

Shizuoka Financial Group

Integrated Report 2026



Corporate Philosophy

Shizuoka Financial Group's Corporate Philosophy expresses the goals of the Group, as a comprehensive financial group founded in the region, to exist and prosper, economically and culturally, alongside and in partnership with regional communities and to contribute to the welfare of the region and these communities.

We are dedicated to contributing to society by steadily putting this Corporate Philosophy into practice as a comprehensive financial group positioned to lead the community into the future.

Corporate Philosophy

Expand dreams and affluence with our community.

As a comprehensive regional financial institution, we are committed to providing high quality services and helping people accomplish their dreams both in life and business.

As a company that works together with the community, we strive to develop regional economic and cultural growth.

We are committed to sound management as our foundation, proactively staying ahead of the times, and striving for the happiness of our local community, customers, shareholders, and employees.

Action Guidelines

Gratitude

We value the interaction of our hearts and minds.

Creativity and challenge

We always aim for higher goals.

Open-Mindedness

We always act cheerfully and energetically.

Self-Innovation

We constantly improve our abilities and sensitivities.

Pride and Joy

We perform our roles with passion.

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■ Editorial policy

Shizuoka Financial Group has prepared Shizuoka Financial Group Integrated Report 2026 to help all stakeholders better understand and empathize with the Group's efforts to create value, based on our corporate philosophy to expand dreams and affluence alongside our community.

This Report sets forth the current position and vision of the Shizuoka Financial Group as it has formulated and launched the Second Medium-term Business Plan, "Xover 2.0: Into the Future Together," as a new growth strategy intended to meet the challenges presented by a dramatically changing business environment, including the return to a world of positive interest rates and technological progress, while incorporating the results of and issues encountered in the First Medium-term Business Plan. It describes, from both financial and nonfinancial perspectives, the value we intend to create and the concepts and initiatives for building the future alongside our region and customers, as we aim to maximize growth in corporate value and social value creation.

We hope this Integrated Report will serve as an opportunity to consider ways to cocreate value for the future while deepening dialogue with our stakeholders.



This Integrated Report is a disclosure document (explanatory document on business and financial status) prepared under Articles 21 and 52-29 of the Banking Act.

The IFRS Foundation's Integrated Reporting Framework was referred to in its compilation.

This Integrated Report contains forward-looking statements. Note that such statements are not guarantees of future results and may diverge from actual results for various reasons, including changing business conditions.

Shizuoka Financial Group Integrated Report 2026

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Economic Overview of Shizuoka Prefecture

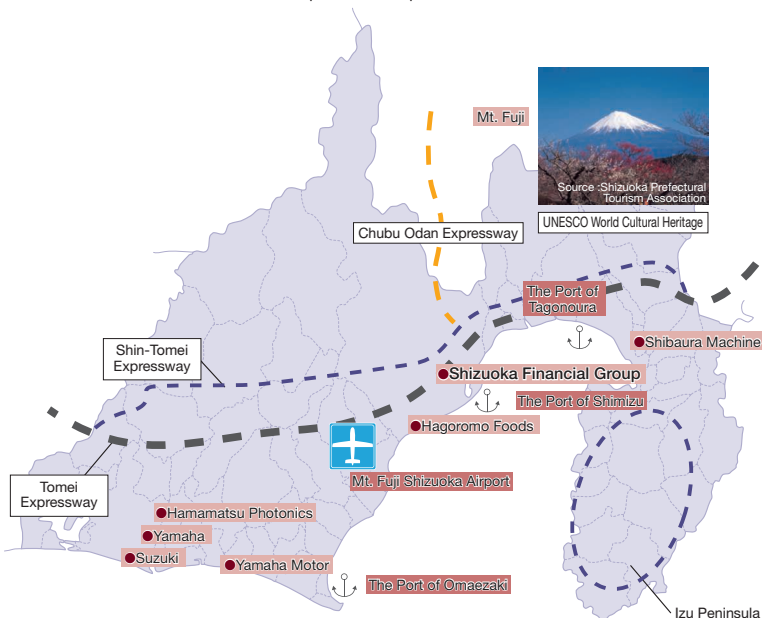
Industrial Characteristics

Shizuoka Prefecture is situated midway between the two major consumer markets and industrial centers of Japan — the Nagoya region plus the Osaka-Kyoto region to the west, and the Yokohama-Tokyo region to the east. Because of its location at a busy “crossroads” of the nation, Shizuoka Prefecture has historically developed into a significant center of manufacturing industry. The convenient location of Shizuoka Prefecture in transportation terms has caused the growth of a strong industrial base. Shizuoka Prefecture is one of the country’s leading manufacturing areas. The wide variety of industries represented within Shizuoka has led to Shizuoka Prefecture being dubbed “the industrial department store.” Corporations active in Shizuoka include world-leading enterprises such as Toyota, Honda, Suzuki, and Yamaha, and Shizuoka Prefecture is renowned for its accumulation of export-oriented manufacturing companies. Many of these companies have set up production subsidiaries overseas, which are creating a growing international aspect into the regional economy. We expect that Shizuoka Prefecture will be more internationalized, stimulating the interchange of people and ideas with the major urban centers of Eastern Asia, and will act as an important driving force for the regional economy. Various projects support regional industrial development, including the Pharma Valley Project, which aims to build medical and healthcare clusters and support research and development, and the Photon Valley Project, which strives to find real-world applications and sales channels for electronics technologies.



Economy in Shizuoka Prefecture and Current State

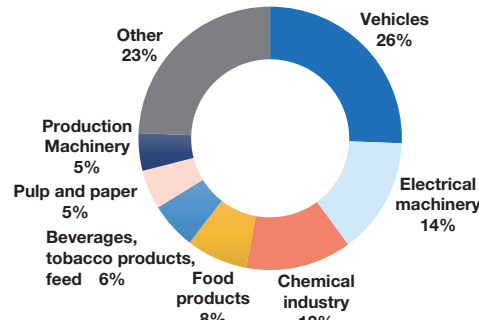
- Positioned as a distribution hub among Tokyo, Nagoya, and Osaka.
- Represents leading manufacturing prefecture in Japan.
- Owns a lot of export-driven companies handling machinery of transportation and musical instruments and etc.
- Has many representative tourist locations with rich natural resources.
- The Izu Peninsula was designated as a UNESCO Global Geopark in Apr. 2018. Global Geoparks are natural parks of topographical and geological significance. There are eleven UNESCO Geoparks in Japan.



Industrial structure in Shizuoka Prefecture

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

Second highest in Japan (2023)



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

Listed companies headquartered in Shizuoka Prefecture (TSE)

Exchange	Companies
TSE Prime	18
TSE Standard	31
TSE Growth	2
Total	51

* As of June 30, 2026

Economic scale of Shizuoka Prefecture

- Accounts for 3% share of all-Japan and ranks 10th in the scale of economy in Japan.
- Has greater GDP than total GDP of 4 prefectures in Shikoku or 3 prefectures in Hokuriku.
- Its GDP is ranked next to those in Hungary, Ukraine, and Angola.

Shizuoka Prefecture indices

		Nationwide share	Nationwide rank
Population	3.46 million	2.9%	10/47(2025)
Households	1.57 million	2.7%	10/47(2025)
Prefectural GDP (nominal)	JPY 18.1 tn	3.1%	10/47(FY2022)
Prefectural GDP per capita	JPY 3,478 k	-	4/47(FY2022)
Business locations	165,000	3.1%	10/47(2021)
Shipments of manufactured goods, etc. by value	JPY 19.8 tn	5.3%	2/47(2023)
Agricultural production	JPY 239.6 bn	2.2%	18/47(2024)
Fisheries production	139,000 t	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 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

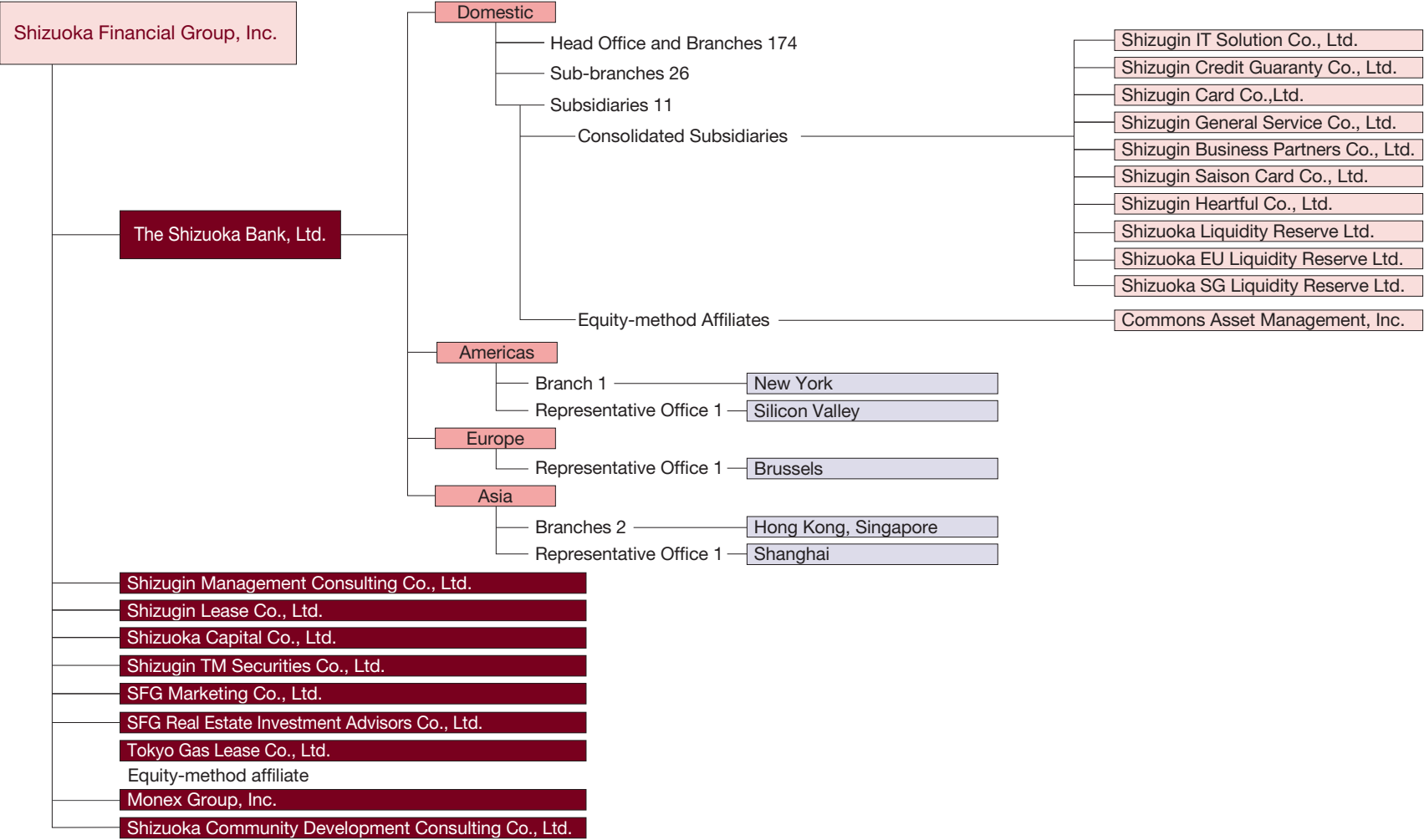
* Sources: Economic and Social Research Institute (ESRI)
Cabinet Office, Government of Japan and others

Shizuoka Financial Group at a Glance

A FIRST-CLASS REGIONAL FINANCIAL GROUP

Shizuoka Financial Group comprises The Shizuoka Bank, Ltd. (the “Bank”) and seventeen group companies, and is one of the largest regional financial groups in Japan. Centered on The Shizuoka Bank, the Head Office, 173 branches (174 offices including the Head office), and 26 sub-branches, the Group serves the needs of customers not only within Shizuoka Prefecture, its home region, but also in three major economic centers in Japan, namely Tokyo, Osaka, and Nagoya, all of which are within easy reach of Shizuoka. For the overseas operation, The Shizuoka Bank has offices in New York, Silicon Valley, Brussels, Hong Kong, Singapore, and Shanghai.

The Structure of Shizuoka Financial Group (As of July 1, 2026)



Shizuoka Financial Group's history

Shizuoka Financial Group was formed in October 2022 with the Group's transition to a holding company structure. Building on the trust earned within the community over the years, we will improve our capacity, as a comprehensive financial group, to deliver solutions and continue to take on new challenges to maximize the value we provide to all stakeholders.

Practicing sound,
community-based
management

Transformation to
a comprehensive
financial group

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

1945

The number of The Shizuoka Bank's predecessors reached 128 financial institutions when it assumed control the operations of Hamamatsu Shinyo Kumiai.

1974

Aoi Lease (now Shizugin Lease) established
Shizuoka Computer Services
(now Shizugin IT Solution) established

1983

Shizuoka Diamond Credit
(now Shizugin Card) established

1985

Shizugin General Service established

1993

50 years of The Shizuoka Bank
Corporate identity announced
(corporate philosophy established April 1992)



1978

Aoi Credit Guaranty
(now Shizugin Credit Guaranty) established

1984

Shizuoka Capital
established

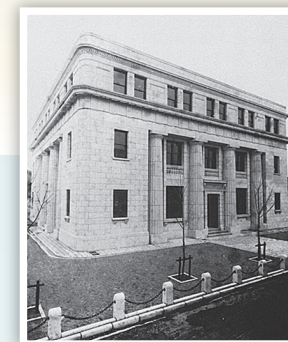
1990

Shizuoka Mortgage Service
(now Shizugin Business Partners*) established

* Renamed Shizugin Mortgage Service in 2012;
merged with Shizugin Business Create in 2026

1999

Shizugin Business Create (now Shizugin Business Partners) established



2000

Shizugin Management Consulting began operation
(change to lines of business and name of predecessor Shizuoka Printing)
Shizugin TM Securities established

2004

The Shizuoka Bank began offering securities brokerage services in partnership with Shizugin TM Securities.

2005

Ninth Medium-term Business Plan (Challenges for Creation and Change - 3C Plan) formulated as the first Group management strategy

2006

Shizugin Saison Card established

2007

Online branch launched

2011

International network expanded
(Memoranda concluded on business alliances with Kasikorn Bank [Thailand], Bank Resona Perdania [Indonesia], ANZ Vietnam [Vietnam], Shinhan Bank [South Korea], and CIMB Niaga [Indonesia])

2014

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



2016

Grand Opening of Shizugin Head Office Tower

2019

Shizugin Heartful established

2020

Shizuoka Yamanashi Alliance, comprehensive business alliance with The Yamanashi Chuo Bank, established
Announced support for Task Force on Climate-Related Financial Disclosures (TCFD)

2021

Next-generation accounting system brought online
Silicon Valley Representative Office, the first of its kind for a regional bank, opened

2022

Shizuoka Financial Group established

Shizuoka Nagoya Alliance, a comprehensive business alliance with The Bank of Nagoya, established



2023

Acquired shares of TJS Co., Ltd., making TJS a wholly owned subsidiary
SFG Marketing established, SFG Real Estate Investment Advisors established
Registered as a TNFD Adopter

2025

Mt. Fuji/Alps Alliance, a comprehensive business alliance with The Hachijuni Bank (now Hachijuni Nagano Bank) and The Yamanashi Chuo Bank, established
Business alliances expanded with BDO Unibank (Philippines) and Kasikorn Bank (Thailand)



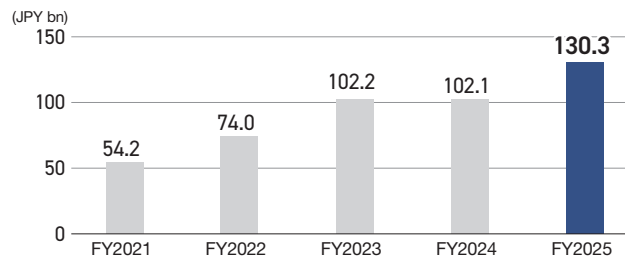
2026

Basic agreement concluded on business integration with The Bank of Nagoya
Acquired shares of Tokyo Gas Lease and Nissenren Shizuoka (making them subsidiaries)
Shizuoka Community Development Consulting established through joint investments with companies in the region
Shizugin Mortgage Service merged with Shizugin Business Create and reorganized to form Shizugin Business Partners

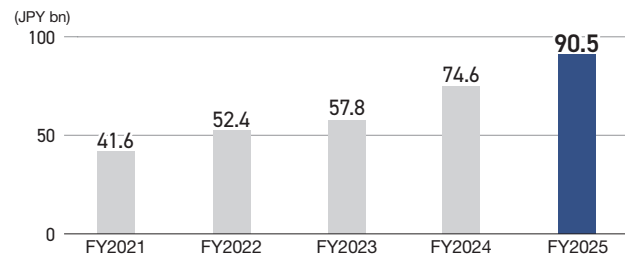
Financial highlights

Major items

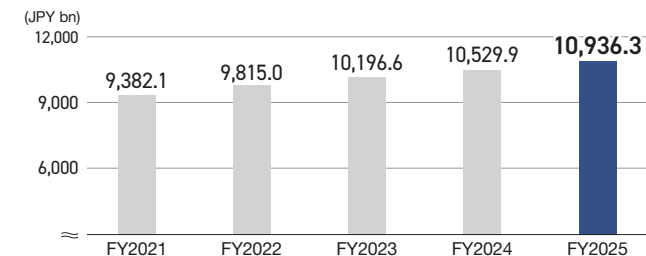
Ordinary profit (consolidated) **130.3** billion yen



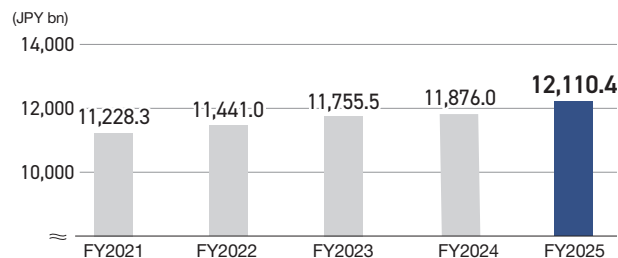
Net income attributable to owners of the parent (consolidated) **90.5** billion yen



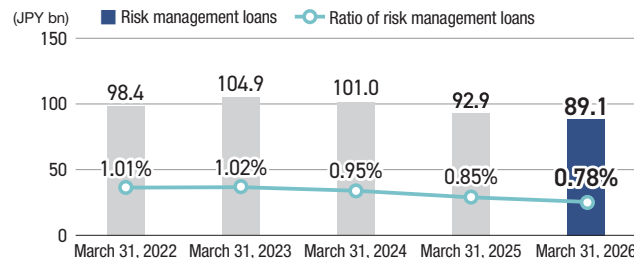
Total loan balance (average balance; The Shizuoka Bank nonconsolidated) **10,936.3** billion yen



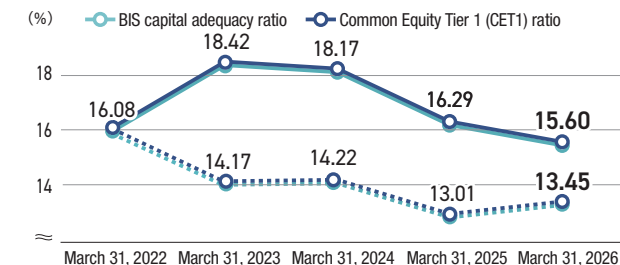
Total deposit balance (average balance; The Shizuoka Bank nonconsolidated) **12,110.4** billion yen



Ratio of risk management loans (The Shizuoka Bank nonconsolidated) **0.78%**



BIS capital adequacy ratio (consolidated) **15.60** (13.45*)%



* Estimates reflecting consideration of capital floor adjustment amounts and other factors after full application of final version of Basel III

Credit rating (Moody's) (As of July 1, 2026) **A1**

	Rating agency	Long-term rating	Short-term rating
Shizuoka Financial Group	R&I	AA-	—
	Moody's	A1	P-1
The Shizuoka Bank	S&P	A-	A-2
	R&I	AA-	—

Total payout ratio **80.6%**

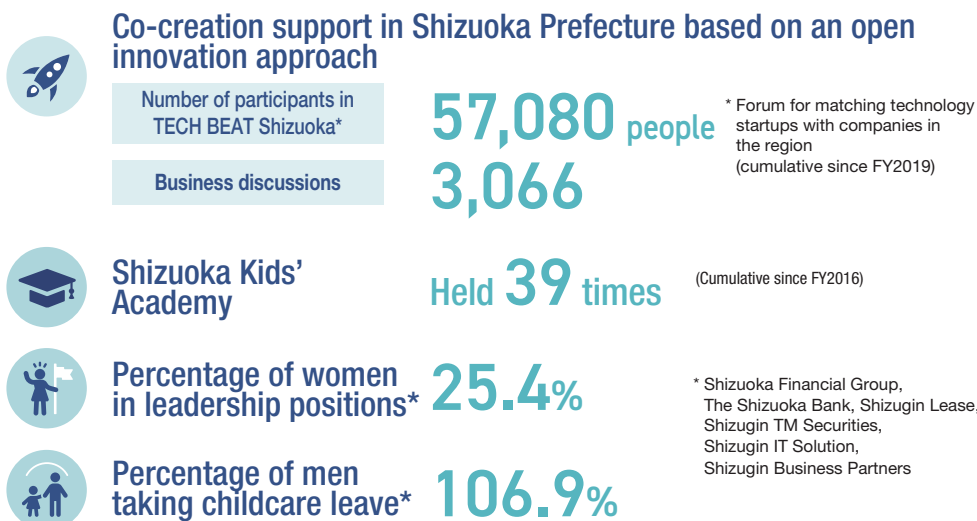
	FY2021	FY2022	FY2023	FY2024	FY2025	FY2021–2025 (five-year average)
Annual dividend per share	26.0 yen	30.0 yen	39.0 yen	60.0 yen	80.0 yen	—
Dividend payout ratio	35.4%	32.2%	37.4%	44.0%	47.7%	40.6%
Total payout ratio	56.2%	51.1%	49.3%	57.3%	80.6%	61.3%

Non-financial highlights (FY2025 results)

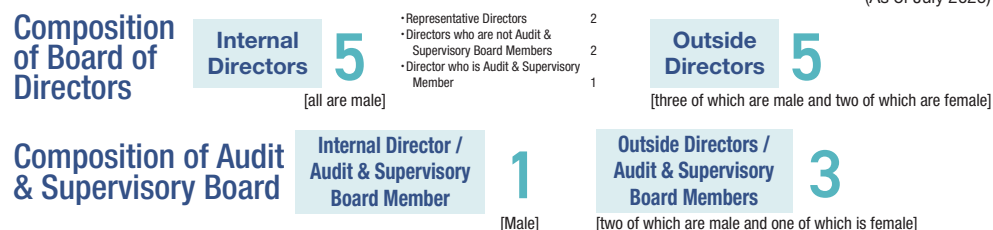
Environment



Society



Governance



External evaluations, support for external initiatives



Recognition related to supporting women in the workplace



CEO Message

Ever evolving with an unwavering spirit

1. Foreword

“Kick off your future.” This was the new brand slogan established in 2023, when we launched **the First Medium-term Business Plan Xover: Clearing the Way to a New Era**.

The period of more than three years since the Plan was formulated can be described as a turning point that determines the future. Since March 2024, when the Bank of Japan returned to a policy of raising interest rates for the first time in 17 years, we have seen four additional rate increases. Japan at long last has returned to a world of positive interest rates and is moving toward an inflationary phase characterized by full-scale interest rate hikes. At the same time, the Japanese economy is entering a new phase toward a growth economy, as demonstrated by the Nikkei Average, which in June 2026 reached a new record high of 72,366 yen.

In such an environment of accelerating change, we need to be even more acutely aware of the value of time. Conditions now call for an even greater sense of urgency among us, as managers of a financial group in a world of positive interest rates. The business environment for the banking industry is favorable; nevertheless, there is no time to spare in addressing the structural issues that affect our region, including shrinking populations and the downturn in rural communities. The key is how to shorten the lead time to implementing our strategy.

Under such conditions, today we need to demonstrate our regional financial strength to stimulate the regional economy through financial intermediary functions and management support to promote investment in growth fields, including the 17 strategic fields identified by the Japanese government. The essence of regional finance lies in supporting the cycle in which regional companies take new steps forward, developing visions for advancing into global markets, and inspiring hope for the region among future generations.

Our role is to create the future alongside our stakeholders. I am confident that this approach will lead to greater corporate value for the Shizuoka Financial Group.

Hisashi Shibata
President & CEO



CEO Message

2. Looking back on the First Medium-term Business Plan

The First Medium-term Business Plan, which we pursued through the preceding year, reflected this perspective. We added “future generations” to our stakeholders, referring both to the people who will drive the region’s future and to the future itself, and increased our corporate value while enhancing our menu of support options to meet regional needs.

The theme we first identified as a challenge for the Group in the First Medium-term Business Plan, namely the need to balance the two goals of increasing corporate value and creating social value, is the basis of the **Second Medium-term Business Plan, “Xover 2.0: Into the Future Together,”** which we launched this past April.

Before discussing the Second Medium-term Business Plan, I’d like to briefly review the previous Medium-term Business Plan, which ended last year. Simply put, I see the period covered by the previous plan as one in which we became more confident of our ability to balance corporate value and social value.

As one example, **SFG Real Estate Investment Advisors** and **SFG Marketing**, two companies established during the period covered by the previous Medium-term Business Plan, designed their lines of business based on the concept of providing solutions to society’s challenges and offering menus of services that the region lacks. While addressing the topics of regional development to create vibrant communities (SFG Real Estate Investment Advisors) and branding for both the region and customers, alongside solutions to labor shortages (SFG Marketing), these two companies have established business models to lead to earnings opportunities for the Group and have become companies essential to Group strategies.

Existing Group companies, including The Shizuoka Bank, also expanded their support menus based on their individual areas of expertise, broadening their business domains into venture capital, green transformation (GX), and digital transformation (DX) in response to the increasingly diverse and complex issues facing the region and customers.

In the field of decarbonization, for example, the Bank supports customers in visualizing their greenhouse gas (GHG) emissions and provides financial backing for efforts to reduce these emissions. Our leasing company offers carbon-offset leases; our consulting



company supports the creation and utilization of J-Credits. Our Group functions as a one-stop provider of an extensive range of solutions and constitutes a strength no rival can match.

Our two alliances with regional banks represent another strategy to find solutions to the issues common to our regions. By drawing on the management resources of our partners in initiatives that extend beyond each individual marketing area, we have promoted cooperation across prefectural borders in various areas and generated added value one partner could not deliver on its own. In March 2025, with the addition of Hachijuni Bank (now Hachijuni Nagano Bank), the Shizuoka-Yamanashi Alliance evolved into the Mt. Fuji-Alps Alliance; the Shizuoka Nagoya

Alliance has reached the stage of a basic agreement toward business integration. Each of our alliances is moving toward a growth stage while taking its own path toward transformation.

We also pursued further growth in corporate value by recognizing initiatives to make the regional economy more sustainable as new earnings opportunities. The preceding Medium-term Business Plan originally covered the five-year period through FY2027, the **financial targets** should be evaluated in terms of progress toward the targets rather than as final results. Still, we have made steady progress with regard to consolidated ordinary profits, return on equity (ROE), and OHR, powered mainly by topline growth driven by rising yen interest rates and other factors.

Fig. 1: Progress toward the financial targets of First Medium-term Business Plan

Indicator	FY2027 plans	FY2025 results	Assessment	Current state	
Consolidated ordinary profit	JPY 145.0 bn or more	JPY 130.3 bn	○	+	In addition to net interest income growth backed by rising interest rates, we achieved growth in fees and commissions generated by Group functions.
Consolidated ROE (Based on net assets)	Approx. 8.5%	7.5%	○	+ -	Steady profit growth groupwide led to higher ROE. The high level of equity capital constitutes downward pressure on ROE.
Consolidated OHR	Controlled at approx. 50%	58.4% (46.0%) ^{*1}	○	+	Generating investment capacity by revising fixed asset valuations in addition to top-line growth while controlling expense levels
Consolidated CET1 Ratio	Approx. 13%	15.60% (13.45%) ^{*2}	▲	-	Due mainly to increasing valuation gains on shareholdings as a result of rising stock prices, the CET1 ratio remains higher than the target level.

*1 Based on core gross operating profit

*2 Estimates calculated under full application of finalized Basel III framework

CEO Message

Since greater than expected rising stock prices have increased capital through valuation gains on securities holdings, properly controlling their level remains a subject of concern. Under the previous Medium-term Business Plan, we took a flexible approach to revising capital policies based on management policies mindful of capital efficiency.

Specifically, taking into account dividends received from shareholdings as an additional source, we raised the target dividend payout ratio from 40% to 50% and revised our outlook on the acquisition of treasury stock as a part of capital controls. Our management approach of increasing capital efficiency while steadily growing earnings from core businesses has improved our evaluation in the stock market—for example, by driving PBR above the key threshold of one as a result of enhanced returns to shareholders. We see this as a notable achievement.

Fig. 2: Changes in capital policies during the period of the 1st Medium-term Business Plan

1 Revision of target dividend payout ratio

Initial target on formulation of the 1st Medium-term Business Plan	Revised target (since February 2024)
Raise the dividend payout ratio progressively to 40% or more by FY2027.	Raise the dividend payout ratio progressively to 50% or more by FY2027.

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

2 Purchase of treasury stock

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

14th Medium-term Business Plan period (The Shizuoka Bank)	First Medium-term Business Plan period (Shizuoka Financial Group)
FY2020–2022 (cumulative) Amount purchased: JPY 18.7 bn	FY2023–2025 (cumulative) Amount purchased: JPY 47.0 bn

Changes in shareholder returns and corporate value during the First Medium-term Business Plan period

	FY2022 (actual)	FY2025 (actual)
Dividend/share	JPY 30.0	JPY 80.0
Dividend payout ratio	32.2%	47.7%
Total payout ratio	51.1%	80.6%
Stock price (FY end)	JPY 951	JPY 2,563
PBR (FY end)	0.46	1.10

3. Overview of the Second Medium-term Business Plan

Background factors underlying the Second Medium-term Business Plan

As mentioned above, we could say that we made steady progress on the previous Medium-term Business Plan. So why the need to formulate a new plan after only three years, instead of the planned five? It definitely was not an easy decision to revise the previous plan even as it was proceeding steadily.

Whenever investors ask me in meetings what makes Shizuoka Financial Group's growth strategy unique, I tell them about our efforts—to build our own strengths in anticipation of the changing times, thanks to which we have achieved sustained growth.

For example, at The Shizuoka Bank during the time of negative interest rates, we took the initiative ahead of our competition in taking on new business fields, including market credit investments. We grew them into complementary drivers in a challenging earnings environment. In anticipation of deregulation and other trends in the banking industry, we migrated to a holding company structure and enhanced Group functions beyond banking while balancing both centripetal (cooperation) and centrifugal forces (independence and autonomy) based on the holding company. As discussed earlier, this is now a source of competitive strength.

Looking back on our progress in strengthening corporate value by turning change to our advantage, we saw that the previous Medium-term Business Plan, formulated in FY2022, failed to fully incorporate perspectives essential to the current business environment, including balance sheet management for a world of positive interest rates and the use of AI.

I have always believed that the greatest management risk is to be left behind, to fail to keep up with the changing times. We want to accelerate efforts to increase our corporate value as we work to increase PBR based on management strategies that serve as our roadmap to growth adjusted to reflect the current environment, in place of makeshift revisions. This is why we chose to make a new start under a brand new Medium-term Business Plan.

Overview of the Second Medium-term Business Plan

To make things clearer to our stakeholders, I'd like to start with an overview of the Second Medium-term Business Plan.

The title of the plan, "Xover 2.0: Into the Future Together," retains the crossover* theme of the previous plan and indicates its role as a revolutionary midpoint of that plan. It also incorporates the new concept of moving forward into a bright future alongside our stakeholders.

* Crossover refers to the fusion of different fields and elements across genres, with the "X" representing both unknown quantities and multiplication

Fig. 3: Overview of the Second Medium-term Business Plan

Xover
2.0 Into the future together

Materiality topics

Healthy growth of the local community

Addressing population decline, low birthrates, and the aging population

Industrial development and financial innovation

Forming a digital society

Society that balances the environment and economy

10-year Vision

Medium-term Business Plan Vision

Basic strategies

Co-creation, Growth, Challenge

Deploying growth strategies in three business domain categories to reflect the functions and roles demanded

Transformation 2.0

Harnessing AI and data in various reforms and maximizing strategic results by optimizing sales activities and customer experience

Corporate communication

Building relationships through enhanced stakeholder dialogue and advanced governance to inspire stakeholders to choose us for the long term

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

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

We will think, solve problems, and grow alongside the region

Human capital management

Maximizing individual and organizational performance by rebuilding an HR portfolio to implement strategy

Essential foundations for realizing strategy

AI-native

Implementing AI in sales activities, customer experience, and business processes, to replace and supplement the work done by employees

Maximization

Creating social value
×
Increasing corporate value

CEO Message

This Medium-term Business Plan proposes two visions. The **10-year Vision** targets a state in which we continue to grow hand in hand with our stakeholders through joint efforts. The **Medium-term Business Plan Vision** is to be realized during the three-year period of the plan. Rather than working on our own, we will strive to create high added value through the multiplicative effects generated by adding still more resources.

The plan identifies three Basic Strategies to realize the vision: Co-Creation, Growth, Challenge; Transformation 2.0; and Corporate Communication. We consider human capital management and AI to be the foundations for realizing these strategies. By implementing the Basic Strategies and achieving the KPIs of the **Sustainability Indicators**, we will shift gears from the previous phase, in which we pursued balancing corporate value with social value, to one of maximizing them both.

The Sustainability Indicators introduced under the previous

Medium-term Business Plan consist of financial targets and engagement KPIs, which we plan to use to boost corporate value as a holding company, and social impact indicators, which we will use to measure our impact on creating social value as a regional financial institution.

Each of these KPIs will be explained in the following pages. Here I'd like to add something about the **ROE target**. This plan sets an ROE target of 9.5% based on the assumption that no further interest rate hikes will occur beyond the policy interest rate in place at the time of its formulation (0.75%). This is because our goal is to transform to a business structure that can promise double-digit ROE over the medium to long term without relying on an interest bonus from rate hikes. Since subsequent rate hikes have pushed the policy interest rate up to 1.0%, it now appears even more likely that we will achieve an ROE of 10%, and we would like to revise the target at the appropriate time going forward.

Three Basic Strategies

Next, I'd like to discuss the thinking behind the three Basic Strategies of the Second Medium-term Business Plan.

First of all, for the Basic Strategy of **Co-Creation, Growth, Challenge**, we will implement our strategies while dividing our business domains into three categories based on the scope of the region and the functions and roles it demands.

On hearing the word "domain," many readers may imagine physical regions. In fact, the co-creation domain does target Shizuoka prefecture and neighboring areas, while the growth domain is based in the Tokyo metropolitan area, Aichi Prefecture, Osaka, and overseas. However, we are not dividing this strategy into domains in the sense of implementing it in specific prefectures. Rather, we seek to achieve optimized allocation: how best to distribute management resources, where to generate earnings, and how to give back to the community.

Fig. 4: Sustainability KPIs under the Second Medium-term Business Plan

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

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

Fig. 5: Distinguishing features of three business domains

	Co-creation domain	Growth domain	Challenge domain
Concept	Preparing management foundations based on efforts to co-create value	Increasing corporate value by capitalizing on market growth potential	Building a base for growth from a clean slate
Definition	Shizuoka Prefecture and adjoining regions (markets with which we have relationships of coexistence and shared prosperity)	Greater Tokyo area, Aichi, Osaka, overseas (markets recognized to have growth potential)	Markets and fields to build new earnings and customer bases
Mission	Regional growth / growing related populations Regional coexistence and shared prosperity	Growth market development Aggressively securing earnings opportunities	Expanding Group functions Realizing disruptive growth Developing future revenue clusters
Keywords	Community development business, regional growth Deposits, Group company earnings	Balance sheet control Metropolitan areas, global strategy	M&As, new business development,
HR allocation	2,230 (+110)	720 (+90)	40 (+20)

CEO Message

The mission of the **co-creation domain** is to further strengthen our management foundations while extending the regional co-creation frameworks established to date, centered on our main market of Shizuoka Prefecture. Deposits, the source of growth for a financial institution, are growing increasingly important. Since around 90% of our total deposits are in Shizuoka Prefecture, growing together with the region is essential to our strategies.

In this domain, we will grow deposits and other transactions and commission revenues while strengthening ties with stakeholders through various initiatives only the Shizuoka Financial Group is capable of pursuing, including the deployment of community development businesses committed to regional sustainability and support for new business creation by regional firms through the Shizuoka Mirai Cocreation Foundation we will newly establish.

At the same time, any efforts to establish the co-creation domain as a solid foundation will involve numerous stakeholders, and it will be essential to maintain and continually invest in our branch networks. Branches and employees will remain essential even if actual branch visits decline. We must secure adequate revenue to make this framework sustainable.

This is why the **Growth domain** and the **Challenge domain** have the missions of actively taking on earnings opportunities. In the Growth domain, we will secure earnings by addressing the growth potential of the Tokyo metropolitan area, Aichi Prefecture, Osaka, overseas, and other markets while making the balance sheet more profitable by controlling both investment and fundraising for a world of positive interest rates. We will establish a cycle in which we will broaden the fields where we offer our comprehensive

financial services and return earnings to the region.

In the Challenge domain, we will target discontinuous growth in areas like M&As and new business development. Today, as rising yen interest rates lead to expectations of growing profits, we must grow revenue clusters for the future to remain on a growth track even if interest rates fall in the future. The key to this strategy will be maximizing earnings through the appropriate investment of management resources with an eye on the medium to long term.

On the second Basic Strategy, **Transformation 2.0**, we will transform our management infrastructure, including IT systems and human resources, as well as how we engage in sales activities and intersect with customers, in ways optimized for the changing times.

In the previous Medium-term Business Plan, we identified the Transformation Strategy as a basic strategy for reforming channels and reallocating human resources based on the assumption of a world without interest rates. Today, the interest rate environment has changed dramatically, and with the emergence of generative AI, digital technologies are transforming social systems and the competitive environment faster than anyone anticipated. This is why we need to thoroughly reexamine the courses of action for transformation and proceed with appropriate investments in IT, human capital, and other areas.

AI in particular has the potential to free considerable time and human resources, depending on how it is used. This Medium-term Business Plan will seek to reduce standardized middle- and back-office workloads by 25% in the final fiscal year of the plan and by 50% five years from now in 2030, in this way optimizing the assignment of human resources in priority fields and increasing the efficacy of our strategies.

We will also seek to transform workstyles for employees and officers. Going forward, we will seek to achieve an AI-native state in which all personnel as a matter of course make the most of AI, and we will engage in business based on the assumption that we use AI. Considering these business reforms to be an important challenge that will greatly impact our future growth as a comprehensive financial group, we will secure an AI investment budget of approximately 10 billion yen during the period of the Second Medium-term Business Plan. We see this as a growth investment to lead to increasing corporate value, and we will strive to transform it into a future competitive strength.



CEO Message

The third and final Basic Strategy concerns **Corporate Communication**.

To ensure that our corporate value will continue to increase in the future as well, it is essential to build long-term relationships in which stakeholders will choose us from among the numerous financial institutions available to them. Communication to win interest in stronger, longer-term ties, rather than simply focusing on the advantages of products or convenient services, will be vital to this effort.

We want to build a cycle in which potential customers will grow

ever more attached to us as customers, then fans, and then as core fans. This network of fans would then broaden naturally, even without our intervention, and we will deploy various initiatives to build this fan base.

We recognize the utmost importance of demonstrating to the stakeholders who are shareholders that our stock price will continue to rise. In reviewing the previous Medium-term Business Plan above, we noted that we had enhanced returns to shareholders. This will remain an important goal.

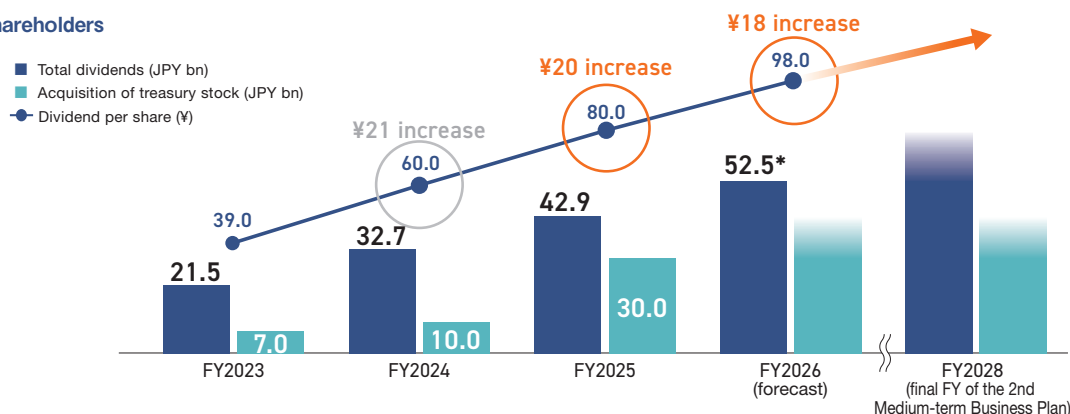
Shizuoka Financial Group's policy on shareholder returns will

continue to be to realize an industry-leading **dividend payout ratio of 50% or higher** by FY2027 and to maintain a high dividend payout ratio thereafter. We believe sustained and steady profit growth will make it possible to realize a cycle of continually increasing dividends.

In addition to improving capital efficiency, we will strive, by continually increasing **earnings per share (EPS)** so that investors can continue to hold our shares with peace of mind, to earn even stronger support from our shareholders over the long term.

Fig. 6: Shareholder returns, EPS/BPS trends

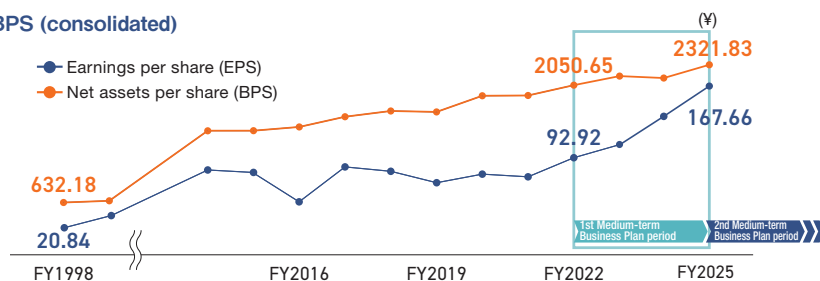
Distribution of profit to shareholders



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

* Estimated based on the number of shares after reflecting disposal of treasury stock already announced in total shares issued and outstanding (excluding treasury stock) as of March 31, 2026

Trends in EPS and BPS (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 higher** by FY2027; maintaining a **dividend payout ratio of 50% or higher** 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

EPS growth

EPS growth rate during First Medium-term Business Plan period 80.4%

	FY2022	FY2025	Contribution to EPS growth
Consolidated net income	JPY 52.4 bn	JPY 90.5 bn	75.9%
Total number of issued shares (average balance)	564 million	540 million	4.5%
EPS	92.92	167.66	—

4. Business integration with The Bank of Nagoya

To date, we have for the most part discussed the ideas underlying the Second Medium-term Business Plan. The **planned business integration with The Bank of Nagoya**, on which we concluded a basic agreement in March 2026, is another decision made in response to the changing business environment.

We launched an alliance with The Bank of Nagoya in April 2022 largely based on the fact that both banks' home markets are characterized by a strong manufacturing presence, particularly in the auto industry, and the idea that we might support regional industry across prefectural borders at a time of large-scale industrial reorganization amid, the shift toward EVs and the trend toward decarbonization.

Over the roughly four-year period since then, the alliance has generated results far beyond what we initially expected. At the same time, there were limits because we were two separate organizations under different management. We explored the best way to provide even better services in an environment changing at an accelerating pace and decided we should strengthen our regional financial strength through an additional proactive step—business integration.

The area from the Chukyo zone centered on Nagoya through the Tokyo metropolitan area accounts for about 40% of Japan's GDP. The three prefectures of Aichi, Shizuoka, and Kanagawa, which

are especially important markets for us, account for 16% of GDP. No other regional financial group can claim this vital economic zone as its home field. The region is also home to numerous companies with the potential for global expansion, including numerous small and mid-sized enterprises. The most important reason for the business integration is our goal to provide support for such enterprises through joint efforts.

Over the past few years, many investors have asked about our views on industry realignment. I have consistently responded by indicating we would not pursue integration whose results would be merely additive—that would merely add one to one to get two. Adding one to one must present the potential to generate a sum of three and, in the future, something more than four.

All this will require resolve to embrace a shared vision and to pursue shared aims. With regard to the business integration with The Bank of Nagoya, we have confirmed commitments to this project through frank and open discussion among the top management of both parties.

We are currently at the stage of studying the fields in which specific integration synergies can be demonstrated, and some time will pass before we can indicate quantitative result forecasts or specific targets. Still, I am confident this integration will increase the potential for medium- to long-term growth in our corporate value.

5. Conclusion

Ever evolving with an unwavering spirit

These words, which I keep in my heart today, are from my message to officers and employees on the podium of the Group General Managers' Conference in April. I mentioned earlier that the greatest risk would be to fail to keep up with change. This embodies the idea of continuing to take on challenges with a healthy sense of urgency because anyone who stops moving forward will be left behind amid a dramatically changing environment.

At the same time, no matter how much the environment changes, our Corporate Philosophy—Expand dreams and affluence with our community.—remains an unchanging and fundamental ideal. As a comprehensive financial group, we're deeply involved in regional development, in the lives of our customers, and in making their dreams reality. That's why I hope all our officers and employees will continue to update their own thinking and abilities without fear of change while remaining mindful of their key roles in building the future of our region.

As noted at the outset, we stand at a turning point that determines the future. I sense both the heavy responsibility of steering the course of management at such a time and the excitement of pursuing new challenges. As Group CEO, I will continue to fulfill my leadership responsibilities and to demonstrate to the utmost the potential of the Shizuoka Financial Group.

I remain grateful for the continuing support and understanding of our stakeholders.



Fig. 7: Post-integration business scale As of March 31, 2026



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

*1 Including branch offices, etc. *2 Net income attributable to owners of parent

CFO Message

We will realize sustained growth by deploying financial strategies with consideration for recent environmental changes and beyond



Hiromitsu Umehara
Director & Executive Officer, CFO

1. Recent business conditions

FY2025 financial results

In FY2025, the final year of the First Medium-term Business Plan, amid continuing international uncertainty driven by multiple factors, including changing US tariff policies, the Japanese economy continued to show signs of returning to normal. These factors included ongoing policy interest rate hikes by the Bank of Japan and rising stock prices. The financial industry in particular turned to an approach to financial management reflecting the historic turning point toward a world of positive interest rates.

Under these conditions, the Group responded to the changing interest environment during FY2025 by strategically implementing replacement operations for low-yield bonds, intended to improve the bonds portfolio's profitability and soundness. After recording losses on sale of JGBs and other bonds in connection with these operations, the Group experienced a decrease of JPY 8.4 bn in consolidated gross profit from the previous year. At the same time, with The Shizuoka Bank's net interest income growing alongside rising JPY interest rates, core consolidated gross profit, excluding gains and losses on sale of bonds, increased by JPY 29.0 bn over the same period, indicating steady growth in core business earnings capabilities.

Having set the goal of improving the business foundations for implementation of our strategies, we increased operating expenses by JPY 8.2 bn year on year, centered on areas like IT and human capital. Progress on reducing shareholdings amid rising stock prices led to a sharp increase of JPY 47.7 bn in gain (loss) on stocks, which more than made up for the increase in expenses, including the gains and losses on sale of bonds referred to above.

As a result, consolidated ordinary income was up JPY 28.2 bn year on year to JPY 130.3 bn, while consolidated net income was up JPY 15.9 bn to JPY 90.5 bn—both record highs. ROE increased by 1.2 pts. to 7.5% on a net assets basis, as the Group's financial results showed steady progress.

Results of FY2025 (Consolidated) (JPY bn)

	FY2025	YoY Increase/ Decrease
Core gross operating profit* ¹	226.8	+29.0
Gross operating profit	178.9	-8.4
Operating expenses (-)	105.3	+8.2
Profit based on the equity-method investment balance	1.5	+0.7
Net operating profit* ²	75.1	-16.3
Credit-related costs (-)	9.2	+4.4
Gain (loss) on stocks	61.5	+47.7
Ordinary profit	130.3	+28.2
Extraordinary profit and loss	-3.2	-5.8
Net income before taxes	127.1	+22.5
Corporate taxes (-)	36.6	+6.6
Net income* ³	90.5	+15.9
ROE (%)	Net asset basis	7.5
	Shareholder equity basis	9.1

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

*² Net operating profit = Net operating profit of the Bank nonconsolidated + Consolidated ordinary profit – Ordinary profit of the Bank nonconsolidated

*³ Net income attributable to owners of the parent

2. Formulating the Second Medium-term Business Plan

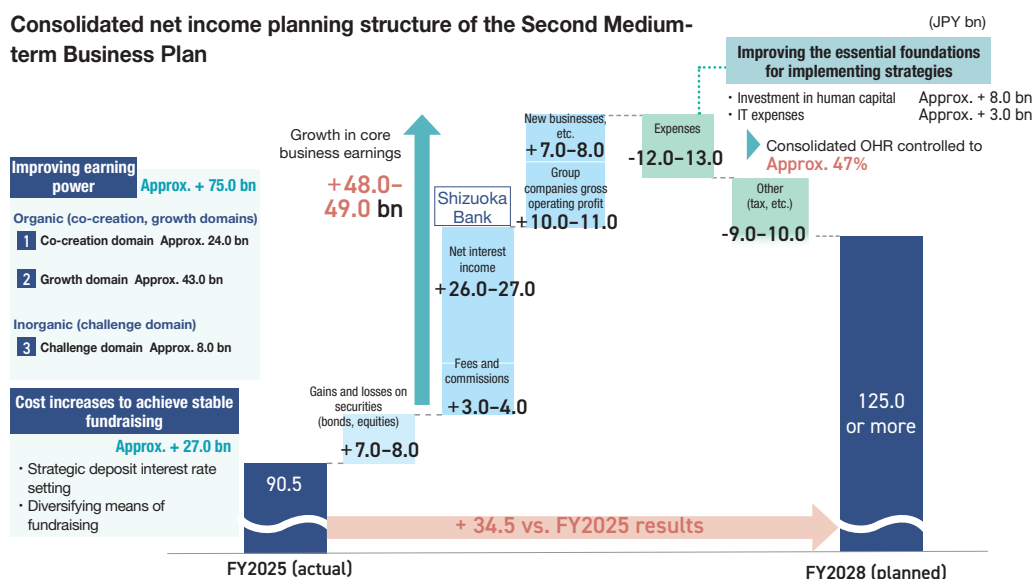
In light of the recent dramatic changes in the business environment, Shizuoka Financial Group brought the First Medium-term Business Plan, which had been formulated for a five-year period, to a close two years ahead of schedule to launch the new Second Medium-term Business Plan in April 2026. Our four financial targets for FY2028, the final fiscal year of the new plan, are consolidated ordinary profit of JPY 170.0 bn or more, consolidated ROE of roughly 9.5%, a consolidated OHR of roughly 47%, and a consolidated CET1 ratio of roughly 13%.

Profit planning structure

Profit plans for the Second Medium-term Business Plan are based on the assumption of a policy interest rate of 0.75%, the level at the time the plan was formulated. They do not incorporate any increases in net interest income as a result of subsequent additional rate hikes. This reflects our desire to reform the business structure into one capable of realizing sustained growth through our strategies, even if interest rates decline in the future, rather than relying on the benefits of interest rate hikes.

Based on this approach, we set a target for consolidated ordinary profit of JPY 170.0 bn or more in the final fiscal year of the plan. Profit on this scale corresponds to approximately JPY 125.0 bn on a consolidated net income basis. We project growth of nearly JPY 50.0 bn in core business earnings over the three years of the Medium-term Business Plan. As illustrated below, we plan to secure earnings opportunities while allocating the needed management resources to business domains in the three categories of Co-Creation,

Consolidated net income planning structure of the Second Medium-term Business Plan



Financial targets of the Second Medium-term Business Plan

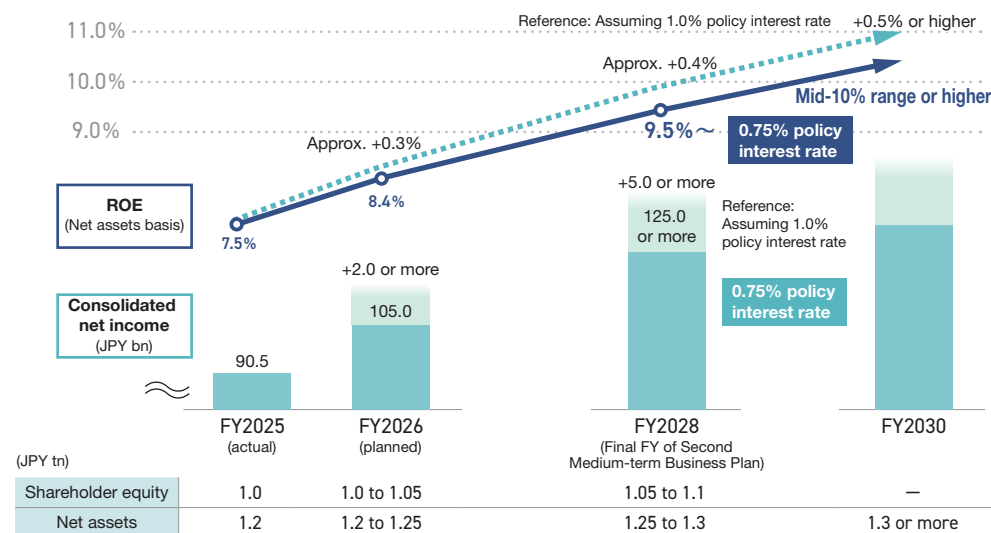
Financial targets	Indicator	Previous Medium-term Business Plan target (FY2027)	2nd Medium-term Business Plan target (FY2028)
		Consolidated ordinary profit	JPY 145.0 bn or more
	Profitability	Consolidated ROE (Based on net assets)	Approx. 8.5%
	Efficiency	Consolidated OHR	Approx. 50%
Soundness	Consolidated CET1 Ratio	Approx. 13%	Approx. 13%

Growth, and Challenge in line with basic strategies under the Medium-term Business Plan, to grow the top line despite modest growth in fundraising costs.

