

3 The 8th Medium-Term Business Plan

Basic Strategy #3

Human First

Maximizing human capital

We believe that there is still considerable room for growth in terms of human capital by putting to good use the abilities and skills of each and every employee.

Based on good human relations and workplace environment, we will work to create an organizational climate in which employees can feel a sense of fulfillment, achievement, and personal growth more than before.

<Recognition of issues>

- Restructuring of human resource portfolios to reflect environmental changes
- Strengthening of management capabilities and review of promotion criteria
- A corporate culture that promotes psychological safety and the penetration of mission, vision, and values
- Promotion of human capital investment and clear communication to employees

The future starts from human potential.

We believe that the will of each individual and our transformation will create new value and lead the way to the future of our region.

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



Message from the Officer Responsible for Personnel Affairs

In our 8th Medium-Term Business Plan, we have adopted a “Human First” strategy, and based on our belief that people are the source of value creation, we have begun full-scale investment in human capital. Putting systems and environments in place is only the starting point.

The first year’s efforts have brought many new discoveries and signs of definite change are emerging. At the root of this change lies the power of culture. “Culture beats strategy.” As this saying suggests, no matter how excellent a strategy may be, without the culture to support it, true change will not take place.

In fiscal year 2025, we will tackle the challenge of accelerating change. Offering full training programs,

career support, management skills, and fostering a corporate culture that celebrates challenges. All of these efforts are aimed at connecting the potential of each and every employee to the future of the region and our customers. It is not just systems and frameworks, but a culture that embraces challenges and turns failures into learning experiences that drive sustainable growth.

We don’t view challenges as a negative, but rather as opportunities for growth. Our goal is to create an organization where all employees can learn independently, challenge themselves, and create value. We will continue to move forward without giving up on this challenge in fiscal year 2025 and beyond.

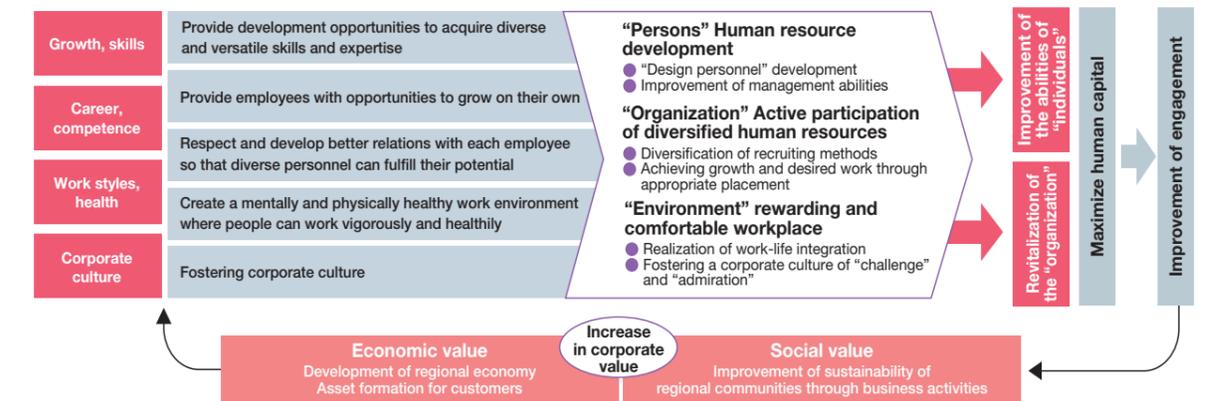
Value creation in personnel strategy

Personnel strategy of the 8th Medium-Term Business Plan

Overview of Personnel Strategy

We will set KPIs for each of the three pillars of “persons,” “organization,” and “environment,” and implement specifically designed measures. The KGI that runs through all of this is “improvement of engagement.” Our value creation process is based on the belief that when each and every employee feels a sense of purpose and fulfillment in their role and work, and is motivated to take on challenges and grow, this generates energy throughout the organization, which in turn enhances our ability to contribute to regional communities.

