Second Quarter of FY2026 Investor Presentation

Sustainability Design Company

「三方よし」で地域を幸せにする

SHIGA BANK

November 2026

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Summary of Financial Results for the Second Quarter of FY2026

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■ Second Quarter of FY2026 Summary

▸ Consolidated Profit of 15.1 billion yen, a record high for the interim period

- Net interest income expanded due to an increase in interest on loans and dividends on securities, leading to profit growth on both a non-consolidated and consolidated basis

▸ Capitalized on rising interest rates, leading to a significant increase in net interest income

- Due to strategic allocation efforts made in anticipation of the transition to a "world with interest rates," net interest income (non-consolidated) increased by 10.8 billion yen year-on-year

▸ Both loans and deposits increased, expanding the business base

- Business and consumer loans increased, primarily in Shiga Prefecture, and deposits also remained on an upward trend for both individuals and corporations

▸ Upward revision to the full-year financial results forecast

- Expecting consolidated profit of 31.5 billion yen and a dividend per share of 55 yen

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Income Statement Overview (1)

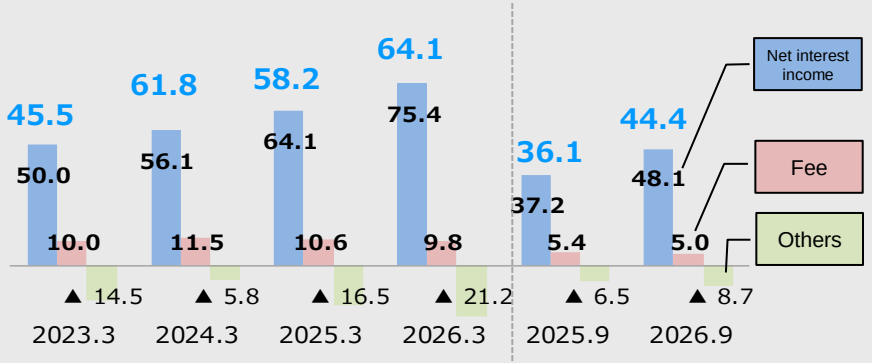
- Net interest income expanded due to increased loan interest and securities interest/dividends
- Profit reached a record high for the interim period on both a non-consolidated and consolidated basis

Financial Results Overview (Non-consolidated)

【Unit: billion yen】

[Non-consolidated]	No.	2025.9	2026.9	YoY	2027.3 Plan (※)	Progress
Gross business profit	1	36.1	44.4	+8.2	69.7	63.6%
Net interest income	2	37.2	48.1	+10.8	95.8	
Interest on loans and discounts	3	28.7	35.7	+7.0		
Interest and dividends on securities	4	18.5	23.8	+5.2		
Interest on deposits, etc. (▲)	5	6.2	11.0	+4.7		
Net fees and commissions	6	5.4	5.0	▲0.4	8.9	
Net other ordinary income	7	▲6.5	▲8.7	▲2.1	▲34.9	
Expenses (▲)	8	24.5	26.4	+1.9	56.8	46.5%
Personnel expenses (▲)	9	10.4	11.1	+0.6	22.3	
Non-personnel expenses (▲)	10	12.0	13.1	+1.0	29.6	
Taxes (▲)	11	1.9	2.1	+0.2		
Net business profit (before provision of general allowance for loan losses)	12	11.6	17.9	+6.3	12.9	
Provision of general allowance for loan losses (▲)	13	▲0.2	▲0.5	▲0.3	▲0.2	
Net Business Profit	14	11.8	18.5	+6.6	13.1	
Non-recurring gains (losses)	15	3.4	3.4	▲0.0	31.9	
Gains (losses) related to equity securities	16	3.9	3.6	▲0.2		
Ordinary profit	17	15.3	21.9	+6.6	45.0	48.8%
Extraordinary income (losses)	18	0.0	0.0	▲0.0	▲0.0	
Profit before income taxes	19	15.3	22.0	+6.6		
Profit	20	11.4	15.2	+3.8	31.5	48.2%
Credit costs (▲)	21	1.0	1.3	+0.3	3.2	41.9%
[Consolidated] Profit	22	11.3	15.1	+3.8	31.5	48.2%

Gross Business Profit Trends (billion yen)



Ordinary Profit / Profit Trends

【Unit: billion yen】

	2023.9	2024.9	2025.9	2026.9
Ordinary profit	17.6	11.6	15.3	21.9
Profit	12.4	8.9	11.4	15.2
Consolidated Profit	12.5	8.7	11.3	15.1

※The FY March 2027 plan has been revised from the figures disclosed on May 13 (disclosed on November 13, 2026)

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Income Statement Overview (2)

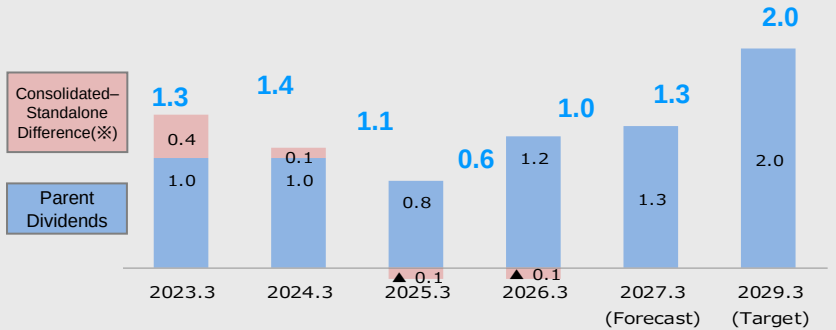
- Subsidiary performance is on an improving trend, with effective group company earnings expected to reach 1.3 billion yen for the full fiscal year

Financial Results (consolidated)

【Unit: billion yen】

[Consolidated]	No.	2025.9	2026.9	YoY
Consolidated Gross business profit	1	37.3	45.7	+8.4
Net interest income	2	36.5	47.3	+10.7
Net fees and commissions	3	6.7	6.3	▲0.3
Net other ordinary income	4	▲6.0	▲7.9	▲1.9
Expenses (▲)	5	25.5	27.4	+1.9
Ordinary profit	6	15.6	22.2	+6.6
Extraordinary income (losses)	7	0.0	0.0	▲0.0
Profit before income taxes	8	15.6	22.2	+6.5
Profit	9	11.3	15.1	+3.8
Profit attributable to non-controlling interests	10	-	-	-
Profit attributable to owners of parent	**11**	**11.3**	**15.1**	**+3.8**

Group Company Earnings Trend (billion yen)



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

Status of Consolidated Subsidiaries (Profit)

【Unit: billion yen】

Company Name	2024.9	2025.9	2026.9
Shiga DC Card	0.0	0.1	0.1
Shigagin Lease	▲0.1	0.0	0.0
Shigagin JCB	0.0	0.0	0.0
Shiga Home Loan Guarantee Service	0.3	0.4	0.3
Shigagin Energy	▲0.0	0.0	0.1
Shigagin capital partners	-	▲0.0	▲0.0
Total of 3 other companies	0.0	▲0.0	▲0.0
Total	0.2	0.5	0.6
Parent Dividends	0.5	0.6	0.6
Consolidated- Standalone Difference	▲0.2	▲0.0	▲0.0

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Financial Forecast for the FY2026(Points of Revision)

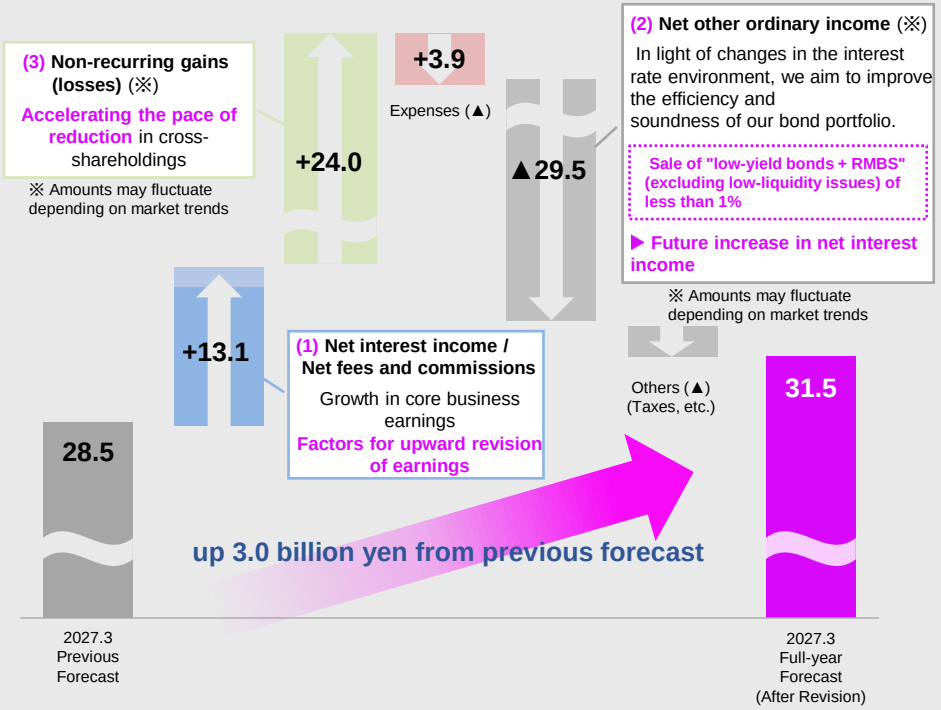
- Revised full-year Financial Results Forecast primarily due to an increase in net interest income, etc.
- Expect consolidated profit of 31.5 billion yen (up 3.0 billion yen from previous forecast)

Financial Results Forecast Revision

【Unit: billion yen】

[Non-consolidated]	2027.3 Previous Forecast	2027.3 Full-year Forecast (After Revision)	Change
Gross business profit	86.1	69.7	▲16.4
Net interest income	83.1	95.8	+12.7
Net fees and commissions	8.5	8.9	(1) +0.3
Net other ordinary income	▲5.4	▲34.9	(2) ▲29.5
Expenses (▲)	52.8	56.8	+3.9
Personnel expenses (▲)	22.0	22.3	+0.2
Non-personnel expenses (▲)	26.9	29.6	+2.7
Net business profit (before provision of general allowance for loan losses)	33.2	12.9	▲20.3
Provision of general allowance for loan losses (▲)	0.1	▲0.2	▲0.3
Net Business Profit	33.1	13.1	▲20.0
Non-recurring gains (losses)	7.9	31.9	(3) +24.0
Ordinary profit	41.0	45.0	+3.9
Extraordinary income (losses)	▲0.0	▲0.0	+0.0
Profit	28.2	31.5	+3.3
Credit costs (▲)	3.2	3.2	▲0.0
[Consolidated] Profit	28.5	31.5	+3.0
Dividends per share	50 yen (YoY +22 yen)	55 yen (YoY +27 yen)	+5 yen

Points of Financial Results Forecast Revision (billion yen)



Utilize gains on sale of cross-shareholdings to further replace bonds in the portfolio, aiming to build a more profitable portfolio.

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Balance Sheet

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

Strategically curtailing low-rate lending while meeting local funding needs

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

Decreased due to repayment of BOJ borrowings and increase in loans

Strategically sold low-yield bonds during a period of rising interest rates since FY2023
Invested primarily in local government bonds in 1H FY2026 and restored a portion of bonds sold during the previous period

Valuation gains increased due to higher share prices

Total Assets 7.6 trillion yen

Loans

【Unit: billion yen】

	2026.9	YoY	vs. March 31, 2026
LoansTotal (Shiga Pref.)	4,668.7 (2,687.3)	+106.2 (+48.3)	+43.8 (+8.9)
of which Business (Shiga Pref.)	2,883.3 (1,122.7)	+39.9 (+20.8)	+17.5 (+1.8)
of which Consumer (Shiga Pref.)	1,395.2 (1,182.0)	+113.0 (+76.0)	+54.5 (+37.1)
of which Local Gov. (Shiga Pref.)	390.0 (382.6)	▲46.7 (▲48.4)	▲28.2 (▲30.0)

Cash and Due from Banks

【Unit: billion yen】

	2026.9	YoY	vs. March 31, 2026
Cash and Due from Banks	851.9	▲44.4	▲159.0
of which BOJ Current Account	821.2	▲42.6	▲156.1

Securities

【Unit: billion yen】

	2026.9	YoY	vs. March 31, 2026
Securities Total	1,875.1	▲3.7	+146.4
of which Gov. bonds	271.5	▲204.4	▲33.4
of which Local Gov. bonds	369.0	+100.9	+67.8
of which Stocks	486.3	+145.6	+117.0

Liabilities 7.1 trillion yen

Deposits

【Unit: billion yen】

	2026.9	YoY	vs. March 31, 2026
Deposits Total (Shiga Pref.)	5,971.6 (5,258.3)	+115.2 (+93.8)	▲16.5 (▲5.7)
of which Individuals	4,270.3	+27.3	▲6.4
of which Corporations	1,373.5	+22.7	+9.2
of which Negotiable certificates of deposit	31.0	+0.4	+0.0

Borrowings

【Unit: billion yen】

	2026.9	YoY	vs. March 31, 2026
Borrowings Total	676.5	▲153.0	▲107.7
of which BOJ Borrowings	676.0	▲148.5	▲107.6
corporate bonds	20.0	+20.0	+20.0

Net Assets

0.5 trillion yen

Increased year-on-year, but slight decrease compared to March 31
Focusing on becoming the main bank for both individuals and corporations
Further efforts to acquire sticky deposits

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

Issued first senior bonds in July 2026
Aiming to maintain and expand the balance sheet by diversifying long-term stable funding sources

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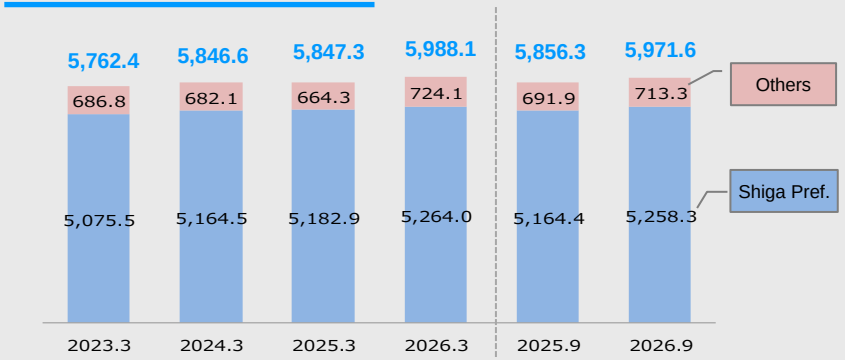
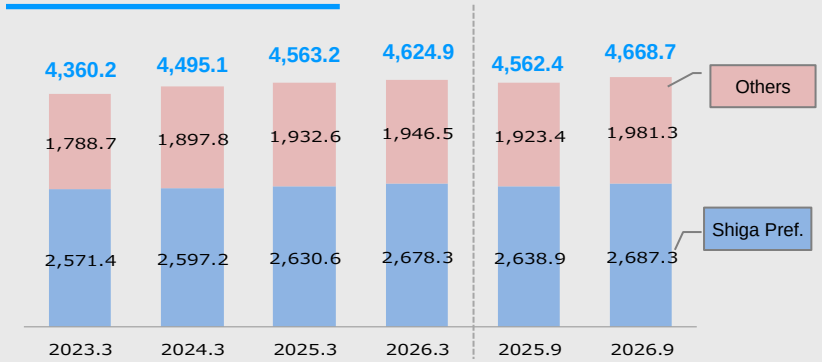
Deposits and Loans (1)

- Deposits have increased steadily against the backdrop of a high market share in Shiga Prefecture
- Yields on both deposits and loans are rising in line with the increase in the policy rate

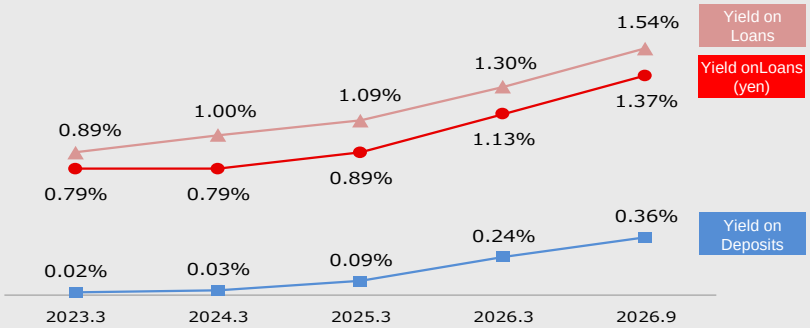
Deposits (balance) (billion yen)



Loans (balance) (billion yen)

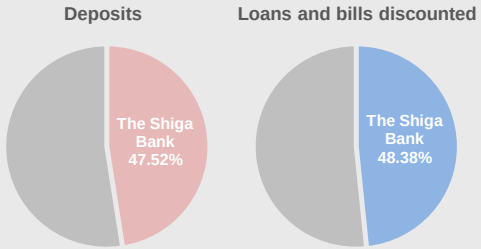


Yields



Market share within Shiga Pref.

