

4

Solid customer base Social relationship capital

Strengths

Backed by trust built up with customers spanning more than 90 years, the Bank's deposit and loan share ranks among the top regional banks, and we enjoy strong support from customers in the community.

Share of loans in Shiga Prefecture

48.38%

Share of deposits in Shiga Prefecture

47.52%

Main bank ratio

57.28%

*Source: Teikoku Databank survey of "main bank" trends in Shiga Prefecture (2025)

5

Sound financial base Financial capital

Among regional financial institutions, we have maintained a high capital adequacy ratio in keeping with international standards. We are also striving to maximize profits by leveraging our sound financial base by implementing advanced risk management founded on our Risk Appetite Framework. We have also received high ratings from external rating agencies.

Net income attributable to owners of parent company (consolidated)

21.2 billion yen

Total capital adequacy ratio (consolidated)

13.25%

Net business profit per employee (consolidated)

7.2 million yen

Japan Credit Rating Agency (JCR)

A+

Rating and Investment Information (R&I)

A+

6

Potential of Shiga Prefecture Social relationship capital and natural capital

Shiga Prefecture is a key transportation hub located between the Kinki and Chubu regions, and has high potential for further development due to its rich natural environment centering on Lake Biwa as well as its abundance of historical sites and cultural heritage. It is also a region where the lease market is expected to grow. We aim to develop and grow together with the community while maximizing these regional characteristics and potential.

Abundant **nature**, stable **demographics**, vibrant **economy**

One of the few **growing** markets

Moderate population decline

Population growth rate in the prefecture

Ranked **8th** nationwide

1.41 million in 2020 → 1.22 million in 2050

High percentage of young people

Percentage of young people

Ranked **2nd** nationwide

Percentage of working-age population

Ranked **7th** nationwide

Birth rate

Ranked **3rd** nationwide

Health and longevity

Average life expectancy for men

Ranked **1st** nationwide

Average life expectancy for women

Ranked **2nd** nationwide

Crossover point in the Kinki, Chubu, and Hokuriku regions

Multiple **international airports and ports** within 100 km

International airports: Kansai International Airport, Chubu Centrair International Airport
International ports: Osaka Port, Yokkaichi Port, Nagoya Port, Tsuruga Port

Developed transportation infrastructure

Tokaido Shinkansen, Meishin Expressway, Shin-Meishin Expressway, and Hokuriku Expressway

A manufacturing prefecture

Ratio of secondary industry to gross prefectural product

Ranked **1st** nationwide

Abundant nature and culture

Ratio of natural park area to total land area

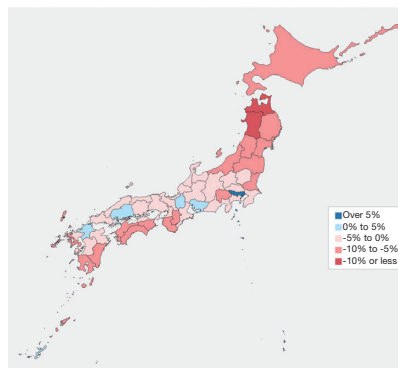
Ranked **1st** nationwide

Number of nationally designated important cultural landscapes

Ranked **2nd** nationwide

Lease market with growth potential

Growth rate of the lease market from 2022 to 2030



*Source: Mitsubishi Research Institute, "How Should Regional Financial Institutions Change in an Era of Population Decline? Part 1: Estimate of Lease Markets by Prefecture"

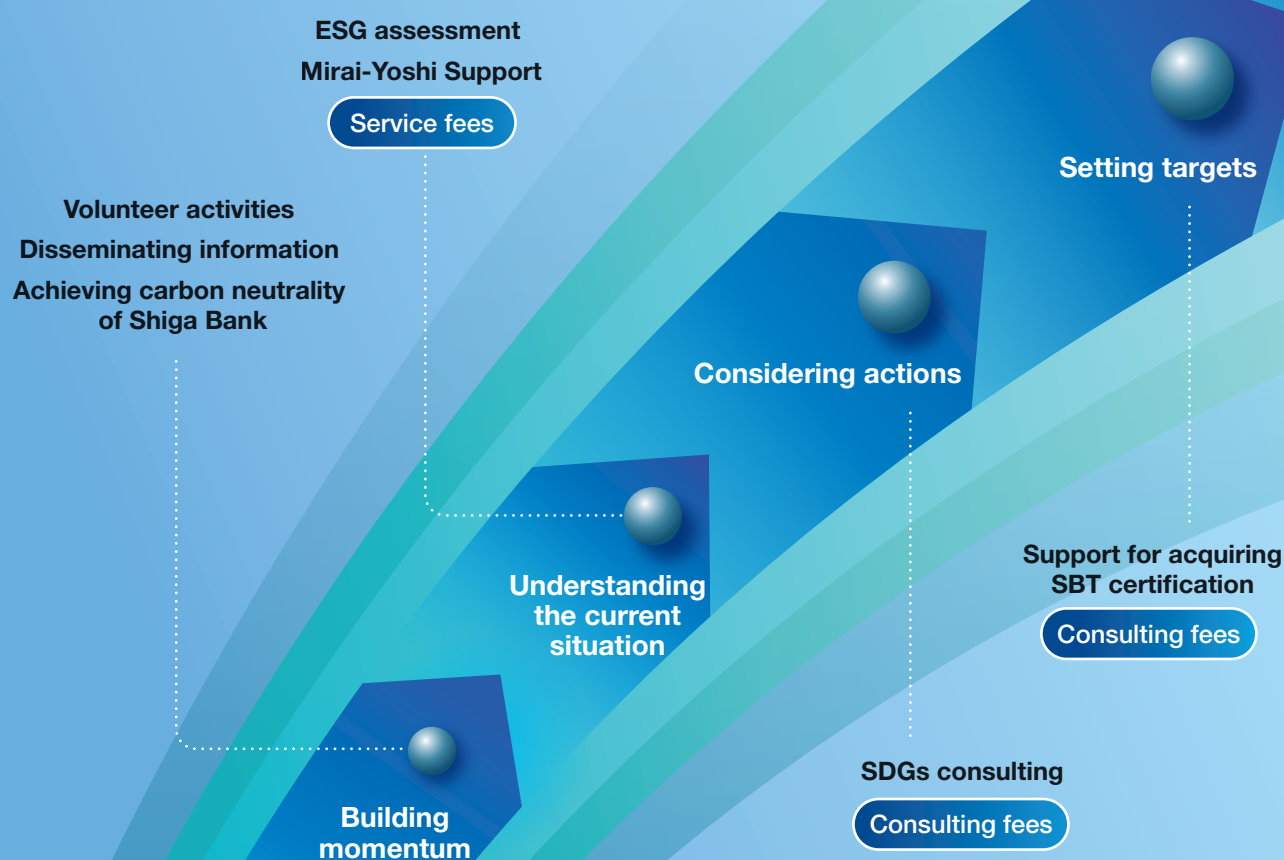
TOPICS. 1

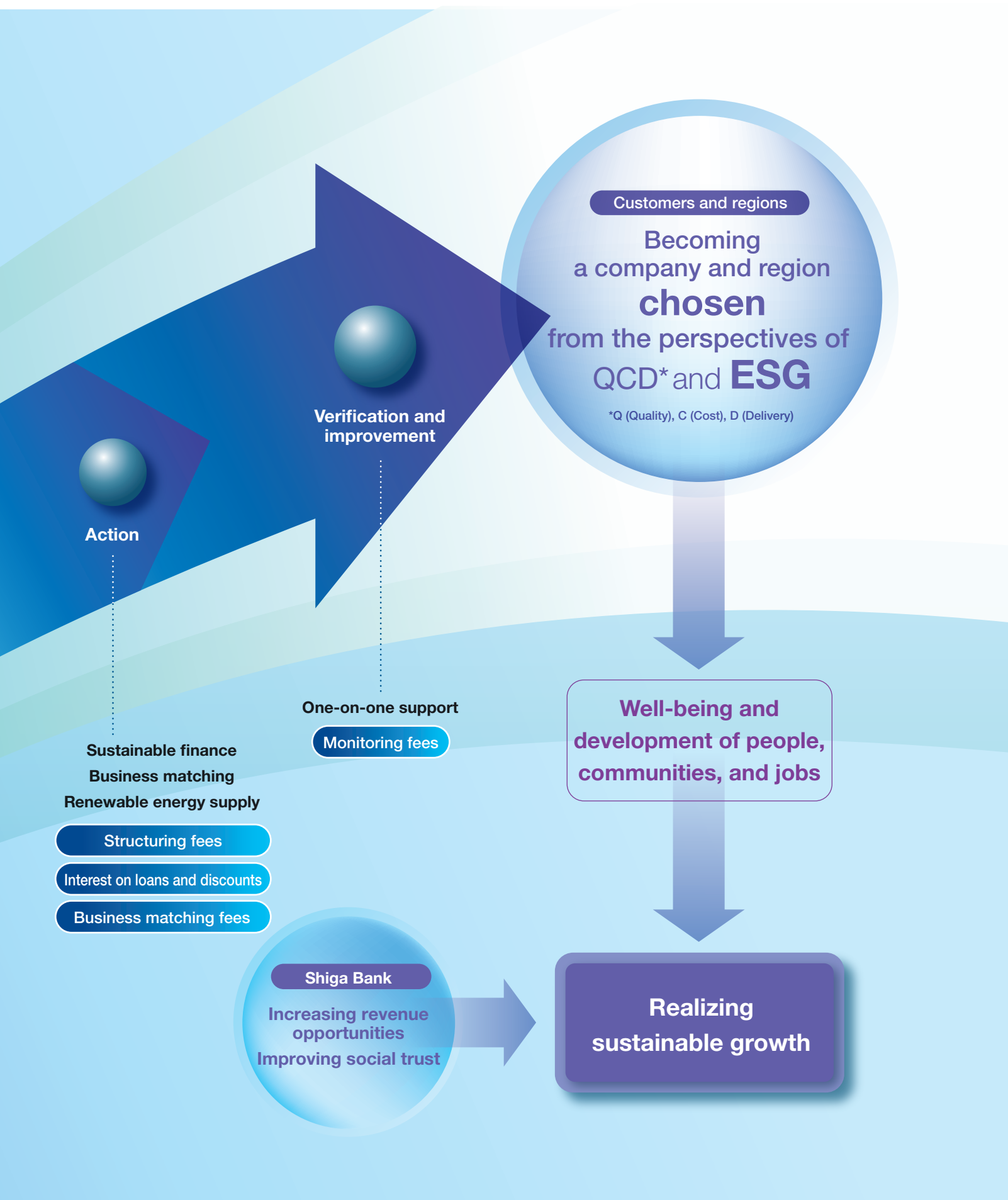
Practicing Environmental Management and the Value It Creates for the Region

Shiga Bank's environmental finance initiatives go beyond simply offering environmentally friendly financial products. At its essence, it supports the process of change necessary for regions and companies to achieve sustainable growth.

By practicing management that considers the environment and society, we become the chosen one for customers, consumers, and investors. As more companies are chosen and regions become the chosen ones, people gather, communities activate, and new jobs and investments are generated.

Creating this virtuous cycle of people, communities, and jobs is the greatest value that environmental finance brings to regions.





TOPICS. 2

Talk

—Data-Driven Management and Evolution of Regional Banking—

Naoki Ohgo

Rootf Datum, Inc.
Representative Director

Shinya Kubota

President and
CEO

PRESIDENT'S DIALOGUE

The digital transformation of business operations is advancing rapidly across all industries, and the importance of utilizing data is growing. The Shiga Bank Group has set out a vision of becoming a Sustainability Design Company and is aiming for a transformation from Bank to Company, placing particular emphasis on fostering awareness of data-driven management. As a world with interest rates has emerged and strengthening regional financial capabilities is increasingly demanded, we invited Mr. Naoki Ohgo, a management consultant who also serves as a Chief Advisor of the Financial Research Center, Financial Services Agency, and President and CEO Shinya Kubota to discuss the role and future of regional financial institutions.

A vision of Shiga Prefecture revealed through data analysis

Kubota: I sincerely thank you for your continued support of our bank. From late last year through this spring, Rootf Datum, Inc., where you serve as Representative Director, and our bank's data-driven project team jointly conducted an analysis of the industrial structure of Shiga Prefecture's economy and a forecast of Shiga Prefecture's GDP, based on data held by Shiga Prefecture and our bank. This work greatly helped us identify the strengths and weaknesses of Shiga Prefecture's industries and understand the prefecture's current economic situation.

You have pointed out that "the banking business is closely linked to demographic trends" in your book "Shin Ginkouron" (published by the Kinzai Institute for Financial Affairs, Inc.). Shiga Prefecture is generally considered to be experiencing a relatively gradual decline in population compared to other prefectures, however, according to preliminary results from the 2025 Census released in May of this year, Shiga Prefecture's population has begun to decline for the first time in 65 years. We can no longer turn a blind eye to reality, and must develop business models based on the assumption of a declining population.

Also, because people moving to Shiga Prefecture from other prefectures already have bank accounts, an increase in population in certain regions does not necessarily lead to an increase in deposits at our bank. The use of online banks is

also becoming more common. We maintain a healthy sense of urgency, visualize Shiga Prefecture's current situation through data-driven analysis, and foster a shared understanding among economic stakeholders. Based on these efforts, we will explore Shiga Prefecture's potential, develop several hypotheses, and create new businesses, leveraging the results of this analysis.

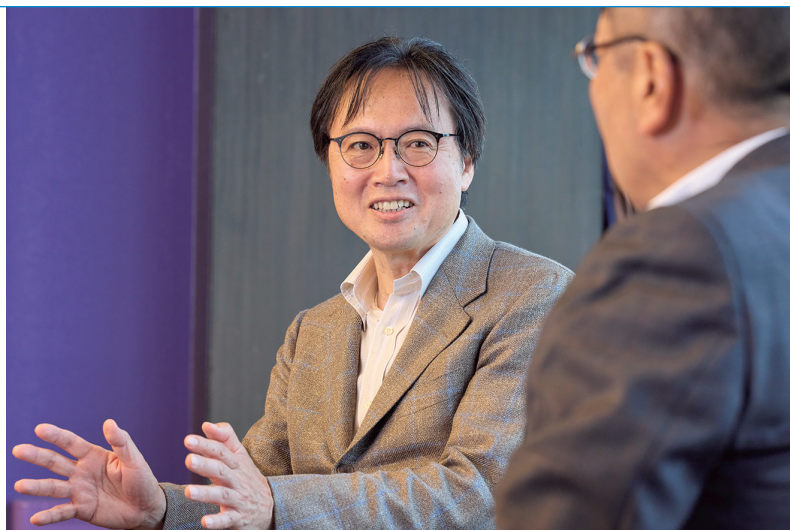
Ohgo: I don't think there are many banks that understand economic trends in the prefecture or forecast the prefecture's GDP utilizing their bank data. Around 2019, when I attended a fintech conference in New York, I heard that Bancolombia (the largest bank in Colombia, South America) forecast GDP using the bank data. So, when your bank approached me about the project, I found it quite exciting.

Kubota: Shiga Prefecture's GDP accounts for only about 1 to 2 percent of the national total. However, since I do not consider prefectural borders, I believe we need to view the Kinki region as a single surface. Considering the flow of people, it is clearly connected to Kyoto and Osaka. Additionally, Shiga Prefecture has ties to the Nagoya and Hokuriku regions as well. I believe that if we limit our perspective to the category of prefecture, we may misjudge the economic trends.

Ohgo: According to this analysis, of the added value generated within Shiga Prefecture, about half is generated by companies with headquarters in the prefecture, while the remaining half is generated by companies based outside the prefecture. This leads me to think that Shiga, Kyoto, and Osaka form a single economic region. If I were to provide consulting services to companies in the prefecture, I believe one key point would be how to expand their business into the Kyoto and Osaka areas.

Kubota: In your other book, “How to Foster the Future of the Regional Economy” (published by Jiji Press, Ltd.), initiatives aimed at revitalizing the regional economy are introduced in detail, aren’t they?

Ohgo: We have been conducting ILO industry analysis continuously for over 10 years, in support of regional revitalization efforts undertaken by other companies. This approach categorizes industries into Inbound (customers are visitors from outside the region), Local (customers are residents and companies within the region), and Outbound (products and services are provided to customers outside the region), and is designed to simultaneously address economic and population issues. For example, when analyzing Kushi City, the presence of Kushi Port was identified as a source of growth potential. Since a large number of dairy cattle are raised in Eastern Hokkaido and many supplies such as corn, a raw material for feed, are shipped into the area, it became clear that Kushi



could extend its economic influence across the entire Eastern Hokkaido region.

The regional economic growth strategies resulting from the ILO industry analysis often involve solutions that seek to foster growth through collaboration across a wide area, rather than solutions limited to a narrow area. We have already begun presenting proposals to the various cities and towns regarding the analysis in Shiga Prefecture, and have received positive feedback. I hope that by turning this into concrete initiatives going forward, people will come to understand Shiga Prefecture’s unique appeal and characteristics.

Kubota: I do believe it’s extremely important to thoroughly re-examine our true nature from a data-driven perspective.

Importance of data-driven management

Kubota: The reason I began talking internally about data-driven management after assuming the position of President in June 2023 was that when dealing with issues as President, I considered what I should rely on and what I should base my decisions on. When exchanging opinions with someone who has their own criteria for judgment and different career paths, past success experiences, and ways of seeing and thinking about things, what serves as a common language? I believe one such common language is facts based on detailed data analysis and the hypotheses derived from them.

Data that is useful for corporate analysis and the like is a tremendous treasure. Shiga University, located in our region, has Japan’s first Faculty of Data Science, and I believe there are many opportunities for industry, academia, government, and banking in Shiga Prefecture to collaborate.

Ohgo: Since I started visiting your bank on a regular basis, I have been impressed by the fact that the data-driven project team is primarily staffed by people mostly around 30 years old. Typically, teams include people in the 40s and 50s who lead the discussions, but at your bank, it’s truly the younger members speak up and lead the meetings. I have been a management consultant for about 40 years, and this is the first time I have seen such a case. Also, even though we speak of data-driven, one thing we must absolutely avoid is simply collecting a large

amount of data, doing calculations, and then presenting the results as they are. That approach almost doesn’t produce meaningful answers for business management. But your bank’s data-driven project team focuses its efforts on formulating hypotheses themselves. Rather than merely analyzing data, they discuss how to think about Shiga Prefecture and its economy to achieve revitalization.

Kubota: Among our younger employees, there has been growing momentum toward adopting a data-driven approach. The management team, including myself, recognizes that our issue is to clearly prioritize what we use data for and how we utilize it. The data-driven project team was established as part of the 8th Mid-Term Business Plan (five years), which was launched in April 2024, the year after I assumed the position of President. In the Financial Data Application Challenge (co-hosted by the Financial Services Agency, etc.), the team had winners in every round from the first to the fourth. This team has developed a prototype of an AI President that inputs publicly available information, such as our Purpose, and plans to continue brushing up its functions to develop AI that will be useful for administrative tasks, etc.

By the way, I believe that the use of AI is essential in many industries, including finance. How do you view the advancement of AI and digitalization?

Thinking about the business model of banks

Ohgo: I myself majored in mathematics in university, became a management consultant and worked in data analysis. For the past decade or so, I have been focusing on the application of data science, AI, and such. However, I often hear people say that we should rely 100% on the results of data analysis or that AI can handle everything, but I'm skeptical about those points. Ultimately, I believe humans will remain the key players when it comes to human creativity, emotions, motivation for action, and so on. I think the next model will be based on how we master technology.

In that sense, when considering channel structures, most customers will likely want to connect with their bank through digital channels because they're easy and convenient. However, there will inevitably be times when they don't understand very well. When that happens, I think there will be a flow where people visit branches to get detailed explanations. When they seek for more specialized services, they will consult with experts and professionals. I believe that customers' natural behavior will naturally lead to the DBP model, consisting of Digital, Branch, and Professional. Customers will not be fully satisfied with a digital-only approach, and the coexistence of digital and real channels does not mean that branches will disappear. I believe branches will become places where communication with customers is cultivated.