Additionally, constrained by all due financial discipline, we will pursue forward-looking investments in areas like human capital and AI. The goal is to optimize the management foundations needed to realize our strategies. In this way, we will increase consolidated net income by JPY 34.5 bn from the FY2025 result.

The new plan targets an ROE of approximately 9.5% in its final fiscal year and in the mid-10% range in FY2030. As noted above, we expect to achieve double-digit ROE even without any increase in profits from additional interest rate hikes. The Bank of Japan, however, increased the policy rate to 1.0% in June 2026, which makes it still more likely that we will achieve our ROE targets.

Projected profit, capital, and ROE levels



Balance sheet controls

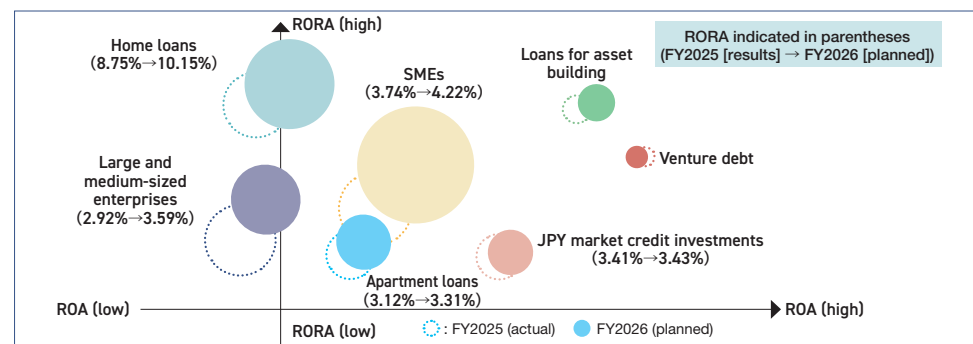
The move into a world of positive interest rates has improved the earnings environment for financial institutions in Japan, chiefly in terms of net interest income. At the same time, it has made balance sheet management both more important and more difficult. The need has emerged to secure stable fundraising bases, centered on the deposits that support balance sheet growth, and to select investment assets to include on the balance sheet, rather than merely adding to asset balances. In so doing, it is vital to replace assets whose profitability has decreased due to rising interest rates.

Based on this approach, we are proceeding to select asset holdings by applying different approaches to loans, the core of investment assets, between those for which we will strive to aggressively increase balances and those for which we will pursue replacement operations to improve profitability. Specifically, in corporate lending, we will increase balances chiefly of highly profitable loans to SMEs; in personal lending, we will grow home loans and apartment loans centered on Kanagawa Prefecture and other parts of the Tokyo metropolitan area. On the other hand, we will strive to improve risk returns by proceeding with replacement of loans to large and medium-sized enterprises and market credit investments from the perspective of profitability because they have relatively lower levels of profitability on a risk-weighted-assets basis. Similarly, we will continue to pursue replacement operations for securities to improve the profitability and soundness of our bonds holdings as we strive to build the optimal bonds portfolio for the market conditions.

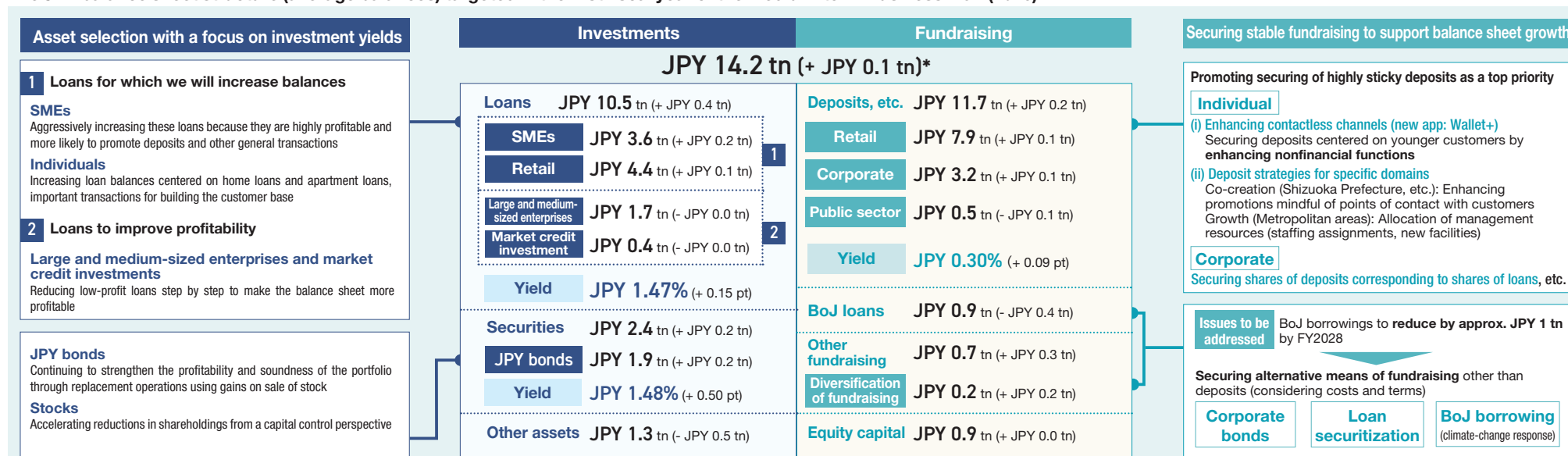
In addition to selectivity regarding investment assets, the need to enhance the fundraising foundations that support increasing investment assets is another important topic facing the banking sector. First, we will

give top priority to securing highly sticky deposits that involve lower fundraising costs, while securing the stable funding volume needed to increase investment assets through diversification of fundraising means in place of deposits. This approach of achieving optimal control of overall balances and yields while looking at investments and fundraising as a single entity is a distinct feature of balance sheet management under the Second Medium-term Business Plan.

Our outlook on asset allocation



The JPY balance sheet structure (average balances) targeted in the first fiscal year of the Medium-term Business Plan (2026)



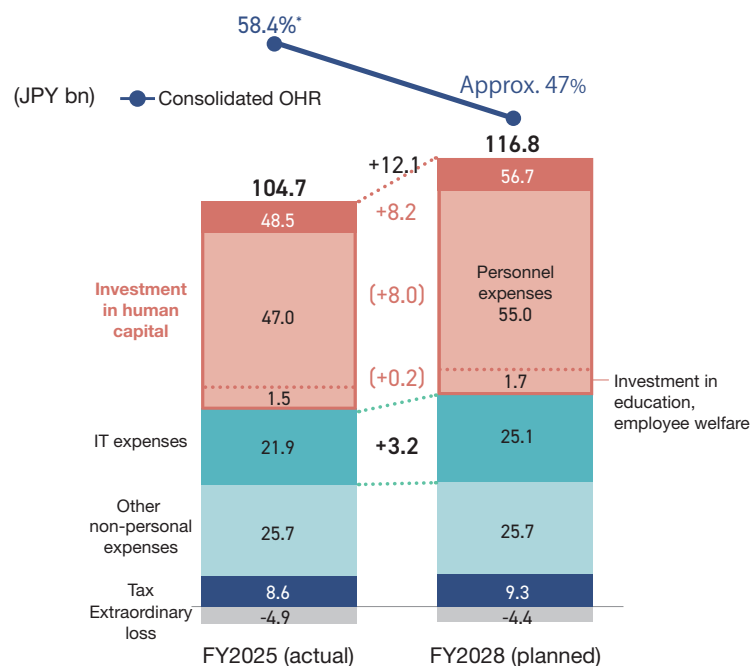
* Figures in parentheses () are vs. FY2025 results

Cost controls

Regarding consolidated OHR, an indicator of financial discipline, with topline growth over the three years of the Medium-term Business Plan in mind, we lowered the target level to approx. 47% from 50% in the First Medium-term Business Plan. We will thus move to increase overall efficiency.

We project an increase of JPY 12.1 bn in consolidated expenses in the final fiscal year, compared to the FY2025 figure. We expect this to include an increase of JPY 8.2 bn related to human capital, including enhancing hiring and improving compensation to rebuild the HR portfolio and development of strategic HR in fields such as AI, as well as an increase of JPY 3.2 bn in IT-related investments. We consider each of these an important strategic investment for improving our competitive strengths. We will continue to control expense levels under appropriate financial discipline while enhancing the investments needed to realize our strategies.

Trends in expense levels and consolidated OHR



* Consolidated OHR calculated based on core gross operating profit is 46.0%.

Reducing strategic shareholdings

Under the First Medium-term Business Plan, in addition to having achieved targeted reductions in strategic shareholdings (by acquisition cost) ahead of schedule, we set the new target of reducing the balance of strategic shareholdings (by current market value) to 20% of net assets over the medium to long term, as we felt the need to consider balances of shareholdings on a mark-to-market basis from a capital control perspective.

To achieve this target, under the Second Medium-term Business Plan we plan to reduce these holdings to about 25% by the final fiscal year of the plan. In so doing, we expect to record approximately JPY 100.0 bn in gains on sale of stock, although this could vary with stock prices. We will increase the likelihood of achieving our ROE target by investing some of these gains in human capital and IT, replacement of low-yield bonds to improve investment yields, and inorganic investments such as new business development and M&As.

Policy on reduction of strategic shareholdings

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

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

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

Plans for the period covered by the 2nd Medium-term Business Plan

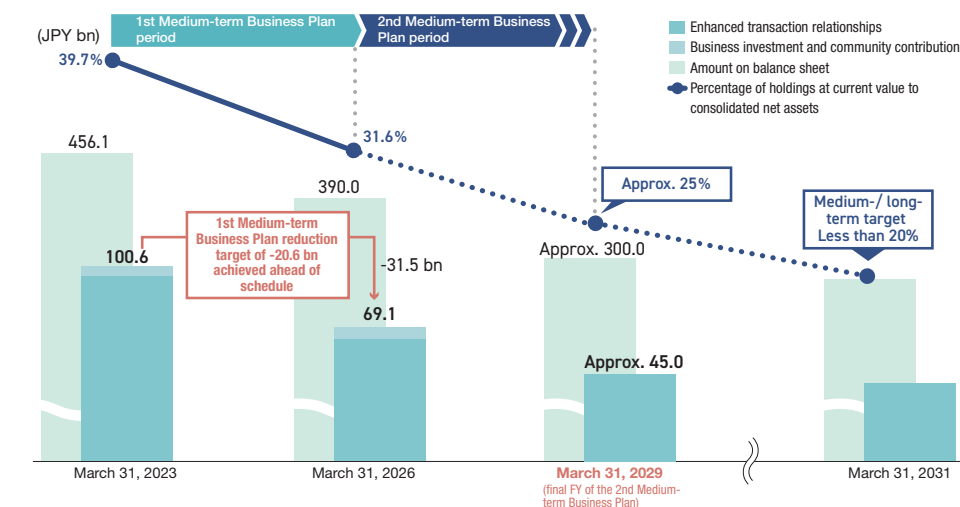
Strategic shareholdings as a percentage of net assets (March 31, 2029) **Approx. 25%**
 Gains on sale of stocks (2026–2028 cumulative, projected) **Approx. 100.0 bn**

Policy on Utilization

Strategic use to achieve ROE target

- Investments in human capital, IT systems
- Allocation to bonds replacement operations
- Growing investments in new businesses, M&As, etc.

Trend in balance of strategic-shareholdings



3. Outlook for FY2026

In FY2026, we plan to continue to record highs in ordinary income, up JPY 21.7 bn to JPY 152.0 bn, and in net income, up JPY 14.5 bn to JPY 105.0 bn. We expect these results to be driven by higher interest income from improved yields on loans and securities and higher balances, due to the impact of the previous year's policy rate hikes by the BoJ, the results of bond replacement operations, and other factors. Since the results forecasts for FY2026 announced currently do not reflect the impact of the policy interest rate hike in June of this year, we plan to revise our forecasts at the appropriate time in light of future developments and other factors.

(JPY bn)

	FY2025 results	FY2026 forecast	Change
Ordinary profit	130.3	152.0	+21.7
Net income attributable to owners of the parent	90.5	105.0	+14.5
ROE			
(Based on net assets)	7.5%	8.4%	+0.9 pt
(Based on shareholder)	9.1%	10.2%	+1.1 pt
OHR ^{*1}	58.4% (46.0%)	53.6% (46.0%)	-4.8 pt (-)
CET1 ratio ^{*2}	15.60% (13.45%)	14.07% (13.35%)	-1.53 pt (-0.10 pt)

^{*1} The figures in parentheses () are based on core gross operating profit

^{*2} The figures in parentheses () represent estimates calculated under full application of the finalized Basel III framework

While rising interest rates since FY 2025 will continue to provide favorable tailwinds with regard of profit, we recognize the need both to take risks aggressively and to employ appropriate risk controls through closely monitoring the changing environment. Furthermore, this will be an important time to establish a solid growth track in preparation for the integration with The Bank of Nagoya.

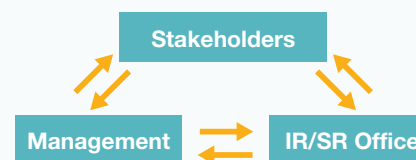
The entire Group will work together to increase corporate value further to get off to a good start in the first fiscal year of the Second Medium-term Business Plan.



4. Dialogue with stakeholders

In our FY2025 IR and SR activities, in addition to presentations on financial results on the theme of strategies to increase our corporate value and meetings with domestic and international institutional investors, we enhanced opportunities for dialogue with a broad range of stakeholders, including Group officers and employees. In so doing, we were able to hear a wide range of stakeholder opinions. These opinions have been reported to the Board of Directors, shared with related internal sections through internal IR activities for Group officers and employees, and reflected as appropriate in management strategies.

Reflection in management strategies



Study based on stakeholder opinions

- Agenda setting in the Board of Directors
(Balance sheet controls for a world of positive interest rates, courses of action for inorganic growth, etc.)
→ **Reflected in the contents of the Second Medium-term Business Plan**
- Enhancing shareholder returns, revision of performance forecasts

We recognize this cycle to be essential to the process of increasing our corporate value. The Second Medium-term Business Plan also aims to increase corporate value over the medium to long term by building further on these initiatives, under the basic strategy of Corporate Communication, which covers both communication with stakeholders and corporate governance.

We will continue expanding our IR and SR activities and strengthening our communications with shareholders and other stakeholders to boost the Group's corporate value. We look forward to the continuing support and understanding of our stakeholders.

IR/SR activities in fiscal year 2025

	Japan	Overseas
Shareholders	IR presentations: 2 Small meetings: 7 Individual meetings: 114	Companies met with: 81 Overseas IR: 6 Conferences organized by securities companies: 5
Region		
Customers		
Officers and employees		
Future generations		
		For securities staff in Shizuoka Prefecture: 2 For Group officers and employees: 18

Toward further increasing corporate value

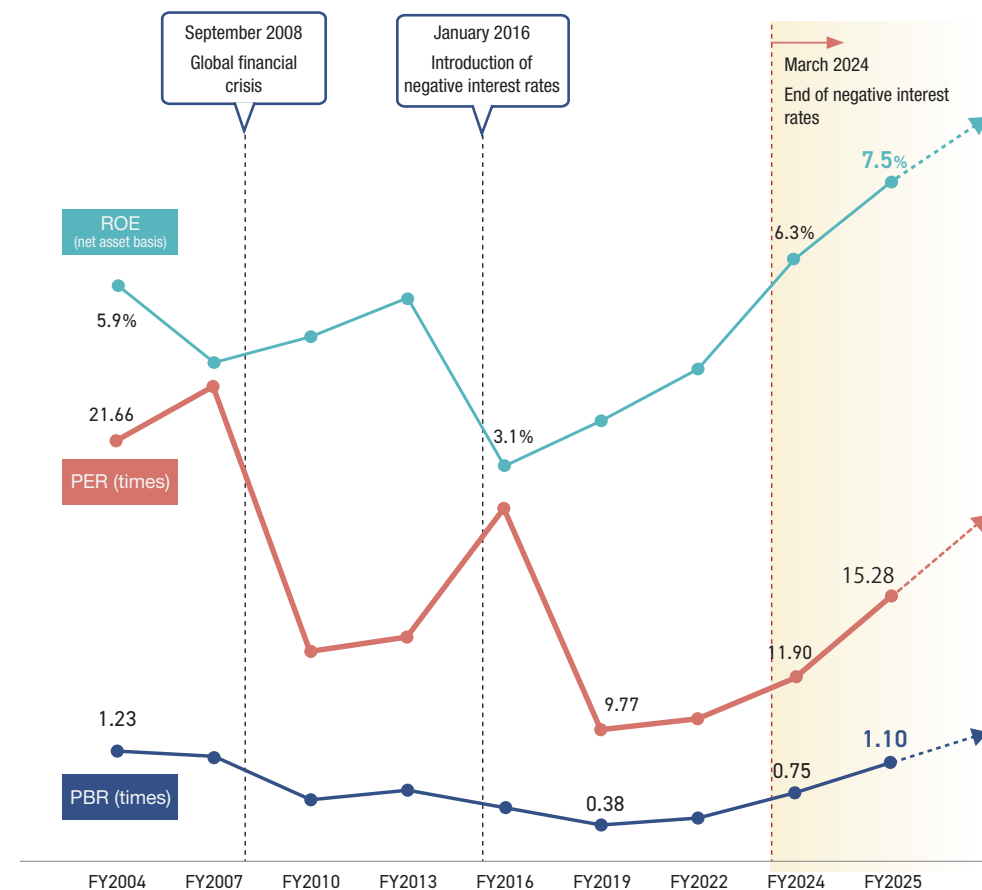
While benefitting from the favorable tailwinds provided by rising interest rates in Japan, the Shizuoka Financial Group steadily improved ROE and reached the key threshold value of a PBR of one through the growth strategies outlined in the First Medium-term Business Plan. Under the Second Medium-term Business Plan, we will also strive to strengthen corporate value by continuing to increase ROE and implementing other strategies through various measures in response to the changing external environment.

ROE, PER, and PBR trends

PBR (price/book ratio) formula

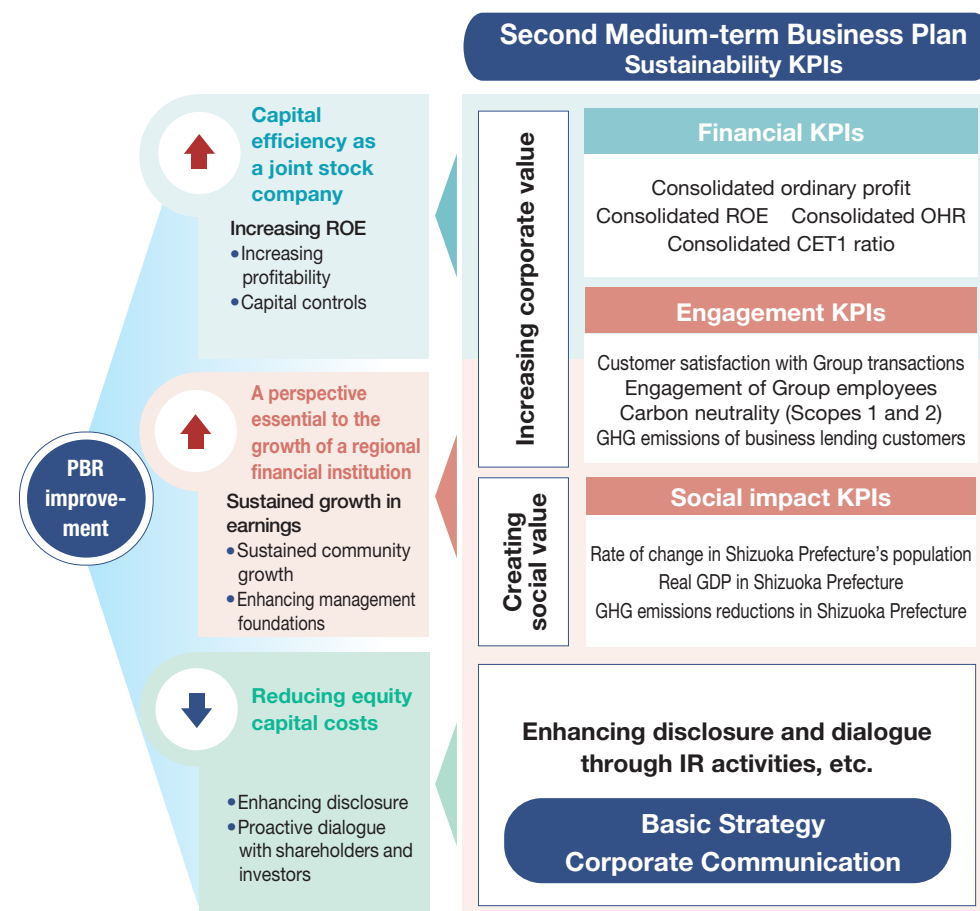
$$\text{PBR} = \text{ROE} \times \text{PER}$$

(return on equity) (price/earnings ratio)



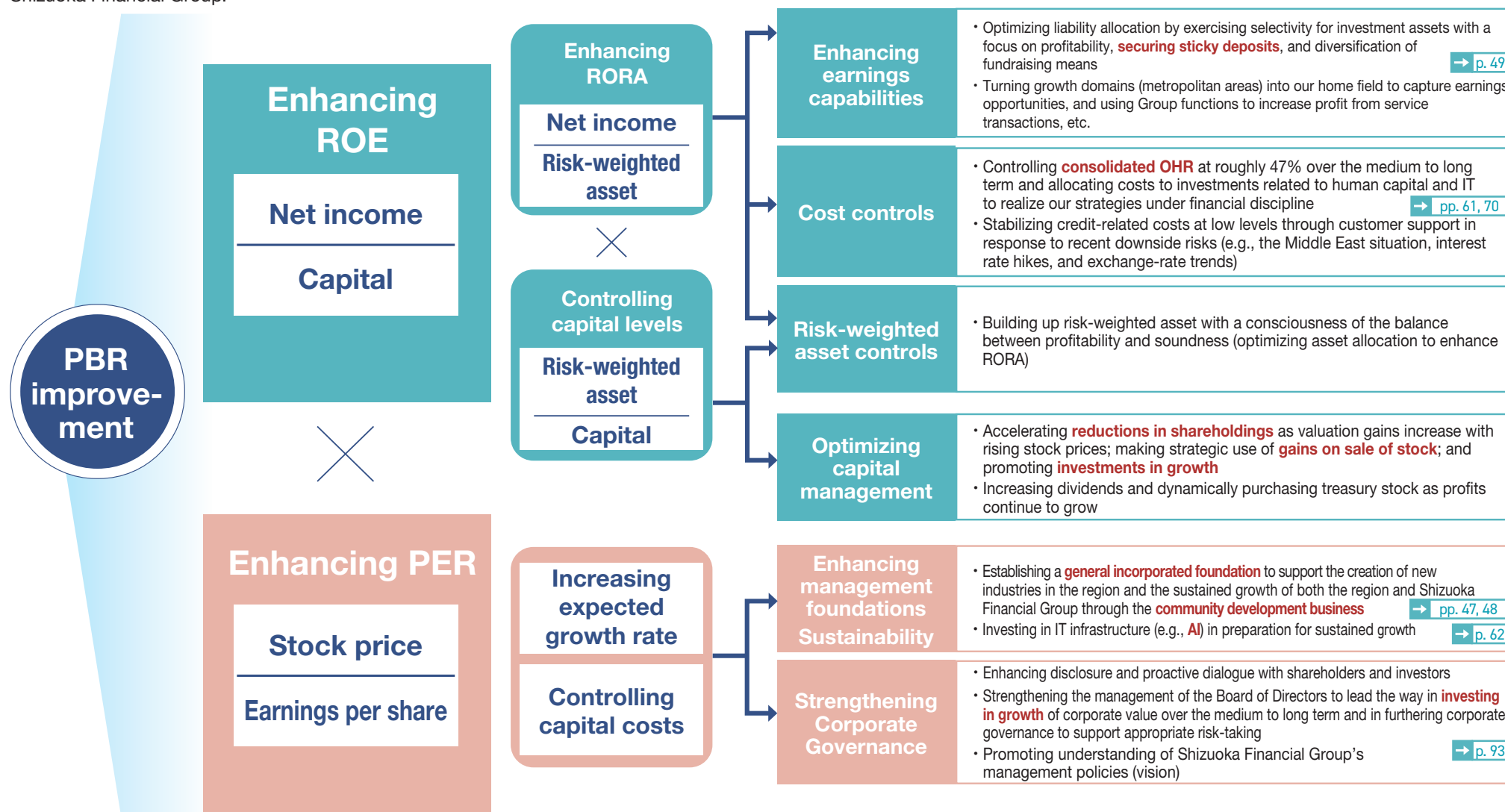
Our outlook on increasing corporate value

The Second Medium-term Business Plan's goal to maximize both corporate and social value and the basic strategy of corporate communication are directly connected to increasing PBR. We also continue efforts to achieve the sustainability KPIs, which will lead to stronger corporate value.



Logic tree to higher PBR

We plan to increase ROE by maintaining capital at appropriate levels while increasing earnings capabilities by strengthening the top line and controlling costs. Additionally, we plan to further increase PBR by increasing PER through enhancements to the management foundations and corporate governance leading to sustained growth for both the region and the Shizuoka Financial Group.



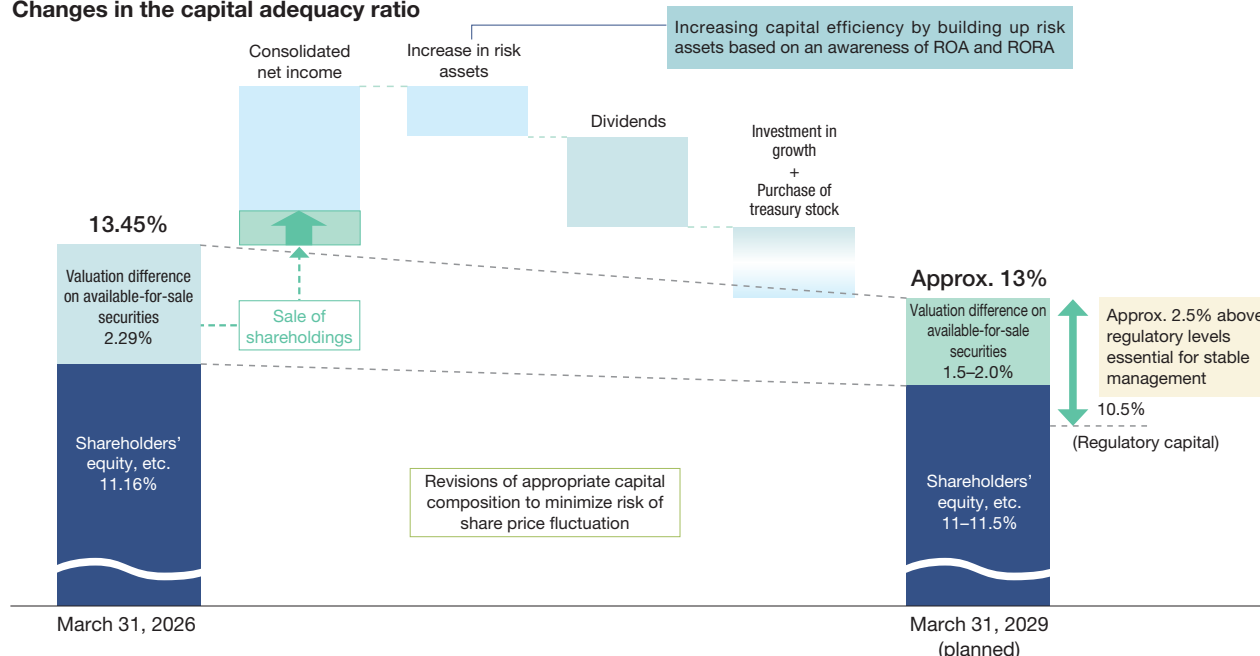
Capital management policy

Capital controls

* Based on full application of Basel III finalization

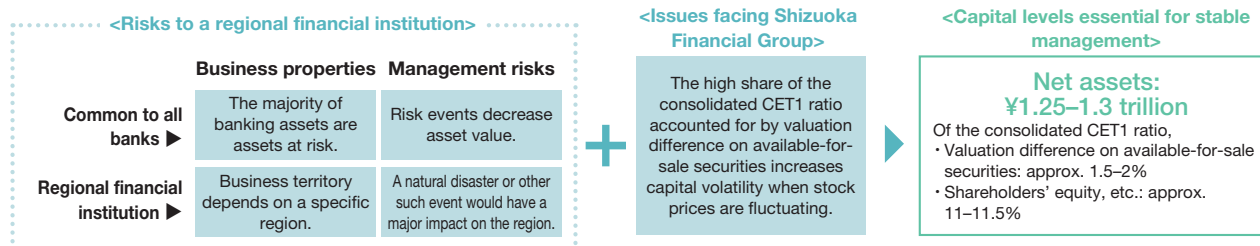
We will strive to optimize capital efficiency by allocating available funds for investments in growth to lead to enhanced earning power, etc., while continuing to enhance shareholder returns toward an appropriate capital level and structure.

Changes in the capital adequacy ratio



Perspectives on capital levels

- Pegging the level of capital needed to ensure stable management based on our growth strategies in light of the various risks faced by a regional financial institution
- Keeping valuation difference on available-for-sale securities, which is highly volatile amid fluctuating securities prices, to about 1.5–2% of the capital ratio



Policy on shareholder returns

Dividends	- Steadily increasing dividends to a dividend payout ratio of 50% or higher by FY2027; maintaining a dividend payout ratio of 50% or higher in FY2028 and beyond - Continuing to increase our dividend payments through sustained profit growth
Purchase of treasury stock	Increasing capital efficiency by allocating available funds for investments in growth to generate enhanced ROE and by using capital surplus to purchase treasury stock

Status of distribution of earnings to shareholders

	FY2025	FY2026 (forecast)	FY2028 (final FY of the 2nd Medium-term Business Plan)
Dividend per share	JPY 80.0	JPY 98.0	—
Dividend payout ratio	47.7%	49.8%	50.0% or higher
Total payout ratio	80.6%	—	—

Investment in growth

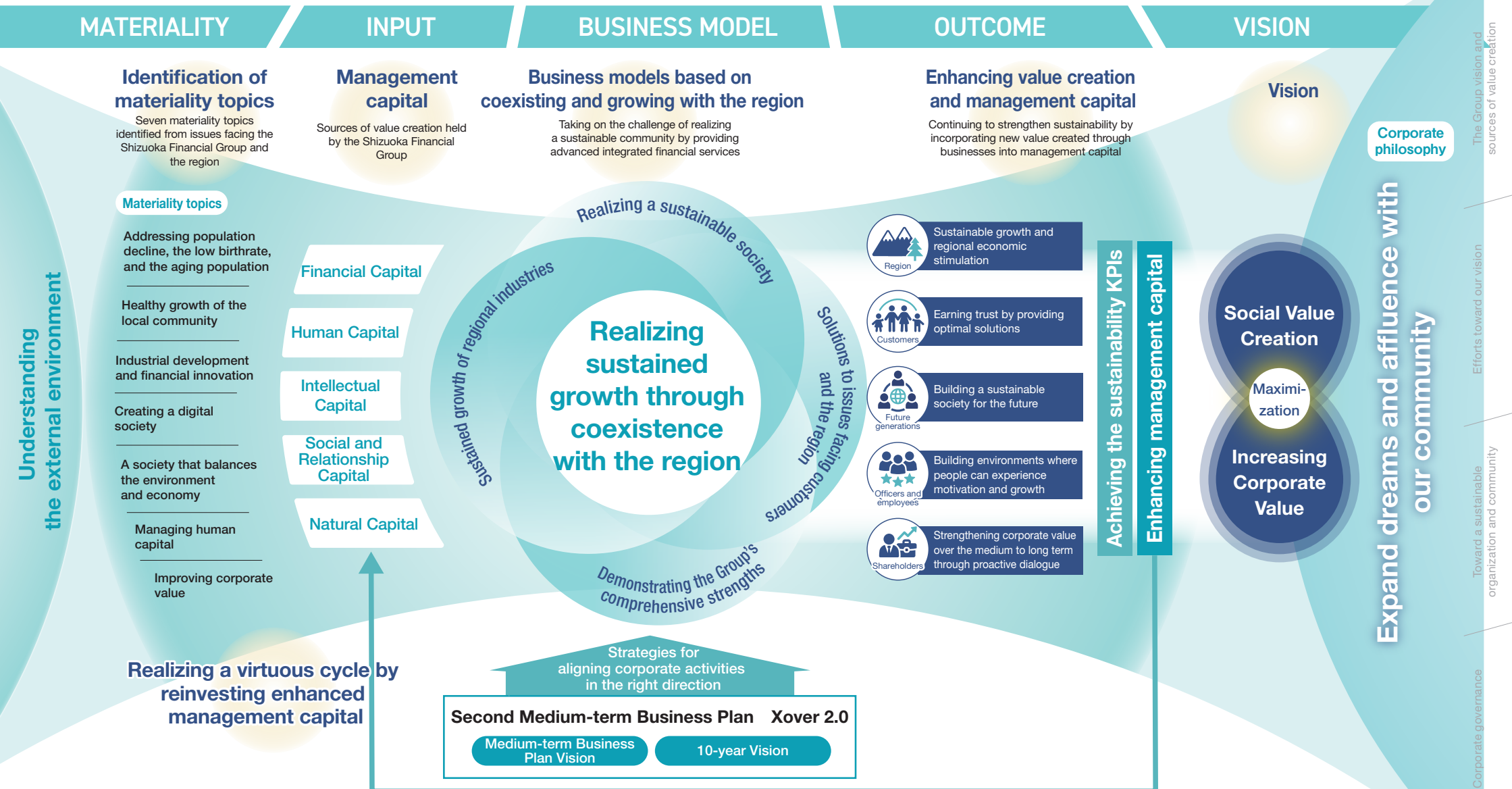
Strategic capital utilization to lead to topline growth and other goals with the aim of achieving the ROE targets

Examples

- M&As and new business development to secure new earning opportunities
- AI implementation to contribute to productivity improvement and expansion of earning opportunities
- Human capital investments to realize strategies
- Replacement operations to improve soundness and profitability of bonds portfolio

Shizuoka Financial Group's Value Creation Process

The Group draws on its management capital to deploy corporate activities to find solutions to materiality topics in accordance with our corporate philosophy: *Expand dreams and affluence with our community*. In this way, we seek both to create social value and to improve corporate value by providing diverse value to all our stakeholders.

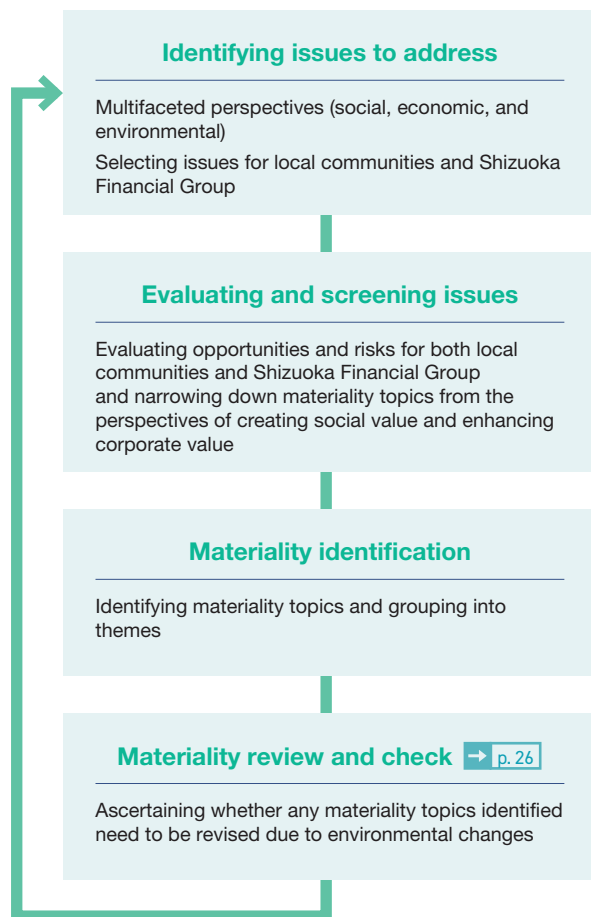


Our approach to identifying and seeking solutions to materiality topics

Maximizing efforts toward creating social value and increasing corporate value, Shizuoka Financial Group has identified several materiality topics with implications in the fields of society, economy, and environment. We intend to exert a positive impact on society by providing solutions that address these topics.

Materiality identification process

Materiality Identification Procedure



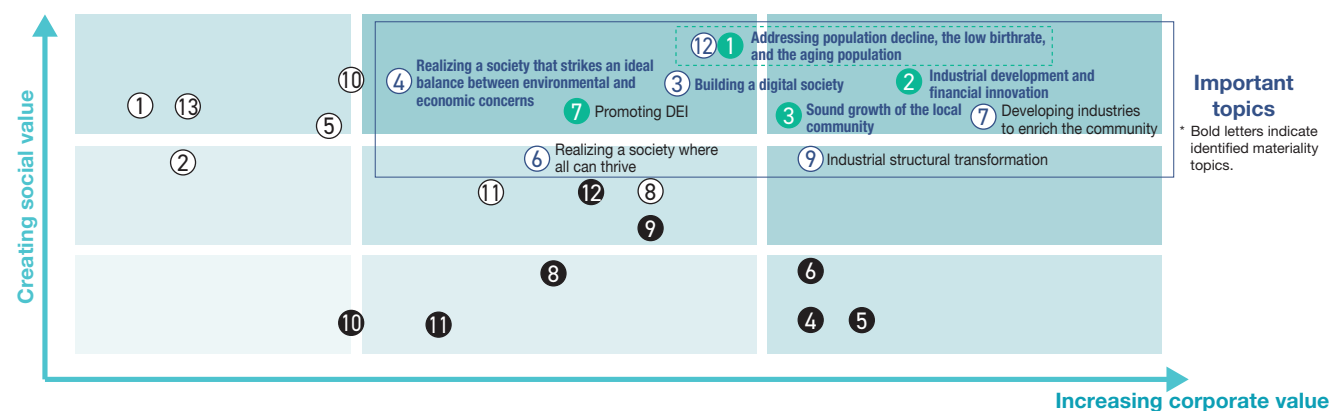
Identifying issues to consider and materiality topics

Issues to consider related to the community and Shizuoka Financial Group were identified from social, economic, and environmental perspectives. Community issues were identified from Shizuoka Prefecture's action plan, general plan, and other materials. They were further screened for topics common to the Group's business territory and those of its alliance partner banks.

The issues identified were mapped to prioritize topics essential to maximizing both social value creation and growth in corporate value and identify materiality topics.

Shizuoka Prefecture topics*	Shizuoka Financial Group topics
- Building safe communities - Enhancing reliable health and welfare for residents Building a digital society Realizing a society that strikes an ideal balance between environmental and economic concerns - Building a society in which children can grow healthy Realizing a society where all can thrive - Developing industries to enrich the community - Improving and communicating the appeal of the Fujinokuni region Industrial structural transformation - Promoting a green shift - Expanding exchange - Ongoing decline in birth rates and aging - Nankai Trough earthquake and increasingly severe natural disasters	Addressing population decline, the low birthrate, and the aging population Industrial development and financial innovation Sound growth of the local community - Expanding Group business domains (as existing businesses become less profitable) - Promoting new business development - Realizing digital transformation (DX) and implementing AI Promoting DEI - Reforming the organizational culture - Providing customer-centric products and services - Improving Group governance - Addressing increasingly complex and advanced security concerns - Developing eco-friendly products and services

* Selected from the issues identified in the Shizuoka Prefecture's New Vision Late-Stage Action Plan (FY2022–2025) and the Shizuoka Prefecture Comprehensive Plan (2025–2028)



To ascertain as necessary whether the identified materiality topics need to be revised in response to environmental changes, we collect opinions and engage in dialogue from various perspectives through the following framework.

Reverification of materiality topics by the Medium-term Business Plan Formulation Committee

The First Medium-term Business Plan launched in FY2023, generated results by intensifying the regional co-creation strategy and taking on new business domains. Meanwhile, the Group's internal and external environments are undergoing rapid, structural changes that include the changing interest rate environment, accelerating depopulation and digitalization in the region, and changing stakeholder values and behavior.

In July 2025, to reflect these environmental changes in its management strategies, the Group decided to formulate a new Medium-term Business Plan. At the same time, we formed a Medium-term Business Plan Formulation Committee with membership chosen broadly across Group companies to verify and deliberate on courses of action for our medium- to long-term vision and strategies and the validity of materiality topics, from multifaceted points of view.

With a membership drawn from a diverse range of ages and job titles, the Formulation Committee studied priority topics that the Group must address over the medium to long term and strategic courses of action for addressing them, including the need to review materiality topics in response to environmental changes and stakeholder expectations.



Results of verification

The Formulation Committee reviewed and verified various issues facing Shizuoka Prefecture and the Group. It found that while certain topics concerning issues facing Shizuoka Prefecture must be revised, no major changes were required regarding essential courses of action, and that the issues facing the Group remained largely unchanged from the time the materiality topics were identified. At the same time, since internal and external environments are changing dramatically, while the materiality topics themselves were left unchanged, the approaches to the materiality topics were revised in response to the changing environment. This was reflected in the Second Medium-term Business Plan. We will continue to verify the correspondence between materiality topics and management strategies while accurately identifying changes in society, the region, and stakeholders to promote initiatives for sustained value creation.

Medium-term Business Plan Formulation Committee Silicon Valley Training Session

About 20 members of the Formulation Committee were sent to Silicon Valley to collect information on subjects such as the latest business trends, for use in studying the plan and the materiality verification process.



Main programs

- Lecture at Stanford University
- Discussions with a US fund in which The Shizuoka Bank is investing and Japanese startup managers
- Discussions with Silicon Valley CVCs of Shizuoka Prefecture firms

Advisory Board

The Advisory Board, a management advisory committee to the President (CEO), seeks to ensure objectivity and improve sustainability in the execution of management and to promote initiatives to provide solutions to materiality topics. Board membership includes external experts from various fields, who offer advanced views based on their wealth of experience.

Comments from the Advisory Board are reflected when considering various matters to adapt to changing environments and realize Shizuoka Financial Group's vision.

Key themes in FY2025

- Efforts to enhance regional financial strength
- Forms of facilities to create social value
- Stakeholder communication to create social value

Advisory Board members (FY2025)

Kazutoshi Inano (former Deputy President and Co-COO, Nomura Holdings) *¹
 Akie Iriyama (Professor, Waseda University Graduate School)
 Takeshi Kageyama (Representative Director, Hamanako Shachu Corporation) *²
 Fumiko Kato (CEO, Wamazing Inc.)
 Mio Takaoka (Venture Advisor, DNX Ventures)
 Takuya Nakata (Chairman of the Board of Directors, Yamaha Corporation)
 Naoko Nemoto (Professor, Waseda University Graduate School) *²
 Kumi Fujisawa
 (Chairperson, Institute for International Socio-Economic Studies, Ltd.) *¹

Katsunori Nakanishi
 (Chairman, Shizuoka Financial Group) (at time of FY2025 meeting)
 Hisashi Shibata (President & CEO, Shizuoka Financial Group)

(The above members are listed in Japanese syllabary order;
 *¹ Shizuoka Financial Group Outside Director; *² Shizuoka Bank Outside Director)

Our approach to seeking solutions to materiality topics

Based on the opportunities and risks associated with the materiality topics identified, we will effectively deploy a wide range of measures that lead to solutions, while identifying internal and external environmental changes.

We will also identify outputs and outcomes corresponding to each materiality topic and ascertain the progress on sustainability KPIs to make a positive impact on society as we seek to achieve our missions of creating social value and strengthening corporate value, through the plan-do-check-act (PDCA) cycle.

Materiality		Environmental changes, understanding of issues	Major opportunities, risks		Key initiatives in FY2025	FY2026 keywords	Outputs (excerpt)	Outcomes	Impacts
Society	Addressing population decline, low birthrates, and the aging population	•Shrinking labor population •Intensifying labor shortages and more advanced labor requirements in the regional economy	Opportunities	Business development based on generating related population	•Relocation measures by the Mt. Fuji-Alps Alliance (relocation support loans, HR matching, etc.) •Cooperation with university in the Philippines to hire global human resources •Establishment of Shizuoka Community Development Consulting Co., Ltd. •Launch of social-contribution products (loans, deposits)	Accelerating the practical implementation of various strategies to realize value creation	•Wide-area tourism plans •Results of cooperation with local governments •Number of HR solutions •Number of relocation support loans handled	Growth in related population in Shizuoka Prefecture	Rate of change in Shizuoka Prefecture's social population (continual increase)
			Risks	Regional economic contraction		Initiatives in co-creation domains			
	Healthy growth of the local community	•Increasing importance of asset formation in a time of 100-year lifespans •Diversifying customer values and needs with progress in digital technologies	Opportunities	Growing demand for asset formation	•Enhancing consulting functions using Shizugin Consulting Lounges •Production of Momotetsu Investment Quest, a game that teaches finance •Life planning consulting offered by The Shizuoka Bank and Shizugin TM Securities	Community development business	•Number of participants in financial and economic education •Number of NISA accounts opened •Ratio of value added group life insurance sets	Growth in residents relocating to Shizuoka Prefecture	
			Risks	Insufficient adaptation to increasingly diverse customer needs		Total asset sales			
Economy	Industrial development and financial innovation	•Diversification and advancement of management topics •Industrial structural changes, shift toward growth fields •Enhancing asset businesses (investment, fundraising) and non-asset businesses (fee businesses) for a world of positive interest rates	Opportunities	Growing solutions opportunities associated with the diversification and advancement of management topics	•TECH BEAT Shizuoka held •Fund established on the theme of impact investment •Wide-area cooperation related to auto-industry support •Balance Sheet Management Consortium established •Stimulation of sales activities through increasing number of sales calls •Establishment of new business creation support schemes for regional firms using a newly established general incorporated foundation	Startups, growth businesses	•Number of TECHBEAT Shizuoka attendees •Number of VC debt loans executed •Number of side-by-side support cases for positive impact finance customers •Number of business succession / M&A solutions •Number of business revitalization support cases	Increasing the number of companies in Shizuoka Prefecture	Shizuoka Prefecture GDP (continual growth)
			Risks	Declining business performance due to inadequate or slow adaptation to social structural changes		New businesses, capital alliances, M&As			
	Creating a digital society	•Need to reform customer contact points in line with behavioral changes •Entry of firms from other industries to the financial field •Rapid spread of AI	Opportunities	Growing solutions opportunities based on advancing digitalization	•Group AI policy established •Made a regional firm a subsidiary to enhance regional settlement service functions •Supporting digital transformation (DX) of SMEs •Cybersecurity enhancements •Launching demonstration testing using NFTs	Deposit/loan businesses	•Number of customer digital transformation (DX) support cases •Number of cases of generative AI use within the organization •Number of stores adopting Shizugin merchant services	Increasing the corporate growth rate	
			Risks	Declining business performance due to inadequate or slow adaptation to digitalization		AI			

Materiality		Environmental changes, understanding of issues	Major opportunities, risks		Key initiatives in FY2025
Environment	Society that balances the environment and economy	•Demand for environmental and human rights considerations in products and services •Strengthening of environmental regulations and demands for disclosure •Increasing requirements in supply chains	Opportunities	Increasing and expanding needs for new solutions related to decarbonization and biodiversity	•Spread and promotion of environmental finance •Launch of Shizuoka GX Support Z •Expanding use of renewable energy •Holding biodiversity seminars •Launching carbon-offset leases using J-Credits
			Risks	Declining business performance and reduced trust due to natural disasters or stricter regulations	
Employees	Managing human capital	•Diversifying workstyles and values •Maximizing individual and organizational performance •Further acceleration of integrity improvement and DEI	Opportunities	Developing diverse human resources Strengthening motivation through organizational cultural reforms	•Enhancing town hall meetings (expanding the scope of speakers and participants) •Enhancing midcareer hiring •Studying systems to realize diverse workstyles •Robustly flat communications training •Adopting an autonomous career support program •Launching a value creation program
			Risks	Loss of human resources Strategic stagnation due to reduced motivation among officers and employees	
Shareholders	Improving corporate value	•Further advances in Group management and sustainability management •Building shareholders to support medium- to long-term growth in corporate value (e.g., shareholders in the region) •Increasing capital efficiency	Opportunities	Enhancing shareholder returns Increasing shareholders in the region	•Further enhancement of shareholder returns (Steadily increasing the dividend payout ratio Increasing capital efficiency by purchasing treasury stock)
			Risks	Low stock price Reduced trust from stakeholders	

FY2026 keywords	Outputs (excerpt)	Outcomes	Impacts
Sustainability	•Number of customers for GHG emissions calculation services •Number of customers for GHG emissions reduction services •Figures for executed environmental finance •Number of J-Credit generation support cases •Renewable energy ratio	Promoting carbon neutrality GHG emissions reductions by business loan customers	Rate of reduction of GHG emissions in Shizuoka Prefecture (down 46% vs. FY2013) * FY2030
Human capital investment	•Number of strategic human resources (value-creating human resources, problem-solving human resources, digital human resources, AI human resources) •Career match •DEI, workstyle reform KPIs	Improved Group employee engagement Improved gross operating profit per employee	Employee well-being (engagement indicator)
Capital policies			
Corporate communication	•Topline growth •Controlling capital levels	Higher capital efficiency Higher stock price	Financial targets (earnings, efficiency, soundness)

Sources of Competitive Advantages

Intellectual capital

Group structure

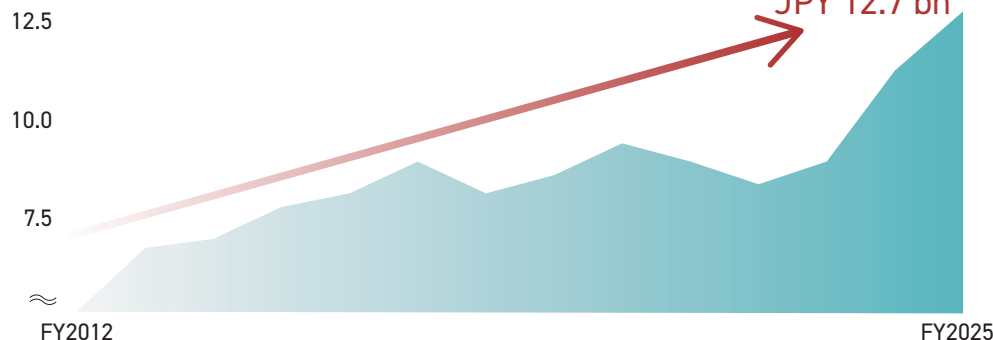
As a financial holding company, Shizuoka Financial Group has 25 principal group companies shown in the chart (including equity-method affiliates and certain nonconsolidated subsidiaries) as of July 1, 2026, operating in banking, securities, leasing, and other businesses to offer a broad range of services to customers in the region. As it continues to expand its range of solutions, whether by taking on the challenges of new business domains, forging alliances with partners in other industries, or strengthening collaboration and synergies among Group companies, it will continue to maximize efforts toward creating social value and increasing its own corporate value.



Earning capabilities of consolidated subsidiaries

Trend in total ordinary profit of consolidated subsidiaries (excluding The Shizuoka Bank)

(JPY bn)



Breakdown of ordinary profit of Shizuoka Financial Group subsidiaries (FY2025)

(JPY bn)



Breakdown of ordinary profit of Shizuoka Bank subsidiaries (FY2025)

(JPY bn)

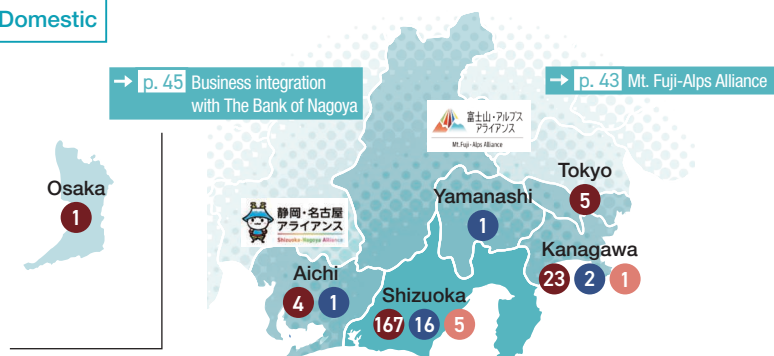


Social and relationship
capital

Extensive domestic and international networks

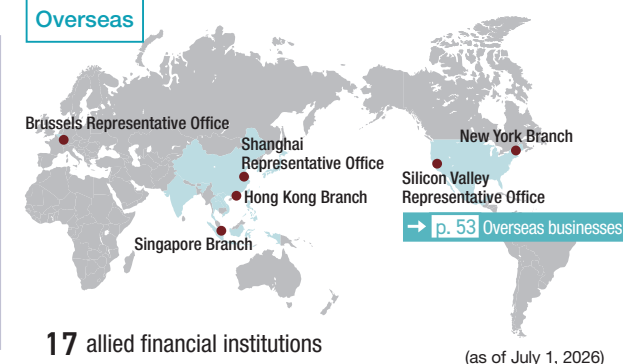
Shizuoka Financial Group's network in Japan centers on Shizuoka Prefecture but encompasses Kanagawa Prefecture and other nearby regions, as well as Aichi and Yamanashi Prefectures in which allied partner financial institutions do business. We currently operate 226 domestic business sites. The Group's international network, which supports overseas business operations by our customers, includes six overseas sites (three branches and three representative offices) and 17 partner financial institutions. While implementing global strategies and region-specific initiatives under the Second Medium-term Business Plan, the Group keeps in touch with customers to provide optimal services suited to the needs of our customers and communities.

Domestic



- The Shizuoka Bank
206 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)

Overseas

Social and relationship
capital

Strong customer base

→ p. 49 Fundraising strategy

Supported by customer trust earned over many years, The Shizuoka Bank's deposit balance is among the highest for non-allied regional banks. Its market share of around 40% is the highest in Shizuoka Prefecture and a sign of its competitive strength.



