

Shizuoka Financial Group
2nd Medium-term Business Plan
(FY2026-FY2028)

April 2026



Xover2.0
-Into the future together

Memorandum of Understanding Regarding Business Integration



SHIZUOKA FINANCIAL GROUP



BANK OF NAGOYA

This is Shibata.

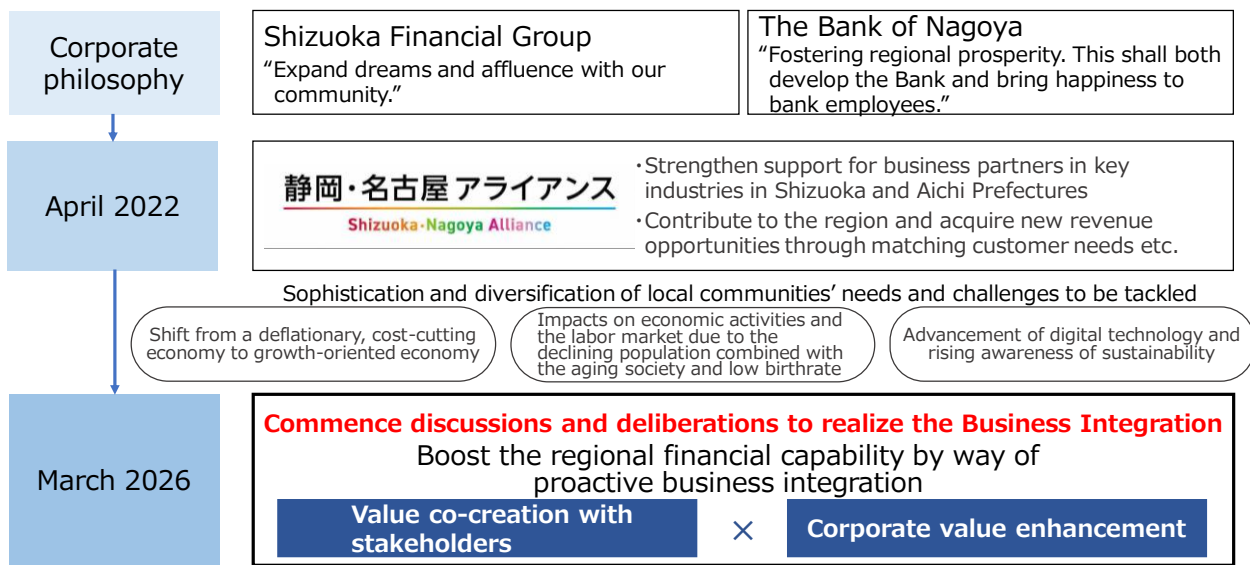
We would like to express our sincere gratitude for your continued support and understanding regarding the management of Shizuoka Financial Group.

On this IR Day, I would like to explain our future management strategies, focusing on the second mid-term management plan announced today. Before I begin, I would like to reiterate the basic agreement we recently reached with The Bank of Nagoya regarding management integration, in line with the previously announced materials.

We will hold a Q&A session after the presentation of the medium-term management plan, so we hope that you will deepen your understanding of our growth strategy.

Background of the Business Integration

- Recognizing that further boosting the regional financial capability by way of proactive business integration between Shizuoka FG, which is strategically expanding from Shizuoka Prefecture to the Tokyo metropolitan area, and The Bank of Nagoya, possessing concrete sales and customer base in Aichi Prefecture, is the optimal choice for achieving value co-creation with all stakeholders and for sustainable corporate value enhancement, the Companies entered into a memorandum of understanding to commence discussions and deliberations toward realizing the Business Integration.



Let me begin by discussing the background of management integration with The Bank of Nagoya.

As you are aware, Shizuoka Financial Group and Nagoya Bank have achieved community-based growth as a comprehensive financial group with business bases in Shizuoka and Aichi prefectures, respectively.

And in April 2022, we entered into the Shizuoka-Nagoya Alliance with Nagoya Bank. As we have explained in previous IR reports, the alliance has produced results far exceeding the initial expectations of the alliance by leveraging the management resources of the two groups to solve common regional issues.

However, the environment surrounding our region and the financial industry is changing faster and more drastically, including the shift from a deflationary cost-cutting economy to a sustainable growth economy, demographic changes in the region, and advances in AI and technology. For this reason, we view the current environment as one in which it is difficult to envision sustainable growth simply by continuing along the same path as before.

Based on this understanding, we have determined that a strategic business integration between Shizuoka Financial Group, which is expanding from Shizuoka Prefecture into the Tokyo metropolitan area, and Nagoya Bank, which has a strong foothold in Aichi Prefecture, is the optimal choice for creating shared value with all stakeholders and enhancing the sustainable corporate value of both companies. Accordingly, we have decided to begin discussions and deliberations toward business integration.

Outline of the Business Integration

○ The new regional financial group will cover a broad area, from the Tokyo metropolitan area to the Chukyo area, with total assets (consolidated) expanded to over JPY 22 trillion.

(as of Dec. 31, 2025)	Shizuoka FG	The Bank of Nagoya
Place of head office	Shizuoka City, Shizuoka	Nagoya City, Aichi
Establishment (bank)	Mar. 1, 1943	Feb. 24, 1949
Total assets (consolidated)	JPY 15,878.4 bn	JPY 6,235.5 bn
Deposit balance (consolidated)	JPY 12,101.3 bn	JPY 5,385.0 bn
Loan balance (consolidated)	JPY 11,064.7 bn	JPY 4,180.6 bn
Net profit attributable to owners of parent company (consolidated)	3Q FY2025 JPY 69.7 bn Earnings forecast for FY2025 JPY 88.0 bn	3Q FY2025 JPY 17.1 bn Earnings forecast for FY2025 JPY 19.4 bn
Market capitalization*1	JPY 1,484.5 bn	JPY 266.0 bn
Number of employees (consolidated) *2	4,351 persons	1,975 persons
Number of sites (banks) *3	204 domestic sites 6 overseas sites	113 domestic sites 1 overseas site
Group companies	Banking, securities, consulting, leasing, capital, marketing, real estate investment advisory, systems, guarantees, cards, administrative services, etc.	Leasing, capital, cards, administrative services, etc.

New holding company structure (simple sum)	
“Expansion of customer base covering from Tokyo metropolitan area to Chukyo area”	
Total assets (consolidated)	JPY 22,113.8 bn
Deposit balance (consolidated)	JPY 17,486.3 bn
Loan balance (consolidated)	JPY 15,245.4 bn
Net profit attributable to owners of parent company (consolidated)	3Q FY2025 JPY 86.8 bn Earnings forecast for FY2025 JPY 107.4 bn
Market capitalization	JPY 1,750.6 bn
Number of employees (consolidated)	6,326 persons
Number of sites (banks)	317 domestic sites 7 overseas sites

*1 As of Mar. 19, 2026 *2 As of Sep. 30, 2025 *3 Including satellite offices, etc. (Shizuoka FG: as of Jul. 1, 2025; The Bank of Nagoya: as of Mar. 31, 2025)

3

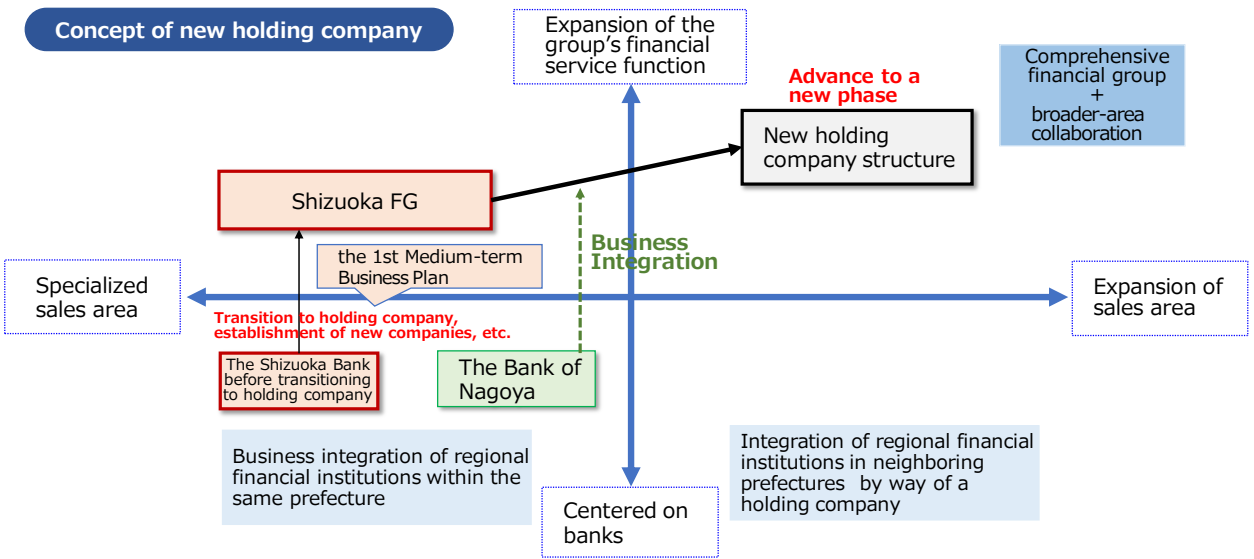
The screen shows a simple sum of the main figures for both groups.

Following the merger, we will become a comprehensive financial group with a broad coverage area spanning from the Tokyo metropolitan area to the Chukyo region. Total assets will amount to JPY22 trillion, comprising JPY17 trillion in deposits and JPY15 trillion in loans. Based on our earnings forecast for FY2025, net income is expected to exceed JPY100 billion. Even when including previously announced mergers among regional banks, our asset size will rank among the top five in the regional banking sector.

And with market capitalization at the highest level in the industry, a new stage of JPY2 trillion is on the horizon.

Outline of the Business Integration

- Shizuoka FG transitioned to a holding company structure in October 2022 and is working to expand and strengthen the group's financial service function under its 1st Medium-term Business Plan (FY2023-2025).
- Through the business integration with The Bank of Nagoya, Shizuoka FG will advance to a new phase aiming for a "comprehensive financial group + broader-area collaboration."



The screen shows the concept of the new holding company structure after the integration.

The vertical axis indicates the extent of the Group's financial service functions. The higher the number, the more extensive the Group's financial services and functions are, while the lower the number, the more bank-centered the Group is. The horizontal axis represents the extent of the sales area, and the more one moves to the right, the wider the area to be developed.

We, the Shizuoka Financial Group, transitioned to a holding company structure in October 2022, and since then, under the previous medium-term management plan, we have worked to expand the business domains of each group company, including the establishment of new companies, and to enhance our financial service functions. The resulting screen shows the transition from lower left to upper left.

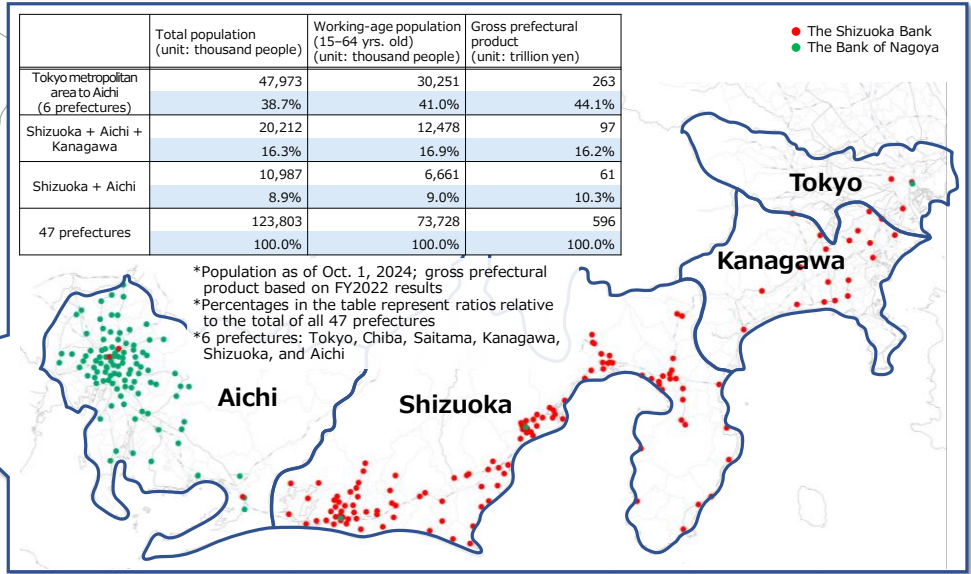
And now, with the recent business merger with Nagoya Bank, we are moving to a new stage where, in addition to becoming a comprehensive financial group, we will also be enforcing wide-area cooperation, indicating a shift from the upper left to the upper right corner of the screen.

While there has been a recent flurry of business integration among regional financial institutions, I hope you will understand that our business integration is an effort to step up to a stronger group that is highly competitive in terms of both quantity and quality, or in other words, in terms of both scale and functionality, and that can achieve sustainable growth.

Synergies anticipated from the integration

- The branch networks of The Shizuoka Bank, which strategically expands from Shizuoka Prefecture into the Tokyo metropolitan area, and those of The Bank of Nagoya, centered in Aichi Prefecture, are complementary. The overlap in their sales areas is minimal, enabling efficient expansion of their sales and customer bases.
- The Business Integration will enable effective coverage of Japan's key economic activity zones, from the Tokyo metropolitan area to the Chukyo area.

Expansion of sales and customer base



The next step will be to think about how to achieve the integration effect. The screen will be a map of the Shizuoka Bank and Nagoya Bank branch networks.

Shizuoka Bank's branches are located mainly in Shizuoka Prefecture and the Tokyo metropolitan area, while Nagoya Bank's branches are located mainly in Aichi Prefecture, and the two banks' branch networks complement each other with few overlapping areas. Therefore, we believe we can efficiently expand our business base, including the use of human resources, without incurring costs from store restructuring.

Furthermore, the six prefectures spanning the Tokyo and Chukyo metropolitan areas account for approximately 40% of Japan's population and GDP. Moreover, the three prefectures of Aichi, Shizuoka, and Kanagawa, which form our primary business base, alone account for 16% of the total. This integration will enable us to effectively cover an area that can be described as the center of the domestic economy.

Synergies anticipated from the integration

- Through the Business Integration, the Companies will achieve top-line growth that exceeds the achievements of the Alliance by forming a broader-area collaboration covering key areas of Japan's economic activities, while also striving to maximize corporate value by improving efficiency through sharing management resources and leveraging economies of scale.

Broader-area collaboration covering key areas of Japan's economic activities

- The overlap in the branch networks of the Companies is limited. The Business Integration will enable effective coverage of Japan's key economic zones, from the Tokyo metropolitan area to the Chukyo area, and the Companies seek to further expand the sales and customer bases by establishing a sales structure covering a broader area.
- The Companies will combine Shizuoka FG's group company function that offers various solution-based sales with The Bank of Nagoya's robust sales and customer base in the aim to achieve top-line growth that exceeds the achievements of the Alliance.

Improving efficiency through sharing management resources and leveraging economies of scale

- Leveraging the business process reengineering (BPR) expertise cultivated by the Companies up to date, the new structure will enhance operational efficiency through streamlining redundant tasks, integrating administrative processes, and consolidating back-office operations.
- The Companies will strengthen strategic investments in key focus areas, such as system investments and DX initiatives, by leveraging the economies of scale gained through the Business Integration, thereby achieving expansion of customer channels and enhancement in convenience and service quality.

Enhancing capital efficiency (ROE) through deploying capital policies after the Business Integration

- The Companies will enhance capital efficiency (ROE) by increasing profit levels through building a structure focused on top-line growth and productivity, while simultaneously deploying the capital policies after the Business Integration.

6

The first synergistic effect we anticipate is that, through the wide-area collaboration I mentioned earlier, we will achieve top-line growth that exceeds the results of the alliance by integrating the Shizuoka Financial Group's capabilities, which enable us to provide a variety of solutions, with Nagoya Bank's strong business foundation in Aichi Prefecture.

The second will be the sharing of management resources and the pursuit of efficiency by leveraging the advantages of scale.

The two companies will leverage their accumulated BPR expertise to improve productivity through commonization of administrative aspects and consolidation of BaaS operations. In addition, we will work to enhance the effectiveness of investments in systems, DX, and strategic investments in priority areas while taking advantage of economies of scale, and further upgrade our internal control system, including risk management.

