Shizuoka Financial Group

FY2026 1H
IR Presentation

November 2026



Key messages

FY2026 1H Financial Results

- **Strong positive trend in net income, which rose JPY 10.8 bn YoY to JPY 57.3 bn.**
  Progress rate vs. revised plan (August 2026): 49.8%; progress rate vs. initial plan (May 2026): 54.5%.
  - Driven by growth in nonconsolidated net interest income for Shizuoka Bank, as the Bank continues to steadily sales of low-yield bonds in preparation for rising JPY interest rates.
- **Target net income for FY2026 revised upward by JPY 5.0 bn to JPY 120.0 bn.**
  - As consolidated ROE (based on net assets) rose to 9.6%, we expect to achieve the target ROE for the final fiscal year of the Medium-term Business Plan.

Efforts to increase corporate value

- **Target consolidated ROE (based on net assets) for FY2028 revised to approx. 12% as we seek to continue boosting ROE.**
  - Based on interest-rate scenario assumptions of the Medium-term Business Plan revised (to a policy rate of 1.75% in June 2027 and beyond) in light of changing business conditions, we will pursue balance sheet management based on optimal investment and fundraising, thereby raising the probability of sustained profit growth.
  - Maintain consolidated OHR at approx. 40% as a KPI for financial discipline by top-line growth.

Capital policies

- **Implementing returns to shareholders based on the shareholder returns policy, based on improved profit levels and capital efficiency conditions.**
  - FY2026 dividend forecasts revised upward to incorporate increase of JPY 33 YoY (JPY 5 above the figure announced in August 2026).
  - Commencement of second round of treasury stock purchases for the period announced (max.: JPY 10.0 bn, 4 million shares).

  [Forecasts] Dividend payout ratio 49.6% (up 1.9 pt YoY), total payout ratio 82.8% (up 2.2 pt YoY)

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Summary of FY2026 interim financial results (consolidated)

Steady increase in core gross operating profit due to growth in core business earnings centered on net interest income, and net income increased YoY by JPY 10.8 bn.

(JPY bn, %)	FY2025 1H	**FY2026 1H**	YoY change	
			Increase/ decrease	Increase/ decrease (%)
Core gross operating profit*1	**109.7**	**133.2**	**+23.5**	**+21.3**
Gross operating profit	**105.1**	**92.5**	**-12.6**	**-12.0**
Operating expenses (−)	52.6	56.0	+3.3	+6.3
Share of profit (loss) of entities accounted for using equity method	-0.1	0.5	+0.6	-
Net operating profit*2	**54.1**	**38.1**	**-16.0**	**-29.5**
Credit-related costs (−)	2.9	5.9	+3.0	+101.2
Gain (loss) on stocks	15.2	49.4	+34.2	+224.6
Ordinary profit Record high	**65.9**	**83.4**	**+17.4**	**+26.4**
Extraordinary profit (loss)	-0.7	-0.6	+0.1	+9.2
Net income before taxes	65.3	82.8	+17.5	+26.8
Total income taxes (−)	18.7	25.4	+6.7	+35.7
Net income*3 Record high	**46.5**	**57.3**	**+10.8**	**+23.1**
ROE (based on net assets)	7.7	9.3	+1.6	-

*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 92.5 bn** (Down for the first time in five periods)

Decrease of JPY 12.6 bn due to lower income related to JGBs and other bonds associated with operations to sell low-yield bonds (down JPY 36.1 bn YoY). Core gross operating profit was up JPY 23.5 bn YoY due mainly to growth in net interest income.

Net operating profit **JPY 38.1 bn** (Down for the first time in five periods)

Decrease of JPY 16.0 bn due to increase in operating expenses (+JPY 3.3bn) and decrease in gross operating profits.

Progress rate: 49.9%

Ordinary profit **JPY 83.4 bn** (Up for second consecutive period)

Increase of JPY 17.4 bn, despite higher credit-related costs (+JPY 3.0 bn), due to increase in gains and losses on stocks (+JPY 34.2 bn) associated with sale of shareholdings.

Progress rate: 49.8%

Net income **JPY 57.3 bn** (Up for third consecutive period)

Increase of JPY 10.8 bn due to growth in core business earnings and strategic use of gains on sale of stocks, despite sales of low-yield bonds ahead of schedule.

Results for major Group companies (1)

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 1H	YoY change Increase/ decrease	YoY change Increase/ decrease (%)
Core gross operating profit*1	**121.0**	**+21.3**	**+21.3**
Gross operating profit	**80.3**	**-14.8**	**-15.5**
Net interest income	101.9	+18.7	+22.5
Fees and commissions	16.9	+2.4	+16.1
Trading income	0.3	-0.3	-53.8
Other operating profit	-38.7	-35.6	-
(Income related to JGBs and other bonds)	(-40.7)	(-36.1)	(+782.3)
(Foreign exchange trading profit)	(0.1)	(-0.8)	(-92.7)
Expenses (-)	48.0	+2.1	+4.5
Actual net operating profit*2	32.3	-16.9	-34.3
Provision for general allowance for loan losses (-)	-0.5	+1.0	-67.6
Net operating profit	**32.8**	**-17.9**	**-35.3**
Nonrecurring profit and loss	45.8	+33.8	+282.6
Bad debt written-off (-)	5.9	+2.0	+50.9
Gain (loss) on stocks	49.4	+34.3	+227.1
Ordinary profit Record high	**78.1**	**+15.6**	**+24.8**
Extraordinary profit (loss)	-0.6	+1.4	-69.4
Net income before taxes	77.5	+17.0	+28.1
Total income taxes (-)	23.3	+6.3	+37.4
Net income Record high	**54.1**	**+10.6**	**+24.4**
Credit related costs (-)	5.4	+3.0	+120.8

*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

With Shizugin TM Securities at the center, overall earnings for Group companies continue to increase.

(JPY bn)

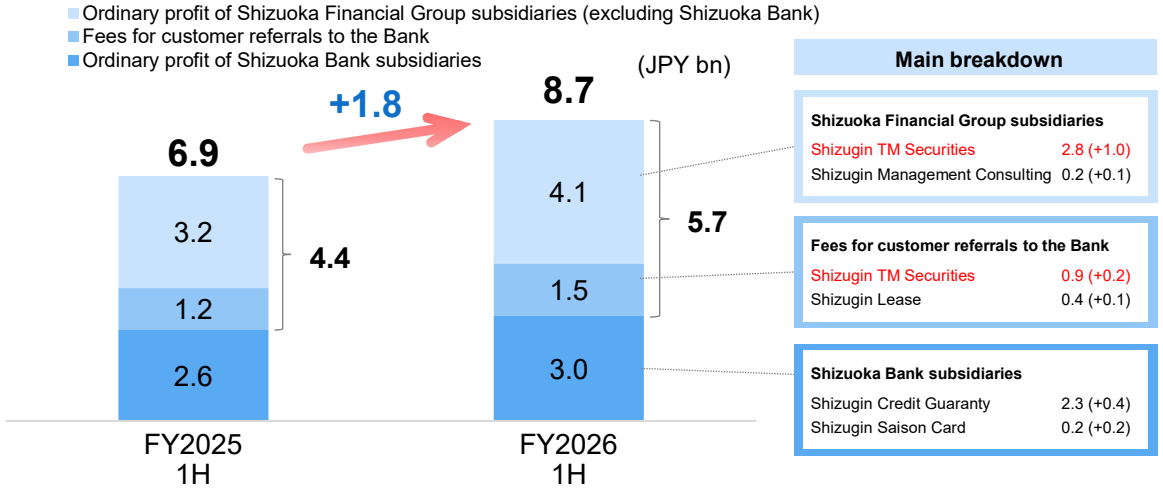
		FY2026 1H	YoY change
Shizugin TM Securities	Ordinary profit	2.8	+1.0
	Net income	1.9	+0.7
Shizugin Lease	Ordinary profit	0.7	-0.1
	Net income	0.5	-0.1
Shizugin Management Consulting	Ordinary profit	0.2	+0.1
	Net income	0.1	+0.0
Shizuoka Capital	Ordinary profit	0.1	+0.1
	Net income	0.1	+0.0
SFG Marketing	Ordinary profit	0.0	+0.0
	Net income	0.0	+0.0
SFG Real Estate Investment Advisors	Ordinary profit	0.4	-0.1
	Net income	0.3	-0.1
Tokyo Gas Lease (Made consolidated subsidiary in April 2026)	Ordinary profit	0.1	+0.1
	Net income	0.1	+0.1
Total for 7 companies	Ordinary profit	**4.3**	**+1.1**
	Net income	**3.0**	**+0.7**
Total for 10 subsidiaries of Shizuoka Bank	Ordinary profit	**3.0**	**+0.4**
	Net income	**2.1**	**+0.2**
Total for 17 consolidated subsidiaries of Shizuoka Financial Group (not including Shizuoka Bank)	Ordinary profit	**7.3**	**+1.5**
	Net income	**5.0**	**+0.9**

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.



Main breakdown

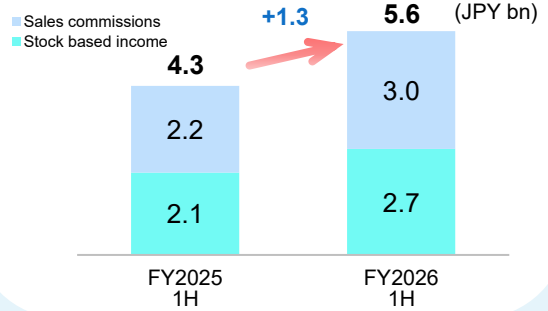
Shizuoka Financial Group subsidiaries	
Shizugin TM Securities	2.8 (+1.0)
Shizugin Management Consulting	0.2 (+0.1)
Fees for customer referrals to the Bank	
Shizugin TM Securities	0.9 (+0.2)
Shizugin Lease	0.4 (+0.1)
Shizuoka Bank subsidiaries	
Shizugin Credit Guaranty	2.3 (+0.4)
Shizugin Saison Card	0.2 (+0.2)

Group company initiatives

Shizugin TM Securities

Steady accumulation of customer assets resulted in balanced growth for both fees and commissions and recurring revenues (management fees).

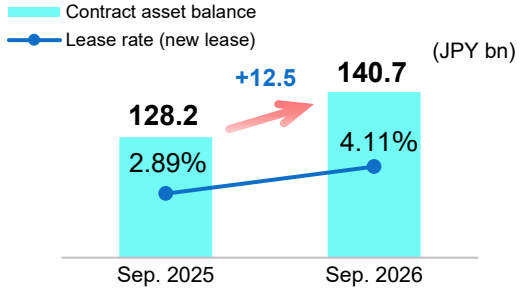
[Trends in sales commissions and stock based income]



Shizugin Lease

Favorable trends in both contract assets and lease rate. Began study to offer cyclical solutions involving aspects ranging from equipment procurement to reuse under the new partnership with Rent Corporation.

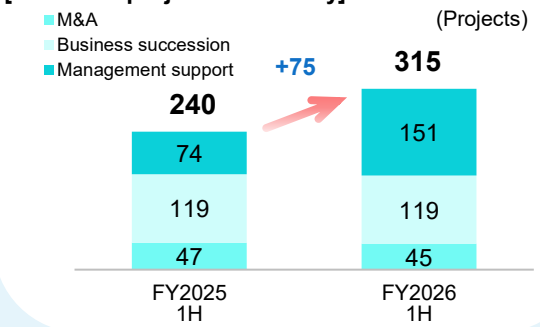
[Trends in contract asset balance and new lease rate]



Shizugin Management Consulting

Fees and commissions for the first half rose by JPY 0.3 bn YoY to JPY 0.9 bn, with steady growth in the number of projects underway.

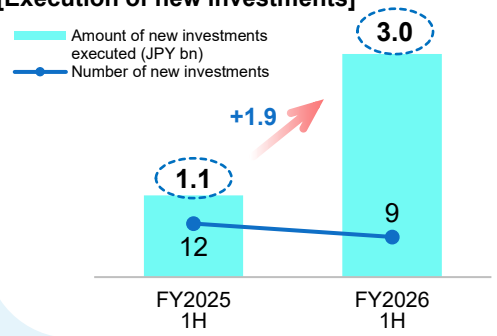
[Trends in projects underway]



Shizuoka Capital

Increased investments across various themes such as target funds (JPY 1.2 bn) and impact funds with a long-term perspective (JPY 0.8 bn).

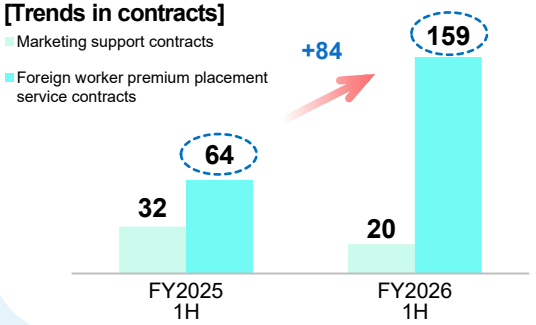
[Execution of new investments]



SFG Marketing

Steady growth in the volume of foreign worker premium placements while addressing regional issues.
Growing partnerships with local universities to connect international students to employers.

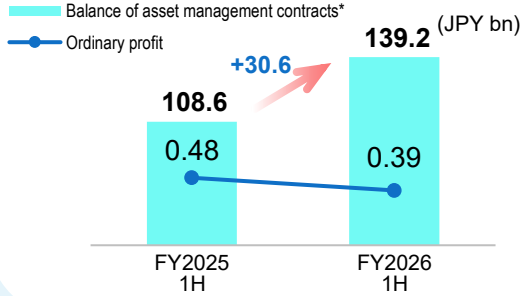
[Trends in contracts]



SFG Real Estate Investment Advisors

The balance of asset management contracts continued to grow. We also maintained our focus on long-term projects, including those involving development and operation for Shizuoka City Arena.

[Trends in asset management contracts and ordinary profit]



* Including sub-asset management

Net interest income (Shizuoka Bank nonconsolidated)

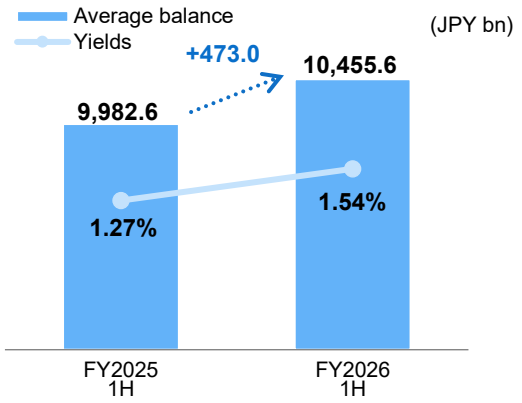
Steady growth in the domestic segment, due mainly to an increase in interest on loans with rising JPY interest rates, drove net interest income up by JPY 18.7 bn YoY overall.

Breakdown of net interest income

(JPY bn)	FY2024 1H	FY2025 1H	**FY2026 1H**	YoY change
Net interest income	**69.9**	**83.1**	**101.9**	**+18.7**
Domestic	62.9	72.8	90.8	+18.0
Interest on loans	49.2	64.0	81.0	+17.0
Interest and dividend on securities	15.7	18.9	29.4	+10.5
(Bonds)	6.0	7.5	11.1	+3.6
(Investment trusts)	0.8	1.3	5.8	+4.6
Funding costs (−)	3.5	13.3	24.0	+10.7
(Interest paid on deposits, etc.) (−)	1.8	10.9	20.7	+9.8
Other	1.4	3.3	4.4	+1.1
International	6.9	10.3	11.1	+0.7
Interest on loans	23.2	20.5	19.0	-1.5
Interest and dividend on securities	15.9	16.8	16.8	-0.0
(Bonds)	14.1	13.6	13.2	-0.4
(Investment trusts)	0.3	1.2	1.7	+0.5
Funding costs (−)	36.2	29.9	27.0	-2.9
(Interest paid on deposits, etc.) (−)	18.5	15.0	12.8	-2.2
Other	4.1	2.9	2.3	-0.6

Domestic

Loan balance (average balance)



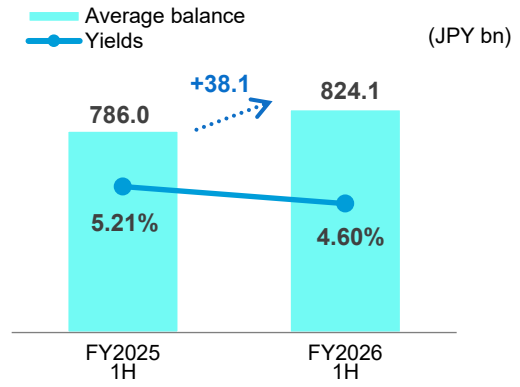
Balance factors: +3.7;
Interest rate factors: +13.4

Yields, interest margin

(%)	FY2025 1H	FY2026 1H	YoY change
Yield on loans	1.27	1.54	+0.26
Yield on deposits, etc.	0.18	0.35	+0.16
Loan-deposit rate spread	1.08	1.19	+0.10
Yield on funds management	1.25	1.69	+0.44
Cost of fund raising	0.86	1.07	+0.20
Total margin	0.39	0.62	+0.23

International

Loan balance (average balance)



Balance factors: -0.4; Forex factors: +1.3;
Interest rate factors: -2.4

Yields, interest margin

(%)	FY2025 1H	FY2026 1H	YoY change
Yield on loans	5.21	4.60	-0.60
Yield on deposits, etc.	3.62	3.04	-0.58
Loan-deposit rate spread	1.58	1.56	-0.02
Yield on funds management	4.51	4.09	-0.41
Cost of fund raising	3.48	3.02	-0.46
Total margin	1.02	1.07	+0.04

Fees and commissions

Fees and commissions are trending favorably due mainly to home loan fee income, etc. 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 1H	FY2025 1H	**FY2026 1H**	YoY change
[Consolidated] Fees and commissions	25.8	26.4	31.6	+5.2*1
[Shizuoka Bank nonconsolidated] Fees and commissions	15.2	14.6	16.9	+2.4
Fees and commissions income	21.0	21.3	23.8	+2.6
Fees and commissions expenses (-)	5.9	6.7	6.9	+0.2*2

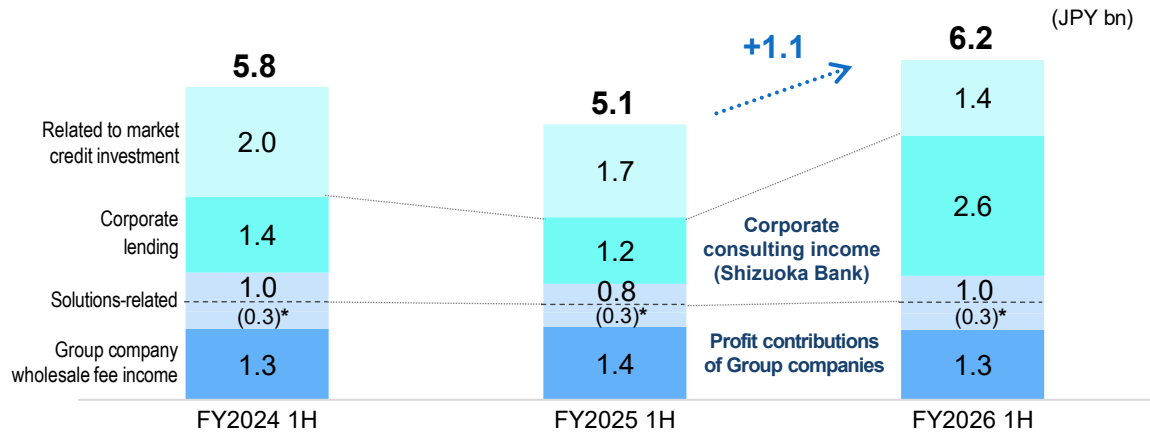
*1 Including an increase of JPY 1.4 bn due to making Shizugin Saison Card and Tokyo Gas Lease consolidated subsidiary
*2 Including a decrease of JPY 0.4 bn due to increased group trust dividends

Major items

Wholesale fee income	5.8	5.1	6.2	+1.1
Related to market credit investment	2.0	1.7	1.4	-0.3
Corporate lending (syndicated loans, etc.)	1.4	1.2	2.6	+1.3
Solutions-related (business matching, support for subsidies, etc.)	1.0	0.8	1.0	+0.2
Group company* wholesale fee income	1.3	1.4	1.3	-0.1
Other lending (home loan fee income, etc.)	3.7	4.2	5.9	+1.7
Fee income on customer assets	6.5	6.8	7.8	+1.0
Shizuoka Bank (insurance, investment trust)	2.5	2.5	2.2	-0.3
Shizugin TM Securities (investment trust)	4.1	4.3	5.6	+1.3
Forex fee income (revenues, expenditures)	2.8	3.0	3.0	-0.1
[Shizuoka Bank nonconsolidated] Trading income	0.7	0.6	0.3	-0.3

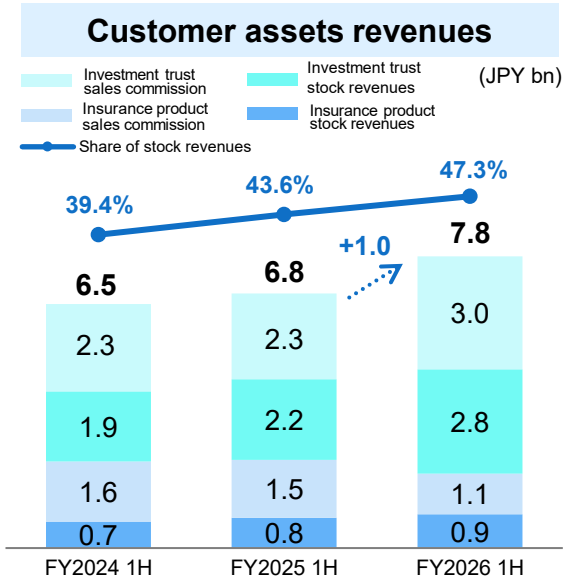
* Total ordinary profit for the following four companies: Shizugin Management Consulting, Shizugin Lease, SFG Marketing, and SFG Real Estate Investment Advisors

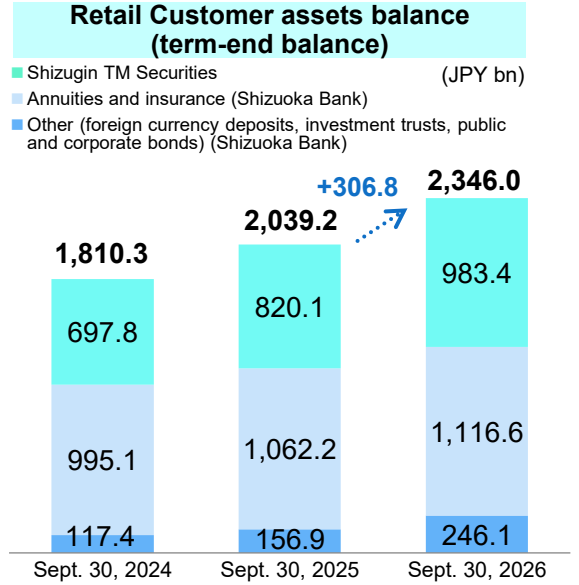
Wholesale fee income



* 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)





FY2026 forecasts

Based on increase in net interest income from BoJ policy interest rate hikes, and other factors, revised full-year forecasts once again. Forecast consolidated net income of JPY 120.0, JPY 5.0 bn higher than the previous plans (announced in August 2026) and JPY 15.0 bn higher than initial plans (announced in May 2026).

	(JPY bn)	FY2025 results	Previous forecast (A)	FY2026 revised forecast (B)	Change (B−A)	FY2026 1H results (C)	Progress rate (C/B)
Consolidated	**Ordinary profit**	**130.3**	**167.0**	**173.0**	**+6.0**	**83.4**	**48.2%**
	Net income attributable to owners of the parent	**90.5**	**115.0**	**120.0**	**+5.0**	**57.3**	**47.7%**
	ROE (based on net assets)	7.5%	9.1%	9.6%	+0.5pt	9.3%	-
	OHR*1	58.4% (46.0%)	53.2% (45.7%)	52.0% (43.0%)	-1.2pt (-2.7pt)	60.4% (42.0%)	-
	CET1 ratio*2	15.60% (13.45%)	14.29% (13.56%)	14.20% (13.37%)	-0.09pt (-0.19pt)	15.78% (13.60%)	-
Shizuoka Bank nonconsolidated	Core gross operating profit *	203.4	231.5	239.0	+7.5	121.0	50.6%
	Gross operating profit	155.5	196.5	193.5	-3.0	80.3	41.5%
	Net interest income	172.2	198.5	204.0	+5.5	101.9	49.9%
	Fees and commissions	29.0	30.0	30.5	+0.5	16.9	55.4%
	Trading income	0.8	1.0	0.5	-0.5	0.3	51.6%
	Other operating profit	-46.4	-33.0	-41.5	-8.5	-38.7	93.2%
	Expenses (−)	90.8	97.0	97.5	+0.5	48.0	49.2%
	Ordinary profit	**119.0**	**153.5**	**160.0**	**+6.5**	**78.1**	**48.8%**
	Net income	**81.6**	**104.5**	**110.0**	**+5.5**	**54.1**	**49.2%**
	Credit-related costs (−)	8.1	8.0	8.0	-	5.4	67.5%

*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

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

Key points of revisions to FY2026 forecasts

Forecast of net income revised upward in light of growth in net interest income associated with interest rate scenario revisions, additional bonds sale operations, and other factors

	(JPY bn)	Previous forecast	FY2026 forecast (revised)	Change
Consolidated	**Ordinary profit**	**167.0**	**173.0**	**+6.0**
	Net income attributable to owners of the parent	**115.0**	**120.0**	**+5.0**
	ROE (based on net assets)	9.1%	9.6%	+0.5 pt
Shizuoka Bank nonconsolidated	Gross operating profit	196.5	193.5	-3.0
	Net interest income	198.5	204.0	+5.5
	Fees and commissions	30.0	30.5	+0.5
	Trading income	1.0	0.5	-0.5
	Other operating profit	-33.0	-41.5	-8.5
	Income related to JGBs and other bonds	-35.0	-45.5	-10.5
	Expenses (–)	97.0	97.5	+0.5
	Gains (loss) on stock	58.0	67.0	+9.0
	Ordinary profit	**153.5**	**160.0**	**+6.5**
	Extraordinary profit (loss)	-5.5	-2.5	+3.0
	Net income	**104.5**	**110.0**	**+5.5**
Dividend/share		108 yen (+ JPY 28 YoY)	113 yen (+ JPY 33 YoY)	+5 yen

Key points of revisions to forecasts

Revisions of the FY2026 planned interest rate scenario (policy interest rate)

Before revision: Unchanged at 1.00%
After revision: 1.25% beginning in September 2026 / 1.50% beginning in December 2026

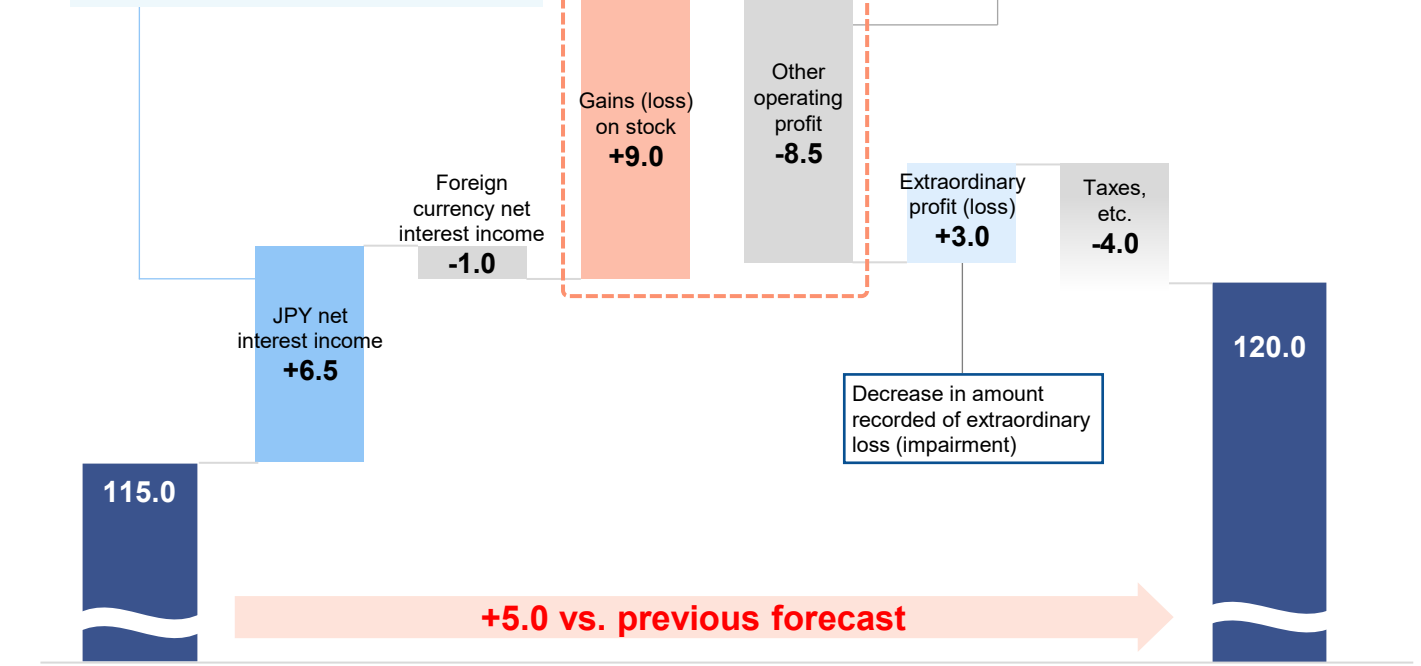
(JPY bn)

Breakdown of changes in JPY net interest income

- Interest on loans +9.5
- Interest on deposits, etc. -6.0
- Difference between loan revenues and deposit costs: +3.5
- Other +3.0 (Interest on deposits with banks, etc.)

Bonds sale operations, etc. in response to changing interest rate environment

- Sale of JPY bonds -4.8
- Sale of foreign bonds -3.2
- Other -0.5



(Reference) FY2026 JPY balance sheet

Composition of FY2026 JPY balance sheet (average balances)

Assets | **Liabilities**

JPY 14.3 tn

Loans JPY 10.6 tn

Yield 1.72% (+0.09 pt)

- SMEs JPY 3.7 tn
- Individuals JPY 4.4 tn
- Large and medium-sized enterprises JPY 1.8 tn
- Market credit investment JPY 0.4 tn

Securities JPY 2.0 tn (-JPY 0.4 tn)

- JPY bonds JPY 1.5 tn (-JPY 0.4 tn)
  - Average yield 1.53% (+0.01 pt)
  - Ending yield 1.68%

Other assets JPY 1.7 tn

- BoJ deposits JPY 0.5 tn (+JPY 0.2 tn)
  - Yield 0.68%

Deposits, etc. JPY 11.8 tn

Yield 0.44% (+0.05 pt)

- Individuals JPY 7.9 tn
- Corporate JPY 3.2 tn
- Public JPY 0.4 tn

BoJ borrowing JPY 1.0 tn

Yield 0.29%

Other funding JPY 0.7 tn

- Corporate bonds JPY 0.1 tn, Yield 1.51%
- Loan securitization JPY 0.2 tn, Yield 1.44%

Equity capital JPY 0.9 tn

* The figures in parentheses indicate the main changes compared to the performance forecast revisions as of August 2026.

Impact of FY2026 performance forecast revisions on JPY net interest income

Estimated impact of policy rate hikes to 1.25% in September and 1.5% (+0.25%) in December 2026

Assets	**Interest on loans**	:	**+JPY 9.5 bn**	(yield factors: +9.5)
	Market-rate linked	:	+JPY 5.9 bn	
	Prime based	:	+JPY 2.9 bn	
	Fixed rate	:	+JPY 0.7 bn	
	Interest on BoJ deposits	:	**+JPY 1.8 bn**	(balance factors: +0.8 yield factors: +1.0)
	Other	:	+JPY 1.2 bn	
Liabilities	**Interest on deposits, etc. (−)**	:	**+JPY 6.0 bn**	(balance factors: -0.2 yield factors: +6.2)
Total	**Change**	:	**+JPY 6.5 bn**	

* vs. figures announced August 2026

Efforts to Increase Corporate Value

Revisions of sustainability KPIs

Financial targets for the Medium-term Business Plan sustainability KPIs revised in light of BoJ monetary policy changes (additional rate hikes) on business results and other factors.

Revisions to financial targets

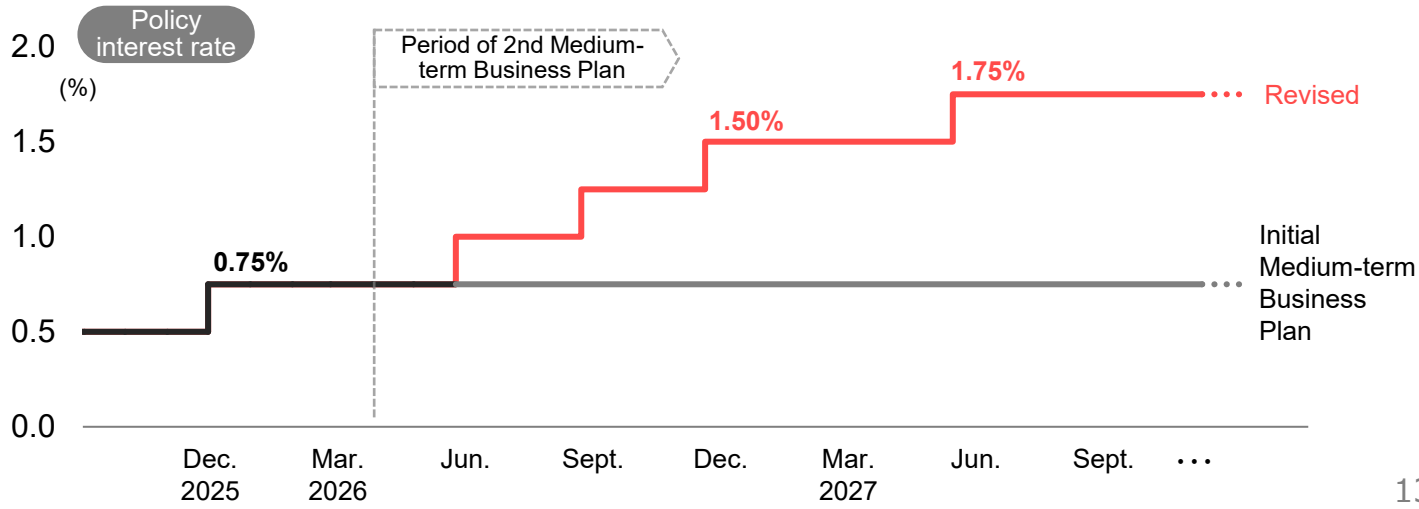
		Indicator	FY2028 targets	FY2028 targets
Financial targets	Profitability	Consolidated ordinary profit	JPY **170.0 bn** or more	JPY **226.0 bn** or more
		Consolidated ROE (based on net assets)	Approx. **9.5%**	Approx. **12%**
	Efficiency	Consolidated OHR	Approx. **47%**	Approx. **40%**
	Soundness	Consolidated CET1 Ratio*	Approx. **13%**	Approx. **13%**

* Based on the finalized Basel III framework

Background of financial target revisions

Interest rate scenarios (policy interest rates) revised based on the gap between assumptions at the time the Medium-term Business Plan was formulated and the recent interest rate environment.