* FY2025 average balance / March 31, 2026 share

Financial capital

Sound financial standing

→ p. 23 Capital management policy

Shizuoka Financial Group's assets and earnings capabilities are among the highest of regional financial institutions. Its finances are characterized by remarkable soundness, including a capital adequacy ratio of 15.60% and less than 1% (0.78%) of loans under risk management.



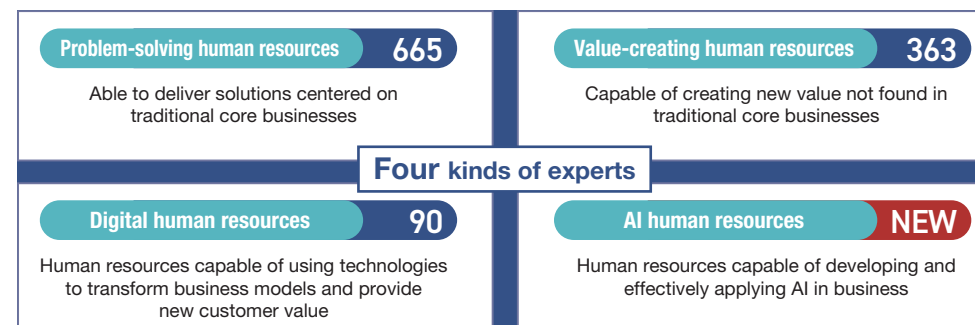
Human capital

Diverse and expert human resources

→ p. 71 Strategic human resources

In addition to problem-solving human resources capable of proposing optimal solutions to issues facing customers, we're developing a diverse and expert pool of human resources, including value-creating human resources capable of creating new value, digital human resources capable of strategically applying digital technologies and data, and AI human resources capable of effectively applying AI.

Group total officers and employees*: 4,226 (as of March 31, 2026) * Excluding irregular employees



The region's potential

Shizuoka Prefecture, our main market, is a transportation hub connecting the Tokyo metropolitan area to the Chukyo region centered on Nagoya and is home to extensive transportation infrastructure, including expressways, high-speed rail lines, ports, and airports. Backed by its advantageous location, diverse industries—including vehicles, food products, medicine and healthcare, and optic and advanced technologies—have clustered across the prefecture, earning it the sobriquet of an industrial department store and a reputation as one of Japan's leading manufacturing prefectures. The region is also blessed with abundant natural capital, including Mt. Fuji, the Southern Alps, and Suruga Bay, and has significant growth potential, supported by its diverse industrial base and rich regional resources.

Major industries

West

Vehicles
Musical instruments
Optic and advanced technologies

Central

Food products
Logistics, marine transport
Hobbies

East

Paper, pulp
Pharmaceuticals, medical devices
Tourism, accommodations



Nature

→ p. 83 Environmental initiatives

With approximately 60% of its land surface covered by forest, Shizuoka Prefecture is characterized by the coexistence of an abundant natural environment and diverse ecosystems. A warm, comfortable living environment, however, is impacted by global warming, which has raised concerns. In 2025, the city of Shizuoka recorded a temperature of 41.4°C, the second highest in history.

Environmental conservation area
(as of March 31, 2026)

5,290 ha

(Fifth highest in Japan)

Sources: Ministry of the Environment, "Environmental Conservation Area Statistics by Prefecture"; Japan Meteorological Agency website

Average temperature
(2025)

18.2°C

Highest temperature
(August 2025)

City of Shizuoka:
41.4°C

Chubu Odan Expressway

Southern Japan Alps



Named a UNESCO Ecopark

Pharmaceuticals,
medical devices



Papermaking



Port of Tagonoura

Mandarins



Port of Shimizu



Modeling,
plastic model kits

Port of Yaizu



Tuna, bonito

Suruga Bay

Japan's deepest bay, with a maximum depth of 2,500 m

Port of Omaezaki

Mt. Fuji



Nirayama Reverberatory Furnaces



World Cultural Heritage Site

Mishima Skywalk



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. With more than 20 million overnight guests per year, it welcomes numerous tourists from across Japan and around the world. Tourism is a major industry that supports the prefectural economy, with annual travel consumption of JPY 661.0 bn.

Overnight stays (2025)

22.4 million guests

(ninth highest in Japan)

Travel consumption (2024)

JPY 661.0 bn (sixth highest in Japan)

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

Lake Hamana

Shin-Tomei Expressway

Tomei Expressway

Optoelectronics
industry



Musical instruments



Automobiles, motorcycles



Mandarins



富士山静岡空港
Mt. Fuji Shizuoka Airport



Green tea

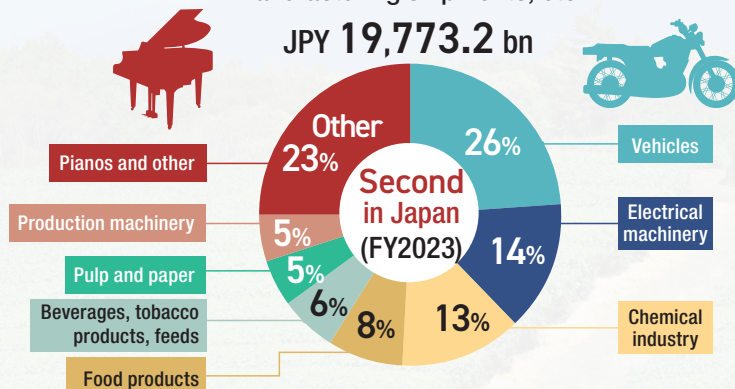


Manufacturing

Shizuoka Prefecture's prefectural GDP, the 10th highest of any prefecture in Japan, accounts for 3% of the national GDP. Its product shipments by value rank second highest in Japan. It ranks first in Japan by value in shipments and exports of the major products of motorcycles and pianos. Its traditions and technologies are highly regarded in Japan and worldwide. Various projects support regional industrial development, including the Pharma Valley Project, which aims to build medical and healthcare clusters and support research and development, and the Photon Valley Project, which strives to find real-world applications and sales channels for electronics technologies.



Manufacturing shipments, etc.



Prefectural GDP (FY2023)

JPY **19,118.2 bn** (10th highest in Japan)

Exports of motorcycles and motorized bicycles (FY2025)

JPY **209.4 bn** (1st in Japan)

Production of pharmaceuticals and medical devices by value (2024)

JPY **1.0585 tn** (2nd highest in Japan)

Manufacturing shipment (FY2023)

JPY **19,773.2 bn** (2nd highest in Japan)

Piano shipments by value (2023)

JPY **22.0 bn** (1st in Japan)

Number of plant locations (2025)

39 (6th 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)"; "Survey on Factory Location Trends"; Shizuoka Prefecture website



Agriculture and fisheries

Shizuoka Prefecture is distinguished by a wide range of agriculture products that flow from its abundant natural blessings and warm climate and a fisheries industry centered on Suruga Bay. The key crops of mandarins and unprocessed green tea are well-known across Japan, for which the prefecture ranks high in both shipments and production. The ports of Yaiza and Shimizu along Suruga Bay net in abundant catches of diverse seafoods, including bonito, tuna, and sakura shrimp (caught in Japan only in Suruga Bay).



Standard satsuma mandarin shipments (2025)

54,800 t (1st in Japan)

Bonito catch (2025)

65,100 t (1st in Japan)

Unprocessed tea production (2025)

24,100 t (2nd highest in Japan)

→ p. 53 Promoting the region's economic tea industry and supporting overseas market development

Sources: Ministry of Agriculture, Forestry and Fisheries, "Overview of Agriculture, Forestry and Fisheries in Shizuoka Prefecture," "Sea Surface Fishing Production Statistics Survey"; Shizuoka Prefecture website



Population

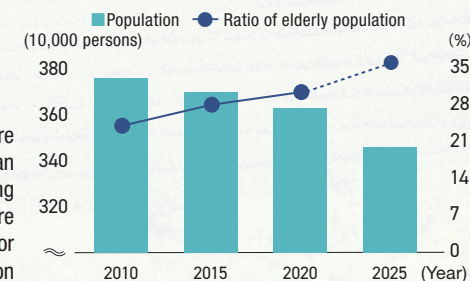
Like other regions across Japan, Shizuoka Prefecture is facing the major issues of low birth rates, an increasingly elderly population, and shrinking populations. Continuing outflows from the prefecture resulted in a population below 3.5 million in 2025 for the first time in 42 years. Nevertheless, the region has the potential to boost its related population, as evidenced in its rankings near the top of regions to which people would prefer to relocate.

Population (as of October 1, 2025)

3.47 million (10th highest in Japan)

Net population outflow (2025)

7,919 (47th highest in Japan)



Ranking among regions to which people would like to relocate (2025)

4th in Japan

→ p. 43 Initiatives to encourage relocation

Sources: Statistics Bureau, Ministry of Internal Affairs and Communications, "National Census Report," "Basic Residents' Register Population Trends Report"; JOIN-FURUSATO, "Ranking of Regions to which People Would Like to Relocate"

Management strategies for value creation—Evolution of management strategies

The transition to a holding company, both to respond to banking deregulation and to enhance Group management, led to the progress under the First Medium-term Business Plan, in which we strengthened the earning capabilities of Group companies to industry-leading levels and lifted PBR above the key threshold value of one. In these and other ways, the steps taken under the plan have kept us on track toward the FY2027 targets.

Nevertheless, the business environment is changing at an accelerating pace in ways not anticipated at the time the plan was formulated. In response, to continue our efforts toward achieving further growth without interruption, we have decided to formulate and launch a new Medium-term Business Plan after just three of the five years covered by the First Medium-term Business Plan.

Second Medium-term Business Plan

Toward even higher levels

First Medium-term Business Plan

Transitioning to the autonomous growth of Group companies and to an approach based on sustainability management

14th Medium-term Business Plan

Moving away from bank-centric management

■ Extending low interest rate policies

- Expanding partnerships with other industries
- Alliances formed with two regional banks
- An expanded solutions menu



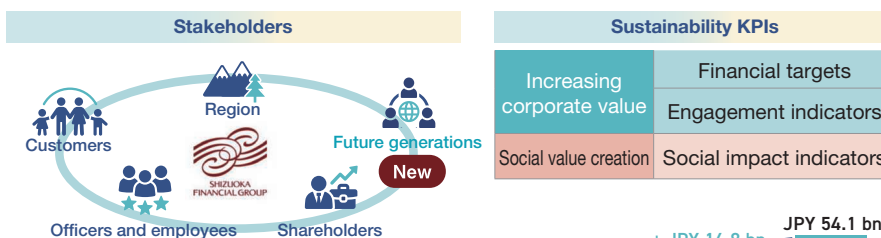
■ Emergence of fintech and net banking; the COVID-19 shock

- Launched first open next-generation accounting system for a Japanese bank
- Consolidation and optimization of branch functions and human resources

Establishing the Shizuoka Financial Group

■ Growing awareness of social and sustainability issues

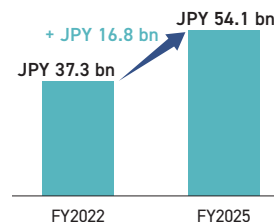
Sustainability KPIs defined as gauges of sustained growth for both the region and Shizuoka Financial Group; adding **future generations** as new stakeholders



■ Banking deregulation

Establishing **new companies** to contribute to solutions to materiality topics while sharply growing Group company earnings capabilities

Net fees and commissions (consolidated)



■ Tokyo Stock Exchange reforms (management based on awareness of capital costs and stock price)

Achieving PBR of one through capital management with an awareness of ROE and proactive shareholder returns



Second Medium-term Business Plan formulated **two years ahead of schedule** to adapt management strategies, which serve as roadmaps for growth, to the changing environment

■ Transitioning to a world of positive interest rates

Keywords

Selecting assets based on an awareness of returns on investment
Importance of stable fundraising with slowing growth in deposits

■ Evolution of AI and digital technologies

Keywords

AI implementation is **directly connected** to competitive advantage.

■ Changing customer behavior and diversification of values

Keywords

Customer contact, stakeholder relations

■ Sense of urgency regarding regional growth

Keywords

Depopulation, aging population, low birth rates, coexistence and shared prosperity with the region

Changes in the external environmental and management strategies

FY2019

FY2022

FY2023

FY2024

FY2025

0.40

0.57

0.85

0.94

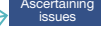
1.49

1.75
(June 2026)

Market capitalization (JPY tn)
(end of each FY)

Review of the First Medium-term Business Plan

Progress and evaluations of sustainability KPIs, issues for the future

Increasing corporate value			Commitment indicators		FY2027 plans		FY2025 results		Assessment		Current state	
Financial targets	Profitability	Consolidated ordinary profit	JPY 145.0 bn or more	JPY 130.3 bn	○	+	In addition to net interest income growth backed by rising interest rates, we achieved growth in fees and commissions generated by Group functions.					
		Efficiency	Consolidated ROE (Based on net assets)	Approx. 8.5%	7.5%	○	+ -	Steady profit growth groupwide led to higher ROE. The high level of equity capital constitutes downward pressure on ROE.				
	Consolidated OHR		Controlled at approx. 50%	58.4% (46.0%)*1	○	+	Generating investment capacity by revising fixed asset valuations in addition to top-line growth while controlling expense levels					
	Soundness	Consolidated CET1 Ratio	Approx. 13%	15.60% (13.45%)*2	▲	-	Due mainly to increasing valuation gains on shareholdings as a result of rising stock prices, the CET1 ratio remains higher than the target level.					
*1 Based on core gross operating profit *2 Estimates calculated under full application of finalized Basel III framework												
Engagement KPIs			Targeted indicators		FY2027 plans		FY2025 results		Status of initiatives toward achievement of KPIs			
Social impact KPIs	Social impact KPIs	Customer satisfaction with Group transactions*1	Increase from the Previous Fiscal Year	Previous Fiscal Year: +4.6 pt YoY	Strengthening Group functions SFG Marketing  Branding support Global HR referral SFG Real Estate Investment Advisors  Real estate asset management Real estate related businesses Tokyo Gas Lease Nissenren Shizuoka  Real estate development support Harnessing digital technologies and data Enhancing investments in human capital							
		Group employee engagement *2	4.0 or higher	3.86 (+0.05 pt YoY)	Building a regional platform for decarbonization Shizuoka Carbon Neutral Finance Consortium  Other financial institutions  Japan Federation of Credit Guarantee Corporations  Local governments  Universities, research institutions  Supporting reductions  Ascertaining issues  Visualization (calculation)							
		Carbon neutrality (Scopes 1 and 2)	Achieved (FY2030)	(vs. FY2013) -97.2%	Local production and consumption of renewable energy Shizugin Lease Start of demonstration testing in the power business							
		Rate of decrease in GHGs in Shizuoka Prefecture	-46% vs. FY2013 (FY2030)	Local production and consumption of renewable energy Shizugin Lease Start of demonstration testing in the power business								
Rate of social change in Shizuoka Prefecture's population	Continuously increasing	 静岡・山梨 アライアンス  富士山・アルプス アライアンス  静岡・名古屋 アライアンス Evolution of alliance strategies Adding Hachijuni Nagano Bank as a new member  Shizuoka-Yamanashi Alliance  Mt. Fuji-Alps Alliance  Shizuoka-Nagoya Alliance Enhancing efforts to bring people to the region through relocation promotion projects and other activities undertaken jointly by the three banks Further strengthening corporate value by enhancing regional financial strength										
Real GDP in Shizuoka Prefecture	Sustained growth	Establishing the Shizuoka Mirai Cocreation Foundation Supporting the creation of new regional industries Operating co-creation facilities  Providing events and programs  Offering side-by-side project support										

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

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

Management strategies for value creation— Second Medium-term Business Plan

[Period: FY2026-2028]

Xover
(Crossover)
2.0 Into the future together

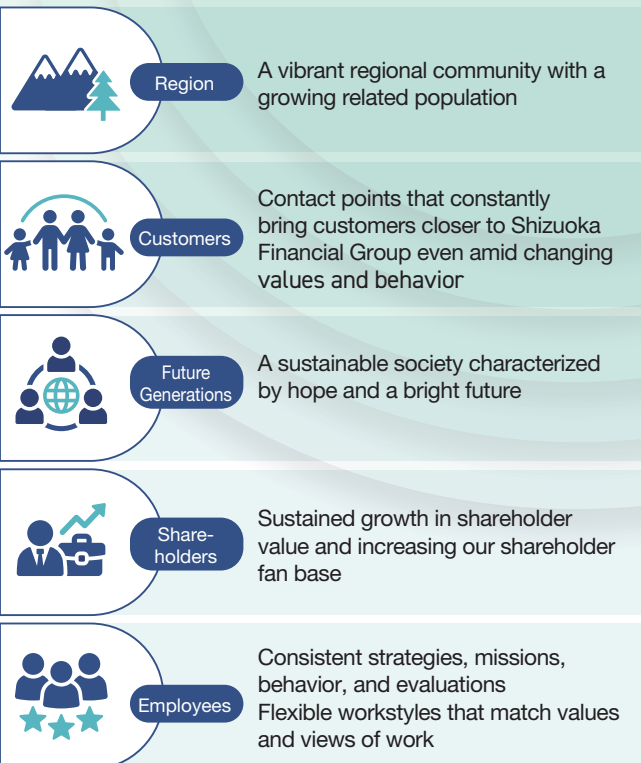
10-year Vision

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

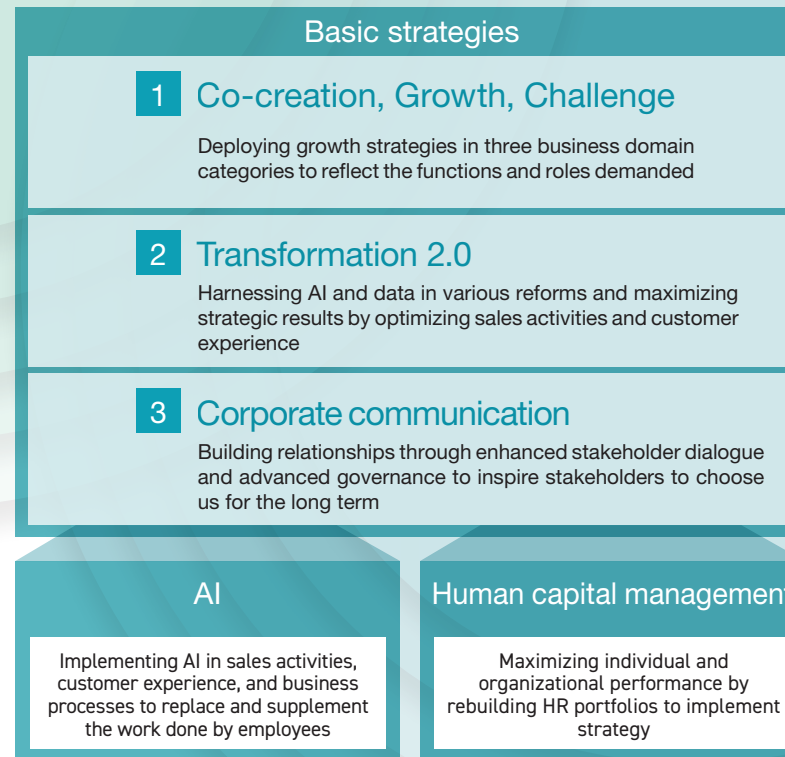
Business Plan Vision

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

The desired state for stakeholders



Strategies to realize the vision



KPIs



Sustainability KPIs

* Red text indicates changes from the First Medium-term Business Plan.

Increasing corporate value			Indicator	FY2028 targets	Future courses of action and issues
Creating social value	Financial targets	Profitability	Consolidated ordinary profit	JPY 170.0 bn or more	- Maximizing net interest income through appropriate balance sheet controls - Using capacity for investment to capture momentum for inorganic growth
			Consolidated ROE (Based on net assets)	Approx. 9.5%	- Building a structure for sustained earnings independent of rising interest rates Controlling capital to levels needed to achieve the ROE target
		Efficiency	Consolidated OHR	Approx. 47%	Aggressively investing in business infrastructure to support future growth strategies, including AI and human capital, premised on appropriate financial discipline
		Soundness	Consolidated CET1 Ratio	Approx. 13%	Improving capital efficiency through investments in growth, shareholder returns, etc.
	Engagement KPIs	Commitment indicators	Customer satisfaction with Group transactions*1	UP YoY	- Communication to promote value co-creation with stakeholders Improving convenience and functionality at each customer contact point (both real and digital)
			Group employee engagement*2	4.0 or higher	- Rebuilding the HR portfolio (training, hiring, reassignment) - Skills reforms premised on collaboration with AI
			Shizuoka Financial Group's GHG emissions (Scopes 1 and 2)	Carbon neutrality achieved (FY2030)	- Achieving net zero emissions for the Group through renewable energy - Accelerating support for decarbonization across the region by enhancing related solutions - Promoting nature-positive initiatives
			New GHG emissions by commercial borrowers*3	Reduced YoY in each year	
	Social impact KPIs	Continually targeted indicators	Rate of decrease in GHGs in Shizuoka Prefecture	-46% vs. FY2013 (FY2030)	- Enhancing efforts to grow related populations through joint efforts with alliance banks and other entities Supporting new business creation by regional firms (e.g., the efforts of the newly established general incorporated foundation) - Enhancing Group functions to demonstrate regional financial strength
			Rate of social change in Shizuoka Prefecture's population	Sustained growth	
			Real GDP in Shizuoka Prefecture	Continuously increasing	

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

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

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

Outside Directors' Roundtable

Results of and issues with Shizuoka Financial Group's initiatives to increase corporate value

We spoke with three Shizuoka Financial Group Outside Directors and asked them to provide, from the perspective of management oversight, their candid opinions on the results of the First Medium-term Business Plan, courses of action indicated in the Second Medium-term Business Plan, and their expectations for the business integration with The Bank of Nagoya. They also mentioned key aspects of their expectations for executive sections as part of efforts to increase corporate value.



Outside Director

Kazutoshi Inano

Outside Director

Kumi Fujisawa

Outside Director (Audit & Supervisory Committee Member)

Kazuto Tsubouchi

What are your thoughts on Shizuoka Financial Group's current position in increasing corporate value through the execution of the First Medium-term Business Plan?

Inano: The interest rate environment changed dramatically during the period covered by the First Medium-term Business Plan. The Shizuoka Financial Group adapted effectively to these changes. A world with positive interest rates has presented business opportunities based on growing the spread between deposits and loans, while making it essential to strengthen fundraising. We discussed this point repeatedly in the Board of Directors and made progress in various areas, including enhancing the foundations for fundraising and revising the overall investment strategy. This led to sharp growth in financial results, which, combined with enhanced shareholder returns, resulted in a PBR of more than one.

The First Medium-term Business Plan also called for both creating social value and increasing corporate value. It's significant that the entire organization made progress toward these goals.

Tsubouchi: A world with positive interest rates provides favorable tailwinds for a financial institution, but that alone isn't enough to explain the growth in financial results. I'm impressed by how the entire Group has grown stronger. Group companies made solid contributions to earnings, and the structure for generating profits in non-banking businesses is stronger. The Group made steady progress under the First Medium-term Business Plan in moving toward an earnings structure that isn't dependent on banking.

Fujisawa: The demands of the market are being communicated clearly, and Group management is stronger. A major contributing factor has been the transformation within our execution functions. Group companies can now make active proposals regarding new businesses and other topics, and management and human resources are willing to consider and accept them. I see the period covered by the First Medium-term Business Plan as a time of generating a vision for the organization after transitioning to a holding company structure. The Group has finally reached the launchpad, the stage of realizing this vision under the Second Medium-term Business Plan. It's ready to advance to the next stage not just in terms of finances, but the organization and human resources.

Q How do you view the Second Medium-term Business Plan in light of the results of the First Medium-term Business Plan?

Inano: I don't think the targets of the First Medium-term Business Plan were especially ambitious, but it's important to achieve them ahead of schedule, and sharing, across the organization, this successful experience, which has earned respect both inside and outside the Group, seems to have inspired confidence and pride among many in the organization, not just management. That should serve as a source of energy for taking on future challenges.



Tsubouchi: I'm impressed that the Second Medium-term Business Plan is more than just an extension of the First Medium-term Business Plan. At first, I expected a plan that simply set extended targets based on the First Medium-term Business Plan. Instead, the decision was made to press the reset button and formulate a brand new plan. Management has made it clear that there's no future in simply continuing along the same path, which is significant. The planning process also incorporated the views of younger generations. As a result, the Second Medium-term Business Plan appears to differ in quality from the First Medium-term Business Plan. It's wonderful that it sets new goals, rather than simply extending those of the previous plan.

Fujisawa: Considering what you both have pointed out from another perspective, I'd say a key aspect of the Second Medium-term Business Plan is the greater trust placed in employees by management. Before, the organization was characterized by strong management and obedient subordinates. Today, under the Group management, each organization and individual has a defined authority and acts with an understanding of its individual role. The widespread sharing of this approach strengthened employee engagement and changed employee attitudes and awareness. The confidence on the part of management that the current membership can take on new challenges appears to be what enabled the bold decision to cut short the First Medium-term Business Plan and prepare the new Second Medium-term Business Plan. The changes resulting from adopting the holding company structure have become apparent not just in terms of format, but in individual and organizational awareness.

Q What do you think about the Second Medium-term Business Plan's three basic strategies of co-creation, growth, and challenge?

Fujisawa: I'd like to see the challenge strategy take more specific form. It might be more impactful if it were made clear what



challenge refers to and what kinds of challenges the Shizuoka Financial Group will take on.

Tsubouchi: I agree. Co-creation clearly refers to activities rooted in the region, but it's hard to understand what will take place in the domain of the challenge strategy. That's why evaluation criteria are so important. If we're calling for efforts that differ from those of the past, we need to use different evaluation standards. I think the organization will squarely address the challenge strategy once it's clear what it refers to and how the Company plans to evaluate it. Also, while AI and digital technologies are important for the growth strategy, the first step should be improving customer contact points. How easy it is to use the app and the services is directly related to the value of the customer experience. It's important to consider how we can improve the points of contact with customers, not just the technologies themselves.

Outside Directors' Roundtable

Inano: With regard to new businesses, SFG Real Estate Investment Advisors exemplifies the case of results that outstrip initial expectations. It's important to build steadily on such successful examples and to share them inside the organization to generate future growth.

Tsubouchi: New businesses won't necessarily develop as planned. Some may grow sharply in unexpected ways. That's why it's important to identify signs of growth and to provide the necessary support. I see this as the role of the holding company.



Fujisawa: Human resources are more essential than money. Team management by people who have their own different strengths matters more for business growth than a charismatic individual. It will be essential to invest human resources in growth businesses and to develop people who can assume management roles. That's also vital for achieving inorganic growth.

From governance and human capital perspectives, what issues do you see in realizing the Second Medium-term Business Plan?

Tsubouchi: At the time of the transition to a holding company structure, the goal was to separate execution and oversight so that each role could function more effectively. I think this outlook was correct, and in the past few years this has finally got on track. Discussions in the Board of Directors are very active, and I believe that some progress in enhancing governance has been achieved. Conversely, however, the Group's crisis response remains untested. Currently, governance is functioning, but this is a time of growth. We haven't seen whether governance will continue to function in the same way if a major issue emerges. We have to consider what can be done before a problem arises or to prevent one from emerging in the first place. Regarding human capital, the diversity of outlook and background in human resources is a matter of the utmost importance. To expand Group management, we need human resources who bring values and capabilities that differ from what we've had to date. Developing such human resources through provision of opportunities for a wide range of experiences and building an environment to evaluate and take advantage of their strengths is an important theme, one to be addressed in five- and ten-year increments.

Fujisawa: I think the governance structure itself has developed well. At the time of the transition to a holding company, roles and responsibilities were clearly defined, and systemic improvements have advanced since then. Looking ahead, we have to develop the human resources needed to steer and administer these systems. The essence of governance lies in clarifying individual authorities and responsibilities. We've seen the CXO system and the Group company management structure were established. But, moving forward, I think the Group needs to consider how to develop the human resources in specific positions into managers capable of

assuming the highest responsibilities.

From a human capital perspective, it's essential to have diverse evaluation axes. We need systems capable of assessing individual strengths, not just uniform criteria. The leaders of the future need to be able to make decisions on their own and to take responsibility for the results. Also important is the resilience needed to make effective decisions even in unforeseen situations.

Inano: Of the two functions of oversight and execution, the Board of Directors is responsible for the first. But actual Board discussions aren't separated so easily. Board discussions are very active and open. The Directors, including the Outside Directors, are free to state differing opinions. I think this process is leading us to the correct answers to the questions we're addressing, and I think the Board is being managed very effectively.

Regarding human capital, developing leaders for the future is an important theme. The Group needs to develop human resources through provision of opportunities for even more diverse experiences than before. This improves the odds of cultivating effective new leaders.



Inano: In doing so, what's important is the open-mindedness to accept differences and the capacity to effectively integrate these differences. Going forward, as Group management evolves, we should expect to encounter more opportunities for human resources with different values and cultures to work together. Leaders who can welcome and organize diverse human resources will be essential.

What do you think of the integration with The Bank of Nagoya? Do you see it as an important turning point toward sustained growth?

Inano: Bank integrations and reorganizations typically aim for economies of scale and cost-cutting to generate results. But more important are the potential multiplicative effects ahead of such

regrouping. Integration has to generate new value and synergies, not just results that amount to addition and subtraction.

For that reason, it's essential that all officers and employees—not just top management—engage in effective and ongoing communication and understand one another. Whether integration succeeds doesn't depend just on systems and organizations—it depends on interpersonal relationships.

Tsubouchi: This business integration should be a good test. There are limits to the sustained future growth that can be achieved through organic growth alone. A significant leap forward while incorporating inorganic growth is required. In this sense, the integration with The Bank of Nagoya, which has a history of more than a century and has evolved within a different culture, could be described as the Shizuoka Financial Group's first full-scale challenge of intercultural integration. The key will be building an overall culture that brings together organizations developed with different values and corporate cultures. It's going to be challenging, but the resulting experience should prove a major asset. Success in this effort will make future growth strategies more reproducible.

Fujisawa: I agree that the approach of targeting multiplicative effects is important. A necessary precondition is the willingness to try to understand how we might appear from the perspective

of The Bank of Nagoya. The true starting point for integration is understanding how the other party sees us, not just identifying how their perspectives differ from our point of view.

Integration is another way to build relationships and trust. Since what management says is especially influential, if top management takes a leadership role in demonstrating respect for and seeking to understand a counterparty, that generates mutual understanding at the field level as well. Also, to realize multiplication effects in discussions that tend to focus on simple addition, I think it's important to have a third goal both parties seek to achieve jointly. That would make it easier to define roles that each party will play.

What possibilities for increasing corporate value and what potential issues do you see in providing more information and improving communications with stakeholders?

Tsubouchi: The Shizuoka Financial Group puts a lot of effort into its IR activities. It's continuing to make significant efforts to communicate information. Even so, if certain matters aren't adequately communicated, it's not because there are shortfalls in communication. Rather, it may reflect the fact that the Group has not yet fully met stakeholder expectations for what it can achieve in the future or demonstrated its full potential.

Fujisawa: It would be a shame if we couldn't effectively communicate all the efforts by the Shizuoka Financial Group to implement initiatives that represent the first of their kind in the industry or in Japan. If anything is lacking, it's a compelling narrative.



Outside Directors' Roundtable

Fujisawa: The individual initiatives are wonderful, like TECH BEAT Shizuoka, investments in startups, and initiatives in social fields, and in this way it offers numerous strong points of interest. But there's no single story that would line these up toward the kind of future Shizuoka Financial Group is targeting. The story of the company as a whole isn't being adequately communicated. Employees play the greatest role in communication. If all employees understand the Shizuoka Financial Group vision and the meaning of its initiatives and can discuss them in relation to their own work, that makes a great difference. Creating such state along with efforts to broaden dialogue between individual employees and customers will more effectively communicate the value of Shizuoka Financial Group initiatives.

Inano: In that sense, the Second Medium-term Business Plan should prove to be an outstanding communication tool. It incorporates both top-down and bottom-up elements. It describes in three dimensions what the Shizuoka Financial Group is striving to achieve and the value it intends to create. That's why we need to refer to the Medium-term Business Plan proactively in dialogue not just with institutional investors, but with transaction counterparties, customers in the community, local governments, and others. Repeated dialogue based on the Plan will help deepen understanding and broaden empathy with and support for the Shizuoka Financial Group.

Lastly, can you, as Outside Directors, tell us about your expectations for the executive sections?

Tsubouchi: The Shizuoka Financial Group is even stronger than its employees think. It's held in great trust by the community. Its financial foundations are solid. It's blessed with outstanding human resources. In all these ways, it's a strong, self-confident organization. At the same time, circumstances related to technology and the economy are changing rapidly. That's why

I encourage employees to continue to consider how they can generate value and what they can contribute. Because it's such a strong company, I want people to take action in anticipation of changes, rather than being satisfied with the status quo.

Inano: I think the management team is making decisions at a high level and is capable of considering things and making judgments autonomously. But there's something we need to be cautious about in times when the organization is successful—the tendency toward conformism. If everyone is moving in the same direction, it tends to make it easier to justify risky decisions. I'd like those on the executive side to take due notice of differing opinions and uncomfortable perspectives, especially when they believe things are going well.

Tsubouchi: In that sense, too, it's important to have an occasion like the Board of Directors meetings, where people are free to exchange opinions. In situations that appear to pose risks, healthy organizations in which candid opinions are respected will tap the

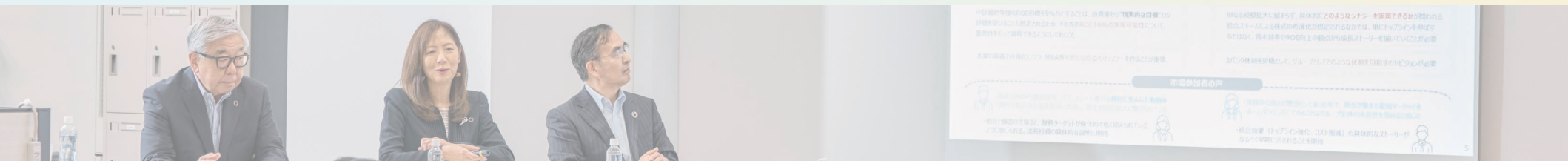
brakes. The current culture of debate is something that must be valued. This culture is a force that supports Shizuoka Financial Group's growth, especially in times of dramatic change.

Fujisawa: I'd like the executive side to remain wary of siloization. The progress with the CXO system and Group management is great, but when we focus only on our own domains, the organization loses flexibility. The Group needs to maintain relationships that allow individual members to take all due responsibility in their own roles while leaving them free to comment across job boundaries if they notice something wrong. We ourselves have to play the role of Outside Directors. We're obligated to point out if we notice that silos appear to be forming. Based on the strengths established to date, the Shizuoka Financial Group has the capacity to take on major challenges, and we intend to support its growth in our own way.



TOPICS

Small meeting held with Outside Directors



To deepen understanding of management policies among our stakeholders, including shareholders and investors, we hold IR Small Meetings, in which Outside Directors give their views on growth strategies, governance systems, and other topics from their own independent perspectives.

At a Small Meeting held in June 2026, three Outside Directors (Directors Inano, Fujisawa, and Tsubouchi) presented their perspectives on discussions at the Board of Directors, then engaged in a lively question and answer session with investors and analysts.

Materials from the meeting

Website > To Our Shareholders and Investors > IR Presentation

URL: <https://www.shizuoka-fg.co.jp/ir/ir-presentation.html>



Contents of meeting briefings



Director Inano

Toward increased corporate value

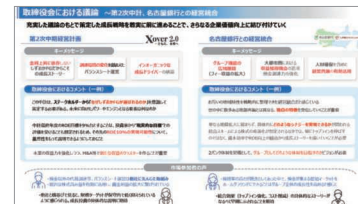


Director Inano presented his understanding that while balance sheet management for a world with positive interest rates has generally been well-regarded by the markets, aspects such as the Second Medium-term Business Plan and the integration with The Bank of Nagoya have not yet fully contributed to the perception of corporate value. He indicated the need for further deliberations.



Director Fujisawa

Status of discussions of growth strategies



Director Fujisawa reported they repeatedly discussed at the Board of Directors on strategies for becoming a company chosen by stakeholders, the feasibility of realizing ROE of 10%, and other matters. She noted they were proceeding to discuss matters such as the format of the two-bank structure and resulting synergies after the planned business integration with The Bank of Nagoya.



Director Tsubouchi

Status of Board of Directors management



Director Tsubouchi described how the management that separates oversight and execution functions has been firmly established with a structure achieved in which the Board of Directors secures sufficient time to fully discuss important themes and engage in active deliberation. He then stated his view that the Board should be able to provide balanced management guidance even after the transition to a two-bank structure.

Key topics of dialogue with investors and analysts

Questions from investors

- What are your thoughts on the vision for which Shizuoka Financial Group should aim?
- What management issues do you see from a medium- to long-term perspective?
What measures should be taken in preparation for five to ten years from now?
- Are there any matters being studied to advance the Group governance structure in preparation for the business integration and growth of Group companies?

Answers from Outside Directors

An important theme in our vision for the future is to continue to think about matters such as the balance between banking and non-banking businesses and the appropriate scale of the Group. (Director Inano)
I believe that one answer regarding the vision we should strive to realize is the Second Medium-term Business Plan, through which we will contribute to regional growth and prosperity while meeting market expectations. (Director Fujisawa)

I think the Second Medium-term Business Plan makes it possible to explain consistently our vision as the world's leading regional bank by defining our business domains in terms of functions and roles. Group management is the key to growth. I look forward to seeing highly successful companies emerge from our Group companies. (Director Tsubouchi)



Comprehensive business alliance with regional banks



Vision

Three banks that share regional potential co-creating new value and communicating to the world their visions for the futures of their three prefectures

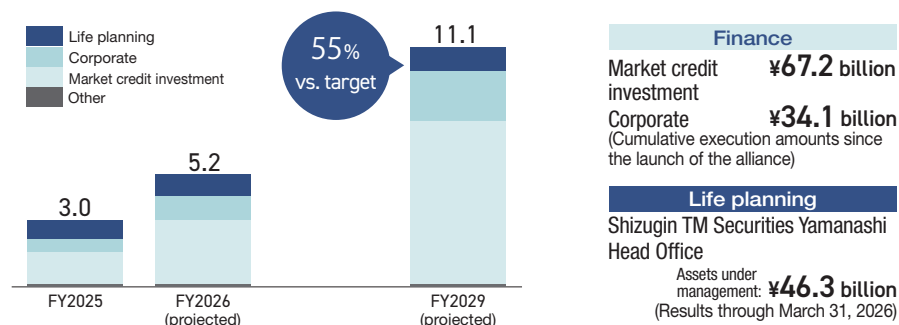
The Mt. Fuji-Alps Alliance was formed on March 27, 2025, when we concluded a comprehensive business alliance agreement with Yamanashi Chuo Bank and Hachijuni Bank (now Hachijuni Nagano Bank). This alliance allows each member bank to carry out even larger-scale initiatives above and beyond its individual market territory while maintaining management independence and sharing management resources and regional information. By deploying measures with a sense of urgency, it will swiftly realize the results of the alliance and provide solutions to regional issues, thereby increasing corporate value.

Increasing corporate value

By focusing on projects and other services that contribute solutions to the social challenges shared by all three prefectures, the alliance has made steady progress since the first year of the agreement. It is currently 55% along the path to achieving the target earnings results KPI of ¥20.0 billion.

Earnings results (JPY bn)

KPI: ¥20.0 billion earnings results (five-year cumulative, three-bank total)



Establishing the Mt. Fuji-Alps Alliance Fund

In September 2025, the alliance established a joint business succession fund to support business succession for customers, business restructuring, and similar measures. Drawing on the extensive networks of the three banks, this fund will provide financial support for the business continuity and further growth of regional firms.

- Name of fund: Mt. Fuji-Alps Alliance Investment LLP
- Total value of fund: ¥3.0 billion
- Investors: Limited partners (LPs): The Shizuoka Bank, Yamanashi Chuo Bank, Hachijuni Nagano Bank
General partner (GP): Shizuoka Capital

Social value creation

The alliance will attract people, investment, and businesses to the three prefectures to create new value leveraging the region's potential with the aim of contributing to solutions to the shared regional issues of shrinking populations and workforces.

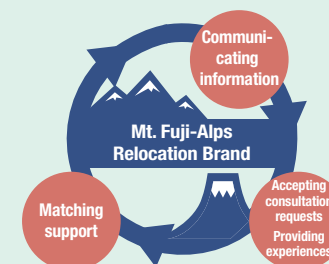
KPI: Population growth in the three prefectures

Efforts to encourage relocation

The alliance seeks to establish a virtuous cycle that will create a Mt. Fuji-Alps brand and attract new interest in the region by enhancing approaches to those considering relocating to the region, centered on the Relocation Promotion Project Team jointly formed by the three member banks.

Relocation support
loans executed

348 loans/¥12.3 billion
(As of March 31, 2026/three-bank total)



Landing page launched for those considering relocating

In May 2026, a landing page was launched for those considering relocating to the three prefectures of Shizuoka, Yamanashi, and Nagano. Based on the "Live in Shizuoka, Yamanashi, and Nagano" concept, this page communicates comprehensive information on work, life, and communities in the region and provides one-stop support covering the range from considerations over relocating to actual practical steps to relocating.



Mt. Fuji-Alps Relocation and Living Fair 2026 held

The Mt. Fuji-Alps Relocation and Living Fair 2026 was held in May 2026 in cooperation with JOIN-FURUSATO. The alliance is seeking to add to populations in the three prefectures by continuing to provide practical consulting services on various matters, including work, life, and finances and lifestyle solutions for those who want to relocate to the region.





Vision

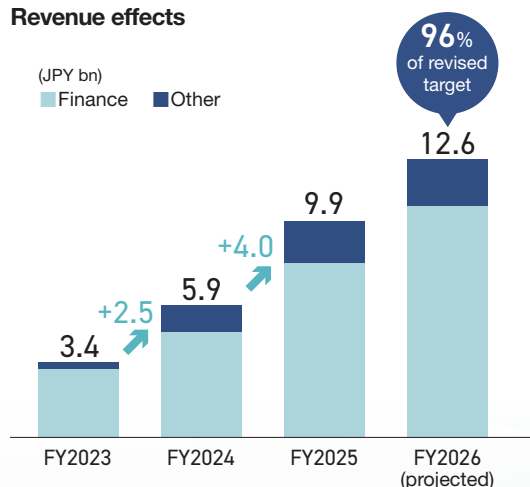
Responding to the structural transformation of the automobile industry and other regional industries

The Shizuoka Nagoya Alliance is a comprehensive business alliance formed on April 27, 2022, with The Bank of Nagoya. Both bank groups have positioned their response to the structural transformation of the automobile industry and other regional industries as their most important themes and plan to leverage their management resources to achieve sustainable growth for the region and their own growth.

Increasing corporate value

Contributing to solutions to customer challenges, centered on customer support for structural reforms at regional firms, the alliance is making steady progress toward its revised KPI of ¥13 billion.

Revenue effects



Revised KPI: Earnings results of ¥13 billion (five-year cumulative, two-bank total)

Finance	
Market credit investment	¥66.4 billion
Corporate	¥49.4 billion
(cumulative execution amounts since launch of alliance)	
Life planning	
Nagoya Head Office of Shizugin TM Securities	
Assets under management:	¥15.8 billion
(Results through March 31, 2026)	

Shizuoka Nagoya Alliance Fund executes its second investment

Established to stimulate industry in the region, maintain employment, and create opportunities through solutions to the challenges facing regional firms, the Shizuoka Nagoya Alliance Fund has executed its second investment.

- Investment: Asahiya Kogyo K.K.
- Purpose of investment: Expanding compatible domains from traditional engine parts to EV and other parts in response to industry structural changes such as the progress of CASE

In response to increasingly diverse and complex regional social needs and issues requiring solutions, we have decided to move to the **next stage** of the alliance, since we must further enhance regional financial strength through aggressive integration and drawing on the relationships and synergies formed by the alliance to date.

Creating social value

The alliance supports industrial reforms across prefectural boundaries, drawing on the knowledge and customer bases of both partners, with a focus on the efforts to address the structural transformation of regional industries, centered on the automobile industry.

Industrial reform support

Supporting business transformation by corporate customers with a focus on structural transformation spurred by decarbonization, the EV shift, and other trends

Wide-area cooperation agreement concluded on support for the auto industry

Under this agreement, eight regional banks, including The Shizuoka Bank and The Bank of Nagoya, will support medium- to long-term growth of customer firms beyond regional boundaries by enhancing wide-area cooperation to support the auto industry and carrying out joint initiatives to contribute to supply chain maintenance and resilience by drawing on the expertise and network of each bank.

Specific details of cooperation

- Holding events for business discussions and matching
- HR development, HR exchange
- Cooperating to support new business creation
- Exchanging information concerning M&As

New Technology / New Construction Method Exhibition and Business Discussion Meeting in OTICS held

This trade show for tier-two and SME automotive suppliers was held jointly to improve new market creation and technological value for customers and provide opportunities to grow their sales channels.



Business succession/M&A support

The alliance draws on the networks of both member bank groups to support the sustained growth of regional firms and maintain and strengthen their business foundations. The second M&A transaction among customers of both groups was concluded with the support of Shizugin Management Consulting.

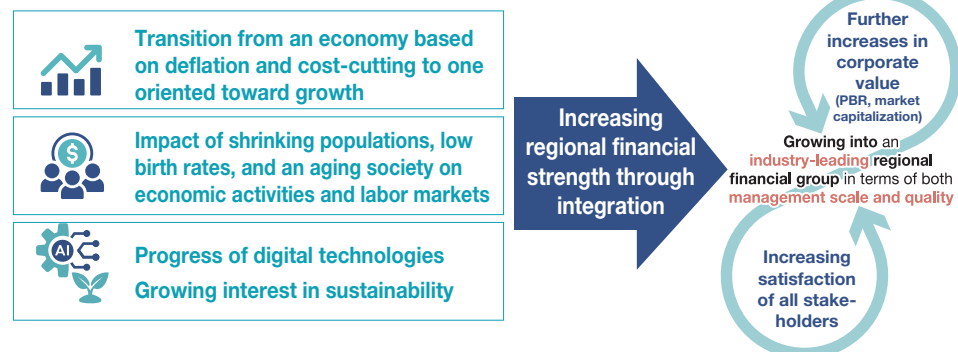
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Basic agreement concluded on business integration with The Bank of Nagoya

A basic agreement was concluded on March 27, 2026, on launching discussions and studies to achieve business integration, reflecting our understanding that the best choice to cocreate value with all stakeholders and realize sustained growth in corporate value was to further enhance regional financial strength through aggressive business integration, based on the mutual understanding and spirit of mutual respect formed through the Shizuoka Nagoya Alliance.

Background of this business integration

To date, both partner groups have sought to find solutions for shared regional issues by harnessing management resources through the Shizuoka Nagoya Alliance. Recognizing that merely maintaining the current trajectory may fail to produce sustained growth given the accelerating pace of environmental changes in the region and in the financial industry, they established a shared understanding of the need to build stronger business foundations. Determining that a business integration between both groups, which have highly complementary market bases in Shizuoka Prefecture and the Tokyo metropolitan area in The Shizuoka Bank's case and Aichi Prefecture and the Chukyo region centered on Nagoya in The Bank of Nagoya's case, enhances value-creation capabilities across a wide-area economic zone, enabling both groups to provide greater value to the region and customers and achieve a sustained increase in corporate value.



Home market potential

Aichi Prefecture is one of Japan's leading economic zones with industrial clusters, centered on manufacturing. It offers high potential in terms of both economic scale and the financial environment.

Economic scale		
	Aichi Prefecture	Shizuoka Prefecture
Prefectural GDP (2022)	¥43 trillion (third highest in Japan)	¥18 trillion (10th highest in Japan)
Population (2024)	7.46 million (fourth highest in Japan)	3.53 million (10th highest in Japan)
Companies (2021)	200,000 (third highest in Japan)	110,000 (11th highest in Japan)

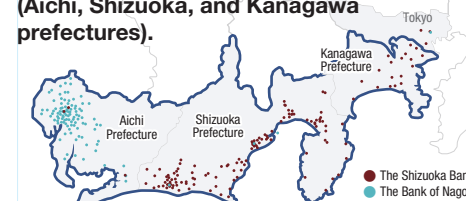
Financial environment		
	Aichi Prefecture	Shizuoka Prefecture
Savings balance (2025)	¥93 trillion (third highest in Japan)	¥38 trillion (ninth highest in Japan)
Loan balance (2025)	¥41 trillion (third highest in Japan)	¥17 trillion (ninth highest in Japan)

Synergies expected from integration

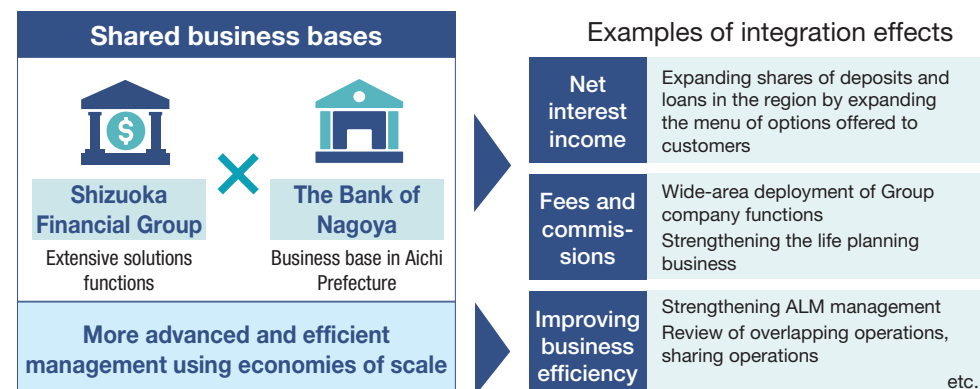
Wide-area cooperation covering an important area for Japan's economic activities

There is little overlap between the branch networks of The Shizuoka Bank, which does business from Shizuoka Prefecture to the Tokyo metropolitan area, and The Bank of Nagoya, whose business is centered on Aichi Prefecture. This business integration will make it possible to efficiently expand the market and customer bases of both partners by addressing an important region for Japan's economic activities, extending from the Tokyo metropolitan area to the Chukyo region centered on Nagoya.

The main market base is an economic zone accounting for about 16% of Japan's GDP (Aichi, Shizuoka, and Kanagawa prefectures).



Using business resources to further strengthen corporate value



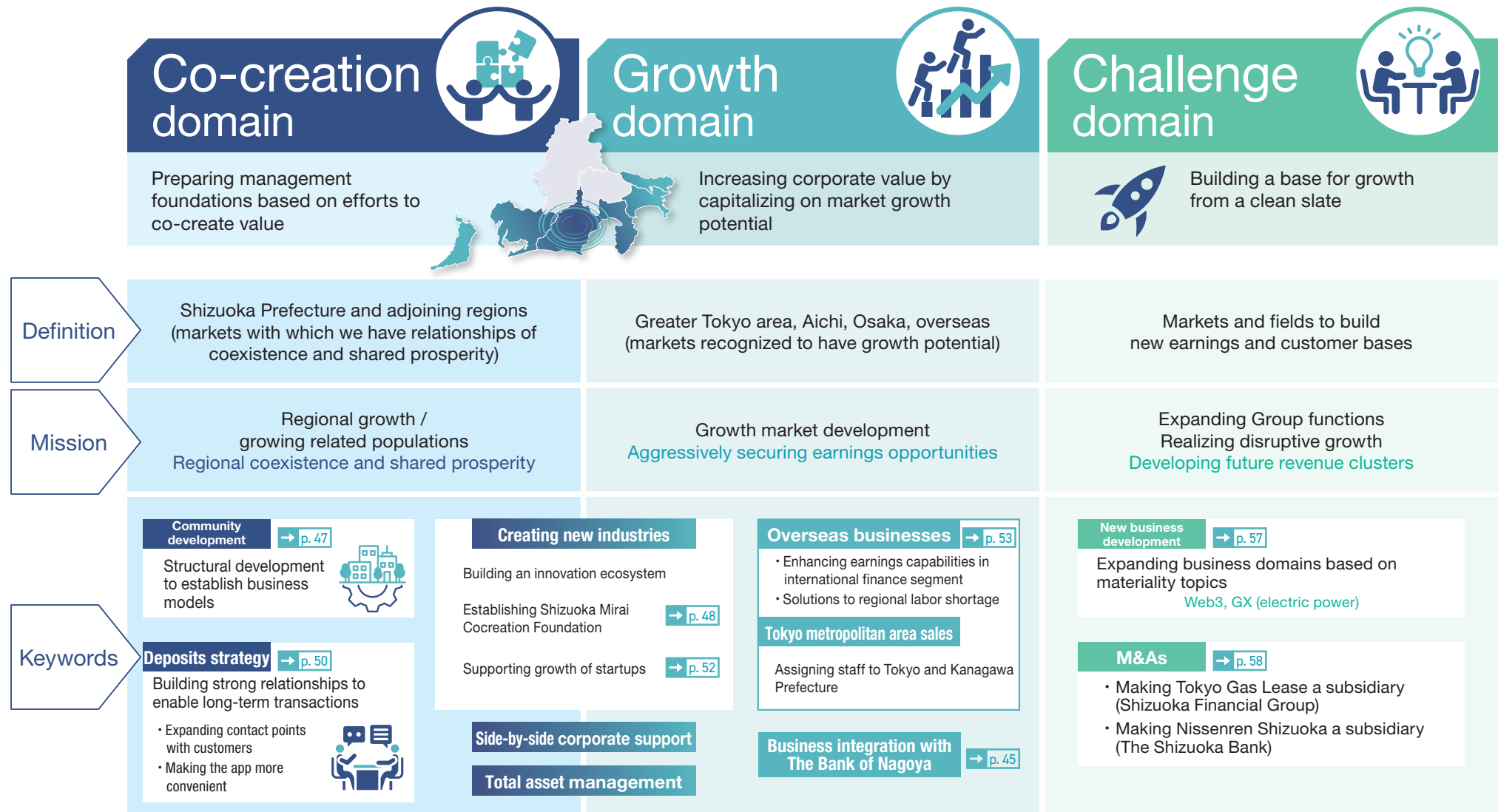
Timetable toward business integration (planned)

- March 27, 2026 Basic agreement concluded on business integration
- March 2027 Final agreement and stock swap agreement concluded on business integration
- April 1, 2028 Effective date of stock swap



Co-creation/Growth/Challenge

Under the Second Medium-term Business Plan, we will maximize social value creation and growth in corporate value through the strategic allocation of management resources in three categories of Shizuoka Financial Group business domains defined based on the scope of the region and the functions and roles it demands. In the Co-creation domain, we are committed to the sustainability of the region and will strengthen business foundations while building on the regional co-creation strategies of the First Medium-term Business Plan. In the Growth and Challenge domains, we will develop earnings clusters for the next generation as we target the medium to long term while securing earnings by capturing market growth—as domains for earnings to support the Co-creation domain.