● Market share of deposits and loans (As of March 31, 2026)



● Shiga Prefecture main bank survey (2025)

Number of main bank clients	8,150 companies
Main bank share	57.28 %
Market share by industry	Ranked 1st in all 7 industries

*Source: Teikoku Databank
Shiga Prefecture "Main Bank" Trend Survey (2025)

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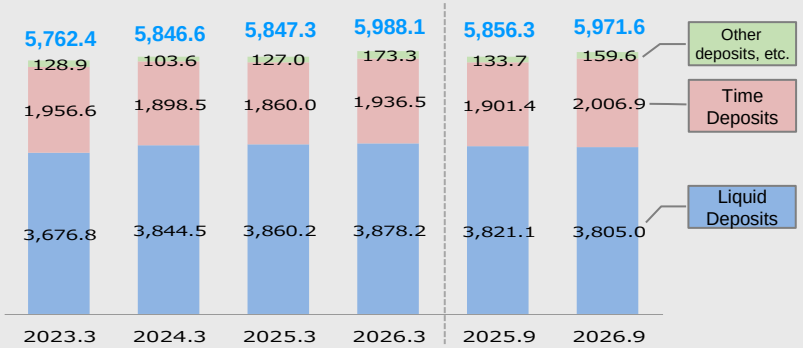
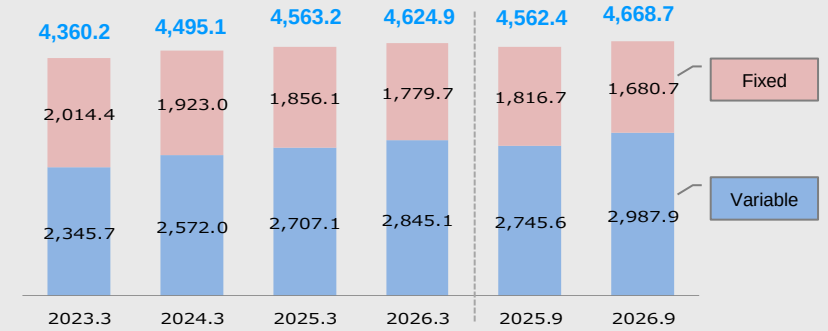
Deposits and Loans (2)

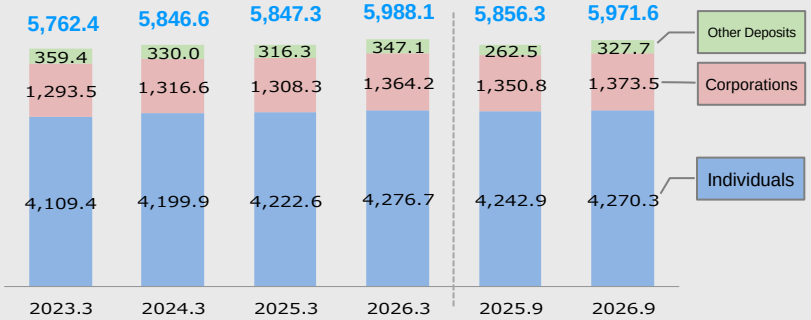
Deposits (balance) by Type (billion yen)



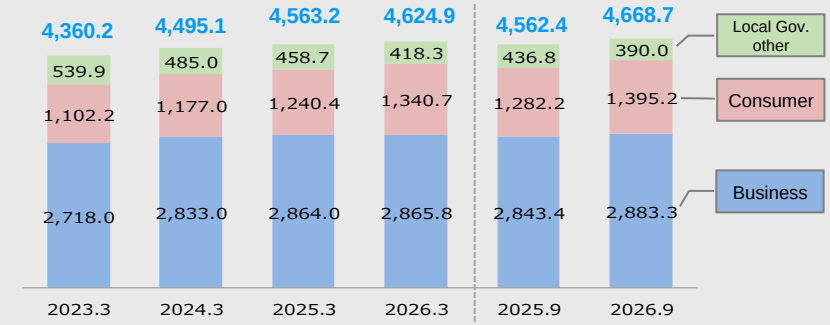
Loans (balance) by Type (billion yen)



Deposits (balance) by Segment (billion yen)



Loans (balance) by Segment (billion yen)



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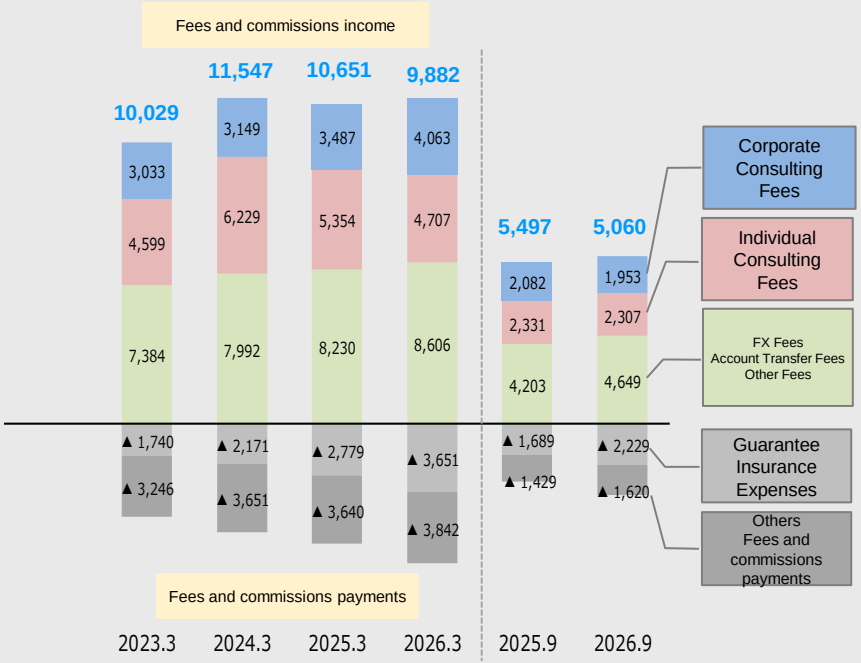
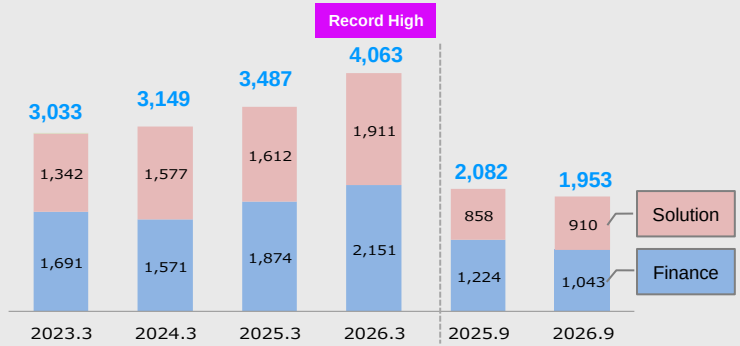
Non-Interest Income

- Corporate consulting fees decreased due to the reactionary decline from large-scale syndicated loan and M&A deals in the previous period
- Individual consulting fees increased due to stronger customer approaches to asset formation, leading to higher sales of trusts and other products

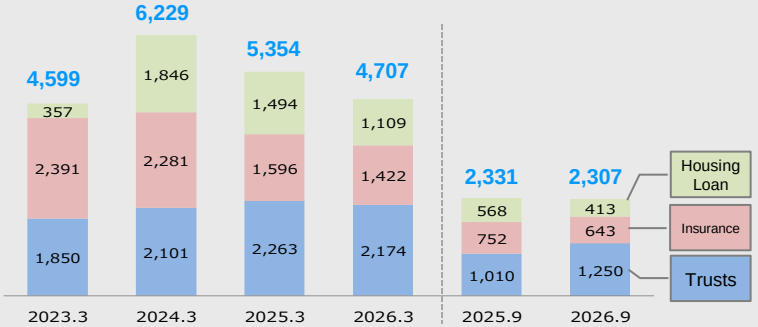
Net Fees and Commissions (million yen)



Major Corporate Consulting Fees (million yen)



Major Individual Consulting Fees (million yen)



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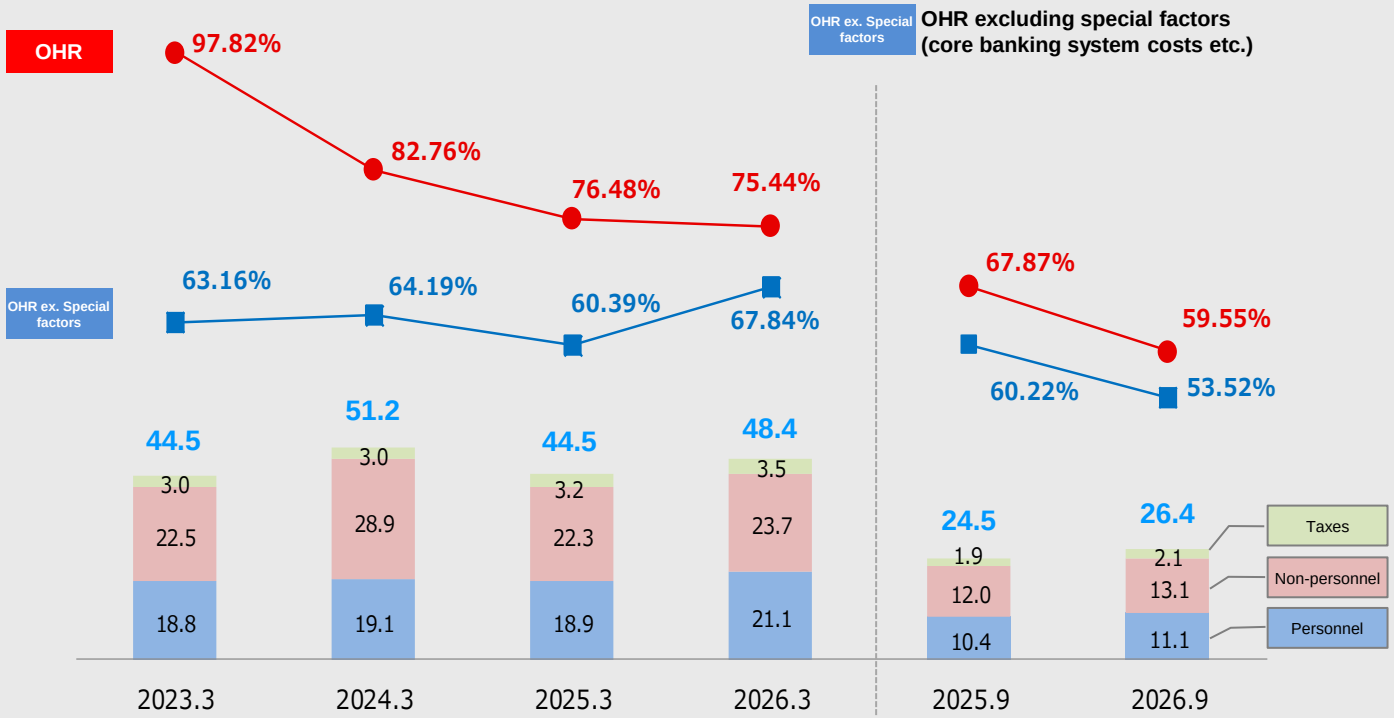
Expenses

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

Expenses / OHR (billion yen)



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Securities Portfolio

- Invested primarily in local government bonds and restored a portion of bonds sold during the previous period
- Market value of stocks increased significantly due to the rise in stock prices of semiconductor-related companies

Balance (Market Value)

【Unit: billion yen】

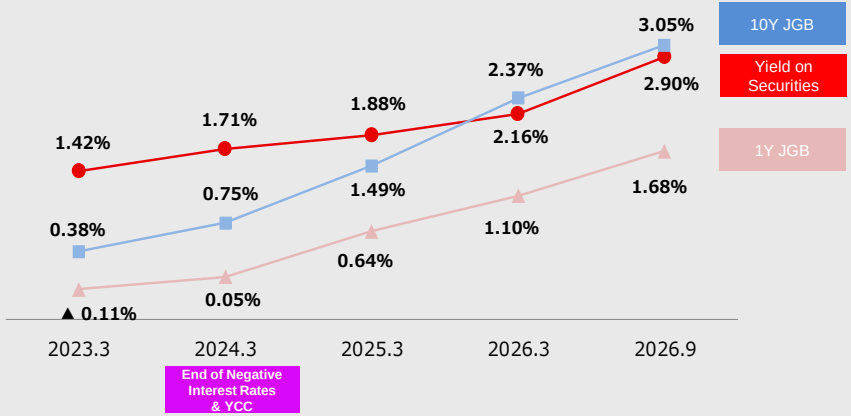
Item	2023.3	2024.3	2025.3	2026.3	2026.9	vs. March-end
Government bonds	324.2	538.1	506.3	304.9	271.5	▲33.4
Local Government bonds	228.1	231.7	194.7	301.2	369.0	67.8
corporate bonds	310.0	300.8	295.1	230.8	228.5	▲2.3
Stocks	287.6	348.7	306.1	369.3	486.3	117.0
Other securities (Foreign bonds, investment trusts, etc.)	368.7	440.9	503.4	522.2	519.6	▲2.6
Foreign securities	255.8	298.4	320.8	335.2	324.3	▲10.8
Others	112.9	142.4	182.5	186.9	195.1	8.2
Money held in trust	27.0	30.3	32.3	33.3	34.4	1.1
Total	1,545.9	1,890.9	1,838.0	1,762.0	1,909.5	147.5

Valuation

【Unit: billion yen】

Item	2023.3	2024.3	2025.3	2026.3	2026.9	vs. March-end
Held-to-maturity	▲5.1	▲8.2	-	-	-	-
Available-for-sale securities	149.2	183.4	99.1	145.6	239.0	93.4
Stocks	182.7	239.2	192.5	258.9	376.9	117.9
Bonds	▲11.0	▲25.6	▲64.4	▲87.5	▲93.3	▲5.7
Others	▲22.4	▲30.1	▲29.0	▲25.8	▲44.5	▲18.7
of which Foreign securities	▲21.8	▲33.2	▲31.2	▲36.5	▲51.6	▲15.1
Subtotal	**144.0**	**175.1**	**98.9**	**145.4**	**238.8**	**93.4**
Deferred gains (losses) on hedges	22.4	43.4	50.0	63.6	70.3	6.6
Total	**166.4**	**218.5**	**148.9**	**209.0**	**309.2**	**100.1**

Yield on Securities



Valuation on JPY Bonds

【Unit: billion yen】

	2023.3	2024.3	2025.3	2026.3	2026.9	vs. March-end
JPY Bonds (incl. Held-to-Maturity)	▲16.2	▲33.9	▲64.4	▲87.5	▲93.3	▲5.7
Deferred Hedge (JPY Bonds)	4.7	14.2	22.6	29.7	22.7	▲6.9
Total	▲11.4	▲19.6	▲41.7	▲57.8	▲70.5	▲12.7

Valuation on Foreign Bonds

【Unit: billion yen】

	2023.3	2024.3	2025.3	2026.3	2026.9	vs. March-end
Foreign Currency Bonds	▲21.8	▲33.2	▲31.2	▲36.5	▲51.6	▲15.1
Deferred Hedge (Foreign Currency Bonds)	17.6	29.2	27.4	33.9	47.5	+13.6
Total	▲4.1	▲3.9	▲3.8	▲2.5	▲4.1	▲1.5

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Securities Portfolio (Bond Investments)

Bond Gains/Losses

【Unit: billion yen】

	2023.3	2024.3	2025.3	2026.3	2025.9	2026.9
Bond Interest	4.5	6.3	7.8	11.0	4.8	6.7
Interest – JPY Bonds	4.6	6.1	7.3	9.1	4.1	5.9
Interest – Foreign Currency Bonds (excluding funding costs)	▲ 0.0	0.2	0.5	1.9	0.7	0.7
Bond Trading Gains/Losses	▲ 12.5	▲ 2.4	▲ 14.0	▲ 18.0	▲ 4.9	▲ 6.5
Interest – JPY Bonds	1.5	▲ 2.9	▲ 13.4	▲ 18.0	▲ 4.9	▲ 6.4
Interest – Foreign Currency Bonds	▲ 14.1	0.4	▲ 0.5	0.0	0.0	▲ 0.0
Total	▲ 7.9	3.8	6.2	▲ 7.0	▲ 0.1	0.2

●Background

FY	Details
1 2023.3	・Sold approximately 100.0 billion yen of foreign bonds (fixed-rate bonds) ➡ The portfolio was shifted to focus on floating-rate bonds to avoid negative carry
2 2025.3	・Restructuring of JPY Bond Portfolio; sold low-yield bonds, mainly super-long-term JGBs ➡ Aiming to generate stable interest income in a “positive interest rate environment“ actions to build a resilient portfolio
3 2026.3	・Strategically replaced low-yield bonds early, anticipating rate hikes ・Additional low-yield bond sales considering Middle East situation ・Gradually restoring balance (reinvesting) considering rate environment
4 2026.10 and beyond	・Utilize gains on sale of cross-shareholdings to further replace the bond portfolio and build a more profitable portfolio

Sold "low-yield bonds + RMBS" with yields of less than 1% (excluding low-liquidity issues) ➡ 1.5% or more yield improvement, approx. 2.5 billion yen earnings improvement expected

JPY Bond Risk Indicators

	2023.3	2024.3	2025.3	2026.3	2026.9
JPY Bond Duration (including deferred hedge)	5.19 years	4.93 years	4.11 years	4.47 years	4.56 years
Interest Rate Risk (10bpv) (billion yen)	▲4.67	▲5.65	▲4.42	▲4.10	▲4.28

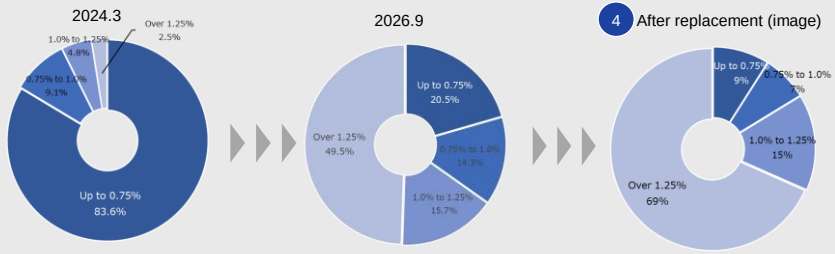
Foreign Bond Risk Indicators

	2023.3	2024.3	2025.3	2026.3	2026.9
Foreign Bond Duration (including deferred hedge)	1.91 years	1.82 years	1.69 years	1.57 years	1.86 years
Interest Rate Risk (10bpv) (billion yen)	▲0.45	▲0.58	▲0.56	▲0.56	▲0.67

●Changes in JPY Bond Portfolio ※Includes asset swaps

	2024.3	2025.3	2026.3	2026.9	vs. March-end
JPY Bonds (average balance) (billion yen)	1,142.2	1,151.1	1,106.7	1,010.5	▲96.2
Yield (%)	0.44	0.52	0.76	1.17	+0.41

●JPY Bond Composition Change by Yield ※Excluding asset swaps and floating bonds



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Credit Costs / FRA(Financial Reconstruction Act) Disclosed Claims

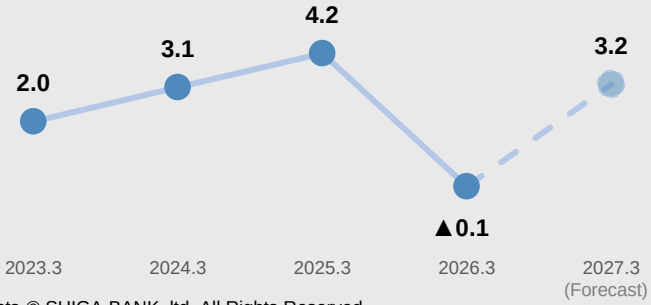
- There were no major defaults, and credit costs remained at a low level

