

# Investor Presentation for the Fiscal Year Ended March 31,2026

Sustainability Design Company

「三方よし」で地域を幸せにする

# SHIGA BANK

**Jun.2026**

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# Summary of Financial Results for the Fiscal Year Ended March 31, 2026

## ■ Summary of Financial Results

- ▶ **Consolidated Net Income 21.2 billion yen , record high (2 consecutive terms)**
  - Both non-consolidated and consolidated profits increased due to strategic allocation efforts made in anticipation of the transition to a "world with interest rates."
- ▶ **Net interest income expansion drove performance**
  - Net interest income reached a record high of 75.4 billion yen (+11.3 billion yen YoY) due to an increase in interest on loans and dividends on securities.
- ▶ **Both loans and deposits increased, expanding the transaction base**
  - Both business and consumer loans increased, and deposits also remained on an upward trend for both individuals and corporations.
- ▶ **Forecast for the Fiscal Year Ended March 31,2027 :**  
**Increase in both sales and profit, with record-high profit expected**
  - Plan for consolidated profit of 28.5 billion yen due to an increase in net interest income, etc.

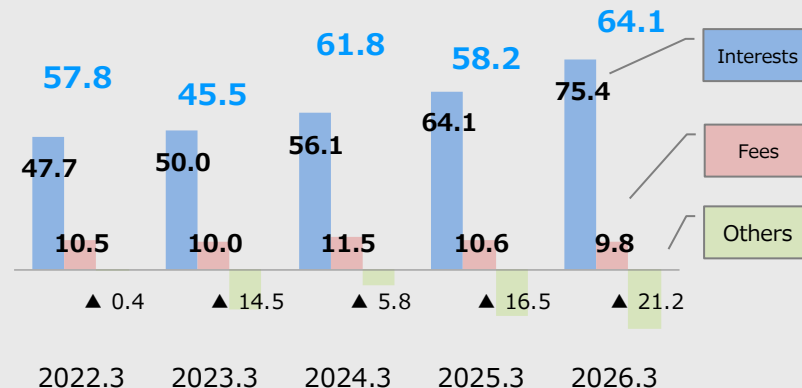
- Net interest income expanded due to increased loan interest and securities interest/dividends
- Despite strategic sales of low-yield bonds to improve future earnings, consolidated net income was 21.2 billion yen, achieving record-high profits for the second consecutive period

## Financial Results(non-consolidated)

[Units : billion yen]

[Non-Consolidated]	No.	2025.3	2026.3	YoY
Gross business profit	1	58.2	64.1	5.9
Net interest income	2	64.1	75.4	11.3
Interest on loans and discounts	3	49.4	60.0	10.6
Interest and dividends on securities	4	32.2	36.5	4.3
Interest on deposits etc. (▲)	5	5.7	14.2	8.5
Net fees and commissions	6	10.6	9.8	▲0.7
Net other ordinary income	7	▲16.5	▲21.2	▲4.6
Expenses (▲)	8	44.5	48.4	3.8
Personnel Expenses (▲)	9	18.9	21.1	2.2
Non-Personnel Expenses (▲)	10	22.3	23.7	1.3
Taxes (▲)	11	3.2	3.5	0.2
Net business profit (before provision of general allowance for loan losses)	12	13.6	15.7	2.0
Provision of general allowance for loan losses (▲)	13	▲1.0	—	1.0
Net business profit	14	14.7	15.7	1.0
Non-recurring gains (losses)	15	3.9	12.7	8.8
Gains related to equity securities	16	7.1	10.3	3.2
Ordinary profit	17	18.6	28.5	9.8
Extraordinary income (losses)	18	6.6	0.0	▲6.6
Profit before income taxes	19	25.3	28.5	3.2
Profit	20	18.8	21.4	2.5
Credit costs (▲)	21	4.2	▲0.1	▲4.3
Consolidated Profit	22	18.7	21.2	2.5

## Gross business profit(billion yen)



## Ordinary profit / Profit

[Units : billion yen]

	2022.3	2023.3	2024.3	2025.3	2026.3
Ordinary profit	22.9	18.8	23.1	18.6	28.5
Profit	17.3	14.4	15.7	18.8	21.4
Consolidated Profit	17.7	14.8	15.9	18.7	21.2

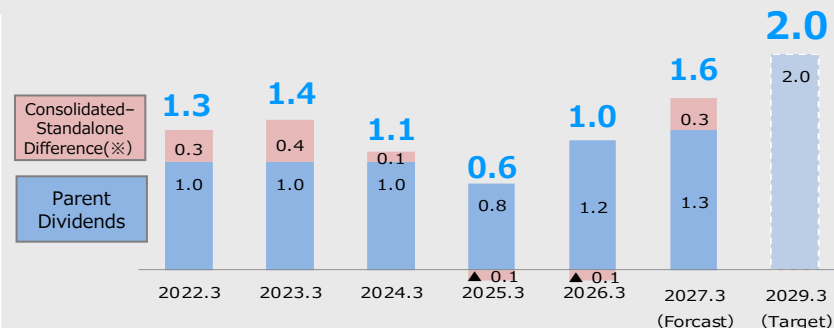
- Subsidiary performance is on an improving trend, with effective group company earnings of 1.0 billion yen

## Financial Results (consolidated)

[Unit: billion yen]

[Consolidated]	No.	2025.3	2026.3	YoY
Gross business profit (Topline)	1	60.8	66.5	5.7
Net interest income	2	63.2	74.1	10.8
Net fees and commissions	3	13.2	12.5	▲0.7
Net other ordinary income	4	▲15.6	▲20.0	▲4.4
Expenses (▲)	5	46.4	50.4	3.9
Ordinary profit	6	18.9	29.0	10.0
Extraordinary income (losses)	7	6.6	▲0.0	▲6.7
Profit before income taxes	8	25.6	28.9	3.3
Profit	9	18.7	21.2	2.5
Profit Attributable to Non-Controlling Interests	10	-	-	-
<b>Consolidated Profit attributable to owners of parent</b>	<b>11</b>	<b>18.7</b>	<b>21.2</b>	<b>2.5</b>

## Group Earnings (billion yen)



※Consolidated- Standalone Difference refers to the gap between the bank Non-Consolidated Profit and Consolidated Profit .

## Consolidated Subsidiaries (Profit)

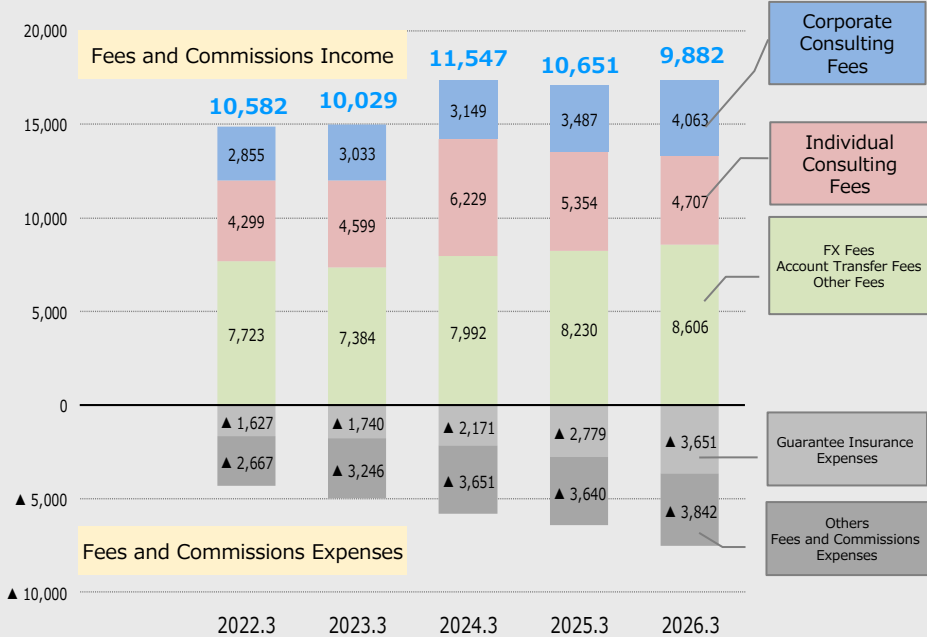
[Unit: billion yen]

Company	2024.3	2025.3	2026.3
Shiga DC Card	0.2	0.2	0.2
Shigagin Lease	0.2	0.0	0.1
Shigagin JCB	0.0	0.0	0.0
Shiga Home Loan Guarantee Service	0.6	0.6	0.7
Shigagin Energy	-	▲0.2	▲0.0
Shigagin Capital Partners	-	▲0.0	▲0.0
Total of 3 other companies	0.0	0.0	0.0
<b>Total Amount</b>	<b>1.1</b>	<b>0.6</b>	<b>1.0</b>
Dividends to parent company	1.0	0.8	1.2
Consolidated-Standalone Difference	0.1	▲0.1	▲0.1

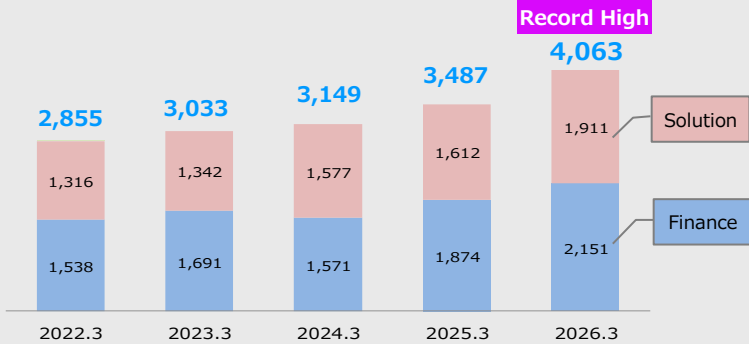
▶ Corporate consulting fees reached a record high, while individual consulting fees decreased

## Net Fees and Commissions

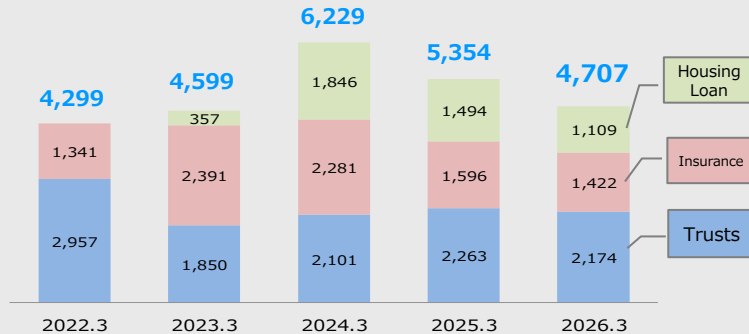
[Unit: million yen]



## Corporate Consulting Fees(million yen)

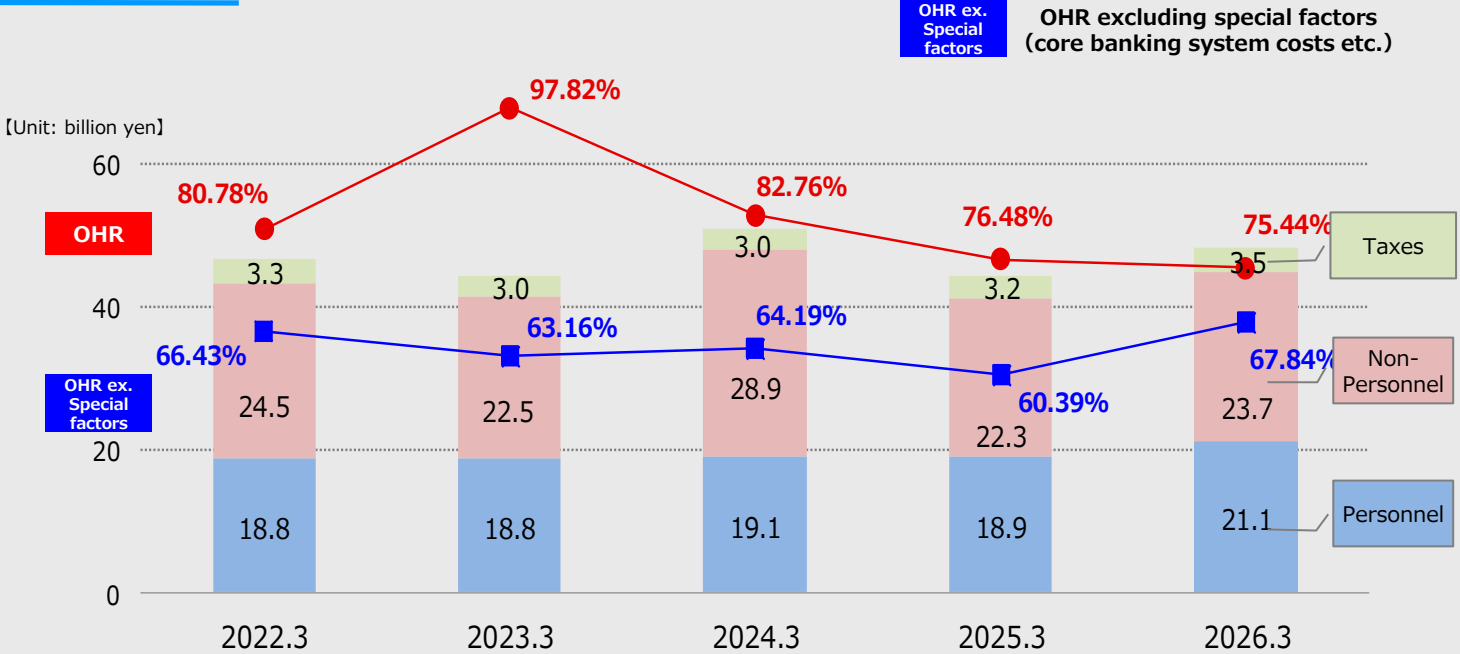


## Individual Consulting Fees(million yen)



Expenses increased due to growth investments such as human capital investment and system investment

## Expenses / OHR



Both loans and deposits increased, and the balance sheet expanded

## B/S Overview (Non-consolidated, End-of-period)

Strategically curtailed low-rate lending mainly outside the prefecture while meeting local funding needs

Housing loans and direct consumer loans (online consumer loans) increased

Pooled funds from low-yield bond sales, gradually reinvesting given the rising rate environment

Strategically sold low-yield bonds during a period of rising interest rates  
Reinvesting in high-yield bonds to improve future earnings

Valuation gains increased due to higher share prices

## Total Assets 7.6 trillion yen

Loans [Unit: billion yen]		
	2026.3	YoY
Loans Total (Shiga Pref.)	4,624.9 (2,678.3)	+61.6 (+47.7)
of which: Business (Shiga Pref.)	2,865.8 (1,120.8)	+1.7 (+23.4)
of which: Consumer (Shiga Pref.)	1,340.7 (1,144.8)	+100.2 (+63.5)
of which: Local Gov. (Shiga Pref.)	418.3 (412.7)	▲40.3 (▲39.2)

Cash and Due from Banks [Unit: billion yen]		
	2026.3	YoY
Cash and Due from Banks	1,011.0	+112.2
of which: BOJ Current Account	977.3	+112.4

Securities [Unit: billion yen]		
	2026.3	YoY
Securities Total	1,728.6	▲77.0
of which: Government bonds	304.9	▲201.3
of which: Local Government bonds	301.2	+106.4
of which: Cross-shareholdings (Listed)	369.3	+63.2

## Liabilities 7.1 trillion yen

Deposits [Unit: billion yen]		
	2026.3	YoY
Deposits Total (Shiga Pref.)	5,988.1 (5,264.0)	+140.8 (+81.0)
of which: Individual	4,276.7	+54.1
of which: Corporate	1,364.2	+55.9
of which: responsible certificates of deposit	30.9	▲3.8

Borrowings [Unit: billion yen]		
	2026.3	YoY
Borrowings Total	784.2	▲46.0
of which: BOJ Borrowings	783.6	▲41.5

## Net Assets 0.5 trillion yen

Both individual and corporate deposits maintained an increasing trend

May 2026  
Increased shelf registration for corporate bond issuance

Considering the issuance of corporate bonds as one of the ways to diversify long-term stable funding

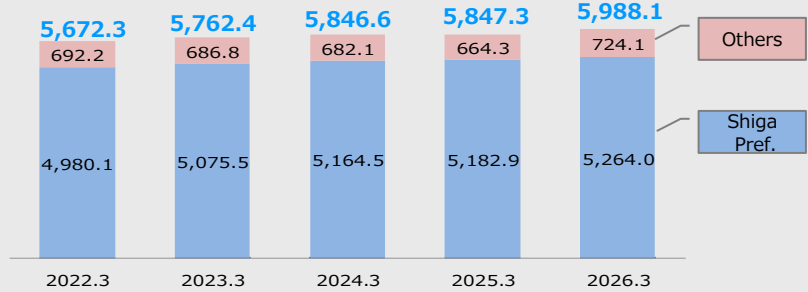
BOJ Borrowings

Balance decreased following the termination of the Loan Support Program Most maturities will arrive by March 31, 2028

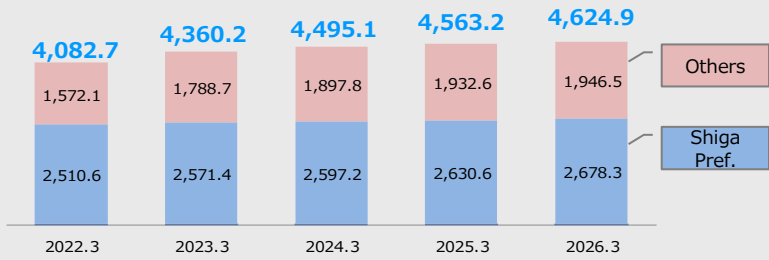
Changed shareholder return policy  
Conscious of capital control

- Deposits and loans both increased against the backdrop of a high market share in Shiga Prefecture, expanding the business base
- Yields on both deposits and loans are rising; we will secure appropriate loan spreads as deposit costs continue to rise

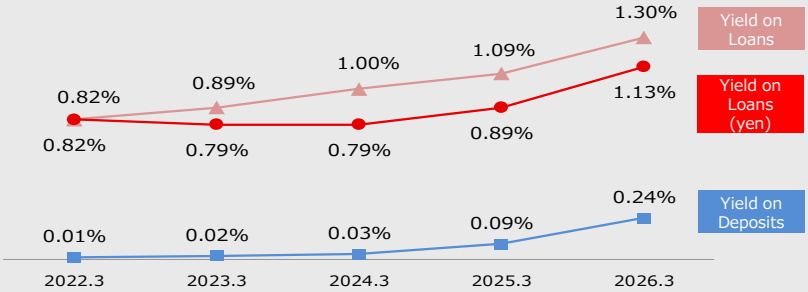
## ■ Deposits (balance) (billion yen)



## ■ Loans (balance) (billion yen)



## ■ Yields



## ■ Market share within Shiga Pref.

	2022.3	2025.3	Change
Deposits	46.73%	47.59% <small>Top 10 Regional Banks in Japan</small>	0.86%
Loans	48.87%	48.54% <small>Top 6 Regional Banks in Japan</small>	△0.33%

(Excluding Shoko Chukin Bank and some other financial institutions)

\*Rankings are from the Financial Map 2026.

