

Message from TOP



While there are signs of a recovery in the Japanese economy from a macroeconomic viewpoint, the traditional pattern of a recovery in large corporations gradually spreading to small and medium-sized enterprises is changing radically. We could say that the Japanese economy and society are facing a major transformation. In these circumstances, we will promote community-based management and propose solutions, taking full advantage of our strengths under our three brand-building strategies (Being strong in networks, Being strong in Asia, and Being highly CSR-conscious) while bolstering the trust we share with the regional economy.

Aiming at mutual prosperity with the regional community

Looking at the domestic banking sector, there have been eleven business mergers involving regional banks in the past five years, which shows that building management strength is an urgent issue for regional banks. We will make efforts throughout our organization to reinforce our management strength and to achieve sustainable growth under a more robust structure.

Fortunately, we have strengths that we have cultivated over many years as a wide-area regional bank: the trust of the community, a network of branches, and our people. Making the most of these assets, we will develop community-based management, aiming at further mutual prosperity with the regional community, as stated in our CSR charter established in April 2007.

Promoting and tapping new business currents

In the 3rd Medium-Term Business Plan for the 21st Century (from April 2007 to March 2010), we have striven to create “business currents”^{*1} by implementing our “seeding strategy.”^{*2} Business currents are business channels including not only distribution and funding channels but also people in the community and information. We will continue to focus on the growth and prosperity of our customers by promoting and tapping new business currents in this age of great transformation. Shiga Prefecture is located at the center of an economic area covering the Kyoto-Osaka-Kobe area and the Tokai area. As the only regional bank based in Shiga Prefecture, we will seek to boost the economic strength of the entire area by playing a crucial role in terms of providing financial services and channels for funds and information.

*1 Business currents: Generating new business activities among our customers

*2 Seeding strategy: Expanding business areas outside prefectural borders based on our existing offices and branches

4th Medium-Term Business Plan

We initiated the 4th Medium-Term Business Plan (from April 2010 to March 2013) as a roadmap to developing community-based management.

Under a basic vision of “Meeting the Challenge of the Next Stage—Greater mutual prosperity through strengthened dialogue,” we are distinguishing ourselves from competitor banks and bolstering our role in the community while ensuring provision of financial services that deliver high added value.

To develop community-based management, the Bank aims to **bolster dialogue with customers to promote greater two-way understanding**. We will get to know our customers even better through communication, enabling us to fully understand their needs, resolve their issues and provide high value-added services.

Specifically, we will execute the following **Three Brand-Building Strategies**:

1. **Being strong in networks**: We will actively seek to improve enterprise value at our customers by offering solutions including business matching, using our network of branches.
2. **Being strong in Asia**: We will strongly support our customers in their development of operations in Asia, using our superiority as the only regional bank in the Kinki region having a branch overseas (Hong Kong Branch).
3. **Being highly CSR-conscious**: We will further provide customers with environmental financing products and services and will forcefully help our customers develop environmental business to support both the environment and economy.

Under the slogan “We grow with our customers,” “Strengthening dialogue” based on our commitment to understanding our customers and sharing with them new values in an evolving market, to deepen mutual prosperity—this is what we mean by “Next Stage.” We will unite to achieve the goals of the upcoming plan.

August 2010



Koichi Takata, *Chairman*



Yoshio Daido, *President*