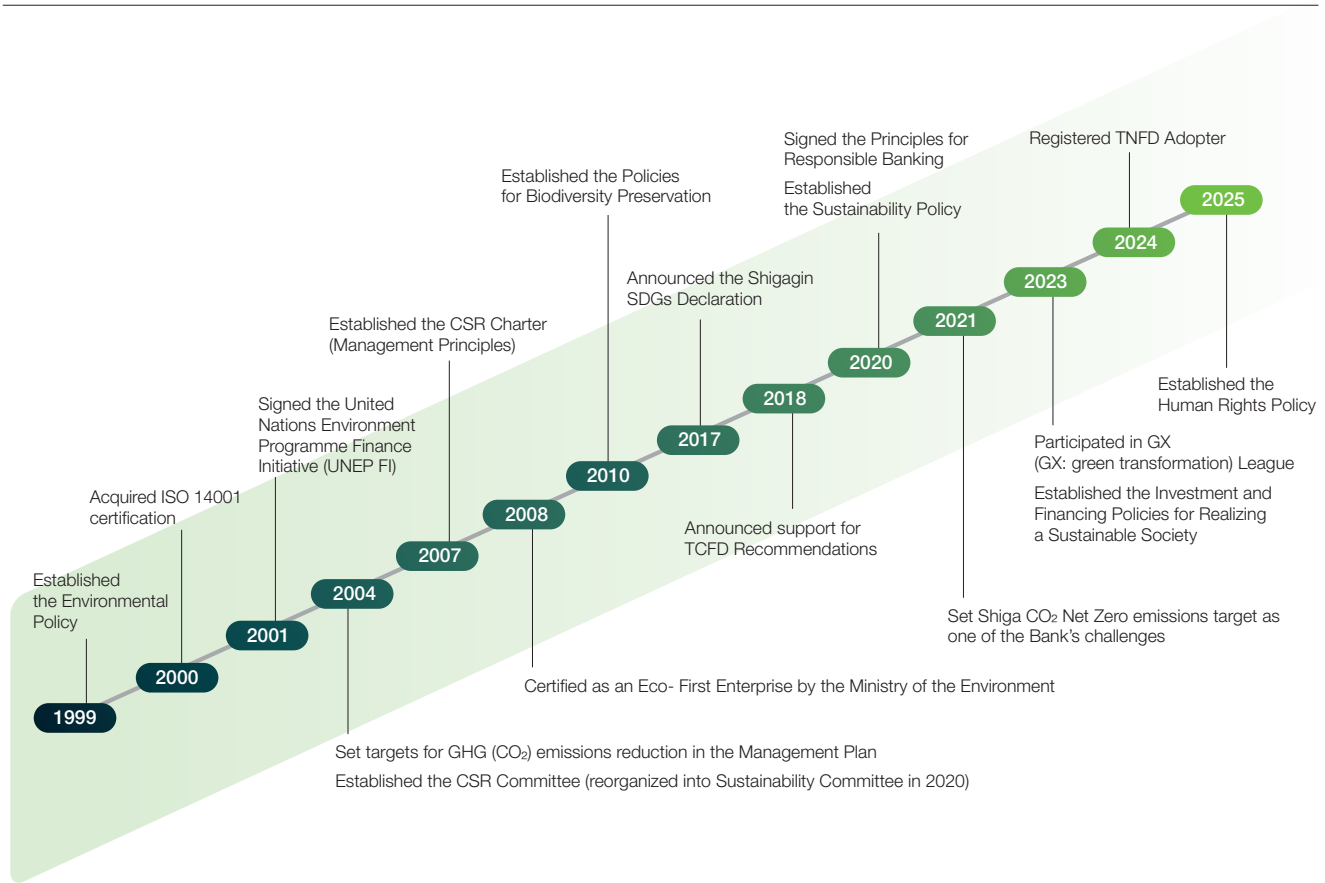
Our Sustainability Journey



Governance

Recognizing sustainability as a core theme of our business activities, the Bank discusses these matters at the meetings of the Board of Directors and reflects the outcome in its management strategy and risk management.

Specific measures and initiatives are discussed at Sustainability Committee chaired by the President, the content of which is reported to the Board of Directors at least once a year. The Board of Directors is fully prepared to execute appropriate supervision on matters reported.

Sustainability Committee, whose members include Management Meeting members, general managers of departments and offices, and presidents of consolidated subsidiaries, meets four times a year to discuss plans for addressing the Shiga Bank Group's priority ESG issues and social issues from a medium- to long-term perspective. In addition, important matters are reported to the Executive Committee and the Board of Directors.

In addition, starting in fiscal year 2025, restricted stock compensation (non-monetary compensation, etc.), which forms part of executive compensation, has been positioned as a medium- to long-term incentive, with actual net income attributable to owners of parent and ESG indicators, which are non-financial indicators, added as factors in determining such compensation.

Through this, we will establish a system that contributes to the long-term enhancement of corporate value by pursuing corporate sustainability rather than focusing solely on short-term profits.

Practicing Sustainability Management to Reduce the Cost of Capital

Climate initiatives (Response based on TCFD recommendations)

The Bank conducts forward-looking analysis to understand the impact that climate change may have on the regional economy, our customers' businesses, and the Bank's own management. Through this analysis, we work to prepare for risk, while also capturing new needs arising from decarbonization and green transformation as business opportunities, thereby supporting the sustainable growth of our regional customers.

The main risks and opportunities recognized by the Bank, and their financial impact, are as follows.

Recognition of risks, opportunities and impacts

The Bank assesses risks and opportunities associated with climate change for the time frames of short-term (5 years), medium-term (10 years), and long-term (30 years).

With regard to the risks and opportunities that have been recognized, we are making efforts related to CO_2 emissions reduction and also considering reflecting the findings in our investment and financing strategy.

Type of risk/opportunity		Impact on business	Timing of manifestation
Transition risks	Policy and legal Market Technology	Impact on the Bank's credit costs arising from actions that the Bank takes in response to decarbonization policies and regulations in order to achieve the 1.5°C scenario, or from changes in market orientation towards low-carbon via the impact of such changes on the business and performance of investment and financing targets	Medium term or long term
	Policies	Establishment of, or amendments to, regulations following the global trend toward increased actions against climate change	Short term
	Reputation	Negative rumors resulting from lack of efforts against climate change or insufficient disclosure of information	Short term
Physical risks	Acute risks	Impacts on the Bank's credit costs arising from the impacts of increased natural disasters such as floods on the business and performance of investment and financing targets	Short term, medium term, or long term
		Risk of damage to the Bank's assets from natural disasters such as floods	Short term, medium term, or long term
	Chronic risks	Impacts on the Bank's credit costs arising from the impacts of increased infectious diseases or heat-stroke cases on the business and performance of investment and financing targets	Short term, medium term, or long term
Opportunities	Products/services	Increased capital needs of companies related to the development of low-carbon products and services	Short term, medium term, or long term
	Resource efficiency, energy source	Reduced costs of companies as a result of efforts for the transition to a decarbonized society; increased capital needs related to such transition	Short term, medium term, or long term
	Reputation	Increased business opportunities resulting from our higher social reputation as a financial institution that contributes to decarbonization of regional communities	Medium term or long term

Financial impact (Scenario analysis)

We simulate financial impacts related to climate change by referencing multiple future scenarios published by public organizations, etc. and conducting scenario analysis. Transition risks refer to the risks associated with the tightening of regulations and other factors that arise in the process of transitioning to a decarbonized society. Physical risks refer to the risks of direct loss due to severe natural disasters, etc.

The results of the analysis are as follows. The financial impact arising from an increase in credit costs is expected to be limited, as cost reduction can be achieved by way of medium- to long-term efforts.

Transition risks	Details
Scenarios used	Three of the Network for Greening the Financial System (NGFS) scenarios are used. (1) Delayed transition, (2) Current Policies, and (3) Net Zero 2050
Sector to be analyzed	The following sectors were selected from two perspectives, the impact of climate change risk and the Bank's exposure. (1) Electricity sector, (2) Oil, coal and gas, and (3) Transportation sector (land transportation)
Analysis period	Up to 2050, with March 31, 2025, as a base
Indicators	Credit-related expenses (credit costs)　*Credit costs based on borrower classification
Results of analysis	A total of 5.5 billion to 18.0 billion yen increase in credit costs

Physical risks	Details	
Scenarios used	IPCC's (Intergovernmental Panel on Climate Change) RCP8.5 Scenario (4°C Scenario) *Assuming a 1-in-100 year flood event	
Area of analysis	Whole areas of Shiga and Kyoto Prefectures	Japan
Subject entities to be analyzed	Borrowers of business loan (excluding large corporations)	Offices and Branches of the Bank
Indicators	Credit-related expenses (credit costs) due to flood damage (1) Deterioration in the classification of borrowers due to a decrease in sales caused by the suspension of business of credit counterparties (2) Decrease in coverage ratio due to damage to real estate collateral	Flood risk at 107 locations in Japan where the Bank has offices and branches
Results of analysis	Increase of approximately 2.4 billion yen in credit costs	38 locations (35.5%) flooded

Through these analyses, the Bank identifies the factors that could increase potential credit costs associated with climate change at an early stage, and uses this to improve the soundness of our investment and financing portfolio. In addition, the expansion of decarbonization investment and green transformation-related demand represents a new business opportunity, and contributes to the creation of revenue opportunities that make the most of our strengths as a regional financial institution.

Initiatives to decarbonize the portfolio

The Bank has set the achievement of a carbon neutral society by 2050 as a vision for achievement of the long-term strategy, and is working to reduce greenhouse gas emissions throughout its supply chain. In particular, as a financial institution, we recognize the importance of reducing emissions from investment and financing (financed emissions) and are focusing on decarbonization initiatives through engagement with regional customers.

Industry	All		
	Emissions (tCO_2eq)	Carbon intensity (tCO_2eq)/million yen)	Weighted average DQ (value-weighted)
Energy	2,248,917	13.1	2.0
Transportation	6,707,623	24.4	2.1
Materials and Building	3,828,279	4.0	3.1
Agriculture, Food, and Forest Products	445,308	4.1	2.5
Other	2,307,087	1.6	3.3
Total	15,537,214	5.3	2.8

Initiatives for Nature Positive (natural revitalization) (response based on TNFD recommendations)

The Bank's business activities are built upon the abundant blessings of nature centered on Lake Biwa, and the sustainable development of regional society is inseparable from the sustainability of the global environment. In recent years, against the backdrop of factors such as climate change and changes in land use, the loss of biodiversity and the degradation of ecosystem services have been advancing, and the erosion of natural capital has become a medium- to long-term risk for the regional economy.

Based on this recognition, the Bank positions the biodiversity preservation as an important management issue, and established the Policies for Biodiversity Preservation in 2010. In addition, our Investment and Financing Policies for Realizing a Sustainable Society established in 2023 clearly states that we will not provide investment or financing to businesses that have a significant negative impact on natural capital that requires internationally recognized conservation.

Furthermore, in January 2024, we endorsed the TNFD recommendations and registered as an Adopter. In order to convert flows of fund that have a negative impact on nature into flows with a positive impact, we are sophisticating our disclosure and practices in stages, in coordination with our stakeholders.

Sectors where interaction with nature is potentially important	Dependency				Impact			
	Species	Water	Air	Soil	Species	Water	Air	Soil
Energy								
Materials								
Transportation								
Automobiles and automotive parts								
Durable goods and apparel								
Restaurants, food retailers, etc.								
Food and beverage								
Household goods and personal items								
Pharmaceuticals and biotechnology								
Semiconductors and semiconductor manufacturing equipment								
Utilities, etc.								
Real estate management and development, etc.								

Some dependency and impact　High dependency and impact　Very high dependency and impact

To identify nature-related dependencies and impacts, we conducted a portfolio analysis using the natural capital assessment tool ENCORE*2, based on the LEAP approach*1 recommended by the TNFD.

In addition to a heat map analyzing the relationship between dependency and impact on natural capital by business sector, we identified the food and beverage and material sectors as priority sectors for analysis, taking into account factors such as their status as core industries in Shiga Prefecture, the large share of our loan portfolio they represent, and their relevance to the importance placed on them under local administrative plans such as Shiga Biodiversity Strategy 2024.

The results of the analysis revealed that, within the Bank's portfolio, dependency on and impact on natural capital related to water are of particularly high importance. This reflects the close relationship between the water environment of Lake Biwa, which accounts for approximately one-sixth of the area of Shiga Prefecture, and the region's industrial structure.

Going forward, we will expand the scope of our analysis, deepen dialogue with regional companies, and work to enhance both effective initiatives and information disclosure toward the achievement of nature positive outcomes.

*1 An assessment methodology developed by the TNFD to enable companies and financial institutions to assess and manage nature-related issues. It analyzes issues through four steps: Locate, Evaluate, Assess, and Prepare.
*2 A tool for identifying the degree of dependence on and impact of natural capital based on sectors and geographic information

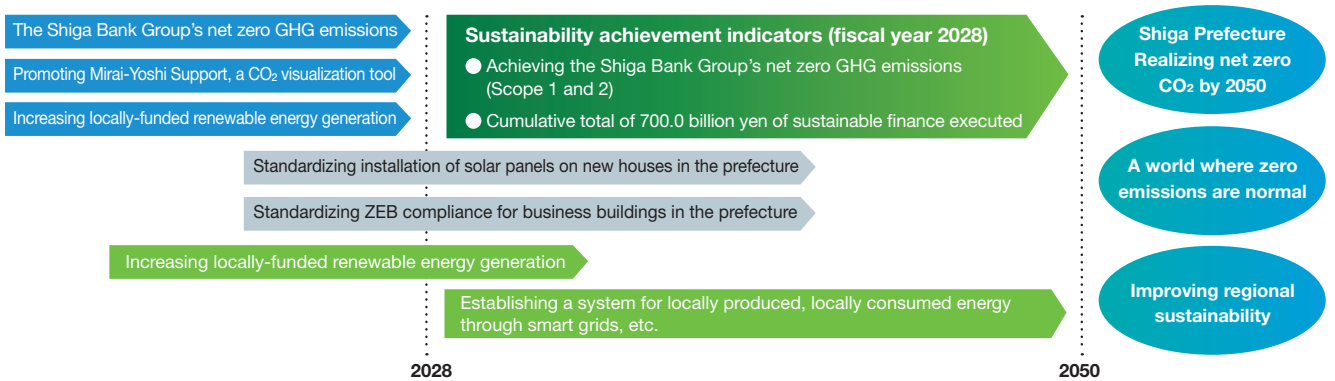
For more information on TCFD and TNFD, please refer to the separate Shigagin TCFD/TNFD Report available on our website.
https://www.shigagin.com/csr/report/

Practicing Sustainability Management to Reduce the Cost of Capital

Roadmap toward regional carbon neutrality

The Shiga Bank Group believes it is essential to accurately understand and steadily reduce the environmental impact associated with its own business activities. Based on this recognition, and with the aim of leading by example in decarbonization efforts to bring about behavioral change across regional communities as a whole, we set the achievement of Net Zero* greenhouse gas emissions (Scopes 1 and 2) as an important target under the 8th Mid-Term Plan.

Roadmap image toward carbon neutrality



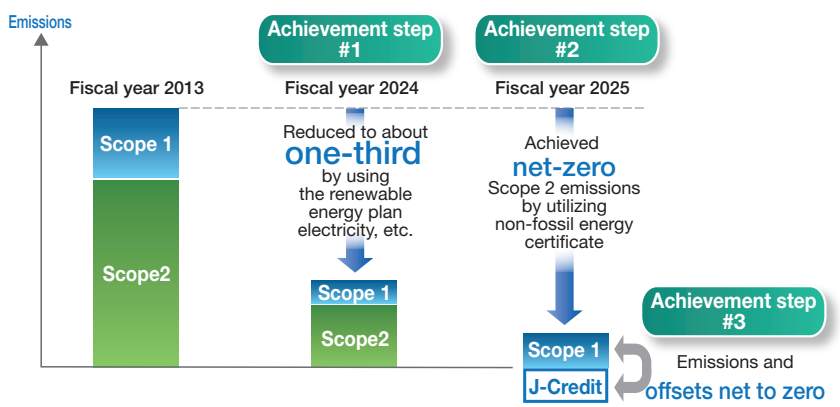
* Achieving net zero GHG emissions (Scope 1 and 2)
This refers to a state in which, after prioritizing the reduction of scientifically calculated greenhouse gas emissions through means such as energy conservation and the introduction of renewable energy, any remaining emissions are offset using environmental value with confirmed reliability, resulting in substantially zero net emissions over a given period. The Shiga Bank Group positions the Scopes 1 and 2 net zero target under the 8th Mid-Term Plan as the achievement of carbon neutrality based on this definition.

Achieved carbon neutrality in GHG emissions for fiscal year 2025

The Shiga Bank Group achieved carbon neutrality in its greenhouse gas emissions (Scopes 1 and 2) for fiscal year 2025. In achieving this, in addition to reducing emissions through our own efforts, such as the thorough pursuit of energy conservation that we have pursued to date, from fiscal year 2025, we also converted the electricity we use to renewable energy sources by utilizing Non-Fossil Certificates generated by the FIT solar power plants held by Shigagin Energy Co., Ltd., our energy business subsidiary.

The annual power generation of this power plant reaches approximately three times the Shiga Bank Group's annual electricity consumption, and a portion of this electricity was utilized. For the emissions that could not be reduced through these efforts, we achieved net zero by appropriately offsetting them using J-Credits.

We have obtained an Independent Assurance Report from SOCOTEC Certification Japan regarding the results of our calculation of greenhouse gas emissions (Scopes 1-3) for the fiscal year 2025, as well as the appropriateness of the carbon offsets used to achieve carbon neutrality of Scopes 1 and 2.



Achievement step #1 Our own efforts

The Group as a whole has advanced initiatives toward decarbonization, including improving business efficiency, introducing energy-saving equipment, and using renewable energy-derived electricity.

As a result, GHG emissions (Scopes 1 and 2) for the fiscal year ended March 2025 have been reduced to approximately one-third of the level in the fiscal year ended March 2014.

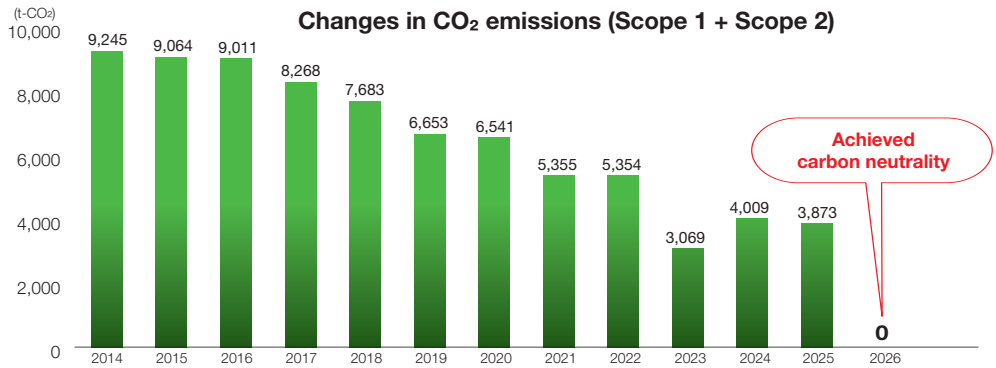
Achievement step #2 Leveraging Shigagin Energy

We bought back Non-Fossil Certificates* generated by Shigagin Energy from the market, converting the electricity we use into renewable energy electricity.

We are putting the value generated within the Shiga Bank Group to use in our own business.

*A Non-Fossil Certificate is a certificate that isolates and trades only the environmental value of electricity generated from non-fossil energy sources. Combined with the electricity used, this constitutes the use of renewable energy electricity.

Changes in CO_2 emissions (Scope 1 + Scope 2)



Main measures			
Promoting energy conservation	● Switching to LED lighting ● Updating to high-efficiency air conditioning equipment	**Reducing fossil fuel consumption**	● Switching to HVs, EVs, FCVs, etc. step-by-step
Improving business efficiency	● Integrating locations ● Providing fully online housing loans	**Utilizing renewable energy**	● Installing solar power generation equipment in newly built or reconstructed offices and branches ● Switching to a plan with virtually zero CO_2 emissions for electricity used on the head office premises ● Utilizing environmental value derived from Shigagin Energy

Achievement step #3 Utilizing carbon offsets

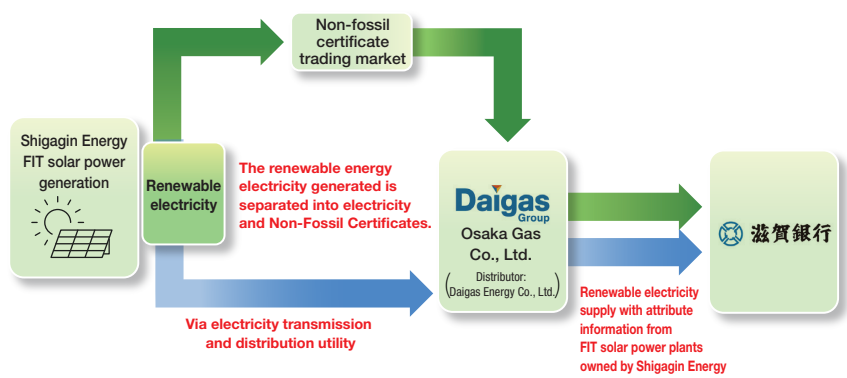
After pursuing emission reductions through our own efforts, for emissions that still could not be eliminated, we appropriately offset them using J-Credits* generated primarily within the Bank's business area.

*J-Credit is a certificate, certified by the national government, for CO_2 reductions achieved through means such as the introduction of energy-saving equipment or the use of renewable energy, as well as for CO_2 absorption achieved through appropriate forest management, and can be traded as a certificate.

Initiatives from fiscal year 2026 onward Toward the full-scale utilization of electricity generated within the Group

Starting in April 2026, we have begun a local production for local consumption initiative in which renewable energy electricity generated by the FIT solar power plants held by Shigagin Energy is utilized within the Shiga Bank Group.

This initiative makes use of a mechanism under the FIT system that allows electricity generated at solar power plants to be wholesale-supplied to a retail electricity provider by designating a specific power plant, without going through the wholesale electricity market, allowing the Bank to utilize the energy it has generated itself.



Toward Solving Regional Sustainability Issues

The Shiga Bank Group regards regional issues as its own issues, and supports the resolution of these issues from both financial and non-financial perspectives. Through our core business of investment, financing, and one-on-one support, we back the region's challenges and link the resulting outcomes to sustainable value creation.

Collaborating with a diverse range of stakeholders, including regional companies, local governments, and universities, to circulate value creation that makes use of regional resources is at the core of the Bank's sustainability management.

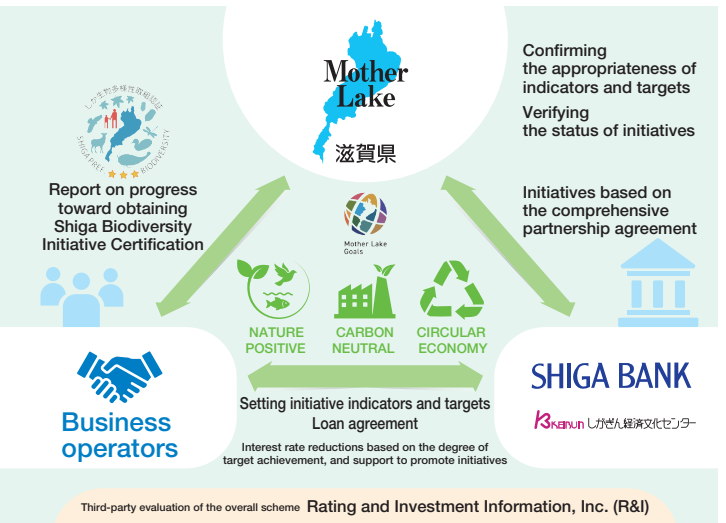
Joint Support for sustainability in the environmental field with Shiga Prefecture, Shiga Try-Link Loan

Under our comprehensive partnership agreement with Shiga Prefecture, we developed this product with the aim of supporting, from both administrative and financial perspectives, the expansion and sophistication of environmental activities undertaken by customers with business locations in Shiga Prefecture.

This product is available to companies with a base in Shiga Prefecture that have received certification under the Shiga Biodiversity Initiative Certification System, a program unique to Shiga Prefecture.

Under this mechanism, targets that contribute to the three environmental elements of carbon neutrality, nature positive, and circular economy are set as KPIs (Key Performance Indicators), and the loan terms vary depending on the degree to which these targets are achieved.

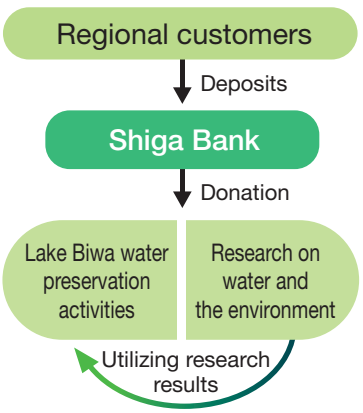
This is the first ESG finance product in Japan to enable all three of these elements to be set as integrated KPIs.



Lake Biwa Blue Deposit to preserve the living creatures of Lake Biwa for future generations

On July 1, 2025, the Lake Biwa Day, a day when Shiga Prefecture residents reflect on environmental issues, the Lake Biwa Blue Deposit program has been launched to protect the biodiversity and water quality of Lake Biwa and safeguard its future. The bank will contribute an amount equivalent to 0.005% of the balance of the deposits, which will be donated to organizations engaged in research and activities related to water and the environment. This will enable customers to do their part to help preserve Lake Biwa through their deposits. This initiative contributes to addressing one of the Shiga Bank Group's materiality, Water preservation in Lake Biwa.

During the offering period, we received support totaling more than 60.0 billion yen, giving us a strong sense of the growing reach of environmental conservation efforts undertaken together with the local community. The donations will be used to assess and evaluate the status of Lake Biwa's biodiversity and water quality, as well as for surveys, research, and other activities aimed at improving them. Through these initiatives, we will deepen our collaboration with a diverse range of regional stakeholders and promote the development of a framework for achieving nature positive outcomes.



TOPICS Commencing handling of transition finance

For our regional customers to advance decarbonization in a sustainable manner, the transition of high-emission sectors that indirectly affect greenhouse gas emissions is critical.

The Bank believes that, by presenting its approach to transition finance as a regional financial institution, it can promote GX (Green Transformation) across society as a whole, and, in turn, support the foundation for achieving carbon neutrality in the region.

Industry-academia collaboration initiatives

Participation in a research and development project for a Biodiversity Conservation Composite Index

Currently, nature positive—initiatives to halt and reverse biodiversity loss—is rapidly advancing around the world. In Japan too, the disclosure of TNFD reports is progressing, particularly among listed companies, and interest in protecting nature is growing. However, an issue remains in that clear figures and indicators for measuring progress have not yet been sufficiently developed. As biodiversity conditions vary from region to region, flexible indicators tailored to each region are needed.

Based on Shiga Prefecture's Shiga Biodiversity Strategy 2024, this research aims to develop a new comprehensive index that will benefit both the region's ecosystems and its socio-economic conditions.

Collaborative initiatives with local governments and companies

Shiga Nature Positive Network

The Shiga Nature Positive Network is a collaborative platform led by Shiga Prefecture, in which companies, universities, regional organizations, local government agencies, and others participate to advance initiatives for the conservation and restoration of biodiversity.

The Bank gave a presentation on issues relating to biodiversity conservation from the perspective of a regional bank.

Collaboration with local governments and regional companies

- Net Zero Forum Shiga
- Shiga Hydrogen Hub Formation Consortium
- Endorsement of Omihachiman City's decarbonized town development
- Shiga Prefecture's supply chain decarbonization promotion project
- Project to strengthen the green transformation support framework of support organizations for small- and medium-sized enterprises, etc.

TOPICS The only bank to receive an award for seven consecutive years at the 7th ESG Finance Awards Japan, hosted by the Ministry of the Environment

Received Nature Positive Award.

In this selection, in addition to the Super Housing Loan, Mirai-Yoshi and support for SMEs in obtaining SBT certification, initiatives centered on the Lake Biwa Blue Deposit, which combines the conservation of Lake Biwa, a symbol of the region, with a deposit product, were highly evaluated. The initiative was particularly highly evaluated for connecting the conservation of Lake Biwa, a natural capital asset of the region, with the everyday financial act of making a deposit, and for achieving this together with depositors who have a strong awareness of social contribution.

It was also evaluated for having built, centered on the Lake Biwa Blue Deposit, a circulating model that evolves by involving regional stakeholders and converts regional funds into purposeful capital directed toward building a better future.

ESG Finance Awards Japan award record

Fiscal year 2019	1st Award	Finance category	Silver Prize (Minister of the Environment Award)
Fiscal year 2020	2nd Award	Indirect finance category	"Gold Prize (Minister of the Environment Award)"
Fiscal year 2021	3rd Session	Indirect finance category	Bronze Prize
Fiscal year 2022	4th Award	Indirect finance category	Silver Prize (Minister of the Environment Award)
Fiscal year 2023	5th Award	Indirect finance category	Silver Prize (Minister of the Environment Award)
Fiscal year 2024	6th Award	Indirect finance category	Silver Prize (Minister of the Environment Award)
Fiscal year 2025	7th Award	Indirect finance category	Nature Positive Award

Stakeholder Engagement

The Shiga Bank strives to offer better value by recognizing various issues through engagement with stakeholders, including our customers, communities, shareholders, and the officers and employees, and pursuing initiatives to resolve such issues. We aim for sustainable development of the local community and corporate value enhancement by sincerely listening to opinions from stakeholders and utilizing their feedback for better management.

Communication with customers

Through ongoing communication with our customers, such as customer surveys and our Customer Consultation Office, we analyze and share the feedback and requests we receive from them. This helps us improve the quality of products and services while also strengthening our response to financial crimes.

We work to protect our customers' valuable assets and trust, and strive to provide safe and secure financial services.

Customer survey

We listen to a wide range of customer feedback and work to provide and improve products and services from the customer's perspective. To measure customer loyalty (customers' trust in and affinity for the Bank) and to further improve customer satisfaction, we place communication cards at our branches and conduct customer surveys.

Prevention of financial crime

In order to protect customers' important deposits from financial crime such as special fraud scheames, which has become a social problem, and to ensure that customers receive our services with peace of mind, we are working to offer a variety of services.

- Talking to customers proactively and paying attention to their facial expressions and behavior carefully in the Bank's branches and at ATM corners.
- Posting warnings about various financial crimes on our website and on the Biz Direct login screen
- Restricting some ATM transfer functions
- Strengthening cooperation with police and related organizations (holding study sessions, distribution of fraud alert flyers, use of automated calls, etc.)
- Conducting internal training programs

Communication with officers and employees

We respect human rights, support diverse work styles and put in place a career support system toward self-realization so that each and every officer and employee in the Shiga Bank Group can display their maximum capabilities feeling high job satisfaction. In addition, the Bank is seeking to enlarge communication opportunities in the Group including the management team, especially by setting up a place for the management team and employees to communicate interactively, such as through plans in its in-house journals.

Publication of the in-house journal "LACUS"

Information sharing via Microsoft Teams

Introduction of a talent management system

Implementation of the Human Award

Communication with communities

We contribute to a more vibrant region by solving social issues through engagement with local communities, responding to potential needs and promoting regional branding toward achieving a sustainable society.

Officers and employees in the Shiga Bank Group actively take part in regional volunteer activities to value relationships with local communities. In addition, in response to requests from schools in local communities, we provide education on SDGs and finance.

Education on SDGs and finance

We provide financial education through classes targeting elementary school students to university students, as well as asset formation seminars and events for customers.

In fiscal year 2025, approximately 2,450 people participated. We will continue to promote financial literacy in the region through our unique educational activities.

We provided financial education to children who use community meal programs for children.

The Bank's employees visit schools to conduct classes on SDGs and financial education.

We hold seminars on a wide range of topics, including NISA, investment trusts, insurance, and public pension systems.

Shigagin Cup

We sponsor the Shigagin Cup (SFA under-12 football tournament), the biggest football match in Shiga Prefecture for elementary school students, to raise healthy children who are the bearers of our future and for community empathy. Since 2023, we have also been sponsoring a basketball tournament for elementary school students. In addition, starting in 2026, we plan to sponsor a baseball tournament for elementary school students.

Shigagin Economic & Cultural Center

We carry out a wide range of events and cultural projects mainly through Shigagin Economic & Cultural Center, one of the Group companies, providing opportunities for locals to participate and interconnect. The regular Concert of the Ninth Symphony is attended by a large number of people every year.

Social contribution activities utilizing familiar resources

● Food drive

We collected surplus food from the households of employees at Headquarters, branches, and affiliates, and donated it to the social welfare councils in each city and town, as well as to General Incorporated Association Food Bank Biwako. The donated food is distributed to those in need through local children's cafeterias and welfare organizations. In fiscal year 2025, we conducted this activity twice, collecting a total of approximately 389 kg of food, contributing to reducing regional food loss and providing food assistance.

● UNICEF foreign coin donation and donation of used stamps

We collected 70.5 kg of unused foreign coins left over from overseas travel and other occasions, and presented them to the Shiga Intercultural Association for Globalization. In addition, we donated 80 kg of used stamps, which are put to use in international cooperation and welfare support.

Stakeholder Engagement

Communication with the global environment

We will strive to create a society where children who will lead the next generation can live with peace of mind by discussing how to cope with environmental issues such as climate change and crises to regional resources and ecosystems with external parties and conducting direct and indirect activities through volunteering and our main business.

