

Building Strong Management Infrastructure

Corporate Governance

Basic views on corporate governance

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

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

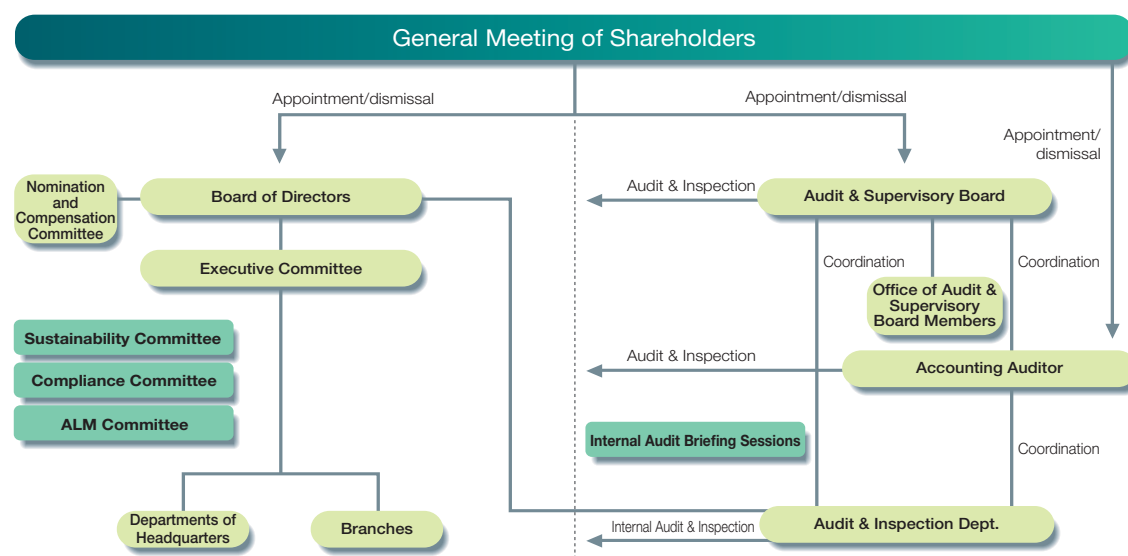
Overview of corporate governance system

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

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

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

Outline of corporate governance system



Board of Directors

Message Message from the Chairperson of the Board of Directors

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

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

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



Shinya Kubota
President and CEO

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

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

Main matters discussed in the fiscal year ended March 2026

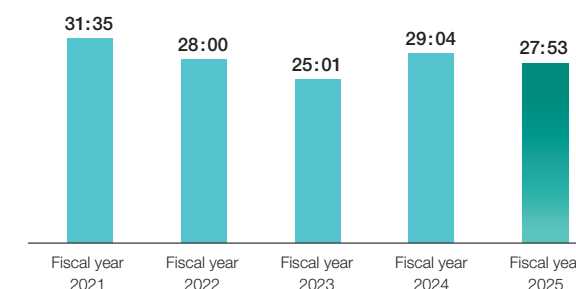
Regular agenda items	Agenda items of special note in the fiscal year
● Matters concerning important personnel affairs ● Matters concerning management policy and business plan ● Matters concerning corporate accounting such as closing accounts ● Matters concerning salaries and bonuses for employees ● Matters concerning dialogue with shareholders	● Matters concerning core systems ● Matters concerning the issuance of restricted stock ● Matters concerning shareholder returns
	Discussion themes
	● Matters concerning top risks ● Matters concerning digital strategy ● Matters concerning capital policy

Status in the previous fiscal year

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

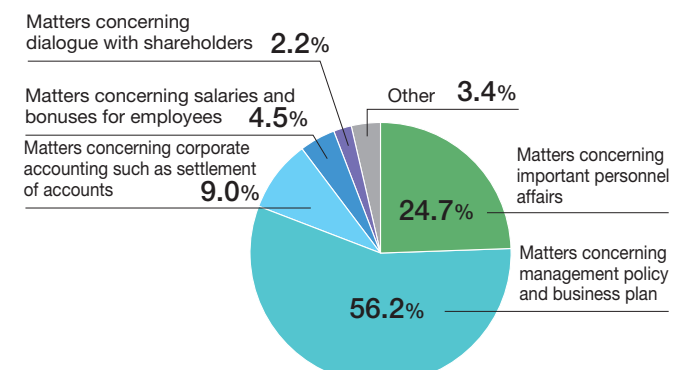
Changes in time required for Board of Directors meetings (by fiscal year)

