

Financial Results for the 1Q of FY2012

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President



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Results of the 1Q of FY2012

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Results of the 1Q of FY2012 [Non-consolidated]

【Non-consolidated】		FY2011		YoY change	1Q FY2012		
		(JPY bn, %)			YoY change	Progress	
Ordinary revenue		174.8	-4.5	Continued decrease in 4 periods	49.7	-1.6	28.1
Gross operating profit		148.3	-3.1	Continued decrease in 2 periods	43.4	+1.0	29.5
Net interest income		127.3	-0.9		31.6	-2.6	—
Fees and commissions, Trading income		14.8	+0.5		3.7	+0.0	—
Bond-related income such as JGBs		7.4	+0.8		8.3	+3.2	—
Expenses (-)		81.1	+0.1		20.5	-0.2	25.4
General transfer to loan loss reserves (-)		—	+1.3		—	—	—
Net operating profit		67.2	-4.5	First decrease in 3 periods	22.9	+1.2	33.4
Actual net operating profit *		67.2	-3.2		22.9	+1.2	34.4
Special profit and loss		-4.9	+8.2		-1.1	-1.6	24.4
Bad debt written-off (-)		1.0	-9.8		0.3	-0.1	—
Gain on reversals from loan loss reserves		0.7	+0.7		0.5	-2.1	—
Gain (loss) on stocks		-2.9	-1.7		-1.4	+0.2	—
Ordinary profit		62.3	+3.6	Continued increase in 3 periods	21.8	-0.4	34.1
Net income		34.7	-0.7	First decrease in 3 periods	13.8	-0.1	34.5
Credit-related costs (-)		0.3	-9.3		-0.2	+1.9	-5.1

* Actual NOP=NOP + General transfer to loan loss reserves



Results of the 1Q of FY2012 [Consolidated]

- **Increased equity stakes for our subsidiaries in order to enhance overall financial services and reinforce governance in group management** *Refer details to 29 pages
- **Gained JPY 12.9bn of extraordinary profit in 1Q FY2012 as negative goodwill**

【Consolidated】

	FY2011		YoY change
	(JPY bn, %)		
Ordinary revenue	205.1	-3.9	
Ordinary profit	68.8	+4.6	
Net income [Excluding Gains on negative goodwill]	37.2	+1.0	

Continued decrease
in 4 periods

Continued increase
in 3 periods

Continued increase
in 3 periods

1Q FY2012		
	YoY change	Progress
57.4	-2.0	27.7
23.2	-0.7	33.6
27.4 [14.5]	+13.0 [+0.1]	49.4 [34.0]

【Consolidated / Non-consolidated ratio】

	FY2011		YoY change
	(Times)		
Ordinary profit	1.10	+0.01	
Net income [Excluding Gains on negative goodwill]	1.07	+0.05	

1Q FY2012	
	YoY change
1.07	-0.01
1.98 [1.05]	+0.95 [+0.02]

Impact of increasing equity stakes for subsidiaries on consolidated earnings

Gains on negative goodwill

- ◆ Gains of JPY 12.9bn to be booked as extraordinary profit in FY2012

Increase in consolidated net income

- ◆ Positive impact of roughly JPY 1.3bn per year (based on FY2011 results)

Increase in consolidated/non-consolidated ratio

- ◆ Increase by roughly 0.04x due to rise in consolidated net income (based on FY2011 results)

Improve profitability on a consolidated basis due to increase in equity stakes

Net interest income

• Net interest income in 1Q FY2012: JPY 31.6bn (- JPY 2.6bn YoY)

Domestic operations : JPY 28.4bn (- JPY 2.4bn YoY), Overseas operations : JPY 3.2bn (- JPY 0.2bn YoY)

Breakdown of net interest income

(JPY bn)	1Q FY2011	1Q FY2012	Increase/ Decrease
Total	34.2	31.6	-2.6
Domestic operations division	30.8	28.4	-2.4
Of which, Interest on loans	25.4	24.2	-1.2
Interest and dividends on securities	6.6	5.5	-1.1
Interest on deposits (-)	1.2	1.3	+0.1
Overseas operations division	3.4	3.2	-0.2

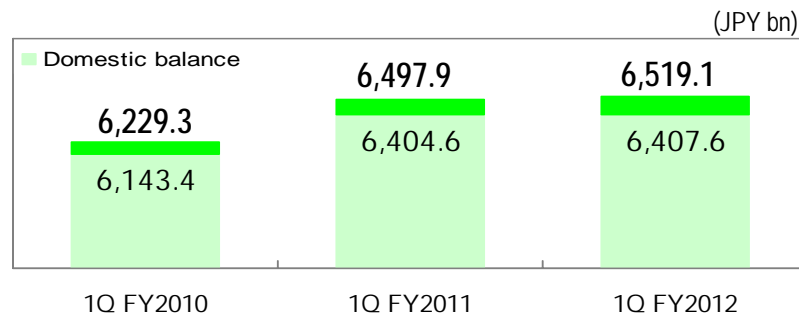
Domestic operations division

(%)	1Q FY2011	1Q FY2012	Increase/ Decrease
Loan rate	1.61	1.53	-0.08
Deposit rate	0.06	0.06	+0.00
Yield on securities	1.72	1.44	-0.28

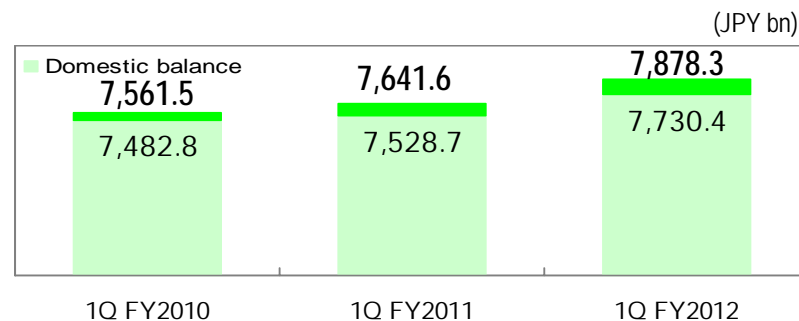
Overseas operations division

(%)	1Q FY2011	1Q FY2012	Increase/ Decrease
Investment/funds rate difference	1.80	1.45	-0.35

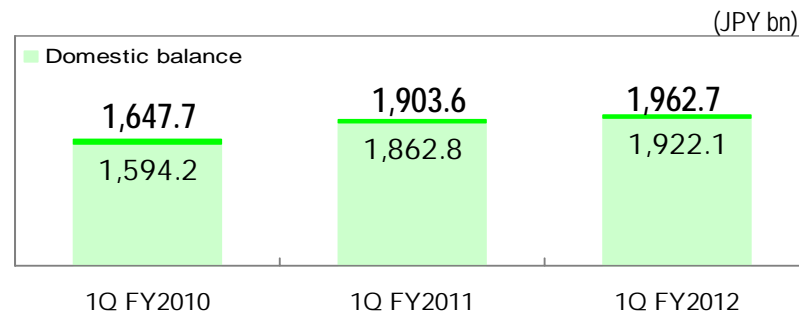
Loan balance (average balance)



Deposit balance (average balance)



Securities (average balance)





Difference between loan and deposit interest rates

- Difference between loan and deposit average interest rates in June 2012 was 1.47% , dropped 0.01 points from March 2012

Changes in yen-denominated loans and deposit structure

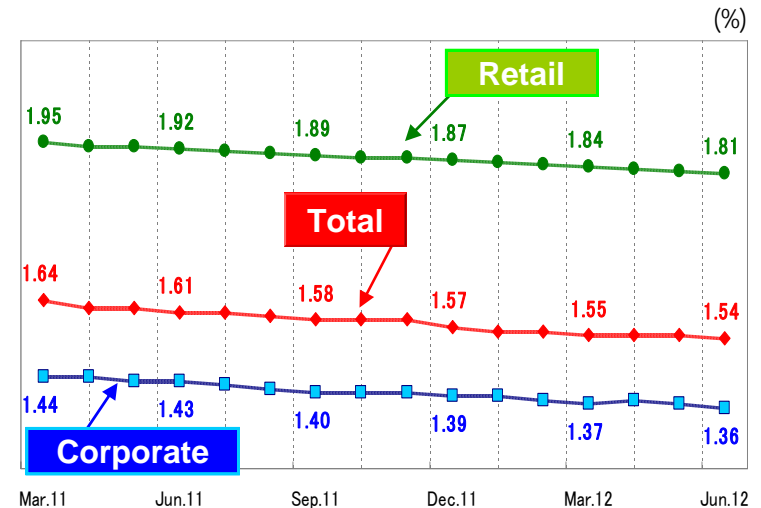
[Monthly comparison of average balance and interest rates]

	[March 2012]		[June 2012]	
	Average balance (% of total)	Interest rate	Average balance (% of total)	Interest rate
Loans	6.4 (100.0)	1.55	6.3 (100.0)	1.53
Floating interest	4.9 (77.5)	1.50	4.9 (77.4)	1.49
Short-term / new long-term prime rate standard	3.0 (47.8)	1.95	3.0 (47.7)	1.94
Market-linked	1.8 (28.4)	0.70	1.8 (28.4)	0.70
Fixed interest	1.4 (22.5)	1.71	1.4 (22.6)	1.67

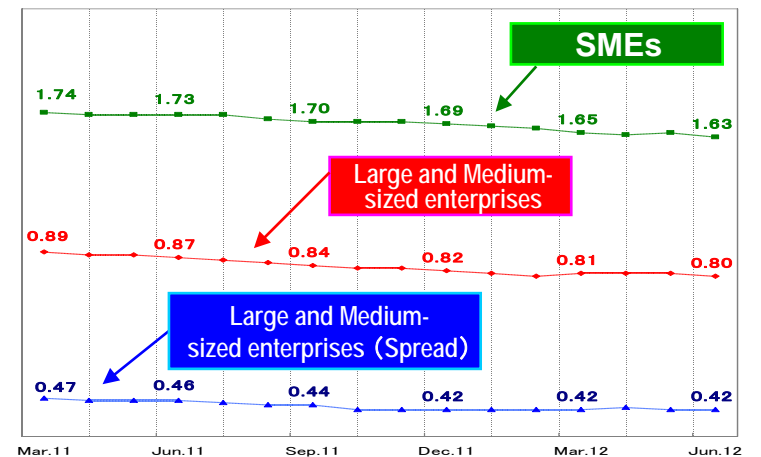
	[March 2012]		[June 2012]	
	Average balance (% of total)	Interest rate	Average balance (% of total)	Interest rate
Deposits	7.7 (100.0)	0.07	7.5 (100.0)	0.06
Liquid deposits	4.2 (53.9)	0.02	4.1 (54.1)	0.02
Term deposits	3.2 (41.7)	0.13	3.2 (42.8)	0.12

