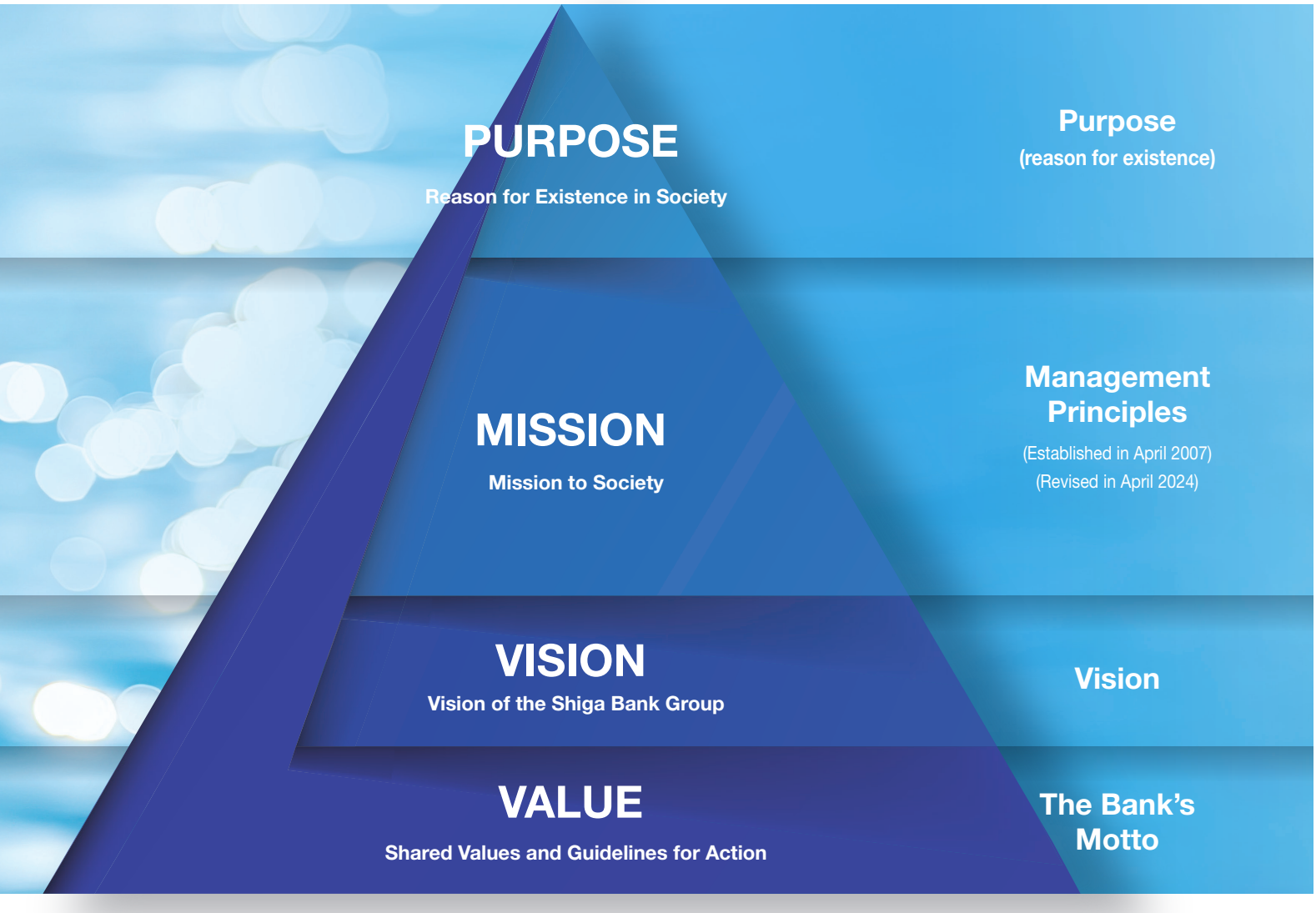
INTEGRATED REPORT

ANNUAL REPORT 2026 Year ended March 31, 2026

SHIGA BANK

Principles

The Shiga Bank Group established the Purpose (reason for existence), "Making the region happy with 'Sampo yoshi' philosophy," in order for all officers and employees to continue moving forward as one toward our 100th anniversary and beyond.



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Based on a system of principles with Purpose at the core, the “Sampo yoshi” traditional management philosophy, embraced by the Omi Merchants, was upheld through our motto of “Be tough on ourselves, kind to others and serve society.” The Bank has made this motto the starting point for our activities and strives to increase corporate value by making effort to realize co-existence and co-prosperity with the regional communities, all officers and employees, and the environment as in the Bank’s Management Principles.

Making the region happy with “Sampo yoshi” philosophy

The Bank’s motto of “Be tough on ourselves, kind to others and serve society” carries on the “Sampo yoshi” philosophy, a traditional management philosophy embraced by the Omi Merchants, which means to bring happiness to three sides: being good for the seller, the buyer, and community. The Bank has made this motto the starting point for our activities and will strive to realize Co-existence and Co-prosperity with stakeholders.

Co-existence and Co-prosperity with the regional communities	As a bank that advances hand-in-hand with society, in order to win customer confidence and meet customer expectations, we maintain a “sound” and “enterprising” bank and work for the development of regional communities.
Co-existence and co-prosperity with all officers and employees	Respecting the human rights and individuality of each of our officers and employees, we will build a satisfying workplace, and turn our bank into “Clean Bank Shigagin.”
Co-existence and Co-prosperity with the environment	As the social mission of our company, which is headquartered next to Lake Biwa, we are committed to protecting the global environment and building a sustainable society with stakeholders.

Sustainability Design Company —Design the future of our customers and communities—

Be tough on ourselves, kind to others and serve society.

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Editorial Theme of Integrated Report 2026

This report clearly explains how we will solve issues identified from our vision for regional communities that we wish to achieve in the medium to long term, using the Shiga Bank Group's philosophy frame work, and how we will link these solutions to the enhancement of corporate value through our management strategy and business model.

In addition to our efforts to enhance our financial and non-financial capitals, we have compiled this document to help you understand our approach of a virtuous cycle that creates happiness in local communities where these capitals link together and create a positive impact on the region through the operations of the Shiga Bank Group.

The Shiga Bank Group values dialogue with shareholders, investors, and other stakeholders through this integrated reports. We will incorporate the feedback we receive from our stakeholders to improve our management and information disclosure.

In addition, this report is an important tool for our employees to consider the connection between their work and corporate value. Thus, we use the report to help them raise their awareness of value creation.

Shiga Bank's Disclosure Policy

1. Basic views

Based on our social responsibility and public mission as a regional financial institution, we aim to ensure highly transparent disclosure. We shall ensure timely, appropriate, continuous, fair and accurate disclosure of information to foster understanding and appropriate evaluation of the Bank operations by all of our stakeholders, including our customers, shareholders, investors and regional communities.

2. Information to be disclosed

The Bank will disclose management information in accordance with laws and regulations such as the Banking Act and the Financial Instruments and Exchange Act, as well as the Rules on Timely Disclosure of Corporate Information by Issuers of Listed Securities established by the Tokyo Stock Exchange (hereinafter referred to as the "Timely Disclosure Rules").

In addition, we will disclose information that is deemed useful to our stakeholders in a fair and timely manner to the greatest extent possible, even if the information does not fall under the category of material facts specified by laws and regulations or the Timely Disclosure Rules.

3. Methods of information disclosure

Information required to be disclosed under laws and regulations as well as the Timely Disclosure Rules will be disclosed in a timely and appropriate manner in accordance with such rules and regulations, and will also be posted on the Bank's website.

For other voluntarily disclosed information, we will strive to disclose information that is fair and useful in an appropriate manner.

4. Information disclosure procedures and systems

The Bank has established the "Rules on Management-related Information Disclosure" and has designated the General Planning Department as the department responsible for disclosure of management-related information in order to develop and enhance procedures and systems for timely and appropriate information disclosure.

In addition, to maintain the appropriateness of the information, we consult with audit firms and other experts as necessary, and periodically verify the appropriateness and effectiveness of the information.

5. Forward-looking statements

The information on the Bank's website and in the Integrated Report contains statements regarding the financial position of and future forecasts concerning the Bank and other Group companies.

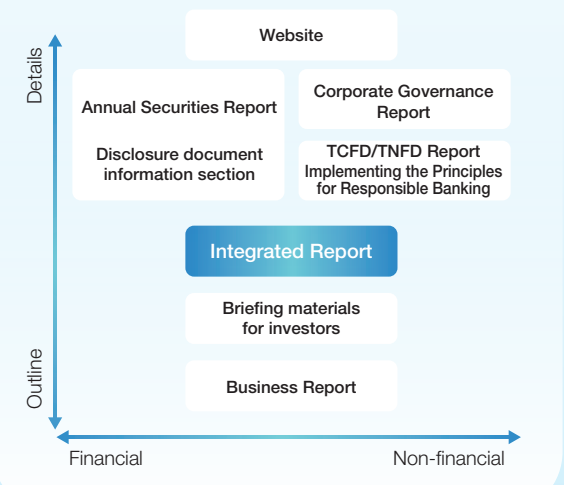
These forward-looking statements do not guarantee that future performance will be achieved as stated. They are affected by certain risks and uncertainties and may not necessarily be consistent with actual results due to changes in the business environment in the future.

About This Integrated Report

This report is based on the "International Integrated Reporting Framework" recommended by the IFRS Foundation and the "Value Creation Guidance" issued by the Ministry of Economy, Trade and Industry (METI), and is an integrated compilation of the Bank's and its community's sustainable value creation framework by linking financial information to management philosophy, strategy, ESG information (environment, society, governance), and other non-financial information. This publication also serves as disclosure material (documents explaining the status of operations and assets) in accordance with Article 21 of the Banking Act. When using this document as a disclosure document, please refer to this document, the information section (available on the Bank's website), and the "INTEGRATED REPORT 2026 Financial Data and Basel III Pillar 3 Disclosure" (available on the same website). Management and others have confirmed that appropriate disclosures have been made in accordance with the Bank's Disclosure Policy.