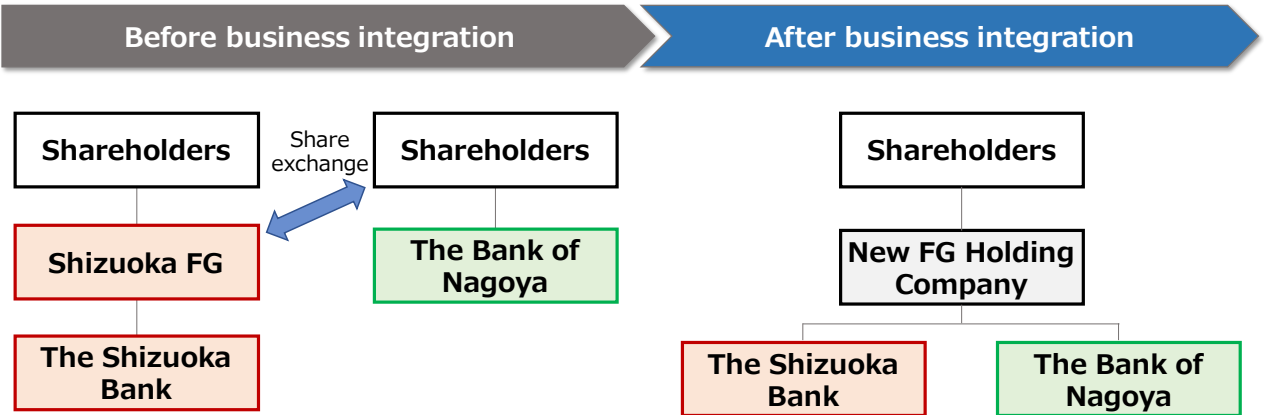
Finally, as mentioned in the third item, we are working to further improve capital efficiency in conjunction with our post-merger capital policy while raising profit levels through top-line growth and improved management efficiency.

In connection with the share exchange upon the merger, we are considering options that include the strategic use of treasury shares we currently hold, supplemented by the issuance of new shares if necessary. However, regarding the dilution resulting from the issuance of new shares, our current basic approach is to restore the number of outstanding shares to its pre-merger level by repurchasing treasury shares after the merger.

Furthermore, even after the merger, our policy remains unchanged: we will continue to pursue a capital strategy that takes into account the composition of profits and capital levels, while paying close attention to dividends and the total payout ratio. While I will refrain from mentioning specific figures today, I believe that top-line growth and our future capital strategy will increase the likelihood of improving ROE over the medium to long term.

Structure of the Business Integration

- Subject to obtaining the necessary approval of the general meeting of shareholders and permits and approvals, etc. from the relevant authorities, the Business Integration will be conducted under the structure of a share exchange wherein Shizuoka FG will become the wholly-owning parent company resulting from the share exchange and The Bank of Nagoya a wholly-owned subsidiary resulting from the share exchange.
- The share exchange ratio is planned to be determined by the time the definitive agreement is concluded, based on various factors including the results of the upcoming due diligence and the results of stock valuation by third-party institutions.



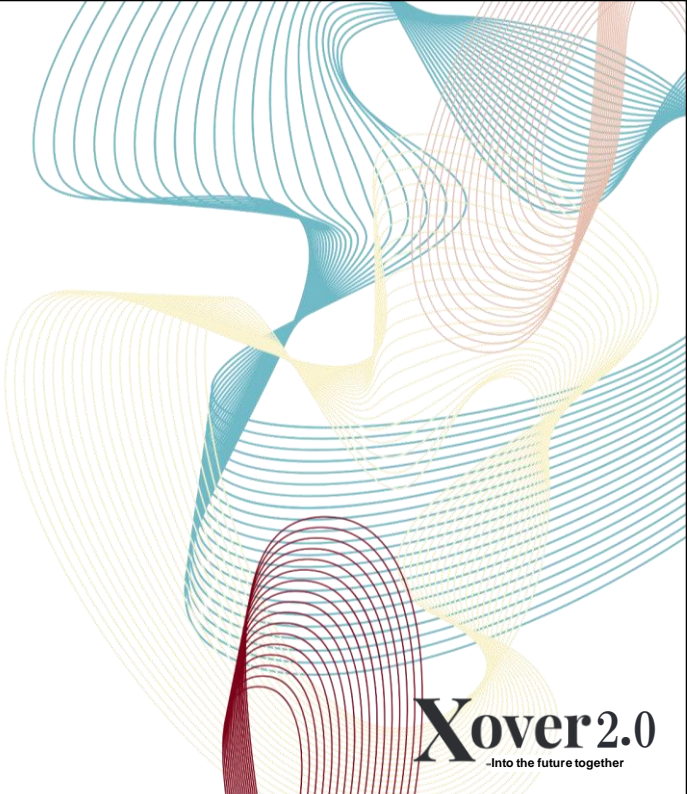
The following pages describe the assumed form of business integration and future schedule, which we hope you will review for reference.

Upcoming schedule

- The schedule below is tentative at this time and is subject to change depending on future discussions between the Companies.
- Execution of the Business Integration is contingent upon obtainment of the necessary permits and approvals, etc. from the relevant authorities (including the filing of a Form F-4 registration statement with the SEC and having the registration statement be declared effective). Should any event occur that delays the schedule for the Business Integration due to the status of obtainment of such permits and approvals, the Companies will promptly make an announcement.

Scheduled date	Outline
Mar. 27, 2026 (today)	Execution of the MOU regarding the Business Integration
Mar. 2027 (scheduled)	Execution of the definitive agreement and the share exchange agreement concerning the Business Integration
Dec. 2027 (scheduled)	Extraordinary general meeting of shareholders If the Business Integration qualifies as the simplified share exchange set forth in Art. 796, Para. 2 of the Companies Act, the Business Integration will be conducted without obtaining the approval from Shizuoka FG's general meeting of shareholders
Apr. 1, 2028 (scheduled)	Effective date of the share exchange

The scheduled effective date of the merger is April 1, 2028, which means that the integration will take effect in the final year of the second mid-term management plan, which will be explained later, but this discussion took place in mid-February, so the current second mid-term management plan does not include any integration-related elements. In the process of preparing for the integration, we plan to explain again in IR and other media, including this effect, but we would appreciate your understanding in advance regarding the assumptions of the plan.



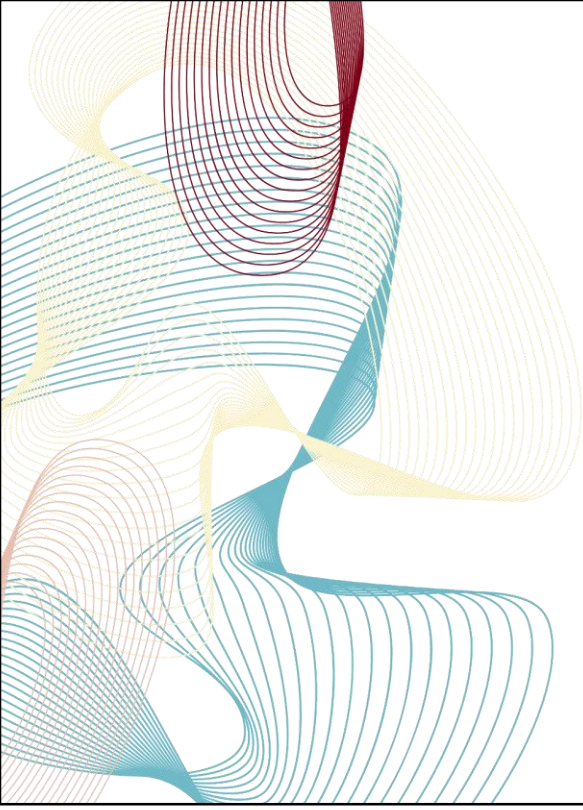
Shizuoka Financial Group
2nd Medium-term Business Plan
(FY2026-FY2028)

April 2026

Xover2.0
-Into the future together

I will now begin to explain today's theme, the second medium-term management plan. First, I would like to briefly review Shizuoka Financial Group's management strategy for the current decade.

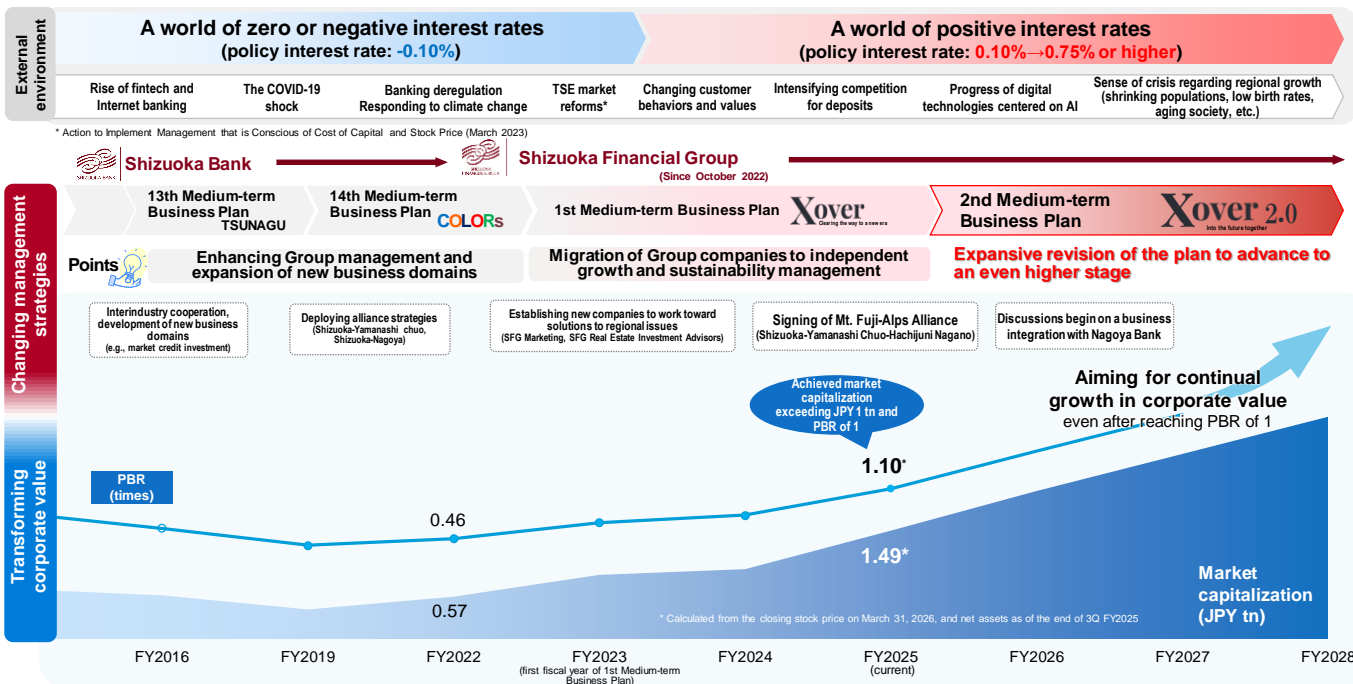
1. Evolution of Shizuoka Financial Group's Management Strategies	p.3 -
2. Overview of the 2nd Medium-term Business Plan	p.8 -
3. Basic Strategies	p.14 -
4. Capital Policies	p.28 -
5. Reference Materials	p.32 -



Evolution of Shizuoka Financial Group's Management Strategies

Evolution of Shizuoka Financial Group's Management Strategies

Continually increased its corporate value by deploying strategies in response to the changing external environment, and recently reached the milestone of a PBR of one. Under the 2nd Medium-term Business Plan, based on the reforms implemented during the period of the previous Medium-term Business Plan, we are resolved to boost corporate value still further.



In short, our strategy is to stay ahead of the times, build on our strengths, and achieve sustainable growth with the community in the face of environmental change.

In the 13th and 14th mid-term business plan of Shizuoka Bank under negative interest rates, we stipulated business fields such as structured finance, which we pioneered ahead of our competitors, as new profit drivers to compensate for the severe profit environment.

In addition, we have developed our network with different industries and start-ups into a venture business, and through two alliances, we have seen the solution of local issues as a profitable opportunity, and we have also moved to a holding company structure in anticipation of deregulation of the banking industry and strengthening of group management.

These efforts bore fruit in the subsequent first medium-term plan after our reformation as a holdings company, and the profitability of the Group companies grew to the highest level in the industry through the independent strategies of each company. The two newly established companies also have a strong presence in the region, playing a role in demonstrating regional financial strength.

And as you can see, each of the two alliances is taking different forms, but both are about to move into the next stage of growth. Our strategy of turning change into an advantage has steadily increased our corporate value and allowed us to reach a milestone P/B ratio of 1 times, after the turning point of the revival of domestic interest rates. We will not stop this progress and will continue to improve our corporate value in the second medium-term management plan.

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

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

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

Indicator	FY2027 plans	FY2025 forecasts ^{*1}	Assessment	Current state	Challenges for future
Consolidated ordinary profit	JPY 145.0 bn or more	JPY 127.0 bn	○ +	In addition to net interest income growth backed by rising interest rates, we achieved growth in fees and commissions generated by Group functions.	<ul style="list-style-type: none"> ➢ Maximizing net interest income based on balance sheet controls (asset replacement, stabilizing fundraising) ➢ Harnessing investment capacity to achieve inorganic growth
Consolidated ROE (Based on net assets)	Approx. 8.5%	7.3%	○ +	Steady profit growth groupwide led to higher ROE (shared understanding of policies to improve capital efficiency in the Board of Directors).	<ul style="list-style-type: none"> ➢ Building the earnings structure needed to achieve sustained growth in both interest and non-interest income ➢ Controlling capital to the level needed to achieve the ROE target
Consolidated OHR	Controlled at approx. 50%	55.6% (47.6%) ^{*2}	○ +	Generating investment capacity by revising fixed asset valuations in addition to top-line growth while controlling expense levels	<ul style="list-style-type: none"> ➢ Active investment in business foundations to support future growth strategies, such as AI and human capital, premised on appropriate financial discipline
Consolidated CET1 Ratio	Approx. 13%	15.95% (13.76%) ^{*3}	▲ -	Due mainly to increasing valuation gains on shareholdings as a result of rising stock prices, the CET1 ratio remains higher than the target level.	<ul style="list-style-type: none"> ➢ Reducing valuation difference on securities as a percentage of capital ➢ Increasing capital efficiency through investment in growth, shareholder returns, etc.

^{*1} Based on announced performance forecasts ^{*2} Based on core gross operating profit ^{*3} Estimates calculated under full application of finalized Basel III framework

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

1 Revision of target dividend payout ratio

Initial target on formulation of the 1st Medium-term Business Plan
Raise the dividend payout ratio progressively to **40% or more** by FY2027.



Revised target (since February 2024)
Raise the dividend payout ratio progressively to **50% or more** by FY2027.

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

2 Purchase of treasury stock

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

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

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

	FY2022 (actual)	FY2025 (forecast)
Dividend/share	JPY 30.0	JPY 80.0
Dividend payout ratio	32.2%	49.0%
Total payout ratio	51.1%	82.9%
Share price (FY end)	JPY 951	JPY 2,563

The next screen shows the status of financial targets, which are KPIs for the previous mid-term plan.

We will provide a comprehensive summary of these details at the earnings briefing scheduled for May 25. However, we have made steady progress in terms of consolidated ordinary income, ROE, and OHR. Regarding the CET1 ratio, the rise in stock prices, which has exceeded our expectations, has increased capital through unrealized gains on our equity holdings; we recognize that bringing this ratio back to an appropriate level is a key challenge moving forward.

Another is that the previous medium-term plan has been flexible in revising basic policies based on a management policy that is conscious of capital efficiency. Specifically, dividends received from stock holdings were newly considered as a source of dividends, and the dividend payout ratio target was raised from 40% at the start of the fiscal year to 50%.

And we have clarified our approach to share repurchases as part of capital control. We believe that our management stance to improve ROE has resulted in enhanced returns to shareholders and market value, as shown in the lower right-hand corner.

