Shizuoka Financial Group

Summary of FY2026 1Q Financial Result

August 2026

Xover 2.0

- Into the future together

Key messages

FY2026 1Q Financial Results

- **Strong positive trend for net income, which rose JPY 10.2 bn YoY to JPY 32.7 bn (progress rate of 31.1%).**
  - Nonconsolidated core gross operating profits for Shizuoka Bank were up JPY 8.1 bn, centered on net interest income and fees and commissions.
  - Replacement operations intended to improve the profitability and soundness of bonds held continued to proceed in accordance with initial plans.

Upward revisions to performance forecasts

- **Based on favorable progress of financial results, BoJ policy interest rate hikes, and other factors, forecast consolidated net income has been revised upward to JPY 115.0 bn.**
  - Profits were bolstered by rising net interest income (up JPY 12.5 bn), centered on higher profits on JPY loans, and other factors.
- **Consolidated ROE (based on net assets) is projected to improve to 9.1% (up 0.7 pt from initial forecast).**

Capital policies

- **Enhancing returns to shareholders based on improved profit levels and capital efficiency conditions.**
  - Planned dividends revised to JPY 108 per share, an increase of JPY 28 YoY (JPY 10 above the figure from initial forecast).
  - Commencement of purchase of treasury stock announced (max.: JPY 30.0 bn,10 million shares).

  [Forecasts] Dividend payout ratio 49.6% (up 1.9 pt YoY), total payout ratio 75.5% (down 5.1 pt YoY)

Summary of FY2026 1Q financial results (consolidated)

Steady increased in core gross operating profit due to growth in core business earnings centered on net interest income, and net income increased YoY by JPY 10.2 bn.

(JPY bn, %)	FY2025 1Q	FY2026 1Q	YoY change	
			Increase/ decrease	Increase/ decrease (%)
Core gross operating profit*1	**54.6**	**64.5**	**+10.0**	**+18.2**
Gross operating profit	**54.2**	**42.3**	**-11.9**	**-21.9**
Operating expenses (−)	26.7	28.4	+1.7	+6.4
Share of profit (loss) of entities accounted for using equity method	0.2	1.3	+1.0	+416.5
Net operating profit*2	**27.8**	**15.1**	**-12.7**	**-45.8**
Credit-related costs (−)	1.7	2.4	+0.7	+39.7
Gain (loss) on stocks	4.4	32.9	+28.6	+652.7
Ordinary profit	**31.1**	**47.0**	**+15.9**	**+51.0**
Extraordinary profit (loss)	0.3	-0.1	-0.4	-
Net income before taxes	31.4	46.9	+15.5	+49.4
Total income taxes (−)	8.8	14.1	+5.3	+60.6
Net income*3	**22.6**	**32.7**	**+10.2**	**+44.9**
ROE (based on net assets)	7.7	10.5	+2.7	-

*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 42.3 bn (Down for the first time in fourth periods)

Decrease of JPY 11.9 bn due to higher losses on sale of bonds (up JPY 22.7 bn YoY) associated with actions taken to replace low-profit bonds. Core gross operating profit was up JPY 10.0 bn YoY, with higher core business profits, centered on net interest income.

Net operating profit JPY 15.1 bn (Down for the first time in fourth periods)

Decrease of JPY 12.7 bn due to increase in operating expenses (+JPY 1.7 bn) and decrease in gross operating profits.

Progress rate: 30.9%

Ordinary profit JPY 47.0 bn (Up for fifth consecutive period)

Increase of JPY 15.9 bn due to increase in gains and losses on equities (+JPY 28.6 bn) associated with sale of shareholdings.

Progress rate: 31.1%

Net income JPY 32.7 bn (Up for seventh consecutive period)

Increase of JPY 10.2 bn in net income as core business earnings increased steadily, centered on net interest income, alongside strategic bonds replacement operations.

Results for major Group companies

Shizuoka Bank, Nonconsolidated

Core gross operating profits grew sharply, excluding the decrease in income related to JGBs and other bonds associated with the replacement of JPY bonds.

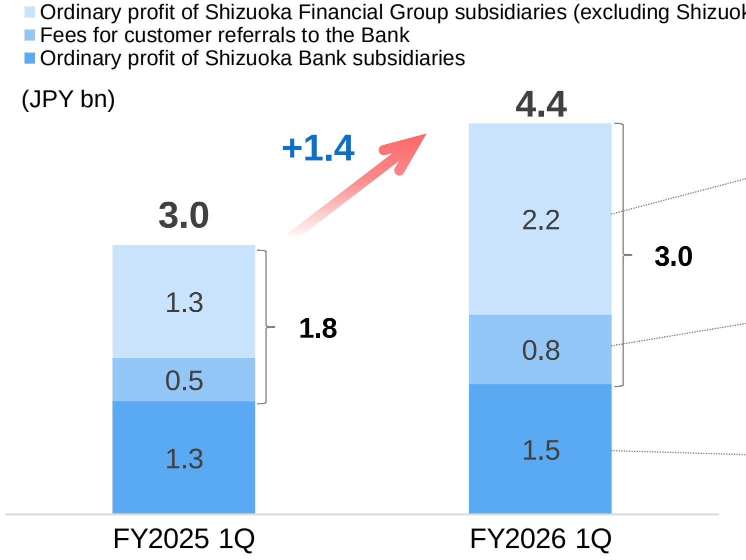
(JPY bn, %)	FY2026 1Q	YoY change Increase/ decrease	YoY change Increase/ decrease (%)
Core gross operating profit*1	**59.4**	**+8.1**	**+15.8**
Gross operating profit	**37.1**	**-13.8**	**-27.0**
Net interest income	48.7	+6.4	+15.0
Fees and commissions	9.4	+1.9	+25.2
Trading income	0.2	-0.3	-62.9
Other operating profit	-21.2	-21.8	-
(Income related to JGBs and other bonds)	(-22.3)	(-21.9)	(-)
(Foreign exchange trading profit)	(0.1)	(-0.5)	(-84.9)
Expenses (-)	24.7	+1.1	+4.7
Actual net operating profit*2	12.4	-14.9	-54.6
Provision for general allowance for loan losses (-)	0.3	+0.3	-
Net operating profit	**12.0**	**-15.2**	**-55.8**
Nonrecurring profit and loss	32.1	+28.8	+856.7
Bad debt written-off (-)	1.9	+0.4	+23.8
Gain (loss) on stocks	32.9	+28.6	+652.0
Ordinary profit	**43.9**	**+13.4**	**+43.7**
Extraordinary profit (loss)	-0.1	-0.4	-121.3
Net income before taxes	43.9	+13.0	+42.1
Total income taxes (-)	12.9	+4.8	+59.4
Net income	**31.0**	**+8.2**	**+36.0**

Credit related costs (-)	2.2	+0.7	+46.1

*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

Profit contributions of Group companies

Steady growth in the customer assets revenues of Shizugin TM Securities, drove profit contributions of Group companies are growing steadily.



Main breakdown

Shizuoka Financial Group subsidiaries

Shizugin TM Securities	1.3 (+0.7)
Shizugin Lease	0.4 (-0.0)
Shizugin Management Consulting	0.1 (+0.1)

Fees for customer referrals to the Bank

Shizugin TM Securities	0.4 (+0.1)
Shizugin Lease	0.2 (+0.1)
Shizugin Management Consulting	0.2 (+0.0)

Shizuoka Bank subsidiaries

Shizugin Credit Guaranty	1.1 (+0.2)
Shizugin Card	0.2 (-0.0)

Group company profits
(not including Shizuoka Bank)

Total for SFG subsidiaries
(7 companies)

	FY2026 1Q	YoY change
Ordinary profit	**2.2**	**+0.9**
Net income	**1.5**	**+0.6**

Total for consolidated subsidiaries
(17 companies)

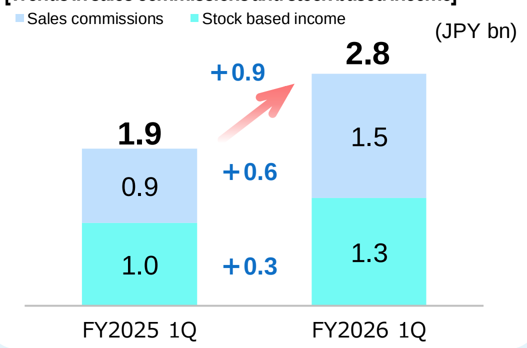
	FY2026 1Q	YoY change
Ordinary profit	**3.6**	**+1.1**
Net income	**2.4**	**+0.7**

Topic

Shizugin TM Securities

Steady growth in sales of Investment trust drove well-balanced growth in both sales commissions and stock based income (trust fees).

[Trends in sales commissions and stock based income]



* Each profit increased by JPY 0.2 bn YoY, due to Shizugin Saison Card and Tokyo Gas Lease were made newly consolidated subsidiaries

Net interest income (Shizuoka Bank nonconsolidated)

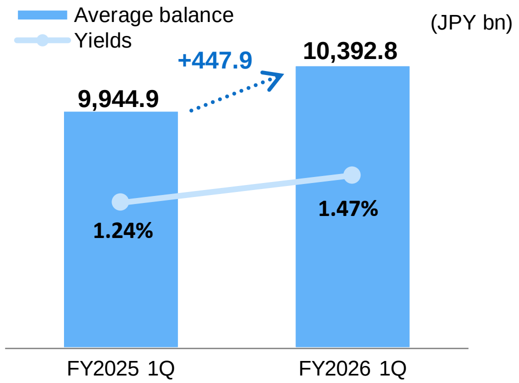
Steady growth in the domestic segment, due mainly to an increase in interest on loans with rising JPY interest rates, drove net interest income up by JPY 6.4 bn YoY overall.

Breakdown of net interest income

(JPY bn)	FY2024 1Q	FY2025 1Q	FY2026 1Q	YoY change
Net interest income	**36.9**	**42.4**	**48.7**	**+6.4**
Domestic	33.1	37.9	44.2	+6.2
Interest on loans	24.0	30.9	38.3	+7.4
Interest and dividend on securities	9.8	11.6	14.6	+2.9
(Bonds)	2.9	3.5	5.6	+2.0
(Investment trusts)	0.3	0.6	0.8	+0.2
Funding costs (−)	1.4	6.3	10.9	+4.6
(Interest paid on deposits, etc.) (−)	0.6	5.1	9.4	+4.4
Other	0.6	1.6	2.1	+0.5
International	3.8	4.5	4.6	+0.1
Interest on loans	12.8	10.1	10.0	-0.2
Interest and dividend on securities	8.4	7.6	7.0	-0.6
(Bonds)	7.7	6.9	6.4	-0.5
(Investment trusts)	0.8	0.7	0.6	-0.2
Funding costs (−)	19.7	14.6	13.5	-1.1
(Interest paid on deposits, etc.) (−)	10.4	7.4	6.5	-0.9
Other	2.3	1.3	1.1	-0.2

Domestic

Loan balance (average balance)



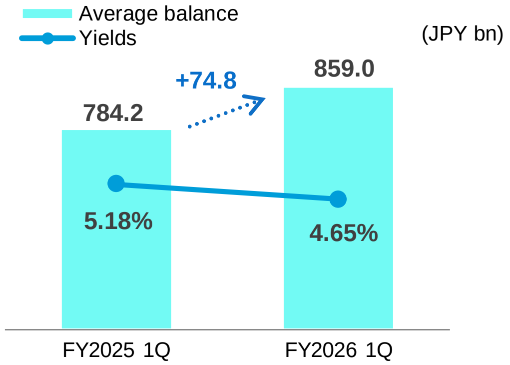
Balance factors: +1.7;
Interest rate factors: +5.7

Yields, interest margin

(%)	FY2025 1Q	FY2026 1Q	YoY change
Yield on loans	1.24	1.47	+0.23
Yield on deposits, etc.	0.17	0.32	+0.14
Loan-deposit rate spread	1.06	1.15	+0.08
Yield on funds management	1.29	1.62	+0.32
Cost of fund raising	0.88	1.05	+0.17
Total margin	0.41	0.56	+0.15

International

Loan balance (average balance)



Balance factors: -0.1; Forex factors: +0.9;
Interest rate factors: -1.0

Yields, interest margin

(%)	FY2025 1Q	FY2026 1Q	YoY change
Yield on loans	5.18	4.65	-0.53
Yield on deposits, etc.	3.58	3.06	-0.52
Loan-deposit rate spread	1.60	1.59	-0.00
Yield on funds management	4.28	3.89	-0.39
Cost of fund raising	3.41	3.06	-0.35
Total margin	0.86	0.82	-0.04

Loans (Shizuoka Bank nonconsolidated)

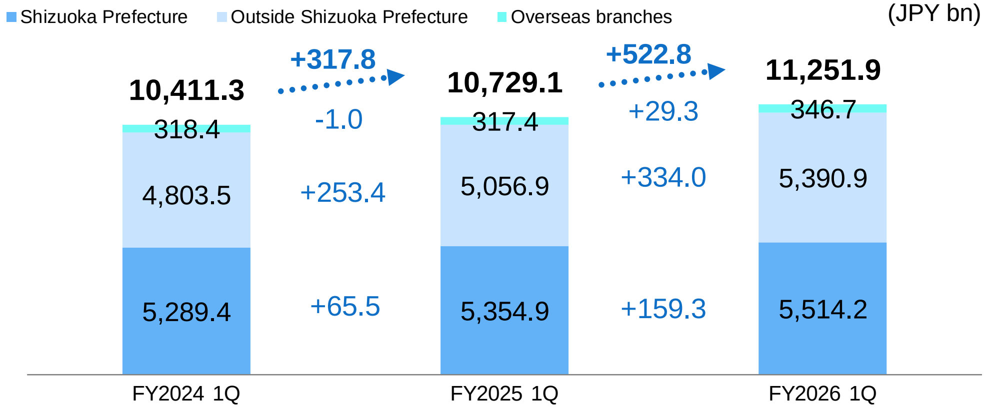
The total loan balance (average balance) increased due to growth mainly in loans to SMEs and retail loans (+4.8% annual).

