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(Securities Code: 8366)
June 3, 2020

To Shareholders with Voting Rights:

Shojiro Takahashi
President
THE SHIGA BANK, LTD.
1-38, Hamamachi, Otsu,
Shiga, Japan

NOTICE OF CONVOCAION OF THE 133rd ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 133rd Annual General Meeting of Shareholders of THE SHIGA BANK, LTD. (the “Bank”). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights by writing or via electromagnetic means (the Internet). Please review the Reference Documents for the General Meeting of Shareholders (described hereinafter) and exercise your voting rights by Wednesday, June 24, 2020 at 5:00 p.m. Japan time.

- 1. Date and Time:** Thursday, June 25, 2020 at 10:00 a.m. Japan time
- 2. Place:** 2F Hall, Head Office of the Bank, 1-38, Hamamachi, Otsu, Shiga, Japan
- 3. Meeting Agenda:**
Matters to be reported:
 1. The Business Report and Consolidated Financial Statements for the Bank’s 133rd Fiscal Year (from April 1, 2019 to March 31, 2020) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
 2. Non-Consolidated Financial Statements for the Bank’s 133rd Fiscal Year (from April 1, 2019 to March 31, 2020)

Proposals to be resolved:

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Partial Amendment to the Articles of Incorporation
- Proposal No. 3:** Election of Two (2) Directors
- Proposal No. 4:** Election of Two (2) Audit & Supervisory Board Members
- Proposal No. 5:** Revision of Amounts of Compensation for Directors and Audit & Supervisory Board Members

Guidance to Exercising Your Voting Rights

Exercise of voting rights by attending the Meeting in person

If attending the Meeting in person, please submit the enclosed Voting Rights Exercise Form at the reception desk.
Time and date: Thursday, June 25, 2020 at 10:00 a.m.

Exercise of voting rights in writing

Please indicate your vote for or against each proposal on the enclosed Voting Rights Exercise Form and return the form so that it will arrive no later than the deadline for exercise.
Exercise deadline: 5:00 p.m., Wednesday, June 24, 2020

Exercise of voting rights via electromagnetic means (the Internet)

Please access the website for the exercise of voting rights (<https://evote.tr.mufg.jp/>) designated by the Bank and exercise your voting rights by following the on-screen guidance.
Exercise deadline: 5:00 p.m., Wednesday, June 24, 2020

Please see pages 3 and 4 for details.

- (1) If you vote both in writing (Voting Rights Exercise Form) and via electromagnetic means (the Internet), the vote placed via electromagnetic means (the Internet) will be deemed valid.
- (2) If you exercise your vote multiple times via electromagnetic means (the Internet), the last vote exercised will be deemed valid.

End

1. Please note that persons other than shareholders, including proxies and their companions who are not shareholders, are not permitted to attend the General Meeting. When exercise your voting rights by proxy as stipulated in the Articles of Incorporation, please understand that the proxy must submit documentation proving power of attorney (a letter of attorney, etc.).
2. Pursuant to laws and regulations as well as Article 17 of the Articles of Incorporation of the Bank, the following items are posted on the Bank's website (<https://www.shigagin.com/investor/>) and are not included in the attached documents of this Notice of Convocation.
 - 1) "Matters concerning Share Subscription Rights of the Bank" and the "Systems to Ensure the Correctitude of Operations and Outline of the Operational Status of the Systems" of the Business Report
 - 2) "Consolidated Statement of Changes in Shareholders' Equity" and "Notes to the Consolidated Financial Statements" of the Consolidated Financial Statements
 - 3) "Non-consolidated Statement of Changes in Shareholders' Equity" and "Notes to the Non-consolidated Financial Statements" of the Non-consolidated Financial StatementsAccordingly, the attached documents in this Notice of Convocation are a part of the documents audited by the Accounting Auditor and the Audit & Supervisory Board during preparation of the Accounting Auditor's Report and the Audit Reports, respectively.
3. Any updates to the Reference Documents, the Business Report, the Consolidated Financial Statements, and Non-consolidated Financial Statements for the General Meeting of Shareholders will be posted on the Bank's website (<https://www.shigagin.com/investor/>).
4. The officers and employees of the Bank will implement semiformal dress code ("Eco - style") on the day of the meeting as a part of measures to prevent Global Warming, and as such we would like to ask shareholders to follow the same dress code when attending.

