

Human Capital Management (Human First)



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

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

Turning human capital into the ability to execute our management strategy

Turning each individual’s potential into the power to shape the region’s future

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

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

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

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

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

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

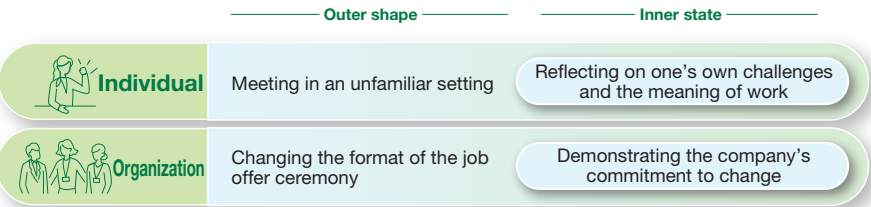
A Job offer ceremony on the water — What we changed was the place.

What we wanted to change was the meaning and the organization’s norms —

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

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

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



Premise

What is a Company?

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

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

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

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

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

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

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

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

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

Overview of Personnel Strategy

Maximizing human capital

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

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

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

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

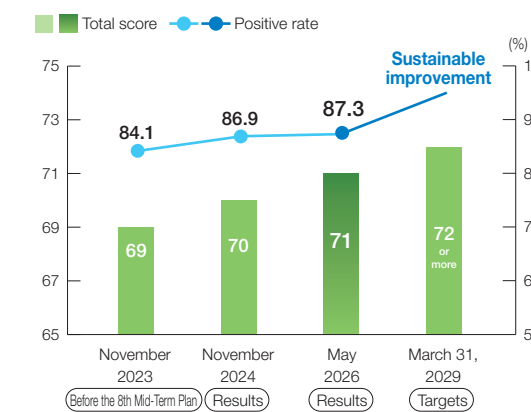
By elevating these three elements together, we will improve our engagement score, our KGI, and convert human capital into organizational execution capability. Through this, we will support the generation of results under Impact Design and Base for Growth, and increase the certainty of executing the 8th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

Progress of KGI and focused Issues

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

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

Results of engagement survey (total score)



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

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

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

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

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

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



Human capital management

Our approach to human capital KPIs

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

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

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

Progress of KPIs (key performance indicators in personnel strategy)

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

*1 Management candidates represent the Bank's sub-assistant general managers (one level below executives).
*2 Calculated by dividing the total number of days of paid leave taken by the average number of bank employees and dedicated officers with experience and skills.
*3 Personnel costs for each indicator are calculated by multiplying the applicable number of employees by the average annual salary.

Basic Strategy #1: People Developing human resources that drives value creation

I Connecting Design Personnel development to changes in business activities

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

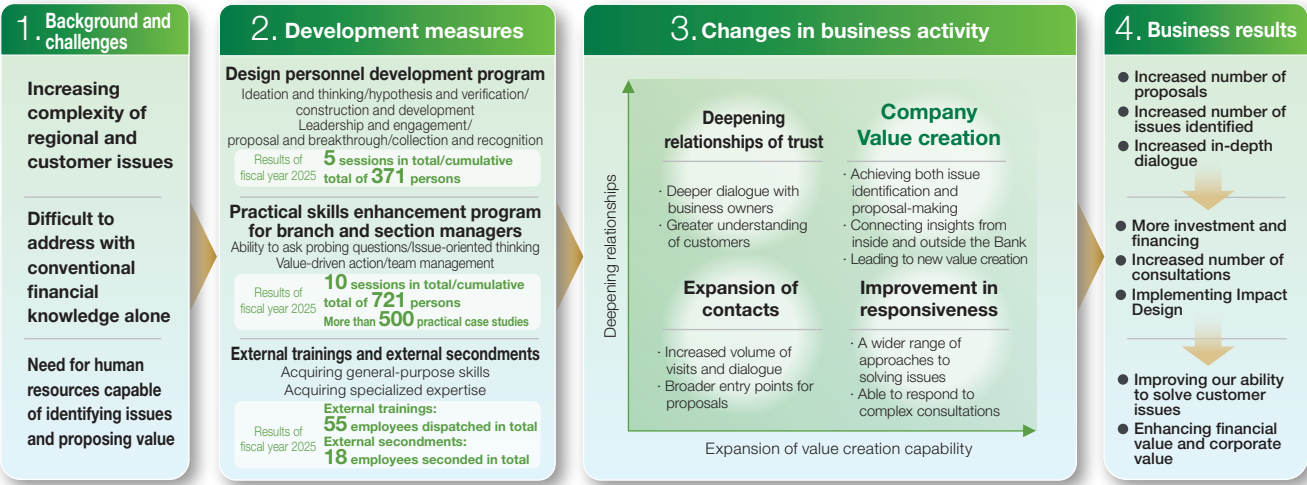
The Bank positions the human resources that drives such value creation as Design personnel and is working to develop them. Design personnel are those who, starting from the issues faced by customers and the region, envision the desired future state, connect the necessary stakeholders, and turn solutions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

