



Shizuoka Financial Group **Summary of FY2025** **1Q Financial Result**

August 2025

Xover
— Clearing the way
to a new era

Summary of FY2025 1Q financial results (consolidated)

Quarterly net income increased of JPY 1.6 bn YoY, mainly due to an increase in consolidated gross operating profit centered on net interest income. (Progress rate 27.9%)

(JPY bn,%)	FY2024 1Q	FY2025 1Q	YoY change	
			Increase/ decrease	Increase/ decrease (%)
Gross operating profit	49.1	54.2	+5.1	+10.2
Operating expenses (–)	25.4	26.7	+1.3	+5.0
Share of profit (loss) of entities accounted for using equity method	0.5	0.2	-0.3	-55.0
Net operating profit*1	24.0	27.8	+3.8	+15.8
Credit-related costs (–)	-0.7	1.7	+2.5	–
Gain (loss) on stocks	3.5	4.4	+0.9	+25.1
Ordinary profit	29.0	31.1	+2.1	+7.2
Extraordinary profit (loss)	-0.0	0.3	+0.3	–
Net income before taxes	29.0	31.4	+2.4	+8.2
Total income taxes (–)	8.0	8.8	+0.8	+9.7
Net income*2	21.0	22.6	+1.6	+7.6
ROE (based on net assets)	6.9	7.7	+0.7	–
ROE (based on shareholder equity)	8.8	9.1	+0.3	–

*1 Net operating profit = net operating profit for Shizuoka Bank (nonconsolidated) + consolidated ordinary profit - ordinary profit for Shizuoka Bank (nonconsolidated)

*2 Net income attributable to owners of the parent

Gross operating profit

JPY54.2 bn (Up for third consecutive year)

Increase of JPY 5.1 bn due primarily to increase in gross operating profit at Shizuoka Bank (nonconsolidated) (+JPY 5.5 bn YoY) centered on net interest income.

Net operating profit

JPY27.8 bn (Up for third consecutive year)

Increase of JPY 3.8 bn, with increase in gross operating profit dramatically surpassing increase of JPY 1.3 bn in operating expenses (YoY).

Ordinary profit

JPY31.1 bn (Up for fourth consecutive year)

Progress rate 26.4%

Increase of JPY 2.1 bn due to increase in gains on stocks associated with reduction in strategic shareholdings, despite increase of JPY 2.5 bn in credit-related costs (YoY).

Net income

JPY22.6 bn (Up for sixth consecutive year)

Progress rate 27.9%

Increase of JPY 1.6 bn due mainly to top-line growth centered on net interest income.

Results for major Group companies

Shizuoka Bank, Nonconsolidated

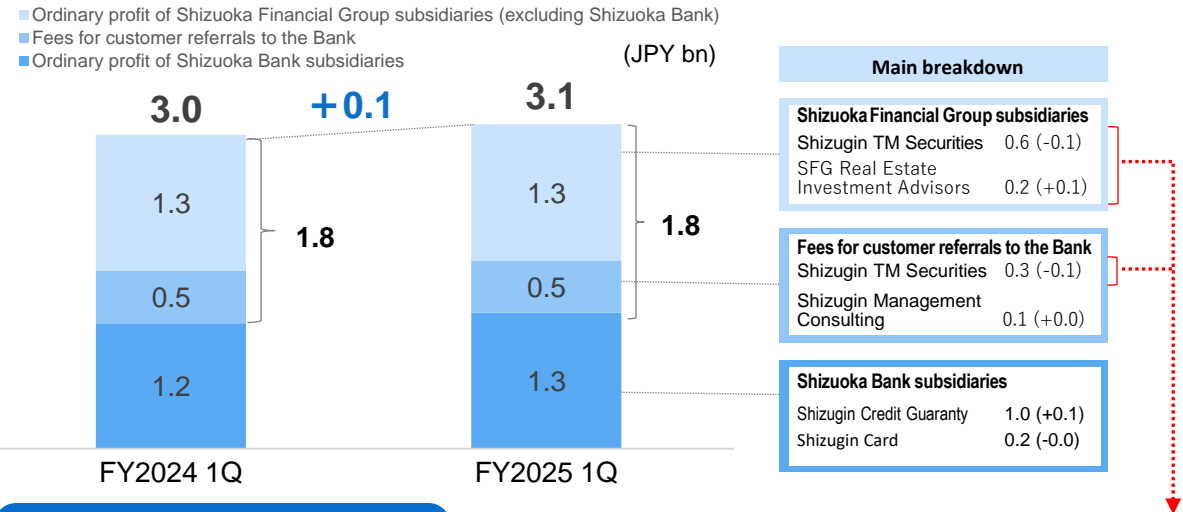
Each stage of profit grew, due mainly to higher net interest income backed by rising JPY interest rates.

(JPY bn, %)	FY2025 1Q	YoY change	
		Increase/ decrease	Increase/ decrease (%)
Gross operating profit	50.9	+5.5	+12.2
Net interest income	42.4	+5.5	+14.8
Fees and commissions	7.5	-0.5	-6.7
Trading income	0.4	+0.1	+33.5
Other operating profit	0.5	+0.5	-
(Income related to JGBs and other bonds)	(-0.4)	(-0.6)	(-)
(Foreign exchange trading profit)	(0.6)	(+0.9)	(-)
Expenses (-)	23.6	+0.8	+3.4
Actual net operating profit*	27.3	+4.7	+21.0
Provision for general allowance for loan losses (-)	-0.0	-0.0	-
Net operating profit	27.3	+4.8	+21.1
Nonrecurring profit and loss	3.4	-1.7	-32.9
Bad debt written-off (-)	1.5	+1.3	+764.9
Reversal of allowance for loan losses	-	-1.3	-
Gain (loss) on stocks	4.4	+0.9	+25.3
Ordinary profit	30.6	+3.1	+11.1
Extraordinary profit (loss)	0.3	+0.3	-
Net income before taxes	30.9	+3.4	+12.2
Total income taxes (-)	8.1	+0.9	+12.1
Net income	22.8	+2.5	+12.2
Credit related costs (-)	1.5	+2.6	-

* Actual net operating profit = net operating profit + provision for general allowance for loan losses

Profit contributions of Group companies

Overall, profit contributions made by Group companies are growing steadily, despite lower fee income on customer assets at Shizugin TM Securities in an unstable market environment.

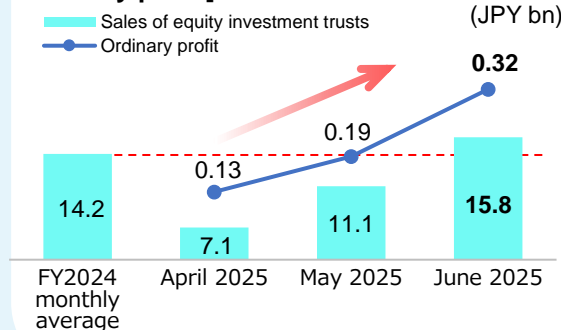


Group company topics

Shizugin TM Securities

Operating results recently returned to a growth track, as the outlook becomes less uncertain. A rebound is expected in 2Q and beyond.

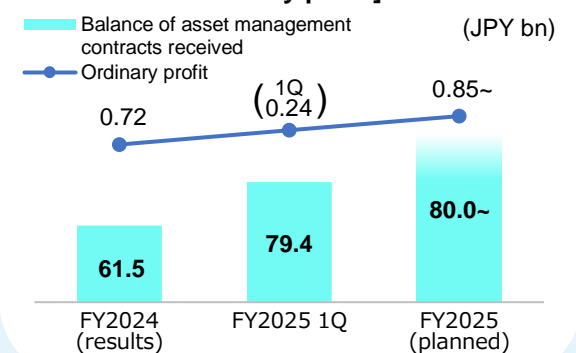
[Sales of equity investment trusts and ordinary profit]



SFG Real Estate Investment Advisors

The balance of asset management contracts received is growing steadily, and faster than initially planned. We expect further revenue growth.

[Balance of asset management contracts received and ordinary profit]



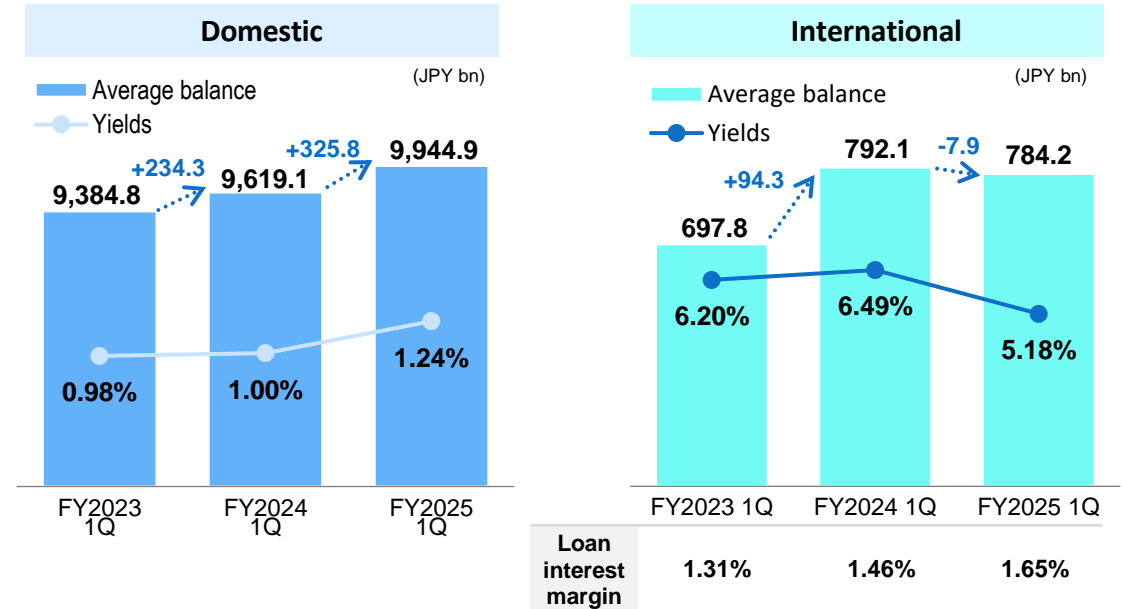
Net interest income (Shizuoka Bank nonconsolidated)

Steady growth in the domestic segment, due mainly to an increase in interest on loans with JPY interest rates rise, drove net interest income up JPY 5.5 bn YoY.

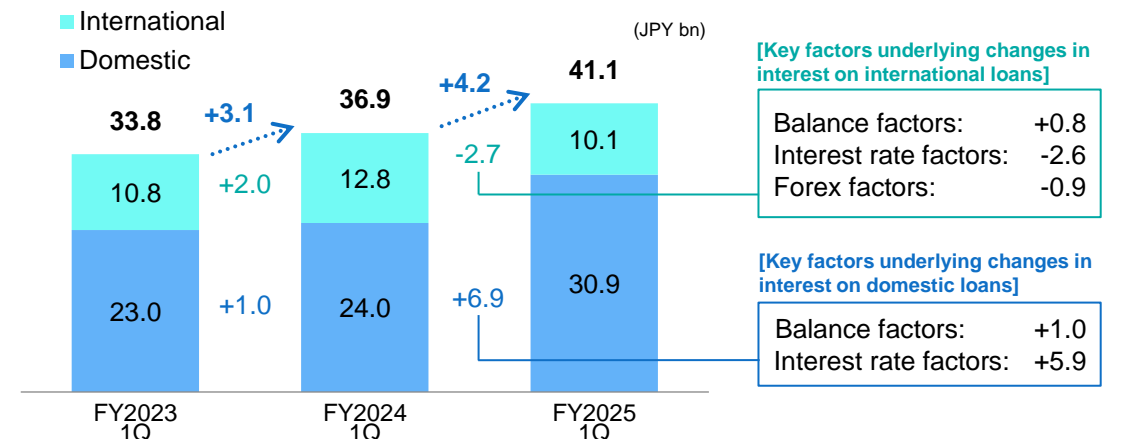
Breakdown of net interest income

(JPY bn)	FY2023 1Q	FY2024 1Q	FY2025 1Q	YoY change
Net interest income	33.1	36.9	42.4	+5.5
Domestic	30.6	33.1	37.9	+4.8
Interest on loans	23.0	24.0	30.9	+6.9
Interest and dividend on securities	7.8	9.8	11.6	+1.8
(Bonds)	2.2	2.9	3.5	+0.6
(Investment trusts)	0.0	0.3	0.6	+0.3
Funding costs (-)	0.6	1.4	6.3	+4.9
(Interest paid on deposits, etc.) (-)	0.2	0.6	5.1	+4.5
Other	0.4	0.6	1.6	+1.0
International	2.5	3.8	4.5	+0.6
Interest on loans	10.8	12.8	10.1	-2.7
Interest and dividend on securities	5.8	8.4	7.6	-0.8
(Bonds)	5.7	7.7	6.9	-0.8
(Investment trusts)	0.1	0.8	0.7	-0.0
Funding costs (-)	18.1	19.7	14.6	-5.1
(Interest paid on deposits, etc.) (-)	9.6	10.4	7.4	-3.0
Other	4.0	2.3	1.3	-1.0

Loan balance (average balance) and yields



Interest on loans



Loans (Shizuoka Bank nonconsolidated)

The total loan balance (average balance) increased for both corporate and retail loans (+3.0% annual).

