



Shizuoka Financial Group
FY2025
IR Presentation

May 2026

Xover 2.0
-Into the future together

FY2025 Financial Results FY2026 Forecasts

- **Consolidated net income in FY2025 was JPY 90.5 bn (up JPY 15.9 bn YoY; up JPY 2.5 bn vs. forecasts).**
 - Increased net interest income (up JPY 23.0 bn YoY) at Shizuoka Bank (nonconsolidated), attributable to rising JPY interest rates, drove profit growth. We also proceeded to replace our bonds holdings to improve balance sheet profitability, and recording preventive allowances for loan losses.
- **The target consolidated net income for FY2026 is JPY 105.0 bn (up JPY 14.5 bn YoY).**
 - We project ROE (based on net assets) of 8.4% while maintaining earnings growth momentum, driven by growth in core business earnings.

Efforts to increase corporate value

- **We will continue our efforts to improve PBR after reaching 1.1 at the end of FY2025, surpassing the 1.0 milestone.**
 - Achieving optimal balance sheet management to maximize net interest income by increasing invested assets (loans, securities) with a focus on profitability and by stabilizing the fundraising required to support investments
 - Investing in human capital, IT systems, and other aspects to implement the strategies of the Medium-term Business Plan while exercising financial discipline

Capital policies

- **Enhancing returns to shareholders based on higher profits and capital efficiency.**
 - Projected FY2026 dividends are up JPY 18 YoY to JPY 98, with dividend continuing to grow steadily. The payout ratio, at 49.8% (up 2.1 pt YoY), is steadily rising toward the target of 50%.
 - We plan to acquire treasury shares to approach the capital level required to achieve the ROE target.

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Summary of FY2025 financial results (consolidated)

Steady growth in core business earnings centered on net interest income, as efforts such as bonds replacement using gains on sale of stock improve Balance Sheet profitability.

	FY2024	FY2025	YoY change	
			Increase/ decrease	Increase/ decrease (%)
(JPY bn, %)				
Core gross operating profit*1	197.8	226.8	+29.0	+14.6
Gross operating profit	187.3	178.9	-8.4	-4.4
Operating expenses (-)	97.1	105.3	+8.2	+8.4
Share of profit (loss) of entities accounted for using equity method	0.8	1.5	+0.7	+84.2
Net operating profit*2	91.4	75.1	-16.3	-17.8
Credit-related costs (-)	4.8	9.2	+4.4	+90.1
Gain (loss) on stocks	13.8	61.5	+47.7	+346.3
Ordinary profit Record high	102.1	130.3	+28.2	+27.6
Extraordinary profit (loss)	2.6	-3.2	-5.8	—
Net income before taxes	104.6	127.1	+22.5	+21.4
Total income taxes (-)	30.0	36.6	+6.6	+21.9
Net income*3 Record high	74.6	90.5	+15.9	+21.2
ROE (based on net assets)	6.3	7.5	+1.2	—
ROE (based on shareholder equity)	7.7	9.1	+1.3	—

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

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

*3 Net income attributable to owners of the parent

Gross operating profit **JPY 178.9 bn** (Down for the first time in four periods)

Despite a decline of JPY 8.4 bn YoY due to the recording of losses on sale of JGBs and other bonds associated with bonds replacement, higher gross operating profit due to growth in core business earnings led to an increase of JPY 29.0 bn YoY.

Net operating profit **JPY 75.1 bn** (Down for the first time in four periods)

Decrease of JPY 16.3 bn due to increase in operating expenses (+JPY 8.2 bn) and the recording of losses on sale of bonds associated with bonds replacement.

Ordinary profit **JPY 130.3 bn** (Up for the first time in two periods)

Increase of JPY 28.2 bn YoY due to an increase in gains on stocks (+JPY 47.7 bn), offsetting an increase in credit-related costs (+JPY 4.4 bn) attributable to the recording of preventive reserves.

Net income **JPY 90.5 bn** (Up for fourth consecutive period)

Increase of JPY 15.9 bn YoY in net income due to growth in core business earnings, which offset the decrease in extraordinary profit (-JPY 5.8 bn) caused mainly by the absence of gains on sale of fixed assets.

Results for major Group companies (1)

Shizuoka Bank, Nonconsolidated

Excluding the decrease in profit/loss related to JGBs and other bonds associated with the replacement of JPY bonds, core gross operating profits grew sharply.

(JPY bn, %)	FY2025	YoY change	
		Increase/ decrease	Increase/ decrease (%)
Core gross operating profit*1	203.4	+25.5	+14.3
Gross operating profit	155.5	-11.9	-7.0
Net interest income	172.2	+23.0	+15.3
Fees and commissions	29.0	+1.5	+5.2
Trading income	0.8	-0.2	-22.9
Other operating profit	-46.4	-36.0	+345.9
(Income related to JGBs and other bonds)	(-47.9)	(-37.4)	(+355.6)
(Foreign exchange trading profit)	(0.7)	(+0.9)	(-)
Expenses (-)	90.8	+4.3	+5.0
Actual net operating profit*2	64.7	-16.2	-20.0
Provision for general allowance for loan losses (-)	1.0	+0.7	+229.8
Net operating profit	63.7	-16.9	-20.9
Nonrecurring profit and loss	55.5	+44.7	+412.7
Bad debt written-off (-)	7.1	+2.9	+70.5
Gain (loss) on stocks	61.1	+47.7	+355.6
Ordinary profit	119.0	+27.6	+30.2
Extraordinary profit (loss)	-4.6	-6.4	-
Net income before taxes	114.4	+21.3	+22.8
Total income taxes (-)	32.8	+6.3	+23.9
Net income	81.6	+14.9	+22.3
Credit related costs (-)	8.1	+3.6	+81.9

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

*2 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 other than Shizuoka Bank remained in an increasing trend.

(Left: FY2025 results; right: YoY change)

(JPY bn)	Shizugin TM Securities		Shizugin Lease		Shizugin Management Consulting	
	Gross operating profit	10.7	+1.5	3.5	+0.0	1.9
Expenses (-)	6.9	+0.5	2.0	+0.2	1.5	-0.0
Ordinary profit	3.9	+0.9	1.5	-0.2	0.4	-0.1
Net income	2.7	+0.6	1.2	-0.1	0.3	-0.1

	Shizuoka Capital		SFG Marketing		SFG Real Estate Investment Advisors	
	Gross operating profit	0.7	+0.1	0.1	+0.1	1.2
Expenses (-)	0.4	+0.0	0.1	-0.0	0.3	+0.1
Ordinary profit	0.3	+0.0	0.0	+0.1	1.0	+0.2
Net income	0.2	+0.0	0.0	+0.1	0.6	+0.1

	Shizuoka Bank subsidiaries (11 companies*)	
	Gross operating profit	16.7
Expenses (-)	11.3	+2.1
Ordinary profit	5.6	+0.0
Net income	3.8	-0.1

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

	FY2025	YoY change
Ordinary profit	12.7	+0.9
Net income	8.9	+0.6

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

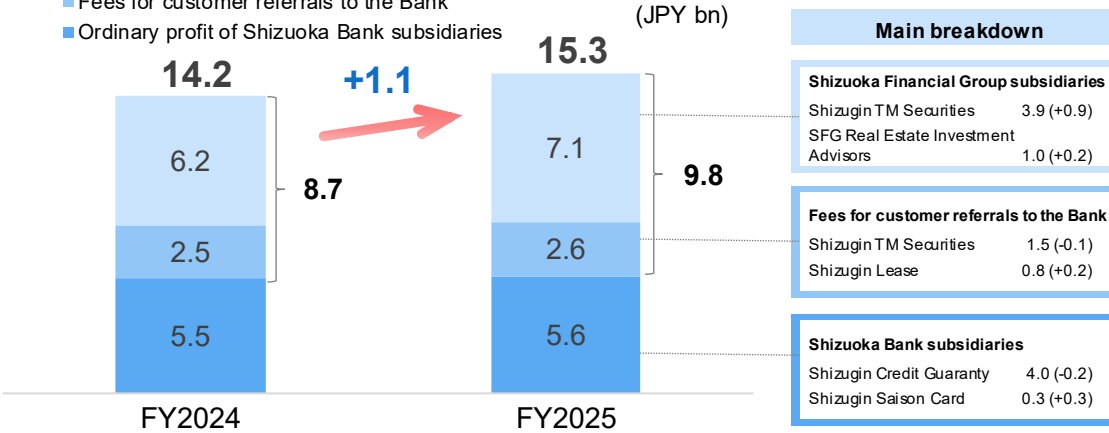
Results for major Group companies (2)

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

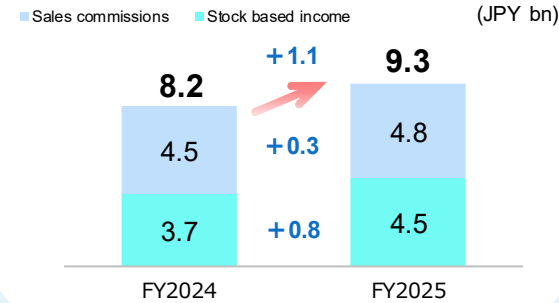


Group company initiatives

Shizugin TM Securities

Steady growth in customer assets balance drove well-balanced growth in both sales commissions and stock revenues (trust fees).

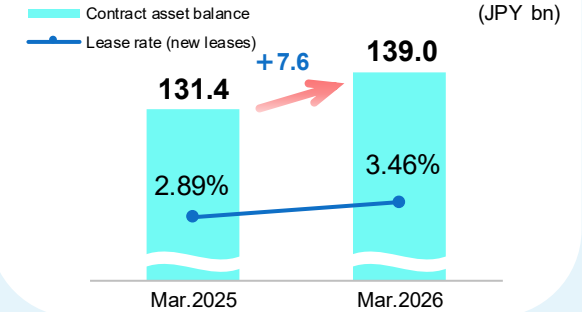
[Trends in sales commissions and stock based income]



Shizugin Lease

- Robust growth in both contract asset balance and lease rate.
- Launched a pilot project to promote local production and local consumption of renewable energy, in partnership with local governments.

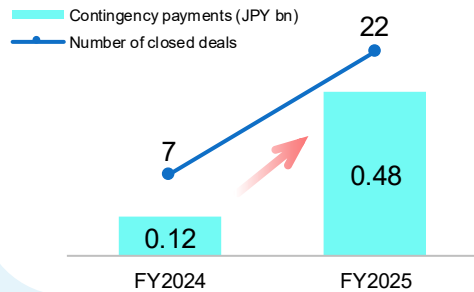
[Trends in contract asset balance and new lease rate]



Shizugin Management Consulting

Growth trends in both numbers of M&A deals involving large and medium-sized enterprises and contingency payment amount, through appropriately identifying regional firms' needs for growth investments.

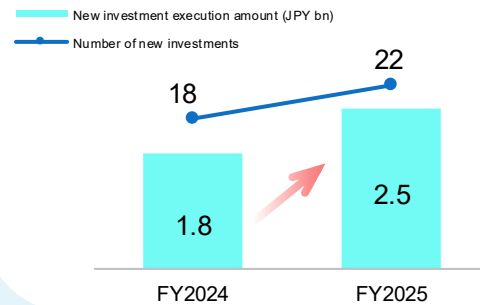
[M&A orders received from large and medium-sized enterprises]



Shizuoka Capital

Continual new investment to lead to growth of companies invested in, through means including establishment of new investment funds to support startups.

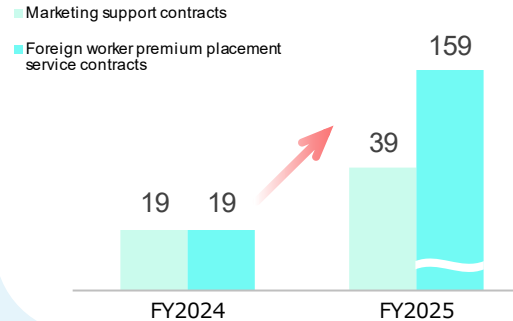
[Execution of new investments]



SFG Marketing

Strengthening name recognition and expanding numbers of contracts by providing marketing support and solutions to labor shortages and other community issues.

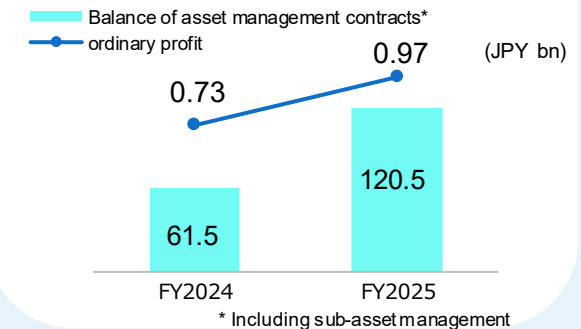
[Trends in contracts]



SFG Real Estate Investment Advisors

Greatly expanding lines of business through efforts including securing the main asset manager contract on a private real estate investment fund for Hamamatsu Act Tower.

[Trends in asset management contracts and ordinary profit]



* Including sub-asset management

Net interest income (Shizuoka Bank nonconsolidated)

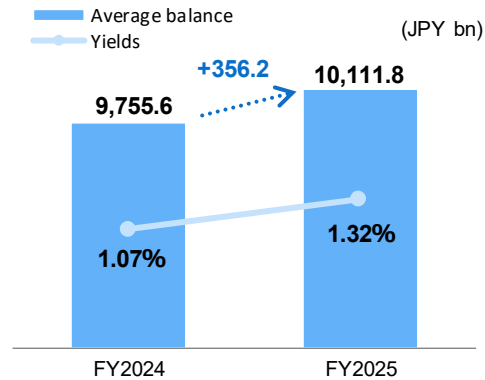
Steady growth in the domestic segment, due mainly to an increase in interest on loans with rising JPY interest rates, drove net interest income up by JPY 23.0 bn YoY overall.

Breakdown of net interest income

(JPY bn)	FY2023	FY2024	FY2025	YoY change
Net interest income	129.7	149.3	172.2	+23.0
Domestic	118.0	131.2	153.4	+22.2
Interest on loans	93.4	104.5	134.2	+29.7
Interest and dividend on securities	24.6	34.8	42.0	+7.2
(Bonds)	9.4	12.9	16.6	+3.7
(Investment trusts)	1.1	3.7	4.9	+1.3
Funding costs (-)	1.7	11.1	29.1	+18.0
(Interest paid on deposits, etc.) (-)	0.7	7.5	24.8	+17.3
Other	1.7	2.9	6.1	+3.2
International	11.7	18.0	18.8	+0.8
Interest on loans	45.6	45.9	41.8	-4.1
Interest and dividend on securities	28.8	35.3	30.0	-5.3
(Bonds)	26.4	29.1	25.9	-3.2
(Investment trusts)	0.4	3.3	0.5	-2.8
Funding costs (-)	76.3	70.0	58.5	-11.5
(Interest paid on deposits, etc.) (-)	40.2	35.2	29.2	-5.9
Other	13.6	6.8	5.6	-1.3

Domestic

Loan balance (average balance)



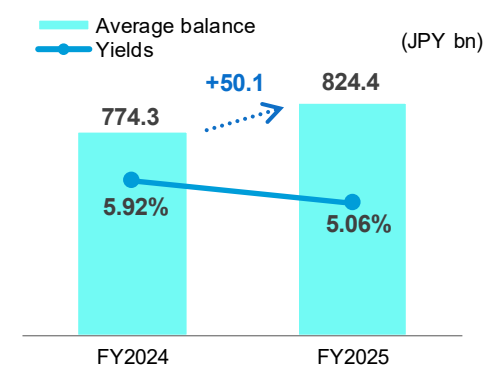
Balance factors: +4.7;
interest rate factors: +25.0

Yields, interest margin

(%)	FY2024	FY2025	YoY change
Yield on loans	1.07	1.32	+0.25
Yield on deposits, etc.	0.06	0.21	+0.14
Loan-deposit rate spread	1.00	1.11	+0.11
Yield on funds management	1.05	1.34	+0.29
Cost of fund raising	0.71	0.88	+0.16
Total margin	0.33	0.45	+0.12

International

Loan balance (average balance)



Balance factors: +1.6; Forex factors: +0.9;
interest rate factors: -6.7

Yields, interest margin

(%)	FY2024	FY2025	YoY change
Yield on loans	5.92	5.06	-0.86
Yield on deposits, etc.	4.41	3.46	-0.95
Loan-deposit rate spread	1.51	1.59	+0.08
Yield on funds management	4.85	4.27	-0.57
Cost of fund raising	3.97	3.38	-0.59
Total margin	0.87	0.88	+0.01

Fees and commissions

Fees and commissions at the Bank (nonconsolidated) increased by JPY 1.5 bn YoY, mainly due to growth in fee income on home loans and customer assets. Consolidated fees and commissions increased by JPY 5.0 bn YoY.

Fees and commissions

(JPY bn)	FY2023	FY2024	FY2025	YoY change
[Consolidated] Fees and commissions	44.4	49.1	54.1	+5.0 ^{*1}
[Shizuoka Bank nonconsolidated] Fees and commissions	25.7	27.5	29.0	+1.5
Fees and commissions income	39.0	41.7	44.6	+2.9
Fees and commissions expenses (-)	13.3	14.2	15.6	+1.4 ^{*2}

*1 Including an increase of JPY 1.7 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

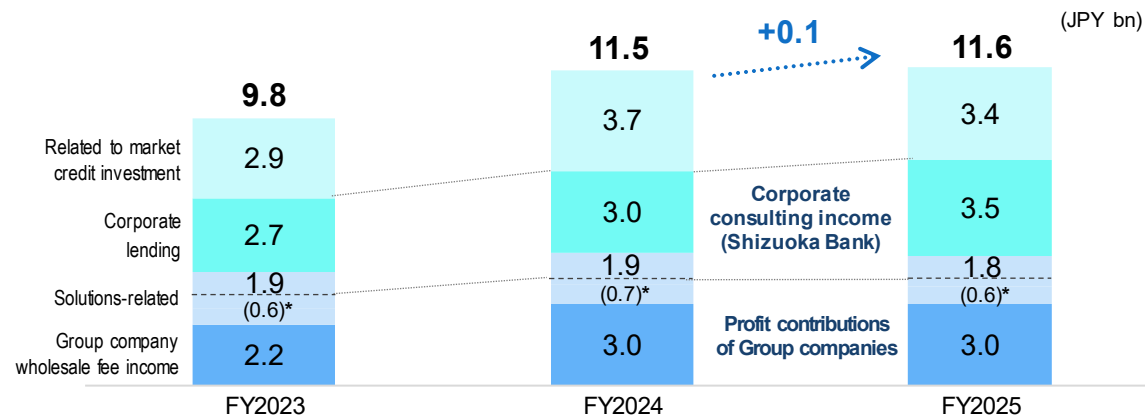
Major items

Wholesale fee income	9.8	11.5	11.6	+0.1
Related to market credit investment	2.9	3.7	3.4	-0.3
Corporate lending (syndicated loans, etc.)	2.7	3.0	3.5	+0.5
Solutions-related (business matching, support for subsidiaries, etc.)	1.9	1.9	1.8	-0.1
Group company* wholesale fee income	2.2	3.0	3.0	-0.0
Other lending (home loan fee income, etc.)	6.7	7.6	9.6	+1.9
Fee income on customer assets	11.9	12.7	13.8	+1.1
Shizuoka Bank (insurance, investment trust)	5.7	4.5	4.5	+0.0
Shizugin TM Securities (investment trust)	6.1	8.2	9.3	+1.1
Forex fee income (revenues, expenditures)	5.4	5.5	6.1	+0.5

[Shizuoka Bank nonconsolidated] Trading income	0.7	1.0	0.8	-0.2
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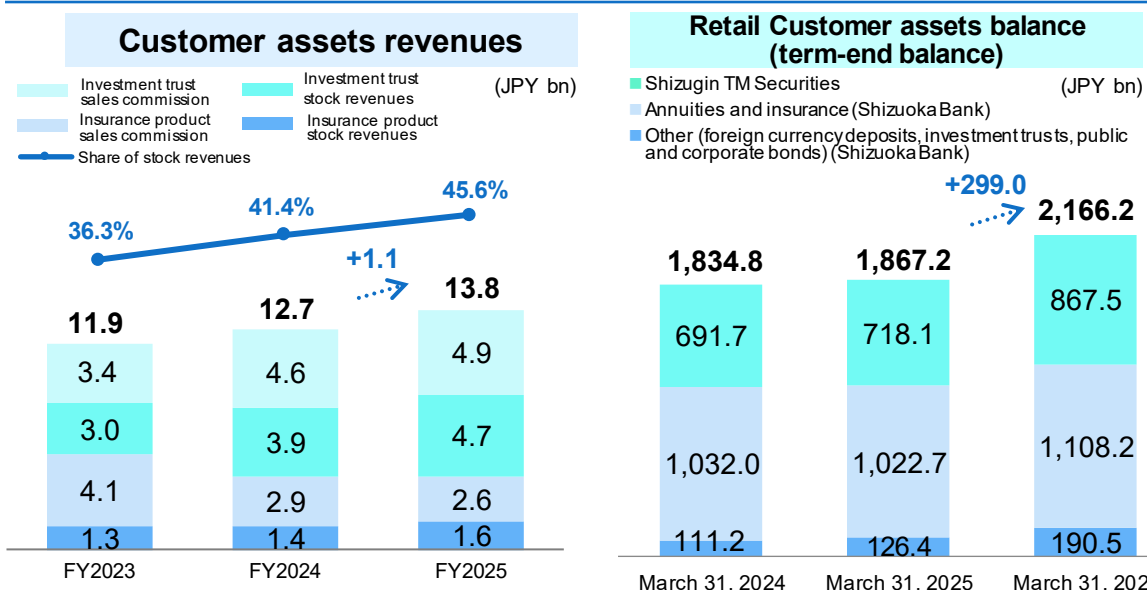
* Total ordinary profit for the following four companies: Shizugin Management Consulting, Shizugin Lease, SFG Marketing, and SFG Real Estate Investment Advisors

Wholesale fee income



* 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)



FY2026 forecasts

Profit levels FY2026, forecast continuing an upward trend in ordinary profit of JPY 124.0 bn and net income of JPY 86.0 bn on a consolidated basis.

(JPY bn)

	FY2024 results	FY2025 results (A)	FY2026 forecast (B)	Change (B-A)	
Consolidated	Ordinary profit	102.1	130.3	152.0	+21.7
	Net income attributable to owners of the parent	74.6	90.5	105.0	+14.5
	ROE (based on net assets)	6.3%	7.5%	8.4%	+0.9 pt
	ROE (based on shareholder equity)	7.7%	9.1%	10.2%	+1.1 pt
	OHR* ¹	51.9% (49.1%)	58.4% (46.0%)	53.6% (46.0%)	-4.8 pt (-)
	CET1 ratio * ²	16.29% (13.01%)	15.60% (13.45%)	14.07% (13.35%)	-1.53 pt (-0.10 pt)
	* 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	203.4	218.0	+14.6
	Gross operating profit	167.4	155.5	183.0	+27.5
	Net interest income	149.3	172.2	186.0	+13.8
	Fees and commissions	27.5	29.0	29.0	-
	Trading income	1.0	0.8	1.0	+0.2
	Other operating profit	-10.4	-46.4	-33.0	+13.4
	Expenses (-)	86.5	90.8	97.0	+6.2
	Ordinary profit	91.3	119.0	140.0	+21.0
	Net income	66.7	81.6	95.5	+13.9
	Credit-related costs (-)	4.4	8.1	8.0	-0.1

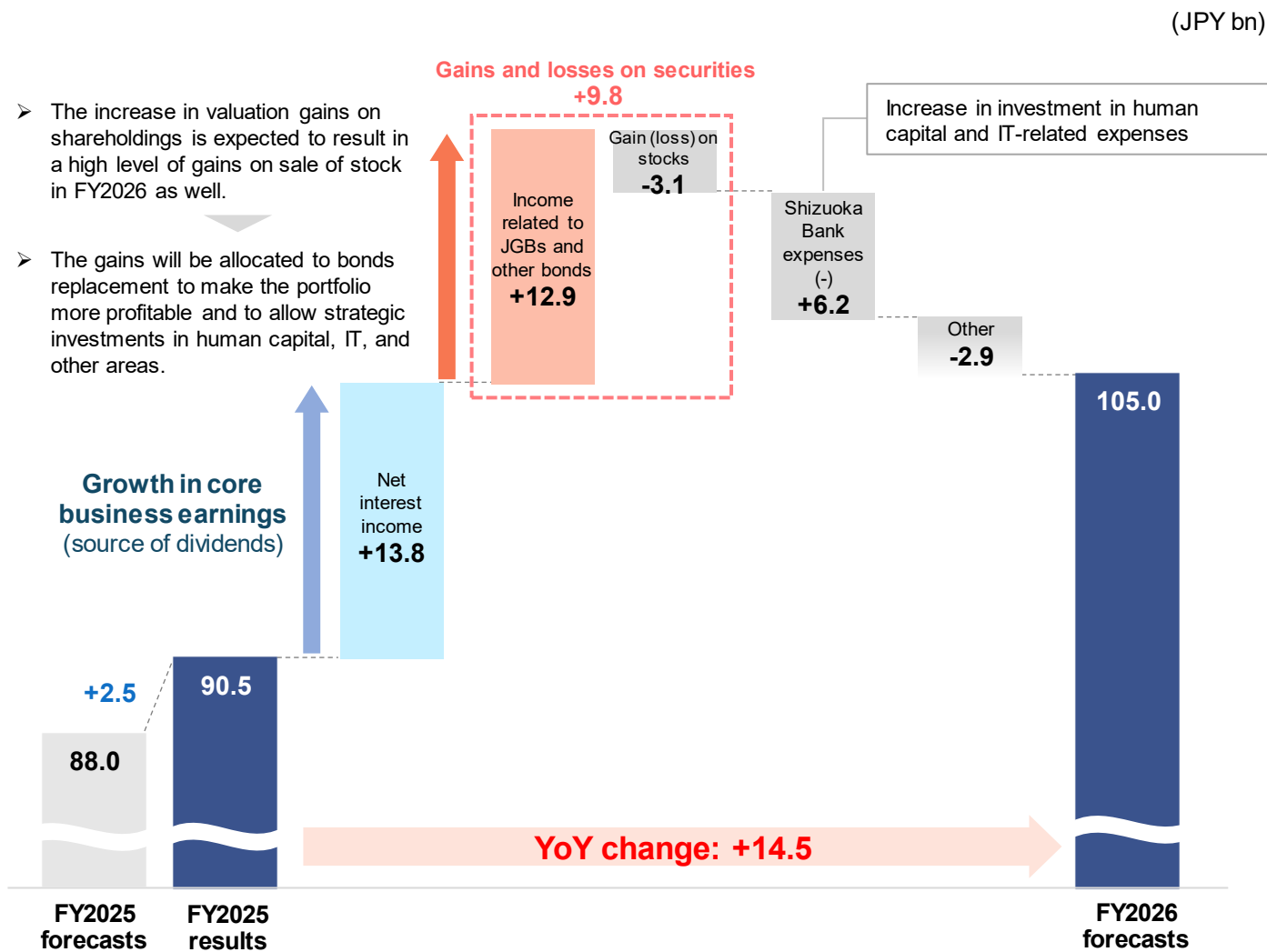
* Core gross operating profit = gross operating profit – income related to JGBs and other bonds

Key points of FY2026 forecasts

Based on net interest income growth and rebuilding the bonds portfolio to increasing ROE, consolidated net income is forecast to increase by JPY 14.5 bn YoY.

		FY2025 results	FY2026 forecast	Change
Consolidated	(JPY bn)			
	Ordinary profit	130.3	152.0	+21.7
	Net income attributable to owners of the parent	90.5	105.0	+14.5
	ROE (based on net assets)	7.5%	8.4%	+0.9 pt
Shizuoka Bank nonconsolidated	Gross operating profit	155.5	183.0	+27.5
	Net interest income	172.2	186.0	+13.8
	Fees and commissions	29.0	29.0	-
	Trading income	0.8	1.0	+0.2
	Other operating profit	-46.4	-33.0	+13.4
	Income related to JGBs and other bonds	-47.9	-35.0	+12.9
	Expenses (-)	90.8	97.0	+6.2
	Credit-related costs (-)	8.1	8.0	-0.1
	Gains (loss) on stock	61.1	58.0	-3.1
	Ordinary profit	119.0	140.0	+21.0
	Net income	81.6	95.5	+13.9
	Dividend/share	80 yen	98 yen	+18 yen

Changes in consolidated net income



Review of the 1st Medium-term Business Plan (1) –Financial targets

Consolidated ordinary profit, ROE, and OHR are on track to meet targets. We recognize that controlling the CET1 ratio remains a key topic for the future. Market valuation has improved significantly due to steady growth in core business and a revision of the shareholder return policy aimed at improving capital efficiency.

Progress toward and assessment of financial targets and challenges for the future

Indicator	FY2027 plans	FY2025 results	Assessment	Current state	Challenges for future
Consolidated ordinary profit	JPY 145.0 bn or more	JPY 130.3 bn	○	<div style="border: 1px solid blue; padding: 2px; display: inline-block;">+</div> In addition to net interest income growth backed by rising interest rates, we achieved growth in fees and commissions generated by Group functions.	<ul style="list-style-type: none"> ➤ Maximizing net interest income based on balance sheet controls (asset replacement, stabilizing fundraising) ➤ Harnessing investment capacity to achieve inorganic growth
Consolidated ROE (Based on net assets)	Approx. 8.5%	7.5%	○	<div style="border: 1px solid blue; padding: 2px; display: inline-block;">+</div> Steady profit growth groupwide led to higher ROE (shared understanding of policies to improve capital efficiency in the Board of Directors). <div style="border: 1px solid red; padding: 2px; display: inline-block;">-</div> The high level of equity capital constitutes downward pressure on ROE.	<ul style="list-style-type: none"> ➤ Building the earnings structure needed to achieve sustained growth in both interest and non-interest income ➤ Controlling capital to the level needed to achieve the ROE target
Consolidated OHR	Controlled at approx. 50%	58.4% (46.0%)*1	○	<div style="border: 1px solid blue; padding: 2px; display: inline-block;">+</div> Generating investment capacity by revising fixed asset valuations in addition to top-line growth while controlling expense levels	<ul style="list-style-type: none"> ➤ Active investment in business foundations to support future growth strategies, such as AI and human capital, premised on appropriate financial discipline
Consolidated CET1 Ratio	Approx. 13%	15.6% (13.4%)*2	▲	<div style="border: 1px solid red; padding: 2px; display: inline-block;">-</div> Due mainly to increasing valuation gains on shareholdings as a result of rising stock prices, the CET1 ratio remains higher than the target level.	<ul style="list-style-type: none"> ➤ Reducing valuation difference on securities as a percentage of capital ➤ Increasing capital efficiency through investment in growth, shareholder returns, etc.

*1 Based on core gross operating profit *2 Estimates calculated under full application of finalized Basel III framework

Changes in capital policies during the period of the 1st Medium-term Business Plan

1 Revision of target dividend payout ratio

Initial target on formulation of the 1st Medium-term Business Plan

Raise the dividend payout ratio progressively to **40% or more** by FY2027.



Revised target (since February 2024)

Raise the dividend payout ratio progressively to **50% or more** by FY2027.

➤ Following the revision, the policy was changed to one of considering dividends received from shareholdings as a source of dividend payments.

2 Purchase of treasury stock

Continually implementing purchase of treasury stock to control capital and to achieve the ROE target

Market evaluations have improved with growing profits from core businesses and execution of capital policies to improve capital efficiency.

Shareholder returns and share price trend during period of 1st Medium-term Business Plan

	FY2022 (actual)	FY2025 (actual)
Dividend/share	JPY 30.0	JPY 80.0
Dividend payout ratio	32.2%	47.7%
Total payout ratio	51.1%	80.6%
Share price (FY end)	JPY 951	JPY 2,563

Review of the 1st Medium-term Business Plan (2) –Engagement and social impact KPIs

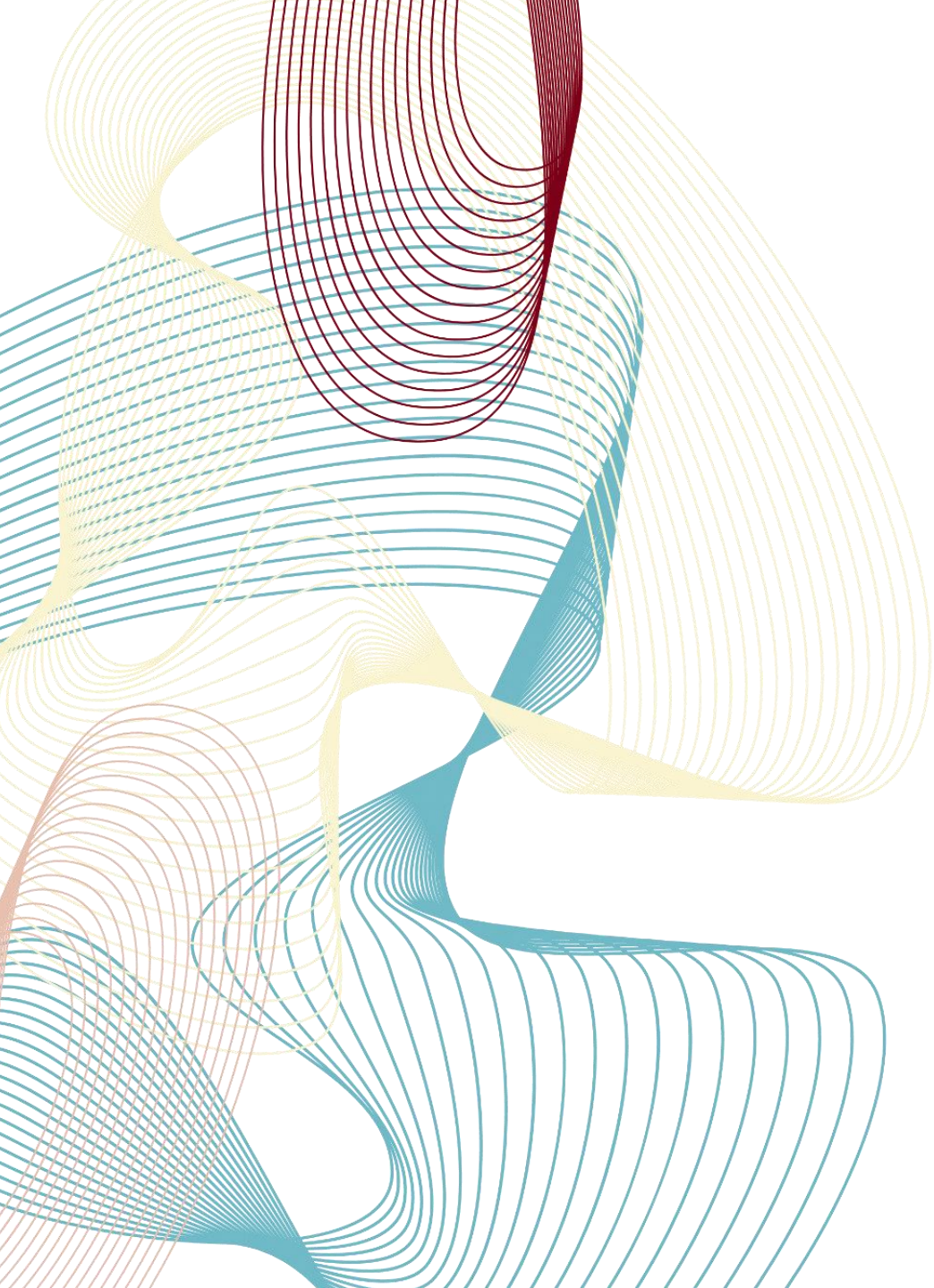
Steady progress toward the target for each indicator achieved by enhancing stakeholder engagement and efforts to make the region more sustainable

Progress toward and assessment of each indicator and challenges for the future

	Indicator	FY2027 target	Status of initiatives targeting achievement	Challenges for future	
Engagement KPIs	Customer satisfaction with Group transactions*1	Increase from the Previous Fiscal Year	FY2025 result Increased from the Previous Fiscal Year: +4.6		<ul style="list-style-type: none"> ➢ Communications to earn stakeholder empathy (building a fan base) ➢ Improving convenience and functionality of individual customer contact points (both real and digital)
	Group employee engagement*2	4.0 or higher	FY2025 result 3.86 (+0.05 pt YoY)		<ul style="list-style-type: none"> ➢ Rebuilding the HR portfolio (training, hiring, reassignment) ➢ Changing support roles through AI
	Carbon neutrality (Scopes 1 and 2)	Achieved (FY2030)	Company efforts to achieve carbon neutrality Using renewable energy Shizugin Solar Park began operation (October 2023) Shizugin Aqua Energy Park Load Ieyasu Hydroelectric Plant began operation (March 2024)	Promoting regionwide decarbonization efforts Tool-based solutions provided by Group companies Shizuoka GX Support Sustainable finance Carbon offset leases J-Credits Subsidy application support ⋮	<ul style="list-style-type: none"> ➢ Achieving carbon neutrality for the Shizuoka Financial Group ➢ Measuring and reducing GHG emissions by commercial borrowers (Category 15) ➢ Enhancing Groupwide decarbonization solutions
Social impact KPIs	Reduction GHG emissions in Shizuoka Prefecture	-46% vs. FY2013 (FY2030)			<ul style="list-style-type: none"> ➢ Achieving carbon neutrality for the Shizuoka Financial Group ➢ Measuring and reducing GHG emissions by commercial borrowers (Category 15) ➢ Enhancing Groupwide decarbonization solutions
	Rate of Social Change in Shizuoka Prefecture's Population	Continuously increasing	Evolution of alliance strategy Hachijuni Nagano Bank newly added Shizuoka-Yamanashi Alliance Mt. Fuji-Alps Alliance	Accelerating regional co-creation by establishing new companies SFG Marketing SFG Real Estate Investment Advisors Solutions to regional labor shortage Support for regional stimulation	<ul style="list-style-type: none"> ➢ Enhancing efforts to boost related populations in partnership with alliance banks and other measures ➢ Supporting new business creation by regional businesses (initiatives through newly established foundation, etc.) ➢ Enhancing Group functions to demonstrate regional financial power
	Real GDP in Shizuoka Prefecture	Sustained growth			

*1 Net promoter score (NPS; percentage who would recommend a product, service, or company to friends, family, or acquaintances) based on customer surveys

*2 Average overall satisfaction measured using the five elements of rewarding work, job suitability, satisfaction with the workplace, satisfaction with superiors, and loyalty to employer (graded 1-5)



Efforts to Increase Corporate Value

Overview of the 2nd Medium-term Business Plan

We have established two visions: one for 10 years and one for the Medium-term Business Plan. We aim to achieve the KPIs and maximize both corporate and social value by implementing the basic strategies needed to realize these visions.

