

Presentation for Investors

August, 2014

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



静岡銀行

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***Shizuoka Prefecture –
Our Operational Foundation***

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 the Czech, Pakistan, and Algeria

Shizuoka Prefecture indices

	Share of all-Japan		National ranking
•Population	3.75 m	3.0%	10th of 47 (2012)
•No. of households	1.46m	2.7%	10th of 47 (2012)
•Nominal prefectural GDP	JPY 15.6tn	3.1%	10th of 47 (FY2011)
•Per-capita income	JPY 3.162 m	-	2nd of 47 (FY2011)
•No. of business establishments	190K	3.2%	10th of 47 (2012)
•Amount of shipments of manufactured goods, etc.	JPY 15.7tn	5.4%	4th of 47 (2012)
•Agricultural output	JPY 211.4bn	2.5%	16th of 47 (2012)
•Fishery production volume	190k tons	5.2%	3rd of 47 (2013)
•No. of industrial locations(*)	77	4.1%	6th of 47 (2013)
•No. of new housing starts	30k	2.9%	10th of 47 (2013)

* Based on flash reports

Shizuoka Prefecture economic scale

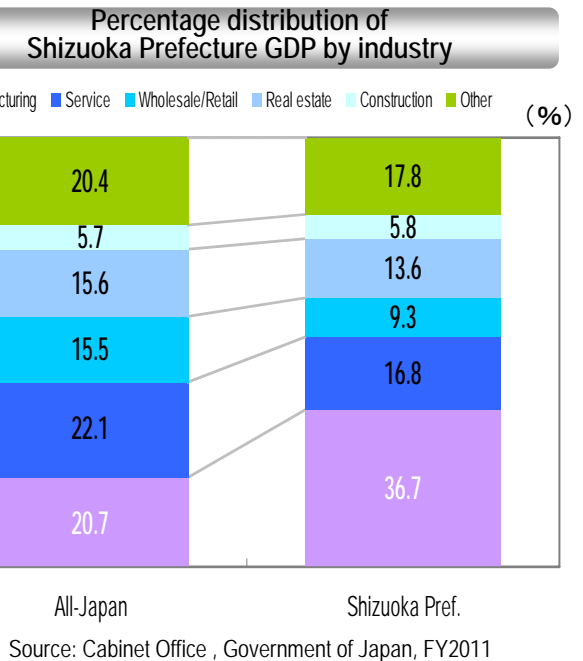
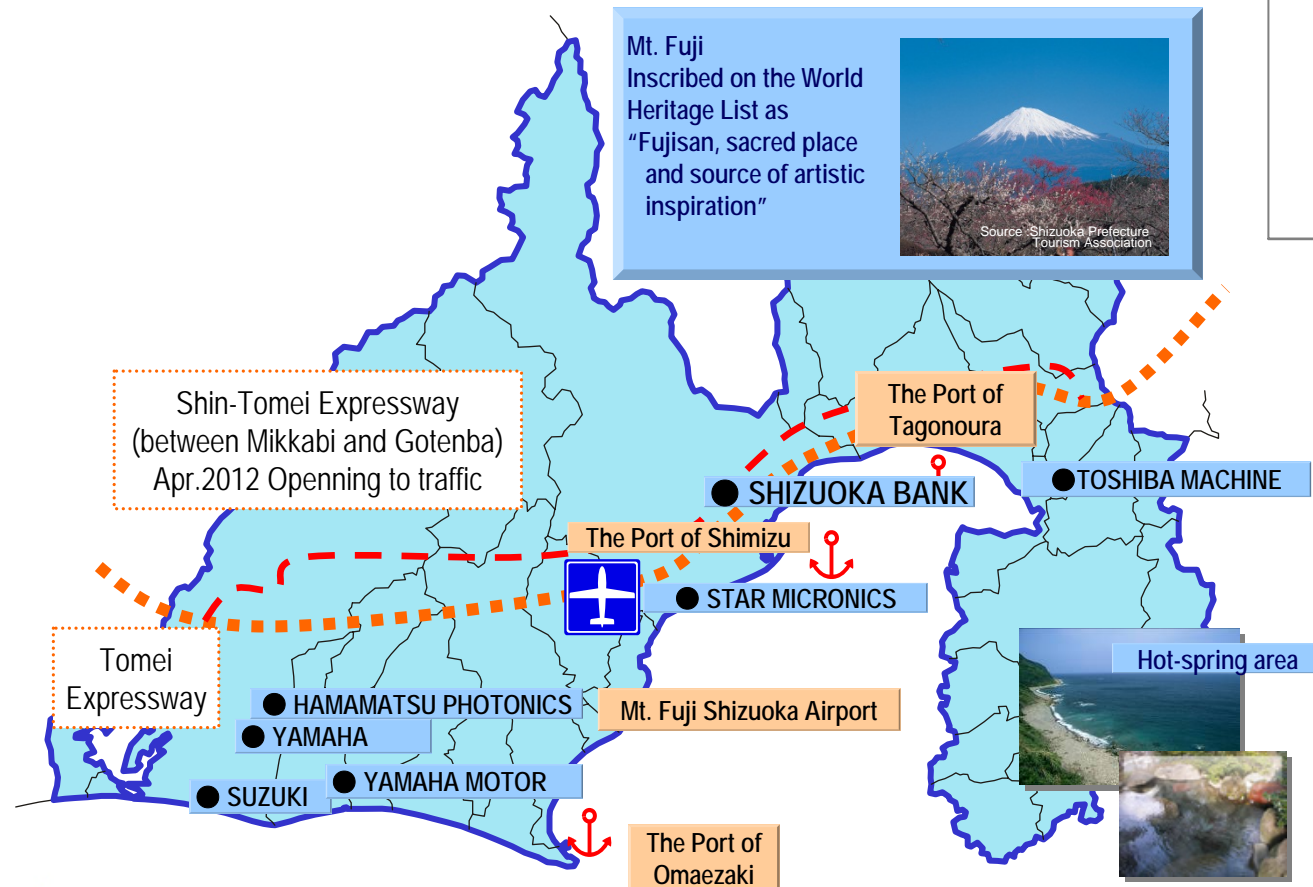
Prefectural GDP (2011, Nominal)		
Rank	Prefecture/Region	(US\$ billions)
9	Fukuoka Prefecture	227.0
10	Shizuoka Prefecture	196.9
11	Ibaraki Prefecture	145.0
-	4 prefectures of Shikoku	175.3
-	3 prefectures of Hokuriku	150.4
GDP comparison with countries (2011)		
Rank	Country (Region)	(US\$ billions)
47	Czech	216.1
48	Pakistan	213.7
49	Algeria	199.3
-	Shizuoka Prefecture	196.9
50	Kazakhstan	188.0
51	Iraq	185.8

*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



No. of listed companies with HQs in Shizuoka Prefecture

Listing	No. of companies
TSE 1 st section	23
TSE 2 nd section	11
Mothers	1
Jasdaq	19
Total	54

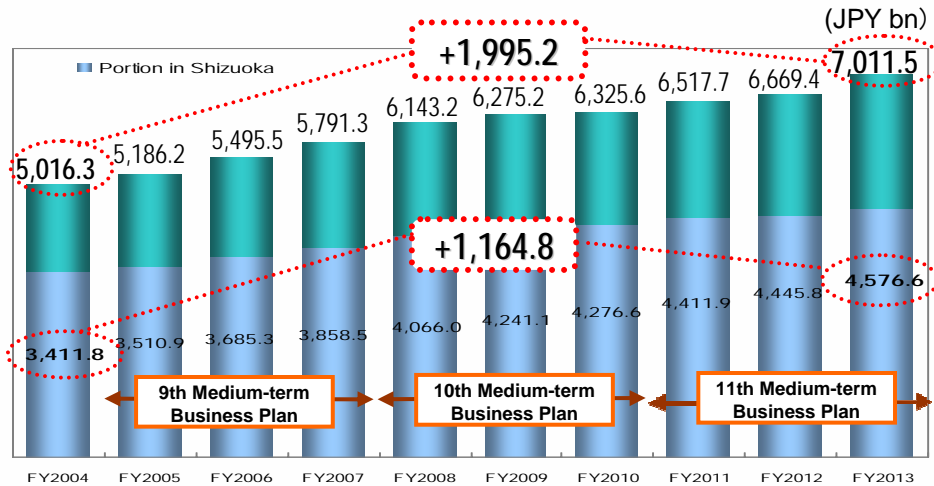
*As of end Mar. 2014, companies listed on more than one exchange were counted as TSE-listed

***Distinguishing feature of
Shizuoka Bank***

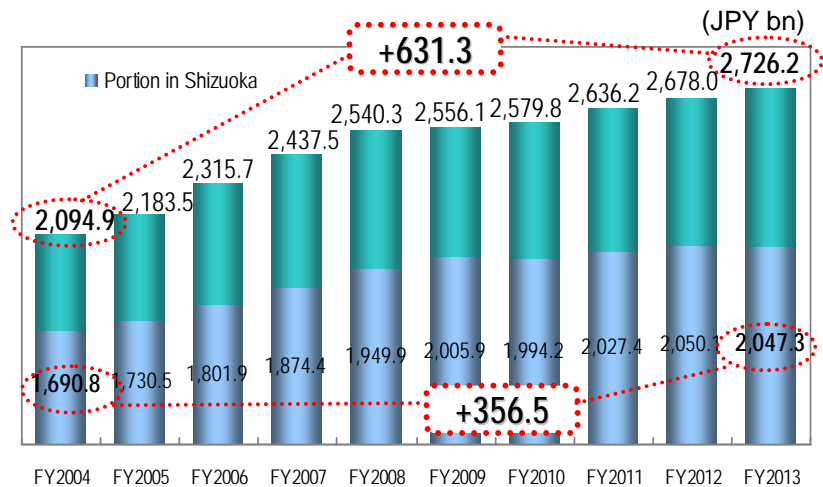
Loans

- Total loan balance (average) increased by JPY 1,995.2bn from FY2004, of which JPY 1,164.8bn in Shizuoka Pref.
- SME loan balance: +JPY 631.3bn, consumer loan balance: +JPY 984.8bn

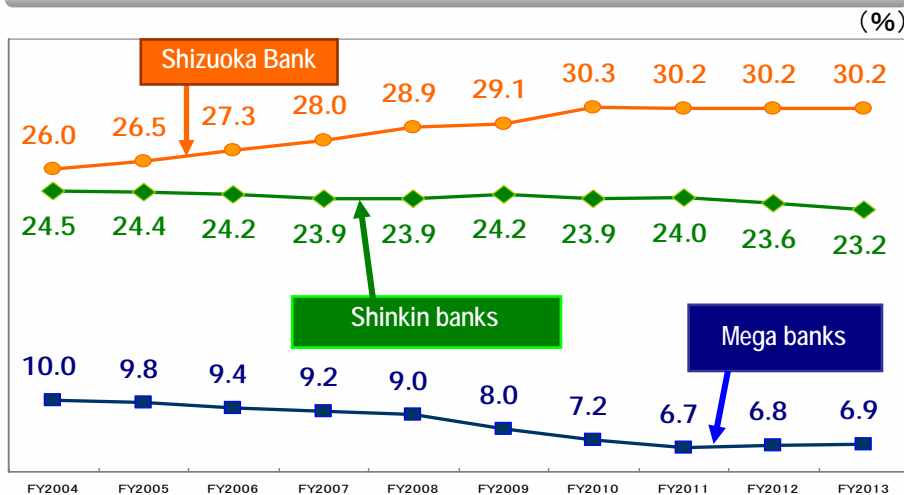
Total loan balance (average balance)