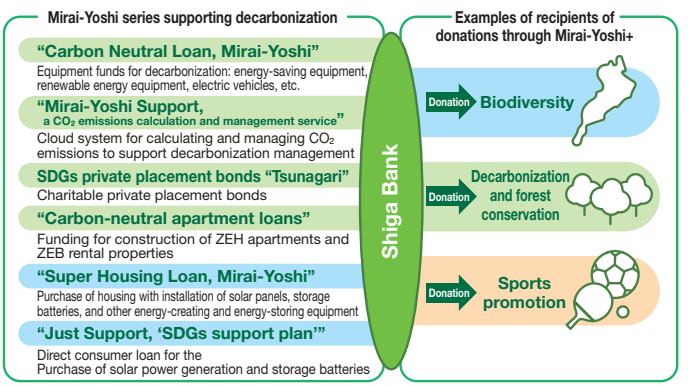
“Ikimonogatari” activities to protect Lake Biwa’s ecosystem through story-based environmental volunteering

In cooperation with local environmental protection groups, we are developing story-based environmental volunteering activities aimed at protecting Lake Biwa’s ecosystem. In addition to invasive fish removal and fishing in the spring, forestation support activities in the summer, reed seedling planting in the fall, and reed cutting in the winter, we also participate in various activities carried out in the community. Local companies are also involved in the activities, which are helping to develop environmentally conscious human resources by involving stakeholders.

This initiative contributes to the practice of MLGs (Mother Lake Goals), a set of targets for 2030 established by Shiga Prefecture.

Mirai-Yoshi+, the donation scheme to promote SDGs in the region

This is a unique scheme whereby the Bank contributes funds based on the actual use of decarbonization-related loan products and donates to activities that promote the SDGs in the region. The funds will be used to donate to projects to release endangered species in Lake Biwa, such as the nigorobuna fish, and to purchase Lake Biwa Carbon Credits that will support forest conservation projects.



The Bank has utilized the Lake Biwa Carbon Credits purchased through Mirai-Yoshi+ to hold carbon offset in the regional events to help raise awareness for the realization of a decarbonized society.

Regional events that we helped with carbon offsets in fiscal year 2025

- Wata-SHIGA Shining National Sports and Para-Sports (30 tons)
- Shiga Lakes 2025-26 season home games (26 tons)
- Inazuma Rock Fes 2025 (30 tons)
- Biwako Marathon 2026 (30 tons)
- Biwako Floating School (Uminoko) (30 tons)

Communication with shareholders and investors

In order to achieve sustainable growth and enhance corporate value, the Bank strives to engage in constructive dialogue with shareholders and investors and to provide highly transparent disclosure of corporate and management information. The Bank holds information sessions for both institutional and individual investors, and for information sessions for institutional investors, it also uses online distribution to enhance information provision.

IR activities in the fiscal year ended March 31, 2026

- Financial Results Briefing (June 2025)
- Disclosure of Interim Financial Results (November 2025)
- Conducted 54 one-on-one meetings
  Existing shareholders, sell-side analysts, buy-side analysts, etc.
- Conducted 8 IR activities in regional areas
- Internal notification of IR activities
  In addition to sharing information with the Board of Directors through IR activity reports, we have created an environment where employees can view financial results briefings, thereby ensuring that information is communicated throughout the company.

Shareholder returns

To further enhance shareholder returns through dividends, we have changed our policy to target a dividend payout ratio of approximately 40%, and to conduct share buybacks flexibly and opportunistically, taking into account the business environment and capital position

Shareholder special benefit program

We have expanded our shareholder special benefit program with the aim of further enhancing the appeal of investing in the Bank's shares and encouraging more shareholders to hold them over the long term.

Number of shares held	Continuous holding period of 1 year or more	Continuous holding period of 3 years or more
1,000 shares or more but less than 5,000 shares	Catalog gift worth 3,000 yen	Catalog gift worth 6,000 yen
5,000 shares or more	Catalog gift worth 6,000 yen	Catalog gift worth 10,000 yen

Communication with government, educational institutions, NPOs/NGOs, etc.

Through partnerships with government (incl. local governments) and experts, we link research seeds with regional needs and realize high-quality solutions. We are strengthening our collaboration with the Prefectures and municipalities to realize sustainable regional communities.

Nonohana Support Group

This is an organization that supports new businesses through collaboration between industry, academia, government, and finance. We also focus on strengthening the bridge between industry and universities and creating business opportunities for industry-academia collaboration.

Various partnership agreements

We aim to accurately identify and resolve a wide range of regional issues by leveraging our planning and development capabilities together with our extensive financial expertise.

Shigagin Welfare Fund

The Shigagin Welfare Fund provides unique aid only to welfare projects within Shiga Prefecture. Inheriting the founder's wish to repay everyone in the community who supports the Bank, we have provided a cumulative total of 561 grants totaling 441.56 million yen since its establishment in 1984.

Sponsorship of the national sports festival

We sponsored the Wata-SHIGA Shining National Sports and Para-Sports held in Shiga Prefecture in 2025, as a Japan Games Partner.

Sponsorship of Expo 2025 Osaka, Kansai, Japan

Through TSUBASA ALLIANCE Co., Ltd., the Bank participated as a Bronze Partner in EARTH MART (theme: Cycle of Lives), a project within the signature pavilion produced by Theme Producer Kundo Koyama.

Building Strong Management Infrastructure

Corporate Governance

Basic views on corporate governance

As a regional bank headquartered in Shiga Prefecture, the Bank has a motto which carries on “Sampo yoshi” philosophy, a traditional management philosophy embraced by the Omi Merchants, which means to bring happiness to three sides: being good for the seller, the buyer, and society. The Bank made the motto “Be tough on ourselves, kind to others and serve society” the starting point for activities, making effort to realize co-existence and co-prosperity with the regional communities, all officers and employees, and the environment as in the Bank’s Management Principles. For the purposes of ensuring sustainable growth and improvement in corporate value for the Bank over the medium- to long-term, we will expand and constantly upgrade our corporate governance standards based on the following basic views.

- Respect shareholder rights and safeguard shareholder equality
- Cooperate appropriately with stakeholders
- Duly disclose information, including non-financial data, and ensure transparency and fairness of decision-making
- Create an environment for allowing appropriate levels of risk-taking by management team members
- Contribute to sustainable growth and the medium- to long-term improvement in corporate value, by prioritizing dialogue with shareholders

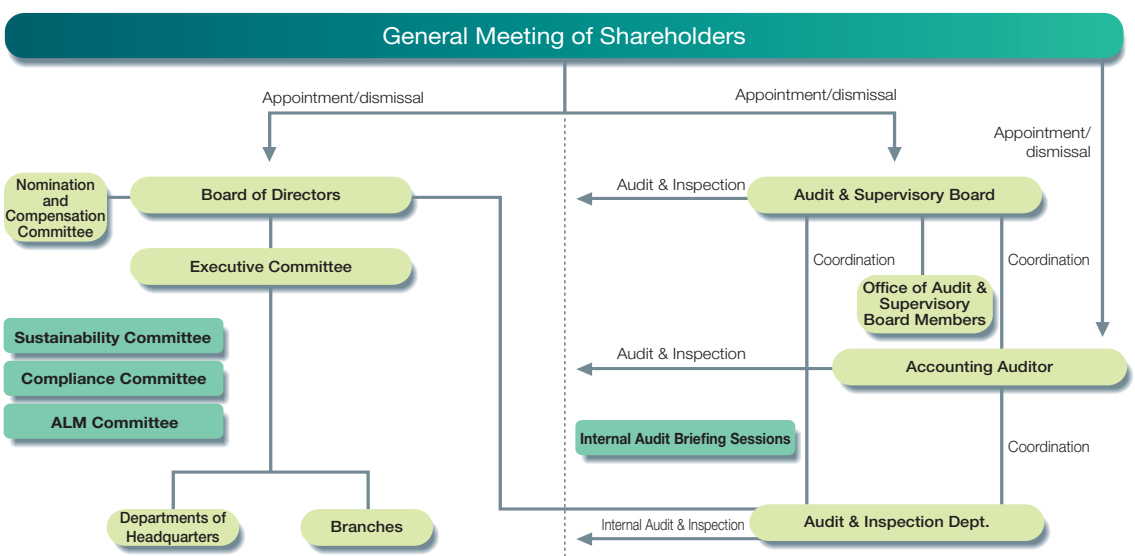
Overview of corporate governance system

We have adopted the Audit & Supervisory Board system, under which the Board of Directors including Outside Directors supervise management and the Audit & Supervisory Board including Outside Audit & Supervisory Board Members checks the Board of Directors.

In terms of business operations, centered on the Executive Committee that is a decision-making body for business execution, the Compliance Committee and the ALM Committee have been established and the Audit & Supervisory Board Members monitor their operational status.

In addition, the Nomination and Compensation Committee has been established as an independent advisory body to the Board of Directors.

Outline of corporate governance system



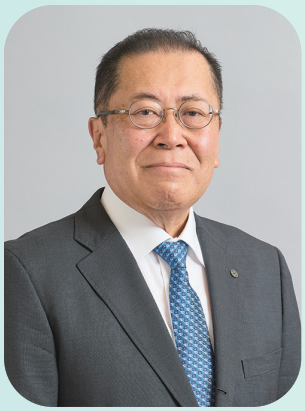
Board of Directors

Message Message from the Chairperson of the Board of Directors

I have recently assumed the position of Chairperson of the Board of Directors. In a business environment marked by growing uncertainty, the role required of the Board of Directors is not limited to the mere supervision of business execution. I believe, to achieve sustainable growth and enhance corporate value over the medium to long term, it is important for the Board of Directors to closely assess our strategy, capital efficiency, and the appropriateness of risk-taking, and to continuously work to enhance its effectiveness, while engaging in substantive discussions without being constrained by conventional thinking.

The Bank's Board of Directors continuously discusses important themes that directly link to the enhancement of corporate value, such as management strategy, capital policy, human capital, and the utilization of digital transformation and data, while making use of the specialized and diverse insight of the Outside Directors. In addition, we share opinions obtained through dialogue with shareholders and investors, as well as expectations from the market, and use them to improve the quality and speed of decision-making and to enhance our supervisory functions.

We aim to continue to be a banking group that grows together with the region, carrying on the "Sampo yoshi" philosophy of the Omi Merchants. As the Board of Directors, we will continue to fulfill our responsibilities by establishing an environment that enables sound risk-taking and by balancing challenge with discipline, thereby working to achieve the sustainable development of the region and the enhancement of the Shiga Bank Group's corporate value.



Shinya Kubota
President and CEO

The Board of Directors, with ten members, including four from outside the Bank, meets once a month in principle. At the meetings, decisions are made on important business matters to conduct business. Audit & Supervisory Board Members attend all such meetings to monitor the performance of Directors. (Chair: Shinya Kubota, President and CEO)

New matters for discussion were raised in December 2022, and since then essential and constructive ideas have been exchanged on important subjects such as management strategies and management issues.

Main matters discussed in the fiscal year ended March 2026

Regular agenda items

- Matters concerning important personnel affairs
- Matters concerning management policy and business plan
- Matters concerning corporate accounting such as closing accounts
- Matters concerning salaries and bonuses for employees
- Matters concerning dialogue with shareholders

Agenda items of special note in the fiscal year

- Matters concerning core systems
- Matters concerning the issuance of restricted stock
- Matters concerning shareholder returns

Discussion themes

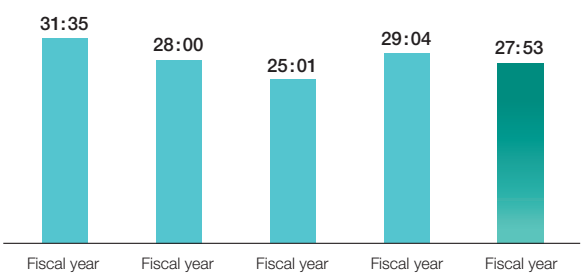
- Matters concerning top risks
- Matters concerning digital strategy
- Matters concerning capital policy

Status in the previous fiscal year

- **Chair: Shojiro Takahashi** (Chairman)
- **Members: 9** (including 3 Outside Directors)
- **Meetings held: 12**

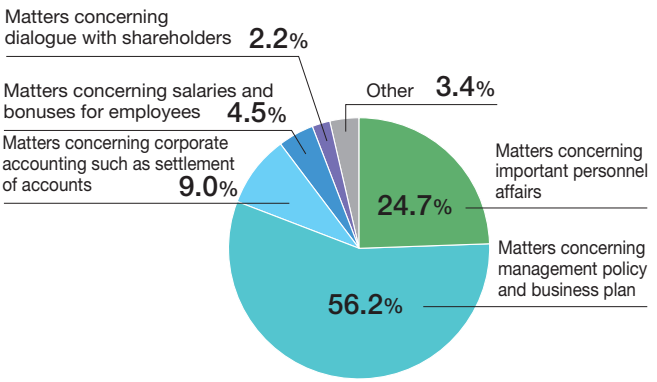
Changes in time required for Board of Directors meetings (by fiscal year)

In fiscal year 2025, while ensuring sufficient time for deliberation through more efficient management of Board of Directors meetings and enhanced preliminary briefings for outside officers, we further promoted the revitalization of discussions that began in fiscal year 2022.



Discussion status by agenda item (fiscal year 2025)

The Board of Directors places emphasis on matters concerning management policy and business plans, and holds discussions on essential management issues.



Corporate Governance

Evaluation of Effectiveness of the Bank's Board of Directors

Once a year, based on the Role of the Board of Directors, etc. (Article 15) and the Criteria for Evaluation of the Board of Directors set forth in the Corporate Governance Guidelines, the Board of Directors analyzes and evaluates the effectiveness of the Board of Directors as a whole and discloses an overview of the results.

A survey on the overall effectiveness of the Board of Directors for fiscal year 2025 was conducted through a questionnaire distributed to all the Directors and Audit & Supervisory Board Members. In conducting the questionnaire, an independent third-party organization was used to ensure objectivity and transparency, and based on the results, the Board of Directors evaluated the following.

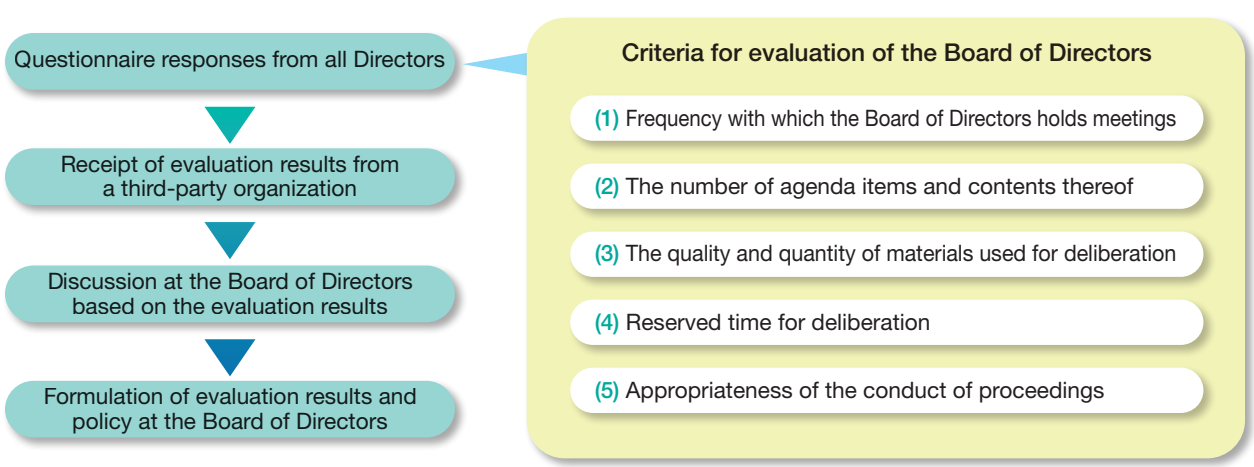
- From the results of the survey, the management of Board of Directors meetings, improvements in sustainability, and discussions concerning dialogue with shareholders were positively evaluated on the whole.
- In addition, in light of changes in the business environment, we worked to improve the effectiveness of the Board of Directors by enhancing discussions on management strategy, including the advancement of ALM.

Consequently, it was confirmed that both decision-making and supervisory functions of the Board of Directors were properly fulfilled and the effectiveness of the Board of Directors remained largely in place.

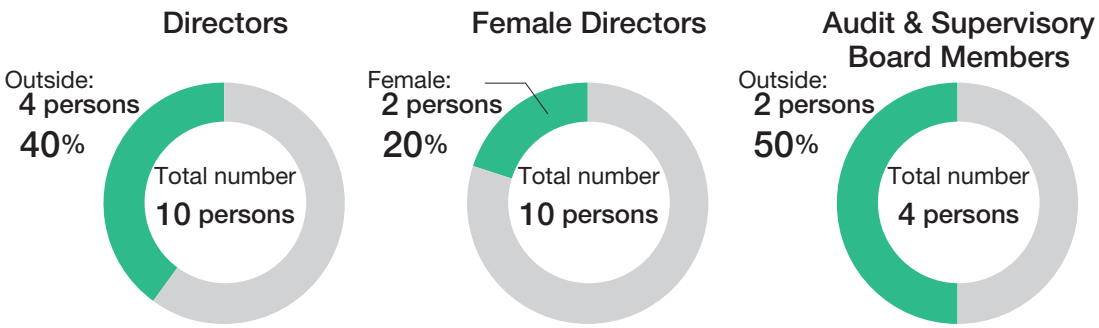
Initiatives to improve the effectiveness of the Board of Directors

Fiscal year	Improvements since the previous evaluation	Recognition of issues	Response to issues
Fiscal year 2023	The Board of Directors worked to improve the effectiveness of the Board of Directors by holding multiple discussions, including substantive and constructive discussions and exchanges of opinions leveraging discussions on topics such as establishing the Purpose, arranging Management Principles, and formulating the 8th Mid-Term Business Plan.	To enhance discussions at the Board of Directors meetings on highly important topics such as business portfolio and human capital, and to work on improving corporate value over the medium to long term. To monitor progress on the initiatives of the Mid-Term Business Plan and enhance the effectiveness of the Business Plan.	● Reports on progress of the Mid-Term Business Plan ● Reports on initiatives related to human capital [Discussion] ● Business portfolio
Fiscal year 2024	We have enhanced discussions on important topics such as business portfolio, human capital, and monitoring of mid-term business plans by utilizing the discussion system introduced in fiscal year 2022, and have worked to improve the effectiveness of the Board of Directors.	To enhance discussions on management strategies, including the advancement of ALM, in light of changes in the business environment, and to work on improving corporate value over the medium to long term.	[Discussion] ● Digital strategy ● Top risks ● The environment surrounding regional bank management
Fiscal year 2025	In light of changes in the business environment, we worked to improve the effectiveness of the Board of Directors by enhancing discussions on management strategy, including the advancement of ALM.	To proactively engage in the operation of succession planning and ensuring diversity among core personnel, and to work toward further sophistication of the corporate governance system. To enhance discussions on management strategy that take into account the utilization of data and digital technology, and to work on improving corporate value over the medium to long term.	[Proposed response] ● Discussion concerning the succession plan ● Discussions incorporating points of consideration such as the appropriate use of AI

Flow of the Board of Directors evaluation



Number of Officers and Ratio of Outside Officers



Independent Outside Officers

Name	Position	Reason for appointment	The rate of attendance at meetings of Board of Directors in fiscal year 2025
Minako Takeuchi	Outside Director	She has a wealth of experience and a wide range of insight into overall management as a company manager. The Bank expects that she will leverage her experience and insight to supervise the management of the Bank from the independent viewpoint, while contributing to the sustainable growth of the Bank and higher corporate value.	Board of Directors 12 out of 12 (attendance ratio: 100%)
Rikiya Hattori	Outside Director	He has a wealth of experience and a wide range of insight into finance and corporate management as a Deputy President and a Deputy Chairman at Sumitomo Mitsui Trust Bank, Limited. The Bank expects that he will leverage his experience and insight to supervise the management of the Bank from the independent viewpoint, while contributing to the sustainable growth of the Bank and higher corporate value.	Board of Directors 12 out of 12 (attendance ratio: 100%)
Sawaichiro Kamata	Outside Director	He has a wealth of experience and a wide range of insight into finance accumulated at the Bank of Japan and the Japan Securities Dealers Association. The Bank expects that he will leverage his experience and insight to supervise the management of the Bank from the independent viewpoint, while contributing to the sustainable growth of the Bank and higher corporate value.	Board of Directors 12 out of 12 (attendance ratio: 100%)
Mikiyo Niizeki	Outside Director	As a university professor, she has deep expertise in the fields of finance, as well as a wealth of experience and a wide range of insight into organizational management gained through experience as an assistant to the president of a university and a track record as an outside director of a company. The Bank expects that she will leverage her experience and insight to supervise the management of the Bank from the independent viewpoint, while contributing to the sustainable growth of the Bank and higher corporate value.	(Appointed June 2026)
Yasuhito Matsui	Outside Audit & Supervisory Board Member	The Bank expects that he will reflect his professional expertise and a wealth of experience as a lawyer involved in corporate legal affairs in auditing the Bank.	Board of Directors 12 out of 12 (attendance ratio: 100%)
Kazukiyo Onishi	Outside Audit & Supervisory Board Member	The Bank expects that he will reflect his high insight gained through experience as an auditor and other roles at private enterprises as well as involvement especially in finance and tax administration at the Ministry of Finance in auditing the Bank.	Board of Directors 12 out of 12 (attendance ratio: 100%)

Message

Message from newly appointed Outside Director

At Doshisha University, I have been engaged in theoretical and empirical research and education in behavioral finance, statistics, and corporate analysis, and have also been involved in organizational management through positions such as Dean of Faculty and Vice President. Amid growing uncertainty in the external environment, I hope to enhance the effectiveness of the Board of Directors from an independent standpoint and strengthen governance, so that the Bank, staying close to the region in “Sampo yoshi” philosophy, becomes a company that takes the lead in addressing regional issues and driving sustainable growth. By making use of my expertise and diverse perspectives, I intend to dedicate myself to the sustainable growth of Shiga Bank and the enhancement of its corporate value, in order to contribute to the happiness of all stakeholders—present and future customers, employees, and shareholders alike.

Mikiyo Niizeki
Outside Director

Corporate Governance

Support for Directors

To enhance deliberations at the Board of Directors, the Bank provides the following support.

- For Outside Directors, the Secretariat and the Office of Audit & Supervisory Board Members are responsible for the advance distribution of Board of Directors agenda items and reference materials, as well as preliminary briefings, and an environment has been established that allows access to internal information such as the Bank's internal rules.
- For Outside Audit & Supervisory Board Members, the Office of Audit & Supervisory Board Members is responsible, and at regularly held meetings of the Audit & Supervisory Board, full-time Audit & Supervisory Board Members report to Outside Audit & Supervisory Board Members on the status of business audits, the content of important meetings, and an overview of important documents reviewed, thereby supporting audits conducted by Outside Audit & Supervisory Board Members.
- Each department of Headquarters has established a system to promptly report on the status of important business execution by Directors at the request of Outside Audit & Supervisory Board Members.

To enable Directors to fulfill their roles and responsibilities, the Bank has introduced an officer training program to acquire knowledge and information, and also conducts study sessions led by outside experts.

Audit & Supervisory Board

The Audit & Supervisory Board, composed of four Audit & Supervisory Board Members including two from outside of the Bank, holds a meeting monthly in principle to resolve, discuss and report the important audit matters such as audit policies, audit plans, audit methods and division of audit duties. (Chair: Akio Mukunoki, Full-time Audit & Supervisory Board Member)

Main matters discussed in the fiscal year ended March 2026

Regular agenda items
• Matters concerning the development of audit plans by Audit & Supervisory Board Members
• Key contents of at meetings such as the Executive Committee and Internal Audit Briefing Sessions
• Status of execution of Accounting Auditor's duties (including Key Audit Matters)
• Matters concerning appointment or dismissal of Accounting Auditor
• Matters concerning audit reports prepared by Audit & Supervisory Board Members
• Matters concerning exchanges of opinions between Audit & Supervisory Board Members and the President

Agenda items of special note in the fiscal year
• Matters concerning core systems
• Matters concerning the 8th Mid-Term Business Plan
• Matters concerning credit risks (credit costs)
• Matters concerning non-assurance services provided by the Accounting Auditor

Status in the previous fiscal year

- **Chair: Hideki Sugie** (Full-time Audit & Supervisory Board Member)
- **Members: 4**
  (including 2 Outside Audit & Supervisory Board Members)
- **Meetings held: 12**

Internal Audit System

Seeking to conduct its business in a sound and appropriate manner, the Bank established the Audit & Inspection Dept. to undertake internal audits. The Department performs audits of the Bank's branches to ensure that their internal control systems are functioning properly, in accordance with annual internal audit plans approved each year by the Board of Directors. Audit results, findings, etc. are reported to the Board of Directors. In addition, the Audit & Supervisory Board requests reports from the Internal Audit Dept. and others as necessary.

In addition, the Audit & Supervisory Board requests reports from the Internal Audit Dept. and others as necessary. Furthermore, the Internal Audit briefings are held as a rule once a month with the attendance of the management team including the President and CEO (Representative Director) and Audit & Supervisory Board Members of the Bank, and hold detailed discussions on reported audit results and on the status, problem points and issues of departments and branches subject to auditing.

Information is exchanged and coordination is ensured among three types of auditing (Audit & Supervisory Board Members, the Accounting Auditor, and the Audit & Inspection Dept.). Coordination with Outside Directors and Outside Audit & Supervisory Board Members is also provided to share perception of risks.

As an initiative to ensure the effectiveness of internal audits, rules have been established to ensure a direct reporting line to Audit & Supervisory Board Members. Moreover, a checking function performed by Audit & Supervisory Board Members has been stipulated to further enhance independence of the Audit & Inspection Dept. To maintain and enhance the quality of internal audits, in addition to continuous internal quality evaluations, it is our basic policy to receive external quality evaluations from third-party organizations every five years, and we strive to improve our own quality.

Executive Committee

The Executive Committee consists of executive officers appointed by the Board of Directors (excluding those entrusted with specific duties) and other members. It meets as necessary to make swift decisions about overall operations, including investment plans, new product development, business structural changes, and monitoring the risk environment, with Audit & Supervisory Board Members being in attendance. Important items related to the execution of business are submitted to the Board of Directors.

Main activities of Committees

Name	Main issues on the agenda
Sustainability Committee	Chaired by the President, the Sustainability Committee discusses ESG (environment, social, governance) priorities and addresses social challenges for the Shiga Bank Group from the medium to long term perspective to design the program to enhance sustainability of our communities, customers and the Group.
Compliance Committee	The Compliance Committee chaired by a Senior Managing Executive Officer and including the Audit & Supervisory Board Members as counselors carefully deliberate on compliance with social norms, laws and regulations, and the Bank's internal rules for the purpose of contributing to execution of sincere and fair corporate activities in order to reduce the risks inherent in various issues, we are conducting comprehensive reviews from a higher perspective, without being bound by rules.
ALM Committee	The ALM Committee, chaired by the President, aims to contribute to an increase in stable earnings through the enhancement of ALM (comprehensive asset and liability management) and risk management. Based on the concept of the Risk Appetite Framework, the Committee operates to maximize the use of capital and funds in terms of both soundness and efficiency.

Nomination and Compensation Committee

The Nomination and Compensation Committee consists of the Chairman, President and CEO, and Outside Directors (the majority of the members are Outside Directors). It deliberates matters concerning nomination and compensation upon requests from the Board of Directors, and provides advice and recommendations to the Board of Directors. (Chair: Rikiya Hattori, Outside Director)

Main matters discussed in the fiscal year ended March 2026

Matters concerning nomination	Matters concerning compensation
● Deliberation on candidates for Directors, Directors with specific titles, and Representative Director	● Deliberation on compensation for Directors
● Deliberation on candidates for Audit & Supervisory Board Members and Substitute Audit & Supervisory Board Members	
● Deliberation on positions at other companies concurrently held by Outside Directors	
● Deliberation on requirements for successors and an information sheet of skills of Directors	
● Deliberation on a plan for successors (management personnel)	

Status in the previous fiscal year

- **Chair: Rikiya Hattori** (Outside Director)
- **Members: 5** (including 3 Outside Directors)
- **Meetings held: 9**

Policy and procedures for nomination of officer candidates

1. Policy and procedures for nomination of Director candidates and dismissal of Directors

Candidates are nominated by a resolution of the Board of Directors from among those who satisfy the following nomination criteria, after deliberation by the Nomination and Compensation Committee.

(1) Possessing the knowledge and experience to carry out management administration accurately, fairly, and efficiently. However, in the case of Outside Director candidates, such experience is not required.
(2) Possessing sufficient social credibility.
(3) In the case of Outside Director candidates, not concurrently serving as a director or audit & supervisory board member of more than three other listed companies besides the Bank.

If a Director ceases to satisfy the nomination criteria during his/her term of office, the Board of Directors shall resolve to submit a proposal for dismissal to the General Meeting of Stockholders.

2. Policy and procedures for nomination of Audit & Supervisory Board Member candidates

Candidates are nominated by a resolution of the Board of Directors from among those who satisfy the following nomination criteria, after deliberation by the Nomination and Compensation Committee and with the consent of the Audit & Supervisory Board.

(1) Possessing the knowledge and experience to carry out the audit of the Bank's Directors' execution of duties accurately, fairly, and efficiently. However, in the case of Outside Audit & Supervisory Board Member candidates, such experience is not required.
(2) Possessing sufficient social credibility.
(3) At least one of the Audit & Supervisory Board Members shall have knowledge or experience concerning finance and accounting.
(4) In the case of Outside Audit & Supervisory Board Member candidates, not concurrently serving as a director or audit & supervisory board member of more than three other listed companies besides the Bank.

Corporate Governance

Executive compensation system

The compensation of the Bank's officers is determined in accordance with the following policies and procedures.

1. Basic Policy

The Bank's executive compensation system is designed to function as an incentive to achieve sustainable enhancement of corporate value. Based on the recommendations of the Nomination and Compensation Committee, the Bank's basic policy is to determine individual compensation at an appropriate level that takes into account individual responsibilities.

More specifically, Director compensation (excluding Outside Directors) comprises of Fixed-amount compensation, basic remuneration; Performance-linked compensation, which is linked to the Group's financial results; Restricted stock compensation, non-monetary compensation.

Compensation for Outside Directors and Audit & Supervisory Board Members responsibilities of which are to supervise the management is composed of fixed-amount compensation only.

Fixed-amount compensation for Audit & Supervisory Board Members is determined based on the deliberation among the Members in reference to the actual payment.

The above basic policy has been prepared, referring to the Nomination and Compensation Committee and Outside Audit & Supervisory Board Members, and then determined at the Board of Directors meeting.

2. Determination policy

(1) Fixed-amount compensation (basic remuneration)

The fixed-amount compensation is paid according to the role and responsibility based on the position. The fixed-amount compensation for Directors is determined by a resolution of the Board of Directors based on actually paid amounts, performance metrics, and other factors.

(2) Performance-linked compensation (linked to the Group's financial results)

In order to increase incentives to improve business performance, this compensation is based on the actual net income attributable to owners of parent, and its allocation is determined by a resolution of the Board of Directors based on the position.

(3) Restricted stock compensation (non-monetary compensation, etc.)

This compensation is paid by allotting restricted stock based on the position in order to increase the incentive to improve corporate value and stock price over the medium to long term, and is determined by a resolution of the Board of Directors.

3. Details of performance metrics for performance-linked compensation, etc. and policy for determining the calculation method of the amount of performance-linked compensation, etc.

The Bank has adopted performance-linked compensation as part of executive compensation.

The metric used to determine performance-linked compensation is net income attributable to owners of parent because it is a performance indicator that represents the final result of the Shiga Bank Group's business performance.

The amount of performance-linked compensation is within 0.45% of net income attributable to owners of parent (maximum 75.00 million yen), and its allocation is determined by a resolution of the Board of Directors based on the position.

4. Details of non-monetary compensation, etc. and policy for determining the amount or number of non-monetary compensation, etc. or its calculation method

The Bank has adopted restricted stock compensation as part of executive compensation.

This is an allotment of restricted stock in order to share with shareholders the benefits and risks of stock price fluctuations from the period of their office, and to further increase their willingness to contribute to medium- to long-term corporate value enhancement and stock price appreciation.

The number of allotments is determined by a resolution of the Board of Directors based on the position.

Among the executive compensation, restricted stock compensation (non-monetary compensation, etc.) is seen as a medium- to long-term incentive, and the Bank uses the results of net income attributable to owners of the parent, as well as ESG indicators, which are non-financial indicators, as factors in determining such compensation.

We will establish a system that contributes to the long-term enhancement of corporate value by pursuing corporate sustainability rather than focusing solely on short-term profits.

E (environment): Achievement of net zero GHG emissions
S (social): Employee engagement score
G (governance): Evaluation of effectiveness of the Bank's Board of Directors

5. Policy for determining the percentage of each type of compensation, etc.

The percentages of compensation, etc. by executive category are as follows.

Executive category	Fixed-amount compensation (basic remuneration)	Performance-linked compensation (linked to the Group's financial results)	Restricted stock compensation (non-monetary compensation, etc.)	Total	Number of eligible executives
Directors (excluding Outside Directors)	60%–95%	0%–25%	5%–15%	100%	6 persons
Outside Director	100%	—	—	100%	4 persons
Audit & Supervisory Board Members	100%	—	—	100%	4 persons

Note: Fixed-amount compensation and performance-linked compensation are monetary compensation, while restricted stock compensation is non-monetary compensation.