Value creation process for personnel strategy



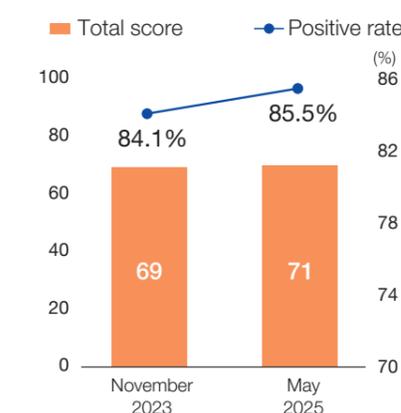
Progress of KGI and Recognition of Issues

The overall score of the engagement survey conducted in May 2025 was 71, showing an improving trend but still falling short of the mark. Although systemic reforms are progressing, there are still challenges in raising awareness and changing behavior in the workplace.

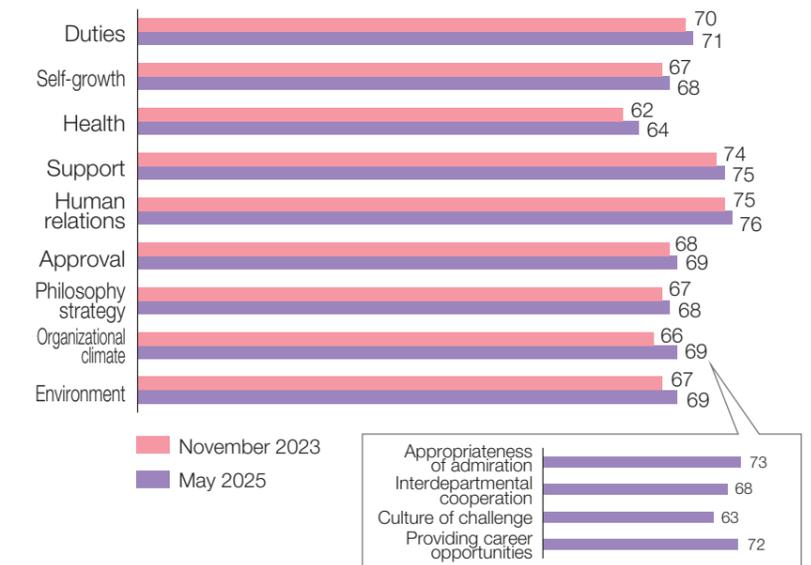
In particular, improvements have been seen in the “organizational climate” category, but the score for “culture of challenge” remains low. Going forward, we will work to improve engagement by cultivating a corporate culture that embraces challenges, supporting independent career development, and strengthening management capabilities.

Progress of KGI

Results of engagement survey (total score)



Engagement survey (score by category)



“Persons” Human resource development

“Design personnel” development

Developing human resources with the ability to design the future together with local communities and customers is a central theme of our personnel strategy. As a regional financial institution, the Bank has focused to date on strengthening relationships (the 6th Medium-Term Business Plan) and solutions (the 7th Medium-Term Business Plan) and has worked to develop “problem-solution type human resources.” Through such steps, we are aiming to evolve into “design personnel” who connect relations and solutions.

