



Shizuoka Financial Group

Small Meeting with Outside Directors

June 5, 2025

Xover
— 新時代を拓く

Introduction to Outside Directors



**Kumi
Fujisawa**

Position and responsibilities

Director
Nomination and Remuneration
Committee member
Committee of Administrative
Supervision member
Advisory Board member



**Kazutoshi
Inano**

Position and responsibilities

Director
Nomination and Remuneration
Committee member
Committee of Administrative
Supervision member
Advisory Board member



**Kazuto
Tsubouchi**

Position and responsibilities

Director (Audit & Supervisory
Committee Member)
Nomination and Remuneration
Committee member
Committee of Administrative
Supervision member

Year appointed	Main posts
1995	Founded IFIS Japan Ltd. as Representative Director
2004	Director, Investment Trusts Association, Japan Director, Sophia Bank Ltd.
2011	Public Governor, Japan Securities Dealers Association (current post)
2013	Director, Shizuoka Bank, Ltd. Representative Director, Sophia Bank Ltd.
2014	Director, Toyota Tsusho Corporation
2018	Director, Net Protections Holdings, Inc. (current post)
2021	Director, CellSource Co., Ltd. (current post)
2022	Chairperson, Institute for International Socio-Economic Studies (current post) Director, Shizuoka Financial Group, Inc. (current post)
2024	Director, Mercari, Inc. (current post)

Year appointed	Main posts
2002	Director, President of Nomura Asset Management Co., Ltd.
2003	Director, Deputy President & Co-COO of Nomura Holdings, Inc.
2005	Director, Chairperson of the Nomura Trust and Banking Co., Ltd.
2008	Executive Managing Director, Deputy Chairperson of Nomura Securities Co., Ltd.
2009	Director, Chairperson, Representative Executive Managing Director of Nomura Asset Management Co., Ltd. Chairman of The Investment Trusts Association Chairperson of the Securities Analysts Association of Japan
2013	Chairperson of Japan Securities Dealers Association
2021	Director, the Shizuoka Bank, Ltd.
2022	Director, Shizuoka Financial Group, Inc. (current post)
2023	Director of Japan Securities Scholarship Foundation (current post)

Year appointed	Main posts
1976	Joined Nippon Telegraph and Telephone Public Corporation (currently NTT)
2000	General Manager at Kanazawa Branch, Nippon Telegraph and Telephone West Corporation
2006	Member of the Board of Directors and Managing Director of Accounts and Finance Department, NTT Docomo, Inc.
2012	Chief Finance Officer (CFO), NTT Docomo, Inc.
2015	Chairperson, Foundation for MultiMedia Communications
2018	Chairperson, Information & Telecommunication Equipment Constructor's Association
2020	Director, Shizuoka Bank, Ltd.
2022	Director (Audit & Supervisory Committee Member), Shizuoka Financial Group, Inc. (current post)

Skills Matrix of the Board members

Each Board member contributes to the sustained growth of the community and of the Group by playing a role in management, society/economy, and business based on their individual insights.

Skills Matrix of the Board members

		Management		Society/Economy		Business	
		Supervision of management as a listed company	Leading of the comprehensive financial group	Prospect toward regional society and economy	Response to the social changes	Financial intermediary functions	New businesses (development, composition)
Katsunori Nakanishi	Representative Director (Chairman)	●	●	●		●	●
Hisashi Shibata	Representative Director (President)		●	●		●	
Minoru Yagi	Director		●	●		●	
Yutaka Fukushima	Director			●		●	
Kumi Fujisawa	Outside Director	●		●	● (Innovation)		●
Kazutoshi Inano	Outside Director	●	●	●		●	●
Koichi Kiyokawa	Director (Audit & Supervisory Committee Member)			●		●	
Motoshige Itoh	Outside Director (Audit & Supervisory Committee Member)	●			● (Environment)		
Kazuto Tsubouchi	Outside Director (Audit & Supervisory Committee Member)	●			● (IT)		●
Naomi Ushio	Outside Director (Audit & Supervisory Committee Member)	●			● (Diversity)		

