

**Results of FY2012
and
Progress for 11th Medium-term
Business Plan “MIRAI—Future”**

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**Katsunori Nakanishi
President
Shizuoka Bank, Ltd.**

Dream with you.  **静岡銀行**
SHIZUOKA BANK



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Results of FY2012 and Progress for 11th Medium-term Business Plan "MIRAI—Future"

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Results of FY2012





Results of FY2012 (non-consolidated I/S)

| Non-consolidated (JPY bn, %) | FY2012 | YoY change | |
|--|--------|-----------------------|-------------------|
| | | Increase/ Decrease | Rate of change |
| Ordinary revenue | 171.0 | -3.8 | -2.2 |
| Gross operating profit | 146.3 | -2.0 | -1.4 |
| Net interest income | 120.3 | -7.0 | -5.5 |
| Fees and commissions | 14.9 | +0.2 | +1.3 |
| Trading income | 1.0 | +1.0 | +2,629.9 |
| Other operating profit | 10.0 | +3.8 | +61.4 |
| [Bond-related income such as JGBs] | 9.7 | +2.3 | +30.9 |
| [Gain (loss) on derivative products] | -0.3 | +2.1 | +88.9 |
| Expenses (-) | 78.7 | -2.4 | -3.0 |
| Actual net operating profit * | 67.6 | +0.4 | +0.6 |
| Core net operating profit ** | 57.9 | -1.9 | -3.2 |
| General transfer to loan loss reserves (-) | — | — | — |
| Net operating profit | 67.6 | +0.4 | +0.6 |
| Special profit and loss | -2.4 | +2.5 | +50.9 |
| Bad debt written-off (-) | 0.5 | -0.5 | -49.3 |
| Gain on reversals from loan loss reserves | 0.4 | -0.3 | -48.3 |
| Gain (loss) on stocks | -0.6 | +2.3 | +79.1 |
| Ordinary profit | 65.2 | +2.9 | +4.6 |
| Extraordinary profit and loss | -0.4 | -0.4 | -1,209.5 |
| Net income before taxes | 64.8 | +2.5 | +4.0 |
| Corporate taxes (-) | 23.9 | -3.8 | -13.6 |
| Net income | 40.9 | +6.2 | +18.0 |

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

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

Ordinary revenue -JPY 3.8bn YoY (Continued decrease in 5 periods)

- Ordinary revenue decreased JPY 3.8bn year on year to JPY 171.0bn, mainly due to JPY 6.5bn decline in interest income.

Gross operating profit -JPY 2.0bn YoY (Continued decrease in 3 periods)

- Gross operating profit declined JPY 2.0bn year on year due to a fall in net interest income of JPY 7.0bn, although other operating profit rose JPY 3.8bn year on year due to an increase in bond-related income such as JGBs (+JPY 2.3bn) and an improvement in gain (loss) on derivative products (+JPY 2.1bn).

Net operating profit +JPY 0.4bn YoY (First increase in 2 periods)

- Net operating profit rose JPY 0.4bn year on year to JPY 67.6bn, reflecting a decline of JPY 2.4bn in expenses, centered on non-personnel expenses (including declines of JPY 0.8bn for depreciation, and of JPY 0.8bn for deposit insurance premiums).

Ordinary profit +JPY 2.9bn YoY (continued increase in 4 periods)

- Ordinary profit increased JPY 2.9bn year on year to JPY 65.2bn, mainly reflecting an improvement of JPY 2.3bn in gain (loss) on stocks and a decline of JPY 0.5bn in bad debt written off.

Net income +JPY 6.2bn YoY (First increase in 2 periods)

- Net income increased JPY 6.2bn year on year to JPY 40.9bn, mainly due to a decline of JPY 3.8bn in corporate taxes related to a change in the corporate tax rate.



Results of FY2012 (consolidated I/S)

| Consolidated (JPY bn, %) | FY2012 | YoY change | |
|-----------------------------|--------|-----------------------|-------------------|
| | | Increase/ Decrease | Rate of change |
| Ordinary revenue | 203.1 | -2.0 | -1.0 |
| Ordinary profit | 71.3 | +2.5 | +3.6 |
| Net income | 57.0 | +19.8 | +53.2 |
| Comprehensive income | 93.6 | +33.3 | +55.3 |

| | |
|------------------|---------------------------------|
| Ordinary revenue | Continued decrease in 5 periods |
| Ordinary profit | Continued increase in 4 periods |
| Net income | Continued increase in 4 periods |

- Gains on negative goodwill by increasing equity stakes in Group companies : JPY12.9bn
- Decrease in corporate taxes : -JPY3.7bn YoY

| Consolidated / Non-consolidated ratio | FY2012 | YoY change Increase/ Decrease |
|---|-----------|-------------------------------------|
| Ordinary profit | 1.09times | -0.01times |
| Net income | 1.39times | +0.32times |

Consolidated Subsidiaries (11 companies)

Shizugin Management Consulting Co., Ltd.
 Shizugin Lease Co., Ltd.
 Shizuoka Computer Service Co., Ltd.
 Shizugin Credit Guaranty Co., Ltd.
 Shizugin DC Card Co., Ltd.
 Shizuoka Capital Co., Ltd.
 Shizugin TM Securities Co., Ltd.
 Shizugin General Service Co., Ltd.
 Shizugin Mortgage Service Co., Ltd.
 Shizugin Business Create Co., Ltd.
 Shizuoka Bank (Europe) S.A.

Equity-method Affiliate

Shizugin Saison Card Co., Ltd.



Net interest income

- Net interest income of FY2012: JPY 120.3bn (-JPY 7.0bn YoY)
- Of which, domestic operations: JPY 109.0bn (-JPY 5.8bn YoY), Overseas operations: JPY 11.3bn (-JPY 1.2bn YoY)

Breakdown of net interest income

| (JPY bn) | FY2011 | FY2012 | Increase/ Decrease |
|--------------------------------------|--------------|--------------|-----------------------|
| Total | 127.3 | 120.3 | -7.0 |
| Domestic operations | 114.7 | 109.0 | -5.8 |
| Of which, Interest on loans | 100.6 | 95.4 | -5.2 |
| Interest and dividends on securities | 18.9 | 18.2 | -0.7 |
| Interest on deposits (-) | 4.7 | 4.6 | -0.1 |
| Overseas operations | 12.5 | 11.3 | -1.2 |
| Of which, Interest on loans | 1.7 | 2.5 | +0.8 |
| Interest and dividends on securities | 12.5 | 11.1 | -1.4 |

Income from securities investment

| (JPY bn) | FY2011 | FY2012 | Increase/ Decrease |
|--|-------------|-------------|-----------------------|
| Interest and dividends on securities | 31.4 | 29.3 | -2.1 |
| Bond-related income such as JGBs | 7.4 | 9.7 | +2.3 |
| Income from securities investment | 38.8 | 39.0 | +0.2 |

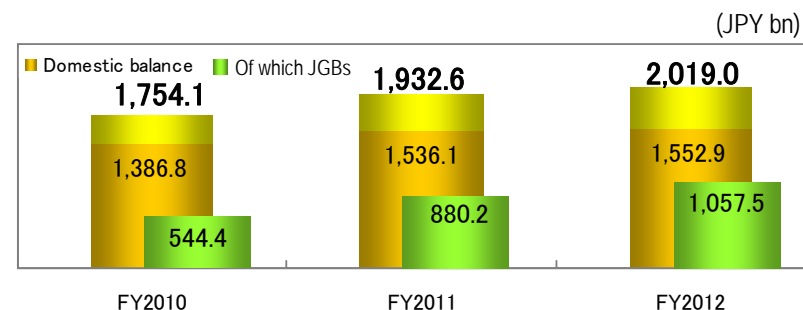
Domestic operations

| (%) | FY2011 | FY2012 | Increase/ Decrease |
|---------------------|--------|--------|-----------------------|
| Loan rate | 1.58 | 1.49 | -0.09 |
| Deposit rate | 0.06 | 0.06 | -0.00 |
| Yield on securities | 1.22 | 1.16 | -0.06 |

Overseas operations

| (%) | FY2011 | FY2012 | Increase/ Decrease |
|---|--------|--------|-----------------------|
| Spread between Investments and procurements | 1.58 | 1.13 | -0.45 |

Security balance (average balance)

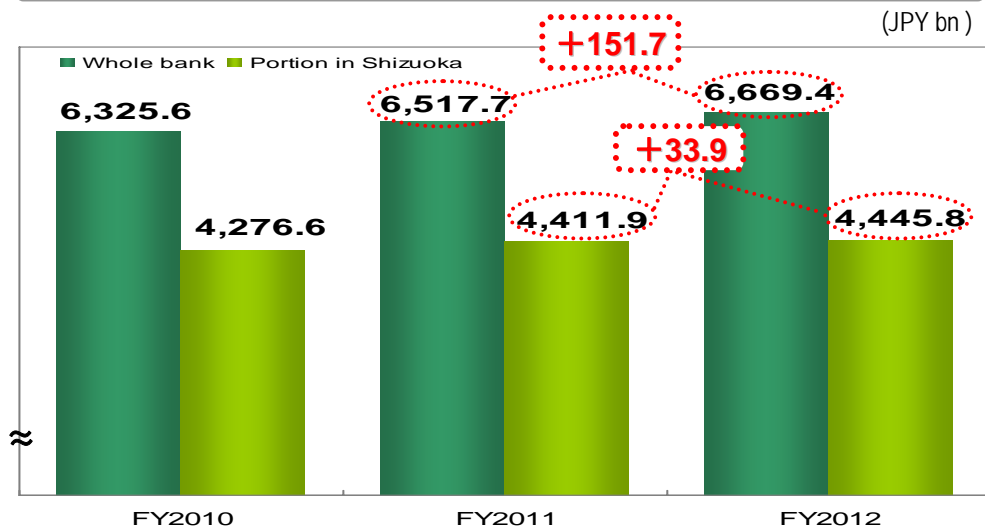




Loans (average balance)

- Total loan balance (average balance) of FY2012: JPY 6,669.4bn, up JPY 151.7bn (+2.3%) YoY

Total loan balance (average balance)



[SME loan balance]

Average balance increased to JPY 2,678.0bn, by JPY 41.8bn (+1.6%) YoY

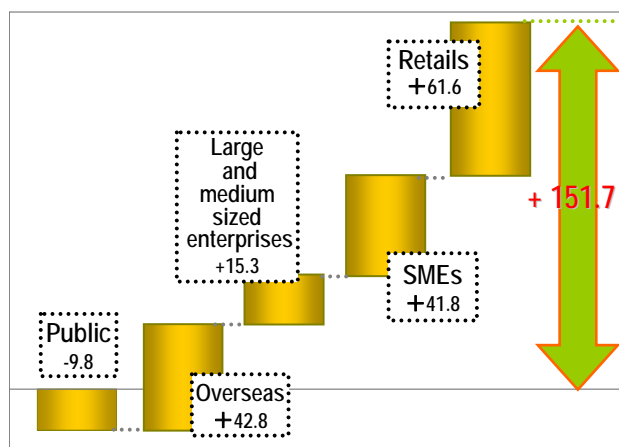
[Retail loan balance]

Average balance increased to JPY 2,301.6bn, by JPY 61.6bn (+2.7%) YoY

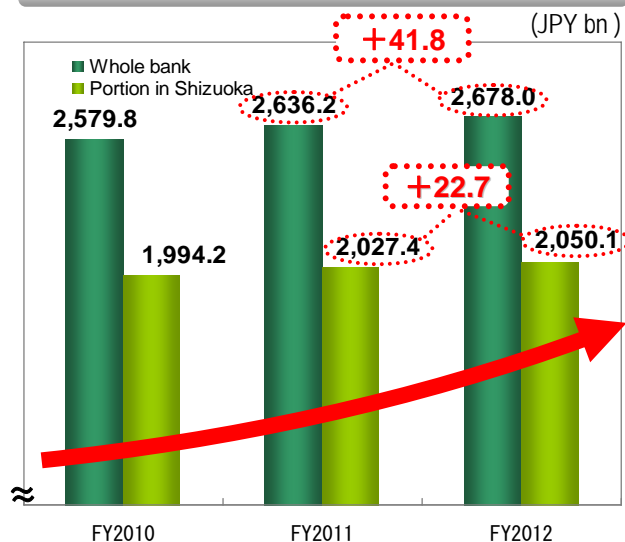
[Large and Medium sized enterprises loan balance]

Average balance increased to JPY 1,338.8bn, by JPY 15.3bn (+1.2%) YoY

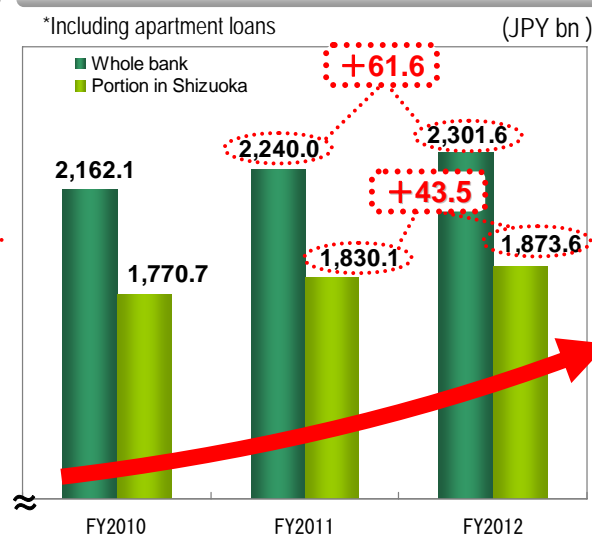
Breakdown of year-on-year change in total loan balance (average balance)



SME loan balance (average balance)



Retail loan balance (average balance)