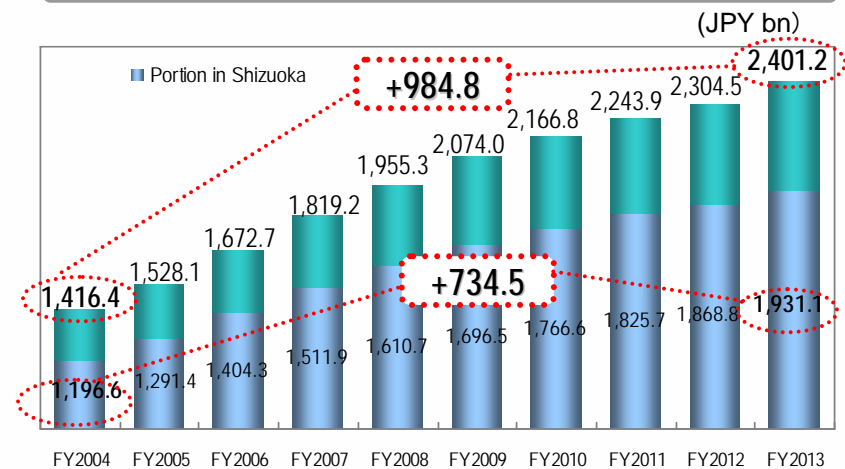
SME loan balance (average balance)



Share of loans in Shizuoka Prefecture (%)



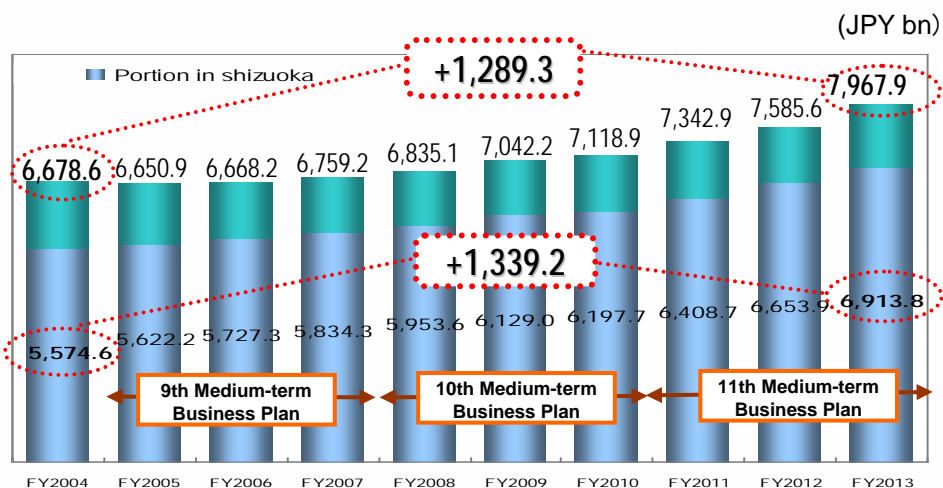
Consumer loan balance (average balance)



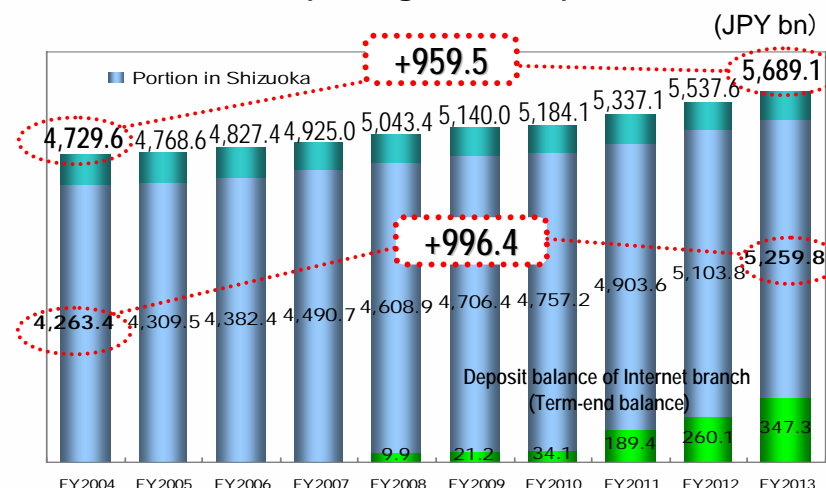
Deposit

- Total deposit balance (average) increased by JPY 1,289.3bn from FY2004, of which JPY 1,339.2bn in Shizuoka Pref.
- Has kept high Loan-Deposit ratio, 88.0%, while increasing both loan and deposit

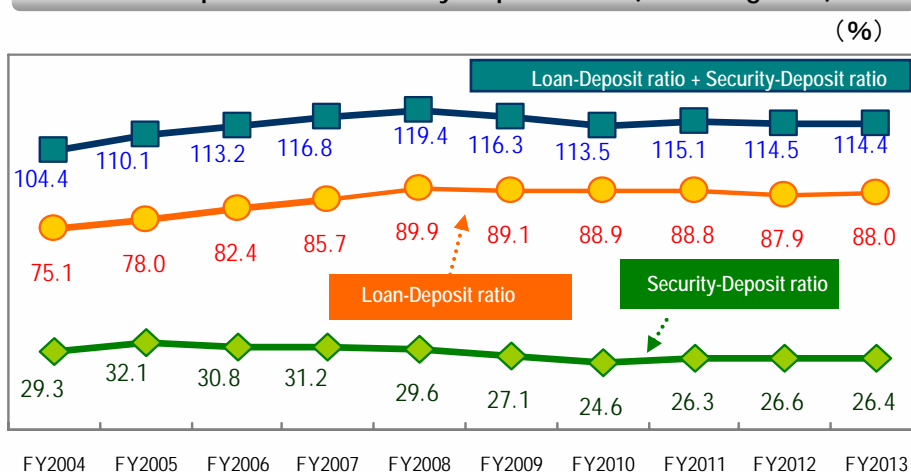
Deposit balance (average balance)



Retail deposit balance in domestic branches (average balance)



Loan-Deposit ratio / Security-Deposit ratio (excluding NCD)



External ratings

- Has received higher credit ratings from two overseas agencies, Moody's and Standard & Poor's, and one Japanese agency, R&I

	Long-term Ratings	Short-term Ratings	Financial Strength
Moody's	Aa3	P-1	C+
Standard & Poor's	A+	A-1	a+ *
R & I	AA	-	-

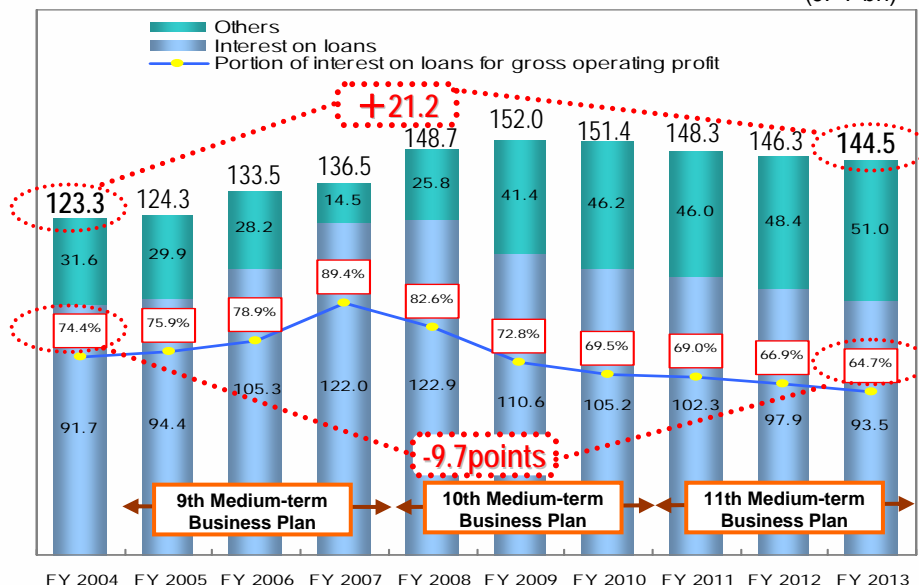
* Stand-Alone credit Profile

Profit levels and improvement of productivity

- Gross operating profit stably increased totally over JPY 20bn for 9 years
- Net income also continued to rise, supported by improvements in productivity (IT investment, BPR) that limited growth in expenses

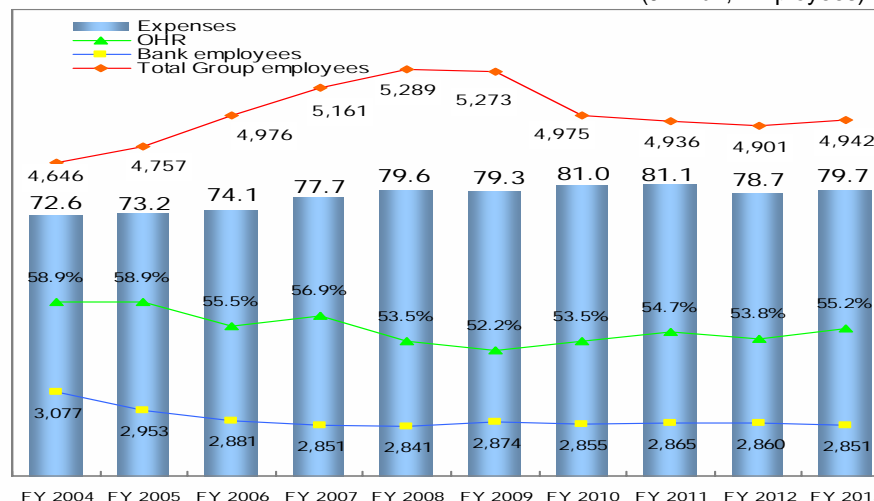
Gross operating profit and interest on loans

(JPY bn)



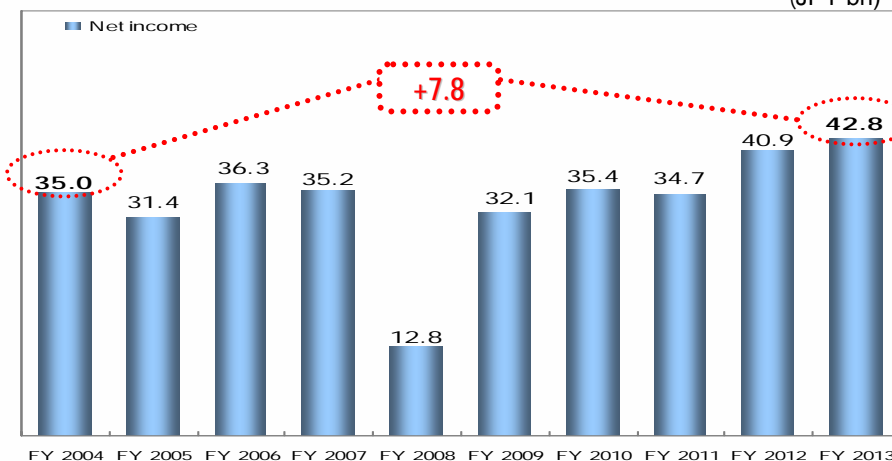
Expenses and number of personnel

(JPY bn, Employees)



