

***Interim Results for FY2007 and
Ninth Medium-term Business Plan***

“3C Plan: Challenge to Creation and Change” FY2005 – FY2007

THE SHIZUOKA BANK, LTD.

Katsunori Nakanishi
President

28 November 2007

SHIZUOKA BANK



Contents

I. Interim Results for 2007			II. Initiatives in the 2nd Half of FY2007		
Interim results for FY2007	.....	2	Trends in the Shizuoka Prefecture economy and business performance	.....	15
Group companies	.....	3	Targets for the final FY of the Ninth Medium-term Business Plan	.....	16
Lending	.....	4	Corporate banking initiatives -1	.....	17
Securities	.....	5	Corporate banking initiatives -2	.....	18
Deposits	.....	6	Retail banking initiatives	.....	19
Customer assets	.....	7	Channel expansion and concentration of financial business	.....	20
Fee and commission income	.....	8	Expenditure, investment and personnel plans	.....	21
Credit costs	.....	9	Projected performance for FY2007	.....	22
Non-performing loans	.....	10	Reference		
Specially designated industries	.....	11	Strengths of the Shizuoka Prefecture economy	.....	23-24
Effect of interest rate increases on interest income	.....	12			
Capital adequacy ratio	.....	13			
Shareholder returns	.....	14			



I Interim Results for FY2007

SHIZUOKA BANK



Interim results for FY2007

(¥ billions,%)

Consolidated	FY'07 interim results	Year-on-year change	
		Change	% change
Ordinary revenue	126.0	+14.6	+13.1
Ordinary expenses (-)	90.6	+15.3	+20.3
Ordinary profit	35.3	-0.7	-1.9
Net income	19.5	+2.6	+15.3

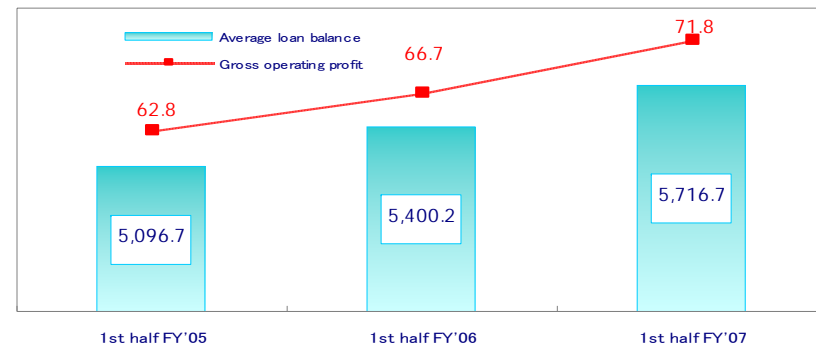
Shizuoka Bank, Non-consolidated

Ordinary revenue	109.4	+14.9	+15.7
Gross operating profit	71.8	+5.1	+7.6
Net interest income	60.4	+4.7	+8.5
Fees & commissions	9.3	+0.4	+4.2
Special trading income	1.3	+0.3	+29.8
Other operating profit	0.9	-0.3	-23.8
Bond related income: JGBs ,etc.	-0.1	+0.7	+85.0
Expenses (-)	39.5	+2.1	+5.5
General transfer to loan loss reserves (-)	-0.1	+0.8	+84.6
Net operating profit	32.5	+2.2	+7.3
Core net operating profit*	32.5	+2.3	+7.8
Special gains/losses	0.4	-2.3	-84.8
Disposal of non-performing loans (-)	5.0	+0.6	+13.7
Net gains/losses relating to equity securities	4.5	+3.5	+322.9
Gain on change in employees' retirement benefit plan	—	-5.2	-100.0
Ordinary profit	32.9	-0.05	-0.2
Extraordinary losses	-1.6	-1.4	-774.9
Net income before taxes	31.3	-1.5	-4.5
Net income	19.0	+2.9	+18.3

*Core net operating profit = Net operating profit + General transfer to loan loss reserve — Gains/losses on debt securities

Consolidated ordinary revenue	Continued growth for 3 periods	Consolidated ordinary profit	Y-o-Y fall in profits
-------------------------------	--------------------------------	------------------------------	-----------------------

Non-consolidated (¥ billions)



Top-line growth

Ordinary revenue	Continued growth for 3 periods	Gross operating profit	Continued growth for 4 periods
------------------	--------------------------------	------------------------	--------------------------------

Breakdown of net interest income (¥bn)	Interim FY 07	Year-on-year change
Domestic Operations Division	58.7	+4.8
Interest on loans	55.7	+10.3
Interest and dividends on securities	11.1	+0.5
Interest on deposits, etc.	7.8	+6.4
Overseas Operations Division	1.7	-0.1

Total interest rate spread	0.43%	+0.03ppts
Deposit/lending spread	0.59%	+0.06ppts

Record gross operating profit, net operating profit and core net operating profit

Net operating profit	Continued growth for 2 periods	Core net operating profit	Continued growth for 4 periods
----------------------	--------------------------------	---------------------------	--------------------------------

Ordinary profit	Year-on-year decrease	Net income	Continued growth for 2 periods
-----------------	-----------------------	------------	--------------------------------



Group companies

➤ Group Companies increased revenue but profits declined: The total ordinary revenue of 11 consolidated subsidiaries increased to ¥24.6 billion (a ¥0.8 billion increase year on year) and posted an ordinary profit of ¥2.4 billion (a ¥0.1 billion decrease year on year).

(¥ billions)

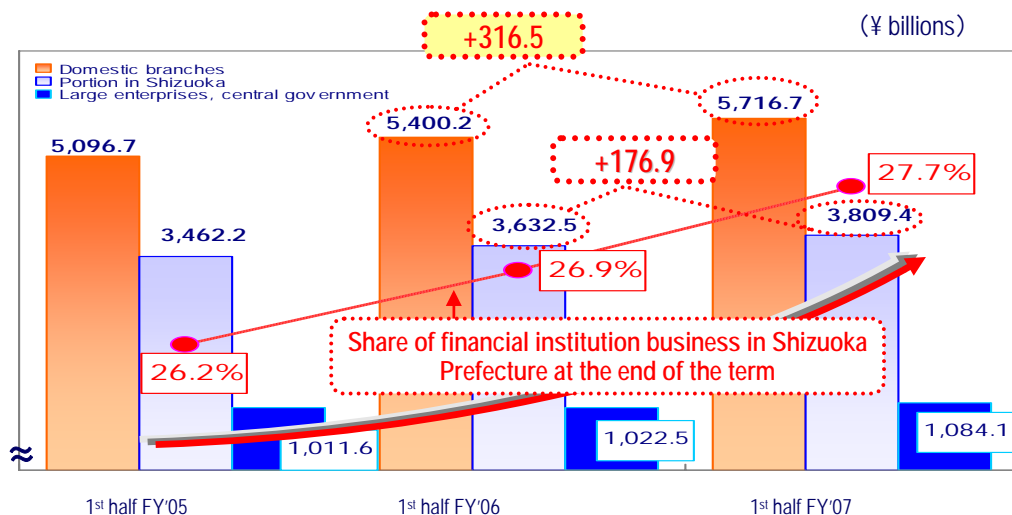
Company name	Business	Ordinary revenue	Ordinary profit	Remarks
Shizugin Management Consulting	Management consulting	0.2	0.06	183 consulting cases completed
Shizugin Lease	Leasing	11.5	0.7	¥12.7 bn of leases and installment payment contracts signed
Shizuoka Computer Service	Computer services, accounting	3.0	0.2	Expansion of new sales office system
Shizugin Credit Guaranty	Credit guarantee	0.6	0.4	1,774 secured housing related loans
Shizugin DC Card	Credit card services, credit guarantee	1.1	0.2	The SDC card has been used for ¥9.8 bn of shopping
Shizuoka Capital	Listing consultancy SME support	0.3	0.05	Winner of an award for contributions to the "Challenge Again" program (June '07)
Shizugin TM Securities	Securities	2.2	0.8	¥73.8 bn in sales of investment trusts
Shizuoka Bank (Europe)	Banking & securities	1.6	0.05	Loans (average balance) ¥19.5 bn, Securities (average balance) ¥ 42.9 bn
Shizugin General Service	Staff dispatch	1.8	0.02	2,235 business staff dispatched
Shizuoka Mortgage Service	Bank valuation of real estate collateral Survey services	0.4	0.02	13,276 valuations of collateral
Shizugin Business Create	Centralized processing of foreign exchange and other translations	1.9	-0.1	Trial centralized processing for 50 offices
Total (11 companies)		24.6	2.4	
Shizugin Saison Card*	Credit card services	0.01	-0.4	12,127 "ALL-S Card" holders

*A company to which the equity method of accounting is applicable. Operations commenced in April 2007.



Lending

Total loan balances (averages)



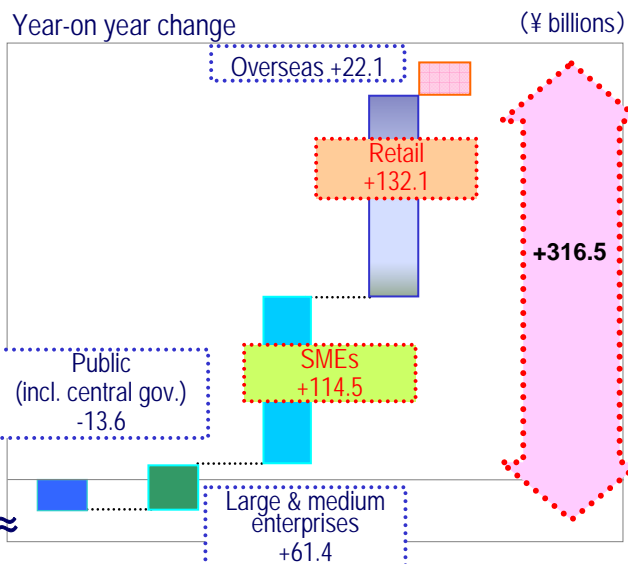
➤ Total loan balances (average balances) in the 1st half of FY '07 increased to ¥5,716.7 billion, up ¥316.5 billion (+5.9%) year-on-year.

- SME loan balances increased to ¥2,397.8 billion, up ¥114.5 billion (+5.0%) year-on-year.

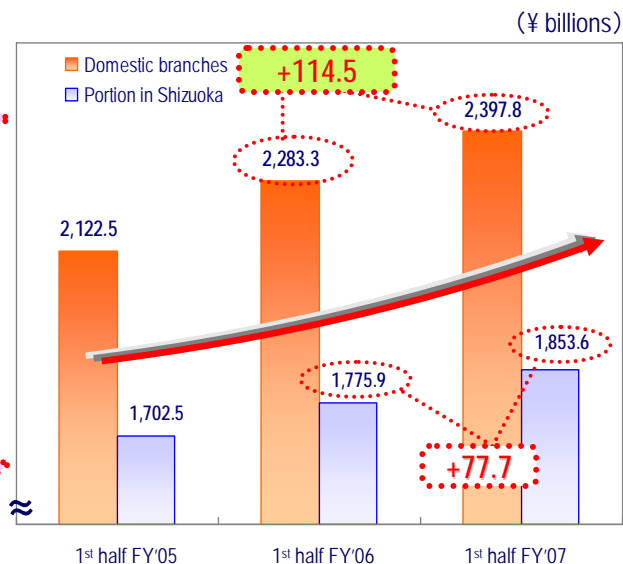
- Retail loan balances increased to ¥1,782.8 billion, up ¥132.1 billion (+8.0%) year-on-year. (Consumer loan balances increased ¥146.4 billion (+8.9%) year-on-year.)

