



INTEGRATED REPORT

ANNUAL REPORT 2026 Year ended March 31, 2026

SHIGA BANK

Principles

The Shiga Bank Group established the Purpose (reason for existence), “Making the region happy with ‘Sampo yoshi’ philosophy,” in order for all officers and employees to continue moving forward as one toward our 100th anniversary and beyond.

Based on a system of principles with Purpose at the core, the “Sampo yoshi” traditional management philosophy, embraced by the Omi Merchants, was upheld through our motto of “Be tough on ourselves, kind to others and serve society.” The Bank has made this motto the starting point for our activities and strives to increase corporate value by 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.



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Editorial Theme of Integrated Report 2026

This report clearly explains how we will solve issues identified from our vision for regional communities that we wish to achieve in the medium to long term, using the Shiga Bank Group's philosophy framework, and how we will link these solutions to the enhancement of corporate value through our management strategy and business model.

In addition to our efforts to enhance our financial and non-financial capitals, we have compiled this document to help you understand our approach of a virtuous cycle that creates happiness in local communities where these capitals link together and create a positive impact on the region through the operations of the Shiga Bank Group.

The Shiga Bank Group values dialogue with shareholders, investors, and other stakeholders through this integrated reports. We will incorporate the feedback we receive from our stakeholders to improve our management and information disclosure.

In addition, this report is an important tool for our employees to consider the connection between their work and corporate value. Thus, we use the report to help them raise their awareness of value creation.

Shiga Bank's Disclosure Policy

1. Basic views

Based on our social responsibility and public mission as a regional financial institution, we aim to ensure highly transparent disclosure. We shall ensure timely, appropriate, continuous, fair and accurate disclosure of information to foster understanding and appropriate evaluation of the Bank operations by all of our stakeholders, including our customers, shareholders, investors and regional communities.

2. Information to be disclosed

The Bank will disclose management information in accordance with laws and regulations such as the Banking Act and the Financial Instruments and Exchange Act, as well as the Rules on Timely Disclosure of Corporate Information by Issuers of Listed Securities established by the Tokyo Stock Exchange (hereinafter referred to as the "Timely Disclosure Rules").

In addition, we will disclose information that is deemed useful to our stakeholders in a fair and timely manner to the greatest extent possible, even if the information does not fall under the category of material facts specified by laws and regulations or the Timely Disclosure Rules.

3. Methods of information disclosure

Information required to be disclosed under laws and regulations as well as the Timely Disclosure Rules will be disclosed in a timely and appropriate manner in accordance with such rules and regulations, and will also be posted on the Bank's website.

For other voluntarily disclosed information, we will strive to disclose information that is fair and useful in an appropriate manner.

4. Information disclosure procedures and systems

The Bank has established the "Rules on Management-related Information Disclosure" and has designated the General Planning Department as the department responsible for disclosure of management-related information in order to develop and enhance procedures and systems for timely and appropriate information disclosure.

In addition, to maintain the appropriateness of the information, we consult with audit firms and other experts as necessary, and periodically verify the appropriateness and effectiveness of the information.

5. Forward-looking statements

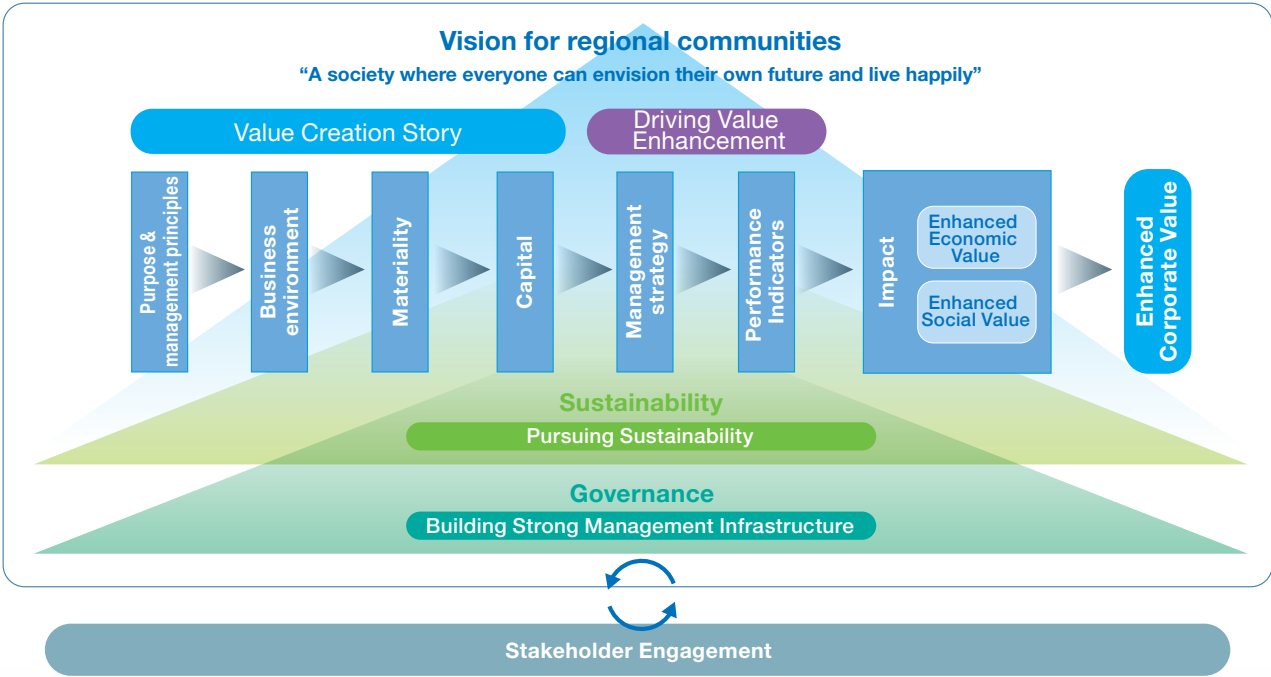
The information on the Bank's website and in the Integrated Report contains statements regarding the financial position of and future forecasts concerning the Bank and other Group companies.

These forward-looking statements do not guarantee that future performance will be achieved as stated. They are affected by certain risks and uncertainties and may not necessarily be consistent with actual results due to changes in the business environment in the future.

Structure of Integrated Report 2026

This report systematically presents value creation processes starting from the Purpose, through the implementation of management strategy based on materiality and the capital to be used, and the creation of economic and social value, to the improvement of corporate value.

In addition, with sustainability and governance at the foundation, opinions and expectations obtained through dialogue with stakeholders are incorporated in management. This represents our approach of creating a virtuous cycle of continuous value creation.



Value Creation Story

Under the Purpose "Creating happiness in local communities through Sampo-yoshi," we focus on solving regional issues and creating a virtuous cycle of value creation while identifying our materiality based on regional and social issues and making use of regional resources including Lake Biwa, wide-area networks, and a variety of capitals.

Challenge for Enhancing Value

We focus on implementing business strategies that increase customers' earning power and support their asset formation, enhancing revenue bases through investments in high RORA assets and securities, and creating value through regional co-creation, digital transformation, and alliances in order to improve our corporate value.

Pursuing Sustainability

We are pursuing human resource development, strategic personnel deployment, and cultural transformation in order to convert human capital to the ability to execute management strategy while at the same time working to realize decarbonization and nature-positive outcomes and solve regional issues, thereby promoting value creation that leads to a future.

Building Strong Management Infrastructure

We are working to build a solid management foundation that supports continuous improvement of corporate value through efforts to increase the effectiveness of the board of directors and the sophistication of governance, implement risk management based on a risk appetite framework (RAF), and enhance compliance, measures against money laundering, and cybersecurity.

Highlights of the Integrated Report 2026

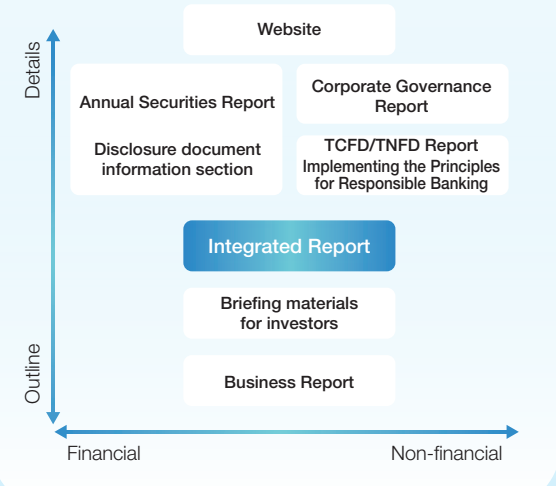
- **P.5-18: Management Message**
Toward enhancing corporate value by transforming from Bank to Company, our management and outside directors talk about their vision, challenges, and future direction from various perspectives.
- **P.31-34: Dialogue—Data-Driven Management and Evolution of Regional Banking—**
How will data change the future of regions? Naoki Ohgo and President Shinya Kubota talk about data-driven management, regional value creation, and the possibility of the transformation from Bank to Company.
- **P.59-68: Human Capital Management (Human First)**
People are the driving force for transformation. This section introduces our efforts for human resource development, organizational development, and cultural transformation to leverage human capital for value creation.

About This Integrated Report

This report is based on the "International Integrated Reporting Framework" recommended by the IFRS Foundation and the "Value Creation Guidance" issued by the Ministry of Economy, Trade and Industry (METI), and is an integrated compilation of the Bank's and its community's sustainable value creation framework by linking financial information to management philosophy, strategy, ESG information (environment, society, governance), and other non-financial information. This publication also serves as disclosure material (documents explaining the status of operations and assets) in accordance with Article 21 of the Banking Act. When using this document as a disclosure document, please refer to this document, the information section (available on the Bank's website), and the "INTEGRATED REPORT 2026 Financial Data and Basel III Pillar 3 Disclosure" (available on the same website). Management and others have confirmed that appropriate disclosures have been made in accordance with the Bank's Disclosure Policy.



Main disclosure channels



Cautionary Statement with Respect to Forward-Looking Statements

This material contains statements regarding future earnings forecasts and targets, etc. relating to the Bank. These statements are based on information available at the time of compilation of these materials and forecasts or certain conditions (assumptions) that could affect business performance. They are not guarantees of future performance of the Bank, and involve various risks and uncertainties.

Making continuous transformation a tradition

Shinya Kubota
President and CEO (Representative Director)

TOP MESSAGE

How to Confront an Era of Change

As a “world with interest rates” has become the norm, the environment surrounding financial institutions has changed significantly. Such changes include rapid digitization including AI utilization; Internet banks competing regardless of regionality; entry by nonfinancial companies; and prolonged geopolitical risks. In addition, structural problems, such as population decline, aging population with a declining birthrate, and shortages of human resources, are becoming deeper and more severe in non-urban areas. In such a situation, regional financial institutions cannot achieve continued growth if they are simply based on what they have done so far. And, it is no longer enough to just take measures gradually in response to environmental changes. What is called for now is the will to change proactively and the attitude of carving out a future independently.

In that sense, one of the realities that I now take very seriously is the population decline in Shiga Prefecture, my home region. According to preliminary results from the

2025 Census, Shiga Prefecture’s population has begun to decline for the first time since 1960, falling below 1.4 million. I have recognized population decline as a future challenge from before. But at last, it has appeared as the actual fact, not a prediction. Its significance is by no means small. The change that has been expected is a reality in progress. That is, regional economic assumptions themselves are now beginning to change significantly.

I am not pessimistic about this change. Rather, I feel that it will become clearer than ever to distinguish between what to protect and what to change because we live in such an era. In other words, I believe that not taking on challenges will be the biggest risk. If we can detect signs of changes quickly, determine their meaning, and act proactively, environmental changes will become an opportunity for a breakthrough, not something to defend. We should select the future by ourselves, instead of staying passive. I will continue to place this attitude at the center of management.

Reason for Evolving Based on the Future of the Region

The Shiga Bank Group has set “a society where everyone can envision their own future and live happily” as a vision for regional communities that should be realized over the long term. What is important here is that we show how regional communities should be, not an ideal image of the bank itself. The aims and missions of the Shiga Bank Group lie in the vision that is based on the region, not the bank itself. Improving the future of the region will eventually improve the future of the Shiga Bank Group. This is our essential starting point and the reason for our existence as a regional financial institution.

However, this vision cannot be realized with financial functions alone. It is because simply supplying funds is not enough to sufficiently deal with regional issues, such as business succession, shortages of human resources, transformation of industrial structure, environmental response, and community development. With the shrinking market due to population decline, we have entered an era where values and demands in a region do not come naturally and so should be created intentionally.

Considering such changes in the environment of the times, we need to reinterpret the “Sampo yoshi,” the spirit of Omi Merchants, to suit modern times. The “Sampo yoshi,” that is, bringing happiness to three sides—being good for the seller, the buyer, and society—means to proactively develop a relationship in which the three parties enhance each other’s value and is not limited to harmonizing the interests of the three parties. This meaning is growing further in importance in this era, where values do not come naturally.

To create new value in the region by practicing the reinterpreted “Sampo yoshi,” we need to evolve what the Bank itself should be. We should carry out the transformation from Bank to Company in order to face regional issues head-on and become the driving force of value creation. Our aim is to polish the strength as Bank and accumulate new value creation as Company. That is, using finance as the foundation, value created by solving regional issues generates growth potential. I believe that this double-layer structure allows the Shiga Bank Group to realize continued improvement of corporate value.

TOP MESSAGE

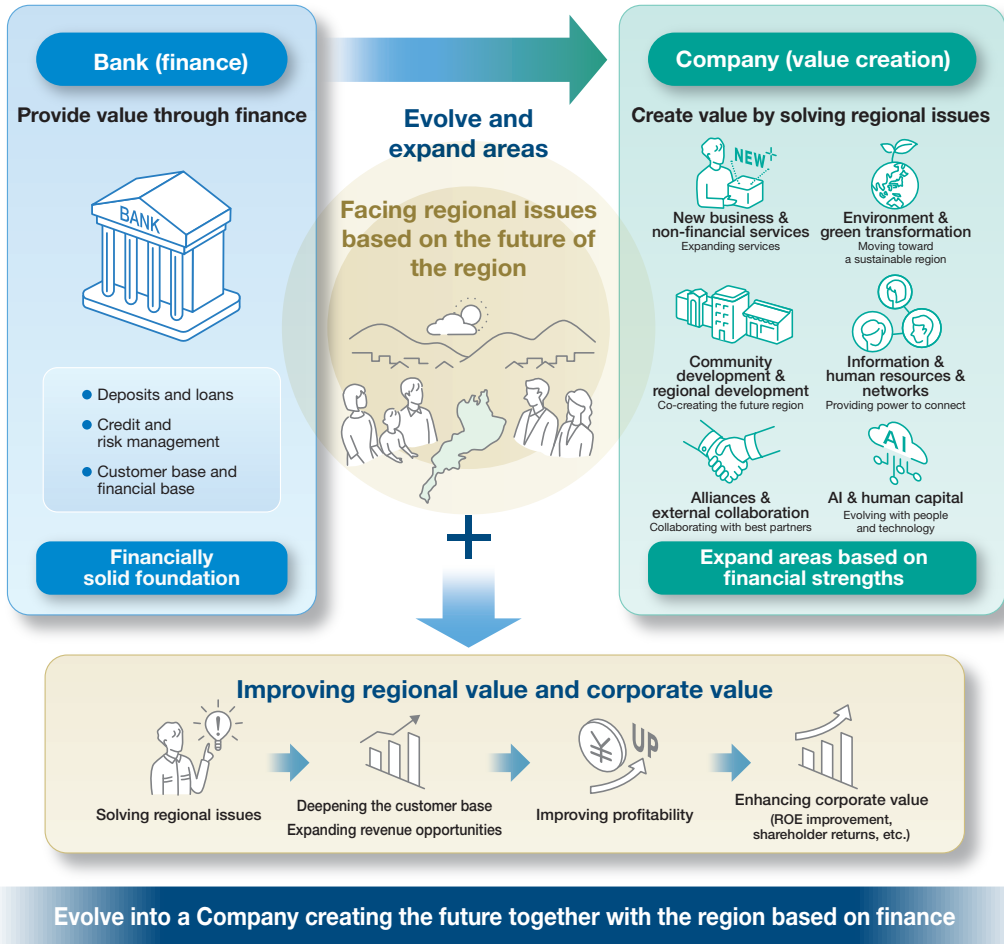
Challenges for the Shiga Bank Group

It will become structurally more difficult for regional financial institutions to maintain profits and growth through financial functions alone. As long as we are no longer in an environment where the demand for funds expands naturally, we should extend our role to creating demand itself and generating businesses and opportunities. In that sense, transforming from Bank to Company is an unavoidable management challenge if we are to secure both the future of the region and the sustainability of the Shiga Bank Group.

However, this evolution cannot be realized at once. In the field of new value creation, some ideas are still in the trial-and-error stage. Knowledge, reproducibility, and monetization processes that we have as an organization should be further polished from now on. Some challenges have only become apparent because we are making progress. There are difficulties we didn't foresee until now.

I will not turn away from this reality. As the leader, I myself will squarely face the difficulties and bear the pain that comes with the process. I believe it is the responsibility and commitment of management.

Now, we are in the process of developing foundations that help us create value as Company. Taking measures is not an end in itself. We should bring them together, sublimate them into a reproducible scheme for value creation, and make them lead to continuous profits and competitive advantages. Transformation becomes true only after that. Fully recognizing how high its hurdle is, I still believe we should pursue this path. This is the winning formula of the Shiga Bank Group, which provides competitiveness that leads to differentiation from other banks.



Facing Regional Issues and Creating Value

One of the concrete measures is to expand relationships with external organizations while maintaining strategic independence. In April 2026, the Bank formed a capital and business alliance with Senshu Ikeda Holdings and started the Senshu Ikeda-Shiga Alliance. Having pursued collaboration in a wide range of areas such as corporate clients, retail customers, sustainability, regional support, human resources, and digital technology, we have set up four task forces and about 20 working groups and are currently proceeding with concrete discussions and efforts.

What I emphasize in this alliance is to create new value by combining strengths of both companies, not merely gathering functions and resources. We will realize enhancement of regional financial capabilities and sophisticated services while combining mutual branch networks, customer bases, information, human resources, and brands.

We are also developing other partnerships such as the TSUBASA Alliance in which we participated in 2019 and collaboration with local companies, universities, and government.

The key is not pursuing scale, but expanding options on our own without being limited to finance while maintaining flexibility to face our region.

Another pillar is to develop and improve a foundation that allows new value creation while further strengthening our financial base. The introduction of BankVision on Azure, a next-generation core banking system being developed in collaboration with BIPROGY Inc., is not a mere system update. It is the development of a platform that allows financial functions to be connected seamlessly across different types of business through an open and cloud-based system in order to create new services and business models. This is also an investment that brings our sophisticated risk management, IT strategy, and differentiation strategy, which the Bank has accumulated

so far toward the next growth stage. Make finance evolve, rather than exiting finance. Then, build new value creation on top of it. That is the path we should follow.

In a world with interest rates, converting deposits and loans into meaningful money is also an important effort. A symbolic example is the Lake Biwa Blue Deposit program, which was launched on July 1 last year, the Lake Biwa Day. Based on the total amount of deposits received from customers, this product makes donations to organizations, etc. engaged in research on water, the environment, and ecosystems. Donations are used for, for example, a project to protect Lake Biwa. Although we initially started to accept deposits, targeting 30.0 billion yen, we increased the offering ceiling due to its unexpected popularity. A total of 60.0 billion yen was deposited by the end of March this year. While there is competition with Internet banks, etc., I feel that if we develop financial instruments that are less vulnerable to the size of an interest rate, and offer services with new added value to customers so that they can feel the satisfaction that "I am helping protect the global environment," they will be the strengths of the Shiga Bank Group.

In addition, polishing environmental finance as the Shiga model to achieve both regional value and business viability is also a key strength of the Shiga Bank Group. More specifically, we offer the Shiga Try-Link Loan, Japan's first ESG loan product released through joint development with Shiga Prefecture; we have achieved net zero greenhouse gas emissions; we are building a local production and local consumption model for renewable energy. For us, having Lake Biwa at the home region, environmental issues are our responsibility for the region, not something requested from outside. We will further polish environmental finance as a growth area that can strengthen a competitive advantage of the Shiga Bank Group while improving the future of the region.

“The key is expanding options on our own while maintaining flexibility to face our region.”



News conference for announcing the Senshu Ikeda-Shiga Alliance

TOP MESSAGE

Next, the foundation for carrying out these strategies to make them reproducible is investment in AI and human capital. Such examples include utilizing generative AI, linking management approaches by an AI President to actual workplaces, using a talent management system, strengthening management capability to capitalize on individuality, and fostering a corporate culture that places emphasis on dialogues. These will change individual power to organizational power and raise the level of power to face regional issues. The ability to solve regional issues eventually depends on the power of people. Investment in human resources and organizations is one of the most important foundations that support our future profitability and corporate value.

Evolution of an organizational culture is indispensable in implementing reforms. Our sound organizational management and executive ability that we have cultivated so far are important strengths, but they sometimes make it hard for us to take on challenges regardless of precedents and make decisions toward creating new value. As such,

we need to question what we have taken for granted, take on challenges without fear of changes, and allow a culture of praising and encouraging such attempts to take root in our organization. I believe that it is only such a culture that allows the Bank to evolve into an organization where each individual is independently engaged in value creation.

This year marks the second year of the Human Award, which aims to foster a culture of challenge and admiration and honors employees who carried out an activity that embodies the Bank’s motto. What impressed me in a speech of a part-time employee who received this award and went overseas to receive training as a supplementary prize was that the employee said, “I have come to take pride in working at Shiga Bank.” This comment inspired me. Being an organization where each individual can work with pride is not simply a matter of working environments. I believe that the accumulation of such experience will become an ability to continue to be selected by customers and the region as well as a driving force for the Shiga Bank Group’s value creation.

Spread and Effects of Our Efforts

Such efforts are beginning to produce a positive outcome gradually.

The fiscal year ended March 31, 2026 saw progress in both financial and non-financial aspects as the second year of the 8th Mid-Term Business Plan. On the profit side, as a result of efforts for high RORA assets such as structured finance and overseas market-based loans in addition to reviewing asset allocation of loans and securities, net interest income was 75.4 billion yen (non-consolidated), hitting a record high. Consolidated net income was 21.2 billion yen, and consolidated ROE was 4.46%, indicating that profitability is steadily improving. Considering these results, changes in the business environment due to rising interest rates, and our future growth potential, we raised our target for consolidated ROE for the fiscal year ending March 31, 2029 from 6% or more to 8% or more. This indicates certain positive effects of the first two years of the mid-term business plan as well as our will for further growth.

Efforts toward solving regional issues are also spreading. The number of cases supporting customers’ dreams and businesses, which is one of the KPIs of the mid-term business plan, totaled 15,863, a progress of 132.2% against the milestone for the fiscal year ended March 31, 2026. As a result of working to solve customers’ issues through succession of businesses and assets, human resource solutions, business matching, etc., we recorded business transaction fees of 4.06 billion yen, a record high for the second year in a row. I think that these results are owing to not only tailwinds from external environments but also our continued efforts to improve our abilities to make proposals and solve problems while facing customers’ problems and regional issues.

Development of the foundation for the future has also progressed steadily. The amount of investment in human capital was 209 thousand yen per person, surpassing the

plan. The number of employees who tried to form their career independently reached 1,246, and the percentage of positive responses in the engagement survey increased to 87.3%. Thus, as we have continued to foster a culture emphasizing challenges and admiration and invest in human resource development, we are seeing a gradual increase of proactive actions by individual employees.

However, many of the current positive results are owing to enhancing foundations and increasing the profitability of the existing businesses as Bank. Although progress is being

made in individual initiatives based on the Plus X strategy, such as community development, green transformation, business succession funds, and new businesses, these are not yet in the stage where new value creation is established to generate continuous profits as Company. The next hurdles to overcome have come into view because we have begun to see results. I feel a positive response, while at the same time I consider now is the phase in which the true value of our management is questioned.

Our Will and Promise for the Future

One of the Haikai (seventeen-syllable verse) principles proposed by Basho Matsuo, a haiku poet associated with Shiga, is *Fueki Ryuko*. *Fueki* represents timeless and unchanging truths, while *Ryuko* refers to innovation in response to changes in the times and the environment. These two concepts are fundamentally interconnected. For the Shiga Bank Group, the motto is *Fueki*, and making continuous transformation to realize the Purpose is *Ryuko*.

To select optimal solutions toward the ideal future and continue to take on challenges, hypotheses and testing based on data are important. Based on this approach, the Data Driven Project Team of the Bank, together with a consulting firm, is currently analyzing economic data in the prefecture and considering measures that lead to revitalization of the regional economy in the future. In the previous fiscal year, using statistical data such as input-output tables, with approximately 1.4 billion transactions of deposit and withdrawal data possessed by the Bank and financial data of about 45,000 companies, we made forecasts of Shiga Prefecture’s GDP, visualized supply chains in different industries, and tried to grasp the characteristics of the economy in the prefecture through comparison with other prefectures. Going forward, we will continue analyzing under various themes so that local governments and businesses can take actions that create a virtuous cycle of Shiga Prefecture’s economy, and thereby help raise the level of Shiga Prefecture’s GDP.

New activities have also been generated from the planning of community development; for example, the Future Design Group, a team dedicated to new businesses that we launched in April 2024, formed an alliance with Kusatsu City. Such involvement from the planning stage takes a certain amount of time until results take shape, but such efforts make us face the fundamental regional issues accordingly, which leads to creating lasting value. By proactively taking part in planning, development, and operation without being limited to simple fund supply, we create prosperity and stimulate new demand to boost regional attractiveness and competitiveness. Accumulating such experience will lead to expanding our future customer base and deepening transactions, and eventually contributing to medium- to long-term improvement of corporate value.

We do not aim to be just a regional financial institution. We aim to be a partner who draws and realizes the future of the region with stakeholders. Toward realizing “a society where everyone can envision their own future and live happily” as our long-term vision, the Shiga Bank Group will continue to press forward and determined to “make continuous transformation our legacy” under the Purpose—Creating happiness in local communities through Sampo-yoshi philosophy. This is not easy, but is worth doing because it is difficult. I will carry out reforms and build a new tradition for the region, the next generation, and the future of the Shiga Bank Group. I would like to ask for your continued understanding and support.

“We can leave better things to the next generation if we change now. Corporate cultural change is also the same. We will continue to evolve into an organization that does not hesitate to take the first step toward new value creation for the region and customers.”



“Draw and realize the future of the region together. We will aim to be buddies of the region.”

Message from
the Officer Responsible for Finance

We will aim to continuously enhance corporate value while seeing changes in the economic environment with sound risk awareness and increasing our earning power by transforming our strategic earnings structure and improving capital efficiency.

Yoshinori Endo, Director and Managing Executive Officer

CFO MESSAGE

Business results for the fiscal year ended March 31, 2026 and transformation of our earnings structure

For the fiscal year ended March 31, 2026, net interest income grew and gross business profit increased primarily due to increases in interest on loans and discounts and interest and dividends on securities. As a result, net income was 21.4 billion yen (non-consolidated) and consolidated net income was 21.2 billion yen, both hitting a record high.

Some positive outcomes have begun to appear as a result of reconsideration of asset allocation we have been working on so far as well as our profit-conscious lending and management efforts. We are shifting to a structure where profits are led by net interest income, while improving the lending yield and securities yield in response to changes in the interest rate environment.

Loans and deposits have both remained on an upward trend, and our stable transaction foundation in the region has underpinned profits. We are aware that our earning power has increased steadily through rising yields and balance sheet expansion.

But at the same time, funding costs are expected to increase in the future due to rising deposit rates, and therefore, balance sheet management placing more emphasis on profitability will be important in both lending and management. We will continue to pursue stable profit growth while maintaining and strengthening our transaction foundations.

Summary of results (non-consolidated)

Non-consolidated	2025	2026	YoY
Gross business profit	58.2	64.1	5.9
Net interest income	64.1	75.4	11.3
Interest on loans and discounts	49.4	60.0	10.6
Interest and dividends on securities	32.2	36.5	4.3
Interest on deposits, etc. (minus)	5.7	14.2	8.5
Net fees and commissions	10.6	9.8	(0.7)
Net other ordinary income	(16.5)	(21.2)	(4.6)
Expenses (minus)	44.5	48.4	3.8
Personnel expenses (minus)	18.9	21.1	2.2
Property expenses (minus)	22.3	23.7	1.3
Taxes (minus)	3.2	3.5	0.2
Actual net business profit	13.6	15.7	2.0
Provision of general allowance for loan losses (minus)	(1.0)	-	1.0
Net business profit	14.7	15.7	1.0
Non-recurring gains (losses)	3.9	12.7	8.8
Gains (losses) related to equity securities	7.1	10.3	3.2
Ordinary profit	18.6	28.5	9.8
Extraordinary gains (losses)	6.6	0	(6.6)
Profit before income taxes	25.3	28.5	3.2
Net income	18.8	21.4	2.5
Credit costs (minus)	4.2	(0.1)	(4.3)
Consolidated net income	18.7	21.2	2.5

Raising financial target (ROE of 8%) and efforts toward achieving it

Considering the effects of the Senshu Ikeda-Shiga Alliance in addition to the profitability enhancement and growth strategy of the main business through solution-oriented finance, we raised the target for consolidated return on equity (ROE) to 8% or more as a financial target for the 8th Mid-Term Business Plan.

Recognizing that our cost of capital ranges roughly between 7% and 8%, we set this target from the perspective of securing profitability that exceeds the cost of capital.

The consolidated ROE for the fiscal year ended March 31, 2026 was 4.46%, indicating a steady improvement. As we have transformed our revenue structure while improving the lending yield and securities yield in response to changes

in the interest rate environment, the foundation for improving ROE is being set.

Going forward, we will pursue further improvement in ROE by strengthening profitability and improving capital efficiency. More specifically, we increase net interest income through RORA-conscious asset allocation, review the securities portfolio, strengthen non-interest income, and ensure appropriate control of financial leverage through capital strategy.

We recognize that improving ROE is an important factor that leads to enhancing valuation in the capital market, and thus achieving higher PBR. Looking ahead, we will steadily proceed with our efforts toward achieving this financial target, and thereby aiming to continuously improve corporate value.

Financial targets

	Results 2026	Before revision 2029	After revision 2029
Consolidated gross business profit	66.5 billion yen	87.0 billion yen	100.0 billion yen
Consolidated net income	21.2 billion yen	30.0 billion yen	40.0 billion yen
Consolidated ROE	4.46%	6% or more	8% or more

Portfolio Optimized for Capital and Funding Efficiency

We regard building an optimum loan portfolio as one of the important measures to improve continuous profitability and enhance ROE. In response to changes in the interest rate environment and the cost of capital, we are proceeding with asset allocation that is conscious of capital efficiency and profitability.

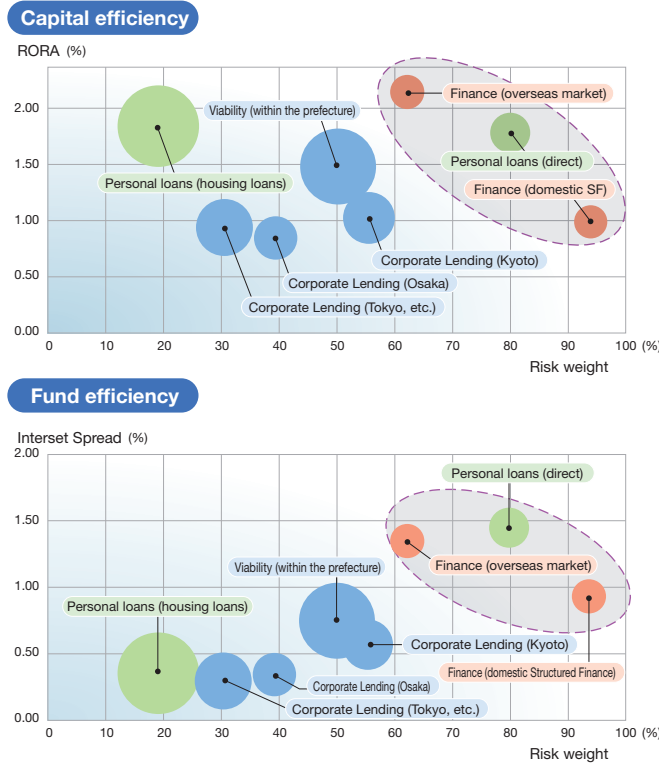
Our basic approach is to concentrate management resources on areas where we can secure profits steadily, while considering both capital efficiency (RORA) and fund efficiency (profit margin). With this, we try to increase the profitability of the entire portfolio and improve capital efficiency at the same time.

More specifically, we are stepping up efforts for highly profitable areas while responding properly to the fund demand of local customers; we are actively promoting services such as direct consumer loans, which are one of our strengths, and structured finance.

At the same time, we are reviewing low-yield loans and assets that are problematic in terms of capital efficiency in an effort to improve the quality of our portfolio.

In this way, we are continuously proceeding with asset allocation focusing on the balance between risks and returns, thereby increasing capital efficiency and margin efficiency and improving ROE in the medium- to long-term.

Asset allocation that is conscious of capital efficiency (RORA) and fund efficiency (profit margin)



Message from the Officer Responsible for Finance

Securities portfolio for strengthening our revenue base

We are continuously reviewing our securities portfolio in response to changes in the interest rate environment. We strategically sold low-yield bonds with an eye to improving profitability; we sold about 140 billion yen worth of bonds for the fiscal year ended March 31, 2025 and about 220 billion yen worth of bonds for the fiscal year ended March 31, 2026. With this bond switching, the yen-bond portfolio's yield is expected to improve by 1% or higher and lead to revenue improvement in the future. Through these efforts, we are rebuilding our portfolio that will suit the period of rising interest rates.

Regarding the reinvestment of bonds after sales, we intend to reinvest gradually based on the behavior of future interest rates while paying attention to investment timing and maturity diversification.

Currently, we are building a ladder portfolio with diversified maturity structure in order to stabilize interest income and improve yields while reducing profit imbalances due to interest rate fluctuations.

In addition, the diversification of maturities results in periodic redemption, ensuring us to continue management maintaining liquidity while securing reinvestment opportunities.

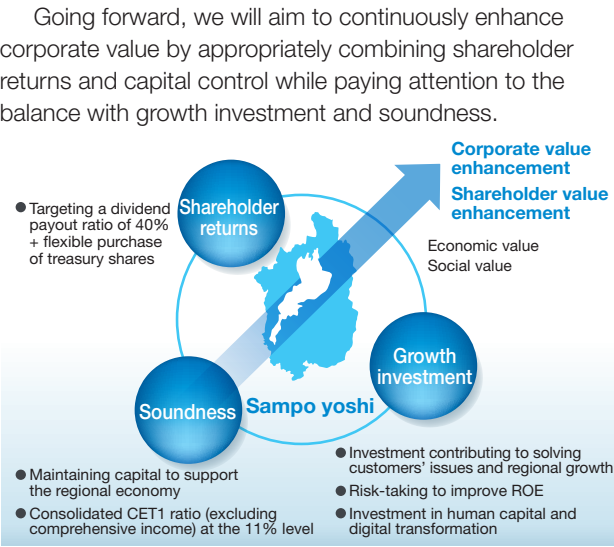
The Bank maintains a substantial gain on valuation of securities and sound capital adequacy level. We will optimize its portfolio under such assumptions in order to help strengthen its revenue base over the medium- to long-term.

“Sampo yoshi” capital policy and enhancement of shareholder returns (dividend payout ratio of 40% + flexible purchase of treasury shares)

We recognize that it is important to secure soundness for supplying funds continuously as a regional financial institution while improving capital efficiency as a listed company. Based on the “Sampo yoshi” capital policy, we place emphasis on the balance between growth investment, shareholder returns, and financial soundness.

For shareholder returns, we reviewed our return policy based on the progress of the 8th Mid-Term Business Plan and the capital level. Previously, we targeted a total payout ratio of 40%; in fiscal year 2026, we decided to ensure flexible purchase of treasury shares in addition to a dividend payout ratio of 40%.

We regard this as a means to improve shareholder return through dividends as well as increase capital efficiency by purchasing treasury shares in a flexible manner based on capital levels and earnings trends.



Leveraging gains from the sale of cross-shareholdings for growth strategy

We are systematically reducing cross-shareholdings from the perspective of effective use of capital. Cross-shareholdings have played a certain role in the growth of clients as a means of capital contribution; however, amid a growing call for management that is conscious of the cost of capital, we need to continuously review the reason for holding them.

We have examined the reasonableness of holding for each individual issue. For cross-shareholdings with some room for reduction, we had careful dialogues with clients and have gradually sold those for which an agreement has been reached. We will continue to proceed with reduction

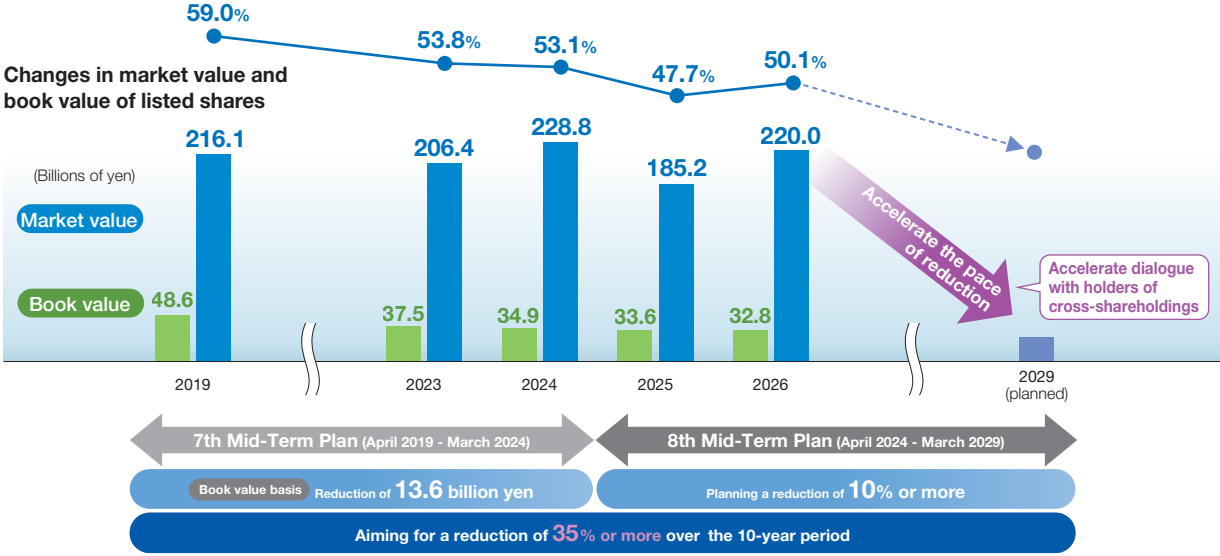
through constructive dialogues while paying attention to maintaining and developing business relationships.

Gains from the sale of cross-shareholdings are redistributed to growth investment and shareholder returns. We will ensure that this will lead to enhancing our future revenue base through investment in human capital, digital transformation and systems as well as in areas that are expected to become more profitable.

Through reduction of cross-shareholdings and redistribution of gains on sale, we will continue to try to improve capital efficiency and strengthen profitability and ensure that it will lead to enhancing corporate value.

Status of cross-shareholdings

Changes in the percentage of consolidated net assets (market value basis, unlisted*, including deemed holding)
*Excluding shares of subsidiaries and associates



Dialogue with shareholders, investors, and other stakeholders (IR activities)

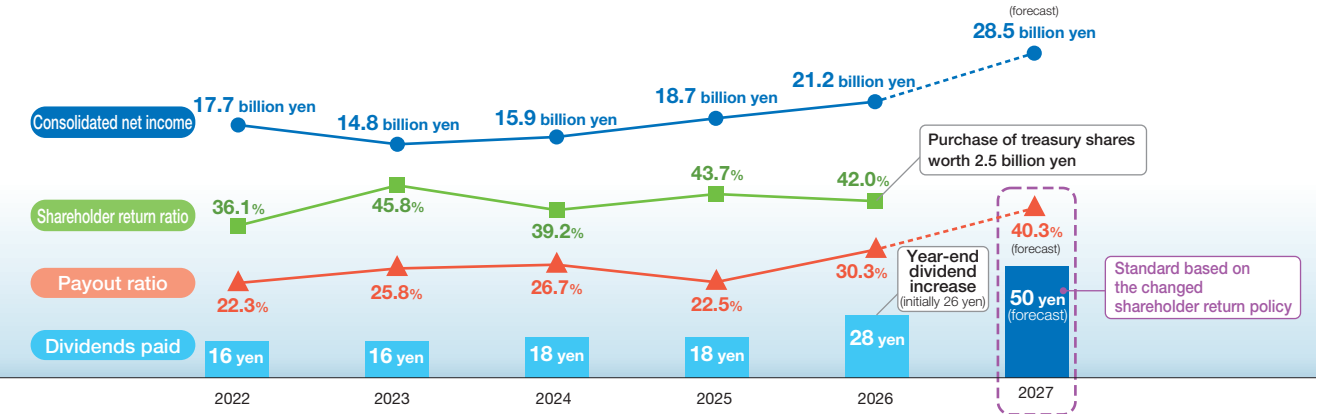
We are striving to improve the quality and frequency of our dialogue through individual meetings with institutional investors and analysts and by holding financial results briefings, conducting IR briefings in regional areas, and enhancing our integrated reports and IR materials.

Recognizing that IR activities are part of management strategy, we place great importance on accountability by management; the President and the officer in charge of finance attend and give presentations at financial results briefings. We will continue to pursue the sustainable enhancement of our corporate value through constructive dialogue with the capital markets. We will also create a virtuous cycle of happiness brought to the region and achieve co-existence and co-prosperity with our stakeholders.

<IR activities in the fiscal year ended March 31, 2026>

- Financial Results Briefing (June 2025)
- Disclosure of Interim Financial Results (November 2025)
- Small meetings for institutional investors (October and December 2025)
- Conducted 54 individual interviews
- Conducted 8 IR activities in the region

Changes in shareholder returns



Note: Dividends per share have been restated to reflect a stock split conducted on April 1, 2026.

OUTSIDE DIRECTORS'

Message from Outside Directors

MESSAGE



Sawaichiro Kamata
Outside Director

Minako Takeuchi
Outside Director

Rikiya Hattori
Outside Director

With a world with interest rates becoming the norm, regional financial institutions are expected more than ever to reform business models in addition to achieving higher capital efficiency and continuous corporate value creation. With such environmental changes in mind, the Bank tries to sophisticate the supervisory function of the Board of Directors and further strengthen discussions on medium- to long-term management strategy. We asked three outside directors, who always play the key roles at the Board of Directors that determine the direction the Shiga Bank Group is going to take, to exchange views on the progress of discussions so far, issues recognized, and the future direction.

Board discussions and the role of the Board of Directors —looking back on the past year—

— **At a roundtable discussion last year, honest views were exchanged on challenges for corporate value enhancement, including involvement in the 8th Mid-Term Business Plan. Looking back on the past year, how do you feel about the Board discussions and the role of the Board of Directors?**

Kamata: At the roundtable discussion last year, I pointed out that we should promote partnerships with other companies and create synergistic effects to increase profitability. After the Board discussions, the Bank formed a capital and business alliance with Senshu Ikeda Holdings, Inc. in April this year; I feel this was a significant step forward. We also discussed the need to improve capital efficiency. Although the external environment has been changing, such as rising interest rates, the basic profitability of the Bank has improved steadily, a sign of which is that we have raised the ROE target from 6% to 8%. However, I think there is room to leverage our Group companies and enhance non-interest income—both of which have been ongoing challenges and are yet to see results.

Takeuchi: I expressed my opinions candidly at the Board of Directors. In the past year, we were able to deepen details of agendas through consideration of alliances, medium- to long-term

measures, etc., and also have essential discussions. But, there was a tendency to end up in one-to-one exchanges between an external questioner and an internal person who explained. I think it would become even better if discussions are broadened to the entire board. It is because we can see things from various perspectives based on diverse opinions, not in the dualistic way of for or against. I recognize that many members make remarks about the business they are in charge of, but there are still very few remarks on business in other areas. Executive agenda items and strategic agenda items for the medium to long term are still discussed in a mixed manner.

Hattori: As Director Takeuchi said, outside directors are also members of the Nomination and Compensation Committee and I think it is important in terms of succession planning to know the opinions of board members regarding all aspects and issues at the Board of Directors. Next, while the Bank has been steadily responding to issues discussed at the Board of Directors, it should be operated in such a way that they are constantly refined through the PDCA cycle because the world is changing very fast. The speed can be accelerated if projects are well-organized. Regarding the alliance with Senshu Ikeda Holdings, I feel that it was operated in a very good manner in that we were able to have deep discussions.

Effectiveness of the Board of Directors

— **In the evaluation of effectiveness of the Bank's Board of Directors, the points brought up for discussion included how strategic discussions should be and how to face medium- to long-term themes such as human resources and capital. How do you evaluate the effectiveness of the Board of Directors?**

Kamata: Deeper discussions were made at Board of Directors partly because prior-explanations were well-prepared. I think that the Board's effectiveness is secured. On the other hand, the challenge is how to organize operations well so that more time can be spared for medium- to long-term issues and important management matters. For example, it may be possible to delegate more decision-making authority to the executive body and narrow down the number of agenda items. As a precondition for this, it may be necessary to discuss at the Board of Directors to reach a consensus on the Board's decision-making functions and supervision; for example, how much weight to place on which side.

Hattori: Although discussions to improve profitability have been progressing, we need to have more in-depth discussions. Profit forecasts have already been presented, but I feel discussions are not enough in terms of strategies and tactics of the business plan. Since customer needs have become very diversified, it is also necessary to consider how to maintain a good balance between businesses. The main point is to organize topics and deepen discussions on important matters. For outside directors, it is also necessary to build a portfolio of human resources capable of discussing such matters. This time, Ms. Niizeki has been appointed as an outside director. I expect comments based on her areas of expertise. Additionally, a young member has been selected as a board member. I would like her to draw on her youth and previous career at the headquarters at the Board of Directors. In light of these issues, the Bank is gradually proceeding with efforts toward improving the Board's effectiveness, including prioritizing topics and enhancing monitoring functions.