Xover (Crossover) **2.0** -Into the future together

Period: **FY2026-FY2028** (three years)

10-year Vision

A cyclical state of resonance between Shizuoka Financial Group's growth and stakeholder growth

Medium-term Business Plan Vision

A value co-creating corporate group that continues to grow by building the future in partnership with the region

Revising strategies and KPIs to reflect the changing business environment

The desired state for stakeholders

Strategies to realize the vision

KPIs

 Region	A vibrant regional community with a growing related population
 Customers	Contact points that constantly bring customers closer to Shizuoka Financial Group even amid changing values and behavior
 Future Generations	A sustainable society characterized by hope and a bright future
 Shareholders	Sustained growth in shareholder value and increasing our shareholder fan base
 Employees	Consistent strategies, missions, behavior, and evaluations Flexible work styles that match values and views of work

Basic strategies

- 1 Co-creation, growth, challenge**
Deploying growth strategies in three business domain categories
- 2 Transformation 2.0**
Accelerating reforms through investment in IT systems (e.g., AI, digital transformation)
- 3 Corporate communication**
Building relationships in which stakeholders choose us for the long term

AI

Fusing AI with various reforms to build AI-native structures

Human capital management

Building an HR portfolio to realize strategies

Sustainability indicators

Increasing corporate value

Creating social value

Sustainability indicators

It consist of financial targets and engagement indicators intended to increase corporate value and social impact indicators used to gauge the results of social value creation.

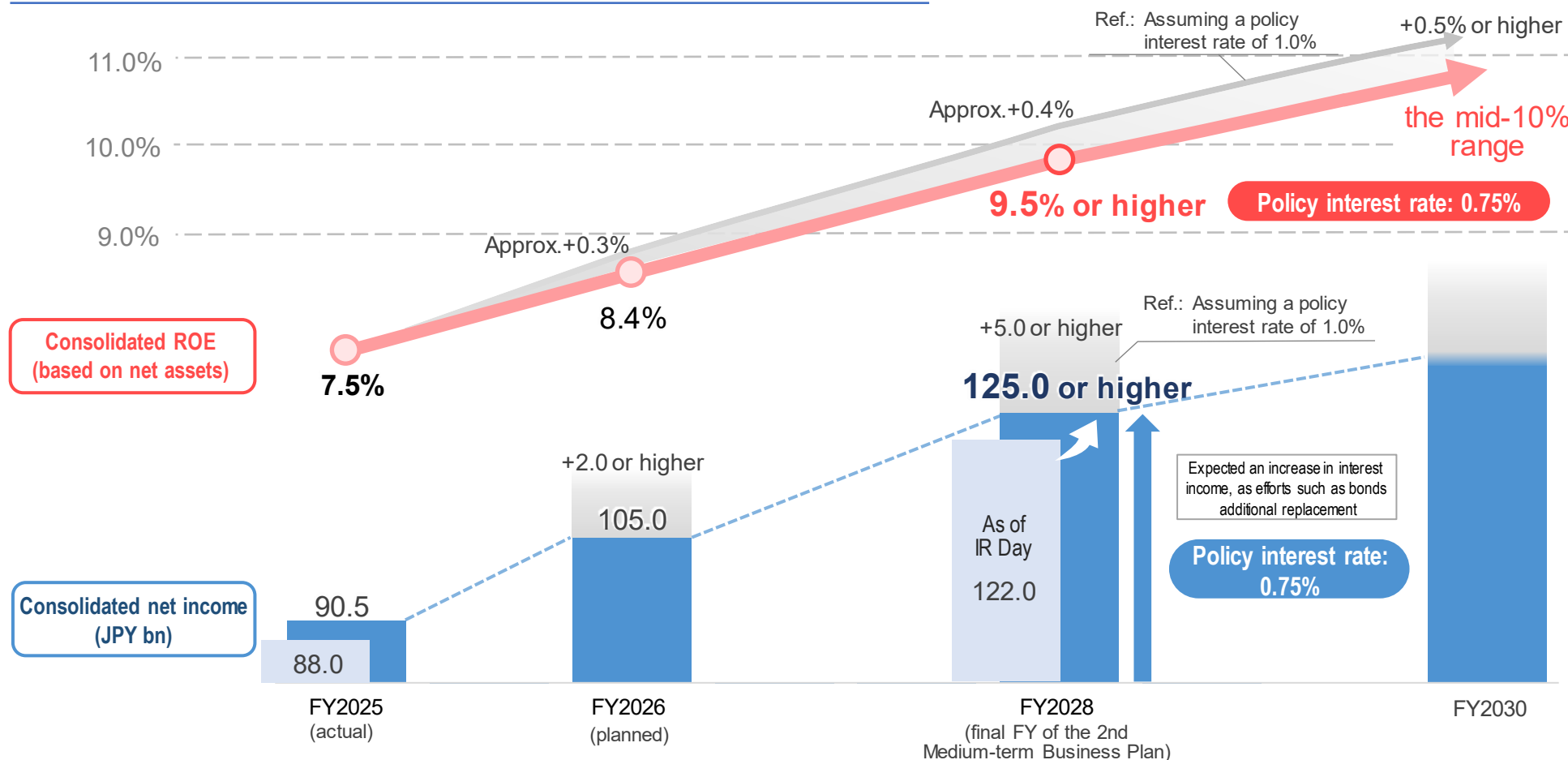
		Indicator	Previous Medium-term Business Plan target (FY2027)	2nd Medium-term Business Plan target (FY2028)	
Increasing corporate value	Financial targets	Consolidated ordinary profit	JPY 145.0 bn or more	JPY 170.0 bn or more	Commitment indicators
		Consolidated ROE (Based on net assets)	Approx. 8.5%	Approx. 9.5%	
		Consolidated OHR	Approx. 50%	Approx. 47%	
		Consolidated CET1 Ratio	Approx. 13%	Approx. 13%	
	Engagement KPIs	Customer satisfaction with Group transactions	Positive YoY growth	Positive YoY growth	
		Group employee engagement	4.0 or higher	4.0 or higher	
		Shizuoka Financial Group's GHG emissions (Scopes 1 and 2)	Carbon neutrality achieved (FY2030)	Carbon neutrality achieved (FY2030)	
		NEW GHG emissions by commercial borrowers*	—	Reduced YoY in each year	
Creating social value	Social impact KPIs	Rate of social change in Shizuoka Prefecture's population	Continuously increasing		Continually targeted indicators
		Real GDP in Shizuoka Prefecture	Sustained growth		
		Reduction GHG emissions in Shizuoka Prefecture	-46% vs. FY2013 (FY2030)		

* Refers to commercial borrowers recognized as measuring their own GHG emissions.

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

Assuming interest rates remain unchanged (with a policy rate of 0.75%), we expect ROE in the final fiscal year of the Second Medium-Term Business Plan to exceed 9.5% over. We will aim to transform the business structure to achieve an ROE exceeding 10% over even without the positive effects of rising interest rates.

Medium- to long-term target ROE and profit levels



Consolidated net income (JPY bn)

Consolidated ROE (based on net assets)

ROE

Realizing capital efficiency to achieve ROE exceeding 10% even without interest rate hikes

Upside of approx. +0.5% assuming a policy interest rate of 1.0%

Growth strategies

- (1) Pursuing organic growth based on appropriate **balance sheet controls**
- (2) Securing inorganic growth opportunities through **M&As, etc.**

Capital strategies

- (1) **Rectifying the capital structure through share reductions**
Using additional gains from sale of stock strategically for investment in growth, etc.
- (2) **Enhancing shareholder returns to increase capital efficiency**

(JPY tn)	FY2025 (actual)	FY2026 (planned)	FY2028 (final FY of the 2nd Medium-term Business Plan)	FY2030
Equity capital	1.0	1.0-1.05	1.05-1.1	—
Net assets	1.2	1.2-1.25	1.25-1.3	1.3 or higher

Structure of JPY net Interest Income for FY2026

In FY2026, JPY net interest income is projected to increase by +JPY 13.2 bn YoY, assuming a policy interest rate of 0.75%. An additional interest rate rise (+0.25%) is expected to increase net interest income by +JPY 3.0 bn approximately.

Impact on JPY net interest income

FY2026 JPY balance sheet

JPY14.2 tn (average balance) (JPY tn)

Assets		Liabilities	
Lending (Market rate-linked)	2.5	Liquid deposits (Non-interest-bearing)	1.4
Lending (Prime rate-based)	5.0	Liquid deposits (Interest-bearing)	7.0
Lending (Fixed rate)	3.0	Time deposits (including NCDs)	3.3
Bonds	1.9	Market funding	1.6
Deposits at BOJ	0.3	Other	0.9
Other	1.5		

Structure of JPY net Interest Income for FY2026

	(JPY tn)	Average Balance	Yield
Assets	Loans	10.5	1.47%
	Bonds	1.9	1.48%
	Deposits at BoJ	0.3	0.40%
	Deposits, etc.	11.7	0.30%
Liabilities	BoJ borrowing	0.9	0.22%
	Corporate bonds	0.1	0.93%
	Loan securitization	0.2	1.24%

(JPY bn)	FY 2026	YoY
JPY net Interest Income	167.5	+13.2
Interest on loans	155.5	+20.9
Interest and dividend on securities	51.5	+9.0
Other interest income	1.2	-2.5
Interest on deposits, etc.(-)	35.5	+10.6
Other fundraising (-) (including Alternative fundraising)	5.2	+3.6

Scenario: Policy interest rate +0.25% change

Estimated impact of a policy interest rate hike to 1.0% (+0.25%) in June 2026

TIBOR	+0.25%	Liquid deposit yield	+0.1%
Short-term prime rate	+0.25%	Time deposit yield	+0.1%
Swap rate	+0.125%	NCD	+0.25%
Bond yield	+0.25%	Renewal of loan rates and redemption of investment bonds reflect interest rate hikes to the corresponding amount.	
BoJ deposit interest-rate yield	+0.25%		

Impact on net interest income

(JPY bn)	FY 2026	FY 2028		FY 2026	FY 2028
Loans	+9.9	+20.0	Deposits, etc.	-7.1	-12.8
Market rate-linked	+4.4	+5.3	Other fundraising	-0.3	-0.1
Prime Rate-based	+4.9	+13.6			
Fixed rate	+0.6	+1.1			
Bonds	+0.1	+0.3	net interest income	+2.9	+7.8
Deposits at BoJ	+0.3	+0.4	ROE	+0.3%	+0.4%

* Simulated taking into account changes in balance sheet balances

JPY balance sheet management (1) –Overview for FY2026

While selecting assets with a focus on investment yields and prioritizing sticky deposits for fundraising, we will ensure liquidity by diversifying our fundraising methods.

We will maximize net interest income to optimize the balance sheet in both investment and fundraising.

FY2026 target JPY balance sheet structure (average balances)

Improving profitability with a focus on investment yields

1 Lending that aims to grow balances

SMEs

Active promotion of highly profitable (ROA, RORA) lending to SMEs, which is linked to deposits, fees, and other businesses

Individual

Since these are important transactions for building the customer base, we will seek to increase lending balances centered on residential loans and apartment loans.

2 Lending to improve profitability

Large and medium-sized enterprises, market credit investment

Shrinking low-profit loans in stages to make the balance sheet more profitable without increasing balances

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JPY bonds

Continuing with replacement operations using increasing gains on sales of shares in light of recent rising stock prices to move toward a sounder and more efficient bonds portfolio

Stocks

Accelerating efforts to reduce shareholdings from a capital control perspective; and making strategic use of gains on sales of shares to increase ROE

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Assets

JPY 14.2 tn (+ JPY 0.1 tn) *

Loans JPY 10.5 tn (+ JPY 0.4 tn)

SMEs JPY 3.6 tn (+ JPY 0.2 tn) 1

Individuals JPY 4.4 tn (+ JPY 0.1 tn)

Large and medium-sized enterprises JPY 1.7 tn (- JPY 0.0 tn) 2

Market credit investment JPY 0.4 tn (- JPY 0.0 tn)

Yield 1.47% (+0.15pt)

Securities JPY 2.4 tn (+ JPY 0.2 tn)

JPY bonds JPY 1.9 tn (+ JPY 0.2 tn)

JPY bond yields 1.48% (+0.50pt)

Other assets JPY 1.3 tn (- JPY 0.5 tn)

Liabilities

Deposits, etc. JPY 11.7 tn (+ JPY 0.2 tn)

Individuals JPY 7.9 tn (+ JPY 0.1 tn)

Corporate JPY 3.2 tn (+ JPY 0.1 tn)

Public JPY 0.5 tn (- JPY 0.1 tn)

Yield 0.30% (+0.09pt)

BoJ borrowing JPY 0.9 tn (- JPY 0.4 tn)

Other fundraising JPY 0.7 tn (+ JPY 0.3 tn)

Diversifying fundraising JPY 0.2 tn (+ JPY 0.2 tn)

Equity capital JPY 0.9 tn (+ JPY 0.0 tn)

Stable fundraising to support balance sheet growth

Prioritizing highly sticky deposits

Individuals

(1) Strengthening non-face-to-face channels (e.g., new Wallet+ app)

Securing deposits from younger depositors, a declining demographic, by enhancing nonfinancial features (motivating continuous ties to Shizuoka Bank)

(2) Deposit strategies for individual domains

Co-creation (within Shizuoka Prefecture): Strengthening promotion with customer contact points in mind
Growth (Tokyo metropolitan area): Allocating management resources (assigning personnel, opening new facilities)

Corporate

Securing the share of deposits to match the share of lending

Continuing to approach our top borrowers and pure deposit customers

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Recognized issue

- Reducing BoJ borrowing by approx. JPY 1 tn by FY2028
Responding effectively to bank management liquidity regulations

Securing means of fundraising other than deposits (with due regard for costs and terms)

Corporate bonds

Loan securitization

BoJ borrowing
(climate change response system)

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* Figures in parentheses are vs. FY2025.

JPY balance sheet management (2) –Deposits strategy

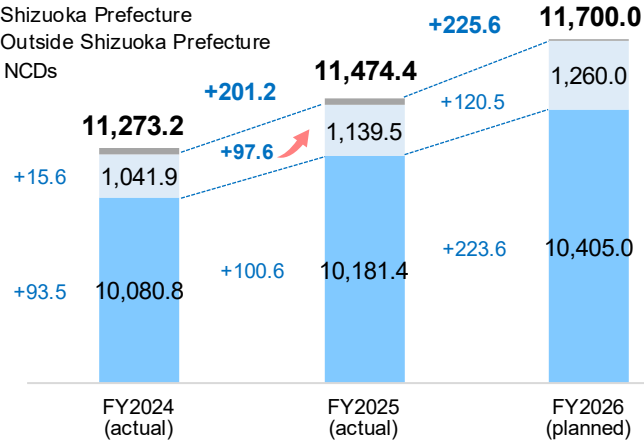
Continue growth in JPY deposits centered on highly sticky deposits by implementing customer segment-specific strategies

Current state and outlook of JPY bonds

Trends in balances of JPY deposits, etc.

Deposits in FY2025 grew both Shizuoka Prefecture and outside (Tokyo metropolitan area). (JPY bn)

- Shizuoka Prefecture
- Outside Shizuoka Prefecture
- NCDs



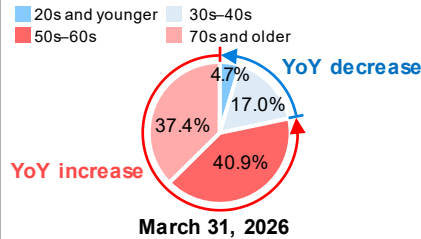
Individuals	+58.2	7,739.7	+19.3	7,759.0	+121.0	7,880.0
Corporate	+44.9	3,025.6	+72.6	3,098.2	+111.8	3,210.0

Current state

Individuals

- This segment accounts for some 70% of all deposits.
- The overall pace of growth is slowing, with declining numbers of depositors in their 40s and younger

Composition of individual deposits by age range



Corporate

Steady growth both inside and outside Shizuoka Prefecture, with this segment driving deposit growth in FY2025

Strategies to secure highly sticky deposits

Individuals

1 Release of Wallet+ (app) (planned for August 2026)

Includes **nonfinancial features** in addition to financial features (e.g., balance inquiries).



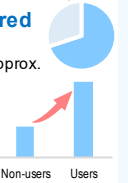
Communicating useful financial information to meet user needs (encouraging sustained interactions with Shizuoka Bank)

Target course of action by Wallet+ introduction

(In parentheses: results at other banks that have introduced the app)

1 Expanding points of contact centered on users in their 40s and younger (percentage of users in their 40s and younger: approx. 70%)

2 Boosting deposits through Wallet+ (User balances approx. double those of non-users.)



Growing deposit transactions targeting mainly the demographic in the range of ages currently in decline (40s and younger)

2 Domain-specific deposit strategies

Co-creation domain (within Shizuoka Prefecture)

- Relocating consultation lounges to locations inside large shopping centers
- ▶ Expanding deposit promotion facilities

Growth domain (Tokyo metropolitan area)

- Allocating management resources to make the Tokyo metropolitan area a home field (assignment of sales staff, new opening of loan facilities, etc.)
- ▶ Growing deposit transactions based on lending



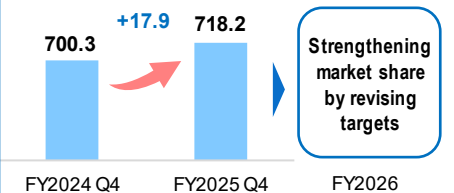
Corporate

3 Promoting efforts to secure the share of deposits to support the share of loans

Secured JPY 17.9 bn in deposits (YoY) in the most recent quarter after launching activities in December 2024.

Revising target customers in FY2026 activities while continuing to approach customers accounting for the top share of loans

Deposit balances of activity targets (JPY bn)



Approach to securing JPY deposits

Highly sticky deposits

▶ Of the utmost importance in raising funds to support growth in investment assets

Allocating costs to secure strategic deposits

▶ Supplemental fundraising to support the volume of deposits needed to grow lending

	FY2024 (actual)		FY2025 (actual)			FY2026 (planned)		
	Average balance	Yield	Average balance	Yield	Pass-through rate *	Average balance	Yield	Pass-through rate *
JPY deposits, etc.	11,273.2	0.06%	11,474.4	0.21%	46.2%	11,700.0	0.30%	47.5%
Of which current	8,348.0	0.06%	8,344.0	0.18%	36.6%	8,380.0	0.25%	38.3%
Of which non-current	2,774.7	0.07%	2,976.9	0.29%	69.2%	3,285.0	0.43%	74.7%

* Pass-through rate: Calculated by dividing the change in deposit interest rates during the target period by the change in the policy interest rate (12-month average)

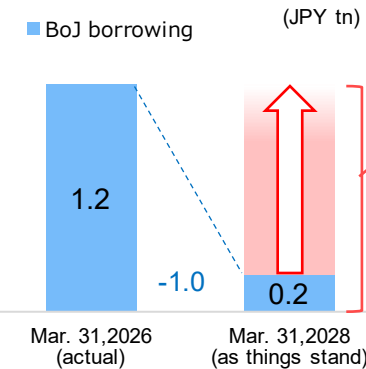
JPY balance sheet management (3) –Alternative fundraising means to deposits

While supplementing lower BoJ borrowing by using fundraising means other than deposits, optimize the balance sheet management through appropriate allocation.

Fundraising sources other than deposits (alternative fundraising means)

Approach to alternative fundraising

Supplementing BoJ borrowing

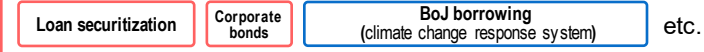


Current state

Since balance of BoJ borrowing (to support increased lending) is expected to decrease **approx. JPY 1 tn**, **alternative means of fundraising** are required

Alternative fundraising

Supplementing lower BoJ borrowings by diversifying fundraising means



Vision

- Securing funding to make investments in securities by **diversifying non-deposit fundraising sources/methods** and allocating deposits to growth in loans
- Responding appropriately to **liquidity regulations** in bank management

1 Summary of main alternative fundraising means

Loan securitization

Securitizing home loan claims as trust beneficiary rights to raise funds from investors based on pledge of security, etc. (ABL)

Total Securitization volume (FY2025 actual) JPY 385.0

Loan securitization scheme



BoJ climate change response system

(1) Fundraising achieved through climate change operations in FY2026

Amount raised *1	Yield	Fundraising term
JPY 288.0 bn	0.75%	Up to 1 year *2

*1 Including refinancing *2 May be refinanced through FY2030.



(2) GX bonds held at the end of FY2026 (projected)

Ending balance	Yield	Average remaining term
JPY 180.0 bn	1.90%	7 years

JPY fundraising plan (Average balance, JPY bn)

JPY fundraising cost guide

Use approx. 50% of policy interest rate as a guide

Means of fundraising	FY2025 (actual)		FY2026 (planned)		Change	
	Balance	Yield	Balance	Yield	Balance	Yield
JPY fundraising	13,133.6	0.22%	13,254.0	0.34%	+120.4	+0.12pt
Of which deposits, etc.	11,474.4	0.21%	11,700.0	0.30%	+225.6	+0.09pt
Of which corporate bonds	-	-	68.0	0.93%*1	+68.0	-
Of which loan securitization	-	-	155.0*2	1.24%	+155.0	-
Of which BoJ borrowing	1,377.5	0.10%	928.0	0.22%	-449.5	+0.12pt

Decrease: -676.0
Increase: +226.5

*1 Total cost after considering swaps, etc

*2 Amount raised using trust beneficiary rights structured by the securitization of home loan

2 Approach to liability allocation

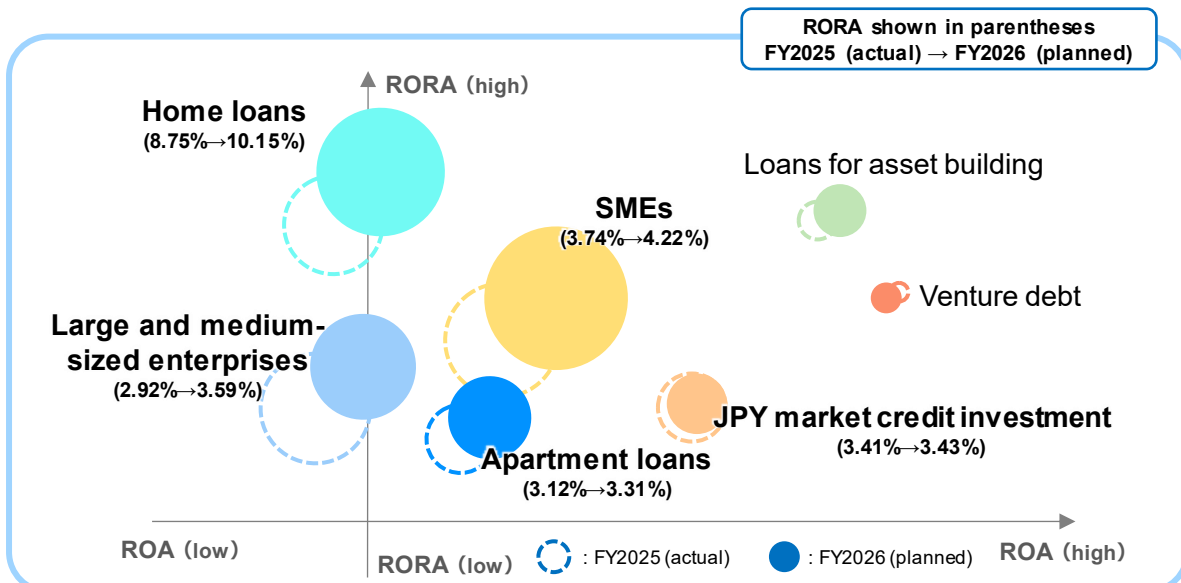
- (1) Controlling amounts of funds raised to optimal balances through the careful selection of fundraising means in terms of both **cost and term (stability)**
- (2) Investing certain funds raised in high-liquidity assets in **response to liquidity regulations**
- (3) Setting a **“JPY fundraising cost guide”** to manage properly overall JPY fundraising costs, including deposits

Means of fundraising	① Cost	Term (stability)
Deposits, etc.	◎ (low)	○ Varies by instrument
Corporate bonds	△ (high)	◎ 3-5 years
Loan securitization		◎ 8-15 years
BoJ borrowing (climate change response system)	○ (policy interest rate)	○ Up to 1 year (with refinancing an option)

JPY balance sheet management (4) –Loans

Growing balances and improving yields for loans overall by allocating management resources to build a customer base and to execute asset replacement based on a keen awareness of profitability

Asset allocation

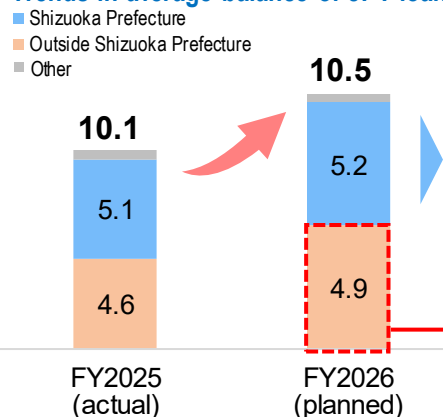


Asset (JPY bn)	FY2025 (actual)		FY2026 (planned)		Change	
	Balance	Yield	Balance	Yield	Balance	Yield
JPY loans	10,140.6	1.32%	10,515.5	1.47%	+374.9	+0.15pt
Corporate	5,547.2	1.32%	5,664.1	1.49%	+116.9	+0.17pt
(Of which Kanagawa)	(508.0)	(1.63%)	(538.0)	(1.81%)	(+30.0)	(+0.18pt)
SMEs	3,443.1	1.46%	3,635.1	1.65%	+192.0	+0.19pt
Large and medium-sized enterprises	1,783.8	0.89%	1,735.1	1.10%	-48.7	+0.20pt
Retail*	3,853.9	1.10%	4,116.1	1.25%	+262.2	+0.14pt
(Of which Kanagawa)	(1,227.1)	(1.04%)	(1,393.8)	(1.20%)	(+166.7)	(+0.16pt)
Market credit investment	422.1	2.11%	387.0	2.12%	-35.1	+0.01pt

* Home loans + apartment loans (individual)

Courses of action of FY2026 initiatives

Trends in average balance of JPY loans (JPY tn)



Co-creation domain

Essential Loans to achieving joint growth with local communities

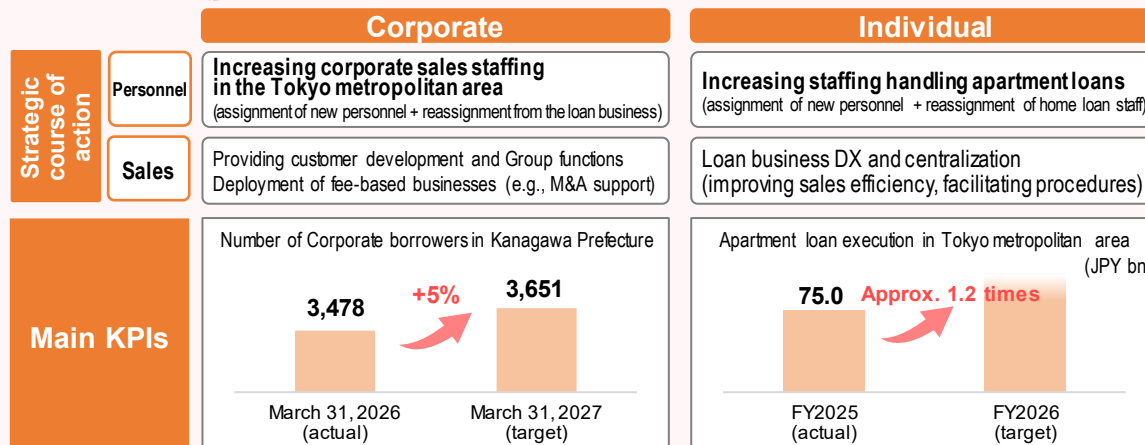
- Corporate** Aiming to **grow our regional market share of loans** by offering an integrated menu of consulting options Groupwide
- Individual** Crucial loans to **building the customer base** Aiming to increase loan balances while improving operational efficiency by DX in Loan business, etc.

Growth domain (Tokyo metropolitan area)

Turning this market, as a growth driver, into our home field



Prioritizing the allocation of management resources (personnel, facilities, etc.) to capture growth in the Tokyo metropolitan area



JPY balance sheet management (5) –Securities

Continue to strengthen profitability and soundness through additional bonds replacement operations in light of the continuing increase in stock prices since the start of the 2nd Medium-term Business Plan.

FY2026 securities management policy

Market trends since the start of the 2nd Medium-term Business Plan

Rising stock prices

Further growth in stock prices since the formulation of the Medium-term Business Plan

Greater than expected increase in unrealized gains on shareholdings
(increase in gains on sales of stock to reduce shareholdings)

(Balance of shares: JPY bn)

	March 31, 2026	April 30, 2026	Change
Nikkei Average (JPY)	51,063	59,284	+8,221
Share balance (of which valuation gains/losses)	560.8 (471.3)	607.2 (517.8)	+46.4 (+46.5)

Summary of FY2026 bonds replacement operations

Implementing additional bonds replacement operations to promote yields on bonds using increasing unrealized gains (not reflected in Mid-term Business Plan)

Securities planned for sale

(JPY bn)

	Additional operations		
	Balance	Yield	Gains/losses on sales
JPY bonds	193.7	0.48%	-35.0
Stocks	2.8	-	+35.0

Allocation of a certain portion of increased unrealized gains

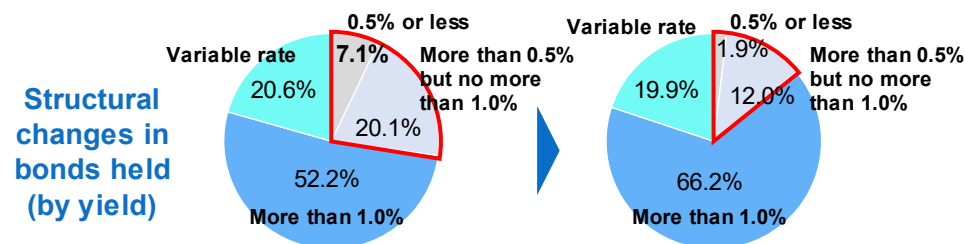
Securities planned for purchase

	Additional operations	
	Balance	Yield
JPY bonds	243.4	2.97%

Results of bonds replacement operations

(JPY bn)	March 2026 (before replacement)		March 2027 (after replacement)		Change	
	Balance *	Yield	Balance *	Yield	Balance *	Yield
JGBs	962.6	1.38%	1,018.7	1.58%	+56.0	+0.20pt
Municipal bonds	6.4	0.71%	0.0	0.0%	-6.4	-0.71pt
Public bonds	214.4	1.06%	214.4	2.70%	-	+1.64pt
Corporate bonds, etc.	329.1	1.23%	329.1	1.23%	-	-
Total	1,512.5	1.30%	1,562.1	1.66%	+49.6	+0.36pt
Average remaining term	7.33 years		6.37 years		-0.96 years	

*Balances are based on acquisition costs.



Building a portfolio in which bonds with yields exceeding 1.0% make up about 70% of the total through additional sales of low-yield bonds

Results of replacement operations

1 Profitability

Profit growth (annualized):
approx. **JPY +6.0–6.5 bn**

Securing **stable net interest income**

2 Soundness

Average remaining term: decreased by **0.96 years** YoY

Valuation gains/losses

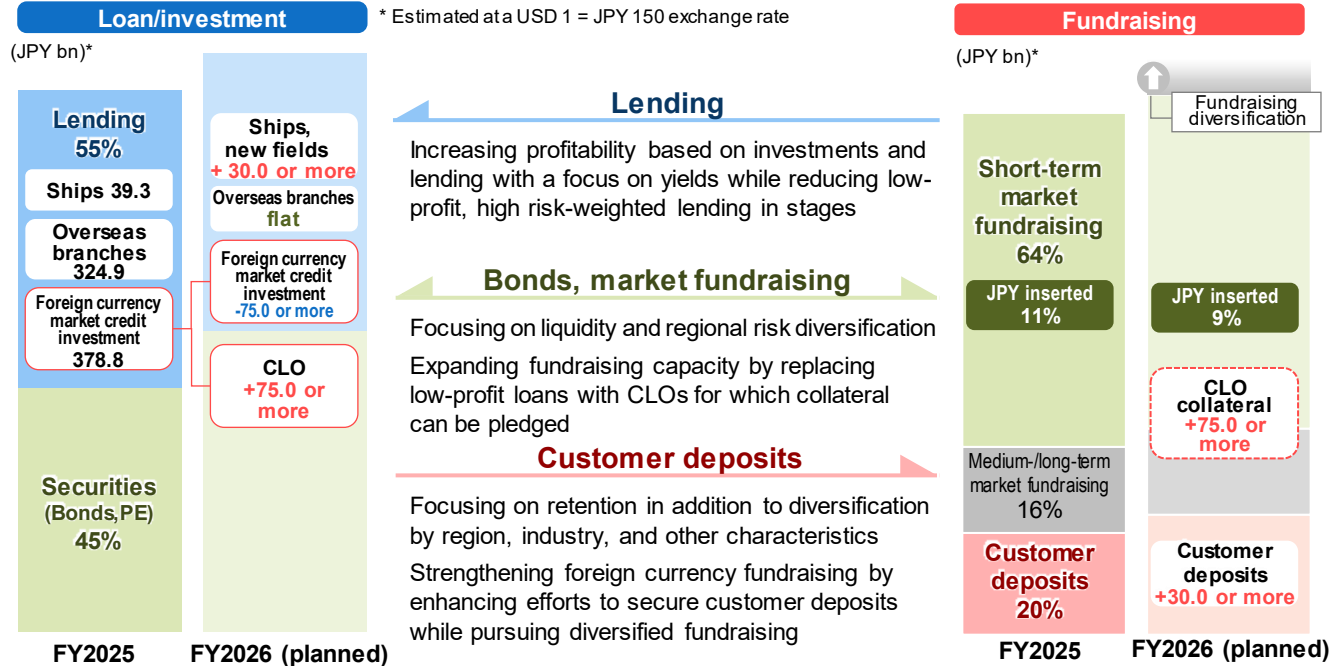
Valuation losses declined by approx. **JPY 35.0 bn.**
(March 31, 2026 valuation loss on JPY bonds: JPY -189.4 bn)

Foreign currency portfolio management

Increasing profitability through portfolio replacement with a focus on yields and diversifying fundraising based on an awareness of costs. We expect to maintain the growth trend in net interest income on foreign currency even in the uncertain interest rate outlook.