Roles in which the Board members are expected to play

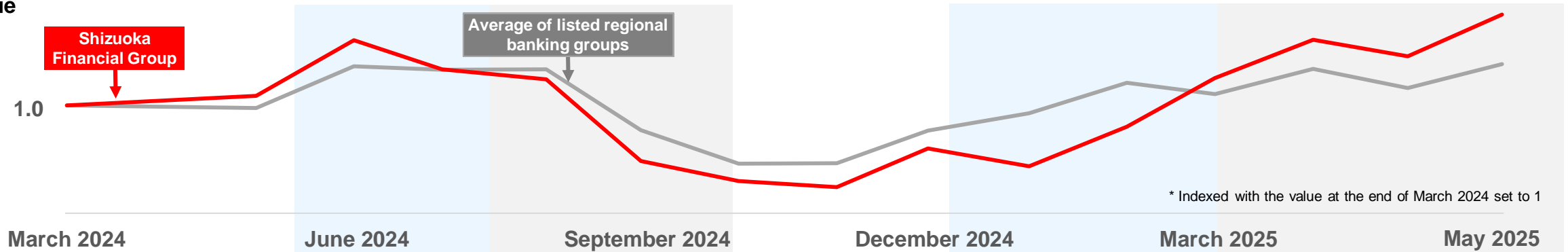
1. **Supervision of the management of the listed company** and **Leading of the comprehensive financial group**, both of which are essential as the foundations for flexible and robust governance needed to achieve sustained growth and enhanced Group management
2. **Prospect toward regional society and economy** and **Response to the social changes** that contribute to the sustainable community and economic development
3. Demonstrating wholesome **Financial intermediary functions** and **developing new businesses and the composition**, to contribute to the community growth

Discussions within the Board of Directors —Toward increased corporate value

Stimulating discussion to increase corporate value through timely sharing with the Board of viewpoints gained from IR activities and other dialogue with markets

Reflecting market evaluations of and expectations for the Group in management strategies and communicating appropriate information to increase corporate value

Shizuoka Financial Group's share price



Dialogue with markets

Viewpoints gained from large meeting (May) and small meeting (Jun.)

- Q. What are your views on your share price performance?
- Q. What are your future policies for strategic shareholdings (pure investment shareholdings)?

Viewpoints gained from large meeting (Nov.) and small meeting (Dec.)

- Q. How do you plan to get closer to your target capital level?
- Q. By how much do you expect ROE and profit levels to increase in the runup to the final year of the Medium-term Business Plan?

Discussions within the Board of Directors (reflection in management)

June, July, September

Group management execution report (IR report)

CEO

September

- Changing conditions related to strategic shareholdings and the status of responses by the Shizuoka Financial Group
- Policies related to actions as responsible asset owner



- ✓ Accelerating efforts to reduce strategic shareholdings
- ✓ Establishing standards for the exercise of voting rights

December

Group management execution report (IR report)

CEO

January

- Analysis of the Shizuoka Financial Group's share price, understanding of issues for the second half of the Medium-term Business Plan period (capital level, capital composition)



- ✓ Dynamic upward revisions of results forecast, review of shareholder returns (February)
- ✓ Raising ROE target (May)

March

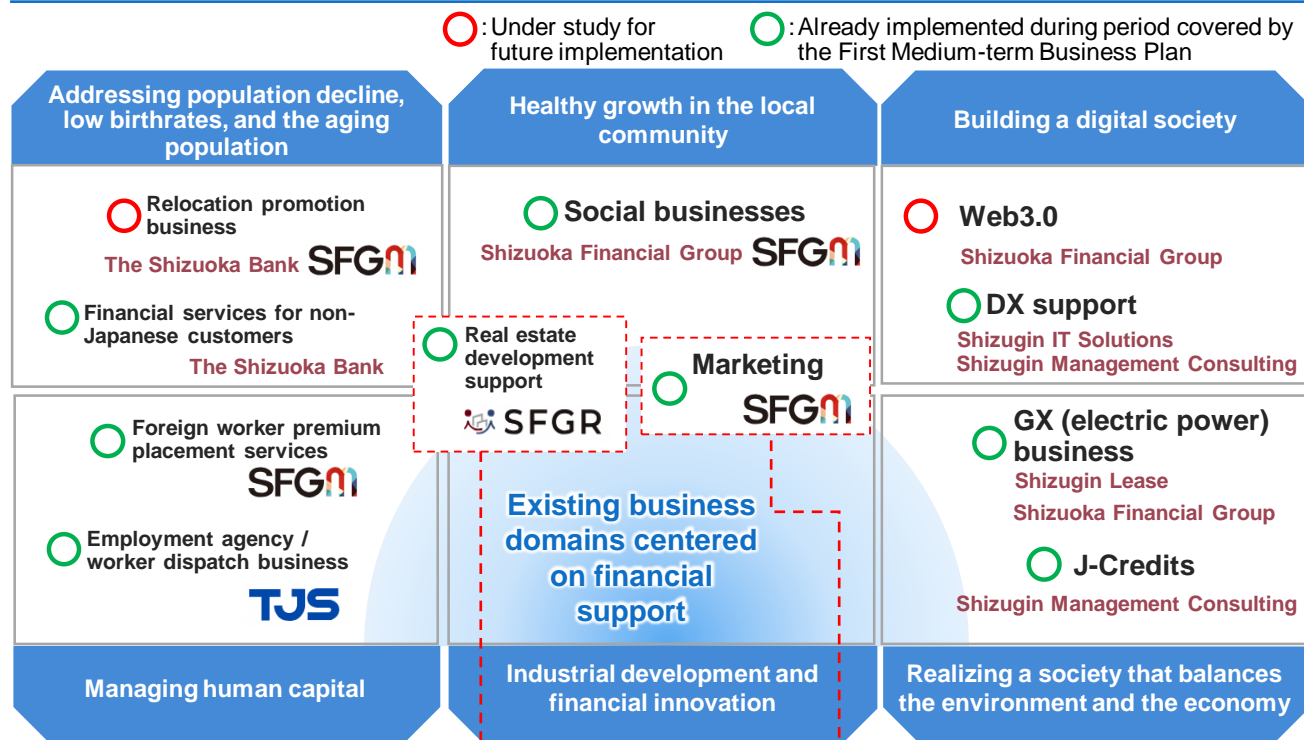
Group management execution report (IR report)