Credit costs

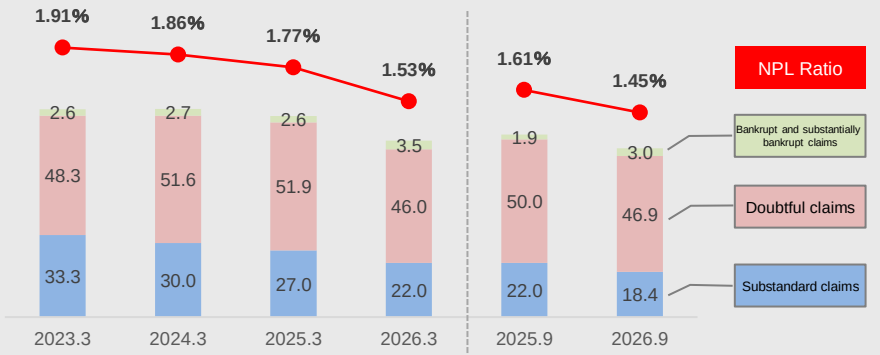
【Unit: billion yen】

	2023.3	2024.3	2025.3	2026.3	2025.9	2026.9
Credit costs	2.0	3.1	4.2	▲ 0.1	1.0	1.3
Provision of general allowance for loan losses	▲ 2.1	▲ 0.6	▲ 1.0	▲ 1.7	▲ 0.2	▲ 0.5
Disposal of non-performing loans	4.1	3.7	5.2	1.5	1.2	1.9
Partial Direct Write-offs	0.9	0.7	1.1	0.6	0.9	1.6
Provisions for Specific Loan Losses	3.1	2.9	4.0	0.8	0.3	0.3
Credit Cost Ratio (Credit Costs ÷ Total Credit Balance)	0.05%	0.07%	0.09%	▲ 0.00%	0.02%	0.03%
Total claims	4,402.2	4,536.3	4,599.3	4,659.9	4,597.8	4,701.6

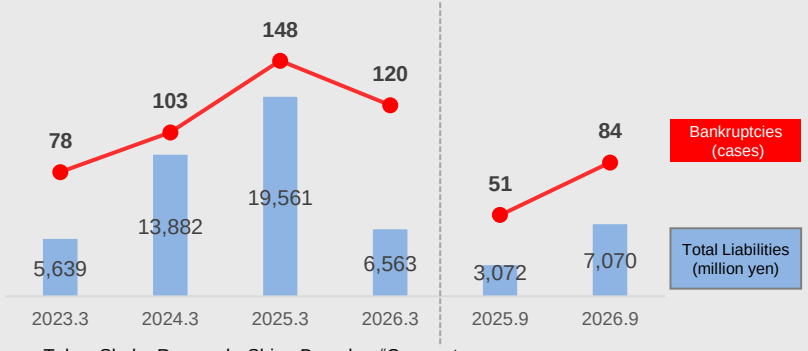
Credit cost forecast (billion yen)



Disclosed Claims Under the Financial Reconstruction Law (billion yen) ・NPL Ratio



(Reference) Corporate Bankruptcy Trends in Shiga Prefecture



Source: Tokyo Shoko Research, Shiga Branch – “Corporate Bankruptcy Situation in Shiga Prefecture”

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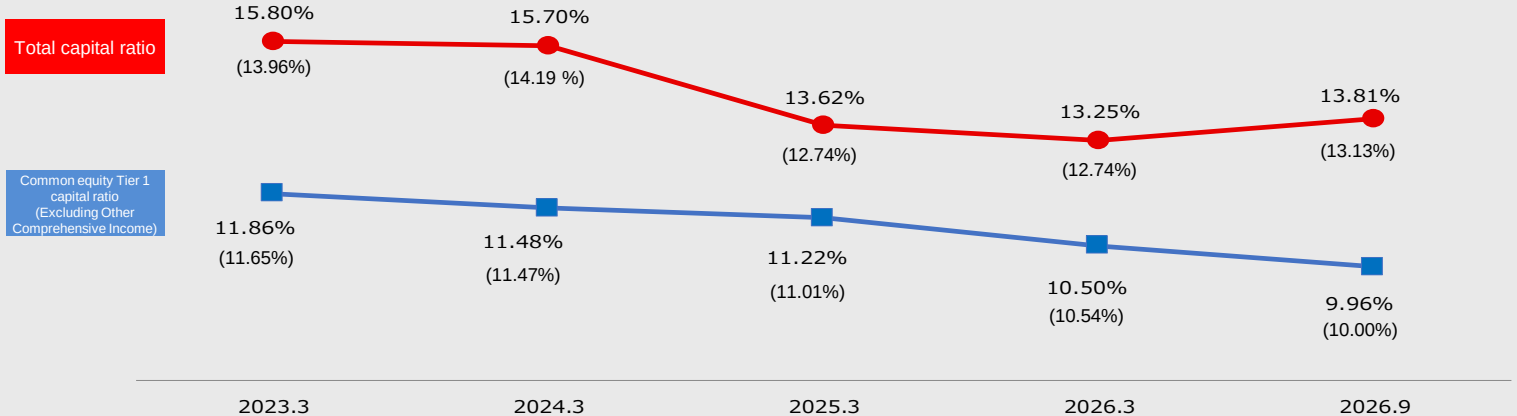
Total capital ratio

- Total capital ratio maintained at a sound level

Consolidated Total Capital Ratio



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

Item	2023.3	2024.3	2025.3	2026.3	2026.9
Consolidated Total Capital Ratio (%)	15.80	15.70	13.62	13.25	13.81
Total Capital (billion yen)	411.9	462.4	409.6	453.3	519.9
Risk weighted assets (billion yen)	2,607.0	2,944.6	3,006.3	3,420.7	3,764.4

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Progress on KPIs of the 8th Mid-Term Plan

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

Achievement Indicators			Plan 2029.3		Milestones 2026.9	Results 2026.9	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	585.0 billion yen	566.0 billion yen	96.8%	△
		Number of customers’ dreams and businesses supported	Cumulative total for the period	30,000 cases	15,000 cases	19,665 cases	131.1%	◎
		Amount of sustainable finance executed to increase the sustainability of region and society	Cumulative total for the period	700.0 billion yen	328.0 billion yen	335.4 billion yen	102.3%	○
	Base for Growth	Balance of investment and financing through new financing methods to improve earning power		750.0 billion yen	540.8 billion yen	518.7 billion yen	95.9%	△
		DX initiatives to create customers’ value and transform business operations of the Shiga Bank Group	Qualitative evaluation		–	Annual Evaluation		–
		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)		◎
	Human First	Improvement of employee engagement to maximize human capital (Percentage of positive responses)	Sustainable improvement		–	Annual Evaluation		–
		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)		–	<2026.9Actual> 143 thousand yen per person	–	–
		Number of people who autonomously challenged to improve their skills and develop their careers	Cumulative total for the period	2,000 persons	<2027.3 Plan> 1,200 persons	<2026.9Actual> 1,671 persons	139.3%	◎
Financial indicators		Consolidated ROE	8% or more		<2027.3 Plan> 5.6%	<2026.9Actual> 5.52%	–	–

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

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Initiatives to Enhance Corporate Value

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Connecting a "Series of Transformations" to Enhancing Corporate Value

Transforming our earnings structure and other areas based on our region-rooted strengths and advanced risk management.
Moving to the next growth stage through business integration with Senshu Ikeda Holdings.

(1) Solid Business Base

Solid Regional Customer and Deposit Base

- Trust with the region and a stable business base are the sources of our strength

Cultivated as an international standard bank Advanced risk management capabilities

- Advanced risk management that identifies risks and allocates capital to growth
- Diversification of capital procurement methods

(2) Transformation of Earning Power

A World with Interest Rates + Asset Allocation

- Asset allocation conscious of capital efficiency and funding efficiency
- Restructuring of securities portfolio

(3) Transformation of Capital Efficiency

ROE of 8% or more
Achieving profitability that exceeds the cost of capital

- Accelerating the reduction of low-profitability cross-shareholdings
⇒ Through the reduction of cross-shareholdings
Allocating capital to growth investment
- Ensuring financial soundness

(4) Next Growth Stage

Business integration with Senshu Ikeda Holdings
Shiga/Kyoto × Osaka/Hyogo

- Enhancement of regional financial capabilities
- Utilizing the management resources of both banks
- Becoming the most trusted and necessary financial group in the Kansai region

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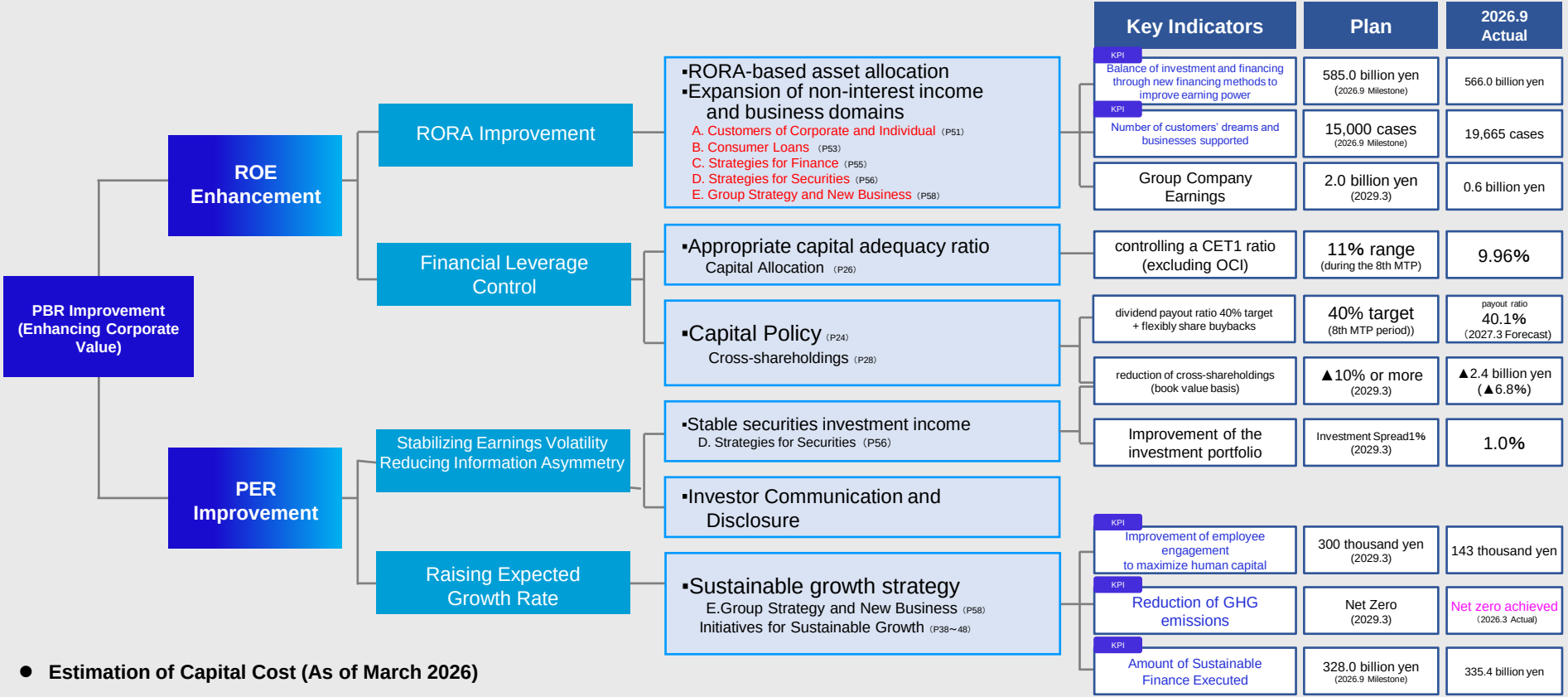
PBR Logic Tree



- **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.

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8th MTP Financial Targets

Financial Targets

[Unit: billion yen]

	Actual	8th MTP Final year
	2026.3	2029.3
Consolidated Gross business profit	66.5	100.0 or more
Consolidated Profit	21.2	40.0 or more
Consolidated ROE	4.46%	8% or more

Assumed Average Balance Plan for Loans and Deposits

[Unit: billion yen]

	2027.3	2028.3	2029.3
Loans and bills discounted	4,657.9	4,750.0	4,830.0
Deposits	6,000.0	6,060.0	6,150.0

Assumed Interest Rate Scenario

Market Interest Rates

[Units: %]

	2027.3	2028.3	2029.3
Policy Rate	1.25	1.50	1.50
TIBOR 3M	1.45	1.70	1.70
JGB 10Y	2.80	2.50	2.50

Policy rate: Assumed to rise from 1.25% in August 2027 to 1.50% and remain flat thereafter

Applied Interest Rate (Yield)

[Units: %]

	2027.3	2028.3	2029.3
Loan Yield	1.63	1.98	2.18
of which JPY	1.46	1.84	2.05
of which Foreign Currency	4.46	4.35	4.18
Deposit Yield	0.43	0.63	0.71
of which JPY	0.39	0.59	0.68
of which Foreign Currency	3.54	3.25	3.01

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Loan Asset Allocation

RORA Improvement

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

■ Loan Asset Allocation

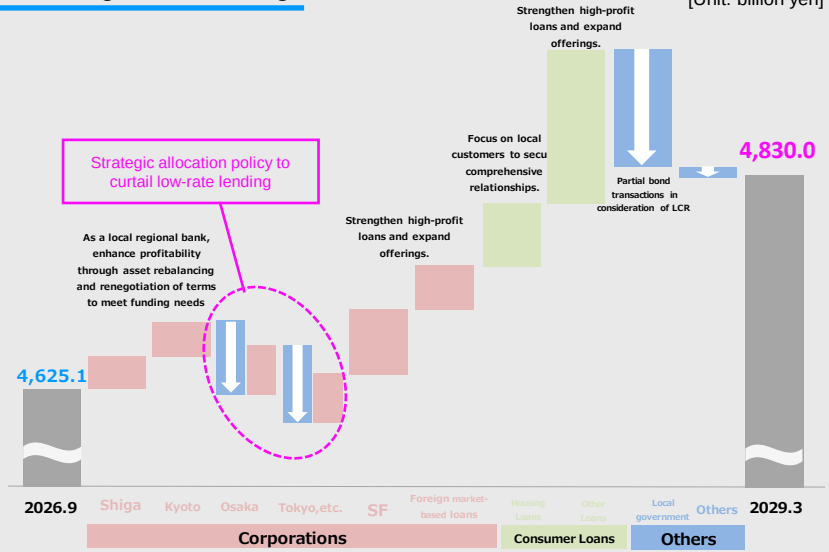
A. Customers of Corporate and Individual (Osaka, Tokyo, etc.) : Select high-RORA/high-spread deals; curtail low-rate lending

B. Consumer Loans (Other Loans) : Leverage strengths of nationwide expansion and fully non-face-to-face operations

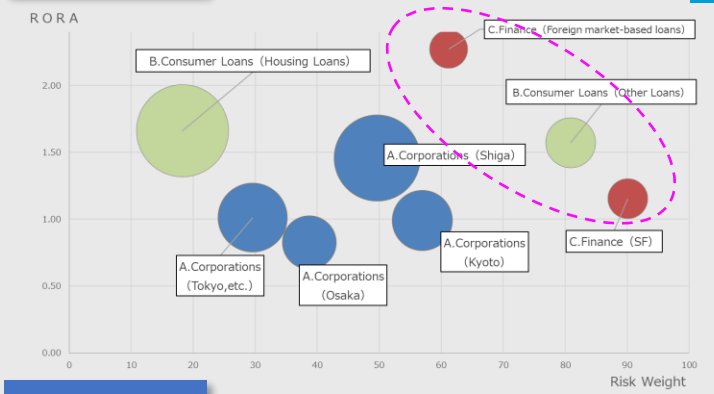
C. Finance (Foreign market-based loans / Domestic SF) : RORA: Focus on RORA/spread with thorough risk diversification

■ Loan Average Balance Image

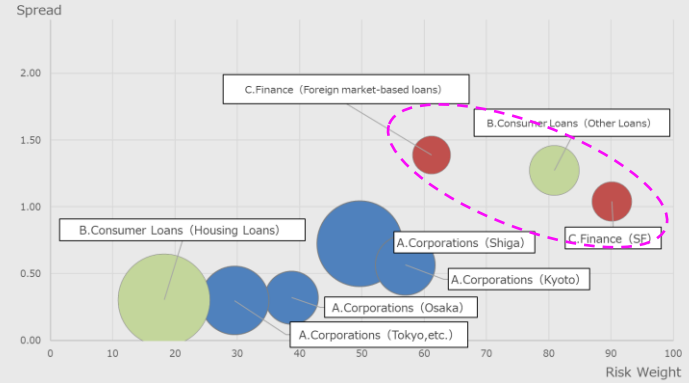
[Unit: billion yen]



Capital Efficiency



Funding Efficiency



Aim to improve ROE through strategic loan asset allocation

Asset Allocation

RORA Improvement

Loans and bills discounted 4,668.7 billion yen (+43.8 billion yen)

※Balances as 2026.9, figures in parentheses are changes from2026.3

Key Increasing Segments

A.Customers of Corporate and Individual (Shiga, Kyoto)	1,407.5 billion yen (+5.0 billion yen)
A. Customers of Corporate and Individual (Tokyo, Osaka, etc.)	969.1 billion yen (+6.6 billion yen)
B.Consumer Loans (Other Consumer Loans)	287.3 billion yen (+42.9 billion yen)
B. Consumer Loans (Housing Loans)	1,101.6 billion yen (+12.2 billion yen)
C. Finance (Structured Finance, etc.)	380.7 billion yen (+11.9 billion yen)

Key Decreasing Segments

Local Government, etc.	400.1 billion yen (▲32.9 billion yen)

Yield on Loans (yen): 1.37% (+0.29%)

Securities, etc. 1,909.5 billion yen (+147.5 billion yen)

※Balances as 2026.9, figures in parentheses are changes from2026.3

Key Increasing Segments

C. Finance (Alternative Investments)	91.8 billion yen (+5.6 billion yen)
D. Strategies for Securities (Local Government Bonds)	369.0 billion yen (+67.8 billion yen)
D. Strategies for Securities(Stocks)	486.3 billion yen (+117.0 billion yen)

Key Decreasing Segments

D. Strategies for Securities (Government Bonds)	271.5 billion yen (▲33.4 billion yen)
D. Strategies for Securities (Corporate Bonds)	228.5 billion yen (▲2.3 billion yen)

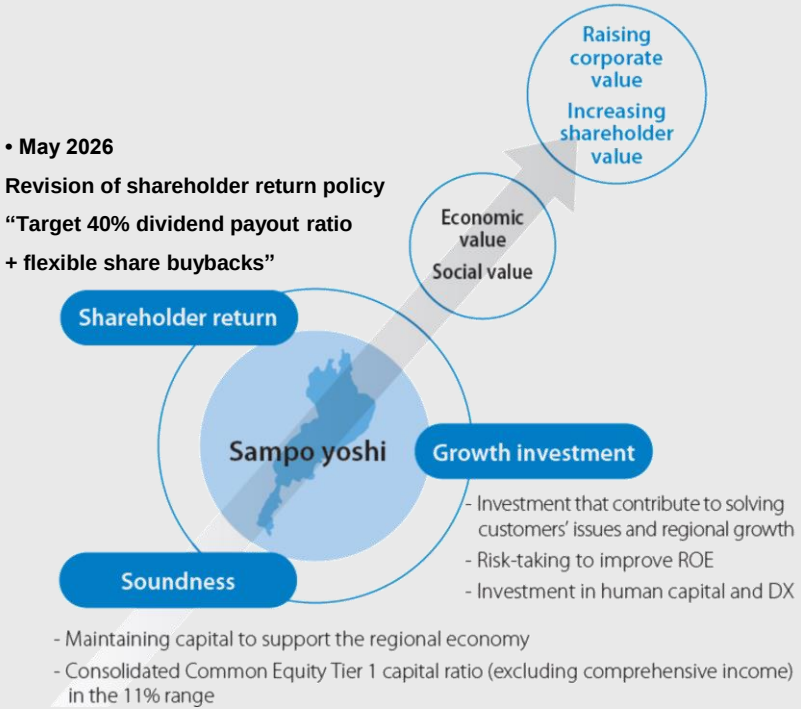
Average yield on securities: 2.90% (+0.76%)
JPY Bond Yield : 1.17% (+0.41%)

- Continue to curb low-yield loans. While meeting local loan needs, we will continue to allocate funds to highly efficient loans, such as online consumer loans and structured finance (handled by the Head Office and Tokyo Branch), which are our strengths.
- Regarding loans to local governments, we implemented initiatives considering profitability and a shift to the bond method.
- In light of the rising interest rate environment, we sold approximately 85.0 billion yen of JPY bonds and hedged bonds (asset swaps) in the first half of FY2026. From the second half of FY2026 onwards, we aim to improve the efficiency and soundness of our bond portfolio by selling "low-yield bonds + RMBS" with yields of less than 1%, while utilizing valuation gains and losses on stocks.

