



Shizuoka Financial Group

FY2025 1H

IR Presentation

November 20, 2025

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President

Xover
— Clearing the way
to a new era

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.**

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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

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	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

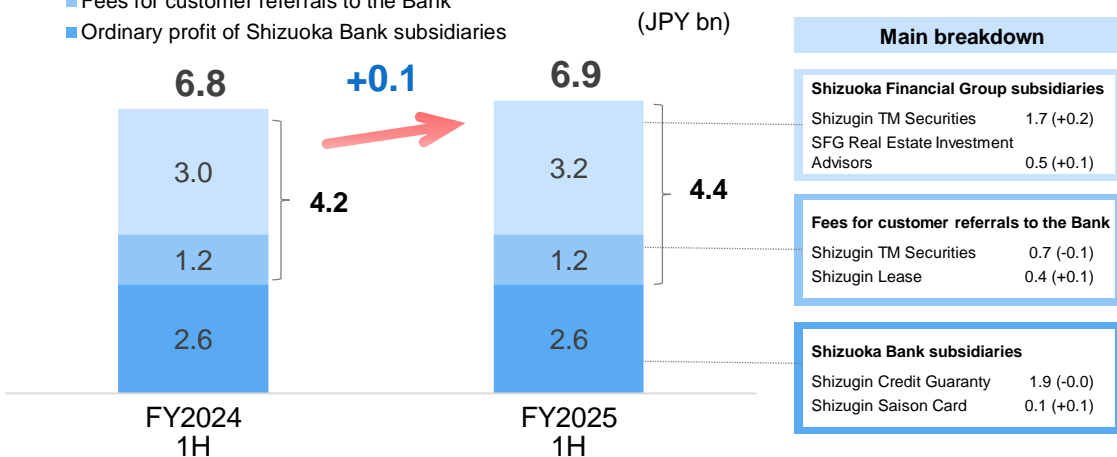
Results for major Group companies (2)

Profit contributed by Group companies other than Shizuoka Bank continues to increase. We will continue striving to grow consolidated earnings by strengthening cooperation among Group members.

Profit contributions of Group companies

Group company profit contributions, including fees for customer referrals to the Bank, are growing steadily.

- Ordinary profit of Shizuoka Financial Group subsidiaries (excluding Shizuoka Bank)
- Fees for customer referrals to the Bank
- Ordinary profit of Shizuoka Bank subsidiaries

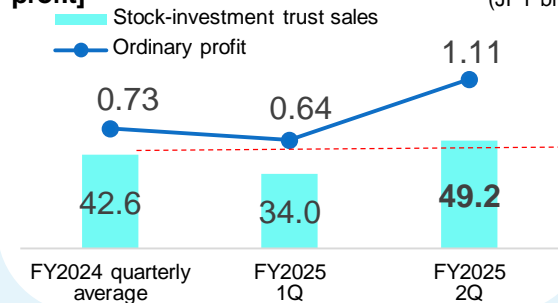


Group company initiatives

Shizugin TM Securities

Returning to a growth track as future uncertainty eases. Business lines expected to continue growing with favorable sales of investment trusts, etc.

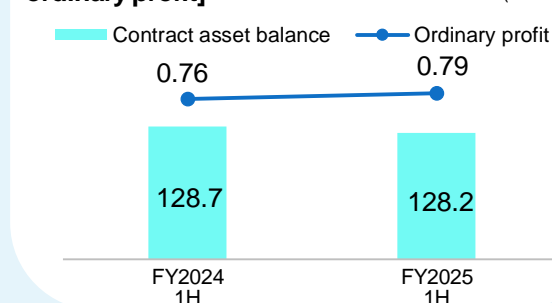
[Trends in investment trust sales and ordinary profit] (JPY bn)



Shizugin Lease

Despite flat asset balances due to lengthening acceptance inspection periods for lease contracts and other factors, profits remain high.

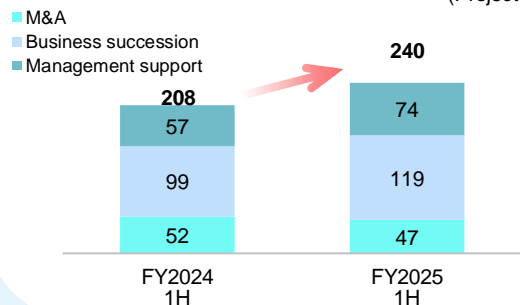
[Trends in contract asset balance and ordinary profit] (JPY bn)



Shizugin Management Consulting

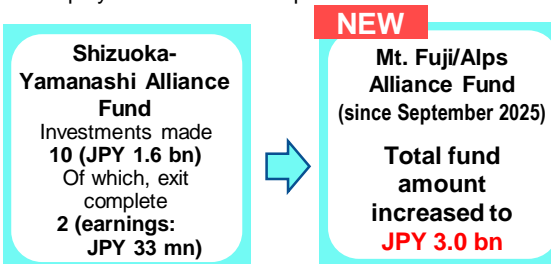
Steady growth in projects underway in three main segments. Full-year consulting revenues are projected to increase YoY with progress toward closing projects.

[Trends in projects underway] (Projects)



Shizuoka Capital

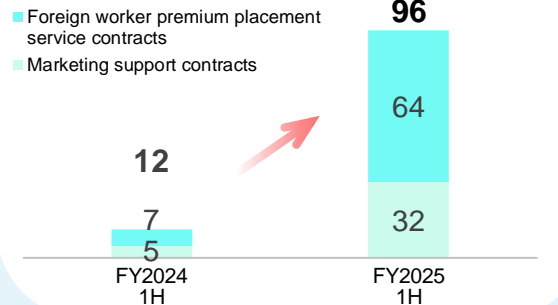
Established the Mt. Fuji/Alps Alliance Fund as new business succession fund, following the Shizuoka-Yamanashi Alliance Fund. Contributing to regional economic vitalization in terms of employment and other aspects.



SFG Marketing

Steadily building name recognition and increasing numbers of business contracts by providing marketing support and solutions to labor shortages and other community issues.

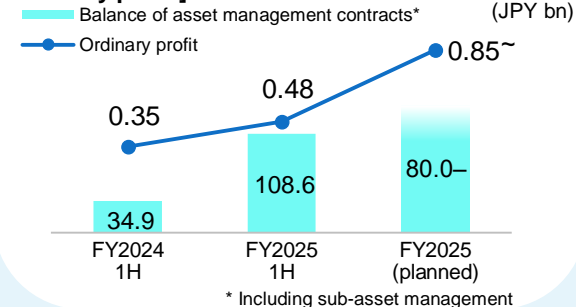
[Trends in contracts] (Contracts)



SFG Real Estate Investment Advisors

Positive performance in terms of both contracts received and earnings exceeded the fiscal year plan. Balance of asset management contracts reached JPY 100.0 bn.

[Trends in asset management contracts and ordinary profit] (JPY bn)



* Including sub-asset management

Net interest income (Shizuoka Bank nonconsolidated)

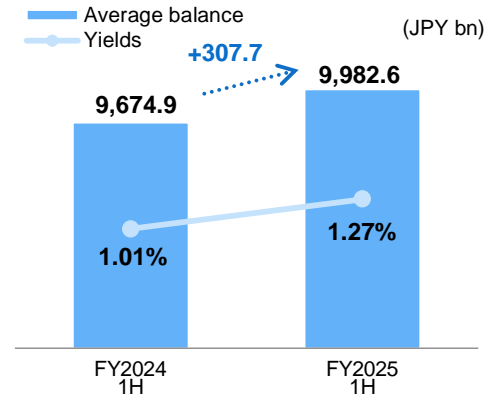
Steady growth in the domestic segment, due mainly to an increase in interest on loans with rising JPY interest rates, drove net interest income up by JPY 13.3 bn YoY overall.

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)



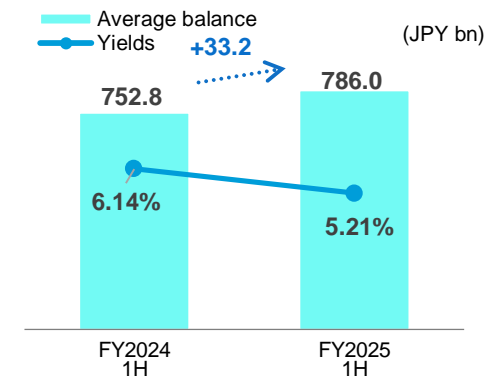
Balance factors: +2.0;
interest rate factors: +12.8

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

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

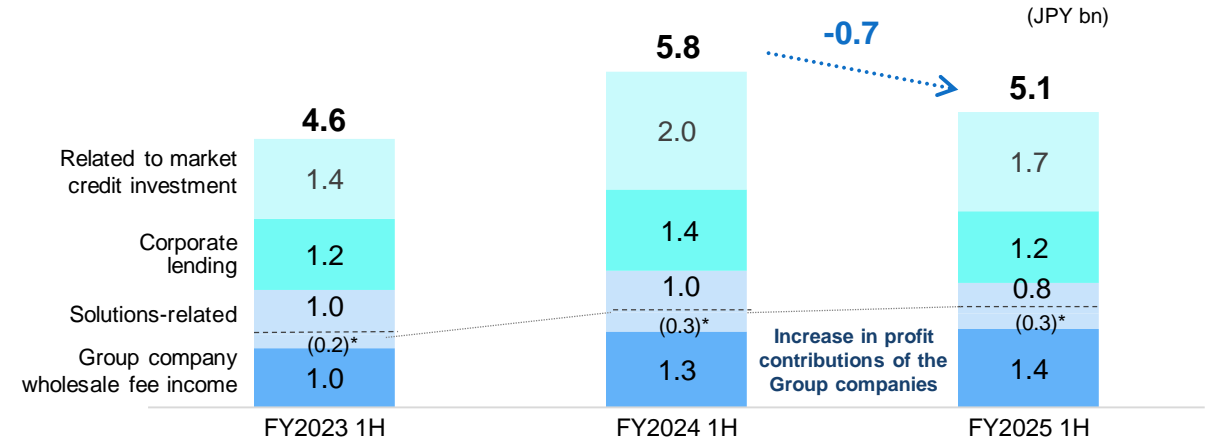
*2 Including an increase of JPY 0.5 bn due to lower group trust dividends

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

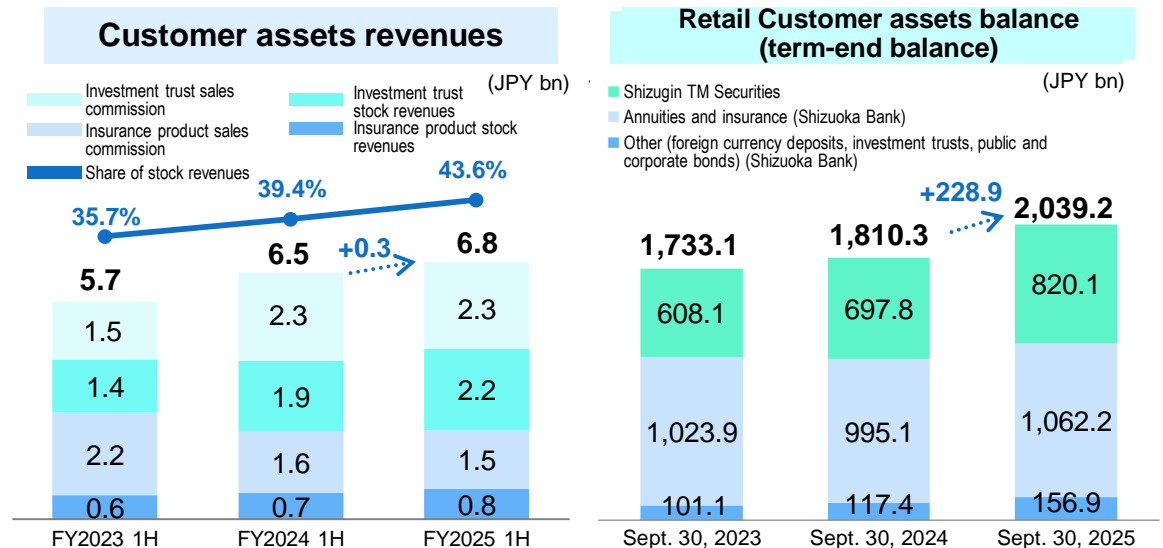
*Total ordinary profit for the following four companies: Shizugin Management Consulting, Shizugin Lease, SFG Marketing, and SFG Real Estate Investment Advisors

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)



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)		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

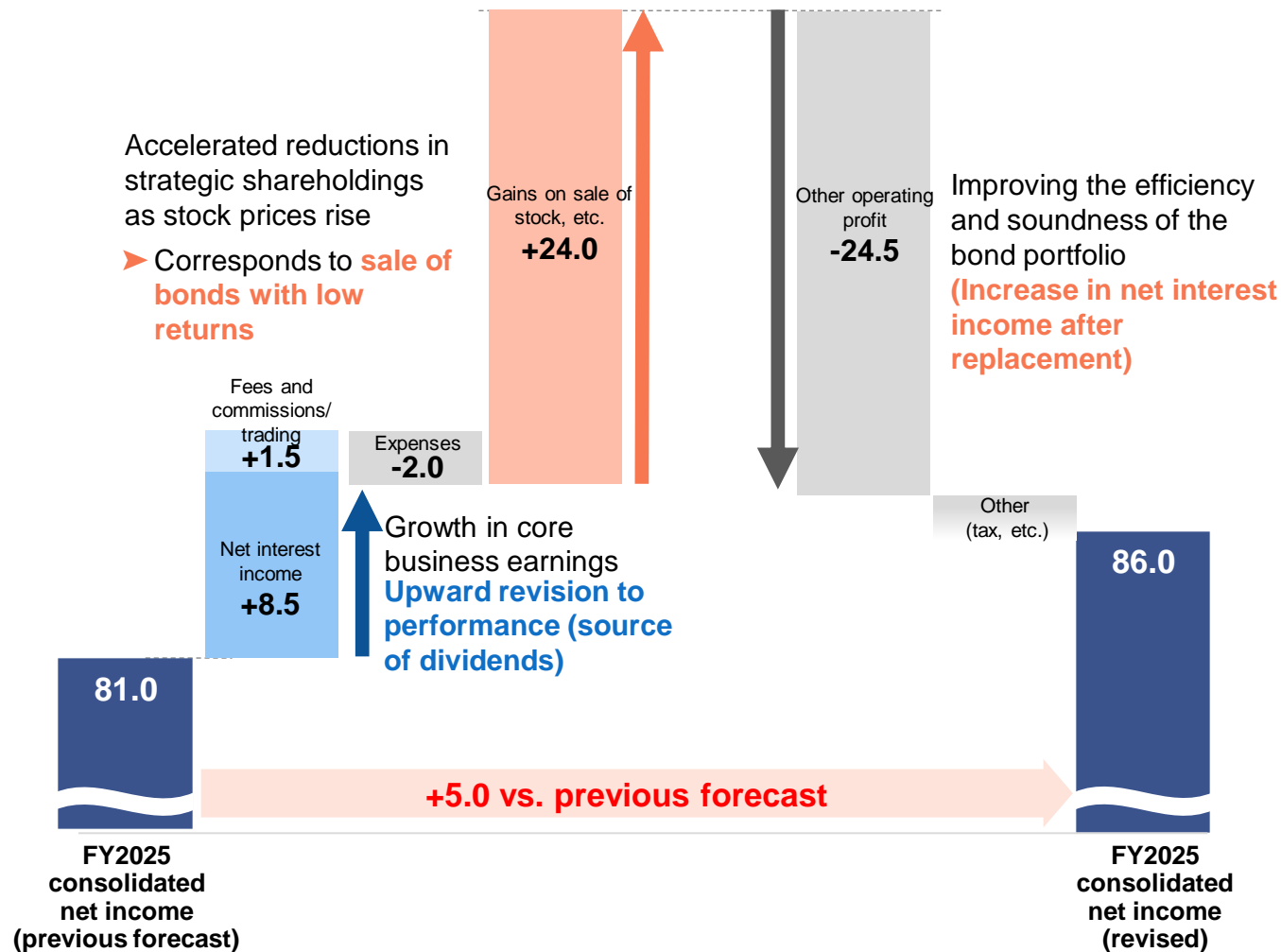
Key points of revisions to FY2025 forecasts

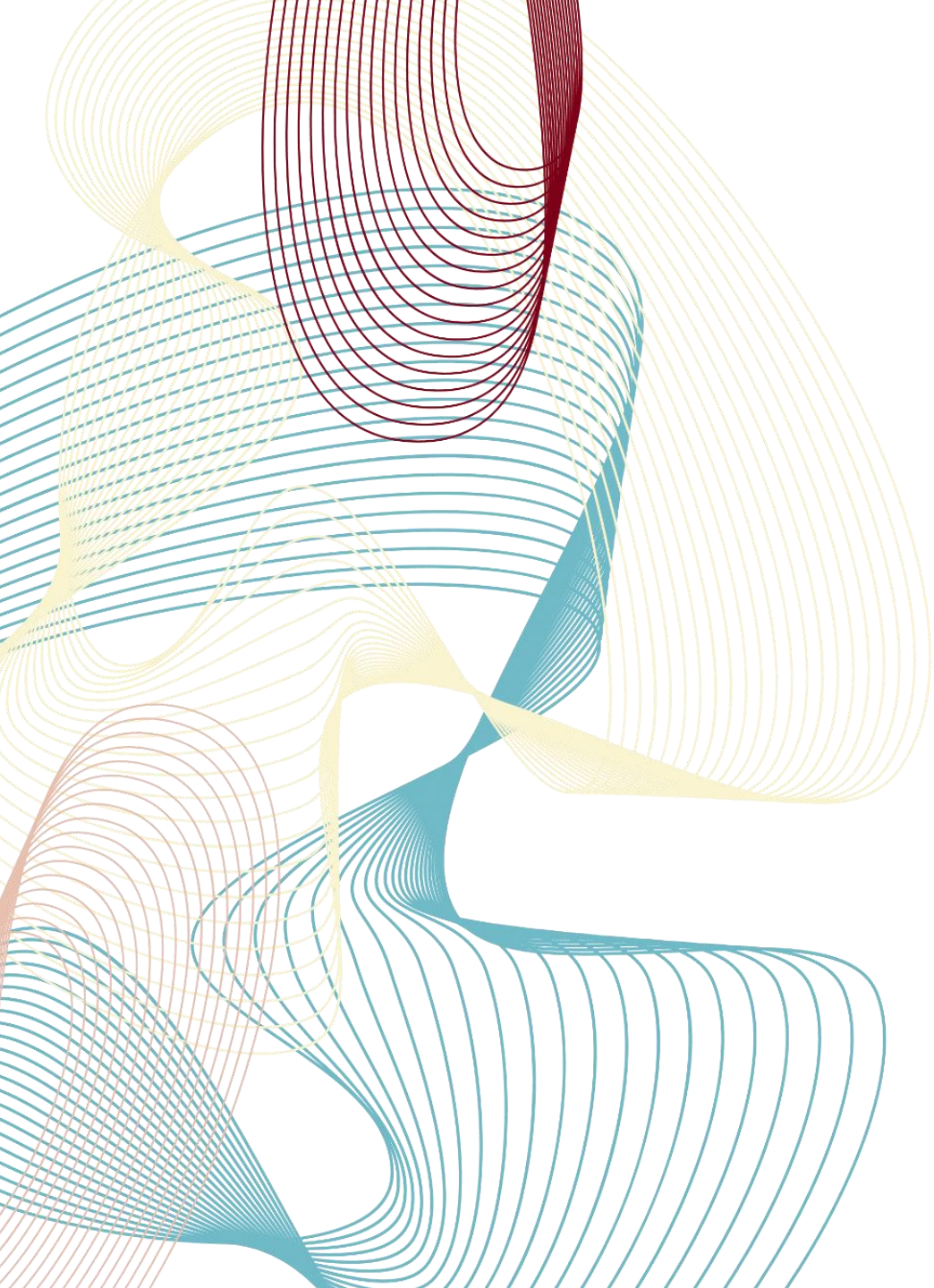
Forecast consolidated net income has been revised upward (by JPY5.0 bn, with dividend/share revised upward by JPY6) in light of steady progress in core business earnings, centered on net interest income.

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





Efforts to Increase Corporate Value

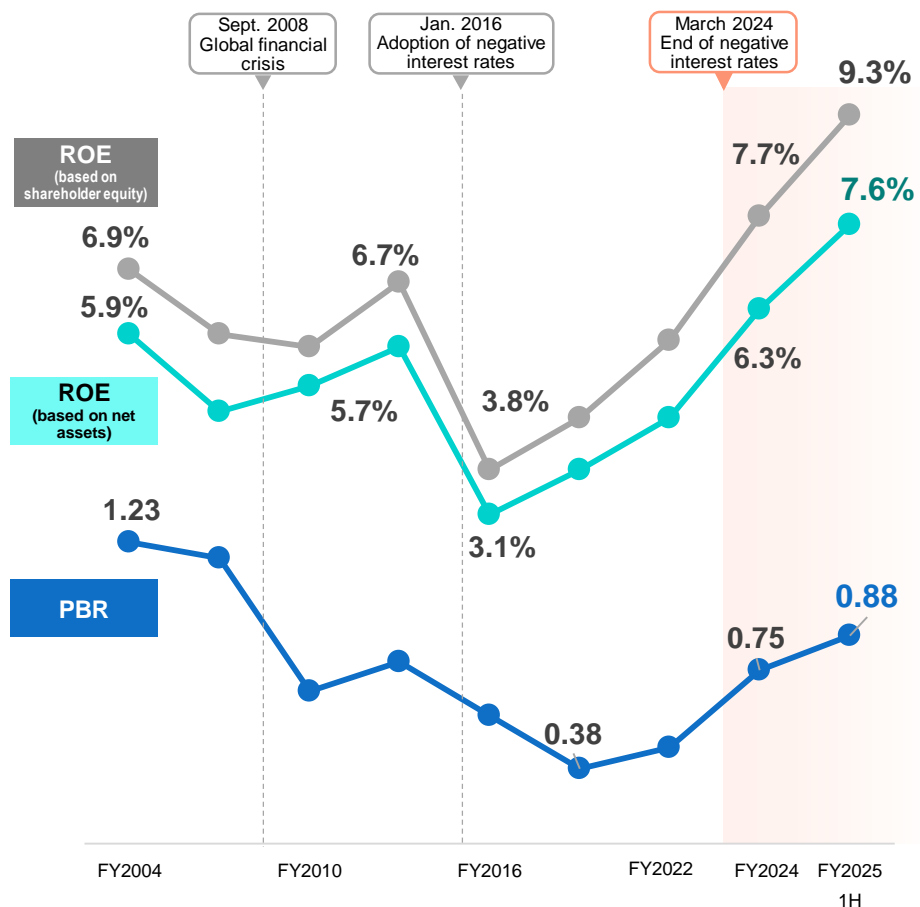
Efforts to increase corporate value –Current conditions and policies–

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)

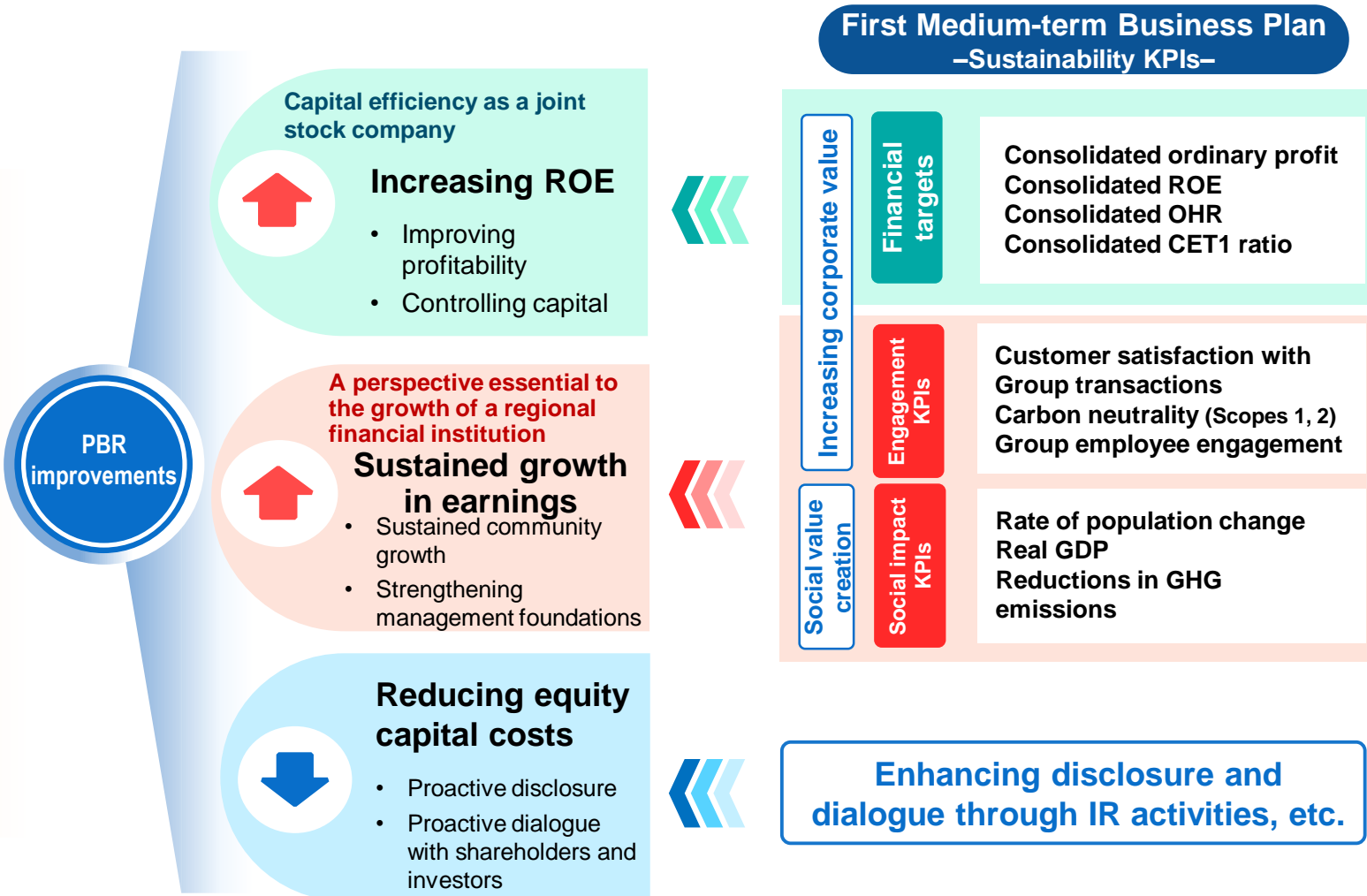
PBR is improving steadily as ROE has climbed since the end of negative interest rates.

