

1 The 8th Medium-Term Business Plan

Basic Strategy #1

Impact Design

Design sustainable growth of our customers and regions

We discover issues, plan solutions, and link them to the achievement of the vision of what we want the future to be. That is how we design sustainable growth. We will work to create new value without being bound by the framework of finance.

In addition to structural issues such as high prices and labor shortages, the transition to the “world with interest rates” is making the environment surrounding regional economies and our customers even more complex. Now is the time to fulfill the role of regional financial institutions by confronting regional issues head-on and creating and implementing solutions through the power of “design,” thereby creating a “virtuous cycle of happiness brought to the region” vigorously.

To achieve this, we are expanding our options for solving issues through a variety of consulting services, including human resources consulting, extensive partnerships with local companies, the launch of an investment subsidiary, Shigagin capital partners in fiscal year 2024, and the establishment of the Kyoto-Shiga Small and Medium-sized Enterprise Support Fund, a public-private partnership fund for revitalizing small and medium-sized enterprises.

Going forward, the Shiga Bank Group will fulfill its responsibility as a catalyst for positive impact in local communities and continue to design sustainable growth for these communities.

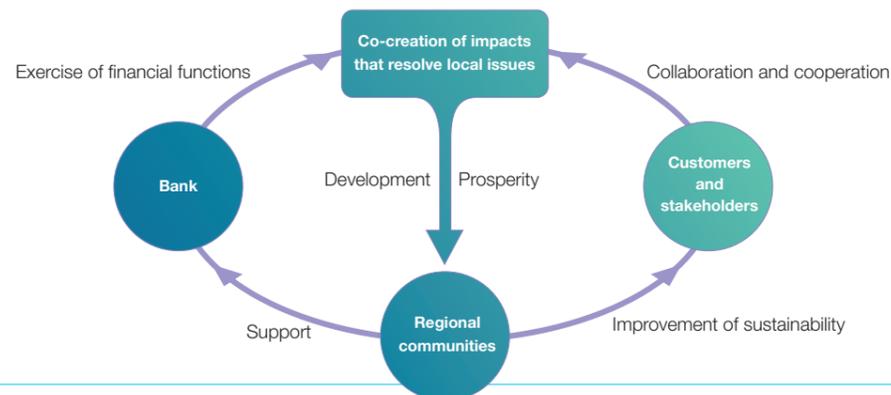
<Recognition of issues>

- Creation of new business value
- Creating social impact

Toward sustainable regional communities

Population decline and changes in the population structure in local regions are steadily progressing, and are beginning to have a serious impact on the regional economy such as companies suffering from a chronic shortage of labor. Regional revitalization initiatives to create a society in which people can live, work, and raise children with peace of mind on their land by enhancing the earning power of the region for the sustainable development of the region have become the most important theme for regional financial institutions.

The Shiga Bank Group will create an impact toward sustainable regional communities as a company that designs the region by utilizing our various networks developed through our close connections to the region.



Achievement image of the “vision for regional communities <a society where everyone can define their future and live happily>”

Increase in real gross prefectural product and employment in Shiga Prefecture

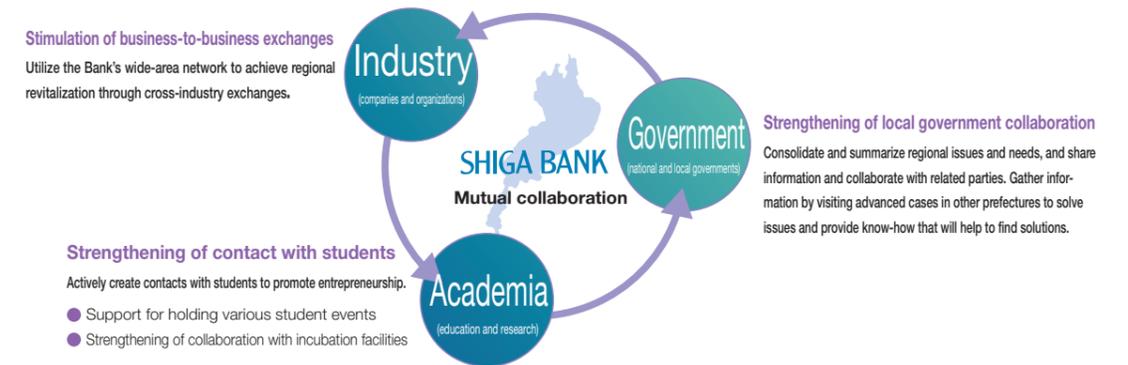
Control of population decline, increase in related population and exchange population in Shiga Prefecture

Achieving a carbon neutral society by 2050

Achieving diversity equity and inclusion

Designing regions for regional revitalization – Mutual collaboration with industry, academia, and government for regional revitalization–

“What measures are needed to realize regional revitalization?” In order to answer this question, it is necessary to consider measures to create a future that is not an extension of the present, by imagining as concretely as possible a region in which regional revitalization has been realized. The Group will strengthen its efforts to collaborate in regional revitalization based on the concept of “designing the region.”



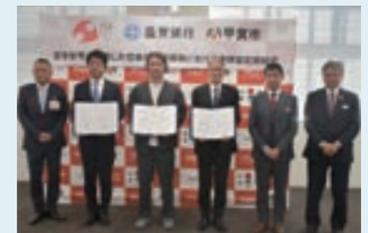
Concluded a comprehensive partnership agreement with HEIWADO CO., LTD.