"Sanpo-yoshi" Capital Policy

Raising Expected Growth Rate | Financial leverage Control

Soundness, Growth Investment, and Shareholder Returns Emphasizing the balance



• May 2026

Revision of shareholder return policy

"Target 40% dividend payout ratio

+ flexible share buybacks"

Recent Capital-Related Initiatives

■January 2026
Share buyback and cancellation of treasury shares
⇒ Appropriate capital control and elimination of dilution concerns

■April 2026
Senshu Ikeda-Shiga Alliance capital and business alliance
⇒ Improved expected return through reinforced regional financial capabilities

■May 2026
Year-end dividend increase and revision of shareholder return policy
⇒ Improved capital efficiency through strengthened capital control

■October 2026
Basic agreement on management integration with Senshu Ikeda Holdings (P29)
⇒ Aiming for sustainable improvement in regional financial capabilities and corporate value

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

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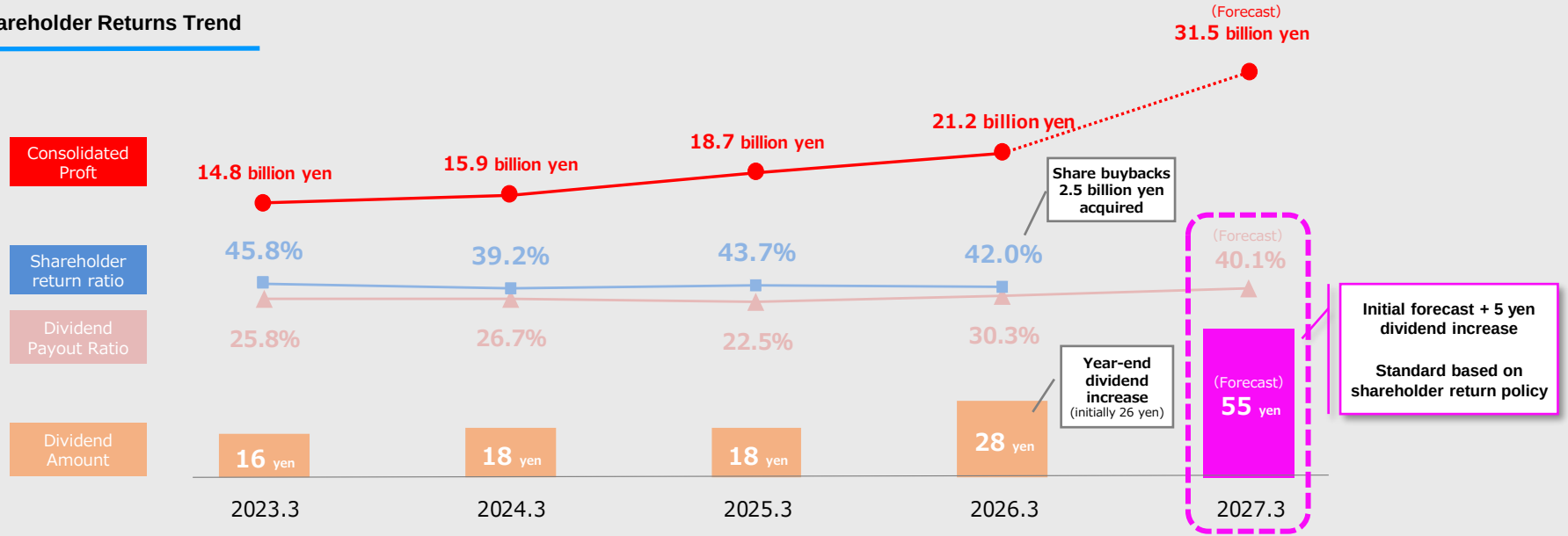
Shareholder Returns

Financial leverage Control

■ Shareholder Return Policy

- Target a dividend payout ratio of 40% for shareholder returns
- Implement share buybacks flexibly and strategically, taking into account the business environment and capital conditions

■ Shareholder Returns Trend



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

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Capital Allocation (Consolidated Common Equity Tier 1 capital ratio (excluding OCI) basis)

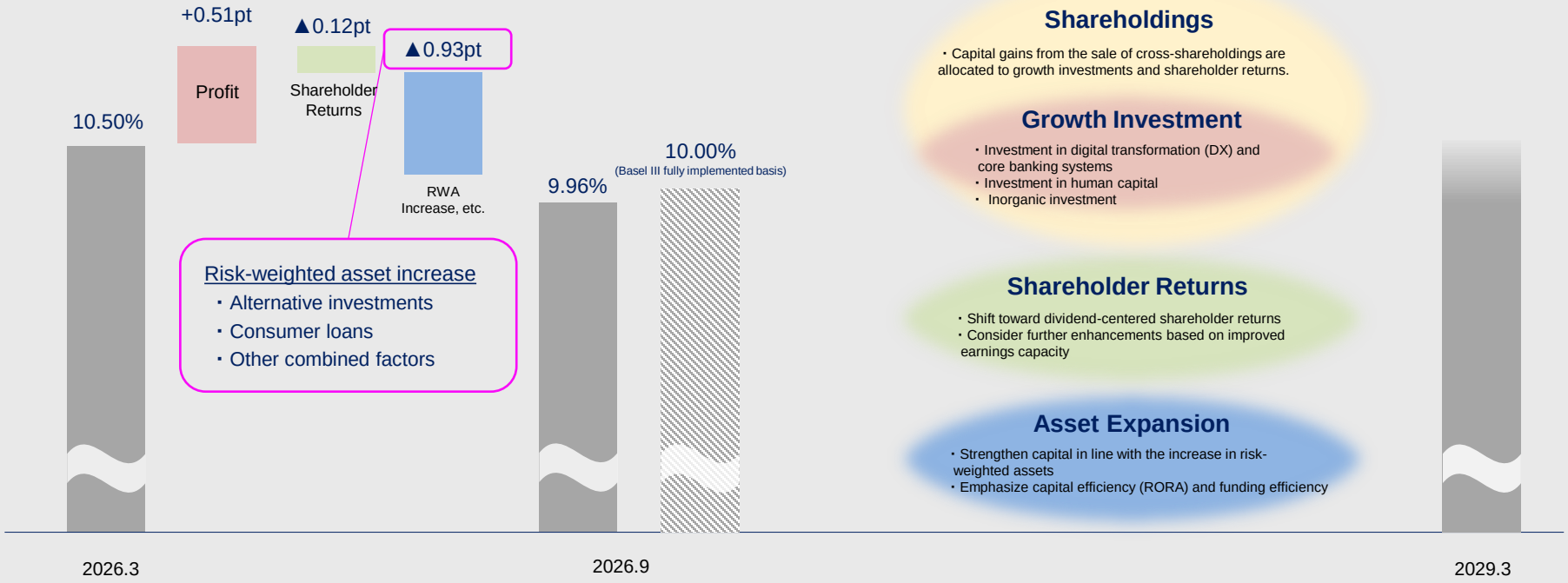
As a Financial Institution Supporting the Regional Economy
It is expected that we:
①Even in the event of a credit shock on the scale of the Lehman crisis,
②And even if our other comprehensive income is depleted,
③Continue providing risk capital to the region.

＋

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
・ Inorganic investment

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

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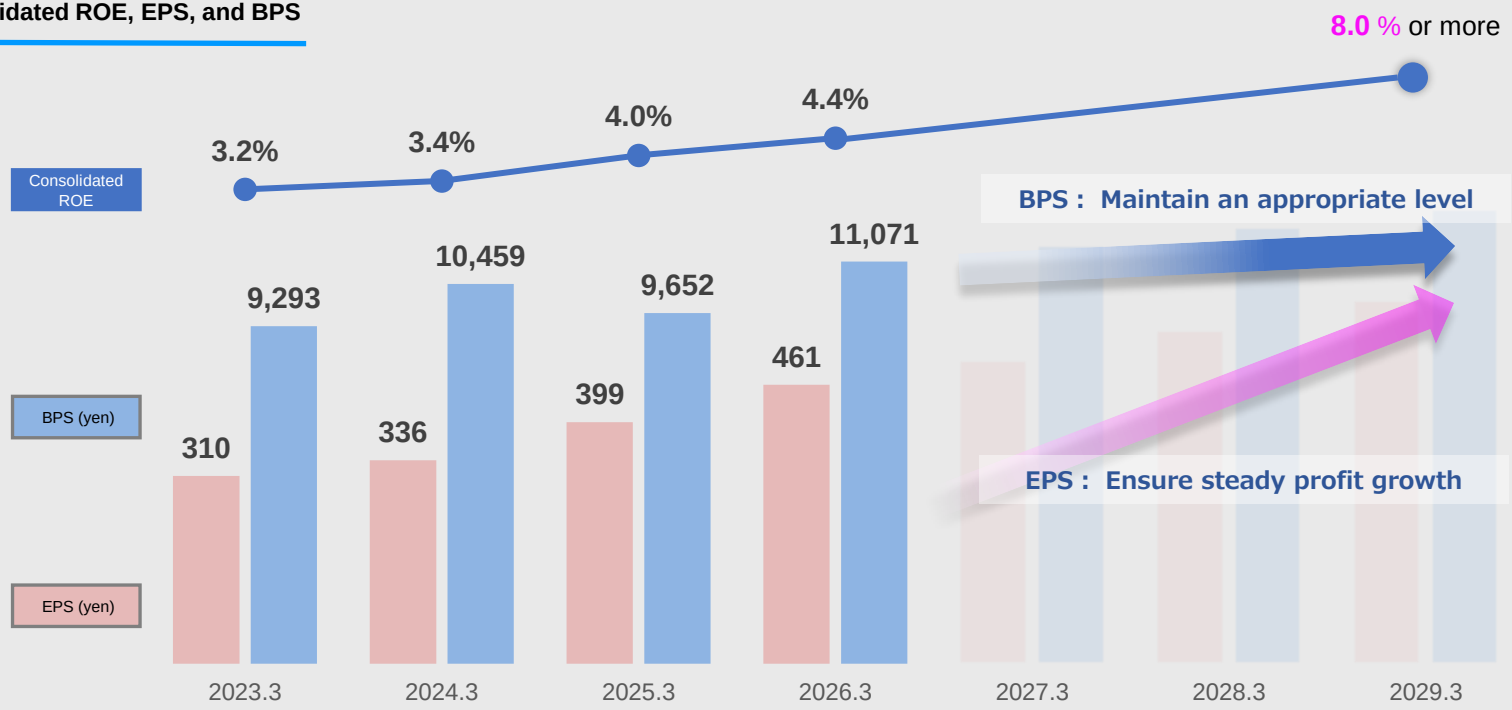
Capital Efficiency and Per Share Indicators

■ Consolidated ROE, EPS, and BPS



Shares outstanding* Unit: million shares	47.4	46.9	46.0	45.9
Share buyback Units: billion yen	2.99	1.99	3.99	2.49

*Excl. treasury shares, pre-stock split

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

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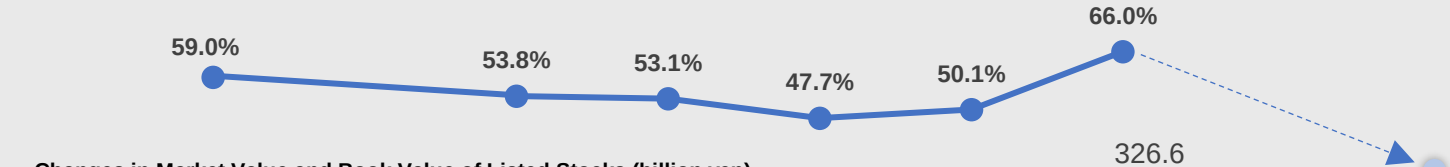
Cross-Shareholdings

Financial leverage Control

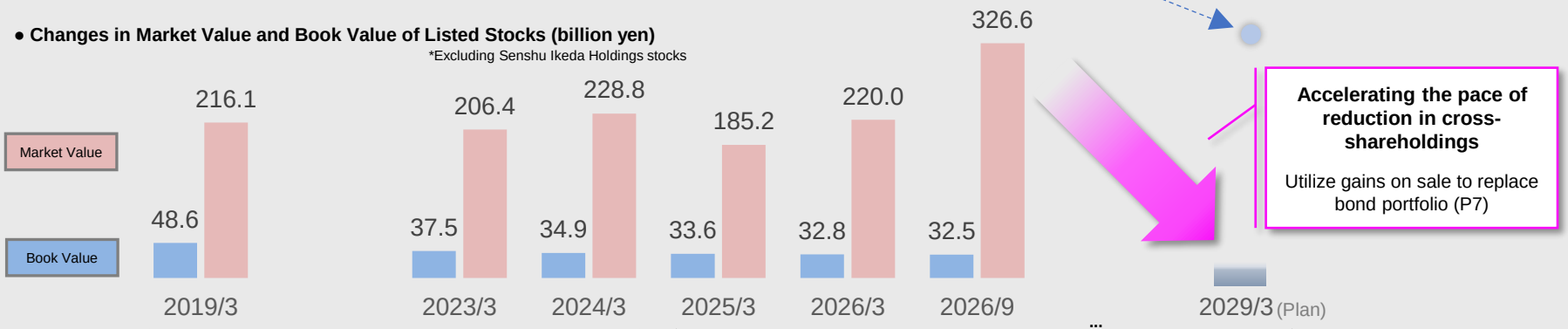
● **Changes in percentage of Consolidated Net Assets (market-value basis, including unlisted and deemed holdings)**

*Excluding stocks of subsidiaries and affiliates, and Senshu Ikeda Holdings stocks



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

*Excluding Senshu Ikeda Holdings stocks



Accelerating the pace of reduction in cross-shareholdings

Utilize gains on sale to replace bond portfolio (P7)

7th MTP (2019.4～2024.3) | 8th MTP (2024.4～2029.3)

Book value basis: Reduction of **13.6** billion yen | Planning a reduction of **10 %** or more

Aiming at a reduction of **35 % or more** over the 10-year period

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Basic Agreement on Management Consolidation

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Background to the Management Consolidation

Memorandum of understanding entered into to facilitate discussions and deliberations regarding the proposed Management Consolidation, based on mutual trust and past collaboration

On April 17, 2026, a capital and business alliance, the Senshu Ikeda-Shiga Alliance, was entered into:

- Aiming to contribute to the sustainable development of the region and customers by mutually leveraging branch networks, customer bases, personnel, brands, etc.
- Exploring collaborative measures in the following fields-corporate and individual customer services, sustainability and regional support, human resources, digital initiatives, etc.

Deepening of mutual understanding and collaboration

- Deepening cooperation across a wide range of fields, achieving results such as by disbursing syndicated loans, holding business meetings, co-hosting seminars, and seconding professional personnel.
- Recognizing that allocating management resources and making growth investments in an integrated manner and in the medium to long term will enhance the value provided to the region and customers, and lead to the sustainable growth of the respective corporate groups of the Companies.

On October 29, 2026, a Memorandum of understanding was entered into to facilitate discussions and deliberations regarding the proposed Management Consolidation.

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Philosophy and Objectives of the Management Consolidation

Aiming for the sustainable enhancement of regional financial capabilities and corporate value based on two brands

SENSHU IKEDA HOLDINGS, INC.  SHIGA BANK

Respecting the respective histories, brands, corporate cultures, and relationships with the communities
A relationship between equals, in which each party recognizes the other as an indispensable partner
Spirit of trust and co-creation

Aims of the Management Consolidation

Enhancement of regional financial capabilities through two brands	Covering a wide area of the Kansai region by maintaining the two banks' trade names and head office locations and leveraging their respective brands and sales networks.
Contribution to solving the challenges of regional communities and customers	Addressing the diverse and complex challenges faced by regional communities and customers by leveraging the Companies' respective customer bases, expertise, and know-how.
Sustainable enhancement of sound and robust management foundation and corporate value	Building a management foundation capable of responding flexibly to changes in the business environment and promoting the sustainable growth of the Companies and development of their groups.