- Public loans, including central government balances, decreased to ¥145.3 billion, down ¥13.6 billion (-8.6%) year-on-year.

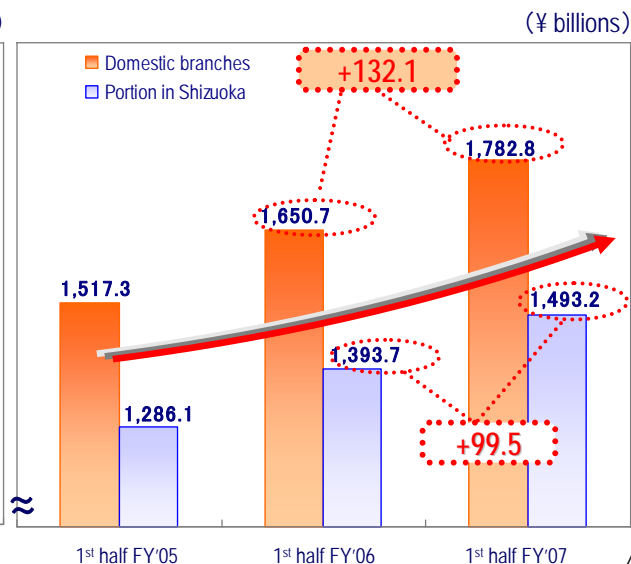
Breakdown of changes in loan balances (averages)



SME loan balances (averages)



Retail loan balances (averages)

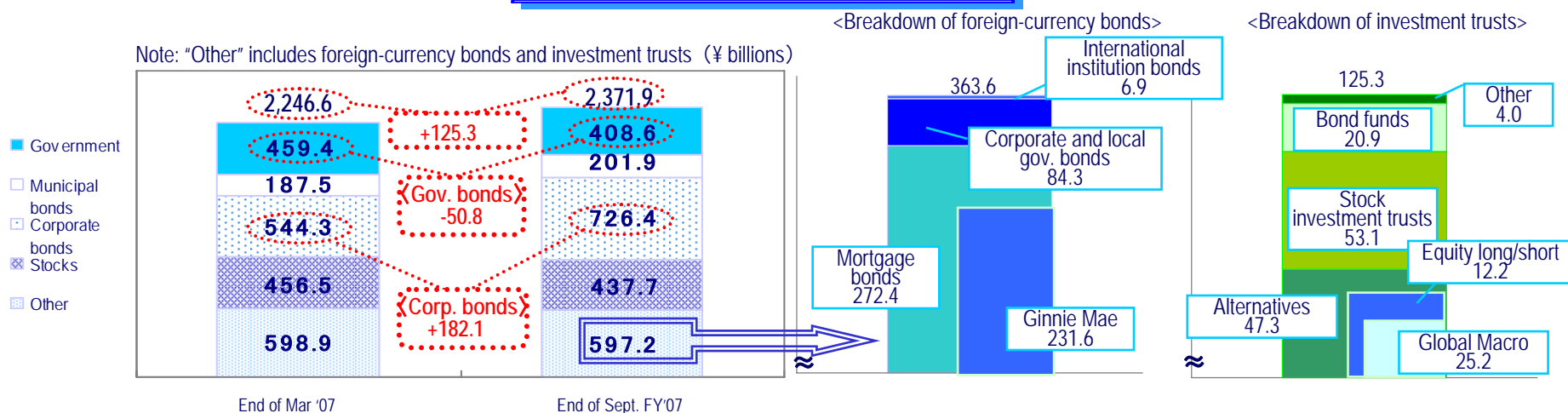




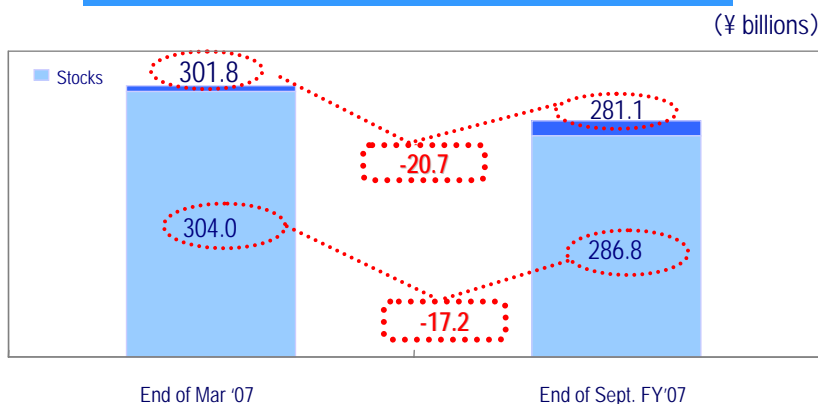
Securities

- The balance of securities at the end of September 2007 was ¥2,371.9 billion, up ¥125.3 billion from the end of March 2007. The balance of exposure to sub-prime loans was zero.
- Gains from the revaluation of stocks, bonds, investment trusts and other securities at the end of September 2007 stood at ¥281.1 billion, down ¥20.7 billion from the end of March 2007, including a gain of ¥286.8 billion from revaluation of stocks, down ¥17.2 billion from the end of March 2007.
- The rate of yield of securities (average throughout the period) was 2.06%, a year-on-year increase of 0.23 of a point.

Balance of securities



Gains and losses from the revaluation of securities



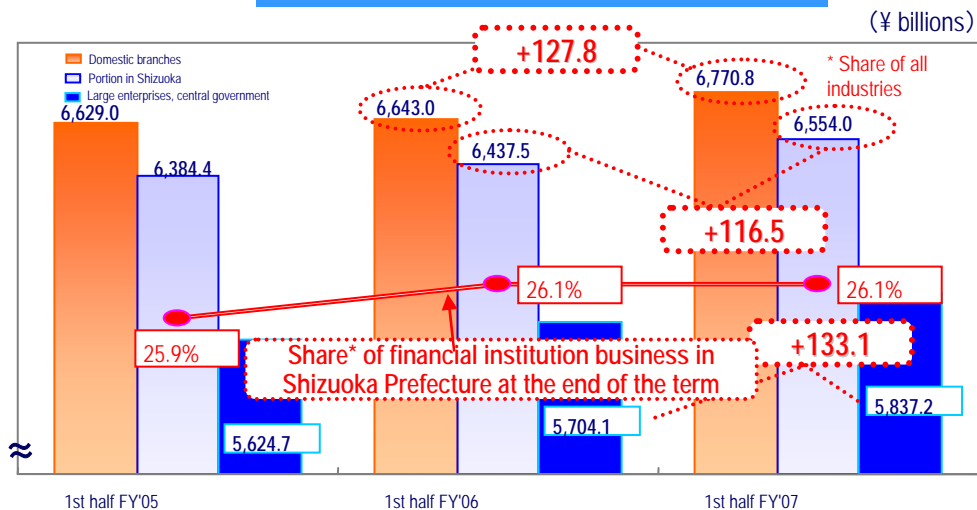
Yield and average duration to maturity

	End of Mar. '07	End of Sept. '07
Yield rate (average)	1.83%	2.06%
Average duration to maturity (yen denominated) ^a	2.60 y	3.00 y
Average duration to maturity (foreign currency denominated)	1.67 y	1.65 y
Nikkei stock average	¥17,287.65	¥16,785.69



Deposits

Total deposit balances (average balances)

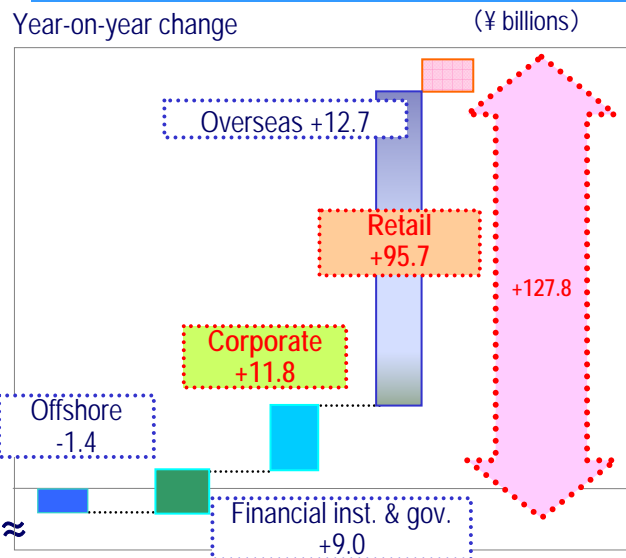


➤ Total deposit balances (average balances) in the 1st half of FY '07 increased to ¥6,770.8 billion, up ¥127.8 billion (+1.9%) year-on-year.

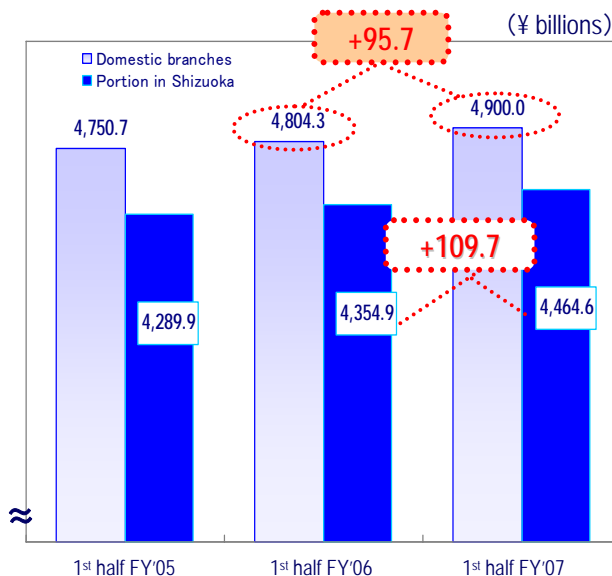
- Domestic branch deposit balances increased to ¥6,554.0 billion, up ¥116.5 billion (+1.8%) year-on-year.
- Deposit balances in Shizuoka Prefecture increased to ¥5,837.2 billion, up ¥133.1 billion (+2.3%) year-on-year.
- Retail deposit balances increased to ¥4,900.0 billion, up ¥95.7 billion (+2.0%) year-on-year.
- Corporate deposit balances increased to ¥1,473.1 billion, up ¥11.8 billion (+0.8%) year-on-year.

➤ Including negotiable deposits, total domestic branch deposit balances increased to ¥6,881.4 billion, up ¥247.7 billion (+3.7%) year-on-year.