We concluded a comprehensive partnership agreement with HEIWADO CO., LTD. Under this agreement, HEIWADO CO., LTD. and the Bank will cooperate and collaborate closely and build a relationship of trust across a wide range of fields, effectively utilizing each other’s resources and capacities to help drive the revitalization of the regional economy and the development of local communities.



Conclusion of a “Partnership Agreement for the Promotion of Shigaraki Ware Production Utilizing Vacant Houses and Other Properties”

We concluded a “Partnership Agreement for the Promotion of Shigaraki Ware Production Utilizing Vacant Houses and Other Properties” with Koka City and Shigaraki Machizukuri Co., Ltd. This project is based on a feasibility study conducted by Koka City in fiscal year 2022 to explore the potential of business models utilizing vacant houses and other properties in the Nagano area of Shigaraki Town, with the aim of revitalizing the Shigaraki ware production area. Our Shigaraki Branch has played a central role in these surveys, participating from the planning stage alongside private sector companies.



Participation in the “Nagahama Institute of Bio-Science and Technology Industry-Academia Collaboration Human Resource Development Consortium”

The Nagahama Institute of Bio-Science and Technology, businesses, and government agencies have joined forces to form the Nagahama Institute of Bio-Science and Technology Industry-Academia Collaboration Human Resource Development Consortium, which aims to build an innovation ecosystem for solving issues in industry and the local community.

With the declining population of 18-year-olds and the trend of high school students moving to cities, the situation facing regional universities is becoming increasingly challenging, so we will cooperate and contribute to the creation of appealing universities that nurture the human resources demanded by society and activate the regional economy.

Solving social issues and creating new value

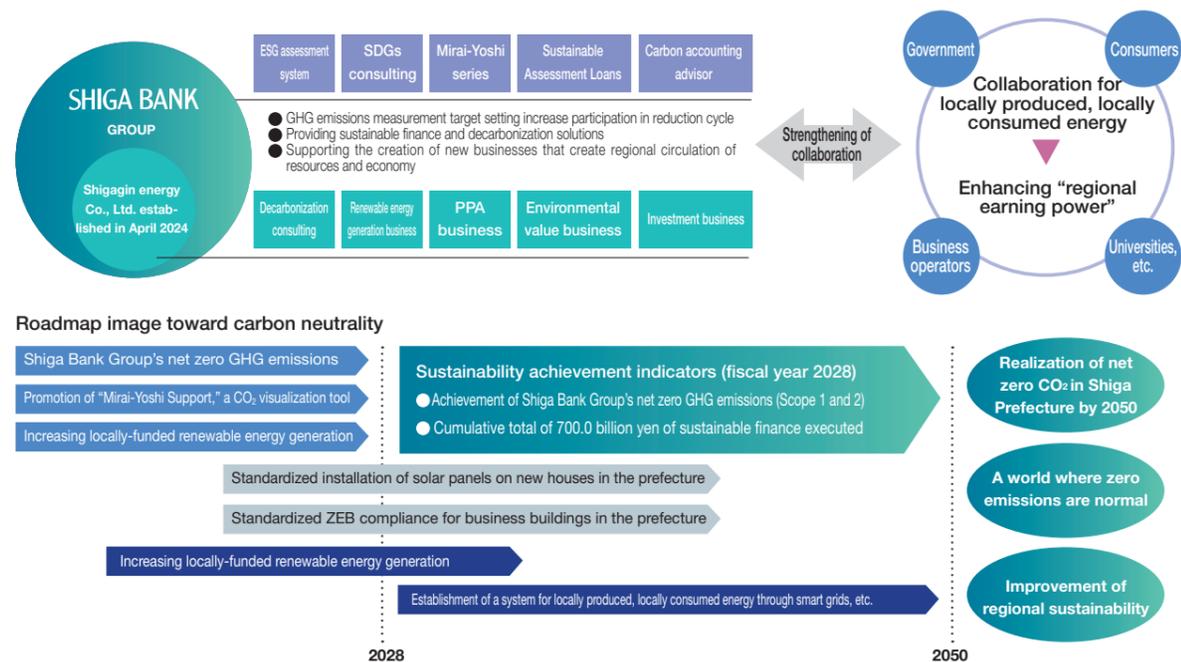
We will continue to offer a variety of solutions to address social issues in our communities. Our role is to return the capital generated from this to the community and create a “virtuous cycle of happiness brought to the region.”

Creating business opportunities centered on decarbonization

The transition to a carbon neutral society by 2050 is a common challenge for all humankind, and initiatives to decarbonize are expanding into the entire supply chain, involving regional middle-ranking and small- and medium-sized enterprises as well. In addition, with the growing momentum toward finance-driven decarbonization in recent years, there is a growing social demand to focus on the influence of financial institutions, and regional financial institutions are beginning to recognize that contributing to regional decarbonization is one of the main objectives of their business activities.

Shiga Prefecture, where the Bank is headquartered, has one of the highest percentages of secondary industries in Japan, and a delay in addressing decarbonization could lead to a decline in the regional economy. On the other hand, if we can drive decarbonization upfront and turn it into a strength, it can lead to further economic development. In addition, if energy costs, estimated at approximately 200.0 billion yen, can be prevented from flowing out of the prefecture and funds can be circulated in the region, a ripple effect can be expected that will enrich the entire region.

With this in mind, Shigagin energy Co., Ltd. (P.43) was established in April 2024. The Shiga Bank Group is developing a variety of businesses, by accelerating its decarbonization initiatives, to attract investment into the region, and to connect it to the regional earning power.



TOPICS Commencing handling of “transition finance”

In April 2025, to promote decarbonization management efforts aimed at achieving a carbon-neutral society, we began handling transition finance and published our “Approach to Transition Finance.”