Human resources development policy

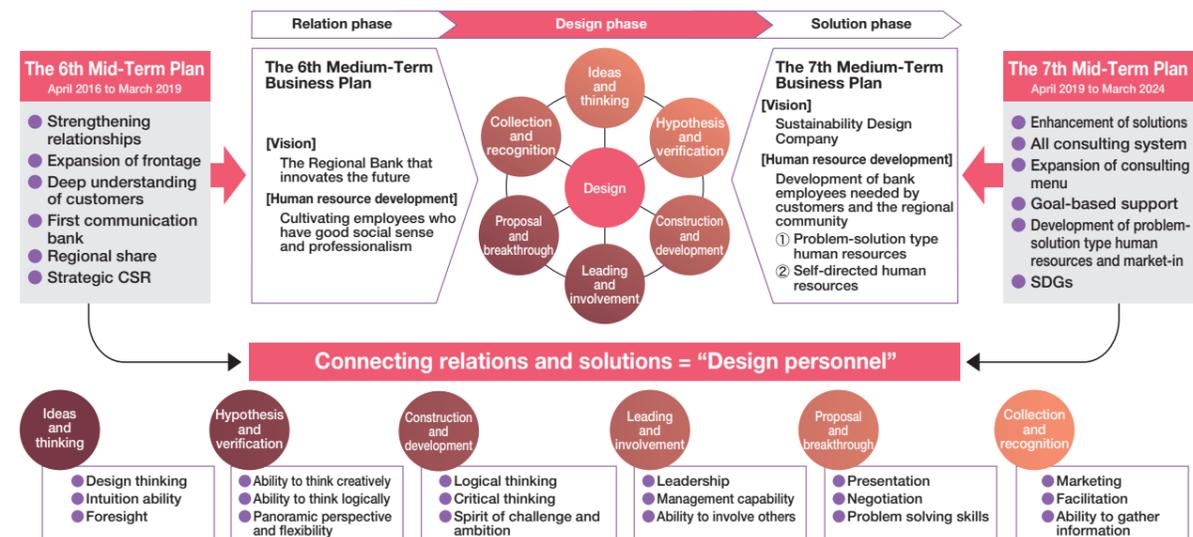
“Design personnel” development

■ Persons who can create issues for customers and regions, design solutions, and link them to the realization of those solutions

Considering the deposit and loan business operations as a relationship opportunity, improve the ability and skills to design value creation for customers and regions and link it to solutions.

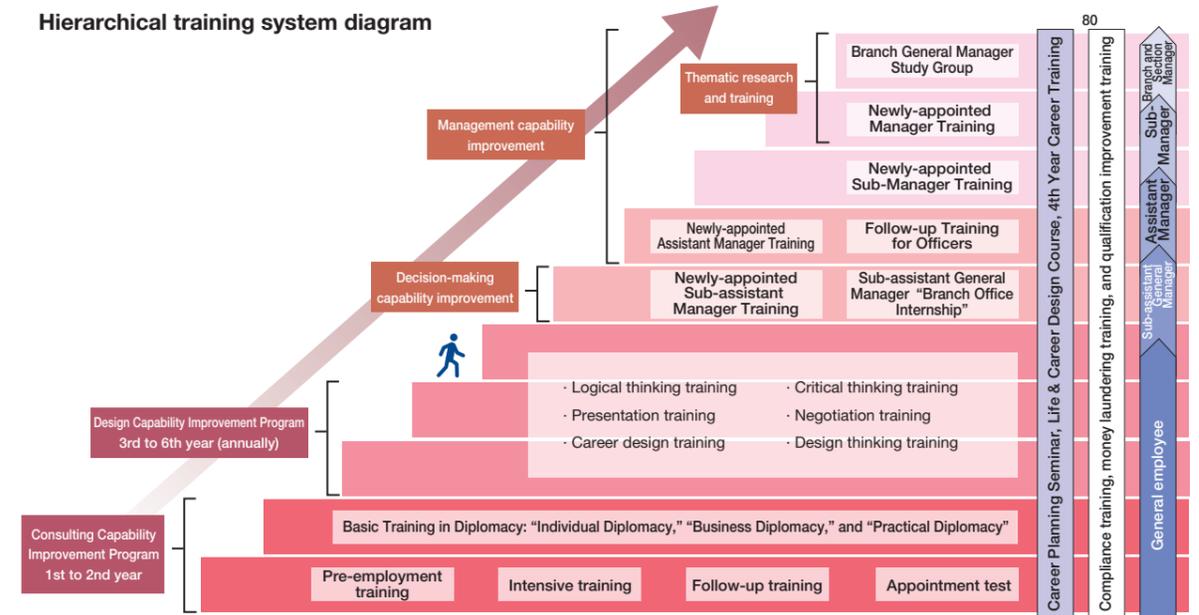
■ Persons who design their careers (=vision) and continue to take on challenges to achieve them.

In an era of rapid change, we develop and support human resources who have high aspirations and continue to take on challenges, while drawing up their own “vision.”



In fiscal year 2024, we took an important step toward transitioning to this new stage of development. We have established a new “Design Capability Improvement Program” to cultivate more practical skills and mindsets, moving away from the conventional “bank training” style. By learning design thinking and logical thinking skills through training, participants are broadening their perspectives and beginning to take the initiative in their thoughts and actions.

Hierarchical training system diagram



“Development of management personnel”

The role of management personnel is becoming increasingly important in the promotion of human capital management. In order to nurture the growth of each and every employee, it is necessary to avoid a one-size-fits-all approach to training and instead provide communication and support tailored to each individual’s characteristics. It is the quality of this engagement that shapes the vitality of an organization.