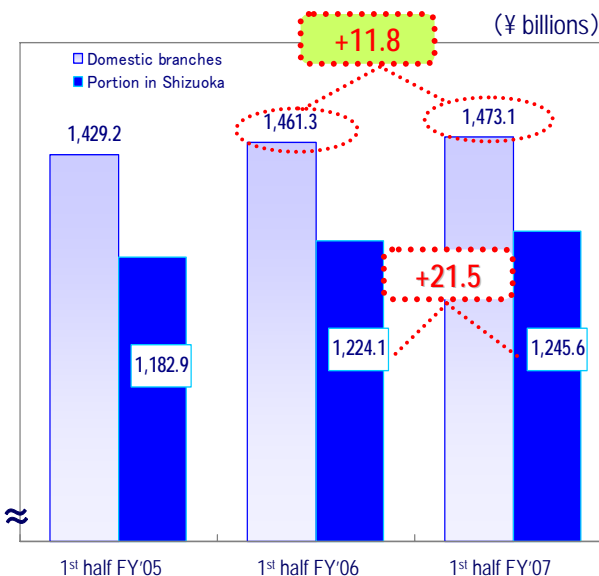
Breakdown of changes in deposit balances by enterprise size (average balances)



Retail deposit balances (average balances)



Corporate deposit balances (average balances)

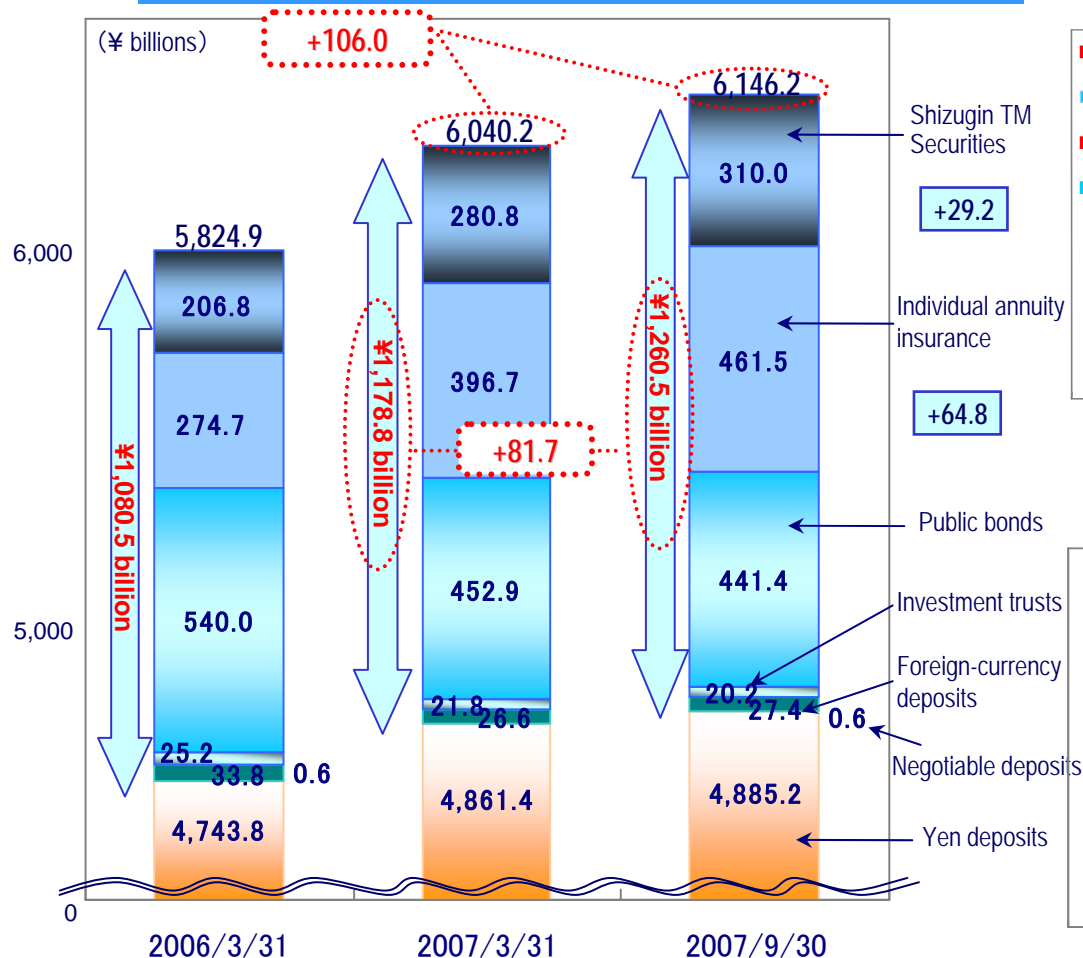




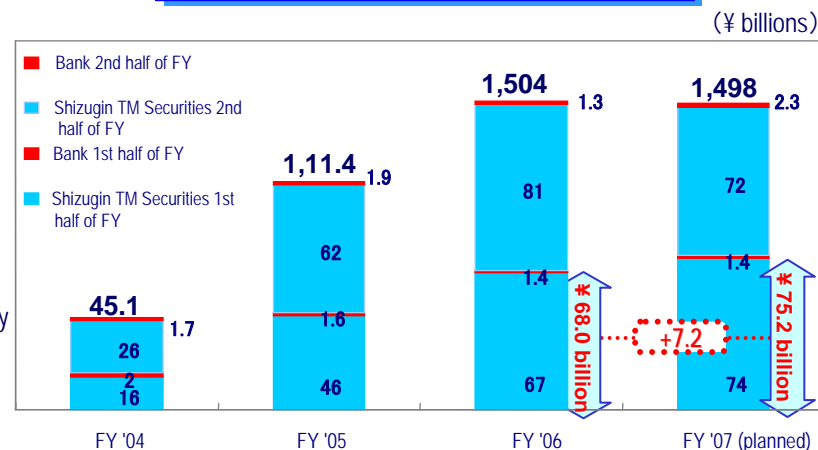
Customer assets

- Customer assets under management at the end of Sep. 2007 (including the balance of Shizugin TM Securities) increased to ¥6,146.2 billion, up ¥106.0 billion from the end of March 2007. With yen deposits and negotiable deposits factored out, customer assets under management increased to ¥1,260.5 billion, up ¥81.7 billion from the end of March 2007.
- Sales of investment trusts increased steadily due to the Investment Trust Scheme with Shizugin TM Securities.
- OTC sales of insurance products, mainly highly profitable variable annuities, remained high (top sales level among regional banks in the 1st half of FY 2007).

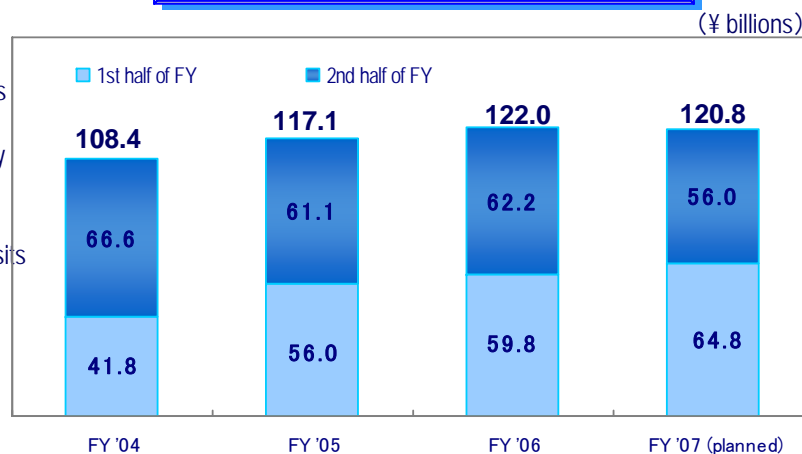
Retail customer assets under management (term-end balances)



OTC sales of investment trusts



OTC sales of insurance products



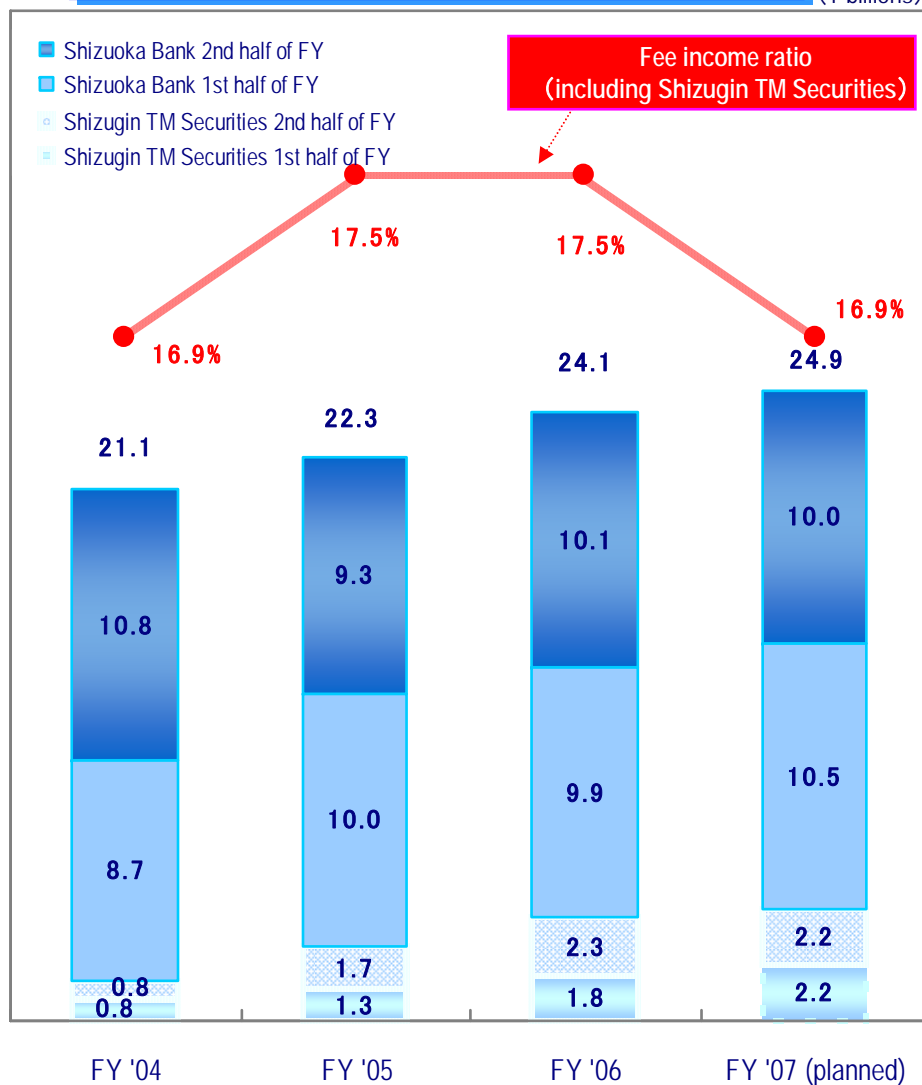


Fee and commission income

- Fee income rose, due to growth in fee income from OTC sales of investment trusts and insurance products.
- Fee expenses increased, mainly due to loan/life insurance premiums.