Net income

(JPY bn)



Improvement of productivity

<9th Medium-term Business Plan>

- Launch of active IT investment and centralized processing BPR
 - Introduced new terminals at sales branches
 - Upgraded loan support system
 - Centralized processing for loan back-office workload (Centralized storage of loan bookkeeping and debt documents)

<10th Medium-term Business Plan>

- Increased efficiency through IT investment and the expansion of centralized processing
 - Back-office workload reduced at sales branches by 60%
 - Repositioned back-office staff in sales positions

<11th Medium-term Business Plan>

- Extend productivity improvements to the front office workload
 - Reduce workload for consumer loan sales staff by 60%

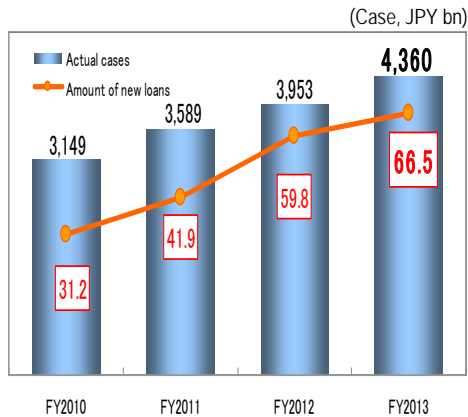
Region-based Relationship Banking

- Have further developed the relationship with customers by providing three pillars of solutions , that are, business matching services , support for business restructuring and turn-around, and “Shizuginship”

Business matching services

- Supporting our customers to expand their business by creating new sales opportunities

[Trend in case]

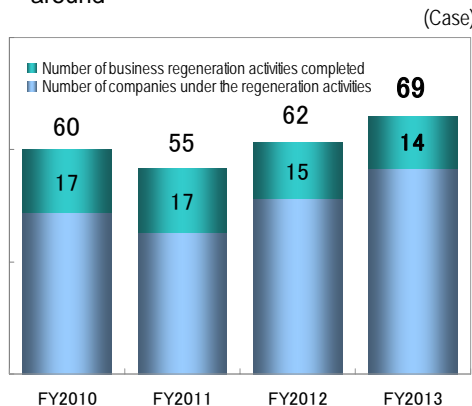


- Have regularly held Shizugin @gricom (agricom), a business networking event to link companies in the agricultural, forestry and fisheries sector and the food processing sector with buyers since February 2006.
- Have held 11th Shizugin @gricom (agricom) in July 2014

⇒ Closed 17 deals on the day

Support for business restructuring and turn-around

- Reviewing of terms of repayment and utilizing external agencies and business regeneration fund to support business restructuring and turn-around

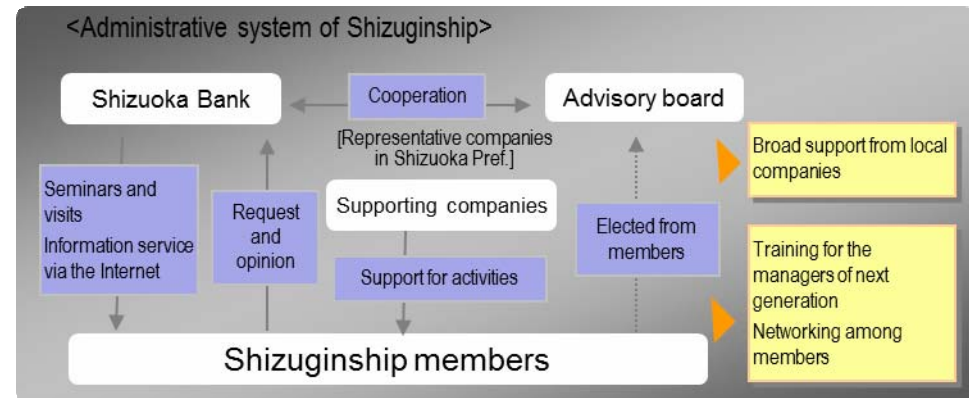


- From 2006, completed roughly 130 case of business restructuring

Maintained local economy by upholding about 12,000 employments

“Shizuginship” – training club for the next generation managers

- A membership-based service aimed at developing local businesses and the Shizuoka Prefecture economy by improving the management skills of young managers earmarked as future business leaders
- Launched in April 2007, Shizuginship provides learning and networking opportunities to members
- Support Companies, consisting of leading companies in Shizuoka provide opportunities of site visits and dispatch lecturers to support
- Shizuginship has been managed in harmony with regional society



[No. of member: (As of the end of June 2014)]

- 833 companies, 1,258members

[Activity achievement in FY2013]

- No. of participant for seminars and visits of FY2013 : 1,842

Content	Activity achievement
Lectures by top executive or and specialists	10 lectures
Seminar	Total 17courses
• executive program	1 course
• middle management program	7 courses
• basic program	9 courses



Results of 1Q FY2014

Results of FY2013 – Consolidated and Nonconsolidated

Consolidated

	FY2013 (JPY bn, %)	YoY change	
		Increase/ Decrease	Rate of change
Ordinary revenue	220.9	+17.7	+8.7
Ordinary profit	74.7	+3.4	+4.8
Net income (Excluding gains on negative goodwill)	46.7	-10.2 (+2.7)	-18.0 (+6.0)

Nonconsolidated

	FY2013 (JPY bn, %)	YoY change	
		Increase/ Decrease	Rate of change
Ordinary revenue	186.1	+15.1	+8.8
Gross operating profit	144.5	-1.8	-1.2
Net interest income	126.2	+5.9	+4.9
Fees and commissions	14.8	-0.1	-0.8
Trading income	0.5	-0.5	-48.9
Other operating profit	2.9	-7.1	-70.8
[Bond-related income such as JGBs]	1.9	-7.8	-80.1
Expenses (-)	79.7	+1.1	+1.4
Actual net operating profit *	64.7	-2.8	-4.2
Net operating profit	64.7	-2.8	-4.2
Special profit and loss	2.5	+4.9	+204.3
Bad debt written-off (-)	1.0	+0.5	+90.4
Gain on reversals from loan loss reserves	0.5	+0.1	+25.9
Gain (loss) on stocks	2.8	+3.4	+562.2
Ordinary profit	67.2	+2.0	+3.1
Net income	42.8	+1.9	+4.6

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

Profit targets in 11th Medium-term Business Plan

- Achieved profit targets in the 11th Medium-term Business Plan (FY11–13)

(JPY bn, %)	FY2013 plan (The 11 th Medium-term Business Plan)	FY2013	Achievement rate
Consolidated ordinary profit	74.0	74.7	100.9
Consolidated net income	46.0	46.7	101.5

Breakdown of net interest income

(JPY bn)	FY2013	YoY change Increase/ Decrease
Total	126.2	+5.9
Domestic operations	113.9	+4.9
Interest on loans	89.6	-5.8
Interest and dividends on securities	27.9	+9.7
(Interest on bonds)	9.8	-1.8
(Gain on cancellation of investment trust, etc)	12.5	+11.8
Interest on deposits (-)	4.0	-0.6
Overseas operations	12.3	+1.0
Interest on loans	3.9	+1.4
Interest and dividends on securities	10.8	-0.3

Results of 1Q FY2014 –Consolidated and Nonconsolidated

Consolidated (JPY bn, %)	1Q FY2013	1Q FY2014	YoY change	Progress (year basis)
Ordinary revenue	75.0	65.4	-9.6	29.1
Ordinary profit	35.5	32.1	-3.4	43.4
Net income (Excluding Gains on negative goodwill)	23.2 (23.2)	24.0 (21.8)	+0.8 (-1.4)	50.6

Nonconsolidated (JPY bn, %)	1Q FY2013	1Q FY2014	YoY change	Progress (year basis)
Ordinary revenue	65.7	57.3	-8.4	30.2
Gross operating profit	53.1	48.8	-4.3	33.5
Net interest income	39.6	33.0	-6.6	—
Fees and commissions	3.5	3.8	+0.3	—
Trading income	0.2	0.1	-0.1	—
Other operating profit	9.8	11.9	+2.1	—
[Bond-related income such as JGBs]	(9.6)	(11.6)	(+2.0)	—
Expenses (-)	20.5	20.9	+0.4	24.6
Actual net operating profit	32.6	28.0	-4.6	—
Net operating profit	32.6	28.0	-4.6	44.6
Special profit and loss	0.5	2.7	+2.2	—
Bad debt written-off (-)	0.2	0.2	-0.0	—
Gain on reversals from loan loss reserves	0.7	0.0	-0.7	—
Gain (loss) on stocks	-0.2	2.6	+2.8	—
Ordinary profit	33.1	30.6	-2.5	47.9
Net income	21.9	20.9	-1.0	51.0

Breakdown of net interest income

(JPY bn)	1Q FY2014	YoY change
Total	33.0	-6.6
Domestic operations	29.4	-6.8
Interest on loans	21.6	-1.0
Interest and dividends on securities	8.6	-6.0
(Interest on bonds)	(1.7)	(-1.2)
(Gain on cancellation of investment trust, etc)	(4.1)	(-5.4)
Interest on deposits (-)	1.0	-0.1
Overseas operations	3.6	+0.2
Interest on loans	1.1	+0.3
Interest and dividends on securities	3.0	-0.3

Reference: Yield on deposits and loans (Domestic operations)

(%)	1Q FY2014	YoY change
Loan rate	1.31	-0.10
Deposit rate	0.05	-0.00
Yield on securities	2.10	-1.16
(Excluding cancellation of investment trust, etc.)	1.16	-0.03

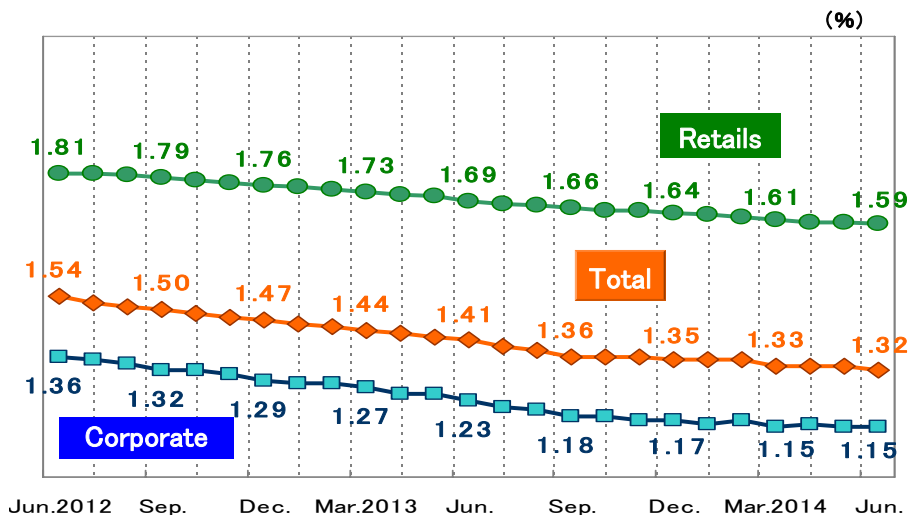
Breakdown of Gains and losses on JGBs

(JPY bn)	1Q FY2014	YoY change
Gains and losses on JGBs	11.6	+2.0
Gain on sale of JGBs	11.6	-4.3
Loss on sale of JGBs (-)	0.0	-6.3