Perspective on foreign currency portfolio management

Under the 2nd Medium-term Business Plan, we will strive to build a balance sheet with strengths in foreign currency fundraising while increasing profitability by developing growth markets.



Loan portfolio replacement

Increasing earning capabilities through portfolio replacement based on enhancing initiatives that target growth markets

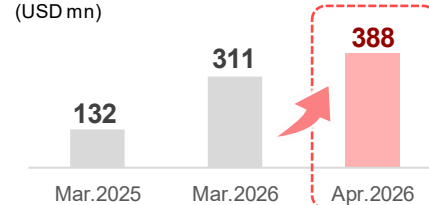
Asset*		FY2025 (actual)	FY2026 (planned)	Change
Ships, new fields (e.g., data centers)	ROA	0.99%	1.12%	+0.12pt
	RORA	1.19%	1.34%	+0.14pt
Foreign currency market credit investment	ROA	0.85%	0.80%	-0.04pt
	RORA	1.38%	1.30%	-0.07pt
Other (e.g., foreign currency lending for non-Japanese and Japanese customers)	ROA	0.88%	0.88%	-0.00pt
	RORA	2.06%	2.05%	-0.00pt

* ROA and RORA are calculated on a spread basis

Enhancing foreign currency fundraising to support the balance sheet

Strengthening efforts to secure customer deposits to stabilize fundraising over the long term while promoting diversification of fundraising

[Trend in customer deposit balances at overseas branches] (USD mn)

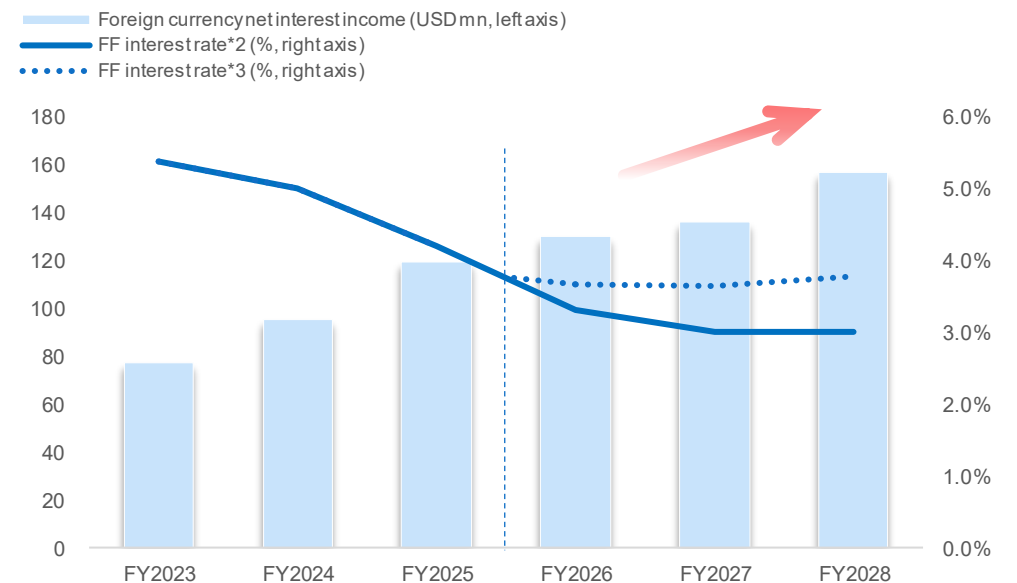


Projected net interest income*1 on foreign currency portfolio (assets and liabilities)

- The 2nd Medium-term Business Plan interest rate scenario is premised on the US FF Rate remaining flat after falling to 3.0%.
- Maintaining an upward trend in net interest income on foreign currency through foreign-currency portfolio management based on fundraising.

2nd Medium-term Business Plan scenario

FF rate remaining flat after falling from 3.75% to 3.00%



*1 Total net interest income, including lending, securities, deposits, bonds, etc. (2nd Medium-term Business Plan)

*2 2nd Medium-term Business Plan interest rate scenario

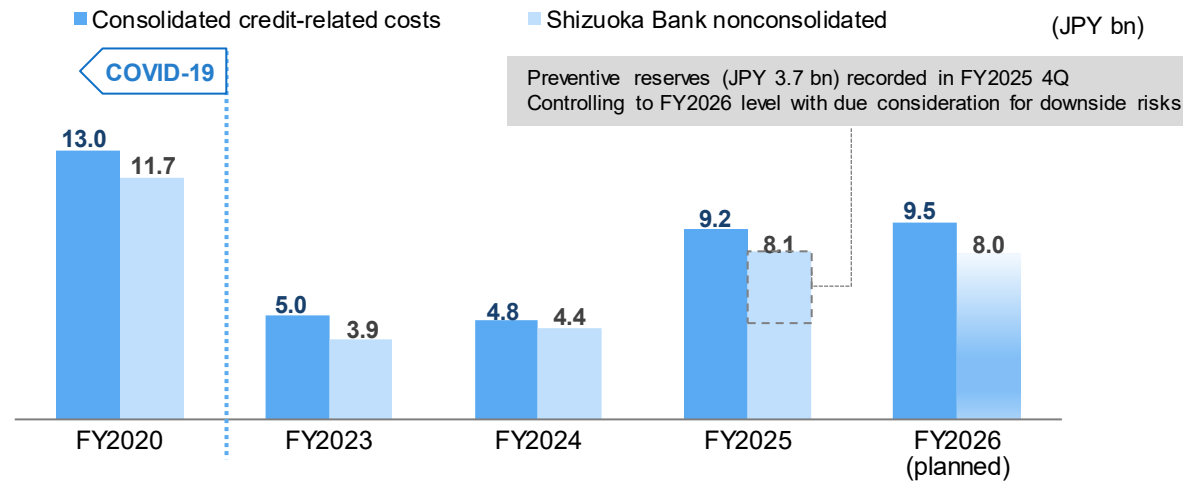
*3 Market participant projections (updated after April 2026 FOMC)

Cost controls (1) –Projected credit-related costs

To account for the downside risks associated with growing tensions in the Middle East and other factors, planning to control credit-related costs in FY2026 at the same level as previous fiscal year.

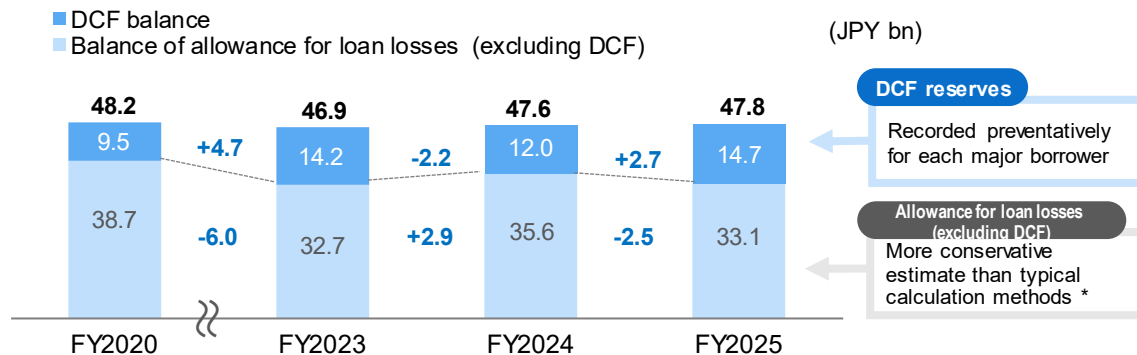
Monitoring the impact of rising interest rates and foreign exchange rate on the region and mitigating any impact on credit-related costs by providing suitable customer support.

Projected credit-related costs



Recording allowance for loan losses to control future credit-related costs

In addition to conservative estimate of allowance for loan losses, recording preventive reserves through DCF to control future increases in credit-related costs



* Conservative estimate of allowance for loan losses

Typical method: Reserves calculated based on projected loss amounts over a 1–3 year period for each debtor category
Shizuoka Financial Group's method: Reserves calculated based on projected loss rates and claim amounts in the remaining holding period for claims (conservative estimate assuming an additional reserve of approx. JPY 11.0 bn)

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

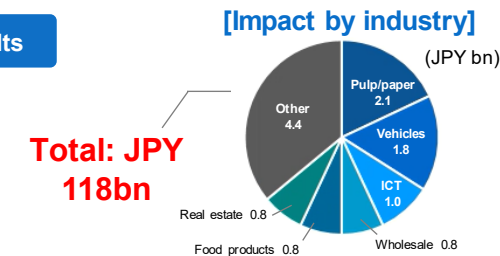
[Impact of rising Middle East tensions]

Estimating the impact on all industries of stresses on macroeconomic indicators (GDP, crude oil price), with due consideration for the impact on the overall domestic economy

Scenario GDP: **-1.0%** WTI: USD **150/barrel** *
* Estimated USD +90/barrel in WTI (from USD 60/barrel in December 2025)

Subjects All industries (subject loans: approx. JPY 5 tn)

Results



No risks have currently materialized at this time

We will mitigate any future impacts through predictive management and by providing customer support

[Impact of rising JPY interest rates]

Scenario Increase in interest paid due to **0.25%** increase in policy interest rate (0.75%→1.0%)

Subjects All industries (subject loans: approx. JPY 5 tn)

Results

JPY 1.1 bn

[Impact of further weakening yen]

Scenario Yen weakened by **JPY 20/USD** (JPY 150 → JPY 170)

Subjects Wholesaling (subject loans: approx. JPY 0.6 tn)

Results

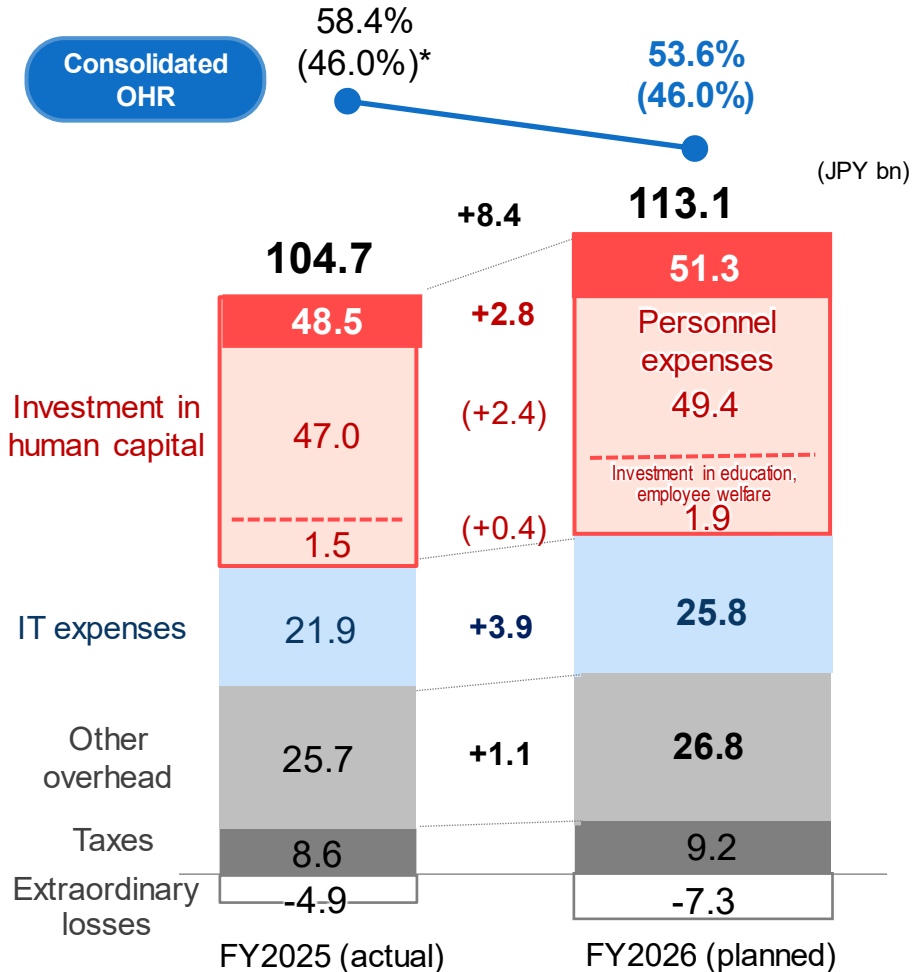
JPY 0.3 bn

Cost controls (2) –Projected expenses

Controlling consolidated OHR (based on core gross operating profit) at approximately 46% while enhancing the investment needed to realize growth strategies

Expense levels/OHR target (consolidated)

Achieving appropriate control of consolidated OHR based on core gross operating profits to prepare for the recording of gains/losses on sales of bonds through JPY bonds replacement in FY2026 again



Investment in human capital

+ JPY 2.8 bn

Enhancing investment in human capital to realize medium-term strategy

Personnel expenses

+ JPY 2.4 bn

Hiring enhancements to realize strategy, etc. + JPY 1.3bn

Other base pay increases, etc. + JPY 1.1 bn

Investment in education, employee welfare

+ JPY 0.4 bn

Developing strategic HR with AI skills, enhancing succession plans, etc.

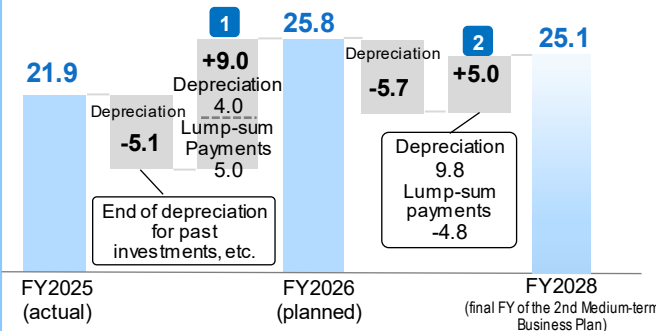
IT expenses

+ JPY 3.9 bn

Despite growth in FY2026 in IT investment due to the large number of projects currently underway, we expect investments to remain largely flat thereafter due to lower lump-sum payment.

Breakdown of changes in IT expenses

(JPY bn)



1 Major IT investments in FY2026 (p. 26)

Wallet+

Loan DX

Migrating the accounting system to the cloud etc.

2 Major IT investments in FY2027–2028

AI/data infrastructure development

Cybersecurity etc.

Other overhead

+ JPY 1.1 bn

Concentrating investments in advertising centered on promotions targeting the key issue: **securing of deposits**

Advertising expenses (promotion costs) (+ JPY 1.1 bn)

Open accounts

Salary payee accounts
Securing of pension

Wallet+ release

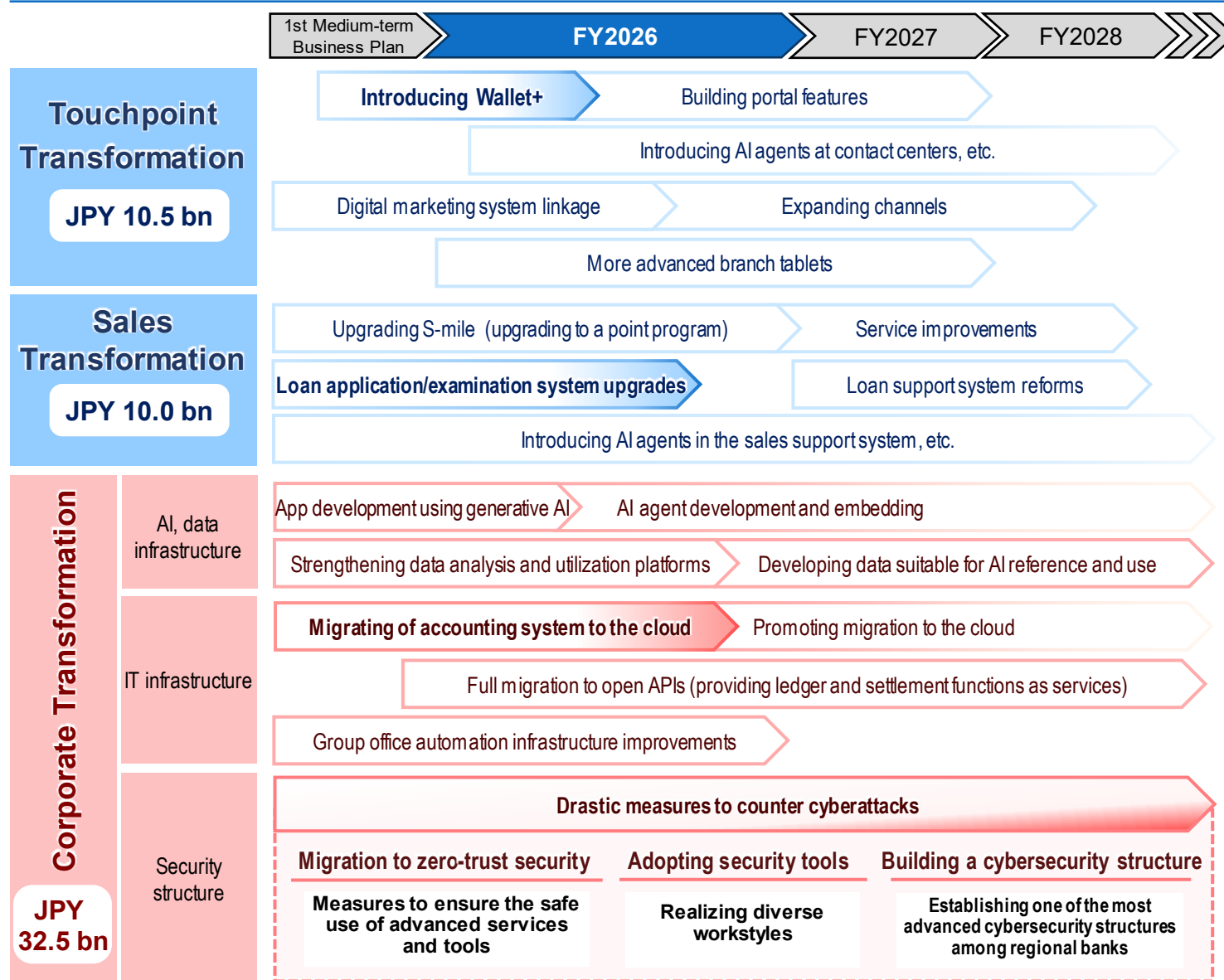
Promoting brand awareness
(making Tokyo metropolitan area our home field) etc.

* Figures in parentheses () are consolidated OHR calculated based on core gross operating profit

Investments in growth to realize strategies (1) –IT investments to accelerate growth

Making strategic investments into more advanced risk management while accelerating strategy implementation through rapid IT development.

Medium-term Business Plan IT investment roadmap



Major IT investments in FY2026

Introducing Wallet+ (app) JPY 1.0 bn p.19

Wallet+

- ✓ More convenient for everyday use
- ✓ Addition of Non-financial functions
- Balance inquiries, loyalty reward points, coupons

Shizugin App

- Direct banking services
- Funds transfers, time deposits, etc.

FY2026 KPI

100,000 downloads

FY2026 KPI

1,100,000 downloads (up 100,000)

Expanding customer touchpoints

Securing highly sticky deposits

Growing transaction opportunities

Loan application/examination system upgrades JPY 2.0 bn

Loan DX (home loans, unsecured loans)

Completed online

Revenue effects

JPY **500** mn increase

Shorter examination times

Freeing resources

Equivalent to **80** persons

Expanding the number and areas of loans executed

Making it home field

Migrating of accounting system to the cloud JPY 6.6 bn

- ✓ Harnessing the latest technologies based on a cloud-first approach
- ✓ Upgrading security structures

Reducing costs

GHG emissions reductions

Securing operational resilience

Modification costs

JPY **-600** mn * **-357** t/year

* vs. on-premises modifications

Rapid system recovery from failure/disaster

Constant optimization of security measures, etc.

Growth investments to implement strategy (2) –AI Implementation

Achieve for transformation AI in spheres such as sales, customer experience, and business processes, to replace and supplement work performed by humans.

Maximize both corporate and social value through productivity improvements and more advanced decision-making.

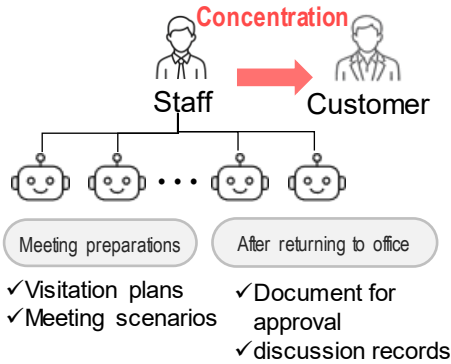
FY2026 initiatives

Practical AI development for business

Approx. JPY 1.7 bn

By replacing/supplementing human tasks with AI, **freeing resources and creating earnings opportunities**

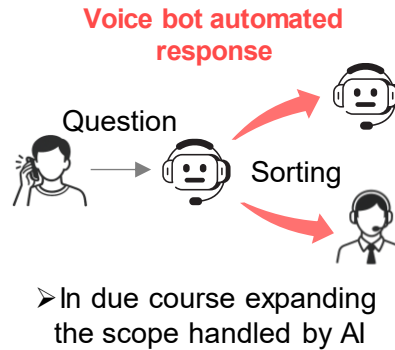
Sales activities Deploying AI in S-CRM



Becoming a consulting partner for essential business topics

Results
 Generating **100,000 hours** for sales activities

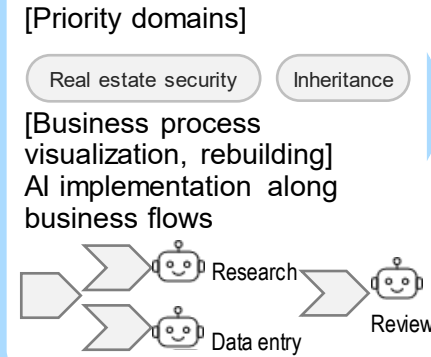
Customer experience Deploying AI to Contact center



No wait times 24 hours/day, 365 days/year

Results
 Reducing cases handled by staff by **10%** in operations subject to trial use

Business processes



Structure for operating with a small staff

Maintaining service quality by passing along tacit knowledge

Results
 Headquarters/head office workload **-84,000 hours** (vs. FY2025)

Selecting and promoting measures capable of providing a true feel for benefits at the front line

Establishing an AI Implementation Project Team

- ✓ Developing a practical implementation roadmap by clarifying the current state and vision
- ✓ Ascertaining and promoting measures to be implemented along the axes of progress, results, and issues



Composed of **12 members**, including branches

- Use case selection and AI implementation
- Promoting companywide AI implementation

Linkage

Building a framework for AI development

Approx. JPY 1.3 bn

AI / data infrastructure

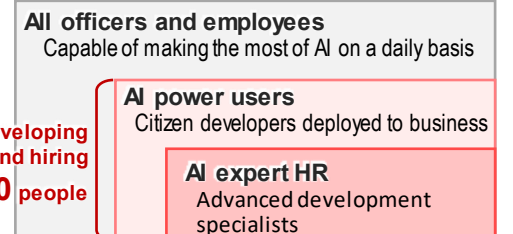
- ✓ **S-hare 2.0**
AI infrastructure development to support use
- ✓ Data development premised on AI use

Governance structure development

- ✓ Designing guardrails to support promotion
- ✓ Systems development, operations, improvements

Developing and securing HR

Enhancing in-house development capabilities for AI agents
 Enhancing and implementing the training needed to make the most of AI



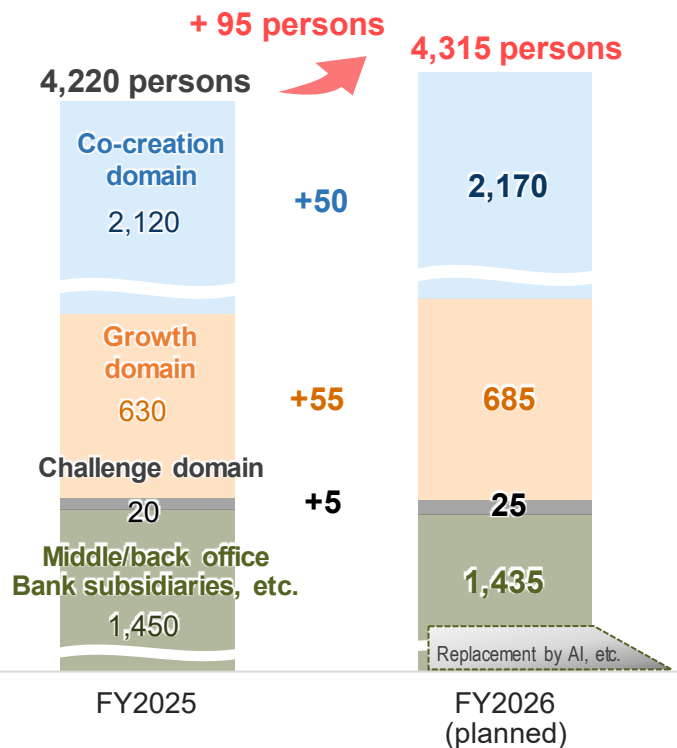
Developing and hiring **30 people**

Growth investments to implement strategy (3) –Human capital investment

Focusing on securing and developing strategic human resources to accelerate each strategy, with the aim of building the human resources portfolio targeted under the 2nd Medium-term Business Plan

Target HR portfolio

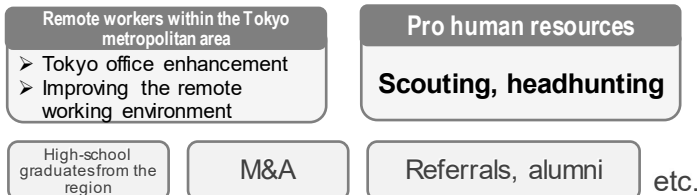
In FY2026, staffing is projected to increase in order to accelerate efforts to realize the basic strategies in the first year of the 2nd Medium-term Business Plan.



Securing and developing strategic HR

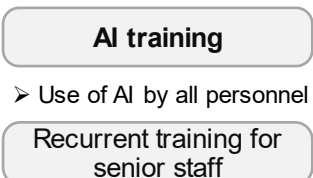
Aggressive recruitment strategy: JPY 1.3 bn

Diversifying the means of recruitment



Leadership and skills reforms: JPY 0.3 bn

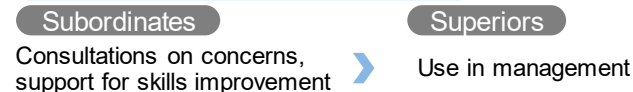
Skills reforms



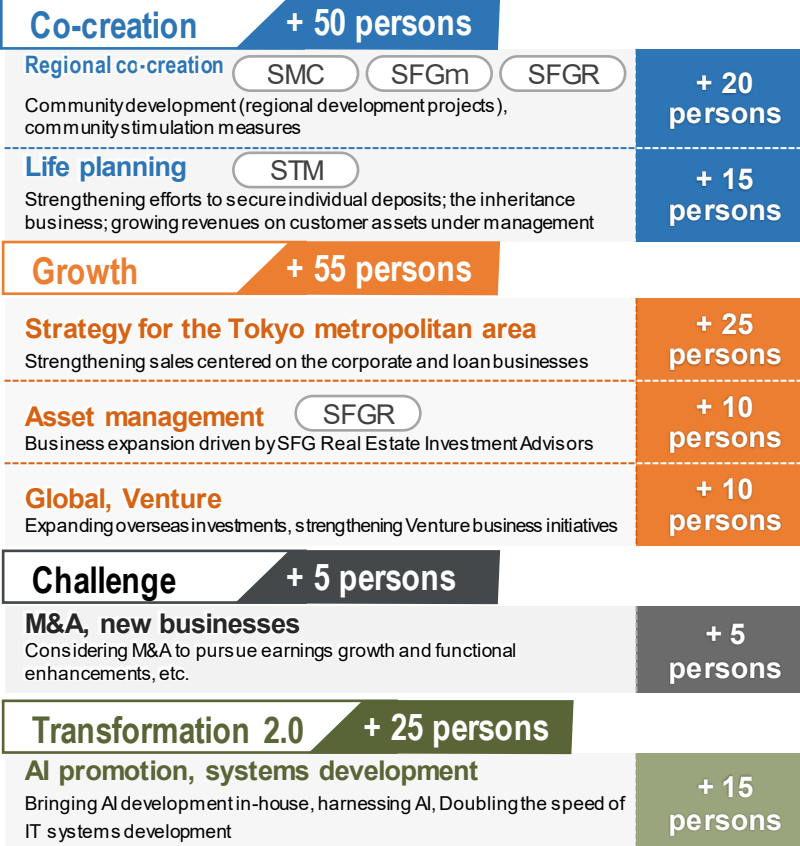
Leadership reforms



Introducing an AI coaching service



Overview of strategic HR assignment



Increase in human capital investment	+ JPY 2.8 bn
Personnel expenses, etc.	+ JPY 2.4 bn
Increase in strategic human resources	+ JPY 1.3 bn
Investments in training and education, etc.	+ JPY 0.3 bn
Investments in employee welfare	+ JPY 0.1 bn

[Strategic HR KPIs]

	FY2025	FY2026
Value-creation HR	363 persons	427 persons
Problem-solving HR	665 persons	750 persons
Digital HR	90 persons	100 persons
New AI HR	–	30 persons

Career match *
72.3% → 75-80%

* Assignment of certified human resources to qualifying activity areas

Gross operating profit / person *

JPY 69 mn → JPY 73 mn

* Consolidated gross operating profit / front office staff (in three domains)

Engagement

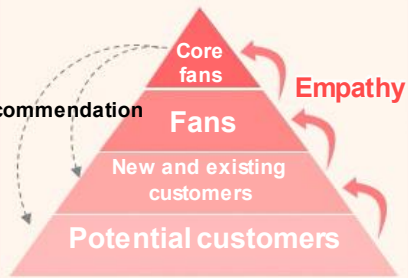
3.86 → 3.92 or more

Corporate communication

As part of efforts to build a fanbase and to establish deep, long-lasting ties with our stakeholders, enhancing internal and external communications through IR activities. Linking these efforts to medium- to long-term growth in corporate value by building a structure for enhanced governance and business execution to reflect insights gained from dialogue with stakeholders in management strategies.

Stakeholder communication

Building a fanbase
for deep and long-lasting ties



Governance

to support management strategies



[Results of major IR activities in FY2025] Japan

Financial results briefings	2
Small meetings	7
Individual meetings	114

Overseas

Meetings with	81
Overseas IR events	6
Conferences (organized by securities firms)	5



For Group employees **18**

For securities staff in Shizuoka Prefecture **2**

Establishment of IR townhall meetings for young employees

Holding townhall-format financial results briefings for young Group employees at five venues inside and outside Shizuoka Prefecture, including at the head office and at a venue in the greater Tokyo area.

[Results of officer and employee engagement surveys]

Question **Market development** (I believe we are generating strong results.)

3.63 → **3.72** (+ 0.08 pt on a five-point scale)



[Enhancing governance]

- 1 A management approach that deepens stakeholder understanding**
Enhancing dialogue with the markets and properly reflecting the content in management strategies
- 2 Governance to promote co-creation of value**
Vitalizing Board of Directors meetings to support realization of Medium-term Business Plan strategies (through agenda setting)
- 3 Officer system to increase the likelihood of successful strategy implementation**
Improving the officer remuneration system by incorporating appropriate incentives to achieve management goals

Revision of the officer remuneration system

Evaluation KPIs added to performance-linked remuneration

Before	Consolidated net income	Consolidated ROE
After	Consolidated net income	Consolidated ROE
	TSR (relative evaluation)	ESG evaluation
	Officer and employee engagement	

Increasing corporate value over the medium to long term

Region Fostering solidarity for regional co-creation

Customers Growing customer transactions by improving customer satisfaction

Employees Improving engagement to make the most of our human capital

Shareholders Increasing fans among shareholders who have empathy for the Shizuoka Financial Group's management vision

Future generations Expanding the customer base in the future

Corporate governance

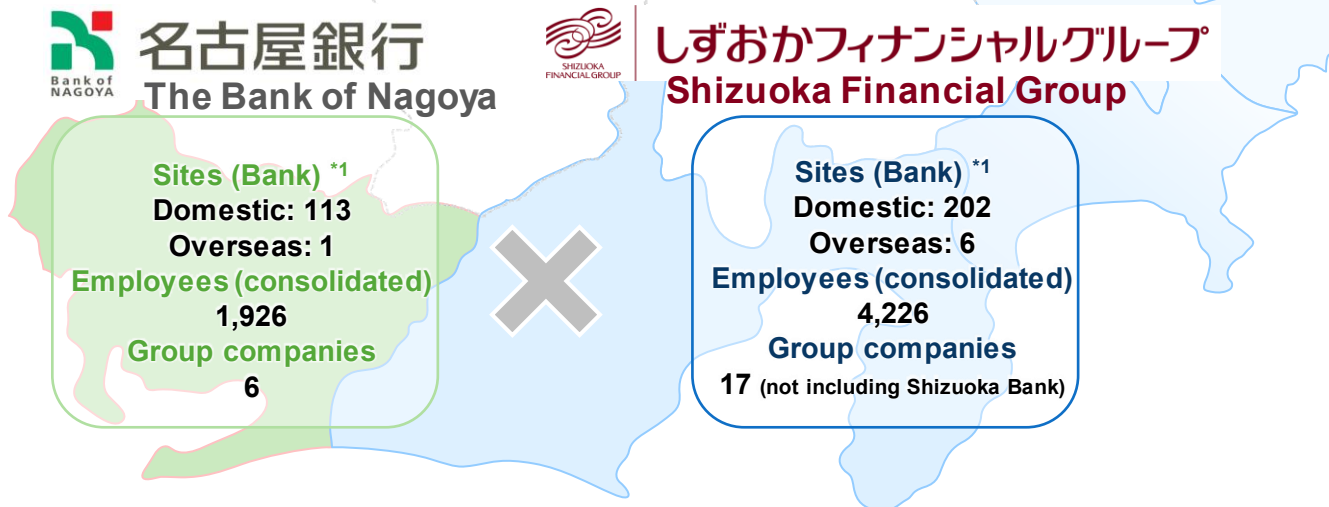
Business integration with the Bank of Nagoya (1) –Summary

With the aim of becoming a leading regional financial group in terms of both scale and quality of business, we concluded a memorandum of understanding regarding the Business Integration with the Bank of Nagoya.