Environment Social Governance
Guidance for Collaborative Value Creation

Main disclosure channels



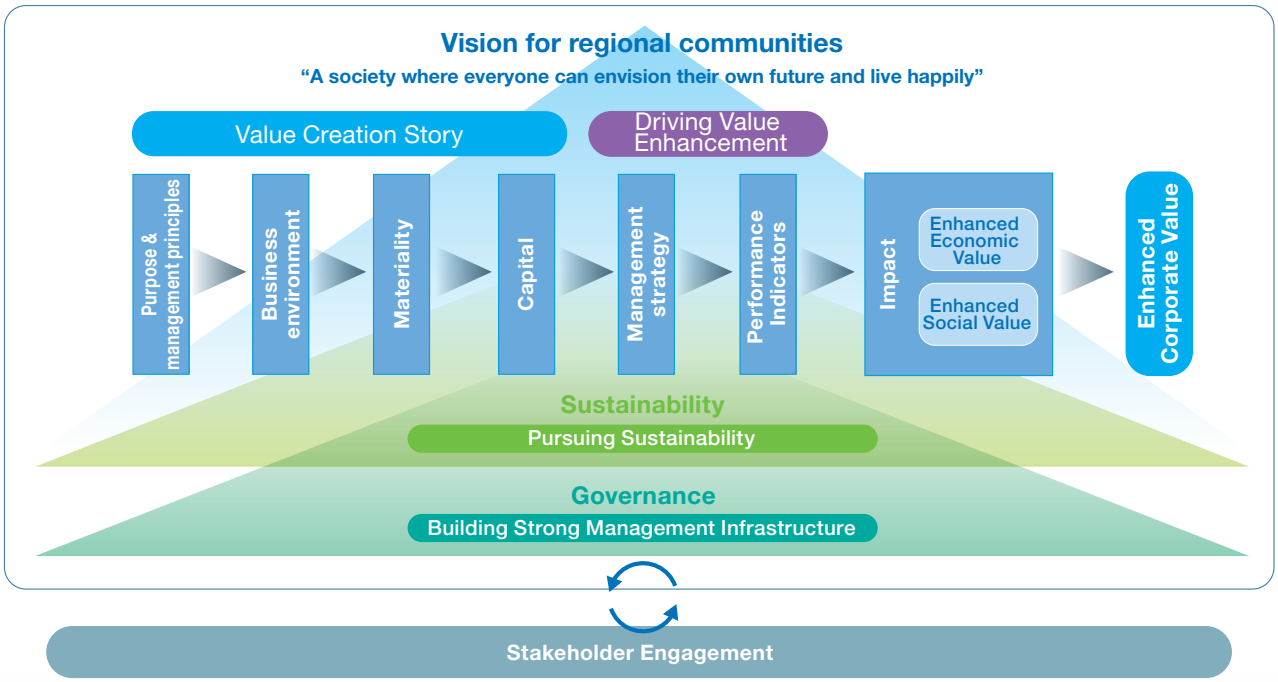
Cautionary Statement with Respect to Forward-Looking Statements

This material contains statements regarding future earnings forecasts and targets, etc. relating to the Bank. These statements are based on information available at the time of compilation of these materials and forecasts or certain conditions (assumptions) that could affect business performance. They are not guarantees of future performance of the Bank, and involve various risks and uncertainties.

Structure of Integrated Report 2026

This report systematically presents value creation processes starting from the Purpose, through the implementation of management strategy based on materiality and the capital to be used, and the creation of economic and social value, to the improvement of corporate value.

In addition, with sustainability and governance at the foundation, opinions and expectations obtained through dialogue with stakeholders are incorporated in management. This represents our approach of creating a virtuous cycle of continuous value creation.



Value Creation Story	Under the Purpose "Creating haappiness in local communities through Sampo-yoshi," we focus on solving regional issues and creating a virtuous cycle of value creation while identifying our materiality based on regional and social issues and making use of regional resources including Lake Biwa, wide-area networks, and a variety of capitals.
Challenge for Enhancing Value	We focus on implementing business strategies that increase customers' earning power and support their asset formation, enhancing revenue bases through investments in high RORA assets and securities, and creating value through regional co-creation, digital transformation, and alliances in order to improve our corporate value.
Pursuing Sustainability	We are pursuing human resource development, strategic personnel deployment, and cultural transformation in order to convert human capital to the ability to execute management strategy while at the same time working to realize decarbonization and nature-positive outcomes and solve regional issues, thereby promoting value creation that leads to a future.
Building Strong Management Infrastructure	We are working to build a solid management foundation that supports continuous improvement of corporate value through efforts to increase the effectiveness of the board of directors and the sophistication of governance, implement risk management based on a risk appetite framework (RAF), and enhance compliance, measures against money laundering, and cybersecurity.

Highlights of the Integrated Report 2026

■ **P.5-18: Management Message**
Toward enhancing corporate value by transforming from Bank to Company, our management and outside directors talk about their vision, challenges, and future direction from various perspectives.

■ **P.31-34: Dialogue—Data-Driven Management and Evolution of Regional Banking—**
How will data change the future of regions? Naoki Ohgo and President Shinya Kubota talk about data-driven management, regional value creation, and the possibility of the transformation from Bank to Company.

■ **P.59-68: Human Capital Management (Human First)**
People are the driving force for transformation. This section introduces our efforts for human resource development, organizational development, and cultural transformation to leverage human capital for value creation.

Making continuous transformation a tradition

Shinya Kubota
President and CEO (Representative Director)

TOP MESSAGE

How to Confront an Era of Change

As a “world with interest rates” has become the norm, the environment surrounding financial institutions has changed significantly. Such changes include rapid digitization including AI utilization; Internet banks competing regardless of regionality; entry by nonfinancial companies; and prolonged geopolitical risks. In addition, structural problems, such as population decline, aging population with a declining birthrate, and shortages of human resources, are becoming deeper and more severe in non-urban areas. In such a situation, regional financial institutions cannot achieve continued growth if they are simply based on what they have done so far. And, it is no longer enough to just take measures gradually in response to environmental changes. What is called for now is the will to change proactively and the attitude of carving out a future independently.

In that sense, one of the realities that I now take very seriously is the population decline in Shiga Prefecture, my home region. According to preliminary results from the 2025 Census, Shiga Prefecture’s population has begun to decline for the first time since 1960, falling below 1.4 million. I have recognized population decline as a future challenge from before. But at last, it has appeared as the actual fact, not a prediction. Its significance is by no means small. The change that has been expected is a reality in progress. That is, regional economic assumptions themselves are now beginning to change significantly.

I am not pessimistic about this change. Rather, I feel that it will become clearer than ever to distinguish between what to protect and what to change because we live in such an era. In other words, I believe that not taking on challenges will be the biggest risk. If we can detect signs of changes quickly, determine their meaning, and act proactively, environmental changes will become an opportunity for a breakthrough, not something to defend. We should select the future by ourselves, instead of staying passive. I will continue to place this attitude at the center of management.

Reason for Evolving Based on the Future of the Region

The Shiga Bank Group has set “a society where everyone can envision their own future and live happily” as a vision for regional communities that should be realized over the long term. What is important here is that we show how regional communities should be, not an ideal image of the bank itself. The aims and missions of the Shiga Bank Group lie in the vision that is based on the region, not the bank itself. Improving the future of the region will eventually improve the future of the Shiga Bank Group. This is our essential starting point and the reason for our existence as a regional financial institution.

However, this vision cannot be realized with financial functions alone. It is because simply supplying funds is not enough to sufficiently deal with regional issues, such as business succession, shortages of human resources, transformation of industrial structure, environmental response, and community development. With the shrinking market due to population decline, we have entered an era where values and demands in a region do not come naturally and so should be created intentionally.

Considering such changes in the environment of the times, we need to reinterpret the “Sampo yoshi,” the spirit of Omi Merchants, to suit modern times. The “Sampo yoshi,” that is, bringing happiness to three sides—being good for the seller, the buyer, and society—means to proactively develop a relationship in which the three parties enhance each other’s value and is not limited to harmonizing the interests of the three parties. This meaning is growing further in importance in this era, where values do not come naturally.

To create new value in the region by practicing the reinterpreted “Sampo yoshi,” we need to evolve what the Bank itself should be. We should carry out the transformation from Bank to Company in order to face regional issues head-on and become the driving force of value creation. Our aim is to polish the strength as Bank and accumulate new value creation as Company. That is, using finance as the foundation, value created by solving regional issues generates growth potential. I believe that this double-layer structure allows the Shiga Bank Group to realize continued improvement of corporate value.

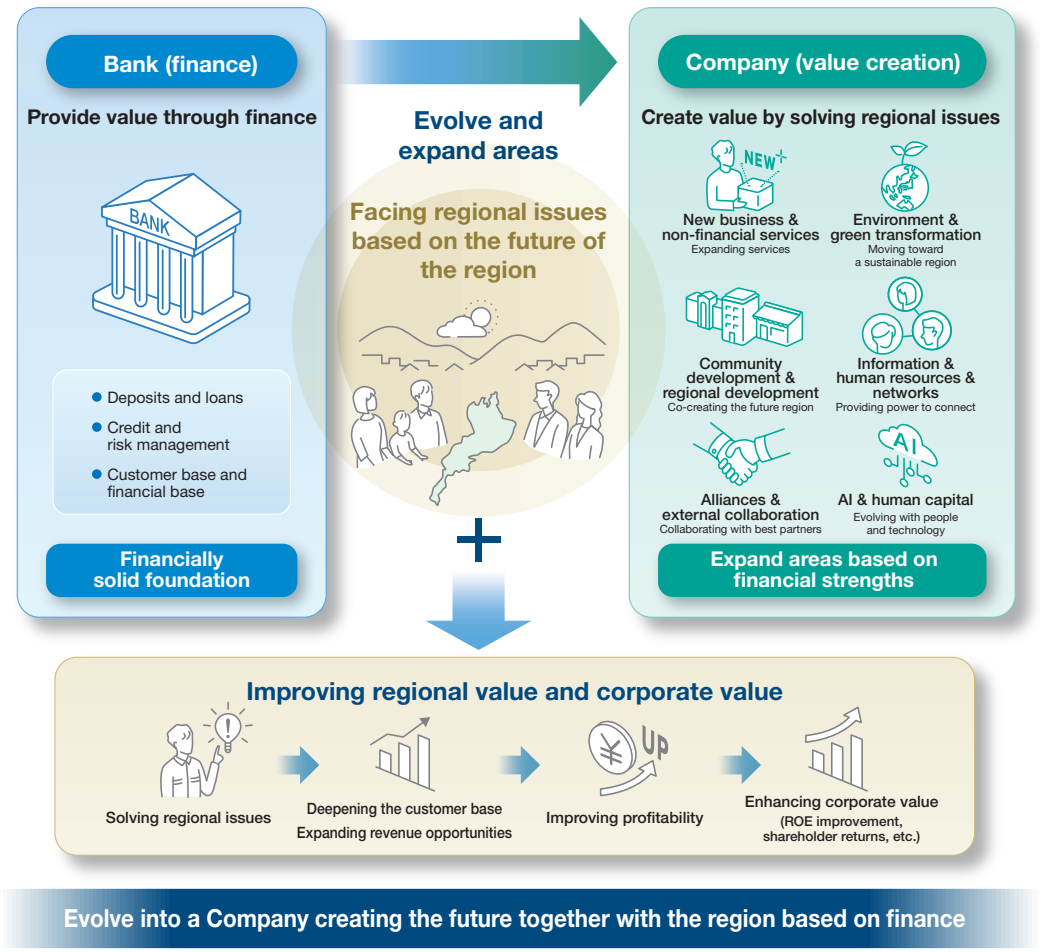
TOP MESSAGE

Challenges for the Shiga Bank Group

It will become structurally more difficult for regional financial institutions to maintain profits and growth through financial functions alone. As long as we are no longer in an environment where the demand for funds expands naturally, we should extend our role to creating demand itself and generating businesses and opportunities. In that sense, transforming from Bank to Company is an unavoidable management challenge if we are to secure both the future of the region and the sustainability of the Shiga Bank Group.