* Deposits include NCDs

Loan interest rates (monthly average)



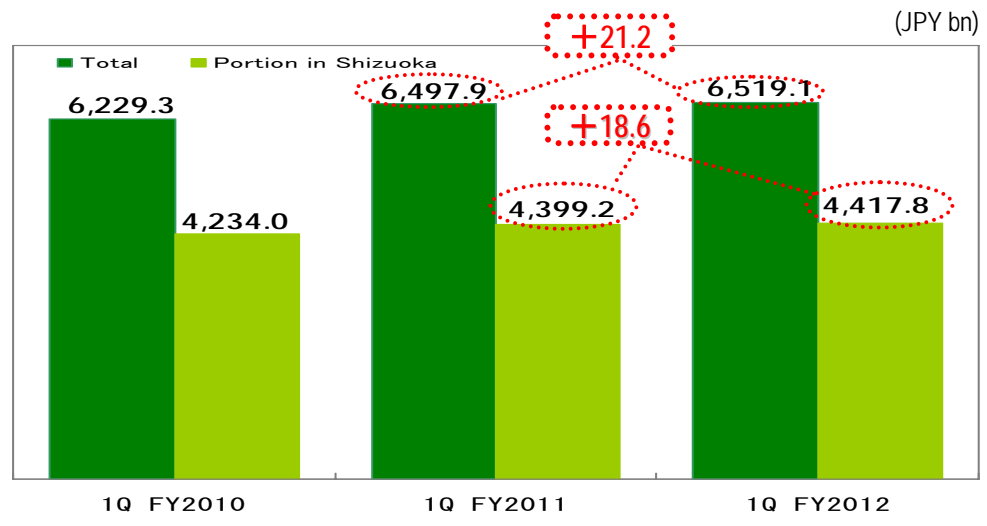
Trends in Corporate loan interest rates by company size



Loans

● Loan balance (average balance) of 1Q FY2012: JPY 6,519.1bn, up JPY 21.2bn (+0.3%) YoY

Loan balance (average balance)



[SME loan balance]

Average balance increased to JPY 2,669.6bn, by JPY 51.6bn (+2.0%) YoY

[Retail loan balance]

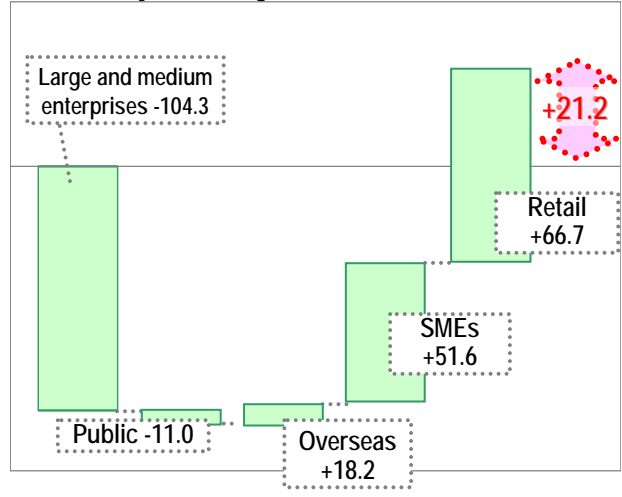
Average balance increased to JPY 2,281.3bn, by JPY 66.7bn (+3.0%) YoY

Total loan balance (term-end balance) increased to JPY 6,608.9bn, by JPY 72.1bn(+1.1%) YoY

Of which, Large and medium enterprises: -101.1bn
 SMEs: +96.8bn
 Retail: +63.4bn

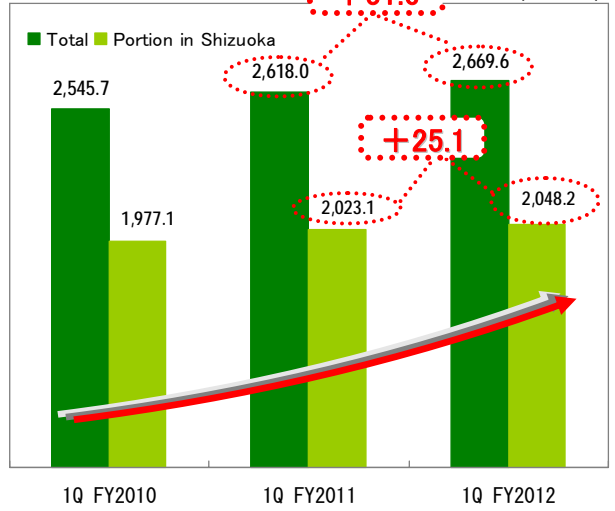
Breakdown of changes in total loan balance (average balance)

Year-on-year changes in 1Q FY2012 (JPY bn)



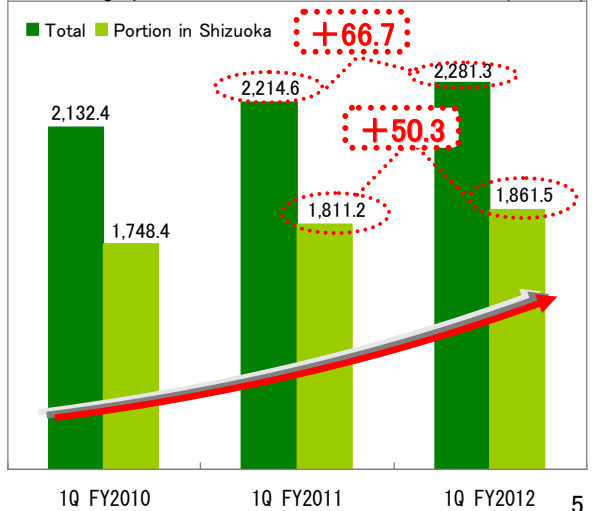
SME loan balance (average balance)

(JPY bn)



Retail loan balance (average balance)

*Including apartment loans (JPY bn)

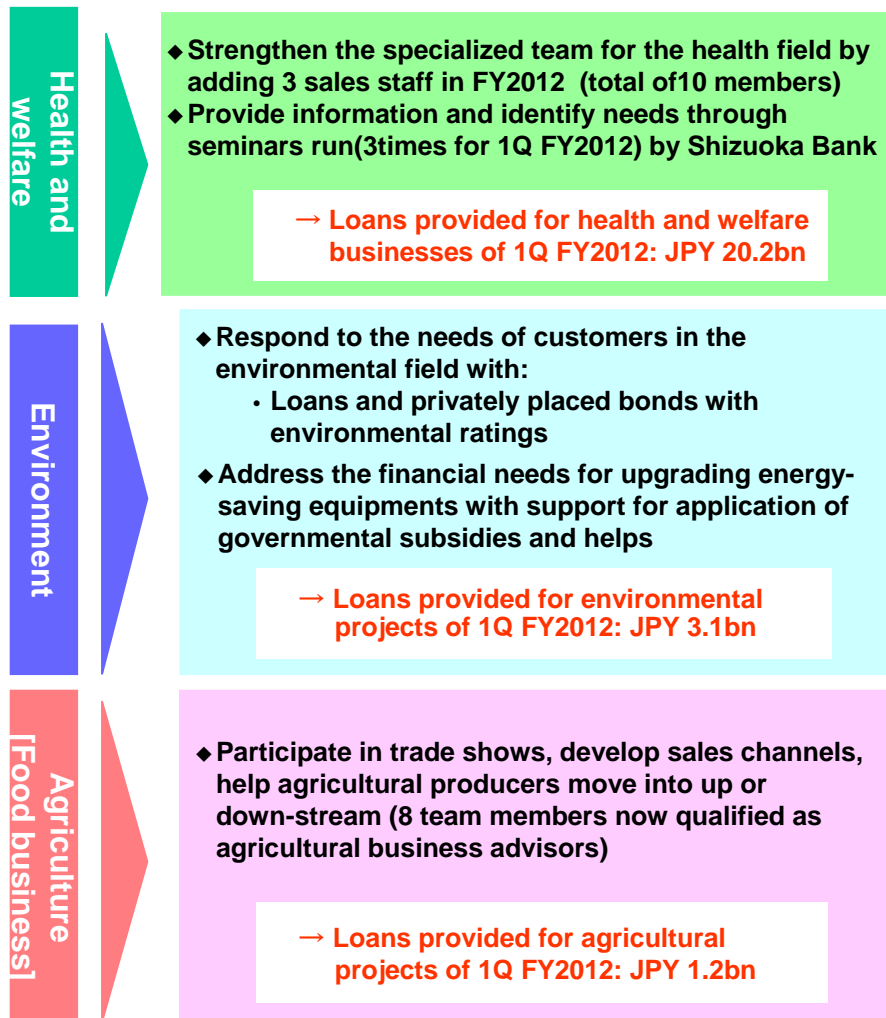


Corporate banking initiatives (1)

– Initiatives in growth and untapped fields –

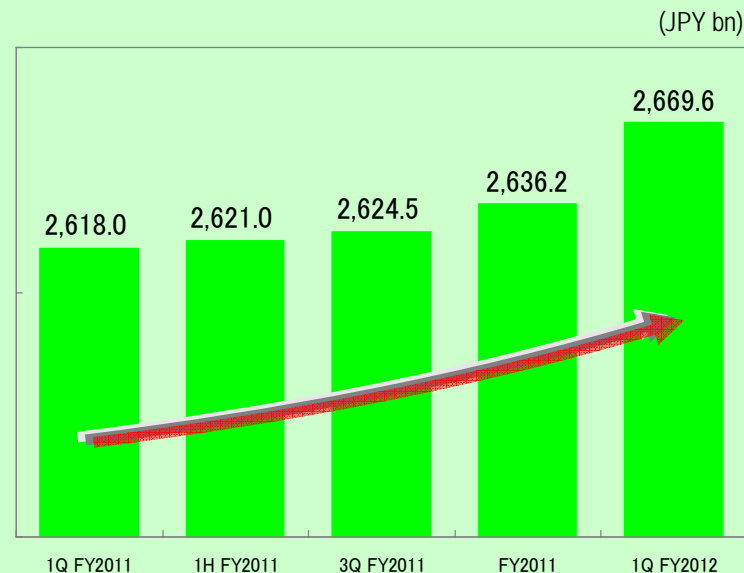
- Beef up our approaches to growing and untapped industries as following one of the basic strategies in the 11th medium-term business plan, “No.1 solution-offering bank for SMEs in the region”

Solution approach to growth and untapped fields



SME loan balance (average balance)

- With tailored solution offers, we create fresh demands for lending, resulting in the increase in SME loans.
- Especially in health and welfare industry, we focus on doctor's inaugurations and attained loan applications.