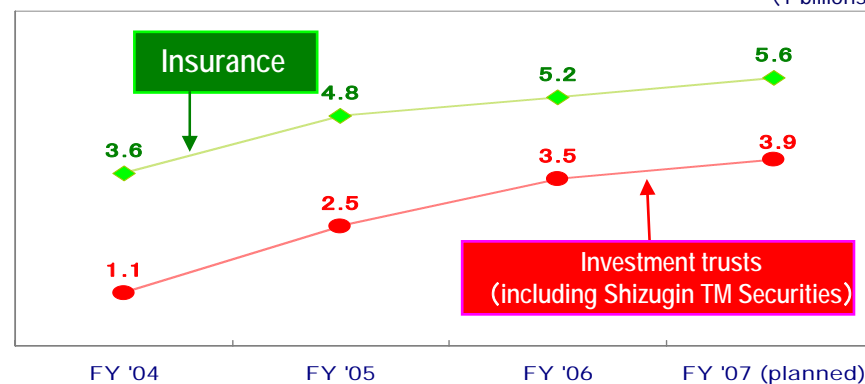
Fee income (Shizuoka Bank / Shizugin TM Securities)

(¥ billions)



Fee income from OTC sales of investment trusts and insurance products

(¥ billions)



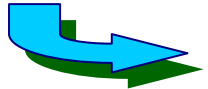
Fee income and expenses

Non-consolidated	1 st half of FY '07	Year-on-year change
Fee income	¥14.3 bn	+ ¥0.9 bn
Agents' fees (OTC insurance sales commission, etc.)	¥3.5 bn	+ ¥0.5 bn
Misc. fees received	¥4.4 bn	+ ¥0.2 bn
Fee expenses	¥3.8bn	+ ¥0.3 bn
Loan/life insurance premiums	¥1.4 bn	+ ¥0.1 bn



Credit costs

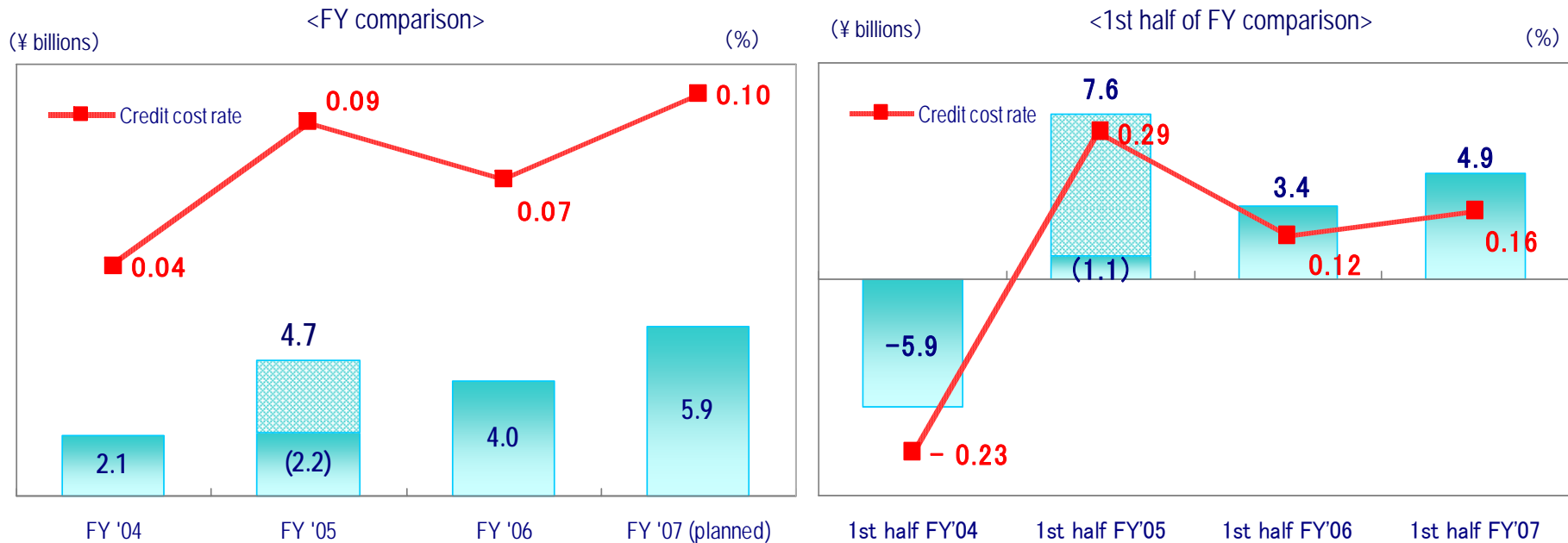
Credit costs in 1st half FY '07, ¥ 4.9 billion(+¥1.4 billion Y-o-Y)



- ✓ Gen. transfer to loan loss reserves: - ¥ 0.1 bn (+ ¥ 0.8 bn Y-o-Y)
- ✓ NPL disposal ¥ 5.0 bn(+ ¥ 0.6 bn Y-o-Y)
- (of which ¥ 5.0 bn was reversal for specific reserves)

▪ Change in debtor classification	¥ 8.4 bn
▪ Land price decline	¥ 0.3 bn
▪ Transfer from specific reserves due to improvement in rating and loan recovery	- ¥ 3.7 bn
Total	¥ 5.0 bn

Credit cost trends



*Credit costs = NPL disposals + General transfer to loan loss reserves - Reversal of specific reserves,
 Rate of credit costs = Credit costs / Average loan balance.
 FY '05 figures in parenthesis exclude special factors from revision of computation period for write-off ratio.

Non-performing loans (NPLs)

Risk-management loans (Non-consolidated)

- Bankrupt or likely to fail + ¥ 8.9 bn
- Restructured loans
- Loans in arrears for 3 months or more - ¥ 0.2 bn

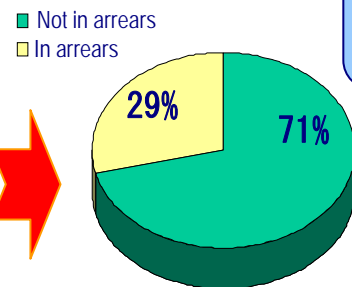
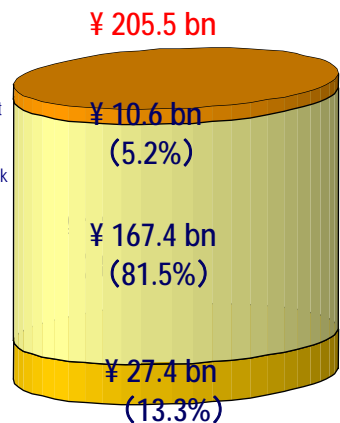
- Risk-management loans totaled ¥205.5 billion as of the end of September 2007, up ¥8.7 billion from the end of March 2007.
- Risk-management loan ratio: 3.51% (+ 0.06 point from the end of March 2007).

If ¥16.3 bn from the application of partial direct depreciation and ¥88.6 bn of secured loans guaranteed by the Credit Guarantee Association are subtracted, total risk-management loans decline to ¥100.6 bn and become 1.72% of total loans (a 0.04-point increase from 31 March 2007).

- Cover ratio: 85.37% (down 0.34 of a point from the end of March 2007).

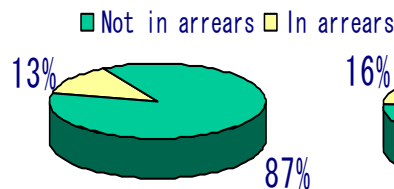
Risk-management loans at the end of Sept. 2007

- Loans to bankrupt clients
- Loans with interest payments in arrears (borrowers classified as "at risk of bankruptcy" or bankrupt)
- Loans not serviced for over 3 months or with relaxed terms



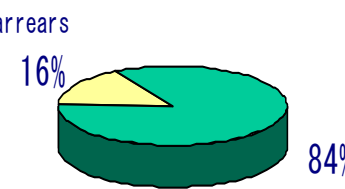
Borrowers requiring careful management

Amount disclosed
¥27.4 bn
(Cover ratio 50.3%)



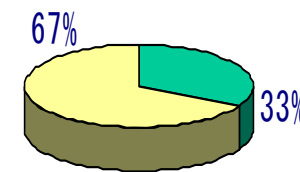
Borrowers classified as "at risk of bankruptcy"

Amount disclosed
¥132.9 bn
(Cover ratio 87.6%)



Loss in arrears (borrowers virtually bankrupt)

Amount disclosed
¥34.5 bn
(Cover ratio 100%)



[Breakdown]		(¥ billions)
Borrowers requiring management		4.7
Borrowers classified as "at risk of failure"		26.8
Borrowers practically bankrupt or bankrupt		7.0

Off-balance-sheet treatment of bad debts

	FY '05	1 st half FY '06	FY '06	1 st half FY '07
New recognition of NPLs	+55.6	+23.8	+48.9	+38.5
Removed from balance sheet (Bankrupt or likely to fail)	-86.1 (-69.0)	-38.5 (-33.3)	-71.5 (-60.4)	-29.8 (-25.1)
Risk-management loans	219.4	204.7	196.8	205.5

+8.7

(¥ billions)

Breakdown of ¥25.1 bn

- Repayment by borrower • offset against deposit: ¥6.6bn
- Collateral disposal/ • payment in subrogation: ¥10.3 bn
- Upgrading: ¥ 5.3 bn
- Sale of loans: ¥ 2.7 bn
- Direct write-off: ¥ 0.2 bn