- ▶ In light of rising interest rates, strategically sold low-yield bonds, resulting in a decrease in government bond balance
- ▶ Aiming to improve future profitability by reinvesting sale proceeds into high-yield bonds

## Balance (Market Value)

[Unit: billion yen]

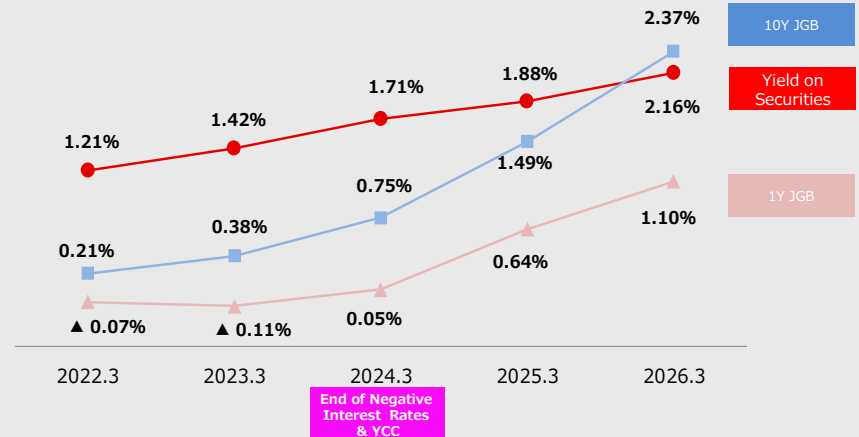
	2022.3	2023.3	2024.3	2025.3	2026.3	YoY
Government bonds	334.7	324.2	538.1	506.3	304.9	▲201.3
Local government bonds	198.1	228.1	231.7	194.7	301.2	106.4
Corporate Bonds	307.8	310.0	300.8	295.1	230.8	▲64.2
Stocks	318.5	287.6	348.7	306.1	369.3	63.2
Other securities	355.8	368.7	440.9	503.4	522.2	18.8
Foreign securities	302.1	255.8	298.4	320.8	335.2	14.3
Yen-Denominated Foreign Bonds	16.5	20.6	24.2	30.4	29.0	▲1.4
Euro-Yen Bonds	23.8	26.7	29.1	28.0	28.7	0.7
Foreign currency securities	261.7	208.4	244.9	262.3	277.4	15.1
Others	53.7	112.9	142.4	182.5	186.9	4.4
Money Trusts	15.3	27.0	30.3	32.3	33.3	0.9
<b>Total</b>	<b>1,530.5</b>	<b>1,545.9</b>	<b>1,890.9</b>	<b>1,838.0</b>	<b>1,762.0</b>	<b>▲76.0</b>

## Valuation

[Unit: billion yen]

	2022.3	2023.3	2024.3	2025.3	2026.3	YoY
Held-to-maturity	▲2.1	▲5.1	▲8.2	-	-	-
Available-for-sale securities	208.4	149.2	183.4	99.1	145.6	46.4
Stocks	220.9	182.7	239.2	192.5	258.9	66.3
Bonds	▲3.8	▲11.0	▲25.6	▲64.4	▲87.5	▲23.1
Others	▲8.6	▲22.4	▲30.1	▲29.0	▲25.8	3.2
Foreign securities	▲10.4	▲21.8	▲33.2	▲31.2	▲36.5	▲5.2
Subtotal	<b>206.3</b>	<b>144.0</b>	<b>175.1</b>	<b>98.9</b>	<b>145.4</b>	<b>46.4</b>
Deferred gains (losses) on hedges	8.6	22.4	43.4	50.0	63.6	13.6
<b>Total</b>	<b>214.9</b>	<b>166.4</b>	<b>218.5</b>	<b>148.9</b>	<b>209.0</b>	<b>60.1</b>

## Yield on Securities



## Yen-denominated Bond Duration (Incl. Hedge position)

	2022.3	2023.3	2024.3	2025.3	2026.3
Japanese Yen	5.64yrs	5.19yrs	4.93yrs	4.11yrs	4.47yrs

Duration extended due to commencement of ladder portfolio construction

## Foreign currency Bond Duration (Incl. Hedge position)

	2022.3	2023.3	2024.3	2025.3	2026.3
Foreign currency	1.39yrs	1.91yrs	1.82yrs	1.69yrs	1.57yrs

Maintained a floating-rate bond-centric portfolio

## Bond Gains/Losses

[Unit: billion yen]

	2023.3	2024.3	2025.3	2026.3
Bond Interest	4.5	6.3	7.8	11.0
Interest - JPY Bonds	4.6	6.1	7.3	9.1
Interest(net) - Foreign Currency Bonds	▲ 0.0	0.2	0.5	1.9
Bond Trading Gains/Losses	▲ 12.5	▲ 2.4	▲ 14.0	▲ 18.0
Interest - JPY Bonds	1.5	▲ 2.9	② ▲ 13.4	③ ▲ 18.0
Interest - Foreign Currency Bonds	① ▲ 14.1	0.4	▲ 0.5	0.0
Total	▲ 7.9	3.8	▲ 6.2	▲ 7.0

Sold over 220 billion yen (FY2025) of low-yield bonds  
➔ 1%+ yield improvement, Annual 2.2 billion yen earnings improvement expected

### Background

FY	Details
① 2023.3	Restructuring of Foreign Bond Portfolio In anticipation of a continued inversion of the yield curve between short- and long-term interest rates, we sold approximately 100 billion yen in fixed-rate foreign bonds. → The portfolio was shifted to focus on floating-rate bonds to avoid negative carry.
② 2025.3	Restructuring of JPY Bond Portfolio We sold low-yield bonds, mainly super-long-term JGBs, as part of a portfolio rebalancing initiative. → In a "positive interest rate environment," this move aims to build a resilient portfolio that generates stable interest income.
③ 2026.3	Strategically replaced low-yield bonds early, anticipating rate hikes Additional low-yield bond sales considering Middle East situation (Securities balance declined) Gradually restoring balance (reinvesting) considering rate environment

## Valuation on JPY Bonds

[Unit: billion yen]

	2023.3	2024.3	2025.3	2026.3	YoY
JPY Bonds (incl. Held-to-Maturity)	▲16.2	▲33.9	▲64.4	▲87.5	▲23.1
Deferred Hedge (JPY Bonds)	4.7	14.2	22.6	29.7	7.0
Total	▲11.4	▲19.6	▲41.7	▲57.8	▲16.0
Interest Rate Risk (10bpv)	▲4.67	▲5.65	▲4.42	▲4.10	0.32

## Valuation on Foreign Bonds

[Unit: billion yen]

	2023.3	2024.3	2025.3	2026.3	YoY
Foreign Currency Bonds	▲21.8	▲33.2	▲31.2	▲36.5	▲5.2
Deferred Hedge (Foreign Currency Bonds)	17.6	29.2	27.4	33.9	6.5
Total	▲4.1	▲3.9	▲3.8	▲2.5	1.2
Interest Rate Risk (10bpv)	▲0.45	▲0.58	▲0.56	▲0.56	▲0.00

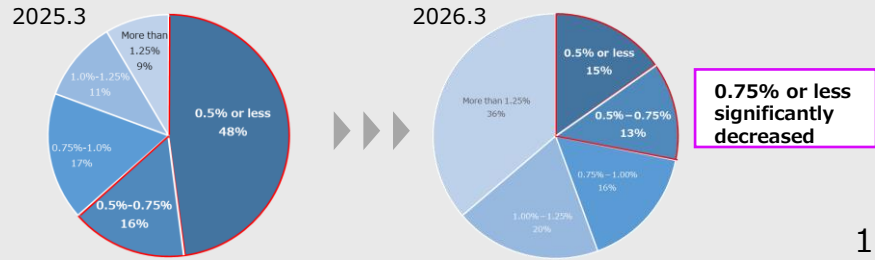
### Changes in JPY Bond Portfolio

※ Yield includes interest from swap transactions

	2024.3	2025.3	2026.3	YoY
JPY Bonds (billion yen)	1,121.3	1,091.5	954.0	▲137.5
of which Fixed-rate Bonds (billion yen)	921.4	901.7	804.2	▲97.5
Yields (%)	0.44	0.52	0.76	0.24

### JPY Bond Composition Change by Yield

※Excluding floating bonds



0.75% or less significantly decreased

# Credit Costs / FRA(Financial Reconstruction Act) Disclosed Claims

- Credit costs decreased significantly due to factors such as fewer downgrades of large borrowers and the reversal of general allowance for loan losses

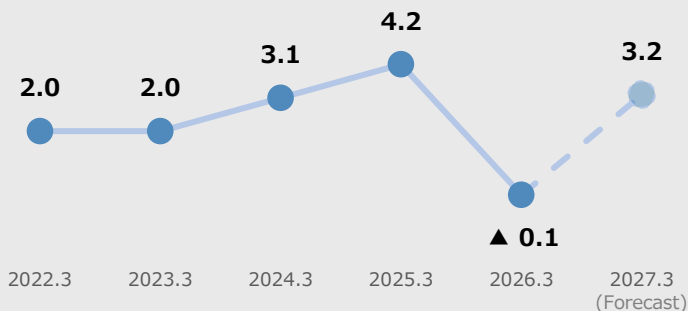
## Credit costs

[Unit: billion yen]

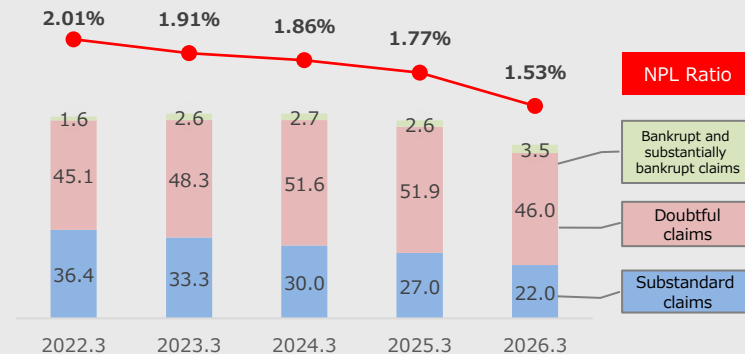
	2022.3	2023.3	2024.3	2025.3	2026.3
Credit costs	2.0	2.0	3.1	4.2	▲ 0.1
Provision of general allowance for loan losses	0.6	▲ 2.1	▲ 0.6	▲ 1.0	▲ 1.7
Disposal of non-performing loans	1.4	4.1	3.7	5.2	1.5
Partial Direct Write-offs	0.4	0.9	0.7	1.1	0.6
Provisions for Specific Loan Losses	0.9	3.1	2.9	4.0	0.8

Credit Cost Ratio (Credit Costs ÷ Total Credit Balance)      0.05%    0.05%    0.07%    0.09%    ▲ 0.00%

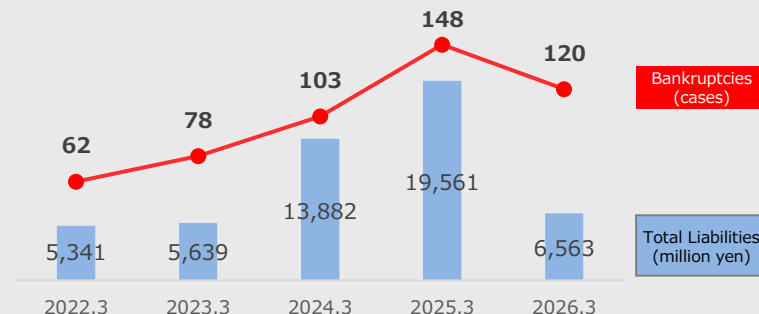
## Credit Cost Forecast (billion yen)



## FRA Disclosed Claims(billion yen)/NPL Ratio



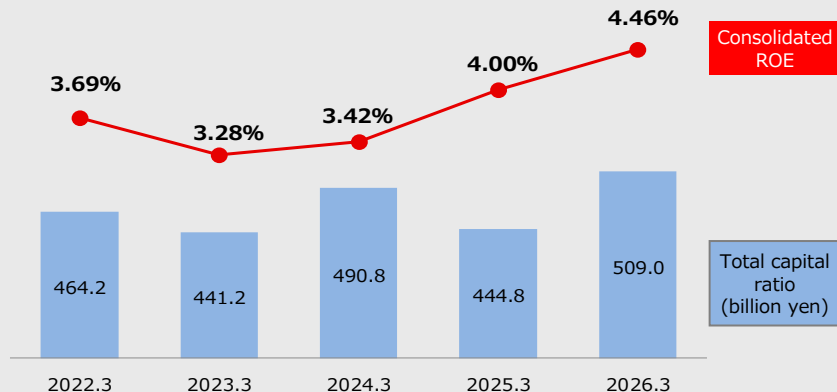
## (Reference) Corporate Bankruptcy Trends in Shiga Prefecture



- ▶ ROE steadily improved due to ROE enhanced profitability
- ▶ Total capital ratio maintained at a sound level

## Consolidated ROE

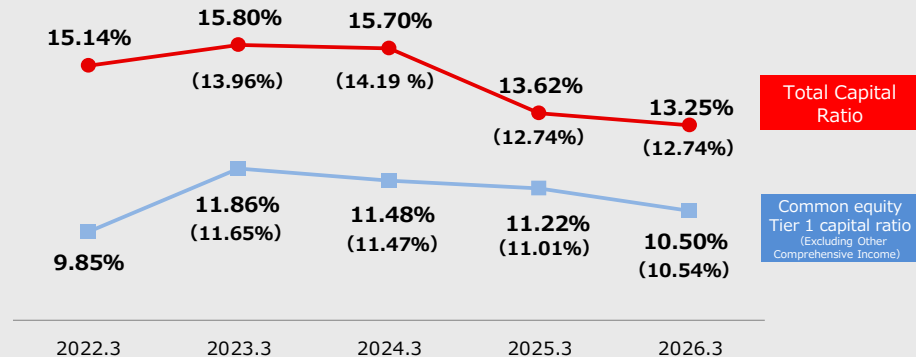
Item	2022.3	2023.3	2024.3	2025.3	2026.3
ROE (%)	3.69	3.28	3.42	4.00	4.46
Profit (billion yen)	17.7	14.8	15.9	18.7	21.2
Net Assets (billion yen)	464.2	441.2	490.8	444.8	509.0



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## Consolidated Total Capital Ratio

Item	2022.3	2023.3	2024.3	2025.3	2026.3
Total Capital Ratio (%)	15.14	15.80	15.70	13.62	13.25
Total Capital (billion yen)	432.5	411.9	462.4	409.6	453.3
Risk-Weighted Assets (billion yen)	2,856.7	2,607.0	2,944.6	3,006.3	3,420.7



※ Basel III finalization was adopted early as of March 2023.  
Figures in parentheses are on a fully phased-in basis.

- Progress on “Sustainability Achievement Indicators” (KPIs) under the 8th MTP is on track.

Achievement Indicators			Plan for March 31,2029		Milestones for March 31,2026	Results for March 31,2026	Achievement Rate	
Sustainability achievement indicators	Impact Design	Amount of investment and financing to support regional growth	Cumulative total for the period	1,200.0 billion yen	465.0 billion yen	445.0 billion yen	95.7%	△
		Number of customers' dreams and businesses supported	Cumulative total for the period	30,000 cases	12,000 cases	15,863 cases	132.2%	◎
		Amount of sustainable finance executed to increase the sustainability of region and society	Cumulative total for the period	700.0 billion yen	259.0 billion yen	260.4 billion yen	100.5%	○
	Base for Growth	Balance of investment and financing through new financing methods to improve earning power		750.0 billion yen	501.3 billion yen	503.5 billion yen	100.4%	○
		DX initiatives to create customers' value and transform business operations of the Shiga Bank Group		Qualitative evaluation	—	Bank-wide implementation of AI training (doubling the utilization rate) Pilot implementation of “Shiga Prefecture Economic Analysis” Establishment of unmanned branches through industry-academia-bank collaboration		○
		Reduction of GHG emissions to achieve a carbon neutral society (Scope 1 and 2)		Achievement of Net Zero	—	*Achievement of Net Zero (GHG emissions for Scope 1 and Scope 2)		◎
		Improvement of employee engagement to maximize human capital (Percentage of positive responses)		Sustainable improvement	—	Engagement survey “positive response rate” - Improved for two consecutive years (87.3%)		○
	Human First	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		Double compared to fiscal year 2023 (300 thousand yen per person/year)	200 thousand yen per person	209 thousand yen per person	104.5%	○
		Number of people who autonomously challenged to improve their skills and develop their careers	Cumulative total for the period	2,000 persons	800 persons	1,246 persons	155.8%	◎
	Financial indicators		Consolidated ROE	<b>Upward</b>	<b>8% or more</b> (Before Revision:6% or more)	4.30%	4.46%	—

※ “Achievement of Net Zero” indicates that carbon neutrality for Scope 1 and Scope 2 emissions has been achieved through appropriate carbon offsets.

# Financial Forecast for the Fiscal Year Ended March 31, 2027

「三方よし」で地域を幸せにする  
Sustainability Design Company

SHIGA BANK

- Based on an increase in net interest income, we anticipate increased revenue and profits in the current fiscal year.

