

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

May 28, 2008

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President

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静岡銀行



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I. Results for FY2007

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Results for FY2007

¥ billions, %

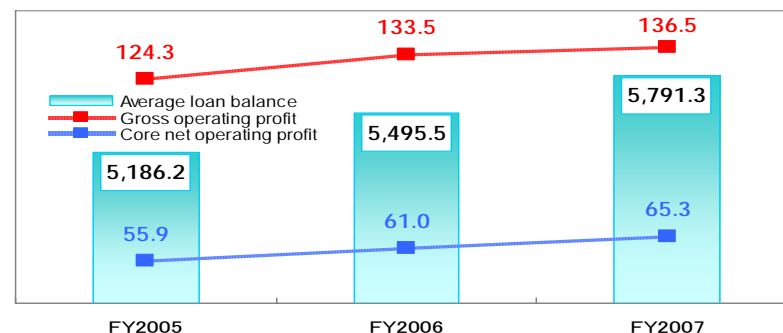
Consolidated	FY2007	YoY change	
		Increase/Decrease	Rate of change (%)
Ordinary revenue	245.1	+18.7	+8.3
Ordinary expenses	180.0	+26.3	+17.1
Ordinary profit	65.1	-7.6	-10.5
Net income	34.8	-3.1	-8.1

Shizuoka Bank, Non-Consolidated

Ordinary revenue	213.5	+21.1	+10.9
Gross operating profit	136.5	+2.9	+2.2
Net interest income	119.7	+7.7	+6.9
Fees	17.7	-0.1	-0.6
Commissions	2.9	+0.7	+32.2
Other operating profit (Bond-related income such as JGBs)	-3.8	-5.3	-355.1
	-6.5	-4.9	-312.3
Expenses	77.7	+3.6	+4.9
General transfer to loan loss reserves	-0.2	+1.0	+81.3
Net operating profit	59.0	-1.7	-2.8
Core net operating profit	65.3	+4.2	+6.9
Special profit and loss	2.7	-3.4	-56.0
Bad debt written-off	7.8	+2.5	+47.9
Gain on stocks	10.3	+5.7	+122.1
Gain on revision of retirement benefit	-	-5.2	-100.0
Ordinary profit	61.7	-5.1	-7.6
Extraordinary loss	-3.1	-2.3	-298.1
Net income before taxes	58.6	-7.4	-11.2
Corporate taxes	23.4	-6.4	-21.4
Net income	35.2	-1.1	-2.9

Consolidated ordinary revenue	Continued growth for 4 periods	Consolidated ordinary profit	First decrease in profits in 6 periods
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[Shizuoka Bank, Non-Consolidated]



Top line growth

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

[Breakdown of net interest income] (¥bn)	FY2007	YoY change
Domestic operations division	115.5	+6.9
Of which, interest on loans	114.3	+18.5
Interest and dividends on securities	19.1	-0.5
Interest on deposits	17.0	+11.2
Overseas operations division	4.1	+0.7

Total interest rate spread	0.43%	+0.02pps
Deposit/lending spread	0.62%	+0.05pps

The record profit in core net operating profit

Net operating profit	First decrease in profits in 2 periods	Core net operating profit	Continued growth for 7 periods
Ordinary profit	First decrease in profits in 6 periods	Net income	First decrease in profits in 2 periods

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



Group business

- **Group Companies decreased both revenue and profits: The total ordinary revenue of 11 consolidated subsidiaries declined to ¥48.1 billion (a ¥0.1 billion decrease year on year) and an ordinary profit of ¥3.6 billion (a ¥2.0 billion decrease year on year)**

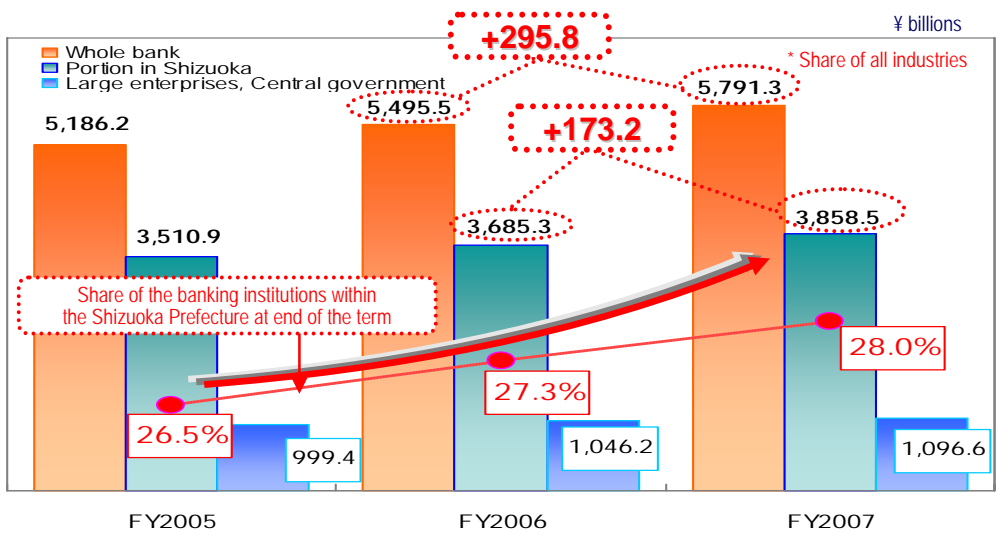
¥ billions

Company name	Business	Ordinary revenue	Ordinary Profit *	Remarks
Shizugin Management Consulting	Management consulting	0.3	0.1 (-0.1)	369 consulting cases completed
Shizugin Lease	Leasing	22.8	1.5 (-0.2)	¥69.9 bn of leases and installment payment contracts signed
Shizuoka Computer Service	Computer services, accounting	6.0	0.4 (+0.1)	Acquired ISO27001 certification
Shizugin Credit Guaranty	Credit guarantee	1.2	0.7 (-0.1)	Secured credit mortgage outstanding security ¥591.9 bn
Shizugin DC Card	Credit card services Credit guarantee	2.3	0.5 (+0.1)	Unsecured loans outstanding security ¥28.1 bn
Shizuoka Capital	Listing consultancy SME support	0.5	0.08 (+0.01)	An investee of "Aigin Future Construction Investment Fund" went public for the first time
Shizugin TM Securities	Securities	3.7	1.2 (-0.6)	Customer assets ¥364.2 bn
Shizuoka Bank (Europe)	Banking & securities	2.8	-1.0 (-1.1)	Loan (average) ¥19.3 bn, Securities (average) ¥33.9 bn
Shizugin General Service	Staff dispatch	3.6	0.04 (-0.06)	2,245 business staff dispatched
Shizuoka Mortgage Service	Bank valuation of real estate collateral Survey services	0.8	0.06 (-0.01)	26,505 valuations of collateral
Shizugin Business Create	Centralized processing of foreign exchange and other translations	4.1	0.05 (+0.04)	Roll-out completed at all branches of centralized processing of checks and of documents received by post
Total (11 companies)		48.1	3.6 (-2.0)	
Shizugin Saison Card*	Credit card services	0.04	-0.8 (-)	32,801 "ALL-S Card" holders

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

*In the ordinary profit column, figures in parenthesis are YOY change.

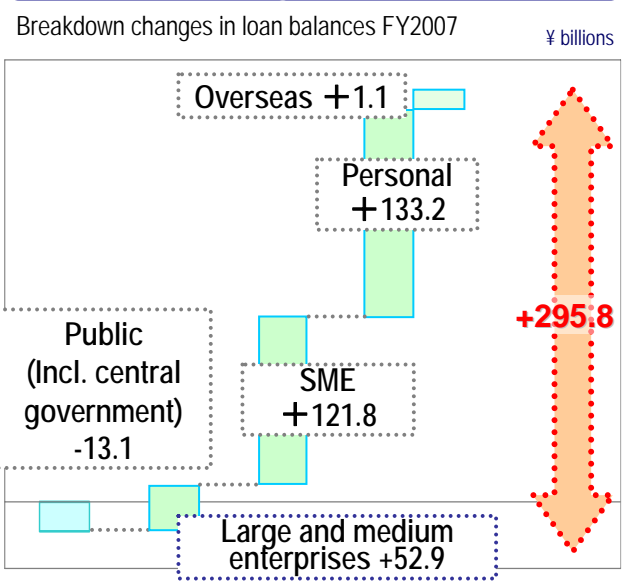
Total loan balances (average balances)



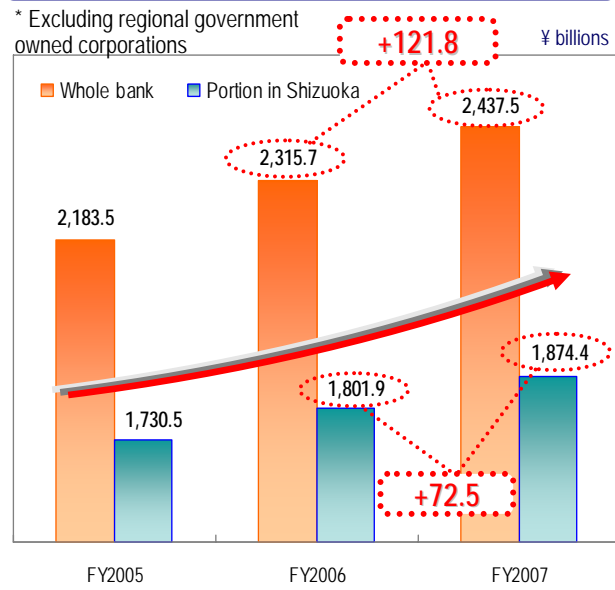
• **Total loan balances (average balances) increased to ¥5,791.3 billion, up ¥295.8 billion (+5.4%) year-on-year**