Initial Medium-term Business Plan	Unchanged at 0.75%
Revised Medium-term Business Plan	Flat after rising to 1.50% in December 2026 and 1.75% in June 2027



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

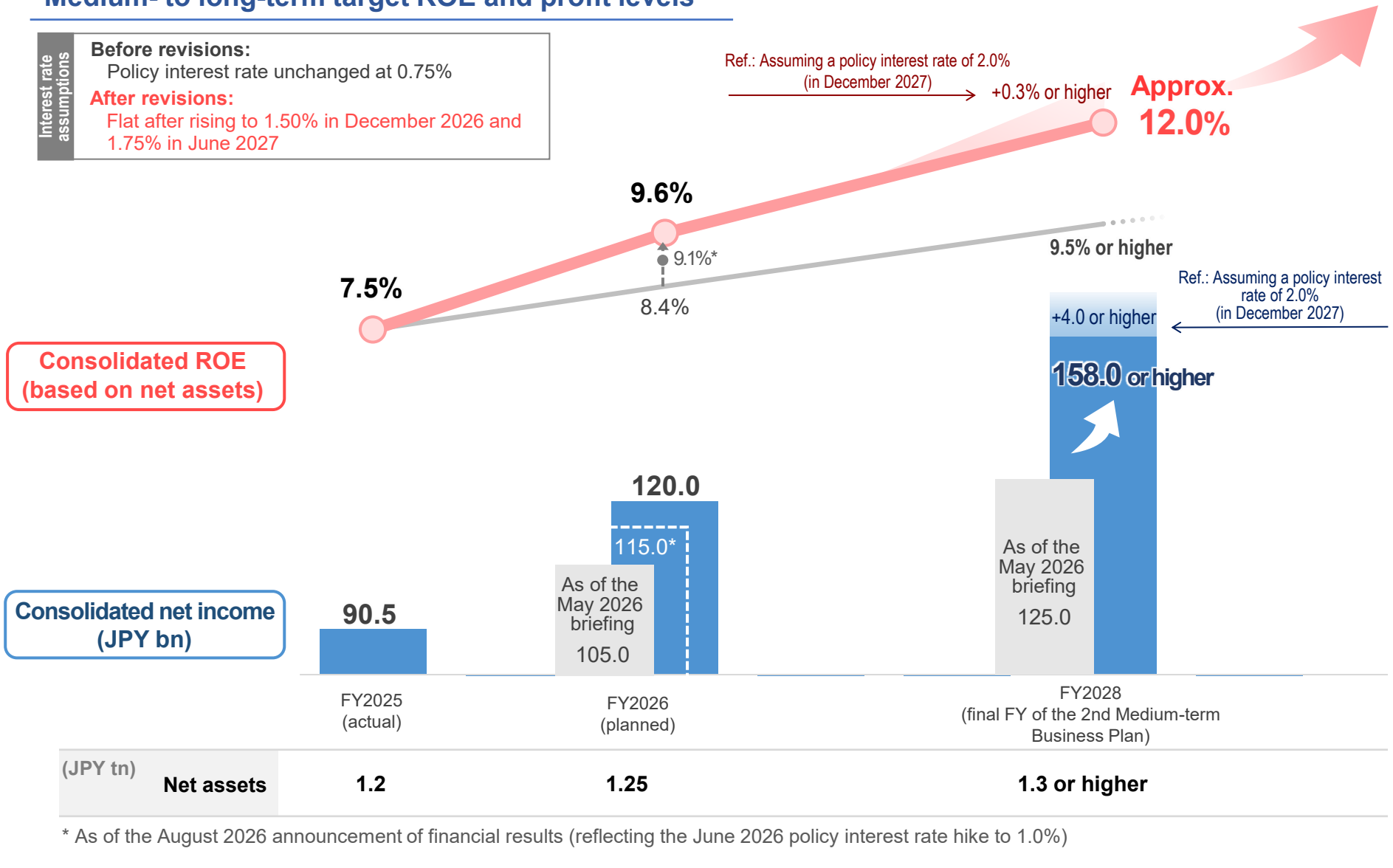
ROE target for final fiscal year of Medium-term Business Plan revised to approx. 12% based on revisions of the interest rate scenario assumed under the plan and other factors. Improving capital efficiency and pursuing transformation into a business structure capable of achieving sustained growth in ROE even after reaching the terminal rate.

Medium- to long-term target ROE and profit levels

Interest rate assumptions

Before revisions:
Policy interest rate unchanged at 0.75%

After revisions:
Flat after rising to 1.50% in December 2026 and 1.75% in June 2027



(JPY tn)	FY2025 (actual)	FY2026 (planned)	FY2028 (final FY of the 2nd Medium-term Business Plan)
Net assets	1.2	1.25	1.3 or higher

* As of the August 2026 announcement of financial results (reflecting the June 2026 policy interest rate hike to 1.0%)

ROE

(1) **Rapidly achieving double-digit ROE** as the pace of interest rate hikes accelerates

(2) **Evolving a business structure capable of demonstrating sustained growth even after reaching the terminal rate**

Growth strategies

(1) **Optimizing balance sheet management** by accumulating assets under management with profitability in mind, premised on stable fundraising

(2) **Growing the fee businesses** independent of interest income **(earnings opportunities)**

Capital strategy

Revising levels and composition of capital
Applying capital to achieve top-line growth

Focusing investment capacity on growth investments to boost ROE, while using surplus capital for shareholder returns, thereby improving capital efficiency

(Reference) Changes in JPY net interest income

JPY net interest income is projected to increase by JPY 30.0 bn in the final fiscal year of the Medium-term Business Plan due mainly to rising JPY interest rates and selective retention of assets under management (loans, securities).

Change in profits

Policy interest rate	0.75%～	Sept. : 1.25%～ ▶ Dec. : 1.50%～		0.75%～	1.75%～	
(JPY bn)	FY2026 (Announced May 2026)	FY2026 (Revised November 2026)	Change	FY2028 (Estimated May 2026)	FY2028 (Revised November 2026)	Change
Consolidated ordinary profit	152.0	173.0	+21.0	174.0	226.0	+52.0
Consolidated net income	105.0	120.0	+15.0	125.0	158.0	+33.0
JPY net interest income	**167.5**	**185.0**	**+17.5**	**183.0**	**213.0**	**+30.0**

Composition of JPY net interest income

	(JPY bn)	FY2026 (Announced May 2026)	FY2026 (Revised November 2026)	Change	FY2028 (Estimated May 2026)	FY2028 (Revised November 2026)	Change
Assets	Interest on loans	155.5	183.0	+27.5	170.0	255.0	+85.0
Assets	Interest and dividends on securities	51.5	56.0	+4.7	61.5	68.0	+6.5
Assets	Interest on deposits with BoJ, etc.	1.2	4.2	+3.0	1.5	3.5	+2.0
Liabilities	Interest on deposits, etc. (−)	35.5	52.0	+16.5	36.0	94.5	+58.5
Liabilities	Other (−)	5.2	6.2	+1.0	14.0	19.0	+5.0
Total		**167.5**	**185.0**	**+175**	**183.0**	**213.0**	**+30.0**
ROE		**8.4%**	**9.6%**	**+1.2pt**	**9.5%**	**12.0%**	**+2.5pt**

Approach to JPY balance sheet management

While selecting assets with a focus on investment yields and prioritizing sticky deposits for funding, we will ensure liquidity by diversifying our funding methods.
We will maximize net interest income to optimize the balance sheet in both investment and funding.

Maximizing asset returns through selective investment

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1 Lending that aims to grow balances

SMEs, Individuals

Growing balances and boosting overall profitability based on the idea that lending to SMEs and individuals is a starting point for deposit transactions and fee businesses

2 Lending to improve asset efficiency

Large and medium-sized enterprises, market credit investments

Improving asset efficiency on the balance sheet without increasing balances by gradually reducing low-yield loans

JPY bonds

Securing stable carry returns by building a highly profitable portfolio through dynamic replacement operations in response to interest rate trends

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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FY2026 target JPY balance sheet structure(average balances)

JPY 15.1 tn (+JPY 0.8 tn)*

Assets		Liabilities	
Loans JPY 11.5 tn (+JPY 0.9 tn)		**Deposits, etc.** JPY 12.7 tn (+JPY 1.0 tn)	
SMEs	JPY 4.0 tn (+JPY 0.4 tn)	Individuals	JPY 8.5 tn (+JPY 0.6 tn)
Individuals	JPY 5.1 tn (+JPY 0.6 tn)	Corporate	JPY 3.6 tn (+JPY 0.4 tn)
Large and medium-sized enterprises	JPY 1.7 tn (-JPY 0.1 tn)	Public	JPY 0.6 tn (+JPY 0.1 tn)
Market credit investment	JPY 0.4 tn (+JPY 0.0 tn)		
Yield	2.22% (+0.49 pt)	Yield	0.74% (+0.30 pt)
Securities JPY 2.7 tn (+JPY 0.6 tn)		**BoJ borrowings** JPY 0.4 tn (-JPY 0.6 tn)	
JPY bonds	JPY 2.1 tn (+JPY 0.6 tn)	**Other funding**	JPY 1.0 tn (+JPY 0.3 tn)
JPY bonds yield	2.06% (+0.52 pt)	Corporate bonds	JPY 0.3 tn (+JPY 0.2 tn)
		Loan securitization	JPY 0.4 tn (+JPY 0.2 tn)
Other assets JPY 0.9 tn (-JPY 0.7 tn)		Equity capital JPY 1.0 tn (+JPY 0.1 tn)	

* Figures in parentheses are vs. FY2026 plan.

Securing stable funding to support asset growth

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1 Securing sticky deposits going forward

Focusing on securing active accounts while striving to boost sticky deposits by means including building systems to attract deposits over the medium to long term (e.g., point economic zone, BaaS platform)

2 Strategically acquiring deposits by incurring costs

Promoting efforts to secure advantages in a changing competitive environment for deposits through both interest rates and product attractiveness

Supplemental funding

Enhancing the lineup of non-deposit funding to increase the likelihood of balance sheet growth and ensure long-term stable funding

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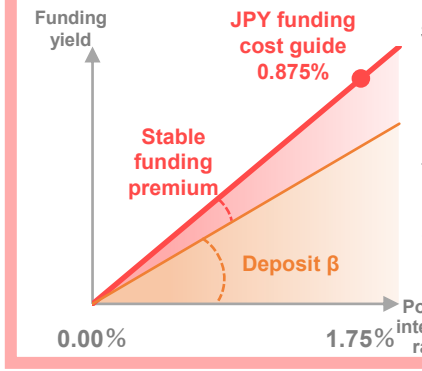
Illustration of funding cost control



Seeking the optimal balance between deposit balances secured and costs

Keeping down the stable funding premium through an optimal funding mix for JPY funding as a whole with a target of approximately **50% of the policy interest rate**

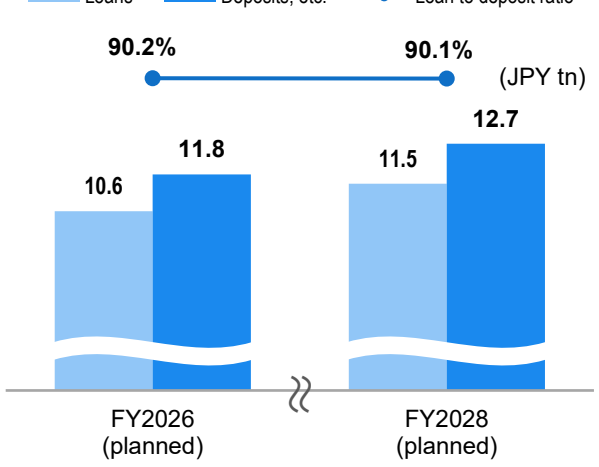
JPY balance sheet management (1) –Deposits strategy

Achieving balance sheet growth through the steady pursuit of efforts to secure sticky deposits going forward while responding flexibly to the changing environment for securing deposits

Current state and outlook of JPY deposits

Trends in average balances of JPY deposits, etc.

By securing deposits in line with the pace of growth in loan balances, we will move toward a loan-to-deposit ratio of approximately 90%.

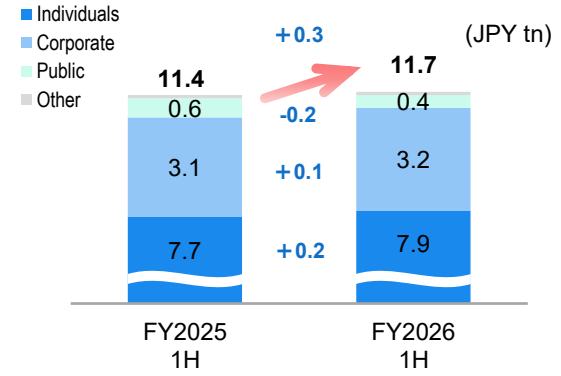


Current state

Individuals Deposit growth driven mainly by fixed deposits, while liquid deposits declined (issues with deposit stickiness)

Corporate Growth in both liquid and fixed deposits as we make progress in securing a deposit share in line with our share of financing

Public Adjusting balances based on cost and term (stability)



JPY deposits funding plan

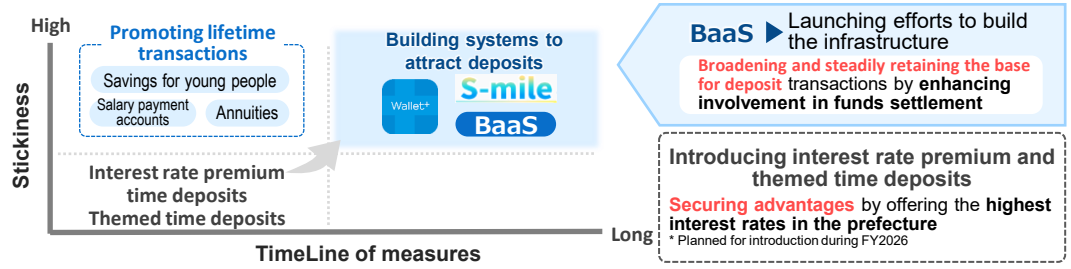
(JPY bn)

	FY2026 1H (actual)			FY2026 (planned)		FY2028 (planned)	
	Average balance	Yield	Pass-through rate*	Average balance	Yield	Average balance	Yield
JPY deposits, etc.	11,669.1	0.35%	43.2%	11,758.2	0.44%	12,717.6	0.74%
Of which liquid deposits	8,287.0	0.28%	32.9%	8,273.8	0.35%	8,949.0	0.58%
Of which fixed deposits	3,295.8	0.52%	67.7%	3,396.2	0.64%	3,673.3	1.10%

* Calculated as change in yield on deposits / change in policy interest rate (12-month average) vs. FY2024

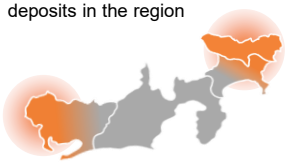
1 Future action to secure deposits

Individuals Over the short term, growing points of contact by introducing deposits offering competitive interest rates, while increasing stickiness through conversion to main accounts and building structures to attract deposits



Corporate

Expanding the promotion area while increasing our share of deposits in the region



Expanding deposit transactions with companies outside Shizuoka Prefecture
Approaches to general transactions based on loans
Flexible rate-setting on large-scale time deposits

Expanding our share of deposit transactions
Room remains to grow our share of deposits in light of our share of lending. (Approximately 60% share at end of September 2026)

Public Positioning as a supplemental funding source

Current environment
- Rising trend in winning-bid interest rates amid competition for deposits
- Shorter-term deposits in anticipation of future rate hikes → Lower available stable funding factor

Adjusting funding volumes in response to trends in sticky deposits, while dynamically setting bid interest rates

2 Approach to costs associated with deposit funding

Medium-term Business Plan simulations estimated based on pass-through rate in FY2026 1H (actual)

Case of increase in the pass-through rate for fixed deposits (+10 pts)

- Yields on deposits, etc. +0.04pt
- Interest on deposits, etc. +JPY 5.5 bn

Responding with **appropriate loan pricing**

Yields on loans +0.05pt

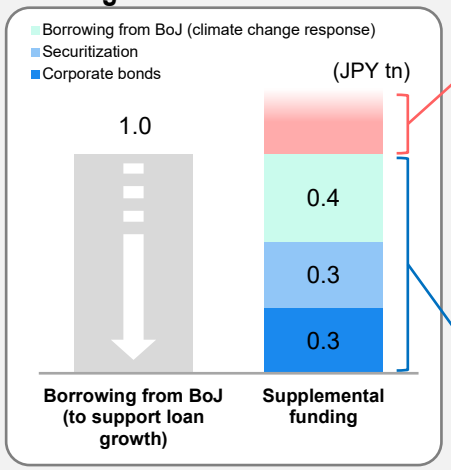
Aiming for, balance sheet growth while using supplemental means of funding other than deposits, based on building up deposits in line with growth in loans while also considering increasing the pass-through rate

JPY balance sheet management (2) –Supplemental funding

Making balance sheet growth more likely by optimizing the funding mix while considering funding costs and liquidity, and making up for the decrease in BoJ borrowings

Funding sources other than deposits (Supplemental funding)

Our approach to supplemental funding



Lineup enhancements

Steadily expanding the lineup of funding sources from the perspectives of **stable long-term funding** and **increasing the likelihood of balance sheet growth**

- Corporate bonds (private placement bonds)
- Diversifying approaches to foreign currency funding
- Securities and financial funding

Alternative funding

Efforts to identify alternative approaches to funding to offset reduced borrowing from BoJ (to support loan growth) is **proceeding according to plan**. Long-term stable funding also satisfies liquidity requirements.

Execution amounts as of September 30, 2026

Climate change response	Corporate bonds (public placement bonds)	Loan securitization
JPY 146.4 bn	JPY 60.0 bn	JPY 150.0 bn

JPY funding plan (Average balance, JPY bn)

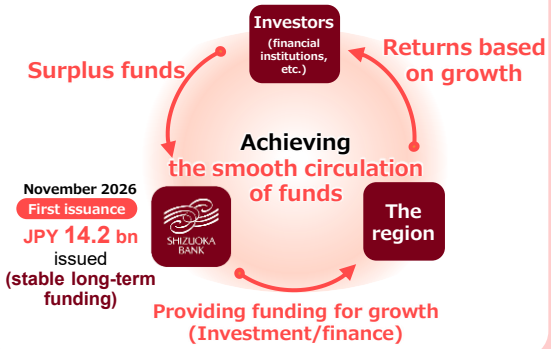
JPY funding cost guide
Targeting approx. 50% of the policy interest rate

Means of fundraising	FY2026 1H (actual)		FY2026 (planned)		FY2028 (planned)	
	Balance	Yield	Balance	Yield	Balance	Yield
JPY funding	**13,133.0**	**0.36%**	**13,072.3**	**0.45%**	**14,045.8**	**0.81%**
Of which deposits, etc.	11,669.1	0.35%	11,758.2	0.44%	12,717.6	0.74%
Of which borrowings from BoJ	1,142.8	0.19%	967.4	0.29%	407.0	1.75%

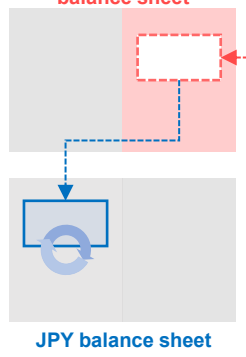
1 Examples of initiatives and studies to expand the funding lineup

Corporate bonds (private placement bonds)

Issuing variable rate bonds to investors seeking to avoid interest rate risk



Diversifying approaches to foreign currency funding



(1) New approaches to foreign currency funding

(Examples)
- ✓ Funding from foreign banks
- ✓ Cross-currency repos
- ✓ Issuance of foreign bonds

(2) Shift from FX and currency swaps to JPY investments

Balance as of September 30, 2026
JPY 399.8 bn

Securing JPY investment capacity through currency-specific ALM

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

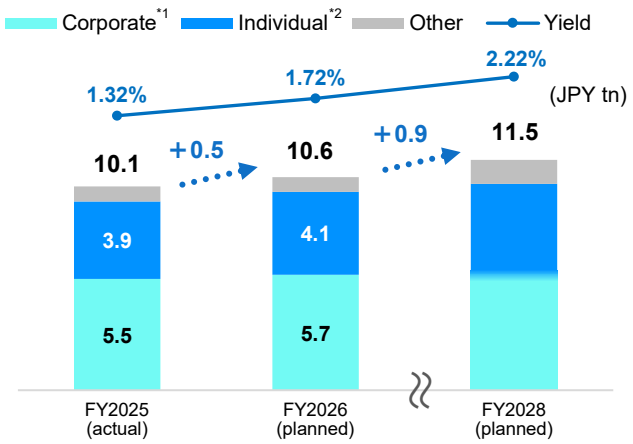
Means of funding	Cost	Term (stability)
Deposits, etc.	◎ **(Low)**	○ Varies by instrument.
Corporate bonds	△ (High)	◎ **3–5 years**
Loan securitization		**8–15 years**
Securities and financial funding		○ 1 year or less (refinanceable)
BoJ borrowings (climate change response)	○ (Policy interest rates)	

JPY balance sheet management (3) –Loans

By clarifying investment strategies for each asset and implementing a well-balanced allocation, we aim to improve the profitability of balance sheet and expand our general transactions.

Current state and outlook of JPY loans

Trends in balances of JPY loans

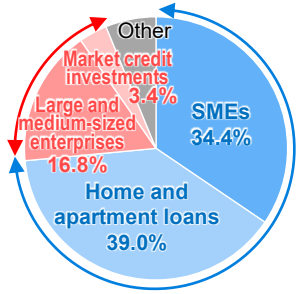


*1 Not including market credit investments *2 Home loans + apartment loans(Individual)

Current conditions

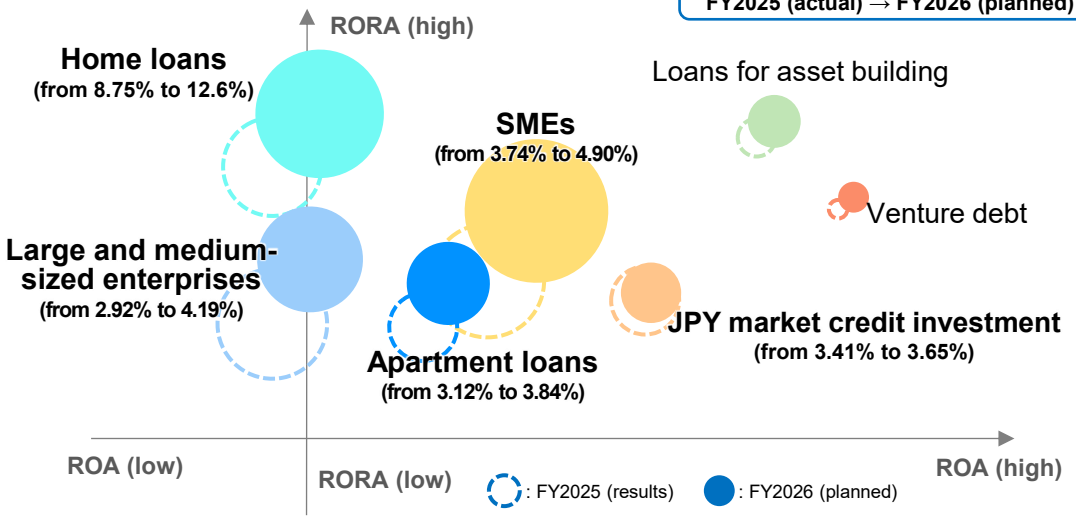
Composition of JPY loans
(FY2026 1H balance: JPY 10.5 tn)

1. Steady growth in balances of SME loans, home and apartment loans
2. Improving yields while controlling balances for large and medium-sized enterprise loans and market credit investments



(Reference) Asset allocation (FY2026 plans)

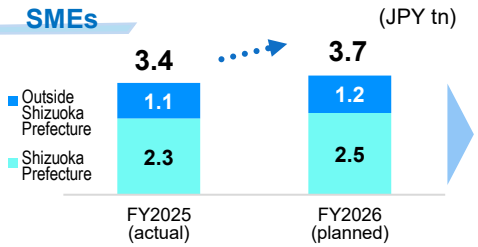
Actual RORA indicated in parentheses
FY2025 (actual) → FY2026 (planned)



Loan management policies

1 Loans for which we will seek to increase balances

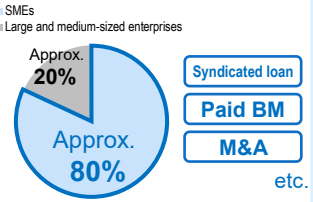
SMEs



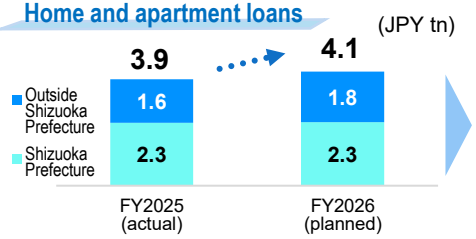
Management policy, Objectives of the initiative

(1) Increasing the **share of loans made within the region**(promoting funds circulation in the region)
(2) **Securing fees and commissions** income by providing Group functions

More than 80 percent of corporate-related fees come from transactions with SMEs



Home and apartment loans



(1) Tap further into the Growth domain (Metropolitan areas) by **allocating management resources (personnel, facilities)**
(2) Growing **deposit transactions and fees revenues** based on loans



Opening the Akihabara Loan Center, our third facility in Tokyo
(to open in December 2026)

In addition to increasing profitability, aspire to allocations intended to expand general transactions

2 Loans for which we will seek to increase profitability through selective transactions

Improve the portfolio yield by controlling balances, through continuing selective transactions with a focus on profitability

Large and medium-sized enterprises

(JPY bn)	FY2025 2H	FY2026 1H	Change
Average balance	1,798.1	1,763.1	-35.0
Yield	0.95%	1.19%	+0.24 pt

Status of execution and collection in FY2026 1H

(JPY bn)	Execution	Collection*	Difference
Balance	635.7	663.3	-27.7
Yield	1.46%	1.20%	+0.26pt

In addition to yield, making a comprehensive assessment of each company, taking into account ancillary transactions other than loans, relationships with the local communities, and relevance to the 17 strategic Fields.

Market credit investment

	FY2025 2H	FY2026 1H	Change
Average balance	391.6	365.3	-26.3
Yield	2.23%	2.45%	+0.22 pt

	Execution	Collection*	Difference
Balance	36.1	40.0	-3.9
Yield	3.43%	2.49%	+0.94pt

Accelerate the collection of low-profit loans, such as corporate bond repackaged loans, and replace them with loans such as LBO loans, which have relatively high ROA and RORA.

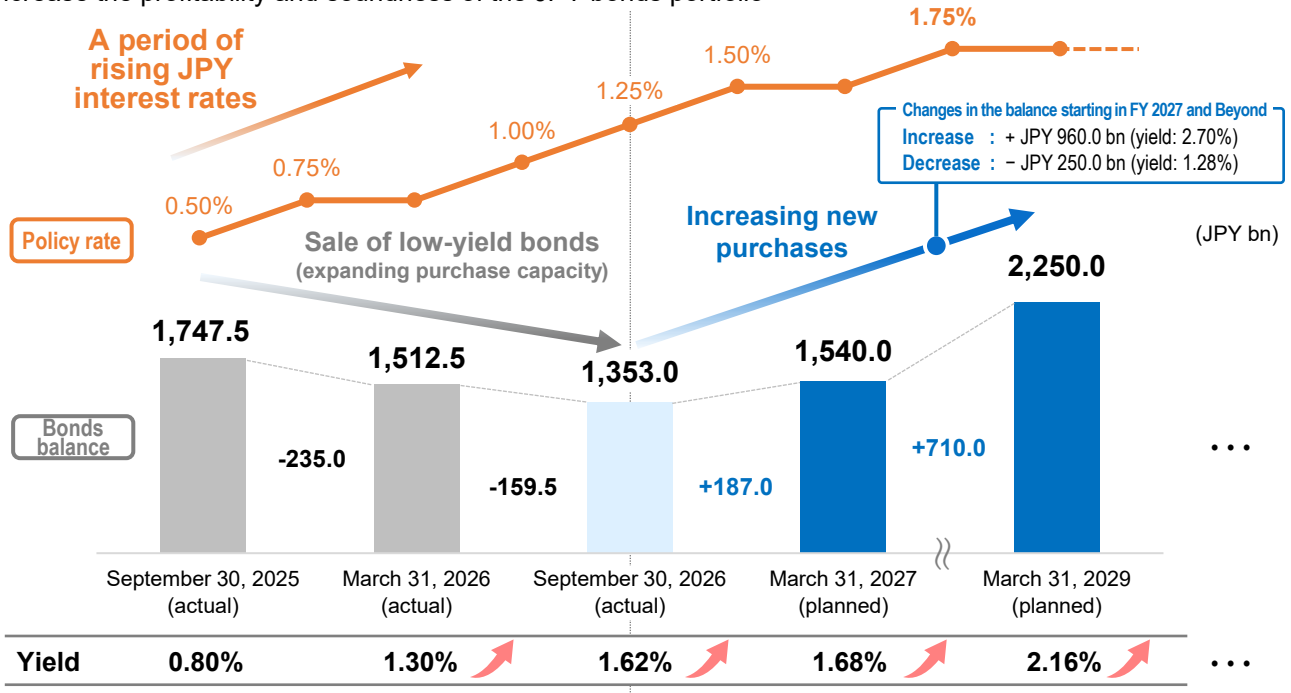
* Not including amortization, etc.

JPY balance sheet management (4) –Securities

Securing stable carry income by building a highly profitable portfolio while closely monitoring interest rate trends starting in FY2027, once the sale of low-yield bonds is mostly completed

JPY bonds management policy based on interest rate scenarios

Selecting and implementing optimal operations on a case-by-case basis in line with the market environment to increase the profitability and soundness of the JPY bonds portfolio



JPY bonds management to date

Bonds replacement implemented using **unrealized gains on shareholdings** (since FY2025 2H)

Impact on bonds portfolio

- Priority sale of low-yield bonds ▶ Improved yields
- Controlling purchases based on interest rate environment ▶ Reduced balances

JPY bonds management going forward

[Interest rate scenario] Policy interest rate reaching 1.75% in FY2027

- Purchase: Increasing balance through full-scale purchasing while taking the interest rate environment into account
- Sale: Raise the yield threshold for bonds to be sold

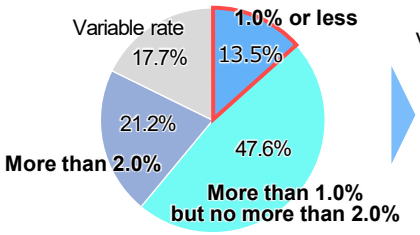
Increase carry income by restructuring the JPY bond portfolio

Target portfolio for the final fiscal year of the Medium-term Business Plan

(JPY bn)	September 2026 (actual) Balance*	September 2026 (actual) Yield	March 2029 (planned) Balance*	March 2029 (planned) Yield	Changes Balance*	Changes Yield
JPY bonds	1,353.0	1.62%	2,250.0	2.16%	+897.0	+0.54 pt
Average remaining term	6.94 years		4.60 years		-2.34 years	
Valuation gains/losses	-197.2		-112.8		+84.4	

* Balances are based on acquisition costs.

Structural changes in bonds held (by yield)



Since the majority of the bonds have short remaining term, do not actively seek to sell them

Depending on long-term interest rate conditions, review the yield threshold for bonds to be sold off and sell them flexibly

Proceed with new purchases at the appropriate time while closely monitoring the pace of interest rate hikes

Estimation based on future operations*

1 Profitability

Profit growth approx. **JPY 27.0 bn** (annualized)

Securing stable carry income

2 Soundness

Valuation gain/loss: reducing valuation loss by **JPY 84.4 bn**

Average remaining term: reduced by **2.34 years**

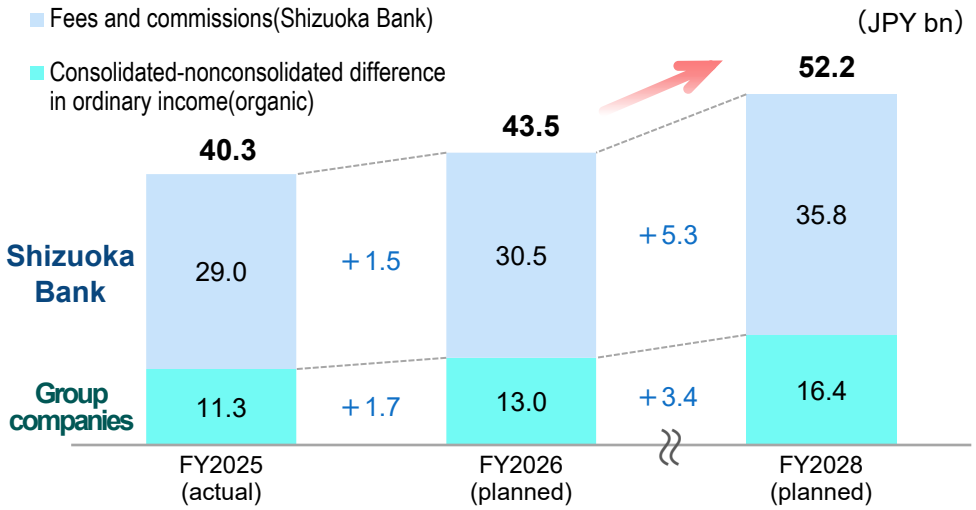
Resolving valuation loss while shortening duration

* vs. portfolio as of September 30, 2026

Fees and commissions –Enhancing fees and commissions businesses

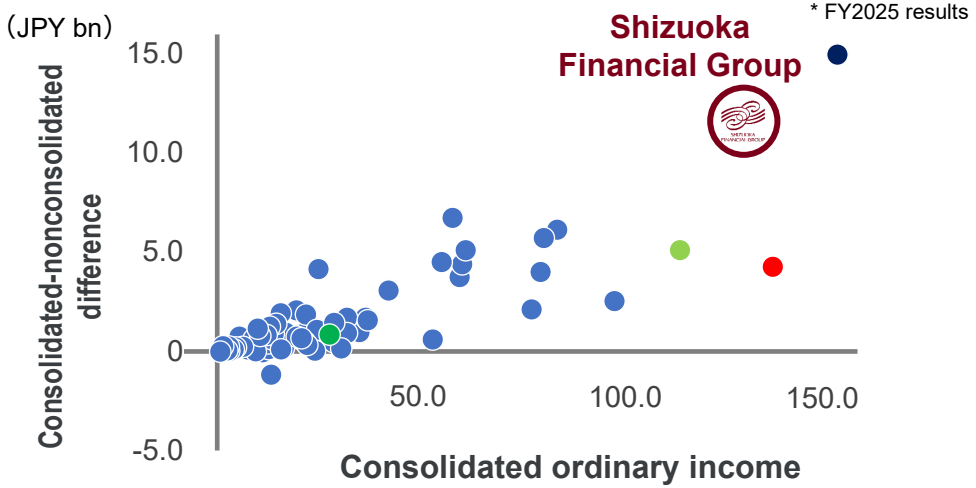
Aiming for further growth in fees and commissions businesses by growing fee revenues based on loans and broadening the base of the Groups earnings.

Projected growth in fee revenues



Profitability of Group companies (positioning map)

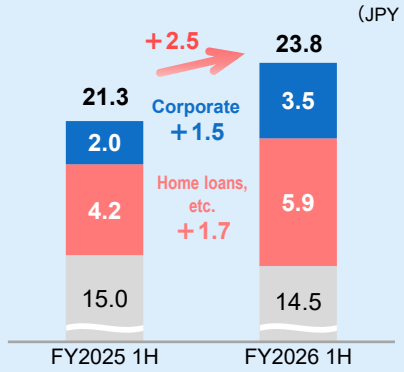
[Comparison of 24 regional bank holding companies and 52 other first- and second-tier regional banks]



Shizuoka bank nonconsolidated

Growing fee revenues based on loans

[Factors behind changes in fees and commissions income]

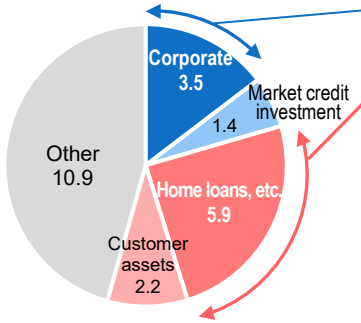


Strengthening approaches to both corporate and retail fee businesses in line with growth in loans

[Composition of revenues*]

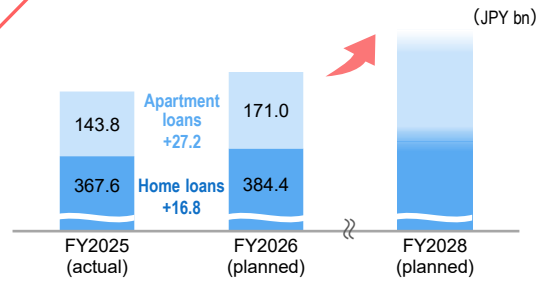
fees and commissions income **JPY 23.8bn**

Deployment to solutions businesses such as consulting and business matching, based on loan transactions



* FY2026 1H results (JPY bn)

New execution amounts for home and apartment loans are growing

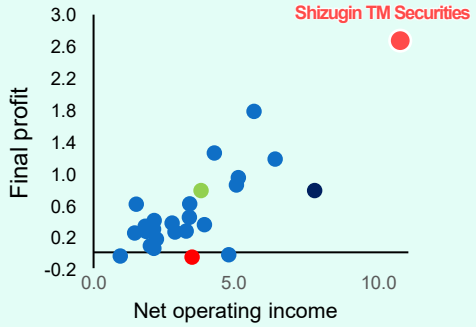


PICKUP

Shizugin TM Securities

Top among regional banks' securities subsidiaries

[Comparison of result of 26 regional banks' securities subsidiaries]

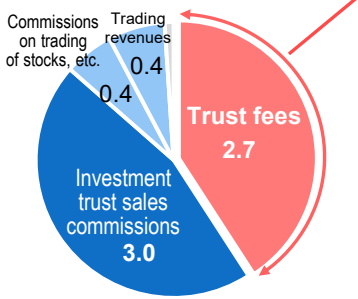


* FY2025 results (JPY bn)

Deploying **asset-management businesses resistant to market fluctuations** through highly customer-centric business operations

[Composition of revenues*]

Operating revenue **JPY 6.5bn**

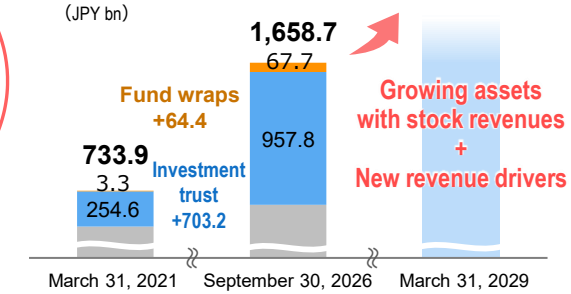


* FY2026 1H results (JPY bn)

Share of stock revenues : 40.8%

(ordinary expense coverage ratio: 70.9%)

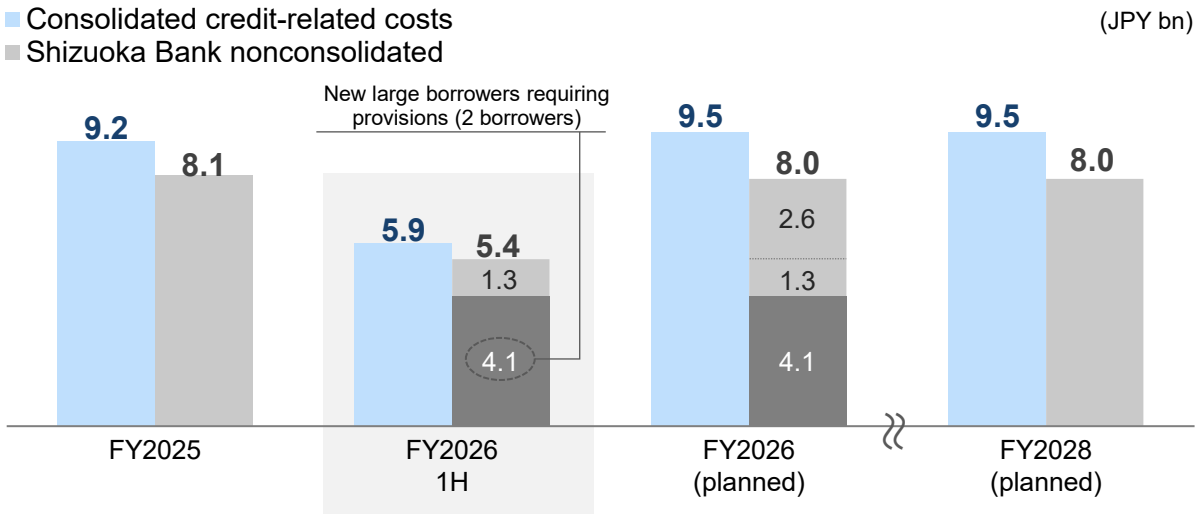
Breakdown of balances of customer assets (ending balances)



Cost controls (1) –Credit-related costs

Controlling credit-related costs while closely monitoring the impact of changes in the current business environment on credit risk, thereby leading to appropriate risk-taking.

