Good morning, everyone. This is President Shibata.
Thank you very much for your continued understanding and support of the management of the Shizuoka Financial Group.

After giving an overview of the interim financial results for FY2025 at the start of today's presentation, we would like to explain the Shizuoka Financial Group's direction for increasing corporate value and our capital policy, taking into account the current changes in the business environment. We hope that you will deepen your understanding of these points together with the Q&A session that follows.
The entire document runs to 34 pages, so I hope you will excuse me for going through it quickly.
Let's start.

Key messages

FY2025 1H Financial Results

- **Strong positive trend in net income, which rose JPY 11.7 bn YoY to JPY 46.5 bn (progress rate of 57.4%).**
  - Gross operating profit for Shizuoka Bank (nonconsolidated) up JPY 7.8 bn YoY, centered on net interest income
- **Based on recent progress, we revised full-year performance forecasts upward, with net income now anticipated to be JPY 86.0 bn, JPY 5.0 bn higher than initially forecast.**

Efforts to increase corporate value

- **At 0.88, PBR is steadily improving toward the target of 1, as we strive to raise ROE still higher.**
  - Bottom-line earnings are growing due to effective balance sheet management under conditions of rising interest rates and other initiatives.
  - Capital controls are increasingly important as equity capital increases with rising stock prices
- **Seeking to boost the expected growth rate and targeting growth through investments in strengthening management foundations and other initiatives**

Capital policies

- **Enhancing returns to shareholders based on improved profit levels and capital efficiency conditions.**
  - Planned dividends for FY2025 revised upward and now projected to increase by JPY 18 YoY (vs. an initial projected increase of JPY 6)
  - Commencement of purchase of treasury stock announced (max.: 10 million shares, JPY 20.0 bn)
- **Strategic shareholdings reduction target (acquisition cost basis) in the five-year Medium-term Business Plan achieved two and a half years ahead of schedule.**

First of all, today's key points are shown on the screen.

In the interim results for FY2025, consolidated net income increased by JPY11.7 billion YoY to JPY46.5 billion, mainly due to top-line growth resulting from higher yen interest rates, and we achieved a steady pace of progress of 57.4% toward the full-year forecast of JPY86 billion. Based on this progress, we have upwardly revised our full-year forecasts. I will explain the details later.

With regard to efforts to enhance corporate value, we continue to focus on two axes: ROE improvement and medium to long-term growth strategies. I will discuss how to increase ROE in the midst of major changes in the business environment, such as rising interest rates and stock prices, as well as our efforts to strengthen the management foundation for future growth.

In terms of our capital policy, we hope that you will deepen your understanding of our efforts to return profits to shareholders in order to improve capital efficiency, as well as our efforts to reduce the number of strategic shareholdings.

And finally, I would like to touch a little on the second medium-term plan that is currently being formulated.

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Summary of FY2025 interim financial results (consolidated)

1H net profit increased YoY by JPY 11.7 bn, mainly due to growth in consolidated gross operating profit centered on net interest income and gain on stocks (progress rate of 57.4%).

(JPY bn, %)	FY2024 1H	FY2025 1H	YoY change	
			Increase/ decrease	Increase/ decrease (%)
Gross operating profit Record high	**96.2**	**105.1**	**+8.9**	**+9.2**
Operating expenses (−)	48.5	52.6	+4.1	+8.4
Share of profit (loss) of entities accounted for using equity method	0.8	-0.1	-0.9	—
Net operating profit*1 Record high	**50.1**	**54.1**	**+4.1**	**+8.1**
Credit-related costs (−)	2.8	2.9	+0.1	+4.0
Gain (loss) on stocks	3.2	15.2	+12.0	+376.5
Ordinary profit Record high	**49.9**	**65.9**	**+16.1**	**+32.2**
Extraordinary profit (loss)	-0.9	-0.7	+0.2	+22.6
Net income before taxes	49.0	65.3	+16.3	+33.2
Total income taxes (−)	14.2	18.7	+4.6	+32.2
Net income*2 Record high	**34.8**	**46.5**	**+11.7**	**+33.6**
ROE (based on net assets)	5.7	7.6	+1.9	—
ROE (based on shareholder equity)	7.2	9.3	+2.0	—

*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 JPY 105.1 bn (up for fourth consecutive period)

Increase of JPY 8.9 bn due mainly to an increase in gross operating profit for Shizuoka Bank nonconsolidated (+JPY 7.8 bn) centered on net interest income

Net operating profit JPY 54.1 bn (up for fourth consecutive period)

Increase of JPY 4.1 bn due to increase in gross operating profit, despite increase in operating expenses (+JPY 4.1 bn)

Progress rate: 55.8%

Ordinary profit JPY 65.9 bn (up for the first time in two periods)

Increase of JPY 16.1 bn due mainly to increase in gains on stocks (+JPY 12.0 bn) associated with reductions in strategic shareholdings

Progress rate: 57.4%

Net income JPY 46.5 bn (up for second consecutive period)

Increase of JPY 11.7 bn due mainly to top-line growth centered on net interest income and increase in gains on stocks

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First, I would like to provide an overview of the interim financial results with key points.

Consolidated financial results.
Consolidated gross operating profit increased by JPY8.9 billion YoY, mainly due to a JPY7.8 billion increase in non-consolidated banking profit, mainly in net interest income.

Although operating expenses increased by JPY4.1 billion, consolidated ordinary profit increased by JPY16.1 billion YoY to JPY65.9 billion, due in part to a JPY12 billion increase in gains on stock transactions resulting from a reduction in strategic shareholdings. Consolidated net income for the interim period was JPY46.5 billion, an increase of JPY11.7 billion, with record profits at each income level.

As a result, the percentage of progress toward the earnings forecast announced at the beginning of the period was 55.8% for ordinary profit and 57.4% for net income for the interim period. As you can see, ROE increased to 7.6 percent on a net asset basis, and we believe that we were able to show steady progress in this interim financial statement as we reach the halfway point of the current mid-term plan.

Results for major Group companies (1)

Shizuoka Bank, Nonconsolidated

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

(JPY bn, %)	FY2025 1H	YoY change Increase/ decrease	YoY change Increase/ decrease (%)
Gross operating profit Record high	**95.2**	**+7.8**	**+8.8**
Net interest income	83.1	+13.3	+19.0
Fees and commissions	14.6	-0.6	-3.9
Trading income	0.6	-0.1	-16.3
Other operating profit	-3.1	-4.8	-
(Income related to JGBs and other bonds)	(-4.6)	(-5.4)	-
(Foreign exchange trading profit)	(0.8)	(+0.1)	(+10.9)
Expenses (−)	45.9	+2.3	+5.3
Actual net operating profit*	49.3	+5.5	+12.4
Provision for general allowance for loan losses (−)	-1.4	+0.2	-13.4
Net operating profit Record high	**50.7**	**+5.2**	**+11.5**
Nonrecurring profit and loss	12.0	+12.1	-
Bad debt written-off (−)	3.9	-0.1	-2.4
Gain (loss) on stocks	15.1	+12.0	+393.5
Ordinary profit Record high	**62.5**	**+17.2**	**+38.0**
Extraordinary profit (loss)	-2.1	-1.2	+129.9
Net income before taxes	60.5	+16.1	+36.2
Total income taxes (−)	17.0	+4.7	+37.9
Net income Record high	**43.5**	**+11.4**	**+35.5**
Credit-related costs (−)	2.4	+0.2	+6.7

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

Major Group companies other than Shizuoka Bank

Overall earnings for Group companies remained in an increasing trend.

(Left: FY2025 1H results; right: YoY change)

(JPY bn)	Shizugin TM Securities		Shizugin Lease		Shizugin Management Consulting	
Gross operating profit	**5.0**	**+0.3**	**1.7**	**-0.1**	**0.7**	**-0.2**
Expenses (−)	**3.3**	**+0.1**	**0.9**	**-0.1**	**0.7**	**-0.0**
Ordinary profit	**1.7**	**+0.2**	**0.8**	**0.0**	**0.1**	**-0.1**
Net income	**1.2**	**+0.2**	**0.6**	**+0.1**	**0.1**	**-0.1**

	Shizuoka Capital		SFG Marketing		SFG Real Estate Investment Advisors	
Gross operating profit	**0.2**	**-0.1**	**0.0**	**0.0**	**0.6**	**+0.2**
Expenses (−)	**0.2**	**0.0**	**0.0**	**-0.0**	**0.1**	**0.0**
Ordinary profit	**0.1**	**-0.1**	**-0.0**	**0.0**	**0.5**	**+0.1**
Net income	**0.0**	**-0.1**	**-0.0**	**0.0**	**0.3**	**+0.1**

	Shizuoka Bank subsidiaries (11 companies*)	
Gross operating profit	**8.1**	**+0.9**
Expenses (−)	**5.6**	**+0.9**
Ordinary profit	**2.6**	**-0.0**
Net income	**1.8**	**-0.0**

* Shizugin Saison Card Co., Ltd. was made a new consolidated subsidiary in July 2025.

Total for consolidated subsidiaries
(17 companies, not including Shizuoka Bank)

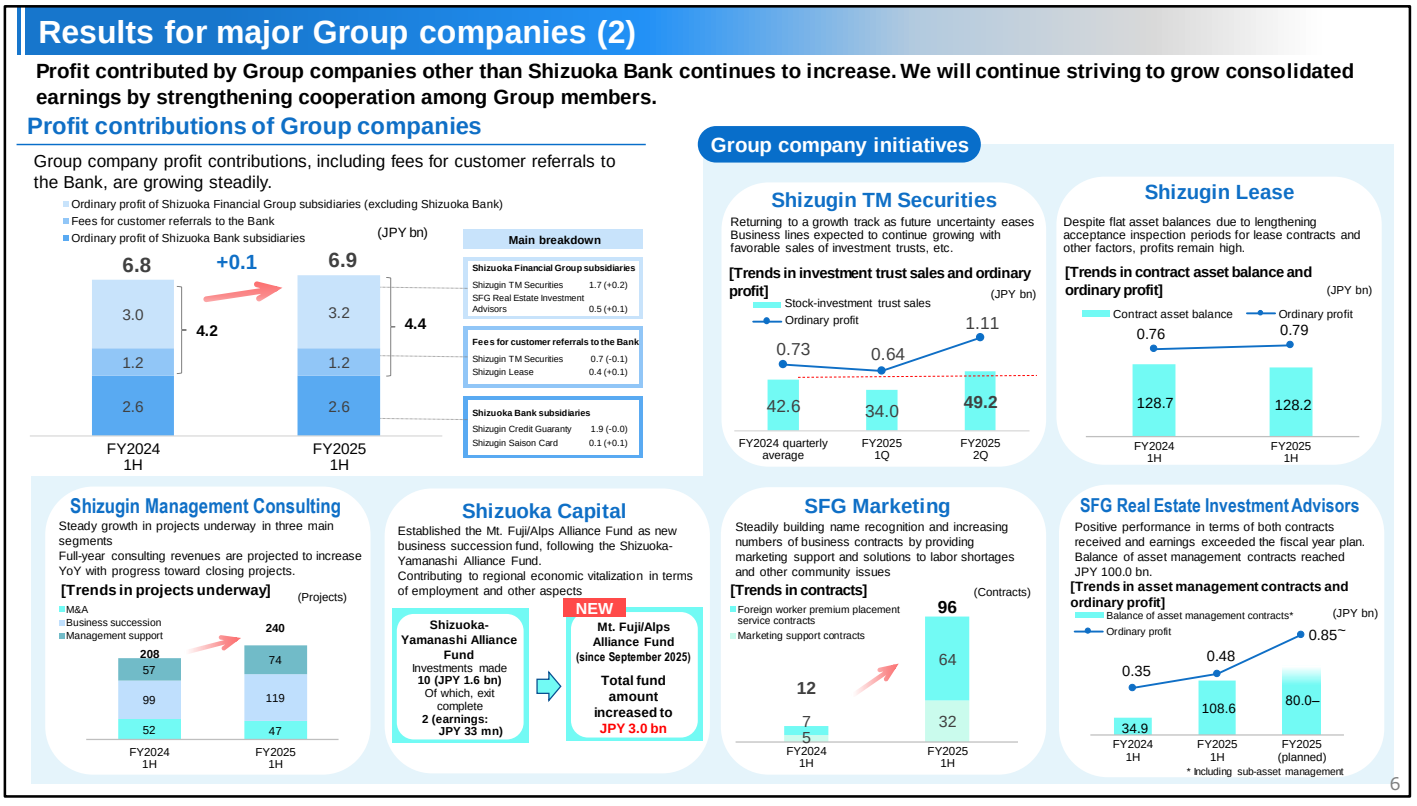
	FY2025 1H	YoY change
Ordinary profit	**5.7**	**+0.1**
Net income	**4.1**	**+0.1**

This is the performance results of the major group companies.

The left-hand side represents Shizuoka Bank on a non-consolidated basis.
Similar to the consolidated results, the top line expanded steadily, and gross operating profit increased by JPY7.8 billion YoY. Net interest income increased by JPY13.3 billion due to the rise in yen interest rates, while other operating profit decreased by JPY4.8 billion due to the partial replacement of low-yield bonds.

In addition, as I mentioned earlier on a consolidated basis, there was an increase of JPY12 billion in gains on stock transactions, resulting in increases of JPY17.2 billion in ordinary profit and JPY11.4 billion in net income for the interim period. We also achieved record highs at each profit level on a non-consolidated basis, and we view these results as favorable, as we did on a consolidated basis, supported by rising interest rates.

Group companies other than the bank are shown on the right. Please see the next slide for the status of each company's efforts.



The bar graph in upper left-hand corner shows the contribution of group companies to the total profit, excluding the bank. The profit level for this interim period was JPY6.9 billion, continuing the high level of profit achieved in the same period of the previous year.

Initiatives of each company are shown on the screen.
Shizugin TM Securities struggled in Q1 due to the deteriorating investment environment at the beginning of the fiscal year but has already recovered to a growth track from Q2 onward with the improvement of market conditions.

At SFG Real Estate Investment Advisors, the balance of projects under management has already exceeded the annual plan of JPY80 billion and has already reached the JPY100 billion level, which is another factor to look forward to in H2 and beyond.

Other group companies will also continue to take on the challenge of expanding their business areas while securing core business profits by leveraging the expertise of each company.

In a world of interest rates, people tend to focus on banking transactions centered on deposits and loans, but we believe that our strength in providing a one-stop shop for a variety of group functions that other competitors do not offer is what gives us a competitive edge in the region.

Net interest income (Shizuoka Bank nonconsolidated)

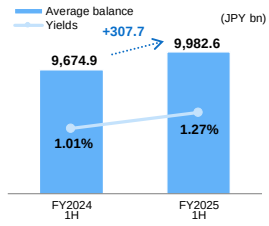
Steady growth in the domestic segment, due mainly to an increase in interest on loans with rising JPY interest rates, drove net interest income up by JPY 13.3 bn YoY overall.

Breakdown of net interest income

(JPY bn)	FY2023 1H	FY2024 1H	**FY2025 1H**	YoY change
Net interest income	**62.7**	**69.9**	**83.1**	**+13.3**
Domestic	57.9	62.9	72.8	+9.9
Interest on loans	46.3	49.2	64.0	+14.7
Interest and dividend on securities	11.6	15.7	18.9	+3.1
(Bonds)	4.3	6.0	7.5	+1.5
(Investment trusts)	0.4	0.8	1.3	+0.5
Funding costs (−)	0.6	3.5	13.3	+9.9
(Interest paid on deposits, etc.) (−)	0.4	1.8	10.9	+9.1
Other	0.7	1.4	3.1	+1.8
International	4.7	6.9	10.3	+3.4
Interest on loans	22.3	23.2	20.5	-2.7
Interest and dividend on securities	12.5	15.9	16.8	+0.9
(Bonds)	12.2	14.1	13.6	-0.5
(Investment trusts)	0.0	0.3	1.2	+0.9
Funding costs (−)	37.7	36.2	29.9	-6.3
(Interest paid on deposits, etc.) (−)	19.8	18.5	15.0	-3.5
Other	7.7	4.1	2.9	-1.2

Domestic

Loan balance (average balance)



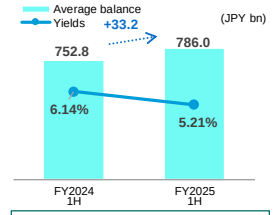
Balance factors: +2.0; interest rate factors: +12.8

Yields, interest margin

	FY2024 1H	FY2025 1H	YoY change
Yield on loans	1.01	1.27	+0.26
Yield on deposits, etc.	0.03	0.18	+0.15
Loan-deposit rate spread	0.98	1.08	+0.10
Yield on funds management	0.97	1.25	+0.28
Cost of fund raising	0.68	0.86	+0.18
Total margin	0.29	0.39	+0.09

International

Loan balance (average balance)



Balance factors: +1.0; Forex factors: −0.2; interest rate factors: −3.5

Yields, interest margin

	FY2024 1H	FY2025 1H	YoY change
Yield on loans	6.14	5.21	-0.93
Yield on deposits, etc.	4.70	3.62	-1.08
Loan-deposit rate spread	1.44	1.58	+0.14
Yield on funds management	4.80	4.51	-0.28
Cost of fund raising	4.12	3.48	-0.64
Total margin	0.67	1.02	+0.35

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Net interest income.
In the domestic operations, interest on loans increased by JPY14.7 billion and interest and dividends on securities increased by JPY3.1 billion compared to the same period of the previous year, due to improved yields resulting from higher yen interest rates. This covered a JPY9.9 billion increase in funding costs, including deposits and others, resulting in an overall increase of JPY9.9 billion YoY in the domestic operation.

In the international operations, where interest rates are declining in contrast to the domestic operations, interest on loans decreased by JPY2.7 billion, but funding costs also decreased by JPY6.3 billion due to diversification of interest income, which exceeded the decrease in interest income, resulting in an increase of JPY3.4 billion YoY.

As a result, overall net interest income increased by JPY13.3 billion YoY, driving strong financial results.

Fees and commissions

Fees and commissions at the Bank (nonconsolidated) decreased YoY due mainly to increased costs associated with a decrease in group trust dividends. Consolidated fees and commissions increased by JPY0.6 bn YoY.

Fees and commissions

(JPY bn)		FY2023 1H	FY2024 1H	FY2025 1H	YoY change
[Consolidated] Fees and commissions		22.2	25.8	26.4	+0.6*1
[Shizuoka Bank nonconsolidated] Fees and commissions		13.3	15.2	14.6	-0.6
	Fees and commissions income	19.0	21.0	21.3	+0.3
	Fees and commissions expenses (−)	5.7	5.9	6.7	+0.9*2

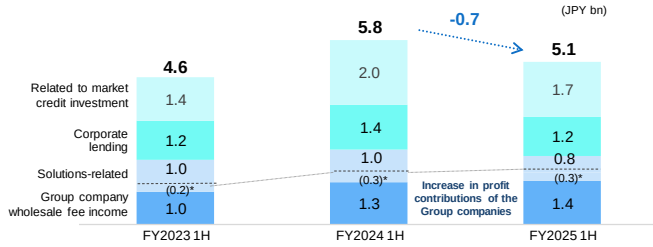
*1 Including an increase of JPY 0.5 bn due to making Shizugin Saison Card Co., Ltd. a consolidated subsidiary
*2 Including an increase of JPY 0.5 bn due to lower group trust dividends

Major items

Wholesale fee income		4.6	5.8	5.1	-0.7
	Related to market credit investment	1.4	2.0	1.7	-0.3
	Corporate lending (syndicated loans, etc.)	1.2	1.4	1.2	-0.2
	Solutions-related (business matching, support for subsidies, etc.)	1.0	1.0	0.8	-0.3
	Group company* wholesale fee income	1.0	1.3	1.4	+0.0
Other lending (home loan fee income, etc.)		3.3	3.7	4.2	+0.5
Fee income on customer assets		5.7	6.5	6.8	+0.3
	Shizuoka Bank (insurance, investment trust)	2.9	2.5	2.5	+0.0
	Shizugin TM Securities (investment trust)	2.8	4.1	4.3	+0.2
Forex fee income (revenues, expenditures)		2.6	2.8	3.0	+0.3
[Shizuoka Bank nonconsolidated] Trading income		0.4	0.7	0.6	-0.1

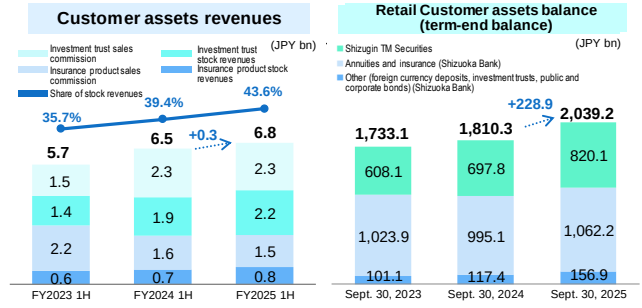
*Total ordinary profit for the following four companies: Shizugin Management Consulting, Shizugin Lease, SFG Marketing, and SFG Real Estate Investment Advisors

Wholesale fee income



* Figures in parentheses under solutions-related fees and commissions are fees and commissions paid by Group companies to Shizuoka Bank.

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



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Fees and commissions.
While fees and commissions at the Bank, non-consolidated base, decreased YoY due mainly to increased costs associated with a decrease in group trust dividends, the consolidated fees and commissions increased by JPY0.6 billion YoY. Of this amount, JPY500 million is attributable to the effect of newly consolidating Shizugin Saison Card, an equity-method affiliate, as a consolidated subsidiary.

Major details include a JPY700 million decrease in corporate-related fees, a JPY500 million increase in loan-related and other fees associated with the execution of mortgage loans, and a JPY300 million increase in fees related to assets under custody.

One reason for the negative results in the corporate division was a decrease in fees for structured finance-related loans due to the selection of projects with profitability in mind, as well as some M&A projects that were postponed to H2 of the fiscal year. However, given the current inventory of projects, we believe that we will be able to recover in H2 of the fiscal year.

As for fee income on customer assets, since operating revenue of Shizugin TM Securities have been strong since Q2, we expect another increase for the full year. We foresee that overall fees and commissions are expected to continue on an upward trend.

FY2025 forecasts

Revised full-year performance forecasts, due mainly to growth in net interest income for Shizuoka Bank (nonconsolidated).
Forecast ordinary profit of JPY 124.0 bn (up JPY 6.0 bn from initial plans) and net income of JPY 86.0 bn (up JPY 5.0 bn from initial plans) on a consolidated basis.

(JPY bn)

		FY2024 results	FY2025 initial forecast (A)	FY2025 revised forecast (B)	Change (B−A)	FY 2025 1H results (C)	Progress rate (C/B)
Consolidated	**Ordinary profit**	**102.1**	**118.0**	**124.0**	**+6.0**	**65.9**	**53.1%**
	Net income attributable to owners of the parent	**74.6**	**81.0**	**86.0**	**+5.0**	**46.5**	**54.0%**
	ROE (based on net assets)	6.3%	7.0%	7.2%	+0.2 pt	7.6%	—
	ROE (based on shareholder equity)	7.7%	8.0%	8.6%	+0.6 pt	9.3%	—
	OHR*1	51.9% (49.1%)	51.6% (50.9%)	55.3% (47.6%)	+3.7 pt (-3.2 pt)	49.9% (47.8%)	—
	CET1 ratio *2	16.29% (13.01%)	15.73% (13.24%)	16.10% (13.92%)	+0.37 pt (+0.68 pt)	17.67% (13.82%)	—

*1 The figures in parentheses ( ) are based on core gross operating profit.
*2 The figures in parentheses ( ) represent estimates calculated under full application of the finalized Basel III framework.

Shizuoka Bank nonconsolidated	Core gross operating profit *	177.9	185.3	199.0	+13.7	99.8	50.1%
	Gross operating profit	167.4	182.5	168.0	-14.5	95.2	56.6%
	Net interest income	149.3	159.0	167.5	+8.5	83.1	49.6%
	Fees and commissions	27.5	26.5	27.5	+1.0	14.6	52.9%
	Trading income	1.0	0.5	1.0	+0.5	0.6	55.8%
	Other operating profit	-10.4	-3.5	-28.0	-24.5	-3.1	11.0%
	Expenses (−)	86.5	90.0	92.0	+2.0	45.9	49.8%
	Ordinary profit	**91.3**	**107.0**	**115.0**	**+8.0**	**62.5**	**54.3%**
	Net income	**66.7**	**72.5**	**80.0**	**+7.5**	**43.5**	**54.3%**
	Credit-related costs (−)	4.4	6.0	6.0	–	2.4	40.7%

* Core gross operating profit = gross operating profit – income related to JGBs and other bonds

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Forecasts for FY2025.

