

HISTORY

Steps Toward Enhancing the Corporate Value of the Shiga Bank Group

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

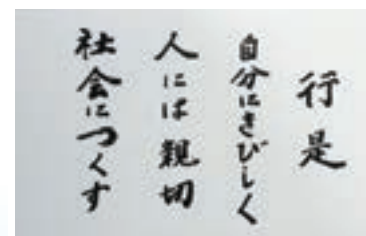
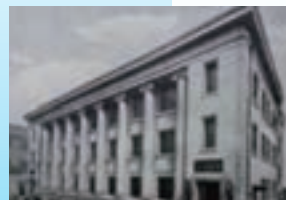
Holding dear the teachings of our predecessors, we shall continue to contribute to the happiness of the region founded on the belief that the growth of the Group is inextricably linked to the growth of the region and our customers.



since
1933

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

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



1960 -

Strengthened management systems that embody the Bank's motto

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



1999 - **Practicing pioneering environmental management**

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

2017 - **Incorporated SDGs into business, evolving to sustainability management**

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



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

since 1933

100th anniversary

ORIGINALITY Shiga Bank's Distinctiveness

Responsibility to Protect and the Power to Connect

At the heart of Shiga Bank's management philosophy are two values unique to this region.

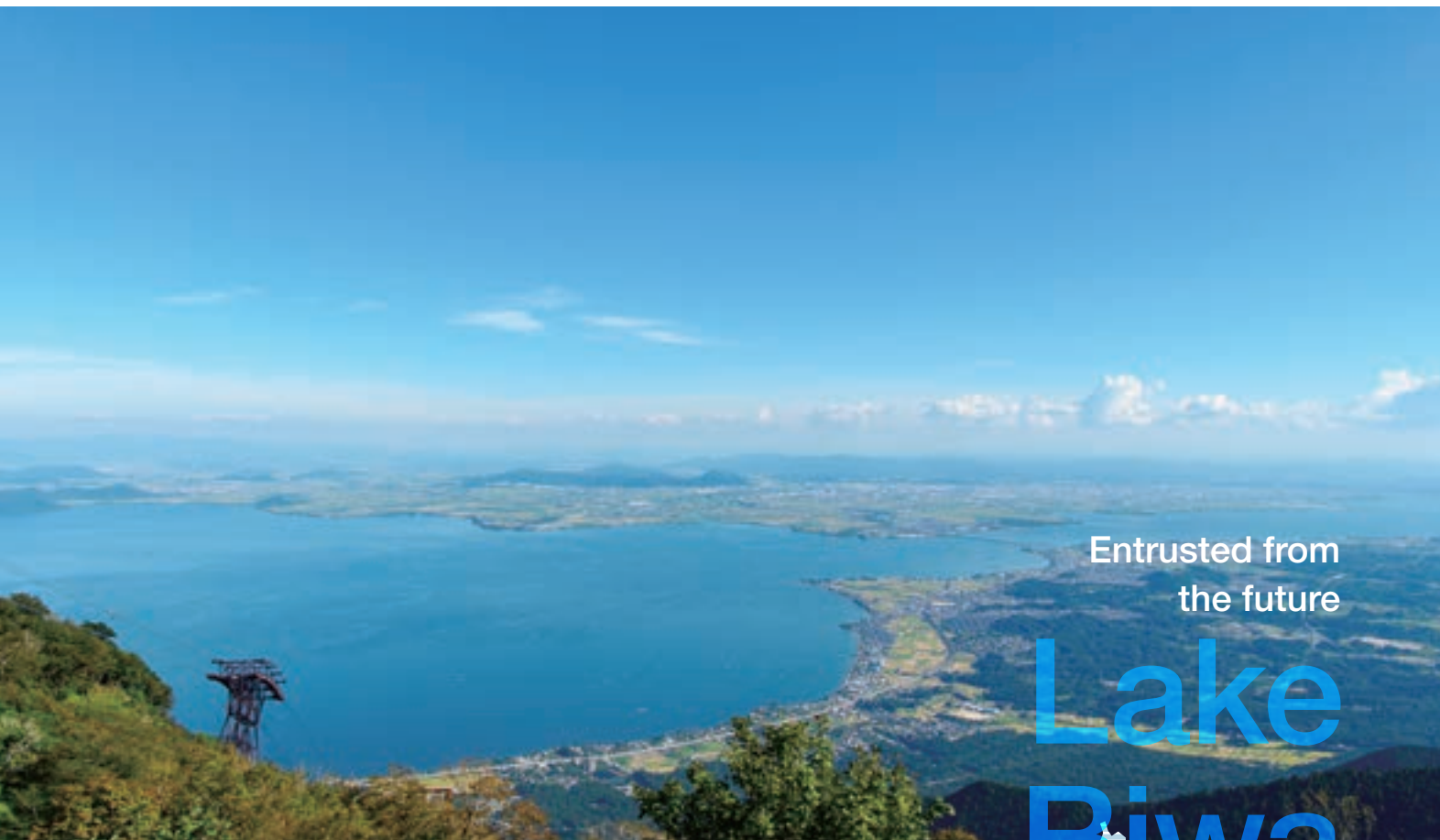
One is a strong sense of responsibility to protect Lake Biwa, which supports the lifestyle and industrial infrastructure in the Kansai region, and pass it on to the next generation.