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

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

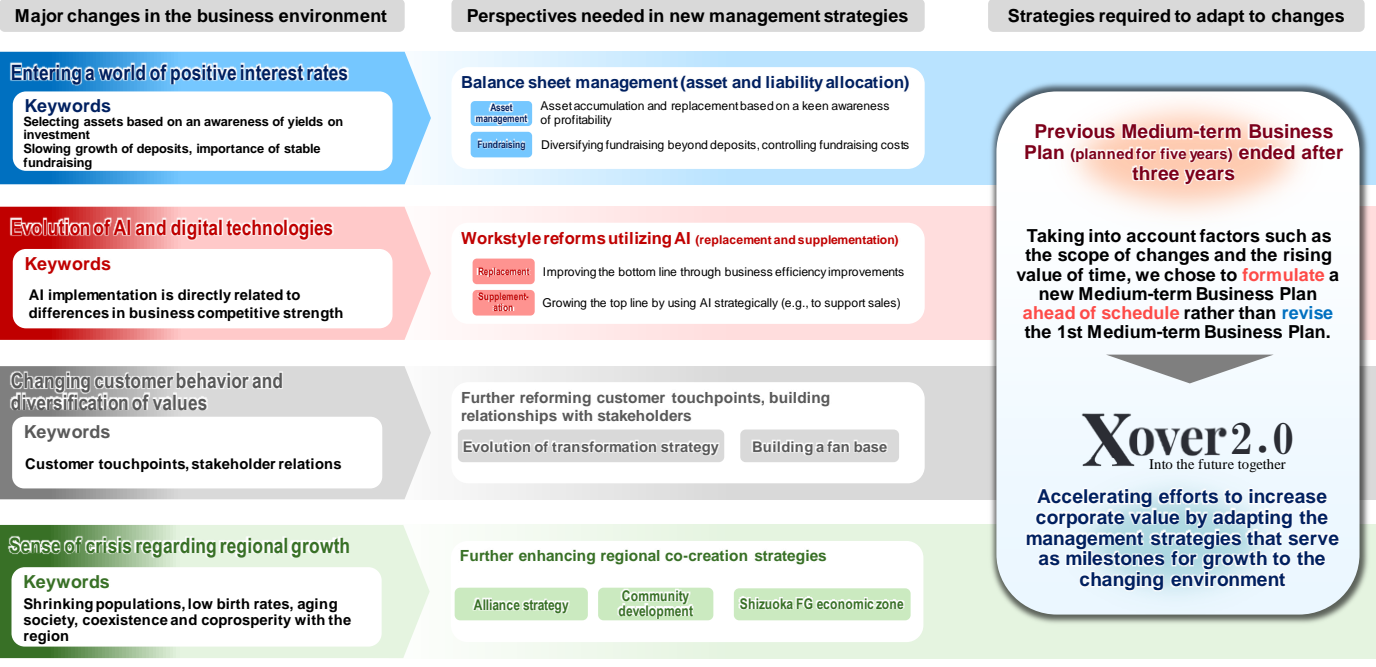
	Indicator	FY2027 target	Status of initiatives targeting achievement	Challenges for future	
Engagement KPIs	Customer satisfaction with Group transactions ^{*1}	Increase from the Previous Fiscal Year	FY2025 result Increased from the Previous Fiscal Year: +4.6 (Preliminary figures)		<ul style="list-style-type: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

^{*1} Net promoter score (NPS; percentage who would recommend a product, service, or company to friends, family, or acquaintances) based on customer surveys
^{*2} Average overall satisfaction measured using the five elements of rewarding work, job suitability, satisfaction with the workplace, satisfaction with superiors, and loyalty to employer (graded 1-5)

This is the status of our Social Impact Indicators, which evaluate our engagement with stakeholders and our efforts toward local sustainability, which is the foundation of our management.

We will also present this summary during our May earnings briefing. We expect that these past three years have been a period in which we were able to steadily implement various measures aimed at achieving our goals in each area, and in which we felt a tangible sense of progress toward balancing the enhancement of corporate value with the creation of social value, a challenge we set forth in our previous medium-term management plan.

We formulated the 2nd Medium-term Business Plan ahead of schedule to adapt strategically to environmental changes not foreseen in the previous Medium-term Business Plan, such as entering a world of positive interest rates and the need to harness AI.




Thus, I think it is fair to say that the previous medium-term plan has made steady progress to date.

So, the question is: why did we cut the five-year plan short after three years, and why do we need a new plan?

As I mentioned earlier, our management is characterized by our ability to respond to changes in the environment. In this regard, the previous medium-term plan formulated in 2022 was problematic in that it did not adequately incorporate balance sheet management that responded to a world with interest rates, as shown on the screen, and perspectives such as AI that are essential for the management of today's financial institutions.

I have said before at IR meetings that the greatest risk is the risk of being left behind by change, the risk of not changing. Rather than proceeding with minor modifications to meet the interest rate environment, we intend to accelerate our efforts to increase corporate value while adapting our strategies that will guide our growth to the current environment.



Overview of the 2nd Medium-term Business Plan

Now, let me give you an overview of the plan.

Overview of the 2nd Medium-term Business Plan

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

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

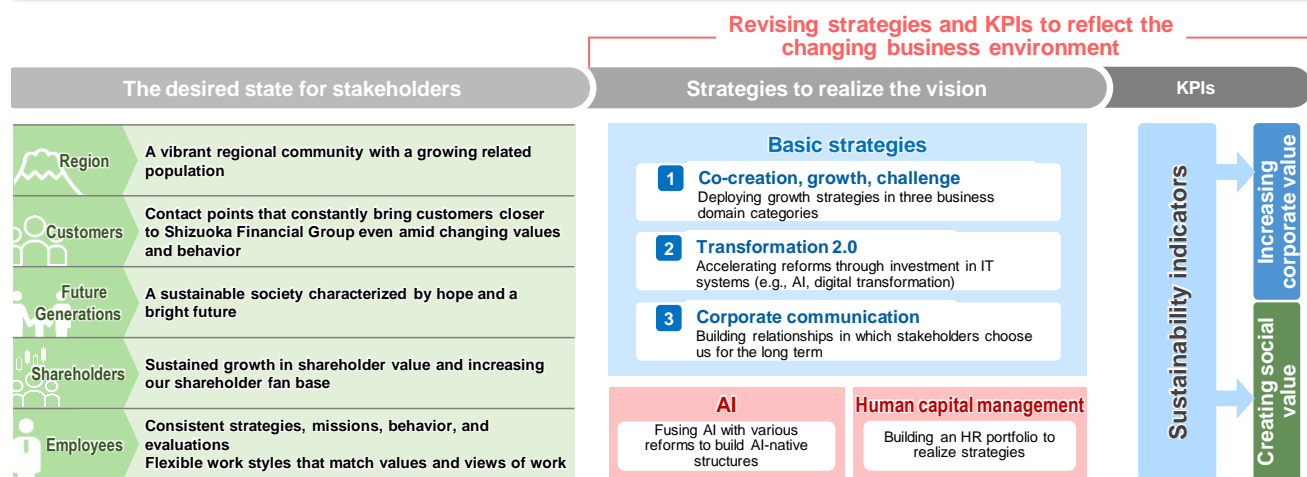
Period: **FY2026-FY2028** (three years)

10-year Vision

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

Medium-term Business Plan Vision

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



First, the plan period will be three years, from FY2026 to FY2028. The name is Xover 2.0 - into the future together.

Since the previous medium-term management plan was terminated midway through and revised in a developmental manner, the name Xover itself has been retained, and the new name expresses our desire to move forward toward a new future together with our stakeholders.

Next, this medium-term plan sets forth two visions. First, in our 10-year vision, we aim to achieve a state where we and our stakeholders can continue to grow together in collaboration with each other. The status of each stakeholder to be aimed for in the mid- to long-term is shown in the lower left corner of the screen.

Furthermore, the vision of the medium-term plan, a value co-creating corporate group that continues to grow by building the future in partnership with the region, is the vision we aim to realize over the three-year period of the plan. Our goal is to create high added value together, not only by ourselves, but also by combining many resources.

The three basic strategies for achieving this goal are co-creation, growth, and challenge, as well as Transformation 2.0 and corporate communication, and AI and human capital management are positioned as indispensable foundations for realization.

Details will be explained later, but we hope to move from the phase of balancing corporate value and social value to the phase of maximizing them by achieving the sustainability indicators, which are KPIs, through the implementation of our basic strategy.

Sustainability indicators

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

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

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

10

Next will be the KPIs and sustainability indicators for the mid-term plan.

The KPIs and sustainability metrics introduced in the previous medium-term management plan consist of financial targets aimed at enhancing the Company's corporate value, engagement metrics, and social impact metrics designed to measure the effectiveness of social value creation from the perspective of a regional financial institution.

The main changes are in red.

First, our financial targets are ordinary income of at least JPY170 billion and ROE of around 9.5% on a net asset basis in the final year of the plan. To achieve these targets, we will continue to control the OHR at around 47% and the CET1 ratio at around 13%.

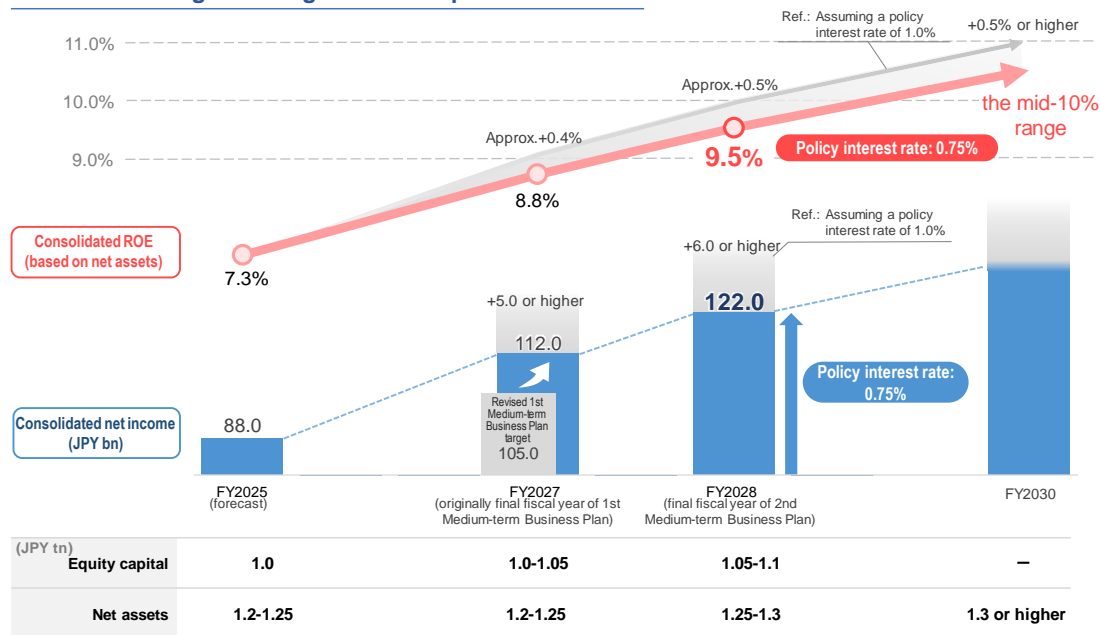
In addition to the metrics outlined in the previous medium-term management plan, we have added a new target to reduce the GHG emissions of our commercial lending clients YoY. Regarding medium- to long-term social impact indicators, we intend to continue with the indicators targeted in the previous medium-term plan.

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

Assuming interest rates in the absence of additional rate hikes (policy rate of 0.75%), we expect ROE in the final fiscal year of the 2nd Medium-term Business Plan to be approx. 9.5%.

We will aim to transform the business structure to achieve an ROE exceeding 10% over the medium to long term even without the positive effects of rising interest rates.

Medium- to long-term target ROE and profit levels



ROE

Realizing capital efficiency to achieve ROE exceeding 10% even without interest rate hikes
Upside of approx. +0.5% assuming a policy interest rate of 1.0%

Growth strategies

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

Capital strategies

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

I would like to add a little explanation about the ROE target I mentioned earlier.

As shown on the screen, this medium-term plan assumes a policy rate of 0.75%, i.e., no consideration of additional rate hikes in the future. In light of the recent increase in interest rate hikes, this assumption may seem conservative to some of you.

In this regard, by pursuing our growth and capital strategies in tandem during the term of this mid-term management plan, we will be able to project double-digit ROE over the medium-to long term without relying on interest rate bonuses resulting from rate hikes. In other words, we have deliberately adopted this approach because we aim to transform our business structure so that ROE improves sustainably even if interest rates do not rise.

On the strategic side, as we will explain later, we plan for ROE to reach 9.5% in FY2028 and the mid-10% range in FY2030, with an upside of about 0.5% plus in FY2028 under a scenario where the policy rate rises to 1% from here.

We also believe that the management integration with Nagoya Bank, which has not yet been incorporated in this medium-term management plan, will have a positive effect on our ROE, and that by combining these factors, we can aim for even higher growth and a ROE above 12%.

Since this will depend on the capital policy after the integration, we plan to review the ROE target appropriately if the outlook changes.

Composition of profit growth during the Medium-term Business Plan

Achieving top-line growth through strategies for each of the three business domains while duly accounting for the costs required to achieve stable fundraising to support balance sheet growth.

We will enhance investments in human capital and IT systems, elements essential to implementing our strategies, to achieve the consolidated net income target of JPY122.0 bn in the final fiscal year of the Medium-term Business Plan.

Composition of consolidated net income

(JPY bn)

1. Improving earning power

Approx. + 75.0 bn

Organic (co-creation, growth domains)

- 1 Co-creation domain Approx. 24.0 bn p. 16-17
Securing earnings in Shizuoka Prefecture and adjoining regions
- 2 Growth domain Approx. 43.0 bn p. 18-19
Securing earnings in the greater Tokyo area, overseas, market division, and other segments

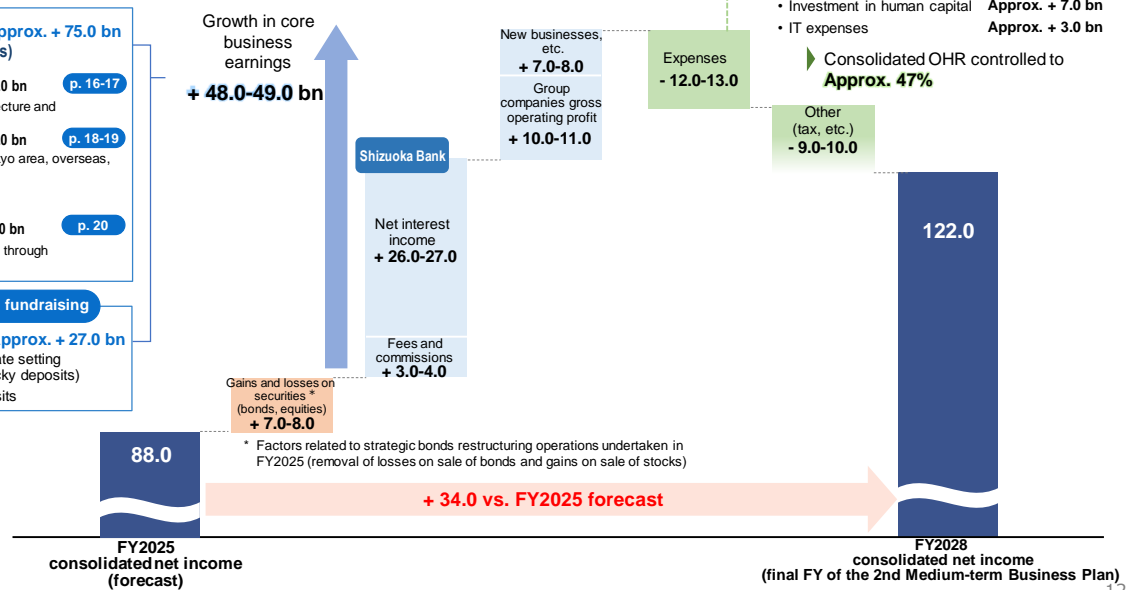
Inorganic (challenge domain)

- 3 Challenge domain Approx. 8.0 bn p. 20
Securing new earnings opportunities through M&As and other new businesses

2. Cost increases to achieve stable fundraising

Approx. + 27.0 bn

- Securing deposits through strategic rate setting (securing deposits other than high sticky deposits)
- Diversifying fundraising beyond deposits



The next step will be a roadmap for achieving the profit plan.