Management strategy

— **Against the backdrop of the revision of the Corporate Governance Code, the role of constantly questioning management strategy's assumptions and direction is required even more. What is the most important theme from the viewpoint of enhancing corporate value over the medium to long term?**

Hattori: We should first and foremost think what the Bank's role is. The most important role is to contribute to the home region. So, it is necessary to accurately understand the needs of local customers. We should identify customers' needs more accurately by conducting qualitative and quantitative analysis on changes in customers' needs, and then allocate management resources in line with the needs identified. After that, I think it is important to continue to grasp changes in needs and brush up strategic and management resources. In addition, the market is changing significantly. For example, a megabank is taking in retail customers using an app; and it is offering services to middle-ranking companies and SMEs and micro enterprises which it did not serve before, on a portal site for corporate clients. Regionality no longer matters. In this situation, how will the Bank's customer base, which is overwhelmingly strong for both retail customers and corporate clients in the home region, be after five to ten years? What business should the Bank build in the future in order to contribute to the home region? What is a business model that aligns with customer needs? In designing such business model, group strategies should be developed by integrating businesses required at the Bank and associated companies.

The business environment will change significantly over the next ten years. In addition to banking business, management consulting business such as digital transformation and human resources consulting will be important. While the Bank operates fee business across the region, it should develop products designed to deliver maximum value where customer needs exist. I think that the most important thing is to conduct discussions to determine the future direction of management strategy and allocate resources on a priority basis.

Takeuchi: I also think that the Bank should start from customer needs, but before that, it is necessary to consider the Bank's vision on the basis of customers. What does it mean to support the region? The business portfolio is for building the Bank's vision, and the human capital policy is for realizing its businesses. Now, as the Sustainability Design Company is set as the Bank's vision, it is necessary to deepen discussions on its concrete image and develop a clearer picture. We should then move on to individual issues.

Kamata: It is necessary to check again why fee business and solution business are important. In a world with interest rates, increasing deposits is considered important, but from the medium- to long-term perspective, expanding the balance sheet alone is not sufficient to expect continued growth. In a declining population and low-growth era, demand for funds will not grow very much, and spreads are expected to narrow. With an eye toward such a world, we should start focusing on solution business and fee business now and sow many seeds for increasing fee income, without relying on the balance sheet alone.



Message from Outside Directors

Hattori: With microfinance expected to expand in the future, there is a possibility that profit opportunities for the existing financial institutions will decrease, and the Bank needs businesses to earn income other than banking. We should discuss more about how we should consider M&A and inorganic businesses as investment. As the digital transformation-related business and consulting business need to be strengthened from now on, there is plenty of room to consider investing in ventures, system companies, etc. Looking

ahead ten years, we should consider management strategy on the assumption that the ratio of financial services and non-financial services in the earnings structure to be fifty to fifty.

Kamata: In terms of very fast-changing and highly specialized areas such as digital areas, I think we should consider using external management resources without sticking to in-house services.

Human capital and succession planning

— **How do you see the current state of human resource development and succession planning of the Bank? What kind of involvement and discussion will be more required as the Board of Directors from now on?**

Takeuchi: I think human capital management is a means. In other words, we should identify what type of human resources is needed to realize management strategy and how we should recruit and develop them. It is important to properly connect management strategy and human capital management in our discussion. Some aspects of human capital management have already been discussed, and various measures have been proposed. However, I feel that some of them lack logical consistency; we are yet to say “we are proceeding with the current human capital management because we want to build this business model.” Considering future business models, there is an opinion, for example, that the current simple salary table will be insufficient. So, it may also be necessary to flexibly redesign a different salary system, such as an annual salary system. If we examine the human resources really required to realize our management strategy, we should be able to come up with a variety of means.

Kamata: The current personnel system has a linear structure where everyone aims to be a branch manager or an officer, but a multiple-track personnel system focusing on expertise, etc. should also be prepared. It is desirable to form an organization where individuals can demonstrate their potential abilities to the fullest and where ideas of younger employees and middle-rank employees are actively discussed within the organization and then take shape one after another. To achieve this, it is important to review organizational culture and translate its

results into concrete measures. I think it will lead to realizing challenge and admiration.

Hattori: I really feel that the Bank has an extremely large number of talented people. However, needless to say, they grow up only within the Bank’s framework. It is very important to have them breathe more outside air, take in different values, and combine such values well with the Bank’s good values in order to nurture them into stronger human resources.

Takeuchi: Besides in-house talent, recruiting mid-career professionals will also be the key. Instead of just hiring external resources and leaving them on their own, we should have someone support them responsibly. At first, each of them should be supported; we need to ensure that they feel “the Bank cares about you” even if it takes time and effort. By having such support take root and accumulating successful cases, I think we can transform our corporate culture into one in which diverse human resources can thrive.

Hattori: From the view point of diversity, I think the Bank should work on the promotion of female workers while clarifying specific goals. The Bank should formulate a plan of developing female officers in the years ahead, and then subject them to various experiences so that they are aware that their experiences and feelings are needed for diversity. It is not enough to simply become a branch manager, a department manager, or a section manager.

Takeuchi: It is important to create a workplace where various opinions are reflected. Achieving diversity is a starting point. If our efforts are expanded into equity (E) and inclusion (I) and the Bank’s business models are discussed by diverse members on top of that, unprecedented ideas should be generated.

Kamata: When it comes to succession planning, the Bank needs to consciously create a pool of managerial talents at a somewhat early stage and consider developing programs that allow them to build up experiences beneficial for management, such as headquarters experience.

Takeuchi: The market wants to see a plan of successors to top officials and board members in the sense of management supervision. To move a step closer to this, it may be good to humbly learn successful cases from, for example, a company whose Nomination and Compensation Committee consists solely of outside directors. We should then show how to respond to market requests.

“Sampo yoshi” capital policy

— **The Bank implements the “Sampo yoshi” capital policy that aims to enhance corporate value by striking a balance between ensuring soundness, shareholder returns, and growth investment. Growth investments include investments that lead to solving customers’ issues and taking risks as well as investments in human capital. As part of investment in human capital, restricted stock (RS) is granted to employees who desire it. How do you evaluate a series of measures related to the capital policy?**

Hattori: The key is to proceed with them while finding the balance between soundness, shareholder returns, and growth investment. As for growth investment, considering that the declining birth rate and the increasing labor mobility resources will accelerate from now on, investing in human capital for securing and developing human resources will be the most important.

This time, I think it was very good that the ROE target of the 8th Mid-Term Business Plan was raised from 6% to 8% based on the backcasting approach. If the Bank moves away from the conventional thinking that conservative figures are the safer choice, and instead looks at broader trends and considers what needs to be done to accumulate profits, I believe this will generate real insight and provide a major impetus for breakthroughs.

Kamata: With capital efficiency in mind, the Bank has exercised control so that the capital adequacy ratio does not exceed a certain level. This is a big change. Of the three factors of soundness, shareholder returns, and growth investment, shareholder returns have been improved in operation in recent years to meet investor expectations by raising the return level. As for growth investment, two types of investment—human capital investment and system investment—are essential. In particular, the investment in the next-generation accounting system is meaningful as it enables a more flexible and agile strategy and leads to increase in competitiveness.

Takeuchi: The important thing is to draw a business model based on the Bank’s role of supporting the regional economy and consider the optimum balance of the capital policy toward its realization. As for shareholders’ dividends, stakeholders have various expectations. I heard that investors with medium- to long-term perspectives expect not only dividends themselves but also future growth. Human capital investment and system investment are of course important, but it is more important to discuss the entire growth story without focusing too much on individual issues at the Board of Directors.

The future state of the Board of Directors

— **With the Bank’s Board of Directors trying to further enhance corporate value in the coming years, let us know the attitudes and approaches that are especially important.**

Kamata: For matters that have been considered good, I try to question whether they are still appropriate in line with environmental changes, regardless of what happened in the past. To always upgrade myself and keep updated with changes in the external environment, I would like to talk with many people to learn more and help contribute to enhancing corporate value.

Takeuchi: Of the key strategies, the business portfolio and human capital management are very important. So, the Bank should check again its regional banking capabilities, that is, the role of regional banking that the Bank should fulfill. To build a business model contributing to realizing such role, the Bank should deepen discussion on the business portfolio and human capital management. After that, the Bank should pursue balanced management acceptable to diverse stakeholders. At that time, even if a plan at the start of measures is not perfect, there should be an approach of making a course correction as appropriate while working on the measures.

Hattori: The Bank’s Board of Directors should build on its steady efforts so far, but at the same time, its operation should become more agile and focused in order to respond to the speed of environmental changes. To achieve this, it is essential to reconsider the scheme of the Bank’s business portfolio

and human capital and reconstruct a business model based on the role that the Bank should fulfill as a regional financial institution. As I said at the beginning, we should further deepen fundamental discussion as to what to do about the Bank’s business model and develop strategies toward realizing it. Partnerships with other banks and companies boil down to how to evolve and play the Bank’s role through such partnerships. I would like to consider this point deeply. Going forward, I will try to clarify the division of the roles of execution and supervision, further deepen discussion on strategy contributing to medium- to long-term improvement of corporate value, and work on governance enhancement toward enhancing capital efficiency and realizing continued growth.



HISTORY

Steps Toward Enhancing the Corporate Value of the Shiga Bank Group

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

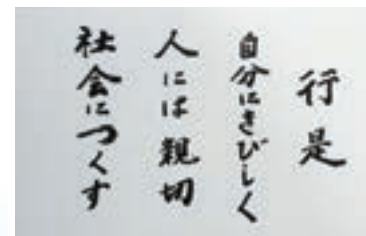
Holding dear the teachings of our predecessors, we shall continue to contribute to the happiness of the region founded on the belief that the growth of the Group is inextricably linked to the growth of the region and our customers.



since
1933

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

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



1960 -

Strengthened management systems that embody the Bank's motto

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



1999 - **Practicing pioneering environmental management**

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

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

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



100th
anniversary
2033

A society where everyone can envision their own future and live happily

since 1933

100th anniversary

ORIGINALITY Shiga Bank's Distinctiveness

Responsibility to Protect and the Power to Connect

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

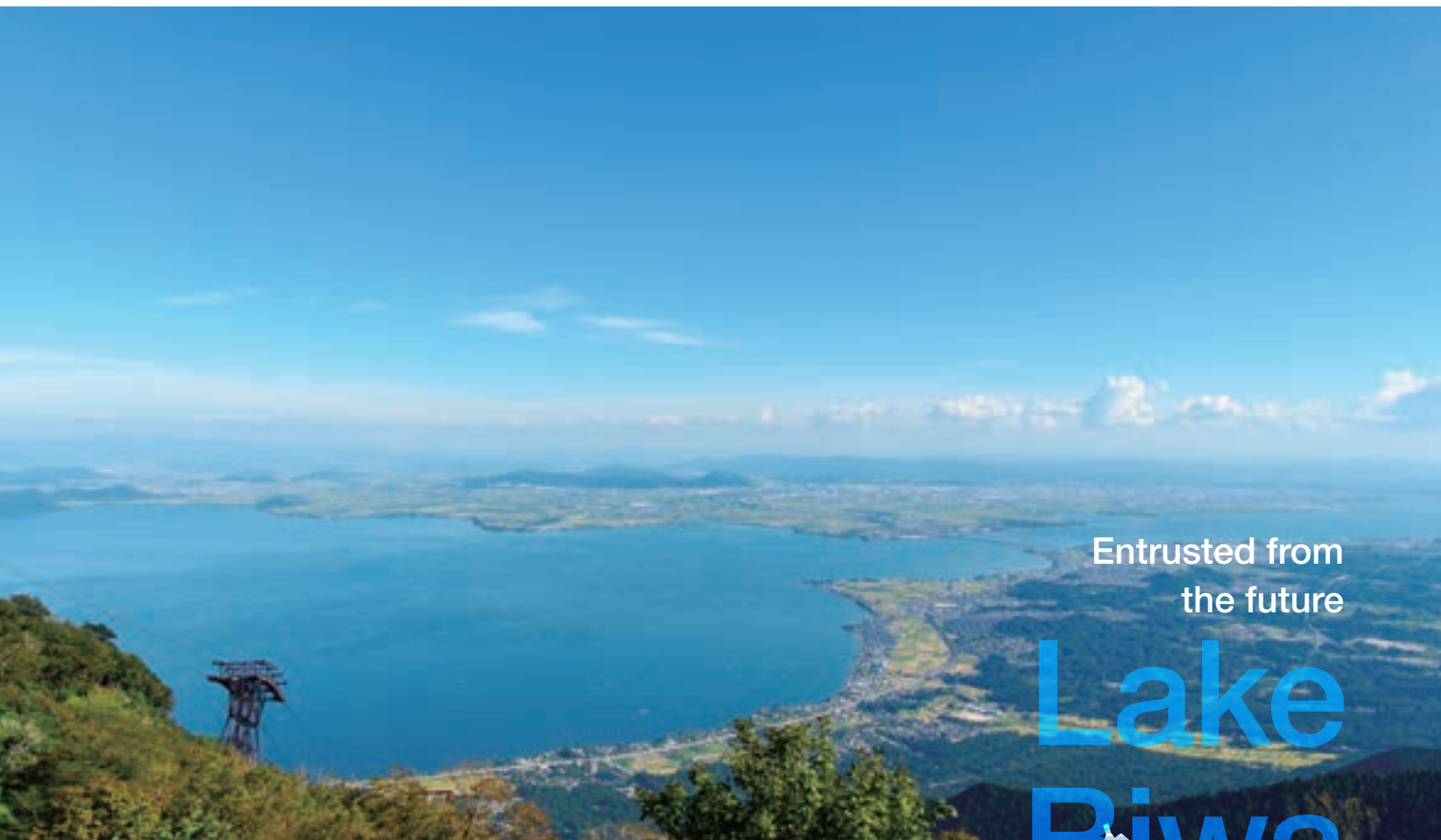
One is a strong sense of responsibility to protect Lake Biwa, which supports the lifestyle and industrial infrastructure in the Kansai region, and pass it on to the next generation.

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

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

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

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



Entrusted from
the future

Lake Biwa

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



Building Board Connections
and Returning Value
to the Region

Omi Merchants

Source: Archival Museum, Faculty of Economics, Shiga University



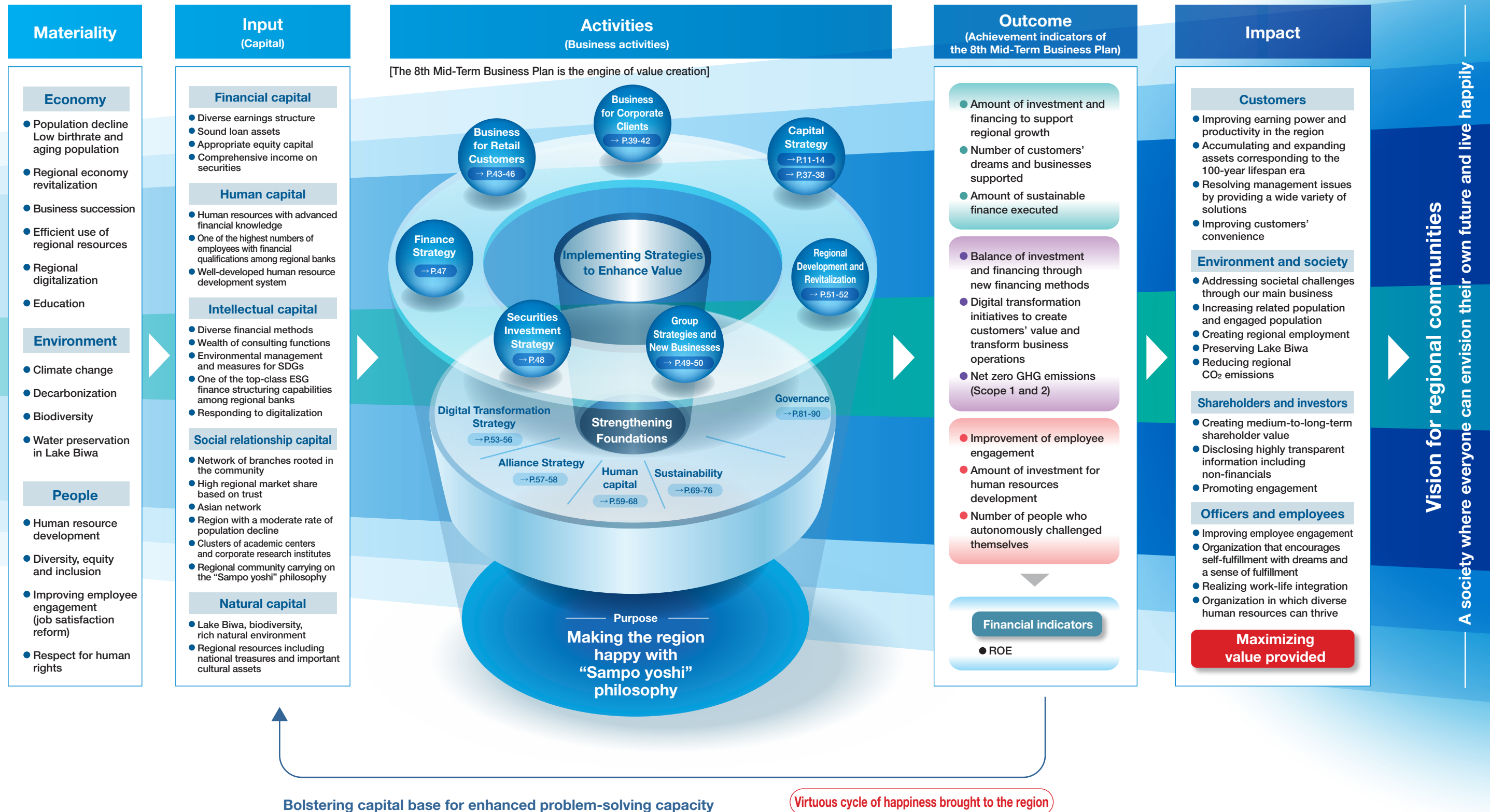
Omi merchants went on a peddling tour throughout Japan while being rooted in the home region, and returned profits and knowledge gained outside to the region. The idea of connecting broadly and recirculating in the region is deeply rooted in the Bank's management. Shiga Bank set up the Kyoto branch in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

VALUE CREATION STORY

Value Creation Story

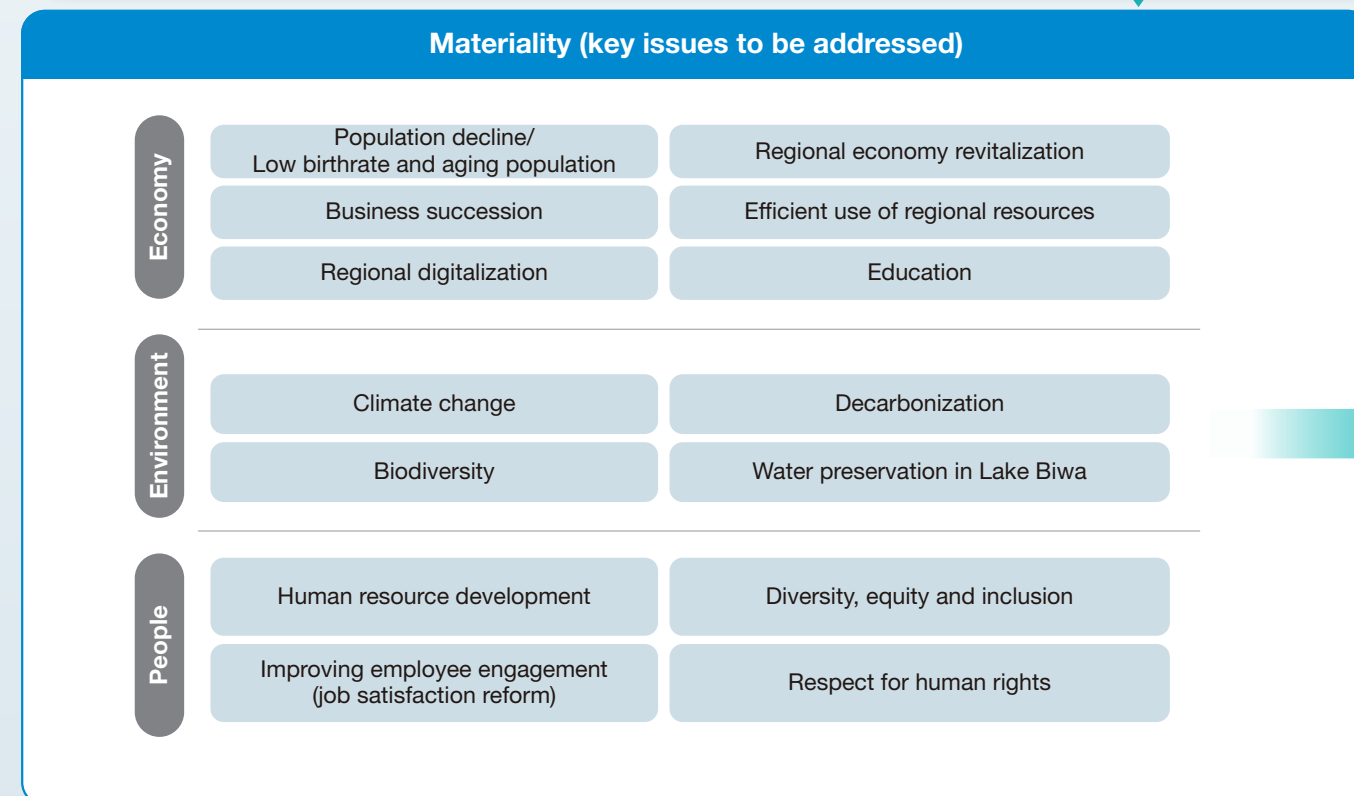
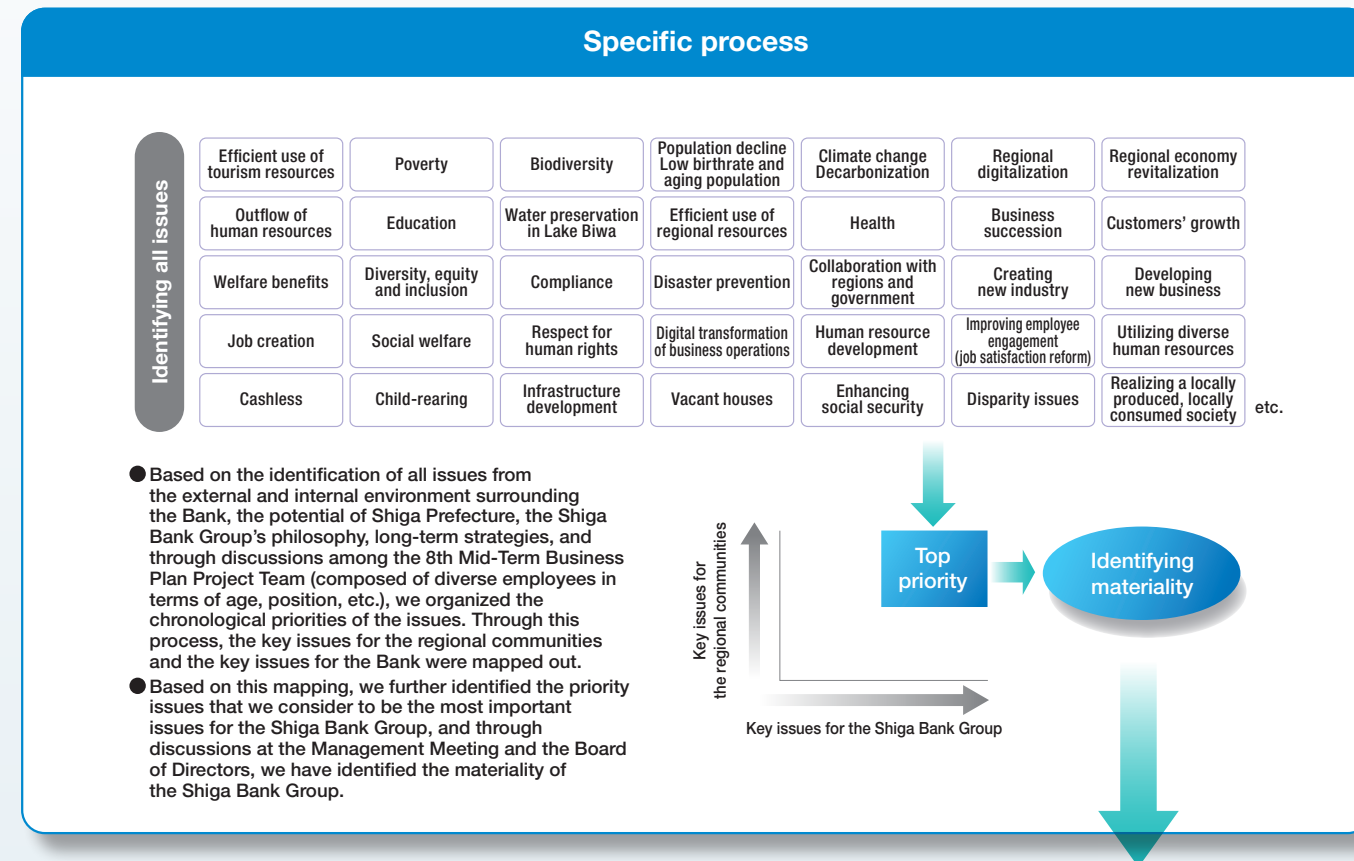
Utilizing a variety of capital inside and outside the Shiga Bank Group, we will make investments that contribute to solving customers' issues and to regional growth, thereby stimulating economic activity and expanding business opportunities. In this process, we will improve the earning power of the region

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



MATERIALITY

Materiality (key issues to be addressed)



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

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



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

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

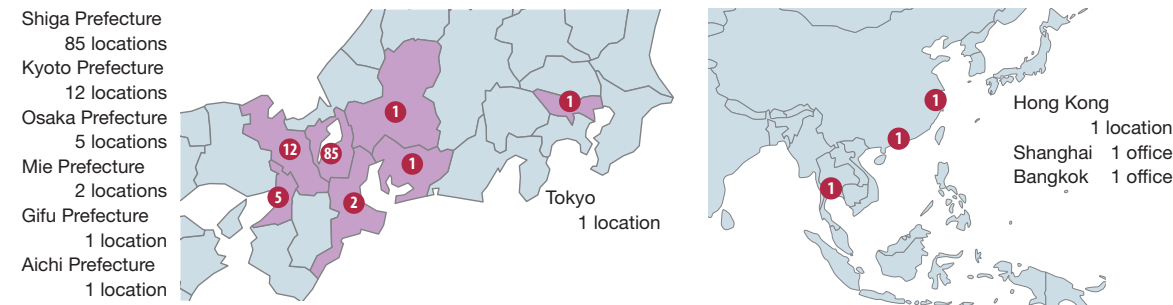
STRENGTHS & CAPITAL

Strengths and Capital to be Used

1 Broad network Social relationship capital

Strengths

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



2 Personnel with extensive knowledge Human capital

Strengths

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



(As of March 31, 2026)

3 Group's integrated strength Intellectual capital

Strengths

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

Integrated Strengths of the Shiga Bank Group

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

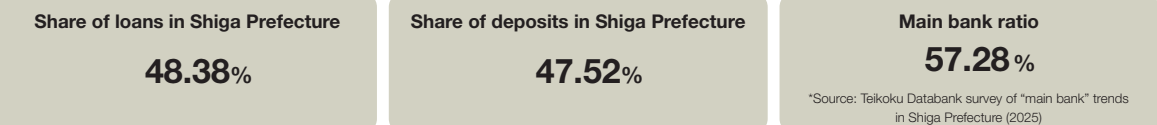
Expertise of the Shiga Bank Group

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

4 Solid customer base Social relationship capital

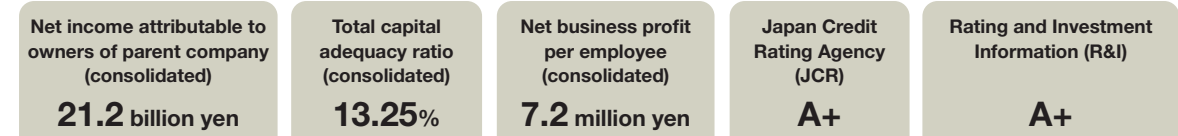
Strengths

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



5 Sound financial base Financial capital

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



6 Potential of Shiga Prefecture Social relationship capital and natural capital

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

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

Moderate population decline

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

High percentage of young people

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

Health and longevity

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

Crossover point in the Kinki, Chubu, and Hokuriku regions

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

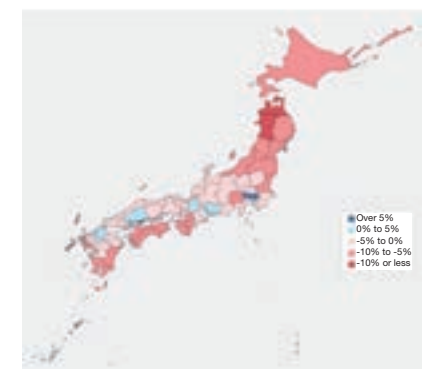
A manufacturing prefecture
 Ratio of secondary industry to gross prefectural product
Ranked 1st nationwide

Abundant nature and culture

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

Lease market with growth potential

Growth rate of the lease market from 2022 to 2030



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

TOPICS. 1

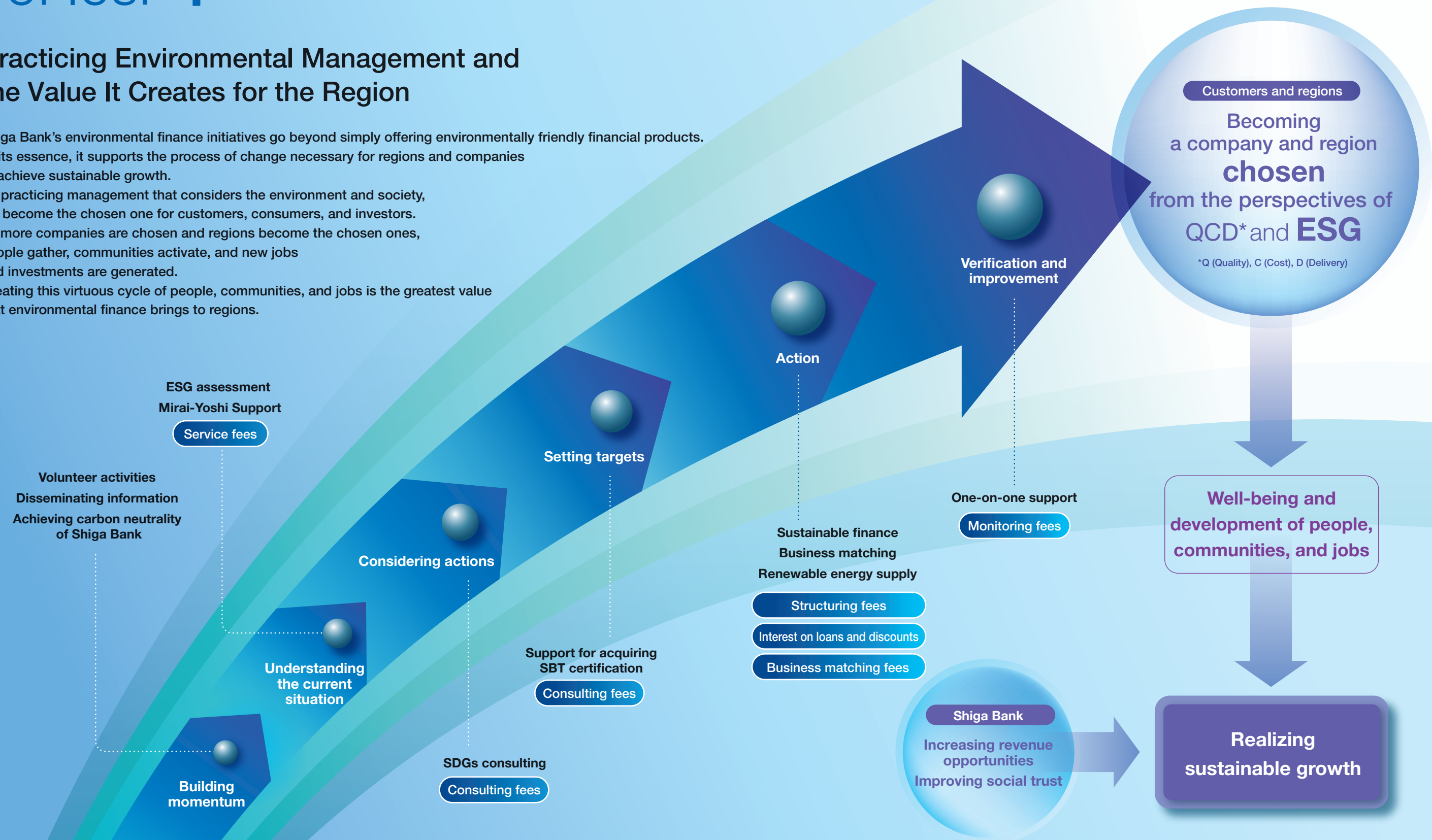
Practicing Environmental Management and the Value It Creates for the Region

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

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

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

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



TOPICS. 2

Talk

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

PRESIDENT'S DIALOGUE

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

A vision of Shiga Prefecture revealed through data analysis

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

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

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

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

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

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

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

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

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

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

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

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

Importance of data-driven management

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

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

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

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

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

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

Thinking about the business model of banks

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

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

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

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

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

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

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



What are Shiga Bank's issues?

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

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

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

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

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

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

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

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

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

From Bank to Company

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

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

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

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

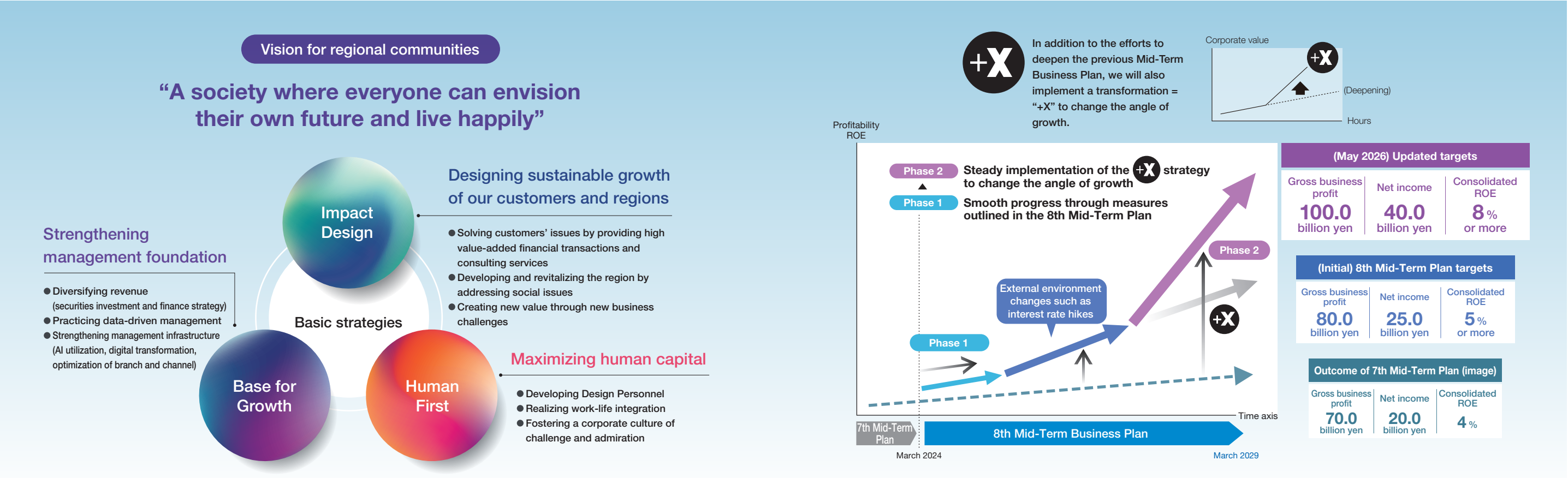
Ohgo: Regional financial institutions are dependent on their regions. However, the approach to defining their perspective on the region has been significantly changing. In this era, regional financial institutions are being questioned what they should base their operations on and how they should change.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

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



VALUE CREATION ENGINE

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



Sustainability achievement indicators

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

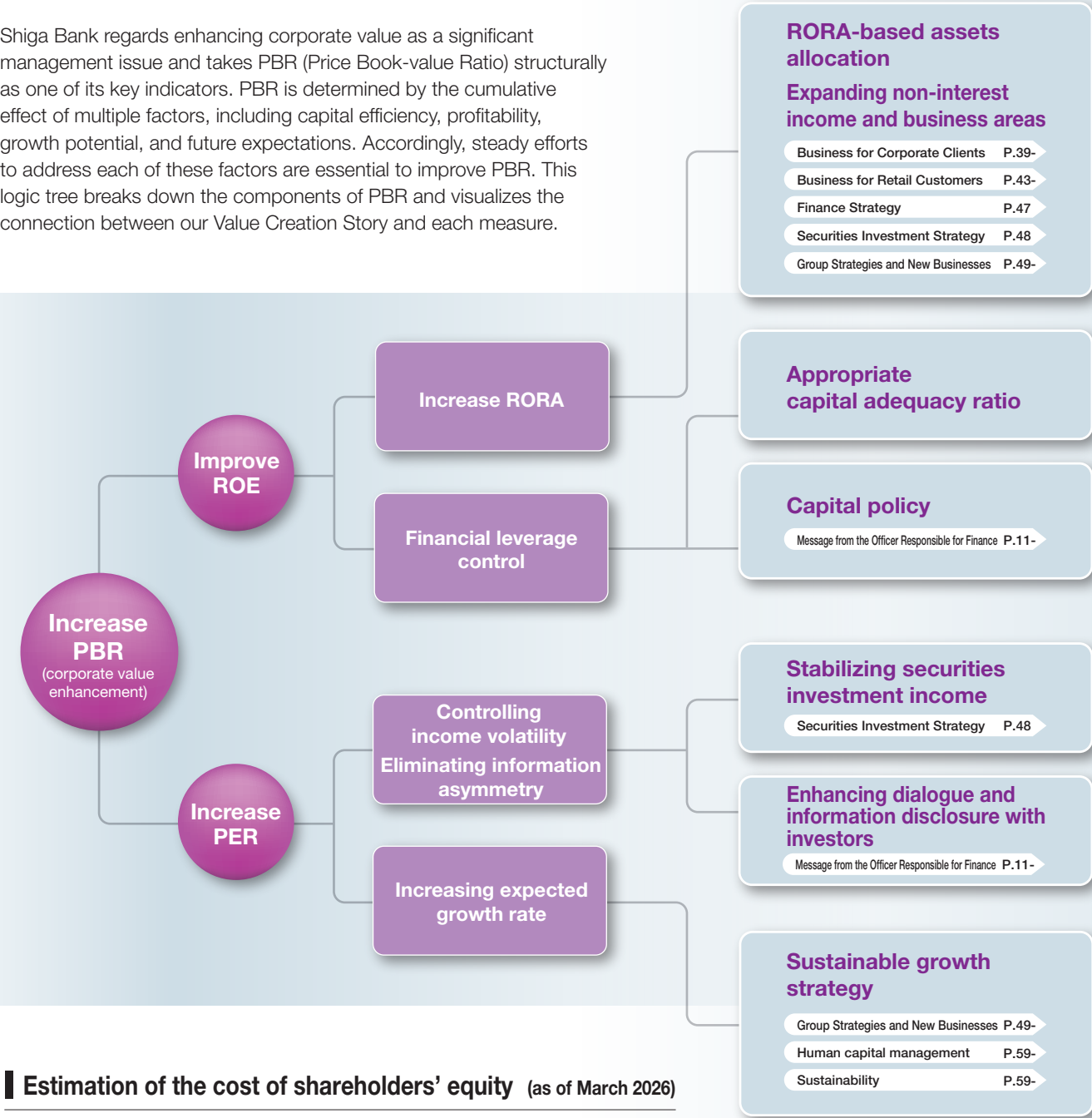
2026 milestones	2026 results		Future initiatives and challenges
465.0 billion yen	445.0 billion yen	△	Strengthening approaches to management issues through in-depth knowledge of business partners Demonstrating regional financial capabilities leveraging initiatives such as the Senshu Ikeda-Shiga Alliance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

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

Challenge for Enhancing Value

PBR Logic Tree

Shiga Bank regards enhancing corporate value as a significant management issue and takes PBR (Price Book-value Ratio) structurally as one of its key indicators. PBR is determined by the cumulative effect of multiple factors, including capital efficiency, profitability, growth potential, and future expectations. Accordingly, steady efforts to address each of these factors are essential to improve PBR. This logic tree breaks down the components of PBR and visualizes the connection between our Value Creation Story and each measure.



Estimation of the cost of shareholders' equity (as of March 2026)

Recognized cost of capital is **7-8%**

*Calculated based on the CAPM (proprietary calculation using historical data) and earnings yield, etc.

Main Metrics	Plan/target	2026 results
8th Mid-Term period KPI Balance of investment and financing through new financing methods	465.0 billion yen (2026 milestones)	445.0 billion yen
8th Mid-Term period KPI Number of customers' dreams and businesses supported	12,000 cases (2026 milestones)	15,863 cases
Group company earnings	2.0 billion yen (2029)	1.0 billion yen
Consolidated CET1 ratio excluding comprehensive income	11% range (8th Mid-Term Plan period)	10.50 %
Change in the return policy this time Before the change: Shareholder return ratio After the change: Payout ratio	40 % benchmark (8th Mid-Term Plan period)	Shareholder return ratio 42.0 % (2026 results)
Reduction of cross-shareholdings (book value basis)	- 10 % or more (2029)	- 2.1 billion yen (-6.0%)
Investment portfolio enhancement	1% Profit margin (2029)	0.8 %
8th Mid-Term period KPI Amount of investment for human resources development	300 thousand yen per person (2029)	209 thousand yen per person
8th Mid-Term period KPI Amount of GHG emissions	Net zero (2029)	Achieved net zero (2026 results)
8th Mid-Term period KPI Amount of sustainable finance loans executed	259.0 billion yen (2026 milestones)	260.4 billion yen

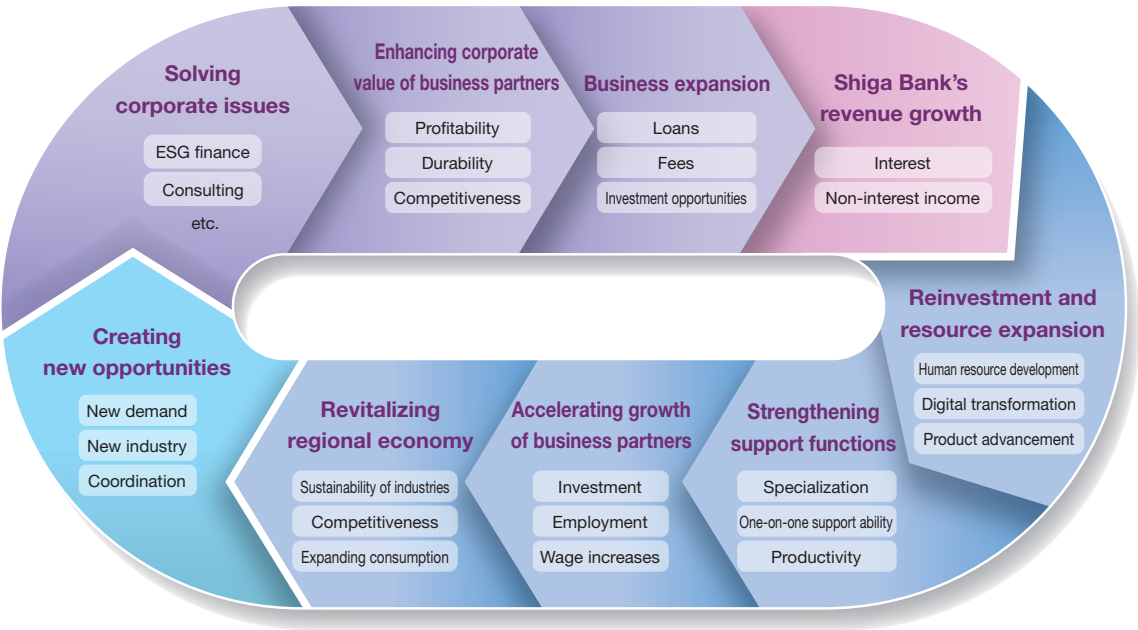
Business for Corporate Clients



As the sustainability of regional economies is being questioned due to population decline and changes in the industrial structure, the role of financial institutions is transforming significantly. Not only responding to corporate funding needs, but also enhancing business partners' earning power and realizing sustainable growth ultimately serve as the source of our own profitability and corporate value.

Through our strategies for corporate clients, Shiga Bank will enhance the corporate value of business partners and revitalize the regional economy, thereby sustainably increasing our own corporate value within this cycle.

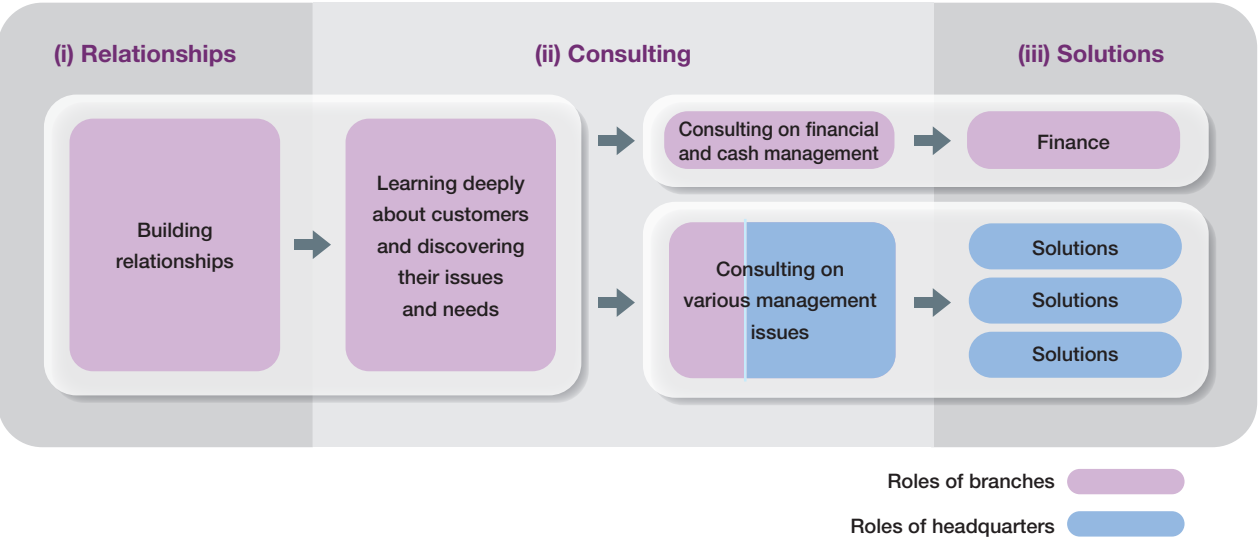
Value Creation in Business for Corporate Clients



Steps of one-on-one support

We provide one-on-one support through the following three steps to achieve sustainable growth for business partners.