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

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

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

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



VOICE

To turn sense and experience into value creation

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

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

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



Masashi Miyagawa
General Manager of Hino Branch

Human capital management

Strategy #2: Organization | Leveraging diverse human resources

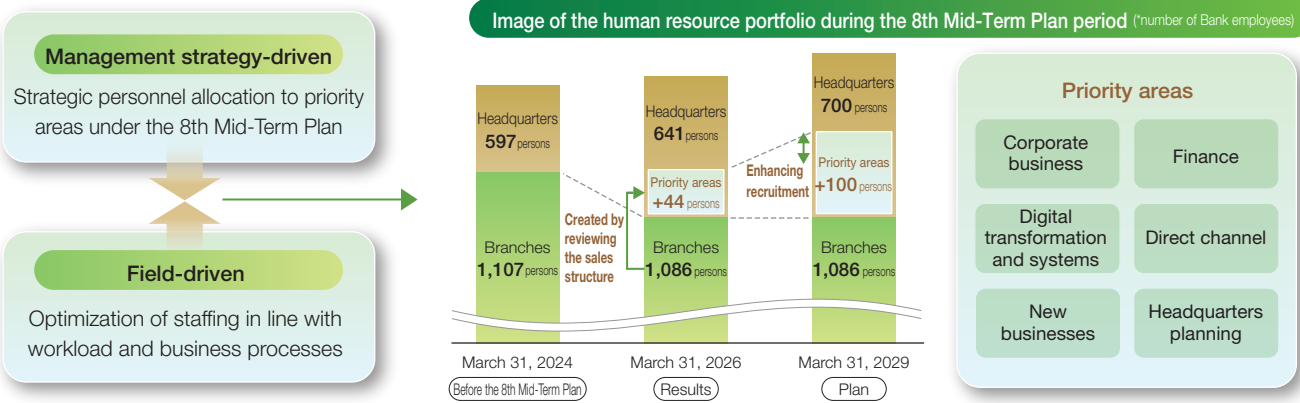
I Strategic personnel allocation aligned with our business portfolio