However, this evolution cannot be realized at once. In the field of new value creation, some ideas are still in the trial-and-error stage. Knowledge, reproducibility, and monetization processes that we have as an organization should be further polished from now on. Some challenges have only become apparent because we are making progress. There are difficulties we didn't foresee until now. I will not turn away from this reality. As the leader, I myself will squarely face the difficulties and bear the pain that comes with the process. I believe it is the responsibility and commitment of management.

Now, we are in the process of developing foundations that help us create value as Company. Taking measures is not an end in itself. We should bring them together, sublimate them into a reproducible scheme for value creation, and make them lead to continuous profits and competitive advantages. Transformation becomes true only after that. Fully recognizing how high its hurdle is, I still believe we should pursue this path. This is the winning formula of the Shiga Bank Group, which provides competitiveness that leads to differentiation from other banks.



Facing Regional Issues and Creating Value

One of the concrete measures is to expand relationships with external organizations while maintaining strategic independence. In April 2026, the Bank formed a capital and business alliance with Senshu Ikeda Holdings and started the Senshu Ikeda-Shiga Alliance. Having pursued collaboration in a wide range of areas such as corporate clients, retail customers, sustainability, regional support, human resources, and digital technology, we have set up four task forces and about 20 working groups and are currently proceeding with concrete discussions and efforts.

What I emphasize in this alliance is to create new value by combining strengths of both companies, not merely gathering functions and resources. We will realize enhancement of regional financial capabilities and sophisticated services while combining mutual branch networks, customer bases, information, human resources, and brands.

We are also developing other partnerships such as the TSUBASA Alliance in which we participated in 2019 and collaboration with local companies, universities, and government.

The key is not pursuing scale, but expanding options on our own without being limited to finance while maintaining flexibility to face our region.

Another pillar is to develop and improve a foundation that allows new value creation while further strengthening our financial base. The introduction of BankVision on Azure, a next-generation core banking system being developed in collaboration with BIPROGY Inc., is not a mere system update. It is the development of a platform that allows financial functions to be connected seamlessly across different types of business through an open and cloud-based system in order to create new services and business models. This is also an investment that brings our sophisticated risk management, IT strategy, and differentiation strategy, which the Bank has accumulated so far toward the next growth stage. Make finance evolve, rather than exiting finance. Then, build new value creation on top of it. That is the path we should follow.

In a world with interest rates, converting deposits and loans into meaningful money is also an important effort. A symbolic example is the Lake Biwa Blue Deposit program, which was launched on July 1 last year, the Lake Biwa Day. Based on the total amount of deposits received from customers, this product makes donations to organizations, etc. engaged in research on water, the environment, and ecosystems. Donations are used for, for example, a project to protect Lake Biwa. Although we initially started to accept deposits, targeting 30.0 billion yen, we increased the offering ceiling due to its unexpected popularity. A total of 60.0 billion yen was deposited by the end of March this year. While there is competition with Internet banks, etc., I feel that if we develop financial instruments that are less vulnerable to the size of an interest rate, and offer services with new added value to customers so that they can feel the satisfaction that “I am helping protect the global environment,” they will be the strengths of the Shiga Bank Group.

In addition, polishing environmental finance as the Shiga model to achieve both regional value and business viability is also a key strength of the Shiga Bank Group. More specifically, we offer the Shiga Try-Link Loan, Japan’s first ESG loan product released through joint development with Shiga Prefecture; we have achieved net zero greenhouse gas emissions; we are building a local production and local consumption model for renewable energy. For us, having Lake Biwa at the home region, environmental issues are our responsibility for the region, not something requested from outside. We will further polish environmental finance as a growth area that can strengthen a competitive advantage of the Shiga Bank Group while improving the future of the region.

“The key is expanding options on our own while maintaining flexibility to face our region.”

News conference for announcing the Senshu Ikeda-Shiga Alliance

TOP MESSAGE

Next, the foundation for carrying out these strategies to make them reproducible is investment in AI and human capital. Such examples include utilizing generative AI, linking management approaches by an AI President to actual workplaces, using a talent management system, strengthening management capability to capitalize on individuality, and fostering a corporate culture that places emphasis on dialogues. These will change individual power to organizational power and raise the level of power to face regional issues. The ability to solve regional issues eventually depends on the power of people. Investment in human resources and organizations is one of the most important foundations that support our future profitability and corporate value.

Evolution of an organizational culture is indispensable in implementing reforms. Our sound organizational management and executive ability that we have cultivated so far are important strengths, but they sometimes make it hard for us to take on challenges regardless of precedents and make decisions toward creating new value. As such, we need to question what we have taken for granted, take on challenges without fear of changes, and allow a culture of praising and encouraging such attempts to take root in our organization. I believe that it is only such a culture that allows the Bank to evolve into an organization where each individual is independently engaged in value creation.

This year marks the second year of the Human Award, which aims to foster a culture of challenge and admiration and honors employees who carried out an activity that embodies the Bank's motto. What impressed me in a speech of a part-time employee who received this award and went overseas to receive training as a supplementary prize was that the employee said, "I have come to take pride in working at Shiga Bank." This comment inspired me. Being an organization where each individual can work with pride is not simply a matter of working environments. I believe that the accumulation of such experience will become an ability to continue to be selected by customers and the region as well as a driving force for the Shiga Bank Group's value creation.

Spread and Effects of Our Efforts

Such efforts are beginning to produce a positive outcome gradually.

The fiscal year ended March 31, 2026 saw progress in both financial and non-financial aspects as the second year of the 8th Mid-Term Business Plan. On the profit side, as a result of efforts for high RORA assets such as structured finance and overseas market-based loans in addition to reviewing asset allocation of loans and securities, net interest income was 75.4 billion yen (non-consolidated), hitting a record high. Consolidated net income was 21.2 billion yen, and consolidated ROE was 4.46%, indicating that profitability is steadily improving. Considering these results, changes in the business environment due to rising interest rates, and our future growth potential, we raised our target for consolidated ROE for the fiscal year ending March 31, 2029 from 6% or more to 8% or more. This indicates certain positive effects of the first two years of the mid-term business plan as well as our will for further growth.

Efforts toward solving regional issues are also spreading. The number of cases supporting customers' dreams and businesses, which is one of the KPIs of the mid-term business plan, totaled 15,863, a progress of 132.2% against the milestone for the fiscal year ended March 31, 2026. As a result of working to solve customers' issues through succession of businesses and assets, human resource solutions, business matching, etc., we recorded business transaction fees of 4.06 billion yen, a record high for the second year in a row. I think that these results are owing to not only tailwinds from external environments but also our continued efforts to improve our abilities to make proposals and solve problems while facing customers' problems and regional issues.

Development of the foundation for the future has also progressed steadily. The amount of investment in human capital was 209 thousand yen per person, surpassing the

"We can leave better things to the next generation if we change now.
Corporate cultural change is also the same.
We will continue to evolve into an organization that does not hesitate
to take the first step toward new value creation for the region and customers."

plan. The number of employees who tried to form their career independently reached 1,246, and the percentage of positive responses in the engagement survey increased to 87.3%. Thus, as we have continued to foster a culture emphasizing challenges and admiration and invest in human resource development, we are seeing a gradual increase of proactive actions by individual employees.

However, many of the current positive results are owing to enhancing foundations and increasing the profitability of the existing businesses as Bank. Although progress is being made in individual initiatives based on the Plus X strategy, such as community development, green transformation, business succession funds, and new businesses, these are not yet in the stage where new value creation is established to generate continuous profits as Company. The next hurdles to overcome have come into view because we have begun to see results. I feel a positive response, while at the same time I consider now is the phase in which the true value of our management is questioned.

Our Will and Promise for the Future

One of the Haikai (seventeen-syllable verse) principles proposed by Basho Matsuo, a haiku poet associated with Shiga, is *Fueki Ryuko*. *Fueki* represents timeless and unchanging truths, while *Ryuko* refers to innovation in response to changes in the times and the environment. These two concepts are fundamentally interconnected. For the Shiga Bank Group, the motto is *Fueki*, and making continuous transformation to realize the Purpose is *Ryuko*.

To select optimal solutions toward the ideal future and continue to take on challenges, hypotheses and testing based on data are important. Based on this approach, the Data Driven Project Team of the Bank, together with a consulting firm, is currently analyzing economic data in the prefecture and considering measures that lead to revitalization of the regional economy in the future. In the previous fiscal year, using statistical data such as input-output tables, with approximately 1.4 billion transactions of deposit and withdrawal data possessed by the Bank and financial data of about 45,000 companies, we made forecasts of Shiga Prefecture's GDP, visualized supply chains in different industries, and tried to grasp the characteristics of the economy in the prefecture through comparison with other prefectures. Going forward, we will continue analyzing under various themes so that local governments and businesses can take actions that create a virtuous cycle of Shiga Prefecture's economy, and thereby help raise the level of Shiga Prefecture's GDP.

New activities have also been generated from the planning of community development; for example, the Future Design Group, a team dedicated to new businesses that we launched in April 2024, formed an alliance with Kusatsu City. Such involvement from the planning stage takes a certain amount of time until results take shape, but such efforts make us face the fundamental regional issues accordingly, which leads to creating lasting value. By proactively taking part in planning, development, and operation without being limited to simple fund supply, we create prosperity and stimulate new demand to boost regional attractiveness and competitiveness. Accumulating such experience will lead to expanding our future customer base and deepening transactions, and eventually contributing to medium- to long-term improvement of corporate value.