Total amount of compensation, etc. by executive category, total amount of compensation, etc. by type of compensation, and number of eligible executives

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

Executive category	Number of persons	Total amount of compensation, etc. (Millions of yen)	Fixed-amount compensation (basic remuneration)	Performance-linked compensation (linked to the Group's financial results)	Restricted stock compensation (non-monetary compensation, etc.)
Directors (excluding Outside Directors)	6	253	175	54	23
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	2	41	41	—	—
Outside Officers (Outside Director and Outside Audit & Supervisory Board Member)	5	38	38	—	—

6. Policy for determining the timing or conditions for payment of compensation, etc.

- Fixed-amount compensation (basic remuneration)
  It is paid as a fixed monthly monetary compensation.
- Performance-linked compensation (linked to the Group's financial results)
  It is paid as monetary compensation once a year after the Annual General Meeting of Stockholders.
- Restricted stock compensation (non-monetary compensation, etc.)
  The Board of Directors resolves to issue the stock at a meeting in June of each year and allocates and grants the restricted stock on a certain date in the following month.

7. Procedures for determining compensation

(1) Directors
Within the limits of the compensation ceiling determined at the General Meeting of Stockholders, compensation is determined by a resolution of the Board of Directors after deliberation by the Nomination and Compensation Committee.

(2) Audit & Supervisory Board Members
Within the limits of the compensation ceiling determined at the General Meeting of Stockholders, compensation is determined through deliberation among the Audit & Supervisory Board Members.

List of Officers (As of June 24, 2026)

Directors

President and CEO (Representative Director)
Shinya Kubota

April 1986 Joined the Bank
June 2015 General Manager of General Planning Dept.
June 2017 Director and General Manager of General Planning Dept.
June 2018 Managing Director
June 2020 Senior Managing Director
June 2023 President and CEO (current position)

Director and Senior Managing Executive Officer (Representative Director)
Katsuyoshi Horiuchi

April 1987 Joined the Bank
June 2014 General Manager of Risk Supervisory Dept.
June 2017 Executive Officer and General Manager of Business Promotion Dept.
June 2019 Director and General Manager of Kyoto Branch
June 2021 Managing Director and General Manager of Financial Markets & International Dept.
February 2022 Managing Director
June 2024 Senior Managing Director
June 2025 Director and Senior Managing Executive Officer (current position)

Director and Senior Managing Executive Officer (Representative Director)
Hidekazu Toda

April 1990 Joined the Bank
June 2020 Executive Officer and General Manager of Administration Dept.
June 2021 Managing Executive Officer and General Manager of Administration Dept.
June 2023 Managing Director
June 2025 Director and Managing Executive Officer
June 2026 Director and Senior Managing Executive Officer (current position)

Director and Managing Executive Officer
Yoshinori Endo

April 1991 Joined the Bank
June 2019 General Manager of General Affairs Dept.
June 2020 Executive Officer and General Manager of General Affairs Dept.
June 2021 Managing Executive Officer and General Manager of Kyoto Branch
June 2023 Managing Director
June 2025 Director and Managing Executive Officer (current position)

Director and Managing Executive Officer
Nobuyuki Tanaka

April 1990 Joined the Bank
June 2019 Executive Officer and General Manager of Osaka Branch
June 2020 Executive Officer and General Manager of Credit Supervision Dept.
June 2021 Managing Executive Officer and General Manager of Credit Supervision Dept.
June 2022 Managing Executive Officer and General Manager of Audit & Inspection Dept.
June 2024 Managing Director
June 2025 Director and Managing Executive Officer (current position)

Director and Executive Officer
Masaaki Hiranuma

April 1997 Joined the Bank
June 2024 General Manager of General Planning Dept.
June 2025 Senior Manager of General Planning Dept. and Senior Manager of Computer System Dept.
June 2026 Director and Executive Officer (current position)

Outside Director
Minako Takeuchi

April 1983 Joined NEC Corporation
December 2002 Retired from NEC Corporation
January 2003 Joined Stanton Chase International
June 2013 Retired from Stanton Chase International
August 2013 Representative Director, TM Future Corporation (current position)
June 2019 Outside Director, the Bank (current position)
June 2020 Outside Director, Nihon M&A Center Inc. (currently Nihon M&A Center Holdings Inc.) (current position)
June 2022 Outside Director, Mitsubishi Steel Mfg. Co., Ltd. (current position)

Outside Director
Rikiya Hattori

April 1978 Joined Sumitomo Trust & Banking Co. Ltd. (currently Sumitomo Mitsui Trust Bank, Limited)
April 2017 Director, Sumitomo Mitsui Trust Holdings, Inc.
Deputy Chairman, Sumitomo Mitsui Trust Bank, Limited
June 2017 Retired as Director, Sumitomo Mitsui Trust Holdings, Inc.
April 2018 Executive Advisor, Sumitomo Mitsui Trust Bank, Limited (retired in March 2020)
Chairman, Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. (retired in February 2021)
June 2018 Outside Auditor, Sumitomo Densetsu Co., Ltd. (retired in June 2021)
June 2020 Outside Director, the Bank (current position)
June 2021 Full-time Corporate Auditor, Reiwa Accounting Holdings Co., Ltd. (retired in June 2025)
June 2021 Outside Director, Sumitomo Densetsu Co., Ltd. (current position)

Outside Director
Sawaichiro Kamata

April 1984 Joined the Bank of Japan
July 2012 General Manager of Kyoto Branch, the Bank of Japan
June 2015 Retired from the Bank of Japan
July 2015 Senior Advisor of Policy Making Headquarters, Japan Securities Dealers Association
July 2017 Joint General Manager of Administration Headquarters (Chief Information Officer and Chief Risk Officer), Japan Securities Dealers Association
June 2021 Retired from Japan Securities Dealers Association
June 2021 Outside Director, the Bank (current position)

Outside Director
Mikiyo Niizeki

April 2006 Professor of Faculty of Economics, Doshisha University
April 2010 Professor of Master's Program, Graduate School of Economics, Doshisha University
April 2014 Professor of Doctoral Program, Graduate School of Economics, Doshisha University (current position)
April 2016 Dean of Faculty of Economics and Graduate School of Economics, Doshisha University
April 2019 Head of Research Promotion Division, Doshisha University Organization for Research Initiatives and Development
April 2020 Vice President and Head of Center for Learning Support and Faculty Development, Doshisha University
April 2023 Assistant to the President of Doshisha University
June 2023 Outside Director, Osaka Gas Co., Ltd. (current position)
June 2026 Outside Director, the Bank (current position)

Composition and skill matrix of the Board of Directors

	Name	Expertise and experience							
		Management strategy	SDGs/ESG	Business strategy	Market operations	Risk management	Financial strategy / Risk Supervision	HR & Diversity	DX & ICT Strategy
Directors	Shinya Kubota	●				●	●	●	●
	Katsuyoshi Horiuchi	●		●	●		●	●	
	Hidekazu Toda	●				●	●		●
	Yoshinori Endo	●	●	●	●				
	Nobuyuki Tanaka	●		●		●			●
	Masaaki Hiranuma	●	●						●
Outside Directors	Minako Takeuchi	●	●					●	●
	Rikiya Hattori	●		●		●	●		
	Sawaichiro Kamata	●			●	●			●
	Mikiyo Niizeki		●		●		●	●	

*This table does not show all of the skills possessed by each Director.

Audit & Supervisory Board Members

Full-time Audit & Supervisory Board Member
Akio Mukunoki

April 1988 Joined the Bank
June 2015 Manager of ICT Strategy Office, General Planning Dept.
October 2020 Sustainable Strategy Office, General Planning Dept. Head of Management Strategy Group
December 2022 Advisor of Sustainable Strategy Office, General Planning Dept. Head of Management Strategy Group, Advisor of Secretariat, and Advisor of Computer System Dept.
June 2025 Full-time Audit & Supervisory Board Member (current position)

Full-time Audit & Supervisory Board Member
Kazuaki Kataoka

April 1991 Joined the Bank
June 2021 Executive Officer and General Manager of General Affairs Dept.
February 2022 Executive Officer and General Manager of Business Promotion Dept.
June 2023 Managing Executive Officer and General Manager of Kyoto Branch
June 2026 Full-time Audit & Supervisory Board Member (current position)

Outside Audit & Supervisory Board Member
Yasuhito Matsui

April 2000 Registered as an Attorney-at-law
April 2000 Joined Karasuma Law Office
January 2005 Admitted to the New York State Bar
April 2005 Resigned from Karasuma Law Office
May 2005 Joined Miyake & Partners
May 2009 Appointed as Partner, Miyake & Partners
May 2012 Registered as a Patent Attorney
June 2017 Outside Audit & Supervisory Board Member, the Bank (current position)
January 2019 Retired from Miyake & Partners
February 2019 Partner, Nishikibashi Partners LPC (current position)

Outside Audit & Supervisory Board Member
Kazukiyo Onishi

April 1980 Joined the Ministry of Finance
July 2014 Director-General of Yokohama Customs, Ministry of Finance
July 2015 Retired from the Ministry of Finance
October 2015 Advisor, Aioi Nissay Dowa Insurance Co., Ltd.
June 2016 Retired as Advisor, Aioi Nissay Dowa Insurance Co., Ltd.
June 2016 Audit & Supervisory Board Member, Takasago International Corporation
June 2020 Retired as Audit & Supervisory Board Member, Takasago International Corporation
June 2020 Outside Audit & Supervisory Board Member, the Bank (current position)

Executive Officers

Managing Executive Officer
General Manager of Kyoto Branch
Isokazu Yamamoto

Executive Officer
General Manager of General Planning Dept.
Joji Shimomura

Executive Officer
General Manager of Business Promotion Dept. and Manager of Business Strategy Office.
Daisaku Narita

Managing Executive Officer
General Manager of Audit & Inspection Dept.
Hiroyoshi Inoue

Executive Officer
General Manager of Personnel Affairs Dept. and Counselor for Secretariat
Shigeki Yamamoto

Executive Officer
General Manager of Osaka Branch and Umeda Branch
Shinya Fukuo

Executive Officer
General Manager of Head Office Business Department
Shunji Fukuchi

Executive Officer
General Manager of Administration Dept.
Masaharu Maeda

Executive Officer
General Manager of Computer System Dept.
Takuya Aoyama

Risk Management

Basic views

As a financial institution trusted by the region, the Bank identifies risk events that could have a significant impact on its operations in order to ensure the soundness of the Group as a whole and improve profitability and efficiency, and utilizes them in business operations based on the concept of the Risk Appetite Framework (RAF), while conducting risk management that captures changes in the environment, such as the emergence of a world with interest rates and the growing threat of cyber risk.

In addition, the Board of Directors establishes the Risk Management Policies and various regulations semiannually, and has built a rigorous management and reporting structure for various risks, including credit risk, market risk, liquidity risk, and operational risk.

Top risks

Among the risk events surrounding its business, the Bank selects those of particularly high importance, from the perspectives of impact and likelihood of occurrence, as top risks. In selecting top risks, the Bank creates a risk map that broadly covers risk events based on the internal and external environment, and after discussion by the management team, including Outside Directors, the top risks are selected by the Board of Directors.

The Bank takes necessary measures against top risks in advance to reduce risk, while also recognizing risk as a challenge for growth, and works to enhance its corporate value by reflecting these risks in its management strategy and strengthening its risk management structure.

The top risks selected at the meeting of the Board of Directors held in December 2025 are as follows.

Top risks	Main risk scenarios
Shrinking regional economy and declining population	· Credit costs increase due to the deterioration of business performance of customers resulting from the decline of regional industries. · Earning power declines as the customer base shrinks amid population decline and the falling birthrate and aging population.
Intensifying competition with peers and other industries	· Competition to acquire deposits and loans intensifies due to innovations in digital technology and the entry of companies from other industries into banking, leading to a decline in earning power as interest margins narrow and the customer base shrinks.
Geopolitical risks	· Valuation gains/losses on securities deteriorate due to market price fluctuations resulting from changes in the financial and economic environment. · Credit costs increase due to an economic downturn caused by factors such as inflation and the impact of trade policies in various countries.
Large-scale natural disasters	· Business continuity becomes difficult due to severe damage to branches, systems, and officers and employees.
Large-scale system failures and the threat of cyberattacks	· The occurrence of a large-scale system failure makes business continuity difficult and undermines social credibility. · Trust from customers declines due to the leakage of customer information or unauthorized money transfers.
Money laundering, and other fraudulent transactions	· Fraudulent transactions occur as the AML framework becomes inadequate amid the increasing advancement of methods used in organized fraud and other schemes. · Trust from customers declines due to administrative sanctions resulting from fraudulent transactions with anti-social forces.
Securing human resources to support sustainable growth	· Securing the necessary human resources becomes difficult amid intensifying competition for talent due to population decline and the falling birthrate.
Migration to the next-generation system	· Unforeseen circumstances arise in connection with the migration to the next-generation system, resulting in system failures or unexpected additional costs.
Compliance violations by officers and employees	· Trust from customers declines due to criticism arising from a divergence from societal expectations, such as instances of violations of laws and regulations or business operations that are not customer-oriented.
Responding to digitalization	· Earning power declines as the customer base shrinks and interest margins narrow due to inferior customer convenience.
Concentration risk of large credit exposures	· Credit costs increase beyond expectations due to the deterioration of business performance or credit concerns at specific large borrowers.

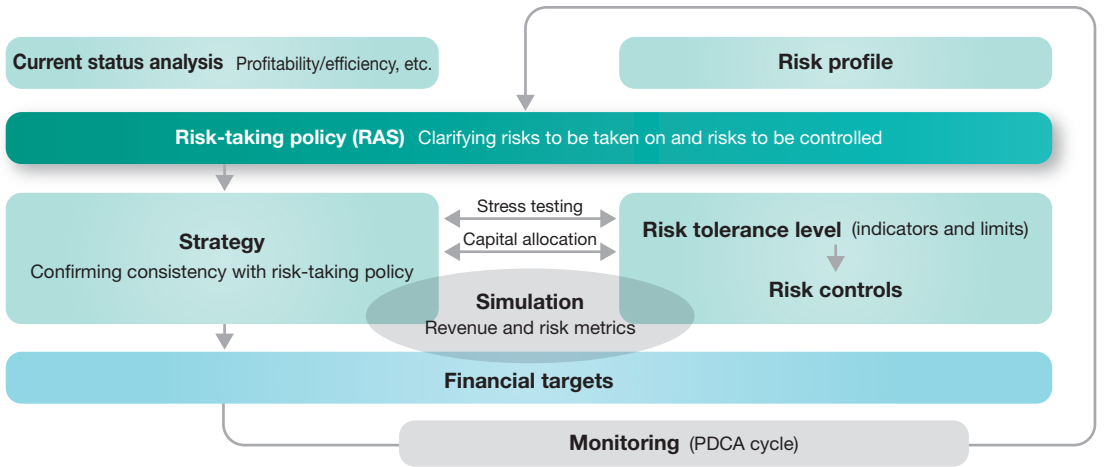
*The above represents a portion of the risks the Bank recognizes, and risks other than those listed above may have a particularly significant adverse effect on management.

Risk Appetite Framework (RAF)

RAF refers to a risk management framework that, based on a risk-taking policy (the Risk Appetite Statement, or RAS), clarifies the risks to be taken on and the risks to be controlled in order to execute management strategy and achieve financial plans, and monitors the status of strategy implementation.

The Bank sets risk tolerance levels and various indicators and limits, and controls the balance of earnings, risk, and capital from both the perspective of proactive risk-taking and appropriate risk management, thereby ensuring the effective functioning of the PDCA cycle for strategies in each department.

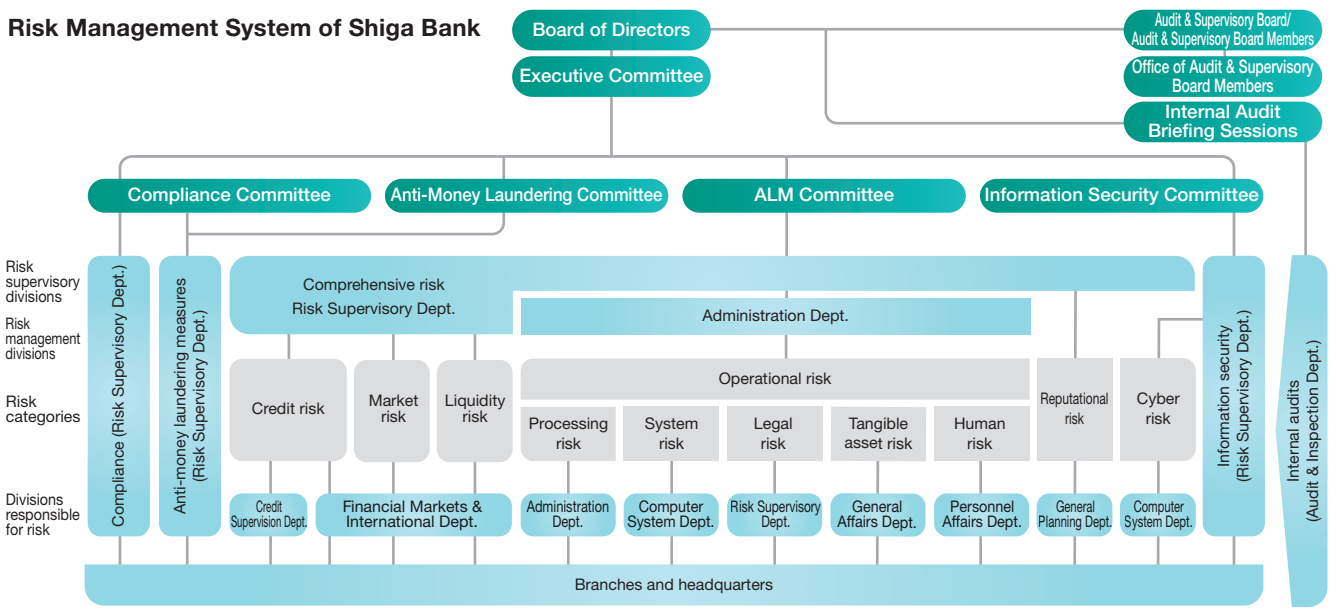
Process of formulating financial targets



Outline of Risk Management System

The Board of Directors has established the Risk Management Rules, specifying the risks to be managed and clarifying the roles and responsibilities of the department responsible for each risk. In addition, the Bank is strengthening its management structure, such as by establishing separate committees for risks including compliance and money laundering, whose importance has been increasing in recent years. The status of the above risks is properly managed by reporting to the ALM Committee, the Executive Committee, and the Board of Directors.

Risk Management System of Shiga Bank



Risk Management

Comprehensive Risk Management

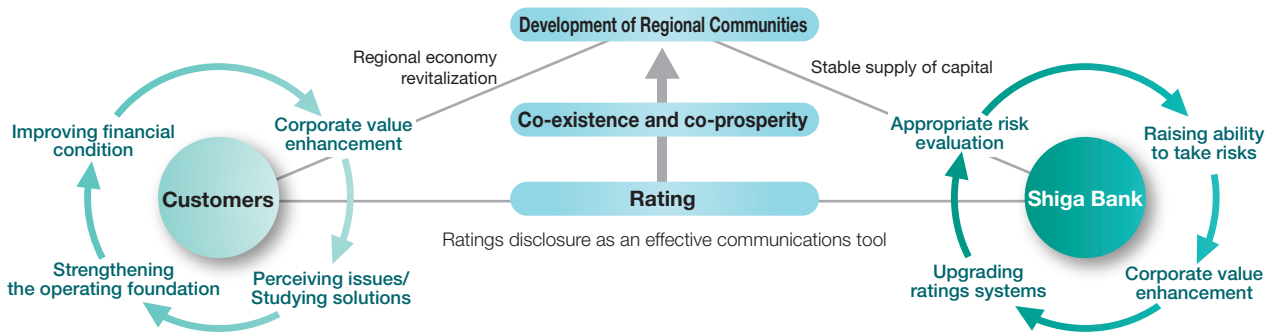
The Bank conducts risk management based on the concept of comprehensive (integrated) risk management, under which it grasps various types of risk in their totality and compares and verifies them against own capital, which represents the financial institution's management strength.

With regard to risk management, Risk Supervisory Dept. has established a system to comprehensively identify and manage all risks, and controls risk within the scope of its own capital using an integrated risk management method (the capital allocation system and internal capital adequacy assessment process) that measures and manages various risks using unified metrics such as VaR, while reporting the status to the ALM Committee and other bodies.

Credit Risk Management

Recognizing credit risk as the most important risk from the standpoint of its degree of impact, the Bank believes that establishing a management system for credit risk and rationally controlling the risk are essential for co-existence and co-prosperity with regional communities. Based on this view, the Bank has established its own Corporate Credit Ratings System and is working to advance the sophistication of its credit risk management. By utilizing FIRB (Foundation Internal Ratings-Based Approach), the Bank will continue to contribute in multifaceted ways to the further development of regional communities through its core business.

Powers supporting value creation



Market Risk Management System

To secure stable earnings, the Bank sets limits and other controls for various market risk indicators concerning the Bank's overall assets, liabilities, and securities. In addition, we review our financial plan semiannually and manage and control interest rate risk using VaR and sensitivity indicators (duration, BPV) based on the Interest Rate Risk in the Banking Book (IRRBB), and report the status to the ALM Committee and other bodies.

Liquidity Risk Management System

The Bank recognizes liquidity risk as a fundamental risk faced by banks, and strives to accurately grasp its funding position and secure stable fund procurement and investment, while conducting rigorous risk management with close attention to market liquidity.

The cash management department manages on a daily basis items that may affect the Bank's cash flow, such as the balance of realizable liquid assets and expected cash outflows, while the risk supervisory department also monitors these items daily, and reports the status to the ALM Committee and other bodies.

For the liquidity ratio regulation which is the standard for judging soundness of the liquidity, the Bank takes appropriate action.

Operational Risk Management System

Operational risk is classified by cause into (i) processing risk, (ii) system risk, (iii) legal risk, (iv) tangible asset risk, and (v) human risk, and is centrally managed by the Business Administration Dept., with the status reported to the ALM Committee and other bodies.

Management systems for system risk and cybersecurity

To ensure the safety and stability of financial services and protect customers' assets from the threat of cyber attacks, which are becoming more sophisticated and subtle every day, we are working on strengthening our management systems for system risk*1 and cyber security*2.

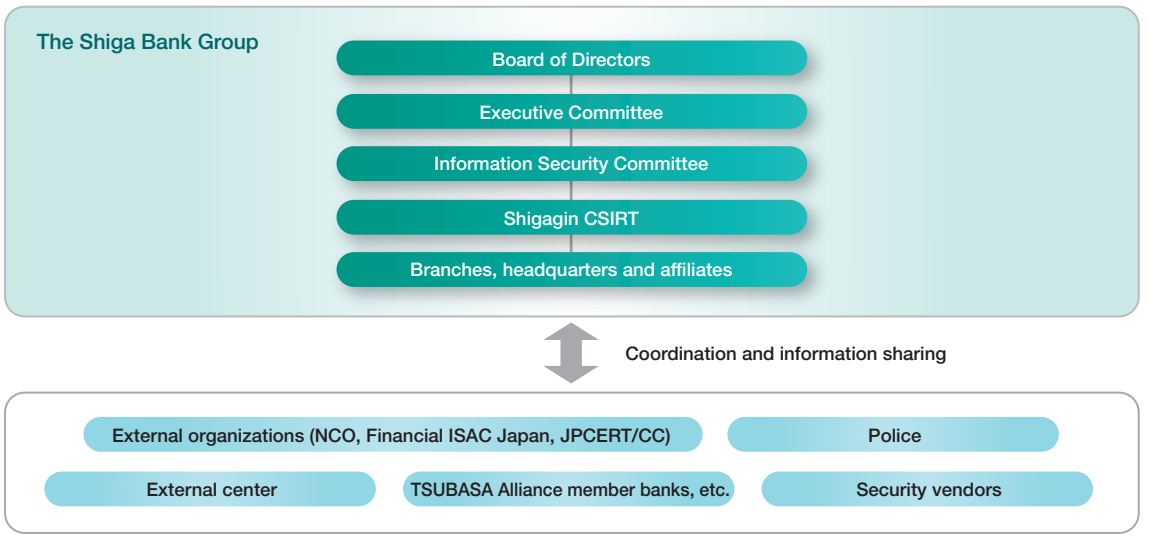
With regard to system risk management, we have duplicated the hardware and networks related to critical systems, building a resilient framework that enables business continuity in the event of a failure. We work to prevent recurrence of any system failures that occurred by thoroughly analyzing the causes and using the results to improve development and operation. In addition, we conduct self-assessment of system risks to prevent system failures from occurring, whereby identifying latent risks in systems and taking measures against them. We have also established contingency plans*3 for unexpected situations such as large-scale disasters, and conduct drills in preparation for ATM malfunctions on holidays.

With regard to cybersecurity, the Bank has established a management structure in which the Computer System Dept. serves as the first line of defense, the Risk Supervisory Dept. as the second line, and the Audit & Inspection Dept. as the third line, and implements measures based on a risk-based approach. In addition, the status of these initiatives is reported regularly to the Information Security Committee, the Executive Committee, and the Board of Directors, establishing a structure in which appropriate checks and guidance are provided by management.

In addition, to improve literacy regarding cybersecurity, we regularly conduct drills for targeted attack email and security education for all officers and employees. We have also incorporated training by outside experts, and are working to raise the level of our cybersecurity.

As cybersecurity measures, we work to prevent unauthorized access and the intrusion of malicious programs such as computer viruses by introducing measures such as next-generation antivirus software and communication monitoring using external services. In addition, centered on the cross-departmental organization Shigagin CSIRT, we work to prevent cybersecurity incidents, and through participation in cross-industry cyber exercises, we strive to maintain and improve our management and immediate-response systems in the event of a cyberattack.

Cybersecurity management structure



*1 Risk that customers and/or the Bank suffers loss due to a system failure, etc.
*2 A state in which safety control measures for digital information and information systems (prevention of information leakage, etc.) have been in place and a fact that the state is appropriately maintained and managed
*3 An emergency response plan. Predetermined procedures to cope with such events as disasters and accidents

Reputational Risk Management System

In light of the fact that the Bank's credibility could be damaged by rumors arising from various causes, the Bank has formulated the Reputational Risk Management Rules and strives to prevent the underlying causes of such rumors before they arise.

Compliance

Led by the Legal Affairs Office of the Risk Supervisory Dept., the Bank is building systems for maintaining compliance with laws and regulations and proper bank management, and is making efforts to foster employees with a heightened awareness of expectations placed by the public in banks, and with a strong sense of ethics.

Compliance system

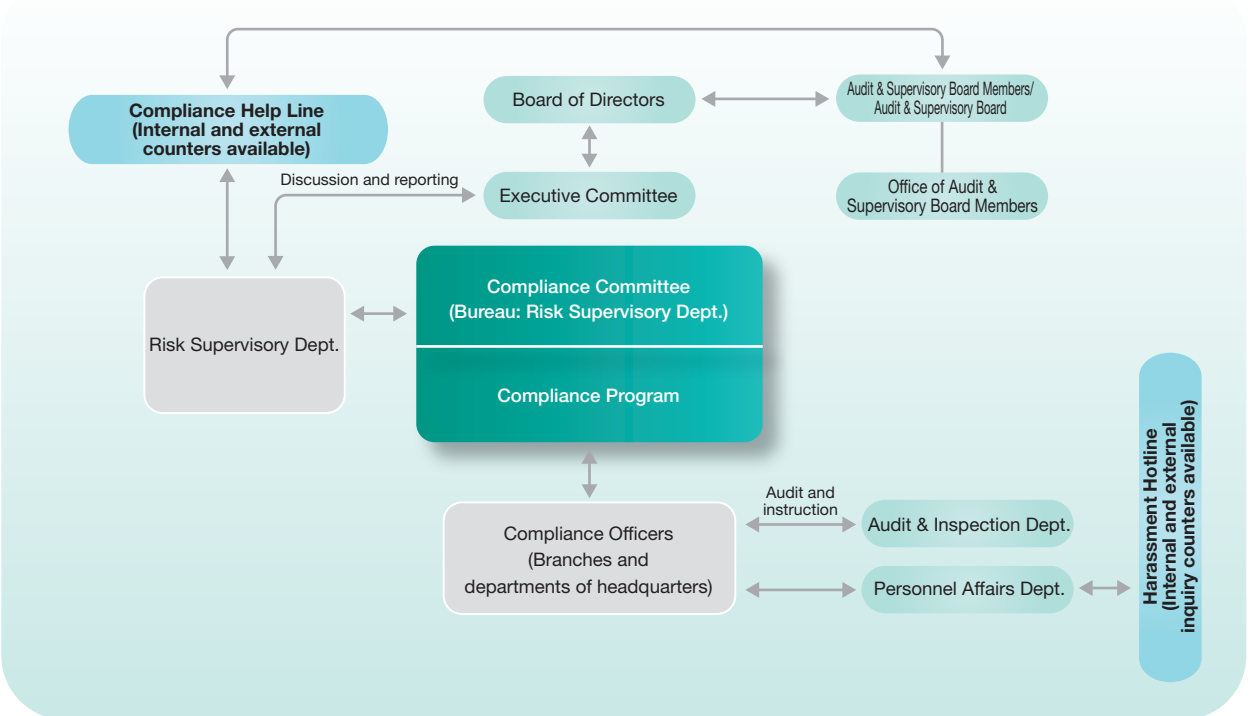
The Bank has stipulated the Code of Conduct based on the Management Principles. In order to comply with them and to thoroughly comply with laws and regulations, the Board of Directors formulates a Compliance Program every fiscal year, after deliberation by the Compliance Committee. In addition, we strive to raise the awareness of employees by conducting training at all departments, branches and affiliates, as well as implementing monitoring to prevent recurrence of misconduct. Moreover, the PDCA cycle is continuously implemented through monitoring of the implementation status of the above program by the Legal Affairs Office of the Risk Supervisory Dept., and reporting to the Compliance Committee and the Board of Directors.

Each department and branch has its Compliance Officer in place who works to maintain and improve the compliance system in cooperation with the Legal Affairs Office of the Risk Supervisory Dept.

Establishing a whistle-blowing system

In order to promote compliance management, we have established whistle-blowing hotlines (the Compliance Help Line and the Harassment Hotline) for all officers and employees of the Shiga Bank Group to contact when they have discovered a violation of laws, regulations, or rules or when they have concerns that they cannot discuss their concerns with their superiors or colleagues. In addition, by designating an external law firm as an external counter, we have made the system easier for whistleblowers to use. In addition, the Bank stipulates matters such as confidentiality of whistleblower information and prohibition of disadvantageous treatment of whistleblowers in its internal regulations, and thereby works to build and operate an effective whistle-blowing system.

Compliance system chart



Measures to eliminate anti-social forces

The Bank has taken active measures to eliminate anti-social forces, and has specified an anti-social forces elimination clause to the Ordinary Deposit Regulations. Also, the Bank has established the Shiga Bank Anti-social Forces Elimination Regulations.

Initiatives for anti-money laundering and financial crime prevention

In recent years, initiatives to combat anti-money laundering, terrorism financing, and proliferation financing and sanctions violations (hereinafter referred to as “money laundering”) are becoming increasingly important. In addition, financial crimes such as special fraud schemes and investment fraud are becoming increasingly sophisticated and diverse. Financial institutions are required to bolster measures against financial crimes in cooperation with the relevant government ministries and industry organizations in order to prevent the unauthorized use of deposit accounts, including corporate accounts, and ultimately protect the valuable assets of their customers.

The Bank positions money laundering and other risks as one of its top risks, and regularly verifies the effectiveness of its management structure. Issues identified through this verification are centrally managed under the AML (Anti-Money Laundering) program, and by operating an autonomous PDCA cycle, the Bank pursues continuous improvement and the sophistication of its management structure.

Updating customer information (Ongoing Customer Due Diligence)

The Bank is pursuing initiatives to update customer information to prevent unauthorized use and other forms of misuse of customers’ bank accounts by a third party. Through these efforts, the Bank strives to strengthen its management system for money laundering and other risks and allow customers to use products and services including the Bank’s deposit accounts in a safe and reliable manner.

- Information on updating customers’ information by sending the Customer Information Confirmation Letter by mail
- Update customer information at the Bank’s branches, etc.

Preventing financial crime

In order to protect customers’ important deposits from financial crime such as organized fraud, which has become a social problem, and to ensure that customers receive our services with peace of mind, we are working to offer a variety of services.

- Talking to customers proactively and paying attention to their facial expressions and behavior carefully in the Bank’s branches and at ATM corners.
- Posting warnings about various financial crimes on our website and on the Biz Direct login screen
- Restricting some ATM transfer functions
- Strengthening cooperation with police and related organizations (holding study sessions, distribution of fraud alert flyers, use of automated calls, etc.)
- Conducting internal training programs

Compliance with foreign exchange laws and regulations with regard to economic sanctions

In order to ensure compliance with the Foreign Exchange and Foreign Trade Act (Foreign Exchange Act), regulations established by the US Department of the Treasury’s Office of Foreign Assets Control (OFAC), and recommendations of the Financial Action Task Force (FATF), we confirm that customers’ transactions do not fall under the scope of these regulations.