Kubota: I believe that is precisely the model we should be aiming for. Regional financial institutions have established a certain level of trust in their local communities and hold a certain market share. Their strength lies in their face-to-face capabilities, and it is important to leverage that strength to further enhance regional financial capabilities going forward. It is also necessary to develop new business by leveraging their creditworthiness. However, the question is what kind of added-value services we can provide to customers through face-to-face meetings. In your book, you proposed that a new role for branch managers is to support corporate clients by leveraging

various solutions, and I believe such an approach could be one possible solution.

Ohgo: Because digital interfaces are expected to continue growing steadily in the future, it will be important to analyze the data obtained through digital contacts to gain a thorough understanding of customer behavior. Also, to leverage the human skills of branch managers, it will be important for them to take responsibility for customers in their role as producers.

Kubota: What do you think the DBP ratio will be going forward?

Ohgo: In terms of the number of retail customer contacts, digital channels may account for about 80 to 90 percent. Branch channels will likely account for 10 to 20 percent, and only a few percent of customers will end up consulting with a professional for matters such as inheritance or asset management. However, this is merely an estimate, and I really want to verify it in the future.



What are Shiga Bank's issues?

Kubota: I believe that in the coming era, consulting backed by financing capabilities will be the strongest approach in business. As we enter a world with interest rates, it is certainly fine to earn money in sectors that utilize assets, but we need to strengthen businesses that generate revenue with no assets. That's why investing in human capital is essential. In the 8th Mid-Term Business Plan, we have established Human First as one of our basic strategies and decided to double the amount of investment in human capital per employee. I think this investment level is probably the highest in the industry. In addition, I believe it is particularly important to invest in digital related areas. Mr. Ohgo, how do you view our bank's issues?

Ohgo: You advocate for a transformation from Bank to Company, but I feel this is still a work in progress. I understand you place a high priority on service revenue from consulting for retail and corporate clients but I assume this revenue primarily comes from financial transaction fees and derivatives. Will you consider truly providing solutions to customers in the future, such as engaging in management consulting or a full-scale recruiting business? I think that, as an extension of data analysis, you could also get involved in the advertising business of your business partners. I suppose the issue is how to break out of the banking model.

Kubota: We have been involved in the recruiting business for quite some time, but as short-term profits are also very important, we haven't been able to explore it as deeply as possible. We need to take a bold approach toward new business as well if we want to see results.

Ohgo: Being bold is the key. Even if young employees propose new business plans, it is ultimately the management team who makes the final decision. When undertaking new businesses over the medium to long term, the management team's courage is also a key factor.

Kubota: Are there any issues that have emerged from this analysis of Shiga Prefecture's data?

Ohgo: According to the results of analysis, we found that companies expanding from other prefectures generate a significant amount of "added value." I feel that this presents a major issue. We need to consider not only how to approach local companies, but also how to address other aspects of this

situation. When conducting business with small and medium-sized enterprises across prefectural borders, interest rate competition is severe. Therefore, it is necessary to have the strength to offer this kind of added value as a solution. How can we approach companies based in other prefectures? I believe that is one of the themes to be verified.

Kubota: In terms of providing added value, our bank is the only regional bank in the Kansai region to meet international standards, and we are well-positioned to support small and medium-sized enterprises in their expansion into overseas markets. Also, as a prefecture home to Lake Biwa, we place a high priority on environmental finance and are actively developing financial products that contribute to decarbonization.

Ohgo: Your bank complies with international standards, but I think it would be better if your bank has a distinctive business area to show its differences from megabanks and other financial institutions with large workforces.

From Bank to Company

Kubota: Recently, collaboration between financial institutions and companies in other industries has been a frequent topic of discussion. When considering ways to enhance services by integrating bank data with other types of data, what kinds of data from other industries do you think would be useful?

Ohgo: Online banks are working to establish systems that allow them to track customer behavior by collaborating with various industries. For example, unless they appeal to customers by presenting attractive offerings that create a unified worldview, such as combining home appliances with furniture and housing, or airlines with hotels, they likely will not be able to collect much data. In Shiga, collaboration with the logistics industry could be a possibility.

Kubota: I fully understand the importance of data, but I believe that, along with data utilization, the backcasting perspective is also essential. I would also like to cultivate the organizational

capability to predict the future, formulate hypotheses, and take actions based on them. Finally, could you share your vision for the future of regional financial institutions?

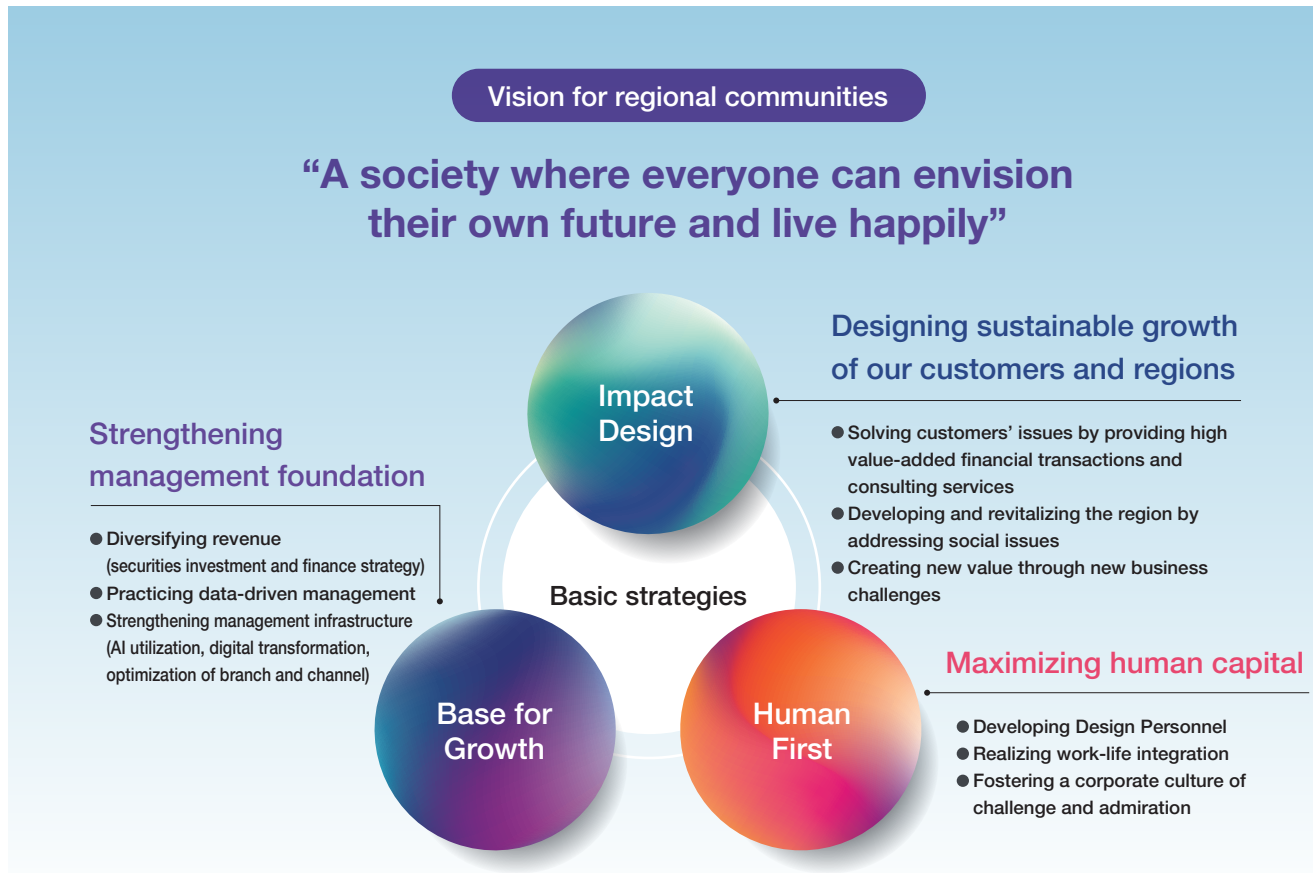
Ohgo: Regional financial institutions are dependent on their regions. However, the approach to defining their perspective on the region has been significantly changing. In this era, regional financial institutions are being questioned what they should base their operations on and how they should change. The answer to that question is precisely from Bank to Company. However, as there are likely many different answers, I look forward to watching your bank develop its own answer.

Kubota: After hearing your words, I was reminded once again that I need to take on more challenges. We will do our best to fulfill the expectations of everyone in the region. Thank you very much for today.



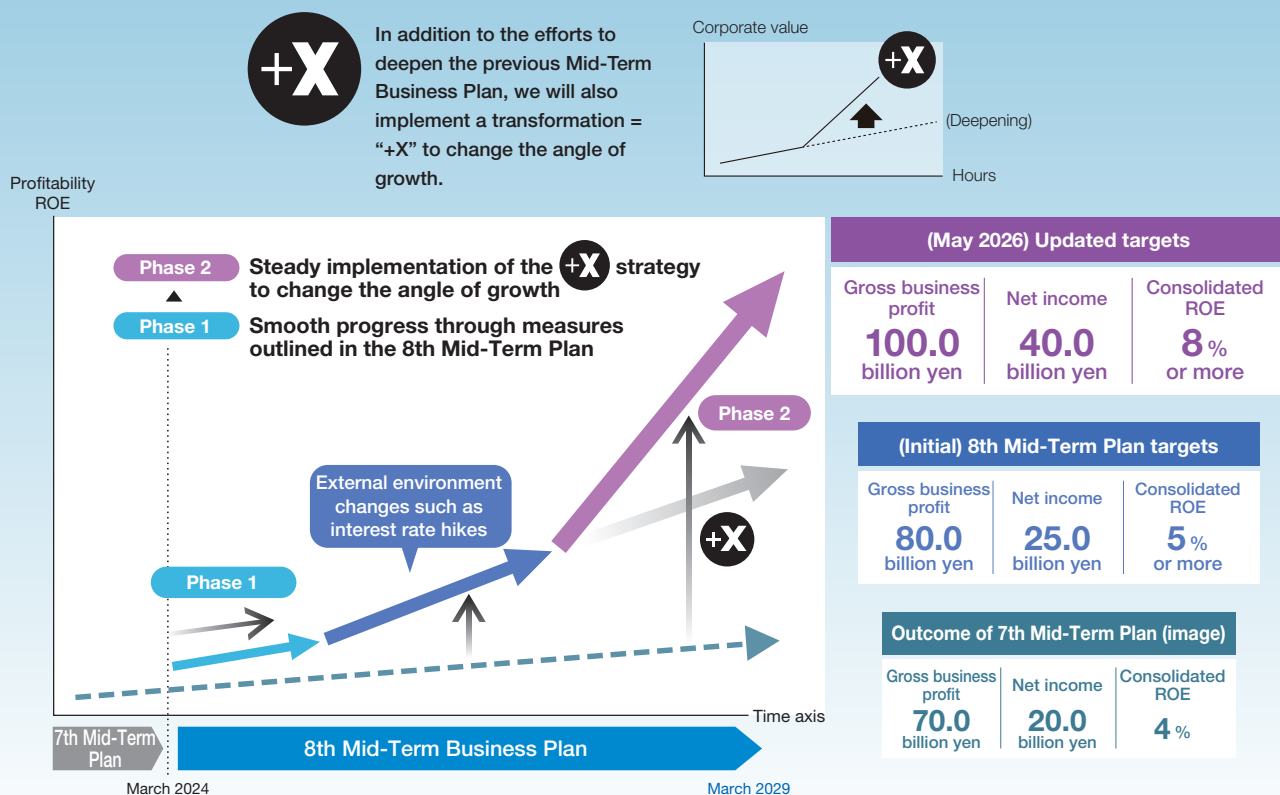
VALUE CREATION ENGINE

Management Strategy for Value Creation – The 8th Mid-Term Business Plan



Sustainability achievement indicators

Basic strategies	Achievement indicators	Plan 2029
	Amount of investment and financing to support regional growth	(Cumulative total for the period) 1,200.0 billion yen
	Number of customers' dreams and businesses supported	(Cumulative total for the period) 30,000 cases
	Amount of sustainable finance executed to increase the sustainability of region and society	(Cumulative total for the period) 700.0 billion yen
	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
	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 person/year)
	Number of people who autonomously challenged themselves to improve their skills and develop their careers	(Cumulative total for the period) 2,000 persons
Financial indicator	ROE (consolidated)	Upward revision 8% or more



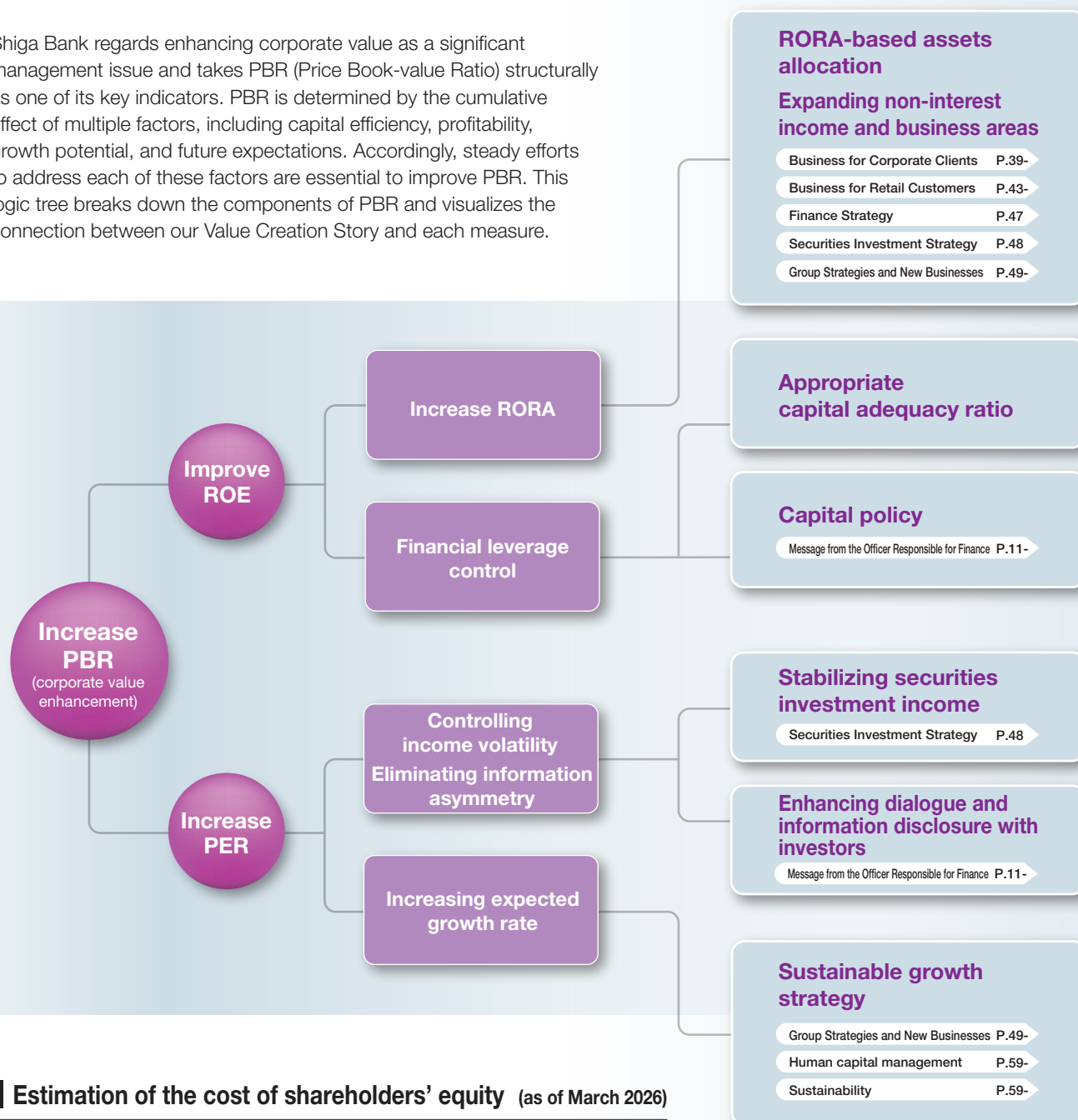
2026 milestones	2026 results		Future initiatives and challenges
465.0 billion yen	445.0 billion yen	△	Strengthening approaches to management issues through in-depth knowledge of business partners Demonstrating regional financial capabilities leveraging initiatives such as the Senshu Ikeda-Shiga Alliance Expanding the base through cooperation with local governments and relevant ministries and agencies
12,000 cases	15,863 cases	◎	
259.0 billion yen	260.4 billion yen	○	
501.3 billion yen	503.5 billion yen	○	Creating a portfolio with mindful of cash efficiency Developing human resources for further strengthening the risk management systems
—	Implementing bank-wide AI training (doubling usage rates) Implementing Shiga Prefecture Economic Analysis on a trial basis Establishing unmanned stores through industry-academia-banking collaboration	○	Integrating AI and data analysis into business operations Sharing and utilizing use cases company-wide
—	Achieving net zero* (GHG emissions under Scopes 1 and 2)	◎	Considering new reduction targets
—	“Positive rate” in engagement survey improved for the second consecutive period (87.3%)	○	Accelerating initiatives toward cultural transformation Strengthening health management initiatives Improving management training Building a strategic human resources portfolio (staffing)
200 thousand yen per person	209 thousand yen per person	○	
800 persons	1,246 persons	◎	
4.30 %	4.46 %	○	Strategic expansion of the balance sheet Growth investments including inorganic growth Capital policies (shareholder returns, reduction in cross-shareholdings, etc.)

*Achieving net zero means that carbon neutrality for Scopes 1 and 2 has been achieved through appropriate carbon offsets.

Challenge for Enhancing Value

PBR Logic Tree

Shiga Bank regards enhancing corporate value as a significant management issue and takes PBR (Price Book-value Ratio) structurally as one of its key indicators. PBR is determined by the cumulative effect of multiple factors, including capital efficiency, profitability, growth potential, and future expectations. Accordingly, steady efforts to address each of these factors are essential to improve PBR. This logic tree breaks down the components of PBR and visualizes the connection between our Value Creation Story and each measure.



Estimation of the cost of shareholders' equity (as of March 2026)

Recognized cost of capital is **7-8%**

*Calculated based on the CAPM (proprietary calculation using historical data) and earnings yield, etc.

	Main Metrics	Plan/target	2026 results
8th Mid-Term period KPI	Balance of investment and financing through new financing methods	465.0 billion yen (2026 milestones)	445.0 billion yen
	Number of customers' dreams and businesses supported	12,000 cases (2026 milestones)	15,863 cases
	Group company earnings	2.0 billion yen (2029)	1.0 billion yen
Change in the return policy this time	Consolidated CET1 ratio excluding comprehensive income	11% range (8th Mid-Term Plan period)	10.50%
	Before the change: Shareholder return ratio After the change: Payout ratio	40% benchmark (8th Mid-Term Plan period)	Shareholder return ratio 42.0% (2026 results)
	Reduction of cross-shareholdings (book value basis)	- 10% or more (2029)	- 2.1 billion yen (-6.0%)
	Investment portfolio enhancement	1% Profit margin (2029)	0.8%
8th Mid-Term period KPI	Amount of investment for human resources development	300 thousand yen per person (2029)	209 thousand yen per person
	Amount of GHG emissions	Net zero (2029)	Achieved net zero (2026 results)
	Amount of sustainable finance loans executed	259.0 billion yen (2026 milestones)	260.4 billion yen

Business for Corporate Clients



As the sustainability of regional economies is being questioned due to population decline and changes in the industrial structure, the role of financial institutions is transforming significantly. Not only responding to corporate funding needs, but also enhancing business partners' earning power and realizing sustainable growth ultimately serve as the source of our own profitability and corporate value.

Through our strategies for corporate clients, Shiga Bank will enhance the corporate value of business partners and revitalize the regional economy, thereby sustainably increasing our own corporate value within this cycle.