We do not aim to be just a regional financial institution. We aim to be a partner who draws and realizes the future of the region with stakeholders. Toward realizing "a society where everyone can envision their own future and live happily" as our long-term vision, the Shiga Bank Group will continue to press forward and determined to "make continuous transformation our legacy" under the Purpose—Creating happiness in local communities through Sampo-yoshi philosophy. This is not easy, but is worth doing because it is difficult. I will carry out reforms and build a new tradition for the region, the next generation, and the future of the Shiga Bank Group. I would like to ask for your continued understanding and support.

"Draw and realize the future of the region together. We will aim to be baddies of the region."

Message from the Officer Responsible for Finance

We will aim to continuously enhance corporate value while seeing changes in the economic environment with sound risk awareness and increasing our earning power by transforming our strategic earnings structure and improving capital efficiency.

Yoshinori Endo, Director and Managing Executive Officer

CFO MESSAGE

Business results for the fiscal year ended March 31, 2026 and transformation of our earnings structure

For the fiscal year ended March 31, 2026, net interest income grew and gross business profit increased primarily due to increases in interest on loans and discounts and interest and dividends on securities. As a result, net income was 21.4 billion yen (non-consolidated) and consolidated net income was 21.2 billion yen, both hitting a record high.

Some positive outcomes have begun to appear as a result of reconsideration of asset allocation we have been working on so far as well as our profit-conscious lending and management efforts. We are shifting to a structure where profits are led by net interest income, while improving the lending yield and securities yield in response to changes in the interest rate environment.

Loans and deposits have both remained on an upward trend, and our stable transaction foundation in the region has underpinned profits. We are aware that our earning power has increased steadily through rising yields and balance sheet expansion.

But at the same time, funding costs are expected to increase in the future due to rising deposit rates, and therefore, balance sheet management placing more emphasis on profitability will be important in both lending and management. We will continue to pursue stable profit growth while maintaining and strengthening our transaction foundations.

Summary of results (non-consolidated)

Billions of yen

Non-consolidated	2025	2026	YoY
Gross business profit	58.2	64.1	5.9
Net interest income	64.1	75.4	11.3
Interest on loans and discounts	49.4	60.0	10.6
Interest and dividends on securities	32.2	36.5	4.3
Interest on deposits, etc. (minus)	5.7	14.2	8.5
Net fees and commissions	10.6	9.8	(0.7)
Net other ordinary income	(16.5)	(21.2)	(4.6)
Expenses (minus)	44.5	48.4	3.8
Personnel expenses (minus)	18.9	21.1	2.2
Property expenses (minus)	22.3	23.7	1.3
Taxes (minus)	3.2	3.5	0.2
Actual net business profit	13.6	15.7	2.0
Provision of general allowance for loan losses (minus)	(1.0)	–	1.0
Net business profit	14.7	15.7	1.0
Non-recurring gains (losses)	3.9	12.7	8.8
Gains (losses) related to equity securities	7.1	10.3	3.2
Ordinary profit	18.6	28.5	9.8
Extraordinary gains (losses)	6.6	0	(6.6)
Profit before income taxes	25.3	28.5	3.2
Net income	18.8	21.4	2.5
Credit costs (minus)	4.2	(0.1)	(4.3)
Consolidated net income	18.7	21.2	2.5

Raising financial target (ROE of 8%) and efforts toward achieving it

Considering the effects of the Senshu Ikeda-Shiga Alliance in addition to the profitability enhancement and growth strategy of the main business through solution-oriented finance, we raised the target for consolidated return on equity (ROE) to 8% or more as a financial target for the 8th Mid-Term Business Plan.

Recognizing that our cost of capital ranges roughly between 7% and 8%, we set this target from the perspective of securing profitability that exceeds the cost of capital.

The consolidated ROE for the fiscal year ended March 31, 2026 was 4.46%, indicating a steady improvement. As we have transformed our revenue structure while improving the lending yield and securities yield in response to changes in the interest rate environment, the foundation for improving ROE is being set.

Going forward, we will pursue further improvement in ROE by strengthening profitability and improving capital efficiency. More specifically, we increase net interest income through RORA-conscious asset allocation, review the securities portfolio, strengthen non-interest income, and ensure appropriate control of financial leverage through capital strategy.

We recognize that improving ROE is an important factor that leads to enhancing valuation in the capital market, and thus achieving higher PBR. Looking ahead, we will steadily proceed with our efforts toward achieving this financial target, and thereby aiming to continuously improve corporate value.

Financial targets

	Results 2026	Before revision 2029	After revision 2029
Consolidated gross business profit	66.5 billion yen	87.0 billion yen	100.0 billion yen
Consolidated net income	21.2 billion yen	30.0 billion yen	40.0 billion yen
Consolidated ROE	4.46%	6% or more	8% or more

Portfolio Optimized for Capital and Funding Efficiency

We regard building an optimum loan portfolio as one of the important measures to improve continuous profitability and enhance ROE. In response to changes in the interest rate environment and the cost of capital, we are proceeding with asset allocation that is conscious of capital efficiency and profitability.

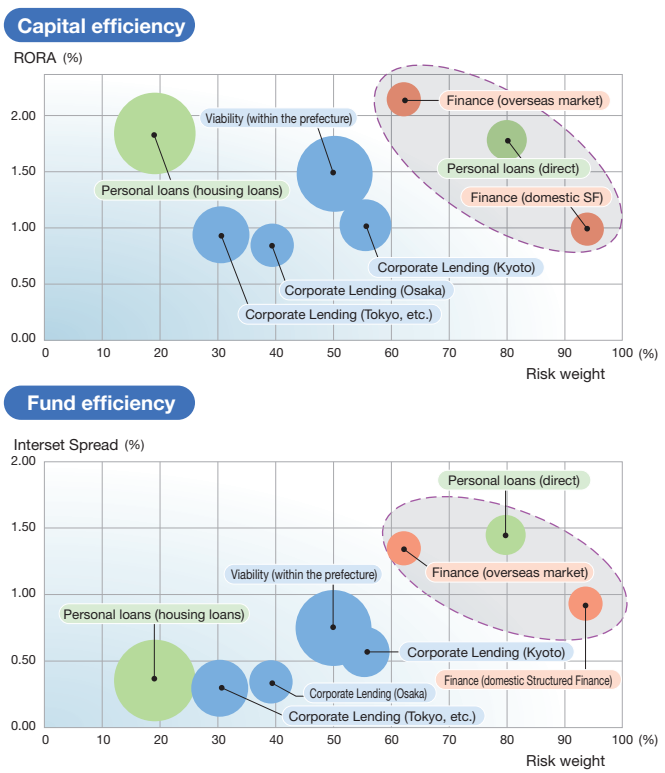
Our basic approach is to concentrate management resources on areas where we can secure profits steadily, while considering both capital efficiency (RORA) and fund efficiency (profit margin). With this, we try to increase the profitability of the entire portfolio and improve capital efficiency at the same time.

More specifically, we are stepping up efforts for highly profitable areas while responding properly to the fund demand of local customers; we are actively promoting services such as direct consumer loans, which are one of our strengths, and structured finance.

At the same time, we are reviewing low-yield loans and assets that are problematic in terms of capital efficiency in an effort to improve the quality of our portfolio.

In this way, we are continuously proceeding with asset allocation focusing on the balance between risks and returns, thereby increasing capital efficiency and margin efficiency and improving ROE in the medium- to long-term.

Asset allocation that is conscious of capital efficiency (RORA) and fund efficiency (profit margin)



Message from the Officer Responsible for Finance

Securities portfolio for strengthening our revenue base

We are continuously reviewing our securities portfolio in response to changes in the interest rate environment. We strategically sold low-yield bonds with an eye to improving profitability; we sold about 140 billion yen worth of bonds for the fiscal year ended March 31, 2025 and about 220 billion yen worth of bonds for the fiscal year ended March 31, 2026. With this bond switching, the yen-bond portfolio's yield is expected to improve by 1% or higher and lead to revenue improvement in the future. Through these efforts, we are rebuilding our portfolio that will suit the period of rising interest rates.

Regarding the reinvestment of bonds after sales, we intend to reinvest gradually based on the behavior of future interest rates while paying attention to investment timing and maturity diversification.

Currently, we are building a ladder portfolio with diversified maturity structure in order to stabilize interest income and improve yields while reducing profit imbalances due to interest rate fluctuations.

In addition, the diversification of maturities results in periodic redemption, ensuring us to continue management maintaining liquidity while securing reinvestment opportunities.

The Bank maintains a substantial gain on valuation of securities and sound capital adequacy level. We will optimize its portfolio under such assumptions in order to help strengthen its revenue base over the medium- to long-term.

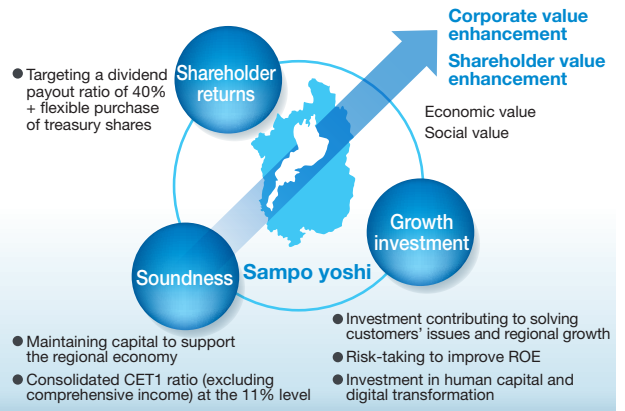
"Sampo yoshi" capital policy and enhancement of shareholder returns (dividend payout ratio of 40% + flexible purchase of treasury shares)

We recognize that it is important to secure soundness for supplying funds continuously as a regional financial institution while improving capital efficiency as a listed company. Based on the "Sampo yoshi" capital policy, we place emphasis on the balance between growth investment, shareholder returns, and financial soundness.