Transition finance is a financial mechanism that provides funding to companies seeking to transition to decarbonized operations in the future by steadily implementing GHG reduction measures consistent with long-term strategies.

Initiatives for business succession

As one of the social issues in the region, the Shiga Bank Group is focusing on supporting business succession, which is one of the Bank’s materiality (P.25).

In April 2024, a specialized team for business succession consulting was established within the Business Promotion Dept. to maximize contact points with customers and engage in activities to encourage early action to resolve issues. In addition, we established Shigagin capital partners Co., Ltd., an investment subsidiary, in October 2024 (P.43), and are working to further improve expertise and strengthen functions in areas such as support for business successions.



Initiatives to support new businesses that revitalize regions

Creating and growing new businesses in local regions will not only revitalize the regional economy, but also lead to preventing young people from leaving the region by creating attractive employment opportunities in the region, thereby maintaining and increasing the population of permanent residents. It is also expected to increase related population and exchange population. The Bank promotes various initiatives to support the growth of new businesses through mutual collaboration among industry, academia, and government, leading to the promotion of regional economies and the solution of social issues.

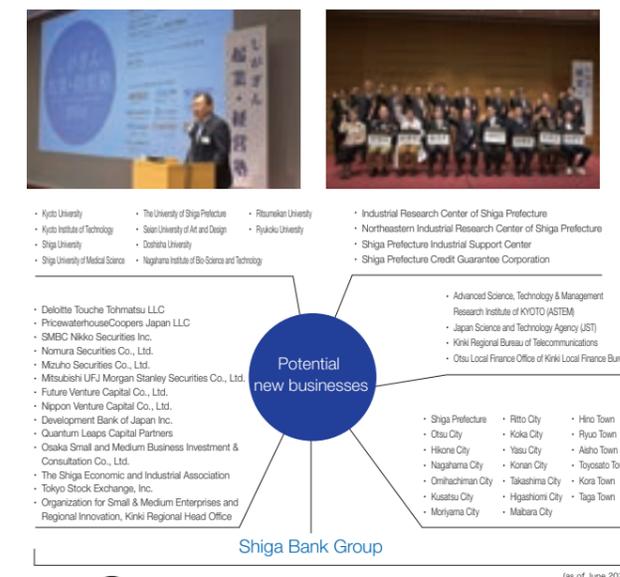
“Shigagin Entrepreneurship and Business Management School” and “Shigagin Nonohana Prize for Innovation”

To further develop the efforts of “Saturday School for Entrepreneurship,” which has evolved over the past 20 years, “Shigagin Entrepreneurship and Business Management School” was launched in fiscal year 2023. We invite people who are pioneering and active in their times as lecturers to provide business tips for startups and relaunching businesses that lead to solutions to social issues.

In addition, with the support of 10 listed companies in Shiga Prefecture, “Shigagin Nonohana Prize for Innovation” that awards business ideas and new technologies that lead to solutions to social issues and innovation is implemented and supports the commercialization of such business ideas and technologies.

“Shigagin new business support network Nonohana Support Group”

It is an organization that supports new businesses through collaboration of industry, academia, government, and finance, and from fiscal year 2024, all cities and towns in the prefecture have been participating in this organization. We also focus on strengthening the bridge between industry and universities and creating business opportunities for industry-academia collaboration.



Creating new value - Future Design Group - +X

In order to create new businesses that will contribute to solving regional issues, we established the Future Design Group within the General Planning Department in April 2024.

It envisions businesses that proactively solve regional issues highlighted through information gathering from over 300 companies and local governments by utilizing regional resources, such as businesses that are involved in regional development projects from the planning stage.

Through the members’ activities, we will foster a corporate culture to encourage employees to take on challenges and develop “Design personnel” with the aim of realizing the “vision for regional communities.”

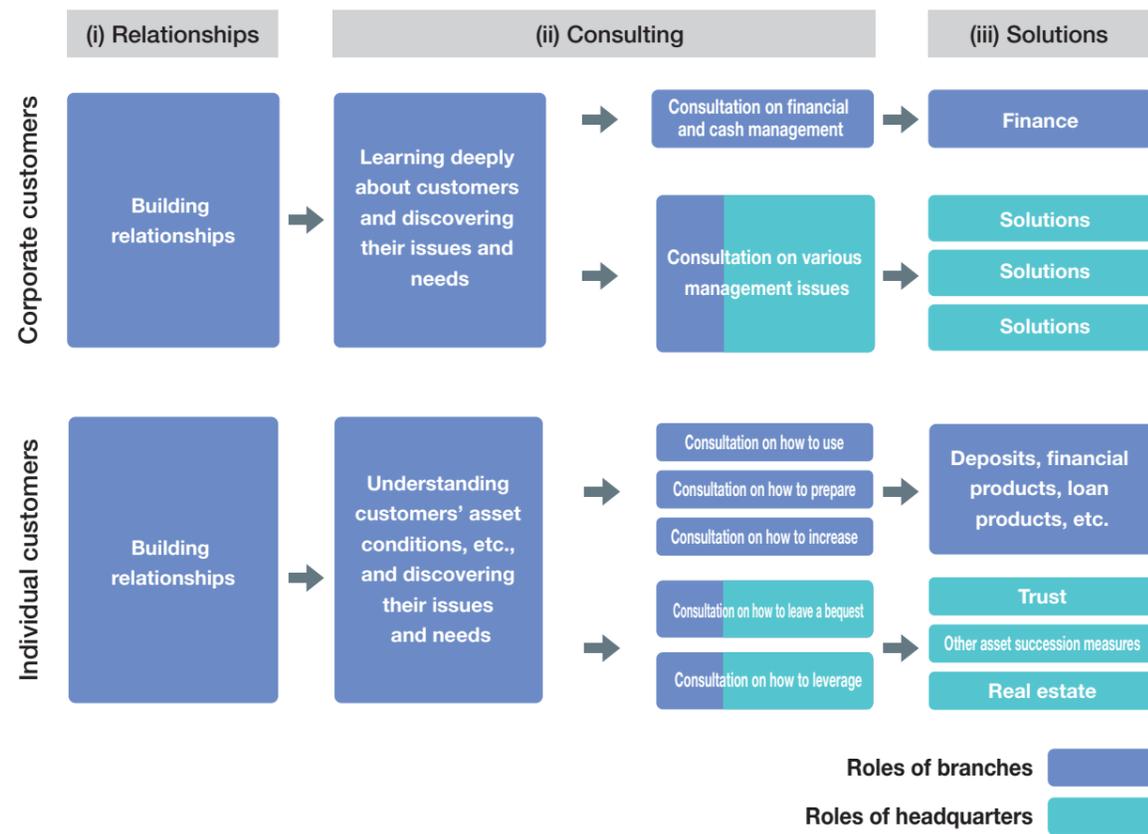
To support our customers' dreams and businesses