CEO

Discussions within the Board of Directors —Toward expanded business domains

The Group's business domains are expanding steadily, based on the pursuit of solutions to society's challenges. Two new companies established since the start of the Medium-term Business Plan are growing steadily.

Expanding business domains based on solutions to society's challenges



SFG Real Estate Investment Advisors (business launched in April 2024)

Contract received in FY2024 (example)

Helping to make the region more attractive by offering solutions to the issue of vacant homes

- ▶ Supporting the securitization of **lodging in remodeled traditional Japanese homes** owned by customers

Lenders

Yamanashi Chuo Bank and others

Investor

Chiiki Kyoso G.K.



SFG Marketing (established July 2023)

FY2024 results

Marketing support for communities and customers (19 contracts)

- ▶ Support for city promotion and new product branding, new business study projects, etc.

Fee-based job placement service for non-Japanese workers

- ▶ Six workers placed, 13 tentatively placed (Lodging, long-term care, agriculture, etc.)

FY2024 Board of Directors discussions

Discussions on new business domains (examples of typical agenda items)

Details	• Group CINO reports (concerning business development and innovation; three reports in FY2024)
	• Study on establishing the green transformation (GX) promotion business (Shizugin Lease)
	• GX promotion business (electricity) feasibility testing launched
	• Study of Web 3.0 businesses (interim, final reports)

Comments in Board of Directors meetings (examples)

[Group CINO reports]

- How will you proceed with new business development at Group companies amid limited resources? We need to know future policies for matters like growing business domains through M&As or other means and for building operational structures.

[GX (electricity) business]

- While Shizuoka Financial Group is demonstrating praiseworthy leadership in promoting the decarbonization of regional companies, a business based on this approach might be subject to price competition. You must show why Shizuoka Financial Group can do something the current players can't.

[Web 3.0 businesses]

- The objective isn't just to create businesses using Web 3.0. We need to consider the possibilities of Web 3.0 businesses more broadly and discuss how to use them in the community.

Administration of the Shizuoka Financial Group Board of Directors

Managing the Shizuoka Financial Group Board of Directors to discuss various matters related to group management from broader perspectives, based on the separation of supervision and execution

Enhancing discussions by the Board of Directors

The Board selects decision items by importance and monitors reports from execution units based on the appropriate delegation of authority to ensure the effective separation of supervision and execution.

Major themes considered by the Board of Directors in FY2024 (examples of typical agenda items)

Proposals

Decisions

- Revising the **Medium-term Business Plan**
- Formulating a medium-term cybersecurity plan
- Approving financial documents
- Deciding on dividends and acquisition of treasury shares
- Appointment of Directors and others, officer remuneration, etc.

Reports

Monitoring

- Group management execution reports (**IR reports**)
- Group CxO reports, subsidiary business reports, etc.
- Evaluation and analysis of Board effectiveness
- Capital policies (strategic shareholdings, etc.)
- Courses of action in new business fields, alliances, etc.

Discussions

Director's Camp (August 2024)

Intended to explore important themes in depth, research advanced topics in management, and stimulate communication among core management

Attendees

Directors, Group CxOs, subsidiary presidents, etc.

Topics

- Business composition and management in light of changing environments
- Domestic economic issues
- Compliance and integrity

Joint efforts with execution units, promoting understanding

1 Exchanging opinions with top management of Group companies

Exchange of viewpoints on each company's strategic courses of action, progress, organizational structure, etc.

Implemented with top management of all subsidiaries other than Shizuoka Bank (six companies) by April 2025

2 Exchanging opinions with independent Directors

Alignment of perspectives with the Board secretariat to improve Board effectiveness

Evaluating the effectiveness of the Board

[Analysis of data on Board meetings]

The number of agenda items has been reduced to secure sufficient time for deliberations compared to before the shift to a holding company structure.