- SME loan balances increased to ¥2,437.5 billion, up ¥121.8 billion (+5.3%) year-on-year
- Personal loan balances increased to ¥1,816.2 billion, up ¥133.2 billion (+7.9%) year-on-year
- Institutional loan including central government balances decreased to ¥142.6 billion, down ¥13.1 billion (-8.4%) year-on-year

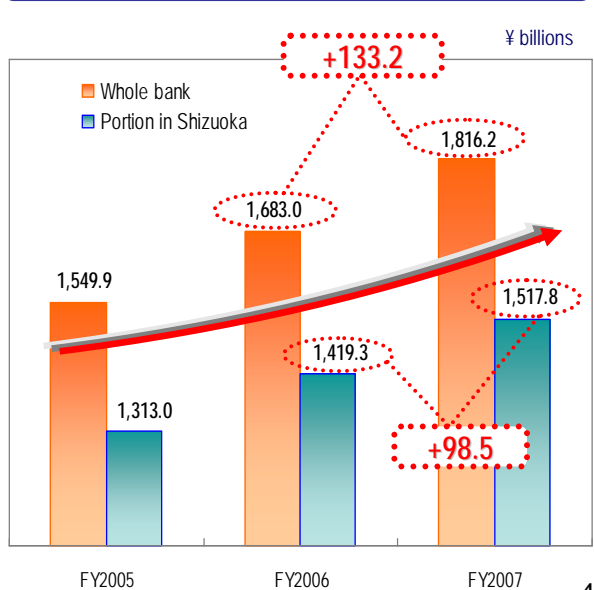
Breakdown of changes in loan balances (average balances)



SME loan balances (average balances)

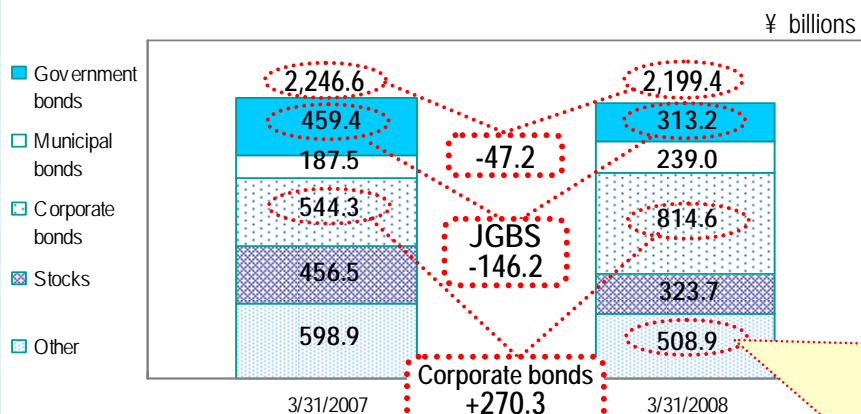


Retail loan balances (average balances)



- Balance of securities at the end of March 2008 was ¥2,199.4 billion, down ¥47.2 billion from March 2007. The balance of exposure to sub-prime loans and monoline insurers was zero
- Gain on revaluation of securities such as stocks, bonds and investment trusts at the end of March 2008 was a profit of ¥176.2 billion, down ¥125.6 billion from March 2007, including a gain of ¥177.0 billion from revaluation of stocks, down ¥127.0 billion from March 2007
- Security yield (average) was 1.83%, unchanged year-on-year

Security portfolio



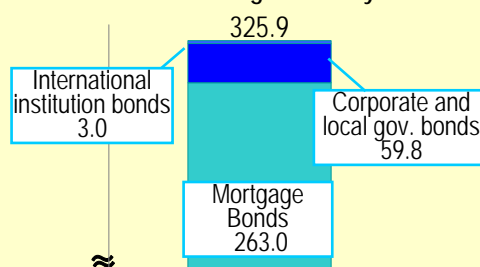
(Other includes foreign-currency bonds.)

Yield and average duration to maturity

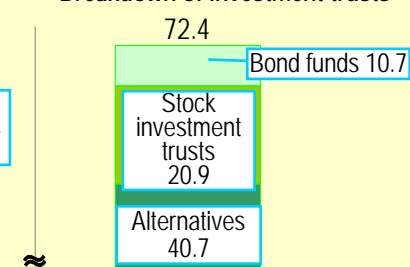
	End of Mar. '07	End of Mar. '08
Yield rate (average)	1.83%	1.83%
Average duration to maturity (yen denominated)	2.60 y	3.26 y
Average duration to maturity (foreign currency denominated)	1.67 y	1.39 y
Gains and losses from the revaluation of securities	¥301.8 billion	¥176.2 billion
Stocks	¥304.0 billion	¥177.0 billion
Nikkei stock average	¥17,287.65	¥12,525.54

Breakdown of "Other" Category

Breakdown of foreign-currency bonds



Breakdown of investment trusts



Breakdown of Mortgage bonds

Ginnie Mae	229.0
Fannie Mae	3.8
Freddie Mac	30.1

Breakdown of Alternatives

Global Macro	22.1
Equity long/short	12.0
Bond arbitrage	3.5

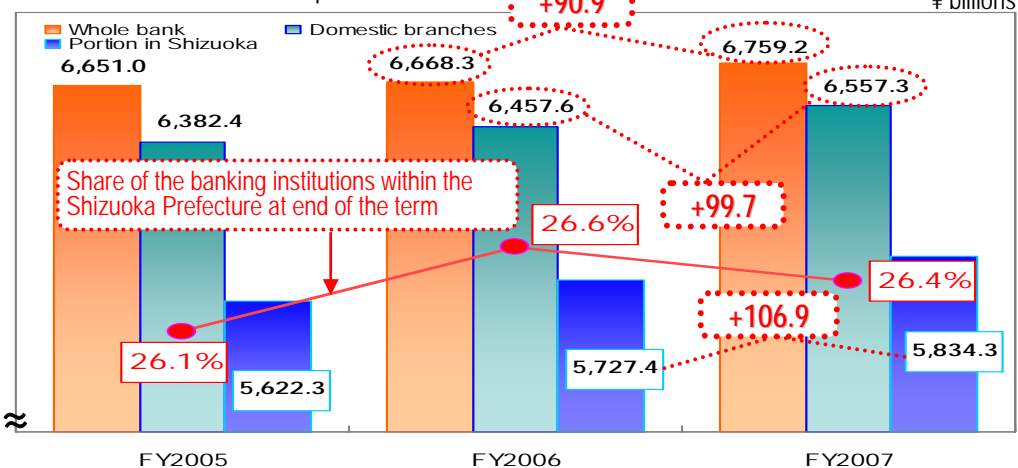
Breakdown of securitized instruments

¥ billions	End of Mar. '07	End of Mar. '08
RMBS*	292.1	346.5
CDO	4.1	0
Alt-A	3.0	0
CMBS	0	0

* Apart from negotiable securities, ¥11.6 billion of purchased loans receivable are held

Total deposit balances (average balances)

* Share of all industries exc. Japan Post bank



- Total deposit balances (average balances) of FY2007 increased to ¥6,759.2 billion, up ¥ 90.9 billion (+1.4%) year-on-year

- Domestic branch deposit balances increased to ¥6,557.3 billion, up ¥99.7 billion (+1.5%) year-on-year

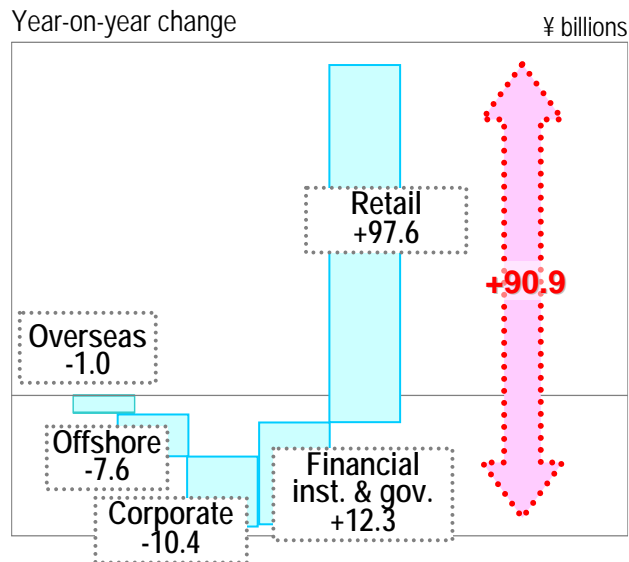
- Deposit balances in Shizuoka Prefecture increased to ¥5,834.3 billion, up ¥106.9 billion (+1.9%) year-on-year

- Retail deposit balances increased to ¥4,925.0 billion, up ¥97.6 billion (+2.0%) year-on-year

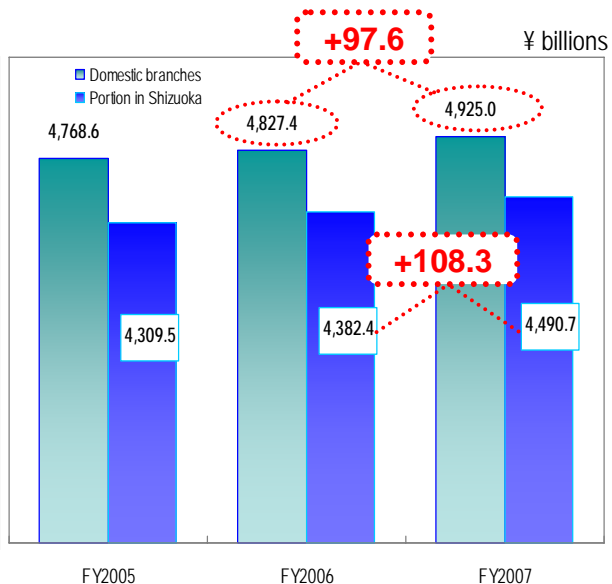
- Corporate deposit balances increased to ¥1,451.8 billion, up ¥10.4 billion (-0.7%) year-on-year