Guidance to Exercising Your Voting Rights via the Internet

The exercise of voting rights via the Internet is only possible by accessing the Bank's website dedicated for the purpose of exercising voting rights (<https://evote.tr.mufg.jp/>) via a personal computer, smartphone or mobile phone.

Deadline for exercise of voting rights

Until 5:00 p.m., Wednesday, June 24, 2020

* Please note that this service is unavailable every day between 2:00 a.m. and 5:00 a.m.

Method for scanning the QR code

For smartphones

The "login ID" and "temporary password" are not required for exercising voting rights using a smartphone. You can log in by scanning the "login QR code" which is provided in the enclosed Voting Rights Exercise Form Sub Slip (right side).

* Your voting rights can be exercised only once by using the method above.

Enter your vote for or against each of the proposals according to the on-screen guidance.

- Second and subsequent logins

- If you are unable to log in by scanning the QR code due to your smartphone model

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QR Code is a registered trademark of DENSO WAVE INCORPORATED.

<To institutional investors>

You may use the electronic voting platform for institutional investors operated by ICJ, Inc. subject to prior request for the use of the platform.

Method for entering the “login ID” and “temporary password”

For personal computers and second and subsequent logins from smartphones

1. Access the website for exercising voting rights

<https://evote.tr.mufg.jp/>

Click “Next screen”

2. Login

Enter the “login ID” and “temporary password” indicated in the Sub Slip (right side) of the enclosed Voting Rights Exercise Form

Enter and click “Login”

3. Change your password

Enter your “present password,” “new password” and “new password (for confirmation)”

Please be careful not to forget your new password

Click “Send”

Enter your vote for or against each of the proposals according to the on-screen guidance.

Depending on the Internet user environment, shareholders using personal computers or smartphones may not be able to exercise voting rights via the dedicated voting site due to Internet firewalls, antivirus software, proxy servers, or lack of designating TLS-encrypted transmissions, etc.

Exercise of voting rights via mobile phone

Access the website for exercising voting rights

<https://evote.tr.mufg.jp/>

Some shareholders may not be able to use the service if their mobile phone models are incapable of sending information or TLS-encrypted communication for security purposes.

Important reminders

- To prevent people other than shareholders from illegally accessing the site and altering the content of voting selections (spoofing), we will ask shareholders who use the site to change their “temporary passwords” on the website for exercising voting rights.
- You will be provided with a new “login ID” and “temporary password” each time a General Meeting of Shareholders is convened.
- Costs arising from accessing the site for exercising voting rights (Internet connection fees, etc.) will be borne by the shareholder. In addition, when using a mobile phone, etc., to vote, there will be costs such as packet communication fees or other charges associated with using the mobile phone, and these fees will be borne by the shareholder.

Votes will be accepted via the Internet until **5:00 p.m., Wednesday, June 24, 2020.**

However, you are cordially requested to exercise your voting rights earlier, and call the Help Desk with any inquiries or questions.

<For inquiries concerning systems, etc. for exercising voting rights via the Internet>

Stock Transfer Agency Division (Help Desk)

Mitsubishi UFJ Trust and Banking Corporation

Telephone: 0120-173-027

[Business hours: 9:00 a.m. — 9:00 p.m.] (toll free)

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Appropriation of Surplus

With “mutual prosperity with the regional community” as a pillar, the Bank works to secure the health and transparency of management while aiming to enrich internal reserves and strengthen the financial structure in preparation for a management environment that will be increasingly harsh and future investment. The Bank has also a basic policy of continuing to provide stable dividends to shareholders while making payment of dividends as great as possible.

Based on this policy, with the intent of returning profits to shareholders and taking into consideration the business performance for the fiscal year under review, the Bank proposes the year-end dividends to be 22.50 yen per share, adding special dividends of 5 yen to an ordinary dividend of 17.50 yen, and other surplus to be appropriated as follows.

1. Matters concerning year-end dividends
 - (1) Type of dividend property
Cash
 - (2) Matters concerning the allotment of dividend property and the total amount
22.50 yen per share of common stock, for a total of 1,129,668,795 yen
(Reference) As 17.50 yen per share was paid in December 2019 as an interim dividend,
dividends to be paid for the full year amount to 40 yen per share.
 - (3) Effective date of distribution of surplus
June 26, 2020
2. Other matters concerning the appropriation of surplus
 - (1) Item and the amount of surplus to be increased
General reserve 10,400,000,000 yen
 - (2) Item and amount of surplus to be decreased
Retained earnings brought forward 10,400,000,000 yen

Proposal No. 2: Partial Amendment to the Articles of Incorporation

1. Reason for the amendment

As the Bank speeded up the management decision-making and further streamlined the management structure, the Bank proposes decreasing the maximum number of Directors prescribed in Article 20 of the current Articles of Incorporation from 23 to 15.