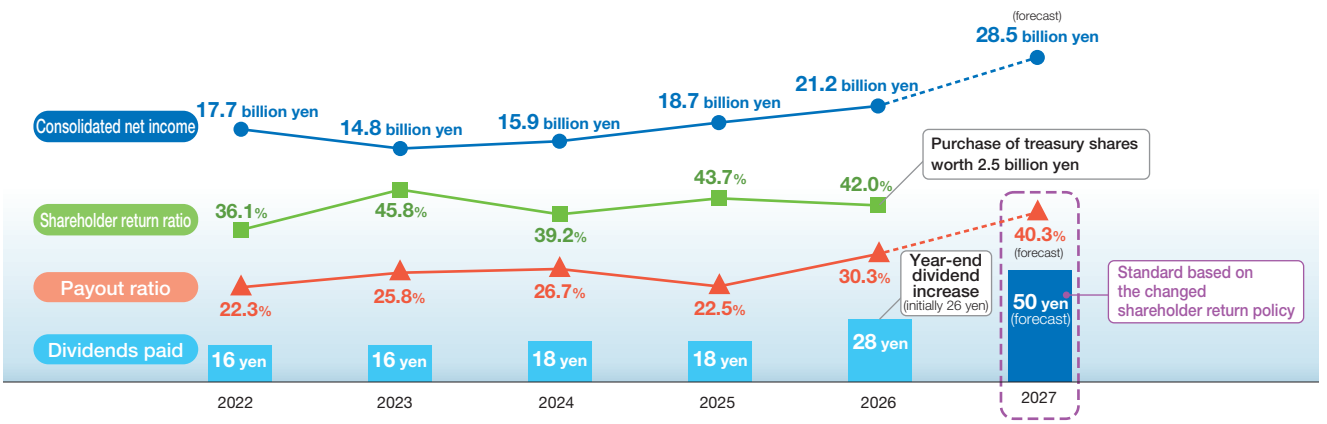
For shareholder returns, we reviewed our return policy based on the progress of the 8th Mid-Term Business Plan and the capital level. Previously, we targeted a total payout ratio of 40%; in fiscal year 2026, we decided to ensure flexible purchase of treasury shares in addition to a dividend payout ratio of 40%.

We regard this as a means to improve shareholder return through dividends as well as increase capital efficiency by purchasing treasury shares in a flexible manner based on capital levels and earnings trends.

Going forward, we will aim to continuously enhance corporate value by appropriately combining shareholder returns and capital control while paying attention to the balance with growth investment and soundness.



Changes in shareholder returns



Note: Dividends per share have been restated to reflect a stock split conducted on April 1, 2026.

Leveraging gains from the sale of cross-shareholdings for growth strategy

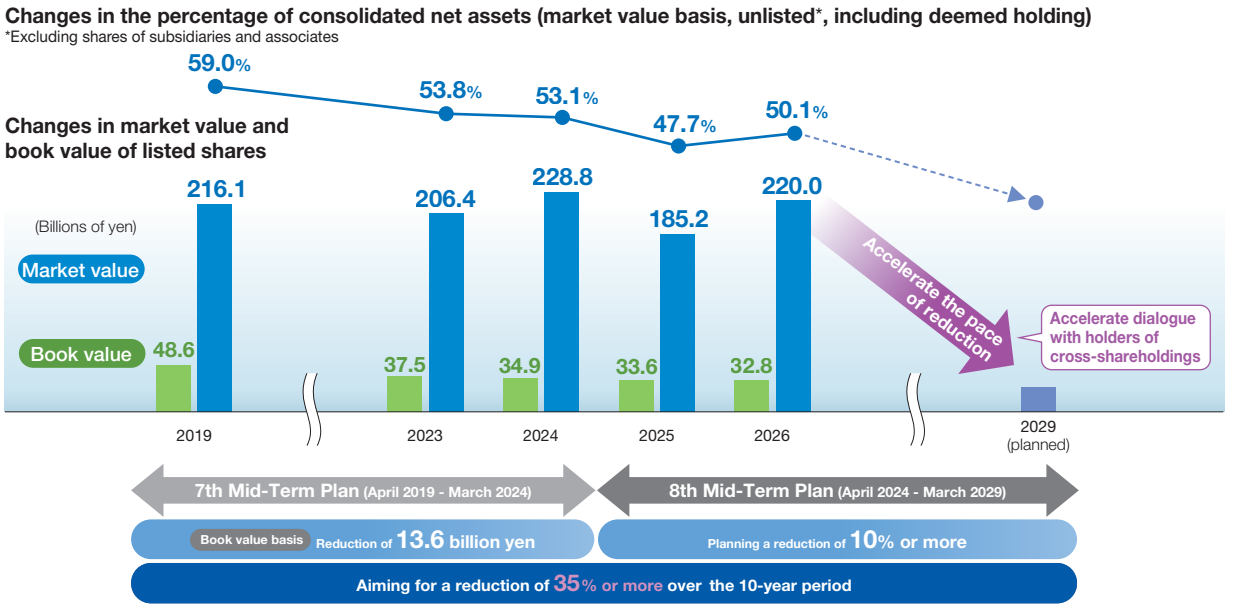
We are systematically reducing cross-shareholdings from the perspective of effective use of capital. Cross-shareholdings have played a certain role in the growth of clients as a means of capital contribution; however, amid a growing call for management that is conscious of the cost of capital, we need to continuously review the reason for holding them.

We have examined the reasonableness of holding for each individual issue. For cross-shareholdings with some room for reduction, we had careful dialogues with clients and have gradually sold those for which an agreement has been reached. We will continue to proceed with reduction through constructive dialogues while paying attention to maintaining and developing business relationships.

Gains from the sale of cross-shareholdings are redistributed to growth investment and shareholder returns. We will ensure that this will lead to enhancing our future revenue base through investment in human capital, digital transformation and systems as well as in areas that are expected to become more profitable.

Through reduction of cross-shareholdings and redistribution of gains on sale, we will continue to try to improve capital efficiency and strengthen profitability and ensure that it will lead to enhancing corporate value.

Status of cross-shareholdings



Dialogue with shareholders, investors, and other stakeholders (IR activities)

We are striving to improve the quality and frequency of our dialogue through individual meetings with institutional investors and analysts and by holding financial results briefings, conducting IR briefings in regional areas, and enhancing our integrated reports and IR materials.

Recognizing that IR activities are part of management strategy, we place great importance on accountability by management; the President and the officer in charge of finance attend and give presentations at financial results briefings. We will continue to pursue the sustainable enhancement of our corporate value through constructive dialogue with the capital markets. We will also create a virtuous cycle of happiness brought to the region and achieve co-existence and co-prosperity with our stakeholders.

<IR activities in the fiscal year ended March 31, 2026>

- Financial Results Briefing (June 2025)
- Disclosure of Interim Financial Results (November 2025)
- Small meetings for institutional investors (October and December 2025)
- Conducted 54 individual interviews
- Conducted 8 IR activities in the region

OUTSIDE DIRECTORS' MESSAGE

Message from Outside Directors

With a world with interest rates becoming the norm, regional financial institutions are expected more than ever to reform business models in addition to achieving higher capital efficiency and continuous corporate value creation. With such environmental changes in mind, the Bank tries to sophisticate the supervisory function of the Board of Directors and further strengthen discussions on medium- to long-term management strategy. We asked three outside directors, who always play the key roles at the Board of Directors that determine the direction the Shiga Bank Group is going to take, to exchange views on the progress of discussions so far, issues recognized, and the future direction.

Board discussions and the role of the Board of Directors —looking back on the past year—

—— **At a roundtable discussion last year, honest views were exchanged on challenges for corporate value enhancement, including involvement in the 8th Mid-Term Business Plan. Looking back on the past year, how do you feel about the Board discussions and the role of the Board of Directors?**

Kamata: At the roundtable discussion last year, I pointed out that we should promote partnerships with other companies and create synergistic effects to increase profitability. After the Board discussions, the Bank formed a capital and business alliance with Senshu Ikeda Holdings, Inc. in April this year; I feel this was a significant step forward. We also discussed the need to improve capital efficiency. Although the external environment has been changing, such as rising interest rates, the basic profitability of the Bank has improved steadily, a sign of which is that we have raised the ROE target from 6% to 8%. However, I think there is room to leverage our Group companies and enhance non-interest income—both of which have been ongoing challenges and are yet to see results.

Takeuchi: I expressed my opinions candidly at the Board of Directors. In the past year, we were able to deepen details of agendas through consideration of alliances, medium- to long-term measures, etc., and also have essential discussions. But, there was a tendency to end up in one-to-one exchanges between an external questioner and an internal person who explained. I think it would become even better if discussions are broadened to the entire board. It is because we can see things from various perspectives based on diverse opinions, not in the dualistic way of for or against. I recognize that many members make remarks about the business they are in charge of, but there are still very few remarks on business in other areas. Executive agenda items and strategic agenda items for the medium to long term are still discussed in a mixed manner.

Hattori: As Director Takeuchi said, outside directors are also members of the Nomination and Compensation Committee and I think it is important in terms of succession planning to know the opinions of board members regarding all aspects and issues at the Board of Directors. Next, while the Bank has been steadily responding to issues discussed at the Board of Directors, it should be operated in such a way that they are constantly refined through the PDCA cycle because the world is changing very fast. The speed can be accelerated if projects are well-organized. Regarding the alliance with Senshu Ikeda Holdings, I feel that it was operated in a very good manner in that we were able to have deep discussions.

Effectiveness of the Board of Directors

—— In the evaluation of effectiveness of the Bank's Board of Directors, the points brought up for discussion included how strategic discussions should be and how to face medium- to long-term themes such as human resources and capital. How do you evaluate the effectiveness of the Board of Directors?

Kamata: Deeper discussions were made at Board of Directors partly because prior-explanations were well-prepared. I think that the Board's effectiveness is secured. On the other hand, the challenge is how to organize operations well so that more time can be spared for medium- to long-term issues and important management matters. For example, it may be possible to delegate more decision-making authority to the executive body and narrow down the number of agenda items. As a precondition for this, it may be necessary to discuss at the Board of Directors to reach a consensus on the Board's decision-making functions and supervision; for example, how much weight to place on which side.

Hattori: Although discussions to improve profitability have been progressing, we need to have more in-depth discussions. Profit forecasts have already been presented, but I feel discussions are not enough in terms of strategies and tactics of the business plan. Since customer needs have become very diversified, it is also necessary to consider how to maintain a good balance between businesses. The main point is to organize topics and deepen discussions on important matters. For outside directors, it is also necessary to build a portfolio of human resources capable of discussing such matters. This time, Ms. Niizeki has been appointed as an outside director. I expect comments based on her areas of expertise. Additionally, a young member has been selected as a board member. I would like her to draw on her youth and previous career at the headquarters at the Board of Directors. In light of these issues, the Bank is gradually proceeding with efforts toward improving the Board's effectiveness, including prioritizing topics and enhancing monitoring functions.

Management strategy

—— Against the backdrop of the revision of the Corporate Governance Code, the role of constantly questioning management strategy's assumptions and direction is required even more. What is the most important theme from the viewpoint of enhancing corporate value over the medium to long term?

