5th Medium-Term Business Plan

For the Future with You

Basic Vision (the kind of bank we should ideally be)

A bank journeying into the future together with its customers and region

Main Theme

Awareness-raising and behavioral improvement for improving customer satisfaction

Behavioral Guidelines

Faithfulness, imagination, and enthusiasm

Awareness-raising and behavioral improvement of the Group employees that gives top priority to the development of our customers

Basic strategy 1 Provision of solutions matching the customers

< Providing expertise and care > — Deepening of the "three brand-building strategies" —

<Being strong in Networks>

(i) Strengthen support systems dedicated to the development of our customers

(ii) Revise channel functions that improve the convenience of our customers

(iii) Utilize IT that meets the needs of our customers

<Being strong in Asia>

(iv) Support the overseas businesses of our customers

<Being highly CSR-conscious>

(v) Develop CSR activities together with our customers

Strengthening of profitability

- We will secure appropriate revenues and aim to strengthen profitability by increasing points of contact with our customers and providing solutions based on ascertaining the needs of our customers.
- We will expand our service revenues by offering suitable services for asset management needs and strengthening our settlement functions.

Reduction of expenses

- We will develop each BPR and suitably deploy and effectively utilize human and physical resources, in order to improve productivity and thereby reduce costs.

Risk management

- We will focus our energies on sharing issues and on consulting activities in order to reduce the risks faced by our customers.
- We will perceive risk appropriately based on the principle of self-responsibility and control risk strategically and rationally.

Bank motto: **Be tough on ourselves, kind to others and serve society**

CSR Charter (Management Principles): **Mutual prosperity with the regional community,**

ROE (return on equity)

An indicator showing the extent to which the company is using the invested capital of the shareholders efficiently to generate profits

$$\frac{\text{Net profits}}{\text{Beginning of year and end of year average value of (net assets – share options – minority shareholders' equity)}} \times 100$$

OHR (Overhead ratio)

An indicator showing how efficiently the bank is being managed

$$\frac{\text{Expenses}}{\text{Gross profit}} \times 100$$

April 2013 - March 2016

— Aiming for the sustainable growth of our region with our customers —

[Name and the concept of the basic vision] The Shiga Bank Group will journey forward with our customers in a future-oriented manner in order to create new values and the sustainable growth of our region with our customers.

Faithfulness: the feeling of thinking about customers' needs at all times

Imagination: a keen sensibility and abundant ideas

Enthusiasm: full dedication and strong will

We will expand, enhance and upgrade our services to our customers by developing each BPR (operation of SUCCESS)

Basic strategy 2 Further contributions to the regional economy

(i) Proactively tackle the development of our customers and the regional economy
(ii) Strengthen support systems for working on the new businesses of our customers
(iii) Work together with our customers on increasing the appeal of the regional brand

Basic strategy 3 Construction of a resilient business foundation

(i) Develop and utilize the human resources that will contribute to the development of our customers
(ii) Strengthen the internal control system in order to enable our customers to conduct transactions with the bank with even greater peace of mind
(iii) Reform our operations with the objective of improving the convenience of our customers

Our numerical targets for each indicator (by the final fiscal year)

- ROE (consolidated) .... 3.0% or more
- OHR (non-consolidated) .... Less than 70%
- Common equity Tier 1 ratio (consolidated) .... 10.0% or more
- Reduction in greenhouse gas emissions .... 20% reduction (*)

(*) An average 20% reduction compared to fiscal year 2006 over the three years from fiscal year 2013 to fiscal year 2015

Regional contribution goals (by the final fiscal year)

Total deposits (end of year balance) .... ¥4.3 trillion
Total loans (end of year balance) .... ¥3.0 trillion

<Promotion of relationship banking> (cumulative over the period of the plan)
Network: number of customers for which we provide the ratings communication service: .... 3,200 customers
Number of instances of business matching meetings: .... 3,000 instances
Asia: number of instances of overseas business support: .... 4,300 instances
CSR: total number of people participating in volunteer activities: .... 7,500 people

mutual prosperity with all employees, harmonious coexistence with the environment

Common equity Tier 1 ratio

Beginning from the fiscal year ended March 31, 2013 the new capital adequacy requirements (Basel III) have been applied to international uniform standard banks possessing a branch overseas.

It is reported that of the capital adequacy requirements the top priority is given to the "common equity Tier 1 ratio," the core capital comprised of common equity, internal reserves, etc. and the level that is desired after full implementation is 7.0% or more (including the capital conservation buffer).