We seek to grow core business earnings by just under JPY50 billion over the three years of the medium-term plan, using the profit level after taking into account the one-time factors associated with the replacement of loans in FY2025 as a launching pad.

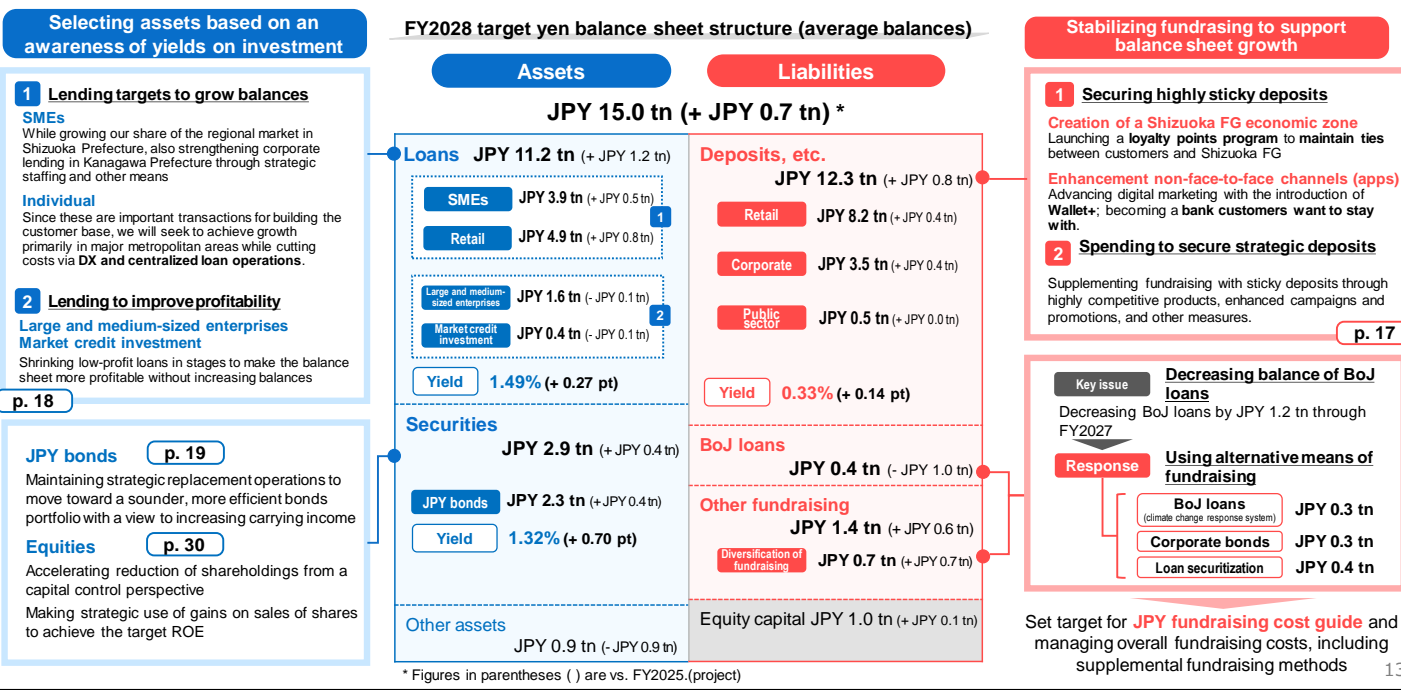
The breakdown is as shown on the screen. We will secure profit-earning opportunities while allocating the necessary management resources to the three business areas of co-creation, growth, and challenge, the basic strategies of which I will explain later, and expand the top line while giving due consideration to the cost of stabilizing procurement to support the growth of the balance sheet.

We will also systematically make forward-looking investments for the future, including human capital and AI, under appropriate financial discipline, and optimize our management infrastructure, including the human resources and systems necessary to realize our strategies.

As a result, we are targeting consolidated net income of JPY122 billion for the final year, an increase of JPY34 billion from the figure announced for FY2025.

Perspective on yen balance sheet management

In addition to selecting assets with an emphasis on yields, we plan to diversify fundraising methods to ensure liquidity while prioritizing highly sticky deposits, thereby building an appropriate balance sheet for a world of positive interest rates and maximizing net interest income.



The screen shows the management policy for the balance sheet in yen during the medium-term management plan period.

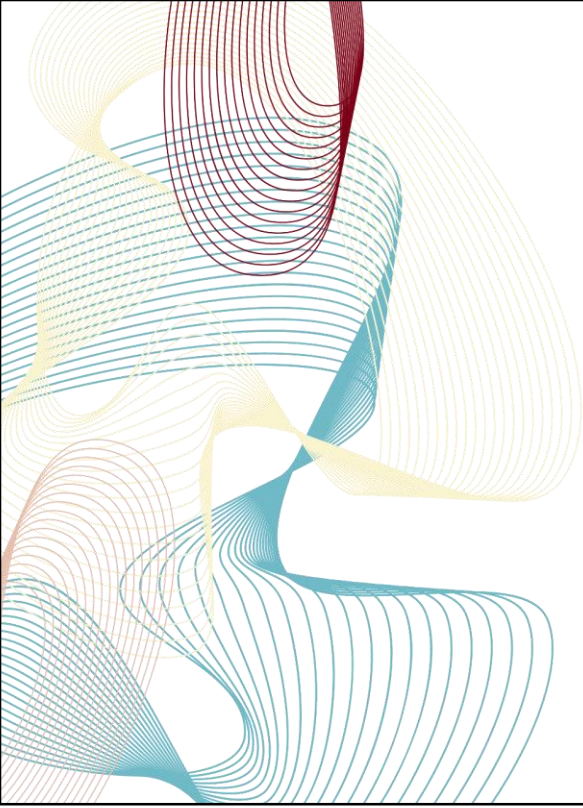
Regarding the investment side on the left side of the screen, as explained in the previous IR presentation, we will select assets to be placed on the balance sheet by balancing the port that aims to increase the loan balance and the port that aims to increase profitability.

The same applies to securities. In the rising interest rate environment, we must continue to replace our bond holdings to improve their profitability and soundness, and we will aim to increase carry income while strategically utilizing the increasing gains on the sale of equities.

And it is very important in assembling the balance sheet to consider them as an integral part as an increase in the assets under management on the procurement side on the right side. With regard to deposits, we will prioritize attracting highly loyal customers while also introducing higher-cost products and services to supplement our efforts and strengthen our deposit-gathering activities.

With the conclusion of the Bank of Japan's operations to support lending growth, we will need to raise approximately JPY1.2 trillion to replace the funds that will gradually be withdrawn; however, as shown below, we plan to utilize alternative measures to do so. Although the cost on the surface is slightly higher than deposits, we believe this is a useful tool from a liquidity perspective, as it has the advantage of securing stable funding at a long-term fixed interest rate.

With such diversification of funding in mind, we envision that we will manage profitability not only through deposits, but also through complementary means, and we will control our balance sheet in an optimal manner in terms of volume, cost, and liquidity.



Basic Strategies

The three basic strategies will now be explained.

Basic strategies (1) Co-creation, growth, challenges

We plan to maximize efforts to increase corporate value and create social value by strategically allocating management resources to three domains grouped by requisite functions and roles.

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

Growing related population
Regional coexistence and shared prosperity

Making the growth domain our home field
Aggressively securing earnings opportunities

Expanding Group functions
Realizing disruptive growth

Keywords

Community development business, regional growth
Deposits/loans, Group company earnings

Balance sheet control
Metropolitan areas, global strategy

M&A, new business development,

HR allocation

2,230 (+110)

720 (+90)

40 (+20)

15

The first is the basic strategy: co-creation, growth, and challenge. In this strategy, we will develop strategies by dividing our business areas into three categories based on regional concepts, required functions, and roles.

First, in the area of co-creation, we will build a solid management foundation while evolving the regional co-creation framework we have been working on, targeting areas physically close to Shizuoka Prefecture, our main market. As part of these efforts, we will further deepen our ties with local stakeholders, through initiatives such as developing community-building businesses committed to regional sustainability and strengthening our consulting services to support the growth of our client companies, while simultaneously driving growth in deposit transactions and fee income.

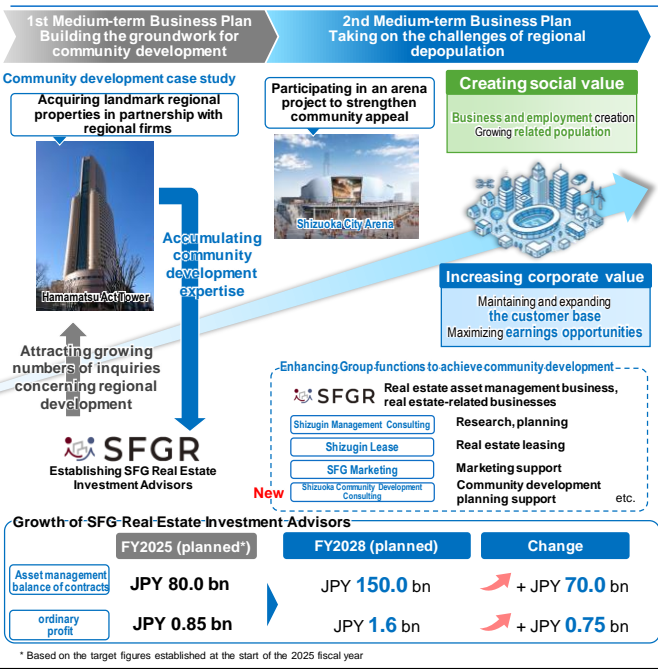
The next growth areas will be those in which we aggressively pursue returns, capturing market growth opportunities, particularly in metropolitan areas and overseas. The replacement of assets, etc., for the purpose of appropriately controlling the balance sheet, as I mentioned earlier, is also classified in this growth area.

The last area of challenge is to create a new revenue base without sticking to the existing framework. Now that rising interest rates are expected to drive profit growth, it is essential that we proactively cultivate the drivers of future earnings. To that end, in this mid-term management plan, we will explore investment opportunities in key areas while defining our strategy for business development and M&A to capture opportunities for disruptive growth.

The following slides describe the distinctive efforts in each of these areas.

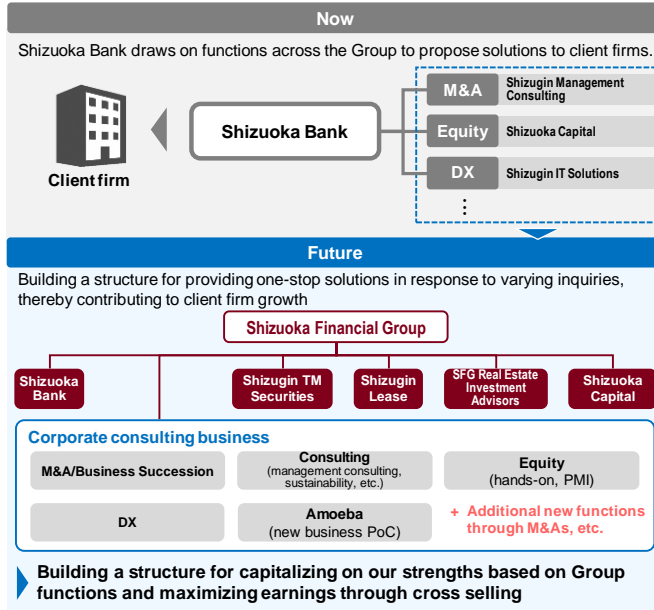
We plan to achieve regional coexistence and shared prosperity by leveraging Shizuoka Financial Group functions to promote the community development business and strengthen corporate consulting functions.

Community development: Moving toward a business model only achievable by the Shizuoka Financial Group



Corporate consulting: Supporting the growth of regional firms

Consolidating corporate consulting functions to create the region's leading consulting firm



On the left side is an image of one of the initiatives in the area of co-creation, the community development business.

Under the previous medium-term management plan, the establishment of SFG Real Estate Investment Advisors led to a significant increase in inquiries regarding local real estate development. Through partnerships with leading local companies, we were able to acquire iconic properties in the region and accumulate a wealth of expertise as our business expanded.

In this medium-term business plan, we will take this framework one step forward and develop it as a business that utilizes our group's functions, starting with town development, as a challenge to face the declining population of the region head on.

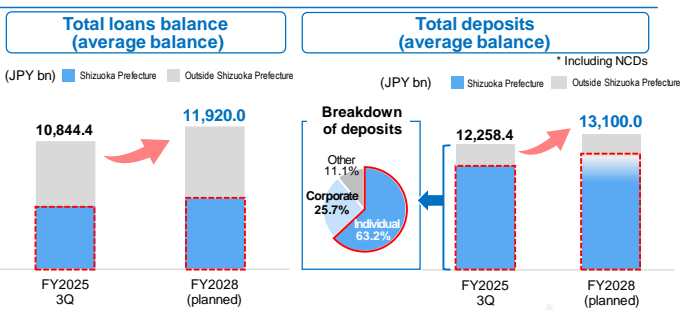
While the social value we create is realized over a long-term span of five to ten years, we take pride in the fact that our business model, which contributes to business growth, job creation, and an increase in the local population, while simultaneously leveraging the revenue opportunities generated in the process to enhance corporate value, is one that only we can execute, and one that we are uniquely positioned to deliver.

On the right side, the concept will be to strengthen the consulting function for local companies. The depth of the support menu provided by our group companies has always been one of our strengths, but in light of the current environment in which the management issues of local companies are becoming increasingly complex, we need to respond more deeply and quickly to help resolve these issues.

From this perspective, we will consolidate the functions scattered among the companies and establish a one-stop system for all types of consultations. In other words, it is a system that allows us to maximize the use of our group functions. After the business integration with Nagoya Bank, we intend to maximize profit opportunities by providing our functions to companies in Aichi Prefecture.

Strengthening our capacity to secure highly sticky deposits that support lending growth by using digital technologies to enhance customer touchpoints and various services.

Current conditions

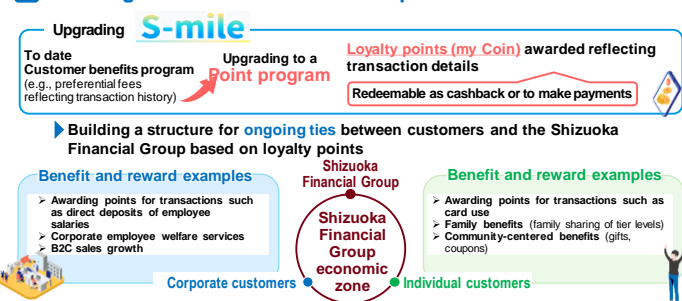


Approach to securing deposits

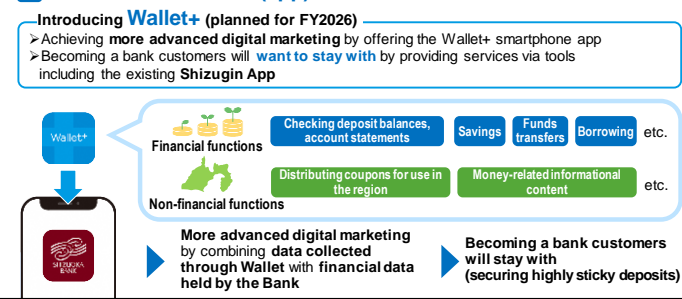


Initiatives to secure highly sticky deposits

1 Creating a Shizuoka Financial Group economic zone



2 Contactless channel (app) enhancement



We believe that building mutually beneficial relationships with our stakeholders and enhancing our presence through these efforts will directly lead to the expansion of financial transactions in the region and, in particular, to the stabilization of deposit financing, which we recognize as an issue for the future.

The majority of our deposits come from customers in Shizuoka Prefecture, our main market, and approximately 70% are personal deposits. While we will also consider acquiring deposits, even if it involves some costs, to support the growth of our loan portfolio, our top priority is low-cost, loyal deposits. In particular, the key lies in ensuring that our individual customers, who make up the bulk of our client base, continue to use our accounts.

To the right is an example of the initiatives that will be implemented during this mid-term plan period. Regarding the first, the digital point economic zone, we will renew the current S-mile program, which focuses on preferential commission rates, into a point-granting program that can be used for fund settlements and other purposes. Through this, we will create a world where we maintain a continuous connection with our customers, using points as the starting point.