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



Discussion status by agenda item (fiscal year 2025)

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



Corporate Governance

Evaluation of Effectiveness of the Bank’s Board of Directors

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

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

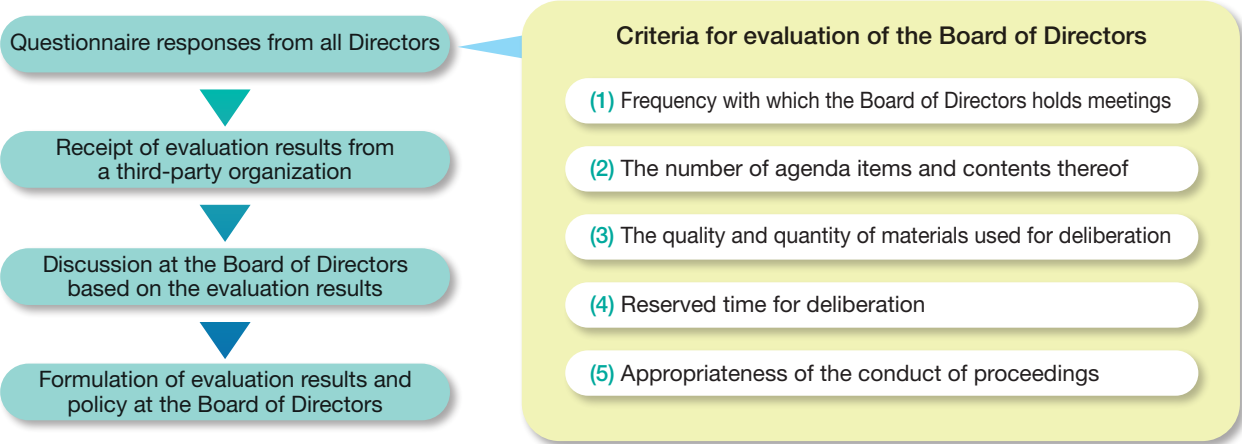
- From the results of the survey, the management of Board of Directors meetings, improvements in sustainability, and discussions concerning dialogue with shareholders were positively evaluated on the whole.
- In addition, in light of changes in the business environment, we worked to improve the effectiveness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

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

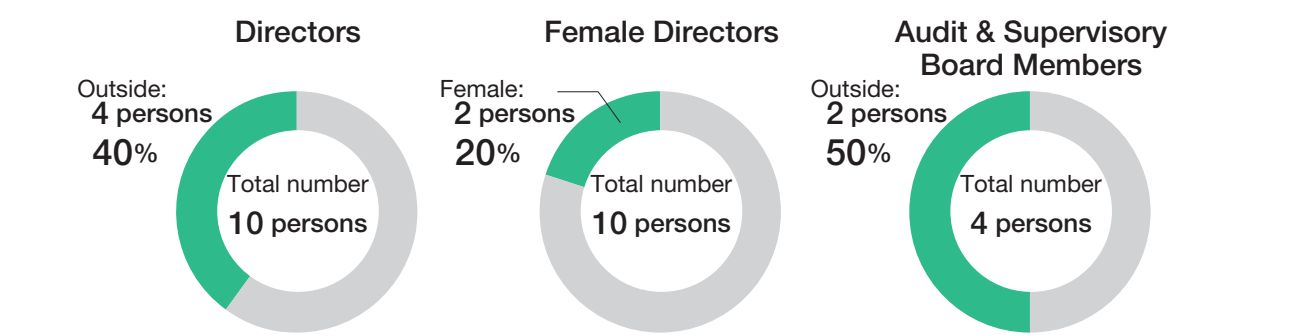
Initiatives to improve the effectiveness of the Board of Directors