- Delivery of Request for Foreign Remittances (including viewing on the web-based operation screen)
- Requests for interviews and submission of supporting documents when accepting foreign remittances and trade finance transactions

Financial Data (Consolidated)

Summary of Consolidated Results	2017	2018	2019
Consolidated gross business profit	**61,380**	**58,807**	**55,641**
Net interest income	48,372	46,432	44,328
Net Fees and commissions (including trust fees)	9,295	9,521	9,875
Net other ordinary income	3,712	2,853	1,437
General and administrative expenses (excluding non-recurring expenses) (–)	43,381	42,834	41,979
Consolidated net business profit (before provision of allowance for general loan losses)	**17,998**	**15,973**	**13,662**
Provision of general allowance for loan losses (1) (–)	—	—	(111)
Consolidated net business profit	**17,998**	**15,973**	**13,773**
Other profit (loss) (non-recurring gains (losses))	3,233	3,666	7,240
Disposal of non-performing loans (2) (–)	1,538	935	4,358
Written-off of loans (–)	1,535	892	798
Provision of allowance for loan losses (excluding provision general allowance for loan losses) (–)	—	—	3,558
Losses on sales of other claims (–)	3	43	0
Reversal of allowance for loan losses, etc. (3)	889	246	4
Recoveries of written-off receivables	1,120	515	569
Gains (losses) related to equity securities	1,707	3,331	9,374
Gain on sale	1,707	3,946	11,199
Loss on sale (–)	—	265	1,454
Loss on devaluation (–)	—	349	370
Other ordinary gains (losses) (including non-recurring expenses in general and administrative expenses)	1,058	513	1,657
Expenses corresponding to money held in trust (–)	4	4	7
Ordinary profit	**21,231**	**19,640**	**21,013**
Extraordinary gains (losses)	(482)	252	(15)
Profit before income taxes	**20,749**	**19,892**	**20,998**
Income taxes - current (–)	4,052	4,076	5,732
Income taxes - deferred (–)	1,527	1,931	584
Total income taxes (–)	5,580	6,007	6,317
Net income	**15,168**	**13,884**	**14,681**
Profit attributable to non-controlling interests (–)	273	—	—
Profit attributable to owners of parent	**14,895**	**13,884**	**14,681**
Credit costs (1 + 2 – 3) (–)	649	689	4,242
(Reference)			
Consolidated comprehensive income	31,484	38,850	(1,017)

Summary of Consolidated Balance Sheet	2017	2018	2019
Total assets	**5,539,561**	**5,875,040**	**6,115,271**
Loans and bills discounted	3,461,905	3,618,866	3,779,056
Securities	1,467,592	1,346,672	1,352,017
Total liabilities	**5,165,315**	**5,467,135**	**5,713,043**
Deposits	4,516,648	4,685,466	4,849,187
Negotiable certificates of deposit	86,478	81,685	84,955
Total net assets	**374,246**	**407,905**	**402,227**
Total shareholders' equity	**239,365**	**251,339**	**261,356**
Retained earnings	185,201	197,201	209,664
Total accumulated other comprehensive income	**131,679**	**156,440**	**140,741**
Share acquisition rights	113	125	129

Consolidated financial indicators, etc.	2017	2018	2019
Net assets per share (Yen)	1,425.41	1,566.43	1,572.67
Basic earnings per share (Yen)	57.21	53.33	56.44
Diluted earnings per share (Yen)	50.61	47.16	49.88
Annual dividend per share (Yen)	8.00	8.00	8.50
Closing stock price (Yen)	571.00	536.00	527.60
Capital adequacy ratio (%)	6.69	6.94	6.57
Consolidated capital adequacy ratio (under the criteria stipulated by the Financial Services Agency) (%)	16.67	16.98	15.68
Consolidated return on equity (ROE) (%)	4.18	3.56	3.62
Consolidated price earnings ratio (PER) (times)	9.98	10.05	9.34
Consolidated price book-value ratio (PBR) (times)	0.40	0.34	0.33
Consolidated payout ratio (%)	13.98	15.00	15.06

(Notes) 1. "Diluted earnings per share" is not shown for the fiscal years ended March 31, 2024, March 31, 2025 and March 31, 2026 because there were no dilutive shares.
2. The Bank conducted a 1-for-5 reverse stock split of its common stock effective October 1, 2018, and a 5-for-1 stock split of its common stock effective April 1, 2026. However, for ease of comparison over time, the "net assets per share," "basic earnings per share," "diluted earnings per share," "annual dividend per share," and "closing stock price" in the table above are presented as if neither the reverse stock split nor the stock split had been conducted.

(Millions of yen)

2020	2021	2022	2023	2024	2025	2026
56,559	**57,064**	**60,437**	**48,207**	**64,562**	**60,843**	**66,590**
42,836	44,132	46,783	49,029	55,187	63,258	74,143
11,047	11,978	13,273	12,777	14,265	13,230	12,504
2,675	953	380	(13,599)	(4,890)	(15,645)	(20,057)
42,082	42,159	48,235	46,153	52,924	46,468	50,413
14,477	**14,905**	**12,202**	**2,053**	**11,638**	**14,374**	**16,176**
804	976	574	(2,286)	(635)	(693)	—
13,672	**13,928**	**11,628**	**4,339**	**12,273**	**15,067**	**16,176**
202	(2,858)	12,371	15,701	11,693	3,882	12,854
2,424	7,144	1,541	4,171	3,955	5,565	731
1,052	660	500	989	789	1,141	692
1,368	6,482	1,033	3,172	3,106	4,348	—
3	2	8	9	59	74	39
13	25	22	—	—	—	928
395	366	498	615	252	440	496
1,140	3,143	10,935	17,331	12,706	7,326	10,389
2,381	5,542	13,753	18,382	13,861	9,722	11,146
998	823	2,734	1,014	866	2,345	726
243	1,575	83	37	288	50	29
1,084	754	2,459	1,927	2,691	1,699	1,834
5	3	2	1	1	18	62
13,875	**11,070**	**23,999**	**20,041**	**23,967**	**18,949**	**29,031**
3,913	1,981	(590)	126	(231)	6,685	(59)
17,788	**13,051**	**23,408**	**20,168**	**23,735**	**25,635**	**28,971**
5,018	6,390	6,186	4,731	10,078	714	5,697
357	(4,787)	(493)	578	(2,283)	6,199	1,980
5,376	1,603	5,692	5,309	7,794	6,914	7,677
12,412	**11,448**	**17,715**	**14,858**	**15,940**	**18,720**	**21,293**
—	—	—	—	—	—	—
12,412	**11,448**	**17,715**	**14,858**	**15,940**	**18,720**	**21,293**
3,215	8,095	2,093	1,885	3,319	4,871	(196)
(22,117)	122,660	(26,692)	(15,071)	55,925	(38,097)	70,627

(Millions of yen)

2020	2021	2022	2023	2024	2025	2026
6,285,002	**7,793,748**	**7,537,956**	**7,305,698**	**7,970,551**	**7,528,217**	**7,669,084**
3,859,363	4,001,698	4,064,683	4,343,641	4,475,442	4,529,399	4,588,660
1,307,107	1,586,506	1,511,864	1,515,578	1,857,431	1,802,020	1,722,410
5,909,200	**7,298,278**	**7,073,742**	**6,864,476**	**7,479,663**	**7,083,406**	**7,160,058**
4,886,433	5,398,851	5,611,084	5,714,368	5,803,032	5,806,185	5,950,294
66,683	49,560	41,880	30,332	25,360	22,600	19,150
375,801	**495,469**	**464,214**	**441,222**	**490,887**	**444,811**	**509,025**
269,712	**280,786**	**294,083**	**301,181**	**310,934**	**321,698**	**336,579**
220,282	232,289	248,089	258,053	269,792	284,546	285,621
105,957	**214,598**	**170,027**	**140,040**	**179,953**	**123,112**	**172,446**
131	84	103	—	—	—	—

2020	2021	2022	2023	2024	2025	2026
1,496.46	1,991.69	1,910.42	1,858.67	2,091.97	1,930.52	2,214.31
48.61	45.62	71.90	62.11	67.26	79.94	92.27
42.83	44.08	71.84	62.09	—	—	—
8.00	8.00	16.00	16.00	18.00	18.00	28.00
513.60	479.20	442.20	535.80	839.00	1,052.00	1,863.00
5.97	6.35	6.15	6.03	6.15	5.90	6.63
14.12	17.19	15.14	15.80	15.70	13.62	13.25
3.19	2.62	3.69	3.28	3.42	4.00	4.46
10.56	10.50	6.15	8.62	12.47	13.15	20.19
0.34	0.24	0.23	0.28	0.40	0.54	0.84
16.45	17.53	22.25	25.76	26.76	22.51	30.34

ESG Data

E (Environment)

GHG emissions

	Classification	Fiscal year 2023 Energy use/ non-energy GHG	Fiscal year 2023 Emissions (tCO_2eq)		Fiscal year 2024 Energy use/ non-energy GHG	Fiscal year 2024 Emissions (tCO_2eq)		Fiscal year 2025 Energy use/ non-energy GHG	Fiscal year 2025 Emissions (tCO_2eq)	
Scope 1	Total		620			670			0	
	City gas	23,659 m^3	49		27,119 m^3	56		27,298 m^3	56	
	LP gas	84 m^3	1		81 m^3	1		64 m^3	0	
	Gasoline	207,571 L	475		198,379 L	454		208,419 L	477	
	Fuel oil	0 L	0		0 L	0		0 L	0	
	Diesel oil	3,895 L	10		3,930 L	10		3,816 L	10	
	HFC	60 kg	86		96 kg	156		1 kg	1	
Scope 2	Electricity	13,403 MWh	Market-based	3,389	13,384 MWh	Market-based	3,203	13,278 MWh	Market-based	0
			Location-based	5,871		Location-based	5,556		Location-based	5,616
Scope 3	Total		16,480,774			18,063,664			15,928,155	
	Category 1	Purchased products and services	19,757		Purchased products and services	10,845		Purchased products and services	10,793	
	Category 2	Capital goods	2,349		Capital goods	1,162		Capital goods	8,852	
	Category 3	Fuel and energy-related activities	1,018		Fuel and energy-related activities	1,039		Fuel and energy-related activities	1,038	
	Category 4	Transportation (upstream)	272		Transportation (upstream)	482		Transportation (upstream)	454	
	Category 5	Waste generated in operations	68		Waste generated in operations	62		Waste generated in operations	104	
	Category 6	Business travel	131		Business travel	149		Business travel	194	
	Category 7	Commuting	878		Commuting	1,107		Commuting	1,125	
	Category 15	Investments and financing	16,456,300		Investments and financing	18,048,819		Investments and financing	15,905,595	
Total Scope 1-3 Emissions			**Market-based**	**16,484,783**		**Market-based**	**18,067,538**		**Market-based**	**15,928,155**
			Location-based	**16,487,264**		**Location-based**	**18,069,890**		**Location-based**	**15,934,316**

*"Scope 1 Total" and "Scope 1-3 total" include 6 tons of carbon offsets.

*"Scope 1 Total" and "Scope 1-3 total" include 545 tons of carbon offsets.

Scope 3 Category 15 Details

Emissions by industry (carbon-related sectors based on TCFD recommendations)

All (Business loans, unlisted/listed shares, and corporate bonds)		Fiscal year 2023 Emissions (tCO_2eq)	Fiscal year 2023 Carbon intensity (tCO_2eq/million yen)	Fiscal year 2023 Weighted average DQ (value-weighted)	Fiscal year 2024 Emissions (tCO_2eq)	Fiscal year 2024 Carbon intensity (tCO_2eq/million yen)	Fiscal year 2024 Weighted average DQ (value-weighted)	Fiscal year 2025 Emissions (tCO_2eq)	Fiscal year 2025 Carbon intensity (tCO_2eq/million yen)	Fiscal year 2025 Weighted average DQ (value-weighted)
Industry	**Energy**	2,064,070	13.8	2.3	1,888,730	12.1	2.1	2,248,917	13.1	2.0
	Transportation	3,377,692	12.0	2.1	5,803,617	21.3	2.1	6,707,623	24.4	2.1
	Materials and Buildings	6,580,705	6.2	3.0	6,231,217	6.0	3.0	3,828,279	4.0	3.1
	Agriculture, Food, and Forest Products	1,428,257	12.6	2.9	1,330,951	12.7	2.8	445,308	4.1	2.5
	Other	3,005,576	2.2	3.5	2,467,414	1.8	3.4	2,307,087	1.6	3.3
	Total	**16,456,300**	**5.5**	**3.1**	**17,721,930**	**6.0**	**3.0**	**15,537,214**	**5.3**	**2.8**

Breakdown of business loans		Emissions (tCO_2eq)	Carbon intensity (tCO_2eq/million yen)	Weighted average DQ (value-weighted)	Emissions (tCO_2eq)	Carbon intensity (tCO_2eq/million yen)	Weighted average DQ (value-weighted)	Emissions (tCO_2eq)	Carbon intensity (tCO_2eq/million yen)	Weighted average DQ (value-weighted)
Industry	**Energy**	1,785,366	13.3	2.3	1,666,143	11.9	2.1	2,037,092	13.5	2.1
	Coal	1,678	3.3	4.0	1,611	2.1	4.0	39,611	55.7	4.0
	Oil and Gas	645,842	16.5	2.7	571,420	14.6	2.7	522,137	11.1	2.6
	Electric Utilities	1,137,847	12.0	2.2	1,093,113	10.9	1.9	1,475,344	14.3	1.9
	Transportation	1,205,165	6.2	2.6	2,641,857	13.0	2.4	3,934,778	18.2	2.4
	Trucking service	128,287	1.9	3.9	145,198	2.0	3.6	215,513	3.0	3.5
	Marine transportation	194,104	6.4	1.6	139,786	5.4	1.8	225,049	6.0	2.1
	Air freight forwarding	17,238	13.5	4.0	10,159	8.7	4.0	7,321	2.5	2.4
	Air passenger transportation	11,005	3.4	1.0	12,776	4.5	1.0	10,065	3.9	5.0
	Automotive and Parts	804,507	17.7	1.9	2,282,266	39.3	1.6	3,434,493	49.5	1.5
	Rail transportation	50,022	1.0	2.0	51,671	1.2	2.0	42,337	1.4	1.9
	Materials and Building	5,231,008	5.9	3.2	4,946,101	5.6	3.2	3,002,052	3.7	3.4
	Chemicals	676,588	5.6	2.8	594,312	5.0	2.6	554,158	5.3	2.6
	Metals and Mining	287,759	8.5	2.8	284,861	7.0	2.8	247,859	5.0	3.1
	Construction materials	852,752	34.7	3.4	832,164	26.8	3.1	229,106	7.3	3.4
	Capital goods (buildings, etc.)	3,322,464	10.6	2.7	3,124,676	11.0	2.7	1,923,245	8.3	3.0
	Real estate management and development	91,445	0.2	3.8	110,089	0.3	3.7	47,684	0.1	3.8
	Agriculture, Food, and Forest Products	1,382,668	14.4	3.1	1,298,160	14.7	3.1	425,730	4.8	2.8
	Beverages	52,333	1.5	2.4	37,699	1.2	2.7	53,894	1.7	1.9
	Paper and Forest products	171,600	8.0	2.6	162,046	7.2	2.2	155,903	6.0	2.3
	Agriculture	16,083	1.7	4.0	14,500	1.8	4.0	9,293	1.6	4.0
	Packaged foods and Meat	1,142,652	39.3	3.9	1,083,915	39.3	3.9	206,641	7.9	3.9
	Other	2,522,972	2.4	3.7	2,011,909	1.9	3.6	1,683,241	1.6	3.5
	Other	2,522,972	2.4	3.7	2,011,909	1.9	3.6	1,683,241	1.6	3.5
	Total	**12,127,178**	**5.1**	**3.3**	**12,564,171**	**5.3**	**3.2**	**11,082,894**	**4.8**	**3.2**

*The numbers in the total column for carbon intensity and weighted average DQ are the carbon intensity and the weighted average DQ for the total emissions of the relevant portfolio.
*The weighted average DQ is the weighted average of the DQs for the individual investments.
*Totals are the aggregate results for each industry, including decimals, and do not necessarily correspond to the apparently rounded aggregate results for each industry.

S (Social)

		Fiscal year 2023	Fiscal year 2024	Fiscal year 2025
Employees (consolidated)				
Number of employees (persons)		2,154	2,171	2,243
Employees (non-consolidated)				
Number of employees (persons)		1,875	1,873	1,936
Average age		38.16	37.91	37.66
Average years of service (years)		15.25	15.00	14.66
Average annual salary (Thousands of yen)		6,793	6,916	7,320
Percentage of female managers (%)		17.6	18.6	19.0
Percentage of male employees taking childcare leave (%)*		95.4	94.0	100.0
Gender Pay Gap (%)	All workers	48.5	49.7	50.4
	Regular workers	68.2	70.2	69.9
	Non-regular workers	43.2	41.2	42.0
Employment rate of people with disabilities (%)		2.348	2.347	2.152
Average number of days of paid leave taken (days)		17	17	17
Employee engagement (%)		84.1	86.9	87.3
Human resource development				
Human Capital Investment Per Employee (Thousands of yen)		165	176	209
Number of employees seconded to outside companies (persons)		20 in a single fiscal year	9 in a single fiscal year	18 in a single fiscal year
Number of employees with Financial Planning Grade 1 certification (persons)		231	231	234
Dispatch to external training (persons)		23	39	55
Management score of managers (graded by others on a 5-point scale)		3.76	3.78	4.00
Enabling diverse human resources to thrive				
Retention rate within 3 years of recruiting new graduates (%)		85.7	87.3	87.9
Number of mid-career hires (persons)		11	19	13
Percentage of management candidates with both head-quarters and branch experience (%)		52.4	52.4	51.6
Number of persons utilizing human resources recruitment system (persons)		50	80	83
Job satisfaction and ease of working				
Percentage of retests received for regular health checkups (including comprehensive medical checkups) (%)		90.2	94.7	92.3
Engagement score		69	70	71
Percentage of participants in trainings on compliance, human rights, etc. (%)		(First half) 92.4 (Second half) 92.6	(First half) 94.3 (Second half) 94.3	(First half) 93.4 (Second half) 94.8
Number of people who autonomously challenged their careers (persons)		—	657	589

*This is the percentage of employees who took childcare leave, etc., as defined in Article 71-6, Item 1 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members.

G (Governance)

	Fiscal year 2023	Fiscal year 2024	Fiscal year 2025
Compliance			
Comprehension of compliance training (%) *Total of "Understood well" and "Understood" responses.	(First half) 97.4 (Second half) 98.6	(First half) 99.3 (Second half) 96.8	(First half) 93.6 (Second half) 98.3
Corporate Governance			
Percentage of compliance with the Corporate Governance Code (%)	100.0	100.0	100.0
Attendance ratio at meetings of the Board of Directors (Outside Directors) (%)	100.0	97.4	100.0
Number of Directors (persons)	9	9	9
Number of Outside Directors (persons)	3	3	3
Percentage of Outside Directors (%)	33.3	33.3	33.3
Number of female Directors (persons)	1	1	1
Percentage of female Directors (%)	11.1	11.1	11.1

External Evaluation

Certified as an Eco-First Enterprise by the Ministry of the Environment

Three-star rating in Shiga Biodiversity Initiatives Certificate

Selected as a component stock of the FTSE Blossom Japan Sector Relative Index

Received Nature Positive Award of the 7th ESG Finance Awards Japan

CDP Climate Change Questionnaire Rank B

Obtained the Platinum Kurumin Plus certification by the Ministry of Health, Labour and Welfare

Obtained 2 stars for the Eruboshi certification by the Ministry of Health, Labour and Welfare

Endorsement and membership in initiatives, etc.

Signed the United Nations Environment Programme Finance Initiative (UNEP FI)

Signed the United Nations Principles for Responsible Banking (PRB)

Supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

Joined the Taskforce on Nature-related Financial Disclosures (TNFD) Forum

Supports the Mother Lake Goals (MLGs)

Signed the Principles for Financial Action for the 21st Century

Supports the Initiative based on the Declaration of Biodiversity by Keidanren

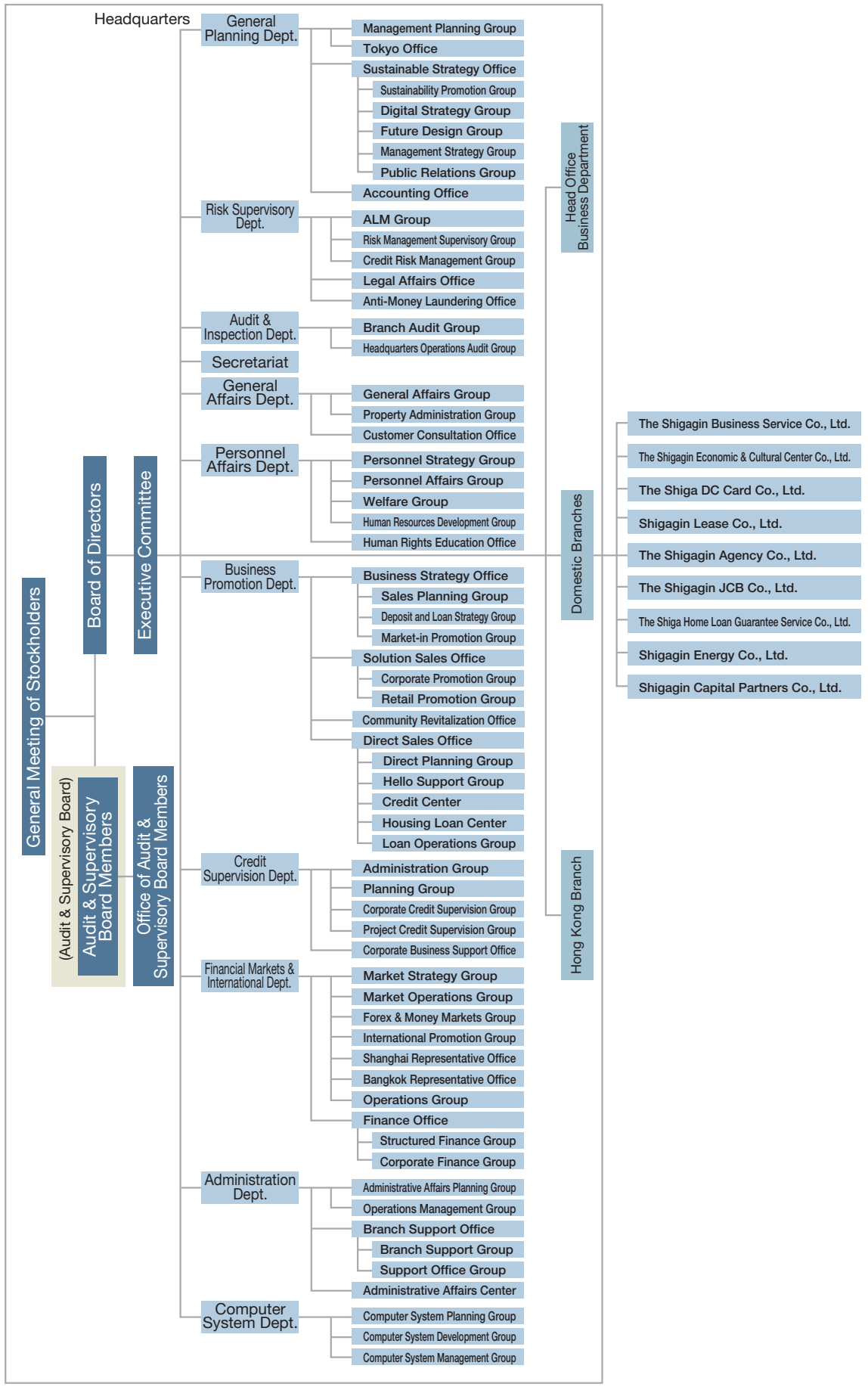
Joined the Japan Climate Initiative (JCI)

Participated in the GX Future Consortium

Supports the Shiga CO_2 Net Zero Movement

Corporate Data

Group Organization Chart (As of June 24, 2026)



Financial Section

The Shiga Bank, Ltd. and Consolidated Subsidiaries

Consolidated Five-year Summary

	Millions of yen				
	2026	2025	2024	2023	2022
As of March 31					
Total assets	**¥7,669,084**	¥7,528,217	¥7,970,551	¥7,305,698	¥7,537,956
Investment securities	**1,722,410**	1,802,020	1,857,431	1,515,578	1,511,864
Loans and bills discounted	**4,588,660**	4,529,399	4,475,442	4,343,641	4,064,683
Deposits	**5,950,294**	5,806,185	5,803,032	5,714,368	5,611,084
Total equity	**509,025**	444,811	490,887	441,222	464,214
Years ended March 31					
Total income	**159,124**	141,111	122,632	115,498	98,307
Total expenses	**130,153**	115,476	98,896	95,330	74,899
Income before income taxes	**28,971**	25,635	23,735	20,168	23,408
Net income attributable to owners of the parent	**21,293**	18,720	15,940	14,858	17,715
Per share data (in yen)					
Cash dividends	**¥ 140.00**	¥ 90.00	¥ 90.00	¥ 80.00	¥ 80.00
Net income	**92.27**	399.72	336.31	310.57	359.50
Net equity	**2,214.31**	9,652.60	10,459.88	9,293.39	9,552.14
Ratio					
Capital ratio	**13.25%**	13.62%	15.70%	15.80%	15.14%
ROE	**4.46%**	4.00%	3.42%	3.28%	3.69%

Financial review (Consolidated basis)

While the Japanese economy has continued to grow at a moderate pace, supported by sustained wage increases and active capital investment in productivity-enhancing technologies such as AI and DX, the international environment remains unsettled, with ongoing tensions in the Middle East. This backdrop gives rise to considerable uncertainty regarding the economic outlook, including potential effects on financial markets through movements in exchange rates and long-term interest rates, as well as higher crude oil prices and their impact on the procurement of raw materials and supplies.

In Shiga Prefecture, the Group's mother market, both employment and investment are trending upward, primarily in the semiconductor and automotive-related industries. Nevertheless, concerns persist regarding the effects of rising energy costs and labor shortages on business operations and profitability, and the regional economic environment continues to warrant close monitoring.

Balance sheets

With regard to the main account balance of assets, investment securities stood at ¥1,722,410 million (a decrease of ¥79,610 million from the end of the previous fiscal year), and loans and bills discounted totaled ¥4,588,660 million (an increase of ¥59,261 million from the end of the previous fiscal year).

Meanwhile, total liabilities were ¥7,160,058 million, an increase of ¥76,651 million from the end of the previous fiscal year.

With regard to the main account balance of liabilities, deposits totaled ¥5,950,294 million (an increase of ¥144,108 million from the end of the previous fiscal year), negotiable certificates of deposit were ¥19,150 million (a decrease of ¥3,450 million from the end of the previous fiscal year), call money and bills sold were ¥79,300 million (a decrease of ¥29,849 million from the end of the previous fiscal year), payables under securities lending transactions were ¥142,490 million (a decrease of ¥14,459 million from the end of the previous fiscal year), and borrowed money was ¥784,282 million (a decrease of ¥46,069 million from the end of the previous fiscal year).

Total equity amounted to ¥509,025 million, an increase of ¥64,214 million from the end of the previous fiscal year. This was mainly due to an increase of ¥49,333 million in total accumulated other comprehensive income, primarily an increase in net unrealized gains on available-for-sale securities, as well as a decrease of ¥13,817 million in treasury stock.

Statements of operations

Regarding operating results, ordinary income was ¥159,056 million, an increase of ¥25,946 million year on year. This was mainly due to an increase in interest income (an increase of ¥15,720 million year on year) due in part to increases in interest on loans and discounts and interest and dividends on securities.

On the other hand, ordinary expenses were ¥130,025 million, an increase of ¥15,864 million year on year. This was mainly due to an increase in other operating expenses (an increase of ¥11,292 million year on year) due in part to an increase in losses on sales of bonds.

As a result, ordinary profit for the fiscal year under review increased by ¥10,081 million year on year to ¥29,031 million, and net income attributable to owners of the parent increased by ¥2,573 million year on year to ¥21,293 million.

Furthermore, comprehensive income (loss) increased by ¥108,725 million year on year to ¥70,627 million, primarily resulting from an increase in net unrealized gains on available-for-sale securities.

Additionally, as the Group consists of a single segment in the banking business, business results by segment are not provided.

Cash flows

The Group's status of cash flows for the fiscal year under review is as follows.

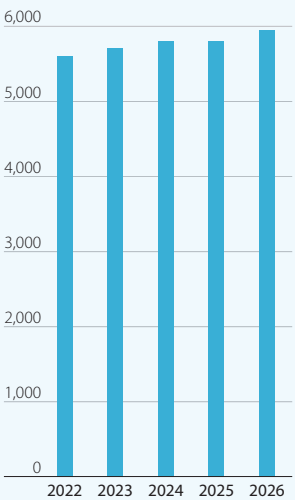
Net cash provided by operating activities was an inflow (hereinafter, "cash inflow") of ¥2,357 million, mainly due to the refund of income taxes. Cash inflow increased by ¥408,033 million year on year mainly because of an increase in deposits and a less substantial decrease in call money.

Net cash provided by investing activities was a cash inflow of ¥117,463 million, as proceeds from sales and redemptions of securities exceeded purchases of securities. Cash inflow increased by ¥165,091 million year on year, mainly due to an increase in proceeds from sales and redemptions of securities.

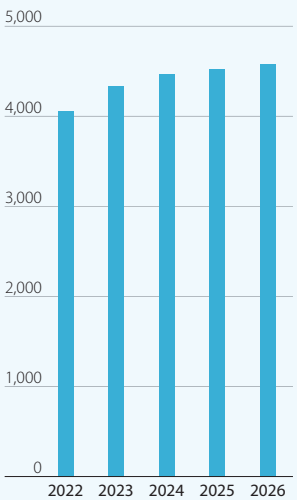
Furthermore, net cash used in financing activities was an outflow (hereinafter, "cash outflow") of ¥7,593 million, due to purchases of treasury stock and dividends paid. Cash outflow decreased by ¥405 million year on year, mainly due to a decrease in purchases of treasury stock.

As a result, cash and cash equivalents as of the end of the fiscal year under review amounted to ¥1,010,649 million, an increase of ¥112,227 million year on year.

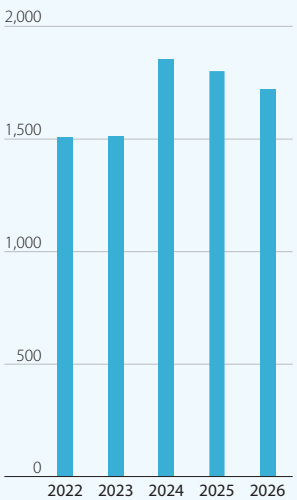
Deposits
(Billions of yen)



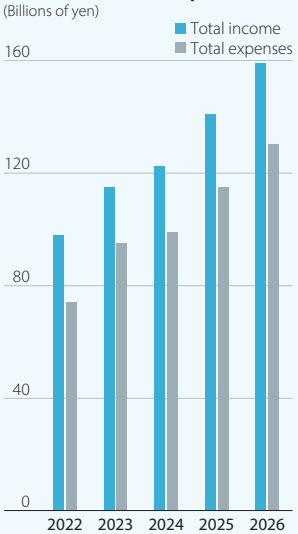
Loans and bills discounted
(Billions of yen)



Investment securities
(Billions of yen)



Total income and expenses
(Billions of yen)



The Shiga Bank, Ltd. and Consolidated Subsidiaries

Consolidated Balance Sheet

As of March 31, 2026 and 2025

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2026	2025	2026
Assets			
Cash and due from banks (Notes 3 and 33)	¥1,011,233	¥ 898,939	$ 6,324,949
Call loans and bills bought	15,036	6,429	94,045
Debt purchased	250	770	1,563
Trading securities (Note 4)	42	19	262
Money held in trust (Note 5)	33,332	32,356	208,481
Investment securities (Notes 4, 7, 12, 19 and 33)	1,722,410	1,802,020	10,773,142
Loans and bills discounted (Notes 7, 12, 13 and 33)	4,588,660	4,529,399	28,700,650
Foreign exchange assets (Notes 7 and 8)	6,608	7,029	41,330
Other assets (Notes 7, 9 and 12)	198,908	177,407	1,244,108
Tangible fixed assets (Notes 10, 11 and 14)	54,100	53,949	338,378
Intangible fixed assets (Note 11)	5,346	1,991	33,437
Asset for retirement benefits (Note 31)	38,931	26,579	243,501
Deferred tax assets (Note 32)	603	611	3,771
Customers' liabilities for acceptances and guarantees (Notes 7 and 19)	24,748	26,120	154,791
Allowance for loan losses	(31,128)	(35,406)	(194,696)
Total assets	7,669,084	7,528,217	47,967,750
Liabilities			
Deposits (Notes 12, 15 and 33)	5,950,294	5,806,185	37,217,250
Negotiable certificates of deposit (Note 33)	19,150	22,600	119,777
Call money and bills sold (Note 33)	79,300	109,149	495,996
Payables under securities lending transactions (Notes 12 and 33)	142,490	156,949	891,230
Borrowed money (Notes 12, 16 and 33)	784,282	830,352	4,905,441
Foreign exchange liabilities (Note 8)	500	317	3,127
Borrowed money from trust account (Note 17)	157	174	981
Other liabilities (Note 18)	87,657	84,792	548,267
Liability for retirement benefits (Note 31)	194	183	1,213
Liability for retirement benefits of directors and Audit & Supervisory Board Members	6	4	37
Allowance for repayment of excess interest	4	6	25
Reserve for other contingent losses	301	266	1,882
Deferred tax liabilities (Note 32)	65,357	40,690	408,787
Deferred tax liabilities for land revaluation (Note 14)	5,613	5,613	35,107
Acceptances and guarantees (Note 19)	24,748	26,120	154,791
Total liabilities	7,160,058	7,083,406	44,783,950
Equity (Notes 20, 21 and 37)			
Common stock, authorized, 100,000,000 shares; issued, 48,090,081 shares and 53,090,081 shares as of March 31, 2026 and 2025, respectively	33,076	33,076	206,880
Capital surplus	24,536	24,548	153,465
Retained earnings	285,621	284,546	1,786,471
Treasury stock – at cost 2,114,207 shares and 7,008,097 shares as of March 31, 2026 and 2025, respectively (*1)	(6,655)	(20,473)	(41,624)
Accumulated other comprehensive income:			
Net unrealized gains on available-for-sale securities (Notes 4 and 6)	104,003	71,925	650,506
Deferred gains on derivatives under hedge accounting	46,300	35,569	289,592
Land revaluation surplus (Note 14)	8,057	8,057	50,394
Defined retirement benefit plans	14,085	7,560	88,097
Total equity	509,025	444,811	3,183,794
Total liabilities and equity	¥7,669,084	¥7,528,217	$47,967,750

See Notes to Consolidated Financial Statements.