[Unit: billion yen]

[Non-Consolidated]	2026.3 Actual	2027.3 Forecast	Change
Gross Business Profit	64.1	86.1	+22.0
Net Interest Income	75.4	83.1	+7.6 ①
Net Fees and Commissions	9.8	8.5	▲1.3 ②
Net other ordinary income	▲21.2	▲5.4	+15.7 ③
Expenses (▲)	48.4	52.8	+4.4 ④
Personnel Expenses (▲)	21.1	22.0	+0.9
Non-Personnel Expenses (▲)	23.7	26.9	+3.2
Net business profit (before provision of general allowance for loan losses)	15.7	33.2	+17.5
Provision of general allowance for loan losses (▲)	–	0.1	+0.1
Net business profit	15.7	33.1	+17.4
Non-recurring gains (losses)	12.7	7.9	▲4.8
Ordinary Profit	28.5	41.0	+12.5
Extraordinary Gains/Losses	0.0	▲0.0	▲0.0
Net Income	21.4	28.2	+6.7 ⑤
Credit Costs (▲)	▲0.1	3.2	+3.4 ⑥

□ Main Accounts (Average balance)

[Unit: billion yen]

	Forecast Avg. Balance	YoY	Change
Deposits (Incl. NCDs)	5,961.3	79.3	1.3%
Loans	4,679.8	83.8	1.8%
Securities	1,720.7	28.2	1.6%

□ Yields

	Forecast	YoY
Deposits (Incl. NCDs)	0.44%	0.20%
Loans	1.59%	0.29%
Securities	2.07%	▲0.09%

■ Profit and Loss (Consolidated)

[Unit: billion yen]

	2026.3 Actual	2027.3 Forecast	YoY
Ordinary Profit	29.0	42.1	13.0
Profit ※	21.2	28.5	7.2

※ Profit attributable to owners of parent

- ① Expect higher net interest income from growing in Shiga prefecture deposits/loans, higher-yield lending, and rate hikes
- ② Aiming to increase corporate/individual consulting fees, but net fees and commissions expected to decline YoY due to higher guarantee insurance expenses from growth in consumer loans
- ③ Last fiscal year, significant losses were recorded from the sale of bonds in order to strategically replace existing bonds; a decrease is expected this fiscal year
- ④⑤ Expenses rising from growth investments in human capital and systems, but profit expected to reach record high
- ⑥ Assuming credit risk materialization from price increases, Middle East tensions, and financial market volatility

# Initiatives to Enhance Corporate Value

## Initiatives to Enhance Corporate Value

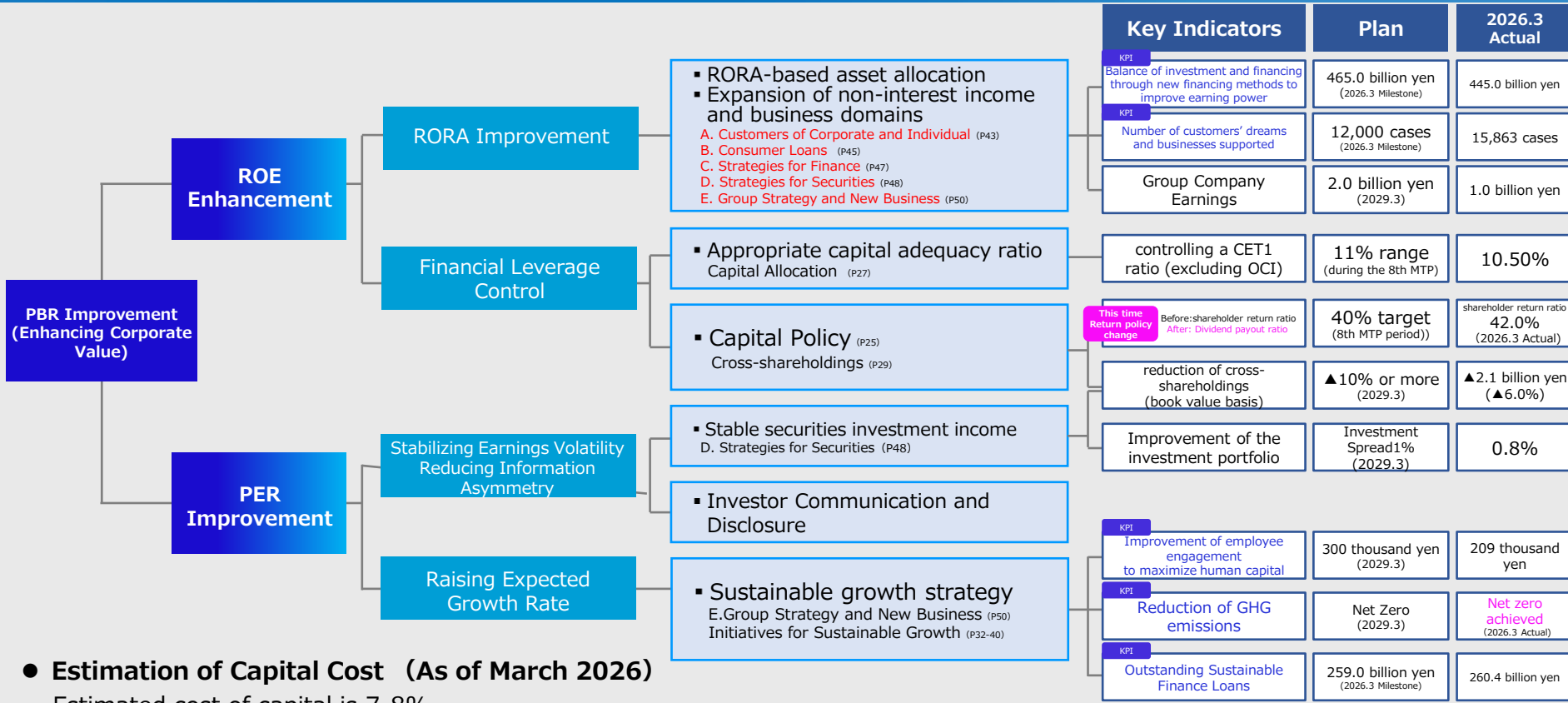
- ▶ **Set "Consolidated ROE of 8% or more," a long-term challenge indicator, as a financial KPI for the fiscal year ending March 31, 2029**
  - Revised upward the consolidated ROE target for the second consecutive year, reflecting improved profitability and changes in the external environment
  - Aim to achieve through enhanced profitability via asset allocation and capital control

## Growth Investment

- ▶ **Concluded capital and business alliance agreement with Senshu Ikeda Holdings**
  - Strengthen medium- to long-term collaborative relationships through capital and business alliances, and improve regional sustainability by strengthening regional financial capabilities
  - Established 4 subcommittees and 20 working groups (WGs). Embody collaborative measures in each WG and aim to maximize synergy effects

## Capital Policy

- ▶ **Changed shareholder return policy based on MTP progress and outlook for business environment and capital**
  - Changed to "Dividend payout ratio 40% target + flexible share buybacks"
  - Enhance shareholder returns through dividends and implement capital control through flexible share buybacks with an eye toward achieving ROE targets



Key Indicators	Plan	2026.3 Actual
<b>KPI</b> Balance of investment and financing through new financing methods to improve earning power	465.0 billion yen (2026.3 Milestone)	445.0 billion yen
<b>KPI</b> Number of customers' dreams and businesses supported	12,000 cases (2026.3 Milestone)	15,863 cases
Group Company Earnings	2.0 billion yen (2029.3)	1.0 billion yen
controlling a CET1 ratio (excluding OCI)	11% range (during the 8th MTP)	10.50%
<b>This time Return policy change</b> Before: shareholder return ratio After: Dividend payout ratio	40% target (8th MTP period))	shareholder return ratio 42.0% (2026.3 Actual)
reduction of cross-shareholdings (book value basis)	▲10% or more (2029.3)	▲2.1 billion yen (▲6.0%)
Improvement of the investment portfolio	Investment Spread1% (2029.3)	0.8%
<b>KPI</b> Improvement of employee engagement to maximize human capital	300 thousand yen (2029.3)	209 thousand yen
<b>KPI</b> Reduction of GHG emissions	Net Zero (2029.3)	Net zero achieved (2026.3 Actual)
<b>KPI</b> Outstanding Sustainable Finance Loans	259.0 billion yen (2026.3 Milestone)	260.4 billion yen

### ● Estimation of Capital Cost (As of March 2026)

Estimated cost of capital is 7-8%

※Calculated based on CAPM (proprietary calculation based on historical data) and equity earnings yield, etc.

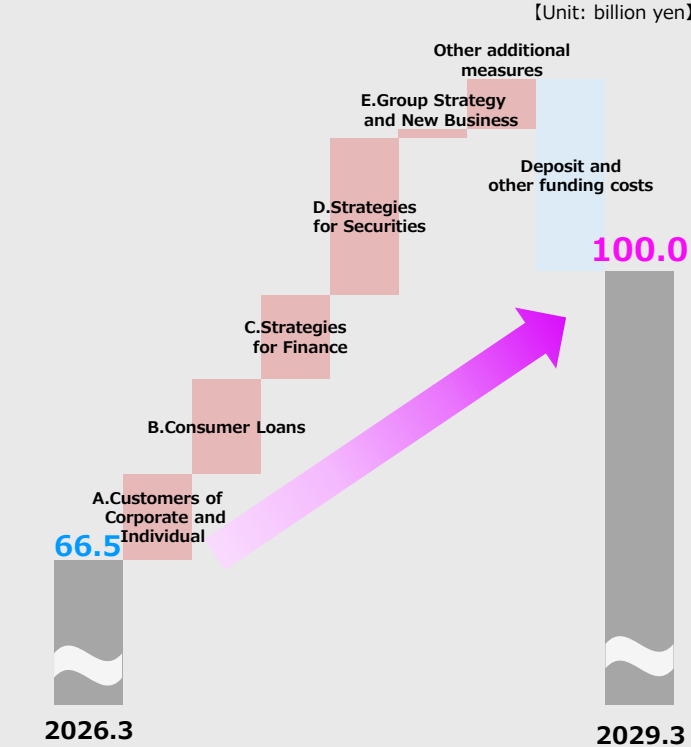
## Financial Targets

[Unit: billion yen]

	Actual	Before Revision	After Revision
	2026.3	2029.3	2029.3
<b>Consolidated Gross business profit</b>	66.5	<b>87.0</b>	<b>100.0</b>
<b>Consolidated Profit</b>	21.2	<b>30.0</b>	<b>40.0</b>
<b>Consolidated ROE</b>	4.46%	<b>6%</b>	<b>8%</b>

- Various measures based on the 8th MTP are steadily yielding results, and the improvement in profitability is progressing at a pace exceeding expectations.
- As a result of verification based on changes in the external environment, we have moved to a stage where we aim to achieve the long-term challenge indicator of consolidated ROE of 8% within the current plan period.
- In response to this, we have raised the target level for consolidated ROE, which is a financial indicator.
- We aim to achieve this by strengthening profitability through "Asset Allocation" and the "Five Segment Strategy," and by controlling financial leverage through "Capital Measures."

## Consolidated Gross Business Profit Image



RORA  
Improvement

RORA(Capital Efficiency) and spread (Funding Efficiency)-focused asset allocation

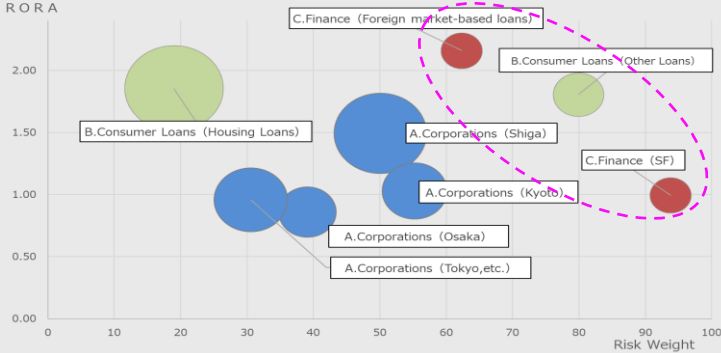
## Loan Asset Allocation

- A. Customers of Corporate and Individual(Osaka, Tokyo, etc.) : Select high-RORA/high-spread deals; curtail low-rate lending
- B.Consumer Loans(Other Loans) : Leverage strengths of nationwide expansion and fully non-face-to-face operations
- C.Finance(Overseas market-type / Domestic SF) : RORA: Focus on RORA/spread with thorough risk diversification

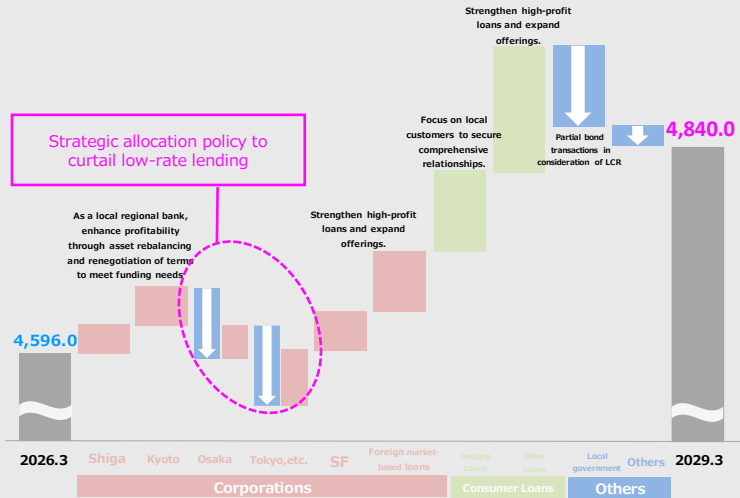
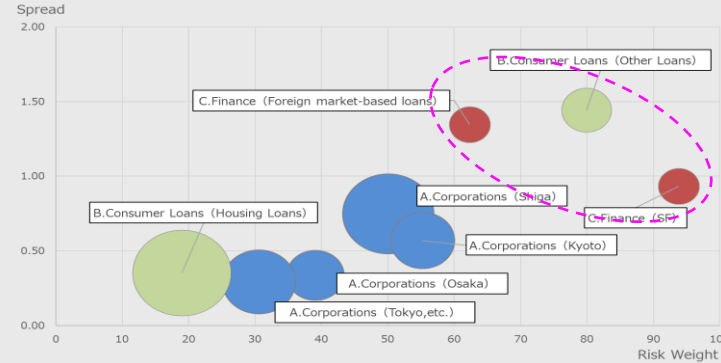
## Loan Average Balance Image

[Unit: billion yen]

### Capital Efficiency

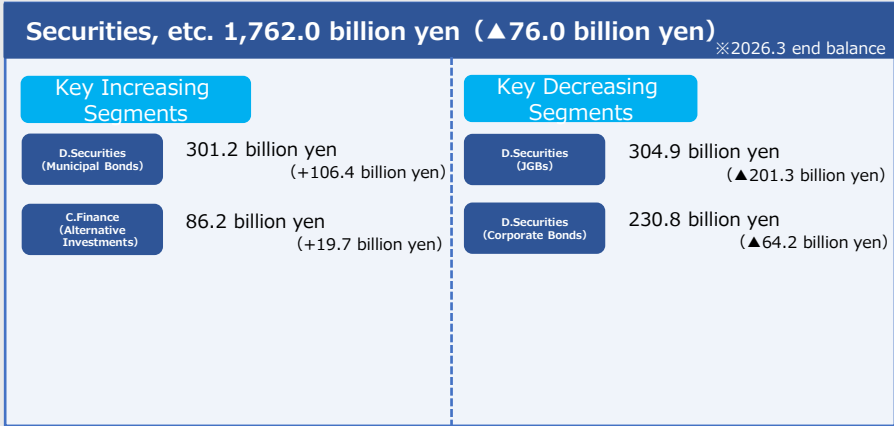
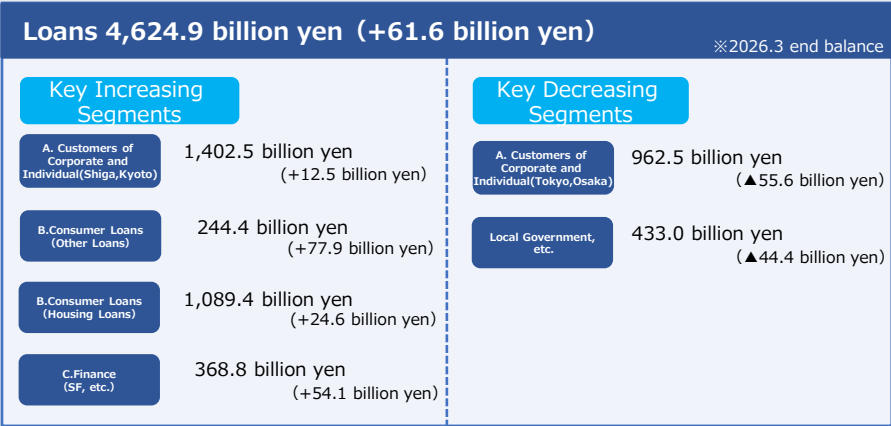


### Funding Efficiency



Aim to improve ROE through strategic loan asset allocation

RORA  
Improvement



**JPY Loan Yield : 1.13% (+0.24%)**

**Securities Yield : 2.16% (+0.28%)**  
**JPY Bond Yield : 0.77% (+0.24%)**

- While meeting the funding needs of the Shiga and Kyoto areas, we will strategically curb low-yield loans in Tokyo, Osaka, and other areas, and allocate funds to highly efficient loans such as direct consumer loans (online consumer loans) and structured finance, which are our strengths.
- Regarding loans to local governments, we implemented initiatives considering profitability and a shift to the bond method.
- Sold approximately 220 billion yen of yen bonds, mainly low-yield bonds. In light of the rising interest rate environment, we will gradually restore the balance (reinvest) for the portion sold.
- Considering bond issuance as one way to diversify long-term stable funding methods. Secure investment funds for high-profitability assets (alternative investments, etc.) and steadily make investments.