Loan balance (average balance)

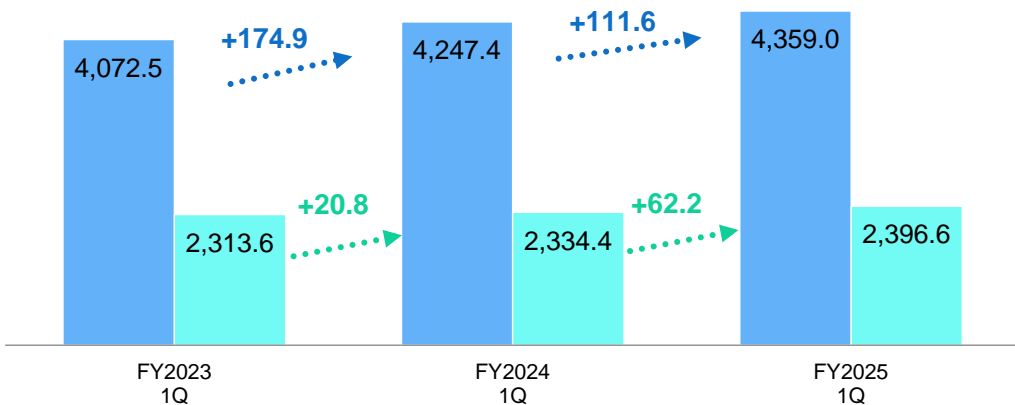
(JPY bn)	FY2025 1Q	YoY change	Annual rate
Total loan balance	10,729.1	+317.8	+3.0%
Loan balance to SMEs	4,359.0	+111.6	+2.6%
Loan balance to large and medium-sized enterprises	1,864.3	+43.0	+2.3%
Retail loans	4,100.8	+177.0	+4.5%
Loan balance in foreign currency	718.7	-9.3	-1.2%

Balance factors: +56.3, Forex factors: -65.6

SMEs loan balance (average balance)

■ Bank as a whole
■ Shizuoka Prefecture

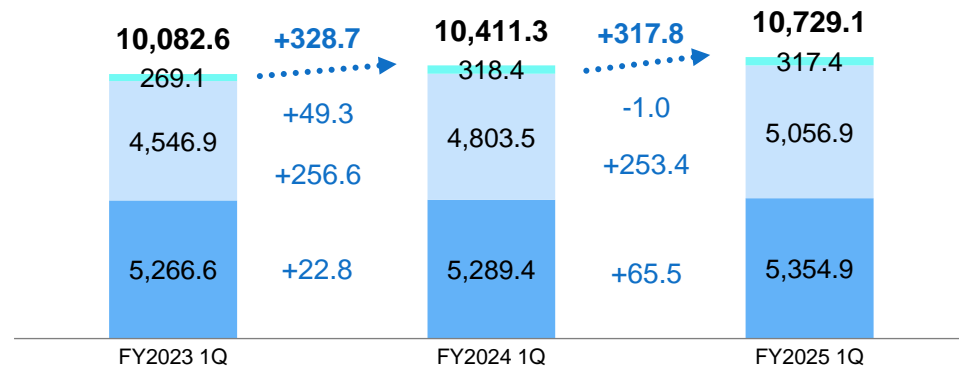
(JPY bn)



Loan balance (by segment)

■ Shizuoka Prefecture ■ Outside Shizuoka Prefecture ■ Overseas branches

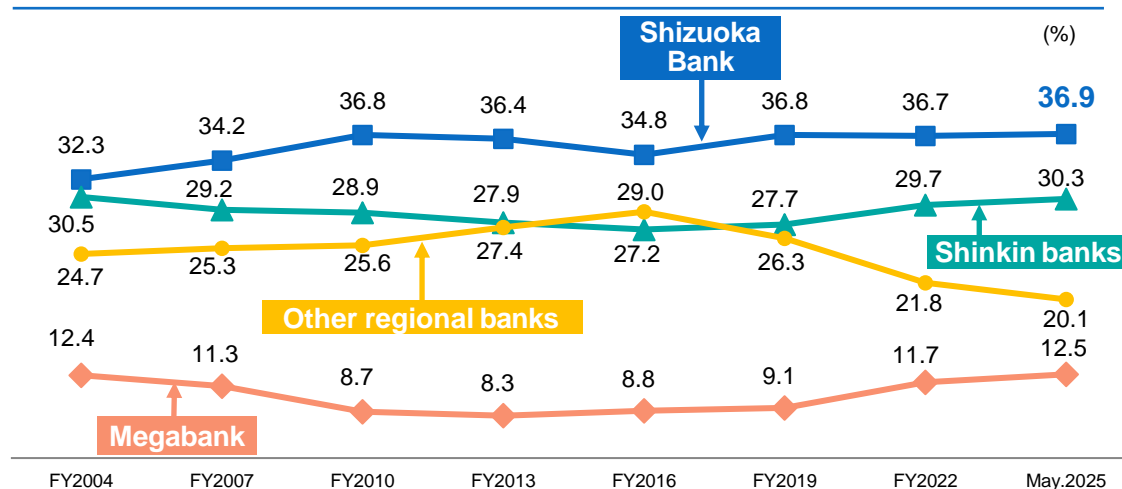
(JPY bn)



Kanagawa Prefecture	1,464.6	(+151.2)	1,596.0	(+131.3)	1,736.0	(+140.0)
Shizuoka + Kanagawa Prefectures	6,731.3	(+233.4)	6,885.4	(+154.1)	7,090.9	(+205.5)

Share of loans in Shizuoka Prefecture

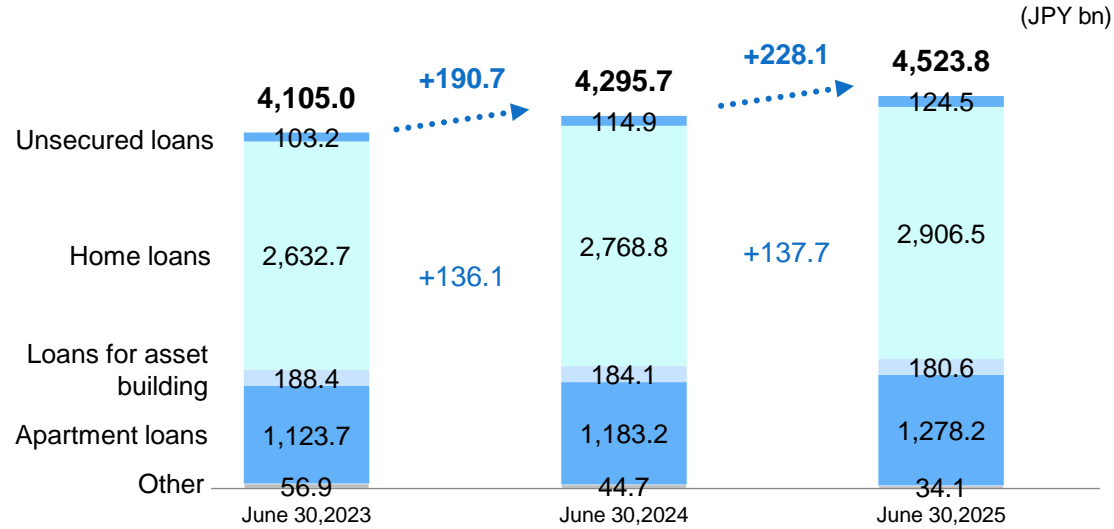
(%)



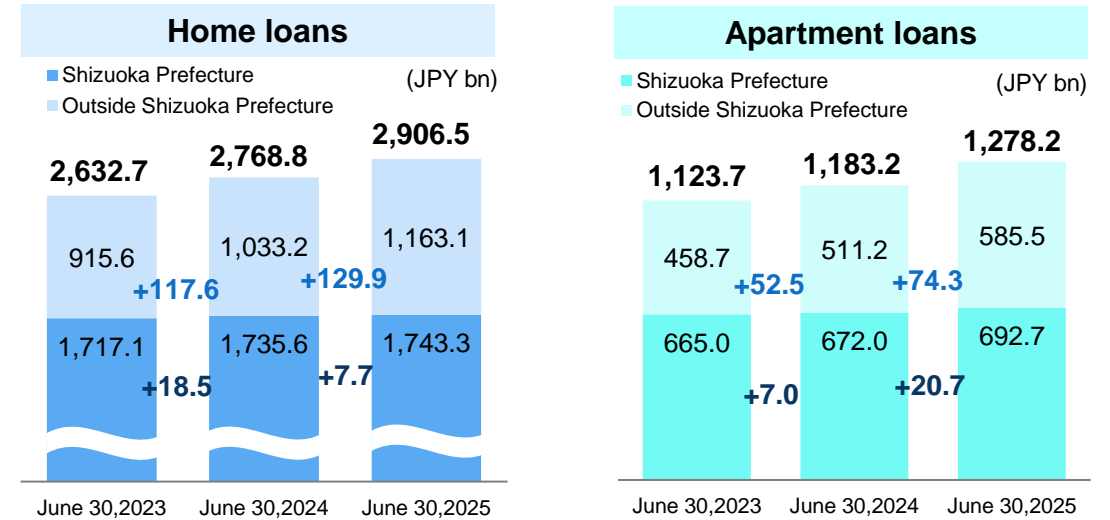
Home loans, apartment loans, and other (Shizuoka Bank nonconsolidated)

The balance of home loans, apartment loans, and other loans continued to grow. Revenues, including loan-related fees and commissions, grew JPY 2.7 bn YoY, due mainly to higher interest with rising loan interest rates.

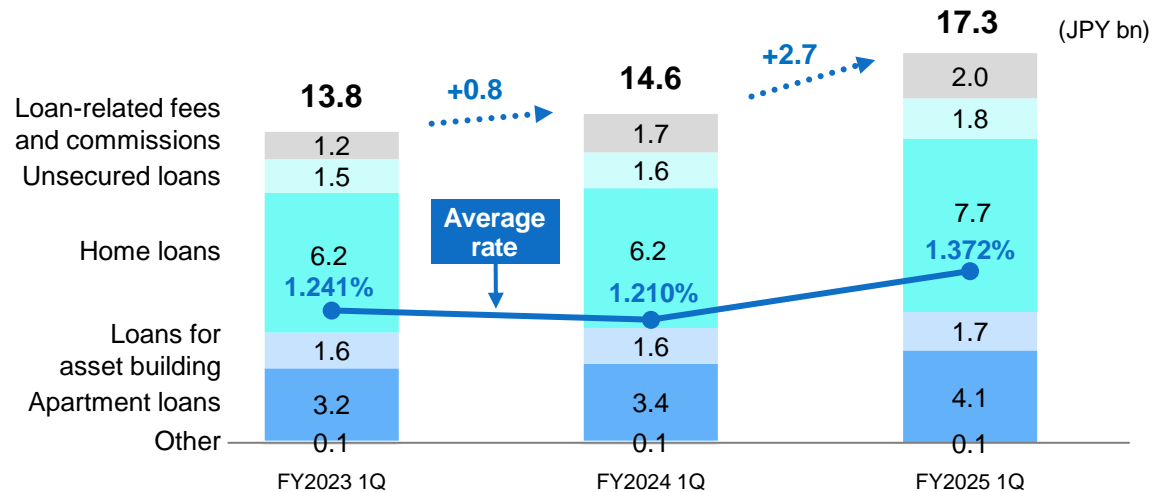
Term-end balance



Home loan and apartment loan balances by region (term-end balances)



Interest amounts, fees, and rates



Delinquency rate and occupancy rate

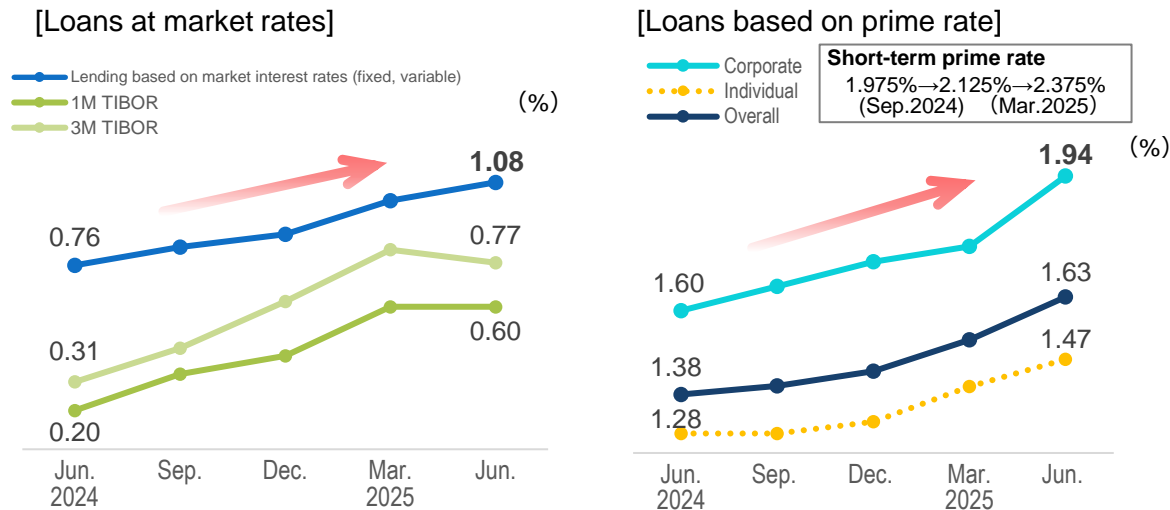
Delinquency rate (three months or longer)	June 30, 2023	June 30, 2024	June 30, 2025
Home loans	0.13%	0.12%	0.12%
Apartment loans	0.02%	0.02%	0.02%
Loans for asset building	0.34%	0.42%	0.09%

Rental property occupancy rate	December 31, 2021	December 31, 2022	December 31, 2023
Shizuoka Prefecture	93.5%	94.0%	94.3%
Outside Shizuoka Prefecture	94.1%	95.1%	95.4%

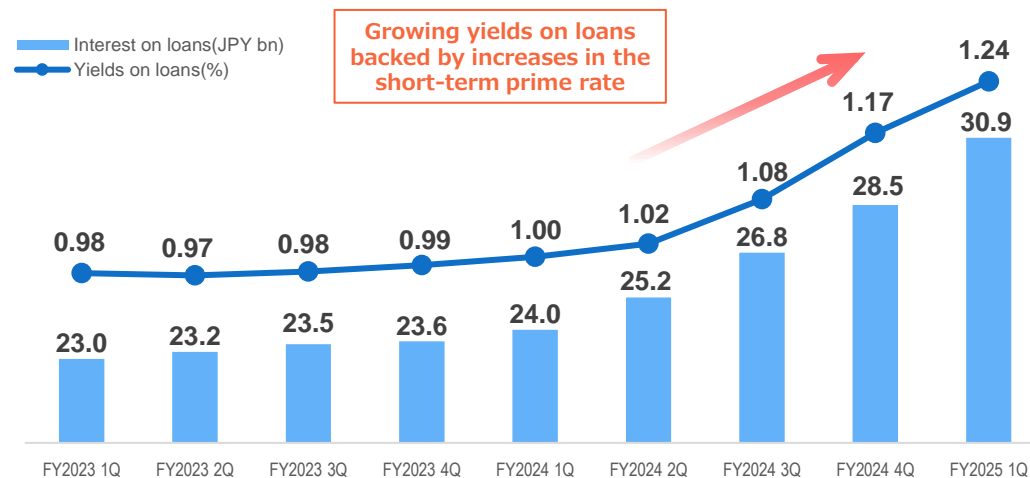
Improving yield on loans

Due to the additional short-term prime rate revision in March 2025, the yields on corporate loans, chiefly to SMEs, have increased sharply. The yield on loans is expected to increase further in 2Q and beyond with the application of the higher rate to home loans (since July 2025).