We define this ability as “management competencies” and focus on developing middle management, who work closely with young employees. In fiscal year 2024, we continued to promote systematic training, and participants in the Globis Management School program have given positive feedback on the changes they have experienced.

Our bank has a unique management system that has been passed down for many years. The “Area-based Personnel Appraisal Meeting,” which symbolizes this approach, brings together all department/branch managers from each area and department to engage in detailed discussions and interviews with the Personnel Affairs Dept. regarding the human resource development of all employees. This system is deeply rooted as the “spirit” of our corporate culture, which values people above all else.

From fiscal year 2025 onwards, we will promote initiatives to further incorporate this “spirit” into our day-to-day management. By establishing a PDCA cycle for human resource management and enhancing the practical skills of managers, we will bring out and consolidate the potential of each individual and transform it into organizational strength.

Enhancing problem-solving skills through Japan’s first learning program: Tackling the challenge of developing “design personnel”

As a member of the project team involved in formulating the Medium-Term Business Plan, I was only too aware of my lack of ability to identify issues structurally, visualize and analyze issues in the field in numerical terms, and make persuasive proposals. In practical work and self-study, my understanding remained patchy, so I decided to enroll in the MBAN (Master of Business Analytics) course at the Graduate School of Shiga University to develop the ability to systematically apply theory to practice.

This course is Japan’s first master’s program that combines business and data science, offering practical training in statistics, AI, and data analysis. At first, I was overwhelmed by the technical terms and theories, but as I gained the ability to organize issues quantitatively and think logically, I began to see the true nature of banking more clearly.

Through learning both theory and practice, I realized the importance of having a broad perspective on management and the ability to think based on data, which was a major turning point in widening my outlook. Going forward, I will apply the knowledge I have gained to banking operations and play my part in the development of the regional economy.



Assistant Manager, Personnel Affairs Dept. (Currently enrolled in the MBAN course at the Graduate School of Shiga University)

Tetsuya Amemori

I “Organization” Active participation of diversified human resources

Realizing growth and success through independent career development

Creating an environment where diverse human resources can maximize their potential and demonstrate their abilities within the organization is extremely important for promoting human capital management. The Bank will promote personnel mobility between branches and headquarters, and will also work to spotlight abilities and skills through the use of a human resources recruitment system and talent management system, geared toward placing the right people in the right positions and enhancing career motivation.

In fiscal year 2024, we introduced “Nozokimi!” as a new system to support proactive career development. This is a system that allows employees to visit departments of interest, and is a response to feedback that it takes a little courage to apply for the human resources recruitment system. Since its inception, 247 employees have participated in the program, contributing to mutual understanding between branch offices and headquarters and expanding career options.

In addition, the benefits of “Nozokimi!” are not limited to career support. Through these visits, barriers and preconceptions between sales offices and headquarters have been broken down, fostering a sense of mutual respect. We believe that improving the quality of these relationships is an important sign of change that will contribute to improving engagement, which is our KGI.

The use of the human resources recruitment system is steadily expanding, and there is a growing trend among young employees in particular to volunteer for new challenges. By following up after the program and providing growth support, we are building an environment where the fruits of challenges lead to further growth.

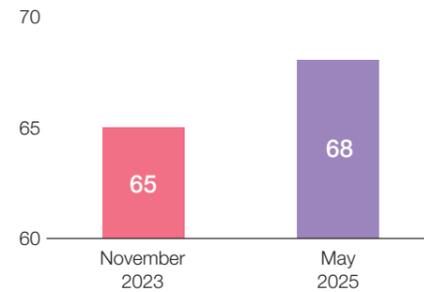
From fiscal year 2025 onwards, we will promote a virtuous cycle of career independence and organizational revitalization by organically linking the “Nozokimi!” program with our human resources recruitment system. By fostering a culture where employees of all ages learn from each other and embrace new challenges, we aim to instill a mindset that helps to create value for our communities and customers.

A mechanism linking corporate value and challenges: Issuance of restricted stock

As a mechanism to further promote career support and encourage challenges, we will grant “restricted stock (RS)” to employees on September 1, 2025. This will enable employees to hold voting rights and participate in improving corporate value from the same perspective as shareholders.