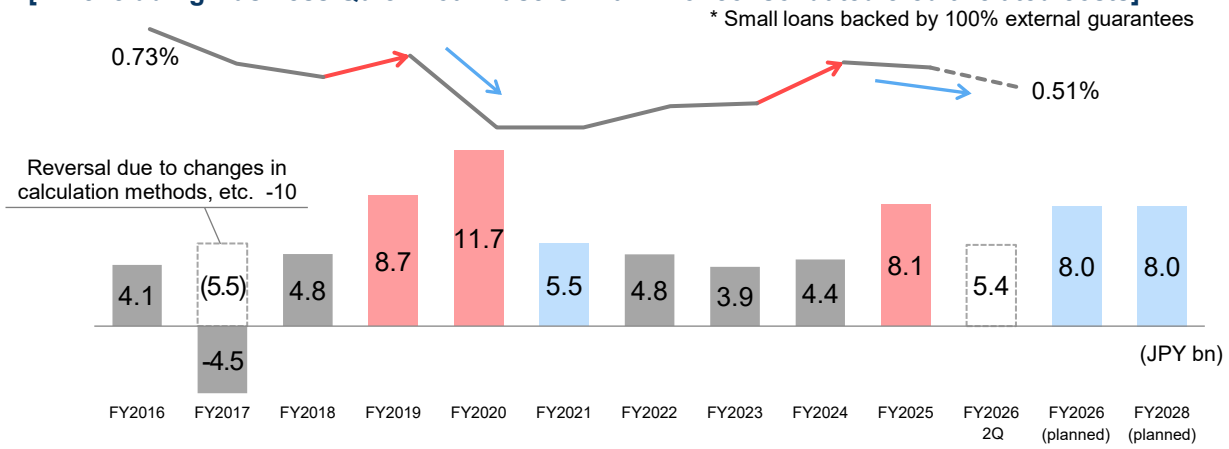
Projected credit-related costs



Trends in probability of default (PD) and credit-related costs

Some correlation is apparent between changes in PD and credit-related costs over the past 10 years. Given that PD is currently on a downward trend, we will manage credit-related costs at their current level for the time being.

[PD excluding Business Quick Loan* users / Bank nonconsolidated credit-related costs]



Risk analysis for environmental changes

Stress tests (impact on credit-related costs)

[Impact of rising JPY interest rates]

Scenario	Increase in interest paid due to 0.25% increase in policy interest rate	Result: JPY 1.5 bn
Subjects	All industries (subject loans: approx. JPY 5 tn)	

[Impact of further weakening yen]

Scenario	Yen weakened by JPY 17/USD (JPY 153 → JPY 170)	Result: JPY 0.4 bn
Subjects	Wholesaling (subject loans: approx. JPY 0.5 tn)	

Status of real estate-related loans (as of September 30, 2026)

■ **Real estate-related loan balance: JPY 2.6866 tn**
percentage of total credit balance: 22.5%

Apartment loans, which make up about 60% of real estate-related loans, maintain a high level of soundness with a **delinquency rate of 0.05%**.

Real estate nonrecourse loans

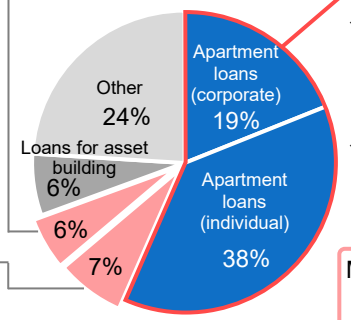
✓ Well-diversified asset types

Residence	35%
Office	15%
Hotel	31%
Commercial facilities	13%
Logistics facilities	6%

Funds to purchase real estate for sale

✓ **94%** classified as performing borrowers

[Composition]



Apartment loan screening/ management structure

✓ Strict screening of variable-rate loans with consideration for interest-rate stress equivalent to that for fixed-rate loans for the entire term at the time of loan origination

✓ Annual monitoring of occupancy status of properties subject to lending (occupancy rate **94.1**%*)

Maintaining an appropriate pace of growth while ensuring high asset quality

* As of December 31, 2025

Cost controls (2) –Projected costs

OHR target revised in light of topline growth. Implementing disciplined thoroughgoing cost controls while continuing to invest toward strategy goals

Expense levels, OHR target (consolidated)

Consolidated OHR targets revised due to the effects of topline growth driven by changing interest rate scenarios and other factors

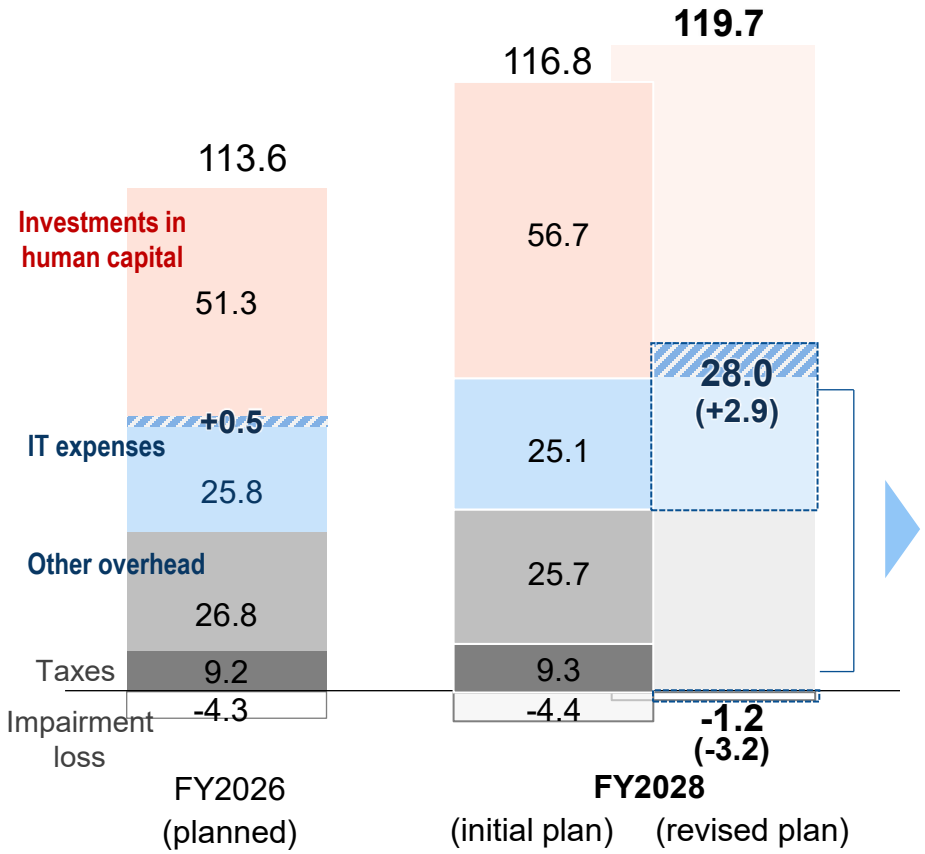
Before

FY2028: approx. 47%

After

FY2028: approx. 40%

(JPY bn)



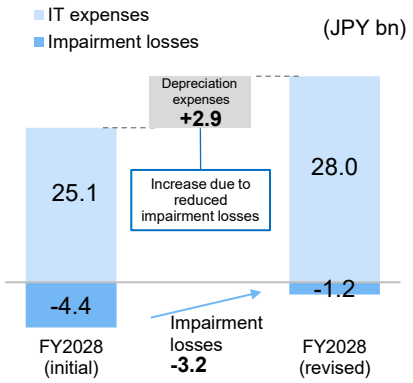
Impact of reduced impairment losses on depreciation

Impairment losses recorded on branch-related costs are decreasing due to improved profitability at each branch amid rising interest rates.

↳ Recorded annually as depreciation expenses

Impact on expenses recorded in FY2028

Increase in depreciation expenses: **+JPY 2.9 bn**
Decrease in impairment losses: **-JPY 3.2 bn**



Expense Plan during the Medium-term Business Plan

The following factors were already factored into the initial plan.

Costs needed to grow profit*1
- Investments in human capital +JPY5.4 bn
- IT expenses +JPY5.0 bn*2

Cost increases due to inflation, etc.
- IT expenses +3-4%

*1 FY2026 plans vs. FY2028 initial plans
*2 Increase in IT expenses, excluding JPY 5.7 bn decrease mainly from the completion of depreciation

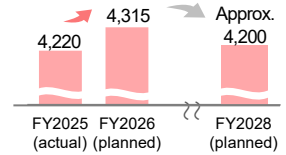
Investments in human capital

p. 25

Controlling numbers of personnel by reassignment, AI substitution, and other measures while continuing to invest in recruiting and developing the human resources needed to achieve strategic goals

Enhancing midcareer hiring | Developing HR (AI, etc.) | Strategic HR reassignment | Raising base pay | etc.

Number of personnel (persons)



IT expenses

p. 24

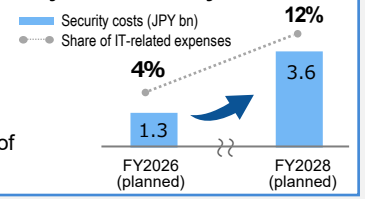
Promoting both strengthening risk management and growth investments to achieve topline growth

Offensive: Wallet+ (app) | AI agents | Securities app | Loan DX | BaaS infrastructure development | etc.

Defensive: Migrating of accounting system to the cloud | Cybersecurity | etc.

Security accounts for a growing share of IT-related expenses.

Projected security costs



Growth investments to implement strategy (1) –Enhancing security investments

Strategically investing in security enhancements while accelerating implementation of business strategies through rapid IT development.

Medium-term Business Plan IT investment roadmap

		1st Medium-term Business Plan	FY2026	FY2027	FY2028
Touchpoint Transformation JPY 10.5 bn			Launched August 2026 **Introduction of Wallet+** → Upgrades (insurance policies, etc.) → Building retail portal features		
			Introducing a securities app → Upgrading the securities app		
			Introducing AI agents at contact centers, etc.		
Sales Transformation JPY 10.0 bn			S-mile upgrade (conversion to points program) → Service improvements		
			Launched October 2026 **Loan application/examination system upgrades** → Loan support system reforms		
			Introducing AI agents in the sales support system, etc.		
Corporate Transformation JPY 32.5 bn	AI, data infrastructure		App development using generative AI → AI agent development and embedding		
			Use of AI in systems development (accelerating IT development)		
	IT infrastructure		**Migrating the accounting system to the cloud** → Promoting migration to the cloud		
			Fully open API → (enhancements in stages)		
			Building a BaaS platform		
			Group office automation infrastructure improvements → Updating office terminals		
	Security structure		**Addressing cybersecurity**		

IT investments related to security enhancements

Migrating the accounting system to the cloud — JPY 6.6 bn

January 2027
Cloud migration (hardware upgrades)

January 2021
Adopted open architecture (software upgrades)

- **Reducing risk of system downtime due to a disaster**
- **Applying the latest security measures** based on state-of-the-art cloud services
- **Strengthening backup and recovery systems** while **maintaining a closed network connection**

Addressing cybersecurity — JPY 4.5 bn

【Zero-trust security】



November 2026
Migration to zero-trust security

- **Preventing unauthorized access/use**
- **Safeguarding information assets** through authentication and access controls

+

Enhancing defensive structure

- **Limiting damage** following intrusion through multiple systems
- Proactive measures against new threats (e.g., frontier AI)

TOPIC **Participation in NEC's Cybersecurity Joint Center**

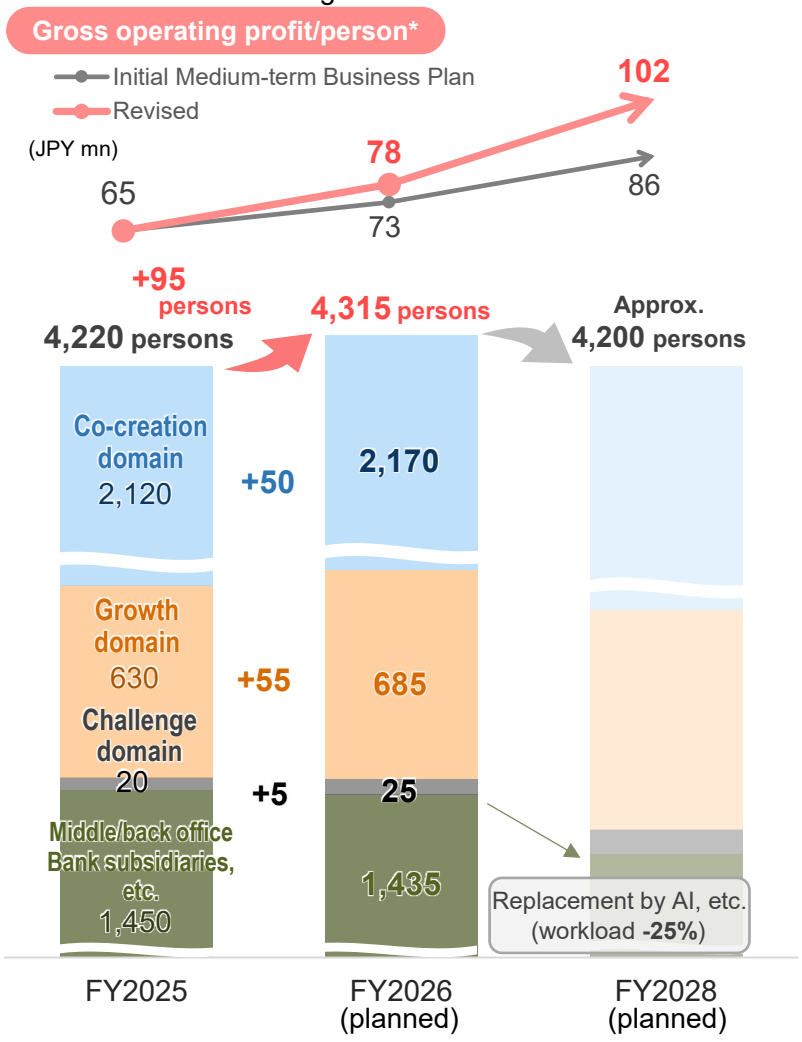
Partnering with other financial institutions to improve capacity to respond to new threats and sophisticated attacks

Growth investments to implement strategy (2) –Human resource portfolio

Accelerating the realization of growth strategies through the optimization of HR assignments by means such as reducing workloads through the use of AI, while securing strategic human resources through enhanced hiring and HR development.

Target human resource portfolio

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



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

Status of strategic human resource allocation (FY2026)

Allocation complete for **approx. 90%** of FY2026 plans

Midcareer hires (actual) **Secured 43 incoming hires** in FY2026 1H › **30 persons** assigned to strategic domains

Main assignments・Results

Co-creation 45/50 persons

Life planning, strengthening deposit acquisition +25 persons

May 2026

Shizugin TM Securities **Fujinomiya Sales Office** newly opened

Functions consolidated within the same building

Shizuoka Bank Fujinomiya Branch

Shizugin Consultation Lounge Fujinomiya

Deployment of community development business, customer touchpoint enhancement +20 persons

July 2026

Establishment of the **Shizuoka Mirai Cocreation Foundation**

August 2026

Launch of **Wallet+**



Participation in the **Shizuoka City Arena** project



Growth 50/55 persons

Strategy for the Tokyo metropolitan area +25 persons

December 2026

Shizuoka Bank **Akihabara Loan Center** newly opened

▶ **Growing deposit transactions and fees revenues** based on loans

Other strategies +25 persons

Promoting VC/growth businesses

Promoting overseas finance (ship finance, etc.)

Challenge 5/5 persons

Pursue M&A opportunities +3 persons

New business development +2 persons

Accelerating initiatives by assigning **midcareer hires** who can contribute immediately

Workload reductions P26

Assignment +20 persons

Bringing AI development in house, applying AI to improve business efficiency Accelerating IT development

×

HR development (improving AI skills)

Growth investments to implement strategy (3) –AI Implementation

By replacing/supplementing human tasks with AI, aiming to improve the performance of individuals and the entire organization by making more time available for sales and optimizing HR assignments.

Status of initiatives in FY2026 → FY2028

Growth strategy acceleration

AI implementation in sales activities

Time freed

(projects in process)

116,000 hours

[FY2026 plan]
Generating 100,000 hours for sales activities

(Meeting preparations) **Proposal quality improvements**

November 2026

AI role-playing
(for financial advisor)
Scoring and assessing conversations with avatars

March 2027

AI to support sales activities
Choosing customers to visit
Preparing talk scripts

Focusing on solving customers' issues



(Post-meeting) **Generating more time available for sales**

February 2027

AI to generate meeting minutes automatically
Time freed: **98,000 hours**
AI: Recording, summarizing › Preparing minutes, collecting data

March 2027

AI preparation of apartment loan discussions
Time freed: **18,000 hours**
Summarizing internal/ external information
Preparing materials for consideration

Building competitive strengths



Growing transaction opportunities



Maximizing added value provided

Organizational reforms

Building a structure for AI development

AI/data infrastructure

Growing provision of premium Copilot licenses (approx. 3,500 persons)
Linked to Group office automation infrastructure
Improving accuracy of AI for knowledge building and inquiries

Governance structure

Balancing speed and security of AI use
Preparing guidelines and manuals on use

HR development

Developing AI HR: 30 persons

Launching training for staff selected from each section and company to develop **human resources able to carry out citizen development of AI agents**

For all employees

Group/Web training | Q&As with experts | Idea contests | Case studies | etc.

AI implementation in business processes

Collecting ideas for AI utilization in business operations through an internal survey

AI adoption projects: More than **500 projects** › **57 projects implemented** (including **24** developed in-house)

Examples of in-house development

September 2026
Comparison of registration details with official registers
Savings: **4,000 hours**

December 2026
AI for inquiries into HR-related information
Savings: **4,000 hours**

etc.

Accelerating implementation through training

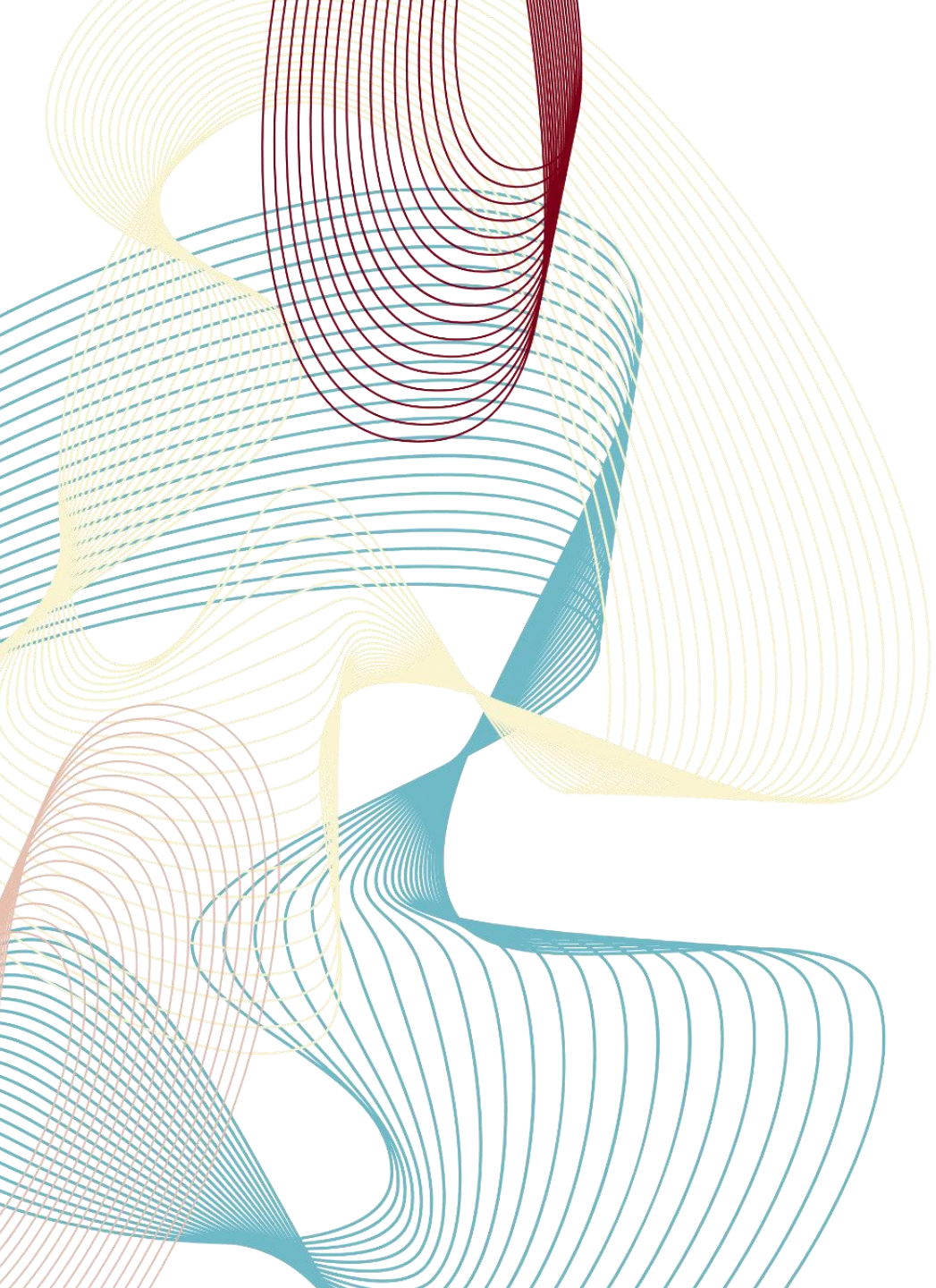
[FY2026 plan]
Headquarters/ head office workload -84,000 hours
(vs. FY2025)

Headquarters/ head office workload Reduced by 25%
vs. FY2025
(equivalent to 175 persons)

Increasing number of transactions processed per employee
(Freeing resources)

Strategic reassignment

[FY2030 target]
Headquarters/ head office workload Reduced by 50%
vs. FY2025
(equivalent to 300 persons)



Capital Policies

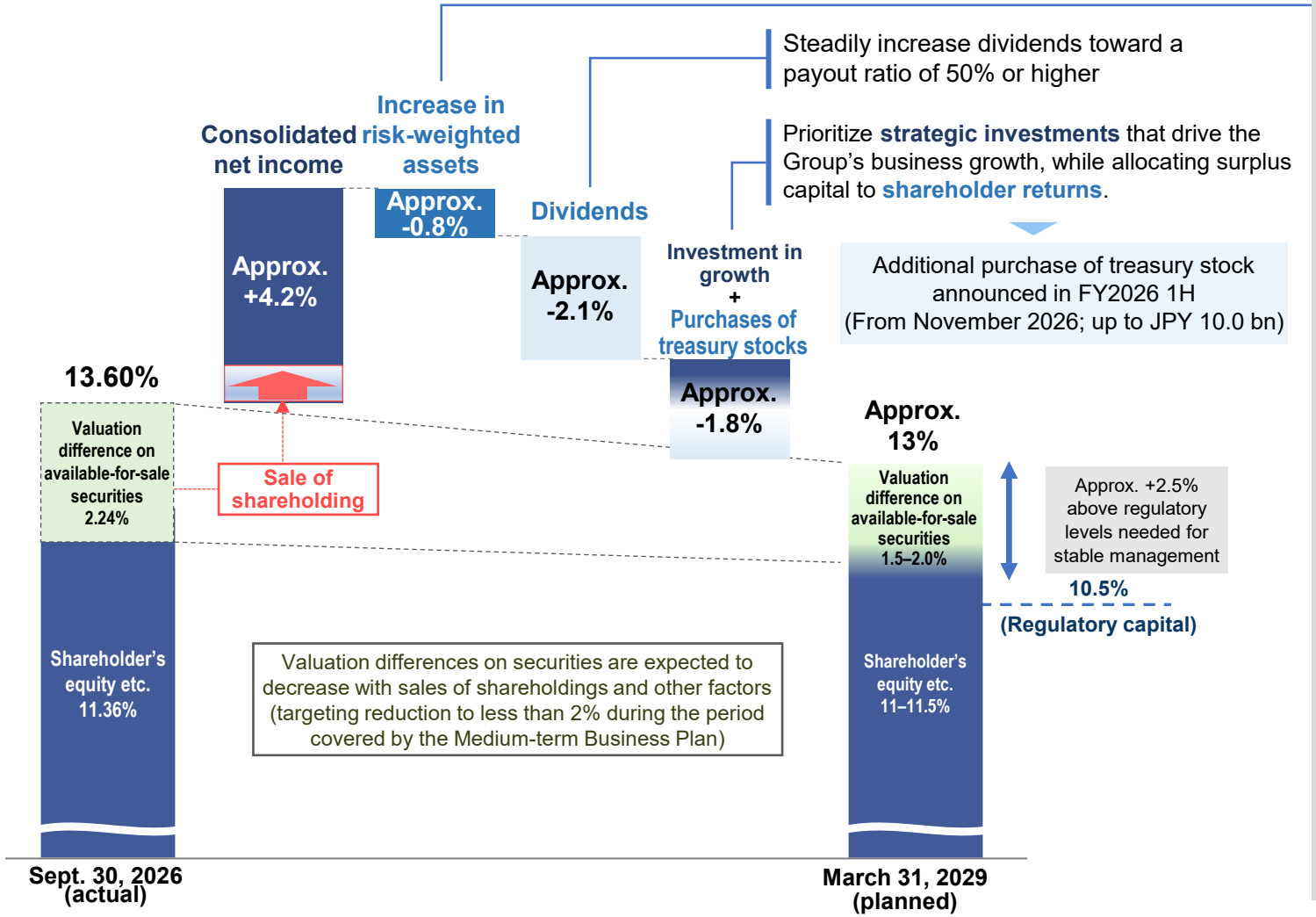
Capital management

Allocate surplus capital in a balanced manner to growth investments and shareholder returns, while moving toward the consolidated CET1 ratio target of Approx. 13%, thereby increasing ROE.

Changes in capital adequacy ratio

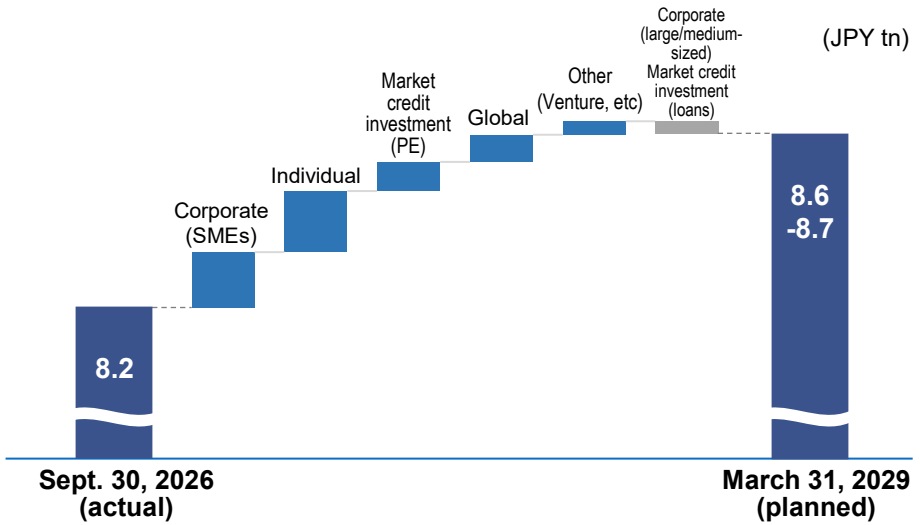
* Based on full application of Basel III finalization

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



Factors underlying changes in risk-weighted assets

Sustained profit growth will increase equity capital and expand risk-taking capacity.
We will seek to build risk-weighted assets that contribute to increasing ROE.



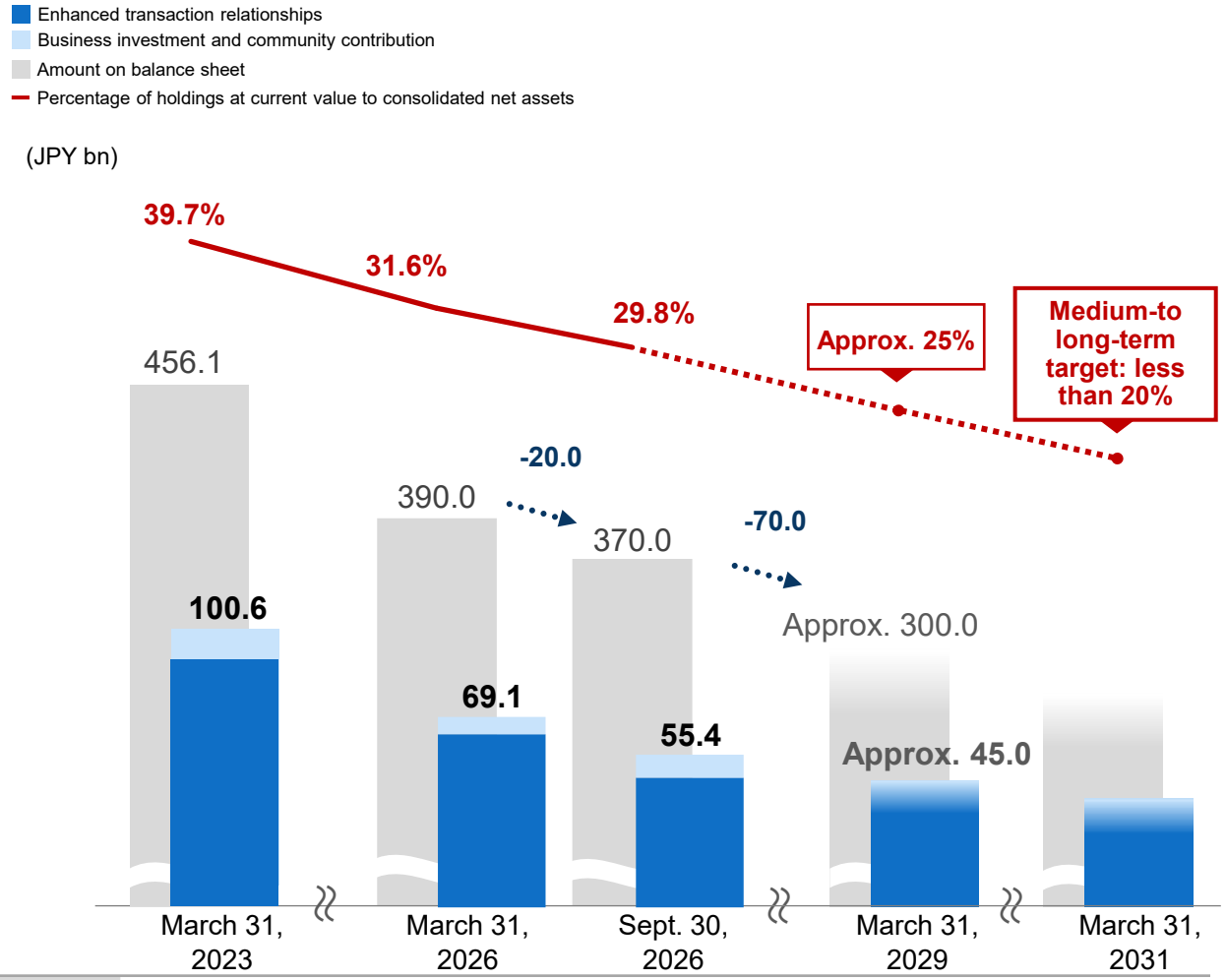
ROE target While maintaining capital at an appropriate level, we will allocate profits to growth investments and increase the likelihood of achieving our ROE target.

	FY2025 (actual)	FY2028 (before revision)	**FY2028 (revised)**
Net income	JPY 90.5 bn	JPY 125.0 bn	**JPY 158.0 bn**
Net assets	JPY 1.2 tn	JPY 1.25–1.3 tn	**JPY 1.3 tn or more**
ROE (based on net assets)	7.5%	Approx. 9.5%	**Approx. 12%**

Reduction of strategic shareholdings

To achieve the medium-/long-term reduction target (i.e., to strategic shareholdings accounting for less than 20% of net assets), we reduced shares held to less than 30% as of September 30, 2026.
Gains on sales arising from the process of reducing shares held are being strategically applied to make investments to achieve Group growth.

Trends in balance of strategic-shareholdings



	March 31, 2023	March 31, 2026	Sept. 30, 2026	March 31, 2029	March 31, 2031
Net assets (JPY tn)	1.1	1.2	1.2	1.3	1.3-
Nikkei Average (JPY)	28,041	51,063	66,754	-	-

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

- Implementing sale and transfer to pure investments to achieve target capital levels and composition
- Continuing to hold shares that contribute to the vibrancy of the regional economy, joint efforts to create social value, and other benefits

Vision for reductions through March 31, 2029 (estimated based on share prices as of September 30, 2026)

(JPY bn)

	Strategic shareholdings			(Reference) Shares transferred to pure investments		
	Acquisition cost	Current value	Valuation gains/losses	Acquisition cost	Current value	Valuation gains/losses
September 30, 2026	55.4	370.0	314.6	32.7	210.8	178.1
Of which planned for transfer	-5.0	-40.0	-35.0	+5.0	+40.0	+35.0
Of which planned for sale	-5.0	-30.0	-25.0	-20.0	-80.0	-60.0
March 31, 2029	Approx. 45.0	Approx. 300.0	Approx. 255.0			

FY2026 2H – FY2028 cumulative
Gains on sale of stock: JPY 85.0-90.0 bn

Policy on use of gains on sale of stock

Human capital / AI / Cybersecurity etc.
Investing in more efficient and advanced Group management

M&As / Capital investments etc.
Seeking investment opportunities to generate business growth for the Group

Shareholding policy

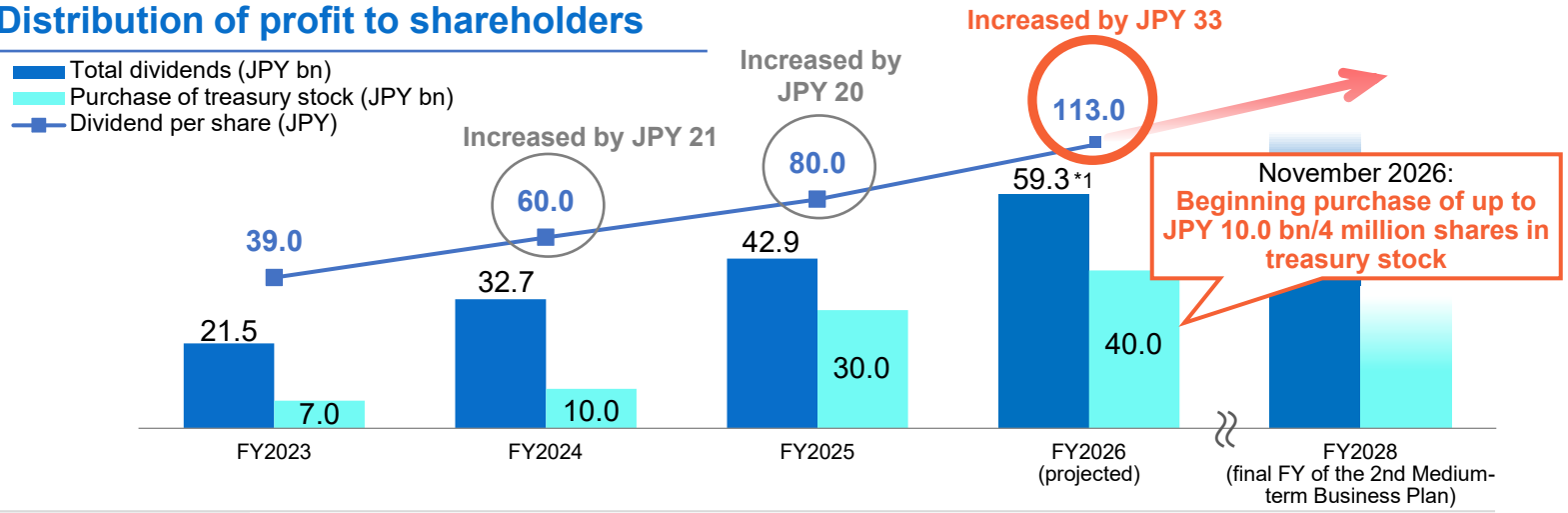
- Consider dividends received as a source of returns to shareholders, aiming for shareholdings to play a role as capital to support stable management.
  Target valuation gain/loss on securities accounting for **about 1.5–2%** of the CET1 ratio (targeting reduction to less than 2% during the period covered by the 2nd Medium-term Business Plan)

Policy on shareholder returns

Based on additional revisions of full-year performance forecasts, the dividends planned for FY2026 have been revised upward by JPY 33 YoY (an increase of JPY 5 vs. the forecasts announced in August 2026).