Interest rate on corporate loans (by rate format)

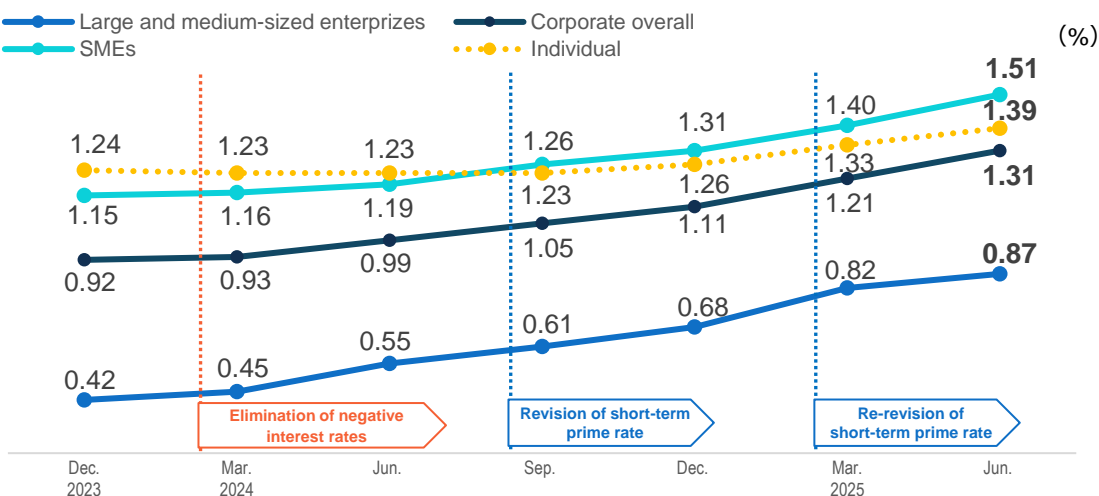


Domestic loans and its interest

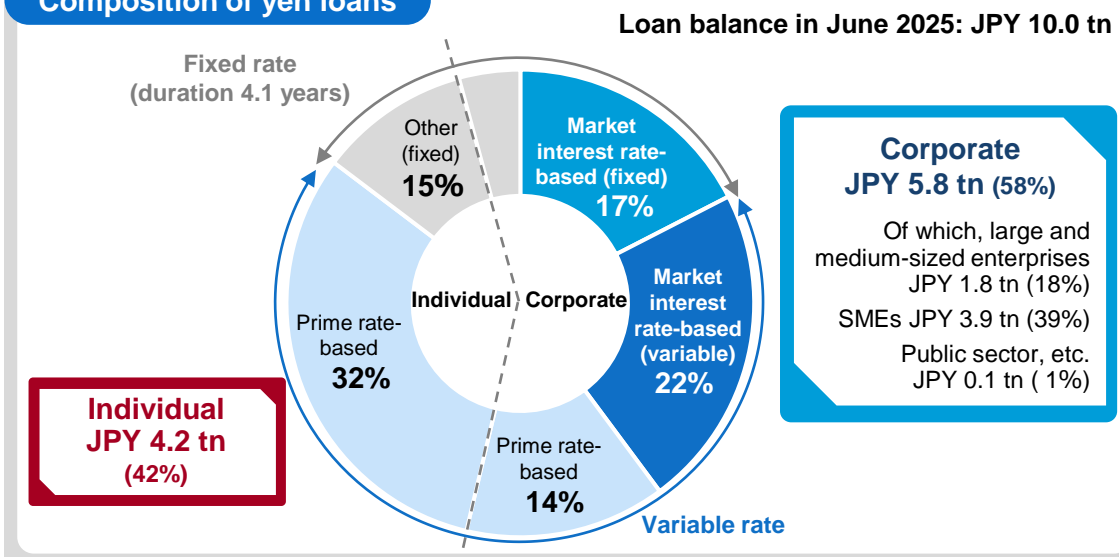


Transition of Interest rates on loans (by size, corporate/individual)

The upward trend in corporate and individual loan yields continues due to the rising prime rate driving increases in loans.



Composition of yen loans



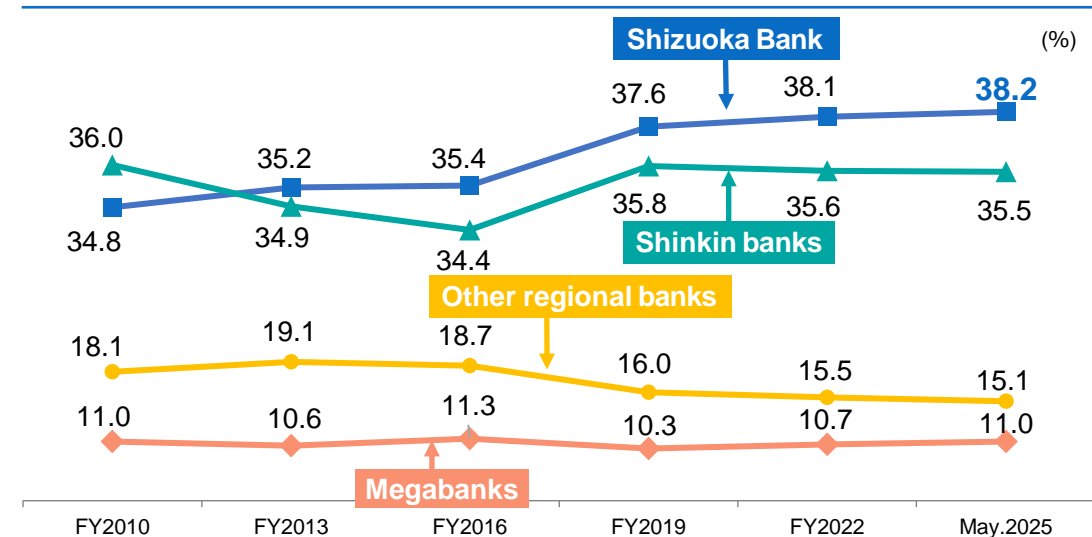
Deposits and other (Shizuoka Bank nonconsolidated)

Continued growth in average balance of deposits of JPY 89.5 bn YoY (+0.7% annual).

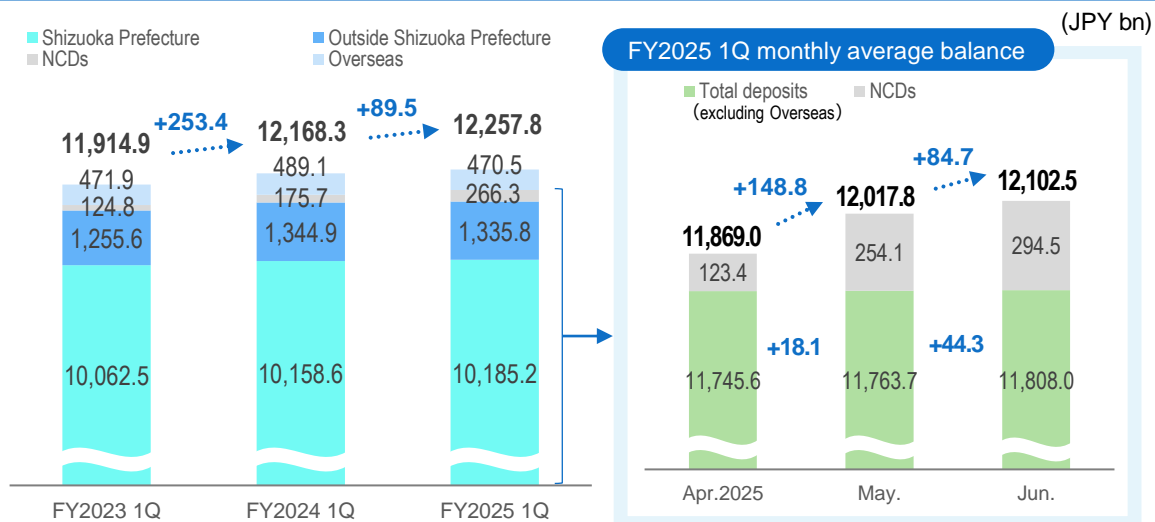
Trends in deposits and other balances (average balance)

(JPY bn)	FY2025 1Q	YoY change	Annual rate
Total deposits and other	12,257.8	+89.5	+0.7%
Total deposits	11,991.5	-1.2	-0.0%
Corporate deposits	3,129.3	-1.9	-0.0%
Retail deposits	7,694.0	-16.3	-0.2%
Public deposits	398.8	+2.1	+0.5%
NCDs	266.3	+90.7	+51.6%

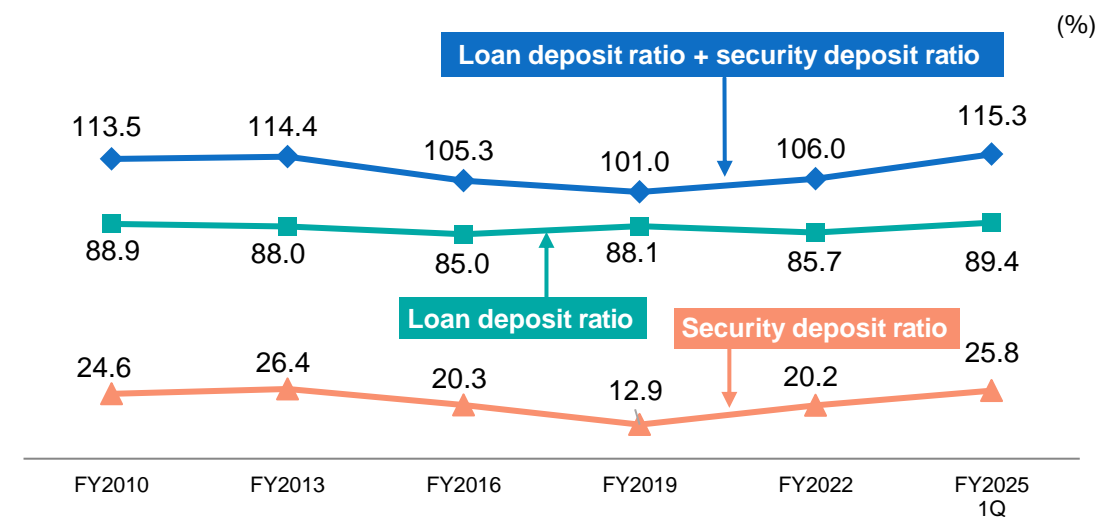
Share in Shizuoka Prefecture



Deposit balance (by region)



Loan deposit ratio / security deposit ratio (excluding NCDs)



Securities (Shizuoka Bank nonconsolidated)

In an uncertain interest environment, we chiefly restructure our portfolio to target more profitable bond investments.
Bond portfolio construction will continue with a focus on sound risk management, aiming to achieve stable returns over the medium to long term.

Securities

[Breakdown of bonds] Government guaranteed bonds: 18.6 Financial institution bonds: 190.2 Corporate bonds: 322.8 Corporate bonds held to maturity: 6.6 (Private placement bonds: 24.7)					(JPY bn)
	3,436.2	-111.7	3,324.5	-19.6	3,304.9
JGBs	1,010.6	-63.3	947.3	-11.0	936.3
Municipal bonds	232.2	-69.0	163.2	-6.8	156.4
Corporate bonds	509.5	+19.7	529.2	+8.9	538.1
Equities	543.4	-72.8	470.6	+9.2	479.8
Foreign bonds (variable)	(235.3)	-9.1	(208.0)	-33.1	(193.6)
Foreign bonds (fixed)	(408.6)		(426.7)		(408.0)
Investment trusts	331.2	+29.1	360.3	-1.2	359.1
Other	165.4	+53.8	219.2	+14.4	233.6
	June 30,2024		March 31,2025		June 30,2025

[Average holding period (excluding bonds hedged against interest rate fluctuations)]

* Excluding futures

	June 30, 2024	March 31, 2025	June 30, 2025
JPY bonds	6.97 years	6.87 years	6.95 years
Foreign bonds*	2.02 years	2.77 years	2.67 years

[Yields on bonds (as of the end of each period)]

	June 30, 2024	March 31, 2025	June 30, 2025
JPY bonds	0.48%	0.61%	0.69%
Foreign bonds	4.75%	4.41%	4.44%

Gains and losses on securities

(JPY bn)	FY2024 1Q	FY2025 1Q	YoY change
Interest and dividends on securities	18.2	19.3	+1.0
JPY bonds	2.9	3.5	+0.6
Foreign bonds	7.7	6.9	-0.8
Investment trusts (gains [losses] on cancellation)	1.1 (0.6)	1.3 (0.7)	+0.3 (+0.1)

Income related to JGBs and other bonds	0.2	-0.4	-0.6
Gains on sale	0.6	1.0	+0.4
Losses on sale and redemption (-)	0.5	1.4	+0.9

Gains and losses on equities	3.5	4.4	+0.9
Gains on sale	3.5	5.2	+1.7
Losses on sale and amortization (-)	0.0	0.9	+0.8

Gains and losses on revaluation of securities

(JPY bn)	June 30, 2024	March 31, 2025	June 30, 2025	After hedging	vs. March 31, 2025
Gains and losses on revaluation of securities	+336.9	+237.6	+244.8	+267.4	+7.2
Equities	+445.9	+375.1	+384.9		+9.8
JPY bonds	-84.9	-127.8	-130.7	-115.2	-2.9
Foreign bonds	-45.9	-34.0	-37.4	-30.3	-3.4
Investment trusts	+6.1	+7.8	+11.7		+3.9
Investment funds, etc.	+15.6	+16.5	+16.2		-0.3

Foreign currency portfolio management

An approach to portfolio management conscious of fundraising costs led to continuing margin growth. Should US interest rates fall, net interest income on foreign currency investments is expected to continue growing.