Based on the progress made in the interim results, we have revised upward our consolidated full-year forecast for ordinary profit to JPY124 billion, up JPY6 billion from the initial forecast, and for net income to JPY86 billion, up JPY5 billion. As a result, ROE on a net asset basis for 2025 is expected to rise to 7.2%.

This profit level does not take into account the upside from additional interest rate hikes in the future and is based on the policy interest rate level of 0.5% in H2.

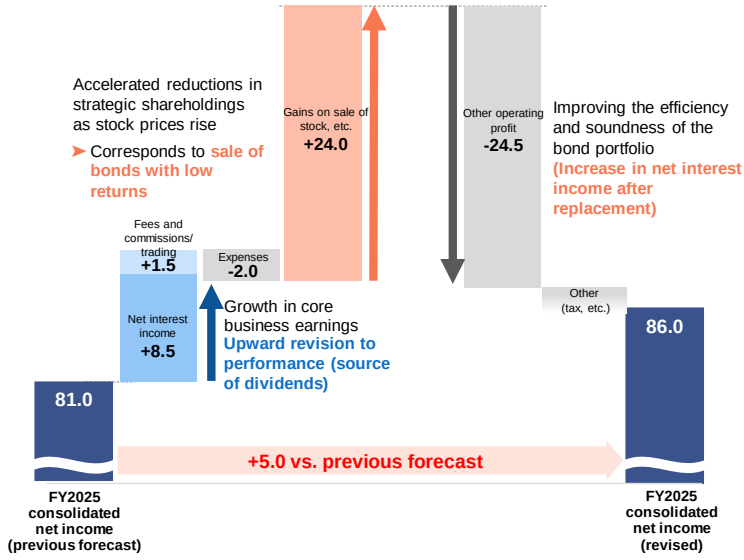
I would like you to take a look at key points of revisions to FY2025 forecasts.

Key points of revisions to FY2025 forecasts

Forecast consolidated net income has been revised upward (by JPY5.0 bn, with dividend/share revised upward by JPY6) in light of steady progress in core business earnings, centered on net interest income.
Bottom-line profit is projected to show a steady trend, reflecting factors such as growth in gains on sale of stock, as we strive to achieve improved asset efficiency and soundness through the sale of bonds with low returns.

	(JPY bn)	Previous forecast	FY2025 full-year forecast (revised)	Difference
Consolidated	**Ordinary profit**	**118.0**	**124.0**	**+6.0**
	Net income attributable to owners of the parent	**81.0**	**86.0**	**+5.0**
	ROE (based on net assets)	7.0%	7.2%	+0.2 pt
Shizuoka Bank nonconsolidated	Gross operating profit	182.5	168.0	-14.5
	Net interest income	159.0	167.5	+8.5
	Fees and commissions	26.5	27.5	+1.0
	Trading income	0.5	1.0	+0.5
	Other operating profit	-3.5	-28.0	-24.5
	Expenses (–)	90.0	92.0	+2.0
	Credit-related costs (–)	6.0	6.0	—
	Gains on sale of stock, etc.	19.0	43.0	+24.0
	Ordinary profit	**107.0**	**115.0**	**+8.0**
	Net income	**72.5**	**80.0**	**+7.5**
Dividend/share		72 yen (+ JPY12 YoY)	78 yen (+ JPY18 YoY)	+6 yen

Key points of revisions to forecasts



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The waterfall chart on the right shows the increase/decrease in consolidated net income by item. By major breakdown, net interest income is expected to rise by JPY8.5 billion from the original plan on non-consolidated basis, based on an increase in interest and dividends from securities. The basic idea behind the upward revision is to reflect in the final profit an amount equivalent to the increase in profit that can be recognized as growth in core business earnings. This includes the increases in fees and commissions and trading income, as well as the increase in expenses.

We have also revised the dividend, which is our commitment to earnings for the period, in line with the upward revision of the earnings forecast. We plan to pay JPY78 per share, which is an increase of JPY6 from the initial forecast.

With respect to the reduction of strategic shareholdings planned for H2 of the fiscal year, we expect gains on sales of stocks and other securities to be approximately JPY24 billion, an increase from our initial plan. This is due to the fact that valuation gains on cross shareholdings have increased more than we expected at the beginning of the fiscal year, reflecting the recent rise in stock prices.

Therefore, we will improve the efficiency and soundness of the bond portfolio by selling and replacing low-yield bond holdings at a time when we can increase gains on the sale of equity securities.
As a result, other operating income is expected to deteriorate by JPY24.5 billion, but this will be offset by the increase in net interest income and improvement in capital efficiency after the replacements.

This concludes the summary of our interim financial results for FY2025. While the rise in yen interest rates is a tailwind, we recognize that we are in a phase that requires us to steer our operations in a difficult way, paying attention to changes in the business environment, and we will continue to work to increase our corporate value without slowing the pace of growth.

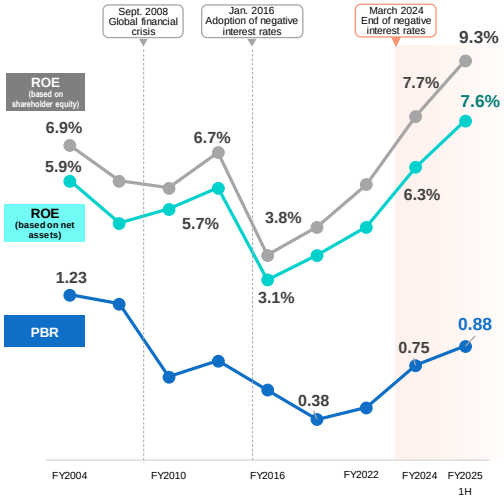
Efforts to Increase Corporate Value

Efforts to increase corporate value –Current conditions and policies–

ROE increased due to growth in core business earnings, centered on net interest income; PBR is improving steadily toward the target of 1. The Group will continue to improve PBR to 1 swiftly by further increasing ROE and strengthening management foundations while enhancing dialogue with the markets.

PBR and ROE trends (current conditions)

PBR is improving steadily as ROE has climbed since the end of negative interest rates.
We will continue to pursue a PBR of 1 by implementing growth strategies while actively engaging in dialogue with the markets.



Our thoughts on increasing the Shizuoka Financial Group's corporate value (reposted)

The Group will strive to improve PBR through efforts to achieve sustainability KPIs and active dialogue with stakeholders.

PBR improvements

Capital efficiency as a joint stock company

Increasing ROE
- Improving profitability
- Controlling capital

A perspective essential to the growth of a regional financial institution

Sustained growth in earnings
- Sustained community growth
- Strengthening management foundations

Reducing equity capital costs
- Proactive disclosure
- Proactive dialogue with shareholders and investors

First Medium-term Business Plan –Sustainability KPIs–

Increasing corporate value	Financial targets	Consolidated ordinary profit Consolidated ROE Consolidated OHR Consolidated CET1 ratio
Increasing corporate value	Engagement KPIs	Customer satisfaction with Group transactions Carbon neutrality (Scopes 1, 2) Group employee engagement
Social value creation	Social impact KPIs	Rate of population change Real GDP Reductions in GHG emissions

Enhancing disclosure and dialogue through IR activities, etc.

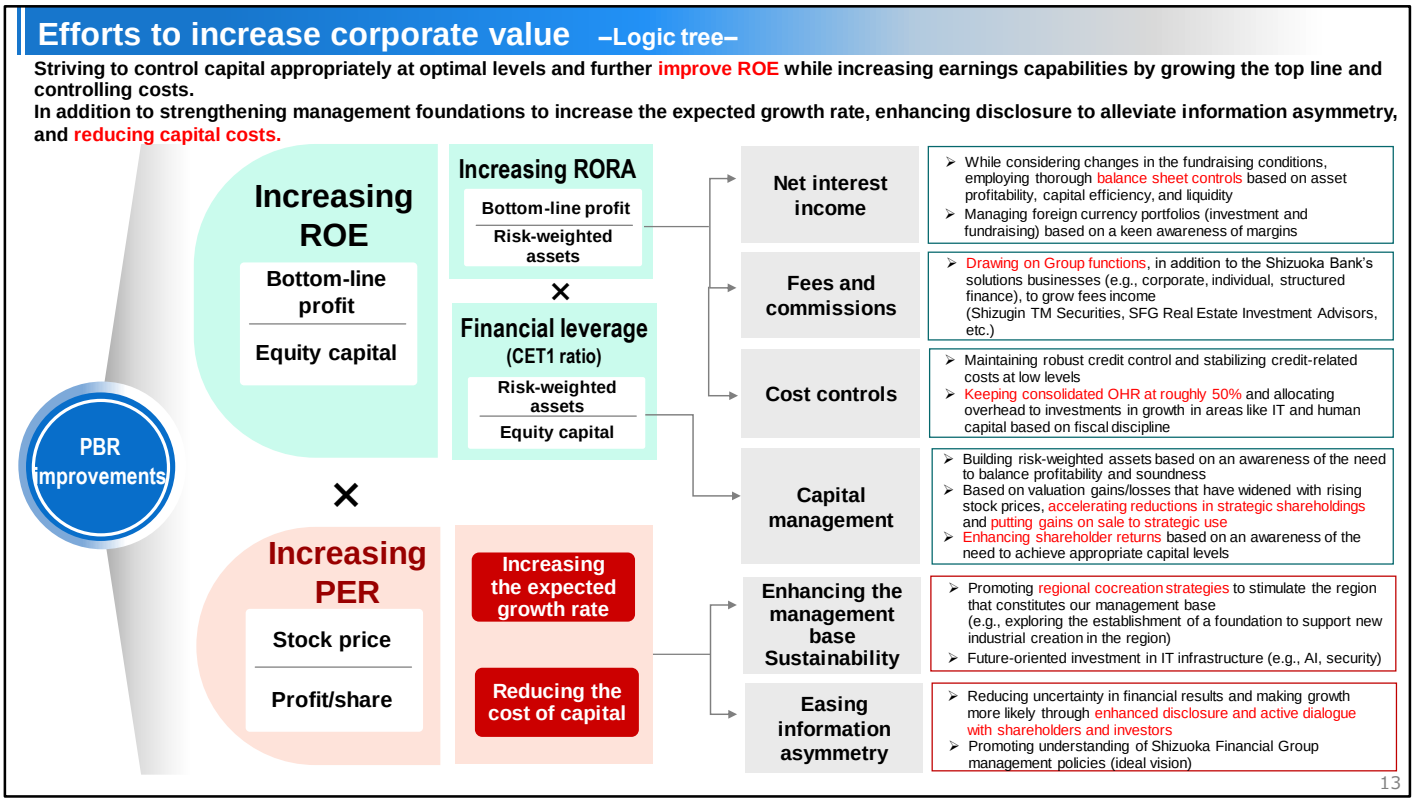
From here, we will explain Shizuoka Financial Group's efforts to enhance its corporate value.

PBR and ROE are shown on the left.
Regarding the current recognition of the current situation, ROE has recently improved to the mid 7% range on a net asset basis due to the growth of core business earnings since the lifting of negative interest rates. As a result, the PBR for this interim period was 0.88 times, showing steady improvement toward the target of 1 times.

On the other hand, we recognize that our current ROE level is still short of the return on capital expected by the market. We recognize the importance of continuing to engage in dialogue with the market regarding the level of earnings we are aiming for. We also recognize the importance of explaining the approach we are taking to achieve this goal, while keeping a close eye on market conditions and linking the likelihood of our growth to the market's evaluation.

We will continue to regard the improvement of corporate value as an important management issue and aim to achieve a PBR of 1 times as soon as possible, and to exceed 1 times in future.

On the right side, I have restated our approach to increasing our corporate value, which I hope you will take a look at later.



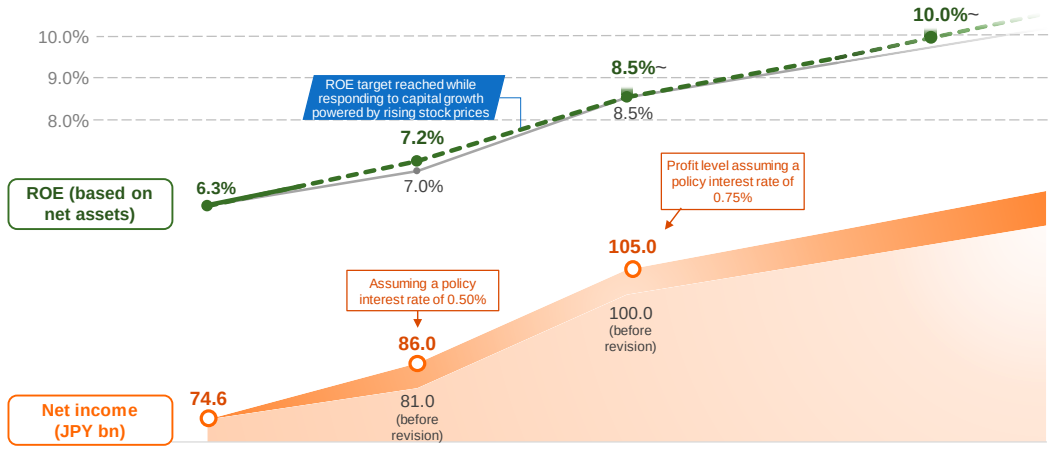
This is a logic tree to show our approach to improving PBR.

The details will be explained item by item in the following slides, so I will skip them for now. This chart organizes the points in a compact way, so I hope you will take a look at it later.

Approach to target ROE level –Trends in ROE, profit, and capital–

The Group will pursue the Medium-term Business Plan's ROE target and swiftly achieve ROE of 10.0% while responding to fluctuations in profit and capital levels attributable to factors like rising interest rates and stock prices.

Target ROE and profit levels



ROE
Achieving the target ROE of 10% as soon as possible based on recognition of rising capital costs

Growth strategies
Achieving sustained profit growth through appropriate balance sheet management and other measures in a world of positive interest rates

Strategic use of growing gains on sale of stock

Capital controls
Reducing shareholdings and enhancing returns to shareholders to improve capital efficiency and rectify the capital structure

(JPY tn)		FY2024 (actual)	FY2025 (planned)	FY2027 (final year of Medium-term Business Plan)	FY2030
	Shareholders' equity	1.0	1.0	Approx. 1.00-1.05	
Nikkei Average 35,000	Net assets (March 31, 2025 basis)	1.15	1.2	Approx. 1.15-1.20	1.3 or higher
Nikkei Average 45,000	Net assets (Sept. 30, 2025 basis)	1.15	1.25	Approx. 1.20-1.25	1.3 or higher

Valuation gains on securities increased with rising stock prices

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I would like to explain where we are now and the direction we are taking to improve ROE.
As I mentioned in my previous IR presentation, we are currently working on a new medium-term management plan that will start in the next fiscal year as an extension of the current plan. I would like to explain this new plan to you by April next year. Therefore, we would like you to understand that today's explanation is a simulation based on the current financial situation.

Based on this, we believe that the minimum profit level for FY2027, as currently projected, is JPY105 billion in consolidated net income, taking into account the current strong performance and the impact of the additional increase in the policy rate to 0.75%.

On the other hand, the rising stock market increased the valuation gains and losses on our stock holdings. As a result, unrealized gains on securities, which constitute shareholders' equity, increased by approximately JPY50 billion compared to the assumption at the beginning of the period, pushing down ROE by approximately 0.3%.

With regard to capital, we will continue to monitor stock prices closely. At the same time, we recognize the need to reduce our stock holdings and adjust our capital structure in order to improve capital efficiency and reduce the impact of stock price fluctuations on our capital as much as possible.

Then, we will achieve the ROE target set forth in the mid-term plan by realizing continuous profit growth while strategically utilizing the increased gains on the sale of shares and appropriately controlling the accumulation of such gains through shareholder returns and other means.

We also believe that the current cost of capital is on an upward trend from the previous 8% level, and we will accelerate our strategy to quickly achieve the 10% ROE level that we are looking ahead to in the current mid-term plan.

Balance sheet control (1) –Our perspective on yen balance sheet management–

Improving the overall profitability, soundness, and efficiency of the yen balance sheet by enhancing fundraising initiatives and building investment assets in response to a world of positive interest rates.

Examples of courses of action in response to a world of positive interest rates

- **Corporate lending, consumer loans**
  (1) Continuing to pursue balance growth while securing appropriate profitability amid rising interest rates
  (2) Considering shifting low-yield assets off the balance sheet to improve funds efficiency
  Study of securitization of home loans begins (November 2025)
- **Market credit investment**
  Reducing the low-profit asset balance via distribution and on-time collection; selecting transactions to shift toward high-ROA/RORA assets

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- **JPY bonds**
  (1) In light of rising interest rates, building investment balances based on replacement of bonds and appropriate risk management
  (2) Securing stable carrying revenues by building a laddered portfolio over the medium to long term
- **Equities**
  Based on the policy for reducing strategic shareholdings, reducing holdings of shares not recognized to be meaningful holdings or economically sound

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Yen balance sheet structure (September 2025 monthly averages)

Assets		Liabilities	
JPY 14.1 tn		JPY 14.1 tn	
Loans	JPY 10.1 tn	**Deposits**	JPY 11.4 tn
Corporate, individual	JPY 9.6 tn	Retail	JPY 7.7 tn
Market credit investment	JPY 0.4 tn	Corporate	JPY 3.1 tn
		Public sector	JPY 0.4 tn
Securities	JPY 2.3 tn		
JPY bonds	JPY 1.8 tn	**Short-term market fundraising**	JPY 1.4 tn
		BOJ loans	JPY 1.4 tn
Deposits at BOJ	JPY 0.7 tn	Other liabilities	JPY 0.4 tn
Yen investments, call loans, etc.	JPY 0.5 tn	Equity capital	JPY 0.8 tn
Other assets	JPY 0.5 tn		

Courses of action for fundraising to support balance sheet growth

- **Securing highly sticky deposits**
  Top priority due to the need for fundraising to achieve stable long-term balance sheet growth
- **Spending to secure strategic deposits**
  Increasing the likelihood of balance sheet growth by increasing deposit balances as a means supplemental to highly sticky deposits

Enhancing efforts related to deposits, an important management foundation and source of competitive strength

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- **BOJ loans**
  Balances to decrease on maturity due to end of new lending under the BOJ program to support increased lending
- **Exploring alternative stable long-term fundraising**
  Exploring supplemental fundraising aside from deposits while accounting for term, cost, and stability

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We will now explain our approach to managing the yen balance sheet control.

The transition to a world with interest rates has greatly improved the profit environment for financial institutions, especially in terms of capital gains. At the same time, the importance of balance sheet management has increased, and I believe that the level of difficulty has also increased.

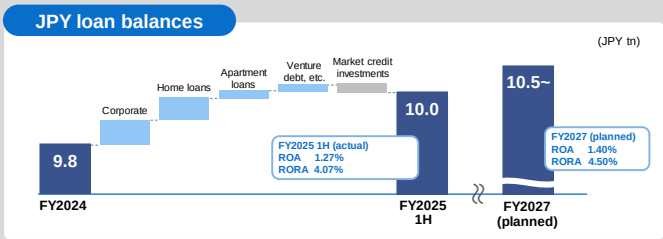
While stabilizing funding, mainly deposits that support balance sheet growth, we need to use these resources to select the assets to be placed on the balance sheet. In the process, it is also important to replace new assets with those that have lost their asset value due to rising interest rates.

I have included an example of the direction regarding operational procurement, and I would like to explain the contents of each of these slides in the slides that follow.

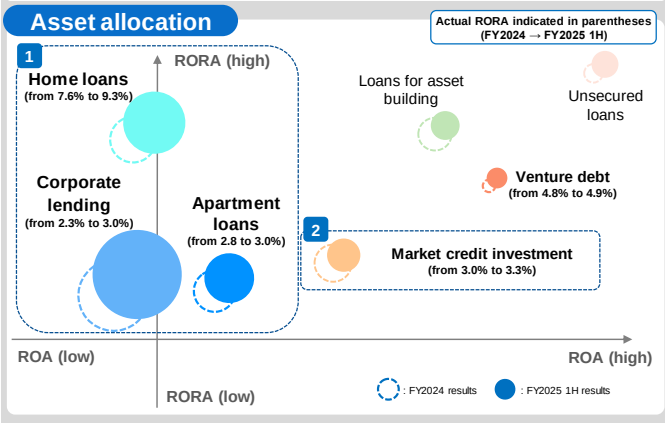
Balance sheet control (2) –Loans

Pursuing continuing growth in corporate and consumer loan balances while maintaining appropriate profitability in light of rising interest rates
In market credit investments, increasing ROA and RORA across the portfolio through selective projects.

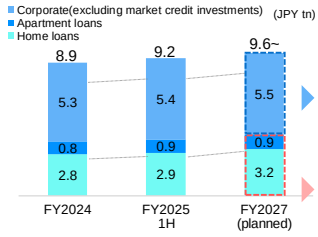
JPY loan balances



Asset allocation



1 Loans for which balance increases are targeted (corporate, consumer loans)



Corporate lending

Achieving both growth in balances and ensuring appropriate profitability

Within Shizuoka Prefecture: Enhancing regional market share through the provision of comprehensive support services, including group functions

Outside Shizuoka Prefecture: Growing balances with profitability in mind

Home loans, apartment loans

Continuing to grow balances with the greater Tokyo area positioned as a growth driver

Kanagawa: Maintaining and increasing the annual growth rate to about 10%

Tokyo: Capturing demand for funding needs in the greater Tokyo area and its concentrated population by enhancing loan facilities, and other measures

2 Market credit investments to improve profitability

Replacing assets with higher profitability to improve ROA and RORA, in the field of JPY market credit investments.

(JPY bn)		FY2024	FY2025 1H	Change
Total JPY market credit investments	Average balance	471.7	426.6	-45.1
	ROA	1.74%	2.06%	+0.32 pt
	RORA	3.04%	3.33%	+0.29 pt
Of which, corporate bonds repackaging loans	Average balance	164.7	123.7	-41.1
	ROA	1.14%	1.21%	+0.06 pt
	RORA	3.53%	4.23%	+0.69 pt
Of which, project finance	Average balance	60.8	55.3	-5.6
	ROA	1.42%	1.68%	+0.26 pt
	RORA	1.96%	2.24%	+0.28 pt
Of which, real estate nonrecourse loans	Average balance	197.1	195.6	-1.6
	ROA	2.18%	2.49%	+0.30 pt
	RORA	2.61%	2.91%	+0.29 pt

These loans contribute to profit from fees and commissions * in addition to net interest income.
* FY2025 1H commissions on project structuring: JPY 0.7 bn

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First, I will explain loans.
Although we are steadily increasing the overall balance, as I mentioned earlier, we are not in a phase where we can simply increase the balance. It is rather; we need to consider the optimal asset allocation while making a distinction between areas that require further growth and areas that need to be replaced.

With this in mind, we will continue to increase the balance of our mainstay corporate and consumer loans, which serve as important points of contact with customers and lead to deposit transactions. We will do so while benefiting from improved yields due to higher interest rates and developing strategies for each region.
The balance for FY2027 is the value planned at the time the mid-term plan was formulated and does not reflect current growth, so it should be viewed as a reference value.

On the other hand, the risk-return adequacy is required. With regard to structured finance, we will seek to improve ROA and RORA by replacing assets with more profitable ones in the current environment.
The chart in the bottom right shows the recent change in the composition. While keeping the balance of repackaged loans and other loans with low yields relative to current interest rates under control, overall profitability has improved, and we are thoroughly pursuing efficient operations.

However, our policy is not to reduce the balance itself, but to improve the profitability of the entire balance sheet by replacing low-yield loans with real estate non-recourse loans and other loans with good overall profitability, including fee income.