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)

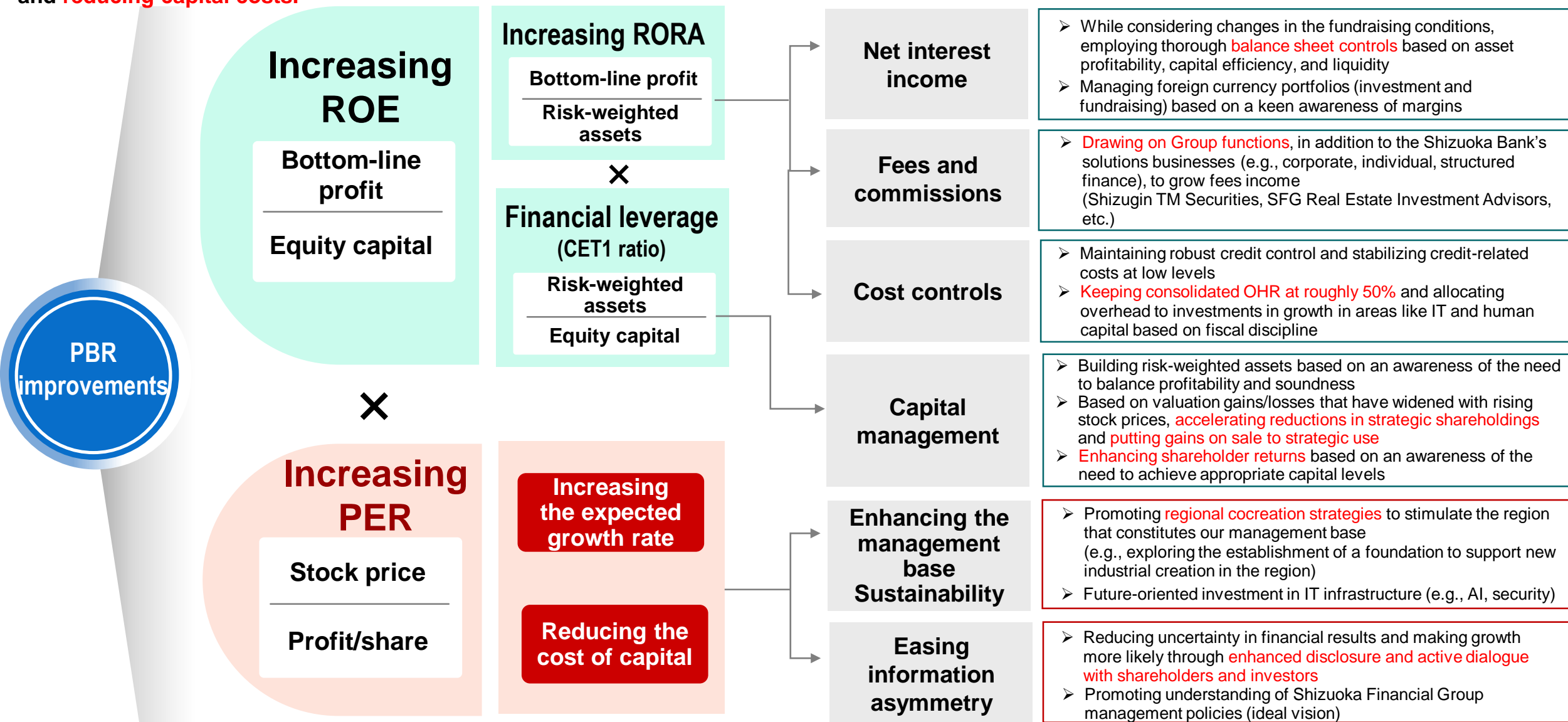
The Group will strive to improve PBR through efforts to achieve sustainability KPIs and active dialogue with stakeholders.



Efforts to increase corporate value –Logic tree–

Striving to control capital appropriately at optimal levels and further **improve ROE** while increasing earnings capabilities by growing the top line and controlling costs.

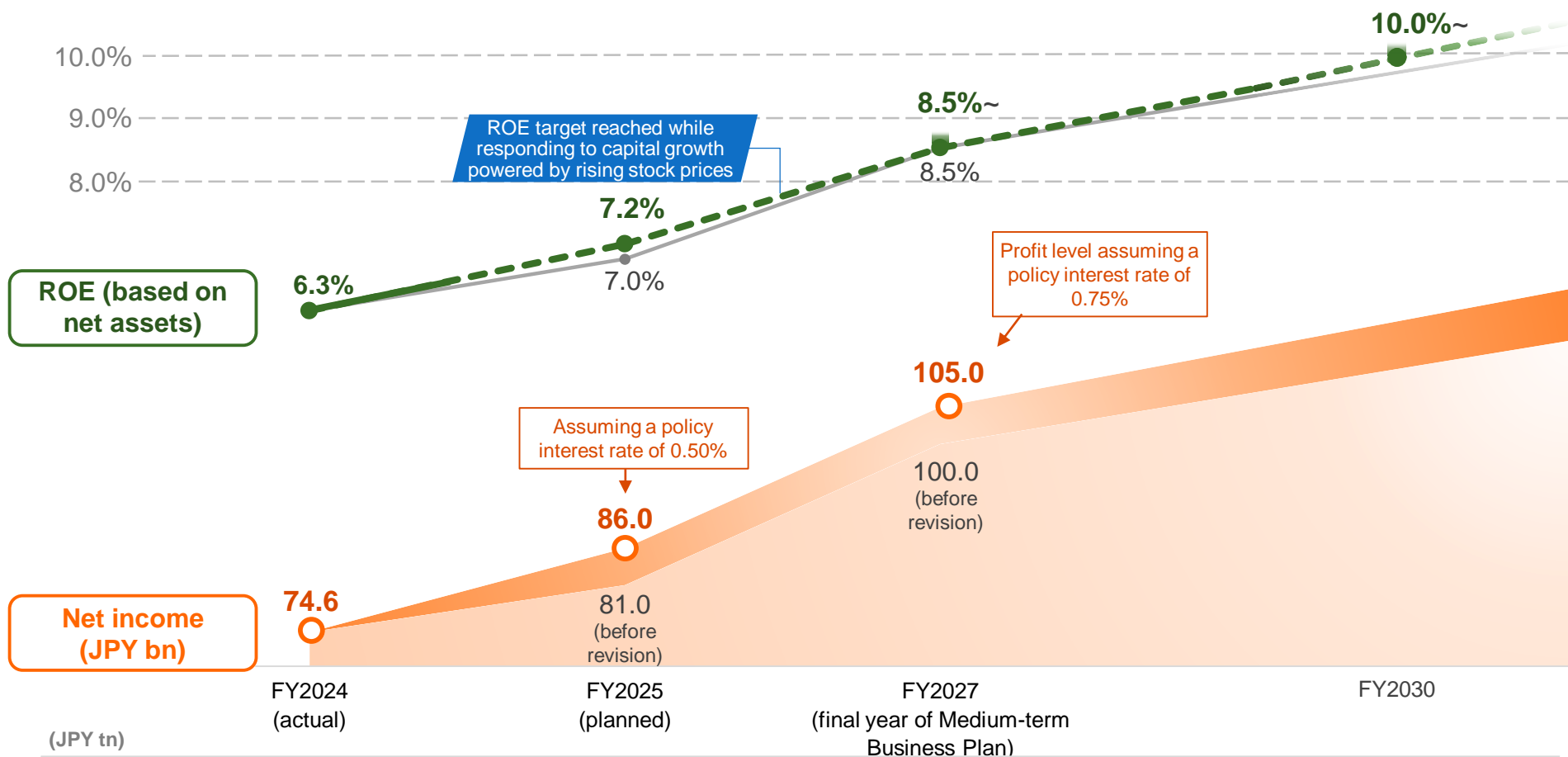
In addition to strengthening management foundations to increase the expected growth rate, enhancing disclosure to alleviate information asymmetry, and **reducing capital costs**.



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

Nikkei Average 35,000

Nikkei Average 45,000

Shareholders' equity		Business Plan/	
	1.0	1.0	Approx. 1.00-1.05
Net assets (March 31, 2025 basis)	1.15	Valuation gains on securities increased with rising stock prices <u>1.2</u>	Approx. 1.15-1.20 1.3 or higher
Net assets (Sept. 30, 2025 basis)	1.15	<u>1.25</u>	Approx. 1.20-1.25 1.3 or higher

Valuation gains on securities increased with rising stock prices

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 ladder portfolio over the medium to long term

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➤ 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	Short-term market fundraising JPY 1.4 tn
JPY bonds JPY 1.8 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

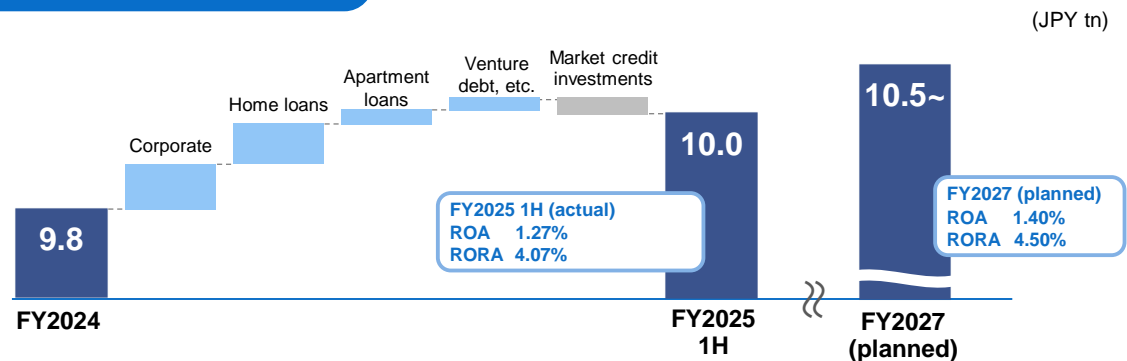
Exploring supplemental fundraising aside from deposits while accounting for term, cost, and stability

p. 18

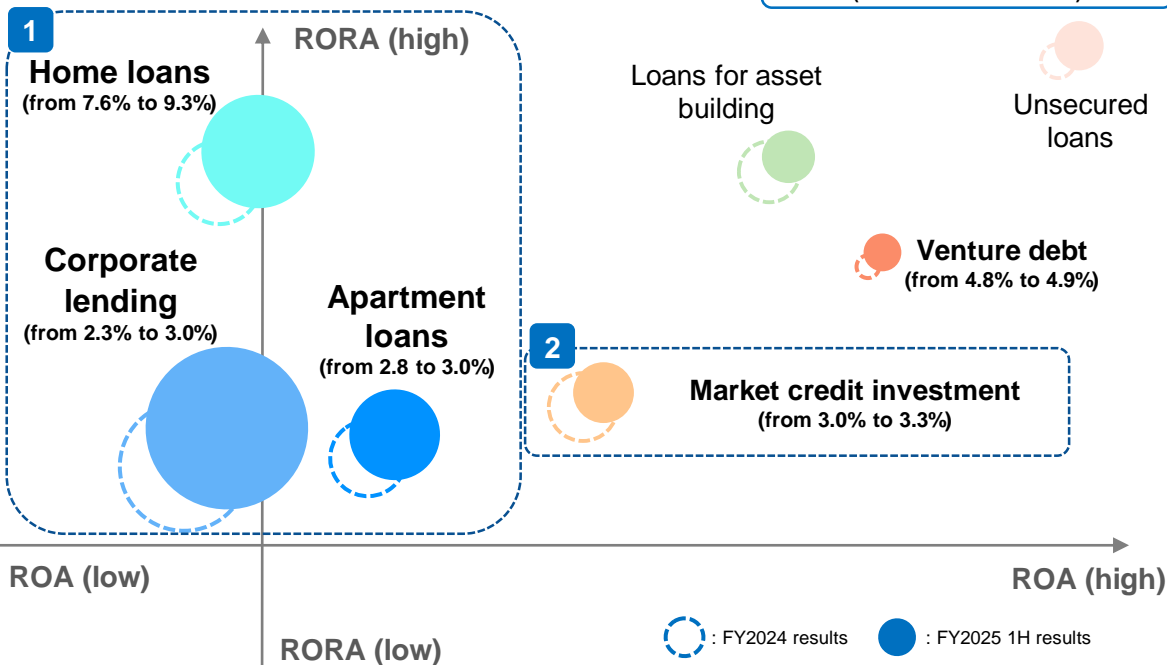
Balance sheet control (2) –Loans

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

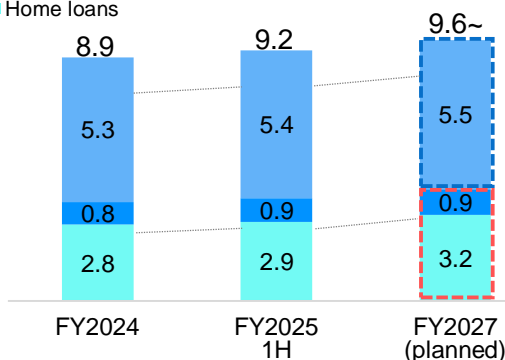


Asset allocation



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

■ Corporate(excluding market credit investments) (JPY tn)
■ Apartment loans
■ Home 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

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 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)

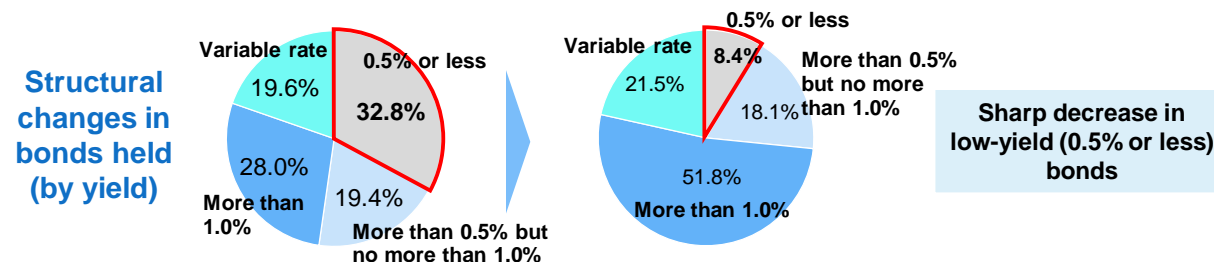
	Balance	Yield
JPY bonds	580.0	1.54%

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)		After JPY bond portfolio reshuffle (projected)		Results	
	Balance	Yield	Balance	Yield	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.



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 (+)

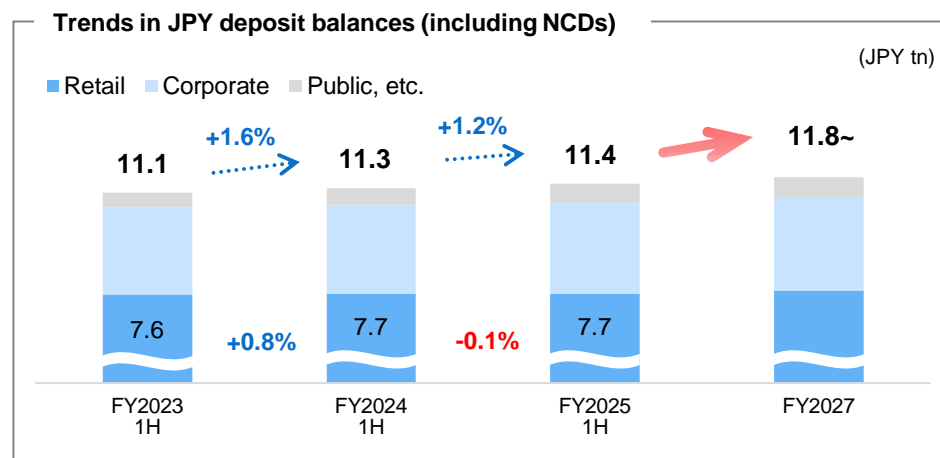
Balance sheet control (4) –Fundraising strategy

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**.



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)

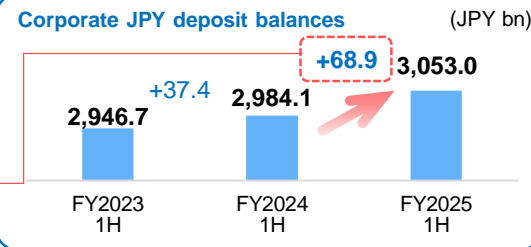
Strategies for securing deposits

1 Securing highly sticky deposits

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

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

Essential for the stable balance sheet growth and must be addressed as a top priority.



Corporate

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

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

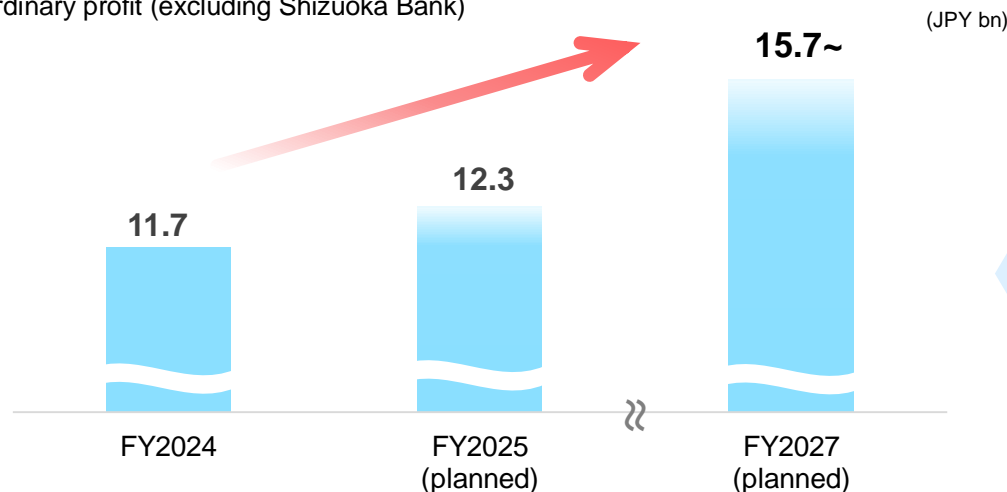
▶ In addition to serving as a means of stable long-term fundraising, this will also help to improve asset efficiency on the asset-management side (verify feasibility and other factors through future consideration).