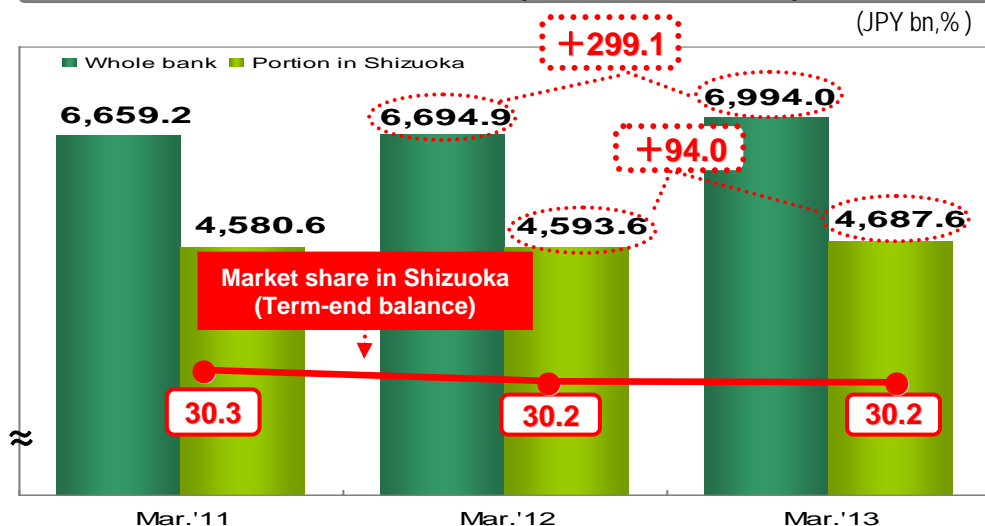




Loans (term-end balance)

- Total loan balance (term-end balance) of FY2012: JPY 6,994.0bn, up JPY 299.1bn (+4.5%) YoY

Total loan balance (term-end balance)



[SME loan balance]

Term-end balance increased to JPY 2,830.5bn, by JPY 2.1bn (+0.1%) YoY

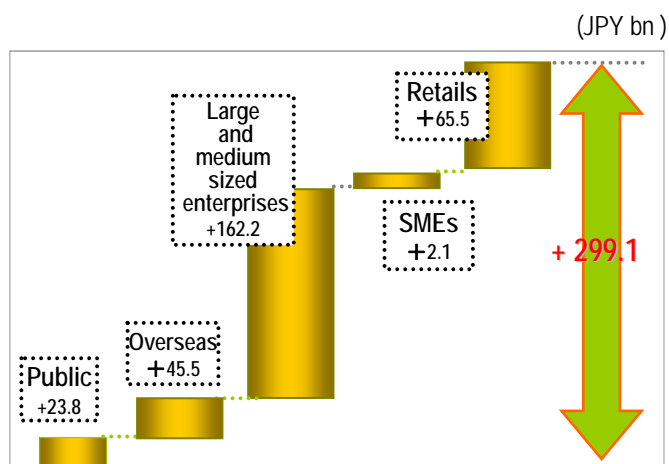
[Retail loan balance]

Term-end balance increased to JPY 2,353.8bn, by JPY 65.5bn (+2.9%) YoY

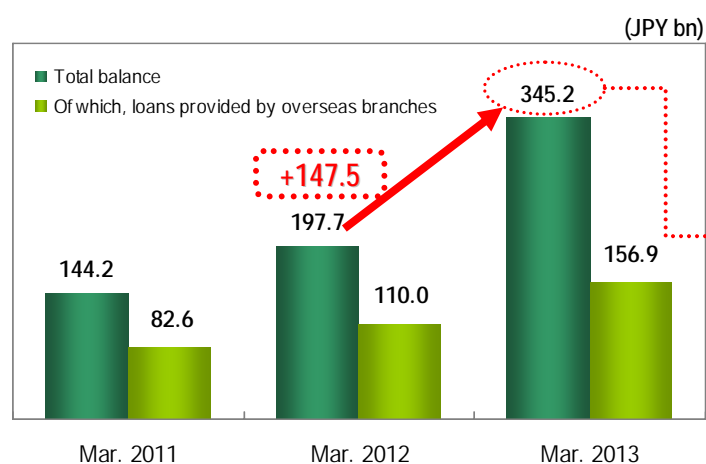
[Large and Medium sized enterprises loan balance]

Term-end balance increased to JPY 1,418.6bn, by JPY 162.2bn (+12.9%) YoY

Breakdown of year-on-year change in total loan balance (term-end balance)



Loan balance in foreign currencies (term-end balance)



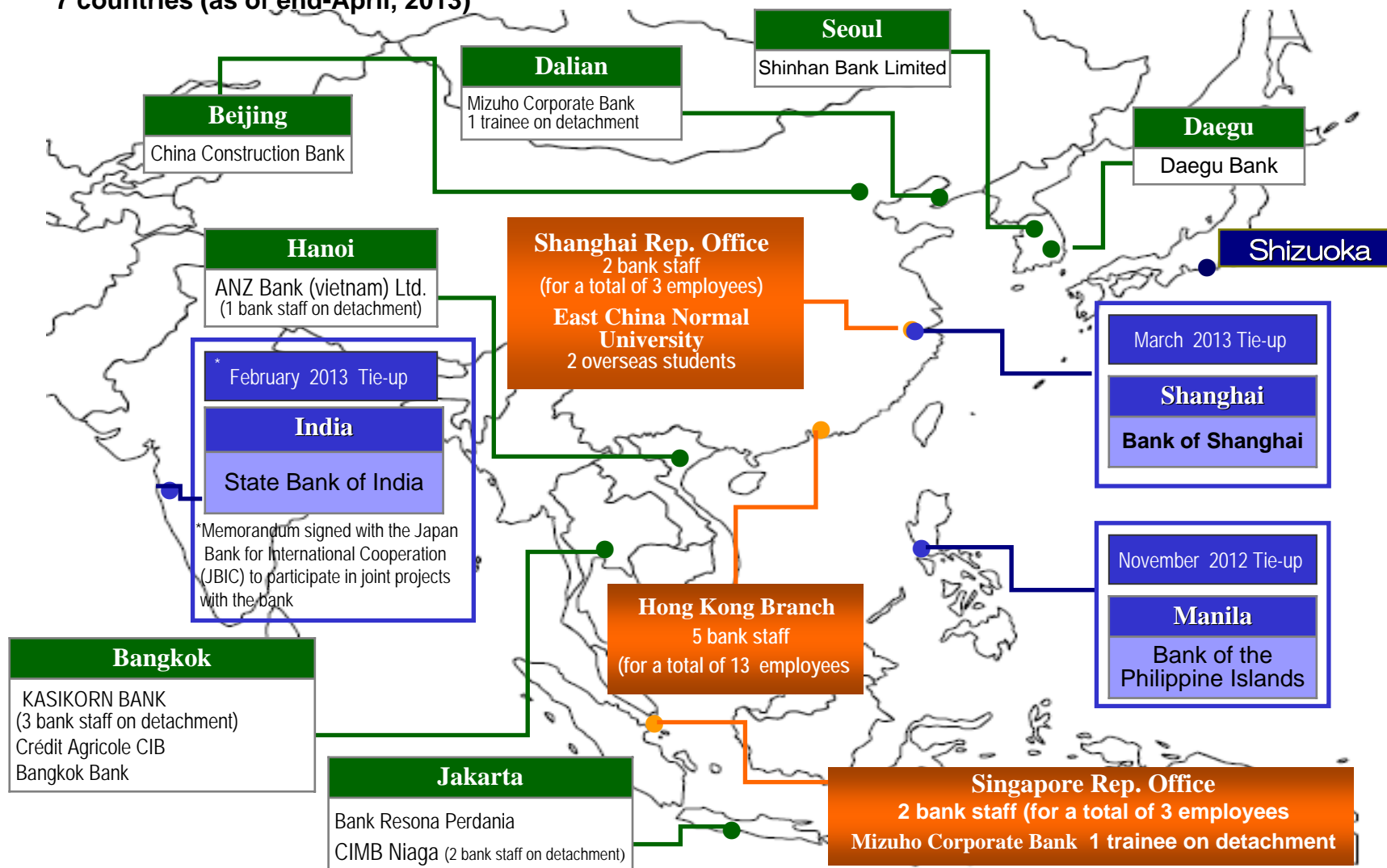
Breakdown by currency (JPY bn)

| | |
|--------------|--------------|
| US dollars | 319.3 |
| Euro | 12.2 |
| Baht | 10.9 |
| Others | 2.8 |
| Total | 345.2 |



Initiatives for Corporate Banking – Network in Asia –

- As customers accelerate moves into Asian markets, we are upgrading our overseas network through tie-ups with local financial institutions
- In FY2012, we formed alliances with 3 more local financial institutions, expanding our total network to 12 banks in 7 countries (as of end-April, 2013)





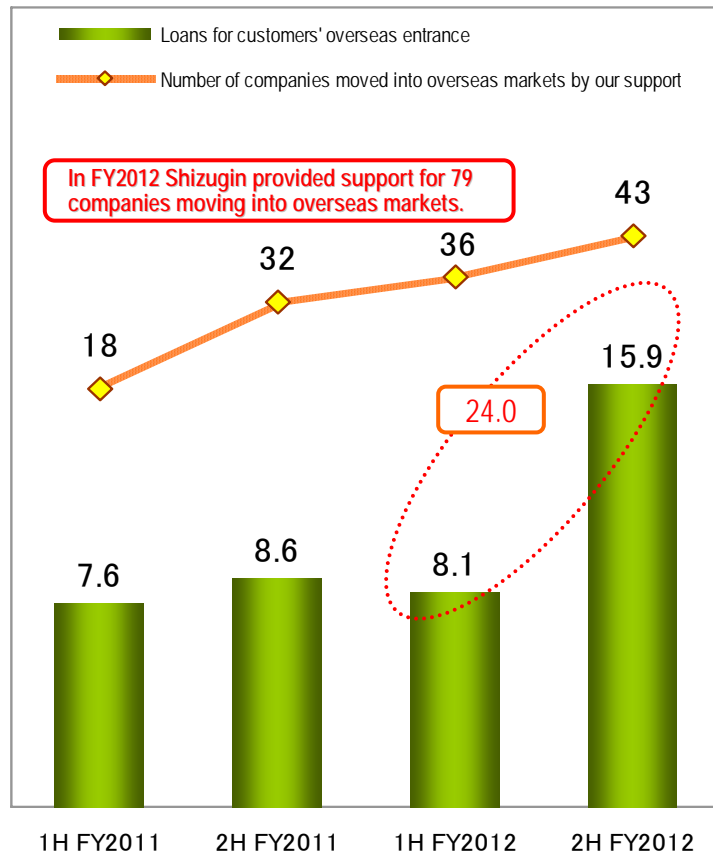
Initiatives for Corporate Banking

– Progress with Asia strategy –

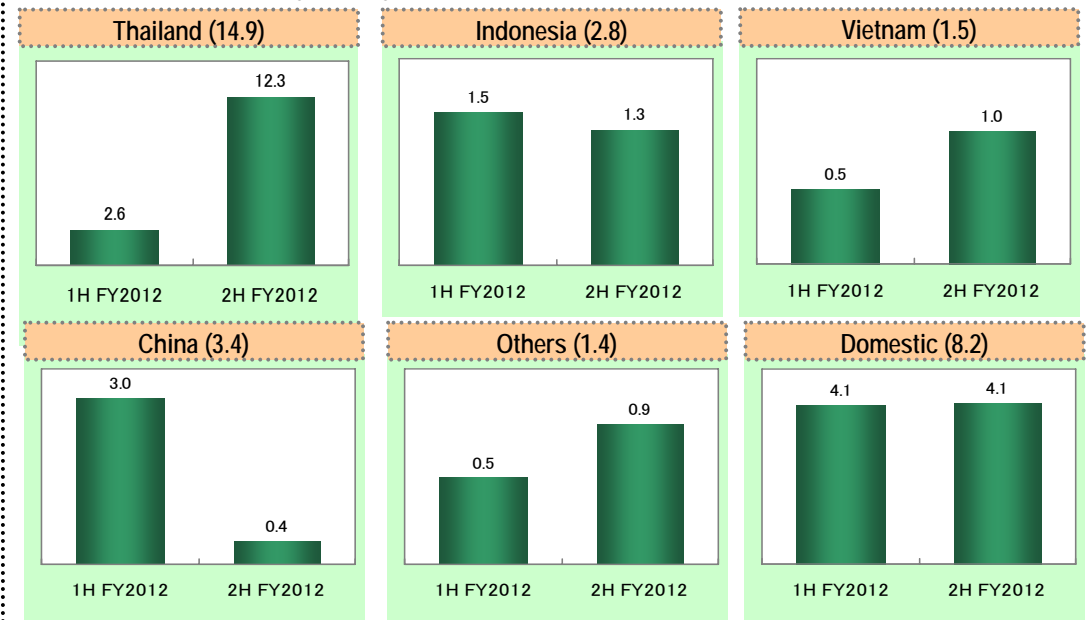
- In FY2012, we supported 79 companies for entry for overseas markets and provided loans of JPY 24.0bn (excluding related domestic loans of JPY 8.2bn)
- Our finely-tuned responses to customer's needs steadily resulted in loans and FX transactions

Number of companies moved into overseas markets by our support and loans for customers' overseas entrance

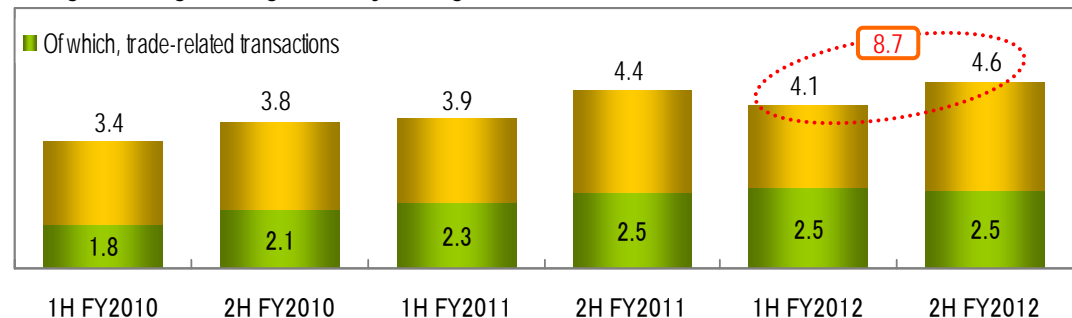
(JPY bn, companies)



[Value of loans extended by country (JPY bn)]