We believe that the sustainability and growth of business operators and individual customers are the most important factors for the sustainability and growth of the region. The Bank is working on one-on-one support of customers by providing a wide range of solution menus to solve issues to bridge the gap between the current situation and the future so that customers can realize their dreams and visions for the future.

“Strengthening relationships” with customers and practicing one-on-one support through “problem-solution type sales”

The Bank emphasizes three stages in realizing customers' dreams and visions.

By strategically strengthening our approach to customers in accordance with the three stages of (i) relationships, (ii) consulting, and (iii) solutions, we aim to solve management issues and money-related problems, thereby increasing the corporate value and satisfaction of customers.



TOPICS Implementation of “Sales Management School”

With the aim of strengthening the sales capabilities of the entire organization, we have launched a “Sales Management School” to systematically teach management skills and provide experience and know-how related to strengthening customer relationships and solution-oriented sales for branch managers. This course has led to an increase in the number of employees who take initiative on their own, resulting in improved team performance at branches.



Initiatives for corporate customers and individual business customers

Strengthening the ability to delve deeper into management issues

Based on our belief that “solution proposals are only possible through relationships and consulting,” we are working to strengthen relationships (relationship building), which form the foundation of transactions, and comprehensive consulting (consultation) skills.

In fiscal year 2024, in addition to systematizing know-how for building customer relationships and developing training materials, we developed tools for identifying a wide range of management issues and needs and standardized methods for doing so. In addition, branch support divisions within the Business Promotion Department took the lead in conducting study sessions for a total of 403 sales representatives. In addition, we actively respond to individual consultations and provide support tailored to the actual conditions of each branch.

We will improve our skills to delve deep into business issues as reproducible skills, which will lead to providing financing and each solution to support customers' dreams and businesses.

Strengthening finance to support growth of customers and regions

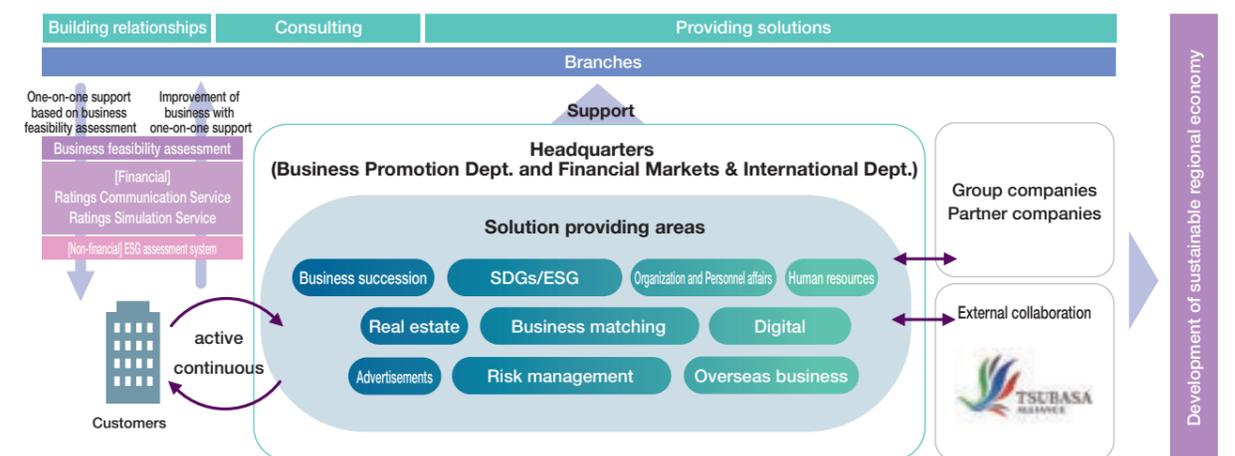
In our efforts to learn deeply about customers and respond to their issues and needs, finance is one of the most important solutions for our customers. As well as enhancing our ability to respond even more promptly to customer concerns caused by changes in the business environment, we will further strengthen our high value-added financing based on business feasibility assessments. We support the growth of our customers and regions by practicing “problem-solution type sales” that integrates various solutions based on finance.