Community development—A co-creation partner to rediscover the region's appeal and help build the future

Materiality topic

Society

Themes

Supporting community development to bring people together

Attracting investment in the region

Outputs

Partnerships with local governments

4 (FY2025)

Contributing to increasing corporate value

(JPY bn)

	FY2025	FY2028 (planned)
AM* balance under contract	120.5	150.0
Ordinary profit	0.97	1.6

* AM: asset management business (including sub-asset management)

Contributing to social value creation

Related population growth

Relocation growth

SFG Real Estate Investment Advisors uses securitization to address social challenges facing the region and customers—specifically, in the area related to community development for related population growth and rediscovering the community's appeal. This Group company also participates in efforts to expand co-creation activities through public-private partnership and to build new communities to contribute to sound community growth and build communities for future generations.

Structure to establish a community development business model

Seeking to establish a community development business model, we're enhancing cooperation with customers and local governments in the region and creating a unified site to handle a broad range of consultations and provide Groupwide support. On April 1, 2026, we established Shizuoka Community Development Consulting to perform this function. We will maintain our efforts to create community vitality and strengthen corporate value over the medium to long term while considering additional new Group functions to meet diverse needs.

Strengthening cooperation with the region

Strengthening ties with customers and local governments in the region to attract a wide range of consultations

Planning support

Community development surveys, research, and consulting for customers and local governments in the region

Enhancing Group functions

Considering the addition of new Group functions to meet community development needs

Information collection

Forming teams across the organization and making appropriate referrals to Group companies

Establishing Shizuoka Community Development Consulting

Combining the specialization and networks of SFG Real Estate Investment Advisors and Sekisui Heim Tokai, Shizuoka Community Development Consulting will provide side-by-side support as a co-creation partner for diverse players in the community to help build sustainable communities.



Enhancing Group functions in the community development business

SFG Real Estate Investment Advisors



Real estate asset management business, real estate-related businesses

Shizugin Management Consulting

Research, planning

Shizugin Lease

Real estate leasing

SFG Marketing

Marketing support

New

Shizuoka Community Development Consulting

Community development planning support

Major initiatives (FY2025)

Partial acquisition of trust beneficiary rights to Hamamatsu Act Tower

Built in 1994 as part of a redevelopment project in the vicinity of Hamamatsu Station, Hamamatsu Act Tower has been beloved by local residents for years as a symbol of the community. In response to the need for sustained use of core real estate against a backdrop of shrinking populations and aging of the facilities, and to ensure that this asset can continue to play an important role in the region, SFG Real Estate Investment Advisors seeks to make this property more attractive and to enable its continued use through asset management functions. The company will strive in various ways to vitalize the community through co-creation with regional firms.



Participation in the Shizuoka City Arena improvement and management project

The Shizuoka Alliance, a consortium of 10 companies including SFG Real Estate Investment Advisors, has been chosen to manage the Shizuoka City Arena improvement and management project. By developing and operating a multipurpose arena in the city of Shizuoka, this project targets significant economic and social impacts, including making the city more attractive, promoting the arts and culture, and stimulating the local economy. As a nationwide public-private partnership intended to contribute to community development and related population growth, it will study measures and content to create community vitality using regional resources.



Concept

REBOOT SHIZUOKA: Accelerating an exciting future in Shizuoka

Creating new industries in the region— Establishing a general incorporated foundation

In July 2026, The Shizuoka Bank established the Shizuoka Mirai Cocreation Foundation

Leveraging the expertise and networks accumulated by the Shizuoka Financial Group in holding the TECH BEAT Shizuoka matching event for regional firms and startups, providing investment, finance, and other business support for startups, and taking on the challenges of new businesses, this foundation will help build a prosperous future for Shizuoka Prefecture by creating new industries. Related efforts include business development through cocreation with diverse stakeholders, side-by-side support for solutions-oriented projects, and HR development initiatives.

Shizuoka Mirai Cocreation Foundation addresses challenges to creating new industries

Establishing an environment in which new businesses and solutions-oriented projects are created on an ongoing basis is essential to the sustained growth of the regional economy. At the same time, more than 60% of regional firms face issues related to the launch of new businesses. This general incorporated foundation will play a leading role in public benefit initiatives related to finding solutions to various issues in cooperation with diverse stakeholders, enlisting cooperation from a broad range of domains and regions, with the medium- to long-term perspective in mind, while reflecting the issues each player faces in creating new industries.

Issues facing individual players

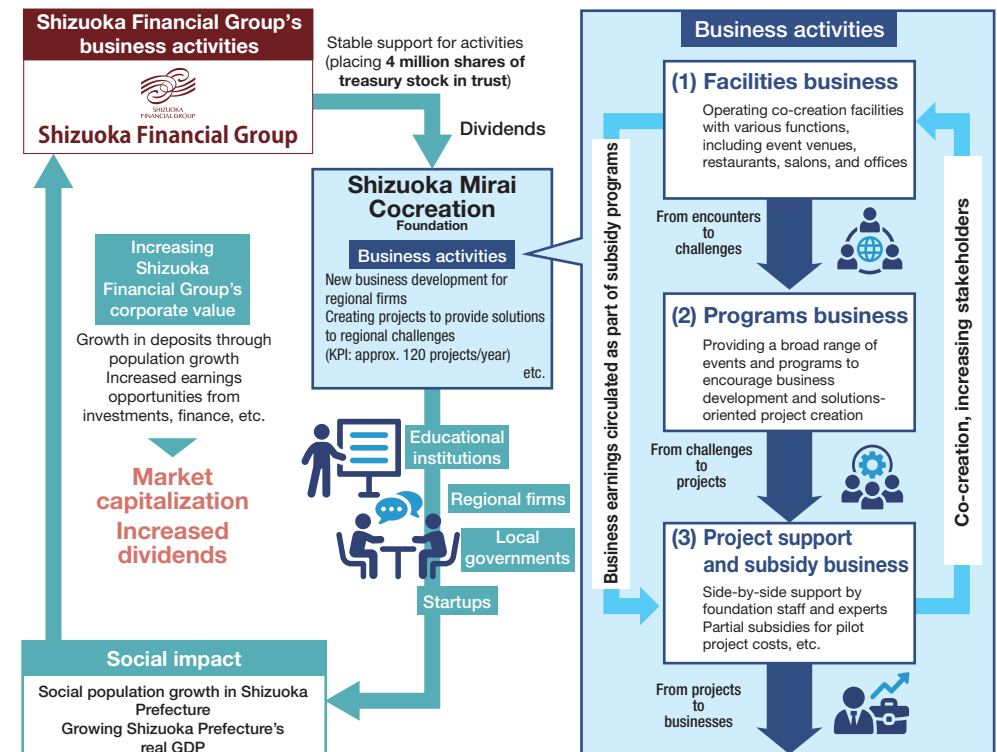


Overview of the foundation

Name	Shizuoka Mirai Cocreation Foundation
Foundation assets	¥3 million (invested by The Shizuoka Bank)
Officers (Trustees)	Akiko Kokubo (Professor, Business School, Nagoya University of Commerce and Business) Yutaka Matsuo (Professor, School of Engineering, University of Tokyo) Hiromitsu Umehara (Director & CFO, Shizuoka Financial Group)
(Directors)	Managing Director Katsunori Nakanishi (Special Advisor, The Shizuoka Bank) Serina Sakaguchi (Digital HR Development Producer, Shizuoka Industrial Foundation) Hironobu Yoshikawa (General Partner, Carbide Ventures)

Vision and contributions to increase the Shizuoka Financial Group's corporate value

Shizuoka Financial Group will provide stable support for the foundation's activities, which are expected to generate wide-ranging impacts ranging from population growth in Shizuoka Prefecture and growing prefectural real GDP. Over the medium to long term, these efforts will create a virtuous cycle in which the sustained growth of the regional society, the base of Group's businesses, leads to growth in Shizuoka Financial Group's corporate value.



Enhancing fundraising foundations to support growth

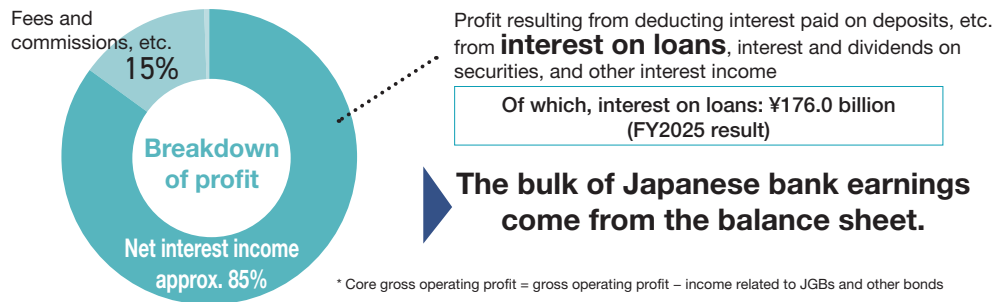
The issue of finding stable fundraising to support balance sheet growth is growing increasingly important in today's changing interest rate environment. To achieve sustained growth, Shizuoka Financial Group is striving to build a stable platform for fundraising based on deposits and carry out balance sheet management combining other diverse means of fundraising.

The importance of fundraising in a world with positive interest rates

Banking business earnings structure

Net interest income accounts for about 85% of The Shizuoka Bank's core gross operating profit. To grow net interest income, it will be vital to secure stable means of fundraising to support growth in loans, securities, and other assets under management.

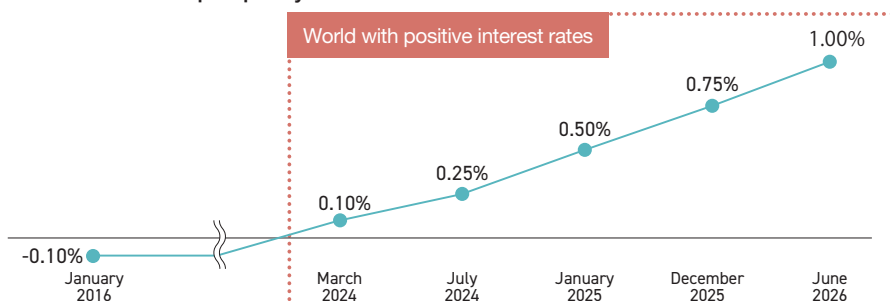
FY2025 core gross operating profit * **¥203.4 billion**



Changing interest environment

Since the Bank of Japan discontinued in March 2024 the negative interest rate policy maintained since January 2016, it has implemented additional rate hikes in steps, reaching a policy interest rate of 1.0% in June 2026. The return to a world with positive interest rates is an opportunity to grow net interest income. Fundraising to support balance sheet growth is becoming increasingly important.

Trends in Bank of Japan policy interest rates



The Shizuoka Bank's balance sheet structure

To raise the funds needed to grow the balance sheet by increasing assets under management, in addition to enhancing its deposit base, the Bank is securing diverse means of fundraising other than deposits.

Investments	Fundraising
Loans (Finance)	Deposits
Securities (Bonds, stocks, etc.)	Fundraising other than deposits
Other assets	Equity capital

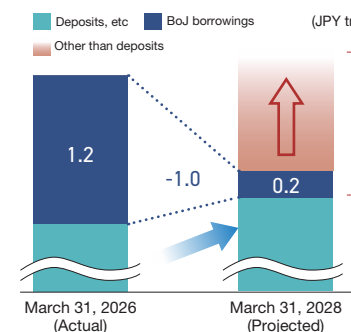
Identified issues	
Deposits	Assigning top priority to securing highly sticky deposits
Individual deposits	Although these account for about 70% of total deposits, the pace of growth in their balances is slowing.
Fundraising other than deposits	Bank of Japan borrowings* will decrease by approx. ¥1 trillion by FY2028.
	The need is growing for alternative means of fundraising.

* Borrowings through the system of providing funds to support loan growth (new lending ended on June 30, 2025)

Securing diverse means of fundraising

While giving top priority to enhancing efforts to secure highly sticky deposits, the Bank will build a stable fundraising base to support balance sheet growth by diversifying means of fundraising other than deposits, such as through issuance of corporate bonds or the use of BoJ borrowing (climate-change response), and securing means of fundraising to supplement growing deposits.

Illustration of overall fundraising



Controlling fundraising amounts for the optimal balance by selecting means of fundraising with consideration for both cost and term (stability)

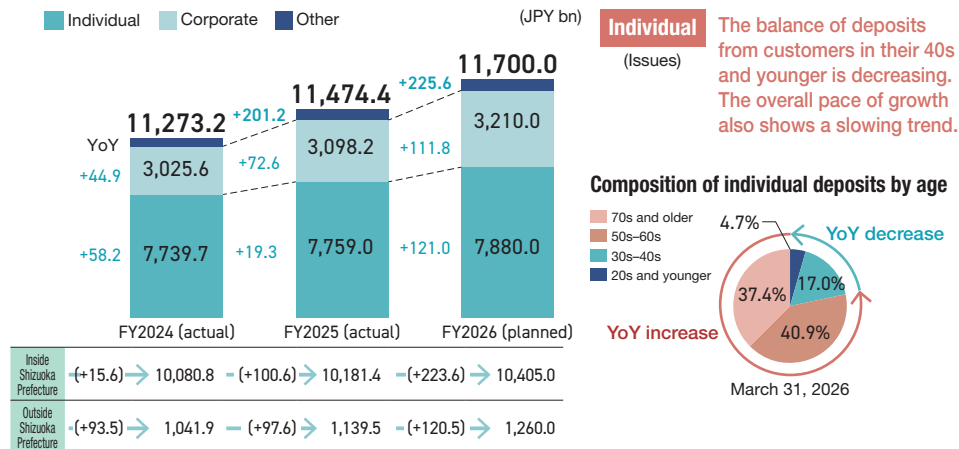
Fundraising means (ex.)	Cost	Term (stability)
Deposits, etc.	◎ (Low)	○ Differs by instrument
Corporate bonds	△ (High)	◎ 3–5 years
Loan securitization		◎ 8–15 years
BoJ borrowings (climate-change response)	○ (Policy interest rate)	○ 1 year or less (convertible)

Enhancing the deposits base by building long-term relationships

Shizuoka Financial Group is striving to secure more deposit transactions as a basis for growth by expanding points of contact with corporate and individual customers to generate sustained transactions.

The Shizuoka Bank's deposit composition

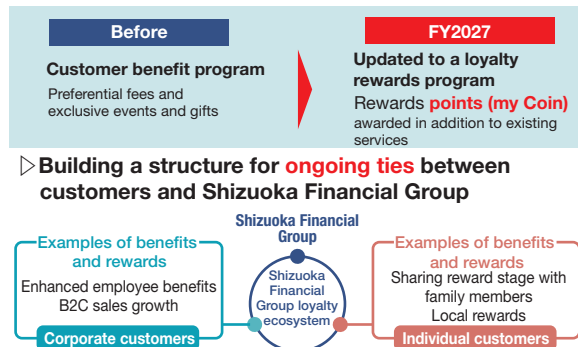
About 70% of The Shizuoka Bank's deposits are from individual depositors. Around 90% are from customers inside Shizuoka Prefecture. However, the rates of growth in corporate deposits and those from customers outside the prefecture are recently markedly increasing.



Efforts to expand points of contact with corporate and individual customers

Creating a Shizuoka Financial Group loyalty ecosystem

As one initiative to secure highly sticky deposits, we have begun creating a Shizuoka Financial Group loyalty ecosystem. We have updated the existing S-mile program, which has centered on offering preferential fees, to a loyalty rewards program that provides points used for payments and other purposes. In this way, we will realize a worldview of continued ties with customers based on rewards.



Enhancing contactless channels (apps)

Corporate Individual

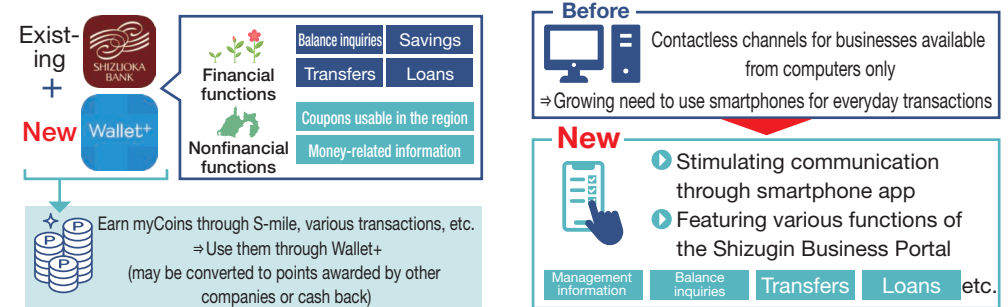
In FY2026, seeking to become a bank that customers will want to continue to use by providing improved customer convenience, we are enhancing contactless customer interactions by adopting separate new apps for individual and corporate customers.

Introducing Wallet+ (introduced in FY2026) Individual

By introducing the new Wallet+ smartphone app to add to the services of the existing Shizugin App, we will enhance the functions we offer in contactless channels.

Launch of app for business customers (planned for introduction in FY2026) Corporate

We will promote the use of accounts for settlement by enhancing contactless channels for corporate and personal business customers.



Providing donation-based financial products

Corporate

We are enhancing relationships with business customers through efforts to address the region's challenges. Shizuoka Future Generations Support deposit accounts contribute to the region's future alongside our customers by donating funds to organizations that provide children's meals and other services in certain amounts corresponding to deposit amounts.



Enhancing pension receipt services

Individual

Accounts for receipt of pension payments represent an important point of contact for ongoing transactions with customers. The Shizuoka Bank provides benefits such as Pensions Thanks Day and preferential ATM fees for customers who have pension payments deposited into their bank accounts. In FY2026, we began publishing the new Shizugin Uruoi Club journal to enhance contact with customers.

Published Vol.1 of the Shizugin Uruoi Club News Letter (Spring/Summer 2026)

Delivered to customers in April 2026, Vol. 1 features various content and local information, including coupons and opportunities to win bus tours and concert tickets.



Responding to corporate needs

Materiality topic

Society Economy Environment

Vision

Achieving sustained regional growth by supporting the sustainability management efforts of regional firms

Theme

Side-by-side support for regional firms on a Groupwide basis

Solutions to regional issues through joint efforts both inside and outside the Group

Outputs

Number of support menu transactions (at right)

Contributions to increasing corporate value

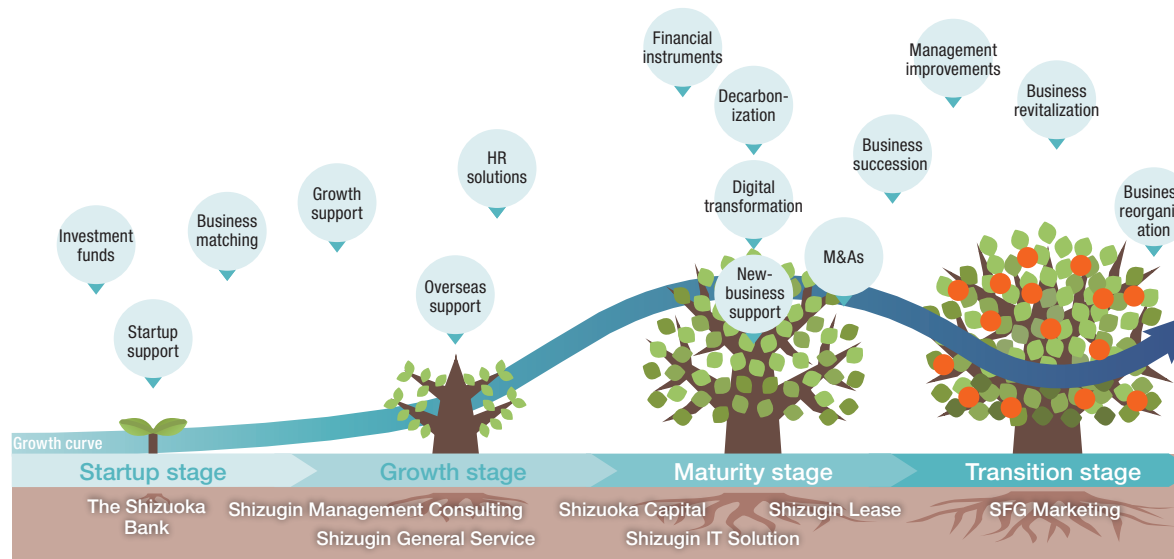
Increasing corporate lending (average balance)
Growing commissions related to corporate sales

Contributions to creating social value

Growing the numbers of companies in Shizuoka Prefecture and increasing corporate growth rates
Promoting carbon neutrality

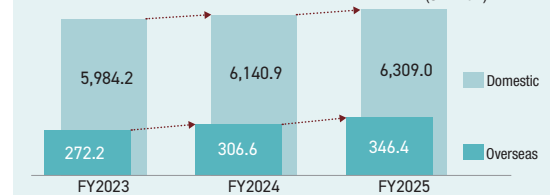
Support in accordance with stages on the corporate life cycle

We support the sustained growth of our customers as a partner by offering, on a Group-wide basis, a range of service options to meet increasingly diverse and complex issues. We also contribute to the continuous growth of the region through proactive cooperation with partners outside the Group, aiming for solutions to decarbonization and other issues faced by the region.

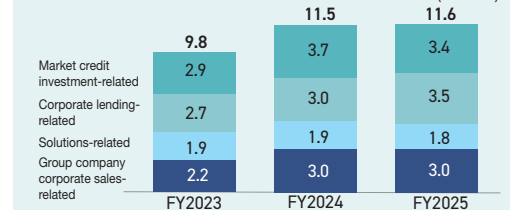


Startup support	HR support	Decarbonization support	Business succession support
Startup-related guarantees provided	Successful recruitment cases	Cases of Shizuoka GX Support adoption	Number of business succession/M&A solutions
200 cases, 5.9 billion yen (FY2025)	194 cases (FY2025)	1,135 cases (FY2025)	300 cases (FY2025)
Venture debt	Growth-industry support	Business revitalization	
Number and amount of transactions executed	Support funding provided in growth industries	Support efforts	
192 cases, 39.4 billion yen (cumulative through FY2025)	28 cases, 4.5 billion yen (FY2025)	60 cases, of which support is complete for 19 cases (FY2025)	
Venture capital (Shizuoka Capital)	Cash-flow support	Financial well-being	
Investments, amount	Special cooperative support guarantees	Companies' adopting 401Ks	
17 investments, 1.74 billion yen (FY2025)	2,596 guarantees, 67.1 billion yen (cumulative since March 14, 2025 when the service was introduced)	14 companies (FY2025)	

Increasing balance of corporate loans (average)



Increasing corporate business commissions



Enhancing corporate consulting functions

To consolidate corporate consulting functions, which had been dispersed across the Group, and to demonstrate Group functions to the fullest, we will evolve them into an integrated support structure that brings together expertise from individual companies across the Group. We will develop a structure capable of providing one-stop support for various types of consultations and contribute to the sustained growth of regional firms.

Corporate consulting business

M&As, business succession	Consulting (management consulting, sustainability, etc.)	Equity (hands-on, PMI)
Digital transformation (DX)	Amoeba (new business PoCs)	Addition of new functions through M&As

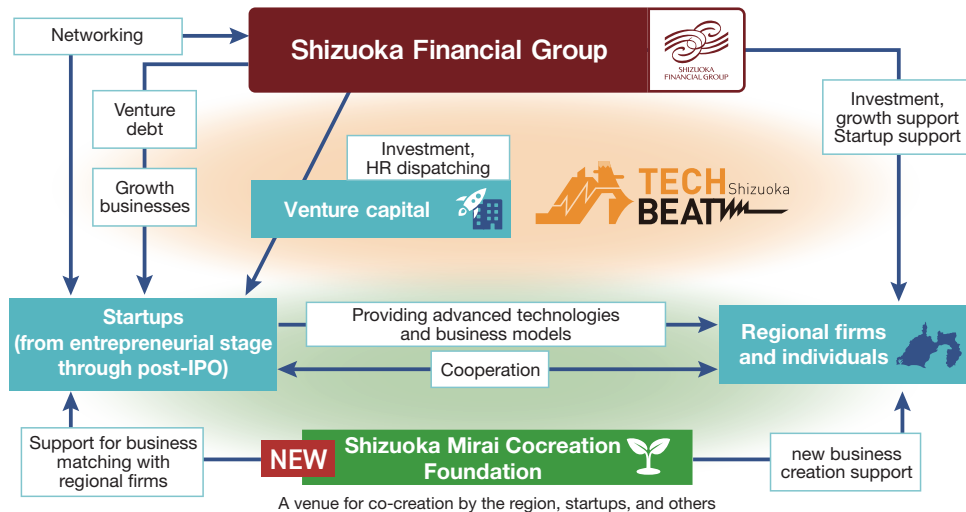


Startup stage

Startup support and community innovations

In addition to building a thorough support structure for companies from startups to growth-stage companies using our expertise and networks in the startup business, we will build an ecosystem of collaboration among firms, the region, and customers, to promote regional economic stimulation and new innovation.

Efforts to build a regional innovation ecosystem



The Shizuoka Bank is helping to build a regional ecosystem through innovations based on co-creation with startups at its core.

Through initiatives that include the TECH BEAT Shizuoka open innovation program, holding business discussion events and seminars, and use of the Shizugin Startup Catalog that systemically describes startup firms' products and services, we provide opportunities for co-creation between regional firms and startups. These initiatives have led to a cumulative total of more than 1,000 business discussions, and the TECH BEAT Shizuoka AWARD program for examples of co-creation communicates information about outstanding cooperative models and fosters a movement toward co-creation.

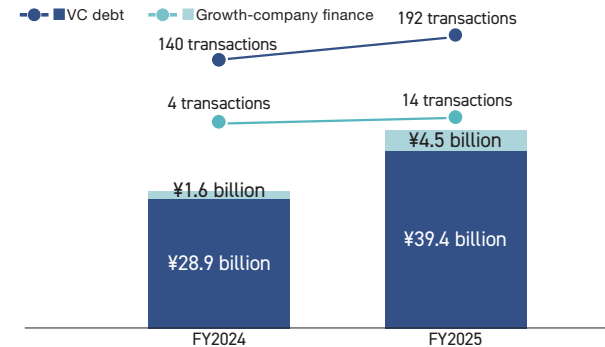
We also established the Shizuoka Mirai Cocreation Foundation in July 2026, as a foundation for co-creation to link diverse parties such as regional firms, startups, local governments, and universities and support new business creation and development of human resources to contribute to solutions to regional challenges, aiming to further grow a regional innovation ecosystem.

Startup growth support

To contribute solutions to the region's materiality topics using the expertise and networks built up through the VC business, The Shizuoka Bank provides multifaceted support for startups. Since 2025, it has enhanced support for companies around the Growth Market IPO stage, building an integrated support structure for individual stages of growth from the entrepreneurial phase through IPOs.

Through cooperation and co-creation with networks inside and outside the Group, we will continue to advance and enhance solutions and support new value creation through co-creation with regional firms and startups.

VC debt and growth company finance trends (cumulative execution amount, number of transactions)



Nonfinancial growth support

Providing opportunities for business matching between startups and regional firms, etc.

HR development

Developing human resources capable of flexibly adapting to the changing startup environment, including stricter standards for maintaining stock listings and growing orientation toward M&As

TOPICS

DeepBlue 1 Fund established:

Intensification of impact investment to balance social solutions with sustained growth

In January 2026, Shizuoka Capital and AKaFUJI Partners jointly established the DeepBlue 1 Fund, to provide startups, including those at the research and development stage, with investment and side-by-side support from a long-term perspective while also making the fund's social impact on Shizuoka Prefecture both quantitatively and qualitatively visible through impact reports. Through these initiatives, we will contribute to transformation of Shizuoka Prefecture's industrial structure and stimulation of the regional economy.



Growth stage

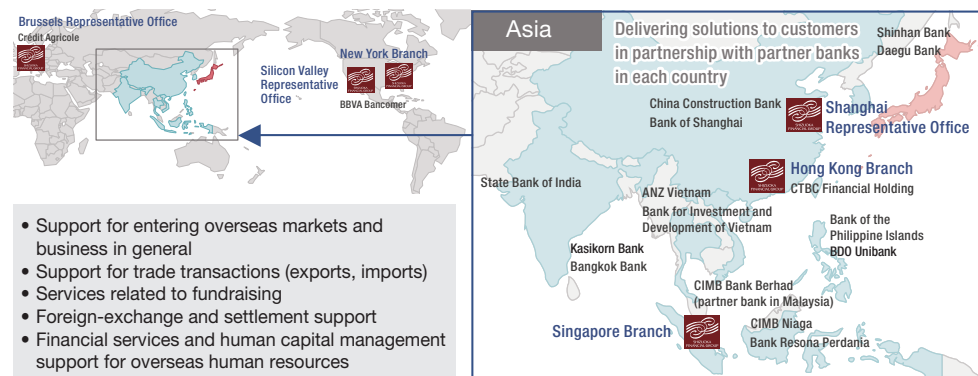
Global strategy/HR support

Alongside the dramatically changing business environment of regional firms, including progressive globalization and increasingly severe labor shortages, the Group as a comprehensive financial group is supporting the growth of regional firms while linking the region to the world through means including support for solutions that draw on our overseas network and the provision of human-resource solutions including foreign workers. We are also striving to enhance the earnings foundations by taking on global growth opportunities through expanding investment and finance in growth markets overseas.

Using our overseas network to support solutions for customers

In addition to addressing increasingly diverse customer needs, we use our broad overseas network to communicate the region's attractions internationally and create a virtuous cycle of attracting inbound investment to the region and expanding sales channels from the region.

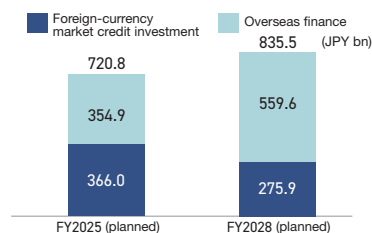
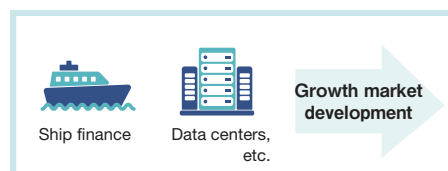
Shizuoka Financial Group's international network (6 overseas sites, 17 partner financial institutions)



Capturing global market growth by expanding overseas investment and finance

As domestic markets mature, the Group is expanding investments and finance into growth markets overseas to capture new growth opportunities. In addition to expanding target domains in the field of international finance, such as lending and market credit investment overseas, by enhancing our foreign currency fundraising power and developing specialized human resources, we will achieve sustained growth in corporate value through improving our earnings capabilities and diversifying earnings foundations in the international finance segment.

Target fields of international finance



Promoting the local tea industry and supporting its overseas market development

With JA Shizuoka and the Chamber of Tea Association of Shizuoka Prefecture, The Shizuoka Bank has formed a consortium to grow Shizuoka's tea exports to 10 billion yen, with the aim of increasing recognition of Tea Capital Shizuoka and growing tea exports. In response to growing global demand for matcha, one of the consortium's initiatives is to support the joint exhibition by 16 regional firms in trade shows around the world. Having generated demand for matcha and green tea through communicating the attractions of Shizuoka tea, this initiative helps grow sales channels for regional firms.



Supporting solutions to the regional labor shortage

Support for foreign workers

To help solve the labor shortages that represent one of the region's major challenges, Group companies are contributing to the sustained growth of regional firms and increasing related populations in the region by building systems to secure human resources both from within Japan and from abroad.

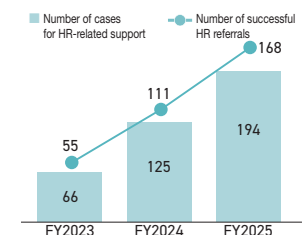
SFG Marketing, which offers a premium referral service for foreign workers, refers prospective employees, mainly from the pool of holders of specified skilled worker visas from India, Indonesia, Myanmar, the Philippines, and Sri Lanka, to customers facing labor shortages.

Seeking to enhance the hiring of foreign workers and strengthen support for their acceptance by regional firms, The Shizuoka Bank has formed a business partnership with the National University Philippines (NU). In addition to creating employment opportunities in Japan by providing NU students with Japanese-language education and internship opportunities, this initiative expands systematic procedures for accepting foreign human resources by introducing this model to regional firms wishing to hire holders of Engineer/Specialist in Humanities/International Services visas.



HR referral services

Shizugin General Service provides HR referral services as a bridge between regional firms with human resources needs and human capital who bring advanced knowledge and experience from careers with listed firms. By accurately identifying the needs of human resources and employers and matching the parties in question accordingly, the company supports solutions to management challenges and enhancements in competitive strengths to help strengthen the value of regional firms.





Maturity stage

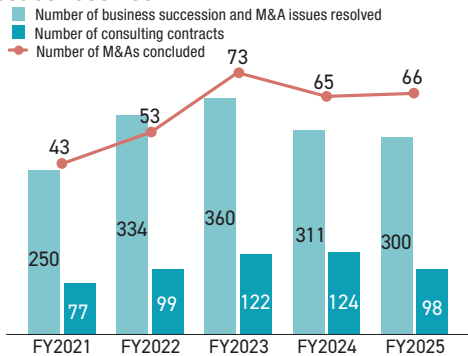


Transition stage

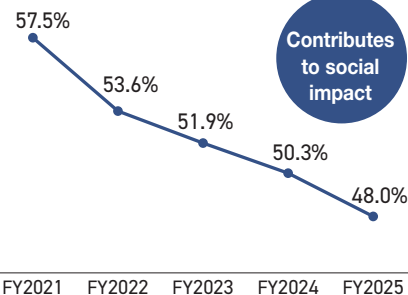
Business succession and M&A support

As business proprietors age, business succession has emerged as a social issue. In this context, we make the most of the Group's problem-solving abilities, including consulting and funding functions related to business and asset succession, to support business succession. We take into consideration not just the proprietors' intentions and trends affecting future business, but matters outside the immediate scope of the business, including the proprietor's family structure. With the Bank and Shizugin Management Consulting playing central roles and in partnership with tax accountants and other external specialists, we support our customers as they move forward with their business succession efforts, whether within the same family or in M&As.

Number of business succession and M&A issues resolved



Trend in rate of businesses with no successors in Shizuoka Prefecture



(Teikoku Databank special research project: Survey of trend in rate of businesses with no successors in Shizuoka Prefecture [2025])

Contributes to social impact

Groupwide side-by-side support utilizing our alliance network

A firm in Shizuoka Prefecture with strengths in construction consulting, including surveying and inspection, formed an M&A crossing prefectural borders with an Aichi Prefecture firm, whose goal is to grow its businesses in infrastructure fields. Using the network built through the Shizuoka Nagoya Alliance, Shizugin Management Consulting has provided comprehensive side-by-side support from initial consultation to contract conclusion. The management resources of both companies are expected to drive further business development going forward.



Acquired company (Shizuoka Prefecture)	Acquiring company (Aichi Prefecture)
- Strengths in construction consulting - Management issues - Enhancing securing of human resources - Growing business scale	- Strengths in infrastructure field - Management issues - Expanding into Shizuoka Prefecture market - Growing business scale

Growth-strategy M&A concluded

Expected synergy effects

- Using mutual customer bases
- Expanding businesses that can be provided under contract



Transition stage

Positive impact finance (PIF)

The Shizuoka Bank offers positive impact finance (PIF) to support efforts to expand positive impacts and lessen or mitigate negative ones by analyzing the environmental, social, and economic impacts of business activities. This helps customer firms to achieve their own KPIs and proceed with transformation based on a balance of social value and economic value.

Providing impact finance to support social value creation



Marutoku Shouji Y.K. provides comprehensive processing services for industrial waste from collection and transport to final processing. It plays a central role in waste processing within the region. Using dry distillation gasification incinerators with low CO₂ emissions and Vertical Furnaces® that deliver outstanding incineration efficiency and processing capacity and also support disaster waste treatment, it is striving to reduce the environmental impact of waste processing. Further, through activities that include the conversion of waste to fertilizer and consulting on soil improvement, it contributes to higher levels of resource recycling and agricultural sustainability in the region by reusing organic waste as an agricultural resource, rather than merely disposing of it. Recognizing the potential of these efforts to contribute to solutions to regional issues, The Shizuoka Bank provided positive impact finance for construction of the Vertical Furnaces®.

By monitoring and providing side-by-side support for Marutoku Shouji's environmental, social, and economic KPIs, this initiative promotes multifaceted impacts by reducing environmental impact and forming a regional economy based on the cyclical use of resources.



Transition stage

Business revitalization support

In cooperation with the Shizuoka Prefecture SME Vitalization Council and outside experts, we provide smooth revitalization support utilizing schemes optimized for each enterprise. In a dramatically changing business environment featuring inflation, rising energy costs, and interest rate hikes, we strive to maintain and enhance regional economic vitality and employment by quickly identifying signs of change and providing business revitalization support for the future.

Business revitalization completed
(since FY2005)

Approx.
350 companies

Maintaining
regional
economic
vitality

Regional employment

Approx. 28,000 jobs
secured

Life planning support

Materiality topic

Society

Vision

A state in which all customers experience financial well-being

Initiative theme

Solutions to regional issues through Groupwide side-by-side support and Group internal and external cooperation

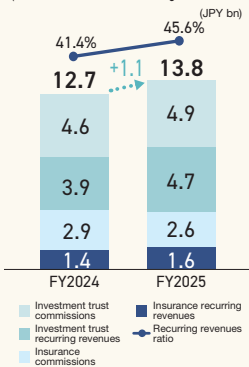
Outputs

Number of NISA accounts opened
Number of inheritance-related transactions
Number completing financial and economic education courses

Contributing to increasing corporate value

Gains on assets under management

(The Shizuoka Bank and Shizugin TM Securities)



Contributing to social value creation

Increasing social population growth rate in Shizuoka Prefecture

Total asset management sales

To realize a one-stop consulting structure capable of meeting various life planning needs, the Group uses the S-Bridge total asset management tool for life planning simulations and portfolio building, in addition to enhancing the range of services and improving contact points. By visualizing customer total assets and making proposals from a goal-based approach, The Shizuoka Bank and Shizugin TM Securities work together to make optimal proposals tailored to the changing stages of life.

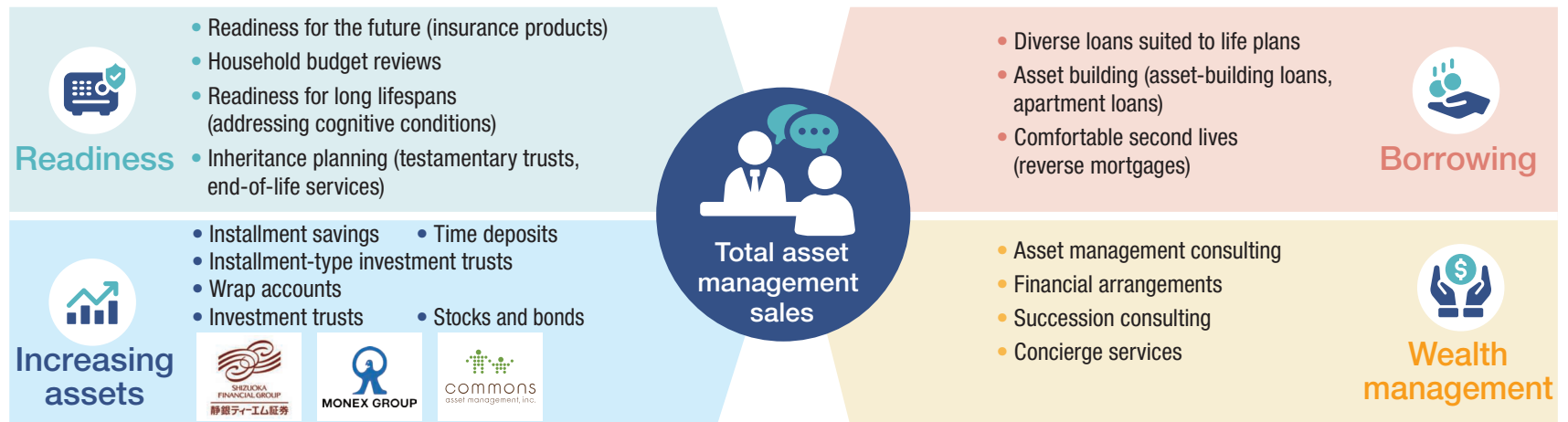
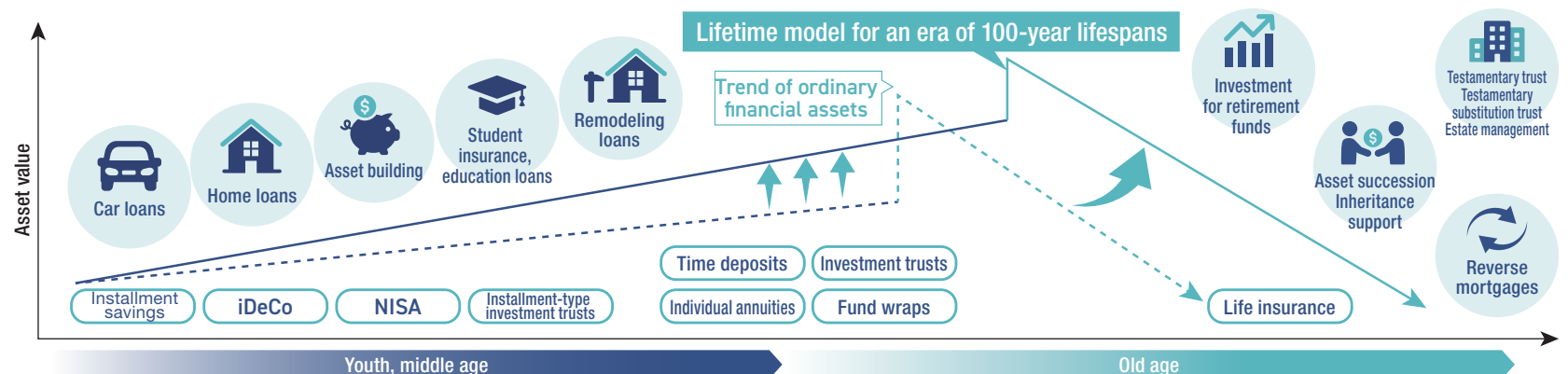
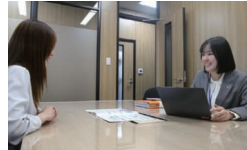


Illustration of lifetime assets needed in an era of 100-year lifespans



Enhancing customer contact points and improving convenience

The Shizuoka Bank enhances customer contact points through both in-person and contactless channels. In person, the Bank meets a broad range of consulting needs related to life planning, from asset building to inheritance, at 14 Shizugin Consultation Lounges in Shizuoka Prefecture. Future plans include opening these facilities in major shopping centers and keeping them open on holidays to further expand opportunities for customers to visit. In contactless channels, the Bank is promoting digitalization of procedures, centered on the Shizugin App, to improve convenience and build long-term transaction relationships.



Financial and economic education: Improving regional financial literacy and increasing customer contact points

The Group makes financial and economic education available to everybody in the community, from children through adults. In addition to improving regional financial literacy, these programs seek to create new customer contact points and contribute to long-term relationship building.



The Group has created Momotetsu Investment Quest, a game that makes it fun to learn about finance.

KPI: Cumulative number completing the course

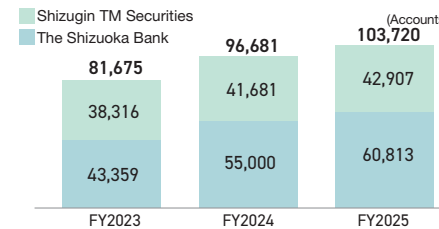
83,550 persons/300,000 persons
(FY2023–2025 result) (target for period through FY2030)



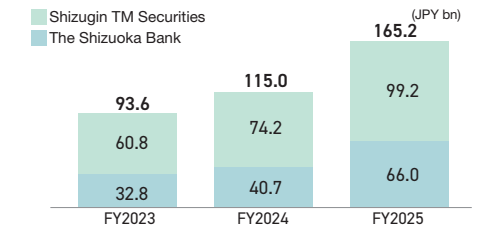
Providing financial services to support asset building

To ensure preparedness for future life events and the capacity to adapt to inflation, it is becoming increasingly important to take a systematic approach to building assets. The Shizuoka Bank supports asset building in line with customer individual life plans through a diverse product lineup, including installment savings, investment trusts, and pension insurance with level premiums. It's also making progress on building an environment in which anyone can build assets with peace of mind in various ways, including promoting use of the NISA system and adding a ranking of funds to the website.

NISA accounts opened

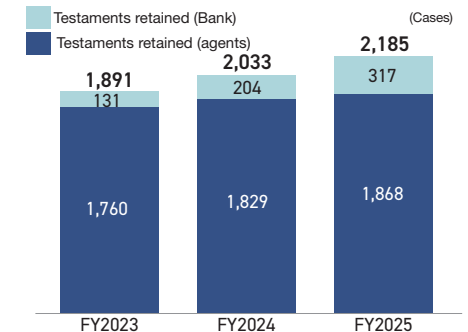


NISA balance



Asset succession and inheritance support for the future

As Japan continues to age, asset management and inheritance needs are growing among customers in their senior years and their families. The Shizuoka Bank proposes asset management with goals that include post-retirement life planning and extending asset lifespans while supporting smooth asset succession through means such as testamentary trusts and inheritance administration. Its diverse services also include inheritance support provided in cooperation with outside experts.



Policy on Customer-First Business Practices

In response to the Principles for Customer-first Business Practices published by the Financial Services Agency of Japan, Shizuoka Financial Group has established the Policy on Customer-First Business Practices and policies on practical initiatives as it strives to work closely with customers. To implement customer-first business practices, we have established specific numerical targets that we use to check and analyze conditions through the plan-do-check-act (PDCA) cycle and to reflect the findings in customer service. (See the Group website for details.)

→ Policy on Customer-First Business Practices



Support that reflects customer life planning needs



Supporting people's lives through home loans

The Shizuoka Bank considers home loans to be core products that contribute to comprehensive transaction growth. The Bank is expanding its market base by focusing on business development in metropolitan growth markets as well as its home market of Shizuoka Prefecture and adjoining regions. It is also working to improve customer convenience and service quality by making procedures more efficient and paperless through digital transformation (DX).

Effect of DX initiatives

Improved customer convenience

All steps from application through execution completed contactless



Improved business efficiency

Major reductions in time required for screening



Improved service quality and profitability

Implementing total asset sales



New business development

Message from the Chief Innovation Officer (CINO)

Growth strategies and new value creation linking the Challenge domain to the Co-creation and Growth domains

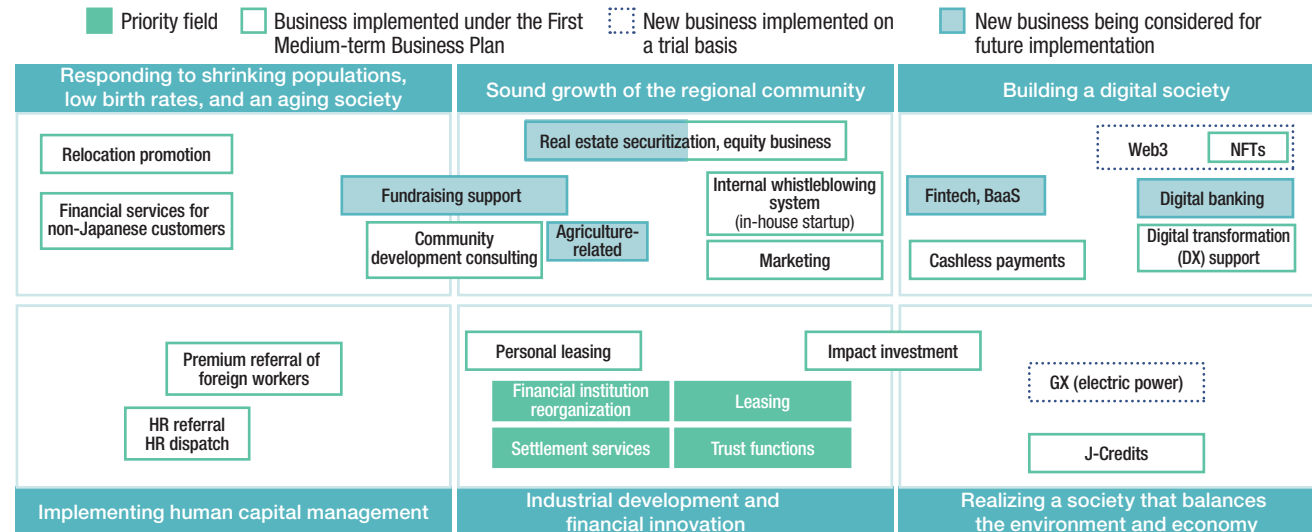
The Second Medium-term Business Plan identifies Challenge as a key business strategy alongside Co-creation and Growth, and we are striving to generate new value through business diversification. In a dramatically changing financial environment accompanied by the emergence of various social issues and the ongoing progress of technologies such as AI and Web3, innovations based on a forward-looking vision and taking on change as opportunities to enter new domains are essential to achieving sustainable management as a regional financial group. Through the integration of diverse types of business beyond finance, we will develop the organizational culture needed to support officers and employees in pursuing challenges while valuing their own individual willpower. We will realize sustained growth and create social value by linking new businesses developed in the challenge domain to the co-creation and growth domains.



Keisuke Yasumoto
Chief Innovation Officer (CINO)

Expanding business domains based on solutions to social issues

Shizuoka Financial Group is taking on the challenge of expanding new business domains in addition to achieving the further growth of existing businesses, with the aim of providing solutions to social issues.

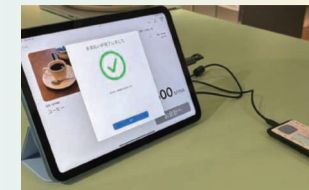


TOPICS

Trial testing/deployment in preparation for social implementation

Web3

In response to the impact of block chain and other advanced technologies on the region and on finance, we're developing businesses incorporating block chain technology (Web3) to consider new roles for regional finance. As part of these efforts, we have conducted demonstration testing of the issuance and use of digital currency at a facility inside the Shizuoka Financial Group Head Office Tower. The goal is to use digital currency to make public finance operations more efficient and contribute to digitalization and vitalization in the region through future implementation of this project in society.



GX (power) business

To build a model for local production and local consumption of renewable energy, Shizugin Lease has developed and launched a solar power station in the city of Gotemba. In January 2026, it began supplying electricity to 16 branches of The Shizuoka Bank (as of March 31, 2026).

Demonstration testing showed the efficiency of an energy cycle within the region, through integrated management ranging from power generation through supply. In addition, cooperation with local farmers showed that it was feasible to grow *tencha* tea in the space beneath solar panels.

This project will help realize a sustainable society by establishing a virtuous cycle between the environment and economics in cooperation with businesses in the region.



Expanding Group functions and realizing discontinuous growth through M&As

Making Tokyo Gas Lease Co., Ltd. a subsidiary

In April 2026 Shizuoka Financial Group acquired 80% of the shares of stock of Tokyo Gas Lease Co., Ltd., a transaction intended to secure a stable business foundation in the Tokyo metropolitan area and incorporate diverse financial functions including leasing, credit, and settlement.

This transaction is one of our efforts to take on the challenge in the growth domain identified in the Second Medium-term Business Plan and will lead to the creation of new value for customers on both sides based on a complementary collaboration of the Group's multifaceted financial functions and Tokyo Gas Lease's customer base.

Growing the leasing business in Shizuoka Financial Group

Tokyo Gas Lease

- Network in the **Tokyo metropolitan area**
- Household leasing, etc. for **individual customers**



Shizugin Lease

- Business base **centered on Shizuoka Prefecture**
- Leasing for **corporate customers**

Expected result

Demonstrating Group synergies through sharing of expertise

Our company, which became a member of Shizuoka Financial Group in April 2026, has established extensive expertise and a business base in the Tokyo metropolitan area since our founding in 1983 as a financial company in the Tokyo Gas Group.

Our greatest strength lies in our partnerships with the Tokyo Gas Lifeval companies, a sales network of Tokyo Gas. Our highly convenient services such as long-term credit developed jointly with Tokyo Gas have contributed to increasing use of solutions such as household fuel cells. We have an extensive track record of leasing in commercial markets as well, serving factories, schools, hospitals, and other customers with solutions centered on highly energy-efficient air-conditioning equipment. Backed by our safe, secure, reliable brand, we contribute to a decarbonized society as a specialist supporting people's lives and business.

We also offer cashless solutions like TG Pay, which combines settlement services with pay-later plans.

We will promote unique value creation by striving toward business domain growth and provision of more advanced financial services in cooperation with Group companies.



Miki Yoshii
Living Sales Dept.
Tokyo Gas Lease

Making Nissenren Shizuoka Co., Ltd. a subsidiary

In March 2026, The Shizuoka Bank acquired the stock of Nissenren Shizuoka Co., Ltd., making it a subsidiary.

The business environment facing regional firms is changing dramatically due to various factors, including shrinking populations, an aging society, and labor shortages, along with diversifying consumption behavior and the ongoing progress of digital technologies. There is a particularly important need to enhance business foundations based on settlement—for example, by responding to increasingly diverse payment methods, making store operation more efficient, and advancing settlement, credit, and collection operations.

The Shizuoka Bank entered the settlement business for member stores in 2023, helping businesses adapt to cashless payments and expanding settlement services. Meanwhile, Nissenren Shizuoka has been involved in serving member stores, chiefly in the city of Shizuoka, and the credit card business, since its founding in 1949. It has extensive store networks and user bases and a wealth of expertise in the settlement field. Both companies share a vision for contributing to the progress of the regional community by supporting the growth of regional businesses and promoting cashless payments. They recognize the potential to provide services with higher added value by combining the strengths of both companies. By fusing the customer bases, settlement functions, and business expertise of both companies, we will seek to increase the value provided to businesses in the region and generate new earnings opportunities based on the settlement domain.

Our goal for the future is to balance sustained regional development and increases in Group corporate value through enhancing services for member stores and utilizing related data.