The other one is an enterprising spirit that has been passed down to the Omi Merchants and a broad geographic reach symbolized by their traveling trade.

Such an attitude is incorporated as concrete management activities, such as environmental finance, renewable energy business, overseas development support, business succession, and human resources support.

We broaden our horizons and develop connections because we have what we should protect.

This is the distinctiveness of Shiga Bank and the driving force that brings continuous value to the region.



Entrusted from
the future

Lake Biwa

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



Building Board Connections
and Returning Value
to the Region

Omi Merchants

Source: Archival Museum, Faculty of Economics, Shiga University



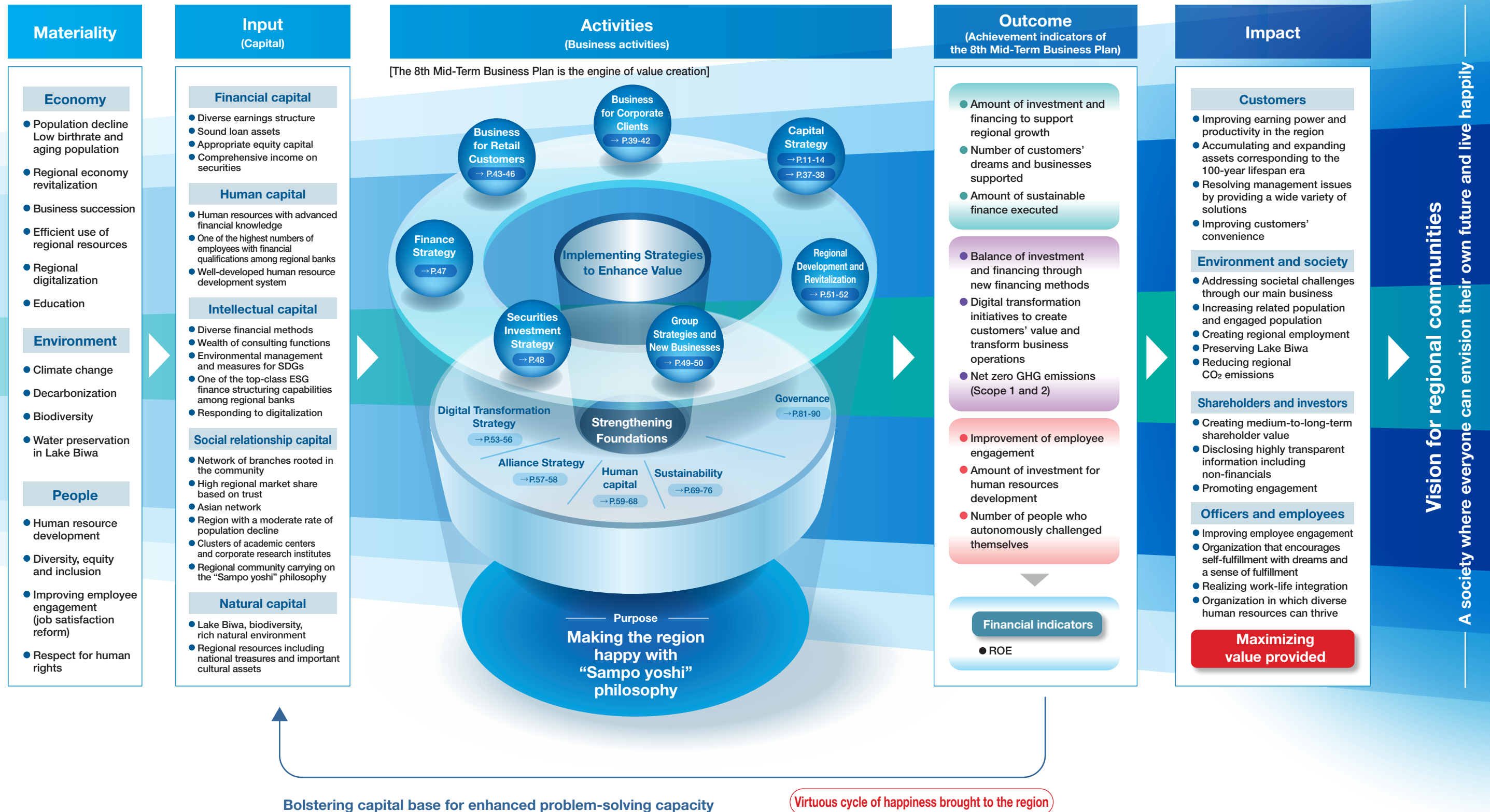
Omi merchants went on a peddling tour throughout Japan while being rooted in the home region, and returned profits and knowledge gained outside to the region. The idea of connecting broadly and recirculating in the region is deeply rooted in the Bank's management. Shiga Bank set up the Kyoto branch in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