By linking the sustainable improvement of corporate value with employee engagement, we will foster a sense of ownership among our employees, encouraging them to take a more proactive role in the future of the company as an integral part of its management.

Engagement survey (Interdepartmental cooperation (organizational climate, minor items))



Taking an intentional step into an unknown career path

After joining the bank in 2018, I was responsible for asset management at one of our branches, building relationships of trust with customers. After that, I transferred to the business lending sector, where I faced the challenges of understanding companies and making credit decisions. When drafting a proposal, I struggled to find the right words to convey the future potential of the company, and the time spent preparing materials incentivized me to learn more and grow.

With a desire to master the ability to make decisions, with an eye toward the future of the company, and to hone my ability to accurately convey the thoughts of customers, I applied for the first time to the human resources recruitment system and was transferred to the Credit Supervision Department in 2024. I took a step forward into the unknown.

Currently, I am honing practical skills with a particular focus on improving credit assessment and case structuring capabilities. There are many challenges, but because this is a path I chose myself, I feel a sense of ownership over my work and find it very rewarding. With heartfelt gratitude for my superiors and colleagues who have backed me all the way, my aim is to become someone who can inspire others to take on new challenges.



Project Credit Supervision Group, Credit Supervision Dept.

Shiho Yamamoto

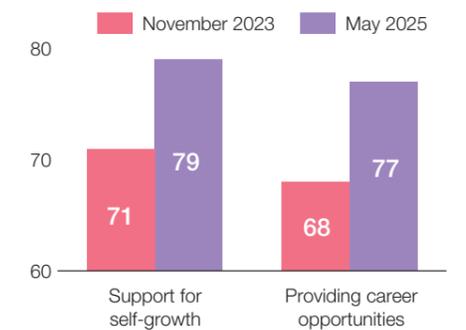
Promotion and creation of an environment for DE&I

As values and work styles continue to diversify, we are working to create an environment where all employees can fully demonstrate their abilities and contribute to the sustainable growth of the organization. To promote DE&I (Diversity, Equity, and Inclusion), we have established a Diversity Promotion Committee and a Diversity Promotion Team consisting of publicly recruited members. Through their involvement in setting organizational goals and planning initiatives, we are working to change the mindset and behavior of our employees.

In fiscal year 2024, we became the first company in the prefecture to obtain “Platinum Kurumin Plus” certification, which evaluates support for balancing infertility treatment and work. In addition, we offer “Life & Career Design Seminars” and “Female Leadership Training” to support women’s pursuit of careers, providing opportunities for employees to think proactively about a wide selection of career paths.

In October 2023, we established the “Heartful Office” within the Personnel Affairs Department to expand the employment of people with disabilities and, as of the end of March 2025, 16 employees are working there. We are working to create a workplace environment where employees with disabilities can work while developing their skills, thereby achieving self-realization.

Engagement survey (Average score of female leadership training participants)