Balance sheet control (3) –JPY bonds portfolio management–

Bringing the ROE target closer by putting increased gains on sale of stock from rising stock prices to strategic use and reshuffling the JPY bonds portfolio.

Securities investment policy based on changes in the environment

Recent changes in the environment

Rising stock prices — **Valuation gains increase on securities holdings**
(Valuation difference also accounts for a larger percentage of equity capital.)

【Trends in balance of shareholdings (JPY bn)】

	Mar. 31, 2025	Sept. 30, 2025	Change
Balance of shares	470.6	552.9	+82.3
(Valuation gains/losses)	(375.1)	(458.3)	(+83.2)

Rapid increase due to recent high stock prices

Rising yen interest rates — **Net interest income increasing with rising interest rates**
(Valuations of low-yield assets worsening)

Overview of strategic replacement operations (beginning in FY2025 3Q)

- Reducing shareholdings to improve capital efficiency by capturing the timing the timing when unrealized gains on stock rise sharply
- Allocating gains on sale of stock to replacement operations for a more efficient and sounder bonds portfolio to increase future interest income

Securities slated for sale (JPY bn)

	Balance	Yield	Gain/loss on sale
JPY bonds	445.8	0.109%	-26.0
Equities	(Acquisition cost) 4.2	-	+25.0

Allocation of a certain portion of increased unrealized gains

Securities planned for replacement (JPY bn)

	Balance	Yield
JPY bonds	580.0	1.54%

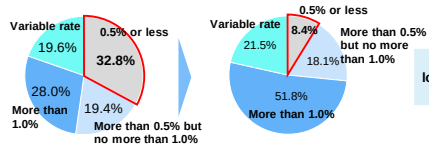
Structural changes to the yen portfolio

Replacement operations are expected to boost overall yield on the JPY bonds portfolio by 0.40 pt. to 1.20%.

(JPY bn)	September 2025 (Before replacement) Balance	Yield	After JPY bond portfolio reshuffle (projected) Balance	Yield	Results Balance	Yield
JGBs	1,045.9	0.82%	1,322.9	1.30%	+277.0*	+0.48 pt
Municipal bonds	128.5	0.17%	7.4	0.61%	-121.1	+0.44 pt
Public bonds	233.2	0.69%	211.5	0.75%	-21.7	+0.06 pt
Corporate bonds, etc.	340.0	1.06%	340.0	1.06%	-	-
Total	1,747.5	**0.80%**	1,881.7	**1.20%**	+134.2	**+0.40 pt**
Average holding period	7.03 years		6.97 years		-0.06 years	

* May be partially shifted to corporate bonds, etc.

Structural changes in bonds held (by yield)



Sharp decrease in low-yield (0.5% or less) bonds

Results of replacement operations

Securing **stable interest income**
(Annualized resulting increase in earnings※ approx. **+ JPY 7.5–8.0 bn**)

Controlling capital levels through sales of equities
(plus strategic use of gains on sale)

= Increased likelihood of achieving **ROE** target

* Interest on bonds sold (−) + dividends on equities sold (−) + interest on bonds purchased (+)

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We will explain the management of our yen bond portfolio along with the operations we plan to conduct in H2.

Due to the recent rise in stock prices, valuation gains/losses on stock holdings increased by approximately JPY83 billion over the six-month period. In the process of reducing the number of shares to improve capital efficiency, we expect to see a significant increase in gains on sales. We will take advantage of this timing to conduct replacement operations to improve the efficiency and soundness of our bond portfolio in response to the rising interest rate environment.

As shown in the column at the bottom left of the slide, we plan to sell about JPY450 billion of low-yield bonds and will record a loss on sale of about JPY26 billion. However, we plan to minimize the impact on final profit by using part of the increased unrealized gains and posting a gain of JPY25 billion on the sale of stocks and then replace the bonds with higher-yielding bonds. We plan to increase the amount after carefully monitoring future trends of interest rates. The result and changes of replacement operations are shown on the right.

After replacement, yields are expected to improve by 1.2% or 0.4 percentage points, average maturity is expected to shorten slightly. Also, the number of low-yielding bonds below 0.5% is expected to be significantly reduced.

The increase in carry-over earnings due to this replacement is estimated to be JPY7.5 billion to JPY8 billion on an annualized basis, which means that the JPY26 billion loss on the sale can be recovered in about three and a half years.

The increase in net interest income from this operation is not included in the FY2027 profit level mentioned earlier, but it is an upside that raises the likelihood of achieving our ROE target.

Balance sheet control (4) –Fundraising strategy

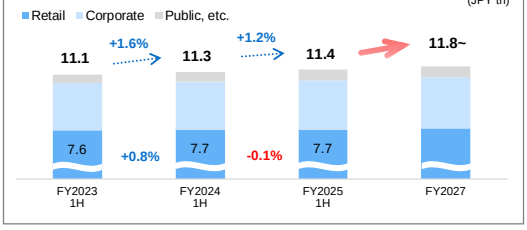
Recognizing the importance of fundraising stability for supporting balance sheet growth, enhancing efforts to secure primarily highly sticky deposits.

Fundraising by deposits

Key issues

Although total deposit and other balances are maintaining an upward trend, the rate of growth is slowing, chiefly for retail deposits which account for about 70% of them.
Enhancing efforts to secure deposits as a key basis for balance sheet growth.

Trends in JPY deposit balances (including NCDs)



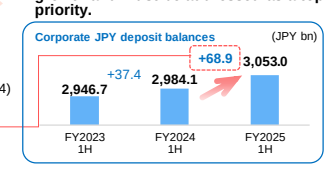
Strategies for securing deposits

1 Securing highly sticky deposits ▶ **Essential for the stable balance sheet growth and must be addressed as a top priority.**

Corp-orate

Efforts to secure deposit shares in line with loan shares
(Since December 2024)

Balance growth through these activities: +approx. JPY 25.0 bn



Retail

Securing of **pension, salary payee accounts**, supplementing opportunities to **open accounts** in response to life events, etc.
Focusing on long-term transactions with a broad range of individuals from youth to older adults

2 Strategic securing deposits with incurring costs ▶ **As a supplemental means for raising sticky deposits to increase deposit balances**

Retail Introducing various promotional time deposits →

Public Setting maximum interest rates and secure strategically.

(1) **Time deposits with interest rate enhancements**
(2) **Time deposits with catalog gift benefits**
▶ Showcasing local products to promote added value beyond interest rates

Fundraising other than deposits

Key issues

Following the termination of new BOJ loans (the BOJ program to support increased lending), we must consider other stable long-term fundraising to replace BOJ loans, which will be decreasing due to maturity.

Projected BOJ loan balances

September 30, 2025: JPY 1.4 tn
(JPY 1.2 tn of which is through the program to support increased lending)

▶ Approx. JPY 1.2 tn decrease through FY2027
(Amount of decrease in FY2025 :JPY 0.3 tn)

Alternative stable long-term fundraising

Asset securitization **BOJ climate change system**, etc. ▶ Implementing fundraising while accounting for **term, cost, and stability** as a supplemental means for boosting deposits

~Topics~ Initiation of consideration for securitization of home loans

Fundraising through securitization of claims on home loans already executed, for sale to institutional investors

▶ In addition to serving as a means of stable long-term fundraising, this will also help to improve asset efficiency on the asset-management side (verify feasibility and other factors through future consideration).

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This section explains fundraising strategy mainly by deposits.

In the world with interest rate, funding stability to support balance sheet growth has become a key challenge common to the banking sector. Deposits, which make up the majority of the total, have been increasing at our bank, but the pace of growth has slowed, especially in retail deposits. We therefore need to further strengthen our efforts to increase deposits.

As shown in the upper right-hand corner, our first priority is to acquire deposits with low funding costs and high stickiness. We are beginning to see positive results from our corporate sales activities that leverage our high regional market share.

As for individual customers, we are working to acquire long-term accounts, such as payroll accounts for young people and pension accounts for elderly households, although we are still adjusting our approach as customers place more importance on interest rates.

And as a complement to sticky deposits, we intend to introduce cost-competitive deposit products and other products as needed to secure the deposit balances required for balance sheet growth.

With the termination of the Bank of Japan's operation to support increased lending, the Bank of Japan's outstanding borrowings will decrease as the loan maturities come due. We are already considering alternative funding methods, taking into account timing, cost, and stability.

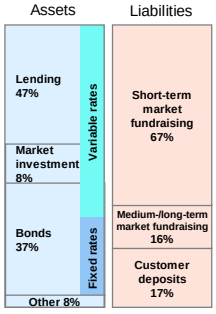
Securitization of loan receivables as shown on the bottom right, is one such option that we expect to incorporate into our procurement strategy in the next medium-term management plan.

Foreign currency portfolio management

Portfolio management conscious of fundraising costs led to continuing margin growth. Net interest income on foreign currency is expected to continue growing.

Foreign currency (USD) portfolio composition (September 2025)

- ✓ Building a portfolio resilient to interest rate fluctuations in which all lending involves variable rates
- ✓ Securing a margin through diversification of the fundraising structure



[Distinguishing characteristics of foreign currency portfolio management]

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

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

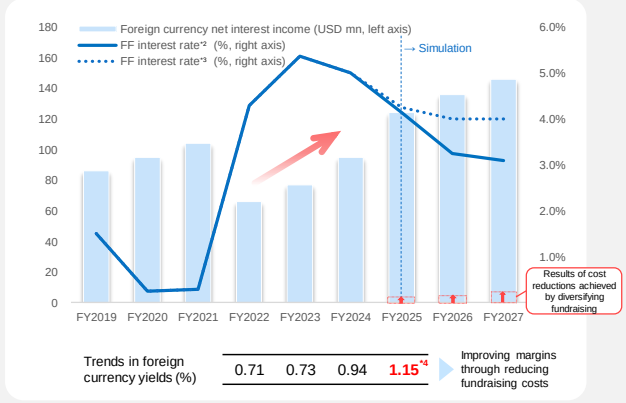
	FY2024 1H	FY2025 1H	YoY change
Fund-management account	**4.80%**	**4.51%**	**-0.29 pt**
Loans	6.14%	5.21%	-0.94 pt
Securities	3.84%	4.09%	+0.25 pt
Fundraising account	**3.91%**	**3.25%**	**-0.65 pt**

Interest margin improved by 0.36 pt. with (1) improved yields through replacement of securities and (2) fundraising cost reductions achieved by diversifying the fundraising structure, resulting in:

An increase of **JPY 3.4 bn** in net interest income (YoY)

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

- The First Medium-term Business Plan interest rate scenario is premised on the US FF Rate remaining flat after falling to 4.0%.
- Maintaining an upward trend in net interest income on foreign currency through foreign-currency portfolio management based on fundraising



Trends in foreign currency yields (%)	0.71	0.73	0.94	1.15*4

Improving margins through reducing fundraising costs

*1 Total net interest income, including lending, securities, deposits, bonds, etc. (Estimated based on portfolio as of the end of September 2025)
*2 FF interest rates based on market participant projections (updated after October 2025 FOMC)
*3 May 2025 revised Medium-term Business Plan interest rate scenario
*4 As of FY2025 1H

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Next is foreign currency portfolio management.
The composition of assets and liabilities denominated in US dollars is shown in the upper left-hand corner. We continued our efforts to improve the interest margin, both in terms of investment and funding, leading to a JPY3.4 billion increase in net interest income in the international operation during this interim period.

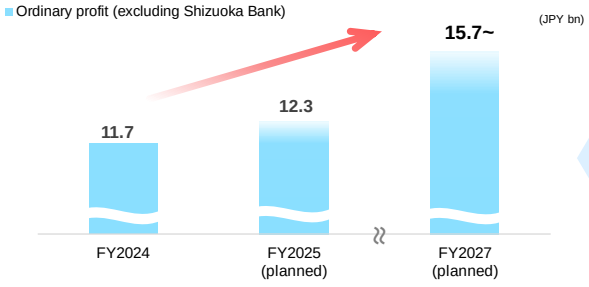
To the right chart shows a forecast of future foreign currency fund earnings. The current medium-term plan assumes that the US FF rate will bottom out at around 4%. If rate cuts progress more quickly, as the market currently suggests, we believe this will be a positive factor. On the other hand, our foreign currency portfolio is characterized by investment assets that are resistant to interest rate fluctuations, as well as by lower costs achieved by combining currency swaps and customer deposits with market funding. These strengths enable us to build our operations on a funding-driven approach.

As shown on the lower right, we have been able to improve the foreign currency interest margin and expect it to continue to increase even if the pace of interest rate cuts slows somewhat.

Growth in Group company profits

The earning capabilities of Group companies other than Shizuoka Bank are the strongest among regional banks; making the best use of enhanced Group functions to maximize fee revenue.

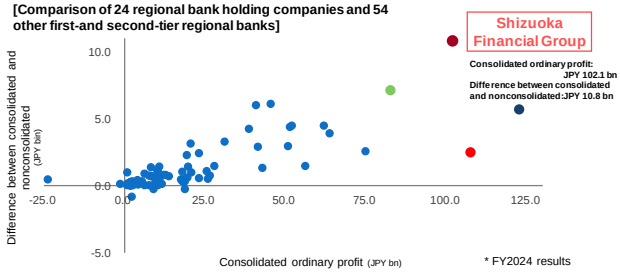
Projected ordinary profit of Group companies



Comparison of Group company profits (positioning map)

The profitability of Shizuoka Financial Group companies is ranked **at the highest level in the industry**

[Comparison of 24 regional bank holding companies and 54 other first-and second-tier regional banks]



Group companies driving revenue growth

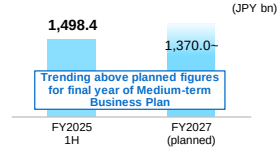
Shizugin TM Securities

- The balance of customer assets, centered on assets that generate stock revenues, are trending favorably and already exceeds the target for the final year of the Medium-term Business Plan.
- Leveraging growth in stock revenue, which tends to be relatively resistant to changing market conditions, to achieve topline growth, alongside sales commission revenue; swiftly achieving the profit/loss target for the final year of the Medium-term Business Plan

[Revenue plans]

(JPY bn)	FY2025 (planned)	FY2027 (Medium-term Business Plan)
Gross operating profit	10.4	11.0
Of which, sales commissions	6.3	6.6
Of which, stock revenues	4.1	4.4
Expenses (–)	6.8	6.1
Ordinary profit	3.6	5.0

[Actual/planned balance of customer assets]



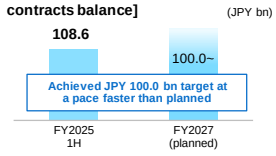
SFG Real Estate Investment Advisors

- Asset management contracts balance (including sub-asset management) is growing faster than planned and expected, reaching JPY 100.0 bn in the second year of actual operations.
- Creating social value through active involvement in community development, urban development, and other projects in partnership with local governments

[Revenue plans]

(JPY bn)	FY2025 (planned)	FY2027 (Medium-term Business Plan)
Gross operating profit	1.2	1.8
Of which, asset-management fees	0.7	1.1
Of which, consulting fees, etc.	0.6	0.7
Expenses (–)	0.4	0.4
Ordinary profit	0.8	1.4

[Actual/planned asset management contracts balance]



20

This section describes the growth of group company profits, which will continue to support fee revenues.

The Shizuoka Financial Group's fee income is solid, mainly from the contribution profit of group companies. As shown on the lower left, the difference between consolidated and non-consolidated ordinary profit is outstandingly high in the regional bank sector, and we will link the industry's highest level of group company earnings to top-line growth.

The right side of the chart shows the group companies driving revenue growth.
As explained in previous IRs, the business model of Shizugin TM Securities is to steadily increase the number of customers who hold their assets with us over the long term, and stock earnings, which are resistant to market fluctuations, underpin its growth. The current balance of assets under custody has already exceeded the planned figure for the final year of the medium-term management plan, which means that there is room for growth. We will continue to expand earnings amid the trend from savings to investment.

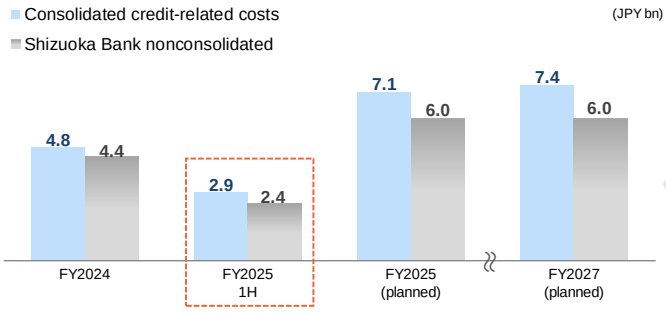
In its second year of actual operation, SFG Real Estate Investment Advisors has already reached the JPY100 billion mark for its asset management contract balance in the second year of actual operations. As with securities, the business is growing at a faster pace than expected, and further earnings growth is expected.

The strong group functions we offer, including those of our other group companies, are a differentiating factor that our competitors do not have. We will continue to strengthen this advantage.

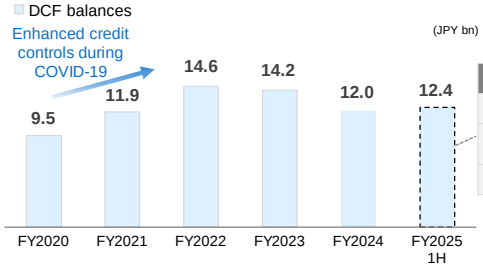
Cost controls (1) –Credit-related costs–

Managing credit-related costs appropriately while paying close attention to the impact of exchange rate and interest rate trends and other factors on regional firms.

Projected credit-related costs



Status of DCF-based preventive reserve balances



FY2025 1H changes	
Newly included	+1.0
Decreases through collections, etc.	-0.7
Total	+0.4

Stress testing against environmental changes (impact on credit-related costs)

【Impact of US tariffs】

Subjects	Manufacture of **steel and aluminum, autos and auto parts (transportation machinery), and general machinery**
Scenario	Addition of tariffs (15%) as expenses to exports to the US as a share of sales (17%*)
Effect	JPY **1.7** bn

* Reference: Figures announced by the Japan Automobile Manufacturers Association

【Impact of exchange rate fluctuations】

	Lower yen	Higher yen
Subjects	**Wholesaling**	**Electric machinery, transportation machinery, other manufacturing**
Scenario	Increased cost of sales due to lower yen Projected exchange rate: JPY 160 = USD 1	Decreased sales due to higher yen Projected exchange rate: JPY 130 = USD 1
Effect	JPY **0.1** bn	JPY **0.4** bn

(Subject lending as of June 30, 2025)

【Impact of rising JPY interest rates】

Subjects	Performing borrowers with business loan balances
Scenario	Increase in interest paid due to future rate hikes (+0.25%)
Effect	JPY **1.2** bn

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From a cost control perspective, this section explains the outlook for credit-related expenses.

First of all, in the current interim period of FY2025, both consolidated and non-consolidated results were within the range of the fiscal year's plan.
Based on this, we expect costs to increase by JPY1.6 billion to JPY6 billion compared with the previous year. This reflects the expected impact of tariffs, which may ripple through the real economy, as well as the effects of various changes in the business environment, such as exchange rates and interest rates, on local businesses.

To the right is an example of the stress testing we are conducting. I will not go into details here, but I would like to note that this does not mean the increase in credit costs will be reflected as is. Even if these risks are estimated at the maximum level, the impact will be minor compared with the scale of our periodic profit.

In addition, as shown on the lower left, we have continued to make preventative provisions for companies that require attention, and we believe we can adequately control credit-related expenses. However, the economic environment remains fluid, and we will continue to monitor it carefully.

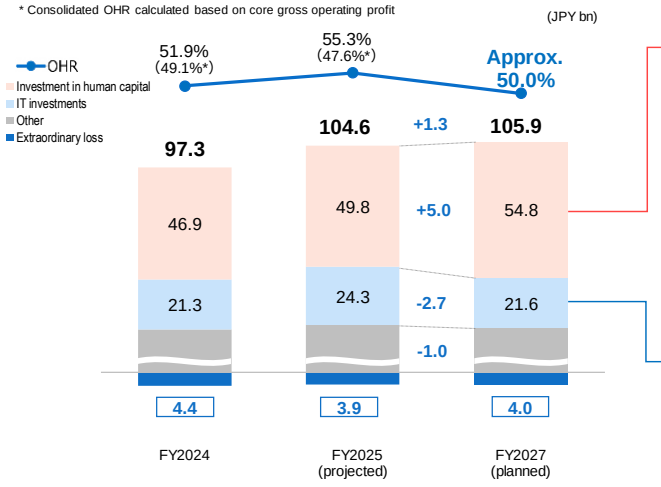
Cost controls (2) –Expense controls

The policy is to Maintain financial discipline by controlling consolidated OHR at approximately 50% while enhancing investments for growth, including investments in human capital.

Expense level/OHR target (consolidated)

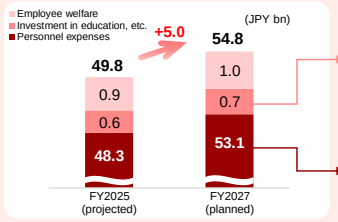
Thinking on consolidated OHR target: The policy is to maintain financial discipline by controlling consolidated OHR at **approx. 50%** while enhancing investments in growth as needed to achieve and maintain sustained profit growth.

* Consolidated OHR calculated based on core gross operating profit



Investment in human capital (p. 23)

Breakdown of JPY 5.0 bn increase in human capital investments



Investments in training and education: JPY 0.7 bn (JPY+0.1 bn)

Improving the odds of successfully implementing the strategies of the Medium-term Business Plan by enhancing development of human resources capable of providing solutions and creating value

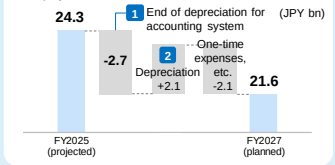
Other personnel expenses, etc.: JPY 53.1 bn (JPY+4.8 bn)

Enhancing human resources, including midcareer hiring, to build the HR portfolio needed to implement strategies

IT expenses (p. 24)

Breakdown of JPY2.7 bn decline in IT expenses

While depreciation expenses have increased due to new and ongoing IT investments, overall IT expenses are projected to drop with the end of depreciation for a large-scale project, and other factors.



1 End of depreciation for accounting system

Depreciation expenses decreased by JPY2.7 bn with the end of depreciation (January 2026) for past large-scale project (accounting system)

2 Increase in depreciation expenses

Depreciation expenses expected to increase by JPY2.1 bn with ongoing IT investments, including foundation system upgrades

22

Next are expense controls.

First of all, regarding the consolidated OHR, we will continue to expand investments necessary for our growth after reviewing the details and control the OHR at around 50% as our financial discipline.

On this basis, consolidated expenses in the final year of the medium-term plan are expected to increase by JPY1.3 billion from the FY2025 level. In the breakdown, system-related expenses are expected to decrease by JPY2.7 billion, mainly due to the completion of amortization of the account system in January 2026, while human capital investment is expected to increase by JPY5 billion.

As explained in the previous meeting, personnel expenses are expected to increase here, mainly due to the strengthening of career recruitment to secure personnel to accelerate the strategy.

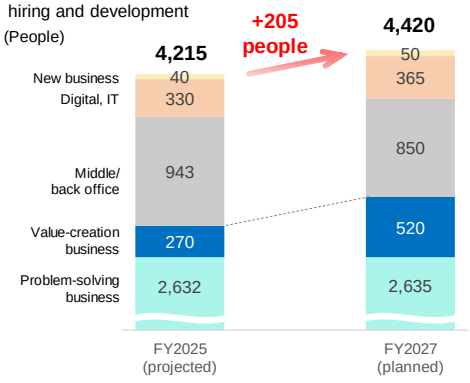
I will explain more about human capital and systems in the next slides.

Medium- to long-term growth strategies (1) –Human resource allocation related to strategies

Contributing to topline growth by increasing strategic human resources through investments of human capital in hiring, training, etc. and allocation to priority fields.

