

Three brand-building strategies

Our marketing strategy has three brand-building strategies: (1) providing expertise and customer care; (2) being strong in Asia; and (3) being highly conscious of CSR. As it implements its 3rd Medium-Term Business Plan for the 21st Century, Shiga Bank will further refine its unique features.

(1) Providing expertise and customer care

We will aggressively work to provide a fuller menu to help customers solve problems.

Services for individuals

The Bank engages in the Solutions Business at all branches as the core activity in “Providing expertise and customer care.” Our Financial Planning (FP) activities are the main services offered to individual customers. We endeavor to present a menu of effective measures as we provide consulting on such issues as inheritance, donations, wills, and effective use of real estate. We are also moving ahead with our plan to have all Bank employees obtain FP qualifications. As of March 31, 2008, the number of qualified employees had risen to 1,994.

For customers in need of comprehensive asset management, the Bank offers advice and proposals developed by experienced 1st Grade Certified Skilled Workers (Financial Planning) with broad perspectives. These experts are backed by our Private Banking Team (PB Team) set up at the Shiga Bank Head Office. In addition, we have assigned Area Consulting Leaders (ACL) to guide our services in each area of operations. In addition to responding to asset management consulting needs, the Bank regularly conducts asset management seminars in each locality.

Main FP consultation menu for individuals

1. Inheritance and advancement consulting
2. Consulting on wills

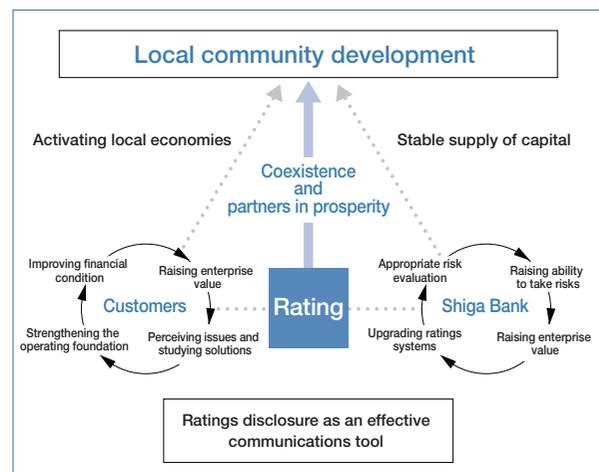
3. Effective use of real estate
4. Trusts established for public benefit and trusts for designated contributions
5. Setting up corporations
6. Consulting for physicians setting up their own practice.
7. Support for medical care provider start-ups

Services for corporations

For corporate customers, the Bank’s Solutions Marketing Group works hand-in-hand with branches to help with business issues such as succession measures, or mergers and acquisitions (M&A). This activity is part of the Bank’s aggressive efforts in Corporate FP.

Responding to great demand, from October 2007 to June 2008, the FP consultation menu Shiga Bank offered corporate customers included a total of five seminars on the subject of business succession. This service, which included individual

Significance and purpose of the ratings system



consulting meetings as well as lectures and discussions of actual cases, was very well received.

Under the new Basel II international standards on risk management, which went into effect at the end of March 2007, the Bank is required to implement a specific advanced Foundation Internal Ratings Based (FIRB) approach to risk management. Shiga Bank has joined the group of top five regional banks authorized to adopt these advanced standards.

It was on this basis as an FIRB bank that, the Bank began its “Shigagin Ratings Communications Service” in August 2007. This service provided to business clients is based on independent data accumulated in our internal ratings activity. We have been able to strengthen our operating foundation by sharing ratings criteria with business partners, as well as tasks and risk.

Nonohana New Business Support

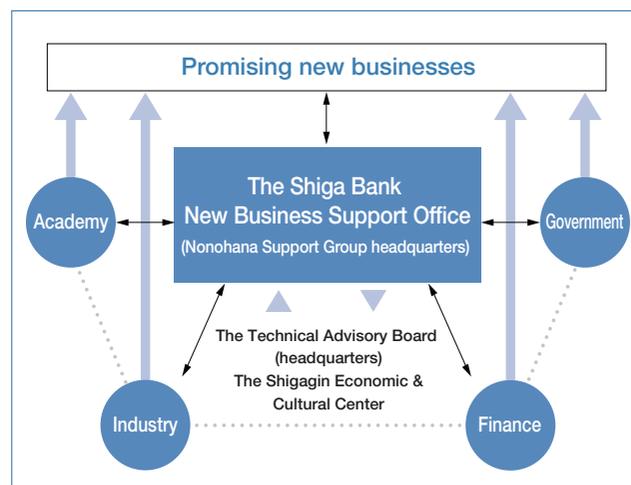
Shiga Bank sees fostering the development of new businesses — under its Nonohana New Business program — as part of its mission as a regional financial institution. Our New Business Support Office is engaged in a wide range of aggressive efforts to support a thriving entrepreneurial spirit.