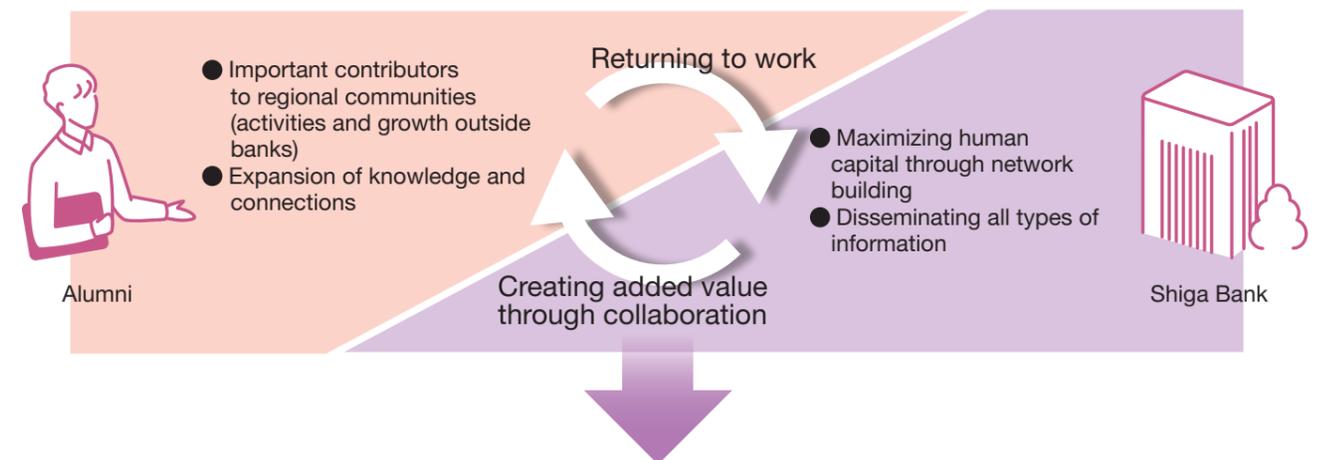
Utilizing the Alumni Network

We view retirees as “external human capital” and are building a network of alumni who are continuing to be active and thriving outside the bank.

Alumni who have expanded their knowledge and networks are giving back to the bank and the region by returning to work or collaboration. We believe that retirement is not the end, but rather the beginning of a new relationship with the region, and we are aiming to create a cycle of human capital.

As of the end of March 2025, 70 people have registered, and there have been cases of people returning to work and creating new business.

People leaving banks to start new careers (Building new relationships with them as “external human capital”)



Creating a cycle of human capital that generates value for the community

I [Environment] Job satisfaction and ease of working

Realization of work-life integration

As diverse values and work styles become more widespread, we are working to establish an environment where each and every employee can easily balance their work and personal life and make the most of their abilities. The Bank aims to achieve both job satisfaction and a comfortable working environment, and is working to improve its systems and corporate culture in keeping with its internal environmental policy.

Policies for improving the internal environment

Our Sustainability Policy aims to develop human resources who can think and act independently and improve the workplace environment. We strive to create a work environment for respecting diverse personalities and work styles, and having each employee fully demonstrate their abilities.

We also believe that financial stability is important for employees to fully demonstrate their abilities, therefore we will promote financial wellness initiatives. Specifically, we will provide financial education aimed at improving financial literacy, as well as support employees from a financial perspective by establishing various programs such as employee stock ownership, asset-building savings, defined contribution pension plans, and employee loans, in order to improve employee satisfaction and motivation.