(*1) THE SHIGA BANK, LTD. conducted a 5-for-1 stock split of its common stock, effective April 1, 2026. The numbers of shares of treasury stock presented above have not been adjusted to reflect the effect of the stock split.

The Shiga Bank, Ltd. and Consolidated Subsidiaries

Consolidated Statement of Income

Years ended March 31, 2026 and 2025

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2026	2025	2026
Income (Notes 22 and 38)			
Interest income:			
Interest on loans and discounts	¥ 60,002	¥ 49,422	$ 375,293
Interest and dividends on securities	35,436	31,516	221,641
Other interest income	6,914	5,694	43,244
Trust fees	0	0	0
Fees and commissions	19,976	19,634	124,943
Other operating income (Note 23)	22,910	16,030	143,294
Settlement income	—	8,000	—
Other income (Note 24)	13,884	10,813	86,840
Total income	159,124	141,111	995,271
Expenses			
Interest expenses:			
Interest on deposits	14,229	5,698	88,997
Interest on borrowing and rediscounts	7,870	11,179	49,224
Other interest expenses	6,171	6,515	38,597
Fees and commissions	7,472	6,404	46,735
Other operating expenses (Note 25)	42,968	31,676	268,751
General and administrative expenses (Note 26)	49,392	44,690	308,931
Other expenses (Note 27)	2,048	9,311	12,809
Total expenses	130,153	115,476	814,066
Income before income taxes	28,971	25,635	181,204
Income taxes (Note 32)			
Current	5,697	714	35,632
Deferred	1,980	6,199	12,384
Net income	21,293	18,720	133,181
Net income attributable to owners of the parent	¥ 21,293	¥ 18,720	$ 133,181

	Yen		U.S. dollars
	2026	2025	2026
Per share information (Note 36)			
Basic net income (*1)	¥ 92.27	¥ 79.94	$ 0.577
Cash dividends applicable to the year (*2)	140.00	90.00	0.875

See Notes to Consolidated Financial Statements.

(*1) THE SHIGA BANK, LTD. conducted a 5-for-1 stock split of its common stock, effective April 1, 2026. Per share information for the years ended March 31, 2026 and 2025 has been calculated assuming that the stock split had occurred at the beginning of the previous fiscal year.

(*2) Cash dividends applicable to the year represent the actual dividend amounts before the stock split described in (*1) above.

The Shiga Bank, Ltd. and Consolidated Subsidiaries

Consolidated Statement of Comprehensive Income

Years ended March 31, 2026 and 2025

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2026	2025	2026
Net income	¥21,293	¥ 18,720	$ 133,181
Other comprehensive income (loss) (Note 35):			
Net unrealized gains (losses) on available-for-sale securities	32,078	(59,941)	200,637
Deferred gains on derivatives under hedge accounting	10,730	5,423	67,112
Land revaluation surplus	—	(161)	—
Defined retirement benefit plans	6,524	(2,139)	40,805
Total other comprehensive income (loss)	49,333	(56,818)	308,562
Comprehensive income (loss)	¥70,627	¥ (38,097)	$ 441,750
Attributable to			
Owners of the parent	¥70,627	¥ (38,097)	$ 441,750

See Notes to Consolidated Financial Statements.

The Shiga Bank, Ltd. and Consolidated Subsidiaries

Consolidated Statement of Changes in Equity

Years ended March 31, 2026 and 2025

	Thousands	Millions of yen								
						Accumulated Other Comprehensive Income				
	Outstanding number of shares of common stock (*1)	Common stock	Capital surplus	Retained earnings	Treasury stock	Net unrealized gains on available-for-sale securities	Deferred gains on derivatives under hedge accounting	Land revaluation surplus	Defined retirement benefit plans	Total equity
Balance as of April 1, 2024	46,930	¥ 33,076	¥ 24,541	¥ 269,792	¥(16,476)	¥ 131,867	¥ 30,145	¥ 8,240	¥ 9,700	¥ 490,887
Changes during the year:										
Net income attributable to owners of the parent				18,720						18,720
Cash dividends, ¥85.00 per share				(3,989)						(3,989)
Purchase of treasury stock	(853)				(4,010)					(4,010)
Sales of treasury stock	4		7		13					20
Reversal of land revaluation surplus				22						22
Other changes						(59,941)	5,423	(183)	(2,139)	(56,840)
Net change in the year		—	7	14,753	(3,997)	(59,941)	5,423	(183)	(2,139)	(46,076)
Balance as of March 31, 2025	46,081	33,076	24,548	284,546	(20,473)	71,925	35,569	8,057	7,560	444,811
Changes during the year:										
Net income attributable to owners of the parent				21,293						21,293
Cash dividends, ¥110.00 per share				(5,081)						(5,081)
Purchase of treasury stock	(305)				(2,511)					(2,511)
Sales of treasury stock	199		599		581					1,180
Cancellation of treasury stock			(610)	(15,137)	15,747					—
Other changes						32,078	10,730	—	6,524	49,333
Net change in the year		—	(11)	1,074	13,817	32,078	10,730	—	6,524	64,214
Balance as of March 31, 2026	45,975	¥33,076	¥24,536	¥285,621	¥ (6,655)	¥104,003	¥46,300	¥8,057	¥14,085	¥509,025

	Thousands of U.S. dollars (Note 1)								
					Accumulated Other Comprehensive Income				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Net unrealized gains on available-for-sale securities	Deferred gains on derivatives under hedge accounting	Land revaluation surplus	Defined retirement benefit plans	Total equity
Balance as of April 1, 2025	$206,880	$153,540	$1,779,747	$ (128,052)	$ 449,868	$222,473	$50,394	$47,285	$2,782,155
Changes during the year:									
Net income attributable to owners of the parent			133,181						133,181
Cash dividends, $0.68 per share			(31,780)						(31,780)
Purchase of treasury stock				(15,705)					(15,705)
Sales of treasury stock		3,746		3,633					7,380
Cancellation of treasury stock		(3,815)	(94,677)	98,492					—
Other changes					200,637	67,112	—	40,805	308,562
Net change in the year	—	(68)	6,717	86,421	200,637	67,112	—	40,805	401,638
Balance as of March 31, 2026	$206,880	$153,465	$1,786,471	$ (41,624)	$ 650,506	$289,592	$50,394	$88,097	$3,183,794

See Notes to Consolidated Financial Statements.

(*1) THE SHIGA BANK, LTD. conducted a 5-for-1 stock split of its common stock, effective April 1, 2026. The outstanding number of shares of common stock and the amount of cash dividends per share presented above have not been adjusted to reflect the effect of the stock split

The Shiga Bank, Ltd. and Consolidated Subsidiaries

Consolidated Statement of Cash Flows

Years ended March 31, 2026 and 2025

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2026	2025	2026
Operating activities:			
Income before income taxes	¥ 28,971	¥ 25,635	$ 181,204
Depreciation	2,663	2,110	16,656
Losses on impairment of long-lived assets	14	1,167	87
Increase (decrease) in allowance for loan losses	(4,278)	2,723	(26,757)
Increase in reserve for other contingent losses	34	69	212
Increase in asset for retirement benefits	(12,351)	(1,350)	(77,251)
Increase in liability for retirement benefits	10	15	62
Increase (decrease) in liability for retirement benefits of directors and Audit & Supervisory Board Members	1	(0)	6
Increase (decrease) in allowance for repayment of excess interest	(1)	0	(6)
Interest income	(102,353)	(86,633)	(640,186)
Interest expense	28,271	23,393	176,826
Losses on sales and write-down of investment securities	19,622	12,919	122,729
Losses (gains) on money held in trust	(727)	46	(4,547)
Foreign exchange losses (gains)	(1)	0	(6)
Losses on disposals of fixed assets – net	44	146	275
Settlement income	—	(8,000)	—
Net increase in loans and bills discounted	(59,261)	(53,956)	(370,659)
Net increase in deposits	144,108	3,153	901,351
Net decrease in negotiable certificate of deposits	(3,450)	(2,760)	(21,578)
Net decrease in borrowed money (excluding subordinated loans)	(46,069)	(52,276)	(288,147)
Net increase in due from banks (excluding deposits in Bank of Japan)	(67)	(175)	(419)
Net decrease (increase) in call loans and others	(8,086)	522	(50,575)
Net decrease in call money and bills sold	(29,849)	(236,942)	(186,696)
Net decrease in payables under securities lending transactions	(14,459)	(84,380)	(90,436)
Net decrease (increase) in foreign exchange assets	421	(836)	2,633
Net increase in foreign exchange liabilities	182	225	1,138
Net decrease in borrowed money from trust account	(17)	(9)	(106)
Interest received (cash basis)	106,874	89,021	668,463
Interest paid (cash basis)	(26,819)	(23,650)	(167,744)
Other	(27,517)	(7,029)	(172,110)
Subtotal	(4,089)	(396,852)	(25,575)
Settlement received	4,000	4,000	25,018
Income taxes – paid	(3,378)	(12,823)	(21,128)
Income taxes – refund	5,825	—	36,433
Net cash provided by (used in) operating activities	2,357	(405,676)	14,742
Investing activities:			
Purchases of securities	(467,368)	(400,331)	(2,923,242)
Proceeds from sales of securities	364,810	293,607	2,281,773
Proceeds from redemptions of securities	227,420	71,642	1,422,441
Increase in money held in trust	(5,904)	(2,127)	(36,927)
Decrease in money held in trust	4,907	—	30,691
Purchases of tangible fixed assets	(2,713)	(9,236)	(16,968)
Proceeds from sales of tangible fixed assets	281	187	1,757
Purchases of intangible fixed assets	(3,970)	(1,369)	(24,831)
Net cash provided by (used in) investing activities	117,463	(47,627)	734,694
Financing activities:			
Purchases of treasury stock	(2,511)	(4,010)	(15,705)
Proceeds from sales of treasury stock	—	0	—
Dividends paid	(5,081)	(3,989)	(31,780)
Net cash used in financing activities	(7,593)	(7,999)	(47,491)
Net increase (decrease) in cash and cash equivalents	112,227	(461,302)	701,945
Cash and cash equivalents, beginning of year	898,421	1,359,724	5,619,345
Cash and cash equivalents, end of year (Note 3)	¥1,010,649	¥ 898,421	$ 6,321,297

See Notes to Consolidated Financial Statements.

Notes to Consolidated Financial Statements

Years ended March 31, 2026 and 2025

1. Basis of presenting consolidated financial statements

The accompanying consolidated financial statements have been prepared based on the accounts maintained by THE SHIGA BANK, LTD. (the "Bank") and its significant subsidiaries (together the "Group") in accordance with the provisions set forth in the Companies Act of Japan, the Japanese Financial Instruments and Exchange Act, and the Japanese Banking Act and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

Certain items presented in the consolidated financial statements submitted to the Director of the Kanto Finance Bureau in Japan have been reclassified in these accounts for the convenience of readers outside Japan.

Amounts in yen of respective accounts included in the accompanying consolidated financial statements and notes thereto are stated in millions of yen by discarding fractional amounts less than ¥1 million. Therefore, total or subtotal amounts do not necessarily tie in with the aggregation of such account balances.

Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥159.88 to U.S.$1, the rate of exchange at March 31, 2026, has been used in translation. The inclusion of such amounts is not intended to imply that Japanese yen amounts have been or could be readily converted, realized or settled in U.S. dollar amounts at this rate or any other rates.

2. Summary of significant accounting policies

(a) Principles of consolidation

The accompanying consolidated financial statements include the accounts of the Bank and nine consolidated subsidiaries for the years ended March 31, 2026 and 2025.

The consolidated subsidiaries' respective fiscal periods end March 31 for the years ended March 31, 2026 and 2025.

The Bank has four and two other nonconsolidated subsidiaries in 2026 and 2025, respectively, in which investments are not accounted for by the equity method because their net income (the portion corresponding to the Bank's equity), retained earnings (as above) and accumulated other comprehensive income (as above) have no material impact on the Group's financial position or business performance.

All significant intercompany transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is eliminated.

Names of other companies, etc. for which the Bank holds a majority of the voting rights for its own account, but which are not treated as subsidiaries:

Minobe Construction Co., Ltd.
Suhama Holdings Co., Ltd.
Kouga Ballast Co., Ltd.

These companies are investees of nonconsolidated subsidiaries engaged in investment-related businesses, primarily for purposes including business succession and not for the purpose of bringing such companies under control; accordingly, these investees are not treated as subsidiaries.

All significant intercompany transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is eliminated.

(b) Cash equivalents

For the purpose of reporting cash flows, cash and cash equivalents are defined as cash and due from the Bank of Japan.

(c) Trading securities

Trading securities held by the Bank are stated at fair value at the fiscal year end (cost of sales, in principle, is computed by the moving-average method).

(d) Investment securities

i. Marketable securities held for trading purposes are stated at fair value (cost of sales, in principle, is computed by the moving-average method).

Securities available-for-sale are stated at fair value (cost of sales, in principle, is computed by the moving-average method). Shares, etc. that do not have market price are stated at cost using the moving-average method. Investment in capital of investment partnership and others are recorded at the net amount of the Bank's share of their assets based on the most recent financial statements of the partnership and others. Valuation gains/losses on securities available for sale are included in net assets, net of income taxes (cost of sales, in principle, is computed by the moving-average method).

ii. Marketable securities included in money held in trust by the Bank are treated as trust assets and are stated at fair value at the fiscal year-end. Securities that constitute trust assets in money held in trust are stated using the same methods described in *(i)* above.

iii. Beneficiary rights included in "debt purchased" are stated using the same methods described in *(i)* above.

(e) Derivatives and hedging activities

Under the Accounting Standards for Financial Instruments, derivatives are stated at fair value unless they are used for hedging purposes.

i. Interest rate risk hedges

The Bank applies deferred hedge accounting to hedge transactions against interest rate risk arising from financial assets and liabilities which includes the method of designating hedging instruments to hedged items as well as the method stipulated in "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Committee Practical Guidelines No. 24, March 17, 2022).

With regard to the assessment of hedge effectiveness, for the hedges that offset the fluctuations in the fair value of fixed interest rates classified as available-for-sale securities, interest rate swaps are assigned to hedged items collectively by bond type as the hedging instrument. The Bank designates the hedges so as to ensure that the critical conditions related to the hedged items and hedging instruments are largely identical; therefore, the hedges are considered to be highly effective, and the assessment of the effectiveness is based on the similarity of the conditions.

With regard to the effectiveness of cash flow hedges, hedge effectiveness is assessed by verifying the relationship of the interest rate fluctuation factors of the hedged items and the hedging instruments.

With regard to some assets, special treatment of interest rate swaps has been carried out, and the evaluation of the effectiveness of hedging has been replaced by the determination of the requirements for special treatment.

ii. Currency exchange risk hedges

Regarding the hedge accounting method applied to hedging transactions against currency exchange risk arising from assets and liabilities in foreign currencies, the Bank applies deferred hedge accounting stipulated in "Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry" (JICPA Industry Committee Practical Guidelines No. 25, October 8, 2020).

The Bank assesses the effectiveness of exchange swaps executed to reduce the risk of changes in currency exchange rates with fund swap transactions by verifying that there exist foreign currency positions of the hedging instruments corresponding to the foreign currency monetary claims and debts to be hedged.

Fund swap transactions are foreign exchange transactions that are contracted for the purpose of lending or borrowing funds in different currencies. These transactions consist of spot foreign exchange either bought or sold and forward foreign exchange either bought or sold.

To hedge foreign exchange fluctuation risks of foreign currency-denominated securities (other than bonds), the Bank identifies in advance the specific foreign currency-denominated securities to be hedged and applies fair value hedging as a comprehensive hedge on the conditions, including but not limited to the Bank having direct liabilities for such foreign currency-denominated securities in excess of the acquisition cost on a foreign currency basis.

(f) Bills discounted

Bills discounted are accounted for as financial transactions in accordance with JICPA Industry Committee Practical Guidelines No. 24. The Bank has rights to sell or pledge bank acceptances bought, commercial bills discounted, documentary bills and foreign exchanges bought without restrictions.

(g) Tangible fixed assets (except for lease assets)

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation for buildings and equipment of the Bank is computed using the declining-balance method at a rate principally based on the estimated useful lives of the assets. However, buildings purchased on or after April 1, 1998 (excluding fittings and equipment), and fittings and equipment and structures purchased on or after April 1, 2016, are depreciated using the straight-line method.

The range of useful lives is principally from 3 to 50 years for buildings and from 3 to 20 years for equipment.

Depreciation of tangible fixed assets owned by subsidiaries is computed principally using the declining-balance method over the estimated useful lives of the assets.

Under certain conditions such as exchanges of fixed assets of similar kinds and sales and purchases resulting from expropriation, Japanese tax laws permit companies to defer the profit arising from such transactions by reducing the cost of the assets acquired or by providing a special reserve in the equity section. The Bank adopted the former treatment and reduced the cost of the assets acquired by ¥3,475 million ($21,735 thousand) and ¥3,487 million as of March 31, 2026 and 2025, respectively.

(h) Long-lived assets

The Group reviews its long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

Accumulated impairment losses are directly deducted from the respective fixed assets.

(i) Intangible fixed assets (except for lease assets)

Depreciation for intangible fixed assets is computed under the straight-line method. Development costs for internally used software are capitalized and depreciated using the straight-line method over the estimated useful lives of 5 years.

(j) Lease assets

Lease assets in "Tangible fixed assets" or "Intangible fixed assets" of the finance leases other than those that were deemed to transfer the ownership of the leased property to the lessee are computed under the straight-line method over the lease term with zero residual value unless residual value is guaranteed by the corresponding lease contracts.

(k) Allowance for loan losses

Allowance for loan losses of the Bank is provided as detailed below, pursuant to internal rules for write-offs and allowances.

For debtors who are legally bankrupt (bankrupt, under special liquidation, or subject to legal bankruptcy proceedings) or virtually bankrupt (in a similar situation), an allowance is provided based on the amount of claims, after the write-off stated below, net of amounts expected to be collected through disposal of collateral or execution of guarantees. For loans to debtors who are likely to become bankrupt (potentially bankrupt), an allowance is provided for the amount considered to be necessary based on an overall solvency assessment performed for the amount of such loans, net of amounts deemed collectible through disposal of collateral or execution of guarantees, using the following methods.

(i) For large debtors with credit exposure above a certain amount, an allowance is provided for the non-protected amount, net of an estimate of the amount collectible through cash flow based on a comprehensive assessment of the debtor's situation (cash flow deduction method).

(ii) For loans to debtors other than (i), an allowance is provided for the expected losses for the subsequent three years. Expected losses are determined based on the average loan loss ratio over a certain period of time calculated using historical loan loss experience over three years with required adjustments for future forecasts and others.

For loans to other debtors, with regard to debtors who are recognized as having good business conditions and no particular problems with their financial conditions (hereinafter, "normal debtors") and debtors who require careful management (hereinafter, "debtors on close watch") such as debtors that have problems with loan terms, debtors with performance issues, debtors with weak or unstable business conditions, and debtors that have problems with their financial conditions, an allowance is provided for the expected losses for subsequent one year. Among the debtors on close watch, for debtors whose loans are in need of management (restructured loans and loans that are delinquent for three months or more), an allowance is provided for the expected losses for the subsequent three years. Expected losses are determined based on the average loan loss ratio over a certain period of time calculated using historical loan loss experience over one year or three years with required adjustments for future forecasts and others.

*Necessary revision and determination method of the expected loss ratio due to future forecasts, etc.

The expected loss ratio used in the calculation of the allowance is determined by comparing the average value of the most recent three calculation periods with the long-term average value that takes into account the business cycle. The average of the three most recent calculation periods is calculated after reviewing the current situation, future forecasts, and other necessary adjustments.

All loans are assessed by the branches and the operating divisions based on the Bank's internal rules for self-assessment of assets. The risk management sector, which is independent from the branches and the operating divisions, subsequently verifies the appropriateness of self-assessment results, write-offs and allowances.

For collateralized or guaranteed claims to debtors who are legally bankrupt or virtually bankrupt, the amount deemed unrecoverable, which is the amount of claims exceeding the estimated value of collateral or guarantees, has been written off and amounted to ¥8,679 million ($54,284 thousand) and ¥7,500 million as of March 31, 2026 and 2025, respectively.

Allowance for loan losses of the Bank's consolidated subsidiaries is provided based on historical loan loss experience in addition to amounts deemed necessary based on estimation of the collectability of specific claims.

(l) Retirement and Pension Plans

The Bank has a contributory funded pension plan and lump-sum severance payment plan. Consolidated subsidiaries have unfunded lump-sum severance payment plans.

The projected benefit obligations are attributed to periods on a benefit formula basis. Past service costs are amortized on a straight-line basis over 10 years within the average remaining service period.

Actuarial gains and losses are amortized on a straight-line basis over 10 years within the average remaining service period from the fiscal year following the respective fiscal year in which the difference is recognized.

Consolidated subsidiaries adopt a simplified method where the amount to be required for voluntary termination at the fiscal year end is recorded as projected benefit obligations in the calculation of their liability for retirement benefits and retirement benefit costs.

(m) Liability for retirement of directors and Audit & Supervisory Board Members

Consolidated subsidiaries provide Liability for retirement benefits of directors and Audit & Supervisory Board Members at the amount required if they all retired at the fiscal year-end, which is calculated based on the internal rules of the Group.

(n) Allowance for repayment of excess interest

Allowance for repayment of excess interest is provided at the estimated amount based on payment experience that the Bank's consolidated subsidiaries may be required to refund upon customers' claims.

(o) Reserve for other contingent losses

The Bank provides reserves for contingent liabilities not covered by other reserves in an amount deemed necessary based on estimated losses in the future.

(p) Foreign currency transactions

Receivables and payables in foreign currencies and foreign branch accounts are translated into Japanese yen principally at the rates prevailing at the balance sheet dates.

(q) Accounting for leases

In March 2007, the ASBJ issued ASBJ Statement No. 13, "Accounting Standard for Lease Transactions," which revised the previous accounting standard for lease transactions.

i. As lessee

Finance lease transactions are capitalized by recognizing lease assets and lease obligations in the balance sheet.

ii. As lessor

Under the previous accounting standard, finance leases that were deemed to transfer ownership of the leased property to the lessee were to be treated as sales. However, other finance leases were permitted to be accounted for as operating lease transactions if certain "as if sold" information is disclosed in the notes to the lessor's financial statements. The revised accounting standard requires that all finance leases that are deemed to transfer ownership of the leased property to the lessee should be recognized as lease receivables and all finance leases that are deemed not to transfer ownership of the leased property to the lessee should be recognized as investments in leases.

Lease revenue and lease costs are recognized over the lease period.

(r) Income taxes

The provision for income taxes is computed based on the pretax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax rates to the temporary differences.

(s) Appropriations of retained earnings

The consolidated statements of changes in equity reflect the appropriation resolved by the general shareholders' meeting when duly resolved and paid.

(t) Per share information

Basic net income per share is computed by dividing net income attributable to common shareholders by the weighted-average number of common shares outstanding for the period, retroactively adjusted for stock splits.

Diluted net income per share reflects the potential dilution that could occur if securities were exercised or converted into common stock. Diluted net income per share of common stock assumes full conversion of the outstanding convertible notes and bonds at the beginning of the year (or at the time of issuance) with an applicable adjustment for related interest expense, net of tax, and full exercise of outstanding warrants.

Cash dividends per share presented in the accompanying consolidated statements of income are dividends applicable to the respective fiscal years, including dividends to be paid after the end of the fiscal year.

(u) Significant accounting estimates

Items for which the amount was recorded in the consolidated financial statements for the current fiscal year based on accounting estimates, and which may have a significant impact on the consolidated financial statements for the following fiscal year, are as follows.

Allowance for loan losses

(1) Amounts recorded in the consolidated financial statements

Allowance for loan losses was ¥31,128 million ($194,696 thousand) and ¥35,406 million at March 31, 2026 and 2025, respectively.

(2) Information that contributes to an understanding of the content of significant accounting estimates for identified items

i. Calculation method

The method of calculating the allowance for loan losses is described in "(k) Allowance for loan losses" in "2. Summary of significant accounting policies." In addition, the Bank has recorded an allowance for loan losses by revising the debtor classifications based on the current deterioration in business performance and estimates related to impacts that are not yet reflected in financial information in order to prepare for expected losses due to such impacts based on the following assumptions.

ii. Major assumptions

The major assumption is the "future forecasts of business environments of the borrower in determining the debtor classifications." It is set based on the individual evaluation of each debtor's ability to earn income.

iii. Impacts on the consolidated financial statements for the following fiscal year

The Group conducts self-assessment with scrutiny and takes measures such as setting aside an allowance for loan losses as deemed necessary. However, due to the high degree of uncertainty in the above assumptions, changes in the assumptions used for the initial estimates may have a significant impact on the allowance for loan losses in the consolidated financial statements for the following fiscal year (ending March 31, 2026) and thereafter.

In addition, the uncertainty may grow even greater when the determination of the debtor classifications depends on future forecasts of business environments, such as the business improvement plan of the borrower.

(v) New accounting pronouncements

"Accounting Standard for Leases" (ASBJ Statement No. 34 issued on September 13, 2024)
"Implementation Guidance on Accounting Standard for Leases" (ASBJ Guidance No. 33 issued on September 13, 2024)
Other revision of related Accounting Standards, Implementation Guidance, Practical Solutions, and Transferred Guidance

(1) Summary

Provisions that require a lessee to recognize assets and liabilities for all leases as with internationally accepted accounting principles

(2) Effective date

The Group expects to apply the new guidance effective for fiscal years beginning on or after April 1, 2027.

(3) Effects of application of the standards and guidance

The Group is currently evaluating the impact of applying this guidance.

3. Cash and cash equivalents

The reconciliation of "Cash and cash equivalents" and "Cash and due from banks" in the consolidated balance sheets at March 31, 2026 and 2025, is as follows:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Cash and due from banks	¥1,011,233	¥898,939	$6,324,949
Other due from banks	(584)	(517)	(3,652)
Cash and cash equivalents	¥1,010,649	¥898,421	$6,321,297

4. Securities

Securities at March 31, 2026 and 2025 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Japanese government bonds	¥ 304,969	¥ 506,325	$ 1,907,486
Japanese local government bonds	301,248	194,760	1,884,213
Japanese corporate bonds	230,889	295,114	1,444,139
Corporate stocks	363,068	302,395	2,270,878
Other securities	522,233	503,424	3,266,406
Total	¥1,722,410	¥1,802,020	$10,773,142

Securities lent under unsecured loan (bond lending transactions) amounted to ¥14,169 million ($88,622 thousand) and ¥20,806 million are included in Japanese government bonds of securities at March 31, 2026 and 2025, respectively.

Fair value and other information on securities at March 31, 2026 and 2025 were as follows. Securities include "Trading securities" and trust beneficiary right under "Debt purchased," in addition to "Investment securities," which are presented on the consolidated balance sheet.

Securities

(1) Trading securities

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
	Gains (losses) included in profit (loss) during the fiscal year		
Trading securities	¥0	¥2	$0

(2) Held-to-maturity securities

There were no held-to-maturity securities as of March 31, 2026 and 2025.

(3) Available-for-sale securities

Available-for-sale securities as of March 31, 2026 and 2025 were as follows:

	Millions of yen		
	2026		
	Consolidated balance sheet amount	Cost	Unrealized gains (losses)
Consolidated balance sheet amount exceeding cost:			
Stocks	¥ 352,200	¥ 90,662	¥ 261,537
Bonds:	1,321	1,318	3
Japanese government bonds	—	—	—
Japanese local government bonds	—	—	—
Japanese corporate bonds	1,321	1,318	3
Others	209,434	196,190	13,243
Subtotal	¥ 562,956	¥ 288,171	¥ 274,784
Consolidated balance sheet amount not exceeding cost:			
Stocks	¥ 6,180	¥ 7,085	¥ (904)
Bonds:	835,786	923,319	(87,533)
Japanese government bonds	304,969	350,906	(45,936)
Japanese local government bonds	301,248	318,930	(17,682)
Japanese corporate bonds	229,567	253,482	(23,914)
Others	275,603	314,673	(39,069)
Subtotal	1,117,570	1,245,079	(127,508)
Total	¥1,680,526	¥1,533,250	¥ 147,276

	Millions of yen		
	2025		
	Consolidated balance sheet amount	Cost	Unrealized gains (losses)
Consolidated balance sheet amount exceeding cost:			
Stocks	¥ 281,484	¥ 86,421	¥ 195,063
Bonds:	19,853	19,809	43
Japanese government bonds	4,782	4,775	6
Japanese local government bonds	—	—	—
Japanese corporate bonds	15,071	15,034	37
Others	162,236	155,655	6,580
Subtotal	¥ 463,574	¥ 261,887	¥ 201,687
Consolidated balance sheet amount not exceeding cost:			
Stocks	¥ 16,193	¥ 17,442	¥ (1,249)
Bonds:	976,347	1,040,803	(64,455)
Japanese government bonds	501,543	543,192	(41,649)
Japanese local government bonds	194,760	203,233	(8,473)
Japanese corporate bonds	280,043	294,376	(14,333)
Others	310,484	346,092	(35,607)
Subtotal	1,303,024	1,404,337	(101,312)
Total	¥1,766,599	¥1,666,224	¥ 100,374

	Thousands of U.S. dollars		
	2026		
	Consolidated balance sheet amount	Cost	Unrealized gains (losses)
Consolidated balance sheet amount exceeding cost:			
Stocks	$ 2,202,902	$ 567,062	$1,635,833
Bonds:	8,262	8,243	18
Japanese government bonds	—	—	—
Japanese local government bonds	—	—	—
Japanese corporate bonds	8,262	8,243	18
Others	1,309,944	1,227,107	82,830
Subtotal	$ 3,521,115	$1,802,420	$1,718,689
Consolidated balance sheet amount not exceeding cost:			
Stocks	$ 38,653	$ 44,314	$ (5,654)
Bonds:	5,227,583	5,775,075	(547,491)
Japanese government bonds	1,907,486	2,194,808	(287,315)
Japanese local government bonds	1,884,213	1,994,808	(110,595)
Japanese corporate bonds	1,435,870	1,585,451	(149,574)
Others	1,723,811	1,968,182	(244,364)
Subtotal	6,990,055	7,787,584	(797,523)
Total	$10,511,170	$9,590,005	$ 921,165

(4) Bonds classified as held to maturity were not sold for the years ended March 31, 2026 and 2025.

(5) Available-for-sale securities sold

Millions of yen

	2026		
	Sales amount	Gains on sales	Losses on sales
Stocks	¥ 26,732	¥10,443	¥ 683
Bonds:	256,352	189	30,276
Japanese government bonds	146,171	189	22,768
Japanese local government bonds	59,900	—	2,554
Japanese corporate bonds	50,281	—	4,953
Others	21,906	876	135
Total	¥304,991	¥11,510	¥31,095

Millions of yen

	2025		
	Sales amount	Gains on sales	Losses on sales
Stocks	¥ 33,493	¥ 9,312	¥ 1,802
Bonds:	186,619	218	17,641
Japanese government bonds	100,013	217	15,531
Japanese local government bonds	57,695	—	1,086
Japanese corporate bonds	28,910	0	1,024
Others	24,530	446	3,399
Total	¥244,644	¥ 9,976	¥22,843

Thousands of U.S. dollars

	2026		
	Sales amount	Gains on sales	Losses on sales
Stocks	$ 167,200	$65,317	$ 4,271
Bonds:	1,603,402	1,182	189,367
Japanese government bonds	914,254	1,182	142,406
Japanese local government bonds	374,655	—	15,974
Japanese corporate bonds	314,492	—	30,979
Others	137,015	5,479	844
Total	$1,907,624	$71,991	$194,489

(6) Reclassification of investment securities due to change in intent of holding

There were no reclassifications of investment securities due to change in intent of holding for the year ended March 31, 2026.

The Bank has changed its investment policy during the year ended March 31, 2025 in bonds held as held-to-maturity securities of ¥66,960 million and reclassified as available-for-sale securities for the year ended March 31, 2025.

As a result of this reclassification, investment securities, deferred tax liabilities and net unrealized gains on available-for-sale securities decreased by ¥11,713 million, ¥3,566 million and ¥8,146 million, respectively. The effects are as of the time of the reclassification.

(7) Impairment losses on securities

For available-for-sale securities with market quotations (other than shares, etc. that do not have market price and investment in capital of investment partnership and others), in cases where the fair value has fallen substantially from the acquisition cost and there is believed to be little likelihood of a recovery in the acquisition cost level, said securities are shown on the balance sheets at fair value and the difference between the fair value and the acquisition cost is posted as a loss (hereinafter "impairment loss").

There was no impairment loss for the year ended March 31, 2026 and 2025.

In addition, the Bank recognizes that fair value has fallen significantly based on standards that have been set out in the self-assessment standards for assets by the issuing companies of securities. The details are as follows:

The Bank recognizes that the fair value of available-for-sale securities of legally bankrupt debtors, virtually bankrupt debtors, or debtors who are likely to go bankrupt, has fallen significantly when the fair value of such instruments as of the consolidated balance sheet date has decreased from the acquisition cost. For debtors on close watch, the Bank recognizes that the fair value has fallen significantly when the fair value as of the consolidated balance sheet date has decreased 30% or more from the acquisition cost. For normal debtors, it recognizes this when the fair value as of the consolidated balance sheet date has fallen 50% or more from the acquisition cost or when the fair value as of the consolidated balance sheet date has fallen 30% or more from the acquisition cost and the market prices remain below certain levels.