## ■ Wide-area alliance of top regional banks across 10 regions

- While maintaining independence, 10 banks pool knowledge and collaborate across a wide range of fields
- Total assets: approx. **100** trillion yen Customers: **24** million individuals / **2.2** million corporates

Established  
10 years ago



## ■ Key Collaborative Initiatives

### Joint Finance Arrangement

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

### Joint Customer Seminars

- DX seminar for healthcare institutions (2025.7)
- Shanghai Tsubasa Seminar & Networking Event 2025 (2025.9)
- iDeCo Seminar (2026.2)
- Bangkok Tsubasa Seminar & Networking Event 2026 (2026.2)

### Joint implementation of personnel exchange and training for officers and employees

- "Management School" for senior executives (2025.4)
- Visit to Singapore by presidents of all participating banks (2025.7)
- "Cross-Mentor Program" for female executive candidates (2025.8 ~)
- Implementation of "Group Training for Digital Talent for Beginners" (2025.12)

### Other Collaborations

- Joint hosting of Walking x Charity Event (2025.10)
- Implementation of joint food drive by 10 banks (2026.2)
- Information exchange and sharing of know-how in various fields through participation in approximately 50 subcommittees

▶ Through a capital and business alliance, formalize medium- to long-term collaborative relationships to further strengthen regional financial capabilities and contribute to local communities

- **With the Company** mainly serving **Shiga and Kyoto Prefectures** and **Senshu Ikeda Holdings** serving **Osaka and Hyogo Prefectures**, the alliance allows us to leverage each other's management resources—including physical branch networks, customer bases, personnel, and brands—across adjacent sales areas to create higher added value.

## Senshu Ikeda-Shiga Alliance

### Main areas of alliance

<b>01 Corporate business</b> <ul style="list-style-type: none"> <li>Support business growth and strengthen the business foundation</li> <li>Business succession, M&amp;A</li> <li>Collaboration in growth areas</li> <li>Mutual use of service functions for corporate customers</li> </ul>	<b>02 Retail business</b> <ul style="list-style-type: none"> <li>Asset building, asset succession</li> <li>Wealth management</li> <li>Strengthen consulting functions that support diverse financing needs</li> </ul>	<b>03 Sustainability and community support</b> <ul style="list-style-type: none"> <li>Sustainable finance</li> <li>Promote industrial development and address social issues in the region</li> </ul>	<b>04 Personnel, digital, etc.</b> <ul style="list-style-type: none"> <li>Mutual development and exchange of personnel</li> <li>Utilize digital technology and data</li> <li>Share knowledge and jointly create advanced, efficient services</li> </ul>
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**Strengthen regional financial capabilities through medium- to long-term collaborative relationships**

Senshu Ikeda Bank	
Osaka	81 locations
Hyogo	26 locations
Kyoto	1 location



Shiga Bank	
Shiga	85 locations
Kyoto	12 locations
Osaka	5 locations

あしたに、わくわくを。  
Bring excitement to the future.

**SENSHU IKEDA HOLDINGS, INC.**

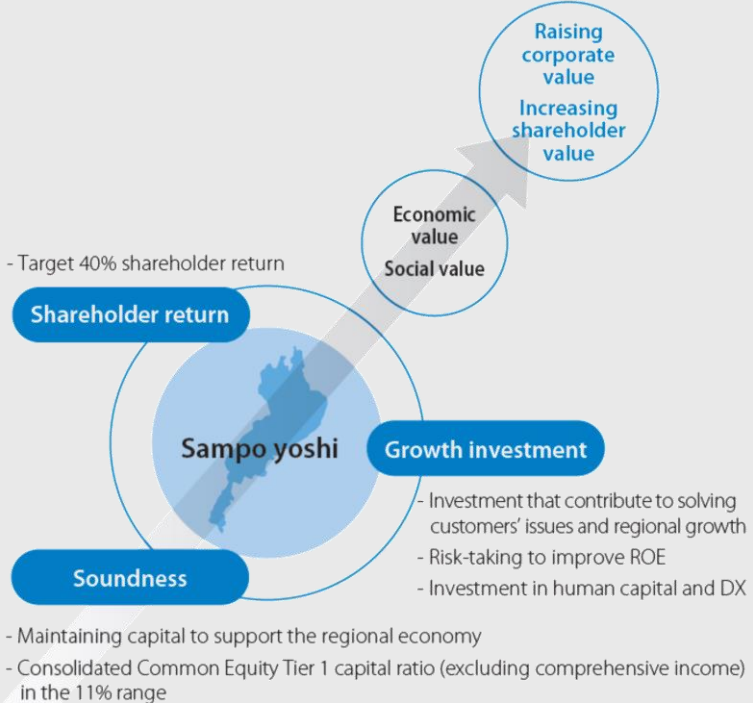
Making the region happy with "Sampo Yoshi" philosophy

Sustainability Design Company

**SHIGA BANK**

The branch networks of Senshu Ikeda Bank (Osaka, Hyogo, etc.) and Shiga Bank (Shiga, Kyoto, etc.) overlap little and complement each other.

**Emphasizing the Balance between Shareholder Return, Soundness, and Growth Investment**



Raising Expected Growth Rate

Financial Leverage Control

**Recent Capital-Related Initiatives**

■ 2025.11  
Stock Split & Shareholder Benefits Expansion (P30)  
⇒ Improved liquidity through "lower investment unit" and "increased individual shareholders"

■ 2026.1  
Share buyback and cancellation of treasury shares  
⇒ Appropriate capital control and elimination of dilution concerns

■ 2026.4  
Senshu Ikeda -Shiga Alliance Capital and Business Alliance (P24)  
⇒ Improved expected return through reinforced regional financial capabilities

■ 2026.5  
Year-end dividend increase & shareholder return policy change (P26)  
⇒ Improved capital efficiency through strengthened capital control

**Aim to improve PBR from both ROE and PER perspectives  
PBR through these initiatives**

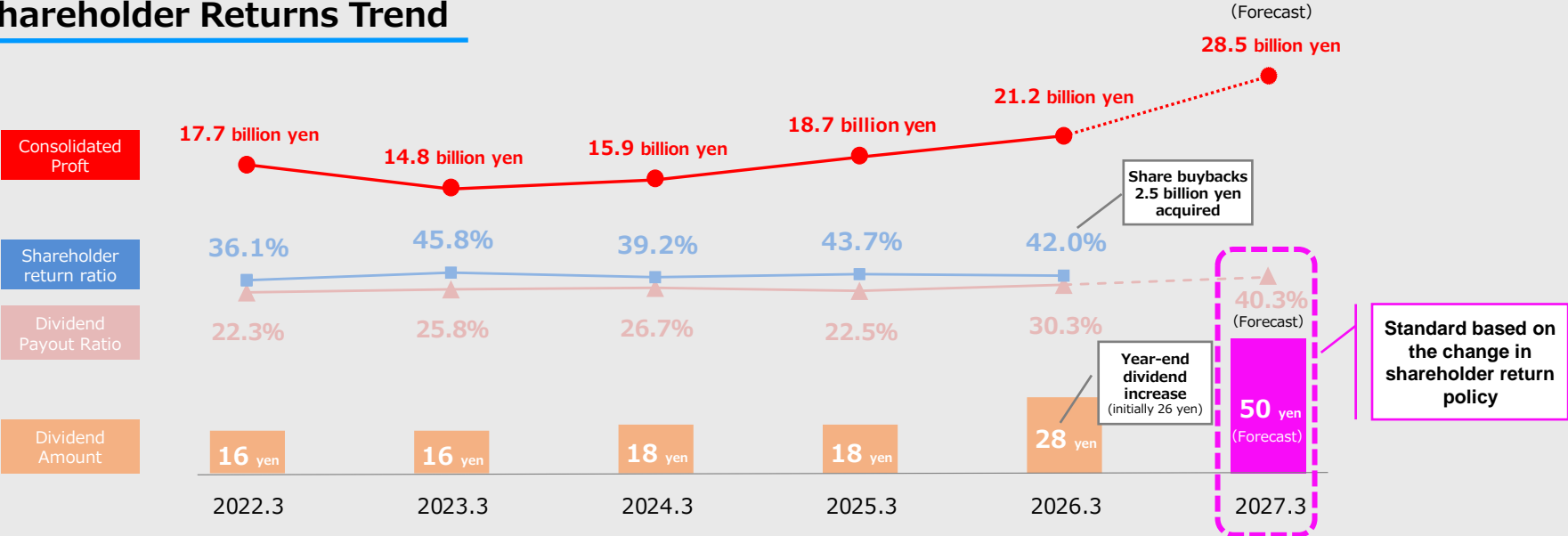
Raising Expected Growth Rate

## Revision of Shareholder Return Policy

The progress of the 8th MTP, as well as the current and future business environment and capital conditions, the Bank has decided to revise its shareholder return policy in order to **further enhance shareholder returns through dividends**.

[Before] Pursue a total shareholder return ratio of approximately 40%.  
[After] **Dividend payout ratio 40% target + flexible share buybacks**

## Shareholder Returns Trend



※Dividend per share is calculated based on the number of shares after the stock split implemented on April 1, 2026.

As a Financial Institution Supporting the Regional Economy  
It is expected that we:

- ① Continue providing risk capital to the region,
- ② Even in the event of a credit shock on the scale of the Lehman crisis,
- ③ And even if our other comprehensive income is depleted.



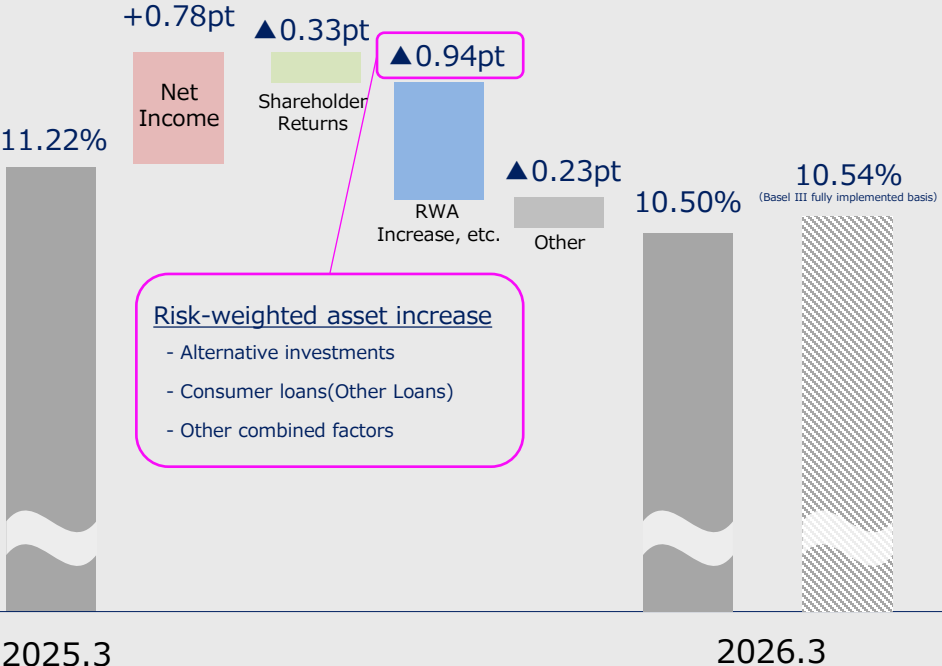
As a listed company  
It is expected that we:

- ① Be conscious of cost of capital
- ② With appropriate capital levels for investment and returns
- ③ Maximize capital efficiency



Control capital by aiming for the consolidated Common Equity Tier 1 capital ratio (excluding OCI) in the 11% range.

Financial Leverage Control



### Reduction of Cross-Shareholdings

•Capital gains from the sale of cross-shareholdings are allocated to growth investments and shareholder returns.

### Growth Investment

- Investment in digital transformation (DX) and core banking systems
- Investment in human capital

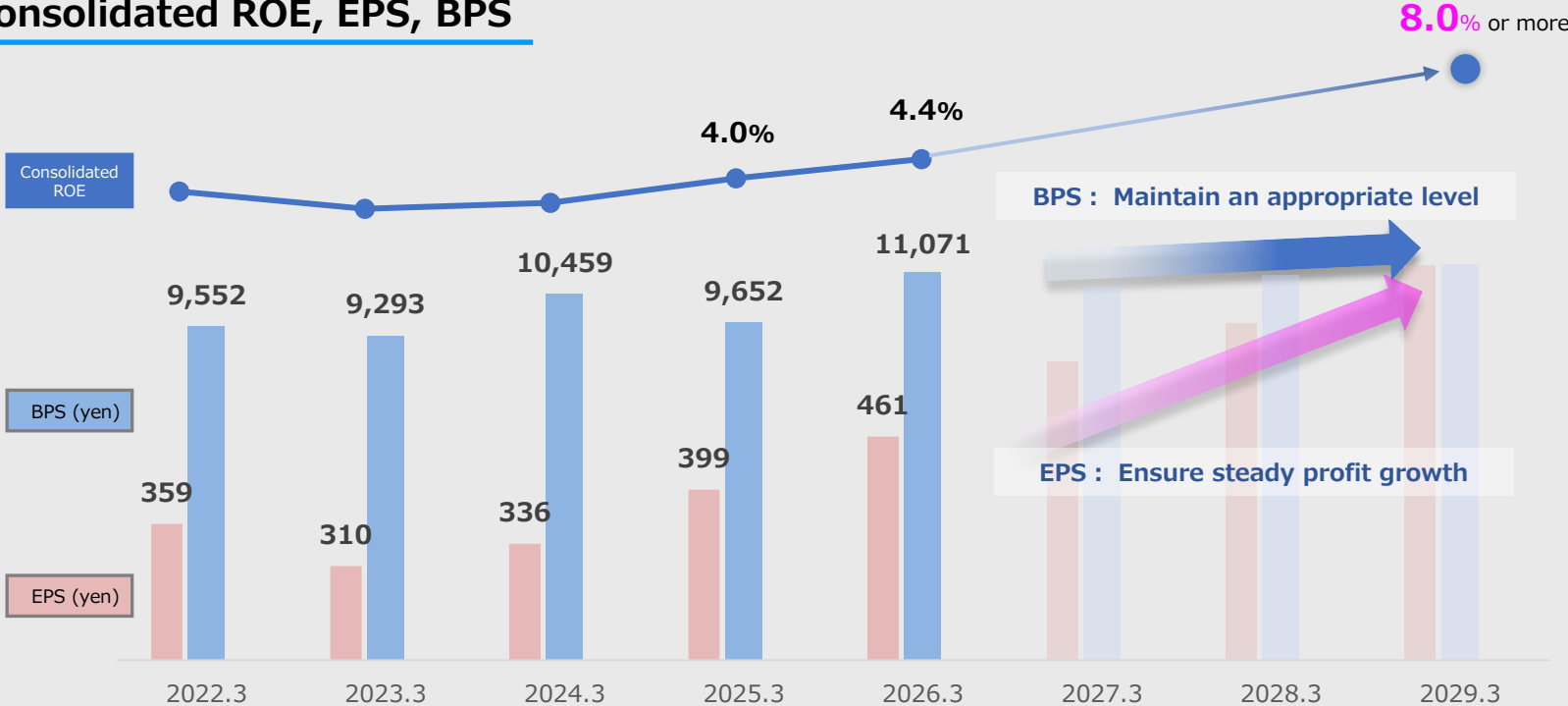
### Shareholder Returns

- Shift toward dividend-centered shareholder returns
- Consider further enhancements based on improved earnings capacity

### Asset Expansion

- Strengthen capital in line with the increase in risk-weighted assets
- Emphasize capital efficiency (RORA) and funding efficiency

## Consolidated ROE, EPS, BPS



Shares outstanding※ million shares	48.5	47.4	46.9	46.0	45.9
Share buybacks billion yen	2.49	2.99	1.99	3.99	2.49

※Excl. treasury shares, pre-stock split

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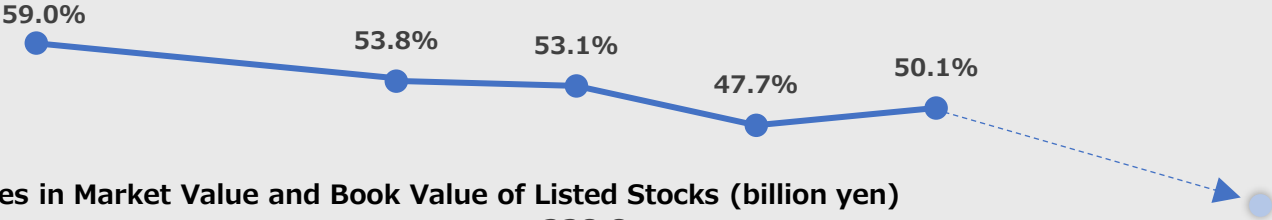
BPS : Maintain an appropriate level

EPS : Ensure steady profit growth

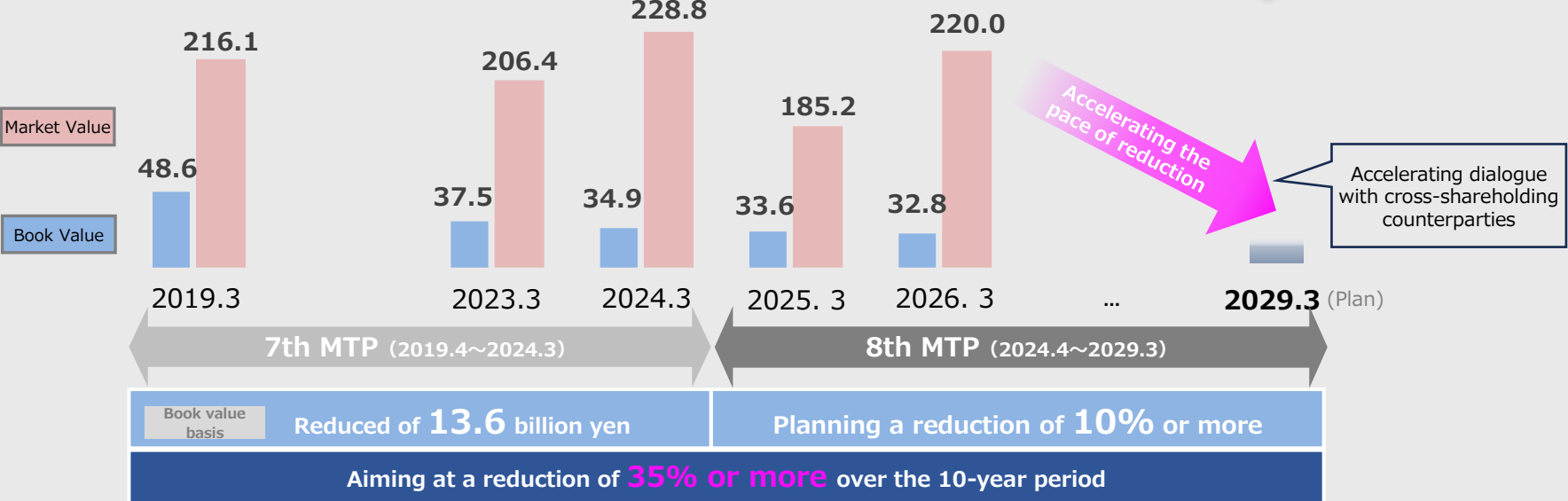
"Dividend payout ratio 40% target +flexible share buybacks"

Financial  
Leverage Control

● Changes in percentage of Consolidated Net Assets (market-value basis, including unlisted and deemed holdings)

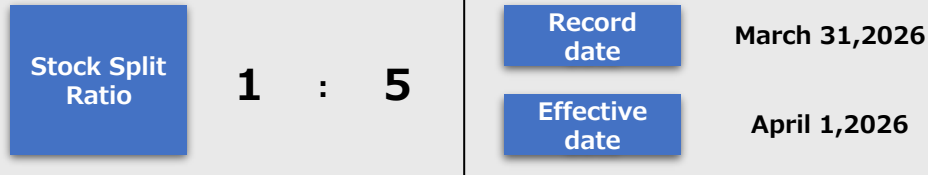


● Changes in Market Value and Book Value of Listed Stocks (billion yen)



- ▶ **To enhance liquidity and broaden the investor base**, we implemented a stock split by reducing the investment unit size.
- ▶ To further increase the attractiveness of investing in our shares and encourage **long-term ownership** by a wider range of shareholders, we expanded the shareholder benefit program.

