

May 13, 2025

Company name: North Pacific Bank, Ltd.
Listing: Tokyo Stock Exchange / Sapporo Securities
Representative: Hironobu Tsuyama President
Inquiries: Hitoshi Nogiwa, Managing Executive Officer of
Management Planning Department
Securities code: 8524

Notice Concerning Partial Revision of Performance-Linked Stock Compensation Plan

The Bank hereby announces that its Board of Directors (excluding External Directors, Internal Directors who are Audit and Supervisory Committee Members and overseas residents. The same applies below.), at a meeting held on May 13, 2025, decided to partially revise the performance-linked stock compensation plan (hereinafter referred to as the "Plan.") introduced in fiscal 2018 for the Bank's Directors, as follows.

1. Outline of the Plan and Purpose of Revision

The Plan is an incentive plan for the Bank's Directors that aims to clarify the link between Directors' remuneration and the Bank's business performance and shareholder value, and to heighten awareness of contributing to improving the Bank's medium- to long-term business performance and increasing corporate value. The Plan provides Directors with the option to receive and pay (collectively, "Grant, etc.") Bank shares and/or cash equivalent to the cash value of the Bank's shares (collectively, "Bank Shares, etc.") in accordance with their position and the degree to which they have achieved performance targets.

In order to reflect the Bank's efforts for sustainable growth and medium- to long-term enhancement of corporate value in the remuneration of directors and to promote the realization of sustainability for Hokkaido companies, individual customers and local communities, the Company has resolved to add non-financial indicators to the performance evaluation indicators for directors.

In addition, at the meeting of the Board of Directors held on January 30, 2025, the Company resolved to introduce a delegated-type executive officer system to separate management decision-making and supervision from business execution and to strengthen the functions of the Board of Directors and accelerate business operations. The Company resolved to add the delegated-type executive officers to the target of the Plan as an incentive for efforts to enhance corporate value over the medium- to long- term. For details of the Plan, please refer to "Notice Concerning Introduction of Performance-Linked Stock Compensation Plan" announced on May 10, 2018.

[Revised Items and Details of the Plan]

Revised items	Before revision	After the revision
Target Audience	Directors of the Bank (excluding External Directors, Internal Directors who are Audit and Supervisory Committee Members and overseas residents.)	Directors of the Bank (excluding External Directors, Internal Directors who are Audit and Supervisory Committee Members and overseas residents.) and Executive Officer (Excluding persons appointed as Director of Audit Department and overseas residents.)
Performance Indicators for Directors (Calculation method of share grant, etc.)	<ul style="list-style-type: none"> Profit attributable to shareholders of parent Ordinary income (non-consolidated) 	(Financial Indicators) <ul style="list-style-type: none"> Profit attributable to shareholders of parent Ordinary income (non-consolidated) (Non-Financial Indicators) <ul style="list-style-type: none"> Support for customer sustainability management (number of cases) The Bank group's Scope1.2 reduction Employee Engagement Score
Performance Evaluation Indicators for Executive Officers (Calculation method of share grant, etc.)	New establishment	(Financial Indicators) <ul style="list-style-type: none"> Profit attributable to shareholders of parent Ordinary income (non-consolidated)

[Composition of Performance-Linked Indicators after the Plan's Revision]

< Director >

Performance-linked indicator		Evaluation weight	Interlocking width
Financial indicator	Profit attributable to shareholders of parent	45%	0-150%
	Non-consolidated Ordinary income	45%	
Non-financial indicator	Number of customer support for sustainability The Bank group's Scope1.2 reduction*1	5%	
	Employee Engagement Score	5%	

*1 If the Bank's annual reduction target is not achieved, the performance-linked coefficient for the evaluation item is set to zero

< Executive Officer >

Performance-linked indicator		Evaluation weight	Interlocking width
Financial indicator	Profit attributable to shareholders of parent	50%	0-150%
	Non-consolidated Ordinary income	50%	

2. Outline of Share Acquisition, etc.

In accordance with the addition of Eligible Persons under the Plan, the Company will acquire the Bank's shares that are expected to be granted to the new Eligible Persons as follows. As the funds for the share acquisition will be allocated from the remaining cash in the trust, there will be no additional contribution from the Bank following the share acquisition.

Date of trust agreement	August 8, 2018 (to be rescheduled in August 2025)
Amount of funds for share acquisition	29 million yen (scheduled)
Date of acquisition of shares	August 2025 (scheduled)
Method of acquisition of shares	Acquired from the stock market

End