Corporate banking initiatives (2) – Strategies in Asia –

- Further strengthened our support network for customers in Asia through tie-ups with local financial institutions
- Achieved steady progress in the areas of lending and foreign exchange by using the strong network and by responding appropriately to the diverse needs of customers

Expanding our network in Asia

New partner institutions in FY2011

Tie-up date	Financial institution name
April 2011	Bank Resona Perdania (Indonesia) ANZ Bank Ltd. (Vietnam)
November	Shinhan Bank Limited (South Korea)
December	CIMB Niaga (Indonesia)

[Shizuoka Bank support network]

- Locations: 3 (1 branch, 2 offices)
- Partners: 9 banks (in 5 countries)
- Bank employees overseas: 27



Networking event to mark tie-up with Bank CIMB Niaga (April 30)

Results of initiatives in 1Q FY2012

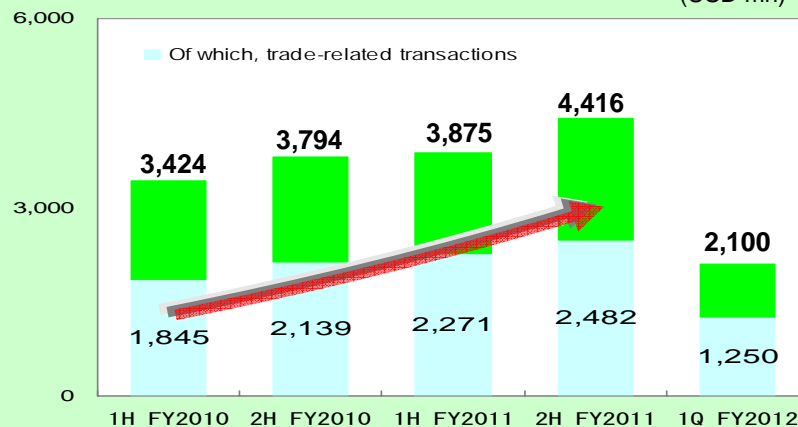
- Helped 26 companies move into overseas markets (+18 YoY)

⇒1Q FY2012

Loans for customers' overseas entrance: JPY 3.2bn(+1.4bn YoY)
Domestic loans: JPY 2.1bn(+2.1bn YoY)

- Foreign exchange transactions continue to grow by appropriate response to customer needs for overseas remittance, opening local bank accounts and other services

<Foreign exchange trading / ordinary trading revenues> (USD mn)

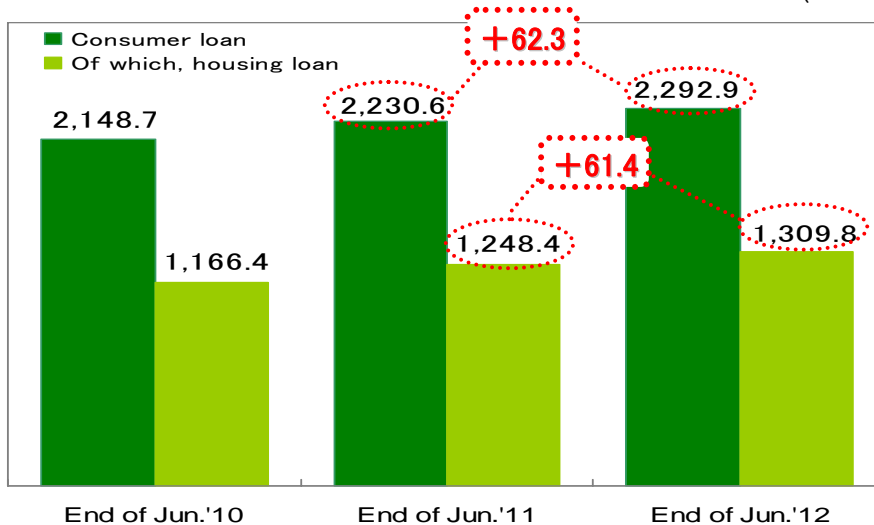


Retail banking initiatives

- Consumer loan balance (term-end balance) of 1Q FY2012 :JPY 2,292.9bn (up JPY 62.3bn from the end of June 2011)
- Keeping the quality of loan assets at fine level with strict credit review and management, we achieved the trend of increase in housing loan and consumer loan

Consumer loan balance (term-end balance)

(JPY bn)



Initiatives

Business processes

- ◆ Reduced processing time for workload of consumer loan by approx. 20% in FY2011
- ◆ Plan to further reduce 20% of processing time by centralizing administrative works (Under the 11th business plan: reduce the processing time by 60%)

Maintain competitiveness by boosting the profitability of housing loans through increase in productivity and cost reduction

Collection ratio of housing-related loans

(%)

	FY2010	FY2011	Increase/Decrease
Total	88.5	80.5	-8.0
Housing loan	85.9	78.5	-7.4
Apartment loans	94.2	87.0	-7.2

Loan rates

- ◆ Introduced an loan rate point system as a performance incentive for consumer loan sales staff
- ◆ Strictly controlled the profitability of each loans and avoid bargain offers

1Q of FY2012
Average rate for new housing loans: 1.206%

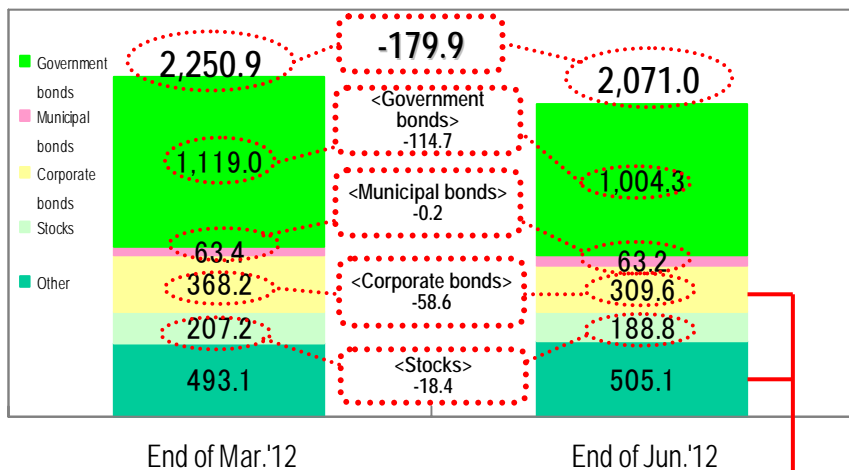
* Collection ratio ··· The total value of collaterals and guarantees over the total amount of impaired loans
[The ratio didn't reflect any expenses in execution etc.]

Securities

- Total balance of securities : JPY 2,071.0bn (- JPY 179.9bn from the end of March2012)
- Securities revaluation profit and loss : JPY 108.5bn (- JPY 19.1bn from the end of March2012)
- Gains and losses from bond-related income such as JGBs : JPY 8.3bn (+ JPY 3.2bn YoY)
- Gains and losses from stocks : - JPY 1.4bn (+ JPY 0.2bn YoY)

Security portfolio

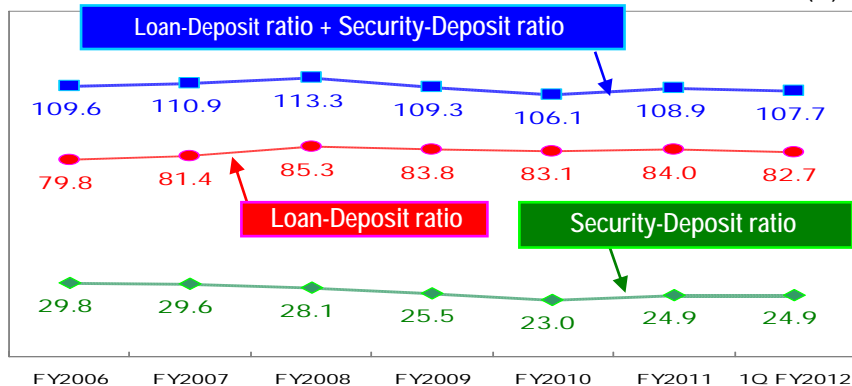
(JPY bn)



Breakdown of corporate bond and other category are indicated to 26pages

Loan-Deposit ratio / Security-Deposit ratio

(%)



Average life of bonds / gains and losses from revaluation of securities

	End of Mar. '12	End of Jun. '12
Average life of yen denominated bonds	5.25y	4.62y
Average life of foreign currency denominated bonds	3.45y	3.51y
Gains and losses from the revaluation of securities	JPY 127.6bn	JPY 108.5bn
Stocks	JPY 88.1bn	JPY 66.2bn
Nikkei stock average	JPY 10,083.56	JPY 9,006.78

Breakdown of gains and losses from Bond-related income such as JGBs

(JPY bn)	1Q FY2011	1Q FY2012	Increase/Decrease
Gains and losses from JGBs	5.1	8.3	+3.2
Gain on sale of JGBs	5.5	8.3	+2.8
Loss on sale of JGBs (-)	0.4	0.0	-0.4

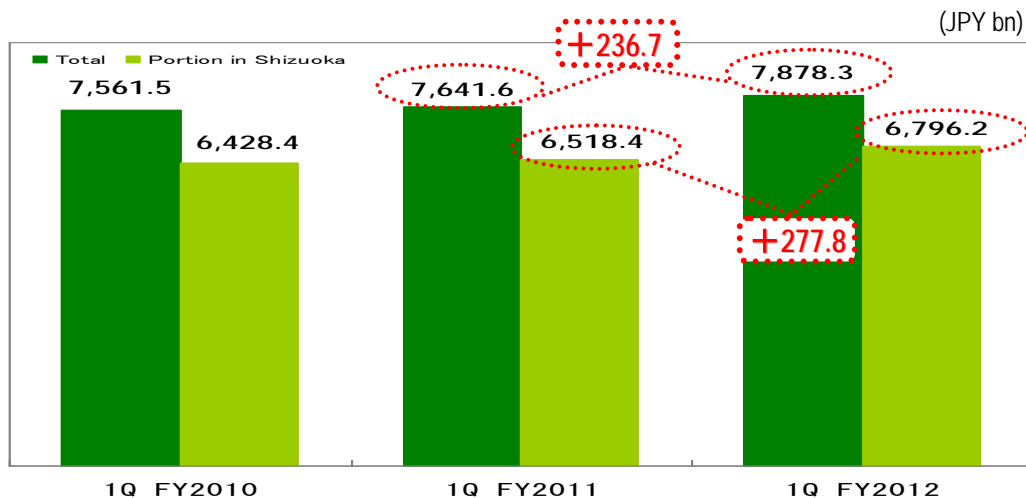
Breakdown of gains and losses from stocks