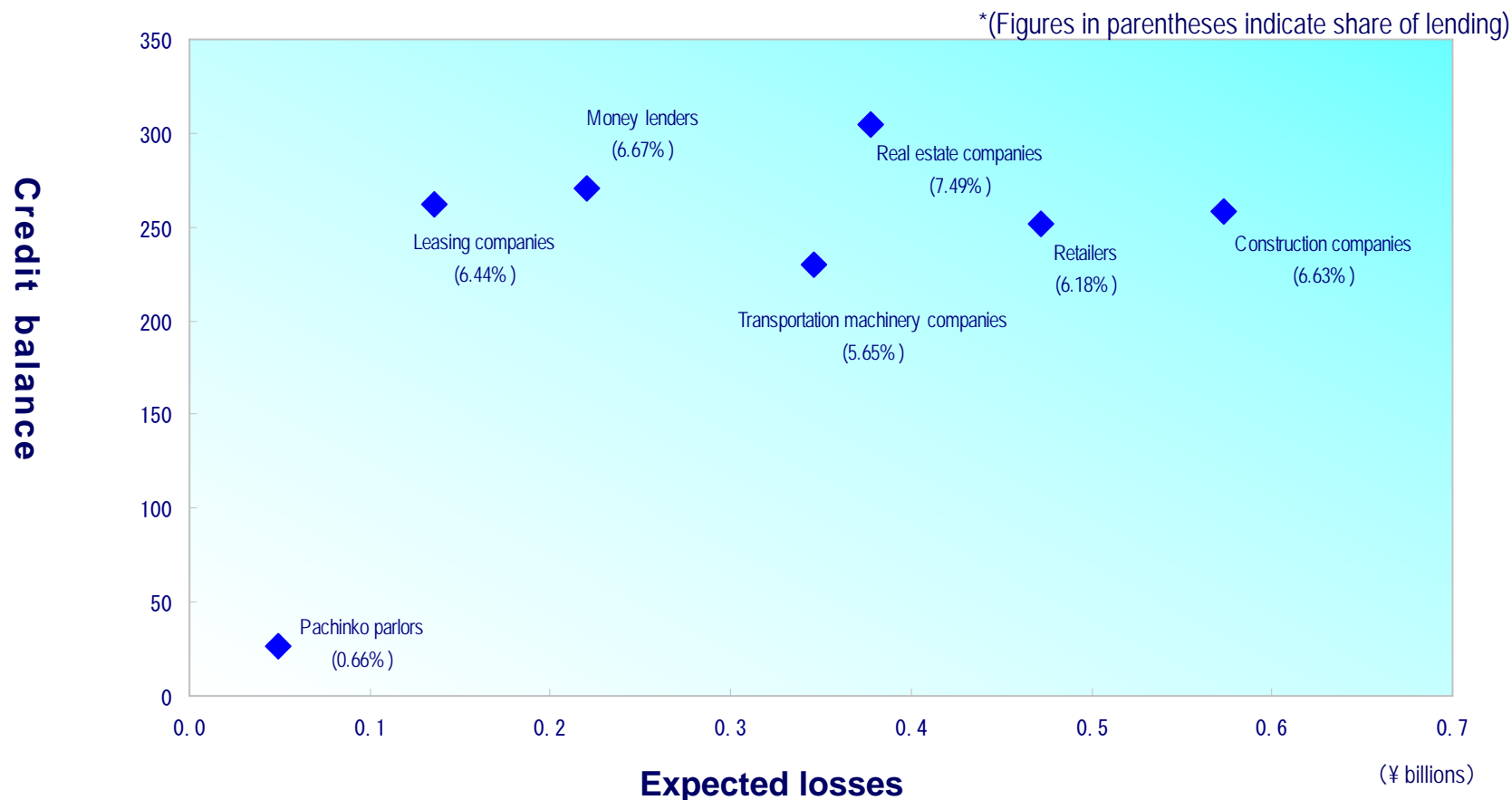
Specially designated industries

- Specially designated industries (construction, real estate, rental and leasing, money lenders, pachinko parlors) each account for less than 10% of lending. Credit is not concentrated among these specially designated industries.
- Even among construction companies, where expected losses (EL) are the greatest, the figure is less than ¥600 million.
- The lending balance to the consumer finance industry is ¥8.2 billion.

Specially designated industries as a proportion of commercial lending (As of 30 Sept. 2007)

(¥ billions)

Credit balance vs. expected losses





Effect of interest rate increases on interest income

- With the current loan and deposit structure, interest income is expected to continue to rise, even when interest rates increase.
- Since the BOJ's interest rate increases in July 2006 and February 2007, loan interest rates have continued to rise.

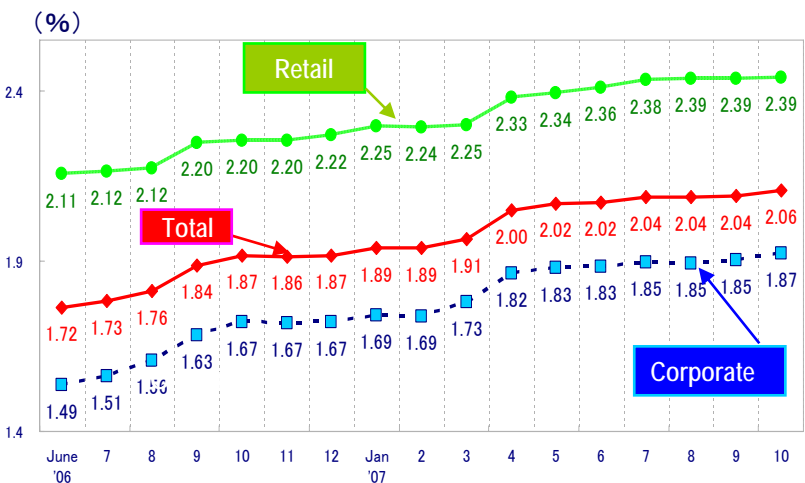
Changes in yen-denominated loans and deposit structure (Mar. 07/Sep 07 comparison)

(¥ trillions)	March '07		September '07	
	Average balance (% of total)	Interest rate	Average balance (% of total)	Interest rate
Loans	5.5 (100.0)	1.91	5.7 (100.0)	2.04
Variable interest	4.0 (73.7)	1.93	4.1 (72.3)	2.08
Short-term/new long-term prime rate standard	2.6 (47.0)	2.37	2.6 (45.3)	2.55
Market-linked	1.3 (24.5)	1.01	1.4 (25.0)	1.16
Fixed interest	1.4 (26.3)	1.86	1.6 (27.7)	1.92
Deposits	6.8 (100.0)	0.19	6.8 (100.0)	0.25
Liquid deposits	4.0 (58.4)	0.16	3.8 (55.9)	0.17
Term deposits	2.6 (38.1)	2.21	2.6 (38.8)	0.33

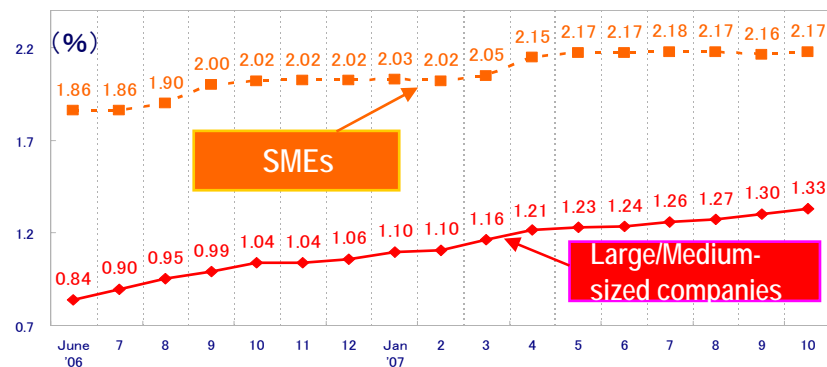
Difference between loan and deposit interest rate

+1.72 +0.06 +1.78

Loan interest rates (monthly average)



Trends in corporate loan interest rates by company size



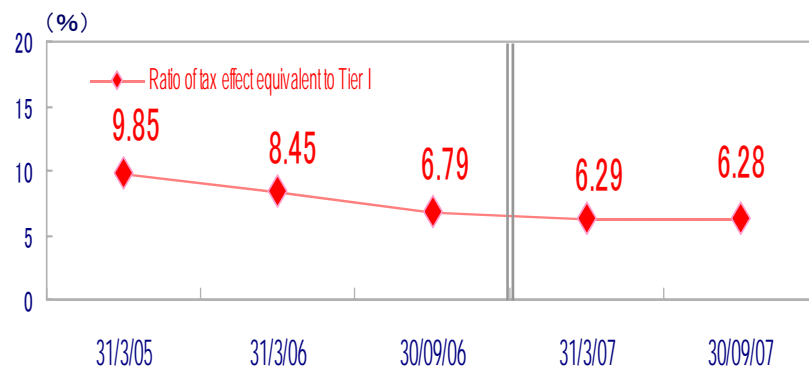
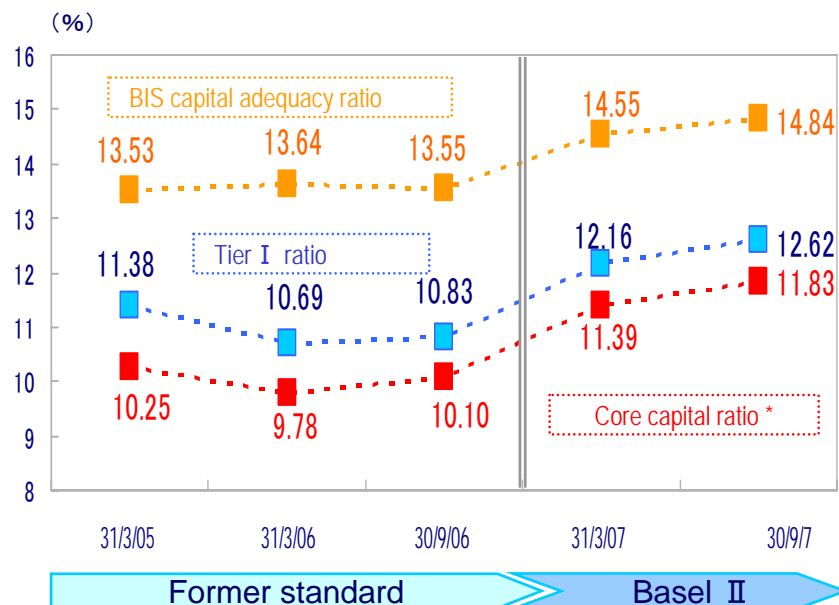
*Deposits include NCDs



Capital adequacy ratio

- The Basel II capital adequacy ratio (provisional) at the end of September 2007, increased by 0.29 percentage points from the level at the end of March 2007, to 14.84% due to a decline in the amount of credit risk assets.
- In the Basel II framework credit risk asset calculations are more rigorous, which greatly reduces the amount of credit risk assets of housing loans and loans to highly rated commercial enterprises

BIS capital adequacy ratio (consolidated basis)



Changes in capital and risk-adjusted assets

	Former standard			Basel II		Change from 31/3/07
	31/3/05	31/3/06	30/9/06	31/3/07	30/9/07	
Capital (¥ billions)						
Capital	630.8	712.5	716.7	691.9	700.2	+8.3
Tier I	530.3	558.2	572.9	578.5	595.3	+16.8
Amount corresponding to tax effect	52.3	47.2	38.9	36.4	37.4	+1.0
Risk-adjusted assets	4,659.4	5,219.9	5,287.0	4,754.9	4,715.9	-3.90
Total credit-risk-adjusted assets	4,640.4	5,194.0	5,261.1	4,462.0	4,373.0	-89.0
Amount corresponding to market risk	19.0	25.9	25.9	22.0	24.1	+2.1
Amount corresponding to operational risk	—	—	—	270.9	278.6	+7.7

Note: The calculation methods in Basel II employs the Standardized and the FIRB approaches.

Outlier ratio (Non-consolidated basis)

Size of maximum risk	Tier I + Tier II	Outlier ratio
¥ 55.4 billion	¥ 698.8 billion	7.9%



Shareholder returns

- The total dividend per share for FY 2007 is expected to be 13 yen (interim dividend of 6.5 yen).
- We are aiming to achieve a dividend payout ratio of approx. 25% in FY2007 and maintain a high dividend level for a major regional bank. The decision will be made with consideration to market trends and business results.
- In the 2nd half of FY 2007, we expect to buy back up to 10 million shares (to a maximum value of 13 billion yen) and write off the full equivalent of treasury stock.