Foreign currency (USD) portfolio composition (June 2025)

- ✓ Building a portfolio resilient against interest rate fluctuations, in which all lending have variable rates.
- ✓ Securing a margin through diversification of fundraising structure.

Assets	Liabilities
<div><div>Lending 46%</div><div>Market investment 7%</div><div>Bonds 40%</div><div>Other 7%</div></div>	<div><div>Short-term market fundraising 67%</div><div>Medium-/long-term market fundraising 14%</div><div>Customer deposits 19%</div></div>
Variable rates	Fixed rates

[Distinguishing characteristics of foreign currency portfolio management]

1.Lending	In addition to focusing on yields, maintaining the structure in which all lending is at variable interest rates Securing steady spreads independent of interest rate fluctuations
2. Bonds	Holding bonds readily convertible to funds, with a majority consisting of foreign treasuries and other highly liquid assets
3. Medium-/long-term market fundraising	Focusing on diversification of fundraising method, term, and region Secured fundraising: Currency swaps through long-term conversion to JPY
4. Customer deposits	Focusing on retention in addition to diversification by region, industry, and other characteristics

Changes in yields on fund management and raising (international sales)

	FY2024 1Q	FY2025 1Q	YoY change
Fund-management account	5.10%	4.28%	-0.82pt
Loans	6.49%	5.18%	-1.30pt
Securities	4.05%	3.64%	-0.41pt
Fund-raising account	4.17%	3.19%	-0.98pt

Interest margin improved by 0.16 pt. with fundraising cost reductions achieved by diversifying the fundraising structure, resulting in:

An increase of **JPY 0.6 bn** in net interest income (YoY)

Projected net interest income*1 on foreign currency portfolio (assets and liabilities)

- The Medium-term Business Plan scenario is based on the assumption that the US FF Rate will remain flat after falling to 4.0%.
- Any subsequent decrease in interest rates to lower levels would increase net interest income on foreign currency investments due to lower fundraising costs and other factors.



*1 Total net interest income including lending, securities, deposits, bonds, etc. (Estimated based on portfolio as of the end of June 2025)

*2 FF interest rates based on market participant projections (updated after July 2025 FOMC)

*3 May 2025 revised Medium-term Business Plan level

Fees and commissions

Despite a YoY decrease due mainly to increased costs associated with a decrease in group trust dividends, operating revenue remained largely unchanged YoY.

Fees and commissions

(JPY bn)	FY2023 1Q	FY2024 1Q	FY2025 1Q	YoY change
[Consolidated] Fees and commissions	11.3	13.3	12.8	-0.4
[Shizuoka Bank nonconsolidated] Fees and commissions	7.0	8.1	7.5	-0.5
Fees and commissions income	8.9	9.8	9.9	+0.2
Fees and commissions expenses (-)	1.9	1.7	2.4	+0.7*

* Including an increase of JPY 0.5 bn due to lower group trust dividends

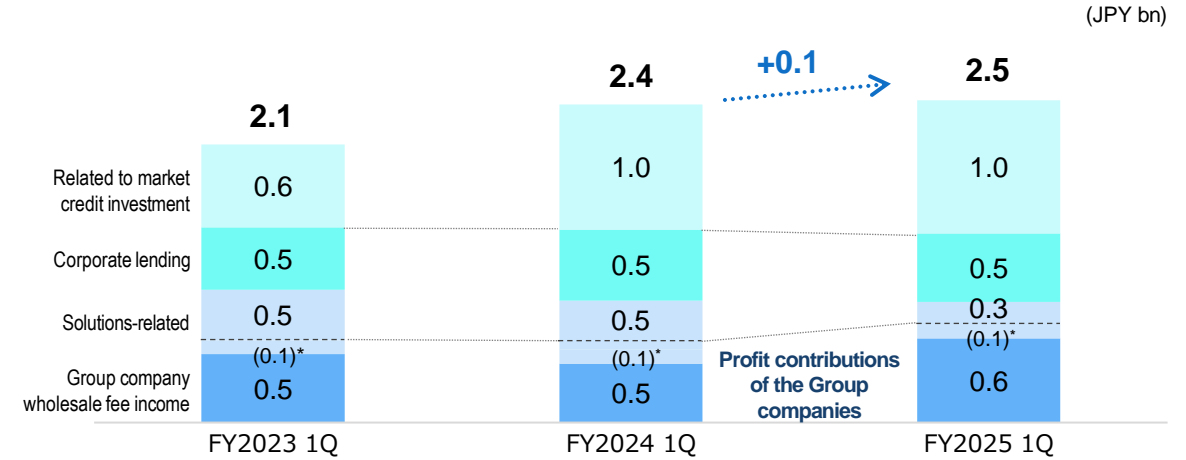
Major items

Wholesale fee income	2.1	2.4	2.5	+0.1
Related to market credit investment	0.6	1.0	1.0	+0.1
Corporate lending (syndicated loans, etc.)	0.5	0.5	0.5	-0.0
Solutions-related (business matching, support for subsidies, etc.)	0.5	0.5	0.3	-0.2
Group company* wholesale fee income	0.5	0.5	0.6	+0.2
Other lending (home loan fee income, etc.)	1.5	1.7	1.8	+0.2
Fee income on customer assets	2.6	3.1	3.0	-0.1
Shizuoka Bank (insurance, investment trust)	1.3	1.1	1.1	+0.0
Shizugin TM Securities (investment trust)	1.3	2.0	1.9	-0.2
Forex fee income (revenues, expenditures)	1.3	1.3	1.4	+0.1

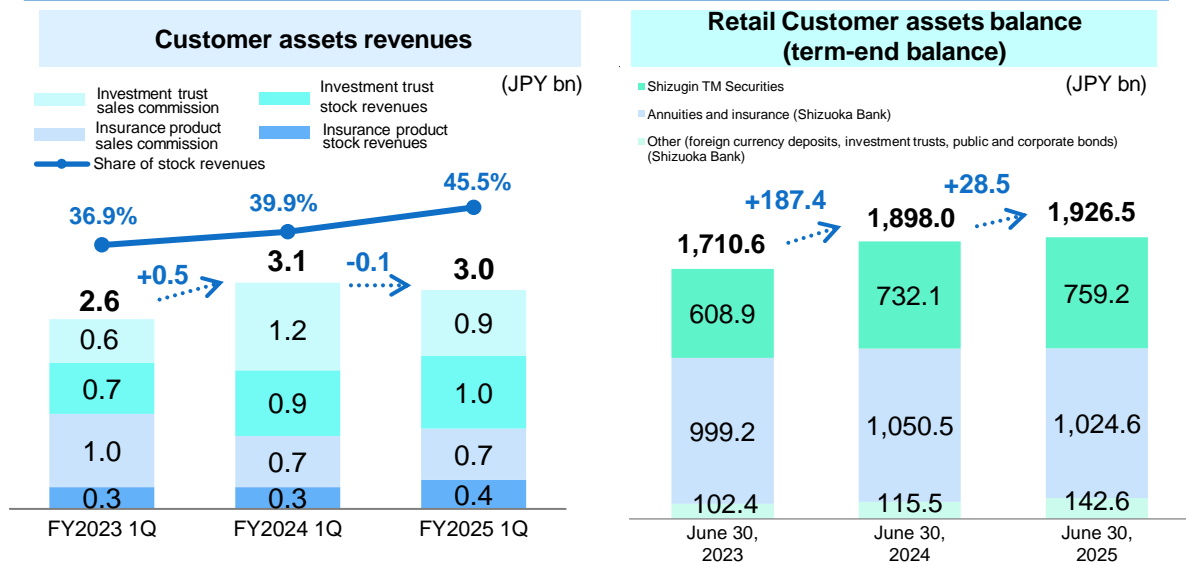
[Shizuoka Bank nonconsolidated] Trading income	0.2	0.3	0.4	+0.1
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* Total ordinary profit for the following four companies: Shizugin Management Consulting, Shizugin Lease, SFG Marketing, and SFG Real Estate Investment Advisors

Wholesale fee income



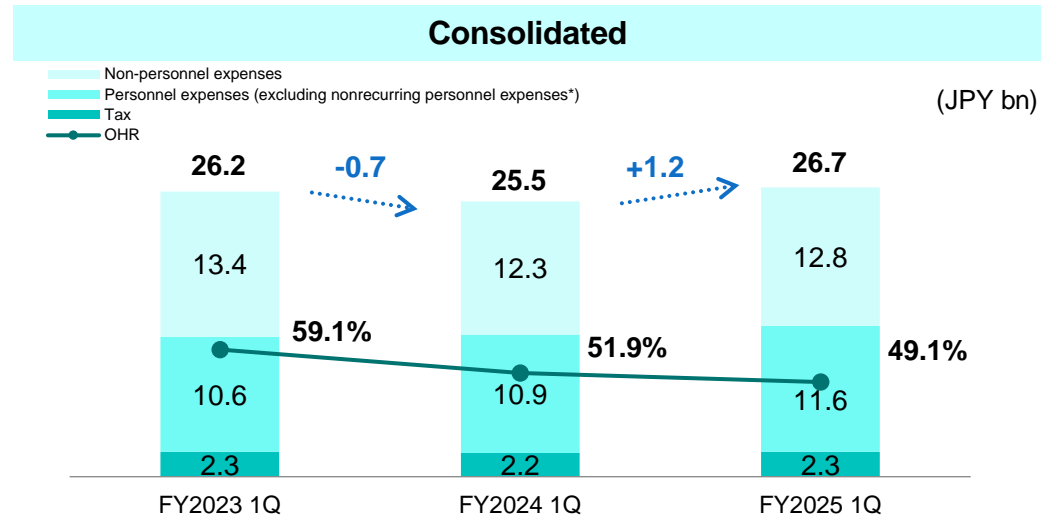
Revenues/balance on customer assets (Shizuoka Bank, Shizugin TM Securities)



Expenses

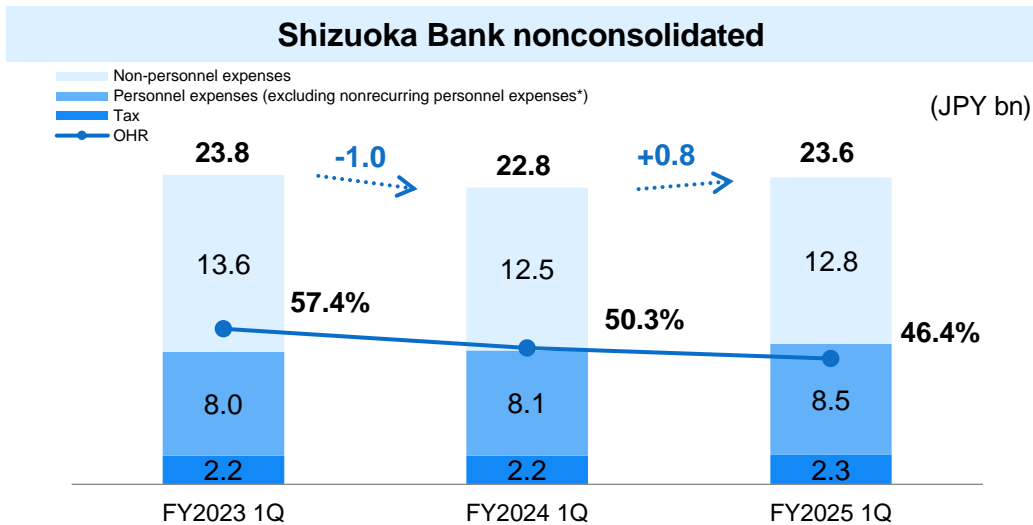
While overall expenses increased by JPY 1.2 bn YoY, consolidated OHR improved to 49.1% (down 2.7 pt. YoY), below the 50% threshold, by growth of the top-line.

Expenses and OHR



Key factors contributing to changes in expenses

Consolidated		
	Change	Main changes
Non-personnel expenses	+JPY 0.5 bn	IT-related expenses: +JPY 0.1 bn Communication and transport expenses: +JPY 0.1 bn Credit card related fees: +JPY 0.1 bn; other expenses: +JPY 0.2 bn
Personnel expenses	+JPY 0.6 bn	Salaries (related to base pay increase): +JPY 0.2 bn Bonuses: +JPY 0.2 bn; other expenses: +JPY 0.2 bn
Tax	+JPY 0.1 bn	Shizuoka Bank: +JPY 0.1 bn
Total	+JPY 1.2 bn	



Shizuoka Bank nonconsolidated		
	Change	Main changes
Non-personnel expenses	+JPY 0.3 bn	IT-related expenses: +JPY 0.1 bn Administrative outsourcing costs: +JPY 0.1 bn other expenses: +JPY 0.1 bn
Personnel expenses	+JPY 0.4 bn	Salaries (related to base pay increase): +JPY 0.2 bn Bonuses: +JPY 0.2 bn
Tax	+JPY 0.1 bn	Pro forma taxation: +JPY 0.1 bn
Total	+JPY 0.8 bn	

* Amortization of actuarial gains and losses in retirement benefit cost, and other

Credit-related costs (Shizuoka Bank nonconsolidated)

Credit-related costs (Shizuoka Bank nonconsolidated) in FY2025 1Q trended in line with initial expectations at 1.5 billion yen.