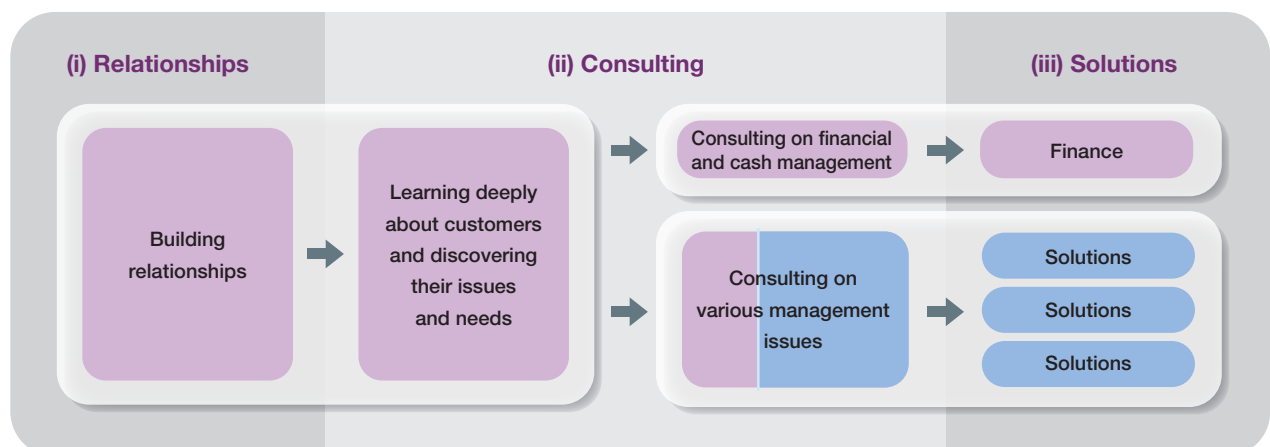
Value Creation in Business for Corporate Clients



Steps of one-on-one support

We provide one-on-one support through the following three steps to achieve sustainable growth for business partners.

Through three steps, (i) Relationships (relationship building), (ii) Consulting (consultation and deep dive), and (iii) Solutions (solving issues), we resolve management issues and financial concerns, and support business partners in improving their profitability and competitiveness.



Roles of branches

Roles of headquarters

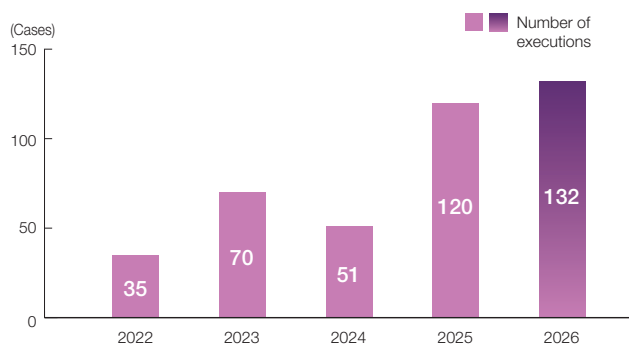
Main efforts

Sustainable finance

Shiga Bank has identified environmental issues inherent to the region, including decarbonization, biodiversity conservation, and water preservation in Lake Biwa, as materiality. To achieve sustainable growth through resolving these issues, we are promoting sustainable finance as a priority area. For the fiscal year ended March 31, 2026, we achieved a record-high total of 132 transactions. We have established a comprehensive one-on-one support system that provides from visualizing CO₂ emissions and setting reduction targets to monitoring.

In addition, through the transition finance program launched in April 2025, we are accurately capturing the demand for transitioning to decarbonization in high-emission sectors and providing financial support for customers' medium- to long-term business transformations. Furthermore, in April 2026, we began offering the Shiga Try-Link Loan in collaboration with Shiga Prefecture. This product is Japan's first framework to set the three environmental elements, carbon neutrality, Nature Positive, and circular economy, as KPIs, with financing terms varying based on progress toward achieving them. It embodies a regionally integrated approach to solving issues through collaboration between government, financial institutions, and business operators. Through these initiatives, we will balance solving environmental and social issues and generating financial revenue. We will also contribute to improving the sustainability of the region as a whole, thereby leading to the sustainable enhancement of corporate value of Shiga Bank.

Trends in the number of sustainable finance executed



Press conference announcing the Shiga Try-Link Loan

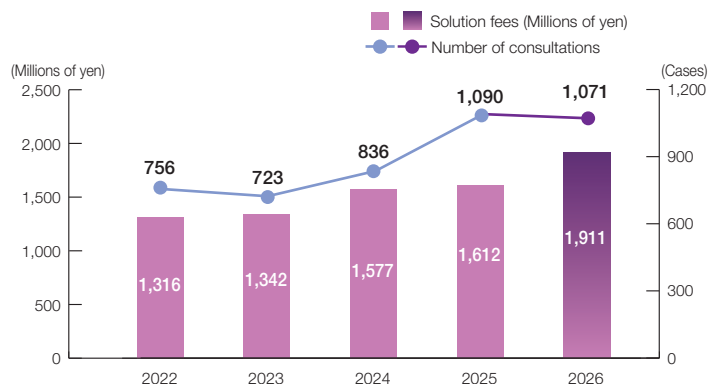


Management consulting

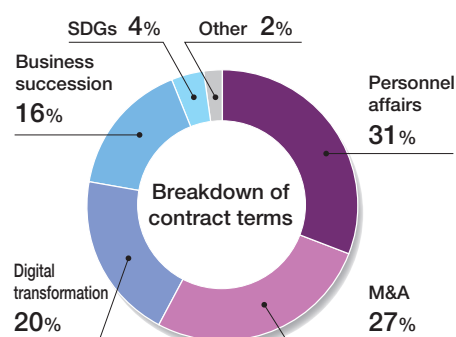
In response to increasingly complex management issues such as business succession, labor shortages, and adapting to digital transformation, we work closely with customers from the planning stage to develop solutions and provide long-term and continuous one-on-one support. In the area of business succession, we support a variety of approaches including succession within the family, to employees, and to third parties, and facilitate a smooth succession process by leveraging Shigagin Capital Partners, external specialists, and the Shiga Bank Core Business Support Investment LP. For M&A, we achieved optimal matchmaking by aggregating and centrally managing acquisition needs, resulting in record highs for both the number of contracts concluded and the amount of revenue generated in the fiscal year ended March 31, 2026.

In addition, we support the alignment of management and personnel strategies through the development of personnel systems and training programs for business partners, thereby improving organizational capabilities and promoting human resource development. In the field of digital transformation, we go beyond simply implementing IT tools, contributing to the enhancement of companies' competitiveness by getting involved from the early stages such as formulating digital strategies and renewing core systems. We will continue to combine a variety of solutions to help regional companies enhance their earning power and achieve sustainable growth.

Trends in the number of consultations and solution fees (cases, millions of yen)



Breakdown of contract terms (2026)



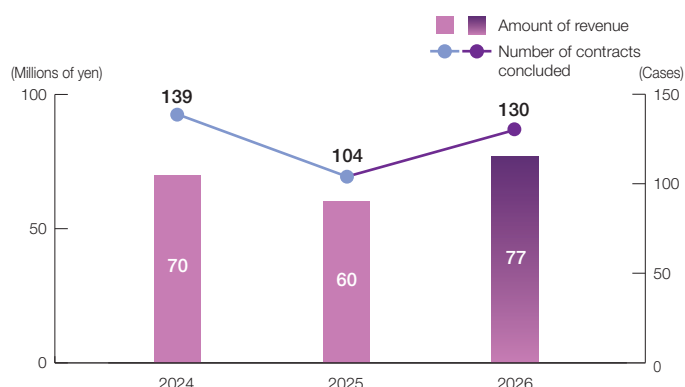
Business for Corporate Clients

Human resources solutions

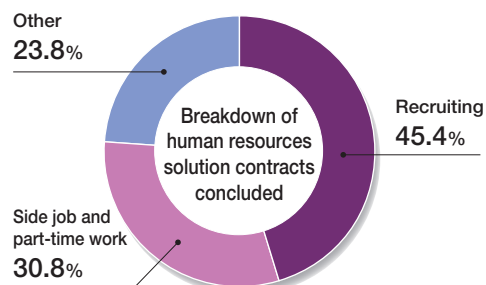
To achieve sustainable growth of regional companies, securing not only funds but also management human resources and human resources capable of solving management issues are essential. Through our day-to-day relationships, Shiga Bank has gained a deep understanding of management issues facing business partners from both quantitative and qualitative perspectives. As a solution, we offer not only recruiting services but also matchmaking for side jobs and part-time human resources. For local companies, human resource shortages in areas requiring advanced expertise, such as digital transformation advancement, marketing enhancement, and new business development, often become constraints on growth. To address these issues, we support companies in selecting the optimal solution, taking into account cost, hours, and specialization, by offering options for flexible human resource utilization such as side jobs and part-time work, in addition to recruiting full-time employees.

Additionally, we go beyond simply matching human resources. By providing consistent support from identifying issues and defining human resource requirements through follow-up after hiring, we help human resources realize their full potential and embed expertise within the organization. Through this approach, we enhance the management capabilities and sustainable growth of business partners, ultimately leading to the revitalization of the regional economy and the deepening of our customer base.

Trends in the number of contracts concluded and the amount of revenue for human resources solutions (cases, millions of yen)



Breakdown of human resources solution contracts concluded (2026)



Business matching

Leveraging a hub function based on our credibility as a bank, Shiga Bank promotes matchmaking among business partners and between companies and services according to their needs, utilizing our extensive network and deep understanding of business partners. Beyond merely providing business opportunities, we gain a deep understanding of management issues and potential needs of business partners. This enables us to create options that do not yet exist in the region and combinations of companies and services that have not previously been connected, thereby identifying unmet needs and resolving them. This not only leads to new business opportunities and value creation but also contributes to the reevaluation of the strengths and resources held by business partners and the region, as well as the rediscovery of their appeal.

Furthermore, through collaboration and co-creation among companies, we generate a regional cycle of added value, contributing to the sustainable revitalization of the regional economy. The advancement of these hub functions not only deepens our relationships with business partners and strengthens our customer base but also contributes to the generation of non-interest revenue opportunities, serving as the foundation for the sustainable enhancement of corporate value.

Serving as a hub that not only connects supply and demand but also connects unexpected options



Trends in received fees related to business matching (Millions of yen)



Support for startups and entrepreneurs

We recognize that entrepreneurship and new business development in regions are important initiatives that help prevent young people from leaving rural areas by creating attractive employment opportunities, thereby contributing to maintaining and growing local resident population. Shiga Bank promotes support for startups and entrepreneurship, centered on the SHIGAGIN Co-creation Program. In this program, we are working to identify and nurture entrepreneurs through the Shigagin Entrepreneurship and Business Management School, where participants learn about business ideas and co-creation, and the Shigagin Nonohana Prize for Innovation, a business plan contest aimed at fostering innovation. In addition, we have been considering the potential for creating new businesses through co-creation, including the pilot implementation of a Corporate Co-creation Frame in fiscal year 2025 that connects the management issues of regional companies with the technologies and ideas of startups and students.

Furthermore, we combine the provision of proof-of-concept opportunities, leveraging our network of industry, academia, government, and banking, with the funding, and are working to establish a consistent support system that spans the entire process from idea creation to commercialization and growth.

Programs for the Shigagin Entrepreneurship and Business Management School (fiscal year 2025)

1st Session

Talk session with three mayors

Theme “Regional Issues and the Future”

Speakers Mayor of Koka City, Mayor of Hino Town, Mayor of Moriyama City

2nd Session

Talk session with three universities

Theme “Challenges and the Future of Local x Student Entrepreneurship”

Speakers Shiga University, Ritsumeikan University, Ryukoku University

3rd Session

Shigagin Nonohana Prize for Innovation 2025

Final selection meeting and award ceremony



Overseas business support

Shiga Bank positions overseas expansion not as a means of scale expansion, but rather as a means to serve a hub function that connects regional companies with global opportunities and circulates knowledge, capital, and growth opportunities within the region. We have established a support system centered on four countries overseas including Hong Kong Branch, the only one among regional banks in the Kansai region, as well as representative offices in Shanghai and Bangkok, with the addition of a representative office in India (Bengaluru) launched in October 2025, thereby strengthening our access to growth markets. We provide integrated support not limited to securing funding and production facilities but also developing markets, exploring partners, complying with laws and regulations, establishing operations, and managing local corporations. These efforts are carried out in collaboration with business partners.

Furthermore, through initiatives such as hosting the India business seminar in collaboration with Shiga Prefecture and JETRO, as well as a business cooperation agreement with JBIC, we are incorporating advanced insights including on-site monitoring information from overseas projects to enhance the quality of support. Going forward, we will support the sustainable growth of business partners by further enhancing and diversifying our support services utilizing various alliances (the TSUBASA Alliance, the Senshu Ikeda-Shiga Alliance).

Overseas support network



Hosted the India business seminar (co-hosted by Shiga Prefecture and JETRO)

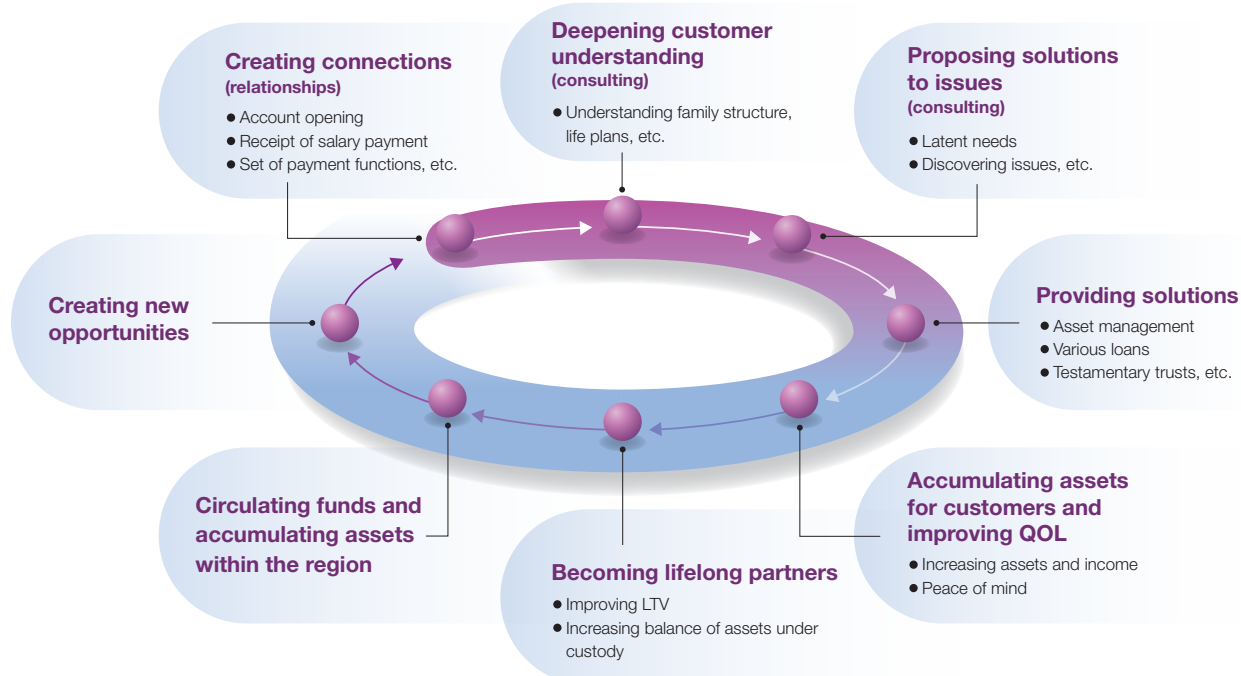


Business for Retail Customers



The environment surrounding individuals is undergoing significant changes, including a declining birthrate, an aging population, advancing needs for asset formation, and the difficulty of making choices due to information overload. Given these circumstances, Shiga Bank works closely with customers' life events and values to present optimal options for a wide range of needs and issues, such as asset formation, housing, and inheritance. As a trusted partner, by providing support grounded in accurate information and expertise, we realize an environment where customers can make decisions with peace of mind even in uncertain times, thereby contributing to the creation of a foundation for a better life.

Value Creation in Business for Retail Customers



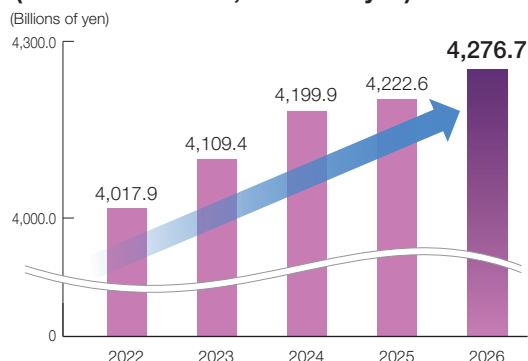
Main efforts

Deposit strategy

As the importance of deposits is growing in a world with interest rates, developing products that offer added value of contributing to the region rather than depending on interest rate competition is leading to an increase in deposits.

On July 1, 2025 (Lake Biwa Day), we launched the Lake Biwa Blue Deposit program (a time deposit), under which the Shiga Bank contributes funds based on the deposit amount to support environmental preservation for Lake Biwa. Under this product, a fixed amount corresponding to the deposit amount is donated to support activities for water preservation, the environment, and ecosystems, representing an initiative to preserve Lake Biwa, a symbol of the region, for future generations. Recognized for the added value of contributing to the region, the offering ceiling was expanded from 30.0 billion yen to 60.0 billion yen, and the maximum amount was reached within the offering period. Through these initiatives, we have successfully strengthened a stable funding base and enhanced our brand value.

Trends in individual deposit balances (Year-end balances, billions of yen)



Lake Biwa Blue Deposit

■「びわ湖ブルー預金」の仕組み
お預かりした総預金額に応じて、びわ湖の「水・環境・生態系」を守るための研究や団体に滋賀銀行が寄付をします。

「未来からの預かりもの」であるびわ湖と一緒に守りませんか。

お客様 預金 滋賀銀行 寄付 「水・環境・生態系」に関する研究を行う団体等 びわ湖を守る活動 保険活動

募集総額：600億円

募集期間：2025年7月1日（火）～2026年3月31日（火）
※募集期間中でも、募集金額に達した場合、受付を終了します。
※募集総額は予告なく変更する場合があります。

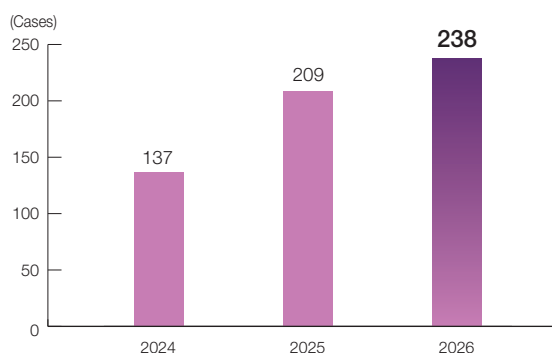


Asset succession and testamentary trusts

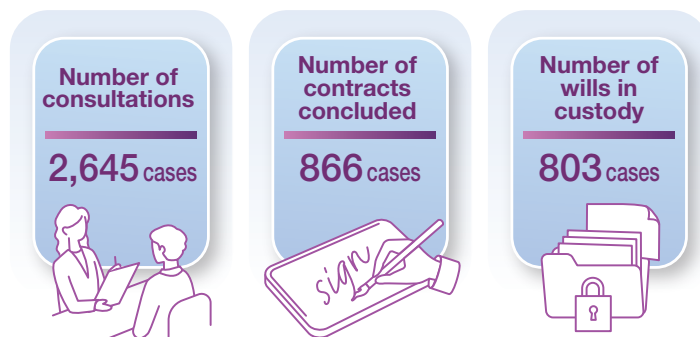
To support the transfer of quality assets to the next generation, Shiga Bank is actively engaged in asset succession consulting and testamentary trusts. In recent years, against the backdrop of rising real estate prices, concerns have grown regarding the increasing burden of inheritance taxes and the smooth asset succession. We work closely with each customer, collaborating with our network of specialists, and jointly design the optimal succession plan and provide support until it is fully implemented. The number of consultations for asset succession consulting has grown from 137 in the fiscal year ended March 31, 2024 to 238 in the fiscal year ended March 31, 2026. We have also steadily built a track record in testamentary trusts, with a cumulative total of 2,645 consultations, 866 contracts concluded, and 803 wills currently in custody.

Implementing smooth asset succession not only provides peace of mind for customers but also contributes to the smooth circulation of assets within the region. Through these efforts, we are contributing to realizing a sustainable regional society where value is passed on to the next generation.

