

***Interim Results for FY2006 and
Ninth Medium-Term Management Plan :
"3C Plan: Challenge to Creation and Change" FY2005-FY2007***

THE SHIZUOKA BANK, LTD.

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SHIZUOKA BANK

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Interim Results for FY2006

SHIZUOKA BANK



Interim results for FY2006

¥ billions, %

Consolidated	1H of FY 2006	YoY change	
		Increase/ Decrease	Rate of change (%)
Ordinary revenue	111.4	+14.4	+14.9
Ordinary expenses	75.3	+0.7	+0.9
Ordinary profit	36.0	+13.8	+61.8
Net income	16.9	+3.9	+29.9

Consolidated ordinary revenue

+ ¥14.4 billion (Up for two consecutive terms)

Consolidated ordinary profit

+ ¥13.8 billion (Profitable for the first time in last two terms, the record profit)

Ordinary revenue

+ ¥12.8 billion (Up for two consecutive terms)

Gross operating profit

+ ¥4.0 billion (Up for three consecutive terms)

Top Line Growth

Net operating profit

+ ¥9.0 billion (Profitable for the first time in last two terms)

Core operating profit

+ ¥4.0 billion (Profitable for three consecutive terms)

The record profit in net operating profit and core net operating profit

Ordinary profit

+ ¥13.3 billion (Profitable for the first time in last two terms)

The record profit in Ordinary profit

Net income

+ ¥3.9 billion (Profitable for the first time in last two terms)

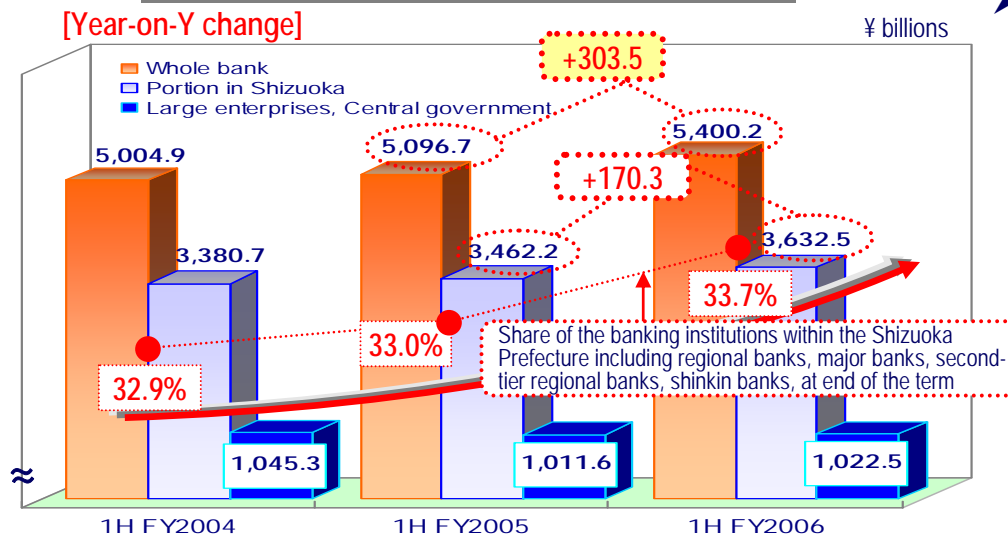
Shizuoka Bank, Non-Consolidated

Ordinary revenue	94.6	+12.8	+15.6
Gross operating profit	66.7	+4.0	+6.3
Net interest income	55.6	+2.8	+5.3
Fees	8.9	+0.2	+1.7
Commissions	1.0	-0.3	-23.7
Other operating profit	1.2	+1.3	+2,081.3
(Bond-related income such as JGBs)	-0.8	-0.5	-182.1
Expenses	37.4	+0.4	+1.3
General transfer to loan loss reserves	-1.0	-5.5	-121.1
Net operating profit	30.3	+9.0	+42.1
Core net operating profit	30.1	+4.0	+15.4
Special profit and loss	2.7	+4.3	+267.1
Bad debt written off	4.4	+1.3	+43.6
Gain on stocks	1.1	+0.7	+195.3
Gain on revision of retirement benefit	5.2	+5.2	+100.0
Ordinary profit	33.0	+13.3	+67.3
Extraordinary loss	-0.2	-0.0	-28.5
Net income before taxes	32.8	+13.2	+67.6
Corporate taxes	16.7	+9.3	+125.7
Net income	16.1	+3.9	+32.3

*Core NOP=NOP + General transfer to loan loss reserves – Bond-related income such as JGBs

Lending

Total Loan Balances (Average Balances)



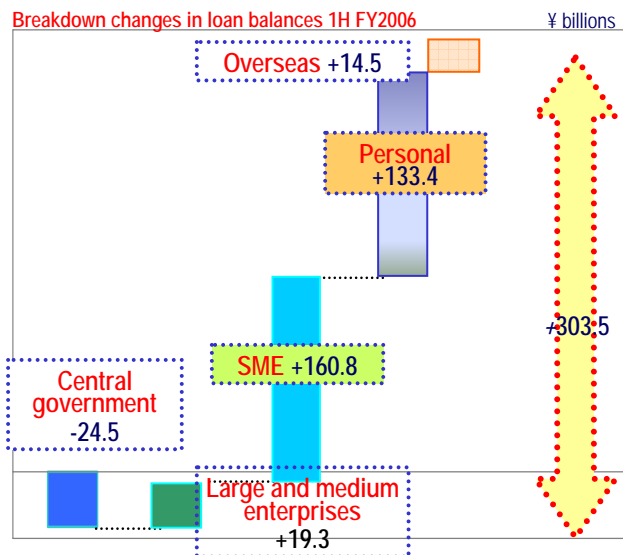
➤ Total loan balances (average balances) increased to ¥5,400.2 billion, up ¥303.5 billion (+6.0%) year-on-year.

- SME loan balances increased to ¥2,283.3 billion, up ¥160.8 billion (+7.6%) year-on-year.

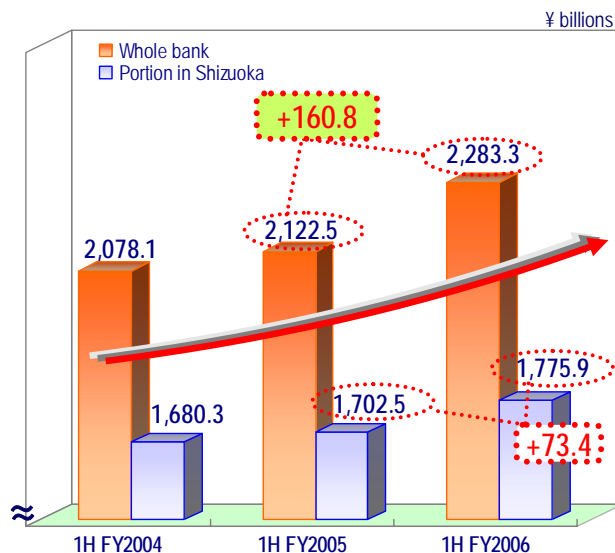
- Personal loan balances increased to ¥1,650.7 billion, up ¥133.4 billion (+8.8%) year-on-year. (Consumer loan balances increased ¥143.3 billion (+9.6%) year-on-year.)

- Institutional loan including central government balances decreased to ¥158.9 billion, down ¥24.5 billion (-13.4%) year-on-year.

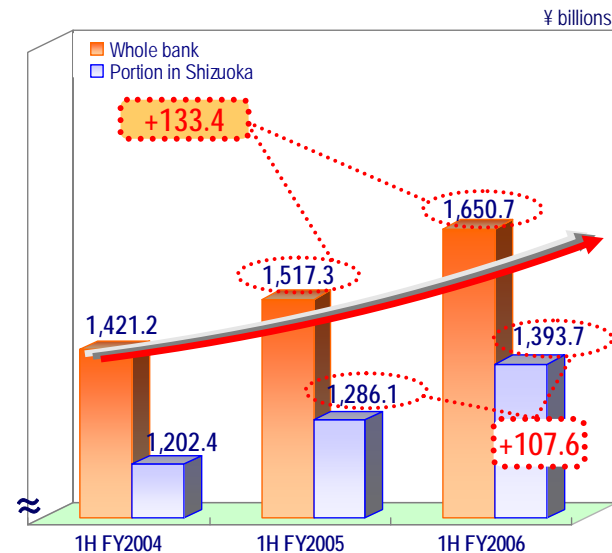
Changes in Loan Balances by Enterprises Size (Average Balances)



SME Loan Balances (Average Balances)



Personal Loan Balances (Average Balances)



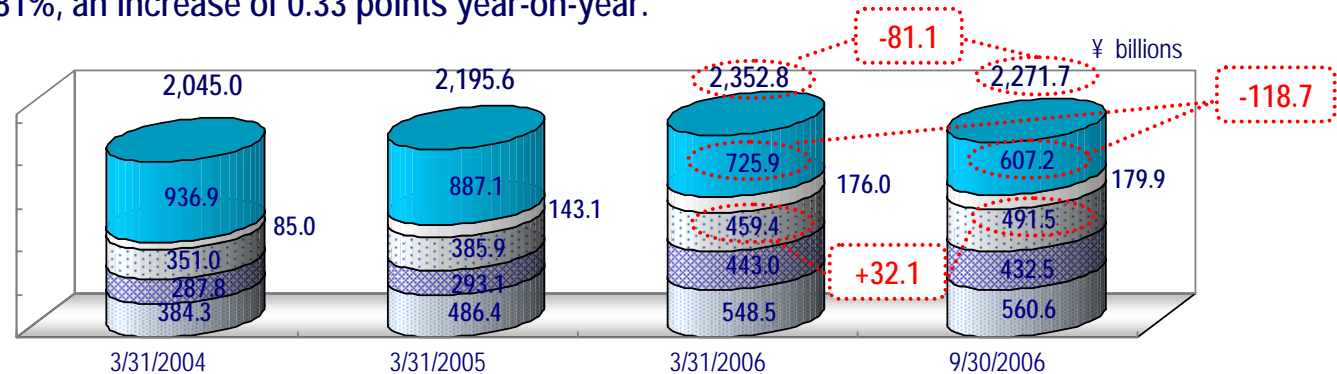


Securities

- Balance of securities at the end of September 2006 was ¥2,271.7 billion, down ¥81.1 billion from the end of March 2006.
- Security yield (average) was 1.81%, an increase of 0.33 points year-on-year.