【Foreign exchange trading / ordinary trading transactions (USD bn)】



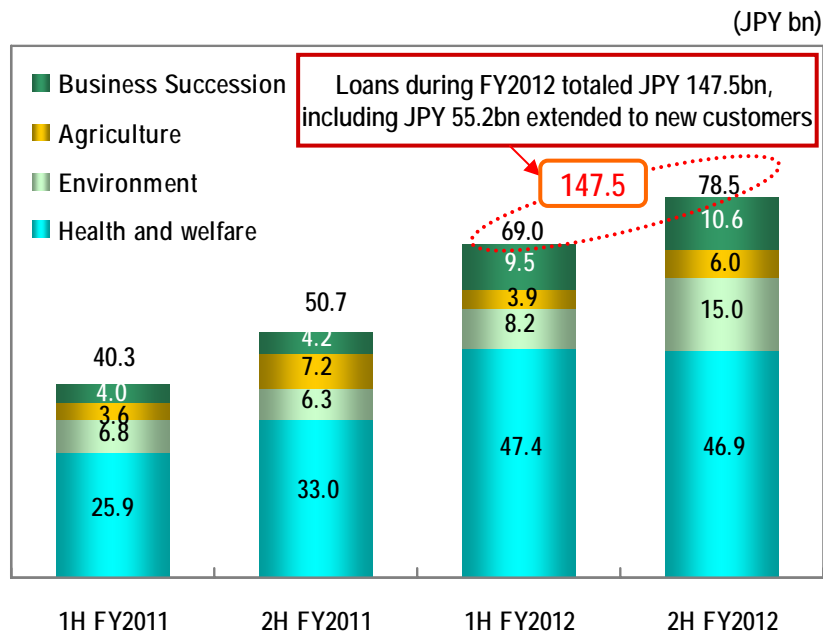


Initiatives for Corporate Banking

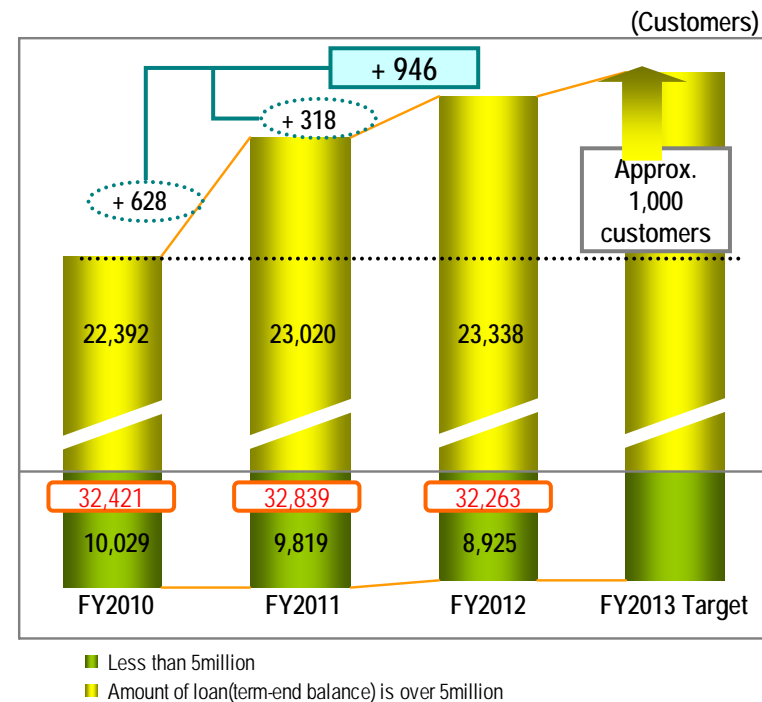
– Solution-based approach, Acquisition of new corporate customers –

- Continue to work on generating new demand for funds by actively implementing initiatives in growing and untapped fields and by offering tailored solutions; the goal is to expand the customer base and increase market share
- As of end-March 2013, the number of corporate customers was up 946 from the start of the 11th Medium-term Business Plan (end-March 2011)

Solution-based approach to growth and untapped fields



Number of corporate customers



Measures to support new business creation

Created Shizugin Entrepreneur Awards

(part of initiatives to mark the bank's 70 years in business)

< Objectives >

Provide recognition to entrepreneurs with innovative business plans and support the development of new businesses to help revitalize the local economy

7 individuals received prizes out of a total of 246 applicants
 [Total prize amount to 10 million yen]

⇒ Fully utilize the Group's capabilities, such as sales channel development and consulting services, to actively support business growth

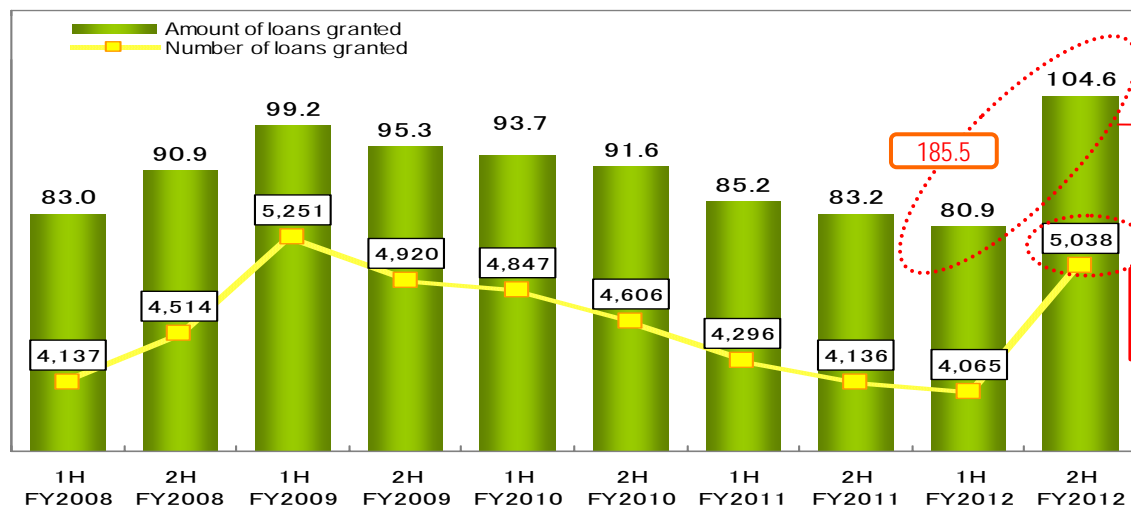


Initiatives for Retail Banking – Consumer loan –

- Increasing housing loans granted by reforming business processes to increase productivity and by launching new products

Trend in housing loans granted

(JPY bn, case)



- Loans in FY2012 increased JPY 17.1bn YoY. Monthly loan sales reached a record high in March 2013
- Average rate for housing loans granted in FY2012: 1.146% (-0.125% YoY)

- Boosting productivity through business process reforms absorbed the increase in workload (+973 cases compared with 1H FY2012)

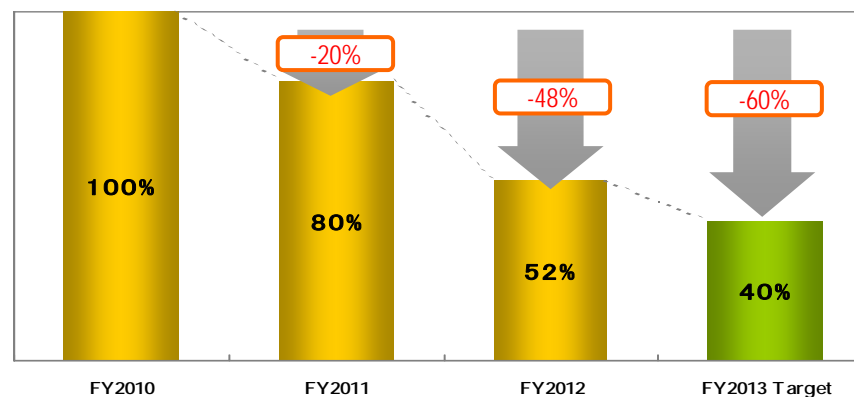
Initiatives

- July 2012: The launch of 2 new home loan products
 - Home loans with medical cost insurance for 8 major illnesses (+ 2 special provisions)
 - Home loans with group life insurance that covers wider range of illnesses
- November 2012: The start of home loans guaranteed by ZENKOKU HOSHO Co., Ltd.

These products are designed to tap potential demand and widen the segment of home loan customers

Reduced processing time for workload of consumer loan

*Assume the amount of business in the FY2010 is set to 100



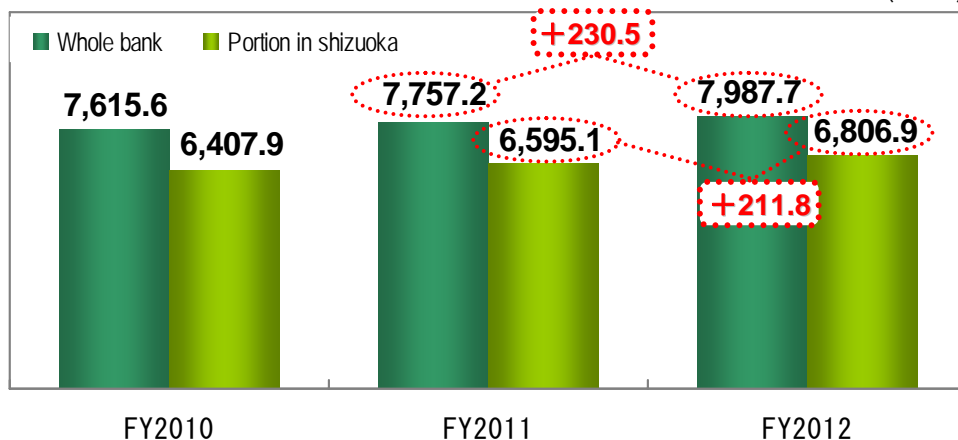


Deposits

● Total deposit balance in FY2012: JPY 7,987.7bn (average balance), up JPY 230.5bn (+3.0%) YoY

Deposit balance (average balance)

(JPY bn)



[Deposit balance in Shizuoka Prefecture]
Average balance increased to JPY 6,806.9bn, by JPY 211.8bn (+3.2%) YoY

[Retail deposit balance]
Average balance increased to JPY 5,537.7bn, by JPY 200.4bn (+3.8%) YoY

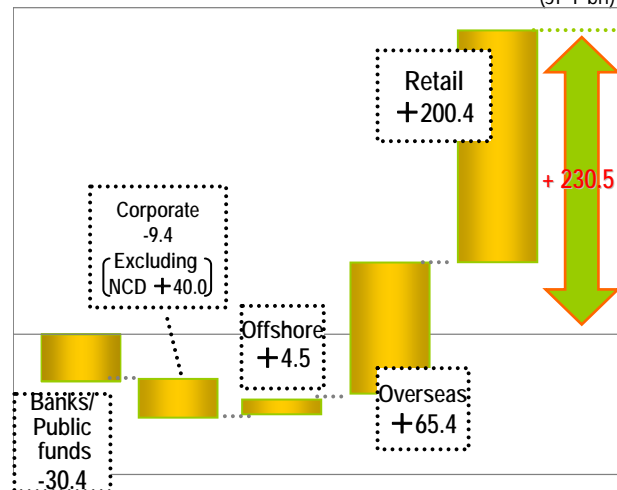
[Average balance of Internet branch: JPY 204.6bn, up JPY 130.9bn YoY]

[Corporate deposit balance]
Average balance decreased to JPY 1,958.5bn, by JPY -9.4bn (-0.5%) YoY

[Excluding NCD : up JPY 40.0bn (+2.3%) YoY]

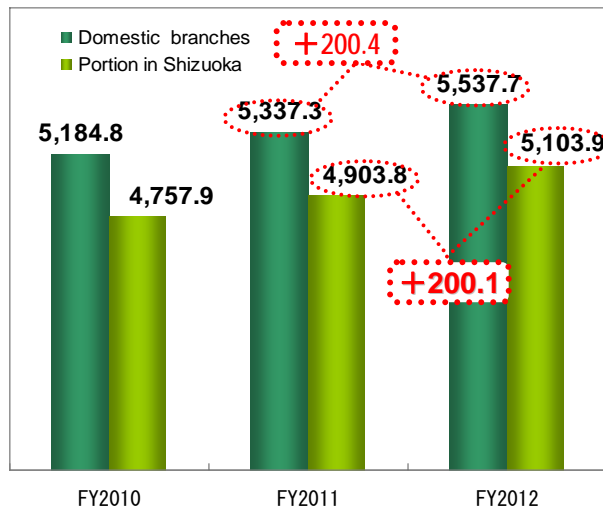
Breakdown of year-on-year changes in deposits balance (average balance)

(JPY bn)



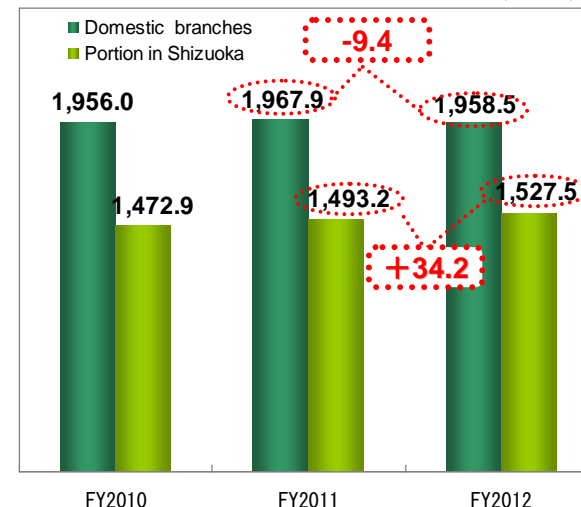
Retail deposit balance (average balance)

(JPY bn)



Corporate deposit balance (average balance)

(JPY bn)