Through three steps, (i) Relationships (relationship building), (ii) Consulting (consultation and deep dive), and (iii) Solutions (solving issues), we resolve management issues and financial concerns, and support business partners in improving their profitability and competitiveness.



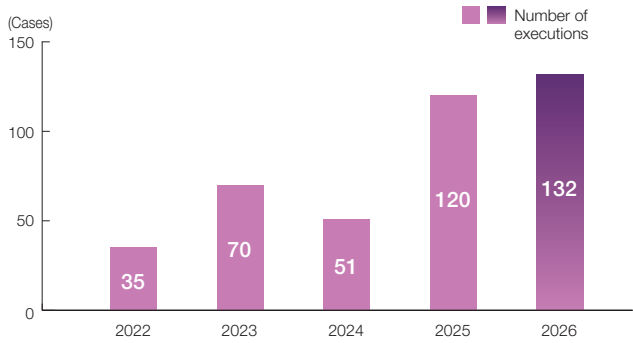
Main efforts

Sustainable finance

Shiga Bank has identified environmental issues inherent to the region, including decarbonization, biodiversity conservation, and water preservation in Lake Biwa, as materiality. To achieve sustainable growth through resolving these issues, we are promoting sustainable finance as a priority area. For the fiscal year ended March 31, 2026, we achieved a record-high total of 132 transactions. We have established a comprehensive one-on-one support system that provides from visualizing CO₂ emissions and setting reduction targets to monitoring.

In addition, through the transition finance program launched in April 2025, we are accurately capturing the demand for transitioning to decarbonization in high-emission sectors and providing financial support for customers' medium- to long-term business transformations. Furthermore, in April 2026, we began offering the Shiga Try-Link Loan in collaboration with Shiga Prefecture. This product is Japan's first framework to set the three environmental elements, carbon neutrality, Nature Positive, and circular economy, as KPIs, with financing terms varying based on progress toward achieving them. It embodies a regionally integrated approach to solving issues through collaboration between government, financial institutions, and business operators. Through these initiatives, we will balance solving environmental and social issues and generating financial revenue. We will also contribute to improving the sustainability of the region as a whole, thereby leading to the sustainable enhancement of corporate value of Shiga Bank.

Trends in the number of sustainable finance executed



Press conference announcing the Shiga Try-Link Loan

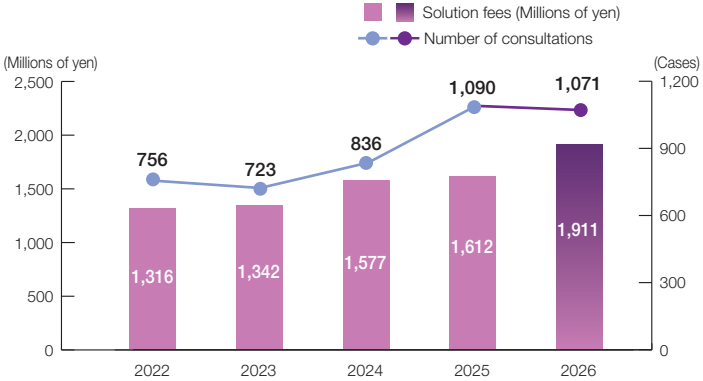


Management consulting

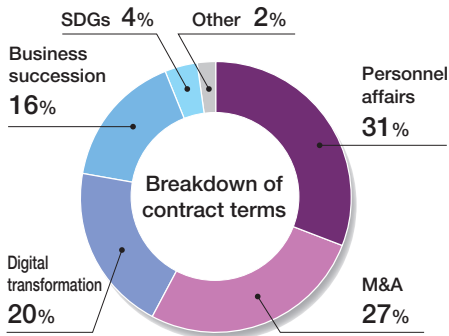
In response to increasingly complex management issues such as business succession, labor shortages, and adapting to digital transformation, we work closely with customers from the planning stage to develop solutions and provide long-term and continuous one-on-one support. In the area of business succession, we support a variety of approaches including succession within the family, to employees, and to third parties, and facilitate a smooth succession process by leveraging Shigagin Capital Partners, external specialists, and the Shiga Bank Core Business Support Investment LP. For M&A, we achieved optimal matchmaking by aggregating and centrally managing acquisition needs, resulting in record highs for both the number of contracts concluded and the amount of revenue generated in the fiscal year ended March 31, 2026.

In addition, we support the alignment of management and personnel strategies through the development of personnel systems and training programs for business partners, thereby improving organizational capabilities and promoting human resource development. In the field of digital transformation, we go beyond simply implementing IT tools, contributing to the enhancement of companies' competitiveness by getting involved from the early stages such as formulating digital strategies and renewing core systems. We will continue to combine a variety of solutions to help regional companies enhance their earning power and achieve sustainable growth.

Trends in the number of consultations and solution fees (cases, millions of yen)



Breakdown of contract terms (2026)



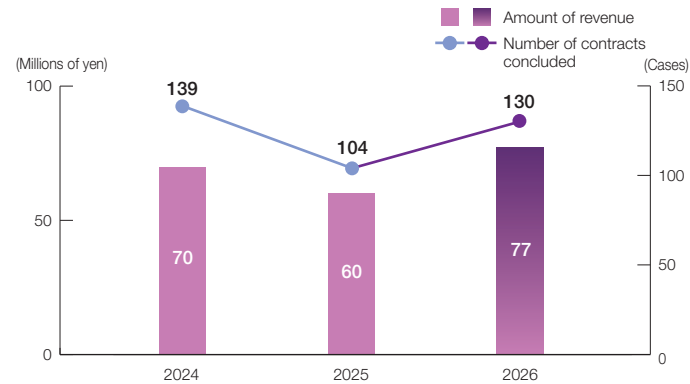
Business for Corporate Clients

Human resources solutions

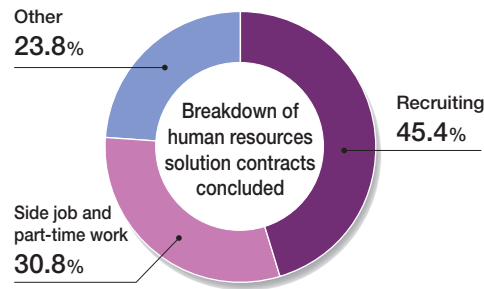
To achieve sustainable growth of regional companies, securing not only funds but also management human resources and human resources capable of solving management issues are essential. Through our day-to-day relationships, Shiga Bank has gained a deep understanding of management issues facing business partners from both quantitative and qualitative perspectives. As a solution, we offer not only recruiting services but also matchmaking for side jobs and part-time human resources. For local companies, human resource shortages in areas requiring advanced expertise, such as digital transformation advancement, marketing enhancement, and new business development, often become constraints on growth. To address these issues, we support companies in selecting the optimal solution, taking into account cost, hours, and specialization, by offering options for flexible human resource utilization such as side jobs and part-time work, in addition to recruiting full-time employees.

Additionally, we go beyond simply matching human resources. By providing consistent support from identifying issues and defining human resource requirements through follow-up after hiring, we help human resources realize their full potential and embed expertise within the organization. Through this approach, we enhance the management capabilities and sustainable growth of business partners, ultimately leading to the revitalization of the regional economy and the deepening of our customer base.

Trends in the number of contracts concluded and the amount of revenue for human resources solutions (cases, millions of yen)



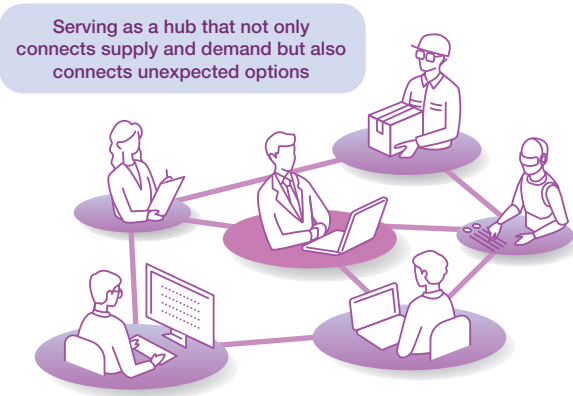
Breakdown of human resources solution contracts concluded (2026)



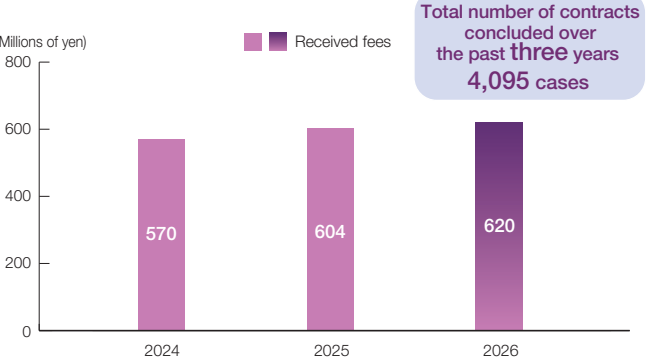
Business matching

Leveraging a hub function based on our credibility as a bank, Shiga Bank promotes matchmaking among business partners and between companies and services according to their needs, utilizing our extensive network and deep understanding of business partners. Beyond merely providing business opportunities, we gain a deep understanding of management issues and potential needs of business partners. This enables us to create options that do not yet exist in the region and combinations of companies and services that have not previously been connected, thereby identifying unmet needs and resolving them. This not only leads to new business opportunities and value creation but also contributes to the reevaluation of the strengths and resources held by business partners and the region, as well as the rediscovery of their appeal.

Furthermore, through collaboration and co-creation among companies, we generate a regional cycle of added value, contributing to the sustainable revitalization of the regional economy. The advancement of these hub functions not only deepens our relationships with business partners and strengthens our customer base but also contributes to the generation of non-interest revenue opportunities, serving as the foundation for the sustainable enhancement of corporate value.



Trends in received fees related to business matching (Millions of yen)



Support for startups and entrepreneurs

We recognize that entrepreneurship and new business development in regions are important initiatives that help prevent young people from leaving rural areas by creating attractive employment opportunities, thereby contributing to maintaining and growing local resident population. Shiga Bank promotes support for startups and entrepreneurship, centered on the SHIGAGIN Co-creation Program. In this program, we are working to identify and nurture entrepreneurs through the Shigagin Entrepreneurship and Business Management School, where participants learn about business ideas and co-creation, and the Shigagin Nonohana Prize for Innovation, a business plan contest aimed at fostering innovation. In addition, we have been considering the potential for creating new businesses through co-creation, including the pilot implementation of a Corporate Co-creation Frame in fiscal year 2025 that connects the management issues of regional companies with the technologies and ideas of startups and students.

Furthermore, we combine the provision of proof-of-concept opportunities, leveraging our network of industry, academia, government, and banking, with the funding, and are working to establish a consistent support system that spans the entire process from idea creation to commercialization and growth.

Programs for the Shigagin Entrepreneurship and Business Management School (fiscal year 2025)

1st Session	Talk session with three mayors	Theme Speakers	“Regional Issues and the Future” Mayor of Koka City, Mayor of Hino Town, Mayor of Moriyama City
2nd Session	Talk session with three universities	Theme Speakers	“Challenges and the Future of Local x Student Entrepreneurship” Shiga University, Ritsumeikan University, Ryukoku University
3rd Session	Shigagin Nonohana Prize for Innovation 2025	Final selection meeting and award ceremony	



Overseas business support

Shiga Bank positions overseas expansion not as a means of scale expansion, but rather as a means to serve a hub function that connects regional companies with global opportunities and circulates knowledge, capital, and growth opportunities within the region. We have established a support system centered on four countries overseas including Hong Kong Branch, the only one among regional banks in the Kansai region, as well as representative offices in Shanghai and Bangkok, with the addition of a representative office in India (Bengaluru) launched in October 2025, thereby strengthening our access to growth markets. We provide integrated support not limited to securing funding and production facilities but also developing markets, exploring partners, complying with laws and regulations, establishing operations, and managing local corporations. These efforts are carried out in collaboration with business partners.

Furthermore, through initiatives such as hosting the India business seminar in collaboration with Shiga Prefecture and JETRO, as well as a business cooperation agreement with JBIC, we are incorporating advanced insights including on-site monitoring information from overseas projects to enhance the quality of support. Going forward, we will support the sustainable growth of business partners by further enhancing and diversifying our support services utilizing various alliances (the TSUBASA Alliance, the Senshu Ikeda-Shiga Alliance).

Overseas support network



Hosted the India business seminar (co-hosted by Shiga Prefecture and JETRO)

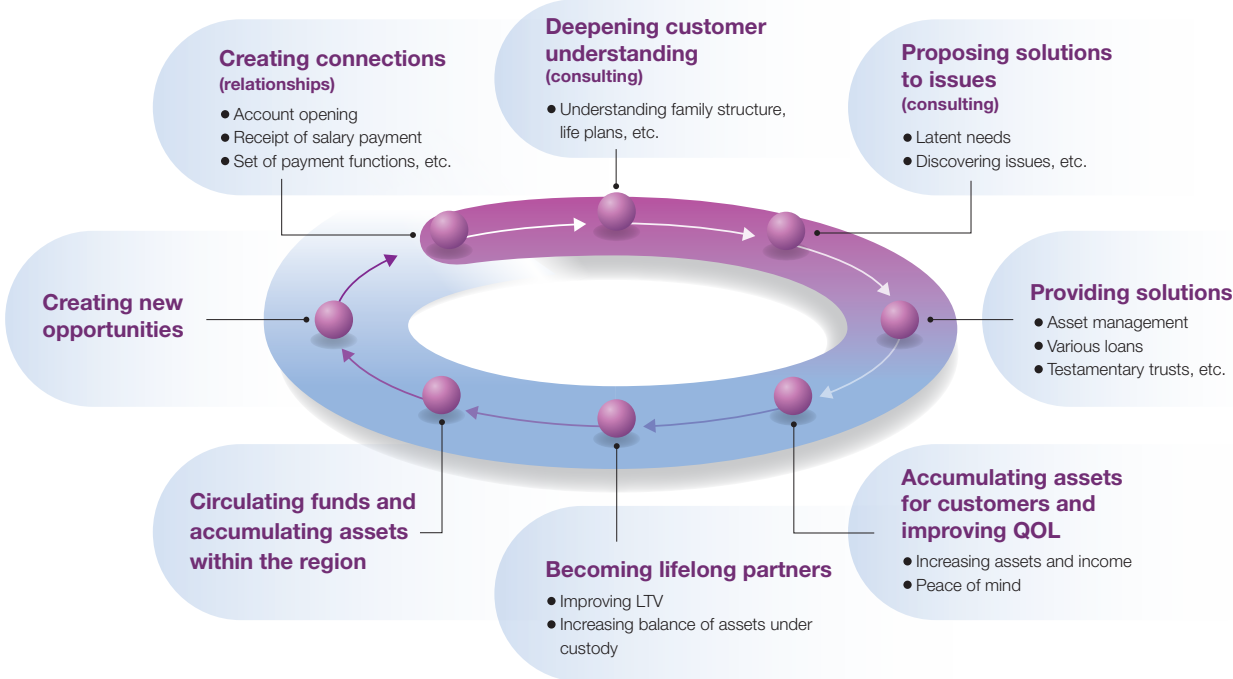


Business for Retail Customers



The environment surrounding individuals is undergoing significant changes, including a declining birthrate, an aging population, advancing needs for asset formation, and the difficulty of making choices due to information overload. Given these circumstances, Shiga Bank works closely with customers’ life events and values to present optimal options for a wide range of needs and issues, such as asset formation, housing, and inheritance. As a trusted partner, by providing support grounded in accurate information and expertise, we realize an environment where customers can make decisions with peace of mind even in uncertain times, thereby contributing to the creation of a foundation for a better life.

I Value Creation in Business for Retail Customers

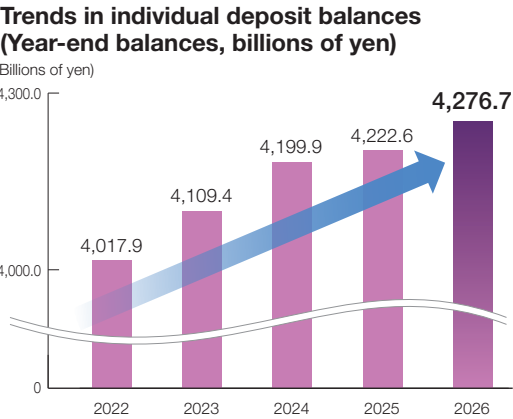


I Main efforts

Deposit strategy

As the importance of deposits is growing in a world with interest rates, developing products that offer added value of contributing to the region rather than depending on interest rate competition is leading to an increase in deposits.

On July 1, 2025 (Lake Biwa Day), we launched the Lake Biwa Blue Deposit program (a time deposit), under which the Shiga Bank contributes funds based on the deposit amount to support environmental preservation for Lake Biwa. Under this product, a fixed amount corresponding to the deposit amount is donated to support activities for water preservation, the environment, and ecosystems, representing an initiative to preserve Lake Biwa, a symbol of the region, for future generations. Recognized for the added value of contributing to the region, the offering ceiling was expanded from 30.0 billion yen to 60.0 billion yen, and the maximum amount was reached within the offering period. Through these initiatives, we have successfully strengthened a stable funding base and enhanced our brand value.



Lake Biwa Blue Deposit

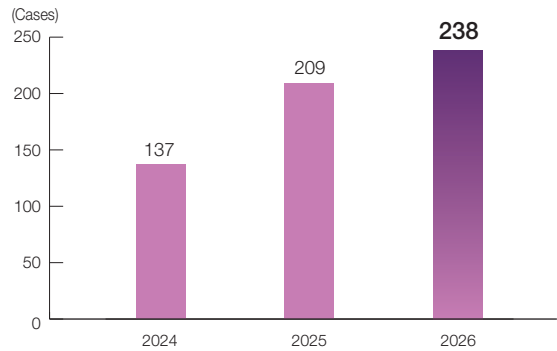


Asset succession and testamentary trusts

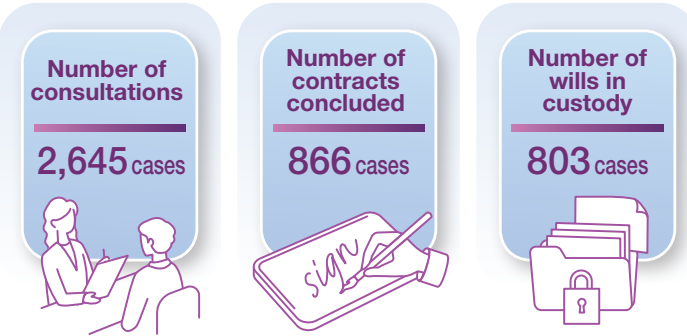
To support the transfer of quality assets to the next generation, Shiga Bank is actively engaged in asset succession consulting and testamentary trusts. In recent years, against the backdrop of rising real estate prices, concerns have grown regarding the increasing burden of inheritance taxes and the smooth asset succession. We work closely with each customer, collaborating with our network of specialists, and jointly design the optimal succession plan and provide support until it is fully implemented. The number of consultations for asset succession consulting has grown from 137 in the fiscal year ended March 31, 2024 to 238 in the fiscal year ended March 31, 2026. We have also steadily built a track record in testamentary trusts, with a cumulative total of 2,645 consultations, 866 contracts concluded, and 803 wills currently in custody.

Implementing smooth asset succession not only provides peace of mind for customers but also contributes to the smooth circulation of assets within the region. Through these efforts, we are contributing to realizing a sustainable regional society where value is passed on to the next generation.

Trends in the number of consultations for asset succession consulting



Cumulative results since the launch of the testamentary trust service (launched in April 2020)

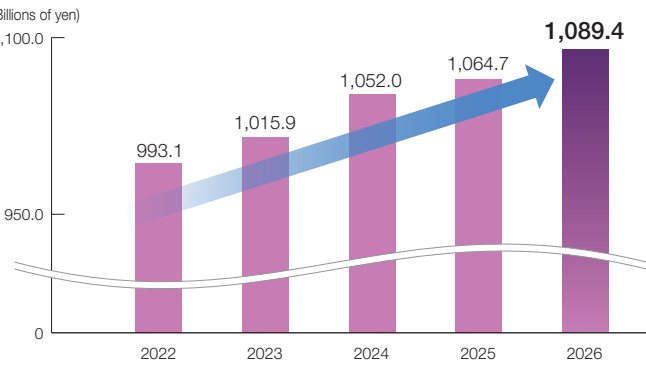


Housing loan

Shiga Prefecture features a rich natural environment, excellent access to the Keihanshin area, and abundant employment opportunities, including the highest proportion of manufacturing industry nationwide. Particularly among the child-rearing generation, the net inflow of people in their 30s continues to rise. Against such demographic trends, demand for financing related to home purchases has remained robust. To securely capture this medium- to long-term demand, Shiga Bank is implementing housing loan strategies that address environmental changes such as the diversification of customers’ work styles and rising real estate prices.

Specifically, we are expanding opportunities for customers to visit branches by utilizing branches open on holidays and enhancing our consultation systems, while also improving convenience by promoting online applications. In addition, we offer diverse product designs, such as loan terms of up to 40 years and preferential interest rates for energy-efficient homes, to provide options suited to customers’ life plans.

Trends in the balance of housing loans (Billions of yen)



We are also promoting the designation of salary receiving accounts in conjunction with the use of housing loans, aiming to make these accounts the primary account for transactions. As a result, we have maintained a high set rate of over 80% for new loans, which contributes to developing a long-term, stable deposit base. In the future, we will continue to stay close to customers’ life events by advancing product and channel strategies based on regional characteristics and customer needs, and we will strengthen a sustainable revenue base and enhance corporate value.

TOPICS. 3

Creating growth potential through “non-face-to-face” channels — Direct (non-face-to-face) consumer loans

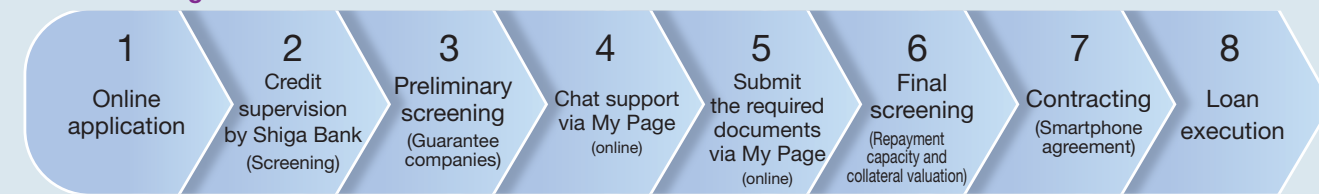
In the personal loan field, the branch-based business model has become structurally difficult to grow due to weakening demand caused by population decline, increasing demand for non-face-to-face services driven by the widespread adoption of smartphones, and intensifying low-cost competition from online and other institutions.

Based on these changes in the environment, Shiga Bank is prioritizing the promotion of direct consumer loans by leveraging our strengths, such as the customer service capabilities and screening expertise cultivated through the call center, as well as non-face-to-face contract schemes using smartphones. We are working to expand the customer base and enhance convenience regardless of sales areas, while meeting a wide range of needs through the provision of diverse products.

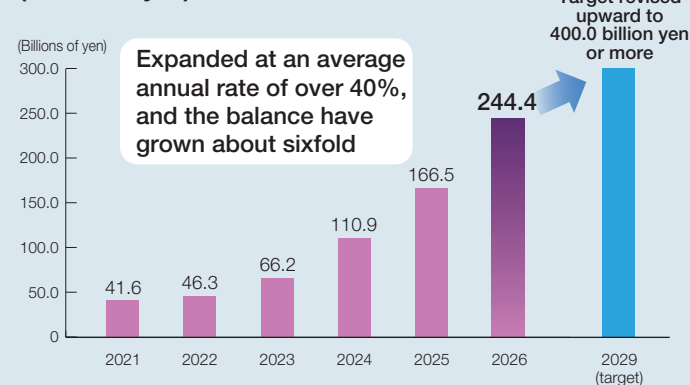
Furthermore, by utilizing guarantee companies to mitigate risk, we have established a highly profitable business model and position this field as a strategic area that supports our sustainable growth. We will continue to strive to enhance the value we provide by utilizing digital technology and deepening customer understanding.

Process to loan execution

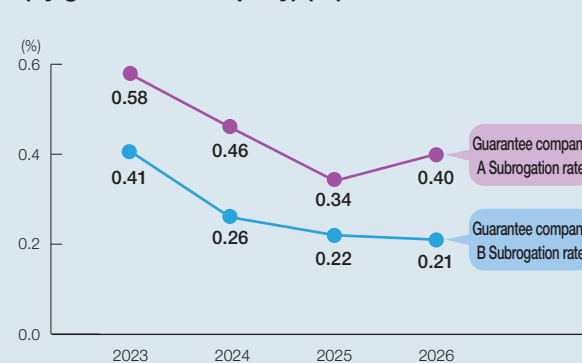
Completing everything from application to account opening and loan agreement by just using a smartphone without visiting a branch



Trends in the balance of direct consumer loans (billions of yen)



Trends in consumer loans subrogation rates (by guarantee company) (%)



VOICE

For over 20 years, Shiga Bank has been working to advance non-face-to-face channels, and offering a nationwide non-face-to-face loan service that integrates online applications with call center functions provided by a bank agency. By managing the process from planning to screening, contracting, execution, and post-loan support as an integrated system, we are able to quickly respond to customer needs and achieve services that balance convenience and security, as well as continuous improvement. As a result of these efforts, customer empathy for our products and repeat usage have steadily been increasing.

We will continue to refine our unique model which blends non-face-to-face and dialogue, and pursue sustainable growth and improvements in customer satisfaction.



Yukino Niimura
Direct Sales Office,
Business Promotion Dept.
Direct Planning Group

Real estate secured loans

We began offering real estate secured loans in November 2017 and expanded our operations nationwide in December 2020. These products have gained support particularly as a solution for salaried employees' asset formation needs, and our transaction volume has been steadily increasing. Additionally, we have been advancing product quality, such as by raising the maximum loan amount in June 2025 to meet diversifying customer needs.

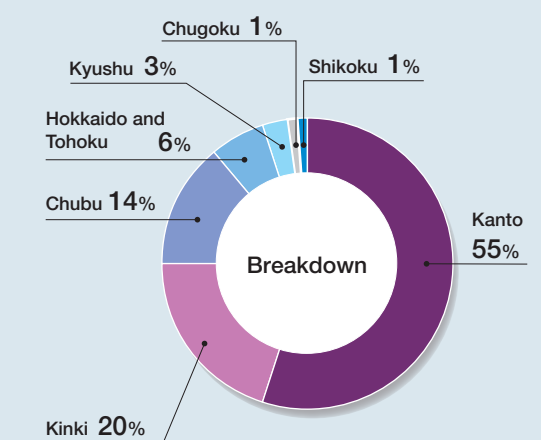
In providing services, non-face-to-face processes using smartphones from application to contracting are the standard. At the same time, we provide attentive support close to customers through one-on-one communication via phone and chat.

In terms of risk management, we have established a multi-layered screening system that combines the screening by Shiga Bank with collateral evaluations by guarantee companies and on-site inspections by licensed real estate appraisers. Through this system, we make precise credit decisions, and simultaneously build a stable portfolio and secure sustainable revenue.

Trends in the number of real estate secured loans executed and the amount involved (Millions of yen)



Percentage of real estate secured loans by region



Unsecured loans

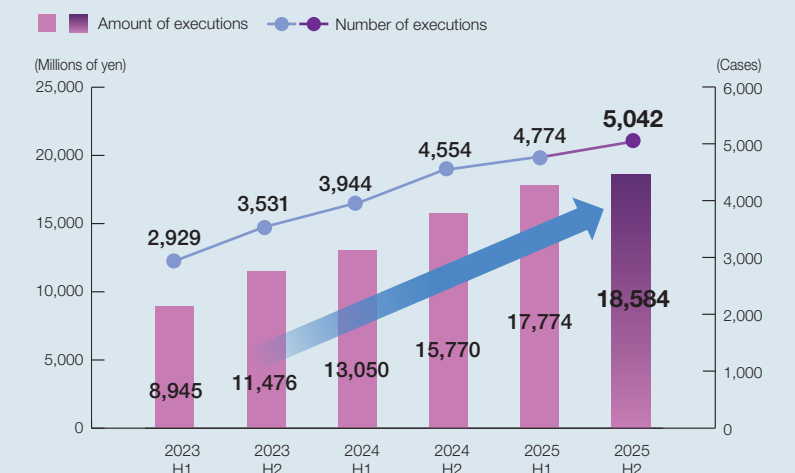
In the unsecured loan field, we have been promoting non-face-to-face services centered on online applications since 2015, and in 2022, we began offering these services nationwide. By expanding customer contact points through online promotions and making agile product revisions, we have succeeded in expanding business with customers nationwide, leading to the accumulation of quality assets.

In screening, we balance convenience and accuracy by utilizing our proprietary scoring system and JPKI (Japanese Public Key Infrastructure), etc.

Applications have expanded to be primarily online, addressing a diverse range of needs such as automobiles, home renovations, renewable energy equipment, and education funding.

This field plays an important role in meeting urgent funding needs while also creating contact points with new customers and expanding business and deepening business relationships.

Trends in the balance of unsecured loans (Millions of yen)



*Excluding card loans, certificate loans only

Finance Strategy

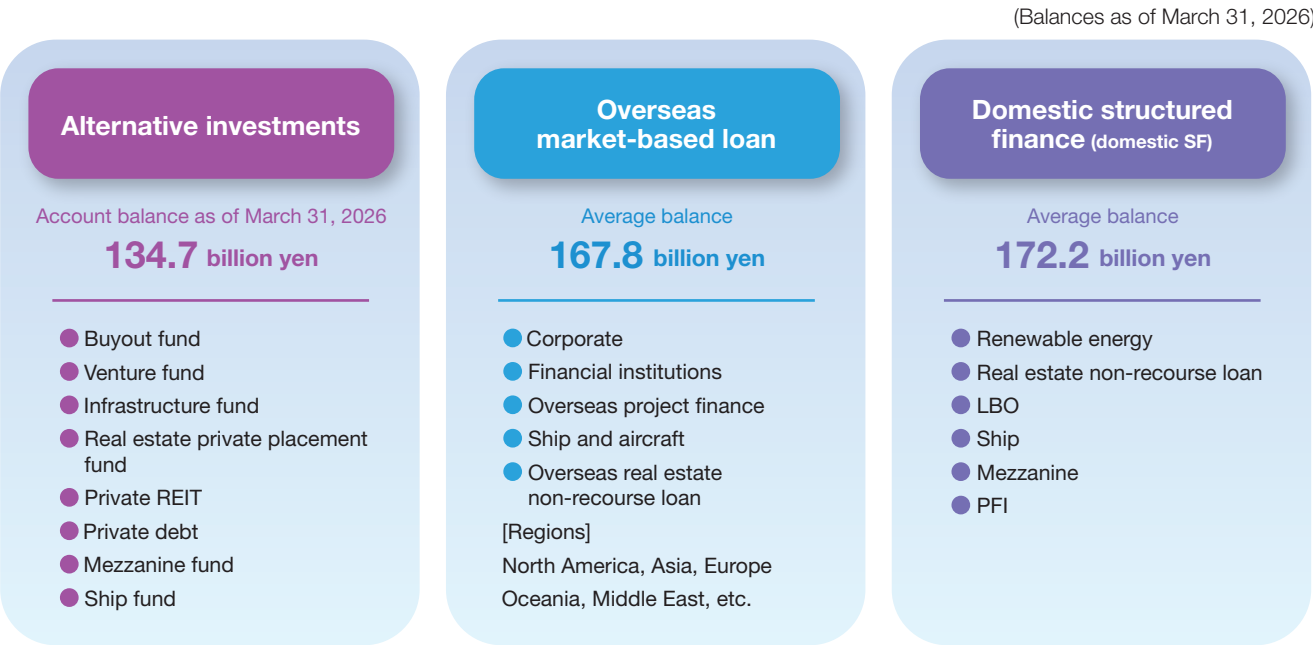


As a growth area aimed at improving capital efficiency and diversifying revenue sources, we are working to strengthen profitability by accumulating high RORA assets. By combining a variety of approaches such as structured finance, overseas market-based loans, and alternative investments, we aim to maximize returns after risk adjustment while prioritizing risk diversification.

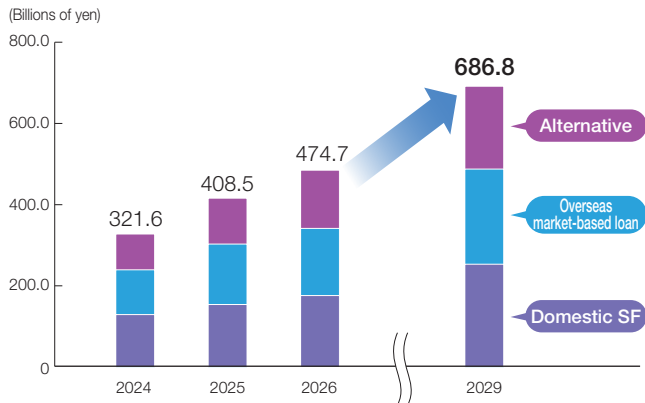
Additionally, to support these initiatives, we have established the “Finance Office” and the “Market Strategy Group” and have been progressively strengthening the organizational structure through measures such as expanding specialized human resources and advancing operational systems. As a result, since the outstanding balances in these three areas expanded in a well-balanced manner during the fiscal year ended March 31, 2026, and revenue is expected to reach the final-year target of 7.5 billion yen set in the Mid-Term Business Plan ahead of schedule, we have revised up the target to 8.0 billion yen. Through these initiatives, we are working to build a new revenue base that combines growth potential and profitability, in addition to the traditional revenue structure centered on loans.

I Securing stable earnings through diversified investments

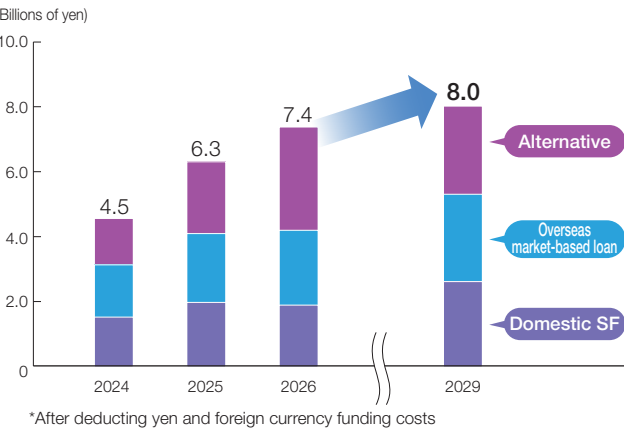
We aim to secure stable earnings through a risk diversification strategy based on strategic diversification, regional diversification, and time diversification.



Trends in the average balance and plan



Trends in the amount of revenue and plan



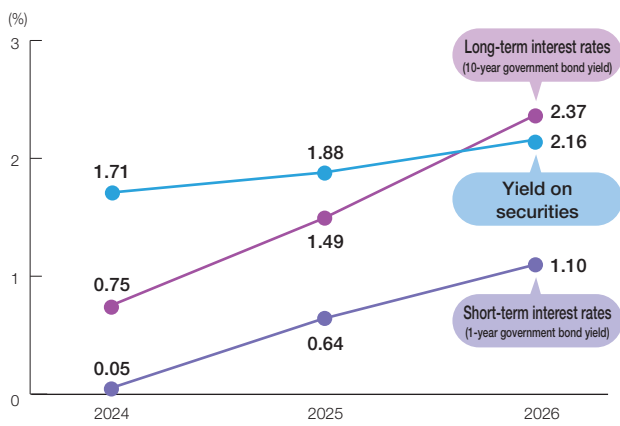
Securities Investment Strategy



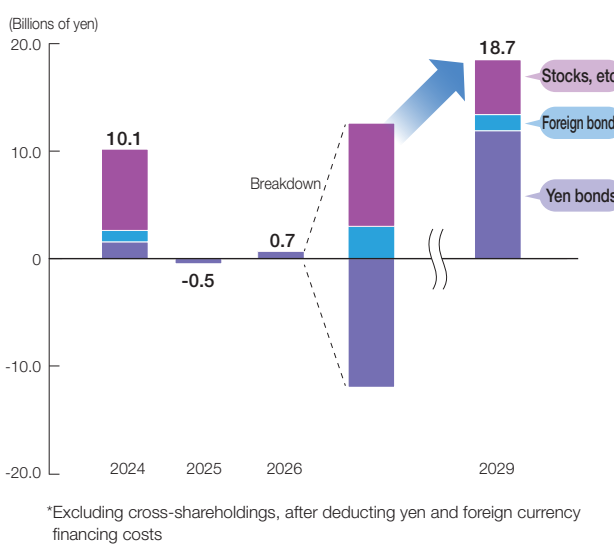
Securities investment serves the stability and resilience of the revenue base while also fulfilling an important function in enhancing profitability. Based on the current an economy with positive interest rates, we are proceeding with replacing low-yield assets and reviewing portfolio structure, shifting toward investments focused primarily on stable carry income.

For yen bonds, we are working to secure sustainable interest income and liquidity while mitigating the impact of interest rate fluctuations by building a ladder portfolio. The yield on securities for the fiscal year ended March 31, 2026 improved to 2.16% (up 0.28% from the previous fiscal year). We will continue to enhance the stability and durability of management through agile portfolio management that adapts to changes in the environment. At the same time, we will contribute to improving RORA through operations mindful of capital efficiency, with the aim of building a resilient and agile management foundation and optimizing the overall revenue portfolio.

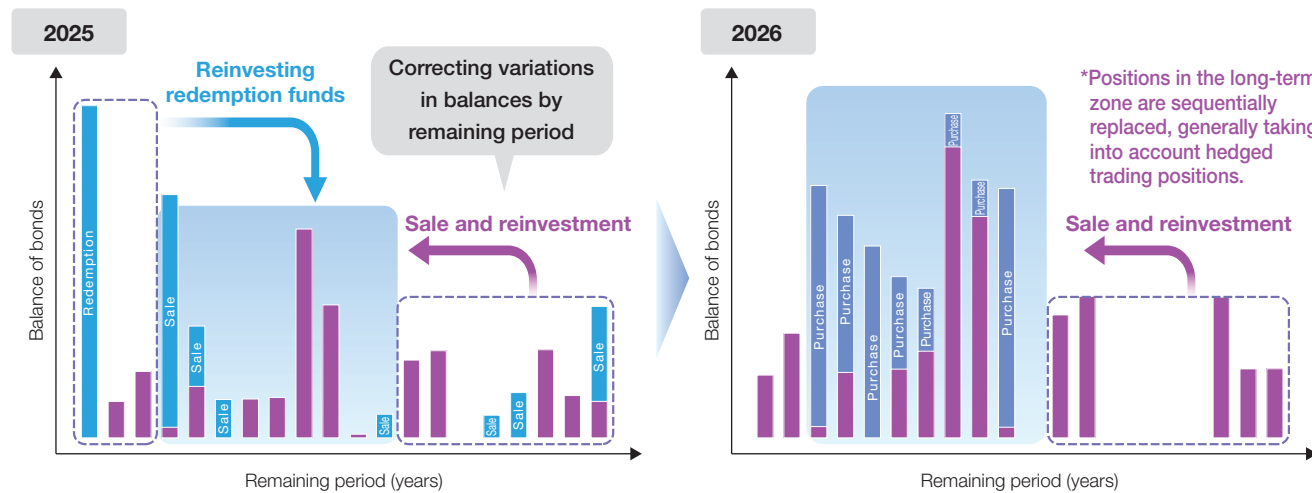
Trends in the yield on securities



Securities investment income



Progress on building the yen bond ladder portfolio



Group Strategies and New Businesses



Amid accelerating changes in regional and industrial structures, the Shiga Bank Group is not only evolving as a financial institution but is also taking on the challenge of “+X,” that is, creating value beyond the boundaries of a Bank, as a strategy to take our growth curve to the next level. Based on the trust and customer base we have cultivated through financial services, we are developing new business areas.

The new businesses introduced on this page, management support through equity participation, renewable energy business, and community development, are concrete examples of this practice.

While these initiatives are steadily progressing as growth drivers for the medium to long term, revenue generation is still a work in progress, and we recognize that scaling the business and establishing a revenue model are important management priorities. In the future, we will promote growth in each business while deepening collaboration amongst them to create a virtuous cycle of value creation, leading to the establishment of a sustainable revenue base.

Through these initiatives, we will contribute to solving social issues and enhancing the appeal of the region, leading to an increase in non-interest income and the establishment of a future revenue base.

Enhancing appeal and bridging to a better — Shigagin Capital Partners

Amid ongoing population decline and a shortage of successors, for regional companies to develop sustainably, they need partners who not only provide financial services but also envision the future from the same perspective as the companies and walk together with them. Through Shigagin Capital Partners, the Shiga Bank Group manages a business succession fund and works with investee companies to enhance corporate value through equity participation.

Specifically, we acquire shares in companies facing issues with business succession and seek to achieve growth and transformation from a medium to long term perspective. In doing so, we not only engage in dialogue with the management team but also become deeply involved in the operations. By sharing the company’s actual conditions, strengths, and issues, we work together with the current management team and employees to advance initiatives aimed at future growth. When addressing issues at each investee, we place importance on working not only with the management team but also with frontline employees, and tackling these issues as one team.

In addition, we are working to strengthen the company’s foundation from the perspectives of organization, systems, and corporate culture, including developing candidates for successors, establishing organizational structures and decision-making systems to support them, and fostering a corporate culture that makes employees want to take over the business and continue working here. Through these initiatives, we aim to further refine the appeal of these companies and help them evolve into even better organizations, while ensuring a smooth succession to the next generation of leaders and connecting them to the future as companies deeply rooted in the region. In addition, we have expanded the scale of the fund to 5.0 billion yen (the initial scale was 2.0 billion yen) and have established a system to support the growth and business succession of a greater number of regional companies.

Through these initiatives, we are not only enhancing the profitability and growth potential of investee companies but also contributing to maintaining and developing regional employment and industrial foundations. Furthermore, by sharing across the entire Group the insights and networks we have cultivated through walking together with investee companies, and by applying them to solve the diverse issues faced by regional companies, we will work to realize a bright future for the region while supporting the challenges and growth of regional companies.



Energy business driving the realization of a decarbonized society — Shigagin Energy

The Shiga Bank Group established Shigagin Energy to create new value that enhances regional sustainability. In addition to generating and supplying renewable energy, the company also provides consulting functions related to green transformation, promoting the delivery of added value that goes beyond the boundaries of financial services.

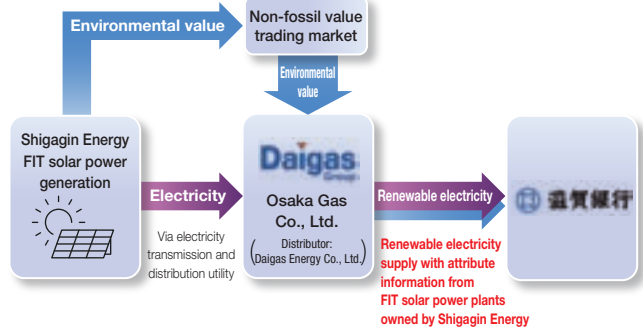
In the power generation business, we have been steadily expanding the acquisition and operation of solar power plants, and the current generation capacity has reached approximately 28 MW. We have established a foundation for the stable supply of clean energy in the region. Additionally, we are engaged in on-site and off-site PPA (power purchase agreement) and battery storage businesses. By providing integrated services from the introduction of renewable energy to supply-demand balancing and stable supply, we are promoting the decarbonization of the region from multiple perspectives.

Furthermore, on April 1, 2026, we established a self-generation and self-consumption model and created a system to circulate renewable energy and environmental value within the Group. This allows us to simultaneously achieve local production for local consumption of energy and reduction of environmental impact.

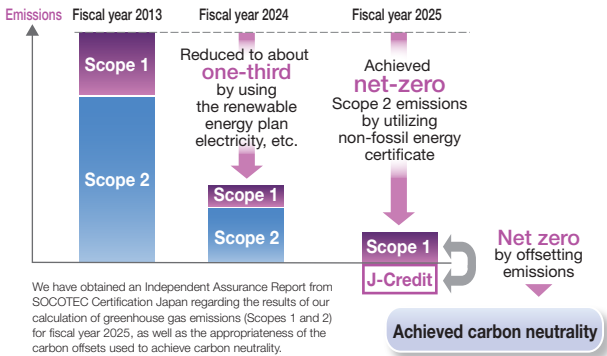
Against the backdrop of these initiatives, the Shiga Bank Group achieved carbon neutrality for greenhouse gas emissions (Scopes 1 and 2) in fiscal year 2025.

Going forward, through the expansion of the PPA model and the utilization of storage battery, we will extend local production for local consumption of energy to the entire region, while also striving to create new added value, such as a stable supply of renewable energy and the optimization of supply and demand.

Self-generation and self-consumption model of renewable electricity



Achieved carbon neutrality



Community development business to enhance the appeal of the region — Future Design Group

In April 2024, we established the Future Design Group within the General Planning Dept., and we are working to create new businesses that will connect to the sustainable growth of the region and society. Based on the issues identified through dialogue with over 300 companies and local governments, we aim to create value by leveraging regional financial capabilities by promoting businesses that utilize local resources from the planning stage.

As a specific initiative, we have begun feasibility studies, in collaboration with Kusatsu City, to create an innovation gathering hub that integrates industry, academia, government, and banking. Through this project, we aim to work with universities and private companies to form a space where startups and diverse players can gather, creating new businesses and fostering exchanges. As the lead company, Shiga Bank has been involved since the conceptual stage. By proactively participating in tasks such as setting themes, designing income and expenditure plans, and considering operational schemes, we are taking on the challenge of creating highly effective businesses that go beyond mere financial support.

Additionally, these initiatives are not limited to Kusatsu City, but are being expanded through communication with all cities and towns within the prefecture. By combining the rich regional resources of Shiga Prefecture including history, culture, nature, and cuisine, with extensive network and information held by Shiga Bank, we will connect inside and outside of the region to create new value and vitality.