2. Details of the amendment

Details of the amendment are as follows.

(Underlined portions are amended.)

Current Articles of Incorporation	Proposed Amendment
Chapter 4. Directors and the Board of Directors (Number of Directors) Article 20. The number of Directors of the Bank shall be up to <u>23</u> .	Chapter 4. Directors and the Board of Directors (Number of Directors) Article 20. The number of Directors of the Bank shall be up to <u>15</u> .

Proposal No. 3: Election of Two (2) Directors

Directors Mr. Yoshio Daido, Mr. Etsuo Imai, and Mr. Yasunaga Ono will resign at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of two (2) Directors is proposed.

If their election is approved as proposed, their term of office will expire on the day when the other incumbent Directors' term of office expires, in accordance with the provisions of the Articles of Incorporation of the Bank.

The candidates for Directors are as follows:

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Bank held
1	<div style="border: 1px solid black; padding: 2px; display: inline-block;">New appointment</div> Katsuyuki Nishikawa (Feb. 13, 1965)	Apr. 1987 Joined the Bank Jun. 2011 General Manager of Katata Ekimae Branch Jun. 2013 Deputy General Manager of Credit Supervision Dept. and Section Chief of Case Screening Group Jun. 2014 General Manager of Administration Dept. Jun. 2016 General Manager of Audit & Inspection Dept. Jun. 2018 Executive Officer and General Manager of Audit & Inspection Dept. (current position)	1,400
	<Reasons for nomination as a candidate for Director> In addition to experience as a General Manager at branch offices, Mr. Katsuyuki Nishikawa has a wealth of operational experience through participation in the Credit Supervision Dept., Administration Dept., and the Audit & Inspection Dept. at Head Office, and a deep understanding of overall business operations. Due to the above, the Bank has judged that he has the knowledge, experience and sufficient social credibility to execute corporate management of banks in a precise, fair, and efficient manner, and has thus nominated him as a candidate for Director.		

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Bank held
2	<div>New appointment</div> <div>Outside Director</div> Rikiya Hattori (Feb. 3, 1954)	Apr. 1978 Joined Sumitomo Trust & Banking Co. Ltd. (currently Sumitomo Mitsui Trust Bank, Limited) Jun. 2005 Executive Officer, General Manager of Financial Institutions Department, Sumitomo Trust & Banking Co. Ltd. Jun. 2006 Managing Executive Officer and General Manager of Financial Business Promotion Department, Sumitomo Trust & Banking Co. Ltd. Jun. 2007 Managing Executive Officer, Sumitomo Trust & Banking Co. Ltd. Jun. 2008 Director, Managing Executive Officer, Sumitomo Trust & Banking Co. Ltd. Apr. 2011 Director, Senior Managing Executive Officer, Sumitomo Trust & Banking Co. Ltd. Apr. 2012 Director, Senior Managing Executive Officer, Sumitomo Mitsui Trust Bank, Limited Apr. 2013 Deputy President Executive Officer, Sumitomo Mitsui Trust Holdings, Inc. Deputy President, Sumitomo Mitsui Trust Bank, Limited Jun. 2015 Deputy President, Sumitomo Mitsui Trust Holdings, Inc. Apr. 2017 Director, Sumitomo Mitsui Trust Holdings, Inc. Deputy Chairman, Sumitomo Mitsui Trust Bank, Limited Apr. 2018 Executive Advisor, Sumitomo Mitsui Trust Bank, Limited Chairman, Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. (current position) Jun. 2018 Corporate Auditor, SUMITOMO DENSETSU CO., LTD. (current position) (Significant concurrent positions) Chairman, Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. Corporate Auditor, SUMITOMO DENSETSU CO., LTD.	0
	<Reasons for nomination as a candidate for Outside Director> Mr. Rikiya Hattori has a wealth of experience and high insight gained at financial institutions. Due to the above, the Bank has judged that he has the knowledge, experience and sufficient social credibility to execute corporate management of banks in a precise, fair, and efficient manner, and has thus nominated him as a candidate for Director.		