- Including negotiable deposits, total domestic branch deposit balance increased to ¥6,917.1 billion, up ¥239.1 billion (+3.6%) year-on-year

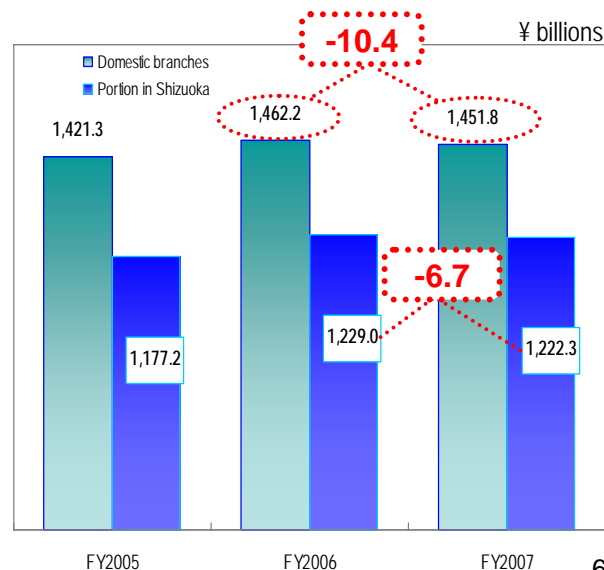
Breakdown of changes in deposit balances by enterprise size (average balances)



Retail deposit balances (average balances)



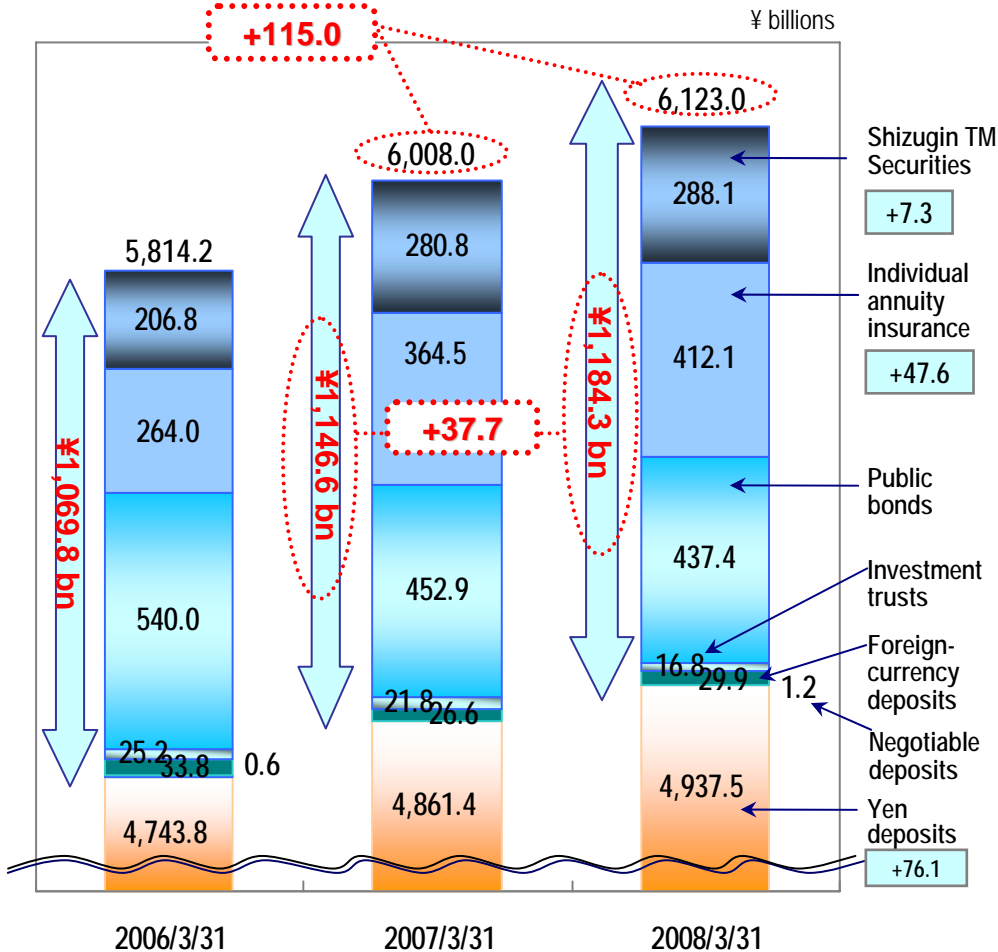
Corporate deposit balances (average balances)



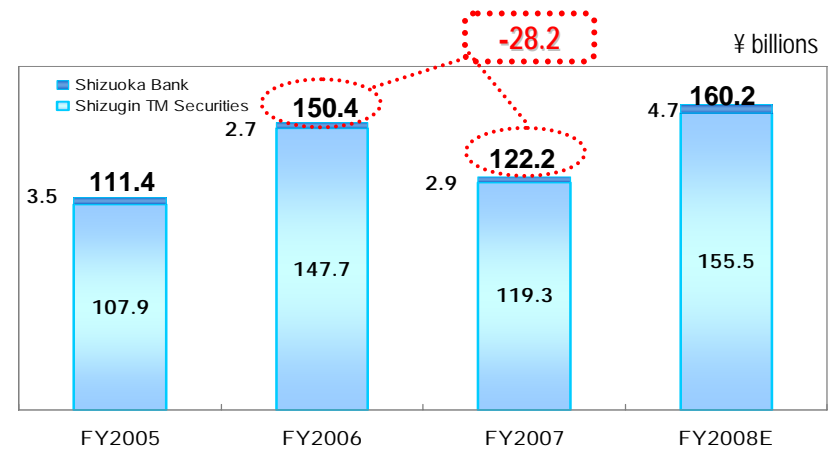
Customer assets

- Customer assets at the end of March 2008 (including the balance of Shizugin TM Securities) increased to ¥6,123.0 billion, up ¥115.0 billion from the end of March 2007. With yen deposits and negotiable deposits factored out, customer assets increased to ¥1,184.3 billion, up ¥37.7 billion from the end of March 2007
- Sales of investment trusts, due to worsening of market conditions, slowed down in sales turnover
- OTC sales of insurance products, mainly highly profitable variable annuities, remained high (Top sales among regional banks in the 2nd half of FY2007)

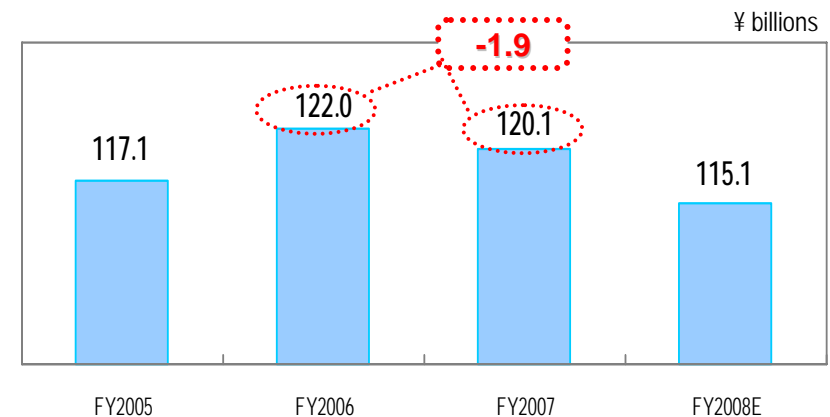
Retail customer assets under management (term-end balances)



OTC sales of investment trusts



OTC sales of insurance products

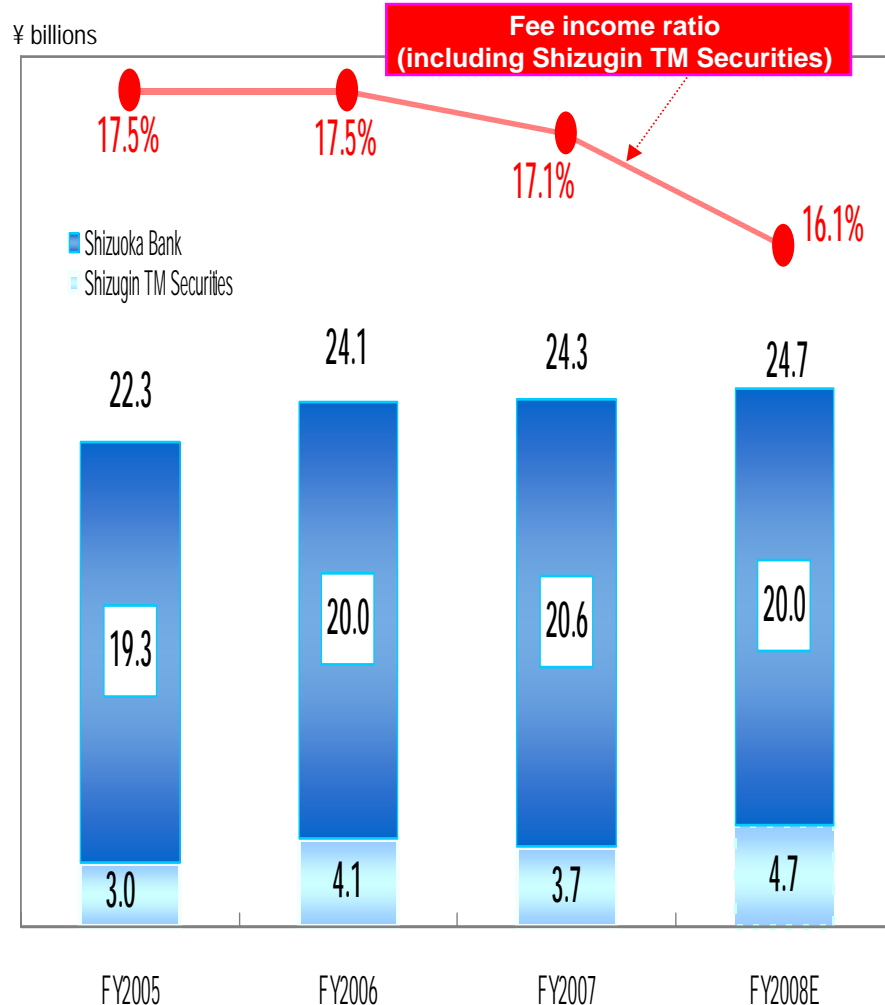


*Figures of individual annuity insurance are the balance of remaining contracts.