Trends in the number of consultations for asset succession consulting



Cumulative results since the launch of the testamentary trust service (launched in April 2020)

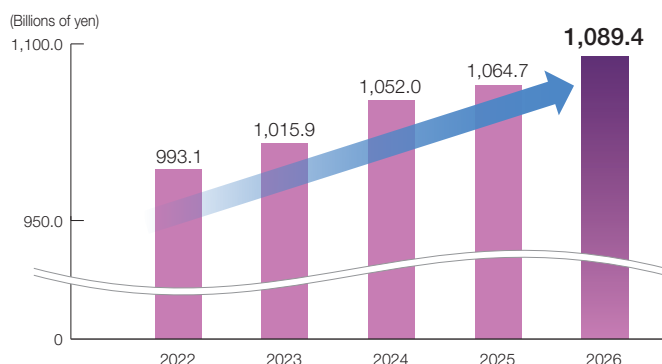


Housing loan

Shiga Prefecture features a rich natural environment, excellent access to the Keihanshin area, and abundant employment opportunities, including the highest proportion of manufacturing industry nationwide. Particularly among the child-rearing generation, the net inflow of people in their 30s continues to rise. Against such demographic trends, demand for financing related to home purchases has remained robust. To securely capture this medium- to long-term demand, Shiga Bank is implementing housing loan strategies that address environmental changes such as the diversification of customers' work styles and rising real estate prices.

Specifically, we are expanding opportunities for customers to visit branches by utilizing branches open on holidays and enhancing our consultation systems, while also improving convenience by promoting online applications. In addition, we offer diverse product designs, such as loan terms of up to 40 years and preferential interest rates for energy-efficient homes, to provide options suited to customers' life plans.

Trends in the balance of housing loans (Billions of yen)



We are also promoting the designation of salary receiving accounts in conjunction with the use of housing loans, aiming to make these accounts the primary account for transactions. As a result, we have maintained a high set rate of over 80% for new loans, which contributes to developing a long-term, stable deposit base. In the future, we will continue to stay close to customers' life events by advancing product and channel strategies based on regional characteristics and customer needs, and we will strengthen a sustainable revenue base and enhance corporate value.

TOPICS. 3

Creating growth potential through “non-face-to-face” channels — Direct (non-face-to-face) consumer loans

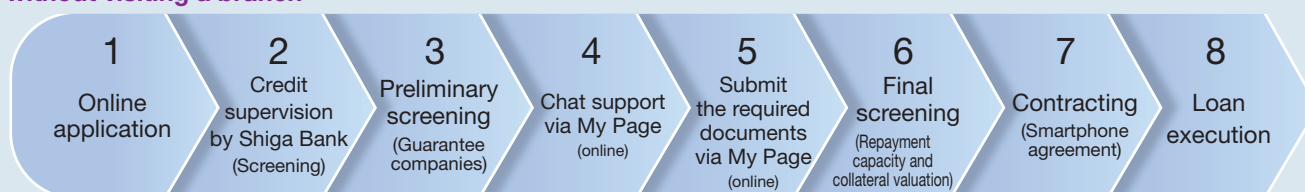
In the personal loan field, the branch-based business model has become structurally difficult to grow due to weakening demand caused by population decline, increasing demand for non-face-to-face services driven by the widespread adoption of smartphones, and intensifying low-cost competition from online and other institutions.

Based on these changes in the environment, Shiga Bank is prioritizing the promotion of direct consumer loans by leveraging our strengths, such as the customer service capabilities and screening expertise cultivated through the call center, as well as non-face-to-face contract schemes using smartphones. We are working to expand the customer base and enhance convenience regardless of sales areas, while meeting a wide range of needs through the provision of diverse products.

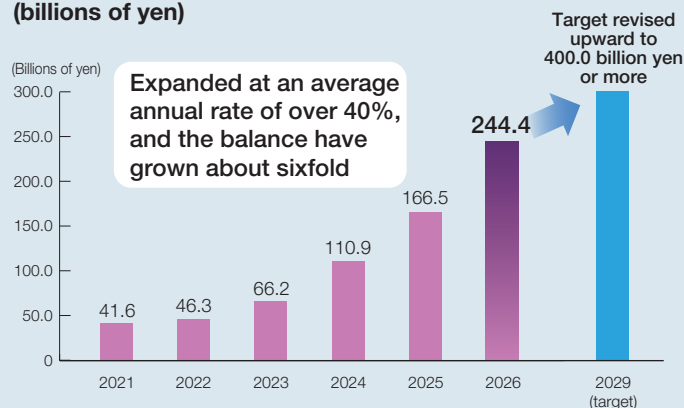
Furthermore, by utilizing guarantee companies to mitigate risk, we have established a highly profitable business model and position this field as a strategic area that supports our sustainable growth. We will continue to strive to enhance the value we provide by utilizing digital technology and deepening customer understanding.

Process to loan execution

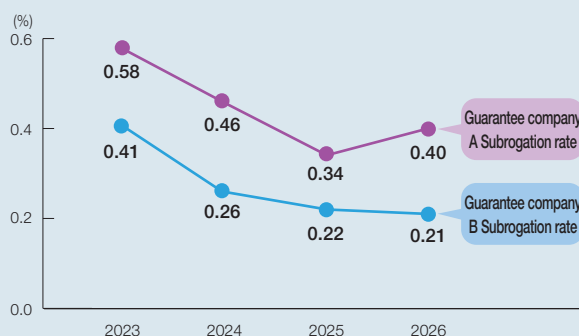
Completing everything from application to account opening and loan agreement by just using a smartphone without visiting a branch



**Trends in the balance of direct consumer loans
(billions of yen)**



**Trends in consumer loans subrogation rates
(by guarantee company) (%)**



VOICE

For over 20 years, Shiga Bank has been working to advance non-face-to-face channels, and offering a nationwide non-face-to-face loan service that integrates online applications with call center functions provided by a bank agency. By managing the process from planning to screening, contracting, execution, and post-loan support as an integrated system, we are able to quickly respond to customer needs and achieve services that balance convenience and security, as well as continuous improvement. As a result of these efforts, customer empathy for our products and repeat usage have steadily been increasing.

We will continue to refine our unique model which blends non-face-to-face and dialogue, and pursue sustainable growth and improvements in customer satisfaction.



Yukino Niimura

Direct Sales Office,
Business Promotion Dept.
Direct Planning Group

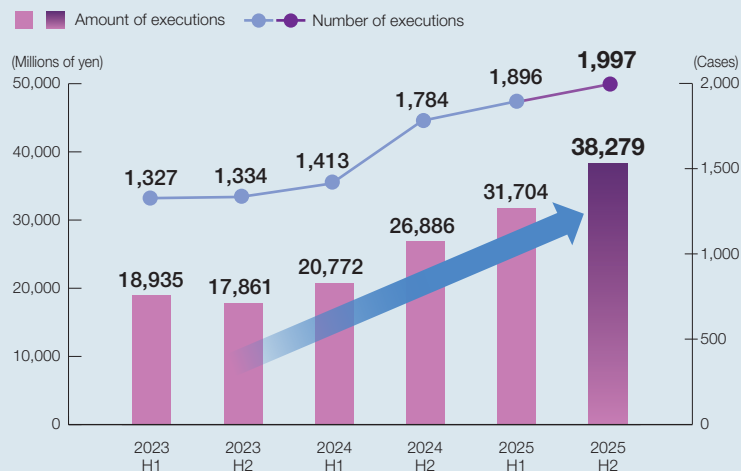
Real estate secured loans

We began offering real estate secured loans in November 2017 and expanded our operations nationwide in December 2020. These products have gained support particularly as a solution for salaried employees' asset formation needs, and our transaction volume has been steadily increasing. Additionally, we have been advancing product quality, such as by raising the maximum loan amount in June 2025 to meet diversifying customer needs.

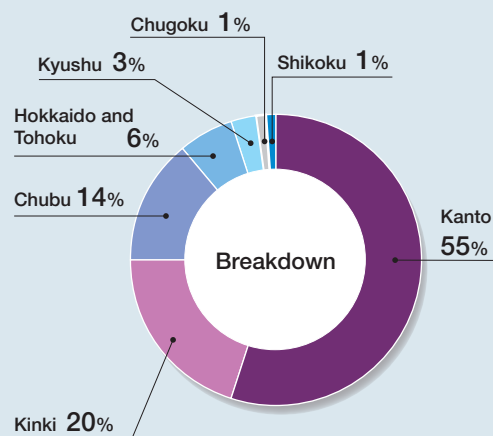
In providing services, non-face-to-face processes using smartphones from application to contracting are the standard. At the same time, we provide attentive support close to customers through one-on-one communication via phone and chat.

In terms of risk management, we have established a multi-layered screening system that combines the screening by Shiga Bank with collateral evaluations by guarantee companies and on-site inspections by licensed real estate appraisers. Through this system, we make precise credit decisions, and simultaneously build a stable portfolio and secure sustainable revenue.

Trends in the number of real estate secured loans executed and the amount involved (Millions of yen)



Percentage of real estate secured loans by region



Unsecured loans

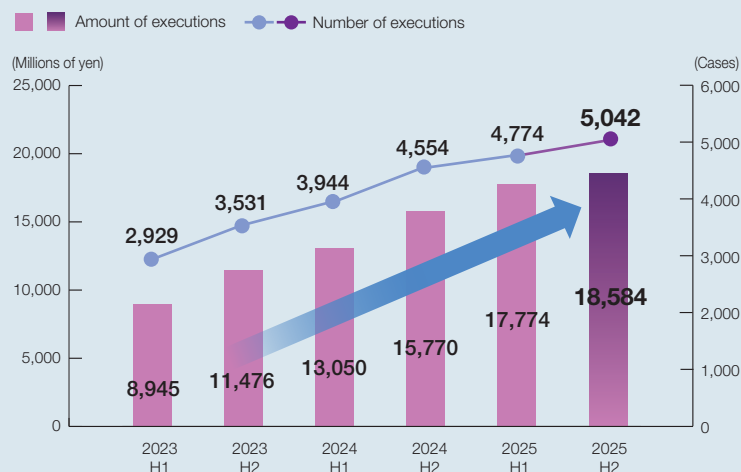
In the unsecured loan field, we have been promoting non-face-to-face services centered on online applications since 2015, and in 2022, we began offering these services nationwide. By expanding customer contact points through online promotions and making agile product revisions, we have succeeded in expanding business with customers nationwide, leading to the accumulation of quality assets.

In screening, we balance convenience and accuracy by utilizing our proprietary scoring system and JPKI (Japanese Public Key Infrastructure), etc.

Applications have expanded to be primarily online, addressing a diverse range of needs such as automobiles, home renovations, renewable energy equipment, and education funding.

This field plays an important role in meeting urgent funding needs while also creating contact points with new customers and expanding business and deepening business relationships.

Trends in the balance of unsecured loans (Millions of yen)



*Excluding card loans, certificate loans only

Finance Strategy

Base for
Growth

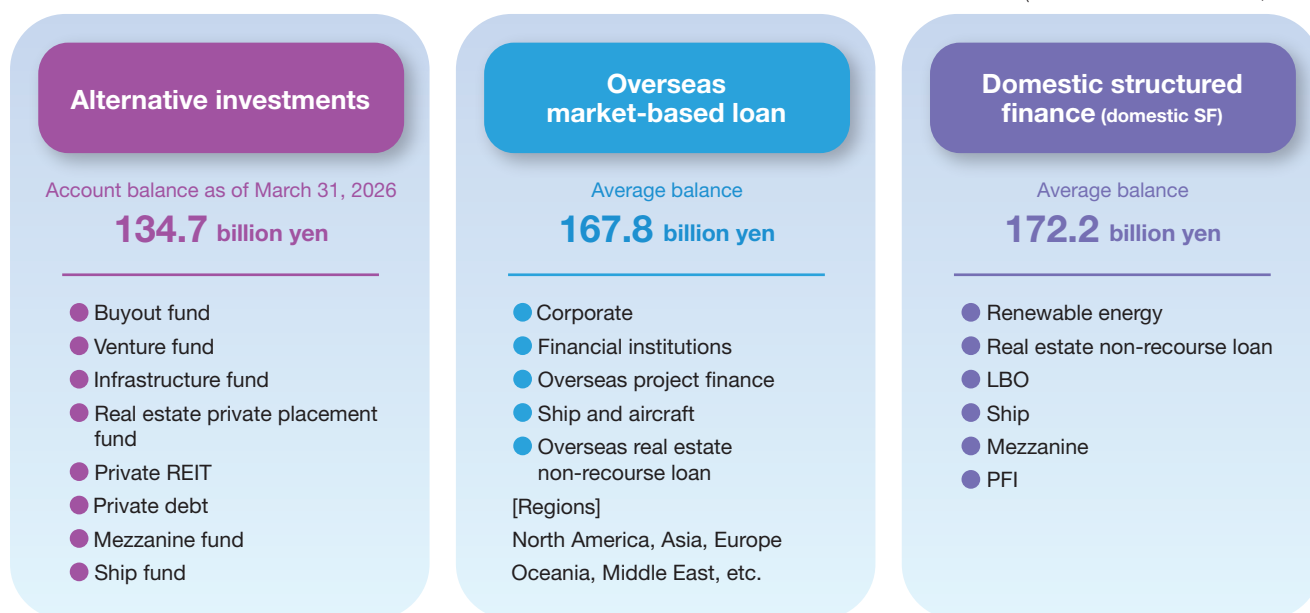
As a growth area aimed at improving capital efficiency and diversifying revenue sources, we are working to strengthen profitability by accumulating high RORA assets. By combining a variety of approaches such as structured finance, overseas market-based loans, and alternative investments, we aim to maximize returns after risk adjustment while prioritizing risk diversification.

Additionally, to support these initiatives, we have established the “Finance Office” and the “Market Strategy Group” and have been progressively strengthening the organizational structure through measures such as expanding specialized human resources and advancing operational systems. As a result, since the outstanding balances in these three areas expanded in a well-balanced manner during the fiscal year ended March 31, 2026, and revenue is expected to reach the final-year target of 7.5 billion yen set in the Mid-Term Business Plan ahead of schedule, we have revised up the target to 8.0 billion yen. Through these initiatives, we are working to build a new revenue base that combines growth potential and profitability, in addition to the traditional revenue structure centered on loans.

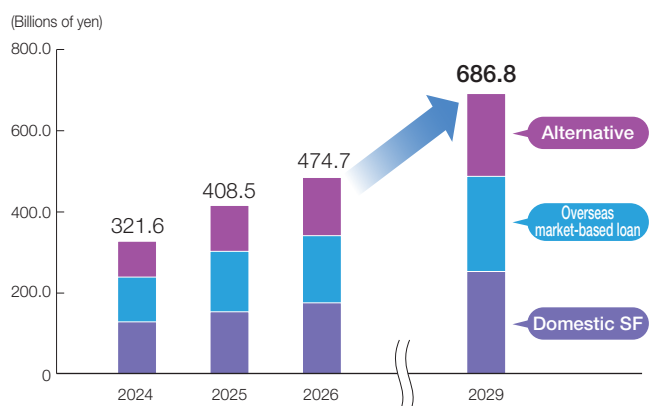
Securing stable earnings through diversified investments

We aim to secure stable earnings through a risk diversification strategy based on strategic diversification, regional diversification, and time diversification.

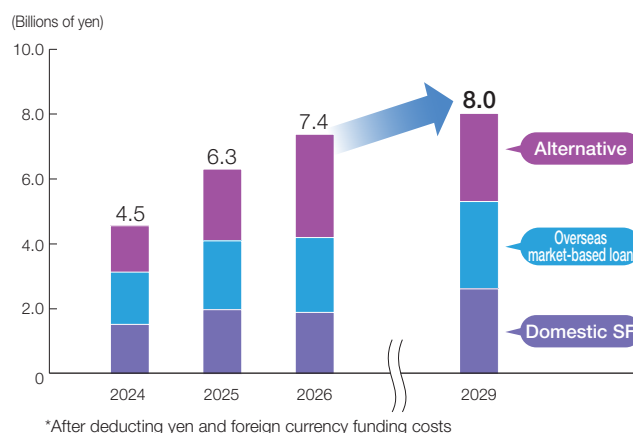
(Balances as of March 31, 2026)



Trends in the average balance and plan



Trends in the amount of revenue and plan



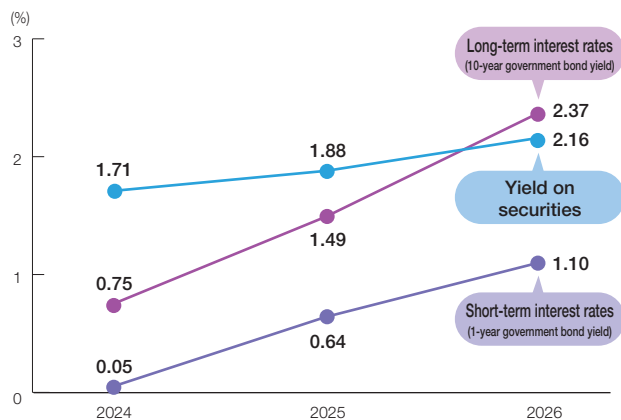
Securities Investment Strategy

Base for
Growth

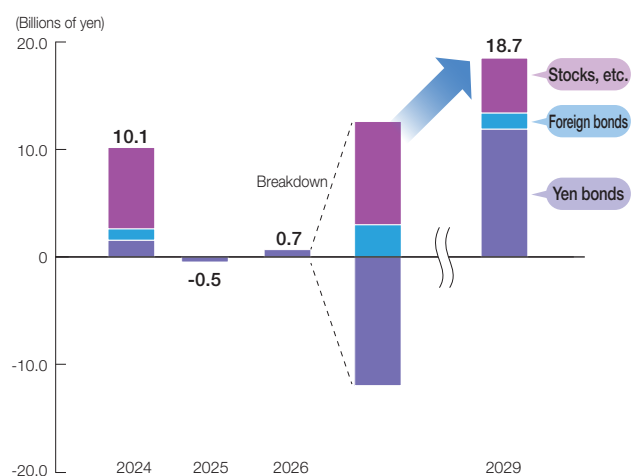
Securities investment serves the stability and resilience of the revenue base while also fulfilling an important function in enhancing profitability. Based on the current an economy with positive interest rates, we are proceeding with replacing low-yield assets and reviewing portfolio structure, shifting toward investments focused primarily on stable carry income.

For yen bonds, we are working to secure sustainable interest income and liquidity while mitigating the impact of interest rate fluctuations by building a ladder portfolio. The yield on securities for the fiscal year ended March 31, 2026 improved to 2.16% (up 0.28% from the previous fiscal year). We will continue to enhance the stability and durability of management through agile portfolio management that adapts to changes in the environment. At the same time, we will contribute to improving RORA through operations mindful of capital efficiency, with the aim of building a resilient and agile management foundation and optimizing the overall revenue portfolio.

Trends in the yield on securities

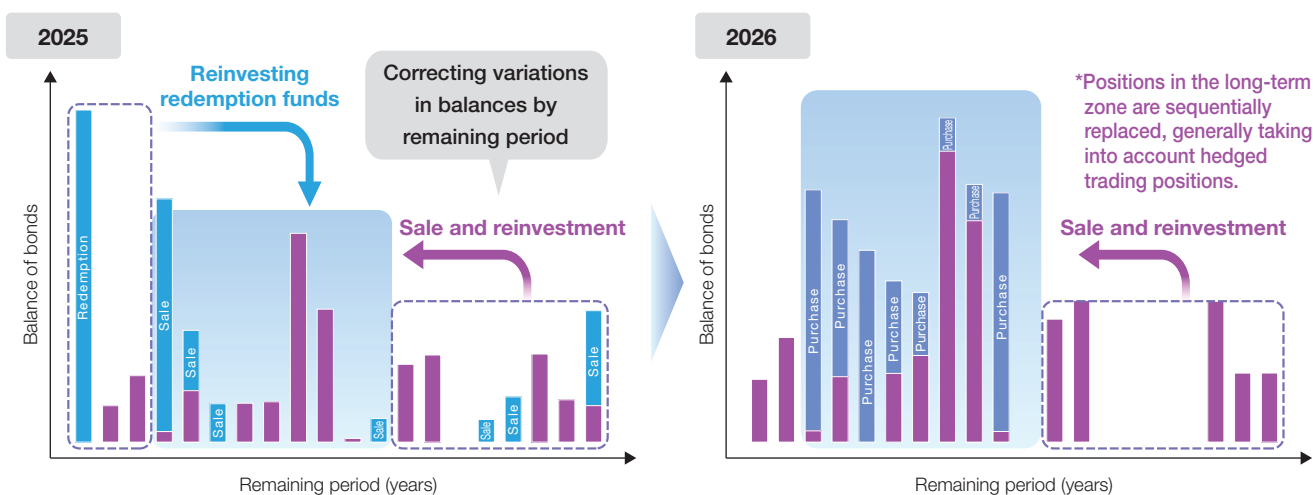


Securities investment income



*Excluding cross-shareholdings, after deducting yen and foreign currency financing costs

Progress on building the yen bond ladder portfolio



Group Strategies and New Businesses



Amid accelerating changes in regional and industrial structures, the Shiga Bank Group is not only evolving as a financial institution but is also taking on the challenge of “+X,” that is, creating value beyond the boundaries of a Bank, as a strategy to take our growth curve to the next level. Based on the trust and customer base we have cultivated through financial services, we are developing new business areas.