(JPY bn)	1Q FY2011	1Q FY2012	Increase/Decrease
Gains and losses from stocks	-1.7	-1.4	+0.2
Gain on sale of stocks	0.0	0.0	-0.0
Loss on sale of stocks (-)	0.0	0.0	-0.0
Devaluation of stocks (-)	1.6	1.4	-0.2

Deposits

- Deposit balance in 1Q FY2012: JPY 7,878.3bn (average balance), up JPY 236.7bn (+3.1%) YoY

Deposit balance (average balance)



- Deposit balance in Shizuoka Prefecture:

JPY 6,796.2bn, up JPY 277.8 bn (+4.3%) YoY

- Retail deposit balance:

JPY 5,499.0bn, up JPY 257.9 bn (+4.9%) YoY

[Average balance of Internet branch: JPY 188.3bn, up JPY 154.5bn YoY]

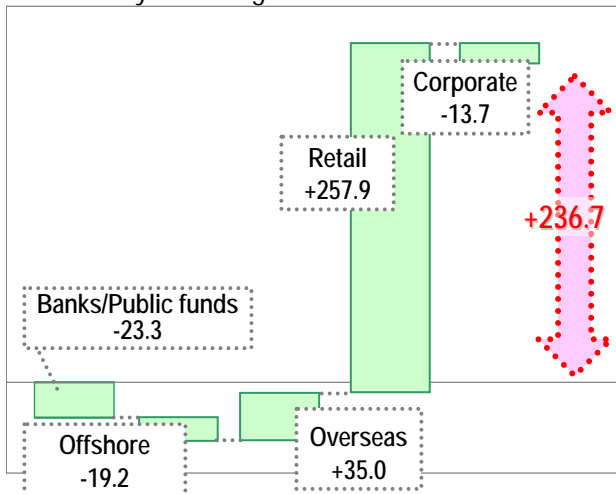
- Corporate deposit balance:

JPY 1,926.5bn, down JPY 13.7 bn (-0.7%) YoY

[Excluding NCD : up JPY 19.9bn (+1.1%) YoY]

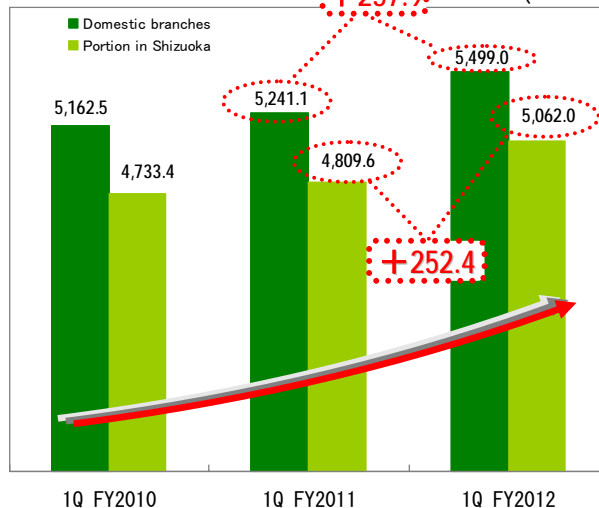
Breakdown of changes in deposit balance (average balance)

Year-on-year changes in 1Q FY2012 (JPY bn)



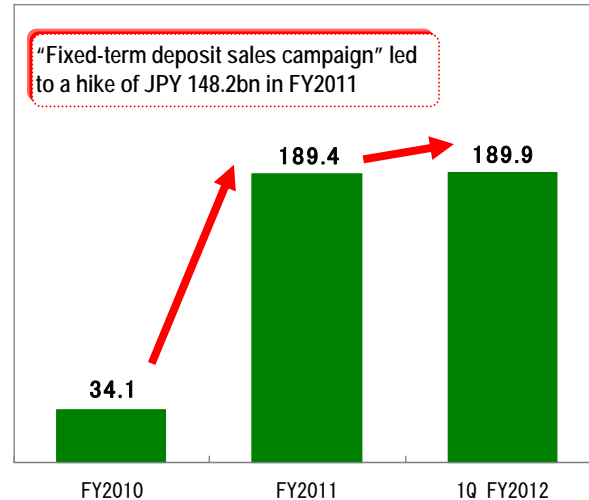
Retail deposit balance (average balance)

(JPY bn)



Deposit balance of Internet branch (Term-end balance)

(JPY bn)

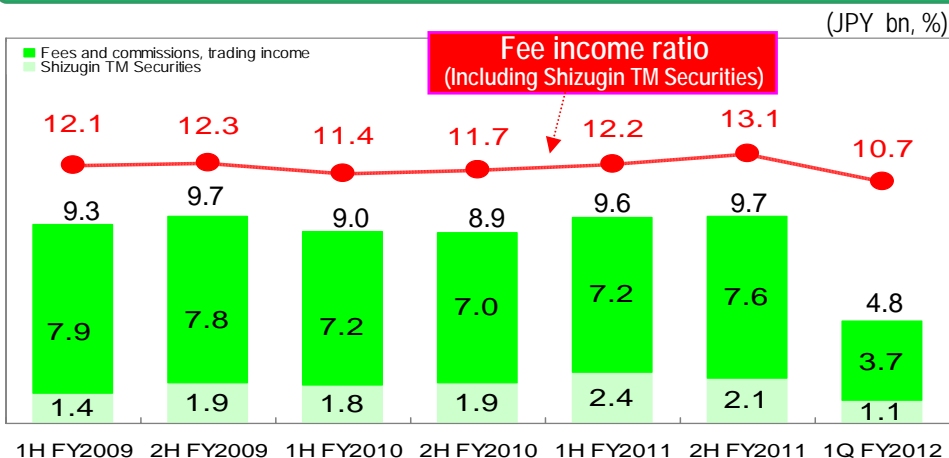




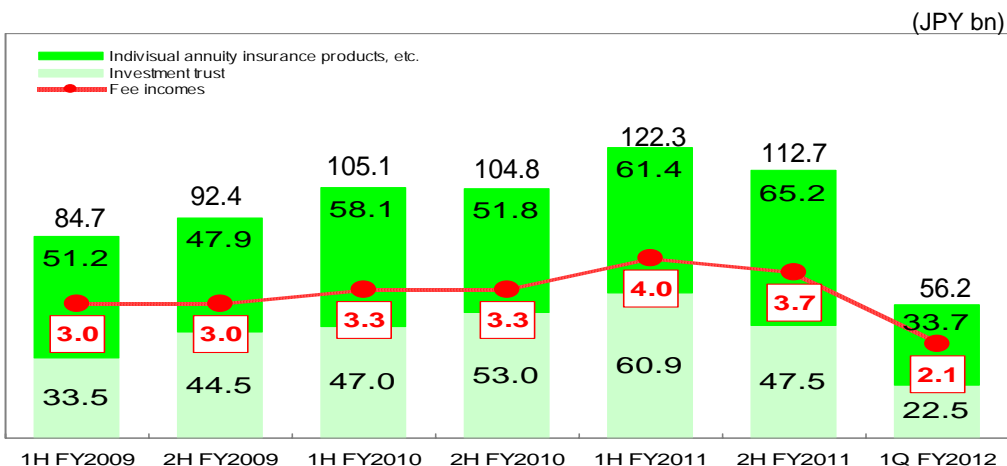
Fee incomes and customer assets

- Customer assets at the end of June 2012 (including the balance of Shizugin TM Securities) was JPY 6,985.3bn, up JPY 49.7bn from the end of March 2012, of which balance of customer asset was JPY 1,443.6bn, down JPY 18.3bn from the end of March 2012
- The sales of customer assets ,especially individual insurance except for deposits has grown

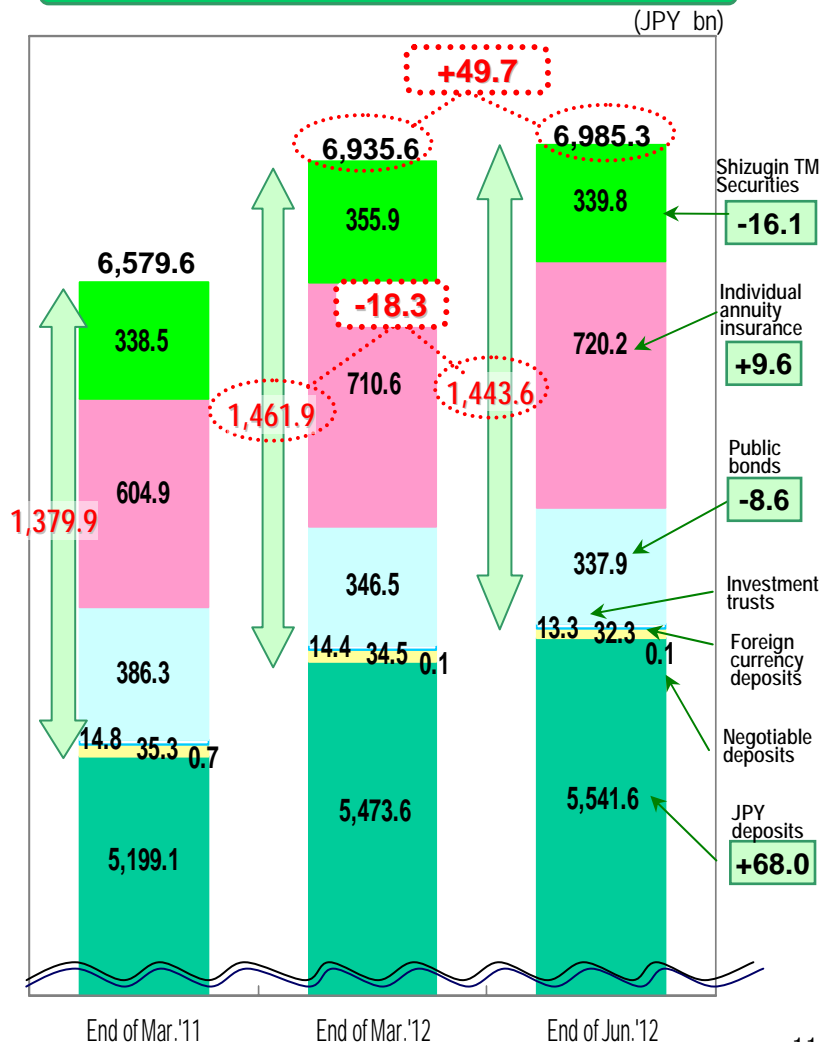
Fee incomes (Shizuoka Bank / Shizugin TM Securities)