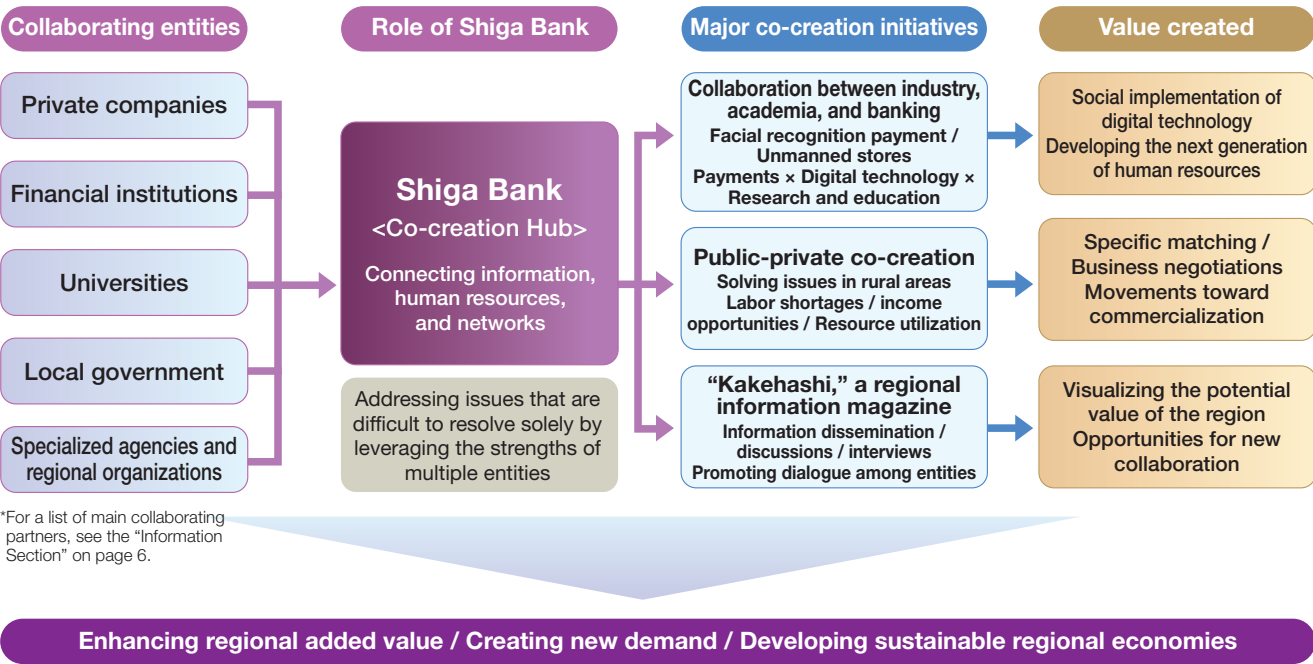
Regional Development and Revitalization Efforts



Regional issues that are difficult for Shiga Bank to resolve solely can be addressed through collaboration between organizations and groups that play diverse functions and roles to forge new paths to solutions. Based on this understanding, Shiga Bank serves as a hub that connects industry, academia, and government, as well as human resources, information, and networks, organically linking diverse regional entities. By combining different strengths, we create value that could not be achieved solely, leading to enhancing regional added value and generating new demand.

Co-creation Hub that realizes regional value creation

Connecting the strengths of diverse entities to move from solving regional issues to creating new demand



*For a list of main collaborating partners, see the "Information Section" on page 6.

Solving issues in rural areas and building sustainable regions through public-private co-creation

Regional issues such as population decline and an aging population are not uniform. There is a gradation of their progression even within the region, and these issues are becoming apparent at a faster pace, particularly in rural areas. For the purpose of solving these issues, Shiga Bank is working together with Ridilover Inc., a subsidized business operator, to solve issues in rural areas within Shiga Prefecture by utilizing a public-private co-creation system, as part of the "2025 Value creation utilizing regional resource promotion project (Creation support type) Regional resource utilization and regional collaboration support project," by the Ministry of Agriculture, Forestry and Fisheries.

This initiative aims to create effective solutions to issues faced by local governments such as labor shortages, declining income opportunities, and unused regional resources by linking them with the advanced technologies and services offered by private business operators.

The public-private co-creation briefing session, held as part of this initiative, was joined by approximately 100 participants, including government officials and private business operators. Discussions progressed toward identifying specific matchings between issues and solutions. As a result, movements toward commercialization are underway, including five business negotiations currently in progress.

Shiga Bank will continue to carefully grasp regional realities and contribute to enhancing the sustainability of the entire region including rural areas through initiatives to solve issues based on a high-resolution understanding.



Creating regional value through collaboration between industry, academia, and banking

Based on a comprehensive partnership agreement with Shiga University, we collaborated with CAC Corporation ("CAC") at the university's Hikone Campus to introduce an unmanned store utilizing facial recognition payments.

This initiative is a collaboration between industry, academia, and banking that combines the university's educational and research functions, CAC's cutting-edge digital technology, and the Shiga Bank Group's settlement functions. In addition to improving convenience on campus, it is creating new value, such as the use of purchasing data for educational and research purposes.

In addition, this initiative serves as a demonstration project that looks ahead to the future of financial services and branch functions.

Within this framework, Shiga Bank serves as a hub that connects the strengths of each entity, simultaneously promoting the social implementation of digital technology and the development of the next generation of human resources. In the future, we will continue to serve as a hub for diverse collaborations, aiming to enhance added value in the region and create new demand, while contributing to the sustainable development of regional economy.

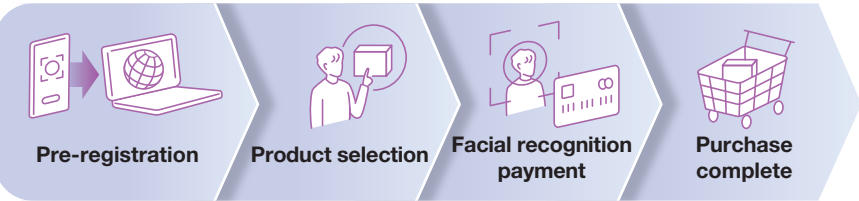
Features of an unmanned store

- (i) A new buying experience that allows you to shop smoothly without carrying anything, with cashless-only payments by facial recognition
- (ii) Improving convenience for students and faculty
- (iii) Returning data to education and research

Purchases can be made at Shiga University Co-op store even outside business hours. Eliminating non-purchasable hours.

Returning purchase data and image recognition technology to university studies.

Process of purchasing through facial recognition payment



"Kakehashi," a regional information platform connecting the economy and culture

Shiga Bank and its group subsidiary, The Shigagin Economic & Cultural Center, publish a quarterly regional information magazine "Kakehashi" four times a year as a medium for connecting regional information, people, and companies. This magazine provides a wide range of information, covering everything from the challenges by companies in the prefecture and the aspirations of business leaders, examples of collaboration with academic institutions and local governments, to regional culture and economic trends.

Through dialogues and interviews with the President and others, we share regional issues and visions for the future, and by facilitating discussions among diverse entities, we create opportunities for new collaborations and value creation.

The Shiga Bank serves as a "Kakehashi" connecting regional information, human resources, and networks. We strive to visualize the latent value of the region and establish a foundation that supports sustainable regional development through co-creation.



Digital Transformation Strategy



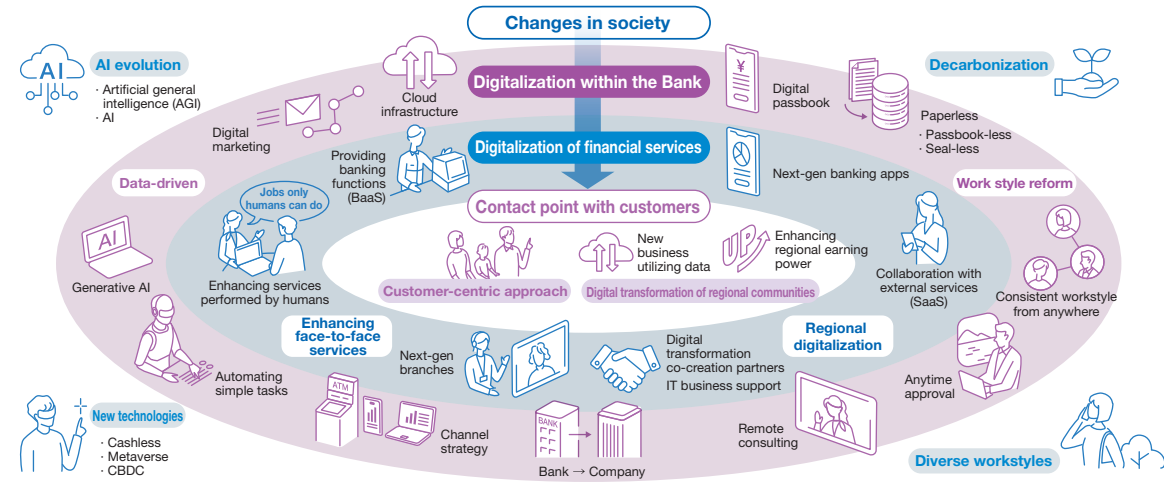
Turning AI and data utilization into the execution capability for value creation — digital transformation strategy and data-driven management underpinning value creation —

Under our vision of becoming a Sustainability Design Company, we are committed to creating a sustainable future together with our customers and local communities. This cannot be achieved simply by extending decision-making that relies on conventional experience and intuition, or operations that depend on individual expertise. As regional issues become increasingly complex and sophisticated, data-based decision-making and the on-the-ground implementation of digital technologies, including generative AI, are essential for grasping their essence and translating that understanding into appropriate measures.

To achieve this, the Bank is working to strengthen its implementation capabilities and develop its organizational foundation under its digital transformation strategy.

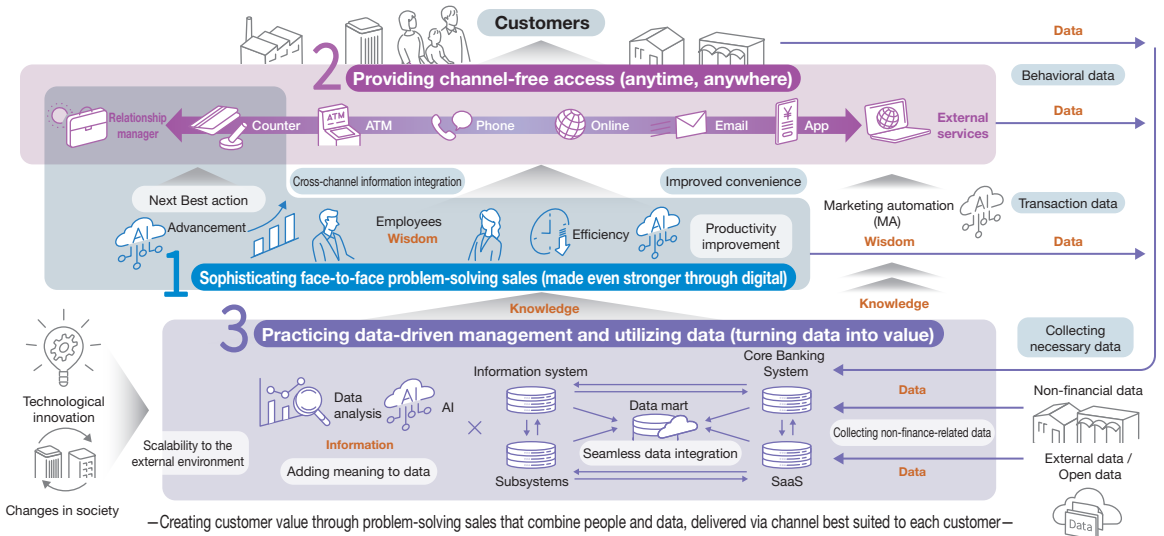
Digital Strategy Committee and digital strategy roadmap

The Digital Strategy Committee, chaired by the President, presents and discusses the digital strategy as a roadmap based on the current status of digitalization and the possibilities and constraints of digitalization in the medium- to long-term, and each department shares a common understanding of this roadmap to contribute to making investment decisions for individual systemization projects and realizing medium- to long-term digitalization strategies.



Digital strategy concept and vision

The digital strategy concept visualizes the Bank's vision in the digital domain. By providing optimal contact points regardless of whether they are face-to-face or non-face-to-face, we will further deepen our understanding of customers and achieve both more sophisticated problem-solving sales and improved productivity.



From using generative AI to a future of co-working with AI

With a view to a future in which AI naturally blends into daily operations and works in harmony with people, we conducted a PoC (Proof of Concept) of an AI President as an initiative to gain new insights by combining our long-cultivated experience and values with AI's information-processing capabilities. The AI President is intended to help each employee naturally reflect concepts, such as our Purpose, in their decisions and actions.

In addition, for the Shigagin Ratings Communication Service, which analyzes industry trends and management issues of our business partners and engages in proposals and dialogue aimed at their growth, we have developed generative AI-powered prompts to support industry analysis and problem solving. Through this, we aim to improve the efficiency of materials preparation and enhance our proposal capabilities, thereby realizing high value-added sales activities that help resolve our customers' issues.

While all officers and employees of the Bank have access to general-purpose generative AI, the regular usage rate initially remained at around 25%. We therefore conducted literacy training to deepen understanding of generative AI, and the usage rate rose to 50%. We will continue our efforts to help employees envision greater harmony with AI in their daily work.

At the same time, we established the Basic Policy on the Use of AI (AI Policy), which serves as the foundation for AI utilization across the Shiga Bank Group. The Policy sets out the basic stance required of a financial institution, including the appropriate management of personal information, accountability for output results, ensuring human judgment, and consideration for fairness and transparency.

We aim to evolve from the stage of using generative AI to a stage of creating value together with it, building an organization in which every officer and employee can make full use of AI naturally.



The next-generation accounting system that builds the ability to execute strategy

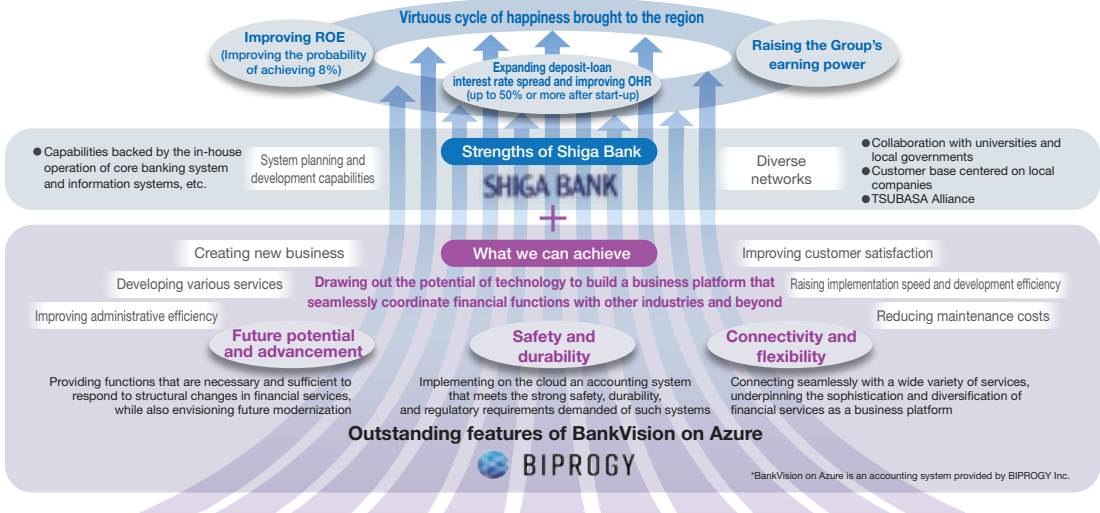
As the social and economic environment changes rapidly and unpredictably, the role required of financial institutions is also becoming more sophisticated and complex. What matters in such an era is the ability to accurately and swiftly implement the strategies we envision and translate them into tangible value for our customers.

To strengthen this ability to execute, the Bank has adopted BankVision, an open core banking system developed by BIPROGY Inc., and will proceed with building a highly flexible and scalable system infrastructure on the cloud (Microsoft Azure). By componentizing functions and organizing data into tables, we aim to achieve both ease of modification and high availability, thereby overcoming the difficulty of making changes inherent in conventional banking systems and establishing an infrastructure that can respond swiftly to changes in strategy and customer needs.

In addition, by enhancing connectivity with external services through Web APIs, we are establishing a framework that allows flexible collaboration with other companies and the incorporation of new services, thereby increasing the speed and flexibility of service development. Through this, by advancing data utilization and AI adoption, we aim to establish a system capable of swiftly providing optimal solutions to our customers' increasingly diverse and complex issues.

Furthermore, through this initiative, we expect to improve program development efficiency and reduce maintenance costs by curbing the bloating and complexity of the system, which will in turn lead to improved management efficiency, including an improvement in OHR, over the longer term.

The Bank positions the renewal of its core banking system not merely as an infrastructure update, but as the construction of a foundation that enhances its very capability to implement strategy. Through the advancement of this digital infrastructure, we will achieve both higher customer value and the creation of new revenue opportunities, providing value that goes beyond the boundaries of finance and thereby enhancing corporate value over the medium- to long-term.



TOPICS.4

Implementing Digital Schemes

Developing digital talent and enhancing practical capabilities
— Winning an award for four consecutive years at the Financial Data Application Challenge

To make data-driven management truly effective, the Bank is continuously working to foster a culture of data utilization and to develop human resources. As part of these efforts, we have continuously participated in the Financial Data Application Challenge, hosted by the Association for the Promotion of Financial Data Application and others, since the first competition.

This initiative aims to discover and develop data talent in the financial industry. While it is initially focused on competing for the accuracy of machine learning models using historical data, in recent years, against the backdrop of the rapid advancement of generative AI, it has evolved into a theme centered on how to utilize generative AI in practical operations. The Bank views this shift in technological trends not merely as an opportunity to acquire knowledge, but as a chance to verify its potential application to practical work, and encourages employees to take on the challenge.

In this fourth competition, held under the theme “Preparing proposals using generative AI,” 15 employees from the headquarters and branches participated. As a result, our employees received the Grand Prize and the Special Award in the regional financial institutions category, demonstrating the concrete potential of generative AI to enhance banking operations.

Participation in such external contests is helping to accumulate experience in using data and AI, starting from practical business issues. Through this practice, the Bank aims for every officer and employee to become a driving force of business transformation. In other words, rather than limiting digital transformation to the mere introduction of technology, we will advance behavioral change among our employees and the sophistication of business processes together, thereby enhancing our capacity to create value.



Results in the Financial Data Application Challenge

Theme		Award details
1st Competition	Capturing Early Signs of Changes in Household Finances —Predicting Housing Loan Delinquency—	Regional financial institutions category 1st place
2nd Competition	Predicting Delinquency on Loans to Small — and Medium-sized Enterprises	Regional financial institutions category 4th place
3rd Competition	Building a RAG System That Can Answer Questions Concerning Companies' Integrated Reports and Other Disclosures	Regional financial institutions category 2nd place
4th Competition	Management Support Using Generative AI —Proposal Preparation Challenge—	Regional financial institutions category Grand Award Regional financial institutions category Special Award

COMMENT Comments from past award winners



The Financial Data Application Challenge is a valuable opportunity to hone my skills and broaden my perspective. At the time I won the award, machine learning was drawing attention, but in recent years, the advancement of generative AI has greatly expanded the possibilities for data utilization. I will continue to actively learn about ever-evolving technologies and, by leveraging the Bank's ties to the region and its expertise, pursue data utilization that only Shiga Bank can achieve, taking on the challenge of creating new value that leads to the happiness of the region.

1st Competition
1st place in the regional financial institutions category
Kazuma Tsuji



As AI and data-utilization possibilities expand, I myself have come to appreciate their usefulness by applying them in both my work and personal life. Going forward, I hope not to keep this learning to myself, but to use AI and data to help solve customers' issues and deliver new value from the Bank to our customers, thereby also contributing to the development of the region.

4th Competition
Grand Award in the regional financial institutions category
Yusuke Kadoma

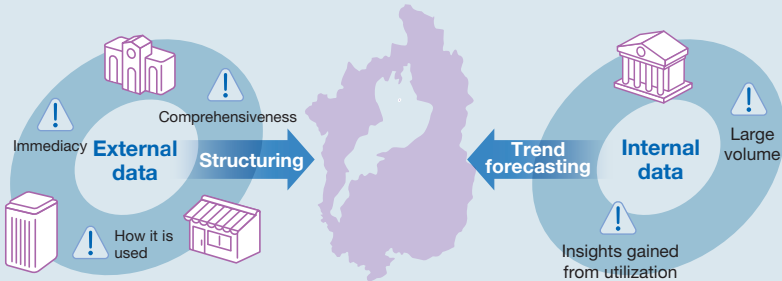
Capturing the regional economy through data and advancing value creation
— Initiatives in Shiga Prefecture Economic Analysis

Positioning data-driven management practices as a pillar of the 8th Mid-Term Business Plan, we established Data Driven Project Team, a cross-departmental specialized organization in April 2024. We are bringing together the knowledge of data utilization accumulated across departments to date and strengthening our analytical framework in order to help resolve management and regional issues.

At the core of these initiatives is the Shiga Prefecture Economic Analysis. Its starting point lies in the question: “As a regional financial institution, are we truly grasping the actual economic conditions of Shiga Prefecture, our mother market, swiftly and quantitatively?” As the regional economy grows more complex due to demographic changes, diversification of industrial structure, and the geographic expansion of corporate activities, relying solely on conventional statistical information and experience-based understanding may not be sufficient to fully capture the actual state of the region and the early signs of change. Based on this recognition, we are working to re-examine the regional economy from multiple angles and in quantitative terms by combining open data with trends statistically identified from deposit and withdrawal data and other information held by the Bank.

Capturing the regional economy through structure and movement

Specifically, we have adopted an analytical approach that captures the regional economy not as static information, but from the two perspectives of industrial structure and economic trends.

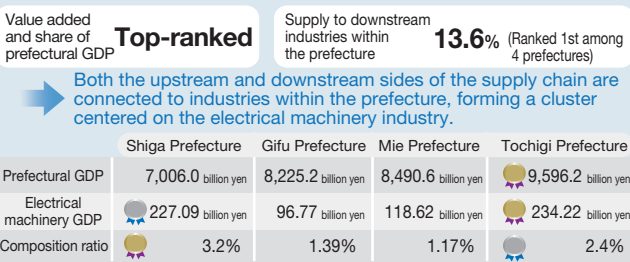


Specific areas of analysis

(1) Visualizing industrial structure

We analyze the connections between industries and the flow of value added to clarify the structure of strengths, weaknesses, and ripple effects. By visualizing information that was previously grasped only as figures in terms of its interrelationships, we deepen our understanding of the region's overall structure.

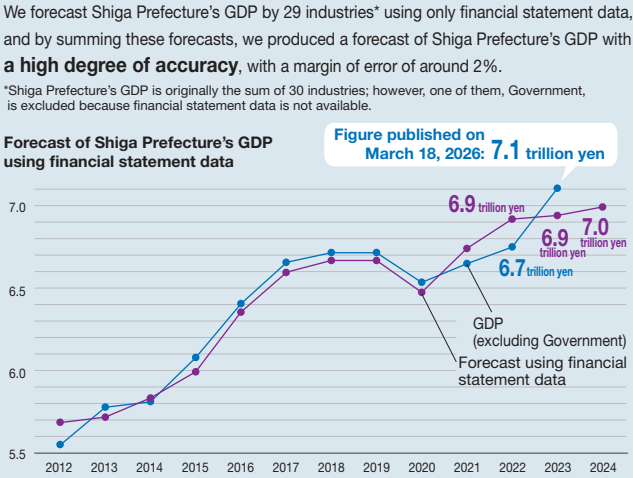
The strength of Shiga Prefecture's industry lies in building an electrical machinery industry cluster



(2) Real-time monitoring of economic trends

Using data held by the Bank, we are working to develop forecasting models that capture the current movements of the regional economy in a timely manner. We aim to complement the time lag inherent in official statistics and provide information that contributes to faster decision-making.

Combining financial statement data enables highly accurate forecasts of Shiga Prefecture's GDP



Through these initiatives, we will capture, in high resolution, the actual conditions of the regional economy and the early signs of change that have previously been difficult to discern, thereby generating new insights. Furthermore, by returning the results of this analysis to the regional community rather than keeping them within the Bank, we will contribute to creating a virtuous cycle of happiness brought to the region.

Alliance Strategy



While maintaining its strategic independence, the Bank is advancing to sophisticating its services, expanding its customer base, and strengthening its capacity to respond to regional issues through collaboration with like-minded partners.

Alliances are initiatives to strengthen the value-creation foundation by bringing in the knowledge, functions, human resources, and information that the region needs, and circulating them within the region. Based on this foundation, we will realize the growth of our customers, the sustainable development of regional society, and the enhancement of the Shiga Bank Group's corporate value.

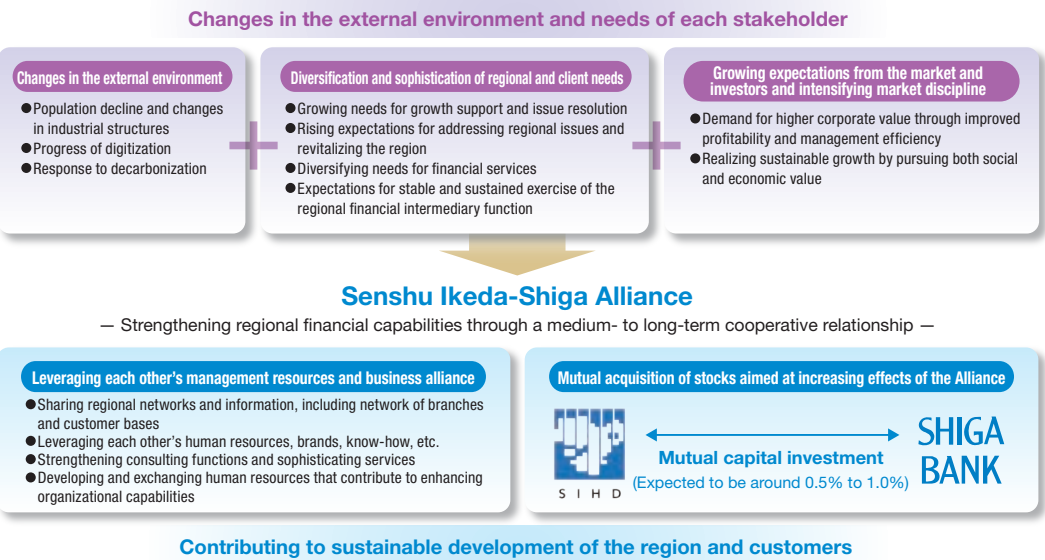
Senshu Ikeda-Shiga Alliance

The Senshu Ikeda-Shiga Alliance aims to clarify a medium- to long-term cooperative relationship through a capital and business alliance, further strengthening regional financial capabilities and contributing to regional society.

Senshu Ikeda Holdings' main business areas are Osaka and Hyogo Prefectures, while Shiga Bank's main business areas are Shiga and Kyoto Prefectures. In these adjacent business areas, the two companies will mutually make effective use of each other's management resources and strengths, including branch office networks, customer bases, human resources, and brands, to create even higher added value.



Background and purpose of the Alliance



Main fields of the Alliance



Strengthening regional financial capabilities through a medium- to long-term cooperative relationship



The branch networks of The Senshu Ikeda Bank, which operates mainly from Osaka to Hyogo Prefecture, and those of Shiga Bank, which operates mainly from Shiga to Kyoto Prefecture, have little overlap and are complementary to each other.

TSUBASA Alliance

To realize value creation that goes beyond the boundaries of a regional financial institution, the Bank participates in the TSUBASA Alliance, a wide-area collaboration framework involving the 10 top banks in each region of Japan. This Alliance is Japan's largest collaboration platform, enabling the provision of sophisticated and diverse financial services that would be difficult to achieve alone, as each member bank maintains its independence while pooling its expertise.

The 10 banks combined have total assets of approximately 100 trillion yen and a customer base of approximately 24 million retail customers and approximately 2.2 million corporate clients. Leveraging this scale, the Bank collaborates across a wide range of fields, including joint financing, business matching, and personnel exchanges. In addition, we are advancing to sophisticating and improving efficiency of our operations by promoting joint efforts and knowledge sharing in non-competitive areas, including anti-money laundering measures.

The Alliance marked its 10th anniversary in 2025, and, building on the collaborative foundation cultivated to date, we will evolve to create new value that goes beyond mere efficiency gains and functional complementarity. Through this Alliance, the Bank will provide higher added value by leveraging its network and expertise, leading to further growth in the sustainable development of the regional economy and the Shiga Bank Group's corporate value enhancement.



Main collaborative initiatives

Joint arrangement of financing

- Joint arrangement of real estate non-recourse loans, LBO loans, and foreign currency-denominated syndicated loans

Co-hosting seminars for customers

- Digital transformation seminar for medical institutions (July 2025)
- Shanghai TSUBASA Seminar & Networking Event 2025 (September 2025)
- iDeCo seminar (February 2026)
- Bangkok TSUBASA Seminar & Networking Event 2026 (February 2026)

Joint implementation of personnel exchanges and training for officers and employees

- Holding of the Management School for senior management (April 2025)
- Visit to Singapore by the presidents of all member banks (July 2025)
- Implementation of Cross-mentoring Program for female candidates for executive positions (from August 2025)
- Implementation of Group Training for Beginner-level Digital Talent (December 2025)

Other collaboration

- Joint hosting of walking and charity event (October 2025)
- Joint food drive by the 10 banks (February 2026)
- Exchange of information and sharing of knowledge in various fields through participation in approximately 50 subcommittees

10th anniversary of establishment

Walking campaign

To commemorate the 10th anniversary of the establishment of the TSUBASA Alliance, the 10 participating banks conducted a walking campaign aimed at charitable giving and promoting employee health, and made a donation to Musubie, a certified Nonprofit Corporation Nationwide Children's Cafeteria Support Center. In this campaign, each bank contributed 200 yen for every registered employee who achieved the target of 248,000 steps during the campaign period (a daily target of 8,000 steps), and a total of 782,800 yen was donated.



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.

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.

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.

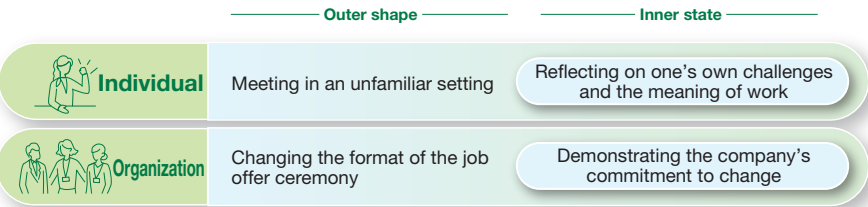
Human First, as envisioned by the Bank, means linking investment in human capital to improving our ability to solve customer issues, advancing new businesses and priority areas, increasing productivity, and expanding revenue opportunities, thereby creating both economic and social value and connecting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

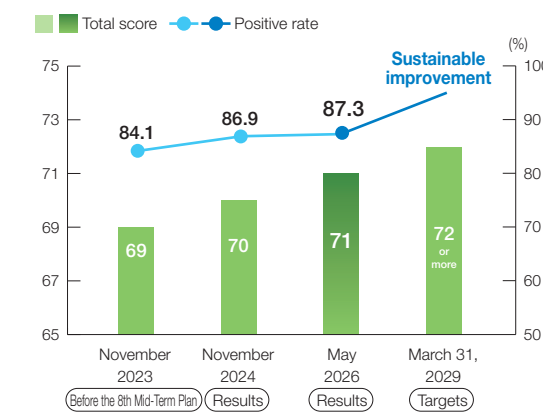


Progress of KGI and focused Issues

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.

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.

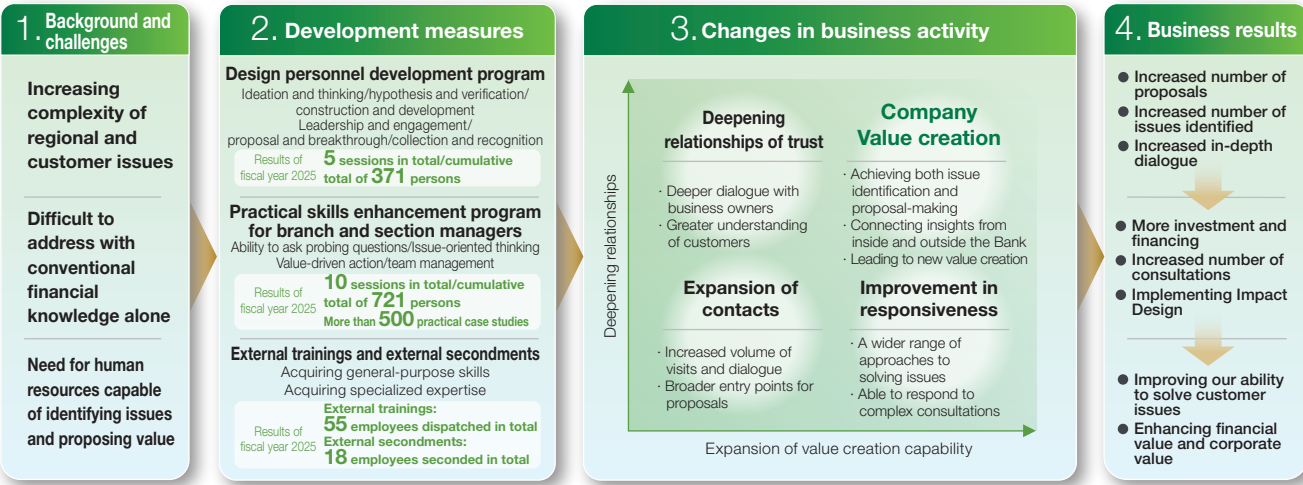
The Bank positions the human resources that drives such value creation as Design personnel and is working to develop them. Design personnel are those who, starting from the issues faced by customers and the region, envision the desired future state, connect the necessary stakeholders, and turn solutions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

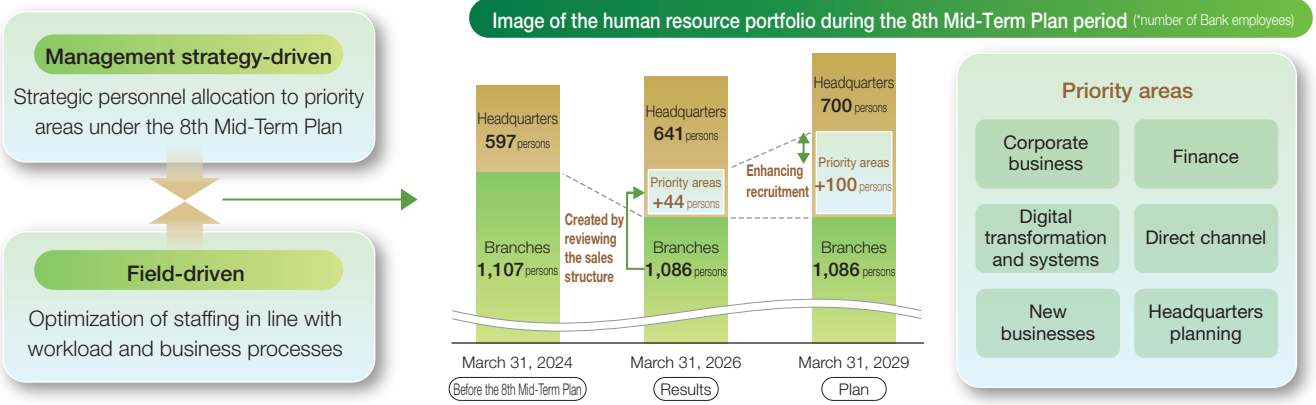
I Strategic personnel allocation aligned with our business portfolio

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.

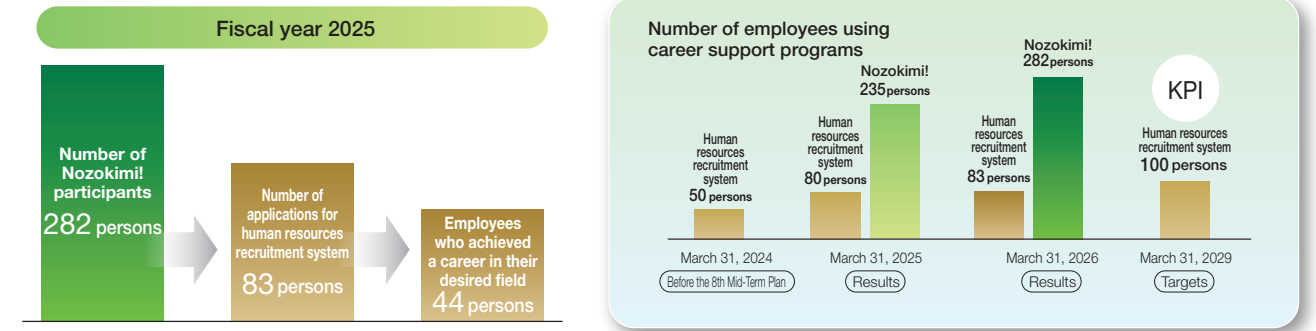


I Support for autonomous career development

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.

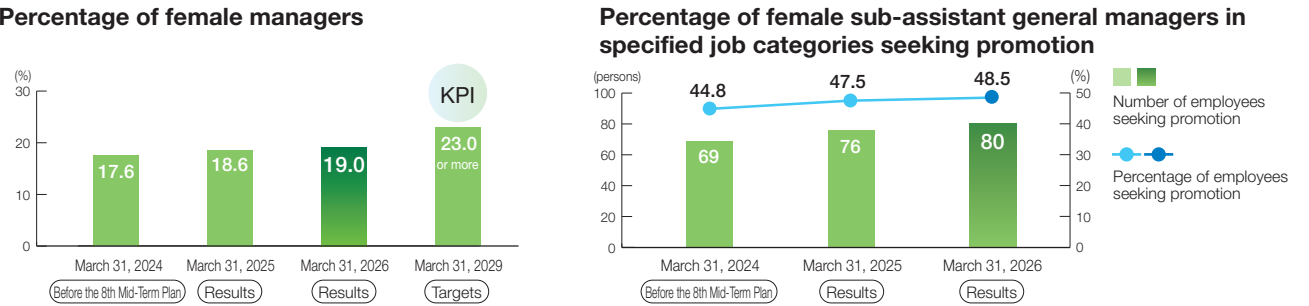
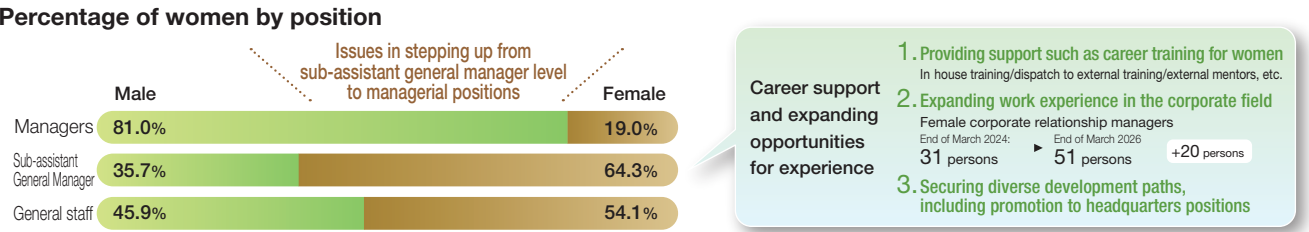
I Toward an organization in which diverse human resources can thrive

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

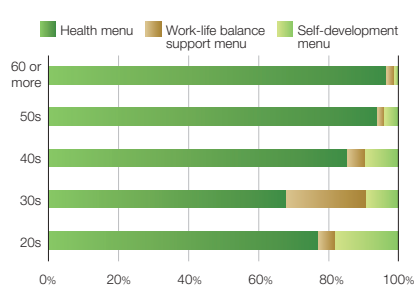
Promoting health management and embedding work-life balance support

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.

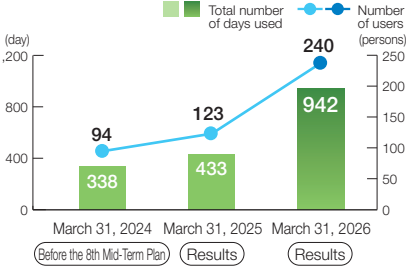
As part of our health management initiatives, we have newly introduced a cafeteria plan to provide flexible support tailored to each employee's circumstances, enhancing health promotion and work-life balance support.

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.

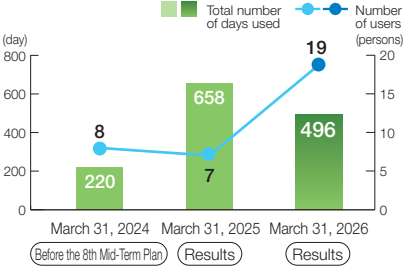
Usage of cafeteria plan by age group



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.

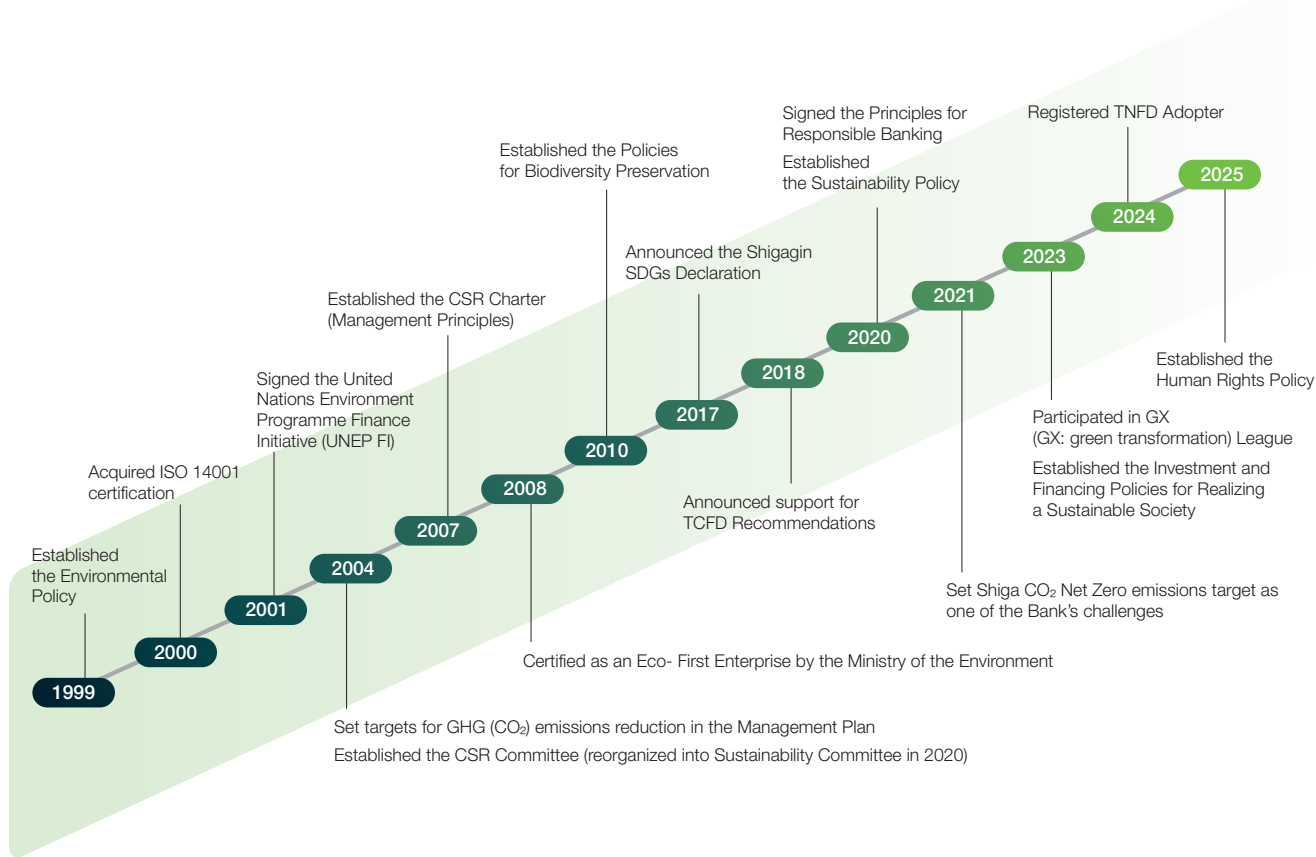
The Bank regards Lake Biwa not as a resource to be consumed, but as an asset entrusted to us by the future. It is something that the present generation holds in trust, to be passed on to the next generation in an even better condition. This is Lake Biwa, and this is the region's natural capital.

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 impactHigh dependency and impactVery 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

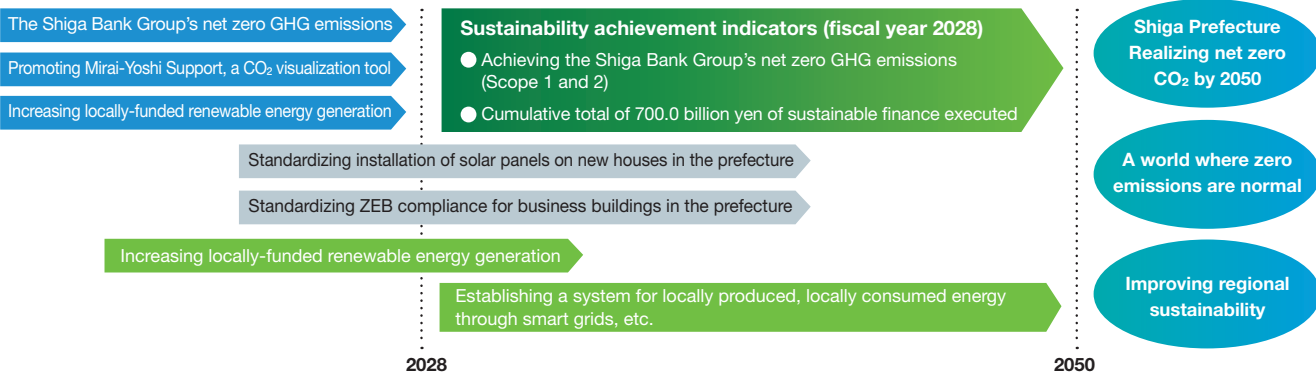
For more information on TCFD and TNFD, please refer to the separate Shigagin TCFD/TNFD Report available on our website.
<https://www.shigagin.com/csr/report/>

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



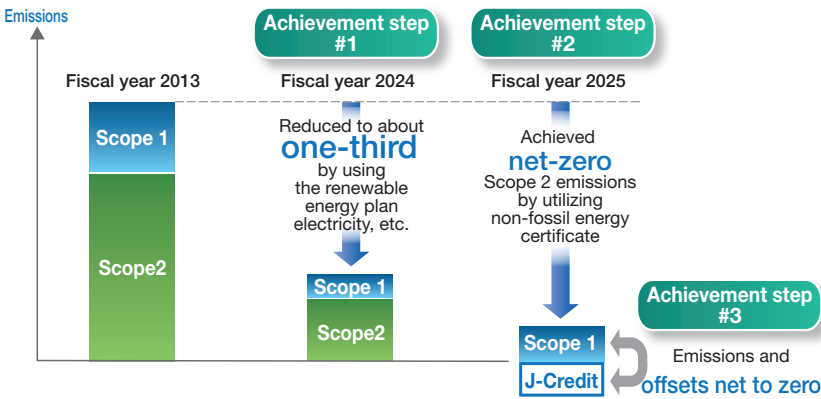
* Achieving net zero GHG emissions (Scope 1 and 2)
This refers to a state in which, after prioritizing the reduction of scientifically calculated greenhouse gas emissions through means such as energy conservation and the introduction of renewable energy, any remaining emissions are offset using environmental 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.