Loan balance (average balance)

(JPY bn)	FY2026 1Q	YoY change	Annual rate
Total loan balance	11,251.9	+522.8	+4.8%
Loan balance to SMEs	4,602.9	+243.9	+5.5%
Loan balance to large and medium-sized enterprises	1,831.6	-32.7	-1.7%
Retail loans	4,392.6	+291.8	+7.1%
Loan balance in foreign currency	789.8	+71.0	+9.8%

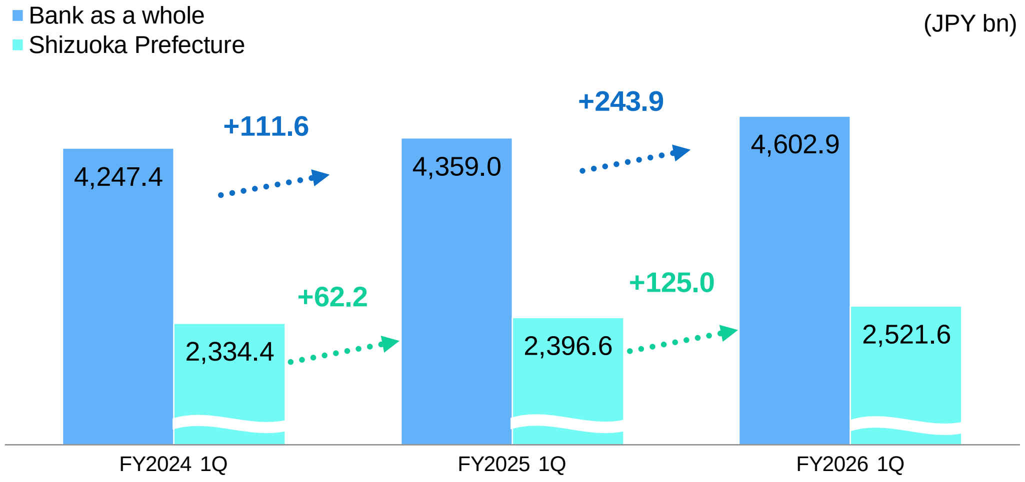
Balance factors: -7.4, Forex factors: +78.5

Loan balance (by segment)

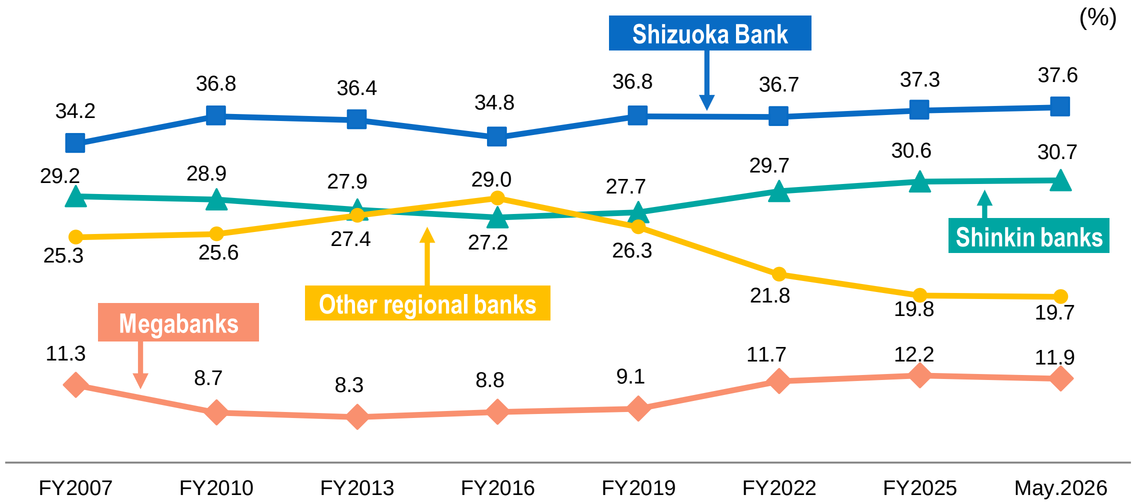


	FY2024 1Q	FY2025 1Q	FY2026 1Q
Kanagawa Prefecture	1,596.0 (+131.3)	1,736.0 (+140.0)	1,958.2 (+222.2)
Shizuoka + Kanagawa Prefectures	6,885.4 (+154.1)	7,090.9 (+205.5)	7,472.4 (+381.5)

SMEs loan balance (average balance)



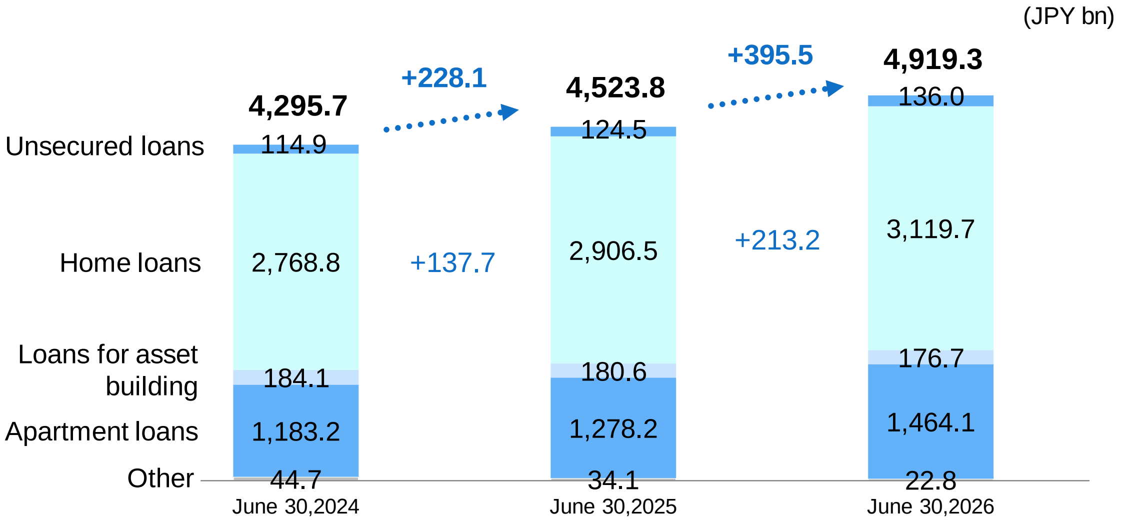
Share of loans in Shizuoka Prefecture



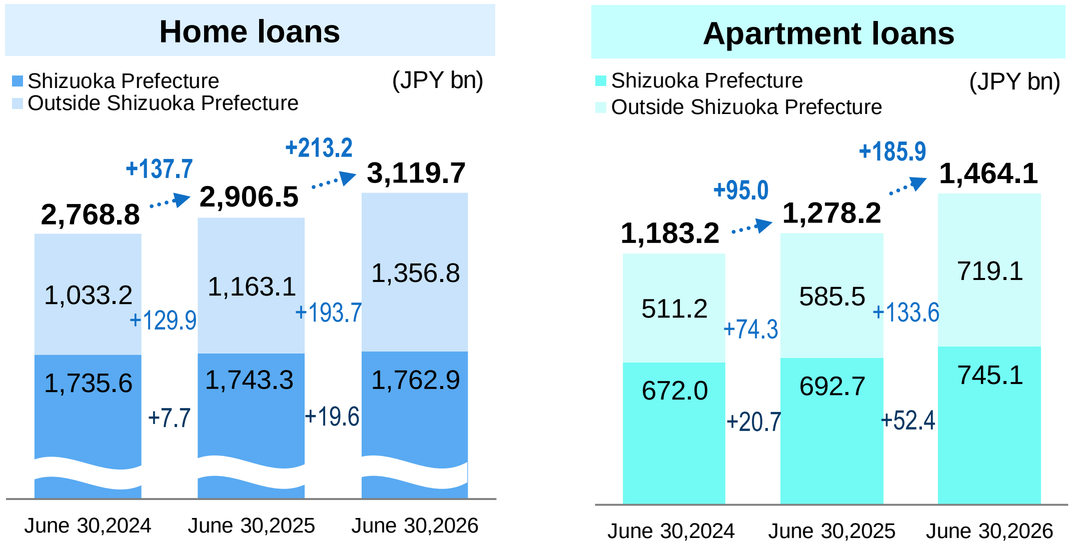
Home loans, apartment loans, and other (Shizuoka Bank nonconsolidated)

The balance of home loans, apartment loans, and other loans continued to grow. Loan-related revenues grew JPY 4.3 bn YoY, due to higher interest revenue generated by revisions to short-term prime rate and other factors.

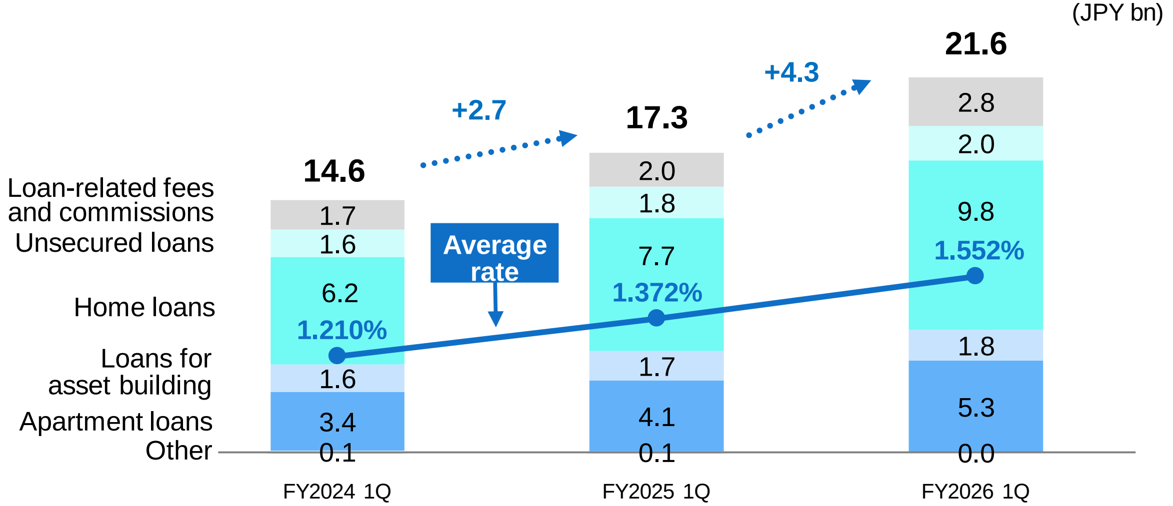
Term-end balance



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



Interest amounts, fees, and rates



Delinquency rate and occupancy rate

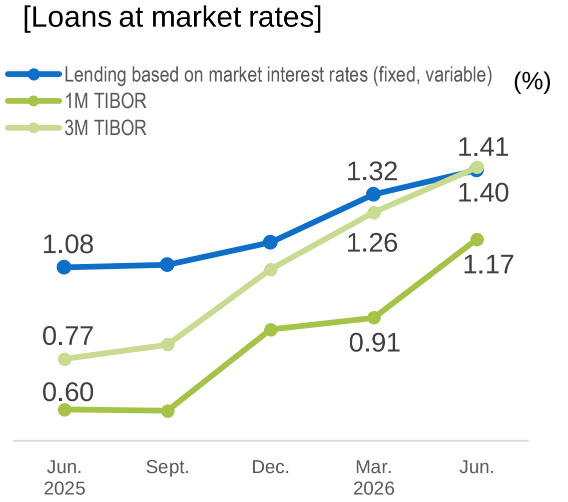
Delinquency rate (three months or longer)	June 30, 2024	June 30, 2025	**June 30, 2026**
Home loans	0.12%	0.12%	0.11%
Apartment loans	0.02%	0.02%	0.03%
Loans for asset building	0.42%	0.09%	0.07%

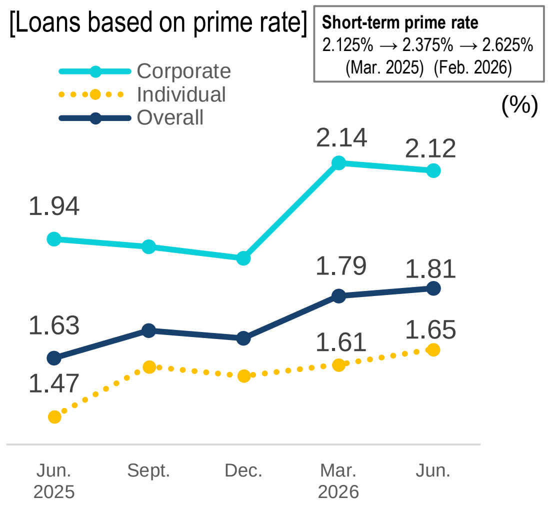
Rental property occupancy rate	December 31, 2022	December 31, 2023	**December 31, 2024**
Shizuoka Prefecture	94.0%	94.3%	94.2%
Outside Shizuoka Prefecture	95.1%	95.4%	94.8%

Improving yields on yen loans

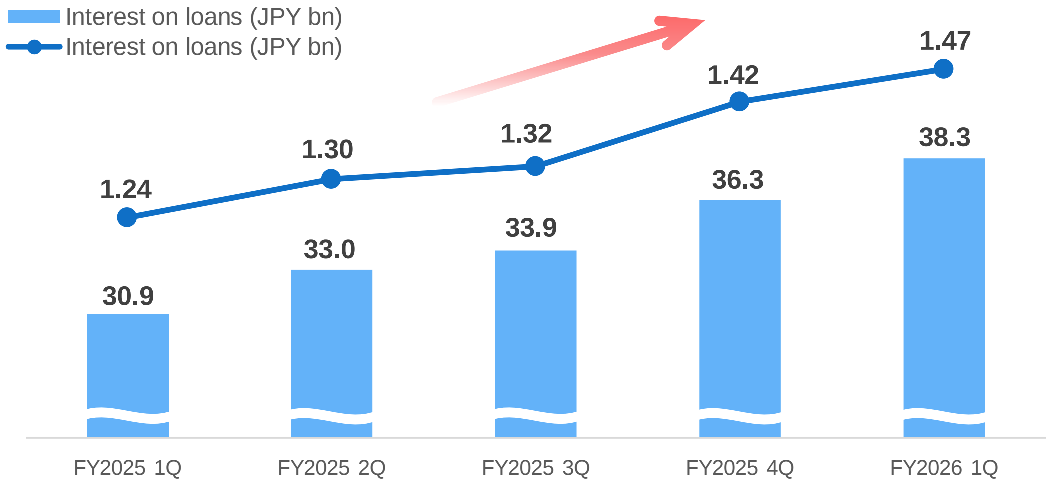
Overall yields on domestic loans continue to trend up. The yield on loans is expected to increase further with the application of the higher rate to home loans (since July 2026) and the additional short-term prime rate revision in August 2026.