Business scale after integration (as of March 31, 2026)

Growing into a regional financial group with consolidated total assets of JPY 22 tn and regional coverage extending from Chukyo through the Tokyo metropolitan area,

Maximizing corporate value in terms of both scale and quality by harnessing the mutual strengths of both companies

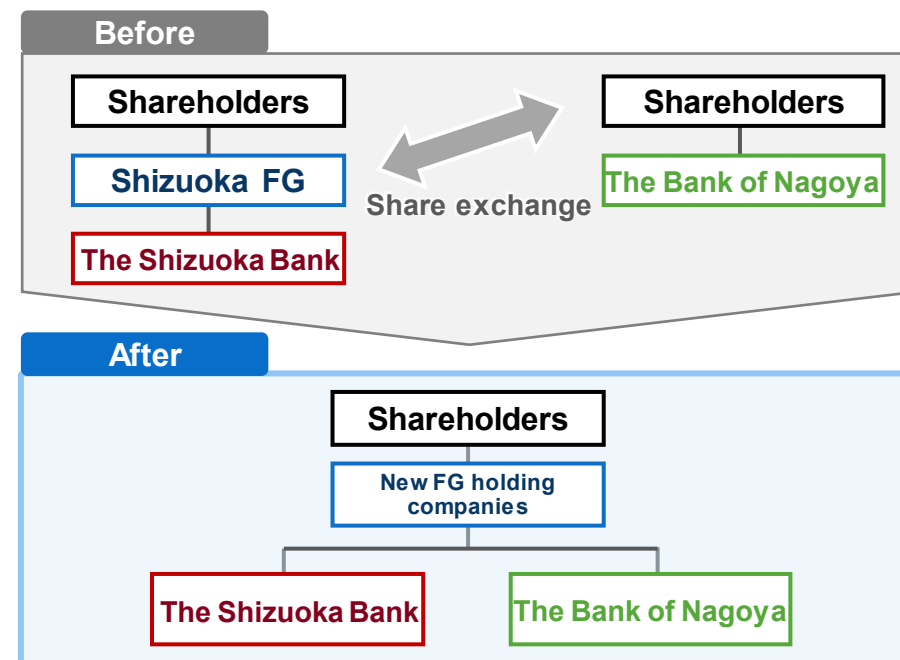


	The Bank of Nagoya	Shizuoka FG	Simple sum
Total assets (consolidated)	JPY 6,272.7 bn	JPY 16,016.0 bn	JPY 22,288.7 bn
Balance of deposits, etc. (nonconsolidated)	JPY 5,476.1 bn	JPY 12,612.3 bn	JPY 18,088.4 bn
Balance of loans (nonconsolidated)	JPY 4,330.5 bn	JPY 11,255.9 bn	JPY 15,586.4 bn
Net income (consolidated) *2	JPY 20.3 bn	JPY 90.5 bn	JPY 110.8 bn
Market capitalization	JPY 277.9 bn	JPY 1,486.6 bn	JPY 1,764.5 bn

*1 Including branch offices, etc.

*2 Net income attributable to owners of parent

Structure of the Business Integration



Upcoming schedule (planned)

◆ **March 2027**
Execution of the definitive agreement and the share exchange agreement concerning the Business Integration

◆ **December 2027**
Extraordinary General Meetings of Shareholders

* If the Business Integration qualifies as the simplified share exchange set forth in Art. 796, Para. 2 of the Companies Act, the Business Integration will be conducted without obtaining the approval from Shizuoka FG's general meeting of shareholders

◆ **April 1, 2028**
Effective date of the stock exchange

Business integration with the Bank of Nagoya (2) –Aichi market and growth opportunities

Aichi Prefecture offers high economic potential as a region that supports Japanese manufacturing, with high concentrations of businesses, centered on manufacturing. While The Bank of Nagoya has achieved strong growth in its loans and deposits, there remains room for further growth through increasing its regional market share and expanding into non-banking revenue opportunities.

Home market potential

Economic scale

- ✓ Japan's **third-highest** prefectural GDP after Tokyo and Osaka
- ✓ The region's **population continues to grow**, and it has about **twice** as many companies as Shizuoka Prefecture.

		Aichi Prefecture	Shizuoka Prefecture
Prefectural GDP (2022)	Actual	JPY 43 tn	JPY 18 tn
	Change (vs. 10 years previous)	+14.3%	+9.9%
	National share/rank	7.2%/3rd	3.1%/10th
Population (2024)	Actual	7.46 million	3.55 million
	Change (vs. 10 years previous)	+0.06%	-4.8%
	National share/rank	6.0%/4th	2.8%/10th
Number of companies (2021)	Actual	Approx. 200,000	Approx. 110,000
	Change (vs. 9 years previous)	-12.7%	-16.4%
	National share/rank	5.8%/3rd	3.2%/11th

Financial environment

- ✓ Both loan and deposit balances and their growth rates are **significantly higher** than those in Shizuoka Prefecture.
- ✓ There are **many** financial institutions but no first-tier regional bank, resulting in **dispersed market share**.

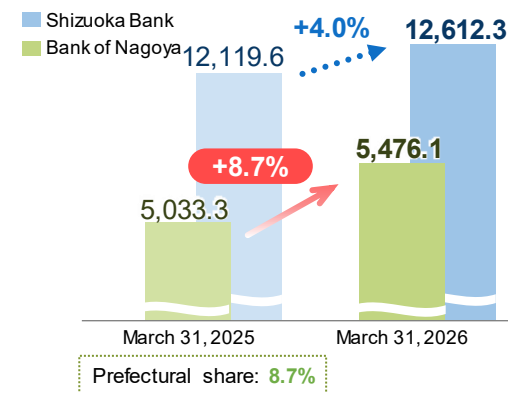
		Aichi Prefecture	Shizuoka Prefecture
Balance of savings and deposits, etc. (2025)	Actual	JPY 93 tn	JPY 38 tn
	Change (vs. 10 years previous)	+35.2%	+19.4%
	National share/rank	6.2% (3rd)	2.5% (9th)
Balance of loans (2025)	Actual	JPY 41 tn	JPY 17 tn
	Change (vs. 10 years previous)	+45.7%	+9.2%
	National share/rank	5.5% (3rd)	2.2% (9th)
Number of financial institutions* (2025)	Actual	25	14
	Change (vs. 10 years previous)	-2	-3

* With their head offices located in

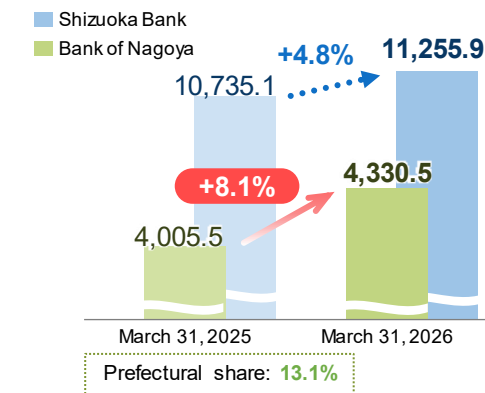
Balance of loans and deposits, consolidation differences

While the rates of growth in both loans and deposits for the Bank of Nagoya exceed those for Shizuoka Bank, its market share in Aichi Prefecture is only at around 10%. Providing solutions using Shizuoka Financial Group functions should result in further growth.

Balance of deposits, etc. (ending)



Balance of loans (ending)



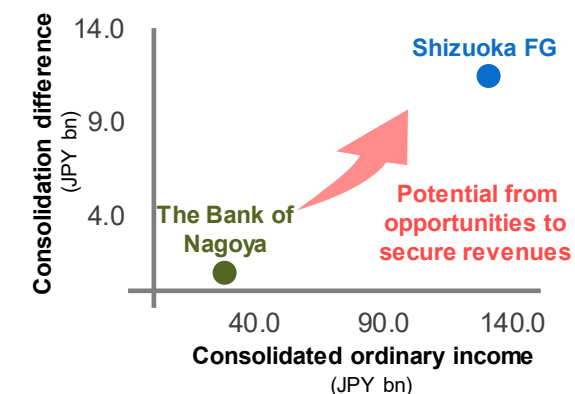
Business customers*: 30,357 for the Bank of Nagoya, 29,080 for Shizuoka Financial Group

* For the Bank of Nagoya, this includes customers for various support services, and borrowers.

Group earning capabilities

[FY2025 results]

	The Bank of Nagoya	Shizuoka FG
Consolidated ordinary income (JPY bn)	28.1	130.3
Of which, bank nonconsolidated	27.2	119.0
Difference between consolidated and nonconsolidated	0.85	11.35
Ratio of consolidated to nonconsolidated	1.03	1.10



Business integration with the Bank of Nagoya (3) –Fields for integration synergies

Making the most of the management resources of both Groups and capturing revenue opportunities in the metropolitan market will boost our corporate value following the integration.

Growth opportunities (key factors)

Securing revenue opportunities in a metropolitan market

Sharing management resources

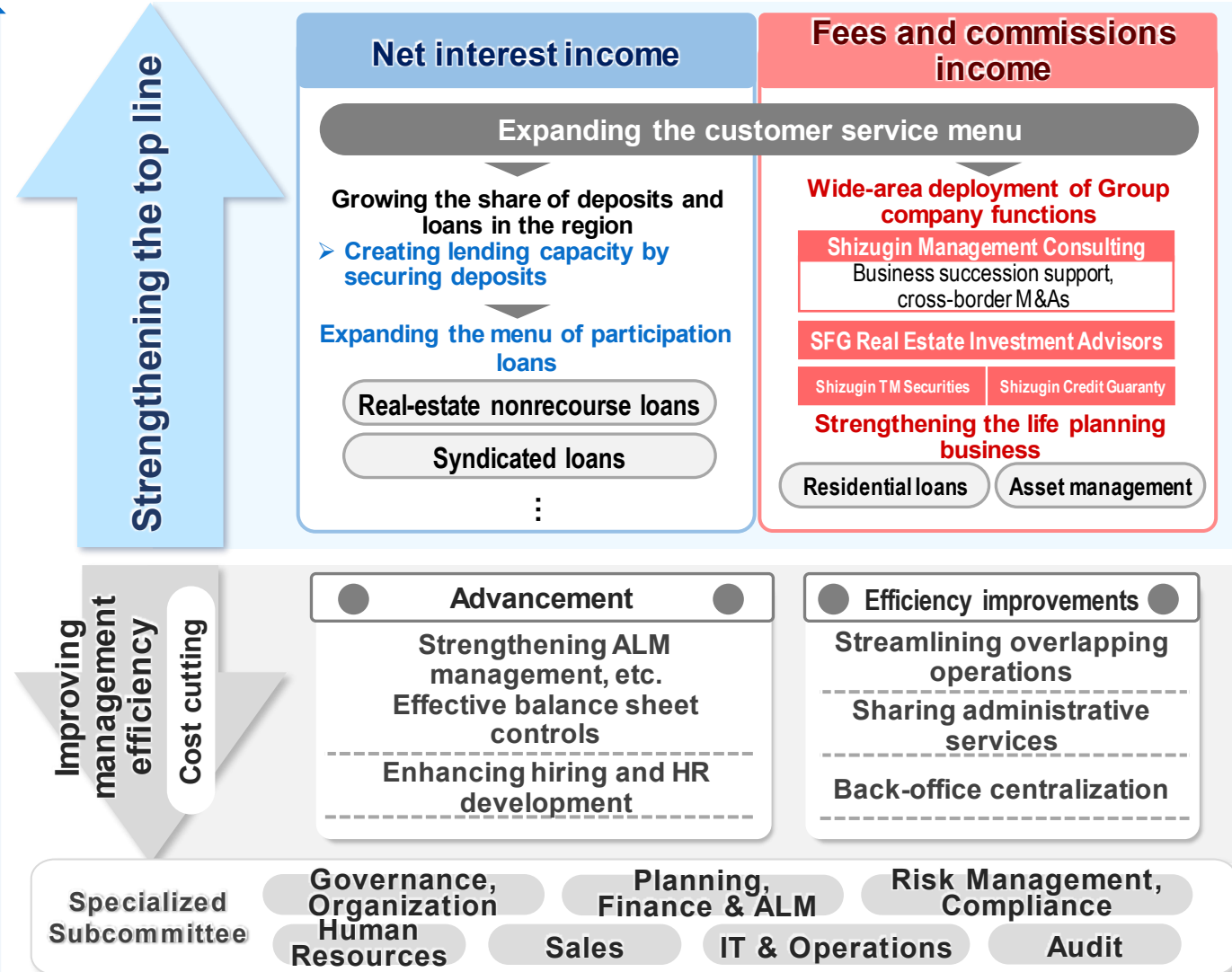
The Bank of Nagoya × Shizuoka FG

Sales and customer bases × Solutions functions

Leveraging economies of scale

More advanced and efficient management

Examples of potential target fields for integration synergies

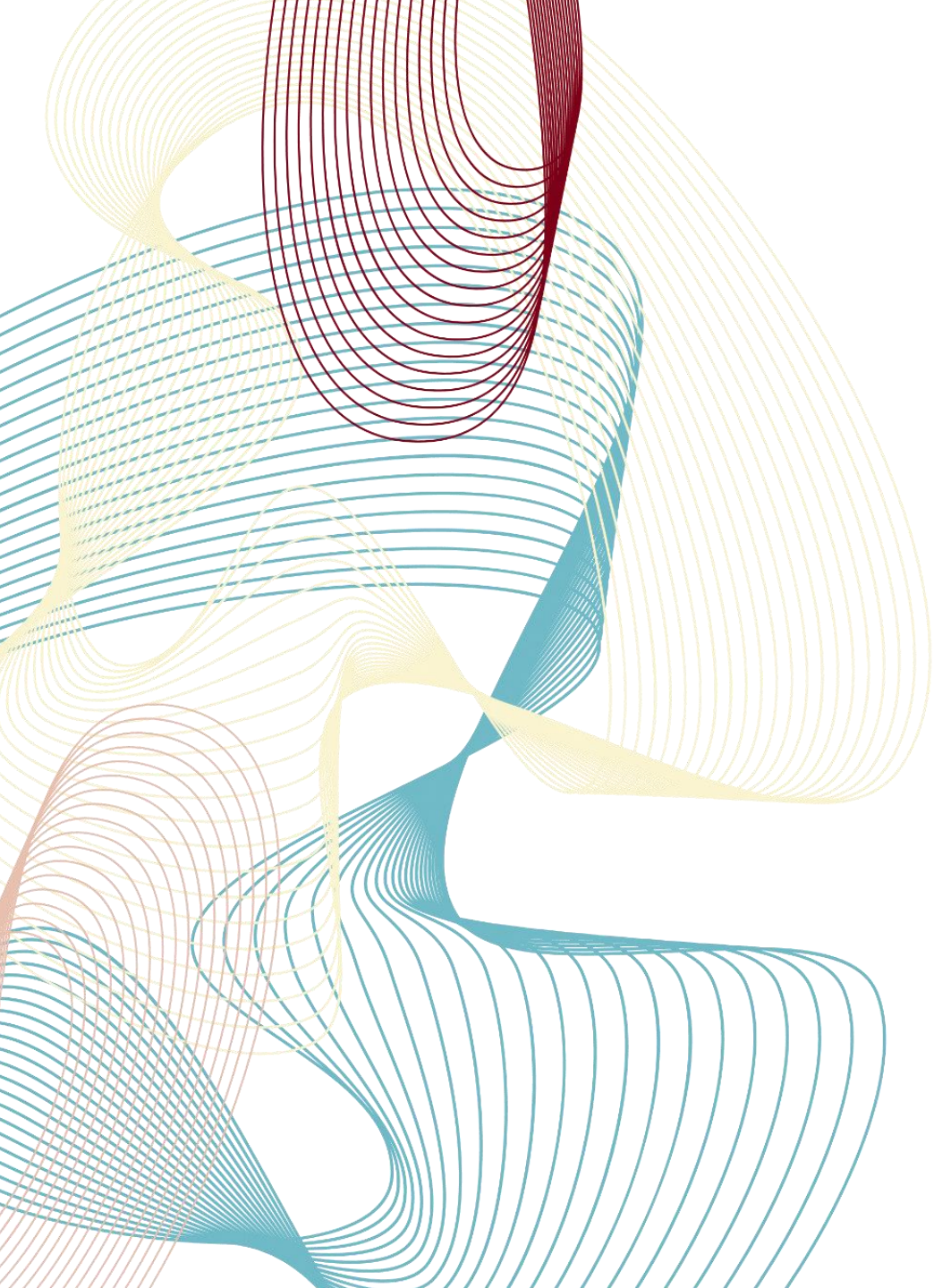


Business integration vision

Enhancing corporate value (PBR, market capitalization)

Aiming to grow into an industry-leading regional financial group in business scale and quality

Improving the satisfaction of all stakeholders



Capital Policies

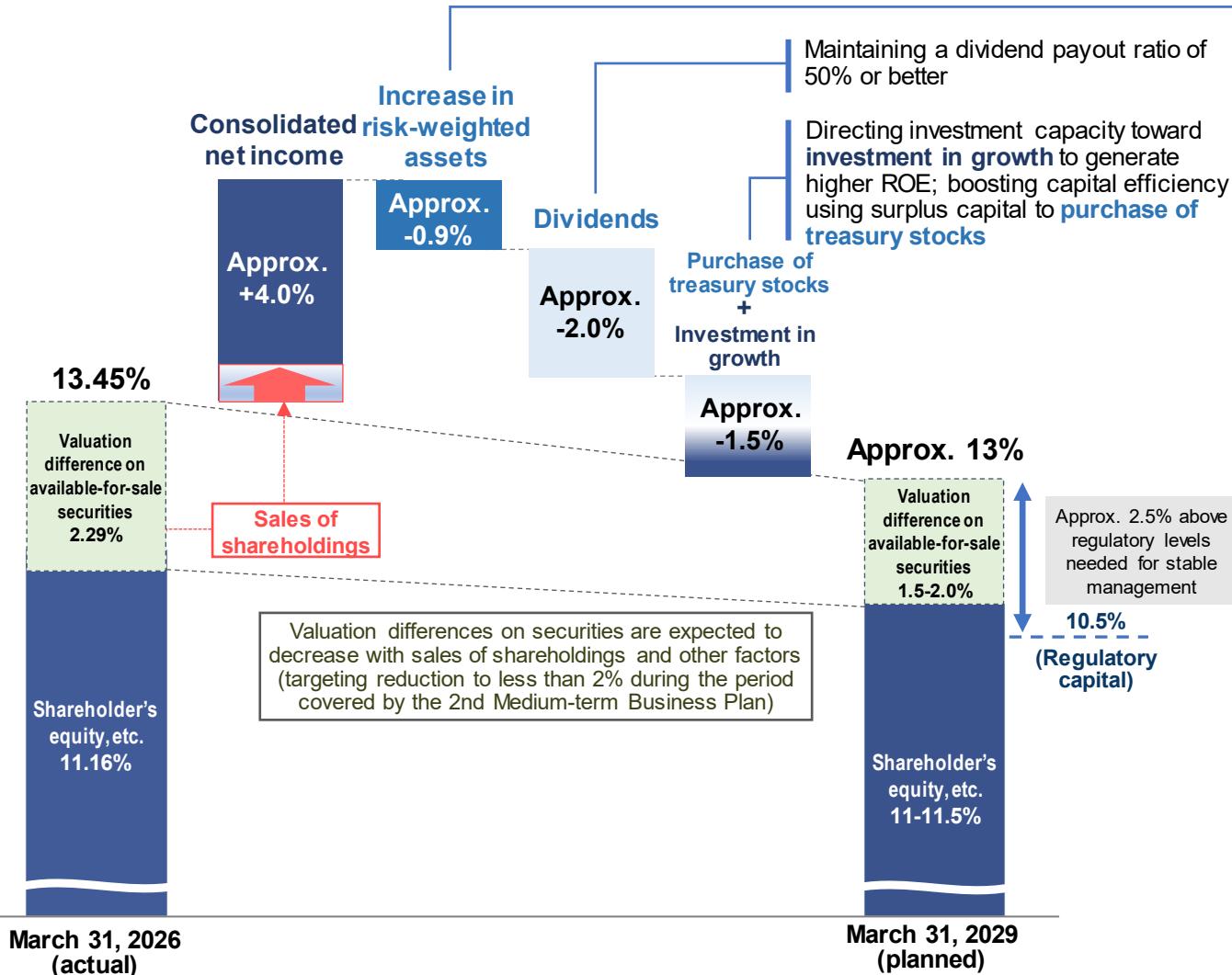
Capital management

Building up risk-weighted assets focused on profitability while adjusting capital levels and structure to achieve an appropriate consolidated CET1 ratio of approx. 13%

Changes in the capital adequacy ratio

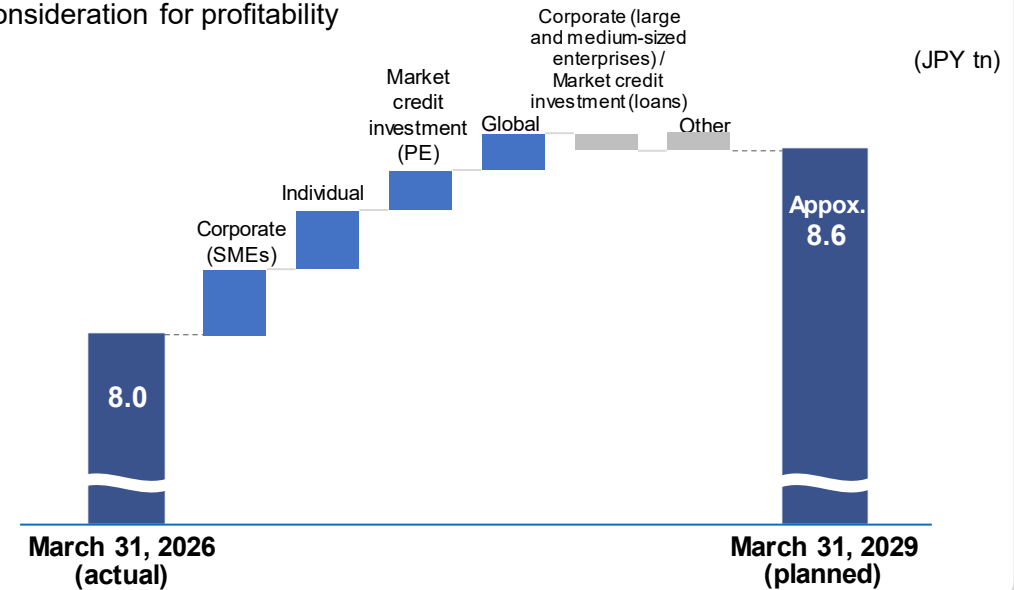
* Based on full application of Basel III finalization

Controlling the consolidated CET1 ratio to approx. 13% by March 31, 2029



Factors underlying changes in risk-weighted assets

Building up risk-weighted assets through effective asset allocation with consideration for profitability



ROE target

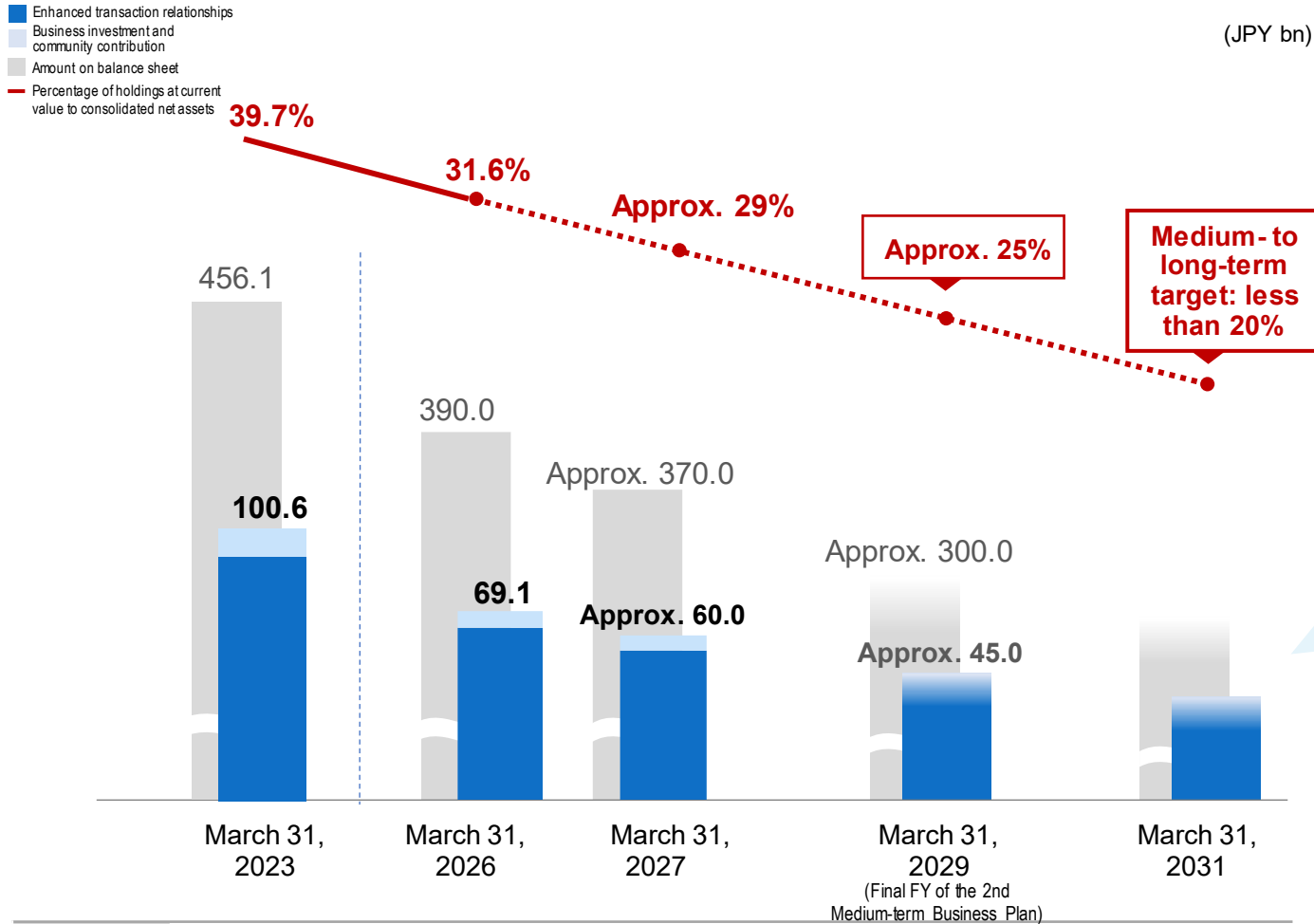
Increasing the likelihood of achieving target ROE by controlling capital growth at an appropriate level in addition to raising the level of profits

	FY2025 (actual)	FY2028 (final FY of 2nd Medium-term Business Plan)
Net income	JPY 90.5 bn	JPY 125.0 bn
Net assets	JPY 1.2 tn	JPY 1.25-1.3 tn
ROE (based on net assets)	7.5%	9.5%~

Reduction of strategic shareholdings

Considering the increase in valuation gains/losses amid the recent rise in stock prices, we will accelerate our reduction of strategic shareholdings to achieve the medium- to long-term reduction target (i.e., to strategic shareholdings accounting for less than 20% of net assets). Making strategic use of rising gains on sales of stock to increase ROE, we will reduce valuation differences on securities as a percentage of capital.

Trends in balance of strategic-shareholdings



Net assets (JPY tn)	1.1	1.2	1.2–1.25	1.25–1.3	1.3–
Nikkei Average (JPY)	28,041	51,063	-	-	-

Policy on reduction of strategic shareholdings

Reducing strategic shareholdings to **less than 20%** of net assets by March 31, 2031

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

Shares transferred to shares held as pure investments (as of March 31, 2026) (JPY bn)

	Acquisition cost	Current value	Valuation gains/losses
Balance of holdings	21.2	171.5	150.3
Yield on holdings	17.90%	2.21%	-

Issues for which consent to sale has been received (JPY bn)

Balance of holdings (as of March 31, 2026)	
Amount for which consent to sale has been received (9 issuers)	13.3
Of which valuation gains/losses	8.9

Partial allocation

Policy for reducing shareholdings in FY2026

- In FY2026, due to revisions in the pace of reductions in response to growing valuation gains associated with rising stock prices, we project gains on sales of stock of approximately JPY 58.0 bn.

Policy on Utilization Strategic use to achieve ROE target

- Investments in human capital and IT systems to realize strategies (p. 25)
- Replacement operations for a sounder and more profitable bonds portfolio (p. 22)

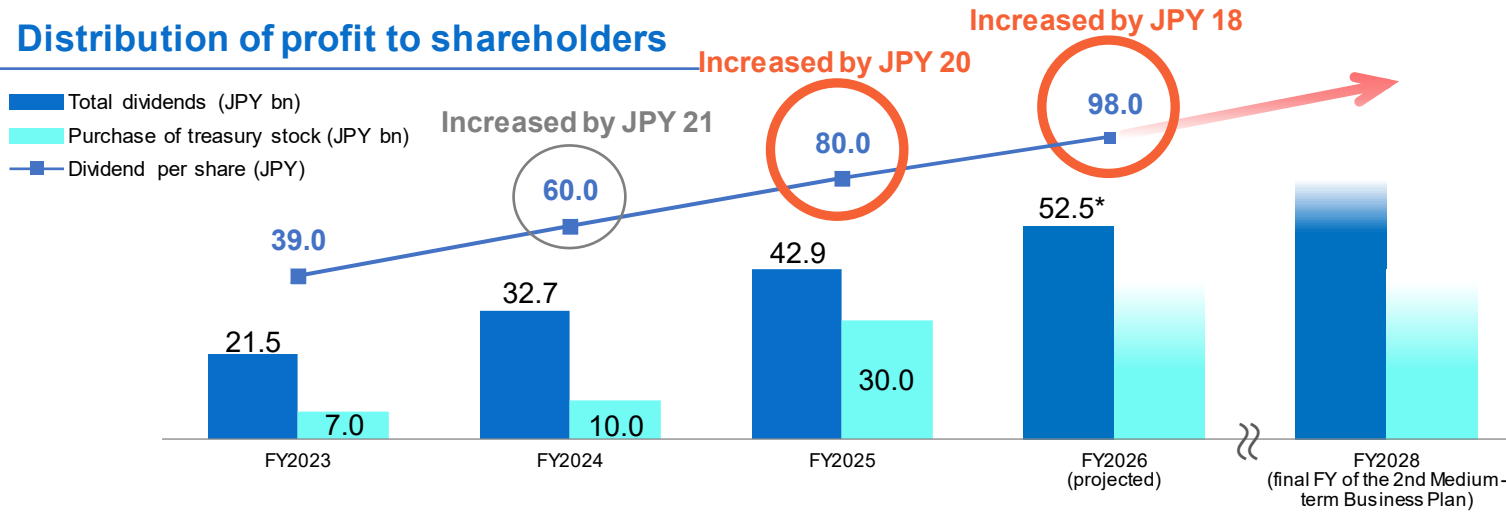
Shareholding policy

- 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 (targeting reduction to less than 2% during the period covered by the 2nd Medium-term Business Plan)

Policy on shareholder returns

Dividend per share for FY2026 is **JPY98**, increasing **JPY18** (dividend payout ratio **49.8%**), considering upward revisions of previous-year. During the 2nd Medium-term Business Plan, we will continue to make dynamic purchases of treasury stock to achieve our ROE target, thereby driving steady profit growth and further improving EPS.

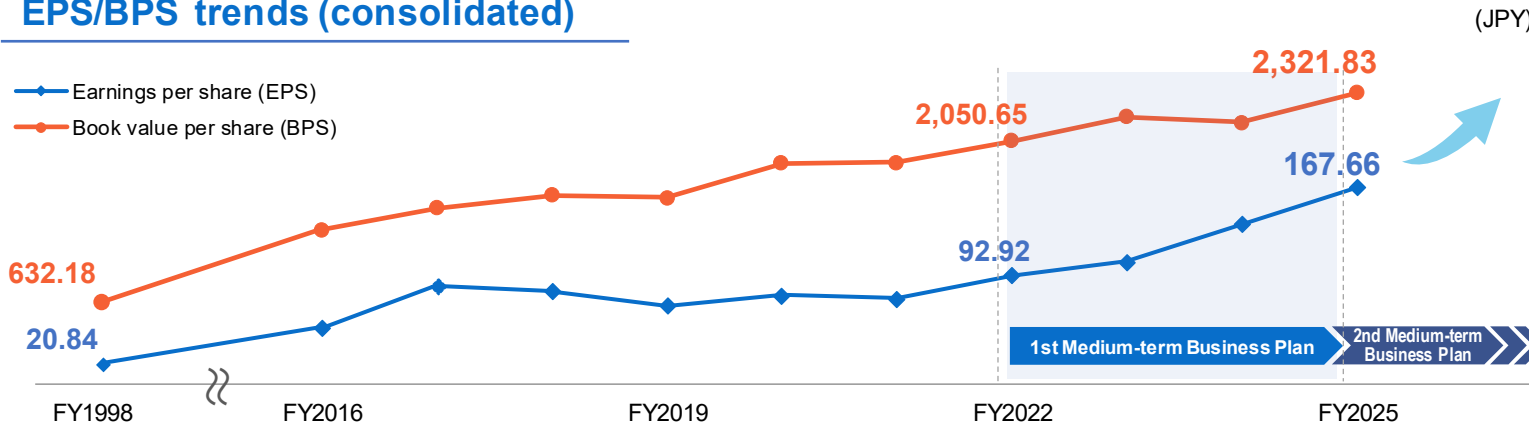
Distribution of profit to shareholders



Dividend payout ratio	37.4%	44.0%	47.7%	49.8%	50.0%~
Total payout ratio	49.3%	57.3%	80.6%	-	-
Net income attributable to owners of the parent	JPY 57.8 bn	JPY 74.6 bn	JPY 90.5 bn	JPY 105.0 bn	JPY 125.0 bn

* Estimates are based on the number of shares outstanding as of the end of March 2026 (excluding treasury shares), considering taking into account previously announced disposals of treasury stock

EPS/BPS trends (consolidated)



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; maintaining a **dividend payout ratio of 50% or better** in FY2028 and beyond
- Continuing to increase our dividend payments through sustained profit growth

Purchase of treasury stock

- Purchasing treasury stock dynamically **at the level needed to reach the ROE target** as part of capital controls (course of action continued from previous Medium-term Business Plan)

EPS growth

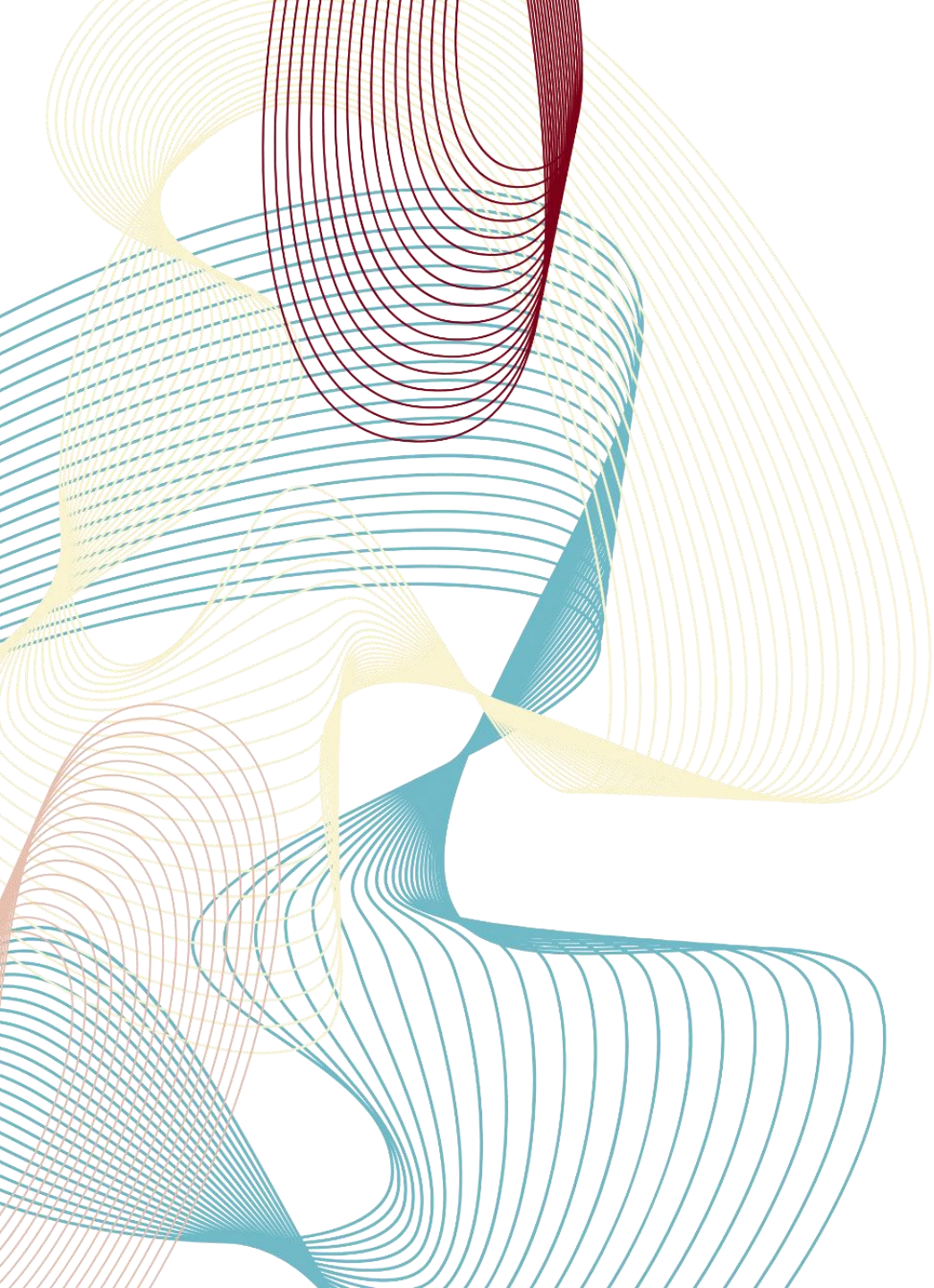
EPS growth rate during 1st Medium-term Business Plan period

80.4%

	FY2022	FY2025	Contribution to EPS growth
Consolidated net income	52.4	90.5	75.9%
Total shares issued and outstanding (average balance)*	564	540	4.5%
EPS	92.92	167.66	-

Targeting continued **further growth in EPS** through steady profit growth and improved capital efficiency

* Not including treasury stock (million shares)



Reference Materials (FY2025 financial results)

Loans (Shizuoka Bank nonconsolidated)

The total loan balance (average balance) increased due to growth mainly in loans to SMEs and retail loans (+3.8% annual).