Expanding the settlement business in Shizuoka Financial Group

Nissenren Shizuoka

- Member store network
- Operational expertise in settlement business
- Strong local user base



The Shizuoka Bank

- Shizuoka Financial Group's customer base
- Financial and nonfinancial solutions
- Data utilization



Overview of Nissenren Shizuoka

Name:	Nissenren Shizuoka Co., Ltd.
Headquarters:	7-26 Gofukucho 2-chome, Aoi-ku, Shizuoka, Shizuoka Prefecture
Representative:	Tomohisa Hirano
Lines of businesses:	Member store services, credit card business, etc.
Capital:	¥98 million
Established:	1949

Transformation 2.0

Under the Second Medium-term Business Plan, we will pursue the four reforms identified in the Transformation 2.0 basic strategy in response to contemporary trends such as customer behavioral changes, increasingly diverse values, and the need to use AI.

While making strategies more effective by optimizing management foundations such as the human resources and IT systems that support growth strategies, we will accelerate growth strategies through transformation of sales activities and customer contact points to make them even more effective.

Strategic approach

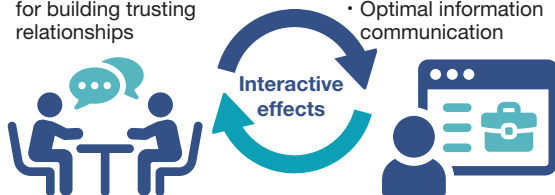
1 Redefined channel roles

Real channels

- Brand experience
- Locations for building trusting relationships

Digital channels

- Thorough fulfillment of everyday transactions
- Optimal information communication



Transforming real channels from transaction point into trusted advisory spaces
Maximizing transactions with customers through the seamless interaction of both channels

2 Transforming workstyles for officers and employees (coworking with AI)

AI as a colleague assumes or supplements staff roles.

Officers and employees concentrate on added-value work.

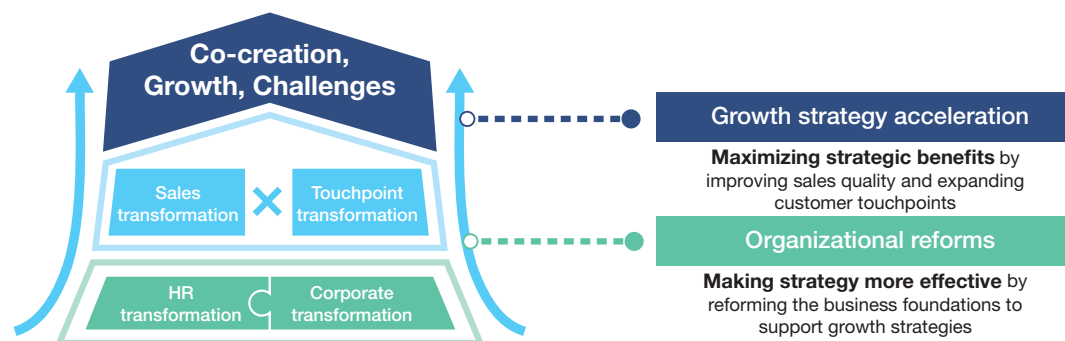


Freeing up time and human resources by implementing AI in various reforms to customer experience, sales activities, and business processes.
Building an organization equipped to achieve top line growth.

Four transformations

Strategic positioning

Under the Transformation 2.0 strategy, we will pursue a broad range of reforms, including rebuilding the HR portfolio to implement the Second Medium-term Business Plan and developing business management systems premised on the use of AI, through strategic investment in areas such as human capital and IT. Based on rebuilding management foundations such as human resources and IT, we will reform sales quality and customer contact points in line with environmental changes and strengthen our promotion of the basic co-creation, growth, and challenge strategies to achieve sustained growth in corporate value.



Sales Transformation

- BPR, AI implementation
- Sales skill improvements
- Data sharing, analysis



Building competitive strength

Touchpoint Transformation

- Reorganizing branch network
- Improving app convenience
- Digital marketing



Growing transaction opportunities

HR Transformation

- HR portfolio rebuilding
- Accelerating investment in human capital

Maximizing individual and organizational performance

Corporate Transformation

- AI natives
- Doubling IT system development speed
- Visualization of management resources

Optimal allocation of management resources

Transformation 2.0 IT strategy

Vision

Providing customers with high-value-added services and securing the safety, security, and flexibility essential to IT infrastructure

Topics

Establishing an IT development structure in response to rapidly evolving technologies; preparing for increasingly advanced and sophisticated cyberattacks

IT investment to accelerate growth

Vision

To date, Shizuoka Financial Group has laid the foundations for transformation by adopting an open core system, developing the S-hare data analysis and utilization platform, and developing digital human resources. Under the Second Medium-term Business Plan, we promote Transformation 2.0 to optimize sales activities and customer experiences, with a focus on AI and data as the core of the management base.



Motoya Suzuki
Group Chief Information
Officer (CIO)

Aggressive investment

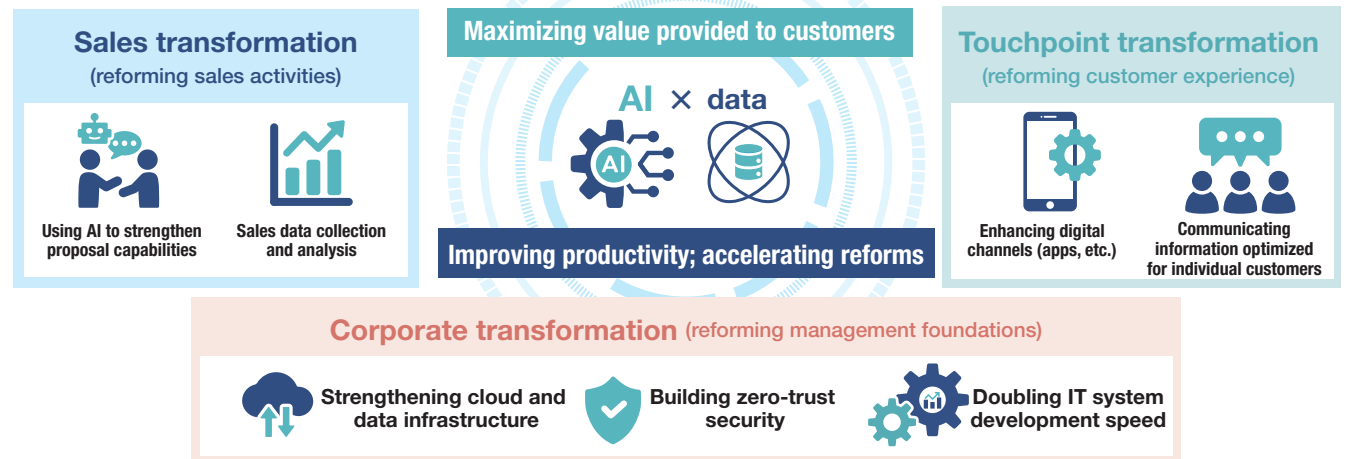
To implement this strategy, we plan to invest about ¥53.0 billion in IT during the period covered by the Second Medium-term Business Plan. In addition to adopting AI in sales and lending support systems and migrating loan procedures fully to the Web to free up time for sales, we will also enhance points of contact with customers by introducing the Wallet+ smartphone app and linking it to digital marketing.

As we plan to migrate the accounting system to the public cloud in January 2027, we will create a system infrastructure to allow the swift and secure use of advanced services by developing AI and data platforms and building zero-trust security. Generative AI in systems development is beginning to demonstrate solid results; we will promote its use and invest in its growth to help strengthen corporate value over the medium to long term.

Our IT strategy is essential to building the Group's future while earning the trust of customers. We will use the power of IT to provide customers with high-value-added services.

Overview of Transformation 2.0 IT strategies

Drawing on the digital infrastructure and human resources developed under the First Medium-term Business Plan, we plan to achieve sustained growth for stakeholders and the Group through dramatic improvements in the value we provide customers and in our own business productivity, with a focus on AI and data as the core of the management base.



Key points of reforms



Value creation based on digital infrastructure and human resources

The second phase of the transformation strategy calls for accelerating reforms using the digital infrastructure, business processes, and human resources developed through the First Medium-term Business Plan and putting AI and data to full use.



AI and data as core of management base

Advancing decision-making through AI and data while delivering personalized value and seamless customer experiences anytime, anywhere



To create value that only people can provide

Using AI and digital technologies to free up time and human resources, enabling a shift toward activities that create the future together with our customers through dialogue, proposals, side-by-side support, etc.

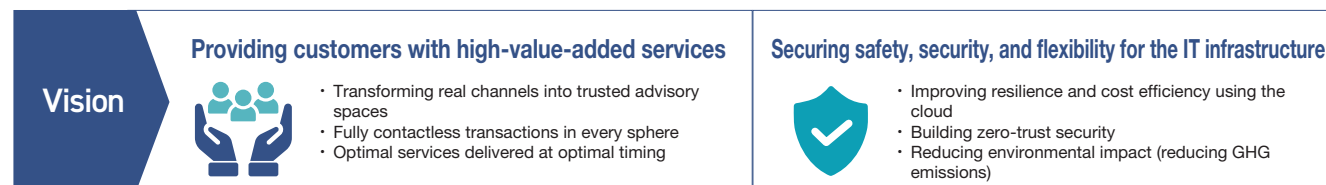


A solid, flexible foundation to encourage the pursuit of challenges

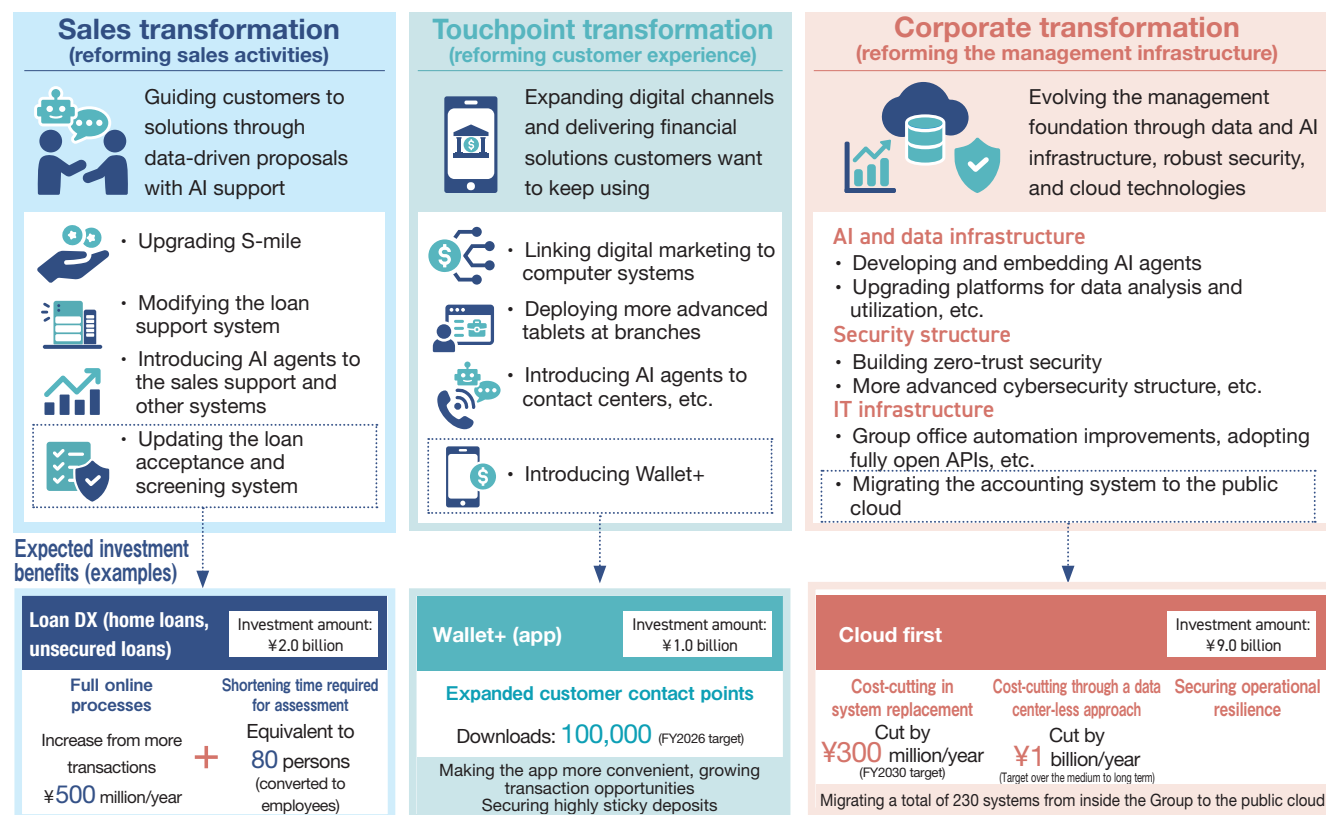
Building management foundations that combine security, safety, and speed by enhancing the cloud, zero-trust security, and data infrastructure to increase earning power and realize sustained growth

Courses of action on IT investment to support growth

The roughly ¥53.0 billion in strategic IT investment planned during the period covered by the Second Medium-term Business Plan will promote steady progress on sales transformation, touchpoint transformation, and corporate transformation to achieve both goals—the provision of high-value-added services to customers and a safe, secure, flexible IT infrastructure.



Examples of IT investments planned in the Second Medium-term Business Plan



ESG initiatives as part of corporate transformation

Promoting eco-friendly management



By promoting a cloud-first approach, including migration of the accounting system to the cloud and eliminating use of data centers, we will contribute to carbon neutrality through lower GHG emissions and reduced power consumption.

GHG emissions reduction

–357 t/year



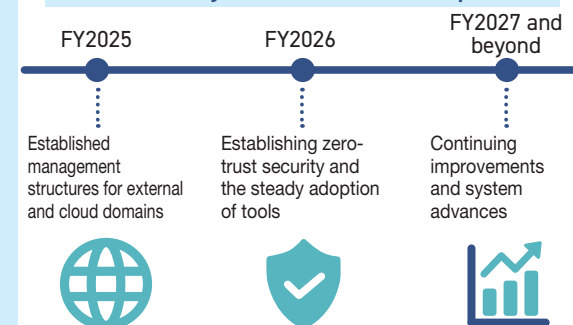
For proper IT asset disposition, we will prioritize the reuse of outdated devices following upgrades, typically through reuse or recycling. This will promote eco-friendly management by reducing CO₂ emissions associated with new purchases and waste disposal.

Responding to increasingly advanced and sophisticated cyberattacks



We plan to safeguard customer data and services in sustainable ways, including building zero-trust security and adopting various security tools.

Security enhancement roadmap



Transformation 2.0—AI-native structures to support strategy

The Second Medium-term Business Plan identifies AI as a foundational element for supporting the three basic strategies. Below, the Chief DX Officer discusses the key points of Shizuoka Financial Group's transformation to an AI-native organization.



Applying AI to promote business reforms and value creation

Hiromi Enomoto
Group Chief DX Officer (CDXO)

POINT 1 Three domains to be transformed by AI implementation

The Second Medium-term Business Plan identifies the development of AI-native structures as a management foundation that will support the three basic strategies. An AI-native structure is one in which AI is fused with and cooperates in various reforms centered on the three domains of sales activities, customer experience, and business processes to build new competitive strength to support Transformation 2.0.

Sales activities

Meeting preparations
Meeting records
AI brainstorming
Comparison of top performers
Visit plans
Preparing minutes

Improving proposal quality,
increasing numbers of meetings

Customer experience

AI concierge
24-hour service
Improved app and website
convenience
Optimally timed value provision

Growing transaction opportunities,
optimizing customer experience

Business processes

Automation of routine
work
Sorting, initial responses
Preparing reports

Shifting toward high-value-added
work

POINT 2 Using the time made available by AI to create value for customers

Rather than merely cutting costs, we plan to reallocate the time made available by AI to high-value-added work, including dialogue with customers and communities, proposals, and side-by-side support. Under the resulting structure, AI will handle tasks such as collecting and analyzing information and preparing records and materials, allowing officers and employees to devote more time to finding solutions for customers and

creating new value.

In sales activities, to improve customer experience, we plan to use AI proposal support and analysis functions to deliver proposals tailored to individual customers at the optimal timing. In addition, we plan to implement AI at contact centers and in digital channels to provide high-quality services at any time and place.

POINT 3 From points to lines to a surface

In FY2025, we began creating AI usage case studies in individual sections and operations as a first step toward AI-native structures. Examples include expanding the use of Copilot, holding a generative AI idea contest, and implementing AI agents in real-world operations. In FY2026 and beyond, these efforts will move from simply using AI in individual operations (points) to redesigning entire business processes (lines) and deploying the results across the Group (surface).

In implementing AI, we seek to maximize results by making business processes visible, then implementing business process reforms (BPR) before embedding AI in the most suitable domains. Rather than merely replacing existing work with AI, we will redesign the work itself to create new value.

Case 1

Using Copilot to bring business solutions in house

We use Copilot Studio to produce AI-based solutions to the business issues facing each section in-house. We are realizing business reforms by applying AI to various jobs such as email and task management, after revising processes based on AI. We apply AI in forms suited to real-world tasks, with each section playing an active role in agent development while revising business processes, designing prompts, and organizing data. Through these initiatives, we're conducting flexible business reforms that account for the issues facing each section and accumulating expertise on bringing processes in-house.

Case 2

Mt. Fuji-Alps Alliance generative AI idea-sharing presentation meeting

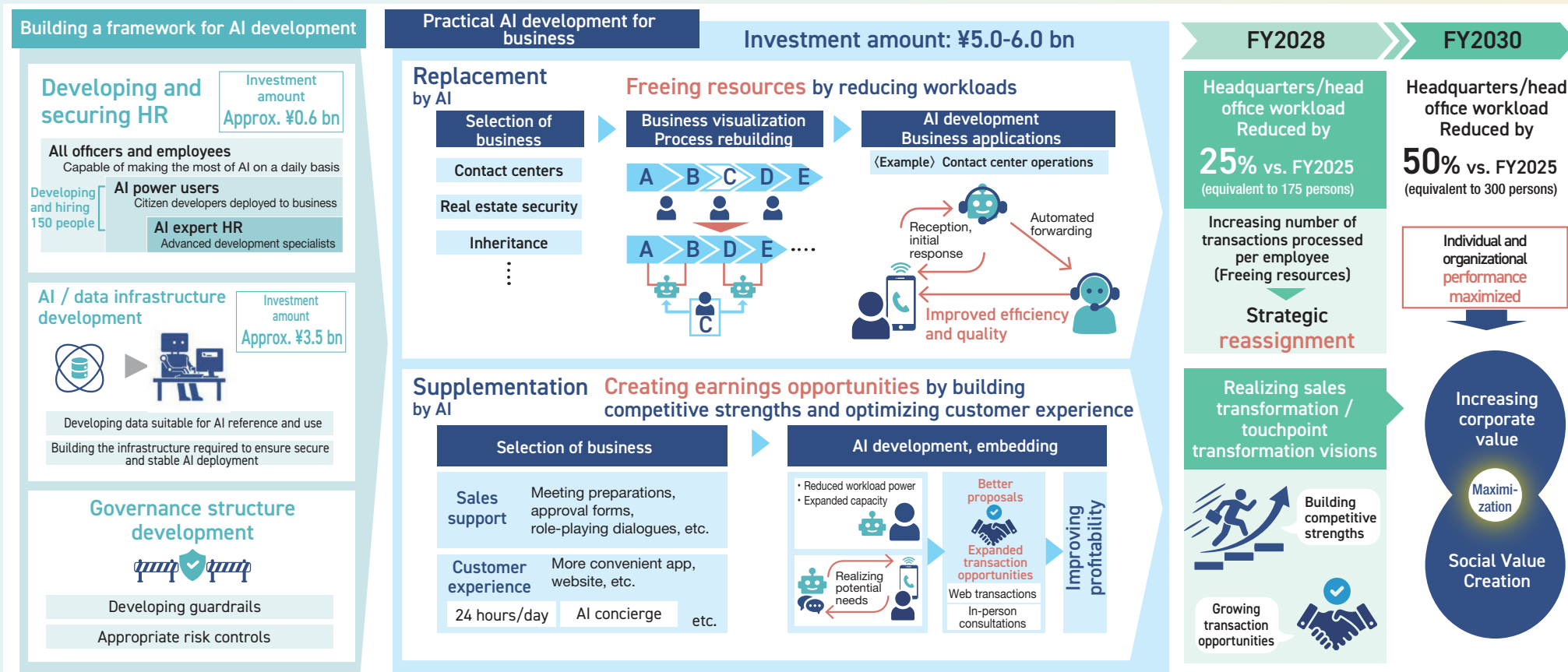
As part of the Mt. Fuji-Alps Alliance, The Shizuoka Bank, Yamanashi Chuo Bank, and Hachijuni Nagano Bank jointly held a presentation session to share ideas on generative AI.

This event helped bring together ideas generated from practical perspectives in fields including sales, administration, and contact centers. Presentations addressed various ideas, including an AI concierge to support subsidy applications, more advanced customer service using generative AI, and structures for sharing business knowledge.

By encouraging the sharing of ideas above and beyond the boundaries between the three banks, the event provided opportunities to learn and build on insights for using generative AI in business reforms.



Perspective on strategic investment to establish AI-native structures



POINT 4 Finance, data, and governance to support AI utilization

To draw out the value of AI to the fullest, high-quality data and human resources able to utilize them are essential. Based on the S-hare data use and collaboration infrastructure and S-CRM to support sales activities, the Group is striving to improve data quality in cloud environments, enhance the data collected, and, in its internal systems, to increase data literacy and train specialized human resources centered on the Data Science Management Office.

To permeate AI tools like Copilot in everyday work, we are enhancing training and knowledge-sharing by skill level for officers and employees. We are also promoting safe and secure AI use and preparing for inherent risks of generative AI through developing AI policies and data governance.

Corporate communication

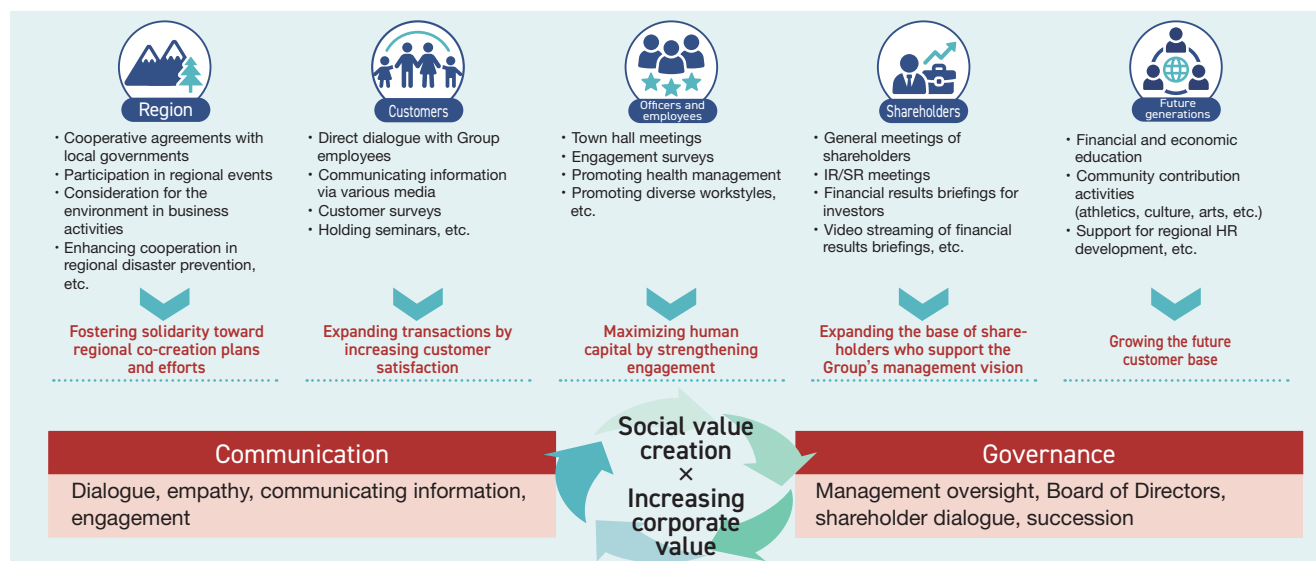
Communication to promote value co-creation with stakeholders

Shizuoka Financial Group maximizes social value creation and corporate value growth in partnership with the region. Vital to this effort are efforts to promote value co-creation based on ongoing dialogue with diverse stakeholders, including the region itself.

Corporate communication plays a vital role in advancing management strategy by establishing dialogue and strengthening both stakeholder communication and corporate governance.

We will continue to implement activities targeting sustained growth in partnership with the region by promoting value co-creation from our perspective as a regional financial group, while engaging repeatedly in constructive dialogue with stakeholders.

Our vision for stakeholder communication



Perspective on corporate communication

Shizuoka Financial Group recognizes the importance of building long-term relationships by fostering empathy and trust through dialogue with stakeholders.

Toward this end, we work to steadily improve engagement with stakeholders to establish a virtuous cycle of growing empathy and support by strengthening understanding and loyalty through repeated stakeholder contact and communication across various formats.

To make these initiatives still more effective, we must advance governance in support of strategy. By reflecting stakeholder dialogue in management strategies through the Board of Directors, revising officer remuneration programs to design appropriate incentives to achieve management targets, and in other ways, we seek to strengthen our management foundations and create medium- to long-term value.

Efforts and issues identified through the brand survey

As part of brand strategy efforts, we undertook a brand survey of residents in the region in FY2025.

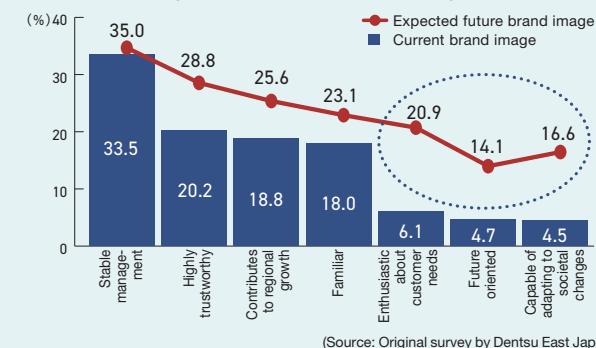
While this survey identified the strengths of trust and community ties, it also made clear stakeholder expectations for an orientation toward the future and problem-solving capabilities.

Future courses of action

Based on the region's trust, we will create new value by addressing stakeholder expectations in good faith and promoting value co-creation through effective corporate communication.

Current strengths	Gaps relative to expectations	Policies
Trust Basis of trust supported by the region	Future orientation Communication skills that lead the way into the future	Support for future generations Next-generation development/challenge support
Community ties A presence that has evolved together with the region	Problem-solving capabilities Capacity to respond to regional and social issues	Regional co-creation activities Co-creation toward solutions to regional issues
Familiarity A customer-focused approach	Adaptation to change Capacity to foresee and adapt to change	Brand communication enhancement Communicating information to broaden empathy

Current assessments of and expectations for Shizuoka Financial Group (Shizuoka Prefecture residents)





Regional co-creation initiatives are our true mission as a regional financial group. We strive toward solutions to regional issues and the creation of new value through repeated dialogue with members of the community.

Regional co-creation through group-wide collaboration

Through ongoing dialogue with local governments, we strive to ascertain issues and needs specific to the region; participate in regional events; plan and implement measures to generate community vitality; and engage in various activities in partnership with the region.

FY2025 activities

- Implemented at 204 sales facilities in 42 regions of Japan
- Total number of activity plans: 235



Developing products to contribute to the community

Since June 2025, we have offered financial products and time deposit promotional campaigns to contribute to the community, targeting solutions for regional and social issues alongside our customers. In FY2025, we donated to organizations that provide meals for children throughout the prefecture.

FY2025 donations

- Recipients: 5
- Total donations: ¥1,784,219
(Based on results as of September 30, 2025)



Relocation promotion project

As one of the priority measures of the Mt. Fuji-Alps Alliance, this project provides integrated support on matters ranging from relocation to the region to finding ways to remain in the region. Key measures include HR matching, relocation support loans, and a dedicated landing page.

FY2025 activities

- Relocation support loan execution amount: ¥12.3 billion (cumulative total of 350 persons received support from all three banks)
- Relocation fair booth held consultations with 73 parties



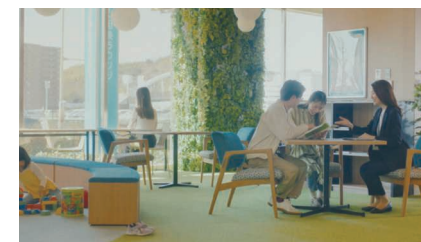
Relations of trust with customers are the starting point of Shizuoka Financial Group's value creation.

We aim to build long-term relationships through solutions based on sincerely tackling increasingly diverse and complex needs and changing social environments.

Building diverse points of contact close to customers

We value communication with customers through Shizuoka Bank branches and other Group facilities.

In April 2025, we remodeled our Life Design Stations into Consultation Lounges, new facilities focused on dialogue with customers. In these relaxed spaces, we provide attentive consulting services on asset building, inheritance, and an ever-broadening range of other needs.



Networking with next-generation managers

We operate Shizuginship as a membership-based service for the next generation of managers and successors. Providing diverse opportunities for learning and exchange, Shizuginship supports the development of member firms.

Overview of Shizuginship

- Members: 674 companies, 1,012 persons
- Held 52 events, with total participation by 1,317 members, in FY2025



Supporting sales channel expansion through wide-area cooperation

We hold individual business matching events to help regional firms expand their sales channels and grow their businesses.

Through the Mt. Fuji-Alps Alliance and other organizations, we draw on wide-area joint efforts to create business-matching opportunities within and beyond the region, thereby supporting new trade flows and broader business opportunities.

FY2025 activities

- Held 7 times
- Number of business discussions: 882





Individual Group officers and employees are an essential driving force for sustained value creation. Through dialogue, we will establish virtuous cycles and develop an organizational culture that promotes empathy and encourages the pursuit of challenges, thereby helping officers and employees to grow and strengthening corporate value.

Promoting dialogue through town hall meetings

In FY2025, we increased the numbers of officers participating in the meetings to deepen understanding of the corporate philosophy and management strategies and to enhance opportunities for dialogue on the dreams and challenges of individual officers and employees.

FY2025 meetings

- Held 23 times (seven more than last year)
- 1,145 participants (481 more than last year)



In-house startup program to foster a culture that encourages the pursuit of challenges

We are currently deploying an in-house startup program to support officers and employees in their efforts to pursue challenges and create new value. In August 2025, we held our third pitch contest, in which 19 teams participated from Group companies.

Third contest

- Total entries: 80
- Top prize-winning idea: LINKLE (development of tool for sharing information among internal human resources)



Improving the organization through engagement surveys

We undertake engagement surveys of all Group officers and employees to evaluate progress on the Medium-term Business Plan and the results of various measures, and apply the findings to business administration and organizational management. In FY2025, our engagement score reached a new record high on a five-point scale of 3.86.

FY2025 survey overview

- Score: 3.86/5.0 (up 0.05 YoY)
- Those surveyed: all Group officers and employees



Constructive dialogue with shareholders and investors is an important opportunity to support more advanced management. We will strengthen corporate value over the medium to long term by reflecting the expectations and suggestions gained through this dialogue in our management.

Enhancing dialogue through IR and SR activities

Through briefings and various types of meetings, we explain business results, management strategies, and the progress of the Medium-term Business Plan while seeking a broad range of opinions and expectations expressed in question-and-answer sessions.

The opinions and expectations are shared internally via the Board of Directors and in briefings for officers and employees and reflected appropriately in our management strategies.



FY2025 IR and SR activities



Japan

IR presentations: 2
Small meetings: 7
Individual meetings: 114

Overseas

Companies met with: 81
Overseas IR: 6
Conferences organized by securities companies: 5



For securities staff in Shizuoka Prefecture: 2
For Group officers and employees: 18

Promoting understanding through disclosures in various forms of media

In addition to financial information, we communicate nonfinancial information on topics like sustainability and human capital as clearly as possible through the Integrated Report, mini-disclosure bulletins, the website, and other media.

We will continue to strengthen understanding of and empathy with our corporate value through timely and appropriate disclosures and ongoing communication.





Building connections with future generations is a cornerstone of the region's sustainable growth. Supporting future generations in their various challenges will contribute to developing human resources who can build the region's future.

Developing human resources through financial and economic education

We provide financial and economic education for people across a wide range of ages, from the emerging generation to seniors. As a financial group with deep roots in the community, we develop the human resources of the future while strengthening ties with the local community through learning.

Participants

- Cumulative number completing 83,550 (FY2023–FY2025)



Creating opportunities to take on challenges through athletics and cultural activities

We promote regional vitality by creating opportunities for future generations to tackle their dreams and goals. Related initiatives include a brass-band competition for high school students and sponsoring Shizugin Cup soccer and baseball tournaments for children in the region.



Fostering love of community through the Kids' Academy

We plan programs that promote awareness and understanding of the region's diverse industries to provide opportunities for local children to experience and learn about what makes the region's industry so attractive and helps foster affection for their communities.

Results

- Sessions held: 39
- Participants: 2,816 children, in 880 groups (Cumulative totals since FY2016)



TOPICS

Soccer coach Makoto Hasebe signed as a brand partner



Having signed with soccer coach Makoto Hasebe as a brand partner, we're currently promoting a communication program named the "KICK OFF your future Project" to encourage the pursuit of various challenges and embody the Group's brand promise as the place where the future begins.

Message from Makoto Hasebe



I'm proud to be appointed as Shizuoka Financial Group's brand partner.

Since concluding my 23-year career as a soccer player in 2024, I've continued to take on new challenges in Europe as a soccer coach. Being a coach differs from my time as a player and I face new obstacles every day, which gives me a keen sense of my own inexperience. But I continue to enjoy and take a confident approach to pursuing this challenge because I believe this is an important process in building my future.

When I spoke with President Shibata, in the shadow of Mt. Fuji in my hometown of Shizuoka, we exchanged a wide range of opinions on how to create a new future in partnership with the region, what to communicate to the generations to come, and how to help broaden possibilities for our children.

This gave me a strong sense of how Shizuoka Financial Group emphasizes an approach of continuing to take on challenges while generating new value in a time of dramatic change.

I look forward to growing and taking on new challenges alongside everyone in Shizuoka Financial Group through these efforts.

Scan to watch a video of the discussion.



Implementing human capital management

Under the Second Medium-term Business Plan, which targets the sustained growth of the region and the Group, we're striving to maximize social value creation and growth in corporate value and to exercise management to achieve a virtuous cycle between both types of value.

We plan to realize our vision by encouraging the personal growth of each officer and employee and through organization-wide reforms, seeing human capital management as an essential management foundation for promoting our three basic strategies to achieve this goal.

The perspective of Shizuoka Financial Group on human capital management

We respect **diversity** and transform our differences into strengths. We take on new **challenges** through **autonomous** learning and career development by each and every individual. This process powers organizational growth to generate new value for society.

Diversity

A state in which individuals can work in their own way, with diverse human resources coming together and leveraging the strengths of each individual

Autonomy

Proactively shaping one's career and learning as individuals with a strong sense of ownership and capable of actions aligned with the Group's core principles

Challenge

Taking on new challenges free of the fear of failure to create social value and broaden new possibilities for the organization



For more information, see the Human Capital Report 2026.



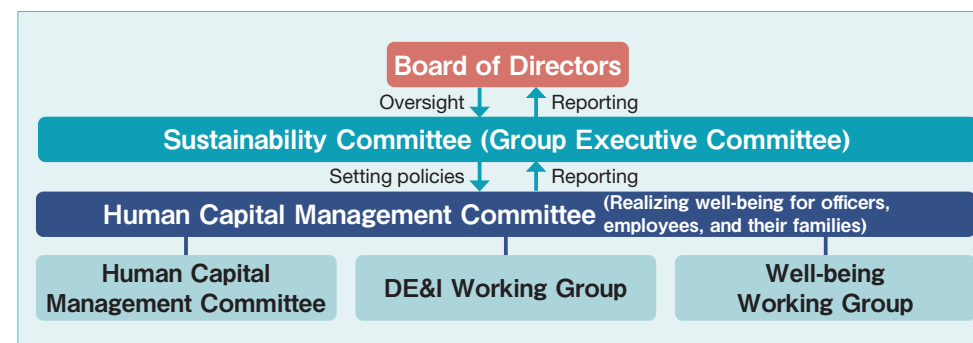
Linking management strategies to human resource strategies

Management strategies describe how to achieve the Group's vision for the future, and human resource strategies set forth a vision for the organization and its people. We plan to achieve sustained growth in corporate value by linking these two strategies to maximize the power of our organization and our people.

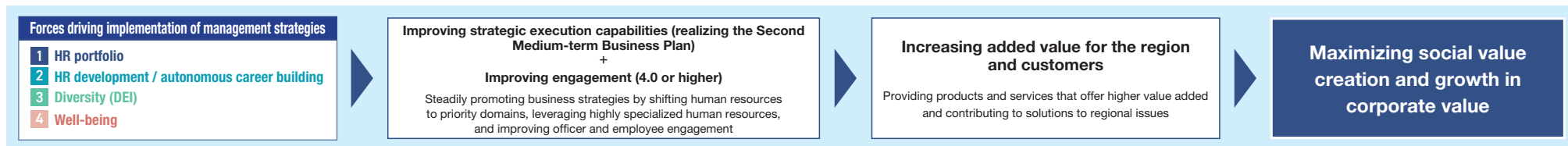


Governance structure for human capital management

The Group has established the Human Capital Management Committee to monitor issues related to human capital management and progress on related measures across the Group and to discuss courses of action for priority measures. The Committee's deliberations are reported to the Sustainability Committee (Group Executive Committee) and the Board of Directors and reflected in decision-making and oversight at the management level to ensure effective governance of human capital management. Three working groups have been established under the Committee on the topics of HR Development, DEI, and Well-being, to consider measures related to each topic while reflecting the views of officers and employees.



Value creation narrative based on human capital investments



Realizing sustained growth in corporate value by enhancing human capital as the basis for executing strategy

	As is	Action	To be	KPIs Internally set targets		
				KPIs (autonomous targets)	FY2025 (actual)	FY2028
1 HR portfolio	Issues related to optimizing quantity, quality, and assignment of HR needed to realize more advanced strategies	Enhancing hiring and the development of strategic human resources Optimal assignments of personnel to suitable domains	HR portfolio optimization linked to management strategies	Gross operating profit/person Value creation HR Problem-solving HR Digital HR AI HR NEW Midcareer hires ^{*1}	¥65 million 363 665 90 — 71	¥86 million 520 920 115 150 100 ^{*3}
2 HR development / autonomous career building	Insufficient knowledge and skills to accelerate strategy; a persistent internal-oriented top-down culture	Advancing knowledge, skills, and HR development to encourage autonomous initiative	An organization that continually develops HR to lead reforms while creating new value by learning and taking on challenges autonomously	Career match ^{*1} Users of My Career Design program	72.3% 217	75-80% or higher Up YoY
3 Diversity (DEI)	Issues in promoting diverse human resources and creating opportunities to take on challenges Diverse values and experiences not fully converted to organizational competitive strengths	Enhancing DEI to maximize HR value	A state in which diverse human resources demonstrate their abilities to the fullest and improve the organization's competitive strengths	Women as a percentage of officers ^{*2} Women as a percentage of managerial posts Improving male-female wage disparities for permanent full-time workers Average days of childcare leave taken by men ^{*1} Percentage of employees with disabilities	20.0% 20.4% 67.4% 31.6 days 2.55%	30.0% 27.0% 70.8% 30 days Maintaining statutory rate
4 Well-being	Need to respond to increasingly diverse health issues and further improve officer and employee engagement	Continuing to enhance health management and improve well-being	Realizing well-being to empower individuals to grow alongside the organization by demonstrating their abilities to the fullest in optimal mental and physical health	Percentage of annual paid vacation taken Health app download rate Percentage undergoing follow-up exams after periodic health checkups Percentage undergoing stress checks ^{*1}	72.3% 84.0% 53.1% (tentative figure) 96.0%	80.0% 90.0% 85.0% 100% ^{*4}

^{*1} The Shizuoka Bank nonconsolidated ^{*2} Shizuoka Financial Group nonconsolidated ^{*3} FY2026 targets ^{*4} FY2027 targets

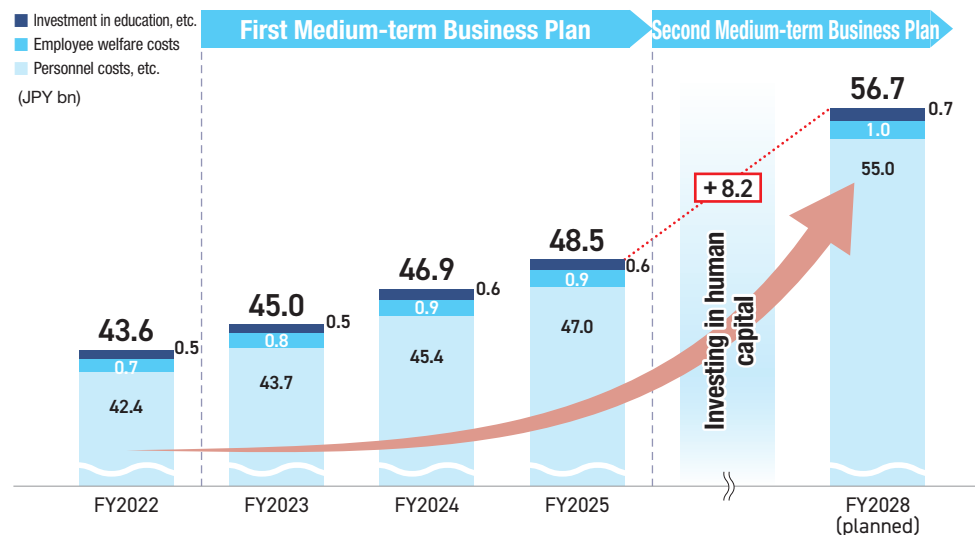
HR portfolio optimization linked to management strategies

Vision

Building an HR portfolio capable of continually generating the HR needed to implement strategy

Investing in human capital to realize the HR strategy of the Medium-term Business Plan

Under the Second Medium-term Business Plan, we will grow our investments in human capital from ¥48.5 billion in FY2025 to ¥56.7 billion in FY2028, focusing primarily on recruiting and developing strategic talent and providing training to enable the effective use of AI. In addition to recruiting, developing, and optimally deploying talent in priority domains, we will use AI to improve operations and reallocate personnel to higher-value-added work. This will result in steady growth in corporate value by improving productivity per employee and increasing the value provided to the region and customers.



Investing in human capital

Transformation to an organizational structure in which each and every officer and employee can thrive to the fullest to optimize the HR portfolio for strategy implementation

Breakdown of increase of ¥8.2 billion in investment

Personnel costs: +¥8.0 billion

Securing professional HR, etc. Increasing base pay, etc. RS trust

Building a remuneration system linked to contributions to increased corporate value

Investment in education, employee welfare costs: +¥0.2 billion

Reskilling Enhancing employee welfare, etc.

Improving officer and employee skills

Linking remuneration to realizing strategy

Hiring and developing HR with specialized knowledge

HR portfolio optimization to implement strategy

The Second Medium-term Business Plan groups business domains into the three categories of Co-creation, Growth, Challenge, and we will assign human resources with a focus on the strategies specific to each of these domains. While keeping the Group's total number of human resources at its current level of around 4,200, we will reduce middle- and back-office workloads through improvements in business efficiency achieved using AI and other means and by reassigning the personnel made available to priority domains to facilitate the implementation of strategy.

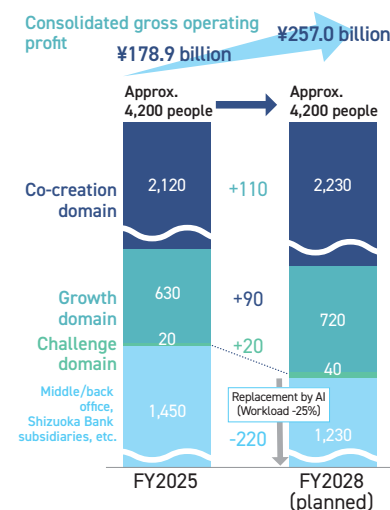
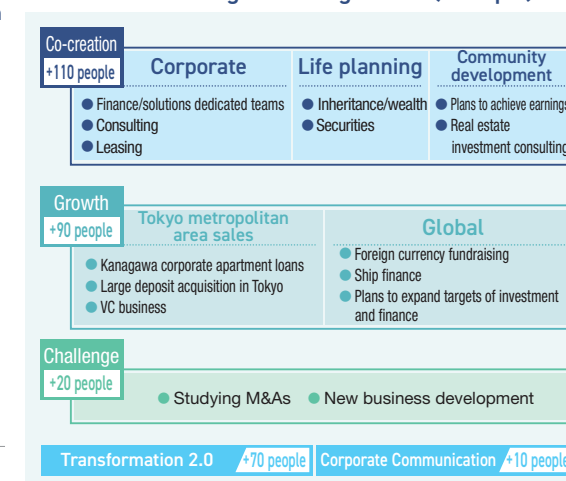


Illustration of strategic HR assignments (example)



Increasing productivity/person

We will build a structure whereby officers and employees can demonstrate their individual abilities to the fullest by enhancing human capital investments and optimizing the HR portfolio to implement strategy.

The results of this investment will be assessed using the degree of improvement in the productivity KPI of gross operating profit/person.

Productivity KPI

Gross operating profit/person *



* Gross operating profit / front-office employees (number of employees in three domains)

* The investments in human capital shown are final values for FY2025, updated with the finalization of preliminary figures in the Securities Report.

Evolving and optimally deploying strategic human resources in response to changing strategy

The Group's business environment is changing dramatically due to factors including rising yen interest rates, advances in technologies such as generative AI, and changes in the region's industrial and social structures. Based on the recognition of risks and opportunities accompanying associated changes to management strategies, the Second Medium-term Business Plan has directly linked management strategies and HR strategies. We will secure and develop human resources for priority domains and optimize their placement to enhance corporate value with a focus on human capital.

Risk▼

Inability to realize the Medium-term Business Plan's vision due to delays in redefining and optimally assigning human resources for new business domains

Opportunity▲

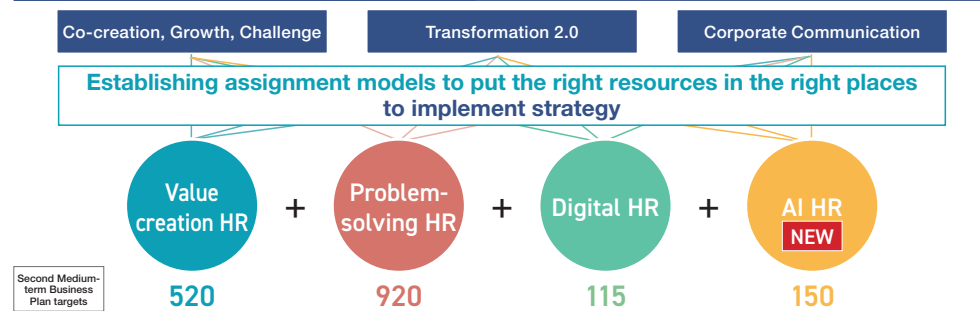
Creating new value and reforming the organizational culture by promoting solutions to regional challenges and advancing into nonfinancial domains through the development of value creation human resources and AI human resources

Response Establishing assignment models to put the right resources in the right places to implement strategy

To date (First Medium-term Business Plan)



Going forward (Second Medium-term Business Plan)



Requirements of strategic human resources and anticipated results

Strategic human resources

Human resource requirements

Value creation HR

Human resources capable of creating new value not found in existing core businesses

Name/activity field

Regional innovation coordinators	Accelerators
Regional co-creation activities through industry-academia-government cooperation	Side-by-side support for solutions to regional issues
Entrepreneurs	Estate business coordinators
Launching new businesses, etc. in house	Arranging real estate development projects for the region and customers
Wellness coordinators	Wealth concierges
Supporting the maintenance and enhancement of regional healthcare resources	Side-by-side support for wealth management customers
VC business supporters	Digital consultants
Supporting startup business growth	Customer solutions generated through IT and DX support
Digital coordinators	Sustainability consultants
DX support reception, IT vendor referral, etc.	Funding support for GHG emissions reductions, etc.

Expected results

Venturing into new business fields, generating solutions to regional challenges

Problem-solving HR

Human resources capable of solving more challenging problems, centered on existing core businesses

Name/activity field

Corporate consultants	Life planning consultants
Consulting on finances, business succession, and other corporate customer concerns	Consulting on life planning (e.g., savings, inheritance, loans) for individual customers

Expected results

Maintaining and enhancing competitive strength within the region

Digital HR

Human resources capable of applying technologies to transform business models and deliver new customer value

Name/activity field

Digital specialists	Data scientists
Leading the promotion and management of IT development projects	Data analysis, AI modeling

Expected results

Maximizing outcomes through aggressive investments

AI HR

NEW

Human resources capable of developing and applying business AI

Responsible for creating new value by implementing data and AI into business operations and services

Business reforms by AI HR

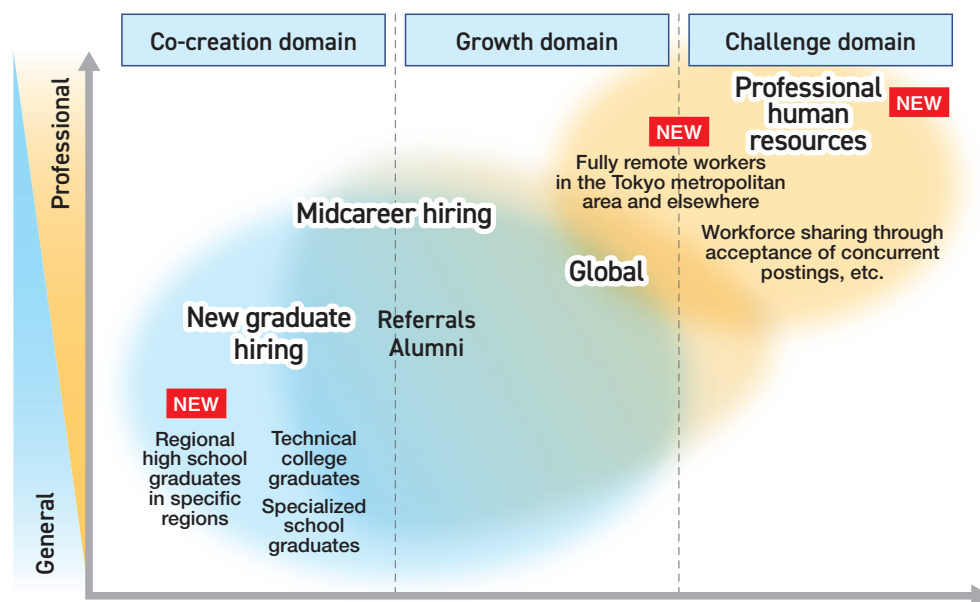
Making business more efficient and optimizing customer experiences through work substitution and supplementation by AI

Expected results

Enhancing productivity and creativity to deliver greater value to the region and customers

Diversifying hiring to secure human resources

In light of the differences in HR visions and specialized skills required in each of the three business domains, in addition to the traditional hiring of new graduates and midcareer hiring, the Group will draw on diverse hiring channels: individuals identified through referrals, alumni, global human resources, professional human resources, and individuals seeking side jobs and concurrent posts. This approach is intended to strengthen strategic implementation capabilities and ensure sustained growth in corporate value by finding and appropriately positioning the needed human resources at optimal times.



Building new recruitment network for new graduates

-Comments from an employee hired as a high school graduate

Hired as a high school graduate, currently balancing work and university



I joined The Shizuoka Bank after graduating from high school. Now I attend university while working. In my first year, I was assigned to floor operations, and I've worked in lending since my second year. I enjoy the opportunities to broaden my experiences in a stimulating work environment. I'm glad to be able to work in a place where I can grow together with supportive colleagues. My hope is that the Bank will continue to hire an even broader range of employees, including high school graduates like me.

Kyota Murao
The Shizuoka Bank Ekinan Branch

New efforts to enhance midcareer hiring

Employee referral program

This program recruits the human resources needed by the Group in light of their individual values and qualities, drawing on Group officer and employee networks.

Direct recruiting

Head Office sections, district companies, and Group companies carry out hiring activities based on their own human resource needs in addition to the HR function. This makes it easier to hire work-ready human resources in highly specialized fields.

Comments from midcareer hires

A midcareer professional named president of a Group company



I joined The Shizuoka Bank as a midcareer hire in 2007 to support community development in Shizuoka Prefecture through real estate finance. In 2023, after taking on various challenges from an era when market credit investment was rare, I was able to establish SFG Real Estate Investment Advisors as its representative. We are striving to build an organization consisting of highly specialized staff who continue to seek out and pursue new challenges, with the aim of making SFG Real Estate Investment Advisors the solution to various regional challenges.

Takahiro Watanabe
President, SFG Real Estate Investment Advisors Co., Ltd.

Returning to The Shizuoka Bank after a career with a local media firm



After joining The Shizuoka Bank as a new graduate, I left to work in digital marketing with a media company. While supporting various client firms, I was inspired to help create value based on a deep understanding of a single firm. This led me back to The Shizuoka Bank. Today, I apply my experience in communicating information to customers through contactless channels.

Ai Anma
The Shizuoka Bank Digital Business Planning Group

Securing global human resources

The Group is making progress on securing human resources from diverse backgrounds to address increasingly diverse and advanced customer needs and regional challenges. In FY2025, as part of these efforts, we hosted an internship program for university students from India. The goal was to enhance the hiring of human resources who bring global perspectives and specialized skills and to secure new channels for hiring personnel from abroad. Currently, some 40 global human resources from 11 countries play active roles in empowering the organization, drawing on their diverse values and experiences.