Total agenda items (average per meeting)

Before
(FY2021)

12.8



FY2024

8.0

Time for deliberation (average per agenda item)

Before
(FY2021)

8.9 min.



FY2024

20 min.

[Analysis based on results of surveys of all Directors]

Topics on which deliberations should be deepened

- M&A activities to expand business domains
- Utilizing **Shizuoka Financial Group's strengths**, courses of action
- Discussion of the **appropriate scale** of Shizuoka Financial Group
- Corporate **balance of profitability, social considerations, and stability**
- Responding to a **depopulating society**
- Enhancing stakeholder engagement**

Administration of the Board of Directors

Positives

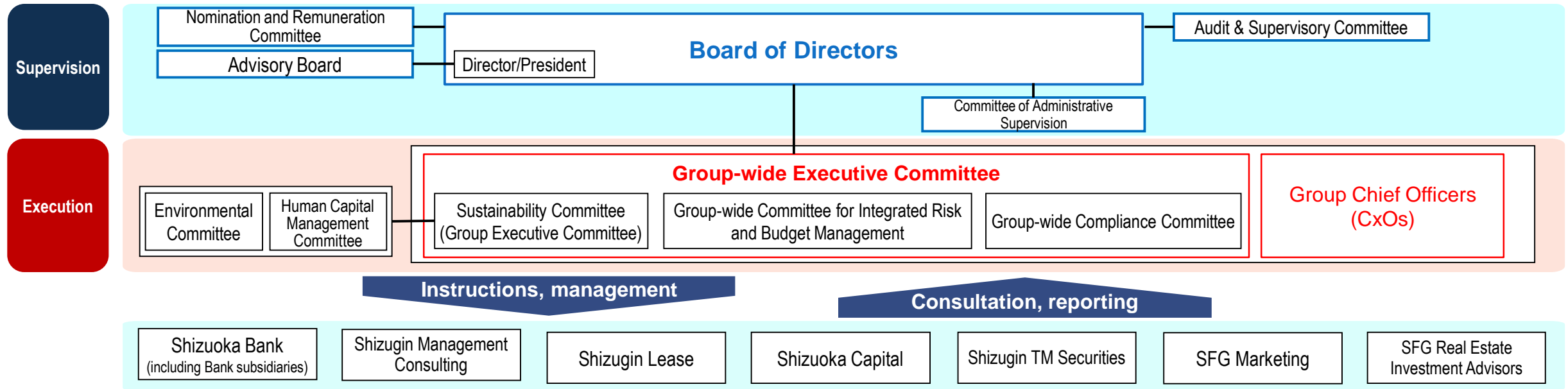
- Directors are provided opportunities to express themselves freely, thanks to efforts to stimulate discussion.
- Positive attitude towards utilizing the insights of outside Directors
- Broader discussions at the Directors' Camp

Points for improvement

- Making more time available to discuss management courses of action beyond the simple exchange of explanations and comments
- Further stimulation of two-way discussions between internal and outside Directors
- Strengthening attendance by subsidiary Directors and expanding opportunities for them to speak

(Reference) Corporate governance structure

Shizuoka Financial Group corporate governance structure



Meeting bodies in charge of supervisory functions

Meeting body	Category	Membership (as of June 5, 2025)	Functions
Board of Directors	Statutory	Ten Directors (including five Outside Directors)	• Responsible for corporate governance of the whole Group, enhance independence for the business execution and supervise the Group management systems and business execution.
Audit & Supervisory Committee		Four Directors (including three Outside Directors)	• Works with internal audit sections to achieve objective audits from the vision of oversight independence of business execution.
Nomination and Remuneration Committee	Optional	Seven Directors (including five Outside Directors)	• Advises on executive nomination, remuneration systems, etc., and deliberates executive remuneration as the body tasked by the Board with remuneration decisions.
Committee of Administrative Supervision		Seven Directors (including five Outside Directors) Group CIAO	• Reinforcing the supervisory functions of the Board toward the business execution by monitoring how the business is executed.
Advisory Board		Four Directors (including two Outside Directors) Five outside experts	• Offers the specialized external opinions to the Group management as an advisory body to the President of the holding company.



Contact

Yukimasa Okumoto, Corporate Planning Office, Corporate Planning Department,
Shizuoka Financial Group, Inc.

Tel: +81-54-261-3111 (main switchboard) +81-54-345-9161 (direct)

Fax: +81-54-344-0131

E-m a i l : ir@jp.shizugin.com U R L : <https://www.shizuoka-fg.co.jp/>

Shizuoka Financial Group
Website (IR News)