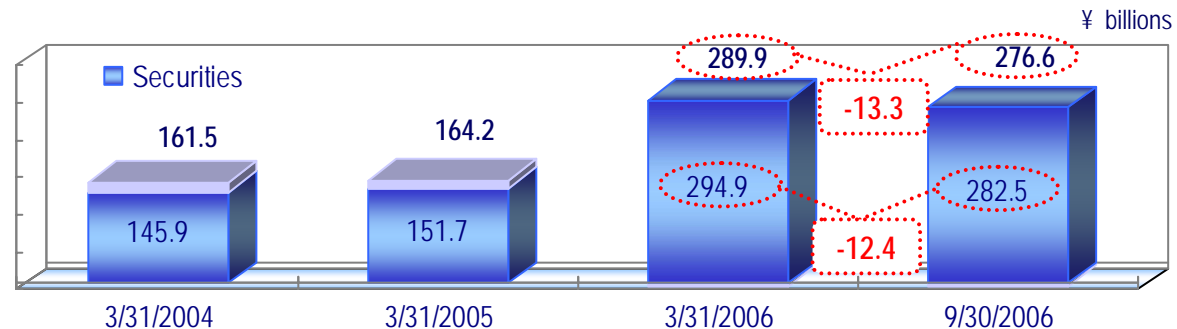
Security Portfolio

- Government bonds
 - Municipal bonds
 - ▨ Corporate bonds
 - ▩ Stocks
 - Other
- (Other includes foreign-currency bonds.)



- Gain on revaluation of securities such as stocks, bonds and investment trusts at the end of September 2006 was a profit of ¥276.6 billion, down ¥13.3 billion from March 2006, including a gain of ¥282.5 billion from revaluation of stocks, down ¥12.4 billion from March 2006.

Gain and Loss from Revaluation of Securities



Nikkei Stock Average (¥)	3/31/2004	3/31/2005	3/31/2006	9/30/2006
	11,715.39	11,668.95	17,059.66	16,127.58

- Average life of securities has been kept in a shorter period: 2.47 years for yen bonds and 1.70 years for foreign-currency bonds.

Change in Average Life of Securities

	Years			
	3/31/2004	3/31/2005	3/31/2006	9/30/2006
Yen Bonds	2.14	2.39	2.51	2.47
Foreign-Currency Bonds	1.43	2.07	1.83	1.70

Deposits and assets under management

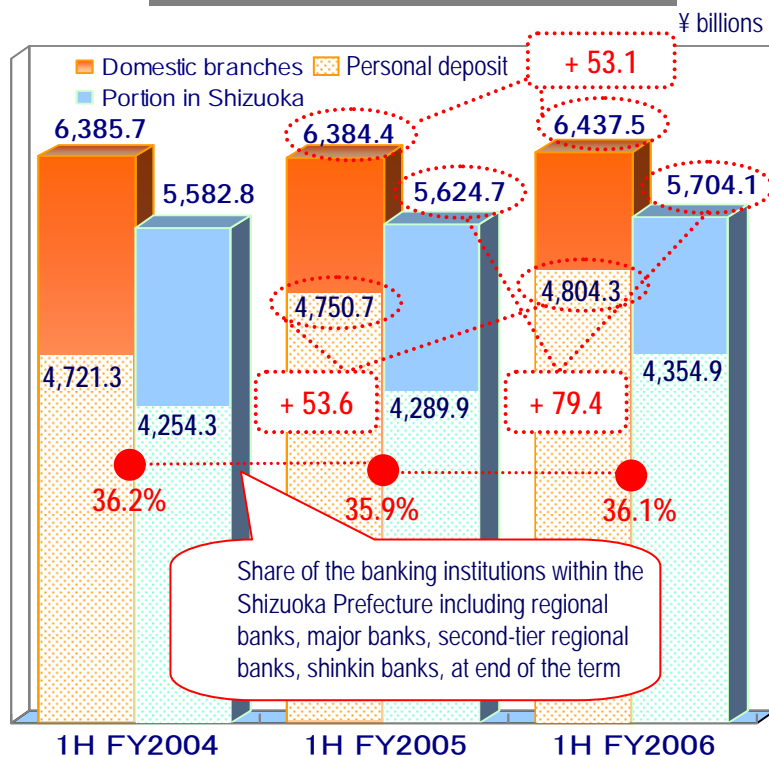
➤ Domestic counter deposit balances (average balances) of 1H FY2006 increased to ¥6,437.5 billion, up ¥53.1 billion year-on-year. Personal deposit balances increased to ¥4,804.3 billion, up ¥53.6 billion year-on-year, and deposit balances within Shizuoka Pref. increased to ¥5,704.1 billion, up ¥79.4 billion year-on-year.

From the perspective of profitability, we reduced offshore deposits (down ¥39.4 billion year-on-year). Thus total deposit balance increased slightly to ¥6,643.0 billion, up ¥14.0 billion year-on-year.

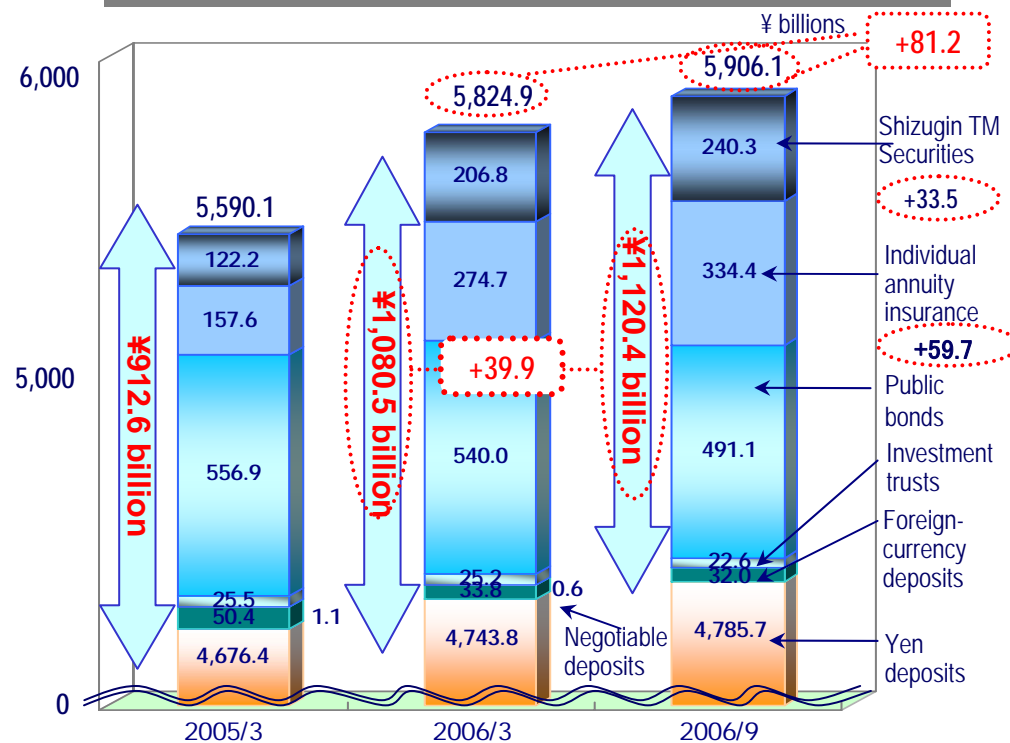
➤ Personal assets under management at the end of Sep. 2006 (including the balance of Shizugin TM Securities) increased to ¥5,906.1 billion, up ¥81.2 billion from March 2006.

With yen deposits and negotiable deposit factored out, personal assets under management (including Shizugin TM Securities) resulted ¥1,120.4 billion, up ¥39.9 billion. Investment trusts increased to ¥68.0 billion, up ¥25.8 billion year on year, individual annuity insurance increased to ¥59.8 billion, up ¥59.7 billion year-on-year, public bonds reduced to ¥44.2 billion, down ¥48.9 billion year-on-year as of Sep. 2006.

Deposit Balances (Average Balances)



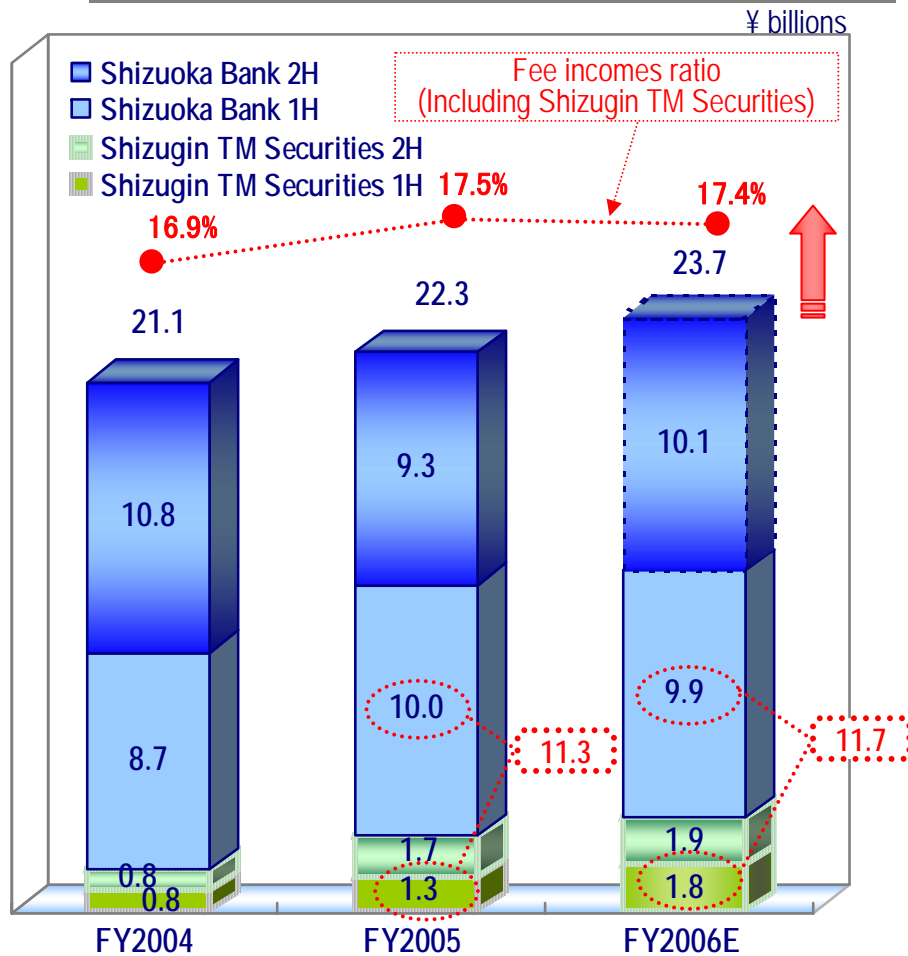
Personal Assets Under Management (Term-End Balances)