Our vision through the Management Consolidation

"The most trusted and needed financial group in Kansai"

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Overview of the Companies

Based on the established relationships of trust with customers, the Companies aim to create a community-based financial group covering a wide area of the Kansai region.

Corporate profiles (as of March 31, 2026; total market value as of September 30, 2026)

Item	SENSHU IKEDA HOLDINGS, INC.	SHIGA BANK
Head office location	Osaka City, Osaka	Otsu City, Shiga
Date of incorporation (bank)	September 1, 1951	October 1, 1933
Stated capital	102.9 billion yen	33.0 billion yen
Total assets (consolidated)	**6,595.9 billion yen**	**7,669.0 billion yen**
Net assets (consolidated)	253.9 billion yen	509.0 billion yen
Deposits (bank-only, non-consolidated)	**5,867.5 billion yen**	**5,957.2 billion yen**
Loans outstanding (bank-only, non-consolidated)	**4,883.6 billion yen**	**4,624.9 billion yen**
Market capitalization	321.3 billion yen	706.8 billion yen
Number of Employees (consolidated)	2,244 people	2,243 people
Branches	139 branches	133 branches (33 agencies)

New financial group (simple sum of figures)	
Total assets (consolidated)	**14,264.9 billion yen**
Net assets (consolidated)	**762.9 billion yen**
Deposits (bank-only, non-consolidated)	**11,824.7 billion yen**
Loans outstanding (bank-only, non-consolidated)	**9,508.5 billion yen**
Market capitalization	**1,028.1 billion yen**
Number of Employees (consolidated)	**4,487 people**
Branches	**272 branches**

* The simple sum figures are before adjustments such as offsetting eliminations. They do not represent consolidated figures or business result forecasts after the consolidation.

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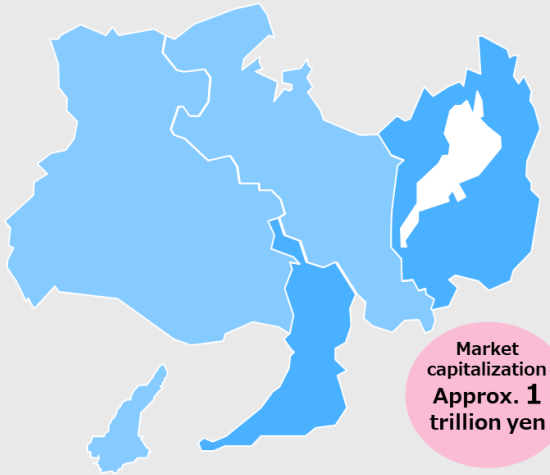
New Financial Group Created by the Management Consolidation

The Companies combine their respective strengths and leverage the benefits of scale, a wide-area sales network, and the advantages of information sharing.

Simple sum of figures for Senshu Ikeda HD + Shiga Bank (reference)

Companies for which we serve as the main bank*
Approx. **16,000** companies

Total assets
14.2 trillion yen



Balance including deposits
11.8 trillion yen

Loan balance
9.5 trillion yen

Synergies Targeted through the Management Consolidation

1 Enhancement of value for customers and the region
- Mutual use of customer bases and information
- Enhancement of solution services

2 Creation of growth opportunities and strengthening of earning power
- Expansion into new markets and business domains
- Collaboration with external partners

3 Optimum utilization of management resources and strengthening of management foundation
- Balancing growth investment and capital efficiency
- Streamlining of functions with consideration for convenience, etc.
- Enhancement of human resource development and governance

* Please see "Survey on the number of companies for which Shiga Bank and Senshu Ikeda Bank serve as the main bank" published by the Teikoku Databank, Ltd.

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Past Initiatives under the Senshu Ikeda-Shiga Alliance

Since entering into the capital and business alliance, the Companies have promoted initiatives for collaboration by leveraging their strengths, including syndicated loans, customer exchanges, and personnel exchanges.

Main initiatives implemented or commenced

Corporate customers| Finance

Execution of syndicated loans

- Triggered by cooperation between both banks' branches, syndicated a loan.
- Both banks jointly provided financing for capital expenditure, including for new store openings and store renovations, etc.

Exchange of professional personnel

- Secondment of employees from Senshu Ikeda HD to Shiga Bank's sustainable finance division commenced.
- Both banks began reciprocal employee secondments between their M&A divisions.

Corporate customers| Creation of opportunities for customer exchanges Support for sales channel development

- The business partners of Shiga Bank participated in the business meetings hosted by Senshu Ikeda Bank.
- Invited an influential buyer and provided opportunities for direct, individual business negotiations between both banks' business partners and the buyer.

Seminars on changes in the financial market environment

- About 300 people from both banks' business partners participated in the co-hosted "foreign exchange and interest rate seminar".

Human resources | Personnel development and exchanges

Staff exchanges and mutual understanding

- At Senshu Ikeda HD's information hub, the Shiga Bank's work observation program "Nozokimi!" was implemented.
- A total of 32 people participated, shared Senshu Ikeda HD's history, purpose, and process of formulating its long-term management strategy, and discussed the Companies' alliance idea.



Exchange in non-competitive areas

- Commenced information exchange for advancement under the theme of audit, countermeasures against money-laundering and financial crime, risk management, etc.

Main initiatives under discussion and deliberation

Individual customers

- Alliance commemorative campaign
- Personnel exchanges in staff training, etc.

Sustainability and regional support

- Joint study sessions for business owners
- Utilization of renewable energy

Human resources and digital field, etc.

- Joint training and role model lecture
- Collaborative discussion on digital and data utilization

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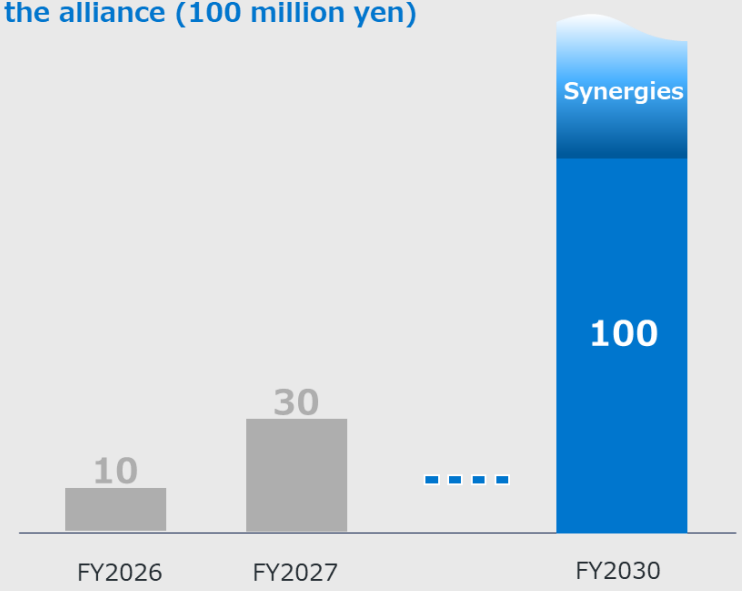
(Reference) Anticipated Collaboration Effects of the Senshu Ikeda-Shiga Alliance

In addition to the collaboration effects of the alliance, creating synergies through the Management Consolidation.

Cumulative collaboration effects expected over the five years through FY2030: 10 billion yen

Cumulative collaboration effects of the alliance (100 million yen)



Field	Main initiatives
Corporate Customers	• Creation of exchange opportunities for the Companies' customers • Joint origination of structured finance and M&A collaboration deals; exchange of professional personnel • Development of new sustainable finance products
Individual Customers	• Alliance commemorative campaign • Mutual referrals of personal loan customers • Exchange training for staff
Sustainability	• Joint study sessions for management on environmental issues • Environmental contribution through joint use of renewable energy
Human resources, etc.	• Personnel exchanges through joint training and trainee placements • Joint planning of measures to promote understanding of DE&I, foster a supportive culture, improve engagement

* The cumulative amount of 10 billion yen represents the collaboration effects of the Senshu Ikeda-Shiga Alliance only. It excludes additional synergies from the Management Consolidation.

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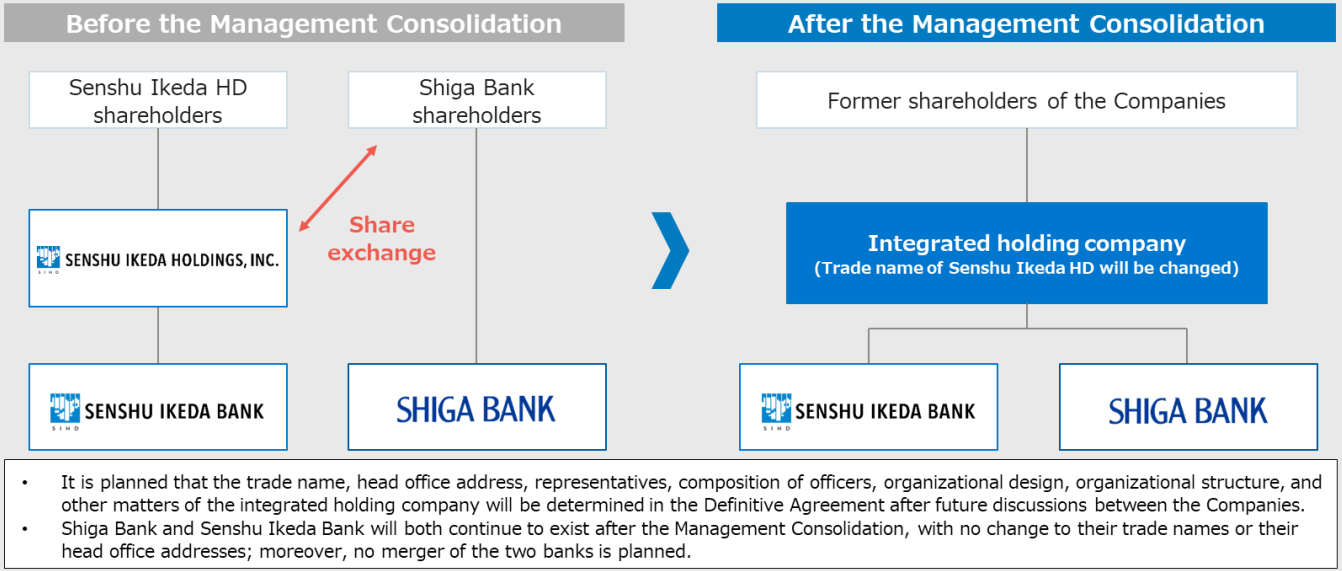
Form of the Management Consolidation

- The Companies will continue discussions on the proposed Management Consolidation, under the plan to be implemented through a share exchange between Shiga Bank and Senshu Ikeda HD serving as the integrated holding company after changing its trade name. Shiga Bank will become a wholly-owned subsidiary of the integrated holding company and be a bank subsidiary, alongside Senshu Ikeda Bank.
- The share exchange ratio is planned to be determined and announced by the signing of the Definitive Agreement, based on the results of future due diligence and valuations by third-party appraisers, etc.



- It is planned that the trade name, head office address, representatives, composition of officers, organizational design, organizational structure, and other matters of the integrated holding company will be determined in the Definitive Agreement after future discussions between the Companies.
- Shiga Bank and Senshu Ikeda Bank will both continue to exist after the Management Consolidation, with no change to their trade names or their head office addresses; moreover, no merger of the two banks is planned.

* The Management Consolidation is subject to approval at the shareholders meetings of the Companies and the necessary authorizations, approvals, certifications and/or permissions being obtained from the relevant authorities.
* The common stock of Shiga Bank will be delisted from the Tokyo Stock Exchange before the effective date of the share exchange.
* The above reflects the current plan, and the form of the Management Consolidation and the details of each matter are subject to change depending on future discussions and deliberations between the Companies.

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Upcoming Schedule

- **The schedule below is the current plan and is subject to change depending on future discussions between the Companies and other factors.**
- **In addition, implementation of the Management Consolidation is subject to obtaining authorizations, approvals, certifications and/or permissions from the relevant authorities and completion of the necessary procedures, including those relating to Form F-4.**
- **If there is any change to or delay in the schedule of the Management Consolidation, an announcement will promptly be made.**

Schedule	Main procedures and events
October 29, 2026 (Date of this announcement)	Execution of the Memorandum of Understanding
April 2027 (Expected)	Execution of the Definitive Agreement
December 2027 (Expected)	Extraordinary general meetings of shareholders of the Companies
April 1, 2028 (Expected)	Effective date of the Share Exchange

- The procedures necessary for implementation of the Management Consolidation include the filing and effectiveness of a Form F-4 registration statement with the U.S. Securities and Exchange Commission, the procedures for authorizations, notifications, etc. required by the Banking Act and other relevant laws and regulations, the Antimonopoly Act and other competition laws, and the Financial Instruments and Exchange Act and other relevant laws, regulations, and rules.

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Initiatives to Achieve Sustainable Growth

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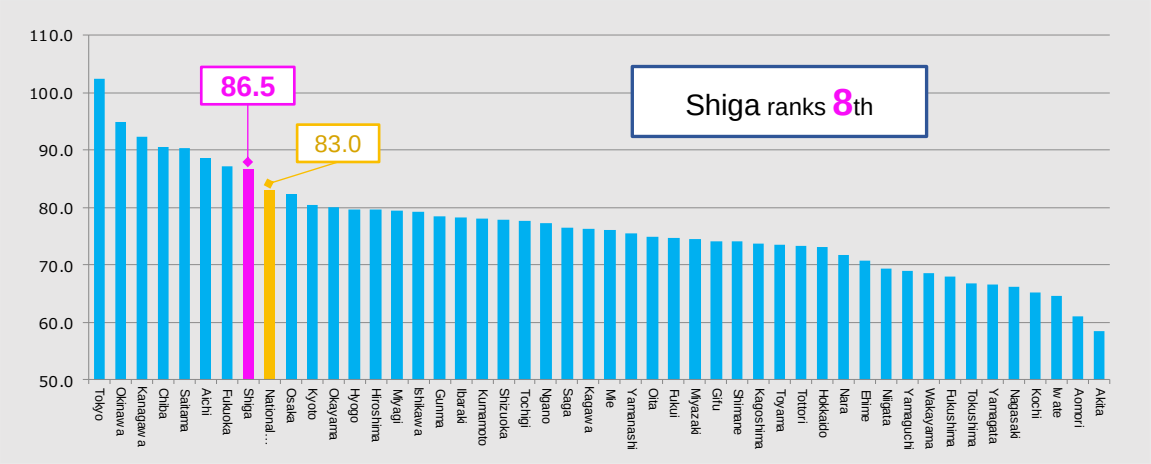
Overview of Shiga Prefecture

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"

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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 product.

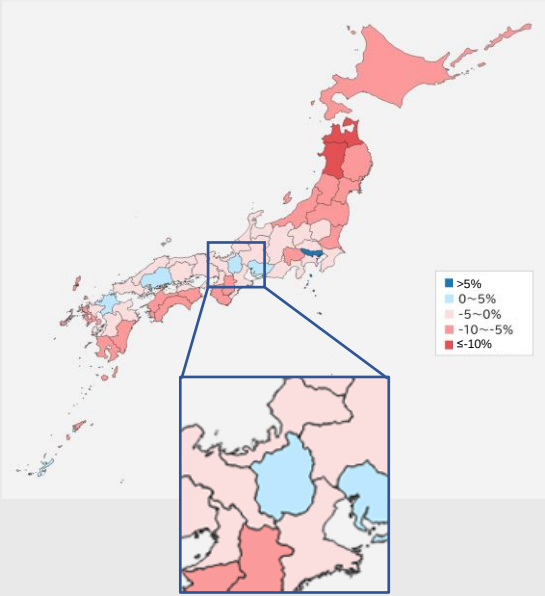
Abundant Nature and Cultural Heritage

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"

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Mother Market: Potential of Shiga Prefecture (Deposit Environment)

High savings consciousness and deposit preference among residents

■ **Household Deposits (Households with two or more persons)**

[Unit: 10 thousand yen]

Rank	Prefecture*	2025	2024	2023
1st	Shiga	1,629	1,596	1,366
2nd	Chiba	1,566	1,427	1,487
3rd	Tokyo	1,539	1,667	1,626
4th	Saitama	1,478	1,503	1,161
5th	Kanagawa	1,446	1,648	1,541
6th	Nagano	1,445	1,205	1,254
6th (tie)	Nara	1,445	1,695	1,536
8th	Aichi	1,430	1,408	1,596
9th	Toyama	1,330	1,228	1,192
10th	Fukushima	1,319	980	991
-	National Average	1,175	1,154	1,130

*Calculated assuming the amount for the prefectural capital city is the amount for the prefecture

Source: Ministry of Internal Affairs and Communications, Family Income and Expenditure Survey (Savings and Liabilities) Households with two or more persons, by prefecture and prefectural capital city

Potential

Future population projections
High ratio of young population

×

Characteristics of residents

High savings consciousness
Deposit preference

→ **Stable deposit base**



PICK UP

Launch of Senshu Ikeda-Shiga Alliance Time Deposits

- As an alliance initiative, we will offer local gifts from both regions
  Release of commemorative time deposits (available from December 2026)
- Aiming to further increase deposits while allowing our customers to experience the connection of the alliance

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maximization of human capital.