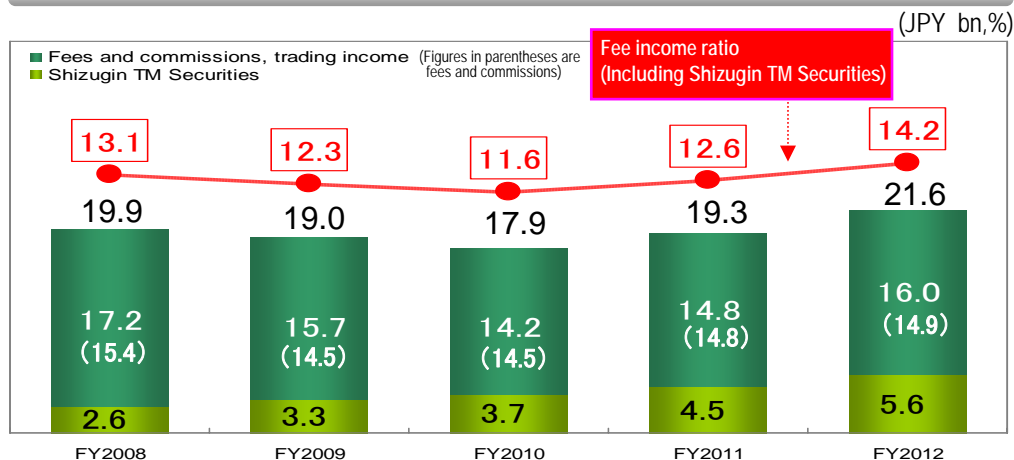




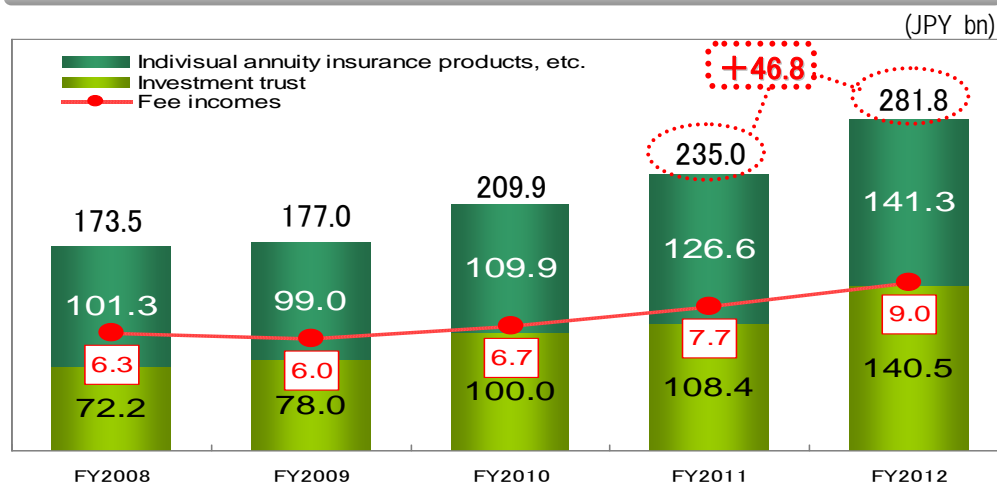
Fee incomes and customer assets

- Fee incomes in FY2012: JPY 21.6bn(+2.3bn YoY), of which total of Non-consolidated Fee incomes in FY2012: JPY 16.0bn(+1.2bn YoY)
- Customer assets at the end of March 2013 (including the balance of Shizugin TM Securities) was JPY 7,189.9bn, up JPY 254.3bn from the end of March 2012, of which balance of customer asset excluding JPY deposits was JPY 1,625.1bn, up JPY 163.2bn from the end of March 2012

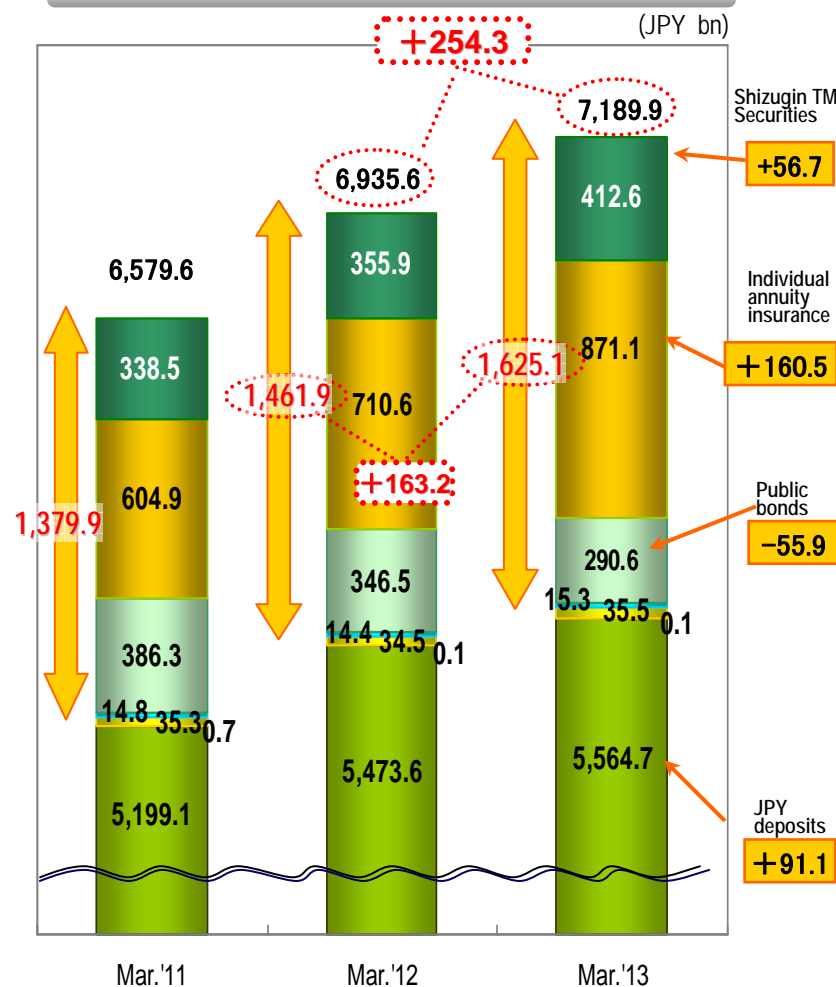
Fee incomes (Shizuoka Bank / Shizugin TM Securities)



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



Customer assets (term-end balance)

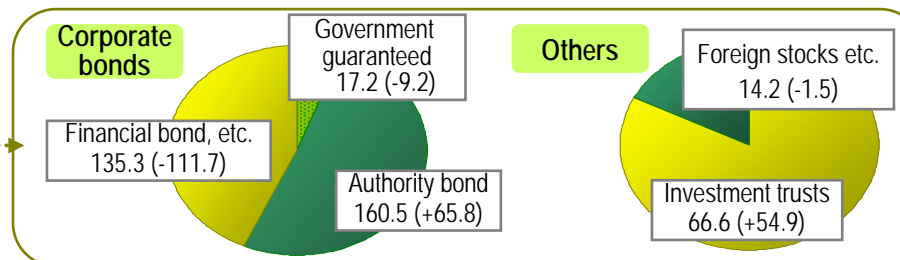
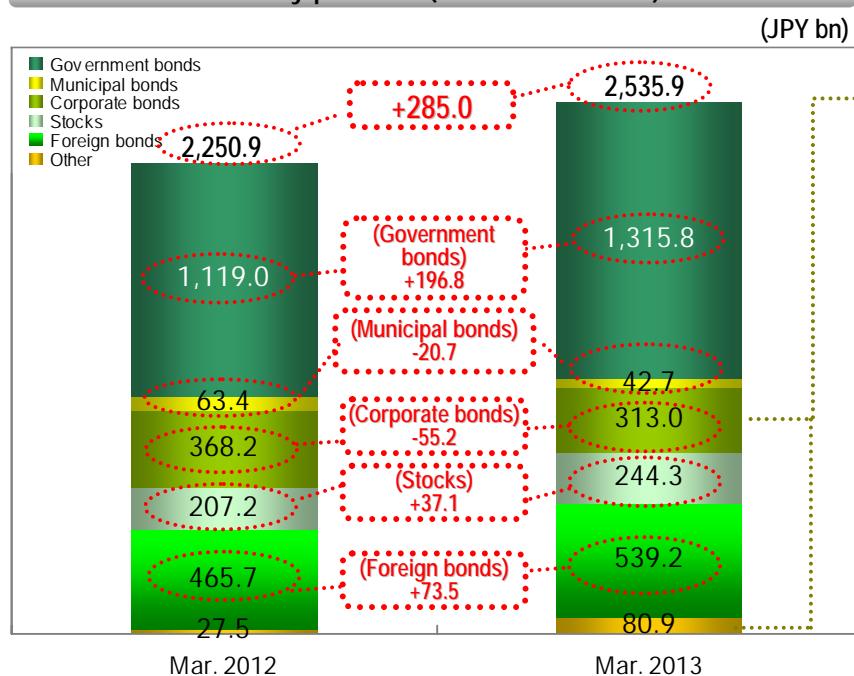




Securities

- Total balance of securities (term-end balance) : JPY2,535.9bn (+JPY 285.0bn from the end of March 2012)
- Gains and losses from the revaluation of securities: JPY180.5bn (+JPY 52.9bn from the end of March 2012)
- As of end-Mar.2013, the bond duration was 5.24 years for yen bonds and 3.97 years for foreign bonds

Security portfolio (term-end balance)



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

gains and losses from securities

| (JPYbn) | FY2011 | FY2012 | Increase/Decrease |
|---|--------------|--------------|-------------------|
| Gains and losses from JGBs | 7.4 | 9.7 | +2.3 |
| Gain on sale of JGBs | 11.0 | 12.5 | +1.4 |
| Gains and losses from stocks | -2.9 | -0.6 | +2.3 |
| Devaluation of stocks (-) | 3.0 | 0.9 | -2.1 |
| Gains and losses from the revaluation of securities | 127.6 | 180.5 | +52.9 |
| Stocks | 88.1 | 122.9 | +34.8 |
| Nikkei stock average | JPY10,083.56 | JPY12,397.91 | - |

Break-even level of revaluation gains or losses / 10BPV

| *TOPIX10point | Levels at which revaluation gains and losses is zero | | 10BPV |
|------------------------|--|-----------|-------------|
| Stocks | Nikkei stock average | JPY 5,788 | *JPY 2.46bn |
| Yen-denominated bonds | 5-year JGB | 0.515% | JPY 8.79bn |
| Foreign-currency bonds | 10-year US Treasury Note | 2.475% | JPY 2.33bn |

[Foreign bonds]

| (JPY bn) | End of Mar. '13 | Increase/Decrease |
|---|-----------------|-------------------|
| US national bonds | 78.0 | +34.4 |
| Ginnie Mae | 421.7 | +27.0 |
| French bonds | 18.3 | +18.3 |
| Corporate bonds / International institution bonds | 21.2 | -6.2 |
| Total | 539.2 | +73.5 |

* All corporate bonds have been rated A or higher by external rating agencies



Credit-related costs

● Credit-related costs in FY2012: JPY 0.1bn(-JPY 0.2bn YoY), Credit-related cost rate: 0.002% (-0.002 percentage points YoY)

Breakdown of credit-related costs

| (JPY bn) | FY2011 | FY2012 | Increase/Decrease |
|--|------------|------------|-------------------|
| General transfer to loan loss reserves | -3.8 | -4.5 | -0.7 |
| Transfer to specific reserves | 3.1 | 4.1 | +1.0 |
| Other NPL disposal | 1.0 | 0.5 | -0.5 |
| Total | 0.3 | 0.1 | -0.2 |

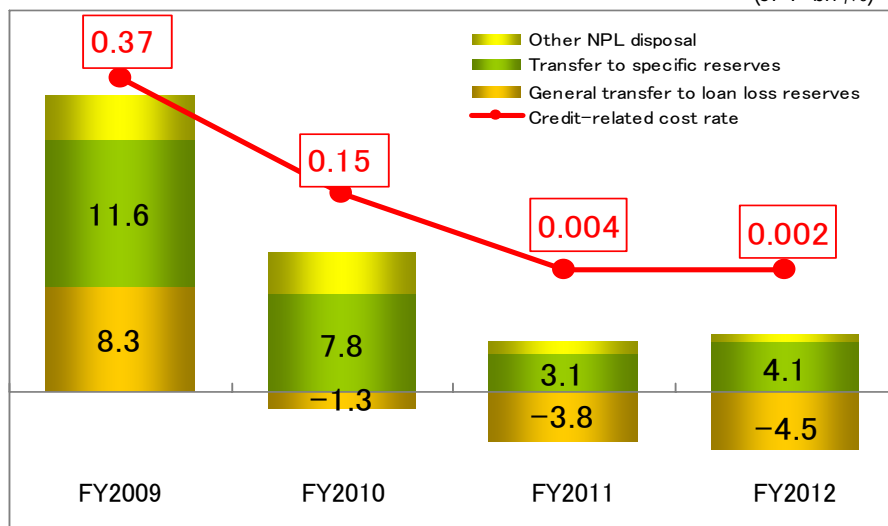
[Breakdown of transfer to specific reserves]

| | |
|--|------------|
| Changes in credit rating, etc | 11.0 |
| Decrease in the value of collaterals | 0.6 |
| Upgrade of credit rating, decrease in loan and credit balances by foreclosure ,etc | -7.5 |
| Total | 4.1 |

* According to accounting rule, general transfer to loan loss reserves was booked as gains on reversals from loan loss reserves in the statements of income, because the gains on reversals from general transfer exceeded the loss from transfer to specific reserves and others.