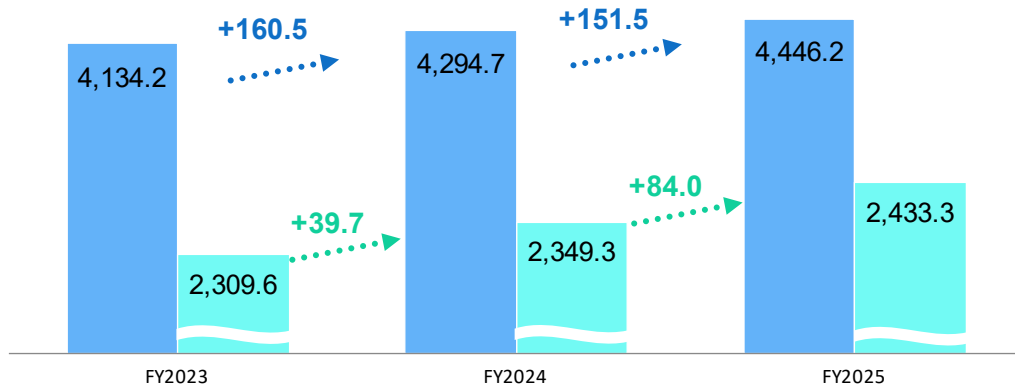
Loan balance (average balance)

(JPY bn)	FY2025	YoY change	Annual rate
Total loan balance	10,936.3	+406.4	+3.8%
Loan balance to SMEs	4,446.2	+151.5	+3.5%
Loan balance to large and medium-sized enterprises	1,862.8	+16.6	+0.8%
Retail loans	4,195.5	+210.5	+5.2%
Loan balance in foreign currency	755.6	+44.6	+6.2%

Balance factors: +29.9, Forex factors: +14.7

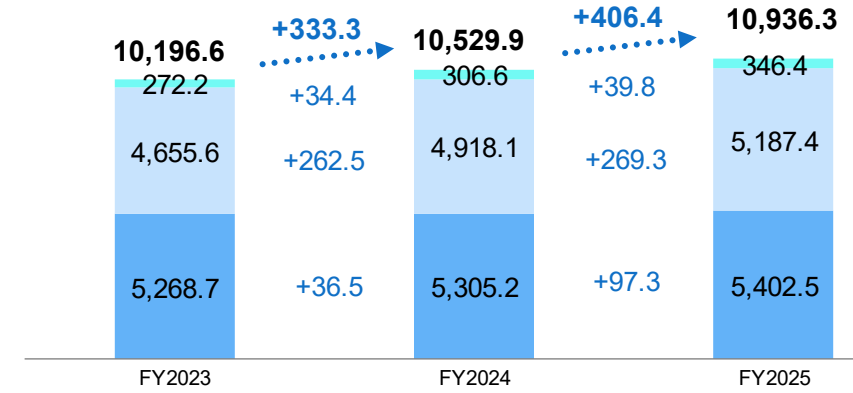
SMEs loan balance (average balance)

■ Bank as a whole (JPY bn)
■ Shizuoka Prefecture



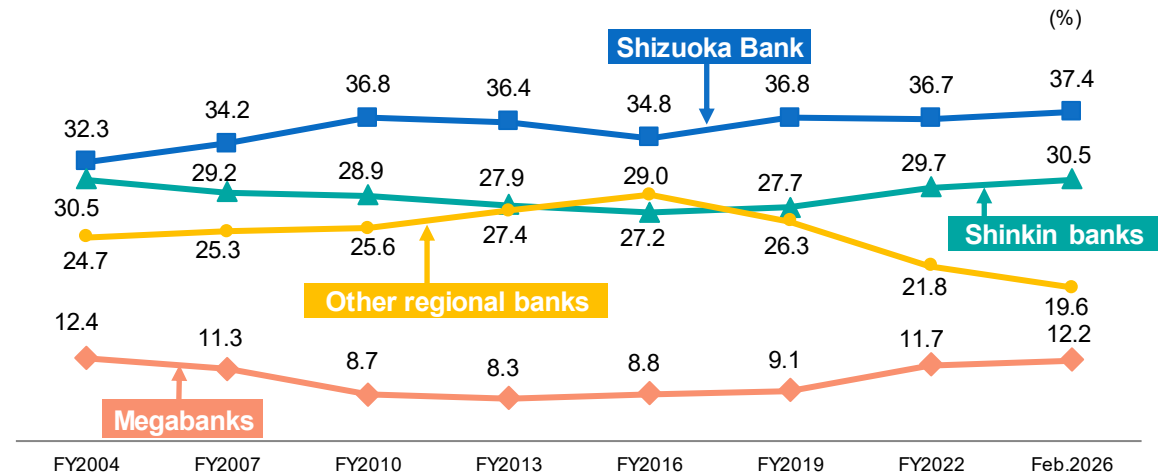
Loan balance (by segment)

■ Shizuoka Prefecture ■ Outside Shizuoka Prefecture ■ Overseas branches (JPY bn)



Kanagawa Prefecture	1,517.5	(+149.9)	1,647.0	(+129.5)	1,809.9	(+162.9)
Shizuoka + Kanagawa Prefectures	6,786.3	(+196.4)	6,952.2	(+166.0)	7,212.3	(+260.1)

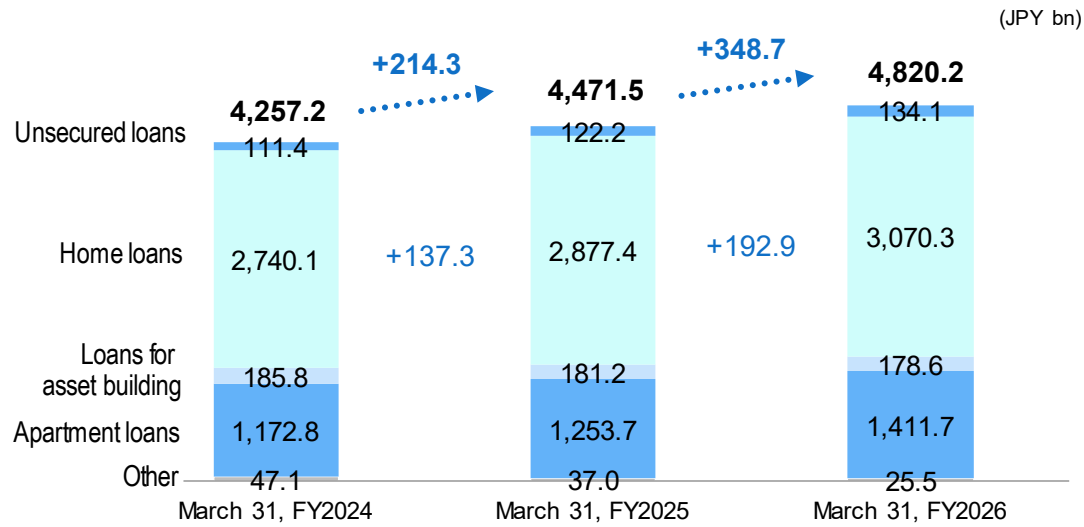
Share of loans in Shizuoka Prefecture



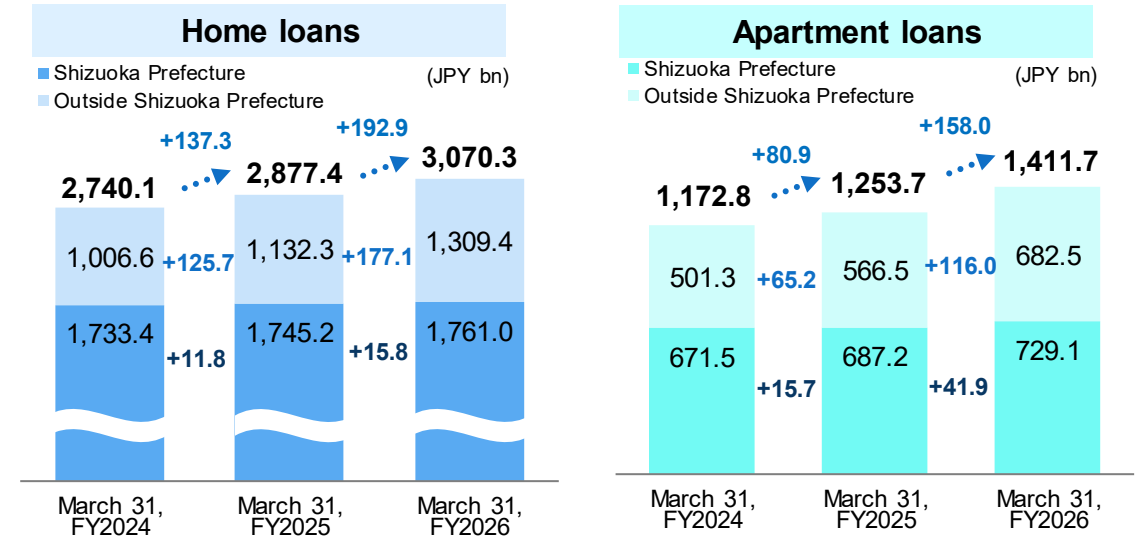
Home loans, apartment loans, and other (Shizuoka Bank nonconsolidated)

The balance of home loans, apartment loans, and other loans continued to grow. Loan-related revenues grew JPY 15.3 bn YoY, due to higher interest revenue generated by revisions to short-term prime rate and other factors.

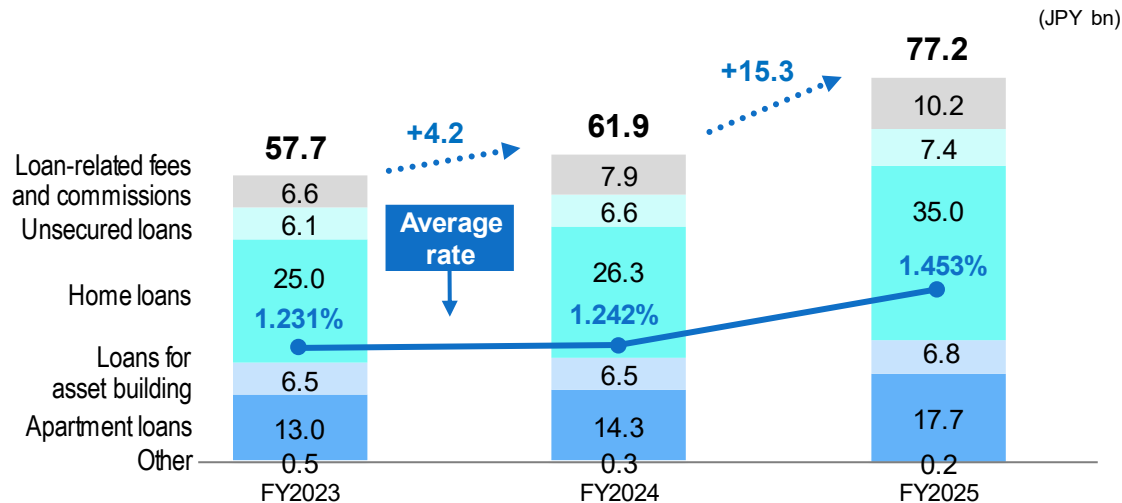
Term-end balance



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



Interest amounts, fees, and rates



Delinquency rate and occupancy rate

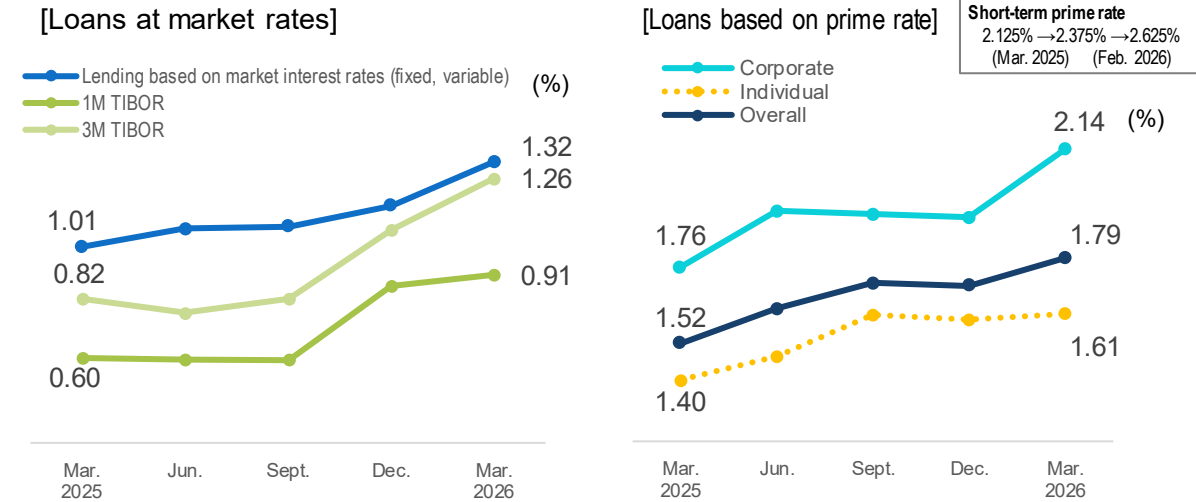
Delinquency rate (three months or longer)	March 31, FY2024	March 31, FY2025	March 31, FY2026
Home loans	0.11%	0.11%	0.09%
Apartment loans	0.04%	0.04%	0.02%
Loans for asset building	0.39%	0.09%	0.09%

Rental property occupancy rate	December 31, FY2022	December 31, FY2023	December 31, FY2024
Shizuoka Prefecture	94.0%	94.3%	94.2%
Outside Shizuoka Prefecture	95.1%	95.4%	94.8%

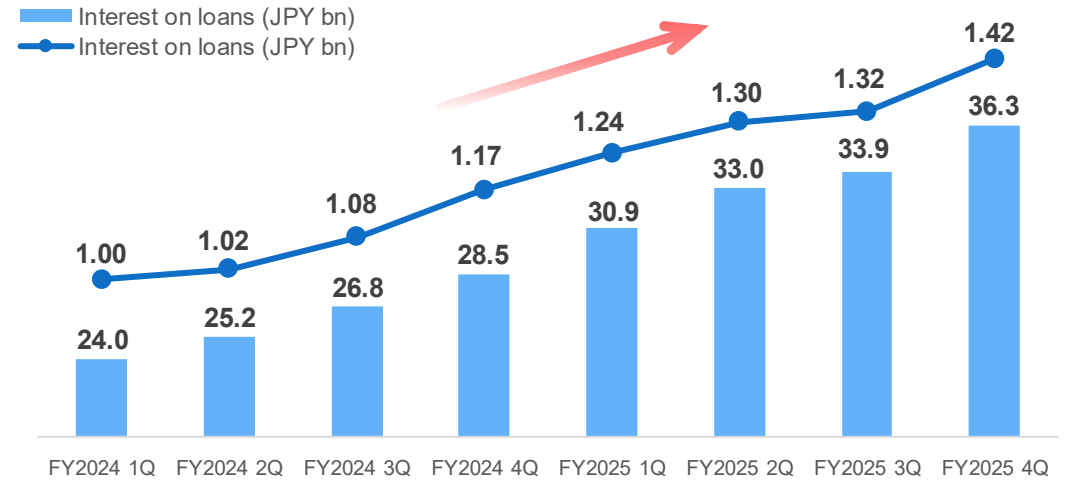
Improving yields on yen loans

Sharp recent growth in yields on corporate loan, centered on loans to SMEs, following an additional revision of the short-term prime rate in February 2026.

Interest rate on loans (by rate format)

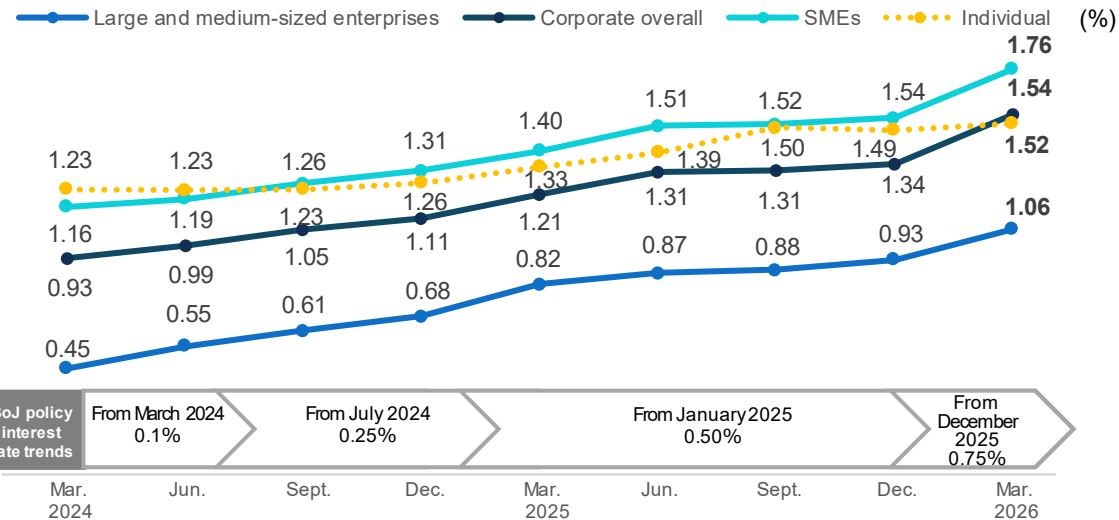


Domestic loans and its interest

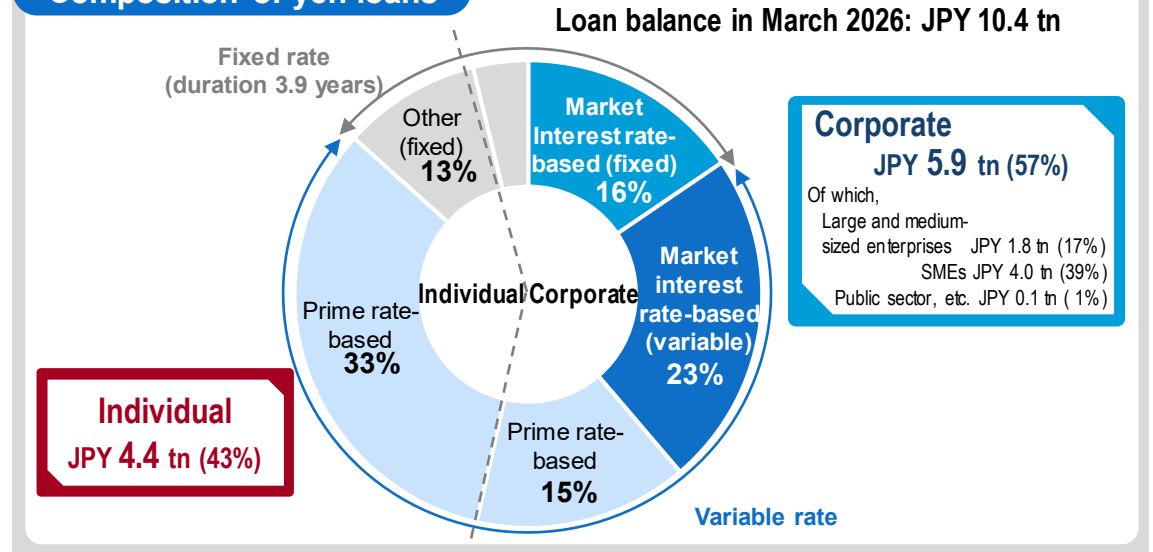


Transition of Interest rates on loans (by size, corporate/individual)

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



Composition of yen loans



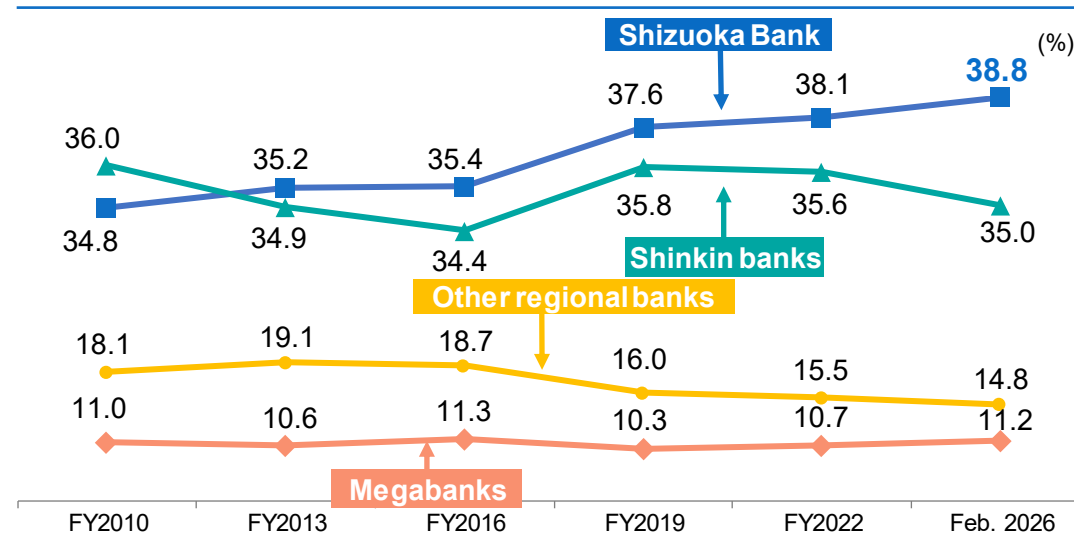
Deposits and other (Shizuoka Bank nonconsolidated)

Continued growth in average balance of deposits at JPY 243.8 bn YoY (+2.0% annual), centered on corporate deposits.

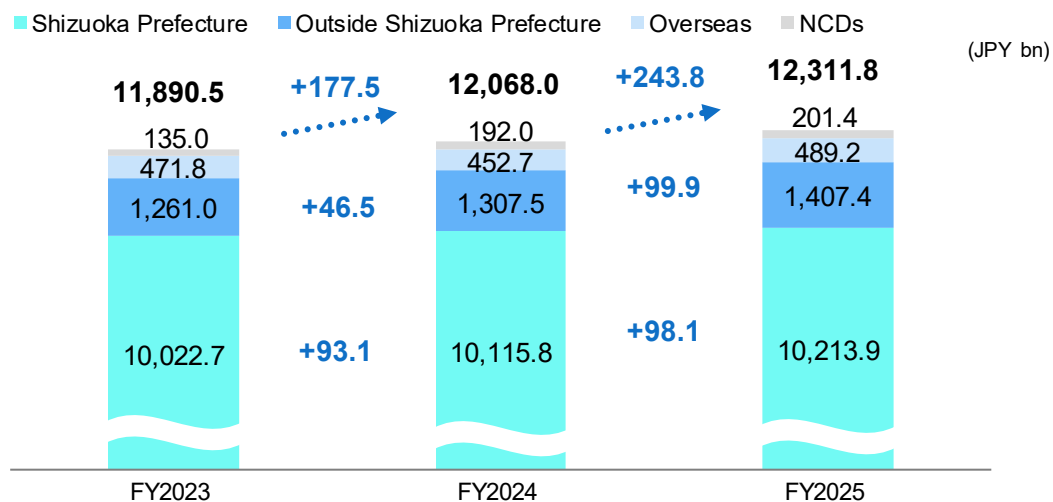
Trends in deposits and other balances (average balance)

(JPY bn)	FY2025	YoY change	Annual rate
Total deposits and other	12,311.8	+243.8	+2.0%
Total deposits	12,110.4	+234.4	+1.9%
Corporate deposits	3,165.6	+125.3	+4.1%
Retail deposits	7,770.6	+18.9	+0.2%
Public deposits	406.9	+66.0	+19.3%
NCDs	201.4	+9.4	+4.8%

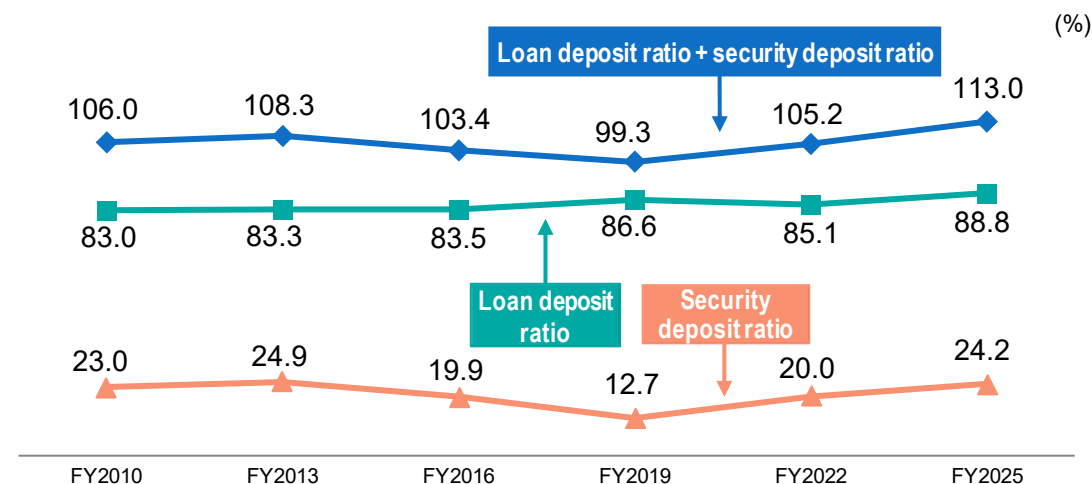
Share in Shizuoka Prefecture



Deposit balance (by region)



Loan deposit ratio / security deposit ratio (including NCDs)



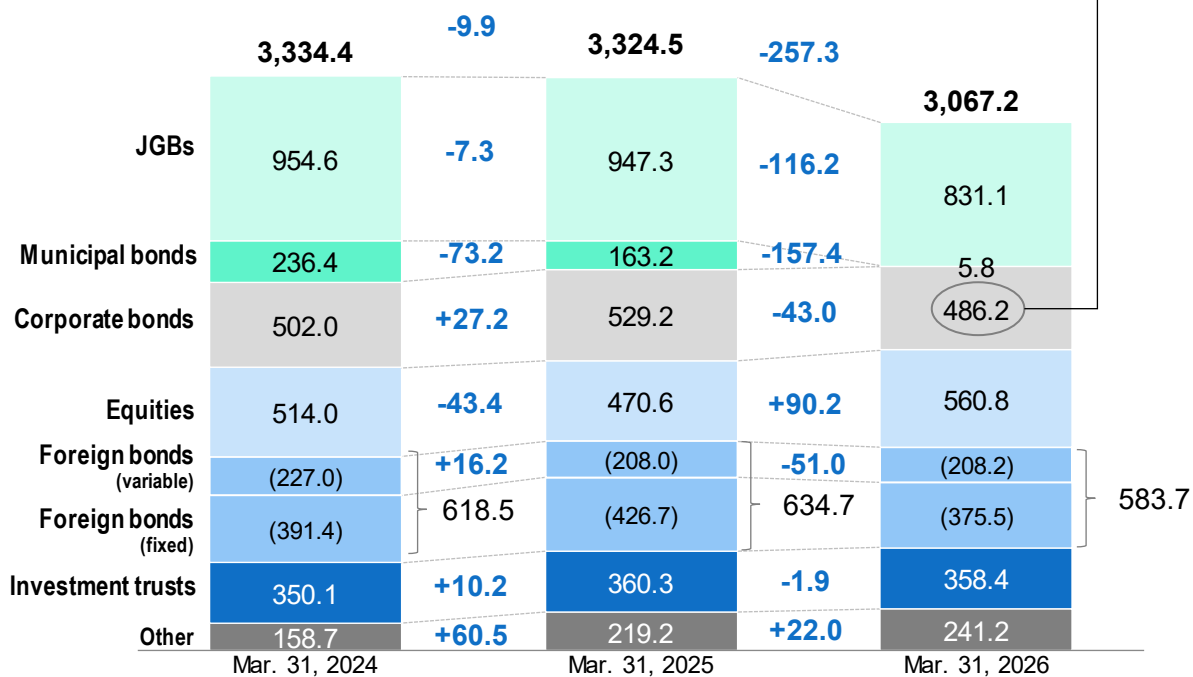
Securities (1) (Shizuoka Bank nonconsolidated)

Implementing replacement operations to make strategic use of gains on sale of stocks to improve the profitability and soundness of securities holdings. We continued to restructure our portfolio to target profitability, premised on appropriate risk management in consideration of the interest rate environment.

Securities

Breakdown of bonds:
 Corporate bonds: 309.7 (Private placement bonds: 19.7)
 Financial institution bonds: 174.1 Corporate bonds held to maturity: 2.4

(JPY bn)



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

* Excluding futures

	March 31, 2024	March 31, 2025	March 31, 2026
JPY bonds	6.72 years	6.87 years	7.33 years
Foreign bonds	0.81 years	1.96 years	2.99 years

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

	March 31, 2024	March 31, 2025	March 31, 2026
JPY bonds	0.42%	0.63%	1.30%
Foreign bonds	4.73%	4.41%	3.85%

Gains and losses on securities

(JPY bn)	FY2024	FY2025	YoY change
Interest and dividends on securities	70.1	71.9	+1.8
JPY bonds	12.9	16.6	+3.7
Foreign bonds	29.1	25.9	-3.2
Investment trusts (gains [losses] on cancellation)	7.0 (3.2)	5.5 (0.3)	-1.5 (-2.9)
Investment funds, etc.	7.9	9.5	+1.6
Income related to JGBs and other bonds	-10.5	-47.9	-37.4
Gains on sale	2.0	15.1	+13.1
Losses on sale and redemption (-)	12.5	63.0	+50.5
Gains and losses on equities	13.4	61.1	+47.7
Gains on sale	14.7	62.0	+47.3
Losses on sale and amortization (-)	1.3	0.9	-0.4

Gains and losses on revaluation of securities

(JPY bn)	March 31, 2024	March 31, 2025	March 31, 2026	After hedging	vs. March 31, 2025
Gains and losses on revaluation of securities	+351.2	+237.6	+267.9	+305.6	+30.3
Equities	+415.9	+375.1	+471.3		+96.2
JPY bonds	-41.4	-127.8	-189.4	-156.9	-61.6
Foreign bonds	-38.7	-34.0	-34.4	-29.2	-0.5
Investment trusts	+0.5	+7.8	+17.3		+9.5
Investment funds, etc.	+14.9	+16.5	+3.2*		-13.3

* Not recognized for gains and losses on unlisted stock

Securities (2) (Shizuoka Bank nonconsolidated) –Status on JPY bond replacement operations

Through JPY bond replacement operations, we made strategic use of gains on sale of stock to steadily improve yields for the overall bond portfolio.

Implementing JPY bond replacement operations

FY2025 environmental changes

Rising stock prices
Rising unrealized gains on shareholdings
(Upward revision in gains on sale of stock)

[Trends in balance of shareholdings (JPY bn)]

	March 31, 2025	March 31, 2026	Change
Balance of shareholdings	470.6	560.8	+90.2
(Valuation gain/loss)	(375.1)	(471.3)	(+96.2)

Rising JPY interest rates
Fluctuations in valuation gain/loss on JPY bonds
(Improved bond yields)

[Trends in balance of JPY bond holdings (JPY bn)]

	March 31, 2025	March 31, 2026	Change
Balance of JPY bonds	1,639.8	1,323.1	-316.7
(Valuation gain/loss)	(-127.8)	(-189.4)	(-61.6)

Progress on JPY bond replacement operations

Sales of low-yield bonds and stocks

Low-yield bonds and stocks sold for more than the initially earmarked amount.

(JPY bn)	Initial plans*1		March 31, 2026 (actual)		vs. initial earmarks	
	Balance sold	Gain/loss on sale	Balance sold	Gain/loss on sale	Balance sold	Gain/loss on sale
JPY bonds	445.8	-26.0	487.9	-44.4	+42.1	-18.4
Stocks*2	4.2	+25.0	5.7	+44.1	+1.5	+19.1

Purchase of JPY bonds

Progress on approximately 50% of initial plans achieved for new purchases based on close monitoring of the interest rate environment.

