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(Securities Code: 8366)
June 4, 2018

To Shareholders with Voting Rights:

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

NOTICE OF CONVOCATION OF THE 131st 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 131st 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 Monday, June 25, 2018 at 5:00 p.m. Japan time.

1. **Date and Time:** Tuesday, June 26, 2018 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 131st Fiscal Year (from April 1, 2017 to March 31, 2018) 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 131st Fiscal Year (from April 1, 2017 to March 31, 2018)

Proposals to be resolved:

Proposal No. 1: Appropriation of Surplus
Proposal No. 2: Consolidation of Shares
Proposal No. 3: Election of One (1) Audit & Supervisory Board Member
Proposal No. 4: Election of One (1) Substitute Audit & Supervisory Board Member

Guide 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: Tuesday, June 26, 2018 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., Monday, June 25, 2018

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., Monday, June 25, 2018

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 (http://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" 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 Statements

   Accordingly, 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 (http://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.

Guide to Exercising Your Voting Rights via the Internet

Website for exercising voting rights

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 (i-mode, EZweb and Yahoo! Keitai) *. (please note that this service is unavailable every day between 2:00 a.m. and 5:00 a.m.).

* i-mode, EZweb and Yahoo! Keitai are trademarks or registered trademarks of NTT DOCOMO, Inc., KDDI CORPORATION and Yahoo! Inc. [U.S.], respectively.

Exercise of voting rights via personal computer or smartphone

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.
Website dedicated for the purpose of exercising voting rights (https://evote.tr.mufg.jp/)

Exercise of voting rights via mobile phone

To exercise voting rights on a mobile phone, i-mode, EZweb or Yahoo! Keitai service capability is necessary. Even if shareholders have access to one of the above services, some 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. When using a smartphone or a mobile phone to vote, there will be costs such as packet communication fees or other fees, and these fees will be borne by the shareholder.

<To institutional investors>

As an additional method for exercising voting rights using electronic means other than the method described above, any trust management bank or other nominal shareholder (including standing proxies) may use the electronic voting platform for institutional investors operated by ICJ, Inc., a joint venture established by the Tokyo Stock Exchange, Inc. and others, subject to prior request for the use of the platform.

Access Procedure

1. Access the website for exercising voting rights
https://evote.tr.mufg.jp/
1) Click “Next screen”

2. Login
2) Enter the “login ID” and “temporary password” indicated in the lower right of the enclosed Voting Rights Exercise Form
3) Click “Login”

3. Change your password
4) Enter your “present password,” “new password” and “new password (for confirmation)”
Please be careful not to forget your new password
5) Click “Send”

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

Votes will be accepted via the Internet until **5:00 p.m., Monday, June 25, 2018**.
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 4.50 yen per share, adding special dividends of 1 yen to an ordinary dividend of 3.50 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
   4.50 yen per share of common stock, for a total of 1,171,454,094 yen
   (Reference) As 3.50 yen per share was paid in December 2017 as an interim dividend, dividends to be paid for the full year amount to 8 yen per share.
   (3) Effective date of distribution of surplus
   June 27, 2018
2. Other matters concerning the appropriation of surplus
   (1) Item and the amount of surplus to be increased
   General reserve 10,200,000,000 yen
   (2) Item and amount of surplus to be decreased
   Retained earnings brought forward 10,200,000,000 yen

Proposal No. 2: Consolidation of Shares

1. Reasons for the need to consolidate shares
   Japanese stock exchanges collectively announced the "Action Plan for Consolidating Trading Units," which aims to standardize the trading units (the number of shares per share unit) for common shares issued by all listed domestic companies at 100 shares. As a bank listed on the Tokyo Stock Exchange, the Bank respects the objectives of the plan, and at its Board of Directors meeting held on February 23, 2018, decided to change the number of shares per share unit, which act as the trading unit of its shares, from 1,000 shares to 100 shares as of October 1, 2018. In addition with the intent of adjusting the investment unit to the level deemed desirable by the Japanese stock exchanges (50,000 yen and less than 500,000 yen), the Bank proposes to implement a share consolidation.
2. Consolidation ratio
   The Bank proposes to consolidate each five of the Bank's common shares into one share.
   In cases where fractional shares of less than one share are created through the consolidation of shares, the Bank will dispose of all such fractional shares pursuant to the provisions in the Companies Act and distribute the proceeds therefrom to the former holders of such fractional shares in amounts proportional to the former holdings of said shareholders.
3. Effective date of share consolidation
   October 1, 2018
4. Total Number of authorized shares as of effective date of share consolidation
   100,000,000 shares
5. Others
   The Bank requests that any other necessary procedural issues be entrusted to the Board of Directors.