Hattori: We should first and foremost think what the Bank's role is. The most important role is to contribute to the home region. So, it is necessary to accurately understand the needs of local customers. We should identify customers' needs more accurately by conducting qualitative and quantitative analysis on changes in customers' needs, and then allocate management resources in line with the needs identified. After that, I think it is important to continue to grasp changes in needs and brush up strategic and management resources. In addition, the market is changing significantly. For example, a megabank is taking in retail customers using an app; and it is offering services to middle-ranking companies and SMEs and micro enterprises which it did not serve before, on a portal site for corporate clients. Regionality no longer matters. In this situation, how will the Bank's customer base, which is overwhelmingly strong for both retail customers and corporate clients in the home region, be after five to ten years? What business should the Bank build in the future in order to contribute to the home region? What is a business model that aligns with customer needs? In designing such business model, group strategies should be developed by integrating businesses required at the Bank and associated companies.

The business environment will change significantly over the next ten years. In addition to banking business, management consulting business such as digital transformation and human resources consulting will be important. While the Bank operates fee business across the region, it should develop products designed to deliver maximum value where customer needs exist. I think that the most important thing is to conduct discussions to determine the future direction of management strategy and allocate resources on a priority basis.

Takeuchi: I also think that the Bank should start from customer needs, but before that, it is necessary to consider the Bank's vision on the basis of customers. What does it mean to support the region? The business portfolio is for building the Bank's vision, and the human capital policy is for realizing its businesses. Now, as the Sustainability Design Company is set as the Bank's vision, it is necessary to deepen discussions on its concrete image and develop a clearer picture. We should then move on to individual issues.

Kamata: It is necessary to check again why fee business and solution business are important. In a world with interest rates, increasing deposits is considered important, but from the medium- to long-term perspective, expanding the balance sheet alone is not sufficient to expect continued growth. In a declining population and low-growth era, demand for funds will not grow very much, and spreads are expected to narrow. With an eye toward such a world, we should start focusing on solution business and fee business now and sow many seeds for increasing fee income, without relying on the balance sheet alone.

Message from Outside Directors

Hattori: With microfinance expected to expand in the future, there is a possibility that profit opportunities for the existing financial institutions will decrease, and the Bank needs businesses to earn income other than banking. We should discuss more about how we should consider M&A and inorganic businesses as investment. As the digital transformation-related business and consulting business need to be strengthened from now on, there is plenty of room to consider investing in ventures, system companies, etc. Looking ahead ten years, we should consider management strategy on the assumption that the ratio of financial services and non-financial services in the earnings structure to be fifty to fifty.

Kamata: In terms of very fast-changing and highly specialized areas such as digital areas, I think we should consider using external management resources without sticking to in-house services.

Human capital and succession planning

—— How do you see the current state of human resource development and succession planning of the Bank? What kind of involvement and discussion will be more required as the Board of Directors from now on?

Takeuchi: I think human capital management is a means. In other words, we should identify what type of human resources is needed to realize management strategy and how we should recruit and develop them. It is important to properly connect management strategy and human capital management in our discussion. Some aspects of human capital management have already been discussed, and various measures have been proposed. However, I feel that some of them lack logical consistency; we are yet to say “we are proceeding with the current human capital management because we want to build this business model.” Considering future business models, there is an opinion, for example, that the current simple salary table will be insufficient. So, it may also be necessary to flexibly redesign a different salary system, such as an annual salary system. If we examine the human resources really required to realize our management strategy, we should be able to come up with a variety of means.

Kamata: The current personnel system has a linear structure where everyone aims to be a branch manager or an officer, but a multiple-track personnel system focusing on expertise, etc. should also be prepared. It is desirable to form an organization where individuals can demonstrate their potential abilities to the fullest and where ideas of younger employees and middle-rank employees are actively discussed within the organization and then take shape one after another. To achieve this, it is important to review organizational culture and translate its results into concrete measures. I think it will lead to realizing challenge and admiration.

Hattori: I really feel that the Bank has an extremely large number of talented people. However, needless to say, they grow up only within the Bank’s framework. It is very important to have them breathe more outside air, take in different values, and combine such values well with the Bank’s good values in order to nurture them into stronger human resources.

Takeuchi: Besides in-house talent, recruiting mid-career professionals will also be the key. Instead of just hiring external resources and leaving them on their own, we should have someone support them responsibly. At first, each of them should be supported; we need to ensure that they feel “the Bank cares about you” even if it takes time and effort. By having such support take root and accumulating successful cases, I think we can transform our corporate culture into one in which diverse human resources can thrive.

Hattori: From the view point of diversity, I think the Bank should work on the promotion of female workers while clarifying specific goals. The Bank should formulate a plan of developing female officers in the years ahead, and then subject them to various experiences so that they are aware that their experiences and feelings are needed for diversity. It is not enough to simply become a branch manager, a department manager, or a section manager.

Takeuchi: It is important to create a workplace where various opinions are reflected. Achieving diversity is a starting point. If our efforts are expanded into equity (E) and inclusion (I) and the Bank’s business models are discussed by diverse members on top of that, unprecedented ideas should be generated.

Kamata: When it comes to succession planning, the Bank needs to consciously create a pool of managerial talents at a somewhat early stage and consider developing programs that allow them to build up experiences beneficial for management, such as headquarters experience.

Takeuchi: The market wants to see a plan of successors to top officials and board members in the sense of management supervision. To move a step closer to this, it may be good to humbly learn successful cases from, for example, a company whose Nomination and Compensation Committee consists solely of outside directors. We should then show how to respond to market requests.

“Sampo yoshi” capital policy

—— **The Bank implements the “Sampo yoshi” capital policy that aims to enhance corporate value by striking a balance between ensuring soundness, shareholder returns, and growth investment. Growth investments include investments that lead to solving customers’ issues and taking risks as well as investments in human capital. As part of investment in human capital, restricted stock (RS) is granted to employees who desire it. How do you evaluate a series of measures related to the capital policy?**

Hattori: The key is to proceed with them while finding the balance between soundness, shareholder returns, and growth investment. As for growth investment, considering that the declining birth rate and the increasing labor mobility resources will accelerate from now on, investing in human capital for securing and developing human resources will be the most important.

This time, I think it was very good that the ROE target of the 8th Mid-Term Business Plan was raised from 6% to 8% based on the backcasting approach. If the Bank moves away from the conventional thinking that conservative figures are the safer choice, and instead looks at broader trends and considers what needs to be done to accumulate profits, I believe this will generate real insight and provide a major impetus for breakthroughs.

Kamata: With capital efficiency in mind, the Bank has exercised control so that the capital adequacy ratio does not exceed a certain level. This is a big change. Of the three factors of soundness, shareholder returns, and growth investment, shareholder returns have been improved in operation in recent years to meet investor expectations by raising the return level. As for growth investment, two types of investment—human capital investment and system investment—are essential. In particular, the investment in the next-generation accounting system is meaningful as it enables a more flexible and agile strategy and leads to increase in competitiveness.

Takeuchi: The important thing is to draw a business model based on the Bank’s role of supporting the regional economy and consider the optimum balance of the capital policy toward its realization. As for shareholders’ dividends, stakeholders have various expectations. I heard that investors with medium- to long-term perspectives expect not only dividends themselves but also future growth. Human capital investment and system investment are of course important, but it is more important to discuss the entire growth story without focusing too much on individual issues at the Board of Directors.

The future state of the Board of Directors

—— **With the Bank’s Board of Directors trying to further enhance corporate value in the coming years, let us know the attitudes and approaches that are especially important.**

Kamata: For matters that have been considered good, I try to question whether they are still appropriate in line with environmental changes, regardless of what happened in the past. To always upgrade myself and keep updated with changes in the external environment, I would like to talk with many people to learn more and help contribute to enhancing corporate value.

Takeuchi: Of the key strategies, the business portfolio and human capital management are very important. So, the Bank should check again its regional banking capabilities, that is, the role of regional banking that the Bank should fulfill. To build a business model contributing to realizing such role, the Bank should deepen discussion on the business portfolio and human capital management. After that, the Bank should pursue balanced management acceptable to diverse stakeholders. At that time, even if a plan at the start of measures is not perfect, there should be an approach of making a course correction as appropriate while working on the measures.

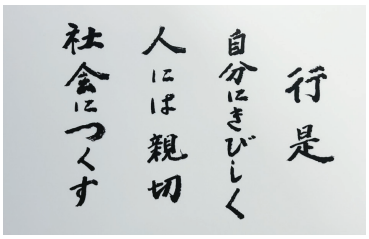
Hattori: The Bank’s Board of Directors should build on its steady efforts so far, but at the same time, its operation should become more agile and focused in order to respond to the speed of environmental changes. To achieve this, it is essential to reconsider the scheme of the Bank’s business portfolio and human capital and reconstruct a business model based on the role that the Bank should fulfill as a regional financial institution. As I said at the beginning, we should further deepen fundamental discussion as to what to do about the Bank’s business model and develop strategies toward realizing it. Partnerships with other banks and companies boil down to how to evolve and play the Bank’s role through such partnerships. I would like to consider this point deeply. Going forward, I will try to clarify the division of the roles of execution and supervision, further deepen discussion on strategy contributing to medium- to long-term improvement of corporate value, and work on governance enhancement toward enhancing capital efficiency and realizing continued growth.

HISTORY

Steps Toward Enhancing the Corporate Value of the Shiga Bank Group

The Shiga Bank Group has long upheld the traditional spirit of the Omi Merchants, known as “Sampo yoshi” (bringing happiness to three sides: being good for the seller, the buyer, and society), and has walked hand in hand with its customers and regional communities in a spirit of coexistence and co-prosperity.