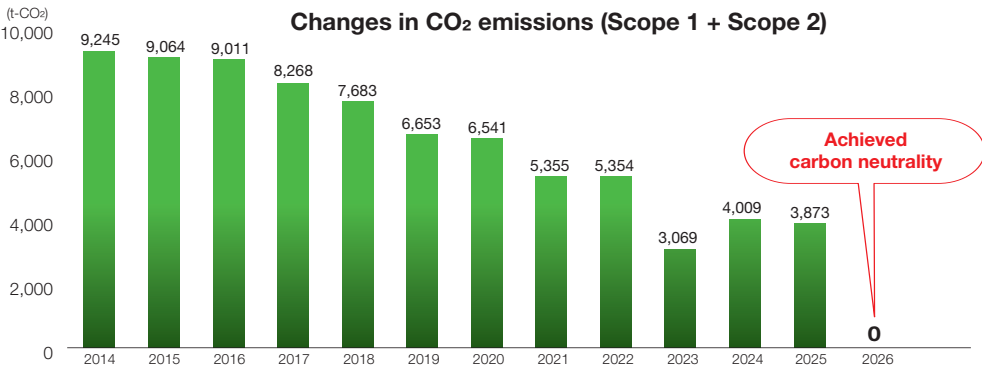


Achievement step #1

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

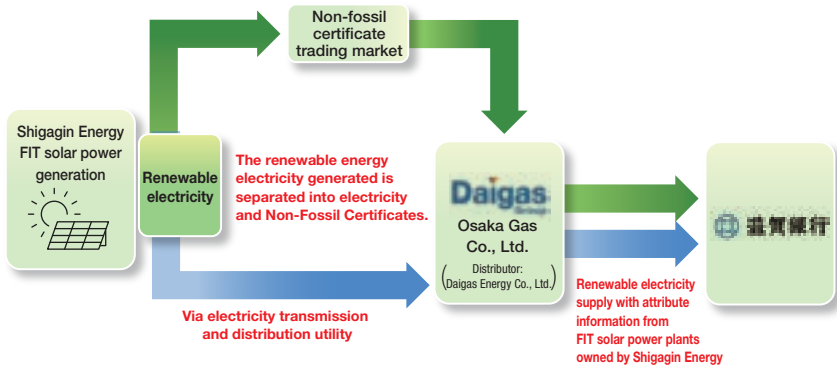
After pursuing emission reductions through our own efforts, for emissions that still could not be eliminated, we appropriately offset them using J-Credits* generated primarily within the Bank's business area.

*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.

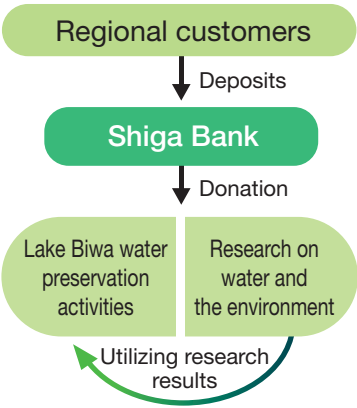
This is the first ESG finance product in Japan to enable all three of these elements to be set as integrated KPIs.



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

I 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

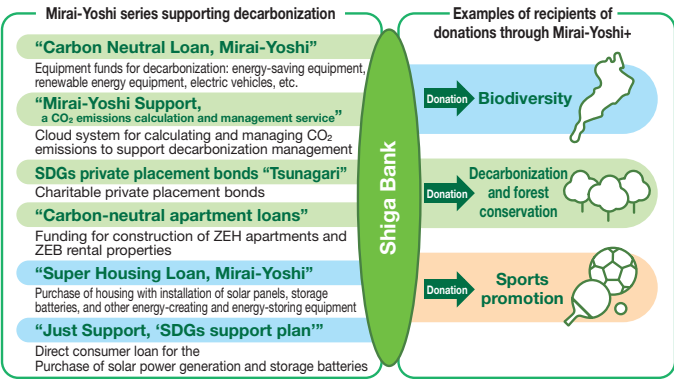
In cooperation with local environmental protection groups, we are developing story-based environmental volunteering activities aimed at protecting Lake Biwa’s ecosystem. In addition to invasive fish removal and fishing in the spring, forestation support activities in the summer, reed seedling planting 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)

I 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

I 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.

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

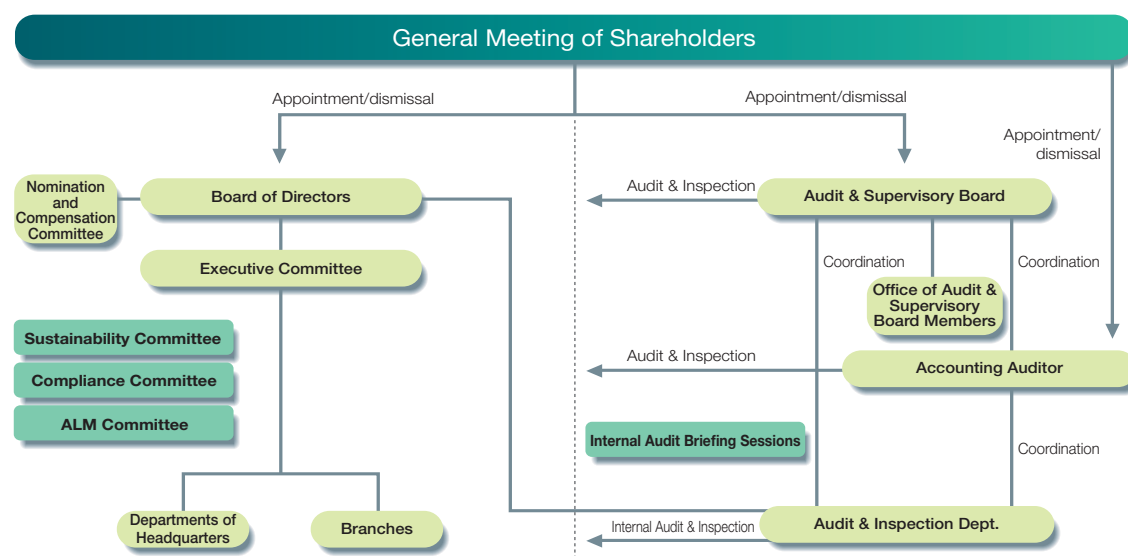
Overview of corporate governance system

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

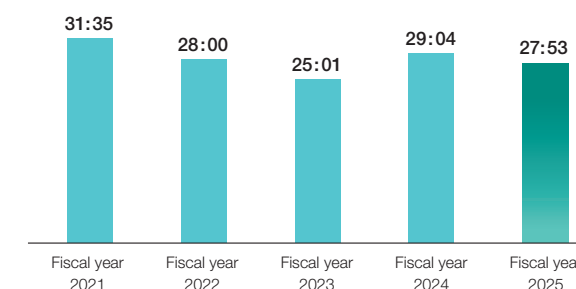
Regular agenda items	Agenda items of special note in the fiscal year
● Matters concerning important personnel affairs ● Matters concerning management policy and business plan ● Matters concerning corporate accounting such as closing accounts ● Matters concerning salaries and bonuses for employees ● Matters 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

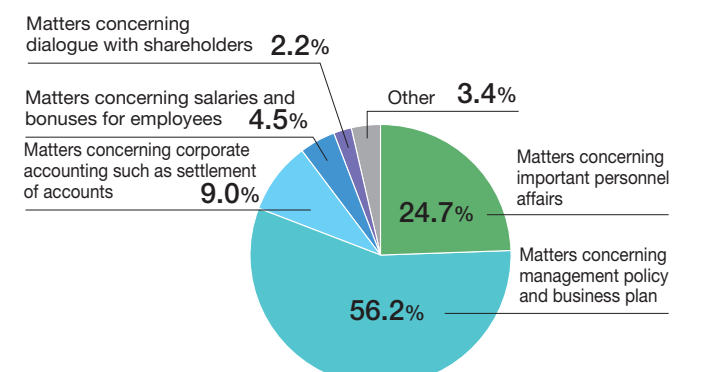
Changes in time required for Board of Directors meetings (by fiscal year)

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.

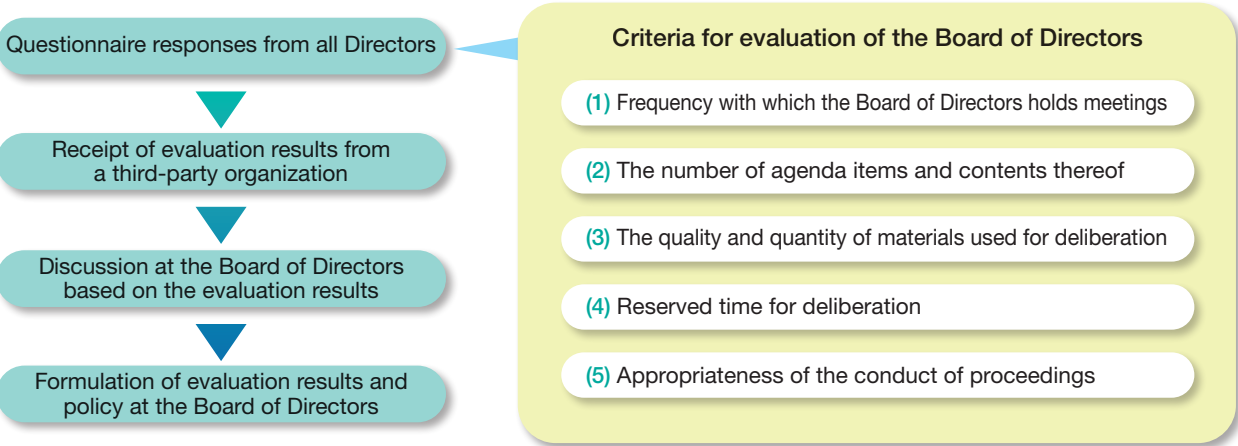
- From the results of the survey, the management of Board of Directors meetings, improvements in sustainability, and discussions concerning dialogue with shareholders were positively evaluated on the whole.
- In addition, in light of changes in the business environment, we worked to improve the effectiveness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

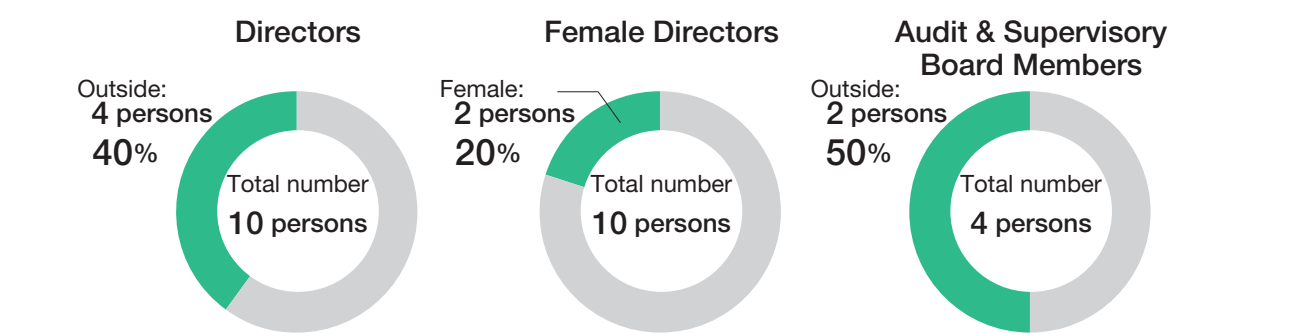
Initiatives to improve the effectiveness of the Board of Directors

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)
Yasuhito 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.

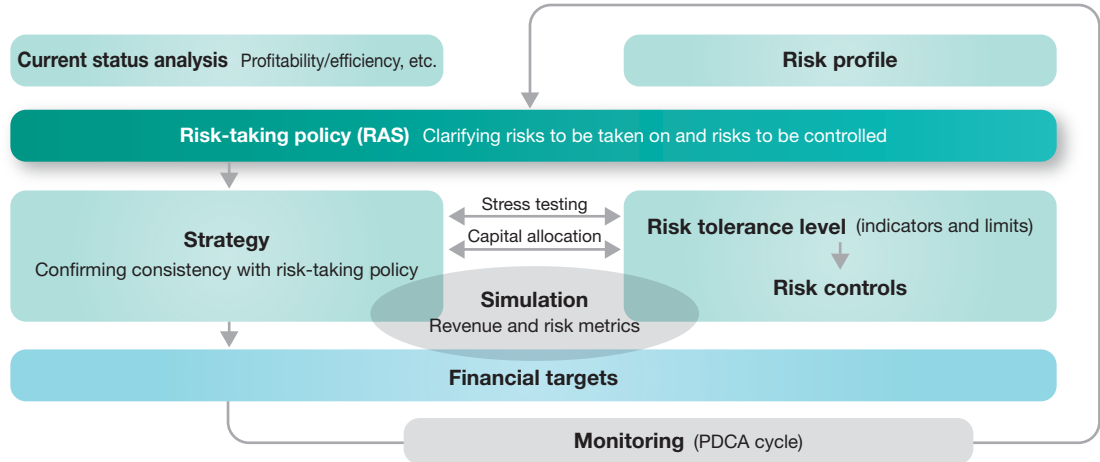
*The above represents a portion of the risks the Bank recognizes, and risks other than those listed above may have a particularly significant adverse effect on management.

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.

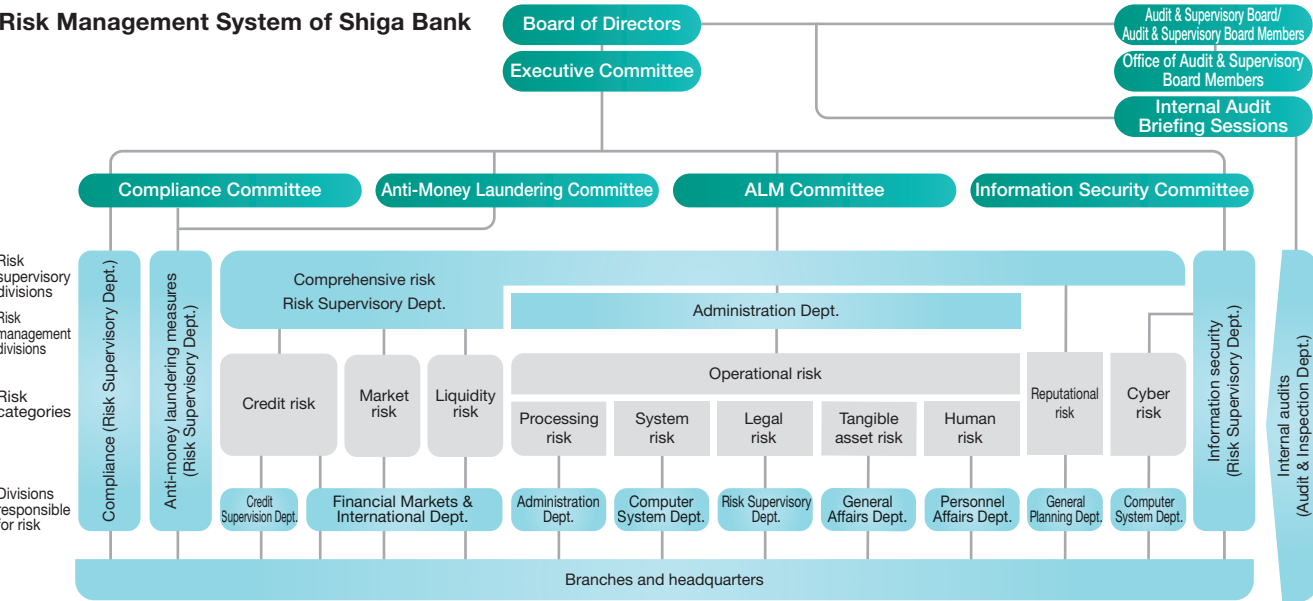
The Bank sets risk tolerance levels and various indicators and limits, and controls the balance of earnings, risk, and capital from both the perspective of proactive risk-taking and appropriate risk management, thereby ensuring the effective functioning of the PDCA cycle for strategies in each department.

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

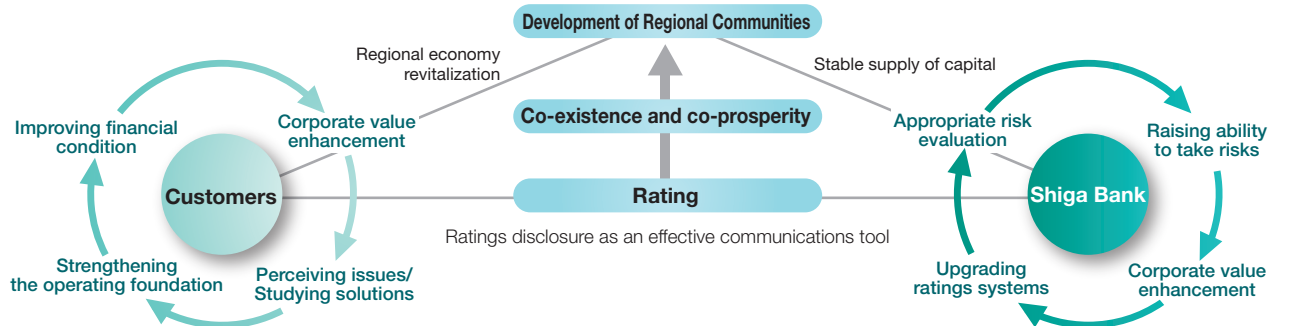
The Bank conducts risk management based on the concept of comprehensive (integrated) risk management, under which it grasps various types of risk in their totality and compares and verifies them against own capital, which represents the financial institution's management strength.

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}.

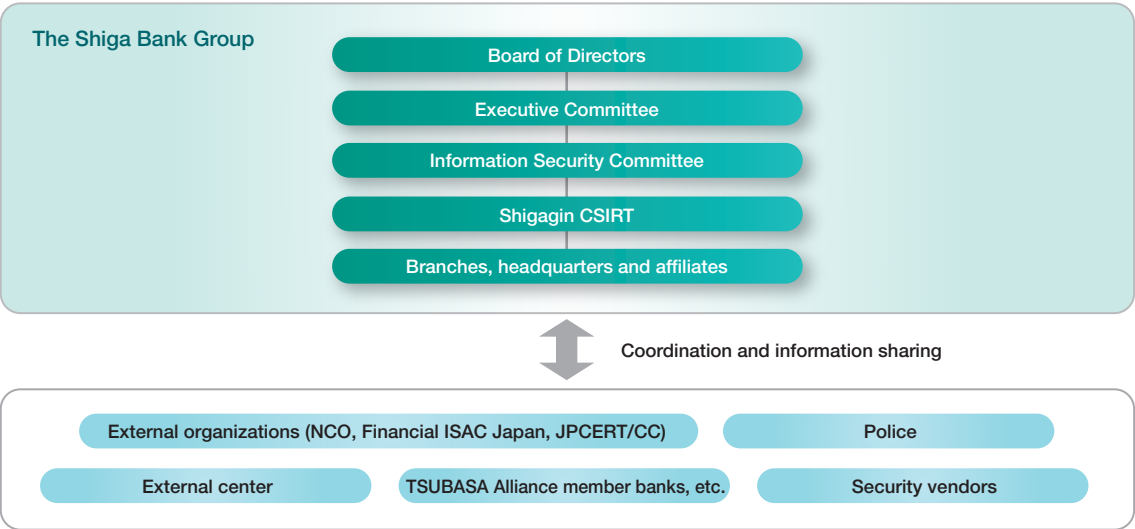
With regard to system risk management, we have duplicated the hardware and networks related to critical systems, building a resilient framework that enables business continuity in the event of a failure. We work to prevent recurrence of any system failures that occurred by thoroughly analyzing the causes 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

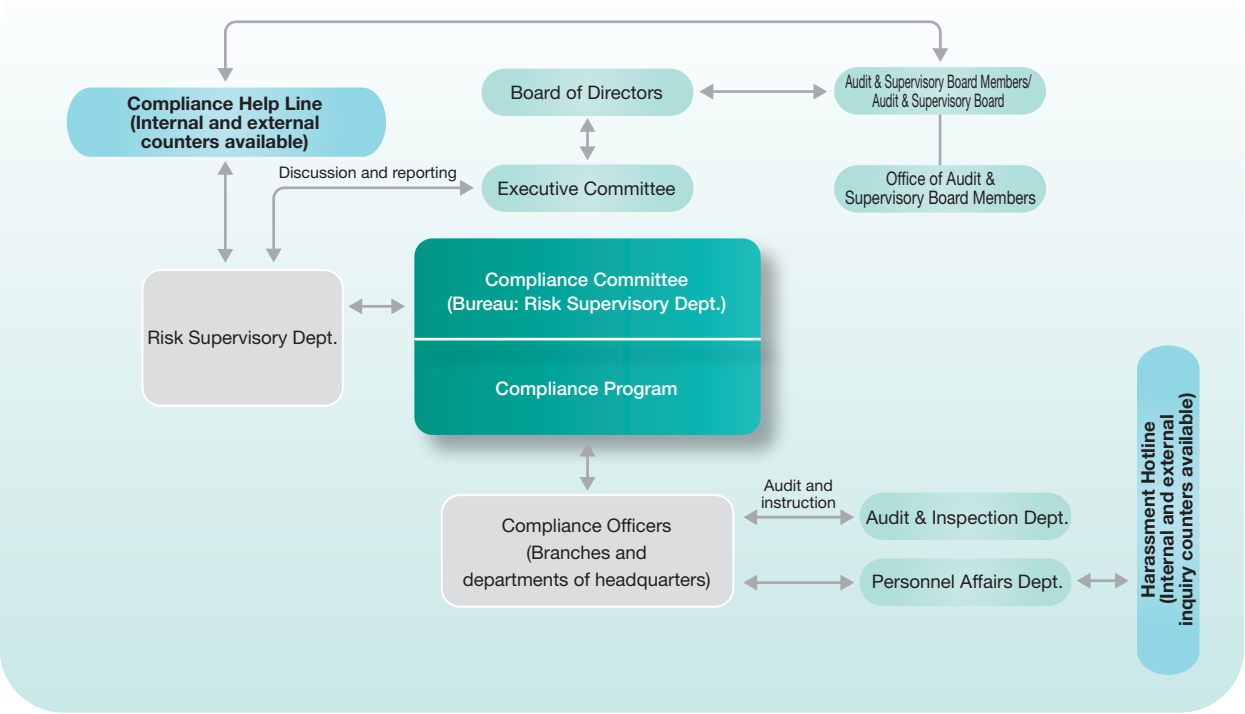
The Bank has stipulated the Code of Conduct based on the Management Principles. In order to comply with them and to thoroughly comply with laws and regulations, the Board of Directors formulates a Compliance Program every fiscal year, after deliberation by the Compliance Committee. In addition, we strive 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

Financial Data (Consolidated)

(Millions of yen)

Summary of Consolidated Results	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Consolidated gross business profit	61,380	58,807	55,641	56,559	57,064	60,437	48,207	64,562	60,843	66,590
Net interest income	48,372	46,432	44,328	42,836	44,132	46,783	49,029	55,187	63,258	74,143
Net Fees and commissions (including trust fees)	9,295	9,521	9,875	11,047	11,978	13,273	12,777	14,265	13,230	12,504
Net other ordinary income	3,712	2,853	1,437	2,675	953	380	(13,599)	(4,890)	(15,645)	(20,057)
General and administrative expenses (excluding non-recurring expenses) (–)	43,381	42,834	41,979	42,082	42,159	48,235	46,153	52,924	46,468	50,413
Consolidated net business profit (before provision of allowance for general loan losses)	17,998	15,973	13,662	14,477	14,905	12,202	2,053	11,638	14,374	16,176
Provision of general allowance for loan losses (1) (–)	–	–	(111)	804	976	574	(2,286)	(635)	(693)	–
Consolidated net business profit	17,998	15,973	13,773	13,672	13,928	11,628	4,339	12,273	15,067	16,176
Other profit (loss) (non-recurring gains (losses))	3,233	3,666	7,240	202	(2,858)	12,371	15,701	11,693	3,882	12,854
Disposal of non-performing loans (2) (–)	1,538	935	4,358	2,424	7,144	1,541	4,171	3,955	5,565	731
Written-off of loans (–)	1,535	892	798	1,052	660	500	989	789	1,141	692
Provision of allowance for loan losses (excluding provision general allowance for loan losses) (–)	–	–	3,558	1,368	6,482	1,033	3,172	3,106	4,348	–
Losses on sales of other claims (–)	3	43	0	3	2	8	9	59	74	39
Reversal of allowance for loan losses, etc. (3)	889	246	4	13	25	22	–	–	–	928
Recoveries of written-off receivables	1,120	515	569	395	366	498	615	252	440	496
Gains (losses) related to equity securities	1,707	3,331	9,374	1,140	3,143	10,935	17,331	12,706	7,326	10,389
Gain on sale	1,707	3,946	11,199	2,381	5,542	13,753	18,382	13,861	9,722	11,146
Loss on sale (–)	–	265	1,454	998	823	2,734	1,014	866	2,345	726
Loss on devaluation (–)	–	349	370	243	1,575	83	37	288	50	29
Other ordinary gains (losses) (including non-recurring expenses in general and administrative expenses)	1,058	513	1,657	1,084	754	2,459	1,927	2,691	1,699	1,834
Expenses corresponding to money held in trust (–)	4	4	7	5	3	2	1	1	18	62
Ordinary profit	21,231	19,640	21,013	13,875	11,070	23,999	20,041	23,967	18,949	29,031
Extraordinary gains (losses)	(482)	252	(15)	3,913	1,981	(590)	126	(231)	6,685	(59)
Profit before income taxes	20,749	19,892	20,998	17,788	13,051	23,408	20,168	23,735	25,635	28,971
Income taxes - current (–)	4,052	4,076	5,732	5,018	6,390	6,186	4,731	10,078	714	5,697
Income taxes - deferred (–)	1,527	1,931	584	357	(4,787)	(493)	578	(2,283)	6,199	1,980
Total income taxes (–)	5,580	6,007	6,317	5,376	1,603	5,692	5,309	7,794	6,914	7,677
Net income	15,168	13,884	14,681	12,412	11,448	17,715	14,858	15,940	18,720	21,293
Profit attributable to non-controlling interests (–)	273	–	–	–	–	–	–	–	–	–
Profit attributable to owners of parent	14,895	13,884	14,681	12,412	11,448	17,715	14,858	15,940	18,720	21,293
Credit costs (1 + 2 – 3) (–)	649	689	4,242	3,215	8,095	2,093	1,885	3,319	4,871	(196)
(Reference)										
Consolidated comprehensive income	31,484	38,850	(1,017)	(22,117)	122,660	(26,692)	(15,071)	55,925	(38,097)	70,627

(Millions of yen)

Summary of Consolidated Balance Sheet	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Total assets	5,539,561	5,875,040	6,115,271	6,285,002	7,793,748	7,537,956	7,305,698	7,970,551	7,528,217	7,669,084
Loans and bills discounted	3,461,905	3,618,866	3,779,056	3,859,363	4,001,698	4,064,683	4,343,641	4,475,442	4,529,399	4,588,660
Securities	1,467,592	1,346,672	1,352,017	1,307,107	1,586,506	1,511,864	1,515,578	1,857,431	1,802,020	1,722,410
Total liabilities	5,165,315	5,467,135	5,713,043	5,909,200	7,298,278	7,073,742	6,864,476	7,479,663	7,083,406	7,160,058
Deposits	4,516,648	4,685,466	4,849,187	4,886,433	5,398,851	5,611,084	5,714,368	5,803,032	5,806,185	5,950,294
Negotiable certificates of deposit	86,478	81,685	84,955	66,683	49,560	41,880	30,332	25,360	22,600	19,150
Total net assets	374,246	407,905	402,227	375,801	495,469	464,214	441,222	490,887	444,811	509,025
Total shareholders' equity	239,365	251,339	261,356	269,712	280,786	294,083	301,181	310,934	321,698	336,579
Retained earnings	185,201	197,201	209,664	220,282	232,289	248,089	258,053	269,792	284,546	285,621
Total accumulated other comprehensive income	131,679	156,440	140,741	105,957	214,598	170,027	140,040	179,953	123,112	172,446
Share acquisition rights	113	125	129	131	84	103	–	–	–	–

Consolidated financial indicators, etc.	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Net assets per share (Yen)	1,425.41	1,566.43	1,572.67	1,496.46	1,991.69	1,910.42	1,858.67	2,091.97	1,930.52	2,214.31
Basic earnings per share (Yen)	57.21	53.33	56.44	48.61	45.62	71.90	62.11	67.26	79.94	92.27
Diluted earnings per share (Yen)	50.61	47.16	49.88	42.83	44.08	71.84	62.09	–	–	–
Annual dividend per share (Yen)	8.00	8.00	8.50	8.00	8.00	16.00	16.00	18.00	18.00	28.00
Closing stock price (Yen)	571.00	536.00	527.60	513.60	479.20	442.20	535.80	839.00	1,052.00	1,863.00
Capital adequacy ratio (%)	6.69	6.94	6.57	5.97	6.35	6.15	6.03	6.15	5.90	6.63
Consolidated capital adequacy ratio (under the criteria stipulated by the Financial Services Agency) (%)	16.67	16.98	15.68	14.12	17.19	15.14	15.80	15.70	13.62	13.25
Consolidated return on equity (ROE) (%)	4.18	3.56	3.62	3.19	2.62	3.69	3.28	3.42	4.00	4.46
Consolidated price earnings ratio (PER) (times)	9.98	10.05	9.34	10.56	10.50	6.15	8.62	12.47	13.15	20.19
Consolidated price book-value ratio (PBR) (times)	0.40	0.34	0.33	0.34	0.24	0.23	0.28	0.40	0.54	0.84
Consolidated payout ratio (%)	13.98	15.00	15.06	16.45	17.53	22.25	25.76	26.76	22.51	30.34

(Notes) 1. "Diluted earnings per share" is not shown for the fiscal years ended March 31, 2024, March 31, 2025 and March 31, 2026 because there were no dilutive shares.
2. The Bank conducted a 1-for-5 reverse stock split of its common stock effective October 1, 2018, and a 5-for-1 stock split of its common stock effective April 1, 2026. However, for ease of comparison over time, the "net assets per share," "basic earnings per share," "diluted earnings per share," "annual dividend per share," and "closing stock price" in the table above are presented as if neither the reverse stock split nor the stock split had been conducted.

ESG Data

E (Environment)

GHG emissions

		Fiscal year 2023			Fiscal year 2024			Fiscal year 2025		
	Classification	Energy use/ non-energy GHG	Emissions (tCO ₂ eq)		Energy use/ non-energy GHG	Emissions (tCO ₂ eq)		Energy use/ non-energy GHG	Emissions (tCO ₂ eq)	
Scope 1	Total		620			670			0	
	City gas	23,659 m³	49		27,119 m³	56		27,298 m³	56	
	LP gas	84 m³	1		81 m³	1		64 m³	0	
	Gasoline	207,571 L	475		198,379 L	454		208,419 L	477	
	Fuel oil	0 L	0		0 L	0		0 L	0	
	Diesel oil	3,895 L	10		3,930 L	10		3,816 L	10	
	HFC	60 kg	86		96 kg	156		1 kg	1	
Scope 2	Electricity	13,403 MWh	Market-based	3,389	13,384 MWh	Market-based	3,203	13,278 MWh	Market-based	0
			Location-based	5,871		Location-based	5,556		Location-based	5,616
Scope 3	Total		16,480,774			18,063,664			15,928,155	
	Category 1	Purchased products and services	19,757		Purchased products and services	10,845		Purchased products and services	10,793	
	Category 2	Capital goods	2,349		Capital goods	1,162		Capital goods	8,852	
	Category 3	Fuel and energy-related activities	1,018		Fuel and energy-related activities	1,039		Fuel and energy-related activities	1,038	
	Category 4	Transportation (upstream)	272		Transportation (upstream)	482		Transportation (upstream)	454	
	Category 5	Waste generated in operations	68		Waste generated in operations	62		Waste generated in operations	104	
	Category 6	Business travel	131		Business travel	149		Business travel	194	
	Category 7	Commuting	878		Commuting	1,107		Commuting	1,125	
	Category 15	Investments and financing	16,456,300		Investments and financing	18,048,819		Investments and financing	15,905,595	
Total Scope 1-3 Emissions			Market-based Location-based	16,484,783	Market-based Location-based	18,067,538	18,069,890	Market-based Location-based	15,928,155	15,934,316

**Scope 1 Total" and "Scope 1-3 total" include 6 tons of carbon offsets.

**Scope 1 Total" and "Scope 1-3 total" include 545 tons of carbon offsets.

Scope 3 Category 15 Details

Emissions by industry (carbon-related sectors based on TCFD recommendations)

		Fiscal year 2023			Fiscal year 2024			Fiscal year 2025		
All (Business loans, unlisted/listed shares, and corporate bonds)		Emissions (tCO ₂ eq)	Carbon intensity (tCO ₂ eq/million yen)	Weighted average DQ (value-weighted)	Emissions (tCO ₂ eq)	Carbon intensity (tCO ₂ eq/million yen)	Weighted average DQ (value-weighted)	Emissions (tCO ₂ eq)	Carbon intensity (tCO ₂ eq/million yen)	Weighted average DQ (value-weighted)
Industry	Energy	2,064,070	13.8	2.3	1,888,730	12.1	2.1	2,248,917	13.1	2.0
	Transportation	3,377,692	12.0	2.1	5,803,617	21.3	2.1	6,707,623	24.4	2.1
	Materials and Buildings	6,580,705	6.2	3.0	6,231,217	6.0	3.0	3,828,279	4.0	3.1
	Agriculture, Food, and Forest Products	1,428,257	12.6	2.9	1,330,951	12.7	2.8	445,308	4.1	2.5
	Other	3,005,576	2.2	3.5	2,467,414	1.8	3.4	2,307,087	1.6	3.3
	Total	16,456,300	5.5	3.1	17,721,930	6.0	3.0	15,537,214	5.3	2.8
		Emissions (tCO ₂ eq)	Carbon intensity (tCO ₂ eq/million yen)	Weighted average DQ (value-weighted)	Emissions (tCO ₂ eq)	Carbon intensity (tCO ₂ eq/million yen)	Weighted average DQ (value-weighted)	Emissions (tCO ₂ eq)	Carbon intensity (tCO ₂ eq/million yen)	Weighted average DQ (value-weighted)
Industry	Breakdown of business loans									
	Energy	1,785,366	13.3	2.3	1,666,143	11.9	2.1	2,037,092	13.5	2.1
	Coal	1,678	3.3	4.0	1,611	2.1	4.0	39,611	55.7	4.0
	Oil and Gas	645,842	16.5	2.7	571,420	14.6	2.7	522,137	11.1	2.6
	Electric Utilities	1,137,847	12.0	2.2	1,093,113	10.9	1.9	1,475,344	14.3	1.9
	Transportation	1,205,165	6.2	2.6	2,641,857	13.0	2.4	3,934,778	18.2	2.4
	Trucking service	128,287	1.9	3.9	145,198	2.0	3.6	215,513	3.0	3.5
	Marine transportation	194,104	6.4	1.6	139,786	5.4	1.8	225,049	6.0	2.1
	Air freight forwarding	17,238	13.5	4.0	10,159	8.7	4.0	7,321	2.5	2.4
	Air passenger transportation	11,005	3.4	1.0	12,776	4.5	1.0	10,065	3.9	5.0
	Automotive and Parts	804,507	17.7	1.9	2,282,266	39.3	1.6	3,434,493	49.5	1.5
	Rail transportation	50,022	1.0	2.0	51,671	1.2	2.0	42,337	1.4	1.9
	Materials and Building	5,231,008	5.9	3.2	4,946,101	5.6	3.2	3,002,052	3.7	3.4
	Chemicals	676,588	5.6	2.8	594,312	5.0	2.6	554,158	5.3	2.6
	Metals and Mining	287,759	8.5	2.8	284,861	7.0	2.8	247,859	5.0	3.1
	Construction materials	852,752	34.7	3.4	832,164	26.8	3.1	229,106	7.3	3.4
	Capital goods (buildings, etc.)	3,322,464	10.6	2.7	3,124,676	11.0	2.7	1,923,245	8.3	3.0
	Real estate management and development	91,445	0.2	3.8	110,089	0.3	3.7	47,684	0.1	3.8
	Agriculture, Food, and Forest Products	1,382,668	14.4	3.1	1,298,160	14.7	3.1	425,730	4.8	2.8
	Beverages	52,333	1.5	2.4	37,699	1.2	2.7	53,894	1.7	1.9
	Paper and Forest products	171,600	8.0	2.6	162,046	7.2	2.2	155,903	6.0	2.3
	Agriculture	16,083	1.7	4.0	14,500	1.8	4.0	9,293	1.6	4.0
	Packaged foods and Meat	1,142,652	39.3	3.9	1,083,915	39.3	3.9	206,641	7.9	3.9
	Other	2,522,972	2.4	3.7	2,011,909	1.9	3.6	1,683,241	1.6	3.5
	Other	2,522,972	2.4	3.7	2,011,909	1.9	3.6	1,683,241	1.6	3.5
	Total	12,127,178	5.1	3.3	12,564,171	5.3	3.2	11,082,894	4.8	3.2

*The numbers in the total column for carbon intensity and weighted average DQ are the carbon intensity and the weighted average DQ for the total emissions of the relevant portfolio.
*The weighted average DQ is the weighted average of the DQs for the individual investments.
*Totals are the aggregate results for each industry, including decimals, and do not necessarily correspond to the apparently rounded aggregate results for each industry.

S (Social)

		Fiscal year 2023	Fiscal year 2024	Fiscal year 2025
Employees (consolidated)				
Number of employees (persons)		2,154	2,171	2,243
Employees (non-consolidated)				
Number of employees (persons)		1,875	1,873	1,936
Average age		38.16	37.91	37.66
Average years of service (years)		15.25	15.00	14.66
Average annual salary (Thousands of yen)		6,793	6,916	7,320
Percentage of female managers (%)		17.6	18.6	19.0
Percentage of male employees taking childcare leave (%)*		95.4	94.0	100.0
Gender Pay Gap (%)	All workers	48.5	49.7	50.4
	Regular workers	68.2	70.2	69.9
	Non-regular workers	43.2	41.2	42.0
Employment rate of people with disabilities (%)		2.348	2.347	2.152
Average number of days of paid leave taken (days)		17	17	17
Employee engagement (%)		84.1	86.9	87.3

Human resource development				
Human Capital Investment Per Employee (Thousands of yen)		165	176	209
Number of employees seconded to outside companies (persons)		20 in a single fiscal year	9 in a single fiscal year	18 in a single fiscal year
Number of employees with Financial Planning Grade 1 certification (persons)		231	231	234
Dispatch to external training (persons)		23	39	55
Management score of managers (graded by others on a 5-point scale)		3.76	3.78	4.00
Enabling diverse human resources to thrive				
Retention rate within 3 years of recruiting new graduates (%)		85.7	87.3	87.9
Number of mid-career hires (persons)		11	19	13
Percentage of management candidates with both head-quarters and branch experience (%)		52.4	52.4	51.6
Number of persons utilizing human resources recruitment system (persons)		50	80	83
Job satisfaction and ease of working				
Percentage of retests received for regular health checkups (including comprehensive medical checkups) (%)		90.2	94.7	92.3
Engagement score		69	70	71
Percentage of participants in trainings on compliance, human rights, etc. (%)		(First half) 92.4 (Second half) 92.6	(First half) 94.3 (Second half) 94.3	(First half) 93.4 (Second half) 94.8
Number of people who autonomously challenged their careers (persons)		—	657	589

*This is the percentage of employees who took childcare leave, etc., as defined in Article 71-6, Item 1 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members.

G (Governance)

		Fiscal year 2023	Fiscal year 2024	Fiscal year 2025
Compliance				
Comprehension of compliance training (%)		(First half) 97.4	(First half) 99.3	(First half) 93.6
*Total of "Understood well" and "Understood" responses.		(Second half) 98.6	(Second half) 96.8	(Second half) 98.3
Corporate Governance				
Percentage of compliance with the Corporate Governance Code (%)		100.0	100.0	100.0
Attendance ratio at meetings of the Board of Directors (Outside Directors) (%)		100.0	97.4	100.0
Number of Directors (persons)		9	9	9
Number of Outside Directors (persons)		3	3	3
Percentage of Outside Directors (%)		33.3	33.3	33.3
Number of female Directors (persons)		1	1	1
Percentage of female Directors (%)		11.1	11.1	11.1

External Evaluation



Certified as an Eco-First Enterprise by the Ministry of the Environment



Three-star rating in Shiga Biodiversity Initiatives Certificate



Selected as a component stock of the FTSE Blossom Japan Sector Relative Index



Received Nature Positive Award of the 7th ESG Finance Awards Japan



CDP Climate Change Questionnaire Rank B



Obtained the Platinum Kurumin Plus certification by the Ministry of Health, Labour and Welfare



Obtained 2 stars for the Eruboshi certification by the Ministry of Health, Labour and Welfare

Endorsement and membership in initiatives, etc.



Signed the United Nations Environment Programme Finance Initiative (UNEP FI)



Signed the United Nations Principles for Responsible Banking (PRB)



Supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)



Joined the Taskforce on Nature-related Financial Disclosures (TNFD) Forum



Supports the Mother Lake Goals (MLGs)



Signed the Principles for Financial Action for the 21st Century



Supports the Initiative based on the Declaration of Biodiversity by Keidanren



Joined the Japan Climate Initiative (JCI)



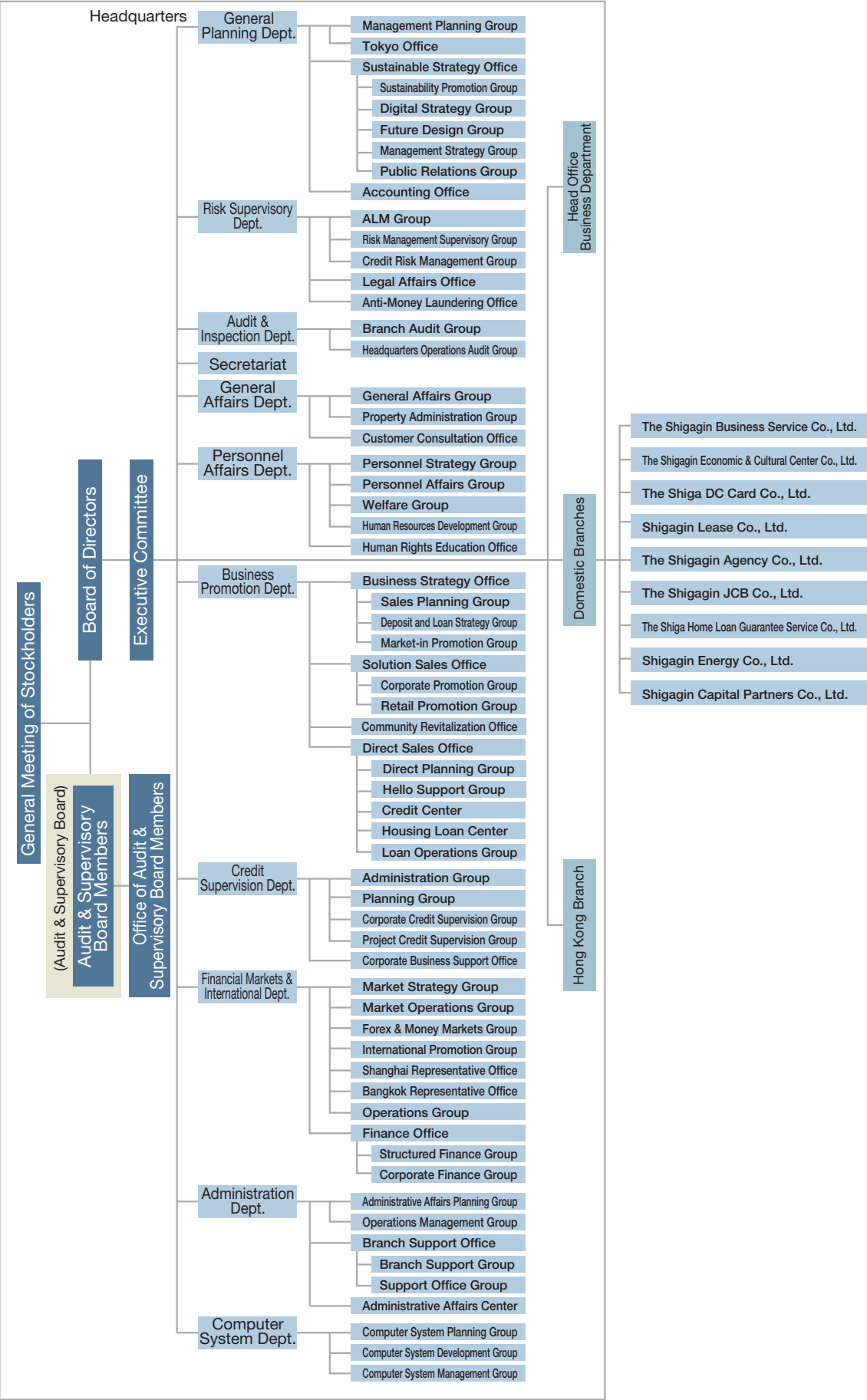
Participated in the GX Future Consortium



Supports the Shiga CO₂ Net Zero Movement

Corporate Data

Group Organization Chart (As of June 24, 2026)



Financial Section

The Shiga Bank, Ltd. and Consolidated Subsidiaries

Consolidated Five-year Summary

	Millions of yen				
	2026	2025	2024	2023	2022
As of March 31					
Total assets	¥7,669,084	¥7,528,217	¥7,970,551	¥7,305,698	¥7,537,956
Investment securities	1,722,410	1,802,020	1,857,431	1,515,578	1,511,864
Loans and bills discounted	4,588,660	4,529,399	4,475,442	4,343,641	4,064,683
Deposits	5,950,294	5,806,185	5,803,032	5,714,368	5,611,084
Total equity	509,025	444,811	490,887	441,222	464,214
Years ended March 31					
Total income	159,124	141,111	122,632	115,498	98,307
Total expenses	130,153	115,476	98,896	95,330	74,899
Income before income taxes	28,971	25,635	23,735	20,168	23,408
Net income attributable to owners of the parent	21,293	18,720	15,940	14,858	17,715
Per share data (in yen)					
Cash dividends	¥ 140.00	¥ 90.00	¥ 90.00	¥ 80.00	¥ 80.00
Net income	92.27	399.72	336.31	310.57	359.50
Net equity	2,214.31	9,652.60	10,459.88	9,293.39	9,552.14
Ratio					
Capital ratio	13.25%	13.62%	15.70%	15.80%	15.14%
ROE	4.46%	4.00%	3.42%	3.28%	3.69%

Financial review (Consolidated basis)

While the Japanese economy has continued to grow at a moderate pace, supported by sustained wage increases and active capital investment in productivity-enhancing technologies such as AI and DX, the international environment remains unsettled, with ongoing tensions in the Middle East. This backdrop gives rise to considerable uncertainty regarding the economic outlook, including potential effects on financial markets through movements in exchange rates and long-term interest rates, as well as higher crude oil prices and their impact on the procurement of raw materials and supplies.