Ideal Human resources portfolio

Building the HR portfolio needed to accelerate each Medium-term Business Plan strategy through enhanced hiring and development



Increase in human capital investment (FY2026–2027)		+ JPY 5.0 bn
Strategic investment	Strategic staff increases +205 people	+ JPY 2.4 bn
	Investment in training	+ JPY 0.1 bn
	Base pay increases, benefits, etc.	+ JPY 2.5 bn

Results of the expanding deployment of strategic human resources

[Deployment of strategic human resources]		Staff assignment (205 persons)	Revenue effects FY2025 (projected) FY2027 (forecast)
Shizuoka Bank	**Strengthening core businesses** ➤ Capital area strategies (corporate, loans) ➤ Global businesses, etc.	+100~115	Consolidated gross operating profit JPY 191.5 bn → JPY 240.0 bn
	Business domain expansion ➤ Venture businesses ➤ Wealth concierge, etc.	+25~40	
Business domain expansion SFG Marketing SFG Real Estate Investment Advisors		+20	Gross operating profit/person* JPY 66 mn → JPY 76 mn * Consolidated gross operating profit / front office staff
Strengthening core business Shizugin TM Securities, Shizugin Lease, Shizugin Management Consulting, Shizuoka Capital		+10	
Digital		+35	Business efficiency improvements achieved through digital transformation (DX), etc.

[Certification of strategic human resources] (Numbers certified as of September 30, 2025 / FY2027 KPI)

Digital HR	Problem-solving HR	Value-creation HR
82/115	543/920	282/520

Marching of value-creation human resources* 89.0%

* Assignment of certified human resources to qualifying activity areas

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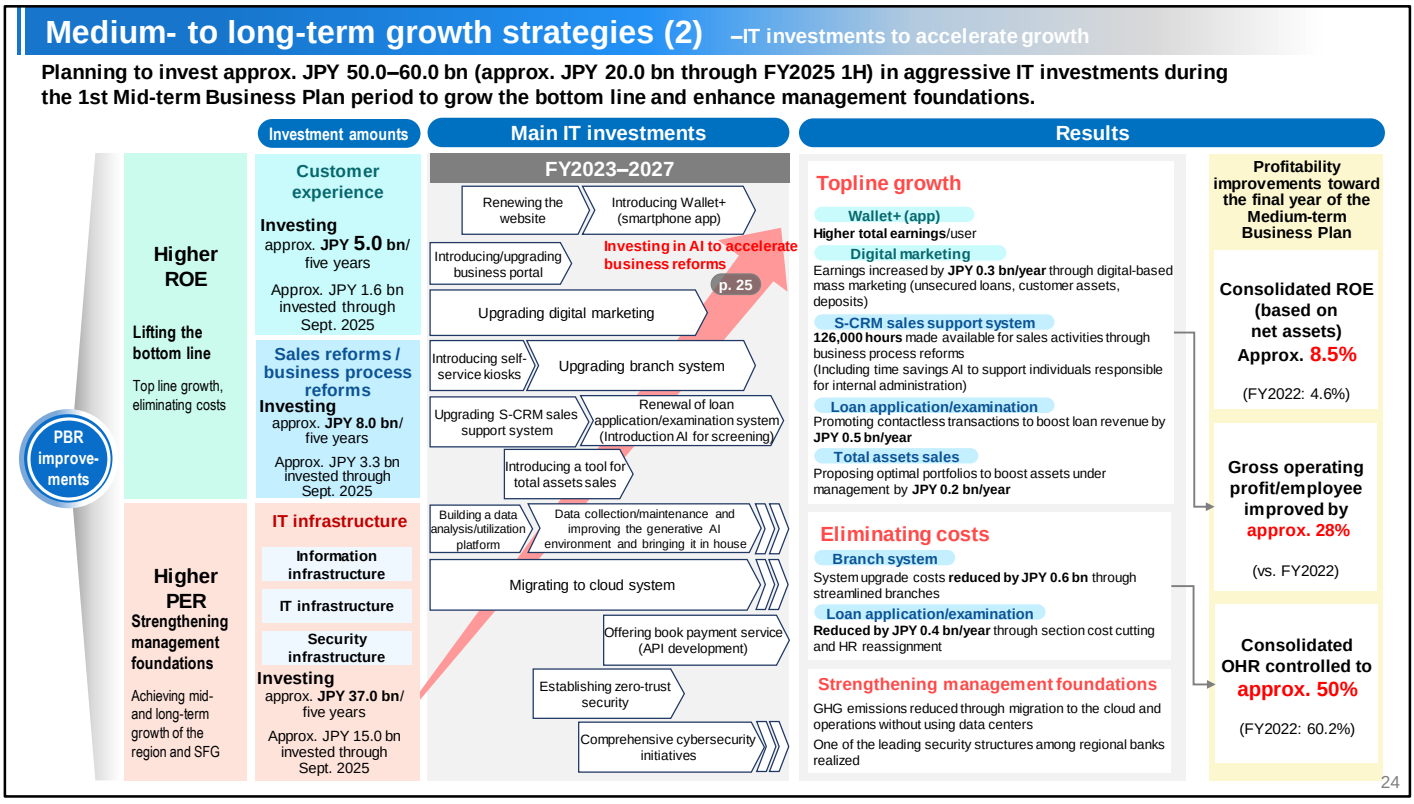
Human capital investment.

The graph on the left shows the status of the human capital portfolio. We recognize that the most difficult task at hand in realizing our strategy is to secure the necessary personnel to carry it out. As I mentioned earlier, we are increasing investment in human capital to fill the gap.

In the remaining two years until FY2027, we will increase our investment by about JPY2.5 billion in hiring mainly experienced personnel and training specialized personnel. As shown on the right, we will increase the feasibility of our strategy by allocating these secured personnel to the priority fields of each group company. Consolidated gross operating profit in FY2027 is expected to be JPY240 billion. Gross operating profit per employee is also expected to improve.

Although it is difficult to make a general comparison due to factors such as rising interest rates, we will link human capital investment to increased corporate value while steadily improving labor productivity.



This is the status of the system investment.

The current mid-term plan calls for aggressive investments of JPY50 billion to JPY60 billion to expand the bottom line and strengthen our management foundation.

The main investments are shown on the screen.
In sales and operations-related areas that contribute to higher ROE, the S-CRM sales support system and the renewed loan application and examination system are expected to be introduced gradually. In addition, the new Wallet+ app and other tools will be rolled out, which will help expand the top line and reduce costs.

We also intend to position data utilization, the shift to cloud-based system infrastructure, and cyber security measures as strategic investments to enhance our mid- to long-term corporate value.

And while some of these have already been implemented, we intend to further expand the use of AI to accelerate sales and business transformation.

Medium- to long-term growth strategies (3) –AI, data utilization–

Accelerating business reforms through AI and data utilization centered on the three themes of business process, sales activities, and customer contacts.

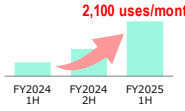
Business process

Now

AI to review unsecured loans
- Development for introducing AI to automated prior review

Replacing Inquiry Operations with AI Chatbots
- Reducing inquiries handled by staff (12 operations)

Using AI chat



Workload reduction

Target: Reducing number of applications inspected by humans by 20%

Future

Visualization of business flows and fundamental transformation

Applying AI agents to everyday work
- Thorough revisions through workflow visualization and use of AI agents (e.g., meeting assistant AI and chat AI)

Implementation of four projects scheduled for completion during FY2025

Bringing AI development and infrastructure in house
- Promoting initiatives to bring generative AI apps in house
- Securing and developing specialized human resources

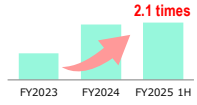
Sales activities

Now

AI to support individuals responsible for internal administration
- Achieving checking time savings, standardization, and overall progress in concluding insurance contracts

Data-driven insights and suggestions
- Data analysis to contribute to strategy and formulation of measures
- Data analysis to support effective marketing

Meetings/day



Improving earnings

Target: Freeing 35,000 hours/year for sales

Future

Qualitative and quantitative improvements in proposal activities

Side-by-side AI for sales activities
- Labor savings and standardization in operations associated with sales, including meeting preparations and task management, by implementing AI in S-CRM

AI to accelerate skills improvements
- Improving business skills and meeting quality through AI role-play training for new sales staff

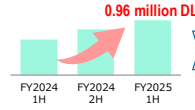
Customer Contacts

Now

Shizugin App, Wallet+
- Development for enhancing the functionality of Shizugin App and introducing Wallet+

Development of demand forecasting model
- Predicting demand for customer assets (e.g., foreign currency deposits)
- Predicting counterparties at risk of money laundering, etc.

Total app downloads



Increasing customer numbers

Target: 1.2 million registered users of Shizugin app

Future

Improving customer experience value

Use of AI in customer contact
- Using AI in customer contact points, such as providing AI summaries of website search results

Use of AI at contact centers
- Using telephone, chat, etc. to improve customer service quality

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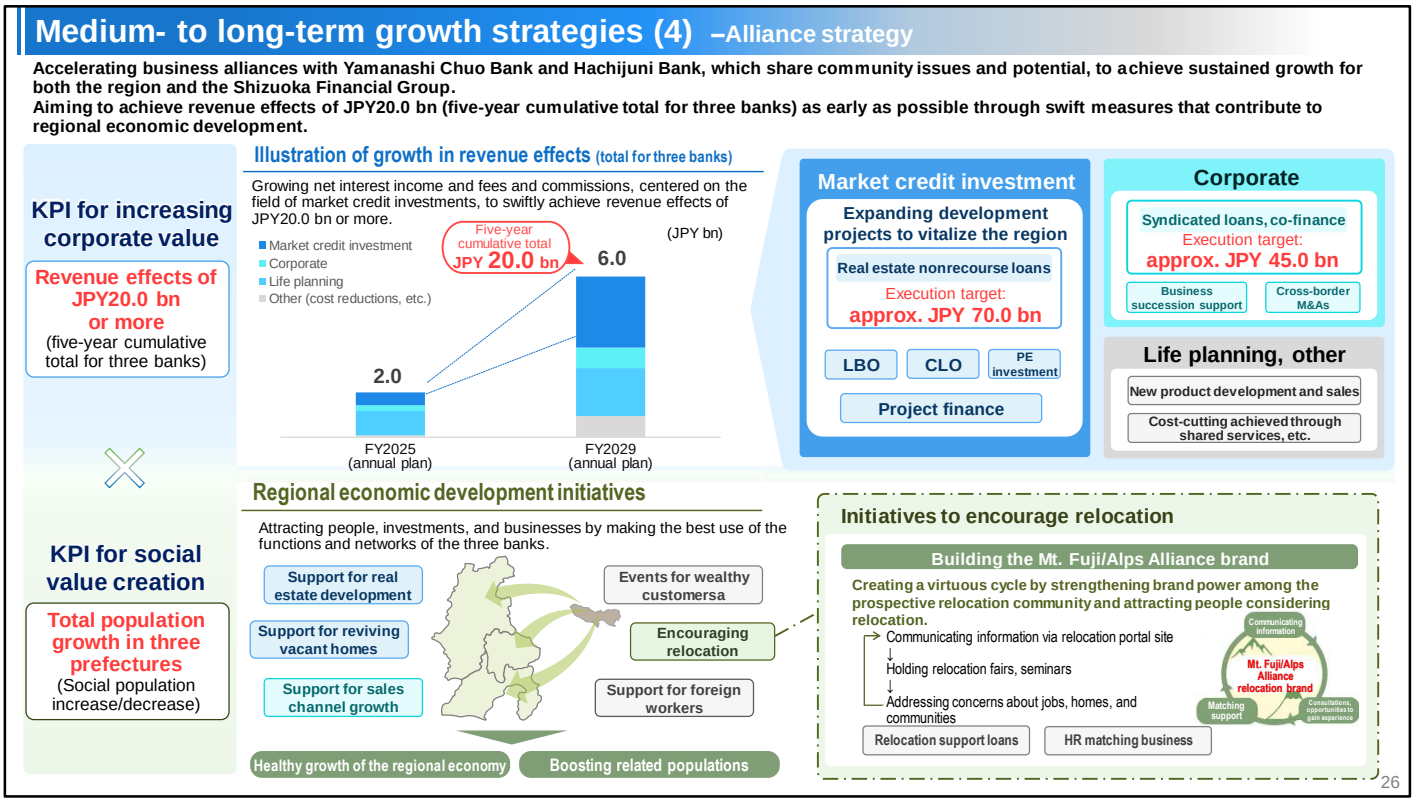
Next is the direction of business transformation using AI and data.

From left to right, we will proceed step-by-step by dividing the process into three themes, from inside to outside: internal business processes, sales activities for customer approach, and customer contact points.

In our business processes, the use of AI is putting into practice in areas such as screening for unsecured loans and responding to internal inquiries. In addition, AI agents that autonomously perform assigned tasks are being introduced in the first four cases during this fiscal year.

With regard to sales activities, labor-saving measures in back-office operations associated with sales, such as inspections and analysis of sales aspects, have helped us secure more time for sales. Going forward, we will explore ways to utilize this information in a manner that directly supports proposals to customers.

In addition, we intend to gradually expand the scope of utilization at customer contact points in our future initiatives to enhance the value of the customer experience.
We recognize that, although this cannot be achieved all at once, the strategic use of such technology will lead to the future competitiveness of the financial industry.

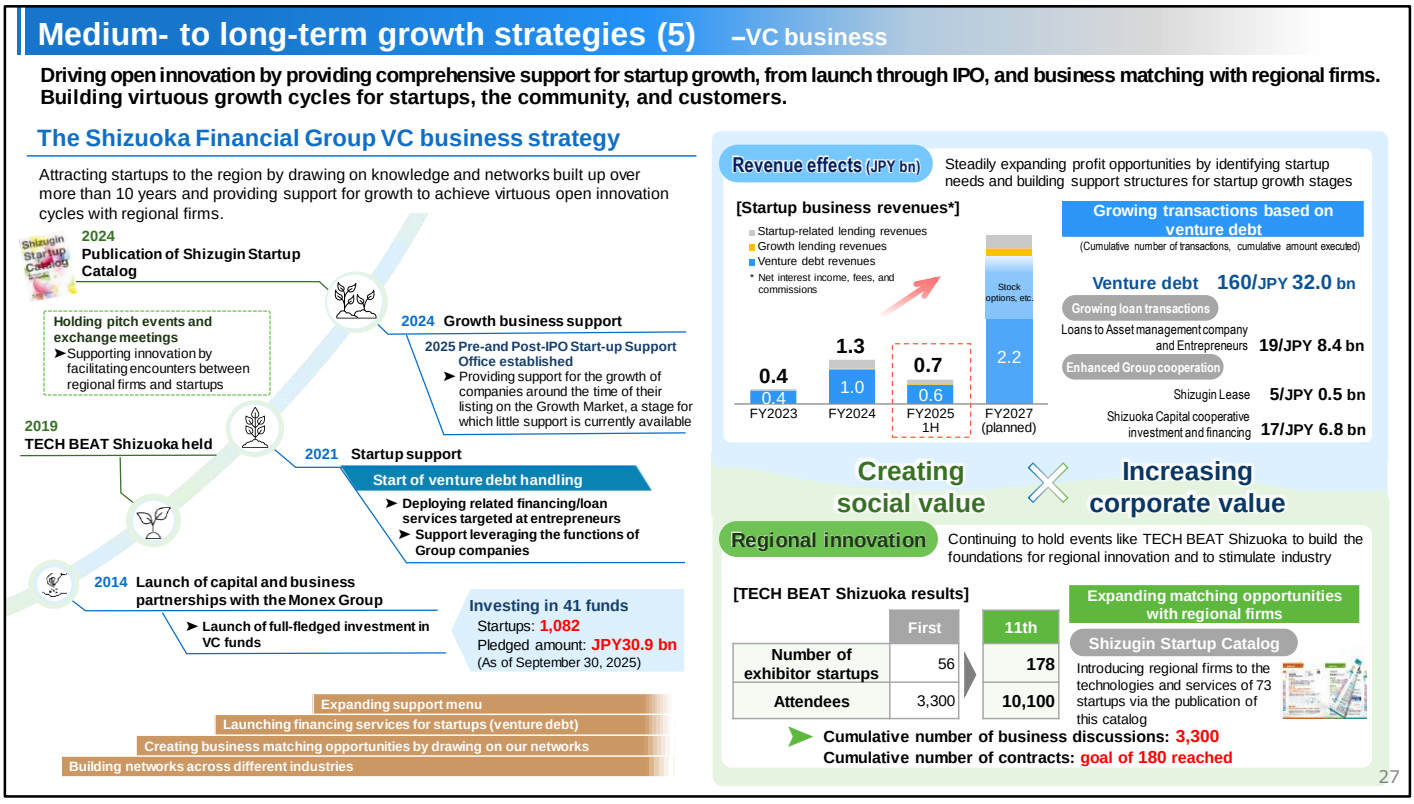


Fuji Alps Alliance, which started this year under a new framework.
In the previous IR, I introduced only the two KPIs you see here. I would like to add a brief explanation of the expected earnings growth.

As shown in the upper section, the largest revenue increase will come from structured finance. We will continue to selectively identify structured finance projects, while also generating income by working with alliance banks, with a focus on real estate non-recourse loans that help address regional issues, combined with distribution and other measures.

In addition, we aim to achieve the plan as early as possible by leveraging synergies in corporate and life planning that arise from the expanded customer base following the Hachijuni Bank merger.

In the lower section, under the medium- to long-term strategy for population growth, we are still in the early stages of our initiatives to encourage relocation. Depending on progress, we will provide an updated explanation at the next stage of the project.



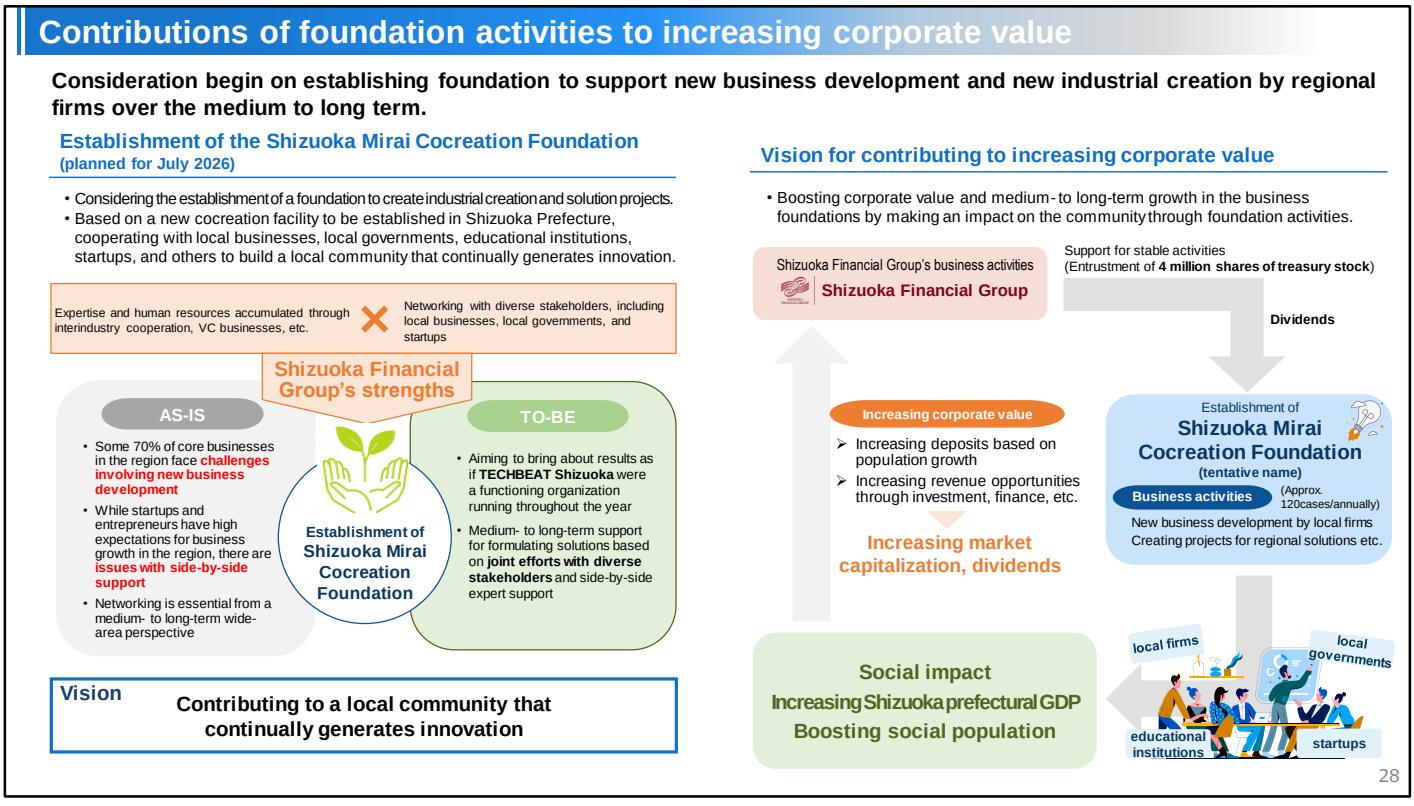
Next is venture business.
Shizuoka Financial Group started its journey in 2014 with a capital and business partnerships with Monex Group and a full-fledged investment in VC funds.

The point of this strategy is to create a virtuous cycle that revitalizes local industries by leveraging our accumulated knowledge and networks. It also aims to create profit-earning opportunities through investments in and loans to venture companies, thereby promoting sustainable growth for both our company and the region.

In terms of revenue opportunities, we began with venture debt launched in 2021 and have since expanded our business to include loans to management and group transactions. We have also broadened our support menu for growth companies that are in the pre- and post-listing stages. As a result, the amount of revenue from the venture business has been steadily increasing as shown in the upper right-hand corner.

Matching events for the revitalization of local industries, such as TECH BEAT Shizuoka, have been expanding year by year. Since 2019, they have generated a cumulative total of 3,300 business meetings and more than 180 contracts, showing that the seeds of innovation in the region are steadily growing.

Our strategy is based on the knowledge and network we have built over the past 10 years, and we take pride in a business model that no other company can replicate.



As a framework for moving these efforts forward, we have begun considering the establishment of a foundation to provide medium- to long-term support for new business development and other activities of local companies.

The foundation aims to build a local community that continually generates innovation. It will do so by creating a setting in which local businesses, local governments, startups, and other stakeholders can collaborate on a regular basis, centered on a new cocreation facility to be established in Shizuoka Prefecture. It will also provide functions that allow TECH BEAT Shizuoka to operate in effect throughout the year.

The diagram on the right shows our contribution to increasing corporate value. The foundation plans to support about 120 projects per year involving a diverse range of stakeholders, and through these activities, it will contribute to social impact such as increasing regional GDP and boosting the social population.

As a result, we aim to create a cycle that promotes the growth of the region, which is our business base. This will lead to increased deposits accompanying population growth and greater revenue opportunities through investment and finance, resulting in higher corporate value and stock value for the Shizuoka Financial Group.

We are considering allocating approximately 4 million shares of our treasury stock to a trust-based scheme to provide stable support for the foundation's activities and to utilize the dividends generated by the trust as part of its funding. To offset the dilutive effect of this allocation, we announced a JPY20 billion share buyback at the same time.

For the sustainable growth of the Shizuoka Financial Group, it is essential that the region's industrial structure, which is our business base, evolves and grows in line with the times. We hope that you will understand this purpose, and we remain committed to further enhancing our corporate value.

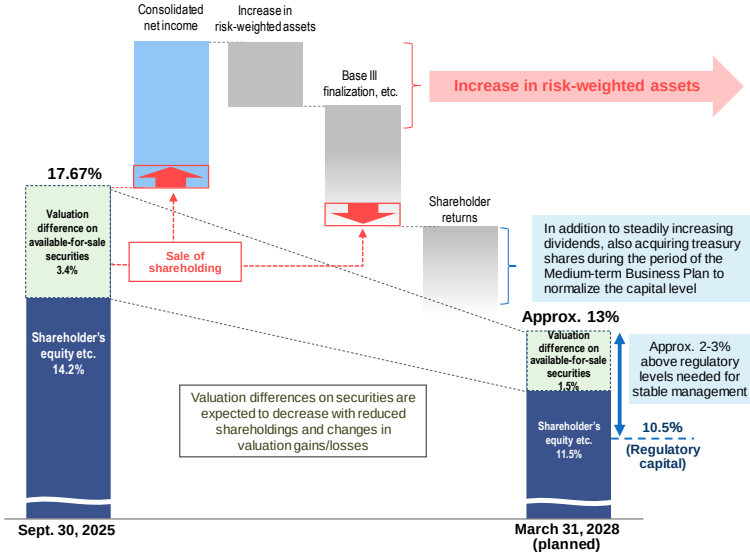
Capital Policies

Capital management

The target capital adequacy ratio (consolidated CET1 ratio) for the final fiscal year of the Medium-term Business Plan to approx. 13% and achieving appropriate capital level while fine-tuning capital composition.