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

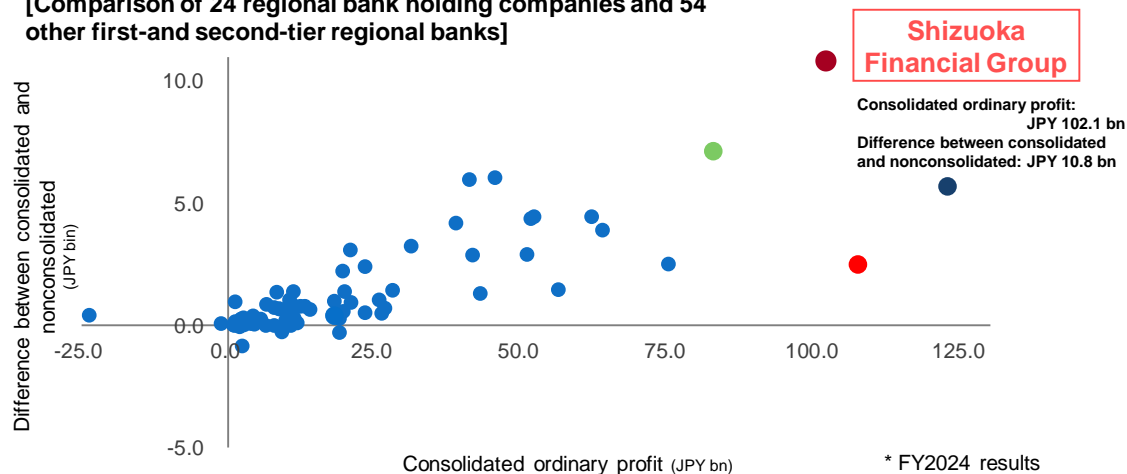
■ Ordinary profit (excluding Shizuoka Bank)



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

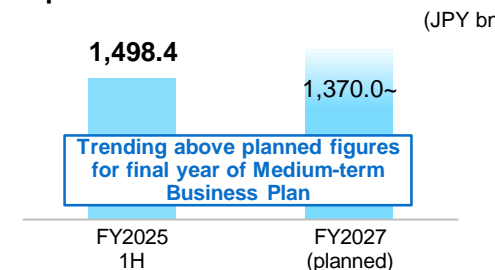
Shizugin TM Securities

- 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]



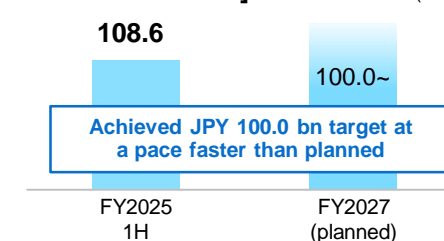
SFG Real Estate Investment Advisors

- 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]

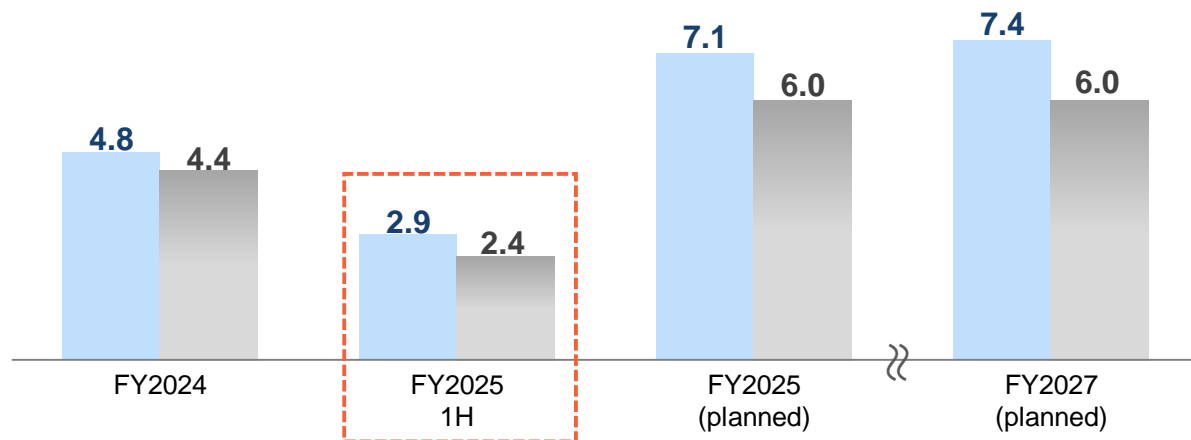


Cost controls (1) –Credit-related costs–

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

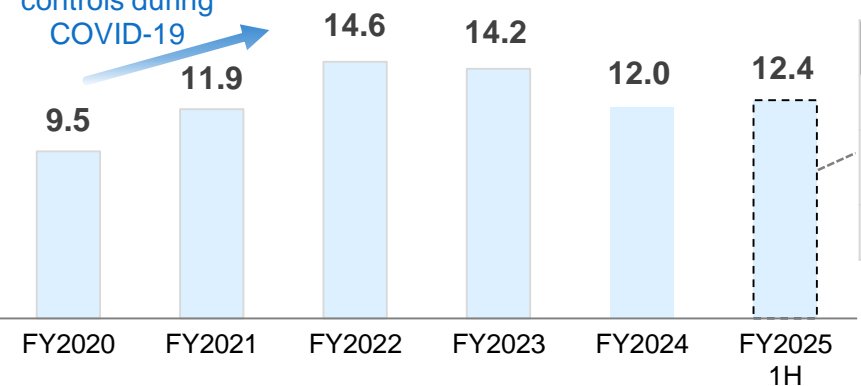
■ Consolidated credit-related costs (JPY bn)
■ Shizuoka Bank nonconsolidated



Status of DCF-based preventive reserve balances

■ DCF balances

Enhanced credit controls during COVID-19



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

Subjects

Wholesaling

Scenario

Increased cost of sales due to lower yen
Projected exchange rate:
JPY 160 = USD 1

Effect

JPY 0.1 bn

Higher yen

Electric machinery, transportation machinery, other manufacturing

Decreased sales due to higher yen
Projected exchange rate:
JPY 130 = USD 1

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

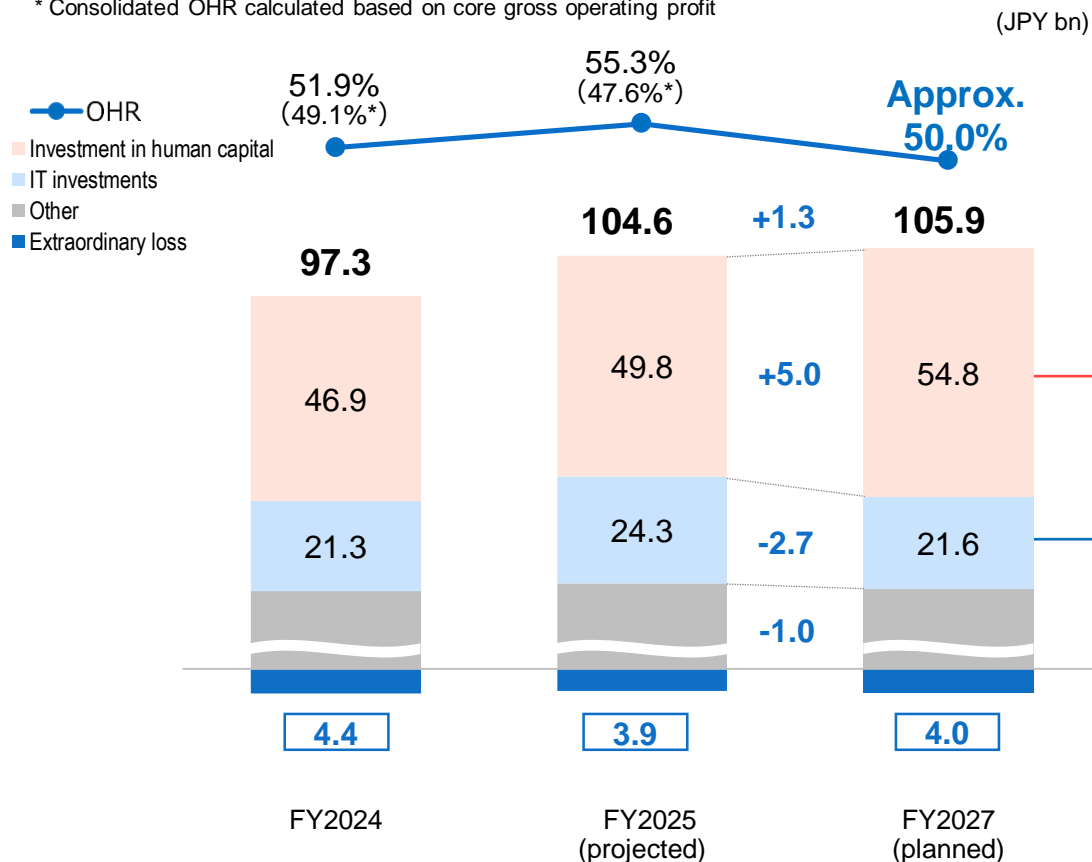
The policy is to Maintain financial discipline by controlling consolidated OHR at approximately 50% while enhancing investments for growth, including investments in human capital.

Expense level/OHR target (consolidated)

Thinking on consolidated OHR target

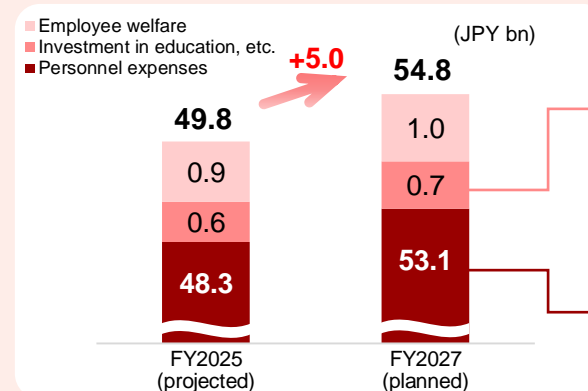
The policy is to maintain financial discipline by controlling consolidated OHR at **approx. 50%** while enhancing investments in growth as needed to achieve and maintain sustained profit growth.

* 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

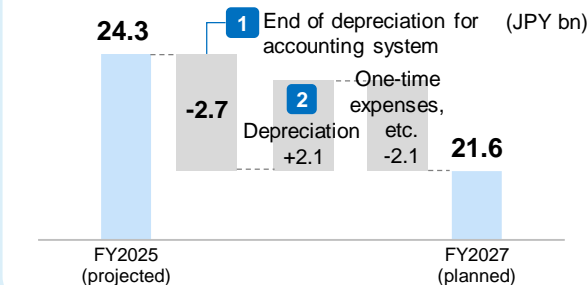
Other personnel expenses, etc.: JPY 53.1 bn (JPY+4.8 bn)

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

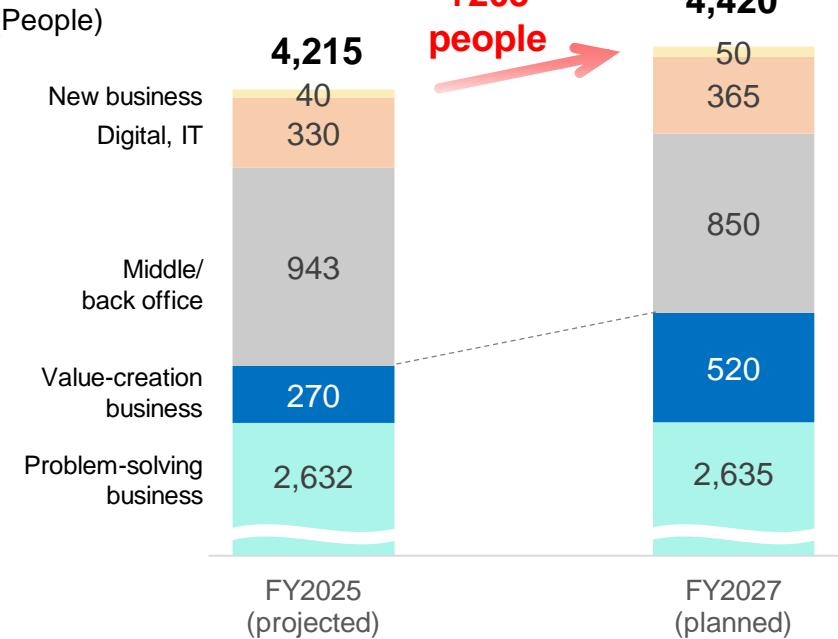
Depreciation expenses expected to increase by JPY2.1 bn with ongoing IT investments, including foundation system upgrades

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

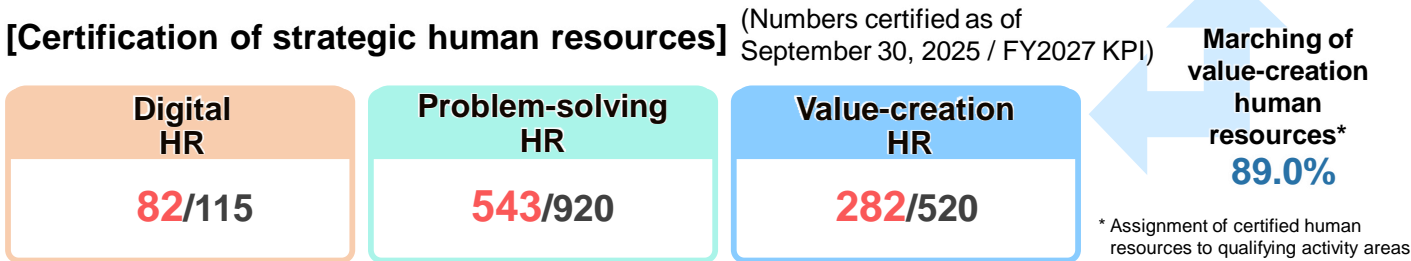
Building the HR portfolio needed to accelerate each Medium-term Business Plan strategy through enhanced hiring and development



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 <small>* Consolidated gross operating profit / front office staff</small>
	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.



Medium- to long-term growth strategies (2) –IT investments to accelerate growth

Planning to invest approx. JPY 50.0–60.0 bn (approx. JPY 20.0 bn through FY2025 1H) in aggressive IT investments during the 1st Mid-term Business Plan period to grow the bottom line and enhance management foundations.



Higher ROE

Lifting the bottom line

Top line growth, eliminating costs

Investment amounts

Customer experience

Investing
approx. JPY 5.0 bn/
five years

Approx. JPY 1.6 bn
invested through
Sept. 2025

Sales reforms / business process reforms

Investing
approx. JPY 8.0 bn/
five years

Approx. JPY 3.3 bn
invested through
Sept. 2025

IT infrastructure

Information infrastructure

IT infrastructure

Security infrastructure

Investing
approx. JPY 37.0 bn/
five years

Approx. JPY 15.0 bn
invested through
Sept. 2025

Main IT investments

FY2023–2027

Renewing the
website

Introducing Wallet+
(smartphone app)

Introducing/upgrading
business portal

**Investing in AI to accelerate
business reforms**

p. 25

Upgrading digital marketing

Introducing self-
service kiosks

Upgrading branch system

Upgrading S-CRM sales
support system

Renewal of loan
application/examination system
(Introduction AI for screening)

Introducing a tool for
total assets sales

Building a data
analysis/utilization
platform

Data collection/maintenance and
improving the generative AI
environment and bringing it in house

Migrating to cloud system

Offering book payment service
(API development)

Establishing zero-trust
security

Comprehensive cybersecurity
initiatives

Results

Topline growth

Wallet+ (app)

Higher total earnings/user

Digital marketing

Earnings increased by JPY 0.3 bn/year through digital-based mass marketing (unsecured loans, customer assets, deposits)

S-CRM sales support system

126,000 hours made available for sales activities through business process reforms (Including time savings AI to support individuals responsible for internal administration)

Loan application/examination

Promoting contactless transactions to boost loan revenue by JPY 0.5 bn/year

Total assets sales

Proposing optimal portfolios to boost assets under management by JPY 0.2 bn/year

Eliminating costs

Branch system

System upgrade costs reduced by JPY 0.6 bn through streamlined branches

Loan application/examination

Reduced by JPY 0.4 bn/year through section cost cutting and HR reassignment

Strengthening management foundations

GHG emissions reduced through migration to the cloud and operations without using data centers

One of the leading security structures among regional banks realized

Profitability improvements toward the final year of the Medium-term Business Plan

Consolidated ROE (based on net assets)
Approx. **8.5%**

(FY2022: 4.6%)

Gross operating profit/employee improved by approx. 28%

(vs. FY2022)

Consolidated OHR controlled to approx. 50%

(FY2022: 60.2%)

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

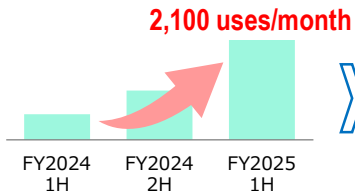
AI to review unsecured loans

- 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

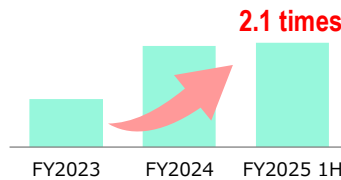
AI to support individuals responsible for internal administration

- 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

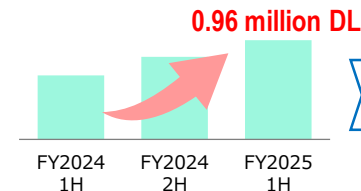
Shizugin App, Wallet+

- 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

Medium- to long-term growth strategies (4) –Alliance strategy

Accelerating business alliances with Yamanashi Chuo Bank and Hachijuni Bank, which share community issues and potential, to achieve sustained growth for both the region and the Shizuoka Financial Group.

Aiming to achieve revenue effects of JPY20.0 bn (five-year cumulative total for three banks) as early as possible through swift measures that contribute to regional economic development.

KPI for increasing corporate value

Revenue effects of JPY20.0 bn or more
(five-year cumulative total for three banks)



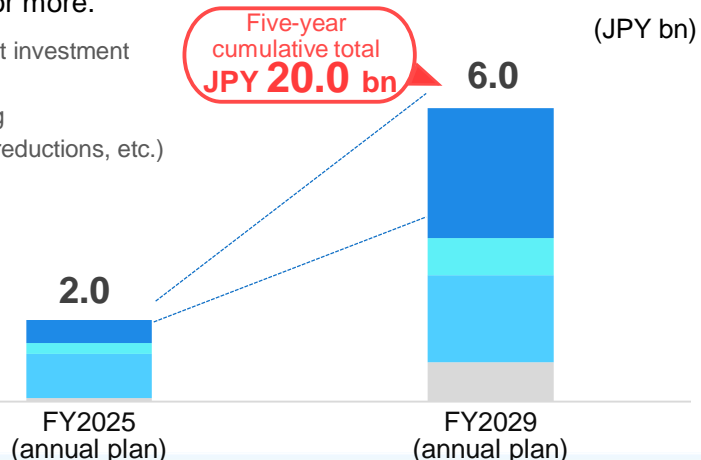
KPI for social value creation

Total population growth in three prefectures
(Social population increase/decrease)

Illustration of growth in revenue effects (total for three banks)

Growing net interest income and fees and commissions, centered on the field of market credit investments, to swiftly achieve revenue effects of JPY20.0 bn or more.

- Market credit investment
- Corporate
- Life planning
- Other (cost reductions, etc.)



Market credit investment

Expanding development projects to vitalize the region

Real estate nonrecourse loans

Execution target:
approx. JPY 70.0 bn

LBO

CLO

PE investment

Project finance

Corporate

Syndicated loans, co-finance

Execution target:
approx. JPY 45.0 bn

Business succession support

Cross-border M&As

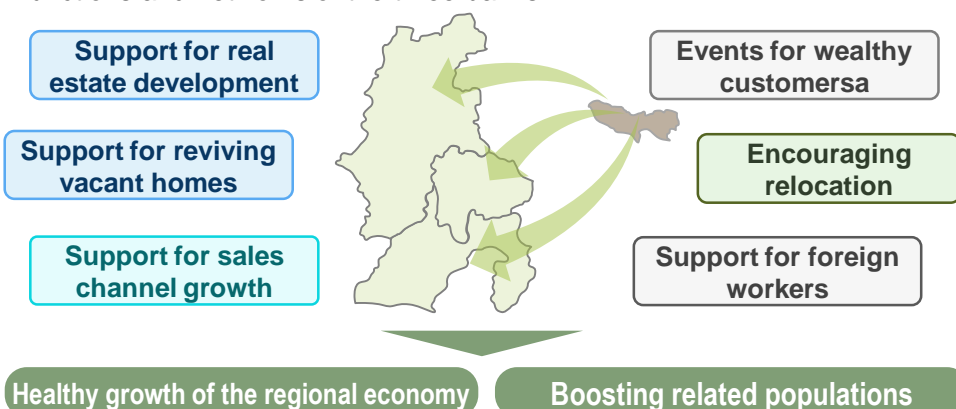
Life planning, other

New product development and sales

Cost-cutting achieved through shared services, etc.

Regional economic development initiatives

Attracting people, investments, and businesses by making the best use of the functions and networks of the three banks.



Initiatives to encourage relocation

Building the Mt. Fuji/Alps Alliance brand

Creating a virtuous cycle by strengthening brand power among the prospective relocation community and attracting people considering relocation.

Communicating information via relocation portal site
↓
Holding relocation fairs, seminars
↓
Addressing concerns about jobs, homes, and communities

Relocation support loans

HR matching business

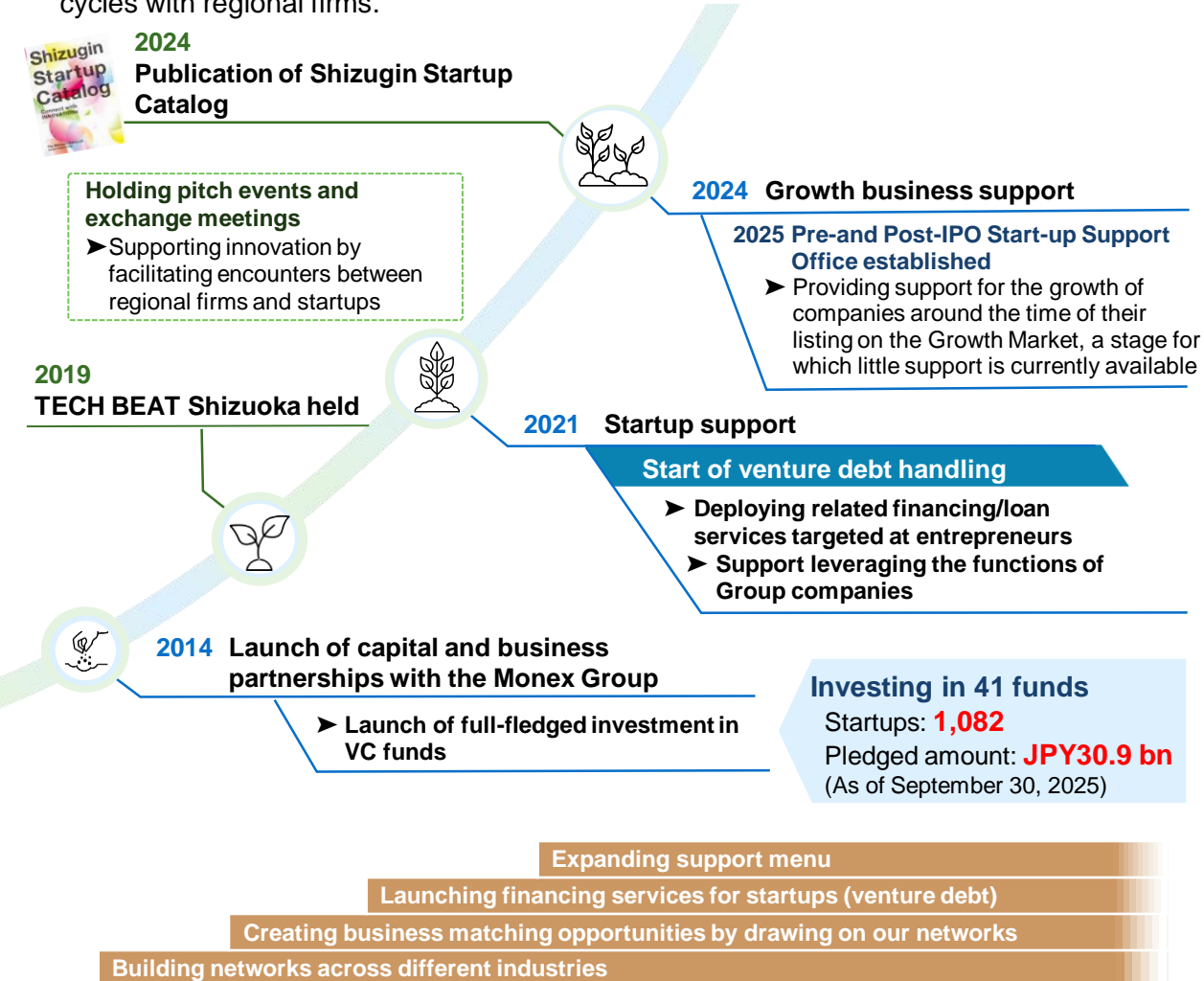


Medium- to long-term growth strategies (5) –VC business

Driving open innovation by providing comprehensive support for startup growth, from launch through IPO, and business matching with regional firms. Building virtuous growth cycles for startups, the community, and customers.

The Shizuoka Financial Group VC business strategy

Attracting startups to the region by drawing on knowledge and networks built up over more than 10 years and providing support for growth to achieve virtuous open innovation cycles with regional firms.