Interest rate on loans (by rate format)



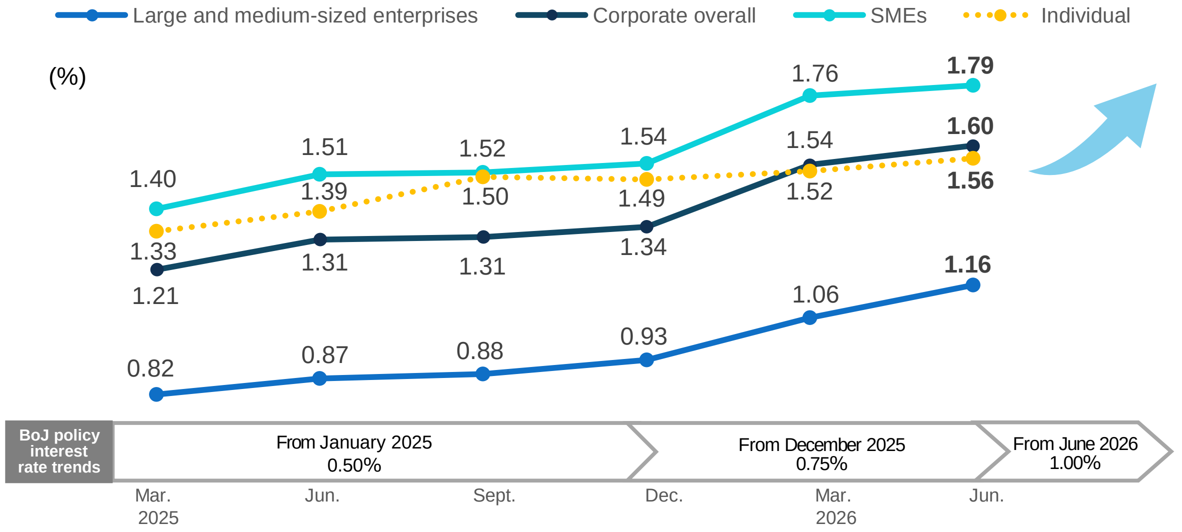


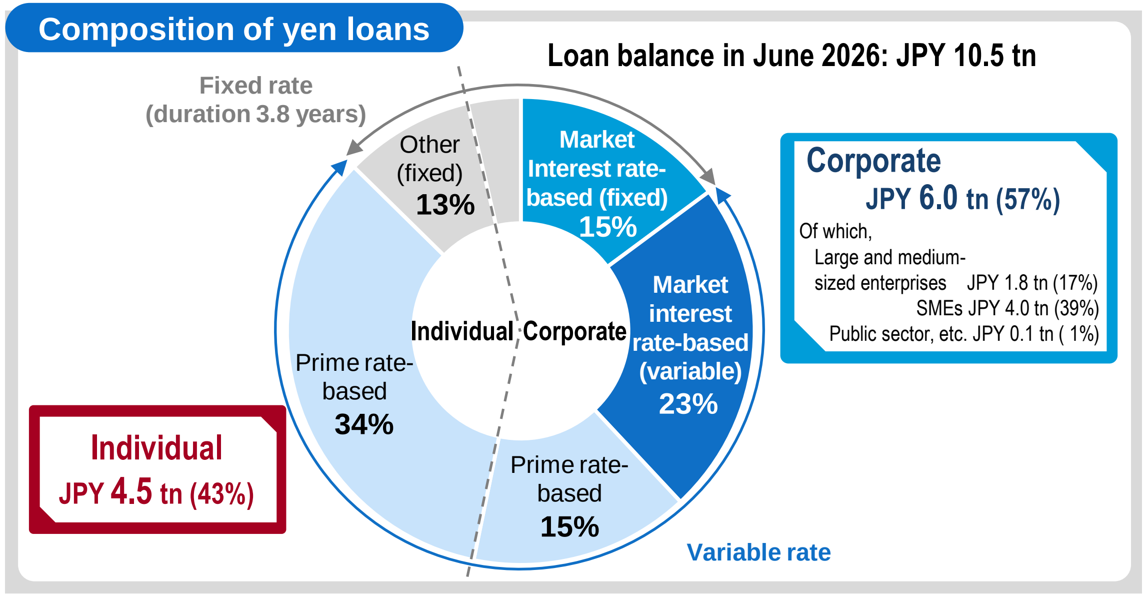
Domestic loans and its interest



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

For both corporate overall and Individual, yield on loans continue to upward trend.





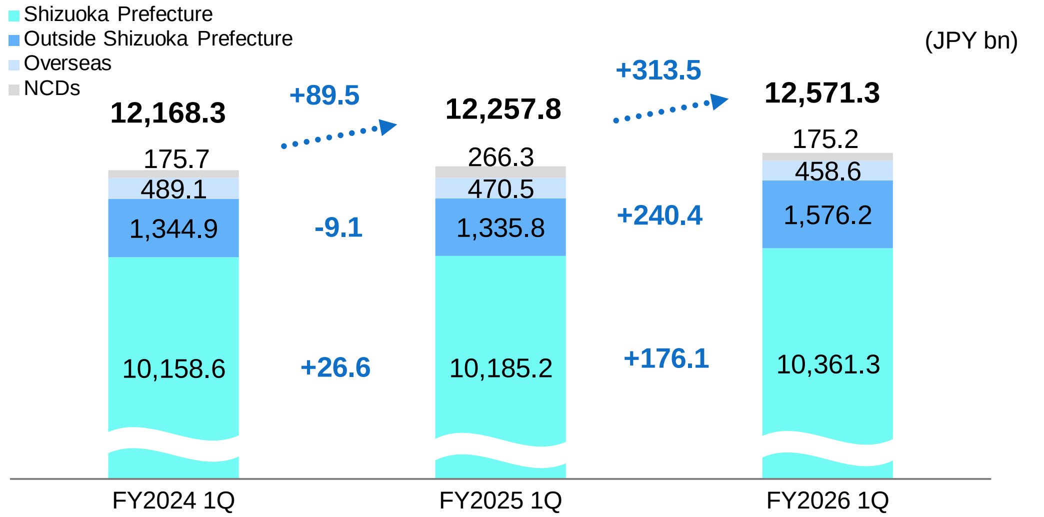
Deposits and other (Shizuoka Bank nonconsolidated)

Continued growth in average balance of deposits at JPY 313.5 bn YoY (+2.5% annual), centered on corporate deposits.

Trends in deposits and other balances (average balance)

(JPY bn)	FY2026 1Q	YoY change	Annual rate
Total deposits and other	12,571.3	+313.5	+2.5%
Total deposits	12,396.1	+404.7	+3.3%
Corporate deposits	3,381.9	+252.6	+8.0%
Retail deposits	7,849.7	+155.7	+2.0%
Public deposits	449.9	+51.1	+12.8%
NCDs	175.2	-91.2	-34.2%

Deposits and other balances (by region)



Interest pass-through rate, Loan deposit ratio / Security deposit ratio

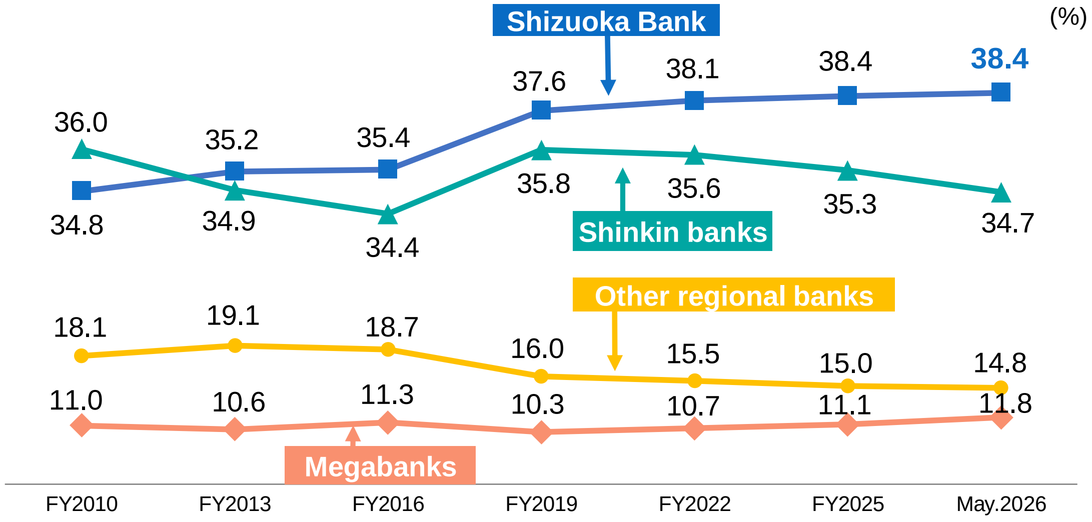
[Interest pass-through rate]

	FY2024 (actual)		FY2025 (actual)		FY2026 1Q (actual)	
	Yield	Pass-through rate	Yield	Pass-through rate	Yield	Pass-through rate
JPY deposits, etc.	0.06%	-	0.21%	46.2%	0.32%	47.3%
Of which current	0.06%	-	0.18%	36.6%	0.25%	35.0%
Of which non-current	0.07%	-	0.29%	69.2%	0.49%	76.7%

[Loan deposit ratio / Security deposit ratio]

Loan deposit ratio	87.2%	88.8%	89.5%
Security deposit ratio	26.2%	24.2%	22.5%

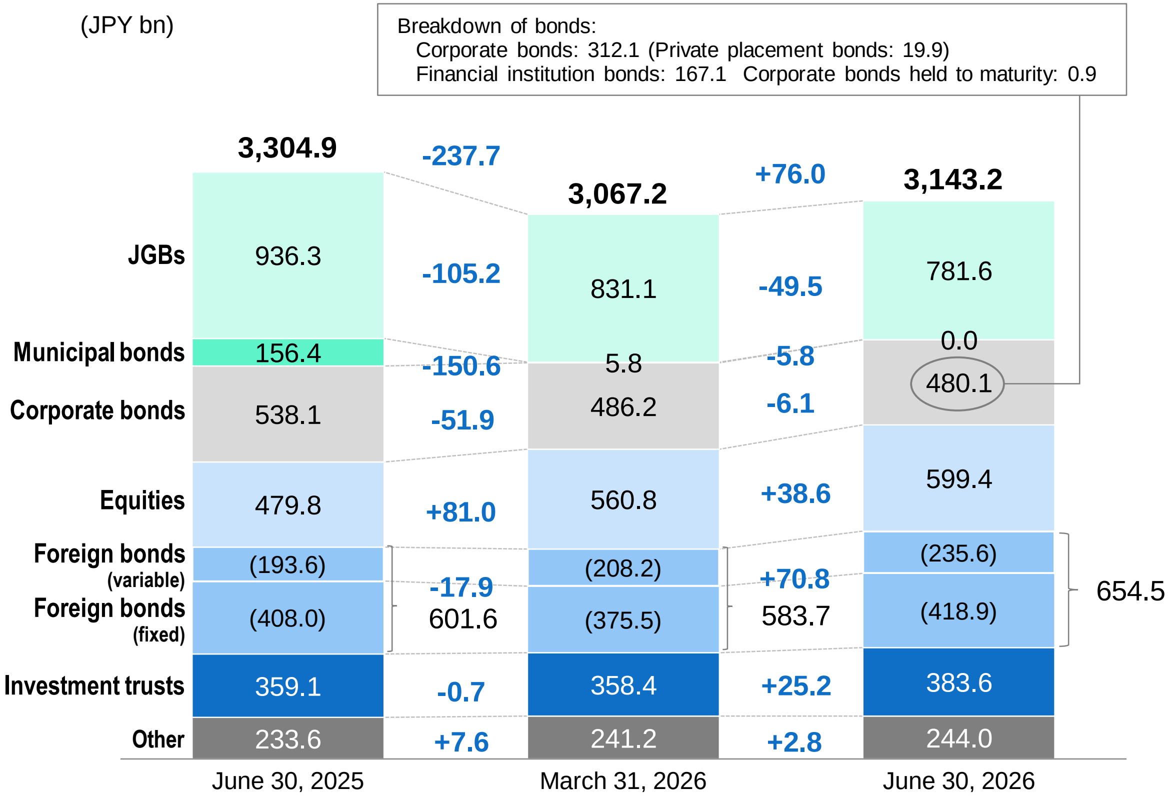
Share in Shizuoka Prefecture



Securities (1) (Shizuoka Bank nonconsolidated)

Implementing replacement operations to improve yields on the bonds portfolio as a whole, using gains on sale of equities from rising stock prices.
Continue to restructure our portfolio to target profitability, premised on appropriate risk management in consideration of the interest rate trends.