Credit-related cost and credit-related cost rate trends

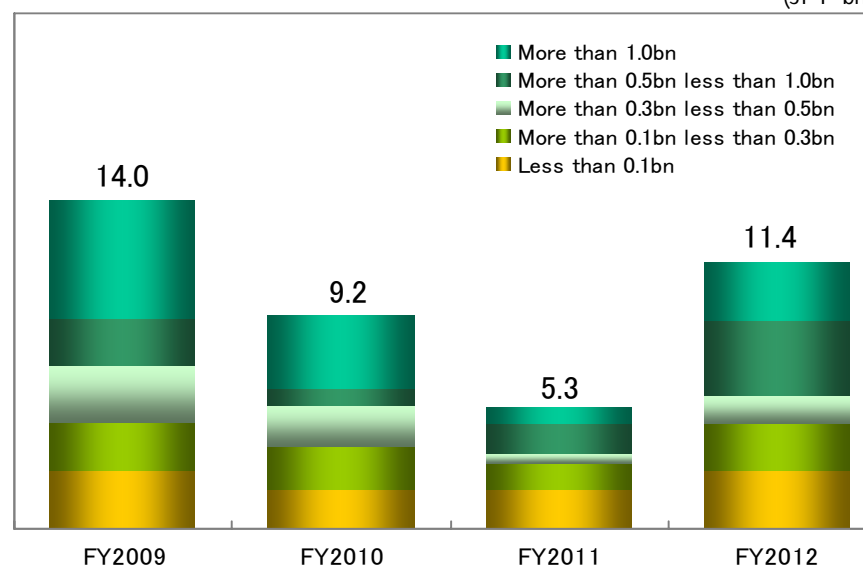
(JPY bn ,%)



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

New transfer to specific reserves by credit balance per borrower

(JPY bn)

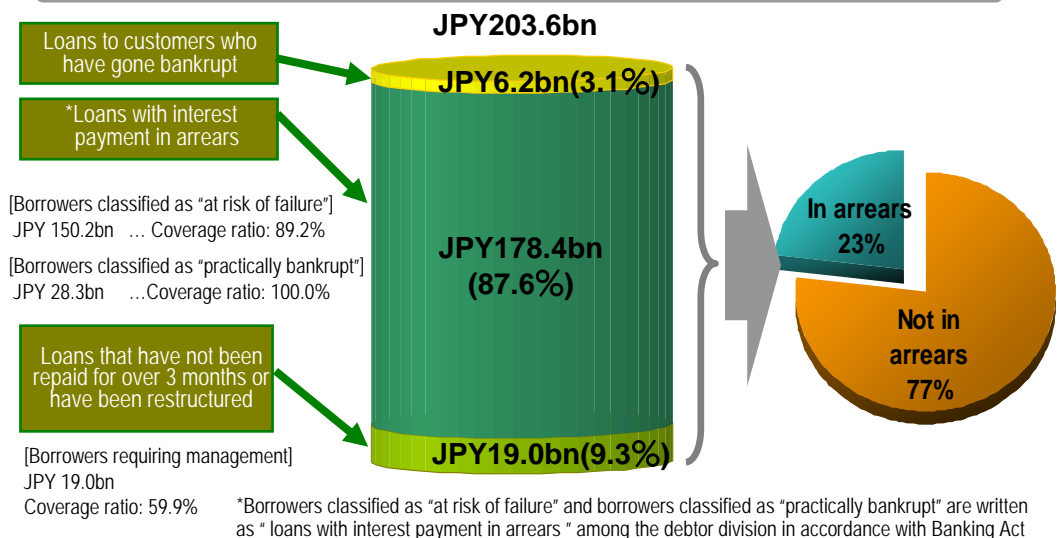




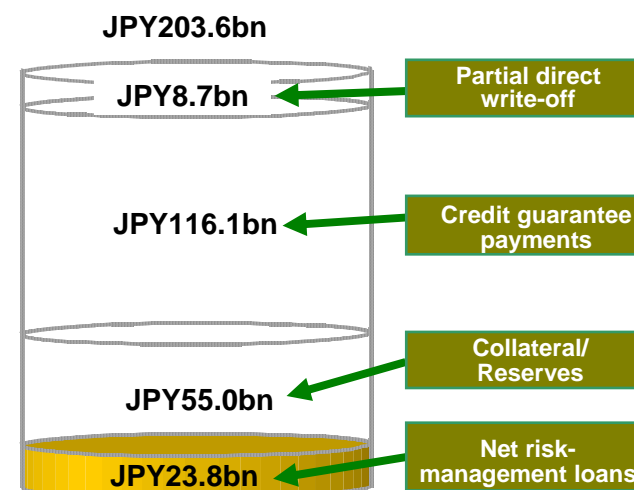
Risk-management loans

- Total risk-management loans (Non-consolidated): JPY 203.6bn (-JPY 24.9bn from the end of March 2012)
- The ratio of risk-management loans: 2.91% (-0.50 percentage points)
- Net risk-management loans (Non-consolidated): JPY 23.8bn (+JPY 2.6bn)
- The ratio of net risk-management loans: 0.34% (+0.02 percentage points)

Risk-management loans at the end of Mar. 2013



Net risk-management loans



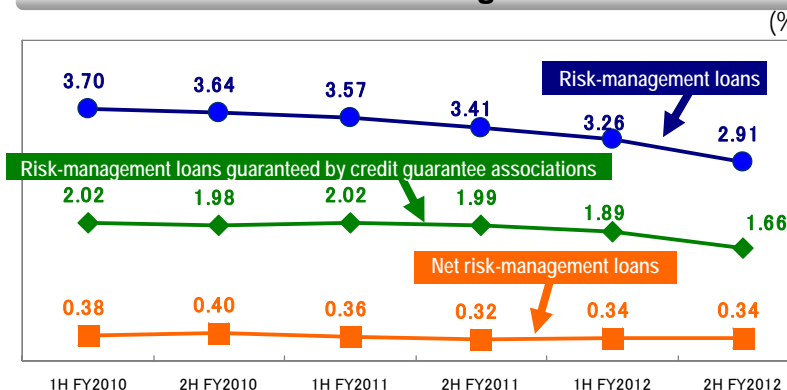
NPL removal from the balance sheet

| (JPY bn) | FY2011 | FY2012 |
|--|---------------|---------------|
| New recognition of NPLs | +52.9 | +46.5 |
| Removal from the balance sheet (NPL to borrowers classified as "at risk of failure" or riskier categories) | -66.9 (-60.7) | -71.4 (-66.9) |
| Risk-management loans | 228.5 | 203.6 |

-24.9

| [Breakdown of JPY 66.9 bn] (JPY bn) | |
|--|------|
| Collected from borrower/ set off against deposit account | 11.1 |
| Collateral disposal/ subrogated to guarantor | 21.1 |
| Reclassified to better categories | 23.1 |
| Loans sold-off | 11.3 |
| Direct write-off of loans | 0.3 |

The ratio of risk-management loans



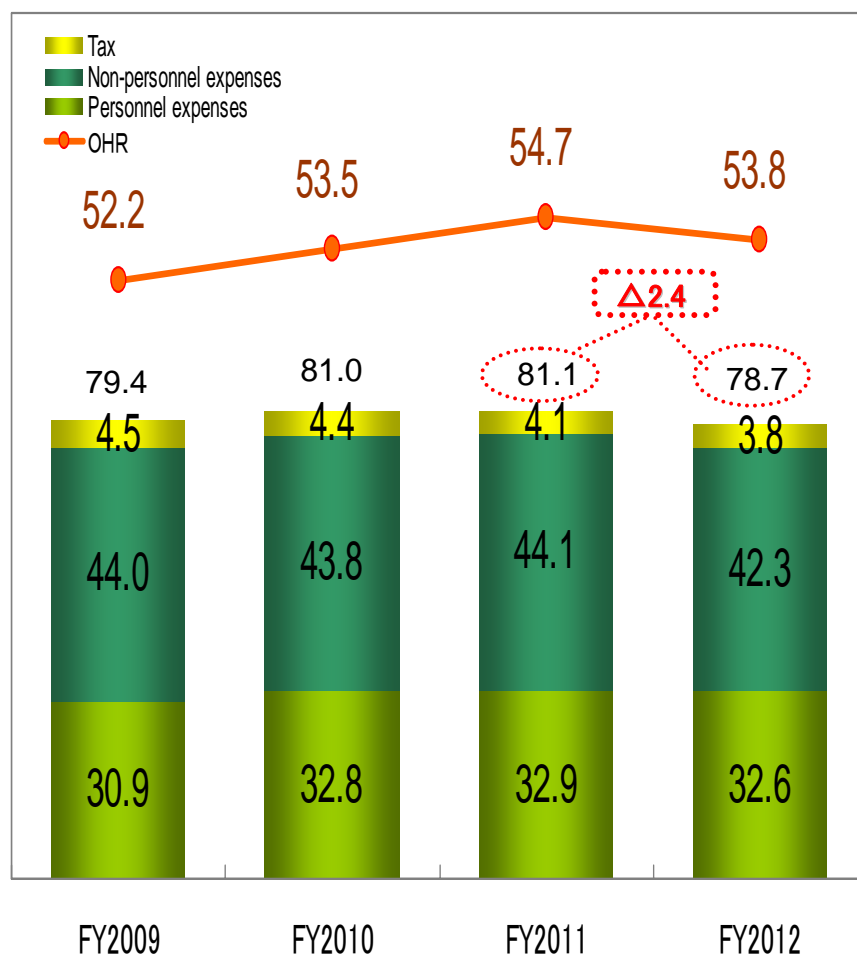


Expenses

- Expenses in FY2012: JPY 78.7bn (-JPY 2.4bn YoY)
- OHR in FY2012 (Non-consolidated): 53.8% (-0.9 percentage points YoY)

Expenses and OHR (annual basis)

(JPYbn,%)



Amount of investments

(JPYbn)

| | FY2011 | FY2012 | Increase/Decrease |
|-----------------------|--------|--------|-------------------|
| Amount of investments | 6.6 | 7.5 | +0.9 |
| Software | 2.7 | 3.5 | +0.8 |
| Building | 1.0 | 1.6 | +0.6 |
| Movable property | 1.4 | 1.1 | -0.3 |

<Reference > Building the new headquarters

To improve our capability to respond to disasters and boost productivity by changing work styles

| | |
|-----------------|--------------------|
| Investment | JPY 22bn (planned) |
| Completion date | October 2014 |

*Please refer to page 27 of the supplementary materials for details about the impact of this project on profits

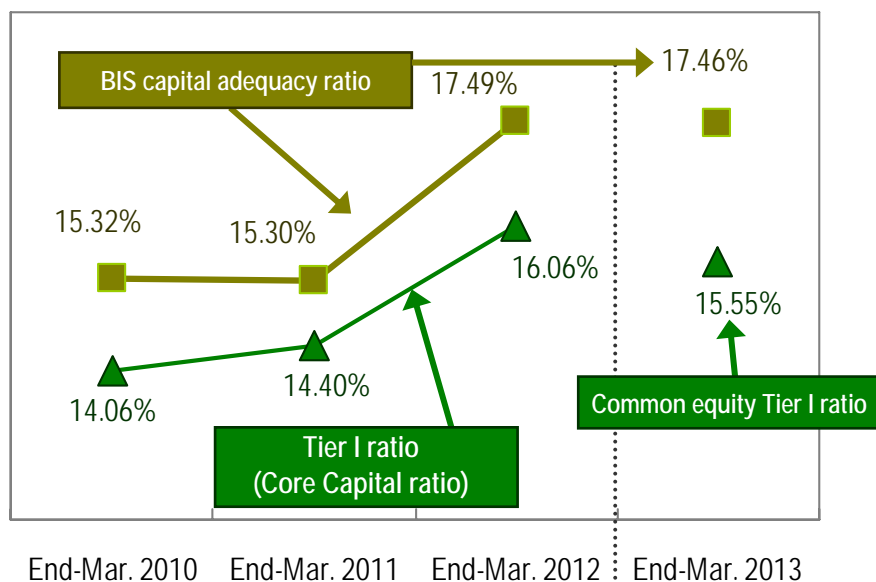




Capital adequacy ratio

- The Basel II capital adequacy ratio at the end of March 2013 was 17.46%. Common Equity Tier I ratio : 15.55%
- From the end of March 2013, we adopted to Basel III criteria for the calculation of capital adequacy ratio

BIS capital adequacy ratio (consolidated basis)



(Basel II)

(Basel III)

[Estimation based on criteria in the Basel III text released in December 2010 (End-September 2012 basis)]

- Liquidity coverage ratio: 140.0%(Regulatory level 100% and over)
- Net stable funding ratio: 113.6%(ditto over 100%)
- Leverage ratio: 6.68%(ditto 3% in trial period)

Changes in capital and risk-adjusted assets

| | (JPY bn) | (JPY bn) |
|--|--------------|---|
| | End-Mar. '13 | End-Mar. '12 |
| 【Basel III】 | | <Reference> 【Basel II】 |
| Capital* | 768.5 | 719.9 |
| Common Equity Tier I | 684.3 | 661.1 |
| Other Tier I | - | |
| Tier II | 84.2 | 63.3 |
| (Deductions) (-) | | 4.5 |
| Risk-adjusted assets | 4,400.1 | 4,114.8 |
| Total credit-risk adjusted assets | 4,093.2 | 3,800.4 |
| Amount corresponding to market risk | 11.5 | 14.2 |
| Amount corresponding to operational risk | 295.4 | 300.2 |

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

Outlier ratio (Non-consolidated basis)

| Amount of maximum risk | Tier I+Tier II | Outlier ratio |
|------------------------|----------------|---------------|
| JPY 30.7bn | JPY 737.5bn | 4.2% |



Capital policy (1) - Share Buybacks -

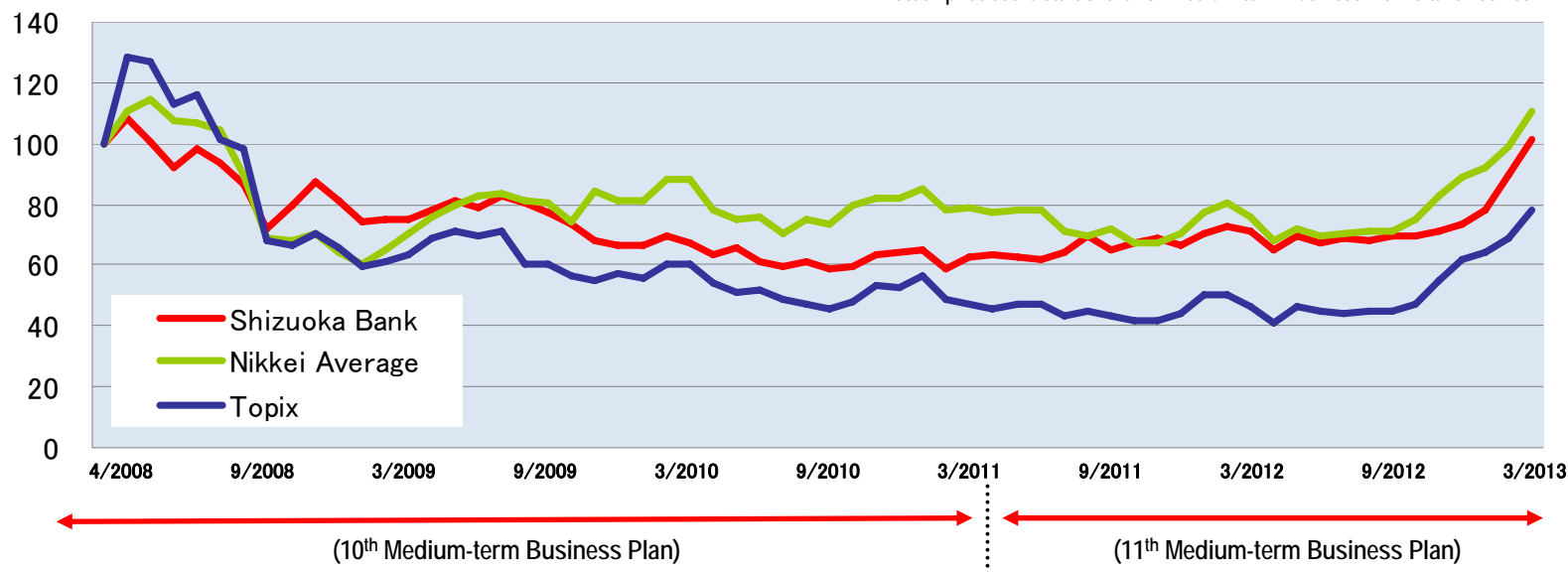
- Share buybacks have been continuously carried out since FY1997, resulting in 161 million of shares bought back as of the end of March 2013.
- Under the 11th Medium-term Business Plan, we have targeted a shareholder return ratio of 50% or more in the medium- to long-term