VALUE CREATION STORY

Value Creation Story

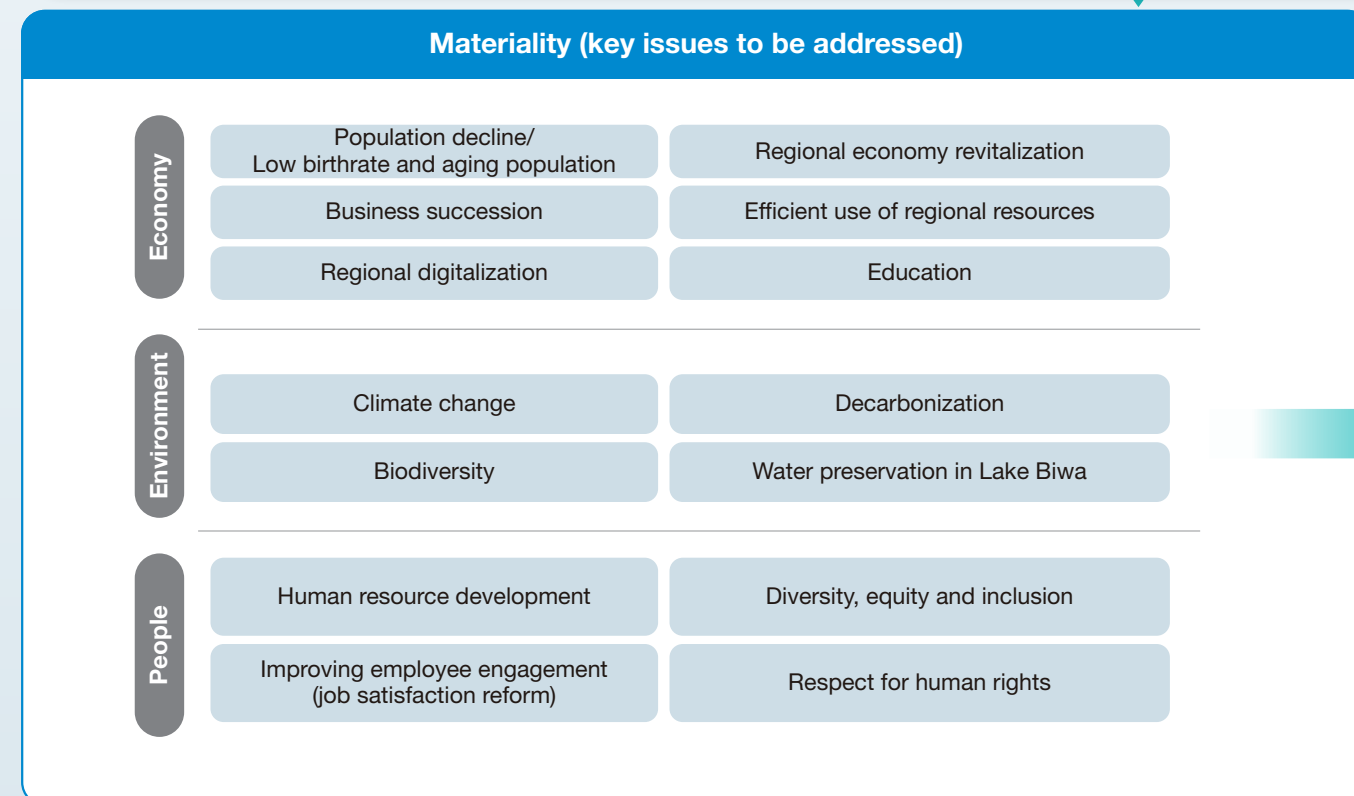
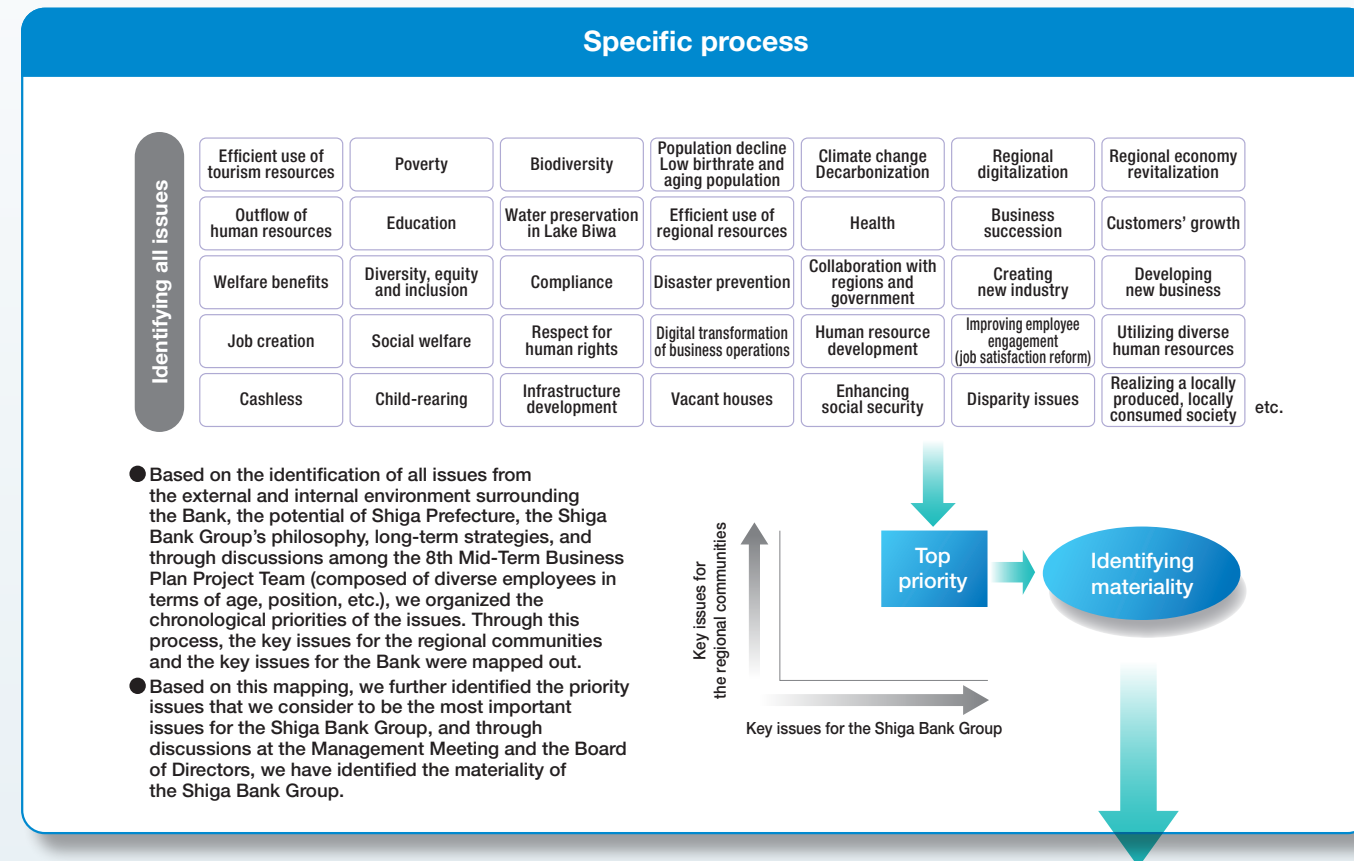
Utilizing a variety of capital inside and outside the Shiga Bank Group, we will make investments that contribute to solving customers' issues and to regional growth, thereby stimulating economic activity and expanding business opportunities. In this process, we will improve the earning power of the region