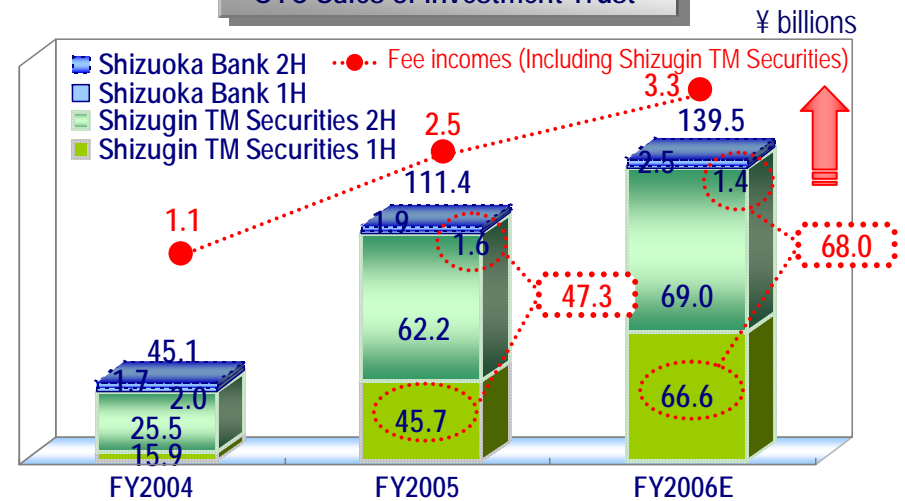
Fee incomes

- While operating expenses increased, fee incomes did well in OTC sales of investment trust and insurance products.
- “Investment Trust Introduction Scheme” with Shizugin TM Securities contributed to earnings.
- OTC sales of insurance products remained high mainly among profitable variable annuity. (Top sales among regional banks in the first half of FY2006.)

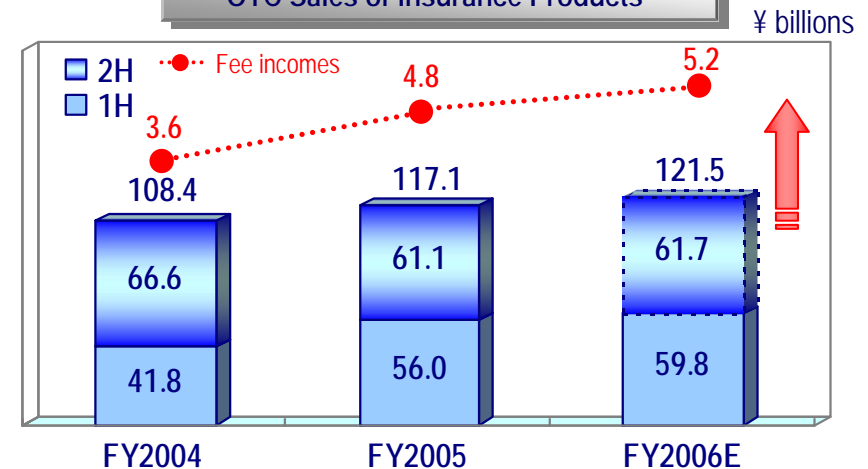
Fee Incomes (Shizuoka Bank / Shizugin TM Securities)



OTC Sales of Investment Trust



OTC Sales of Insurance Products





Credit costs

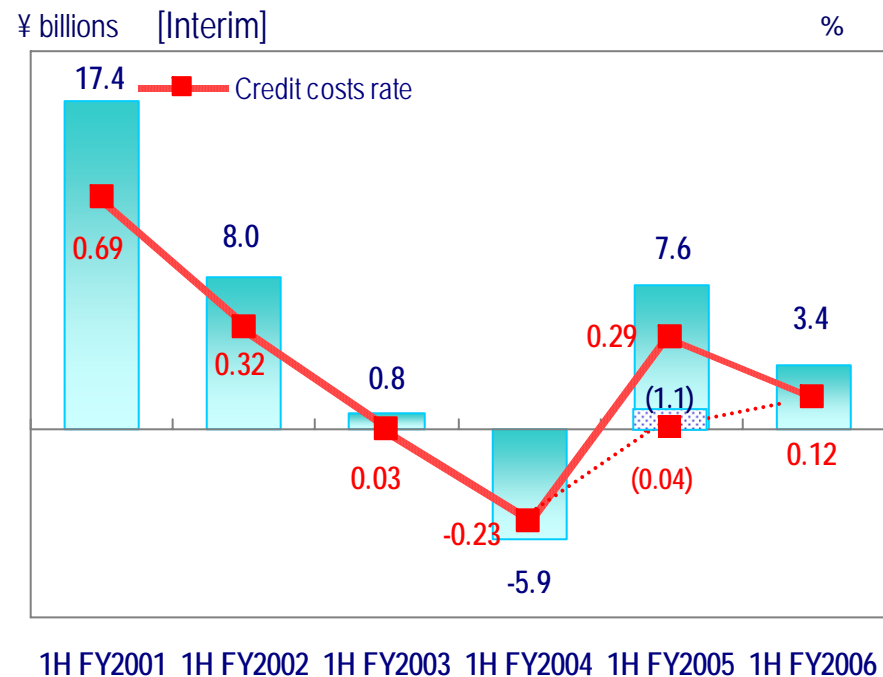
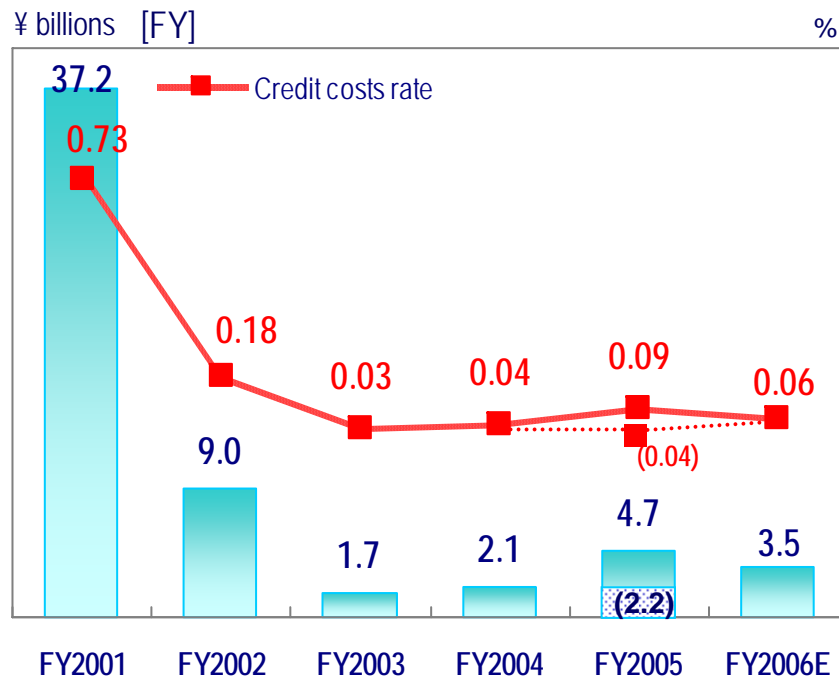
Credit costs: 1H FY2006 ¥3.4 billion (- ¥4.2 billion YoY)

- ✓ General transfer to loan loss reserves: - ¥1.0 billion (- ¥5.5 billion YoY)
- ✓ NPL disposal: ¥4.4 billion (+ ¥1.3 billion YoY)
- (of which reversal for specific reserves ¥4.4 billion)

● Land price decline:	¥0.5 billion
● Change in debtor classification:	¥7.4 billion
● Transfer from specific reserves due to improvement in rating and loan recovery:	-¥3.5 billion
Total:	¥4.4 billion

Credit Cost Trends

Credit cost rate remained at a cruising speed.



*Credit costs = NPL disposals + General transfer to loan loss reserves + Specific reserves for overseas loans - Reversal of specific reserves,
 Rate of credit costs = Credit costs / Average loan balance.
 FY2005 and 1H FY2005 figures in parenthesis exclude special factors from revision of computation period for write-off ratio.