(Notes)

- There are no special interest relationships between each candidate for Director and the Bank.
- Mr. Rikiya Hattori is a candidate for Outside Director. Additionally, the Bank plans to designate Mr. Rikiya Hattori as an independent officer pursuant to provisions of the Tokyo Stock Exchange and register him to the same Exchange.
- Limited liability agreements with Outside Directors are as follows:
The Bank has stipulated in the Articles of Incorporation to allow for the conclusion of agreements with Outside Directors that limit their liability for damages to a certain range. If the election of Mr. Rikiya Hattori is approved as proposed, the Bank plans to conclude the liability limitation agreement with him. Overview of the agreement is as follows:
- If an Outside Director is held liable for damages set forth in Article 423, Paragraph 1 of the Companies Act without willful misconduct or gross negligence, he/she will be responsible for such liability to the extent of the amount set forth by laws and regulations or 10 million yen, whichever is greater.

Proposal No. 4: Election of Two (2) Audit & Supervisory Board Members

The term of office of Audit & Supervisory Board Members Mr. Masato Hasegawa and Mr. Satoshi Nishikawa will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of two (2) Audit & Supervisory Board Members is proposed.

We have obtained the approval of the Audit & Supervisory Board for this item.

The candidates for Audit & Supervisory Board Members are as follows:

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Bank held
1	<div>New appointment</div> <p>Yasunaga Ono (Jan. 28, 1961)</p>	<p>Apr. 1983 Joined the Bank</p> <p>Jun. 2009 General Manager of General Planning Dept.</p> <p>Jun. 2011 General Manager of Hikone Branch</p> <p>Jun. 2013 General Manager of Business Promotion Dept.</p> <p>Jun. 2014 Director and General Manager of Business Promotion Dept.</p> <p>Jun. 2015 Managing Director (current position)</p>	3,220
	<p><Reasons for nomination as a candidate for Audit & Supervisory Board Member></p> <p>In addition to experience as a General Manager at branch offices, Mr. Yasunaga Ono has a deep understanding of overall business operations through participation in the General Planning Dept., Business Promotion Dept., and the Assets & Liabilities Managing Dept., etc. at Head Office, and a wealth of experience as a Director. Due to the above, the Bank has judged that he has the knowledge, experience and sufficient social credibility to audit the execution of operations of Directors of the Bank in a precise, fair, and efficient manner, and has thus nominated him as a candidate for Audit & Supervisory Board Member.</p>		
2	<div>New appointment</div> <div>Outside Audit & Supervisory Board Member</div> <p>Kazukiyo Onishi (Jan. 15, 1957)</p>	<p>Apr. 1980 Joined the Ministry of Finance</p> <p>Jul. 2002 Section Chief of Criminal Investigation Section, the Large Enterprise Examination and Criminal Investigation Department, the National Tax Agency</p> <p>Jun. 2005 General Manager of General Affairs Division, Economic Affairs Bureau, General Secretariat, Fair Trade Commission</p> <p>Jun. 2007 Visiting Researcher, Australian National University</p> <p>Jul. 2008 General Manager of Treasury Department, Deposit Insurance Corporation of Japan</p> <p>Jan. 2012 Director-General of Nagoya Customs</p> <p>Jul. 2012 Director-General of Osaka Customs</p> <p>Jul. 2013 Deputy Director-General for Policy Evaluation, Minister's Secretariat, Ministry of Finance</p> <p>Jul. 2014 Director-General of Yokohama Customs</p> <p>Jul. 2015 Retired from the Ministry of Finance</p> <p>Oct. 2015 Advisor, Aioi Nissay Dowa Insurance Co., Ltd.</p> <p>Jun. 2016 Audit & Supervisory Board Member, TAKASAGO INTERNATIONAL CORPORATION (current position)</p>	0
	<p><Reasons for nomination as a candidate for Outside Audit & Supervisory Board Member></p> <p>Mr. Kazukiyo Onishi has a wealth of experience at the Ministry of Finance and other corporations, and high insight gained through public finance and administration. He has not been directly involved in corporate management, but due to the above, the Bank has judged that he has the knowledge, experience and sufficient social credibility to audit the execution of operations of Directors of the Bank in a precise, fair, and efficient manner, and has thus nominated him as a candidate for Audit & Supervisory Board Member.</p>		

(Notes)