## Stock Split



Example: If you hold 100 shares of our stock before the split (share price: 9,000yen)

**Before split:** 100 shares  
= 900,000 yen



**After split:** 500 shares  
= 900,000 yen  
(180,000 yen per 100 shares)

## Shareholder Benefit Program

- ▶ The new program will apply to shareholders registered in the shareholder registry as of March 31, 2026.
  - ▶ The determination of continuous shareholding under the new program will be made retroactively from March 31, 2026.
- ※ Since the stock split will take effect on April 1, 2026, the shareholder benefit program based on the record date of March 31, 2026 will be implemented using the number of shares held before the stock split.

【Current】

The number of shares	Shareholders holding for 1 year or more
200~999	Gift equivalent to 3,000 yen
1,000~	Gift equivalent to 6,000 yen

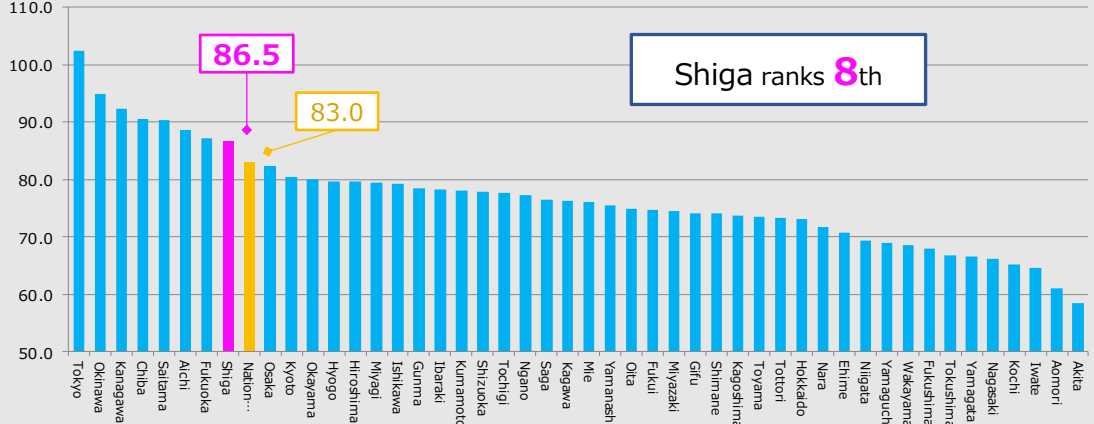


【After changed】

The number of shares	Shareholders holding for 1 year or more	Shareholders holding for 3 years or more
1,000~4,999	Gift equivalent to 3,000 yen	Gift equivalent to 6,000 yen
5,000~	Gift equivalent to 6,000 yen	Gift equivalent to 10,000 yen

# Initiatives to Achieve Sustainable Growth

## ■ Estimated Population in 2050 (Index)



Source: Prefectural Total Population and Indices (Reiwa 2(2020) = 100)2023 Estimates: National Institute of Population and Social Security Research (IPSS)

## ■ Estimated Working-age Population in 2050

[Units: %]

Rank	Regions	2050
—	National Average	52.9
1st	Tokyo	60.4
2nd	Kanagawa	55.0
3rd	Aichi	54.7
4th	Saitama	54.6
5th	Chiba	54.5
6th	Osaka	53.7
7th	Fukuoka	53.6
8th	Okinawa	52.6
9th	Shiga	52.4
10th	Kyoto	52.0

## ■ One of Japan's Leading Manufacturing Regions

Share of Secondary Industry in Prefecture's GDP		
1st	Shiga	46.9%
2nd	Tochigi	44.2%
3rd	Mie	43.7%
National Average		26.3%

Source : Cabinet Office "Prefectural Economic Accounts for Fiscal Year 2022"

## ■ A Vibrant Region

Percentage of Young Population (Under 15 Years)		
1st	Okinawa	15.8%
2nd	Shiga, Saga	12.7%
4th	Kumamoto	12.6%
National Average		11.2%

Source : Statistics Bureau of Japan "Current Population Estimates as of October 1, 2024"

## Rich Natural Environment, Stable Demographics, and a Vibrant Regional Economy

### Moderate Population Decline

Shiga ranks 8th nationwide in lowest population decline rate. Population projected to decrease from 1.41 million in 2020 to 1.22 million by 2050.

### High Proportion of Younger Generations

Shiga ranks 2nd in child population share, 7th in working-age population share, and 3rd in birth rate nationwide.

### Nation-Leading Longevity

Shiga boasts the highest average life expectancy for men and the 2nd highest for women in Japan.



### Located at the intersection of Major Economic Regions

Located at the intersection of the Kansai, Chubu, and Hokuriku regions, with access to multiple international airports (Osaka, Chubu) and seaports (Osaka, Yokkaichi, Nagoya, Tsuruga) within 100 km.

Well-developed transportation infrastructure includes the Tokaido Shinkansen, Meishin Expressway, Shin-Meishin Expressway, and Hokuriku Expressway.

### Japan's Leading Manufacturing Hub

Shiga ranks 1st nationwide in the share of secondary industry in its gross prefectural

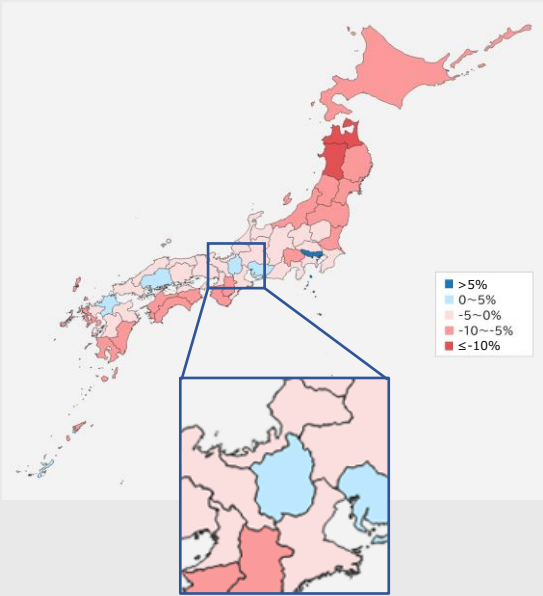
### Abundant Nature and Cultural Heritage

Shiga has the highest ratio of natural parkland to total area in Japan, and ranks 2nd in the number of nationally designated Important Cultural Landscapes.

## One of the Few Growing Markets

Loan market growth is expected in Shiga.

<Change in Loan Market Size from 2022 to 2030>



Source: Mitsubishi Research Institute, "How Should Regional Financial Institutions Evolve in an Era of Population Decline? — Vol.1: Loan Market Estimates by Prefecture"

# Mother Market: Potential of Shiga Prefecture (Deposit Environment)

## Deposit Environment in Shiga Prefecture (Retail Deposits)

	2025.9	2024.9	Change	2025 Ranks	2024 Ranks	Change in ranking
Tokyo	5.70%	3.81%	1.89%	1	1	↑0
Yamacuchi	2.08%	▲0.05%	2.12%	2	41	↑39
Shimane	1.60%	1.79%	▲0.19%	3	3	↑0
Chiba	1.49%	1.21%	0.28%	4	11	↑7
Kyoto	1.30%	0.29%	1.01%	5	35	↑30
Kanagawa	1.22%	1.38%	▲0.16%	6	6	↑0
Kagoshima	1.21%	1.02%	0.19%	7	16	↑9
Shiga	1.10%	1.31%	▲0.20%	8	8	↑0
Fukuoka	0.99%	0.87%	0.12%	9	19	↑10
Hyogo	0.95%	0.86%	0.08%	10	21	↑11
Saitama	0.95%	1.00%	▲0.05%	11	17	↑6
Yamanashi	0.94%	1.32%	▲0.38%	12	7	↓5
Kumamoto	0.90%	0.83%	0.07%	13	23	↑10
Ishikawa	0.86%	2.84%	▲1.98%	14	2	↓12
Okinawa	0.86%	1.58%	▲0.72%	15	5	↓10
...	...	...	...	...	...	...
Miyagi	▲0.22%	▲0.06%	▲0.15%	38	42	↑4
Mie	▲0.24%	0.65%	▲0.89%	39	28	↓11
Okayama	▲0.32%	0.38%	▲0.70%	40	33	↓7
Niigata	▲0.35%	0.31%	▲0.66%	41	34	↓7
Shizuoka	▲0.41%	▲0.22%	▲0.19%	42	44	↑2
Ibaraki	▲0.54%	0.08%	▲0.62%	43	39	↓4
Gifu	▲0.58%	0.43%	▲1.01%	44	31	↓13
Tokushima	▲0.61%	▲0.18%	▲0.43%	45	43	↓2
Kagawa	▲0.99%	▲0.38%	▲0.61%	46	46	↑0
Kochi	▲1.08%	▲0.77%	▲0.31%	47	47	↑0

Source : Bank of Japan Prefectural Deposits, Loans, and Cash Data

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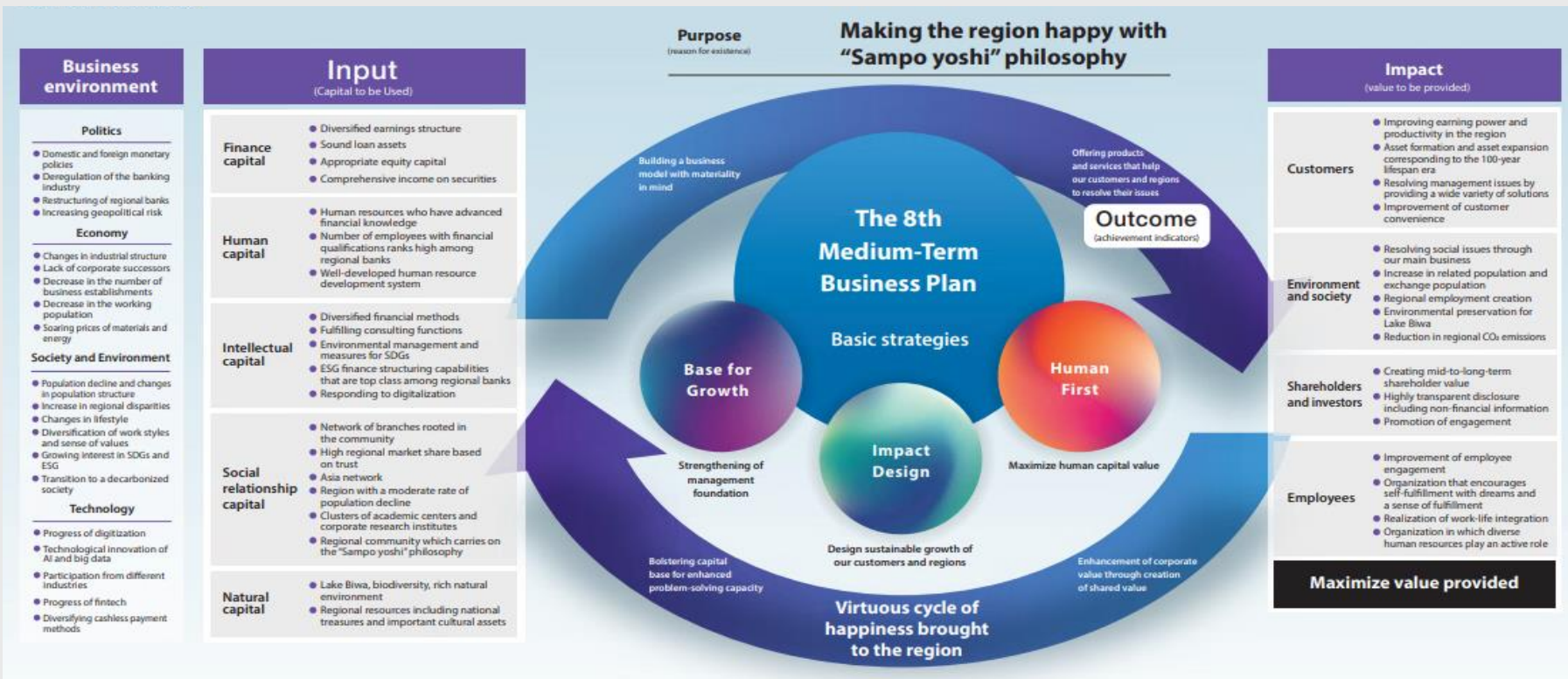
## “Lake Biwa Blue Deposit”

- Following the introduction of “Green Deposit” in 2024, launched the “Lake Biwa Blue Deposit” themed on water and biodiversity. (Green Deposit: A deposit product where funds are allocated to renewable energy projects.)
- Donate an amount equivalent to 0.005% of time deposit balances to organizations engaged in research on water, environment, and ecosystems. Donations are used for projects such as protecting Lake Biwa.
- Achieved 30 billion yen in deposits within about four months of launch; increased the total offering from 30 billion yen to 60 billion yen.



### Product Overview

Purpose	A deposit product designed to support activities that protect Lake Biwa’s water, environment, and ecosystems—considered a “gift from the future.”
Eligible Customers	Individuals and corporations
Application Period	July 1, 2025 (Tue) – March 31, 2026 (Tue)
Total Offering Amount	60 billion yen
Deposit Term	5 years
Minimum Deposit Amount	5 million yen (cannot be transferred from existing time deposits at our bank)
Handling at Maturity	Automatic renewal only
Applicable Interest Rate	Posted rate (no additional premium)



The 8th Mid-Term Plan movie is here



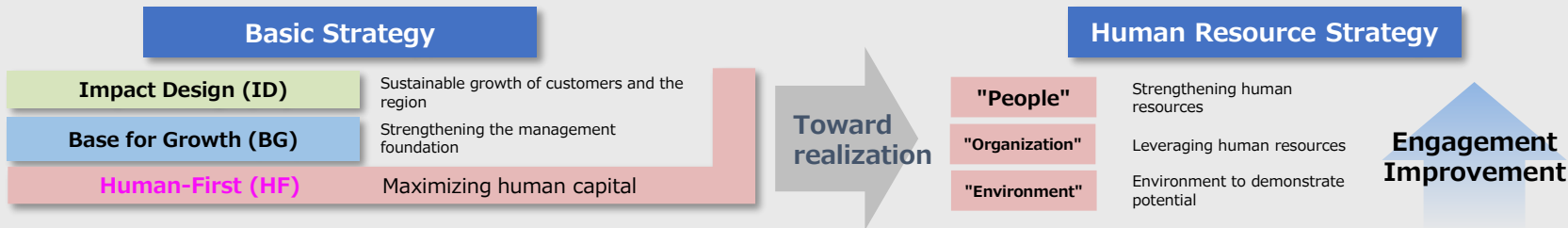


RORA Improvement

Raising Expected Growth Rate

- ▶ With "people" as the driver of value creation, we will increase the probability of achieving our management strategy through proactive investment in human capital.

## ■ Positioning in the 8th Mid-Term Management Plan



## ■ Human Resource Issues for Achieving Strategy

	Management Issues (Opportunities)	Necessary Organizational Capabilities	Human Resource Issues (Risks)
Ideal State <b>Company</b>	<ul style="list-style-type: none"> <li>ID Expanding value creation and profit opportunities starting from regional and customer issues</li> <li>ID Strengthening sustainable profitability through revenue diversification and productivity improvement</li> <li>BG Establishing a sustainable growth foundation by strengthening adaptability to environmental changes</li> </ul>	<ul style="list-style-type: none"> <li>Issue discovery capability</li> <li>Value conceptualization capability</li> <li>Implementation capability to leverage expertise</li> <li>Strategic human resource allocation</li> </ul>	<ul style="list-style-type: none"> <li>Loss of profit opportunities due to lack of value conceptualization capability</li> <li>Delays in commercialization and provision of advanced solutions due to lack or dispersion of expertise</li> <li>Insufficient allocation to priority areas due to rigid human resource placement</li> </ul>
Current Status <b>Bank</b>	<ul style="list-style-type: none"> <li>HF Improving organizational execution capability by maximizing human capital</li> </ul>	<ul style="list-style-type: none"> <li>Management and development capability</li> <li>Culture reform</li> </ul>	<ul style="list-style-type: none"> <li>Stagnation of reform actions due to lack of a culture of pride and challenge</li> </ul>



## Action

### Human Resource Strategy

#### "People"

##### Develop human resources who can take on value creation

- Develop Design human resources
- Improve management skills
- Strengthen the ability to utilize specialized knowledge

Improve individual abilities

#### "Organization"

##### Utilize human capital in strategic areas

- Granting restricted stock to employees
- Allocation of personnel to priority areas
- Improve human resource mobility across departments

Vitalize the organization

#### "Environment"

##### Create a foundation for challenge and growth

- Culture transformation
- Foster a corporate culture of challenge and praise
- Ensure psychological safety

Improve motivation to perform

### PICK UP

## Shigagin Human Award

Highlight actions that embody the corporate motto and positive challenges, where employees praise each other. This initiative will start in 2025.