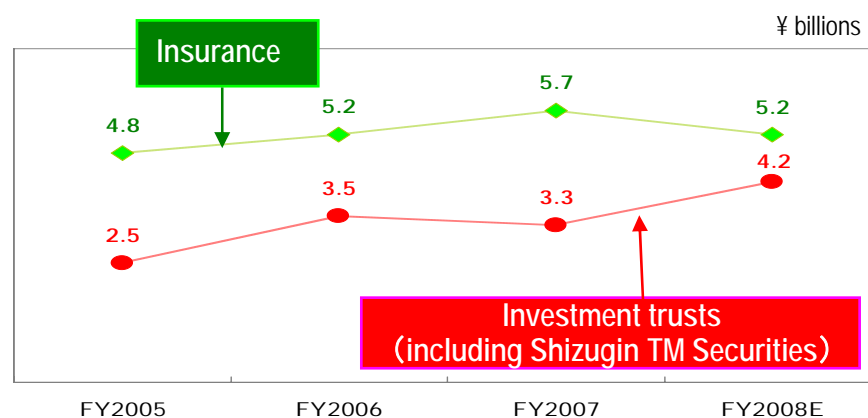
Fee incomes

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

Fee income (Shizuoka Bank / Shizugin TM Securities)



Fee income from OTC sales of investment trusts and insurance products



Fee income and expenses

Non-consolidated	FY2007	Year-on-year change
Fee income	¥28.5 bn	+ ¥1.2 bn
Agents' fees (OTC insurance sales commission, etc.)	¥6.4 bn	+ ¥0.4 bn
Misc. fees received	¥8.8 bn	+ ¥0.3 bn
Fee expenses	¥7.9 bn	+ ¥0.6 bn
Loan/life insurance premiums	¥2.9 bn	+ ¥0.2 bn

Credit costs: FY2007 ¥7.5 billion (+ ¥3.5 billion year-on-year)

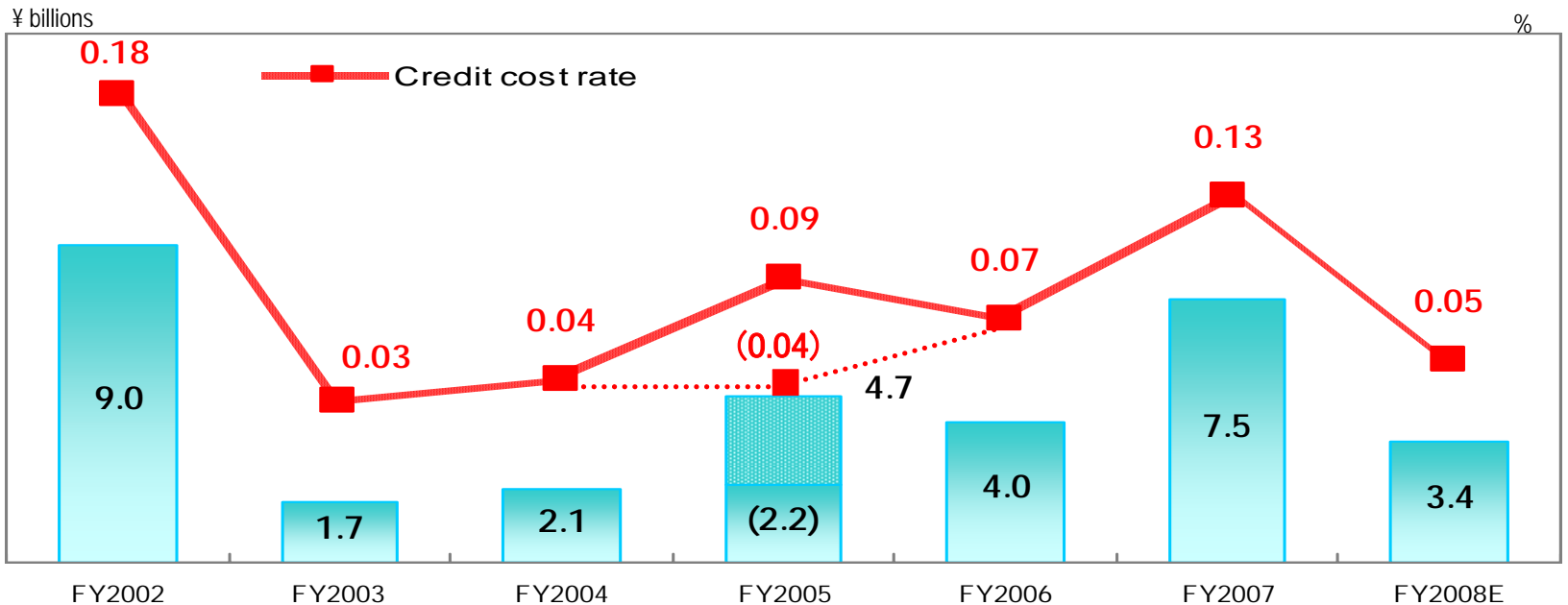


- ✓ General transfer to loan loss reserves: - ¥0.2 billion (+ ¥1.0 billion YoY)
- ✓ NPL disposal: ¥7.8 billion (+ ¥2.5 billion YoY)

(of which transfer to specific reserves ¥5.7 billion)

- Change in debtor classification: ¥13.9 billion
- Land price decline: ¥1.0 billion
- Reversal of specific reserves due to improvement in rating and loan recovery: -¥9.2 billion
- Total: ¥5.7 billion**

Credit cost and credit cost rate trends



*Credit costs = NPL disposals + General transfer to loan loss reserves - Reversal of loan loss reserves, Credit cost rate = Credit costs / Average loan balance
 FY2007 NPL disposal figures include transfer to other contingent loss reserves
 FY2005 figures in parenthesis exclude special factors from revision of computation period for write-off ratio

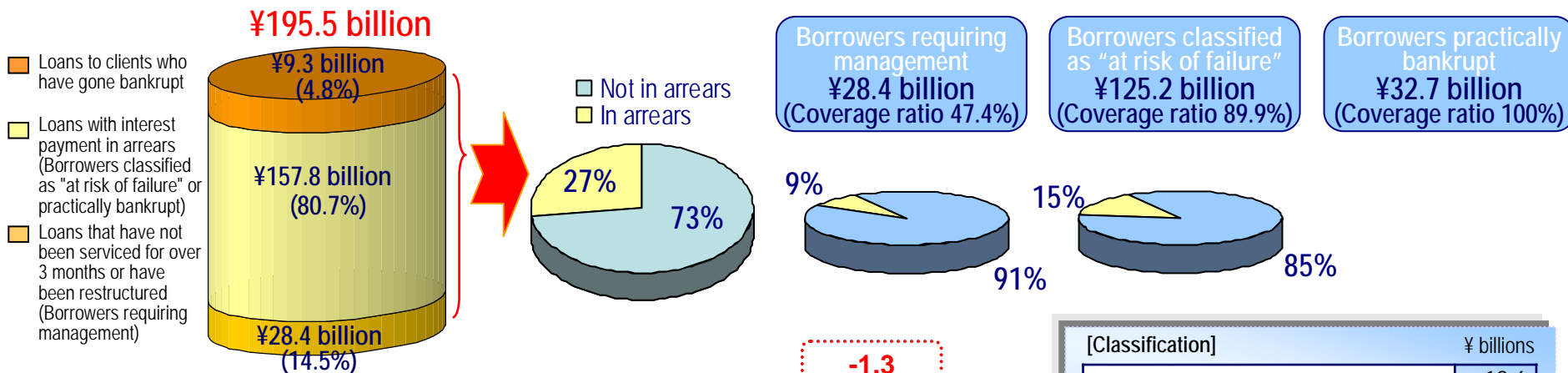
Non-performing loans

- Loans to borrowers classified as "at risk of failure" or in riskier categories: - ¥2.0 billion
- Restructured loans and loans overdue 3 months or longer: + ¥0.7 billion

Risk-management loans balance (Non-consolidated basis)

- Total risk-management loans outstanding at the end of March 2008 amounted to ¥195.5 billion (-¥1.3 billion from the end of March 2007)
- The ratio of risk-management loans stood at 3.29% (-0.16 points from the end of March 2007)
 - Total risk-management loans adjusted for ¥13.9 billion in written-off loans and ¥89.2 billion in loans guaranteed by credit guarantee corporations came to ¥92.4 billion; The risk-management ratio to total loans adjusted for that portion written-off came to 1.55% (-0.13 points from the end of March 2007)
- The coverage ratio stood at 85.90% (+0.19 points from the end of March 2007)