In Shiga Prefecture, the Group's mother market, both employment and investment are trending upward, primarily in the semiconductor and automotive-related industries. Nevertheless, concerns persist regarding the effects of rising energy costs and labor shortages on business operations and profitability, and the regional economic environment continues to warrant close monitoring.

Balance sheets

With regard to the main account balance of assets, investment securities stood at ¥1,722,410 million (a decrease of ¥79,610 million from the end of the previous fiscal year), and loans and bills discounted totaled ¥4,588,660 million (an increase of ¥59,261 million from the end of the previous fiscal year).

Meanwhile, total liabilities were ¥7,160,058 million, an increase of ¥76,651 million from the end of the previous fiscal year.

With regard to the main account balance of liabilities, deposits totaled ¥5,950,294 million (an increase of ¥144,108 million from the end of the previous fiscal year), negotiable certificates of deposit were ¥19,150 million (a decrease of ¥3,450 million from the end of the previous fiscal year), call money and bills sold were ¥79,300 million (a decrease of ¥29,849 million from the end of the previous fiscal year), payables under securities lending transactions were ¥142,490 million (a decrease of ¥14,459 million from the end of the previous fiscal year), and borrowed money was ¥784,282 million (a decrease of ¥46,069 million from the end of the previous fiscal year).

Total equity amounted to ¥509,025 million, an increase of ¥64,214 million from the end of the previous fiscal year. This was mainly due to an increase of ¥49,333 million in total accumulated other comprehensive income, primarily an increase in net unrealized gains on available-for-sale securities, as well as a decrease of ¥13,817 million in treasury stock.

Statements of operations

Regarding operating results, ordinary income was ¥159,056 million, an increase of ¥25,946 million year on year. This was mainly due to an increase in interest income (an increase of ¥15,720 million year on year) due in part to increases in interest on loans and discounts and interest and dividends on securities.

On the other hand, ordinary expenses were ¥130,025 million, an increase of ¥15,864 million year on year. This was mainly due to an increase in other operating expenses (an increase of ¥11,292 million year on year) due in part to an increase in losses on sales of bonds.

As a result, ordinary profit for the fiscal year under review increased by ¥10,081 million year on year to ¥29,031 million, and net income attributable to owners of the parent increased by ¥2,573 million year on year to ¥21,293 million.

Furthermore, comprehensive income (loss) increased by ¥108,725 million year on year to ¥70,627 million, primarily resulting from an increase in net unrealized gains on available-for-sale securities.

Additionally, as the Group consists of a single segment in the banking business, business results by segment are not provided.

Cash flows

The Group’s status of cash flows for the fiscal year under review is as follows.

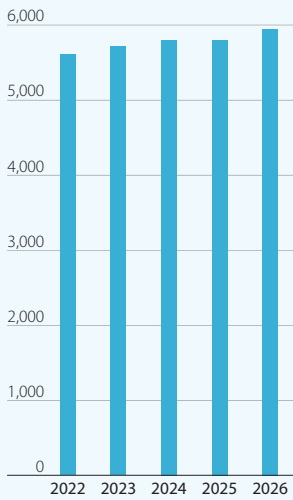
Net cash provided by operating activities was an inflow (hereinafter, “cash inflow”) of ¥2,357 million, mainly due to the refund of income taxes. Cash inflow increased by ¥408,033 million year on year mainly because of an increase in deposits and a less substantial decrease in call money.

Net cash provided by investing activities was a cash inflow of ¥117,463 million, as proceeds from sales and redemptions of securities exceeded purchases of securities. Cash inflow increased by ¥165,091 million year on year, mainly due to an increase in proceeds from sales and redemptions of securities.

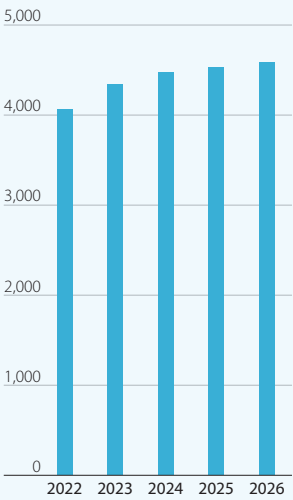
Furthermore, net cash used in financing activities was an outflow (hereinafter, “cash outflow”) of ¥7,593 million, due to purchases of treasury stock and dividends paid. Cash outflow decreased by ¥405 million year on year, mainly due to a decrease in purchases of treasury stock.

As a result, cash and cash equivalents as of the end of the fiscal year under review amounted to ¥1,010,649 million, an increase of ¥112,227 million year on year.

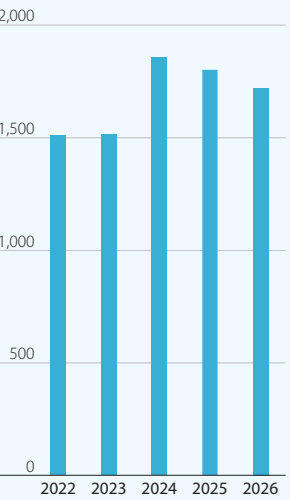
Deposits
(Billions of yen)



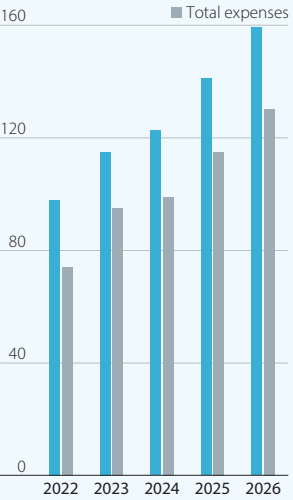
Loans and bills discounted
(Billions of yen)



Investment securities
(Billions of yen)



Total income and expenses
(Billions of yen)



Consolidated Balance Sheet

As of March 31, 2026 and 2025

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2026	2025	2026
Assets			
Cash and due from banks (Notes 3 and 33)	¥1,011,233	¥ 898,939	\$ 6,324,949
Call loans and bills bought.....	15,036	6,429	94,045
Debt purchased.....	250	770	1,563
Trading securities (Note 4).....	42	19	262
Money held in trust (Note 5).....	33,332	32,356	208,481
Investment securities (Notes 4, 7, 12, 19 and 33)	1,722,410	1,802,020	10,773,142
Loans and bills discounted (Notes 7, 12, 13 and 33).....	4,588,660	4,529,399	28,700,650
Foreign exchange assets (Notes 7 and 8).....	6,608	7,029	41,330
Other assets (Notes 7, 9 and 12)	198,908	177,407	1,244,108
Tangible fixed assets (Notes 10, 11 and 14)	54,100	53,949	338,378
Intangible fixed assets (Note 11).....	5,346	1,991	33,437
Asset for retirement benefits (Note 31)	38,931	26,579	243,501
Deferred tax assets (Note 32).....	603	611	3,771
Customers’ liabilities for acceptances and guarantees (Notes 7 and 19).....	24,748	26,120	154,791
Allowance for loan losses.....	(31,128)	(35,406)	(194,696)
Total assets	7,669,084	7,528,217	47,967,750
Liabilities			
Deposits (Notes 12, 15 and 33).....	5,950,294	5,806,185	37,217,250
Negotiable certificates of deposit (Note 33)	19,150	22,600	119,777
Call money and bills sold (Note 33).....	79,300	109,149	495,996
Payables under securities lending transactions (Notes 12 and 33).....	142,490	156,949	891,230
Borrowed money (Notes 12, 16 and 33)	784,282	830,352	4,905,441
Foreign exchange liabilities (Note 8).....	500	317	3,127
Borrowed money from trust account (Note 17)	157	174	981
Other liabilities (Note 18).....	87,657	84,792	548,267
Liability for retirement benefits (Note 31).....	194	183	1,213
Liability for retirement benefits of directors and Audit & Supervisory Board Members	6	4	37
Allowance for repayment of excess interest	4	6	25
Reserve for other contingent losses.....	301	266	1,882
Deferred tax liabilities (Note 32).....	65,357	40,690	408,787
Deferred tax liabilities for land revaluation (Note 14)	5,613	5,613	35,107
Acceptances and guarantees (Note 19).....	24,748	26,120	154,791
Total liabilities	7,160,058	7,083,406	44,783,950
Equity (Notes 20, 21 and 37)			
Common stock, authorized, 100,000,000 shares; issued, 48,090,081 shares and 53,090,081 shares as of March 31, 2026 and 2025, respectively	33,076	33,076	206,880
Capital surplus.....	24,536	24,548	153,465
Retained earnings	285,621	284,546	1,786,471
Treasury stock – at cost 2,114,207 shares and 7,008,097 shares as of March 31, 2026 and 2025, respectively (*1)	(6,655)	(20,473)	(41,624)
Accumulated other comprehensive income:			
Net unrealized gains on available-for-sale securities (Notes 4 and 6)	104,003	71,925	650,506
Deferred gains on derivatives under hedge accounting	46,300	35,569	289,592
Land revaluation surplus (Note 14).....	8,057	8,057	50,394
Defined retirement benefit plans.....	14,085	7,560	88,097
Total equity	509,025	444,811	3,183,794
Total liabilities and equity	¥7,669,084	¥7,528,217	\$47,967,750

See Notes to Consolidated Financial Statements.

(*1) THE SHIGA BANK, LTD. conducted a 5-for-1 stock split of its common stock, effective April 1, 2026. The numbers of shares of treasury stock presented above have not been adjusted to reflect the effect of the stock split.

Consolidated Statement of Income

Years ended March 31, 2026 and 2025

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2026	2025	2026
Income (Notes 22 and 38)			
Interest income:			
Interest on loans and discounts.....	¥ 60,002	¥ 49,422	\$ 375,293
Interest and dividends on securities	35,436	31,516	221,641
Other interest income	6,914	5,694	43,244
Trust fees	0	0	0
Fees and commissions.....	19,976	19,634	124,943
Other operating income (Note 23)	22,910	16,030	143,294
Settlement income	—	8,000	—
Other income (Note 24)	13,884	10,813	86,840
Total income	159,124	141,111	995,271
Expenses			
Interest expenses:			
Interest on deposits	14,229	5,698	88,997
Interest on borrowing and rediscounts	7,870	11,179	49,224
Other interest expenses	6,171	6,515	38,597
Fees and commissions.....	7,472	6,404	46,735
Other operating expenses (Note 25)	42,968	31,676	268,751
General and administrative expenses (Note 26)	49,392	44,690	308,931
Other expenses (Note 27)	2,048	9,311	12,809
Total expenses	130,153	115,476	814,066
Income before income taxes	28,971	25,635	181,204
Income taxes (Note 32)			
Current	5,697	714	35,632
Deferred	1,980	6,199	12,384
Net income	21,293	18,720	133,181
Net income attributable to owners of the parent	¥ 21,293	¥ 18,720	\$ 133,181

	Yen		U.S. dollars
	2026	2025	2026
Per share information (Note 36)			
Basic net income (*1)	¥ 92.27	¥ 79.94	\$ 0.577
Cash dividends applicable to the year (*2)	140.00	90.00	0.875

See Notes to Consolidated Financial Statements.

(*1) THE SHIGA BANK, LTD. conducted a 5-for-1 stock split of its common stock, effective April 1, 2026. Per share information for the years ended March 31, 2026 and 2025 has been calculated assuming that the stock split had occurred at the beginning of the previous fiscal year.

(*2) Cash dividends applicable to the year represent the actual dividend amounts before the stock split described in (*1) above.

Consolidated Statement of Comprehensive Income

Years ended March 31, 2026 and 2025

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2026	2025	2026
Net income			
Other comprehensive income (loss) (Note 35):			
Net unrealized gains (losses) on available-for-sale securities	32,078	(59,941)	200,637
Deferred gains on derivatives under hedge accounting	10,730	5,423	67,112
Land revaluation surplus	—	(161)	—
Defined retirement benefit plans.....	6,524	(2,139)	40,805
Total other comprehensive income (loss)	49,333	(56,818)	308,562
Comprehensive income (loss)	¥70,627	¥ (38,097)	\$ 441,750
Attributable to			
Owners of the parent.....	¥70,627	¥ (38,097)	\$ 441,750

See Notes to Consolidated Financial Statements.

Consolidated Statement of Changes in Equity

Years ended March 31, 2026 and 2025

	Thousands	Millions of yen								
		Accumulated Other Comprehensive Income								
	Outstanding number of shares of common stock (*1)	Common stock	Capital surplus	Retained earnings	Treasury stock	Net unrealized gains on available- for-sale securities	Deferred gains on derivatives under hedge accounting	Land revaluation surplus	Defined retirement benefit plans	Total equity
Balance as of April 1, 2024	46,930	¥ 33,076	¥ 24,541	¥ 269,792	¥(16,476)	¥ 131,867	¥ 30,145	¥ 8,240	¥ 9,700	¥ 490,887
Changes during the year:										
Net income attributable to owners of the parent				18,720						18,720
Cash dividends, ¥85.00 per share.....				(3,989)						(3,989)
Purchase of treasury stock	(853)				(4,010)					(4,010)
Sales of treasury stock	4		7		13					20
Reversal of land revaluation surplus				22						22
Other changes.....						(59,941)	5,423	(183)	(2,139)	(56,840)
Net change in the year.....		—	7	14,753	(3,997)	(59,941)	5,423	(183)	(2,139)	(46,076)
Balance as of March 31, 2025	46,081	33,076	24,548	284,546	(20,473)	71,925	35,569	8,057	7,560	444,811
Changes during the year:										
Net income attributable to owners of the parent				21,293						21,293
Cash dividends, ¥110.00 per share.....				(5,081)						(5,081)
Purchase of treasury stock	(305)				(2,511)					(2,511)
Sales of treasury stock	199		599		581					1,180
Cancellation of treasury stock			(610)	(15,137)	15,747					—
Other changes.....						32,078	10,730	—	6,524	49,333
Net change in the year.....		—	(11)	1,074	13,817	32,078	10,730	—	6,524	64,214
Balance as of March 31, 2026	45,975	¥33,076	¥24,536	¥285,621	¥ (6,655)	¥104,003	¥46,300	¥8,057	¥14,085	¥509,025

	Thousands of U.S. dollars (Note 1)								
	Accumulated Other Comprehensive Income								
	Common stock	Capital surplus	Retained earnings	Treasury stock	Net unrealized gains on available-for-sale securities	Deferred gains on derivatives under hedge accounting	Land revaluation surplus	Defined retirement benefit plans	Total equity
Balance as of April 1, 2025	\$206,880	\$153,540	\$1,779,747	\$ (128,052)	\$ 449,868	\$222,473	\$50,394	\$47,285	\$2,782,155
Changes during the year:									
Net income attributable to owners of the parent			133,181						133,181
Cash dividends, \$0.68 per share			(31,780)						(31,780)
Purchase of treasury stock				(15,705)					(15,705)
Sales of treasury stock		3,746		3,633					7,380
Cancellation of treasury stock		(3,815)	(94,677)	98,492					—
Other changes					200,637	67,112	—	40,805	308,562
Net change in the year	—	(68)	6,717	86,421	200,637	67,112	—	40,805	401,638
Balance as of March 31, 2026	\$206,880	\$153,465	\$1,786,471	\$ (41,624)	\$ 650,506	\$289,592	\$50,394	\$88,097	\$3,183,794

See Notes to Consolidated Financial Statements.

(*1) THE SHIGA BANK, LTD. conducted a 5-for-1 stock split of its common stock, effective April 1, 2026. The outstanding number of shares of common stock and the amount of cash dividends per share presented above have not been adjusted to reflect the effect of the stock split

Consolidated Statement of Cash Flows

Years ended March 31, 2026 and 2025

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2026	2025	2026
Operating activities:			
Income before income taxes.....	¥ 28,971	¥ 25,635	\$ 181,204
Depreciation.....	2,663	2,110	16,656
Losses on impairment of long-lived assets.....	14	1,167	87
Increase (decrease) in allowance for loan losses.....	(4,278)	2,723	(26,757)
Increase in reserve for other contingent losses.....	34	69	212
Increase in asset for retirement benefits.....	(12,351)	(1,350)	(77,251)
Increase in liability for retirement benefits.....	10	15	62
Increase (decrease) in liability for retirement benefits of directors and Audit & Supervisory Board Members.....	1	(0)	6
Increase (decrease) in allowance for repayment of excess interest.....	(1)	0	(6)
Interest income.....	(102,353)	(86,633)	(640,186)
Interest expense.....	28,271	23,393	176,826
Losses on sales and write-down of investment securities.....	19,622	12,919	122,729
Losses (gains) on money held in trust.....	(727)	46	(4,547)
Foreign exchange losses (gains).....	(1)	0	(6)
Losses on disposals of fixed assets – net.....	44	146	275
Settlement income.....	—	(8,000)	—
Net increase in loans and bills discounted.....	(59,261)	(53,956)	(370,659)
Net increase in deposits.....	144,108	3,153	901,351
Net decrease in negotiable certificate of deposits.....	(3,450)	(2,760)	(21,578)
Net decrease in borrowed money (excluding subordinated loans).....	(46,069)	(52,276)	(288,147)
Net increase in due from banks (excluding deposits in Bank of Japan).....	(67)	(175)	(419)
Net decrease (increase) in call loans and others.....	(8,086)	522	(50,575)
Net decrease in call money and bills sold.....	(29,849)	(236,942)	(186,696)
Net decrease in payables under securities lending transactions.....	(14,459)	(84,380)	(90,436)
Net decrease (increase) in foreign exchange assets.....	421	(836)	2,633
Net increase in foreign exchange liabilities.....	182	225	1,138
Net decrease in borrowed money from trust account.....	(17)	(9)	(106)
Interest received (cash basis).....	106,874	89,021	668,463
Interest paid (cash basis).....	(26,819)	(23,650)	(167,744)
Other.....	(27,517)	(7,029)	(172,110)
Subtotal.....	(4,089)	(396,852)	(25,575)
Settlement received.....	4,000	4,000	25,018
Income taxes – paid.....	(3,378)	(12,823)	(21,128)
Income taxes – refund.....	5,825	—	36,433
Net cash provided by (used in) operating activities.....	2,357	(405,676)	14,742
Investing activities:			
Purchases of securities.....	(467,368)	(400,331)	(2,923,242)
Proceeds from sales of securities.....	364,810	293,607	2,281,773
Proceeds from redemptions of securities.....	227,420	71,642	1,422,441
Increase in money held in trust.....	(5,904)	(2,127)	(36,927)
Decrease in money held in trust.....	4,907	—	30,691
Purchases of tangible fixed assets.....	(2,713)	(9,236)	(16,968)
Proceeds from sales of tangible fixed assets.....	281	187	1,757
Purchases of intangible fixed assets.....	(3,970)	(1,369)	(24,831)
Net cash provided by (used in) investing activities.....	117,463	(47,627)	734,694
Financing activities:			
Purchases of treasury stock.....	(2,511)	(4,010)	(15,705)
Proceeds from sales of treasury stock.....	—	0	—
Dividends paid.....	(5,081)	(3,989)	(31,780)
Net cash used in financing activities.....	(7,593)	(7,999)	(47,491)
Net increase (decrease) in cash and cash equivalents.....	112,227	(461,302)	701,945
Cash and cash equivalents, beginning of year.....	898,421	1,359,724	5,619,345
Cash and cash equivalents, end of year (Note 3).....	¥ 1,010,649	¥ 898,421	\$ 6,321,297

See Notes to Consolidated Financial Statements.

Notes to Consolidated Financial Statements

Years ended March 31, 2026 and 2025

1. Basis of presenting consolidated financial statements

The accompanying consolidated financial statements have been prepared based on the accounts maintained by THE SHIGA BANK, LTD. (the “Bank”) and its significant subsidiaries (together the “Group”) in accordance with the provisions set forth in the Companies Act of Japan, the Japanese Financial Instruments and Exchange Act, and the Japanese Banking Act and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

Certain items presented in the consolidated financial statements submitted to the Director of the Kanto Finance Bureau in Japan have been reclassified in these accounts for the convenience of readers outside Japan.

Amounts in yen of respective accounts included in the accompanying consolidated financial statements and notes thereto are stated in millions of yen by discarding fractional amounts less than ¥1 million. Therefore, total or subtotal amounts do not necessarily tie in with the aggregation of such account balances.

Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥159.88 to U.S.\$1, the rate of exchange at March 31, 2026, has been used in translation. The inclusion of such amounts is not intended to imply that Japanese yen amounts have been or could be readily converted, realized or settled in U.S. dollar amounts at this rate or any other rates.

2. Summary of significant accounting policies

(a) Principles of consolidation

The accompanying consolidated financial statements include the accounts of the Bank and nine consolidated subsidiaries for the years ended March 31, 2026 and 2025.

The consolidated subsidiaries’ respective fiscal periods end March 31 for the years ended March 31, 2026 and 2025.

The Bank has four and two other nonconsolidated subsidiaries in 2026 and 2025, respectively, in which investments are not accounted for by the equity method because their net income (the portion corresponding to the Bank’s equity), retained earnings (as above) and accumulated other comprehensive income (as above) have no material impact on the Group’s financial position or business performance.

All significant intercompany transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is eliminated.

Names of other companies, etc. for which the Bank holds a majority of the voting rights for its own account, but which are not treated as subsidiaries:

Minobe Construction Co., Ltd.
Suhama Holdings Co., Ltd.
Kouga Ballast Co., Ltd.

These companies are investees of nonconsolidated subsidiaries engaged in investment-related businesses, primarily for purposes including business succession and not for the purpose of bringing such companies under control; accordingly, these investees are not treated as subsidiaries.

All significant intercompany transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is eliminated.

(b) Cash equivalents

For the purpose of reporting cash flows, cash and cash equivalents are defined as cash and due from the Bank of Japan.

(c) Trading securities

Trading securities held by the Bank are stated at fair value at the fiscal year end (cost of sales, in principle, is computed by the moving-average method).

(d) Investment securities

i. Marketable securities held for trading purposes are stated at fair value (cost of sales, in principle, is computed by the moving-average method).

Securities available-for-sale are stated at fair value (cost of sales, in principle, is computed by the moving-average method). Shares, etc. that do not have market price are stated at cost using the moving-average method. Investment in capital of investment partnership and others are recorded at the net amount of the Bank’s share of their assets based on the most recent financial statements of the partnership and others. Valuation gains/losses on securities available for sale are included in net assets, net of income taxes (cost of sales, in principle, is computed by the moving-average method).

ii. Marketable securities included in money held in trust by the Bank are treated as trust assets and are stated at fair value at the fiscal year-end. Securities that constitute trust assets in money held in trust are stated using the same methods described in (i) above.

iii. Beneficiary rights included in “debt purchased” are stated using the same methods described in (i) above.

(e) Derivatives and hedging activities

Under the Accounting Standards for Financial Instruments, derivatives are stated at fair value unless they are used for hedging purposes.

i. Interest rate risk hedges

The Bank applies deferred hedge accounting to hedge transactions against interest rate risk arising from financial assets and liabilities which includes the method of designating hedging instruments to hedged items as well as the method stipulated in “Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry” (JICPA Industry Committee Practical Guidelines No. 24, March 17, 2022).

With regard to the assessment of hedge effectiveness, for the hedges that offset the fluctuations in the fair value of fixed interest rates classified as available-for-sale securities, interest rate swaps are assigned to hedged items collectively by bond type as the hedging instrument. The Bank designates the hedges so as to ensure that the critical conditions related to the hedged items and hedging instruments are largely identical; therefore, the hedges are considered to be highly effective, and the assessment of the effectiveness is based on the similarity of the conditions.

With regard to the effectiveness of cash flow hedges, hedge effectiveness is assessed by verifying the relationship of the interest rate fluctuation factors of the hedged items and the hedging instruments.

With regard to some assets, special treatment of interest rate swaps has been carried out, and the evaluation of the effectiveness of hedging has been replaced by the determination of the requirements for special treatment.

ii. Currency exchange risk hedges

Regarding the hedge accounting method applied to hedging transactions against currency exchange risk arising from assets and liabilities in foreign currencies, the Bank applies deferred hedge accounting stipulated in “Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry” (JICPA Industry Committee Practical Guidelines No. 25, October 8, 2020).

The Bank assesses the effectiveness of exchange swaps executed to reduce the risk of changes in currency exchange rates with fund swap transactions by verifying that there exist foreign currency positions of the hedging instruments corresponding to the foreign currency monetary claims and debts to be hedged.

Fund swap transactions are foreign exchange transactions that are contracted for the purpose of lending or borrowing funds in different currencies. These transactions consist of spot foreign exchange either bought or sold and forward foreign exchange either bought or sold.

To hedge foreign exchange fluctuation risks of foreign currency-denominated securities (other than bonds), the Bank identifies in advance the specific foreign currency-denominated securities to be hedged and applies fair value hedging as a comprehensive hedge on the conditions, including but not limited to the Bank having direct liabilities for such foreign currency-denominated securities in excess of the acquisition cost on a foreign currency basis.

(f) Bills discounted

Bills discounted are accounted for as financial transactions in accordance with JICPA Industry Committee Practical Guidelines No. 24. The Bank has rights to sell or pledge bank acceptances bought, commercial bills discounted, documentary bills and foreign exchanges bought without restrictions.

(g) Tangible fixed assets (except for lease assets)

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation for buildings and equipment of the Bank is computed using the declining-balance method at a rate principally based on the estimated useful lives of the assets. However, buildings purchased on or after April 1, 1998 (excluding fittings and equipment), and fittings and equipment and structures purchased on or after April 1, 2016, are depreciated using the straight-line method.

The range of useful lives is principally from 3 to 50 years for buildings and from 3 to 20 years for equipment.

Depreciation of tangible fixed assets owned by subsidiaries is computed principally using the declining-balance method over the estimated useful lives of the assets.

Under certain conditions such as exchanges of fixed assets of similar kinds and sales and purchases resulting from expropriation, Japanese tax laws permit companies to defer the profit arising from such transactions by reducing the cost of the assets acquired or by providing a special reserve in the equity section. The Bank adopted the former treatment and reduced the cost of the assets acquired by ¥3,475 million (\$21,735 thousand) and ¥3,487 million as of March 31, 2026 and 2025, respectively.

(h) Long-lived assets

The Group reviews its long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

Accumulated impairment losses are directly deducted from the respective fixed assets.

(i) Intangible fixed assets (except for lease assets)

Depreciation for intangible fixed assets is computed under the straight-line method. Development costs for internally used software are capitalized and depreciated using the straight-line method over the estimated useful lives of 5 years.

(j) Lease assets

Lease assets in “Tangible fixed assets” or “Intangible fixed assets” of the finance leases other than those that were deemed to transfer the ownership of the leased property to the lessee are computed under the straight-line method over the lease term with zero residual value unless residual value is guaranteed by the corresponding lease contracts.

(k) Allowance for loan losses

Allowance for loan losses of the Bank is provided as detailed below, pursuant to internal rules for write-offs and allowances.

For debtors who are legally bankrupt (bankrupt, under special liquidation, or subject to legal bankruptcy proceedings) or virtually bankrupt (in a similar situation), an allowance is provided based on the amount of claims, after the write-off stated below, net of amounts expected to be collected through disposal of collateral or execution of guarantees. For loans to debtors who are likely to become bankrupt (potentially bankrupt), an allowance is provided for the amount considered to be necessary based on an overall solvency assessment performed for the amount of such loans, net of amounts deemed collectible through disposal of collateral or execution of guarantees, using the following methods.

- (i) For large debtors with credit exposure above a certain amount, an allowance is provided for the non-protected amount, net of an estimate of the amount collectible through cash flow based on a comprehensive assessment of the debtor’s situation (cash flow deduction method).
- (ii) For loans to debtors other than (i), an allowance is provided for the expected losses for the subsequent three years. Expected losses are determined based on the average loan loss ratio over a certain period of time calculated using historical loan loss experience over three years with required adjustments for future forecasts and others.

For loans to other debtors, with regard to debtors who are recognized as having good business conditions and no particular problems with their financial conditions (hereinafter, “normal debtors”) and debtors who require careful management (hereinafter, “debtors on close watch”) such as debtors that have problems with loan terms, debtors with performance issues, debtors with weak or unstable business conditions, and debtors that have problems with their financial conditions, an allowance is provided for the expected losses for subsequent one year. Among the debtors on close watch, for debtors whose loans are in need of management (restructured loans and loans that are delinquent for three months or more), an allowance is provided for the expected losses for the subsequent three years. Expected losses are determined based on the average loan loss ratio over a certain period of time calculated using historical loan loss experience over one year or three years with required adjustments for future forecasts and others.

*Necessary revision and determination method of the expected loss ratio due to future forecasts, etc.

The expected loss ratio used in the calculation of the allowance is determined by comparing the average value of the most recent three calculation periods with the long-term average value that takes into account the business cycle. The average of the three most recent calculation periods is calculated after reviewing the current situation, future forecasts, and other necessary adjustments.

All loans are assessed by the branches and the operating divisions based on the Bank’s internal rules for self-assessment of assets. The risk management sector, which is independent from the branches and the operating divisions, subsequently verifies the appropriateness of self-assessment results, write-offs and allowances.

For collateralized or guaranteed claims to debtors who are legally bankrupt or virtually bankrupt, the amount deemed unrecoverable, which is the amount of claims exceeding the estimated value of collateral or guarantees, has been written off and amounted to ¥8,679 million (\$54,284 thousand) and ¥7,500 million as of March 31, 2026 and 2025, respectively.

Allowance for loan losses of the Bank’s consolidated subsidiaries is provided based on historical loan loss experience in addition to amounts deemed necessary based on estimation of the collectability of specific claims.

(l) Retirement and Pension Plans

The Bank has a contributory funded pension plan and lump-sum severance payment plan. Consolidated subsidiaries have unfunded lump-sum severance payment plans.

The projected benefit obligations are attributed to periods on a benefit formula basis. Past service costs are amortized on a straight-line basis over 10 years within the average remaining service period. Actuarial gains and losses are amortized on a straight-line basis over 10 years within the average remaining service period from the fiscal year following the respective fiscal year in which the difference is recognized.

Consolidated subsidiaries adopt a simplified method where the amount to be required for voluntary termination at the fiscal year end is recorded as projected benefit obligations in the calculation of their liability for retirement benefits and retirement benefit costs.

(m) Liability for retirement of directors and Audit & Supervisory Board Members

Consolidated subsidiaries provide Liability for retirement benefits of directors and Audit & Supervisory Board Members at the amount required if they all retired at the fiscal year-end, which is calculated based on the internal rules of the Group.

(n) Allowance for repayment of excess interest

Allowance for repayment of excess interest is provided at the estimated amount based on payment experience that the Bank’s consolidated subsidiaries may be required to refund upon customers’ claims.

(o) Reserve for other contingent losses

The Bank provides reserves for contingent liabilities not covered by other reserves in an amount deemed necessary based on estimated losses in the future.

(p) Foreign currency transactions

Receivables and payables in foreign currencies and foreign branch accounts are translated into Japanese yen principally at the rates prevailing at the balance sheet dates.

(q) Accounting for leases

In March 2007, the ASBJ issued ASBJ Statement No. 13, “Accounting Standard for Lease Transactions,” which revised the previous accounting standard for lease transactions.

i. As lessee

Finance lease transactions are capitalized by recognizing lease assets and lease obligations in the balance sheet.

ii. As lessor

Under the previous accounting standard, finance leases that were deemed to transfer ownership of the leased property to the lessee were to be treated as sales. However, other finance leases were permitted to be accounted for as operating lease transactions if certain “as if sold” information is disclosed in the notes to the lessor’s financial statements. The revised accounting standard requires that all finance leases that are deemed to transfer ownership of the leased property to the lessee should be recognized as lease receivables and all finance leases that are deemed not to transfer ownership of the leased property to the lessee should be recognized as investments in leases.

Lease revenue and lease costs are recognized over the lease period.

(r) Income taxes

The provision for income taxes is computed based on the pretax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax rates to the temporary differences.

(s) Appropriations of retained earnings

The consolidated statements of changes in equity reflect the appropriation resolved by the general shareholders’ meeting when duly resolved and paid.

(t) Per share information

Basic net income per share is computed by dividing net income attributable to common shareholders by the weighted-average number of common shares outstanding for the period, retroactively adjusted for stock splits. Diluted net income per share reflects the potential dilution that could occur if securities were exercised or converted into common stock. Diluted net income per share of common stock assumes full conversion of the outstanding convertible notes and bonds at the beginning of the year (or at the time of issuance) with an applicable adjustment for related interest expense, net of tax, and full exercise of outstanding warrants.

Cash dividends per share presented in the accompanying consolidated statements of income are dividends applicable to the respective fiscal years, including dividends to be paid after the end of the fiscal year.

(u) Significant accounting estimates

Items for which the amount was recorded in the consolidated financial statements for the current fiscal year based on accounting estimates, and which may have a significant impact on the consolidated financial statements for the following fiscal year, are as follows.

Allowance for loan losses

- (1) Amounts recorded in the consolidated financial statements
Allowance for loan losses was ¥31,128 million (\$194,696 thousand) and ¥35,406 million at March 31, 2026 and 2025, respectively.
- (2) Information that contributes to an understanding of the content of significant accounting estimates for identified items

i. Calculation method
The method of calculating the allowance for loan losses is described in “(k) Allowance for loan losses” in “2. Summary of significant accounting policies.” In addition, the Bank has recorded an allowance for loan losses by revising the debtor classifications based on the current deterioration in business performance and estimates related to impacts that are not yet reflected in financial information in order to prepare for expected losses due to such impacts based on the following assumptions.

ii. Major assumptions
The major assumption is the “future forecasts of business environments of the borrower in determining the debtor classifications.” It is set based on the individual evaluation of each debtor’s ability to earn income.

iii. Impacts on the consolidated financial statements for the following fiscal year
The Group conducts self-assessment with scrutiny and takes measures such as setting aside an allowance for loan losses as deemed necessary. However, due to the high degree of uncertainty in the above assumptions, changes in the assumptions used for the initial estimates may have a significant impact on the allowance for loan losses in the consolidated financial statements for the following fiscal year (ending March 31, 2026) and thereafter.

In addition, the uncertainty may grow even greater when the determination of the debtor classifications depends on future forecasts of business environments, such as the business improvement plan of the borrower.

(v) New accounting pronouncements

“Accounting Standard for Leases” (ASBJ Statement No. 34 issued on September 13, 2024)
“Implementation Guidance on Accounting Standard for Leases” (ASBJ Guidance No. 33 issued on September 13, 2024)
Other revision of related Accounting Standards, Implementation Guidance, Practical Solutions, and Transferred Guidance

(1) Summary
Provisions that require a lessee to recognize assets and liabilities for all leases as with internationally accepted accounting principles

(2) Effective date
The Group expects to apply the new guidance effective for fiscal years beginning on or after April 1, 2027.

(3) Effects of application of the standards and guidance
The Group is currently evaluating the impact of applying this guidance.

3. Cash and cash equivalents

The reconciliation of “Cash and cash equivalents” and “Cash and due from banks” in the consolidated balance sheets at March 31, 2026 and 2025, is as follows:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Cash and due from banks	¥1,011,233	¥898,939	\$6,324,949
Other due from banks	(584)	(517)	(3,652)
Cash and cash equivalents	¥1,010,649	¥898,421	\$6,321,297

4. Securities

Securities at March 31, 2026 and 2025 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Japanese government bonds.....	¥ 304,969	¥ 506,325	\$ 1,907,486
Japanese local government bonds	301,248	194,760	1,884,213
Japanese corporate bonds.....	230,889	295,114	1,444,139
Corporate stocks	363,068	302,395	2,270,878
Other securities.....	522,233	503,424	3,266,406
Total.....	¥1,722,410	¥1,802,020	\$10,773,142

Securities lent under unsecured loan (bond lending transactions) amounted to ¥14,169 million (\$88,622 thousand) and ¥20,806 million are included in Japanese government bonds of securities at March 31, 2026 and 2025, respectively.

Fair value and other information on securities at March 31, 2026 and 2025 were as follows. Securities include “Trading securities” and trust beneficiary right under “Debt purchased,” in addition to “Investment securities,” which are presented on the consolidated balance sheet.

Securities

(1) Trading securities

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Gains (losses) included in profit (loss) during the fiscal year			
Trading securities.....	¥0	¥2	\$0

(2) Held-to-maturity securities

There were no held-to-maturity securities as of March 31, 2026 and 2025.

(3) Available-for-sale securities

Available-for-sale securities as of March 31, 2026 and 2025 were as follows:

	Millions of yen		
	2026		
	Consolidated balance sheet amount	Cost	Unrealized gains (losses)
Consolidated balance sheet amount exceeding cost:			
Stocks.....	¥ 352,200	¥ 90,662	¥ 261,537
Bonds:.....	1,321	1,318	3
Japanese government bonds.....	—	—	—
Japanese local government bonds	—	—	—
Japanese corporate bonds.....	1,321	1,318	3
Others.....	209,434	196,190	13,243
Subtotal.....	¥ 562,956	¥ 288,171	¥ 274,784

	Millions of yen		
	2026		
	Consolidated balance sheet amount	Cost	Unrealized gains (losses)
Consolidated balance sheet amount not exceeding cost:			
Stocks.....	¥ 6,180	¥ 7,085	¥ (904)
Bonds:.....	835,786	923,319	(87,533)
Japanese government bonds.....	304,969	350,906	(45,936)
Japanese local government bonds	301,248	318,930	(17,682)
Japanese corporate bonds.....	229,567	253,482	(23,914)
Others.....	275,603	314,673	(39,069)
Subtotal.....	1,117,570	1,245,079	(127,508)
Total.....	¥1,680,526	¥1,533,250	¥ 147,276

	Millions of yen		
	2025		
	Consolidated balance sheet amount	Cost	Unrealized gains (losses)
Consolidated balance sheet amount exceeding cost:			
Stocks.....	¥ 281,484	¥ 86,421	¥ 195,063
Bonds:.....	19,853	19,809	43
Japanese government bonds.....	4,782	4,775	6
Japanese local government bonds	—	—	—
Japanese corporate bonds.....	15,071	15,034	37
Others.....	162,236	155,655	6,580
Subtotal.....	¥ 463,574	¥ 261,887	¥ 201,687

	Millions of yen		
	2025		
	Consolidated balance sheet amount	Cost	Unrealized gains (losses)
Consolidated balance sheet amount not exceeding cost:			
Stocks.....	¥ 16,193	¥ 17,442	¥ (1,249)
Bonds:.....	976,347	1,040,803	(64,455)
Japanese government bonds.....	501,543	543,192	(41,649)
Japanese local government bonds	194,760	203,233	(8,473)
Japanese corporate bonds.....	280,043	294,376	(14,333)
Others.....	310,484	346,092	(35,607)
Subtotal.....	1,303,024	1,404,337	(101,312)
Total.....	¥1,766,599	¥1,666,224	¥ 100,374

	Thousands of U.S. dollars		
	2026		
	Consolidated balance sheet amount	Cost	Unrealized gains (losses)
Consolidated balance sheet amount exceeding cost:			
Stocks.....	\$ 2,202,902	\$ 567,062	\$ 1,635,833
Bonds:.....	8,262	8,243	18
Japanese government bonds.....	—	—	—
Japanese local government bonds	—	—	—
Japanese corporate bonds.....	8,262	8,243	18
Others.....	1,309,944	1,227,107	82,830
Subtotal.....	\$ 3,521,115	\$ 1,802,420	\$ 1,718,689

	Thousands of U.S. dollars		
	2026		
	Consolidated balance sheet amount	Cost	Unrealized gains (losses)
Consolidated balance sheet amount not exceeding cost:			
Stocks.....	\$ 38,653	\$ 44,314	\$ (5,654)
Bonds:.....	5,227,583	5,775,075	(547,491)
Japanese government bonds.....	1,907,486	2,194,808	(287,315)
Japanese local government bonds	1,884,213	1,994,808	(110,595)
Japanese corporate bonds.....	1,435,870	1,585,451	(149,574)
Others.....	1,723,811	1,968,182	(244,364)
Subtotal.....	6,990,055	7,787,584	(797,523)
Total.....	\$10,511,170	\$9,590,005	\$ 921,165

(4) Bonds classified as held to maturity were not sold for the years ended March 31, 2026 and 2025.

(5) Available-for-sale securities sold

	Millions of yen		
	2026		
	Sales amount	Gains on sales	Losses on sales
Stocks.....	¥ 26,732	¥10,443	¥ 683
Bonds:.....	256,352	189	30,276
Japanese government bonds.....	146,171	189	22,768
Japanese local government bonds	59,900	—	2,554
Japanese corporate bonds.....	50,281	—	4,953
Others.....	21,906	876	135
Total.....	¥304,991	¥11,510	¥31,095

	Millions of yen		
	2025		
	Sales amount	Gains on sales	Losses on sales
Stocks.....	¥ 33,493	¥ 9,312	¥ 1,802
Bonds:.....	186,619	218	17,641
Japanese government bonds.....	100,013	217	15,531
Japanese local government bonds	57,695	—	1,086
Japanese corporate bonds.....	28,910	0	1,024
Others.....	24,530	446	3,399
Total.....	¥244,644	¥ 9,976	¥22,843

	Thousands of U.S. dollars		
	2026		
	Sales amount	Gains on sales	Losses on sales
Stocks.....	\$ 167,200	\$65,317	\$ 4,271
Bonds:.....	1,603,402	1,182	189,367
Japanese government bonds.....	914,254	1,182	142,406
Japanese local government bonds	374,655	—	15,974
Japanese corporate bonds.....	314,492	—	30,979
Others.....	137,015	5,479	844
Total.....	\$1,907,624	\$71,991	\$ 194,489

(6) Reclassification of investment securities due to change in intent of holding

There were no reclassifications of investment securities due to change in intent of holding for the year ended March 31, 2026.

The Bank has changed its investment policy during the year ended March 31, 2025 in bonds held as held-to-maturity securities of ¥66,960 million and reclassified as available-for-sale securities for the year ended March 31, 2025. As a result of this reclassification, investment securities, deferred tax liabilities and net unrealized gains on available-for-sale securities decreased by ¥11,713 million, ¥3,566 million and ¥8,146 million, respectively. The effects are as of the time of the reclassification.

(7) Impairment losses on securities

For available-for-sale securities with market quotations (other than shares, etc. that do not have market price and investment in capital of investment partnership and others), in cases where the fair value has fallen substantially from the acquisition cost and there is believed to be little likelihood of a recovery in the acquisition cost level, said securities are shown on the balance sheets at fair value and the difference between the fair value and the acquisition cost is posted as a loss (hereinafter “impairment loss”). There was no impairment loss for the year ended March 31, 2026 and 2025.

In addition, the Bank recognizes that fair value has fallen significantly based on standards that have been set out in the self-assessment standards for assets by the issuing companies of securities. The details are as follows:

The Bank recognizes that the fair value of available-for-sale securities of legally bankrupt debtors, virtually bankrupt debtors, or debtors who are likely to go bankrupt, has fallen significantly when the fair value of such instruments as of the consolidated balance sheet date has decreased from the acquisition cost. For debtors on close watch, the Bank recognizes that the fair value has fallen significantly when the fair value as of the consolidated balance sheet date has decreased 30% or more from the acquisition cost. For normal debtors, it recognizes this when the fair value as of the consolidated balance sheet date has fallen 50% or more from the acquisition cost or when the fair value as of the consolidated balance sheet date has fallen 30% or more from the acquisition cost and the market prices remain below certain levels.

Debtors on close watch are defined as those who will require close monitoring in the future and normal debtors are defined as those other than legally bankrupt debtors, virtually bankrupt debtors, debtors who are likely to go bankrupt, or debtors on close watch.

5. Money held in trust

(1) Money held in trust classified as trading

	Millions of yen			
	2026		2025	
	Consolidated balance sheet amount	Gains (losses) included in profit (loss) during the fiscal year	Consolidated balance sheet amount	Gains (losses) included in profit (loss) during the fiscal year
Money held in trust classified as trading.....	¥21,549	¥(12)	¥26,413	¥(50)

	Thousands of U.S. dollars	
	2026	
	Consolidated balance sheet amount	Gains (losses) included in profit (loss) during the fiscal year
Money held in trust classified as trading.....	\$134,782	\$(75)

(2) No money held in trust was classified as held to maturity.

(3) Other money held in trust (other than money held in trust for trading purposes and money in trust held to maturity).