Securities



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

* Excluding futures

	June 30, 2025	March 31, 2026	June 30, 2026
JPY bonds	6.95 years	7.33 years	7.00 years
Foreign bonds	1.71 years	2.99 years	2.94 years

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

JPY bonds	0.69%	1.30%	1.47%
Foreign bonds	4.44%	3.85%	4.00%

Gains and losses on securities

(JPY bn)	FY2025 1Q	FY2026 1Q	YoY change
Interest and dividends on securities	19.3	21.6	+2.3
JPY bonds	3.5	5.6	+2.0
Foreign bonds	6.9	6.4	-0.5
Investment trusts (gains [losses] on cancellation)	1.3 (0.7)	1.4 (0.6)	+0.0 (-0.2)
Income related to JGBs and other bonds	-0.4	-22.3	-21.9
Gains on sale	1.0	1.9	+0.8
Losses on sale and redemption (−)	1.4	24.1	+22.7
Gains and losses on equities	4.4	32.9	+28.6
Gains on sale	5.2	33.0	+27.7
Losses on sale and amortization (−)	0.9	0.0	-0.8

Gains and losses on revaluation of securities

(JPY bn)	June 30, 2025	March 31, 2026	June 30, 2026		vs. March 31, 2026
				After hedging	
Gains and losses on revaluation of securities	+244.8	+267.9	+310.2	+354.6	+42.3
Equities	+384.9	+471.3	+511.7		+40.3
JPY bonds	-130.7	-189.4	-193.1	-154.2	-3.7
Foreign bonds	-37.4	-34.4	-33.0	-27.5	+1.4
Investment trusts	+11.7	+17.3	+21.4		+4.1
Investment funds, etc.	+16.2	+3.2*	+3.2*		+0.0

* Not recognized for gains and losses on unlisted stock

Securities (2) (Shizuoka Bank nonconsolidated) –Progress 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 o verall bond portfolio.

Implementing JPY bond replacement operations

FY2026 1Q market trends

Rising stock prices

Stock prices increased further since the Start of Fiscal Year 2026

Unrealized gains on shareholdings are on a rising trend

(Balance of shareholdings: JPY bn)

	March 31, 2026	June 30, 2026	Change
Nikkei Average (JPY)	51,063	70,062	**+18,999**
Balance of shareholdings	560.8	599.4	**+38.6**
(of which valuation gains/losses)	(471.3)	(511.7)	(+40.3)

Progress on and outlook for JPY bond replacement operations

Sales of low-yield bonds and stocks

Sales are now complete for roughly 60% of the low-yield bonds and stocks initially expected to be sold

(JPY bn)	Initial plans[*1]		June 30, 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	193.7	-35.0	125.8	-21.5	-67.9	+13.5
Stocks[*2]	-	+35.0	-	+19.8	-	-15.2

Purchase of JPY bonds

As a result of exercising caution in making new purchases, the total purchase amount was limited to approximately 20% of the initial earmarks

(JPY bn)	Initial plans[*1]		June 30, 2026 (actual)		vs. initial earmarks	
	Balance of purchases	Yields	Balance of purchases	Yields	Balance of purchases	Yields
JPY bonds	243.4	2.97%	49.2	3.06%	-194.2	+0.09pt

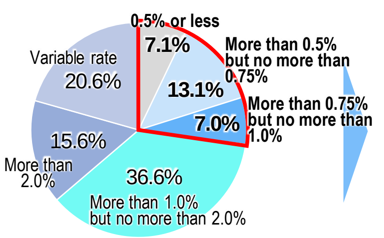
*1 As of May 2026 *2 Balances are based on acquisition costs

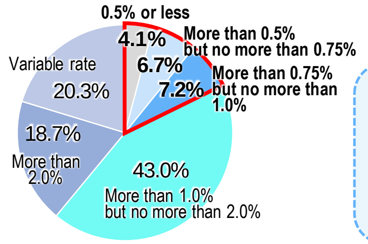
Structural changes to the yen portfolio

(JPY bn)	March 2026 (before replacement) Balance*	March 2026 Yield	June 2026 (actual) Balance*	June 2026 Yield	Change Balance*	Change Yield
JGBs	962.6	1.38%	919.4	1.54%	-43.2	+0.16pt
Municipal bonds	6.4	0.71%	0.0	-	-6.4	-
Public bonds	214.4	1.06%	204.8	1.55%	-9.6	+0.49pt
Corporate bonds, etc.	329.1	1.23%	330.7	1.23%	+1.6	+0.00pt
Total	1,512.5	**1.30%**	1,454.9	**1.47%**	-57.6	**+0.17pt**
Average holding period	7.33 years		7.00 years		-0.33 years	

* Balances are based on acquisition costs

Structural changes in bonds held (by yield)





Improving profitability with the overall bond portfolio through steadily sales of low-yield bonds

Asset management policies for FY2026 Q2 and beyond

JPY bonds	Sales	Systematically shrinking low-yield bonds to decrease with using gains on sale of stock
JPY bonds	Purchase	Purchase of JPY bonds at the right time to make the overall bond portfolio more profitable in light of recent interest rate conditions
Stocks		Continuing to reduce shareholdings in light of the stock prices conditions

Fees and commissions

Fees and commissions are trending favorably due mainly to wholesale fee income. Also on a consolidated basis remained in an increasing trend due to increases with fee income on customer assets of Shizugin TM Securities.

Fees and commissions

(JPY bn)	FY2024 1Q	FY2025 1Q	**FY2026 1Q**	YoY change
[Consolidated] Fees and commissions	13.3	12.8	16.5	+3.7*1
[Shizuoka Bank nonconsolidated] Fees and commissions	8.1	7.5	9.4	+1.9
Fees and commissions income	9.8	9.9	11.7	+1.8
Fees and commissions expenses (-)	1.7	2.4	2.3	-0.1*2

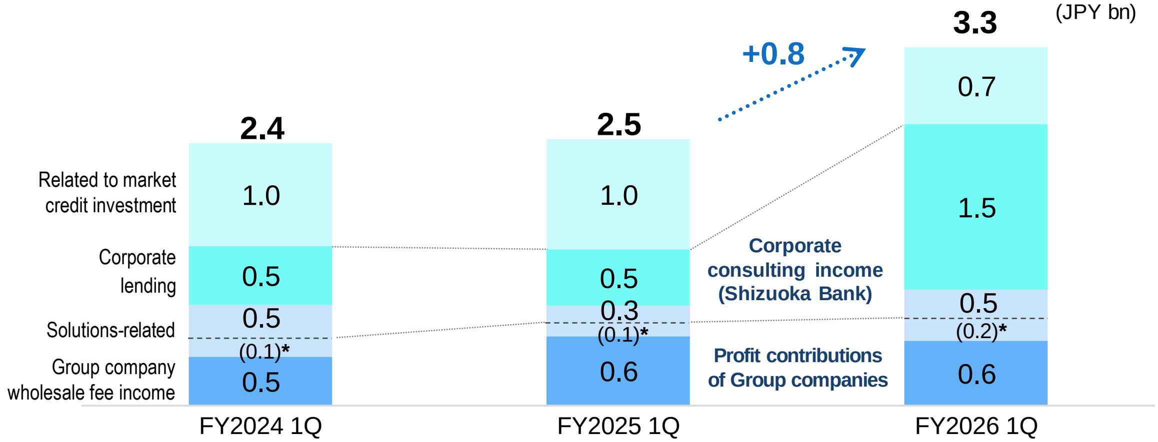
*1 Including an increase of JPY 1.0 bn due to making Shizugin Saison Card and Tokyo Gas Lease consolidated subsidiary
*2 Including a decrease of JPY 0.4 bn due to increased group trust dividends

Major items

	FY2024 1Q	FY2025 1Q	FY2026 1Q	YoY change
Wholesale fee income	2.4	2.5	3.3	+0.8
Related to market credit investment	1.0	1.0	0.7	-0.3
Corporate lending (syndicated loans, etc.)	0.5	0.5	1.5	+1.0
Solutions-related (business matching, support for subsidies, etc.)	0.5	0.3	0.5	+0.2
Group company* wholesale fee income	0.5	0.6	0.6	-0.0
Other lending (home loan fee income, etc.)	1.7	1.8	2.5	+0.7
Fee income on customer assets	3.1	3.0	3.8	+0.8
Shizuoka Bank (insurance, investment trust)	1.1	1.1	1.0	-0.1
Shizugin TM Securities (investment trust)	2.0	1.9	2.8	+0.9
Forex fee income (revenues, expenditures)	1.3	1.4	1.6	+0.2
[Shizuoka Bank nonconsolidated] Trading income	0.3	0.4	0.2	-0.3

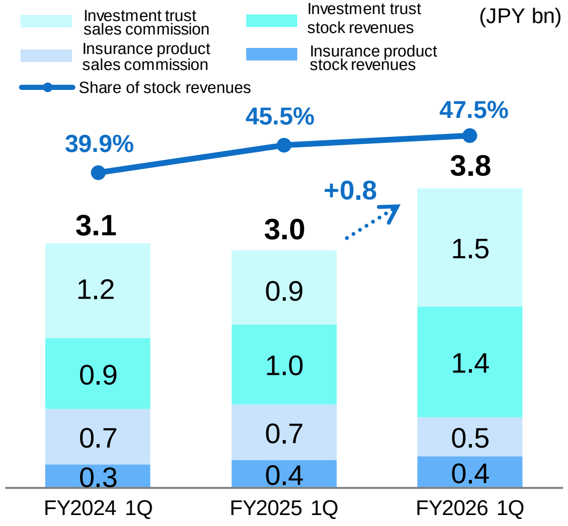
* Total ordinary profit for the following four companies: Shizugin Management Consulting, Shizugin Lease, SFG Marketing, and SFG Real Estate Investment Advisors

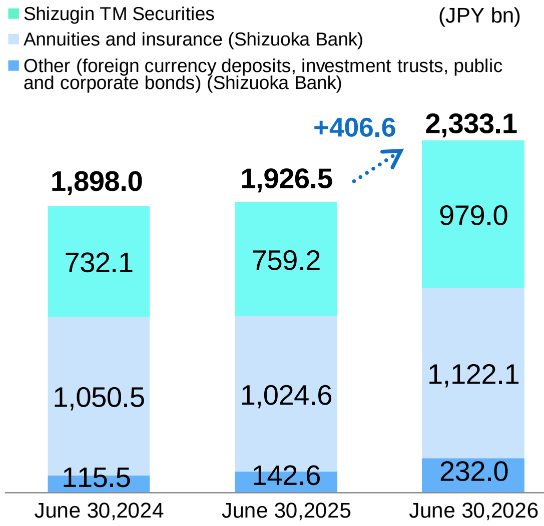
Wholesale fee income



* 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)



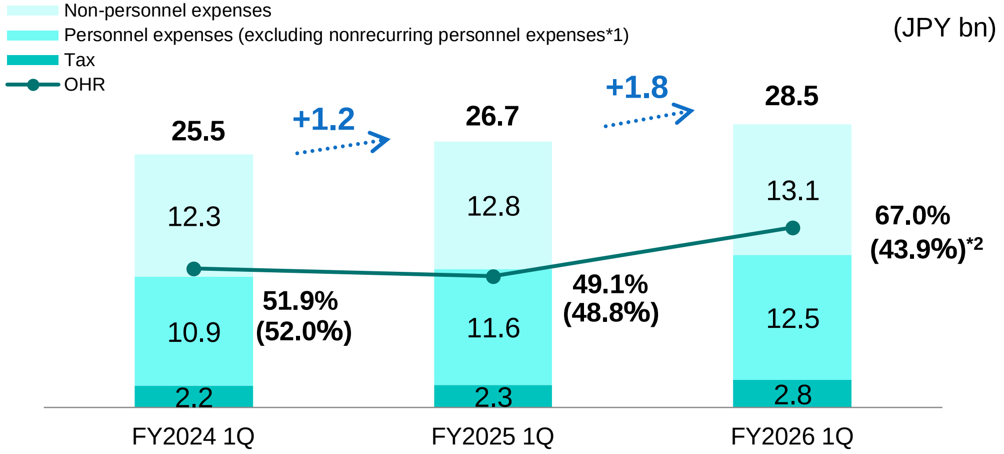


Expenses

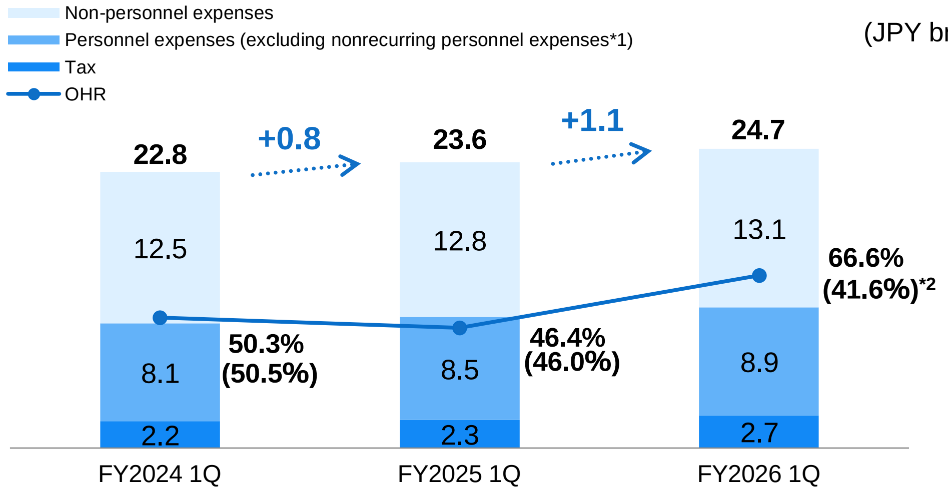
While consolidated OHR rose, due mainly to lower gross operating profits associated with bonds replacement, and impact of the increase in consolidated subsidiaries, the ratio based on core gross operating profit remains low, at 43.9%.

