

May 10, 2021

Company Name: The Chiba Bank, Ltd.  
Representative: Hidetoshi Sakuma, President  
Stock Exchange Listing: Tokyo (code: 8331)

## **Announcement Regarding the Introduction of Restricted Stock Remuneration Plan**

The Chiba Bank, Ltd. (the "Bank") reviewed its executive remuneration plan at the meeting of the Board of Directors and resolved to introduce a restricted stock remuneration plan (the "Plan"). As a result, the Bank resolved at the meeting of the Board of Directors held today to submit a proposal regarding the Plan for the directors except for the outside directors, to the 115th Ordinary General Meeting of Shareholders (the "General Meeting of Shareholders") scheduled to be held on June 25, 2021. We hereby announce as follows.

### 1. Purpose of introduction of the Plan, etc.

The Plan is designed to provide incentives for directors excluding outside directors of the Bank (the "Eligible Directors") and executive officers who do not concurrently serve as directors of the Bank (hereinafter referred to as "Eligible Directors, etc." together with Eligible Directors) to aim for sustainable improvement of the Bank's corporate value and to promote further value sharing with shareholders.

In introducing the Plan, monetary compensation claims will be paid as remuneration for the grant of restricted stock to the Eligible Directors. Accordingly, the introduction of the Plan is subject to approval of shareholders at the General Meeting of Shareholders for the provision of such remuneration.

At the 104th Ordinary General Meeting of Shareholders held on June 29, 2010, the maximum amount of compensation for directors of the Bank is not more than ¥560 million per annum (but does not include employee salaries for directors who concurrently serve as employees), and the amount of compensation for directors regarding stock acquisition rights as stock options is approved to be not more than ¥140 million per annum separately from the above. We plan to ask our shareholders to approve the introduction of the Plan in lieu of the above-mentioned compensation plan related to stock acquisition rights at the General Meeting of Shareholders. The total amount of monetary remuneration claims to be paid to Eligible Directors under the Plan shall not exceed ¥140 million per year, and the total number of shares of common stock newly issued or disposed of by the Bank shall not exceed 500,000 shares per year. If the introduction of the Plan is approved at the General Meeting of Shareholders, the Company will abolish the compensation limit related to the compensation plan for stock acquisition rights as stock options, and will not issue stock acquisition rights as stock options.

Stock acquisition rights as stock options granted to the Eligible Directors that have not yet been exercised will be waived by the Eligible Directors, provided that the Plan will be introduced.

Therefore, in this fiscal year, as a transition measure from the compensation plan related to stock acquisition rights as stock options, compensation for granting restricted stock equal to the number of

stocks (694,300 shares), which is the purpose of the waived stock acquisition rights, will be paid within a maximum of ¥959 million per year, separate from the compensation for granting the above restricted stock, and the compensation limit for this fiscal year related to the Plan will be a total of ¥1,099 million.

### 2. Outline of the Plan

The total amount of monetary compensation claims to be paid to the Eligible Directors under the Plan shall not exceed ¥140 million per year, which is the same as the compensation plan for stock acquisition rights as the stock options described above, and the total number of shares of common stock newly issued or disposed of by the Bank shall not exceed 500,000 shares per year. In this fiscal year, the Bank will separately set a total of ¥959 million as a transition measure from the current compensation plan related to stock acquisition rights as stock options, up to a total of 694,300 shares. Provided, however, that in the event of a stock split (including the allotment of the Bank's common stocks without contribution) or the reverse stock split of the Bank's common stocks with the effective date on or after the day following the date of the resolution of the General Meeting of Shareholders, such total number shall be adjusted as reasonably as necessary in accordance with the split ratio and consolidation ratio, etc. from the effective date.

The Eligible Directors, etc. will pay all of the monetary compensation claims paid by the Bank under the Plan as contribution-in-kind assets and receive issuance or disposal of the Bank's common stock. The amount to be paid 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 business day prior to the resolution of each Board of Directors meeting (if a transaction has not been completed on that day, the closing price on the most recent trading day prior to that date) to the extent that the amount is not particularly favorable for the Eligible Directors, etc. underwriting the common stock. In order to ensure transparency, fairness, and rationality, the specific timing and allocation to each Eligible Director, etc. will be decided by the Board of Directors in accordance with the Compensation Rules established by the Board of Directors after deliberation by the Nomination, Compensation, and Management Advisory Committee, of which an independent outside director is a majority of members.

In addition, the issuance or disposal of the Bank's common stocks under the Plan (the "Stocks") is subject to the conclusion of a Transfer Restricted Stock Allotment Agreement between the Bank and the Eligible Directors, etc., which includes 1) a certain period ("Transfer Restricted Period"), prohibition of transfer to a third party, setting collateral, or any other disposition of the Stocks, and 2) acquisition of the Stocks by the Bank without consideration in the event of certain circumstances. To prevent transfers, setting collateral and other dispositions during the Transfer Restricted Period, the Stocks will be managed in a dedicated account opened by the Eligible Directors, etc. in Nomura Securities Co., Ltd. during the Transfer Restricted Period.

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