Sales and fee income from sales of investment trust and insurance products



Customer assets (term-end balance)



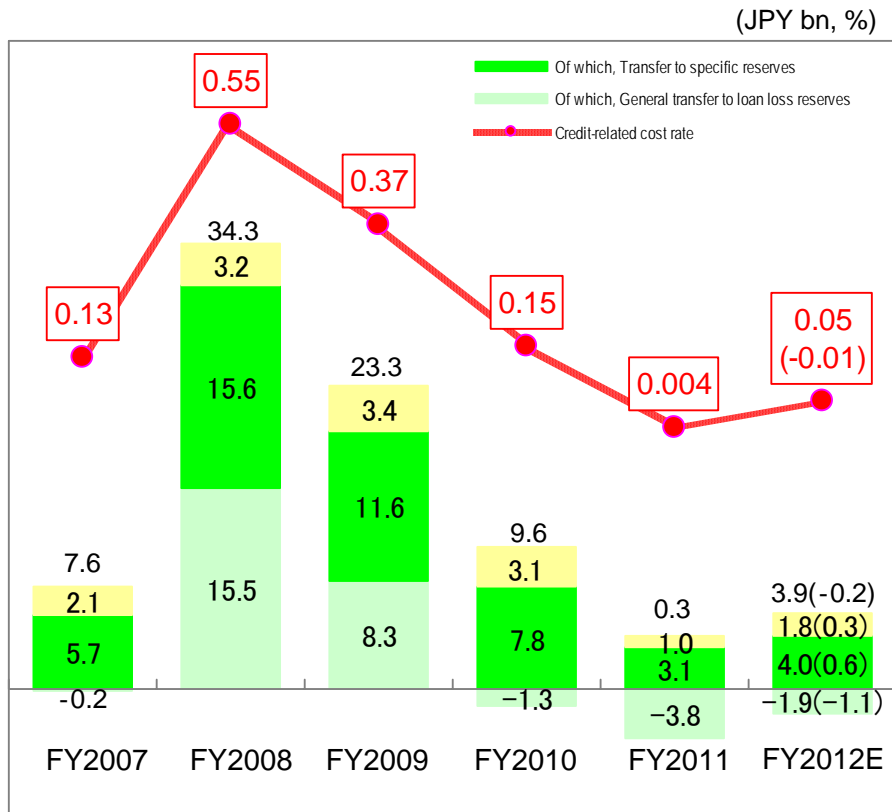
Credit-related costs

- Credit-related costs in 1Q FY2012: JPY -0.2bn (+JPY 1.9bn YoY),
Credit-related cost rate: -0.01% (+0.12 percentage points YoY)

- * General transfer to loan loss reserves : - JPY1.1bn (+ JPY 1.4bn YoY)
- NPL disposal: JPY0.3bn (- JPY 0.1bn YoY)
- of which, * transfer to specific reserves : -JPY0.6bn (+ JPY 0.6bn YoY)

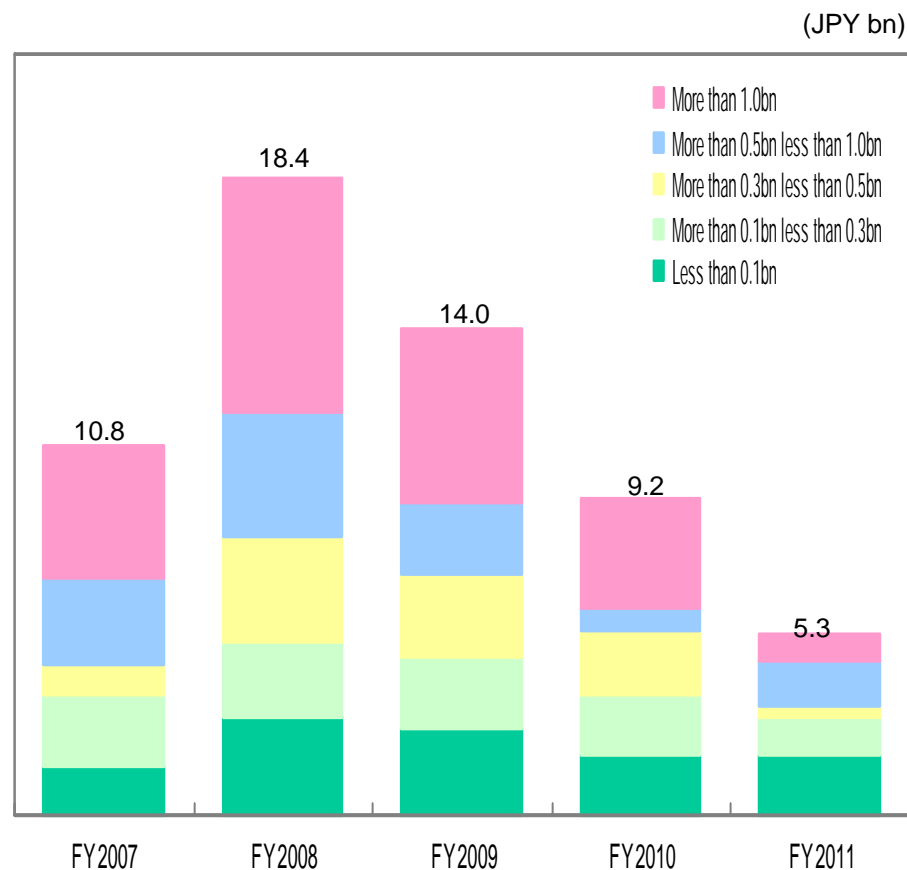
*These transactions are summed up and booked as a reversal of bad debt reserve in extraordinary profit or loss

Credit-related cost and credit-related cost rate trends



* Credit-related cost rate = Credit-related cost / Average loan balance

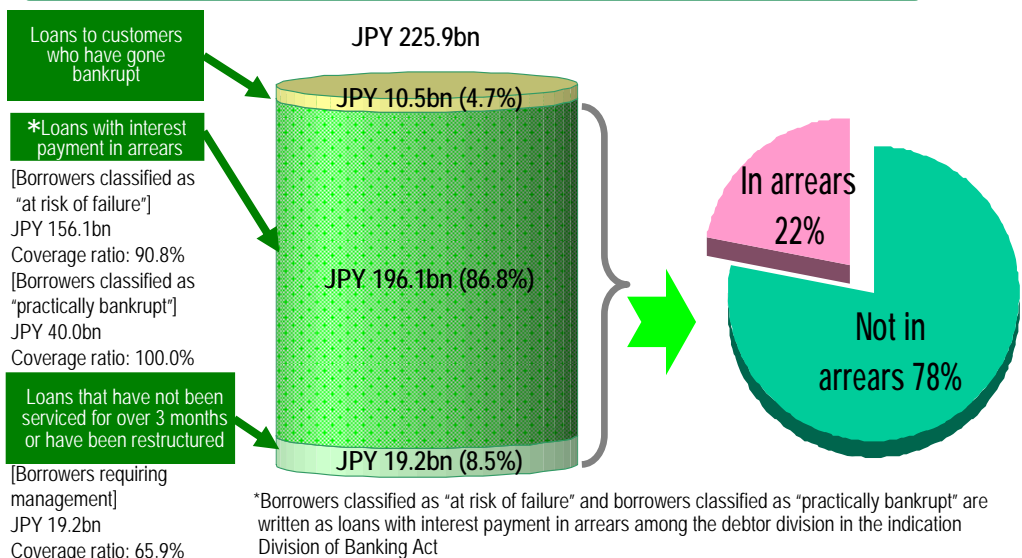
New transfer to specific reserves by credit balance



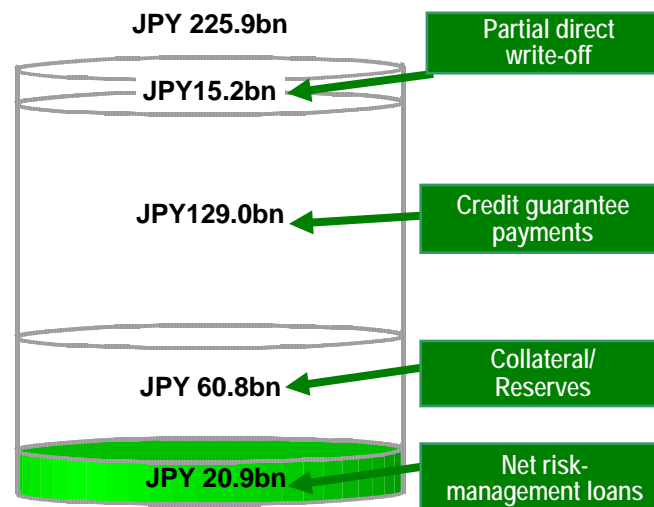
Risk-management loans

- **Total risk-management loans (Non-consolidated): JPY 225.9bn** (down JPY 2.6bn from the end of March 2012)
- **The ratio of risk-management loans: 3.42%** (up 0.01 percentage points from the end of March 2012)
- **Net risk-management loans (Non-consolidated): JPY 20.9bn** (down JPY 0.3bn from the end of March 2012)
- **The ratio of net risk-management loans: 0.32%** (maintained flat as of the end of March 2012)