Risk-management loans at the end of March 2008



NPL removal from the balance sheet

	FY2004	FY2005	FY2006	FY2007
New recognition of NPLs	+55.9	+55.6	+48.9	+69.3
Removal from the balance sheet (NPL to borrowers classified as "at risk of failure" or in riskier categories)	-86.4 (-57.1)	-86.1 (-69.0)	-71.5 (-60.4)	-70.6 (-60.0)
Risk-management loans	249.9	219.4	196.8	195.5

¥ billions

[Classification]	¥ billions
Borrowers requiring management	12.6
Borrowers classified as "at risk of failure"	46.1
Borrowers practically bankrupt or in bankruptcy	10.6

[Breakdown of ¥60.0 billion]

- ✓ Collected from borrower/set off against deposit account: ¥15.9 billion
- ✓ Collateral disposal/subrogated to guarantor: ¥21.2 billion
- ✓ Reclassified to better category: ¥11.4 billion
- ✓ Loans sold-off: ¥11.3 billion
- ✓ Written-off: ¥0.2 billion



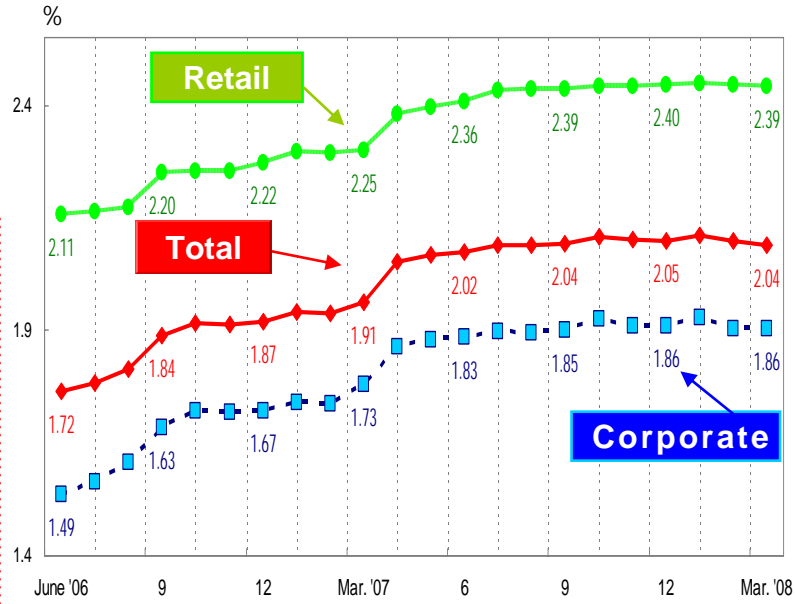
Effect of interest rate increases on interest income

- Together with the government interest rate rises in July 2006 and February 2007, lending rates have been steadily increased

Changes in yen-denominated loans and deposit structure (Mar. 07/Mar. 08 comparison)

March 2007			March 2008		
	Average balance (% of total)	Interest rate	Average balance (% of total)	Interest rate	¥ trillions, %
Loans	5.5 (100.0)	1.91	5.8 (100.0)	2.04	
Variable interest	4.0 (73.7)	1.93	4.2 (71.8)	2.07	
Short-term/new long-term prime rate standard	2.6 (47.0)	2.37	2.6 (44.8)	2.52	
Market-linked	1.3 (24.5)	1.01	1.5 (25.3)	1.20	
Fixed interest	1.4 (26.3)	1.86	1.6 (28.2)	1.96	

Loan interest rates (monthly average)

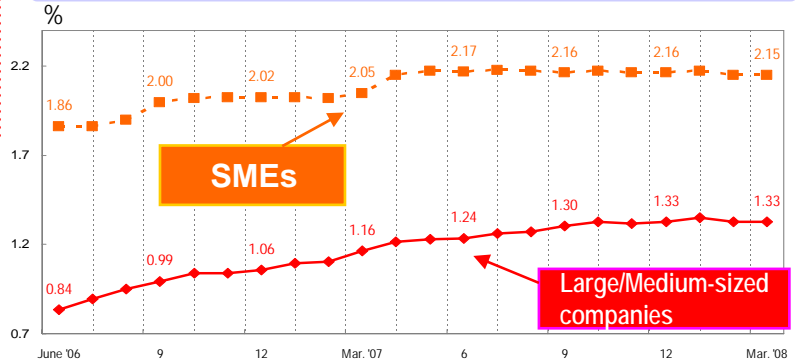


Difference between loan and deposit interest rate **+1.72**

+0.05 **+1.77**

March 2007			March 2008		
	Average balance (% of total)	Interest rate	Average balance (% of total)	Interest rate	¥ trillions, %
Deposits	6.8 (100.0)	0.19	7.1 (100.0)	0.27	
Liquid deposits	4.0 (58.4)	0.16	4.0 (56.3)	0.17	
Term deposits	2.6 (38.1)	0.21	2.7 (38.7)	0.39	

Trends in corporate loan interest rates by company size

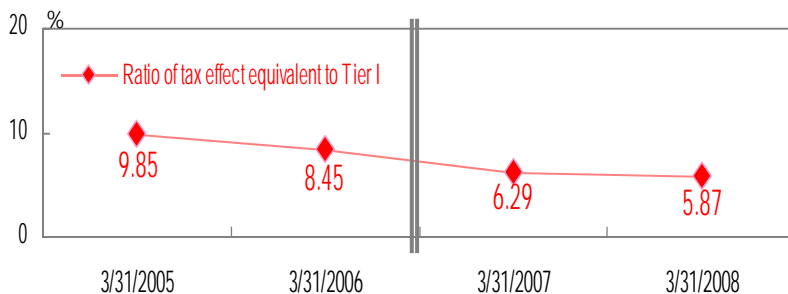
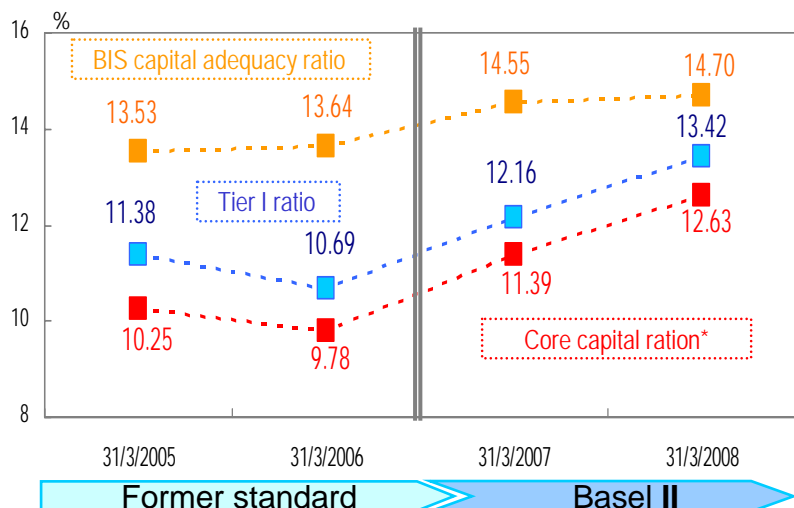


*Deposits include NCDS

Capital adequacy ratio

- The Basel II capital adequacy ratio (provisional) at the end of March 2008, increased by 0.15 percentage points from the level at the end of March 2007, to 14.70% 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 3/31 2007
	3/31/2005	3/31/2006	3/31/2007	3/31/2008	
Capital	630.8	712.5	691.9	650.4	- 41.5
Tier I	530.3	558.2	578.5	593.8	15.3
Amount corresponding to tax effect	52.3	47.2	36.4	34.9	-1.5
Risk-adjusted assets	4,659.4	5,219.9	4,754.9	4,423.2	- 331.7
Total credit-risk-adjusted assets	4,640.4	5,194.0	4,462.0	4,089.5	- 372.5
Amount corresponding to market risk	19.0	25.9	22.0	22.0	- 0
Amount corresponding to operational risk	-	-	270.9	283.7	12.8

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

Outlier ratio (Non-consolidated basis)

Size of maximum risk	Tier I + Tier II	Outlier ratio
¥ 65.8 billion	¥ 650.1 billion	10.1 %



Shareholder returns

- **FY2007 dividend (annual) per share of ¥13 achieved the highest level of regional banks (dividend payout ratio 25.96%, dividend yield 1.10%)**
- **In FY2007, we expect to buy back up to 10 million shares (to a value of 12.6 billion yen) and write off the full equivalent of treasury stock**
- **Aim to maintain “dividend payout ratio at approx. 25%, the highest payout ratio among main regional banks” and plan to distribute dividend (annual) per share of ¥14 by taking into account the market trends and operating performance**

Dividend trends

	FY2004	FY2005	FY2006	FY2007	FY2008 Forecast
Dividend per share (annual)	¥ 8.50	¥ 10.00	¥ 13.00	¥ 13.00	¥ 14.00 (¥ 7.00)
Dividend yield (Dividend/share price at end of FY)	0.78 %	0.84 %	1.03 %	1.10 %	-

(Interim dividend)

Profit distribution to shareholders

	FY2004	FY2005	FY2006	FY2007	¥ billions, % 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)	-	-	-	12.6	Accumulated total 94.1
Shareholder returns (3)=(1)+(2)	6.0	7.1	9.2	21.8	Accumulated total 154.2
Net income (4)	35.0	31.4	36.3	35.2	Accumulated total 245.8
Dividend payout ratio (1)/(4)x100	17.18 %	22.57 %	25.39 %	25.96 %	Average 24.44 %
Shareholder return ratio (3)/(4)x100	17.18 %	22.57 %	25.39 %	61.82 %	Average 62.73 %

II. Overview of Ninth Medium-Term Management Plan

Dream with you.