Major initiatives in capital policy

| | | |
|-------------------|---|---|
| FY1997 – FY2012 | Acquired treasury stock 161 million shares (accumulated total) | <ul style="list-style-type: none"> • Increased capital efficiency and improved shareholder returns (Profits returned to shareholders by improving earnings per share etc.) Of the treasury stock acquired, 140 million shares have been cancelled |
| April 2013 | Issued euro-dollar convertible bonds | <ul style="list-style-type: none"> • Issued for procurement of long-term U.S. dollar funds in response to rising demand from corporate customers for foreign currency loans |
| April – June 2013 | Share buybacks 20 million shares | <ul style="list-style-type: none"> • Improving shareholder returns and preventing dilution of shareholder value (Limiting potential dilution risk from the convertible bonds) |

(Reference) Trend in stock price

*Stock price at the start of the 10th Medium-term Business Plan is taken as 100





Capital policy (2) - Euro-dollar convertible bonds issued

- In April 2013, Shizuoka became the first Japanese bank to issue zero coupon euro-dollar convertible bonds
- This instrument was designed to be high debt profile, with conditions that limit the impact of dilution

Summary of euro-dollar convertible bonds

<Summary of bond issue>

| | |
|-----------|--|
| Amount | \$500 million |
| Maturity | 5 years |
| Coupon | 0% (zero cost) |
| Objective | Respond to rising demand for foreign currency loans which corporate customers spend on the development of their overseas operations and realize our growth by increasing loan assets |

Scheme designed to limit dilution of shareholder value

1. Contingent convertible clause (co-co clause)

Investors are prevented from converting to the stock for 4 years and 9 months after the issue date unless the stock trades at 130% of the conversion price or higher

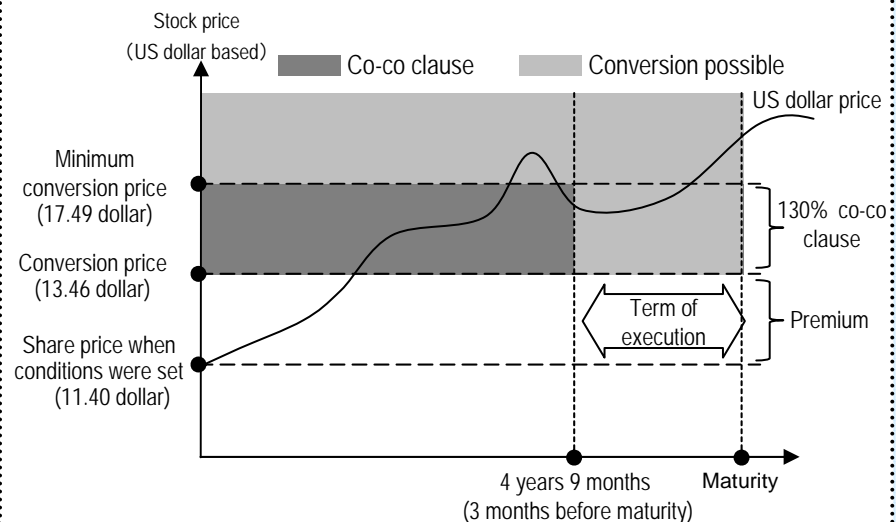
2. Clause determining face value cash settlement

In the case of conversion 4 years and 9 months after from issue date, U.S. dollar cash values are granted for face value, and shares for the value exceeding 100 of parity*
 *U.S. dollar price ÷ conversion price

3. Share buybacks (20 million shares)

Share buybacks are executed to offset the impact of dilution by raising capital efficiency

【Diagram of scheme to limit dilution】





Capital policy(3) – Dividend

- Plan to increase FY2012-end dividend by JPY 1.00 per share as commemorative 70th anniversary dividend, raising the total annual dividend to JPY 15.00 per share

Dividend trends

(JPY)

| | FY2010 | FY2011 | FY2012 | FY2013E |
|-----------------------------|--------|--------|---------|---------------|
| Dividend per share (annual) | 13.00 | 13.50 | * 15.00 | 15.00(** 7.5) |

*Include 70th anniversary dividend

**Interim dividend

Profit distribution to shareholders

11th Medium-term Business Plan

(JPY bn)

| | FY2010 | FY2011 | FY2012 | FY2013E | FY '03 – '12 (10 years) |
|---|--------|--------|--------|---------|----------------------------|
| Annual dividend (1) | 8.8 | 8.9 | 9.7 | 9.4 | Accumulated total 81.9 |
| Repurchase of shares (2) | 15.0 | 14.6 | 8.2 | * 26.0 | Accumulated total 63.0 |
| Shareholder returns (3)=(1)+(2) | 23.8 | 23.5 | 18.0 | 35.4 | Accumulated total 144.9 |
| Net income (4) | 35.4 | 34.7 | 40.9 | 42.0 | Accumulated total 320.3 |
| Dividend payout ratio (1)/(4)x100 | 24.85% | 25.54% | 23.78% | 22.45% | Average 25.57% |
| Shareholder return ratio (3)/(4)x100 | 67.22% | 67.60% | 43.93% | 84.29% | Average 45.23% |

*The amount of repurchase of shares in FY2013E is maximal acquisition amount starting to acquire from Apr. 2013

Shareholder return ratio 65.35%
(FY2011~ FY2013E)

Projected performance in FY2013





Projected performance in FY2013

| Consolidated | (JPYbn) | FY2012 | FY2013E | Change from FY2012 |
|---------------------|---------|--------|---------|--------------------|
| Ordinary revenue | | 203.1 | 206.0 | +2.9 |
| Ordinary profit | | 71.3 | 72.0 | +0.7 |
| Net income | | * 57.0 | 45.0 | -12.0 |

* Include gains on negative goodwill JPY12.9bn by increasing equity stakes in group companies

| Non-Consolidated | (JPYbn) | FY2012 | FY2013E | Change from FY2012 |
|-------------------------|---------|--------|---------|--------------------|
| Ordinary revenue | | 171.0 | 174.0 | +3.0 |
| Gross operating profit | | 146.3 | 145.2 | -1.1 |
| Expenses (-) | | 78.7 | 78.2 | -0.5 |
| Net operating profit | | 67.6 | 68.0 | +0.4 |
| Ordinary profit | | 65.2 | 67.0 | +1.8 |
| Net income | | 40.9 | 42.0 | +1.1 |

| | (JPYbn) | FY2012 | FY2013E | Change from FY2012 |
|--|---------|--------|---------|--------------------|
| Credit-related costs | | 0.1 | 3.1 | +3.0 |
| General transfer to loan loss reserves | | -4.5 | -1.0 | +3.5 |
| Bad debt written-off | | 4.6 | 4.1 | -0.5 |
| transfer to specific reserves | | 4.1 | 2.5 | -1.6 |

Reference





Progress of 11th Medium-term Business Plan “MIRAI—Future”

- The bank generally made steady progress toward the 11th Medium-term Business Plan and shareholder return targets (totals for three years)

| | | FY2011-2013 plan totals | Results for FY2011-2012 | Progress rate |
|------------------|-------------------------------------|--------------------------------|----------------------------|---------------|
| Consolidated | Ordinary revenue | 610.0 | 408.2 | 66.9% |
| | Ordinary profit | 196.0 | 140.1 | 71.4% |
| | Net income | 112.0 | 94.2 | 84.1% |
| Non-consolidated | Gross operating profit | 452.0 | 294.5 | 65.1% |
| | Expenses (-) | 246.0 | 159.8 | 64.9% |
| | Actual net operating profit | 206.0 | 134.8 | 65.4% |
| | Ordinary profit | 185.0 | 127.5 | 68.9% |
| | Net income | 110.0 | 75.5 | 68.6% |
| | Increase in average loan balance | +530.0 | +343.9 | 64.8% |
| | Increase in average deposit balance | +450.0 | +372.2 | 82.7% |
| | Shareholder return ratio | 50% or more for a long term | 54.8% | — |



Loans(1) -Loans by industries

- Business loans to each industry such as real estate, construction, leasing, money lending and investment respectively account for less than 9% of loan balance for all industries respectively. There is no concentrated exposure to any of these specific industries
- Expected Loss (EL) for all industries : JPY 9.9bn (JPY 0.9bn for real estate and JPY 0.8bn for construction)
- Unexpected Loss (UL) for all industries : JPY 52.2bn

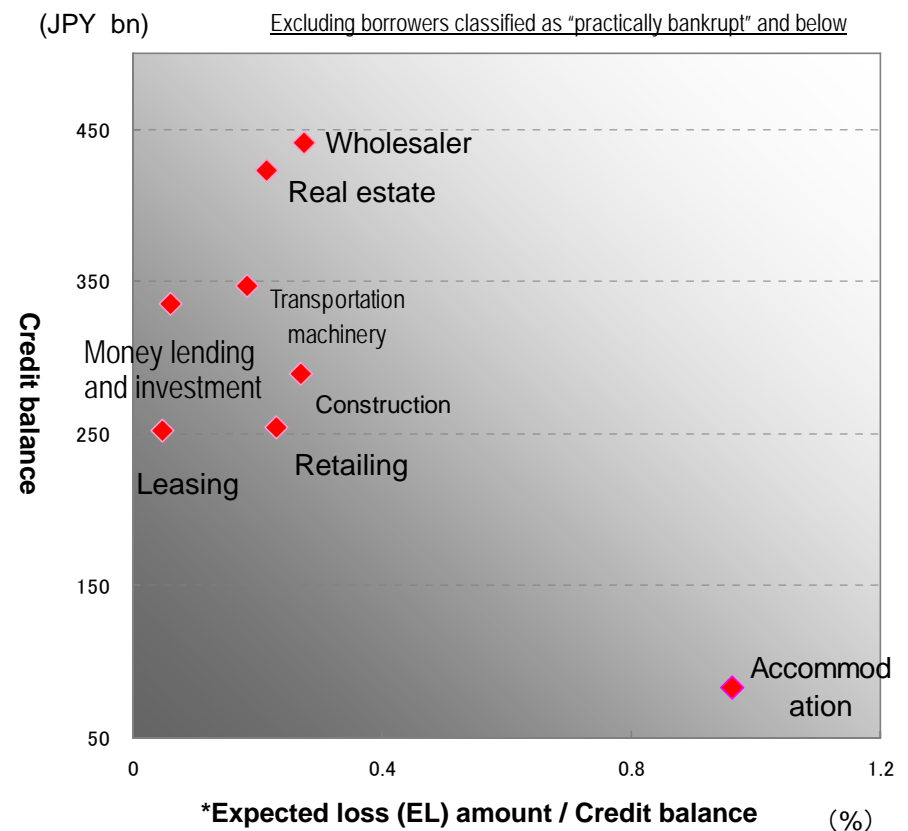
Contemporary status of business loans to particular industries

[Credit balance (as of the end of March 2013)]

| (JPY bn, %) | Balance | Composition ratio | YoY change |
|------------------------------|---------|-------------------|------------|
| All industries | 4,985.5 | 100.0 | +336.6 |
| Real estate | 423.3 | 8.5 | +22.2 |
| Wholesaler * | 441.3 | 8.9 | +12.6 |
| Money lending and investment | 335.2 | 6.7 | +92.2 |
| Transportation machinery | 347.1 | 7.0 | +46.1 |
| Construction | 289.9 | 5.8 | -12.3 |
| Retailer | 254.6 | 5.1 | +3.3 |
| Leasing | 251.7 | 5.0 | +8.2 |
| Accommodation | 83.0 | 1.7 | -0.3 |

* excluding a general trading companies

[Credit balance vs. expected loss rate*]





Loans (2) - Borrowers with modified loan 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. '13)

<Executed changes of loan conditions>

| | Number of cases | Executed amounts |
|----------------|-----------------|------------------|
| Loans for SMEs | 86,304 | JPY2,088.7bn |
| Housing loans | 1,992 | JPY 33.0bn |

Several cases were counted for the same borrowers.
In addition to that, each time continued, loans with bullet repayment was posted as "executed changes of loan conditions".

