

26 June 2018

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:

1. Extraordinary Dividend

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 (the “General Shareholder’s Meeting”) approved a year-end dividend of ¥4.5 per Share on 26 June 2018.
Old Conversion Price:	U.S.\$ 5.906
New Conversion Price:	U.S.\$ 5.885
Record Date:	31 March 2018 (Japan time)
Effective Date for the new Conversion Price:	Retroactively from the day immediately after the Record Date set out above (Japan time)

2. Consolidation of Shares

Reason for the adjustment:	The General Shareholder’s Meeting approved a consolidation of Shares on the basis of five Shares into one Share. As a result, the Conversion Price will be adjusted pursuant to Condition 5.2.1 of the Conditions with effect as stated below.
Old Conversion Price:	U.S.\$ 5.885
New Conversion Price:	U.S.\$ 29.425

Effective Date for the new
Conversion Price:

1 October 2018 (Japan time)

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