

27 June 2017

THE SHIGA BANK, LTD. (Code No. 8366 of TSE 1st Section)

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NOTICE TO THE HOLDERS OF THE SHIGA BANK, LTD.

U.S.\$200,000,000 Subordinated Zero Coupon Convertible Bonds due 2020 (the “Bonds”)

NOTICE IS HEREBY GIVEN by THE SHIGA BANK, LTD. (the “**Bank**”) to the holders (the “**Bondholders**”) of the outstanding U.S.\$ 200,000,000 Subordinated Zero Coupon Convertible Bonds due 2020 (the “**Bonds**”), of an adjustment of the Conversion Price (as defined in the terms and conditions of the Bonds (the “**Conditions**”)) of the Bonds as follows:

Reason for the adjustment: Adjustment of Conversion Price pursuant to Condition 5.2.4 due to the Extraordinary Dividend (as defined in such Condition 5.2.4) resulting from payment of dividends totalling ¥8 per Share during the Annual Fiscal Period (as defined in the Conditions). The Bank previously paid an interim dividend of ¥3.5 per Share and the Bank’s general meeting of shareholders approved a year-end dividend of ¥4.5 per Share on 27 June 2017.

Old Conversion Price: U.S.\$ 5.925

New Conversion Price: U.S.\$ 5.906

Record Date: 31 March 2017 (Japan time)

Effective Date for the new Conversion Price: Retroactively from the day immediately after the Record Date set out above (Japan time)

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