As part of efforts to reach the ROE target, we began the second round of acquisition of treasury stock in the period (up to 4 million shares/JPY 10.0 bn) to increase capital efficiency.

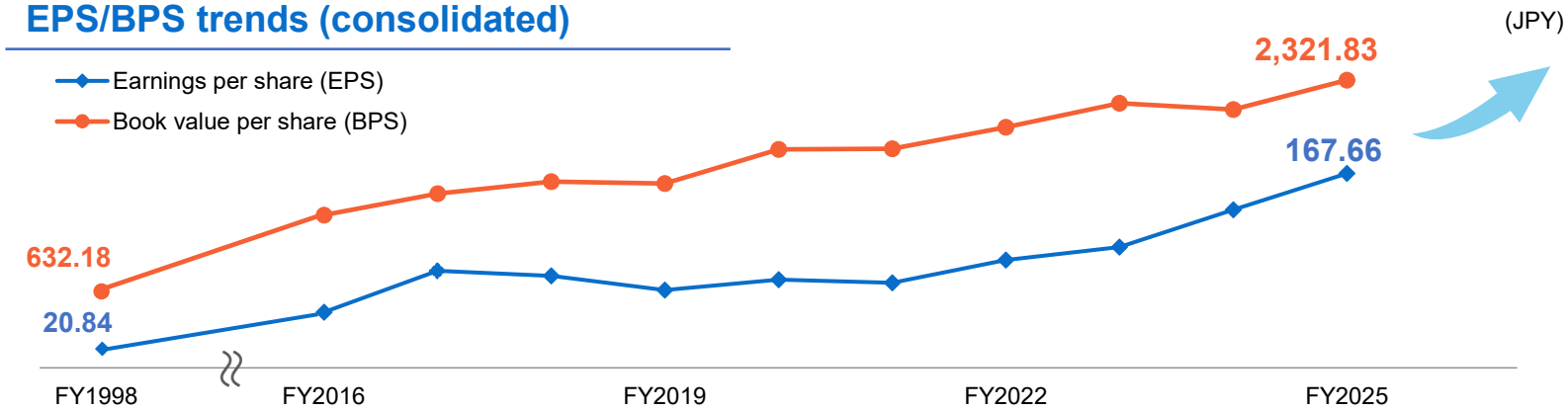
Distribution of profit to shareholders



	FY2023	FY2024	FY2025	FY2026 (projected)	FY2028 (final FY of the 2nd Medium-term Business Plan)
Dividend payout ratio	37.4%	44.0%	47.7%	49.6%	50.0%-
Total payout ratio	49.3%	57.3%	80.6%	82.8% *2	-
Net income attributable to owners of the parent	JPY 57.8 bn	JPY 74.6 bn	JPY 90.5 bn	JPY 120.0 bn	-

*1 Estimated based on the number of shares outstanding (excluding treasury stock) as of the end of September 2026. Treasury stock includes shares scheduled to be acquired on or after November 2026 (up to 4 million shares).
*2 Shareholder returns for FY2026 (projected) 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

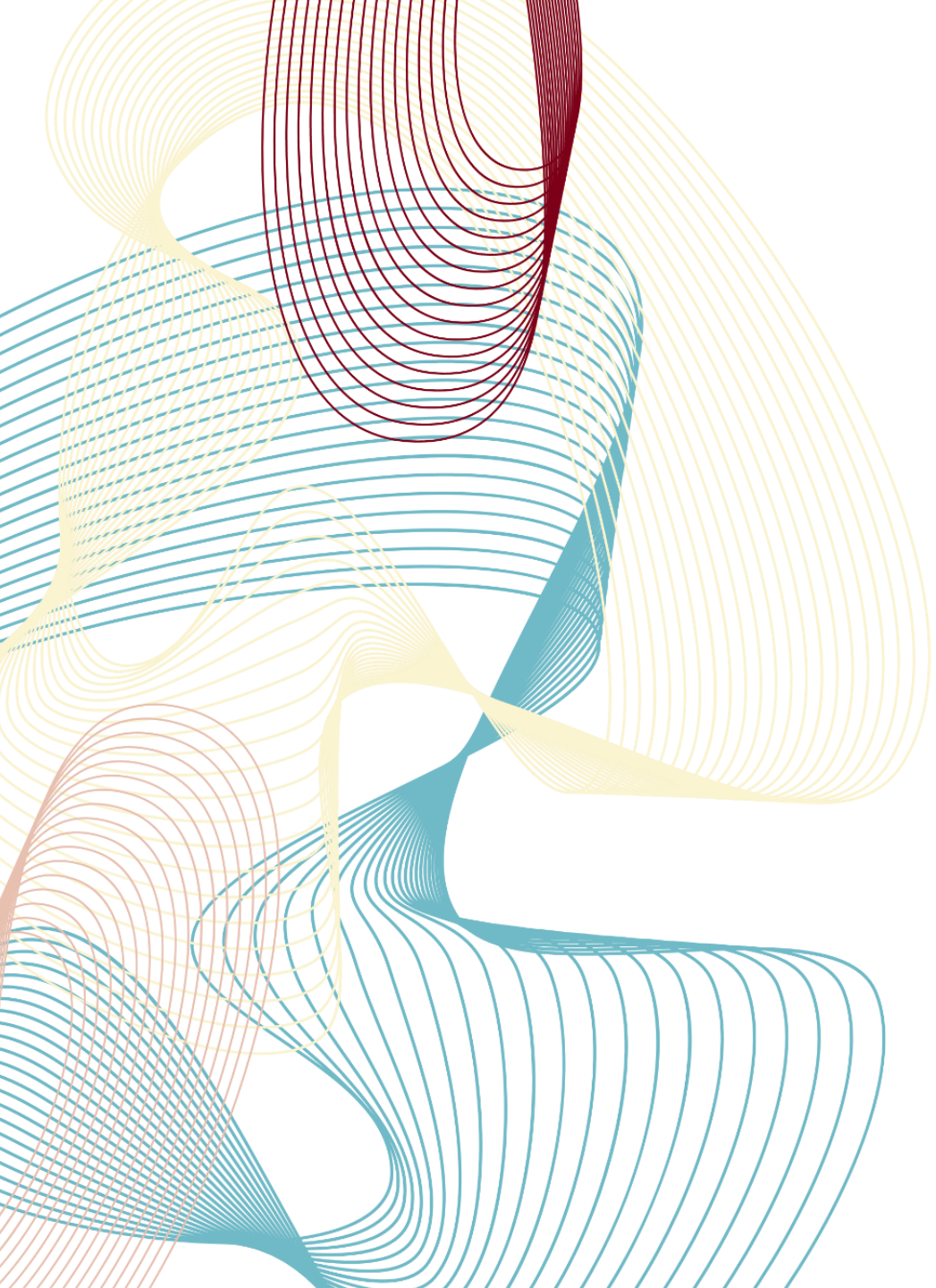
- Purchasing treasury stock dynamically at the **level needed to reach the ROE target** as part of capital controls
- Purchases of **up to JPY10.0 bn** commenced in November 2026. Plans call for the purchase of **JPY 40.0 bn** in treasury stock over the course of the full year.

EPS growth

FY2026 projected growth rate **35.9%**

	FY2025	FY2026 (projected)	Contribution to EPS growth
Consolidated net income*1	90.5	120.0	33.5%
Total shares issued and outstanding (average balance) *2	540	526	2.4%
EPS	**167.66**	**227.95**	-

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



Business Integration with the Bank of Nagoya

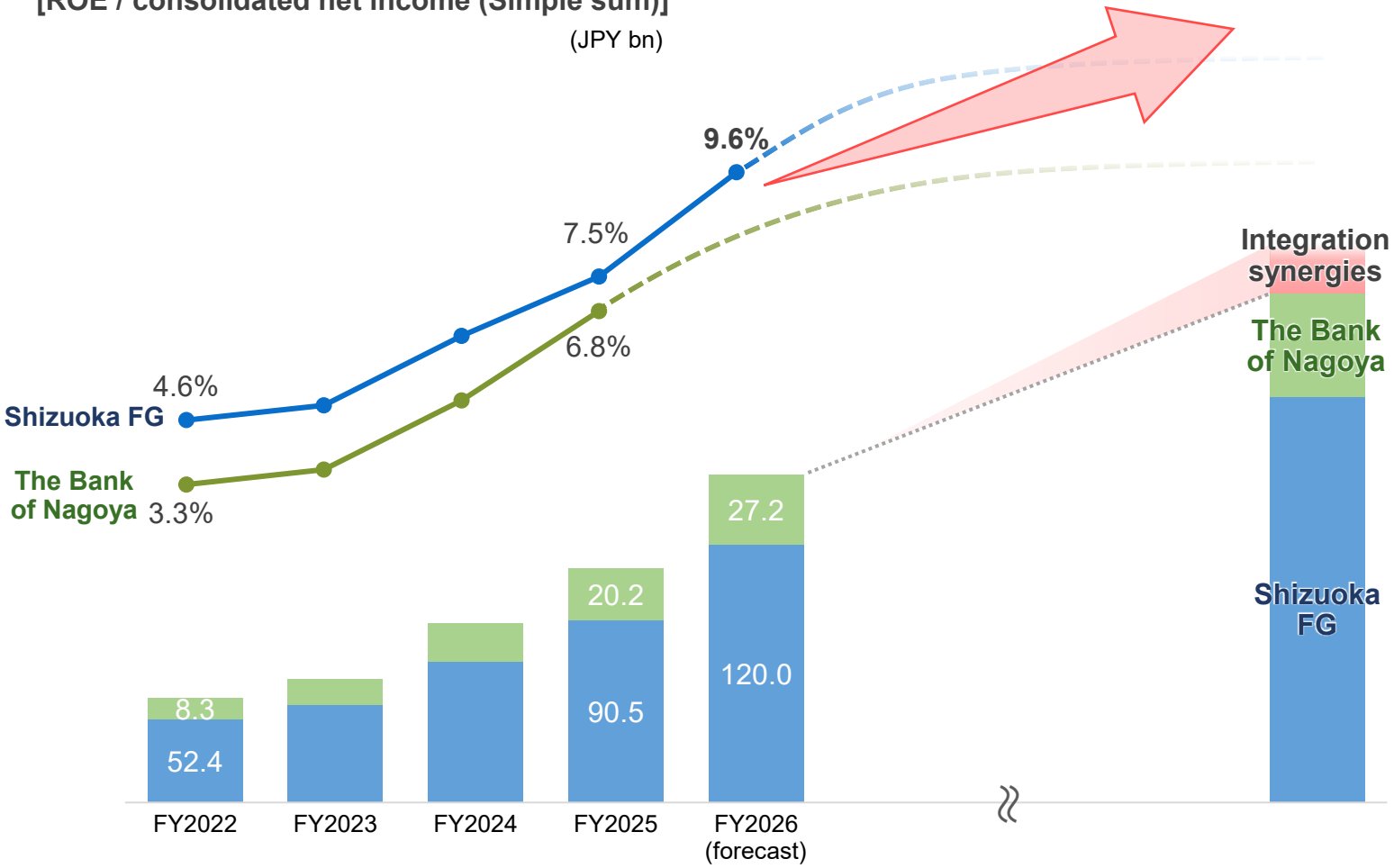
Business integration with the Bank of Nagoya (1) –For sustained ROE growth

Positioning the business integration with the Bank of Nagoya as a turning point toward a new growth stage; drawing on mutual strengths to make management more efficient, thereby achieving sustained growth in ROE independent of the bonuses generated by rising interest rates.

Vision for sustained ROE growth

A world without positive interest rates → Rate-hike bonus → Post-rate-hike bonus

[ROE / consolidated net income (Simple sum)]



Perspective on generating synergies through business integration

Stable interest business growth

Strengths in business territories × Optimal balance sheet management

➤ Growth driven by fundraising (securing deposits) and expanding share of loans

Non-interest business growth

Group solutions × Business territory expansion

➤ Expanding earnings opportunities by drawing on the group functions of both parties

Improving management efficiency

More advanced ALM
Group-integrated balance sheet controls

Business BPR
Business consolidation, centralization

Enhancing human capital management

Developing environments in which individual employees can demonstrate their capabilities to the fullest

etc.

Business integration with the Bank of Nagoya (2) –Fields for integration synergies

Generating integration synergies in both top-line enhancement and management efficiency improvements by making the most of the business resources of both groups.

Examples of potential target fields for integration synergies

Strengthening the top line

Finance

Strengths in business territories × Improving balance sheet profitability

Expanding the menu of participation loans

Expanding transaction opportunities through high-value-added sales

Providing growth funds to support industrial reform and other initiatives

Growing retail loans

Growing market share in loans, **including apartment loans**

Securing **retail deposits (active accounts)**
Increasing **loan-related fees and commissions**

Growing shares of deposits and loans in the region (creating lending capacity)
Growing net interest income and fees and commissions

Fees business (based on group functions)

Group solutions × Business territory expansion

Enhancing corporate transactions

Shizugin Management Consulting

Growing customer bases × **Broader regional cooperation**
- Business succession
- M&A

SFG Real Estate Investment Advisors

Promoting active participation in **regional development projects in Aichi Prefecture**

Growing retail transactions

Shizugin TM Securities

Business territory expansion × **Enhancing integrated asset management**

Shizugin Credit Guaranty

Growing the guarantee business for both secured and unsecured loans

Improving management efficiency

Advancement

Strengthening ALM management, etc.

Effective balance sheet controls

Enhancing human capital management
- Improving proposal capabilities through enhanced intergroup exchange
- Expanding growth opportunities and fields of activity

Efficiency improvements (cost cutting)

Streamlining overlapping operations

Sharing administrative services

Back-office centralization

Specialized Subcommittee: Governance, Organization | Planning, Finance & ALM | Risk Management, Compliance | Human Resources | Sales | IT & Operations | Audit + Synergy Generation

(Reference) Business integration with the Bank of Nagoya (3) –Market potential

Home market potential

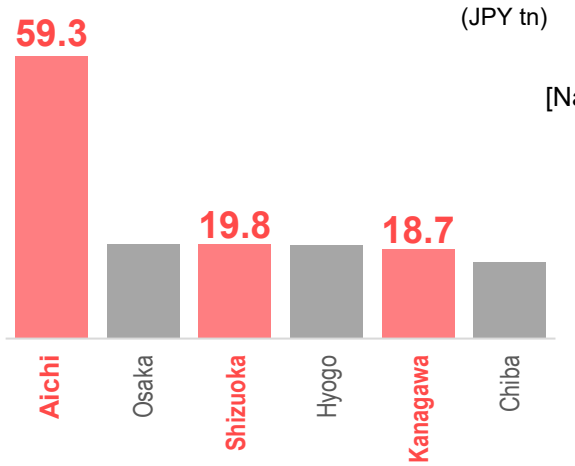
Growing the marketing and customer bases efficiently by targeting an economic zone that accounts for about 16% of Japan's GDP as our home market.

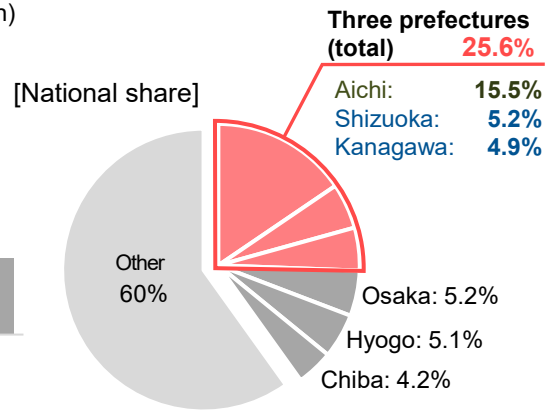
Total GDP of the three prefectures: JPY 97 tn (16.2% of Japan's GDP)



Value of manufactured goods shipments (2024)

Aichi Prefecture: Japan's largest share for **48 consecutive years**





Economic scale

		Aichi Prefecture	Shizuoka Prefecture	Kanagawa Prefecture
Prefectural GDP (2022)	Actual	**JPY 43** tn	**JPY 18** tn	**JPY 35** tn
	Change (vs. 10 years previous)	+14.3%	+9.9%	+9.0%
	National share/rank	7.2%/3rd	3.1%/10th	5.9%/4th
Population (2025)	Actual	**7.45** million	**3.47** million	**9.19** million
	Change (vs. 10 years previous)	-0.4%	-6.3%	+0.7%
	National share/rank	6.0%/4th	2.8%/10th	7.4%/2nd
Number of companies (2021)	Actual	Approx. 200,000	Approx. 110,000	Approx. 180,000
	Change (vs. 9 years previous)	-12.7%	-16.4%	-8.2%
	National share/rank	5.8%/3rd	3.2%/10th	5.4%/4th

Financial environment

		Aichi Prefecture	Shizuoka Prefecture	Kanagawa Prefecture
Balance of savings and deposits, etc. (2025)	Actual	**JPY 93** tn	**JPY 38** tn	**JPY 84** tn
	Change (vs. 10 years previous)	+35.2%	+19.4%	+29.1%
	National share/rank	6.2% (3rd)	2.5% (9th)	5.6% (4th)
Balance of loans (2025)	Actual	**JPY 41** tn	**JPY 17** tn	**JPY 31** tn
	Change (vs. 10 years previous)	+45.7%	+9.2%	+22.6%
	National share/rank	5.5% (3rd)	2.2% (9th)	4.1% (4th)
Number of financial institutions* (2025)	Actual	**25**	**14**	**16**
	Change (vs. 10 years previous)	-2	-3	±0

* With their head offices located in the prefecture

Sources: Prepared based on Cabinet Office of Japan, *Prefectural Economic Statistics*; Statistics Bureau, Ministry of Internal Affairs and Communications, National Census; Small and Medium Enterprise Agency, *Small and Medium Enterprise White Paper*; Japan Financial News Co., Ltd., *The Financial Journal Finance Map*; Ministry of Economy, Trade and Industry, Economic Structural Survey

(Reference) Business integration with the Bank of Nagoya (4) –Comparing the two partners

Growing earnings opportunities for both partners by providing Shizuoka Financial Group functions for customers of the Bank of Nagoya and in Aichi Prefecture.
Boosting corporate value after the integration by leveraging the strengths of both groups to improve profitability from both deposits and loans.

Group solutions

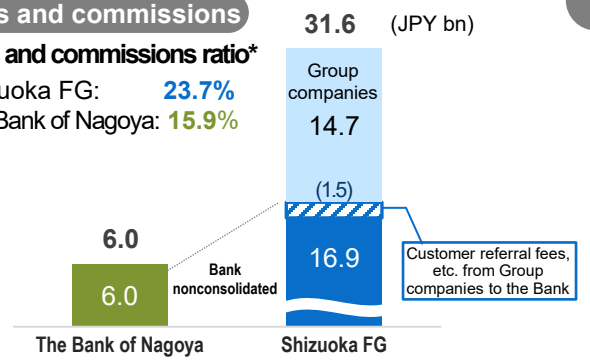
Comparison of Group company functions	The Bank of Nagoya	Shizuoka Financial Group
Advisory service	–	○
Financial instruments brokerage	–	○
Marketing support	–	○
Real estate investment advising	–	○
Leasing	○	○
Credit card / credit guarantee	○	○
Fund establishment and management	○	○
ICT support	○	○

Earnings capabilities of the Group companies

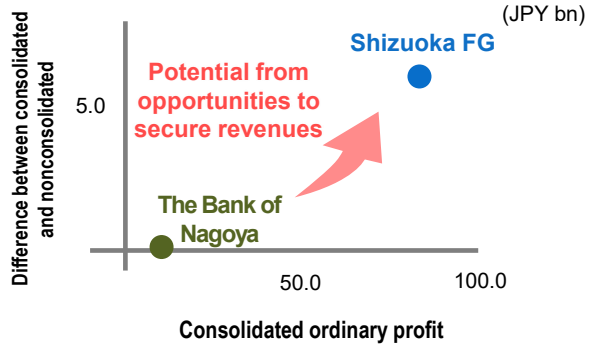
Further growth to be achieved by providing solutions that draw on Shizuoka Financial Group functions.

Fees and commissions

Fees and commissions ratio*
Shizuoka FG: 23.7%
The Bank of Nagoya: 15.9%



Difference between consolidated and nonconsolidated /consolidated ordinary income

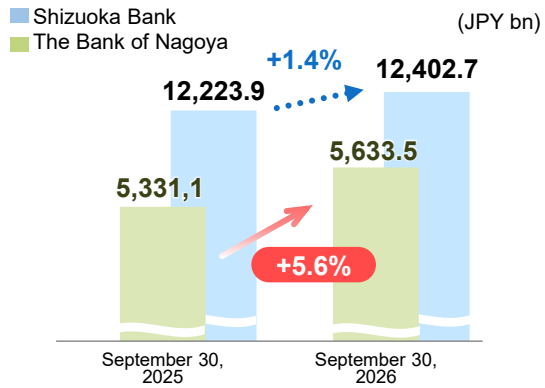


* Fees and commissions ratio = fees and commissions / core gross operating profit
(The Bank of Nagoya is calculated on a nonconsolidated basis)

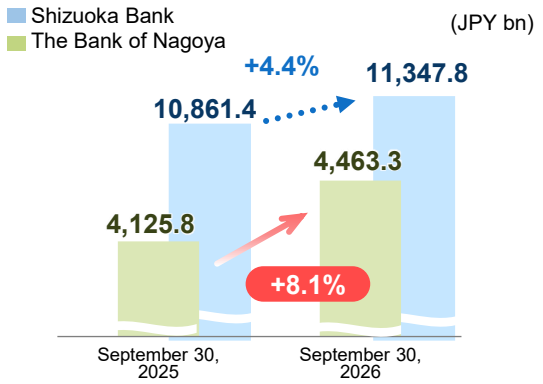
Deposits and loans

The Bank of Nagoya is characterized by high rates of growth for both deposits and loans, which exceed those of Shizuoka Bank.
The Bank of Nagoya's loan-deposit rate spread is 0.83 %. Improving operating efficiency is expected to generate additional profit growth.

Balance of deposits, etc. (ending)



Balance of loans (ending)



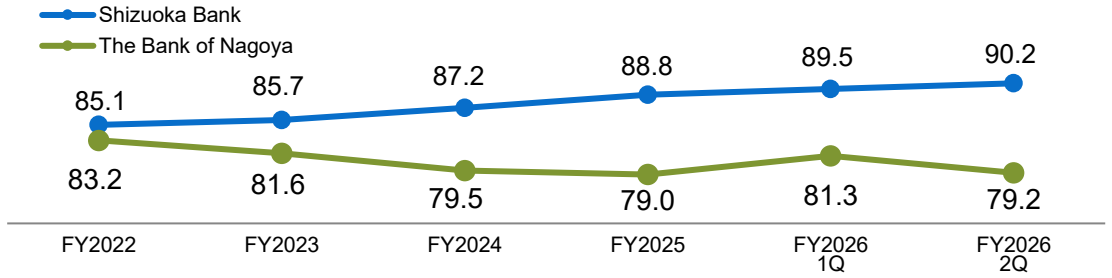
Yields on deposits, etc.* (FY2026 1H)
The Bank of Nagoya:**0.49%**
Shizuoka Financial Group: **0.35%**

Yields on loans* (FY2026 1H)
The Bank of Nagoya:**1.32%**
Shizuoka Financial Group: **1.54%**

* Domestic

Loan-deposit rate spread The Bank of Nagoya: **0.83%** Shizuoka Financial Group: **1.19%**

【Reference: Loan deposit ratio】



Reference Materials
(FY2026 1H financial results)

Loans (Shizuoka Bank nonconsolidated)

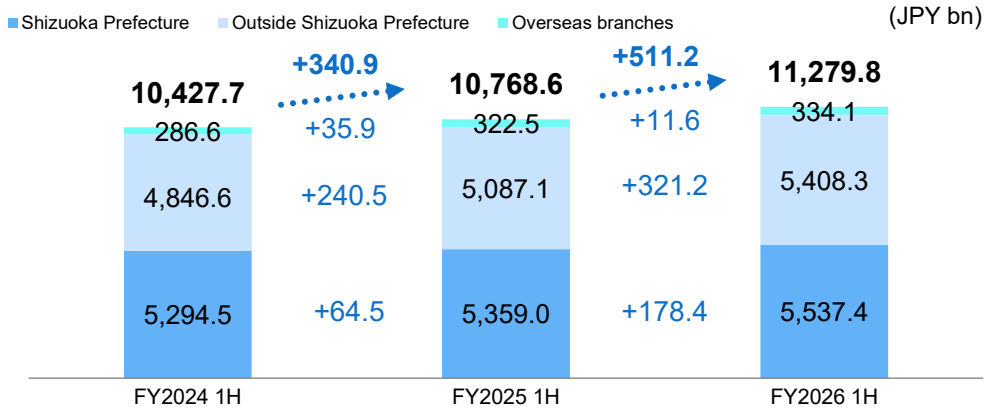
The total loan balance (average balance) increased due to growth mainly in loans to SMEs and retail loans (+4.7% annual).

Loan balance (average balance)

(JPY bn)	FY2026 1H	YoY change	Annual rate
Total loan balance	11,279.8	+511.2	+4.7%
Loan balance to SMEs	4,604.8	+229.2	+5.2%
Loan balance to large and medium-sized enterprises	1,830.3	-28.7	-1.5%
Retail loans	4,432.9	+308.7	+7.4%
Loan balance in foreign currency	753.0	+35.5	+4.9%

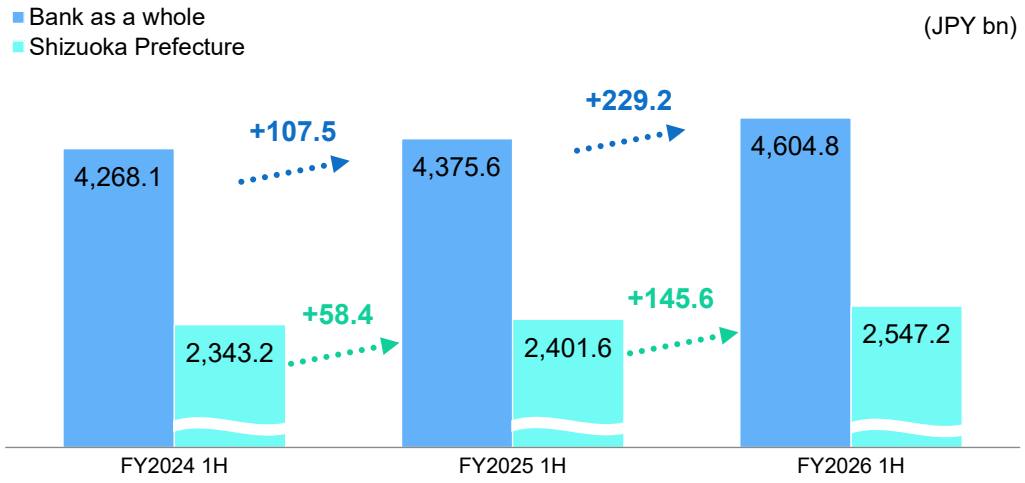
Balance factors: -18.6, Forex factors: +54.1

Loan balance (by segment)

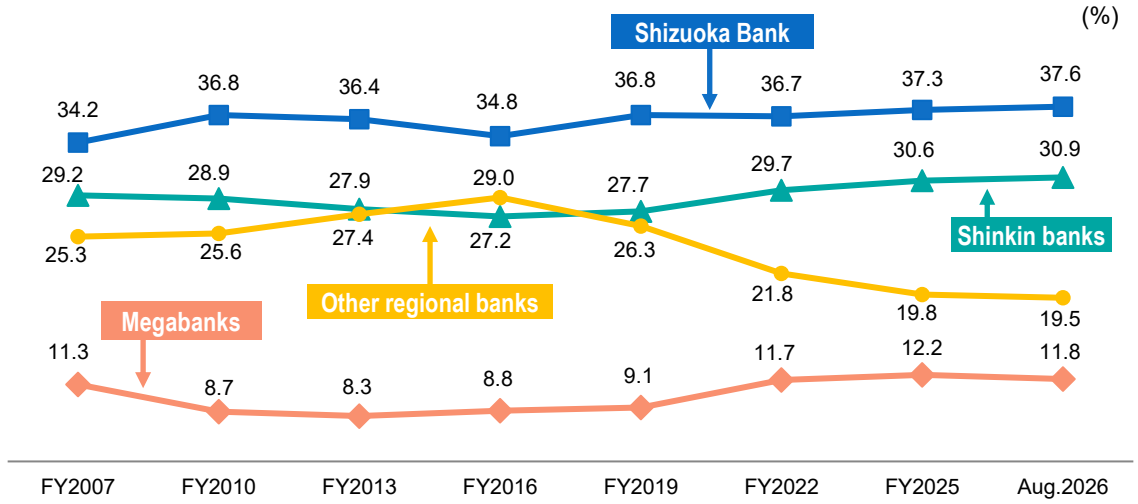


	FY2024 1H	FY2025 1H	FY2026 1H
Kanagawa Prefecture	1,611.3 (+126.3)	1,755.4 (+144.2)	1,988.4 (+233.0)
Shizuoka + Kanagawa Prefectures	6,905.8 (+158.7)	7,114.5 (+208.7)	7,525.8 (+411.3)

SMEs loan balance (average balance)



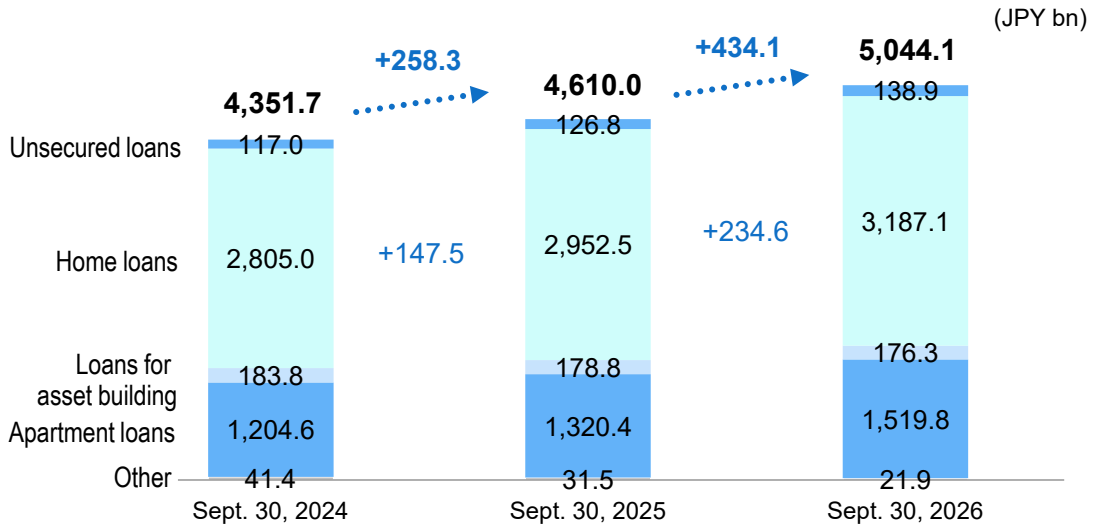
Share of loans in Shizuoka Prefecture



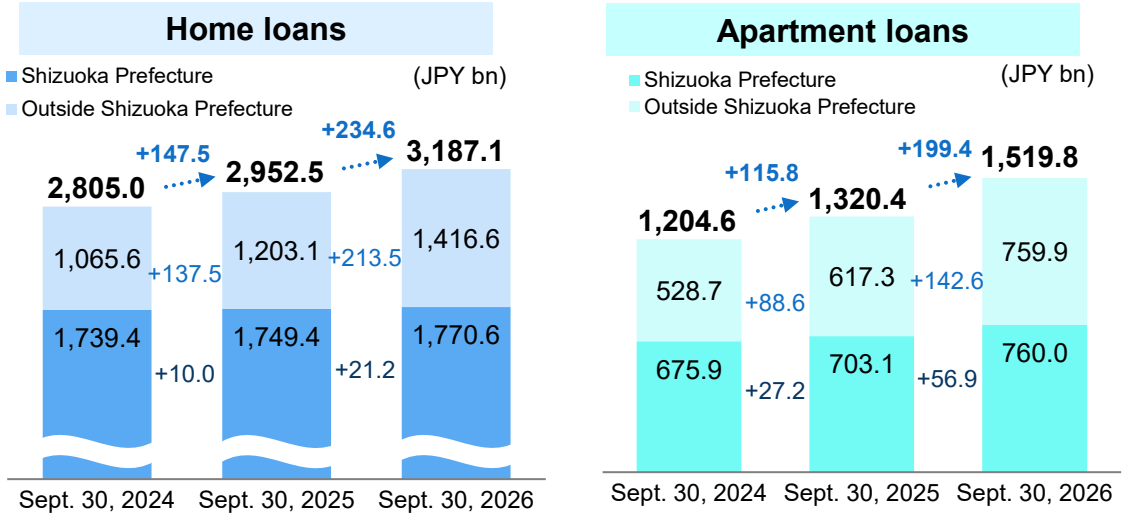
Home loans, apartment loans, and other (Shizuoka Bank nonconsolidated)

The balance of home loans, apartment loans, and other loans continued to grow. Loan-related revenues grew JPY 9.4 bn YoY, due to higher interest revenue generated by revisions to short-term prime rate and other factors.

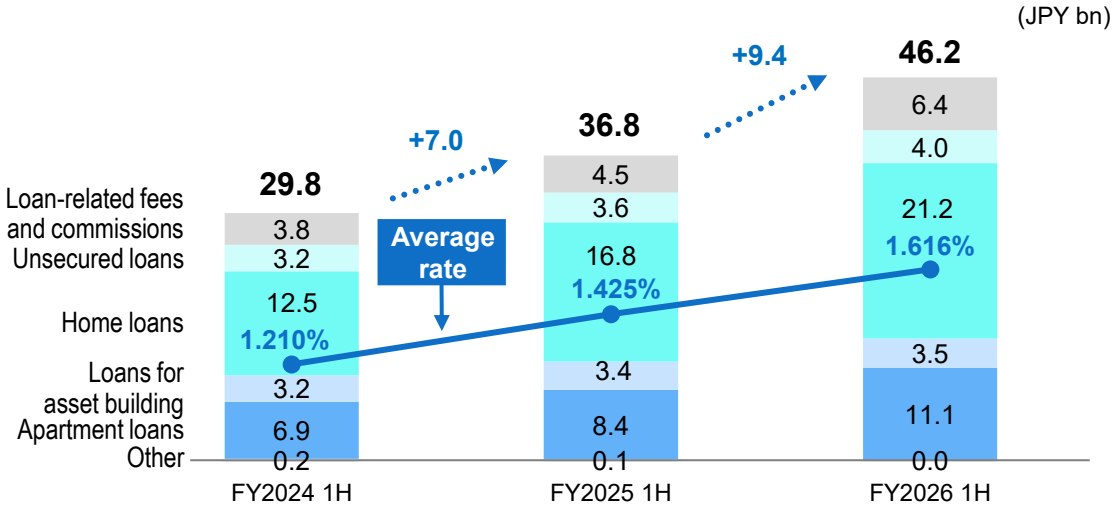
Term-end balance



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



Interest amounts, fees, and rates



Delinquency rate and occupancy rate

Delinquency rate (three months or longer)	September 30, 2024	September 30, 2025	**September 30, 2026**
Home loans	0.10%	0.12%	0.10%
Apartment loans	0.02%	0.02%	0.05%
Loans for asset building	0.34%	0.27%	0.08%

Rental property occupancy rate	December 31, 2023	December 31, 2024	**December 31, 2025**
Shizuoka Prefecture	94.3%	94.2%	94.2%
Outside Shizuoka Prefecture	95.4%	94.8%	93.9%

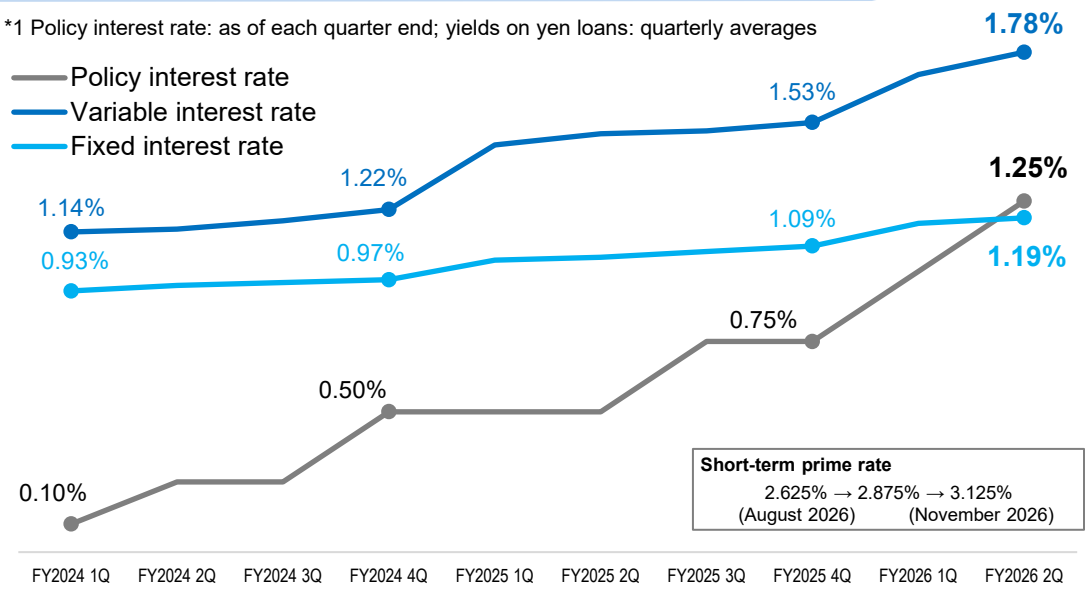
Improving yields on yen loans

Yields are trending up, centered on variable-rate loans, following revisions to home loan rates (July 2026) and the short-term prime rate (August 2026).
Yields are expected to improve further with another revision of the short-term prime rate (November 2026) following the additional rate hike in September 2026.