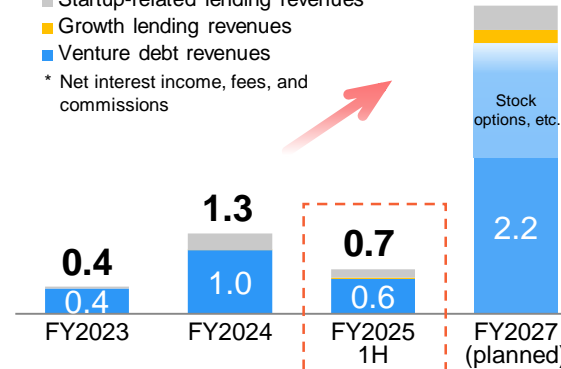


Revenue effects (JPY bn)

Steadily expanding profit opportunities by identifying startup needs and building support structures for startup growth stages

[Startup business revenues*]

- Startup-related lending revenues
 - Growth lending revenues
 - Venture debt revenues
- * Net interest income, fees, and commissions



Growing transactions based on venture debt

(Cumulative number of transactions, cumulative amount executed)

Venture debt 160/JPY 32.0 bn

Growing loan transactions

Loans to Asset management company and Entrepreneurs **19/JPY 8.4 bn**

Enhanced Group cooperation

Shizugin Lease **5/JPY 0.5 bn**

Shizuoka Capital cooperative investment and financing **17/JPY 6.8 bn**

Creating social value

Increasing corporate value

Regional innovation

Continuing to hold events like TECH BEAT Shizuoka to build the foundations for regional innovation and to stimulate industry

[TECH BEAT Shizuoka results]

	First	11th
Number of exhibitor startups	56	178
Attendees	3,300	10,100

Expanding matching opportunities with regional firms

Shizugin Startup Catalog

Introducing regional firms to the technologies and services of 73 startups via the publication of this catalog



- Cumulative number of business discussions: **3,300**
- Cumulative number of contracts: **goal of 180 reached**

Contributions of foundation activities to increasing corporate value

Consideration begin on establishing foundation to support new business development and new industrial creation by regional firms over the medium to long term.

Establishment of the Shizuoka Mirai Cocreation Foundation (planned for July 2026)

- Considering the establishment of a foundation to create industrial creation and solution projects.
- Based on a new cocreation facility to be established in Shizuoka Prefecture, cooperating with local businesses, local governments, educational institutions, startups, and others to build a local community that continually generates innovation.

Expertise and human resources accumulated through interindustry cooperation, VC businesses, etc.



Networking with diverse stakeholders, including local businesses, local governments, and startups

Shizuoka Financial Group's strengths

AS-IS

- Some 70% of core businesses in the region face **challenges involving new business development**
- While startups and entrepreneurs have high expectations for business growth in the region, there are **issues with side-by-side support**
- Networking is essential from a medium- to long-term wide-area perspective



Establishment of
Shizuoka Mirai
Cocreation
Foundation

TO-BE

- Aiming to bring about results as if **TECHBEAT Shizuoka** were a functioning organization running throughout the year
- Medium- to long-term support for formulating solutions based on **joint efforts with diverse stakeholders** and side-by-side expert support

Vision

Contributing to a local community that continually generates innovation

Vision for contributing to increasing corporate value

- Boosting corporate value and medium- to long-term growth in the business foundations by making an impact on the community through foundation activities.

Shizuoka Financial Group's business activities



Shizuoka Financial Group

Support for stable activities
(Entrustment of **4 million shares of treasury stock**)

Dividends

Increasing corporate value

- Increasing deposits based on population growth
- Increasing revenue opportunities through investment, finance, etc.

Increasing market capitalization, dividends

Social impact
Increasing Shizuoka prefectural GDP
Boosting social population

Establishment of Shizuoka Mirai Cocreation Foundation

(tentative name)

Business activities (Approx. 120cases/annually)

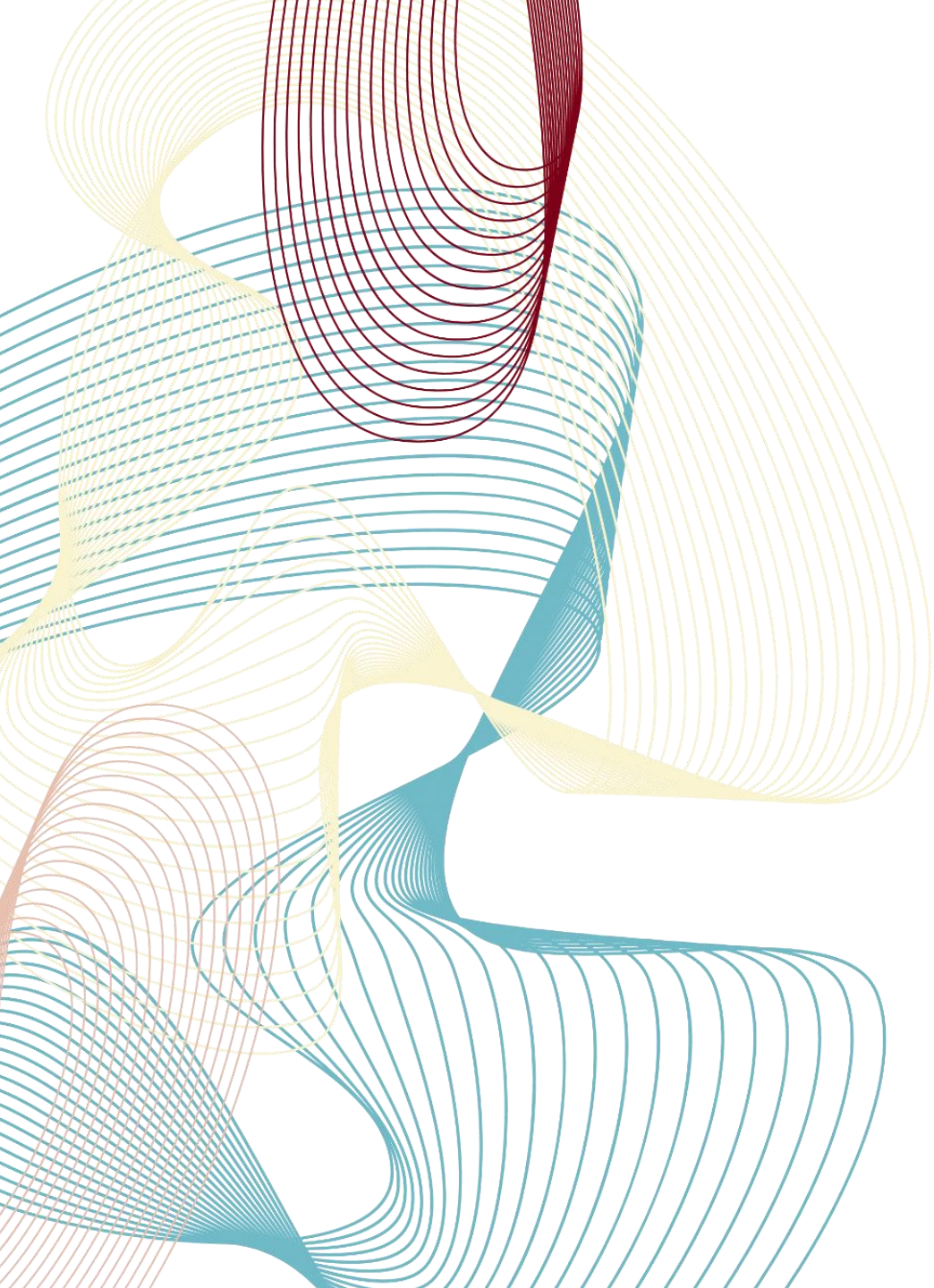
New business development by local firms
Creating projects for regional solutions etc.

local firms

local governments

educational institutions

startups



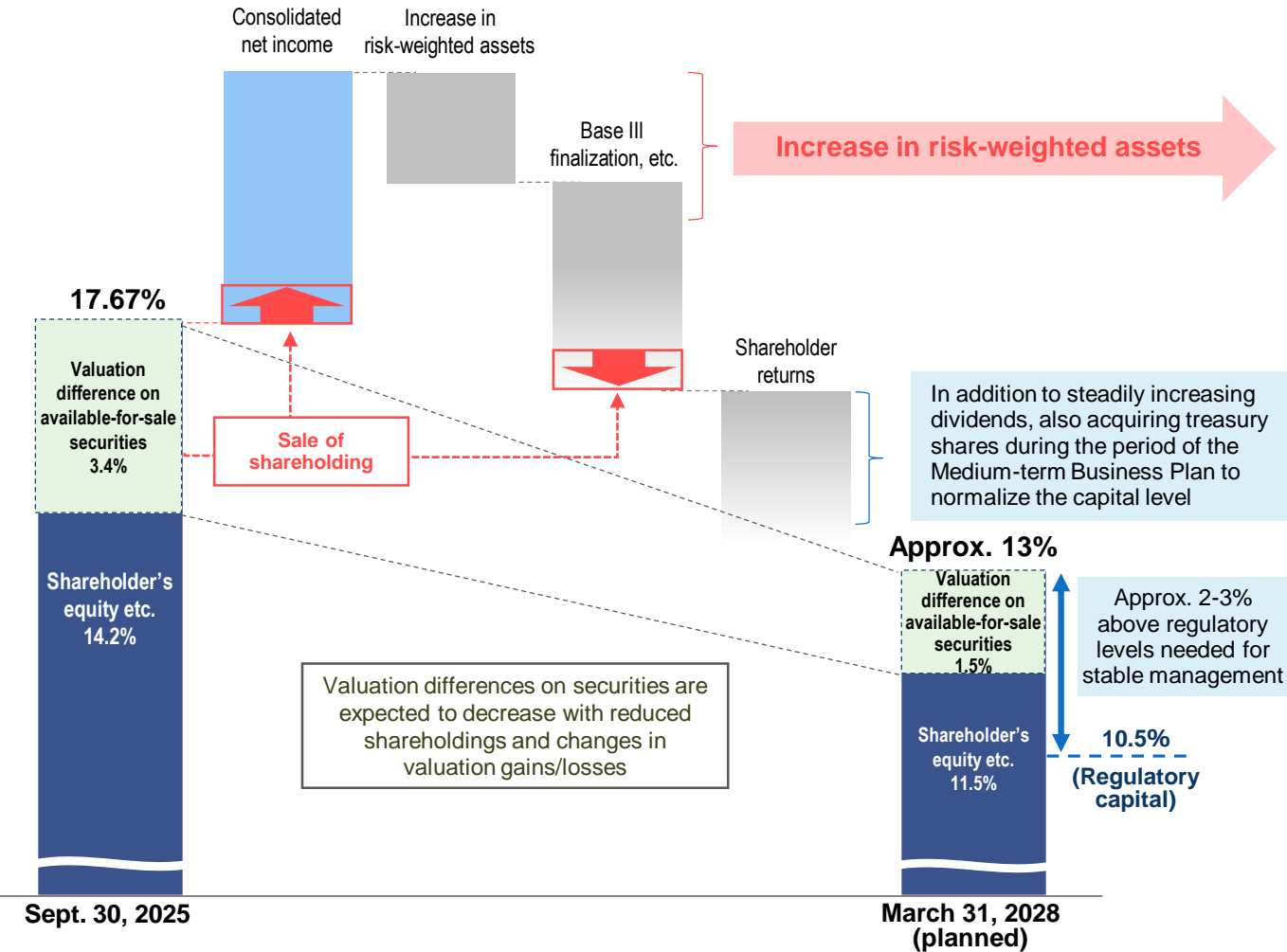
Capital Policies

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.

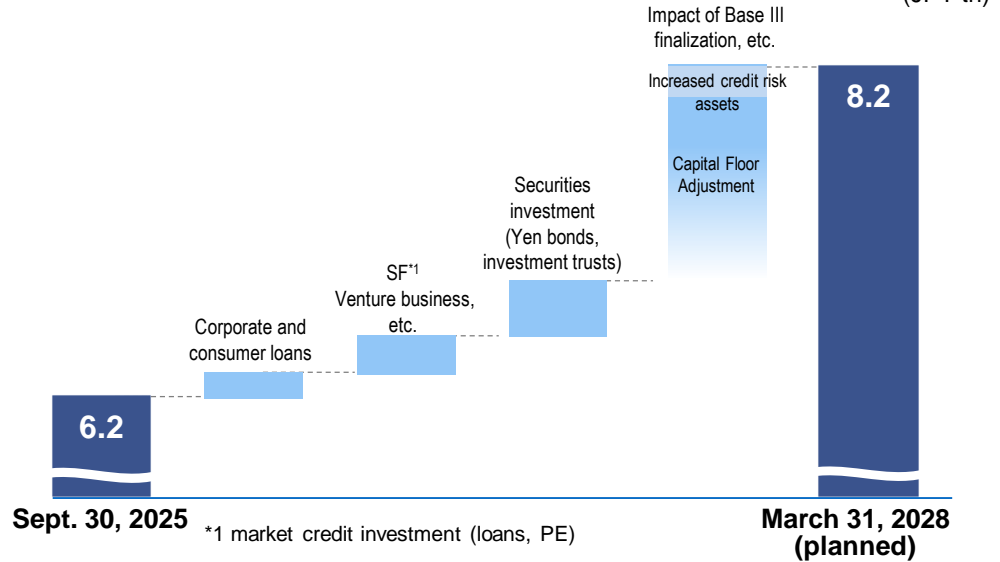
Factors underlying changes in the capital adequacy ratio

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.



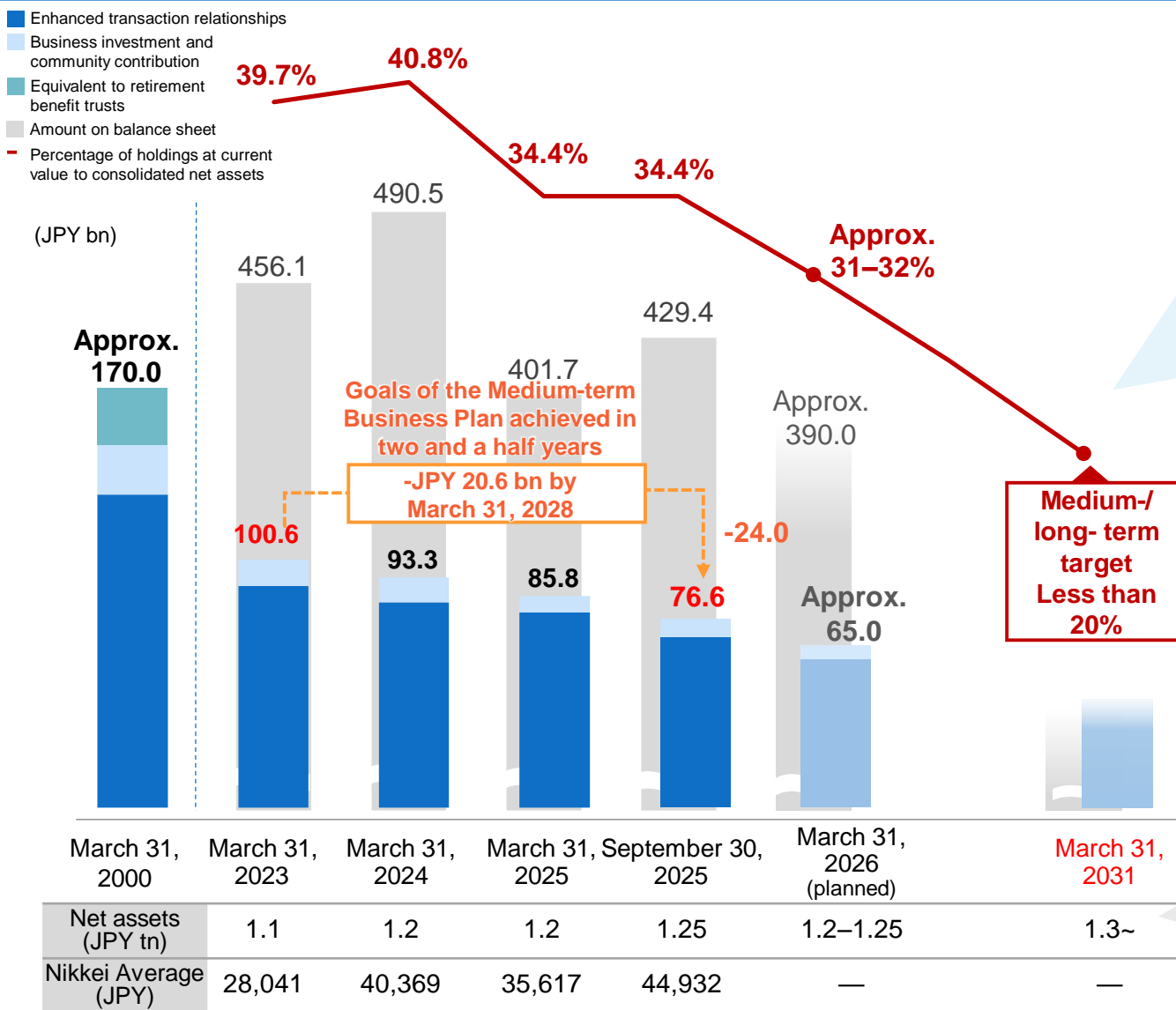
ROE target Realizing target ROE by improving capital efficiency through controls to achieve an appropriate capital adequacy ratio

	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%

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



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

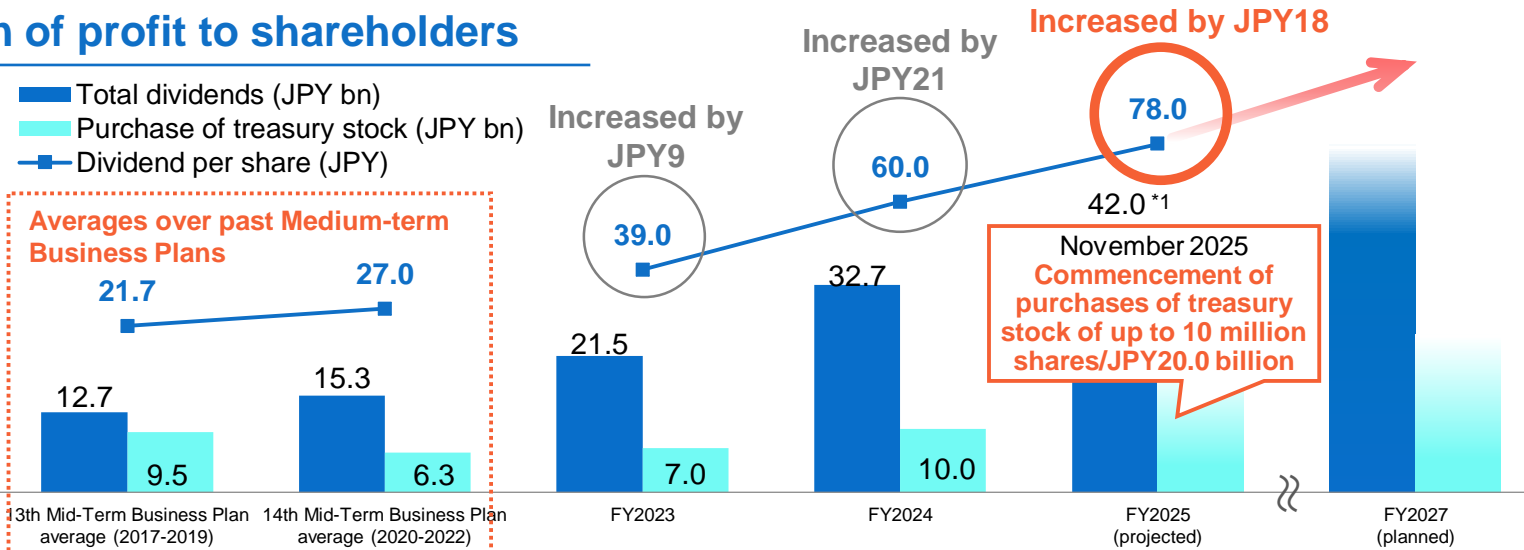
- Consider dividends received as a source of returns to shareholders, aiming for shareholdings to play a role as capital to support stable management. Target valuation gain/loss on securities accounting for about 1.5–2% of the CET1 ratio

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



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

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

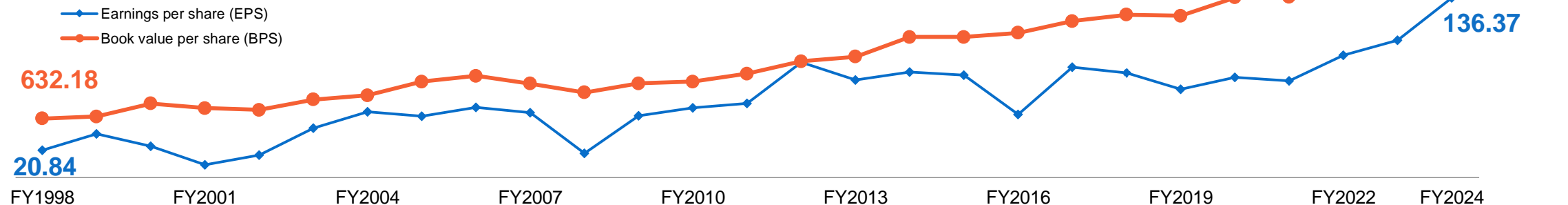
Purchase of treasury stock

- 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.

^{*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.

EPS/BPS trends (consolidated)



Approach to the Second Medium-term Business Plan

Goal for 2035

State of cyclical growth in harmony between Shizuoka Financial Group and its stakeholders

Vision of Second Medium-term Business Plan

A value-creating group that continues to grow while creating the future in partnership with the region

Three basic strategies

1

Co-creation, growth, challenge

Enhancing regional co-creation and financial-service functions and exploring new business domains with the potential to serve as pillars for future earnings, including inorganic business expansion.

Deploying Groupwide front office marketing strategies in three domains

Co-creation

Markets consisting of **Shizuoka Prefecture and neighboring regions**

Growth

Markets with growth potential

challenge

Fields that promise the potential to **create new revenue drivers** above and beyond existing frameworks and regions

Maximizing results from
**increasing corporate value
and
creating social value**

Foundations necessary for implementing the strategies

Human capital management

An organization in which each individual has the freedom to pursue what matters based on direct, honest communication

Harnessing human capital management to foster an organization that values employees and an autonomous corporate spirit and culture.

AI-native

Corporate reforms based on aggressive investments in AI field

Evolving into an AI-native organization by building human capital and organizational systems and fusing AI with Shizuoka Financial Group's various innovation activities.

2 Transformation 2.0

Bold IT investments (e.g., in DX and AI) to swiftly promote innovation.

3 Corporate communication

Enhancing dialogue with all stakeholders to build long-term relationships.