Risk-management loans at the end of Jun. 2012



Net risk-management loans



NPL removal from the balance sheet

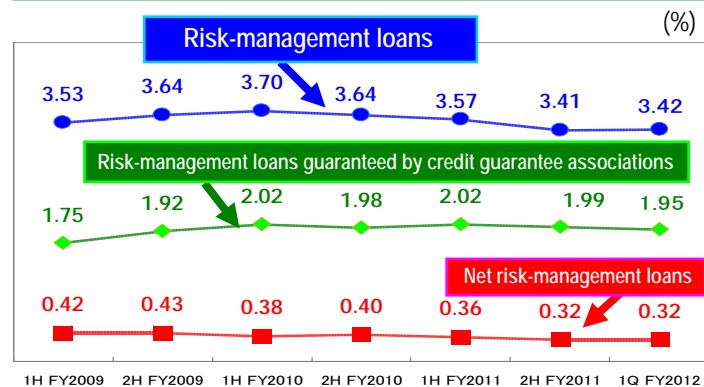
(JPY bn)	FY2011	1Q FY2012	
New recognition of NPLs	+52.9	+12.2	
Removal from the balance sheet (NPL to borrowers classified as "at risk of failure" or in riskier categories)	-66.9 (-60.7)	-14.8 (-14.0)	
Risk-management loans	228.5	225.9	

-2.6

[Breakdown of JPY 14.0 bn]
(JPY bn)

Collected from borrower/ set off against deposit account	3.2
Collateral disposal/ subrogated to guarantor	5.5
Reclassified to better category	5.3
Loans sold-off	0.0
Direct write-off of loans	0.0

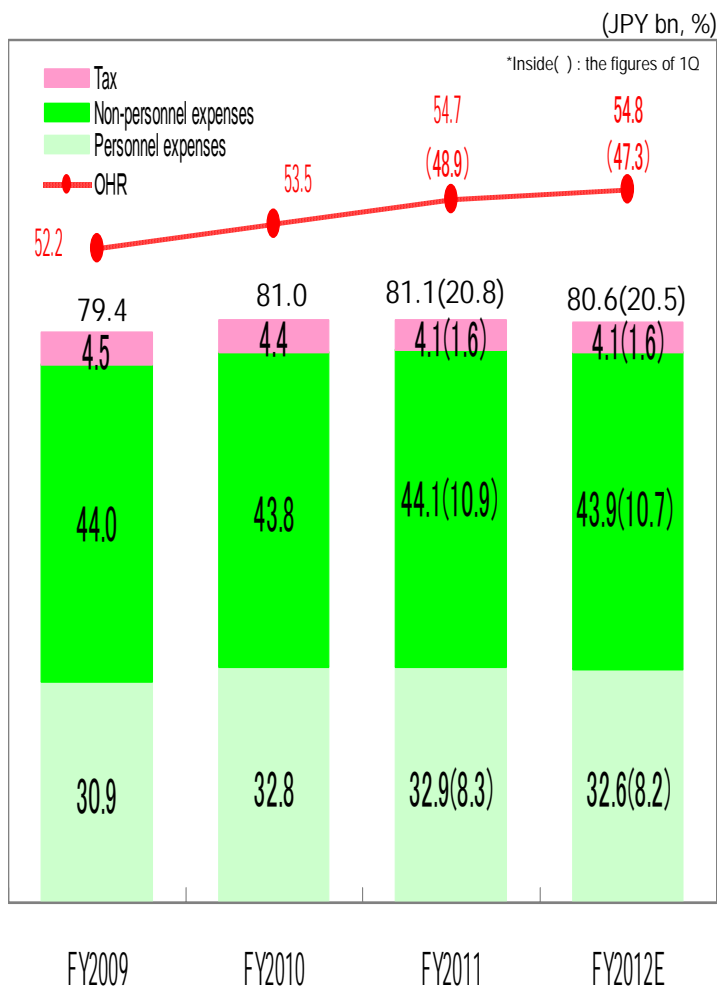
The ratio of risk-management loans



Expenses

- Expenses in 1Q FY2012: JPY 20.5bn (-JPY 0.3bn YoY)
- OHR in 1Q FY2012 (Non-consolidated): 47.3% (-1.6 percentage points YoY)

Expenses and OHR



Amount of investments

(JPY bn)	FY2010	FY2011	1Q FY2012	1H FY2012E
Amount of investments	11.0	6.6	1.8	5.0
Software	4.7	2.7	0.8	2.3
Building	4.1	1.0	0.6	1.0
Movable property	1.7	1.4	0.2	1.1

[Reference] Number of personnel

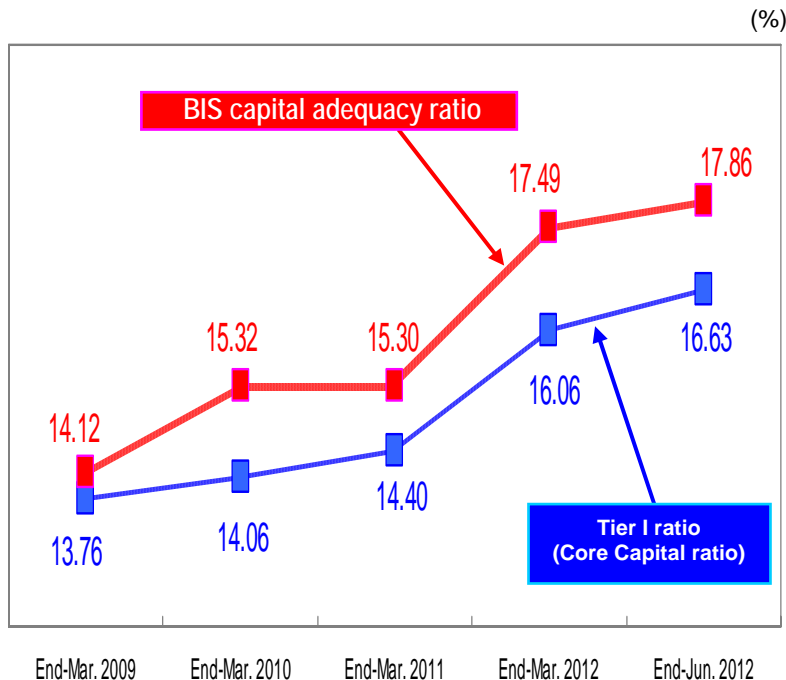
(Employees)	End -Mar. '11	End -Mar. '12	Change from end-Mar. '11
Front office	2,781	3,046	+265
Of which bank employees	2,011	2,246	+235
Back office/assisting	1,314	1,000	-314
Of which bank employees	286	59	-227
HQ, loan operations centers and other	880	890	+10
Of which bank employees	558	560	+2
Shizuoka Bank (A)	4,975	4,936	-39
Of which bank employees	2,855	2,865	+10
Total number of employees at Group companies, etc (B)	1,990	2,003	+13
Total Group employees (A + B)	6,965	6,939	-26

*Incl. temporary and dispatched employees, etc.

Capital adequacy ratio

- The Basel II capital adequacy ratio at the end of June 2012 was 17.86%. (+0.37 percentage points from the level at the end of March 2012)
- Tier I ratio (core capital ratio) was 16.63%. (+0.57 percentage points from the level at the end of March 2012)
- Based on criteria in the Basel III text released in December 2010, the end-September 2011 the level of capital adequacy ratio exceeded regulatory levels

BIS capital adequacy ratio (consolidated basis)



[Calculation based on criteria in the Basel III text released in December 2010 (End-September 2011 basis)]

- Capital adequacy ratio: 16.0% (Regulatory level 10.5%)
- Tier I ratio : 15.9% (ditto 8.5%)
- Core Tier I ratio : 15.8% (ditto 7.0%)

Changes in capital and risk-adjusted assets

(JPY bn)

	End-Mar. '10	End-Mar. '11	End-Mar. '12	End-Jun. '12	Change from end-Mar. '12
Capital*	687.8	686.1	719.9	721.1	+1.2
Tier I	631.4	645.9	661.1	671.7	+10.6
Tier II	67.6	50.7	63.3	54.1	-9.2
Risk-adjusted assets	4,488.9	4,482.9	4,114.8	4,036.8	-78.0
Total credit-risk adjusted assets	4,166.3	4,162.8	3,800.4	3,720.7	-79.7
Amount corresponding to market risk	20.5	16.5	14.2	16.0	+1.8
Amount corresponding to operational risk	302.1	303.6	300.2	300.2	±0.0

*Capital does not include preferred shares, subordinated debts, etc.

Outlier ratio (Non-consolidated basis)

(JPY bn,%)

Size of maximum risk	Tier I + Tier II	Outlier ratio
16.7	698.6	2.4

Shareholder return (1) – Dividend –

- In FY2011, dividend per share was JPY 13.5 (dividend payout ratio 25.54%)
- Plan to increase FY2012-end dividend by JPY 1.00 per share to mark Commemorative 70th anniversary dividend, raising the total annual dividend to JPY 15.00 per share

Dividend trends

(JPY)

	FY2009	FY2010	FY2011	FY2012E
Dividend per share (annual)	13.00	13.00	13.50	15.00 (7.00*)

*Interim dividend

Profit distribution to shareholders

(JPY bn, %)

	FY2009	FY2010	FY2011	FY2012	FY '02 – '11 (10 years)
Annual dividend (1)	9.1	8.8	8.9	^{*1} 9.7	Accumulated total 77.3
Repurchase of shares (2)	4.0	15.0	14.6	^{*2} 8.2	Accumulated total 77.8
Shareholder returns (3)=(1)+(2)	13.1	23.8	23.5	17.9	Accumulated total 155.1
Net income (4)	32.1	35.4	34.7	^{*1} 40.0	Accumulated total 291.7
Dividend payout ratio (1)/(4)x100	28.20	24.85	25.54	24.22	Average 26.49
Shareholder return ratio (3)/(4)x100	40.64	67.22	67.60	—	Average 53.17

*1 The total amount of annual dividend and Net Income in FY2012 are calculated based on our forecast disclosed in May FY2012

*2 The amount of repurchase of shares in FY2012 is an actual amount by the end of July FY2012



Shareholder return (2) – Share Buybacks ,Trends in EPS/ BPS –

- Share buybacks have been continuously carried out since FY1997, with the 151million of shares bought back as of the end of March 2012
- Cancelled 20 million treasury shares and executed the repurchase of 10 million shares at JPY 8.2bn in FY2012