Dividend trends

	FY 2003	FY 2004	FY 2005	FY 2006	FY2007 Forecast
Dividend per share (annual)	¥ 7.00	¥ 8.50	¥ 10.00	¥ 13.00	¥ 13.00 (¥ 6.50)
Dividend yield (Dividend/share price at end of FY)	0.78%	0.78%	0.84%	1.03%	—

(Interim dividend)

Profit distribution to shareholders

(¥ billions, %)

	FY 2004	FY 2005	FY 2006	FY2007 Forecast	FY '98 – '07 (10 years)
Annual dividend ①	6.0	7.1	9.2	9.1	Accumulated total 60.1
Purchase of treasury stock ②	—	—	—	*13.0	Accumulated total 94.5
Shareholder returns ③=①+②	6.0	7.1	9.2	22.1	Accumulated total 154.6
Net income ④	35.0	31.4	36.3	38.0	Accumulated total 248.6
Dividend payout ratio ①/④ × 100	17.2%	22.6%	25.4%	24.1%	Average 24.2%
Shareholder return ratio ③/④ × 100	17.2%	22.6%	25.4%	58.3%	Average 62.2%

*Note: Amount is based on upper purchase limit. The actual cost of share repurchase may vary, depending upon market trends and other factors.



II Initiatives in the 2nd Half of FY2007

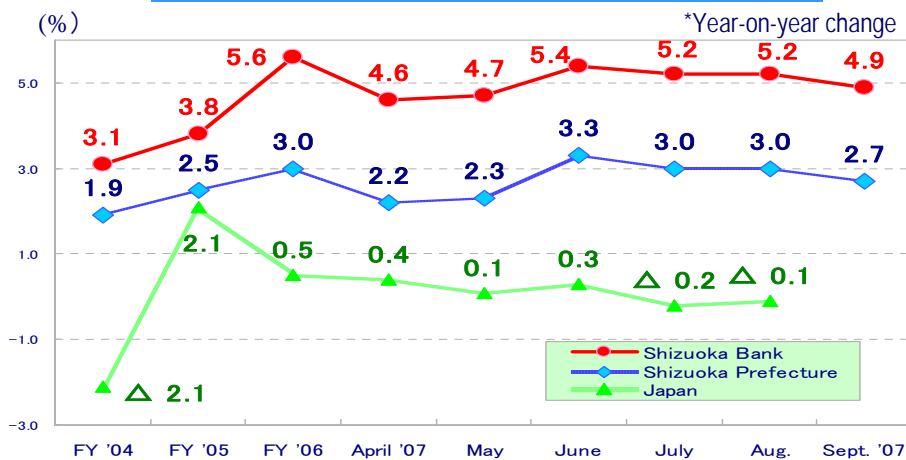
SHIZUOKA BANK



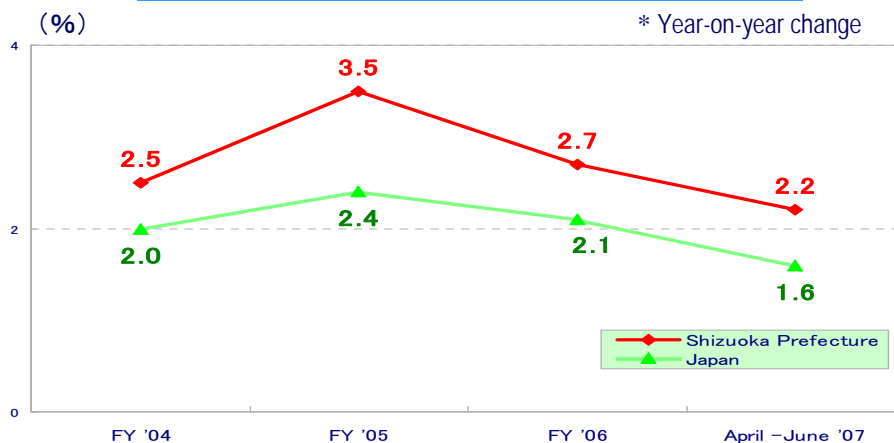
Trends in the Shizuoka Prefecture economy and business performance

- The gentle expansion of the Shizuoka Prefecture economy is continuing. Loans are increasing, at a rate exceeding the rest of the nation.
- Top-line growth, a basic policy of the Ninth Medium-term Business Plan, is ahead of plan.
- We aim to achieve the goals of the Ninth Medium-term Business Plan and achieve record profits at each level.

Loans in Shizuoka Prefecture (end of period)

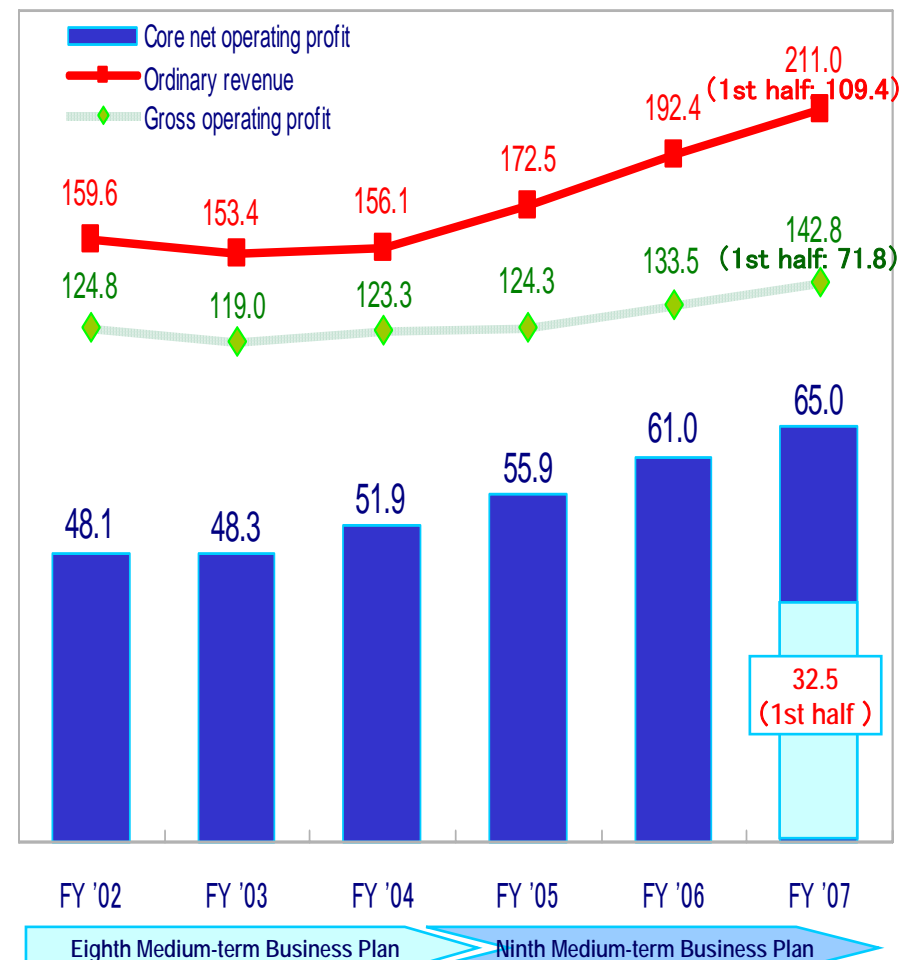


Shizuoka Prefecture real economic growth rate



Top-line growth

(¥ billions)





Targets for the final FY of the Ninth Medium-term Business Plan

Group indicators and targets

		Initial plan	Change to initial plan	Revised plan
Earnings Targets	Consolidated ordinary profit	¥60 billion	+10.5	¥70.5 billion
	Non-consolidated core operating profit	¥62 billion	+3.0	¥65 billion
	Consolidated net income	¥35 billion	+4.0	¥39 billion
Efficiency Index	Consolidated ROE (Net income/Tier I)	6.5% or greater	±0	6.5%
	Consolidated ROA (Net income)	0.4% or greater	+0.06	0.46%
	Consolidated OHR	Approx. 55%	-0.2	54.8%
Soundness Index	Consolidated BIS capital adequacy ratio (Tier I ratio)	Approx. 10% (Former standard)	—	12.21% (Basel II)

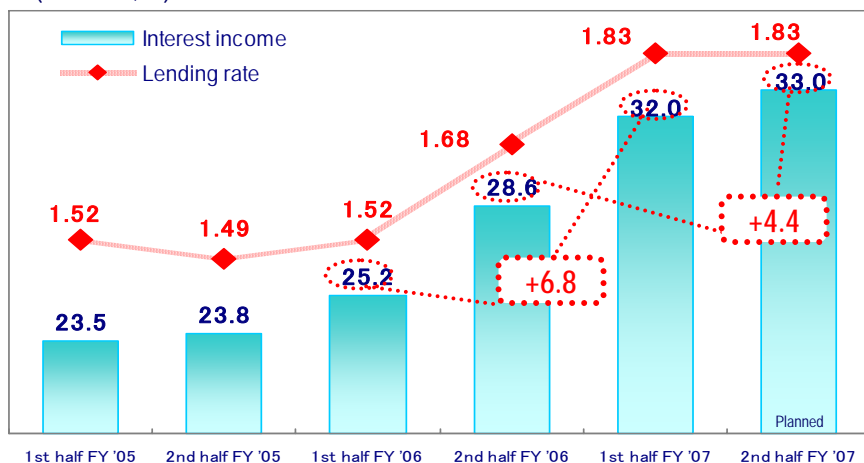


Corporate banking initiatives - 1

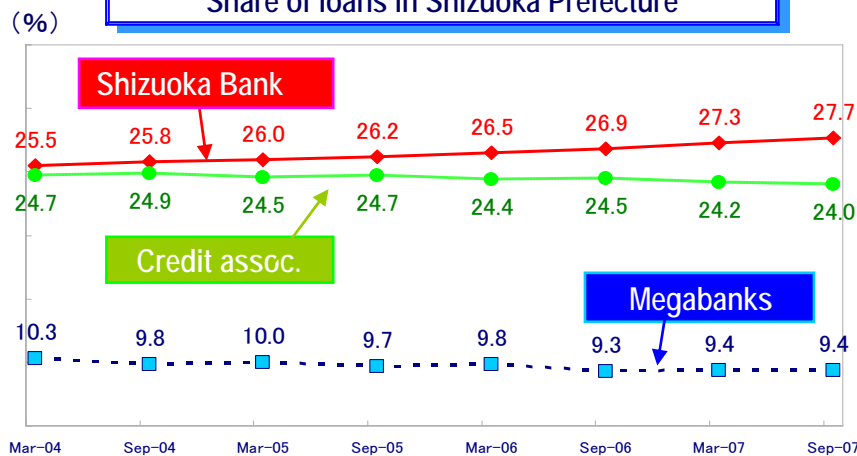
- Corporate Division to increase high-income-earning loan assets by acquiring new loan customers and boosting share of the local market
- Through “Shizuginship” create solutions that are a win-win situation for Shizuoka Bank and its clients.