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



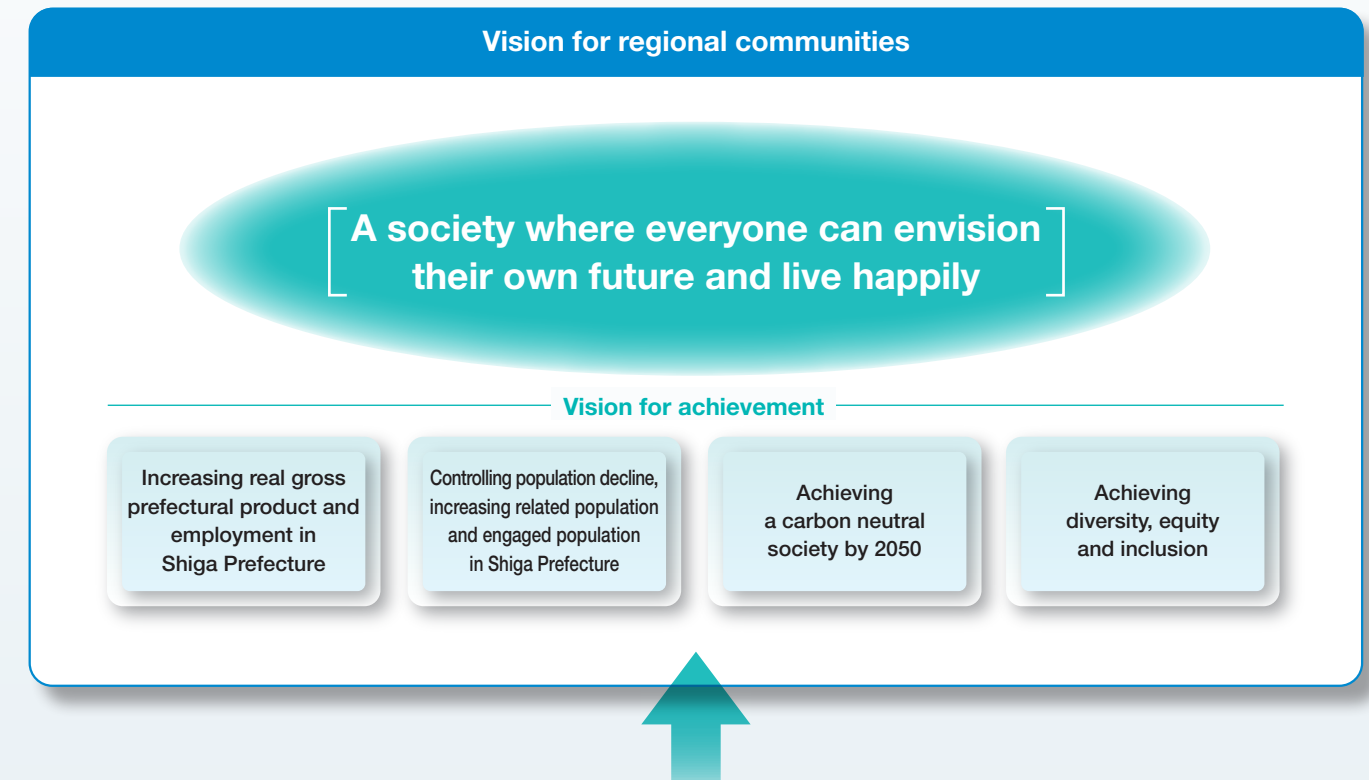
MATERIALITY

Materiality (key issues to be addressed)