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

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

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

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

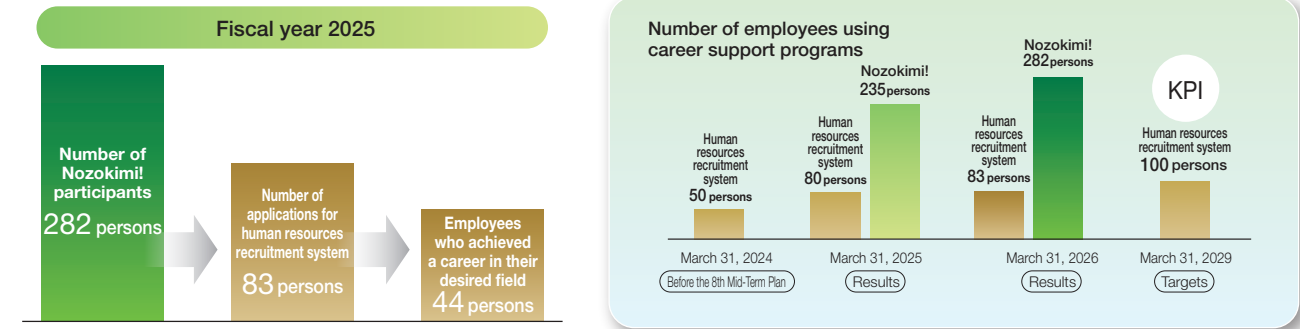


I Support for autonomous career development

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

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

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



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

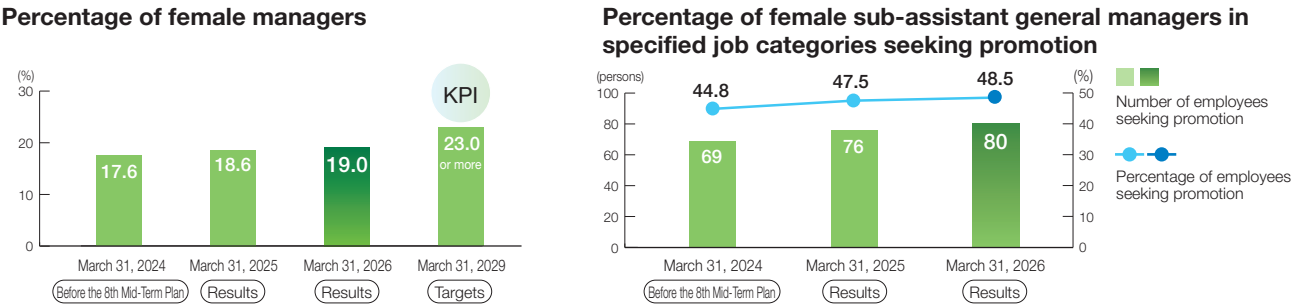
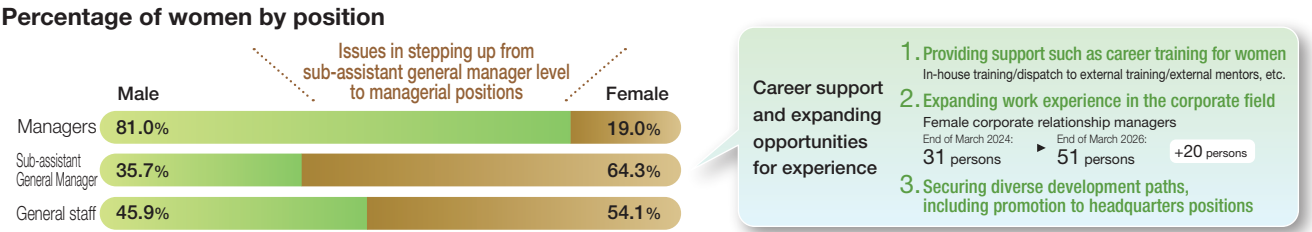
I Toward an organization in which diverse human resources can thrive

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

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

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

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



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

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

VOICE

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



Human capital management

Strategy #3: Environment Creating an environment where everyone can exercise their capabilities

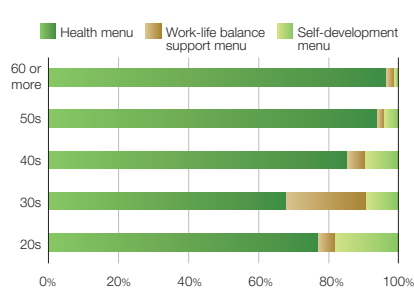
Promoting health management and embedding work-life balance support

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

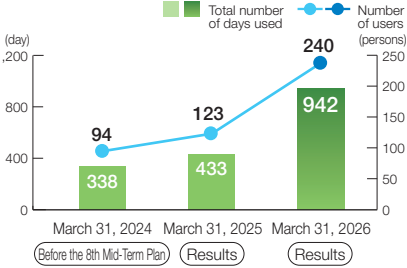
As part of our health management initiatives, we have newly introduced a cafeteria plan to provide flexible support tailored to each employee's circumstances, enhancing health promotion and work-life balance support.

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

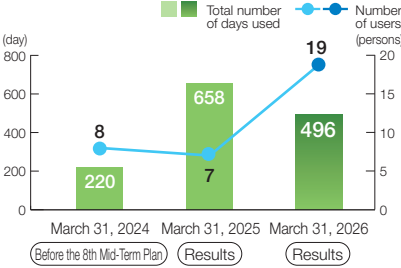
Usage of cafeteria plan by age group



Number of employees using nursing care leave, etc.