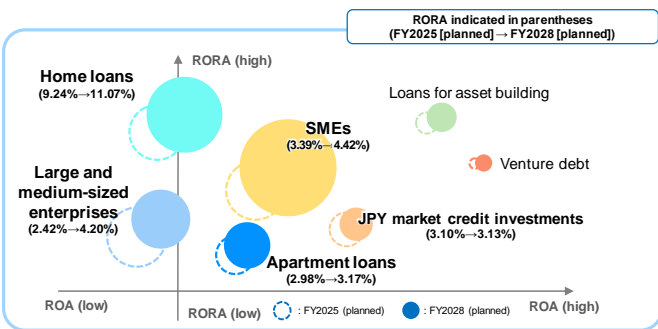
Second, we will work to strengthen non-face-to-face channels by introducing a new smartphone application, Wallet+.

While the existing Shizugin application was robust and specialized for daily financial transactions, it was difficult to expand its functionality. Therefore, with the introduction of the new application, we will provide flexible service functions and services, such as coupon distribution, while also working to enhance our digital marketing by utilizing the data we acquire.

These are just some of our deposit strategies, but by providing a variety of mechanisms that customers will want to continue using, we will strengthen our ability to raise deposits, the source of our growth.

Allocate management resources to high-growth markets and increase loans to metropolitan markets and overseas under appropriate profit and loss management

Asset allocation



Metropolitan markets (Kanagawa, Aichi, Tokyo, Osaka)

Integration with Nagoya Bank (Making it home field)

- Retail: Loan business DX, centralization
- Corporate: Staff allocation + use of Group functions
- Growing total retail and corporate transactions

Opening new lending facilities

Fee business development

- Corporate derivatives
- Loan fees
- M&A, management support
- Wealth management

Keyword: Making it home field

Improving operational efficiency, increasing loan balances

Increasing loan balances, enhancing fees and commissions

Enhancing securing of deposits

Kanagawa

- Improving operational efficiency, increasing loan balances
- Increasing loan balances, enhancing fees and commissions
- Enhancing securing of deposits

Aichi Tokyo Osaka

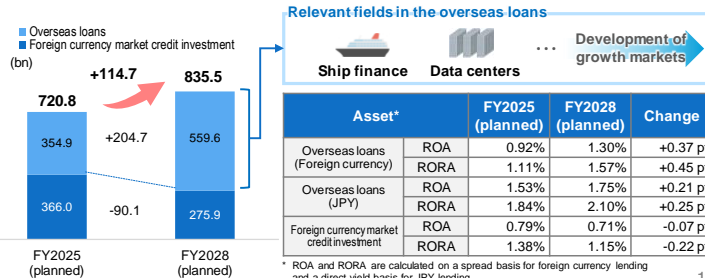
- Capturing market growth by opening new sales base and other in the Tokyo metropolitan area
- Making it a home field for the medium to long term through business integration with Nagoya Bank

Osaka

- Making the balance sheet more profitable by promoting asset replacement based on keen awareness of ROA and RORA

Global

Boosting profitability in the international finance sector through portfolio rebuilding contributed by toward growth markets



Asset (JPY bn)	FY2025 (planned)		FY2028 (planned)		Change	
	Balance	Yield	Balance	Yield	Balance	Yield
JPY loans	9,969.0	1.21%	11,157.9	1.49%	+1,188.9	+0.27 pt
Corporate (Of which Kanagawa)	5,402.3 (519.1)	1.02% (1.50%)	5,760.6 (775.8)	1.37% (1.84%)	+358.3 (+256.7)	+0.35 pt (+0.33 pt)
SMEs	3,390.2	1.34%	3,910.9	1.85%	+520.7	+0.51 pt
Large and medium-sized enterprises	1,754.3	0.74%	1,613.8	1.29%	-140.5	+0.54 pt
Retail* (Of which Kanagawa)	3,779.8 (1,181.2)	1.15% (1.08%)	4,584.1 (1,697.8)	1.32% (1.27%)	+804.3 (+516.7)	+0.17 pt (+0.18 pt)
Market credit investments	421.6	1.77%	352.2	1.93%	-69.4	+0.16 pt

* Home loans + apartment loans (individual)

* ROA and RORA are calculated on a spread basis for foreign currency lending and a direct yield basis for JPY lending.

The next step will be to work on growth areas that aim to pursue appropriate returns. On the left is the asset allocation for yen loans. As mentioned earlier, we will maintain an overall growth rate of about 3% per year, while maintaining a balance between those that grow their balances and those that are being replaced.

Specifically, we will increase the balance of corporate loans, particularly to small and medium-sized enterprises, while controlling the balance of loans to large and medium-sized enterprises and structured finance, which offer relatively low yields, while also taking RORA-based profitability into consideration. And we plan to continue to increase consumer loans, which are expected to expand overall transactions, including deposits.

Under this policy, this medium-term management plan calls for the focused allocation of management resources to high-growth markets. As one example, as shown in the upper right, we will work to establish a strong foothold in the eastern and western regions adjacent to Shizuoka Prefecture, our home base.

Kanagawa Prefecture, located to the east, has been a key market driving the growth of our loan portfolio, particularly in the consumer loan segment. Going forward, in the retail banking sector, we will enhance operational efficiency through initiatives such as digital transformation while maintaining the upward trend in lending. In the corporate banking sector, we will expand our staff to drive further growth in deposit and loan transactions and increase fee income through solution-based sales.

In addition, in Aichi Prefecture in the west, we will work to establish a strong local presence based on the planned management integration with Nagoya Bank, while also implementing region-specific strategies elsewhere.

The lower right-hand corner will be an area to capture overseas market growth potential. As with yen, we intend to improve profitability by replacing foreign currency structured finance with other types of finance, such as vessels and data centers, while advancing our strategy for foreign currency structured finance.

Continue the replacement operations of held bond to enhance its profitability and soundness, aim at building a bond portfolio that supports sustainable profit growth.

Securities investment policy

1 Improving JPY bond portfolio profitability

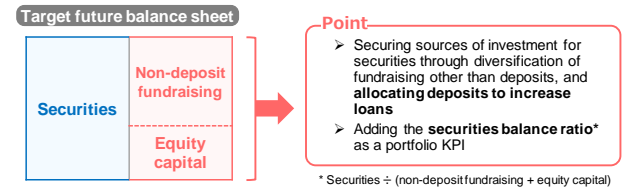
Status of valuation difference on securities		Trends in shareholdings and bond balances (JPY bn)		
		March 31, 2023	December 31, 2025	Change
Stocks	Unrealized gains on shareholdings increasing with rising stock prices	457.4	573.9	+116.5
	Valuation difference fluctuating with rising JPY interest rates	(355.5)	(481.4)	(+125.9)
JPY bonds		1,586.5	1,469.4	-117.1
		(-9.9)	(-182.5)	(-172.6)

Stocks Accelerating reduction of shareholdings from a capital control perspective

JPY bonds Continue the replacement operation aimed at improving profitability and soundness

Point Making strategic use of rising gains on sales of stock (offsetting losses on sales of bonds)

2 Portfolio management with consideration for balance with fundraising

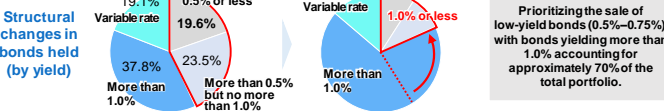


Building a bond portfolio

In a rising interest rate environment, while appropriately controlling the average holding period, proceed with the replacement operations and new purchases.

(JPY bn)	December 2025 (actual)		FY2025 (planned)		Change	
	Balance	Yield	Balance	Yield	Balance	Yield
JPY bonds*	1,651.9	1.03%	2,290.0	1.50%	+638.1	+0.47%
Average holding period	7.1years		5.4years		-1.7years	

* Both balance and yield are term-end basis.

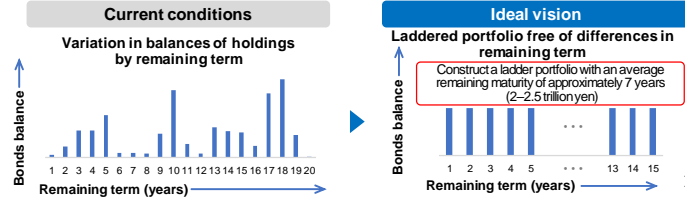


By Building a highly profitable portfolio, increase the likelihood of sustained improvements in ROE

Increase in interest income from held bonds (projected) + Approx. JPY 17.0 bn (vs. the end of December 2025)

Target future portfolio

Capturing the turning point from rising to falling interest rates, effectively manage interest rate risk and secure carry income



The next section describes the investment of securities.

First of all, as shown in the upper left-hand corner, the current situation is that while valuation gains/losses on equity holdings are increasing due to the rising stock market, valuation losses on bonds are expanding due to the rising yen interest rate.

Therefore, we have partially replaced some of our yen bonds by utilizing gains from the sale of equity securities, which will increase in FY2025, but we intend to continue our strategic operations to improve the profitability and soundness of our portfolio in anticipation of further interest rate hikes in the future.

Furthermore, as part of our medium- to long-term management strategy aimed at adapting to changes in our balance sheet structure, we will broadly secure funds for securities investments through sources other than deposits, as shown in the lower left. We aim to structure our operations so that increases in deposits can be allocated to the growth of our loan portfolio.

The upper right-hand corner shows an image of the yen bond portfolio that we aim to build over the three years of the medium-term management plan. During periods of rising interest rates, we will make adjustments while carefully managing the average remaining maturity. By prioritizing the sale of low-yielding assets, we aim to achieve a yield of approximately 1.5% at the end of the final fiscal year, with a slightly shorter average remaining maturity, and a portfolio composition in which bonds yielding over 1% account for about 70% of the total.

We estimate that the increase in interest income after the restructuring will be approximately JPY17 billion, which we believe will lead to the continuous improvement of ROE that we are aiming for.

In the lower right corner, we have included an illustration of the ladder-style portfolio we aim to build over the medium to long term, as previously outlined in our investor relations materials. Going forward, even as the policy interest rate reaches its terminal rate and the trend shifts from rising to falling rates, we plan to construct our portfolio in a way that appropriately manages interest rate risk and secures stable carry income.

We seek to accelerate new business development and M&A strategies to build new earnings and customer bases under the 2nd Medium-term Business Plan.

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

Launch of new business toward solutions to materiality topics

1 Implementing functions needed to achieve growth as a financial group

Identifying **priority areas** from perspectives such as the **business environment and impacts on earnings and society**

2 Business development and M&A to expand the scale of earnings

Oriented toward business development to **increase Groupwide ROE**, based on a keen awareness of **business scale and profitability** (ordinary profit of approx. JPY 1.0 bn)

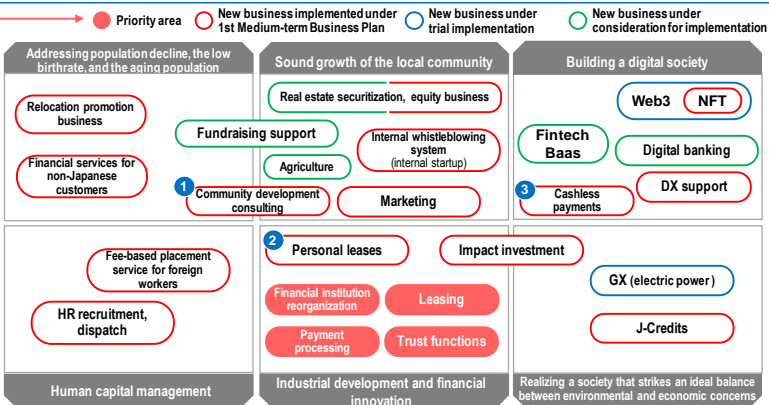
3 Business development and M&A to expand co-creation and growth domain strategies

Examples of fields oriented toward business domain expansion

Co-creation	Growth
Agricultural businesses GX (electric power) Fundraising support	Fintech, BaaS Web 3.0, Digital banking
Real estate securitization	

4 Business implementation via internal startups and PoC

Functions to be added regarding our role as **regional financial group** despite only modest contributions to profit



2nd Medium-term Business Plan - Accelerating new business development and M&A initiatives

- Shizuoka Community Development Consulting** (established April 2026)
▶ Established as joint venture with regional business aimed at **sustainable community development** based on development planning support and other activities.
- Tokyo Gas Lease** (made a subsidiary in April 2026)
▶ Using its financial functions (leasing, etc.) and network in the greater Tokyo area to **accelerate business development** in a growth domain
- Nissenren Shizuoka** (to be made wholly-owned subsidiary in FY2026)
▶ **Creating value-added services based on the payment process** its payment functions and network of member stores

I will continue with an explanation of the third challenge area.

In the previous medium-term plan, from the viewpoint of expanding the menu of support services to help solve regional issues, we have actively promoted the development of business areas, including the establishment of new companies, and have worked to strengthen group functions.

In this medium-term plan, we will take this approach one step further and seek effective investments to enhance corporate value while clarifying the purpose and direction of business development and M&A.

First, as a financial group, we have identified four key areas of financial functionality that we must implement for the next phase of our growth: leasing, settlement, trust, and our response to the restructuring of financial institutions. Although it did not materialize at the time the plan was formulated, the resulting management integration with Nagoya Bank is consistent with that direction.

Furthermore, we are targeting an operating profit of approximately JPY1 billion, assuming that this will contribute to improving our ROE. Even for businesses that cannot reach this target on their own, we will consider the business areas listed in three below, as they are expected to play a role in expanding the co-creation and growth strategies mentioned earlier.

In addition, we plan to proceed with implementation while utilizing the internal venture system and PoC for those that are recognized as initiatives but have a small profit contribution.

The chart on the right maps the status of our review of each business in relation to materiality. As you will see shortly, we have already decided to form three new business groups, as indicated in the lower right corner, and are stepping up our efforts to move the review forward. I believe this demonstrates our commitment.

Creating something from nothing may be the most challenging part of the process. We believe this is a challenge we must tackle now if we are to remain a company that continues to grow even in the near future, when interest rate benefits begin to fade.

Basic strategies (2) Transformation 2.0

We will redefine channels, HR, and other management resources to achieve sustained growth for the Shizuoka Financial Group in response to a rapidly evolving business environment.

Using AI and other technologies, we will implement the growth strategies of the Medium-term Business Plan through four transformations.

Strategic approach

1 Redefined channel roles

Real channels

- Brand experience
- Locations for building trusting relationships



Interactive effects

Digital channels

- Thorough fulfillment of everyday transactions
- Optimal information communication



Transforming real channels from places to conduct procedures to places for consultations with peace of mind. 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.

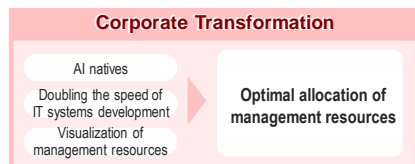
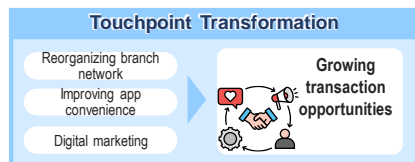
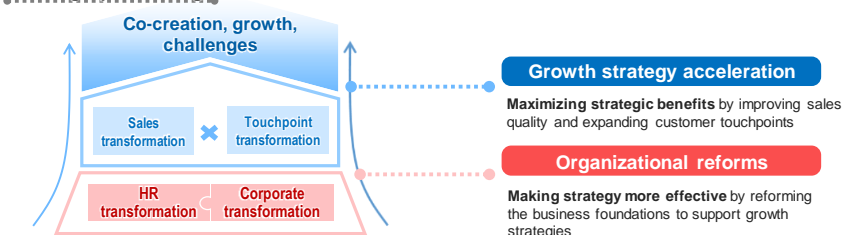


Officers and employees **concentrate on** -added-value work.

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



Next, I will explain the second basic strategy, Transformation 2.0.

In order for Shizuoka Financial Group to achieve sustainable growth, we must adapt to the changing times, including shifts in customer behavior, the diversification of values, and the growing need for AI, and transform our management resources, such as our distribution channels and human capital, into an optimal structure.