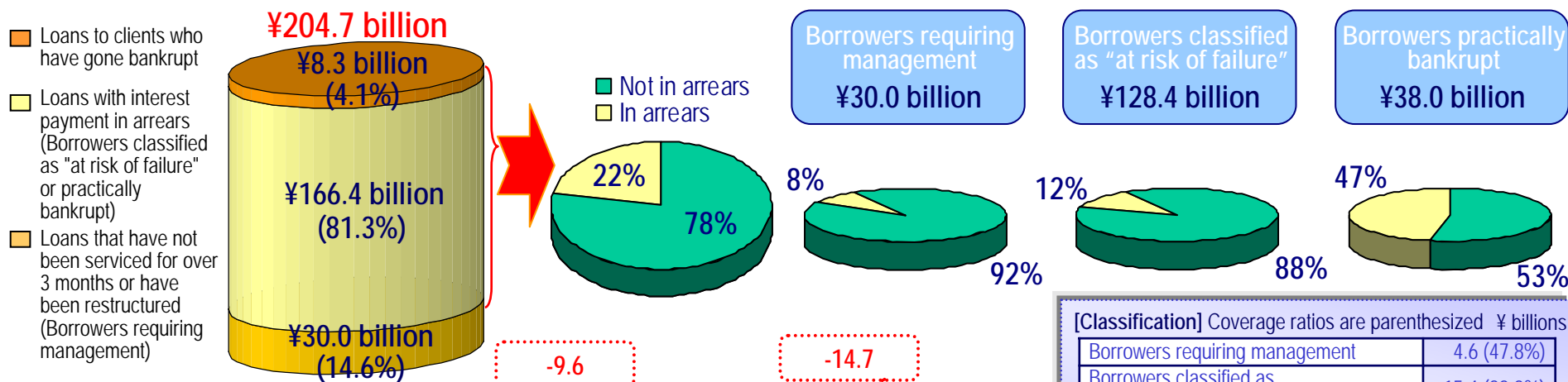
Non-performing loans

Loans to borrowers classified as "at risk of failure" or in riskier categories: - ¥16.3 billion
 Restructured loans & loans overdue 3 months or longer: + ¥1.6 billion

Risk-Management Loans Balance (Non-Consolidated Basis)

- Total risk-management loans outstanding at the end of September 2006 amounted to ¥204.7 billion (- ¥14.7 billion from the end of March 2006).
- The ratio of risk-management loans stood at 3.71% (-0.39 points from the end of March 2006).
 - Total risk-management loans adjusted for ¥16.8 billion in written-off loans and ¥86.7 billion in loans guaranteed by credit guarantee corporations came to ¥101.3 billion; The risk-management ratio to total loans adjusted for that portion written-off came to 1.84% (-0.35 points from the end of March 2006).
- The coverage ratio stood at 85.9% (+2.8 points from the end of March 2006).

Risk-Management Loans at the End of Sept. 2006



NPL Removal from the Balance Sheet

	FY2004	1H FY2005	FY2005	1H FY2006
New recognition (Net of NPL recognized due to threshold changes)	+55.9 (+55.9)	+33.4 (+33.4)	+55.6 (+55.6)	+23.8 (+23.8)
Removal from the balance sheet (NPL to borrowers classified as "at risk of failure" or in riskier categories)	-86.4 (-57.1)	-45.8 (-37.8)	-86.1 (-69.0)	-38.5 (-33.3)
Risk-management loans	249.9	237.5	219.4	204.7

Breakdown of ¥33.3 billion

- ✓ Collected from borrower/set off against deposit account: ¥7.9 billion
- ✓ Collateral disposal/subrogated to guarantor: ¥9.6 billion
- ✓ Reclassified to better category: ¥6.3 billion
- ✓ Loans sold-off: ¥6.2 billion
- ✓ Written-off: ¥3.3 billion

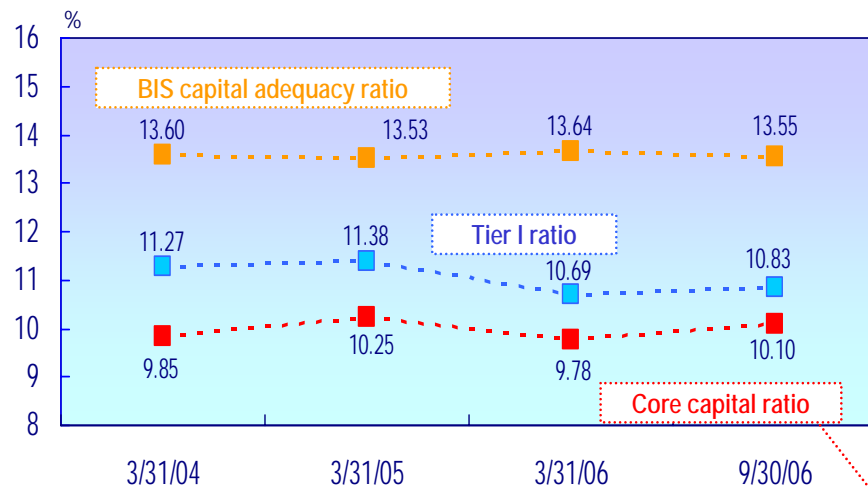


Capital adequacy ratio

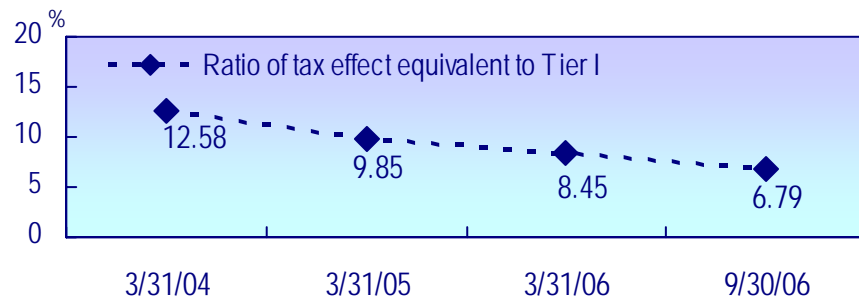
- The BIS capital adequacy ratio (consolidated) at the end of September 2006 stood at 13.55% and remained the highest among domestic banks.
- The proportion in Tier I of the tax effect amount was 6.79%, down 1.66 points since the end of the previous fiscal year, indicating improved quality of the capital base.
- Risk assets amounted to ¥5,287.0 billion, up ¥67.1 billion since the end of March 2006, reflecting a buildup mostly in loan lendings.

BIS Capital Adequacy Ratio (Consolidated Basis)

Risk Assets



	¥ billions				
	3/31/04	3/31/05	3/31/06 (A)	9/30/06 (B)	(B)-(A)
Risk Assets	4,433.4	4,659.4	5,219.9	5,287.0	+67.1
On-balance	4,321.0	4,521.6	5,031.0	5,105.8	+74.8
Off-balance	97.7	118.8	163.0	155.3	-7.7
Market risk equivalent	14.7	19.0	25.9	25.9	+0.0



What is Core capital ratio?

Tier I capital minus the tax effect amount is called Core capital, and a capital ratio calculation where core capital is the numerator is called the Core capital ratio.



Dividend policy

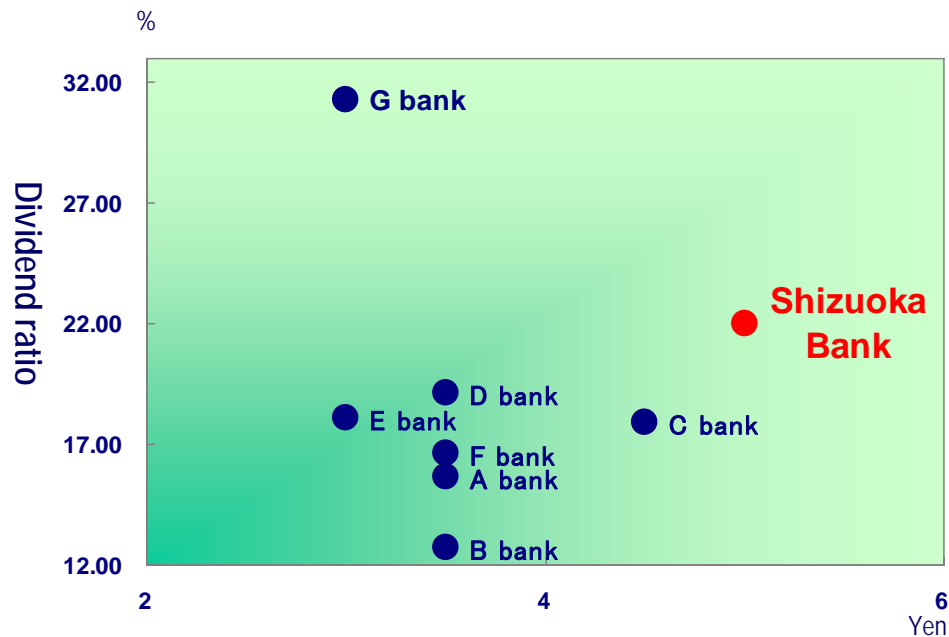
- FY 2006 interim dividend ¥5.00/share achieve the highest level of main regional bank.
- Maintaining a high level dividend in FY2006 basis the dividend policy.

Dividend by Year

	FY2003	FY2004	FY2005	FY2006E
Dividend per share (Yen)	7.00	8.50	10.00	10.00 (5.00)

(Interim dividend)

Comparison among Eight Major Regional Banks (1H FY2006)



[State of Rating]

Taking the high level ratings for S&P, Moody's, Fitch, R&I.

	Long-term rating	Short-term rating	Financial Rating
S&P	* A+	A-1	B+
Moody's	A1	P-1	C+
Fitch	-	F1	B
R&I	AA	-	-

*Ratings outlook upwardly revised "positive". (As of June, 2006)

Dividend per share



Group business

Shizuoka Computer Service

(IT systems)

Ordinary Revenue ¥2.8 billion
Ordinary Profit ¥0.1 billion

Shizugin Management Consulting

(Management consulting)

Ordinary Revenue ¥0.2 billion
Ordinary Profit ¥0.1 billion

Shizugin Lease

(Lease)

Ordinary Revenue ¥11.8 billion
Ordinary Profit ¥0.8 billion

Shizugin Saison Card

(Credit card)

- Established Oct. 2006
- Investment ratio Shizuoka Bank 50%
Credit Saison 50%

*Equity method affiliate for both Companies

Shizugin DC Card

(Credit card)

Ordinary Revenue ¥1.1 billion
Ordinary Profit ¥0.2 billion

- Group companies (numbering 11) achieved growth in both revenues and earnings, with ordinary revenue up ¥2.2 billion year-on-year to ¥23.8 billion and ordinary profit up ¥0.3 billion to ¥2.5 billion.
- Shizuoka Capital set up Shizuoka SME Support Fund No. 2 Scrum, the regional banking sector's first establishment of a successor fund to an SMRJ-sponsored rehabilitation fund.
- Shizugin Saison Card was established jointly with Credit Saison to specialize in the credit card business.