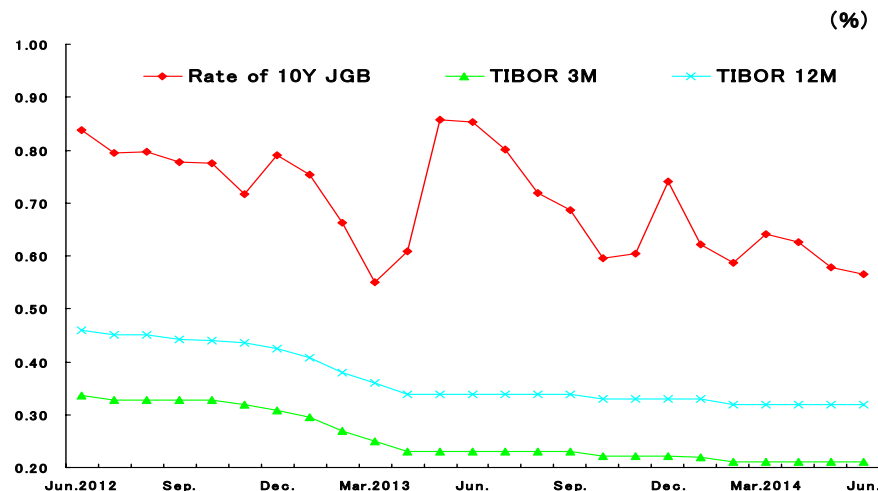
Loan rate

- Loan rate at the end of Jun. 2014 was 1.32%, dropped 0.01 points from the end of Mar.2014
- The decline in interest rates on corporate loans has slowed, with the drop in spreads now leveling off

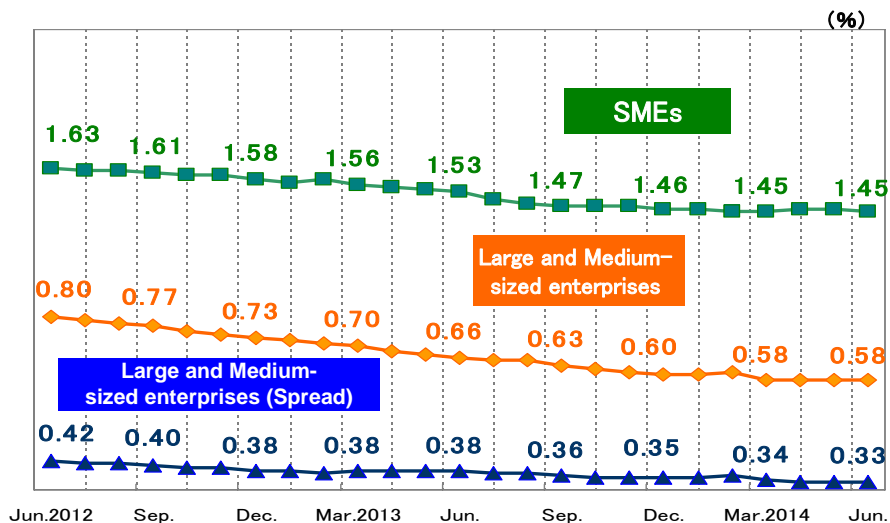
Loan interest rates (monthly average)



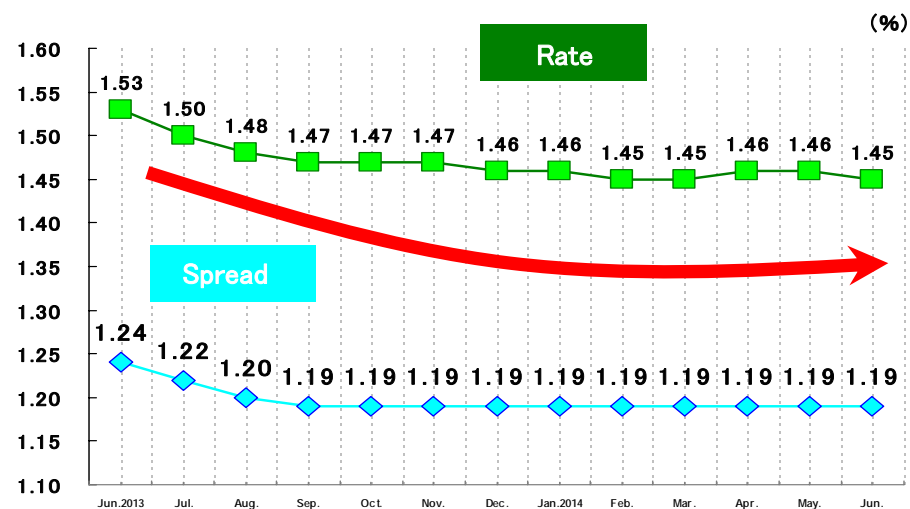
Reference: Trends in market interest rate



Trends in Corporate loan interest rates by company size



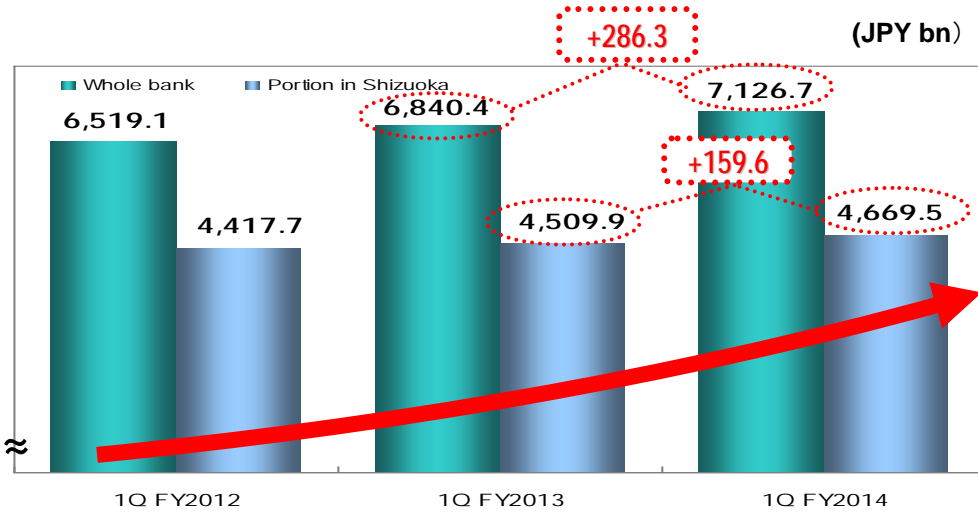
SMEs loan rate and spread



Loans (average balance)

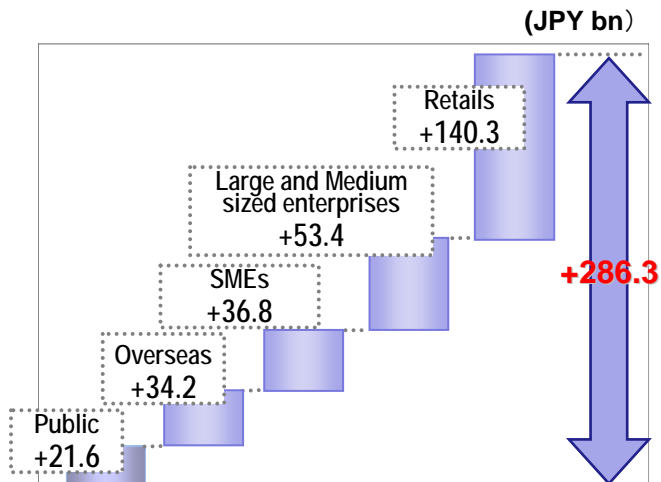
● Total loan balance (average balance) of 1Q FY2014: JPY 7,126.7bn, up JPY 286.3bn (+4.2%) YoY

Total loan balance (average balance)

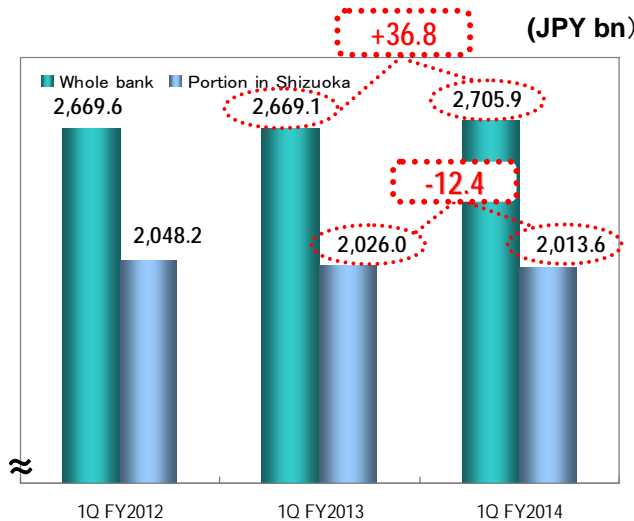


	Average balance	YoY change	Annual rate
Total loan balance	7,126.7bn	+286.3bn	+4.2%
SMEs loan balance	2,705.9bn	+36.8bn	+1.4%
Retail loan balance	2,494.7bn	+140.3bn	+6.0%
Large and Medium sized enterprises	1,471.9bn	+53.4bn	+3.8%

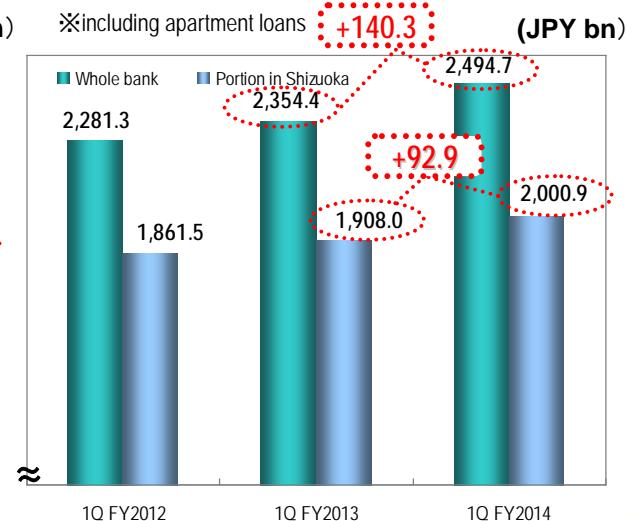
Breakdown of year-on-year change in total loan balance (average balance)



SMEs loan balance (average balance)



