

# 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 CSR-conscious. 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, 2009, the number of qualified employees had risen to 1,894.

### Offering Remedial Measures Against Loss-Making Asset Investments by Customers Amid the Bear Market

The Private Banking Team at the Bank’s head office works together with the Area Consulting Leaders in each marketing area to devise remedial measures for customers who have suffered losses on investments trust and pension insurance contracts concluded with the Bank. Our staff consult with customers, and the Bank holds frequent seminars on asset investment and meetings at which the latest data on investment trusts is reported. Sixty-nine such seminars and meetings (including those held by a branch) were held in the latter half of fiscal 2008, with the attendance of around 3,800 customers.

### 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 Corporate Business Strategy 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.

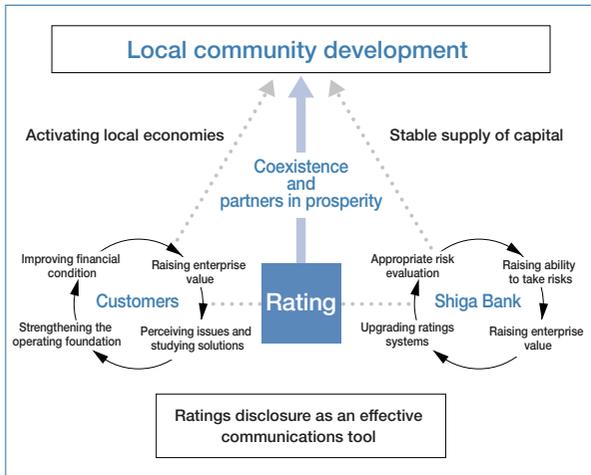
Additionally, since August 2007 we have been working together with customers to raise their enterprise value through the Shigagin Ratings Communication Service.

### The Shigagin Ratings Communication Service — Working Together with Our Customers to Realize Mutual Prosperity

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

## Significance and Purpose of the Ratings System



is based on independent data accumulated in our internal ratings activity. As of the end of March 2009 we have provided ratings to 1,248 corporate borrowers (1,498 times). We have been able to strengthen our operating foundation by sharing ratings criteria with business partners, as well as tasks and risk.

### Matters on which Our Corporate Financial Planners Offer Consultation Services

1. Business succession plans
2. Support for IPOs
3. M&A
4. Reviews/redesign of company pension systems
5. Securitization of receivables; full factoring services
6. Charitable trusts and specified donation trusts
7. Arrangement of technology agreements between customers and academic institutions
8. Support for application to the Bank's Management Innovation Scheme, a management support system for business start-ups
9. Analysis of ROE and cash flow
10. Consulting for medical care enterprises
11. Management support consulting
12. ISO accreditation consulting
13. Commodity derivatives
14. Consulting on drafting business continuity plans (BCPs)
15. Operating lease transactions

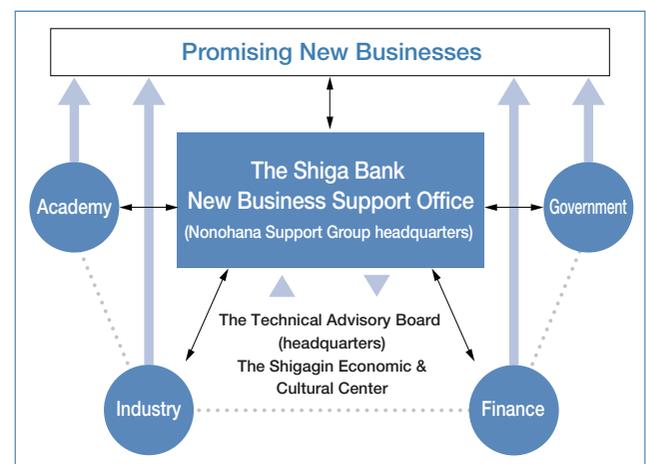
## Nonohana (New Business) Support

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. The Shigagin Business Support Office helps promote the development of the regional economy through effective programs to meet the diverse and complex needs of a wide range of business start-ups.

### Shigagin Nonohana Support Group Helps Realize Business Start-Up Dreams

To give even stronger support for the establishment of new companies or the expansion of existing companies into new lines of business, we are making full use of the Shigagin Nonohana Support Group. This is a unique new regional support network that we have created through an alliance of financial institutions, manufacturing companies, academic bodies, and governmental institutions. The main governmental body involved is the Shiga Prefectural Government, and the academic side is represented by nine universities and colleges in Shiga and Kyoto prefectures. The network leverages the wide-ranging expertise of the participants to extend financial support to venture businesses, companies trying to enter new business fields, and those planning to carry out an IPO.