Shizugin Credit Guaranty

(Credit guarantee)

Ordinary Revenue ¥0.6 billion
Ordinary Profit ¥0.4 billion

Shizugin TM Securities

(Securities)

Ordinary Revenue ¥1.8 billion
Ordinary Profit ¥0.7 billion

Shizuoka Capital

(IPO support, corporate revival support for SMEs)

Ordinary Revenue ¥0.3 billion
Ordinary Profit ¥0.03 billion

Shizugin General Service

(Labor dispatch, document printing service)

Ordinary Revenue ¥1.7 billion
Ordinary Profit ¥0.04 billion

Shizugin Business Create

(Back-office services for operating branch)

Ordinary Revenue ¥1.7 billion
Ordinary Profit -¥0.07 billion

Shizuoka Mortgage Service

(Real-estate collateral assessment, custody of claim document)

Ordinary Revenue ¥0.4 billion
Ordinary Profit ¥0.04 billion

Shizuoka Bank (Europe)

(Banking and securities)

Ordinary Revenue ¥1.3 billion
Ordinary Profit ¥0.1 billion



Targets & projected performance

Targeting in Projected Performance

¥billions

Consolidated	FY2005	FY2006E	YoY change
Ordinary revenue	203.7	*220.0	+16.3
Ordinary profit	58.2	*70.0	+11.8
Net Income	33.1	*37.0	+3.9

	Consolidated	FY2005	FY2006E
Efficiency	ROE (Tier I)	5.92%	More than 6.17%
	ROA (Net income)	0.38%	More than 0.44%
	OHR	58.3%	Less than 56.0%

Shizuoka Bank, Non-Consolidated	FY2005	FY2006E	YoY change
Ordinary revenue	172.5	*188.0	+15.5
Gross operating profit	124.3	*133.0	+8.7
Expenses	73.2	74.0	+0.8
General transfer to loan loss reserves	2.6	-2.0	-4.6
Net operating profit	48.6	*61.0	+12.4
Core net operating profit	55.9	*60.0	+4.1
Bad debt written off	2.1	5.5	+3.4
Gain on stocks	3.6	3.0	-0.6
Ordinary profit	52.7	*64.0	+11.3
Income taxes-deferred	4.8	10.0	+5.2
Net income	31.4	*35.5	+4.1

[Breakdown of Gross Operating Profit] ¥billions

- Interest income: 110.5 (+1.9)
- Fees & Commission: 20.0 (+0.7)
- Other Operating Income: 2.5 (+6.1)

(Bond-related income such as JGBs: -1.0 (+3.7))

*figures in parenthesis are YoY changes

The record profit

Credit costs	4.7	3.5	-1.2
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*Upward revision since June 2006's disclosure



Ninth Medium-Term Management Plan :
“3C Plan: Challenge to Creation and Change”
FY2005-FY2007

SHIZUOKA BANK



Impact on the income of the interest rate increase

- Increases in market rate-linked loan and bond yields were reflected in widening yields on assets and liabilities.
- The present assets and liabilities structure promises continued improvements in the fund income even in a rising interest rate environment.

Change in the Breakdown of the Yen-based Assets and Liabilities
-Composition with as of Sep. 2006 and as of Mar. 2006

¥billions, %							
	Monthly ave. balances	Yield actual	Yield *1		Monthly ave. balances	Yield actual	Yield
Assets	-160.0	1.51	+0.16	Liabilities	-160.0	0.11	+0.08
Loans	+130.0	1.83	+0.13	Deposits	-40.0	0.09	+0.08
Bonds	-110.0	0.73	+0.07	Others *2	-120.0	0.30	+0.30
Others *2	-180.0	0.40	+0.25				

*1: Investment yield except investment trust and stock investment.
*2: Short-run market use.

+0.08 (Difference of yield 1.40%)

Simulation in the Fund Income

¥ billions					
	1 year	2 year	3 year	4 year	5 year
Increase in fund income	+1.9	+4.8	+14.4	+18.2	+25.9
Increase on loans linked to short-term and long-term prime rates	+0.6	+2.6	+11.5	+11.4	+19.9

* Implied forward rate (as of Sep. 2006)

Change in Interest Rate

%				
	2006/9	2007/9	2008/9	2009/9
LIBOR3M	0.43	0.82	1.14	1.47
SWAP5Y	1.26	1.56	1.85	2.07
SWAP10Y	1.83	2.03	2.21	2.36
Short-term prime rate	2.125	2.375	2.625	2.625
Ordinary deposit rate	0.10	0.10	0.15	0.20
One-year time deposit rate	0.25	0.47	0.76	1.01

Change in the Breakdown of the Yen-based Assets and Liabilities
-Composition with as of Oct. 2006 and as of Sep. 2006

¥billions, %							
	Monthly ave. balances	Yield actual	Yield *1		Monthly ave. balances	Yield actual	Yield
Assets	-49.0	1.54	+0.03	Liabilities	-49.0	0.12	+0.01
Loans	-4.0	1.86	+0.03	Deposits	-52.0	0.10	+0.01
Bonds	+1.0	0.75	+0.02	Others *2	+3.0	0.59	+0.01
Others *2	-46.0	0.13	-0.00				

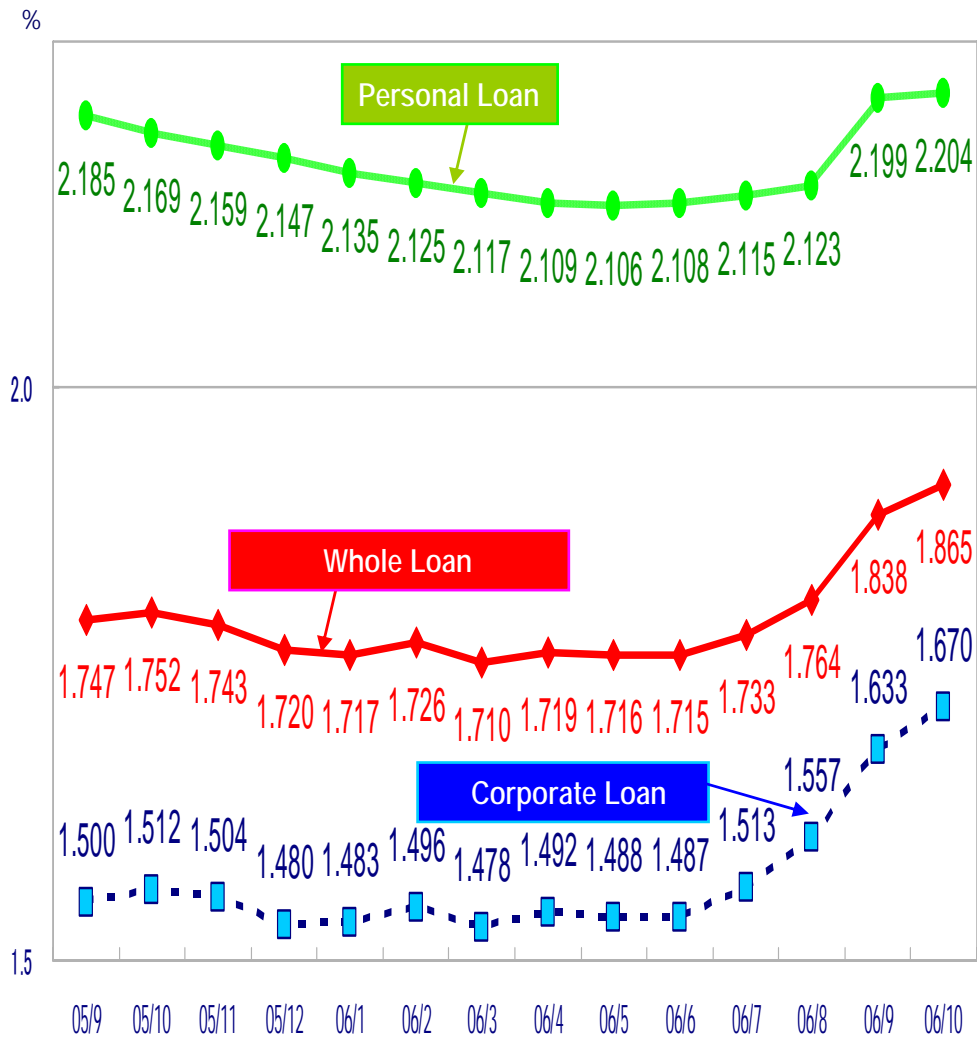
+0.02 (Difference of yield 1.42%)



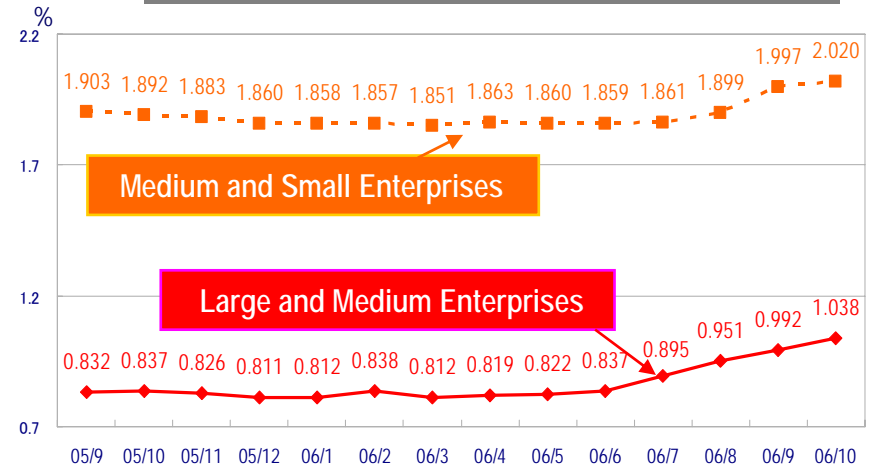
Change in loan interest rate

- Interest rates in corporate loans increased steadily in both large & medium enterprises and SMEs balances from July 2006.
- Consumer loan interest rate took an upturn among flagship mortgage loans.