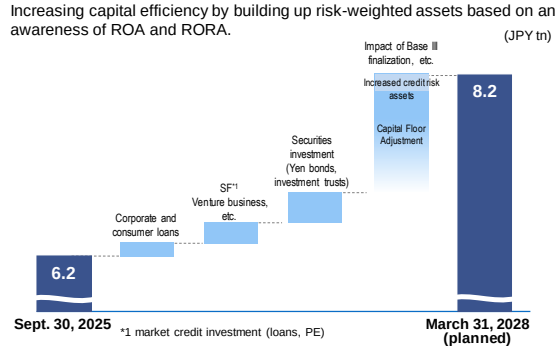
Factors underlying changes in the capital adequacy ratio

While allocating assets to increase ROE based on an awareness of profitability and soundness, we will improve capital efficiency by enhancing returns to shareholders to achieve an appropriate capital level and composition.



Factors underlying changes in risk-weighted assets

Increasing capital efficiency by building up risk-weighted assets based on an awareness of ROA and RORA.



ROE target Realizing target ROE by improving capital efficiency through controls to achieve an appropriate capital adequacy ratio

	FY2024	FY2027 (before revision)	**FY2027 (revised)**
Net income	JPY 74.6 bn	**JPY 100.0 bn**	**JPY 105.0 bn**
Equity capital	JPY 1.2 tn	**JPY 1.15–1.2 tn**	**JPY 1.2–1.25 tn**
ROE (based on net assets)	6.3%	**Approx. 8.5%**	**Approx. 8.5%**

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Capital policies.

The consolidated CET1 ratio as of September 30, 2025 is 17.67%. We consider 2% to 3% of regulatory capital to be the appropriate level needed for stable management. While allocating capital, including accumulated profits through the final year of the medium-term plan, to build up risk-weighted assets to improve ROE and to return profits to shareholders, we will aim for a CET1 ratio of around 13%.

Due to the increase in unrealized gains on shareholdings, more than 3% of the ratio is now accounted for by net unrealized gains on securities. As mentioned earlier, we view this level as an issue in terms of controlling the impact of stock price fluctuations on our shareholders' equity. We therefore plan to reduce this level by selling our shareholdings and to revise our capital structure.

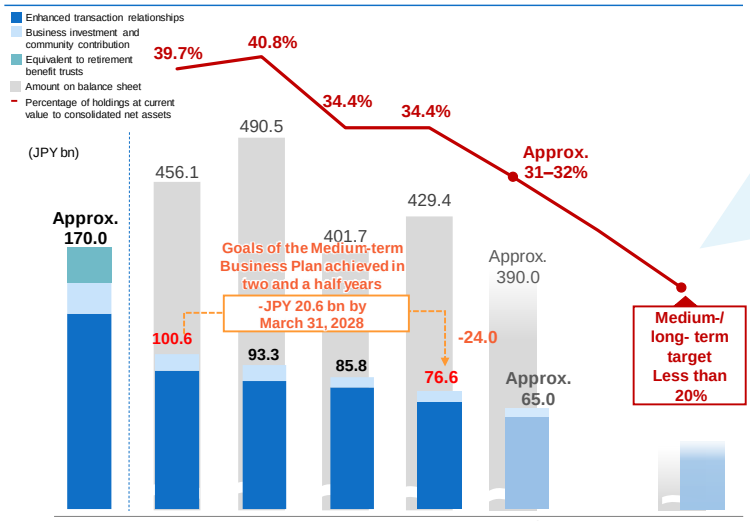
In addition, as part of the capital control needed to achieve our ROE target, we will further enhance shareholder returns, as I will explain next.

As shown in the image at the upper right, risk-weighted assets are expected to increase to about JPY8.2 trillion in the final year, taking into account the rise associated with breaching the capital floor.

Strategic shareholdings

We achieved the reduction target on an acquisition cost basis (−JPY 20.6 bn vs. March 31, 2023, by March 31, 2028) two and a half years ahead of schedule. We will control strategic shareholdings to appropriate capital levels while making effective use of increasing valuation gains/losses associated with rising stock prices.

Trend in balances of strategic-shareholdings



	March 31, 2000	March 31, 2023	March 31, 2024	March 31, 2025	September 30, 2025	March 31, 2026 (planned)	March 31, 2031
Net assets (JPY tn)		1.1	1.2	1.2	1.25	1.2–1.25	1.3~
Nikkei Average (JPY)		28,041	40,369	35,617	44,932	—	—

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

<As of September 30, 2025>
◆Amount transferred to shares held as pure investments
Acquisition cost: **JPY 17.1 bn**
Current value: **JPY 122.8 bn**
◆Yield on holdings
Acquisition cost: **16.54%** Current value: **2.30%**

(JPY bn)

Status of issues for which consent to sale has been received	
Amount for which consent to sale has been received (17 issuers)	30.3
Of which, valuation gain/loss	24.8

FY2025 operations

- Accelerating reductions in response to increasing valuation gains/losses on stock holdings based on recent high stock prices
- Selling holdings, starting with high priority holdings; putting gains on sale to use in development of a JPY bonds portfolio to increase the likelihood of achieving the Medium-term Business Plan's targets

Toward the achievement of medium- to long-term targets (March 31, 2031)

- Continuing to pursue systematic reductions to realize target capital levels and capital composition
- Putting gains from sale of stock, which are increasing along with stock prices, to use in strategic investments

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 on securities accounting for **about 1.5–2%** of the CET1 ratio

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Next is the situation of strategic shareholdings.

The balance of holdings at the end of September 2025 was JPY76.6 billion on an acquisition cost basis, achieving the reduction plan of the current mid-term plan two and a half years ahead of schedule, while the balance on a market value basis increased due to rising stock prices, and the ratio to net assets remained unchanged at 34.4%. Taking into account the sales of stocks planned for H2, as explained earlier in the securities section, this ratio is expected to decrease by about 3% at the end of March 2026.

In managing our policy investment shares, or cross shareholdings, we recognize the need to view them on a market value basis from the perspective of capital control. We will therefore systematically reduce their ratio to net assets toward our target of 20%.

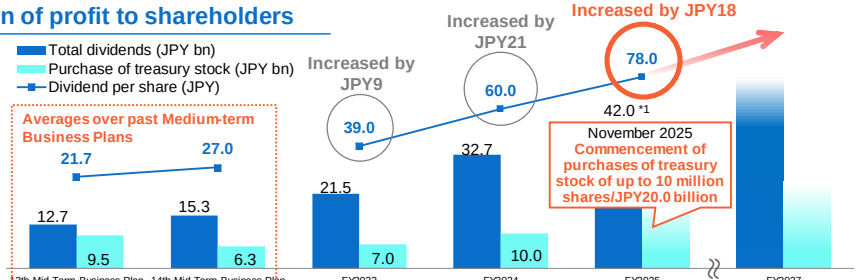
Depending on future stock prices, we expect that there will be times, as in the current fiscal year, when gains on sales will increase significantly as we aggressively downsize toward an appropriate capital level and capital structure.

How we strategically use the increased gains in such cases will be an important point for our future growth. This is linked to the growth strategy in the medium-term management plan currently being formulated, so we ask that you wait a little longer for a detailed explanation.

Shareholder returns

Based on the upward revision of full-year performance forecasts, the dividends planned for FY2025 have been revised upward by JPY 18 YoY (for an increase of JPY 6 vs. initial projected dividends).
We began acquiring treasury stock of up to 10 million shares/JPY 20.0 bn to increase capital efficiency as part of efforts to meet the ROE target.

Distribution of profit to shareholders



	13th Mid-Term Business Plan average (2017-2019)	14th Mid-Term Business Plan average (2020-2022)	FY2023	FY2024	FY2025 (projected)	FY2027 (planned)
Dividend payout ratio	28.0%	33.3%	37.4%	44.0%	49.1%	50.0%~
Total payout ratio	48.9%	46.9%	49.3%	57.3%	72.0%*2	–
Net income attributable to owners of the parent	JPY45.2 bn	JPY45.9 bn	JPY57.8 bn	JPY74.6 bn	JPY86.0 bn	JPY100.0 bn

*1 Estimates are based on shares issued and outstanding (not including treasury stock) as of September 30, 2025. Treasury stock includes 10 million shares planned for purchase in November 2025 and beyond.
*2 Returns to shareholders in FY2025 (projected) are estimates based on performance forecasts and maximum purchases of treasury stock (amount and number of shares) announced November 7, 2025.

Policy on shareholder returns

While the policy is based on dividends, we will also purchase treasury stock dynamically to improve capital efficiency.

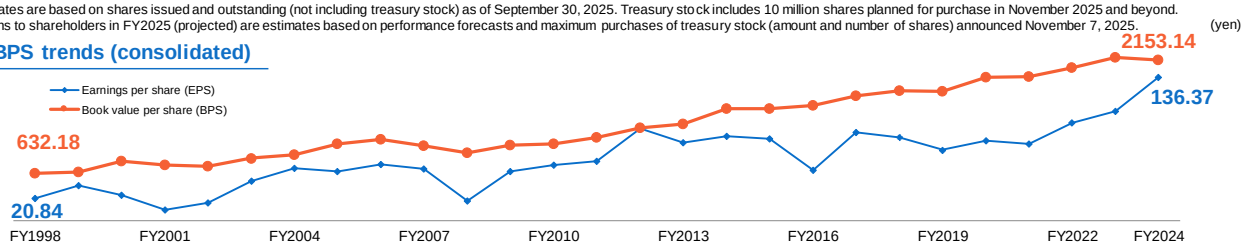
Dividends

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

Purchase of treasury stock

- Strategically implemented to reach the ROE target in the second half of the Mid-term Business Plan (FY2025-2027) as a transition period toward appropriate capital levels
- Purchases of **up to JPY20.0 bn** commenced in November 2025.

EPS/BPS trends (consolidated)



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Shareholder return.

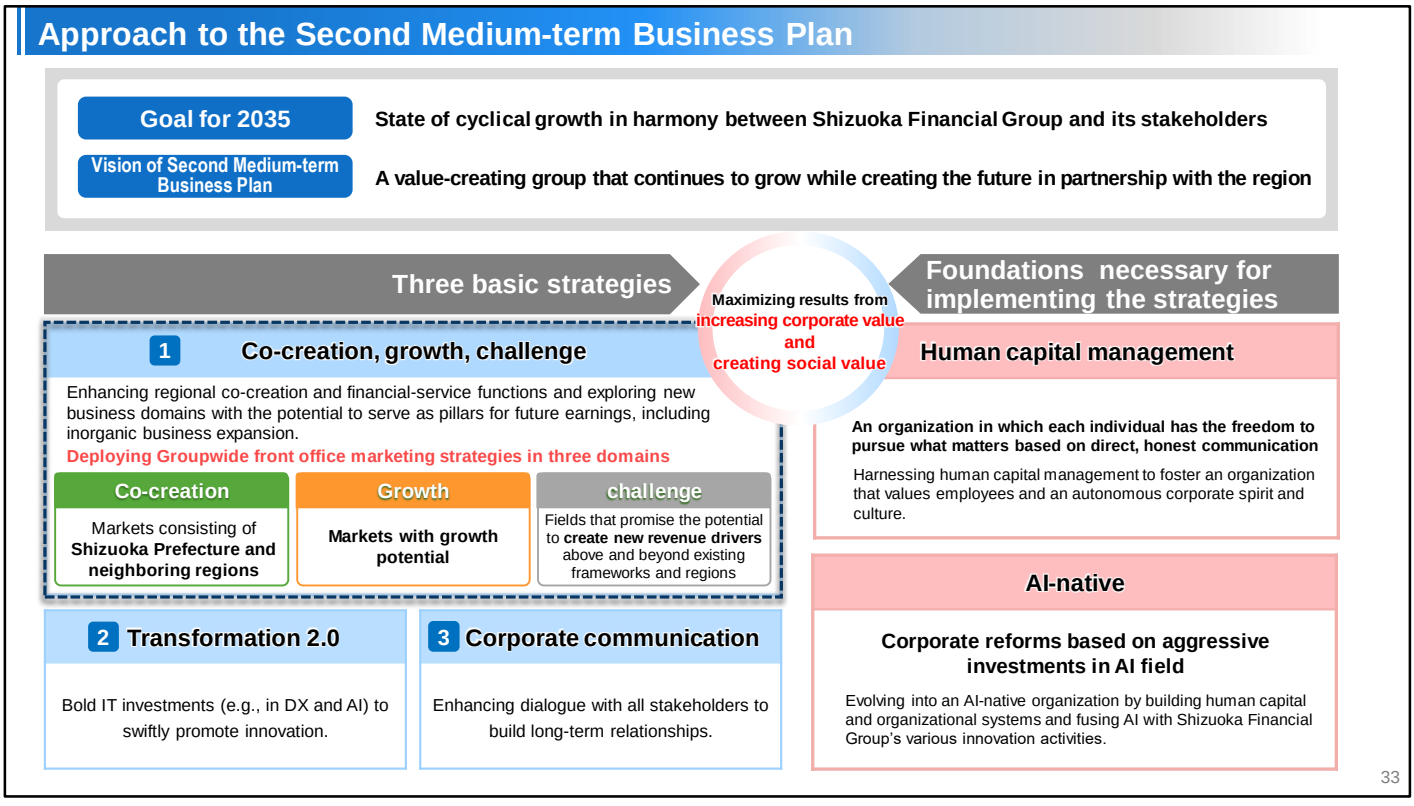
Our shareholder return policy is based on the payment of dividends, aiming to raise the dividend payout ratio to 50% or more by FY2027, while flexibly implementing share buybacks to improve capital efficiency.

Under this policy, the dividend per share for FY2025 is planned to be JPY78, an increase of JPY18 over the previous year, or a dividend payout ratio of 49.1%, an increase of JPY6 over the initial forecast, based on the upward revision of the full-year earnings forecast.

As we have explained, our policy is to systematically repurchase treasury stock with a view to achieving our ROE target, and we have announced that we will repurchase up to JPY20 billion in the current interim period.

However, given the current pace of capital growth and the dilution resulting from the foundation's establishment, we intend to consider additional actions in H2 and beyond, based on a review of share price trends and capital conditions.

In addition, we believe that a balance between investment in growth will be important in the outlook for sustainable growth in the future along with expansion and enhancement of shareholder returns.



Finally, I would like to touch on the current status of our preparations for the next medium-term plan. Please note in advance that these points are not final, as nothing has yet been approved by the relevant bodies.

The plan period is expected to be three years, starting in April 2026 and ending in 2028. The vision of the plan and the mid- to long-term direction we are aiming for are shown on the screen. I will explain my thoughts on this vision at another time.

The current first medium-term management plan is characterized by the fact that, it set both corporate value enhancement and social value enhancement as its core concept for the first time. The next plan will be designed to maximize these aims.

To achieve them, we have set three basic strategies: number one, co-creation, growth and challenge, number two, transformation 2.0, and number three, corporate communication. We have also positioned human capital management and AI natives as the two foundations necessary to realize these strategies.

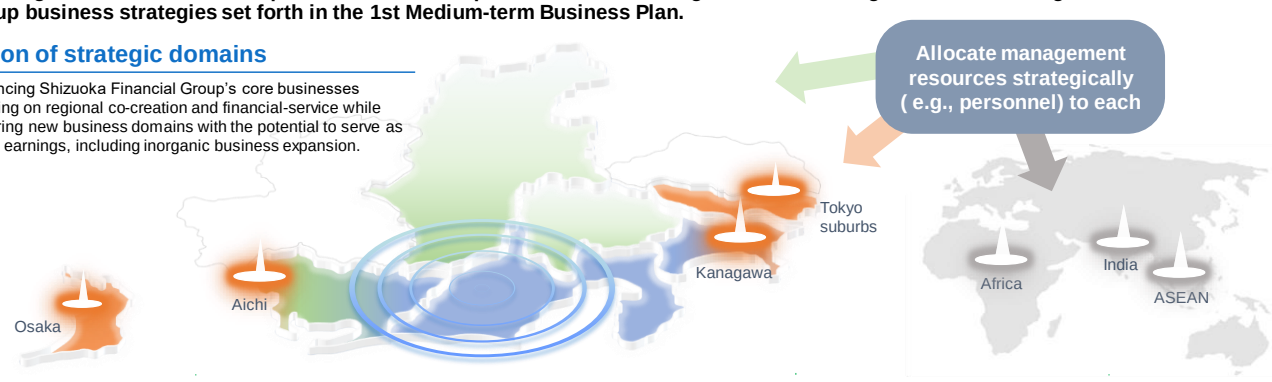
Due to time constraints today, I will explain the concept of co-creation, growth and challenge in the next slide.

Strategic deployment across three business domains

Identifying the three business domains of co-creation, growth, and challenge, based on our thinking concerning geographical regions and the functions and roles that the current era demands.
Pursuing new domains with the potential to serve as pillars of future earnings while continuing to build on the regional co-creation and Group business strategies set forth in the 1st Medium-term Business Plan.

Vision of strategic domains

Enhancing Shizuoka Financial Group's core businesses focusing on regional co-creation and financial-service while exploring new business domains with the potential to serve as future earnings, including inorganic business expansion.



Co-creation Shizuoka Prefecture and neighboring areas

Preparing management foundations based on efforts to co-create value

- Building a structure and investing capital to establish community development models that counter depopulation
- Promoting regional co-creation initiatives and building a base of loyal customers and supporters who will choose us for the long term
- Creating an Shizuoka FG economy through the app and rewards program

Growth Markets centered on the greater Tokyo area and overseas

Increasing corporate value by capitalizing on market growth potential

- Allocating management resources to enhance marketing in the greater Tokyo area
- Expanding investment and finance efforts overseas (non-Japan-affiliated customers, ship finance)
- Nationwide deployment of measures including digital banking and BaaS

Challenge Building new revenue and customer bases

Building a base for growth from a clean slate

- Pursue M&A opportunities in order to expand the revenue base and enhance the operating function in both financial and non-financial sectors(e.g., leasing, payments, trusts,etc.)
- Expanding market research and investment in the Global South
- Business implementation through POC functions and in-house startups

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In the second medium-term business plan, we will develop strategies by dividing our business areas into three categories based on regional perspectives and required functions and roles.

In the co-creation domain, which covers Shizuoka Prefecture and neighboring areas, we aim to build a solid management foundation while evolving the regional co-creation framework we have been working on. Specifically, key themes include community development to support the sustainability of the region, building a base of loyal customers and supporters who will choose us for the long term, and creating our unique economy. Acquiring deposits as a source of growth will also be an important theme.

In the growth domain in the second topic, we will aggressively pursue returns by capitalizing on market growth potential which centers on the greater Tokyo area and overseas. The Tokyo metropolitan area continues to be positioned as a growth driver, and we will allocate management resources to growth fields in a well-defined manner.

The third, in the challenge domain, we will create new revenue and customer bases without being bound by traditional fields. As shown at the bottom right, we view M&A as an effective option, and we will consider investing in priority areas while strategically utilizing our ample capital. We will explore expanding our territory from scratch into unexplored regions, such as India and Africa.

Please wait for the announcement of other initiatives, KPIs, and related items.

It was a quick run-through, but this is the end of my explanation. Please refer to the reference materials on page 35 and beyond, which we hope you will review later.
We would appreciate your continued support. Thank you for your attention.

Reference Materials
(FY2025 1H financial results)

Loans (Shizuoka Bank nonconsolidated)

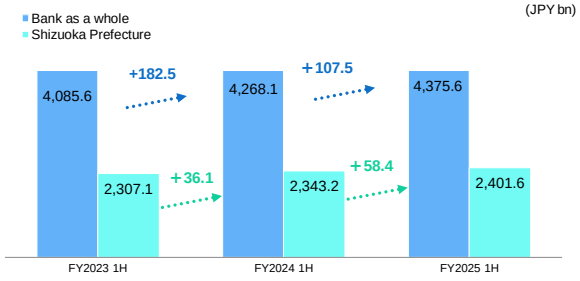
The total loan balance (average balance) increased due to growth mainly in loans to SMEs and retail loans (+3.2% annual).

Loan balance (average balance)

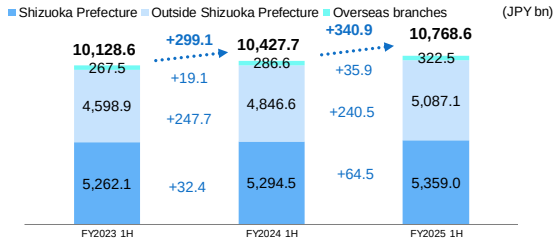
(JPY bn)	FY2025 1H	YoY change	Annual rate
Total loan balance	10,768.6	+340.9	+3.2%
Loan balance to SMEs	4,375.6	+107.5	+2.5%
Loan balance to large and medium-sized enterprises	1,859.0	+28.2	+1.5%
Retail loans	4,124.2	+182.0	+4.6%
Loan balance in foreign currency	717.6	+29.0	+4.2%

Balance factors: +36.9, Forex factors: -7.9

SMEs loan balance (average balance)

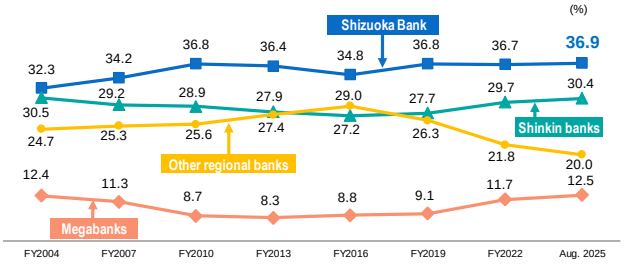


Loan balance (by segment)



Kanagawa Prefecture	1,484.9	(+155.1)	1,611.3	(+126.3)	1,755.4	(+144.2)
Shizuoka + Kanagawa Prefectures	6,747.1	(+215.1)	6,905.8	(+158.7)	7,114.5	(+208.7)

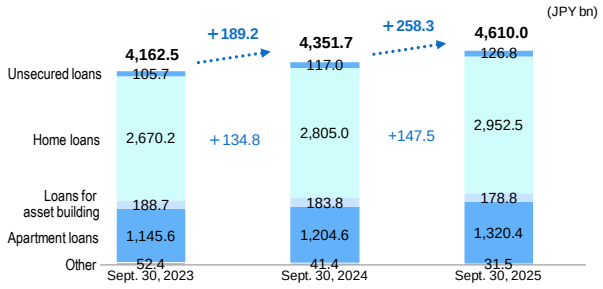
Share of loans in Shizuoka Prefecture



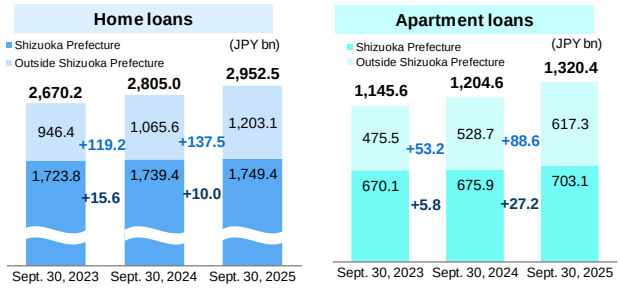
Home loans, apartment loans, and other (Shizuoka Bank nonconsolidated)

The balance of home loans, apartment loans, and other loans continued to grow. Loan-related revenues grew JPY 7.0 bn YoY, due to higher interest revenue generated by revisions to short-term prime rate and other factors.