Yields on yen loans, Interest pass-through rate

Trends in the policy interest rate and yields on yen loans (variable/fixed)*1

*1 Policy interest rate: as of each quarter end; yields on yen loans: quarterly averages



〔Interest pass-through rate〕

		FY2024	FY2025	FY2026 (1-2Q)
Policy interest rate*2		0.24%	0.56%	0.91%
Yen loans	Yield*2	1.07%	1.32%	1.54%
	Pass-through rate*3	–	78.9%	71.4%
Of which, variable-rate	Yield	1.22%	1.53%	1.78%
	Pass-through rate	–	96.4%	84.8%
Of which, fixed-rate	Yield	0.97%	1.09%	1.19%
	Pass-through rate	–	34.9%	33.1%

*2 Average interest rate (yield) in each period
*3 Calculated as the change in yield on loans / change in policy interest rate vs. FY2024 (12-month average)

Composition of yen loans

Trends in loan rates

(1) Loans based on market rates (fixed/market-linked)
1.32% → 1.40% → **1.54%**
(March 2026) (June 2026) (September 2026)

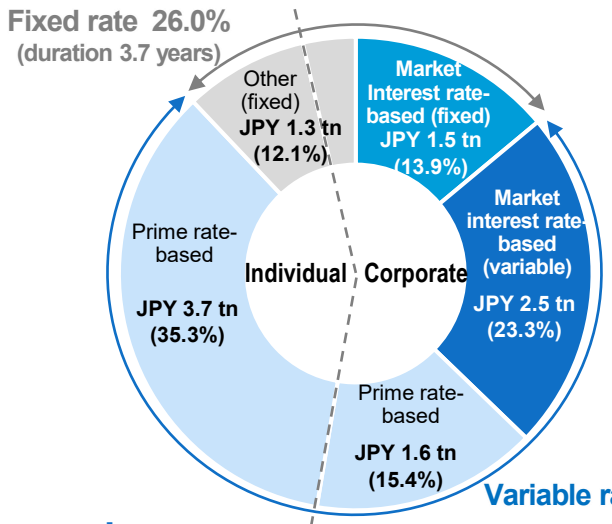
(2) Loans based on the prime rate (overall)
1.79% → 1.81% → **2.00%**
(March 2026) (June 2026) (September 2026)

Balance composition by segment

Corporate JPY 5.9 tn (56.2%)
Of which,
Large and medium-sized enterprises
JPY 1.8 tn (17.1%)
SMEs JPY 4.1 tn (38.4%)
Public, etc. JPY 0.1 tn (0.7%)

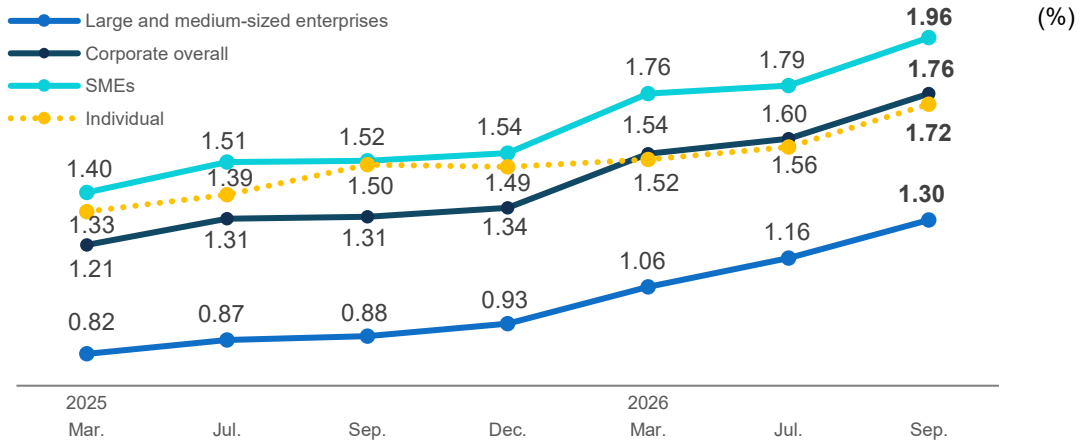
Individual JPY 4.6 tn (43.8%)

Loan balance in September 2026: JPY 10.6 tn



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

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



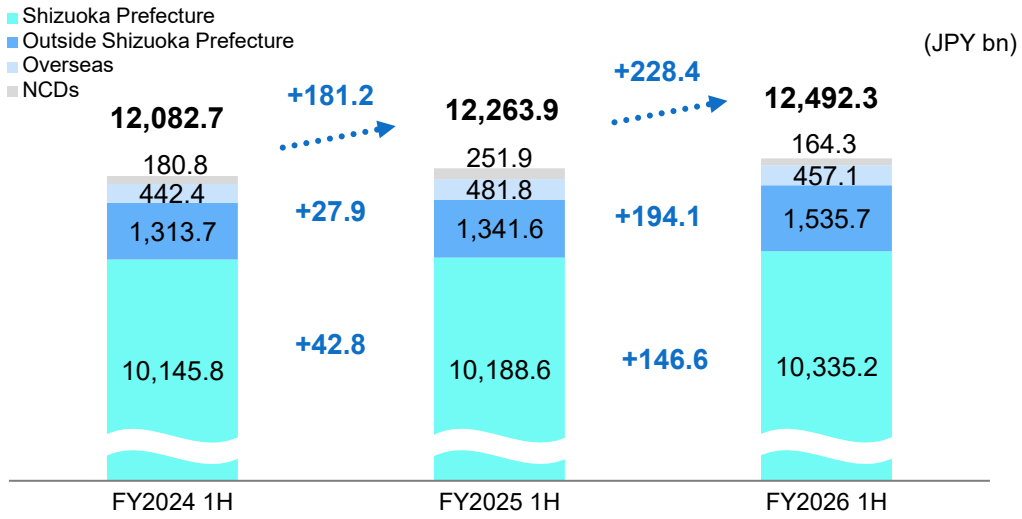
Deposits and other (Shizuoka Bank nonconsolidated) (1) –Balance and Regional Share

Continued growth in average balance of deposits at JPY 228.4 bn YoY (+1.8% annual), centered on corporate and retail deposits.

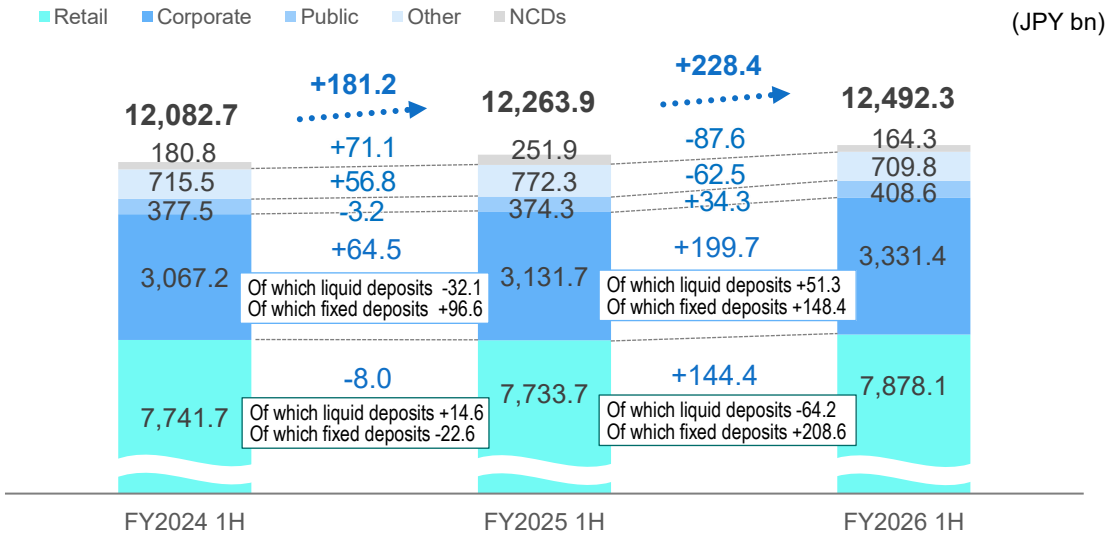
Trends in deposits and other balances (average balance)

(JPY bn)	FY2026 1H	YoY change	Annual rate
Total deposits and other	12,492.3	+228.4	+1.8%
Total deposits	12,328.0	+315.9	+2.6%
Corporate deposits	3,331.4	+199.7	+6.3%
Retail deposits	7,878.1	+144.4	+1.8%
Public deposits	408.6	+34.3	+9.1%
NCDs	164.3	-87.6	-34.7%

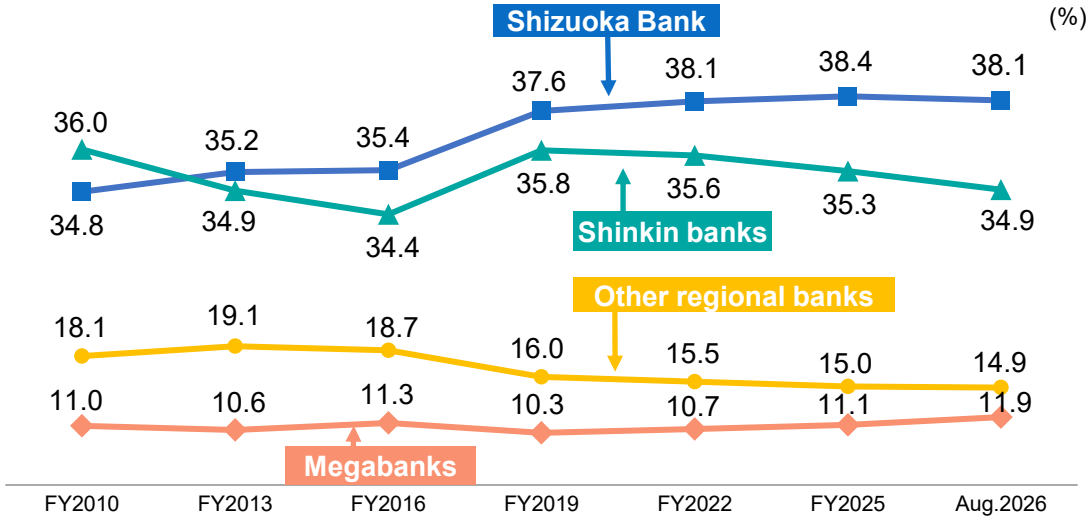
Deposits and other balances (by region)



Deposits and other balances (by depositor)



Share in Shizuoka Prefecture



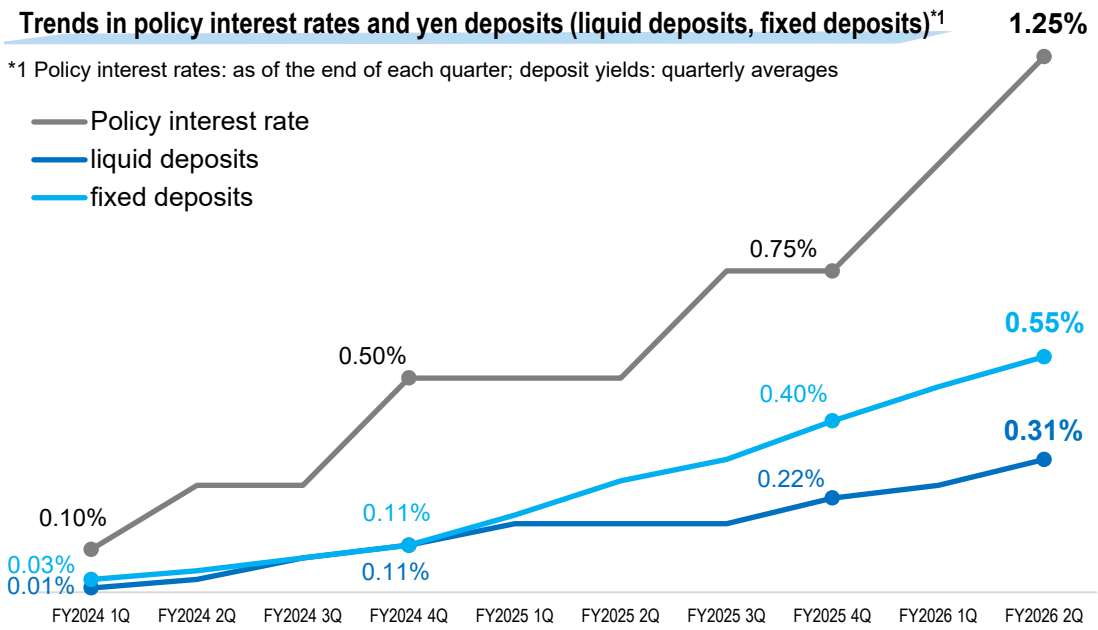
Deposits and other (Shizuoka Bank nonconsolidated) (2) –Yen deposit yields, Interest pass-through rate

The pass-through rate on yields on yen deposits and other vs. policy interest rate hikes is trending around the mid-40% range.
We will continue efforts to secure the deposits needed to grow loan balances while maintaining acceptable fundraising costs.

Yen deposit yields, Interest pass-through rate

Trends in policy interest rates and yen deposits (liquid deposits, fixed deposits)*1

*1 Policy interest rates: as of the end of each quarter; deposit yields: quarterly averages

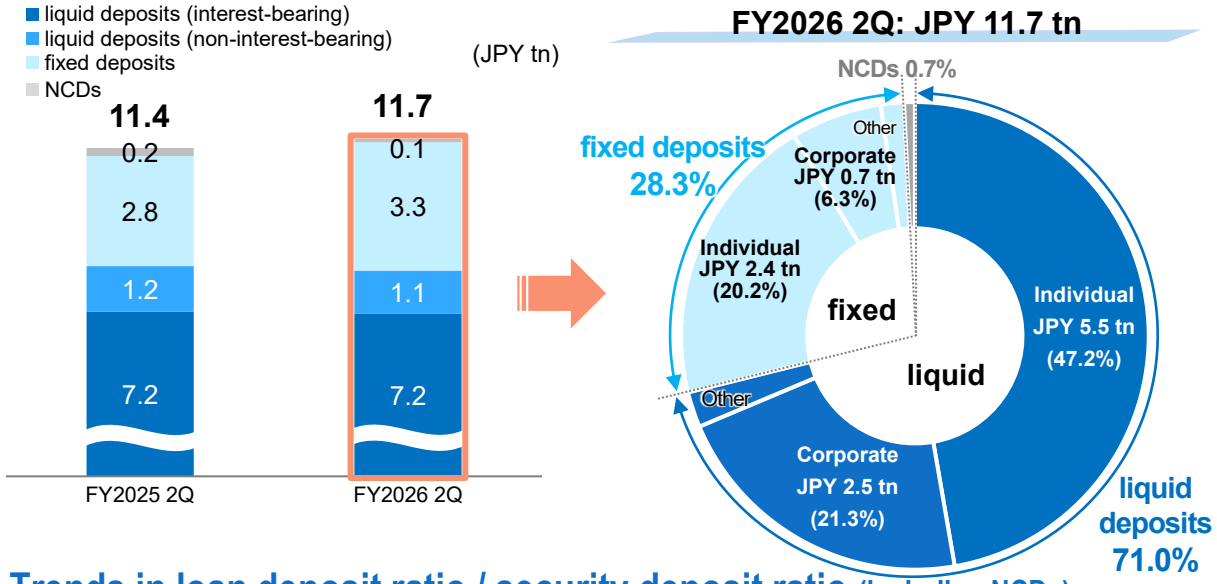


〔Interest pass-through rate〕

		FY2024	FY2025	FY2026 (1-2Q)
Policy interest rate*2		0.24%	0.56%	0.91%
JPY deposits, etc.	Yield*2	0.06%	0.21%	0.35%
	Pass-through rate*3	–	46.2%	43.2%
Of which, liquid deposits	Yield	0.06%	0.18%	0.28%
	Pass-through rate	–	36.6%	32.9%
Of which, fixed deposits	Yield	0.07%	0.29%	0.52%
	Pass-through rate	–	69.2%	67.7%

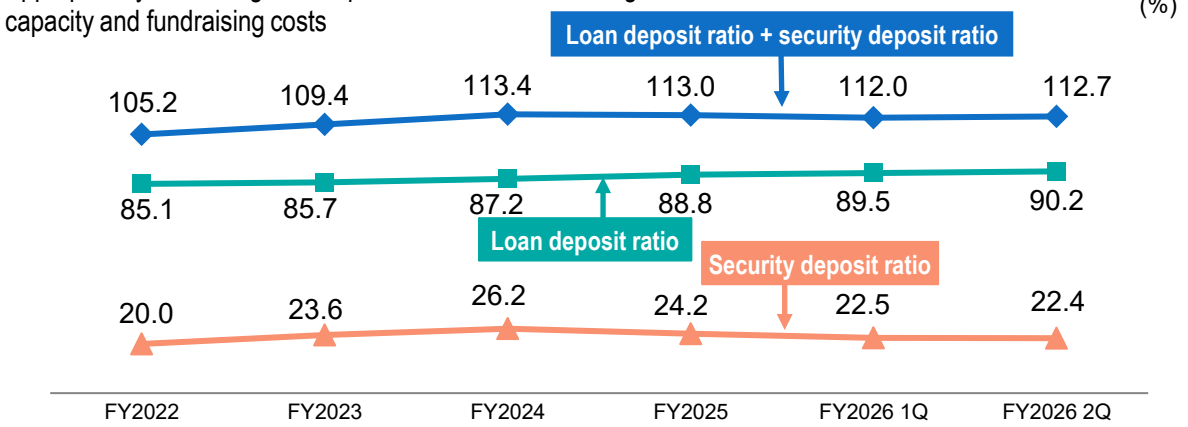
*2 Average interest rate (yield) in each period
*3 Calculated as the change in yield on deposits / change in policy interest rate vs. FY2024 (12-month average)

Composition of yen deposits and other (average balances)



Trends in loan deposit ratio / security deposit ratio (including NCDs)

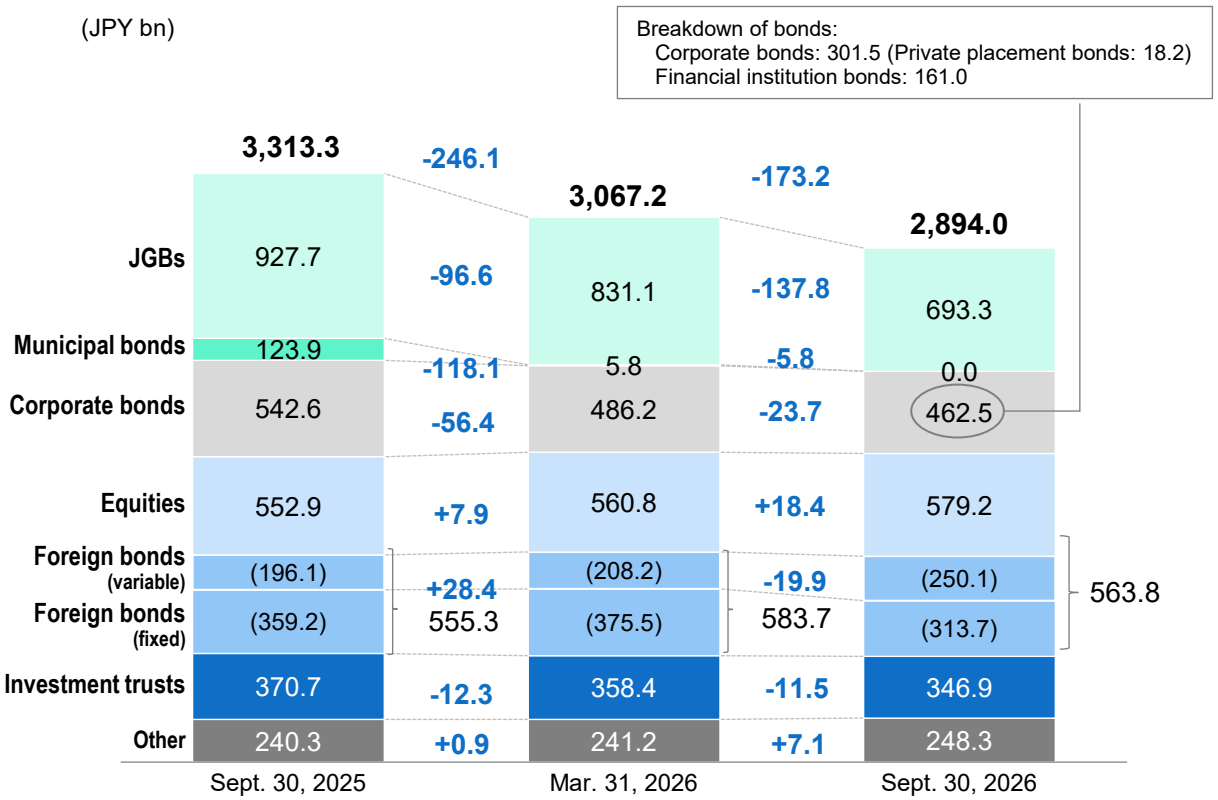
Appropriately controlling loan deposit ratios while remaining aware of the need to balance investment capacity and fundraising costs



Securities (1) (Shizuoka Bank nonconsolidated)

Implementing operations to sell low-yield bonds ahead of schedule in light of rising long-term interest rates to improve yields on the overall bonds portfolio.

Securities



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

* Excluding futures

	September 30, 2025	March 31, 2026	**September 30, 2026**
JPY bonds	7.03 years	7.33 years	6.94 years
Foreign bonds	1.29 years	2.99 years	2.86 years

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

JPY bonds	0.80%	1.30%	1.62%
Foreign bonds	4.26%	3.85%	4.11%

Gains and losses on securities

(JPY bn)	FY2025 1H	**FY2026 1H**	YoY change
Interest and dividends on securities	35.7	46.2	+10.5
JPY bonds	7.5	11.1	+3.6
Foreign bonds	13.6	13.2	-0.4
Investment trusts (gains [losses] on cancellation)	2.4 (1.1)	7.5 (5.9)	+5.1 (4.8)
Investment funds, etc.	3.7	5.1	+1.4
Income related to JGBs and other bonds	-4.6	-40.7	-36.1
Gains on sale	1.7	17.3	+15.6
Losses on sale and redemption (−)	6.3	58.0	+51.7
Gains and losses on equities	15.1	49.4	+34.3
Gains on sale	16.0	49.5	+33.6
Losses on sale and amortization (−)	0.9	0.1	-0.7

Gains and losses on revaluation of securities

(JPY bn)	September 30, 2025	March 31, 2026	**September 30, 2026**	After hedging	vs. March 31, 2026
Gains and losses on revaluation of securities	+305.3	+267.9	+266.9	+307.7	-1.0
Equities	+458.3	+471.3	+492.8	-	+21.4
JPY bonds	-153.4	-189.4	-197.2	-160.9	-7.8
Foreign bonds	-32.0	-34.4	-50.1	-45.7	-15.7
Investment trusts	+15.3	+17.3	+18.9	-	+1.7
Investment funds, etc.	+17.0	+3.1*	+2.5*	-	-0.6

* Not recognized for gains and losses on unlisted stock

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

We made strategic use of unrealized gains on shareholdings to steadily improve yields for the overall JPY bond portfolio through replacement operations based on the changing interest-rate environment.

Implementing JPY bond replacement operations

FY2026 1H market trends

Rising stock prices — **Growth in unrealized gains on shareholdings**

Rising long-term interest rates — **Deterioration in valuation gains/losses on bond holdings**

(Balance of shareholdings/bond: JPY bn)

	March 31, 2026	September 30, 2026	Change
Nikkei Average (JPY)	51,063	66,753	**+15,690**
Balance of shareholdings	560.8	579.2	**+18.4**
(of which valuation gains/losses)	(471.3)	(492.8)	(+21.4)
Yield on 10-year JGBs	2.35%	3.06%	**+0.71 pt**
JPY bond balance	1,323.1	1,155.8	**-167.3**
(of which valuation gains/losses)	(-189.4)	(-197.2)	(-7.8)

Progress of JPY bond replacement operations

Sales of low-yield bonds and stocks - Bonds to be sold have been reviewed , centered on JGBs, in light of rising long-term interest rates.

(JPY bn)	Initial plans*1 Balance sold	Yield	Gain/loss on sale	September 30, 2026 (actual) Balance sold	Yield	Gain/loss on sale
JPY bonds	193.7	0.48%	-35.0	184.4	0.57%	-36.1
JGBs	89.0	0.53%	-	120.1	0.63%	-21.2
Stocks	-	-	+35.0	-	-	+36.1

Purchase of JPY bonds - Reflecting caution with regard to new purchases given rising interest rates, the total purchase amount was limited to approximately 30% of initial earmarks.

(JPY bn)	Initial plans*1 Balance of purchases	Yields	September 30, 2026 (actual) Balance of purchases	Yields	vs. initial earmarks Balance of purchases	Yields
JPY bonds	243.4	2.97%	71.7	3.51%	-171.7	+0.54 pt

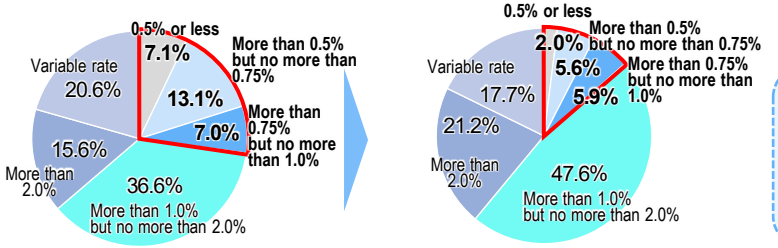
*1 As of May 2026 *2 Balances are based on acquisition costs

Structural changes to the yen portfolio

(JPY bn)	March 2026 (before replacement) Balance*	Yield	September 2026 (actual) Balance*	Yield	Change Balance*	Yield
JGBs	962.6	1.38%	832.7	1.63%	-129.9	+0.25 pt
Municipal bonds	6.4	0.71%	0	-	-6.4	-
Public bonds	214.4	1.06%	196.9	1.97%	-17.5	+0.91 pt
Corporate bonds, etc.	329.1	1.23%	323.4	1.37%	-5.7	+0.14 pt
Total	1,512.5	**1.30%**	1,353.0	**1.62%**	-159.5	**+0.32 pt**
Average holding period		7.33 years		6.94 years		-0.39 years

* Balances are based on acquisition costs.

Structural changes in bonds held (by yield)



Building a portfolio in which bonds with yields of more than 1.0% account for about 80% of the overall portfolio

Thinking behind replacement operation revisions

Rising long-term interest rates during the period

Revision to bonds yields for sale decision 0.75% or less → **1.0% or less**

Additional sale of **JGBs (acquisition cost JPY 31.1 bn, yield 0.94%)**

Effects of replacement operations*

Improving profitability while shortening duration

Bond yields: Improved by +0.32 pt

Average remaining period: Shortened by 0.39 years

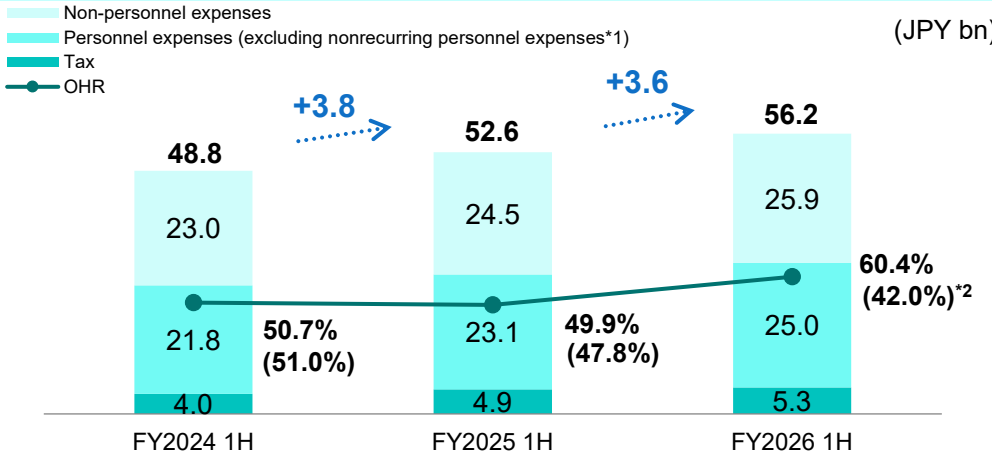
* vs. bond portfolio at end of March 2026

Expenses

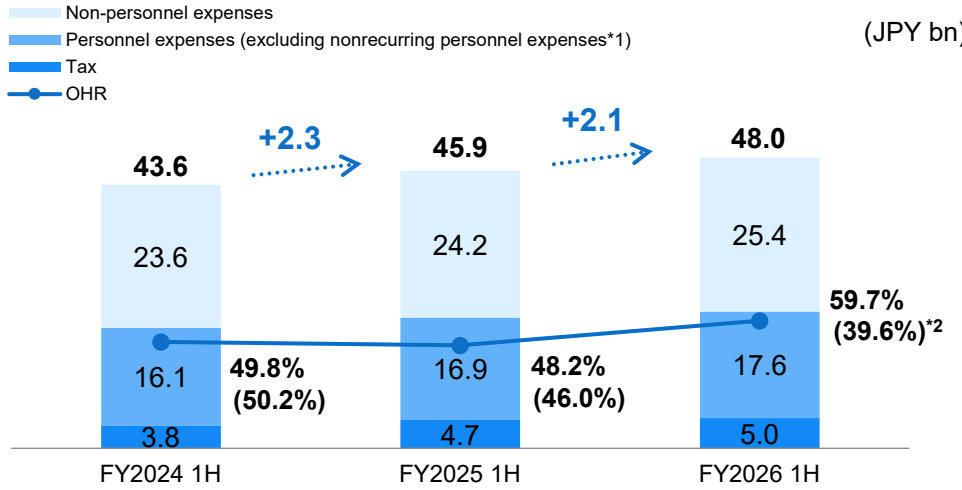
While consolidated OHR rose, due mainly to lower gross operating profits associated with bonds replacement, and impact of the increase in consolidated subsidiaries, the ratio based on core gross operating profit remains low, at 42.0%.

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	+JPY 1.4 bn	IT-related expenses: +JPY 1.3 bn Increase in the number of consolidated subsidiaries*: +JPY 0.7 bn Depreciation expenses: JPY -1.0 bn etc.
Personnel expenses	+JPY 1.9 bn	Salaries (related to base pay increase): +JPY 0.6 bn Bonuses: +JPY 0.4 bn Increase in the number of consolidated subsidiaries*: +JPY 0.3 bn Staff increases, etc.: +JPY 0.5 bn
Tax	+JPY 0.4 bn	Shizuoka Bank: +JPY 0.3 bn etc.
Total	**+JPY 3.6 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 1.1 bn	IT-related expenses: +JPY 1.3 bn Administrative expenses: +JPY 0.2 bn Advertising expenses: +JPY 0.2 bn Depreciation expenses: JPY -1.0 bn etc.
Personnel expenses	+JPY 0.7 bn	Salaries (related to base pay increase): +JPY 0.4 bn Bonuses: +JPY 0.3 bn etc.
Tax	+JPY 0.3 bn	Pro forma taxation: +JPY 0.2 bn
Total	**+JPY 2.1 bn**	

Credit-related costs (Shizuoka Bank nonconsolidated)

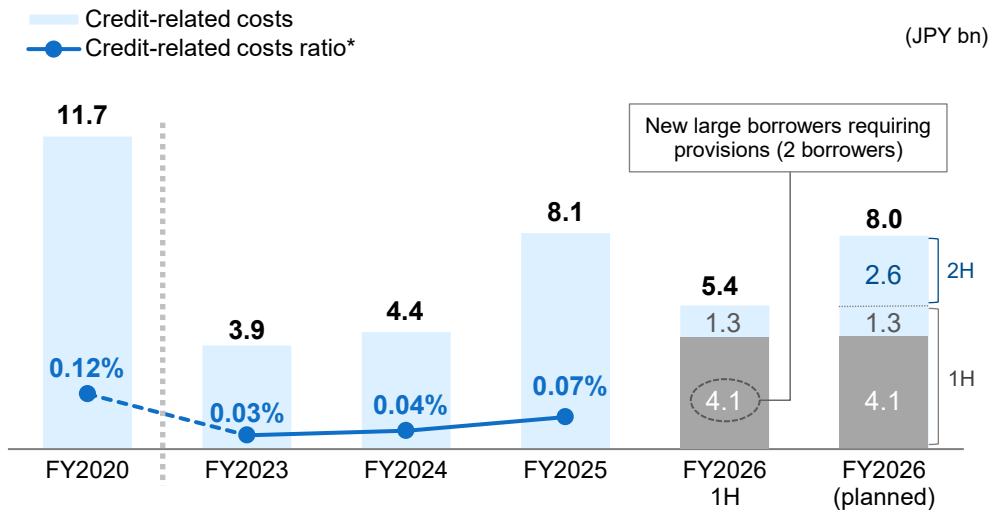
Credit-related costs (Shizuoka Bank nonconsolidated) were higher than expected due to new large-scale borrowers subject to specific allowances. Nevertheless, there has been no major change in our approach to credit risk management.
Projected annual credit-related costs remain unchanged at JPY 8.0 bn. We will continue to control these costs as specified within the scope of our plans.

Breakdown of credit-related costs

(JPY bn)	FY2024 1H	FY2025 1H	**FY2026 1H**	YoY change
[Consolidated] Credit-related costs	2.8	2.9	5.9	+3.0
[Shizuoka Bank nonconsolidated] Credit-related costs	2.3	2.4	5.4	+3.0
Provision for general allowance for loan losses	-1.7	-1.4	-0.5	+1.0
Provision for specific allowance for loan losses	3.6	3.5	5.8	+2.3
Other non-performing loans (NPL) disposal*	0.4	0.4	0.1	-0.3

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

Credit-related costs and credit-related costs ratio

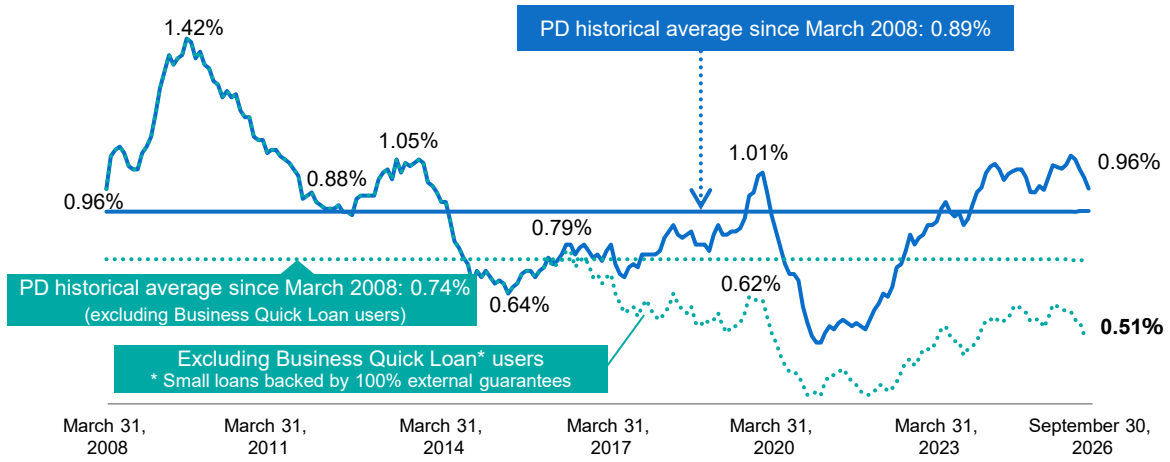


* Credit-related costs ratio = credit-related costs / average loan balance

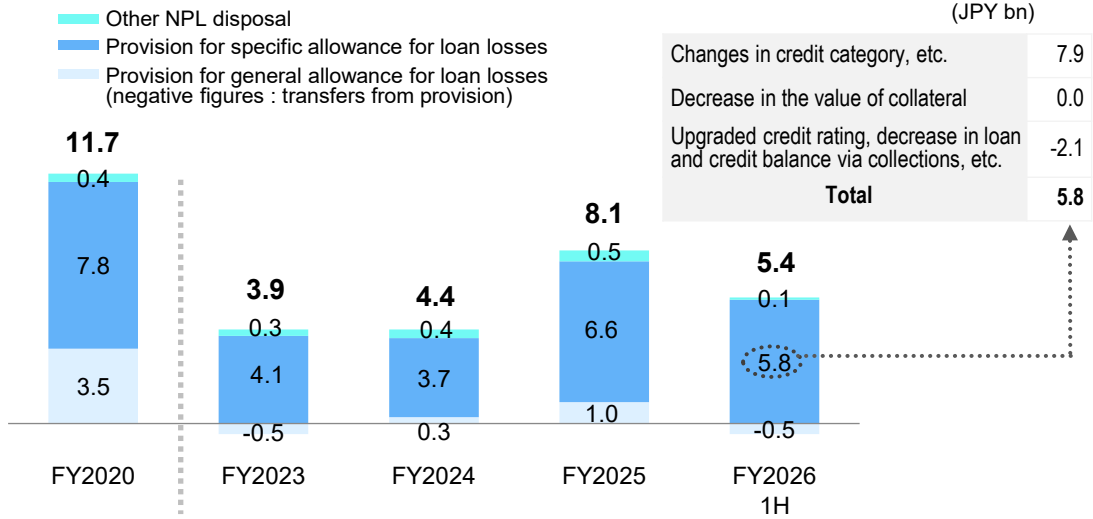
Probability of default (PD)

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

PD is on a downward trend overall, with no signs of a broad-based increase in credit risk.



