



May 9, 2025

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(Securities code: 8367; TSE Prime Market)
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Notice Concerning Disposition of Treasury Stock as Stock Remuneration

The Nanto Bank, Ltd. (the “Bank”) hereby announces that it has resolved, at a meeting of the Board of Directors held today, to dispose of its treasury stock as stock remuneration (“Disposition of Treasury Stock”), as described below.

1. Outline of the disposition

(1) Date of disposition	June 4, 2025
(2) Class and number of shares for disposition	Common stock: 272,000 shares
(3) Disposition price	3,670 yen per share
(4) Total disposition amount	998,240,000 yen
(5) Scheduled recipients of the disposition	- The Master Trust Bank of Japan, Ltd. (Director Remuneration BIP Trust Account): 12,000 shares (44,040,000 yen) - The Master Trust Bank of Japan, Ltd. (Stock Granting ESOP Trust Account): 260,000 shares (954,200,000 yen)
(6) Other	A securities registration statement for the disposition of treasury stock has been filed in accordance with the Financial Instruments and Exchange Act

2. Objective and reason for the disposition

In 2021, the Bank introduced a performance-linked stock remuneration plan utilizing a Board Incentive Plan (BIP) Trust scheme (the “BIP Trust”) for its directors (excluding directors who are Audit and Supervisory Committee members and outside directors; the “Directors”). The Bank has now decided to expand eligibility for the plan to include its Executive Officers as well.

The Bank has also decided to introduce a stock remuneration plan utilizing the Employee Stock Ownership Plan (ESOP) Trust structure for employees of the Bank and its group companies (“Eligible Companies”) (collectively, “Employees”).

For an overview of the BIP Trust, please refer to the “Notice Concerning the Discontinuation of the Plan Using Stock Options as Stock-Based Compensation and Introduction of Performance-Linked Stock Remuneration Plan” dated May 14, 2021, the “Notice Concerning Revision of Remuneration System for Board Members” dated May 10, 2024, and the “Notice Concerning Expansion of Eligibility for the Performance-Linked Stock Remuneration Plan and Additional Acquisition of Shares by BIP Trust” dated May 9, 2025. For an overview of the ESOP Trust,

please refer to the “Notice Concerning Introduction of Stock Remuneration Plan for Employees” dated May 9, 2025.

This disposition of treasury stock is being carried out in connection with the expansion of the BIP Trust’s scope of eligible recipients and the introduction of the ESOP Trust. Under the BIP Trust agreement and the ESOP Trust agreement (the “Trust Agreements”) to be executed between the Bank and Mitsubishi UFJ Trust and Banking Corporation, the Bank will dispose of treasury stock as stock remuneration to The Master Trust Bank of Japan, Ltd. (Director Remuneration BIP Trust Account) and The Master Trust Bank of Japan, Ltd. (Stock Granting ESOP Trust Account), the co-trustees of the Trust established under the Trust Agreements (the “Trust”).

The number of shares to be disposed of represents the number of shares expected to be delivered during the trust period to Directors, Executive Officers, and Employees in accordance with the Share Delivery Regulations under the BIP Trust and the ESOP Trust. This disposition will result in a dilution of 0.82% of the total 33,025,656 shares issued as of March 31, 2025 (rounded to the second decimal place; and a ratio of 0.87% of the total 313,579 voting rights outstanding as of March 31, 2025).

Following the disposition, the shares of the Bank will be delivered to Directors, Executive Officers, and Employees in accordance with the Share Delivery Regulations under the BIP Trust and ESOP Trust. As these shares are not expected to be released into the market all at once, the impact on the stock market is anticipated to be minimal. Accordingly, the Bank has determined that both the number of shares to be disposed of and the level of dilution are reasonable.

<Overview of the trusts>

Trust type	Money held in trust other than specific money held in trust for single use (beneficiary trust)
Trust purpose	(BIP Trust) To provide incentives to Directors and Executive Officers (ESOP Trust) To provide incentives to Employees
Trustor	The Bank
Trustee	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)
Beneficiaries	Individuals eligible under each trust who satisfy the requirements for eligible beneficiaries
Trust administrator	Third party with no vested interest in the Bank (certified public accountant)
Trust agreement date	(BIP Trust) August 2, 2021 (ESOP Trust) May 30, 2025 (scheduled)
Trust period	(BIP Trust) August 2, 2021–August 31, 2027 (ESOP Trust) May 30, 2025–August 31, 2028 (scheduled)
Plan start date	(BIP Trust) August 2, 2021 (ESOP Trust) May 30, 2025 (scheduled)
Exercise of voting rights	(BIP Trust) Non-exercise of voting rights (ESOP Trust) Voting rights for the Bank’s shares will be exercised in accordance with directions from the trust administrator that reflect the voting status of prospective beneficiaries.

3. Basis and specific details for calculating the disposition price

The disposition price has been set at 3,670 yen, which is the closing price of the Bank’s share on the Tokyo Stock Exchange, Inc. (“Tokyo Stock Exchange”) on the business day prior to the date of the Board of Directors resolution regarding this disposition of treasury stock (May 8, 2025). This approach was taken to eliminate

arbitrariness in determining the price, taking into account recent trends in the share price. The Bank decided to use the business day preceding the date of the resolution of the Board of Directors, as it reflects the market price immediately prior to the date of the resolution of the Board of Directors and was considered reasonable for determining the disposition price.

In addition, with respect to the above disposition price, the Bank's Audit and Supervisory Committee (consisting of three members, including two Outside Directors) has expressed its opinion that the basis for calculating the disposition price is reasonable, that the price is not considered particularly favorable to the recipients, and that it is lawful.

4. Procedures under the Code of Corporate Conduct

Since the dilution ratio resulting from this disposition of treasury stock is less than 25% and there will be no change in the controlling shareholder, it is not necessary to obtain an opinion from an independent third party or confirm shareholder intent, as stipulated in Article 432 of the Securities Listing Regulations of the Tokyo Stock Exchange.