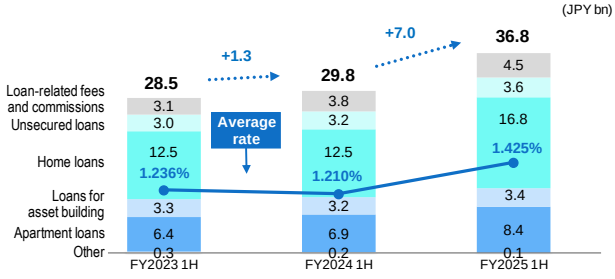
Term-end balance



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



Interest amounts, fees, and rates



Delinquency rate and occupancy rate

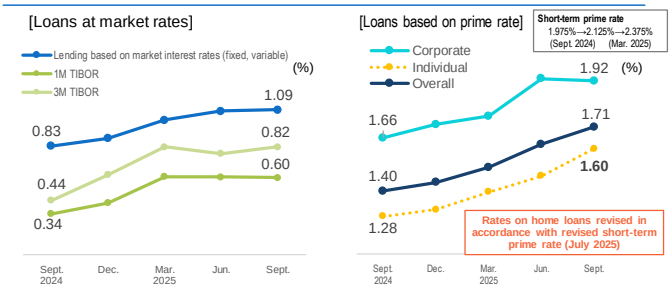
Delinquency rate (three months or longer)	September 30, 2023	September 30, 2024	**September 30, 2025**
Home loans	0.11%	0.10%	0.12%
Apartment loans	0.03%	0.02%	0.02%
Loans for asset building	0.49%	0.34%	0.27%

Rental property occupancy rate	December 31, 2022	December 31, 2023	**December 31, 2024**
Shizuoka Prefecture	94.0%	94.3%	94.2%
Outside Shizuoka Prefecture	95.1%	95.4%	94.8%

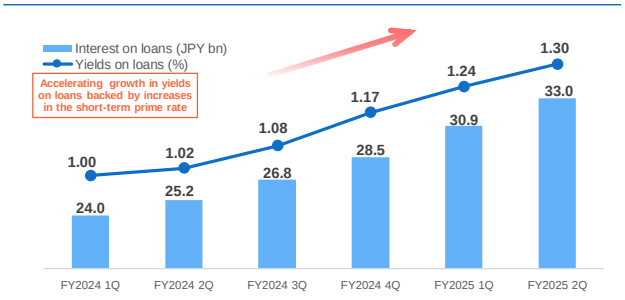
Improving yields on yen loans

Due to rising rates on home loans (since July 2025) spurred by the latest revision to the short-term prime rate, yields on retail loans have increased sharply. Overall yields on domestic loans continue to trend up.

Interest rate on loans (by rate format)

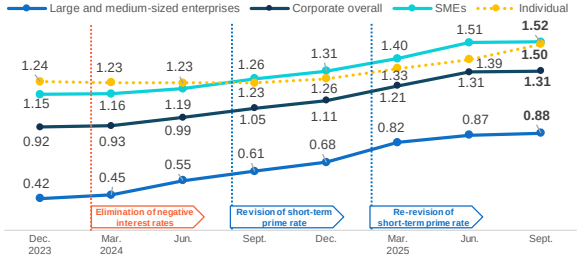


Domestic loans and its interest

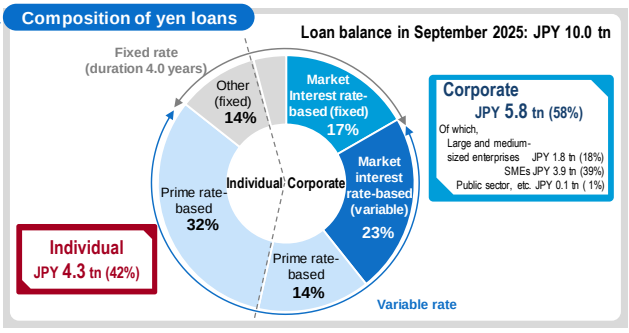


Transition of Interest rates on loans (by size, corporate/individual)

The upward trend in individual loan yields has strengthened sharply due to rate improvements on prime-based loans.



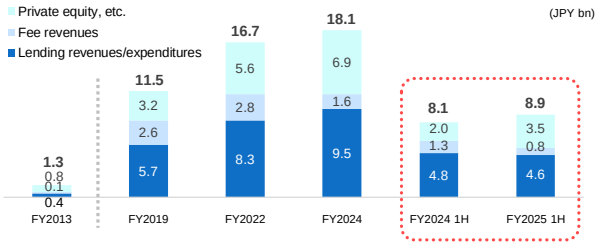
Composition of yen loans



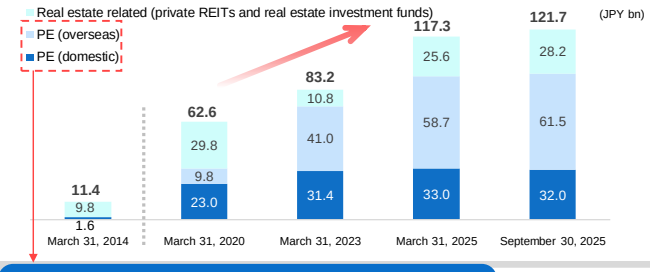
Market credit investment

Focusing on increasing ROA and RORA while reducing the balance of market credit investment through careful screening of transactions. We will secure steady earnings by building a diversified investment portfolio through continual investment in private equity.

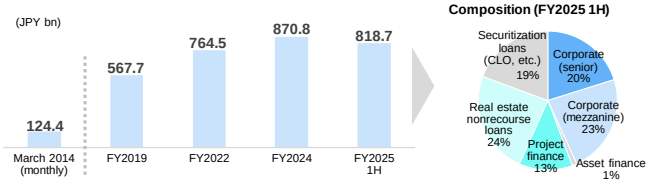
Revenue trend



Market credit investment balance (term-end balance)



Lending balance (average) and composition



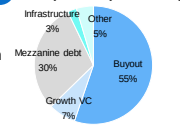
Well-diversified portfolio (JPY : foreign currency = 5 : 5)
99% allocated to performing borrowers
LTV real estate nonrecourse loan average: 58.7%

CLO balance (September 30, 2025)
JPY 162.4 bn (24 details: JPY 6.8 bn average)
All AAA-rated
Subordination ratio: 36.0–40.0%

Lending profitability indicators	FY2024 1H	FY2025 1H	YoY change
Return on assets (ROA)	**1.06%**	**1.11%**	**+0.04 pt**
Return on risk-weighted assets (RORA)	**1.84%**	**2.02%**	**+0.18 pt**

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



[Private equity investment results]

(JPY bn)	FY2013	FY2019	FY2022	FY2024	FY2025 1H
Investment commitment (annual)	4.7	10.8	21.9	30.0	5.1
Investment commitment (total)	14.0	66.1	129.0	180.6	187.9
Domestic	14.0	45.5	63.2	77.9	80.6
Overseas	0.0	20.6	65.9	102.7	107.4
Investment balance (term end)	1.6	32.8	72.4	91.7	93.5
Investment gain/loss (annual)	0.7	1.7	4.4	5.7	2.9
Revaluation gain/loss (term end)	+1.2	+3.6	+10.1	+13.2	+12.7

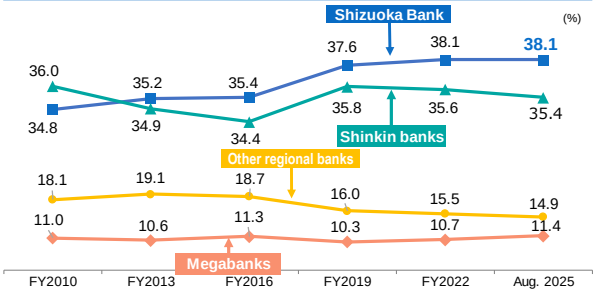
Deposits and other (Shizuoka Bank nonconsolidated)

Continued growth in average balance of deposits at JPY 181.2 bn YoY (+1.4% annual), centered on corporate deposits.

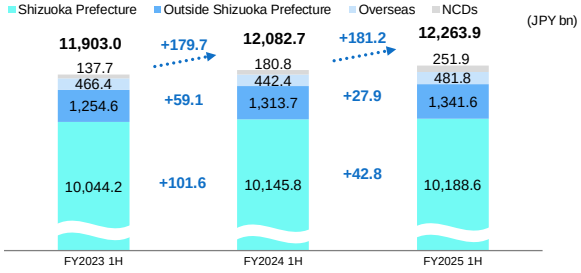
Trends in deposits and other balances (average balance)

(JPY bn)	FY2025 1H	YoY change	Annual rate
Total deposits and other	12,263.9	+181.2	+1.4%
Total deposits	12,012.0	+110.2	+0.9%
Corporate deposits	3,131.7	+64.5	+2.1%
Retail deposits	7,733.7	-8.0	-0.1%
Public deposits	374.3	-3.2	-0.8%
NCDs	251.9	+71.0	+39.2%

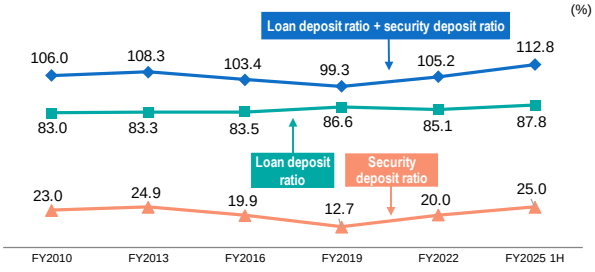
Share in Shizuoka Prefecture



Deposit balance (by region)



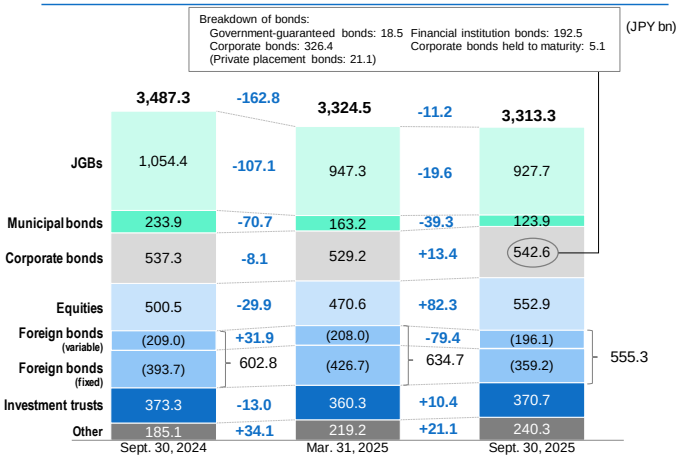
Loan deposit ratio / security deposit ratio (including NCDs)



Securities (Shizuoka Bank nonconsolidated)

Amid rising yen interest rates, we carry out operations to contribute to improving yields on the bond portfolio overall.
We will continue to restructure our portfolio to target profitability, premised on appropriate risk management.

Securities



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

* Excluding futures

	September 30, 2024	March 31, 2025	**September 30, 2025**
JPY bonds	6.96 years	6.87 years	7.03 years
Foreign bonds*	0.93 years	2.77 years	2.02 years

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

JPY bonds	0.52%	0.64%	0.80%
Foreign bonds	4.52%	4.41%	4.26%

Gains and losses on securities

(JPY bn)	FY2024 1H	**FY2025 1H**	YoY change
Interest and dividends on securities	31.6	35.7	+4.1
JPY bonds	6.0	7.5	+1.5
Foreign bonds	14.1	13.6	-0.5
Investment trusts (gains [losses] on cancellation)	1.1 (0.1)	2.4 (1.1)	+1.4 (+1.0)
Investment funds, etc.	2.9	3.7	+0.7
Income related to JGBs and other bonds	0.7	-4.6	-5.4
Gains on sale	1.2	1.7	+0.5
Losses on sale and redemption (−)	0.5	6.3	+5.9
Gains and losses on equities	3.1	15.1	+12.0
Gains on sale	3.9	16.0	+12.0
Losses on sale and amortization (−)	0.9	0.9	-0.0

Gains and losses on revaluation of securities

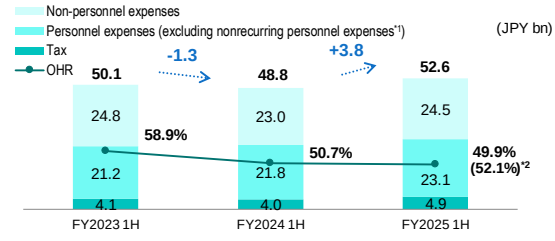
(JPY bn)	September 30, 2024	March 31, 2025	**September 30, 2025**	After hedging	vs. March 31, 2025
Gains and losses on revaluation of securities	+339.9	+237.6	+305.3	+334.7	+67.7
Equities	+402.5	+375.1	+458.3		+83.2
JPY bonds	-59.8	-127.8	-153.4	-130.3	-25.5
Foreign bonds	-20.4	-34.0	-32.0	-25.6	+2.0
Investment trusts	+3.8	+7.8	+15.3		+7.6
Investment funds, etc.	+13.9	+16.5	+17.0		+0.5

Expenses

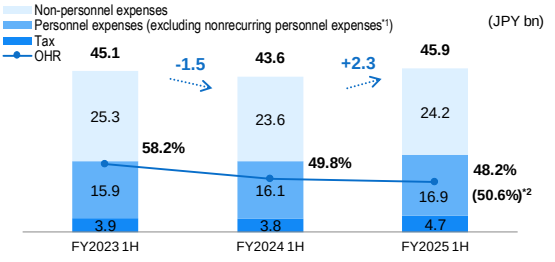
While overall expenses increased by JPY 3.8 bn YoY, consolidated OHR improved to 49.9% (down 0.7 pt. YoY), due to top-line growth.

Expenses and OHR

Consolidated



Shizuoka Bank nonconsolidated



*1 Amortization of actuarial gains and losses in retirement benefit cost, and other
*2 OHR based on effective expenses, adjusted by treating impairment loss recorded as an expense

Key factors contributing to changes in expenses

Consolidated

	Change	Main changes
Non-personnel expenses	+JPY1.5 bn	IT-related expenses: +JPY 0.4 bn Advertising expenses: +JPY 0.2 bn Shizugin Saison Card* non-personnel expenses: +JPY 0.4 bn etc.
Personnel expenses	+JPY1.4 bn	Salaries (related to base pay increase): +JPY 0.5 bn Bonuses: +JPY 0.2 bn Staff increases, etc.: +JPY 0.6 bn
Tax	+JPY0.9 bn	Shizuoka Bank: +JPY 0.9 bn
Total	**+JPY3.8 bn**	

*Shizugin Saison Card expenses have been recorded in consolidated accounts since it was made a consolidated subsidiary in July 2025.

Shizuoka Bank nonconsolidated

	Change	Main changes
Non-personnel expenses	+JPY0.6 bn	IT-related expenses: +JPY 0.4 bn Advertising expenses: +JPY 0.2 bn
Personnel expenses	+JPY0.8 bn	Salaries (related to base pay increase): +JPY 0.4 bn Bonuses: +JPY 0.2 bn Staff increases, etc.: +JPY 0.2 bn
Tax	+JPY0.9 bn	Consumption tax: +JPY 0.7 bn Pro forma taxation: +JPY 0.2 bn
Total	**+JPY2.3 bn**	

Credit-related costs (Shizuoka Bank nonconsolidated)

Credit-related costs (Shizuoka Bank nonconsolidated) trended in line with initial assumptions at JPY 2.4 bn.

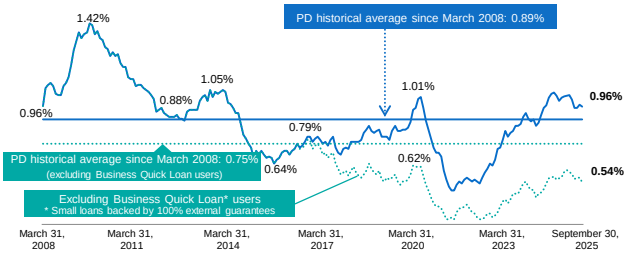
Breakdown of credit-related costs

(JPY bn)	FY2023 1H	FY2024 1H	**FY2025 1H**	YoY change
[Consolidated] Credit-related costs	2.2	2.8	2.9	+0.1
[Shizuoka Bank nonconsolidated] Credit-related costs	1.6	2.3	2.4	+0.2
Provision for general allowance for loan losses	-0.8	-1.7	-1.4	+0.2
Provision for specific allowance for loan losses	2.2	3.6	3.5	-0.1
Other non-performing loans (NPL) disposal*	0.2	0.4	0.4	+0.0

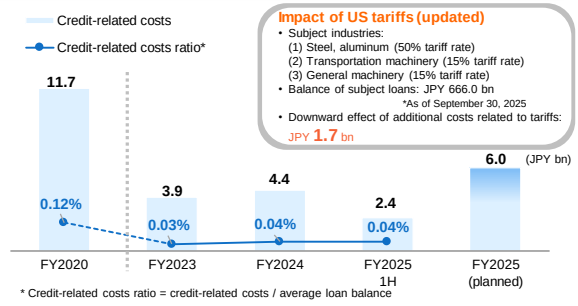
* This includes contributions to credit guarantee associations, provisions for contingent loss, etc.

Probability of default (PD)

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

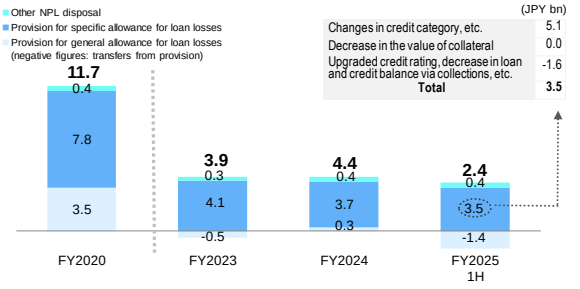


Credit-related costs and credit-related costs ratio



* Credit-related costs ratio = credit-related costs / average loan balance

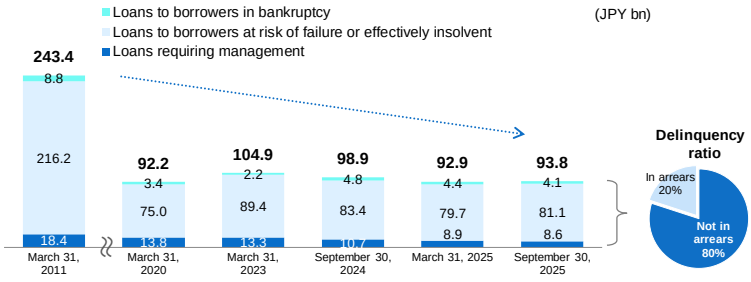
Provision for allowance for loan losses and other NPL disposal



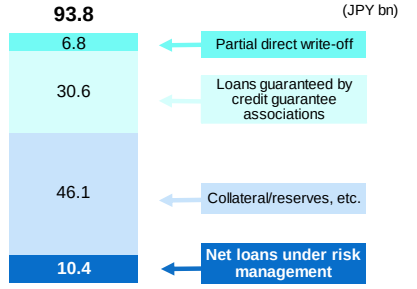
Loans under risk management (Loans disclosed under the Financial Reconstruction Act) (Shizuoka Bank nonconsolidated)

Loans under risk management and the ratio of loans under risk management both remained at low levels.

Loans under risk management



Net loans under risk management



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

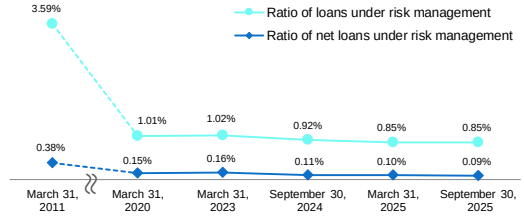
NPL removal from balance sheet

(JPY bn)	FY2024	FY2025 1H
Newly recognized NPLs	+26.6	+15.1
Removal from balance sheet (NPL to borrowers classified as at risk of failure or in categories of greater risk)	-34.7 (-29.4)	-14.2 (-12.9)
Loans under risk management	92.9	93.8

Breakdown of -JPY 12.9 bn

Collected from borrower/ offset against deposits	-2.5
Collateral disposal/ subrogated to guarantor	-4.3
Loans sold/direct write off	-3.0
Reclassified to lower risk categories	-3.0

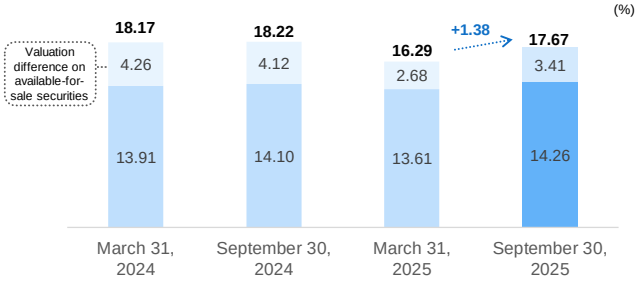
Ratio of loans under risk management



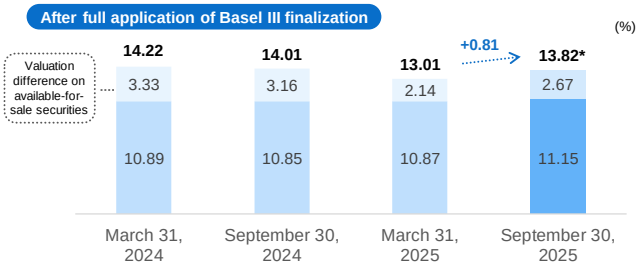
Capital adequacy ratio

The total capital ratio and CET1 ratio were both 17.67% as of September 30, 2025 (up 1.38 pt from March 31, 2025).
The estimated ratio after full application of Basel III finalization is 13.82% (up 0.81 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)	March 31, 2024	September 30, 2024	March 31, 2025	**September 30, 2025**	vs. March 31, 2025
Total capital*	**1,045.4**	**1,051.3**	**991.2**	**1,089.1**	**+97.9**
CET1	1,045.4	1,051.3	991.2	1,089.1	+97.9
Excluding valuation difference on available-for-sale securities	800.4	813.8	828.0	879.0	+51.0
Other Tier1	–	–	–	–	–
Tier2	–	–	–	–	–
Risk-weighted assets	**5,752.0**	**5,770.1**	**6,082.1**	**6,163.7**	**+81.6**
Credit risk-weighted assets	5,561.6	5,575.4	5,869.5	5,946.5	+77.0
Amount corresponding to market risk	0.1	0.0	3.2	0.7	-2.5
Amount corresponding to operational risk	190.3	194.6	209.4	216.5	+7.1
Floor adjustments	–	–	–	–	–

* Capital excludes preferred shares, subordinated debt, etc.

Simulation of rising JPY interest rates

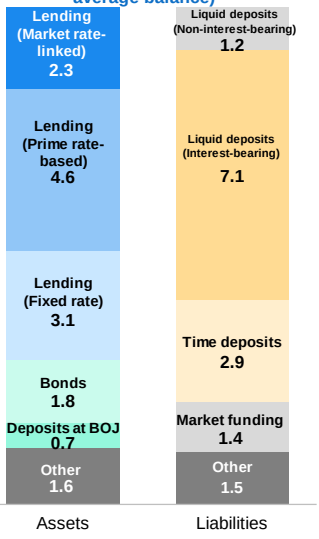
An additional interest rate rise (+0.25%) is expected to increase net interest income by +JPY7.5 bn on an annualized basis, assuming the JPY balance sheet in September 2025.

Impact on JPY net interest income

JPY balance sheet structure

JPY14.1 tn (September 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 bonds reflect interest rate hikes to the corresponding amount.	
Bond yield	+0.25%		
BOJ deposit interest-rate yield	+0.25%		

* Asset and liability balances are unchanged (September 2025).

Impact (annualized)

Lending	**+JPY17.1 bn**	**Deposits**	**-JPY11.3 bn**
Market rate-linked	+JPY5.4 bn	Liquid deposits	-JPY7.1 bn
Prime rate-based	+JPY10.6 bn	Time deposits	-JPY4.2 bn
Fixed rate	+JPY1.0 bn		
Bonds	**+JPY0.3 bn**		
Deposits at BOJ	**+JPY1.4 bn**		

Net interest income: +JPY7.5 bn
ROE: +0.5%

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

Impact on FY2025 financial results

- Revised FY2025 performance forecasts (net income of JPY 86.0 bn) were formulated without incorporating the impact of additional interest rate hikes.
- The impact of an additional rate hike (expected in January 2026) on FY2025 results is estimated based on the JPY balance sheet for September 2025.