The Bank will hold five “Saturday Entrepreneur Seminars” this fiscal year. Now in its ninth year, this program is a joint initiative undertaken by the Bank, as a representative of the financial industry, with partners in industry, academia, and government. Environmental business is this term’s special topic. A wide range of new material has been introduced as content for the seminars. Kyoto University and other universities are providing support for the second

through fourth seminars. Each will be held on a different campus.

Shiga Bank is also creating a regional new business support network. This unique network representing an alliance of finance and industry, academia, and government starts in Shiga Prefecture and includes, among others, government agencies and nine universities in the Kyoto and Shiga districts. It extends financial support to such customers as venture businesses, businesses seeking to enter new fields, or companies wishing to carry out an initial public offering of stock.

The Nonohana Support Group in the Shigagin new business support network



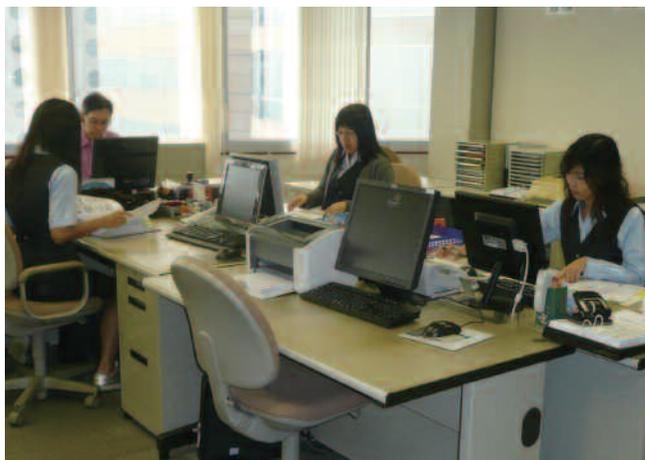
(2) Being strong in Asia

With its independent information network, Shiga Bank provides strong support for companies expanding overseas.

Our Hong Kong Branch marks its 15th anniversary in September 2008, and our Shanghai Representative Office marks its 5th anniversary in December. Under our “Being strong in Asia” strategy, Shiga Bank meets the needs of customers seeking to expand overseas. As part of this effort, we send trainees to, first of all, Hong Kong and Shanghai, but also to Shenzhen (China), Bangkok, and London. We have a powerful network hooking these trainees up with the Asia Desk established at our Head Office.

Hong Kong Branch

Our Hong Kong Branch supports the activity of overseas subsidiaries of Japanese corporations, especially from the Shiga, Kyoto and Osaka areas, in areas such as savings, loans, and Money Orders. Making full use of its overseas branch, Shiga Bank meets the funding needs of customers, not only in Hong Kong, but also in mainland China and in Southeast Asia. Through March 31, 2008, our Hong Kong Branch had provided six cross-border loans to overseas subsidiaries of Japanese corporations in China and in Southeast Asia.



Shanghai Representative Office

Starting with providing up-to-date information on China, we offer such services as advice on establishing operations in China, business matching services, and market surveys to meet customer’s China related needs.

Asia Desk

The Asia Desk, a base for disseminating information As part of the Securities and International Department at the Head Office, the Asia Desk is a core unit in the Bank’s overseas network. It offers the following services.

1. Consulting and advice on foreign trade
2. Proposals on hedging foreign exchange risk in foreign trade
3. Information related to expanding operations overseas
4. Investigation of credit standing of foreign companies
5. Support and advisory services for advancing overseas
6. Business matching with companies overseas
7. Support for capital procurement for overseas local subsidiaries
8. Holding Asia Seminars
9. Proposing hedging methods for various risks in foreign trade

“Shigagin” Asia Seminars held regularly

The Bank conducts two “Shigagin” Asia seminars annually for corporate customers expanding overseas or with needs related to overseas transactions. The 22nd seminar, which was held in March 2008 with the theme “China Plus One,” drew attention for the valuable information it provided in lectures on Vietnam and Thailand, and on changes in tax regulations and foreign exchange systems, and on China, where the Beijing Olympics will soon open.