Historical share buybacks

	Shares bought back (thousand shares)	Repurchase amount of shares (JPY mn)	Number of shares cancelled (thousand shares)	Cancellation amount (JPY mn)	Shareholder return ratio (%)	EPS (JPY)	BPS (JPY)
FY1997	7,226	9,997	7,226	9,997	90.3	20.39	587.56
FY1998	6,633	9,142	6,633	9,142	86.7	20.12	627.64
FY1999	8,357	9,143	8,357	9,143	51.4	34.14	650.95
FY2000	24,954	23,281	24,954	23,281	152.0	23.73	792.16
FY2001	8,234	8,267	8,234	8,267	165.4	10.26	742.73
FY2002	29,928	23,107	—	—	229.4	16.56	721.33
FY2003	10,712	8,566	30,000	23,381	50.8	37.20	831.76
FY2004	—	—	—	—	17.1	49.41	875.93
FY2005	—	—	—	—	22.5	44.24	1,019.15
FY2006	—	—	—	—	25.3	51.20	1,077.85
FY2007	10,000	12,621	10,000	10,130	61.8	49.89	997.20
FY2008	—	—	—	—	70.8	18.34	903.32
FY2009	5,000	3,996	5,000	4,638	40.6	46.01	998.21
FY2010	20,000	14,980	20,000	15,957	67.2	51.75	1,016.34
FY2011	20,000	14,575	—	—	67.6	52.44	1,097.55
Cumulative total	151,044	137,677	120,404	113,938	63.2	—	—
FY2012	10,000	8,239	20,000	14,953	—	—	—

*The amount in FY2012 is an actual amount by the end of July FY2012

Reference

Loans (1) - Loans by industries

- Business loans to industries such as real estate, construction, leasing, money lending and investment each account for less than 9% of lending for all industries. There is no concentrated exposure to any of these specially designated industries
- Expected Loss (EL) amounts to JPY 9.6bn for all industries (JPY 0.9bn for real estate and JPY 0.7bn for construction)
- Unexpected Loss (UL) amounts to JPY 49.0bn for all industries

Breakdown of business loans to the specially designated industries

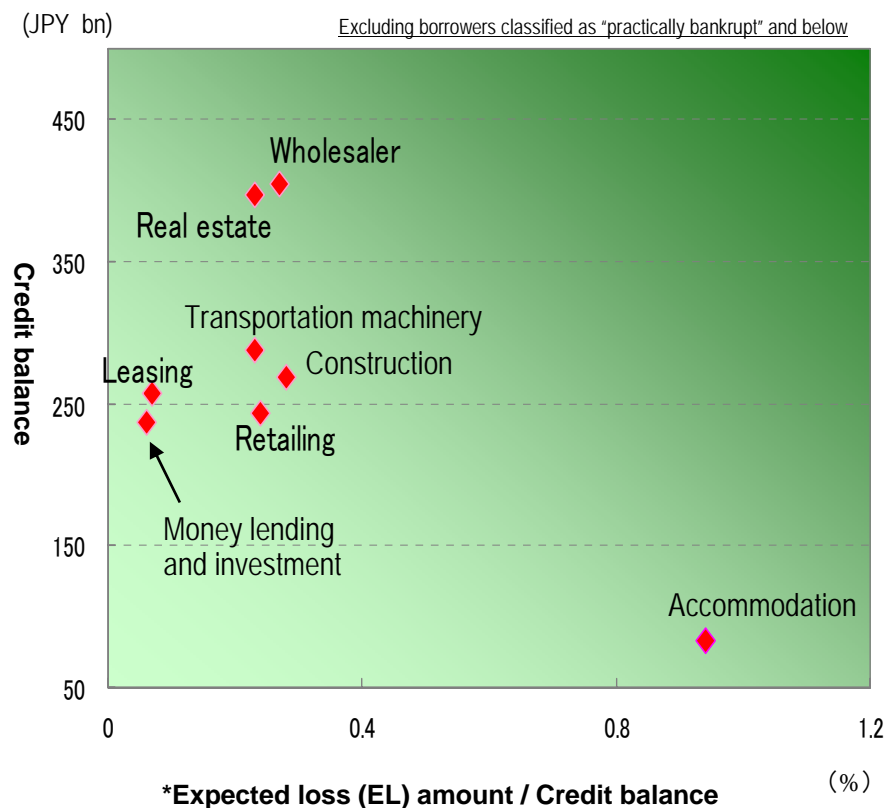
[Credit balance (as of the end of June 2012)]

(JPY bn, %)

	Balance	Composition ratio	YoY change
All industries	4,569.8	100.0	+12.2
Real estate	397.3	8.7	+22.7
Construction	268.1	5.9	-4.8
Leasing	237.0	5.2	-12.0
Money lending and investment	257.3	5.6	-0.5
Wholesaler *	404.3	8.8	+14.9
Transportation machinery	288.0	6.3	-40.5
Retailer	243.4	5.3	-7.6
Accommodation	83.4	1.8	-2.0

* excluding a general trading company

[Credit balance vs. expected loss rate*]





Loans (2)

– Borrowers with modified lending conditions on the basis of “Act on facilitation of succession of management of SMEs”

Disclosure according to Act on Facilitation of Succession of Management of SMEs (accumulated results from Dec. '09 to Mar. '12)

<Executed changes of lending conditions>

	Number of cases	Executed amounts
Loans for SMEs	59,136	JPY 1,451.5bn
Housing loans	1,410	JPY 23.1bn

Several details were counted for the same borrower.
In addition to that, each time continued, loans with bullet repayment was posted as “executed changes of lending conditions”.

Of which, borrowers with changes in lending conditions by reducing payment on term

For borrowers classified as careful monitoring or in riskier categories who made changes in lending conditions by reducing payment on term

	Numbers of borrowers for which lending conditions were modified	Credit balance	
			Of which non-protected amount
Loans for SMEs	*1 2,169	JPY 227.8bn	JPY 74.9bn
Housing loans	794	JPY 12.7bn	*2 JPY 3.2bn
Total	2,963	JPY 240.6bn	JPY 78.1bn

Expected Loss
JPY 4.5bn
JPY 0.1bn
JPY 4.6bn

General transfer to loan loss
JPY 10.2bn
JPY 0.4bn
JPY 10.5bn

• 5.1% of total borrowers of business loans

*1 Including loans for apartments

• Executed credit balance JPY 240.6bn (3.6% of total lending)
Of which, non-protected amount JPY 78.1bn (1.2% of total lending)

*2 Non-protected amount of housing loan was calculated on the basis of our collection performance

• Expected Loss (JPY 4.6bn) was managed within the range of “general transfer to loan loss balance” (JPY 10.5bn)

Securities

- As of end-June 2012, exposure to the European market totaled JPY 22.1bn (bonds: JPY 3.8bn, loans: JPY 15.0bn, other: JPY 3.3bn), with France, U.K. and Belgium accounting for most of the total
- All bonds (excluding bonds in investment trust portfolios) and borrowers have credit ratings of "A or higher" from an external credit rating agency*

*Standard & Poor's ratings as of end-June 2012

Exposure to the European market (final risk basis)

[Consolidated]

(JPY bn)

	Bonds			Loans		Other	Total
		Of which, public institutions	Of which, financial institutions		Of which, financial institutions		
France	0.1	0.0	-	15.0	15.0	0.0	15.1
U.K.	0.2	0.1	-	-	-	2.8	2.9
Belgium	3.1	3.1	-	-	-	0.4	3.4
Germany	0.3	0.3	-	-	-	0.1	0.4
Italy	0.2	0.1	-	-	-	-	0.2
Other	0.0	0.0	-	-	-	0.0	0.1
Total	3.8	3.7	-	15.0	15.0	3.3	22.1

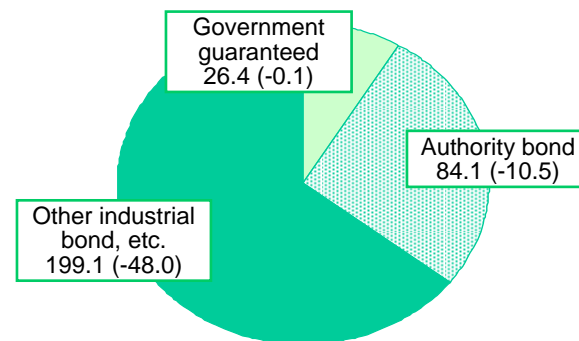
- Figures in the table do not include JPY 14.5bn in loans to Japanese companies
- Other: Total for repurchase agreements, money deposited, and derivatives trading [Forex rates]

JPY/EURO 98.74, JPY/USD 79.31, JPY/GBP 123.17, JPY/CHF 82.27

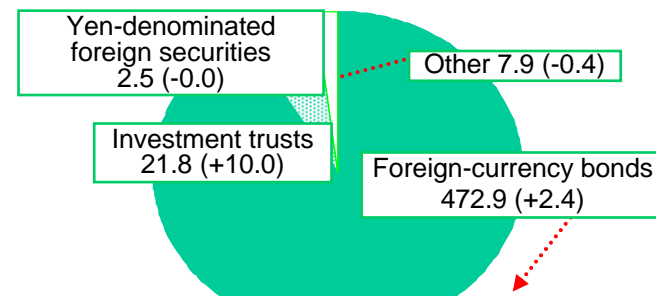
Breakdown of corporate bonds and other securities

*Figures in the parentheses show changes from end-Mar. 2012

"Corporate bonds" category JPY 309.6bn (-JPY58.6 bn)



"Other securities" category JPY 505.1bn(+JPY 12.0bn)