Impacts (upside of additional rate hike)

Lending	**+JPY1.9 bn**	**Deposits**	**-JPY0.9 bn**
Market rate-linked	+JPY1.3 bn	Liquid deposits	-JPY0.6 bn
Prime rate-based	+JPY0.3 bn	Time deposits	-JPY0.3 bn
Fixed rate	+JPY0.2 bn		
Bonds	**+JPY0.1 bn**		
Deposits at BOJ	**+JPY0.3 bn**		

Net interest income: +JPY1.4 bn
ROE: +0.1%

* Asset and liability balances are unchanged (September 2025).

Alliance Strategy with Regional Banks – initiatives status

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.

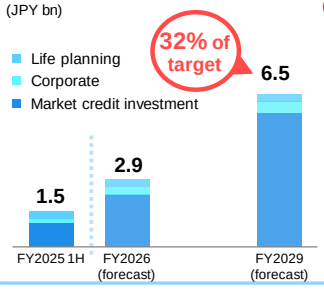
Mt. Fuji/Alps Alliance (established March 2025)

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

Revenue effects

KPI: revenue effects JPY 20.0 bn (total for three banks, cumulative for five years)



Finance

Lending field	JPY 60.2 bn
Joint lending included above	JPY 7.9 bn

(Cumulative amounts executed since inception of alliance)

Life planning

Shizugin TM Securities Yamanashi Head Office

Customer assets balance: **JPY 41.6 bn** (Results as of the end of sept , 2025)

Creating social value

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**

Status of initiatives

Support for sales channel development	Individual consultation meetings held: **3**; business matching cases: **15**
Initiatives to promote relocation	Relocation support loans: **73 loans (JPY 2.8 bn) executed** (total for three banks)

TOPICs

▶ The Mt. Fuji/Alps Alliance Relocation Promotion Project Team plans to set up a booth at a relocation event .
– Communicating information on the attractions and properties of Shizuoka, Yamanashi, and Nagano prefectures to residents of the greater Tokyo area and encouraging relocation

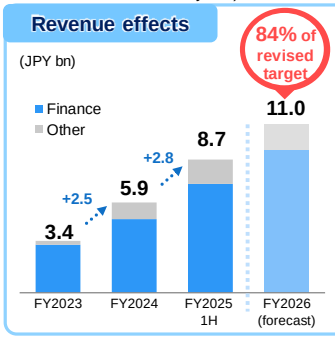
Shizuoka Nagoya Alliance (established April 2022)

Focusing on solutions to customer's challenges, **chiefly supporting business partners in structural reforms of regional industries**
Making steady progress toward the revised revenue effects KPI JPY 13.0 bn (total for both banks, cumulative for five years)

Increasing corporate value

Revenue effects

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



Finance

Lending field	JPY 89.8 bn
Joint lending included above	JPY 38.9 bn

(Cumulative amounts executed since inception of alliance)

Life planning

Shizugin TM Securities Nagoya Head Office

Customer assets balance: **JPY 8.7 bn** (Results as of the end of sept , 2025)

Creating social value

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

Status of initiatives

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

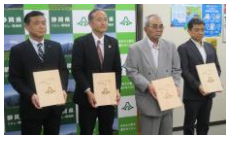
TOPICs

▶ Holding the New Technology / New Construction Method Exhibition and Business Discussion Meeting in OTICS
–Joint business discussion meeting held for Mid-sized and small automotive suppliers
– Providing opportunities for customers to create new markets, increase technological value, and expand sales channels

Reference Materials

Major initiatives in FY2025 (1)

List of Shizuoka Financial Group news releases

	April	May	June
Regional Co-Creation Strategy × Group Business Strategy	● 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. ● Won first **Students' Choice Career Design Program Award** (**Shizuoka Bank**). 	● **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**) 	● 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** ● 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**)
Trans-formation Strategy	● Introduced **S-Bridge** integrated asset management tool. (**Shizuoka Bank, Shizugin TM Securities**) 		

Major initiatives in FY2025 (2)

List of Shizuoka Financial Group news releases

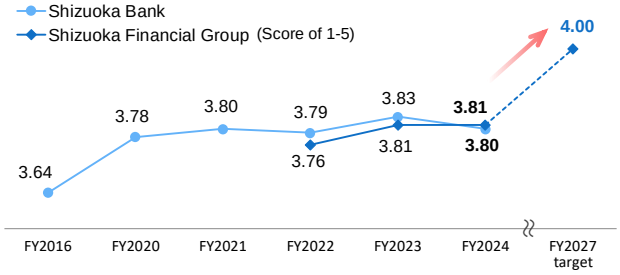
	July	August	September –
Regional Co-Creation Strategy × Group Business Strategy	● **Indonesia-Shizuoka Friendship Meeting** held jointly to support customers' overseas businesses, as part of the Shizuoka-Nagoya Alliance (**Shizuoka Bank**) ● New business alliance agreements concluded with two companies to expand the range of solutions offered for issues facing firms in the region (**Shizugin Lease**) • **Robokaru** (Support for productivity improvements and solutions to manufacturing labor shortages) • **YSK** (Meeting demand for disposal of unneeded equipment, unused assets, etc.) ● Named for the fourth consecutive year as a financial institution eligible for priority support under the Ministry of the Environment's **FY2025 program to spread and promote ESG regional finance** (**Shizuoka Bank**)	● Business alliance agreement concluded with **National University Philippines** to create employment opportunities for human resources from overseas, to help solving the region's labor shortage (**Shizuoka Bank**) ● Chose business operator to create new carbon credits as the secretariat of Shizuoka City's **Forest Carbon Credit Creation Promotion Project**. (**Shizugin Management Consulting**)	● Established the **Mt. Fuji/Alps Alliance Fund** to support business succession and restructuring for regional firms (**Shizuoka Bank, Shizuoka Capital**) ● **NFT marketing business** launched to create new value for the region (**SFG Marketing**) ● Shizugin no Mori woods on the Shizuoka Bank Head Office Tower site recognized by the Ministry of the Environment as a **site supporting coexistence with nature*** (**Shizuoka Financial Group**) * Zone authorized for implementation plans for biodiversity maintenance and other efforts under the Act on Promoting Activities to Enhance Regional Biodiversity Peregrine falcon spotted on the roof
Trans-formation Strategy	● **TECH BEAT Shizuoka 2025** held * Attracted record highs of 10,125 attendees and 178 exhibitor startups (**Shizuoka Bank**) 	● **Business time deposits that contribute to society** Began offering Shizuoka Future Generations Support deposits. (**Shizuoka Bank**) 	● Introduced monitoring for abuse of corporate Internet banking using Detecker, a platform for detecting improprieties, through joint development with **ACSiON** (**Shizuoka Bank**)

Improving engagement and wellbeing

Realizing increased corporate value through organizational reforms by accelerating efforts to improve Group employee engagement and wellbeing.

Trend in Group employee engagement survey results

The engagement survey score for Shizuoka Financial Group as a whole is 3.81 (0.00 pt change YoY).



FY2024 results and FY2025 Challenges

The following six survey items were chosen as KPIs: (Shizuoka Bank)

FY2024 KPIs	YoY
(1) Satisfaction	-0.01
(2) Attractiveness to employees	-0.02
(3) Challenges, value creation	+0.01
(4) Diversity, wellbeing	+0.02
(5) Cultural reforms	-0.04
(6) Sustainability management	-0.04

FY2025 challenges based on engagement survey results

- Flat communication (organizations, grades)
- Management leadership, communication
- Enhancement of midcareer hiring
- Reform employee awareness

External evaluations, support for external initiatives

Selected to KENKO Investment for Health Stock Selection for the second consecutive year

Chosen once again as a company practicing particularly outstanding health management

Shizuoka Financial Group

Certified as 2025 Health & Productivity Management Outstanding Organization (White 500)

Four companies recognized to have outstanding health management initiatives

White 500
- Shizuoka Financial Group
- Shizuoka Bank
- Shizugin Business Create
- Shizugin IT Solution

Endorsed the Valuable 500

Endorsed the international initiative to support the activities of people with disabilities.

Shizuoka Bank

Selected to Next Nadeshiko: Companies Supporting Dual-career and Co-parenting

Recognized as a firm that supports the careers of both men and women

Shizuoka Financial Group

Certified Gold rating in PRIDE Index 2024

Gold certified in recognition of various LGBTQ initiatives

Shizuoka Financial Group

Recognitions related to supporting women's careers

Platinum Kurumin
Three companies recognized to offer levels of support for employees raising children exceeding Kurumin standards

- Shizuoka Bank
- Shizugin IT Solution
- Shizugin TM Securities

Platinum Eruboshi
Recognized as a company offering working environments that support women's careers at levels exceeding Eruboshi

Shizugin Business Create

Eruboshi (Three Stars)
Three companies recognized to offer working environments that support women's careers

- Shizuoka Bank
- Shizugin TM Securities
- Shizugin Mortgage Service

Culture and innovation initiatives

Implementing measures to reform the corporate culture and atmosphere and align employee thinking with management strategies based on engagement survey results.

Holding town hall meetings

Awareness and culture reforms to shift from top-down decision-making to co-creation

Intended to deepen understanding of basic philosophies and management strategies and to promote awareness of co-creation and cultural reforms by providing opportunities for direct dialogue between management and employees

FY2025 1H

Held **nine** times in total, with **706** Group employees participated

- This was a great opportunity to **learn about where the Shizuoka Financial Group is heading**, as we have few opportunities to participate in management at branches. (Shizuoka Bank employee)
- This was a great opportunity to **strengthen my motivation and rediscover myself**. (Shizugin Business Create employee)

NEW

- IR town hall meetings held for younger employees after the briefings on financial results
- Expand the range of officers speaking at meetings

Meetings held in FY2025 1H

Date	Speaker	Subject	Participants
June	President Shibata	IR town hall meeting for younger employees (central), open discussions	40
June	President Shibata	IR town hall meeting for younger employees (western), open discussions	46
June	President Shibata	IR town hall meeting for younger employees (eastern), open discussions	40
June	Director Yagi	Training for new hires, open discussions	222
July	President Shibata	Second-year training, open discussions	241
July	CFO Umehara	Open discussions	33
August	President Shibata	Open discussions	34
September	Director Fukushima	Group cooperation	20
September	Executive Officer Takizawa (Shizuoka Bank)	How to increase motivation	30

Messages from management

Improving understanding of strategy

The Integrated Report featured a roundtable discussion between Director Yagi and Group employees on the theme of achieving the Shizuoka Financial Group's vision through human capital management.

Theme: **The current state of human capital management: Looking at reality to pursue the ideal**

Describes an exchange of opinions among Director Yagi, chairperson of the Human Capital Management Committee, and members of the committee on the human resource development and organizational and cultural reforms to be achieved by the Shizuoka Financial Group through human capital management, and the First Medium-term Business Plan's pursuit of stakeholder wellbeing.

Adopting My Sustainability Books

Connecting management strategy to employee aspirations

We adopted My Sustainability Books and distributed to employees to connect management strategy to the aspirations of individual employees.

These books, which are about 250 pages long, will be completed over the five years of the Medium-term Business Plan in communication with superiors for using as tools, especially in one-on-one meetings.

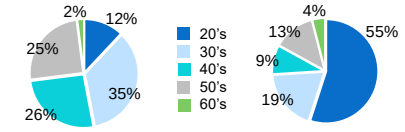
Support for autonomous career development

Growing the Shizuoka Financial Group's business portfolio and boosting profitability by changing the corporate culture to stimulate individual initiative.

In-house startup program

Entrants come from a wide range of generations, and a corporate culture of pursuing challenge is spreading throughout the Group.

Increased number of entrants in their 20's and 30's



First program entrants (Total entrants: 59) ▶ Third program entrants **(Total entrants: 80)**

Third award-winning theme

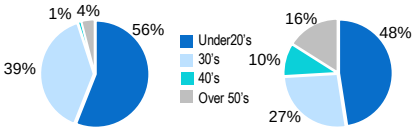
Linkle, a communication service to accelerate collaboration within the organization

Nao Aoyama, IT Planning Group, Shizuoka Bank

My Career Design program

As the number of applicants grows, people across a wide range of generations are actively choosing their own career paths.

Growing numbers of applicants from a wide range of generations



FY2019 applicants (Total applicants: 72)

FY2024 applicants **(Total applicants: 199)**

Diverse career choices

- External dispatch
- In-house trainee
- Tackling the challenge of a posting to a requested section
- Transfer between Group companies
- Dispatch to a local firm
- Working concurrently in another section

Cumulative total users: **612**
* From FY2019 to the end of Sept. 2025

Shizuoka Financial Group Open College (Liberal Arts)

We provide officers and employees with opportunities to relearn new topics on weekends and weeknights, to deepen their knowledge and help them to become more attractive human resources.
(e.g., seminars on liberal arts, AI・DX, DE&I, human rights, and biodiversity)

	FY2022	FY2023	FY2024
Open College participants (persons)	5,696	8,459	9,420

Value Up program (Accumulated usage through end of Sept. 2025: **209** cases)

This program provides financial support for skills development initiatives planned by individual employees themselves.

[Examples of past support]
Business schools (e.g., Globis, Waseda University), data science schools, qualification schools (e.g., for tax accountants and real estate appraisers), language schools, etc.

Meet Up program (Accumulated usage through end of Sept. 2025: **126** cases)

This program provides support for part of the cost of participating in various events, including community events, study meetings, and inter-industry exchange meetings organized by governments or local firms.

[Examples of past support]
Participation in inter-industry exchange meetings, symposia on generative AI, seminars on recent trends in the wine industry, events for learning about local history and food culture, fishing classes (community vitalization), etc.

External exchange of human resources

Implementing active human resource exchange aimed at robust relationships with the local community and new business initiatives.
Mutually learning knowledge and know-how through the exchange; developing human resources to play active roles in creating a sustainable society.

(As of the end of Sept. 2025)

Local companies

Dispatch
- Contributing to the growth and progress of local companies
- Understanding the local economy and industry; ascertaining potential needs and issues

Some human resources are recruited through Shizugin General Service Co., Ltd.

Dispatch to local companies
4 employees (cumulative: 24)

Returning as employees who understand the perspectives of local companies

Retired employees
Giving back to the local community based on knowledge and experience as employees of a general financial group based in the local region

Dispatch to local governments
2 employees (cumulative: 12*)

Enhancing partnerships in the co-creation fields

Acceptance from local governments
3 employees (cumulative: 26*)

*Cumulative number of employees since FY 2015 (when the Regional Revitalization Dept. was established)

Local Governments

Dispatch/acceptance
- Enhancing partnerships in co-creation fields

SHIZUOKA FINANCIAL GROUP

Dispatch to the non-financial industries
11 employees (cumulative: 55)

Returning as an experts with knowledge and know-how

Acceptance from non-financial industries
2 employees (cumulative: 8)

Dispatch to financial institutions
9 employees (cumulative: 62)

Returning as an experts with knowledge and know-how

Acceptance from financial institutions
27 employees (implemented continuously)

Non-financial industries

【Dispatch】
- Acquiring new skills and know-how's of new disciplines such as venture capital and digital skills
- Developing relationships among start-up's and companies from the different industries

【Acceptance (Side-job)】
- Boost the strategy by utilizing the external knowledge

Other financial institutions

【Dispatch】
- Acquiring the knowledge and know-how's of the growing areas such as forefront finance and wealth management

【Acceptance】
- Acquiring know-how's of insurance sales

【Exchange of human resources through the Alliances】
- Exchange of human resources in each discipline of the partnership

Numbers of qualified employees

Supporting the sustainable growth of the local community through solutions and new value creation by Group employees with diverse knowledge and skills

■ Value creating human resources ■ Problem-solving human resources

(As of the end of Sept. 2025)

Certified Financial Planner 1st grade	Registered Management Consultant	IT Passport	Fundamental Information Technology Engineer	Social Insurance Labor Consultant	Administrative Scrivener	MBA
365	80	1,696	266	22	25	19

DE&I enhancements to maximize human resource value

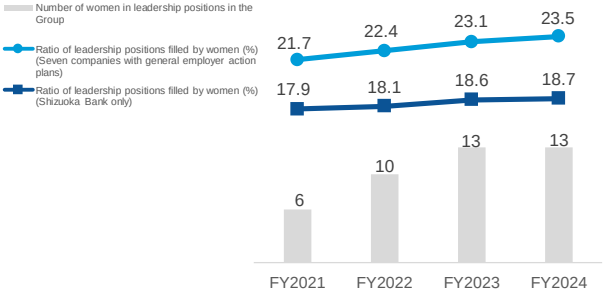
Initiatives to empower women

Women as a percentage of those in leadership positions (at the section manager level and above)
We seek to achieve a ratio of at least 27% of leadership positions being women by the end of March 2027 and at least 40% by the end of March 2031. We are actively assigning and appointing women to these positions while supporting career development for women.

General employer action plan initiatives

Seven Group companies—Shizuoka Financial Group, Shizuoka Bank, Shizugin TM Securities, Shizugin Mortgage Service, Shizugin IT Solution, Shizugin Business Create, and Shizugin Lease—have formulated general employer action plans, as we strive to advance the roles of women Groupwide with the aim of strengthening our DE&I initiatives.

KPI **Ratio of leadership positions filled by women (Shizuoka Bank)**
27% or more by the end of March 2027 and 40% or more by the end of March 2031



Supporting women's careers

- Holding training for women executives and employees to make work more rewarding and to help them tackle the challenges of career development
- Promoting awareness of women's health issues
- Holding seminars to encourage understanding among colleagues

Topics **Inspiring career planning with an eye toward senior roles**

Natsuko Oba
Deputy General Manager, Credit Planning Group, Shizuoka Bank

Women's leadership program (Full Bank Branch Challenge)

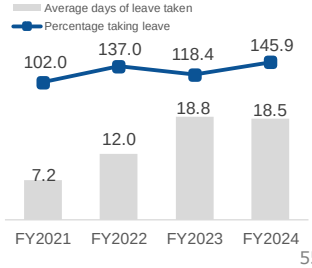
I had some experience with counter services, financial planning, and as a branch general manager, but I had no experience in outside financial sales.
The Full Bank Branch Challenge gave me the opportunity to take on the challenges of a full bank branch general manager.
I want to demonstrate to my three children that I can boldly take on the challenge of creating further value by meeting customer needs.

Maintaining a percentage of 100% of eligible male employees taking childcare leave*

We have expanded our Ikusapo childcare support program. In addition to establishing a system to promote gender-neutral participation in childcare, we seek to overcome resistance to men taking childcare leave and rectify unconscious biases concerning balancing family and work through Groupwide support for male employees taking childcare leave.

* At seven companies with general employer action plans

Percentage of eligible male employees taking childcare leave (%) = number of male employees who took(began) childcare leave in the fiscal year / number of male employees whose spouses gave birth in the fiscal year × 100



Initiatives to support local decarbonization

Supporting region-wide decarbonization to achieve the social impact KPI of 46% reduction in Shizuoka Prefecture's GHG emissions vs. FY2013 (by FY2030) while creating business opportunities for the Shizuoka Financial Group in light of customer needs.

Region-wide collaboration based on Shizuoka GX Support

- Began providing the Shizuoka GX Support GHG emissions calculation tool **at all financial institutions in Shizuoka Prefecture** (provided **1840** times as end of Sept. 30, 2025)
- Sharing knowledge on decarbonization solutions and training personnel through the Shizuoka Carbon Neutral Finance Consortium chaired by Shizuoka Bank

Shizuoka Carbon Neutral Finance Consortium

Other financial institutions | Economic organizations: Japan Federation of Credit Guarantee Corporations, etc. | Local governments | Universities Research institutions

Training personnel capable of providing side-by-side support

Expanding the range of financial support

■ **Establishment of GX promotion guarantees**
- Creating loan guarantees conditional on calculation of GHG emissions using tools authorized by the Shizuoka Prefecture Federation of Credit Guarantee Corporations (including Shizuoka GX Support)

Performance **401 guarantees / JPY 11.7 bn** (cumulative through the end of Sept. 30, 2025)

■ **Promoting subsidy measures**
- Promoting subsidy measures for financial instruments to contribute to decarbonization, centered on local governments listed below with whom we have concluded cooperative agreements

Hamamatsu | Kosai | Iwata | Fukuroi | Fuji

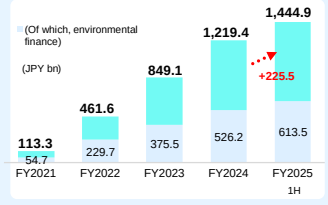
Promoting sustainable finance

- Providing financial services to contribute to development a sustainable region

Sustainable finance executed Increased

FY2030 target
JPY 2 tn (of which, JPY 1 tn is environmental finance)

Progress 72.2%
(of which, 61.3% is environmental finance)



Raising awareness and creating opportunities for customer decarbonization

Emissions calculations using the Shizuoka GX Support tool ▶ Providing solutions based on joint efforts between Shizuoka Bank and Group companies

Stimulating customer demand and information provision

Service menu

Sustainable finance
- Product development using Shizuoka GX Support
  - Shizuoka GX Support loans (Since October 2023)
  - GX Promotion Guarantees (Since April 2024)

J-Credits | Carbon-offset auto leases | Subsidy application support | Fee-based business matching

Based on Shizuoka GX Support to raise customer awareness of decarbonization

Side-by-side support for regional firms implementing sustainability management

Shifting to the practical emissions reduction phase from positive impact finance (PIF)

Positive impact finance execution
▼ Raising awareness of reducing environmental impact
Calculation and disclosure of CO2 emissions
▼
CO2 emissions reduction planning
▼
Sustainability-linked loan execution

KPI: Reductions in waste and CO2 emissions across the entire supply chain

SPTs*: Planning to reduce CO2 emissions long term

* Sustainability performance targets

Providing funding support to companies who contribute to reducing GHG emissions in Shizuoka Prefecture

Natural capital and biodiversity initiatives

Shizuoka Financial Group will strive to achieve the Materiality Topic of "Society that balances the environment and economy" through nature-positive initiatives to protect and recover natural capital overall, while responding to climate change, by raising community awareness and providing financial instruments and services.

First disclosure as a TNFD Adopter (July 2025)

To ascertain risks and opportunities related to natural capital, enhancing analysis of dependencies and impacts on natural capital with customers and disclosing information based on TNFD recommendations

Governance

- Organization-wide discussions in the Environmental Committee, with membership from Group companies
- Building a system of regular submissions to the Board of Directors for deliberations and reporting through the Sustainability Meeting (Executive Committee)
- **Surveying customers, and interviewing customers** and local governments in the prefecture based on their answers NEW

Strategy

- Analysis of general natural dependencies and natural impact with borrowers (ENCORE analysis)
- Choosing three industries and conducting the following analysis NEW
  (1) Natural properties specific to each region in which businesses are concentrated in each industry
  (2) Dependencies and impacts of each business on nature in each region
- Checking the status of company facilities in regions of significant biodiversity

Risk and impact management

- **Comprehensively organizing** and ascertaining nature-related **climate change risks** NEW

KPIs, targets

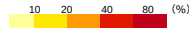
- Measuring and disclosing **metrics required** under TNFD NEW
  - TNFD priority sectors' shares of total lending
  - Balance of loans to borrowers located in areas of concern as a share of total lending
  - Land use, water use, total waste

Analysis of dependencies of various businesses and their impact on the natural capital in Shizuoka Prefecture

Choosing three industries based on regional industry in Shizuoka Prefecture and lending balances and analyzing (1) natural properties specific to each region in which businesses are concentrated in each industry and (2) dependencies and impacts of each business on nature in each region

(1) In Shizuoka Prefecture, we must keep in mind the balance between water demand and supply centered on coastal areas.