Holding dear the teachings of our predecessors, we shall continue to contribute to the happiness of the region founded on the belief that the growth of the Group is inextricably linked to the growth of the region and our customers.



since 1933

Established a solid management foundation based on a spirit of soundness and innovation

- October 1933 Established the Shiga Bank, Ltd.
- October 1938 Opened Kyoto Branch
- March 1941 Opened Osaka Branch
- July 1946 Opened Tokyo Branch
- May 1951 Commenced foreign exchange business

1960 –

Strengthened management systems that embody the Bank’s motto

- January 1966 Announced the Bank’s motto
- October 1977 Listed stocks on the Osaka Securities Exchange (the Second Section) and the Kyoto Stock Exchange
- August 1984 Established the Shigagin Welfare Fund, a social welfare corporation
- October 1987 Listed stocks on the Tokyo Stock Exchange (the First Section)
- March 1988 Opened the New York Representative Office (promoted to New York Branch in 1991 and closed down in 1998)
- July 1988 Completed the current Head Office building
- May 1989 Opened Hong Kong Representative Office (promoted to Hong Kong Branch in September 1993)
- December 1998 Commenced the in-house corporate credit ratings system

since 1933

1999 – Practicing pioneering environmental management

October	1999	Established the Environmental Policy
March	2000	Acquired ISO 14001 certification
July	2000	Launched “Saturday Entrepreneurship School” (currently Shigagin Entrepreneurship and Business Management School)
October	2001	Signed the UNEP Statement by Financial Institutions
April	2003	Established Shigagin Nonohana Prize (currently Shigagin Nonohana Prize for Innovation)
December	2003	Opened Shanghai Representative Office
April	2004	Established CSR Committee and CSR Office
March	2007	Basel II’s Foundation Internal Ratings Based-Approach (FIRB) was approved by the Financial Services Agency
August	2007	Commenced Shigagin Ratings Communication Service (Ratings CS)
July	2008	Became the first financial institution to be certified as an Eco-First Enterprise
August	2010	Established the Biodiversity Conservation Policy
February	2012	Opened Bangkok Representative Office

2017 – Incorporated SDGs into business, evolving to sustainability management

November	2017	Announced the Shigagin SDGs Declaration
July	2018	Announced support for TCFD Recommendations
May	2019	Joined TSUBASA Alliance
February	2020	Signed the Principles for Responsible Banking (PRB)
April	2020	The Bank itself started offering trust services Established Diversity Promotion Committee
October	2020	Established the Sustainability Policy Established Sustainable Strategy Office
June	2021	Established Solution Sales Office and Finance Office
November	2021	Implemented ESG Assessment System
April	2022	Listed stocks on the Prime Market of the Tokyo Stock Exchange The Bank itself started offering employment placement services
January	2023	Established the Investment and Financing Policies for Realizing a Sustainable Society
January	2024	Announced adoption of TNFD Recommendations (registered as TNFD Adopter)
April	2024	Established our Purpose Established Shigagin Energy Co., Ltd.
October	2024	Established Shigagin Capital Partners Co., Ltd.
March	2025	Established the Human Rights Policy
April	2026	Formed the Senshu Ikeda-Shiga Alliance

100th anniversary
2033
A society where everyone can envision their own future and live happily

100th anniversary

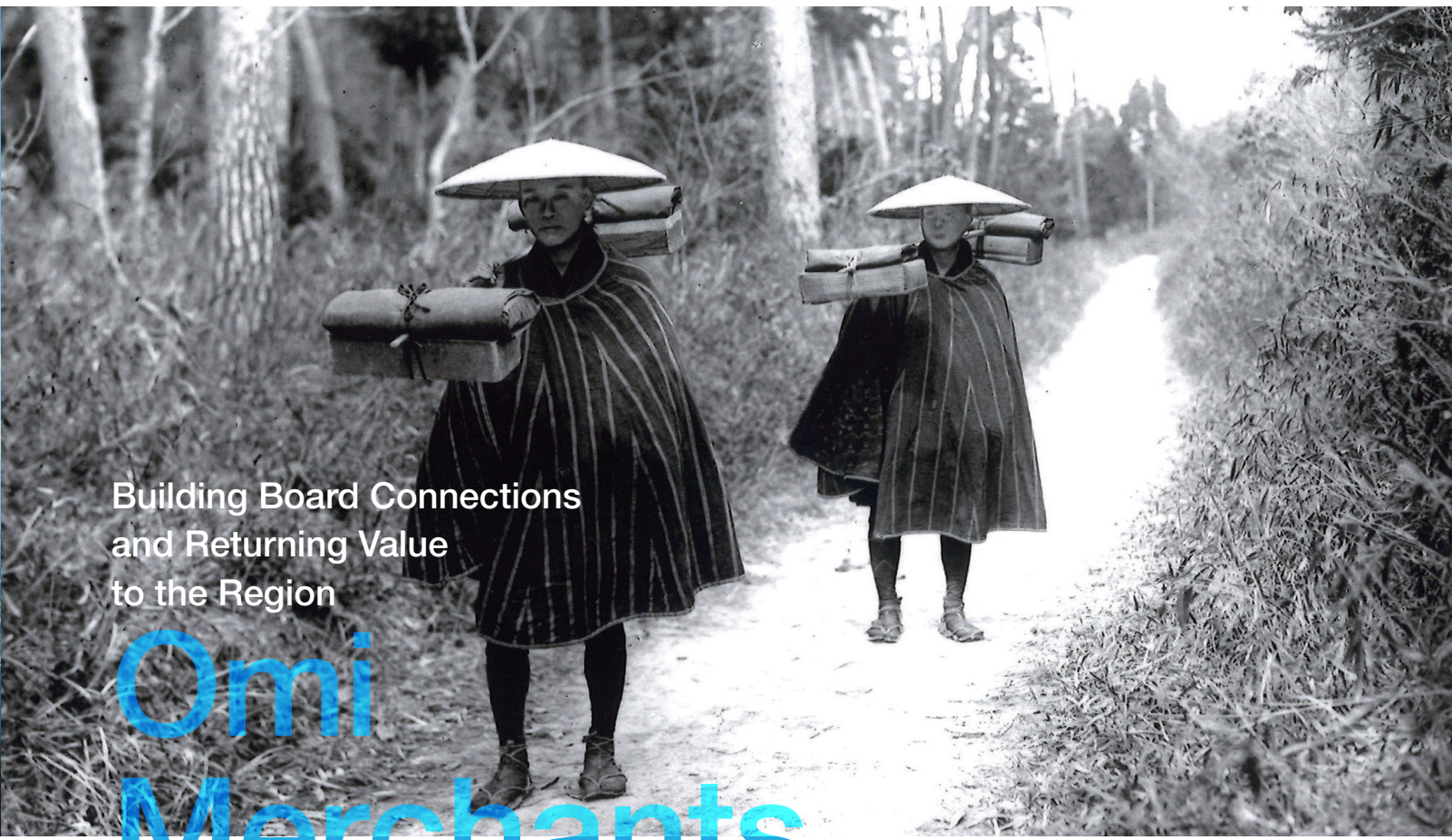
ORIGINALITY Shiga Bank's Distinctiveness

Responsibility to Protect and the Power to Connect

At the heart of Shiga Bank's management philosophy are two values unique to this region.
One is a strong sense of responsibility to protect Lake Biwa, which supports the lifestyle and industrial infrastructure in the Kansai region, and pass it on to the next generation.
The other one is an enterprising spirit that has been passed down to the Omi Merchants and a broad geographic reach symbolized by their traveling trade.

Lake Biwa has supported the lives of about 14.5 million people and industries as a source of water for wide areas including not only Shiga Prefecture but also the Kyoto, Osaka and Kobe areas. Shiga Bank views this lake as an asset A Precious Trust from the Future, not a resource to be consumed for modern economic activities. Passing on the lake in a better condition to the next generation is a mission that Shiga Bank should fulfill as a bank having its head office in this region and is also a prerequisite for management. As such, Shiga Bank positions environmental efforts as business strategy itself, not as an option, and is working on sustainability management and ESG finance.

Such an attitude is incorporated as concrete management activities, such as environmental finance, renewable energy business, overseas development support, business succession, and human resources support.
We broaden our horizons and develop connections because we have what we should protect.
This is the distinctiveness of Shiga Bank and the driving force that brings continuous value to the region.



Building Board Connections and Returning Value to the Region

Omi Merchants

Source: Archival Museum, Faculty of Economics, Shiga University

Omi merchants went on a peddling tour throughout Japan while being rooted in the home region, and returned profits and knowledge gained outside to the region. The idea of connecting broadly and recirculating in the region is deeply rooted in the Bank's management. Shiga Bank set up the Kyoto branch in 1938, the Osaka branch in 1941, and the Tokyo branch in 1946 and has expanded its range of activities into companies and areas deeply related to Omi merchants. For companies that operate nationally and internationally while being rooted in the home region, we are making constant efforts to support their growth from the aspects of not only financial transactions but also information, networks, and human resources.

VALUE CREATION STORY Value Creation Story

Utilizing a variety of capital inside and outside the Shiga Bank Group, we will make investments that contribute to solving customers' issues and to regional growth, thereby stimulating economic activity and expanding business opportunities. In this process, we will improve the earning power of the region

Materiality

Economy
- Population decline Low birthrate and aging population
- Regional economy revitalization
- Business succession
- Efficient use of regional resources
- Regional digitalization
- Education

Environment
- Climate change
- Decarbonization
- Biodiversity
- Water preservation in Lake Biwa

People
- Human resource development
- Diversity, equity and inclusion
- Improving employee engagement (job satisfaction reform)
- Respect for human rights

Input (Capital)

Financial capital
- Diverse earnings structure
- Sound loan assets
- Appropriate equity capital
- Comprehensive income on securities

Human capital
- Human resources with advanced financial knowledge
- One of the highest numbers of employees with financial qualifications among regional banks
- Well-developed human resource development system

Intellectual capital
- Diverse financial methods
- Wealth of consulting functions
- Environmental management and measures for SDGs
- One of the top-class ESG finance structuring capabilities among regional banks
- Responding to digitalization

Social relationship capital
- Network of branches rooted in the community
- High regional market share based on trust
- Asian network
- Region with a moderate rate of population decline
- Clusters of academic centers and corporate research institutes
- Regional community carrying on the "Sampo yoshi" philosophy