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

Flow of the Board of Directors evaluation



Number of Officers and Ratio of Outside Officers



Independent Outside Officers

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

Message

Message from newly appointed Outside Director

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



Mikiyo Niizeki
Outside Director

Corporate Governance

I Support for Directors

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

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

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

I Audit & Supervisory Board

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

Main matters discussed in the fiscal year ended March 2026

Regular agenda items	Agenda items of special note in the fiscal year
● Matters concerning the development of audit plans by Audit & Supervisory Board Members ● Key contents of at meetings such as the Executive Committee and Internal Audit Briefing Sessions ● Status of execution of Accounting Auditor’s duties (including Key Audit Matters) ● Matters concerning appointment or dismissal of Accounting Auditor ● Matters concerning audit reports prepared by Audit & Supervisory Board Members ● Matters concerning exchanges of opinions between Audit & Supervisory Board Members and the President	● Matters concerning core systems ● Matters concerning the 8th Mid-Term Business Plan ● Matters concerning credit risks (credit costs) ● Matters concerning non-assurance services provided by the Accounting Auditor
Status in the previous fiscal year ● Chair: Hideki Sugie (Full-time Audit & Supervisory Board Member) ● Members: 4 (including 2 Outside Audit & Supervisory Board Members) ● Meetings held: 12	

I Internal Audit System

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

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

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

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

I Executive Committee

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

Main activities of Committees

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

I Nomination and Compensation Committee

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

Main matters discussed in the fiscal year ended March 2026

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

Status in the previous fiscal year

Matters concerning compensation
● Deliberation on compensation for Directors

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

Policy and procedures for nomination of officer candidates

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

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

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

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

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

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

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

Corporate Governance

I Executive compensation system

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

1. Basic Policy

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

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

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

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

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

2. Determination policy

(1) Fixed-amount compensation (basic remuneration)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

E (environment): Achievement of net zero GHG emissions

S (social): Employee engagement score

G (governance): Evaluation of effectiveness of the Bank’s Board of Directors

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

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

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

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

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

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

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

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

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

7. Procedures for determining compensation

- (1) Directors
Within the limits of the compensation ceiling determined at the General Meeting of Stockholders, compensation is determined by a resolution of the Board of Directors after deliberation by the Nomination and Compensation Committee.
- (2) Audit & Supervisory Board Members
Within the limits of the compensation ceiling determined at the General Meeting of Stockholders, compensation is determined through deliberation among the Audit & Supervisory Board Members.

List of Officers (As of June 24, 2026)

Directors

President and CEO (Representative Director)
Shinya Kubota

April 1986 Joined the Bank

June 2015 General Manager of General Planning Dept.

June 2017 Director and General Manager of General Planning Dept.

June 2018 Managing Director

June 2020 Senior Managing Director

June 2023 President and CEO (current position)



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

April 1987 Joined the Bank

June 2014 General Manager of Risk Supervisory Dept.

June 2017 Executive Officer and General Manager of Business Promotion Dept.

June 2019 Director and General Manager of Kyoto Branch

June 2021 Managing Director and General Manager of Financial Markets & International Dept.

February 2022 Managing Director

June 2024 Senior Managing Director

June 2025 Director and Senior Managing Executive Officer (current position)



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

April 1990 Joined the Bank

June 2020 Executive Officer and General Manager of Administration Dept.

June 2021 Managing Executive Officer and General Manager of Administration Dept.

June 2023 Managing Director

June 2025 Director and Managing Executive Officer

June 2026 Director and Senior Managing Executive Officer (current position)



Director and Managing Executive Officer
Yoshinori Endo

April 1991 Joined the Bank

June 2019 General Manager of General Affairs Dept.

June 2020 Executive Officer and General Manager of General Affairs Dept.

June 2021 Managing Executive Officer and General Manager of Kyoto Branch

June 2023 Managing Director

June 2025 Director and Managing Executive Officer (current position)



Director and Managing Executive Officer
Nobuyuki Tanaka

April 1990 Joined the Bank

June 2019 Executive Officer and General Manager of Osaka Branch

June 2020 Executive Officer and General Manager of Credit Supervision Dept.

June 2021 Managing Executive Officer and General Manager of Credit Supervision Dept.

June 2022 Managing Executive Officer and General Manager of Audit & Inspection Dept.

June 2024 Managing Director

June 2025 Director and Managing Executive Officer (current position)



Director and Executive Officer
Masaaki Hiranuma

April 1997 Joined the Bank

June 2024 General Manager of General Planning Dept.

June 2025 Senior Manager of General Planning Dept. and Senior Manager of Computer System Dept.