HR development to implement strategy and autonomous career-building

Vision

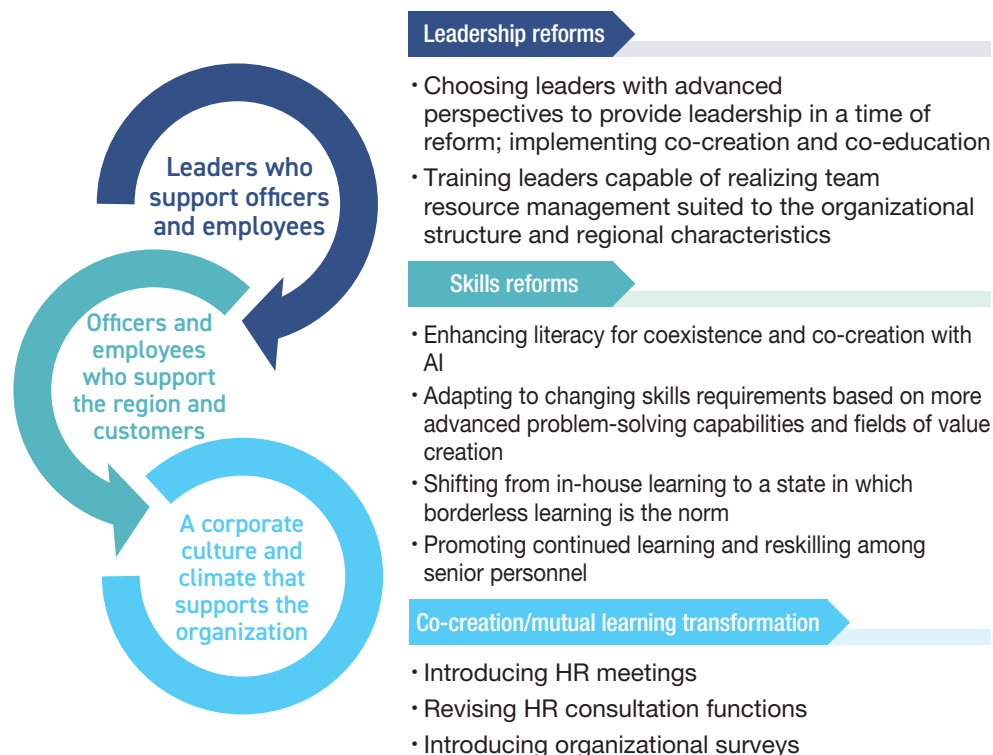
Systematically developing human resources to implement strategy while helping individual officers and employees achieve their dreams by supporting autonomous career-building

While systematically developing human resources to maximize social value creation and growth in corporate value, the Group is enhancing programs to foster an organizational climate and corporate culture that encourages the pursuit of challenge, free of the fear of failure, and supports autonomous career design, thereby allowing officers and employees to achieve their own dreams.

HR development to implement strategy

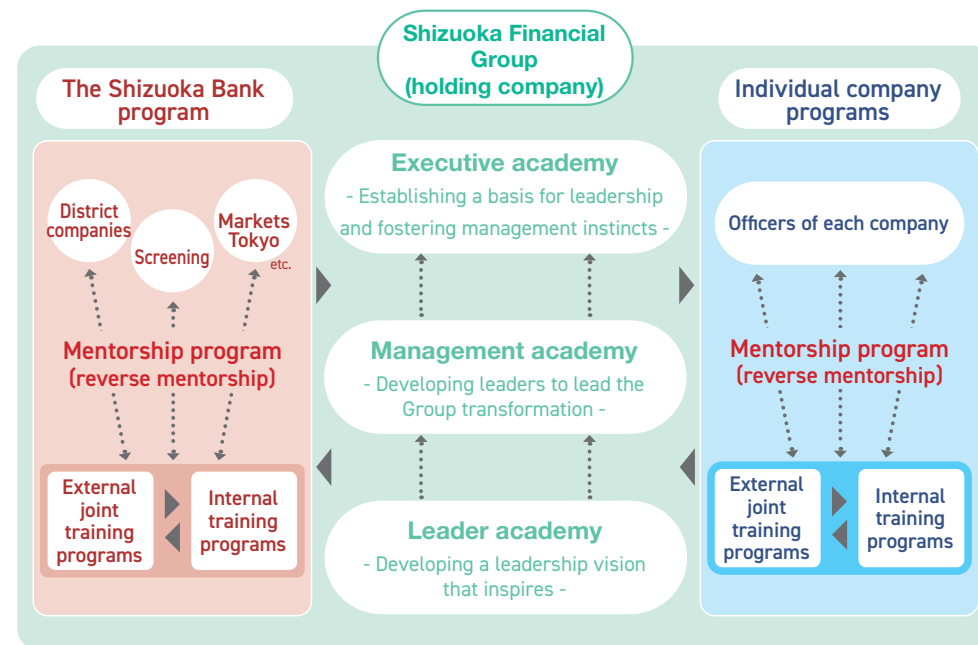
Three reforms

The issues facing our community and customers continue to grow more complex and varied. To generate new value through solutions, we must foster an organizational climate and corporate culture in which diverse human resources can pursue challenges and continually grow and thrive. As part of our effort to build a people-centered organization, the Group is promoting three reforms toward this end: leadership reforms, skills reforms, and co-creation/co-education reforms.



Developing strategic leaders (enhancing succession) Leadership reforms

To strengthen the development of its next-generation management human resources, the Group has reorganized its HR development organization into a two-tiered structure consisting of the academy series and programs at individual companies. The academy series will teach the management perspectives and reform capabilities future leaders will need to know and understand; programs at individual companies will promote the development of management human resources for each business domain. The goal is to develop human resources to lead growth in corporate value by focusing on both the Group's shared leadership foundation and business domain-specific capabilities.



Value-up Program and Meet-up Program

Skills reforms

We have introduced the Value-up Program, which provides motivated employees with financial support for skill development initiatives they plan themselves, and the Meet-up Program, which provides partial supports for the cost of participating in cross-industrial exchange meetings, regional events, study groups with customers, and other events organized by governments, local companies, and other organizations.

Details of support (examples)

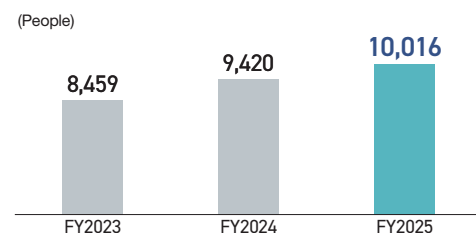
Value-up Program (accumulated use cases: 232)	Business schools (e.g., Keio MCC), data science schools, qualifications schools, etc.
Meet-up Program (accumulated use cases: 151)	Joint inter-industry meetings, symposia on generative AI, events for learning about regional history and food culture, etc.

Open college

Skills reforms

By providing opportunities for continuing education in new domains like the liberal arts, digital transformation and AI, health management, DEI, biodiversity, and business and human rights in addition to learning in existing domains, we help employees deepen their knowledge and become more valuable human resources. This will, in turn, enable every member of the organization to grow alongside the organization.

Open College participants

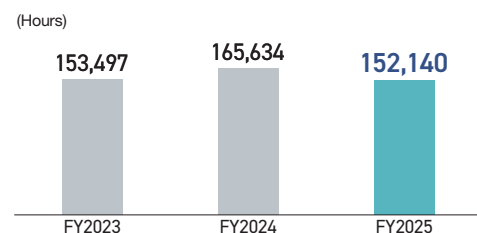


Changes in training hours, etc.

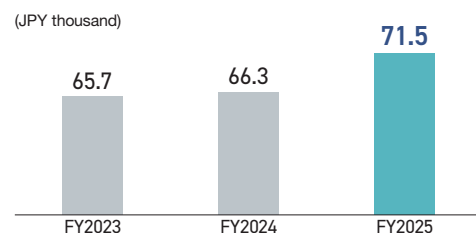
Skills reforms

In addition to in-person and online training, we also use audiovisual training to create an environment in which all employees can advance their careers on their own initiative anywhere and at any time. We also provide opportunities for recurrent learning and reskilling, which is helping to raise awareness of the importance of ongoing learning.

Trends in training hours



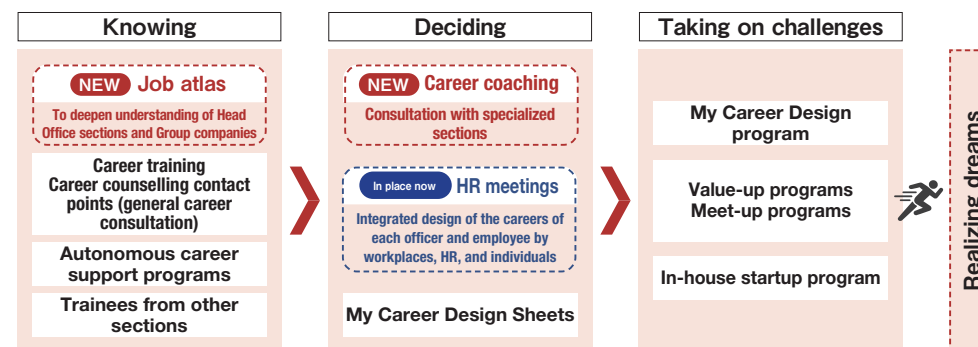
Trends in training costs per personnel



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

Co-creation/
co-education reforms

To establish conditions wherein officers and employees can achieve their own dreams within the organization, the Group is cultivating an organizational climate that encourages the pursuit of challenges, free of the fear of failure, while enhancing programs to support autonomous career design.



The job atlas and career coaching program

We've published a job atlas that illustrates the nature of various positions and the growth opportunities within each of the Head Office sections and Group companies. We've also introduced a career coaching program to assist in balancing careers and personal lives and understanding job specifics.

HR meetings

HR meetings foster a culture with a positive approach to developing human resources across the organization and help bridge gaps in career thinking by aligning the perspectives of employee sections and HR sections regarding individual career development policies.

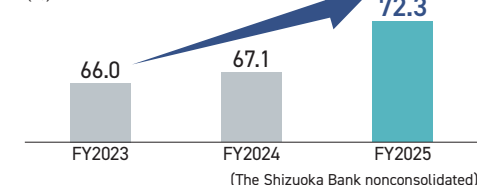
My Career Design program

Co-creation/
co-education reforms

The My Career Design program is an open-application talent development program centered on internal and external trainee opportunities. The program is updated annually to reflect the changing business environment. In FY2025, a total of 217 people applied for the program. The match rate between the current sections of the employees and their career aims as shown on My Career Design Sheets (percentage of people assigned to their own desired sections) is 72.3% on a nonconsolidated basis for The Shizuoka Bank. We're committed to establishing an organizational climate that encourages employees to pursue challenges by enhancing programs that support autonomous career building for officers and employees.

My Career Design Program	
Dispatch to regional companies	IT & DX programs
External dispatch / internal trainees	System for transfer among Group companies
Post challenge / intra-company side jobs	Side jobs / second businesses
Value creation program	Trainees in other sections

Career matching



Consistency between the vision of individuals and management strategies

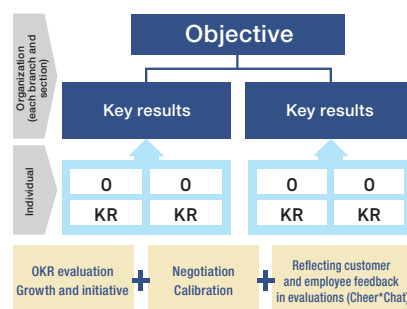
Three Values

To realize the Corporate Philosophy and Group Vision, we identified three Values to be embodied in everyday activities, and are promoting a mindset in line with these Values based on mutual communication and interaction among officers and employees.

Go Wild !	Be Innovative !	Do Collaboration !
Set ambitious transformation goals, take on challenges, and continue learning from failure.	Seek to grow at all times and to pursue disruptive innovations by repeatedly seeking out knowledge.	Continue to generate added value through joint efforts and the free exchange of opinions within a flat organization.

OKR system (HR evaluation system)

We introduced the OKR evaluation system to evaluate how human resources contribute to all stakeholders and embody the organizational vision. As a part of the evaluation process, evaluators and employees participate in evaluation dialogue, followed by calibration across organization units such as blocks and areas. The evaluation process also reflects diverse opinions, including feedback from customers, officers, and employees. The specifics will be shared through feedback to drive behavioral reform by individual officers and employees. We also introduced the Talent Palette talent management system as a tool for managing HR information such as individual skills, experiences, and career hopes and supporting measures, including the optimal assignment of human resources.



Town hall meetings

We hold town hall meetings as opportunities to engage in direct dialogue between management and officers and employees. By deepening understanding of the Corporate Philosophy and management strategies through open and honest dialogue with management, these meetings are intended to foster the spirit of co-creation and the organizational culture needed to achieve sustained growth. In FY2025, we're further enhancing opportunities for dialogue through various activities, including holding IR and town hall meetings for younger people led by President Shibata, and by broadening the range of officers who speak and present at these meetings.

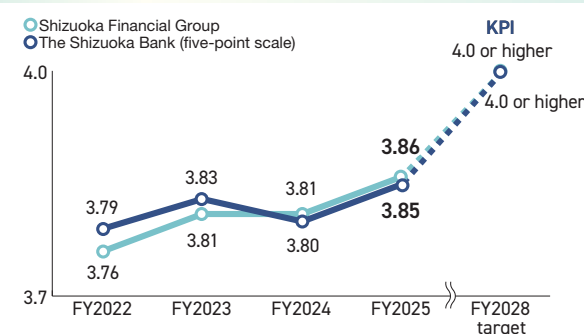


Efforts to increase engagement

We believe that increasing engagement among the individual officers and employees who implement our strategies will result in transforming workplace perspectives and reducing employee turnover risk, thereby creating new value and increasing productivity. Toward this end, we hold annual engagement surveys and continually deploy and improve various related measures based on the results.

The survey results help clarify current issues and future courses of action, which are reported annually to the Sustainability Committee (Group Executive Committee) and to the Board of Directors. In addition, The Shizuoka Bank collects the results for each section and branch and holds study sessions for all officers and employees to run through the plan-do-check-act (PDCA) cycle through means including reviewing issues in the current fiscal year and formulating action plans for the next fiscal year.

Engagement score trends



Survey overview

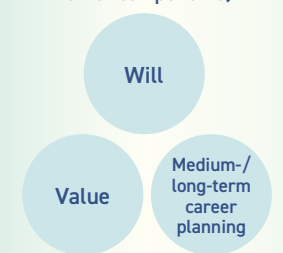
Subjects:
All Group officers and employees

Method:
Anonymous Web survey, 150 questions in total

Period:
October–November 2025

Valid response: 6,232
(response rate 93.0%, up 0.9 pt YoY)

Examples of issues identified from the engagement surveys (items with low scores in absolute values compared to other components)



The Groupwide engagement score in this fiscal year was 3.86 (on a five-point scale), up 0.05 points from last year to a new record high.

At the same time, the persistent relatively low scores of components such as will (3.20), medium-/long-term career planning (3.14), and value (3.18) have been identified as issues. In response to these issues, we aim to realize joint growth by individuals and the organization through dialogue, including the HR meetings held in FY2026 and ahead.

Under the Second Medium-term Business Plan, we will continuously strive to improve engagement to realize an organization where every individual can be themselves, speak openly, and pursue what truly matters. We aim to achieve an engagement score of at least 4.0 in FY2028.

Creating new value by promoting DEI

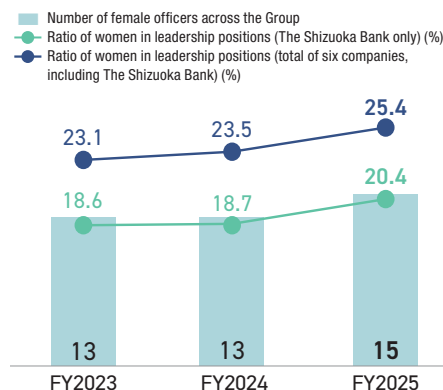
Vision

Making the organization more competitive through diverse human resources who demonstrate their abilities to the fullest

We promote DEI to generate new ideas and perspectives based on mutual recognition of the diverse experiences, careers, and values of individual officers and employees, thereby promoting the growth of the local community and the Group and strengthening corporate value.

Initiatives to empower women

The Group regards the empowerment of women not merely as a diversity measure, but an important management theme for improving the quality of organizational decision-making and creating new value. By supporting the careers of women and expanding the ranks of women managers, we promote various initiatives to increase the percentage of women in management and address male-female wage disparities, with the aim of fostering an organizational culture that leverages diverse perspectives. Through these efforts, we will build an organization in which diverse human resources can demonstrate their abilities to the fullest and achieve sustained growth in corporate value.



Reducing male-female wage disparities

The Group regards the low percentage of women managers to be one of the causes of male-female wage disparities, which we plan to minimize through measures that further empower women in the workplace. The Shizuoka Bank has introduced a program under which permanent employees can opt to be eligible for transfers involving relocation to suit their priorities in work and life. There are no gender-based differences under the employment system.

Male-female wage disparities at The Shizuoka Bank (%)

Position classification	Wage gap (percentage of women)	Of which, eligible for transfer with relocation	Of which, no transfer with relocation
Managerial (full-time)	81.4 (20.4)	86.3 (6.5)	96.2 (44.9)
Non-managerial (full-time)	91.5 (51.5)	92.5 (35.3)	93.8 (74.1)
Other	81.5 (81.2)	— (—)	— (—)
Total	67.4 (37.4)	64.1 (21.2)	80.5 (61.2)

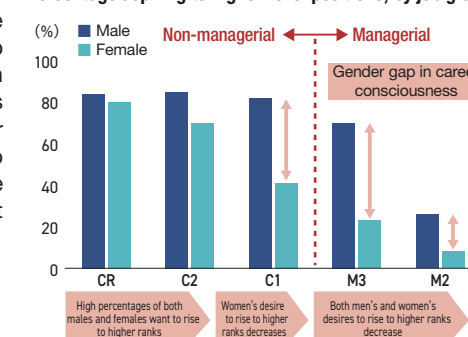
Structural analysis of disparities

Factor	Details	Contribution to disparities
Rank component	Low percentage of women managers	High
Job component	Low percentage of women in job categories eligible for relocation	Moderate
Tenure component	Temporary suspension of work for childcare leave, etc.	Low

Awareness of issues in career development

The Shizuoka Bank identified a decline in aspirations for promotion among both male and female as they move into higher job grades. In particular, the percentage of women ranked C1 who want to improve their careers has declined. This clear gender gap in career consciousness is believed to be due in part to the fact that women's career models tend to be heavily weighted toward retail sales and asset management.

Percentage aspiring to higher-level positions, by job grade



Supporting women's career building

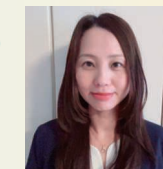
To foster a culture in which diverse human resources can thrive and to support women in their career-building, we're enhancing measures to encourage women to adopt a career-oriented mindset by aiming higher.

Career enhancement	COC trainee Full bank branch challenge	For both younger employees and management staff, training and trainee programs for changing career paths to work in corporate sales or for achieving promotion to full bank branch manager
Mindset	Women and officer mentorships	Providing opportunities for creating a mindset through coaching on becoming and living as leaders through one-on-one meetings and other formats involving officer and manager mentors
	Design my life	Tiered training on topics like the need for career design, self-recognition, and action planning reflecting individual visions

TOPICS

Women's leadership program (full bank branch challenge)

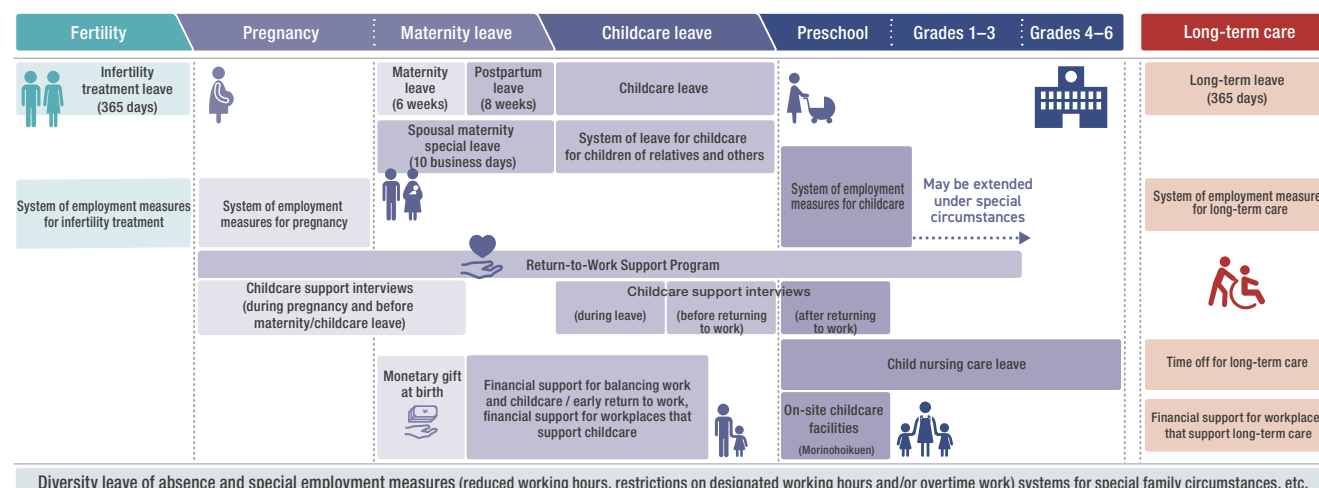
Up till now, I've worked mainly in individual sales, helping customers find solutions. Under this program, I took on the challenge of corporate sales, a field I don't have much experience in. As a line manager, I'm gaining new perspectives on contributing to corporate growth and the regional economy. In addition to broadening my perspectives and enhancing personal possibilities through this experience, I want to help build workplaces that contribute to empowering women.



Marina Nomura
The Shizuoka Bank
Yamashita Branch

Support for balancing work and private life—Enhancing various programs

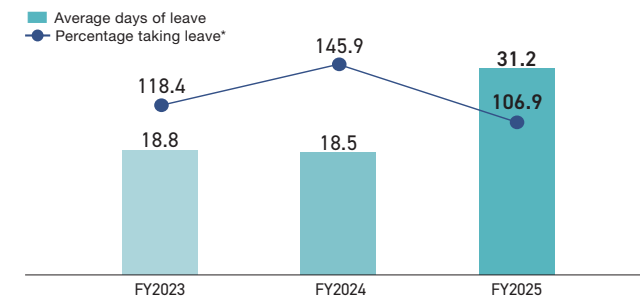
To allow all employees to perform at their best, we have developed and expanded and are currently promoting the use of various systems to support a balance between work and private life. Through remote work, satellite work, and a full flex-time system, we are promoting independent workstyles that match the work and personal lives of employees who have limited hours available for work, thereby enhancing their capacity to refine their skills and achieve job satisfaction.



Diversity leave of absence and special employment measures (reduced working hours, restrictions on designated working hours and/or overtime work) systems for special family circumstances, etc.

Maintaining a 100% male childcare leave usage rate

We expanded various childcare programs under the Ikusapo (childcare) program, including programs to reduce working hours and programs to subsidize the cost of childcare and housekeeping services. These programs provide employees with the flexibility they need to meet the demands of childcare and other life events. To encourage gender-neutral participation in childcare, we've established various measures to modify male attitudes toward childcare and to address deep-seated conceptions about home and work roles, in this way helping to maintain our 100% male childcare leave usage rate.



* Percentage of men taking childcare leave
Number of men taking childcare leave (during the fiscal year) / number of male employees whose spouses gave birth (during the fiscal year)

Empowering diverse human resources

Supporting the success of those with disabilities

Shizugin Heartful was established in October 2019 to create a work environment in which people with disabilities can work with peace of mind while experiencing both the rewards and fulfillment of work.

Employment of those with disabilities is expanding across the Group. As of June 2026, the combined employment rate of persons with disabilities at the four Group companies covered by the special calculation arrangement, namely (The Shizuoka Bank, Shizugin Lease, Shizugin TM Securities, and Shizugin Business Partners), exceeded the statutory employment rate.



TOPICS

Health Keeper program

We introduced the Health Keeper program in April 2024 to provide massage services for employees. As an initiative intended to enhance diversity, strengthen health management, and expand employment for those with disabilities, the program employs qualified massage therapists who are visually impaired.



LGBTQ+ and SOGI initiatives

In addition to preventing harassment, discrimination, and other human rights violations that affect sexual minorities, we're committed to a corporate culture in which respect for diversity prevails. We implement LGBTQ+ initiatives, including the introduction of a same-sex partnership program, preparation of handbooks, and distribution of Ally badges. We also provide opportunities to encounter and understand the perspectives of others through VR, roundtable discussions, and other activities.



LGBTQ
Ally badge

Pride Index 2025
Silver certification



Participation in Tokyo Pride 2026 as part of the Cheerio Corporation float

Enhancing health management and improving well-being

Vision

Achieving well-being for the mutual growth of individuals and organizations through individuals who demonstrate their abilities to the fullest in sound physical and mental health

To achieve well-being for all officers and employees and their families, we are striving to build an environment in which individual officers and employees can thrive with a sense of vitality, based on economic and social support, support for career-building, and measures that maintain and promote physical and mental health.

Health well-being initiatives

Promoting health management

Recognizing officer and employee health maintenance and improvement as an important management topic, we have established a Health Management Statement that presents our basic policies. The steps we take to promote good health include providing comfortable working environments from the three perspectives of social health and overall well-being, physical health, and mental health.

Social health and overall well-being

- Improving health literacy
- Using health apps
- Promoting awareness of the Wellness/Happiness program

Physical health

- Promoting follow-up exams and special health guidance
- Walking campaigns
- Providing smoking cessation programs

Mental health

- Mental healthcare seminars
- Short surveys
- Care for those working long hours

Health-related KPIs

Item	Social health and overall well-being	Physical health	Mental health
KPIs	Health app download rate	Percentage undergoing follow-up exams after periodic health checkups	Percentage undergoing stress checks ^{*2}
As-is	84.0%	53.1% ^{*1}	96.0%
To-be	90.0%	85.0%	100.0%

^{*1} Tentative figure ^{*2} The Shizuoka Bank nonconsolidated

TOPICS

Recognized in the 2026 KENKO Investment for Health Stock Selection and 2026 Outstanding Organizations of KENKO Investment for Health (White 500)

For the third consecutive year, the Group was selected by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange to the KENKO Investment for Health Stock Selection program for companies implementing outstanding health management. We were also chosen once again to the White 500 under the Outstanding Organizations of KENKO Investment for Health program.



Engagement survey trends related to health management

	FY2024	FY2025	YoY
Shizuoka Financial Group actively promotes good health and health management	3.87	3.94	+0.07
The Group provides education to employees to increase their health literacy	3.64	3.68	+0.04
The Group pursues initiatives to address issues concerning employees working long hours or suffering from mental health conditions.	3.59	3.63	+0.04

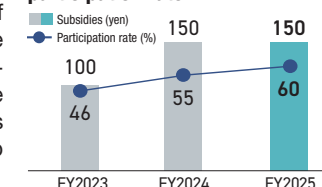
^{*} Average survey scores on a five-point scale

Financial well-being initiatives

Employee Stock Ownership Plan

We provide an ESOP subsidy of 150 yen for each contribution of 1,000 yen per unit to contribute to and foster awareness of the social value of the community and the corporate value of the Group by sharing in the Group's stock value, and to support asset-building by Group employees. We seek to enhance employee motivation and to contribute to the community and customers by fostering a sense of Group unity, further promoting Group management, and advancing the well-being of our employees.

Trends in ESOP subsidies and participation rate



Share-based compensation plan for employees

We introduced an RS trust (stock issuance trust) as a share-based compensation plan for all Group employees. On April 1, 2026, the plan was updated to award a uniform number of 30 shares per employee per year to all employees. The measure is intended to share results among all employees by aligning individual perspectives concerning the future, as joint owners of the Company, and to encourage action from a shareholder's perspective by making it possible for employees to benefit from a rising stock price and dividends.

Career well-being initiatives

Student loan repayment support program

In April 2020, we introduced a student loan repayment support program to make work more satisfying for employees while reducing the burden of student loans, a key social issue. In FY2026, we increased the student loan repayment assistance provided to younger employees based on their years of service.

Social well-being initiatives

Establishing new workplace support funds for maternity, childcare, and long-term care leave

To foster an organizational culture in which people feel free to take maternity, childcare, and family care leave without fear of burdening colleagues, we have established a new program to pay workplace support funds to eligible workplaces.

Human capital roundtable

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

Shizuoka Financial Group identifies human capital management as a key foundation for realizing the Second Medium-term Business Plan.

What is the current state of the Group's human capital management as the Group aims to be an organization in which diverse human resources can continue to take on challenges autonomously while demonstrating their individual strengths?

The chairperson of the Human Capital Management Committee and representatives for midcareer hires, specialized human resources, and global human resources exchanged candid opinions from different perspectives.



Ayame Iida
Deputy General Manager
Life Planning Support Group
Life Planning Support Dept.
The Shizuoka Bank



Shinichiro Mino
General Manager
Credit Investment Dept.
The Shizuoka Bank



Keikyo Lin
Hamakita Branch
The Shizuoka Bank



Minoru Yagi
Representative Director
Shizuoka Financial Group
President
The Shizuoka Bank

* Yukiko Suzuki of the Human Capital Management Committee Secretariat (Shizuoka Financial Group Personnel and Human Resources Development Office) served as facilitator.

Looking back on the First Medium-term Business Plan

The current state of human capital management

Secretariat: How would you evaluate the progress of human capital management and cultural reforms as you look back on the three years of the First Medium-term Business Plan?

Yagi: I see the three years of the First Medium-term Business Plan as a period of laying the foundations for human capital management. We made steady progress on developing systems and structures, but that by itself isn't enough to transform people and the organization. What we're targeting is an organizational culture in which everyone acts to take on challenges by themselves. To do this, rather than merely communicating management's thinking through activities such as town hall meetings, we've listened closely to voices from the front lines and engaged in ongoing dialogue. While we cannot change an organizational

culture overnight, I feel that we are making steady progress from the stage of systemic changes to behavioral change. But it's important what all of you think about the changes within the organization. What are your thoughts?

Mino: After leaving to work at another bank, I returned through the alumni program. Based on my experiences outside the organization, I think we've made great progress on diversity. Our hiring channels have broadened considerably to include midcareer hires, global hiring, the hiring of high school, technical college, specialized school graduates, and the hiring of athletes. Now, human resources of diverse backgrounds play active roles within the organization as a matter of course. While the change might not be obvious to those who've never left the Group, I can sense how different the organization feels now compared to before.

Lin: I was hired in FY2016 as a global hire. At that time, there weren't many employees from abroad, and those around me were still figuring out how best to support me. Global hiring has expanded since then, and new initiatives are underway such as partnerships with overseas universities and internships. I think gaining human resources of diverse values and backgrounds has really changed the organization and made it possible to incorporate new perspectives.

Iida: I joined the organization from a securities firm as a midcareer hire. I managed to blend in with the rest of the organization fairly smoothly thanks to the mentorship program and other initiatives. On the other hand, as someone who joined from outside, it seems that in some cases people still don't feel completely free to discuss things openly. If we want to transform ourselves further, I think it's becoming increasingly important to build a culture in which people can exchange opinions freely from any point of view.

Linking diversity to value creation

Secretariat: What do we need to do to link diversity to value creation—rather than merely bringing diverse human resources together?

Mino: I don't think diversity by itself is enough. What matters is inclusion, or an environment in which people with diverse backgrounds can respect one another's differences and demonstrate their strengths while respecting mutual differences. I call this the "curry rice" theory. Indian curry came to Japan and was changed to suit the Japanese taste, resulting in the Japanese staple of curry rice. Similarly, I think new value emerges when an organization not only accepts diverse human resources, but also enables people to understand one another and combine their different strengths.

Lin: When working in the field, even more than the presence of diverse human resources, it's vital to have an environment in which they feel free to express their own opinions. To make effective use of diverse points of view to vitalize the organization, we need psychological safety and a positive atmosphere for taking on challenges.

Yagi: Exactly. Management is vital to transforming diversity into an organizational strength. It's essential to understand individual strengths and generate new value while leveraging individuality. The basis for doing this is autonomy. A company is made up of the individual officers and employees who comprise its human capital. For me, the essence of human capital management is helping these individual human resources take an active approach to learning and take on challenges, thereby driving the growth of the entire organization.



Ayame Iida:

Midcareer hire/specialized human resource

Works to improve Groupwide knowledge and skills through training and communicating economic and market information, based on previous experience with a major securities firm

Toward an organization that supports autonomy and encourages the pursuit of challenges

Secretariat: What environment do we need to increase the numbers of human resources who will take on challenges on their own initiative?

Mino: To a large extent, the Group has already developed the systems needed. Systems like the My Career Design program provide the support people need to take on challenges. At the same time, not a few people still worry about the effects on their evaluation of potential failure. I think people might be inspired

to take action on their own if we all more deeply embrace a culture that values the process of taking on challenges and learning from failure.

Lin: I work in corporate sales as a Corporate Consultant. Every day, as customer challenges grow more complex, I'm reminded how important it is to continue learning. We might tend to put off learning under the pressures of everyday work. But to continue providing value to customers, we have to keep building on our knowledge and specialized skills. I think it's important to see learning as part of everyday work, not something special.



Shinichiro Mino:

Midcareer hire/alumni program

Proposed and executed Japan's first positive impact finance transaction for SMEs; involved in establishing SFG Real Estate Investment Advisors, which advises clients on investments related to real estate.

Keikyo Lin:

Global human resource

Hired in FY2016 as part of the global human resource hires. Leverages experience from taking on the challenge of the in-house startup program to participate in matching numerous firms in Shizuoka Prefecture with startups.

Iida: To meet diverse customer needs, branch work requires knowledge about a wide range of topics, including finance, inheritance, trusts, and insurance. I think we can provide customers with added value by continuing to improve our specializations. I want to help the organization keep growing by growing myself, by mindfully taking the time to learn, especially when busy.

Yagi: A company grows by drawing on the human capital of its members. Its role is not just to manage abilities, but to inspire individual abilities and support their growth. In addition to maintaining learning opportunities and an environment where people can take on challenges, we need to make active use of AI and other technologies to make work more efficient and use the time made available for tasks like thinking and

learning. By creating an environment like this, we should be able to generate a virtuous cycle of individual and organizational growth.

Overcoming path dependency

Secretariat: Up to this point we've talked about building a culture to support those who pursue challenges and providing an environment for continued learning. But I think in some ways it may be hard for an organization to move away from past successful experiences and practices. What are your thoughts on this point?

Yagi: The term path dependency is used to describe the difficulty of organizational reform. Since an organization is influenced by past successful experiences and the systems it's established or accumulated, it may tend to choose traditional methods, even in a changing environment. This tendency may be especially strong for banks.

That's why we've made extensive revisions to existing practices, like hiring, HR systems, evaluations, and workstyles to build the foundations for human capital management. The key is to transform everything while maintaining the right balance.

Secretariat: In addition to systemic changes and workstyle reforms, we introduced employee engagement as a sustainability KPI in formulating the management KPIs and revised the branch awards program.

Yagi: That's right. But merely changing the systems won't change the organizational culture. We need to remember that it's the people who operate the systems and who build a culture. We can change the systems, but that's not enough to change the culture. To overcome path dependency, individuals have to think and take on challenges on their own. And this mindset has to spread to those around them. I think that accumulation of such actions will change the organizational culture, which will lead to gains in corporate value.

In the Second Medium-term Business Plan, we're shifting our focus from establishing systems to changing behavior. We want to ensure that our systems introduced so far have actually made a difference in the field so that individuals can take on challenges and grow.

Mino: From my point of view as someone who returned to the organization after working elsewhere for a time, I think our systems and workstyles have definitely changed. But I don't think these changes have sufficiently spread to reach decision-making and behavior. To demonstrate the advantages of diversity in our organization today, which has more diverse human resources than before, it's going to be important to transform behavior and to put these diverse perspectives to use in everyday work.

The cycle of human capital and value creation

Secretariat: Up to this point, we've discussed individual challenges and growth. What do you think is needed to link such initiatives to value creation across the entire organization?

Yagi: In our efforts to promote human capital management, I've noticed that simply improving systems and structures can't be the only objective. These efforts mean something only when they change individual behavior and create value.

A company is built on the human capital of its individual officers and employees. That's why individual growth leads to organizational results, and these results then return to the individuals as new growth opportunities. Building this cycle is the human capital ideal.

Mino: In the field as well, from time to time, we can feel rewarded when we see the link between individual and organizational growth. But if these links are hard to see, learning and taking on challenges may not always extend beyond the individual. I think sensing how taking on challenges leads to value for the organization and customers will serve as a driving force to encourage people to take on the next challenge.

Lin: I also get a strong sense of my own personal growth when my learning and experiences lead to proposals to customers that generate results. Accumulating such successful experiences provides motivation to continue learning autonomously. It generates a real sense for how personal and organizational growth are connected.

Iida: It's important to be conscious of the cycle that connects providing value to customers to organizational results. But sometimes, under the pressure of everyday work, it can be hard to keep these ties in mind. I think that's why it is important to implement management that supports learning, encourages people to pursue challenges, and builds the necessary environments as an organization, rather than leaving this to individuals.



Human capital management to be achieved under the Second Medium-term Business Plan

Secretariat: How will human capital management continue to progress under the Second Medium-term Business Plan?

Yagi: Under the First Medium-term Business Plan, we laid the foundations for human capital management. Under the Second Medium-term Business Plan, we plan to make use of these foundations to take action.

I believe we can increase corporate value by establishing a virtuous cycle of human capital in which, in an environment in which diverse human resources can thrive and each individual thinks and takes on challenges autonomously, the results can then provide value to our customers and to the region, and these results can drive further personal growth.

As I noted earlier, an organization runs the risk of becoming path-dependent by sticking to past successful experiences and practices. To remain the financial group chosen by stakeholders in a time of dramatic change, we need to be more willing to be flexible and more willing to change. We need to be an organization where individuals will learn and continue to pursue challenges on their own.

The individual officers and employees play the key roles in human capital management. I'm confident that when diverse colleagues can respect one another's strengths and values, learn and take on challenges on their own, and link their power to organizational growth, the resulting accumulation of individual actions will generate a new culture in Shizuoka Financial Group, one that leads to the creation of new value for the region and customers. I, too, will do all I can to support individuals as they pursue their challenges while continuing to value dialogue with all members of the organization. Let's make the Second Medium-term Business Plan a fruitful one by learning and pursuing challenges together.

Environmental Initiatives

Vision

Contributing to a sustainable society by protecting the region's environment and industries

Topics

Enhancing promotion of environmental management to respond to climate change and preserve and restore natural capital and biodiversity

Toward a society that balances the environment and economy

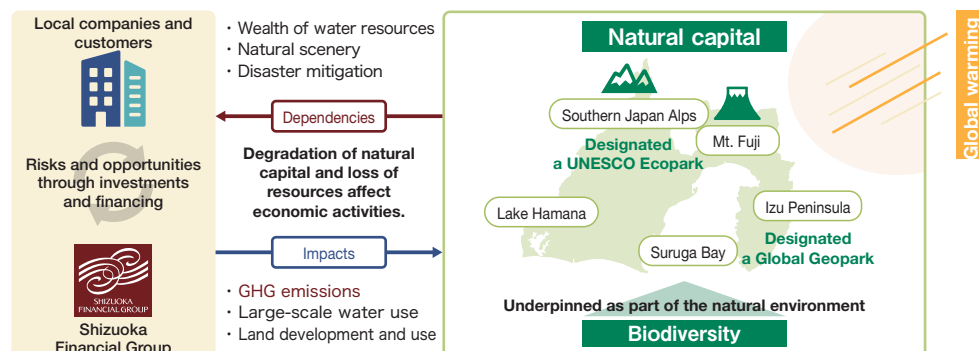
- Shizuoka Financial Group's approach to its relationship with nature

Shizuoka Prefecture, the Group's primary market, possesses a wealth of natural beauty, including Mt. Fuji, Japan's tallest peak. The region's industries and the Group both depend on this natural environment for their foundations. We recognize the serious risks to our way of life and business activities caused by global warming, natural capital degradation, and loss of ecosystem services and biodiversity. Against this backdrop, the Group has identified "a society that balances the environment and economy" as one of its materiality topics.

Because climate change, biodiversity, and natural capital are intertwined in complex ways, as seen in the impact of rising ocean temperatures caused by global warming on marine ecosystems and fish catches, we need to move ahead with an understanding that efforts to address these issues may involve tradeoffs.

Our goal is to enrich society both environmentally and economically by increasing value not just for the Group, but for all stakeholders, including our communities and customers, through integrated solutions firmly based on this understanding.

Relationship between nature and Shizuoka Financial Group

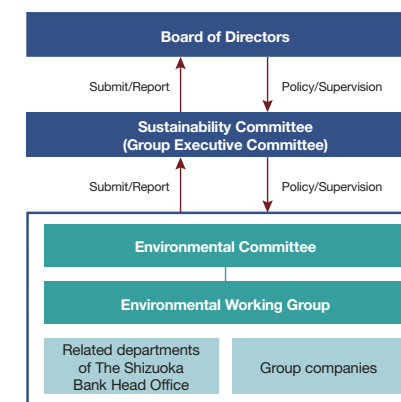


Climate change, natural capital, and biodiversity initiatives (disclosure based on TCFD and TNFD recommendations)

Governance

Governance structure for environmental initiatives

We have established the Environmental Committee and its subcommittee, the Environmental Working Group, including members from subsidiaries, to realize sustainability management in the Group under the Group environmental policy*. These bodies engage in cross-functional discussion of policies and measures related to environmental management, including responses to climate change and issues related to natural capital and biodiversity. Their findings are submitted through the Sustainability Committee (Group Executive Committee) for deliberation and review, as necessary, by the Board of Directors and regularly reported. In this way, we strive not just to ensure the effective governance required to achieve a decarbonized region and preserve and restore natural capital and biodiversity, but to realize highly effective measures swiftly and flexibly.



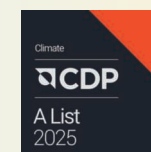
→ Group Environmental Policy



TOPICS

Named to CDP's A List for Climate Change, the highest tier, for the second consecutive year

In December 2025, Shizuoka Financial Group was named to the A List for transparency and performance in the field of climate change by the international environmental disclosure nonprofit CDP, based on the results of its 2025 climate change questionnaire. This marks the second consecutive year we were named to the A List.

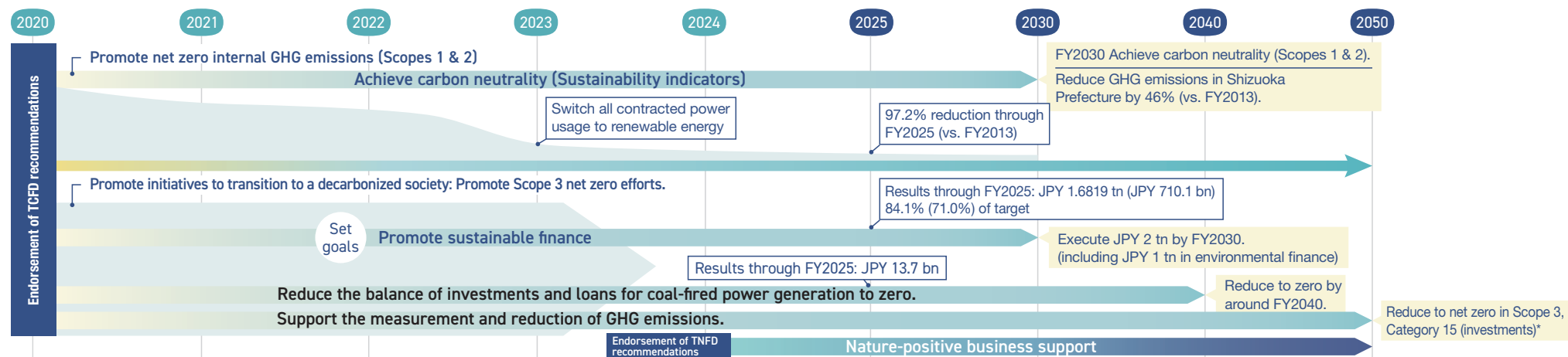


Strategy

Shizuoka Financial Group has formulated a transition plan for transitioning the Group and the region toward decarbonization and a nature positive status while identifying the risks and opportunities posed by climate change and natural capital degradation.

Through Groupwide and region-wide efforts in line with this transition plan, we seek to enrich society both environmentally and economically.

Transition plan (opportunities)



* Investment types: commercial lending and project finance

Scenario analysis (ascertaining risks)

We implement scenario analysis to grasp the potential impact of climate change on the Group (i.e., the impact of the risks related to climate change on our credit portfolio). We will strive to realize the transition plan through more thorough and advanced credit controls to balance the risks and returns.

Transition risks

Industry	Electric power	Papermaking	Manufacture of motor vehicles, parts, and accessories	Mining and metals	Land transport	Other
Scenarios used	• IEA Net Zero by 2050 (NZE2050) • NGFS Net Zero 2050		• IEA/ETP2017 Beyond 2°C • NGFS Net Zero 2050	NGFS Net Zero 2050		
Method	Analyzing changes in credit costs based on the scenarios, using data on carbon taxes and other projections to anticipate changes in profit/loss and financial position through 2050					
Results	Increase in credit costs of up to approximately JPY 43.7 bn in total by 2050 (including approximately JPY 28.1 bn under “Other”)					

Physical risks

Scope	Calculations of credit costs related to risks associated with building damage and business continuity for SMEs in Shizuoka Prefecture, Kanagawa Prefecture, and Tokyo	Calculation of credit costs related to building damage for mortgage borrowers in Shizuoka Prefecture, Kanagawa Prefecture, and Tokyo
Scenario	RCP 8.5 in the IPCC WG AR6 (4°C Scenario)	
Method	Analyzing the risk of inundation in the event of flooding by overlaying business site information and collateral location information on hazard maps	
Results	Increase in credit costs of up to approximately JPY 20.9 bn in total by 2050	

Risk management

Risk management framework

Shizuoka Financial Group implements integrated Groupwide risk management by using a risk appetite framework (RAF) as a risk management tool for risks associated with climate change and natural capital degradation, as it does for other business risks. Each Group company manages its own risks in accordance with deliberations by the Environmental Working Group, Environmental Committee, and other related bodies, and reports on these efforts to the holding company. The holding company controls risks across the Group based on monitoring and guidance by the risk management coordination section. The Group CRO regularly reports to the Board of Directors on the status of these risks. (See “Thorough Compliance and Risk Management” for an overview of the risk management framework as a whole.)

→ [p. 105](#) Risk appetite framework (RAF)

Investment and loan policy

We refer to our credit policy in determining whether to undertake investments and loans that could potentially affect the environment and society.

We have established an investment and loan policy for specific sectors, which declares that we, in principle, will not fund coal-fired power generation in light of its environmental impact. This is part of strengthened efforts to achieve sustainable growth and decarbonization for the region.

→ Investment and loan policy for specific sectors



Climate change and natural capital degradation risk management

Shizuoka Financial Group comprehensively identifies risks associated with climate change and natural capital degradation based on the TCFD and TNFD recommendations. We classify them into physical risks, transition risks, and systemic risks for each risk category, as shown in the table below. We will appropriately manage and review these risks based on the characteristics of each risk while considering the impact of climate change and natural capital degradation.

Risk category	Physical risk	Transition risk	Systemic risk	Timeline*
Credit risks	Risk of an increase in credit costs for the Group due to degraded customer assets or business performance or damage to assets held as collateral by the Group due to natural disasters or destruction of social infrastructure	Risk of higher credit costs for the Group due to impaired customer business performance arising from policy changes, regulatory changes, technological advances, or other changes in the business environment	Risk of emergence of potentially compounded physical and transition risks at left due to degradation of ecosystem services associated with the instability of the natural environment	Short term to mid- to long-term
Market risks	Risk of deteriorating customer business performance due to an increase in natural disasters caused by loss of ecosystem diversity, and associated risk of a decline in the price of shares held	Risk of a decline in the price of shares held arising from policy changes, regulatory changes, technological advances, or other changes in the business environment	Risk of instability in the overall financial system or the declining price of shares due to the materialization and compounding of physical and transition risks	
Liquidity risks	Risk of outflow of deposits due to the immediate cash needs of customers affected by natural disasters; risk that disruptions of financial markets make funds more difficult to obtain	Risk of deterioration in Group credit ratings due to the perception that it has failed to respond adequately to transition risks, resulting in limited access to market funding	Risk of instability in the overall financial system, difficulty obtaining funds, or outflows of deposits due to lower customer confidence arising from the materialization and compounding of physical and transition risks	
Operational risks	Risk of damage to company buildings or other property, plant, or equipment or failure of computer systems, and associated business interruptions, attributable to natural disasters	Risk of losses and business interruption from litigation brought against the Group and damage to its reputation resulting from its inability to respond appropriately to new environmental regulations or system changes	Risk of instability in the overall financial system, system failures, and business interruptions arising from the materialization and compounding of physical and transition risks	

* Physical risks: [Short term] Impact of natural disasters on customer business performance; [Mid- to long-term] Impact of climate change on customer business performance

Transition risks: [Short term] Impact of natural disasters on customer business performance; [Mid- to long-term] Impact of new regulations or other measures on customer business performance

Systemic risks: [Short term] Impact of natural disasters on customer business performance and financial markets; [Mid- to long-term] Impact of social instability on customer business performance

Indicators and goals

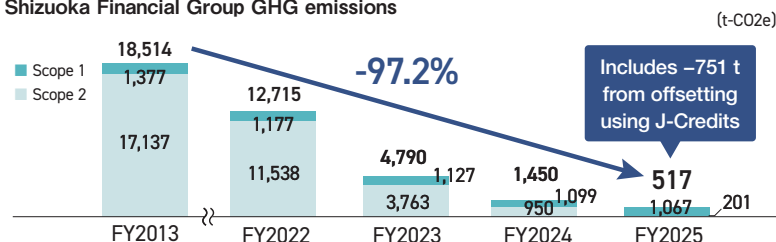
We have set the following goals to enrich society both environmentally and economically.

Group GHG emissions (Scopes 1 and 2)

Target Carbon neutrality by FY2030

The Group set a target of achieving carbon neutrality (Scopes 1 and 2) by FY2030 to accelerate efforts toward a decarbonized regional society. In FY2025, our GHG emissions (Scopes 1 and 2) had dropped to 517 tons, 97.2% lower than in FY2013. This resulted from the adoption of renewable energy, use of J-Credits generated in Shizuoka Prefecture, and other efforts. To enhance the reliability of our GHG emissions calculations, we obtain independent verification from the Japan Quality Assurance Organization (scope: all Scopes 1–3; verification of FY2025 GHG emissions is currently underway).

Trend in Shizuoka Financial Group GHG emissions



Financed GHG emissions (Scope 3, Category 15)

Target Reduce to net zero in Scope 3, Category 15 (Investments)

New

In FY2026, we set the new long-term climate change target of reducing Scope 3, Category 15 (Investments)* emissions to net zero (FY2050), establishing a new engagement KPI in the Second Medium-term Business Plan of measuring and reducing GHG emissions by commercial borrowers to achieve this target.

* Investment types: commercial lending and project finance

Background of this new target

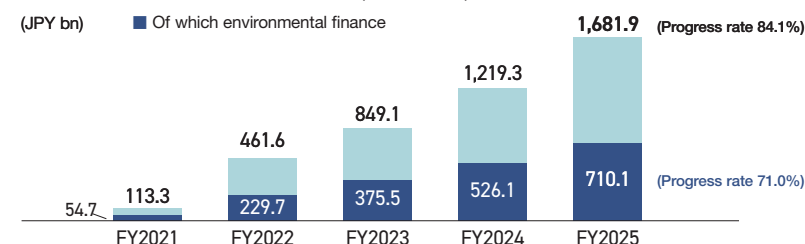
One of the social impact KPI targets in the Group's Second Medium-term Business Plan is to reduce GHG emissions in Shizuoka Prefecture by 46% vs. FY2013 (FY2030). Alongside our own efforts, we are promoting joint decarbonization with regional stakeholders. As a regional financial institution supporting the region's business activities through finance, we recognize initiatives targeting Scope 3, Category 15 (Investments) emissions to be of the utmost importance to regional decarbonization. Against this backdrop, we've established the target of measuring and reducing GHG emissions by commercial borrowers as an engagement KPI to which we are committed under the Second Medium-term Business Plan. We will accelerate efforts to create an impact on society by supporting the decarbonization of customers.

Cumulative amount executed of sustainable finance

Target Executing a cumulative total of two trillion yen in sustainable finance by FY2030 (one trillion yen of which is to be environmental finance)

We have set the target of executing a cumulative total of two trillion yen in sustainable finance (one trillion yen of which is to be environmental finance) by FY2030. We executed a cumulative total of 1.6819 trillion yen in sustainable finance (710.1 billion yen of which was environmental finance) over the five years through FY2025.

Trends in amount executed of sustainable finance (cumulative)



Balance of investments in and loans for coal-fired power generation

Target Reducing the balance of investments in and loans for coal-fired power generation to zero by around FY2040

We set the target of reducing the balance of investments in and loans for coal-fired power generation to zero by around FY2040. The balance of such investments and loans at the end of March 2026 was 13.7 billion yen, or 0.09% of total outstanding credit.

TNFD core global disclosure metrics

Our TNFD-recommended global core disclosure metrics are shown below.

Land	Total spatial footprint (m ²)	200,974 m ²
Water use	Water use (m ³)	45,787 m ³
Waste	Total waste (t)	694 t

*1 Land area refers to total land area for Shizuoka Financial Group as a whole, excluding overseas representative offices but including dormitories, company housing, and rented land.

*2 Water use is calculated for The Shizuoka Bank (using actual figures for the Head Office and figures estimated from water charges for branches and other offices).