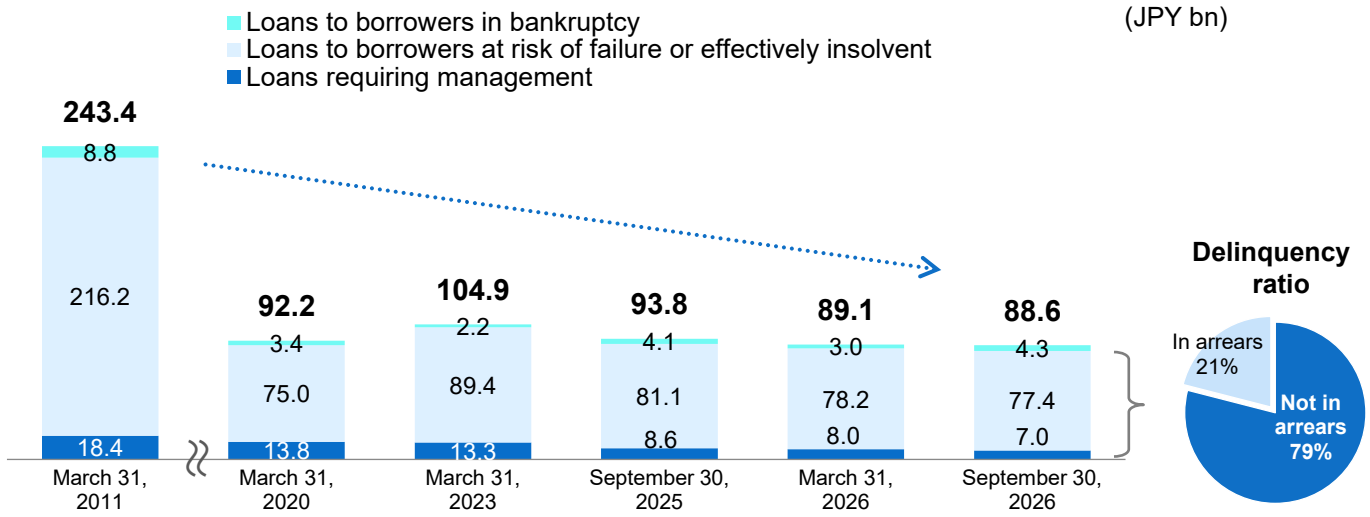
Provision for allowance for loan losses and other NPL disposal



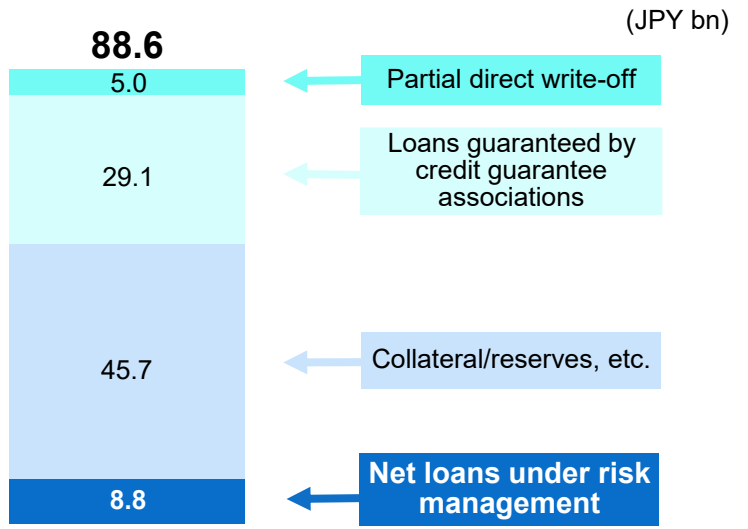
Loans under risk management (Loans disclosed under the Financial Reconstruction Act) (Shizuoka Bank nonconsolidated)

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

Loans under risk management



Net loans under risk management



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

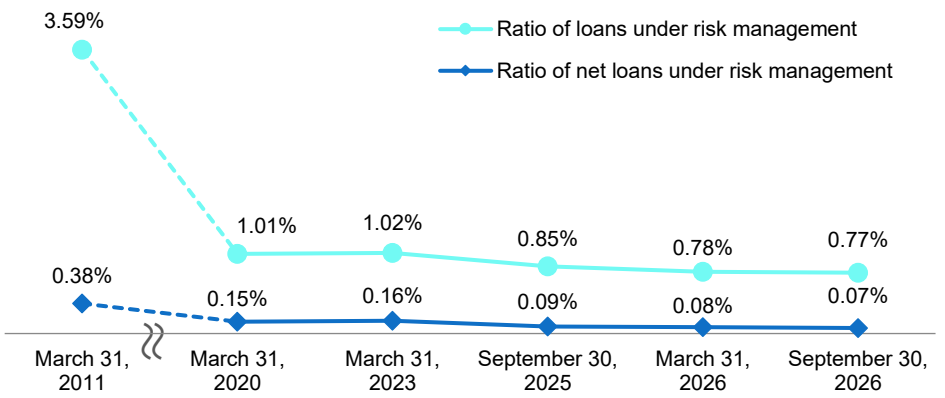
NPL removal from balance sheet

(JPY bn)	FY2025	FY2026 1H
Newly recognized NPLs	+26.6	+16.7
Removal from balance sheet (NPL to borrowers classified as at risk of failure or in categories of greater risk)	-30.4 (-28.0)	-17.2 (-16.0)
Loans under risk management	89.1	88.6

Breakdown of -JPY 16.0 bn

Collected from borrower/ offset against deposits	-3.0
Collateral disposal/ subrogated to guarantor	-6.1
Loans sold/direct write off	-5.8
Reclassified to lower risk categories	-1.2

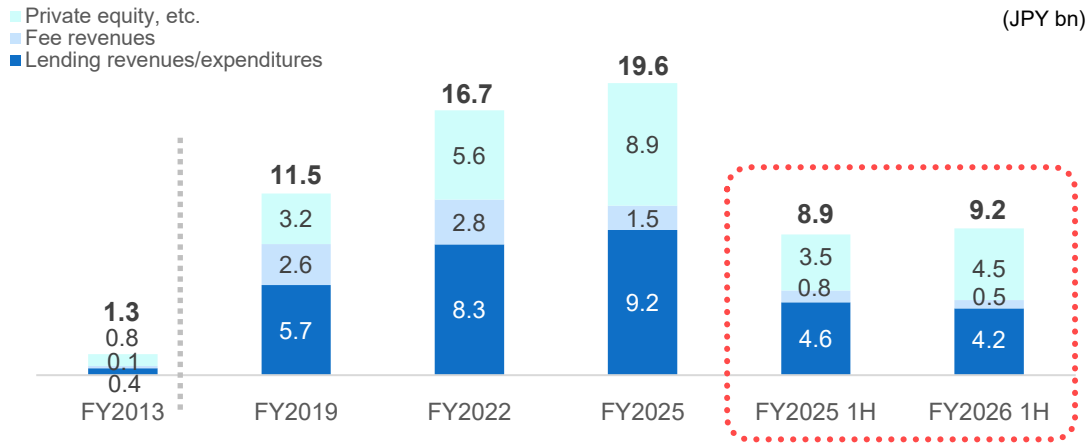
Ratio of loans under risk management



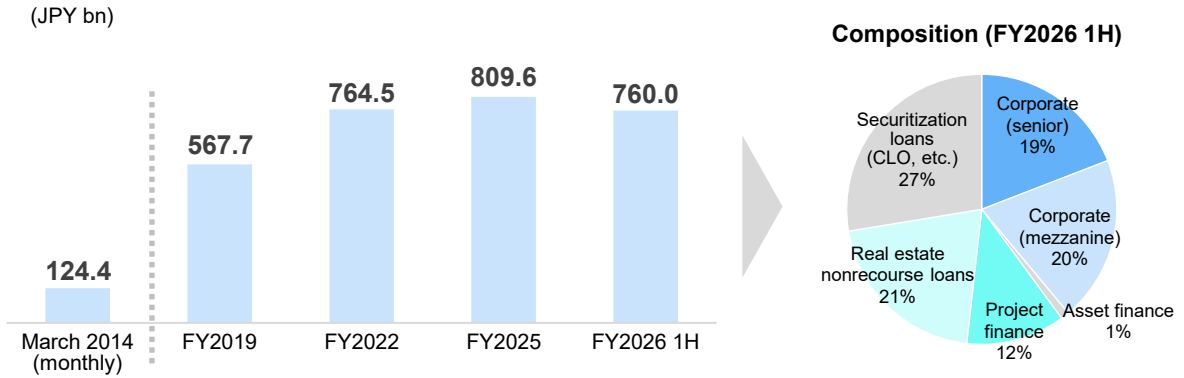
Market credit investment

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 management.

Revenue trend



Lending balance (average) and composition

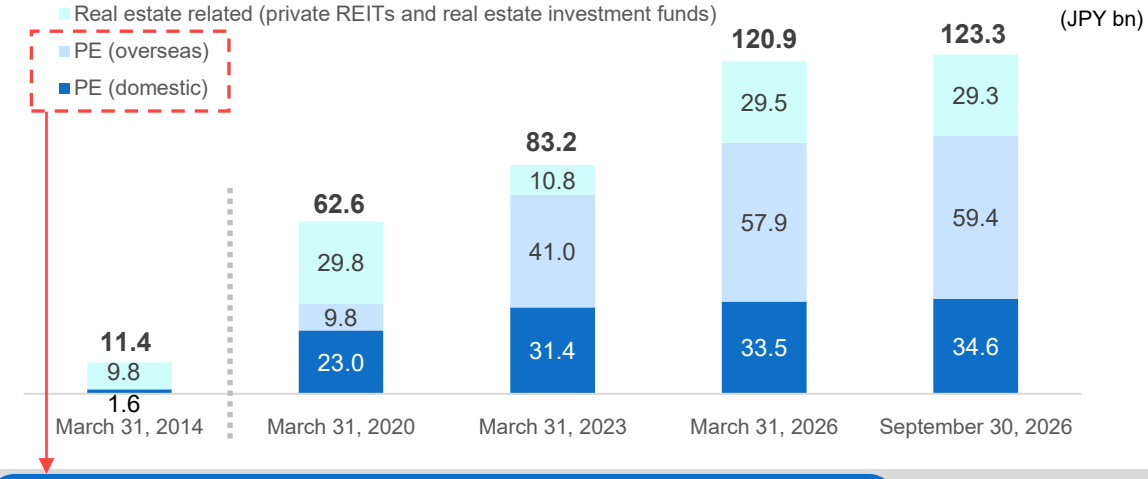


Composition (FY2026 1H)

Well-diversified portfolio (JPY : foreign currency = 4 : 5)
98% allocated to performing borrowers
LTV real estate nonrecourse loan average: 57.1%

CLO balance (September 30, 2026 , including bond holdings)
JPY 261.4 bn (36 details: JPY 7.3 bn average)
All AAA-rated
Subordination ratio: 36.0–40.0%

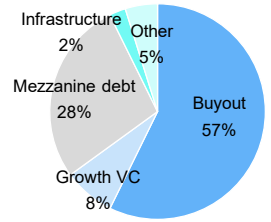
Market credit investment balance (term-end balance)



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

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

Composition (FY2026 1H)



[Private equity investment results]

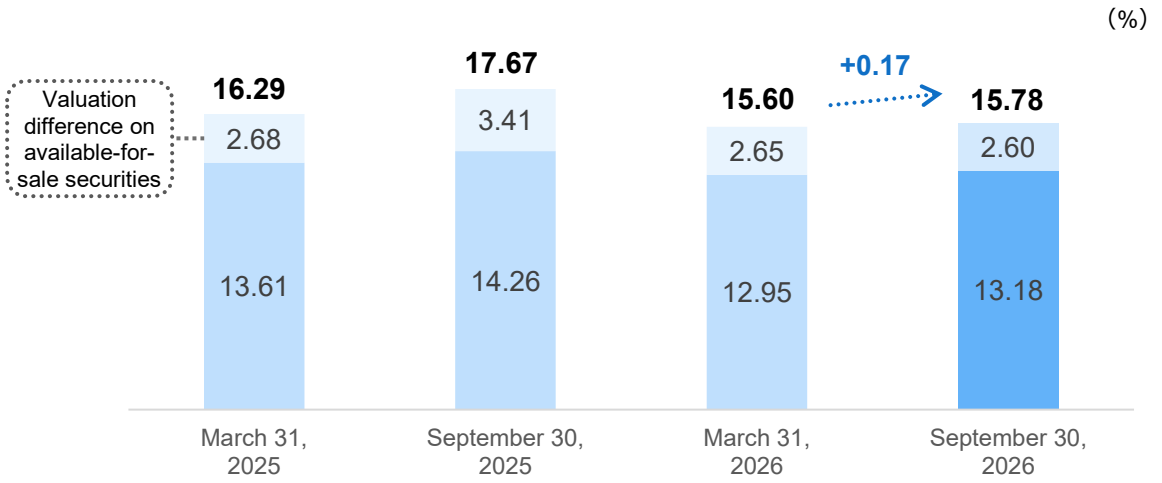
(JPY bn)	FY2013	FY2019	FY2022	FY2025	FY2026 1H
Investment commitment (annual)	4.7	10.8	21.9	21.8	5.4
Investment commitment (total)	14.0	66.1	129.0	211.7	212.3
Domestic	14.0	45.5	63.2	89.8	88.8
Overseas	0.0	20.6	65.9	122.0	123.5
Investment balance (term end)	1.6	32.8	72.4	91.4	94.0
Investment gain/loss (annual)	0.7	1.7	4.4	7.8	3.6
Revaluation gain/loss (term end)	+1.2	+3.6	+10.1	+2.7*	+2.0*

* Not recognized for gains and losses on unlisted stock

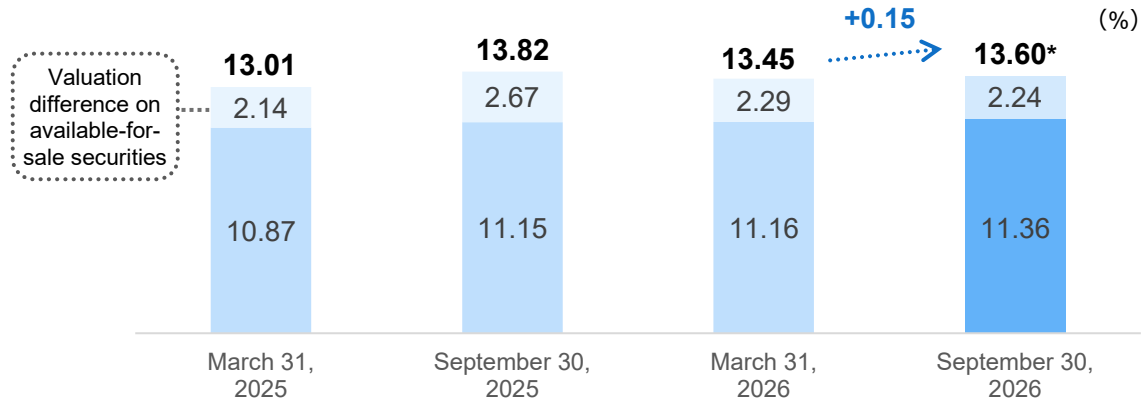
Capital adequacy ratio

The total capital ratio and CET1 ratio were both 15.78% as of September 30, 2026 (up 0.17pt from March 31, 2026).
The estimated ratio after full application of Basel III finalization is 13.60% (up 0.15pt 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	September 30, 2025	March 31, 2026	**September 30, 2026**	vs. March 31, 2026
Total capital*	**991.2**	**1,089.1**	**1,081.6**	**1,113.8**	**+32.2**
CET1	991.2	1,089.1	1,081.6	1,113.8	+32.2
Excluding valuation difference on available-for-sale securities	828.0	879.0	897.5	930.4	+32.9
Other Tier1	-	-	-	-	-
Tier2	-	-	-	-	-
Risk-weighted assets	**6,082.1**	**6,163.7**	**6,930.0**	**7,055.5**	**+125.4**
Credit risk-weighted assets	5,869.5	5,946.5	6,321.6	6,367.3	+45.7
Amount corresponding to market risk	3.2	0.7	0.9	2.9	+2.0
Amount corresponding to operational risk	209.4	216.5	234.6	256.1	+21.5
Floor adjustments	-	-	372.9	429.1	+56.2

* Capital excludes preferred shares, subordinated debt, etc.

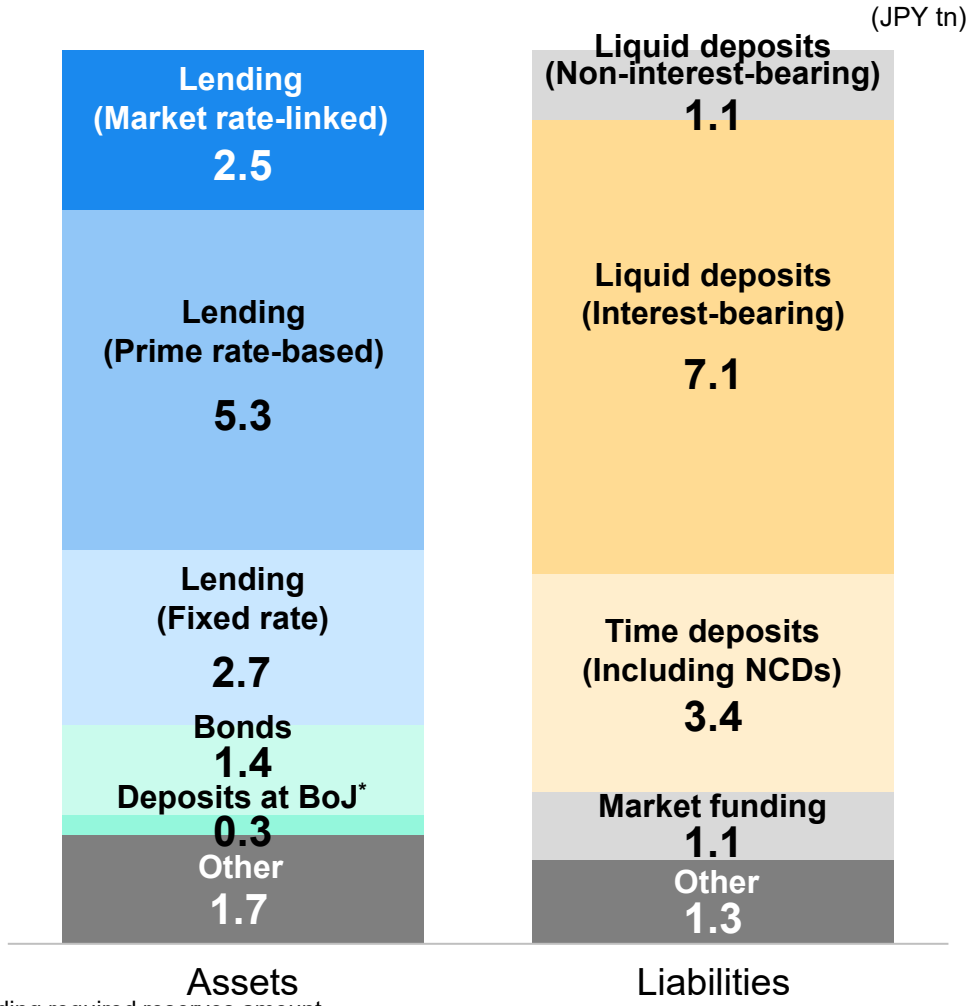
Simulation of rising JPY interest rates

Policy interest rate +0.25% change is expected to increase net interest income by +JPY7.2 bn on an annualized basis, assuming the JPY balance sheet in September 2026.

Impact on JPY net interest income

JPY balance sheet structure

JPY13.9 tn (September 2026 average balance)



* Excluding required reserves amount

Assumptions for the estimate (policy interest rate +0.25% change)

TIBOR	+0.25%	Liquid deposit yield	+0.1%
Short-term prime rate	+0.25%	Time deposit yield	+0.15%
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%		

* Asset and liability balances are unchanged (September 2026)

Impact (annualized)

Lending	**+JPY18.8 bn**	**Deposits**	**-JPY12.2 bn**
Market rate-linked	+JPY5.9 bn	Liquid deposits	-JPY7.1 bn
Prime rate-based	+JPY12.1 bn	Time deposits	-JPY5.2 bn
Fixed rate	+JPY0.7 bn	Other fundraising	-JPY0.3 bn
Bonds	**+JPY0.1 bn**		
Deposits at BOJ	**+JPY0.8 bn**		

Net interest income: +JPY7.2 bn
ROE: +0.4%

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

Loans –Loans by industry

Expected loss (EL) for all industries totals JPY 8.7 bn, while unexpected loss (UL), or credit risk, for all industries totals JPY 67.3 bn.

Status of business loans to certain industries

Credit balance (as of the end of September 2026)

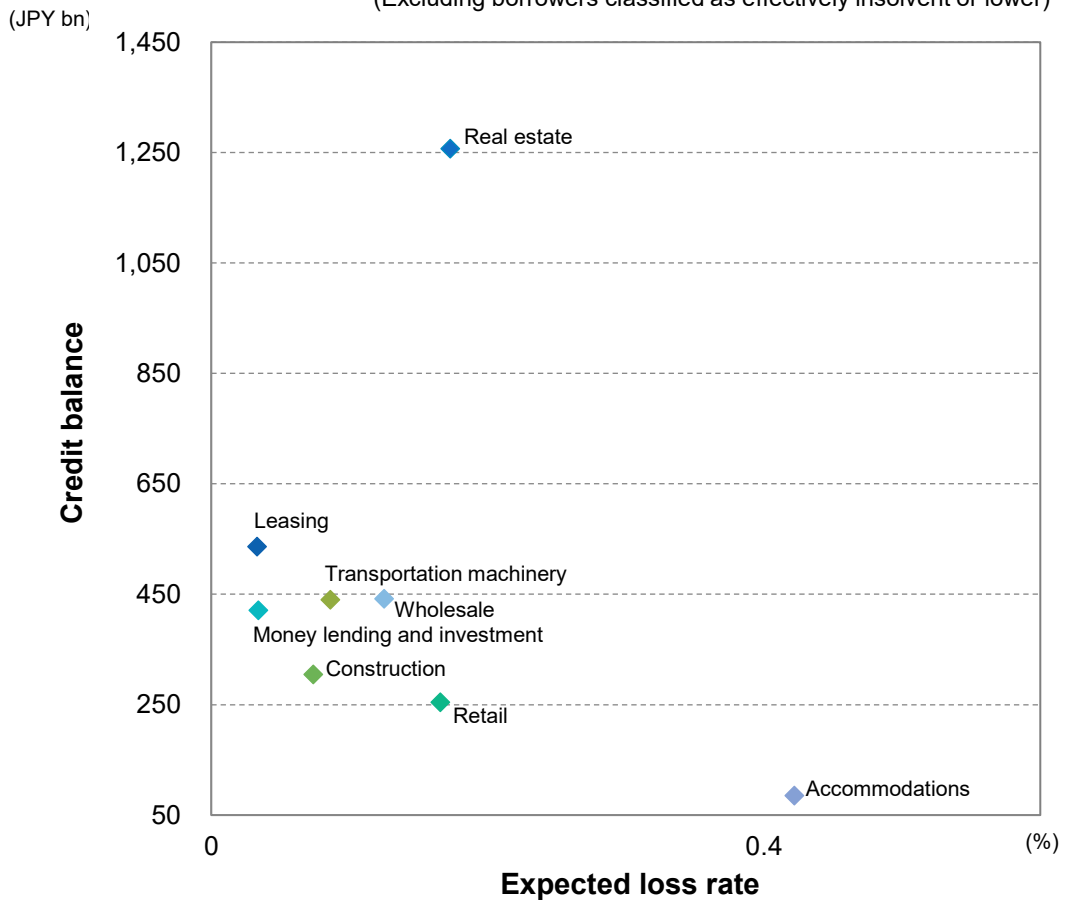
(JPY bn, %)

	Balance	Composition ratio	YoY Change
All industries	7,164.6	100.0	+127.2
Real estate *1	1,256.9	17.5	+68.3
Leasing	536.0	7.4	+43.4
Wholesale *2	441.4	6.1	-4.6
Transportation machinery	440.1	6.1	-39.4
Money lending and investment	420.9	5.8	+6.8
Construction	304.8	4.2	+9.7
Retail	254.0	3.5	-8.0
Accommodations	85.3	1.1	-3.0

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

Credit balance vs. expected loss rate*

(Excluding borrowers classified as effectively insolvent or lower)



* Expected loss (EL) amount / Credit balance

Allocation of risk capital

Allocation source

(JPY bn)

Core capital
JPY 913.4 bn
(End of September 2026)



	Risk capital allocated	Risk capital used	Percentage of risk capital used
Loans (credit risk)	181.4	123.1	67%
Treasury division	330.1	154.5	46%
Subsidiaries of holding company, etc. (excluding Shizuoka Bank)	11.5	3.3	29%
Subsidiaries of Shizuoka Bank	2.1	0.5	24%
Strategic investments	34.0	12.2	35%
Operational risk	17.3	17.3	100%
Subtotal	576.4	310.9	53%
Buffer capital, etc.	337.0	-	-
Total	913.4	-	-

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

Group companies (Excluding Shizuoka Bank)

The total ordinary profit of group companies (excluding Shizuoka Bank) in 1H of FY2026 was JPY 7.3bn (up JPY 1.5bn YoY).

(JPY bn)

Company name	Main businesses	FY2026 1H ordinary profit	YoY change
Shizugin Management Consulting Co., Ltd.	Corporate and financial management advisory services; bill collection services	0.2	+0.1
Shizugin Lease Co., Ltd.	Leasing	0.7	-0.1
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	2.8	+1.0
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	0.4	-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	-0.1
Shizugin Credit Guaranty Co., Ltd.	Credit guarantees	2.3	+0.4
Shizugin Card Co., Ltd.	Credit card business; credit guarantees	0.4	-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	0.2	+0.1
Shizugin Heartful Co., Ltd.	Production and printing of documents; creating business cards	0.0	-0.0
Total excluding Shizuoka Bank (17 companies)		**7.3**	+1.5
(Reference) Equity method affiliates			
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 -2.2	-9.9
Shizuoka Community Development Consulting Co., Ltd. *3	Surveys, research and consulting services of contributing to regional development and revitalization	-0.0	-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

Shareholder returns –Share buybacks (over time)

Through 1H of FY2026, 225 million shares (27.9% of shares outstanding before initial retirement in 1997) were retired.

	Shares bought back (thousand)	Repurchase amount (JPY mn)	Number of shares retired (thousand)	Retirement amount (JPY mn)	Dividend amount per stock (JPY mn)	Shareholder return ratio (consolidated)*2 (%)	EPS (consolidated)*2 (JPY)	BPS (consolidated)*2 (JPY)	DPS (consolidated)*2 (JPY)
FY1997	7,226	9,997	7,226	9,997	6.0	–	20.4	587.6	6.0
FY1998	6,633	9,142	6,633	9,142	6.0	84.1	20.8	632.2	6.0
FY1999	8,357	9,143	8,357	9,143	6.0	52.6	33.4	652.8	6.0
FY2000	24,954	23,281	24,954	23,281	6.0	150.3	24.0	792.0	6.0
FY2001	8,234	8,267	8,234	8,267	6.0	170.5	10.0	742.5	6.0
FY2002	29,928	23,107	–	–	7.0	222.1	17.1	722.3	7.0
FY2003	10,712	8,566	30,000	23,381	7.0	50.2	37.6	833.4	7.0
FY2004	–	–	–	–	8.5	16.9	50.0	878.8	8.5
FY2005	–	–	–	–	10.0	21.4	46.6	1,024.6	10.0
FY2006	–	–	–	–	13.0	24.3	53.4	1,086.0	13.0
FY2007	10,000	12,621	10,000	10,130	13.0	62.6	49.3	1,003.8	13.0
FY2008	–	–	–	–	13.0	69.7	18.6	909.2	13.0
FY2009	5,000	3,996	5,000	4,638	13.0	39.8	46.9	1,005.4	13.0
FY2010	20,000	14,980	20,000	15,957	13.0	65.7	52.9	1,024.6	13.0
FY2011	20,000	14,575	–	–	13.5	63.0	56.3	1,109.7	13.5
FY2012	10,000	8,239	20,000	14,953	15.0	31.5	87.5	1,242.1	15.0
FY2013	20,000	22,642	–	–	15.5	69.3	74.1	1,290.1	15.5
FY2014	10,000	11,315	–	–	16.0	42.4	80.3	1,500.2	16.0
FY2015	4,767	6,999	–	–	20.0	40.2	77.8	1,500.3	20.0
FY2016	10,000	8,496	20,000	20,578	20.0	70.6	48.0	1,545.6	20.0
FY2017	10,000	9,736	–	–	21.0	44.3	83.7	1,669.0	21.0
FY2018	10,000	10,069	30,000	30,530	22.0	49.1	79.3	1,738.5	22.0
FY2019	10,000	8,623	10,000	10,139	22.0	54.9	67.2	1,727.1	22.0
FY2020	–	–	10,000	9,619	25.0	32.9	76.0	1,922.6	25.0
FY2021	10,000	8,759	–	–	26.0	56.2	73.3	1,926.0	26.0
FY2022	9,857	10,000	–	–	30.0	51.2	92.9	2,050.7	30.0
FY2023	4,829	7,000	10,000	9,210	39.0	49.3	104.2	2,188.0	39.0
FY2024	7,505	10,000	5,000	4,991	60.0	57.3	136.4	2,153.1	60.0
FY2025	11,877	30,000	–	–	80.0	80.6	167.7	2,321.8	80.0
FY2026*1	12,713	40,000	–	–	113.0	82.8	–	–	–
Cumulative total	**292,592**	329,556	**225,404**	213,959	–	–	–	–	–

*1 Shares bought back and the repurchase amount represent the total of the actual results (8,713 thousand shares, JPY 30.0 bn) and the scheduled acquisition of treasury stock in November 2026 and beyond (up to 4 millions shares , JPY 10.0 bn). Dividend amount per stock is the information published, shareholder return ratio is planned.

*2 Consolidated financial statements have been prepared since FY1998.

Reference Materials (Strategies)

Major initiatives in FY2026 (1)

	April	May	June
Co-creation Growth Challenge	● 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)	● 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) SFGM W TOKYO 御殿場市 GOTEMBA CITY  	● 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)
Corporate communi-cation	● Soccer coach Makoto Hasebe signed as a **brand partner** (Shizuoka Financial Group) 		
Trans-formation 2.0	● 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)		

Major initiatives in FY2026 (2)

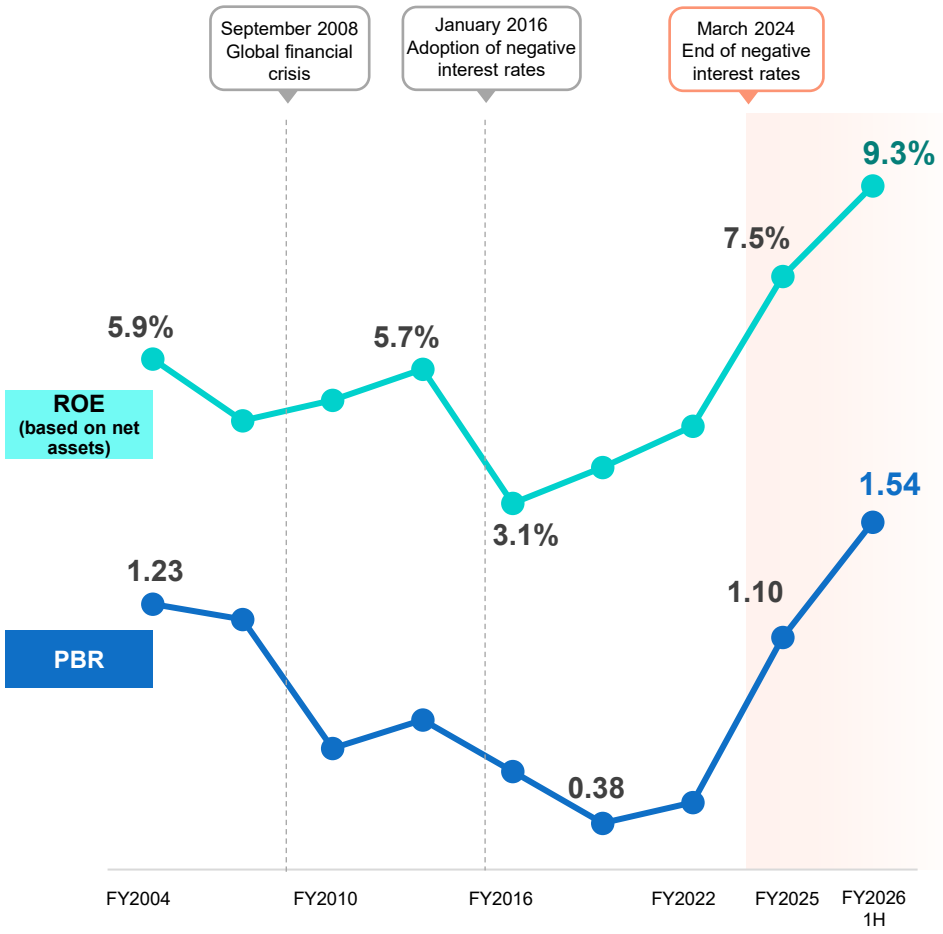
	July	August	September-
Co-creation Growth Challenge	● Established **Shizuoka Mirai Cocreation Foundation** to contribute to regional industrial promotion through side-by-side support for new business creation and other activities by regional firms. (**Shizuoka Bank**)	● **SIKI** opens inside Agora Hamamatsu as a facility intended to encourage exchange and cocreation with regional stakeholders. (**Shizuoka Bank**)	● Launched demonstration testing intended to **boost the value of Shizuoka tea** as part of efforts to contribute to the sustained growth of regional industry. (**Shizuoka Financial Group**)
	● Enhanced initiatives via Mt. Fuji/Alps Alliance. (**Shizuoka Bank**) • Launched **Mt. Fuji/Alps Alliance Tourism Promotion Project** to promote tourism experiences based on the regional resources of Shizuoka, Yamanashi, and Nagano prefectures. • Began providing **Startup Catalog** to link startups to regional firms. • Concluded **agreement on overseas business support services** with Hachijuni Nagano Bank. 富士山・アルプス アライアンス Mt.Fuji・Alps Alliance		▼Phases 1 and 2 of the Tourism Promotion Project 
			
Corporate communi-cation	● Named as **Leading Children-Centered Leading Bank** by the Children and Families Agency in recognition of side-by-side support for initiatives by regional firms to support children and childrearing. (**Shizuoka Bank**)	● A **pioneering project on dual residences** launched in the city of Shizuoka Cross-border learning program intended to help employees of firms in the Tokyo metropolitan area find second base. (**Shizuoka Bank**)	● Introduced **Family Support Securities Accounts** that allow clients to name a family member as a fiduciary in advance. (**Shizugin TM Securities**)
			
Trans-formation 2.0	● **TECH BEAT Shizuoka 2026** held * Some CO_2 emissions generated by the venue were offset through the issue of Shizugin carbon-offset private-placement bonds. (**Shizuoka Bank**)  TECH BEAT Shizuoka 2026	● CO_2 emissions of business vehicles **offset** using J-Credits generated in Shizuoka Prefecture. (**Shizugin Lease**) ● Began offering the **Wallet+** smartphone app. (**Shizuoka Bank**) Wallet+	● Began offering **services to support** regional firms **for AI adoption and deployment** in cooperation with DigiRise. (**Shizugin Management Consulting**)

PBR and ROE trends

ROE is steadily improving as core business earnings, driven mainly by net interest income, grow amid rising interest rates in Japan. We will aim to further increase corporate value by further improving ROE and strengthening our management foundation, while continuing to enhance dialogue with the market.

PBR and ROE trends

PBR, which has exceeded the benchmark of 1 since FY2025, recently rose to 1.54.



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.