Breakdown of credit-related costs

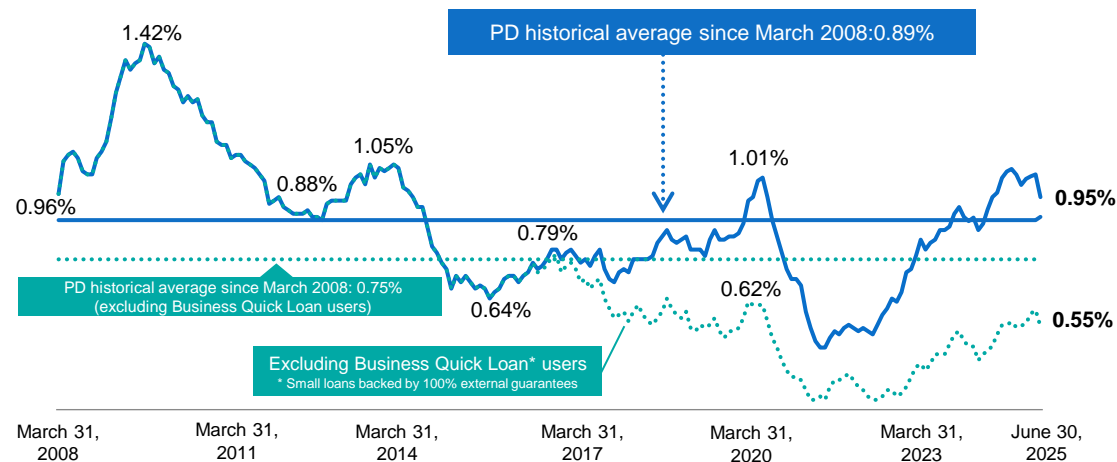
(JPY bn)	FY2023 1Q	FY2024 1Q	FY2025 1Q	YoY change
[Consolidated] Credit-related costs	1.5	-0.7	1.7	+2.5
[Shizuoka Bank nonconsolidated] Credit-related costs	1.0	-1.1	1.5	+2.6
Provision for general allowance for loan losses	-0.6	-0.4* ¹	-0.0	+0.4
Provision for specific allowance for loan losses	1.6	-0.9* ¹	1.3	+2.1
Other non-performing loans (NPL) disposal* ²	0.1	0.2	0.3	+0.1

*¹ In 1Q of FY 2024, this was recorded as a gain on reversal of allowance for loan losses under extraordinary profit and loss.

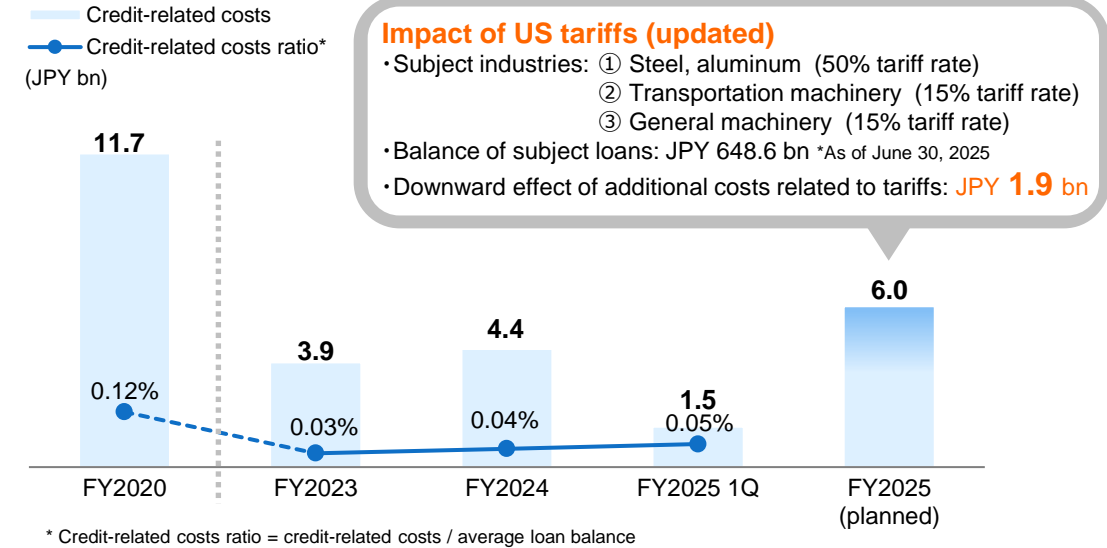
*² This includes contributions to credit guarantee associations, provisions for contingent loss, and loss on sales of loan receivables.

Probability of default (PD)

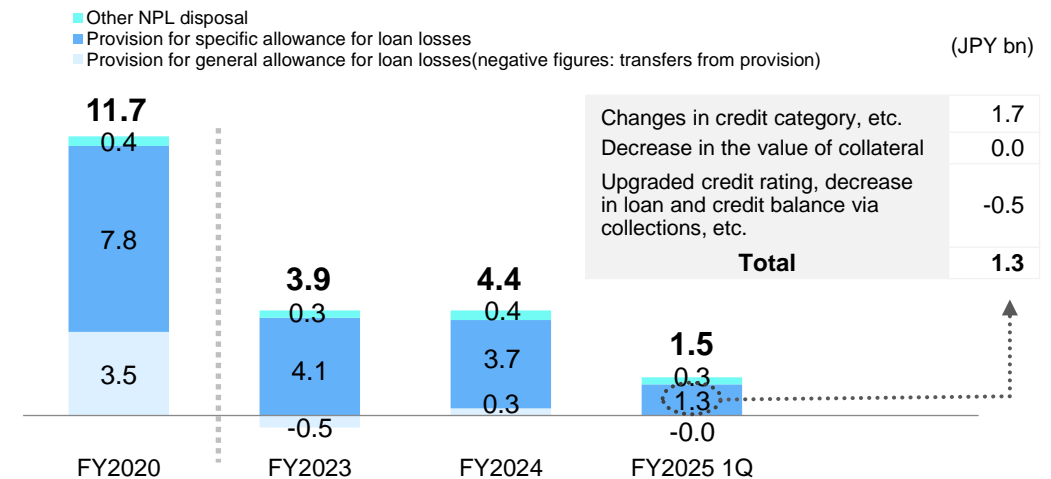
* PD of performing borrowers and borrowers warranting close monitoring (based on number of borrowers)



Credit-related costs and credit-related costs ratio



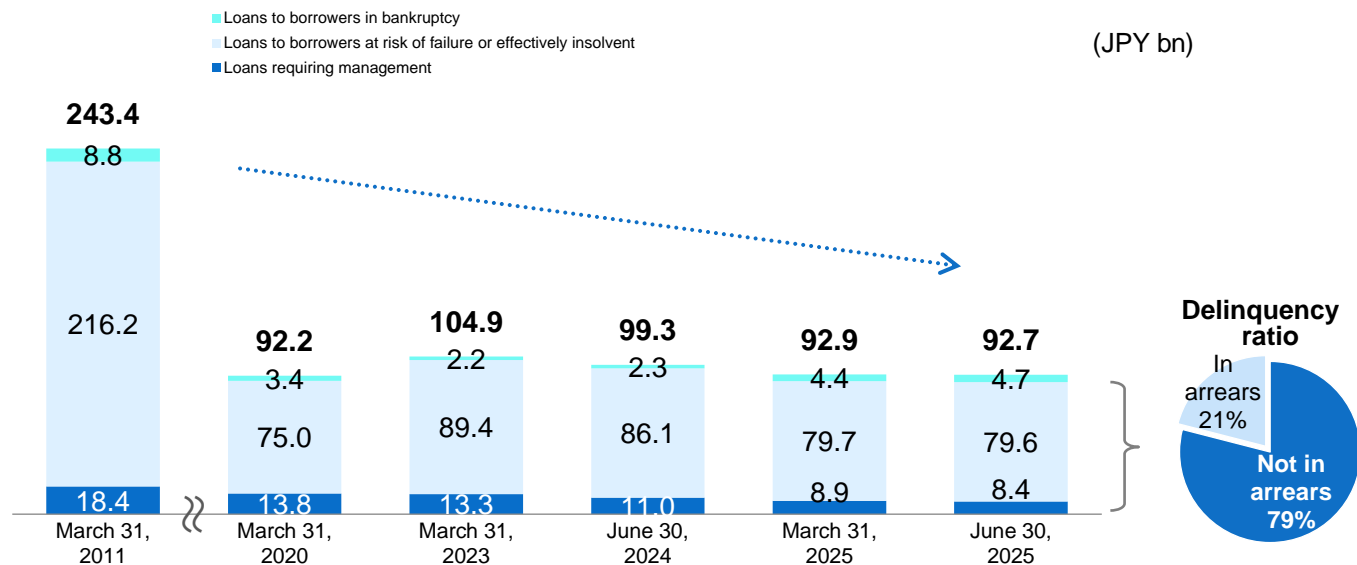
Provision for allowance for loan losses and other NPL disposal



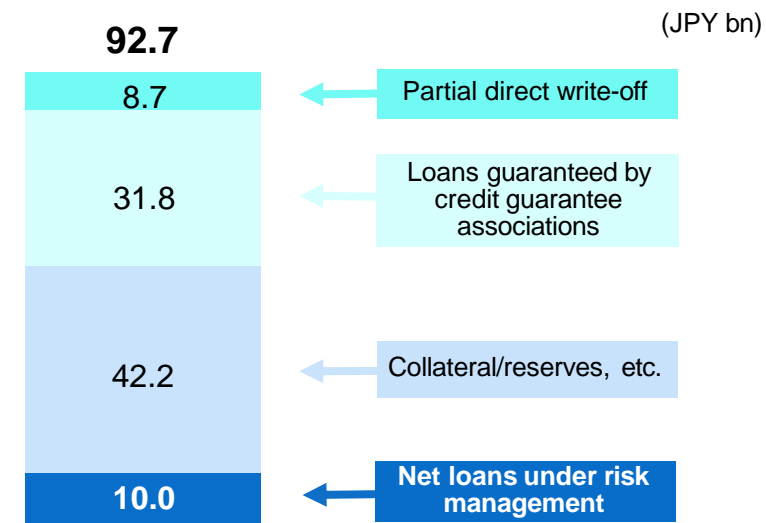
Loans under risk management (Loans disclosed under the Financial Reconstruction Act) (Shizuoka Bank nonconsolidated)

Loans under risk management continued to decrease. The ratio of loans under risk management remained at a record low level.

Loans under risk management



Net loans under risk management



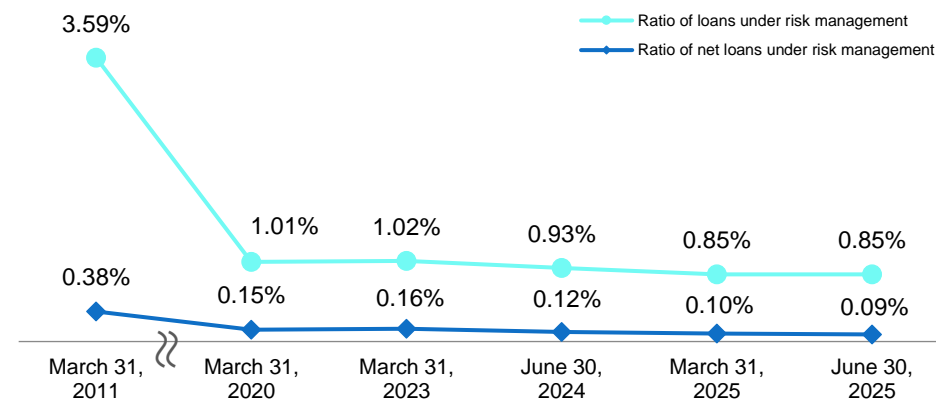
Expected loss (EL) in one year: JPY 0.9 bn

NPL removal from balance sheet

	(JPY bn)	FY2024	FY2025 1Q
Newly recognized NPLs		+26.6	+4.8
Removal from balance sheet (NPL to borrowers classified as at risk of failure or in categories of greater risk)		-34.7 (-29.4)	-5.0 (-4.2)
Loans under risk management		92.9	92.7

Breakdown of -JPY 4.2 bn	
Collected from borrower/offset against deposits	-1.9
Collateral disposal/subrogated to guarantor	-1.3
Loans sold / direct write off	-0.0
Reclassified to lower risk categories	-1.0

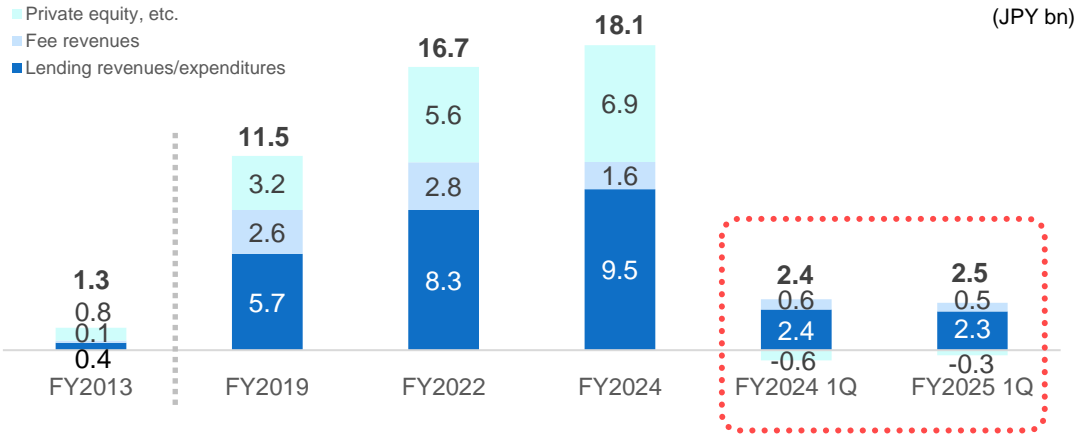
Ratio of loans under risk management



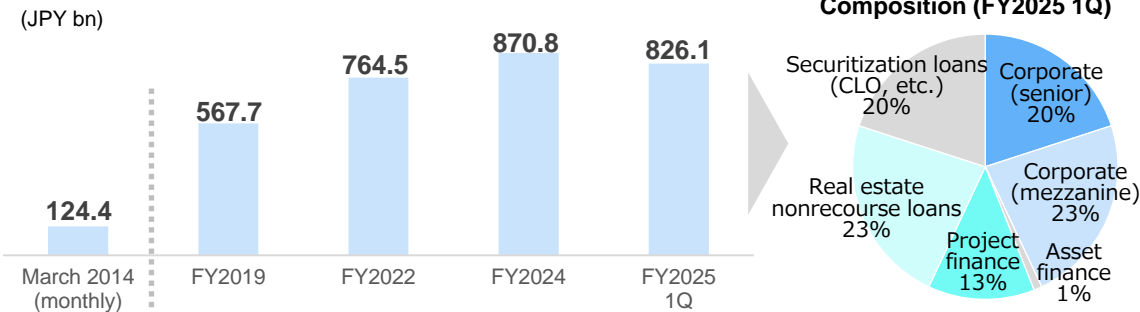
Market credit investment

Have grown revenue by developing investment and lending fields based on sound risk and return analysis since launching these efforts in FY2013. While promoting the replacement of loans with an awareness of profitability, we will continue to invest in PE every year and build an investment portfolio that also functions as a time- diversified portfolio.