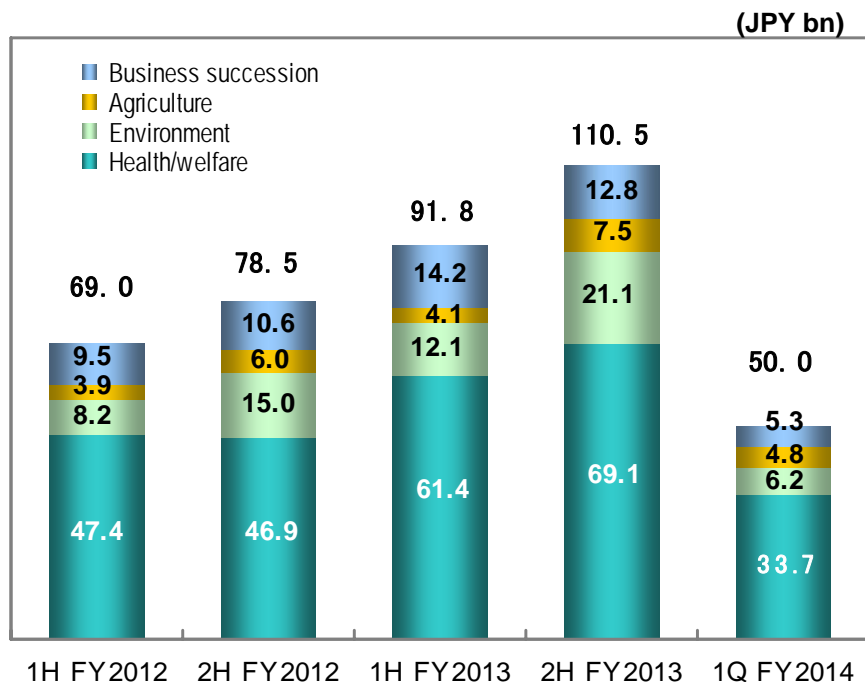
Retail loan balance (average balance)



Initiatives for Corporate Banking(1) – Expanding transactions in growth fields and growth markets

- Reinforced and expanded the transaction base by generating new fund demand and earnings opportunities through the provision of tailored solutions – mainly in growth fields – and by reinforcing business relationships with business clients

Loans for growth and untapped fields



Health and welfare

- Deployed 10 specialists qualified in medical business or welfare business management
- Supported the opening of new hospitals/clinics and moves into the welfare field

Environment

- Generated demand for funds by providing support for the installation of energy-efficient equipment
- Provided support for capital investment related to renewable energy

Agriculture

- Regularly holding “Shizugin @gricom” events to promote Shizuoka Prefecture produce to Tokyo and overseas buyers
- Deployed 14 agricultural business advisers

Business Succession

- Supported development of next business leaders through “Shizuginship” (training club for next generation managers)
- Providing a wide range of business succession support, including share transfers and M&As (3 M&A contracts signed in 1Q FY2014)

Measures to support new business creation

2nd the Shizugin Entrepreneur Awards

- Aiming at revitalization of regional economy by supporting growth of awarded entrepreneurs

7 winners out of a total of 87 applicants will receive prizes [Total prize amount to JPY 5 million]

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

Initiatives for business turn-around

Original loan schemes aimed at customers working to turn around their businesses

- Provide operating funding to business clients that are working closely with Shizuoka Bank to improve management and turn around their businesses

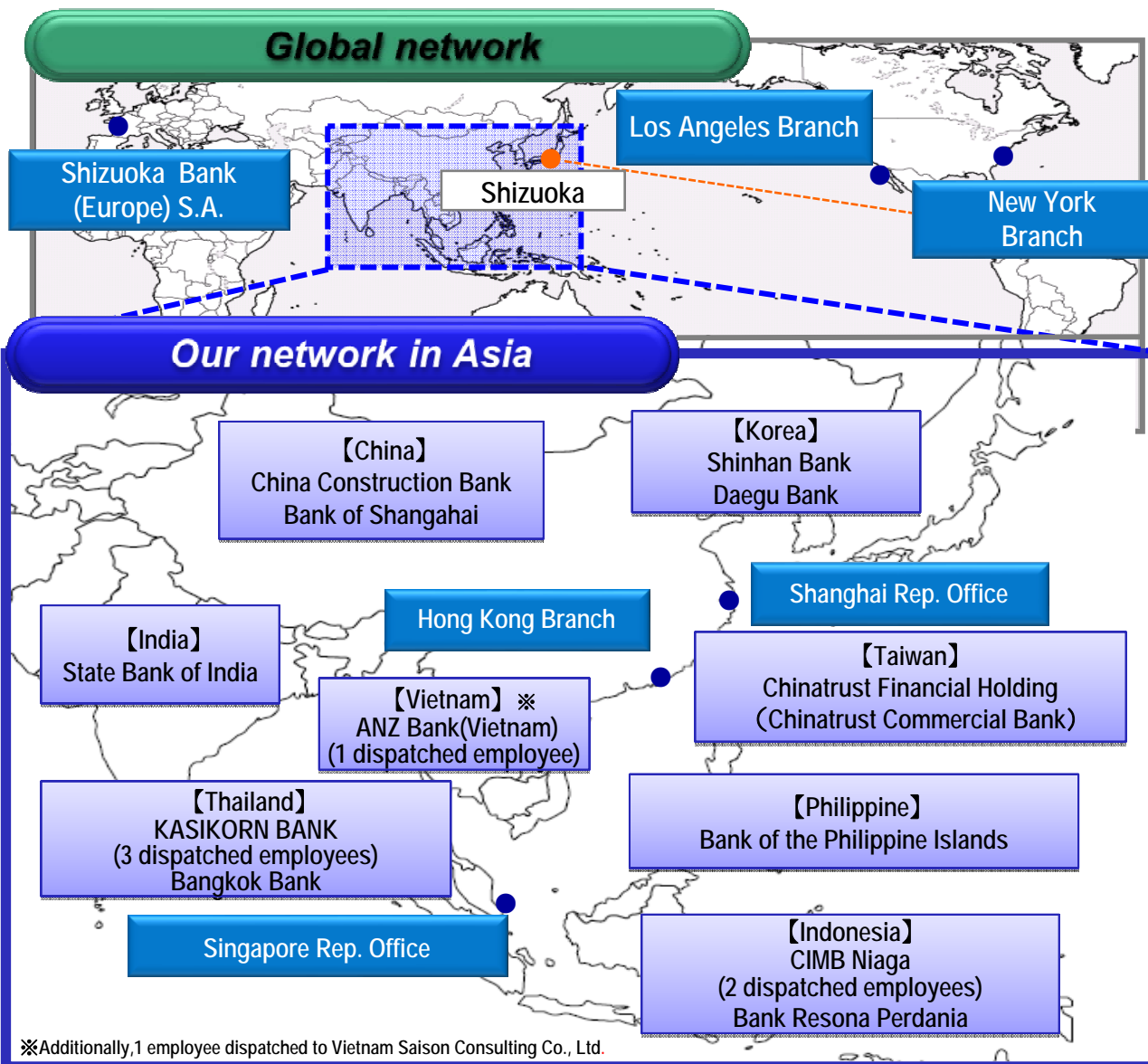
Business Support Fund 82cases/JPY2,209mil

Business turn-around Fund 105cases/JPY3,454mil

(cumulative amount)

Initiatives for Corporate Banking(2) –Support for customers’ overseas entrance–

- Actively supporting our business clients’ overseas expansion strategies through a network of overseas sites and 12 partner banks

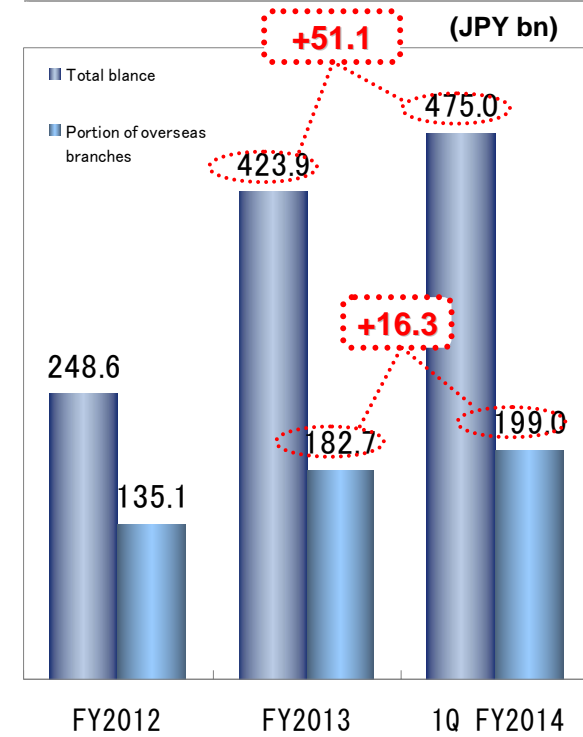


- Our own offices
- Offices owned by our affiliates

International Department

- Manage and control for overseas strategy
- Support Customers for overseas expansion

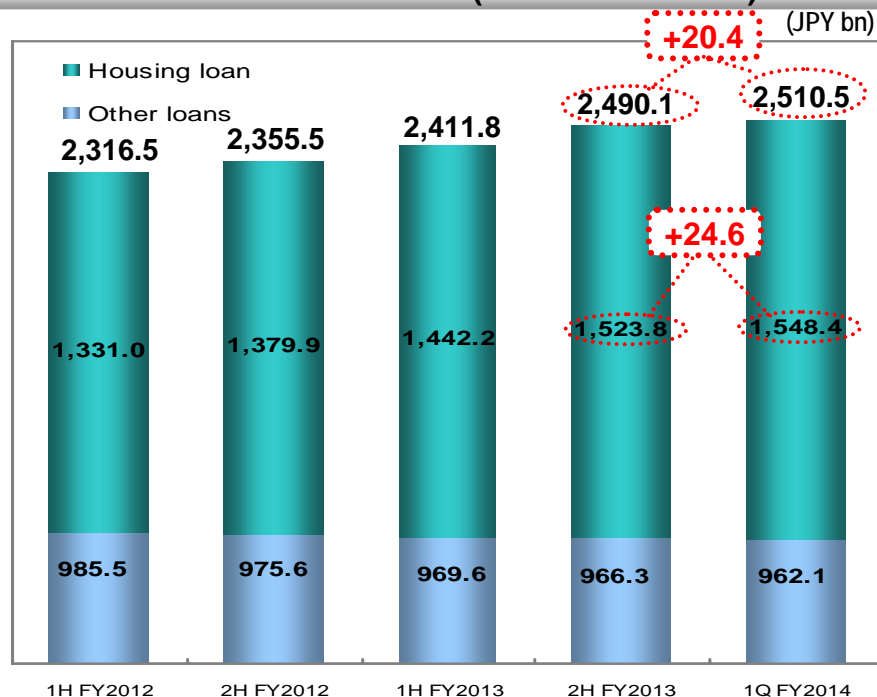
Loan balance in foreign currencies (average balance)