Number of male employees taking childcare leave



Evolution of the Shigagin Human Award

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

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

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

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



Nine perspectives for capturing value-based behavior

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

SPECIAL TOPIC Cultural transformation

Accelerating transformation into a Company

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

Structure revealed by the insight survey

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

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

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

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

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

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

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

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

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

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

Making transformation itself our challenge

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

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

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

Practicing Sustainability Management to Reduce the Cost of Capital

I Building a sustainable future together with the region

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

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

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

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

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

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

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

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

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

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

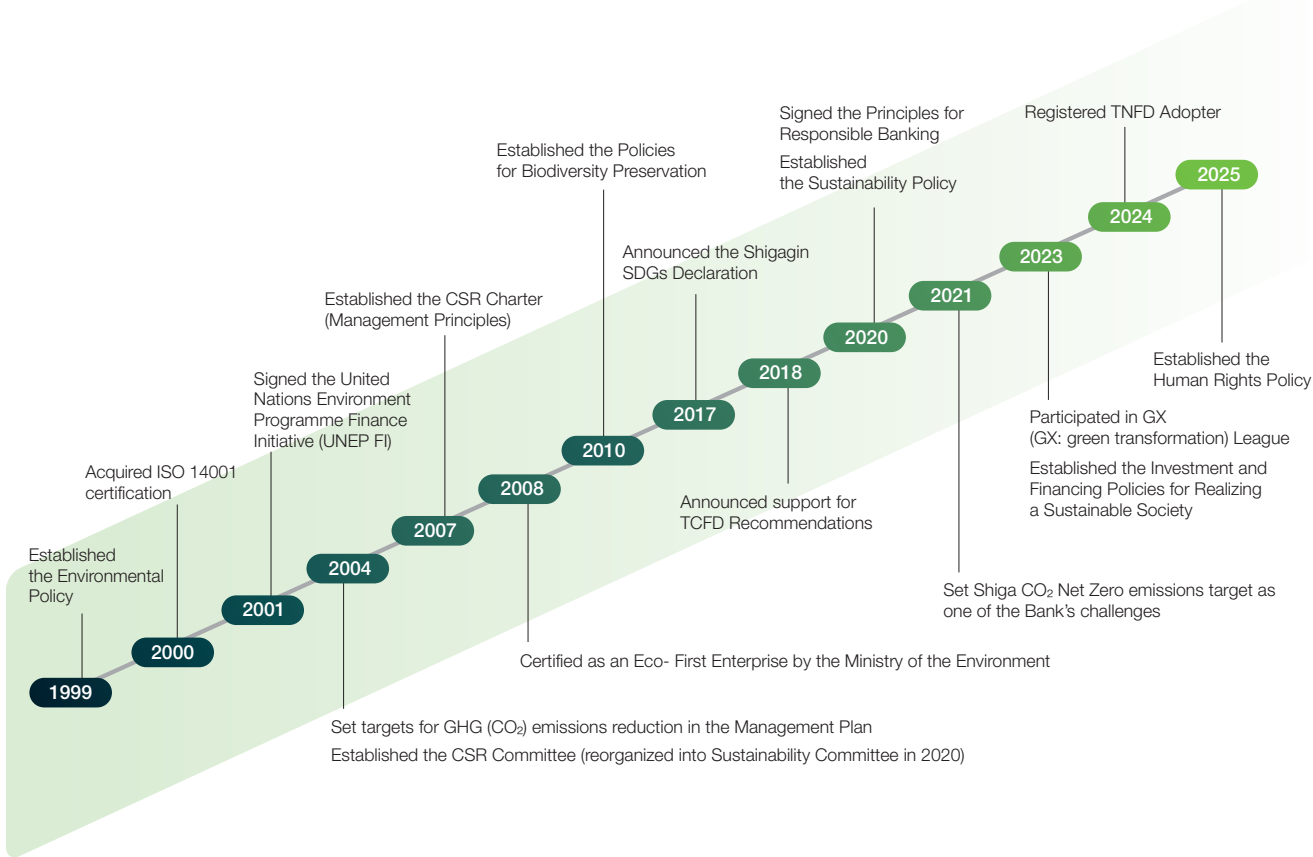
At the same time, human activity has intensified problems such as climate change and the degradation of ecosystems. These are not merely environmental issues; they are challenges directly connected to the sustainability of the regional economy and daily life itself. As a regional financial institution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