	Millions of yen				
	2026				
	Consolidated balance sheet amount	Cost	Unrealized gains (losses)	Consolidated balance sheet amount exceeding cost	Consolidated balance sheet amount not exceeding cost
Other money held in trust	¥11,783	¥11,982	¥(198)	¥139	¥338

	Millions of yen				
	2025				
	Consolidated balance sheet amount	Cost	Unrealized gains (losses)	Consolidated balance sheet amount exceeding cost	Consolidated balance sheet amount not exceeding cost
Other money held in trust	¥5,943	¥6,133	¥(190)	¥15	¥205

(Note) “Consolidated balance sheet amount exceeding cost” and “consolidated balance sheet amount not exceeding cost” are components of unrealized gains (losses).

	Thousands of U.S. dollars				
	2026				
	Consolidated balance sheet amount	Cost	Unrealized gains (losses)	Consolidated balance sheet amount exceeding cost	Consolidated balance sheet amount not exceeding cost
Other money held in trust	\$73,699	\$74,943	\$(1,238)	\$869	\$2,114

(Note) “Consolidated balance sheet amount exceeding cost” and “consolidated balance sheet amount not exceeding cost” are components of unrealized gains (losses).

6. Net unrealized gains/losses on available-for-sale securities

Available-for-sale securities were valued at market and net unrealized gains/losses on valuation were as follows:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Net unrealized gains on investment securities.....	¥ 146,788	¥ 99,896	\$ 918,113
Available-for-sale securities.....	146,987	100,086	919,358
Other money held in trust.....	(198)	(190)	(1,238)
Deferred tax liabilities	(42,785)	(27,970)	(267,606)
Noncontrolling interests.....	—	—	—
Net unrealized gains on available-for-sale securities.....	¥ 104,003	¥ 71,925	\$ 650,506

7. Loans and bills discounted

Loans and bills discounted at March 31, 2026 and 2025, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Bills discounted.....	¥ 2,766	¥ 6,405	\$ 17,300
Loans on bills.....	49,124	51,800	307,255
Loans on deeds.....	4,098,492	4,028,610	25,634,801
Overdrafts.....	438,276	442,583	2,741,280
Total.....	¥4,588,660	¥4,529,399	\$28,700,650

Claims under the Banking Act and the Act on Emergency Measures for the Revitalization of the Financial Functions are as follows. The claims include corporate bonds in “investment securities” in the consolidated balance sheets (limited to those for which redemption of the principal and payment of interest is guaranteed in whole or in part, and for which the bonds were issued through private placement of securities (Article 2, Paragraph 3 of the Financial Instruments and Exchange Act)), loans and bills discounted, foreign exchange assets, accrued interest and suspense payments in “other assets,” customers’ liabilities for acceptances and guarantees and the securities in the case of a loan of securities (limited to those under a loan-for-use or lease agreement) that is indicated in the notes.

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Bankrupt and substantially bankrupt claims	¥ 3,669	¥ 2,956	\$ 22,948
Doubtful claims	46,066	51,981	288,128
Loans past due three months or more.....	69	579	431
Restructured loans	22,026	26,474	137,765
Total.....	¥ 71,831	¥81,991	\$ 449,280

Bankrupt and substantially bankrupt claims mean the claim held against debtors with failed business status due to the grounds such as commencement of bankruptcy proceedings, commencement of reorganization proceedings, or commencement of rehabilitation proceedings, and any other type of claims equivalent thereto.

Doubtful claims mean the claims whose debtor is not yet in the status of failure in business although such debtor’s financial conditions and business performance are worsening, and for which it is highly likely that the collection of principal or receipt of interest in accordance with the contract is impossible, excluding the claims subject to legal bankruptcy proceedings and reorganization proceedings and any other type of claims equivalent thereto.

Loans past due three months or more mean loans for which payment of principal or interest has been delayed for three months or more from the

date following the agreed payment date, excluding the claims subject to legal bankruptcy proceedings and reorganization proceedings and any other type of claims equivalent thereto and the claims with risks.

Restructured loans mean loans on which creditors grant concessions (e.g., reduction of the stated interest rate, deferral of interest payments, extension of maturity dates, waiver of the face amount, or other concessive measures) to the debtors to assist them in recovering from financial difficulties and eventually being able to pay creditors, excluding the claims subject to legal bankruptcy proceedings and reorganization proceedings and any other type of claims equivalent thereto, the claims with risks and the loans overdue for three months or more.

The total face value of bills discounted at March 31, 2026 and 2025 was ¥2,884 million (\$18,038 thousand) and ¥6,538 million, respectively.

8. Foreign exchanges

Foreign exchange assets and liabilities at March 31, 2026 and 2025, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Assets:			
Due from foreign correspondents.....	¥6,029	¥6,338	\$ 37,709
Foreign bills of exchange receivable.....	579	691	3,621
Total.....	¥6,608	¥7,029	\$41,330
Liabilities:			
Foreign bills of exchange sold.....	¥ 236	¥ 82	\$ 1,476
Accrued foreign bills of exchange	264	235	1,651
Total.....	¥ 500	¥ 317	\$ 3,127

9. Other assets

Other assets at March 31, 2026 and 2025, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Prepaid expenses.....	¥ 1,113	¥ 215	\$ 6,961
Accrued income.....	8,822	7,714	55,178
Derivatives	72,577	58,991	453,946
Other (Note 12)	116,394	110,486	728,008
Total.....	¥198,908	¥177,407	\$ 1,244,108

10. Tangible fixed assets

Tangible fixed assets at March 31, 2026 and 2025, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Buildings.....	¥12,190	¥12,547	\$ 76,244
Land.....	31,911	31,914	199,593
Construction in progress.....	723	519	4,522
Other	9,274	8,967	58,006
Total.....	¥54,100	¥53,949	\$338,378

Accumulated depreciation on tangible fixed assets at March 31, 2026 and 2025 amounted to ¥48,159 million (\$301,219 thousand) and ¥48,920 million, respectively.

11. Long-lived assets

The Group recognized impairment losses for the years ended March 31, 2026 and 2025, as follows:

The Bank groups assets by the methods described in the “Overview of asset groups and grouping method” below. Subsidiaries group their assets by unit, which periodically manages profit and loss. The Bank wrote down the carrying amounts to the recoverable amounts and recognized impairment losses as follows for the years ended March 31, 2026 and 2025 since the carrying amounts of the assets held by the above branches and other exceeded the sum of the undiscounted future cash flows.

Location			Impairment losses		
			Millions of yen		Thousands of U.S. dollars
			2026	2025	2026
Shiga Prefecture	Idle assets	Land	¥—	¥ 7	\$—
		Buildings	14	11	87
		Equipment	0	0	0
Total		¥14	¥ 20	\$87	

			Impairment losses		
Location	Description	Classification	Millions of yen		Thousands of U.S. dollars
			2026	2025	2026
Shiga Prefecture	Business assets (System-related assets)	Construction in progress	¥—	¥ 634	\$ —
		Software in progress.....	—	512	—
		Total	¥—	¥1,147	\$ —

The recoverable amounts of these assets were the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

The carrying amounts of the software and other system-related assets whose use and development have been canceled were written down to the recoverable amounts as well.

The discount rate used for computation of the present value of future cash flows was 5% and the net selling price was determined by quotations from real estate appraisal information, less estimated costs to dispose.

Impairment losses are included in other expenses (Note 27).

Overview of asset groups and grouping method

- (1) Outline of asset groups
- i. Idle assets
 - Stores, former company housing sites, etc.
 - ii. Operating assets
 - Assets used for business purposes
 - iii. Common assets
 - Assets related to the entire bank (headquarters, office centers, dormitories, company housing, etc.)

- (2) Methods of grouping
- i. Idle assets
 - Grouping as independent assets.
 - ii. Operating assets
 - Grouping is done by store groups or store units that constitute full-banking functions.
 - iii. Common assets
 - Grouping of the entire bank as a whole.

12. Assets pledged

Assets pledged as collateral and related liabilities at March 31, 2026 and 2025, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Investment securities.....	¥752,203	¥885,016	\$4,704,797
Loans and bills discounted.....	256,058	243,492	1,601,563

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Related liabilities			
Deposits.....	¥ 30,600	¥ 29,173	\$ 191,393
Payables under securities lending transactions	142,490	156,949	891,230
Borrowed money	783,653	825,153	4,901,507

In addition, other assets (deposits to central counterparty) of ¥58,537 million (\$366,130 thousand) and ¥48,162 million at March 31, 2026 and 2025, respectively.

Other assets include guarantee deposits of ¥377 million (\$2,358 thousand) and ¥373 million at March 31, 2026 and 2025, respectively.

13. Overdrafts and commitment lines

Overdraft agreements and commitment line agreements are agreements that oblige the Group to lend funds up to a certain limit agreed in advance. The Group makes the loans upon the request of an obligor to draw down funds under such loan agreements as long as there is no breach of the various terms and conditions stipulated in the relevant loan agreements. The unused commitment balance relating to these loan agreements at March 31, 2026 and 2025 amounted to ¥1,059,984 million (\$6,629,872 thousand) and ¥1,044,000 million, respectively, and the amounts of unused commitments whose original contract terms are within one year or unconditionally cancelable at any time were ¥923,812 million (\$5,778,158 thousand) and ¥900,968 million at March 31, 2026 and 2025, respectively. In many cases, the term of the agreement expires without the loan ever being drawn down. Therefore, the unused loan commitment will not necessarily affect future cash flows. Conditions are included in certain loan agreements that allow the Group to decline the request for a loan draw down or to reduce the agreed limit amount where there is due cause to do so, such as when there is a change in financial conditions or when it is necessary to do so in order to protect the Group's credit. The Group takes various measures to protect its credit. Such measures include having the obligor pledge collateral to the Group in the form of real estate, securities, etc. on signing the loan agreements or, in accordance with the Group's established internal procedures, confirming the obligor's financial condition, etc. at regular intervals.

14. Land revaluation

Under the "Act of Land Revaluation," promulgated on March 31, 1998 (final revision on May 30, 2003), the Bank elected a one-time revaluation of its own-use land to a value based on real estate appraisal information as of March 31, 2002. The resulting land revaluation surplus represented unrealized appreciation of land and was stated, net of income taxes, as a component of equity. There was no effect on the consolidated statement of income. Continuous readjustment is not permitted unless the land value subsequently declines significantly such that the amount of the decline in value should be removed from the land revaluation surplus account and related deferred tax liabilities. At March 31, 2026 and 2025, the carrying amount of the land after the above one-time revaluation exceeded the fair value by ¥2,259 million (\$14,129 thousand) and ¥2,257 million, respectively.

Method of revaluation

The fair values were determined by applying appropriate adjustments for land shape and analysis on the appraisal specified in Article 2-3 of the Enforcement Ordinance of the Act of Land Revaluation effective March 31, 1998.

15. Deposits

Deposits at March 31, 2026 and 2025, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Current deposits.....	¥ 230,160	¥ 242,725	\$ 1,439,579
Ordinary deposits.....	3,595,317	3,558,436	22,487,596
Deposits at notice	29,526	35,333	184,676
Time deposits.....	1,935,880	1,859,382	12,108,331
Other deposits.....	159,408	110,307	997,047
Total	¥5,950,294	¥5,806,185	\$37,217,250

16. Borrowed money

At March 31, 2026 and 2025, the weighted-average interest rates applicable to borrowed money were 0.29% and 0.43%, respectively.

Borrowed money at March 31, 2026 and 2025, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Borrowing from banks and other....	¥784,282	¥830,352	\$4,905,441
Total	¥784,282	¥830,352	\$4,905,441

Annual maturities of borrowed money at March 31, 2026 were as follows:

Year ending March 31	Millions of yen	Thousands of U.S. dollars
2027	¥407,767	\$2,550,456
2028	365,429	2,285,645
2029	10,829	67,732
2030	129	806
2031	95	594
2032 and thereafter.....	29	181
Total	¥784,282	\$4,905,441

17. Borrowed money from trust account

Principal amounts of trusts with a principal compensation agreement at March 31, 2026 and 2025 were ¥157 million (\$981 thousand) and ¥174 million, respectively.

18. Other liabilities

Other liabilities at March 31, 2026 and 2025, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Accrued income taxes.....	¥ 3,214	¥ 409	\$ 20,102
Accrued expenses.....	10,689	8,928	66,856
Unearned income	7,875	8,044	49,255
Derivatives	12,915	10,544	80,779
Other	52,962	56,866	331,260
Total	¥87,657	¥84,792	\$ 548,267

19. Acceptances and guarantees

All contingent liabilities arising from acceptances and guarantees are reflected in "Acceptances and guarantees." As a contra account, "Customers' liabilities for acceptances and guarantees," is shown as an asset representing the Bank's right of indemnity from the applicants.

The amounts of "Acceptances and guarantees" and "Customers' liabilities for acceptances and guarantees" amounting to ¥6,293 million (\$39,360 thousand) and ¥6,383 million as of March 31, 2026 and 2025, respectively, were set off because those that were relevant to corporate bonds and the guaranteed bonds were held by the Bank itself.

20. Equity

(1) Capital stock and capital surplus

The number of issued shares of common stock decreased by 5,000 thousand shares during the fiscal year ended March 31, 2026, from 53,090 thousand shares at the beginning of the year to 48,090 thousand shares at the end of the year, due to the cancellation of treasury stock.

Treasury stock increased by 305 thousand shares and decreased by 5,199 thousand shares during the fiscal year ended March 31, 2026, resulting in a balance of 2,114 thousand shares at March 31, 2026, compared with 7,008 thousand shares at the beginning of the year. The increase was mainly attributable to the purchase of fractional shares, the acquisition without consideration of restricted stock, purchases through off-auction own-share repurchase transactions, and market purchases on the Tokyo Stock Exchange. The decrease was primarily attributable to the issuance of restricted stock and the cancellation of treasury stock.

Effective April 1, 2026, the Bank conducted a five-for-one stock split of its common stock. The numbers of shares presented above are based on the number of shares before the stock split.

(2) Companies Act

Japanese companies are subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

(a) Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders' meeting. For companies that meet certain criteria such as: (1) having a Board of Directors, (2) having independent auditors, (3) having an Audit & Supervisory Board, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends-in-kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. However, the Bank cannot do so because it does not meet all the above criteria.

The Companies Act permits companies to distribute dividends-in-kind (non-cash assets) to shareholders subject to a certain limitation and additional requirements.

Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

(b) Increases/decreases and transfer of common stock, reserve and surplus

The Companies Act requires that an amount equal to 10% (20% for banks pursuant to the Banking Act) of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus), depending on the equity account charged upon the payment of such dividends, until the aggregate amount of legal reserve and additional paid-in capital equals 25% (100% for banks pursuant to the Banking Act) of common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

(c) Treasury stock and treasury stock acquisition rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders that is determined by a specific formula. Under the Companies Act, stock acquisition rights are presented as a separate component of equity. The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

(3) Appropriations of retained earnings

The following appropriation of retained earnings at March 31, 2026 was proposed at the Bank's ordinary general shareholders' meeting held on June 24, 2026.

	Millions of yen	Thousands of U.S. dollars
Cash dividends (dividend amount per share: ¥75 (\$0.469))	¥3,448	\$21,566

Note: Effective April 1, 2026, the Bank conducted a five-for-one stock split of its common stock. The dividend amounts presented above represent the actual dividends declared and paid before the stock split.

21. Stock options and other related information

(1) Amount recognized as expense and account name related to restricted stock compensation

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
General and administrative expenses.....	¥197	¥20	\$1,232

(2) Description, scale and changes in restricted stock compensation

(a) Description of restricted stock compensation

i. Directors and Executive Officers

	July 15, 2022	July 12, 2023	July 12, 2024	July 14, 2025
Categories and number of grantees	5 Directors	6 Directors	6 Directors	15 Directors and Executive Officers
Number of shares granted, by class.....	41,504 (Common Stock)	7,690 (Common Stock)	4,876 (Common Stock)	4,924 (Common Stock)
Date of grant	July 15, 2022	July 12, 2023	July 12, 2024	July 14, 2025
Restriction period.....	From July 15, 2022 (the final payment date) until the date on which the officer resigns or retires from all positions as an officer	From July 12, 2023 (the final payment date) until the date on which the officer resigns or retires from all positions as an officer	From July 12, 2024 (the final payment date) until the date on which the officer resigns or retires from all positions as an officer	From July 14, 2025 (the final payment date) until the date on which the officer resigns or retires from all positions as an officer
Conditions for lifting the transfer restrictions....	The Bank will lift the transfer restrictions on the shares held by a grantee upon expiration of the restriction period, provided that the grantee continuously serves as a Director or Executive Officer of the Bank from the commencement date of the restriction period until the date of the first ordinary general shareholders' meeting held thereafter. However, if a grantee resigns or retires from the position of Director or Executive Officer before the day immediately preceding the first ordinary general shareholders' meeting held after the commencement date of the restriction period for reasons deemed justifiable by the Board of Directors, the transfer restrictions will be lifted immediately after such resignation or retirement.			

Note 1: Outside directors excluded.

Note 2: The Bank conducted a 5-for-1 stock split of its common stock, effective April 1, 2026. The numbers of shares presented above have not been adjusted to reflect the effect of the stock split.

ii. Employees

	September 1, 2025
Categories and number of grantees	1,942 employees
Number of shares granted, by class.....	194,200 (Common Stock)
Date of grant	September 1, 2025
Restriction period.....	September 1, 2025 (the final payment date) through June 1, 2029
Conditions for lifting the transfer restrictions....	The Bank will lift the transfer restrictions on the shares held by a grantee upon expiration of the restriction period, provided that the grantee continuously serves as an employee of the Bank throughout the restriction period. However, the transfer restrictions will be lifted prior to the expiration of the restriction period in the following circumstances: (i) if the grantee retires from the Bank due to mandatory retirement age or any other reason deemed justifiable by the Board of Directors before the expiration of the restriction period, the transfer restrictions will be lifted as of the first day of the month in which such retirement occurs; (ii) if the grantee retires from the Bank due to death or any other reason deemed justifiable by the Board of Directors before the expiration of the restriction period, the transfer restrictions will be lifted immediately after such retirement; or (iii) if the grantee reaches 55 years of age while still employed by the Bank before the expiration of the restriction period, the transfer restrictions will be lifted as of the last day of the month in which the grantee reaches 55 years of age (or, if such date falls before the filing date of the Semiannual Securities Report for the Bank's 139th fiscal year, on the day following such filing date).

Note: The Bank conducted a 5-for-1 stock split of its common stock, effective April 1, 2026. The numbers of shares presented above have not been adjusted to reflect the effect of the stock split.

(b) Number of restricted shares and changes therein

i. Directors and Executive Officers

(Number of shares)	July 15, 2022	July 12, 2023	July 12, 2024	July 14, 2025
Balance at end of previous year	28,684	6,406	4,876	—
Granted.....	—	—	—	4,924
Acquired without consideration	—	—	—	—
Released from transfer restrictions.....	—	—	—	—
Balance at end of year ..	28,684	6,406	4,876	4,924

(Value per share)	July 15, 2022	July 12, 2023	July 12, 2024	July 14, 2025
Fair value per share at grant date.....	¥2,708 (\$16.93)	¥2,648 (\$16.56)	¥4,175 (\$26.11)	¥5,870 (\$36.71)

Note: The Bank conducted a 5-for-1 stock split of its common stock, effective April 1, 2026. The numbers of shares presented above have not been adjusted to reflect the effect of the stock split.

ii. Employees

(Number of shares)	September 1, 2025
Balance at end of previous year	—
Granted.....	194,200
Acquired without consideration	5,017
Released from transfer restrictions.....	183
Balance at end of year ..	189,000

(Value per share)	September 1, 2025
Fair value per share at grant date.....	¥5,930 (\$37.09)

Note: The Bank conducted a 5-for-1 stock split of its common stock, effective April 1, 2026. The numbers of shares presented above have not been adjusted to reflect the effect of the stock split.

(c) Estimation method of fair value

The fair value of the restricted stock awards was determined based on the closing market price of the Bank's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the Board of Directors' resolution.

22. Revenue recognition

Disaggregation of revenue from contracts with customers

Category	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Income	¥159,056	¥133,109	\$994,846
Of which, fees and commissions	19,976	19,634	124,943
Deposit and loan services.....	5,892	5,823	36,852
Foreign exchange services.....	3,115	3,112	19,483
Trust related services.....	213	173	1,332
Securities related services.....	143	90	894
Agency services.....	445	369	2,783
Safe-deposit and safe-deposit box services.....	99	104	619
Guarantee services.....	810	876	5,066
Credit card services.....	3,558	3,487	22,254
Investment trust and insurance sales.....	3,586	3,849	22,429
Others.....	2,112	1,747	13,209
Of which, trust fees.....	0	0	0

The above table also includes income based on “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10).

23. Other operating income

Other operating income for the years ended March 31, 2026 and 2025, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Gains on sales of bonds.....	¥ 364	¥ 256	\$ 2,276
Gains on derivative financial instruments.....	9,812	4,233	61,371
Other.....	12,733	11,540	79,640
Total.....	¥22,910	¥16,030	\$143,294

24. Other income

Other income for the years ended March 31, 2026 and 2025, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Reversal of allowance for loan losses.....	¥ 928	¥ —	\$ 5,804
Gains on sales of stocks and other securities.....	11,146	¥ 9,722	\$69,714
Recoveries of claims previously charged-off.....	496	440	3,102
Other.....	1,313	649	8,212
Total.....	¥13,884	¥10,813	\$86,840

25. Other operating expenses

Other operating expenses for the years ended March 31, 2026 and 2025, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Losses on sales of bonds.....	¥30,368	¥20,498	\$189,942
Other.....	12,599	11,177	78,802
Total.....	¥42,968	¥31,676	\$268,751

26. General and administrative expenses

General and administrative expenses include salaries and allowances of ¥17,528 million (\$109,632 thousand) and ¥15,884 million for the years ended March 31, 2026 and 2025, respectively.

27.Other expenses

Other expenses for the years ended March 31, 2026 and 2025, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Provision of allowance for loan losses.....	¥ —	¥3,655	\$ —
Losses on sales of stocks and other securities.....	726	2,345	4,540
Written-off of loans and bills discounted.....	692	1,141	4,328
Losses on devaluation of stocks and other securities.....	29	50	181
Losses on disposal of fixed assets....	113	148	706
Losses on impairment of long-lived assets.....	14	1,167	87
Other.....	472	802	2,952
Total.....	¥2,048	¥9,311	\$12,809

28. Gains (losses) related to bonds, etc.

Gains (losses) related to bonds for the years ended March 31, 2026 and 2025, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Gains (losses) related to bonds:			
Gains on sales of bonds.....	¥ 364	¥ 256	\$ 2,276
Losses on sales of bonds	(30,368)	(20,498)	(189,942)
Subtotal.....	¥(30,004)	¥ (20,241)	\$ (187,665)
Gains (losses) on derivative financial instruments:			
Total.....	¥(20,191)	¥ (16,007)	\$ (126,288)

29. Gains (losses) related to stocks and other securities

Gains (losses) related to stocks and other securities for the years ended March 31, 2026 and 2025, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Gains (losses) related to stocks and other securities:			
Gains on sales of stocks and other securities.....	¥11,146	¥ 9,722	\$69,714
Losses on sales of stocks and other securities.....	(726)	(2,345)	(4,540)
Losses on devaluation of stocks and other securities.....	(29)	(50)	(181)
Gains (losses) on stocks and other securities	¥10,389	¥ 7,326	\$64,979

30. Leases

Lessor

One subsidiary leases certain equipment and other assets.

As stated in Note 2 (q) ii, finance lease transactions other than those in which ownership is fully transferred to the lessee are accounted for in a similar manner to ordinary sales and transactions, effective from the year ended March 31, 2009.

Investments in leases included in other assets on the balance sheets as of March 31, 2026 and 2025 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Gross lease receivables	¥24,560	¥20,235	\$153,615
Unguaranteed residual values.....	490	435	3,064
Unearned interest income.....	(2,152)	(1,735)	(13,460)
Investments in leases	¥22,898	¥18,934	\$143,219

Maturities of lease receivables for finance leases that are deemed to transfer ownership of the leased property to the lessee are as of March 31, 2026 are as follows:

	Millions of yen	Thousands of U.S. dollars
2027	¥888	\$5,554
2028	772	4,828
2029	675	4,221
2030	385	2,408
2031	190	1,188
2032 and thereafter.....	150	938

Maturities of gross lease receivables related to investments in leases as of March 31, 2026 are as follows:

	Millions of yen	Thousands of U.S. dollars
2027	¥6,371	\$39,848
2028	5,555	34,744
2029	4,592	28,721
2030	3,391	21,209
2031	2,171	13,578
2032 and thereafter.....	2,477	15,492

The minimum rental commitments under noncancelable operating leases as of March 31, 2026 and 2025, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Due within one year	¥19	¥18	\$118
Due after one year	25	24	156
Total.....	¥44	¥42	\$275

31. Retirement benefit plans

The Bank and consolidated subsidiaries have either funded or unfunded defined benefit plans. The Bank's funded defined benefit corporate pension plan (contract type) provides lump-sum or annuity payments, the amounts of which are determined based on the length of service and certain other factors. The Bank's lump-sum severance payment plan, which became a funded plan as a result of setting a retirement benefits trust, provides lump-sum payments determined based on the length of service, position, and certain other factors. As of October 1, 2017, the Bank has transferred a part of its funded defined benefit corporate pension plan to a defined contribution plan. The consolidated subsidiaries' unfunded lump-sum

severance payment plans are based on a simplified method in the calculation of their liability for retirement benefits and retirement benefit costs.

1. Defined benefit plan (except for the plan adopting the simplified method)

(1) The changes in defined benefit obligation for the years ended March 31, 2026 and 2025, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Balance at beginning of year	¥34,855	¥40,658	\$218,007
Current service cost	1,120	1,346	7,005
Interest cost	770	475	4,816
Actuarial gains (losses)	1,179	(5,070)	7,374
Benefits paid	(2,206)	(2,554)	(13,797)
Prior service cost	—	—	—
Balance at end of year	¥35,719	¥34,855	\$223,411

(2) The changes in plan assets for the years ended March 31, 2026 and 2025, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Balance at beginning of year	¥61,435	¥65,887	\$384,256
Expected return on plan assets	1,112	1,428	6,955
Actuarial gains (losses)	11,705	(6,225)	73,211
Contribution from the employer	1,687	1,643	10,551
Benefits paid	(1,290)	(1,298)	(8,068)
Balance at end of year	¥74,650	¥61,435	\$466,912

(3) Reconciliation between the asset recorded in the consolidated balance sheet and the balances of defined benefit obligation and plan assets:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Funded defined benefit obligation.....	¥ 35,719	¥ 34,855	\$ 223,411
Plan assets.....	(74,650)	(61,435)	(466,912)
Net asset arising from the balance sheet	¥(38,931)	¥(26,579)	\$(243,501)

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Liability for retirement benefits	¥ —	¥ —	\$ —
Asset for retirement benefits.....	38,931	26,579	243,501
Net asset arising from the balance sheet	¥(38,931)	¥(26,579)	\$(243,501)

(4) The components of net periodic benefit costs for the years ended March 31, 2026 and 2025, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Service cost	¥ 1,120	¥ 1,346	\$ 7,005
Interest cost.....	770	475	4,816
Expected return on plan assets	(1,112)	(1,428)	(6,955)
Recognized actuarial gains	(1,021)	(1,778)	(6,386)
Amortization of prior service cost....	—	—	—
Net periodic benefit costs	¥ (243)	¥ (1,385)	\$(1,519)

(5) Amounts recognized in other comprehensive income (before income taxes and income tax effect) in respect of defined retirement benefit plans for the years ended March 31, 2026 and 2025, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Prior service cost	¥ —	¥ —	\$ —
Actuarial gains (losses)	(9,504)	2,933	(59,444)
Total	¥(9,504)	¥2,933	\$(59,444)

(6) Amounts recognized in accumulated other comprehensive income (before income taxes and income tax effect) in respect of defined retirement benefit plans as of March 31, 2026 and 2025, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Unrecognized prior service cost	¥ —	¥ —	\$ —
Unrecognized actuarial gains	(20,517)	(11,013)	(128,327)
Total	¥(20,517)	¥(11,013)	\$(128,327)

(7) Plan assets:

a. Components of plan assets

	2026	2025
Bonds	11%	12%
Stocks	61	57
Cash and cash equivalents	11	11
General accounts.....	17	20
Total	100%	100%

(Note) Total plan assets included retirement benefits trust of 48% and 44%, for the years ended March 31, 2026 and 2025, respectively, mainly consisting of 5 stocks, which were set for a corporate pension plan and a lump-sum payment plan.

b. Method of determining the expected rate of return on plan assets

The expected rate of return on plan assets is determined considering the allocation of plan assets and the long-term rates of return which are expected currently and in the future from the various components of the plan assets.

(8) Assumptions used for the years ended March 31, 2026 and 2025, were set forth as follows:

	2026	2025
Discount rate	2.21%	2.21%
Expected rate of return on plan assets		
Plan assets (except for retirement benefits trust)	3.29%	4.25%
Plan assets (retirement benefits trust)	0.00%	0.00%
Estimated rate of salary increase.....	3.90%	3.90%

2. Defined benefit plan adopting the simplified method

(1) The changes in defined benefit obligation adopting the simplified method for the years ended March 31, 2026 and 2025, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Balance at beginning of year	¥183	¥168	\$1,144
Net periodic benefit costs.....	21	24	131
Benefits paid	(10)	(9)	(62)
Contribution to the plan	—	—	—
Balance at end of year	¥194	¥183	\$1,213

(2) Reconciliation between the liability recorded in the consolidated balance sheet and the balances of defined benefit obligation and plan assets:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Unfunded defined benefit obligation	¥194	¥183	\$1,213
Net liability arising from the balance sheet	¥194	¥183	\$1,213

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Liability for retirement benefits	¥194	¥183	\$1,213
Net liability arising from the balance sheet	¥194	¥183	\$1,213

(3) Net periodic benefit costs recognized in the simplified method for the years ended March 31, 2026 and 2025, were ¥21 million (\$131 thousand) and ¥24 million, respectively.

3. Defined contribution plan

The Bank's required contribution to the defined contribution plan for the years ended March 31, 2026 and 2025 were ¥373 million (\$2,332 thousand) and ¥330 million, respectively.

32. Income taxes

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities at March 31, 2026 and 2025, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Deferred tax assets:			
Allowance for loan losses	¥ 11,213	¥ 12,090	\$ 70,133
Devaluation of stocks and other securities.....	3,939	3,961	24,637
Liability for retirement benefits	68	64	425
Depreciation	2,631	1,699	16,456
Accrued enterprise tax.....	375	—	2,345
Tax loss carryforwards.....	136	2,434	850
Other	2,733	2,330	17,094
Subtotal	21,098	22,579	131,961
Less valuation allowance for tax loss carryforwards.....	(136)	(118)	(850)
Less valuation allowance for temporary differences	(12,409)	(12,663)	(77,614)
Subtotal	(12,546)	(12,781)	(78,471)
Total	¥ 8,552	¥ 9,797	\$ 53,490
Deferred tax liabilities:			
Asset for retirement benefits.....	(2,755)	(2,020)	(17,231)
Reserve for advance depreciation of fixed assets.....	(190)	(190)	(1,188)
Net unrealized gains on available-for-sale securities.....	(42,785)	(27,970)	(267,606)
Deferred gains on derivatives under hedge accounting.....	(21,143)	(16,243)	(132,242)
Defined retirement benefit plans	(6,432)	(3,452)	(40,230)
Total	(73,306)	(49,877)	(458,506)
Net deferred tax liabilities	¥(64,754)	¥(40,079)	\$(405,016)

The expiration of tax loss carryforwards, the related valuation allowances and the resulting net deferred tax assets at March 31, 2026, are not presented because they are not material.

The expiration of tax loss carryforwards, the related valuation allowances and the resulting net deferred tax assets at March 31, 2025, were as follows:

	Millions of yen						
	2025						
	1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Deferred tax assets relating to tax loss carryforwards (*1, *2)	¥—	¥—	¥—	¥—	¥—	¥ 2,315	¥ 2,315
Less valuation allowances for tax loss carryforwards.....	—	—	—	—	—	—	—
Net deferred tax assets relating to tax loss carryforwards (*3).....	¥—	¥—	¥—	¥—	¥—	¥ 2,315	¥ 2,315

(*1) The tax loss carryforwards are the amounts multiplied by the statutory tax rate.
(*2) The amounts in the table are for the Bank on a non-consolidated basis, and the tax loss carryforwards of consolidated subsidiaries are not included in the above because they are not material.
(*3) Relating to the tax loss carryforwards (the amounts multiplied by the statutory tax rate) of ¥2,315 million, deferred tax assets of the same amount have been recognized. These deferred tax assets have been recognized for the entire amounts of tax loss carryforwards (the amounts multiplied by the statutory tax rate) for the Bank. The tax loss carryforwards, for which these deferred tax assets have been recognized, resulted from recording a considerable deductible expense due to the cancellation of the development of the next-generation mission-critical system in the year ended March 31, 2025, and is determined to be recoverable based on expected future taxable income. Therefore, no valuation allowance has been recognized.

A reconciliation of the effective income tax rate reflected in the accompanying consolidated statement of income to the statutory tax rate for the years ended March 31, 2026 and 2025, were as follows:

	2026	2025
Statutory tax rate	30.4%	30.4%
(Reconciliation)		
Permanent differences excluded from taxable income such as dividend income	(2.0)%	(2.1)%
Tax credit for wage increase promotions	(1.5)%	—%
Changes in valuation allowance.....	(0.7)%	(1.8)%
Others.....	0.3%	0.4%
Effective income tax rate	26.5%	26.9%

33. Financial instruments and related disclosures

1. Overall situation concerning financial instruments

(1) Basic policy for financial instruments

As a regional financial institution with its main business base in Shiga Prefecture, the Group provides financial services centered on banking operations.

The Group’s main operations are to extend loans to customers in its business area, and make investments in securities by mainly using funds that are received as deposits from customers and those that are obtained through the financial market.

To carry out these operations, the Group has financial assets and financial liabilities that are largely subject to interest rate volatility. To minimize disadvantages caused by interest rate volatility, the Group conducts Asset Liability Management (ALM), the comprehensive management of assets and liabilities.

(2) Nature and extent of risks arising from financial instruments

The financial assets held by the Group are primarily loans to customers within its business area and are subject to credit risk of incurring losses when the value of such assets declines or disappears due to deterioration in the financial condition of its customers. The Group’s domestic loan portfolio attempts to distribute risk by industry sector to eliminate its exposure to credit risk caused by changes in the business environment in certain industries.

The Group holds investment securities, primarily comprised of bonds, corporate stocks and investment trusts, for the following purposes: to sell them to customers, for purely investment purposes, and for strategic investment. These are subject to market risk of incurring potential losses due to fluctuations of interest rates, foreign exchange rates, stock markets and others, and the credit risk of the issuers.

Foreign currency-denominated loans and bonds are subject to foreign exchange risk in addition to the risks as described above. They are managed to reduce foreign exchange risk by procuring foreign currency funds through currency swaps, repurchase transactions, or call transactions.

Financial liabilities are primarily deposits from customers and borrowed money. Borrowed money is — under certain conditions, such as when the Group is unable to access the market — subject to risks that losses are incurred due to an inability to secure required funds or being forced to raise funds at significantly higher than normal interest rates. Moreover, some of the Group’s borrowings are made at variable interest rates and are subject to risks of losses from increasing fund procurement costs associated with rising interest rates.

For the primary purpose of responding to customer needs and hedging market risks related to assets and liabilities, the Group uses derivative transactions, including interest rate swaps, currency swaps, currency options, and forward exchange contracts. For some of these transactions, the Group applies hedge accounting based on internal regulations that comply with the “JICPA Practical Guidelines for Financial Instruments” and the Group’s own hedging policies.

To obtain short-swing profits, the Group transacts bond futures contracts, bond options, and stock price index futures trading after setting position limit and loss limits amounts.

These derivative transactions include market risk as well as credit risk.

(3) Risk management for financial instruments

(i) Credit risk management

Recognizing credit risk as the most important risk to business management from the standpoint of its impact, the Group has established regulations and standards pertaining to such risk. It has also developed a debtor rating system based on a Foundation Internal Ratings-based approach and has built a credit risk management system appropriate to its needs.

Notably, the Group has developed a rating system that involves asset self-assessments. Under this system, for example, the Business Management Department reports the results of its own asset ratings at meetings such as the Meeting of Managing Directors.

With respect to individual credit management, the Group has instituted its “Basic Rules of Loan Business,” in which it has clearly defined the way of thinking and a code of conduct to which all officers and employees involved in the loan business should adhere. It has also established basic procedures to follow when making credit decisions or managing credit, along with putting in place a system that enables executives and employees to make credit decisions in accordance with the principles of public benefit, security, profitability, liquidity, and growth potential. More specifically, the Group has developed and is operating a credit management system that handles credit assessment, credit limits, credit information management, and internal ratings; sets guarantees and collateral; and deals with problem debts of companies (or corporate groups) or individual projects. This credit management system is being implemented in every bank branch and the Credit Supervision Department.

With respect to extending credit to overseas debtors, the Group manages it by setting a credit limit for each country at the Meeting of Managing Directors each fiscal year, after taking into account the foreign currency conditions and the political and economic situation of the country in which the debtor resides.

With respect to conducting market transactions for securities or other instruments, a limit is set semiannually at the Meeting of Managing Directors for bond issuer credit risk and counterparty risk for derivative and financial transactions, and the credit status and the market prices are managed on a daily basis. The Group has established a system in which reports about those risks are routinely given to the Meeting of Managing Directors.

(ii) Market risk management

The Group has compiled a set of Market Risk Management Rules with the goal of upgrading market risk management, strengthening internal controls, and ensuring sound management. To achieve stable profits, the Group institutes a financial plan and risk management policy semiannually and is working to build an appropriate risk management system.

1) Interest rate risk management

As interest rate risk inevitably arises in banking business operations, the Group manages all assets and liabilities (including off-balance transactions), such as deposits, loans, and securities, in a comprehensive manner through ALM.

Along with the aforementioned Market Risk Management Rules, the Group has established standards for risk management methods and reporting procedures. The Group conducts monitoring through such models as Value at Risk (VaR) and the maturity ladder approach, and reports to the ALM Committee on a regular basis.

2) Exchange rate risk management

For exchange rate risk, the Group sets position limits at the Meeting of Managing Directors to manage positions that are under the influence of exchange rate volatility. The Group controls positions by using derivative transactions, including foreign currency transactions and currency swaps.

The Group establishes an acceptable level of risk using VaR and manages the level of risk on a daily basis so that it stays within an acceptable range.

3) Price volatility risk management

To rigorously manage price volatility risk for transactions, including securities, the Group has divided the organization into a market transaction sector, business management sector, and risk management sector.

For market transactions including securities, the Group takes into account overall Group risk and return, based on a financial plan and a risk management policy, and formulates a business management plan in the market sector.

When making investments, the Group calculates position amounts, gains, and losses as well as VaR and Basis Point Value (BPV) based on the abovementioned policy and plan. The extent to which the Group complies with the established acceptable risk limit and other risk limits is monitored on a daily basis and is reported to management.

	Thousands of U.S. dollars					
	2026					
	1 year or less	1 to 3 years	3 to 5 years	5 to 7 years	7 to 10 years	Over 10 years
Due from banks.....	\$ 6,116,812	\$ —	\$ —	\$ —	\$ —	\$ —
Investment securities.....	310,195	1,349,368	1,333,731	843,463	1,753,890	3,451,038
Available-for-sale securities.....	310,195	1,349,368	1,333,731	843,463	1,753,890	3,451,038
Japanese government bonds.....	—	106,329	281,461	206,404	569,176	1,032,024
Japanese local government bonds.....	23,129	396,860	429,897	275,669	873,148	28,715
Japanese corporate bonds.....	140,749	421,372	128,627	63,822	21,265	835,201
Others.....	146,309	424,793	493,739	297,560	290,298	1,555,085
Loans and bills discounted (*).....	6,029,453	5,779,716	4,192,381	2,750,694	2,477,076	7,025,981
Total.....	\$12,456,467	\$7,129,084	\$5,526,119	\$3,594,158	\$4,230,973	\$10,477,020

(*) Bankrupt and substantially bankrupt claims amounting to ¥49,610 million (\$310,295 thousand) and ¥54,536 million, and loans and bills discounted without contractual maturities amounting to ¥21,590 million (\$135,038 thousand) and ¥21,938 million are excluded from the table above as of March 31, 2026 and 2025.

(Note 3) Maturity analysis for bonds, borrowed money, and other interest-bearing liabilities

	Millions of yen					
	2026					
	1 year or less	1 to 3 years	3 to 5 years	5 to 7 years	7 to 10 years	Over 10 years
Deposits (*).....	¥5,512,861	¥295,391	¥142,041	¥—	¥—	¥—
Negotiable certificates of deposit.....	19,150	—	—	—	—	—
Call money and bills sold.....	79,300	—	—	—	—	—
Payables under securities lending transactions.....	142,490	—	—	—	—	—
Borrowed money.....	407,767	376,259	225	29	—	—
Total.....	¥6,161,569	¥671,650	¥142,266	¥29	¥—	¥—

	Millions of yen					
	2025					
	1 year or less	1 to 3 years	3 to 5 years	5 to 7 years	7 to 10 years	Over 10 years
Deposits (*).....	¥5,469,023	¥280,883	¥56,279	¥ —	¥—	¥—
Negotiable certificates of deposit.....	22,600	—	—	—	—	—
Call money and bills sold.....	109,149	—	—	—	—	—
Payables under securities lending transactions.....	156,949	—	—	—	—	—
Borrowed money.....	186,292	628,528	10,942	4,588	—	—
Total.....	¥5,944,014	¥909,412	¥67,222	¥4,588	¥—	¥—

	Thousands of U.S. dollars					
	2026					
	1 year or less	1 to 3 years	3 to 5 years	5 to 7 years	7 to 10 years	Over 10 years
Deposits (*).....	\$34,481,242	\$1,847,579	\$888,422	\$ —	\$—	\$—
Negotiable certificates of deposit.....	119,777	—	—	—	—	—
Call money and bills sold.....	495,996	—	—	—	—	—
Payables under securities lending transactions.....	891,230	—	—	—	—	—
Borrowed money.....	2,550,456	2,353,383	1,407	181	—	—
Total.....	\$38,538,710	\$4,200,963	\$889,829	\$181	\$—	\$—

(*) Demand deposits are included in *1 year or less."

3. Fair value information by level within the fair value hierarchy

The fair value of financial instruments is classified into the following three levels according to the observability and materiality of inputs used to measure fair value.

Level 1 fair value: Fair value measured using observable inputs, i.e. quoted prices in active markets for assets or liabilities that are the subject of the measurement.

Level 2 fair value: Fair value measured using observable inputs other than Level 1 inputs.

Level 3 fair value: Fair value measured using unobservable inputs.

If multiple inputs are used that are significant to the fair value measurement, the fair value measurement is categorized in its entirety in the level of the lowest level input that is significant to the entire measurement. Notes regarding securities by purpose of holding are described in 4. Securities.

(1) Financial instruments carried at fair value in the consolidated balance sheet

Category	Millions of yen			
	2026			
	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Japanese government bonds, local government bonds, etc.	¥274,736	¥331,481	¥ —	¥ 606,218
Japanese corporate bonds...	—	137,797	6,222	144,019
Residential mortgage-backed security	—	86,869	—	86,869
Stocks.....	354,118	4,262	—	358,381
Other	152,366	215,483	81,032	448,882
Derivative transactions				
Interest rate related	—	67,929	—	67,929
Currency related.....	—	4,647	—	4,647
Total assets	781,221	848,472	87,255	1,716,949
Derivative transactions				
Interest rate related	—	447	—	447
Currency related.....	—	12,468	—	12,468
Total liabilities	¥ —	¥ 12,915	¥ —	¥ 12,915

Category	Millions of yen			
	2025			
	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Japanese government bonds, local government bonds, etc.	¥475,467	¥225,618	¥ —	¥ 701,085
Japanese corporate bonds...	—	176,359	6,319	182,679
Residential mortgage-backed security	—	112,434	—	112,434
Stocks.....	294,160	3,517	—	297,678
Other	130,049	230,241	84,394	444,685
Derivative transactions				
Interest rate related	—	52,532	—	52,532
Currency related.....	—	6,458	—	6,458
Total assets	899,678	807,162	90,714	1,797,555
Derivative transactions				
Interest rate related	—	665	—	665
Currency related.....	—	9,878	—	9,878
Total liabilities	¥ —	¥ 10,544	¥ —	¥ 10,544

(*) Investment securities do not include investment trusts to which the treatment of recognizing the base price at market value has been applied, as set forth in Paragraphs 24-3 and 24-9 of the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31 issued on June 17, 2021). The consolidated balance sheet amount of investment trusts to which the treatment under Paragraph 24-3 has been applied is ¥4,666 million and the consolidated balance sheet amount of investment trusts to which the treatment under Paragraph 24-9 has been applied is ¥15,027 million.

Category	Thousands of U.S. dollars			
	2026			
	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Japanese government bonds, local government bonds, etc.	\$1,718,388	\$2,073,311	\$ —	\$ 3,791,706
Japanese corporate bonds...	—	861,877	38,916	900,794
Residential mortgage-backed security	—	543,338	—	543,338
Stocks.....	2,214,898	26,657	—	2,241,562
Other	953,002	1,347,779	506,830	2,807,618
Derivative transactions				
Interest rate related.....	—	424,874	—	424,874
Currency related.....	—	29,065	—	29,065
Total assets	4,886,295	5,306,930	545,753	10,738,985
Derivative transactions				
Interest rate related.....	—	2,795	—	2,795
Currency related.....	—	77,983	—	77,983
Total liabilities	\$ —	\$ 80,779	\$ —	\$ 80,779

(*) Investment securities do not include investment trusts to which the treatment of recognizing the base price at market value has been applied, as set forth in Paragraphs 24-3 and 24-9 of the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31 issued on June 17, 2021). The consolidated balance sheet amount of investment trusts to which the treatment under Paragraph 24-3 has been applied is ¥6,210 million (\$38,841 thousand) and the consolidated balance sheet amount of investment trusts to which the treatment under Paragraph 24-9 has been applied is ¥19,102 million (\$119,477 thousand).