June 2026 Director and Executive Officer (current position)



Outside Director
Minako Takeuchi

April 1983 Joined NEC Corporation

December 2002 Retired from NEC Corporation

January 2003 Joined Stanton Chase International

June 2013 Retired from Stanton Chase International

August 2013 Representative Director, TM Future Corporation (current position)

June 2019 Outside Director, the Bank (current position)

June 2020 Outside Director, Nihon M&A Center Inc. (currently Nihon M&A Center Holdings Inc.) (current position)

June 2022 Outside Director, Mitsubishi Steel Mfg. Co., Ltd. (current position)



Outside Director
Rikiya Hattori

April 1978 Joined Sumitomo Trust & Banking Co. Ltd. (currently Sumitomo Mitsui Trust Bank, Limited)

April 2017 Director, Sumitomo Mitsui Trust Holdings, Inc. Deputy Chairman, Sumitomo Mitsui Trust Bank, Limited

June 2017 Retired as Director, Sumitomo Mitsui Trust Holdings, Inc.

April 2018 Executive Advisor, Sumitomo Mitsui Trust Bank, Limited (retired in March 2020)

Chairman, Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. (retired in February 2021)

June 2018 Outside Auditor, Sumitomo Densetsu Co., Ltd. (retired in June 2021)

June 2020 Outside Director, the Bank (current position)

June 2021 Full-time Corporate Auditor, Reiwa Accounting Holdings Co., Ltd. (retired in June 2025)

June 2021 Outside Director, Sumitomo Densetsu Co., Ltd. (current position)



Outside Director
Sawaichiro Kamata

April 1984 Joined the Bank of Japan

July 2012 General Manager of Kyoto Branch, the Bank of Japan

June 2015 Retired from the Bank of Japan

July 2015 Senior Advisor of Policy Making Headquarters, Japan Securities Dealers Association

July 2017 Joint General Manager of Administration Headquarters (Chief Information Officer and Chief Risk Officer), Japan Securities Dealers Association

June 2021 Retired from Japan Securities Dealers Association

June 2021 Outside Director, the Bank (current position)



Outside Director
Mikiyo Niizeki

April 2006 Professor of Faculty of Economics, Doshisha University

April 2010 Professor of Master's Program, Graduate School of Economics, Doshisha University

April 2014 Professor of Doctoral Program, Graduate School of Economics, Doshisha University (current position)

April 2016 Dean of Faculty of Economics and Graduate School of Economics, Doshisha University

April 2019 Head of Research Promotion Division, Doshisha University

April 2020 Organization for Research Initiatives and Development

April 2020 Vice President and Head of Center for Learning Support and Faculty Development, Doshisha University

April 2023 Assistant to the President of Doshisha University

June 2023 Outside Director, Osaka Gas Co., Ltd. (current position)

June 2026 Outside Director, the Bank (current position)



Composition and skill matrix of the Board of Directors

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

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

Audit & Supervisory Board Members

Full-time Audit & Supervisory Board Member
Akio Mukunoki

April 1988 Joined the Bank

June 2015 Manager of ICT Strategy Office, General Planning Dept.

October 2020 Sustainable Strategy Office, General Planning Dept.

December 2022 Head of Management Strategy Group

Advisor of Sustainable Strategy Office, General Planning Dept.

Head of Management Strategy Group, Advisor of Secretariat, and Advisor of Computer System Dept.

June 2025 Full-time Audit & Supervisory Board Member (current position)



Full-time Audit & Supervisory Board Member
Kazuaki Kataoka

April 1991 Joined the Bank

June 2021 Executive Officer and General Manager of General Affairs Dept.

February 2022 Executive Officer and General Manager of Business Promotion Dept.

June 2023 Managing Executive Officer and General Manager of Kyoto Branch

June 2026 Full-time Audit & Supervisory Board Member (current position)



Outside Audit & Supervisory Board Member
Yasuhito Matsui

April 2000 Registered as an Attorney-at-law

April 2000 Joined Karasuma Law Office

January 2005 Admitted to the New York State Bar

April 2005 Resigned from Karasuma Law Office

May 2005 Joined Miyake & Partners

May 2009 Appointed as Partner, Miyake & Partners

May 2012 Registered as a Patent Attorney

June 2017 Outside Audit & Supervisory Board Member, the Bank (current position)

January 2019 Retired from Miyake & Partners

February 2019 Partner, Nishikibashi Partners LPC (current position)



Outside Audit & Supervisory Board Member
Kazukiyo Onishi

April 1980 Joined the Ministry of Finance

July 2014 Director-General of Yokohama Customs, Ministry of Finance

July 2015 Retired from the Ministry of Finance

October 2015 Advisor, Aoi Nissay Dowa Insurance Co., Ltd.

June 2016 Retired as Advisor, Aoi Nissay Dowa Insurance Co., Ltd.