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

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



I Our Sustainability Journey



I Governance

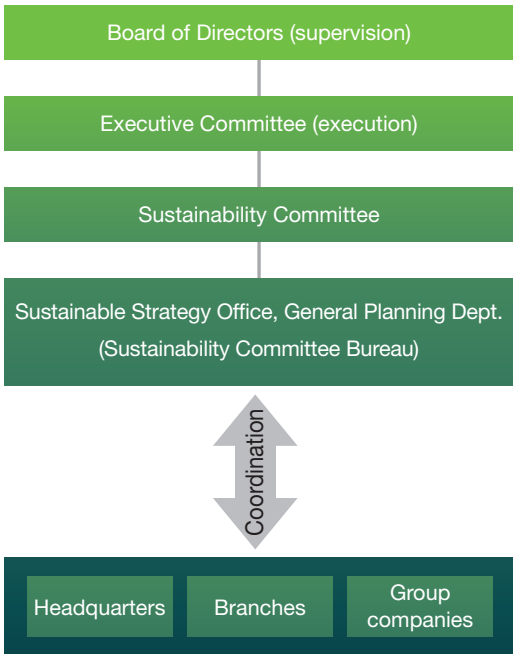
Recognizing sustainability as a core theme of our business activities, the Bank discusses these matters at the meetings of the Board of Directors and reflects the outcome in its management strategy and risk management.

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

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

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

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



Practicing Sustainability Management to Reduce the Cost of Capital

Climate initiatives (Response based on TCFD recommendations)

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

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

Recognition of risks, opportunities and impacts

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

With regard to the risks and opportunities that have been recognized, we are making efforts related to CO₂ emissions reduction and also considering reflecting the findings in our investment and financing strategy.

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

Financial impact (Scenario analysis)

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

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

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

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

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

Initiatives to decarbonize the portfolio

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

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

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

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

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

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

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

Some dependency and impact

High dependency and impact

Very high dependency and impact

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

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

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

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

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

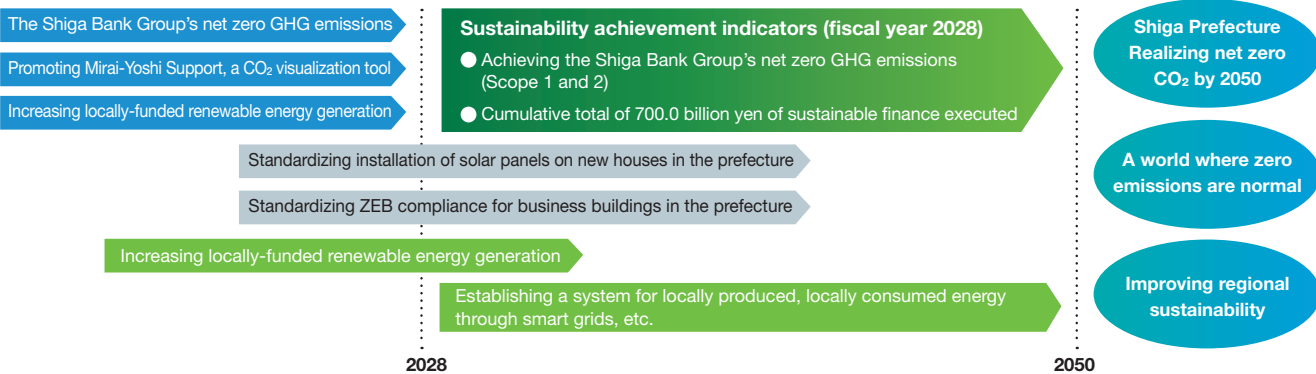
For more information on TCFD and TNFD, please refer to the separate Shigagin TCFD/TNFD Report available on our website.
<https://www.shigagin.com/csr/report/>