(3) Our aims for “Shiga Bank — committed to CSR”

The Shiga Bank positions CSR (Corporate Social Responsibility) as an essential part of its management approach and this is reflected in its slogan Clean Bank Shigagin and in its Environmental Management that incorporates the environment as part of the Bank’s management approach.

The concept of a “Clean” means (1) Eco-Office — reducing the amount of resources and energy consumed, (2) working to protect the local environment by developing and offering environmentally sensitive financial products and services, (3) creating a work force with high ethical values, and (4) highly transparent information disclosure. The entire organization is working to make this a reality.

Through the Shigagin Welfare Fund, we seek to enhance the welfare of local communities. Each year, for example, we provide contributions to experimental and pioneering welfare programs undertaken in Shiga Prefecture. At the same time, we promote regional cultural initiatives through our affiliate, the Shigagin Economic & Cultural Center Co., Ltd.

To further improve our environmental, welfare and cultural work and in order to pursue our CSR, we established a CSR Committee in April 2004 with President, as Chairman. This committee helps us fulfill our social responsibilities to all of our stakeholders — our customers, shareholders, people who live and work close to our locations, from senior executive down to counter staff — and thus become highly CSR-conscious.

To make the Bank’s social responsibility more explicit, in April 1, 2007, we established a CSR Charter (Management Principles) as the basis for the Bank’s creed, “be harsh on yourself, be good to others, and do your utmost for society” (established 1966). The charter consists of three principles: (1) “Co-exist and prosper with local community” to help gain the trust and fulfill the expectations of our customers; (2) “Co-exist and prosper with the Bank’s employees”

to respect every individual’s rights and individuality; and (3) “Co-exist and prosper with the Global Environment” to practice environmental management as social responsibility of mission of a bank based near Lake Biwa. In order to make the spirit of the Charter a reality, we set up specific guidelines in the form of The Shiga Bank Code of Conduct. We are the first regional bank in the country to establish its own CSR Charter and from now on, from senior executive down to counter staff will do their best to achieve the spirit of the CSR Charter as well as the Code of Conduct.

CSR Charter (management principles)

With our creed “be harsh on yourself, be good to others, and do your utmost for society,” we believe we are carrying on the tradition of the good merchants of Omi (old name for Shiga prefecture), who believed in honesty in selling and buying and in dealings with everyone, to win people’s respect. This creed is the starting point for our CSR efforts, and to co-exist and prosper as a member of society.

Co-exist and prosper with local community

As a bank that walks hand-in-hand with the community, we try to show a sound and enterprising spirit as we respond to customers’ expectations and trust and work to contribute to the development of local communities.

Co-exist and prosper with the bank’s employees

Each and every bank employee shows respect for human rights and individuality, strives to create a meaningful workplace, and conscientiously seeks to realize the principles of “Clean Bank Shigagin.”

Co-exist and prosper with the global environment

As the social mission of a company located along the shore of Lake Biwa, Shiga Bank strives to put environmental management into practice. We make every effort to protect the global environment and

contribute to the building of a sustainable society.

Environmental Protection Efforts

In our role in finance, the main business of any bank, attributions that we can make to contribute to the development of a sustainable society is broadening such as help prevent global warming. With this mission uppermost in mind, many of our CSR efforts as a financial institution are directed toward creating and providing financial products and services designed to help solve environmental problems and support the efforts of regional and local businesses in the area of environmental preservation.

Carbon Offset Time Deposits

On April 1, 2008, we established “Carbon Offset Time Deposits, Future Seeds” as a program to purchase greenhouse gas emission rights. The Bank bears the expense of such purchases in proportion to time deposits received from customers. Shiga Bank was the first financial institution in Japan to market this type of product.

* The upper limit on this product is ¥6 billion in total savings deposits.

Eco-Plus Time Deposits

Shiga Bank’s Eco-Plus Time Deposit program is designed to raise funds for elementary schools in Shiga Prefecture to create “School Biotopes.” Every time a customer sets up a time deposit through a direct channel such as an ATM, over the phone or the Internet, the Bank adds seven yen, an amount equivalent to the savings gained by not using paper application forms, to the Biotope fund. From fiscal 2006 through fiscal 2008, the Bank has contributed a total of ¥5 million, ¥500,000 each to ten schools.