Trends in Corporate Division yen loan interest income and lending rates

(¥ billions, %)



Share of loans in Shizuoka Prefecture



FY '07 revised plan

- Average yen lending balance up ¥ 182.5 billion
- Interest income up ¥ 11 billion
- Fee income earned: ¥ 2.9 billion

Main operations

	1st half (actual results)	2nd half (plan)
Increase in average balance of loans to SMEs	+ ¥ 45.4 bn	+ ¥ 74.2 bn
Loans to newly acquired clients (Excluding Tokyo, Nagoya and Osaka)	¥ 55.6 bn	¥ 57.0 bn
Funding arising from business matching (No. of business matching cases)	¥ 47.6 bn 431	¥ 50.0 bn 520
Fees for derivatives for clients	¥ 1.1 bn	¥ 1.0 bn
Improved foreign-exchange transactions	US\$ 2.1 bn	US\$ 2.3 bn

“Shizuginship” – training the next generation of managers

- No. of members: 693 companies; 1,060 members (as of 30/9/07)
- Regional forums, seminars, visits
- No. of participants: 984 (Total in 1st half of FY '07)



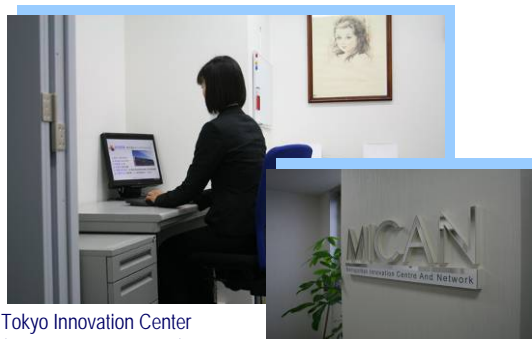
Corporate banking initiatives - 2

- Improve overall business with corporate clients by enhancing data-supply and consulting operations
- Develop business alliance with China Construction Bank—a first for a Japanese regional bank

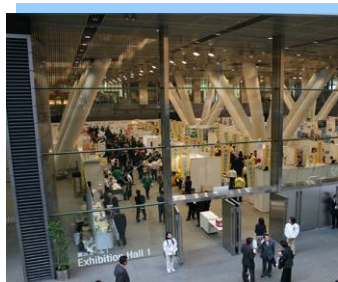
Business matching initiatives



Tokyo Business Summit (Shizuoka Yume Kaido)



Tokyo Innovation Center (also known as MICAN)

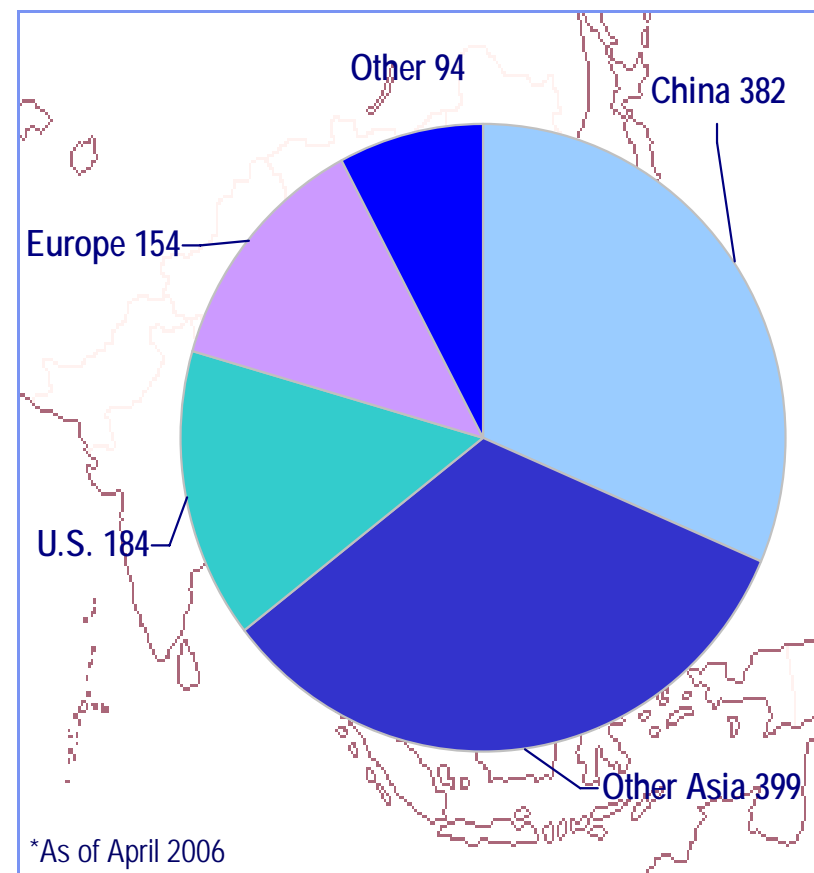


Regional bank food selection 2007

FY '07 conference schedule –main events

- Dec 07 3rd China Business Matching Conference in Shanghai
- Feb 08 Supermarket Trade Show
- Feb 08 4th Shizugin@gricom

Shizuoka Prefecture companies' overseas presence



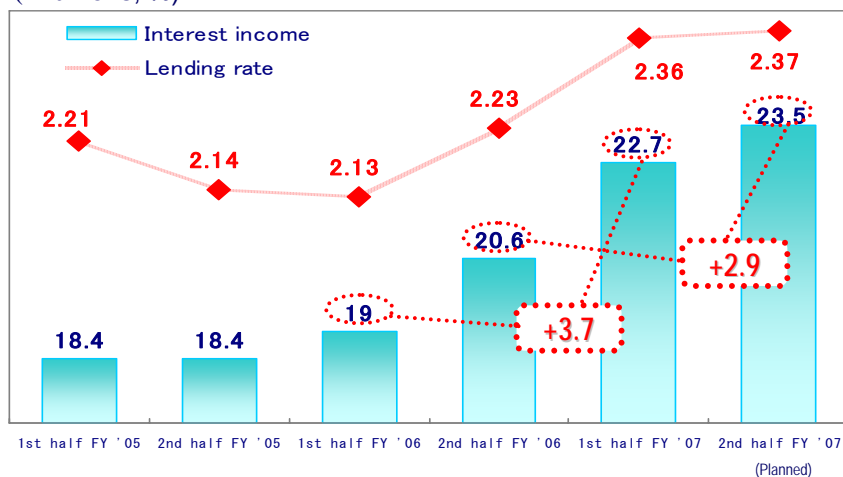


Retail banking initiatives

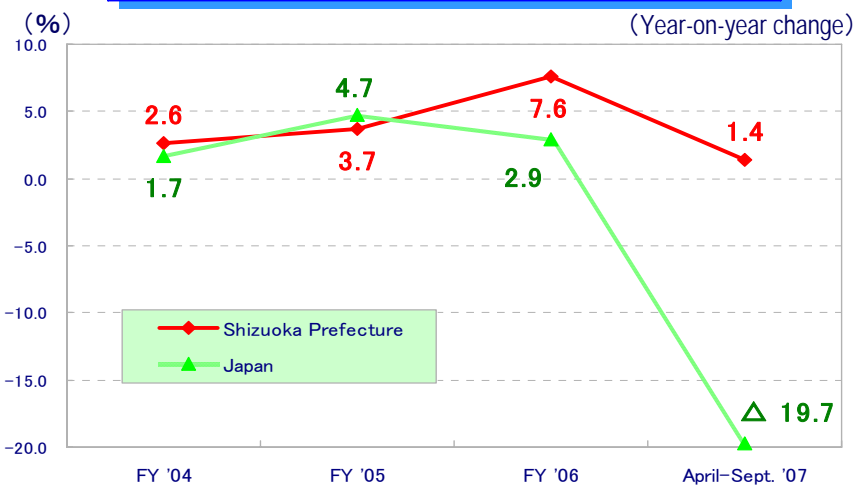
- Based on a core of housing loans the Retail Division will increase income by promoting consumer loans,
- Focus on the baby boomer generation, senior citizens and young people – to strengthen our retail base

Trends in Retail Division yen loan interest income and lending rates

(¥ billions, %)



New housing starts



FY '07 revised plan

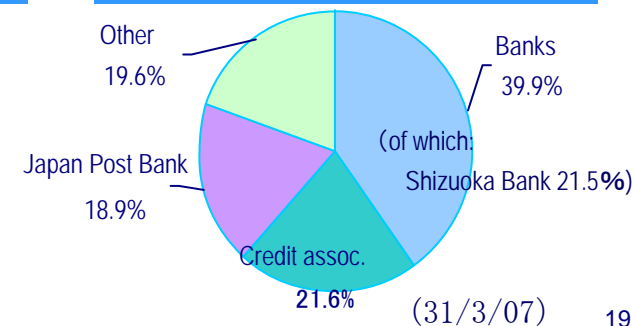
- Yen loan average balance up + ¥124.9 billion
- Interest income + ¥6.1 billion
- Income from customer asset focused sales + ¥7.8 billion

Main operations	1st half (actual results)	2nd half (plan)
Growth in consumer loans (increase in term-end balance)	+ ¥ 69.7 bn (¥ 10.8 bn above plan)	+ ¥ 60.2bn
Housing loans	¥ 78.5bn	¥ 85.0 bn
Sale of Group equity investment trusts	¥75.2 bn	¥ 74.6 bn
Sale of Individuals' insurance annuities	¥ 64.8 bn	¥ 56.0 bn
Retail yen deposits (increase in average balance)	+ ¥ 51.5 bn	+ ¥ 67.3bn
"Second Life Support" term deposit campaign	—	¥ 50.0 bn

Campaign characters



Share of deposits in Shizuoka Prefecture





Channel expansion and concentration of financial business

- Open new branches to service markets where growth is expected. Enhance functionality of existing branches by moving/remodeling them.
- Focus loan business by setting up loan centers and loan administration centers.
- Set up Internet branches so that customers who find it difficult to get to branches during opening hours can have the opportunity to access our products.
- Start ATM co-operation with Aeon Bank to enhance customer convenience.