Practicing Sustainability Management to Reduce the Cost of Capital

Roadmap toward regional carbon neutrality

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

Roadmap image toward carbon neutrality



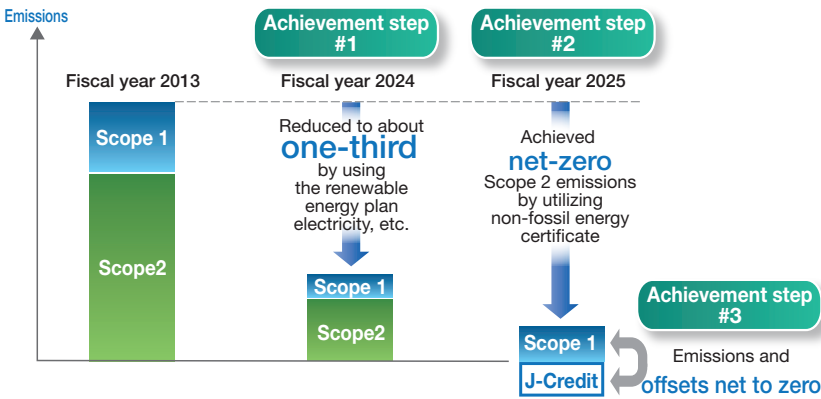
* Achieving net zero GHG emissions (Scope 1 and 2)
This refers to a state in which, after prioritizing the reduction of scientifically calculated greenhouse gas emissions through means such as energy conservation and the introduction of renewable energy, any remaining emissions are offset using environmental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

Achieved carbon neutrality in GHG emissions for fiscal year 2025

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

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

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

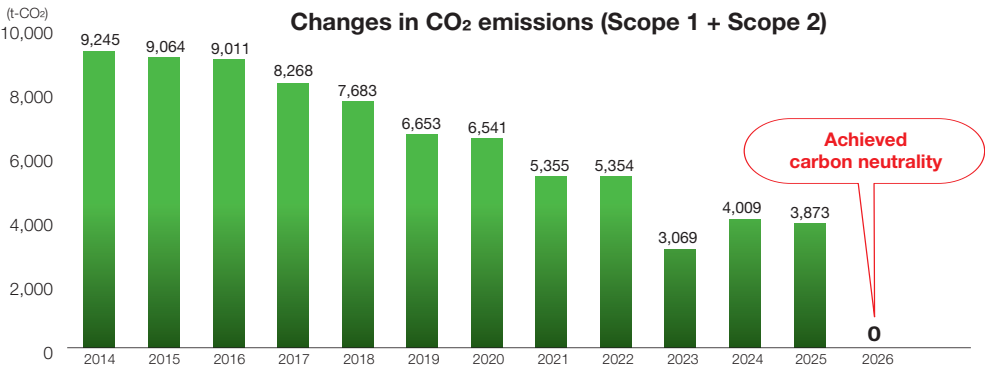


Achievement step #1

Our own efforts

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

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



Main measures			
Promoting energy conservation	● Switching to LED lighting ● Updating to high-efficiency air conditioning equipment	Reducing fossil fuel consumption	● Switching to HVs, EVs, FCVs, etc. step-by-step
Improving business efficiency	● Integrating locations ● Providing fully online housing loans	Utilizing renewable energy	● Installing solar power generation equipment in newly built or reconstructed offices and branches ● Switching to a plan with virtually zero CO ₂ emissions for electricity used on the head office premises ● Utilizing environmental value derived from Shigagin Energy