Debtors on close watch are defined as those who will require close monitoring in the future and normal debtors are defined as those other than legally bankrupt debtors, virtually bankrupt debtors, debtors who are likely to go bankrupt, or debtors on close watch.

5. Money held in trust

(1) Money held in trust classified as trading

Millions of yen

	2026		2025	
	Consolidated balance sheet amount	Gains (losses) included in profit (loss) during the fiscal year	Consolidated balance sheet amount	Gains (losses) included in profit (loss) during the fiscal year
Money held in trust classified as trading	¥21,549	¥(12)	¥26,413	¥(50)

Thousands of U.S. dollars

	2026	
	Consolidated balance sheet amount	Gains (losses) included in profit (loss) during the fiscal year
Money held in trust classified as trading	$134,782	$(75)

(2) No money held in trust was classified as held to maturity.

(3) Other money held in trust (other than money held in trust for trading purposes and money in trust held to maturity).

Millions of yen

	2026				
	Consolidated balance sheet amount	Cost	Unrealized gains (losses)	Consolidated balance sheet amount exceeding cost	Consolidated balance sheet amount not exceeding cost
Other money held in trust	¥11,783	¥11,982	¥(198)	¥139	¥338

Millions of yen

	2025				
	Consolidated balance sheet amount	Cost	Unrealized gains (losses)	Consolidated balance sheet amount exceeding cost	Consolidated balance sheet amount not exceeding cost
Other money held in trust	¥5,943	¥6,133	¥(190)	¥15	¥205

(Note) "Consolidated balance sheet amount exceeding cost" and "consolidated balance sheet amount not exceeding cost" are components of unrealized gains (losses).

Thousands of U.S. dollars

	2026				
	Consolidated balance sheet amount	Cost	Unrealized gains (losses)	Consolidated balance sheet amount exceeding cost	Consolidated balance sheet amount not exceeding cost
Other money held in trust	$73,699	$74,943	$(1,238)	$869	$2,114

(Note) "Consolidated balance sheet amount exceeding cost" and "consolidated balance sheet amount not exceeding cost" are components of unrealized gains (losses).

6. Net unrealized gains/losses on available-for-sale securities

Available-for-sale securities were valued at market and net unrealized gains/losses on valuation were as follows:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Net unrealized gains on investment securities	¥146,788	¥ 99,896	$ 918,113
Available-for-sale securities	146,987	100,086	919,358
Other money held in trust	(198)	(190)	(1,238)
Deferred tax liabilities	(42,785)	(27,970)	(267,606)
Noncontrolling interests	—	—	—
Net unrealized gains on available-for-sale securities	¥104,003	¥ 71,925	$ 650,506

7. Loans and bills discounted

Loans and bills discounted at March 31, 2026 and 2025, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Bills discounted	¥ 2,766	¥ 6,405	$ 17,300
Loans on bills	49,124	51,800	307,255
Loans on deeds	4,098,492	4,028,610	25,634,801
Overdrafts	438,276	442,583	2,741,280
Total	¥4,588,660	¥4,529,399	$28,700,650

Claims under the Banking Act and the Act on Emergency Measures for the Revitalization of the Financial Functions are as follows. The claims include corporate bonds in "investment securities" in the consolidated balance sheets (limited to those for which redemption of the principal and payment of interest is guaranteed in whole or in part, and for which the bonds were issued through private placement of securities (Article 2, Paragraph 3 of the Financial Instruments and Exchange Act)), loans and bills discounted, foreign exchange assets, accrued interest and suspense payments in "other assets," customers' liabilities for acceptances and guarantees and the securities in the case of a loan of securities (limited to those under a loan-for-use or lease agreement) that is indicated in the notes.

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Bankrupt and substantially bankrupt claims	¥ 3,669	¥ 2,956	$ 22,948
Doubtful claims	46,066	51,981	288,128
Loans past due three months or more	69	579	431
Restructured loans	22,026	26,474	137,765
Total	¥ 71,831	¥81,991	$449,280

Bankrupt and substantially bankrupt claims mean the claim held against debtors with failed business status due to the grounds such as commencement of bankruptcy proceedings, commencement of reorganization proceedings, or commencement of rehabilitation proceedings, and any other type of claims equivalent thereto.

Doubtful claims mean the claims whose debtor is not yet in the status of failure in business although such debtor's financial conditions and business performance are worsening, and for which it is highly likely that the collection of principal or receipt of interest in accordance with the contract is impossible, excluding the claims subject to legal bankruptcy proceedings and reorganization proceedings and any other type of claims equivalent thereto.

Loans past due three months or more mean loans for which payment of principal or interest has been delayed for three months or more from the date following the agreed payment date, excluding the claims subject to legal bankruptcy proceedings and reorganization proceedings and any other type of claims equivalent thereto and the claims with risks.

Restructured loans mean loans on which creditors grant concessions (e.g., reduction of the stated interest rate, deferral of interest payments, extension of maturity dates, waiver of the face amount, or other concessive measures) to the debtors to assist them in recovering from financial difficulties and eventually being able to pay creditors, excluding the claims subject to legal bankruptcy proceedings and reorganization proceedings and any other type of claims equivalent thereto, the claims with risks and the loans overdue for three months or more.

The total face value of bills discounted at March 31, 2026 and 2025 was ¥2,884 million ($18,038 thousand) and ¥6,538 million, respectively.

8. Foreign exchanges

Foreign exchange assets and liabilities at March 31, 2026 and 2025, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Assets:			
Due from foreign correspondents	¥6,029	¥6,338	$37,709
Foreign bills of exchange receivable	579	691	3,621
Total	¥6,608	¥7,029	$41,330
Liabilities:			
Foreign bills of exchange sold	¥ 236	¥ 82	$ 1,476
Accrued foreign bills of exchange	264	235	1,651
Total	¥ 500	¥ 317	$ 3,127

9. Other assets

Other assets at March 31, 2026 and 2025, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Prepaid expenses	¥ 1,113	¥ 215	$ 6,961
Accrued income	8,822	7,714	55,178
Derivatives	72,577	58,991	453,946
Other (Note 12)	116,394	110,486	728,008
Total	¥198,908	¥177,407	$1,244,108

10. Tangible fixed assets

Tangible fixed assets at March 31, 2026 and 2025, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Buildings	¥12,190	¥12,547	$ 76,244
Land	31,911	31,914	199,593
Construction in progress	723	519	4,522
Other	9,274	8,967	58,006
Total	¥54,100	¥53,949	$338,378

Accumulated depreciation on tangible fixed assets at March 31, 2026 and 2025 amounted to ¥48,159 million ($301,219 thousand) and ¥48,920 million, respectively.

11. Long-lived assets

The Group recognized impairment losses for the years ended March 31, 2026 and 2025, as follows:

The Bank groups assets by the methods described in the "Overview of asset groups and grouping method" below. Subsidiaries group their assets by unit, which periodically manages profit and loss. The Bank wrote down the carrying amounts to the recoverable amounts and recognized impairment losses as follows for the years ended March 31, 2026 and 2025 since the carrying amounts of the assets held by the above branches and other exceeded the sum of the undiscounted future cash flows.

			Impairment losses		
			Millions of yen		Thousands of U.S. dollars
Location	Description	Classification	**2026**	2025	**2026**
Shiga Prefecture	Idle assets	Land	**¥—**	¥ 7	**$—**
		Buildings	**14**	11	**87**
		Equipment	**0**	0	**0**
Total			**¥14**	¥20	**$87**

			Impairment losses		
			Millions of yen		Thousands of U.S. dollars
Location	Description	Classification	**2026**	2025	**2026**
Shiga Prefecture	Business assets (System-related assets)	Construction in progress	**¥—**	¥ 634	**$—**
		Software in progress	**—**	512	**—**
Total			**¥—**	¥1,147	**$—**

The recoverable amounts of these assets were the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

The carrying amounts of the software and other system-related assets whose use and development have been canceled were written down to the recoverable amounts as well.

The discount rate used for computation of the present value of future cash flows was 5% and the net selling price was determined by quotations from real estate appraisal information, less estimated costs to dispose.

Impairment losses are included in other expenses (Note 27).

Overview of asset groups and grouping method

(1) Outline of asset groups

i. Idle assets
Stores, former company housing sites, etc.

ii. Operating assets
Assets used for business purposes

iii. Common assets
Assets related to the entire bank (headquarters, office centers, dormitories, company housing, etc.)

(2) Methods of grouping

i. Idle assets
Grouping as independent assets.

ii. Operating assets
Grouping is done by store groups or store units that constitute full-banking functions.

iii. Common assets
Grouping of the entire bank as a whole.

12. Assets pledged

Assets pledged as collateral and related liabilities at March 31, 2026 and 2025, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Investment securities	¥752,203	¥885,016	$4,704,797
Loans and bills discounted	256,058	243,492	1,601,563

	Millions of yen		Thousands of U.S. dollars
Related liabilities	2026	2025	2026
Deposits	¥ 30,600	¥ 29,173	$ 191,393
Payables under securities lending transactions	142,490	156,949	891,230
Borrowed money	783,653	825,153	4,901,507

In addition, other assets (deposits to central counterparty) of ¥58,537 million ($366,130 thousand) and ¥48,162 million at March 31, 2026 and 2025, respectively.

Other assets include guarantee deposits of ¥377 million ($2,358 thousand) and ¥373 million at March 31, 2026 and 2025, respectively.

13. Overdrafts and commitment lines

Overdraft agreements and commitment line agreements are agreements that oblige the Group to lend funds up to a certain limit agreed in advance. The Group makes the loans upon the request of an obligor to draw down funds under such loan agreements as long as there is no breach of the various terms and conditions stipulated in the relevant loan agreements. The unused commitment balance relating to these loan agreements at March 31, 2026 and 2025 amounted to ¥1,059,984 million ($6,629,872 thousand) and ¥1,044,000 million, respectively, and the amounts of unused commitments whose original contract terms are within one year or unconditionally cancelable at any time were ¥923,812 million ($5,778,158 thousand) and ¥900,968 million at March 31, 2026 and 2025, respectively. In many cases, the term of the agreement expires without the loan ever being drawn down. Therefore, the unused loan commitment will not necessarily affect future cash flows. Conditions are included in certain loan agreements that allow the Group to decline the request for a loan draw down or to reduce the agreed limit amount where there is due cause to do so, such as when there is a change in financial conditions or when it is necessary to do so in order to protect the Group's credit. The Group takes various measures to protect its credit. Such measures include having the obligor pledge collateral to the Group in the form of real estate, securities, etc. on signing the loan agreements or, in accordance with the Group's established internal procedures, confirming the obligor's financial condition, etc. at regular intervals.

14. Land revaluation

Under the "Act of Land Revaluation," promulgated on March 31, 1998 (final revision on May 30, 2003), the Bank elected a one-time revaluation of its own-use land to a value based on real estate appraisal information as of March 31, 2002. The resulting land revaluation surplus represented unrealized appreciation of land and was stated, net of income taxes, as a component of equity. There was no effect on the consolidated statement of income. Continuous readjustment is not permitted unless the land value subsequently declines significantly such that the amount of the decline in value should be removed from the land revaluation surplus account and related deferred tax liabilities. At March 31, 2026 and 2025, the carrying amount of the land after the above one-time revaluation exceeded the fair value by ¥2,259 million ($14,129 thousand) and ¥2,257 million, respectively.

Method of revaluation

The fair values were determined by applying appropriate adjustments for land shape and analysis on the appraisal specified in Article 2-3 of the Enforcement Ordinance of the Act of Land Revaluation effective March 31, 1998.

15. Deposits

Deposits at March 31, 2026 and 2025, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Current deposits	¥ 230,160	¥ 242,725	$ 1,439,579
Ordinary deposits	3,595,317	3,558,436	22,487,596
Deposits at notice	29,526	35,333	184,676
Time deposits	1,935,880	1,859,382	12,108,331
Other deposits	159,408	110,307	997,047
Total	¥5,950,294	¥5,806,185	$37,217,250

16. Borrowed money

At March 31, 2026 and 2025, the weighted-average interest rates applicable to borrowed money were 0.29% and 0.43%, respectively.

Borrowed money at March 31, 2026 and 2025, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Borrowing from banks and other	¥784,282	¥830,352	$4,905,441
Total	¥784,282	¥830,352	$4,905,441

Annual maturities of borrowed money at March 31, 2026 were as follows:

Year ending March 31	Millions of yen	Thousands of U.S. dollars
2027	¥407,767	$2,550,456
2028	365,429	2,285,645
2029	10,829	67,732
2030	129	806
2031	95	594
2032 and thereafter	29	181
Total	¥784,282	$4,905,441

17. Borrowed money from trust account

Principal amounts of trusts with a principal compensation agreement at March 31, 2026 and 2025 were ¥157 million ($981 thousand) and ¥174 million, respectively.

18. Other liabilities

Other liabilities at March 31, 2026 and 2025, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Accrued income taxes	¥ 3,214	¥ 409	$ 20,102
Accrued expenses	10,689	8,928	66,856
Unearned income	7,875	8,044	49,255
Derivatives	12,915	10,544	80,779
Other	52,962	56,866	331,260
Total	¥87,657	¥84,792	$548,267

19. Acceptances and guarantees

All contingent liabilities arising from acceptances and guarantees are reflected in "Acceptances and guarantees." As a contra account, "Customers' liabilities for acceptances and guarantees," is shown as an asset representing the Bank's right of indemnity from the applicants.

The amounts of "Acceptances and guarantees" and "Customers' liabilities for acceptances and guarantees" amounting to ¥6,293 million ($39,360 thousand) and ¥6,383 million as of March 31, 2026 and 2025, respectively, were set off because those that were relevant to corporate bonds and the guaranteed bonds were held by the Bank itself.

20. Equity

(1) Capital stock and capital surplus

The number of issued shares of common stock decreased by 5,000 thousand shares during the fiscal year ended March 31, 2026, from 53,090 thousand shares at the beginning of the year to 48,090 thousand shares at the end of the year, due to the cancellation of treasury stock.

Treasury stock increased by 305 thousand shares and decreased by 5,199 thousand shares during the fiscal year ended March 31, 2026, resulting in a balance of 2,114 thousand shares at March 31, 2026, compared with 7,008 thousand shares at the beginning of the year. The increase was mainly attributable to the purchase of fractional shares, the acquisition without consideration of restricted stock, purchases through off-auction own-share repurchase transactions, and market purchases on the Tokyo Stock Exchange. The decrease was primarily attributable to the issuance of restricted stock and the cancellation of treasury stock.

Effective April 1, 2026, the Bank conducted a five-for-one stock split of its common stock. The numbers of shares presented above are based on the number of shares before the stock split.

(2) Companies Act

Japanese companies are subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

(a) Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders' meeting. For companies that meet certain criteria such as: (1) having a Board of Directors, (2) having independent auditors, (3) having an Audit & Supervisory Board, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends-in-kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. However, the Bank cannot do so because it does not meet all the above criteria.

The Companies Act permits companies to distribute dividends-in-kind (non-cash assets) to shareholders subject to a certain limitation and additional requirements.

Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

(b) Increases/decreases and transfer of common stock, reserve and surplus

The Companies Act requires that an amount equal to 10% (20% for banks pursuant to the Banking Act) of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus), depending on the equity account charged upon the payment of such dividends, until the aggregate amount of legal reserve and additional paid-in capital equals 25% (100% for banks pursuant to the Banking Act) of common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

(c) Treasury stock and treasury stock acquisition rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders that is determined by a specific formula. Under the Companies Act, stock acquisition rights are presented as a separate component of equity. The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

(3) Appropriations of retained earnings

The following appropriation of retained earnings at March 31, 2026 was proposed at the Bank's ordinary general shareholders' meeting held on June 24, 2026.

	Millions of yen	Thousands of U.S. dollars
Cash dividends (dividend amount per share: ¥75 ($0.469))	¥3,448	$21,566

Note: Effective April 1, 2026, the Bank conducted a five-for-one stock split of its common stock. The dividend amounts presented above represent the actual dividends declared and paid before the stock split.

21. Stock options and other related information

(1) Amount recognized as expense and account name related to restricted stock compensation

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
General and administrative expenses	¥197	¥20	$1,232

(2) Description, scale and changes in restricted stock compensation

(a) Description of restricted stock compensation

i. Directors and Executive Officers

	July 15, 2022	July 12, 2023	July 12, 2024	July 14, 2025
Categories and number of grantees	5 Directors	6 Directors	6 Directors	15 Directors and Executive Officers
Number of shares granted, by class	41,504 (Common Stock)	7,690 (Common Stock)	4,876 (Common Stock)	4,924 (Common Stock)
Date of grant	July 15, 2022	July 12, 2023	July 12, 2024	July 14, 2025
Restriction period	From July 15, 2022 (the final payment date) until the date on which the officer resigns or retires from all positions as an officer	From July 12, 2023 (the final payment date) until the date on which the officer resigns or retires from all positions as an officer	From July 12, 2024 (the final payment date) until the date on which the officer resigns or retires from all positions as an officer	From July 14, 2025 (the final payment date) until the date on which the officer resigns or retires from all positions as an officer
Conditions for lifting the transfer restrictions	The Bank will lift the transfer restrictions on the shares held by a grantee upon expiration of the restriction period, provided that the grantee continuously serves as a Director or Executive Officer of the Bank from the commencement date of the restriction period until the date of the first ordinary general shareholders' meeting held thereafter. However, if a grantee resigns or retires from the position of Director or Executive Officer before the day immediately preceding the first ordinary general shareholders' meeting held after the commencement date of the restriction period for reasons deemed justifiable by the Board of Directors, the transfer restrictions will be lifted immediately after such resignation or retirement.			

Note 1: Outside directors excluded.

Note 2: The Bank conducted a 5-for-1 stock split of its common stock, effective April 1, 2026. The numbers of shares presented above have not been adjusted to reflect the effect of the stock split.

ii. Employees

	September 1, 2025
Categories and number of grantees	1,942 employees
Number of shares granted, by class	194,200 (Common Stock)
Date of grant	September 1, 2025
Restriction period	September 1, 2025 (the final payment date) through June 1, 2029
Conditions for lifting the transfer restrictions	The Bank will lift the transfer restrictions on the shares held by a grantee upon expiration of the restriction period, provided that the grantee continuously serves as an employee of the Bank throughout the restriction period. However, the transfer restrictions will be lifted prior to the expiration of the restriction period in the following circumstances: (i) if the grantee retires from the Bank due to mandatory retirement age or any other reason deemed justifiable by the Board of Directors before the expiration of the restriction period, the transfer restrictions will be lifted as of the first day of the month in which such retirement occurs; (ii) if the grantee retires from the Bank due to death or any other reason deemed justifiable by the Board of Directors before the expiration of the restriction period, the transfer restrictions will be lifted immediately after such retirement; or (iii) if the grantee reaches 55 years of age while still employed by the Bank before the expiration of the restriction period, the transfer restrictions will be lifted as of the last day of the month in which the grantee reaches 55 years of age (or, if such date falls before the filing date of the Semiannual Securities Report for the Bank's 139th fiscal year, on the day following such filing date).

Note: The Bank conducted a 5-for-1 stock split of its common stock, effective April 1, 2026. The numbers of shares presented above have not been adjusted to reflect the effect of the stock split.

(b) Number of restricted shares and changes therein

i. Directors and Executive Officers

(Number of shares)

	July 15, 2022	July 12, 2023	July 12, 2024	July 14, 2025
Balance at end of previous year	28,684	6,406	4,876	—
Granted	—	—	—	4,924
Acquired without consideration	—	—	—	—
Released from transfer restrictions	—	—	—	—
Balance at end of year	28,684	6,406	4,876	4,924

(Value per share)

Fair value per share at grant date	¥2,708 ($16.93)	¥2,648 ($16.56)	¥4,175 ($26.11)	¥5,870 ($36.71)

Note: The Bank conducted a 5-for-1 stock split of its common stock, effective April 1, 2026. The numbers of shares presented above have not been adjusted to reflect the effect of the stock split.

ii. Employees

(Number of shares)

	September 1, 2025
Balance at end of previous year	—
Granted	194,200
Acquired without consideration	5,017
Released from transfer restrictions	183
Balance at end of year	189,000

(Value per share)

Fair value per share at grant date	¥5,930 ($37.09)

Note: The Bank conducted a 5-for-1 stock split of its common stock, effective April 1, 2026. The numbers of shares presented above have not been adjusted to reflect the effect of the stock split.

(c) Estimation method of fair value

The fair value of the restricted stock awards was determined based on the closing market price of the Bank's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the Board of Directors' resolution.

22. Revenue recognition

Disaggregation of revenue from contracts with customers

Category	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Income	¥159,056	¥133,109	$994,846
Of which, fees and commissions	19,976	19,634	124,943
Deposit and loan services	5,892	5,823	36,852
Foreign exchange services	3,115	3,112	19,483
Trust related services	213	173	1,332
Securities related services	143	90	894
Agency services	445	369	2,783
Safe-deposit and safe-deposit box services	99	104	619
Guarantee services	810	876	5,066
Credit card services	3,558	3,487	22,254
Investment trust and insurance sales	3,586	3,849	22,429
Others	2,112	1,747	13,209
Of which, trust fees	0	0	0

The above table also includes income based on "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10).

23. Other operating income

Other operating income for the years ended March 31, 2026 and 2025, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Gains on sales of bonds	¥ 364	¥ 256	$ 2,276
Gains on derivative financial instruments	9,812	4,233	61,371
Other	12,733	11,540	79,640
Total	¥22,910	¥16,030	$143,294

24. Other income

Other income for the years ended March 31, 2026 and 2025, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Reversal of allowance for loan losses	¥ 928	¥ —	$ 5,804
Gains on sales of stocks and other securities	11,146	¥ 9,722	$69,714
Recoveries of claims previously charged-off	496	440	3,102
Other	1,313	649	8,212
Total	¥13,884	¥10,813	$86,840

25. Other operating expenses

Other operating expenses for the years ended March 31, 2026 and 2025, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Losses on sales of bonds	¥30,368	¥20,498	$189,942
Other	12,599	11,177	78,802
Total	¥42,968	¥31,676	$268,751

26. General and administrative expenses

General and administrative expenses include salaries and allowances of ¥17,528 million ($109,632 thousand) and ¥15,884 million for the years ended March 31, 2026 and 2025, respectively.

27.Other expenses

Other expenses for the years ended March 31, 2026 and 2025, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Provision of allowance for loan losses	¥ —	¥3,655	$ —
Losses on sales of stocks and other securities	726	2,345	4,540
Written-off of loans and bills discounted	692	1,141	4,328
Losses on devaluation of stocks and other securities	29	50	181
Losses on disposal of fixed assets	113	148	706
Losses on impairment of long-lived assets	14	1,167	87
Other	472	802	2,952
Total	¥2,048	¥9,311	$12,809

28. Gains (losses) related to bonds, etc.

Gains (losses) related to bonds for the years ended March 31, 2026 and 2025, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Gains (losses) related to bonds:			
Gains on sales of bonds	¥ 364	¥ 256	$ 2,276
Losses on sales of bonds	(30,368)	(20,498)	(189,942)
Subtotal	¥(30,004)	¥ (20,241)	$(187,665)
Gains (losses) on derivative financial instruments:	¥ 9,812	¥ 4,233	$ 61,371
Total	¥(20,191)	¥ (16,007)	$(126,288)

29. Gains (losses) related to stocks and other securities

Gains (losses) related to stocks and other securities for the years ended March 31, 2026 and 2025, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Gains (losses) related to stocks and other securities:			
Gains on sales of stocks and other securities	¥11,146	¥ 9,722	$69,714
Losses on sales of stocks and other securities	(726)	(2,345)	(4,540)
Losses on devaluation of stocks and other securities	(29)	(50)	(181)
Gains (losses) on stocks and other securities	¥10,389	¥ 7,326	$64,979

30. Leases

Lessor

One subsidiary leases certain equipment and other assets.

As stated in Note 2 (q) ii, finance lease transactions other than those in which ownership is fully transferred to the lessee are accounted for in a similar manner to ordinary sales and transactions, effective from the year ended March 31, 2009.

Investments in leases included in other assets on the balance sheets as of March 31, 2026 and 2025 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Gross lease receivables	¥24,560	¥20,235	$153,615
Unguaranteed residual values	490	435	3,064
Unearned interest income	(2,152)	(1,735)	(13,460)
Investments in leases	¥22,898	¥18,934	$143,219

Maturities of lease receivables for finance leases that are deemed to transfer ownership of the leased property to the lessee are as of March 31, 2026 are as follows:

	Millions of yen	Thousands of U.S. dollars
2027	¥888	$5,554
2028	772	4,828
2029	675	4,221
2030	385	2,408
2031	190	1,188
2032 and thereafter	150	938

Maturities of gross lease receivables related to investments in leases as of March 31, 2026 are as follows:

	Millions of yen	Thousands of U.S. dollars
2027	¥6,371	$39,848
2028	5,555	34,744
2029	4,592	28,721
2030	3,391	21,209
2031	2,171	13,578
2032 and thereafter	2,477	15,492

The minimum rental commitments under noncancelable operating leases as of March 31, 2026 and 2025, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Due within one year	¥19	¥18	$118
Due after one year	25	24	156
Total	¥44	¥42	$275

31. Retirement benefit plans

The Bank and consolidated subsidiaries have either funded or unfunded defined benefit plans. The Bank's funded defined benefit corporate pension plan (contract type) provides lump-sum or annuity payments, the amounts of which are determined based on the length of service and certain other factors. The Bank's lump-sum severance payment plan, which became a funded plan as a result of setting a retirement benefits trust, provides lump-sum payments determined based on the length of service, position, and certain other factors. As of October 1, 2017, the Bank has transferred a part of its funded defined benefit corporate pension plan to a defined contribution plan. The consolidated subsidiaries' unfunded lump-sum severance payment plans are based on a simplified method in the calculation of their liability for retirement benefits and retirement benefit costs.

1. Defined benefit plan (except for the plan adopting the simplified method)

(1) The changes in defined benefit obligation for the years ended March 31, 2026 and 2025, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Balance at beginning of year	¥34,855	¥40,658	$218,007
Current service cost	1,120	1,346	7,005
Interest cost	770	475	4,816
Actuarial gains (losses)	1,179	(5,070)	7,374
Benefits paid	(2,206)	(2,554)	(13,797)
Prior service cost	—	—	—
Balance at end of year	¥35,719	¥34,855	$223,411

(2) The changes in plan assets for the years ended March 31, 2026 and 2025, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Balance at beginning of year	¥61,435	¥65,887	$384,256
Expected return on plan assets	1,112	1,428	6,955
Actuarial gains (losses)	11,705	(6,225)	73,211
Contribution from the employer	1,687	1,643	10,551
Benefits paid	(1,290)	(1,298)	(8,068)
Balance at end of year	¥74,650	¥61,435	$466,912

(3) Reconciliation between the asset recorded in the consolidated balance sheet and the balances of defined benefit obligation and plan assets:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Funded defined benefit obligation	¥ 35,719	¥ 34,855	$ 223,411
Plan assets	(74,650)	(61,435)	(466,912)
Net asset arising from the balance sheet	¥(38,931)	¥(26,579)	$(243,501)

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Liability for retirement benefits	¥ —	¥ —	$ —
Asset for retirement benefits	38,931	26,579	243,501
Net asset arising from the balance sheet	¥(38,931)	¥(26,579)	$(243,501)

(4) The components of net periodic benefit costs for the years ended March 31, 2026 and 2025, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Service cost	¥ 1,120	¥ 1,346	$ 7,005
Interest cost	770	475	4,816
Expected return on plan assets	(1,112)	(1,428)	(6,955)
Recognized actuarial gains	(1,021)	(1,778)	(6,386)
Amortization of prior service cost	—	—	—
Net periodic benefit costs	¥ (243)	¥ (1,385)	$ (1,519)

(5) Amounts recognized in other comprehensive income (before income taxes and income tax effect) in respect of defined retirement benefit plans for the years ended March 31, 2026 and 2025, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Prior service cost	¥ —	¥ —	$ —
Actuarial gains (losses)	(9,504)	2,933	(59,444)
Total	¥(9,504)	¥2,933	$(59,444)

(6) Amounts recognized in accumulated other comprehensive income (before income taxes and income tax effect) in respect of defined retirement benefit plans as of March 31, 2026 and 2025, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Unrecognized prior service cost	¥ —	¥ —	$ —
Unrecognized actuarial gains	(20,517)	(11,013)	(128,327)
Total	¥(20,517)	¥(11,013)	$(128,327)

(7) Plan assets:

a. Components of plan assets

	2026	2025
Bonds	11%	12%
Stocks	61	57
Cash and cash equivalents	11	11
General accounts	17	20
Total	100%	100%

(Note) Total plan assets included retirement benefits trust of 48% and 44%, for the years ended March 31, 2026 and 2025, respectively, mainly consisting of 5 stocks, which were set for a corporate pension plan and a lump-sum payment plan.

b. Method of determining the expected rate of return on plan assets

The expected rate of return on plan assets is determined considering the allocation of plan assets and the long-term rates of return which are expected currently and in the future from the various components of the plan assets.

(8) Assumptions used for the years ended March 31, 2026 and 2025, were set forth as follows:

	2026	2025
Discount rate	2.21%	2.21%
Expected rate of return on plan assets		
Plan assets (except for retirement benefits trust)	3.29%	4.25%
Plan assets (retirement benefits trust)	0.00%	0.00%
Estimated rate of salary increase	3.90%	3.90%

2. Defined benefit plan adopting the simplified method

(1) The changes in defined benefit obligation adopting the simplified method for the years ended March 31, 2026 and 2025, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Balance at beginning of year	¥183	¥168	$1,144
Net periodic benefit costs	21	24	131
Benefits paid	(10)	(9)	(62)
Contribution to the plan	—	—	—
Balance at end of year	¥194	¥183	$1,213

(2) Reconciliation between the liability recorded in the consolidated balance sheet and the balances of defined benefit obligation and plan assets:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Unfunded defined benefit obligation	¥194	¥183	$1,213
Net liability arising from the balance sheet	¥194	¥183	$1,213

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Liability for retirement benefits	¥194	¥183	$1,213
Net liability arising from the balance sheet	¥194	¥183	$1,213

(3) Net periodic benefit costs recognized in the simplified method for the years ended March 31, 2026 and 2025, were ¥21 million ($131 thousand) and ¥24 million, respectively.

3. Defined contribution plan

The Bank's required contribution to the defined contribution plan for the years ended March 31, 2026 and 2025 were ¥373 million ($2,332 thousand) and ¥330 million, respectively.

32. Income taxes

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities at March 31, 2026 and 2025, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Deferred tax assets:			
Allowance for loan losses	¥ 11,213	¥ 12,090	$ 70,133
Devaluation of stocks and other securities	3,939	3,961	24,637
Liability for retirement benefits	68	64	425
Depreciation	2,631	1,699	16,456
Accrued enterprise tax	375	—	2,345
Tax loss carryforwards	136	2,434	850
Other	2,733	2,330	17,094
Subtotal	21,098	22,579	131,961
Less valuation allowance for tax loss carryforwards	(136)	(118)	(850)
Less valuation allowance for temporary differences	(12,409)	(12,663)	(77,614)
Subtotal	(12,546)	(12,781)	(78,471)
Total	¥ 8,552	¥ 9,797	$ 53,490
Deferred tax liabilities:			
Asset for retirement benefits	(2,755)	(2,020)	(17,231)
Reserve for advance depreciation of fixed assets	(190)	(190)	(1,188)
Net unrealized gains on available-for-sale securities	(42,785)	(27,970)	(267,606)
Deferred gains on derivatives under hedge accounting	(21,143)	(16,243)	(132,242)
Defined retirement benefit plans	(6,432)	(3,452)	(40,230)
Total	(73,306)	(49,877)	(458,506)
Net deferred tax liabilities	¥(64,754)	¥(40,079)	$(405,016)

The expiration of tax loss carryforwards, the related valuation allowances and the resulting net deferred tax assets at March 31, 2026, are not presented because they are not material.

The expiration of tax loss carryforwards, the related valuation allowances and the resulting net deferred tax assets at March 31, 2025, were as follows:

	Millions of yen						
	2025						
	1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Deferred tax assets relating to tax loss carryforwards (*1, *2)	¥—	¥—	¥—	¥—	¥—	¥ 2,315	¥ 2,315
Less valuation allowances for tax loss carryforwards	—	—	—	—	—	—	—
Net deferred tax assets relating to tax loss carryforwards (*3)	¥—	¥—	¥—	¥—	¥—	¥ 2,315	¥ 2,315

(*1) The tax loss carryforwards are the amounts multiplied by the statutory tax rate.

(*2) The amounts in the table are for the Bank on a non-consolidated basis, and the tax loss carryforwards of consolidated subsidiaries are not included in the above because they are not material.

(*3) Relating to the tax loss carryforwards (the amounts multiplied by the statutory tax rate) of ¥2,315 million, deferred tax assets of the same amount have been recognized. These deferred tax assets have been recognized for the entire amounts of tax loss carryforwards (the amounts multiplied by the statutory tax rate) for the Bank. The tax loss carryforwards, for which these deferred tax assets have been recognized, resulted from recording a considerable deductible expense due to the cancellation of the development of the next-generation mission-critical system in the year ended March 31, 2025, and is determined to be recoverable based on expected future taxable income. Therefore, no valuation allowance has been recognized.

A reconciliation of the effective income tax rate reflected in the accompanying consolidated statement of income to the statutory tax rate for the years ended March 31, 2026 and 2025, were as follows:

	2026	2025
Statutory tax rate	30.4%	30.4%
(Reconciliation)		
Permanent differences excluded from taxable income such as dividend income	(2.0)%	(2.1)%
Tax credit for wage increase promotions	(1.5)%	—%
Changes in valuation allowance	(0.7)%	(1.8)%
Others	0.3%	0.4%
Effective income tax rate	26.5%	26.9%

33. Financial instruments and related disclosures

1. Overall situation concerning financial instruments

(1) Basic policy for financial instruments

As a regional financial institution with its main business base in Shiga Prefecture, the Group provides financial services centered on banking operations.