June 2016 Audit & Supervisory Board Member, Takasago International Corporation

June 2020 Retired as Audit & Supervisory Board Member, Takasago International Corporation

June 2020 Outside Audit & Supervisory Board Member, the Bank (current position)



Executive Officers

■ Managing Executive Officer
General Manager of Kyoto Branch
Isokazu Yamamoto

■ Executive Officer
General Manager of General Planning Dept.
Joji Shimomura

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

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

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

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

■ Executive Officer
General Manager of Head Office Business Department
Shunji Fukuchi

■ Executive Officer
General Manager of Administration Dept.
Masaharu Maeda

■ Executive Officer
General Manager of Computer System Dept.
Takuya Aoyama

Risk Management

I Basic views

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

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

I Top risks

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

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

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

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

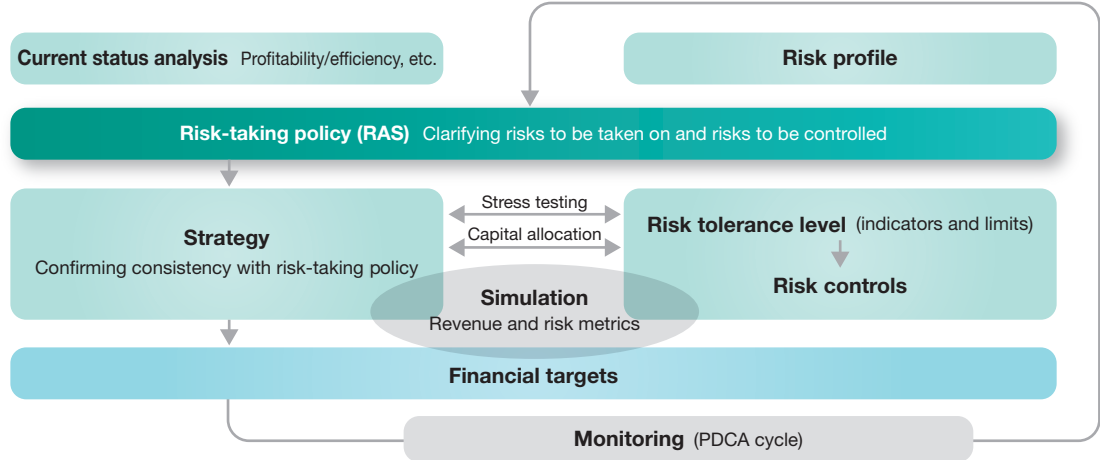
*The above represents a portion of the risks the Bank recognizes, and risks other than those listed above may have a particularly significant adverse effect on management.

I Risk Appetite Framework (RAF)

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

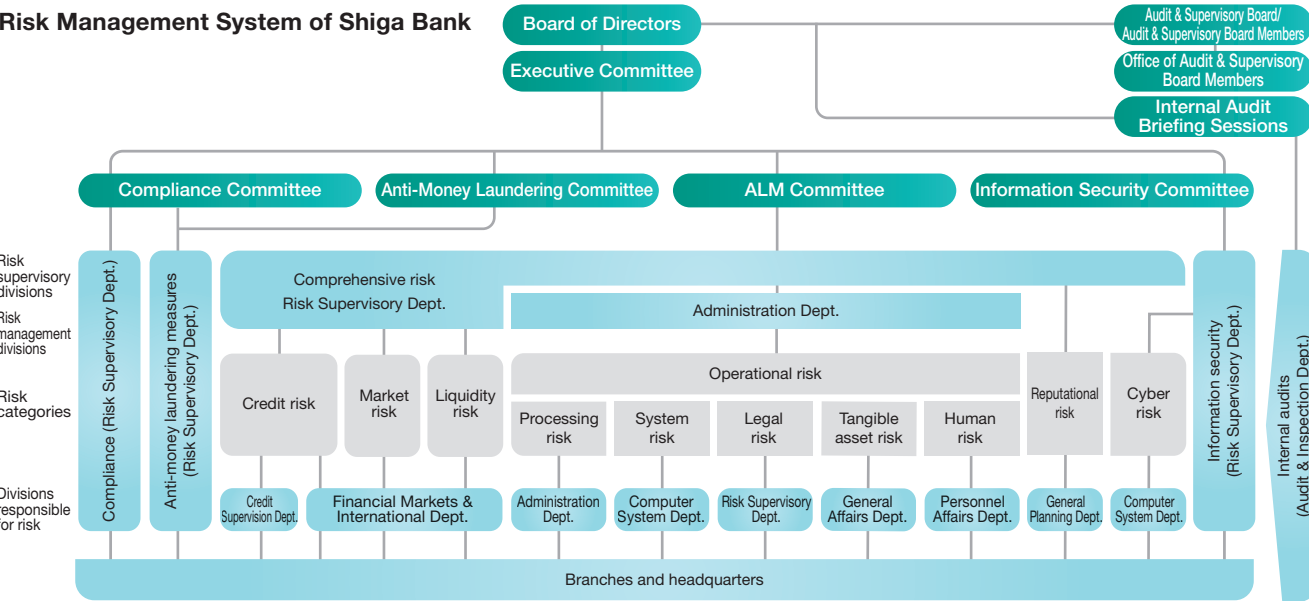
The Bank sets risk tolerance levels and various indicators and limits, and controls the balance of earnings, risk, and capital from both the perspective of proactive risk-taking and appropriate risk management, thereby ensuring the effective functioning of the PDCA cycle for strategies in each department.