### The Nonohana Support Group in the Shigagin New Business Support Network



## (2) Being Strong in Asia

### Close Collaboration Between International Department and Overseas Branches

We provide effective support for customer companies wishing to expand their activities into East Asian markets. In January 2009 we established the International Department (formerly part of the Securities & International Department) as an independent unit. This organizational change is aimed at extracting maximum leverage from Shiga Bank's status as the only regional bank in the Kinki region with overseas offices. We aim not only to enhance our support for companies entering East Asian markets, but also to expand our range of Asia business services, primarily to business matching services. The Bank is also planning to upgrade its international services in collaboration with its partners in Japan and overseas.

### 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. Providing 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

### Hong Kong Branch Marks 15th Anniversary

Shiga Bank's Hong Kong Branch is the only overseas branch operated by a Kinki regional bank. In December 2008 the branch celebrated its 15th birthday

by holding a gathering for corporate customers. This reception was attended by 80 representatives from 57 Japanese companies operating in Hong Kong and Southern China.

Staff at our Hong Kong Branch meet the funding needs of customers not only in Hong Kong but also the rest of China and Southeast Asia via cross-border loans. As of the end of March 2009 the branch had extended ten such loans.

### Shanghai Representative Office Marks Five Years Since Establishment

Shiga Bank set up its Shanghai Representative Office five years ago to meet the needs of a growing number of Japanese companies seeking to set up business operations in China. In December 2008 the staff of the representative office organized a business trip (under the name "Shigagin China Mission") for Japanese business people to the northeast Chinese city of Tianjin, famous for its concentration of manufacturing industries, and to Changsha in Hunan Prefecture, which is one of the most important Chinese economic centers outside the coastal zone.

The Shanghai Representative Office also hosted a customer gathering for customers operating businesses in a wide area stretching from South China to the Shanghai area. The event was attended by the representatives of 153 companies plus other business



people who had participated in the Shigagin China Mission, for a total of 225 attendees.

### **(3) Being Highly CSR-Conscious**

#### **Contributing to the Regional Community through Multifaceted CSR Activities, Centered on Loans for Development of Environmental Preservation Products**

On July 1, 2008 Shiga Bank became the first financial institution to receive certification as an “Eco-First Enterprise” under the “Eco-First System” established by the Ministry of the Environment. Shiga Bank conducts CSR activities that are unique to a financial institution, such as supporting environmental preservation by corporations and other bodies in the local region through provision of loan products and services for environmental preservation programs.

#### **Shiga Bank Recognized as Official Participant in Emissions Rights Trading Market in Japan**

On April 15, 2009 the Bank’s application to join Japan’s emission rights trading system was approved at the third meeting of the accreditation committee for the system. Shiga Bank is the first regional bank to be certified as an official participant in this market.

Specifically, the Bank is acting as a joint carbon emissions trading participant together with other companies with respect to textile manufacturing plants in Nagahama City, Shiga Prefecture. Utilizing loans provided by the Bank, the plants plan to convert their boilers to run on natural gas instead of the coal and fuel oil used previously. The Bank will subsequently obtain the emission rights for sale to other companies.

Because the CO<sub>2</sub> emissions trading system in Japan is not yet properly in operation, the Bank has hitherto concentrated its efforts on acquiring emissions trading rights overseas. It is expected that this planned acquisition of domestic emissions trading rights will both help to stimulate the regional economy and contribute to the fight against global warming.

Note: Japan’s emission rights trading system

This system enables small and medium-sized enterprises to utilize funding and advanced technologies provided by large corporations to effect reductions in their emissions of greenhouse gases, principally carbon dioxide. These enterprises receive certification of carbon emissions credits from a central accreditation committee, and these can be purchased by other manufacturers.

#### **Shigagin Hamamachi Training Center to Symbolize Commitment to Human Resources Development and CSR in the Environmental Sphere**

In February 2009 construction was completed of the Shigagin Hamamachi Training Center. With its solar power generation system and its rooftop and wall greenery, the Training Center incorporates the latest environmental techniques developed by companies in Shiga Prefecture and elsewhere. Compared with buildings employing standard building methods, the Training Center emits approximately 55 tonnes (22.4%) less carbon equivalent per annum, and the design also pays great attention to interior comfort for users and exterior attractiveness. As a result, it has been awarded the highest ranking under the CASBEE (Comprehensive Assessment System for Built Environment Efficiency) system by the Institute for Building Environment and Energy Conservation. This is the first such award for a financial institution in Western Japan.



The Shigagin Hamamachi Training Center