer restrictions are removed as specified in (3) above.

(5) Treatment in the case of organizational restructuring, etc.

If a merger agreement where the Bank becomes the non-surviving company, a share exchange agreement or a share transfer plan where the Bank becomes a wholly-owned subsidiary, or another matter concerning an organizational restructuring, etc. is approved by the Bank's General Meeting of Shareholders (or the Bank's Board of Directors, if approval of the General Meeting of Shareholders is not required for the organizational restructuring, etc.) during the transfer restriction period, the transfer restrictions may be removed by the resolution of the Board of Directors as of the business day immediately preceding the effective date of the organizational restructuring, etc. for a number of the Allotted Shares calculated by multiplying the number of the Allotted Shares held at such time by the number obtained (if such number exceeds one, it will be set to one) by dividing the number of months between the month including the Disposal date and the month to which the date of such approval belongs by 12 (however, if the calculation results in a fraction less than one unit share, the fraction shall be rounded up to the nearest unit share). Furthermore, immediately after the removal of the transfer restrictions, the Bank shall rightfully acquire, for no consideration, all of the Allotted Shares for which the transfer restrictions have not been removed.

(6) Management of shares

During the transfer restriction period, the Allotted Shares will be managed in a dedicated account opened by the Eligible Directors, etc. at Nomura Securities Co., Ltd., to ensure that the Allotted Shares cannot be transferred, pledged, or otherwise disposed of during the transfer restriction period. To ensure the effectiveness of transfer restrictions, etc. pertaining to the Allotted Shares, the Bank has entered into an agreement with Nomura Securities Co., Ltd. regarding the management of the accounts for the Allotted Shares held by each of the Eligible Directors, etc. In addition, the Eligible Directors, etc. shall agree to the details of the management of such accounts.

4. Basis of Calculation and Details of the Paid-in Amount

The Disposal of Treasury Shares to the scheduled allottees will be conducted with monetary claims paid as restricted stock remuneration for the 215th fiscal year of the Bank in accordance with the Plan, to be treated as in-kind contribution. To eliminate any arbitrariness in the disposal price, the closing price of the Bank's common stock on the Tokyo Stock Exchange Prime Market as of June 26, 2025 (the business day preceding the date of the resolution of the Board of Directors) of 2,480 yen is used as the disposal price. This is the market price of the shares immediately before the date of the Board of Directors resolution and is considered to be rational and not especially favorable.