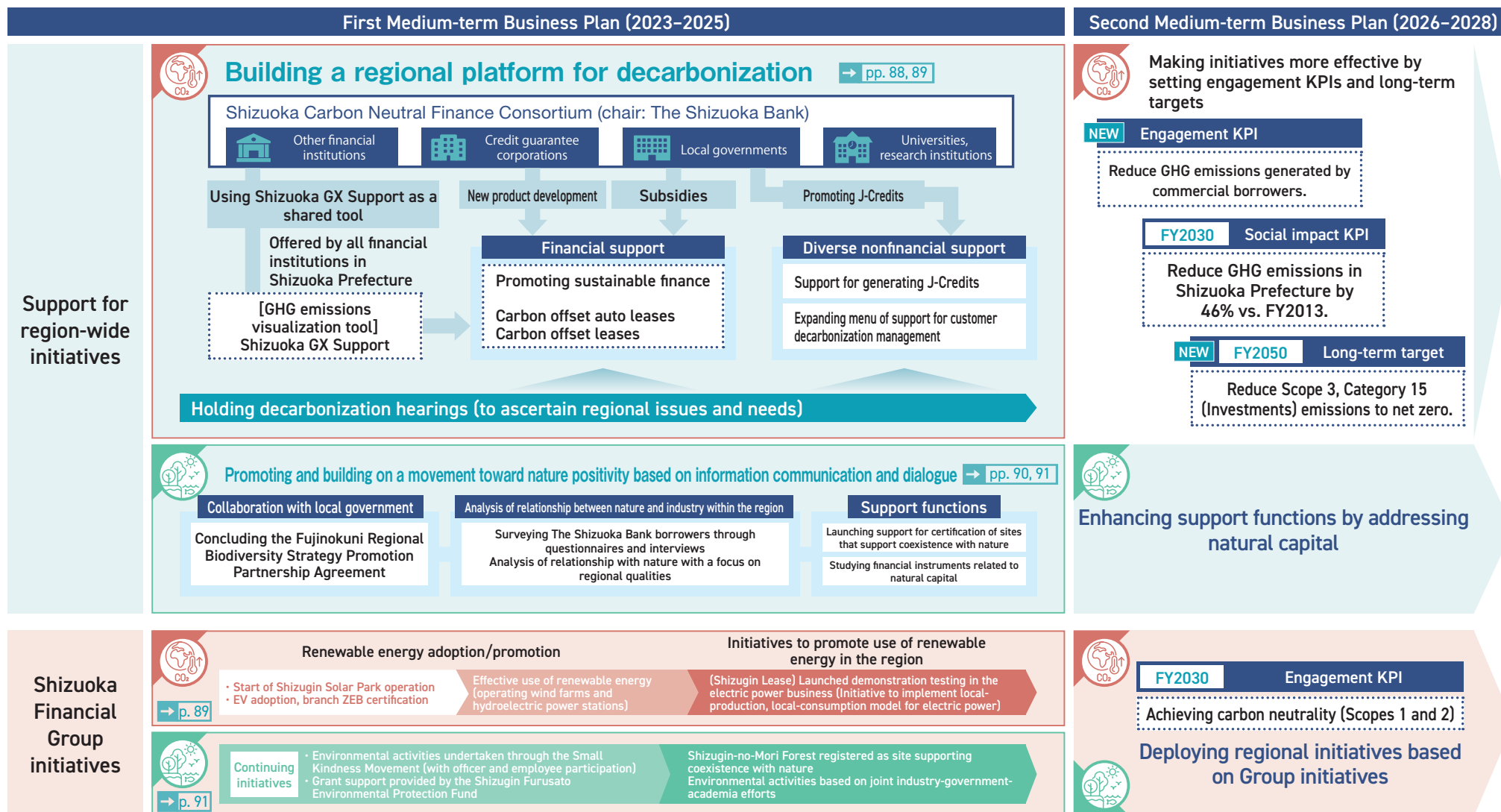
*3 Waste is calculated from industrial waste management reports submitted in FY2025. The figure covers the Shizuoka Financial Group as a whole, excluding overseas representative offices. Total waste includes plastic waste.

*4 Other core global disclosure metrics are not applicable.

Decarbonization/nature-positive initiatives and future prospects

Under the First Medium-term Business Plan, we worked with a broad coalition of regional stakeholders to lay the foundations for initiatives in environmental fields. The measures included efforts to build a regional platform to establish a decarbonized society and efforts to disseminate information and promote dialogue in areas related to natural capital.

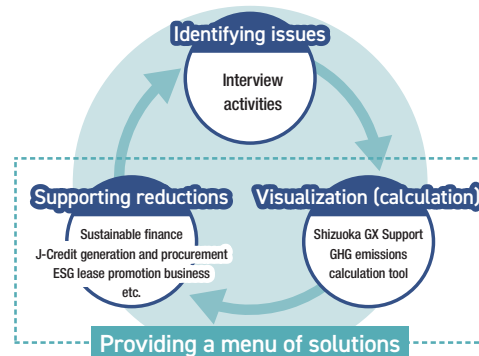
To achieve the new KPIs and targets of the Second Medium-term Business Plan, we will further enhance support functions based on the platforms developed to date and intensify and accelerate related initiatives, to contribute to a sustainable society.



Supporting region-wide efforts to realize a sustainable society

The Shizuoka Financial Group is seeking to promote regional decarbonization by setting the social impact KPI of a 46% reduction in GHG emissions in Shizuoka Prefecture by FY2030 (vs. FY2013). In addition to offering customers a tailored suite of solutions, including sharing issues through engagement with business partners, providing GHG emissions calculation tools, and providing financial and other solutions for reducing emissions, we are partnering with local governments, regional financial institutions, and other parties to support region-wide decarbonization efforts.

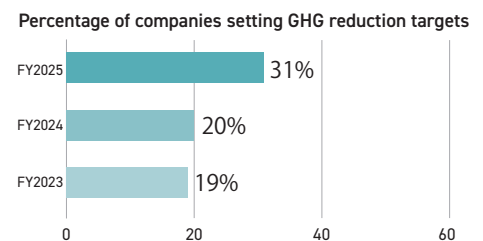
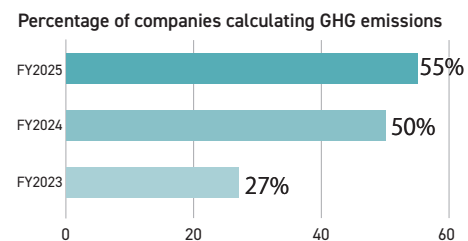
Enhancing and expanding initiatives through region-wide cooperation



Engagement (interview activities)

Since FY2021, we've undertaken interviews with business partners in Shizuoka Prefecture concerning decarbonization efforts. With customer awareness of decarbonization growing from year to year, companies increasingly are not merely calculating their own GHG emissions but setting reduction targets and expanding initiatives to cover entire supply chains.

FY2025 interview results



* 2023 (N = 803); 2024 (N = 1,011); 2025 (N = 997)

→ FY2025 interview survey results



Providing decarbonization solutions

Based on the issues and the status of the initiatives identified through decarbonization interview activities, we provide integrated financial and nonfinancial support ranging from calculating GHG emissions to executing specific measures to reduce emissions.

In November 2025, The Shizuoka Bank began offering Shizuoka GX Support Z, a new GHG calculation tool with Scope 3 calculation functions to support the decarbonization initiatives of customers across their supply chains.

We will remain committed to providing attentive support for issues facing individual customers while accurately assessing the progress of their decarbonization efforts and related needs.

	GHG emissions calculation	- Providing Shizuoka GX Support (Scopes 1, 2) - Providing Shizuoka GX Support Z (Scopes 1, 2, 3) NEW
	Setting reduction targets	- Introducing companies in need of support (energy conservation diagnostics, roadmap preparation) - Support for SBT certification
	Executing reduction measures	- Introducing energy-saving and renewable energy service providers (adoption of solar power, fuel cells, and energy conservation equipment) - J-Credit generation and procurement support - ESG lease promotion business - Sustainable finance (e.g., positive impact finance)

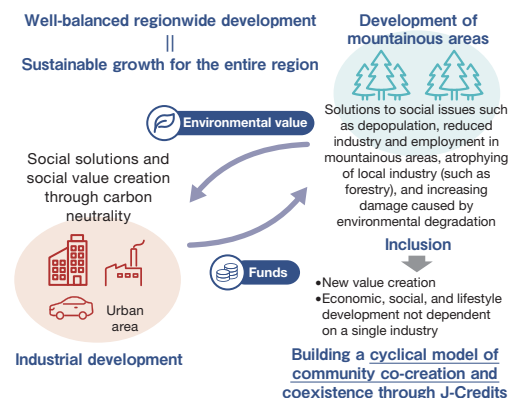
Support for J-Credit generation and use

As the only J-Credit Provider* that counts itself part of a financial group, Shizugin Management Consulting provides integrated support for issues ranging from the generation of J-Credits to their certification, sale, and use. Through FY2025, it contributed to a total of 12 J-Credit generation projects.

By promoting carbon neutrality through local production and local consumption in which forest credits generated in Shizuoka Prefecture are used for decarbonization management by firms in the prefecture, we are building a model for establishing a virtuous cycle of enhancing the environmental value of forests and regional economic stimulation.

* A business entity that supports the generation and use of credits certified under the J-Credit Scheme for GHG emissions reductions and removals.

Offsetting Shizuoka Prefecture's CO₂ (GHG) emissions inside the prefecture



Regional cooperation: Supporting decarbonization initiatives across the supply chain

The Shizuoka Bank promotes region-wide decarbonization initiatives through the Shizuoka Carbon Neutral Finance Consortium, established in 2024 in cooperation with financial institutions, local governments, universities, and other partners in Shizuoka Prefecture.

In FY2025, the Bank partnered with the Shizuoka Environment Resources Association, the Consortium, and major firms in Shizuoka Prefecture to hold study meetings for customers on decarbonization. Various members of the supply chain, chiefly SME suppliers, participated in these meetings. The Bank also promoted decarbonization across the supply chain through energy conservation diagnostic services for supplier firms—an initiative for which demand is growing—and side-by-side support for implementing specific measures to reduce GHG emissions based on the results.

Support for implementing decarbonization measures across the supply chain

A study meeting for members of the supply chain inspired KE Corporation in Shizuoka Prefecture, a major supplier to Hitachi Industrial Equipment Systems, to undertake energy conservation diagnostics. The energy conservation assessment identified and quantified the potential energy and GHG emissions reductions from 20 specific improvement measures, including optimizing production equipment operations to reduce standby power consumption and upgrading air-conditioning and other equipment. Based on the results, priority measures were identified and implemented in phases.



The Shizuoka Bank will continue to contribute to the progress of decarbonization efforts across the supply chain by providing support options in stages, including proposals for equipment upgrades and consideration on the use of subsidy programs, and eventually broaden this initiative to include other suppliers.

TOPICS

Received the ESG Finance Awards Japan Gold Award for the fourth consecutive year

In February 2026, for the fourth year in a row, we won the Gold Award (Minister of the Environment Award)—the top prize—in the Indirect Finance Category of the Seventh ESG Finance Awards Japan. These awards are granted by the Ministry of the Environment to promote and expand ESG finance and enhance its quality. The award recognized our continuing support for region-wide initiatives across Shizuoka Prefecture.

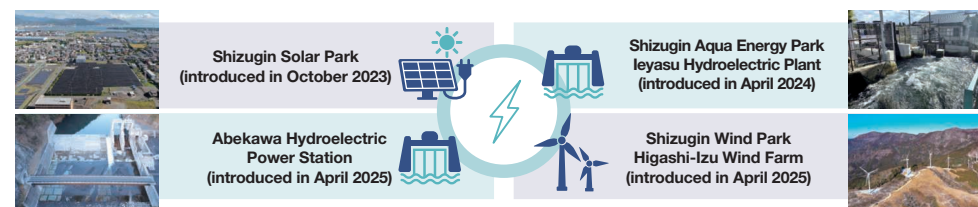


Group decarbonization initiatives

Renewable energy use

The Shizuoka Financial Group set the target of carbon neutrality by FY2030 (Scopes 1 and 2) to accelerate efforts to achieve a regional carbon-zero society. In FY2025, our GHG emissions dropped to 517 tons, 97.2% lower than in FY2013, a result attributable to the adoption of renewable energy, use of J-Credits generated in Shizuoka Prefecture, and other measures.

We strive to promote and use natural renewable energy derived from regional natural resources through means such as making use of Shizugin Solar Park, which began operating in October 2023. The Shizugin Wind Park Higashi-Izu Wind Farm and the Chubu Electric Power Abekawa Hydroelectric Power Station began contributing to the supply of renewable energy directly or through use of certificates in FY2025.



Renewable energy business initiatives

In February 2025, Shizugin Lease launched a pilot project for a renewable energy business. By supplying renewable energy to certain Shizuoka Bank branches, we are evaluating a business model for promoting renewable energy use in the region and for achieving local energy production and consumption while strengthening joint efforts alongside local businesses.

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TOPICS

Partnership agreement concluded for a joint demonstration project on local energy production and consumption

In March 2026, as part of efforts to realize a zero-carbon city, Shizugin Lease concluded a partnership agreement with Kakuichi Co., Ltd. and the town of Oyama to assess the local production and consumption of energy produced in Oyama.

Under this agreement, we will examine the feasibility of the program with the aim of contributing to local decarbonization through measures including testing to evaluate the production and consumption of energy in Oyama.

We remain committed to contributing to an environmentally and economically sustainable community by drawing on the expertise gained in our financial and leasing activities to help solve the region's challenges.



Natural capital and biodiversity analysis

Since announcing support for the TNFD recommendations in December 2023, Shizuoka Financial Group has analyzed the relationships between customers' businesses and natural capital and biodiversity, focusing on industries selected in light of Shizuoka Prefecture's distinctive natural environment.

Through ENCORE analysis, customer surveys, and interviews in selected industries, we identify relationships with nature (dependencies and impacts) in each locale and analyze the risks and opportunities for each industry.

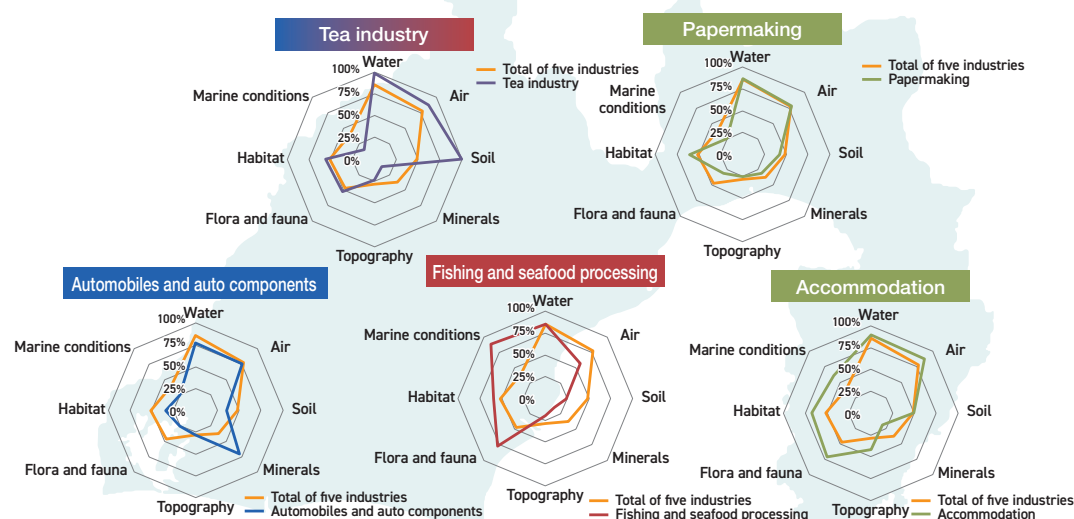
Selecting industries subject to analysis

Shizuoka Prefecture's natural environment differs in its western, central, and eastern areas. Reflecting these individual characteristics, distinctive industries have emerged in each area. We selected typical industries as subjects of analysis, comparing geographical characteristics and industrial structures, with a focus on the distinctive natural environment of each area.

① Distinctive natural environment of each area		② Industrial structure developed in each area	③ Selection of typical industries
West		Central	East
Lake Hamana	Tenryu River	Suruga Bay	Abe River
Enshu Sea	Tenryu Forest	Oi River	Southern Japan Alps
Automobiles and auto components	Tea industry	Fishing and seafood processing	Papermaking
			Accommodation

Important natural capital

We surveyed customers to analyze the natural capital important to regional businesses. While water proved important for all industries, differences emerged reflecting specific sectors, such as the importance of minerals (iron, for example, which is used to manufacture auto bodies) in the automobile and auto components manufacturing industry.



Industry-specific analysis of natural capital dependencies/impacts and risks/opportunities

Shown below are the results of an analysis of natural capital dependencies/impacts and risks/opportunities for each industry. Despite differences by industry, the natural capital of the region constitutes a competitive advantage that is vital to economic sustainability. By addressing issues related to nature, we will continue working to achieve the materiality goal of a society that seeks to address both environmental and economic demands.

	Automobiles and auto components	Tea industry	Fishing and seafood processing	Papermaking	Accommodation
Dependencies	Use of large volumes of water in cleaning, machining, and heat treatment processes (dependency on water resources of the Tenryu River watershed)	Certain constant conditions of temperature, precipitation, and sunlight needed to grow tea	- Fish catch and raw materials procurement (whitebait caught in Suruga Bay and other catch from abundant ecosystems) - Well water use in dried bonito processing	Use of large volumes of water in cleaning and papermaking processes (water resource cultivation in watershed forests, dependency on Fuji River water resources)	Creating tourism value based on natural scenery, hot springs, water resources, and other aspects of the natural environment
Impacts	- Wastewater generated from cleaning and processing - GHG emissions and waste generated from manufacturing processes	- Release of nitrogen due to overuse of fertilizer - Eutrophication of rivers and watersheds	- Processing dregs, wastewater - GHG emissions generated from transport processes	- Wastewater from papermaking process, etc. - Impact on ecosystems in plant operations and raw materials procurement	- Water use and energy consumption in facility operations - Natural degradation attributable to increasing human traffic
Risks	- Restrictions on operations due to drought, etc. - Rising procurement costs due to short supply of mineral resources	- Instability in tea quality and yields due to rising temperatures and changes in precipitation patterns - Reduced competitive strengths of the producing area due to soil degradation, etc.	Unstable catches due to rising sea temperatures, ecosystem changes, etc.	- Production restrictions due to insufficient water resources or raw material supply restrictions - Additional investments required in response to stricter environmental regulations	- Lower demand attributable to scenery degradation, natural disasters, etc. - Business suspension due to depletion of hot spring resources
Opportunities	- Resource recycling, efficient water use, and other initiatives to improve competitive strengths - The growing recycling market	- Improved brand strength due to high-quality tea and organic tea - Precision use of fertilizer to improve soil	- More advanced resource management, including improvements in aquaculture technologies - Blue carbon and other new market development	- More efficient water use to cut costs - FSC certification and other such efforts to enhance competitive strengths	- Tourism that adds high value based on natural scenery - Cost-cutting through energy conservation and efficient water use
Financial and nonfinancial support for opportunities to improve the competitive strengths of our customers from a natural capital perspective					

Rate of lending to customers located in key biodiversity areas*

0.25%	0.23%	0.12%	0.01%	0.27%
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* Balance of loans to The Shizuoka Bank business borrowers located in key biodiversity areas, areas with high ecosystem integrity (BII† score of 0.95 or above), or areas showing a sharp decline in ecosystem integrity (BII score of 0.70 or below), as a percentage of the Bank's total loans.

† Biodiversity Intactness Index: Indicator of the extent to which regional biodiversity resembles its natural state. The closer the index to one, the more intact the ecosystem; the lower the score, the greater the loss of biodiversity.

For more information on the results of this analysis, see the Basic Report on Natural Capital and Biodiversity. → [Natural Capital Report](#)



Our nature-positive initiatives

Biodiversity seminars undertaken with Shizuoka Prefecture and local nonprofit

In October 2025, as part of joint efforts involving the prefecture government and the Whole Earth Nature School, a nonprofit, we held biodiversity seminars and a tour of sites demonstrating coexistence with nature in Shizuoka Prefecture. Welcoming participants from businesses and local governments in the region, the seminars boosted motivation to find ways to achieve a nature-positive state in the region, as demonstrated by the biodiversity conservation and restoration consultations received through a dedicated contact point established by the secretariat.



Shizugin No Mori on the head office tower grounds was recognized by the Ministry of the Environment as a Nationally Certified Sustainably Managed Natural Site *

In September 2025, Shizugin No Mori, located on the grounds of the head office tower, was recognized by the Ministry of the Environment as a Nationally Certified Sustainably Managed Natural Site.*

A wooded space containing mainly native plants, Shizugin No Mori is an important habitat in an urban area. For example, the endangered peregrine falcon has been observed to nest here. This recognition is in response to continuing efforts to preserve and restore biodiversity.

We will continue to create social value by safeguarding biodiversity in Shizugin No Mori and enhancing nature-positive initiatives.

* District recognized for implementing plans to maintain biodiversity under the Act on Promoting Activities to Enhance Regional Biodiversity



Shizugin Management Consulting helps a regional firm earn recognition for a Nationally Certified Sustainably Managed Natural Site

As part of its efforts to establish cyclical models of regional co-creation and coexistence, Shizugin Management Consulting supported I-kan Corporation's application for recognition as a Nationally Certified Sustainably Managed Natural Site by the Ministry of the Environment. The site received this certification in December 2025.

Together with The Shizuoka Bank, Shizugin Management Consulting provided side-by-side support, including surveys to identify plants at the site and to demonstrate the value of biodiversity undertaken with help from the city of Hamamatsu and various experts. By supporting sustainable business activities while preserving regional resources, we will promote nature-positive initiatives among regional businesses.



Small Kindness Movement wins Minister of the Environment Award for Contributions to the Natural Environment on Greenery Day

The Small Kindness Movement seeks to nurture empathy by encouraging small acts of kindness under the Creating a culture of small kindnesses slogan. The Group has been actively involved in the efforts of the Shizuoka Prefecture Head Office of the Small Kindness Movement since the latter's founding in February 1997. Shizuoka Bank officers have served as representatives, while the Group company Shizugin General Service has hosted its secretariat.

On Greenery Day in May 2026, the Small Kindness Movement won the Minister of the Environment Award for Contributions to the Natural Environment in recognition of years of efforts to protect the natural environment and promote awareness of its importance, including by revitalizing rural ecosystems, preserving terraced rice paddies and supporting cleanup initiatives.

The number of members as of the end of FY2025 was 32,130, including corporate, organizational, school, and individual members. Of these, 6,008 were members of Shizuoka Financial Group, and numerous Group employees participate in these activities.

Rural development

In FY2025, 643 participants (including 274 from Shizuoka Financial Group) helped to improve forests by planting 424 trees in 20 locations. In addition, we donated rice harvested by activities to preserve terraced rice paddies to child welfare facilities and other beneficiaries to help children.



Cleanup activities

In FY2025, a total of 5,371 participants (including 2,550 from Shizuoka Financial Group) took part in cleanup activities and contributed to welfare facilities at 154 locations in Shizuoka Prefecture.



Biodiversity conservation activities based on joint industry-government-academia efforts win the Youth Prize in the Shizuoka City SDGs Challenge Cooperation Awards

Working with local universities, conservation organizations, companies, the city of Shizuoka, and others, The Shizuoka Bank is eradicating alligator weed (a designated invasive perennial grass species native to South America) at the Asahata Retarding Basin, a site for coexistence with nature in Aoi Ward, Shizuoka. Since alligator weed spreads rapidly, and there are concerns that it might affect local ecosystems, we are combating this invasive species based on joint efforts of industry-government-academia participants with our distinctive strengths.

In February 2026, this initiative won the Youth Prize in the Shizuoka City SDGs Challenge Cooperation Awards as an example of cooperation involving diverse participants to make a positive impact on nature.



Shizugin Furusato Environmental Protection Fund

Through the Shizugin Furusato Environmental Protection Fund, we provide grants to individuals, organizations, and others who play active roles in environmental conservation in Shizuoka Prefecture. In FY2025, we provided a total of 3 million yen in grants to 24 recipients. Since the establishment of the Fund in 1993, we have provided a total of 96.01 million yen in grants to 762 recipients.

Initiatives Related to Human Rights

Shizuoka Financial Group recognizes human rights as an important management priority. Based on our Corporate Philosophy—Expand dreams and affluence with our community—we strive to ensure our business activities and transaction relationships have no negative effects on human rights and to take appropriate corrective action in the event of any actual or potential human rights violations. The aim is to realize a society of respect for the human rights of all.

Establishment of the Human Rights Policy

Interest in and expectations related to corporate responsibility in the area of human rights have grown in Japan and abroad. We have established Shizuoka Financial Group's Human Rights Policy in accordance with international standards on human rights, including the prohibition of child labor and forced labor.

→ Group's Human Rights Policy



Human rights governance structure

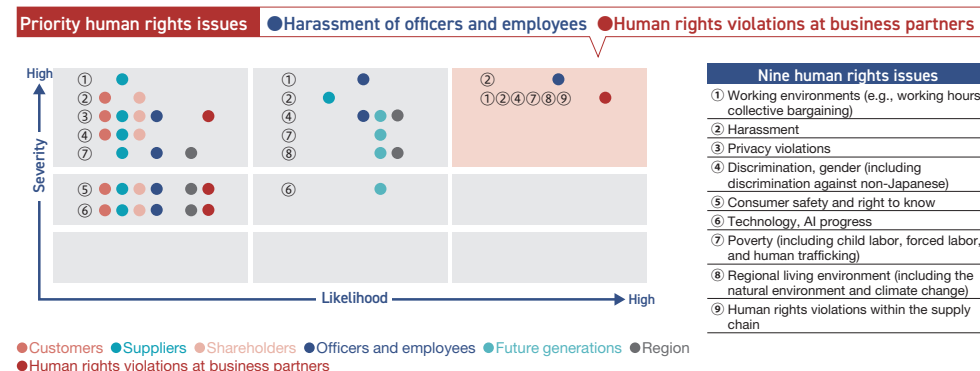
Cross-functional discussions of policies and measures related to human rights take place within the Environmental Committee, Human Capital Management Committee, and Human Rights Working Group, a subsidiary organization of these committees. After submittal to the Sustainability Committee (Group Executive Committee), the content of deliberations is submitted to the Board of Directors for deliberation and review as necessary, and then regularly reported through other channels. This is aimed at taking proactive measures while establishing an effective governance structure for protecting human rights.

Identifying and evaluating human rights issues

We identify and evaluate any potential human rights issues that may arise in Group business activities and in our transactions from the perspectives of severity and likelihood of actual violation, and plot them on a human rights risk map.

Based on the results, we selected the harassment of officers and employees and human rights violations at business partners as priority issues the Group must address.

Human rights risk map



Specific human rights initiatives

We're implementing the following initiatives based on efforts to identify and evaluate issues related to respect for human rights.

Topic	Specific initiatives
Harassment of officers and employees	We provide ongoing training and education on human rights issues to build an organization in which all officers and employees will respect and treat each other as business partners. We strive to build positive workplace environments and strengthen engagement in various ways, including training to eradicate workplace harassment and initiatives specific to a workplace.
Human rights violations involving business partners	Through the credit transactions it undertakes, The Shizuoka Bank can contribute to society and the environment as well as human rights. It continually monitors human rights risks and survey responses to issues by borrowers. If any issues are identified, it strives to prevent and minimize negative impacts through dialogue with its customers. Monitoring in FY2025 found no loans were made to businesses linked with human rights violations, forced labor, or other such violations.
Other	Shizuoka Financial Group monitors major subcontractors for human rights violations or the risk thereof through transaction relationships. We encourage rectification of any issues identified through dialogue and joint efforts. Monitoring in FY2025 found no subcontractors were linked with human rights violations, forced labor, or other such violations.

Corrective and remedial measures

Shizuoka Financial Group has established the Opinion Box whistleblowing system and internal and external harassment hotlines to receive consultations related to the rights of Group employees. Since FY2025, we have relied on the internal whistleblowing service provided by reLays Co., Ltd., a company commercialized through the Group's in-house startup program to offer a hotline for students in our hiring activities. Corrective and remedial measures are implemented, with safeguards provided for whistleblowers to ensure anonymity and prevent retaliatory action.

The Shizuoka Bank's branches and Group company contact points accept complaints and requests from customers, and the sections in charge of relevant operations take action in response, make improvements, and implement preventive measures.

TOPICS Addressing the human rights impacts of AI use (establishing an AI policy)

The Group has established the Shizuoka Financial Group AI Policy based on its recognition of the significance of the human rights impacts of AI use.

The policy establishes an environment for the appropriate use of AI with due respect for human rights by setting out principles such as respect for human-centered values and awareness of the risk of unintended discrimination by AI.

Strengthening Corporate Governance

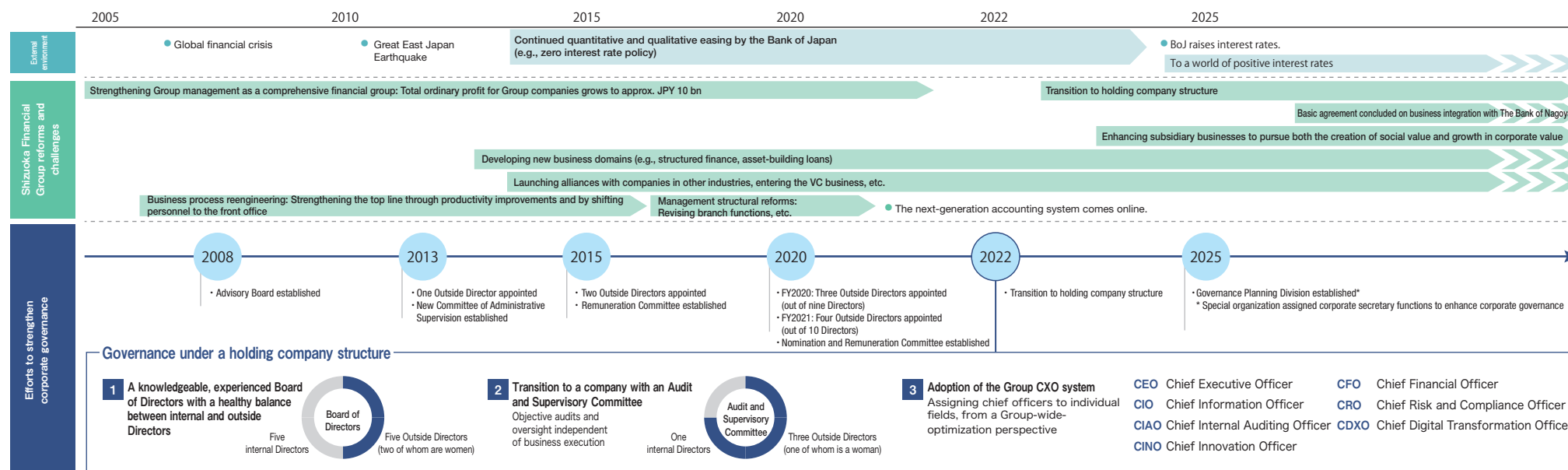
Shizuoka Financial Group seeks to build a resilient corporate governance system that will lead to sustainable growth while contributing to the well-being of all stakeholders: communities, customers, shareholders, employees, and future generations.

We seek to strengthen corporate governance from both the aggressive and defensive perspectives, based on the concept of the separation of supervision and execution functions. The goal is to build a corporate governance system as demanded by stakeholders.

Corporate Governance Policies

1	The Group establishes a suitable date to hold general meetings of shareholders and publishes notices of these meetings (including English translations) on the Group's website. By continually implementing initiatives such as these aimed at more vigorous general meetings of shareholders and the smooth exercise of shareholders' voting rights, we will secure the rights and equality of shareholders.	4	In accordance with the Basic Policy Regarding the Design of Internal Control Systems resolved by the Board of Directors based on the Companies Act, we will design a system to ensure that the execution of duties by directors complies with laws, regulations, and the Articles of Incorporation, and other systems to ensure the propriety of our operations and those of our group companies.
2	To ensure that the Group can continue to be a financial institution trusted and chosen by all stakeholders, including shareholders, regions, customers, and employees, we will strive for balance in corporate management by addressing diverse viewpoints, including economic, social, and environmental perspectives, and work towards enhancing sustainability.	5	The Group engages in constructive dialogue with shareholders through proactive investor relations activities, in order to contribute to sustained growth and enhanced corporate value over the medium to long term.
3	The Group will engage in appropriate disclosures based on the Banking Act, Financial Instruments and Exchange Act and other laws and regulations, as well as the securities listing regulations of Japanese stock exchanges. In addition, we will strive to disclose information voluntarily, including non-financial information, to ensure the soundness and transparency of our management.		

History of corporate governance initiatives



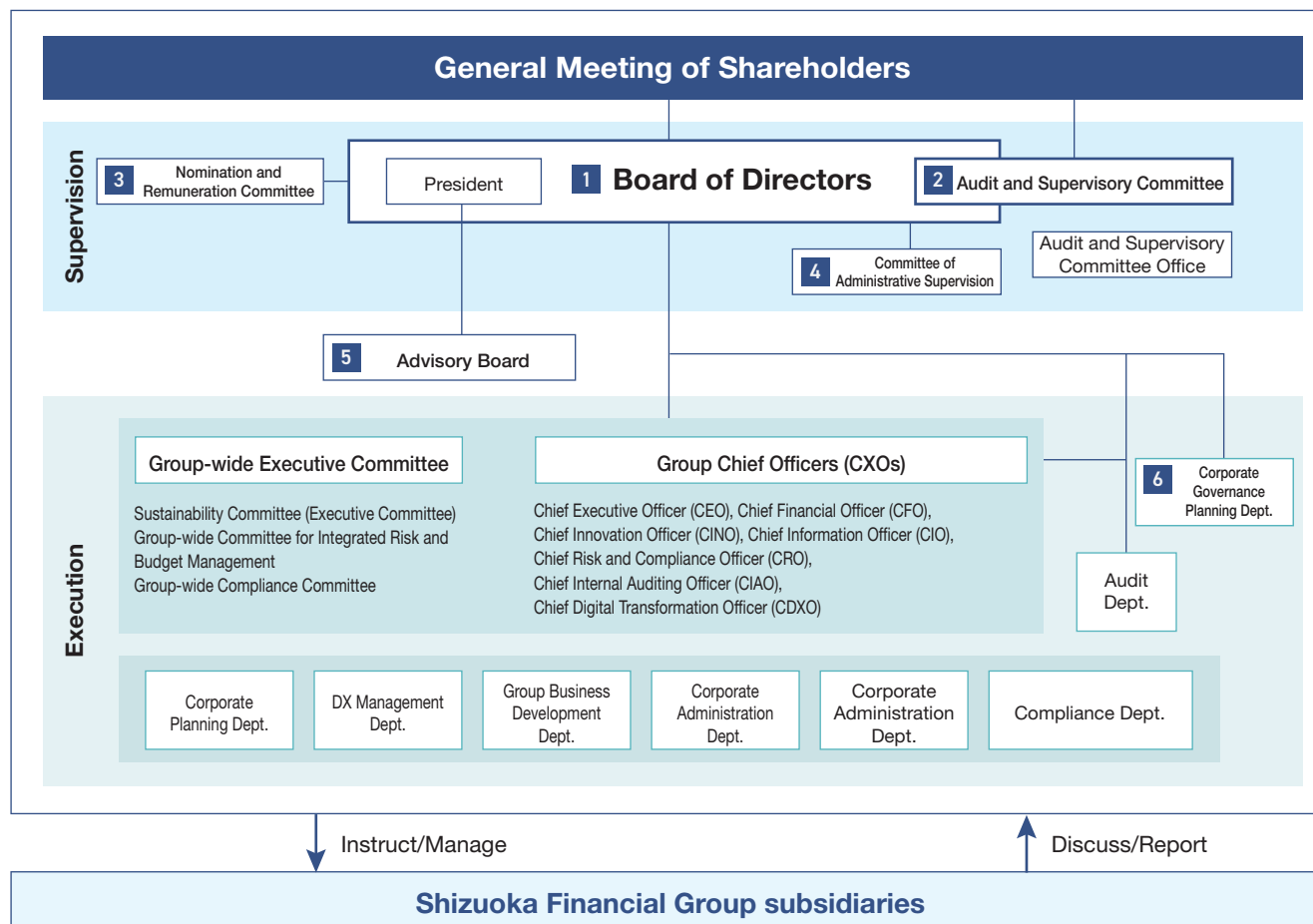
Overview of the corporate governance organization under the holding company structure

Organization of the Group's management structure

We have established and operate a corporate governance system whose goal is to enhance Group corporate value in a sustainable manner with management centered at the Group. Through the Board of Directors, the Audit & Supervisory Committee, and the Nomination & Remuneration Committee, each with an appropriate composition of members, including Outside Directors,

we have built a system that makes all possible use of the independent management supervisory function.

We are also striving to strengthen group management in executive divisions by establishing a Group-wide Executive Committee, including the Sustainability Committee (Group Executive Committee), the Group-wide Committee for Integrated Risk and Budget Management, and the Group-wide Compliance Committee, as well as appointing Group Chief Officers (CXOs) in each executive field.



1 Board of Directors

The Board of Directors consists of 10 directors, including five outside directors (all of whom are independent officers). As an organ responsible for enhancing independence from the business execution perspective and supervising Group-wide management, it determines management strategies, including medium-term business plans and the general features of internal controls, and supervises business execution across the Group.

2 Audit & Supervisory Committee

The Audit & Supervisory Committee is composed of one full-time Audit & Supervisory Committee member and three outside directors (all independent officers). The Committee is chaired by an outside director and works with the internal audit department to ensure a structure that leads to objective and detailed audits.

3 Nomination & Remuneration Committee

The Nomination & Remuneration Committee is composed of the Company's two representative directors and five outside directors. It responds to inquiries from the Board of Directors on matters like the nomination of officers and the officer compensation system, to ensure objectivity in the supervision of the Group's senior management team. As an organ authorized by the Board of Directors to make compensation decisions, it deliberates on the allocation of fixed monetary compensation and performance-linked compensation.

4 Committee of Administrative Supervision

The Committee of Administrative Supervision has been established to reinforce the supervision of business execution by the Board of Directors. It is composed of the Chairperson of the Board of Directors, outside directors, Audit & Supervisory Committee members, and the Group Chief Internal Audit Officer (CIAO). Its activities include monitoring the status of business execution.

5 Advisory Board

The Advisory Board, established under the President (CEO) as a management advisory committee and composed primarily of external experts, seeks to ensure objectivity and reflect advanced views from outside the organization in execution of management.

6 Governance Planning Division

Consisting of the Governance Planning Office (which has a corporate secretary function) and the IR/SR Office to manage IR and SR activities, the Governance Planning Division seeks to increase corporate value by promoting constructive dialogue with shareholders, investors, and other stakeholders and by appropriately reflecting the results in Group management through the Board of Directors and other bodies.

Composition of the Board of Directors for management oversight

Board of Directors skills matrix

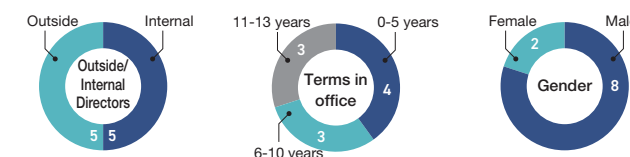
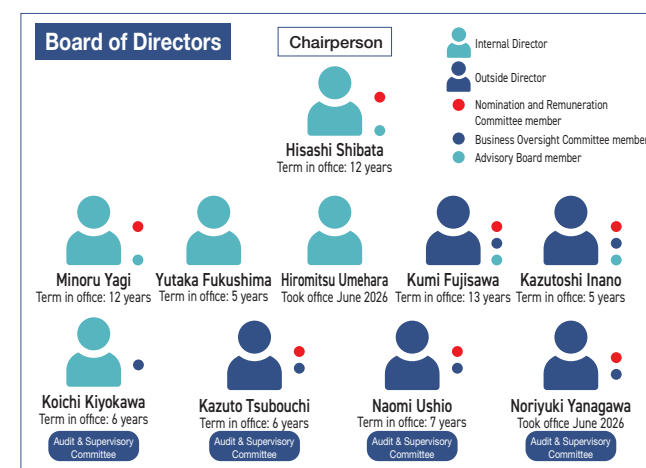
Under a flexible and robust governance framework that underpins sustainable growth, the Group seeks to strengthen Group management and establish and grow businesses that promote co-creation of value alongside stakeholders by providing specialized, cutting-edge comprehensive financial services and taking on the

challenges of new businesses.

The Board of Directors is tasked with overseeing business execution based on the diverse expertise of the entire group, thereby contributing to value co-creation with stakeholders and the sustainable growth of the Group. Toward this goal, in the areas of corporate management, society and economy, and businesses, the Board of Directors seeks to strike the ideal overall

balance required to maintain effective oversight with respect to the key aspects that must be supervised, given the business environment, with individual Directors fulfilling their roles and demonstrating their skills from a comprehensive perspective based on expertise gained from their personal background, professional experience, and other skills and qualities.

	Corporate Management			Society/Economy		Business	
	Supervision of management as a listed company	Management strategies for the comprehensive financial group	Supervision of internal controls	Prospect toward regional society and economy	Response to the social changes	Comprehensive financial services	New businesses (development, M&As, composition)
Hisashi Shibata President & CEO (Representative Director)	●	●	Financial accounting	●		Banking business (branch sales, market investment)	
Minoru Yagi Director & Executive Officer (Representative Director)		●	Financial accounting, business administration (human resources)	●		Banking business (branch sales, market investment)	
Yutaka Fukushima Director & Executive Officer		●		●		Banking business (branch sales)	
Hiromitsu Umehara Director & Executive Officer			Financial accounting	●		Banking business (branch sales, market investment)	●
Kumi Fujisawa Outside Director	●			●	Innovation	Investment business	●
Kazutoshi Inano Outside Director	●	●		●		Asset management business	●
Koichi Kiyokawa Director (Audit & Supervisory Committee Member)			Financial accounting, business administration (human resources) Risk management, internal audits	●		Banking business (branch sales, market investment)	
Kazuto Tsubouchi Outside Director (Audit & Supervisory Committee Member)	●		Financial accounting		IT/digital		●
Naomi Ushio Outside Director (Audit & Supervisory Committee Member)	●		Business administration (human resources)		DEI		
Noriyuki Yanagawa Outside Director (Audit & Supervisory Committee Member)	●		Legal systems, governance		Economic and industry trends		



* Terms in office include terms as The Shizuoka Bank Directors and Auditors before the transition to a holding company structure.

Fields in which demonstration of roles is expected

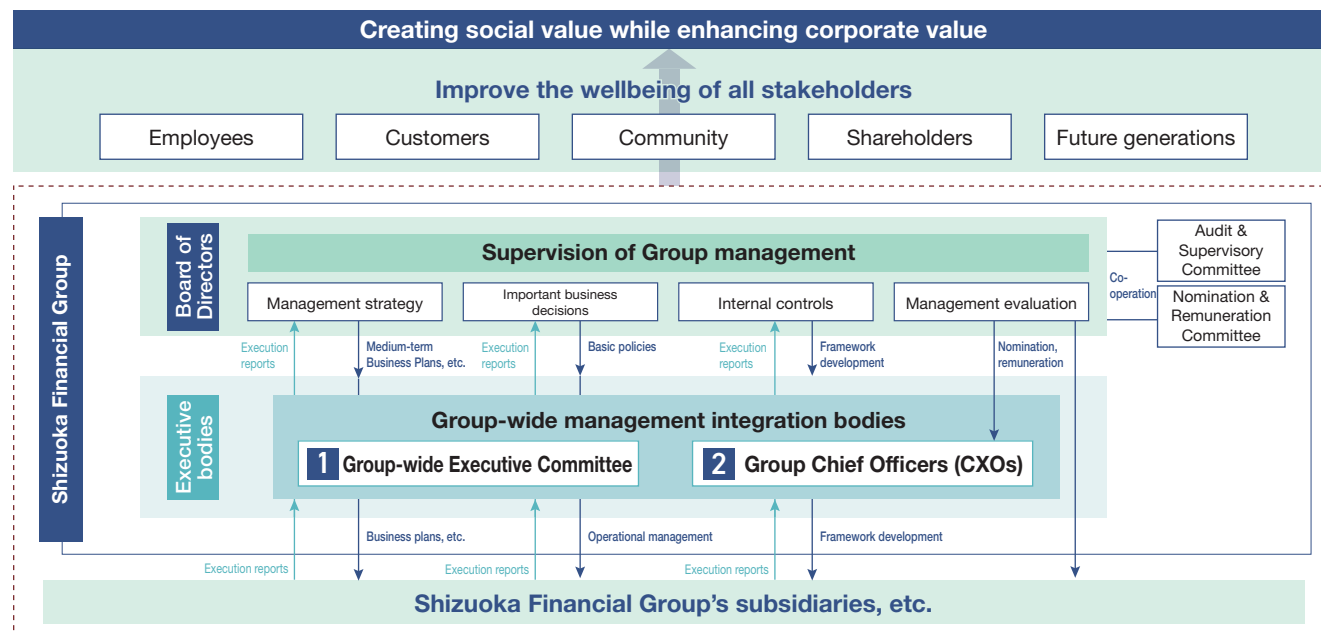
Roles and skills		Approach to roles and skills
Corporate Management	Supervision of management as a listed company	In accordance with the principles of corporate governance required of companies listed on the Tokyo Stock Exchange Prime Market, we emphasize supervisory functions to ensure management that respects shareholder interests.
	Management strategies for the comprehensive financial group	As a comprehensive financial group with banking as its founding business, we emphasize a management strategy that builds relationships of trust with local communities and other stakeholders and seeks to co-create value and drive growth in partnership with these stakeholders.
	Supervision of internal controls	From the perspective of appropriately implementing management supervision as a listed company and the management strategy of a comprehensive financial group, we place a special emphasis on the supervision of the Group's internal controls over business execution.
Society/economy	Prospects toward regional society and economy	Guided by our corporate philosophy—Expand dreams and affluence with our community—we believe a vision for the future of regional society and economy is essential for the growth of our Group alongside the community.
	Response to social change	To achieve sustainable growth as a corporate group, we believe we must proactively anticipate social change and transform the Group's management and business operations accordingly.
Business	Comprehensive financial services	The Group seeks both to create social value and enhance corporate value by providing specialized and advanced comprehensive financial services to a broad range of customers, including those in local communities.
	New businesses (development, M&A, and business portfolio transformation)	The Group seeks both to create social value and enhance corporate value by proactively anticipating social change, taking on the challenges of new businesses, and appropriately updating the Group's business composition.

Division of responsibilities and collaboration among the Board of Directors, the Group-wide Executive Committee, and Group Chief Officers (CXOs)

Group management structure (executive structure)

The Group seeks to enhance corporate value on a sustainable basis while establishing appropriate relationships with stakeholders. The Board of Directors supervises Group management from the perspectives of management strategy,

important business decisions, internal controls, and management evaluations. The Group-wide Executive Committee and Group Chief Officers (CXOs), under the supervision of the Board of Directors, monitor business execution across the entire group, including subsidiaries, to appropriately allocate management resources and generate group synergies.



1 Role of the Group-wide Executive Committee

Sustainability Committee (Group Executive Committee)

In addition to deliberating on agenda items to be submitted to the Board of Directors, the Sustainability Committee makes decisions on matters related to business execution other than those for which the Board of Directors has delegated authority to other bodies. The Sustainability Committee also carries out necessary intercompany coordination related to business execution by Group companies.

Group-wide Committee for Integrated Risk and Budget Management

The Group-wide Committee for Integrated Risk and Budget Management deliberates on the Group's basic policy for integrated risk management, the status of risk management, the status of progress on comprehensive budget plans, and the overall management of assets and liabilities, as well as how the Group will respond to such matters.

Group-wide Compliance Committee

The Group-wide Compliance Committee oversees and manages all aspects of compliance within the Group, including the basic compliance policy (Ethical Charter) to be submitted to the Board of Directors for approval, amendments to the compliance policy, and the implementation and evaluation of specific measures.

2 Roles of Group Chief Officers (CXOs)

CEO Chief Executive Officer

The CEO is responsible for management of the entire Group, directing the formulation of Group management policies to maximize value for all stakeholders, and overseeing all aspects of Group management.

CFO Chief Financial Officer

The CFO is responsible for the usage of the entire Group's management resources to achieve its management strategies and oversees all aspects of group management strategy to enhance Group profitability, growth potential, and financial soundness.

CIO Chief Information Officer

The CIO is responsible for the development and operation of IT strategy and systems-management frameworks for the entire Group, and oversees and controls business execution across the Group from an information-systems management perspective.

CRO Chief Risk and Compliance Officer

The CRO is responsible for the development and operation of compliance and risk management frameworks for the entire Group, and oversees and controls business execution across the Group from the perspectives of compliance and risk management.

CIAO Chief Internal Audit Officer

The CIAO is responsible for the development and operation of auditing frameworks for the entire Group, keeps business execution in check, and audits related efforts across the Group from a standpoint independent of the executive side.

CDXO Chief Digital Transformation Officer

The CDXO is responsible for promoting digital transformation (DX) across the entire Group and oversees the study, adoption, and permeation of advanced technologies for the management infrastructure to enable reforms in Group businesses and operations.

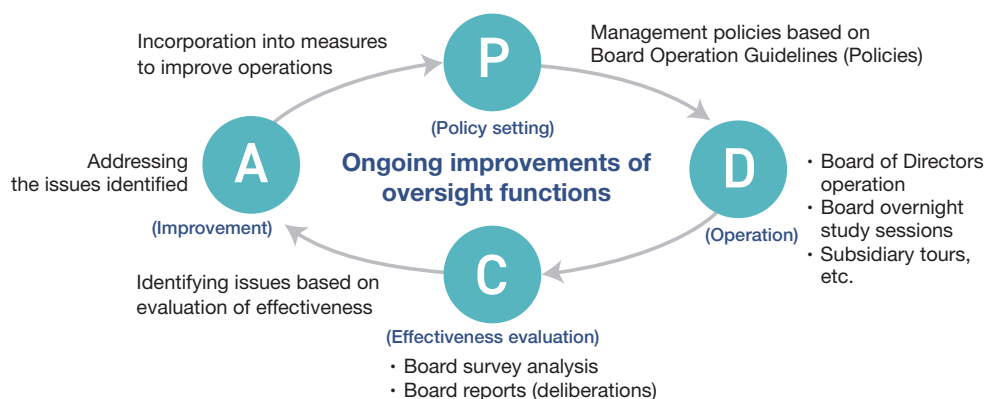
CINO Chief Innovation Officer

The CINO is responsible for new businesses and innovation to drive the Group's growth, and oversees and promotes new business development from the perspectives of increasing the Group's social performance, growth potential, and profitability, as well as increasing corporate value.

Efforts to improve the Board of Directors' oversight functions

Ongoing improvements of the Board's oversight functions

Annual evaluations of the effectiveness of the Board of Directors are used to continually improve the Board's oversight functions by applying the PDCA cycle to Board operations. In addition to narrowing the list of agenda items to topics deemed most important for Group management, the Board employs systems to monitor Groupwide reports on business results from CXOs and related topics. Sufficient time is made available for discussions of key management topics and risks that reflect the diverse insights of the individual directors.



Overview of operation of the Board of Directors (thinking based on the operation guidelines [policies])

Deliberations that permit sufficient time to address important management themes
Deliberations that permit sufficient time for multifaceted discussions leveraging Directors' expertise as required to respond to proposals and reported matters

Narrowing down agenda items

Delegating authority to the Group-wide Executive Committee, CXOs, and subsidiaries to focus the Board agenda on important matters concerning Group management such as management strategies, governance, and Group systems

Systematization of reports on business results

- Group-wide reports by CXOs on business results in their areas of responsibility
- Establishment of a structure for reporting on subsidiary business results (direct explanation by subsidiary presidents as appropriate in consideration of importance)

- Demonstrating oversight functions for important topics and risks in Group management
- Appropriate monitoring of Group business execution

Status of Board of Directors operations

In addition to deliberating on key management topics and risks and monitoring business execution Groupwide, the Board of Directors explores and examines broader and more advanced management topics at overnight study sessions and enhances information-sharing with outside directors to ensure independent oversight.

Main Board agenda items (topics) in FY2025

- Formulation of the Second Medium-term Business Plan
- Conclusion of basic agreement on business integration with The Bank of Nagoya
- Acquisition of Tokyo Gas Lease
- Social value creation business (disposal of treasury stock to support foundation operations)
- Evaluation of Board effectiveness
- FY2025 action plans (business plans, internal audit plans, compliance program)

Monitoring

- Group management execution reports (Sustainability Committee [Group Executive Committee] reports, IR/SR reports)
- Group CXO reports (quarterly reports by Group CXOs on the state of business execution and other matters)

Board of Directors overnight study session

- Held annually to explore important topics, study advanced management topics, and stimulate communication with Group management (CXOs, subsidiary presidents, and others) (one night)

Attendees

Directors, Group CXOs, subsidiary presidents, outside experts, etc.

Topics

- August 2025
- Review of Shizuoka Financial Group management strategies
 - Management strategies to increase corporate value (discussion with the attendance of outside experts)
 - Forms of financial strategies for growth

Sharing information with outside Directors

1 Subsidiary tours and exchange of opinions with subsidiary management

Exchanging opinions on strategic course of action, business condition, organizational structure of individual subsidiaries, and other matters in addition to touring subsidiaries when and where appropriate

2 Exchanging opinions with Group CXOs

Exchanging opinions on matters such as progress of management strategies and understanding of issues in each CXO's area of responsibility

3 Exchanging opinions with independent officers

Held to strengthen the management oversight functions of the Board and other bodies by aligning perspectives on board management, information sharing, and other issues, with the attendance of the Board secretariat

Evaluation of and issues in the Board of Directors' oversight functions

Overview of evaluation of Board effectiveness (FY2025)

Every year, the effectiveness of the Board of Directors is evaluated and matters such as the findings and issues identified are reported to and deliberated on by the Board to make it more effective. In FY2025, the Board was judged to be effective as a result of measures such as enhancements in oversight functions for management strategies and key risks based on issues identified in the previous evaluation, in addition to efforts to continually monitor business execution Groupwide. To effectively implement management and growth strategies, we will ceaselessly pursue improvements to advance the corporate governance structure (e.g., pursuit of governance befitting a bank holding company and the demonstration of management oversight functions in nomination, remuneration, and other matters).

Number of topics (agenda items and reports; average number per meeting)

FY2025 **8.9** topics

Before transition to holding company structure (FY2021) **12.8** topics

Time spent on deliberations (average per agenda item) –

FY2025 **18.0** min.

Before transition to a holding company structure (FY2021) **8.9** min.