The Group's main operations are to extend loans to customers in its business area, and make investments in securities by mainly using funds that are received as deposits from customers and those that are obtained through the financial market.

To carry out these operations, the Group has financial assets and financial liabilities that are largely subject to interest rate volatility. To minimize disadvantages caused by interest rate volatility, the Group conducts Asset Liability Management (ALM), the comprehensive management of assets and liabilities.

(2) Nature and extent of risks arising from financial instruments

The financial assets held by the Group are primarily loans to customers within its business area and are subject to credit risk of incurring losses when the value of such assets declines or disappears due to deterioration in the financial condition of its customers. The Group's domestic loan portfolio attempts to distribute risk by industry sector to eliminate its exposure to credit risk caused by changes in the business environment in certain industries.

The Group holds investment securities, primarily comprised of bonds, corporate stocks and investment trusts, for the following purposes: to sell them to customers, for purely investment purposes, and for strategic investment. These are subject to market risk of incurring potential losses due to fluctuations of interest rates, foreign exchange rates, stock markets and others, and the credit risk of the issuers.

Foreign currency-denominated loans and bonds are subject to foreign exchange risk in addition to the risks as described above. They are managed to reduce foreign exchange risk by procuring foreign currency funds through currency swaps, repurchase transactions, or call transactions.

Financial liabilities are primarily deposits from customers and borrowed money. Borrowed money is — under certain conditions, such as when the Group is unable to access the market — subject to risks that losses are incurred due to an inability to secure required funds or being forced to raise funds at significantly higher than normal interest rates. Moreover, some of the Group's borrowings are made at variable interest rates and are subject to risks of losses from increasing fund procurement costs associated with rising interest rates.

For the primary purpose of responding to customer needs and hedging market risks related to assets and liabilities, the Group uses derivative transactions, including interest rate swaps, currency swaps, currency options, and forward exchange contracts. For some of these transactions, the Group applies hedge accounting based on internal regulations that comply with the "JICPA Practical Guidelines for Financial Instruments" and the Group's own hedging policies.

To obtain short-swing profits, the Group transacts bond futures contracts, bond options, and stock price index futures trading after setting position limit and loss limits amounts.

These derivative transactions include market risk as well as credit risk.

(3) Risk management for financial instruments

(i) Credit risk management

Recognizing credit risk as the most important risk to business management from the standpoint of its impact, the Group has established regulations and standards pertaining to such risk. It has also developed a debtor rating system based on a Foundation Internal Ratings-based approach and has built a credit risk management system appropriate to its needs.

Notably, the Group has developed a rating system that involves asset self-assessments. Under this system, for example, the Business Management Department reports the results of its own asset ratings at meetings such as the Meeting of Managing Directors.

With respect to individual credit management, the Group has instituted its "Basic Rules of Loan Business," in which it has clearly defined the way of thinking and a code of conduct to which all officers and employees involved in the loan business should adhere. It has also established basic procedures to follow when making credit decisions or managing credit, along with putting in place a system that enables executives and employees to make credit decisions in accordance with the principles of public benefit, security, profitability, liquidity, and growth potential. More specifically, the Group has developed and is operating a credit management system that handles credit assessment, credit limits, credit information management, and internal ratings; sets guarantees and collateral; and deals with problem debts of companies (or corporate groups) or individual projects. This credit management system is being implemented in every bank branch and the Credit Supervision Department.

With respect to extending credit to overseas debtors, the Group manages it by setting a credit limit for each country at the Meeting of Managing Directors each fiscal year, after taking into account the foreign currency conditions and the political and economic situation of the country in which the debtor resides.

With respect to conducting market transactions for securities or other instruments, a limit is set semiannually at the Meeting of Managing Directors for bond issuer credit risk and counterparty risk for derivative and financial transactions, and the credit status and the market prices are managed on a daily basis. The Group has established a system in which reports about those risks are routinely given to the Meeting of Managing Directors.

(ii) Market risk management

The Group has compiled a set of Market Risk Management Rules with the goal of upgrading market risk management, strengthening internal controls, and ensuring sound management. To achieve stable profits, the Group institutes a financial plan and risk management policy semiannually and is working to build an appropriate risk management system.

1) Interest rate risk management

As interest rate risk inevitably arises in banking business operations, the Group manages all assets and liabilities (including off-balance transactions), such as deposits, loans, and securities, in a comprehensive manner through ALM.

Along with the aforementioned Market Risk Management Rules, the Group has established standards for risk management methods and reporting procedures. The Group conducts monitoring through such models as Value at Risk (VaR) and the maturity ladder approach, and reports to the ALM Committee on a regular basis.

2) Exchange rate risk management

For exchange rate risk, the Group sets position limits at the Meeting of Managing Directors to manage positions that are under the influence of exchange rate volatility. The Group controls positions by using derivative transactions, including foreign currency transactions and currency swaps.

The Group establishes an acceptable level of risk using VaR and manages the level of risk on a daily basis so that it stays within an acceptable range.

3) Price volatility risk management

To rigorously manage price volatility risk for transactions, including securities, the Group has divided the organization into a market transaction sector, business management sector, and risk management sector.

For market transactions including securities, the Group takes into account overall Group risk and return, based on a financial plan and a risk management policy, and formulates a business management plan in the market sector.

When making investments, the Group calculates position amounts, gains, and losses as well as VaR and Basis Point Value (BPV) based on the abovementioned policy and plan. The extent to which the Group complies with the established acceptable risk limit and other risk limits is monitored on a daily basis and is reported to management.

4) Derivative transaction management

With respect to derivative transactions, the divisions concerned with the execution of transactions, the evaluation of hedge effectiveness, and business management have been separated, and an internal checking system has been established. Because a majority of the Group's derivative transactions are performed for the purposes of hedging and cover transactions to customer transactions, the Group manages them so that asset and liability risks and market risks are offset with each other.

5) Quantitative information regarding market risks

Regarding market risks, the Group measures the quantitative risk of interest rate risks and stock price volatility risks through VaR, a statistical method. Principally by reporting these risks to the ALM Committee and other organizations on a regular basis, the Group ensures appropriate monitoring and management. In calculating the risk amounts, the Group adopts a historical simulation method (a holding period of one year, a confidence level of 99%, and an observing period of two years).

Interest rate risks

The Group measures interest rate risks of all its assets and liabilities, including loans, securities and deposits, and derivative transactions.

The Group's interest rate risk amounts as of March 31,2026 and 2025 stood at ¥9,848 million ($61,596 thousand) and ¥8,004 million, respectively.

Regarding liquid deposits, such as ordinary deposits, the Group handles some as deposits that remain with the Group for an extended period and manages them by allocating them to each period category based on an internal model.

Stock price volatility risks

The Group holds certain shares for strategic investment and purely investment purposes. The volatility risk amounts of the prices of such shares as of March 31, 2026 and 2025 stood at ¥99,759 million ($623,961 thousand) and ¥68,734 million, respectively.

Backtesting

To verify the appropriateness of the risk amounts that are measured through VaR, the Group carries out backtesting in which VaR is compared with gains and losses. In this way, the Group analyzes the effectiveness of the risk measurement method. However, because VaR statistically measures the amounts based on the historical market volatility, results may vary due to assumptions, measuring methods, and other factors. In addition, risks may not be able to be appropriately captured when the market environment changes drastically.

Interest rate risks and stock price volatility risks that are held by the Bank's consolidated subsidiaries are excluded from the calculation of the market risk amount as the impact from such risks on the Group is limited.

(iii) Liquidity risk management related to financing

The Group has compiled a set of Liquidity Risk Management Rules under a basic policy of clearly understanding its cash position and ensuring stable financing. In this way, it strives to establish an appropriate risk management system.

With respect to daily financing, the Group monitors and manages the financial environment, the balance of realizable current assets, the expected amount of cash outflows, and other such factors. The Group reports the financing situation and other related matters to the ALM Committee and the Board of Directors on a regular basis.

2. Fair value of financial instruments

Fair value and the consolidated balance sheet amount as of March 31, 2026 and 2025, are shown below. Shares, etc. that do not have market price and investment in capital of partnership are not included in the table below (see Note 1).

Cash and due from banks, call loans and bills bought, foreign exchange (assets and liabilities), call money and bills sold, and payables under securities lending transactions are settled in a short period of time and their book value approximates fair value, therefore, notes are omitted. Financial instruments that are immaterial have been omitted.

Millions of yen

	2026		
	Consolidated balance sheet amount	Fair value	Difference
Investment securities	**¥1,680,526**	**¥1,680,526**	**¥ —**
Available-for-sale securities (*1)	**1,680,526**	**1,680,526**	**—**
Loans and bills discounted	**4,588,660**	**—**	**—**
Allowance for loan losses (*2)	**(30,531)**	**—**	**—**
	4,558,128	**4,450,048**	**(108,080)**
Assets total	**6,238,655**	**6,130,575**	**(108,080)**
Deposits	**5,950,294**	**5,949,876**	**(417)**
Negotiable certificates of deposit	**19,150**	**19,149**	**(0)**
Borrowed money	**784,282**	**775,777**	**(8,504)**
Liabilities total	**6,753,726**	**6,744,803**	**(8,922)**
Derivative transactions (*3)			
Deferred hedge accounting is not applied	**(7,781)**	**(7,781)**	**—**
Deferred hedge accounting is applied	**67,443**	**67,443**	**—**
Derivative transactions total	**¥ 59,661**	**¥ 59,661**	**¥ —**

Millions of yen

	2025		
	Consolidated balance sheet amount	Fair value	Difference
Investment securities	¥1,766,599	¥1,766,599	¥ —
Available-for-sale securities (*1)	1,766,599	1,766,599	—
Loans and bills discounted	4,529,399	—	—
Allowance for loan losses (*2)	(34,572)	—	—
	4,494,826	4,424,549	(70,277)
Assets total	6,261,426	6,191,149	(70,277)
Deposits	5,806,185	5,804,458	(1,727)
Negotiable certificates of deposit	22,600	22,596	(3)
Borrowed money	830,352	818,226	(12,125)
Liabilities total	6,659,138	6,645,281	(13,857)
Derivative transactions (*3)			
Deferred hedge accounting is not applied	(3,365)	(3,365)	—
Deferred hedge accounting is applied	51,812	51,812	—
Derivative transactions total	¥ 48,447	¥ 48,447	¥ —

	Thousands of U.S. dollars		
	2026		
	Consolidated balance sheet amount	Fair value	Difference
Investment securities	$10,511,170	$10,511,170	$ —
Available-for-sale securities (*1)	10,511,170	10,511,170	—
Loans and bills discounted	28,700,650	—	—
Allowance for loan losses (*2)	(190,961)	—	—
	28,509,682	27,833,675	(676,007)
Assets total	39,020,859	38,344,852	(676,007)
Deposits	37,217,250	37,214,635	(2,608)
Negotiable certificates of deposit	119,777	119,771	(0)
Borrowed money	4,905,441	4,852,245	(53,189)
Liabilities total	42,242,469	42,186,658	(55,804)
Derivative transactions (*3)			
Deferred hedge accounting is not applied	(48,667)	(48,667)	—
Deferred hedge accounting is applied	421,835	421,835	—
Derivative transactions total	$ 373,161	$ 373,161	$ —

(*1) Available-for-sale securities include investment trusts to which the treatment of recognizing the base price at market value has been applied, as set forth in Paragraphs 24-3 and 24-9 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31 issued on June 17, 2021).

(*2) General allowance for loan losses and specific allowance for loan losses provided to "Loans and bills discounted" are separately presented in the above table.

(*3) Derivative transactions recorded in "Other assets" and "Other liabilities" are aggregated and shown herein. Assets and liabilities attributable to the derivative transactions are totally offset and the net liability position as a consequence of offsetting would be represented with brackets.

(Note 1) Shares, etc. that do not have market price and investment in capital of partnership

The consolidated balance sheet amounts of shares, etc. that do not have market price and investment in capital of partnership are as follows. These are not included in "available-for-sale securities" under "investment securities" in the tables above.

	Consolidated balance sheet amount		
	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Unlisted stocks (*1) (*2)	¥ 4,688	¥ 4,718	$ 29,321
Investment in capital of partnership and others (*3)	37,194	30,702	232,636

(*1) Unlisted stocks are excluded from fair value disclosure in accordance with Paragraph 5 of the "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19 issued on March 31, 2020).

(*2) Impairment losses for unlisted stocks amounted to ¥29 million ($181 thousand) and ¥50 million for the years ended March 31, 2026 and 2025, respectively.

(*3) Investment in capital of partnership and others are excluded from fair value disclosure in accordance with Paragraph 24-16 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31 issued on June 17, 2021).

(Note 2) Maturity analysis for financial assets and securities with contractual maturities

	Millions of yen					
	2026					
	1 year or less	1 to 3 years	3 to 5 years	5 to 7 years	7 to 10 years	Over 10 years
Due from banks	¥ 977,956	¥ —	¥ —	¥ —	¥ —	¥ —
Investment securities	49,594	215,737	213,237	134,853	280,412	551,752
Available-for-sale securities	49,594	215,737	213,237	134,853	280,412	551,752
Japanese government bonds	—	17,000	45,000	33,000	91,000	165,000
Japanese local government bonds	3,698	63,450	68,732	44,074	139,599	4,591
Japanese corporate bonds	22,503	67,369	20,565	10,204	3,400	133,532
Others	23,392	67,916	78,939	47,574	46,413	248,627
Loans and bills discounted (*)	963,989	924,061	670,278	439,781	396,035	1,123,314
Total	¥1,991,540	¥1,139,798	¥883,516	¥574,634	¥676,448	¥1,675,066

	Millions of yen					
	2025					
	1 year or less	1 to 3 years	3 to 5 years	5 to 7 years	7 to 10 years	Over 10 years
Due from banks	¥ 865,481	¥ —	¥ —	¥ —	¥ —	¥ —
Investment securities	203,895	171,938	259,818	62,701	190,656	633,053
Available-for-sale securities	203,895	171,938	259,818	62,701	190,656	633,053
Japanese government bonds	140,000	—	73,800	22,000	74,000	238,500
Japanese local government bonds	10,336	22,071	66,110	7,413	89,270	8,200
Japanese corporate bonds	27,436	64,529	58,625	2,900	1,000	155,725
Others	26,121	85,336	61,282	30,387	26,385	230,628
Loans and bills discounted (*)	981,873	881,202	689,848	445,755	411,337	1,042,906
Total	¥2,051,250	¥1,053,140	¥949,667	¥508,456	¥601,993	¥1,675,959

	Thousands of U.S. dollars					
	2026					
	1 year or less	1 to 3 years	3 to 5 years	5 to 7 years	7 to 10 years	Over 10 years
Due from banks	$ 6,116,812	$ —	$ —	$ —	$ —	$ —
Investment securities	310,195	1,349,368	1,333,731	843,463	1,753,890	3,451,038
Available-for-sale securities	310,195	1,349,368	1,333,731	843,463	1,753,890	3,451,038
Japanese government bonds	—	106,329	281,461	206,404	569,176	1,032,024
Japanese local government bonds	23,129	396,860	429,897	275,669	873,148	28,715
Japanese corporate bonds	140,749	421,372	128,627	63,822	21,265	835,201
Others	146,309	424,793	493,739	297,560	290,298	1,555,085
Loans and bills discounted (*)	6,029,453	5,779,716	4,192,381	2,750,694	2,477,076	7,025,981
Total	$12,456,467	$7,129,084	$5,526,119	$3,594,158	$4,230,973	$10,477,020

(*) Bankrupt and substantially bankrupt claims amounting to ¥49,610 million ($310,295 thousand) and ¥54,536 million, and loans and bills discounted without contractual maturities amounting to ¥21,590 million ($135,038 thousand) and ¥21,938 million are excluded from the table above as of March 31, 2026 and 2025.

(Note 3) Maturity analysis for bonds, borrowed money, and other interest-bearing liabilities

	Millions of yen					
	2026					
	1 year or less	1 to 3 years	3 to 5 years	5 to 7 years	7 to 10 years	Over 10 years
Deposits (*)	¥5,512,861	¥295,391	¥142,041	¥—	¥—	¥—
Negotiable certificates of deposit	19,150	—	—	—	—	—
Call money and bills sold	79,300	—	—	—	—	—
Payables under securities lending transactions	142,490	—	—	—	—	—
Borrowed money	407,767	376,259	225	29	—	—
Total	¥6,161,569	¥671,650	¥142,266	¥29	¥—	¥—

	Millions of yen					
	2025					
	1 year or less	1 to 3 years	3 to 5 years	5 to 7 years	7 to 10 years	Over 10 years
Deposits (*)	¥5,469,023	¥280,883	¥56,279	¥ —	¥—	¥—
Negotiable certificates of deposit	22,600	—	—	—	—	—
Call money and bills sold	109,149	—	—	—	—	—
Payables under securities lending transactions	156,949	—	—	—	—	—
Borrowed money	186,292	628,528	10,942	4,588	—	—
Total	¥5,944,014	¥909,412	¥67,222	¥4,588	¥—	¥—

	Thousands of U.S. dollars					
	2026					
	1 year or less	1 to 3 years	3 to 5 years	5 to 7 years	7 to 10 years	Over 10 years
Deposits (*)	$34,481,242	$1,847,579	$888,422	$ —	$—	$—
Negotiable certificates of deposit	119,777	—	—	—	—	—
Call money and bills sold	495,996	—	—	—	—	—
Payables under securities lending transactions	891,230	—	—	—	—	—
Borrowed money	2,550,456	2,353,383	1,407	181	—	—
Total	$38,538,710	$4,200,963	$889,829	$181	$—	$—

(*) Demand deposits are included in "1 year or less."

3. Fair value information by level within the fair value hierarchy

The fair value of financial instruments is classified into the following three levels according to the observability and materiality of inputs used to measure fair value.

Level 1 fair value: Fair value measured using observable inputs, i.e. quoted prices in active markets for assets or liabilities that are the subject of the measurement.

Level 2 fair value: Fair value measured using observable inputs other than Level 1 inputs.

Level 3 fair value: Fair value measured using unobservable inputs.

If multiple inputs are used that are significant to the fair value measurement, the fair value measurement is categorized in its entirety in the level of the lowest level input that is significant to the entire measurement.

Notes regarding securities by purpose of holding are described in 4. Securities.

(1) Financial instruments carried at fair value in the consolidated balance sheet

	Millions of yen			
	2026			
	Fair value			
Category	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Japanese government bonds, local government bonds, etc.	¥274,736	¥331,481	¥ —	¥ 606,218
Japanese corporate bonds	—	137,797	6,222	144,019
Residential mortgage-backed security	—	86,869	—	86,869
Stocks	354,118	4,262	—	358,381
Other	152,366	215,483	81,032	448,882
Derivative transactions				
Interest rate related	—	67,929	—	67,929
Currency related	—	4,647	—	4,647
Total assets	781,221	848,472	87,255	1,716,949
Derivative transactions				
Interest rate related	—	447	—	447
Currency related	—	12,468	—	12,468
Total liabilities	¥ —	¥ 12,915	¥ —	¥ 12,915

	Millions of yen			
	2025			
	Fair value			
Category	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Japanese government bonds, local government bonds, etc.	¥475,467	¥225,618	¥ —	¥ 701,085
Japanese corporate bonds	—	176,359	6,319	182,679
Residential mortgage-backed security	—	112,434	—	112,434
Stocks	294,160	3,517	—	297,678
Other	130,049	230,241	84,394	444,685
Derivative transactions				
Interest rate related	—	52,532	—	52,532
Currency related	—	6,458	—	6,458
Total assets	899,678	807,162	90,714	1,797,555
Derivative transactions				
Interest rate related	—	665	—	665
Currency related	—	9,878	—	9,878
Total liabilities	¥ —	¥ 10,544	¥ —	¥ 10,544

(*) Investment securities do not include investment trusts to which the treatment of recognizing the base price at market value has been applied, as set forth in Paragraphs 24-3 and 24-9 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31 issued on June 17, 2021). The consolidated balance sheet amount of investment trusts to which the treatment under Paragraph 24-3 has been applied is ¥4,666 million and the consolidated balance sheet amount of investment trusts to which the treatment under Paragraph 24-9 has been applied is ¥15,027 million.

	Thousands of U.S. dollars			
	2026			
	Fair value			
Category	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Japanese government bonds, local government bonds, etc.	$1,718,388	$2,073,311	$ —	$ 3,791,706
Japanese corporate bonds	—	861,877	38,916	900,794
Residential mortgage-backed security	—	543,338	—	543,338
Stocks	2,214,898	26,657	—	2,241,562
Other	953,002	1,347,779	506,830	2,807,618
Derivative transactions				
Interest rate related	—	424,874	—	424,874
Currency related	—	29,065	—	29,065
Total assets	4,886,295	5,306,930	545,753	10,738,985
Derivative transactions				
Interest rate related	—	2,795	—	2,795
Currency related	—	77,983	—	77,983
Total liabilities	$ —	$ 80,779	$ —	$ 80,779

(*) Investment securities do not include investment trusts to which the treatment of recognizing the base price at market value has been applied, as set forth in Paragraphs 24-3 and 24-9 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31 issued on June 17, 2021). The consolidated balance sheet amount of investment trusts to which the treatment under Paragraph 24-3 has been applied is ¥6,210 million ($38,841 thousand) and the consolidated balance sheet amount of investment trusts to which the treatment under Paragraph 24-9 has been applied is ¥19,102 million ($119,477 thousand).

(a) Adjustment table from the beginning balance to the year-end balance of investment trusts applying the treatment of Paragraphs 24-3 and 24-9

	Millions of yen	Thousands of U.S. dollars
	2026	
Beginning balance	¥19,693	$123,173
Profit or loss or other comprehensive income for the period		
Recorded in profit or loss	(0)	(0)
Recorded in other comprehensive income (*)	628	3,927
Purchases, sales and redemption (net)	4,992	31,223
Amount for which the base price of the investment trusts is considered to be the fair value	—	—
Amount for which the base price of the investment trusts is not considered to be the fair value	—	—
Ending balance	¥25,313	$158,324
Gains or losses on valuation of investment trusts held at the end of the reporting period included in profit or loss for the period	¥ —	$ —

(*) Included in "net unrealized gains (losses) on available-for-sale securities" under "other comprehensive income" in the consolidated statement of comprehensive income.

	Millions of yen
	2025
Beginning balance	¥12,165
Profit or loss or other comprehensive income for the period	
Recorded in profit or loss	—
Recorded in other comprehensive income (*)	155
Purchases, sales and redemption (net)	7,372
Amount for which the base price of the investment trusts is considered to be the fair value	—
Amount for which the base price of the investment trusts is not considered to be the fair value	—
Ending balance	¥19,693
Gains or losses on valuation of investment trusts held at the end of the reporting period included in profit or loss for the period	¥ —

(*) Included in "net unrealized gains (losses) on available-for-sale securities" under "other comprehensive income" in the consolidated statement of comprehensive income.

(b) Breakdown by restriction on cancellation or repurchase requests on consolidated accounting dates

Main contents on restriction on cancellation or repurchase requests	Millions of yen	Thousands of U.S. dollars
	2026	
	Amount on the consolidated balance sheet	
Cancellation or repurchase request is not possible, and the consent of the asset management company is required for transfer	¥2,915	$18,232
Taking several months from cancellation application to refund	3,295	20,609

Main contents on restriction on cancellation or repurchase requests	Millions of yen
	2025
	Amount on the consolidated balance sheet
Cancellation or repurchase request is not possible, and the consent of the asset management company is required for transfer	¥3,005
Taking several months from cancellation application to refund	1,661

(2) Financial instruments other than those carried at fair value in the consolidated balance sheet

	Millions of yen			
	2026			
	Fair value			
Category	Level 1	Level 2	Level 3	Total
Loans and bills discounted	¥—	¥ —	¥4,450,048	¥4,450,048
Total assets	—	—	4,450,048	4,450,048
Deposits	—	5,949,876	—	5,949,876
Negotiable certificates of deposit	—	19,149	—	19,149
Borrowed money	—	775,777	—	775,777
Total liabilities	¥—	¥6,744,803	¥ —	¥6,744,803

	Millions of yen			
	2025			
	Fair value			
Category	Level 1	Level 2	Level 3	Total
Loans and bills discounted	¥—	¥ —	¥4,424,549	¥4,424,549
Total assets	—	—	4,424,549	4,424,549
Deposits	—	5,804,458	—	5,804,458
Negotiable certificates of deposit	—	22,596	—	22,596
Borrowed money	—	818,226	—	818,226
Total liabilities	¥—	¥6,645,281	¥ —	¥6,645,281

	Thousands of U.S. dollars			
	2026			
	Fair value			
Category	Level 1	Level 2	Level 3	Total
Loans and bills discounted	$—	$ —	$27,833,675	$27,833,675
Total assets	—	—	27,833,675	27,833,675
Deposits	—	37,214,635	—	37,214,635
Negotiable certificates of deposit	—	119,771	—	119,771
Borrowed money	—	4,852,245	—	4,852,245
Total liabilities	$—	$42,186,658	$ —	$42,186,658

(Note 1) A description of the valuation techniques and inputs used in the fair value measurements

Assets

Securities

Securities for which unadjusted quoted prices in active markets are available are classified as Level 1 fair value. This mainly includes listed stocks and Japanese government bonds. Securities for which published quoted prices are available but the market is not active are classified as Level 2 fair value. This mainly includes Japanese local government bonds and Japanese corporate bonds. In addition, regarding investment trusts that do not have a trading price in the market, if there is no restriction that is significant enough for the market participants to demand compensation for the risk relating to cancellation or repurchase claims, the base value is the fair value and they are classified as Level 2 fair value.

When quoted prices are not available, fair value is determined using valuation techniques such as the present value of future cash flows. In making valuations, the Bank uses observable inputs to the greatest extent possible. Such inputs include TIBOR, government bond yields, prepayment rates, credit spreads, probability of bankruptcy, and loss rates in the event of bankruptcy. When significant unobservable inputs are used in the valuation, the fair value is classified as Level 3 fair value.

Loans and bills discounted

For loans and bills discounted, the fair value is calculated by discounting the total amount of principal and interest by a discount rate that reflects the market interest rate and credit risk, etc., for each category based on the type of loan, internal rating and term. Those with floating interest rates reflect the market rate in the short term. Consequently, in cases where the credit conditions of borrowers have not significantly changed after the execution of the loans, the book value of the loans is presented as the fair value, as the fair value approximates the book value. With respect to claims against bankrupt and substantially bankrupt claims, fair value is calculated using the estimated future cash flows and the estimated amounts that the Group would be able to collect from collateral and guarantees. For loans that are subject to special accounting treatment for interest rate swaps or designated hedge accounting for forward exchange contracts, etc., the fair value of the interest rate swaps or forward exchange contracts, etc. is reflected. If the effect of unobservable inputs on fair value is significant, the fair value is classified as Level 3 fair value; otherwise, the fair value is classified as Level 2 fair value.

Liabilities

Deposits and Negotiable certificates of deposit

For demand deposits that are payable immediately on demand on the consolidated balance sheet date, the amount of the demand deposit is used as the fair value. For time deposits and negotiable certificates of deposit, the fair value is calculated based on the discounted present value of the future cash flows, classified by a certain period of time. The discount rate is based on market interest rates. The fair value of those with short deposit terms (i.e., less than one year) approximates the book value, and the Group deems the book value to be the fair value. Such fair value is classified as Level 2 fair value.

Borrowed money

The present value of borrowed money is calculated by discounting the total principal and interest of the relevant borrowed money, classified by a certain period of time, at an interest rate that takes into account the remaining period of the borrowed money and credit risk. The book value of floating rate borrowings is presented as the fair value, because the fair value approximates book value. This is because the floating rate borrowings reflect the market interest rate in a short period and there has been no significant change in our credit conditions or in the credit conditions of our consolidated subsidiaries before or after the borrowings were made. The fair value of those with short contractual terms (i.e., less than one year) approximates the book value, and the Group deems the book value to be the fair value. Such fair value is classified as Level 2 fair value.

Derivative transactions

Derivative transactions for which unadjusted quoted prices in active markets are available are classified as Level 1 fair value, which primarily include bond and interest rate futures transactions.

However, since most derivative transactions are over-the-counter transactions and there are no published quoted prices, fair values are calculated using valuation techniques such as the present value technique and the Black-Scholes model, depending on the type of transaction and the period to maturity. The main inputs used in those valuation techniques include interest rates, exchange rates, and volatility. Price adjustments are made based on the credit risk of the counterparty and the Bank's own credit risk. When unobservable inputs are not used or their effect is not material, they are classified as Level 2 fair value and include plain vanilla interest rate swap transactions, forward exchange contracts, etc. If significant unobservable inputs are used, they are classified as Level 3 fair value and include bond over-the-counter option transactions, etc.

(Note 2) Information about Level 3 fair value of financial instruments carried at fair value in the consolidated balance sheet

(1) Quantitative information on significant unobservable inputs

	2026			
Category	Valuation techniques	Significant unobservable inputs	Scope of inputs	Weighted average of inputs
Securities				
Available-for-sale securities				
Japanese corporate bonds				
Private placement bonds	**Present value technique**	**Discount rate**	**0.3% to 1.7%**	**0.5%**

	2025			
Category	Valuation techniques	Significant unobservable inputs	Scope of inputs	Weighted average of inputs
Securities				
Available-for-sale securities				
Japanese corporate bonds				
Private placement bonds	Present value technique	Discount rate	0.3% to 1.7%	0.4%

(2) A reconciliation from the beginning balances to the ending balances and gains or losses on valuation of financial assets and financial liabilities held at the end of the reporting period included in profit or loss for the period

	Millions of yen		
	2026		
	Securities		
	Available-for-sale securities		
	Japanese corporate bonds	Foreign bonds	Others
Beginning balance	**¥6,319**	**¥83,182**	**¥1,212**
Profit or loss or other comprehensive income for the period			
Recorded in profit or loss (*1)	**—**	**0**	**—**
Recorded in other comprehensive income (*2)	**(7)**	**448**	**(12)**
Purchases, sales, issuances, and settlements (net)	**(90)**	**(3,908)**	**109**
Transfer into Level 3	**—**	**—**	**—**
Transfer out of Level 3	**—**	**—**	**—**
Ending balance	**¥6,222**	**¥79,723**	**¥1,309**
Gains or losses on valuation of financial assets and financial liabilities held at the end of the reporting period included in profit or loss for the period (*1)	**¥ —**	**¥ —**	**¥ —**

	Millions of yen		
	2025		
	Securities		
	Available-for-sale securities		
	Japanese corporate bonds	Foreign bonds	Others
Beginning balance	¥ 8,189	¥64,488	¥1,084
Profit or loss or other comprehensive income for the period			
Recorded in profit or loss (*1)	0	4	—
Recorded in other comprehensive income (*2)	(39)	1,139	145
Purchases, sales, issuances, and settlements (net)	(1,831)	14,550	(18)
Transfer into Level 3	—	5,000	—
Transfer out of Level 3	—	(2,000)	—
Ending balance	¥ 6,319	¥83,182	¥1,212
Gains or losses on valuation of financial assets and financial liabilities held at the end of the reporting period included in profit or loss for the period (*1)	¥ —	¥ —	¥ —

	Thousands of U.S. dollars		
	2026		
	Securities		
	Available-for-sale securities		
	Japanese corporate bonds	Foreign bonds	Others
Beginning balance	$ 39,523	$520,277	$7,580
Profit or loss or other comprehensive income for the period			
Recorded in profit or loss (*1)	—	0	—
Recorded in other comprehensive income (*2)	(43)	2,802	(75)
Purchases, sales, issuances, and settlements (net)	(562)	(24,443)	681
Transfer into Level 3	—	—	—
Transfer out of Level 3	—	—	—
Ending balance	$ 38,916	$498,642	$8,187
Gains or losses on valuation of financial assets and financial liabilities held at the end of the reporting period included in profit or loss for the period (*1)	$ —	$ —	$ —

(*1) Included in "other operating income" and "other operating expenses" in the consolidated statement of income.

(*2) Included in "net unrealized gains (losses) on available-for-sale securities" under "other comprehensive income" in the consolidated statement of comprehensive income.

(3) A description of valuation processes used for fair value measurements

The risk management sector of the Group establishes policies and procedures for fair value measurement, and the business management sector formulates a fair value valuation model in accordance with such policies and procedures. The risk management sector verifies appropriateness as to whether the model, the inputs used, and the fair value as a result of the calculation are in accordance with the policies and procedures. Based on the results of the verification, the risk management sector makes decisions regarding the classification of fair value levels. When quoted prices obtained from third parties are used as fair value, the Bank verifies appropriateness of the prices through appropriate methods, including confirmation of the valuation techniques and inputs used and comparison with the fair value of similar financial instruments.

(4) A description of sensitivity of the fair value measurement to changes in significant unobservable inputs

The discount rate is an adjustment to the base market interest rate, such as the risk-free rate or swap rate, and consists of a risk premium, which is the amount of compensation required by market participants for the uncertainty of the cash flows of financial instruments arising primarily from credit risk. Generally, a significant increase (decrease) in the discount rate will result in a significant decrease (increase) in fair value.

34. Fair value information on derivative transactions

Derivative transactions to which hedge accounting is not applied

The following is the fair value information for derivative transactions to which hedge accounting is not applied at March 31, 2026 and 2025.

The contractual value of swap agreements and the contract amounts of forward exchange contracts, option agreements and other derivatives do not necessarily measure the Bank's exposure to market risk.