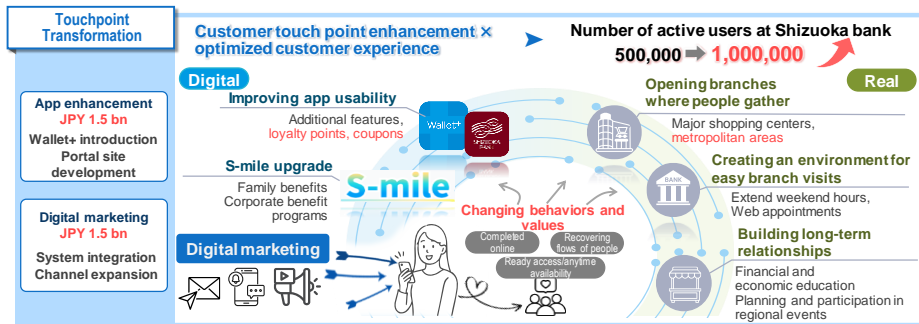
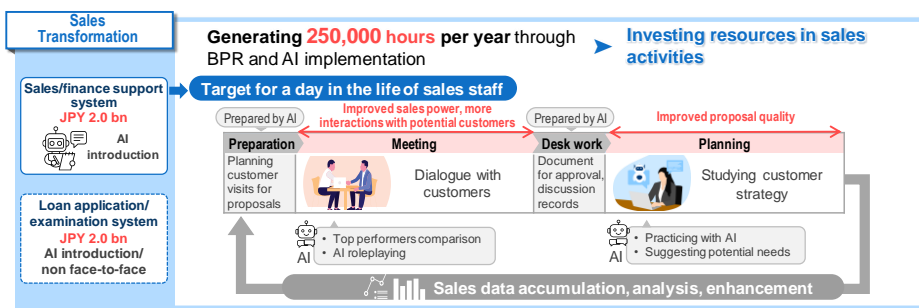
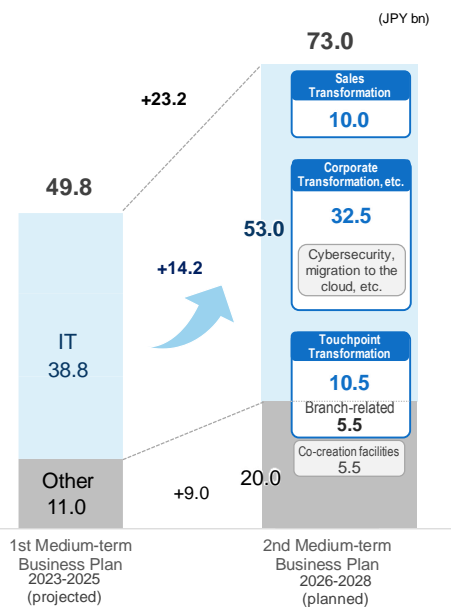
For example, physical channels are no longer merely places where standard procedures are carried out; their role is evolving into spaces where each customer can feel comfortable seeking advice. Seamless two-way communication with digital channels is also becoming increasingly important.

In addition, the way executives and employees work will depend on how AI is used to free up time and human resources, and it will be necessary to increase competitiveness by allocating resources to higher value-added tasks in the future.

Under this strategy, we will undertake the four transformations listed below, starting with sales transformation. We will enhance the effectiveness of the strategy by optimizing our management foundation, including the talent and systems that support our growth strategy, while accelerating growth by reevaluating our sales activities and customer touchpoints to make them more effective.

Under the 2nd Mid-Term Business Plan, we will leverage the IT infrastructure we have been developing to date as a foundation, utilizing AI and data across various business operations to optimize sales activities and enhance the customer experience. Through this transformation, we will improve per person productivity and effectively accelerate strategy execution in each domain.

Investment plans



The screen shows our investment plan for the three years of the mid-term plan.

In this medium-term plan, we plan to invest more than JPY70 billion more than in the previous medium-term plan, mainly for the realization of the four reforms mentioned earlier, of which JPY53 billion will be allocated to systems-related investments.

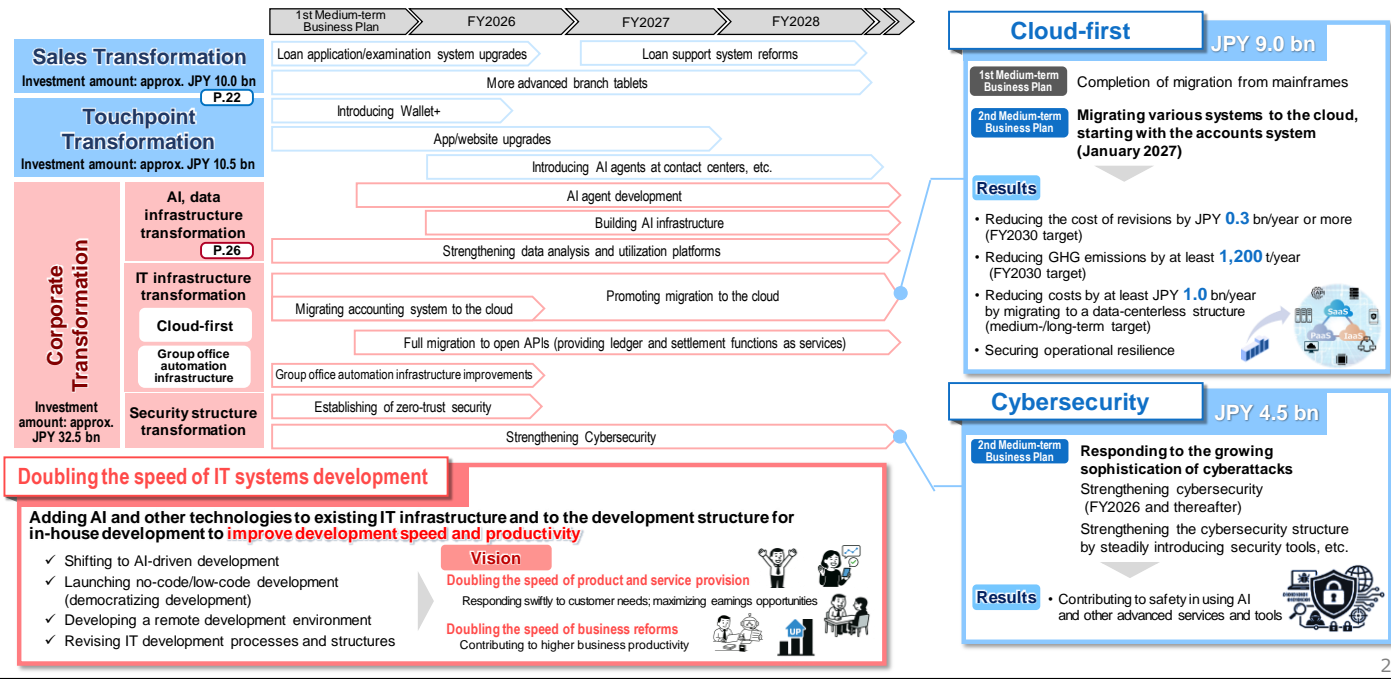
For example, we estimate that investing approximately JPY10 billion in sales transformation initiatives, such as implementing AI in our sales support system and conducting business process reengineering (BPR) for loan operations, will free up approximately 250,000 hours annually. As shown in the screenshot, by shifting toward sales activities where AI complements human work, we will not only improve efficiency but also enhance the overall quality of our sales operations.

We will also invest approximately JPY10 billion in touch point transformations that will transform customer contact points.

We will fully utilize the Group's internal data, which has been developed since the previous mid-term plan, to strengthen our digital marketing efforts. We intend to double our current 500,000 active users over the next three years by developing promotions optimized for each customer and by enhancing both digital and real customer contact points.

Making strategic investments into more advanced risk management while accelerating strategy implementation by building a rapid IT development structure.

Medium-term Business Plan IT investment roadmap



The next screen shows the roadmap for system investments during the mid-term plan period.

In order to change the nature of sales activities and channels in line with the times, it is necessary to systematically develop the systemic aspects that are the prerequisites for such changes, taking care not to delay the strategy.

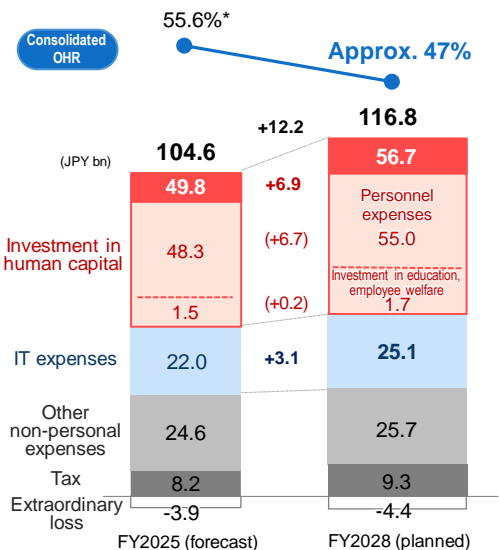
From this perspective, our medium-term management plan is to double the speed of system development, aiming to speed up the introduction of products and services and our own business reforms by shortening the lead time until the release of systems.

We recognize that advancing our risk management, including our cloud-first initiative to migrate all 230 systems within the Group to the public cloud, where possible, and strengthening our security to counter increasingly sophisticated cyberattacks, is a critical factor in enhancing the Company's sustainability. By refining the sophistication of our systems from both an offensive and defensive perspective, we will work to enhance our corporate value over the medium to long term.

The policy is to maintain financial discipline by controlling consolidated OHR at approximately 47% while enhancing the investment needed to realize growth strategies.

Expense level, OHR target (consolidated)

Controlling consolidated OHR, an indicator of financial discipline, at **approx. 47%**.



* Consolidated OHR calculated based on core gross operating profit is 47.6%.

Investment in human capital

Breakdown of JPY 6.9 bn increase

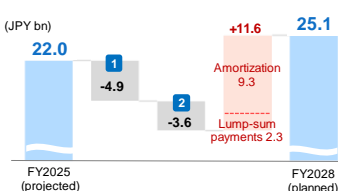
- Personnel expenses + JPY 6.7 bn
 - Securing expert human resources
 - Base pay increases, etc.
 - RS trust
 - Developing remuneration systems linked to contributions to increasing corporate value
- Investment in education, employee welfare + JPY 0.2 bn
 - Reskilling
 - Employee benefits enhancement, etc.

To rebuild the human resources portfolio to realize strategy, transforming to an organization in which each and every officer and employee can play a maximum role



IT expenses

Breakdown of JPY 3.1 bn increase



Managing expense level appropriately while enhancing IT investments supported to realize growth strategies

- End of depreciation for past investments**
 - Next-generation accounting system - JPY 2.8 bn
 - Office Automation, S-navi - JPY 0.4 bn etc.
- Reducing amortization of revaluation of fixed assets**
 - Reducing each FY's amortization burden by due to early recording of investments (recognized as a one-time extraordinary loss)

Promoting new investment while controlling costs

Next, I will explain our projected expenses.

First, the consolidated OHR concept was revised from 50% to 47% as a guideline level, taking into account the future increase in the top line. We will continue to expand the investments necessary for our strategy, while controlling profit levels with appropriate financial discipline.

On top of that, consolidated expenses in the final year of the medium-term plan will increase by JPY12.2 billion from FY2025.

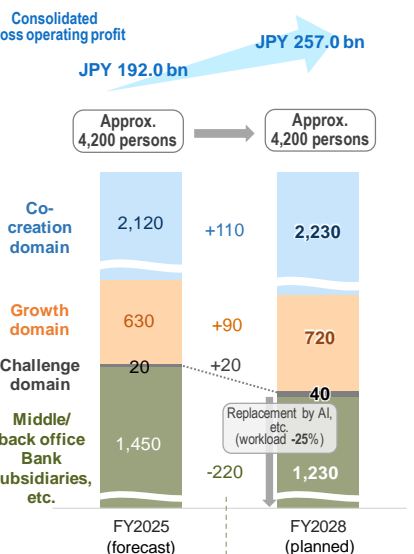
In terms of the breakdown, human capital-related expenses, including recruitment, compensation, and training investments aimed at restructuring our talent portfolio, will increase by JPY6.9 billion. While spending on system-related investments scheduled for the future is expected to rise, the overall increase is projected to be limited to JPY3.1 billion, due to factors such as the completion of depreciation for prior fiscal years and the effects of accounting method revisions implemented during the previous medium-term management plan.

As for human capital, I will add an explanation on the next slide.

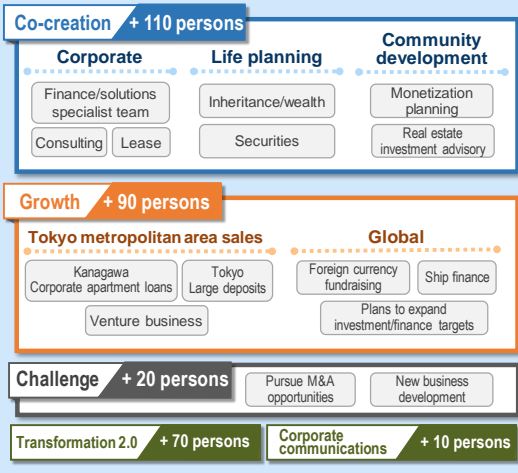
Implementing the basic strategies of the 2nd Medium-term Business Plan by optimizing human resources assignments through workload reductions using AI and other means.

Ideal human resources portfolio

Maintaining constant staffing from FY2025 while reassigning personnel to priority domains.



Deployment of strategic human resources

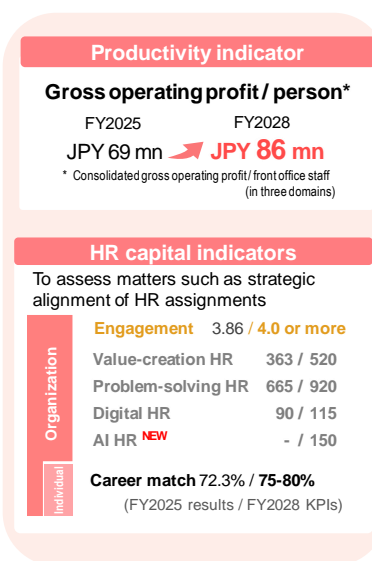


Strategic human resources development



KGI (indicators for assessing results)

Measuring results of human capital investments made to implement strategy.



The left side shows the target talent portfolio for the medium-term planning period.

As shown on the screen, we plan to increase the number of personnel in each of the three areas of co-creation, growth, and challenge, but we will continue to control the number of personnel for the entire group at the same level of approximately 4,200.

The key to achieving this will be the strategic use of AI. We have set a target of reducing the workload by 25% for routine operations in the middle and back divisions. In addition to the personnel to be generated by this reduction, we will increase the feasibility of our strategy by allocating the human resources we will secure, mainly through career hires, to priority areas.

We are also working to measure the effectiveness of our human capital investments from multiple perspectives, including improvements in labor productivity, employee engagement, and progress in talent development, and to assess how these investments will contribute to enhancing corporate value in the future.

By replacing/supplementing human tasks with AI, we can streamline routine operations and improve the quality of decision-making, allowing our staff to focus on delivering value to customers

Building a framework for AI development

Developing and securing HR
Approx. 0.6 bn

- All officers and employees**
Capable of making the most of AI on a daily basis
- AI power users**
Citizen developers deployed to business
- AI expert HR**
Advanced development specialists

Developing and hiring 150 people

AI / data infrastructure development
Approx. 3.5 bn

- Developing data suitable for AI reference and use
- Building the infrastructure required to ensure secure and stable AI deployment

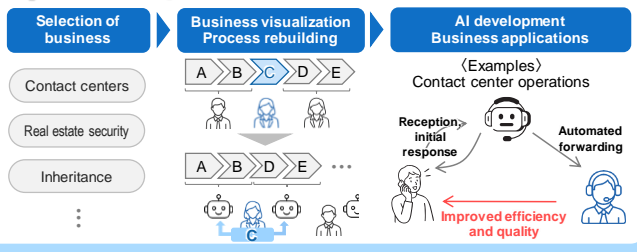
Governance structure development

- Developing guardrails
- Appropriate risk controls

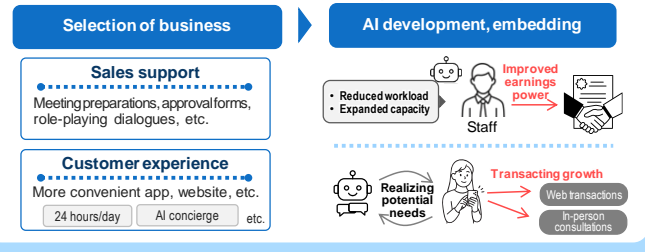
Practical AI development for business

JPY 5.0-6.0 bn

Replacement by AI Freeing resources by reducing workloads



Supplementation by AI Creating earnings opportunities by building competitive strengths and optimizing customer experience



FY2028 → **FY2030**

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

Increasing number of transactions processed per employee (Freeing resources)

Strategic reassignment

Headquarters/head office workload
Reduced by **50%** vs. FY2025 (equivalent to 300 persons)

Individual and organizational **performance maximized**

P.25

Realizing sales transformation / touchpoint transformation visions

Building competitive strengths

Growing transaction opportunities

Increasing corporate value

Maximization

Creation social value

P.22

Here, we add an explanation of the use of AI as the key to transformation.