Process of formulating financial targets



I Outline of Risk Management System

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



Risk Management

I Comprehensive Risk Management

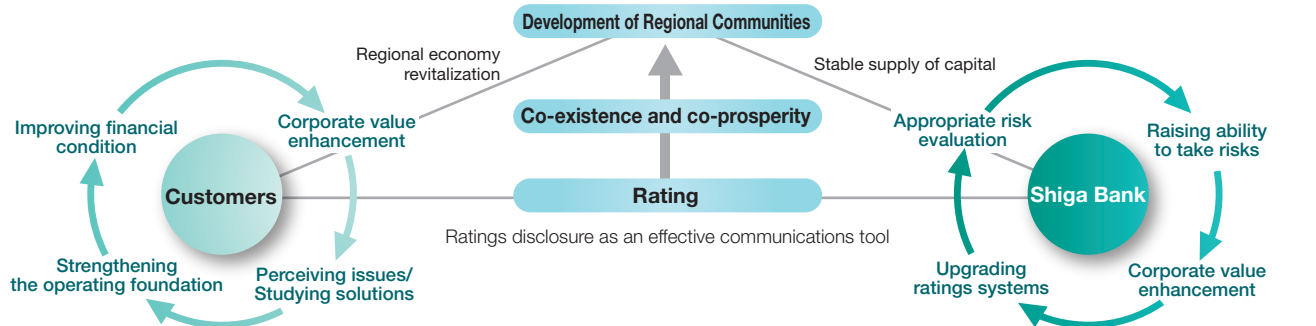
The Bank conducts risk management based on the concept of comprehensive (integrated) risk management, under which it grasps various types of risk in their totality and compares and verifies them against own capital, which represents the financial institution's management strength.

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

I Credit Risk Management

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

Powers supporting value creation



I Market Risk Management System

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

I Liquidity Risk Management System

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

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

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

I Operational Risk Management System

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

I Management systems for system risk and cybersecurity

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

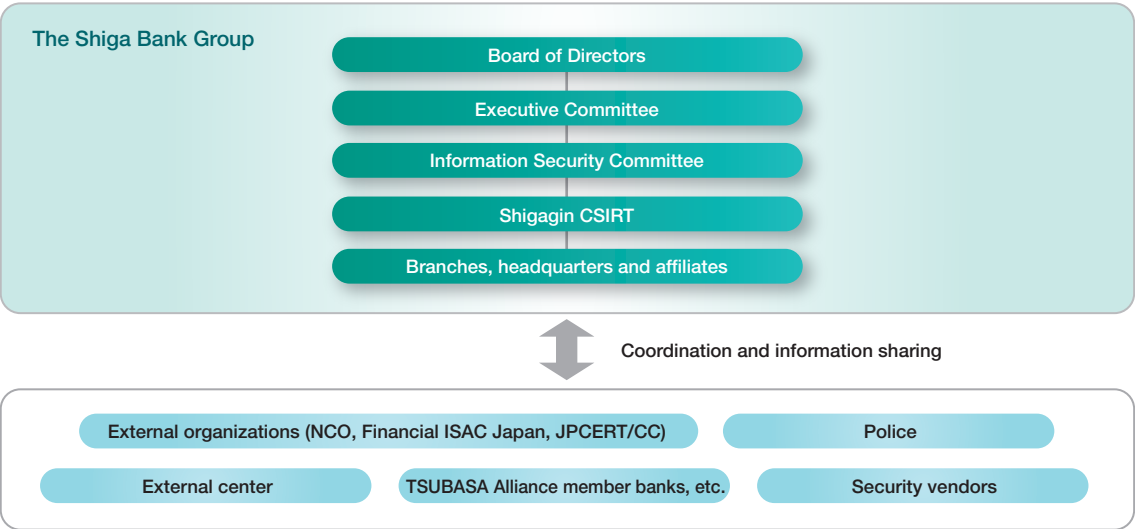
With regard to system risk management, we have duplicated the hardware and networks related to critical systems, building a resilient framework that enables business continuity in the event of a failure. We work to prevent recurrence of any system failures that occurred by thoroughly analyzing the causes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