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

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



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

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

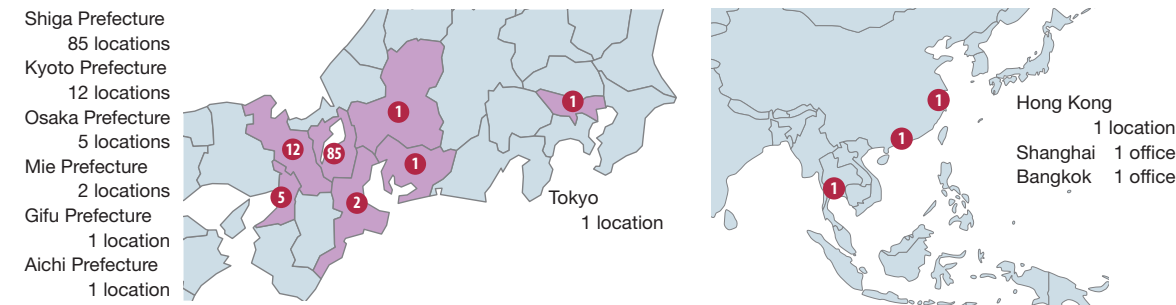
STRENGTHS & CAPITAL

Strengths and Capital to be Used

1 Broad network Social relationship capital

Strengths

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



2 Personnel with extensive knowledge Human capital

Strengths

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



(As of March 31, 2026)

3 Group's integrated strength Intellectual capital

Strengths

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

Integrated Strengths of the Shiga Bank Group

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

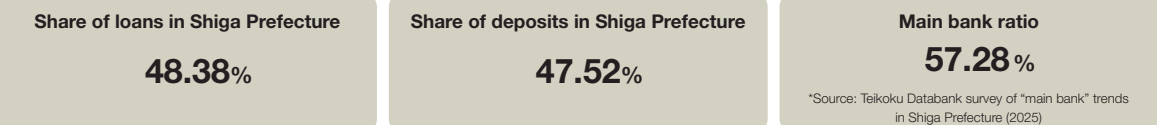
Expertise of the Shiga Bank Group

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

4 Solid customer base Social relationship capital

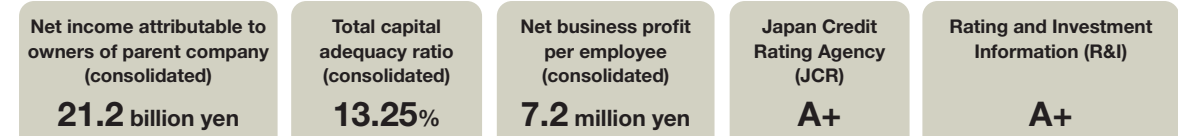
Strengths

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



5 Sound financial base Financial capital

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



6 Potential of Shiga Prefecture Social relationship capital and natural capital

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

Abundant **nature**, stable **demographics**, vibrant **economy**One of the few **growing** markets

Moderate population decline

Population growth rate in the prefecture
Ranked 8th nationwide
 1.41 million in 2020 → 1.22 million in 2050

High percentage of young people

Percentage of young people
Ranked 2nd nationwide
 Percentage of working-age population
Ranked 7th nationwide
 Birth rate
Ranked 3rd nationwide

Health and longevity

Average life expectancy for men
Ranked 1st nationwide
 Average life expectancy for women
Ranked 2nd nationwide

Crossover point in the Kinki, Chubu, and Hokuriku regions

Multiple **international airports and ports** within 100 km
 International airports: Kansai International Airport, Chubu Centrair International Airport
 International ports: Osaka Port, Yokkaichi Port, Nagoya Port, Tsuruga Port
 Developed **transportation infrastructure**
 Tokaido Shinkansen, Meishin Expressway, Shin-Meishin Expressway, and Hokuriku Expressway

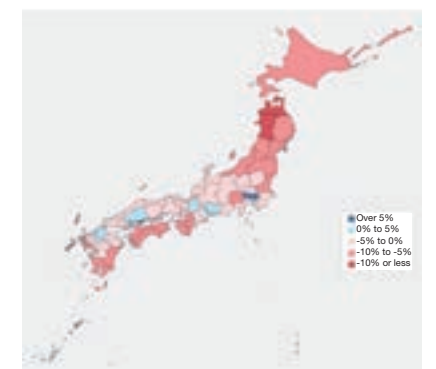
A manufacturing prefecture
 Ratio of secondary industry to gross prefectural product
Ranked 1st nationwide

Abundant nature and culture

Ratio of natural park area to total land area **Ranked 1st nationwide**
 Number of nationally designated important cultural landscapes **Ranked 2nd nationwide**