Expenses and OHR

Consolidated



Shizuoka Bank nonconsolidated



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

*2 OHR based on core gross operating profit

Key factors contributing to changes in expenses

Consolidated

	Change	Main changes
Non-personnel expenses	+JPY0.4 bn	IT-related expenses: +JPY 0.3 bn Increase in the number of consolidated subsidiaries*: +JPY 0.5 bn Depreciation expenses: JPY -0.5 bn etc.
Personnel expenses	+JPY1.0 bn	Salaries (related to base pay increase): +JPY 0.3 bn Bonuses: +JPY 0.3 bn Increase in the number of consolidated subsidiaries*: +JPY 0.2 bn Staff increases, etc.: +JPY 0.2bn
Tax	+JPY0.5 bn	Shizuoka Bank: +JPY 0.4 bn
Total	**+JPY1.8 bn**	

* In connection with the acquisition of Shizugin Saison Card (in July 2025) and Tokyo Gas Lease (in April 2026) as consolidated subsidiaries, the expenses of both companies will be included in the consolidated financial statements

Shizuoka Bank nonconsolidated

	Change	Main changes
Non-personnel expenses	+JPY 0.3 bn	IT-related expenses: +JPY 0.3 bn Administrative expenses: +JPY 0.1 bn Advertising expenses: +JPY 0.1 bn Depreciation expenses: JPY -0.5 bn etc.
Personnel expenses	+JPY 0.4 bn	Salaries (related to base pay increase): +JPY 0.2 bn Bonuses: +JPY 0.2 bn etc.
Tax	+JPY 0.4 bn	Consumption tax: +JPY 0.3 bn Pro forma taxation: +JPY 0.2 bn
Total	**+JPY 1.1 bn**	

Credit-related costs (Shizuoka Bank nonconsolidated)

Credit-related costs (Shizuoka Bank nonconsolidated) increased by JPY 0.7 bn YoY to JPY 2.2 bn. We will continue to manage appropriately within the scope of our full-year plan.

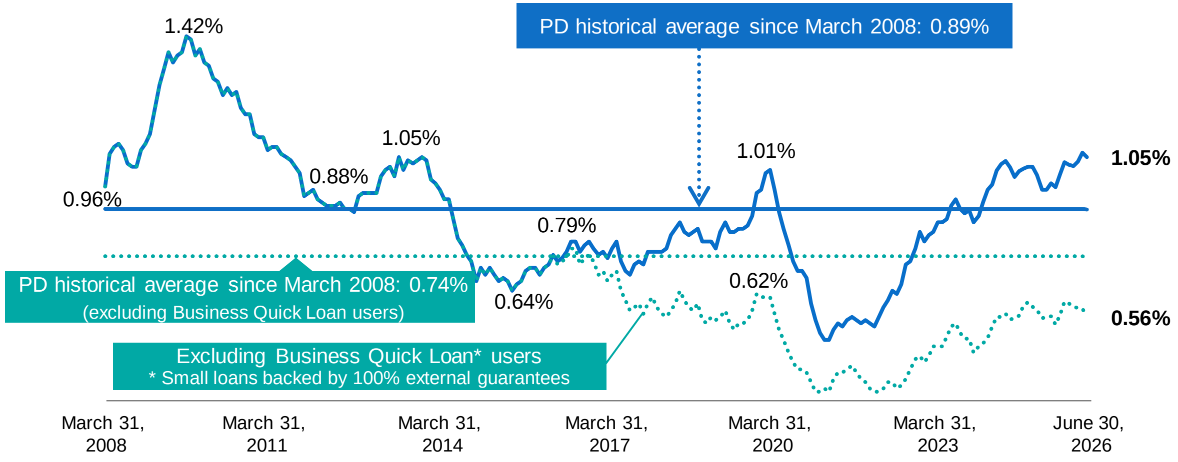
Breakdown of credit-related costs

(JPY bn)	FY2024 1Q	FY2025 1Q	FY2026 1Q	YoY change
[Consolidated] Credit-related costs	-0.7	1.7	2.4	+0.7
[Shizuoka Bank nonconsolidated] Credit-related costs	-1.1	1.5	2.2	+0.7
Provision for general allowance for loan losses	-0.4*1	-0.0	0.3	+0.3
Provision for specific allowance for loan losses	-0.9*1	1.3	1.7	+0.4
Other non-performing loans (NPL) disposal*2	0.2	0.3	0.2	-0.0

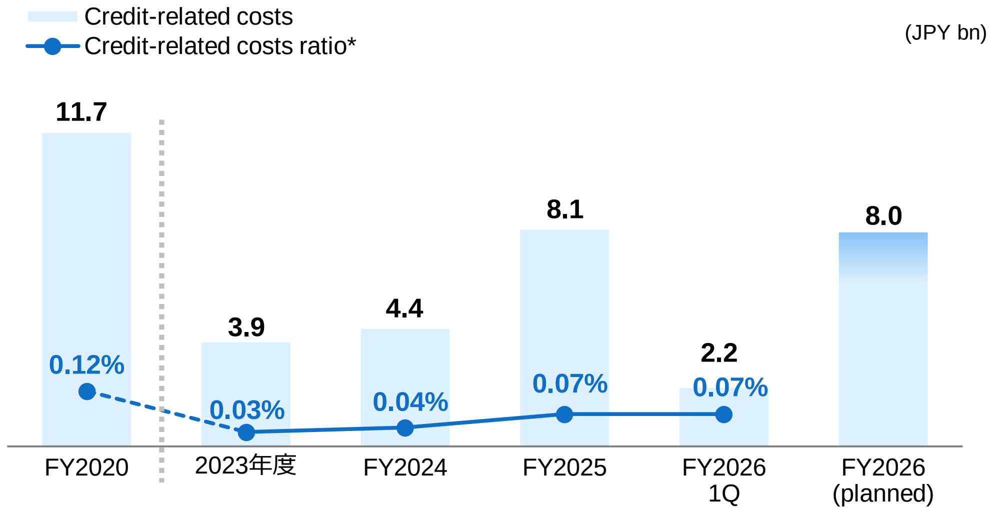
*1 In 1Q of FY 2024, this was recorded as a gain on reversal of allowance for loan losses under extraordinary profit and loss.
*2 This includes contributions to credit guarantee associations, and provision for contingent loss, etc.

Probability of default (PD)

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

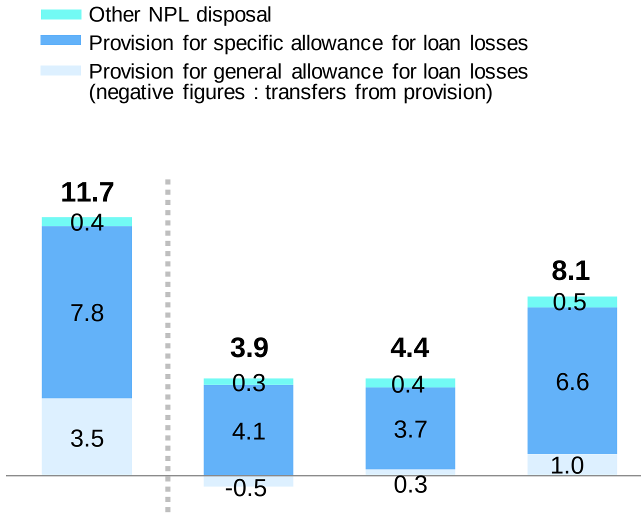


Credit-related costs and credit-related costs ratio



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

Provision for allowance for loan losses and other NPL disposal



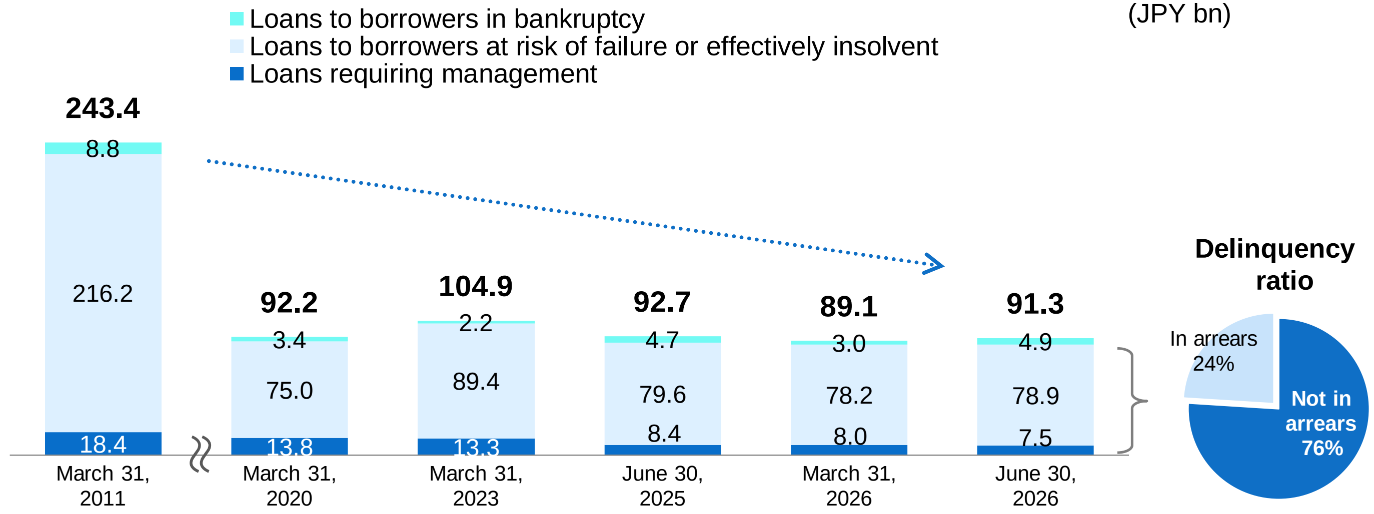
Changes in credit category, etc.	2.2
Decrease in the value of collateral	0.0
Upgraded credit rating, decrease in loan and credit balance via collections, etc.	-0.5
Total	1.7

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

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

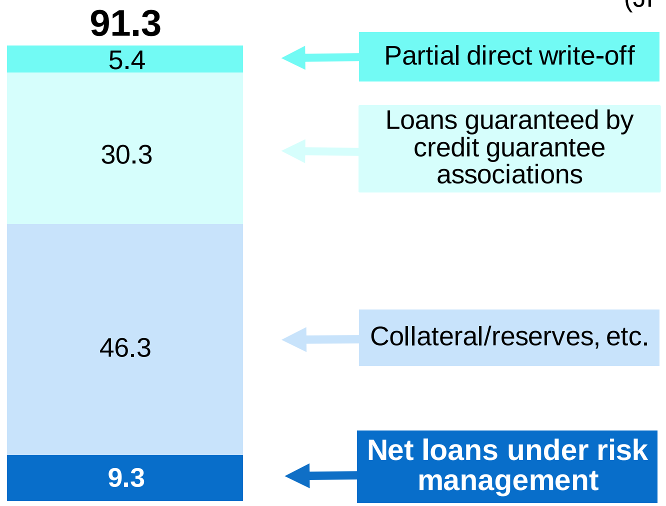
Loans under risk management

(JPY bn)



Net loans under risk management

(JPY bn)



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

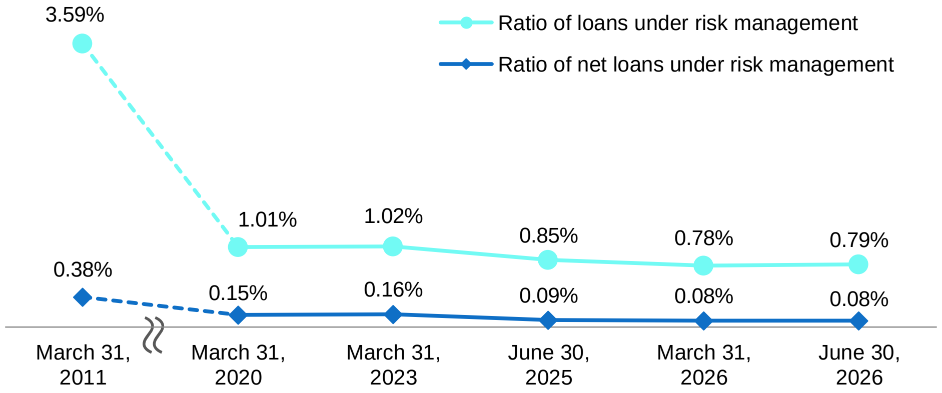
NPL removal from balance sheet

(JPY bn)	FY2025	FY2026 1Q
Newly recognized NPLs	+26.6	+7.2
Removal from balance sheet (NPL to borrowers classified as at risk of failure or in categories of greater risk)	-30.4 (-28.0)	-5.0 (-4.4)
Loans under risk management	89.1	91.3

Breakdown of -JPY 4.4 bn

Collected from borrower/ offset against deposits	-1.1
Collateral disposal/ subrogated to guarantor	-2.5
Loans sold/direct write off	-0.1
Reclassified to lower risk categories	-0.7