The new businesses introduced on this page, management support through equity participation, renewable energy business, and community development, are concrete examples of this practice.

While these initiatives are steadily progressing as growth drivers for the medium to long term, revenue generation is still a work in progress, and we recognize that scaling the business and establishing a revenue model are important management priorities. In the future, we will promote growth in each business while deepening collaboration amongst them to create a virtuous cycle of value creation, leading to the establishment of a sustainable revenue base.

Through these initiatives, we will contribute to solving social issues and enhancing the appeal of the region, leading to an increase in non-interest income and the establishment of a future revenue base.

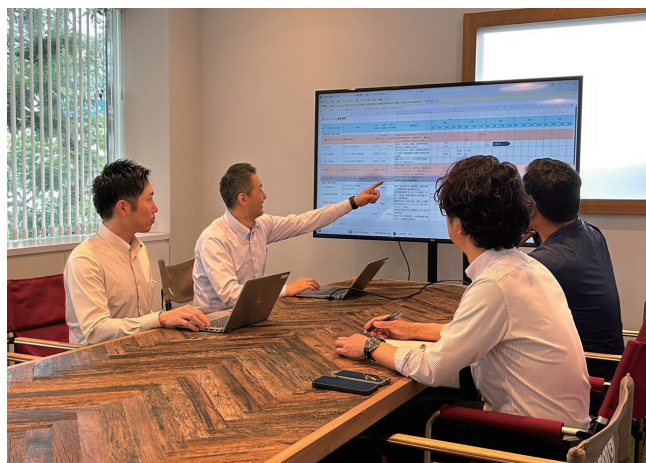
Enhancing appeal and bridging to a better — Shigagin Capital Partners

Amid ongoing population decline and a shortage of successors, for regional companies to develop sustainably, they need partners who not only provide financial services but also envision the future from the same perspective as the companies and walk together with them. Through Shigagin Capital Partners, the Shiga Bank Group manages a business succession fund and works with investee companies to enhance corporate value through equity participation.

Specifically, we acquire shares in companies facing issues with business succession and seek to achieve growth and transformation from a medium to long term perspective. In doing so, we not only engage in dialogue with the management team but also become deeply involved in the operations. By sharing the company's actual conditions, strengths, and issues, we work together with the current management team and employees to advance initiatives aimed at future growth. When addressing issues at each investee, we place importance on working not only with the management team but also with frontline employees, and tackling these issues as one team.

In addition, we are working to strengthen the company's foundation from the perspectives of organization, systems, and corporate culture, including developing candidates for successors, establishing organizational structures and decision-making systems to support them, and fostering a corporate culture that makes employees want to take over the business and continue working here. Through these initiatives, we aim to further refine the appeal of these companies and help them evolve into even better organizations, while ensuring a smooth succession to the next generation of leaders and connecting them to the future as companies deeply rooted in the region. In addition, we have expanded the scale of the fund to 5.0 billion yen (the initial scale was 2.0 billion yen) and have established a system to support the growth and business succession of a greater number of regional companies.

Through these initiatives, we are not only enhancing the profitability and growth potential of investee companies but also contributing to maintaining and developing regional employment and industrial foundations. Furthermore, by sharing across the entire Group the insights and networks we have cultivated through walking together with investee companies, and by applying them to solve the diverse issues faced by regional companies, we will work to realize a bright future for the region while supporting the challenges and growth of regional companies.



Energy business driving the realization of a decarbonized society — Shigagin Energy

The Shiga Bank Group established Shigagin Energy to create new value that enhances regional sustainability. In addition to generating and supplying renewable energy, the company also provides consulting functions related to green transformation, promoting the delivery of added value that goes beyond the boundaries of financial services.

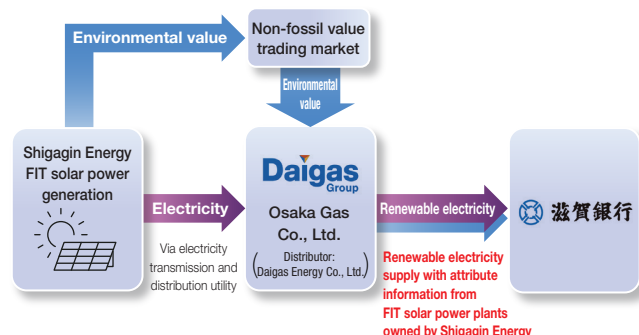
In the power generation business, we have been steadily expanding the acquisition and operation of solar power plants, and the current generation capacity has reached approximately 28 MW. We have established a foundation for the stable supply of clean energy in the region. Additionally, we are engaged in on-site and off-site PPA (power purchase agreement) and battery storage businesses. By providing integrated services from the introduction of renewable energy to supply-demand balancing and stable supply, we are promoting the decarbonization of the region from multiple perspectives.

Furthermore, on April 1, 2026, we established a self-generation and self-consumption model and created a system to circulate renewable energy and environmental value within the Group. This allows us to simultaneously achieve local production for local consumption of energy and reduction of environmental impact.

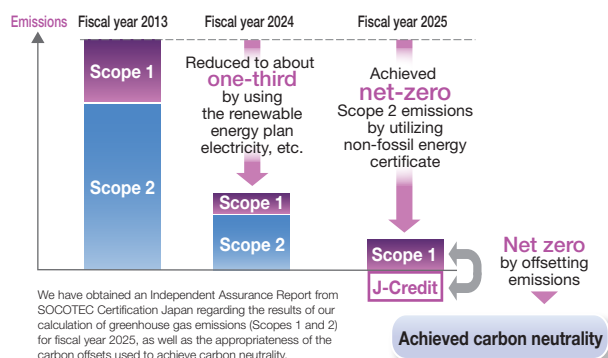
Against the backdrop of these initiatives, the Shiga Bank Group achieved carbon neutrality for greenhouse gas emissions (Scopes 1 and 2) in fiscal year 2025.

Going forward, through the expansion of the PPA model and the utilization of storage battery, we will extend local production for local consumption of energy to the entire region, while also striving to create new added value, such as a stable supply of renewable energy and the optimization of supply and demand.

Self-generation and self-consumption model of renewable electricity



Achieved carbon neutrality



Community development business to enhance the appeal of the region — Future Design Group

In April 2024, we established the Future Design Group within the General Planning Dept., and we are working to create new businesses that will connect to the sustainable growth of the region and society. Based on the issues identified through dialogue with over 300 companies and local governments, we aim to create value by leveraging regional financial capabilities by promoting businesses that utilize local resources from the planning stage.

As a specific initiative, we have begun feasibility studies, in collaboration with Kusatsu City, to create an innovation gathering hub that integrates industry, academia, government, and banking. Through this project, we aim to work with universities and private companies to form a space where startups and diverse players can gather, creating new businesses and fostering exchanges. As the lead company, Shiga Bank has been involved since the conceptual stage. By proactively participating in tasks such as setting themes, designing income and expenditure plans, and considering operational schemes, we are taking on the challenge of creating highly effective businesses that go beyond mere financial support.

Additionally, these initiatives are not limited to Kusatsu City, but are being expanded through communication with all cities and towns within the prefecture. By combining the rich regional resources of Shiga Prefecture including history, culture, nature, and cuisine, with extensive network and information held by Shiga Bank, we will connect inside and outside of the region to create new value and vitality.



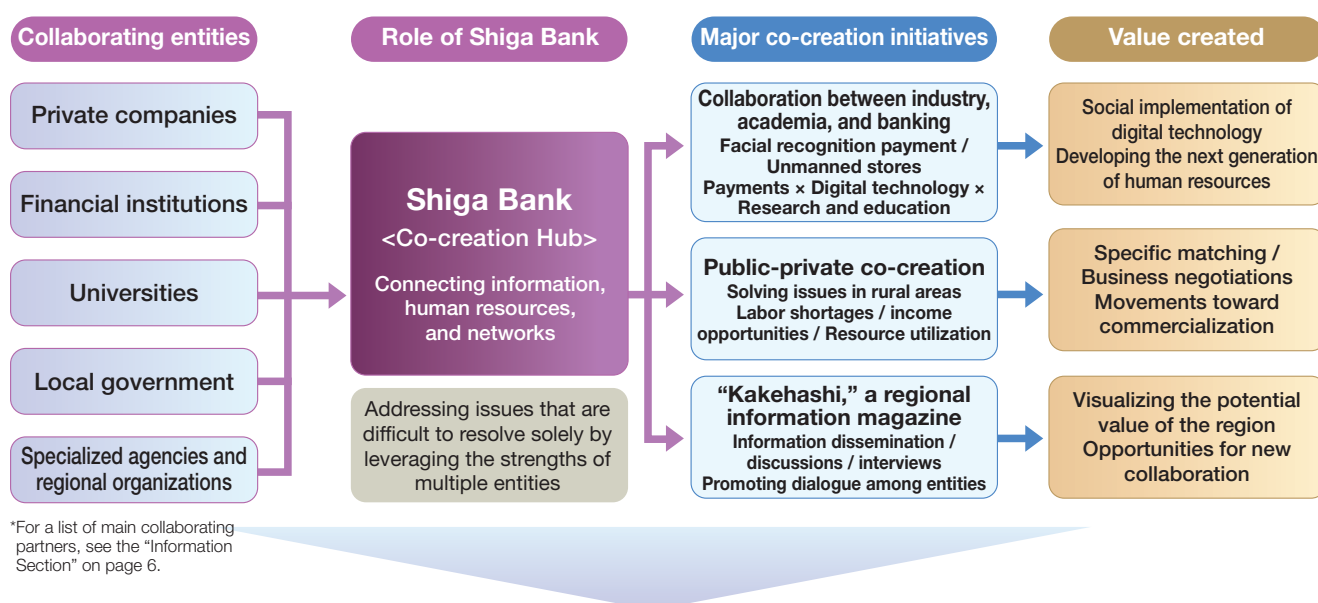
Regional Development and Revitalization Efforts



Regional issues that are difficult for Shiga Bank to resolve solely can be addressed through collaboration between organizations and groups that play diverse functions and roles to forge new paths to solutions. Based on this understanding, Shiga Bank serves as a hub that connects industry, academia, and government, as well as human resources, information, and networks, organically linking diverse regional entities. By combining different strengths, we create value that could not be achieved solely, leading to enhancing regional added value and generating new demand.

Co-creation Hub that realizes regional value creation

Connecting the strengths of diverse entities to move from solving regional issues to creating new demand



Enhancing regional added value / Creating new demand / Developing sustainable regional economies

Solving issues in rural areas and building sustainable regions through public-private co-creation

Regional issues such as population decline and an aging population are not uniform. There is a gradation of their progression even within the region, and these issues are becoming apparent at a faster pace, particularly in rural areas. For the purpose of solving these issues, Shiga Bank is working together with Ridlover Inc., a subsidized business operator, to solve issues in rural areas within Shiga Prefecture by utilizing a public-private co-creation system, as part of the "2025 Value creation utilizing regional resource promotion project (Creation support type) Regional resource utilization and regional collaboration support project," by the Ministry of Agriculture, Forestry and Fisheries.

This initiative aims to create effective solutions to issues faced by local governments such as labor shortages, declining income opportunities, and unused regional resources by linking them with the advanced technologies and services offered by private business operators.

The public-private co-creation briefing session, held as part of this initiative, was joined by approximately 100 participants, including government officials and private business operators. Discussions progressed toward identifying specific matchings between issues and solutions. As a result, movements toward commercialization are underway, including five business negotiations currently in progress.

Shiga Bank will continue to carefully grasp regional realities and contribute to enhancing the sustainability of the entire region including rural areas through initiatives to solve issues based on a high-resolution understanding.



I Creating regional value through collaboration between industry, academia, and banking

Based on a comprehensive partnership agreement with Shiga University, we collaborated with CAC Corporation (“CAC”) at the university’s Hikone Campus to introduce an unmanned store utilizing facial recognition payments.

This initiative is a collaboration between industry, academia, and banking that combines the university’s educational and research functions, CAC’s cutting-edge digital technology, and the Shiga Bank Group’s settlement functions. In addition to improving convenience on campus, it is creating new value, such as the use of purchasing data for educational and research purposes.

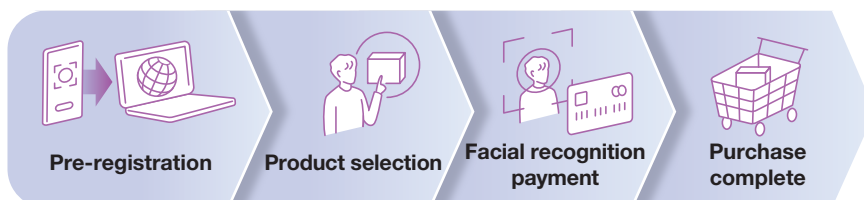
In addition, this initiative serves as a demonstration project that looks ahead to the future of financial services and branch functions.

Within this framework, Shiga Bank serves as a hub that connects the strengths of each entity, simultaneously promoting the social implementation of digital technology and the development of the next generation of human resources. In the future, we will continue to serve as a hub for diverse collaborations, aiming to enhance added value in the region and create new demand, while contributing to the sustainable development of regional economy.

Features of an unmanned store

- (i) **A new buying experience that allows you to shop smoothly without carrying anything, with cashless-only payments by facial recognition**
- (ii) **Improving convenience for students and faculty** Purchases can be made at Shiga University Co-op store even outside business hours. Eliminating non-purchasable hours.
- (iii) **Returning data to education and research** Returning purchase data and image recognition technology to university studies.

Process of purchasing through facial recognition payment



I “Kakehashi,” a regional information platform connecting the economy and culture

Shiga Bank and its group subsidiary, The Shigagin Economic & Cultural Center, publish a quarterly regional information magazine “Kakehashi” four times a year as a medium for connecting regional information, people, and companies. This magazine provides a wide range of information, covering everything from the challenges by companies in the prefecture and the aspirations of business leaders, examples of collaboration with academic institutions and local governments, to regional culture and economic trends.

Through dialogues and interviews with the President and others, we share regional issues and visions for the future, and by facilitating discussions among diverse entities, we create opportunities for new collaborations and value creation.

The Shiga Bank serves as a “Kakehashi” connecting regional information, human resources, and networks. We strive to visualize the latent value of the region and establish a foundation that supports sustainable regional development through co-creation.



Digital Transformation Strategy

Base for Growth

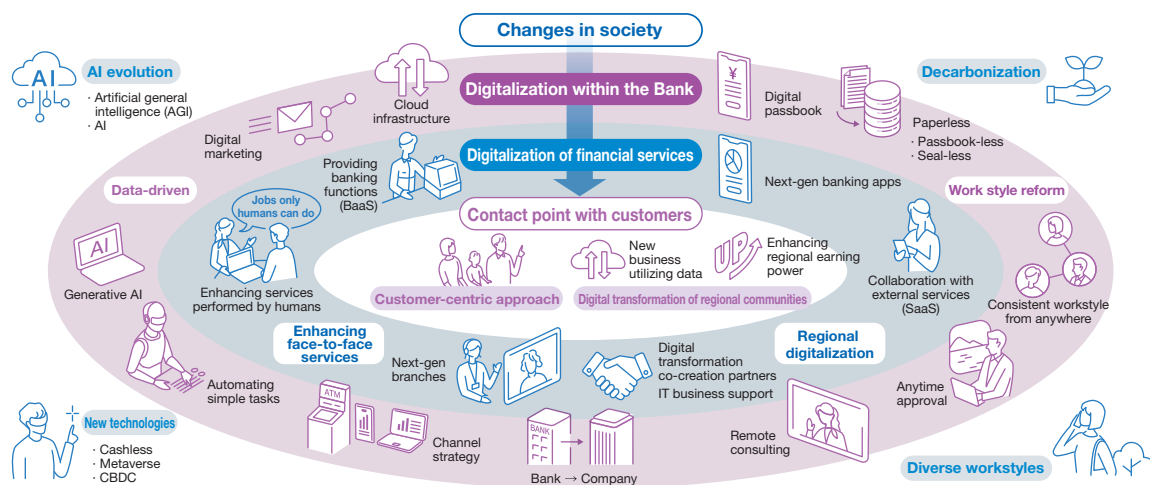
Turning AI and data utilization into the execution capability for value creation — digital transformation strategy and data-driven management underpinning value creation —

Under our vision of becoming a Sustainability Design Company, we are committed to creating a sustainable future together with our customers and local communities. This cannot be achieved simply by extending decision-making that relies on conventional experience and intuition, or operations that depend on individual expertise. As regional issues become increasingly complex and sophisticated, data-based decision-making and the on-the-ground implementation of digital technologies, including generative AI, are essential for grasping their essence and translating that understanding into appropriate measures.

To achieve this, the Bank is working to strengthen its implementation capabilities and develop its organizational foundation under its digital transformation strategy.

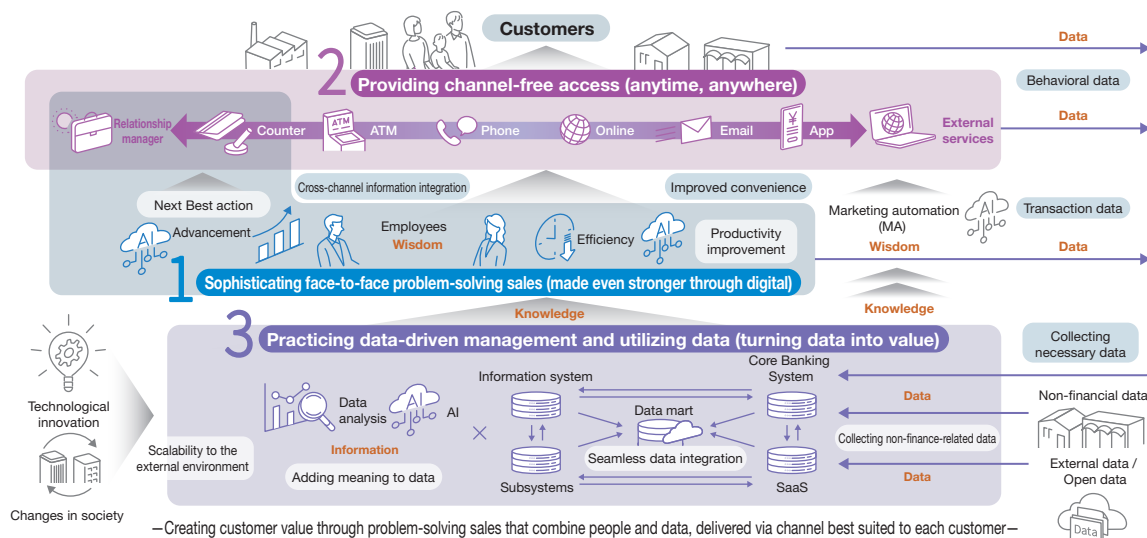
Digital Strategy Committee and digital strategy roadmap

The Digital Strategy Committee, chaired by the President, presents and discusses the digital strategy as a roadmap based on the current status of digitalization and the possibilities and constraints of digitalization in the medium- to long-term, and each department shares a common understanding of this roadmap to contribute to making investment decisions for individual systemization projects and realizing medium- to long-term digitalization strategies.