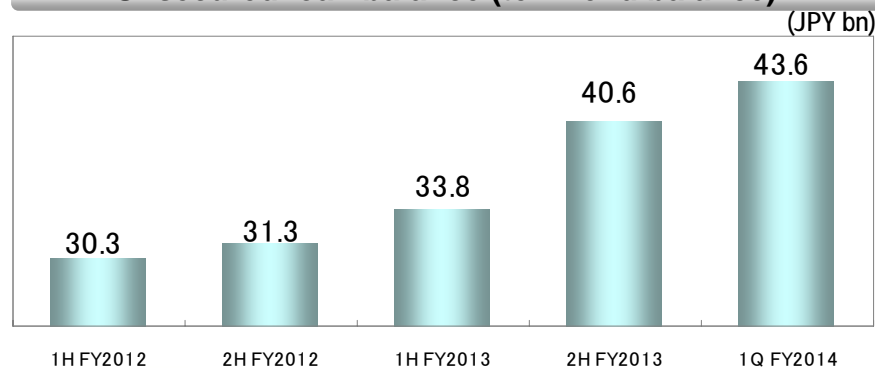
Initiatives for Retail Banking - Consumer loan

- Consumer loan balance (term-end balance) of 1Q FY2014: JPY 2,510.5bn, up JPY 20.4bn (+5.6%) YoY
- Steady growth in lending balance, centered on housing loans

Consumer loan balance (term-end balance)

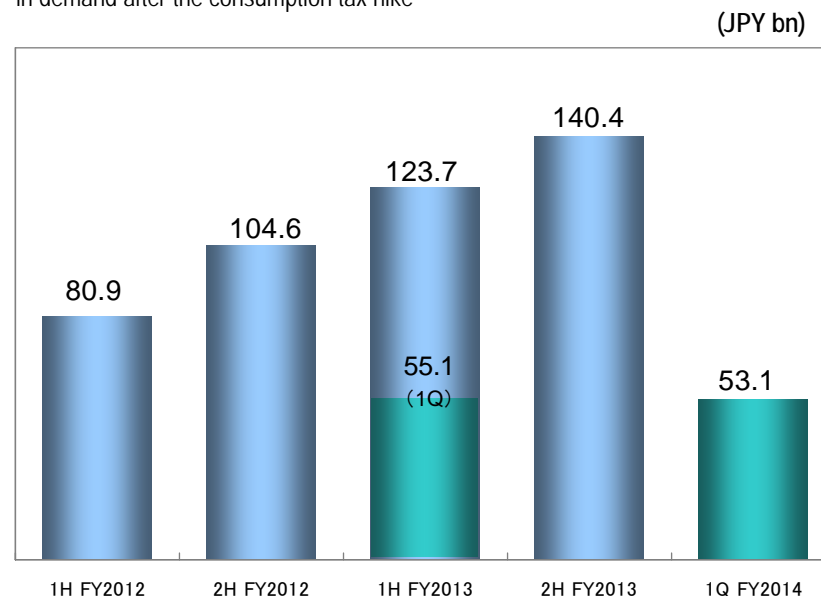


Unsecured loan balance (term-end balance)



Housing loan provided

- Launched new products with enhanced insurance benefits, helping to limit the pullback in demand after the consumption tax hike



Applications for unsecured loan through non face-to face channels

- Boosted applications for unsecured loans using the internet and other non face-to-face sales channels, leading to an increase in the lending balance

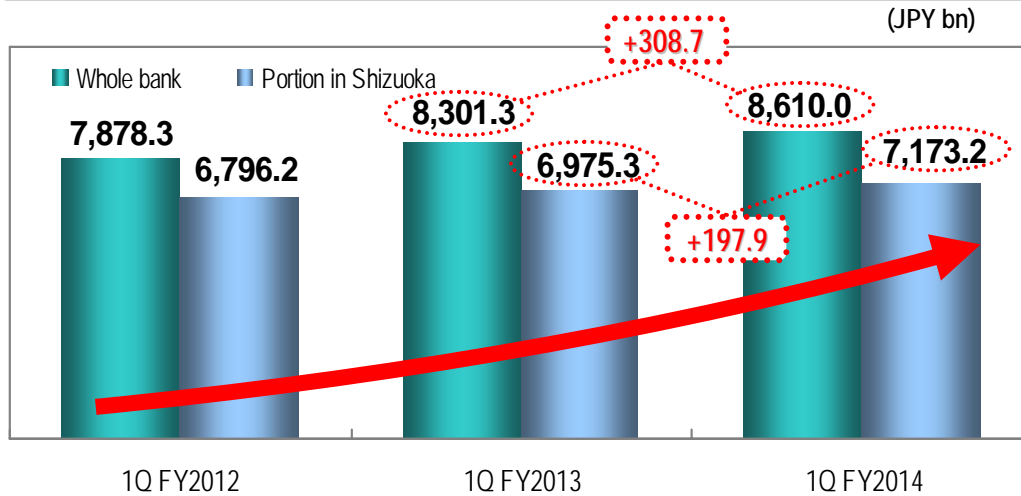
(%)	Jun. 2013 (single month basis)	Jun. 2014 (single month basis)	Change
Face-to-face channel	27.8	5.6	-22.2
Non face-to-face channel	72.2	94.4	+22.2
of which through internet	32.5	79.3	+46.8

*Excluding loans designed for face-to-face channel sales

Deposits

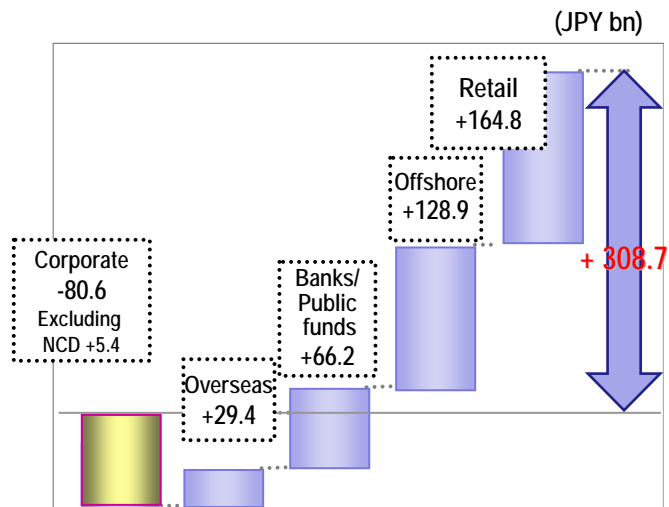
- Total deposit balance in 1Q FY2014: JPY 8,610.0bn (average balance), up JPY 308.7bn (+3.7%) YoY

Deposit balance (average balance)

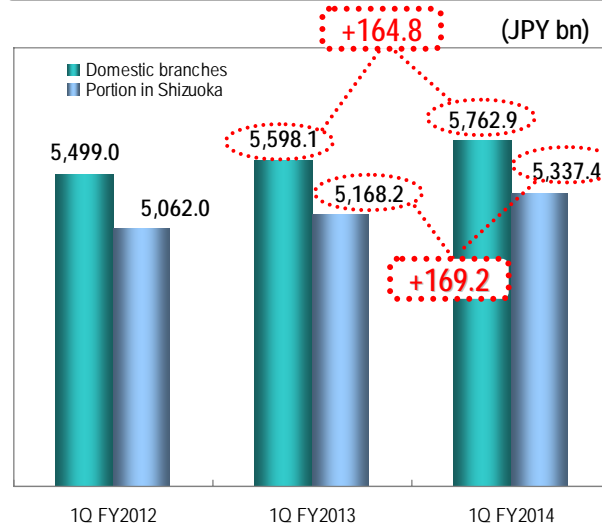


	Average balance	YoY change	Annual rate
Total deposit balance	8,610.0bn	+308.7bn	+3.7%
Deposit balance in Shizuoka	7,173.2bn	+197.9bn	+2.8%
Retail deposit balance	5,762.9bn	+164.8bn	+2.9%
(Deposit balance of Internet branch)	350.3bn	+91.6bn	+35.4%
Corporate deposit balance	1,987.2bn	-80.6bn	-3.9%

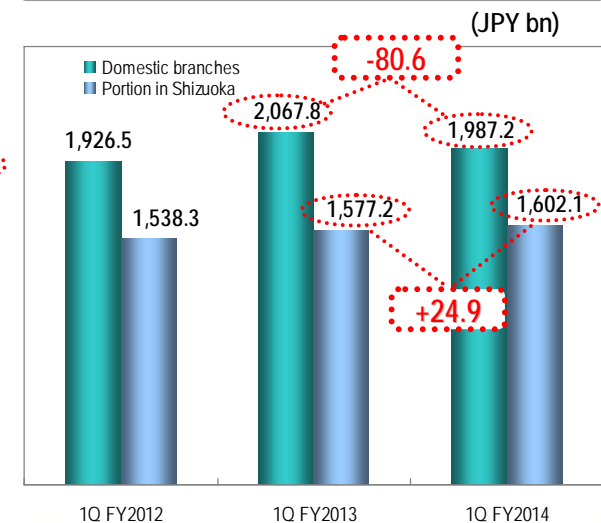
Breakdown of year-on-year changes in deposits balance (average balance)



Retail deposit balance (average balance)



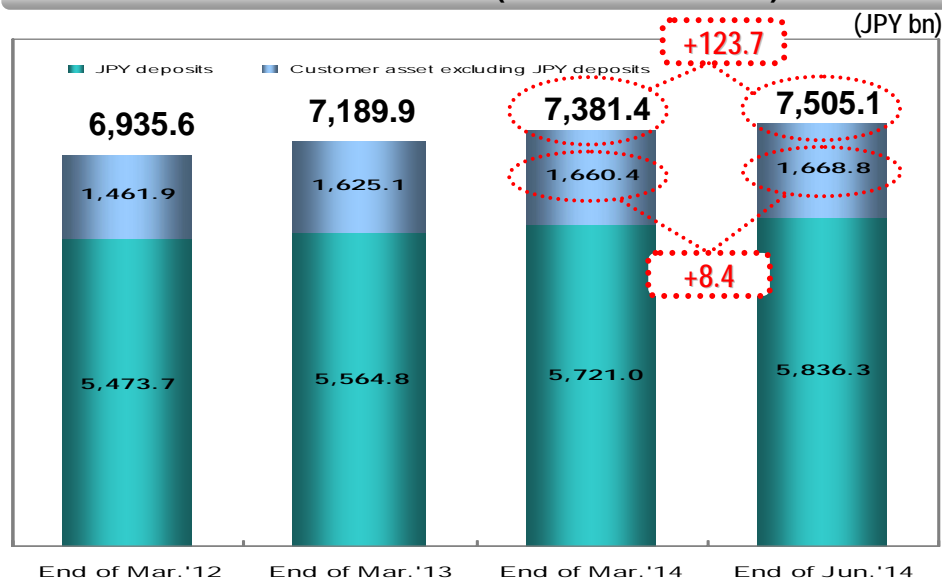
Corporate deposit balance (average balance)