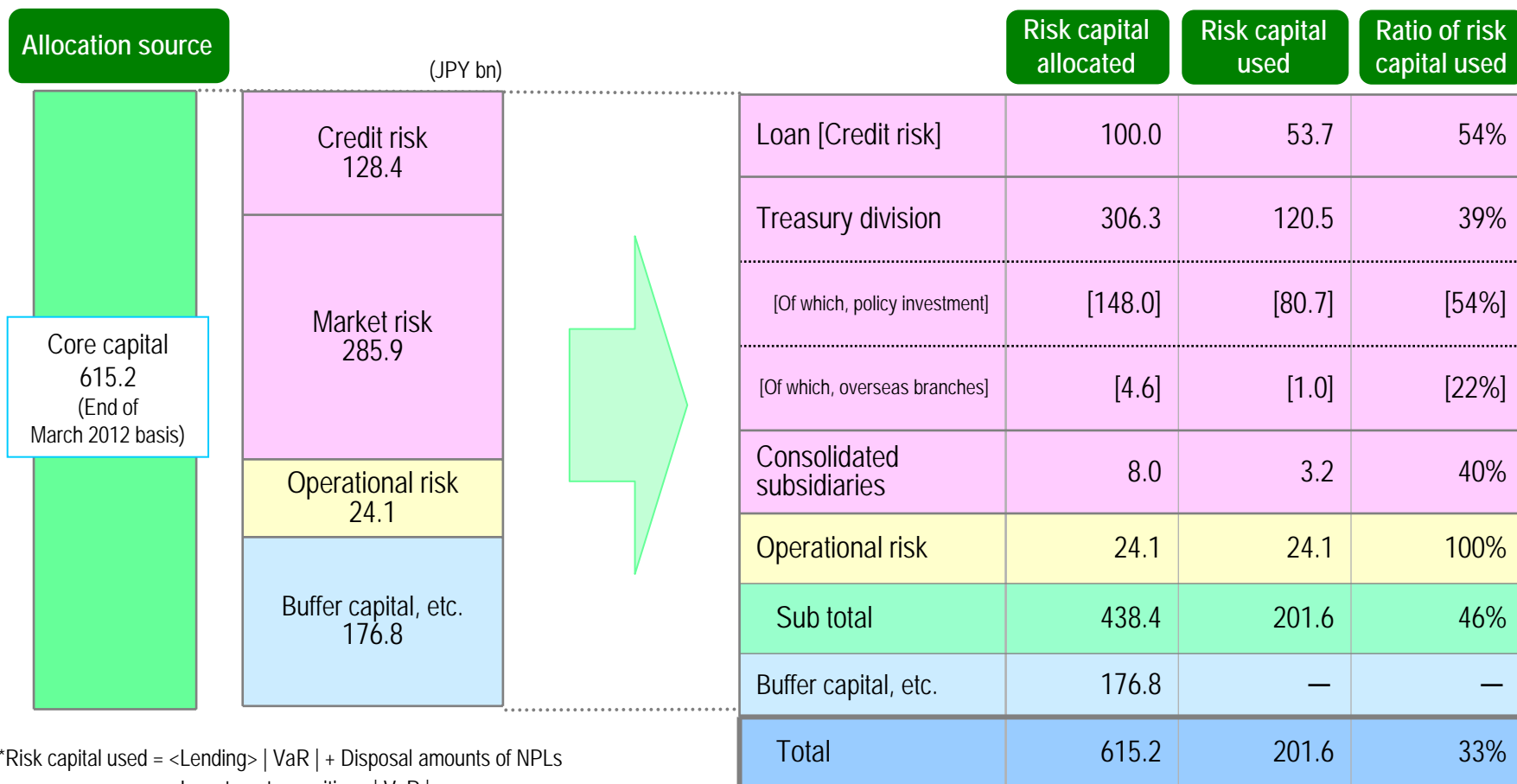


Of which, mortgage bonds

(JPY bn)	(Book value)	Change from end-Mar. 2012	Gains and losses from the revaluation of bonds
Ginnie Mae	441.6	+46.9	+17.1

Allocation of risk capital

- Allocation of risk capital for the first half of FY2012 amounted to JPY 615.2bn, of which JPY 128.4bn was allocated to credit risk, JPY 285.9bn to market risk, JPY 24.1bn to operational risk, and JPY 176.8bn to buffer capital, etc
- For the 1Q FY2012, JPY 120.5bn was used by the Treasury division, and JPY 53.7bn by the loan [credit risk]



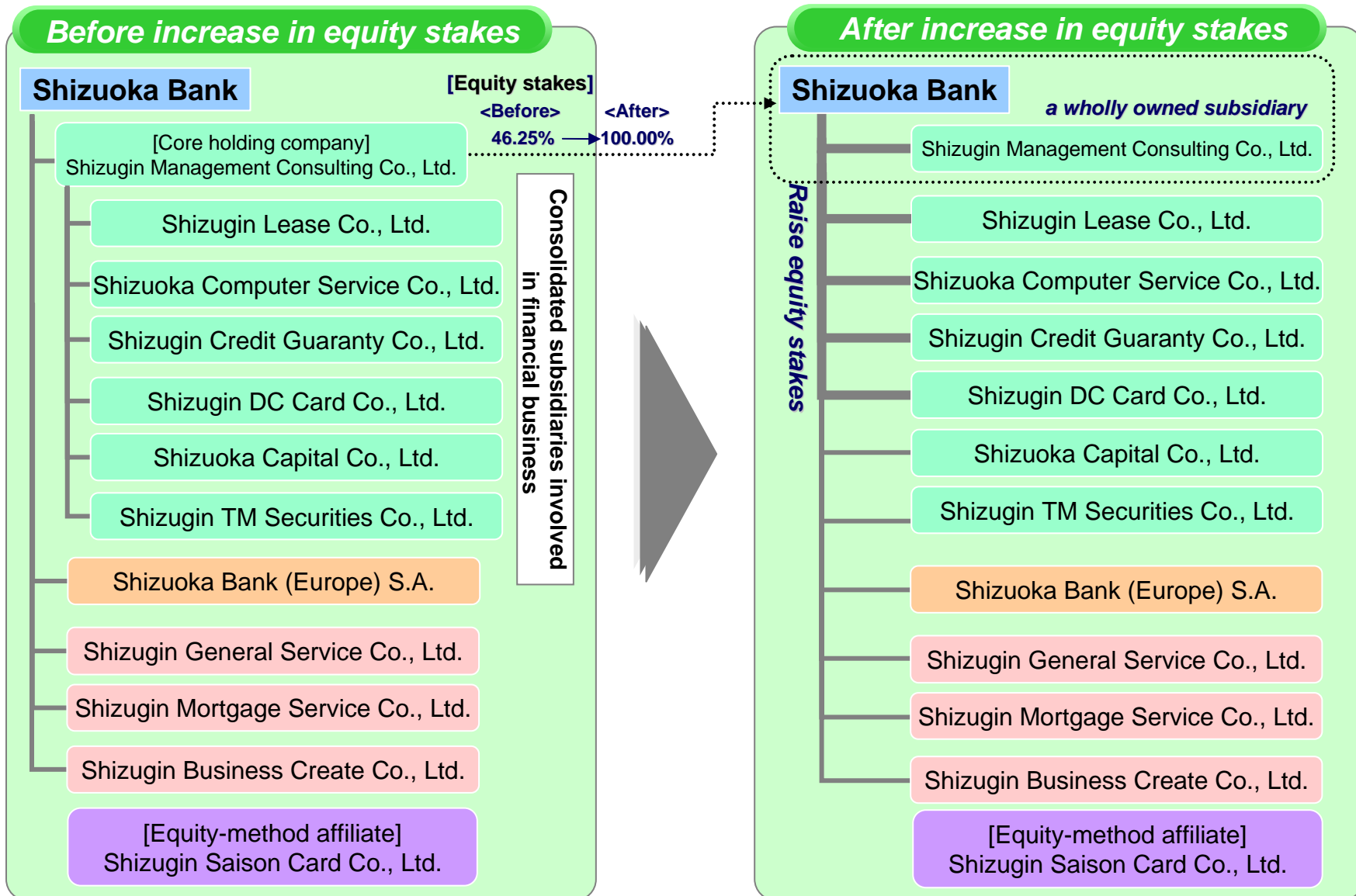
*Risk capital used = <Lending> | VaR | + Disposal amounts of NPLs
 <Investment securities> | VaR |
 <Others> | VaR |

*Core capital = common stock + retained earnings – asset outflow – intangible assets – prepaid pension cost

*Buffer capital is kept aside for emergencies such as the anticipated Great Tokai Earthquake and other unquantifiable risks.

Group companies (1)

- We aim to integrate the management of subsidiaries and parent companies and further strengthen Group governance by making core holding company Shizugin Management Consulting a wholly owned subsidiary and by increasing equity stakes in the other consolidated subsidiaries



Group companies (2)

- The total ordinary revenue of 11 consolidated subsidiaries decreased to JPY 11.8bn (down JPY 0.5bn YoY) and the ordinary profit of JPY 1.5bn (down JPY 0.2bn YoY)

(JPY bn)

Company name	Business	Ordinary revenue		Ordinary Profit	
			YoY change		YoY change
Shizugin Management Consulting Co., Ltd.	Corporate and financial management advisory services	0.1	-0.0	0.0	-0.0
Shizugin Lease Co., Ltd.	Leasing	6.1	-0.0	0.5	-0.0
Shizuoka Computer Service Co., Ltd.	Computer services, accounting	1.1	-0.2	0.0	-0.0
Shizugin Credit Guaranty Co., Ltd.	Guarantee of loans	0.5	+0.1	0.4	+0.0
Shizugin DC Card Co., Ltd	Credit card and guarantee of consumer loans	0.4	-0.0	0.1	-0.0
Shizuoka Capital Co., Ltd.	Public-offering assistance Support for corporate rehabilitation	0.1	+0.0	0.0	+0.0
Shizugin TM Securities Co., Ltd.	Securities	1.1	-0.2	0.4	-0.2
Shizuoka Bank (Europe) S.A.	Finance and securities-related services	0.1	-0.1	0.0	+0.0
Shizugin General Service Co., Ltd.	Part-time employee management, etc.	0.7	-0.0	0.0	+0.0
Shizugin Mortgage Service Co., Ltd.	Appraisal of real estate for loan collateral, etc.	0.4	+0.0	0.0	-0.0
Shizugin Business Create Co., Ltd.	Operation center for remittance and bill collection, etc.	1.1	-0.1	0.0	-0.0
Total (11 companies)		11.8	-0.5	1.5	-0.2
Shizugin Saison Card Co., Ltd.*	Credit card services, credit guarantee	0.3	+0.0	0.0	-0.0

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



70th Anniversary of Foundation

- Mark 70 years in business on March 1, 2013.
Plan to hold a number of commemorative events to thank all our stakeholders.
- Continue to strive to meet the expectations and trust of the local community by contributing to development of the regional economy.

✓ Commemorative 70th anniversary dividend (FY2012 year-end dividend)

- In addition to the ordinary dividend, we plan to pay a commemorative dividend of JPY1.00 per share, raising the total annual dividend to JPY15.00 per share.

[Dividend per share]

(JPY)

Record date	First Half End-Sep. 2012	Year-end End-Mar. 2013	Annual
Projected dividend for FY2012 (Of which, commemorative 70th anniversary dividend)	7.00 (-)	8.00 (1.00)	15.00 (1.00)

✓ Initiatives to mark 70 years in business

- Raise of equity stakes in consolidated subsidiaries to make them wholly owned subsidiaries
- Shizugin scholarships for Asian students studying in Japan
- Recruiting scheme aimed at overseas students in Japan
- Commencement of platting a new headquarters building:
To improve our capability to respond to disasters and boost productivity by reforming work styles

And other various initiatives

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.

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