(a) Adjustment table from the beginning balance to the year-end balance of investment trusts applying the treatment of Paragraphs 24-3 and 24-9

	Millions of yen	Thousands of U.S. dollars
	2026	
Beginning balance.....	¥19,693	\$123,173
Profit or loss or other comprehensive income for the period		
Recorded in profit or loss.....	(0)	(0)
Recorded in other comprehensive income (*).....	628	3,927
Purchases, sales and redemption (net).....	4,992	31,223
Amount for which the base price of the investment trusts is considered to be the fair value.....	—	—
Amount for which the base price of the investment trusts is not considered to be the fair value.....	—	—
Ending balance.....	¥25,313	\$158,324
Gains or losses on valuation of investment trusts held at the end of the reporting period included in profit or loss for the period.....	¥ —	\$ —

(*) Included in "net unrealized gains (losses) on available-for-sale securities" under "other comprehensive income" in the consolidated statement of comprehensive income.

	Millions of yen
	2025
Beginning balance.....	¥12,165
Profit or loss or other comprehensive income for the period	
Recorded in profit or loss.....	—
Recorded in other comprehensive income (*).....	155
Purchases, sales and redemption (net).....	7,372
Amount for which the base price of the investment trusts is considered to be the fair value.....	—
Amount for which the base price of the investment trusts is not considered to be the fair value.....	—
Ending balance.....	¥19,693
Gains or losses on valuation of investment trusts held at the end of the reporting period included in profit or loss for the period.....	¥ —

(*) Included in "net unrealized gains (losses) on available-for-sale securities" under "other comprehensive income" in the consolidated statement of comprehensive income.

(b) Breakdown by restriction on cancellation or repurchase requests on consolidated accounting dates

	Millions of yen	Thousands of U.S. dollars
	2026	
Main contents on restriction on cancellation or repurchase requests	Amount on the consolidated balance sheet	
Cancellation or repurchase request is not possible, and the consent of the asset management company is required for transfer...	¥2,915	\$18,232
Taking several months from cancellation application to refund.....	3,295	20,609

	Millions of yen
	2025
Main contents on restriction on cancellation or repurchase requests	Amount on the consolidated balance sheet
Cancellation or repurchase request is not possible, and the consent of the asset management company is required for transfer...	¥3,005
Taking several months from cancellation application to refund.....	1,661

(2) Financial instruments other than those carried at fair value in the consolidated balance sheet

Category	Millions of yen			
	2026			
	Fair value			
	Level 1	Level 2	Level 3	Total
Loans and bills discounted.....	¥—	¥ —	¥4,450,048	¥4,450,048
Total assets	—	—	4,450,048	4,450,048
Deposits.....	—	5,949,876	—	5,949,876
Negotiable certificates of deposit.....	—	19,149	—	19,149
Borrowed money.....	—	775,777	—	775,777
Total liabilities	¥—	¥6,744,803	¥ —	¥6,744,803

	Millions of yen			
	2025			
	Fair value			
Category	Level 1	Level 2	Level 3	Total
Loans and bills discounted.....	¥—	¥ —	¥4,424,549	¥4,424,549
Total assets	—	—	4,424,549	4,424,549
Deposits.....	—	5,804,458	—	5,804,458
Negotiable certificates of deposit.....	—	22,596	—	22,596
Borrowed money.....	—	818,226	—	818,226
Total liabilities	¥—	¥6,645,281	¥ —	¥6,645,281

	Thousands of U.S. dollars			
	2026			
	Fair value			
Category	Level 1	Level 2	Level 3	Total
Loans and bills discounted.....	\$—	\$ —	\$27,833,675	\$27,833,675
Total assets	—	—	27,833,675	27,833,675
Deposits.....	—	37,214,635	—	37,214,635
Negotiable certificates of deposit.....	—	119,771	—	119,771
Borrowed money.....	—	4,852,245	—	4,852,245
Total liabilities	\$—	\$42,186,658	\$ —	\$42,186,658

(Note 1) A description of the valuation techniques and inputs used in the fair value measurements

Assets

Securities

Securities for which unadjusted quoted prices in active markets are available are classified as Level 1 fair value. This mainly includes listed stocks and Japanese government bonds. Securities for which published quoted prices are available but the market is not active are classified as Level 2 fair value. This mainly includes Japanese local government bonds and Japanese corporate bonds. In addition, regarding investment trusts that do not have a trading price in the market, if there is no restriction that is significant enough for the market participants to demand compensation for the risk relating to cancellation or repurchase claims, the base value is the fair value and they are classified as Level 2 fair value.

When quoted prices are not available, fair value is determined using valuation techniques such as the present value of future cash flows. In making valuations, the Bank uses observable inputs to the greatest extent possible. Such inputs include TIBOR, government bond yields, prepayment rates, credit spreads, probability of bankruptcy, and loss rates in the event of bankruptcy. When significant unobservable inputs are used in the valuation, the fair value is classified as Level 3 fair value.

Loans and bills discounted

For loans and bills discounted, the fair value is calculated by discounting the total amount of principal and interest by a discount rate that reflects the market interest rate and credit risk, etc., for each category based on the type of loan, internal rating and term. Those with floating interest rates reflect the market rate in the short term. Consequently, in cases where the credit conditions of borrowers have not significantly changed after the execution of the loans, the book value of the loans is presented as the fair value, as the fair value approximates the book value. With respect to claims against bankrupt and substantially bankrupt claims, fair value is calculated using the estimated future cash flows and the estimated amounts that the Group would be able to collect from collateral and guarantees. For loans that are subject to special accounting treatment for interest rate swaps or designated hedge accounting for forward exchange contracts, etc., the fair value of the interest rate swaps or forward exchange contracts, etc. is reflected. If the effect of unobservable inputs on fair value is significant, the fair value is classified as Level 3 fair value; otherwise, the fair value is classified as Level 2 fair value.

Liabilities

Deposits and Negotiable certificates of deposit

For demand deposits that are payable immediately on demand on the consolidated balance sheet date, the amount of the demand deposit is used as the fair value. For time deposits and negotiable certificates of deposit, the fair value is calculated based on the discounted present value of the future cash flows, classified by a certain period of time. The discount rate is based on market interest rates. The fair value of those with short deposit terms (i.e., less than one year) approximates the book value, and the Group deems the book value to be the fair value. Such fair value is classified as Level 2 fair value.

Borrowed money

The present value of borrowed money is calculated by discounting the total principal and interest of the relevant borrowed money, classified by a certain period of time, at an interest rate that takes into account the remaining period of the borrowed money and credit risk. The book value of floating rate borrowings is presented as the fair value, because the fair value approximates book value. This is because the floating rate borrowings reflect the market interest rate in a short period and there has been no significant change in our credit conditions or in the credit conditions of our consolidated subsidiaries before or after the borrowings were made. The fair value of those with short contractual terms (i.e., less than one year) approximates the book value, and the Group deems the book value to be the fair value. Such fair value is classified as Level 2 fair value.

Derivative transactions

Derivative transactions for which unadjusted quoted prices in active markets are available are classified as Level 1 fair value, which primarily include bond and interest rate futures transactions.

However, since most derivative transactions are over-the-counter transactions and there are no published quoted prices, fair values are calculated using valuation techniques such as the present value technique and the Black-Scholes model, depending on the type of transaction and the period to maturity. The main inputs used in those valuation techniques include interest rates, exchange rates, and volatility. Price adjustments are made based on the credit risk of the counterparty and the Bank's own credit risk. When unobservable inputs are not used or their effect is not material, they are classified as Level 2 fair value and include plain vanilla interest rate swap transactions, forward exchange contracts, etc. If significant unobservable inputs are used, they are classified as Level 3 fair value and include bond over-the-counter option transactions, etc.

(Note 2) Information about Level 3 fair value of financial instruments carried at fair value in the consolidated balance sheet

(1) Quantitative information on significant unobservable inputs

Category	2026			
	Valuation techniques	Significant unobservable inputs	Scope of inputs	Weighted average of inputs
Securities				
Available-for-sale securities				
Japanese corporate bonds				
Private placement bonds	Present value technique	Discount rate	0.3% to 1.7%	0.5%

	2025			
Category	Valuation techniques	Significant unobservable inputs	Scope of inputs	Weighted average of inputs
Securities				
Available-for-sale securities				
Japanese corporate bonds				
Private placement bonds	Present value technique	Discount rate	0.3% to 1.7%	0.4%

(2) A reconciliation from the beginning balances to the ending balances and gains or losses on valuation of financial assets and financial liabilities held at the end of the reporting period included in profit or loss for the period

	Millions of yen		
	2026		
	Securities		
	Available-for-sale securities		
	Japanese corporate bonds	Foreign bonds	Others
Beginning balance.....	¥6,319	¥83,182	¥1,212
Profit or loss or other comprehensive income for the period			
Recorded in profit or loss (*1)	—	0	—
Recorded in other comprehensive income (*2)	(7)	448	(12)
Purchases, sales, issuances, and settlements (net)	(90)	(3,908)	109
Transfer into Level 3	—	—	—
Transfer out of Level 3.....	—	—	—
Ending balance.....	¥6,222	¥79,723	¥1,309
Gains or losses on valuation of financial assets and financial liabilities held at the end of the reporting period included in profit or loss for the period (*1)	¥ —	¥ —	¥ —

	Millions of yen		
	2025		
	Securities		
	Available-for-sale securities		
	Japanese corporate bonds	Foreign bonds	Others
Beginning balance.....	¥ 8,189	¥64,488	¥1,084
Profit or loss or other comprehensive income for the period			
Recorded in profit or loss (*1)	0	4	—
Recorded in other comprehensive income (*2)	(39)	1,139	145
Purchases, sales, issuances, and settlements (net)	(1,831)	14,550	(18)
Transfer into Level 3	—	5,000	—
Transfer out of Level 3.....	—	(2,000)	—
Ending balance.....	¥ 6,319	¥83,182	¥1,212
Gains or losses on valuation of financial assets and financial liabilities held at the end of the reporting period included in profit or loss for the period (*1)	¥ —	¥ —	¥ —

	Thousands of U.S. dollars		
	2026		
	Securities		
	Available-for-sale securities		
	Japanese corporate bonds	Foreign bonds	Others
Beginning balance.....	\$ 39,523	\$520,277	\$7,580
Profit or loss or other comprehensive income for the period			
Recorded in profit or loss (*1)	—	0	—
Recorded in other comprehensive income (*2)	(43)	2,802	(75)
Purchases, sales, issuances, and settlements (net)	(562)	(24,443)	681
Transfer into Level 3	—	—	—
Transfer out of Level 3.....	—	—	—
Ending balance.....	\$ 38,916	\$498,642	\$8,187
Gains or losses on valuation of financial assets and financial liabilities held at the end of the reporting period included in profit or loss for the period (*1)	\$ —	\$ —	\$ —

(*1) Included in "other operating income" and "other operating expenses" in the consolidated statement of income.

(*2) Included in "net unrealized gains (losses) on available-for-sale securities" under "other comprehensive income" in the consolidated statement of comprehensive income.

(3) A description of valuation processes used for fair value measurements

The risk management sector of the Group establishes policies and procedures for fair value measurement, and the business management sector formulates a fair value valuation model in accordance with such policies and procedures. The risk management sector verifies appropriateness as to whether the model, the inputs used, and the fair value as a result of the calculation are in accordance with the policies and procedures. Based on the results of the verification, the risk management sector makes decisions regarding the classification of fair value levels. When quoted prices obtained from third parties are used as fair value, the Bank verifies appropriateness of the prices through appropriate methods, including confirmation of the valuation techniques and inputs used and comparison with the fair value of similar financial instruments.

(4) A description of sensitivity of the fair value measurement to changes in significant unobservable inputs

The discount rate is an adjustment to the base market interest rate, such as the risk-free rate or swap rate, and consists of a risk premium, which is the amount of compensation required by market participants for the uncertainty of the cash flows of financial instruments arising primarily from credit risk. Generally, a significant increase (decrease) in the discount rate will result in a significant decrease (increase) in fair value.

34. Fair value information on derivative transactions

Derivative transactions to which hedge accounting is not applied

The following is the fair value information for derivative transactions to which hedge accounting is not applied at March 31, 2026 and 2025.

The contractual value of swap agreements and the contract amounts of forward exchange contracts, option agreements and other derivatives do not necessarily measure the Bank's exposure to market risk.

(1) Interest-rate-related transactions

	Millions of yen			
	2026			
	Contractual value	Contractual value due after one year	Fair value	Net unrealized gains (losses)
Over-the-counter:				
Interest rate swap				
Receivable fixed rate/pay floating rate	¥3,449	¥3,289	¥(214)	¥(214)
Receivable floating rate /pay fixed rate.....	4,568	4,568	253	253
Total.....	¥ —	¥ —	¥ 38	¥ 38
	Millions of yen			
	2025			
	Contractual value	Contractual value due after one year	Fair value	Net unrealized gains (losses)
Over-the-counter:				
Interest rate swap				
Receivable fixed rate/pay floating rate	¥3,778	¥3,778	¥(146)	¥(146)
Receivable floating rate /pay fixed rate.....	5,273	4,825	200	200
Total.....	¥ —	¥ —	¥ 54	¥ 54

	Thousands of U.S. dollars			
	2026			
	Contractual value	Contractual value due after one year	Fair value	Net unrealized gains (losses)
Over-the-counter:				
Interest rate swap				
Receivable fixed rate/pay floating rate	\$21,572	\$20,571	\$(1,338)	\$(1,338)
Receivable floating rate /pay fixed rate.....	28,571	28,571	1,582	1,582
Total.....	\$ —	\$ —	\$ 237	\$ 237

Note: The above transactions were revalued at the end of each of the years and the related gains and losses are reflected in the accompanying consolidated statements of income.

(2) Currency-related transactions

	Millions of yen			
	2026			
	Contractual value	Contractual value due after one year	Fair value	Net unrealized gains (losses)
Over-the-counter:				
Currency swap.....	¥130,004	¥117,213	¥(6,699)	¥(6,699)
Forward exchange contracts:				
Sold	87,284	—	(1,636)	(1,636)
Bought	16,061	—	362	362
Currency options:				
Sold	171,615	141,239	(2,895)	571
Bought	171,615	141,239	3,047	491
Total.....	¥ —	¥ —	¥(7,820)	¥(6,909)

	Millions of yen			
	2025			
	Contractual value	Contractual value due after one year	Fair value	Net unrealized gains (losses)
Over-the-counter:				
Currency swap.....	¥83,085	¥ 75,609	¥(4,142)	¥(4,142)
Forward exchange contracts:				
Sold	65,394	9	589	589
Bought	6,135	—	79	79
Currency options:				
Sold	150,909	123,621	(4,939)	(1,058)
Bought	150,909	123,621	4,992	1,938
Total.....	¥ —	¥ —	¥(3,419)	¥(2,594)

	Thousands of U.S. dollars			
	2026			
	Contractual value	Contractual value due after one year	Fair value	Net unrealized gains (losses)
Over-the-counter:				
Currency swap.....	\$ 813,134	\$733,131	\$(41,900)	\$(41,900)
Forward exchange contracts:				
Sold	545,934	—	(10,232)	(10,232)
Bought	100,456	—	2,264	2,264
Currency options:				
Sold	1,073,398	883,406	(18,107)	3,571
Bought	1,073,398	883,406	19,058	3,071
Total.....	\$ —	\$ —	\$(48,911)	\$(43,213)

Note: The above transactions were revalued at the end of each of the years and the related gains and losses are reflected in the accompanying consolidated statements of income.

(3) Stock-related transactions are not applicable.

(4) Bond-related transactions are not applicable.

(5) Financial product-related transactions are not applicable.

(6) Credit derivative transactions are not applicable.

Derivative transactions to which hedge accounting is applied

The following is the fair value information for derivative transactions to which hedge accounting is applied at March 31, 2026 and 2025.

The contract value does not necessarily measure the Bank's exposure to market risk:

(1) Interest-rate-related transactions

	Millions of yen			
	2026			
	Hedged items	Contractual value	Contractual value due after one year	Fair value
Principle treatment	Available-for-sale securities (bonds), deposits			
Interest rate swap: Receivable floating rate/pay fixed rate.....		¥367,059	¥363,862	¥67,443
Special treatment				
Interest rate swap: Receivable floating rate/pay fixed rate.....	Loans	10,000	10,000	(Note 2)
Total.....	¥	—	¥	—
Total.....	¥	—	¥	—

	Millions of yen			
	2025			
	Hedged items	Contractual value	Contractual value due after one year	Fair value
Principle treatment	Available-for-sale securities (bonds), deposits			
Interest rate swap: Receivable floating rate/pay fixed rate.....		¥388,957	¥388,957	¥51,812
Special treatment				
Interest rate swap: Receivable floating rate/pay fixed rate.....	Loans	10,000	10,000	(Note 2)
Total.....	¥	—	¥	—
Total.....	¥	—	¥	—

	Thousands of U.S. dollars			
	2026			
	Hedged items	Contractual value	Contractual value due after one year	Fair value
Principle treatment	Available-for-sale securities (bonds), deposits			
Interest rate swap: Receivable floating rate/pay fixed rate.....		\$2,295,840	\$2,275,844	\$421,835
Special treatment				
Interest rate swap: Receivable floating rate/pay fixed rate.....	Loans	62,546	62,546	(Note 2)
Total.....	\$	—	\$	—
Total.....	\$	—	\$	—

Note 1: In addition to the method of linking the hedged items with the hedging means, deferred hedge accounting is applied based on the Industry Committee Practical Guidelines No. 24.

Note 2: Since interest rate swaps with special treatment are treated as an integral part of loans that are subject to hedging, its fair value is included in the fair value of the loans described in the Note 33 "Financial instruments and related disclosures."

(2) Currency-related transactions are not applicable.

(3) Stock-related transactions are not applicable.

(4) Bond-related transactions are not applicable.

35. Comprehensive income (loss)

The components of other comprehensive income (loss) for the years ended March 31, 2026 and 2025, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Net unrealized gains (losses) on available-for-sale securities:			
The amount arising during the period.....	¥ 28,506	¥ (96,632)	\$ 178,296
Reclassification adjustments to profit or loss.....	18,386	11,949	114,998
Before adjustments to income taxes and tax effect.....	46,892	(84,682)	293,294
The amount of income taxes and tax effect.....	(14,814)	24,741	(92,656)
Total.....	¥ 32,078	¥ (59,941)	\$ 200,637
Deferred gains on derivatives under hedge accounting:			
The amount arising during the period.....	¥ 27,519	¥ 14,639	\$ 172,122
Reclassification adjustments to profit or loss.....	(11,888)	(6,170)	(74,355)
Before adjustments to income taxes and tax effect.....	15,631	8,469	97,767
The amount of income taxes and tax effect.....	(4,900)	(3,045)	(30,647)
Total.....	¥ 10,730	¥ 5,423	\$ 67,112
Land revaluation surplus:			
The amount arising during the period.....	¥ —	¥ —	\$ —
Reclassification adjustments to profit or loss.....	—	—	—
Before adjustments to income taxes and tax effect.....	—	—	—
The amount of income taxes and tax effect.....	—	(161)	—
Total.....	¥ —	¥ (161)	\$ —
Defined retirement benefit plans:			
The amount arising during the period.....	¥ 10,525	¥ (1,155)	\$ 65,830
Reclassification adjustments to profit or loss.....	(1,021)	(1,778)	(6,386)
Before adjustments to income taxes and tax effect.....	9,504	(2,933)	59,444
The amount of income taxes and tax effect.....	(2,979)	794	(18,632)
Total.....	¥ 6,524	¥ (2,139)	\$ 40,805
Total other comprehensive income (loss).....	¥ 49,333	¥ (56,818)	\$ 308,562

36. Net income per share

Reconciliation of the differences between basic and diluted net income per share (“EPS”) for the years ended March 31, 2026 and 2025, is as follows:

	Millions of yen	Thousands of shares	Yen	U.S. dollars
	Net Income Attributable to Owners of the Parent	Weighted-Average Shares	EPS	
For the year ended March 31, 2026				
Basic EPS:				
Net income attributable to common shareholders.....	¥21,293	230,759	¥92.27	\$0.577
Effect of dilutive securities:				
Warrants.....				
Diluted EPS:				
Net income for computation.....	¥ —	—	¥ —	\$ —
For the year ended March 31, 2025				
Basic EPS:				
Net income attributable to common shareholders.....	¥ 18,720	234,170	¥ 79.94	
Effect of dilutive securities:				
Warrants.....				
Diluted EPS:				
Net income for computation.....	¥ —	—	¥ —	

Note 1: Diluted EPS for the years ended March 31, 2026 and 2025 was not disclosed because there were no potential shares.
Note 2: The Bank conducted a 5-for-1 stock split of its common stock, effective April 1, 2026. “Basic EPS” has been calculated assuming the stock split had occurred at the beginning of the previous fiscal year.

37. Subsequent event

Appropriation of retained earnings

The following appropriation of retained earnings was authorized at the ordinary general shareholders’ meeting held on June 24, 2026:

	Millions of yen	Thousands of U.S. dollars
Cash dividends, ¥75 (\$0.469) per share	¥3,448	\$21,566
Total.....	¥3,448	\$21,566

Note: The Bank conducted a 5-for-1 stock split of its common stock, effective April 1, 2026. The amount of dividend per share above represents the actual amount before the stock split.

Stock split and partial amendment to the Articles of Incorporation

At a meeting of the Board of Directors held on November 14, 2025, the Bank resolved to conduct a stock split and a partial amendment to its Articles of Incorporation in connection with the stock split, both of which became effective on April 1, 2026.

(1) Purpose of the stock split

The purpose of the stock split is to reduce the investment amount per share of the Bank’s shares, thereby creating a more accessible investment environment for investors to invest and broadening the investor base that supports the Bank’s sustainable growth.

(2) Method of the stock split

With March 31, 2026 as the record date, each share of common stock held by shareholders recorded in the final shareholder register as of that date was split into five shares.

(3) Increase in the number of shares as a result of the stock split (Number of shares)

(1) Total number of issued shares before the stock split	48,090,081
(2) Increase in the number of shares resulting from the stock split	192,360,324
(3) Total number of issued shares after the stock split	240,450,405
(4) Total number of authorized shares after the stock split	500,000,000

(4) Partial amendment to the Articles of Incorporation

In conjunction with the stock split, the Bank amended Article 6 of its Articles of Incorporation, effective April 1, 2026, to increase the total number of authorized shares in proportion to the stock split ratio.

(Before amendment)
Chapter II. Shares
Article 6 (Total Number of Authorized Shares)
The total number of authorized shares of the Bank shall be 100 million shares.

(After amendment)
Chapter II. Shares
Article 6 (Total Number of Authorized Shares)
The total number of authorized shares of the Bank shall be 500 million shares.

(5) Impact on per share information

Assuming that the stock split had occurred at the beginning of the year ended March 31, 2026, net assets per share and net income attributable to owners of the parent would have been ¥2,214.31 (\$13.849) and ¥92.27 (\$0.577) per share, respectively.

Note: Diluted net income attributable to owners of the parent per share is not presented because there were no potential shares outstanding.

Capital and business alliance with Senshu Ikeda Holdings, Inc.

On April 17, 2026, the Board of Directors of the Bank approved a capital and business alliance (the “Alliance”) with Senshu Ikeda Holdings, Inc. (“Senshu Ikeda Holdings”), and the two companies entered into an alliance agreement on the same date.

(1) Background and purpose of the Alliance

The operating environment surrounding regional economies and regional financial institutions in Japan has been undergoing significant changes, driven by factors such as population decline, shifts in industrial structures, digital transformation, and the transition toward a decarbonized society. In this environment, regional financial institutions are increasingly expected not only to provide traditional financial intermediation services but also to create value by addressing the challenges faced by local communities and customers.

The Bank’s primary business areas are Shiga and Kyoto Prefectures, while those of Senshu Ikeda Holdings are Osaka and Hyogo Prefectures. Both companies provide community-based financial services and share the common value of an enterprising spirit, in which they respect tradition while continuously taking on new challenges. The two companies have collaborated in various areas, including the introduction of mutual ATM fee waivers in 2017 to enhance customer convenience.

Through this Alliance, the two companies intend to leverage their respective management resources and strengths—including branch networks, customer bases, human capital, and brand recognition—across their adjacent business areas. By doing so, they aim to create greater value and contribute to the sustainable development of local communities and customers.

The Alliance is expected to further deepen cooperation between the two companies, establish a medium- to long-term cooperative relationship, strengthen their regional financial capabilities, and enhance their contribution to regional society.

(2) Name of the Alliance

The Alliance will operate under the name: “Senshu Ikeda–Shiga Alliance.”

(3) Overview of the Alliance

(a) Establishment of capital relationship

To enhance the synergies of the Alliance, the two companies will acquire shares in each other and establish a capital relationship, thereby clarifying their medium- to long-term cooperative relationship. Based on current market prices, each company expects to acquire approximately 0.5% to 1.0% of the other company’s outstanding shares. The specific number of shares to be acquired and the acquisition method will be determined by the parties in consideration of market conditions and other relevant factors.

(b) Key areas of business collaboration

- The parties intend to collaborate in the following areas:
- Corporate banking services
 - Retail banking services
 - Sustainability initiatives and regional development support
 - Human resources and digital transformation initiatives
 - Other mutually agreed areas of cooperation

(4) Overview of the companies

- i.

Company name: The Shiga Bank, Ltd.
Headquarters: 1-38, Hamamachi, Otsu, Shiga, Japan
Representative: Shinya Kubota, President and CEO (Representative Director)

Capital: ¥33.0 billion (\$206,404 thousand)
- ii.

Company name: Senshu Ikeda Holdings, Inc.
Headquarters: 18-14, Chayamachi, Kita-ku, Osaka-City, Osaka, Japan
Representative: Hirohito Sakaguchi, Corporate Officer, President & CEO

Capital: ¥102.9 billion (\$643,607 thousand)

(5) Future Initiatives

The two companies will establish a joint framework to develop and implement specific collaborative initiatives under the Alliance. At present, the Alliance is not expected to have a material impact on the consolidated financial results of either company. Should any material impact become apparent in the future, it will be disclosed promptly in accordance with applicable requirements.

38. Segment information

For the years ended March 31, 2026 and 2025

As the Group has only one segment (i.e. banking), the description is not presented.

Related Information

(1) Information about services

	Millions of yen				
	2026				
	Lending services	Securities investment	Fees and commissions	Other	Total
Operating income from external customers.....	¥60,338	¥46,946	¥19,976	¥31,793	¥159,056
	Millions of yen				
	2025				
	Lending services	Securities investment	Fees and commissions	Other	Total
Operating income from external customers.....	¥49,759	¥41,495	¥19,634	¥22,220	¥133,109
	Thousands of U.S. dollars				
	2026				
	Lending services	Securities investment	Fees and commissions	Other	Total
Operating income from external customers.....	\$377,395	\$293,632	\$124,943	\$198,855	\$994,846

(2) Information about geographical areas

(a) Operating income

Operating income from external domestic customers exceeded 90% of total operating income on the consolidated statements of income for the years ended March 31, 2026 and 2025; therefore, geographical operating income information is not presented.

(b) Tangible fixed assets

The balance of domestic tangible fixed assets exceeded 90% of the total balance of tangible fixed assets on the consolidated balance sheets as of March 31, 2026 and 2025; therefore, geographical tangible fixed assets information is not presented.

(3) Information about major customers

Operating income to a specific customer did not reach 10% of total operating income on the consolidated statements of income for the years ended March 31, 2026 and 2025; therefore, major customer information is not presented.

39. Related party transactions

There were no transactions of the Group with related parties for the years ended March 31, 2026 and 2025.

Composition of Capital Disclosure (Capital ratio of the fiscal year ended March 31, 2026, Basel III)

Capital ratio (consolidated)

(Appended Form 2 of Supplementary Provision of the Notification of Japanese Financial Services Agency No. 7, 2014)

		Millions of yen, %		
CC1: Composition of regulatory capital (consolidated)		a	b	c
Basel III Template No.	Items	Year ended March 31, 2026	Year ended March 31, 2025	Reference to Template CC2
Common Equity Tier 1 capital: instruments and reserves				
1a+2-1c-26	Directly issued qualifying common share capital plus related capital surplus and retained earnings	333,131	319,624	
1a	of which: capital and capital surplus	57,613	57,625	(6)+(7)
2	of which: retained earnings	285,621	284,546	(8)
1c	of which: treasury stock (-)	6,655	20,473	(9)
26	of which: national specific regulatory adjustments (earnings to be distributed) (-)	3,448	2,073	
	of which: other than above	—	—	
1b	Total of share award rights and subscription rights to common shares	—	—	(14)
3	Accumulated other comprehensive income and other disclosed reserves	172,446	123,112	(10)+(11)+(12)+(13)
5	Common share capital issued by subsidiaries and held by non-controlling interests (amount allowed in group Common Equity Tier 1)	—	—	
6	Common Equity Tier 1 capital: instruments and reserves (A)	505,577	442,737	
Common Equity Tier 1 capital: regulatory adjustments				
8+9	Total intangible fixed assets (excluding those relating to mortgage servicing rights)	3,668	1,364	
8	of which: goodwill (including those equivalent)	—	—	
9	of which: other intangibles other than goodwill and mortgage servicing rights	3,668	1,364	(1)
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences	—	—	(3)
11	Deferred gains or losses on derivatives under hedge accounting	2,597	1,225	(11)
12	Shortfall of eligible provisions to expected losses	6,849	4,722	
13	Securitization gain on sale	—	—	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	187	—	
15	Asset for retirement benefits	26,726	18,246	(2)
16	Investments in own shares (excluding those reported in the Net assets section)	3	0	
17	Reciprocal cross-holdings in common equity	—	—	
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	12,299	7,722	
19+20+21	Amount exceeding the 10% threshold on specified items	—	—	
19	of which: significant investments in the common stock of financials	—	—	
20	of which: intangible fixed assets relating to mortgage servicing rights	—	—	
21	of which: deferred tax assets arising from temporary differences	—	—	
22	Amount exceeding the 15% threshold on specified items	—	—	
23	of which: significant investments in the common stock of financials	—	—	
24	of which: intangible fixed assets relating to mortgage servicing rights	—	—	
25	of which: deferred tax assets arising from temporary differences	—	—	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	—	—	
28	Common Equity Tier 1 capital: regulatory adjustments (B)	52,332	33,282	
Common Equity Tier 1 capital (CET1)				
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	453,244	409,454	
Additional Tier 1 capital: instruments				
30	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which:			
	31a classified as equity under applicable accounting standards	—	—	
	31b Total of share award rights and subscription rights to Additional Tier 1 instruments	—	—	
	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which:			
32	classified as liabilities under applicable accounting standards	—	—	
	Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	—	
34	Additional Tier 1 instruments issued by subsidiaries and held by non-controlling interests (amount allowed in group Additional Tier 1)	—	—	
36	Additional Tier 1 capital: instruments (D)	—	—	
Additional Tier 1 capital: regulatory adjustments				
37	Investments in own Additional Tier 1 instrument	—	—	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	—	—	
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	—	—	

Matters concerning the disclosure of leverage ratio

Millions of yen, %				
CC1: Composition of regulatory capital (consolidated)				
		a	b	c
Basel III Template No..	Items	Year ended March 31, 2026	Year ended March 31, 2025	Reference to Template CC2
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	—	—	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deduction	—	—	
43	Additional Tier 1 capital: regulatory adjustments (E)	—	—	
Additional Tier 1 capital				
44	Additional Tier 1 capital ((D) – (E)) (F)	—	—	
Tier 1 capital (T1 = CET1 + AT1)				
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	453,244	409,454	
Tier 2 capital: instruments and provisions				
46	Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as equity under applicable accounting standards	—	—	
	Total of share award rights and subscription rights to Tier 2 instruments	—	—	
	Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	—	—	(5)
	Qualifying Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	—	—	
48	Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	—	—	
50	Total of general allowance for credit losses and eligible provisions included in Tier 2	230	316	
50a	of which: provision for general allowance for credit losses	230	316	
50b	of which: eligible provisions	—	—	
51	Tier 2 capital: instruments and provisions (H)	230	316	
Tier 2 capital: regulatory adjustments				
52	Investments in own Tier 2 instruments	—	—	
53	Reciprocal cross-holdings in Tier 2 instruments	—	—	
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	104	77	
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation	—	—	
57	Tier 2 capital: regulatory adjustments (I)	104	77	
Tier 2 capital (T2)				
58	Tier 2 capital (T2) ((H)-(I)) (J)	125	238	
Total capital (TC = T1 + T2)				
59	Total capital (TC = T1 + T2) ((G)+(J)) (K)	453,370	409,693	
Risk weighted assets				
60	Risk weighted assets (L)	3,420,758	3,006,311	
Capital ratio (consolidated)				
61	Common Equity Tier 1 capital ratio (consolidated) ((C)/(L))	13.24%	13.61%	
62	Tier 1 capital ratio (consolidated) ((G)/(L))	13.24%	13.61%	
63	Total capital ratio (consolidated) ((K)/(L))	13.25%	13.62%	
64	CET1 specific buffer requirement	2.51%	2.51%	
65	of which: capital conservation buffer requirement	2.50%	2.50%	
66	of which: countercyclical buffer requirement	0.01%	0.01%	
67	of which: G-SIB/D-SIB additional requirement			
68	CET1 available after meeting the minimum capital requirements	5.25%	5.62%	
Regulatory adjustments				
72	Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)	46,554	41,717	
73	Significant investments in the common stock of other financials that are below the thresholds for deduction (before risk weighting)	1,334	933	
74	Intangible fixed assets relating to mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	—	—	
75	Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	—	—	
Provisions included in Tier 2 capital: instruments and provisions				
76	Provisions (general allowance for credit losses)	230	316	
77	Cap on inclusion of provisions (general allowance for credit losses)	1,042	1,164	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) (if the amount is negative, report as “nil”)	—	—	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	19,037	16,591	

1. Matters concerning the composition of consolidated leverage ratio
(Fiscal year ended March 31, 2026)

Millions of yen			
		2025	2024
Corresponding Line # on International Template (LR1)	Item		
1	Total assets reported in the consolidated balance sheet	7,669,084	7,528,217
2	Amount of assets of subsidiaries that are not included in the scope of the consolidated leverage ratio or Basel III leverage ratio (-)	—	—
3	Adjustments for securitization exposures that do not satisfy requirements for recognizing risk transfer	—	—
4	Adjustments due to exclusion pertaining to deposits in the central bank (-)	977,371	864,964
5	Amount of customer assets included in the consolidated balance sheet (-)		
6	Regulatory adjustments in cases of accounting for securities trading based on the trade date basis	—	—
7	Regulatory adjustments for fund transfers based on cash pooling agreements	—	—
8	Adjustments associated with derivative transactions, etc.	(7,897)	(17,166)
8a	Amount associated with derivative transactions, etc.	64,680	41,824
8b	Assets associated with derivative transactions, etc. (-)	72,577	58,991
9	Adjustments related to repo transactions, etc.	1,070	2,080
9a	Amount related to repo transactions, etc.	1,070	2,080
9b	Amount related to repo transactions, etc. (-)	—	—
10	Amount related to off-balance sheet transactions	133,514	132,581
11	Amount of adjustment items pertaining to Tier 1 capital (allowance for loan losses) (-)	6,849	4,722
12	Additional regulatory adjustments	(71,544)	(57,262)
12a	Amount of adjustment items pertaining to Tier 1 capital (other than allowance for loan losses) (-)	42,697	27,334
12b	Amount of customers' liabilities for acceptances and guarantees (-)	24,748	26,120
12c	Amount of receivables arising from providing collateral in relation to derivative transactions, etc. (limited to the portion corresponding to offset amounts)	—	—
12d	Amount of receivables arising from providing cash variation margin in relation to derivative transactions, etc. (-)	4,098	3,808
12e	Amount of assets of subsidiaries that are included in the scope of the consolidated leverage ratio or Basel III leverage ratio (except those included in the total assets reported in the consolidated balance sheet)	—	—
13	Total exposures	6,740,006	6,718,763

(Note) “Corresponding Line # on International Template (LR1)” refers to that in Table LR1 in the rule text of “Consolidated framework. DIS80 Leverage ratio” published by the Basel Committee on Banking Supervision on December 15, 2019.

Millions of yen			
		2025	2024
Corresponding Line # on International Template (LR2)	Item		
On-balance sheet exposures			
1	On-balance sheet exposures before deducting adjustment items	6,594,386	6,578,141
2	Amount of receivables arising from providing collateral in relation to derivative transactions, etc. (limited to the portion corresponding to offset amounts)	—	—
3	Amount of receivables arising from providing cash variation margin in relation to derivative transactions, etc. (-)	4,098	3,808
4	Recorded amount of securities received through repo transactions, etc. (-)	—	—
5	Amount of adjustment items pertaining to Tier 1 capital (allowance for loan losses) (-)	6,849	4,722
6	Amount of adjustment items pertaining to Tier 1 capital (other than allowance for loan losses) (-)	42,697	27,334
7	Total on-balance sheet exposures (A)	6,540,740	6,542,276
Derivative transaction exposures			
8	Replacement cost associated with derivatives transactions, etc. (with the 1.4 alpha factor applied)	49,567	26,334
9	Add-on amount for potential future exposure associated with derivatives transactions, etc. (with the 1.4 alpha factor applied)	15,112	15,490
10	Amount of exposures to central counterparties zeroed when the debt performance of qualified central counterparties is not guaranteed for indirect settlement participants (-)	—	—
11	Amount of adjusted effective notional amount of written credit derivatives, etc.	—	—
12	Amount of deductions from effective notional amount of written credit derivatives, etc. (-)	—	—
13	Total exposures related to derivative transactions (B)	64,680	41,824

		Millions of yen	
Corresponding Line # on International Template (LR2)	Item	2025	2024
Repo transaction exposures			
14	Amount of assets related to repo transactions, etc.	—	—
15	Amount of deductions from repo transactions, etc. (-)	—	—
16	Amount of counterparty risk exposure for repo transactions, etc.	1,070	2,080
17	Amount of agent transaction exposures		
18	Total exposures related to repo transactions, etc. (C)	1,070	2,080
Other off-balance sheet exposures			
19	Notional amount of off-balance sheet transactions	493,476	485,740
20	Amount of adjustments for conversation to in relation to off-balance sheet transactions (-)	359,961	353,158
22	Total exposures related to off-balance sheet transactions (D)	133,514	132,581
Consolidated leverage ratio or Basel III leverage ratio			
23	The amount of capital (Tier 1 capital) (E)	453,244	409,454
24	Total exposures ((A) + (B) + (C) + (D)) (F)	6,740,006	6,718,763
25	Consolidated leverage ratio or Basel III leverage ratio ((E) / (F))	6.72	6.09
26	Applicable required consolidated leverage ratio or Basel III leverage ratio	3.15	3.15
27	Applicable required consolidated leverage buffer ratio or Basel III leverage buffer ratio	0.00	0.00
Consolidated leverage ratio or Basel III leverage ratio including deposits in Bank of Japan			
	Total exposures (F)	6,740,006	6,718,763
	Amount of deposits in Bank of Japan	977,371	864,964
	Total exposures including deposits in Bank of Japan (F')	7,717,377	7,583,727
	Consolidated leverage ratio or Basel III leverage ratio including deposits in Bank of Japan ((E) / (F'))	5.87	5.39
Disclosure of average values			
28	Average value of assets related to repo transactions, etc. (after deductions) ((G) + (H))	—	—
	Average value of assets related to repo transactions, etc. (G)	—	—
	Average value of deductions from repo transactions, etc. (-) (H)	—	—
29	Quarter-end value of assets related to repo transactions, etc. (after deductions) ((I) + (J))	—	—
	14 Quarter-end value of assets related to repo transactions, etc. (I)	—	—
	15 Quarter-end value of deductions from repo transactions, etc. (-) (J)	—	—
30	Total exposures (using average value of assets related to repo transactions, etc. (after deductions) and excluding deposits in Bank of Japan) (K)	6,740,006	6,718,763
30a	Total exposures (using average value of assets related to repo transactions, etc. (after deductions) and including deposits in Bank of Japan) (L)	7,717,377	7,583,727
31	Consolidated leverage ratio or Basel III leverage ratio (using average value of assets related to repo transactions, etc. (after deductions) and excluding deposits in Bank of Japan) ((E) / (K))	6.72	6.09
31a	Consolidated leverage ratio or Basel III leverage ratio (using average value of assets related to repo transactions, etc. (after deductions) and including deposits in Bank of Japan) ((E) / (L))	5.87	5.39

(Note) "Corresponding Line # on International Template (LR2)" refers to that in Table LR2 in the rule text of "Consolidated framework. DIS80 Leverage ratio" published by the Basel Committee on Banking Supervision on December 15, 2019.

2. Reasons for any significant disparities in consolidated leverage ratio compared to the previous fiscal year (if any)

Not applicable.

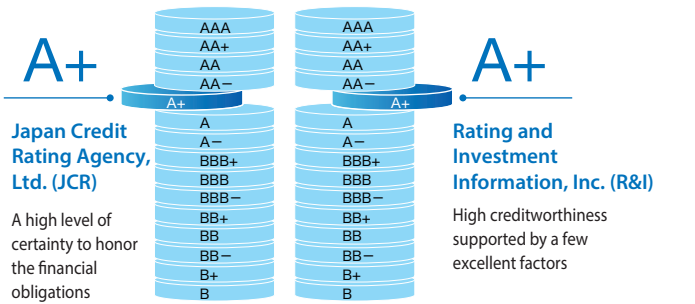
Stock Information

As of March 31, 2026

Profile (March 31, 2026)

Name	THE SHIGA BANK, LTD.
Head Office location	1-38, Hamamachi, Otsu, Shiga 520-8686, Japan
Established	October 1, 1933
Total Assets	¥7,635.2 billion
Deposits	¥5,988.1 billion
Loans	¥4,624.9 billion
Capital	¥33.0 billion
Employees	1,936 persons
Offices and Branches	133 offices (including 33 agency offices)
Total number of issued shares	48,090 thousand shares
Number of shareholders	14,245 persons

Rating



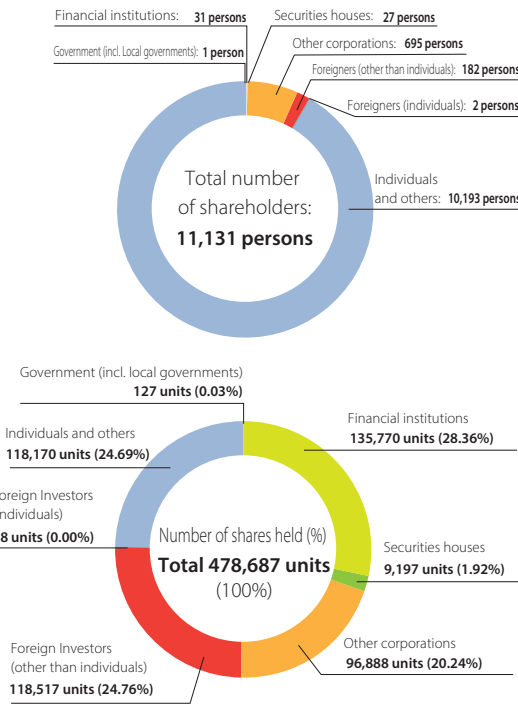
Major Shareholders (As of March 31, 2026)

Name	Number of shares held (Thousand shares)	As a percentage of total number of issued shares (excluding treasury stock) (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	4,077	8.86
ARIAKE MASTER FUND DIRECTOR TAKANO SHIGERU (Standing proxy: Tachibana Securities Co., Ltd.)	2,677	5.82
Custody Bank of Japan, Ltd. (Trust account)	2,216	4.82
Nippon Life Insurance Company	1,610	3.50
Meiji Yasuda Life Insurance Company	1,599	3.47
STATE STREET BANK AND TRUST COMPANY 505103 (Standing proxy: Settlement & Clearing Services Department of Mizuho Bank, Ltd.)	1,164	2.53
Employee Stock Ownership of Shiga Bank	1,010	2.19
STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Settlement & Clearing Services Department of Mizuho Bank, Ltd.)	964	2.09
Sompo Japan Insurance Inc.	844	1.83
CEPLUX-THE INDEPENDENT UCITS PLATFORM 2 (Standing proxy: Citibank, N.A., Tokyo Branch)	774	1.68
Total	16,941	36.84

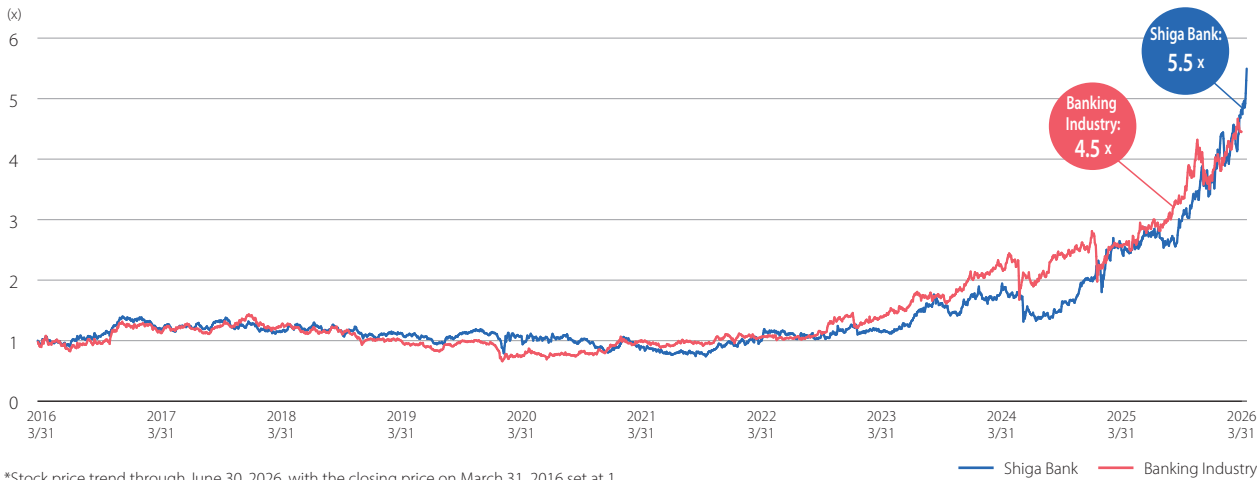
*The Bank holds 2,114 thousand shares of treasury stock (representing 4.39% of the total number of issued shares), which is not included in the list of major shareholders above.

Number of shareholders and shares by type of holder (As of March 31, 2026)

*Shares less than one unit are not included.



Stock price trends (10-year)



「三方よし」で地域を幸せにする

Sustainability Design Company

SHIGA BANK