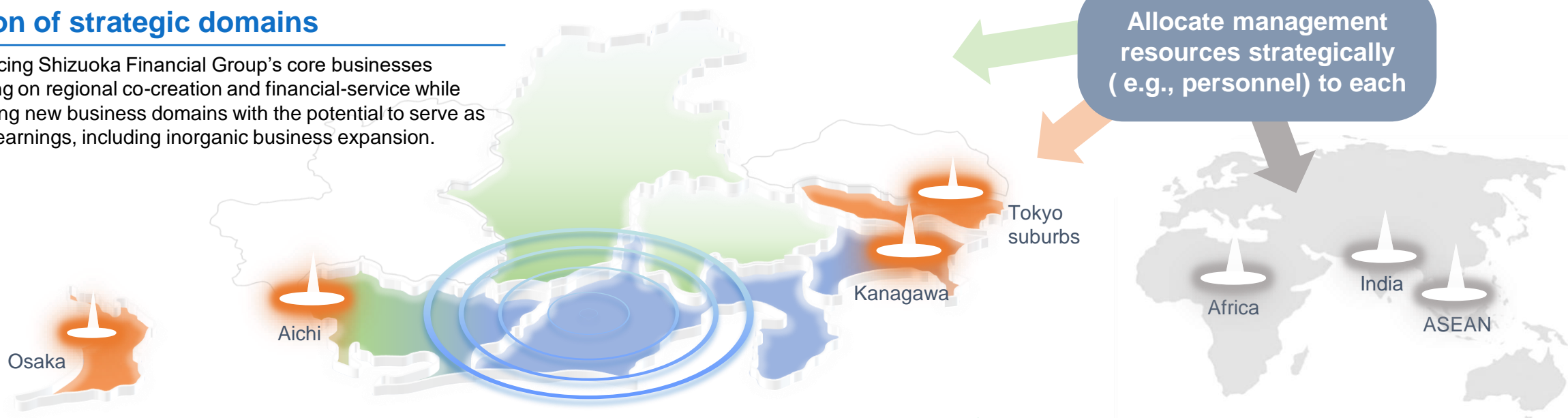
Strategic deployment across three business domains

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

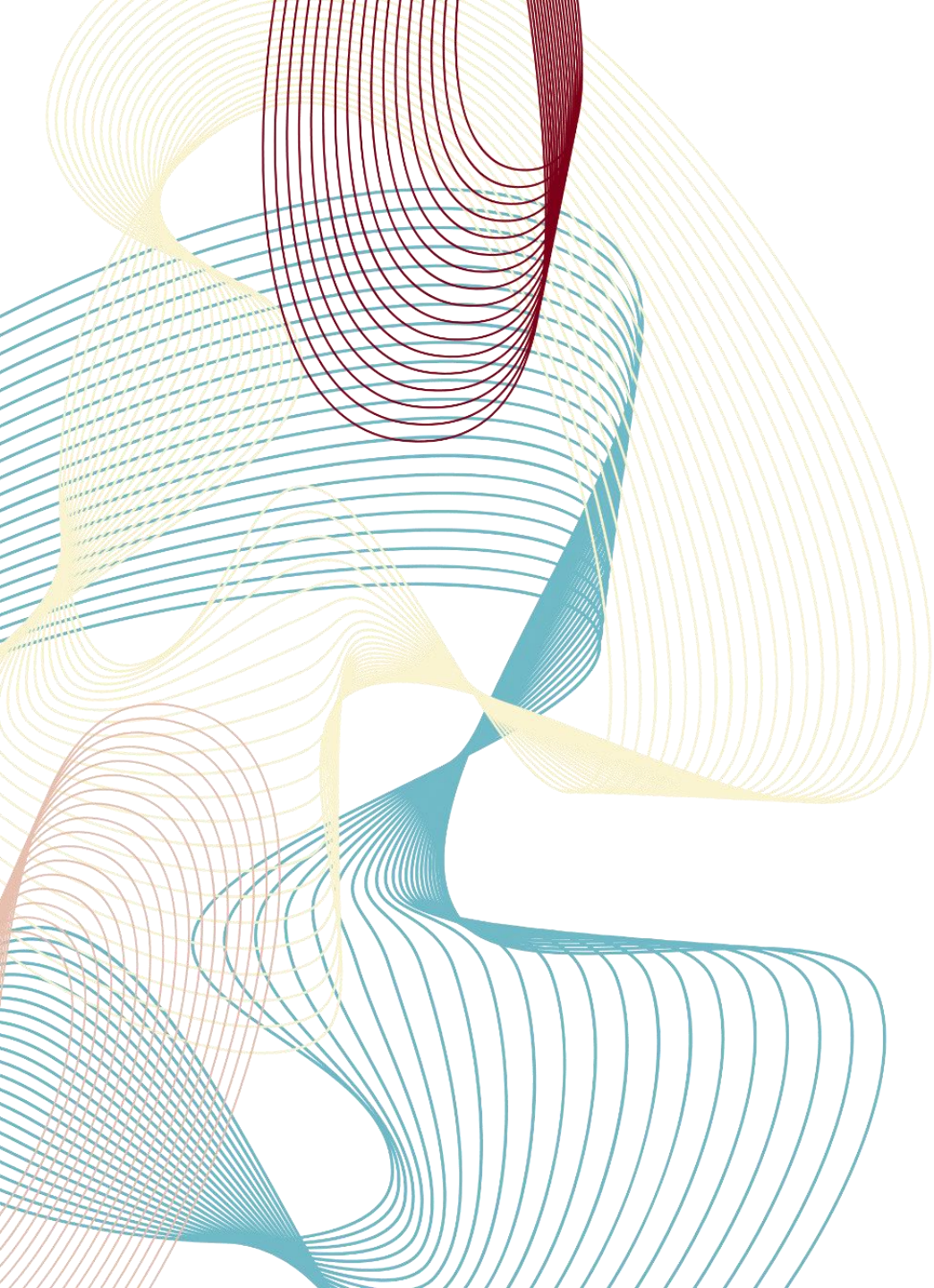
Increasing corporate value by capitalizing on market growth potential

- 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



Reference Materials (FY2025 1H financial results)

Loans (Shizuoka Bank nonconsolidated)

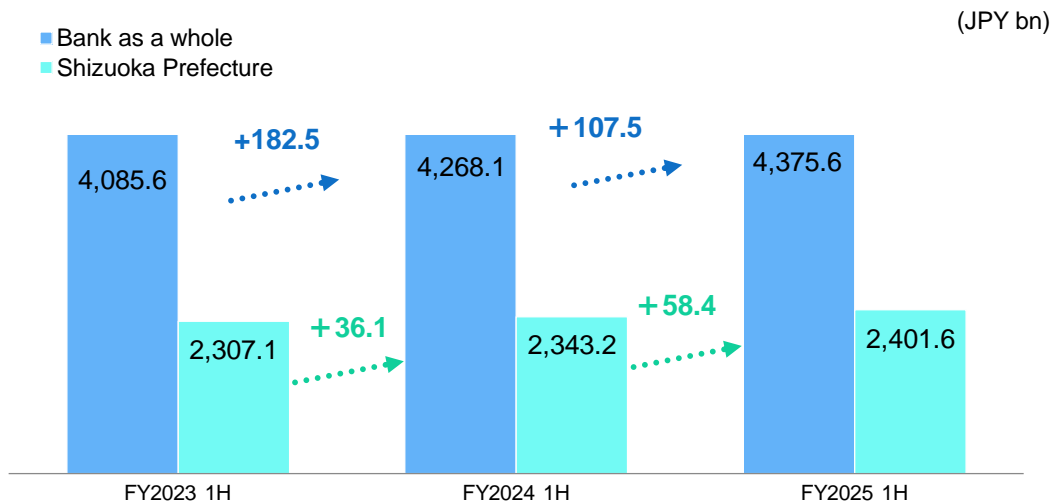
The total loan balance (average balance) increased due to growth mainly in loans to SMEs and retail loans (+3.2% annual).

Loan balance (average balance)

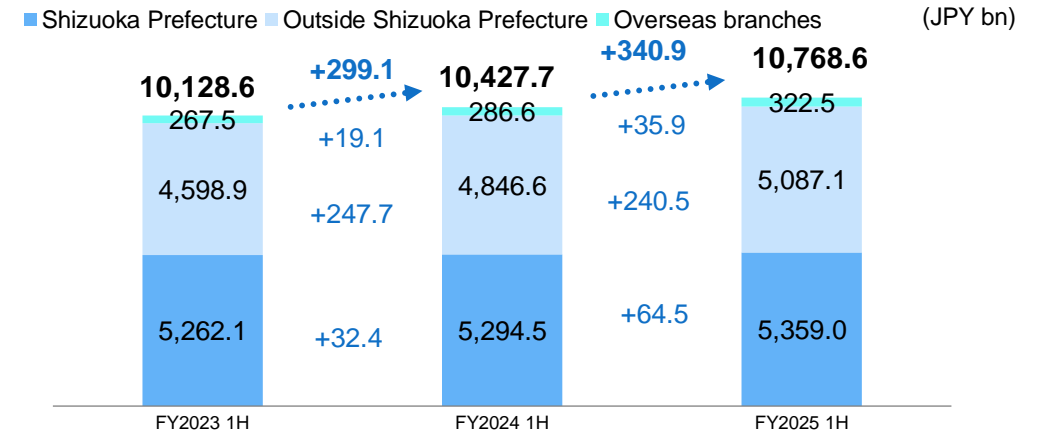
(JPY bn)	FY2025 1H	YoY change	Annual rate
Total loan balance	10,768.6	+340.9	+3.2%
Loan balance to SMEs	4,375.6	+107.5	+2.5%
Loan balance to large and medium-sized enterprises	1,859.0	+28.2	+1.5%
Retail loans	4,124.2	+182.0	+4.6%
Loan balance in foreign currency	717.6	+29.0	+4.2%

Balance factors: +36.9, Forex factors: -7.9

SMEs loan balance (average balance)

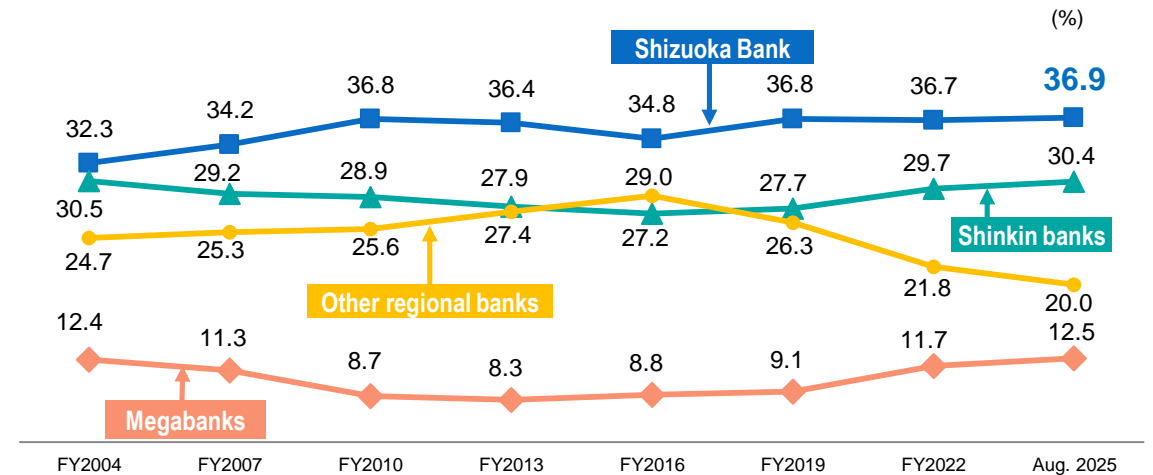


Loan balance (by segment)



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)

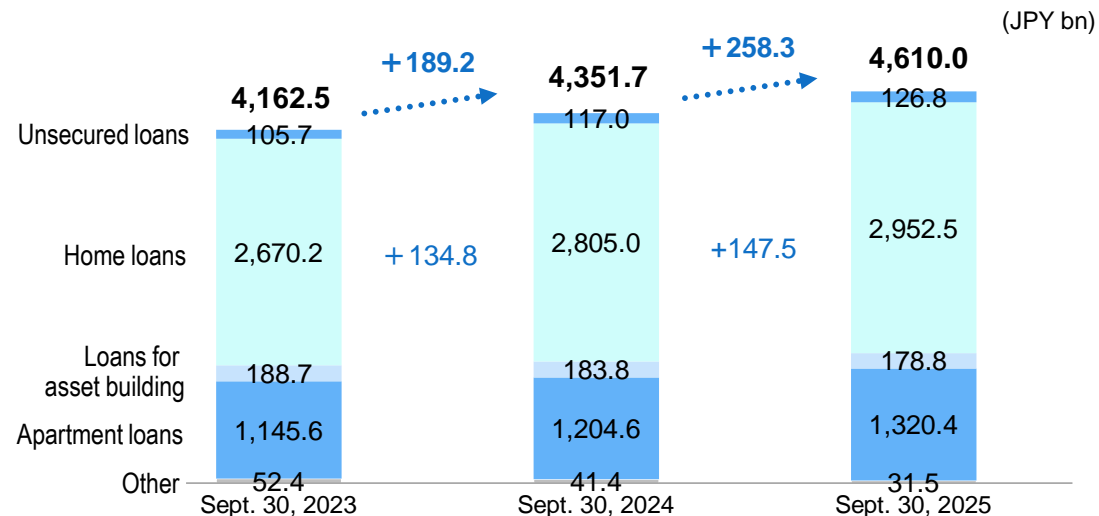
Share of loans in Shizuoka Prefecture



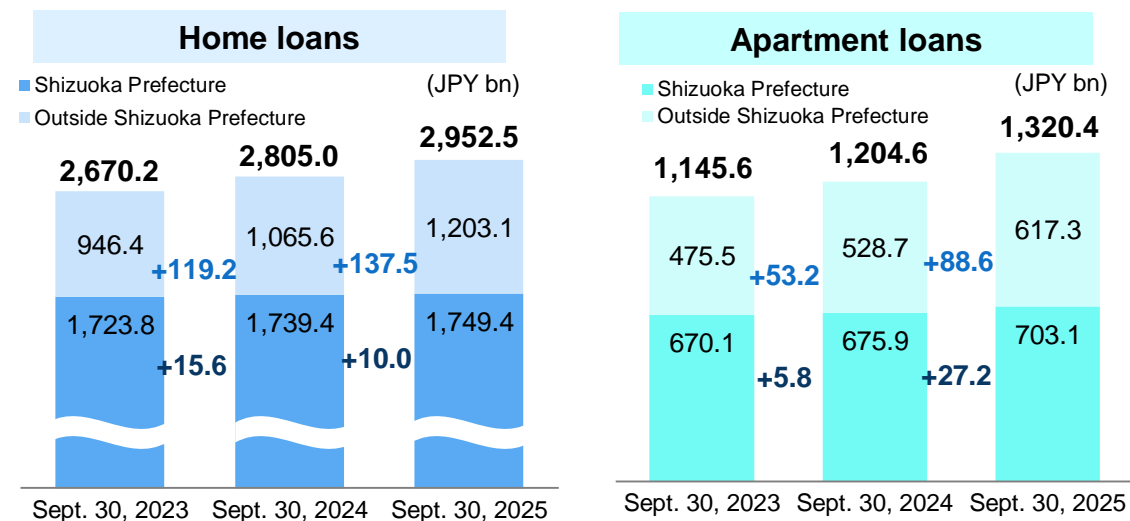
Home loans, apartment loans, and other (Shizuoka Bank nonconsolidated)

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.

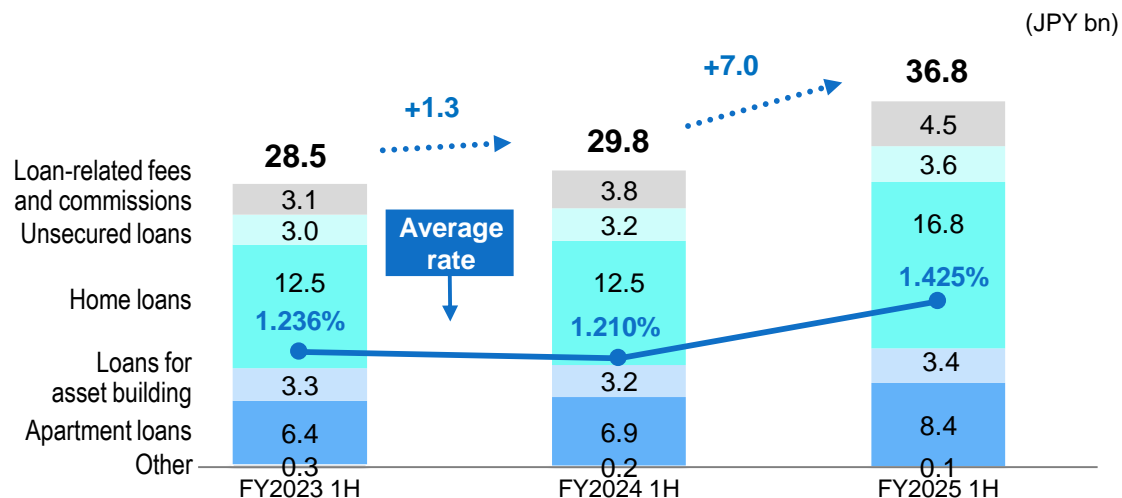
Term-end balance



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



Interest amounts, fees, and rates



Delinquency rate and occupancy rate

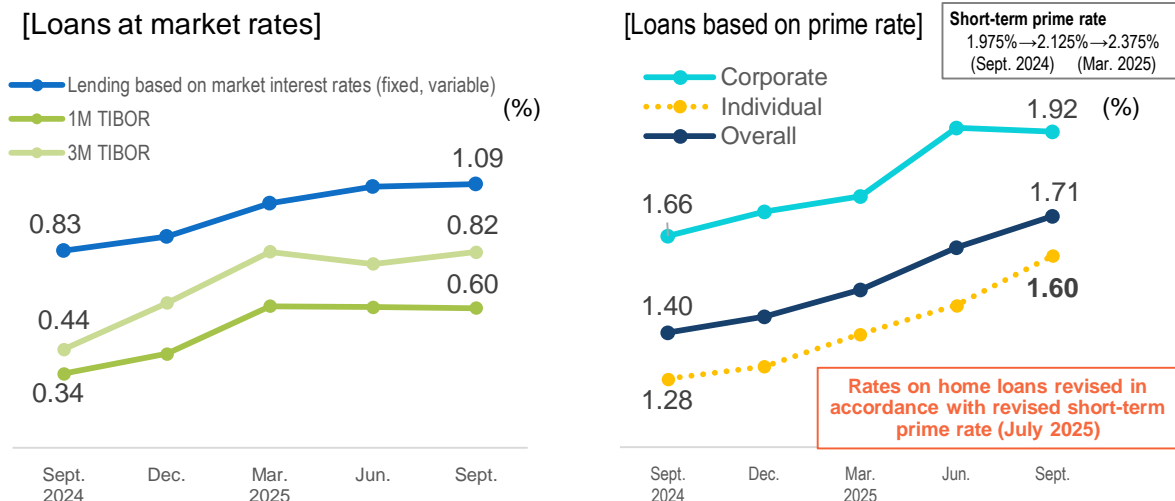
Delinquency rate (three months or longer)	September 30, 2023	September 30, 2024	September 30, 2025
Home loans	0.11%	0.10%	0.12%
Apartment loans	0.03%	0.02%	0.02%
Loans for asset building	0.49%	0.34%	0.27%

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%

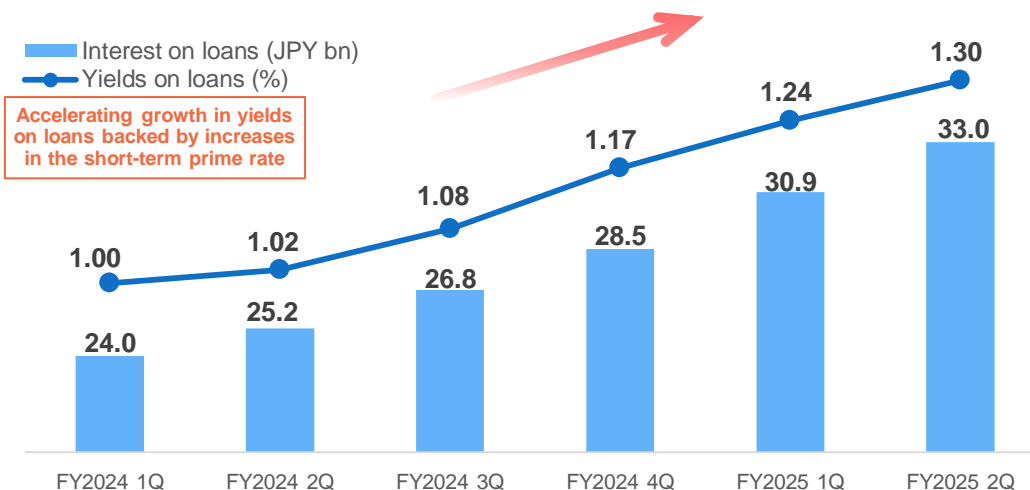
Improving yields on yen loans

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)

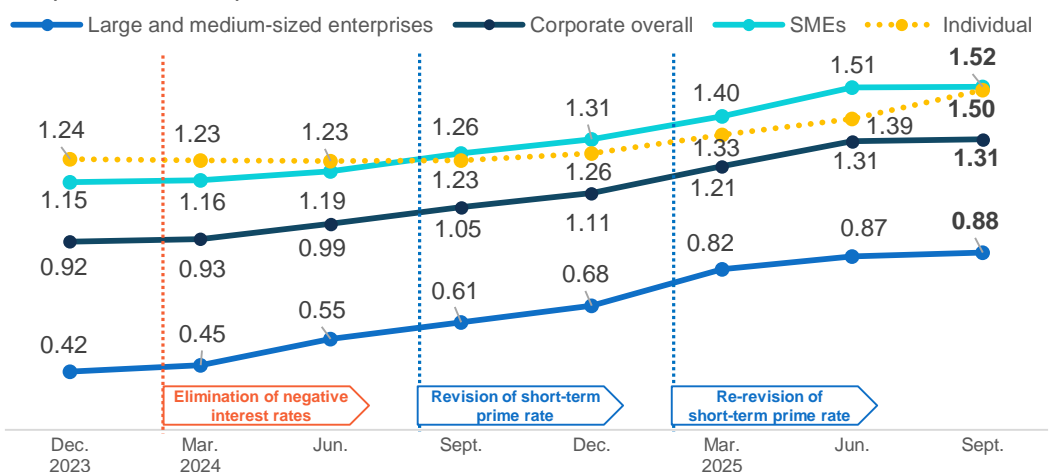


Domestic loans and its interest

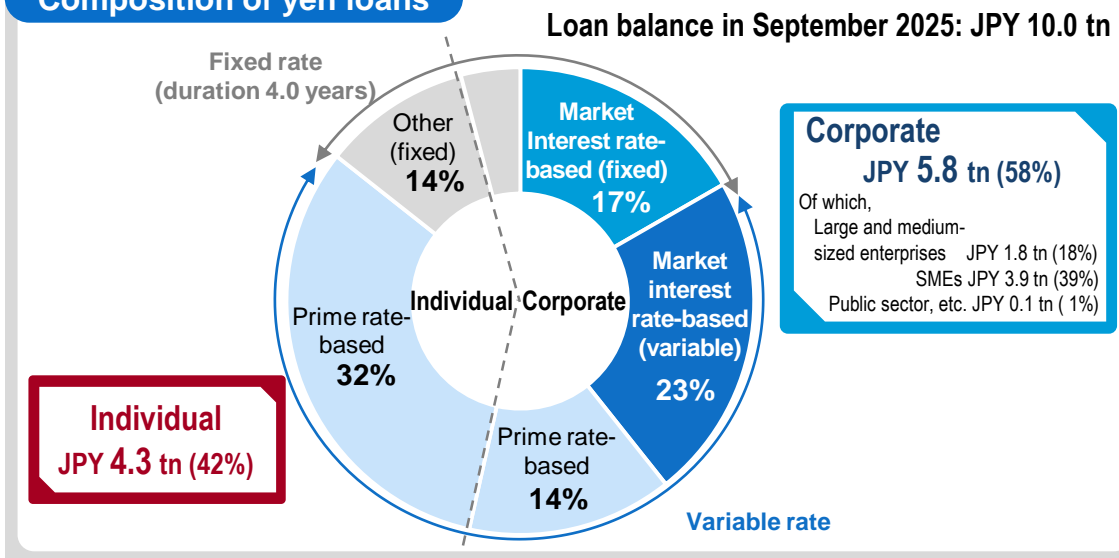


Transition of Interest rates on loans (by size, corporate/individual)