## Outcome and Impact

RORA Improvement

Raising Expected Growth Rate

### Status of KPIs (Important Indicators in Human Resource Strategy)

	As of March 31, 2024 (At the start of the 8th Mid-Term Plan)	As of March 31, 2026
Engagement score	69	71
Investment in human resource development per person	165 thousand yen per year	209 thousand yen per year
Number of people who autonomously challenged their careers	269 persons per year	589 persons per year

Improve customer problem-solving capabilities, promote new businesses and priority areas, and improve productivity

Toward improving profitability (ROE) and creating a "virtuous cycle that makes the region happy"

- Achieve **carbon neutrality (Scope 1 and 2)** for the Shiga Bank Group **in FY2025**  
(First among regional banks in the Kinki region)

- Achieve sustainability achievement indicators of the 8th MTP **three years ahead of schedule**

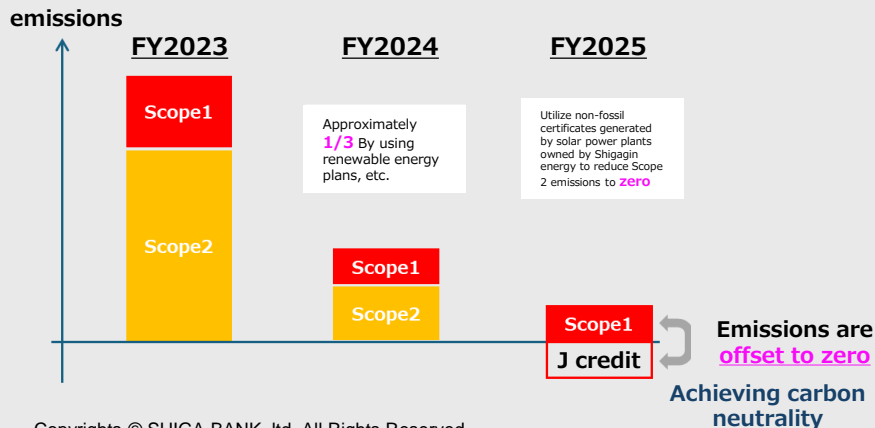
## Initiatives

### (1) Reduction of GHG emissions

Reduce emissions to **1/3** of FY2013 levels through energy-saving equipment and operational efficiency

### (2) Utilization of renewable energy generated by the Group

Utilize non-fossil certificates generated by solar power plants owned by Shigagin energy



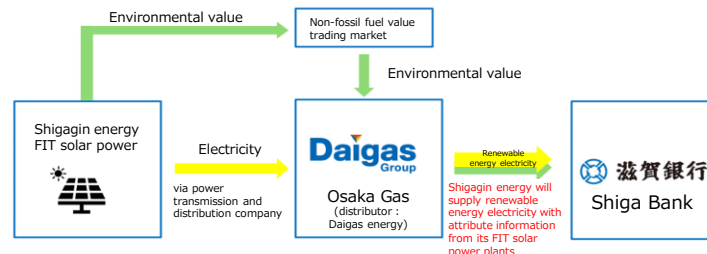
## Future Plans

- Launch "local production for local consumption" model for renewable energy
- Expand initiatives to utilize locally derived renewable energy within the region and **further promote decarbonization** of the entire region

### PICK UP

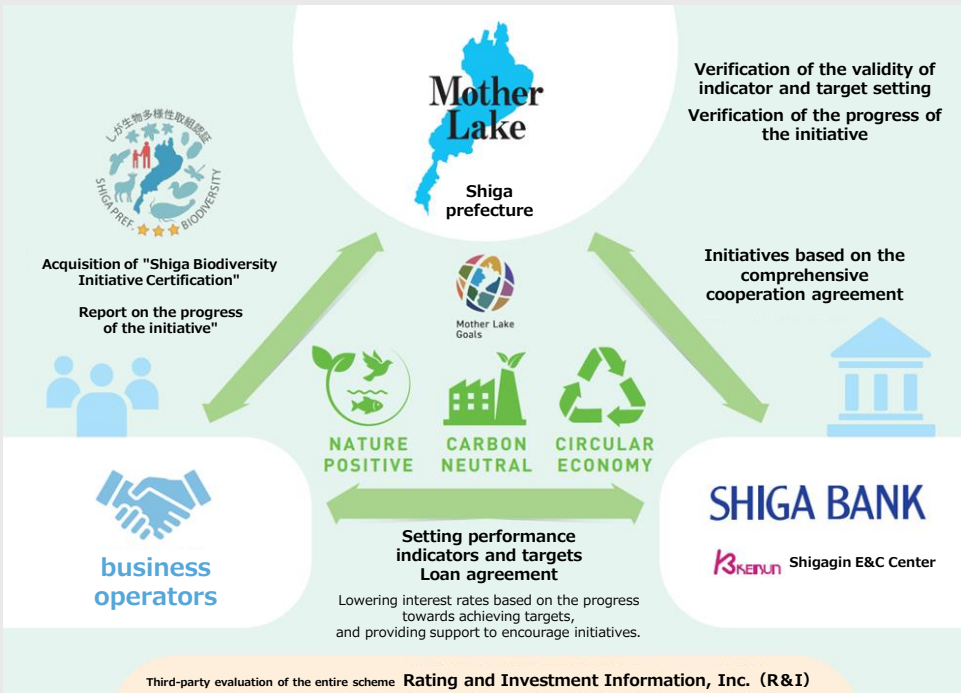
### "Local Production for Local Consumption" Model for Renewable Electricity

Supply renewable electricity to Shiga Bank's Head Office and other facilities using environmental value derived from solar power plants owned by Shigagin energy



Raising Expected Growth Rate

- ▶ **Japan's first** ESG finance with three environmental elements as KPIs
- ▶ Aiming to realize "Sampo yoshi" for the region, environment, and business operators



## Structure

- Set environmental KPIs (carbon neutral / nature positive / circular economy)
- Vary interest rates according to the degree of KPI achievement
- Ensure effectiveness through annual monitoring

## Significance

### Business Value

- Promote ESG investment by regional companies
- Capture environmental response needs (expand customer base)
- Strengthen non-price competitiveness (value-added finance)

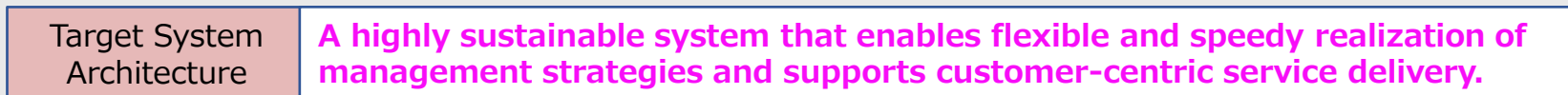
Through the creation of local economic and environmental value, Realize sustainable regional growth



In today's VUCA era of rapid changes in social and business environments, it is essential to have:

- **Advanced systems** that can flexibly and quickly reflect management strategies.
- **IT talent** capable of smoothly implementing these strategies into systems.
- Connectivity with external services, collaboration with other companies, AI utilization, and adoption of new technologies.

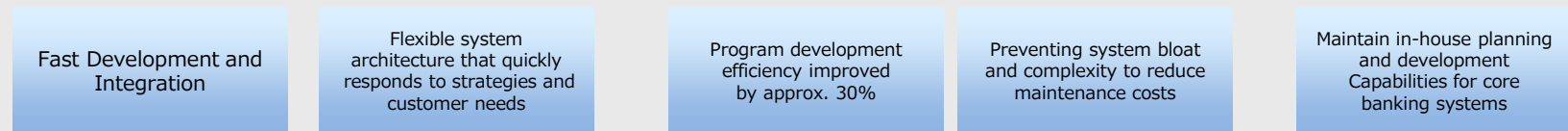
Raising Expected Growth Rate



## BankVision by BIPROGY

**Key Features**

- Built an open core banking system on Microsoft Azure cloud (advanced approach).
- Componentization and tableware architecture for easy modification and high availability.
- Combination of Web API connectivity and encapsulated business applications for simple integration and operational efficiency.



**Enables management strategies to be implemented flexibly and swiftly.**

Future goal:  
Improve **OHR to the 50% range**

**Ensure sustainability and leverage core and peripheral systems to create diverse business models**

# Appendix

# Portfolio: Results and Forecasts by Segment(Summary)

「三方よし」で地域を幸せにする  
Sustainability Design Company

SHIGA BANK

## Business Portfolio: Five Segment Strategies (Key Strategic Pillars under the 8th Medium-Term Plan)

Stabilizing Earnings  
Volatility

RORA  
Improvement

Segment	Core Business		2026.3 Actual Results (billion yen)		Policy / Future Outlook
<b>A. Customers of Corporate and Individual</b>	Corporate Loans and Bills Discounted	Corporate and Personal Consulting	Corporate Loans Interest Corporate Consulting Fees Individual Consulting Fees	26.9 4.0 3.5	(Corporate) Secure appropriate interest margins and increase fee income through consulting services. (Retail) Ensure stable earnings by offering customized solutions based on customer needs, though profit margins are expected to decline.
<b>B. Consumer Loans</b>	Other Consumer Loans	Housing Loan	Other Consumer Loans Income (※) Housing Loan Income ※After deducting Guarantee Insurance Expenses	4.0 11.4	(Other Consumer Loans Income) Actively promote leveraging non-face-to-face convenience. Despite rising interest rates, demand remains strong. (Housing Loans) Promote digitization, aiming for a 50% market share within the prefecture.
<b>C. Strategies for Finance</b>	Domestic Structured Finance Loans Overseas market-based Loans	Alternatives Investments	Total segment earnings ※After JPY/foreign currency funding cost deduction	7.4	(Loans) Build a high-quality portfolio with appropriate risk-return balance, focusing on RORA and interest margins. (Alternatives) Pursue high-return assets with a strong emphasis on risk diversification.
<b>D. Strategies for Securities</b> ※Excluding cross-shareholdings	Bond	Equity Securities, etc.	Bonds (JPY) Bonds (Foreign currency) etc. Stocks etc. ※After JPY/foreign currency funding cost deduction	▲12.0 3.0 9.6	(Bonds & Equities) Aim to build a resilient portfolio for the future amid rising interest rates. Dynamically reallocate assets in line with market trends, targeting a 1% spread.
<b>E. Group Strategy and New Business</b>	Existing business cashless・Lease	New Businesses energy・capital	Group earnings Dividends to parent company Consolidated-Standalone Difference	1.0 1.2 ▲0.1	(Existing Business) Strengthen collaboration with the core banking operations. (New Business) Continue taking on challenges with future earnings potential. Actively explore new business domains.

## ■ Vision

### Growth Strategy

- **Creating Value through Deeper Customer Engagement in the Region**
- Expand business by building strong relationships and understanding customer needs.
- Link consulting and solution offerings to loan and deposit transactions to boost net interest income.

### 2026.3 Actual

- Corporate business-related fees reached a record high.
- Domestic lending: curb low-rate loans through asset allocation focused on RORA and margins, resulting in a decrease in balance.
- Individual consulting fees: while fees from investment trust sales, life insurance, and housing loan executions decreased, the number of investment trust accumulation contracts and housing loan execution amounts increased, leading to progress in expanding the transaction base over the medium to long term.

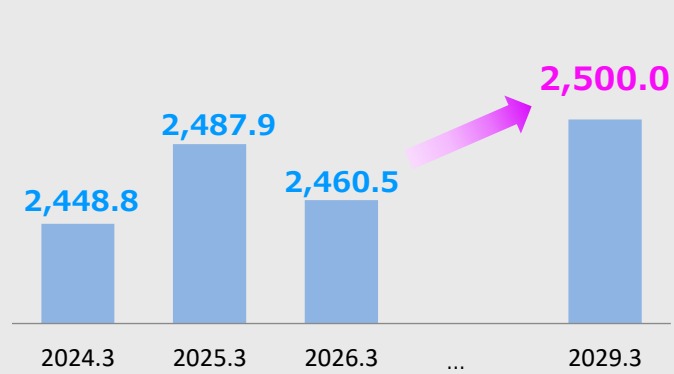
### Challenges and Risk Factors

- Strengthening and developing human resources.
- Potential defaults among large or highly rated clients outside the region, following historically low default rates.
- Intensifying competition due to population decline and the rise of online banks.
- Uncertainty in the external environment, including economic conditions.

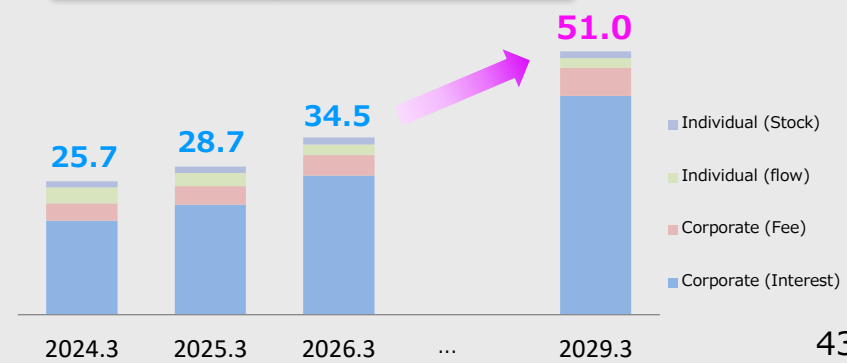
## ■ Balance and Earnings Plan

RORA Improvement

Corporate Loans Average balance (billion yen)



Earnings (billion yen)



## Vision

### Growth Strategy

- **Creating Value through Deeper Customer Engagement in the Region**
  - Expand business by building strong relationships and understanding customer needs.
  - Link consulting and solution offerings to loan and deposit transactions to boost net interest income.

### 2026.3 Actual

- Achieved 60.2 billion yen in deposits for the "Lake Biwa Blue Deposit," where a portion of the deposit amount is used for projects to protect Lake Biwa.
- Effectively implemented other campaigns to increase retail deposits.
- Corporate deposits also grew through deposit promotion based on loan share and initiatives to become the main bank for corporate clients.

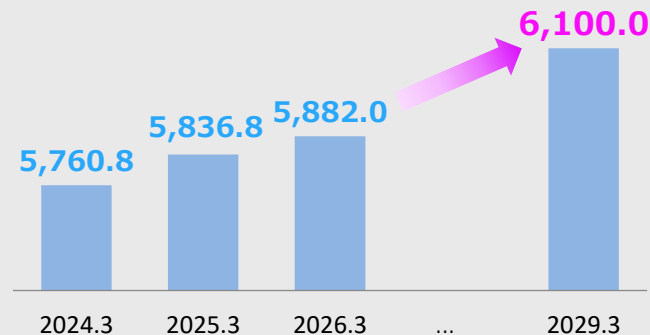
### Challenges and Risk Factors

- Intensifying competition for deposits due to a decrease in the monetary base.
- Intensifying competition due to population decline and the rise of online banks.

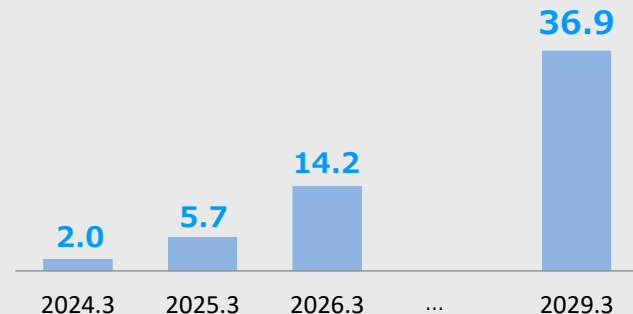
## Balance Plan

RORA Improvement

Average Balance of Deposits, etc. (billion yen)



Interest on Deposits, etc. (billion yen)



# B. Consumer Loans (Housing Loans+Other Consumer Loans)

「三方よし」で地域を幸せにする  
Sustainability Design Company

SHIGA BANK

## Vision

**Growth Strategy**

- Effective Use of Non-Face-to-Face Channels**
  - Promote operational efficiency by utilizing digital channels, such as the growing share of online housing loan applications.
  - Expand high-margin loans through nationwide direct lending, leveraging strengths in non-face-to-face operations.

**2026.3 Actual**

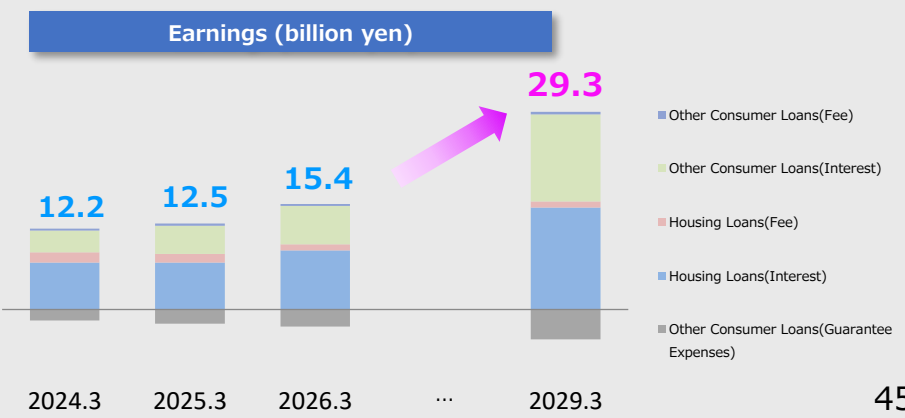
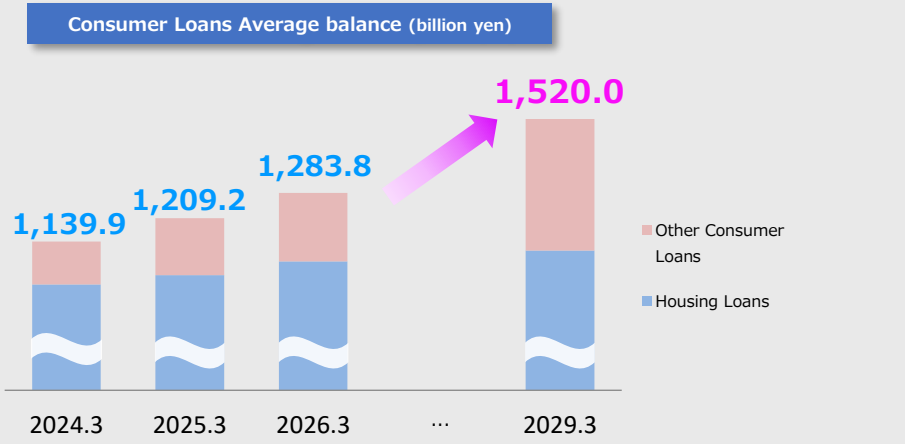
- Housing Loans**
  - Implemented product revision in April 2025 (introduced 40-year term option).Recent execution amount and number of cases are on an increasing trend.
  - Promote digitalization to achieve a 50% market share within the prefecture.
- Other Consumer Loans**
  - In June 2025, revised real estate collateral loan product (maximum amount raised from 50 million yen to 100 million yen).
  - Final MTP year balance target to **400 billion yen**, and for real estate collateral loans, aim to develop new customer segments and expand transactions.