WSC* water stress analysis



Water demand for human activities as a percentage of available water resources

* Water Security Compass Japan, provided by the University of Tokyo's Research Initiative for Global Hydrologic Cycles (https://water-sc.diasjp.net/ accessed July 15, 2025)

(2) Businesses with close ties to nature in the region in processes involving raw materials procurement, processing, packing, and shipping

Vehicles and auto parts (concentrated in the western prefecture)	• Dependency on water resources in processes such as washing and cooling • Impact on coastal ecosystems and water quality of **Lake Hamana**, the **Enshu Nada**, etc.
Fishing, seafood processing (concentrated in the central prefecture)	• Strong dependency on fisheries resources in **Suruga Bay** • Impact on ecosystems and ocean water quality due to port development, wastewater, etc.
Papermaking (concentrated in the eastern prefecture)	• Dependency on groundwater, including water flowing from **Mt. Fuji** in processes like purification of raw materials and screening • Concerns of impacts of large-scale wastewater release on **Tagonoura** and **Suruga Bay**

Status of transactions with customers located in areas of concern regarding biodiversity

Balance of loans to customers* located in areas of concern regarding biodiversity in Shizuoka Prefecture as a share of total lending

Subject industry	Vehicles and auto parts	Fishing, seafood processing	Papermaking
Share	0.20%	0.08%	0.01%

* Subject: industries for which the above analysis was done

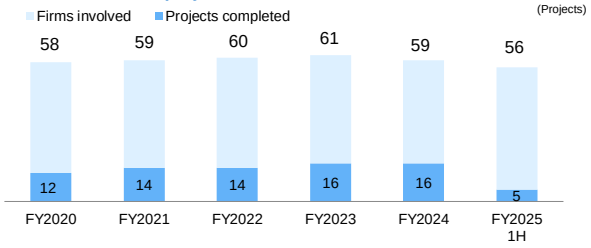
Region-based Relationship Banking

Provide support from various perspectives, reflecting customer growth stages.

Support for improving management and revitalizing businesses

Provide support for revitalization by developing business plans, partnering with external agencies, and drawing on business regeneration funds.

Trends in number of projects



Approximately 340 firms have completed business revitalization efforts since FY2005.

Preserve jobs for about 28,000 people and maintain the economic power of the local community.

Among customers provided support by the Business Support Division in response to COVID-19 (approx. 700 customers), ratings have remained almost unchanged from the end of last year (with the ratio of performing borrowers increasing slightly and that of nonperforming decreasing slightly).

Credit rating trends

March 31, 2025 September 30, 2025

Efforts of the Industrial Transformation Support Project Team

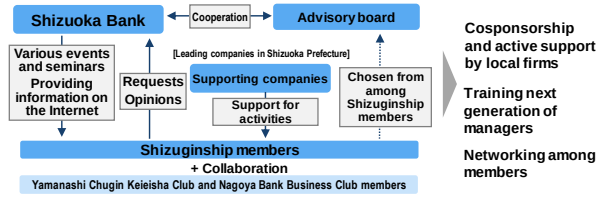
- Three new team members were hired with experience from manufacturers. Strengthening support for auto parts suppliers through means including advising on manufacturing site improvements by drawing on their manufacturing expertise (since May 2025).
- Joint booth entered to TECH BEAT with Takumi Engineering, a startup with roots at the University of Tokyo. To provide cost/estimate diagnostics and to support cost normalization in manufacturing (July 2025)
- Holding the New Technology / New Construction Method Exhibition and Business Discussion Meeting in OTICS as a Shizuoka Nagoya Alliance initiative. (October 2025).

Shizuginship next-generation management courses

- This membership-based service seeks to enhance the management capabilities of the next generation of young business leaders and contribute to their businesses and economic development in Shizuoka Prefecture.

Structure of Shizuginship

Members: 667 corporate and 998 individual members as of the end of Sept. 2025
Participants in FY2025 1H activities: 531 persons in total



Initiatives for Regional Co-Creation

Expand activities regional solutions through the regional co-creation strategy in cooperation with diverse stakeholders on 12 initiative theme derived from materiality to advance activities aimed at resolving regional challenges.

Materiality topic		The 12 themes of the initiatives	
Society	Addressing population decline, low birthrates, and the aging population	Deploying Community development	
		Regional revitalization using local resources	(1)
		Creating a related populations	(2)
	Healthy growth of the local community	Increasing regional financial literacy	
		Individualized consulting	
Economy	Industrial development and financial innovation	Supporting transition reflecting changing industrial structures	
		Enhancing the business-succession and M&A businesses	
		Building regional innovation ecosystems	(3)
	Creating a digital society	Supporting digital transformation of local firms and local governments	
		Promoting cashless payments in the region	
Environment	Society that balances the environment and economy	Building a region with a balance between decarbonization and business needs	
		Promoting eco-friendly financial services	

(1) Support for growing sales channels for regional resources (Individual business discussion meetings held)

- In one example of the alliance with Yamanashi Chuo Bank, we held business discussion meetings between supermarkets and food wholesalers in Shizuoka and Yamanashi prefectures and prospective suppliers to grow mutual commerce and stimulate exchange between the prefectures.
- This initiative will be enhanced under the Mt. Fuji Alps Alliance with the addition of Hachijuni Bank to the network after FY2025.

<Meetings held (January 2021–September 2025)>

	Total	Of which, held by Shizuoka Bank	Of which, held by Yamanashi Chuo Bank
Number held (meetings)	37	–	–
Number of applications	1,258	780	433
Number of participants (companies)	891	535	315
Number of discussions	1,209	758	405

(2) Communicating information on the appeals of Shizuoka on Instagram

Our Instagram account on the appeals of Shizuoka, intended to foster and improve Shizuoka civic pride, was upgraded in October 2024.
This account provides opportunities to rediscover the region's appeal and value by focusing, on the region and its people's ideas.

Account **Dakara li Shizuoka | Media for deepening affection for Shizuoka**

Concept **From "Somehow good" to "Therefore good" Providing opportunities to inspire attachment to Shizuoka by looking for and finding what makes it so appealing**

(3) TECH BEAT Shizuoka 2025

TECH BEAT Shizuoka is an open innovation program intended to revitalize industry within Shizuoka Prefecture and create new businesses through joint efforts involving businesses in the region and start-up firms with leading-edge technologies.

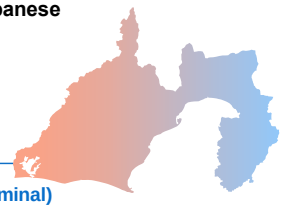
Number of attendees in FY2025: 10,125
Number of business discussions in FY2025: 432 * **Record high**
* As of September 30, 2025

[Business discussions with startups (main venue)]

[Children experiencing the latest technology]

Economy of Shizuoka Prefecture – Economic scale

Accounting for 3% of Japan's national economy, the economy of Shizuoka Prefecture ranks 10th among Japanese prefectures. Its prefectural GDP exceeds the combined GDPs of the four prefectures of Shikoku or the three Hokuriku prefectures.
Ranked next after Algeria, Hungary, and Qatar in a comparison with national GDPs around the world.



Shizuoka Prefecture KPIs

		Nationwide share	Nationwide rank
Population	3.46 mn	2.9%	10/47 (2025)
Households	1.57 mn	2.7%	10/47 (2025)
Prefectural GDP (nominal)	JPY17.4 tn	3.0%	10/47 (FY2021)
Prefectural GDP per capita	JPY3,314,000	—	4/47 (FY2021)
Business locations	165,000	3.1%	10/47 (2021)
Shipments of manufactured goods, etc. by value	JPY19.8 tn	5.3%	2/47 (2023)
Agricultural production	JPY224.5 bn	2.3%	15/47 (2023)
Fisheries production	162,000 t	5.8%	5/47 (2024)
Factory locations	46	5.4%	5/47 (2024)
New housing starts	19,000	2.4%	10/47 (2024)

Shizuoka Prefecture's economic scale

Prefectural GDP (FY2021, nominal)

Rank	Prefecture, region	(USD bn)
9	Fukuoka	173.2
10	**Shizuoka**	**156.0**
11	Ibaraki	129.4
–	Four prefectures of Shikoku	130.6
–	Three Hokuriku prefectures	117.9

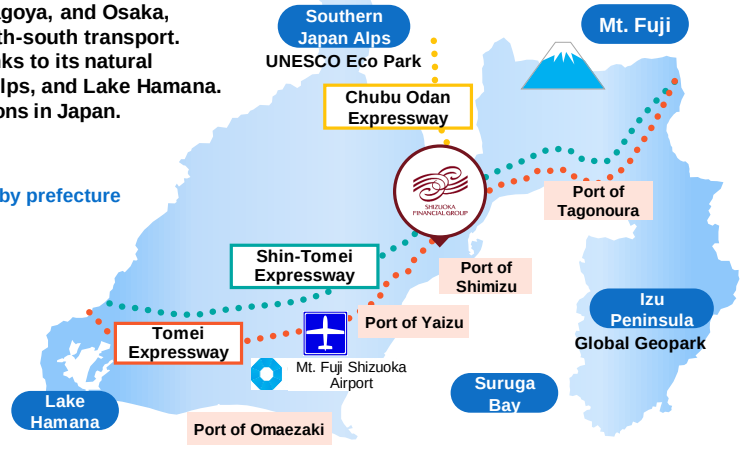
Comparison to national GDPs (2021)

Rank	Country, region	(USD bn)
56	Algeria	185.9
57	Hungary	183.3
58	Qatar	179.7
–	**Shizuoka Prefecture**	**156.0**
59	Kuwait	148.5
60	Morocco	142.0

Source: Economic and Social Research Institute (ESRI), Cabinet Office, Government of Japan, and others

Shizuoka Prefecture's Attractions (1) – Nature, tourism

Positioned at a transportation hub between Tokyo, Nagoya, and Osaka, the Chubu Odan Expressway enables convenient north-south transport. One of Japan's leading sightseeing destinations, thanks to its natural attractions that include Mt. Fuji, the southern Japan Alps, and Lake Hamana. Ranked second among desirable relocation destinations in Japan.



■ Rankings of desired relocation destinations in Japan by prefecture

Ranked second highest in 2024 national survey

Popular relocation destination for all generations

Ranking of desired relocation destinations			
2021	2022	2023	**2024**
1	1	1	2

Source: Survey by nonprofit Center for Support to Return to Hometown

Lake Hamana

- The 10th largest lake in Japan
- Renowned for marine sports and the cultivation of eels, softshell turtles, and other aquaculture

Source: Hamamatsu and Lake Hamana Bureau of Tourism website

UNESCO World Heritage Sites in Shizuoka Prefecture

Mt. Fuji (added June 2013)
Included in the World Heritage List as "Fujisan, sacred place and source of artistic inspiration"

Nirayama Reverberatory Furnaces (added July 2015)
Included in the World Heritage List as "Sites of Japan's Meiji Industrial Revolution: Iron and Steel, Shipbuilding and Coal Mining"

Source: Shizuoka Prefectural Tourism Association website

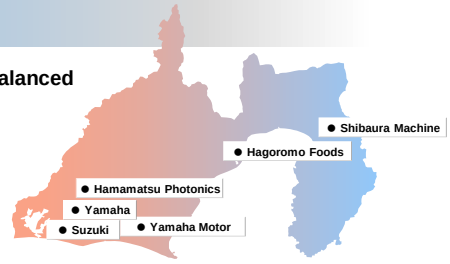
Izu Peninsula

Certified as a Global Geopark by UNESCO (April 2018)

The ninth certified Global Geopark in Japan

Shizuoka Prefecture's Attractions (2) –Industry, economy–

One of the leading manufacturing prefectures in Japan, Shizuoka Prefecture features a well-balanced industrial structure that includes vehicles, pharmaceuticals and medical devices, and musical instruments.
The health and medicine industry has a hub in the eastern prefecture, and various advanced industry hubs exist within the prefecture.
Ranks high annually among relocation destinations for headquarters and factories in Japan.

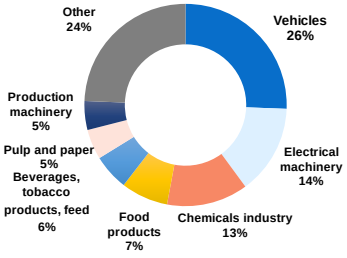


■ Headquarters relocation to Shizuoka Prefecture

Number of certifications under the regional facility enhancement tax program:
99 (cumulative through end of FY2024)
Top nationwide for six consecutive years

■ Shizuoka Prefecture's industrial composition

Shipments of manufactured goods, etc. by value: JPY 19,773.2 bn
Second highest in Japan (2023)



Source: Ministry of Economy, Trade and Industry, Economic Census

■ Plant locations in Shizuoka Prefecture

Ranks high for numbers of factory locations in Japan every year.

FY	2020	2021	2022	2023	**2024**
Locations	54	49	52	47	**46**
National rank	3	4	4	3	**5**

Source: Ministry of Economy, Trade and Industry, Factory Location Trends Survey

■ Shizuoka Prefecture's health and medicine industry

Total production of pharmaceuticals and medical devices by value
Approx. JPY 1.0 tn: **Second highest in Japan** (2023)

Product	Production (JPY bn)	National rank
Pharmaceuticals	737.5	3
Medical devices	311.6	1
Total	**1,049.1**	**2**

Source: Ministry of Health, Labour and Welfare and Shizuoka Prefecture Pharmaceutical Affairs Office, Statistics of Production by Pharmaceutical Industry

■ Listed companies headquartered in Shizuoka Prefecture (TSE)

* As of September 30, 2025

Exchange	Companies
TSE Prime	19
TSE Standard	32
TSE Growth	2
Total	**53**

■ An advanced industrial hub

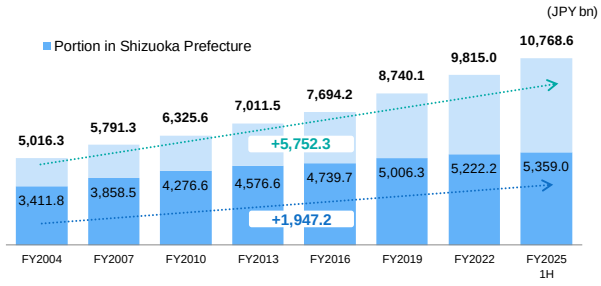
Next-generation vehicles, optical and quantum technologies, marine biotechnologies, cellulose nanofiber (CNF), etc.

Source: Center for Next Generation Cars Hamamatsu website

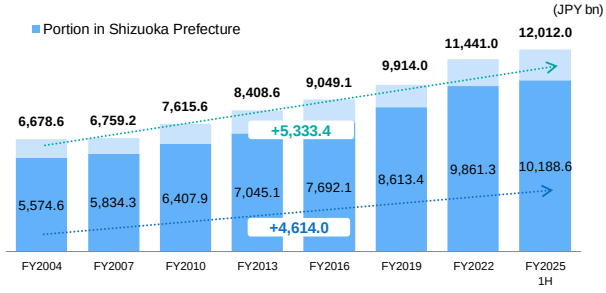
Trends in loans and deposits

Balances of both loans and deposits have steadily trended up both inside and outside Shizuoka Prefecture since FY2004, and the Bank has one of the highest external credit ratings of Japanese banks overall.

Total loan balance (average)



Total deposit balance (average)



One of the highest external credit ratings for any Japanese bank

Shizuoka Financial Group

Rating and Investment Information (R&I) **AA-**

Shizuoka Bank

Moody's **A1**

S&P Global Ratings **A-**

Rating and Investment Information (R&I) **AA-**

Moody's long-term ratings (as of September 2025)

A1	**Shizuoka Bank**, MUFG Bank, Sumitomo Mitsui Banking Corporation, Mizuho Bank, Chiba Bank, and six other banks
A2	Resona Bank, Bank of Yokohama, and four other banks
A3	Bank of Fukuoka, Joyo Bank, and three other banks

Loans – Loans by industry

Expected loss (EL) for all industries totals JPY 10.8 bn, while unexpected loss (UL), or credit risk, for all industries totals JPY 83.1 bn.

Status of business loans to certain industries

Credit balance (as of the end of September 2025)

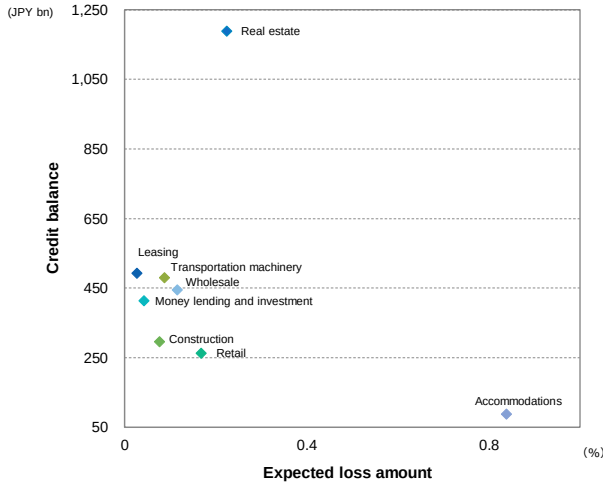
(JPY bn, %)

	Balance	Composition ratio	YoY Change
All industries	7,037.5	100.0	+128.2
Real estate *1	1,188.6	16.8	+89.4
Leasing	492.7	7.0	+47.3
Transportation machinery	479.5	6.8	+1.8
Wholesale *2	445.9	6.3	+8.1
Money lending and investment	414.1	5.8	+17.3
Construction	295.1	4.1	-2.2
Retail	262.0	3.7	-5.7
Accommodations	88.3	1.2	-4.4

*1 Excluding apartment loans and loans for asset building
*2 Excluding general trading companies

Credit balance vs. expected loss rate*

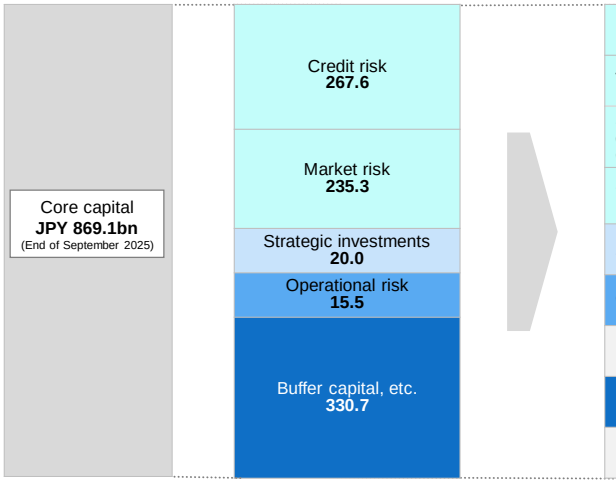
(Excluding borrowers classified as effectively insolvent or lower)



* Expected loss (EL) amount / Credit balance

Allocation of risk capital

Allocation source (JPY bn)



	Risk capital allocated	Risk capital used	Percentage of risk capital used
Loans (credit risk)	176.5	118.9	67%
Treasury division	316.9	138.8	43%
Subsidiaries of holding company, etc. (excluding Shizuoka Bank)	7.5	2.3	30%
Subsidiaries of Shizuoka Bank	2.0	0.6	28%
Strategic investments	20.0	10.9	54%
Operational risk	15.5	15.5	100%
Subtotal	538.4	287.1	53%
Buffer capital, etc.	330.7	–	–
Total	869.1	–	–

・Core capital = CET1 (excluding valuation difference on available for sale securities and foreign currency translation adjustments) <fully loaded basis>
・Risk capital used = <Market risk>│VaR│
<Credit risk> (1)│UL│ (loan balance includes bad debt written off, CVAs)
(2) Basel III capital requirement (designated loan claims, securitization transactions, investment funds, private REITs)
<Operational risk> Amount corresponding to operational risk
・Buffer capital is set aside for emergencies such as major earthquakes and other unquantifiable risks

Group companies (excluding Shizuoka Bank)

The total ordinary profit of group companies (excluding Shizuoka Bank) in 1H of FY2025 was JPY 5.7bn (up JPY 0.1bn YoY).

(JPY bn)

Company name		Main businesses	FY2025 1H ordinary profit	YoY change
Shizugin Management Consulting Co., Ltd.		Corporate and financial management advisory services; bill collection services	0.1	-0.1
Shizugin Lease Co., Ltd.		Leasing	0.8	+0.0
Shizuoka Capital Co., Ltd.		Support for public offering of stock shares; management support and business-succession support for SMEs	0.1	-0.1
Shizugin TM Securities Co., Ltd.		Financial instruments brokerage	1.7	+0.2
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	0.5	+0.1
Subsidiaries of Shizuoka Bank(11 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	1.9	-0.0
	Shizugin Card Co., Ltd.	Credit card business; credit guarantees	0.4	-0.1
	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 Saison Card Co., Ltd.*1	Credit cards; credit guarantees	0.2	+0.0
	Shizugin Heartful Co., Ltd.	Production, printing, and binding of documents	0.0	-0.0
Total excluding Shizuoka Bank (17 companies)			**5.7**	+0.1
(Reference) Equity method affiliates				
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	※2 7.7	+2.6

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

* 2 Pretax income

Shareholder returns – Share buybacks (over time)

Through FY2024, 225 million shares (27.9% of shares outstanding before initial retirement in 1997) were retired.

	Shares bought back (thousand)	Repurchase amount (JPY mn)	Number of shares retired (thousand)	Retirement amount (JPY mn)	Dividend amount per stock (JPY mn)	Shareholder return ratio (consolidated)*2 (%)	EPS (consolidated)*2 (JPY)	BPS (consolidated)*2 (JPY)	DPS (consolidated)*2 (JPY)
FY1997	7,226	9,997	7,226	9,997	6.0	–	20.4	587.6	6.0
FY1998	6,633	9,142	6,633	9,142	6.0	84.1	20.8	632.2	6.0
FY1999	8,357	9,143	8,357	9,143	6.0	52.6	33.4	652.8	6.0
FY2000	24,954	23,281	24,954	23,281	6.0	150.3	24.0	792.0	6.0
FY2001	8,234	8,267	8,234	8,267	6.0	170.5	10.0	742.5	6.0
FY2002	29,928	23,107	–	–	7.0	222.1	17.1	722.3	7.0
FY2003	10,712	8,566	30,000	23,381	7.0	50.2	37.6	833.4	7.0
FY2004	–	–	–	–	8.5	16.9	50.0	878.8	8.5
FY2005	–	–	–	–	10.0	21.4	46.6	1,024.6	10.0
FY2006	–	–	–	–	13.0	24.3	53.4	1,086.0	13.0
FY2007	10,000	12,621	10,000	10,130	13.0	62.6	49.3	1,003.8	13.0
FY2008	–	–	–	–	13.0	69.7	18.6	909.2	13.0
FY2009	5,000	3,996	5,000	4,638	13.0	39.8	46.9	1,005.4	13.0
FY2010	20,000	14,980	20,000	15,957	13.0	65.7	52.9	1,024.6	13.0
FY2011	20,000	14,575	–	–	13.5	63.0	56.3	1,109.7	13.5
FY2012	10,000	8,239	20,000	14,953	15.0	31.5	87.5	1,242.1	15.0
FY2013	20,000	22,642	–	–	15.5	69.3	74.1	1,290.1	15.5
FY2014	10,000	11,315	–	–	16.0	42.4	80.3	1,500.2	16.0
FY2015	4,767	6,999	–	–	20.0	40.2	77.8	1,500.3	20.0
FY2016	10,000	8,496	20,000	20,578	20.0	70.6	48.0	1,545.6	20.0
FY2017	10,000	9,736	–	–	21.0	44.3	83.7	1,669.0	21.0
FY2018	10,000	10,069	30,000	30,530	22.0	49.1	79.3	1,738.5	22.0
FY2019	10,000	8,623	10,000	10,139	22.0	54.9	67.2	1,727.1	22.0
FY2020	–	–	10,000	9,619	25.0	32.9	76.0	1,922.6	25.0
FY2021	10,000	8,759	–	–	26.0	56.2	73.3	1,926.0	26.0
FY2022	9,857	10,000	–	–	30.0	51.2	92.9	2,050.7	30.0
FY2023	4,829	7,000	10,000	9,210	39.0	49.3	104.2	2,188.0	39.0
FY2024	7,505	10,000	5,000	4,991	60.0	57.3	136.4	2,153.1	60.0
FY2025 (1H)*1	10,000	20,000	–	–	78.0	72.0	–	–	–
Cumulative total	**278,002**	279,556	**225,404**	213,959	–	–	–	–	–

*1 Of the numbers of 1H of FY2025, Shares brought back, Repurchase amount, Dividend amount per stock are the information published and Shareholder return ratio is an estimate.
*2 Consolidated financial statements have been prepared since FY1998.

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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