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



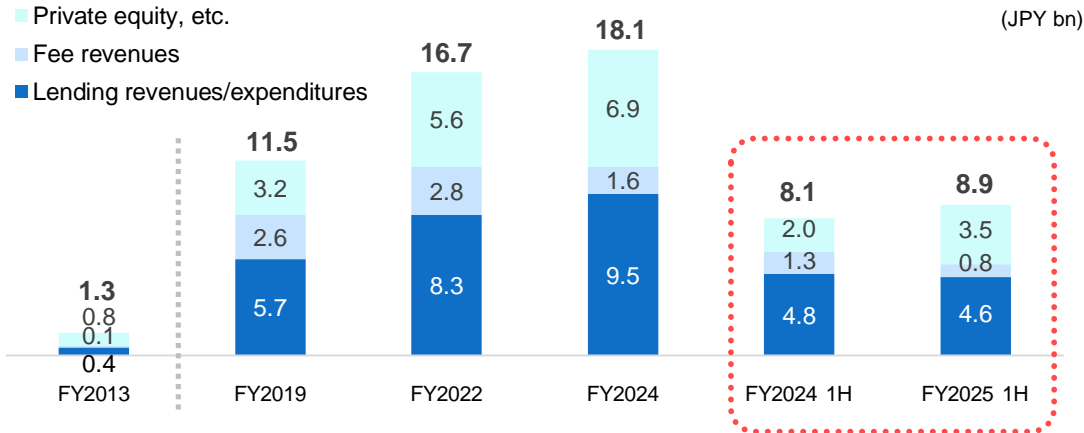
Composition of yen loans



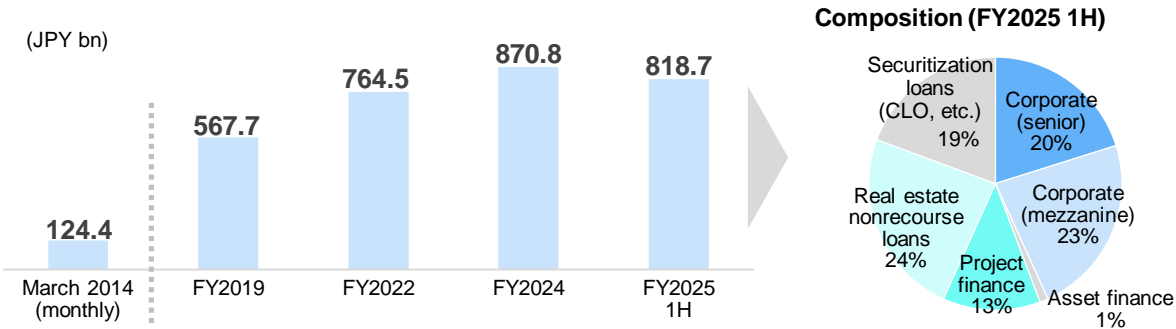
Market credit investment

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



Lending balance (average) and composition



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

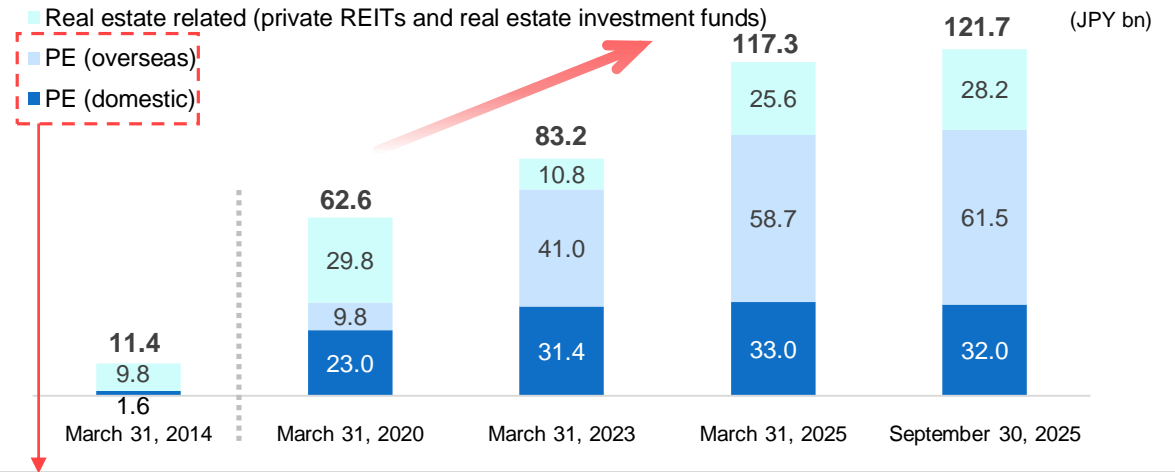
99% allocated to performing borrowers

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

Market credit investment balance (term-end balance)



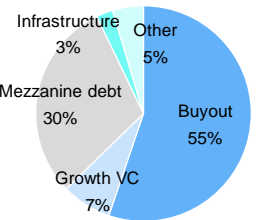
Private equity investment (excluding private REITs and real estate investment funds)

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

[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

Composition (FY2025 1H)



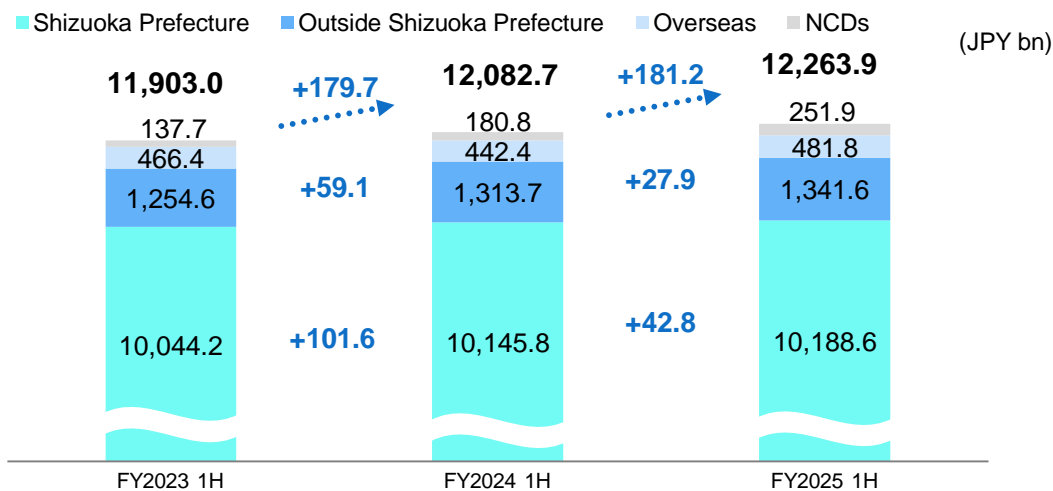
Deposits and other (Shizuoka Bank nonconsolidated)

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

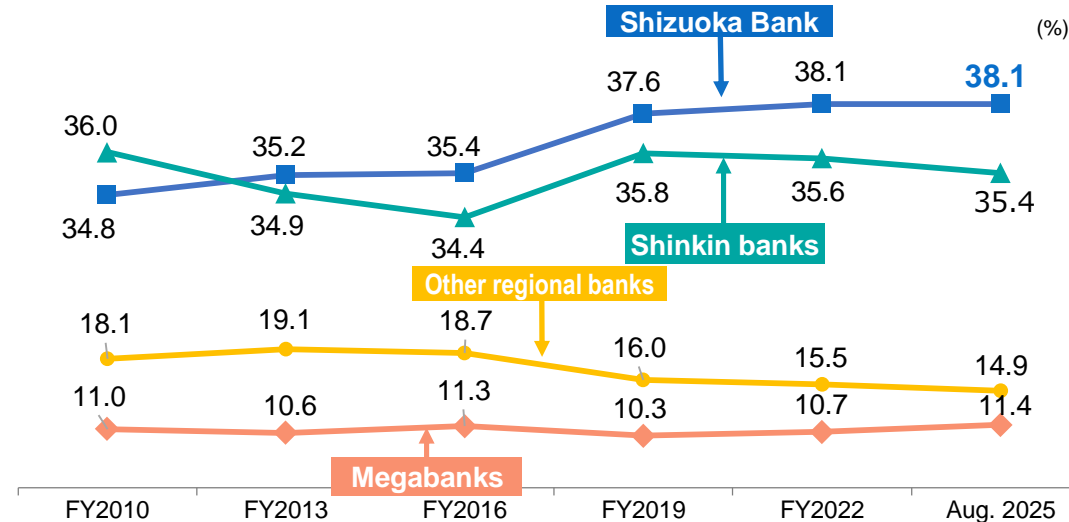
Trends in deposits and other balances (average balance)

(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%

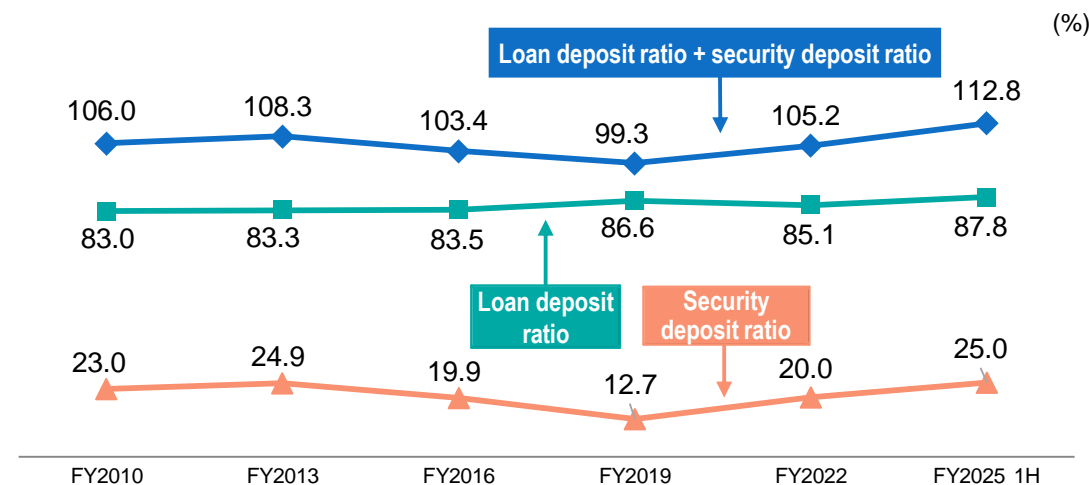
Deposit balance (by region)



Share in Shizuoka Prefecture



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

Breakdown of bonds:

Government-guaranteed bonds: 18.5 Financial institution bonds: 192.5
Corporate bonds: 326.4 Corporate bonds held to maturity: 5.1
(Private placement bonds: 21.1)

(JPY bn)

	Sept. 30, 2024	Change	Mar. 31, 2025	Change	Sept. 30, 2025
JGBs	3,487.3	-162.8	3,324.5	-11.2	3,313.3
	1,054.4	-107.1	947.3	-19.6	927.7
Municipal bonds	233.9	-70.7	163.2	-39.3	123.9
Corporate bonds	537.3	-8.1	529.2	+13.4	542.6
Equities	500.5	-29.9	470.6	+82.3	552.9
Foreign bonds (variable)	(209.0)	+31.9	(208.0)	-79.4	(196.1)
Foreign bonds (fixed)	(393.7)	602.8	(426.7)	634.7	(359.2)
Investment trusts	373.3	-13.0	360.3	+10.4	370.7
Other	185.1	+34.1	219.2	+21.1	240.3
	Sept. 30, 2024		Mar. 31, 2025		Sept. 30, 2025

[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)]

	September 30, 2024	March 31, 2025	September 30, 2025
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

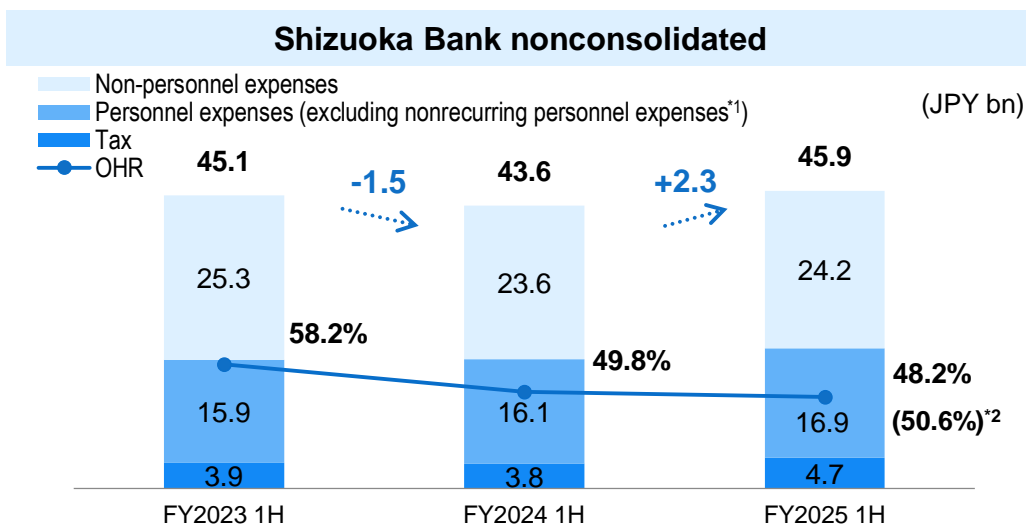
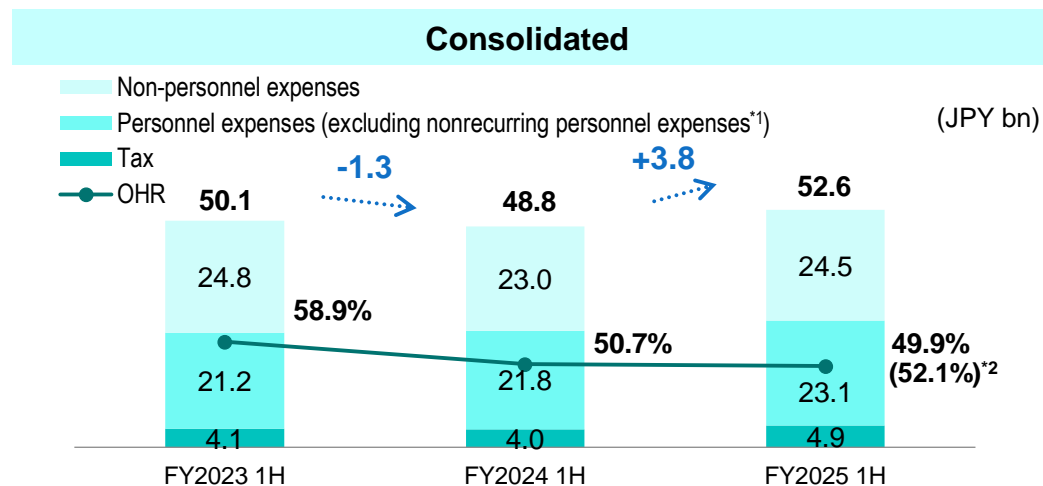
Gains and losses on revaluation of securities

	(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



*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.

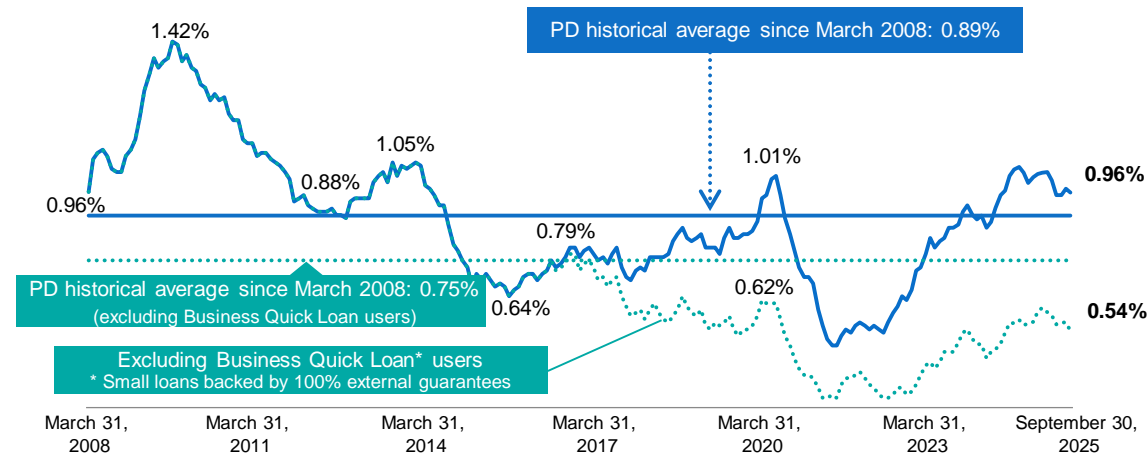
Breakdown of credit-related costs

(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

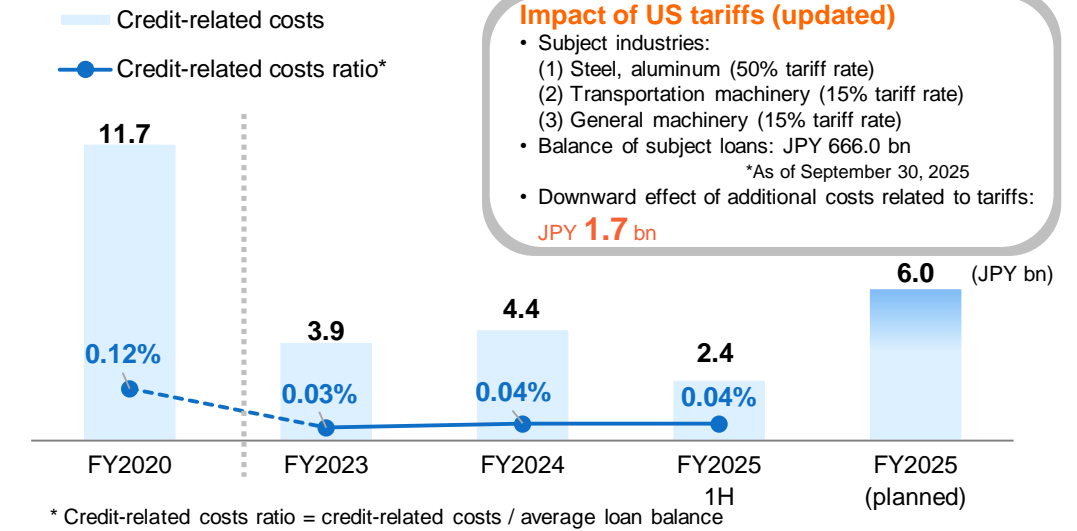
* This includes contributions to credit guarantee associations, provisions for contingent loss, etc.

Probability of default (PD)

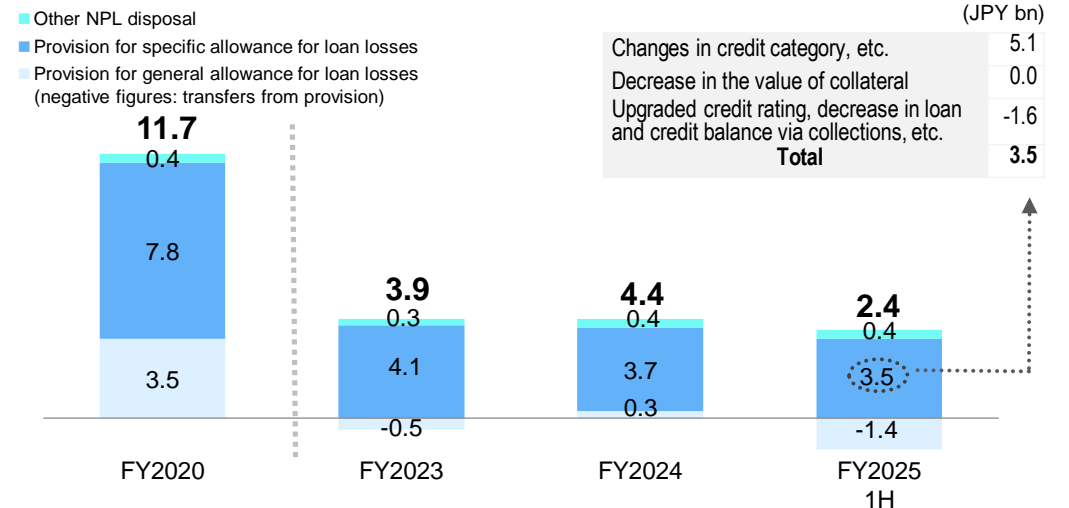
* PD of performing borrowers and borrowers warranting close monitoring (based on number of borrowers)



Credit-related costs and credit-related costs ratio



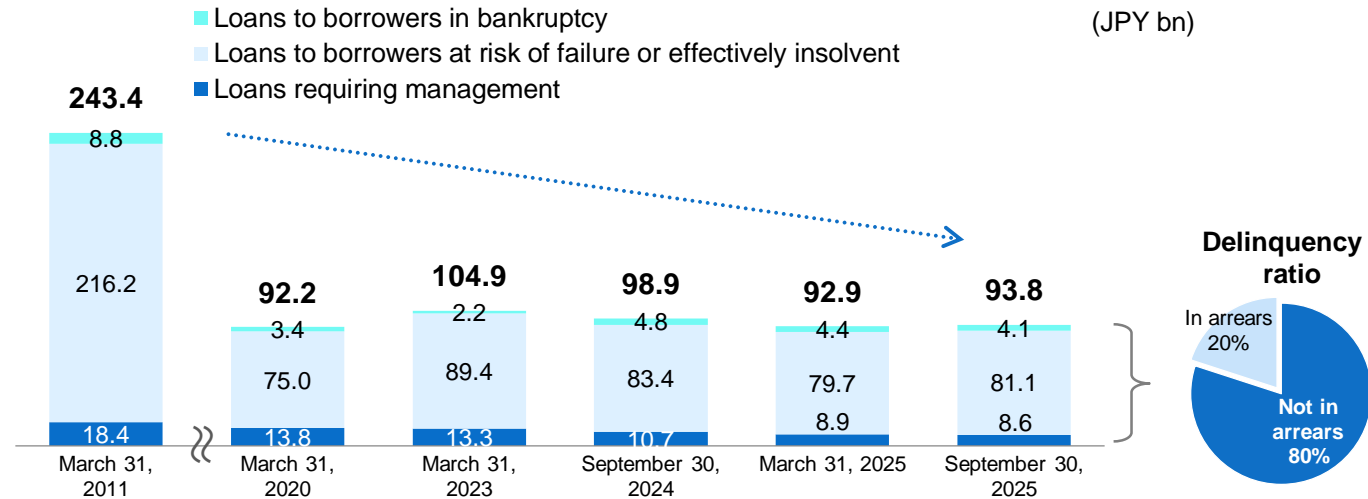
Provision for allowance for loan losses and other NPL disposal



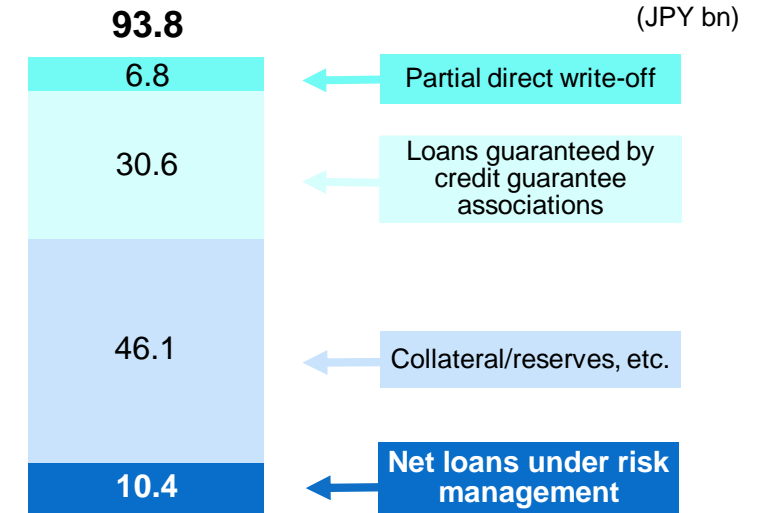
Loans under risk management (Loans disclosed under the Financial Reconstruction Act) (Shizuoka Bank nonconsolidated)

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



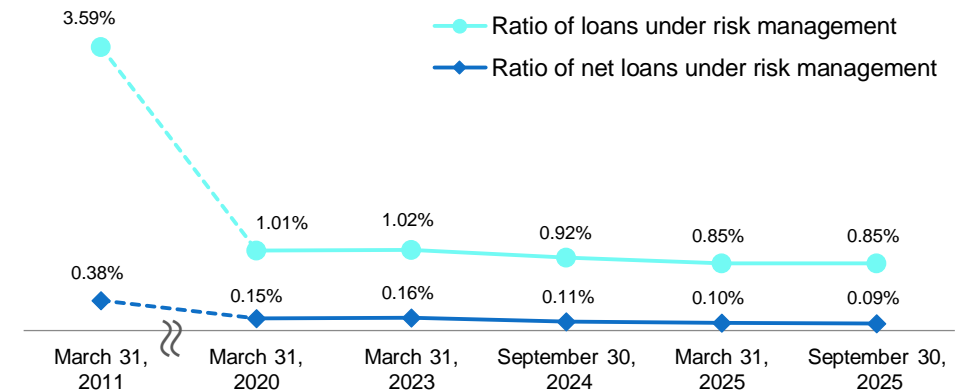
Expected loss (EL) in one year: JPY 0.9 bn