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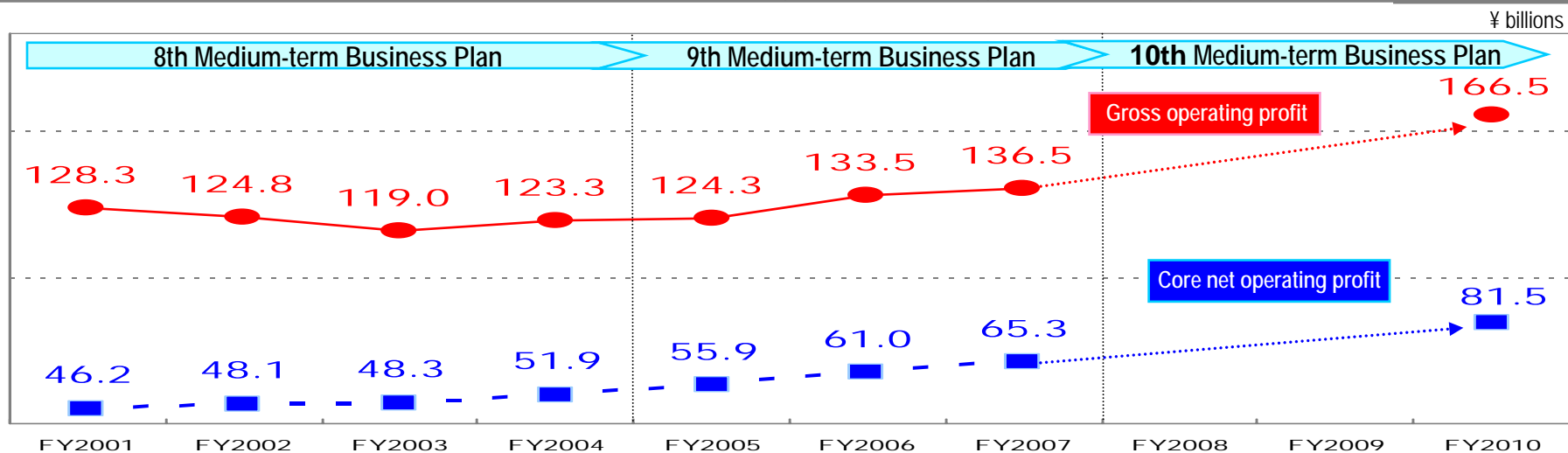
Creating an earnings model (1)

Group indicators and targets

		Initial Plan	FY2005	FY2006	FY2007
Earnings Targets	Consolidated ordinary profit	¥ 60.0 billion or greater	¥ 58.2 billion	¥ 72.7 billion	¥ 65.1 billion
	Non-consolidated core operating profit	¥ 62.0 billion or greater	¥ 55.9 billion	¥ 61.0 billion	¥ 65.3 billion
	Consolidated net income	¥ 35.0 billion or greater	¥ 33.1 billion	¥ 37.8 billion	¥ 34.8 billion

Efficiency Index	Consolidated ROE (Net income/Tier I)	6.5% or greater	5.92%	6.42%	5.85%
	Consolidated ROA (Net income)	0.4% or greater	0.39%	0.43%	0.39%
	Consolidated OHR	Approx. 55%	58.3%	55.0%	56.7%
	Core Consolidated OHR (Consolidated gross operating profit excluding loan related losses)	-	56.3%	54.4%	53.9%

Consolidated Tier I BIS capital adequacy ratio (Former standard)	Approx. 10%	10.69%	10.86%	10.87%
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Creating an earnings model (2)

Corporate banking

	FY2004	FY2005	FY2006	FY2007	Change in 3 years
¥ billions, cases, %					
Corporate loan average balances	3,077.4	3,230.8	3,425.7	3,601.6	+ 524.2
SME loan average balances	1,946.4	2,042.2	2,179.0	2,302.4	+ 356.0
Corporate deposit average balances	1,422.3	1,421.3	1,462.2	1,451.8	+ 29.5
Number of cases managed by Business Station	192.7	169.0	791.4	1,056.7	+ 864.0
Business station lending balances	10.8	9.2	56.2	89.5	+ 78.7
Total sales of "Business passport"	-	-	1.3	5.3	+ 5.3
(Loan Share in Shizuoka Prefecture)	26.0 %	26.5 %	27.3 %	28.0 %	+ 2.0

Retail banking

	FY2004	FY2005	FY2006	FY2007	Change in 3 years
¥ billions, people					
Retail loan average balances	1,444.0	1,549.9	1,683.0	1,816.2	+372.0
Housing loans (term-end balances)	751.1	830.5	894.7	966.0	+214.9
Total sales of "Next One"(credit line)	-	-	16.5	26.3	+26.3
Total sales of "Upgrade"(credit line)	-	-	3.6	5.3	+5.3
Retail deposit average balances	4,729.6	4,768.6	4,827.4	4,925.0	+195.4
Investment trusts (including Shizugin TM Securities)	45.1	111.4	150.4	122.2	* 384.0
Sale of Individuals insurance annuities	108.4	117.1	122.0	120.1	* 359.2
Total number of "joyca" holders	-	-	120,632	193,964	193,964

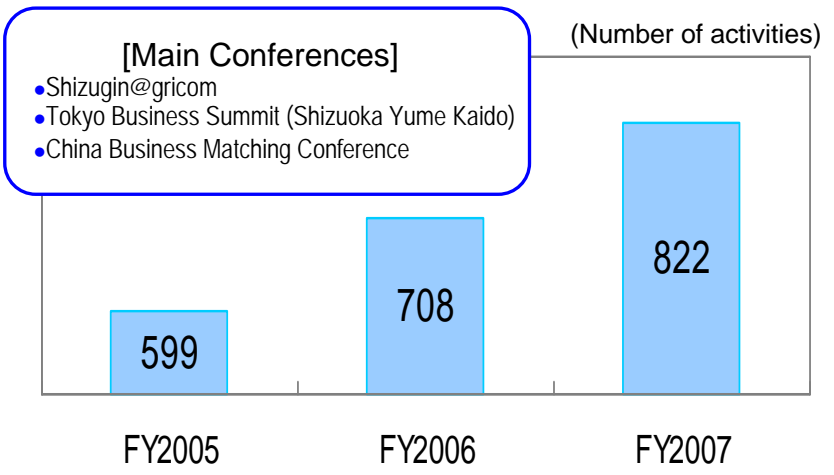
* FY2005-FY2007 accumulated sales

Approach to regional finance initiatives

- "Business Matching," activities that contribute to client growth, and the start of "Shizuginship," training the next generation of managers
- Support swift and smooth business regeneration by utilizing various methods focusing on businesses that have a great influence on the regional economy

Progress of numbers of "Business Matching" contracts signed

"Shizuginship" – training the next generation of managers



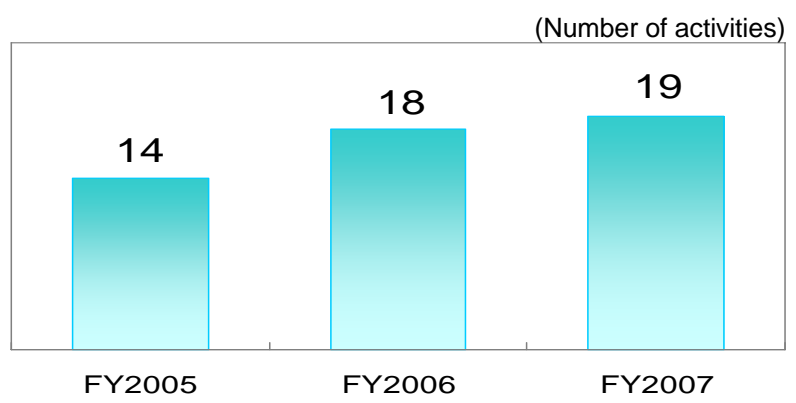
Shizuginship

- No. of members (as of 31/3/2008)
725 companies ; 1,111 members
- No. of participants for seminars and visits
Total in FY2007: 2,517



Business regeneration activities

[Number of Business Regeneration Activities]



[Techniques Used for Business Regeneration]

[Techniques Used for Business Regeneration]		Total in three years
Total	(number of cases)	51
Shizuoka SME Support Funds, "Partner" & "Scram"		10
Business transfers and M&A		13
Shizuoka Prefecture Regeneration Support Council		15
Regenerative Bulk Sale		6
Others		7



Construction of management infrastructure

- Thanks to the roll-out of the new branch system to all branches, back-office personnel are relocated to front office operations
- Due to progress centralizing deposit functions, and by taking advantage of the centralized businesses, the creation of specialized front office branches continues

IT System installation

- Branch sales support system (S-prit) in operation
- Development of new branch system at all branches
- Introduction of new loan support system (S-navi)
(Scheduled to operate in all branches from August 2008)



[System costs (total for 2005-2007)]

Investments	¥23.6 bn
Expenses	¥33.6 bn

Development of centralized businesses

- Business Stations 7
- Loan Operations Centers 3
- Credit Management Center 1



Efforts to increase front office personnel

Branch office personnel	March 2005	March 2008	Change
Bank employees	2,605	2,373	-232
Front office/tellers	2,120	2,160	+40
Back office	485	213	-272
Create-partners/business staff	1,185	1,736	+551
Tellers	259	481	+222
Back office	926	1,255	+329