Business environment

Politics
- Domestic and foreign monetary policies
- Deregulation of the banking industry
- Restructuring of regional banks
- Increasing geopolitical risk

Economy
- Changes in industrial structure
- Lack of corporate successors
- Decrease in the number of business establishments
- Decrease in the working population
- Soaring prices of materials and energy

Society and Environment
- Population decline and changes in population structure
- Increase in regional disparities
- Changes in lifestyle
- Diversification of work styles and sense of values
- Growing interest in SDGs and ESG
- Transition to a decarbonized society

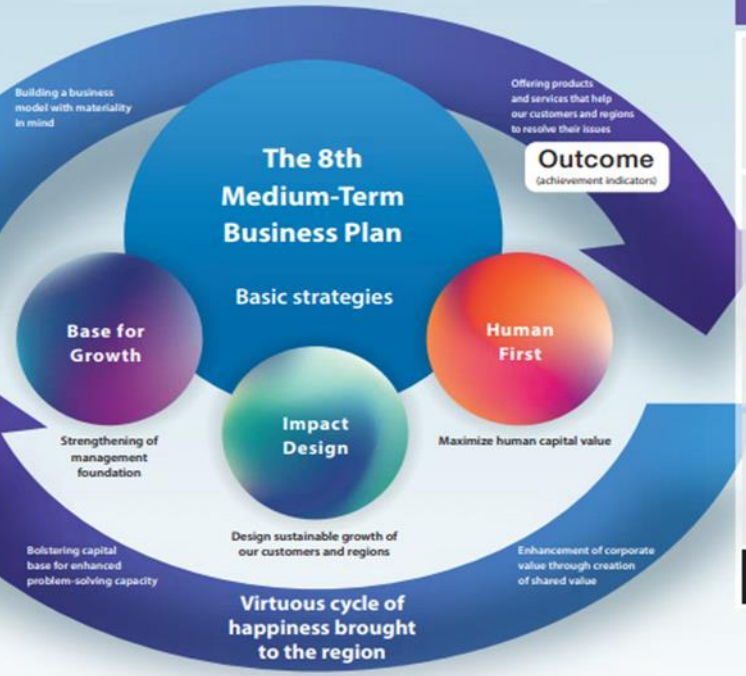
Technology
- Progress of digitization
- Technological innovation of AI and big data
- Participation from different industries
- Progress of fintech
- Diversifying cashless payment methods

Input
(Capital to be Used)

Finance capital	• Diversified earnings structure • Sound loan assets • Appropriate equity capital • Comprehensive income on securities
Human capital	• Human resources who have advanced financial knowledge • Number of employees with financial qualifications ranks high among regional banks • Well-developed human resource development system
Intellectual capital	• Diversified financial methods • Fulfilling consulting functions • Environmental management and measures for SDGs • ESG finance structuring capabilities that are top class among regional banks • Responding to digitalization
Social relationship capital	• Network of branches rooted in the community • High regional market share based on trust • Asia network • Region with a moderate rate of population decline • Clusters of academic centers and corporate research institutes • Regional community which carries on the "Sampo yoshi" philosophy
Natural capital	• Lake Biwa, biodiversity, rich natural environment • Regional resources including national treasures and important cultural assets

Purpose
(reason for existence)

Making the region happy with "Sampo yoshi" philosophy



Impact
(value to be provided)

Customers	• Improving earning power and productivity in the region • Asset formation and asset expansion corresponding to the 100-year lifespan era • Resolving management issues by providing a wide variety of solutions • Improvement of customer convenience
Environment and society	• Resolving social issues through our main business • Increase in related population and exchange population • Regional employment creation • Environmental preservation for Lake Biwa • Reduction in regional CO_2 emissions
Shareholders and investors	• Creating mid-to-long-term shareholder value • Highly transparent disclosure including non-financial information • Promotion of engagement
Employees	• Improvement of employee engagement • Organization that encourages self-fulfillment with dreams and a sense of fulfillment • Realization of work-life integration • Organization in which diverse human resources play an active role

Maximize value provided

The 8th Mid-Term Plan movie is here

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Human Capital Investment (Recognition of Issues)

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

RORA Improvement

Raising Expected Growth Rate

Positioning in the 8th Mid-Term Management Plan

Basic Strategy

Impact Design (ID)	Sustainable growth of customers and the region
Base for Growth (BG)	Strengthening the management foundation
Human-First (HF)	Maximizing human capital

Toward realization

Human Resource Strategy

"People"	Strengthening human resources
"Organization"	Leveraging human resources
"Environment"	Environment to demonstrate potential

Engagement Improvement

Human Resource Issues for Achieving Strategy

Ideal State

Company

Issues

Current Status

Bank

	Management Issues (Opportunities)	Necessary Organizational Capabilities	Human Resource Issues (Risks)
ID	Expanding value creation and profit opportunities starting from regional and customer issues	Issue discovery capability Value conceptualization capability	Loss of profit opportunities due to lack of value conceptualization capability
ID BG	Strengthening sustainable profitability through revenue diversification and productivity improvement	Implementation capability to leverage expertise	Delays in commercialization and provision of advanced solutions due to lack or dispersion of expertise
BG HF	Establishing a sustainable growth foundation by strengthening adaptability to environmental changes	Strategic human resource allocation	Insufficient allocation to priority areas due to rigid human resource placement
HF	Improving organizational execution capability by maximizing human capital	Management and development capability Culture reform	Stagnation of reform actions due to lack of a culture of pride and challenge

Human Capital Investment (Action / Outcome and Impact)

RORA Improvement

Raising Expected Growth Rate

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

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"

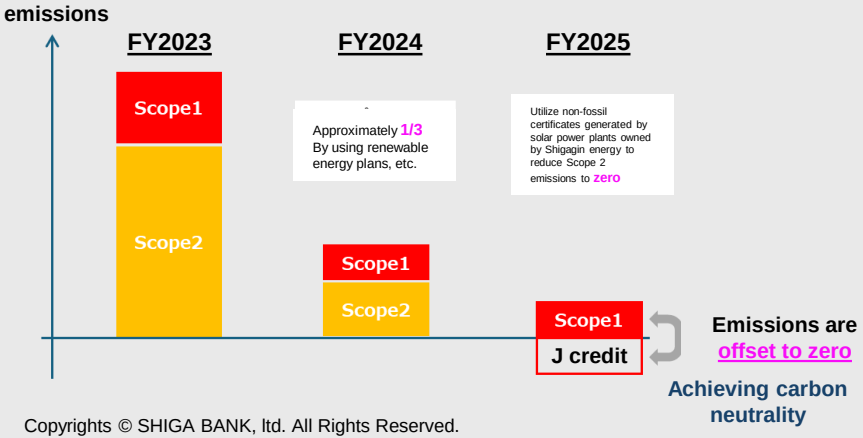
Carbon Neutrality

Raising Expected Growth Rate

- Achieved **carbon neutrality (Scope 1 and 2)** for the Shiga Bank Group **in FY2025**
  (First among regional banks in the Kinki region)
- Achieved sustainability achievement indicators of the 8th MTP **three years ahead of schedule**

Initiatives

(1) Reduction of GHG emissions	(2) Utilization of renewable energy generated by the Group
Reduce emissions to **1/3** of FY2013 levels through energy-saving equipment and operational efficiency	Utilize non-fossil certificates generated by solar power plants owned by Shigagin energy



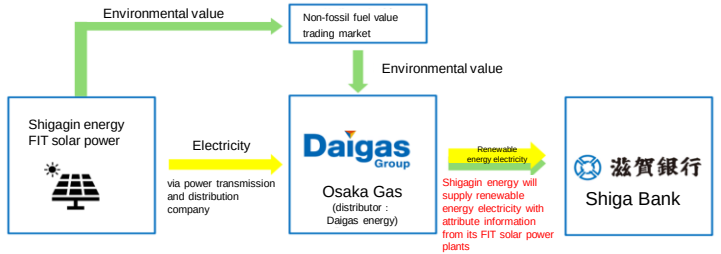
Future Plans

- 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



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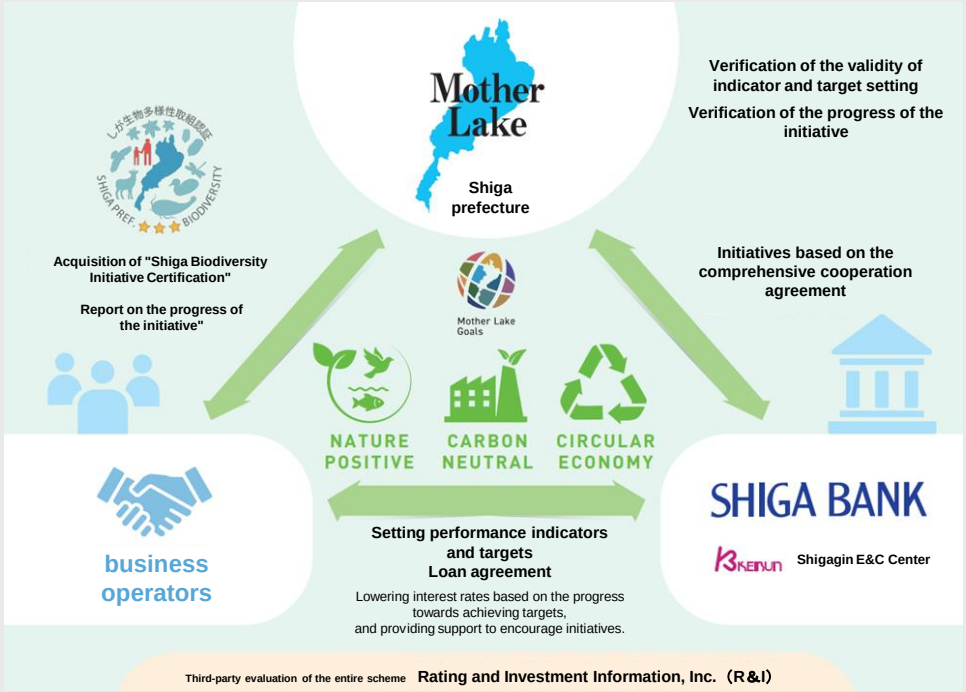
New ESG Finance (Shiga Try-Link Loan)

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**

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Inorganic Investment

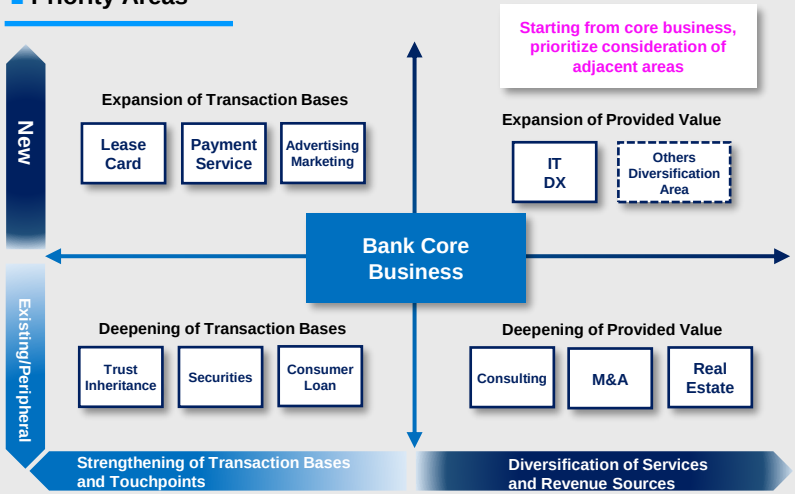
Raising Expected Growth Rate | RORA Improvement

- Aiming for early expansion and deepening of **business domains (portfolios)** through the utilization of external management resources

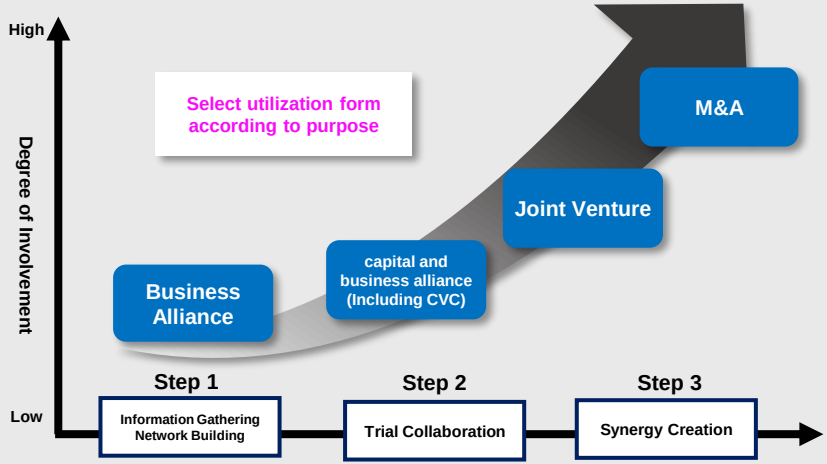
Synergies Aimed For

Financial Return	Further earnings enhancement through synergies with existing businesses	P/L Enhancement / ROE Enhancement
Strategic Return	Customer bases (data) and services that cannot be acquired in-house Knowledge, know-how, and specialized human resources	Increase options for growth strategies

Priority Areas



Utilization Steps



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System Investment (BIPROGY BankVision)

Raising Expected Growth Rate

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.

Target System Architecture

A highly sustainable system that enables flexible and speedy realization of management strategies and supports customer-centric service delivery.

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.

Fast Development and Integration

Flexible system architecture that quickly responds to strategies and customer needs

Program development efficiency improved by approx. 30%

Preventing system bloat and complexity to reduce maintenance costs

Maintain in-house planning and development Capabilities for core banking systems

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

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Appendix

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Portfolio: Results and Forecasts by Segment (Summary)

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

Stabilizing Earnings Volatility | RORA Improvement

Segment	Core Business	2026.9 Actual Results (billion yen)	Policy / Future Outlook
A. Customers of Corporate and Individual	Corporate Loans and Bills Discounted Corporate and Personal Consulting	Corporate Loans Interest 17.5 Corporate Consulting Fees 1.9 Individual Consulting Fees 1.8	(Corporate) Secure appropriate interest margins through the provision of consulting services and increase fee income (Retail) Ensure stable earnings by offering proposals tailored to customer needs
B. Consumer Loans	Other Consumer Loans Housing loans	Other Consumer Loans Income(*) 2.8 Housing Loan Income 6.3 *After deducting guarantee expenses	(Other Consumer Loans) Actively promote by leveraging the strengths of non-face-to-face channels Demand remains strong despite rising interest rates (Housing Loans) Continue to promote as a product that contributes to acquiring sticky deposits
C. Strategies for Finance	Domestic/Foreign Finance Alternatives Investments	Total segment earnings 5.9 *After deducting JPY/foreign currency funding costs	(Finance) Implement efficient "portfolio management" while being mindful of "diversification," "risk-return," and "liquidity"
D. Strategies for Securities *Excluding policy-holding stocks	Bonds (JPY Bonds/Foreign Bonds) Stocks etc. Risk Assets	JPY Bonds ▲2.0 Foreign Bonds etc. 1.8 Stocks etc. 5.2 *After deducting JPY/foreign currency funding costs	(Bonds & Stocks) Aim to build a resilient portfolio for the future amid rising interest rates Continue to dynamically reallocate assets in line with market trends
E. Group Business and New Business	Existing Business Lease/Card etc. New Business Energy/Capital	Group earnings 0.6 Dividends to parent company 0.6 Consolidated–Standalone Difference ▲0.0	(Existing Business) Strengthen collaboration with the core banking operations. (New Business) Continue taking on challenges that lead to future earnings Actively explore new business domains

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A. Customers of Corporate and Individual

■ Vision

Growth Strategy

■ Creating Value through Deeper Customer Engagement in the Region

- Expand reach by deepening understanding of and relationships with customers, starting from the needs of business partners.
- Link consulting and solution offerings to loan and deposit transactionsto boost net interest income.

2026.9 Actual

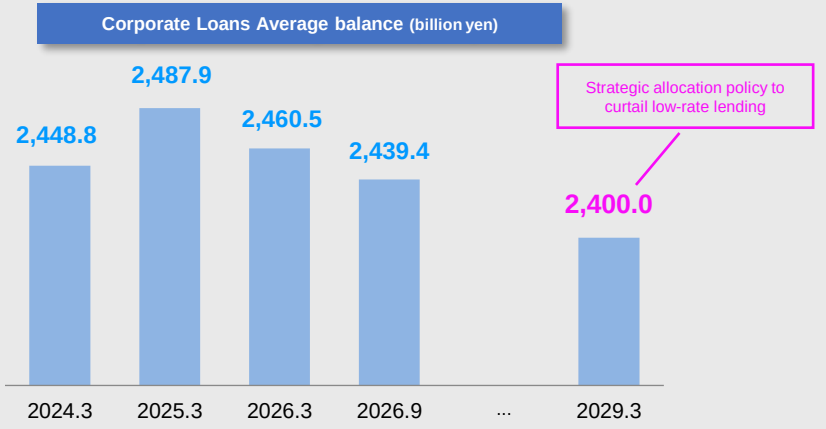
- Lending: continue asset allocation focused on RORA and margins. Earnings increased steadily.
- Corporate business-related fees decreased year-on-year due to the impact of large-scale syndicated loans,but solution-related fees increased.
- Individual consulting fees decreased slightly year-on-year, but investment trust sales increased, and the number of investment trust accumulation and NISA contracts grew steadily. Meanwhile, life insurance sales decreased due to lower demand for foreign currency-denominated insurance products resulting from rising yen interest rates.

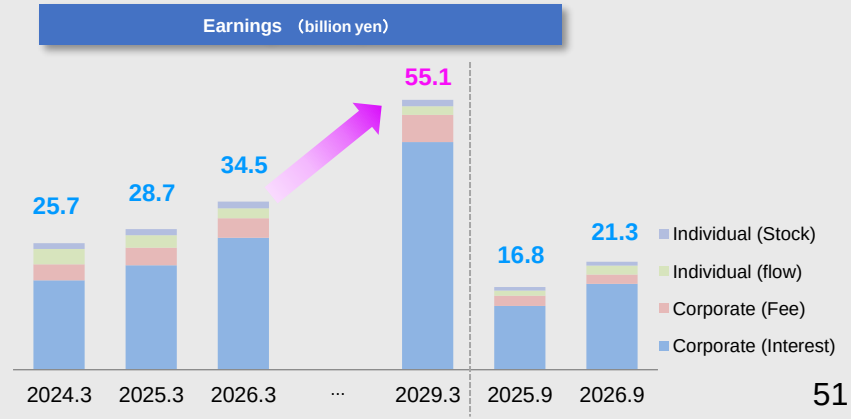
Challenges Risk Factors

- Strengthening and developing human resources.
- Defaults among large clients and highly rated clients outside the prefecture (concern over a reversal from 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





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A. Customers of Corporate and Individual (Deposits)

■ 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.

2026.9 Actual

- Increasing importance of and focus on deposit acquisition at branches, Local Government Recovering deposit transactions based on comprehensive transactions for Local Government, resulting in an increase in all segments: individual, corporate, and Local Government (P10)
- Competition with other banks is expected to intensify. Leveraging our high market share in the prefecture, we will further promote becoming the main bank for both individuals and corporations, and focus on acquiring sticky deposits.