In this medium-term plan, we will first develop the three foundations of human resources, data, and governance shown on the left side of the screen as a foundation to lead the Group to an AI-native state.

Furthermore, when implementing these solutions into our operations, we will take a two-pronged approach focused on both replacing and complementing human workers. In areas where AI replaces human workers, such as contact centers, real estate collateral, and inheritance-related services, we will first identify target operations, then visualize and restructure the processes to improve not only efficiency but also the quality of service.

And as I mentioned earlier, we aim to reduce the workload of the headquarters by 25% in the final year of the medium-term plan, and to cut it in half five years later, in FY2030, to improve performance by optimizing personnel allocation.

In the area where AI complements human resources in the lower section, AI will take on the role of supporting the activities of sales representatives and optimizing the customer experience at various touch points by fully utilizing maintained data and other resources, thereby generating revenue opportunities.

We view this business transformation initiative as an important challenge that will have a significant impact on our future competitiveness as a financial institution and have set aside approximately JPY10 billion for AI investment during this mid-term plan period. We regard this as one of the growth investments that will lead to an increase in corporate value, and we will share the progress of this investment through IR and other means in the future.

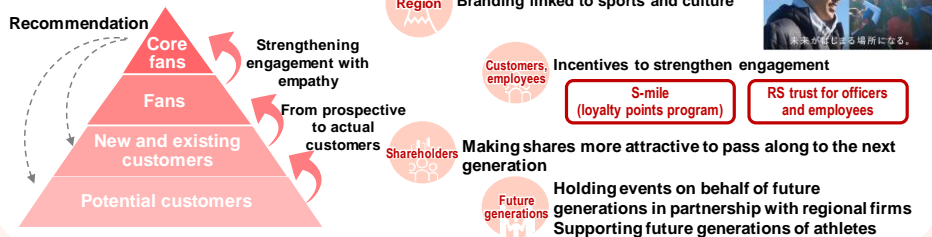
Basic strategies (3) Corporate communication

Through both building a fanbase for deep, long-term ties with stakeholders and advancing corporate governance to support these efforts, we seek to link stronger engagement among various stakeholders to medium- to long-term growth in corporate value.

Stakeholder communication

Deploying efforts to build a **fanbase** and to establish deep, long-lasting ties through communication that builds stakeholder **empathy** and loyalty

Image of shift in fanbase



Enhancing governance to support management strategies

General Meetings of Shareholders

Board of Directors

Officer remuneration

Officer system

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

Increasing corporate value over the medium to long term



Corporate governance

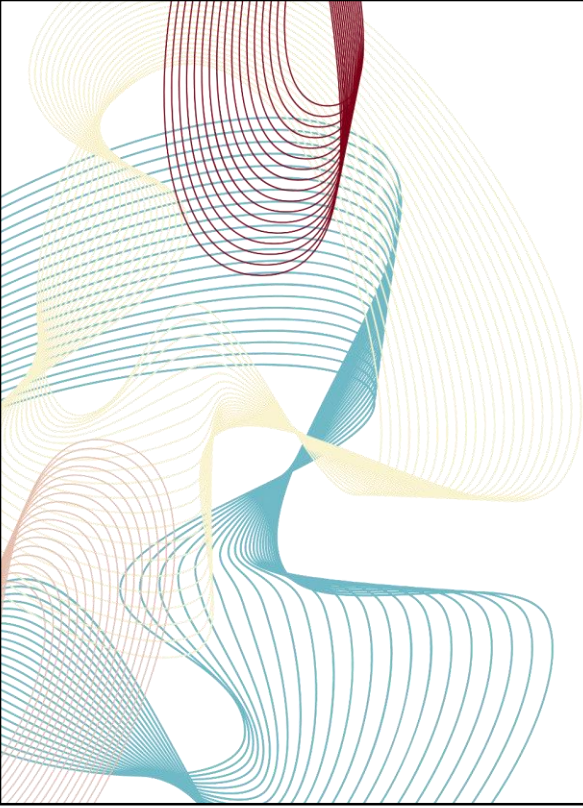
Next, the third basic strategy, corporate communication, is explained here.

In order to ensure that our corporate value continues to grow in the future, we need to be selected from among the many financial institutions and build long-term relationships with our stakeholders. To achieve this, it is important to communicate not only about the goodness of the service, such as merchantability and convenience, but also about capturing empathy in order to connect more deeply and for longer periods of time.

As shown in the figures, we would like to create a cycle in which the circle of fans grows from prospects to customers, then to fans, and then to core fans, and the circle of fans expands without our involvement. Going forward, we plan to gradually roll out initiatives aimed at building a fan base among each stakeholder group.

As part of this effort, we plan to have Makoto Hasebe, a native of Shizuoka Prefecture and former captain of the Japanese national soccer team, serve as our brand partner during this mid-term plan period, and together we will promote activities to support the future generation in the region.

To ensure the effectiveness of these initiatives, we must simultaneously advance the enhancement of the governance framework that underpins our strategy. Examples of this include improving the operation of the Board of Directors to incorporate stakeholder feedback into our management strategy, as well as revising the executive compensation system to ensure that incentives are appropriately aligned with management objectives. As CEO, I am committed to taking responsibility for these efforts and driving the enhancement of our corporate value over the medium-to long term.



Capital Policies

Finally, there will be capital policy.

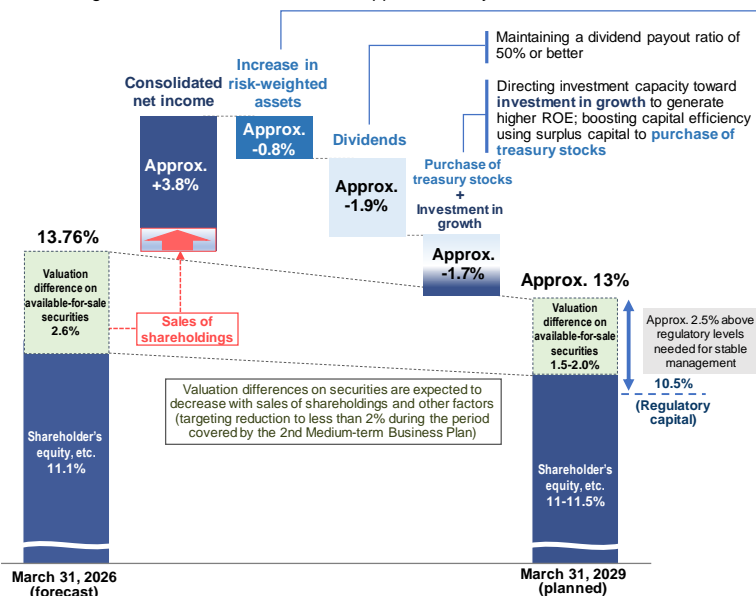
Capital management

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

Changes in the capital adequacy ratio

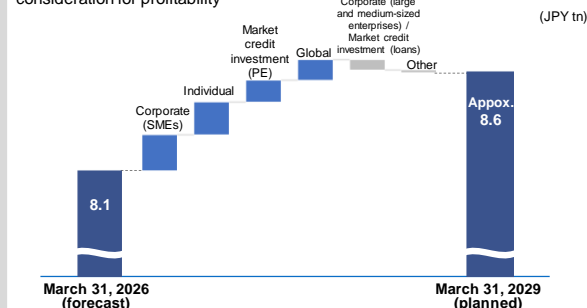
* Based on full application of Basel III finalization

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



Factors underlying changes in risk-weighted assets

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



ROE target

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

	FY2025 (forecast)	FY2028 (final FY of 2nd Medium-term Business Plan)
Net income	JPY 88.0 bn	JPY 122.0 bn
Net assets	Approx. JPY1.25 tn	JPY 1.25–1.3 tn
ROE (based on net assets)	7.3%	Approx. 9.5%

As of the end of March 2026, the consolidated CET1 ratio stood at 13.76%.

Although this figure was disclosed in our earnings forecast for the fiscal year following the Q3 results, we continue to view a regulatory capital ratio of approximately 2.5% above the required level as the appropriate benchmark for stable management. We aim to control this ratio to around 13% by allocating capital, including profits accumulated over the three-year medium-term plan, toward shareholder dividends and risk assets aimed at improving ROE, as well as growth investments, and by improving capital efficiency through the repurchase of treasury stock using any surplus funds.

Due to an increase in unrealized gains on shares held, valuation reserves for marketable securities currently account for 2.6% of the CET1 ratio. However, with a view to mitigating the impact of stock price fluctuations on equity capital, we plan to reduce this proportion through measures such as the sale of held shares and optimize our capital structure.

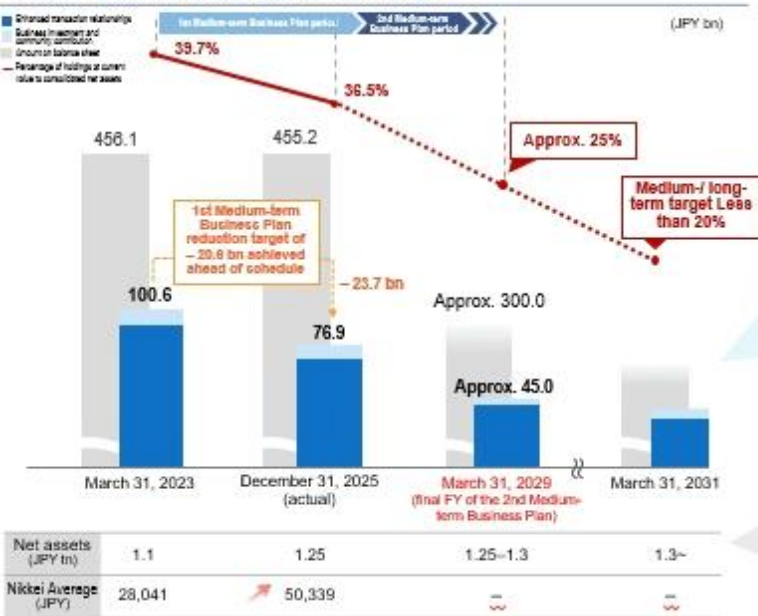
As shown in the image in the upper right, the changes in risk assets are as follows. However, as explained earlier, we are proceeding with the construction of our balance sheet through appropriate asset allocation that takes profitability into account, and we expect it to increase to approximately JPY8.6 trillion by the final fiscal year.

Reduction of strategic shareholdings

Reducing strategic shareholdings by approx. 25% by the final FY of the 2nd Medium-term Business Plan to achieve the medium-/ long-term reduction target (i.e., to strategic shareholdings accounting for less than 20% of net assets).

We plan to reduce the ratio of valuation difference on available-for-sale securities to capital while making strategic use of gains on sale of stocks to achieve profit growth.

Trend in balance of strategic shareholdings



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, 2028) **Approx. 25%**

Gains on sale of stocks (2029-2031 cumulative, projected) **Approx. 100.0 bn**

Policy on Utilization

- Investments in human capital, IT systems
- Allocation to bonds replacement operations
- Growing investments in new businesses, MSAs, etc.
- Increasing productivity to realize strategy
- Growing earnings through increased yields on securities
- Securing new earnings opportunities to achieve sustained growth

Shareholding policy

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

The next section will explain how policy investment shares work.

In our previous medium-term management plan, we not only achieved our cost-based reduction targets ahead of schedule but also recognized the need to assess our portfolio at fair value from a capital control perspective. Accordingly, we set a goal of reducing the ratio of the portfolio to net assets to 20% over the medium to long term and have been systematically implementing this reduction.

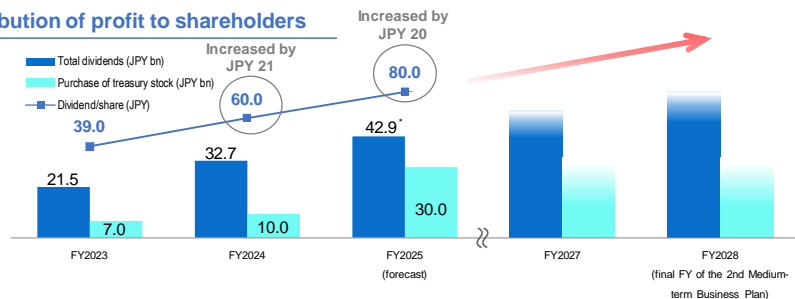
Due to the higher-than-expected stock prices, the ratio was in the mid-30% range as of December 31, 2025, which is still far from the target level, but we plan to reduce the ratio to around 25% in the final year of the plan by continuing to reduce the ratio during the period of this medium-term plan.

Depending on future stock prices, we anticipate recognizing capital gains of approximately JPY100 billion from the sale of shares. We plan to allocate a portion of these proceeds to investments aimed at improving returns on investment, such as investments in human capital and systems, as well as proactive bond portfolio rebalancing, and to pursuing new revenue opportunities, thereby increasing the likelihood of achieving our ROE target.

Policy on shareholder returns

The dividend payout ratio will **maintain 50% or better** even after reaching this target; dividends will continue to increase as profit growth. We plan to achieve further improvements in capital efficiency by appropriate capital levels through the continuous purchase of treasury stock.

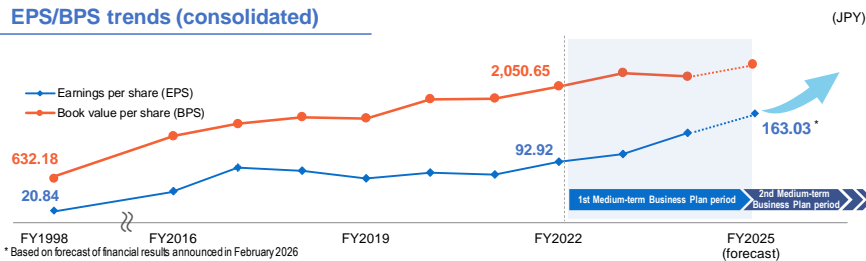
Distribution of profit to shareholders



	FY2023	FY2024	FY2025 (forecast)	FY2027	FY2028
Dividend payout ratio	37.4%	44.0%	49.0%	50%~	50%~
Total payout ratio	49.3%	57.3%	82.9%	-	-
Net income attributable to owners of the parent	JPY 57.8 bn	JPY 74.6 bn	JPY 88.0 bn	JPY 112.0 bn	JPY 122.0 bn

* Based on forecast of financial results announced in February 2026

EPS/BPS trends (consolidated)



* Based on forecast of financial results announced in February 2026

Policy on shareholder returns

While the policy is based on dividends, we will also purchase treasury stock dynamically to improve capital efficiency.

