



June 24, 2026

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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 June 24, 2026, to dispose of its treasury shares as restricted stock compensation (the “Disposal of Treasury Shares”), as follows.

1. Overview of disposal

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| (1) Payment date | July 10, 2026 |
| (2) Class and number of shares to be disposed of | 17,977 shares of the Bank’s common stock |
| (3) Disposal value | 2,354 yen per share |
| (4) Total disposal value | 42,317,858 yen |
| (5) Recipients of disposed shares | 6 directors of the Bank (excluding outside directors): 15,410 shares 9 executive officers of the Bank (excluding those who concurrently serve as directors): 2,567 shares |

2. Purpose of and reasons for disposal

At the 135th Ordinary General Meeting of Shareholders held on June 24, 2022, the Bank introduced a restricted stock compensation plan (the "Plan") for directors (excluding outside directors, hereinafter referred to as "Eligible Directors"). The purpose of this Plan is to enhance the alignment of interests between Eligible Directors and shareholders by sharing both the benefits and risks of stock price fluctuations while further incentivizing efforts toward increasing stock value and corporate value.

Under the Plan, Eligible Directors are granted restricted stock compensation, with a maximum annual total of 100 million yen in monetary compensation claims and a maximum allocation of 200,000 shares per fiscal year. The restriction period applies from the date of allocation until the retirement of the directors.

Additionally, the Bank resolved at the meeting of its Board of Directors held on June 25, 2025 to extend the application of the Plan to executive officers (excluding those who concurrently serve as directors. collectively referred to as “Eligible Participants” together with Eligible Directors).

Following this resolution, the Board of Directors approved the allocation of restricted stock compensation to 15 Eligible Participants for the period from the 139th Ordinary General Meeting of Shareholders to the 140th Ordinary General Meeting of Shareholders scheduled for June 2027. The monetary compensation claims provided will amount to 42,317,858 yen, and Eligible Participants will allocate this compensation entirely through in-kind contribution, receiving 17,977 shares of the Bank’s ordinary shares as restricted stock.

Since the scale of dilution due to this Disposal of Treasury Shares is minor, amounting to 0.01% of the total issued shares (excluding treasury shares) of 45,975,874 shares as of March 31, 2026 (rounded to the third decimal place), the Plan is considered reasonable in light of its purpose.

(Note) The Bank conducted a 5-for-1 stock split of its common stock effective April 1, 2026.

Following this stock split, the annual cap on the number of shares is presented based on the number of shares after the stock split.

Additionally, the scale of dilution resulting from the Disposal of Treasury Shares is calculated based on the number of issued shares (excluding treasury shares), taking into account the effect of the stock split.

3. Overview of the Allotment Agreement

(1) Restriction period

From July 10, 2026, until the Eligible Participant retires as a director or executive officer of the Bank.

During this period, Eligible Participants may not transfer, pledge, or otherwise dispose of their allocated restricted stock ("Allotted Shares") to any third party ("Transfer Restrictions").

(2) Acquisition of Restricted Shares without contribution

If an Eligible Participant retires before the first annual general meeting following the start of the restriction period, the Bank shall automatically acquire the Allotted Shares without contribution upon retirement, unless the retirement is deemed valid by the Board.

If there are Allotted Shares for which Transfer Restrictions have not been lifted at the expiration of the restriction period, the Bank shall automatically acquire those Allotted Shares without contribution immediately after expiration.

(3) Lifting of Transfer Restrictions

Upon expiration of the Restriction Period, the Bank shall lift Transfer Restrictions on all Allotted Shares held by an Eligible Participant, provided they continuously hold their position throughout the Restriction Period.

If an Eligible Participant retires due to death or other valid reasons before expiration, Transfer Restrictions on a proportional number of Allotted Shares will be lifted based on tenure.

(4) Management of shares

Eligible Participants shall open an account with SMBC Nikko Securities Inc. designated by the Bank, and shall keep and maintain their Allotted Shares in the account until Transfer Restrictions are lifted.

(5) Treatment during reorganization

If the Bank undergoes corporate restructuring during the Restriction Period (e.g., merger, stock exchange making the Bank a subsidiary), Transfer Restrictions may be lifted on a proportional number of Allotted Shares before the effective date, based on tenure calculations determined by the Board.

On the effective date of corporate restructuring, the Bank shall automatically acquire without contribution all Allotted Shares for which Transfer Restrictions have not been lifted.

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, 2,354 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 (June 23, 2026), 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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