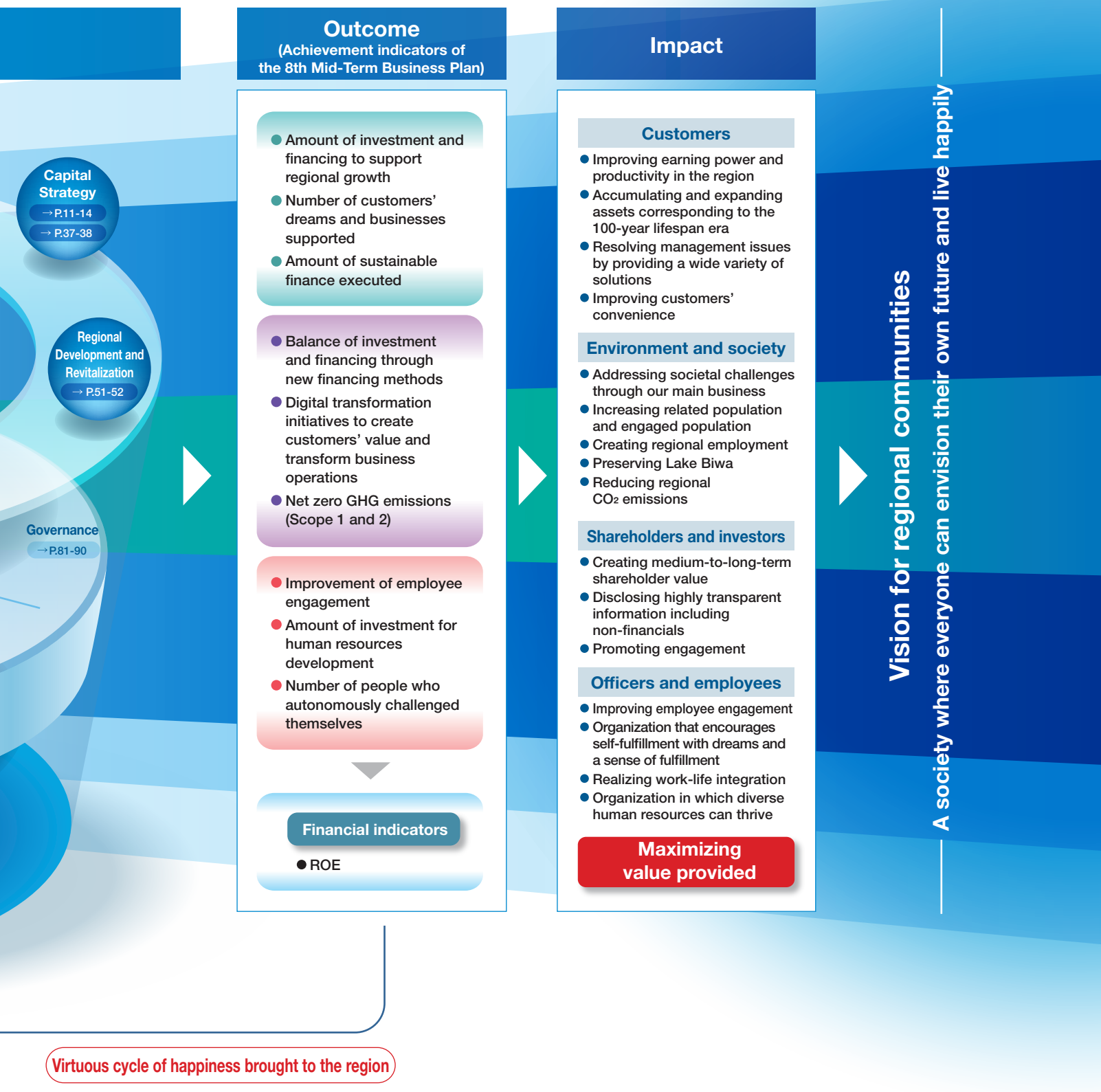
Natural capital
- Lake Biwa, biodiversity, rich natural environment
- Regional resources including national treasures and important cultural assets

Activities (Business activities)

[The 8th Mid-Term Business Plan is the engine of value creation]

Bolstering capital base for enhanced problem-solving capacity

and the Shiga Bank Group, and create a virtuous cycle of happiness brought to the region that will lead to solutions to the following issues and investments. We are working on the 8th Mid-Term Business Plan as the engine of this process.



MATERIALITY

Materiality (key issues to be addressed)

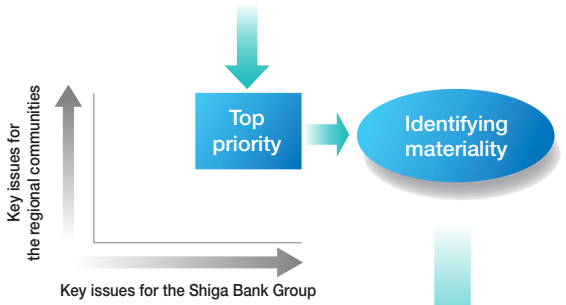
Specific process

Identifying all issues

Efficient use of tourism resources	Poverty	Biodiversity	Population decline Low birthrate and aging population	Climate change Decarbonization	Regional digitalization	Regional economy revitalization
Outflow of human resources	Education	Water preservation in Lake Biwa	Efficient use of regional resources	Health	Business succession	Customers' growth
Welfare benefits	Diversity, equity and inclusion	Compliance	Disaster prevention	Collaboration with regions and government	Creating new industry	Developing new business
Job creation	Social welfare	Respect for human rights	Digital transformation of business operations	Human resource development	Improving employee engagement (job satisfaction reform)	Utilizing diverse human resources
Cashless	Child-rearing	Infrastructure development	Vacant houses	Enhancing social security	Disparity issues	Realizing a locally produced, locally consumed society

etc.

- Based on the identification of all issues from the external and internal environment surrounding the Bank, the potential of Shiga Prefecture, the Shiga Bank Group's philosophy, long-term strategies, and through discussions among the 8th Mid-Term Business Plan Project Team (composed of diverse employees in terms of age, position, etc.), we organized the chronological priorities of the issues. Through this process, the key issues for the regional communities and the key issues for the Bank were mapped out.
- Based on this mapping, we further identified the priority issues that we consider to be the most important issues for the Shiga Bank Group, and through discussions at the Management Meeting and the Board of Directors, we have identified the materiality of the Shiga Bank Group.



Materiality (key issues to be addressed)

Economy

Population decline/ Low birthrate and aging population	Regional economy revitalization
Business succession	Efficient use of regional resources
Regional digitalization	Education

Environment

Climate change	Decarbonization
Biodiversity	Water preservation in Lake Biwa

People

Human resource development	Diversity, equity and inclusion
Improving employee engagement (job satisfaction reform)	Respect for human rights

We have identified our materiality (priority issues) for medium- to long-term value creation by considering the expectations of the society and stakeholders, and our strength and management strategy in relation to the regional characteristics, industrial structure, demographic factors, environmental issues and other regional issues in Shiga Prefecture, which is our mother market.

The identified materiality is incorporated into the basic strategies, KPIs and concrete measures of the 8th Mid-Term Business Plan and then implemented through day-to-day business activities. Going forward, we will review the materiality continuously in response to business conditions and regional changes.

Vision for regional communities

[A society where everyone can envision their own future and live happily]

Vision for achievement

- Increasing real gross prefectural product and employment in Shiga Prefecture
- Controlling population decline, increasing related population and engaged population in Shiga Prefecture
- Achieving a carbon neutral society by 2050
- Achieving diversity, equity and inclusion

Sustainability achievement indicators in the 8th Mid-Term Business Plan

Basic strategies	Sustainability achievement indicators	Plan 2029
Impact Design — Designing sustainable growth of our customers and regions	Amount of investment and financing to support regional growth	(Cumulative total) 1,200.0 billion yen
	Number of customers' dreams and businesses supported	(Cumulative total) 30,000 cases
	Amount of sustainable finance executed to increase the sustainability of region and society	(Cumulative total) 700.0 billion yen
Base for Growth — Strengthening management foundation	Balance of investment and financing through new financing methods to improve earning power	750.0 billion yen
	Digital transformation initiatives to create customers' value and transform business operations of the Shiga Bank Group	Qualitative evaluation
	Reducing GHG emissions to achieve a carbon neutral society (Scope 1 and 2)	Achieving Net Zero
Human First — Maximizing human capital	Improving employee engagement to maximize human capital (percentage of positive responses)	Sustainable improvement
	Amount of investment to develop human resources who can take on the challenges for the future of the region as key players in value creation	Twofold increase compared to fiscal year 2023 (300 thousand yen per employee/year)
	Number of people who autonomously challenged themselves to improve their skills and develop their careers	(Cumulative total) 2,000 persons
Financial indicators	ROE (consolidated)	8% or more

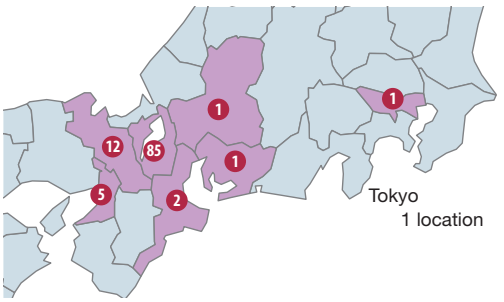
STRENGTHS & CAPITAL Strengths and Capital to be Used

1 Broad network Social relationship capital

Strengths

We are based in Shiga Prefecture in Japan and, inspired by the pioneering spirit of the Omi Merchants. We established branches in Kyoto, Osaka, and Tokyo early on and operate as a regional bank serving a wide area. In 1988, we expanded overseas operations with the opening of the New York Representative Office. Currently, we are the only regional bank headquartered in the Kansai region with overseas branches, and we are working to activate the local economy from a global perspective.

Shiga Prefecture
85 locations
Kyoto Prefecture
12 locations
Osaka Prefecture
5 locations
Mie Prefecture
2 locations
Gifu Prefecture
1 location
Aichi Prefecture
1 location



2 Personnel with extensive knowledge Human capital

Strengths

We have developed many employees who can help resolve the more sophisticated and diversified customers' issues. We also provide opportunities to learn and take on challenges so that they can acquire a wide range of knowledge, not limited to financial knowledge.
We are striving to develop Design Personnel by improving the ability and skills to design value creation for regions and customers, and link it to solutions.

Financial Planning Grade 1	Small and Medium Enterprise Management Consultants	IT passport	Carbon accounting advisor	MBA·MBAN (Master of Business Administration) (Master of Business Analytics)	National qualification Career consultants
234 persons	37 persons	584 persons	452 persons	8 persons	8 persons

(As of March 31, 2026)

3 Group's integrated strength Intellectual capital

Strengths

The Shiga Bank Group consists of 10 companies, including banks and leasing companies, and provides a wide range of services to regional communities and customers. In fiscal year 2024, we established two new companies, Shigagin Energy and Shigagin Capital Partners, to put in place a structure equipped to respond to a wide range of social issues. In addition, we have assigned specialists in various solutions to the Business Promotion Dept. and Financial Markets & International Dept. at our headquarters to handle more complex issues.

Integrated Strengths of the Shiga Bank Group

Shiga Bank	Bank
The Shigagin Business Service	Various types of back office administration
The Shigagin Economic & Cultural Center	Consulting
The Shiga DC Card	Credit cards
Shigagin Lease	Lease
The Shigagin Agency	Bank agency
The Shigagin JCB	Credit cards
The Shiga Home Loan Guarantee Service	Credit guarantee
Shigagin Energy	Renewable energy
Shigagin Capital Partners	Investment

Expertise of the Shiga Bank Group

Finance Business succession, M&A SDGs and ESG consulting Organization and personnel affairs consulting Recruiting Business matching IT business support Risk management Overseas business	Corporate clients
Asset succession planning, inheritance planning Asset management, effective utilization of real estate Testamentary trusts, inheritance management	Retail customers