Achievement step #3

Utilizing carbon offsets

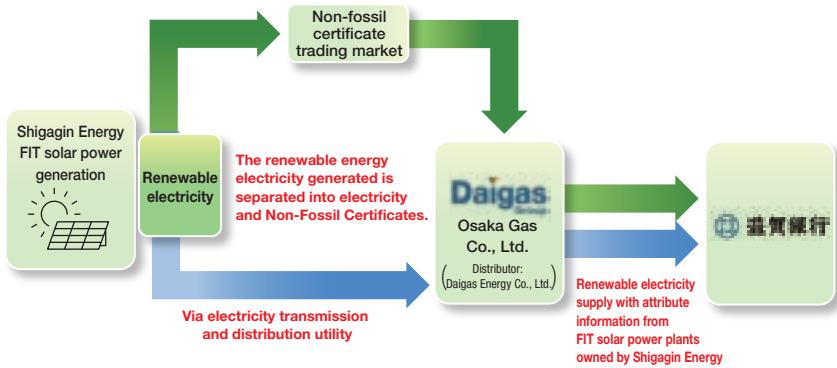
After pursuing emission reductions through our own efforts, for emissions that still could not be eliminated, we appropriately offset them using J-Credits* generated primarily within the Bank's business area.

*J-Credit is a certificate, certified by the national government, for CO₂ reductions achieved through means such as the introduction of energy-saving equipment or the use of renewable energy, as well as for CO₂ absorption achieved through appropriate forest management, and can be traded as a certificate.

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

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

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



Toward Solving Regional Sustainability Issues

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

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

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

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

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

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

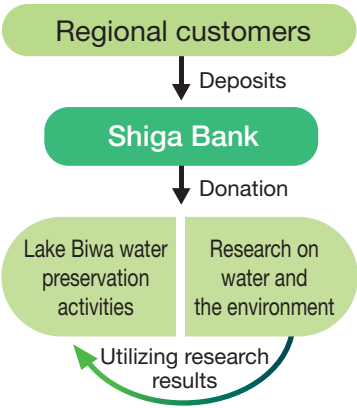
This is the first ESG finance product in Japan to enable all three of these elements to be set as integrated KPIs.



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

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

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



TOPICS Commencing handling of transition finance

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

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

Industry-academia collaboration initiatives

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

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

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



Collaborative initiatives with local governments and companies

Shiga Nature Positive Network

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

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

Collaboration with local governments and regional companies

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



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

Received Nature Positive Award.

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

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

ESG Finance Awards Japan award record

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



Stakeholder Engagement

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

Communication with customers

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

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

Customer survey

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

Prevention of financial crime

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

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

Communication with officers and employees

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

Publication of the in-house journal “LACUS”



Information sharing via Microsoft Teams

Introduction of a talent management system

Implementation of the Human Award

Communication with communities

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

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

Education on SDGs and finance

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

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



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



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



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

Shigagin Cup

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



Shigagin Economic & Cultural Center

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



Social contribution activities utilizing familiar resources

Food drive

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



UNICEF foreign coin donation and donation of used stamps

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



Stakeholder Engagement

Communication with the global environment

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

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

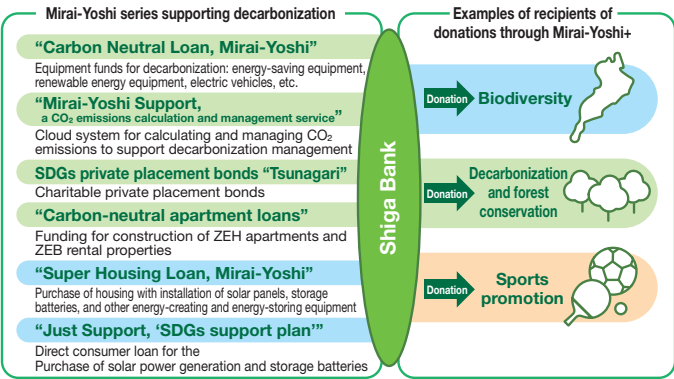
In cooperation with local environmental protection groups, we are developing story-based environmental volunteering activities aimed at protecting Lake Biwa’s ecosystem. In addition to invasive fish removal and fishing in the spring, forestation support activities in the summer, reed seedling planting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



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

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

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



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



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

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

Communication with shareholders and investors

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

IR activities in the fiscal year ended March 31, 2026

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

Shareholder returns

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

Shareholder special benefit program

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



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

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

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

Nonohana Support Group

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

Various partnership agreements

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

Shigagin Welfare Fund

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



Sponsorship of the national sports festival

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



Sponsorship of Expo 2025 Osaka, Kansai, Japan

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