Revenue trend



Lending balance (average) and composition



Well-diversified portfolio (JPY: foreign currency = 5:5)

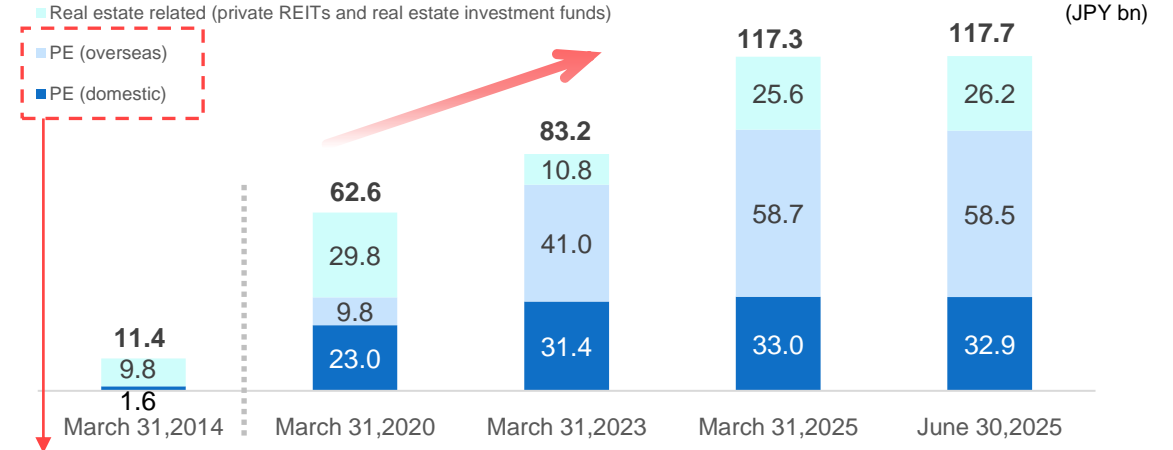
99% allocated to **performing borrowers**

LTV real estate nonrecourse loan **average: 59.2%**

CLO balance (June 30, 2025)
JPY 149.7 bn (25 details: JPY 6.0 bn average)
All AAA-rated
Subordination ratio: 36.0–40.3%

Lending profitability indicators	FY2024 1Q	FY2025 1Q	YoY change
Return on assets (ROA)	1.08%	1.09%	+0.01pt
Return on risk-weighted assets (RORA)	1.86%	1.99%	+0.12pt

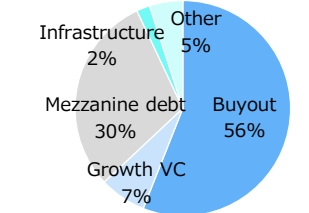
Market credit investment balance (term-end balance)



Private equity investment (excluding private REITs and real estate investment funds)

- Building a time-diversified portfolio through renewed annual investments
- Building a geographically and strategically diversified portfolio through well-balanced investments in various domestic and foreign funds
- Securing average yields of approx. 8% the most recent five years

Composition (FY2025 1Q)



[Private equity investment results (excluding private REITs and real estate investment funds)]

	(JPY bn)	FY2013	FY2019	FY2022	FY2024	FY2025 1Q
Investment commitment (annual)		4.7	10.8	21.9	30.0	1.2
Investment commitment (total)		14.0	66.1	129.0	180.6	183.1
Domestic		14.0	45.5	63.2	77.9	81.6
Overseas		0.0	20.6	65.9	102.7	101.6
Investment balance (term end)		1.6	32.8	72.4	91.7	91.5
Investment gain/loss (annual)		0.7	1.7	4.4	5.7	-0.6
Revaluation gain/loss (term end)		+1.2	+3.6	+10.1	+13.2	+12.9

Alliance strategy with regional banks

Realizing sustained growth and expanded earnings opportunities for each region and the partner group through joint efforts with alliance partner banks on solutions to various regional challenges.

Mt. Fuji/Alps Alliance (established March 2025)

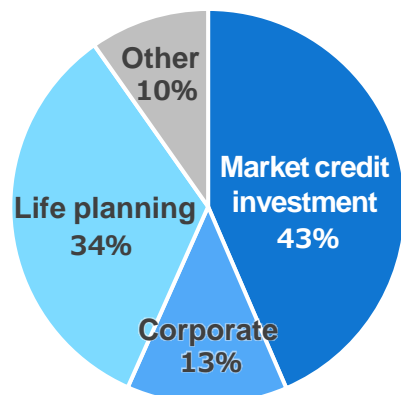


Hachijuni Bank added to alliance formed in October 2020 with Yamanashi Chuo Bank. The expanded alliance is intended to maximize earnings opportunities by strengthening the capacity to **find solutions to social issues facing all three prefectures**.

Increasing corporate value

KPI to be achieved by FY2029

Breakdown of JPY 20.0 bn revenue effects



Revenue effects: JPY 20.0 bn
(total for three banks, cumulative over five years)

◆ Market credit investment field

- Enhancing offerings, including real estate nonrecourse loans, centered on joint efforts related to real estate development projects that contribute to regional vitality.

◆ Corporate field

- Enhancing cross-prefectural M&As and other initiatives through expanded joint efforts.
- Growing numbers and scope of cooperative lending transactions.

◆ Life planning field

- Expanding earnings opportunities through joint new product development and sales by the three banks and use of securities subsidiaries.

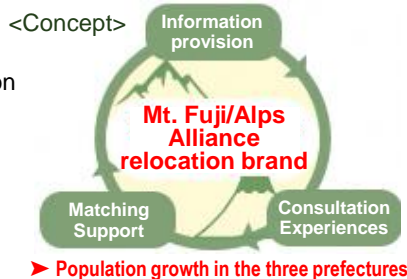
Creating social values

Attracting people, investments, and businesses to the three prefectures to create new value while leveraging the potential of the regions to **find solutions** to shared regional issues, **including declining populations and labor shortages**.

Initiatives to promote relocation

Enhancing approaches to those considering relocation to the region to **foster a Mt. Fuji/Alps relocation brand** and establish virtuous cycles that catalyze interest in the region.

- Relocation support loans jointly developed and introduced by the three banks.
- Human resource matching program launched in joint efforts with Renoveru, Inc.
- Planning events and seminars for residents of the greater Tokyo area considering relocation.

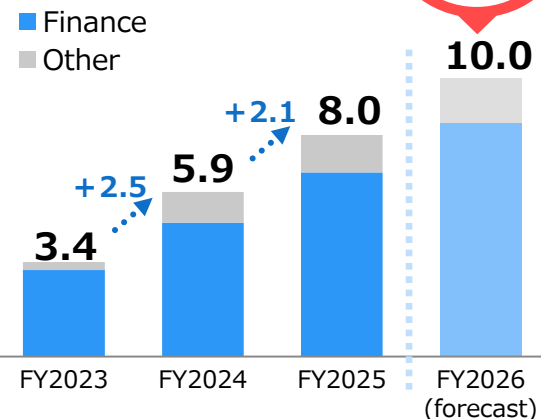


Shizuoka Nagoya Alliance (established April 2022)



Focusing on solutions to customer challenges chiefly involving providing **support for business partners in structural reforms of regional industries**. Making steady progress toward the revised revenue effects KPI of JPY 13.0 bn.

Revenue effects (JPY bn)



Revised KPI: revenue effects of JPY 13.0 bn
(total for both banks, cumulative over five years)

Finance

Lending field **JPY 71.8 bn**
Joint lending included above **JPY 34.1 bn**
(Cumulative amounts executed since inception of the alliance)

Life planning

Shizugin TM Securities Nagoya Head Office
Customer assets balance: **JPY 6.7 bn**
(Results through June 30, 2025)

Drawing on the knowledge and customer bases of both banks to support industrial reforms across prefectural boundaries, **addressing structural reforms of regional industries**, centered on the auto industry.

Status of initiatives

Support for industrial reform

Providing appropriate support for business reforms by the customers of both banks in anticipation of industrial reforms, including decarbonization, the shift to EVs, and digitalization.

Topics

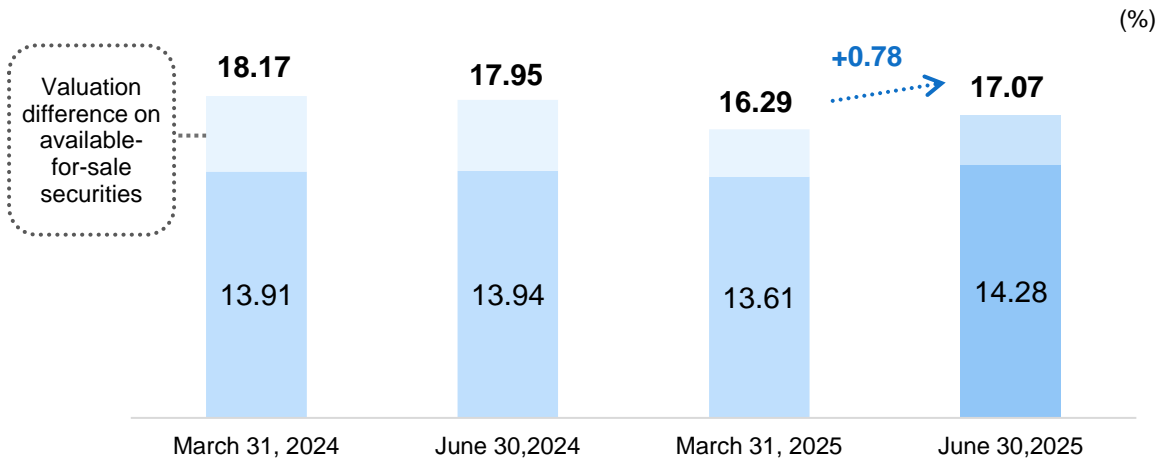
- **Second M&A** achieved between customers of both banks.

Stock transfer through cross-prefectural M&A achieved with the support of Shizugin Management Consulting to find solutions to issues facing regional firms. (e.g., lack of successors)

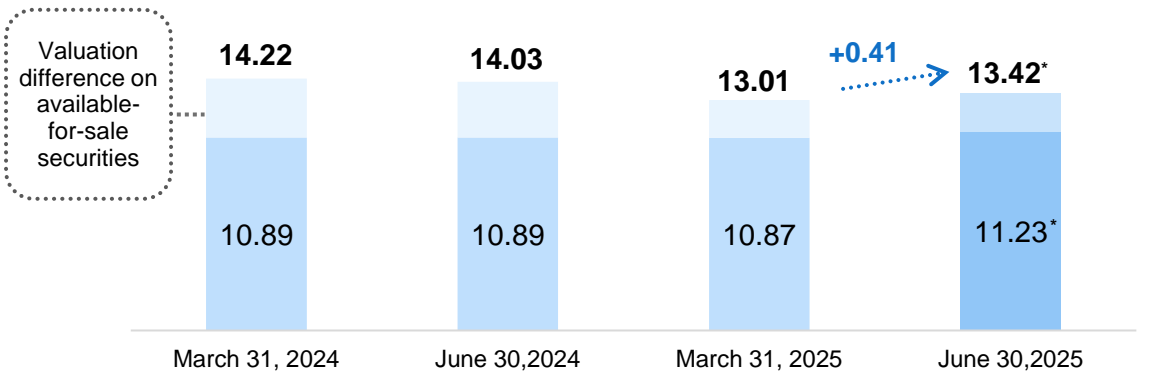
Capital adequacy ratio

The total capital ratio and CET1 ratio were both 17.07% as of June 30, 2025 (up 0.78 pt from March 31, 2025).
The estimated ratio after full application of Basel III finalization is 13.42% (up 0.41 pt from March 31, 2025).

Capital adequacy ratio (CET1 ratio)



After full application of Basel III finalization



* Estimated after accounting for capital floor adjustments and other factors after full application of Basel III finalization

Trends in capital, risk-weighted assets, etc.

[Basel III]	(JPY bn)	June 30, 2024	March 31, 2025	June 30, 2025	vs. March 31, 2025
Total capital*		1,051.6	991.2	1,030.3	+39.0
CET1		1,051.6	991.2	1,030.3	+39.0
Excluding valuation difference on available-for-sale securities		816.6	828.0	861.9	+33.9
Other Tier 1		–	–	–	–
Tier2		–	–	–	–
Risk-weighted assets		5,857.4	6,082.1	6,035.4	-46.7
Credit risk-weighted assets		5,664.8	5,869.5	5,793.0	-76.5
Amount corresponding to market risk		2.3	3.2	0.6	-2.7
Amount corresponding to operational risk		190.3	209.4	209.4	±0.0
Floor adjustments		–	–	32.4	+32.4

* Capital excludes preferred shares, subordinated debt, etc.