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

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

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

Cybersecurity management structure



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

I Reputational Risk Management System

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

Compliance

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

Compliance system

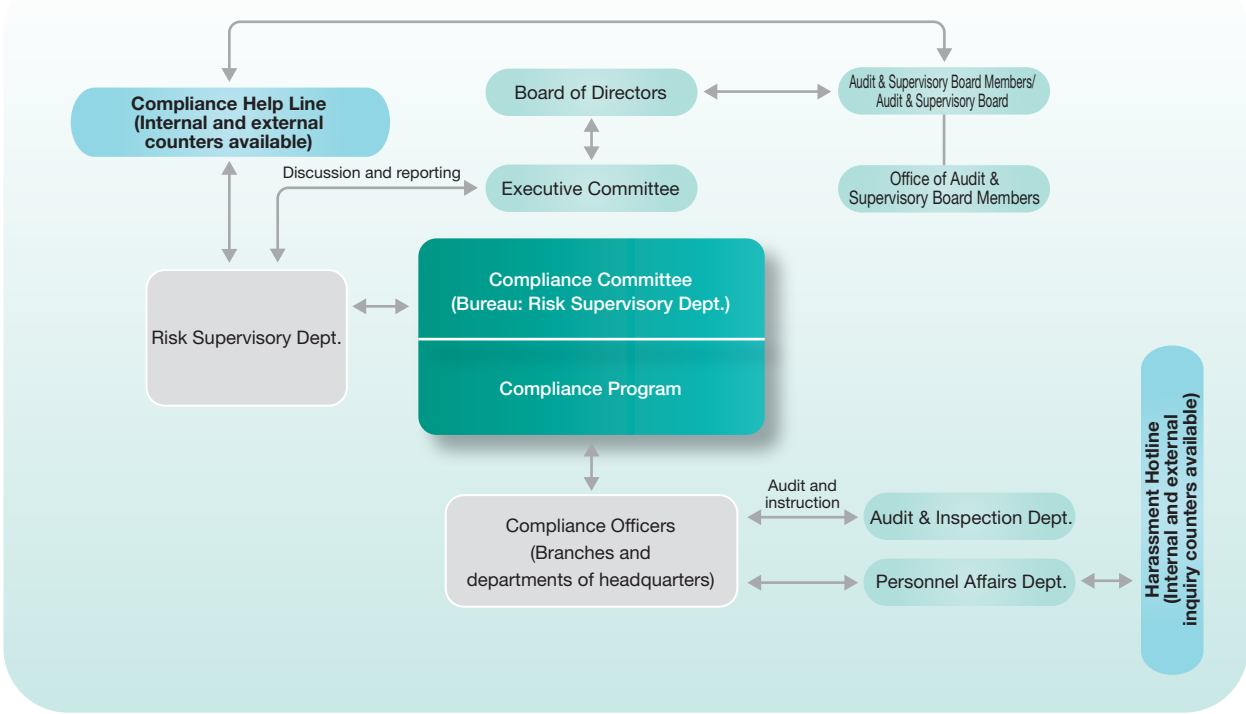
The Bank has stipulated the Code of Conduct based on the Management Principles. In order to comply with them and to thoroughly comply with laws and regulations, the Board of Directors formulates a Compliance Program every fiscal year, after deliberation by the Compliance Committee. In addition, we strive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

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

Establishing a whistle-blowing system

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

Compliance system chart



Measures to eliminate anti-social forces

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

Initiatives for anti-money laundering and financial crime prevention

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

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

Updating customer information (Ongoing Customer Due Diligence)

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

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

Preventing financial crime

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

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

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

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

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