Lease market with growth potential

Growth rate of the lease market from 2022 to 2030



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

TOPICS. 1

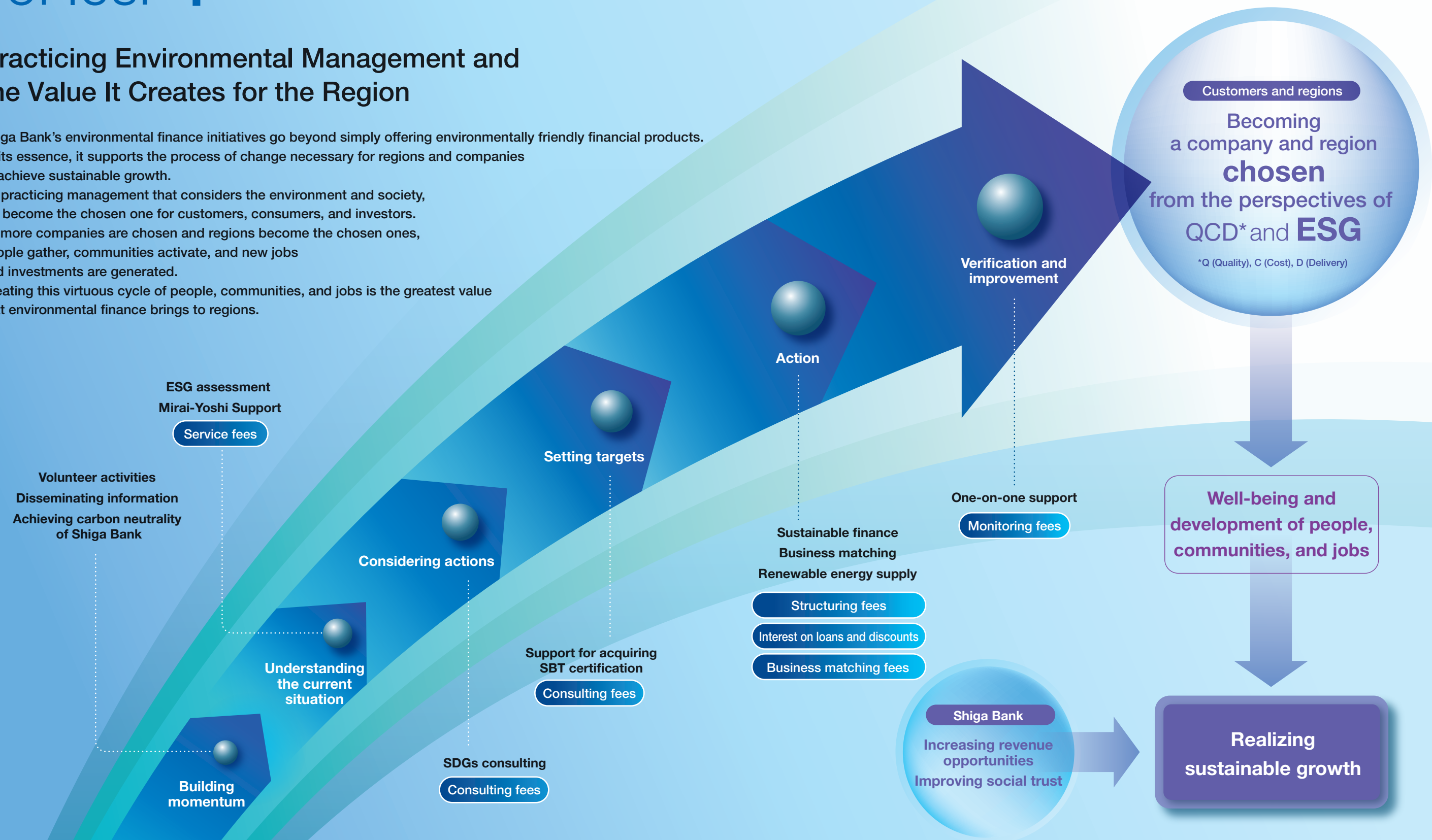
Practicing Environmental Management and the Value It Creates for the Region

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

By practicing management that considers the environment and society, we become the chosen one for customers, consumers, and investors.

As more companies are chosen and regions become the chosen ones, people gather, communities activate, and new jobs and investments are generated.