Strengthening one-on-one type solutions

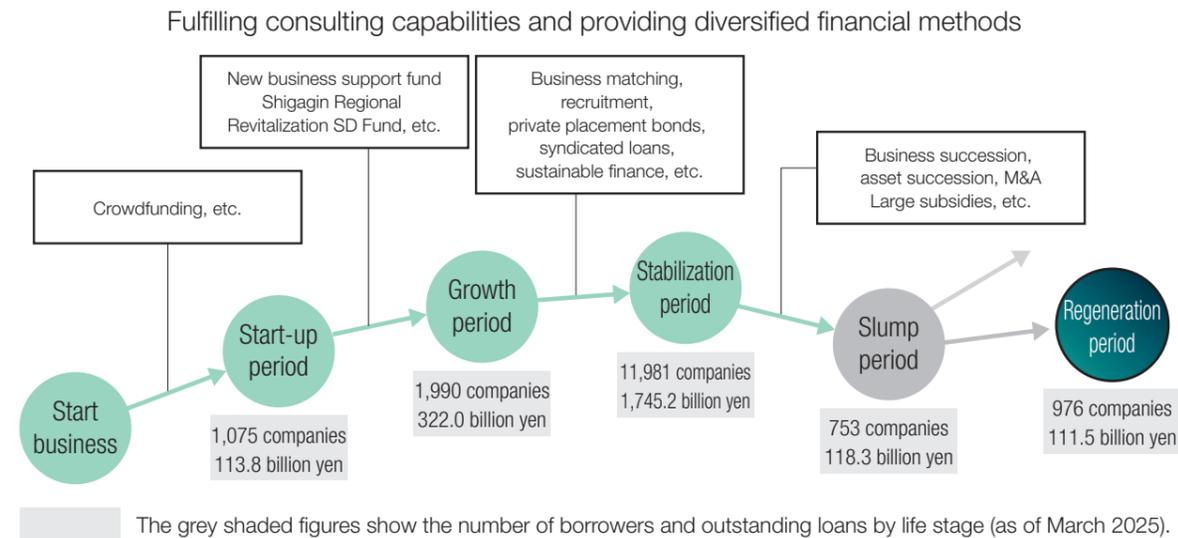
By leveraging group functions and deepening collaboration with partner companies, we will strengthen solutions to core management issues such as business succession. We will continue to enhance the functionality of solutions that address core business issues such as customers' sustainability strategies, personnel and human resource strategies, and DX strategies, while also working to strengthen cross-functional collaboration among head office solution staff.

In addition, as management issues that require medium to long time to solve are increasing, we will work to strengthen active and continuous approaches to customers. In fiscal year 2024, we launched the “Future One-on-One Meeting,” in which branch offices and head office work together to consider a wide range of proposals for customers, and established a system to provide ongoing support for business succession issues. We provide medium- to long-term one-on-one support by grasping changes in the business environment of our customers throughout the entire organization.

In order to broaden the range of measures to be developed in the future and increase their effectiveness, we will deepen external collaboration with the TSUBASA Alliance (P.51) and other organizations more than ever.



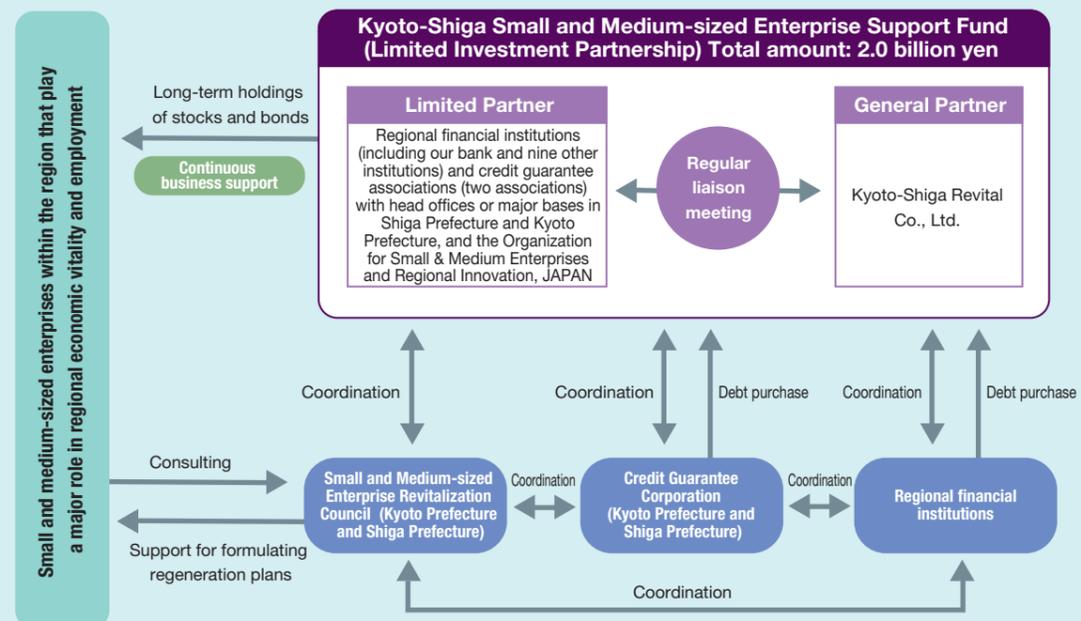
Providing solutions tailored to the life stage of your company



TOPICS Formation of the “Kyoto-Shiga Small and Medium-sized Enterprise Support Fund,” a public-private partnership fund for the regeneration of small and medium-sized enterprises in the Kyoto-Shiga region

As part of efforts to stimulate regional revitalization and maintain jobs, we formed the “Kyoto-Shiga Small and Medium-sized Enterprise Support Fund Investment Limited Partnership” (total amount: 2.0 billion yen) in collaboration with regional financial institutions and credit guarantee associations, which have their head offices or main bases in Shiga Prefecture and Kyoto Prefecture, and the Organization for Small & Medium Enterprises and Regional Innovation, JAPAN to support small and medium-sized enterprises in the region through a public-private tie-up. This fund will be the first public-private partnership fund for regenerating small and medium-sized enterprises in this region.