Digital strategy concept and vision

The digital strategy concept visualizes the Bank's vision in the digital domain. By providing optimal contact points regardless of whether they are face-to-face or non-face-to-face, we will further deepen our understanding of customers and achieve both more sophisticated problem-solving sales and improved productivity.



From using generative AI to a future of co-working with AI

With a view to a future in which AI naturally blends into daily operations and works in harmony with people, we conducted a PoC (Proof of Concept) of an AI President as an initiative to gain new insights by combining our long-cultivated experience and values with AI's information-processing capabilities. The AI President is intended to help each employee naturally reflect concepts, such as our Purpose, in their decisions and actions.

In addition, for the Shigagin Ratings Communication Service, which analyzes industry trends and management issues of our business partners and engages in proposals and dialogue aimed at their growth, we have developed generative AI-powered prompts to support industry analysis and problem solving. Through this, we aim to improve the efficiency of materials preparation and enhance our proposal capabilities, thereby realizing high value-added sales activities that help resolve our customers' issues.

While all officers and employees of the Bank have access to general-purpose generative AI, the regular usage rate initially remained at around 25%. We therefore conducted literacy training to deepen understanding of generative AI, and the usage rate rose to 50%. We will continue our efforts to help employees envision greater harmony with AI in their daily work.

At the same time, we established the Basic Policy on the Use of AI (AI Policy), which serves as the foundation for AI utilization across the Shiga Bank Group. The Policy sets out the basic stance required of a financial institution, including the appropriate management of personal information, accountability for output results, ensuring human judgment, and consideration for fairness and transparency.

We aim to evolve from the stage of using generative AI to a stage of creating value together with it, building an organization in which every officer and employee can make full use of AI naturally.



The next-generation accounting system that builds the ability to execute strategy

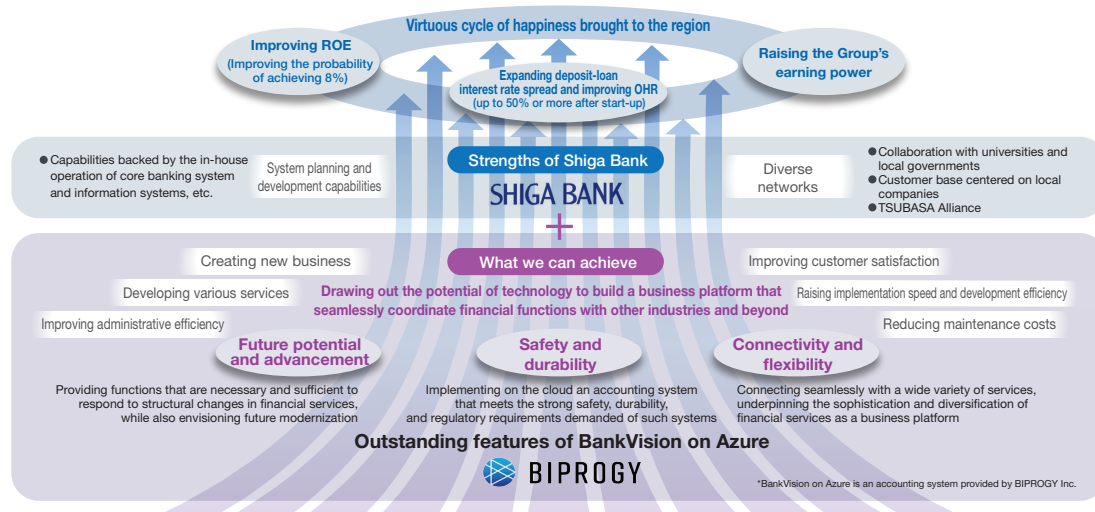
As the social and economic environment changes rapidly and unpredictably, the role required of financial institutions is also becoming more sophisticated and complex. What matters in such an era is the ability to accurately and swiftly implement the strategies we envision and translate them into tangible value for our customers.

To strengthen this ability to execute, the Bank has adopted BankVision, an open core banking system developed by BIPROGY Inc., and will proceed with building a highly flexible and scalable system infrastructure on the cloud (Microsoft Azure). By componentizing functions and organizing data into tables, we aim to achieve both ease of modification and high availability, thereby overcoming the difficulty of making changes inherent in conventional banking systems and establishing an infrastructure that can respond swiftly to changes in strategy and customer needs.

In addition, by enhancing connectivity with external services through Web APIs, we are establishing a framework that allows flexible collaboration with other companies and the incorporation of new services, thereby increasing the speed and flexibility of service development. Through this, by advancing data utilization and AI adoption, we aim to establish a system capable of swiftly providing optimal solutions to our customers' increasingly diverse and complex issues.

Furthermore, through this initiative, we expect to improve program development efficiency and reduce maintenance costs by curbing the bloating and complexity of the system, which will in turn lead to improved management efficiency, including an improvement in OHR, over the longer term.

The Bank positions the renewal of its core banking system not merely as an infrastructure update, but as the construction of a foundation that enhances its very capability to implement strategy. Through the advancement of this digital infrastructure, we will achieve both higher customer value and the creation of new revenue opportunities, providing value that goes beyond the boundaries of finance and thereby enhancing corporate value over the medium- to long-term.



TOPICS. 4

Implementing Digital Schemes

Developing digital talent and enhancing practical capabilities – Winning an award for four consecutive years at the Financial Data Application Challenge

To make data-driven management truly effective, the Bank is continuously working to foster a culture of data utilization and to develop human resources. As part of these efforts, we have continuously participated in the Financial Data Application Challenge, hosted by the Association for the Promotion of Financial Data Application and others, since the first competition.

This initiative aims to discover and develop data talent in the financial industry. While it is initially focused on competing for the accuracy of machine learning models using historical data, in recent years, against the backdrop of the rapid advancement of generative AI, it has evolved into a theme centered on how to utilize generative AI in practical operations. The Bank views this shift in technological trends not merely as an opportunity to acquire knowledge, but as a chance to verify its potential application to practical work, and encourages employees to take on the challenge.

In this fourth competition, held under the theme “Preparing proposals using generative AI,” 15 employees from the headquarters and branches participated. As a result, our employees received the Grand Prize and the Special Award in the regional financial institutions category, demonstrating the concrete potential of generative AI to enhance banking operations.

Participation in such external contests is helping to accumulate experience in using data and AI, starting from practical business issues. Through this practice, the Bank aims for every officer and employee to become a driving force of business transformation. In other words, rather than limiting digital transformation to the mere introduction of technology, we will advance behavioral change among our employees and the sophistication of business processes together, thereby enhancing our capacity to create value.



Results in the Financial Data Application Challenge

	Theme	Award details
1st Competition	Capturing Early Signs of Changes in Household Finances —Predicting Housing Loan Delinquency—	Regional financial institutions category 1st place
2nd Competition	Predicting Delinquency on Loans to Small — and Medium-sized Enterprises	Regional financial institutions category 4th place
3rd Competition	Building a RAG System That Can Answer Questions Concerning Companies' Integrated Reports and Other Disclosures	Regional financial institutions category 2nd place
4th Competition	Management Support Using Generative AI —Proposal Preparation Challenge—	Regional financial institutions category Grand Award Regional financial institutions category Special Award

COMMENT Comments from past award winners



1st Competition

1st place in the regional financial institutions category
Kazuma Tsuji

The Financial Data Application Challenge is a valuable opportunity to hone my skills and broaden my perspective. At the time I won the award, machine learning was drawing attention, but in recent years, the advancement of generative AI has greatly expanded the possibilities for data utilization. I will continue to actively learn about ever-evolving technologies and, by leveraging the Bank's ties to the region and its expertise, pursue data utilization that only Shiga Bank can achieve, taking on the challenge of creating new value that leads to the happiness of the region.



4th Competition

Grand Award in the regional financial institutions category
Yusuke Kadoma

As AI and data-utilization possibilities expand, I myself have come to appreciate their usefulness by applying them in both my work and personal life.

Going forward, I hope not to keep this learning to myself, but to use AI and data to help solve customers' issues and deliver new value from the Bank to our customers, thereby also contributing to the development of the region.

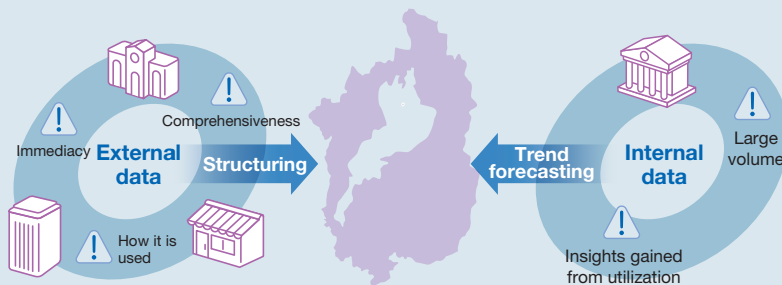
Capturing the regional economy through data and advancing value creation – Initiatives in Shiga Prefecture Economic Analysis

Positioning data-driven management practices as a pillar of the 8th Mid-Term Business Plan, we established Data Driven Project Team, a cross-departmental specialized organization in April 2024. We are bringing together the knowledge of data utilization accumulated across departments to date and strengthening our analytical framework in order to help resolve management and regional issues.

At the core of these initiatives is the Shiga Prefecture Economic Analysis. Its starting point lies in the question: “As a regional financial institution, are we truly grasping the actual economic conditions of Shiga Prefecture, our mother market, swiftly and quantitatively?” As the regional economy grows more complex due to demographic changes, diversification of industrial structure, and the geographic expansion of corporate activities, relying solely on conventional statistical information and experience-based understanding may not be sufficient to fully capture the actual state of the region and the early signs of change. Based on this recognition, we are working to re-examine the regional economy from multiple angles and in quantitative terms by combining open data with trends statistically identified from deposit and withdrawal data and other information held by the Bank.

Capturing the regional economy through structure and movement

Specifically, we have adopted an analytical approach that captures the regional economy not as static information, but from the two perspectives of industrial structure and economic trends.



Specific areas of analysis

(1) Visualizing industrial structure

We analyze the connections between industries and the flow of value added to clarify the structure of strengths, weaknesses, and ripple effects. By visualizing information that was previously grasped only as figures in terms of its interrelationships, we deepen our understanding of the region's overall structure.

The strength of Shiga Prefecture's industry lies in building an electrical machinery industry cluster

Value added and share of prefectural GDP

Top-ranked

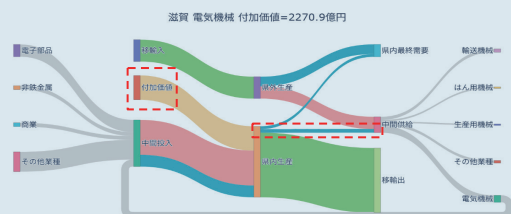
Supply to downstream industries within the prefecture

13.6%

(Ranked 1st among 4 prefectures)

Both the upstream and downstream sides of the supply chain are connected to industries within the prefecture, forming a cluster centered on the electrical machinery industry.

	Shiga Prefecture	Gifu Prefecture	Mie Prefecture	Tochigi Prefecture
Prefectural GDP	7,006.0 billion yen	8,225.2 billion yen	8,490.6 billion yen	9,596.2 billion yen
Electrical machinery GDP	227.09 billion yen	96.77 billion yen	118.62 billion yen	234.22 billion yen
Composition ratio	3.2%	1.39%	1.17%	2.4%



(2) Real-time monitoring of economic trends

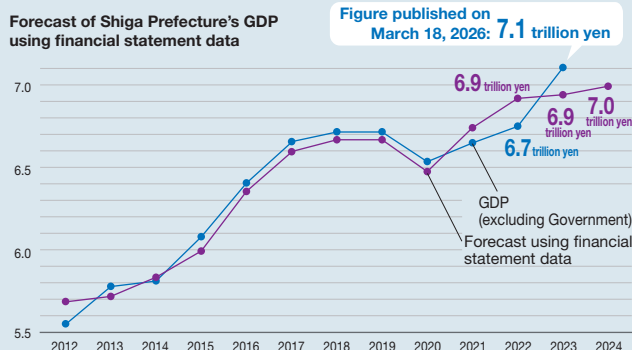
Using data held by the Bank, we are working to develop forecasting models that capture the current movements of the regional economy in a timely manner. We aim to complement the time lag inherent in official statistics and provide information that contributes to faster decision-making.

Combining financial statement data enables highly accurate forecasts of Shiga Prefecture's GDP

We forecast Shiga Prefecture's GDP by 29 industries* using only financial statement data, and by summing these forecasts, we produced a forecast of Shiga Prefecture's GDP with **a high degree of accuracy**, with a margin of error of around 2%.

*Shiga Prefecture's GDP is originally the sum of 30 industries; however, one of them, Government, is excluded because financial statement data is not available.

Forecast of Shiga Prefecture's GDP using financial statement data



Through these initiatives, we will capture, in high resolution, the actual conditions of the regional economy and the early signs of change that have previously been difficult to discern, thereby generating new insights. Furthermore, by returning the results of this analysis to the regional community rather than keeping them within the Bank, we will contribute to creating a virtuous cycle of happiness brought to the region.

Alliance Strategy

Base for
Growth

While maintaining its strategic independence, the Bank is advancing to sophisticating its services, expanding its customer base, and strengthening its capacity to respond to regional issues through collaboration with like-minded partners.

Alliances are initiatives to strengthen the value-creation foundation by bringing in the knowledge, functions, human resources, and information that the region needs, and circulating them within the region. Based on this foundation, we will realize the growth of our customers, the sustainable development of regional society, and the enhancement of the Shiga Bank Group's corporate value.

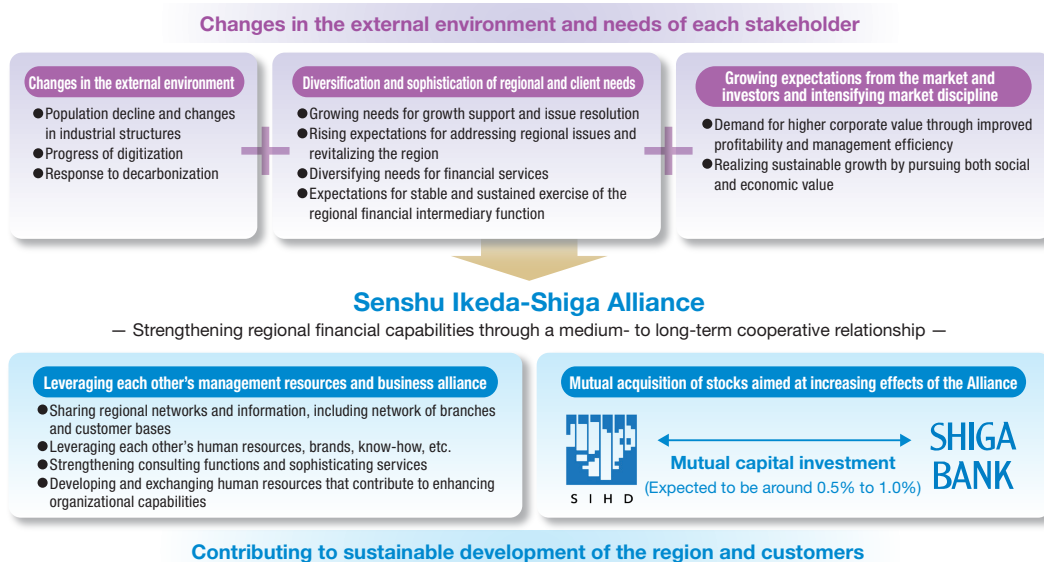
I Senshu Ikeda-Shiga Alliance

The Senshu Ikeda-Shiga Alliance aims to clarify a medium- to long-term cooperative relationship through a capital and business alliance, further strengthening regional financial capabilities and contributing to regional society.

Senshu Ikeda Holdings' main business areas are Osaka and Hyogo Prefectures, while Shiga Bank's main business areas are Shiga and Kyoto Prefectures. In these adjacent business areas, the two companies will mutually make effective use of each other's management resources and strengths, including branch office networks, customer bases, human resources, and brands, to create even higher added value.



Background and purpose of the Alliance



Main fields of the Alliance



Strengthening regional financial capabilities through a medium- to long-term cooperative relationship



The branch networks of The Senshu Ikeda Bank, which operates mainly from Osaka to Hyogo Prefecture, and those of Shiga Bank, which operates mainly from Shiga to Kyoto Prefecture, have little overlap and are complementary to each other.

TSUBASA Alliance

To realize value creation that goes beyond the boundaries of a regional financial institution, the Bank participates in the TSUBASA Alliance, a wide-area collaboration framework involving the 10 top banks in each region of Japan. This Alliance is Japan's largest collaboration platform, enabling the provision of sophisticated and diverse financial services that would be difficult to achieve alone, as each member bank maintains its independence while pooling its expertise.

The 10 banks combined have total assets of approximately 100 trillion yen and a customer base of approximately 24 million retail customers and approximately 2.2 million corporate clients. Leveraging this scale, the Bank collaborates across a wide range of fields, including joint financing, business matching, and personnel exchanges. In addition, we are advancing to sophisticating and improving efficiency of our operations by promoting joint efforts and knowledge sharing in non-competitive areas, including anti-money laundering measures.

The Alliance marked its 10th anniversary in 2025, and, building on the collaborative foundation cultivated to date, we will evolve to create new value that goes beyond mere efficiency gains and functional complementarity. Through this Alliance, the Bank will provide higher added value by leveraging its network and expertise, leading to further growth in the sustainable development of the regional economy and the Shiga Bank Group's corporate value enhancement.



Main collaborative initiatives

Joint arrangement of financing

- Joint arrangement of real estate non-recourse loans, LBO loans, and foreign currency-denominated syndicated loans

Co-hosting seminars for customers

- Digital transformation seminar for medical institutions (July 2025)
- Shanghai TSUBASA Seminar & Networking Event 2025 (September 2025)
- iDeCo seminar (February 2026)
- Bangkok TSUBASA Seminar & Networking Event 2026 (February 2026)

Joint implementation of personnel exchanges and training for officers and employees

- Holding of the Management School for senior management (April 2025)
- Visit to Singapore by the presidents of all member banks (July 2025)
- Implementation of Cross-mentoring Program for female candidates for executive positions (from August 2025)
- Implementation of Group Training for Beginner-level Digital Talent (December 2025)

Other collaboration

- Joint hosting of walking and charity event (October 2025)
- Joint food drive by the 10 banks (February 2026)
- Exchange of information and sharing of knowledge in various fields through participation in approximately 50 subcommittees

10th anniversary of establishment

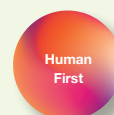
Walking campaign

To commemorate the 10th anniversary of the establishment of the TSUBASA Alliance, the 10 participating banks conducted a walking campaign aimed at charitable giving and promoting employee health, and made a donation to Musubie, a certified Nonprofit Corporation Nationwide Children's Cafeteria Support Center. In this campaign, each bank contributed 200 yen for every registered employee who achieved the target of 248,000 steps during the campaign period (a daily target of 8,000 steps), and a total of 782,800 yen was donated.



Pursuing Sustainability

Human Capital Management (Human First)



Investing in human capital is a growth strategy that supports the transformation from Bank to Company.

Shiga Bank aims to become a Company, an entity that goes beyond finance, by elevating people, organization, and environment together as one.

Turning human capital into the ability to execute our management strategy Turning each individual's potential into the power to shape the region's future

Under the 8th Mid-Term Business Plan (hereinafter, the “8th Mid-Term Plan”), the Bank has adopted “Human First” as one of its basic strategies. Investing in human capital is not limited to developing human resources or enhancing welfare benefits, but rather is a growth strategy that positions people as the driver of value creation and strengthens the Bank's ability to execute its management strategy.

The environment surrounding regional financial institutions is changing significantly. The issues facing regions and customers, including population decline, business succession, decarbonization, digitalization, and labor shortages, are becoming more complex and are expanding into areas that conventional financial functions alone can no longer fully address.

The Bank's transformation from Bank to Company is an initiative to expand the scope of value creation by addressing regional issues beyond the boundaries of finance, building on the trust and discipline the Bank has cultivated as a financial institution. Ultimately, it is people who determine the ability to execute this transformation. It is each and every employee who identifies regional issues, builds relationships of trust with customers, and connects expertise from inside and outside the Bank to shape new value.