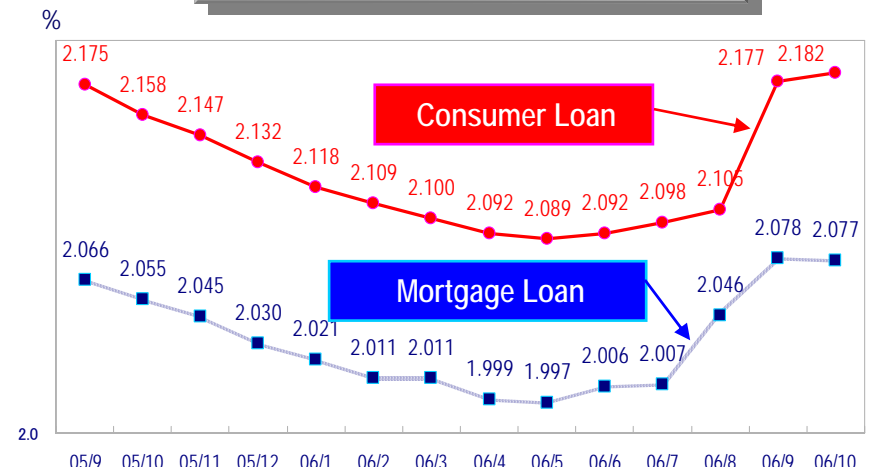
Changes in Loan Balances (Average Balances)



Change in Corporate Loan Balances



Change in Personal Loan Business

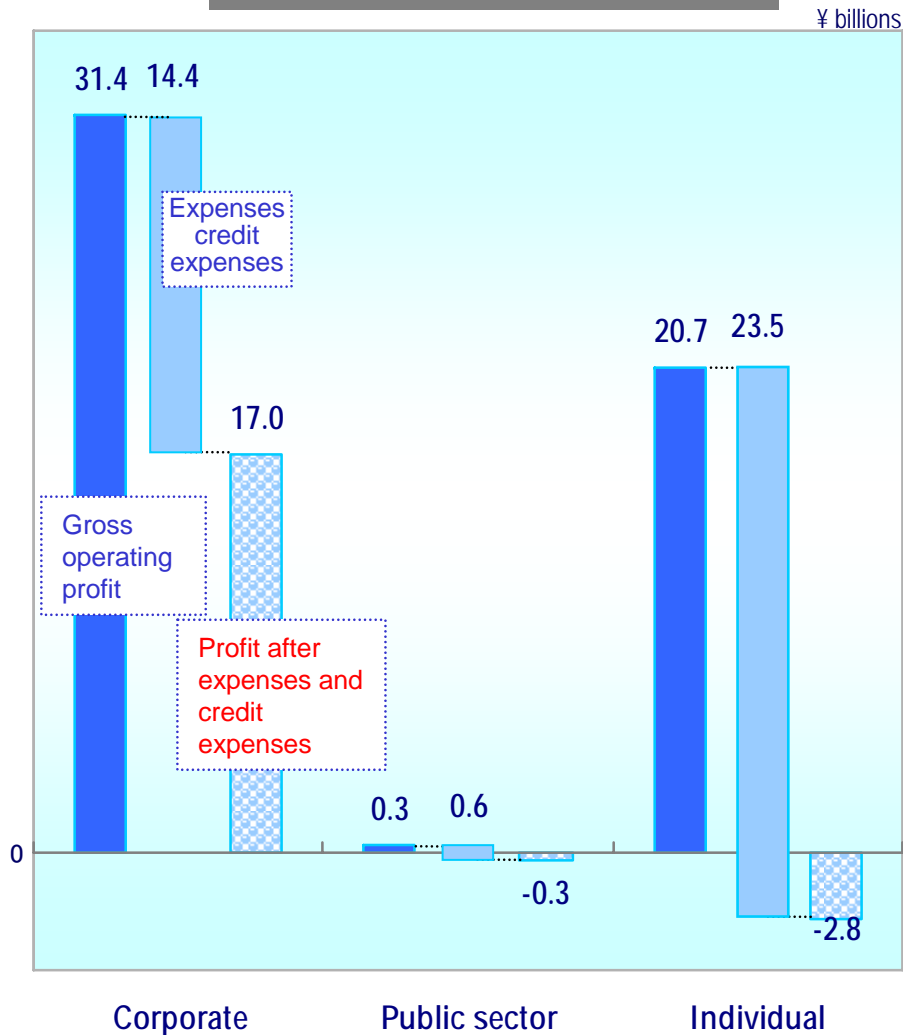




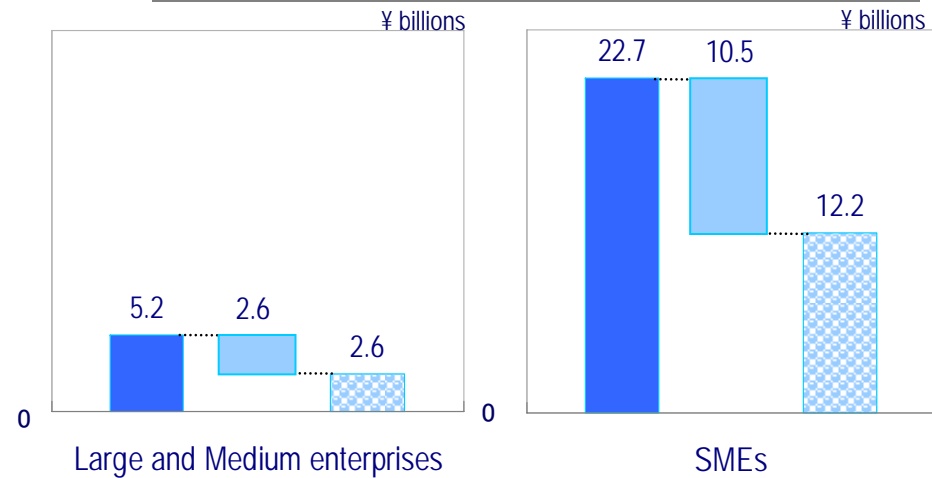
Profit structure of branch marketing units

- Profit-making source of SMEs loan business, Corporate division (except net deposits) end in black.
- Influential depositors cost, Individual division underperforming operation.
- Public sector taking on constitutional improvement in the unprofitable operation.

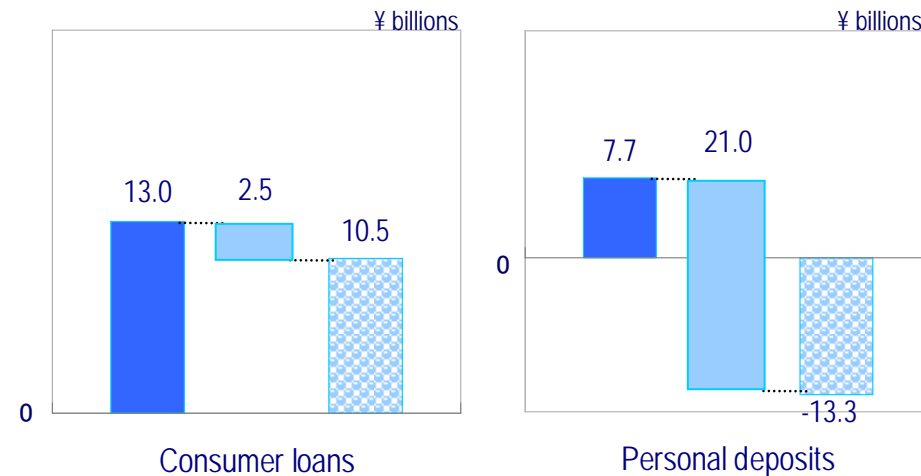
1H FY2006 Overview



Corporate Division (Except Net Deposits)



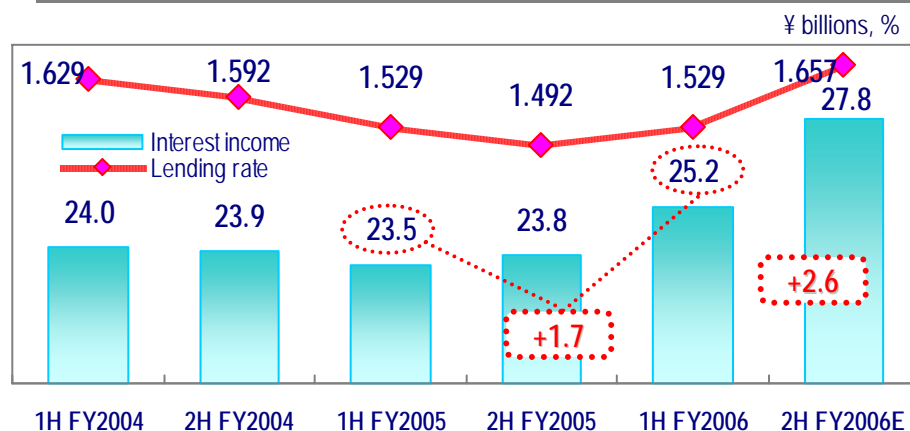
Individual Division



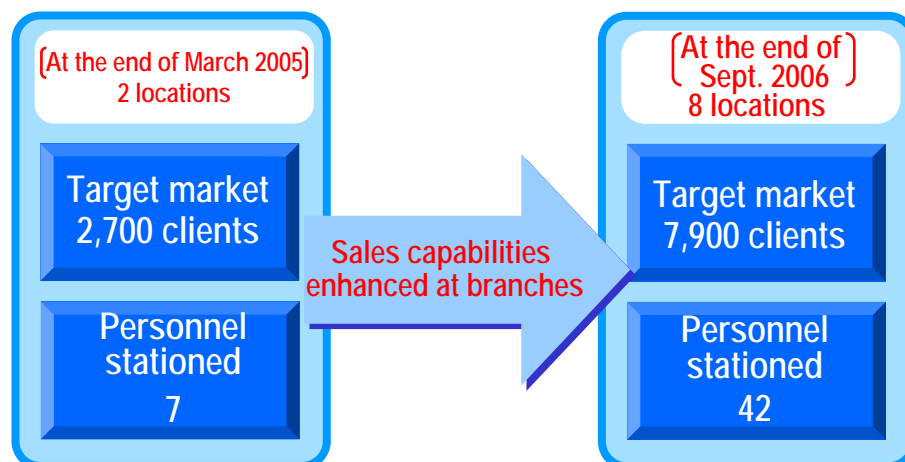
Corporate banking initiatives

- The corporate division enjoyed stronger interest income, reflecting an increased loan portfolio, as well as an upturn in the declining lending rate.
- Business stations are now up & running at 8 locations; specialized products to be introduced in Dec. 2006.
- Proposals for business-matching, M&A, and other solutions to client problems to be stepped up on an ongoing basis.