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

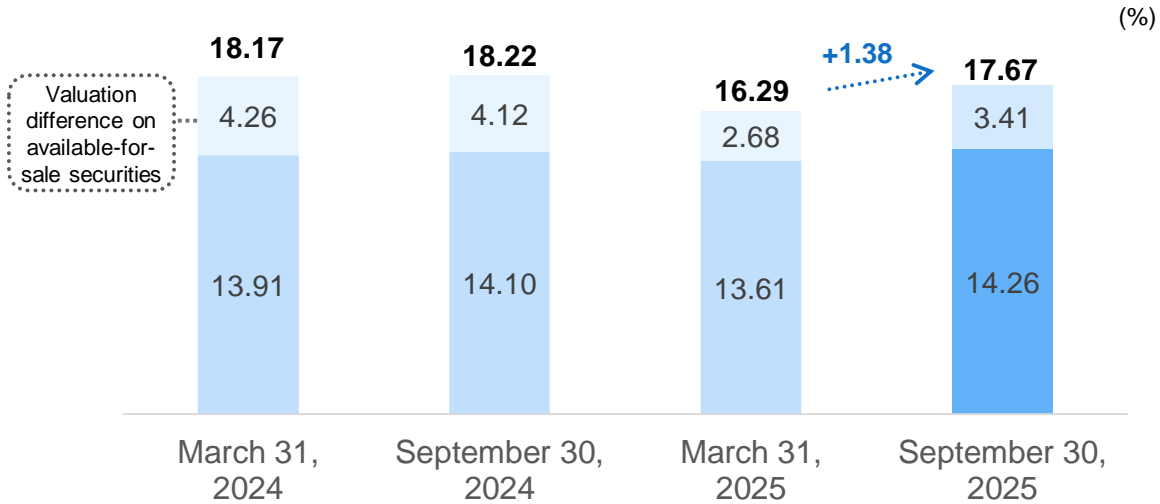
Ratio of loans under risk management



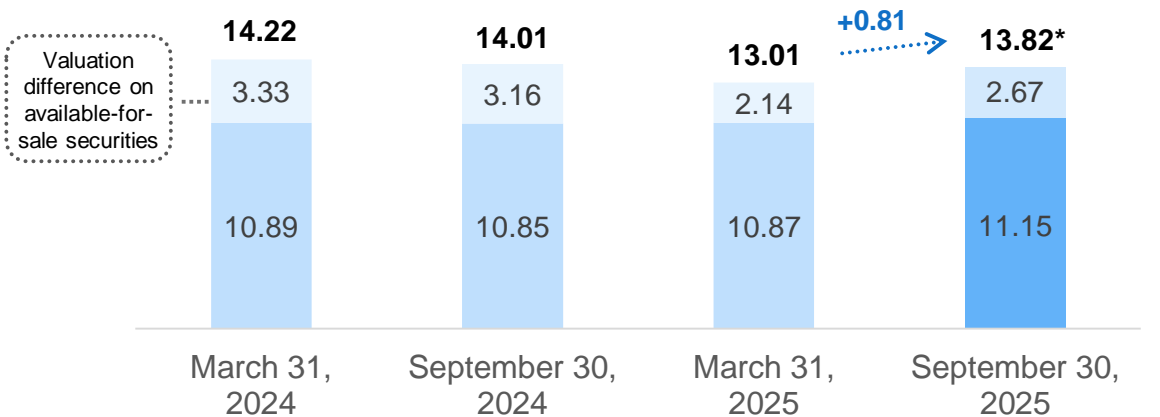
Capital adequacy ratio

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.

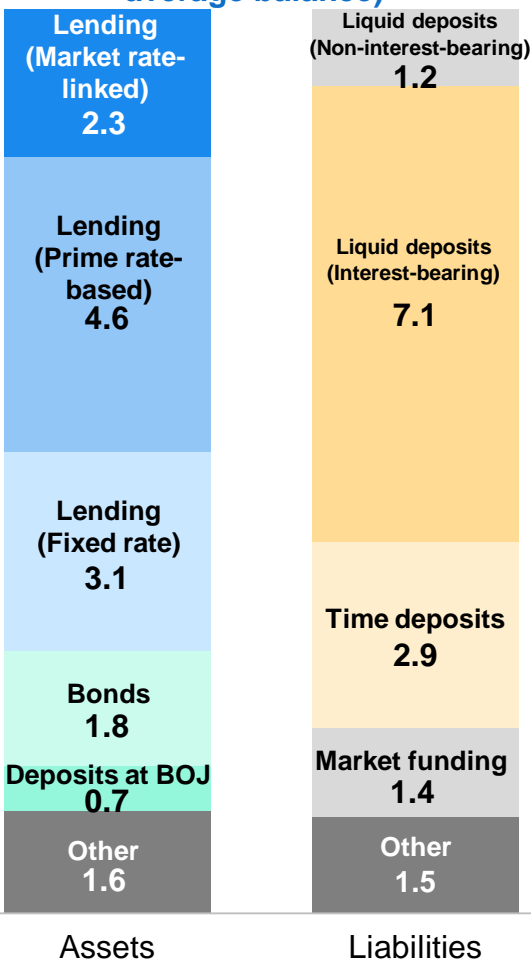
Simulation of rising JPY interest rates

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)



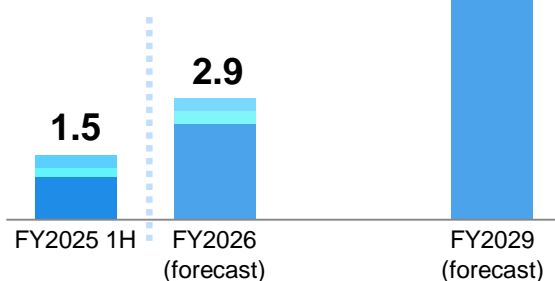
The expanded alliance is intended to maximize earnings opportunities by strengthening the capacity to **find solutions to social issues facing all three prefectures**.

Increasing corporate value

Revenue effects

(JPY bn)

- Life planning
- Corporate
- Market credit investment



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)



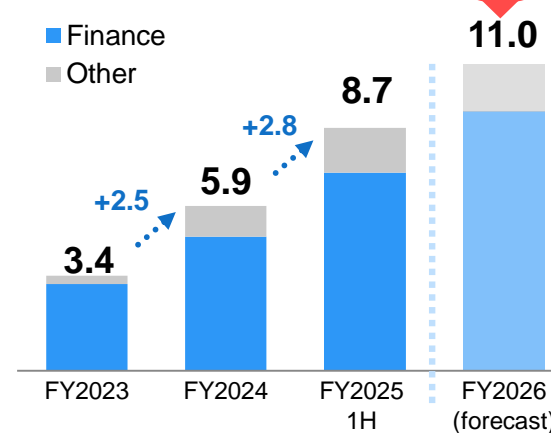
Focusing on solutions to customer's challenges, **chiefly supporting business partners in structural reforms of regional industries**

Making steady progress toward the revised revenue effects KPI JPY 13.0 bn (total for both banks, cumulative for five years)

Revenue effects

(JPY bn)

- Finance
- Other



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)

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

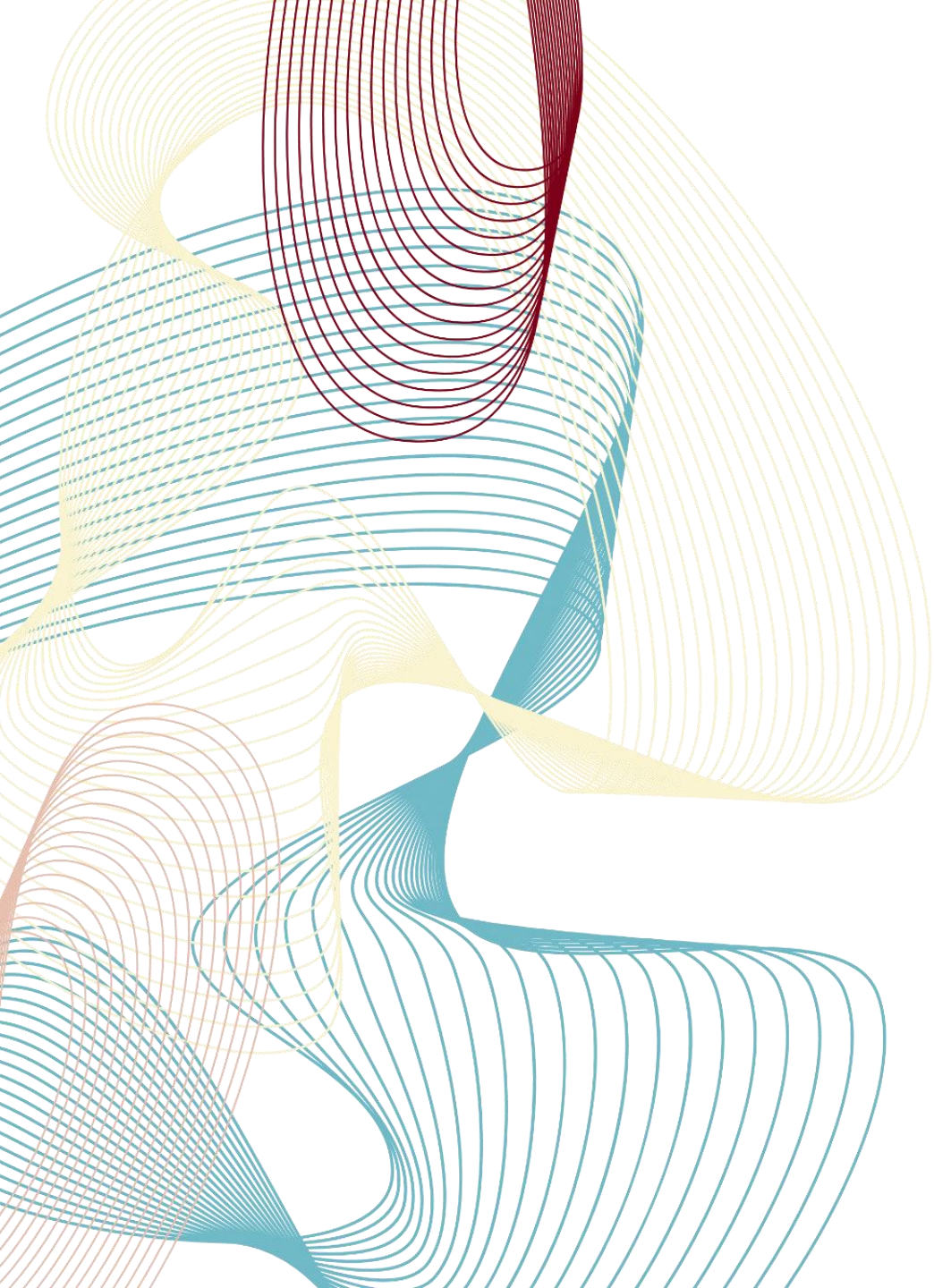
Support for industrial reforms

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



April

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



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



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



May

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



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

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



June

- 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**)

Regional
Co-Creation
Strategy
×
Group
Business
Strategy

Trans-
formation
Strategy



July

- **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**)
- **TECH BEAT Shizuoka 2025** held
* Attracted record highs of 10,125 attendees and 178 exhibitor startups (**Shizuoka Bank**)



August

- 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**)
- **Business time deposits that contribute to society**
Began offering Shizuoka Future Generations Support deposits. (**Shizuoka Bank**)



September –

- 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**)



Peregrine falcon spotted on the roof

- Introduced monitoring for abuse of corporate Internet banking using Detecker, a platform for detecting improprieties, through joint development with **ACSion** (**Shizuoka Bank**)

Regional
Co-Creation
Strategy
×
Group
Business
Strategy

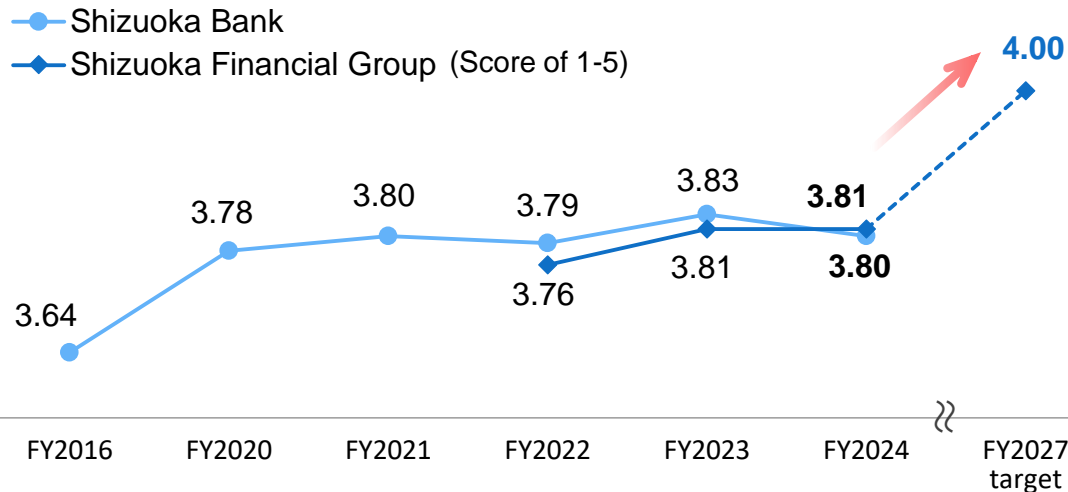
Trans-
formation
Strategy

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.

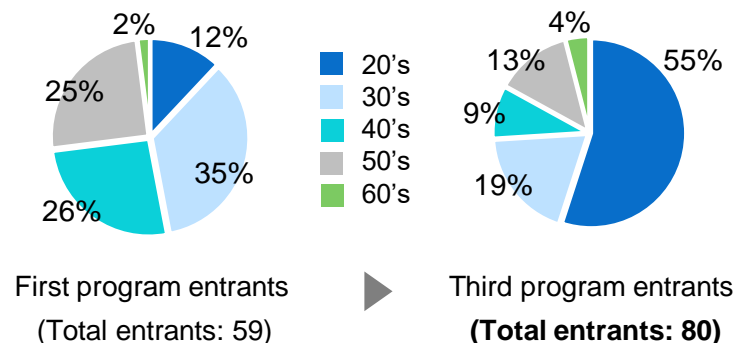
Support for autonomous career development

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



Third award-winning theme

Linkle, a communication service to accelerate collaboration within the organization

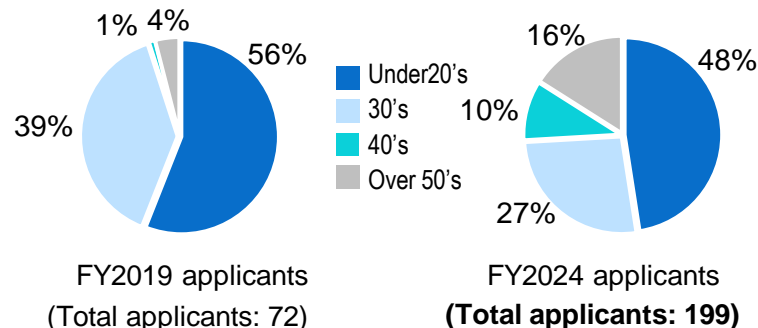


Nao Aoyama,
IT Planning Group, Shizuoka Bank

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



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.

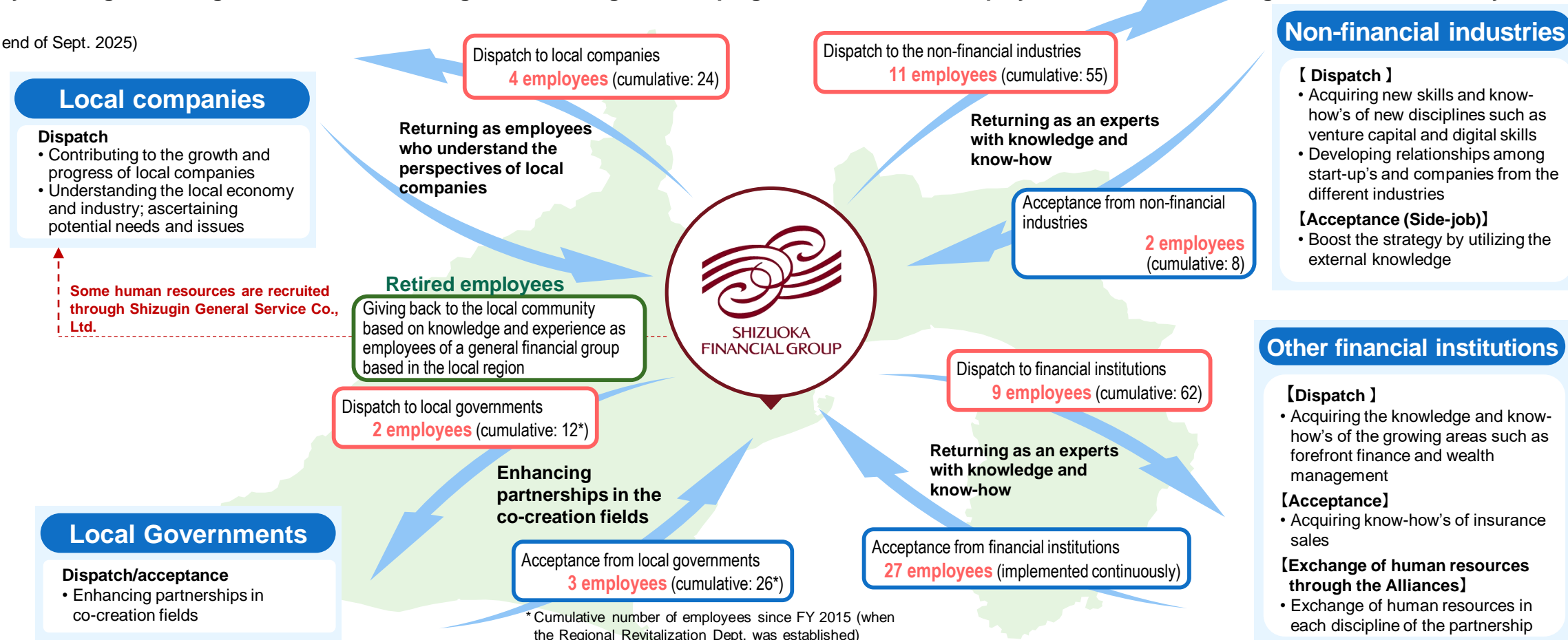
[Examples of past support]

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)



Numbers of qualified employees

Value creating human resources

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

Problem-solving human resources

(As of the end of Sept. 2025)

Certified Financial Planner 1st grade

365

Registered Management Consultant

80

IT Passport

1,696

Fundamental Information Technology Engineer

266

Social Insurance Labor Consultant

22

Administrative Scrivener

25

MBA

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)

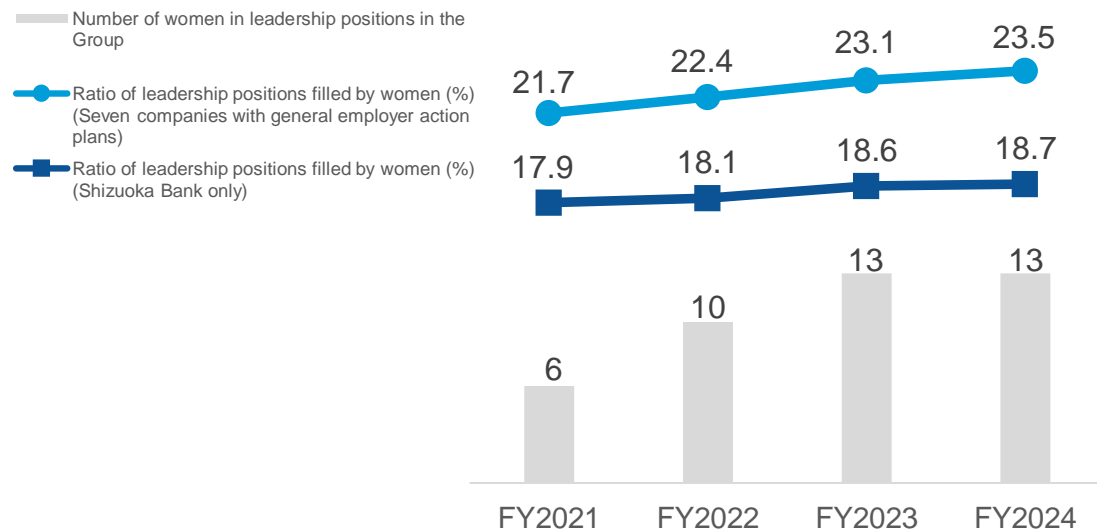
We seek to achieve a ratio of at least 27% of leadership positions being women by the end of March 2027 and at least 40% by the end of March 2031. We are actively assigning and appointing women to these positions while supporting career development for women.

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.

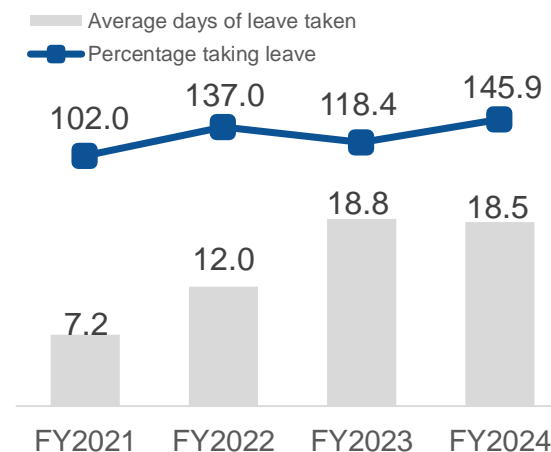
The Full Bank Branch Challenge gave me the opportunity to take on the challenges of a full bank branch general manager. I want to demonstrate to my three children that I can boldly take on the challenge of creating further value by meeting customer needs.

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

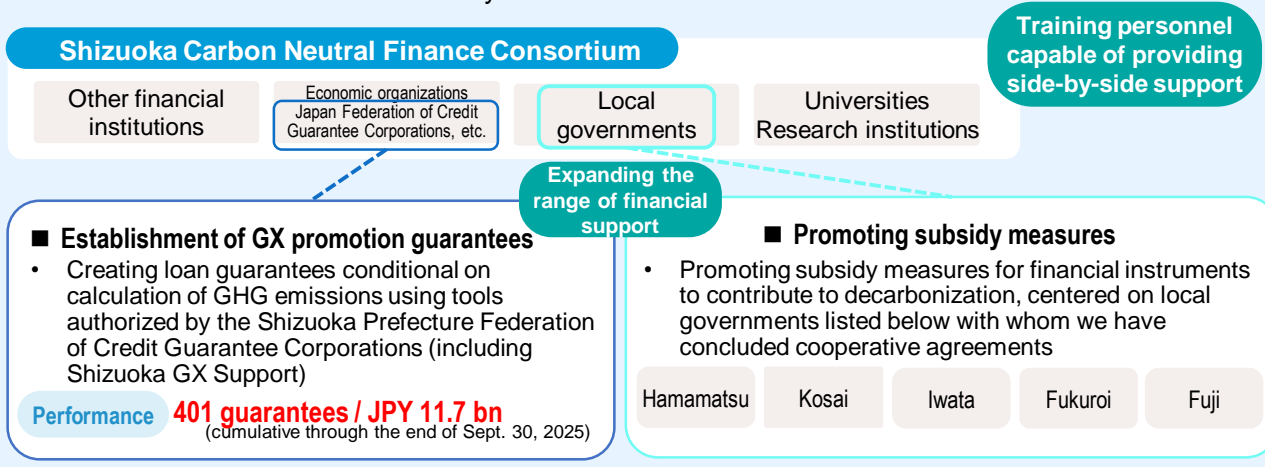


Initiatives to support local decarbonization

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



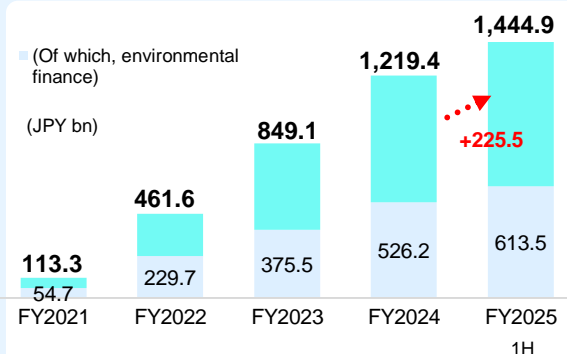
Promoting sustainable finance

- 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



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.