Shift to front office operations



Shizuoka Bank's high reliability

- Together with the start of the application of Basel II, improved the risk management system
- S&P's long-term ratings: upgraded to AA- (December 2007), maintaining the best rating among Japanese regional banks

Upgraded risk management

- Clarified "Overall Risk Management" as the basic policy for risk management
- As the calculation method for the capital adequacy ratio, adopted the FIRB approach for credit risk and the Standardized approach for operational risk

External ratings

[Long-Term Ratings]		Moody's					
		Aa2	Aa3	A1	A2	A3	Baa1
S&P	AA-		Shizuoka Bank				
	A+	Norinchukin, Shinkin Central, Tokyo-Mitsubishi UFJ, Mitsubishi UFJ Trust, Mizuho, Mizuho Corporate, Mizuho Trust, Sumitomo Mitsui	Sumitomo Trust				
	A		Chugoku	Yokohama, Chiba, Joyo, Higo, Chuo Mitsui Trust			
	A-			Gunma, Resona	Aozora, Shinsei		
	BBB+					Hiroshima, Fukuoka	Hokuriku

III. Initiatives for FY2008

Dream with you. 
SHIZUOKA BANK

静岡銀行



Targets for the first year of the Tenth Medium-term Business Plan

Group indicators and targets

		FY2008 Targets	FY2010 Targets
Earnings Targets	Consolidated ordinary profit	¥ 71.5 billion (Reported ¥69.0 billion)	¥ 85.0 billion or greater
	Non-consolidated core operating profit	¥ 67.0 billion	¥ 80.0 billion or greater
	Consolidated net income	¥ 40.9 billion (Reported ¥40.0 billion)	¥ 50.0 billion or greater
Efficiency Index	Consolidated ROE (Net income/Tier I)	6. 5% or greater	7% level
	Consolidated ROA (Net income)	0. 47% or greater	0. 5% or greater
	Consolidated OHR	Approx. 55%	Approx. 50%
Soundness Index	Consolidated BIS capital adequacy ratio (Tier I ratio)	Approx. 13.0%	Approx. 12%

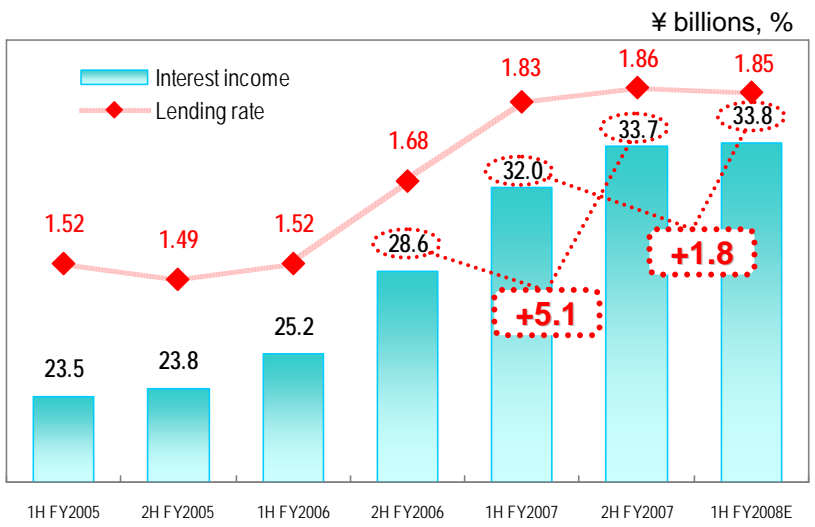




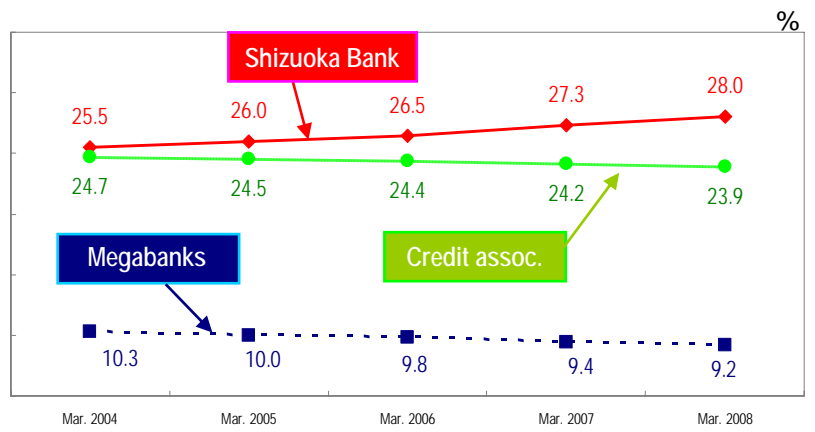
Corporate banking initiatives

- Discover, in accordance with the life-cycle of clients, management issues and needs, and provide high added-value solutions
- Via "Shizuginship," provide a continual and high quality service for our clients' effective business succession planning

Trends in corporate division yen loan interest income and lending rates



Share of loans in Shizuoka Prefecture



Projections for FY2008

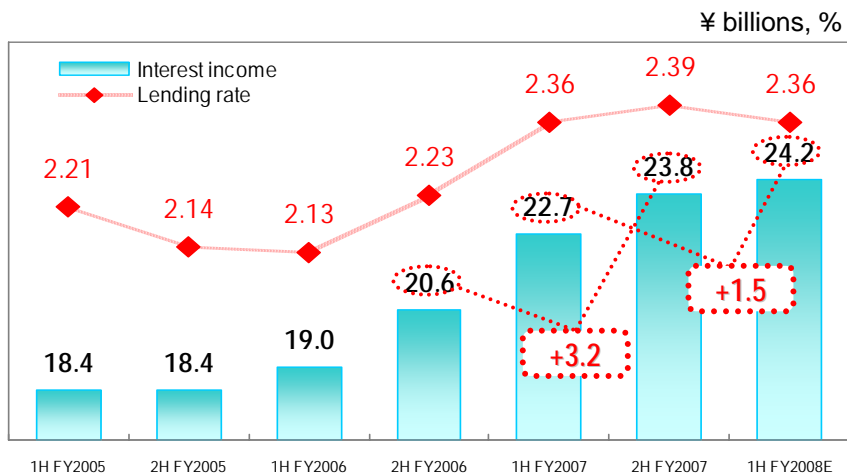
- Average yen lending balance: up ¥ 138.4 billion
- Interest income: up ¥ 2.0 billion
- Fee income earned: ¥ 3.2 billion

Main operations	FY2007 Actual	FY2008 Projected
Increase in average balance of loans to SMEs	+ ¥ 123.4 billion (¥102.7 bn above plan)	+ ¥ 100.6 billion
Loans to newly acquired clients (Excluding Tokyo, Nagoya and Osaka)	¥ 102.2 billion	¥ 120.0 billion
No. of business matching cases	822	1,000
Fees for derivatives for clients	¥ 2.8 billion	¥ 2.3 billion
Improved foreign-exchange transactions	\$ 4.8 billion (\$4.4bn above plan)	\$ 4.6 billion
Corporate yen deposits (increase in average balance)	- ¥ 10.4 billion	+ ¥ 19.6 billion

Retail banking initiatives

- Based on a core of housing loans the Retail Division will increase income by promoting consumer loans
- Aim to increase earnings by strengthening relations with affluent individuals

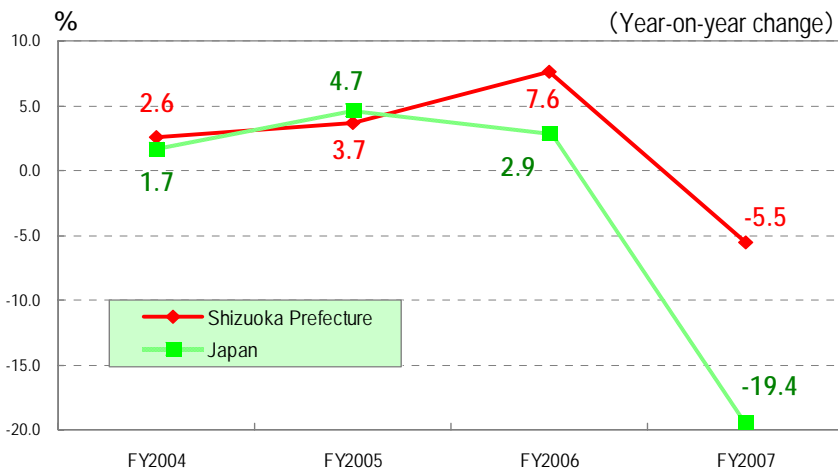
Retail division yen loan interest income and lending rate



Projections for FY2008

- Average yen loans balance: up ¥109.8 billion
- Interest income: up ¥2.1 billion
- Income earned from sales of assets in custody: ¥7.3 billion