Under the Bank's human resources strategy, we have set KPIs for each of the three pillars of people, organization, and environment. In addition, we have positioned the engagement score as our central KGI, using it as a metric of each employee's capability, motivation, and connection with the organization to confirm whether our human capital is functioning effectively toward value creation.

While the overall engagement score has shown improvement, issues remain in areas such as “pride in our business” and “culture of challenge”. For this reason, in addition to developing our human resources and leveraging them in strategic areas, we are advancing a cultural transformation toward becoming a Company, cultivating an environment where each employee can genuinely feel the significance of their work and confidently take on new challenges in the pursuit of new value, unbound by precedent.

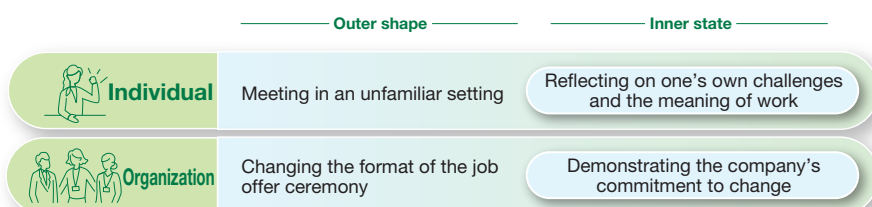
Human First, as envisioned by the Bank, means linking investment in human capital to improving our ability to solve customer issues, advancing new businesses and priority areas, increasing productivity, and expanding revenue opportunities, thereby creating both economic and social value and connecting these to corporate value enhancement.

A Job offer ceremony on the water — What we changed was the place. What we wanted to change was the meaning and the organization's norms —

For fiscal year 2025, rather than holding the job offer ceremony at the Head Office as in the past, we took on a new format, holding it on Lake Biwa.

For Shiga Prefecture, Lake Biwa symbolizes daily life, industry, learning, and our responsibility to future generations. Holding the job offer ceremony on Lake Biwa was an initiative to convey, through experience rather than words, the Bank's commitment to building the future together with the region.

Changing the place changes the meaning. Changing the meaning changes people's mindset. The job offer ceremony on the water is a solid first step symbolizing our transformation into a Company.



Premise

What is a Company?

I Toward an organization where diverse individuals with aspiration come together to create value

The Bank's transformation from Bank to Company does not mean abandoning the value we have built as a bank. Rather, it means evolving into an organization capable of creating value in more diverse ways, while building on our strengths rooted in the region and the long-term relationships of trust we have built with our customers.

The Bank has, to date, built its credibility as a regional financial institution by demonstrating stability, discipline, and cooperation, and by carrying out its operations accurately. These qualities remain the very foundation that supports our business.

At the same time, as the issues facing our region and customers grow more complex and the pace of change accelerates, these qualities alone are no longer sufficient. What will be required from now on is not an organization that strengthens itself by making individuals uniform, but one in which individuals with aspiration, each bringing different experiences, values, and expertise, come together and combine their strengths toward the future of the region and our customers.

The Company that the Bank envisions is not simply a company that engages in businesses other than banking. Rather, it is a place where each employee takes an active role, bringing their own will and strengths, connecting with one another within the organization, and taking on the challenge of creating value for the region.

To achieve this, we must not only develop our human resources, but also leverage them in strategic areas and cultivate an environment where challenge and growth can take root. This is why the Bank places the maximization of human capital at the center of its personnel strategy.

Perspective	Bank type	Company type
Organizational premise	Uniformity, stability, and efficiency	Diversity, autonomy, and value creation
View on human resources	Human resources to carry out operations	Human resources who drive value creation with determination and strengths
Management	Control and rules	Vision, meaning, and co-creation
Career	Organization-led placement	Alignment of individual will with the organizational vision
Culture	Precedent, tacit knowledge, and avoidance of failure	Dialogue, challenge, and learning
Vision	An organization that supports regional finance	An organization where individuals with aspiration come together to create regional value
Universal (unchanging) foundation		
Credibility, trust, and Sampo yoshi		

The transformation from Bank to Company means evolving into an organization that channels the strength of diverse individuals into value creation, building on the trust and discipline the Bank has cultivated.

To achieve this, the Bank will elevate people, organization, and environment together as one, converting human capital into the ability to execute its management strategy.

Overview of Personnel Strategy

Maximizing human capital

I Elevating people, organization, and environment together to increase the certainty of executing our management strategy

Under the 8th Mid-Term Plan, the Bank has adopted Human First as one of its basic strategies and is working to maximize its human capital.

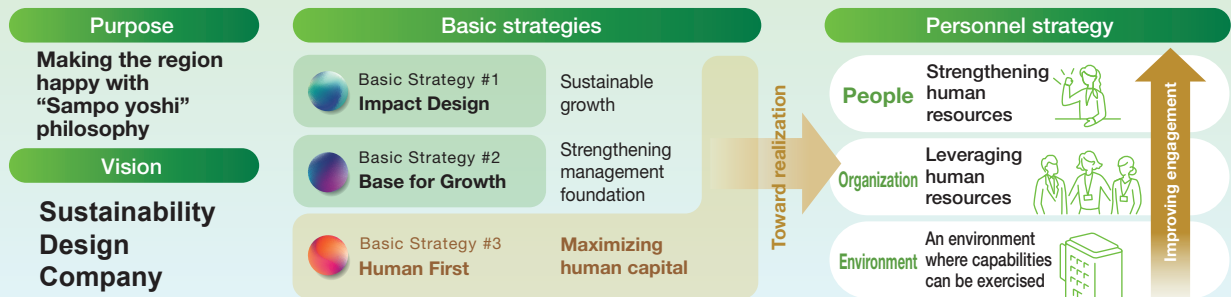
Maximizing human capital means not only enhancing the capabilities of each employee, but also creating a state in which the organization can make use of those capabilities and employees can exercise them within an environment that fosters challenge and growth.

The Bank organizes its personnel strategy around three perspectives: people, organization, and environment. People refers to developing human resources that drives value creation; organization refers to leveraging human capital in strategic areas; and environment refers to cultivating a foundation in which each individual can fully exercise their capabilities.

By elevating these three elements together, we will improve our engagement score, our KGI, and convert human capital into organizational execution capability. Through this, we will support the generation of results under Impact Design and Base for Growth, and increase the certainty of executing the 8th Mid-Term Plan.

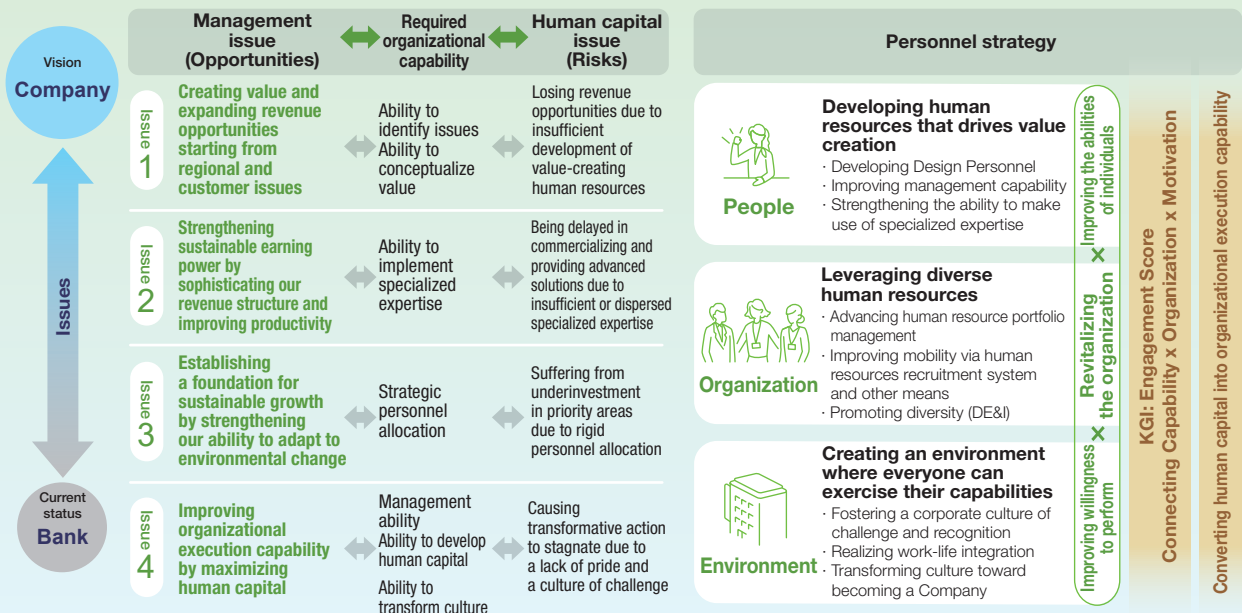
Human capital management

The 8th Mid-Term Business Plan of Shiga Bank

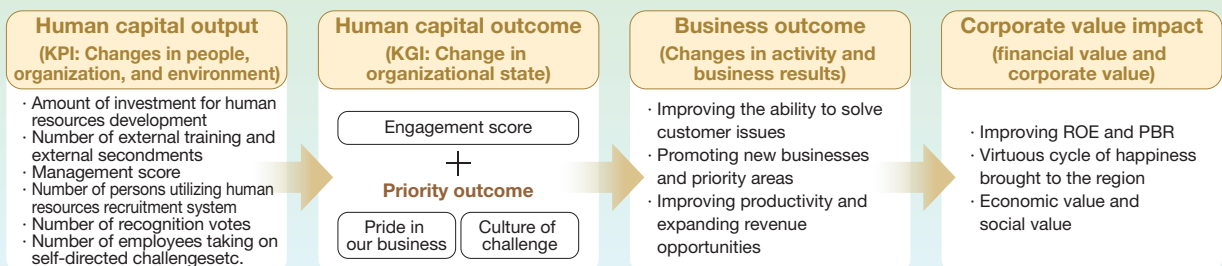


Human capital issues for achieving our management strategy

Input/Action



Output/outcome/impact



Progress of KGI and focused Issues

The engagement score is on an upward trend. On the other hand, issues remain in “pride” and “culture of challenge”

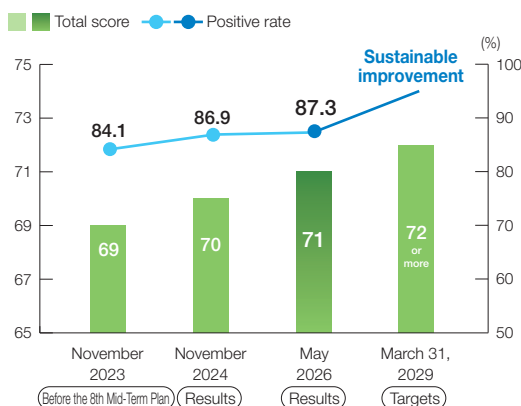
The Bank positions the engagement score as the KGI for its personnel strategy, using it as a comprehensive metric of whether human capital is functioning effectively toward value creation.

Since the start of the 8th Mid-Term Plan, we have advanced initiatives relating to people, organization, and environment, including human resource development, career support, and fostering a culture of challenge and admiration. Partly as a result of these measures, the engagement score has shown an upward trend overall.

At the same time, when examined by category, the issues that must be addressed as a priority for our future transformation have also become clear. In particular, we recognize “pride in our business” and “culture of challenge” as important human capital issues in advancing our transformation from Bank to Company.

Progress of KGI

Results of engagement survey (total score)



Engagement survey (score by category)

Category	November 2023	May 2026	Benchmark
Building on strengths and areas of improvement	Support from colleagues in times of difficulty: 76 (+2 points)	78 (+3 points)	75
	Appropriateness of admiration: 70 (+3 points)	73 (+3 points)	70
Priority issues	Pride in our business: 63 (+2 points)	65 (-2 points)	67
	Culture of challenge: 59 (+4 points)	63 (±0 point)	63

Priority issue #1: Pride in our business

Definition	Significance for our management strategy
A sense that one's work is creating value for the region and customers	The foundation for proactive value creation

“Pride in our business” does not simply mean a feeling attached to the company. It is a state in which employees genuinely feel that their work is creating value for the region and customers, and can say, “I am proud of this company.”

To advance value creation that starts from regional and customer issues, it is important for each employee to understand the meaning of their own work and to act with the future of the region and our customers in mind.

By accumulating such efforts, we aim to increase the number of employees who take pride in their work, and, as that pride translates into trust and empathy from the region, to become the most sought-after Company that employees can be proud to share with their families.

Priority issue #2: Culture of challenge

Definition	Significance for our management strategy
A state in which employees can take new actions without being bound by precedent	The foundation for the transformation from Bank to Company

“Culture of challenge” is the foundation that enables employees to step forward into new value creation without being bound by precedent.

To achieve transformation, we need a culture in which employees go beyond simple extensions of the past, take new action in response to the issues facing our region and customers, learn from failure, and carry those lessons forward into the next challenge.

Human capital management

Our approach to human capital KPIs

A KPI framework for people, organization, and environment that drives our KGI

The Bank positions the engagement score as the KGI for its personnel strategy, and to improve this KGI, organizes its personnel strategy around the three perspectives of people, organization, and environment, monitoring progress in each through KPIs. For people, we monitor the progress of developing talent that drives value creation; for organization, whether diverse human resources are being utilized within the organization; and for environment, whether a foundation is in place that allows everyone to work with peace of mind and exercise their capabilities.

In particular, we position “pride in our business” and “culture of challenge” as important human capital issues in advancing our transformation, and as priority metrics to be monitored going forward. From now on, in addition to our existing KPIs, we will also work to refine our metrics to more clearly demonstrate the Bank’s transformation.

Progress of KPIs (key performance indicators in personnel strategy)

Indicators			Targets (8th Mid-Term Plan period)	Results (Fiscal year 2024)	Results (Fiscal year 2025)
[KGI] Engagement score (total)			72 or more	70	71
Strengthening human resources People 	Design Developing human resources	Amount of investment for human resources development per person	300 thousand yen	176 thousand yen	209 thousand yen
		Number of employees seconded to outside companies	Cumulative total of 100 persons	9 persons in a single fiscal year	Cumulative total of 27 persons *18 persons in a single fiscal year
		Number of employees with Financial Planning Grade 1 certification	300 persons	231 persons	234 persons
	Improvement of management capability	Dispatch to external trainings	50 persons per year	39 persons	55 persons
		Management score of managers (evaluation by others)	4.0 or more (graded on a 5-point scale)	3.78	4.00
Enabling diverse human resources to thrive Organization 	Diversifying recruiting methods	Retention rate within 3 years of recruiting new graduates	80% or more	87.3%	87.9%
		Number of mid-career hires	—	19 persons	13 persons
		Employment rate of people with disabilities	2.7% or more	2.347%	2.152%
	Achieving growth and desired work through appropriate placement	Percentage of management candidates with both headquarters and branch experience ^{*1}	70% or more	52.4%	51.6%
		Number of persons utilizing human resources recruitment system	100 persons per year	80 persons	83 persons
		Percentage of female managers	23% or more	18.6%	19.0%
An environment where everyone can exercise their capabilities Environment 	Realizing work-life integration	Average number of days of paid leave taken ^{*2}	17 days or more per year	17days	17days
		Percentage of retests received for regular health check-ups (including comprehensive medical checkups)	90% or more	94.7%	92.3%
		Selected under Certified KENKO Investment for Health Outstanding Organizations Recognition Program	Recognized as White 500	*Already selected under Certified KENKO Investment for Health Outstanding Organizations Recognition Program	*Already selected under Certified KENKO Investment for Health Outstanding Organizations Recognition Program
	Corporate culture of challenge and admiration	Annual number of votes for the human award	5,000 votes	2,379 votes	3,765 votes
		Percentage of participants in trainings on compliance, human rights, etc.	90% or more	94.3%	94.0%
		Number of people who autonomously challenged their careers	Cumulative total of 2,000 persons	657 persons	1,246 persons *589 in a single fiscal year

*1 Management candidates represent the Bank’s sub-assistant general managers (one level below executives).

*2 Calculated by dividing the total number of days of paid leave taken by the average number of bank employees and dedicated officers with experience and skills.

*3 Personnel costs for each indicator are calculated by multiplying the applicable number of employees by the average annual salary.

Basic Strategy #1: People

Developing human resources that drives value creation

I Connecting Design Personnel development to changes in business activities

Amid the growing complexity of regional and customer issues, regional financial institutions are called upon not only to provide conventional financial functions, but also to expand their activities into value creation, starting from the issues faced by the region and its customers.

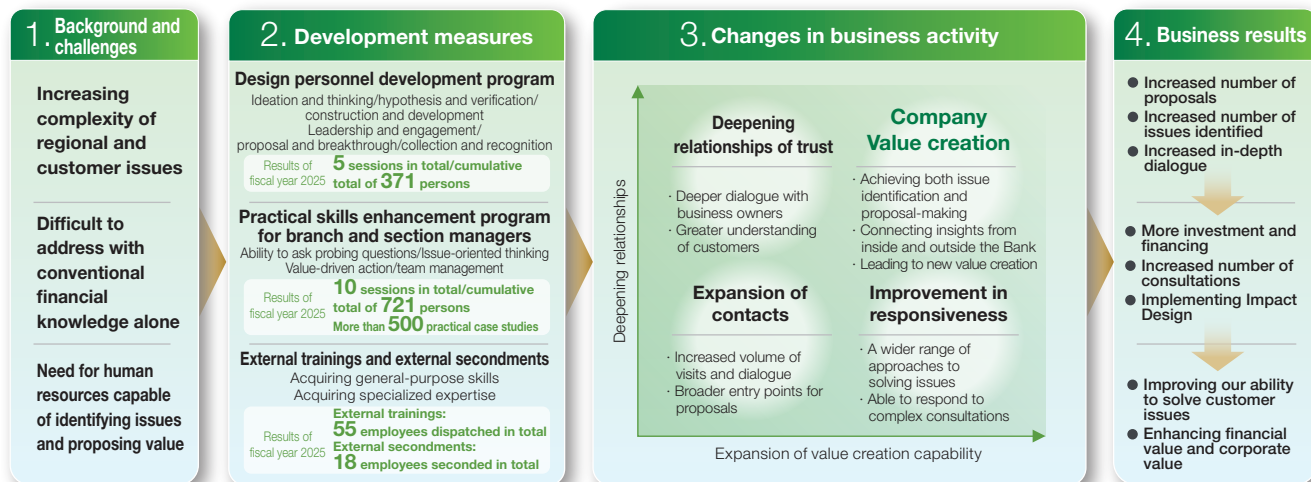
The Bank positions the human resources that drives such value creation as Design personnel and is working to develop them. Design personnel are those who, starting from the issues faced by customers and the region, envision the desired future state, connect the necessary stakeholders, and turn solutions into reality.

What matters in developing Design personnel is not training or the acquisition of qualifications in themselves, but applying what is learned at customer contacts to change the quality of dialogue and proposal-related behavior. The Bank develops Design personnel from two perspectives: deepening relationships and expanding value-creation capability.

Under deepening relationships, we aim to build relationships that go beyond transactions and information gathering, engaging in deep dialogue with customers and working together to uncover latent issues. As a specific initiative, the practical skills enhancement program for branch and section managers provides training centered on the ability to ask probing questions, issue-oriented thinking, value-driven proposal behavior, and team management. Participants have shared more than 500 practical case studies with one another, including cases arising from mentoring subordinates and other experiences.

Under expanding value-creation capability, we are strengthening the thinking skills, specialized expertise, proposal capabilities, and ability to implement solutions needed to address customer issues. Through external trainings, employees strengthen general-purpose skills such as ability to think logically and management capability, while through secondments to outside companies, they acquire specialized expertise in areas such as finance, digital transformation, data analysis, sustainability, and business succession, along with practical experience outside the Bank.

Through these initiatives, we will enhance the quality of customer meetings, the depth of dialogue, the ability to identify issues, and the ability to make proposals, thereby improving our ability to solve customer issues and advancing Impact Design.



VOICE To turn sense and experience into value creation

In facing our customers' increasingly complex issues, I strongly felt the need for the ability to logically structure situations and grasp their essence, rather than relying on sense and experience alone. As someone leading a team, I also wanted to strengthen my management capability to draw out my team members' thinking and lead them to make better decisions. With these issues in mind, I have been deepening my learning through GLOBIS Management School and the Practical Skills Enhancement Program for Branch and Section Managers.