PBR improvement

Capital efficiency as a joint stock company

Increasing ROE

- Improving profitability
- Controlling capital

A perspective essential to the growth of a regional financial institution

Sustained growth in earnings

- Sustained community growth
- Strengthening management foundations

Reducing equity capital costs

- Proactive disclosure
- Proactive dialogue with shareholders and investors

Second Medium-term Business Plan –Sustainability KPIs–

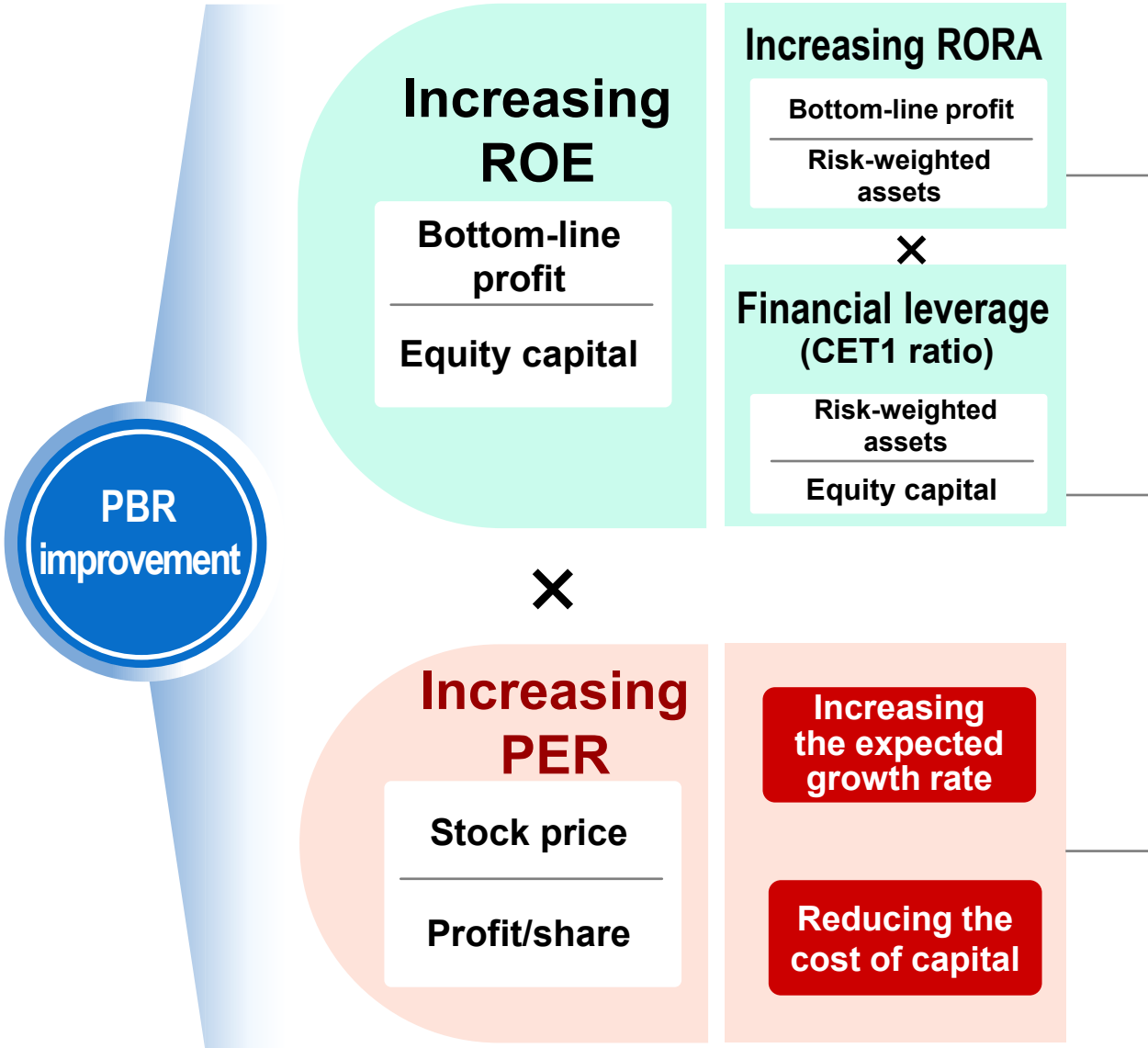
Increasing corporate value

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

Enhancing disclosure and dialogue through IR activities, etc.

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.



Strengthening profitability	➢ Securing stable fundraising centered on sticky deposits and diversifying means of funding, and increasing profitability through accumulation and selectivity in assets focused on efficiency of asset management ➢ Enhancing general transactions (deposits, commissions, etc.) based on loans, and utilizing Group functions to increase fees and commissions on a consolidated basis
Cost controls	➢ Controlling OHR to approx. 40% over the medium to long term, allocating funds to investments in growth (e.g., human capital and IT) to implement strategy under financial discipline ➢ Thoroughly implementing strict credit control in response to changes in the business environment, while stabilizing credit-related costs through appropriate risk-taking
Risk-weighted asset controls	➢ Building risk-weighted assets based on an awareness of the need to balance profitability and soundness (Optimizing asset allocation to increase RORA)
Capital management optimization	➢ Continuing to reduce shareholdings in light of growing valuation gains due to the high stock market, and strategically utilizing gains on sale arising in the reduction process to promote growth investments ➢ Increasing dividends through sustained profit growth, and dynamically purchasing treasury stocks
Enhancing the management base Sustainability	➢ Enhancing investments to strengthen the foundations to support sustained growth(investments in human capital and IT, including security) ➢ Establishing a foundation to stimulate industry and the sustained growth of the region and Shizuoka Financial Group
Easing information asymmetry	➢ Active dialogue with shareholders and investors, enhanced disclosure of information, and further strengthen of corporate governance ➢ Promoting understanding of Shizuoka Financial Group management policies (ideal vision)

Co-creation domain initiatives

Achieving coexistence and shared prosperity with the region by drawing on Shizuoka Financial Group functions to implement the community development business and build a loyalty ecosystem.

Implementing the community development business

Drawing on strengths as regional financial group connecting the region's stakeholders, funds, and businesses to implement sustainable community development business with the aim of maximizing social and corporate value

Hamamatsu Act Tower –From outside capital to regional capital


45 floors above ground (tallest in prefecture)

Acquisition of regional landmark through investments by regional companies
Targeting sustained vitality by hosting various events to identify regional demand

FY2026 initiatives

September 2026
All trust beneficiary rights acquired

SPC
Asset manager: SFG Real Estate Investment Advisors
Investment: Five regional firms | Finance

First event held to **gauge regional demand**

Shizuoka local sake-tasting/sale event



Attendees: approx. **300**
Bottles sold: approx. **220**

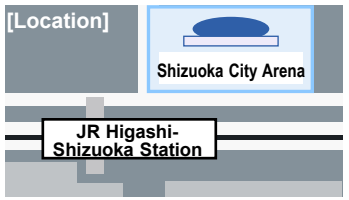
Future plans

- Gauging user needs
- Assessing needs through social experiments by hosting events
- Generating vitality Strengthening asset value

Shizuoka City Arena –Increasing the value of the Higashi-Shizuoka area based on the arena

[Front view of the arena]





July 2026, Contract concluded with the City of Shizuoka for slated special project
Launch of Official Website Ahead of April 2030 Grand Opening

「The Shizuoka Alliance」
(Shizuoka Central Arena Co., Ltd.)
Composed of 10 companies supporting the region, led by NTT DOCOMO
Investment and participation by **SFG Real Estate Investment Advisors** as a member

[Overview of the Arena]
- **Directly connected to Higashi-Shizuoka Station, just a two-minute train ride from Shizuoka Station.**
- **Seating capacity of approx. 10,000**

Home arena for two professional sprots teams
Promoting music by leveraging the prime location

2040 targets
* As of February 2026 proposal

Economic impact (10-year cumulative)
JPY **153.7** bn

Annual visitors
1.12 million

Induced employment
16,260 persons

Building a loyalty ecosystem

Building a system to encourage continuous connections with Shizuoka Financial Group by introducing the new Wallet+ app to make banking more convenient and help establish an ecosphere for circulating loyalty points in partnership with regional companies.

Wallet+ –Service launched August 31, 2026

Becoming a bank customers will continue using by providing a more convenient app and incorporating advanced digital marketing

Wallet+ features



Financial functions
- Checking deposit balances, account statements
- Saving toward specific goals
- Funds transfers
- Borrowing
- etc.

Non-financial functions
- myCoin (reward points)
- Regional coupons
- Columns discussing money matters
- etc.

myCoin (reward program)
Users earn points by **using the app, engaging in transactions with Shizuoka Bank, etc.**
▶**Users can redeem points for payments, exchange points with other points, and get cash rewards.**

Service provided with existing Shizugin App
To be a familiar bank for everyday use

Shizuoka Financial Group's Economic Zone via myCoin
-Earn and Spend within the region

Earning myCoin

Earned through transactions with Shizuoka Bank
- **Awarding points in accordance with S-mile stages**
  → Upgrades Family benefits Welfare services
- Exchange credit card points for myCoin

Earned through transactions with regional companies
- Exchanging regional companies' points for myCoin

Earned via app use
- Reading columns, answering surveys, etc.

Coupon distribution

Monetary information provision
etc.

Enhancing ties with regional companies and customers through **the myCoin**



Use in the region
➤ **Redeeming points for payment, exchanging with other points, getting cash rewards**

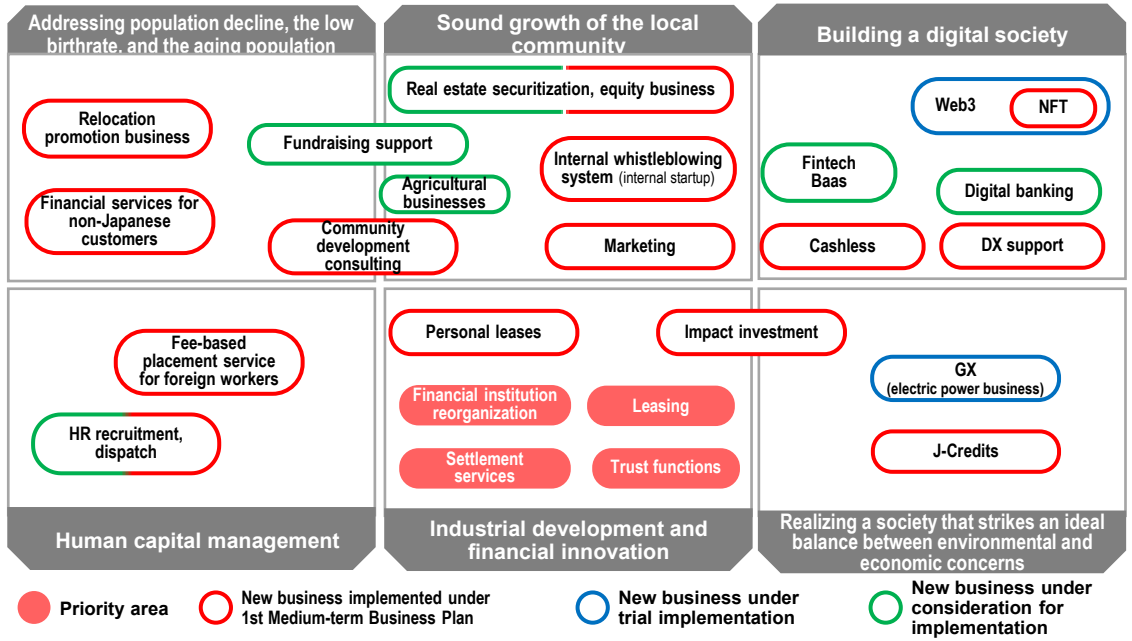
Challenge domain initiatives

Achieve maximum impact in increasing corporate value and creating social value by accelerating new business development and M&A strategies, with the aim of capturing new earnings opportunities and expanding our customer base.

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**

[Launch of new business toward solutions to materiality topics]



FY2026 initiative status

Increasing corporate value / Creating social value

Leasing

Tokyo Gas Lease (made subsidiary in April 2026)

100-day plan (PMI) proceeding smoothly

➤Commencing joint efforts to generate synergies with Group companies

Web 3.0

Demonstration testing of **digital currency issuance and use** at facilities inside the Shizuoka Financial Group Head Office Tower

➤Expanding the scope and targets of the demonstrations, with potential partnerships with regional businesses and local governments in mind

BaaS

Launching a full-scale study on strategies to establish a **new channel for securing deposits** from both the offensive and defensive perspectives

Defensive
Working with regional firms to **prevent outflows of customer bases and deposits**

Offensive
Working with firms operating nationwide to **access customers previously unreached**

GX, electric power business

Checking demand, market scale, and other aspects by launching a solar power station and handling all operations from power generation to supply

➤ Shifting to concrete planning to achieve implementation within the Group in FY2027

Creating new value for regional industries

Launching demonstration testing of measures such as collecting data to contribute to the stable production of Shizuoka tea and leveraging tea tourism to expand sales channels, thereby **creating new value and growing sales channels for the teamaking industry**, a key regional industry (started September 2026)

Mt. Fuji/Alps Alliance initiatives

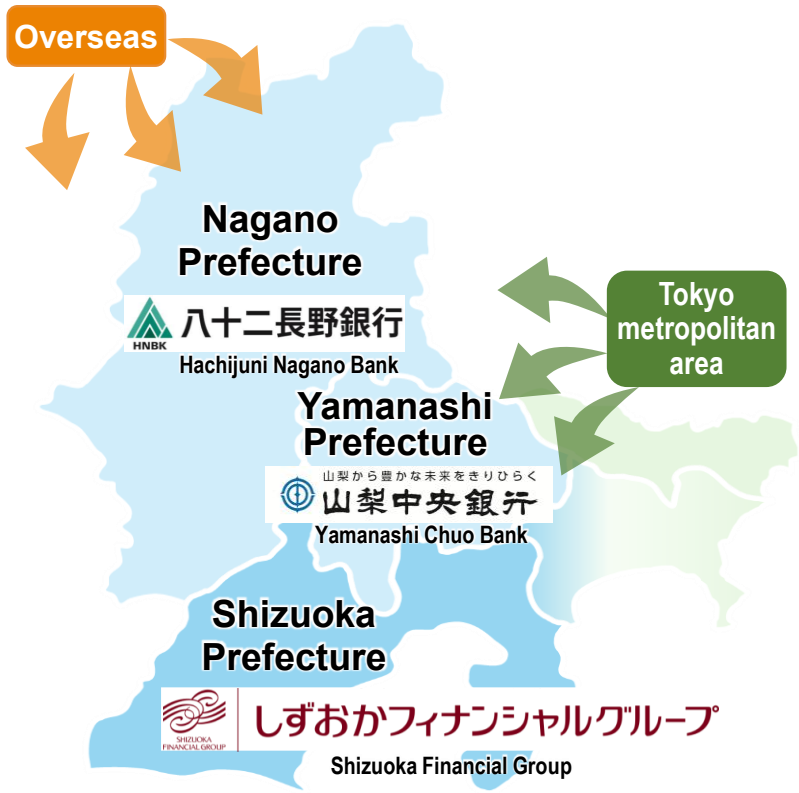
One and one-half years after the launch of the Mt. Fuji/Alps Alliance, real-world joint efforts are proceeding steadily in three priority domains.

Established March 2025

Mt. Fuji/Alps Alliance

Concept

Attracting people, investments, and business from the Tokyo metropolitan area and Asia



Status of initiatives in priority domains (FY2026)

Sustainable development of the regional economy

VC/growth
Business successions / M&A

Supporting new business creation and sustained corporate growth by linking companies, technologies, and capital within the three prefectures

FY2026 initiatives

VC/growth

Began providing the **Startup Catalog**, which is designed to connect to startups.

Business successions / M&A

Solutions to address shortfall/absence of successors

- **Alliance Fund** — First transaction executed
- **Cross-border M&A** — First contract concluded

Attracting capital and human resources from abroad for new business development

Creating new business opportunities and inbound demand for customers of the three banks through the mutual use of their overseas networks

FY2026 initiatives

Creating business opportunities

Networking event held for customers of the three banks active in **Vietnam** **in Hanoi**

Mutual use of the overseas networks of the three banks

Overseas business support

Partnership agreement concluded with Hachijuni Nagano Bank **on the overseas business support business**

Addressing declining populations and labor shortages

Increasing related population

Creating continuous flows of people to lead to employment, relocation, and retention through various measures to deepen ties between residents of the Tokyo metropolitan area and the three prefectures

FY2026 initiatives

Tourism, exchange

Launched **tourism promotion project** Providing tourism experiences (accommodation plans) based on regional resources

Promoting relocation

Hosting relocation event (attendees: approx. 200)

Connecting people to employment opportunities Supporting employment with commercial customers of each bank through the relocation event

FY2029 KPIs

Increasing corporate value

Revenue effects more than JPY 20.0 bn

(total for three banks, cumulative for five years)

Creating social value

Increasing the total population of the three prefectures

(net migration)

Alliance Strategy with Regional Banks

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

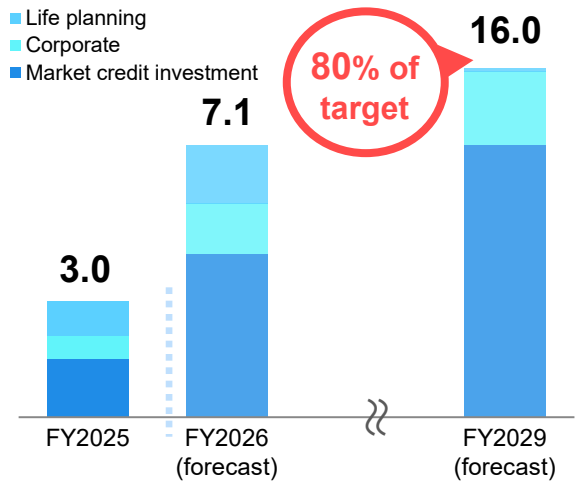
Mt. Fuji/Alps Alliance (established March 2025)

Focusing on development projects addressing **issues facing all three prefectures**
Alliance effects have exceeded plans as the rate of progress toward the KPI of JPY 20.0 bn is 80% (converted on a five-year basis).

Increasing corporate value

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 89.0 bn**
Corporate field **JPY 43.4 bn**
(Cumulative amounts executed since inception of the alliance)

Life planning

Shizugin TM Securities Yamanashi Head Office
Customer assets balance: **JPY 54.2 bn**
(Results through September 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

Initiatives to promote relocation

Regional development / industrial infrastructure development

Individual consultation meetings held **10**
Business-matching cases **93**

Relocation support loans **645 loans (JPY 24.1 bn) executed**
(total for three banks)

Real estate nonrecourse loans: **11 loans (JPY 28.8 bn) executed**
(total for three banks)

TOPICs

▶ **Regional logistics and industrial infrastructure development** achieved through the alliance
First real estate nonrecourse loan offered by the three banks executed for facility in Shizuoka Prefecture

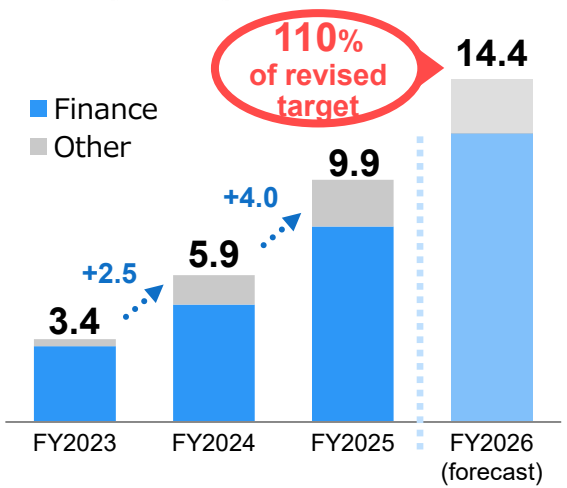


Shizuoka Nagoya Alliance (established April 2022)

Focusing on solutions to customer challenges, primarily in the form of support provided to **business partners for structural reforms of regional industries**; this alliance reached the revised KPI of JPY 13.0 bn earlier than planned (total for both banks, cumulative over 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 75.6 bn**
Corporate field **JPY 56.9 bn**
(Cumulative amounts executed since inception of the alliance)

Life planning

Shizugin TM Securities Nagoya Head Office
Customer assets balance: **JPY 22.0 bn**
(Results through September 30, 2026)

Creating social value

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

Status of initiatives

Support for industrial 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.

Responding to climate change –Regional decarbonization initiatives

Reductions in GHG emissions by commercial borrowers added as a new KPI beginning with the 2nd Medium-term Business Plan. Contributing to a sustainable society by accelerating regionwide initiatives while building on the menu of support services developed under the 1st Medium-term Business Plan.

Efforts to reduce customer GHG emissions

1st Medium-term Business Plan → **2nd Medium-term Business Plan**

Decarbonization surveys

Provision of GHG emissions calculation tools (Shizuoka GX Support, etc.)

Customers overall: Continually monitoring the status of decarbonization initiatives
Customers who have set reduction targets: Side-by-side support to move to the next step in accordance with individual progress

Steps toward achieving GHG emissions reductions

Setting reduction targets ▶ Formulating reduction measures ▶ Executing reduction measures

Support 1 Supporting initiatives by providing solutions

- Energy conservation diagnostics, renewable energy adoption support
- Providing Shizuoka GX Support Z to calculate Scope 1-3 emissions

Support 2 Supporting initiatives through sustainable finance

- Financial support for decarbonization
- Launching the Shizugin Environmental Finance Framework

Results through FY2026 1H
JPY 1,870.9 billion
Progress: **93.5%**

Support 3 Supporting initiatives across the supply chain

Organizing study meetings for SME suppliers

▶ Side-by-side support for suppliers with a strong need for efforts, including emissions reductions and energy conservation



■ Region-wide decarbonization initiatives

Promoting region-wide decarbonization in cooperation with various stakeholders within the prefecture through the Shizuoka Carbon Neutral Finance Consortium and other initiatives

■ Promoting decarbonization within the Shizuoka Financial Group

- Use of renewable energy (e.g., based on Shizugin Solar Park)
- Supplying renewable energy from Shizugin Lease's electric power business to specific Shizuoka Bank branches

FY2025 GHG reductions
(including use of J-Credits within Shizuoka Prefecture)
Reduced **97.2%** vs. FY2013

KPIs

2050
Zero financed emissions within Shizuoka Financial Group

Engagement KPI 2026–2028
Reduction in GHG emissions by commercial borrowers

2030
Cumulative execution of JPY 2 tn in sustainable finance

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

Engagement KPI 2030
Achieving carbon neutrality (Scopes 1, 2)

Natural capital and biodiversity initiatives

Selecting industries subject to analysis in light of the distinguishing features of the natural environment in Shizuoka Prefecture and analyzing risks and opportunities related to natural capital.
Achieving the materiality goal of "Society that balances the environment and economy" through comprehensive nature-positive initiatives and efforts in response to climate change.

Enhancing disclosure based on TNFD recommendations

In addition to expanding the scope of analysis, analyzing risks and opportunities related to natural capital in each industry

Governance

- Organization-wide discussions in the **Environmental Committee**, with membership from Group companies
- Regular reports to and deliberations at the **Board of Directors** through the **Sustainability Meeting** (executive committee)

Strategy

【Analysis of dependencies and impact on natural capital, and risks and opportunities】

- Based on corporate customer surveys and interviews

Updating analysis	Expanding the target industries
From dependencies and impact to risks and opportunities	Adding teamaking and lodging industries

【Launching businesses related to natural capital】

- **Shizugin Management Consulting**: Launching support for the certification of Nature Coexistence Sites
- **Shizuoka Bank**: Introducing financial instruments related to natural capital

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 risks and opportunities related to natural capital in each industry

		Risks	Opportunities
Western prefecture	Vehicles and auto parts	Rising procurement costs due to mineral resource shortages Operational constraints created by drought, etc.	Enhanced competitive strength achieved through resource recycling and more efficient water use Growing the recycling market
Central prefecture	Teamaking	Changes in quality and yields due to climate change Loss of competitive strength as a producer area due to soil degradation, etc.	Improved brand power achieved through high-quality and organic teas Improved productivity achieved through effective soil management
Central prefecture	Fishing, seafood processing	Changing fish hauls due to rising sea temperatures and changing ecosystems	More advanced aquaculture technologies Blue carbon and other new market development
Eastern prefecture	Papermaking	Reduced availability of water resources, lumber resources, etc. Higher costs due to more rigorous environmental regulations	Cutting costs through more efficient water use Higher value added through FSC certification, etc.
Eastern prefecture	Lodging	Reduced demand due to damage to the scenery, natural disasters, etc.; depletion of hot springs resources	Harnessing natural capital to promote high-value-added tourism and experiential tourism

【Prospects for customer support and business opportunities based on results of analysis】

- Implementing dialogue with customers based on industry-specific risks and opportunities
- Expanding support to solutions related to decarbonization and natural capital
- Sustainable finance to support a regional nature-positive transition

TOPIC

Launching the Shizugin Environmental Finance Framework (August 2026)

External evaluation obtained (from Japan Credit Rating Agency) for Shizuoka Bank's structure related to green loans and other initiatives

Shizugin Environmental Finance Framework introduced to enable handling of green loans, etc. without external confirmation of compliance with international principles, etc. for each project

Human capital management initiatives –Strategic human resource development

To realize the target HR portfolio, systematically developing strategic human resources responsible for basic strategies and reallocating them to fields where they can play active roles.

HR requirements		Expected results	KPIs	
			FY2026 (1H results)	FY2028
Value creation HR	**Human resources capable of creating new value not found in existing core businesses** **Regional innovation coordinators**: Regional co-creation activities through industry-academy-government cooperation **Accelerators**: Side-by-side support for solutions to regional issues **Entrepreneurs**: Launching new businesses, etc. in house **Estate business coordinators**: Arranging real estate development projects for the region and customers **Wellness coordinators**: Supporting the maintenance and enhancement of regional healthcare resources **Wealth concierges**: Side-by-side support for wealth management customers **VC business supporters**: Supporting startup business growth **Digital consultants**: Customer solutions generated through IT and DX support **Digital coordinators**: DX support reception, IT vendor referral, etc. **Sustainability consultants**: Funding support for GHG emissions reductions, etc.	Venturing into new business fields, generating solutions to regional challenges	424 persons /427 persons	520 persons
Problem-solving HR	**Human resources capable of solving more challenging problems, centered on existing core businesses** **Corporate consultants**: Consulting on finances, business succession, and other corporate customer concerns **Life planning consultants**: Consulting on life planning (e.g., savings, inheritance, loans) for individual customers	Maintaining and enhancing competitive strength within the region	665 persons /750 persons	920 persons
Digital HR	**Human resources capable of applying technologies to transform business models and deliver new customer value** **Digital specialists**: Leading the promotion and management of IT development projects **Data scientists**: Data analysis, AI modeling	Maximizing outcomes through aggressive investments	90 persons /100 persons	115 persons
NEW AI HR	**Human resources capable of developing and applying business AI**	Enhancing productivity and creativity to deliver greater value to the region and customers	– /30 persons	150 persons

HR assignments to put the right people in the right places

Basic strategies

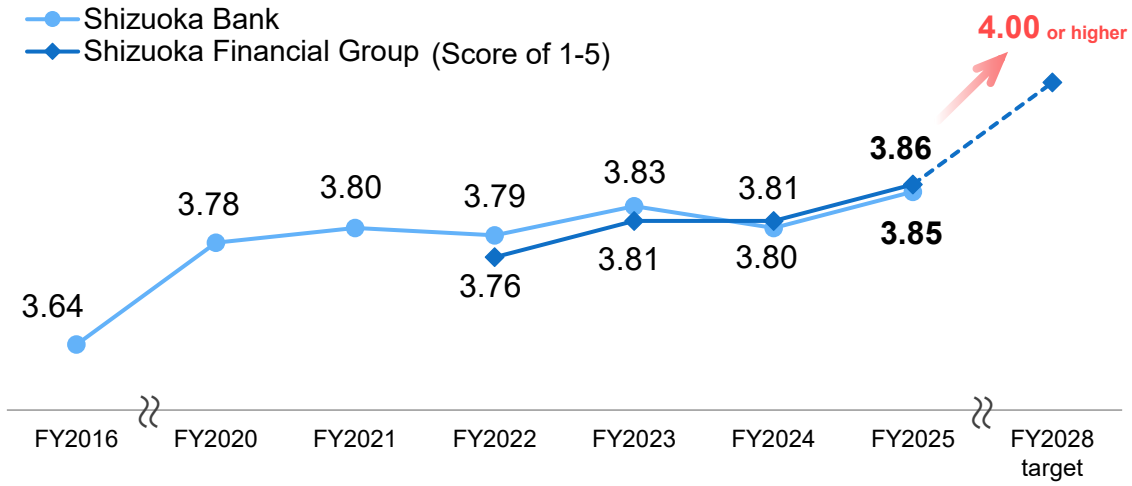
- Co-creation Growth Challenge
- Transformation 2.0
- Corporate Communication

Human capital management initiatives –Improving Group employee engagement

Deploying measures to align management strategies with employee aspirations based on the results of Group employee engagement surveys.

Engagement score trends

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

The Integrated Report features a roundtable discussion between the chairperson of the Human Capital Management Committee (Director Yagi) and midcareer hires, specialized human resources, and global human resources.

Human capital roundtable

–Building a future based on autonomy and the pursuit of challenges, powered by diversity



Main themes

- Review of the 1st Medium-term Business Plan
- What is needed to connect diversity to value creation
- Human capital management to be realized through the 2nd Medium-term Business Plan

1st Medium-term Business Plan
Personnel system reforms
Adoption of OKR
Value assessment etc.

2nd Medium-term Business Plan
Individual behavioral transformation
Overcoming **path dependency**

Vision
Individual growth
Value creation
Organizational results

Introduction and utilization of the Talent Palette talent management system

Aligning and maximizing management and HR strategies

Talent Palette タレントパレット

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

Stimulating individual initiative through corporate cultural reforms to enhance Shizuoka Financial Group's earning capabilities and to provide added value to the region and customers.

Building an organizational climate that promotes autonomy and encourages the pursuit of challenge

Enhancing programs that support employees in designing their own careers

Exploring Careers	Deciding	Taking on challenges	
NEW **Job atlas**	NEW **Career coaching**	**My Career Design Program**	Realizing dreams
Career training Career counseling contact point (general career consultation)	**HR meetings**	**Value-up programs Meet-up programs**	
Autonomous career support programs		**In-house startup program**	
Trainees from other sections	**My Career Design Sheets**		

The job atlas and career coaching program

Using the **job atlas to visualize** job details and growth opportunities in each head office section and Group company

Supporting understanding of job duties through the career coaching program
(direct consultation with employees in the relevant section)

HR meetings (HR development meetings)

Sharing development policies for individual careers between employee's section/branch and the HR department

Eliminating gaps in career perspectives by fostering a culture of organization-wide HR development

Shizuoka Financial Group Open College (Liberal Arts)

Providing employees with opportunities for reskilling in new domains on weekends, weeknights, and other occasions to support their exploration of knowledge and to help enhance the overall appeal of human resources.

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

Value Up Program (Accumulated usage through end of Sept. 2026: **243 cases**)

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

[Major examples of support]
Business schools (e.g., Keio MCC), data science schools, qualification preparation schools, etc.

Meet Up Program (Accumulated usage through end of Sept. 2026: **174 cases**)

This program provides partial support for the cost of participating in inter-industry exchange meetings organized by local governments and companies, local events, study meetings, and other activities.

[Major examples of support]
Participation in inter-industry exchange meetings, symposia on generative AI, seminars on the latest trends in local sake, events to learn about local history and food culture, startup events, etc.

Numbers of qualified employees

Supporting the sustained growth of the region through efforts to solve challenges and create new value by Group employees with diverse knowledge and skills

(As of September 30, 2026)

■ Value-creating HR ■ Problem-solving HR

Certified Financial Planner 1st grade	Registered Management Consultant	IT Passports	Fundamental Information Technology Engineer	Labor and Social Security Attorney	Administrative scriveners	MBA
367	76	1,835	308	23	28	21

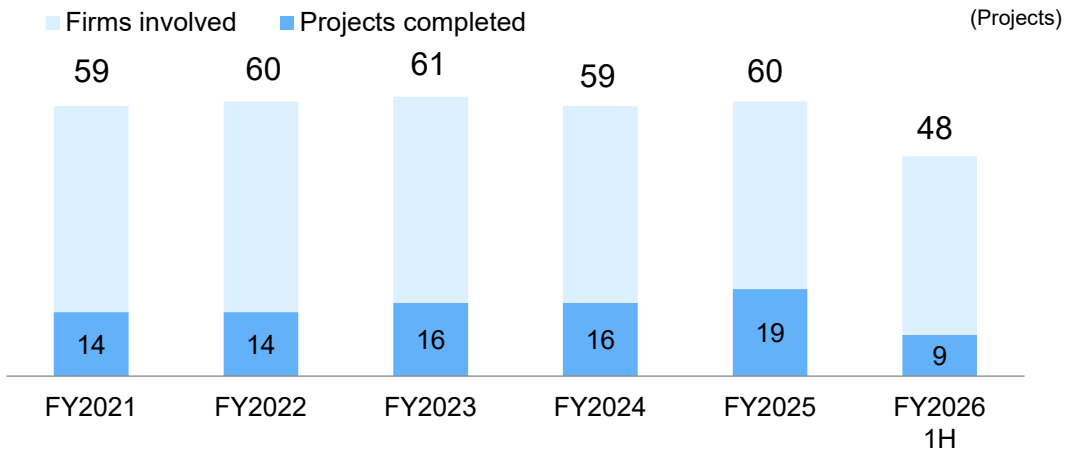
Initiatives to solve regional business challenges

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

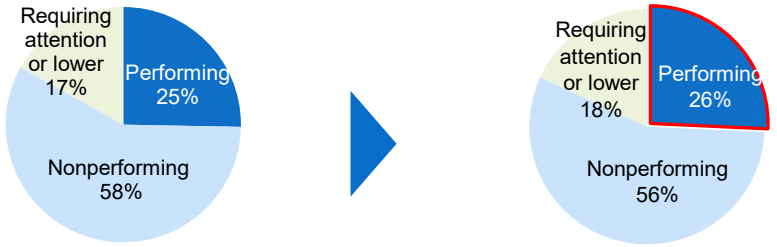


Approximately 360 firms have completed business revitalization efforts since FY2005

Preserve jobs for about 29,000 people and maintain the economic power of the local community

Among customers provided support by the Business Support Division in response to COVID-19 (approx. 700 customers), ratings have improved slightly from the end of last year for both Performing and Requiring attention or lower borrowers.

Credit rating trends



Industrial transformation support initiatives

The Industrial Transformation Support Project Team was **reorganized into the Industrial Transformation Support Group** (April 2026)

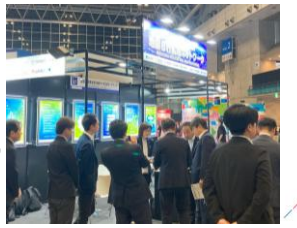
Reorganization goals

To contribute to the sustained growth of the industries that support the regional economy by enhancing side-by-side support in preparation for changing industrial structures in the auto and other industries

Exhibited at **Japan Mobility Show Bizweek 2026** through a partnership of eight regional banks

Booth visitors: approx. 300 people

- Hearing from startups, automotive companies, and others about their technical issues and needs
- Generating new opportunities for business and co-creation



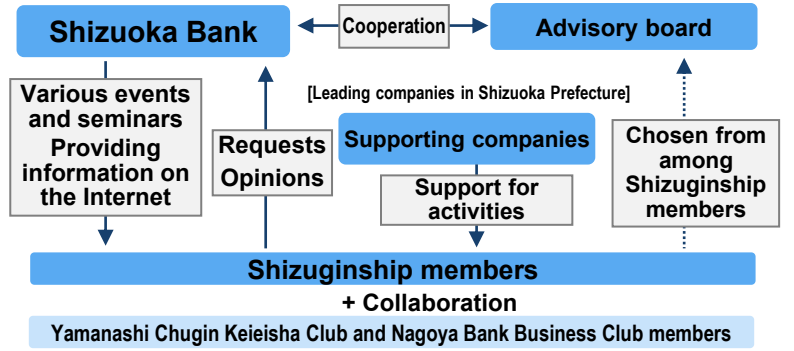


Shizuginship next-generation management courses

- 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: 675 corporate and 1,019 individual members as of the end of Sept. 2026
Participants in FY2026 activities: 541 persons in total



Cosponsorship and active support by local companies

Training next generation of managers

Networking among members

Reference Materials (Company Profile)

Summary of Shizuoka Financial Group (1) -Group structure and financial highlights

Group structure

SHIZUOKA FINANCIAL GROUP

Establishment	October 2022	Capital stock	JPY 90.0 bn	Head office	Shizuoka City	Employees	4,226

8 Subsidiaries of Shizuoka Financial Group

Financial business

Shizuoka Bank — Establishment: March 1943 — Number of sites: 206 (domestic and international)

Leasing business

Shizugin Lease
Tokyo Gas Lease

Financial instruments brokerage business

Shizugin TM Securities

Consulting business

Shizugin Management Consulting

Startup and revitalization support

Shizuoka Capital

Marketing support business

SFG Marketing

Real estate investment advising

SFG Real Estate Investment Advisors

10 Subsidiaries of Shizuoka Bank

IT-related business

Shizugin IT Solution

Credit guarantee business

Shizugin Credit Guaranty

Credit card business

Shizugin Card
Shizugin Saison Card

Group productivity improvements

Shizugin General Service
Shizugin Business Partners
Shizugin Heartful

Financial business

Shizuoka Liquidity Reserve Ltd.
Shizuoka EU Liquidity Reserve Ltd.
Shizuoka SG Liquidity Reserve Ltd.