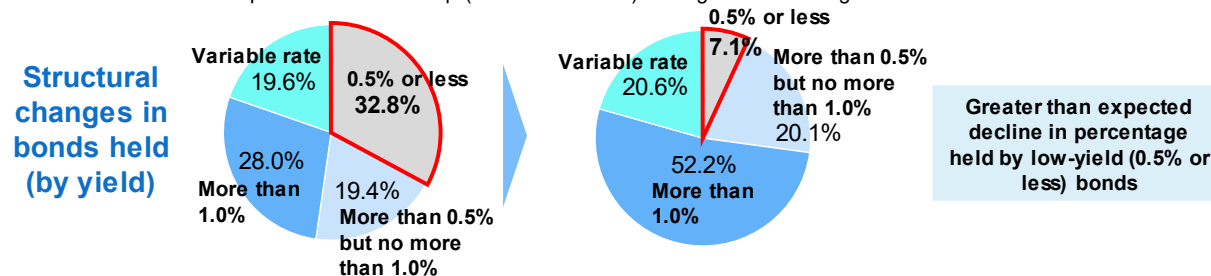
(JPY bn)	Initial plans*1		March 31, 2026 (actual)		vs. initial earmarks	
	Balance of purchases	Yields	Balance of purchases	Yields	Balance of purchases	Yields
JPY bonds	580.0	1.54%	289.8	1.92%	-290.2	+0.38pt

*1 As of FY2025 2Q *2 Balances are based on acquisition costs

Structural changes to the yen portfolio

(JPY bn)	September 2025 (Before replacement)		March 31, 2026 (actual)		Change	
	Balance*1	Yield	Balance*1	Yield	Balance*1	Yield
JGBs	1,045.9	0.82%	962.6	1.38%	-83.3	+0.56 pt
Municipal bonds	128.5	0.17%	6.4	0.71%	-122.1	+0.54 pt
Public bonds	233.2	0.69%	214.4	1.06%	-18.8	+0.37 pt
Corporate bonds, etc.	340.0	1.06%	329.1	1.23%	-10.9	+0.17 pt
Total	1,747.5	0.80%	1,512.5	1.30%	-235.0	+0.50 pt
Average holding period	7.03 year		7.33 year		+0.30 year	
10bpv*2			-8.4		+2.6	

*1 Balances are based on acquisition costs *2 10bpv(Basis Point Value): Changes in valuation gain/loss for a 0.1% increase in interest rates



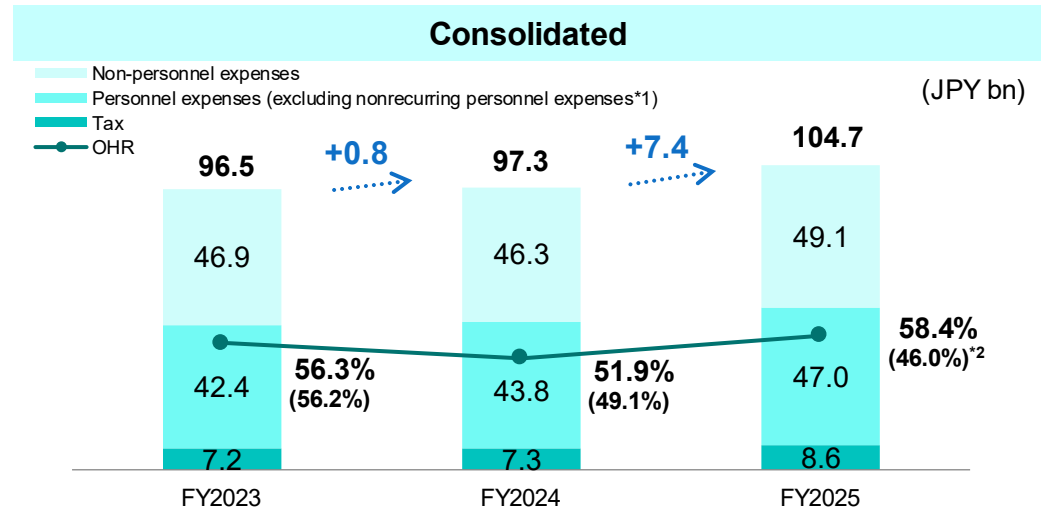
Outlook on securities management

JPY bonds	Sale	Continuing to sell JPY bonds focusing on low-yield ones with a backdrop of increasing gains on sale of stock.
	Purchase	Continuing to pursue replacement and purchasing to increase portfolio profitability and soundness while controlling average holding period in light of recent interest rate conditions.
Stocks		Accelerating the reduction in shareholdings from a capital control perspective.

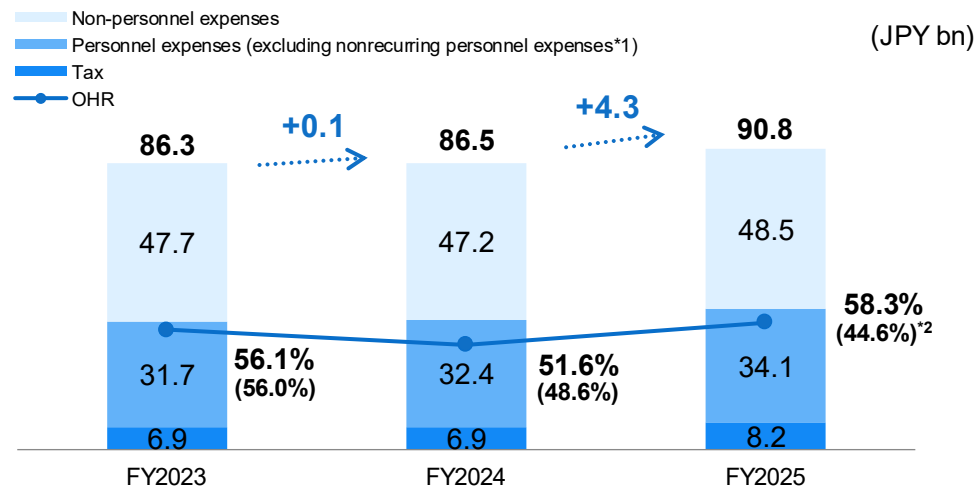
Expenses

While consolidated OHR rose to 58.4% (up 6.5 pts YoY) due mainly to lower gross operating profit, on a core gross operating profit basis, OHR remained at 46.0%, a suitable level.

Expenses and OHR



Shizuoka Bank nonconsolidated



Key factors contributing to changes in expenses

Consolidated

	Change	Main changes
Non-personnel expenses	+JPY2.9 bn	IT-related expenses: +JPY 0.9 bn Advertising expenses: +JPY 0.5 bn Shizugin Saison Card* non-personnel expenses: +JPY 1.0 bn etc.
Personnel expenses	+JPY3.2 bn	Salaries (related to base pay increase): +JPY 1.0 bn Bonuses: +JPY 0.7 bn Staff increases, etc.: +JPY 1.4 bn
Tax	+JPY1.3 bn	Shizuoka Bank: +JPY 1.2 bn
Total	+JPY7.4 bn	

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

Shizuoka Bank nonconsolidated

(JPY bn)

	Change	Main changes
Non-personnel expenses	+JPY1.4 bn	IT-related expenses: +JPY 0.9 bn Administrative expenses: +JPY 0.5 bn Advertising expenses: +JPY 0.5 bn Depreciation expenses: JPY -0.4 bn
Personnel expenses	+JPY1.7 bn	Salaries (related to base pay increase): +JPY 0.7 bn Bonuses: +JPY 0.6 bn Staff increases, etc.: +JPY 0.4 bn
Tax	+JPY1.2 bn	Consumption tax: +JPY 0.9 bn Pro forma taxation: +JPY 0.3 bn
Total	+JPY4.3 bn	

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

*2 OHR based on core gross operating profit

Credit-related costs (Shizuoka Bank nonconsolidated)

Credit-related costs (Shizuoka Bank nonconsolidated) increased by JPY 3.6 bn YoY to JPY 8.1 bn due mainly to the recording of preventive reserves in light of the changing economic environment.

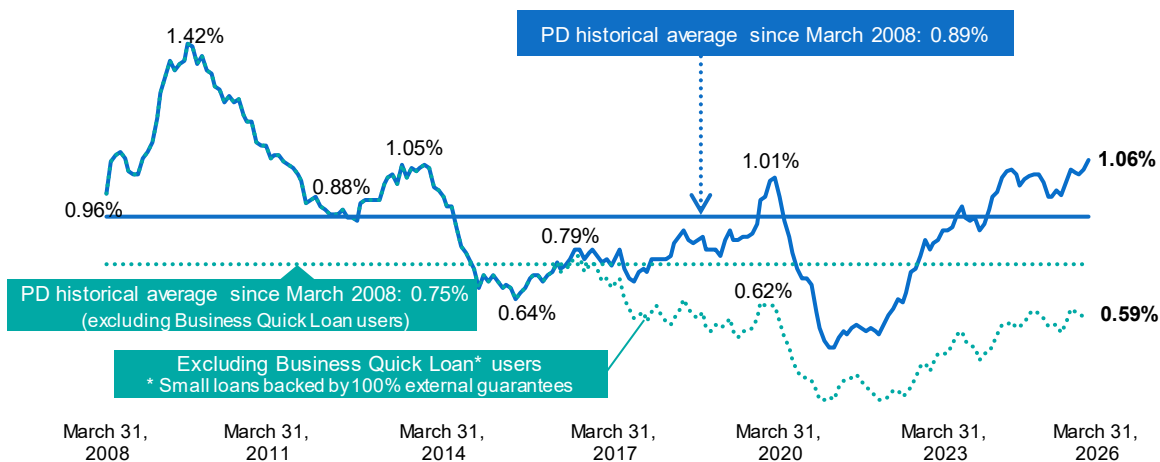
Breakdown of credit-related costs

(JPY bn)	FY2023	FY2024	FY2025	YoY change
[Consolidated] Credit-related costs	5.0	4.8	9.2	+4.4
[Shizuoka Bank nonconsolidated] Credit-related costs	3.9	4.4	8.1	+3.6
Provision for general allowance for loan losses	-0.5	0.3	1.0	+0.7
Provision for specific allowance for loan losses	4.1	3.7	6.6	+2.9
Other non-performing loans (NPL) disposal*	0.3	0.4	0.5	+0.0

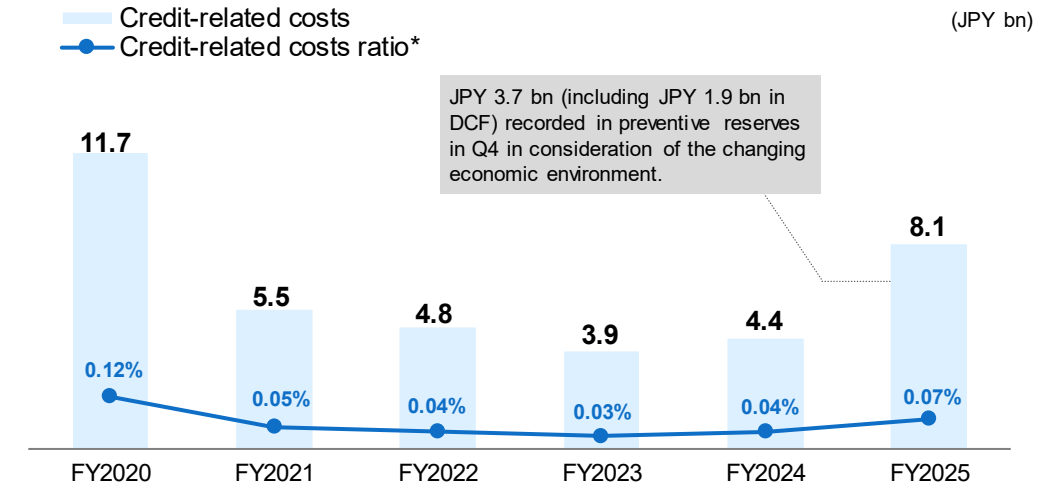
* This includes contributions to credit guarantee associations, provision for contingent loss, etc.

Probability of default (PD)

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

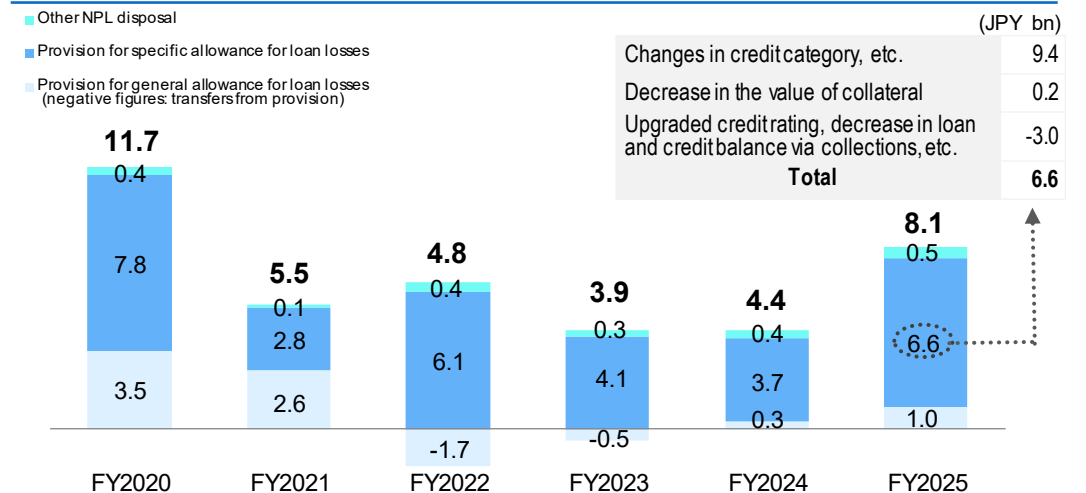


Credit-related costs and credit-related costs ratio



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

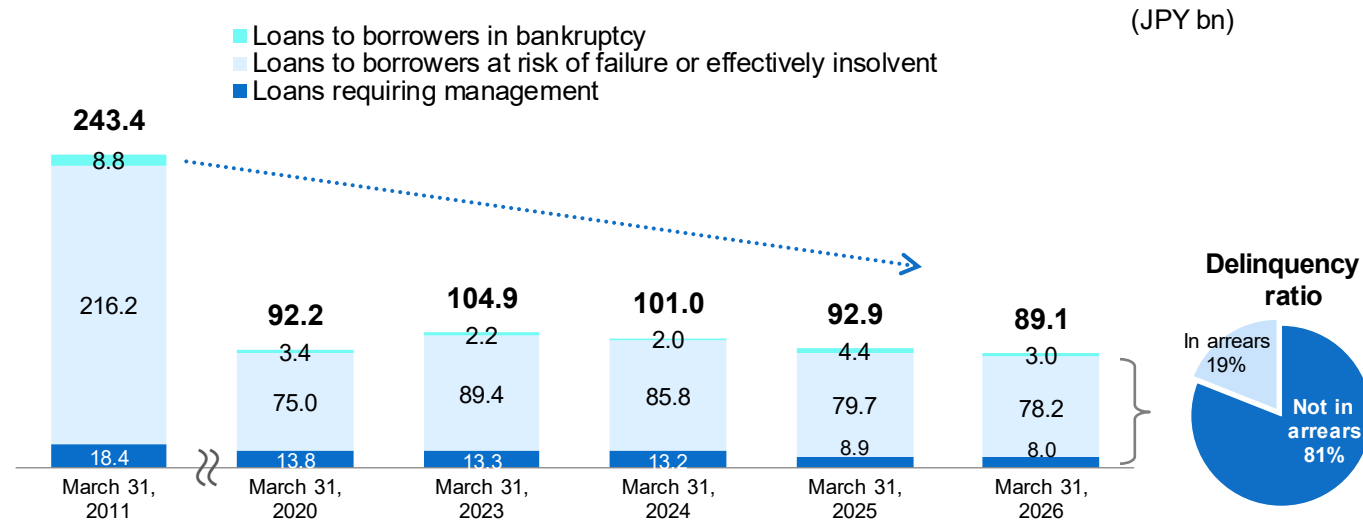
Provision for allowance for loan losses and other NPL disposal



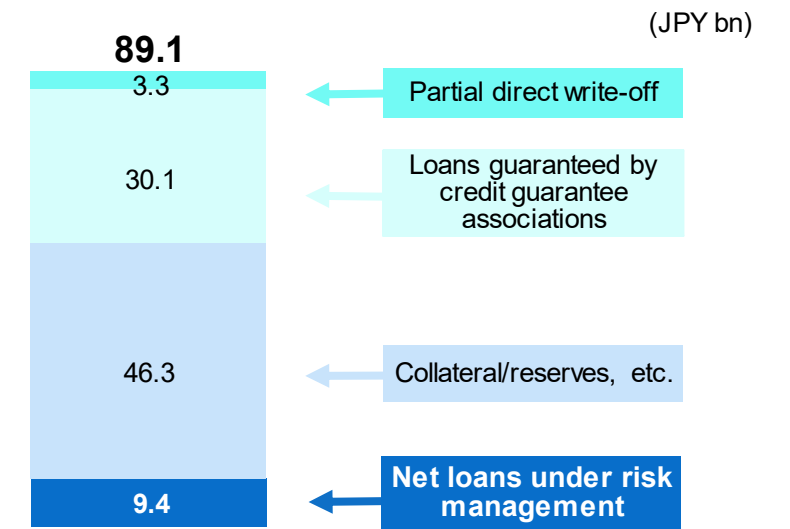
Loans under risk management (Loans disclosed under the Financial Reconstruction Act) (Shizuoka Bank nonconsolidated)

Loans under risk management and the ratio of loans under risk management both remained at record lows.

Loans under risk management



Net loans under risk management



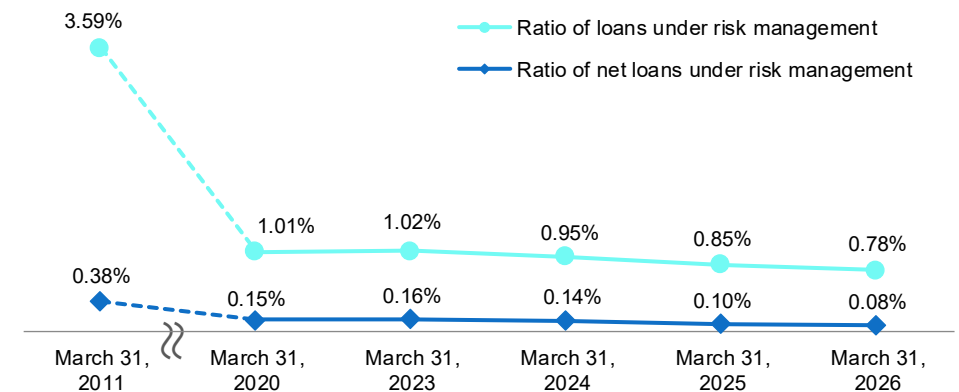
Expected loss (EL) in one year: JPY 0.8 bn

NPL removal from balance sheet

(JPY bn)	FY2024	FY2025
Newly recognized NPLs	+26.6	+26.6
Removal from balance sheet (NPL to borrowers classified as at risk of failure or in categories of greater risk)	-34.7 (-29.4)	-30.4 (-28.0)
Loans under risk management	92.9	89.1

Breakdown of -JPY 28.0 bn	
Collected from borrower/offset against deposits	-5.0
Collateral disposal/subrogated to guarantor	-9.8
Loans sold/direct write off	-8.8
Reclassified to lower risk categories	-4.4

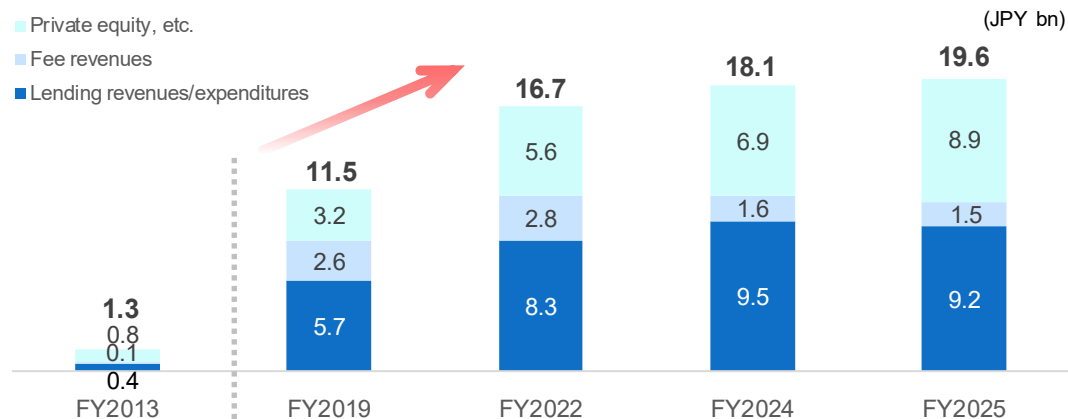
Ratio of loans under risk management



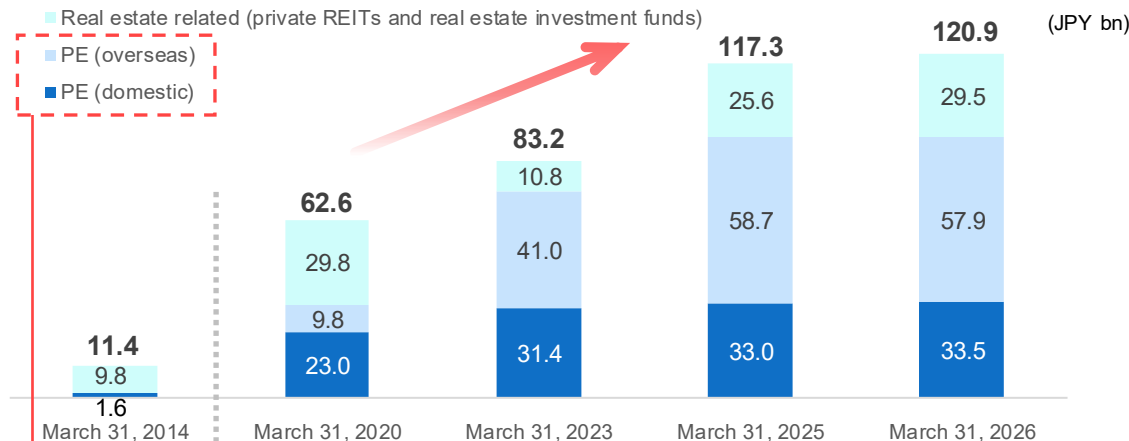
Market credit investment

Focusing on increasing ROA and RORA across the portfolio while controlling balances of market credit investment through selective transactions based on a keen awareness of profitability.
For investments, maintaining a diversified investment portfolio based on appropriate risk controls to help boost revenue in the field of market credit investments.

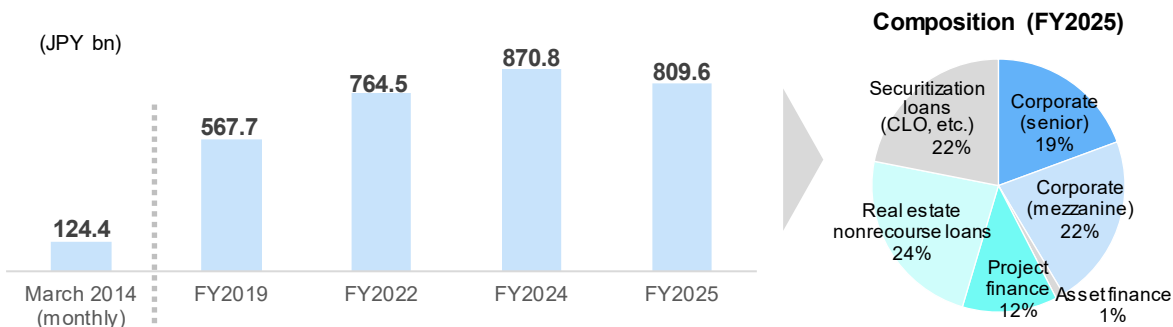
Revenue trend



Market credit investment balance (term-end balance)



Lending balance (average) and composition



Well-diversified portfolio (JPY : foreign currency = 5 : 5)
99% allocated to performing borrowers
LTV real estate nonrecourse loan average: 58.9%

CLO balance (March 31, 2026, including bond holdings)
JPY 234.3 bn (31 details: JPY 7.6 bn average)
All AAA-rated
Subordination ratio: 36.0–40.0%

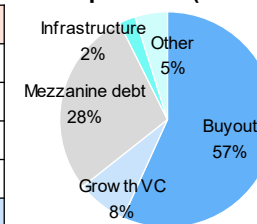
Lending profitability indicators	FY2024	FY2025	YoY change
Return on assets (ROA)	1.07%	1.11%	+0.03pt
Return on risk-weighted assets (RORA)	1.92%	2.01%	+0.09pt

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

[Private equity investment results]

(JPY bn)	FY2013	FY2019	FY2022	FY2025
Investment commitment (total)	14.0	66.1	129.0	211.7
Domestic	14.0	45.5	63.2	89.8
Overseas	0.0	20.6	65.9	122.0
Investment balance (term end)	1.6	32.8	72.4	91.4
Investment gain/loss (annual)	0.7	1.7	4.4	7.8

Composition (FY2025)



Private credit* exposure (March 31, 2026)

Private credit exposure consists of **JPY 29.0 bn (25 contracts)** in private debt funds included in private equity investments.

- All such funds are ineligible for early cancellation. They are free of liquidity concerns related to the concentration of cancellations and include no investments in business development companies (BDCs).

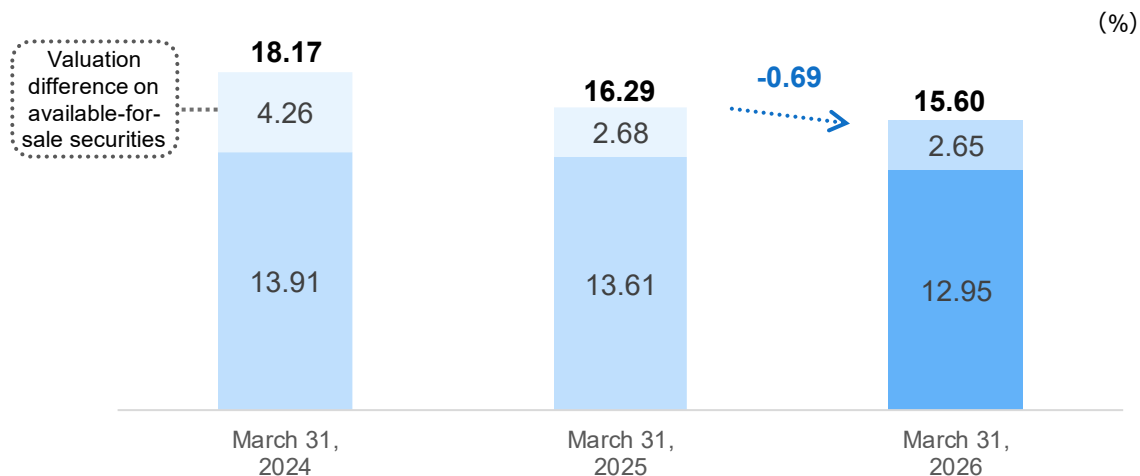
CLOs (JPY234.3 bn, 31 contracts) have external credit ratings of AAA and **exclude private credit**.

* Fund instruments through which nonbanks not subject to banking regulations lend to unlisted firms and other borrowers

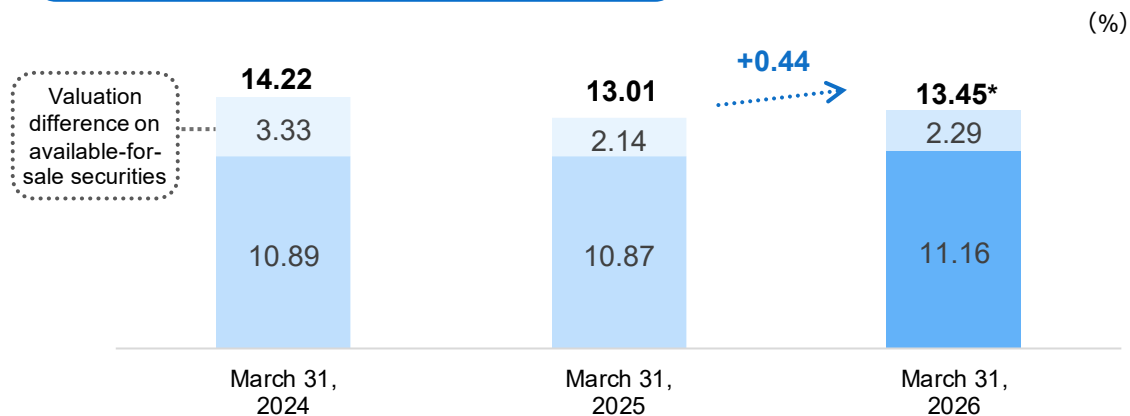
Capital adequacy ratio

The total capital ratio and CET1 ratio were both 15.60% as of March 31, 2026 (down 0.69 pt from March 31, 2025).
The estimated ratio after full application of Basel III finalization is 13.45% (up 0.44 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]	March 31, 2024	March 31, 2025	March 31, 2026	vs. March 31, 2025
(JPY bn)				
Total capital*	1,045.4	991.2	1,081.6	+90.3
CET1	1,045.4	991.2	1,081.6	+90.3
Excluding valuation difference on available-for-sale securities	800.4	828.0	897.5	+69.5
Other Tier1	—	—	—	—
Tier2	—	—	—	—
Risk-weighted assets	5,752.0	6,082.1	6,930.0	+847.8
Credit risk-weighted assets	5,561.6	5,869.5	6,321.6	+452.1
Amount corresponding to market risk	0.1	3.2	0.9	-2.4
Amount corresponding to operational risk	190.3	209.4	234.6	+25.2
Floor adjustments	—	—	372.9	+372.9

* Capital excludes preferred shares, subordinated debt, etc.

Alliance Strategy with Regional Banks –initiatives status

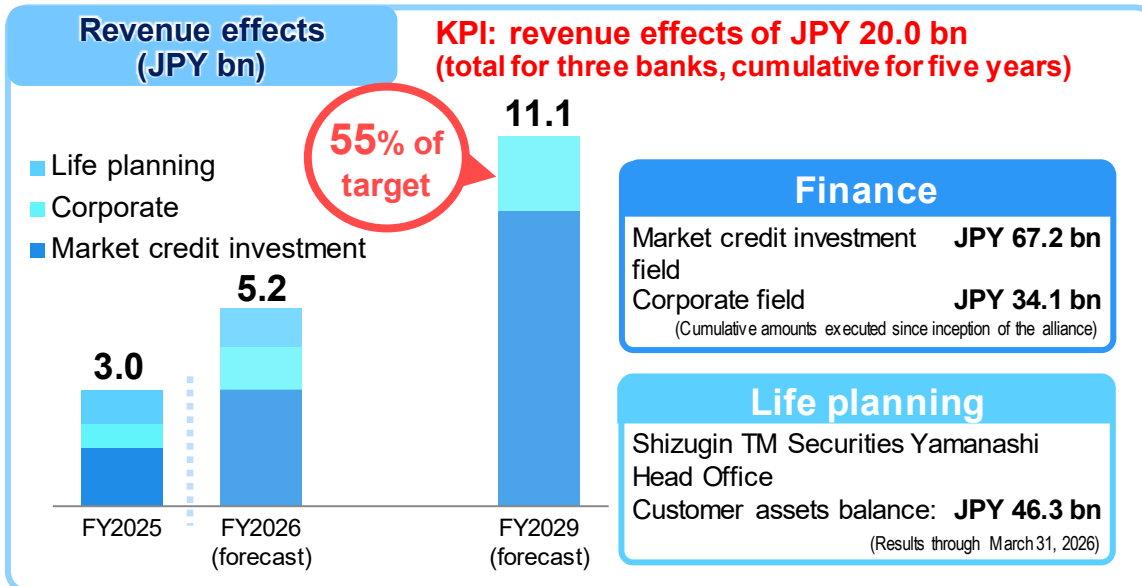
Realizing sustained growth and expanded earnings opportunities for each region and the partner group through joint efforts with alliance partner banks on solutions to various regional challenges.

Mt. Fuji/Alps Alliance (established March 2025)



Focusing on development projects and other initiatives to contribute solutions to the social issues facing all three prefectures
Progress toward the JPY 20 billion KPI reached 55% on a five-year equivalent basis.

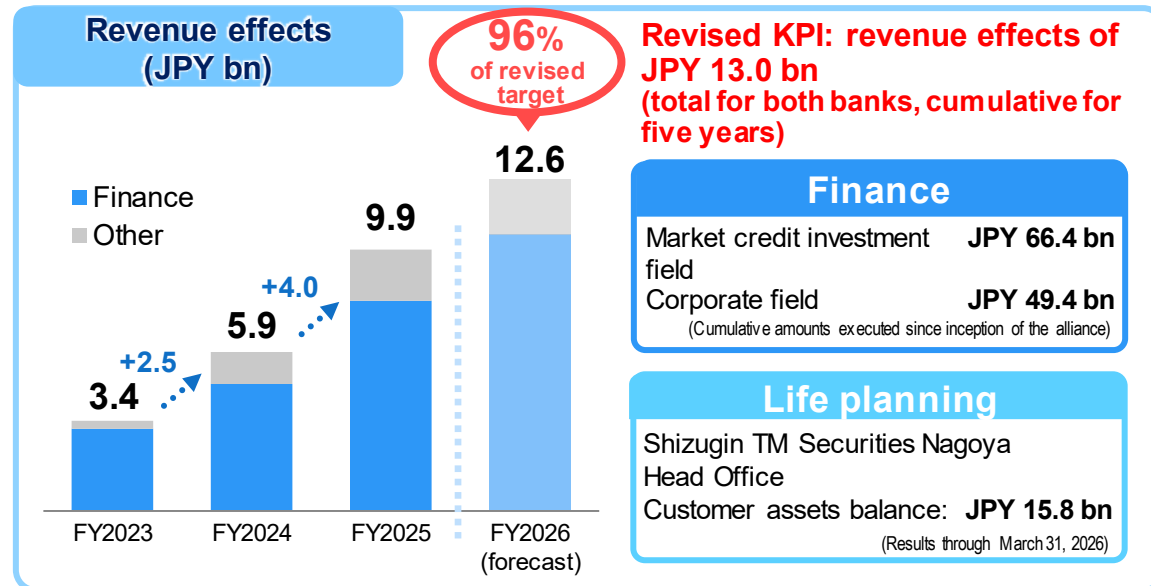
Increasing corporate value



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)



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

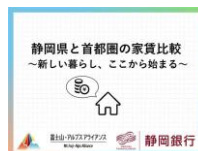
Individual consultation meetings held 5
Business-matching cases 77

Initiatives to promote relocation

Relocation support loans 348 loans (JPY 12.3 bn) executed (total for three banks)

TOPICS

- Began communicating relocation information to the three prefectures on the Pitamachi nationwide relocation matching portal, submitting 15 posts, including information on funding support, regional information, and interviews with relocated residents.



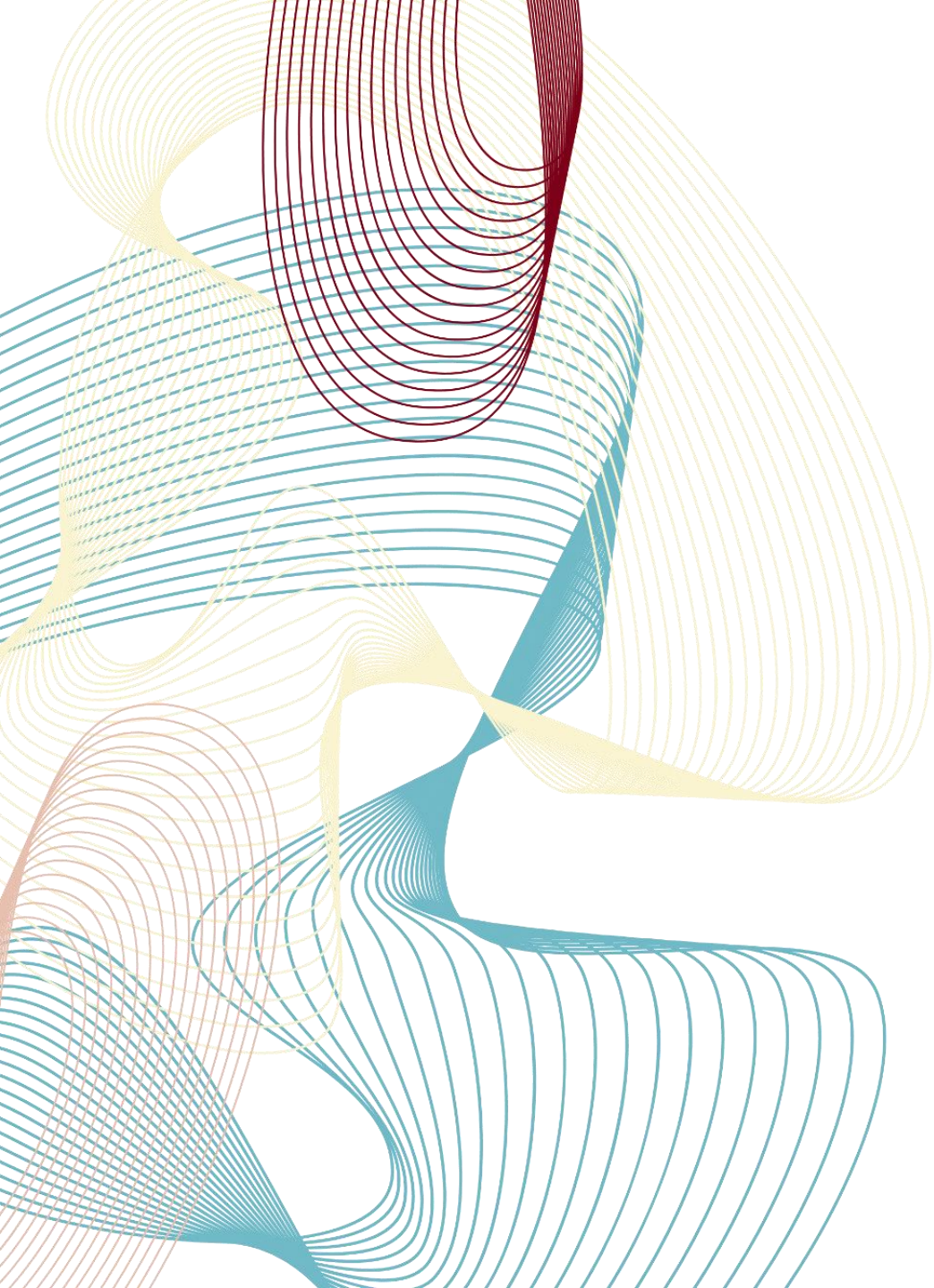
Drawing on the knowledge and customer bases of both banks to support for industrial reforms across prefectural boundaries and addressing structural reforms of regional industries, centered on the auto industry

Status of initiatives

Support for industrial reform 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

- An investment executed under second Shizuoka Nagoya Alliance fund
Investee: a company involved in metal plating of engine and other parts for motorcycles, automobiles, and outboard motors
The investment is intended to provide financial support for expansion of business domains from engine parts to EV parts and other areas.