Corporate Division Yen Loan Interest Income and Lending Rate



Construction of Business Stations



Projections for 2H FY2006

Average loan balance: + ¥83.1 billion
 Interest income: + ¥2.6 billion
 Fee income earned: ¥1.4 billion

[Key initiatives in FY2006]	1H Actual	2H Projected
New client transactions earned	¥46.1 billion	¥47.0 billion
Loan transactions earned from business-matching	¥36.0 billion	¥45.0 billion
(No. of business-matching deals)	357	500 in FY06
Fee income earned	¥1.4 billion	¥1.4 billion
From derivative transactions with clients	¥1.0 billion	¥1.0 billion
From syndication and other fee schemes	¥0.2 billion	¥0.3 billion

[Key initiatives in the second half of FY2006]

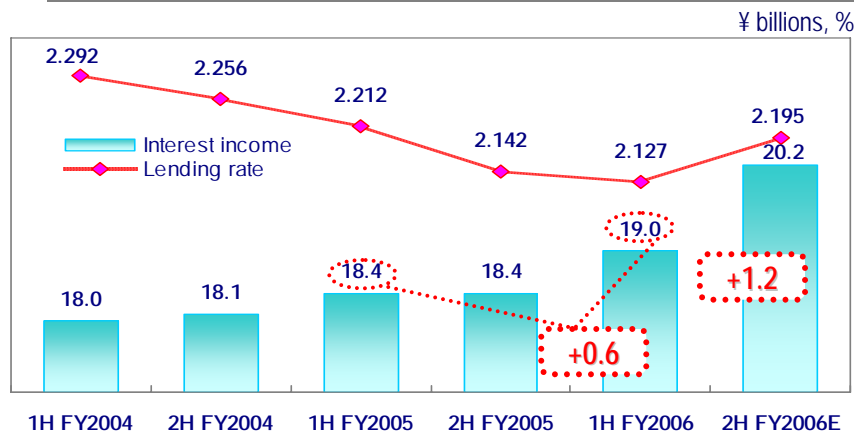
Establishing the Shizuginship School for the Next-Generation Management.



Individual banking initiatives

- The individual division enjoyed improved earnings reflecting an increased portfolio of consumer loans originated mostly for housing.
- Introduced “Next One” exclusively for mortgage loan borrowers and “Upgrade”, an upscale credit card, both designed to take over the post-mortgages loan market.
- Cultivating a new customer base in the card market by teaming up with Credit Saison.

Individual Division Yen Loan Interest Income and Lending Rate

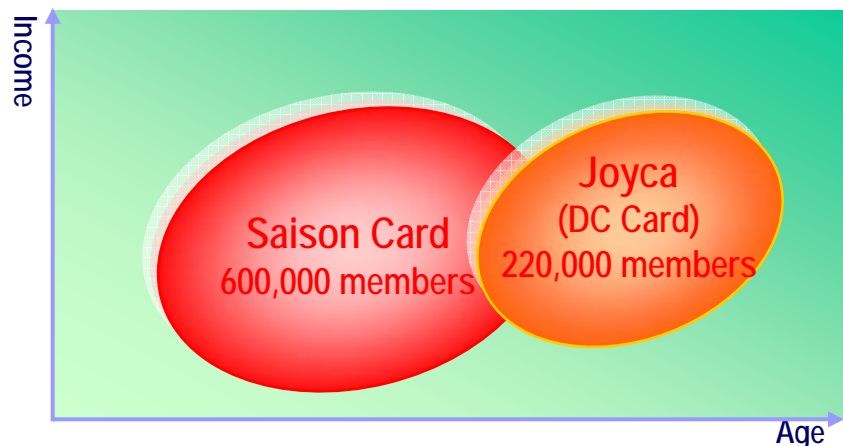


Projections for 2H FY2006

Average loan balance: + ¥54.3 billion
Interest income: + ¥1.2 billion

[Key initiatives in FY2006]	1H Actual	2H Projected
Consumer loan buildup (Increase in the term-end balance)	+ ¥70.4 billion (+27.3 compared with projection)	+ 55.4 billion
Unsecured loans originated (Increase in the term-end balance)	+ ¥2.2 billion (+0.3 compared with projection)	+ 2.5 billion
Sales of new investment trust products (Nidan-gamae, Kosumosu-kibun)	35.4 billion	35.0 billion

Current Credit Card Market in Shizuoka



[Key new products in FY2006]

Next One	- Introduced in July 2006: 1,691 applicants in first half, credit line ¥6.9 billion. - Unsecured loan exclusively for Shizuoka Bank mortgage borrowers (offering home equity loan functionality).
Upgrade	- Introduced in August 2006: 123 applicants in first half, credit line ¥0.4 billion. - Upscale unsecured card loan catering to good-quality customers.
Housing New Age (15-year, fixed-rate)	- Introduced in September 2006. - 15-year, fixed-rate mortgage loan.
Housing Loan Package	- Introduced in November 2006. - Housing New Age (10-year or 15-year) combined with loan having differing interest type, offered at preferential rate.



Channel strategy

- Opening new branches in quality markets and in between established branch catchments, as well as relocating to new buildings, or otherwise upgrading the functionality of, branches showing marked growth and high earning potential.

Restructuring Branch Channels

[Medium-term management plan target]

* Virtual branches excluded.

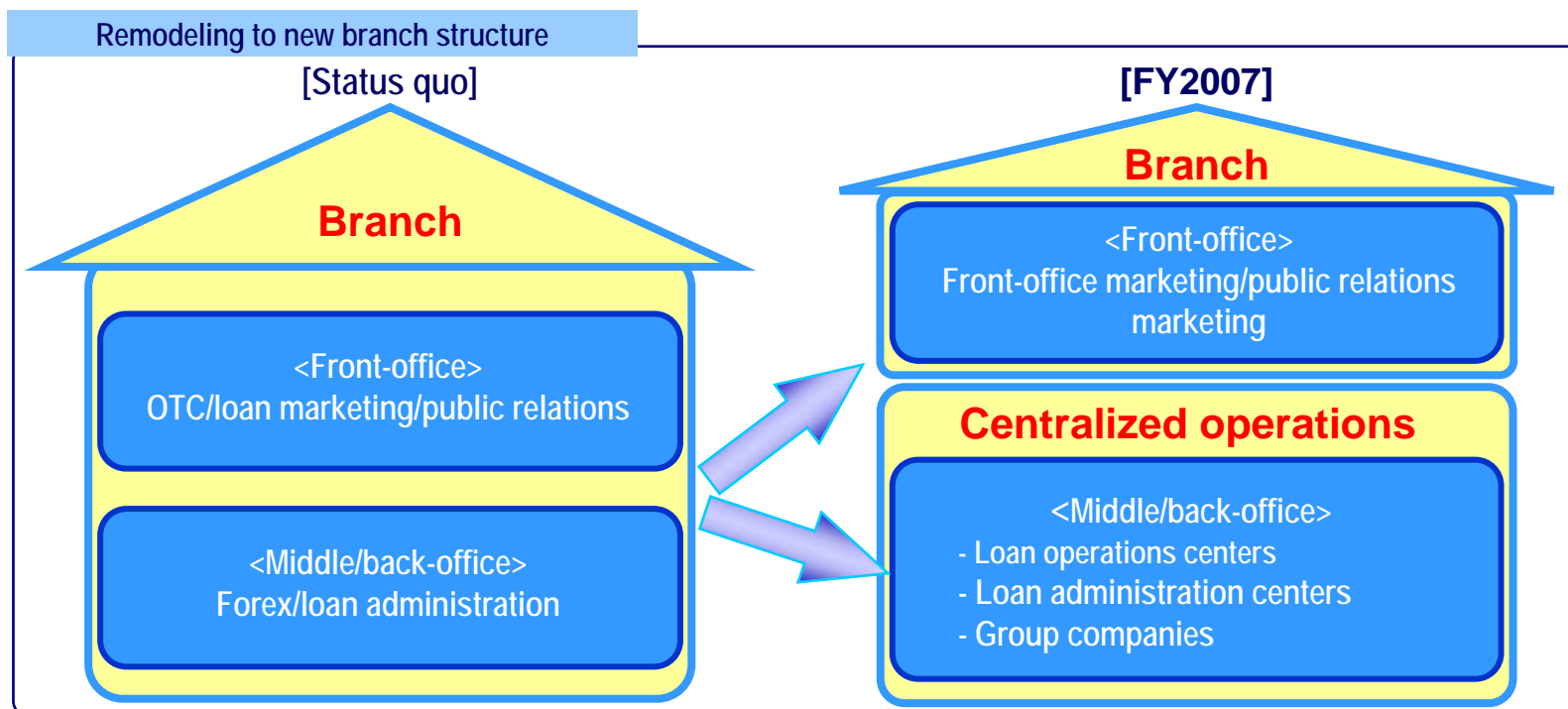
	End of March 2005	End of September 2006		End of Mar.2008	Comparison with 2006/9
Within Shizuoka	158	157		161	+4
Full banking service branches	124	124	[New branch office] Nishiyaizu [Relocation] Susono, Omaezaki [Closure] Susonokita	123	-1
Specialized functionality branches	21	20	[Closure] Senzu	24	+4
Loan centers	13	13		14	+1
Outside Shizuoka	20	20		23	+3
Full banking service branches	17	16	[Closure] Ginza [New branch office] Atsugi	19	+3
Specialized functionality branches	2	2		2	-
Loan centers	1	2	[New branch office] Toyohashi	2	-
Total	178	177		184	+7
Business Stations	2	8	[New branch office] Numazu, Fuji, Shimizu, Shimada, Fukuroi, Hamamatsu subbranch	8	-

Restructuring Direct Channels

Internet	Launching Internet-based branch (in FY2007).
Credit cards	The bank began issuing a credit card (in March 2006); established Shizugin Saison Card (in October 2006).
CDs and ATMs	10,328 machines (at the end of March 2005) → 2,064 machines (at the end of September 2006) * ATM installations at Seven Bank included.