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



TOPICS. 2

Talk

—Data-Driven Management
and Evolution of Regional
Banking—Naoki
OhgoRootf Datum, Inc.
Representative DirectorShinya
KubotaPresident and
CEO

PRESIDENT'S DIALOGUE

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

A vision of Shiga Prefecture revealed through data analysis

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

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

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

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

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

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

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

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

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

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

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

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

Importance of data-driven management

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

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

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

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

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

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

Thinking about the business model of banks

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

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

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

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

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

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

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



What are Shiga Bank's issues?

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

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

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

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

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

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

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

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

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

From Bank to Company

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

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

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

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

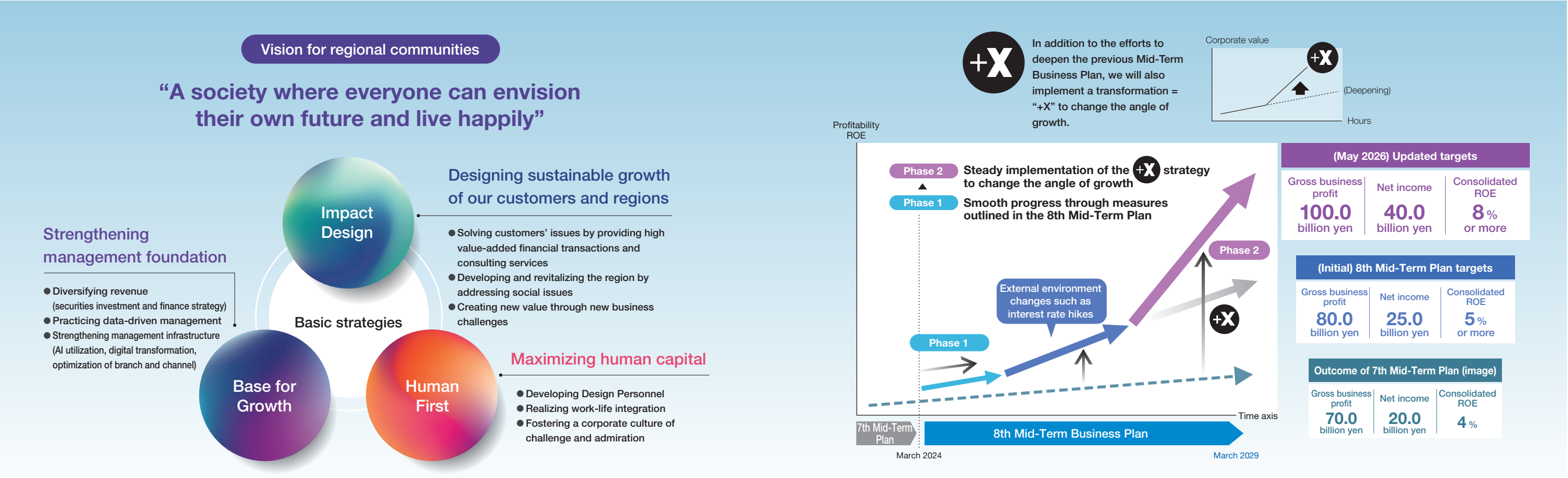
Ohgo: Regional financial institutions are dependent on their regions. However, the approach to defining their perspective on the region has been significantly changing. In this era, regional financial institutions are being questioned what they should base their operations on and how they should change.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

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



VALUE CREATION ENGINE

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



Sustainability achievement indicators

Basic strategies	Achievement indicators	Plan 2029
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	Amount of sustainable finance executed to increase the sustainability of region and society	(Cumulative total for the period) 700.0 billion yen
Base for Growth	Balance of investment and financing through new financing methods to improve earning power	750.0 billion yen
	Digital transformation initiatives to create customers’ value and transform business operations of the Shiga Bank Group	Qualitative evaluation
	Reducing GHG emissions to achieve a carbon neutral society (Scope 1 and 2)	Achieving net zero
Human First	Improving employee engagement to maximize human capital (percentage of positive responses)	Sustainable improvement
	Amount of investment to develop human resources who can take on the challenges for the future of the region as key players in value creation	Twofold increase compared to fiscal year 2023 (300 thousand yen per person/year)
	Number of people who autonomously challenged themselves to improve their skills and develop their careers	(Cumulative total for the period) 2,000 persons
Financial indicator	ROE (consolidated)	Upward revision 8% or more

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

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