**Challenges and Risk Factors**

- Strengthening and developing human resources.
- Intensifying competition due to population decline and the rise of online banks.
- Changes in economic conditions and external environment.

## Balance and Earnings Plan

RORA Improvement



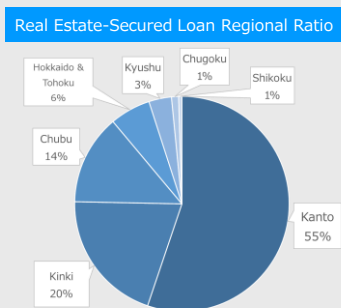
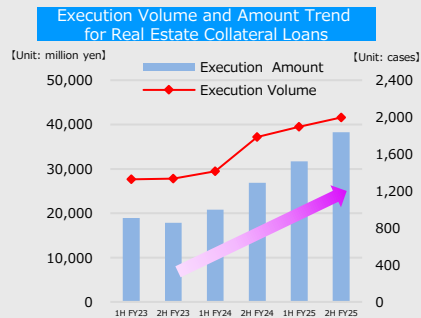
# B. Consumer Loans (Other Consumer Loans Details)

## ■ Other Consumer Loans(Online Consumer Loans)

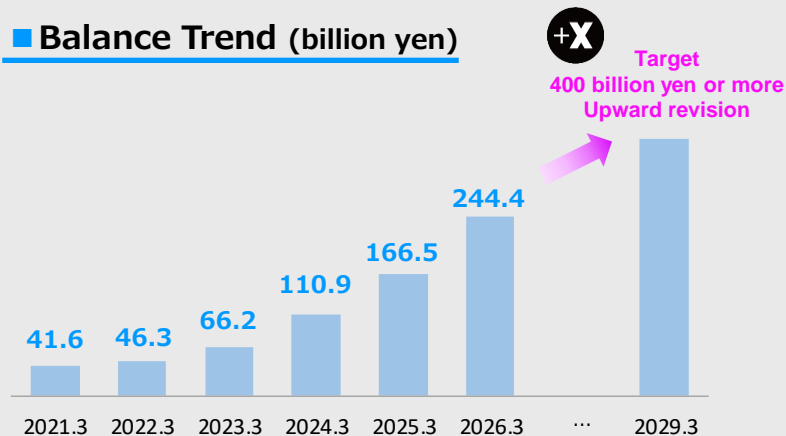
### Features and Strengths

- ▶ **Fully Non-Face-to-Face Process×Generous Support System**
  - ・Procedures from application to contract and execution are completed entirely online
  - ・Extensive support system via telephone and chat by specialized call center staff
- ▶ **Unique system to improve CVR (※)**
  - ・Business model patent acquired; system built to increase application rate
  - ※Conversion Rate:WEBPercentage of website visitors achieving specific outcomes
- ▶ **Strategic Web Promotion**
  - ・Improving brand awareness andWEBsmooth guidance to website

Leveraging service advantages to capture a wide market

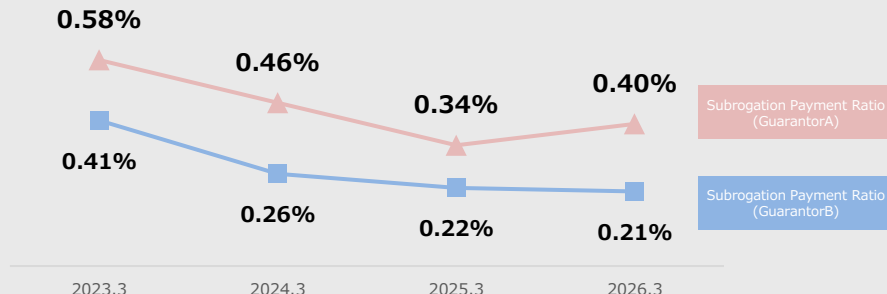


## ■ Balance Trend (billion yen)



## ■ Subrogation Payment Ratio

The subrogation payment ratio remains at a low level, reflecting the accumulation of high-quality assets.



## ■ Vision

**Growth Strategy**

**+X**

- **Investment and Lending Strategy Focused on RORA and Risk Diversification**
  - Allocate human and management resources to growth areas:
    - Economic capital → Accumulate high-RORA assets
    - Human capital → Take on new financing approaches
  - Mitigate risks through thorough diversification:
    - Strategic, regional, and time diversification
  - Invest across a wide range of sectors and methods:
    - Domestic structured finance:
      - infrastructure, real estate, data centers, etc.
    - Foreign market-based loans:
      - overseas corporates, structured finance, etc.
    - Alternatives: venture and buyout funds, real estate, etc.

**2026.3 Actual**

- Balances in all three segments increased steadily
- 2026.3 earnings reached the initial final-year plan of the Medium-Term Management Plan (7.5 billion yen) due to buyout fund earnings, etc.
- Revised the final-year earnings plan of the Medium-Term Management Plan to **8 billion yen**

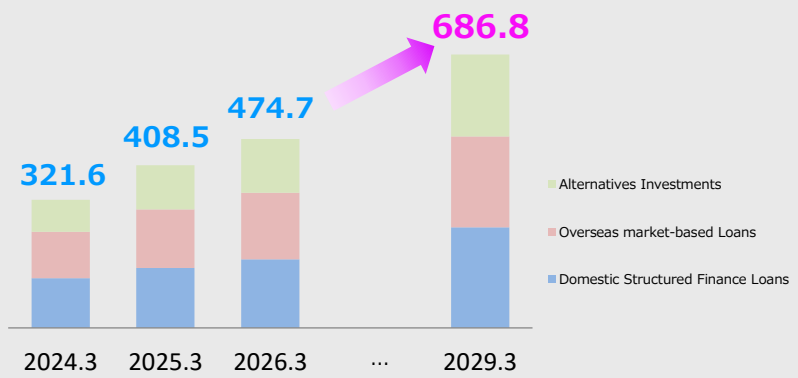
**Challenges and Risk Factors**

- Organizational retention of know-how and human resource development.
- Risk management of credit risk, structure risk, etc.
- Occurrence of sudden defaults, leading to the realization of credit costs.
- Environment for procuring foreign currency funds.

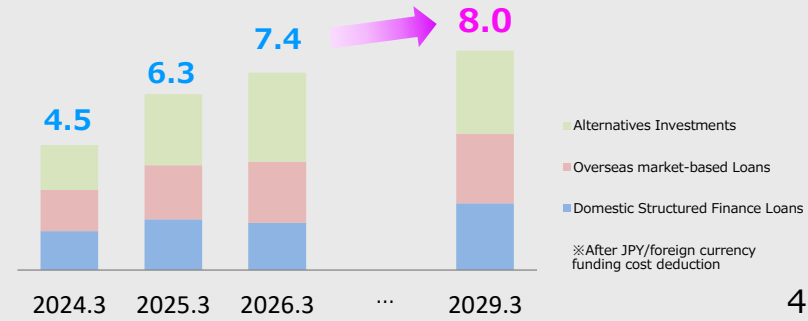
## ■ Balance and Earnings Plan

RORA Improvement

**Average Balance (billion yen)**



**Earnings (billion yen)**



## Vision

### Growth Strategy

- Ongoing Optimization of the Investment Portfolio**  
 → Shift toward a portfolio with 1% spread (current level: approx. 0.8%)  
※Excluding strategic shareholdings; net of JPY and foreign currency funding costs
- Transform earnings structure from capital gains to stable carry income.
- Respond flexibly to monetary policy changes by forecasting interest rate trends in line with the economic cycle.

### 2026.3 Actual

- Purchasing mainly municipal bonds with remaining maturities of 10 years or less to build a ladder-type portfolio and improve overall portfolio yield.
- In light of rising interest rates, reinvestment will be implemented in stages.
- Increase earnings through higher bond yields from yen-denominated portfolio rebalancing, combined with gains on sales of stocks, foreign exchange, and gold.

### Challenges and Risk Factors

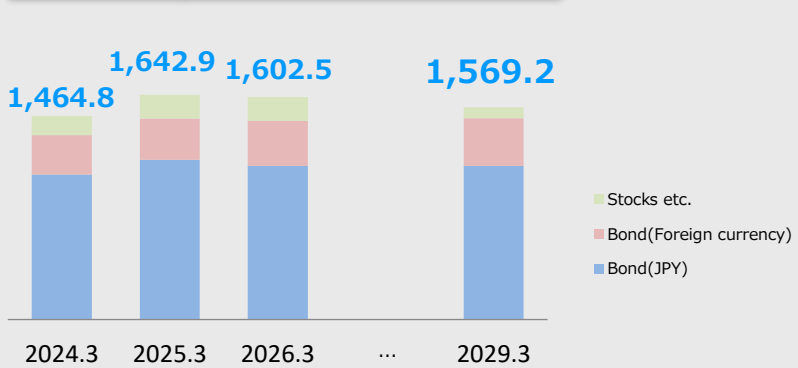
- Sharp interest rate hikes, and increased correlation between interest rates and risk assets such as equities.
- Ensuring risk-taking remains in line with management capacity and risk control capability.
- Strengthening effective investment and risk management frameworks.

## Balance and Earnings Plan

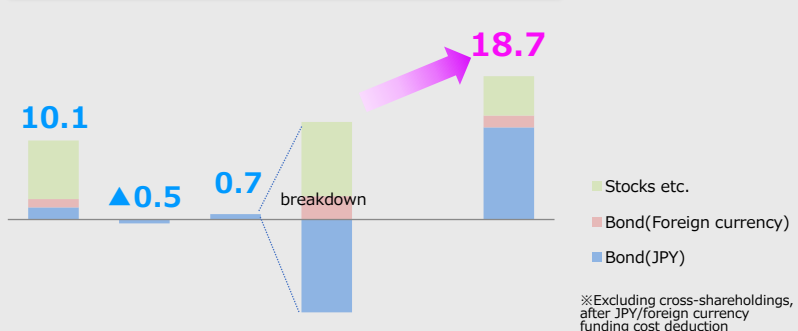
Stabilizing Earnings Volatility

RORA Improvement

Average Balance (billion yen)

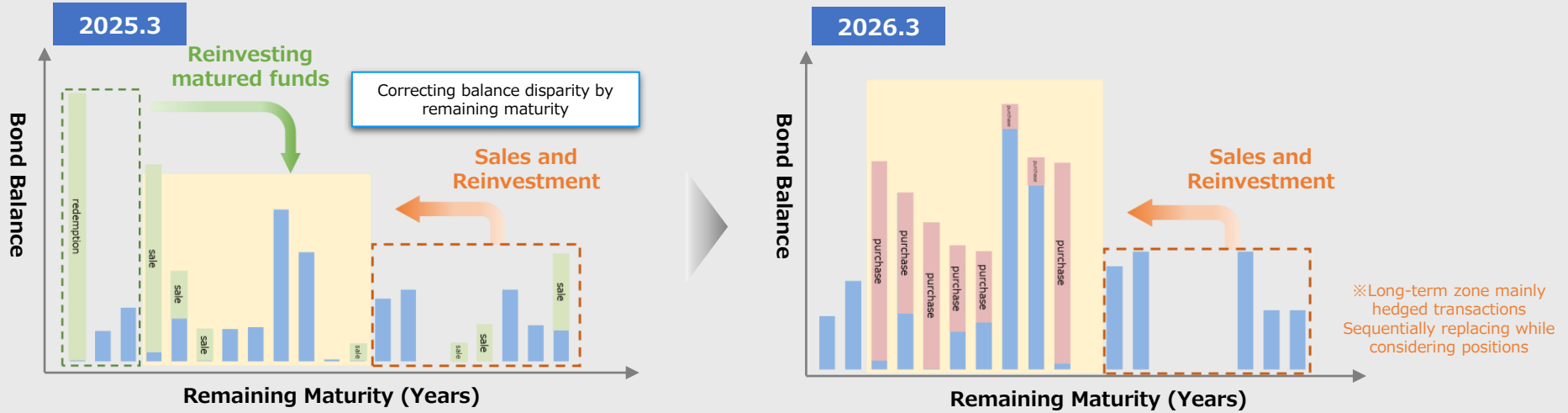


Earnings (billion yen)



※Excluding cross-shareholdings, after JPY/foreign currency funding cost deduction

## JPY Bond Portfolio Management (Ladder Portfolio Construction Progress)



[Low-Yield JGB Sales Record]

FY 2024

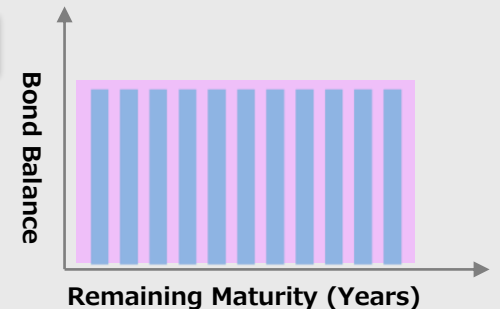
Approx. 140 billion yen sold

FY 2025

Approx. 220 billion yen sold

Target State for Securities Investment in an Era with Interest Rates

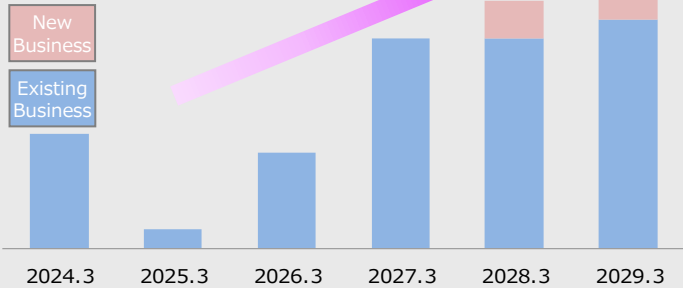
- ▶ Remaining maturity 10-year bonds ensures stable interest income  
⇒ Averaging interest rate fluctuations through ladder portfolio + yield improvement
- ▶ Securing liquidity becomes an increasingly important issue  
⇒ Maintaining liquidity through ladder portfolio with fixed annual maturities



Raising Expected Growth Rate

RORA Improvement

Final Year of the 8th MTP  
Net Difference of **2.0 Billion**  
Yen on a Consolidated and  
Non-Consolidated Basis



### Existing Business

- Shiga DC Card** } ...Cashless
- Shigagin JCB** }
- Shigagin Lease** ...Lease
- Shigagin E&C Center** ...Consulting
- Shigagin Business Service** ...Administrative agent
- Shigagin Agency** ...Bank agency operations
- Shiga Home Loan Guarantee Service** ...Loan collateral valuation and management

### Shigagin Capital Partners



- Investment Business
- Established in October 2024
- Addressing regional challenges such as market contraction, successor shortage, and talent shortage through equity ownership and hands-on support

<Investment Business>  
 • 2025.1 1 fund launched  
 • Targeting 30,000 companies without successors in Shiga Prefecture, starting with investments in clients facing succession challenges  
 • Investment progressed smoothly, with the first investment in September 2025, the second in October, and the third in May 2026. In March 2026, the total fund size was increased to 5 billion yen

### Shigagin Energy



- FIT Power Generation & PPABusiness
- GX Consulting Business
- Established in April 2024
- Promoting the expansion of renewable energy use and local production for local consumption through GX, creating a positive impact on the region

<FIT Power Generation>  
 • Mainly in Shiga, solar power plants: 25 plants, storage facility: 1 plants, generation capacity approx. 28MW acquired, total investment approx. 9 billion yen, expanding steadily  
 • In the last 2 years, recorded losses due to front-loaded depreciation  
 → PPA through investment in new areas such as PPA and battery storage such as PPA and battery storage business

### Rent liability guarantee business



- Commencing a business alliance with Zenhoren Co., Ltd. from April 2024
- Collaborating with local real estate agents to create a safe rental environment for landlords and tenants

### Future Design Group



- Established in April 2024
- Considering the launch of a project (regional development project planning, etc.) to proactively solve regional issues identified through information gathering from more than 300 companies and local governments over the course of one year, utilizing regional resources.
- Selected as a project development partner by Kusatsu City.

## ■ Creating Businesses to Address Regional Challenges

Raising Expected Growth Rate

RORA Improvement

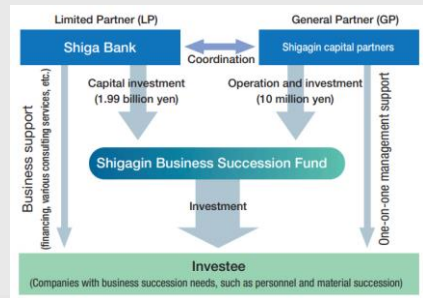
Not only providing “indirect” support through loans, but also taking direct action to solve regional issues, aiming to create sustainable long-term growth for the region and new business opportunities for the Bank.

### Business Succession

Business succession challenges in Shiga Prefecture have become increasingly evident.