We will steadily promote the regeneration of investee companies by providing financial support through debt purchase, lending, and corporate bond underwriting, as well as hands-on business support.



Status and challenges of each solution menu initiative

■ Succession Consulting

We are maximizing customer contact and enhancing our proposals for solving business succession issues. In fiscal year 2024, we made it our policy to expand the scope of services provided by the succession support department, resulting in a significant increase in the number of consultations from 425 in the previous fiscal year to 649.

As the options for business succession continue to diversify, there is a growing need to establish a continuous support system tailored to the individual circumstances of each customer. Going forward, we will leverage outside insight to further advance our expertise and provide even more sophisticated consulting services.

■ M&A

In fiscal year 2024, we stepped up collaboration with branch offices and promoted the acquisition of M&A senior expert qualifications by branch managers, which led to a better understanding and awareness of M&A and resulted in a higher-than-targeted number of M&A deals.

The training of specialized personnel and the establishment of a proposal system tailored to company size and industry will be key challenges going forward, and we will accelerate the development of comprehensive consulting services that contribute to the growth of local companies through the utilization of the CRM system “BMASS,” acquisition financing proposals, PMI support, and other means.

■ Personnel consulting and recruitment

In response to the intensifying competition for talented human resources and the need to improve productivity, while taking into account changes in the environment surrounding our customers, we launched personnel consulting service in April 2022, which includes human resources system development and human resources training support, in addition to our existing recruitment service. Not only have we made improvements to our systems, but we have also strengthened our operational capabilities, such as training for managers and next-generation leaders, in response to growing interest among business leaders in human resource issues. As a result, the number of consultations and successful contracts has steadily increased.

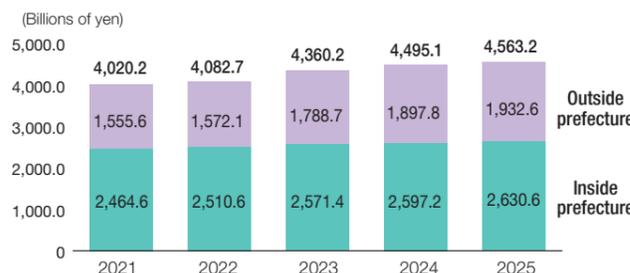
Our customers’ human resource issues are complex and require a wide range of solutions. It is therefore essential to build a system that enables us to collaborate with a variety of external partners in addition to our own bank. We will strongly support organizational change and encourage growth in companies through long-term support while developing partnerships and accumulating expertise.

■ Sustainable finance

We are proactively offering financial support related to ESG to encourage our customers to engage in sustainable management. In October 2024, we launched a new product called “ESG Loan: Mirai Yoshi Step” with the aim of providing more customers with an opportunity to take their first step toward ESG and SDGs. We provided more than 70 of these products in fiscal year 2024.

Going forward, we will further bolster our partnerships with various entities, including businesses and local governments, and contribute to the realization of regional sustainability.

Total loans outstanding



Main corporate consulting fees



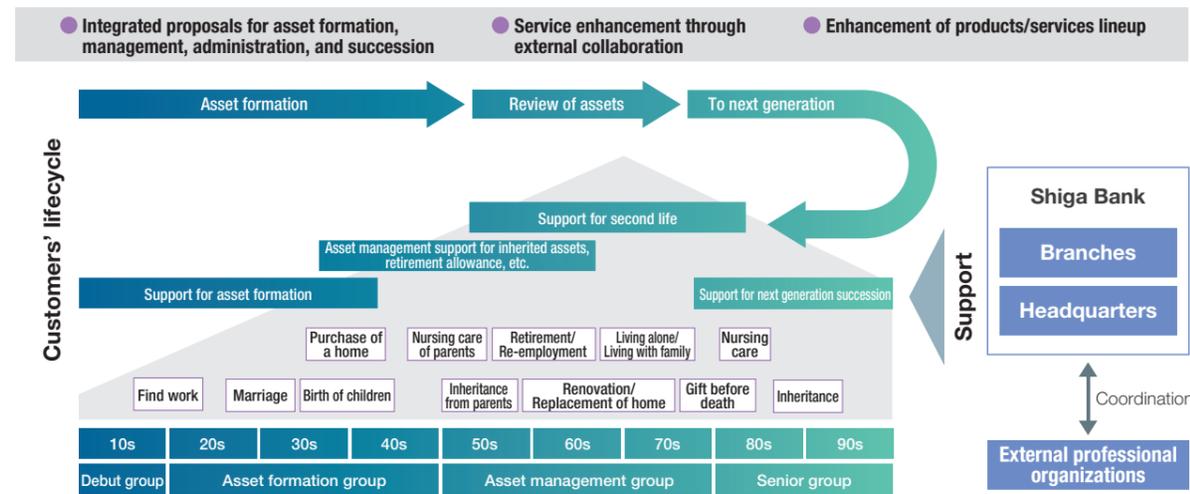
Initiatives for individual customers

We will achieve a high level of convenience that is tailored to the diversifying values and lifestyles of customers.