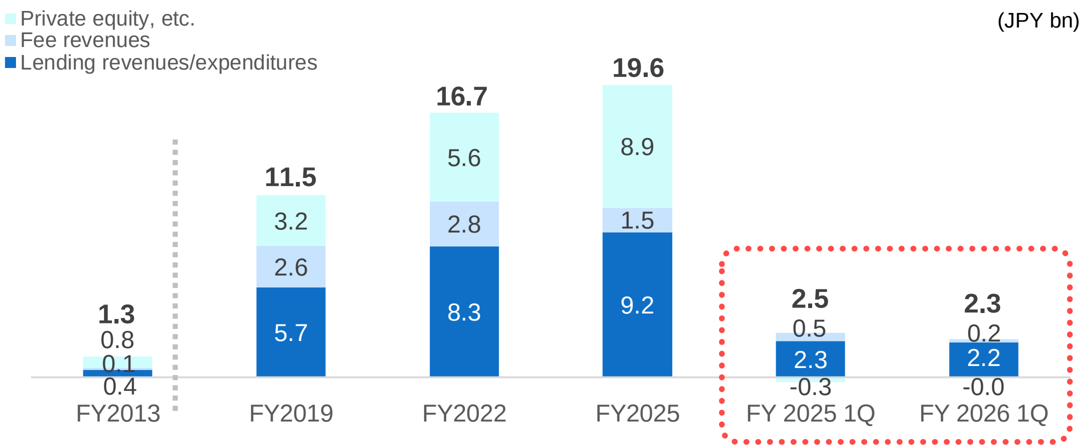
Ratio of loans under risk management



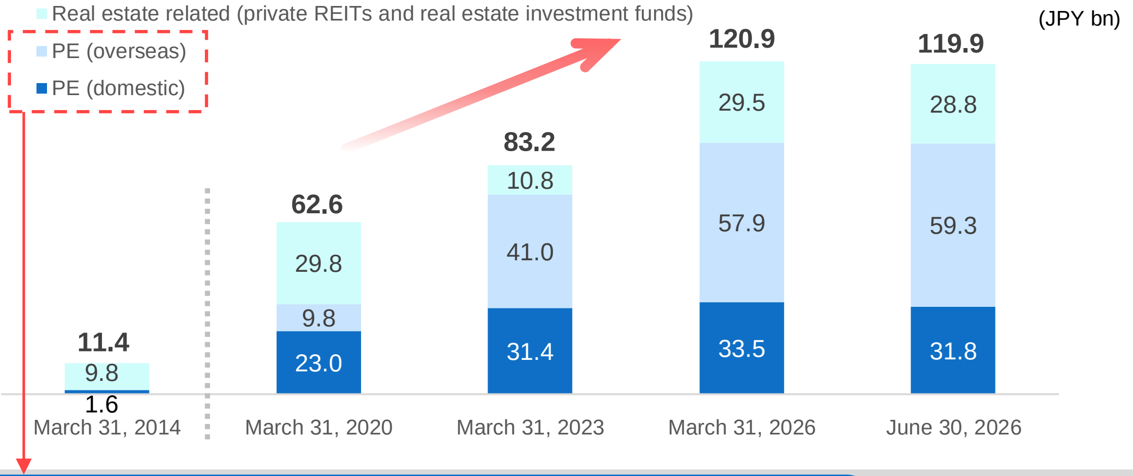
Market credit investment

Controlling balances of lending through selective transactions based on a keen awareness of profitability, and for investments, maintaining a diversified investment portfolio based on appropriate risk controls.

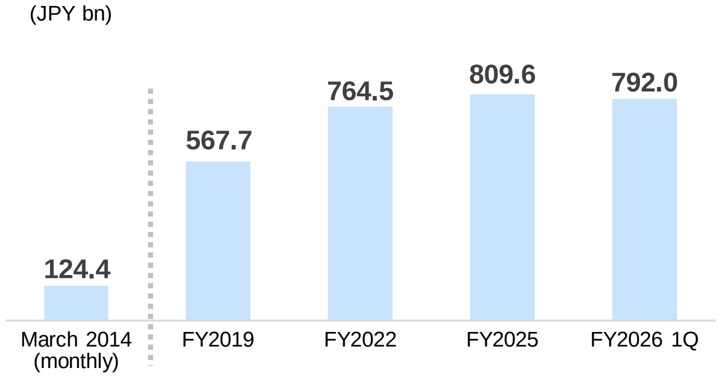
Revenue trend



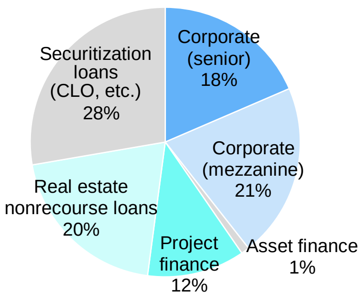
Market credit investment balance (term-end balance)



Lending balance (average) and composition



Composition (FY2026 1Q)



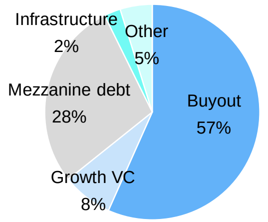
Well-diversified portfolio (JPY : foreign currency = 4 : 5)
98% allocated to performing borrowers
LTV real estate nonrecourse loan average: 58.9%

CLO balance (June 30, 2026 , including bond holdings)
JPY 244.2 bn (32 details: JPY 7.6 bn average)
All AAA-rated
Subordination ratio: 36.0–40.0%

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

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

Composition (FY2026 1Q)



[Private equity investment results]

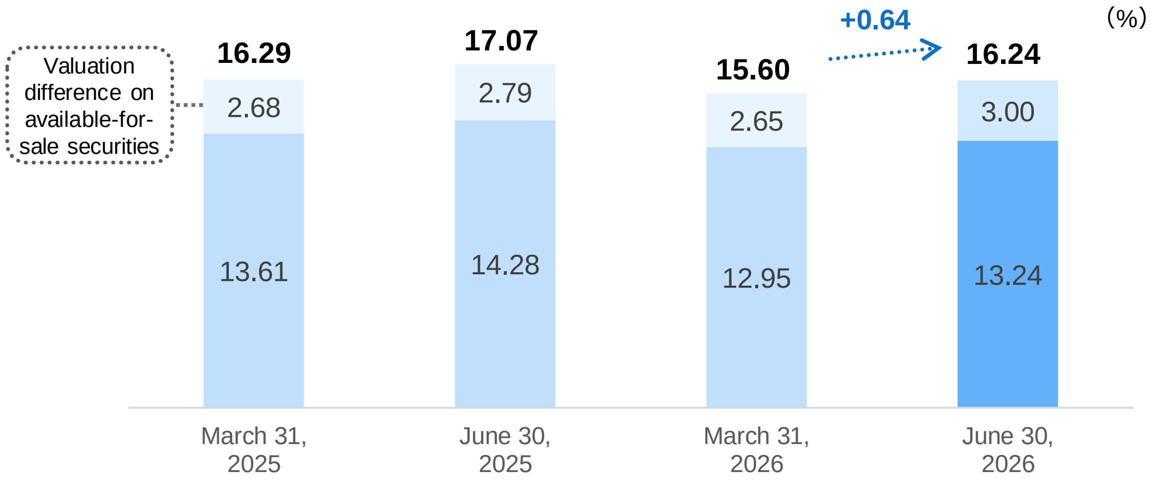
(JPY bn)	FY2013	FY2019	FY2022	FY2025	FY2026 1Q
Investment commitment (annual)	4.7	10.8	21.9	21.8	1.8
Investment commitment (total)	14.0	66.1	129.0	211.7	213.3
Domestic	14.0	45.5	63.2	89.8	88.8
Overseas	0.0	20.6	65.9	122.0	124.5
Investment balance (term end)	1.6	32.8	72.4	91.4	91.1
Investment gain/loss (annual)	0.7	1.7	4.4	7.8	-0.7
Revaluation gain/loss (term end)	+1.2	+3.6	+10.1	+2.7*	+2.7*

* Not recognized for gains and losses on unlisted stock

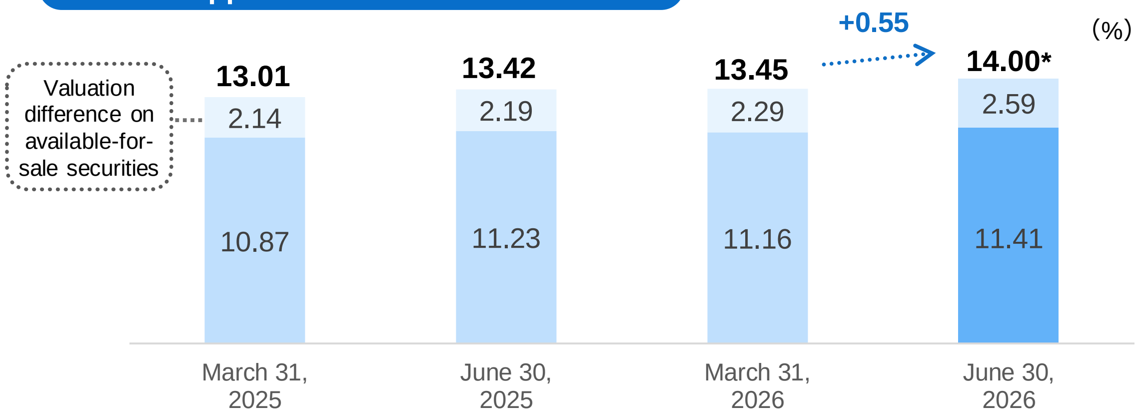
Capital adequacy ratio

The total capital ratio and CET1 ratio were both 16.24% as of June 30, 2026 (up 0.64 pt from March 31, 2026).
The estimated ratio after full application of Basel III finalization is 14.00% (up 0.55 pt from March 31, 2026).

Capital adequacy ratio (CET1 ratio)



After full application of Basel III finalization



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

Trends in capital, risk-weighted assets, etc.

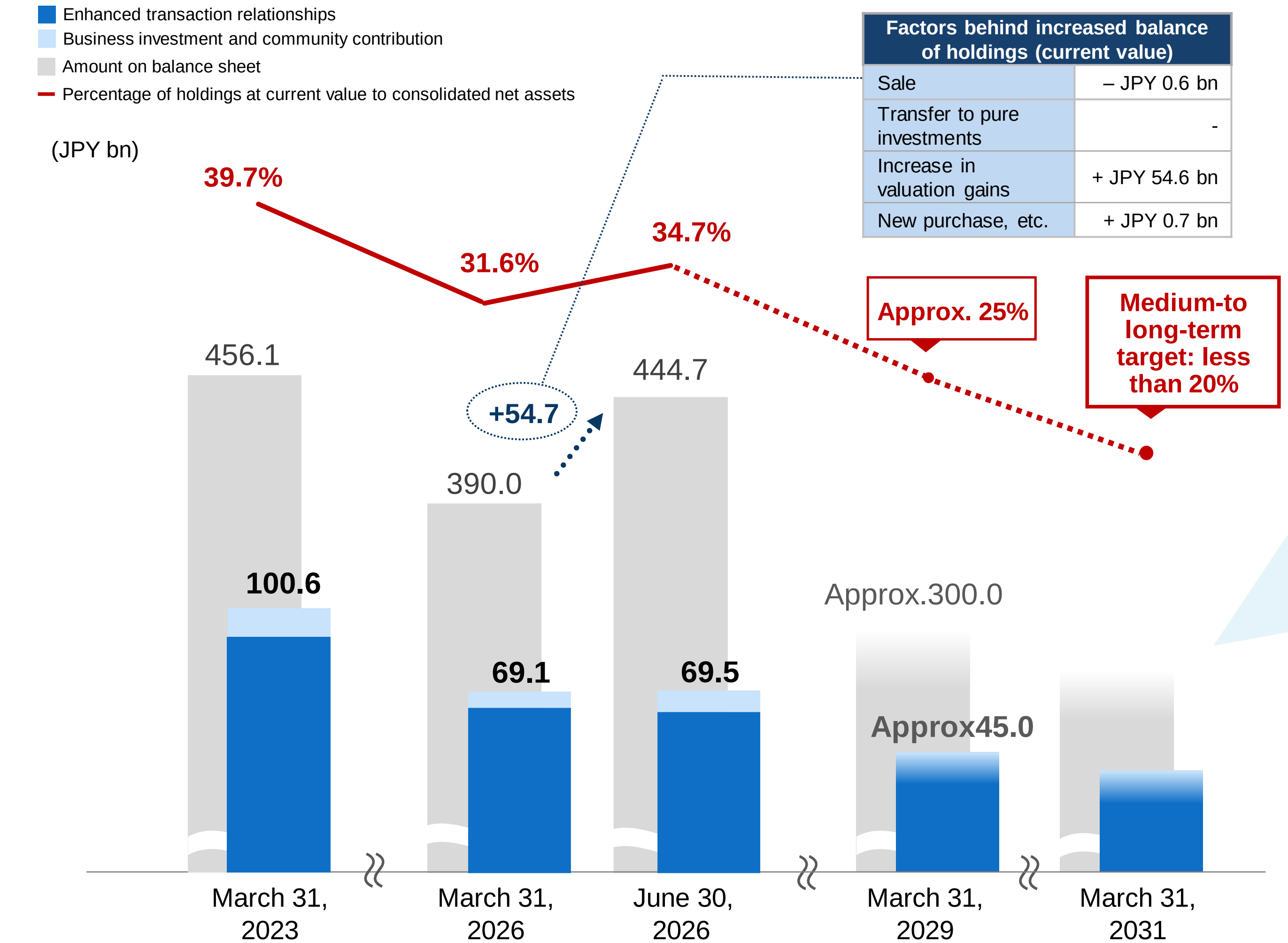
[Basel III] (JPY bn)	March 31, 2025	June 30, 2025	March 31, 2026	**June 30, 2026**	vs. March 31, 2026
Total capital*	**991.2**	**1,030.3**	**1,081.6**	**1,152.9**	**+71.4**
CET1	991.2	1,030.3	1,081.6	1,152.9	+71.4
Excluding valuation difference on available-for-sale securities	828.0	861.9	897.5	939.7	+42.2
Other Tier1	-	-	-	-	-
Tier2	-	-	-	-	-
Risk-weighted assets	**6,082.1**	**6,035.4**	**6,930.0**	**7,096.4**	**+166.4**
Credit risk-weighted assets	5,869.5	5,793.0	6,321.6	6,463.2	+141.6
Amount corresponding to market risk	3.2	0.6	0.9	2.4	+1.6
Amount corresponding to operational risk	209.4	209.4	234.6	234.6	±0.0
Floor adjustments	-	32.4	372.9	396.1	+23.2

* Capital excludes preferred shares, subordinated debt, etc.

Reduction of strategic shareholdings

Due mainly to increasing valuation as a result of the recent rising stock prices, the balance of strategic shareholdings(current value) as of June 30 2026 increased by JPY 54.7 bn compared to the end of the previous fiscal year.
Gains on sale of shareholdings will be strategically used for bonds replacement operations aimed at securing stable net interest income.