New housing starts



Main operations

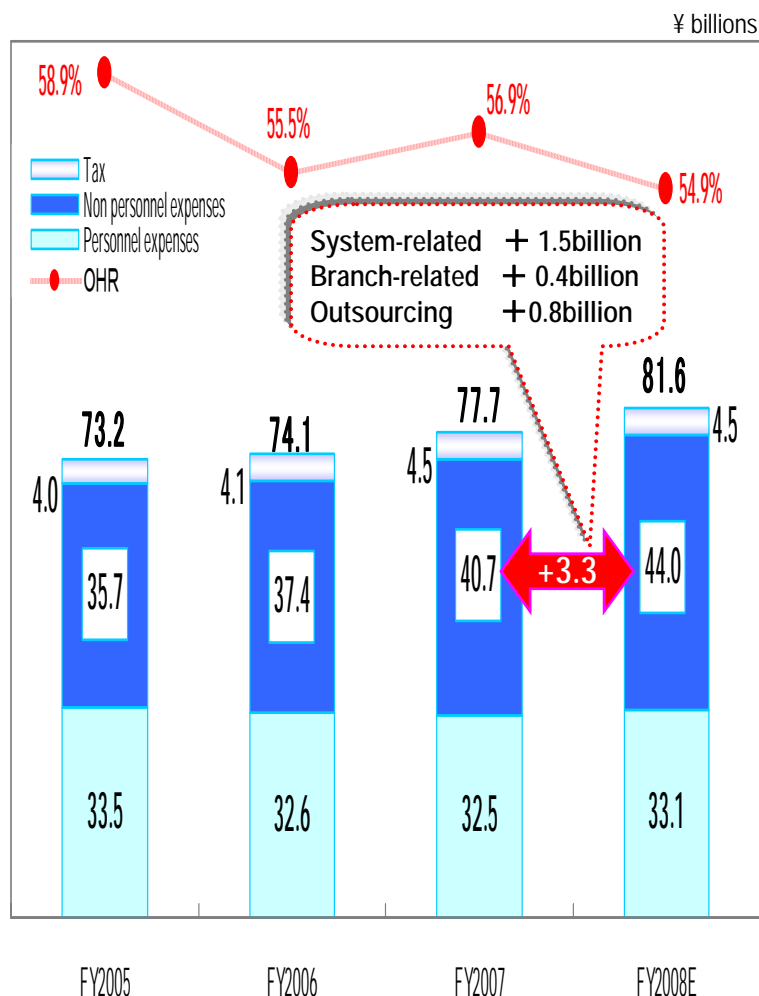
	FY2007 Actual	FY2008 Projected
Growth in consumer loans (increase in term-end balance)	+ ¥ 139.1 billion	+ ¥ 115.6 billion
Housing loans	¥ 160.2 billion	¥ 165.0 billion
Sale of Group equity investment trusts	¥ 118.8 billion	¥ 160.2 billion
Sale of Individuals' insurance annuities	¥ 120.1 billion	¥ 115.0 billion
Retail yen deposits (increase in average balance)	+ ¥ 99.7 billion	+ ¥ 135.5 billion
"Second Life Support" term deposit campaign	¥ 77.6 billion	¥ 25.0 billion*
Total number of "joyca" holders	193,964	+100,000

*Projection for the first half of FY2008

Expenses, investment and manpower planning

- FY2008 expenses are expected to rise due to increases in operational efficiency in order to raise branch productivity, and by introducing measures to promote operations
- OHR will be controlled as appropriate, aiming for 55%

Expenses and OHR



Investment amount

*Cash-out basis
¥ billions

Main investments	FY2005	FY2006	FY2007	FY '05-'07 (3-year total)	FY2008 Plan
System-related	5.6	5.3	12.7	23.6	6.9
Branch-related	2.3	4.1	2.3	8.7	9.1
Total	7.9	9.4	15.0	32.3	16.0

Expenses

Expenses	FY2005	FY2006	FY2007	FY '05-'07 (3-year total)	FY2008 Plan
System-related	10.3	10.9	12.4	33.6	13.9

Change in the number of personnel

Employees

	3/31/2005	3/31/2006	3/31/2007	3/31/2008	3/31/2009E
Shizuoka Bank	3,120	3,038	3,073	3,149	3,190
Of which bank employees	3,077	2,953	2,881	2,851	2,780
Create partners	43	85	192	298	410



Projected performance for FY2008

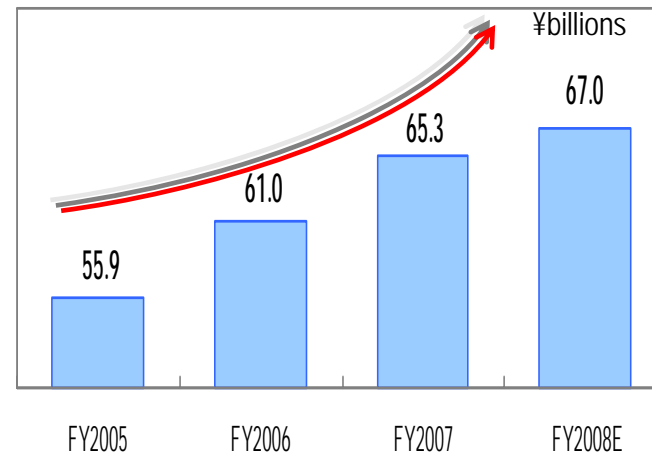
¥billions

Consolidated	FY2007	FY2008E	YoY change
Ordinary revenue	245.1	233.0	- 12.1
Ordinary profit	65.1	69.0	+ 3.9
Net income	34.8	40.0	+ 5.2

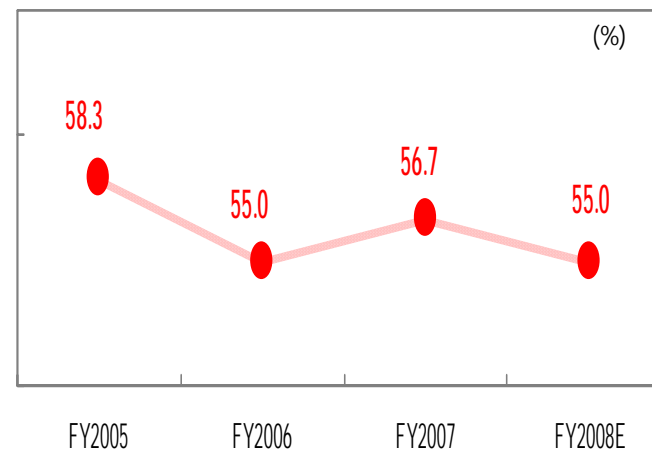
Shizuoka Bank, Non-Consolidated

	FY2007	FY2008E	YoY change
Ordinary revenue	213.5	200.0	- 13.5
Gross operating profit	136.5	148.6	+12.1
Expenses (-)	77.7	81.6	+ 3.9
General transfer to loan loss reserves (-)	- 0.2	- 2.0	- 1.8
Net operating profit	59.0	69.0	+ 10.0
Core net operating profit	65.3	67.0	+ 1.7
Bad debt written-off (-)	7.8	5.4	- 2.4
Gain on stocks	10.3	1.5	- 8.8
Ordinary profit	61.7	65.0	+ 3.3
Net income	35.2	39.0	+ 3.8
Credit costs (-)	7.5	3.4	- 4.1

Core net operating profit



Consolidated OHR



The Record Profit

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.

	FY2004	FY2005	FY2006
Prefectural GDP (¥ billions)	15,980.5	16,415.0	-
National GDP	498,490.6	503,844.7	511,877.0
Ranking in prefectural GDP	10 th /47	10 th /47	-
Prefectural manufactured goods shipments (¥ billions)	16,699.8	17,322.7	*18,188.2
National manufactured goods shipments	284,472.1	295,800.3	*314,619.3
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.

	FY2004	FY2005	FY2006	FY2007
Business failure rate (Shizuoka)	0.320 %	* 0.169 %	0.254 %	0.230 %
Business failure rate (Nationwide)	0.419 %	* 0.252 %	0.285 %	0.317 %
Ranking (The lower the rate, the higher the ranking)	7 th /47	* 8 th /47	21 th /47	7 th /47
The rate of loan claims subrogated to credit guarantee corporations (Shizuoka)	1.76 %	1.57 %	1.87 %	1.83 %
The rate of loan claims subrogated to credit guarantee corporations (Nationwide)	2.74 %	2.38 %	2.37 %	2.70 %
Ranking (The lower the rate, the higher the ranking)	12 th /47	7 th /47	10 th /47	3 rd /47
Fiscal solvency index (Shizuoka)	63.7	65.3	69.6	-
Fiscal solvency index (Nationwide)	41.1	42.8	46.4	-
Ranking	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.

	FY2004	FY2005	FY2006	FY2007
No. of firms authorized for R&D business plan (*1) (Shizuoka)	21			
Ranking	5 th /47			
No. of firms approved for business innovation plan (*2) (Shizuoka)	174	194	233	262
No. of firms approved for business innovation plan (*2) (Nationwide)	4,322	4,421	5,258	4,736
Ranking	7 th /47	7 th /47	7 th /47	5 th /47
No. of firms authorized for new collaboration plan (*2) (Shizuoka)		6	5	10
No. of firms authorized for new collaboration plan (*2) (Nationwide)		162	158	142
No. of new facility locations (Shizuoka)	81	85	102	124
No. of new facility locations (Nationwide)	1,302	1,544	1,782	1,791
Ranking	1 st /47	3 rd /47	3 rd /47	1 st /47

*1 Authorized under the former SMB Development Law.

*2 Approved/authorized under the SMB New Business Operation Promotion Law.

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

<Regional employment & corporate earnings>

	FY2004	FY2005	FY2006	FY2007
Effective job opening to applicant ratio (Shizuoka) (times)	1.04	1.14	1.25	1.21
Effective job opening to applicant ratio (Nationwide)	0.83	0.95	1.06	1.04
Monthly average wages (Shizuoka) (thousand yen)	326	333	-	-
Monthly average wages (Nationwide) (thousand yen)	333	335	-	-
Ranking	15 th /47	6 th /47	-	-
Corporate earnings (compared year-on-year) (Shizuoka)	+15.4 %	- 0.5 %	+12.2 %	-3.2 %
Corporate earnings (compared year-on-year) (Nationwide)	+20.3 %	+12.3 %	+10.1 %	-1.6 %

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

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.