Dividends

- Steadily increasing dividends to a **dividend payout ratio of 50% or better** by FY2027; maintaining a **dividend payout ratio of 50% or better** in FY2028 and beyond
- Continuing to increase our dividend payments through sustained profit growth

Purchase of treasury stock

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

EPS growth

EPS growth rate during period covered by the previous Medium-term Business Plan **75.4%**

	FY2022 (actual)	FY2025 (forecast)	Contribution to EPS growth
Consolidated net income ¹	52.4	88.0	71.0%
Total number of issued shares (average balance) ²	564	540	4.4%
EPS	92.92	163.03	-

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

¹ Figures for FY2025 are from forecasts of financial results (JPY bn)

² Not including treasury stock (million shares)

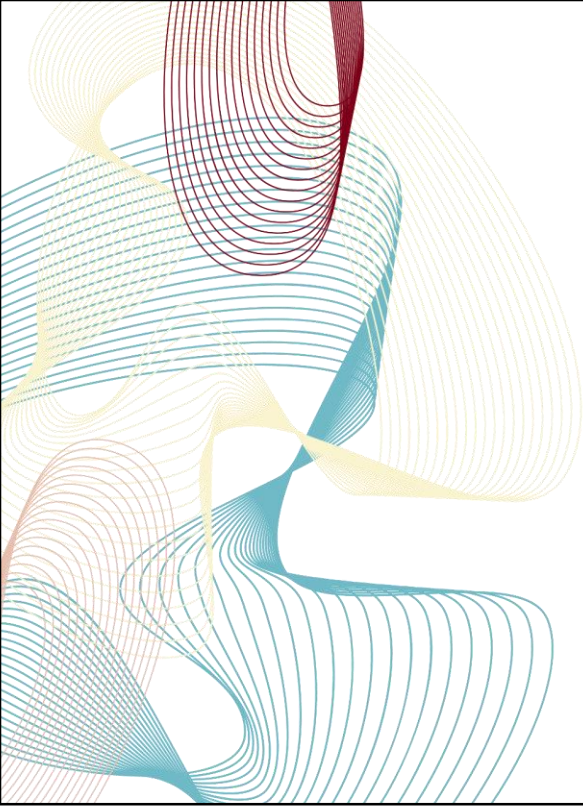
Finally, we'll discuss our shareholder return policy.

In our previous medium-term management plan, we set a goal of gradually increasing the dividend payout ratio to 50% or higher by FY2027, and as a demonstration of our commitment to profit growth, we have increased dividends as shown on the screen.

In the second mid-term business plan, we will continue to raise the dividend to the 50% target in a progressive manner, and even after achieving the target, we will maintain this level to continue to increase the dividend through profit growth.

And, based on the direction we have already clarified, we intend to flexibly implement share buybacks at the level necessary to achieve our ROE target, and we will not backtrack on our stance on returning profits to shareholders in the future.

The lower right-hand corner shows EPS growth for the previous mid-term period. In addition to profit growth, the share price and equity value per share have steadily increased through improved capital efficiency through share repurchases, and we will continue to aim for further EPS growth.



Reference Materials

This is the end of my explanation.
Please refer to the reference materials on page 32 and beyond, which we hope you will review later.

We would like to ask for your continued support. Thank you.

Profit Plans for Group Companies

Group company plans for final fiscal year of the Medium-term Business Plan

(Left: FY2025 forecast; center: FY2028 planned; right: three-year change)

Consolidated

(JPY bn)	FY2025 forecast	FY2028 planned	Three-year change
Ordinary profit	127.0	170.0	+43.0
Net income attributable to owners of the parent	88.0	122.0	+34.0
ROE	7.3%	Approx. 9.5%	—
OHR*	55.6% (47.6%)	Approx. 47%	—

*The figures in parentheses () are based on core gross operating profit.

Shizuoka Bank

Gross operating profit	167.0	222.0	+55.0
Net interest income	170.0	197.0	+27.0
Fees and commissions	27.5	31.0	+3.5
Trading income	1.0	1.0	—
Other operating profit	-31.5	-6.0	+25.5
Expenses (-)	92.0	99.0	+7.0
Ordinary profit	116.0	150.0	+34.0
Net income	80.0	102.0	+22.0
Credit-related costs (-)	6.0	6.0	—

(JPY bn)	Shizugin TM Securities			Shizugin Lease			Shizugin Management Consulting		
Gross operating profit	10.4	13.2	+2.8	3.8	4.8	+1.0	2.9	4.6	+1.7
Expenses (-)	6.8	7.7	+0.9	2.0	2.3	+0.3	2.3	3.2	+0.9
Ordinary profit	3.6	5.5	+1.9	1.8	2.5	+0.7	0.6	1.4	+0.8
Net income	2.5	3.8	+1.3	1.3	1.8	+0.5	0.4	1.0	+0.6

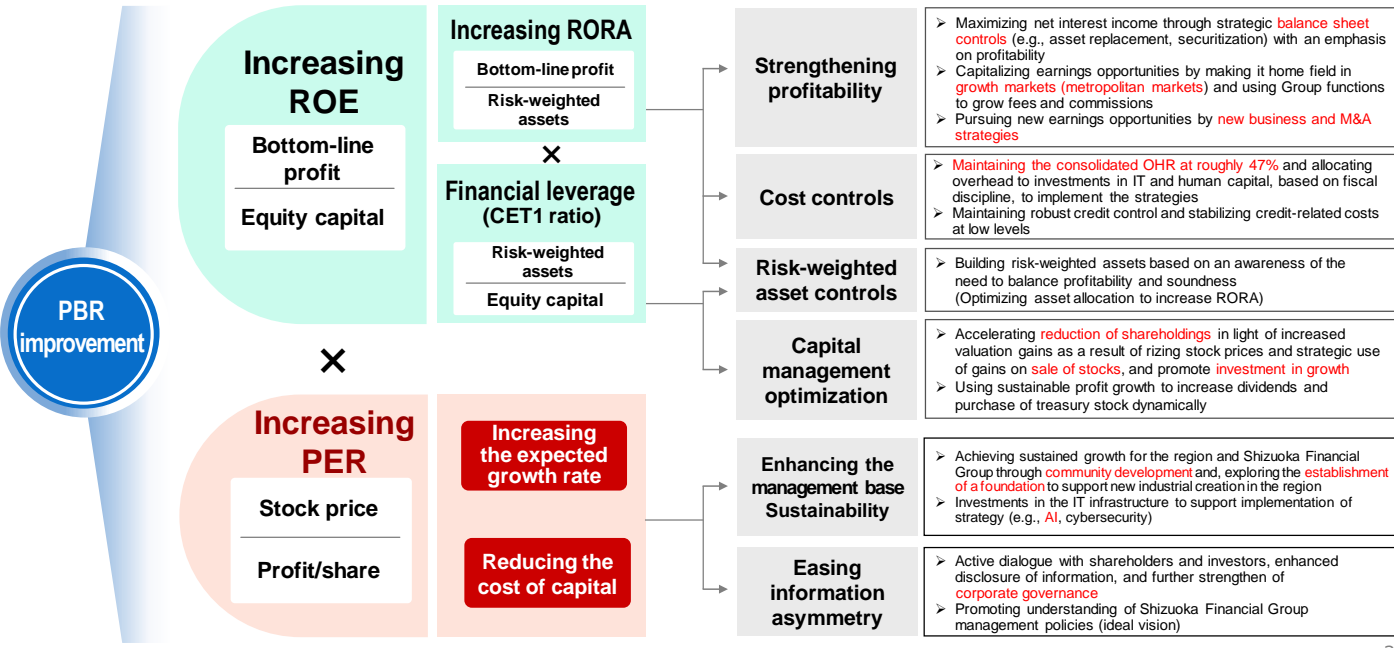
(JPY bn)	Shizuoka Capital			SFG Marketing			SFG Real Estate Investment Advisors		
Gross operating profit	0.7	1.4	+0.7	1.0	1.9	+0.9	1.2	2.3	+1.1
Expenses (-)	0.4	0.5	+0.1	1.0	1.8	+0.8	0.4	0.7	+0.3
Ordinary profit	0.3	1.0	+0.7	0.0	0.1	+0.1	0.9	1.6	+0.7
Net income	0.2	0.7	+0.5	0.0	0.1	+0.1	0.6	1.1	+0.5

(JPY bn)	Shizuoka Bank subsidiaries (10 companies)		
Gross operating profit	23.2	23.9	+0.7
Expenses (-)	17.8	18.0	+0.2
Ordinary profit	5.4	5.9	+0.5
Net income	3.8	4.2	+0.4

Consolidated subsidiaries total (16 companies, not including Shizuoka Bank)

(JPY bn)	FY2025 forecast	FY2028 planned	Change
Ordinary profit	12.6	18.0	+5.4
Net income	8.8	12.6	+3.8

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



Materiality topics

While building on the important materiality topics identified in the 1st Mid-Term Business Plan, we will update our corporate activities to address these issues and create social impact.

	Materiality	Corporate activities	Outputs, outcomes		Impacts
Society	Addressing population decline, low birthrates, and the aging population	Supporting the development of thriving communities Attracting investment to the region	Loan/investment amounts in community development Finance for new residents	Growth in related populations in Shizuoka Prefecture	Rate of social change in Shizuoka Prefecture's population (continual increase)
	Healthy growth of the local community	Referring human resources to businesses in Shizuoka Prefecture	Increasing numbers of HR referrals (including non-Japanese)		
Economy	Industrial development and financial innovation	Establishing a regional innovation ecosystem	Expanding the scale and improving the results of TECH BEAT Shizuoka	Increasing numbers of companies in Shizuoka Prefecture	Real GDP in Shizuoka Prefecture (Sustained growth)
	Forming a digital society	Support for regional DX	Number of DX-certified businesses		
Environment	Society that balances the environment and economy	Promote regional development that balances decarbonization and business needs	Hand in hand support for PIF partners J-Credit generation support	Penetration of carbon offsets	Reduction GHG emissions in Shizuoka Prefecture (-46% vs. FY2013 [FY2030])
Shareholders	Improving corporate value	Expanding earnings opportunities through various strategies Investments in Growth Strategies and Productivity Improvement	Top-line growth Improved operational efficiency	Increased profits	Financial targets (profitability, efficiency, soundness)
Employees	Implementing human capital management	HR transformation initiatives	Enhancing human capital investments More comfortable working environment, more rewarding work	Improving Group employee engagement	Employee wellbeing (engagement KPIs)

Impact Roadmap

	Inputs, activities (Management resources, corporate activities)	Outputs (Direct results)	Outcomes (Indirect results)	Impact (Social impact)
Society	<ul style="list-style-type: none"> Promoting community development attracting investment to the region Addressing recruitment needs; providing places to work Attracting relocation and tourism from overseas and the Greater Tokyo area Promoting cashless payments Promoting the employment of people with disabilities, organizing hands-on training, and related efforts 	<ul style="list-style-type: none"> Loan/investment amounts in community development Referring human resources to businesses in Shizuoka Prefecture Referrals of non-Japanese human resources Number of uses of cashless services Percentage of employees with disabilities within the Shizuoka Financial Group 	<ul style="list-style-type: none"> Increasing the number of facilities that attract people, strengthening the region's appeal Passing along essential businesses, technologies, etc. Increasing workers, increasing users of facilities in Shizuoka Prefecture More convenient transactions, more consultations Expanding employment opportunities for people with disabilities 	<ul style="list-style-type: none"> Improving the employment environment in Shizuoka Prefecture and creating places to work Increasing related populations Making the region a better place to live (wellness survey) Creating jobs for those returning to the region and fostering a sense of local pride <p>Rate of social change in Shizuoka Prefecture's population (continual increase)</p>
Economy	<ul style="list-style-type: none"> Promoting startups and growth businesses; building a regional innovation ecosystem Promoting and penetrating the adoption of DX and AI Supporting overseas advancement and sales channel growth Proposing long-term asset building; continuing to pursue activities that contribute to the community (e.g., financial education) Providing equity solutions Inheritance, business succession 	<ul style="list-style-type: none"> Matching startups with regional firms TECH BEAT participants Number of cases of DX support for customers Rate of use of generative AI within the Shizuoka Financial Group Amounts invested in global funds Number of regional educational projects involving Group participation Number of events held for future generations Total buyout investment/loan amount Revenue generated through wealth and inheritance management services 	<ul style="list-style-type: none"> Creating regional innovation Implementing a digital society Expanding transactions and building networks overseas Improving financial literacy within the region Reversing decreasing trends in number of firms Increasing income and assets 	<ul style="list-style-type: none"> Strengthening the sustainability of regional businesses (improving business results, increasing corporate income tax revenues) From savings to investment <p>Real GDP in Shizuoka Prefecture (Sustained growth)</p>
Environment	<ul style="list-style-type: none"> Providing environmental finance and solutions Supporting investments in facilities related to power generation and power cogeneration 	<ul style="list-style-type: none"> Number of cases of hand in hand support for PIF partners J-Credit generation support volume Number of ESG leases handled 	<ul style="list-style-type: none"> Transformation to industrial structures suited to a decarbonized society Expanding renewable energy adoption and energy-saving facilities, plants, buildings, homes, etc. 	<ul style="list-style-type: none"> Developing and expanding products and services that generate zero GHG emissions <p>Reduction GHG emissions in Shizuoka Prefecture</p>
Employees	<ul style="list-style-type: none"> Promoting diverse work styles Enhancing mid-career recruitment HR transformation initiatives 	<ul style="list-style-type: none"> HR retention Number of mid-career hires Improved career matching 	<ul style="list-style-type: none"> Improving the quality and breadth of proposals Building relations of trust with the region and customers 	<ul style="list-style-type: none"> More comfortable working environment, more rewarding work <p>Realizing well-being (true DE&I)</p>

Initiatives to support local decarbonization

Make full use of the Group's decarbonization support services we have expanded under the 1st Mid-Term Business Plan to effectively assist local companies in reducing their GHG emissions. Continuing to accelerate our collaborative efforts across the region to achieve our materiality of "Society that balances the environment and economy"

Region-wide decarbonization initiatives

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



Vision

2050 Net zero financed emissions for Shizuoka Financial Group

Social impact indicator

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

Enhancing Groupwide decarbonization support

- Introduction of Shizuoka GX Support (Shizuoka Bank)
- Introduction of carbon offset auto leases (Shizugin Lease)
- J-Credit creation support (Shizugin Management Consulting)
- Introduction of GX promotion guarantees (Shizuoka Bank)
- Introduction of Shizuoka GX-support loan (Shizuoka Bank)
- Introduction of Shizuoka GX Support Z (Shizuoka Bank)
- All regional banks and credit union in Shizuoka Prefecture began offering Shizuoka GX Support.

NEW

Sustainability indicator for the 2nd Medium-term Business Plan

GHG emissions by commercial borrowers

2025

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



2024

- City of Hamamatsu carbon-neutral business certification



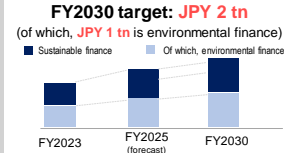
2023

- Shizugin Solar Park began operation.

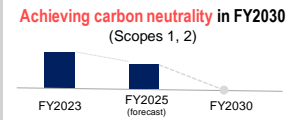
- Shizugin Aqua Energy Park Load Ieyasu Hydroelectric Plant began operation.

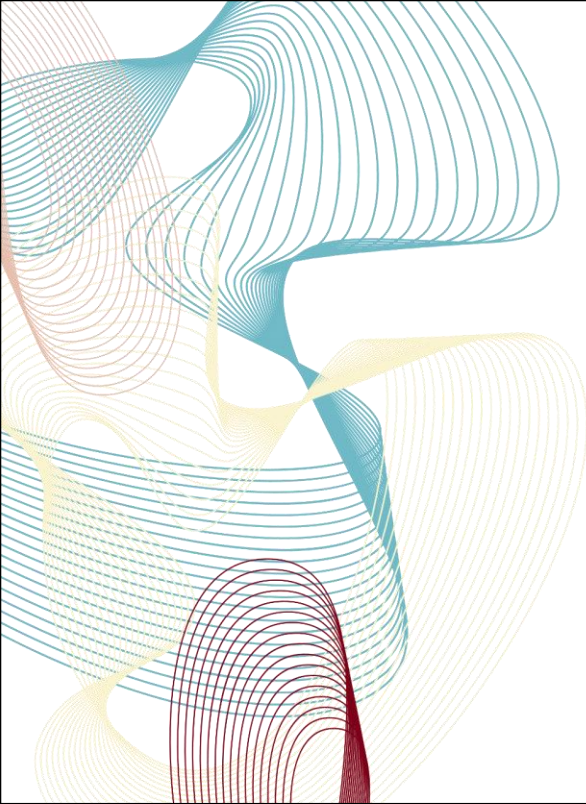
Promoting decarbonization within the Group

Sustainable finance



Group GHG emissions





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

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

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

Contact

Yukimasa Okumoto, IR and SR Office, Corporate Governance Planning Department,
Shizuoka Financial Group, Inc.

Tel: +81-54-261-3111 (main switchboard) +81-54-345-5418 (direct)

Fax: +81-54-344-0131

Email: ir@jp.shizugin.com

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

Shizuoka Financial Group
Website (IR News)