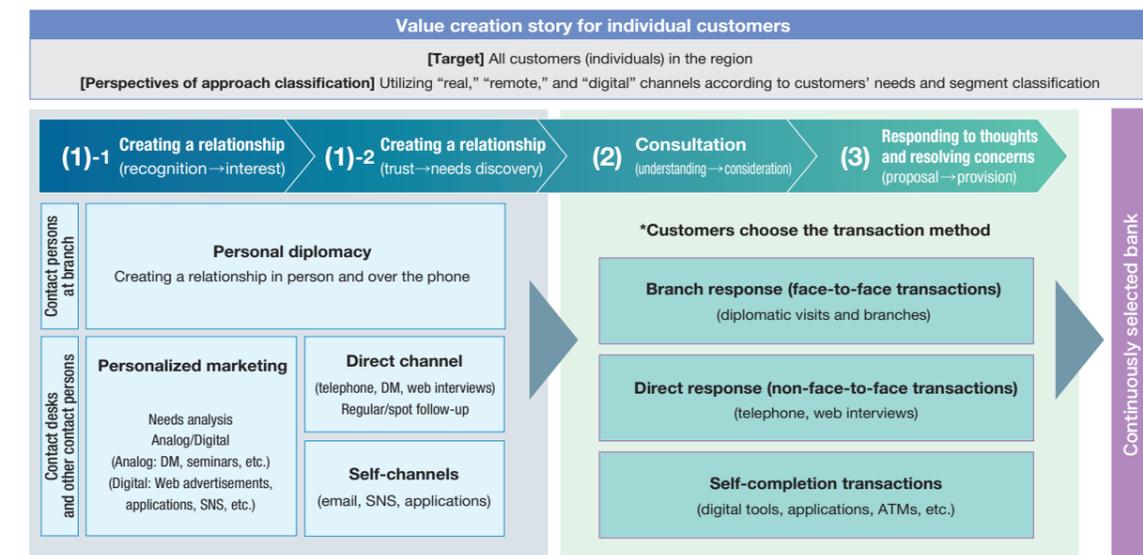
We practice goal-based support* to provide high added-value to all customers.

*Share customers' dreams (goals) and support closely to realize them.

Goal-based support to realize customers' dreams



Enhancement of contact points with customers and CX (Customer Experience)



Valuable proposals that are tailored to customers' lifestyles

In addition to real consultations and proposals, digital tools and online interviews will provide a high level of convenience that is tailored to customers' lifestyles.

We provide comprehensive consulting services (asset management, asset succession, etc.) to wealthy individuals, corporate owners, etc. To cater to increasingly diversified and sophisticated customer needs, an SD Team, consisting of AFCs (area financial consultants), securities advisors, and insurance advisors, provides back-up support for the asset formation consulting services offered by branches.

Customer-oriented business operations

We have established a "Customer-Oriented Business Policy" with the aim of ensuring that our employees share the Group's philosophy and contribute to the asset formation of our customers. We regularly review specific initiatives and indicators (KPIs) in line with this policy and publish our findings every six months.

1. Pursuit of best interests of our customers
2. Appropriate management of conflicts of interest
3. Clarification of fees and charges
4. Provision of important information in an easy-to-understand manner
5. Offering financial products and services suited to our customers
6. Appropriate motivation framework for employees

Asset succession, trusts for wills

We provide support to ensure that customers' valuable assets are transferred in a smooth and satisfactory manner. We listen to our clients' wishes, confirm their current circumstances, and then provide a wide range of inheritance-related consultation services, including determining who should inherit which assets, securing funds to pay inheritance taxes, and reviewing assets, all tailored to the needs of each individual client.

With "testamentary trusts," we are committed to fulfilling our customers' wishes by providing support in drafting wills, storing and managing them, and, upon the death of the testator, acting as the executor of the will and handling all inheritance procedures. This ensures a smooth inheritance process and the harmonious transfer of assets.

Consumer loans

- With our direct consumer loans, we are leveraging our nationwide network and non-face-to-face strengths, and are seeking to increase high-profit lending.
- We are promoting efficient operations that make use of non-face-to-face channels, such as an increase in the ratio of online applications for home loans.

Direct consumer loan

Enhancement of direct channels

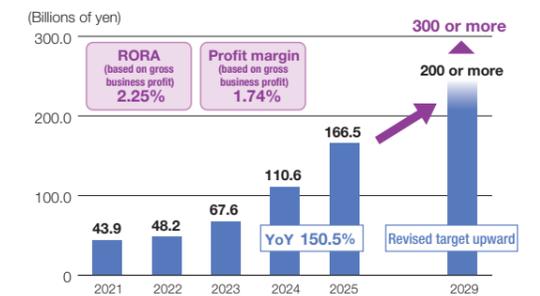
Non-face-to-face tools + Dialogue → Achievement of complete non-face-to-face operation

The call center's professional staff provide extensive support for the procedures by phone or chat. No visit to a branch required from loan application to contract and execution.

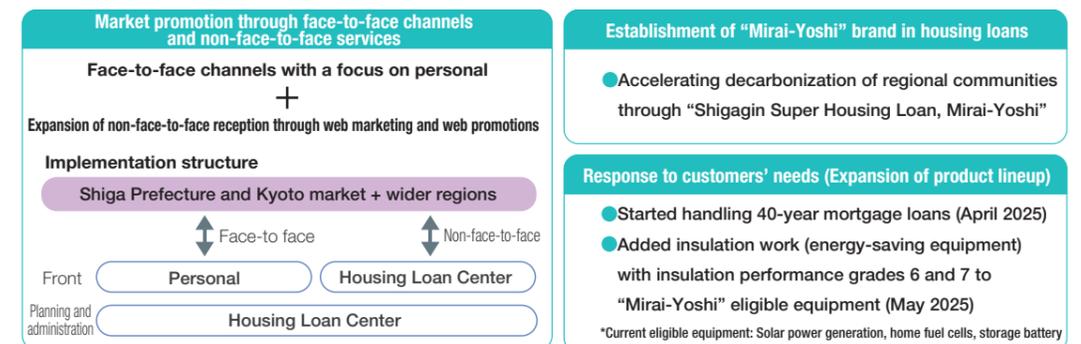
Response to customers' needs

We are revising products and improving convenience to meet customers' needs. We are also strengthening web advertisements to increase appeal to customers.