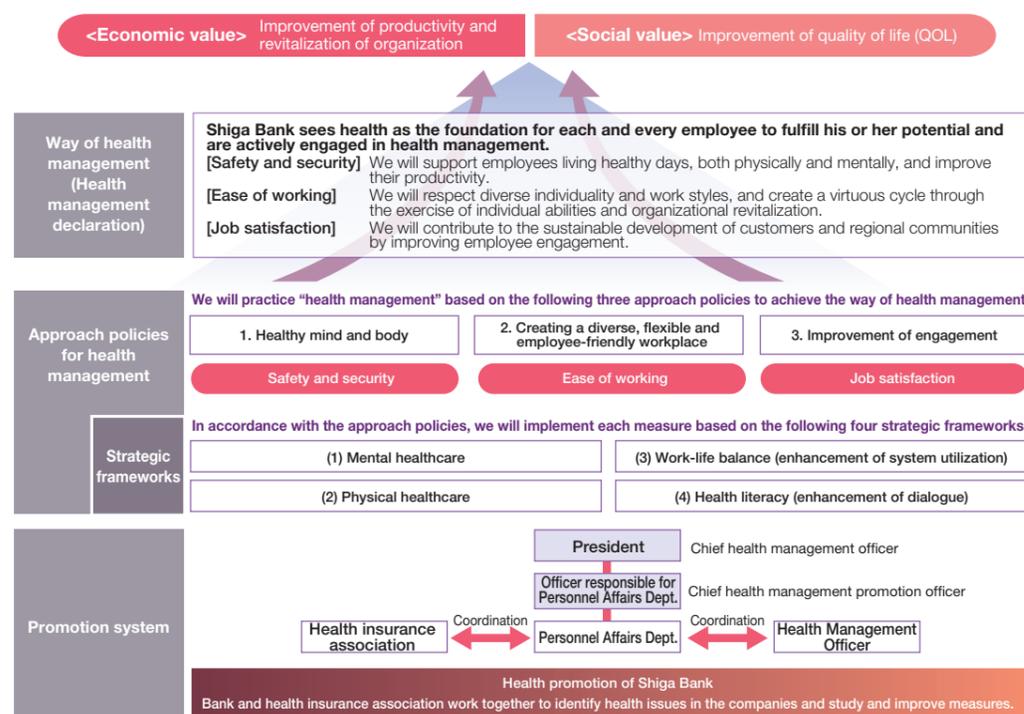
Health management

We believe that “health” is not limited to physical well-being, but also includes mental, social, and economic aspects, and that it is the foundation for our employees to remain motivated in their work. In addition to annual health checkups, we have a system in place to encourage preventive care and early detection, such as granting special leave once every two years to employees aged 30 and over in order to undergo comprehensive medical checkups.

In fiscal year 2024, we succeeded in raising health awareness and improving retention rates by offering free sleep apnea syndrome (SAS) tests, providing health consultations for young employees, and introducing a cafeteria plan. In addition, by disclosing long-term targets and actual results for paid leave, we are encouraging employees to take time off to refresh themselves and promoting a culture of awareness reform that enables them to achieve high productivity while maintaining physical and mental health.

Going forward, we see creating a more flexible and comfortable workplace as a key challenge. To this end, we are working to foster an environment where employees feel secure enough to embrace new challenges through dialogue with their superiors and the promotion of role models. Thus, by achieving work-life integration, we aim to increase employee engagement.

Long-Term Strategy Realization of a society where everyone can define their future and live happily (well-being)



A corporate culture that embraces challenges will strengthen the organization

In order to enhance organizational vitality, it is essential to have not only systems in place, but also a corporate culture that is deeply rooted in the workplace. The Bank is engaged in various initiatives aimed at establishing a culture of embracing challenges without fear of failure, and of praising each other’s achievements.

This is symbolized by the “Shigagin Human Award,” which was launched in fiscal year 2024. This initiative encourages employees to praise each other for actions that embody our motto of VALUE (shared values). In its first year, 2,379 votes were cast, and the challenges and support of each individual in their daily work were widely recognized.

Exchanging praise generates a positive mindset that encourages others to try new things and fosters a culture of mutual admiration. Such a culture cannot be established overnight, but through our sustained efforts, we aim to create an organization where challenges and admiration become the norm.

From fiscal year 2025 onwards, we will further instill a corporate culture of challenge and admiration, thereby enhancing employee engagement and the effectiveness of human capital management.



Initiatives to till the “invisible soil” that supports challenges

When I was a general manager at a branch office, I believed that management was not about “control” but “support,” and I tried to run the branch in a way that allowed my colleagues to take on new challenges. “People are living beings who make mistakes. That is why we need to turn mistakes into learning opportunities and create a culture of mutual acceptance.” With this in mind, I focused on creating a workplace with a high level of psychological safety.

We have clearly defined values such as “being kind to colleagues while maintaining a harmonious workplace,” “solving customers’ problems,” and “being a branch that serves as infrastructure supporting the growth and happiness of colleagues,” and have established these values as part of our culture through roundtable discussions and study sessions.

Our efforts were recognized with the “Shigagin Human Award.” Currently, I am working in the Business Promotion Department, where I have taken on the challenge to create new ventures aimed at solving regional issues. I am continuing to tackle challenges to shape the future of our communities by putting into practice at our headquarters a “culture of supporting challenges” that we have cultivated at our branch.



Manager, Community Revitalization Group, Solution Sales Office, Business Promotion Dept.

Hiroki Koto

Deepening human capital management and shifting organizational movements toward value creation

In fiscal year 2024, our human capital management entered a full-scale phase.

Under the three pillars of “Persons,” “Organization,” and “Environment,” we are taking measures in various areas such as training, careers, work styles, and corporate culture, and we are beginning to see signs of change emerging in the workplace. We see these as steady progress that transcends systems and mechanisms and involves changes in the awareness and behavior of each individual.

However, we are just getting started.

Human capital management is not something that can be accomplished simply by putting systems in place.

Systems and policies are merely “triggers” that, through coordination with workplace practices, take root as corporate culture and eventually become a force for enhancing a company’s value creation capabilities.