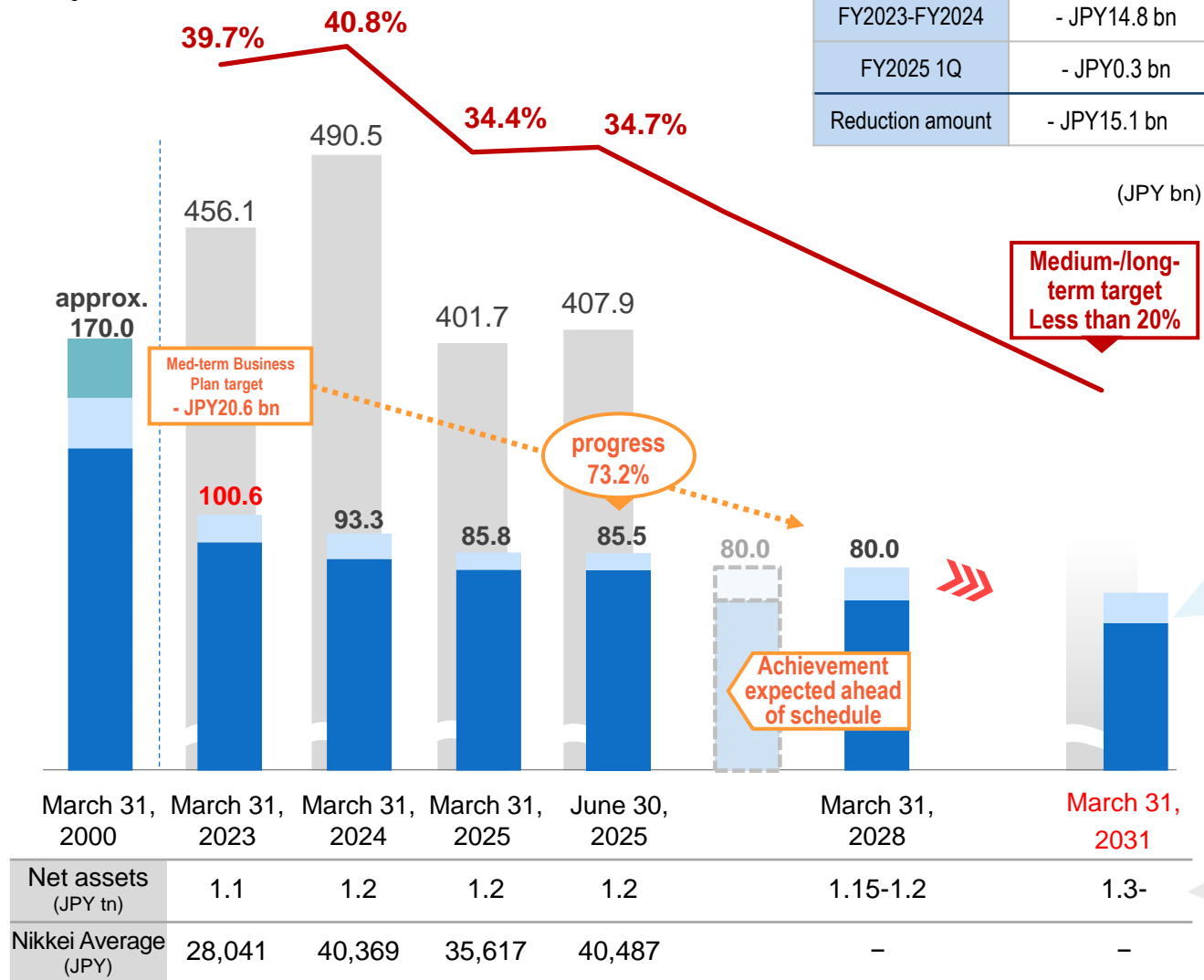
Strategic shareholdings

On June 30, 2025, the balance of holdings (based on acquisition cost) was JPY 85.5 bn, for a rate of progress of 73.2% toward the reduction target. This progress is ahead of schedule.

We will proceed to make further reductions in 2Q and beyond, as rising stock markets push up the balance, based on current market value.

- Enhanced transaction relationships
- Business investment and community contribution
- Equivalent to retirement benefit trusts
- Amount on balance sheet
- Percentage of net assets

Medium-term Business Plan reduction results	
FY2023-FY2024	- JPY14.8 bn
FY2025 1Q	- JPY0.3 bn
Reduction amount	- JPY15.1 bn



Policy on reduction of strategic shareholdings

Eliminating strategic shareholdings for which holding is judged not to be meaningful*
 ➡ (1) Transfer to net investments, or (2) Sale execution

*Verification of meaning of holding in terms of Enhanced transaction relationships, Business investment, and Community contribution

1 Transfer to net investments

- Manage issues subject to agreement on sale among strategic shareholdings through conversion to net investments in order starting with issues for which issuers have agreed to transfer to net investments.
- continue to hold shares recognized to be economically sound in light of their profitability (dividend yields, etc.)

Status of obtaining issuers' agreement to sale	
Issuers	22
Amount subject to agreement on sale (JPY bn)	52.2
Based on acquisition cost	10.2
Revaluation gain / loss	42.0

June 30, 2025

Amount transferred to net investments (acquisition cost): JPY8.1 bn (down JPY0.3 bn vs. March 31, 2025)

Amount transferred to net investments (market value): JPY70.7 bn (up JPY3.1 bn vs. March 31, 2025)

MTM yield on holdings: 2.24%

Acquisition cost yield on holdings: 19.59%

2 Sale execution

- We will swiftly sell shares not recognized to be economically sound, applying the gains from sale strategically.

Shareholding policy

- Consider dividends received as a source of returns to shareholders, aiming for shareholdings to play a role as capital to support stable management. Target valuation gain/loss accounting for about 1.5-2% of the CET1 ratio.
- Exercise voting rights appropriately as an asset owner based on the standards for the exercise of voting rights on shares held as pure investments and strategic shareholdings.

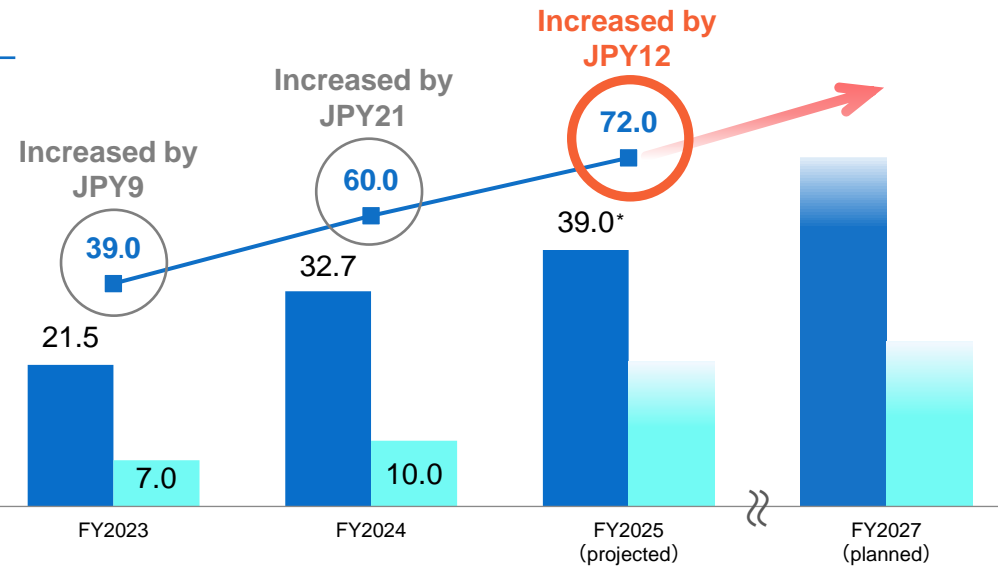
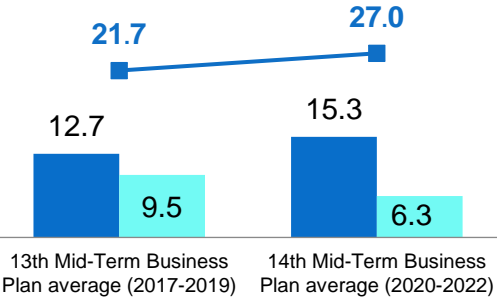
Shareholder returns

Plans call for the FY2025 dividend per share to be **JPY72**, increasing **JPY12** (dividend payout ratio **48.2%**, continue increasing for six consecutive years). Treasury stock during the 1st Mid-term Business Plan will be strategically obtained to satisfy the ROE target value.

Distribution of profit to shareholders

■ Total dividends (JPY bn)
■ Purchase of treasury stock (JPY bn)
■ Dividend per share (JPY)

Averages over past Medium-term Business Plans



Dividend payout ratio	28.0%	33.3%	37.4%	44.0%	48.2%	50.0% ~
Total payout ratio	48.9%	46.9%	49.3%	57.3%	-	-
Net income attributable to owners of the parent	JPY45.2 bn	JPY45.9 bn	JPY57.8 bn	JPY74.6 bn	JPY81.0 bn	JPY100.0 bn

* Estimation based on the number of shares outstanding (excluding treasury shares) as of June 30, 2025

Policy on shareholder returns

We will also purchase treasury stock dynamically to increase capital efficiency, based on dividends

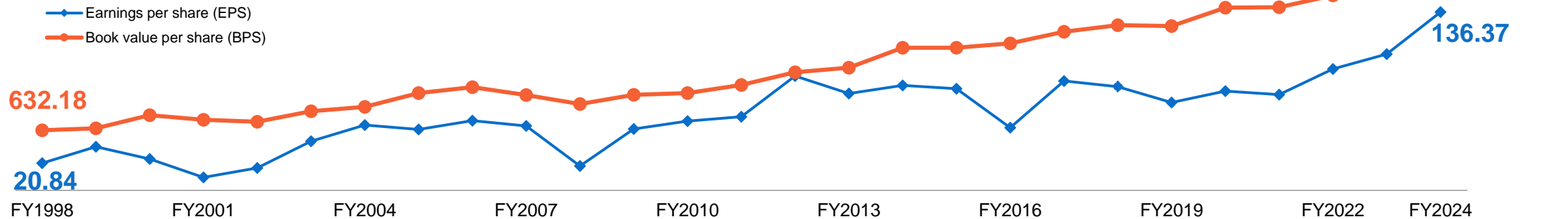
Dividends

- Steadily increasing dividends to a dividend payout ratio of 50% or better by FY2027.
- In addition to the growth of the bottom line, considering dividends received from shareholders as sources of funding for dividends.

Purchase of treasury stock

- Strategically implemented to satisfy the ROE target value in the bottom half of the 1st Mid-term Business Plan as a transition period toward the appropriate capital standard.

EPS/BPS trends (consolidated)



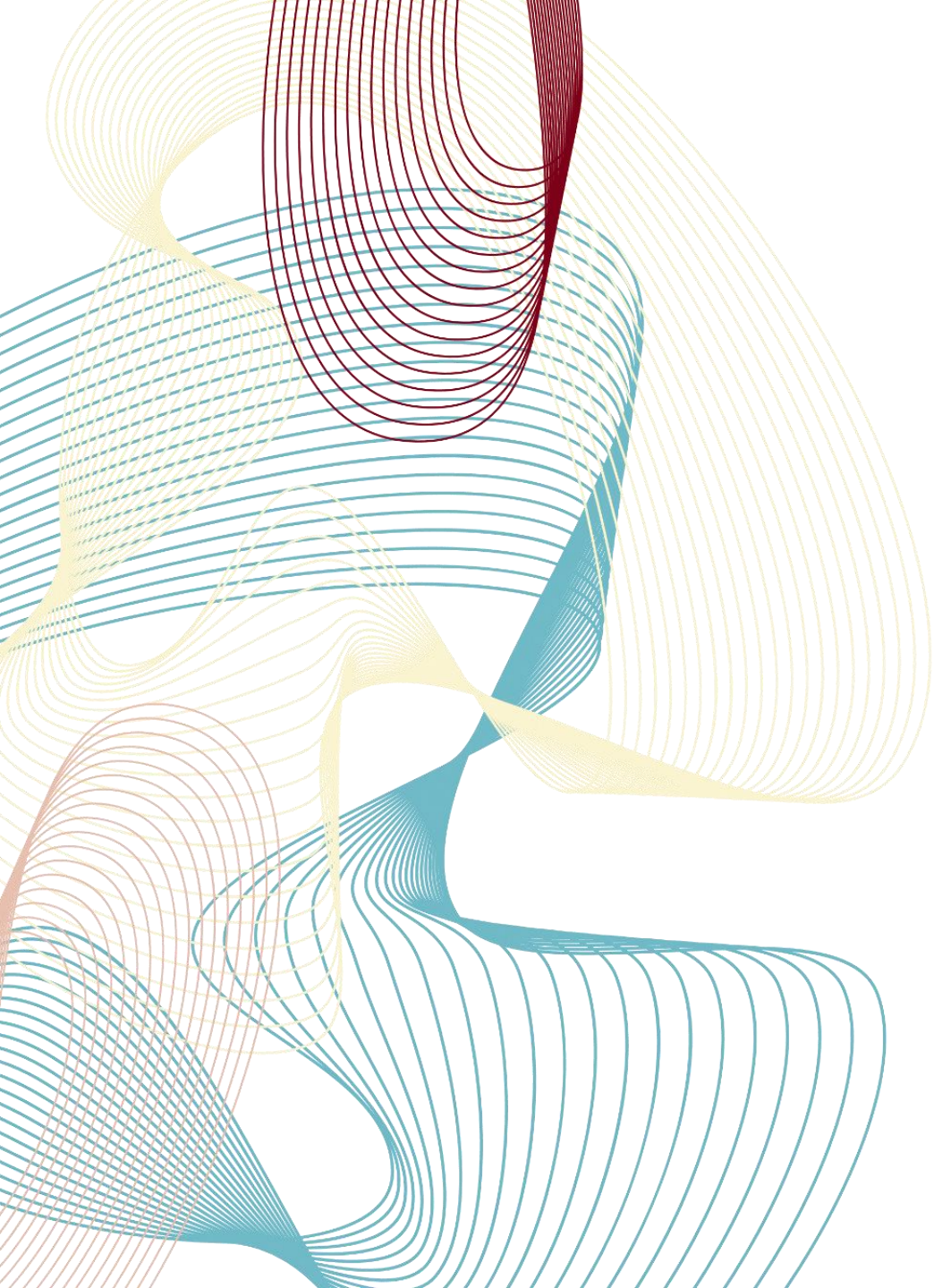
FY2025 forecasts

FY2025 1Q performance was steady, with consolidated ordinary profit of JPY 31.1bn (progress rate of 26.4%) and net income of JPY 22.6bn (progress rate of 27.9%).
(JPY bn)

Consolidated		FY2023 results	FY2024 results (A)	FY2025 forecast (B)	YoY change (B-A)	FY 2025 1Q results (C)	Progress rate (C/B)
	Ordinary profit	102.2	102.1	118.0	+15.9	31.1	26.4%
	Net income attributable to owners of the parent	57.8	74.6	81.0	+6.4	22.6	27.9%
	ROE (based on net assets)	4.9%	6.3%	7.0%	+0.7pt	7.7%	–
	ROE (based on shareholder equity)	6.2%	7.7%	8.0%	+0.3pt	9.1%	–
	OHR	56.3%	51.9%	51.6%	-0.3pt	49.1%	–
	CET1 ratio*	18.17% (14.22%)	16.29% (13.01%)	15.73% (13.24%)	-0.56pt (+0.23pt)	17.07% (13.42%)	–

*The figures in parentheses () represent estimates calculated under the full application of the finalized Basel III framework.