Reference Materials

Major initiatives in FY2025 (1)

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**)



Regional Co-Creation Strategy × Group Business Strategy

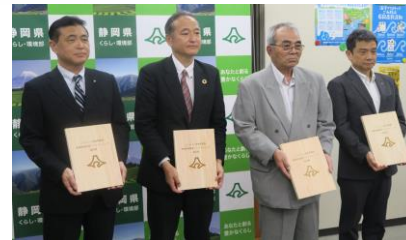
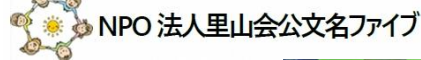
Transformation Strategy

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 Reoveru, 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**)

Major initiatives in FY2025 (2)

July

August

September

Regional
Co-Creation
Strategy
×
Group
Business
Strategy

Trans-
formation
Strategy

- **Indonesia-Shizuoka Friendship Meeting** held jointly to support customers' overseas businesses, as part of the Shizuoka-Nagoya Alliance (**Shizuoka Bank**)



- New business alliance agreements concluded with two companies to expand the range of solutions offered for issues facing firms in the region (**Shizugin Lease**)
 - **Robokaru**
(Support for productivity improvements and solutions to manufacturing labor shortages)
 - **YSK**
(Meeting demand for disposal of unneeded equipment, unused assets, etc.)
- Named for the fourth consecutive year as a financial institution eligible for priority support under the Ministry of the Environment's **FY2025 program to spread and promote ESG regional finance** (**Shizuoka Bank**)
- **TECH BEAT Shizuoka 2025** held
* Attracted record highs of 10,125 attendees and 178 exhibitor startups (**Shizuoka Bank**)



- Business alliance agreement concluded with **National University Philippines** to create employment opportunities for human resources from overseas, to help solving the region's labor shortage (**Shizuoka Bank**)



- Chose business operator to create new carbon credits as the secretariat of Shizuoka City's **Forest Carbon Credit Creation Promotion Project**. (**Shizugin Management Consulting**)
- **Business time deposits that contribute to society**
Began offering Shizuoka Future Generations Support deposits. (**Shizuoka Bank**)



- 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

* Zone authorized for implementation plans for biodiversity maintenance and other efforts under the Act on Promoting Activities to Enhance Regional Biodiversity

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

Major initiatives in FY2025 (3)

October

- Participated as part of the **Mt. Fuji/Alps Alliance** in syndicated loans arranged by Hachijuni Bank to contribute to regional revitalization (**Shizuoka Bank**)



- Recognized under the **Monisu Certification System** for small and medium-sized enterprises demonstrating outstanding efforts in the employment of persons with disabilities (**Shizugin Heartful**)



- Ensemble Walking** virtual walking event held jointly by the Mt. Fuji/Alps Alliance and the Shizuoka Nagoya Alliance (**Shizuoka Bank**)



November

- Began examining the use of Shizuoka Financial Group shares to support the activities of a **new general incorporated foundation** (currently planned), which promote regional industries (**Shizuoka Financial Group, Shizuoka Bank**)
- Began offering **carbon-offset leases** through the J-Credit program (**Shizugin Lease**)

- Held **Aoharushihodai** final contest, a program to identify Shizuoka's attractions (**Shizuoka Bank**)



- Began offering **Shizuoka GX Support Z** service and concluded first contract for the service (**Shizuoka Bank**)
- Began offering **Penly** one-stop moving service, which makes it possible to complete moving procedures with banks and local governments nationwide online (**Shizuoka Bank**)

December

- Named to the **A List**, the highest tier, in the CDP Climate Survey for the second consecutive year (**Shizuoka Financial Group**)



- Held ceremonies for the provision of instruments (loans, time deposits) involving donations to society (**Shizuoka Bank**)



- Shizuoka Financial Group AI Policy** authorized to promote AI (**Shizuoka Financial Group**)
- Granted **COPC® Customer Experience (CX)** Standard certification, an international standard for banking contact center service quality (**Shizuoka Bank**)



Regional Co-Creation Strategy × Group Business Strategy

Transformation Strategy

Major initiatives in FY2025 (4)

January 2026

- Began operating solar power station in the city of Gotemba to **supply power generated by renewable energy** to 16 Shizuoka Bank branches (**Shizugin Lease**)



- Established **Deep Blue Fund No. 1**, a VC fund to support startups with social impact goals over the long term (**Shizuoka Capital**)



- Concluded an agreement on shares transfer to **make Tokyo Gas Lease**, currently a wholly-owned subsidiary of Tokyo Gas, **a subsidiary** (**Shizuoka Financial Group**)

Business Features

Tokyo Gas Lease

- Business network in the **greater Tokyo area**
- Household leasing businesses for **consumers**

Shizugin Lease

- Business infrastructure centered on **Shizuoka Prefecture**
- Leasing businesses for **corporate customers**



Expected results

- Approaching consumer markets in **growth domains (greater Tokyo area)**
- Demonstrating **Group synergies** by sharing expertise held by both companies

- Launched joint research with MynaWallet on **Web 3.0 businesses** to examine the use of digital currency in the region (**Shizuoka Financial Group**)

February

- Chosen as bidder on **Shizuoka City arena development/operations project** as member of Shizuoka Alliance (**SFG Real Estate Investment Advisors**)



- Concluded a **wide-area partnership agreement to support the auto industry**, with seven regional banks to focus on supporting the auto industry (**Shizuoka Bank**)



- ESG Finance Awards Japan Gold Prize** (Minister of the Environment Award) winner for fourth consecutive year (**Shizuoka Bank**)



March-

- Concluded a **Memorandum of Understanding regarding the Business Integration** with the **Bank of Nagoya** (**Shizuoka Financial Group**)



- Established **Shizuoka Community Development Consulting** through joint investments with regional firms (**SFG Real Estate Investment Advisors**)

- Decided to make **Nissenren Shizuoka a wholly owned subsidiary** to expand the region's settlement functions (**Shizuoka Bank**)

- Established the **Shizuoka Vision Co-creation Fund No. 1** to support the creation of new industries through co-creation efforts involving regional firms and startups (**Shizuoka Capital**)

- Selected to **KENKO Investment for Health Stock Selection** and certified as a **Health & Productivity Management Outstanding Organization (White 500)** for third consecutive year (**Shizuoka Financial Group**)



- Merged Shizugin Business Create with Shizugin Mortgage Service, and renamed the merged company **Shizugin Business Partners (Shizugin Business Create, Shizugin Mortgage Service)**

Regional Co-Creation Strategy × Group Business Strategy

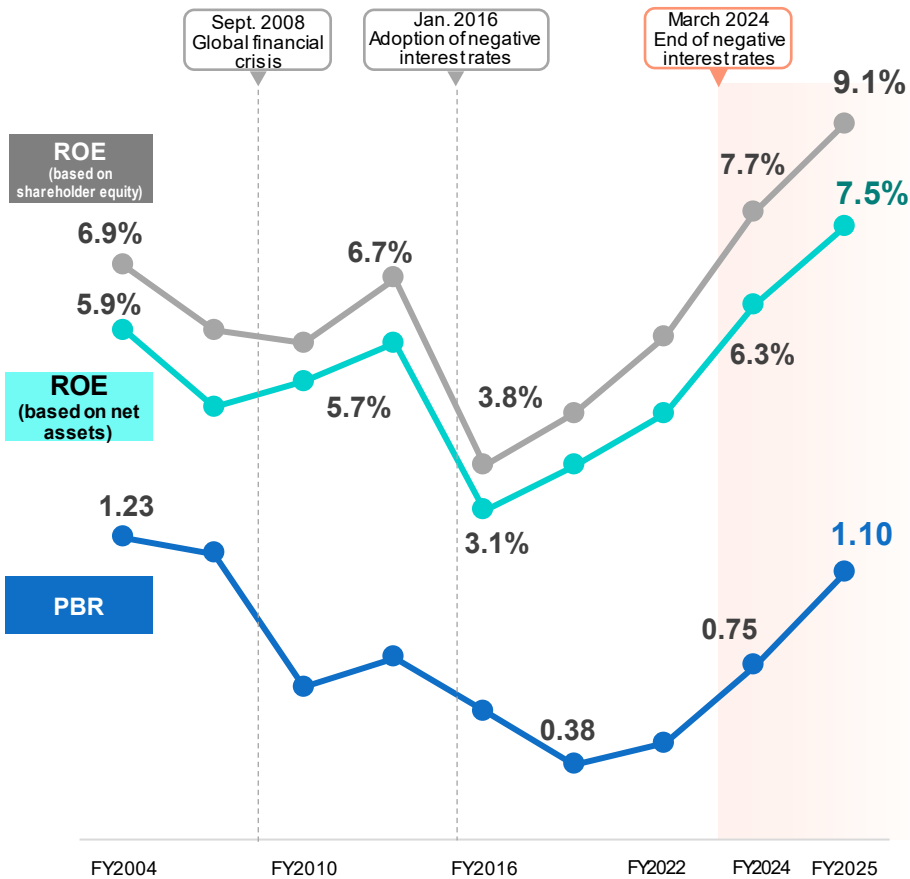
Transformation Strategy

PBR and ROE trends

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 aim to further enhance corporate value by continuing to further increasing ROE and strengthening management foundations while enhancing dialogue with the markets.

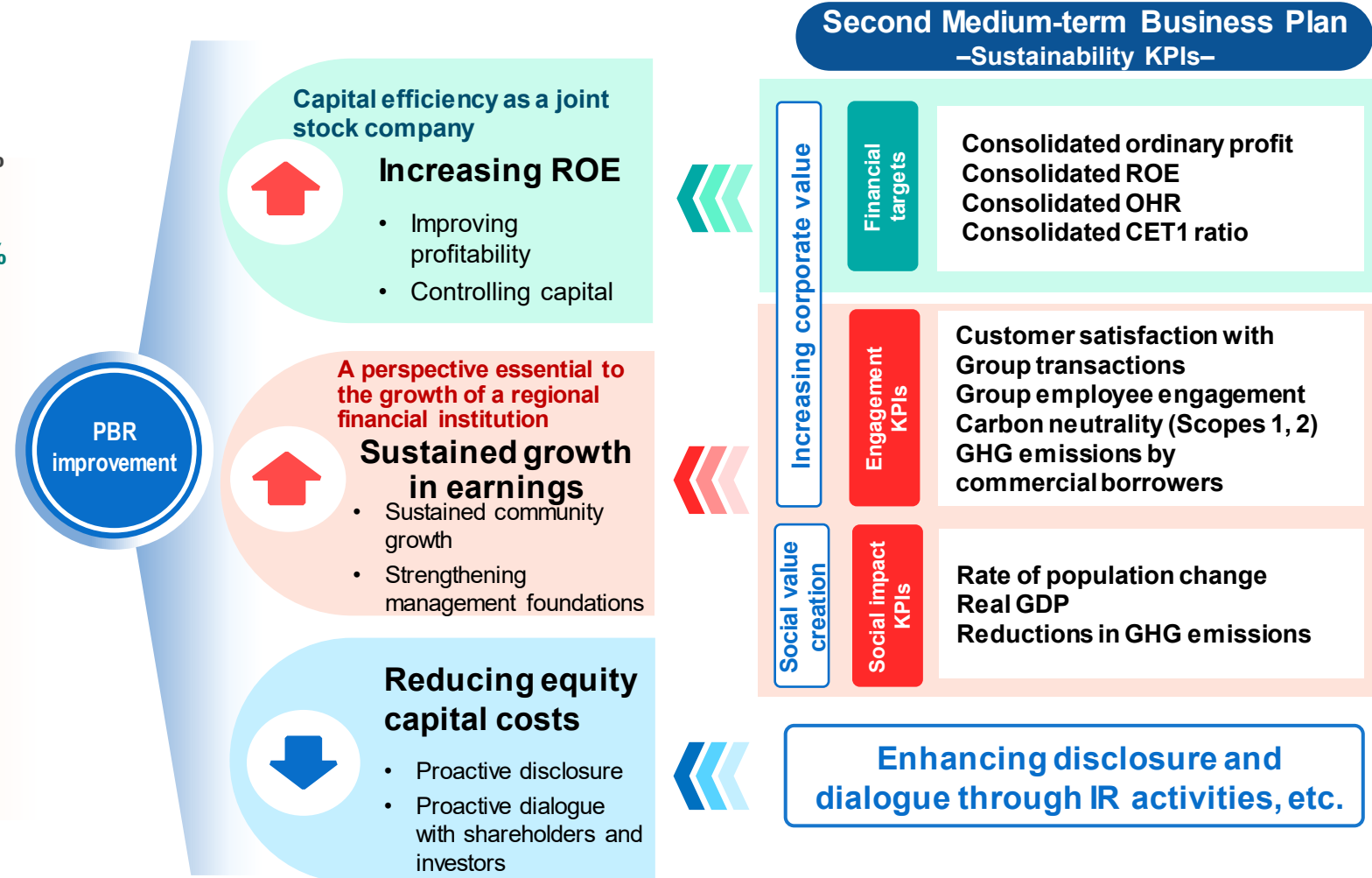
PBR and ROE trends

Continually increased its ROE by deploying strategies in response to the changing external environment, and recently reached the milestone of a PBR of one.



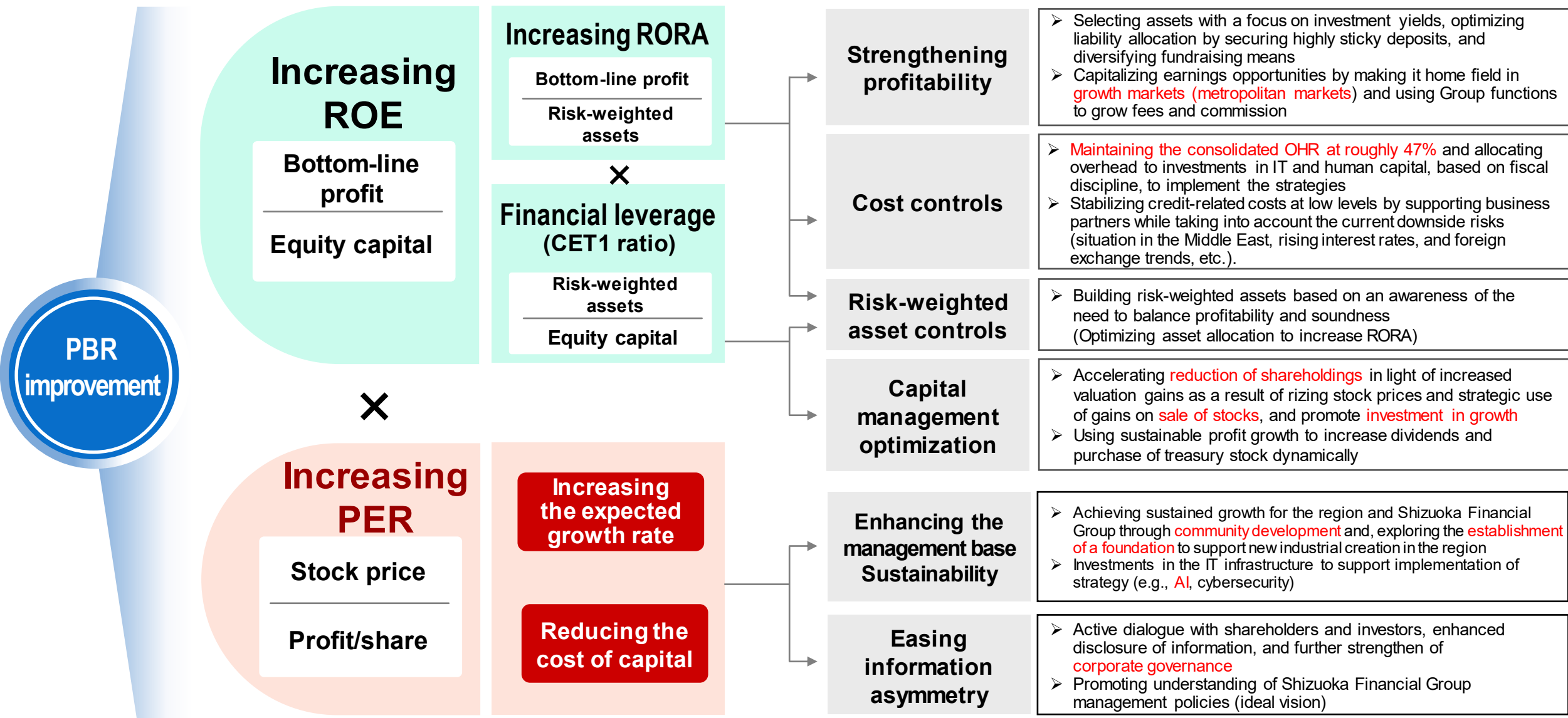
Our thoughts on increasing the Shizuoka Financial Group's corporate value

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



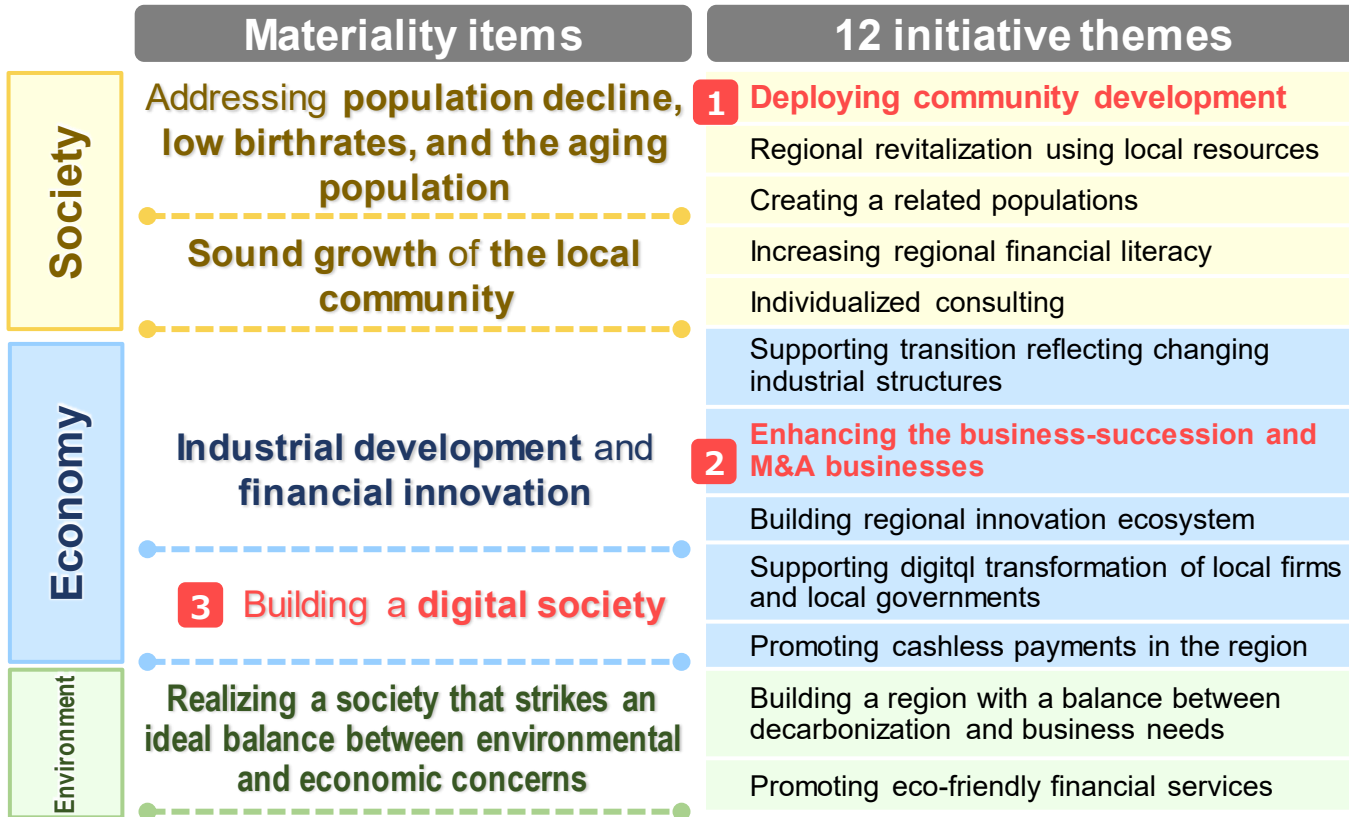
Efforts to increase corporate value –Logic tree

We are committed to further improving ROE by implementing growth strategies in both organic and inorganic area and maintaining capital at an appropriate level. In addition to strengthening management foundations to increase the expected growth rate, enhancing disclosure to alleviate information asymmetry, and controlling capital costs.

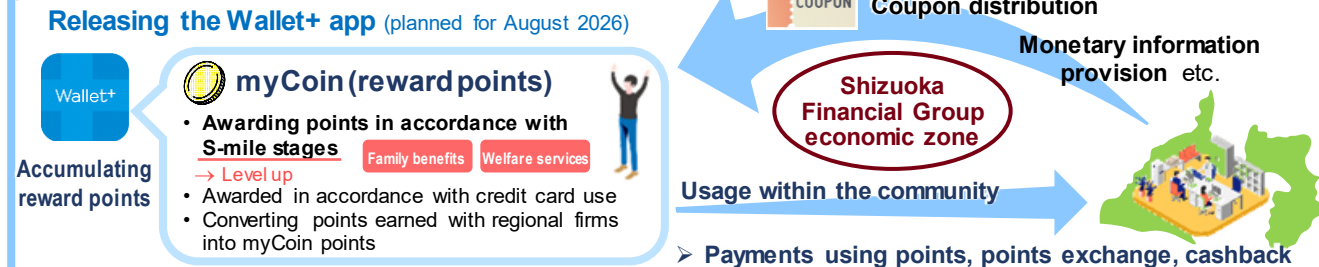


Initiatives in the Co-creation domain –FY2026 initiative policies

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



3 Starting to build a loyalty economic zone



1 Building systems to establish “community development” models

1. Structural support

Expanding community development surveys, research, and consulting services for local governments and regional firms through **Shizuoka Community Development Consulting**

2. Centralizing information

Forming organization-wide teams to identify information related to community development from the initial stages and effectively sharing this information with Group companies

3. Enhancing Group functions

Considering additions of new Group functions in line with community development needs

Enhancing regional co-creation activities

Identifying **specific regional issues** and deploying regional co-creation strategies tailored to the region

Strengthening ties to the region and local governments and **bringing together various consultation topics**

Increasing corporate value over the medium to long term through regional co-creation

2 Enhancing the financial promotion structure

Transformation to a marketing style based on co-creation with customers

Understanding and visualizing the growth strategies of individual companies by strengthening points of contact with customers

Evolving into an aggressive marketing style to make use of support options provided throughout the Shizuoka Financial Group

➔ **Supporting customer growth by enhancing advanced financial services supply systems**

Enhancing financial systems

Enhancing dedicated head office sections for syndicated loans, LBOs/MBOs, derivatives, sustainable finance, etc.

Equity, business succession

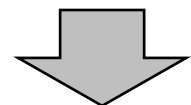
Comprehensive support including investment solutions for the potential business succession and M&A needs of regional firms

Initiatives in the Challenge domain –FY2026 initiative policies

We seek to accelerate new business development and M&A strategies to build new earnings and customer bases and maximize corporate value and social value

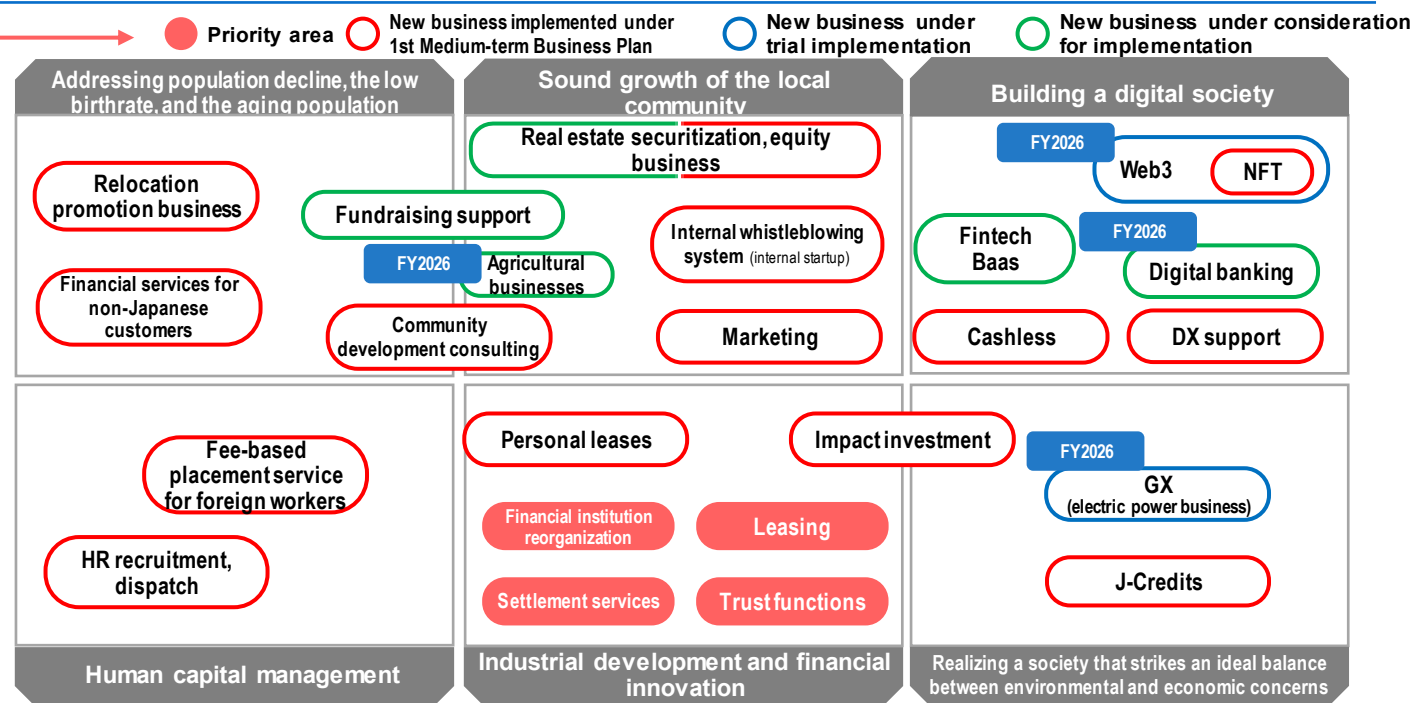
Courses of action for new businesses during the period covered by the Medium-term Business Plan

- 1 **Implementing functions needed to achieve growth as a financial group**
Identifying **priority areas** from perspectives such as the **business environment and impacts on earnings and society**
- 2 **Business development and M&A to expand the scale of earnings**
- 3 **Business development and M&A to expand co-creation and growth domain strategies**
- 4 **Business implementation via internal startups and PoC**



Initiatives for FY2026

Launch of new business toward solutions to materiality topics



Business development

(1) Commercialization of the project

Business development in electric power, Web3, and other areas currently in the demonstration testing stage; PoC verification of agriculture and digital banking

(2) Establishing the necessary framework

Establishing PoC budgets and accelerating business development

(3) Fostering organizational culture, HR development

Group deployment of new business creation using AI and other technologies; HR development

M&A

(1) PMI initiatives and system improvements

Adding Tokyo Gas Lease to the Group; building a framework to proceed with smooth integration and swiftly realize Group synergies

(2) Enhancing Group functions

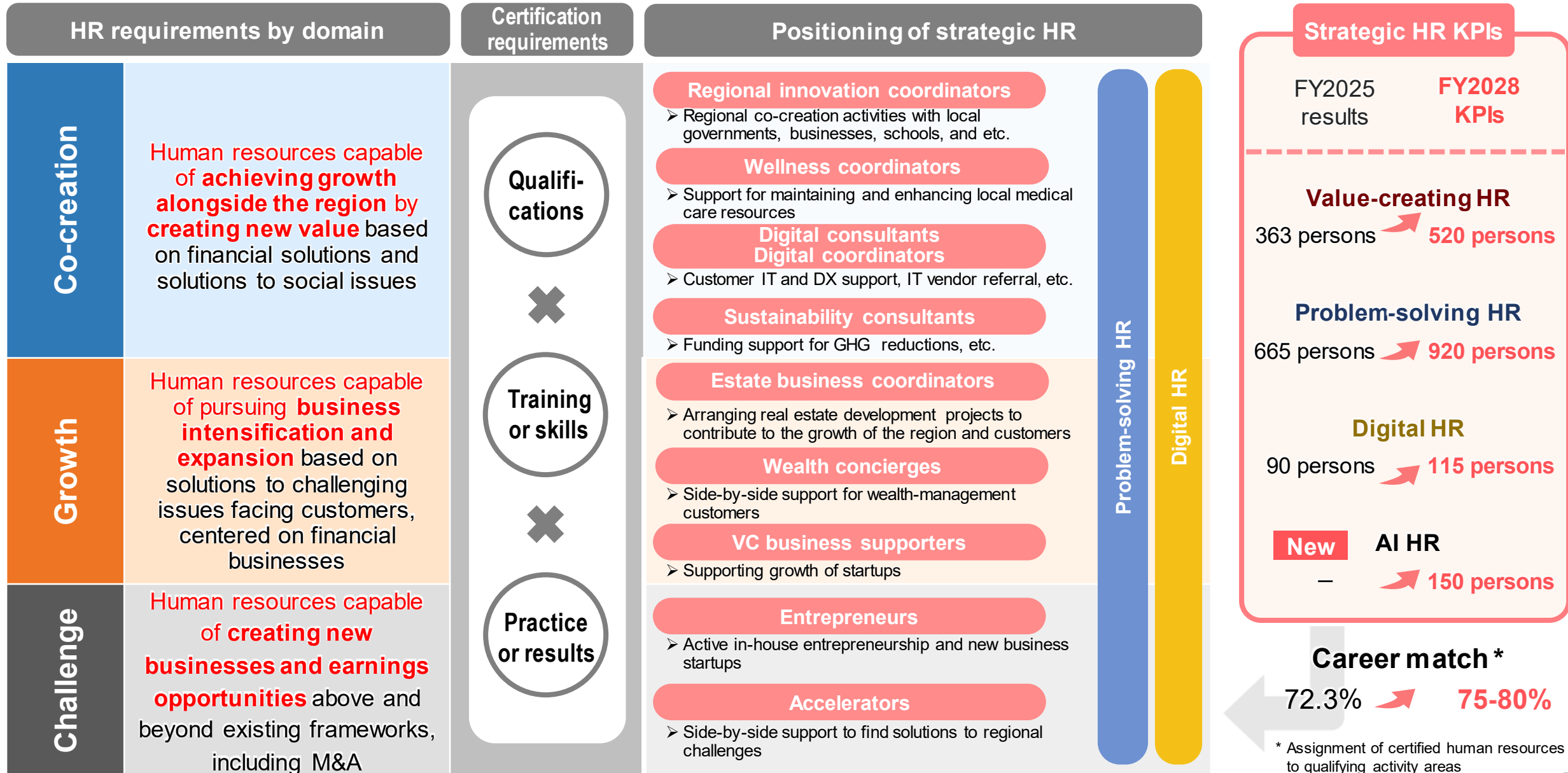
Considering new M&A based on priority area (leasing, settlement services, trust functions)

(3) Dynamically uncovering potential projects

Formulating an M&A budget for strategic and dynamic project sourcing

Human capital management initiatives –Strategic human resources development

Building the targeted HR portfolio by systematically promoting the development of strategic HR to implement basic strategies maintaining efforts as is the previous Medium-term Business Plan



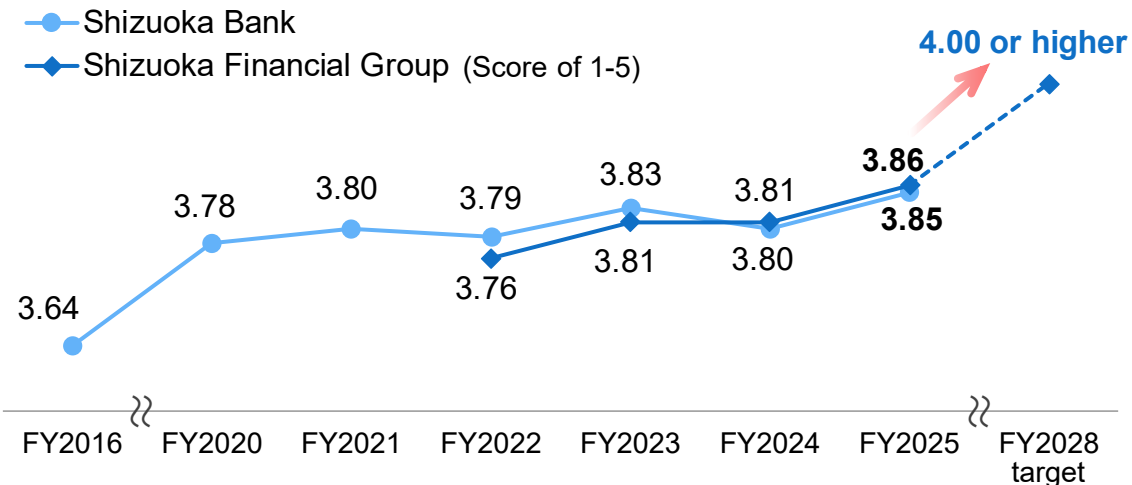
* Assignment of certified human resources to qualifying activity areas

Human Capital Management Initiatives –Improving Group employee engagement

Implementing measures to reform the align employee thinking with management strategies based on Group employee engagement survey results.

Trend in Group employee engagement survey results

The engagement survey score for Shizuoka Financial Group as a whole is 3.86 (+0.05 pt change YoY).
Shizuoka Bank is 3.85 (+0.05 pt change YoY).