3 Equity method affiliates

Financial instruments brokerage business

MONEX GROUP
commons asset management, inc.

Consulting business

Shizuoka Community Development Consulting

3 NonConsolidated subsidiaries

Consulting business

Turn The Tide

Credit card business

Nissenren Shizuoka

IT-related business

TJS

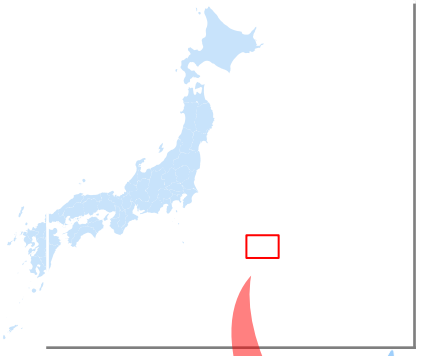
Financial highlights (FY2026 interim)

Net income attributable to owners of the parent	JPY 57.3 bn	BIS capital adequacy ratio	15.78% (13.60%*1)	Total deposits and other (average balance; Shizuoka Bank nonconsolidated)	JPY 12,492.3 bn	Market capitalization	JPY 2.11 tn*2
ROE (based on net assets)	9.3%	Total payout ratio	82.8%	Total loan balance (average balance; Shizuoka Bank nonconsolidated)	JPY 11,279.8 bn	PBR	1.54*2

*1 Estimated after accounting for capital floor adjustments and other factors after full application of Basel III finalization *2 As of the end of September 2026

Summary of Shizuoka Financial Group (2) -History of The Shizuoka Bank

Shizuoka 35 National Bank, known for its solid corporate culture, and Enshu Bank, which partnered with many pioneering companies under the "Yaramaika" (can-do) spirit, merged in 1943 to form The Shizuoka Bank, which traces its roots back to 128 predecessor financial institutions. Since then, we have evolved into a comprehensive financial group through the expansion of our group functions.



Shizuoka City

Hamamatsu City

1877
Shizuoka 35 National Bank established
(Began business in 1878)



1920
Enshu Bank established





1943
The Shizuoka Bank established
(formed from the merger of Shizuoka 35 National Bank and Enshu Bank)

1974
Shizugin Lease established
Shizugin IT Solution established

1978
Shizugin Credit Guaranty established

1983
Shizugin Card established

1984
Shizuoka Capital established

1985
Shizugin General Service established

1990
Shizugin Mortgage Service established

1999
Shizugin Business Create established
(merged with Shizugin Mortgage Service in 2026)

2000
Shizugin Management Consulting began operation
Shizugin TM Securities established

2006
Shizugin Saison Card established

2014
Inter-industry alliance launched for new business creation (capital and business alliance with the Monex Group)

MONEX GROUP

2019
Shizugin Heartful established

*Regarding group companies, indicate either the current company name or the pre-merger name

Practicing sound, community-based management → **Transformation to a comprehensive financial group** → **Enhancement of Group management and broadening of new business areas**

Summary of Shizuoka Financial Group (3) -History(Changes in management strategy in response to the external environment)

Continually increased its corporate value by deploying strategies in response to the changing external environment, and in FY2025 reached the milestone of a PBR of one.

External environment

A world of zero or negative interest rates (policy interest rate: -0.10%) → **A world of positive interest rates** (policy interest rate: 0.10%→1.0% or higher)

Rise of fintech and Internet banking | The COVID-19 shock | Banking deregulation Responding to climate change | TSE market reforms* | Changing customer behaviors and values | Intensifying competition for deposits | Progress of digital technologies centered on AI | Sense of crisis regarding regional growth (shrinking populations, low birth rates, aging society, etc.)

* Action to Implement Management that is Conscious of Cost of Capital and Stock Price (March 2023)

Changing management strategies

Shizuoka Bank → Shizuoka Financial Group (Since October 2022)

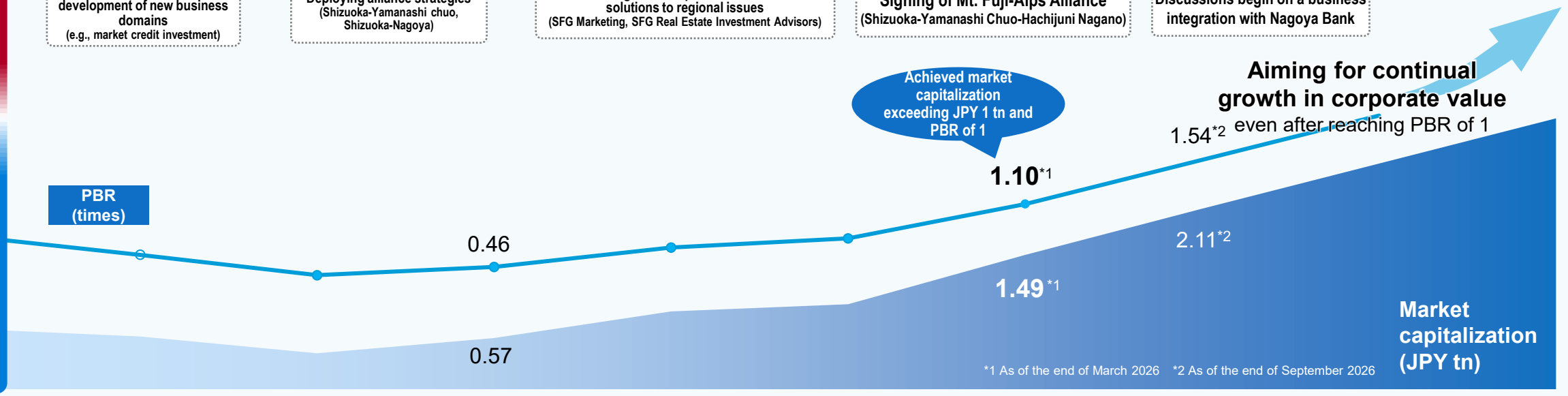
13th Medium-term Business Plan TSUNAGU | 14th Medium-term Business Plan COLORs | 1st Medium-term Business Plan Xover Clearing the way to a new era | 2nd Medium-term Business Plan Xover 2.0 Into the future together

Points

- Enhancing Group management and expansion of new business domains
- Migration of Group companies to independent growth and sustainability management
- **Adapting to a changing environment and advancing to the next stage of growth**

- Interindustry cooperation, development of new business domains (e.g., market credit investment)
- Deploying alliance strategies (Shizuoka-Yamanashi chuo, Shizuoka-Nagoya)
- Establishing new companies to work toward solutions to regional issues (SFG Marketing, SFG Real Estate Investment Advisors)
- Signing of Mt. Fuji-Alps Alliance (Shizuoka-Yamanashi Chuo-Hachijuni Nagano)
- Discussions begin on a business integration with Nagoya Bank

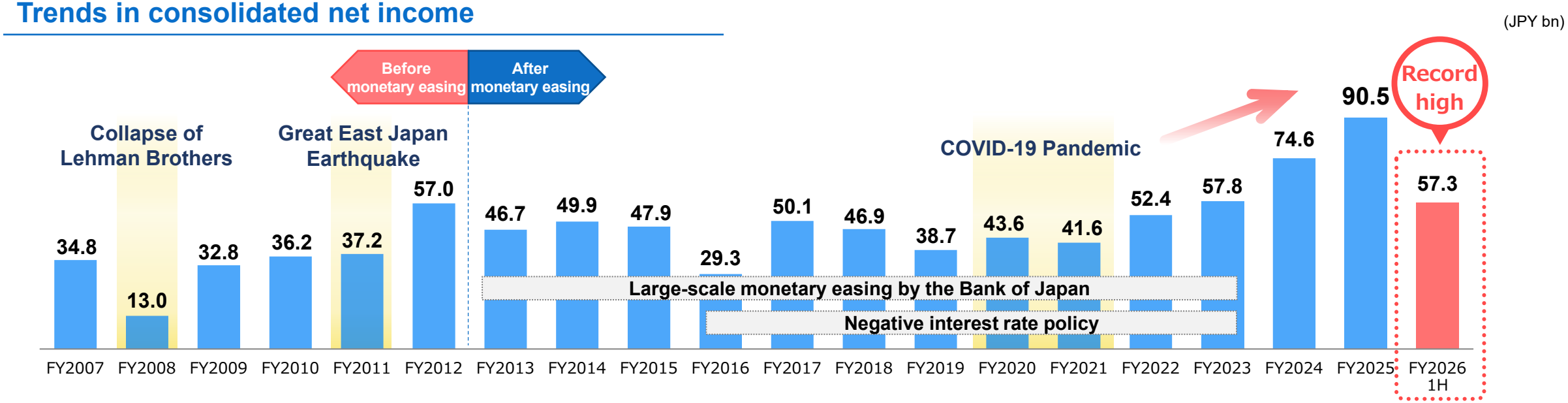
Transforming corporate value



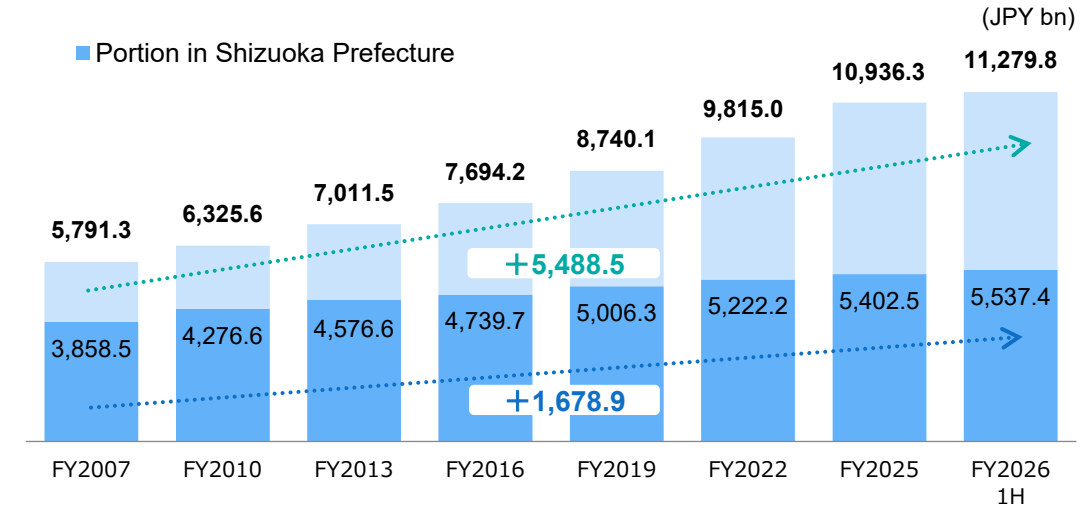
Summary of Shizuoka Financial Group (4) -Trends in consolidated net income and loan and deposit balances

We maintained profitability even in the face of risk events (Collapse of Lehman Brothers, etc.), and most recently, achieved new record-high profits supported by factors including rising yen interest rates. Loan and deposit balances have grown to nearly twice their 2007 levels.

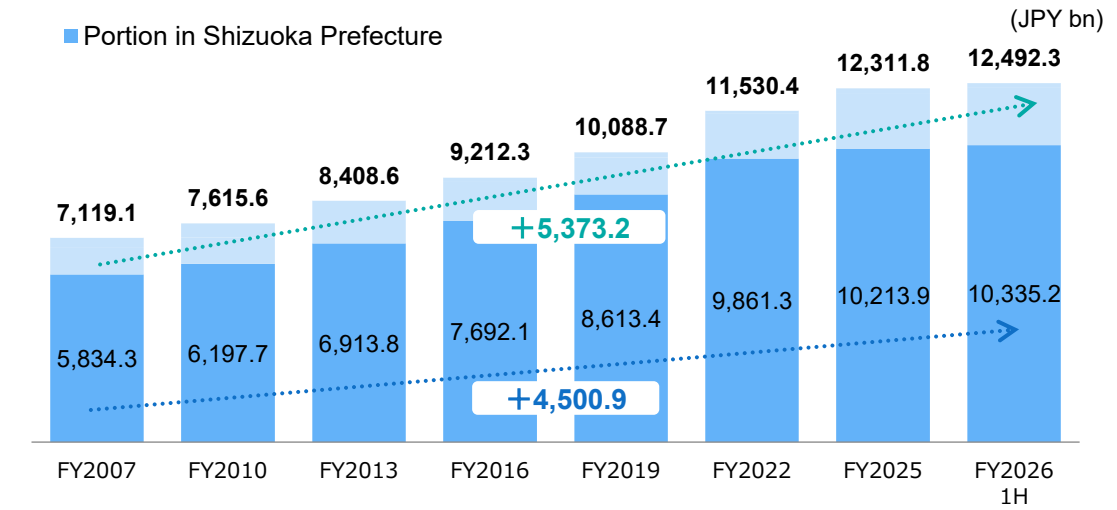
Trends in consolidated net income



Total loan balance (average)



Total deposits and other (average)



Summary of Shizuoka Financial Group (5) -Soundness

We maintain strong soundness in both the capital adequacy ratio and the ratio of loans under risk management and the Bank has one of the highest external credit ratings of any Japanese bank.

External credit ratings

Shizuoka Financial Group

Rating and Investment Information (R&I)	AA-

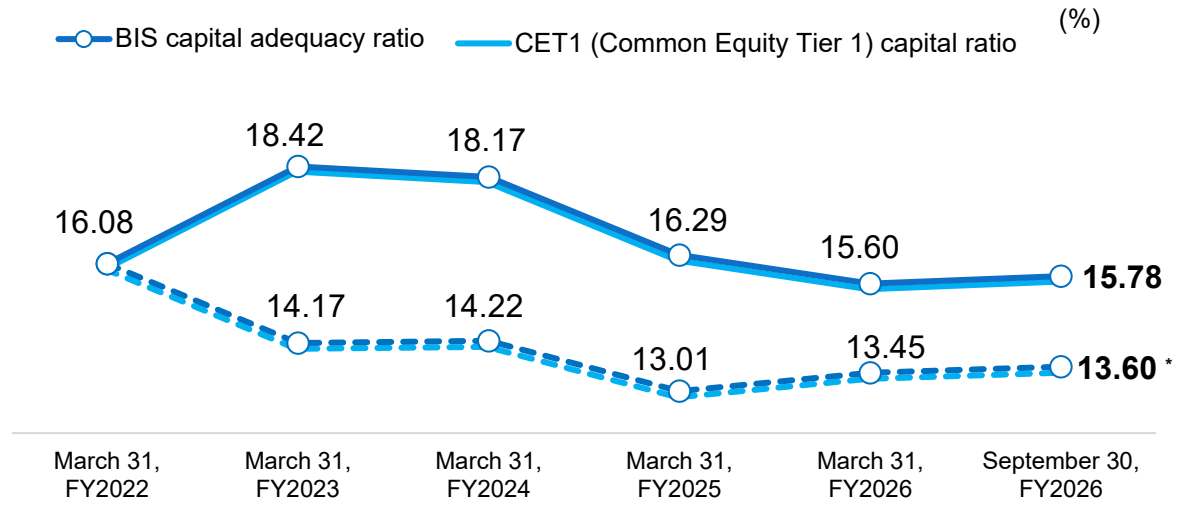
Shizuoka Bank

Moody's	A1
S&P Global Ratings	A-
Rating and Investment Information (R&I)	AA-

Moody's long-term ratings (as of September 2026)

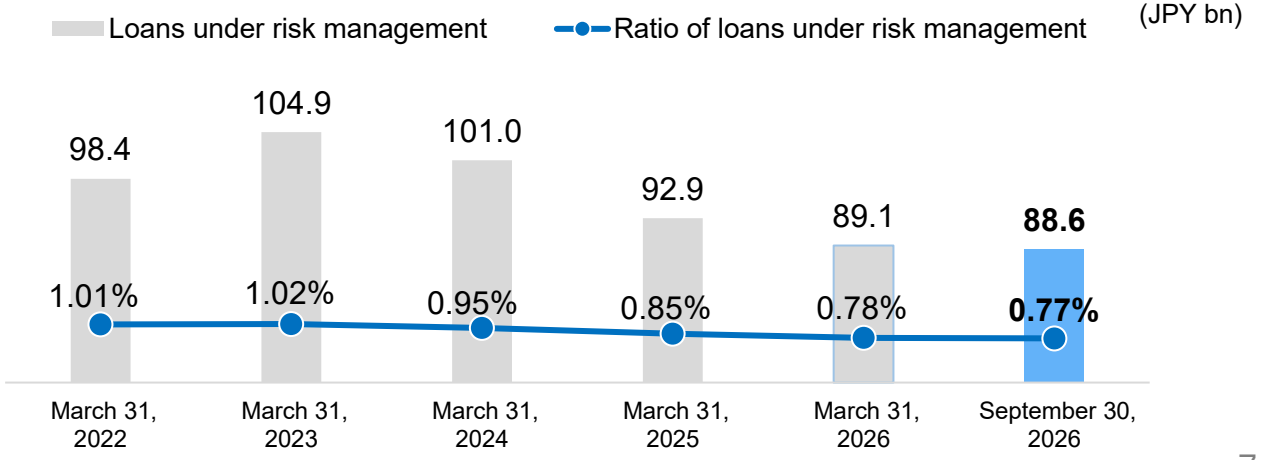
A1	**Shizuoka Bank**, MUFG Bank, Sumitomo Mitsui Banking Corporation, Mizuho Bank, Chiba Bank and six other banks
A2	Resona Bank, Bank of Yokohama, and four other banks
A3	The Bank of Fukuoka, Joyo Bank, and three other banks

BIS capital adequacy ratio (consolidated)



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

Ratio of loans under risk management (Shizuoka Bank, Nonconsolidated)

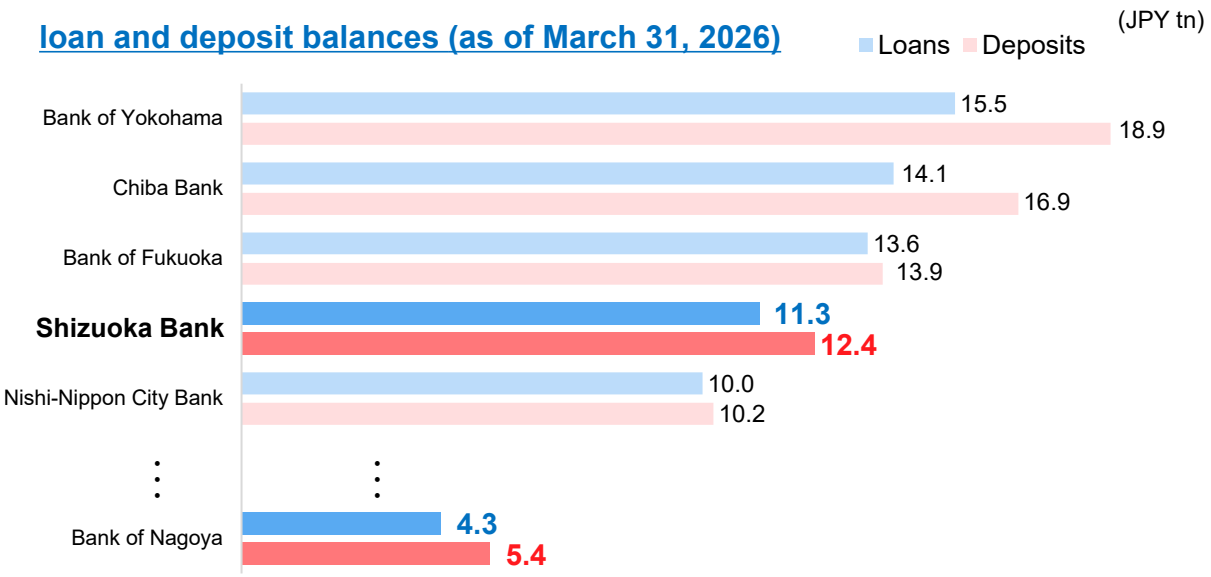


Summary of Shizuoka Financial Group (6) -Industry positioning

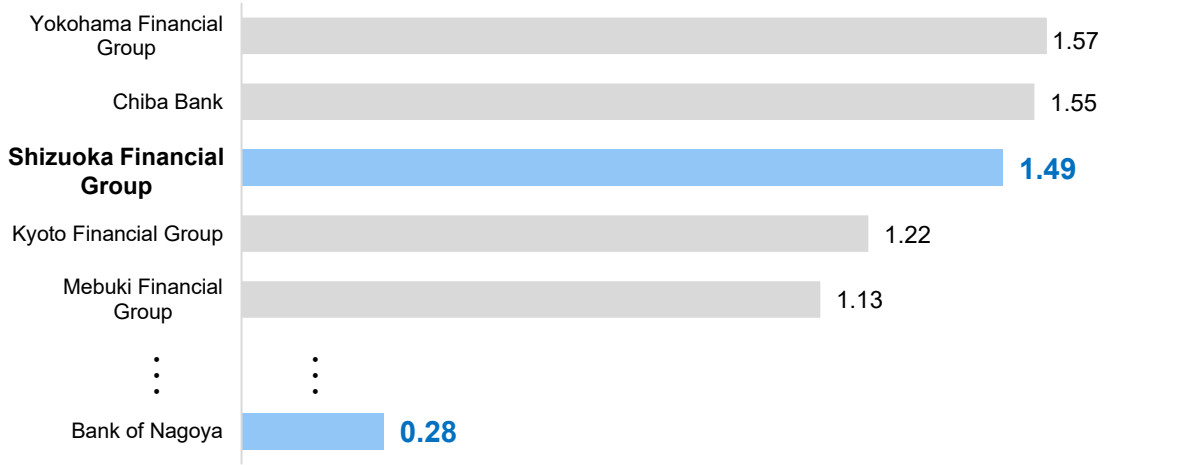
As one of Japan's leading regional bank groups, we demonstrate strong competitiveness within the industry.

Positioning among regional banks

loan and deposit balances (as of March 31, 2026)



Market capitalization (as of March 31, 2026)

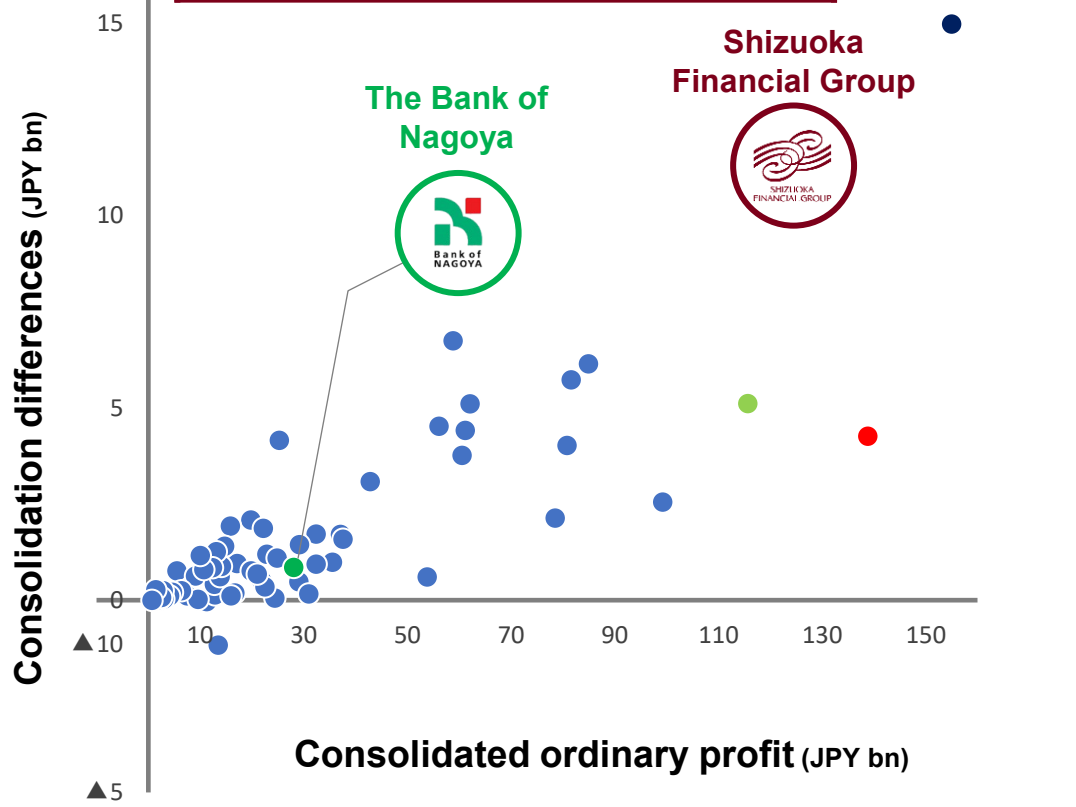


Comparison of profitability among group companies

［Comparison among 24 regional bank holding companies and 53 other first- and second-tier regional banks ］

Consolidated ordinary profit : JPY 130.3 bn
Consolidation differences : JPY 11.3 bn

*FY2025 results



The region's potential (1) –Network of Shizuoka FG

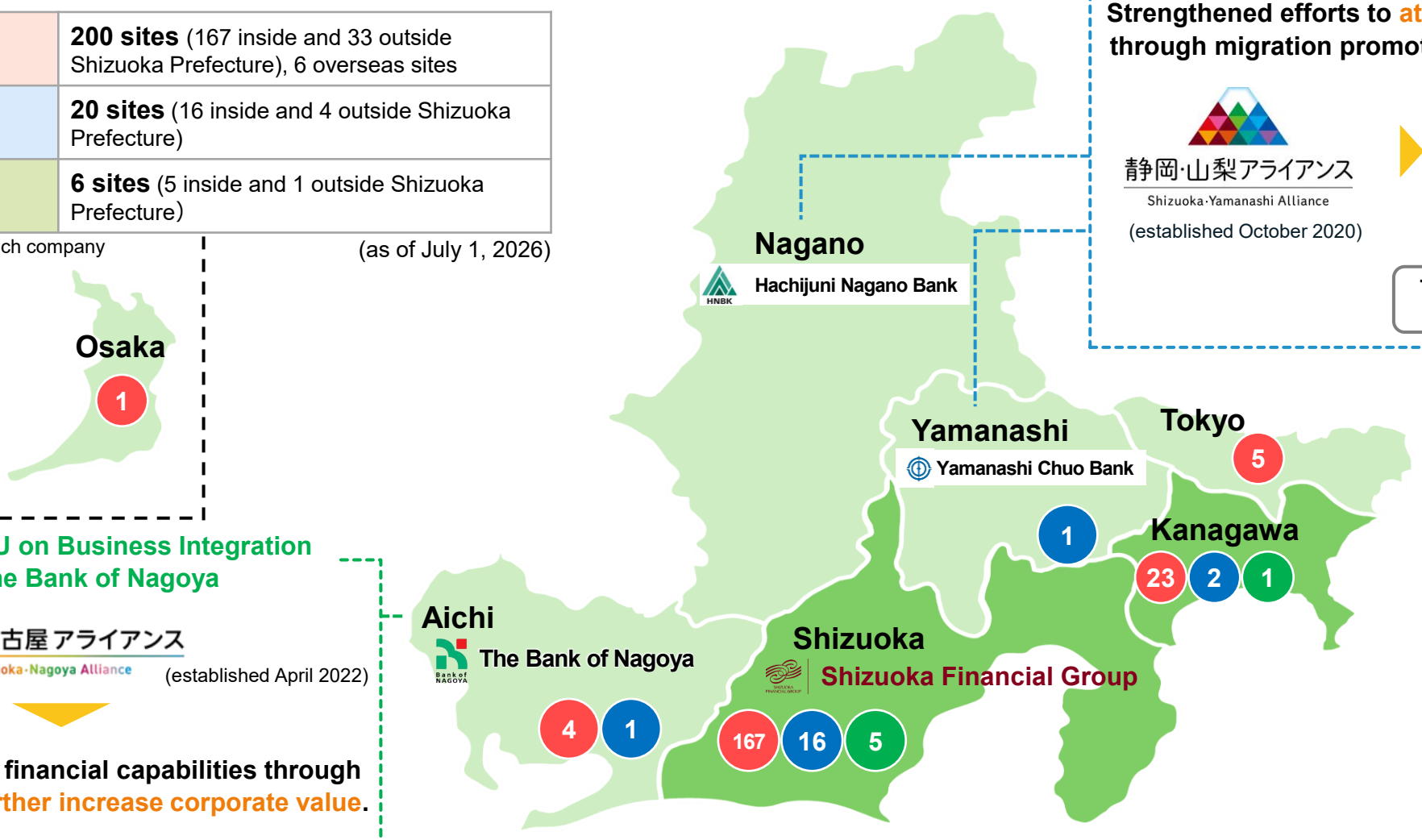
With Shizuoka Prefecture as our core market, we have expanded our network into neighboring regions, including Kanagawa Prefecture, with 226 locations nationwide. Advancing discussions on business integration with The Bank of Nagoya in Aichi Prefecture and establishing alliances with the leading banks in Yamanashi and Nagano Prefectures.

Network of Shizuoka FG

Shizuoka Bank	**200 sites** (167 inside and 33 outside Shizuoka Prefecture), 6 overseas sites
Shizugin TM Securities	**20 sites** (16 inside and 4 outside Shizuoka Prefecture)
Shizugin Lease	**6 sites** (5 inside and 1 outside Shizuoka Prefecture)

● Number of locations for each company

(as of July 1, 2026)



Alliance strategy with regional banks

Strengthened efforts to attract people to the region through migration promotion projects by the three

静岡・山梨アライアンス
Shizuoka・Yamanashi Alliance
(established October 2020)

富士山・アルプスアライアンス
Mt.Fuji・Alps Alliance
(established March 2025)

The Hachijuni Nagano Bank joined the alliance

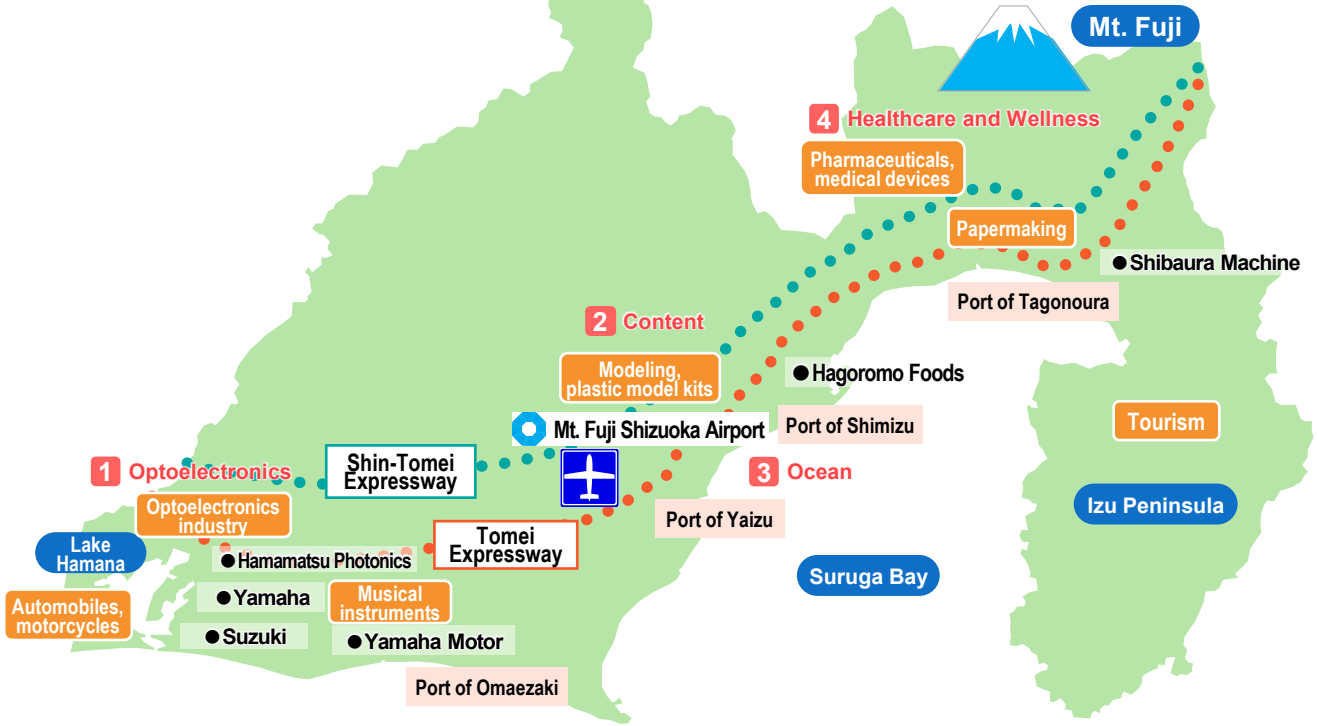
Signed an MOU on Business Integration with The Bank of Nagoya

静岡・名古屋アライアンス
Shizuoka・Nagoya Alliance
(established April 2022)

Enhancing regional financial capabilities through the integration to further increase corporate value.

The region's potential (2) –Industry in Shizuoka Bank

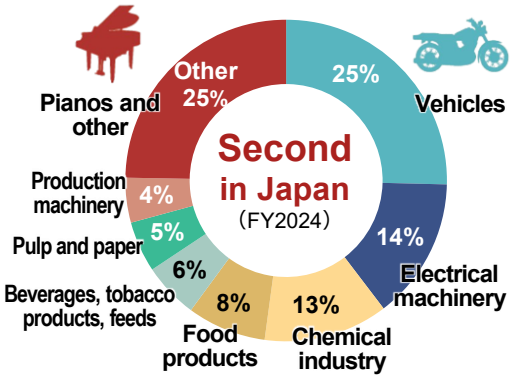
One of the leading manufacturing prefectures in Japan, Shizuoka Prefecture has industrial clusters throughout the region such as vehicles, pharmaceuticals and medical devices, and musical instruments.
As part of a framework to support local industry, various projects are proceeded to commercialize advanced technologies and expand sales channels.



Manufacturing

Manufacturing shipments, etc.

JPY 19,771.6 bn



Major industries of Shizuoka

West	Vehicles, Musical instruments, Optic and advanced technologies
Central	Food products, Logistics, marine transport, Hobbies
East	Paper, pulp, Pharmaceuticals, medical devices, Tourism, Accommodations

Exports of motorcycles and motorized bicycles (FY2025)
JPY **209.5** bn/ **highest** in Japan

Piano shipments by value (2024)
JPY **21.2** bn/ **highest** in Japan

Production of pharmaceuticals and medical devices by value (2024)
JPY **1,058.6** bn/ **Second highest** in Japan

Sources: Shizuoka Prefecture, "Shizuoka Prefecture Economic Statistics"; Ministry of Health, Labour and Welfare, "Pharmaceuticals Production Trends Statistical Survey"; Ministry of Economy, Trade and Industry, "Economic Structural Survey (Manufacturing Establishment Survey)"; Prefecture website

Examples of Shizuoka Prefecture's priority areas within the 17 Strategic Fields designated by National Government (Regional Future Strategy)

1 Optoelectronics Promoting the use of optoelectronics technologies and digitalization across all industries, including healthcare and next-generation automobiles. (**Photon Valley Project**)	**2 Content** Creating High-Quality Tourism Content. Shizuoka City, Hamamatsu City and Numazu City have been selected as "**Content-based Regional Revitalization Hub**" (Cabinet Office).With three districts selected from a single prefecture, this is the highest number nationwide
3 Ocean Promoting initiatives aimed at utilizing technology related to the marine resources and marine economy of Suruga Bay, as well as fostering the marine industry and preserving the environment. (**MaOI Project**)	**4 Healthcare and Wellness** Supporting local companies' new entry into and initiatives in the healthcare and health-related industries by matching the needs of healthcare facilities with the technological capabilities of local companies, among other measures (**Pharma Valley Project**)

Nature, Tourism

Primarily in the eastern area with easy access from the Tokyo metropolitan area, Shizuoka Prefecture is home to a number of tourism resources, including Mt. Fuji and the Izu Peninsula. Tourism is a major industry that welcomes numerous tourists from across Japan and around the world.


Lake Hamana


Mt. Fuji


Mishima Skywalk

Total of overnight stays (2025)
22.41 million guests
/ **tenth highest** in Japan

Travel consumption (2025)
JPY **735.7 bn**
/ **sixth highest** in Japan

Sources: Japan Tourism Agency, "Lodging and Travel Statistical Survey," "Travel and Tourism Consumption Trends Survey"

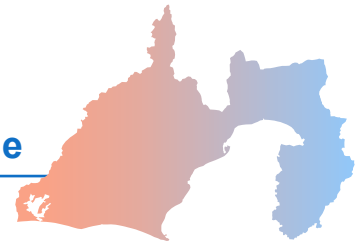
The region's potential (3) –Economic scale of Shizuoka Prefecture

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	3.42 mn	2.9%	10/47(2026)
Households	1.57 mn	2.7%	10/47(2026)
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	5.2%	3/47(2024)
Agricultural production	JPY 239.6bn	2.2%	18/47(2024)
Fisheries production	139,000t	5.1%	5/47(2025)
Factory locations	39	5.3%	6/47(2025)
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	177.8
59	Ukraine	162.0
60	Angola	139.2
–	**Shizuoka Prefecture**	**134.9**
61	Morocco	131.3
62	Ethiopia	119.0

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

This document includes statements concerning future business results.

These statements do not represent guarantees of future business results and entail various risks and uncertainties.

Note that future business results may differ from targets for various reasons, including changes in the business environment.

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

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Website (IR News)