Trends in balance of strategic shareholdings



Factors behind increased balance of holdings (current value)	
Sale	– JPY 0.6 bn
Transfer to pure investments	-
Increase in valuation gains	+ JPY 54.6 bn
New purchase, etc.	+ JPY 0.7 bn

	March 31, 2023	March 31, 2026	June 30, 2026	March 31, 2029	March 31, 2031
Net assets (JPY tn)	1.1	1.2	1.3	1.25-1.3	1.3-
Nikkei Average (JPY)	28,041	51,063	70,062	-	-

Policy on reduction of strategic shareholdings

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

* Verification of meaning of holding in terms of enhanced transaction relationships, business investment, and community contribution

Status of Issues for which consent to sale has been received	Number of stocks : 8 issuers Amount for which consent to sale has been received : JPY 13.5 bn Of which, valuation gains/losses : JPY 9.1 bn

Status of shares transferred to shares held as pure investments

(JPY bn)	Aquisition cost	Current value	Valuation gains/losses
Balance as of March 31 2026	21.2	171.5	150.3
Balance as of June 30 2026	**19.7**	**156.1**	**136.5**
Yield on holdings	**18.22%**	**2.29%**	-

[Breakdown]	Aquisition cost	Current value	Valuation gains/losses
Increase (Market price Fluctuations)	0	17.6	17.6
Decrease (Sale)	–1.5	–33.0	–31.4
Increase/ Decrease	–1.5	–15.4	–13.8

Strategic use

Use of gains on sale of stock in FY2026

- Bonds replacement operations for a sounder and more profitable portfolio (p.11)

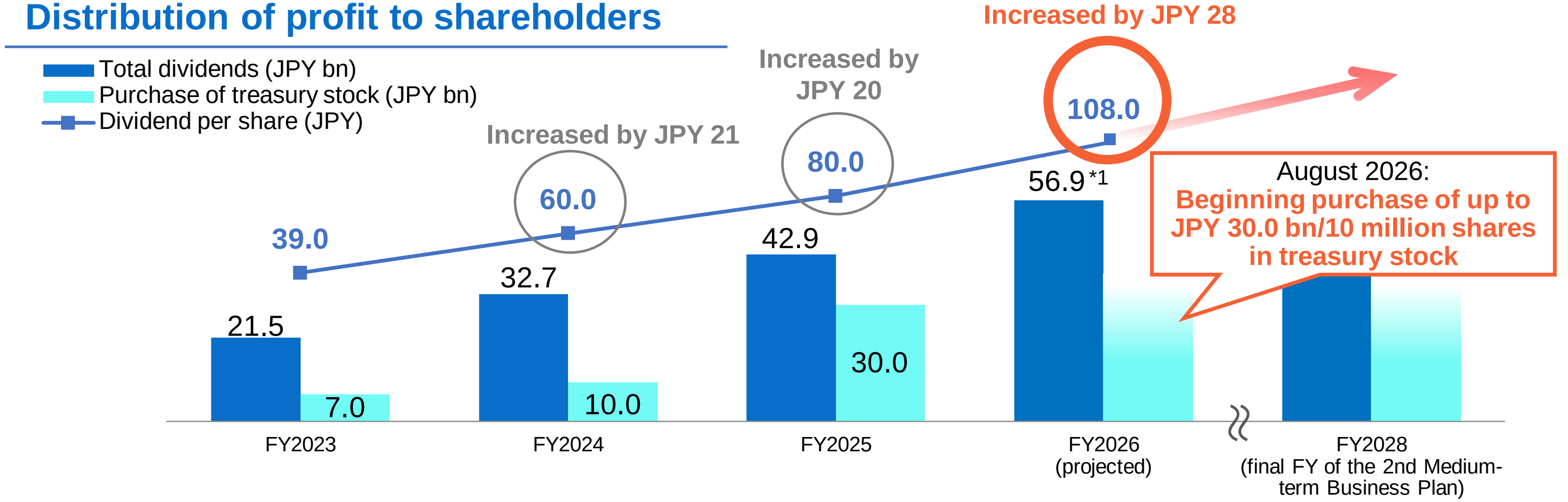
Shareholding policy

- 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

Based on the upward revision of full-year performance forecasts, the dividends planned for FY2026 have been revised upward by JPY 28 YoY (for an increase of JPY 10 vs. initial projected dividends).
We will begin purchasing up to JPY 30.0 bn/10 million shares in treasury stock to improve capital efficiency as part of efforts to achieve our ROE target.

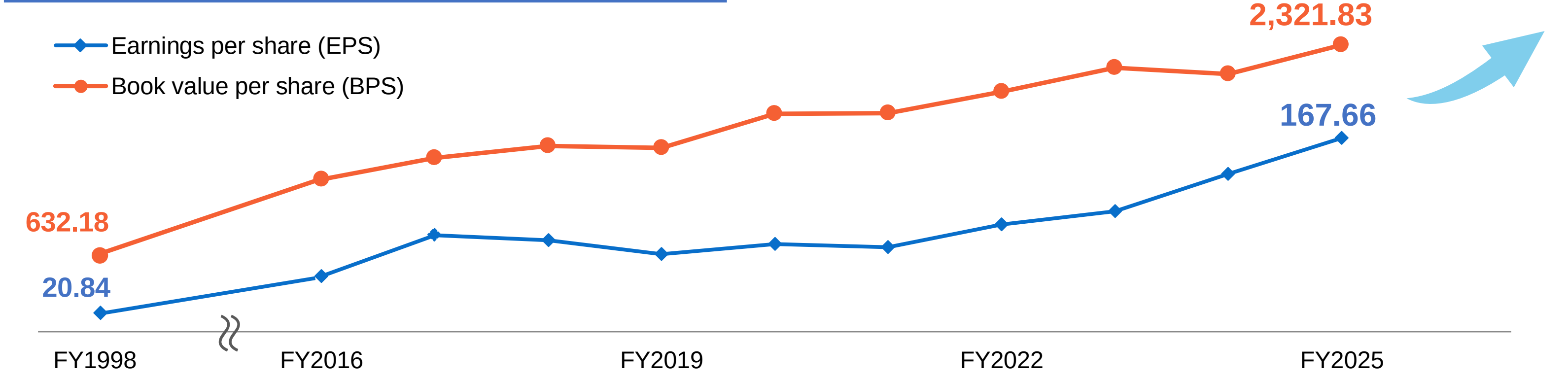
Distribution of profit to shareholders



	FY2023	FY2024	FY2025	FY2026 (projected)	FY2028
Dividend payout ratio	37.4%	44.0%	47.7%	49.6%	50.0%-
Total payout ratio	49.3%	57.3%	80.6%	75.5% *2	-
Net income attributable to owners of the parent	JPY 57.8 bn	JPY 74.6 bn	JPY 90.5 bn	JPY 115.0 bn	-

*1 Estimates are based on the number of shares outstanding as of June 30 2026 (excluding treasury shares), considering taking into account previously announced purchase/disposals of treasury stock
*2 (Projected) shareholder returns for FY2026 are estimated based on performance forecasts and previously announced purchases 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
- Beginning to purchase up to **JPY 30.0 bn** in August 2026

EPS growth

FY2026 projected growth rate **29.9%**

	FY2025	FY2026 (projected)	Contribution to EPS growth
Consolidated net income*1	90.5	115.0	27.7%
Total shares issued and outstanding (average balance) *2	540	528	2.2%
EPS	**167.66**	**217.91**	-

*1 Figures for FY2026 are from forecasts of financial results (JPY bn)
*2 Excluding treasury stock (million shares)

FY2026 forecasts

Revised the full-year forecasts considering factors, due mainly to growth in net interest income of Shizuoka Bank (nonconsolidated).
Forecast ordinary profit of JPY 167.0 bn (up JPY 15.0 bn from initial plans) and net income of JPY 115.0 bn (up JPY 10.0 bn from initial plans) on a consolidated basis.

	(JPY bn)	FY2025 results	FY2026 initial forecast (A)	FY2026 revised forecast (B)	Change (B−A)	FY2026 1Q result (C)	Progress rate (C/B)
Consolidated	**Ordinary profit**	**130.3**	**152.0**	**167.0**	**+15.0**	**47.0**	**28.1%**
	Net income attributable to owners of the parent	**90.5**	**105.0**	**115.0**	**+10.0**	**32.7**	**28.4%**
	ROE (based on net assets)	7.5%	8.4%	9.1%	+0.7pt	10.5%	-
	OHR*1	58.4% (46.0%)	53.6% (46.0%)	53.2% (45.7%)	-0.4pt (-0.3pt)	67.0% (43.9%)	-
	CET1 ratio*2	15.60% (13.45%)	14.07% (13.35%)	14.29% (13.56%)	+0.22pt (+0.21pt)	16.24% (14.00%)	-

*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

	(JPY bn)	FY2025 results	FY2026 initial forecast (A)	FY2026 revised forecast (B)	Change (B−A)	FY2026 1Q result (C)	Progress rate (C/B)
Shizuoka Bank nonconsolidated	Core gross operating profit *	203.4	218.0	231.5	+13.5	59.4	25.6%
	Gross operating profit	155.5	183.0	196.5	+13.5	37.1	18.8%
	Net interest income	172.2	186.0	198.5	+12.5	48.7	24.5%
	Fees and commissions	29.0	29.0	30.0	+1.0	9.4	31.4%
	Trading income	0.8	1.0	1.0	-	0.2	16.6%
	Other operating profit	-46.4	-33.0	-33.0	-	-21.2	64.3%
	Expenses (−)	90.8	97.0	97.0	-	24.7	25.4%
	Ordinary profit	**119.0**	**140.0**	**153.5**	**+13.5**	**43.9**	**28.6%**
	Net income	**81.6**	**95.5**	**104.5**	**+9.0**	**31.0**	**29.6%**
	Credit-related costs (−)	8.1	8.0	8.0	-	2.2	27.5%

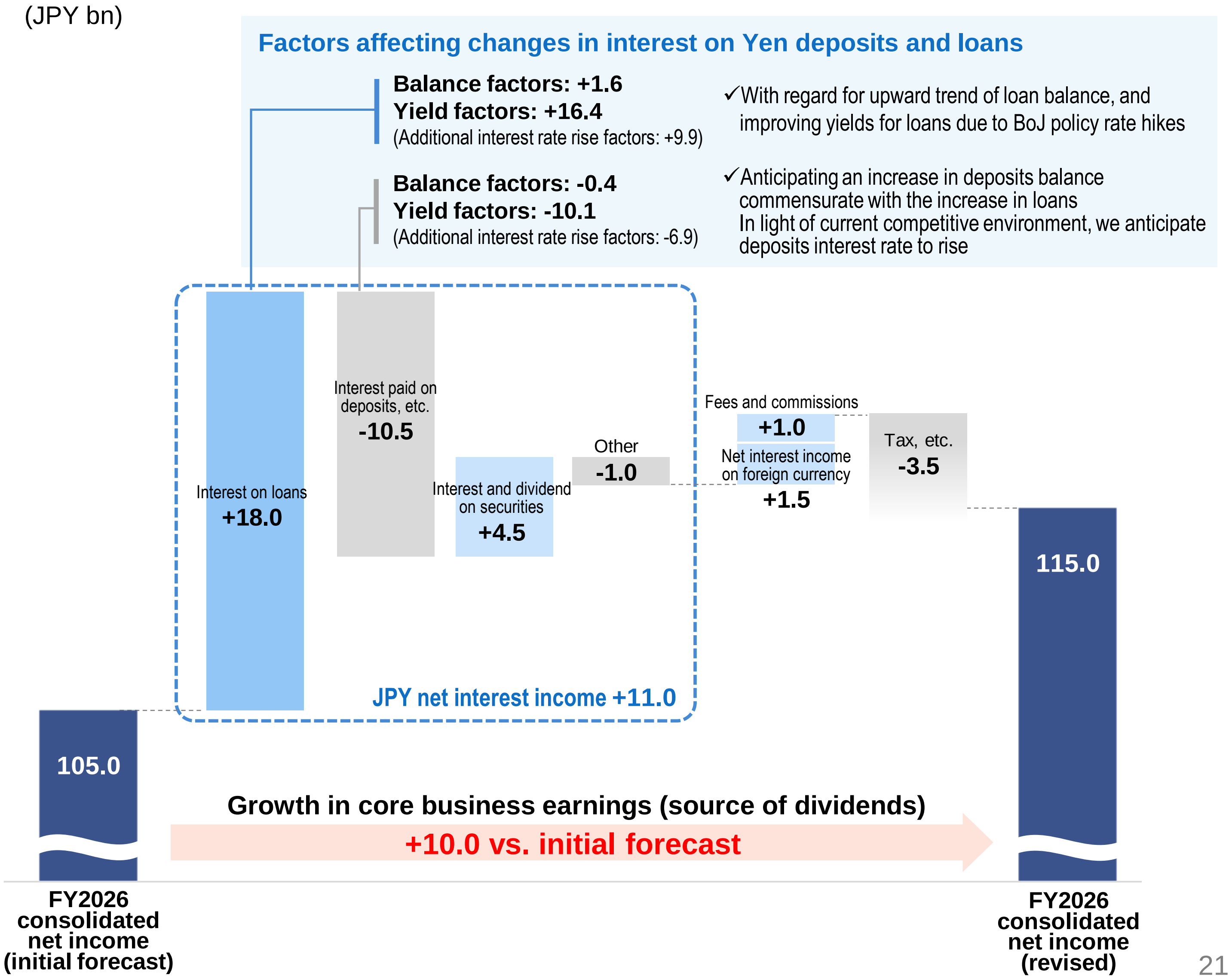
* Core gross operating profit = gross operating profit – income related to JGBs and other bonds

Key points of revisions to FY2026 forecasts

Based on favorable progress of financial results, BoJ policy interest rate hikes, and other factors, forecast consolidated net income has been revised upward (+JPY 10.0 bn, +JPY 10 in dividend per share).