Customer assets and fee incomes

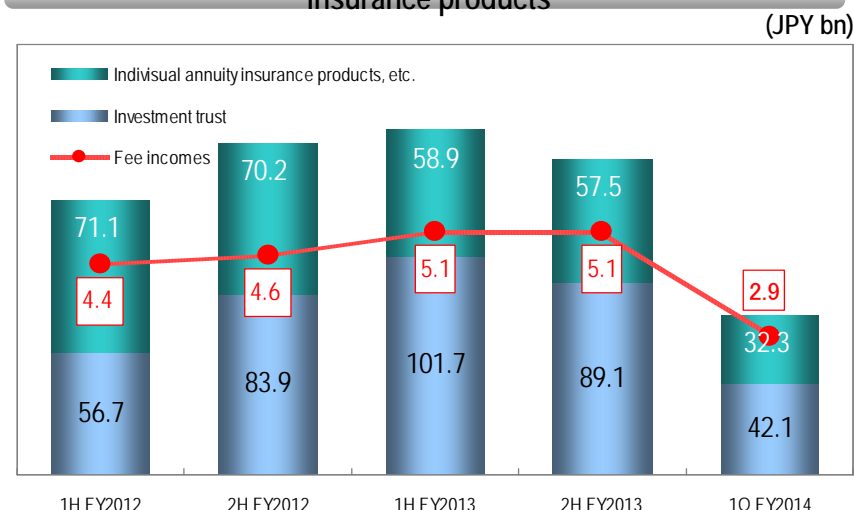
- Customer assets (including the balance of Shizugin TM Securities) was JPY 7,505.1bn (+JPY 123.7bn from the end of March 2014), of which balance of customer asset excluding JPY deposits was JPY 1,668.8bn (+JPY8.4bn)
- Fee incomes of 1Q FY2014 : JPY 5.6bn, of which ordinary revenue of Shizugin TM Securities of 1Q FY2014 : JPY 1.7bn

Customer assets (term-end balance)

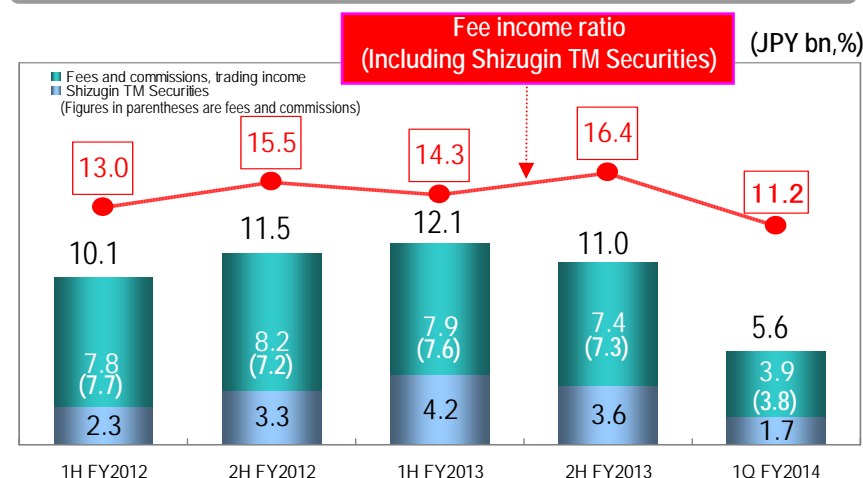


Customer asset excluding JPY deposits	End of Mar.'12	End of Mar.'13	End of Mar.'14	End of Jun.'14
Individual annuity insurance	710.6	871.1	949.3	958.7
Public bonds	346.5	290.6	215.9	193.7
Investment trusts	14.4	15.3	15.1	16.1
Foreign currency deposits	34.5	35.5	29.9	31.0
Shizugin TM Securities	355.9	412.6	450.2	469.3
Total	1,461.9	1,625.1	1,660.4	1,668.8

Sales and fee income from offering investment trust and insurance products



Fee incomes (Shizuoka Bank / Shizugin TM Securities)

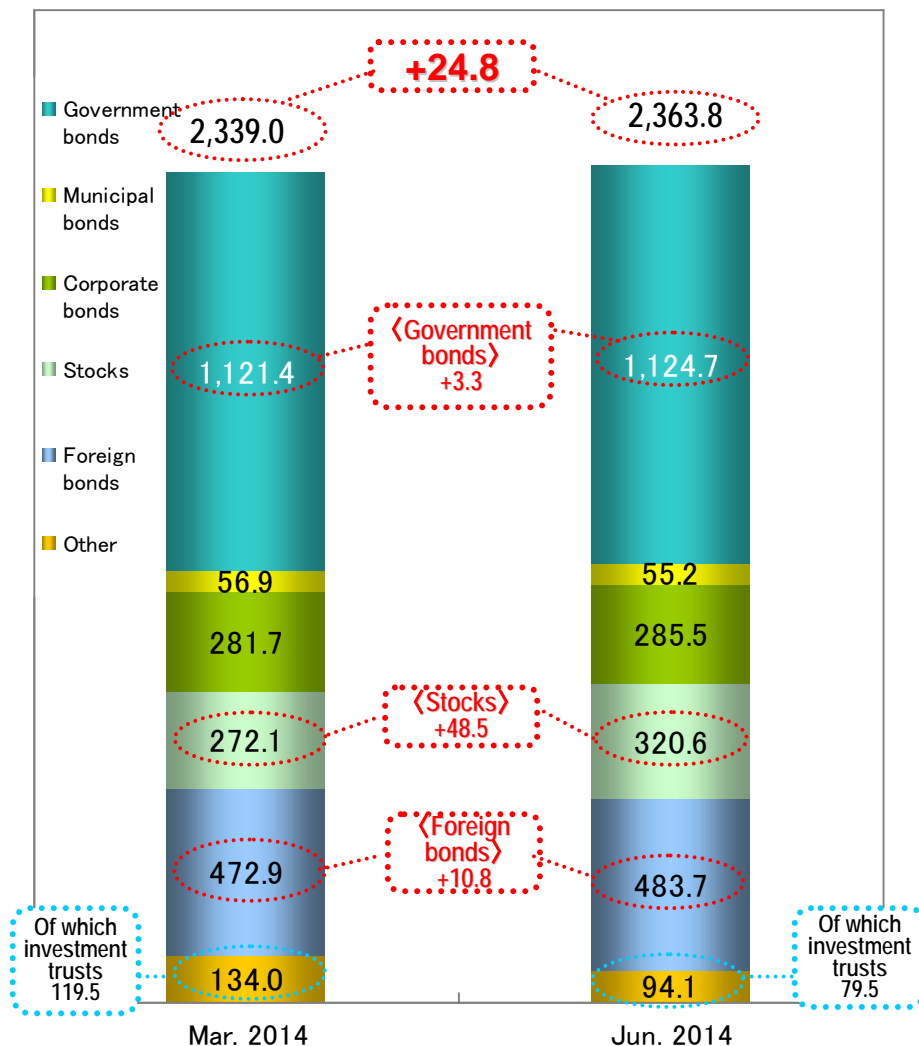


Securities

- Total balance of securities (term-end balance) : JPY2,363.8bn (+JPY 24.8bn from the end of March 2014)
Gains and losses from the revaluation of securities: JPY199.3bn (+JPY 18.7bn from the end of March 2014)
- Secured capital gains from sales of JGBs amid low interest rates, repurchased JGBs with short and medium-term maturities

Securities

(JPY bn)



Gains and losses on securities

(JPY bn)	1Q FY2013	1Q FY2014	Increase/Decrease
Gains and losses on JGBs	9.6	11.6	+2.0
Gain on sale of JGBs	15.9	11.6	-4.3
Loss on sale of JGBs (-)	6.3	0.0	-6.3
Gains and losses on stocks	-0.2	2.6	+2.8
Gain on sale of stocks	0.1	2.6	+2.5
Devaluation of stocks (-)	0.3	0.0	-0.3

Gains and losses from the revaluation of securities / Average life of bonds

(JPY bn)	End of Mar. 2014	End of Jun. 2014	Increase/Decrease
Gains and losses from the revaluation of securities	180.6	199.3	+18.7
Stocks	153.7	175.9	+22.2
Nikkei stock average	JPY14,827.83	JPY15,162.10	—
Average life of yen-denominated bonds	4.60y	4.38y	-0.22y
Average life of foreign-currency denominated bonds	4.46y	4.64y	+0.17y

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

	Levels at which revaluation gains and losses is zero		TOPIX10P/10BPV
Stocks	Nikkei stock average	JPY 5,603	JPY2.28bn
Yen-denominated bonds	5-year JGB	0.29%	JPY6.44bn
Foreign-currency bonds	10-year US Treasury Note	2.78%	JPY2.46bn

Credit-related costs

- Credit-related costs in 1Q FY2014: JPY 0.2bn(+JPY 0.6bn YoY), Credit-related cost rate: 0.009%
- Credit-related cost subsequently remained at low levels

Breakdown of credit-related costs

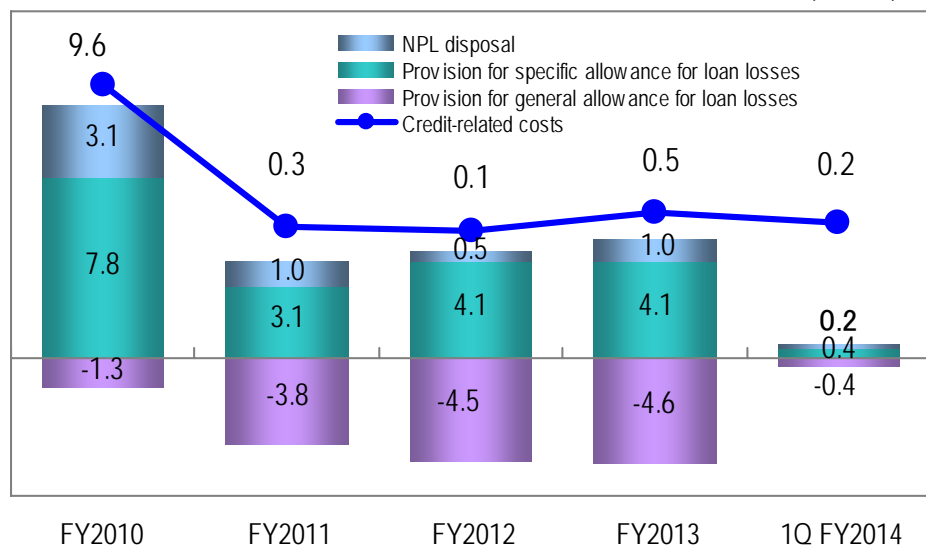
(JPY bn)	1Q FY2013	1Q FY2014	YoY change
NPL disposal (1)	0.2	0.2	±0.0
Gain on reversals from loan loss reserves* (2)	0.6	0.0	-0.6
Provision for general allowance for loan losses	-0.8	-0.4	+0.4
Provision for specific allowance for loan losses	0.2	0.4	+0.2
Total (1)-(2)	-0.4	0.2	+0.6

(JPY bn)	
Changes in credit rating, etc	1.0
Decrease in the value of collaterals	0.2
Upgrade of credit rating, decrease in loan and credit balances by foreclosure ,etc	-0.8
Total	0.4

*Gain on reversals from loan loss reserves is the net amount for provision for general allowance for loan losses and provision for specific allowance for loan losses