(1) Interest-rate-related transactions

	Millions of yen			
	2026			
	Contractual value	Contractual value due after one year	Fair value	Net unrealized gains (losses)
Over-the-counter:				
Interest rate swap				
Receivable fixed rate/pay floating rate	¥3,449	¥3,289	¥(214)	¥(214)
Receivable floating rate /pay fixed rate	4,568	4,568	253	253
Total	¥ —	¥ —	¥ 38	¥ 38

	Millions of yen			
	2025			
	Contractual value	Contractual value due after one year	Fair value	Net unrealized gains (losses)
Over-the-counter:				
Interest rate swap				
Receivable fixed rate/pay floating rate	¥3,778	¥3,778	¥(146)	¥(146)
Receivable floating rate /pay fixed rate	5,273	4,825	200	200
Total	¥ —	¥ —	¥ 54	¥ 54

	Thousands of U.S. dollars			
	2026			
	Contractual value	Contractual value due after one year	Fair value	Net unrealized gains (losses)
Over-the-counter:				
Interest rate swap				
Receivable fixed rate/pay floating rate	$21,572	$20,571	$(1,338)	$(1,338)
Receivable floating rate /pay fixed rate	28,571	28,571	1,582	1,582
Total	$ —	$ —	$ 237	$ 237

Note: The above transactions were revalued at the end of each of the years and the related gains and losses are reflected in the accompanying consolidated statements of income.

(2) Currency-related transactions

	Millions of yen			
	2026			
	Contractual value	Contractual value due after one year	Fair value	Net unrealized gains (losses)
Over-the-counter:				
Currency swap	¥130,004	¥117,213	¥(6,699)	¥(6,699)
Forward exchange contracts:				
Sold	87,284	—	(1,636)	(1,636)
Bought	16,061	—	362	362
Currency options:				
Sold	171,615	141,239	(2,895)	571
Bought	171,615	141,239	3,047	491
Total	¥ —	¥ —	¥(7,820)	¥(6,909)

	Millions of yen			
	2025			
	Contractual value	Contractual value due after one year	Fair value	Net unrealized gains (losses)
Over-the-counter:				
Currency swap	¥83,085	¥ 75,609	¥(4,142)	¥(4,142)
Forward exchange contracts:				
Sold	65,394	9	589	589
Bought	6,135	—	79	79
Currency options:				
Sold	150,909	123,621	(4,939)	(1,058)
Bought	150,909	123,621	4,992	1,938
Total	¥ —	¥ —	¥(3,419)	¥(2,594)

	Thousands of U.S. dollars			
	2026			
	Contractual value	Contractual value due after one year	Fair value	Net unrealized gains (losses)
Over-the-counter:				
Currency swap	$ 813,134	$733,131	$(41,900)	$(41,900)
Forward exchange contracts:				
Sold	545,934	—	(10,232)	(10,232)
Bought	100,456	—	2,264	2,264
Currency options:				
Sold	1,073,398	883,406	(18,107)	3,571
Bought	1,073,398	883,406	19,058	3,071
Total	$ —	$ —	$(48,911)	$(43,213)

Note: The above transactions were revalued at the end of each of the years and the related gains and losses are reflected in the accompanying consolidated statements of income.

(3) Stock-related transactions are not applicable.

(4) Bond-related transactions are not applicable.

(5) Financial product-related transactions are not applicable.

(6) Credit derivative transactions are not applicable.

Derivative transactions to which hedge accounting is applied

The following is the fair value information for derivative transactions to which hedge accounting is applied at March 31, 2026 and 2025.

The contract value does not necessarily measure the Bank's exposure to market risk:

(1) Interest-rate-related transactions

	Millions of yen			
	2026			
	Hedged items	Contractual value	Contractual value due after one year	Fair value
Principle treatment				
Interest rate swap:				
Receivable floating rate/ pay fixed rate	Available-for-sale securities (bonds), deposits	¥367,059	¥363,862	¥67,443
Special treatment				
Interest rate swap:				
Receivable floating rate/ pay fixed rate	Loans	10,000	10,000	(Note 2)
Total		¥ —	¥ —	¥67,443

	Millions of yen			
	2025			
	Hedged items	Contractual value	Contractual value due after one year	Fair value
Principle treatment				
Interest rate swap:				
Receivable floating rate/ pay fixed rate	Available-for-sale securities (bonds), deposits	¥388,957	¥388,957	¥51,812
Special treatment				
Interest rate swap:				
Receivable floating rate/ pay fixed rate	Loans	10,000	10,000	(Note 2)
Total		¥ —	¥ —	¥51,812

	Thousands of U.S. dollars			
	2026			
	Hedged items	Contractual value	Contractual value due after one year	Fair value
Principle treatment				
Interest rate swap:				
Receivable floating rate/ pay fixed rate	Available-for-sale securities (bonds), deposits	$2,295,840	$2,275,844	$421,835
Special treatment				
Interest rate swap:				
Receivable floating rate/ pay fixed rate	Loans	62,546	62,546	(Note 2)
Total		$ —	$ —	$421,835

Note 1: In addition to the method of linking the hedged items with the hedging means, deferred hedge accounting is applied based on the Industry Committee Practical Guidelines No. 24.

Note 2: Since interest rate swaps with special treatment are treated as an integral part of loans that are subject to hedging, its fair value is included in the fair value of the loans described in the Note 33 "Financial instruments and related disclosures."

(2) Currency-related transactions are not applicable.

(3) Stock-related transactions are not applicable.

(4) Bond-related transactions are not applicable.

35. Comprehensive income (loss)

The components of other comprehensive income (loss) for the years ended March 31, 2026 and 2025, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Net unrealized gains (losses) on available-for-sale securities:			
The amount arising during the period	¥ 28,506	¥(96,632)	$178,296
Reclassification adjustments to profit or loss	18,386	11,949	114,998
Before adjustments to income taxes and tax effect	46,892	(84,682)	293,294
The amount of income taxes and tax effect	(14,814)	24,741	(92,656)
Total	¥ 32,078	¥(59,941)	$200,637
Deferred gains on derivatives under hedge accounting:			
The amount arising during the period	¥ 27,519	¥ 14,639	$172,122
Reclassification adjustments to profit or loss	(11,888)	(6,170)	(74,355)
Before adjustments to income taxes and tax effect	15,631	8,469	97,767
The amount of income taxes and tax effect	(4,900)	(3,045)	(30,647)
Total	¥ 10,730	¥ 5,423	$ 67,112
Land revaluation surplus:			
The amount arising during the period	¥ —	¥ —	$ —
Reclassification adjustments to profit or loss	—	—	—
Before adjustments to income taxes and tax effect	—	—	—
The amount of income taxes and tax effect	—	(161)	—
Total	¥ —	¥ (161)	$ —
Defined retirement benefit plans:			
The amount arising during the period	¥ 10,525	¥ (1,155)	$ 65,830
Reclassification adjustments to profit or loss	(1,021)	(1,778)	(6,386)
Before adjustments to income taxes and tax effect	9,504	(2,933)	59,444
The amount of income taxes and tax effect	(2,979)	794	(18,632)
Total	¥ 6,524	¥ (2,139)	$ 40,805
Total other comprehensive income (loss)	¥ 49,333	¥(56,818)	$308,562

36. Net income per share

Reconciliation of the differences between basic and diluted net income per share ("EPS") for the years ended March 31, 2026 and 2025, is as follows:

	Millions of yen	Thousands of shares	Yen	U.S. dollars
	Net Income Attributable to Owners of the Parent	Weighted-Average Shares	EPS	
For the year ended March 31, 2026				
Basic EPS:				
Net income attributable to common shareholders	¥21,293	230,759	¥92.27	$0.577
Effect of dilutive securities:				
Warrants				
Diluted EPS:				
Net income for computation	¥ —	—	¥ —	$ —
For the year ended March 31, 2025				
Basic EPS:				
Net income attributable to common shareholders	¥ 18,720	234,170	¥ 79.94	
Effect of dilutive securities:				
Warrants				
Diluted EPS:				
Net income for computation	¥ —	—	¥ —	

Note 1: Diluted EPS for the years ended March 31, 2026 and 2025 was not disclosed because there were no potential shares.

Note 2: The Bank conducted a 5-for-1 stock split of its common stock, effective April 1, 2026. "Basic EPS" has been calculated assuming the stock split had occurred at the beginning of the previous fiscal year.

37. Subsequent event

Appropriation of retained earnings

The following appropriation of retained earnings was authorized at the ordinary general shareholders' meeting held on June 24, 2026:

	Millions of yen	Thousands of U.S. dollars
Cash dividends, ¥75 ($0.469) per share	¥3,448	$21,566
Total	¥3,448	$21,566

Note: The Bank conducted a 5-for-1 stock split of its common stock, effective April 1, 2026. The amount of dividend per share above represents the actual amount before the stock split.

Stock split and partial amendment to the Articles of Incorporation

At a meeting of the Board of Directors held on November 14, 2025, the Bank resolved to conduct a stock split and a partial amendment to its Articles of Incorporation in connection with the stock split, both of which became effective on April 1, 2026.

(1) Purpose of the stock split

The purpose of the stock split is to reduce the investment amount per share of the Bank's shares, thereby creating a more accessible investment environment for investors to invest and broadening the investor base that supports the Bank's sustainable growth.

(2) Method of the stock split

With March 31, 2026 as the record date, each share of common stock held by shareholders recorded in the final shareholder register as of that date was split into five shares.

(3) Increase in the number of shares as a result of the stock split (Number of shares)

(1) Total number of issued shares before the stock split	48,090,081
(2) Increase in the number of shares resulting from the stock split	192,360,324
(3) Total number of issued shares after the stock split	240,450,405
(4) Total number of authorized shares after the stock split	500,000,000

(4) Partial amendment to the Articles of Incorporation

In conjunction with the stock split, the Bank amended Article 6 of its Articles of Incorporation, effective April 1, 2026, to increase the total number of authorized shares in proportion to the stock split ratio.

(Before amendment)

Chapter II. Shares

Article 6 (Total Number of Authorized Shares)

The total number of authorized shares of the Bank shall be 100 million shares.

(After amendment)

Chapter II. Shares

Article 6 (Total Number of Authorized Shares)

The total number of authorized shares of the Bank shall be 500 million shares.

(5) Impact on per share information

Assuming that the stock split had occurred at the beginning of the year ended March 31, 2026, net assets per share and net income attributable to owners of the parent would have been ¥2,214.31 ($13.849) and ¥92.27 ($0.577) per share, respectively.

Note: Diluted net income attributable to owners of the parent per share is not presented because there were no potential shares outstanding.

Capital and business alliance with Senshu Ikeda Holdings, Inc.

On April 17, 2026, the Board of Directors of the Bank approved a capital and business alliance (the "Alliance") with Senshu Ikeda Holdings, Inc. ("Senshu Ikeda Holdings"), and the two companies entered into an alliance agreement on the same date.

(1) Background and purpose of the Alliance

The operating environment surrounding regional economies and regional financial institutions in Japan has been undergoing significant changes, driven by factors such as population decline, shifts in industrial structures, digital transformation, and the transition toward a decarbonized society. In this environment, regional financial institutions are increasingly expected not only to provide traditional financial intermediation services but also to create value by addressing the challenges faced by local communities and customers.

The Bank's primary business areas are Shiga and Kyoto Prefectures, while those of Senshu Ikeda Holdings are Osaka and Hyogo Prefectures. Both companies provide community-based financial services and share the common value of an enterprising spirit, in which they respect tradition while continuously taking on new challenges. The two companies have collaborated in various areas, including the introduction of mutual ATM fee waivers in 2017 to enhance customer convenience.

Through this Alliance, the two companies intend to leverage their respective management resources and strengths—including branch networks, customer bases, human capital, and brand recognition—across their adjacent business areas. By doing so, they aim to create greater value and contribute to the sustainable development of local communities and customers.

The Alliance is expected to further deepen cooperation between the two companies, establish a medium- to long-term cooperative relationship, strengthen their regional financial capabilities, and enhance their contribution to regional society.

(2) Name of the Alliance

The Alliance will operate under the name: "Senshu Ikeda–Shiga Alliance."

(3) Overview of the Alliance

(a) Establishment of capital relationship

To enhance the synergies of the Alliance, the two companies will acquire shares in each other and establish a capital relationship, thereby clarifying their medium- to long-term cooperative relationship. Based on current market prices, each company expects to acquire approximately 0.5% to 1.0% of the other company's outstanding shares. The specific number of shares to be acquired and the acquisition method will be determined by the parties in consideration of market conditions and other relevant factors.

(b) Key areas of business collaboration

The parties intend to collaborate in the following areas:

- Corporate banking services
- Retail banking services
- Sustainability initiatives and regional development support
- Human resources and digital transformation initiatives
- Other mutually agreed areas of cooperation

(4) Overview of the companies

i. Company name: The Shiga Bank, Ltd.
Headquarters: 1-38, Hamamachi, Otsu, Shiga, Japan
Representative: Shinya Kubota, President and CEO (Representative Director)
Capital: ¥33.0 billion ($206,404 thousand)

ii. Company name: Senshu Ikeda Holdings, Inc.
Headquarters: 18-14, Chayamachi, Kita-ku, Osaka-City, Osaka, Japan
Representative: Hirohito Sakaguchi, Corporate Officer, President & CEO
Capital: ¥102.9 billion ($643,607 thousand)

(5) Future Initiatives

The two companies will establish a joint framework to develop and implement specific collaborative initiatives under the Alliance. At present, the Alliance is not expected to have a material impact on the consolidated financial results of either company. Should any material impact become apparent in the future, it will be disclosed promptly in accordance with applicable requirements.

38. Segment information

For the years ended March 31, 2026 and 2025

As the Group has only one segment (i.e. banking), the description is not presented.

Related Information

(1) Information about services

	Millions of yen				
	2026				
	Lending services	Securities investment	Fees and commissions	Other	Total
Operating income from external customers	**¥60,338**	**¥46,946**	**¥19,976**	**¥31,793**	**¥159,056**

	Millions of yen				
	2025				
	Lending services	Securities investment	Fees and commissions	Other	Total
Operating income from external customers	¥49,759	¥41,495	¥19,634	¥22,220	¥133,109

	Thousands of U.S. dollars				
	2026				
	Lending services	Securities investment	Fees and commissions	Other	Total
Operating income from external customers	**$377,395**	**$293,632**	**$124,943**	**$198,855**	**$994,846**

(2) Information about geographical areas

(a) Operating income

Operating income from external domestic customers exceeded 90% of total operating income on the consolidated statements of income for the years ended March 31, 2026 and 2025; therefore, geographical operating income information is not presented.

(b) Tangible fixed assets

The balance of domestic tangible fixed assets exceeded 90% of the total balance of tangible fixed assets on the consolidated balance sheets as of March 31, 2026 and 2025; therefore, geographical tangible fixed assets information is not presented.

(3) Information about major customers

Operating income to a specific customer did not reach 10% of total operating income on the consolidated statements of income for the years ended March 31, 2026 and 2025; therefore, major customer information is not presented.

39. Related party transactions

There were no transactions of the Group with related parties for the years ended March 31, 2026 and 2025.

Composition of Capital Disclosure (Capital ratio of the fiscal year ended March 31, 2026, Basel III)

Capital ratio (consolidated)

(Appended Form 2 of Supplementary Provision of the Notification of Japanese Financial Services Agency No. 7, 2014)

Millions of yen, %

CC1: Composition of regulatory capital (consolidated)				
		a	b	c
Basel III Template No..	Items	Year ended March 31, 2026	Year ended March 31, 2025	Reference to Template CC2
Common Equity Tier 1 capital: instruments and reserves				
1a+2-1c-26	Directly issued qualifying common share capital plus related capital surplus and retained earnings	333,131	319,624	
1a	of which: capital and capital surplus	57,613	57,625	(6)+(7)
2	of which: retained earnings	285,621	284,546	(8)
1c	of which: treasury stock (-)	6,655	20,473	(9)
26	of which: national specific regulatory adjustments (earnings to be distributed) (-)	3,448	2,073	
	of which: other than above	—	—	
1b	Total of share award rights and subscription rights to common shares	—	—	(14)
3	Accumulated other comprehensive income and other disclosed reserves	172,446	123,112	(10)+(11)+(12)+(13)
5	Common share capital issued by subsidiaries and held by non-controlling interests (amount allowed in group Common Equity Tier 1)	—	—	
6	Common Equity Tier 1 capital: instruments and reserves (A)	505,577	442,737	
Common Equity Tier 1 capital: regulatory adjustments				
8+9	Total intangible fixed assets (excluding those relating to mortgage servicing rights)	3,668	1,364	
8	of which: goodwill (including those equivalent)	—	—	
9	of which: other intangibles other than goodwill and mortgage servicing rights	3,668	1,364	(1)
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences	—	—	(3)
11	Deferred gains or losses on derivatives under hedge accounting	2,597	1,225	(11)
12	Shortfall of eligible provisions to expected losses	6,849	4,722	
13	Securitization gain on sale	—	—	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	187	—	
15	Asset for retirement benefits	26,726	18,246	(2)
16	Investments in own shares (excluding those reported in the Net assets section)	3	0	
17	Reciprocal cross-holdings in common equity	—	—	
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	12,299	7,722	
19+20+21	Amount exceeding the 10% threshold on specified items	—	—	
19	of which: significant investments in the common stock of financials	—	—	
20	of which: intangible fixed assets relating to mortgage servicing rights	—	—	
21	of which: deferred tax assets arising from temporary differences	—	—	
22	Amount exceeding the 15% threshold on specified items	—	—	
23	of which: significant investments in the common stock of financials	—	—	
24	of which: intangible fixed assets relating to mortgage servicing rights	—	—	
25	of which: deferred tax assets arising from temporary differences	—	—	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	—	—	
28	Common Equity Tier 1 capital: regulatory adjustments (B)	52,332	33,282	
Common Equity Tier 1 capital (CET1)				
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	453,244	409,454	
Additional Tier 1 capital: instruments				
30	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards (31a)	—	—	
	Total of share award rights and subscription rights to Additional Tier 1 instruments (31b)	—	—	
	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards (32)	—	—	
	Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	—	
34	Additional Tier 1 instruments issued by subsidiaries and held by non-controlling interests (amount allowed in group Additional Tier 1)	—	—	
36	Additional Tier 1 capital: instruments (D)	—	—	
Additional Tier 1 capital: regulatory adjustments				
37	Investments in own Additional Tier 1 instrument	—	—	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	—	—	
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	—	—	

Millions of yen, %

CC1: Composition of regulatory capital (consolidated)

Basel III Template No..	Items	a Year ended March 31, 2026	b Year ended March 31, 2025	c Reference to Template CC2
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	—	—	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deduction	—	—	
43	Additional Tier 1 capital: regulatory adjustments (E)	—	—	
Additional Tier 1 capital				
44	Additional Tier 1 capital ((D) – (E)) (F)	—	—	
Tier 1 capital (T1 = CET1 + AT1)				
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	453,244	409,454	
Tier 2 capital: instruments and provisions				
46	Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as equity under applicable accounting standards	—	—	
	Total of share award rights and subscription rights to Tier 2 instruments	—	—	
	Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	—	—	(5)
	Qualifying Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	—	
48	Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	—	—	
50	Total of general allowance for credit losses and eligible provisions included in Tier 2	230	316	
50a	of which: provision for general allowance for credit losses	230	316	
50b	of which: eligible provisions	—	—	
51	Tier 2 capital: instruments and provisions (H)	230	316	
Tier 2 capital: regulatory adjustments				
52	Investments in own Tier 2 instruments	—	—	
53	Reciprocal cross-holdings in Tier 2 instruments	—	—	
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	104	77	
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation	—	—	
57	Tier 2 capital: regulatory adjustments (I)	104	77	
Tier 2 capital (T2)				
58	Tier 2 capital (T2) ((H)-(I)) (J)	125	238	
Total capital (TC = T1 + T2)				
59	Total capital (TC = T1 + T2) ((G)+(J)) (K)	453,370	409,693	
Risk weighted assets				
60	Risk weighted assets (L)	3,420,758	3,006,311	
Capital ratio (consolidated)				
61	Common Equity Tier 1 capital ratio (consolidated) ((C)/(L))	13.24%	13.61%	
62	Tier 1 capital ratio (consolidated) ((G)/(L))	13.24%	13.61%	
63	Total capital ratio (consolidated) ((K)/(L))	13.25%	13.62%	
64	CET1 specific buffer requirement	2.51%	2.51%	
65	of which: capital conservation buffer requirement	2.50%	2.50%	
66	of which: countercyclical buffer requirement	0.01%	0.01%	
67	of which: G-SIB/D-SIB additional requirement			
68	CET1 available after meeting the minimum capital requirements	5.25%	5.62%	
Regulatory adjustments				
72	Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)	46,554	41,717	
73	Significant investments in the common stock of other financials that are below the thresholds for deduction (before risk weighting)	1,334	933	
74	Intangible fixed assets relating to mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	—	—	
75	Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	—	—	
Provisions included in Tier 2 capital: instruments and provisions				
76	Provisions (general allowance for credit losses)	230	316	
77	Cap on inclusion of provisions (general allowance for credit losses)	1,042	1,164	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) (if the amount is negative, report as "nil")	—	—	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	19,037	16,591	

Matters concerning the disclosure of leverage ratio

1. Matters concerning the composition of consolidated leverage ratio

(Fiscal year ended March 31, 2026)

Millions of yen

Corresponding Line # on International Template (LR1)	Item	2025	2024
1	Total assets reported in the consolidated balance sheet	7,669,084	7,528,217
2	Amount of assets of subsidiaries that are not included in the scope of the consolidated leverage ratio or Basel III leverage ratio (-)	—	—
3	Adjustments for securitization exposures that do not satisfy requirements for recognizing risk transfer	—	—
4	Adjustments due to exclusion pertaining to deposits in the central bank (-)	977,371	864,964
5	Amount of customer assets included in the consolidated balance sheet (-)		
6	Regulatory adjustments in cases of accounting for securities trading based on the trade date basis	—	—
7	Regulatory adjustments for fund transfers based on cash pooling agreements	—	—
8	Adjustments associated with derivative transactions, etc.	(7,897)	(17,166)
8a	Amount associated with derivative transactions, etc.	64,680	41,824
8b	Assets associated with derivative transactions, etc. (-)	72,577	58,991
9	Adjustments related to repo transactions, etc.	1,070	2,080
9a	Amount related to repo transactions, etc.	1,070	2,080
9b	Amount related to repo transactions, etc. (-)	—	—
10	Amount related to off-balance sheet transactions	133,514	132,581
11	Amount of adjustment items pertaining to Tier 1 capital (allowance for loan losses) (-)	6,849	4,722
12	Additional regulatory adjustments	(71,544)	(57,262)
12a	Amount of adjustment items pertaining to Tier 1 capital (other than allowance for loan losses) (-)	42,697	27,334
12b	Amount of customers' liabilities for acceptances and guarantees (-)	24,748	26,120
12c	Amount of receivables arising from providing collateral in relation to derivative transactions, etc. (limited to the portion corresponding to offset amounts)	—	—
12d	Amount of receivables arising from providing cash variation margin in relation to derivative transactions, etc. (-)	4,098	3,808
12e	Amount of assets of subsidiaries that are included in the scope of the consolidated leverage ratio or Basel III leverage ratio (except those included in the total assets reported in the consolidated balance sheet)	—	—
13	Total exposures	6,740,006	6,718,763

(Note) "Corresponding Line # on International Template (LR1)" refers to that in Table LR1 in the rule text of "Consolidated framework. DIS80 Leverage ratio" published by the Basel Committee on Banking Supervision on December 15, 2019.

Millions of yen

Corresponding Line # on International Template (LR2)	Item	2025	2024
On-balance sheet exposures			
1	On-balance sheet exposures before deducting adjustment items	6,594,386	6,578,141
2	Amount of receivables arising from providing collateral in relation to derivative transactions, etc. (limited to the portion corresponding to offset amounts)	—	—
3	Amount of receivables arising from providing cash variation margin in relation to derivative transactions, etc. (-)	4,098	3,808
4	Recorded amount of securities received through repo transactions, etc. (-)	—	—
5	Amount of adjustment items pertaining to Tier 1 capital (allowance for loan losses) (-)	6,849	4,722
6	Amount of adjustment items pertaining to Tier 1 capital (other than allowance for loan losses) (-)	42,697	27,334
7	Total on-balance sheet exposures (A)	6,540,740	6,542,276
Derivative transaction exposures			
8	Replacement cost associated with derivatives transactions, etc. (with the 1.4 alpha factor applied)	49,567	26,334
9	Add-on amount for potential future exposure associated with derivatives transactions, etc. (with the 1.4 alpha factor applied)	15,112	15,490
10	Amount of exposures to central counterparties zeroed when the debt performance of qualified central counterparties is not guaranteed for indirect settlement participants (-)	—	—
11	Amount of adjusted effective notional amount of written credit derivatives, etc.	—	—
12	Amount of deductions from effective notional amount of written credit derivatives, etc. (-)	—	—
13	Total exposures related to derivative transactions (B)	64,680	41,824

Corresponding Line # on International Template (LR2)	Item	Millions of yen 2025	2024
Repo transaction exposures			
14	Amount of assets related to repo transactions, etc.	—	—
15	Amount of deductions from repo transactions, etc. (-)	—	—
16	Amount of counterparty risk exposure for repo transactions, etc.	1,070	2,080
17	Amount of agent transaction exposures		
18	Total exposures related to repo transactions, etc. (C)	1,070	2,080
Other off-balance sheet exposures			
19	Notional amount of off-balance sheet transactions	493,476	485,740
20	Amount of adjustments for conversation to in relation to off-balance sheet transactions (-)	359,961	353,158
22	Total exposures related to off-balance sheet transactions (D)	133,514	132,581
Consolidated leverage ratio or Basel III leverage ratio			
23	The amount of capital (Tier 1 capital) (E)	453,244	409,454
24	Total exposures ((A) + (B) + (C) + (D)) (F)	6,740,006	6,718,763
25	Consolidated leverage ratio or Basel III leverage ratio ((E) / (F))	6.72	6.09
26	Applicable required consolidated leverage ratio or Basel III leverage ratio	3.15	3.15
27	Applicable required consolidated leverage buffer ratio or Basel III leverage buffer ratio	0.00	0.00
Consolidated leverage ratio or Basel III leverage ratio including deposits in Bank of Japan			
	Total exposures (F)	6,740,006	6,718,763
	Amount of deposits in Bank of Japan	977,371	864,964
	Total exposures including deposits in Bank of Japan (F')	7,717,377	7,583,727
	Consolidated leverage ratio or Basel III leverage ratio including deposits in Bank of Japan ((E) / (F'))	5.87	5.39
Disclosure of average values			
28	Average value of assets related to repo transactions, etc. (after deductions) ((G) + (H))	—	—
	Average value of assets related to repo transactions, etc. (G)	—	—
	Average value of deductions from repo transactions, etc. (-) (H)	—	—
29	Quarter-end value of assets related to repo transactions, etc. (after deductions) ((I) + (J))	—	—
14	Quarter-end value of assets related to repo transactions, etc. (I)	—	—
15	Quarter-end value of deductions from repo transactions, etc. (-) (J)	—	—
30	Total exposures (using average value of assets related to repo transactions, etc. (after deductions) and excluding deposits in Bank of Japan) (K)	6,740,006	6,718,763
30a	Total exposures (using average value of assets related to repo transactions, etc. (after deductions) and including deposits in Bank of Japan) (L)	7,717,377	7,583,727
31	Consolidated leverage ratio or Basel III leverage ratio (using average value of assets related to repo transactions, etc. (after deductions) and excluding deposits in Bank of Japan) ((E) / (K))	6.72	6.09
31a	Consolidated leverage ratio or Basel III leverage ratio (using average value of assets related to repo transactions, etc. (after deductions) and including deposits in Bank of Japan) ((E) / (L))	5.87	5.39

(Note) "Corresponding Line # on International Template (LR2)" refers to that in Table LR2 in the rule text of "Consolidated framework. DIS80 Leverage ratio" published by the Basel Committee on Banking Supervision on December 15, 2019.

2. Reasons for any significant disparities in consolidated leverage ratio compared to the previous fiscal year (if any)

Not applicable.

Stock Information

As of March 31, 2026

Profile (March 31, 2026)

Name	THE SHIGA BANK, LTD.
Head Office location	1-38, Hamamachi, Otsu, Shiga 520-8686, Japan
Established	October 1, 1933
Total Assets	¥7,635.2 billion
Deposits	¥5,988.1 billion
Loans	¥4,624.9 billion
Capital	¥33.0 billion
Employees	1,936 persons
Offices and Branches	133 offices (including 33 agency offices)
Total number of issued shares	48,090 thousand shares
Number of shareholders	14,245 persons

Rating

Japan Credit Rating Agency, Ltd. (JCR)

A high level of certainty to honor the financial obligations

Rating and Investment Information, Inc. (R&I)

High creditworthiness supported by a few excellent factors

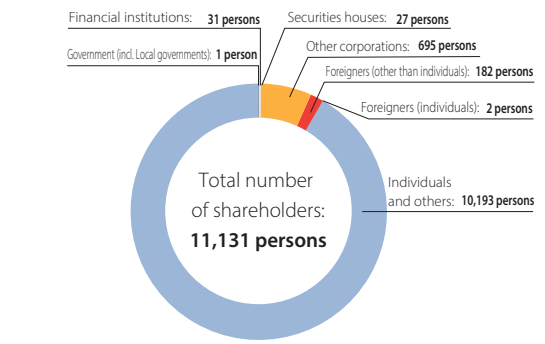
Major Shareholders (As of March 31, 2026)

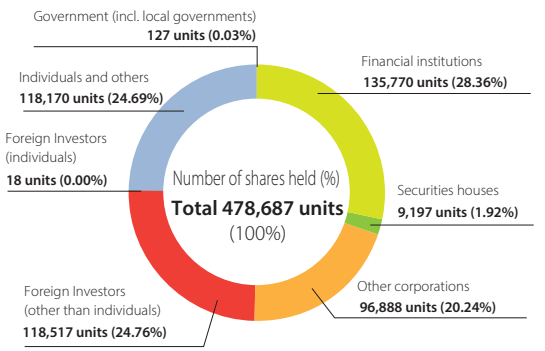
Name	Number of shares held (Thousand shares)	As a percentage of total number of issued shares (excluding treasury stock) (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	4,077	8.86
ARIAKE MASTER FUND DIRECTOR TAKANO SHIGERU (Standing proxy: Tachibana Securities Co., Ltd.)	2,677	5.82
Custody Bank of Japan, Ltd. (Trust account)	2,216	4.82
Nippon Life Insurance Company	1,610	3.50
Meiji Yasuda Life Insurance Company	1,599	3.47
STATE STREET BANK AND TRUST COMPANY 505103 (Standing proxy: Settlement & Clearing Services Department of Mizuho Bank, Ltd.)	1,164	2.53
Employee Stock Ownership of Shiga Bank	1,010	2.19
STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Settlement & Clearing Services Department of Mizuho Bank, Ltd.)	964	2.09
Sompo Japan Insurance Inc.	844	1.83
CEPLUX-THE INDEPENDENT UCITS PLATFORM 2 (Standing proxy: Citibank, N.A., Tokyo Branch)	774	1.68
Total	16,941	36.84

*The Bank holds 2,114 thousand shares of treasury stock (representing 4.39% of the total number of issued shares), which is not included in the list of major shareholders above.

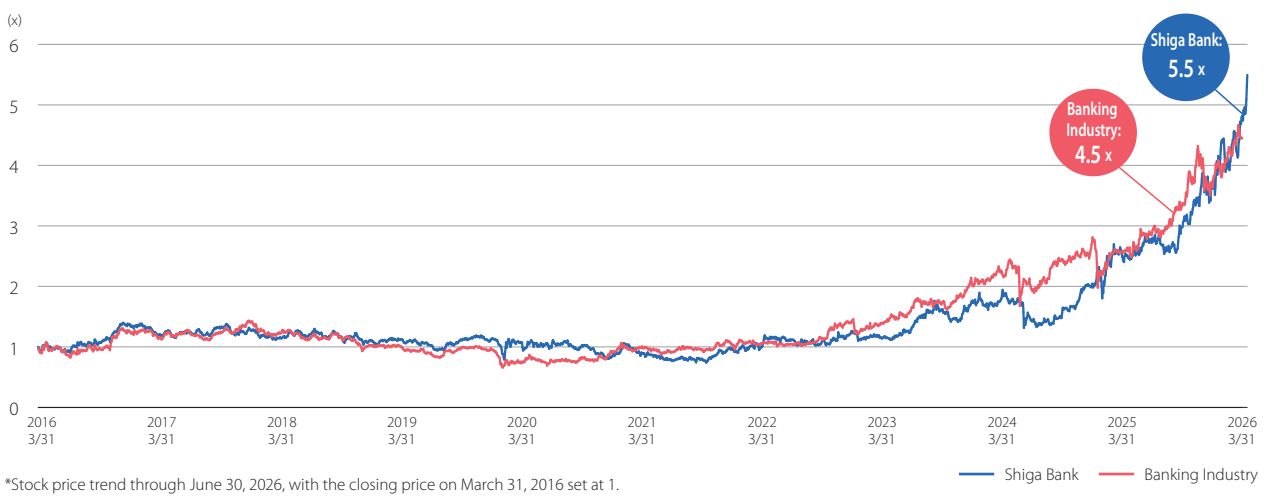
Number of shareholders and shares by type of holder (As of March 31, 2026)

*Shares less than one unit are not included.





Stock price trends (10-year)



*Stock price trend through June 30, 2026, with the closing price on March 31, 2016 set at 1.

「三方よし」で地域を幸せにする

Sustainability Design Company

SHIGA BANK

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