What I have learned is also being leveraged in my daily work. In dialogue with customers, by organizing issues such as finance, organization, and the market environment from multiple angles and deepening discussion by presenting hypotheses, I have seen more occasions where latent needs come to the surface. In conversations with my subordinates, I am also conscious of drawing out their thinking rather than simply providing answers.

As a result, my proposals now go beyond simply offering financial products, expanding into co-creation of value, in which I think together with customers about business growth and the resolution of organizational issues. I have also had more opportunities to be recognized by customers as "someone who thinks about the future together with us," and this learning is translating into real, tangible results.



Masashi Miyagawa

General Manager of
Hino Branch

Human capital management

Strategy #2: Organization

Leveraging diverse human resources

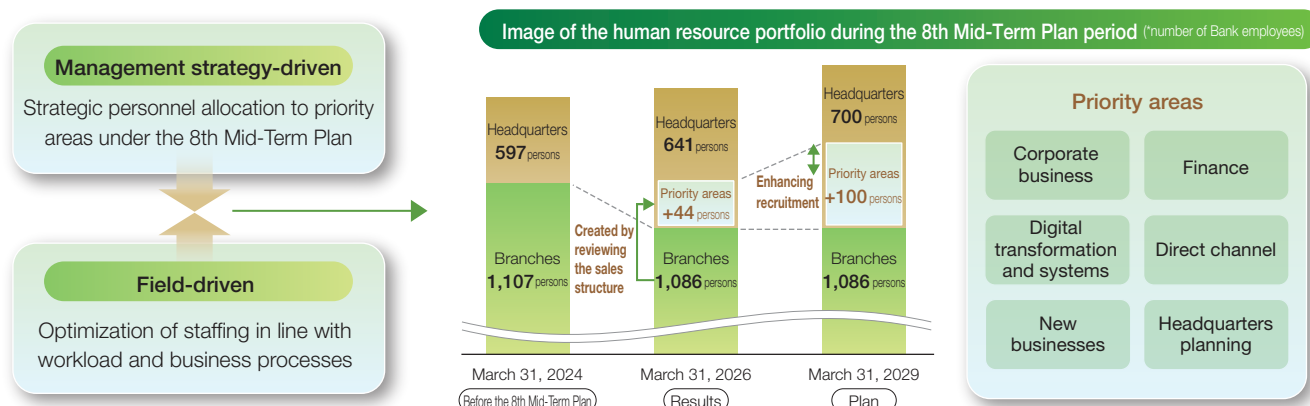
I Strategic personnel allocation aligned with our business portfolio

To maximize human capital, it is necessary not only to develop our human resources, but also to make use of each individual's experience, will, and strengths in areas that are important to our management strategy. In advancing our transformation, we must continually review the allocation of our human capital in line with our business portfolio.

The Bank pursues strategic personnel allocation by combining field-driven workforce planning developed by the Business Promotion Dept. and the Administration Dept. with consideration of priority areas based on cross-organizational management strategy by teams such as the Value Creation Project Team.

Specifically, by combining the freeing up of personnel through the enhancement of non-face-to-face channels and the review of our sales structure with increasing our workforce through enhanced recruitment, we are advancing the allocation of staff to priority areas such as corporate business, finance, digital transformation and systems, direct channels, new businesses, and Headquarters planning, thereby strengthening our ability to respond to the increasingly complex issues facing our region and customers.

Going forward, we will advance discussions that go further into the quality of our human resources, including the necessary experience, skills, and expertise, leading to more advanced human resource portfolio management.

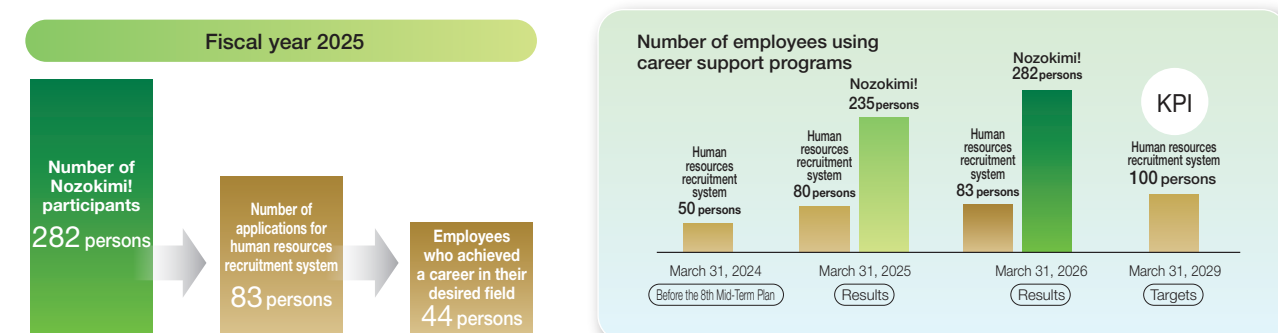


I Support for autonomous career development

To leverage human capital in strategic areas, it is important not only to place employees through organization-led decisions, but also to expand opportunities for each employee to discover their own potential and take on new challenges.

Through the job-shadowing program Nozokimi!, the Bank provides employees with opportunities to learn about their own career options. In addition, through the human resources recruitment system, we are expanding opportunities for employees to volunteer for new roles on their own initiative.

Employees learn about a role through Nozokimi!, take on the challenge through the human resources recruitment system, and exercise their capabilities through placement and development. By building this cycle, we encourage employees' career autonomy and help them find a meaning in their work, leading to enhanced engagement.



By combining strategic personnel allocation aligned with our business portfolio with support for autonomous career development through Nozokimi! and the human resources recruitment system, we will connect the direction of the organization with the will of each individual employee.

I Toward an organization in which diverse human resources can thrive

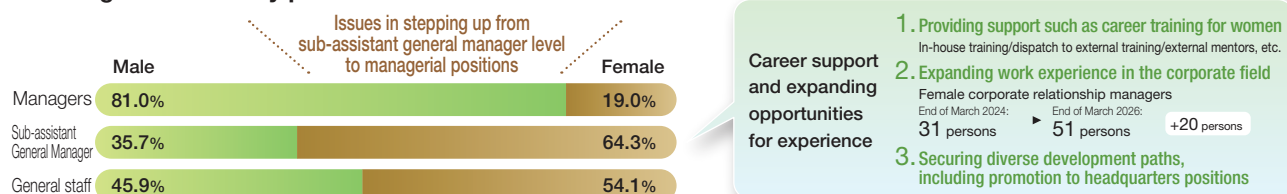
In advancing our transformation from Bank to Company, it is important to move away from organizational management premised on uniformity, and instead make use of diverse experience and perspectives in our organizational decision-making and value creation. The Bank positions raising the percentage of female managers as an important theme in building an organization that makes the most of diverse human resources.

Under the 8th Mid-Term Plan, we have set a target of increasing the percentage of female managers to 23.0% or more by the end of March 2029. As of March 31, 2026, the figure stood at 19.0%, showing an improving trend; however, looking at the Bank's personnel composition by position, the percentage of women in managerial positions remains lower than that at the sub-assistant general manager level.

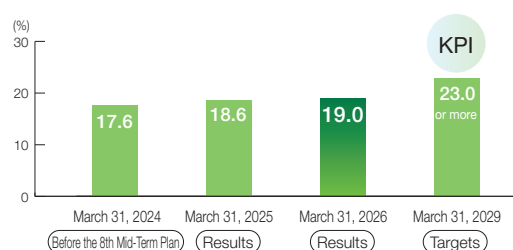
To address this issue, the Bank is advancing initiatives on both the hardware and software fronts. Through career training for women and dialogue with their supervisors, we work to ease anxieties about promotion to managerial positions while supporting proactive career development. In addition, we are working to secure diverse development paths that enhance a management perspective and specialized expertise, such as by expanding opportunities to gain work experience in the corporate field and through promotion to group manager positions and other roles at the headquarters.

Through these initiatives, we are seeing signs of improvement in both the percentage of female managers and the percentage of women seeking promotion to managerial positions. At the same time, to further increase diversity at the decision-making level, we need to expand the pool of candidates, design career experience, strengthen career support from supervisors, and rethink what it means to be a manager. We will continue to build an environment where women can take on managerial roles and new fields, thereby enhancing the organization's ability to create value.

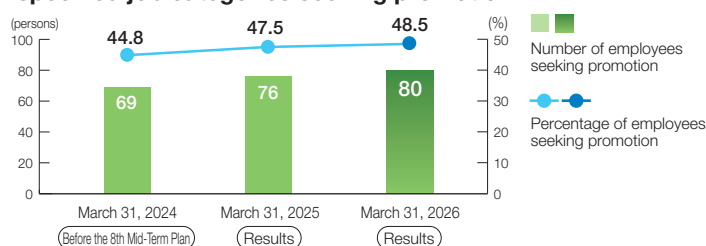
Percentage of women by position



Percentage of female managers



Percentage of female sub-assistant general managers in specified job categories seeking promotion



Key Points Building a workplace where everyone can exercise their capabilities, starting from the Heartful Office

At the Heartful Office, we create work that makes the most of each employee's characteristics and strengths, and are working to build an environment where employees with disabilities can fully exercise their abilities. Through close, attentive communication and support, by encouraging employees' growth and success and supporting to enable diverse human resources to thrive, we connect these to the growth and value creation of the organization as a whole.

VOICE

Seeing an employee in charge of producing braille business cards build skills and confidence and grow through their work is a great source of encouragement for us. Through repeated dialogue with each individual, we are working to create an environment where employees can take on challenges with peace of mind, so that our diverse workforce can thrive.



Human capital management

Strategy #3: Environment

Creating an environment where everyone can exercise their capabilities

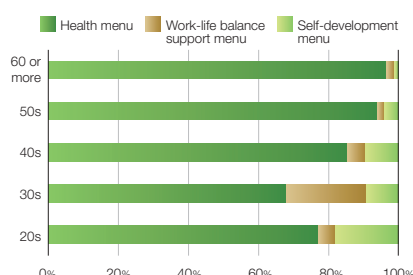
Promoting health management and embedding work-life balance support

The Bank positions health as the base for exercising one's capabilities. Through health management and work-life balance support initiatives, we are working to build an environment where employees can continue to work with peace of mind at each stage of their lives.

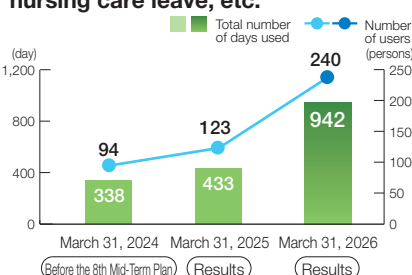
As part of our health management initiatives, we have newly introduced a cafeteria plan to provide flexible support tailored to each employee's circumstances, enhancing health promotion and work-life balance support.

In addition, through measures such as expanding the use of nursing care leave and promoting the uptake of childcare leave among male employees, our work-life balance support programs are steadily taking root in the workplace.

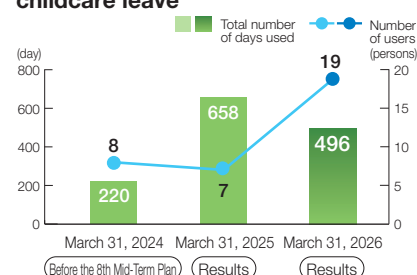
Usage of cafeteria plan by age group



Number of employees using nursing care leave, etc.



Number of male employees taking childcare leave



Evolution of the Shigagin Human Award

The Shiga Bank Group conducts the Shigagin Human Award, an initiative in which employees identify and praise one another for good behavior. In fiscal year 2025, the second year of the award, the number of votes cast increased from 2,379 in the previous year to 3,765, further expanding the circle of recognition.

This initiative, by honoring employees, sheds light on the good behavior found in day-to-day work and shares how such behavior connects to the values of the Shiga Bank Group and to the creation of value for the region and our customers.

In fiscal year 2025, to make it easier to understand how day-to-day actions connect with the values of the Shiga Bank Group, we translated the Bank's long-standing values, embodied in its motto, "Be tough on ourselves, kind to others, and serve society," into a framework of nine value-based behaviors corresponding to different levels of action.

The Shiga Bank Group aims to be an organization in which, on the foundation of good relationships in which colleagues support one another, behavior that addresses the issues facing the region and our customers and creates new value continues to spread. Through the Human Award, by finding, articulating, and sharing good behavior, we will continue to build a culture that supports our transformation from Bank to Company.



Nine perspectives for capturing value-based behavior

Value Shared values	Be tough on ourselves Awareness as a member of society, self-development, and enhancing one's own reason for existence	Kind to others Exercising self-discipline, with a customer-first, market-in stance	Serve society Thinking and working with a sense of gratitude to society and contribution to regional communities
"Creating" behavior (Value creation, challenge)	Behavior that expands one's own potential and creates new value	Behavior that reconstructs how one relates to others from a new perspective	Behavior that takes on social and organizational issues and provides new value
"Improving" behavior (Improvement proposals and ingenuity)	Behavior that identifies issues on one's own and works to improve them	Behavior that demonstrate ingenuity in order to exceed others' expectations	Behavior that responds to the needs of the region and customers and improves service
"Sustaining" behavior (Good behavior often taken for granted)	Behavior that maintains high standards and continues to deliver stable results	Behavior that consistently shows consideration for others and takes care in everyday interactions	Behavior that values connections with society and upholds trust

SPECIAL TOPIC Cultural transformation

Accelerating transformation into a Company

In advancing our transformation from Bank to Company, putting systems and measures in place alone is not enough. For each employee to reconsider the meaning of their own work and take new action unbound by precedent, we must confront the organization's culture itself.

Structure revealed by the insight survey

The Bank has, over its long history, cultivated the strengths of sound organizational management and the ability to reliably follow through on what has been decided. It is precisely because of these strengths that we have been able to build up trust as a regional financial institution.

At the same time, even as we repeatedly emphasized the need for transformation, we faced the issue that ambitious initiatives did not easily translate into everyday behavior in the field. To identify what was standing in the way of transformation, the Bank therefore conducted an anonymous insight survey to gather employees' candid perceptions.

The results revealed that the very soundness and the ability to reliably execute instructions that had supported the Bank's success as Bank could also become factors that hinder employees from identifying issues on their own, taking action toward new value creation, and taking on challenges whose results are not readily visible.

This does not mean denying the Bank's strengths. Rather, it means that, while building on these existing strengths, we need to reexamine the premises of our organizational management and our corporate culture in order to transform into Company.

Disclosure to all branch and section managers and the start of transformation

The Bank did not keep these results confined within management alone. First, our officers held workshops on two occasions, confronting head-on the underlying structure revealed by the results. We then disclosed the full survey results to approximately 200 branch and section managers responsible for workplaces throughout the Bank, sharing the fact that our own strengths are also holding back our transformation.

Disclosing the data as it is, including the organization's weaknesses, reflects management's determination that transformation can only begin when everyone confronts our challenges together, without concealing them.

From dialogue to discussions that go to the core of organizational management (authority, development, and placement)

Disclosure is only the starting point. What must actually be changed to advance our transformation into Company? We are currently exchanging views that go to the core of organizational management, such as authority, development, and placement, through repeated dialogue sessions held by area and department.

What matters is not to make dialogue an end in itself. Through dialogue, we look closely at what is hindering change, and work to change the words, judgments, and actions used in the workplace. Only by taking it that far can cultural transformation truly have meaning.

Making transformation itself our challenge

Cultural transformation is not something we can leave to someone else to bring about. It means reexamining the barriers that stand in the way of change within our own organizational management and behavior patterns. And it means each and every employee reconsiders the meaning of their own work and takes a step forward toward creating new value for the region and our customers.

Through cultural transformation, the Bank will build a foundation on which each employee can take on challenges, while fostering an organizational climate in which candid dialogue and the raising of issues take place, thereby enhancing the effectiveness of our organizational management and governance and converting our human capital into the ability to execute our management strategy.

Steps	Details	Target status
1. Looking closely	Visualizing the state of the organization through the insight survey and other means *Officer workshops held twice in total	Understanding the structure that hinders transformation
2. Disclosing	Disclosing and sharing the full survey results, etc. with approximately 200 branch and section managers	Taking ownership of the issues
3. Engaging in dialogue	Dialogue among branch and section managers by area and department (21 sessions in total)	Uncovering the reasons why change has not taken place
4. Turning into action	Connecting to management and workplace practice	Changing everyday judgment and action

Practicing Sustainability Management to Reduce the Cost of Capital

Building a sustainable future together with the region

We have entered an era in which addressing environmental and social issues such as climate change and biodiversity loss requires collaboration and action across the entire region. These issues are deeply connected to regional industries and people's daily lives, and the role of regional financial institutions is growing increasingly important as an entity that connects local governments, businesses, and residents.

The Bank has carried on the “Sampo yoshi” philosophy of the Omi Merchants, and has pursued co-existence and co-prosperity with regional communities, officers and employees, and the global environment with the Bank's motto “Be tough on ourselves, kind to others and serve society” as its starting point. This set of values is itself the Bank's strategy for achieving economic sustainability while remaining rooted in the region. Throughout this history, we have positioned sustainability not as a special initiative, but as our core business itself, placing it at the center of our management.

Climate change and the degradation of natural capital have a direct impact on the regional economy and corporate activity, while they are also manifesting as both credit risk and opportunity for financial institutions. Addressing these issues proactively allows us to achieve both more sophisticated risk management and the creation of growth opportunities. Based on this thinking, the Bank supports regional decarbonization and the achievement of nature positive outcomes, and works to build a sustainable regional society where the environment and the economy coexist.

Under the 8th Mid-Term Business Plan (hereinafter, the “8th Mid-Term Plan”), which started in April 2024, we have identified the materiality of the Bank and regional society, and are working to reduce the negative impacts associated with our business activities while expanding positive impacts through financial intermediation.

Under the 8th Mid-Term Plan, we have established our Purpose as “Making the region happy with ‘Sampo yoshi’ philosophy,” and adopted Impact Design as our basic strategy for creating value for society. We place a high priority on creating value by focusing on the changes we can bring about in society through our business and financial activities. Concrete achievements include the Shiga Bank Group's attainment of carbon neutrality in greenhouse gas emissions (Scopes 1 and 2), and the development of Shiga Try-Link Loan, the first ESG finance product in Japan to incorporate three environmental elements* as KPIs. These initiatives embody the Bank's stance of practicing environmental response not as a cost or volunteering, but as a value-generating business that supports the sustainability of the region.

Going forward, the Bank will continue to confront regional issues head-on and contribute to regional society through both finance and practical action. In doing so, we will embody the principle of co-existence and co-prosperity as concrete value, and achieve sustainable growth together with the region.

*Three environmental elements: decarbonization (carbon neutrality), nature restoration (nature positive), and a circular economy



An asset entrusted from the future — The existence of Lake Biwa —

The Bank's approach to sustainability has its roots in Lake Biwa. With a history of approximately four million years, this lake not only supports the daily life, industry, and culture of Shiga Prefecture, but also plays an indispensable role as a broad water source that includes the Keihanshin (Osaka-Kyoto-Kobe) region. Lake Biwa is not merely a natural resource; it is the very foundation that shapes the region itself, and can be considered a value of the region itself.

The Bank regards Lake Biwa not as a resource to be consumed, but as an asset entrusted to us by the future. It is something that the present generation holds in trust, to be passed on to the next generation in an even better condition. This is Lake Biwa, and this is the region's natural capital.

At the same time, human activity has intensified problems such as climate change and the degradation of ecosystems. These are not merely environmental issues; they are challenges directly connected to the sustainability of the regional economy and daily life itself. As a regional financial institution headquartered on the shores of Lake Biwa, we consider confronting these issues not an option, but a mission.

The Bank's management, based on the “Sampo yoshi” philosophy of the Omi Merchants and its motto, has placed importance not only on short-term profit, but on carrying value forward to future generations. This way of thinking overlaps deeply with the essence of sustainability, protecting natural capital and continuing to circulate value within the region.

Going forward, the Bank will continue to fulfill its role as a connector that harmonizes the environment and the economy through the power of finance, generating a circulation of value within the region. And we will shape the future of the region alongside Lake Biwa, of our own will.