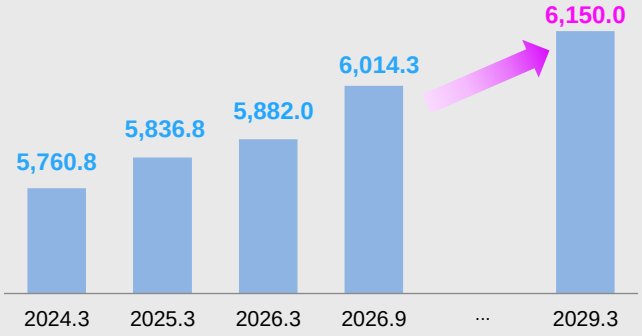
Challenges Risk Factors

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

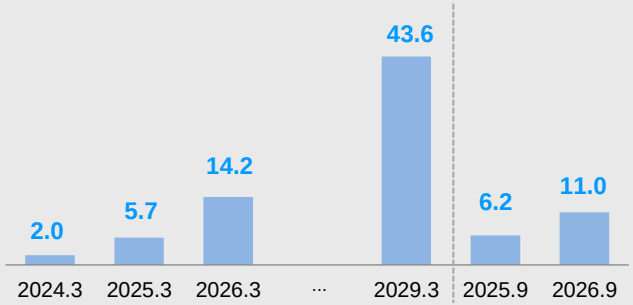
■ Balance Plan

RORA Improvement

Average Balance of Deposits, etc. (billion yen)



Interest on Deposits, etc. (billion yen)



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

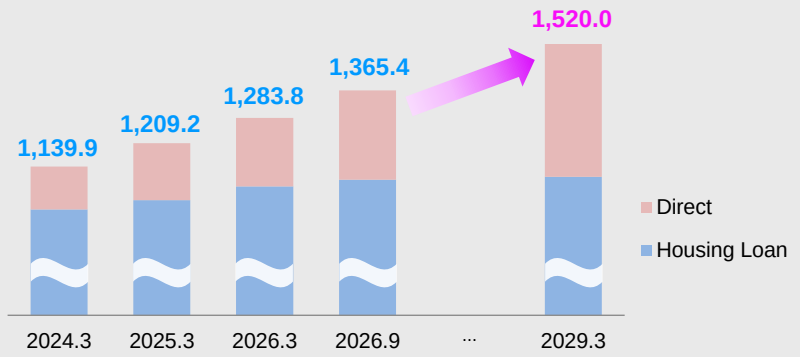
■ Vision

Growth Strategy	■ **Effective Use of Non-Face-to-Face Channels** ・Promote operational efficiency by utilizing non-face-to-face channels, such as the growing share of online housing loan applications. ・Expand high-margin loans through nationwide Other Consumer Loans, leveraging strengths in non-face-to-face operations.
2026.9 Actual	■Housing Loans ・Executions have increased since support for 40-year terms was introduced (April 2025). ・Increased awareness of deposit acquisition ⇒ Salary transfer set rate is also on an improving trend. Contributes to the acquisition of sticky deposits. ■Other Consumer Loans (Online personal loans) ・Continue strategies leveraging the strengths of non-face-to-face channels, achieving record-high execution amounts. ・Aiming for the final MTP year balance target of **400.0 billion yen**, develop new customer segments and expand transactions, centered on real estate collateral loans.
Challenges Risk Factors	・Strengthening and developing human resources. ・Intensifying competition due to population decline and the rise of online banks. ・Uncertainty in the external environment, including economic conditions.

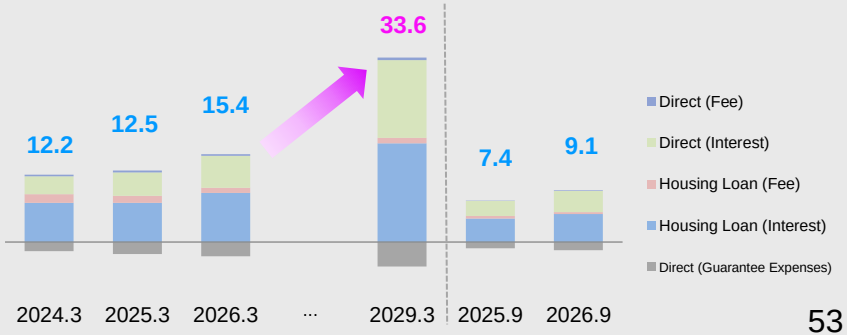
■ Balance and Earnings Plan

RORA Improvement

Average balance (fiscal year) (billion yen)



Earnings (billion yen)



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B. Consumer Loans (Other Consumer Loans Details)

■Other Consumer Loans(Online Consumer Loans)

Features and Strengths

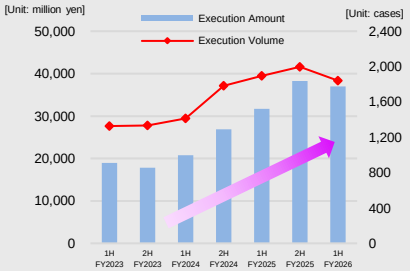
- **Fully Non-Face-to-Face Process×Generous Support System**
  - ・Procedures from application to contract and execution are completed entirely online
  - ・Extensive support system via telephone and chat by specialized call center staff
- **Unique system to improve CVR (※)**
  - ・Business model patent acquired; system built to increase application rate

※Conversion Rate:Percentage of website visitors who complete a specified action.

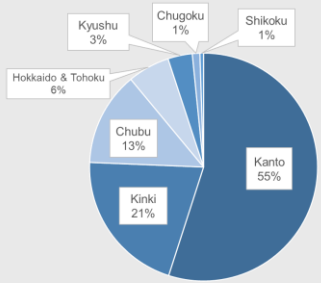
- **Strategic Web Promotion**
  - ・Improving brand awareness andWEBsmooth guidance to website

Leveraging service advantages to capture a wide market

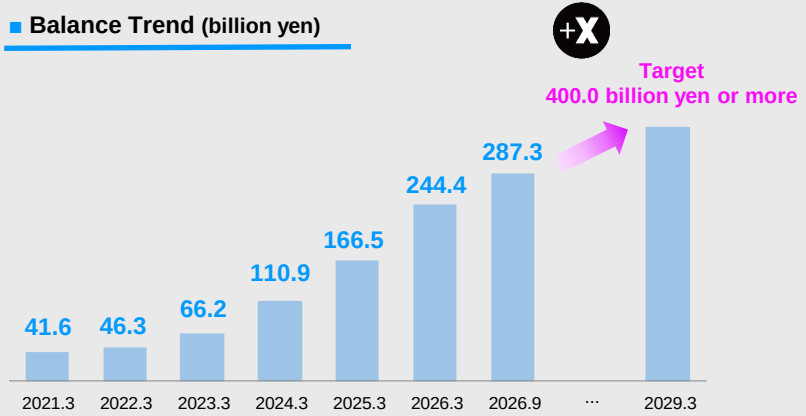
Execution Volume and Amount Trend for Real Estate Collateral Loans



Real Estate-Secured Loan Regional Ratio (2026.9)

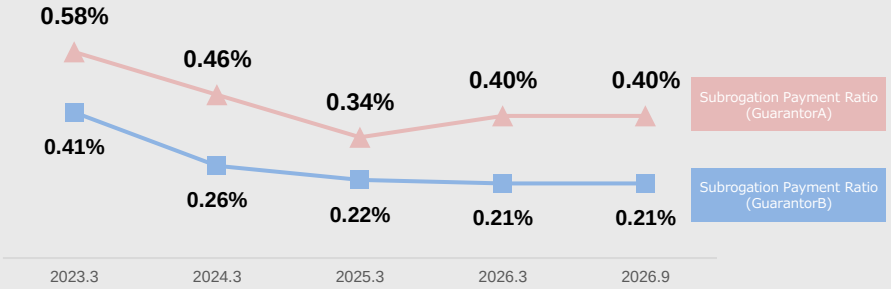


■ Balance Trend (billion yen)



■ Subrogation Payment Ratio

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



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C. Strategies for Finance (Structured Finance etc.)

■ 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
- Policy to implement efficient “portfolio management” while balancing "diversification," "risk-return," and "liquidity."

2026.9 Actual

- Earnings for the fiscal year ended September 30, 2026, increased significantly due to buyout fund earnings, etc.
- Earnings targets for the final year of the MTP are updated as needed
  Initially 7.5 billion yen ⇒ 8.0 billion yen (May 2026) ⇒ 9.4 billion yen (current)

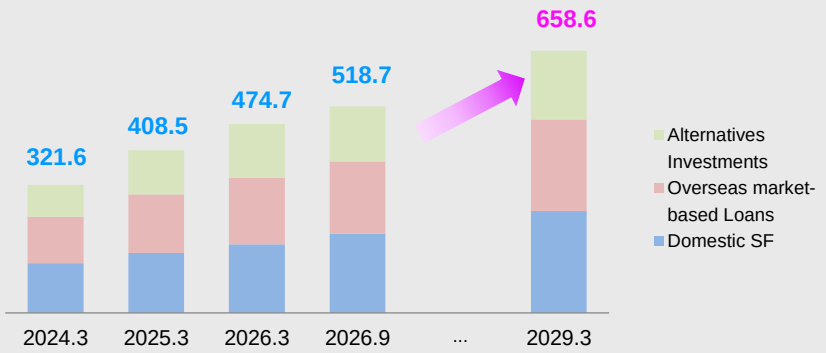
Challenges Risk Factors

- 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

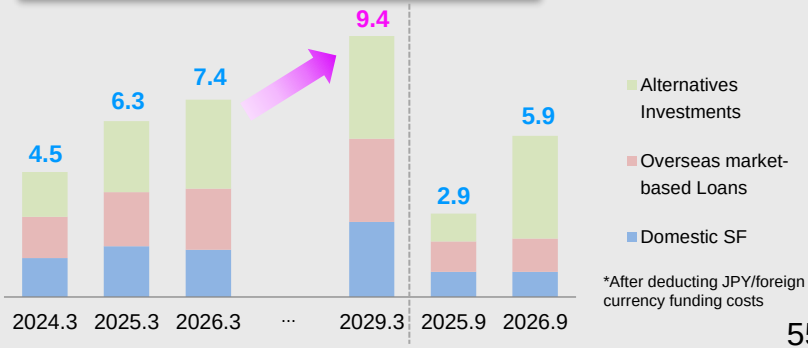
■ Balance and Earnings Plan

RORA Improvement

Average balance (fiscal year) (billion yen)



Earnings (billion yen)



*After deducting JPY/foreign currency funding costs

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D. Strategies for Securities

■ Vision

Growth Strategy

■ Ongoing Optimization of the Investment Portfolio

→Shift toward a portfolio with 1% spread ※ (current level: 1.09%)
※Excluding strategic shareholdings; net of JPY and foreign currency funding costs

・Aiming for further earnings enhancement, strategic allocation continue

2026.9 Actual

・Purchasing mainly local government 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
・Selling low-yield bonds due to rising long-term interest rates
Continue strategic rebalancing from the second half onward to improve JPY Bond Portfolio yield

Challenges Risk Factors

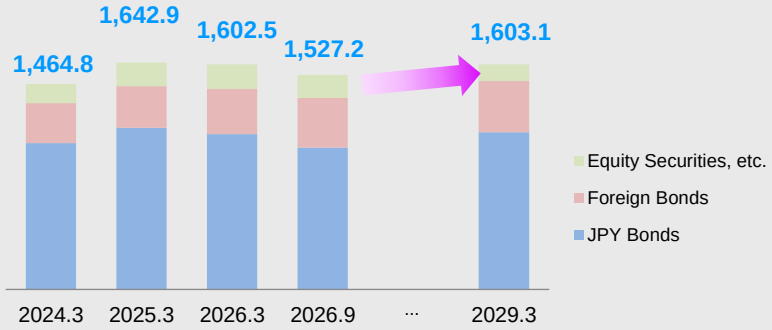
・Simultaneous declines in bond and equity prices due to sharp interest rate hikes
・Ensuring risk-taking remains in line with management capacity and risk control capability
・Strengthening effective investment and risk management frameworks

■ Balance and Earnings Plan

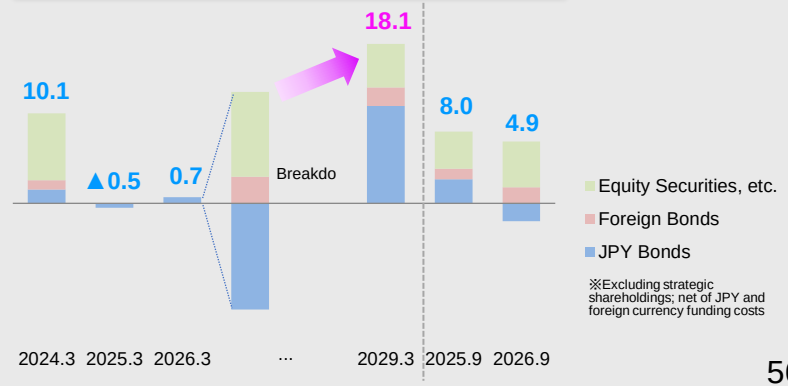
Stabilizing Earnings Volatility

RORA Improvement

Average balance (fiscal year) (billion yen)



Earnings (billion yen)



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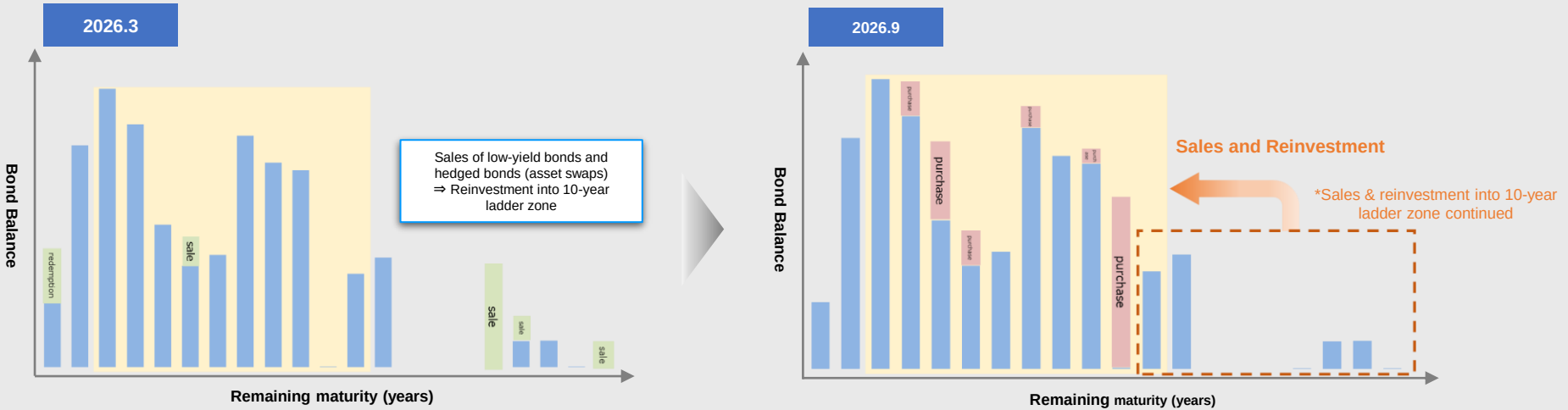
D. Strategies for Securities (Details)

■ JPY Bond Portfolio Management (Ladder Portfolio Construction Progress)

*Excluding RMBS



■Sales record of low-yield bonds and hedged bonds (asset swaps)

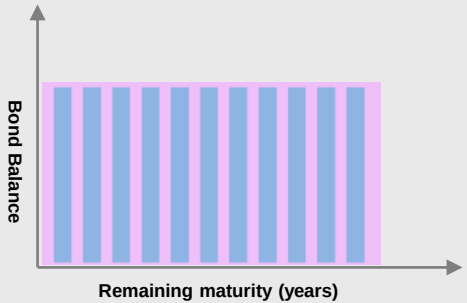
FY2024 : Approx. 140.0 billion yen sold

FY2025 : Approx. 260.0 billion yen sold

1H FY2026 : Approx. 85.0 billion yen sold

Target State for Securities Investment in an Era with Interest Rates

- **Securing stable interest income by investing in bonds with 10-year remaining maturity**
  ⇒ Averaging out certain interest rate fluctuations through a ladder-type portfolio + yield improvement
- **Securing liquidity becomes an increasingly important issue**
  ⇒ Through a ladder-type portfolio with fixed annual redemptions
  Maintaining liquidity



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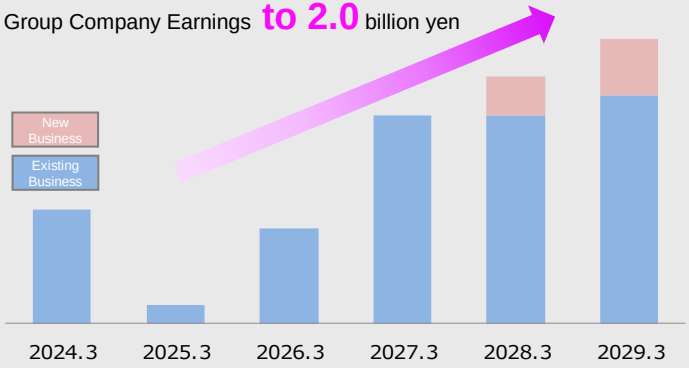
E. Group Strategy and New Business

Raising Expected Growth Rate | RORA Improvement

FY2028

Group Company Earnings **to 2.0** billion yen





Existing Business

Shiga DC Card **Shigagin JCB**	・・・Cashless
Shigagin Lease	・・・Lease
Shigagin E&C Center	・・・Consulting
Shigagin Business Service	・・・Administrative agent
Shigagin Agency	・・・Bank agency operations
Shiga Home Loan Guarantee Service	・・・Credit guarantee Collateral valuation and management

Shigagin Capital Partners +X

●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>
・Launched the first fund in January 2025
・Targeting companies in Shiga Prefecture without successors, starting with investments in clients facing business succession challenges
・Since the first investment in September 2025, we have invested in 4 client companies and provided hands-on support.
・Increased the total fund size to 5.0 billion yen in March 2026

Shigagin Energy +X

●FIT Power Generation & PPA Business
●GX Consulting Business

・Established in April 2024
・Promoting the expansion of renewable energy use and local production for local consumption through GX, promoting resource circulation and creating a positive impact on the region

<FIT Power Generation & PPA Business> As of September 30, 2026
FIT solar power plants: 24 plants, 27MW
PPA solar power plants: 3 plants, 0.3MW
Grid storage batteries: 1 unit, 2MW
→Initiated a "self-production and self-consumption" initiative to utilize electricity derived from renewable energy generated by our FIT solar power plants within the Group

Rent liability guarantee business +X

・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 +X

・Established in April 2024
・Based on information gathered from over 300 companies and local governments over the past year, we are launching projects to proactively solve regional issues by utilizing regional resources (planning of regional development projects, etc.)
・Selected as a project development partner by Kusatsu City