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

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

| | Numbers of borrowers for which loan conditions were modified | Credit balance | |
|----------------|--|--------------------|-------------------------------|
| | | | Of which non-protected amount |
| Loans for SMEs | *1 2,995 | JPY 303.7bn | JPY 95.0bn |
| Housing loans | 917 | JPY 14.7bn | *2 JPY 3.4bn |
| Total | 3,912 | JPY 318.4bn | JPY 98.4bn |

| Expected Loss | General transfer to loan loss |
|------------------|-------------------------------|
| JPY 4.3bn | JPY 10.7bn |
| JPY 0.0bn | JPY 0.2bn |
| JPY 4.3bn | JPY 10.9bn |

7.2% of total borrowers of business loans

Credit balance executed JPY 318.4bn (4.6% of total loans)
Of which, non-protected amount JPY 98.4bn (1.4% of total loans)

• Expected Loss (JPY 4.3bn) was managed within the range of "general transfer to loan loss balance" (JPY 10.9bn)

*1 Including loans for apartments

*2 Amount of non-protected housing loans was calculated on the basis of our collection performance

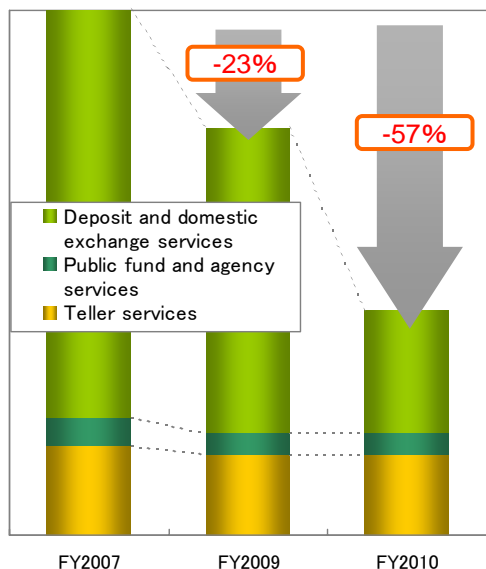


Improvement of productivity (1) - BPR

- An ongoing BPR program increased front-office staff without boosting the overall headcount
→ make it possible to achieve sustainable top-line growth

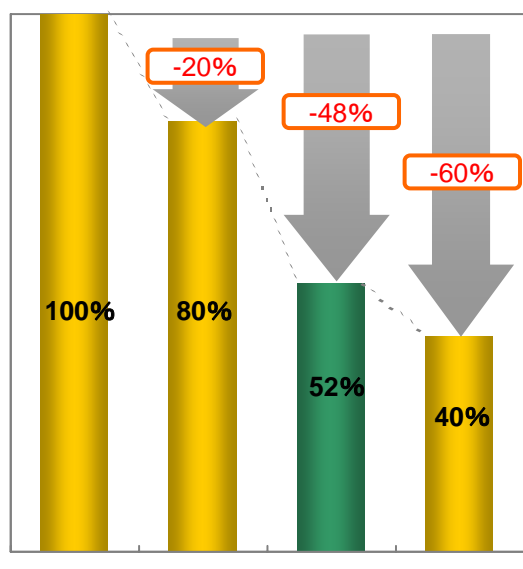


Workload reduction of branches



*Assume the amount of business in the FY2007 is set to 100

Reduced processing time for workload of consumer loan



* Assume the amount of business in the FY2010 is set to 100

Number of personnel

| | End-Mar. 2008 | End-Mar. 2012 | End-Mar. 2013 | Change from end-Mar. 2008 |
|--------------------------|---------------|---------------|---------------|---------------------------|
| Front-office | 2,411 | 3,046 | 3,070 | + 659 |
| Of which, bank employees | 1,794 | 2,246 | 2,261 | + 467 |
| Back-office/assisting | 1,693 | 1,000 | 942 | -751 |
| Of which, bank employees | 548 | 59 | 44 | -504 |
| Shizuoka Bank | 5,164 | 4,936 | 4,901 | -263 |
| Of which, bank employees | 2,851 | 2,865 | 2,860 | + 9 |



Improvement of productivity (2) - Result from Improvement of productivity

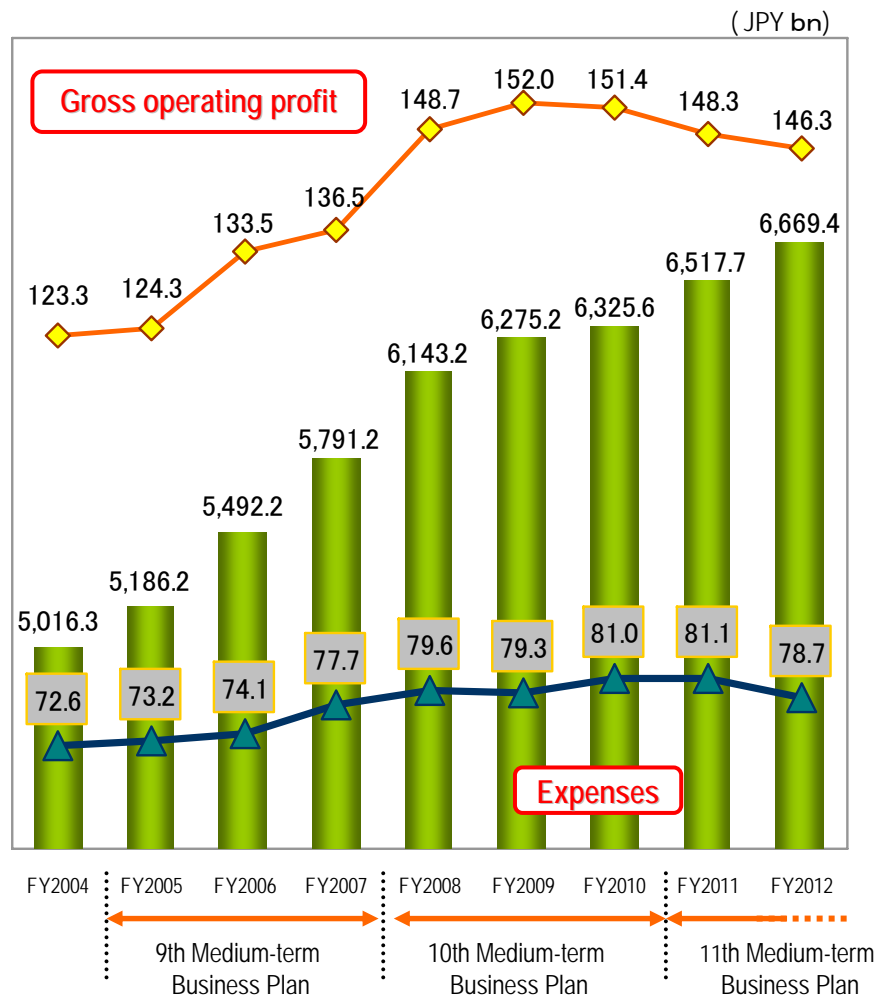
- Delivered stable growth in profit, loans and deposits while controlling costs through improvement of productivity

Improve productivity

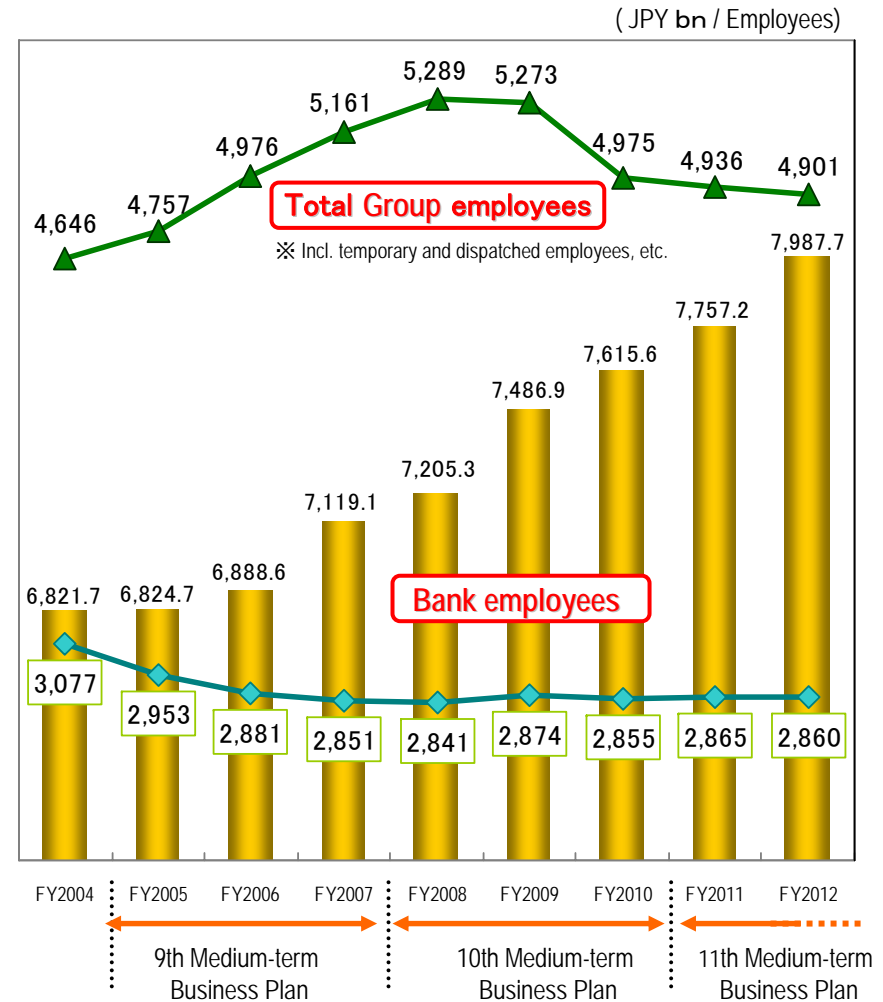
Increase front-office staff
Enhance the sales force

Deliver stable growth in profit,
loans and deposits

Loan balance (average balance)



Deposit balance (average balance)

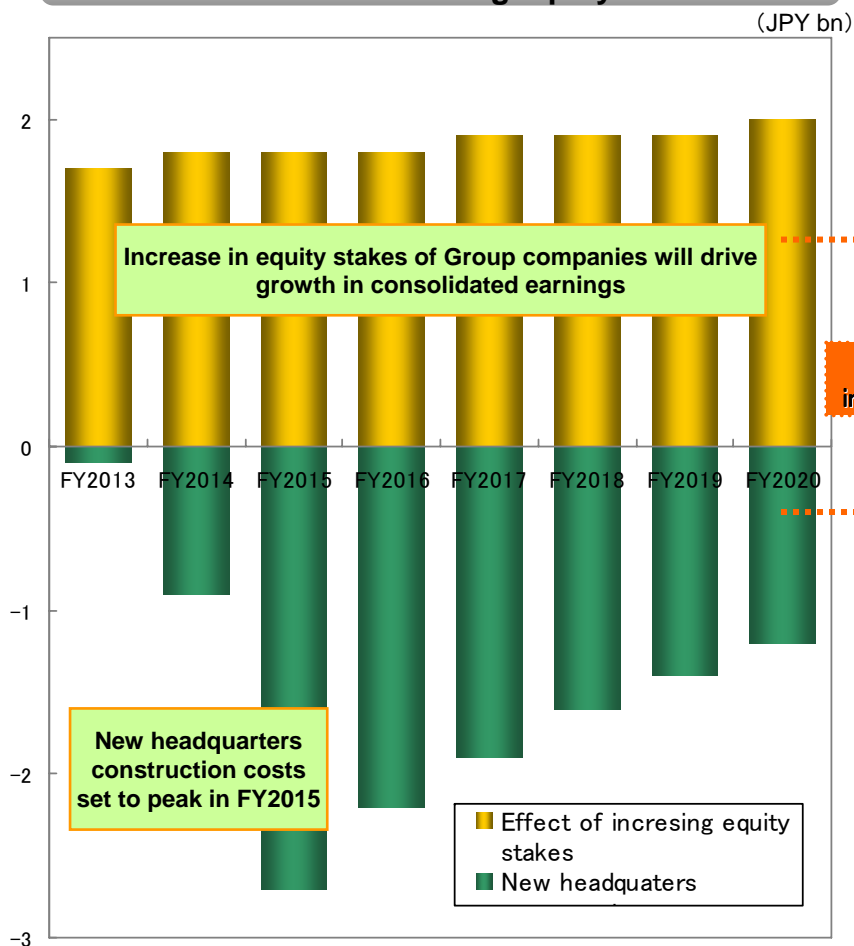




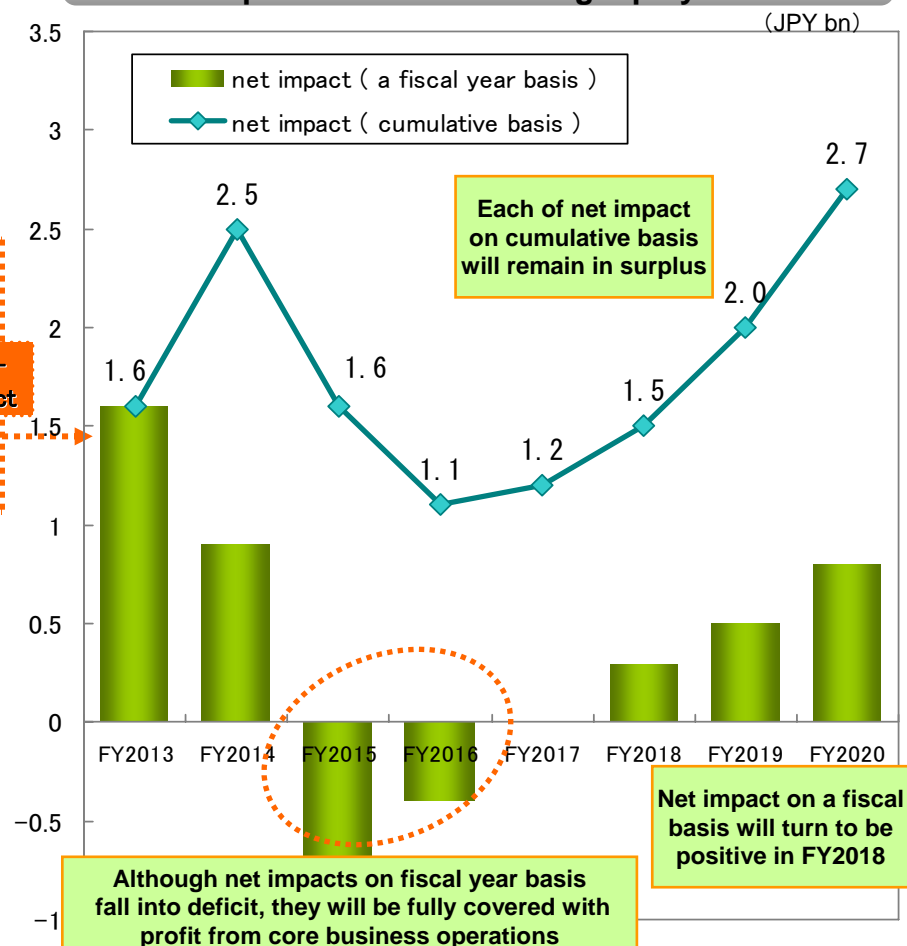
Expenses - building the new headquarters

- Offset the cost of building the new headquarters by the profit coming from the acquisition of greater equity stakes in Group Companies
- Drive improvement in Group profitability to increase strategic investment in IT systems and others area

The cost of building the new headquarters and the effect of increasing equity stakes