Issue identified in previous evaluations of effectiveness

Enhancements of oversight functions related to management strategy (growth strategy) and key management risks

Key improvements in FY2025

- Enhanced deliberations on the Second Medium-term Business Plan, financial and ALM strategies, growth strategies (considering M&As and business integration), and other key management strategies
- Established the post of Chief Digital Transformation Officer (CDXO); identified AI and data science as priority oversight topics

Assessment in FY2025 evaluation of effectiveness

Positives

- Effective function of consensus building and decision-making on key management strategy topics
- Consideration for capital market expectations and interests
- Firm establishment of lively deliberations based on the insights and experiences of individual Directors, with sufficient opportunities provided for both internal and outside Directors to speak

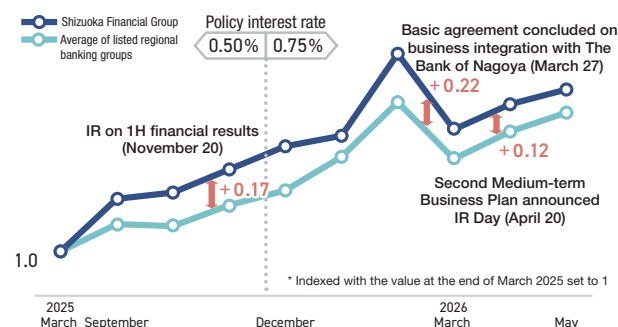
Points for further improvement

- Advancement of corporate governance to deploy management and growth strategies (e.g., pursuit of governance befitting a bank holding company and demonstration of management oversight functions in nomination, remuneration, and other matters)

Demonstrating Board oversight functions to increase corporate value based on dialogue with the markets

We boost corporate value continually through the timely sharing with the Board of views and matters of interest to investors and others, as confirmed through IR activities, thereby incorporating market evaluations of and expectations for Shizuoka Financial Group into management strategies and effectively communicating information.

Shizuoka Financial Group's share price



Dialogue with markets

Discussions within the Board of Directors

Viewpoints gained from the large meeting (Nov.) and small meeting (Dec.)

Clearly indicated courses of action for balance sheet management in a world of positive interest rates

Q. What are your thoughts on courses of action for inorganic growth and target areas for growth investment?

August (Board of Directors Camp)
Balance sheet management in a world of positive interest rates

September

Group management execution report (IR report)

December-January
Group management execution report (IR/SR report)

CEO

Viewpoints gained from IR Day (April)

Q. Why are you assuming such a conservative (0.75%) policy interest rate?

Q. How will you increase ROE following the business integration with The Bank of Nagoya?

December-January
Second Medium-term Business Plan in response to transition to a world of positive interest rates

March

Business integration with The Bank of Nagoya to realize inorganic growth

April
Group management execution report (IR report)

CEO

Viewpoints gained from large meeting (May)

Q. What is your future policy on balance sheet control (capital allocation, securing deposits)?

Q. What specific measures will you take to grow earnings following the business integration with The Bank of Nagoya?

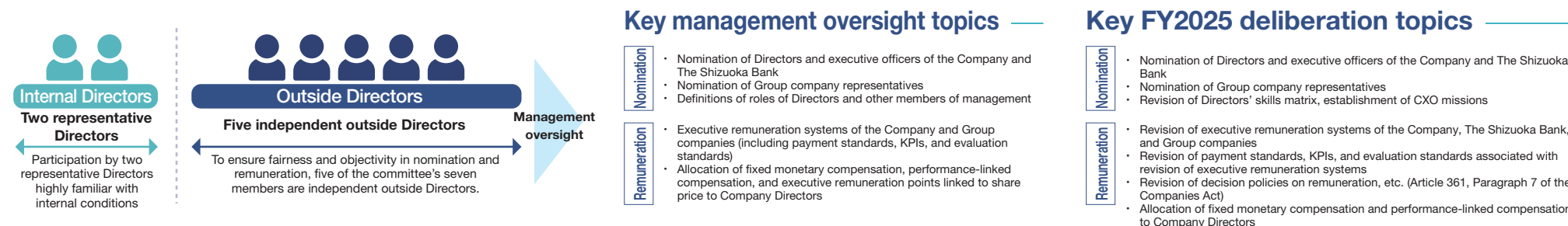
June
Group management execution report (IR report)

CEO

Management oversight structure to increase corporate value

Establishing the Nomination & Remuneration Committee

We have established a fair and objective management oversight structure based on oversight for nominations of management staff, executive remuneration systems at the Company and Group companies, and the allocation of remuneration payments to Company Directors and others by the Nomination & Remuneration Committee, a majority of whose membership consists of independent outside Directors.



Executive remuneration system for Directors

In addition to fixed monetary compensation for responsibilities related to Group business administration, the Company's remuneration system for Directors provides appropriate incentives and discipline through performance-linked compensation linked to annual profits and capital efficiency, as well as point remuneration linked to share price and restricted share remuneration, both of which reflect consideration for sustained growth in corporate value and shared interests with shareholders.

	Fixed monetary compensation	Performance-linked compensation	Officer compensation based on a points system linked to share price	Restricted share remuneration
Payment limit	Directors (excluding Audit & Supervisory Committee members) No more than ¥210 million per year Directors/Audit & Supervisory Committee members No more than ¥110 million per year	Directors (excluding outside directors and Audit & Supervisory Committee members) Amount paid annually in accordance with performance toward KPIs, from ¥0 to ¥140 million	Directors (excluding outside directors and Audit & Supervisory Committee members) Points awarded in accordance with performance toward KPIs, up to 50,000 points/year (one point equaling one share of stock)	Directors (excluding outside directors and Audit & Supervisory Committee members) Paid up to ¥50 million and 50,000 shares per year
System summary	Amount paid monthly as remuneration for responsibilities in Group business administration	Allocated to eligible Directors within remuneration limits based on net income attributable to owners of the parent and consolidated ROE to reflect business performance in remuneration (annual monetary payment)	To incentivize efforts that contribute to growth in corporate value, points are awarded annually in accordance with progress toward KPIs for Company business performance. Sums are paid that are equal to the cumulative number of points held, multiplied by the average closing price of Company stock in the six months immediately preceding the date of retirement.	Shares of Company stock with transfer restrictions for a certain period after retirement awarded annually to share the benefits of sustained corporate value growth with shareholders
Target percentage of remuneration ^{*1}	50%	20%	20%	10%
Allocation to individuals	Nomination & Remuneration Committee	Nomination & Remuneration Committee	Nomination & Remuneration Committee	Board of Directors
Incentive structure	← Linked to performance →			
Malus and claw back provisions ^{*2}	← Linked to stock price → ← Subject to malus and clawback provisions →			

^{*1} Not including outside directors and Audit & Supervisory Committee members; target percentage in case of standard evaluation

^{*2} Malus refers to the contractual provision for reducing or cancelling unpaid remuneration in the event of serious malfeasance, and clawback is a contractual rule allowing the recovery of remuneration already paid in the event of serious malfeasance (introduced in FY2026).

Performance-linked system (performance-linked remuneration)

Remuneration within the ¥0–140 million range and corresponding to the actual net income attributable to owners of the parent and consolidated ROE achieved will be provided to eligible Directors.

KPI A Net income attributable to owners of the parent

Actual performance level	Remuneration amount
Less than ¥40.0 billion	0
From ¥40.0 billion to less than ¥55.0 billion	¥10 million
From ¥55.0 billion to less than ¥70.0 billion	¥20 million
From ¥70.0 billion to less than ¥85.0 billion	¥30 million
From ¥85.0 billion to less than ¥100.0 billion	¥40 million
From ¥100.0 billion to less than ¥115.0 billion	¥50 million
From ¥115.0 billion to less than ¥130.0 billion	¥60 million
¥130.0 billion or more	¥70 million

KPI B Consolidated ROE

Actual performance level	Remuneration amount
Less than 4.0%	0
4.0% or more but less than 5.0%	¥10 million
5.0% or more but less than 6.0%	¥20 million
6.0% or more but less than 7.0%	¥30 million
7.0% or more but less than 8.0%	¥40 million
8.0% or more but less than 9.0%	¥50 million
9.0% or more but less than 10.0%	¥60 million
10.0% or more	¥70 million

Performance-linked system (executive remuneration points linked to share price)

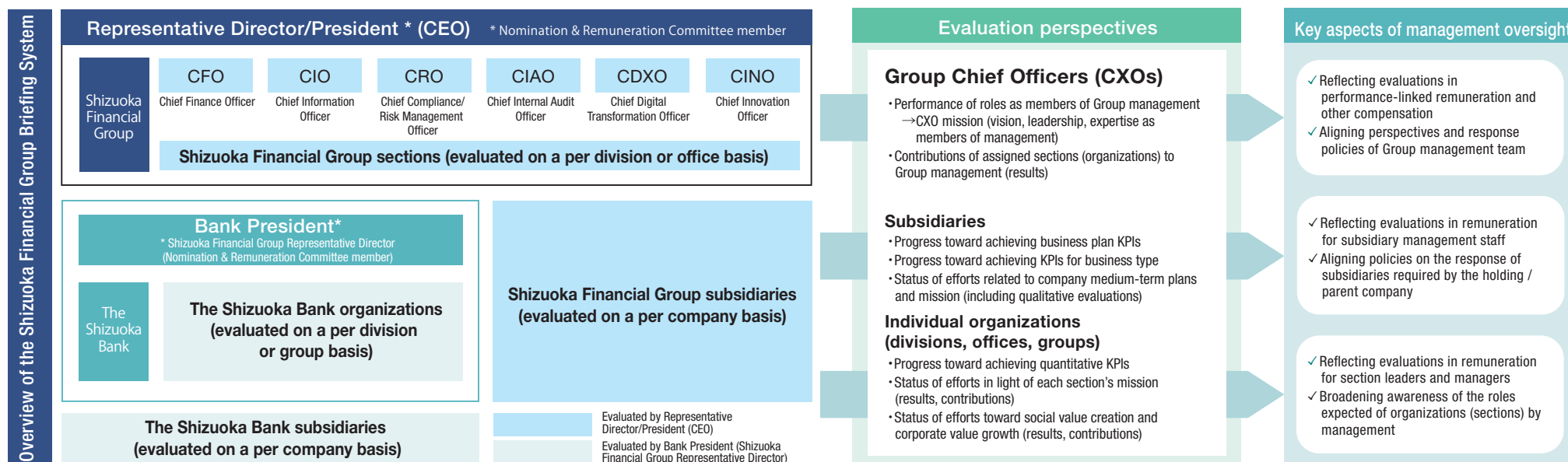
Points (one point equaling one share) awarded corresponding to official position and evaluation of annual progress toward Company financial and nonfinancial KPIs

KPIs		Summary of evaluation standards
Financial	a. Consolidated ordinary profit	Evaluated based on progress toward / achievement of Medium-term Business Plan targets
	b. Consolidated ROE	
	c. Total Shareholder Return (TSR)	Compared to multiple major listed regional banks
Nonfinancial	d. Company evaluation by ESG rating agencies	Based on changes in evaluations by multiple ESG rating agencies
	e. Group officer/employee engagement	Added if the Board of Directors or Nomination & Remuneration Committee recognizes notable efforts or results leading to increased corporate value

* Evaluation components are weighted as follows: 90% for financial KPIs (a, b, c) and 10% for the nonfinancial KPI (d). Based on the evaluation results, points are awarded within a range of 70% to 130%. If KPI (e) applies, 10 points are added to the resulting score.

Exercising the function of management oversight over the Group management team

After the end of the fiscal year, Shizuoka Financial Group evaluates chief officers, individual organizations (sections), subsidiaries, and other units and personnel based on annual quantitative results and qualitative performance assessed in light of medium- to long-term management strategies and missions, and applies the evaluation results to compensation for Group managers. Based on this Shizuoka Financial Group Briefing System, the Group properly oversees its management team.



List of officers

President & CEO (Representative Director) Hisashi Shibata



April 1986 Joined The Shizuoka Bank, Ltd.
June 2009 General Manager of Corporate Planning Dept.
April 2011 General Manager of Gofukucho Branch
June 2011 Executive Officer and General Manager of Gofukucho Branch
June 2012 Senior Executive Officer, Deputy General Manager of Banking Division in charge of securities and international business; General Manager of Metropolitan Business Unit and General Manager of Tokyo Branch
April 2013 Senior Executive Officer, Deputy General Manager of Banking Division in charge of Metropolitan Division, General Manager of Metropolitan Business Unit and General Manager of Tokyo Branch
June 2014 Director & Senior Executive Officer, Deputy General Manager of Banking Division in charge of credit
June 2016 Director & Senior Executive Officer, Deputy General Manager of Corporate Center in charge of corporate planning and corporate administration
June 2017 President & COO
July 2019 Chairman, Shizuoka Bankers' Association
June 2021 Director, Japanese Bankers Association
October 2022 Chairman, Regional Banks Association of Japan
President, Shizuoka Financial Group, Inc. (to present)
Member of Nomination & Remuneration Committee
June 2026 Director, The Shizuoka Bank, Ltd.
Chairman of Nomination & Remuneration Committee, Shizuoka Financial Group, Inc. (to present)

Director (Representative Director) Minoru Yagi



April 1987 Joined The Shizuoka Bank, Ltd.
June 2008 General Manager of Shintori Branch
January 2010 General Manager of Yaizu Branch
April 2011 General Manager of Corporate Planning Dept.
June 2012 Executive Officer, General Manager of Corporate Planning Dept.
June 2014 Director & Senior Executive Officer, Deputy General Manager of Corporate Center in charge of corporate planning and corporate administration
June 2016 Director & Senior Executive Officer, Deputy General Manager of Banking Division in charge of credit
June 2017 Director & Senior Managing Executive Officer, General Manager of Corporate Center
June 2020 Representative Director & Senior Managing Executive Officer, General Manager of Corporate Center
June 2021 Representative Director & Deputy President, General Manager of Corporate Center
October 2022 Director & Executive Officer, Shizuoka Financial Group, Inc.
President, The Shizuoka Bank, Ltd. (to present)
Chairman, Shizuoka Bankers' Association (to present)
July 2024 Director, Japanese Bankers Association (to present)
June 2026 Chairman, Regional Banks Association of Japan (to present)
Representative Director & Executive Officer, Shizuoka Financial Group, Inc. (to present)
Member of Nomination & Remuneration Committee (to present)

Director Yutaka Fukushima



April 1989 Joined The Shizuoka Bank, Ltd.
April 2005 General Manager of Fujikawa Branch
June 2006 Deputy General Manager of Corporate Planning Group of Corporate Planning Dept.
January 2009 General Manager of Fujinomiya Branch
June 2011 Joint General Manager of Credit Dept. (serving concurrently as General Manager of Credit Group II)
June 2013 Director and General Manager of Fujichuo Branch
June 2015 Executive Officer and General Manager of Gofukucho Branch
June 2016 Executive Officer and General Manager of Head Office
June 2017 Senior Executive Officer, General Manager of Eastern Area Business Unit
June 2021 Director & Senior Executive Officer, General Manager of Banking Division
June 2022 Director and Senior Managing Executive Officer, General Manager of Banking Division
October 2022 Director & Executive Officer, Shizuoka Financial Group, Inc. (to present)
Director and Senior Managing Executive Officer, The Shizuoka Bank, Ltd.
June 2026 General Manager of Banking Division
Representative Director & Deputy President (to present)

Director & CFO Hiromitsu Umehara



April 1990 Joined The Shizuoka Bank, Ltd.
June 2007 General Manager of Mochimune Branch
June 2008 General Manager of Personnel and Human Resources Development Group, Corporate Administration Dept.
June 2009 General Manager of Corporate Planning Group, Corporate Planning Dept.
April 2013 General Manager of Tokyo Banking Division III, Tokyo Branch
April 2014 General Manager of Tokyo Banking Division III
June 2016 General Manager of Corporate Planning Dept.
April 2019 Executive Officer and General Manager of Tokyo Office; General Manager of Treasury and Securities Dept.
June 2019 Executive Officer and General Manager of Tokyo Office; General Manager of Treasury Dept.
June 2020 Senior Executive Officer, General Manager of Central Area Business Unit
October 2022 Senior Executive Officer, Deputy General Manager of Corporate Center, in charge of corporate planning
Executive Officer & CFO, Shizuoka Financial Group, Inc.
June 2023 Director & Senior Executive Officer, Deputy General Manager of Corporate Center, in charge of corporate planning, The Shizuoka Bank, Ltd.
June 2026 Director & Executive Officer, Shizuoka Financial Group, Inc. (to present)
Director & Senior Managing Executive Officer, The Shizuoka Bank, Ltd.
Deputy General Manager of Corporate Center, in charge of corporate planning, The Shizuoka Bank, Ltd. (to present)

Director Kumi Fujisawa



June 2004 Executive Director, the Investment Trusts Association, Japan
November 2004 Director, SophiaBank Limited
June 2011 Public Governor, Japan Securities Dealers Association (to present)
June 2013 Director, The Shizuoka Bank, Ltd.
August 2013 President, SophiaBank Limited
June 2014 Director, Toyota Tsusho Corporation
July 2018 Director, Japan Investor Protection Fund (to present)
April 2019 Director, Japan Action Tank (to present)
March 2020 Director, Jineki Kogen Gakuen Institution (to present)
January 2021 Director, CellSource Co., Ltd.
October 2021 Auditor, Ridlover Inc.
April 2022 Chairperson, Institute for International Socio-Economic Studies, Ltd. (to present)
October 2022 Director, Shizuoka Financial Group, Inc. (to present)
Member of Nomination & Remuneration Committee (to present)
Member of Committee of Administrative Supervision (to present)
April 2023 Director, University Public Corporation Osaka (to present)
July 2024 Chairperson, Japan Society of Sports Industry (to present)
September 2024 Director, Mercari, Inc. (to present)
April 2025 Director, The Aspen Institute Japan (to present)
June 2025 Director, Toyota Motor Corporation (to present)

Director Kazutoshi Inano



April 1976 Joined Nomura Securities Co., Ltd. (now NOMURA HOLDINGS, INC.)
June 2000 Director, Executive Vice President of Nomura Securities Co., Ltd.
April 2002 Director, President of Nomura Asset Management Co., Ltd.
April 2003 Director, Deputy President & Co-CEO of Nomura Holdings, Inc.
April 2005 Director, Chairperson of the Nomura Trust and Banking Co., Ltd.
April 2008 Executive Managing Director, Deputy Chairperson of Nomura Securities Co., Ltd.
April 2009 Director, Chairperson, Representative Executive Managing Director of Nomura Asset Management Co., Ltd.
Vice Chairperson of Japan Association of Corporate Executives
June 2009 Chairman, the Investment Trusts Association
August 2009 Chairman, the Securities Analysts Association of Japan
June 2011 Chairman of the Board of Directors, Nomura Asset Management Co., Ltd.
July 2013 Chairman, Japan Securities Dealers Association
May 2017 Chairman, Japan Securities Scholarship Foundation
April 2018 Chairman, Japan Foundation for Regional Vitalization
June 2021 Director, The Shizuoka Bank, Ltd.
October 2022 Director, Shizuoka Financial Group, Inc. (to present)
Member of Nomination & Remuneration Committee (to present)
Member of Committee of Administrative Supervision (to present)
August 2023 Outside Councilor, Ernst & Young ShinNihon LLC (to present)
July 2025 Chairperson of the Board of Councilors, Japan Securities Scholarship Foundation (to present)

Director (Audit & Supervisory Committee Member) **Koichi Kiyokawa**



April 1988 Joined The Shizuoka Bank, Ltd.
 June 2006 General Manager of New York Branch
 June 2009 Senior Deputy General Manager of Numazu Branch
 April 2010 General Manager of Fujieda Branch
 April 2012 Joint General Manager of Corporate Administration Dept.
 June 2012 General Manager of Corporate Administration Dept.
 June 2014 Executive Officer, General Manager of Corporate Planning Dept.
 June 2016 Executive Officer and General Manager of Risk Management Dept.
 June 2017 Executive Officer and General Manager of Shimizu Branch
 June 2019 Executive Officer and General Manager of Head Office
 June 2020 Director & Senior Executive Officer
 October 2022 Director (Audit & Supervisory Committee Member), Shizuoka Financial Group, Inc. (to present)
 Member of Committee of Administrative Supervision (to present)
 June 2023 Audit & Supervisory Board Member, The Shizuoka Bank, Ltd. (to present)

Director (Audit & Supervisory Committee Member) **Kazuto Tsubouchi**



April 1976 Joined Nippon Telegraph and Telephone Public Corporation (now Nippon Telegraph and Telephone Corporation [NTT])
 December 2000 General Manager, Kanazawa Branch of Nippon Telegraph and Telephone West Corporation
 June 2006 Member of the Board of Directors, Senior Vice President, Managing Director of Accounts and Finance Department of NTT Docomo, Inc.
 June 2012 Member of the Board of Directors, Senior Executive Vice President, Chief Financial Officer of NTT Docomo, Inc.
 July 2015 President, Foundation for MultiMedia Communications
 June 2018 Chairman, Information & Telecommunication Equipment Constructor's Association
 June 2020 Director, The Shizuoka Bank, Ltd.
 Advisor, Information & Telecommunication Equipment Construction Association
 October 2022 Director (Audit & Supervisory Committee Member), Shizuoka Financial Group, Inc. (to present)
 Member of Nomination & Remuneration Committee (to present)
 Member of Committee of Administrative Supervision (to present)

Director (Audit & Supervisory Committee Member) **Naomi Ushio**



April 1983 Joined Fuji Television Network, Inc.
 April 1998 Senior Assistant Professor, Meiji University
 April 2009 Professor, School of Information and Communication, Meiji University (to present)
 August 2009 Expert Member, Liaison Conference for the Promotion of Gender Equality, Cabinet Office
 June 2011 Audit & Supervisory Board Member, Seven Bank, Ltd.
 June 2014 Corporate Auditor, JX Holdings, Inc. (now ENEOS Holdings, Inc.)
 April 2016 Vice President, Meiji University
 March 2018 Director, POLA ORBIS HOLDINGS INC. (to present)
 February 2019 Member, 10th Central Council for Education, Ministry of Education, Culture, Sports, Science and Technology
 June 2019 Audit & Supervisory Board Member, The Shizuoka Bank, Ltd.
 June 2020 Corporate Auditor, Hagoromo Foods Corporation
 June 2021 Director, the Dai-ichi Life Insurance Company, Ltd. (to present)
 October 2022 Director (Audit & Supervisory Committee Member), Shizuoka Financial Group, Inc. (to present)
 Member of Nomination & Remuneration Committee (to present)
 Member of Committee of Administrative Supervision (to present)
 June 2024 Director, Hagoromo Foods Corporation (to present)

Director (Audit & Supervisory Committee Member) **Noriyuki Yanagawa**



April 1996 Assistant Professor, Graduate School of Economics, The University of Tokyo
 April 2007 Associate Professor, Graduate School of Economics, The University of Tokyo
 December 2011 Professor, Graduate School of Economics, The University of Tokyo (to present)
 June 2016 Director, Sumitomo Mitsui Asset Management Company, Ltd. (currently, Sumitomo Mitsui DS Asset Management Company, Ltd.)
 January 2019 Member, Council on Economic and Fiscal Policy, Cabinet Office
 June 2020 Director, Yamaguchi Financial Group, Inc.
 June 2022 Director, ORIX Corporation (to present)
 June 2025 Director, Commons Asset Management, Inc. (to present)
 June 2026 Director (Audit & Supervisory Committee Member), Shizuoka Financial Group, Inc. (to present)

Executive Officers

Executive Officer & CIO **Motoya Suzuki**

Executive Officer & CRO **Yasuhiro Ogawa**

Executive Officer & CIAO **Michiko Ohashi**

Executive Officer & CDXO **Hiromi Enomoto**

Executive Officer & CINO **Keisuke Yasumoto**

Thorough Compliance and Risk Management

We strive to strengthen our compliance and integrated risk management systems at all times to respond appropriately and effectively to changing business conditions and the growing diversity and complexity of our businesses.

Practicing steady risk management and positive compliance



Yasuhiro Ogawa
Executive officer & CRO

With Japan's shift to an era of positive interest rates, rising geopolitical tensions, and the increasing presence of AI, the Group's business environment continues to grow ever more complex and uncertain. At the same time, the role of market, liquidity, and credit risk management is growing ever more crucial. The importance of efforts to enhance operational resilience continues to grow in the face of increasingly

complex and diverse threats, including cyberattacks that pose potentially devastating consequences for the financial infrastructure. Our approach to controlling such risks is based on robust and cross-functional Groupwide risk management under the holding company's integrated risk management framework.

As a financial institution group, in addition to responding to such risks, we must make ever more comprehensive compliance efforts. We will meet the expectations of society and stakeholders by taking action to enhance the integrity of our operations by positioning compliance as a matter of doing what is right rather than merely avoiding what is not right, as well as by taking rigorous measures to prevent money laundering and counter financial crimes.

Basic Compliance Policy

As a member of the community, Shizuoka Financial Group complies with laws, regulations, and social norms and embraces a spirit of fair play. We have established our Ethical Charter as our basic compliance policy, to grow in harmony with the community.

Ethical Charter

Gaining Trust

We are constantly aware of the importance of the Group's social responsibility and public mission. As a financial group, we strive to build unshakable trust through sound business management.

Compliance with Laws, Regulations and Rules

In the conduct of our business, we comply with laws, regulations, and rules, and on the basis of honesty and fairness, we adhere to social norms as a member of society.

Social Etiquette and Fair Play

As executives and employees of the Group, we contribute to the development of the local community by fostering a strong social etiquette and a spirit of fair play.

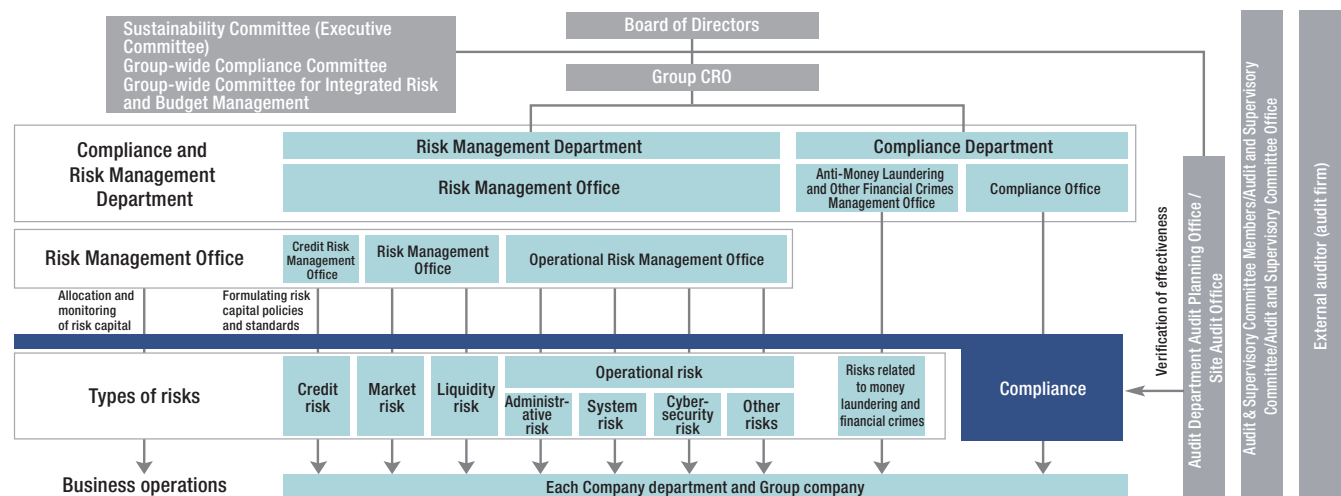
Breaking Contact with Anti-Social Forces

The Group adamantly rejects the unreasonable demands made by anti-social forces and groups that offend public order and morals and absolutely refuses to deal with such groups.

Active Communication

We actively communicate with stakeholders and cooperate with them to build a strong compliance system.

Shizuoka Financial Group's Compliance and Risk Management Systems



Compliance system

Compliance system

Shizuoka Financial Group formulates an annual Compliance Program as its practical action plan to ensure compliance.

Chaired by the Group Chief Compliance and Risk Officer (CRO), who has overall responsibility for compliance, the Group-wide Compliance Committee with a membership consisting of directors and other executives meets monthly to deliberate on important compliance matters across the Group and assess the status and activities of the Group's compliance system, including the implementation of compliance programs. The committee reviews and revises the system as necessary.

The Compliance Department monitors the functioning of the

compliance system through the integrated management of compliance information with the goal of preventing potential violations and maintaining and strengthening the compliance system across the Group. Compliance Officers and Customer Protection Supervisors assigned to the Compliance Department guide and monitor Group companies in various ways, including on-site inspections.

Each Group company promotes compliance by formulating and implementing compliance programs, and reports to its Compliance Committee on the status of compliance.

Cultivating a corporate culture focused on compliance

Shizuoka Financial Group has appointed a Group CRO as the individual assigned overall responsibility for compliance across the Group. Management takes an energetic and proactive approach to compliance issues and activities to strengthen awareness of compliance Group-wide.

Efforts also seek to foster a culture in which employees take action on their own to have a positive impact on compliance and to further strengthen the compliance structure through Group synergies.

Opinion Box whistleblowing system —

For early detection and remediation of legal and regulatory violations and other compliance issues, Shizuoka Financial Group has established the Opinion Box internal reporting system. This system allows all executives and employees, including those who have departed the Group within the past year, to submit reports, thereby enhancing self-corrective functions.

Reports can be submitted to the Group CRO, the Compliance Management Department, and attorneys' offices by phone, in writing, by email, via a Web form, or through groupware (intranet), anonymously or signed.

These reports are handled by public interest whistleblowing system personnel who are legally bound to maintain the confidentiality of those submitting the reports. To encourage use of the Opinion Box system, rules expressly forbid any attempts by executives or employees to identify whistleblowers or to subject them to unfavorable treatment.

We seek to strengthen the understanding of this system on an ongoing basis through training and other means. All employees are provided opportunities to get a feel for posting comments to the Opinion Box system through simulated posting exercises every six months.

The Opinion Box system provides opportunities to post various opinions on the workplace and on business activities.

Measures to prevent money laundering, funding of terrorism, proliferation financing, and violations of economic sanctions

The importance of countermeasures to combat money laundering, terrorism funding, distributed finance, and violation of economic sanctions ("money laundering") has grown in recent years as a key issue in Japan and within the international community. Shizuoka Financial Group believes this concerns not merely compliance, but the management risks capable of posing business issues. As a basic policy, having positioned the elimination of money laundering as an important social responsibility, the Group makes every effort at all times to prevent money laundering through joint efforts involving all related Group companies and sections under management guidance and proactive engagement. We have established policies on customer acceptance from a risk-based approach, and we research and analyze

customer information and transaction details to make and implement appropriate decisions regarding the measures required to mitigate risks.

The Group's control systems are based on the concept of three lines of defense, as described in the Financial Services Agency's Guidelines for Anti-Money Laundering and Combating the Financing of Terrorism.

The Group will continue to work with government departments and agencies to strengthen countermeasures to money laundering and other financial crimes with the goal of eradicating criminal organizations and activities and continuing to provide secure and convenient financial services.

Anticorruption initiatives —

To contribute to a sustainable society and build fair and sound relations with all stakeholders, the Shizuoka Financial Group strives to prevent corruption and bribery.

Related efforts include establishing rules on entertainment and exchange of gifts in the compliance manual's action guidelines and in various rules and regulations; prohibiting gift-giving to public officials or the provision of financial interests to shareholders related to the exercise of voting rights; and ongoing efforts to raise awareness among officers and employees through training and other efforts.

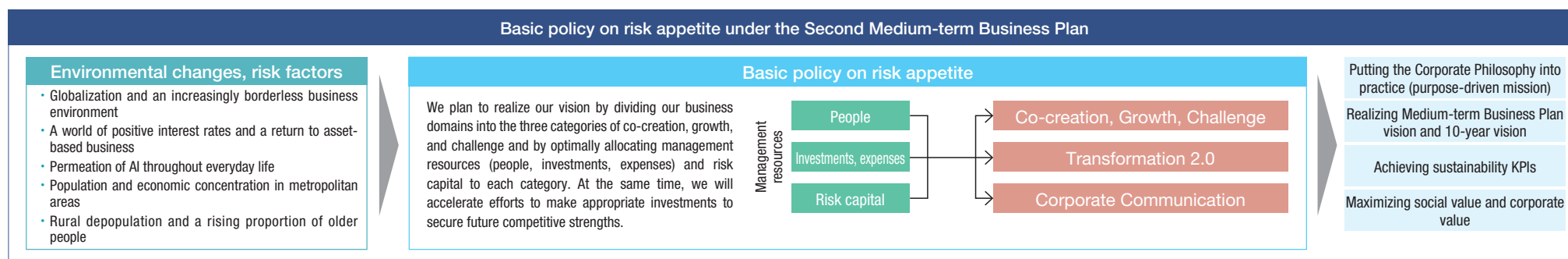
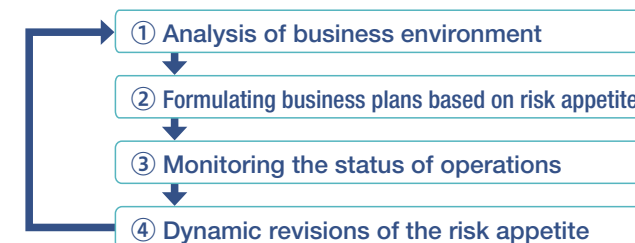
The Shizuoka Bank's Control Systems —

Category	Department	Role
First line of defense (sales divisions)	Branches, loan centers, etc.	Proper understanding and proper execution of policy and procedures
Second line of defense (management departments)	Anti-Money Laundering and Other Financial Crimes Management Office, headquarters departments assigned responsibility	Monitoring and supporting the first line of defense (sales divisions)
Third line of defense (internal audit division)	Audit Department	Verification of the effectiveness of measures to combat money laundering and funding of terrorism

Risk appetite framework (RAF)

The Group has established a clear risk appetite (i.e., types and quantity of risks the Group is willing to assume) to realize its corporate philosophy and management targets. It deploys a risk appetite framework (RAF) as a corporate business and risk management tool.

The specific process is illustrated at right. The goal is to use the RAF to realize optimum risk returns with the Group's medium- to long-term growth in mind.



Risk management framework

Each Group company manages the risks to which it is exposed in accordance with policies set by the holding company, while the holding company handles the integrated management of Group-wide risks.

Specifically, each Group company establishes its own risk management organizations, roles, and assignments to implement autonomous risk management, reporting the status of these risks to the holding company. The holding company controls risks across the Group by ensuring that Group companies understand risk management policies and by undertaking monitoring and guidance through the risk management coordination section. The Group Chief Risk Officer (CRO) regularly reports to the Board of Directors on the status of these risks.

Integrated risk management system

The Group has established a basic framework, including definitions of risk, an organizational structure for risk management, and specific risk control procedures, based on the Basic Risk Management Regulations, which set forth the fundamental principles that underlie our approach to risk management. A management system that allocates risk capital is core to the Group's integrated risk

management system and ensures an appropriate balance between strengthening earnings and financial soundness.

The mechanism that allocates risk capital ensures sound management by maintaining risk within a manageable range. The Group defines core shareholder equity as capital for allocation, which it allocates to each department of The Shizuoka Bank (our

Group company) involved in business execution and to other Group companies. Even in the event of the actual emergence of market, credit, or other risks, the system keeps losses within the bounds of shareholder equity.

Credit risk management system

The Credit Risk Management Office of the Compliance and Risk Management Department is responsible for the overall management of credit risk both in Japan and overseas, to maintain and enhance the soundness of the loan asset portfolio. Under the Group's internal rating system, which includes its borrower credit rating system, the Credit Risk Management Office is responsible for designing and supervising the deployment of the system; the planning offices

of the credit management departments of Group companies are responsible for day-to-day operations; and the Risk Management Office is responsible for verifying the propriety of the system. Mutual checks and balances among these three units facilitate the proper function of the Group's internal ratings system.

The Credit Risk Management Office draws on statistical procedures to quantify the credit risks posed by the Group's loan portfolio. In

this way, the Group guides the portfolio to avoid excessive credit risk, accurately assessing future risk amounts and monitoring for concentrations of loans with large borrowers or specific industries.

The Audit Department, which is organizationally independent of the banking division, credit management departments, and risk management departments, audits the propriety and effectiveness of the design and operation of the credit risk management system.

Market risk management system

In market transactions, we strive to keep market risk within a defined range by setting restrictions on matters such as the amount of risk capital allocated, valuation gains and losses, position amounts, and sensitivity.

For deposits, loans, investment securities, and other banking account transactions, the Business Strategy Office within the Corporate Planning Department formulates hedging policies based on considerations such as current risk conditions and interest rate outlook, to keep the volume of market risk within a defined range. These policies are reviewed by the Group Integrated Risk and Budget Management Committee.

Liquidity risk management system

By establishing separate departments to manage yen and foreign currency cash flow (e.g., the Fund & Foreign Exchange Group of the Treasury Department, the Business Strategy Planning and ALM Group of the Corporate Planning Department, and the Treasury and International Operations Center of the Financial Process Operations Department of The Shizuoka Bank), and an independent liquidity risk management department (the Risk Management Group of the Compliance and Risk Management Department), the Group ensures systemic mutual checks and balances. As a department to manage cash flow, the Fund & Foreign Exchange Group of the Bank's Treasury Department strives to ensure stable cash flow management while closely monitoring market conditions.

The Risk Management Group of the Compliance and Risk Management Department monitors various related aspects, including the operational status of cash flow management sections and assessments of assets-

The Shizuoka Bank's market operations are structured to rigorously partition administrative and control sections from the sections that engage in these transactions, and the Bank also operates an independent risk management section to ensure mutual checks and balances function as intended. The Audit Department, which is independent of the sections involved in business execution, verifies the effectiveness of these mutual checks and balances among the administrative, execution, and risk management sections.

liabilities stability.

To ensure preparedness for unforeseen circumstances, we have established an emergency cash flow management system divided into four emergency stages: Stage 1 (prevention); Stage 2 (attention required); Stage 3 (liquidity concerns); and Stage 4 (insufficient liquidity). We have predefined countermeasures and delegated authority to specific individuals for each stage to allow prompt response to any potential issues.

For market liquidity risks, the liquidity risk management department monitors the status of holding highly liquid assets that can be monetized readily. The market divisions of The Shizuoka Bank and other Group companies address market liquidity risk in various ways, including considering liquidity when choosing investment assets and setting limits on specific issues and holding periods.

Operational risk management system

Operational risk is classified by cause. Each risk category is managed by a specialized unit of the Bank, while the Operational Risk Management Group of the Compliance and Risk Management Department is responsible for overseeing and managing operational risk throughout the Group. We are currently moving to strengthen our operational risk management system through various measures, including compiling and analyzing internal loss data and implementing risk control self-assessments. The Audit Department, which is organizationally independent of all units it audits, verifies the effectiveness of the risk management system through on-site inspections and other means. Some typical operational risk management systems are outlined below.

Administrative Risk Management

In addition to prioritizing preventive measures for high-risk cases based on past incidents, we are responding to increasingly diverse business operations and higher trading volumes in various ways, including improving efficiency based on computerization and centralization of branch operations at a shared-services center.

System risk management

Recognizing computer systems as key information assets, we seek to ensure secure and reliable operations based on the Basic Policy for Information Asset Security Measures (Security Policy) and the Standards for Information Asset Security Measures (Security Standards).

TOPICS

Securitizing home loan claims to strengthen fundraising foundations

By securitizing its claims on home loans, The Shizuoka Bank is diversifying the ways in which it raises funds. With changes in the interest environment and monetary policies driving growing uncertainty in the fundraising environment, securing ways to raise funds beyond deposits will improve the Bank's robustness against liquidity risk. By establishing firm fundraising foundations, we will support the smooth provision of funds to customers.

Loan securitization

Securitizing mortgage loan receivables into trust beneficiary interests and raising funds from investors by pledging those interests as collateral (ABL)

Securitization
amount executed
(FY2025 result)

¥385.0 billion

Loan securitization scheme



ISO 27001 certification

Shizugin IT Solution, which handles the development, operation, and maintenance of Group computer systems, has earned ISO 27001 Information Security Management System certification, another initiative to safeguard information from hacking, leaks, and other hazards.

Cybersecurity

Basic policy

The Shizuoka Financial Group handles large volumes of sensitive data, including customer information, as it engages in business activities essential to society and to the economy, including various financial services. We bear a responsibility to continue business activities and provide secure and stable

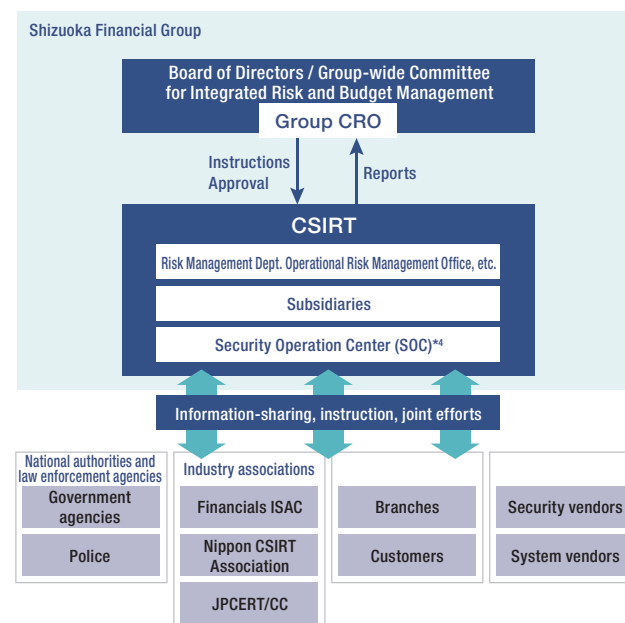
services and to safeguard customers from cyberattacks. We have identified addressing the risk of cyberattacks as a key management issue. We seek to continue responding to the evolving threat of cyberattacks and to effectively control the related risks.

Framework for managing cybersecurity

Under the management leadership of the Group CRO, the Computer Security Incident Response Team (CSIRT)^{*1} collects and communicates information on cybersecurity threats, investigates and responds to detected attacks, and implements various security measures Group-wide.

The CSIRT has concluded an agreement on joint countermeasures with the Headquarters of Shizuoka Prefectural Police; joined the external organizations Financials ISAC Japan^{*2} and the Nippon CSIRT Association^{*3}; signed an exclusive contract with a security company; and prepared frameworks to enable rapid response to any cyberattacks. Through joint efforts with such public and private external organizations, we strive to enhance the effectiveness of our cybersecurity management framework.

We have established two sections dedicated to cybersecurity: Shizuoka Financial Group's IT Security Team and The Shizuoka Bank's IT Security Office. They are intended to implement timely and effective defense against cyberattacks through continuous enhancement of cybersecurity measures, including gathering information on the threat of cyberattacks and promoting research and implementation of security countermeasures.



^{*1} Organization established to respond to cases related to computer security

^{*2} Incorporated organization established to enable cybersecurity information-sharing and cooperation among financial institutions

^{*3} Expert organization in which many corporate CSIRTs are members

^{*4} Established within Shizuoka IT Solution as a security operations center (SOC) to receive and respond to alerts issued by security products

Fighting financial crime

In December 2023, we began implementing algorithms that detect improprieties^{*} with the goal of assuring safe and secure financial services for customers. The system in question identifies improprieties in online transactions. By repeatedly gathering and analyzing data, we seek to make these systems more precise and thereby prevent financial crimes.

We are also striving to communicate relevant information to customers in various ways, including posting to the website any new information on phishing attempts or funds transfer fraud, as well as reminding internet banking users of security concerns.

^{*} Computer algorithms intended to block improper use of accounts before the funds are received by organized crime in case in which customers are victimized by payment scams

Training and education

To improve the digital literacy of Group officers and employees, we provide continuous education and awareness-raising activities, including information security seminars and e-learning for all officers and employees, sharing information on the latest security trends, and training on suspicious emails.

The CSIRT plays a central role in our periodic participation in various training sessions and exercises organized by Financials ISAC, the National Center of Incident Readiness and Strategy for Cybersecurity (NISC), and other organizations, as we strive to make our cybersecurity measures still more effective.

The Internal Audit Structure

To strengthen corporate value while maintaining the propriety and soundness of business operations, we strive to ensure the efficacy of Group internal audits, keeping firmly in mind the vital need to maintain effective approaches to internal audits that reflect the scale and other attributes of operations, laws and regulations, and risks.

Supporting appropriate risk-taking in Group management from the perspective of internal control



Michiko Ohashi
Executive officer & CIAO

With the start of Shizuoka Financial Group's Second Medium-term Business Plan, the internal audit section launched its second medium-term audit plan based on the policy of implementing internal audits to provide value to stakeholders both inside and outside the Group.

The Group's business environment has dramatically changed alongside growing uncertainty due to the accelerating pace of change.

Under these conditions,

we plan to maintain ceaseless efforts to improve the effectiveness and quality of internal audits while strengthening the expertise of our audit human resources and enhancing the Groupwide audit structure. From an internal control perspective, we will strongly support efforts to maximize social value creation and corporate value growth based on the three basic strategies of the Second Medium-term Business Plan.

The operational framework of Group-wide internal audits

The Audit Department undertakes internal audits under the direction of the CIAO and supervision of the Board of Directors. To ensure objective and effective internal audits and keep the executive division in check, this department remains independent of the executive side.

The Board of Directors establishes Internal Audit Rules, including Group internal audits policies, and approves internal audit plans.

The Audit Department undertakes internal audits for the Group to assess its compliance and risk management systems and other aspects related to the propriety and effectiveness of internal controls.

The results of internal audits are reported regularly to the Board of Directors and the Audit & Supervisory Committee, and follow-up is carried out regarding proposals to remedy issues and the status of improvements.

The divisions and personnel responsible for internal audits at Group companies also undertake internal audits and related activities. The CIAO coordinates the management of internal audit activities across the Group.

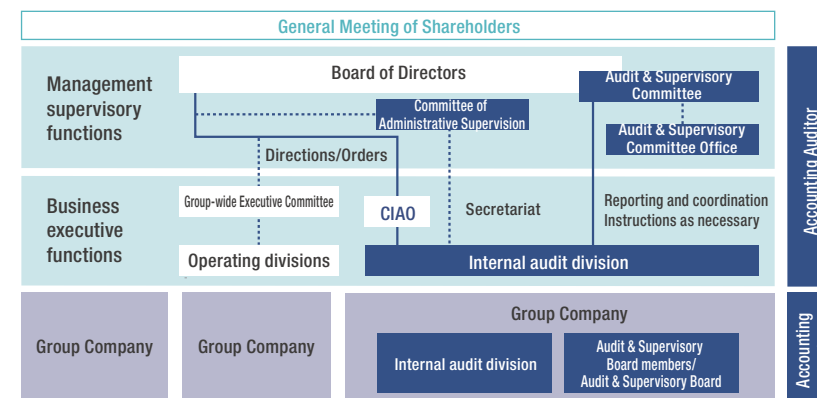
Coordination between the internal audit division and other bodies

The Audit Department has established periodic opportunities for the exchange of opinions and information with inside and outside directors, inside and outside Audit & Supervisory Committee members, representatives, internal audit divisions of Group companies, and other entities and individuals. In this way, through appropriate advising and other intermediary efforts, it seeks to contribute to Group-wide management.

Initiatives to improve the quality and sophistication of internal audits

The Audit Department undertakes various initiatives to ensure effective and high-quality internal audits while adapting to changes in management and business conditions.

After evaluating inherent risks in the companies, sections, and operations subject to internal audits, the Audit Department determines the targets, frequencies, depths, and other parameters of each fiscal year's internal audits to allocate auditing resources efficiently. The department works to develop human capital by encouraging personnel to earn international internal audit qualifications and participate in external seminars and other activities. It also strives to enhance the quality of internal audits by contracting with external agencies in areas that require specialized knowledge.



Note: The bodies and divisions indicated in white letters work with one another.

Overview of Group companies



Hisashi Shibata
(President)

Shizuoka Financial Group's subsidiaries

(As of July 1, 2026)

1 The Shizuoka Bank, Ltd.

President
Minoru Yagi

- 1 10 Gofukucho 1-chome, Aoi-ku, Shizuoka City, Shizuoka
- 2 +81-54-261-3131
- 3 March 1, 1943
- 4 90,845 million yen
- 5 100%
- 6 Banking services

2 Shizugin Management Consulting Co., Ltd.

President
Atsushi Suzuki

- 1 2-1 Kusanagi Kita, Shimizu-ku, Shizuoka City, Shizuoka
- 2 +81-54-348-1491
- 3 May 2, 1962
- 4 440 million yen
- 5 100%
- 6 Corporate and financial management advisory services, bill collection services

3 Shizugin Lease Co., Ltd.

President
Kazunobu Wakabayashi

- 1 1-2 Gofukucho 1-chome, Aoi-ku, Shizuoka City, Shizuoka
- 2 +81-54-255-7788
- 3 March 15, 1974
- 4 250 million yen
- 5 100%
- 6 Leasing

4 Shizuoka Capital Co., Ltd.

President
Keisuke Shigeno

- 1 2-1 Kusanagi Kita, Shimizu-ku, Shizuoka City, Shizuoka
- 2 +81-54-347-2210
- 3 August 1, 1984
- 4 100 million yen
- 5 100%
- 6 Public-offering assistance, SME management support, SME business succession support

5 Shizugin TM Securities Co., Ltd.

President
Minoru Oishi

- 1 1-13 Otemachi, Aoi-ku, Shizuoka City, Shizuoka
- 2 +81-54-254-6111
- 3 December 22, 2000
- 4 3,000 million yen
- 5 100%
- 6 Securities

6 SFG Marketing Co., Ltd.

President
Dai Nakagawa

- 1 2-1 Kusanagi Kita, Shimizu-ku, Shizuoka City, Shizuoka
- 2 —
- 3 July 3, 2023
- 4 100 million yen
- 5 80%
- 6 Marketing support services, advertising agency, premium placement services

7 SFG Real Estate Investment Advisors, Co., Ltd.

President
Takahiro Watanabe

- 1 11-1 Minamicho, Suruga-ku, Shizuoka City, Shizuoka
- 2 +81-54-283-0730
- 3 November 16, 2023
- 4 100 million yen
- 5 100%
- 6 Investment advisory services for private real estate funds, consulting services

8 Tokyo Gas Lease Co., Ltd.

President
Takayoshi Otsuka

- 1 7-1 Nishi-Shinjuku 3-chome, Shinjuku-ku, Tokyo
- 2 +81-3-5322-1121
- 3 April 1, 1983
- 4 1,750 million yen
- 5 80%
- 6 Leasing business, credit business, insurance agency business, settlement services business, claims purchasing business

Monex Group, Inc.

Equity-method affiliate

- 1 1-12-32 Akasaka, Minato-ku, Tokyo
- 2 +81-3-4323-8698
- 3 August 2, 2004
- 4 13,143 million yen
- 5 20%*

6 Holding of shares in companies operating financial instruments brokerage and other businesses

* 510,911 voting rights held by Shizuoka Financial Group divided by 2,510,874, the total number of shareholders voting rights, as of June 30, 2026

Shizuoka Community Development Consulting Co., Ltd.

Equity-method affiliate

- 1 2-3 Izumi-cho, Suruga-ku, Shizuoka City, Shizuoka
- 2 +81-54-260-5510
- 3 April 1, 2026
- 4 200 million yen
- 5 50%

6 Surveying, research, and consulting on community development and vitalization

The Shizuoka Bank's subsidiaries

9 Shizugin IT Solution Co., Ltd.

President	1 1-10 Kusanagi Kita, Shimizu-ku, Shizuoka City, Shizuoka	4 54 million yen
Takahide Yamamoto	2 +81-54-347-1111	5 100%
	3 April 1, 1974	6 Computer system development and operation

10 Shizugin Credit Guaranty Co., Ltd.

President	1 2-1 Kusanagi Kita, Shimizu-ku, Shizuoka City, Shizuoka	4 400 million yen
Takayuki Ariumi	2 +81-54-348-6611	5 100%
	3 November 1, 1978	6 Guarantee of housing loans, etc.

11 Shizugin Card Co., Ltd.

President	1 1-13-10 Kusanagi, Shimizu-ku, Shizuoka City, Shizuoka	4 50 million yen
Shigeki Kato	2 +81-54-344-1155	5 100%
	3 April 1, 1983	6 Credit card and guarantee of consumer loans

12 Shizugin General Service Co., Ltd.

President	1 2-1 Kusanagi Kita, Shimizu-ku, Shizuoka City, Shizuoka	4 30 million yen
Makoto Hanazaki	2 +81-54-347-3700	5 100%
	3 July 1, 1985	6 General administration, premium placement services

13 Shizugin Business Partners Co., Ltd.

President	1 2-1 Kusanagikita, Shimizu-ku, Shizuoka City	5 100%
Tomohiro Nakamura	2 +81-54-348-8800	6 Centralized processing of deposits and loans, worker dispatch business, real estate appraisal and research business
	3 June 28, 1999	
	4 40 million yen	

14 Shizugin Saison Card Co., Ltd.

President	1 11-1 Minamicho, Suruga-ku, Shizuoka City, Shizuoka	4 50 million yen
Hiroki Taki	2 +81-54-281-5701	5 100%
	3 October 30, 2006	6 Credit-card business, credit guarantee business

15 Shizugin Heartful Co., Ltd.

President	1 2-1 Kusanagi Kita, Shimizu-ku, Shizuoka City, Shizuoka	4 10 million yen
Kaori Higashijima	2 +81-54-348-5810	5 100%
	3 October 1, 2019	6 Making, Printing, and binding of documents

Special subsidiary

Commons Asset Management Inc. Equity-method affiliate

1 2-5-17 Minamiaoyama, Minato-ku, Tokyo	4 100 million yen
2 +81-3-5860-5724	5 22%*
3 November 6, 2007	6 Asset management, sale of investment trusts

* 26 voting rights held by Shizuoka Financial Group divided by 116, the total number of shareholder voting rights, as of June 30, 2026

Shizuoka Liquidity Reserve Limited

1 PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	4 USD50,000
2 —	5 100%
3 August 12, 2014	6 Purchases of monetary receivables

Shizuoka EU Liquidity Reserve Limited

1 PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	4 EUR45,000
2 —	5 100%
3 November 30, 2023	6 Purchases of monetary receivables

Shizuoka SG Liquidity Reserve Limited

1 PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	4 SGD65,000
2 —	5 100%
3 November 30, 2023	6 Purchases of monetary receivables

■ Shizuoka Financial Group subsidiary	1 Address
■ The Shizuoka Bank subsidiary	2 Tel.
■ Shizuoka Financial Group equity method affiliate	3 Date established
■ The Shizuoka Bank equity method affiliate	4 Capital
* Percentages of voting rights shown are rounded down to the nearest whole number.	5 Percentage of voting rights held
	6 Major lines of business

(As of July 1, 2026)



Shizuoka Financial Group Website
<https://www.shizuoka-fg.co.jp/english/>