FY2025 results and FY2026 Challenges

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

FY2025 KPIs	YoY
(1) Satisfaction	+0.04
(2) Attractiveness to employees	+0.05
(3) Challenges, value creation	+0.01
(4) Wellbeing	+0.05
(5) Cultural reforms	+0.06
(6) Sustainability management	+0.04

FY2026 challenges based on engagement survey results

Value permeation

WILL, Medium to long term career planning

Workload burden

Messages from management

Improving understanding of strategy

Shizuoka Financial Group has published its first Human Capital Report, describing the roadmap for change and our vision for maximizing human capital.

HUMAN CAPITAL REPORT 2026 - Future and roadmap for change -



Published to systematically review and communicate to all stakeholders the results of and issues related to human capital management to date and in the future.

Features Human Capital Management Today, our management efforts to date and indicate changes in human capital strategy and organization.



Introduction and utilization

Aligning and maximizing management and HR strategies

of the Talent Palette talent management system



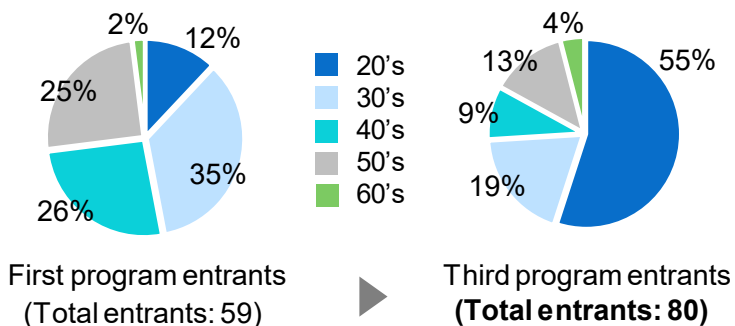
This system was introduced to visualize information on human capital information, including the skills and career hopes of officers and employees and connecting them to optimal assignments and other HR measures. Used in HR evaluations, one-on-one meetings, reviews, and other activities, and promotes human capital management.

Human Capital Management Initiatives –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.



Third award-winning theme

Linkle, a communication service to accelerate collaboration within the organization



Nao Aoyama,
IT Planning Group, Shizuoka Bank

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.

	FY2023	FY2024	FY2025
Open College participants (persons)	8,459	9,420	10,016

Value Up program (Accumulated usage through end of Mar. 2026: 232 cases)

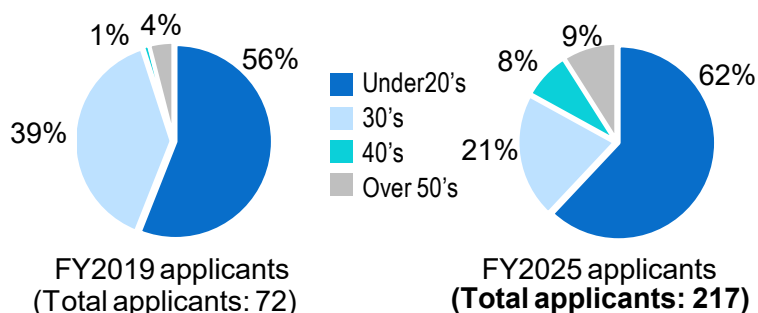
This program provides financial support for skills development initiatives planned by individual employees themselves.

[Examples of past support]

Business schools (e.g., Keio MCC), data science schools, qualification schools, etc.

My Career Design program

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



Diverse career choices

Tackling the challenge of a posting to a requested section

Transfer between Group companies

In-house trainee

External dispatch

etc.

Cumulative total users:
695
* From FY2019 to the end of Mar. 2026

Meet Up program (Accumulated usage through end of Mar. 2026: 151 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 local sake industry, events for learning about local history and food culture, startup events, and other activities

Numbers of qualified employees

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

Value creating human resources (dark blue) Problem-solving human resources (green)

(As of the end of Mar. 2026)

Certified Financial Planner 1st grade 361	Registered Management Consultant 76	IT Passport 1,715	Fundamental Information Technology Engineer 282	Social Insurance Labor Consultant 23	Administrative Scrivener 30	MBA 20
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Initiatives local decarbonization

Make full use of the Group's decarbonization support services we have expanded under the 1st Mid-Term Business Plan to effectively assist local companies in reducing their GHG emissions.

Continuing to accelerate our collaborative efforts across the region to achieve our materiality of "Society that balances the environment and economy"

Region-wide decarbonization initiatives

- Concluding partnership agreements on decarbonization and other topics with municipalities (Hamamatsu, Kosai, Gotemba, Iwata, Fukuroi)
- Established the Shizuoka Carbon Neutral Finance Consortium
- Shizugin Lease launches verification testing in the power sector.



Vision

2050 Net zero financed emissions for Shizuoka Financial Group

Social impact indicator

2030 Reduction GHG emissions in Shizuoka Prefecture (- 46% vs. FY2013)

Enhancing Groupwide decarbonization support

- Introduction of Shizuoka GX Support (Shizuoka Bank)
- Introduction of carbon offset auto leases (Shizugin Lease)
- J-Credit creation support (Shizugin Management Consulting)
- Introduction of GX promotion guarantees (Shizuoka Bank)
- Introduction of Shizuoka GX-support loan (Shizuoka Bank)
- Introduction of Shizuoka GX Support Z (Shizuoka Bank)

- All regional banks and credit union in Shizuoka Prefecture began offering Shizuoka GX Support.

NEW

Sustainability indicator for the 2nd Medium-term Business Plan

GHG emissions by commercial borrowers

2025

- Shizugin Wind Park Higashi-Izu Wind Farm began operation.
- Abekawa Hydroelectric Power Station began operation.



2024

- City of Hamamatsu carbon-neutral business certification



2023

- Shizugin Solar Park began operation.

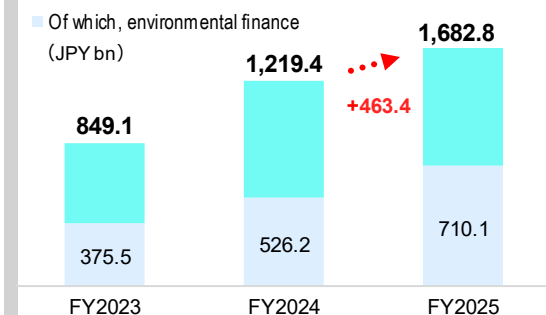
Promoting decarbonization within the Group

2030 Achieving carbon neutrality (Scopes 1 and 2)

Amounts executed in Sustainable finance

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

Progress rate vs. target: **84.1%** (71.0%)



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 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

Strategy

- Analysis of general natural dependencies and natural impact with borrowers (ENCORE analysis)
- Choosing three industries and conducting the following analysis
 - (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**

KPIs, targets

- Measuring and disclosing **metrics required** under TNFD
 - 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 loan 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

* 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

Topics

Shizugin Management Consulting: Supported I-kan Corporation in application for Nationally Certified Sustainably Managed Natural Sites

This case, the first example of support related to a Nationally Certified Sustainably Managed Natural Sites application, involved joint efforts with experts to identify insects, plants, etc. and support activities such as demonstration of biodiversity value.

[Site value]

Providing biodiversity services through organic farming and food and agriculture education; safeguarding/establishing ecosystems with a focus on native species



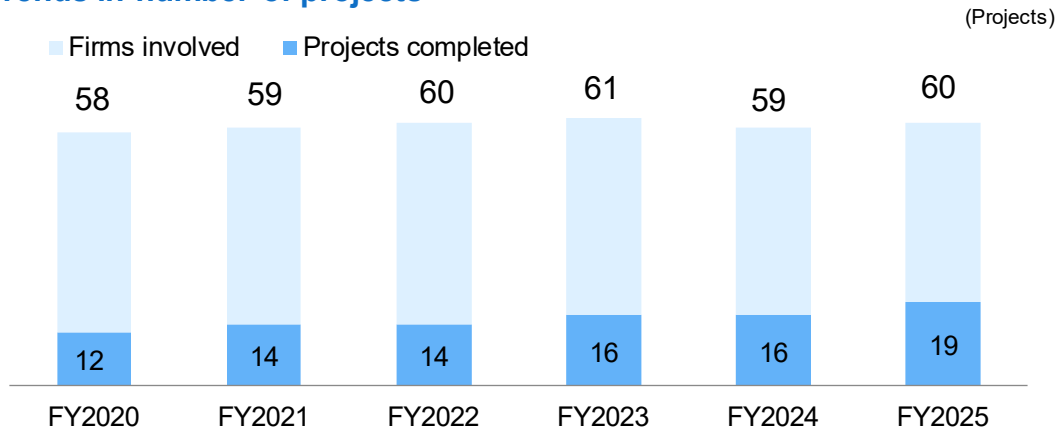
Efforts to problem solving of regional firms

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.

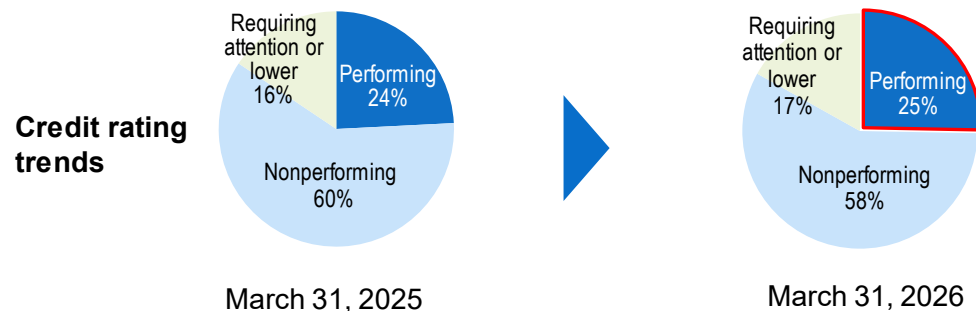
Trends in number of projects



Approximately 350 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), the ratio of performing borrowers and requiring attention or lower increased slightly.



Efforts to Industrial Transformation Support

- 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).
- Investment for the second time Shizuoka Nagoya Alliance Fund project for automotive business seeking to expand its business domains from engine parts to EV parts and other areas (October 2025)
- Began trial operation toward commercialization of cost diagnosis for manufacturers with Takumi Engineering, Inc., a startup with roots in the University of Tokyo (since December 2025)
- Concluded wide-area partnership agreement involving eight regional banks to support the auto industry (February 2026)

[Banks which concluded wide-area partnership agreement]

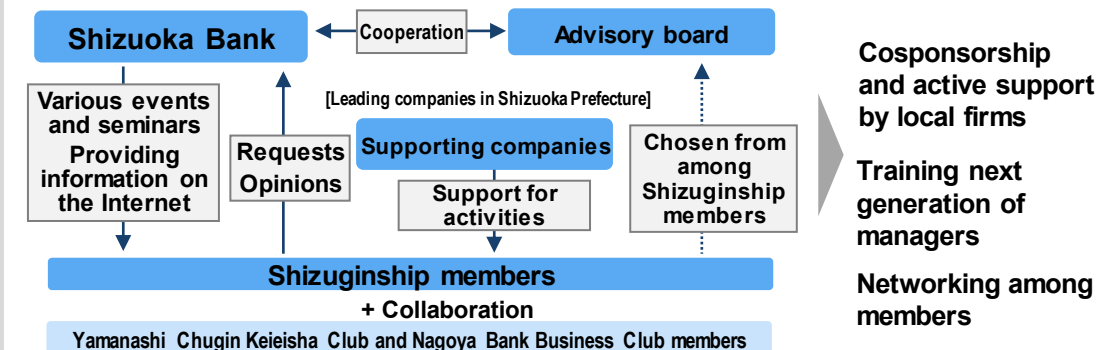


Shizuginship next-generation management courses

- 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: 674 corporate and 1,012 individual members as of the end of March 2026
Participants in FY2025 activities: 1,317 persons in total

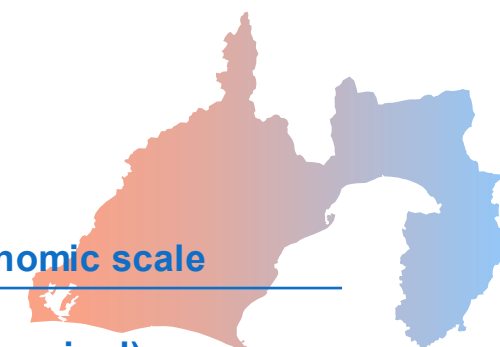


Economy of Shizuoka Prefecture –Economic scale

Accounting for 3% of Japan's national economy, the Shizuoka Prefecture economy 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 Hungary, Ukraine, and Angola 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 million	2.7%	10/47(2025)
Prefectural GDP (nominal)	JPY 18.1tn	3.1%	10/47(FY2022)
Prefectural GDP per capita	JPY 3,478k	-	4/47(FY2022)
Business locations	165,000	3.1%	10/47(2021)
Shipments of manufactured goods, etc. by value	JPY 19.8tn	5.3%	2/47(2023)
Agricultural production	JPY 239.6bn	2.2%	18/47(2024)
Fisheries production	158,000t	5.7%	5/47(2024)
Factory locations	46	5.4%	5/47(2024)
New housing starts	18,000	2.4%	10/47(2025)

Shizuoka Prefecture's economic scale

Prefectural GDP (FY2022, nominal)

Rank	Prefecture, region	(USD bn)
9	Fukuoka	149.1
10	Shizuoka	134.9
11	Ibaraki	107.7
–	Four prefectures of Shikoku	109.2
–	Three prefectures of Hokuriku	97.0

Comparison to national GDPs (2022)

Rank	Country, region	(USD bn)
58	Hungary	178.3
59	Ukraine	162.0
60	Angola	142.4
–	Shizuoka Prefecture	134.9
61	Morocco	131.3
62	Ethiopia	119.0

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

Positioned at a transportation hub between Tokyo, Nagoya, and Osaka. 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 fourth among desirable relocation destinations in Japan.

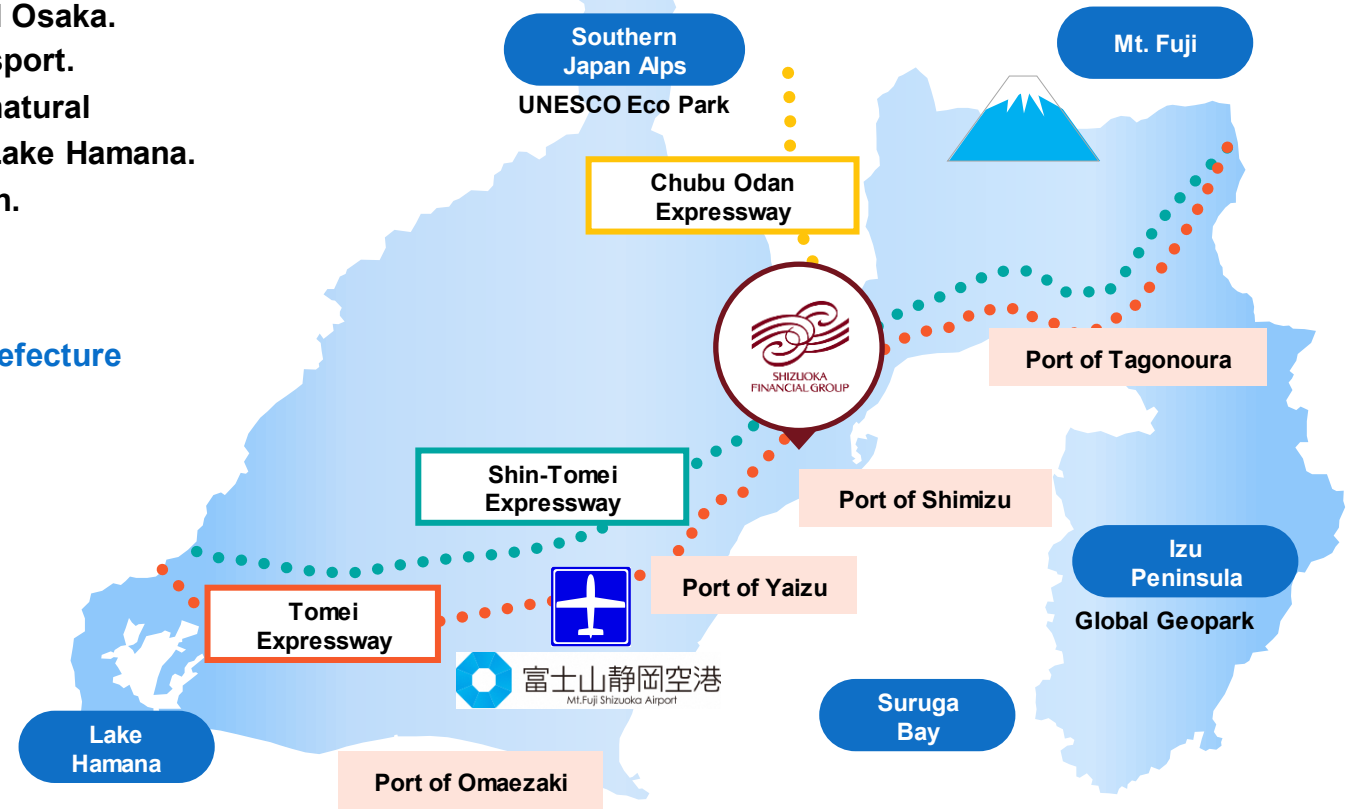
Rankings of desired relocation destinations in Japan by prefecture

Ranked fourth in 2025 survey

Popular as a relocation destination among all generations

Ranking of desired relocation destinations			
2022	2023	2024	2025
1	1	2	4

Source: Survey by Japan Organization for Internal Migration



Lake Hamana

- The 10th largest lake in Japan
- Renowned for recreation and the cultivation of eels and other aquaculture



Source: Hamamatsu and Lake Hamana Bureau of Tourism website

UNESCO World Heritage Sites in Shizuoka Prefecture

Mt. Fuji (added June 2013)

Included in the World Heritage List as "Fujisan, sacred place and source of artistic inspiration"



Nirayama Reverberatory Furnaces (added July 2015)

Included in the World Heritage List as "Sites of Japan's Meiji Industrial Revolution: Iron and Steel, Shipbuilding and Coal Mining"



Source: Shizuoka Prefectural Tourism Association website

Izu Peninsula

Certified as a Global Geopark by UNESCO

(April 2018)

The ninth certified Global Geopark in Japan



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

One of the leading manufacturing prefectures in Japan, Shizuoka Prefecture features a well-balanced industrial structure that includes vehicles, pharmaceuticals and medical devices, and musical instruments.

The health and medicine industry has a hub in the eastern prefecture, and various advanced industry hubs exist within the prefecture.

It ranks highly among relocation destinations for headquarters and factories in Japan every year.

■ Headquarters relocation to Shizuoka Prefecture

Number of certifications under the regional facility enhancement tax program:

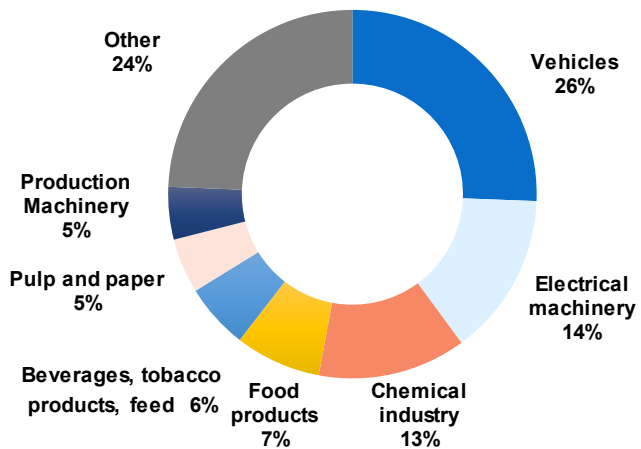
99 (cumulative through end of FY2024)

Top nationwide for six consecutive years

■ Shizuoka Prefecture's industrial composition

Shipments of manufactured goods, etc. by value:
JPY 19,773.2bn

Second highest in Japan (2023)



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

■ Plant locations in Shizuoka Prefecture

It ranks highly among 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

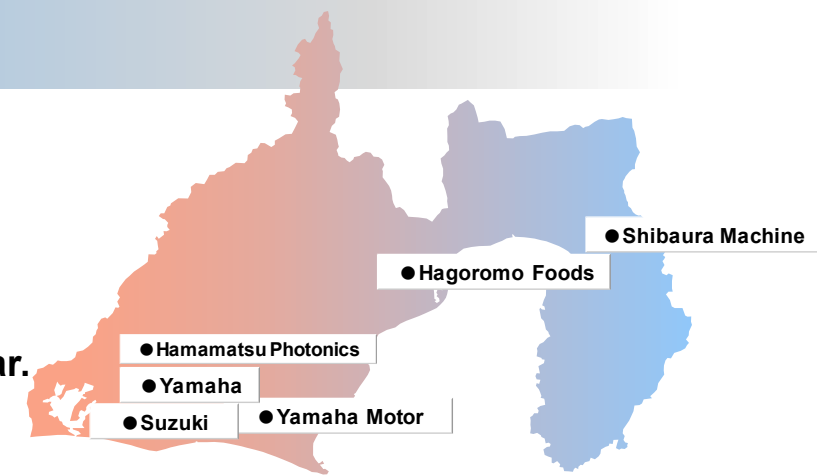
■ Shizuoka Prefecture's health and medicine industry

Total production of pharmaceuticals and medical devices by value

Approx. JPY1.1tn: 2nd in Japan (2024)

Product	Production (JPY bn)	National Rank
Pharmaceuticals	763.1	3
Medical devices	295.5	2
Total	1,058.6	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 March 31, 2026

Exchange	Companies
TSE Prime	18
TSE Standard	32
TSE Growth	2
Total	52

■ An advanced industrial hub

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

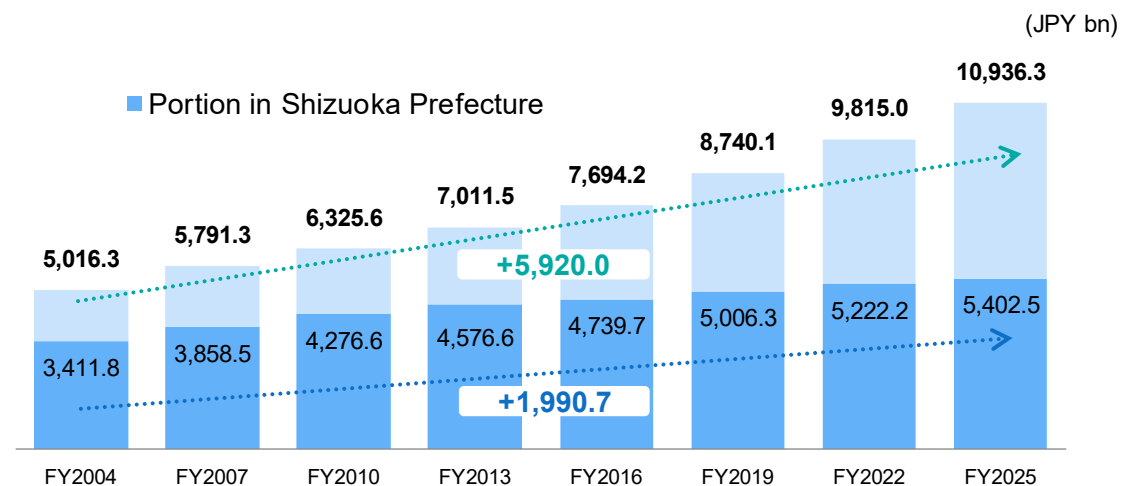


Source: Center for Next Generation Cars Hamamatsu website

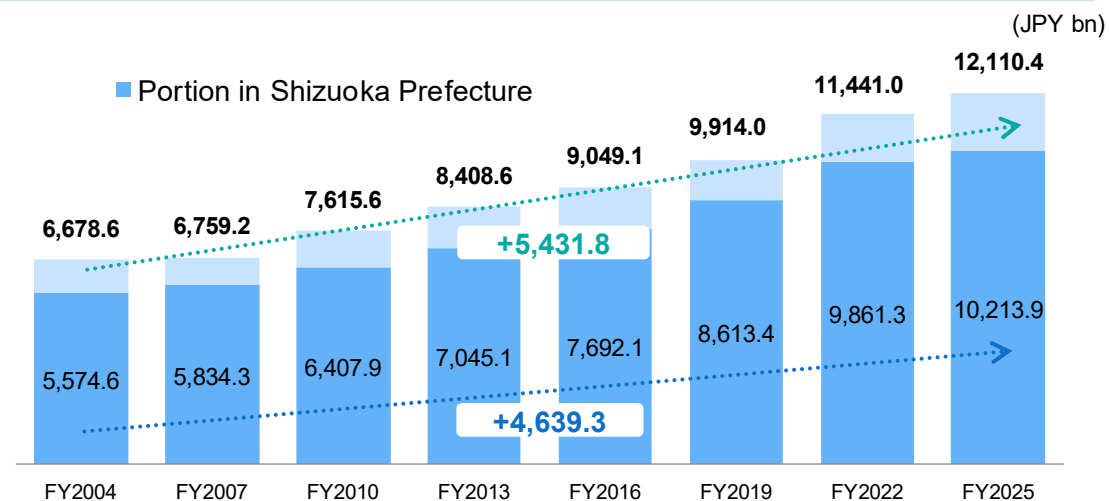
Trends in loans and deposits

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

Total loan balance (average)



Total deposit balance (average)



One of the highest external credit ratings of 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 March 2026)

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

The Bank of Fukuoka, Jojo Bank, and four other banks

Expected loss (EL) for all industries totals JPY 11.3 bn, while unexpected loss (UL), or credit risk, for all industries totals JPY 92.8 bn.

Status of business loans to certain industries

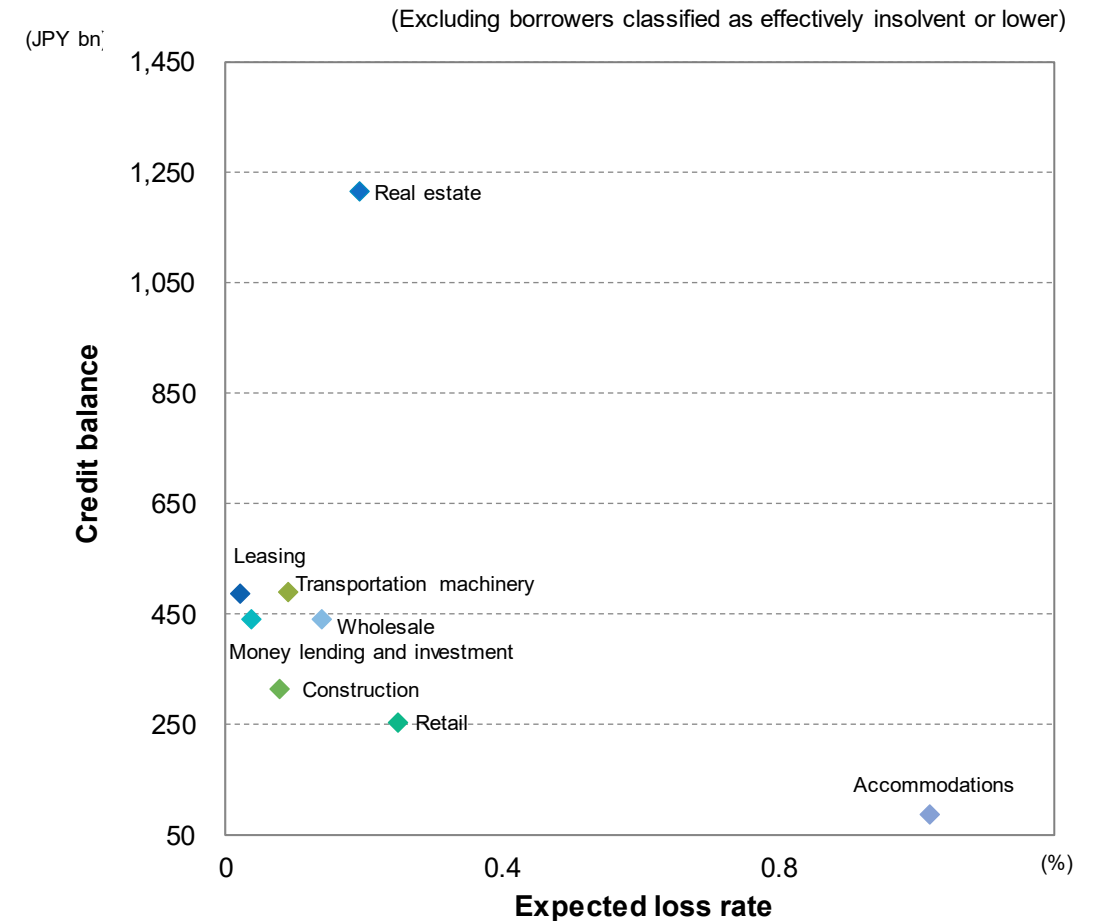
Credit balance (as of the end of March 2026)

	(JPY bn, %)		
	Balance	Composition ratio	YoY Change
All industries	7,248.5	100.0	+236.3
Real estate *1	1,217.2	16.7	+86.2
Transportation machinery	490.0	6.7	+13.5
Leasing	485.8	6.7	+11.8
Wholesale *2	439.8	6.0	-7.3
Money lending and investment	439.4	6.0	+18.5
Construction	314.8	4.3	+18.1
Retail	255.4	3.5	-4.4
Accommodations	87.9	1.2	-0.6

*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	
Core capital JPY 878.2bn (End of March 2026)	Credit risk 267.6	➔	Loans (credit risk)	176.5	131.2	74%
	Market risk 235.3		Treasury division	316.9	150.7	47%
	Strategic investments 20.0		Subsidiaries of holding company, etc. (excluding Shizuoka Bank)	7.5	2.7	36%
	Operational risk 15.5		Subsidiaries of Shizuoka Bank	2.0	0.5	25%
	Buffer capital, etc. 339.8		Strategic investments	20.0	11.2	56%
			Operational risk	15.5	15.5	100%
		Subtotal	538.4	311.8	57%	
		Buffer capital, etc.	339.8	-	-	
		Total	878.2	-	-	

- 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 FY2025 was JPY 12.7bn (up JPY 0.9bn YoY).

(JPY bn)

Company name	Main businesses	FY2025	
		ordinary profit	YoY change
Shizugin Management Consulting Co., Ltd.	Corporate and financial management advisory services; bill collection services	0.4	-0.1
Shizugin Lease Co., Ltd.	Leasing	1.5	-0.2
Shizuoka Capital Co., Ltd.	Support for public offering of stock shares; management support and business-succession support for SMEs	0.3	+0.0
Shizugin TM Securities Co., Ltd.	Financial instruments brokerage	3.9	+0.9
SFG Marketing Co., Ltd.	Marketing support; advertising agency services; fee-based job placement services	0.0	+0.1
SFG Real Estate Investment Advisors Co., Ltd.	Investment advisory services regarding private real-estate investment funds; consulting services	1.0	+0.2
Subsidiaries of Shizuoka Bank(11 companies)			
Shizugin IT Solution Co., Ltd.	Computer system development and operations; data processing services	0.2	+0.0
Shizugin Credit Guaranty Co., Ltd.	Credit guarantees	4.0	-0.2
Shizugin Card Co., Ltd.	Credit card business; credit guarantees	0.9	-0.1
Shizuoka Liquidity Reserve Ltd.	Purchase of monetary receivables	0.1	-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, worker dispatch businesses	0.0	+0.0
Shizugin Saison Card Co., Ltd.*1	Credit cards; credit guarantees	0.3	+0.3
Shizugin Heartful Co., Ltd.	Production, printing, and binding of documents	0.0	-0.0
Total excluding Shizuoka Bank (17 companies)		12.7	+0.9
(Reference) Equity method affiliates			
Commons Asset Management, Inc.	Asset management; investment trust sales	0.1	-0.0
Monex Group, Inc.	Holding stocks of companies involved in financial instruments brokerage and other businesses	*2 15.8	+20.4

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

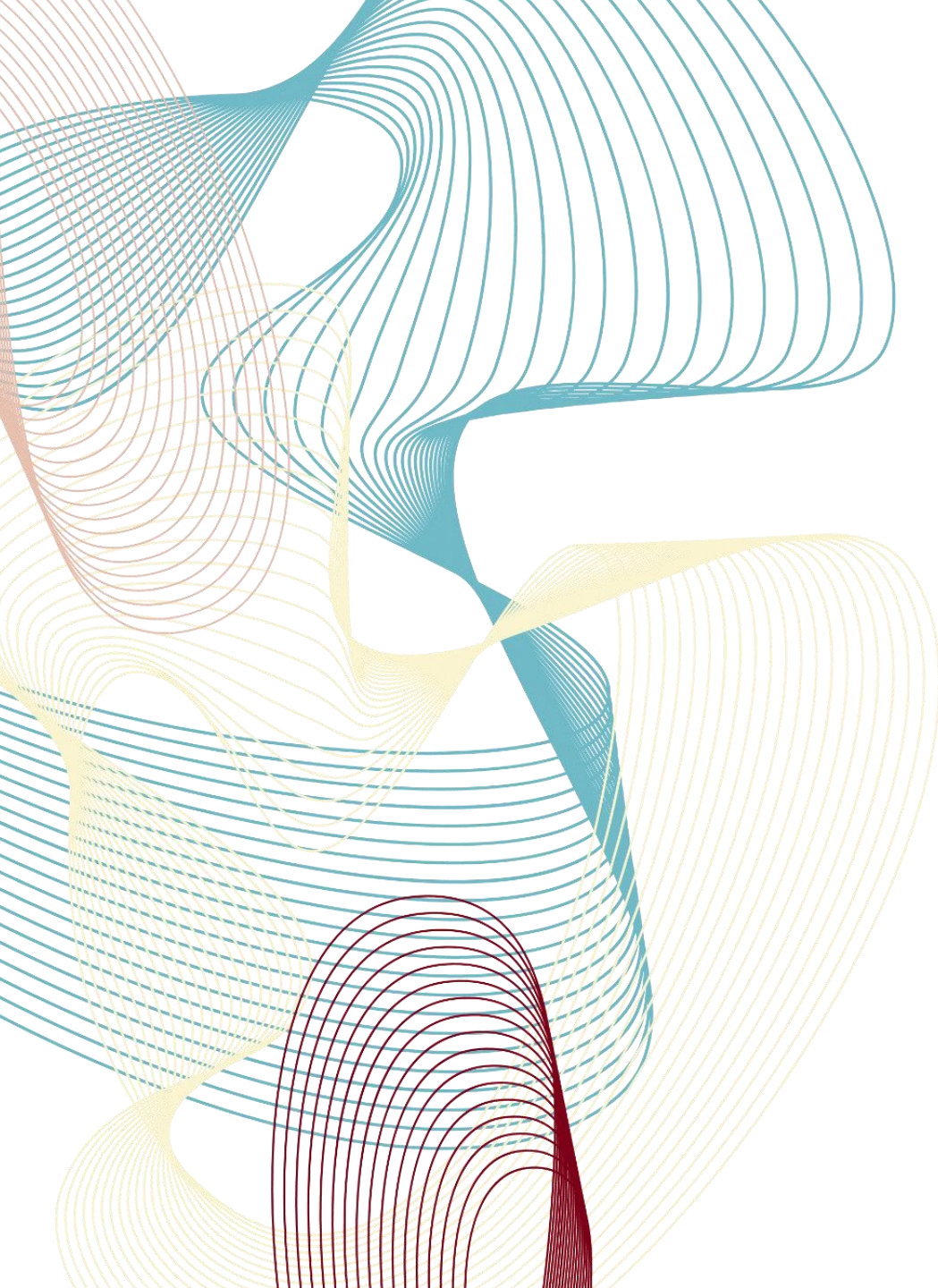
*2 Pretax income

Shareholder returns –Share buybacks (over time)

Through FY2025, 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)*1 (%)	EPS (consolidated)*1 (JPY)	BPS (consolidated)*1 (JPY)	DPS (consolidated)*1 (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	11,877	30,000	–	–	80.0	80.6	167.7	2,321.8	80.0
Cumulative total	279,879	289,556	225,404	213,959	–	–	–	–	–

*1 Consolidated financial statements have been prepared since FY1998. 72



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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