(Note) As a result of the share consolidation, the total number of outstanding shares decreases to one fifth of the original number. However, as there are no changes to amount of net assets, the amount of net assets per share will increase by five times. Excluding other factors such as market fluctuations, there is no change in the asset value of shares of the Bank held by shareholders.

[Reference] Partial Amendments to the Articles of Incorporation

Upon the approval of this proposal as originally proposed and without obtaining a resolution for partial amendments to the Articles of Incorporation, parts of the Articles of Incorporation of the Bank shall be amended as follows as of October 1, 2018 pursuant to Article 182, Paragraph 2 and Article 195, Paragraph 1 of the Companies Act. The amendments are as follows:

(Underlined portions are amended.)

Current Articles of Incorporation	Proposed Amendments
(Number of Authorized Shares) Article 6 The total number of shares that the Bank is authorized to issue shall be 500,000,000 shares.	(Number of Authorized Shares) Article 6 The total number of shares that the Bank is authorized to issue shall be 100,000,000 shares.
(Number of shares constituting one share unit) Article 8 The number of shares constituting one share unit of the Bank shall be 1,000 shares.	(Number of shares constituting one share unit) Article 8 The number of shares constituting one share unit of the Bank shall be 100 shares.

Proposal No. 3: Election of One (1) Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member Mr. Yukio Nishizawa will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of one (1) Audit & Supervisory Board Member is proposed.

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

The candidate for Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Bank held
New appointment Kazuyoshi Hayashi (Feb. 10, 1958)	Apr. 1980 Joined the Bank May 2005 General Manager of Hachiman Ekimae Branch Jun. 2008 Counsel of Assets & Liabilities Managing Dept. Jun. 2010 General Manager of Assets & Liabilities Managing Dept. Jun. 2011 Director and General Manager of Assets & Liabilities Managing Dept. Jun. 2014 Managing Director (current position)	16,000
<Reasons for nomination as a candidate for Audit & Supervisory Board Member> In addition to experience as a General Manager at branch offices, Mr. Kazuyoshi Hayashi has a deep understanding of overall business operations and a wealth of experience as a Director through participation in the Assets & Liabilities Managing Dept., Administration Dept., and the Computer System Dept., etc. at Head Office. 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.		

(Note) There are no special interest relationships between the candidate for Audit & Supervisory Board Member and the Bank.

Proposal No. 4: Election of One (1) Substitute Audit & Supervisory Board Member

At the opening of this Annual General Meeting of Shareholders, the effectiveness of the election of Substitute Audit & Supervisory Board Member Mr. Shozo Nishimura, who was elected at the 127th Annual General Meeting of Shareholders held on June 25, 2014, will expire. Therefore, in preparation for circumstances where the number of Outside Auditors will fall short of the number stipulated by laws and regulations, the Bank would like to request the appointment of one (1) Substitute Audit & Supervisory Board Member in advance.

Furthermore, the effectiveness of election can be nullified upon approval from the Audit & Supervisory Board and resolution of the Board of Directors, provided that it is before assumption of office.

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

The candidate for Substitute Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Bank held
Outside Auditor Masashi Tanaka (Nov. 4, 1971)	Oct. 1996 Joined Chuo Audit Corporation (After renaming to ChuoAoyama Audit Corporation followed by MISUZU Audit Corporation, dissolved in July 2007) Apr. 2000 Registered as a certified public accountant Jul. 2007 Joined Kyoto Audit Corporation Jul. 2008 Established Masashi Tanaka Certified Public Accountant Office (current position) Sep. 2008 Registered as a certified public tax accountant Jul. 2009 Appointed Member of Umeyama Accounting Firm (current position) (Significant concurrent positions) Head of Masashi Tanaka Certified Public Accountant Office Member of Umeyama Accounting Firm	0
<Reasons for nomination as a candidate for Substitute Audit & Supervisory Board Member> Mr. Masashi Tanaka has been involved in corporate finance as a certified public accountant and certified public tax accountant, and has specialized knowledge and a wealth of experience. Due to the above, although he has not been directly involved in corporate management, 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 Substitute Audit & Supervisory Board Member.		

(Notes)

1. There are no special interest relationships between the candidate for Substitute Audit & Supervisory Board Member and the Bank.
2. Mr. Masashi Tanaka is a candidate for Substitute Outside Auditor.
   Additionally, if Mr. Masashi Tanaka is appointed as Outside Auditor, 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. Liability limitation agreements with Outside Auditors are as follows:
   The Bank has stipulated in the Articles of Incorporation to allow for the conclusion of agreements with Outside Auditors that limit their liability for damages to a certain range. Based on this stipulation, if Mr. Masashi Tanaka is elected as Outside Auditor, the Bank plans to conclude the liability limitation agreement with him.
   Overview of the agreement is as follows:
   - If an Outside Auditor 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 or a person engaged in business execution of such person, or a primary business partner of the Bank 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)