Shizuoka Bank nonconsolidated	Gross operating profit	153.8	167.4	182.5	+15.1	50.9	27.9%
	Net interest income	129.7	149.3	159.0	+9.7	42.4	26.7%
	Fees and commissions	25.7	27.5	26.5	-1.0	7.5	28.3%
	Trading income	0.7	1.0	0.5	-0.5	0.4	80.0%
	Other operating profit	-2.3	-10.4	-3.5	+6.9	0.5	–
	Expenses (–)	86.3	86.5	90.0	+3.5	23.6	26.2%
	Ordinary profit	87.1	91.3	107.0	+15.7	30.6	28.6%
	Net income	45.2	66.7	72.5	+5.8	22.8	31.4%
	Credit-related costs (–)	3.9	4.4	6.0	+1.6	1.5	25.0%



Reference Materials

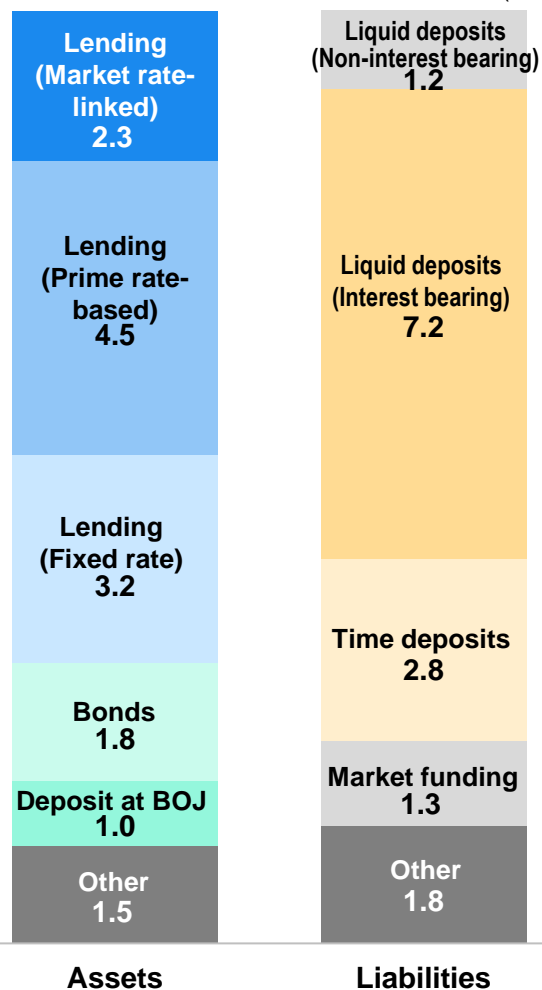
Simulation of rising JPY interest rates

Additional interest rate rise (+0.25%) is expected to increase net interest income by +JPY7.8 bn on an annualized basis, assuming JPY balance sheet in June 2025.

Impact on JPY net interest income

JPY balance sheet structure

JPY14.3 tn (June 2025 average balance) (JPY tn)



Scenario (Policy interest rate +0.25% change)

TIBOR	+0.25%	Liquid deposit yield	+0.1%
Short-term prime rate	+0.25%	Time deposit yield	+0.1%
Swap rate	+0.125%	Renewal of loan rates and redemption of investment bond reflect increase of interest rate to the corresponding amount	
Bond yield	+0.25%		
BOJ deposit interest rate yield	+0.25%		

*Asset and liability balances are unchanged (June 2025)

Impact (annual conversion)

Lending	+JPY16.8 bn	Deposit	-JPY11.5 bn
Market rate-linked	+JPY5.4 bn	Liquid deposit	-JPY7.2 bn
Prime rate-based	+JPY10.4 bn	Time deposit	-JPY4.3 bn
Fixed rate	+JPY1.0 bn		
Bonds	+JPY0.3 bn		
Deposit at BOJ	+JPY2.2 bn		

Net interest income +JPY7.8bn
ROE +0.5%

*Effects of ROE increase is the estimation out of FY2025 1Q capital.
(average of the two quarters, based on the shareholder equity)

Impact on Shizuoka Financial Group FY2025 financial results

- The Medium-term Business Plan scenario anticipates an additional increase of 0.25% in policy interest rates in January 2026.
- The impact of an additional rate hike on FY2025 results is estimated based on the JPY balance sheet for June 2025.

Impacts (FY2025)

Lending	+JPY1.9 bn	Deposit	-JPY0.9 bn
Market rate-linked	+JPY1.3 bn	Liquid deposit	-JPY0.6 bn
Prime rate-based	+JPY0.3 bn	Time deposit	-JPY0.3 bn
Fixed rate	+JPY0.2 bn		
Bonds	+JPY0.1 bn		
Deposit at BOJ	+JPY0.5 bn		

Net interest income +JPY1.6bn
ROE +0.1%

*Asset and liability balances are unchanged (June 2025)

Group companies (excluding Shizuoka Bank)

The total ordinary profit of group companies (excluding Shizuoka Bank) in FY2025 1Q was JPY 2.5bn (up JPY 0.1bn YoY).

(JPY bn)

Company name	Main businesse	FY2025 1Q	
		ordinary profit	YoY change
Shizugin Management Consulting Co., Ltd.	Corporate and financial management advisory services; bill collection services	0.0	+0.0
Shizugin Lease Co., Ltd.	Leasing	0.4	+0.1
Shizuoka Capital Co., Ltd.	Support for public offering of stock shares; management support and business-succession support for SMEs	0.0	-0.0
Shizugin TM Securities Co., Ltd.	Financial instruments brokerage	0.6	-0.1
SFG Marketing Co., Ltd.	Marketing support; advertising agency services; fee-based job placement services	-0.0	+0.0
SFG Real Estate Investment Advisors Co., Ltd.	Investment advisory services regarding private real-estate investment funds; consulting services	0.2	+0.1
Subsidiaries of Shizuoka Bank(10 companies)			
Shizugin IT Solution Co., Ltd.	Computer system development and operations; data processing services	0.1	+0.0
Shizugin Credit Guaranty Co., Ltd.	Credit guarantees	1.0	+0.1
Shizugin Card Co., Ltd.	Credit card business; credit guarantees	0.2	-0.0
Shizuoka Liquidity Reserve Ltd.	Purchase of monetary receivables	0.0	-0.0
Shizuoka EU Liquidity Reserve Ltd.		0.0	-0.0
Shizuoka SG Liquidity Reserve Ltd.		0.0	-0.0
Shizugin General Service Co., Ltd.	HR and general affairs services; fee-based job placement services	0.0	-0.0
Shizugin Mortgage Service Co., Ltd.	Evaluation and appraisal of real estate loan collateral; operation center for loans	0.0	-0.0
Shizugin Business Create Co., Ltd.	Operation center for forex remittance, bill collection, etc.	0.0	+0.0
Shizugin Heartful Co., Ltd.	Production, printing, and binding of documents	0.0	-0.0
Total excluding Shizuoka Bank (16 companies)		2.5	+0.1

(Reference) Equity method affiliates

Shizugin Saison Card Co., Ltd.* ¹	Credit cards; credit guarantees	0.1	+0.0
Commons Asset Management, Inc.	Asset management; investment trust sales	0.0	-0.0
Monex Group, Inc.	Holding stocks of companies involved in financial instruments brokerage and other businesses	1.9* ²	-0.6

*1 Made consolidated subsidiary on July 1, 2025, following revision of capital structure

*2 Net income attributable to owners of the parent



April

- Launched trial testing using **Web3 (NFTs)** to make the region more attractive and support customer business reforms. (**Shizuoka Financial Group**)
- Decarbonization** initiatives (**Shizuoka Bank**)
 - Introduced offsite virtual PPA using Abekawa Hydro Power Plant.
 - Began purchasing power from the Shizugin Wind Park Higashi-Izu Wind Farm.



静岡銀行 **TEPCO**



- Won first **Students' Choice Career Design Program Award** (**Shizuoka Bank**)



- Introduced **S-Bridge** integrated asset management tool. (**Shizuoka Bank, Shizugin TM Securities**)



May

- Established **Balance Sheet Management Consortium** to work on advancing core deposit model. (**Shizuoka Bank**)



- Contracted to operate the secretariat of Shizuoka City's **Forestry Carbon Credit Creation Promotion Project**. (**Shizugin Management Consulting**)

- Fujinokuni Regional Biodiversity Strategy Promotion Partnership Agreement** concluded with Shizuoka Prefecture (**Shizuoka Bank**)



静岡銀行 「小さな親切」運動静岡県本部



NPO 法人里山会公文名ファイブ



June, July

- Full-fledged launch of Mt. Fuji/Alps Alliance Relocation Promotion Project (**Shizuoka Bank**)
 - HR matching business** launched in partnership with Renoveru, Inc.

- Started offering **relocation support loans**



富士山・アルプスアライアンス
Mt. Fuji Alps Alliance

- Launch of **Gotemba Mirai Project 2025 Powered by TGC**, an HR development project for high-school students (**SFG Marketing**)



- Shizuoka Future Generations Support Loans introduced as **loans to contribute to society** (**Shizuoka Bank**)

- Chosen as designated lease firm by the **ESG Lease Promotion Project** for a decarbonized society (**Shizugin Lease**)

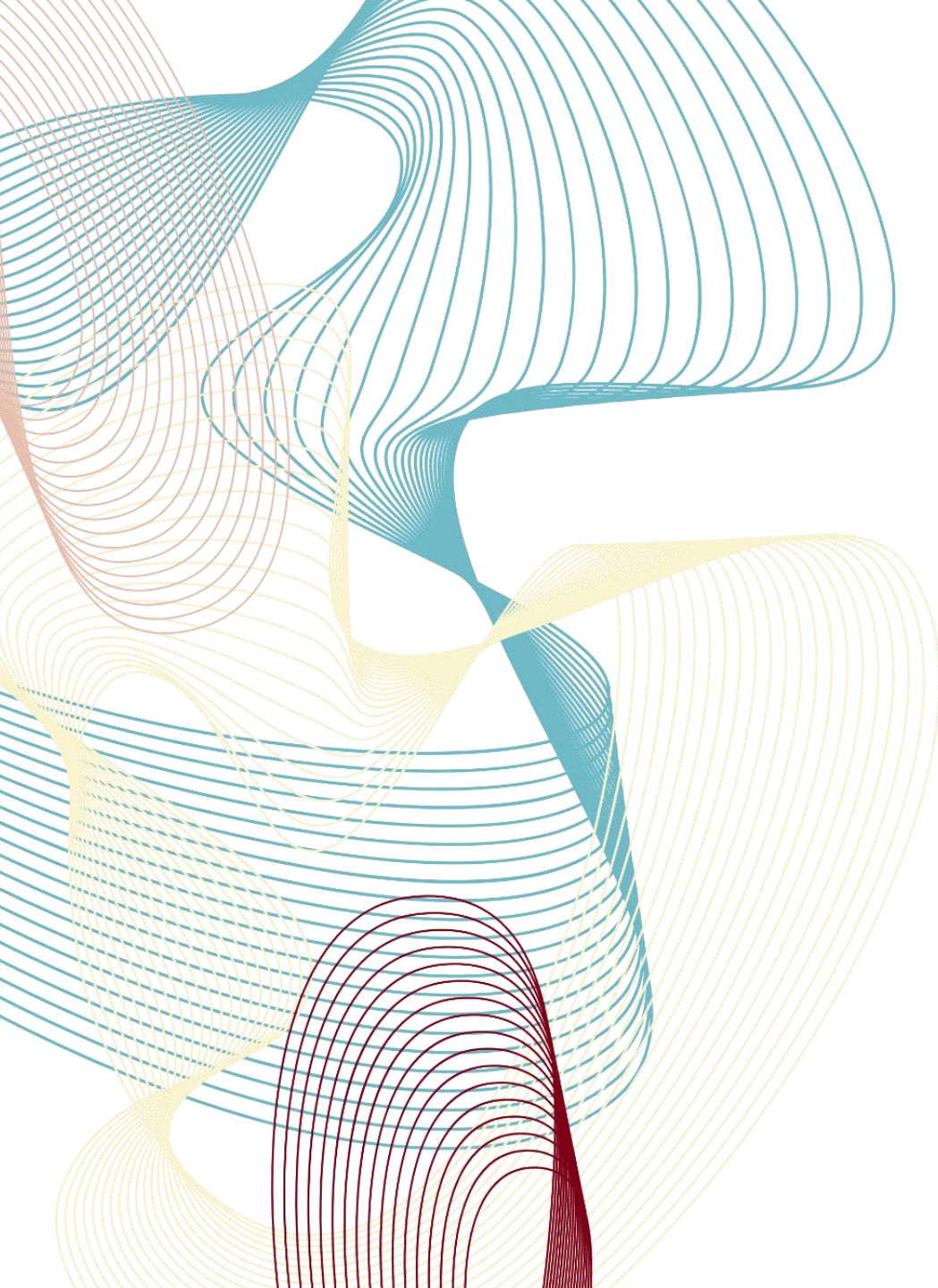
- TECH BEAT Shizuoka 2025** held

* Attracted record highs of 10,100 attendees and 178 exhibitor startups.



Regional
co-creation
strategy
×
Group
business
strategy

Transformation
Strategy



**This document includes statements concerning future business results.
These statements do not represent guarantees of future business results and
entail various risks and uncertainties.
Note that future business results may differ from targets for various reasons,
including changes in the business environment.**

Note: Figures in graphs that show year-on-year comparisons are calculated using the figures that appear in the graphs.

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Website (IR News)