Remodeling loan administration structure

- Standardizing/equalizing/streamlining branch back-office processes to reinforce front-office marketing capabilities.
- Centralizing loan administration into loan operations and loan administration centers, and deposit & exchange administration into group companies.



Employees	2005/3	2006/9	Medium-term management plan target 2008/3	Comparison with 2005/3
Front-office	2,379 (Shizuoka Bank 2,120)	2,454 (Shizuoka Bank 2,069)	2,505 (Shizuoka Bank 2,155)	+126 (Shizuoka Bank +35)
Middle / back-office	1,411 (Shizuoka Bank 485)	1,490 (Shizuoka Bank 400)	1,455 (Shizuoka Bank 265)	+44 (Shizuoka Bank -220)

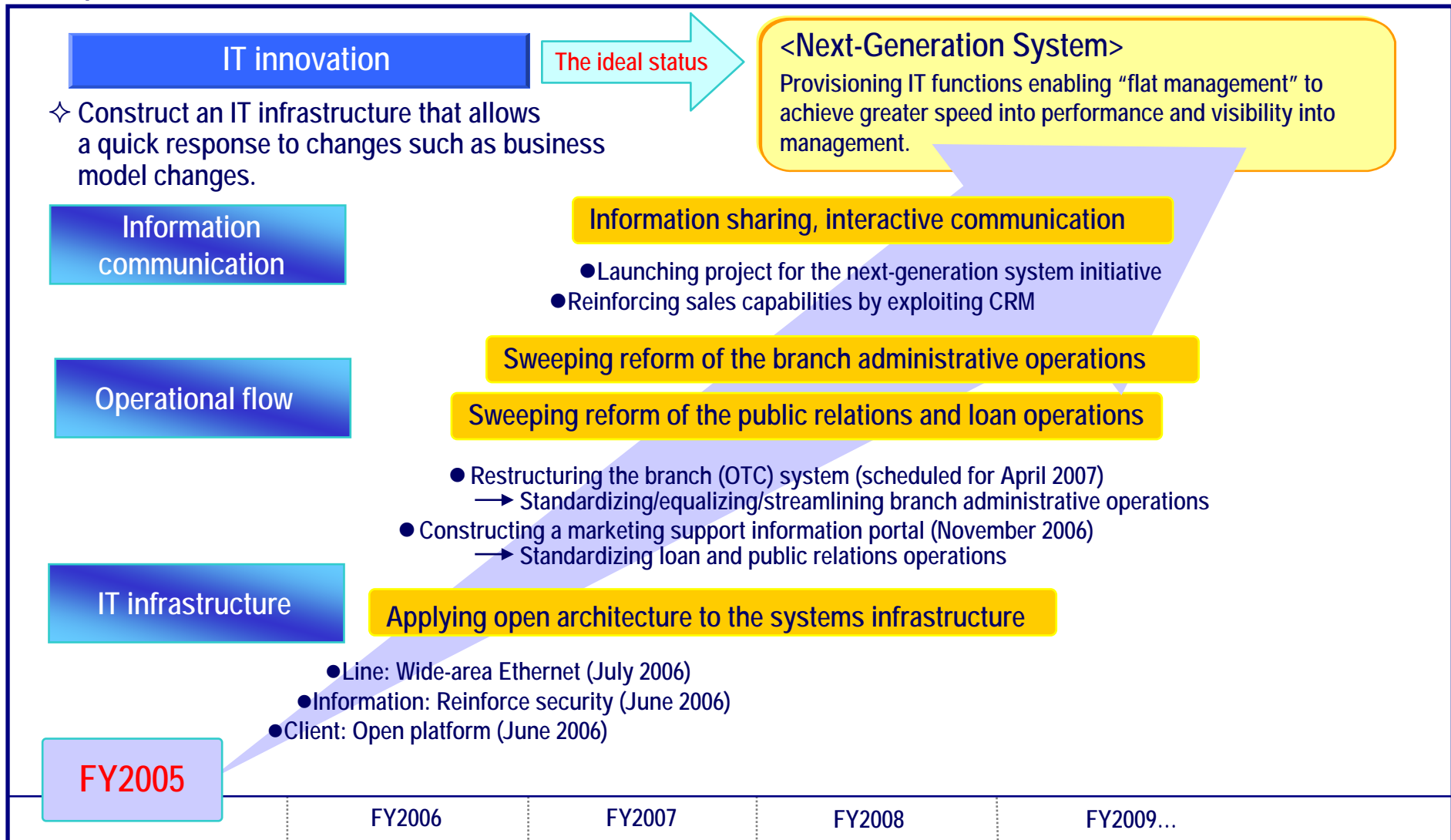
Human investments in public relations division (including business station)

End of Sep. 2006 +29 employees → End of Mar. 2008 +100 (from the end of March 2005)



IT strategy

- Constructing Sales Support System, an information portal essential to marketing operations (in November 2006) to standardize loan and public relations operations.
- Restructuring the branch (OTC) system (scheduled for April 2007) to remodel the branch administrative operations structure.



Advantages of economy of Shizuoka Prefecture (1)

<Size of economy> Shizuoka's economy is called a "3%, 10th-ranked economy," as on many indicators it comprises 3% of the national economy and ranks around 10th among the prefectures. The economy is strong by national standards.

	FY2003	FY2004	FY2005	1H FY2006
Prefectural GDP (¥ billions)	15,747.6	*15,962.3	-	-
National GDP	493,553.2	496,197.0	*504,606.6	-
Ranking in prefectural GDP	10 th /47	-	-	-
Prefectural manufactured goods shipments (¥ billions)	15,963.8	16,699.8	17,322.8	-
National manufactured goods shipments	273,734.4	284,472.1	295,606.4	-
Ranking in prefectural MGS	3 rd /47	3 rd /47	3 rd /47	-

Note: Based on fiscal-year data.

* Based on preliminary data.

<Health of economy> Shizuoka's business failure rate is improving, as many businesses located there are financially healthier and stronger. Municipal government finances are sound, too, in national comparisons.

	FY2003	FY2004	FY2005	1H FY2006
Business failure rate (Shizuoka)	0.317%	0.320%	*0.169%	-
Business failure rate (Nationwide)	0.417%	0.419%	*0.252%	-
Ranking (The lower the rate, the higher the ranking)	7 th /47	7 th /47	* 8 th /47	-
The rate of loan claims subrogated to credit guarantee corporations (Shizuoka)	2.19%	1.76%	1.57%	1.96%
The rate of loan claims subrogated to credit guarantee corporations (Nationwide)	3.22%	2.74%	2.38%	2.34%
Ranking (The lower the rate, the higher the ranking)	15 th /47	12 th /47	7 th /47	16 th /47
Fiscal solvency index (Shizuoka)	62.4	63.7	65.3	-
Fiscal solvency index (Nationwide)	40.8	41.1	42.8	-
Ranking	5 th /47	5 th /47	6 th /47	-

Note: The failure rates are based on calendar-year data; all others fiscal-year data.

* Data since April 2005 reflect only court-administered proceedings, excluding out-of-court bankruptcy settlements.

Advantages of economy of Shizuoka Prefecture (2)

<Growth potential> Shizuoka sees new industries burgeoning as it hosts many enterprises exploring new business fields.

	FY2003	FY2004	FY2005	1H FY2006
No. of firms authorized for R&D business plan (*1) (Shizuoka)	41	21		
Ranking	4 th /47	5 th /47		
No. of firms approved for business innovation plan (*2) (Shizuoka)	191	174	194	80
No. of firms approved for business innovation plan (*2) (Nationwide)	3,995	4,322	4,421	1,868
Ranking	6 th /47	7 th /47	7 th /47	6 th /47
No. of firms authorized for new collaboration plan (*2) (Shizuoka)			6	3
No. of firms authorized for new collaboration plan (*2) (Nationwide)			160	65
No. of new facility locations (Shizuoka)	60	81	85	48
No. of new facility locations (Nationwide)	1,052	1,304	1,544	820
Ranking	1 st /47	1 st /47	3 rd /47	2 nd /47

*1 Authorized under the former SMB Development Law.

*2 Approved/authorized under the SMB New Business Operation Promotion Law; The current numbers approved for business innovation plan are as of the end of August 2006.

Note: The numbers of new facility locations are based on calendar-year data; all others on fiscal-year data.

<Regional employment & corporate earnings>

	FY2003	FY2004	FY2005	1H FY2006
Effective job opening to applicant ratio (Shizuoka) (times)	0.88	1.04	1.14	1.26
Effective job opening to applicant ratio (Nationwide)	0.64	0.83	0.95	1.08
Monthly average wages (Shizuoka) (thousand yen)	341	326	-	-
Monthly average wages (Nationwide) (thousand yen)	342	333	-	-
Ranking	6 th /47	15 th /47	-	-
Corporate earnings (compared year-on-year) (Shizuoka)	+14.1%	+15.4%	-0.5%	*+0.5%
Corporate earnings (compared year-on-year) (Nationwide)	+14.4%	+20.3%	+12.3%	*+1.8%

Note: The ratios are based on fiscal-year-end, monthly data; the wages calendar-year data; the earnings fiscal-year data.

*FY2006 projected.



This document includes statements concerning future business results. These statements do not guarantee future business results, but contain risks and uncertainties.

Please note that future business results may differ from targets for reasons such as changes in the business environment.