As we speak, the Bank is striving to transform its corporate culture.

Challenges and admiration become part of everyday life. Those who accept challenges are admired, and those who are admired take on the next challenge.

It is precisely this culture, which creates such a virtuous cycle, that will serve as the driving force behind all human capital management initiatives in the future.

Corporate culture sometimes has the power to rise above strategy, and a “good culture” brings out the best in people, drives the organization, and eventually leads to the creation of new value for the region and customers.

That is why we view this transformation of our corporate culture as a major challenge for a committed future, and we are facing it head-on.

We will further develop the signs of change that emerged in fiscal year 2024 into a “movement” among all departments and employees in fiscal year 2025 and beyond, and eventually turn it into the “culture” of the entire Bank. This challenge is the most important theme for linking human capital investment to true value creation, and it is our highest aspiration and responsibility.

We will continue to work with all our employees to move forward with this transformation.

Don’t be afraid of change, embrace challenges, and create a common future together.

We will further accelerate Shiga Bank’s “human capital management.”

TOPICS Establishment of Human Rights Policy

On March 3, 2025, the Shiga Bank Group established a Human Rights Policy. Based on this policy, we will appropriately implement and disclose our initiatives for respecting human rights, which is one of the materiality (P.25) for the Bank Group, thereby promoting “Human First,” one of the basic strategies of the 8th Medium-Term Business Plan, and striving to realize “a society where everyone can envision their own future and live happily.”

We established the Committee on Elimination of Discrimination against People from Dowa Districts (currently renamed Human Rights Education Committee) in August 1976 to promote human rights awareness and training with a view to realizing a bright society free of discrimination, both within and outside the Bank. Specifically, in addition to video viewing, we conduct training in which all participants exchange opinions in small groups. In addition, we have established dedicated hotlines and systems to prevent sexual, power, and other forms of harassment, and provide appropriate training in a timely manner.

<Shiga Bank Group Human Rights Policy>

The Shiga Bank Group recognizes that respect for human rights is one of the most important responsibilities of a company in pursuing its philosophy of “making the region happy with ‘Sampo yoshi,’” and we respect the human rights of all stakeholders, including our customers and employees.

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| 1. Respect for international standards | 5. To suppliers |
| 2. Scope | 6. Remedial action |
| 3. To employees | 7. Dialogue with stakeholders |
| 4. To customers | 8. Governance and management systems |

Progress of KPIs (key performance indicators in personnel strategy)

		Indicators	Targets (8th Mid-Term Plan period)	Results (fiscal year 2024)
Human resource development “Persons”	“Design personnel” development	Investment amount for human resources development per person	¥300 thousand	¥176 thousand
		Number of employees seconded to outside companies	Cumulative total of 100 persons	9 persons per fiscal year
		Number of employees with Financial Planning Grade 1 certification	300 persons	231 persons
	Development of management personnel	Dispatch to external trainings	50 persons per year	39 persons
Management score of managers (evaluation by others)		4.0 or higher (graded on a 5-point scale)	3.78	
Active participation of diversified human resources “Organization”	Diversification of recruiting methods	Retention rate within 3 years of recruiting new graduates	80% or more	87.3%
		Number of mid-career hires	—	19 persons
		Employment of people with disabilities	2.7% or more	2.347%
	Achieving growth and desired work through appropriate placement	Percentage of management candidates with both head- quarters and branch experience*1	70% or more	52.4%
		Number of persons utilizing human resources recruitment system	100 persons per year	80 persons
Percentage of female managers	23% or more	18.6%		
Job satisfaction and ease of working “Environment”	Realization of work-life integration	Average number of days of paid leave taken*2	17 days or more per year	17 days
		Percentage of retests received for regular health check-ups (including complete medical checkups)	90% or more	94.7%
		Selected under Certified KENKO Investment for Health Outstanding Organizations Recognition Program	Recognized as White 500	*Already selected under Certified KENKO Investment for Health Outstanding Organizations Recognition Program
	Corporate culture of “challenge” and “admiration”	Engagement score	72 or more	70 *As of November 2024
		Percentage of participants in trainings on compliance, human rights, etc.	90% or more	94.3%
Number of people who independently challenged their careers	Cumulative total of 2,000 persons	657 persons		

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

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

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