The net impact from building the new headquarters and increasing equity stakes



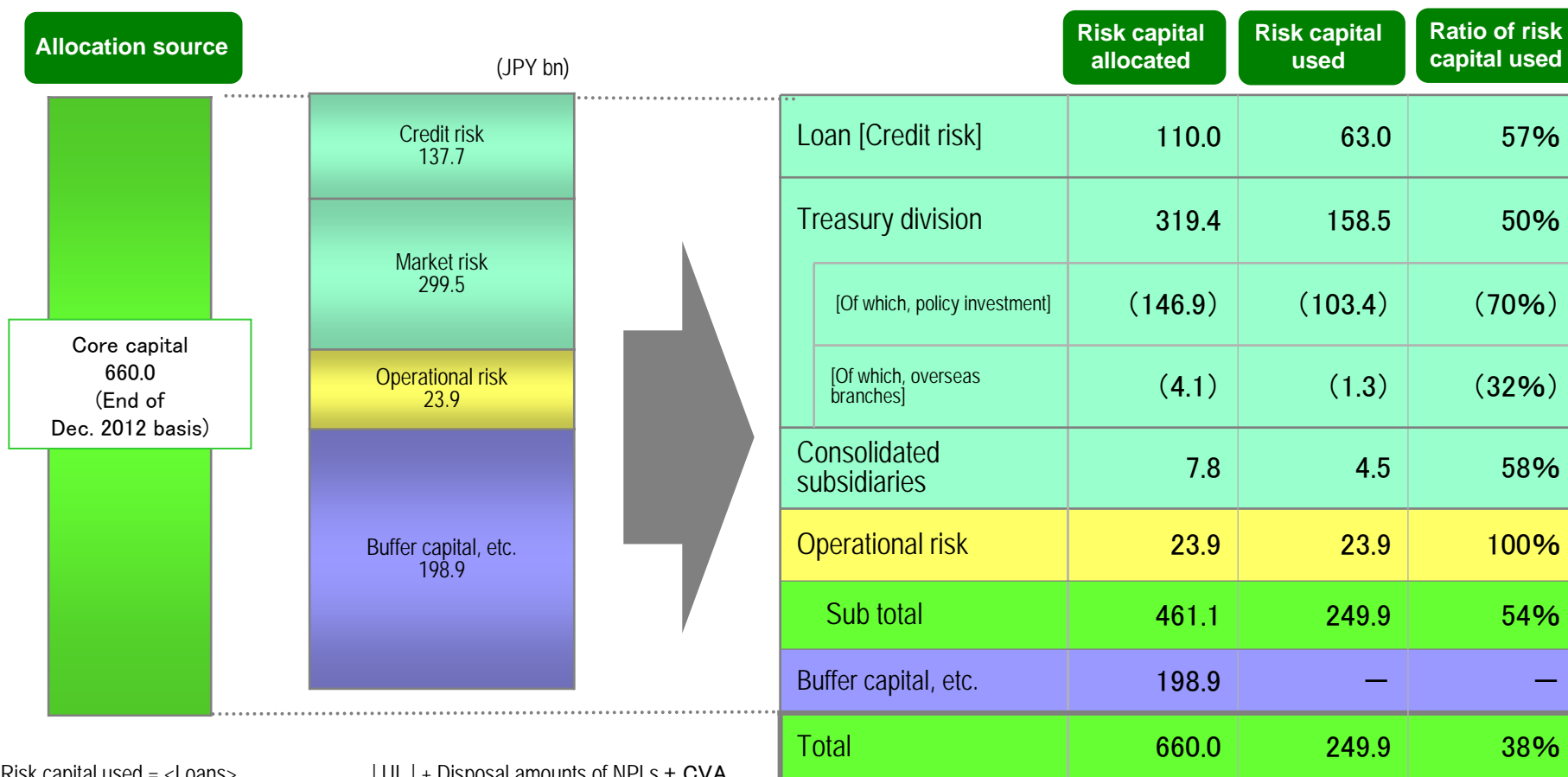
※ New headquarters construction costs : primary costs, depreciation, etc (excluding IT system investment)

※ net impact = The effect of increasing equity stakes + New headquarters construction costs



Allocation of risk capital

- Allocation of risk capital for the 2H of FY2012 amounted to JPY 660.0bn, of which JPY 137.7bn was allocated to credit risk, JPY 299.5bn to market risk, JPY 23.9bn to operational risk, and JPY 198.9bn to buffer capital, etc
- JPY 63.0bn for loans [credit risk] and JPY 158.5bn for the Treasury division was used for the 2H of FY2012



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

*Core capital = common stock + retained earnings – cash outflow – intangible assets – prepaid pension expenses

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



Shareholder return - Share Buybacks ,Trends in EPS/ BPS

- In April 2013, an announcement of the acquisition of treasury stock was made (20 million shares in total, [maximum] acquisition amount of JPY 26.0bn, to be acquired during the period from April 10 to June 21, 2013)

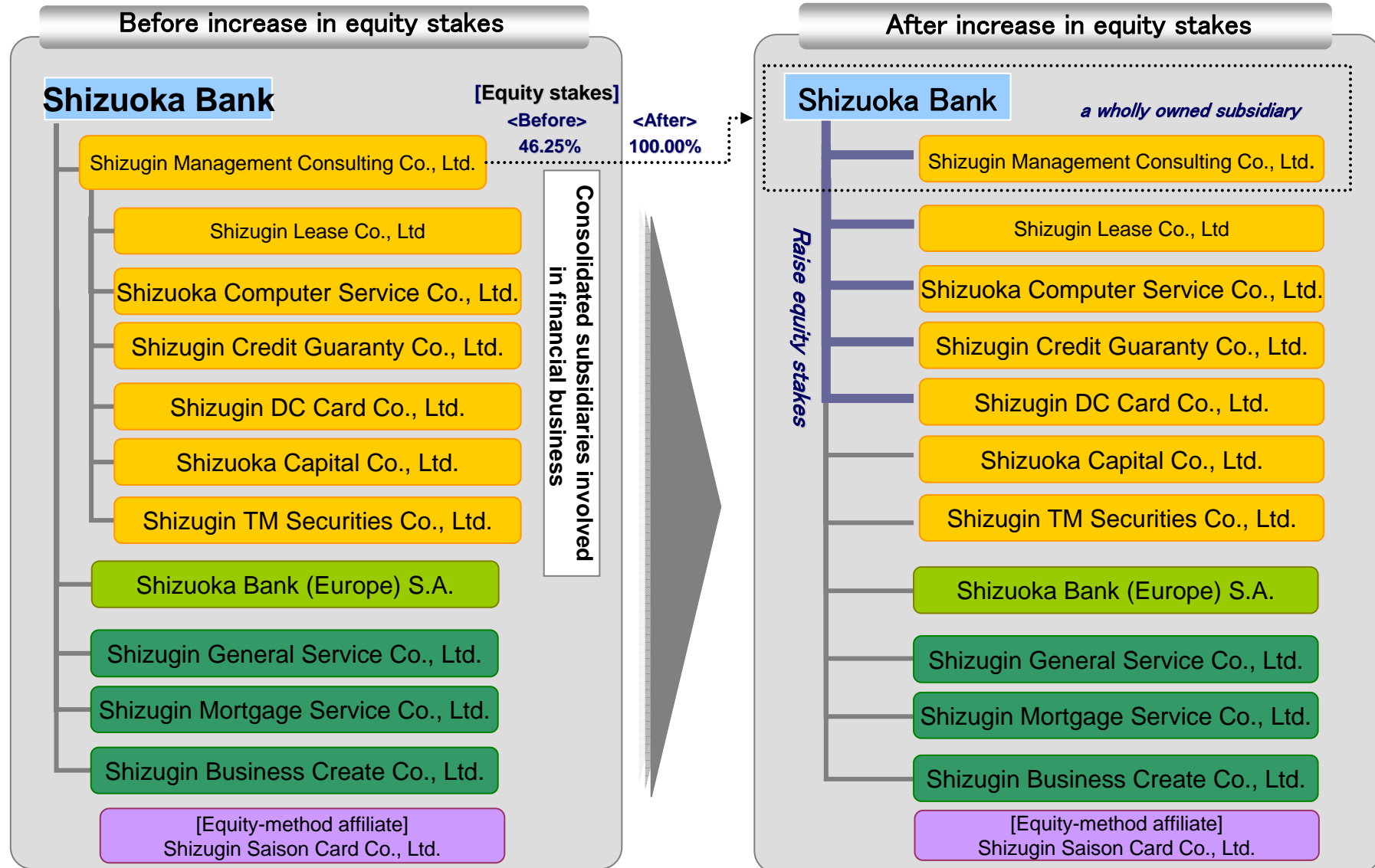
Historical share buybacks

| | Shares bought back (thousand shares) | Repurchase amount of shares (JPY mil) | Number of shares cancelled (thousand shares) | Cancellation amount (JPY mil) | 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 |
| FY2012 | 10,000 | 8,239 | 20,000 | 14,953 | 43.9 | 62.79 | 1,204.31 |
| Cumulative total | 161,044 | 145,916 | 140,404 | 128,891 | 61.3 | — | — |



Group companies (1)

- We integrated the management of subsidiaries and parent companies and further strengthened 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 increased to JPY 48.3bn (up JPY 0.9bn YoY) and the ordinary profit of JPY 6.6bn (up JPY 1.5bn 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 | 0.3 | +0.1 | 0.1 | +0.0 |
| Shizugin Lease Co., Ltd. | Leasing | 24.7 | +0.7 | 1.8 | +0.5 |
| Shizuoka Computer Service Co., Ltd. | Software development and sales | 4.7 | - 0.3 | 0.2 | - 0.0 |
| Shizugin Credit Guaranty Co., Ltd. | Guarantee of housing loans, etc. | 1.7 | +0.1 | 1.3 | +0.1 |
| Shizugin DC Card Co., Ltd. | Credit card and guarantee of consumer loans | 1.8 | - 0.2 | 0.5 | - 0.1 |
| Shizuoka Capital Co., Ltd. | Public-offering assistance Support for corporate rehabilitation | 0.5 | +0.0 | 0.2 | +0.1 |
| Shizugin TM Securities Co., Ltd. | Securities | 5.6 | +1.1 | 2.4 | +0.8 |
| Shizuoka Bank (Europe) S.A. | Finance and securities-related services | 0.4 | - 0.1 | 0.1 | +0.1 |
| Shizugin General Service Co., Ltd. | Fee-Charging Employment Placement Businesses, etc | 2.7 | - 0.3 | 0.1 | +0.1 |
| Shizugin Mortgage Service Co., Ltd. | Appraisal of real estate for loan collateral Operation center for loans | 1.6 | +0.1 | 0.0 | +0.0 |
| Shizugin Business Create Co., Ltd. | Operation center for remittance and bill collection Part-time employee management | 4.2 | - 0.3 | 0.0 | - 0.0 |
| Total (11 companies) | | 48.3 | +0.9 | 6.6 | +1.5 |
| Shizugin Saison Card Co., Ltd.* | Credit card and guarantee of consumer loans | 1.3 | +0.2 | 0.0 | +0.0 |

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



Economic scale of Shizuoka Prefecture

- Accounts for 3% share of all-Japan. Ranks 10th in the scale of economy among prefectures
- Has greater GDP than total GDP of 4 prefectures in Shikoku or 3 prefectures in Hokuriku
- Compared to countries ,its GDP is ranked next to Philippines, Romania , and Chile

Shizuoka Prefecture indices

| | Share of all-Japan | | National ranking |
|--|--------------------|------|---------------------|
| ●Population | 3.77 m | 2.9% | 10th of 47 (2010) |
| ●No. of households | 1.40 m | 2.7% | 10th of 47 (2010) |
| ●Real prefectural GDP(*) | JPY 19 tn | 3.6% | 10th of 47 (FY2011) |
| ●Per-capita income | JPY 2.926 m | - | 5th of 47 (FY2009) |
| ●No. of business establishments | 190K | 3.2% | 10th of 47 (2012) |
| ●Amount of shipments of manufactured goods, etc. | JPY 16 tn | 5.5% | 3rd of 47 (2010) |
| ●Agricultural output | JPY 212.7bn | 2.5% | 16th of 47 (2011) |
| ●Fishery production volume(*) | 220k tons | 5.8% | 3rd of 47 (2012) |
| ●No. of industrial locations(*) | 73 | 5.9% | 2nd of 47 (2012) |
| ●No. of new housing starts | 25k | 2.8% | 10th of 47 (2012) |

* Based on flash reports

Shizuoka Prefecture economic scale

| Prefectural GDP (2009, Nominal) | | |
|--------------------------------------|----------------------------|-----------------|
| Rank | Prefecture/Region | (US\$ billions) |
| 9 | Fukuoka Prefecture | 181.1 |
| 10 | Shizuoka Prefecture | 156.0 |
| 11 | Hiroshima Prefecture | 110.7 |
| — | 4 prefectures of Shikoku | 135.9 |
| — | 3 prefectures of Hokuriku | 115.8 |
| GDP comparison with countries (2009) | | |
| Rank | Country (Region) | (US\$ billions) |
| 48 | Philippines | 168.3 |
| 49 | Romania | 164.3 |
| 50 | Chile | 160.9 |
| — | Shizuoka Prefecture | 156.0 |
| 51 | Pakistan | 155.7 |
| 52 | Algeria | 137.9 |

*Sources: Economic and Social Research Institute (ESRI)

Cabinet Office , Government of Japan

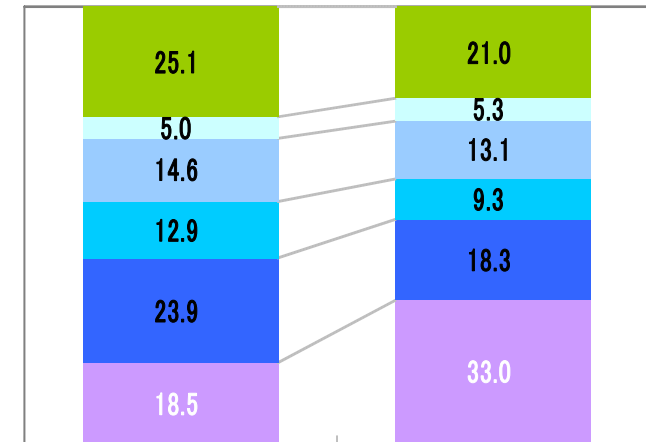


Economy in Shizuoka Prefecture and current state

- Positioned as distribution hub between Tokyo and Osaka/Kyoto
- Represents leading manufacturing prefecture in Japan
- Owns a lot of export-driven companies related to handling machinery of transportation and music instrument and so forth
- Has many of representative tourist locations coming from its rich natural environments

Percentage distribution of Shizuoka Prefecture GDP by industry

■ Manufacturing ■ Service ■ Wholesale/Retail
 ■ Real estate ■ Construction ■ Other (%)



All-Japan

Shizuoka Pref.

Source: Cabinet Office, Government of Japan, FY2009

No. of listed companies with HQs in Shizuoka Prefecture

| Listing | No. of companies |
|---|------------------|
| TSE 1 st section | 24 |
| TSE 2 nd section | 10 |
| Mothers | 2 |
| Nagoya Stock Exchange 2 nd section | 1 |
| Jasdaq | 19 |
| Total | 56 |

*As of end nov. 2011, companies listed on more than one exchange were counted as TSE-listed



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.