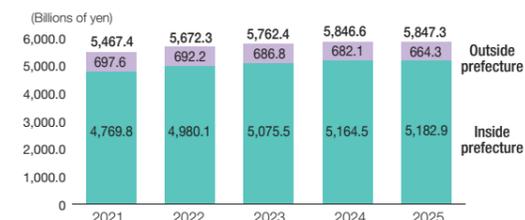
Consumer loan balance trends



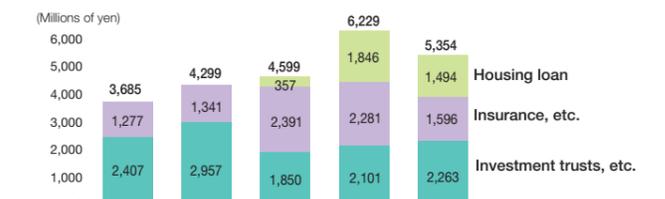
Housing loan



Total deposits (end balance)



Main individual consulting fees



Group company strategy

We will contribute to the sustainable growth of customers and regional communities by creating new businesses that help to resolve regional and social issues, and by enhancing solution menu and providing optimal solutions through the collective efforts of the Shiga Bank Group.

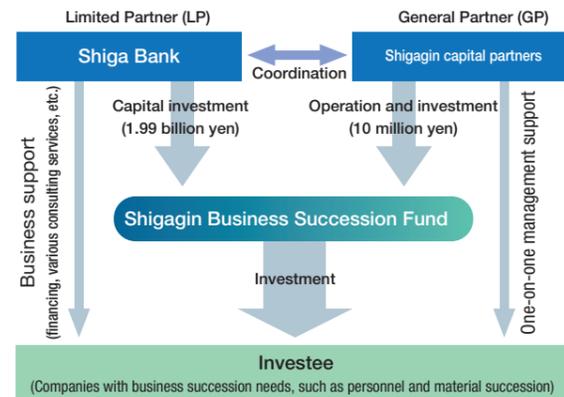
Shigagin energy +X ● Renewable energy-related services

- Established April 2024
 - We will promote the expansion of renewable energy use through GX (Green Transformation) and resource recycling by supporting local production for local consumption, all creating positive impacts for the region.
- <FIT power generation business>**
- We have acquired 25 solar power plants (with a total generating capacity of approximately 28 MW) mainly in Shiga Prefecture, and are growing into a power generation business that supplies electricity to around 10,000 households.
 - We are also looking into investing in new areas such as PPA and storage battery businesses.



Shigagin capital partners +X ● Consulting services ● Investment services

- Established October 2024
 - In response to regional issues such as shrinking markets, lack of successors, and talented human resource shortages, we will work to resolve these issues through our customers' shareholdings and hands-on support.
- <Investment business>**
- We launched our first fund with 2.0 billion yen in January 2025.
 - We will invest in customers faced with business succession issues and strive to enhance corporate value.
 - We will also look into expanding into business regeneration, venture business, and regional activation in the future.



Shiga Home Loan Guarantee Service ● Credit guarantee services ● Loan collateral valuation and management services

- We are working to build up sound assets by increasing the balance of housing loan guarantees.
- In April 2024, we commenced a business alliance with ZENHOREN CO., LTD. in the field of rent liability guarantee services. We aim to create a secure rental environment for landlords and tenants by collaborating with local real estate agents. +X

*Rent liability guarantee services are services that pay rent on behalf of tenants who default on rent payments or other debts.

Shiga DC Card ● Credit card services ● Credit guarantee services

- We handle the DC brand and operate a community-based credit business.
- We are creating synergistic effects through mutual cooperation with Shigagin JCB.
- We are promoting cashless payments in the region by encouraging a wide variety of payment solutions.

Shigagin JCB ● Credit card services

- We handle the JCB brand and operate a community-based credit business.
- We are creating synergistic effects through mutual cooperation with Shiga DC Card.
- We are promoting cashless payments in the region by encouraging a wide variety of payment solutions.

Shigagin Lease ● Lease services

- Through our leasing business, we contribute to the sustainable development of regional communities and our customers.
- We strive to strengthen relationships with our customers and, together with the Bank itself, are working to provide "problem-solving financial information services." Through the promotion of leasing, we are helping to solve social issues such as decarbonization and labor shortages.
- We promote environmental finance initiatives that aim to enhance customer corporate value while preserving the environment.

Shigagin Economic & Cultural Center ● Consulting services

- We serve as a think tank through corporate support and regional cultural promotion, mainly within the prefecture.
- In addition to consulting for local governments and companies, we plan and manage cultural projects, cultural lectures, as well as various other events.

Shigagin Business Service ● Administrative calculation outsourcing services ● Administrative support services ● Property management services ● ATM management services ● Cash inspection and sorting services

- As a subsidiary that provides administrative support to banks, we are working to improve the operational efficiency of banks.

Shigagin Agency ● Bank agency services

- As an important staffed outlet, we have 21 general agencies and in-store agencies in the prefecture, and are engaged in sales and customer services.

Group company revenue trends