Principles for Lake Biwa Support Fund (PLB Fund)

The Principles for Lake Biwa Support Fund (PLB Fund) is used to provide favorable interest rates in financing for enterprises that play a leading role in CSR activity that contributes to environmental protection.

To promote greater business concern and action in line with the Principles for Lake Biwa, an environmental campaign targeting local companies, Shiga Bank implements a system in which supporting businesses and businesspersons are given a PLB rating. Preferential interest rates up to 0.5% lower than ordinary rates are extended under a five-stage rating plan to our customers that engage in CSR management activity that supports the environment.

As of March 31, 2008, the Bank had extended a cumulative total of 472 loans amounting to ¥6,782 million in funds for enterprises and business operators that had demonstrated meaningful cooperation with PLB. The number of cooperating businesses and business people rose to 2,184.

Carbon Neutral Loans, Bright Future

When customers utilize the Principles for Lake Biwa Support Fund or other Shiga Bank financial products for environmental protection in order to introduce solar electricity systems, etc., the Bank makes a contribution to a project to protect the *nigorobuna*, a carp indigenous to Lake Biwa. The donation to the *nigorobuna* reintroduction program is proportional to the carbon dioxide reduction involved. In fiscal 2007, ¥1.2 million was donated and 30,000 carp were put into the lake. The breeding of *nigorobuna* also serves to protect and promote the Shiga Prefecture food culture, which includes *funazushi*.

In January 2008, Shiga Bank employees and their families, 340 persons in all, participated in a *nigorobuna* reintroduction event made possible by the loan programs.

Bank awarded Environment Minister’s 9th Green Purchase Grand Prize

The 9th Green Purchase Grand Prize awards ceremony was held by the Green Purchase Network (GPN) at the Yume Messe Miyagi Hall in Sendai City in October 2007. Shiga Bank was awarded the Environment Minister’s Grand Prize, the highest

award given.

The Prize was given in recognition of the Bank's environmental activities as a regional financial institution that solidly contributes to reducing the burden on regional environments. Cited were Shiga Bank's Eco-Plus Time Deposits that support elementary school Biotope projects, the extension of low-interest financing with environment-friendly products such as loans from the Eco-Clean Fund and the PLB Fund to customers that make special environmental preservation efforts.

5th Corporate Philanthropy Grand Prize Received

Shiga Bank was honored by the Japan Philanthropy Association with its 5th Grand Prize for Corporate Philanthropy.

The award, which was established in 2003, is sponsored by the Japan Philanthropy Association, to give recognition to enterprises that contribute to society in the course of their main business activity. Shiga Bank was selected for the award from among 51 other participants and recommended companies. The Bank's CSR management centered on the environment was highly acclaimed.



Awards Ceremony Held in February 2008

Regional Initiatives

Responding to the voices of people in the region

1. AEDs installed at all branches

From January through February 2008, the Bank installed automatic external defibrillators (AEDs) at

all branch ATM corners, the Head Office Building, and other Bank facilities, 140 locations in all. AEDs are medical devices used to restore normal heart rhythm to persons experiencing cardiac arrest by giving the person an electric shock. The Ministry of Health, Labour and Welfare authorized the use of these devices for general citizens in July 2004. Public facilities, airports, train stations, schools and companies have been introducing AEDs since that time.

The Bank has set the devices up in such a way that they can be utilized outside of normal business hours at each branch ATM corner. All staff members responsible for AEDs at Head Office and branches are given training sessions to ensure that the AEDs can be safely used.

2. BCAO Award 2007 Received

Shiga Bank was selected as the winner of the Grand Prize at "BCAO Awards 2007" — the highest award given by the Business Continuity Advancement Organization, a specified non-profit Corporation.

The BCAO awards are given to companies that contribute to the advancement of business continuity management.

Shiga Bank won major recognition for (1) the detailed Business Continuity Plan it has initiated; (2) the leadership given by executive officers to promote the Plan as a Group-wide effort; (3) the BCP Support Loans and disaster risk consulting it provided, and as a financial institution, the effort it made to promote the adoption of BCPs; and (4) for serving in an advisory capacity for many corporations engaging in BCP activity.



Awards Ceremony Held in April 2008