1. There are no special interest relationships between each candidate for Audit & Supervisory Board Member and the Bank.
2. Mr. Kazukiyo Onishi is a candidate for Outside Audit & Supervisory Board Member. Additionally, the Bank plans to designate him as an independent officer pursuant to provisions of the Tokyo Stock Exchange and register him to the same Exchange.
3. Mr. Kazukiyo Onishi plans to retire from the position of Audit & Supervisory Board Member of TAKASAGO INTERNATIONAL CORPORATION as of June 24, 2020.
4. Liability limited agreements with Outside Audit & Supervisory Board Members are as follows:
The Bank has stipulated in the Articles of Incorporation to allow for the conclusion of agreements with Outside Audit & Supervisory Board Members that limit their liability for damages to a certain range. Based on this stipulation, if the election of Mr. Kazukiyo Onishi is approved as proposed, the Bank plans to conclude the liability limitation agreement with him.
Overview of the agreement is as follows:
- If an Outside Audit & Supervisory Board Member is held liable for damages set forth in Article 423, Paragraph 1 of the Companies Act without willful misconduct or gross negligence, he/she will be responsible for such liability to the extent of the amount set forth by laws and regulations or 10 million yen, whichever is greater.

[Reference] Criteria for Independence

Outside Directors and Outside Auditors are considered to be independent if none of the following applies.

- ① A person involved in the execution of business at a Group Companies of the Bank
- ② A person for whom the Bank is a primary business partner^{*1} or a person engaged in business execution of such person, or a primary business partner of the Bank^{*2} or a person engaged in business execution of such business partner
- ③ A consultant, accounting specialist, or legal specialist that receives a significant amount of monetary compensation or other assets from the Bank, aside from executive remuneration
- ④ A person to which ① to ③ above applied at a recent time
- ⑤ A relative of a person to which any of ① to ④ above applies (excluding insignificant persons)

*1. A business partner who earned 1% or more of its consolidated net sales from the Bank in the most recent fiscal year.

*2. A business partner whose payments to the Bank account for 1% or more of the Bank's consolidated gross operating income in the most recent fiscal year

Proposal No. 5: Revision of Amounts of Compensation for Directors and Audit & Supervisory Board Members

The 102nd Annual General Meeting of Shareholders held on June 29, 1989 approved a proposal to set the maximum amount of compensation for Directors of the Bank at 35 million yen per month (excluding salary as an employee for Directors concurrently serving as employees). Furthermore, the 95th Annual General Meeting of Shareholders held on June 23, 1982 approved a proposal to set the maximum amount of compensation for Audit & Supervisory Board Members of the Bank at 7 million yen per month. These amounts remain unchanged. However, upon taking into consideration various factors including changes in economic trends thereafter and the fact that the number of Directors will decrease subject to approval of Proposal No. 2, the Company seeks approval for revision of the amounts of compensation for Directors and Audit & Supervisory Board Members as follows.

1. Amount of compensation for Directors

With regard to compensation for Directors, (1) in addition to the fixed-amount compensation, which is the conventional fixed compensation, (2) performance-linked compensation shall be introduced for Directors (excluding Outside Directors) with the aim of increasing incentive for improvements in business results by establishing compensation that is linked to business results.

(1) Fixed-amount compensation

The monthly amount shall be amended to an annual amount, and the maximum amount shall be 260 million yen per year (which includes up to 35 million yen per year for Outside Directors).

(2) Performance-linked compensation

The Company shall pay a maximum amount of 75 million yen per year, not to exceed 0.45% of net income attributable to owners of parent for the applicable fiscal year. The reason for selecting net income attributable to owners of parent as a standard for calculating the amount of performance-linked compensation is that net income attributable to owners of parent represents the final results of business results in an applicable fiscal year for the Group Companies of the Bank.

2. Amount of compensation for Audit & Supervisory Board Members

With regard to the amount of compensation for Audit & Supervisory Board Members, the monthly amount shall be amended to an annual amount, and the maximum annual amount shall be 84 million yen, paid as fixed-amount compensation.

Although the Company currently has appointed ten (10) Directors (including two (2) Outside Directors), the number of Directors shall be nine (9) (including three (3) Outside Directors) subject to approval of Proposal No. 3. The Company currently has four (4) Audit & Supervisory Board Members (including two (2) Outside Audit & Supervisory Board Members), and the numbers will remain unchanged upon approval of Proposal No. 4.