**Investment Subsidiary Shigagin Capital Partners through Investment and Hands-on Support (established in October 2024).**  
(2026.3: Fund total increased from 2 billion yen to 5 billion yen)



### Town development

Shiga Prefecture’s population fell below 1.4 million for the first time in 16 years and 7 months.  
(Source : Shiga Prefecture,「 Monthly Population Estimate Survey Feb,2025」)

**First step toward creating new businesses that uncover and leverage regional resources (initiatives by the Future Design Group, established in April 2024).**

**PICK UP**

**Selected as a project development partner by Kusatsu City for “Creating an Innovation Hub” (public proposal process).**

イノベーション集積拠点創出に向けた  
事業化検討パートナーに関する基本協定 調印式

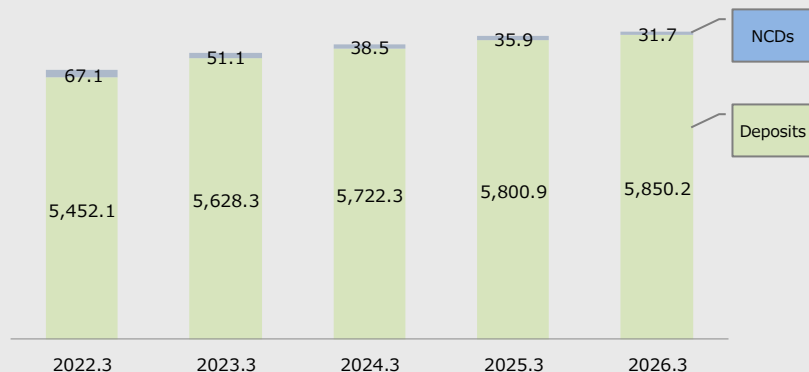
Source : Teikoku Databank “Successor Unavailability Rate in Shiga Prefecture: Trends Survey (2025)”

Source : Teikoku Databank “Survey on Suspension, Closure, and Dissolution Trends in Shiga Prefecture (2025)”

## Deposit (Average balance)

[Units : billion yen]

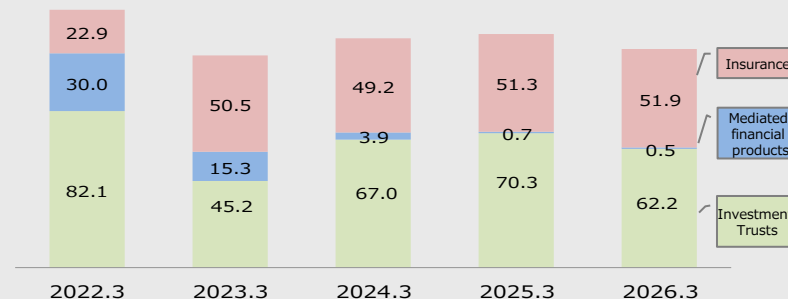
	2022.3	2023.3	2024.3	2025.3	2026.3
Deposits	5,452.1	5,628.3	5,722.3	5,800.9	5,850.2
Individuals	3,953.9	4,082.3	4,161.2	4,221.2	4,255.9
Corporations	1,268.6	1,296.4	1,310.6	1,332.1	1,360.5
Other Deposits	229.4	249.5	250.4	247.5	233.8
negotiable certificates of deposit	67.1	51.1	38.5	35.9	31.7
<b>Total</b>	<b>5,519.2</b>	<b>5,679.5</b>	<b>5,760.8</b>	<b>5,836.8</b>	<b>5,882.0</b>



## Sales during the custody

[Units : billion yen]

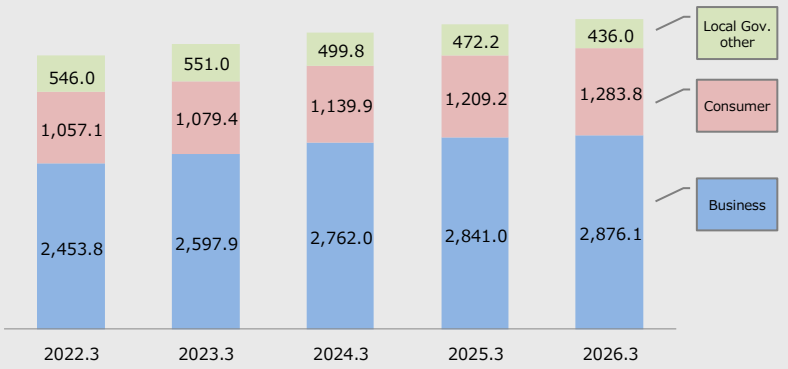
	2022.3	2023.3	2024.3	2025.3	2026.3
Investment trusts	82.1	45.2	67.0	70.3	62.2
Mediated financial products	30.0	15.3	3.9	0.7	0.5
Insurance	22.9	50.5	49.2	51.3	51.9
<b>Total</b>	<b>135.2</b>	<b>111.1</b>	<b>120.1</b>	<b>122.4</b>	<b>114.8</b>



## Loans (Average balance)

[Unit: billion yen]

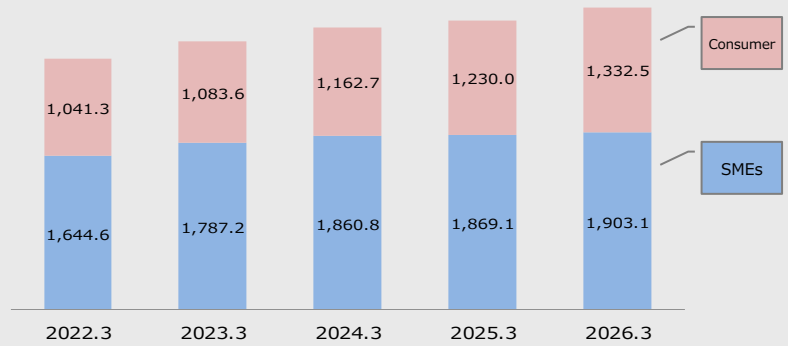
	2022.3	2023.3	2024.3	2025.3	2026.3
Corporate loans and bills discounted	2,453.8	2,597.9	2,762.0	2,841.0	2,876.1
Consumer loans and bills discounted	1,057.1	1,079.4	1,139.9	1,209.2	1,283.8
Local governments, other	546.0	551.0	499.8	472.2	436.0
<b>Total</b>	<b>4,057.0</b>	<b>4,228.3</b>	<b>4,401.8</b>	<b>4,522.5</b>	<b>4,596.0</b>



## loans to small and medium-sized enterprises ("SMEs"), etc. (End-of-period)

[Unit: billion yen]

	2022.3	2023.3	2024.3	2025.3	2026.3
Loans to SMEs	1,644.6	1,787.2	1,860.8	1,869.1	1,903.1
Consumer Loans	1,041.3	1,083.6	1,162.7	1,230.0	1,332.5
Housing Loans	993.1	1,015.9	1,052.0	1,064.7	1,089.4
Other Consumer Loans	48.2	67.6	110.6	165.2	243.1
<b>Total</b>	<b>2,685.9</b>	<b>2,870.9</b>	<b>3,023.5</b>	<b>3,099.2</b>	<b>3,235.7</b>



## ■ Deposits Plan (Average balance)

Segment	[Unit:billion yen]		
	2026.3	2029.3 Plan	Growth Rate (%)
Corporations	1,360.5	1,450	+6%
Individuals	4,255.9	4,370	+2%
Others	265.6	280	+5%
Total	5,882.0	6,100	+3%

### Deposit Type

	2026.3	2029.3 Plan	Growth Rate (%)
Liquid Deposits	3,865.5	3,970	+2%
Time Deposits	1,902.1	2,000	+5%
NCDs・Foreign Currency Deposits	114.4	130	+13%
Total	5,882.0	6,100	+3%

## ■ Deposits Plan (Average balance)

Segment	[Unit:billion yen]		
	2026.3	2029.3 Plan	Growth Rate (%)
Corporate (A.)	2,536.1	2,500	-
Consumer Loan (B.)	1,283.8	1,520	+18%
Housing Loans	1,081.3	1,110	+2%
Other Consumer Loans	202.5	410	+102%
Structured Finance etc. (C.)	340.0	480	+41%
Others (Local governments, etc.)	436.0	340	-
Total	4,596.0	4,840	+5%

## Interest Rate Scenario

Main Scenario	1H FY2026	2H FY2026	1H FY2027	2H FY2027	1H FY2028	2H FY2028
Policy Rate	1.00	1.25	1.25	1.25	1.25	1.25
TIBOR 3M	1.25	1.45	1.45	1.45	1.45	1.45
Swap 5Y	1.70	1.70	1.70	1.70	1.70	1.70
JGB 10Y	2.30	2.30	2.30	2.30	2.30	2.30
Loan Yield	1.59		1.87		1.97	
of which JPY	1.43		1.73		1.84	
of which Foreign Currency	4.37		4.13		4.14	
Deposit Yield	0.44		0.58		0.61	
of which JPY	0.40		0.54		0.57	
of which Foreign Currency	3.38		2.96		2.94	

Policy rate is assumed to rise from **1.00%** in June 2026 to **1.25%** in January 2027, remaining flat thereafter.

## Alternative Scenarios

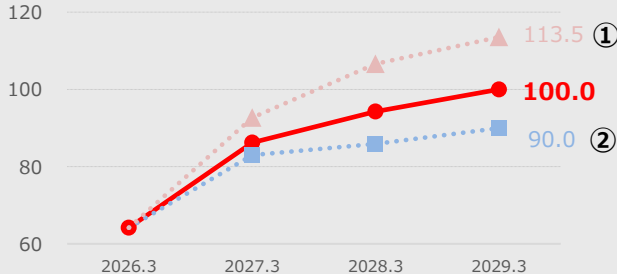
- ① Sharp Rate Hike : Policy rate rises to **2.00%** in the first half of FY2026, then remains flat.
- ② Flat Rate Scenario : Policy rate remains flat at **0.75%**.

## Policy Rate change impact on Top-line (Deposits/Loans+Securities) Change

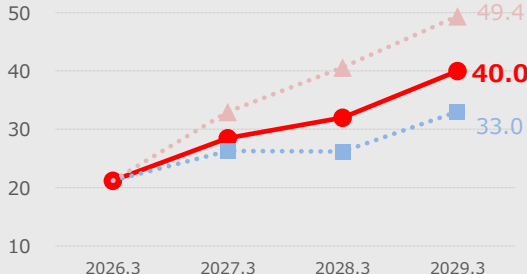
Policy Rate	Top Line Increase
50bp (0.5%) rise	+10.0 billion yen
Category	Top Line Change
Loans	+20.6 billion yen
Securities	+3.5 billion yen
Deposits	▲14.1 billion yen
Total	+10.0 billion yen

※Changes in the top line in response to policy rate changes from FY2025 to FY2028

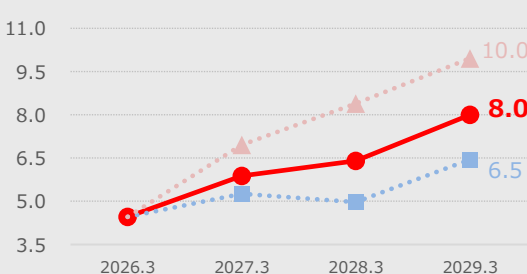
Gross Business Profit (billion yen)



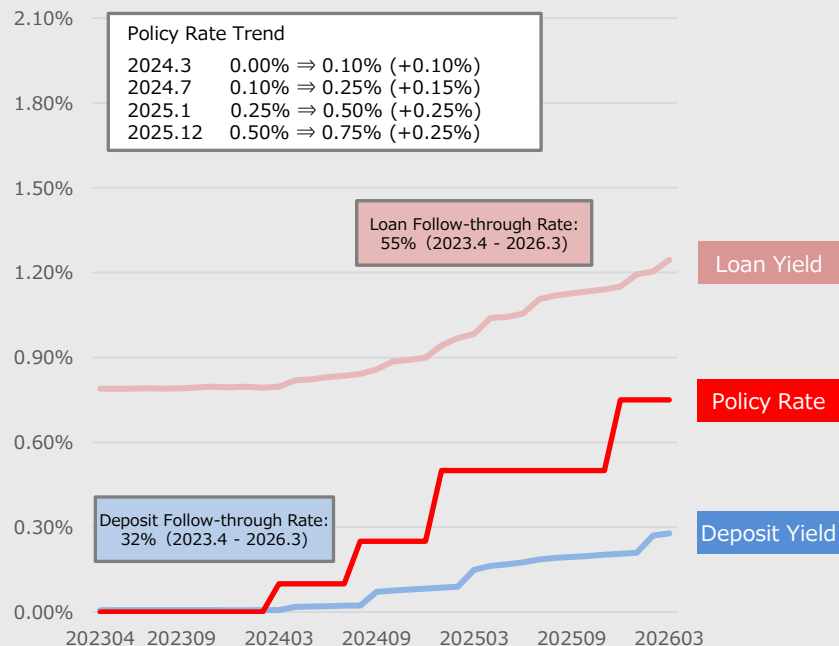
Consolidated Profit (billion yen)



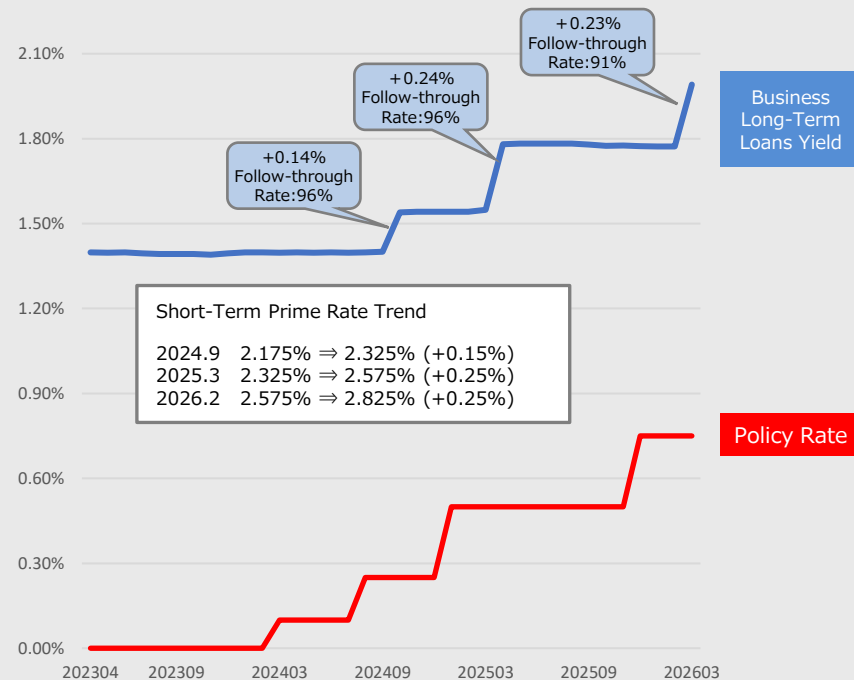
Consolidated ROE (%)



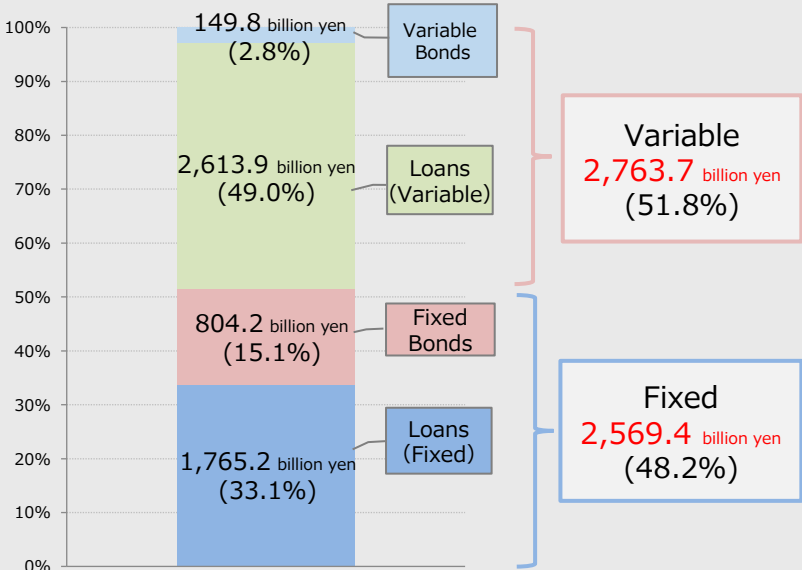
## Deposit & Loan Yield Trends (JPY)



## Long-Term Business Loan Yield Trend (Short-Term Prime Rate Linked)

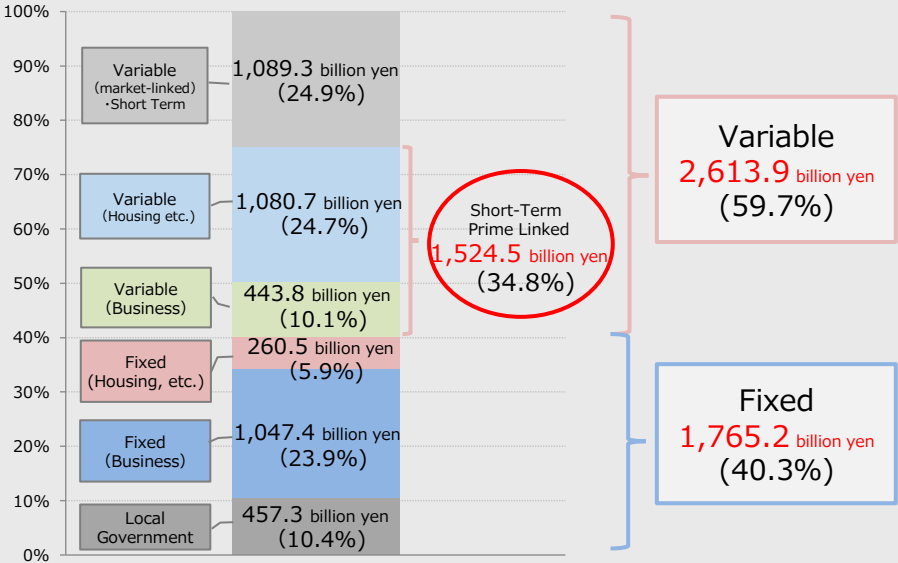


## ■ Total JPY Assets (2026.3)



**Loans + Securities**  
**4,379.1 billion yen (82.1%)** + **954.0 billion yen (17.9%)**  
**5,333.2 billion yen**

## ■ JPY Loans (2026.3)



**Loans 4,379.1 billion yen**

JPY Loans Fixed/Variable ratio trend

	2023.3	2024.3	2025.3	2026.3
<b>Variable</b>	<b>51.8%</b>	<b>54.0%</b>	<b>56.4%</b>	<b>59.7%</b>
of which Market-linked·Short Term	20.7%	22.8%	24.2%	24.9%
of which Housing etc.	16.0%	20.0%	21.9%	24.7%
of which Business	15.1%	11.3%	10.3%	10.1%
<b>Fixed</b>	<b>48.2%</b>	<b>46.0%</b>	<b>43.6%</b>	<b>40.3%</b>
of which Housing etc.	7.8%	7.4%	6.6%	5.9%
of which Business	27.7%	26.0%	25.4%	23.9%
of which Local Government	12.6%	12.5%	11.6%	10.4%

# Inquiries

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## <Inquiries>

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