Total branches in Japan	
Branches	162
Loan centers	15
Business stations	7
Total (end of Sept. '07)	184

Note: excludes virtual branches

Seibu region	
Branches	59
Loan centers	4
Business stations	2

Aichi/Osaka region	
Branches	4
Loan centers	1

● New Mikkabi Branch (October)

● Agora Hamamatsu to open (April)

Branch channels

Chubu region	
Branches	43
Loan centers	4
Business stations	3

Tobu region	
Branches	41
Loan centers	5
Business stations	2

Tokyo/Kanagawa region	
Branches	15
Loan centers	1

Loan centers – proportion outsourced		
	March 07	Sept. 07
Target centers	16	100
Outsourced	33%	43%

Note: excludes headquarters and several loan centers based at main branch locations


● Loan administration Center established (July)

● Fujieda and Fujieda Central branches merged and transferred (July)

● Mishima Loan Center relocation (February)

● Yokohama Loan Center to open (February)

Direct channels

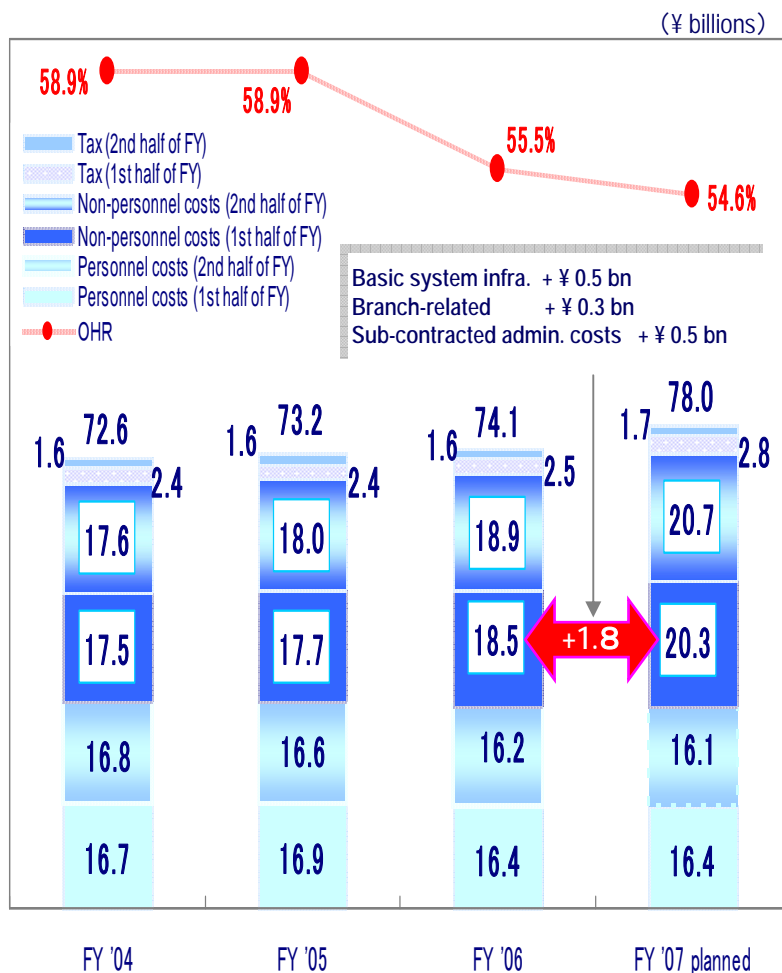
Internet branches	Transactions with ordinary customers began in July '07	
Credit cards	160,668 <i>joyca</i> cards, 12,127 <i>ALL-S</i> cards, 14,806 <i>LuLuCa</i> cards	
CD-ATMs	16,388 (No-commission cooperation/15,411 machines) *Including Aeon Bank	



Expenditure, investment and personnel plans

- Costs in FY '07 are increasing due to investment in systems and branches as part of efforts to achieve sustained top-line growth
- The new sales office system is expected to begin full-scale operation (in 50 offices in the 1st half of the period, and all offices during FY '07).
- We are aiming to achieve an OHR of approximately 55%.

Expenses and OHR



Investments

(¥ billions)

<Major investments>	FY '05	FY '06	1 st half FY '07	2 nd half FY '07	FY '05-'07 plan (3-year total)
Basic system infrastructure	4.7	3.3	5.9	3.3	17.2
Branch-related	2.3	4.1	0.9	1.7	9.0
Total	7.0	7.4	6.8	5.0	26.2

Major system investments

- Renewal of office PCs, opening up systems by network-building
- Redesigning the sales office system to promote standardization, evenness and efficiency

Personnel numbers

(No. of people)

	31/3/05	31/3/06	31/3/07	30/9/07	31/3/08 planned
Bank overall	3,120	3,038	3,073	3,217	3,115
Bank staff	3,077	2,953	2,881	2,917	2,820
Create-partners	43	85	192	300	295



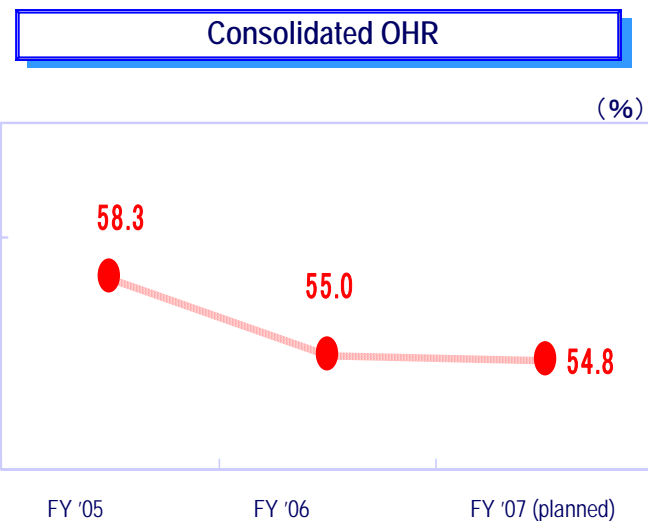
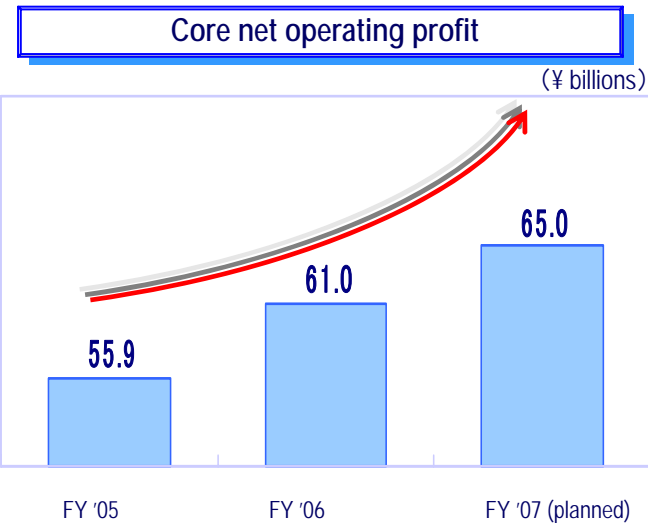
Projected performance for FY2007

(¥ billions)

Consolidated	Actual FY '06	FY '07 forecast	Year-on-year change
Ordinary revenue	226.4	246.0	+19.6
Ordinary profit	72.7	70.5	-2.2
Net income	37.8	39.0	+1.2

Bank, non-consolidated	Actual FY '06	FY '07 forecast	Year-on-year change
Ordinary revenue	192.4	211.0	+18.6
Gross operating profit	133.5	142.8	+9.3
Expenses (-)	74.1	78.0	+3.9
General transfer to loan loss reserves (-)	-1.3	-1.7	-0.4
Net operating profit	60.8	66.5	+5.7
Core net operating profit	61.0	65.0	+4.0
Non-performing loans written off (-)	5.3	7.6	+2.3
Gain on stocks	4.6	5.5	+0.9
Ordinary profit	66.8	65.5	-1.3
Net income	36.3	38.0	+1.7

Credit costs (-)	4.0	5.9	+1.9
------------------	-----	-----	------



Record levels

Strengths of the Shizuoka Prefecture economy (1)

<Economic scale>

The Shizuoka Prefecture economy accounts for about 3% of Japan's GDP and is the 10th-largest economic region in the country. Most of its indices account for about a 3% share of the national economy and it is ranked about 10th with respect to the other prefectures. Shizuoka Prefecture has a high level of economic power on a national basis.

(¥ billions)	FY '04	FY '05	FY '06
Shizuoka Prefecture GDP	16,068.9	-	-
Japan GDP	498,280.4	503,366.8	-
GDP rank among all prefectures	10th	-	-
Value of shipments of products manufactured within the prefecture	16,699.8	17,322.7	*18,188.2
Value of shipments of products manufactured within Japan	284,472.1	295,800.3	*314,619.3
Shipment value rank among all prefectures	3rd	3rd	*3rd

Note: FY basis

* Reported values

<Economic health>

The rate of corporate failure is low in Shizuoka Prefecture, and there are many economically sound companies.

The finances of the Shizuoka Prefecture government are in good condition in comparison with those of local governments across Japan.

	FY '04	FY '05	FY '06	1st half FY '07
Rate of corporate failure (Shizuoka Prefecture)	0.320%	*0.169%	0.254%	-
" (Japan)	0.419%	*0.252%	0.285%	-
" (Order from the bottom)	7th	*8th	21 st	-
Credit Guarantee Association subrogation rate (Shizuoka Prefecture)	1.76%	1.57%	1.87%	1.66%
" (Japan)	2.74%	2.38%	2.37%	2.60%
" (Order from the bottom)	12th	7th	10th	3rd
Financial strength index (Shizuoka Prefecture)	63.7	65.3	69.6	-
" (Japan)	41.1	42.8	46.4	-
" (Rank)	5th	6th	-	-

Note: Corporate failures are on a calendar year basis; all other figures are on a FY basis.

*From April 2005 onwards, figures only cover legal liquidations; not voluntary liquidations.

Strengths of the Shizuoka Prefecture economy (2)

<Growth> Shizuoka Prefecture is the home to new industries, with many companies involved with innovative new business.

	FY '04	FY '05	FY '06	1st half FY '07 (planned)
No. of companies with an approved business development plan (*1) (Shizuoka Prefecture)	21			
“ (Rank)	5th			
No. of companies with an approved business reform plan (*2) (Shizuoka Prefecture)	174	194	233	118
“ (Japan)	4,322	4,421	5,258	2,192
“ (Rank)	7th	7th	7th	5th
No. of companies designated as “new cooperative” (*2) (Shizuoka Prefecture)		6	5	3
“ (Japan)		160	161	58
No. of factory locations (Shizuoka Prefecture)	81	85	102	58
“ (Japan)	1,304	1,544	1,782	901
“ (Rank)	1st	3rd	3rd	1st

*1 Companies approved under the former SMB Development Law

*2 Companies approved under the SMB New Business Operation Promotion Law.

Note: The no. of factory locations is on a calendar year basis; all other figures are on a FY basis.

<Regional employment and corporate earnings>

	FY '04	FY '05	FY '06	1st half FY '07 (planned)
Effective ratio of job offers to applicants (Shizuoka Prefecture)	1.04 times	1.14 times	1.25 times	1.26 times
“ (Japan)	0.83 times	0.95 times	1.06 times	1.05 times
Average monthly wage (Shizuoka Prefecture) (yen '000)	326	333	—	—
“ (Japan)	333	335	—	—
“ (Rank)	15th	6th	—	—
Corporate earnings (Year-on-year change) (Shizuoka Prefecture)	+15.4%	-0.5%	12.2%	*-5.3
“ (Japan)	+20.3%	+12.3%	10.1%	*0.5

Note: The effective ratio of job offers to applicants is on a FY final month basis; average monthly wages are expressed on a calendar year basis; all other figures are on a FY basis.

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.