	(JPY bn)	Initial forecast	FY2026 revised forecast	Change
Consolidated	**Ordinary profit**	**152.0**	**167.0**	**+15.0**
	Net income attributable to owners of the parent	**105.0**	**115.0**	**+10.0**
	ROE (based on net assets)	8.4%	9.1%	+0.7pt
Shizuoka Bank nonconsolidated	Gross operating profit	183.0	196.5	+13.5
	Net interest income	186.0	198.5	+12.5
	Fees and commissions	29.0	30.0	+1.0
	Trading income	1.0	1.0	-
	Other operating profit	-33.0	-33.0	-
	Income related to JGBs and other bonds	-35.0	-35.0	-
	Expenses (-)	97.0	97.0	-
	Credit-related costs (-)	8.0	8.0	-
	Gains (loss) on stock	58.0	58.0	-
	Ordinary profit	**140.0**	**153.5**	**+13.5**
	Net income	**95.5**	**104.5**	**+9.0**
Dividend/share		98 yen (+ JPY 18 YoY)	108 yen (+ JPY 28 YoY)	+10 yen

Key points of revisions to forecasts



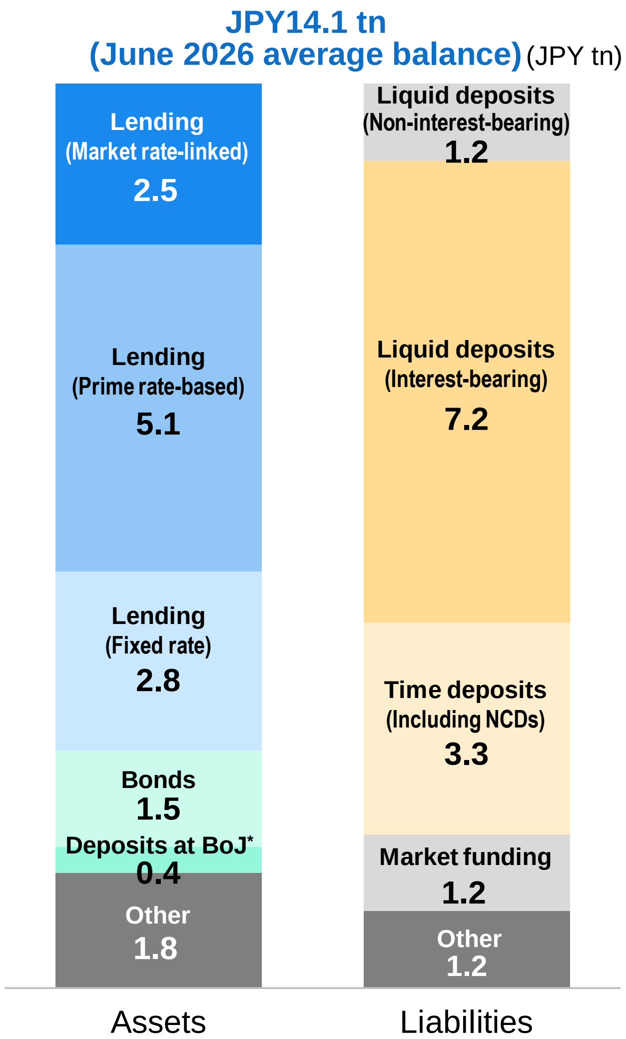
Reference Materials

Simulation of rising JPY interest rates

Policy interest rate +0.25% change is expected to increase net interest income by +JPY7.9 bn on an annualized basis, assuming the JPY balance sheet in June 2026.

Impact on JPY net interest income

JPY balance sheet structure



* Excluding required reserves amount

Scenario: Policy interest rate +0.25% change

TIBOR	+0.25%	Liquid deposit yield	+0.1%
Short-term prime rate	+0.25%	Time deposit yield	+0.1%
Swap rate	+0.125%	NCD	+0.25%
Bond yield	+0.25%		
BoJ deposit interest-rate yield	+0.25%		

Swap rate, Bond yield: Renewal of loan rates and redemption of investment bonds reflect interest rate hikes to the corresponding amount

* Asset and liability balances are unchanged (June 2026)

Impact (annualized)

Lending	**+JPY18.7 bn**	**Deposits**	**-JPY11.5 bn**
Market rate-linked	+JPY5.9 bn	Liquid deposits	-JPY7.2 bn
Prime rate-based	+JPY11.8 bn	Time deposits	-JPY4.3 bn
Fixed rate	+JPY1.0 bn	Other fundraising	-JPY0.3 bn
Bonds	**+JPY0.1 bn**		
Deposits at BOJ	**+JPY0.9 bn**		

Net interest income: +JPY7.9 bn
ROE: +0.5%

*Effects of ROE increase is the estimation out of FY2026 1Q capital.
(average of the two quarters, based on net assets)

Impact on FY2026 financial results

- The impact of policy rate hike (0.75% → 1.0%) on FY2026 results is estimated based on the JPY balance sheet for June 2026.

Impacts (FY2026)

Lending	**+JPY9.9 bn**	**Deposits**	**-JPY6.9 bn**
Market rate-linked	+JPY4.5 bn	Liquid deposits	-JPY4.7 bn
Prime rate-based	+JPY4.9 bn	Time deposits	-JPY2.2 bn
Fixed rate	+JPY0.5 bn	Other fundraising	-JPY0.3 bn
Bonds	**+JPY0.0 bn**		
Deposits at BOJ	**+JPY0.8 bn**		

Net interest income: +JPY3.5 bn
ROE: +0.2%

* Asset and liability balances are unchanged (June 2026)

Group companies（Excluding Shizuoka Bank）

The total ordinary profit of group companies (excluding Shizuoka Bank) in 1Q of FY2026 was JPY 3.6bn (up JPY 1.1bn YoY).

(JPY bn)

Company name		Main businesses	FY2026 1Q ordinary profit	YoY change
Shizugin Management Consulting Co., Ltd.		Corporate and financial management advisory services; bill collection services	0.1	+0.1
Shizugin Lease Co., Ltd.		Leasing	0.4	-0.0
Shizuoka Capital Co., Ltd.		Support for public offering of stock shares; management support and business-succession support for SMEs	0.1	+0.1
Shizugin TM Securities Co., Ltd.		Financial instruments brokerage	1.3	+0.7
SFG Marketing Co., Ltd.		Marketing support; advertising agency services; fee-based job placement services	-0.0	+0.0
SFG Real Estate Investment Advisors Co., Ltd.		Investment advisory services regarding private real-estate investment funds; consulting services	0.1	-0.1
Tokyo Gas Lease Co., Ltd. *1		Leasing; credit business; Insurance agency business; payment agency business and other businesses	0.1	+0.1
Subsidiaries of Shizuoka Bank(10 companies)				
	Shizugin IT Solution Co., Ltd.	Computer system development and operations; data processing services	0.0	-0.0
	Shizugin Credit Guaranty Co., Ltd.	Credit guarantees	1.1	+0.2
	Shizugin Card Co., Ltd.	Credit card business; credit guarantees	0.2	-0.0
	Shizuoka Liquidity Reserve Ltd.	Purchase of monetary receivables	0.0	-0.0
	Shizuoka EU Liquidity Reserve Ltd.		0.0	+0.0
	Shizuoka SG Liquidity Reserve Ltd.		0.0	-0.0
	Shizugin General Service Co., Ltd.	HR and general affairs services; fee-based job placement services	0.0	+0.0
	Shizugin Business Partners Co., Ltd. *2	Centralized processing operations services of deposits and loans; worker dispatch businesses; evaluation and appraisal of real estate	-0.0	-0.0
	Shizugin Saison Card Co., Ltd.	Credit cards; credit guarantees	0.1	+0.1
	Shizugin Heartful Co., Ltd.	Production and printing of documents; creating business cards	0.0	-0.0
Total excluding Shizuoka Bank (17 companies)			**3.6**	+1.1

(Reference) Equity method affiliates

Company name	Main businesses	FY2026 1Q ordinary profit	YoY change
Commons Asset Management, Inc.	Asset management; investment trust sales	0.1	+0.1
Monex Group, Inc.	Holding stocks of companies involved in financial instruments brokerage and other businesses	*4 1.9	+0.1
Shizuoka Community Development Consulting Co., Ltd. *3	Surveys, research and consulting services of contributing to regional development and revitalization	-0.0	–

*1 Made consolidated subsidiary in April 2026 *2 Merged Shizugin Business Create with Shizugin Mortgage Service in April 2026 *3 A joint venture between SFG Real Estate Investment Advisors and SEKISUI HEIM Tokai in April 2026 *4 Pretax income

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.

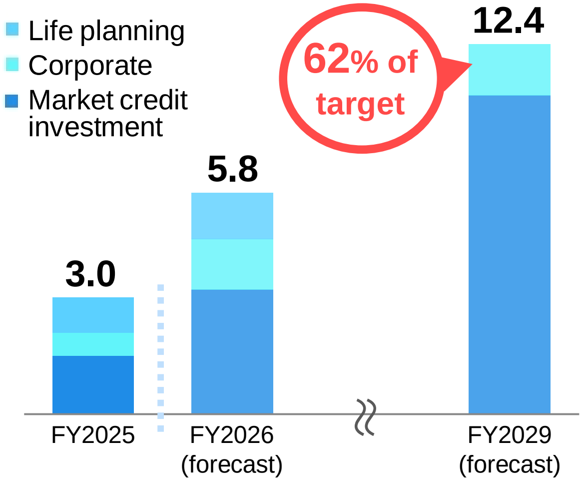
Increasing corporate value

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 20.0 bn KPI reached 62% on a five-year equivalent basis that significantly exceeded plan

Revenue effects (JPY bn)

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



Finance

Market credit investment field **JPY 72.1 bn**
Corporate field **JPY 40.4 bn**
(Cumulative amounts executed since inception of the alliance)

Life planning

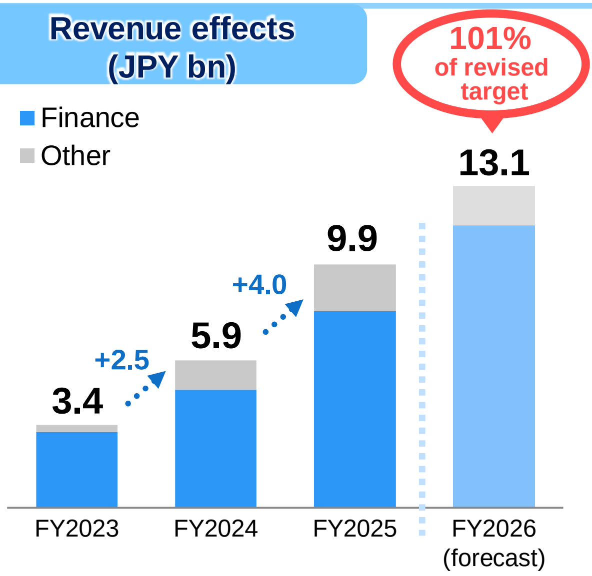
Shizugin TM Securities Yamanashi Head Office
Customer assets balance: **JPY 53.1 bn**
(Results through June 30, 2026)

Shizuoka Nagoya Alliance (established April 2022)

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

Revenue effects (JPY bn)

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



Finance

Market credit investment field **JPY 66.4 bn**
Corporate field **JPY 53.7 bn**
(Cumulative amounts executed since inception of the alliance)

Life planning

Shizugin TM Securities Nagoya Head Office
Customer assets balance: **JPY 19.4 bn**
(Results through June 30, 2026)

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 **8** Business-matching cases **93**
Initiatives to promote relocation	Relocation support loans executed **483 loans (JPY 17.5 bn)** (total for three banks)

TOPICs

Held **Mt. Fuji and Alps Relocation and Living Fair 2026** relocation event hosted by the three banks of the first since the alliance
(Attendance Records: 149 groups, 200 people
Number of Consultations: 292)

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.

Major initiatives in FY2026

Co-creation Growth Challenge

Corporate communi-cation

Trans-formation 2.0

April

- Launch of “**Xover 2.0: Into the future together**” ; Second Medium-term Business Plan (Shizuoka Financial Group)

Xover 2.0 - Into the future together

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

しずおかまちづくりコンサルティング

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

- Soccer coach Makoto Hasebe signed as a **brand partner** (Shizuoka Financial Group)

- Consolidated digital transformation (DX) and IT consulting functions in the Group to support business transformation for regional firms using digital technologies. (Shizugin Management Consulting, Shizugin IT Solution)

May

- Expanded initiatives of the Mt. Fuji/Alps Alliance relocation promotion project (Shizuoka Bank)
  - Cumulative execution of **relocation support loans** exceeds JPY 10.0 bn
  - **Landing page launched for those considering relocation** based on the concept of Live in Shizuoka/Yamanashi/Nagano

- Awarded top prize (large enterprises category) for the first time in the career reforms section of **Career Ownership Management Award 2026** (Shizuoka Financial Group)

2026 Career Ownership Management Award

- Launched of **GOTEMBA MIRAI PROJECT 2026 powered by TGC**, an HR development project for high-school students (SFG Marketing)

SFG W TOKYO 御殿場市 GOTEMBA CITY

June-

- Established **Shizuoka Mirai Cocreation Foundation** to contribute to regional industrial promotion through side-by-side support for new business creation and other activities by regional firms. (Shizuoka Bank)

- Began offering **Shizugin Pro Sharing** services to provide access to professional experts (Shizugin General Service)

- Launched **Shizugin Mirai Athletes Support** program to support the efforts of middle school athletes as representatives of the region’s future (Shizuoka Bank)

- **Counselling and training services** for regional firms commercialized, **the second project under the in-house venture system** (Shizugin General Service)

- Began demonstration testing of use of an **AI agent** for more advanced M&A and business succession support (Shizugin Management Consulting)

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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