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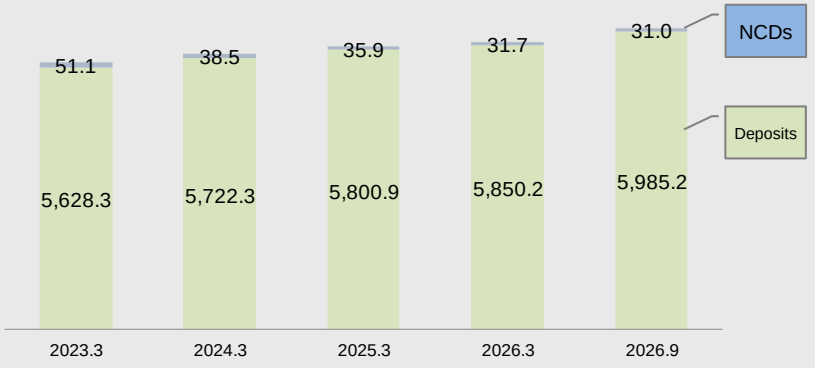
Balance of Deposits / Sales of assets under custody

■ Deposits (Average balance) by segment

[Unit: billion yen]

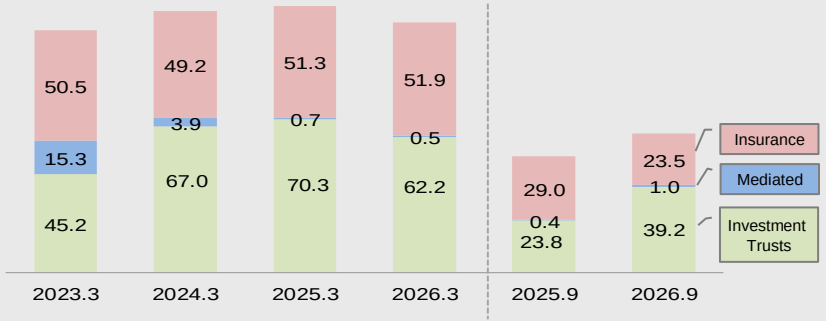
Item	2023.3	2024.3	2025.3	2026.3	2026.9
Deposits	5,628.3	5,722.3	5,800.9	5,850.2	5,985.2
Individuals	4,082.3	4,161.2	4,221.2	4,255.9	4,283.7
Corporations	1,296.4	1,310.6	1,332.1	1,360.5	1,397.4
Other Deposits	249.5	250.4	247.5	233.8	304.0
Negotiable certificates of deposit	51.1	38.5	35.9	31.7	31.0
Total	5,679.5	5,760.8	5,836.8	5,882.0	6,016.2



■ Sales of assets under custody

[Unit: billion yen]

Item	2023.3	2024.3	2025.3	2026.3	2025.9	2026.9
Investment trusts	45.2	67.0	70.3	62.2	23.8	39.2
Mediated financial products	15.3	3.9	0.7	0.5	0.4	1.0
Insurance	50.5	49.2	51.3	51.9	29.0	23.5
Total	111.1	120.1	122.4	114.8	53.3	63.8



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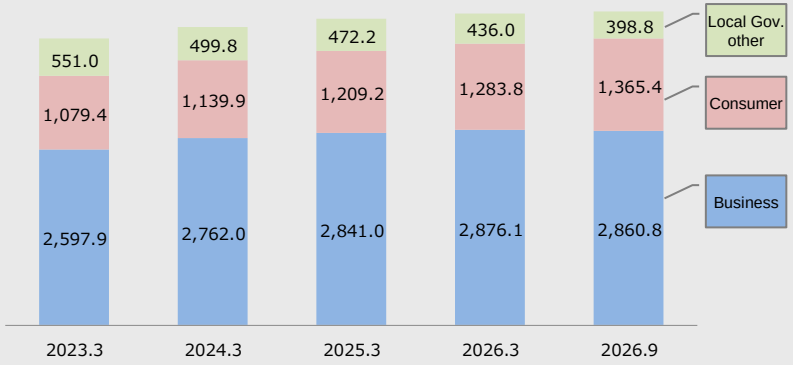
Balance of Loans

■ Balance of Loans (Average balance by segment)

[Unit: billion yen]

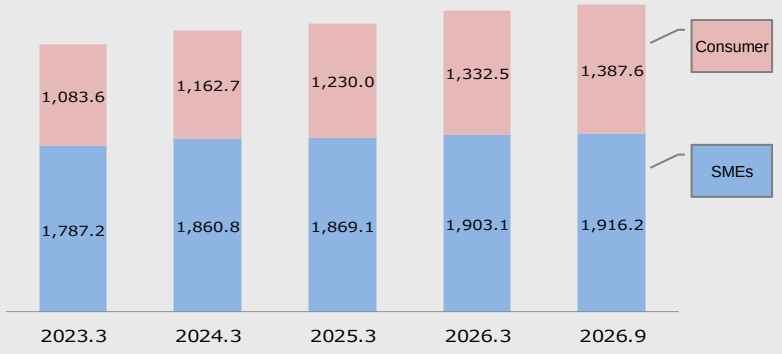
Item	2023.3	2024.3	2025.3	2026.3	2026.9
Corporate loans and bills discounted	2,597.9	2,762.0	2,841.0	2,876.1	2,860.8
Consumer loans and bills discounted	1,079.4	1,139.9	1,209.2	1,283.8	1,365.4
Local governments, other	551.0	499.8	472.2	436.0	398.8
Total	4,228.3	4,401.8	4,522.5	4,596.0	4,625.1



■ Loans to SMEs, etc. (Term-end balance)

[Unit: billion yen]

Item	2023.3	2024.3	2025.3	2026.3	2026.9
Loans to SMEs	1,787.2	1,860.8	1,869.1	1,903.1	1,916.2
Consumer Loans	1,083.6	1,162.7	1,230.0	1,332.5	1,387.6
Housing Loans	1,015.9	1,052.0	1,064.7	1,089.4	1,101.6
Other Consumer Loans	67.6	110.6	165.2	243.1	286.0
Total	2,870.9	3,023.5	3,099.2	3,235.7	3,303.9



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Deposit and Loan Plan

■ Deposits Plan (Average balance)

Segment

[Unit: billion yen]

Item	2026.9	2029.3 Plan	Growth Rate (%)
Corporations	1,397.4	1,450.0	+3%
Individuals	4,283.7	4,400.0	+2%
Others	335.1	300.0	-
Total	6,016.2	6,150.0	+2%

Deposit Type

Item	2026.9	2029.3 Plan	Growth Rate (%)
Liquid Deposits	3,900.4	3,960.0	+1%
Time Deposits	1,976.1	2,050.0	+3%
NCDs・Foreign Currency Deposits	139.7	140.0	+0%
Total	6,016.2	6,150.0	+2%

■ Loans Plan (Average balance)

Segment

[Unit: billion yen]

Item	2026.9	2029.3 Plan	Growth Rate (%)
Corporate (A.)	2,439.4	2,400.0	-
Consumer Loan (B.)	1,365.4	1,520.0	+11%
Housing Loans	1,101.6	1,110.0	+0%
Other Consumer Loans	263.8	410.0	+55%
Structured Finance etc. (C.)	372.1	480.0	+28%
Others (Localgovernments,etc.)	448.1	430.0	-
Total	4,625.1	4,830.0	+4%

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Interest Rate Scenario

■ Interest Rate Scenario

Main Scenario	2H FY2026	1H FY2027	2H FY2027	1H FY2028	2H FY2028
Policy Rate	1.25	1.50	1.50	1.50	1.50
TIBOR 3M	1.45	1.70	1.70	1.70	1.70
Swap 5Y	2.20	2.10	2.00	2.00	2.00
JGB 10Y	2.80	2.70	2.50	2.50	2.50
Loan Yield	1.63	1.98		2.18	
of which JPY	1.46	1.84		2.05	
of which Foreign Currency	4.46	4.35		4.18	
Deposit Yield	0.43	0.63		0.71	
of which JPY	0.39	0.59		0.68	
of which Foreign Currency	3.54	3.25		3.01	

Policy rate is assumed to rise from 1.25% in August 2027 to 1.50 %, remaining flat thereafter.

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

Policy Rate	Top Line Increase
25bp (0.25%) rise	+3.4 billion yen

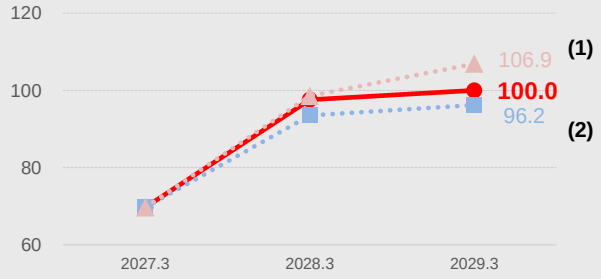
Category	Top Line Change
Loans and bills discounted (including BOJ Current Account)	+8.1 billion yen
Securities	+0.8 billion yen
Deposits	▲5.5 billion yen
Total	+3.4 billion yen

※Changes in the top line in response to policy rate changes from the current period to FY 2028

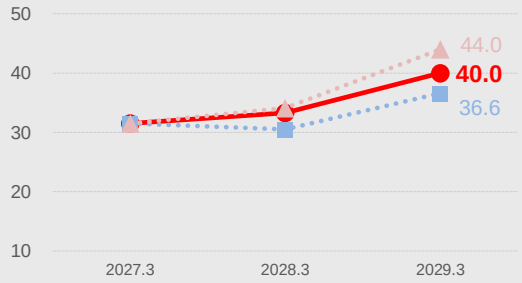
■ Alternative Scenarios

(1) Sharp Rate Hike: Policy rate rises to 2.00 % in 2H FY2026, remaining flat thereafter.
(2) Flat Rate Scenario: Policy rate 1.25 % remains flat.

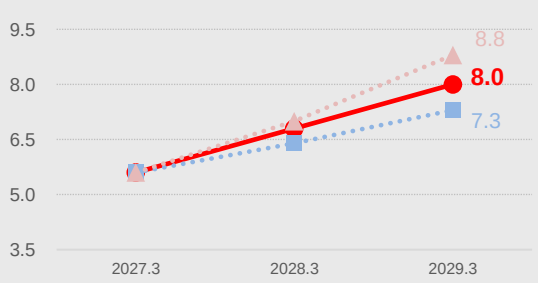
Gross business profit (billion yen)



Consolidated Net Income (billion yen)



Consolidated ROE (%)



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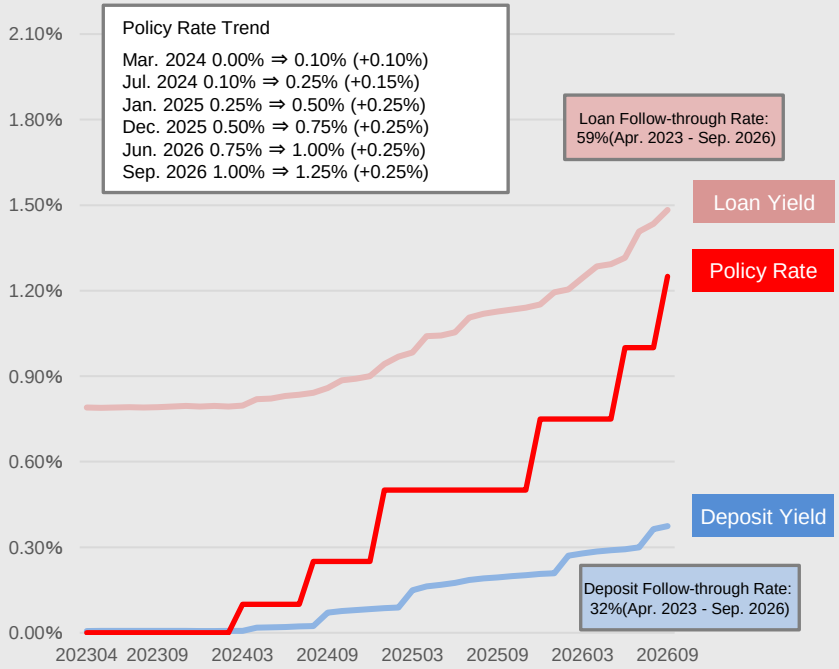
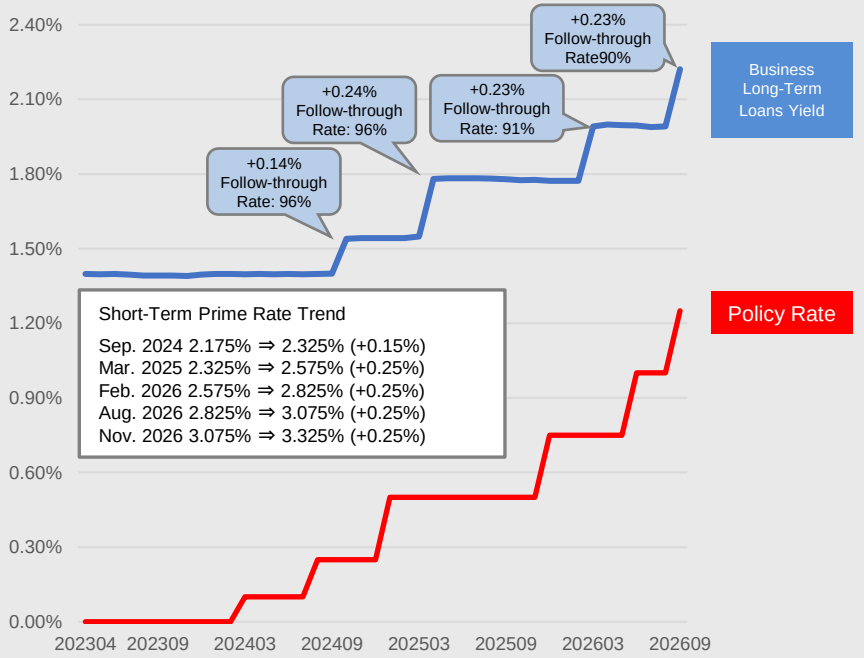
Yield trends in response to rising policy interest rates

■ Deposit & Loan Yield Trends (JPY)



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



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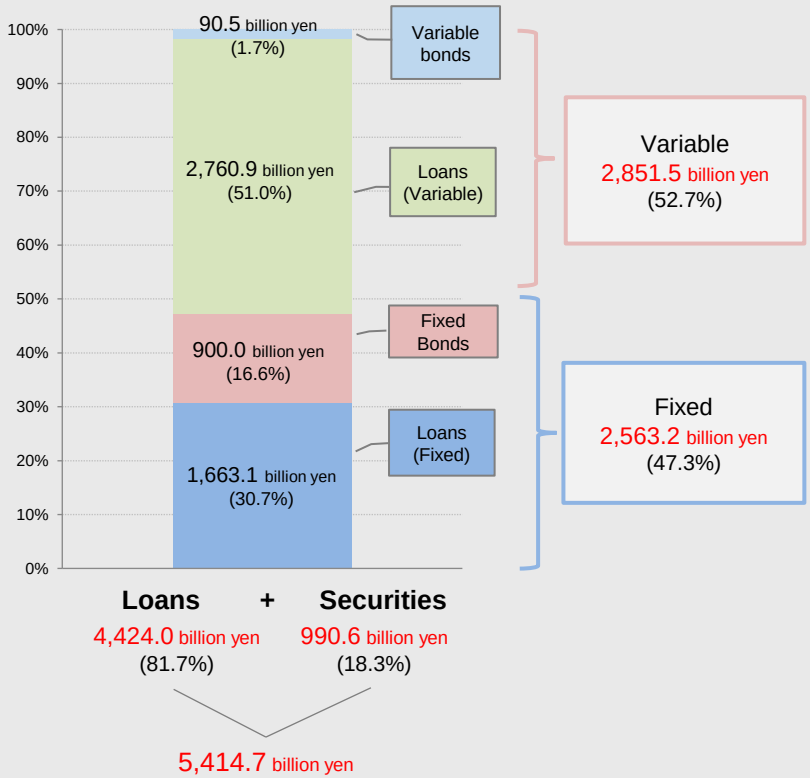
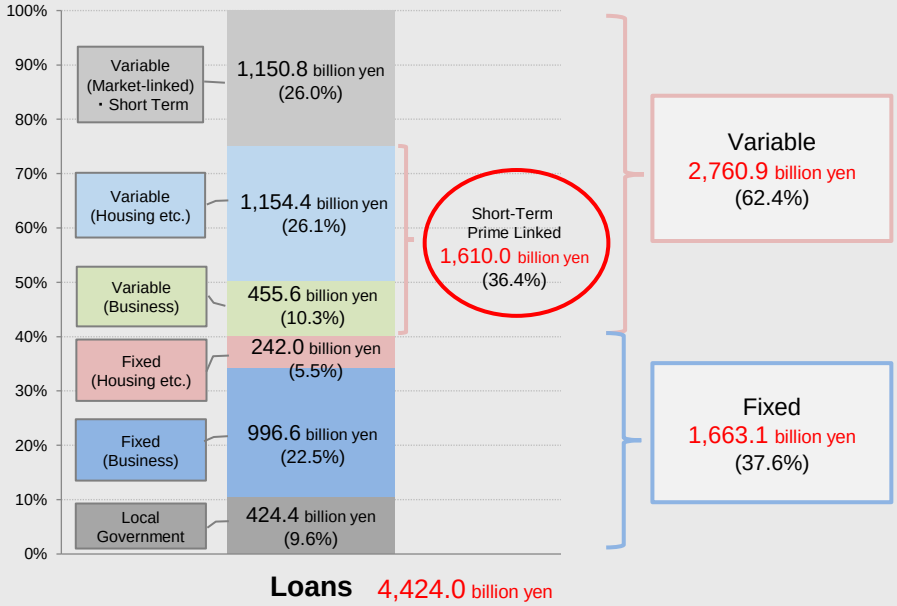
Impact of Rising Interest Rates

Total JPY Assets (As of September 30, 2026)



of which JPY Loans (As of September 30, 2026)



●JPY Loans Fixed/Variable ratio trend

	2024.3	2025.3	2026.3	2026.9
Variable	54.0%	56.4%	59.7%	62.4%
of which Market-Linked・Short Term	22.8%	24.2%	24.9%	26.0%
of which Housing etc.	20.0%	21.9%	24.7%	26.1%
of which Business	11.3%	10.3%	10.1%	10.3%
Fixed	46.0%	43.6%	40.3%	37.6%
of which Housing etc.	7.4%	6.6%	5.9%	5.5%
of which Business	26.0%	25.4%	23.9%	22.5%
of which Local Government	12.5%	11.6%	10.4%	9.6%

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