10 20 40 80 (%)
Water demand for human activities as a percentage of available water resources

WSC* water stress analysis

* 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)	<ul style="list-style-type: none"> 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)	<ul style="list-style-type: none"> 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)	<ul style="list-style-type: none"> 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

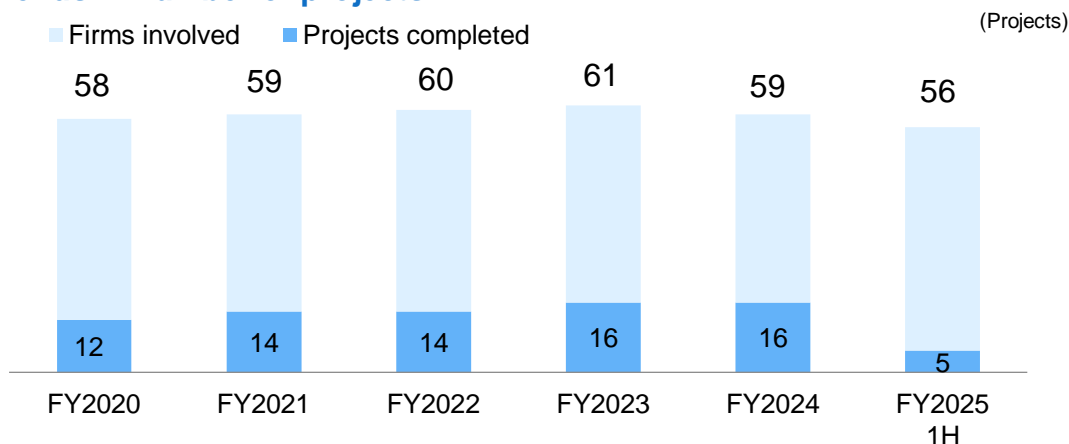
Region-based Relationship Banking

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.

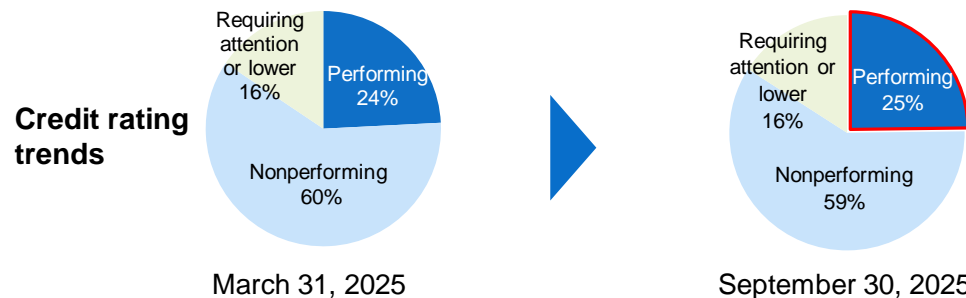
Trends in number of projects



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).



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).

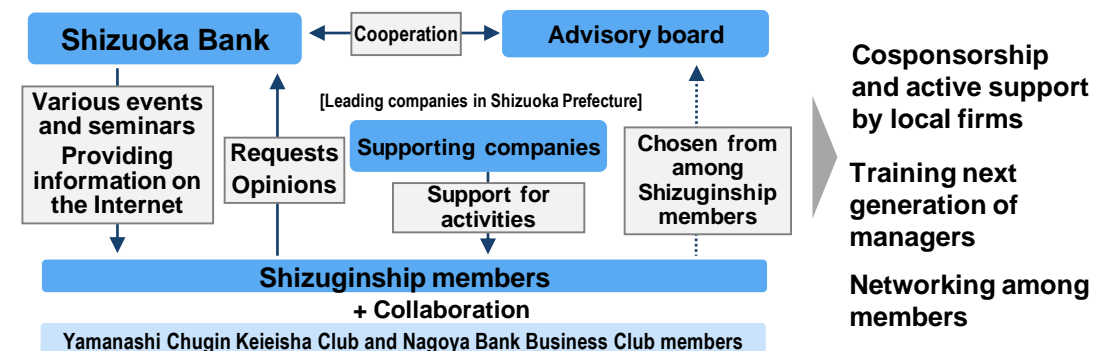


Shizuginship next-generation management courses

- 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-succesion 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 *

* As of September 30, 2025

Record high

[Business discussions with startups (main venue)]



[Children experiencing the latest technology]



Economy of Shizuoka Prefecture – Economic scale

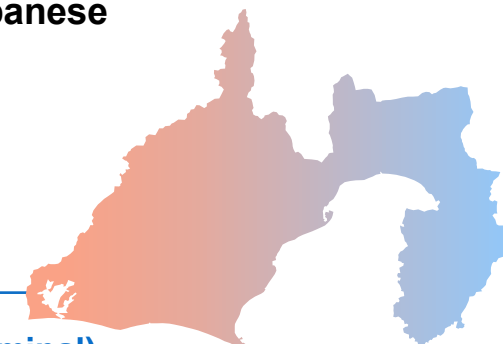
Accounting for 3% of Japan's national economy, the economy of Shizuoka Prefecture ranks 10th among Japanese prefectures. Its prefectural GDP exceeds the combined GDPs of the four prefectures of Shikoku or the three Hokuriku prefectures.

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.

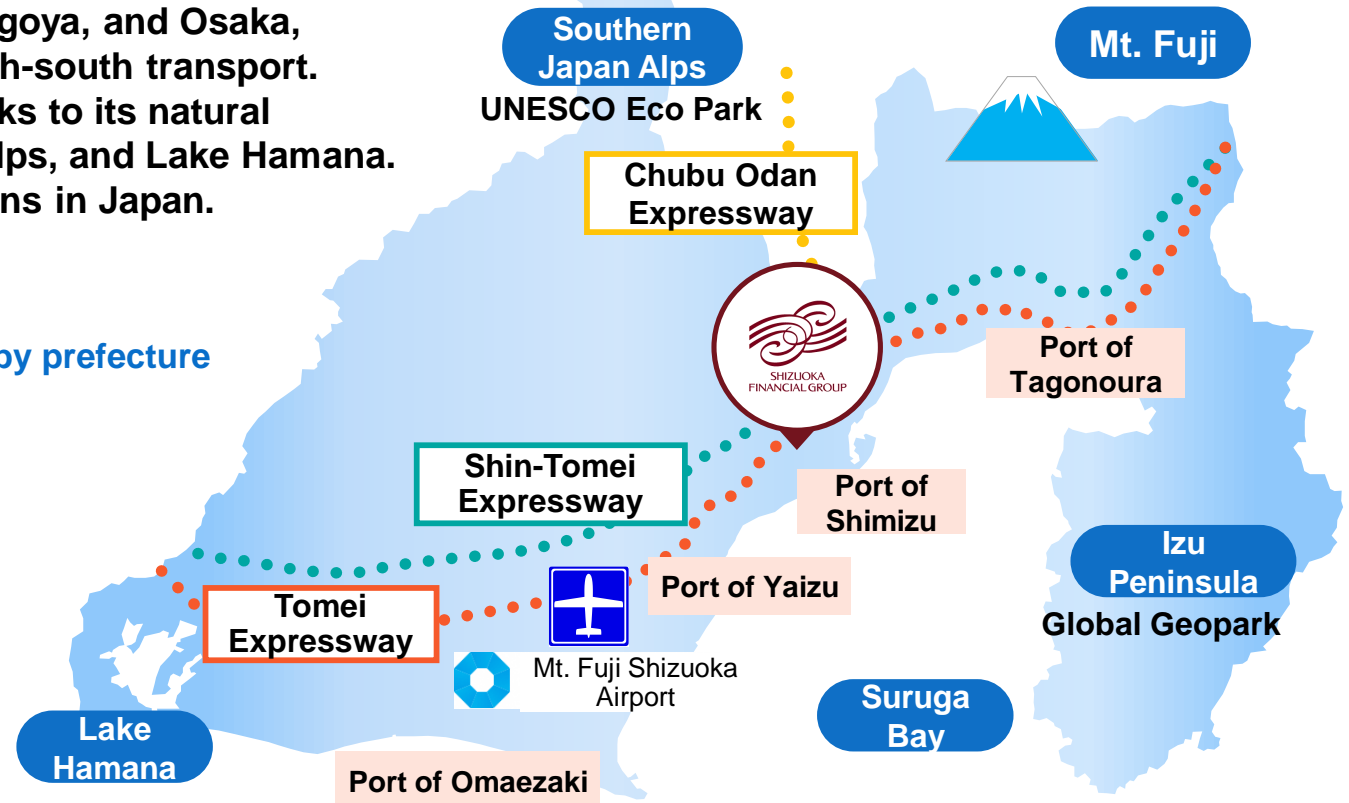
■ Rankings of desired relocation destinations in Japan by prefecture

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



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”



Izu Peninsula

Certified as a Global Geopark by UNESCO
(April 2018)

The ninth certified Global Geopark in Japan



Source: Hamamatsu and Lake Hamana Bureau of Tourism website

Source: Shizuoka Prefectural Tourism Association website

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:

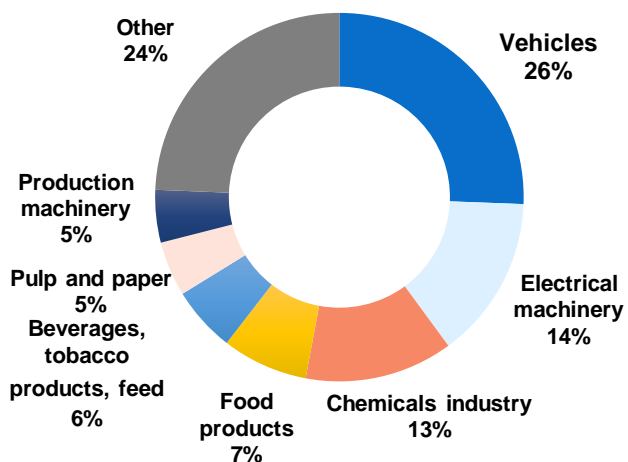
99 (cumulative through end of FY2024)

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

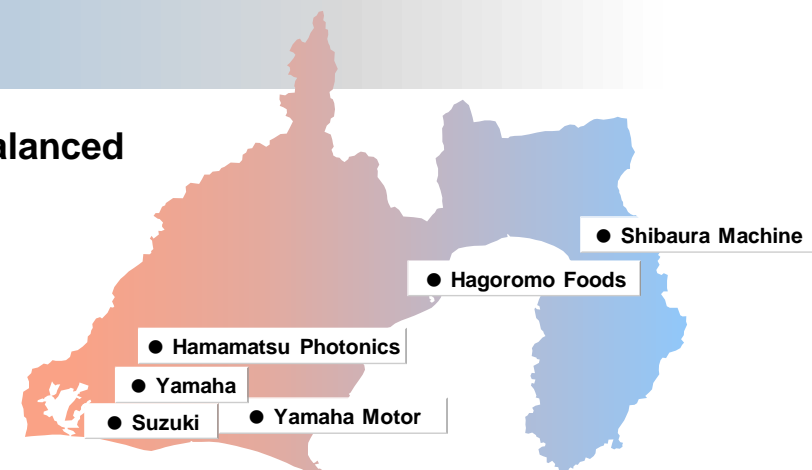
■ Shizuoka Prefecture's health and medicine industry

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

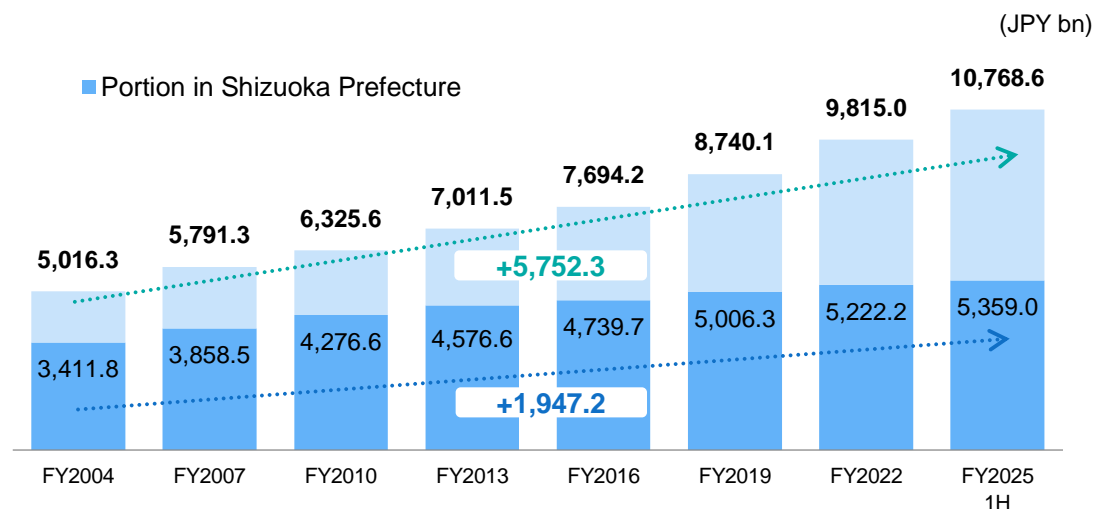
Next-generation vehicles, optical and quantum technologies, marine biotechnologies, cellulose nanofiber (CNF), etc.



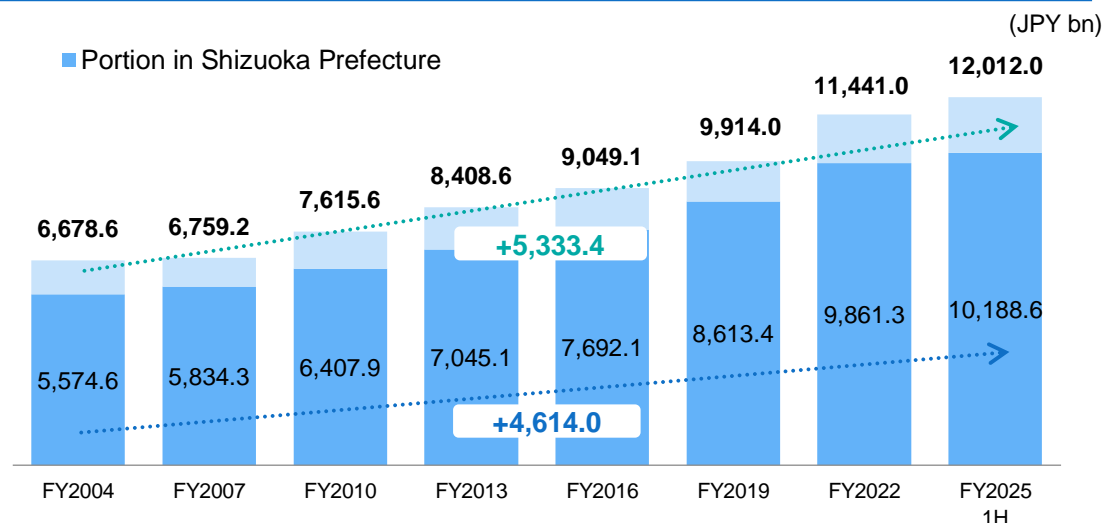
Trends in loans and deposits

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

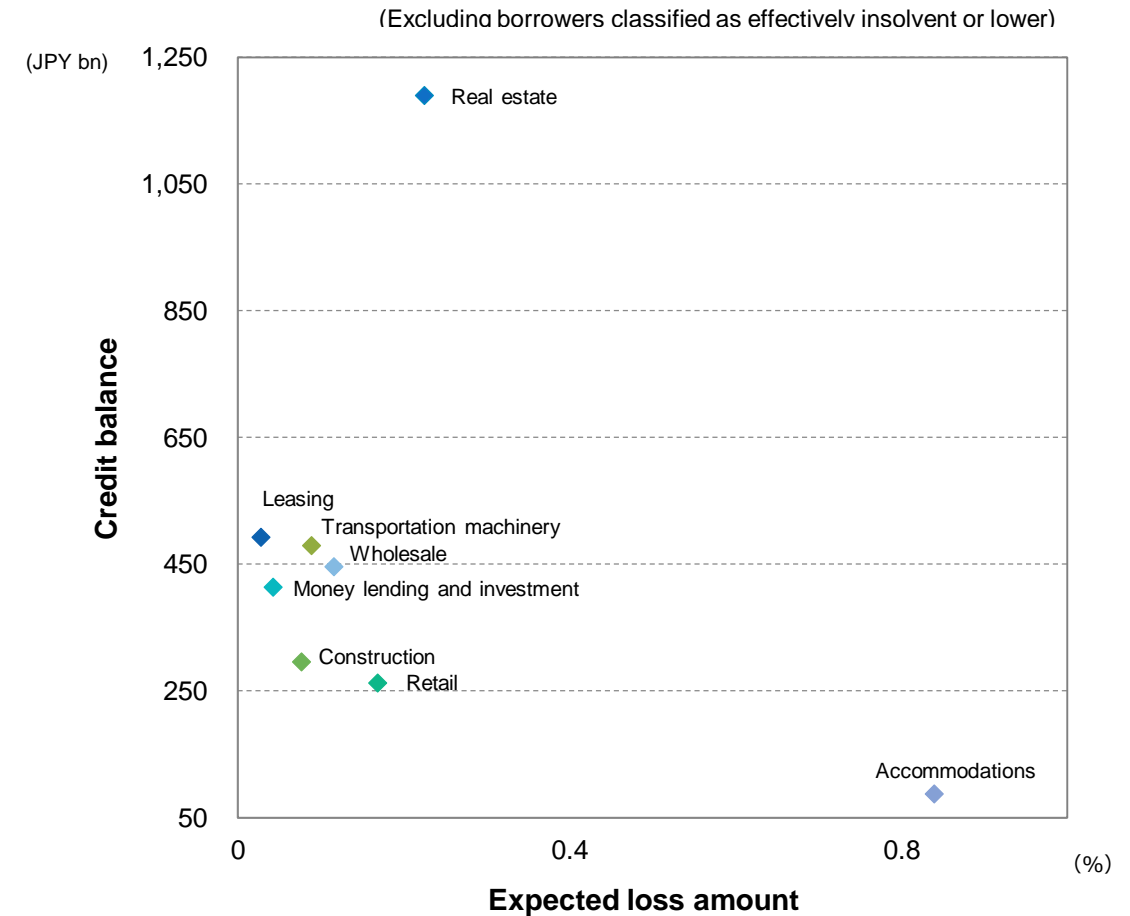
Credit balance (as of the end of September 2025)

(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*



Allocation of risk capital

Allocation source	(JPY bn)		Risk capital allocated	Risk capital used	Percentage of risk capital used
<div>Core capital JPY 869.1bn (End of September 2025)</div>	Credit risk 267.6	Loans (credit risk)	176.5	118.9	67%
		Treasury division	316.9	138.8	43%
	Market risk 235.3	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	Strategic investments	20.0	10.9	54%
	Operational risk 15.5	Operational risk	15.5	15.5	100%
	Buffer capital, etc. 330.7	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

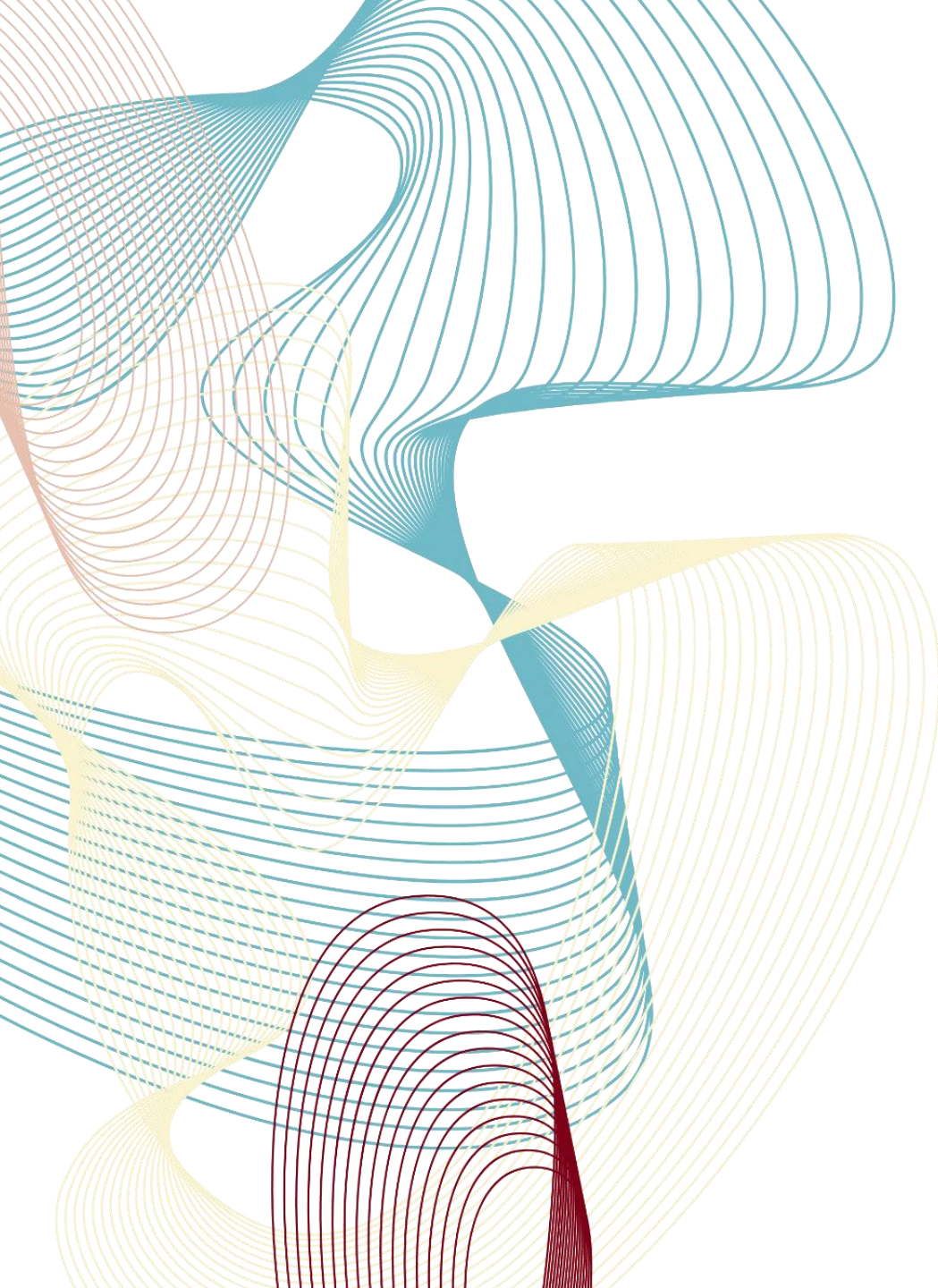
Shareholder returns – Share buybacks (over time)

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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Website (IR News)