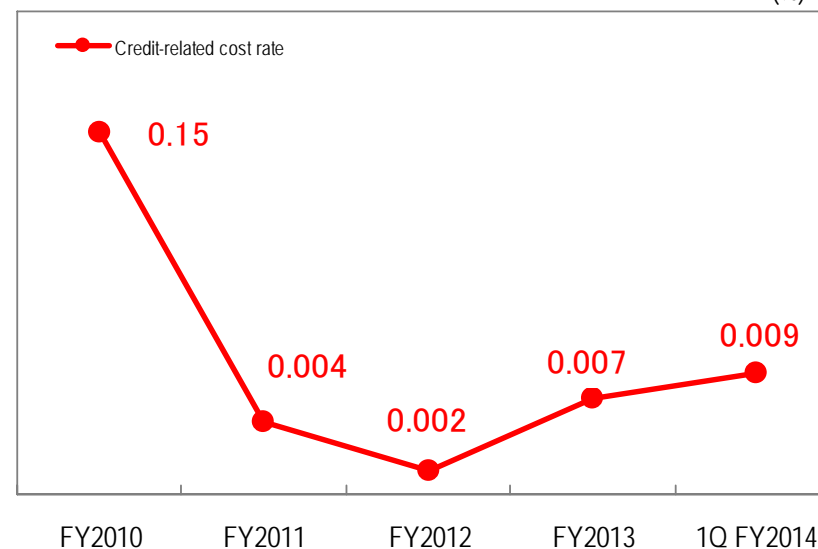
Credit-related costs

(JPY bn)



Credit-related cost rate

(%)

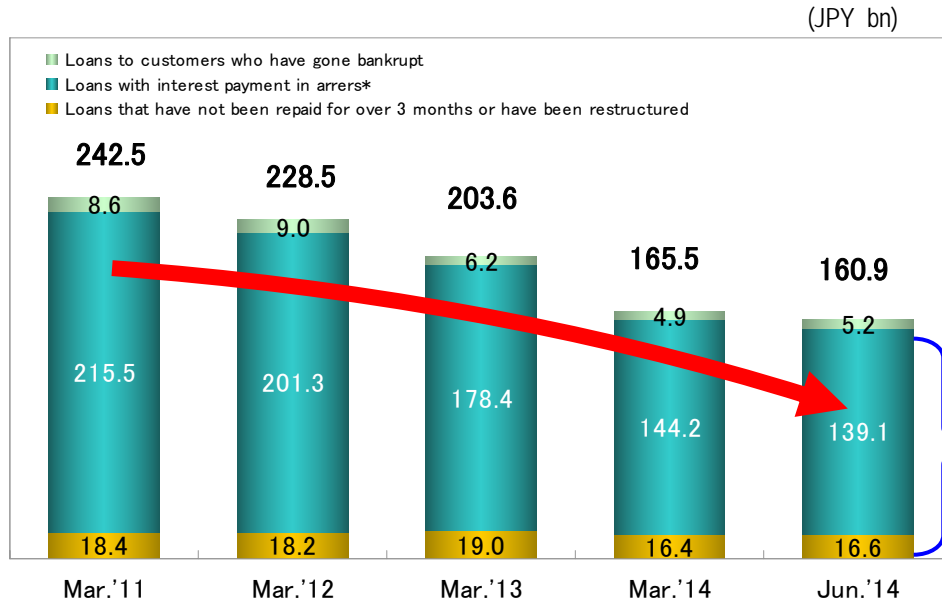


* Credit-related cost rate = Credit-related costs / Average loan balance

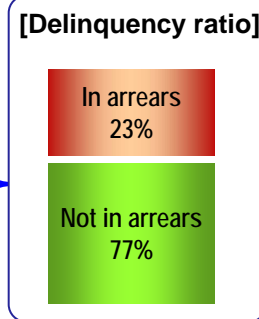
Risk-management loans

- Total risk-management loans : JPY 160.9bn, the ratio of risk-management loans: 2.22%
- Net risk-management loans : JPY 19.6bn, the ratio of net risk-management loans: 0.27%
- Properly controlled our asset quality, so that the balance of risk-management loans peaked out from JPY 242.5bn, the maximum after Lehman Shock.

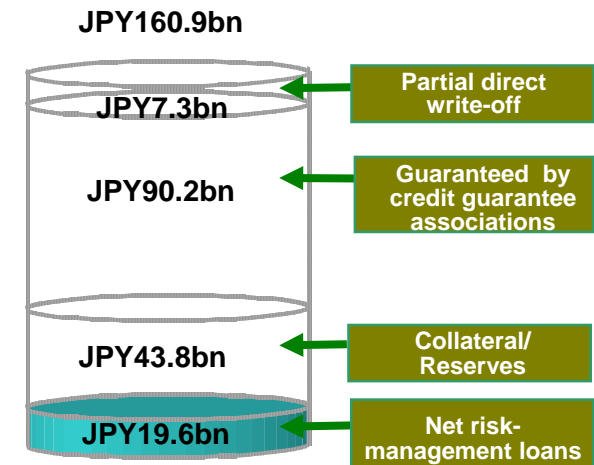
Trends in Risk-management loans



*Borrowers classified as "at risk of failure" and borrowers classified as "practically bankrupt" are written as "loans with interest payment in arrears" among the debtor division in accordance with Banking Act



Net risk-management loans



NPL removal from the balance sheet

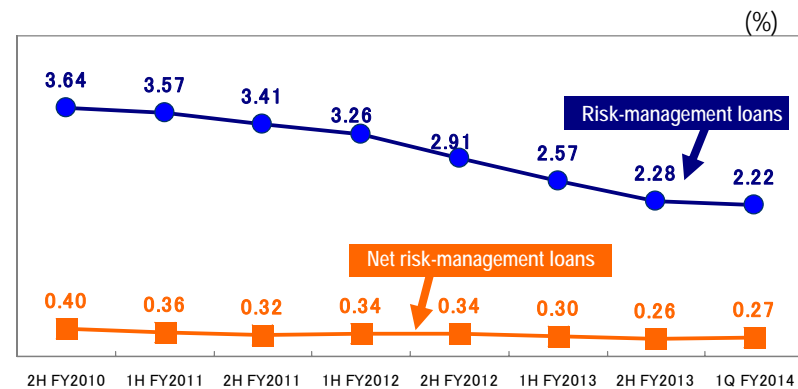
(JPY bn)	FY2013	1Q FY2014
New recognition of NPLs	+33.5	+7.6
Removal from the balance sheet (NPL to borrowers classified as "at risk of failure" or riskier categories)	-71.6 (-63.2)	-12.2 (-11.9)
Risk-management loans	165.5	160.9

-4.6

[Breakdown of JPY 11.9bn]

(JPY bn)	Value
Collected from borrower/set off against deposit account	1.5
Collateral disposal/subrogated to guarantor	5.9
Reclassified to better categories	4.5
Loans sold-off	0.0
Direct write-off of loans	0.0

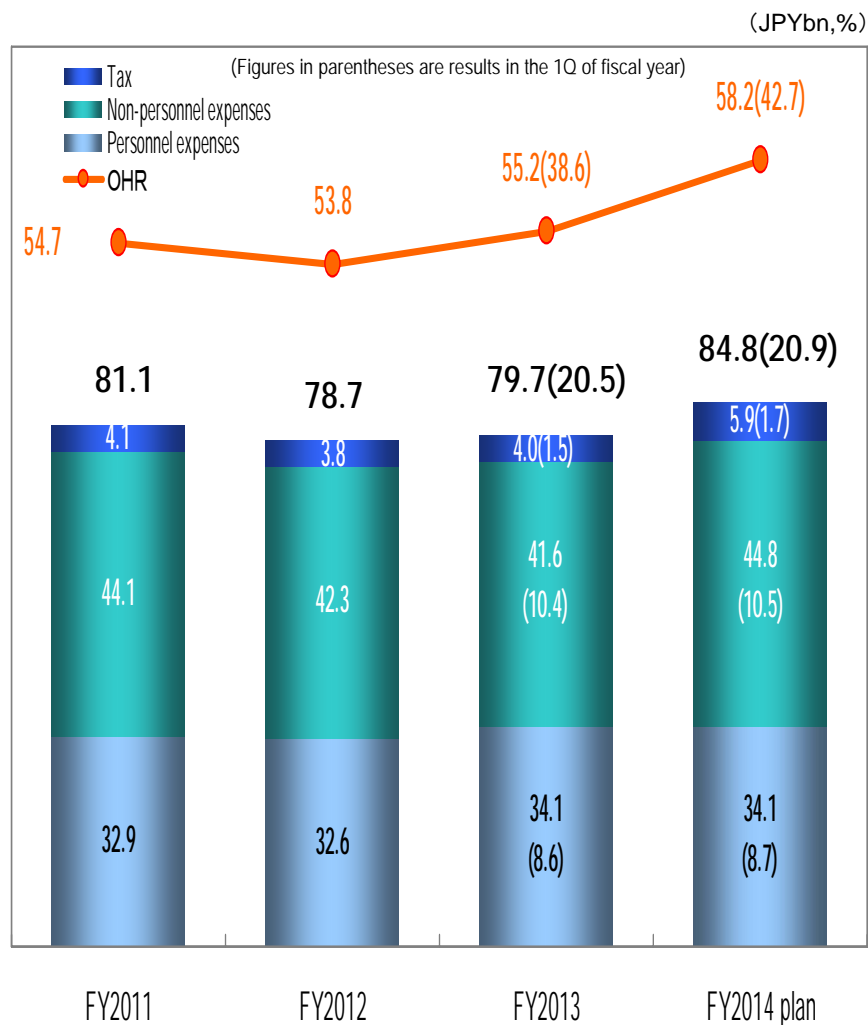
The ratio of risk-management loans



Expenses and active investments

- Expenses in 1Q FY2014: JPY 20.9bn (+JPY 0.4bn YoY)
- OHR in 1Q FY2014 (Nonconsolidated): 42.7% (+4.1 percentage points YoY)

Expenses and OHR (annual basis)



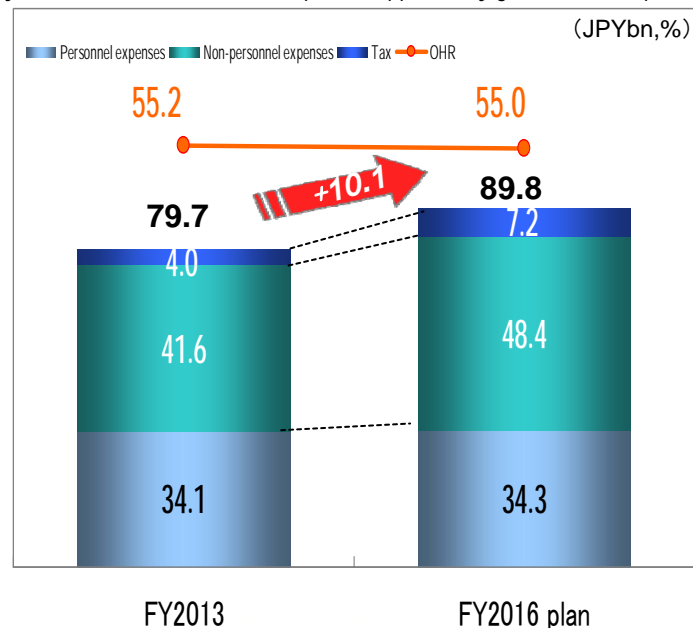
Active investments in 12th Medium-term Business Plan

These investment ensure the realization of top line growth in the future

System-related	Approx. JPY 30bn
Construction of branches and new HQ	Approx. JPY 25bn
New businesses	Approx. JPY 45bn
Total	Approx. JPY 100bn

Projected expenses in 12th Medium-term Business Plan

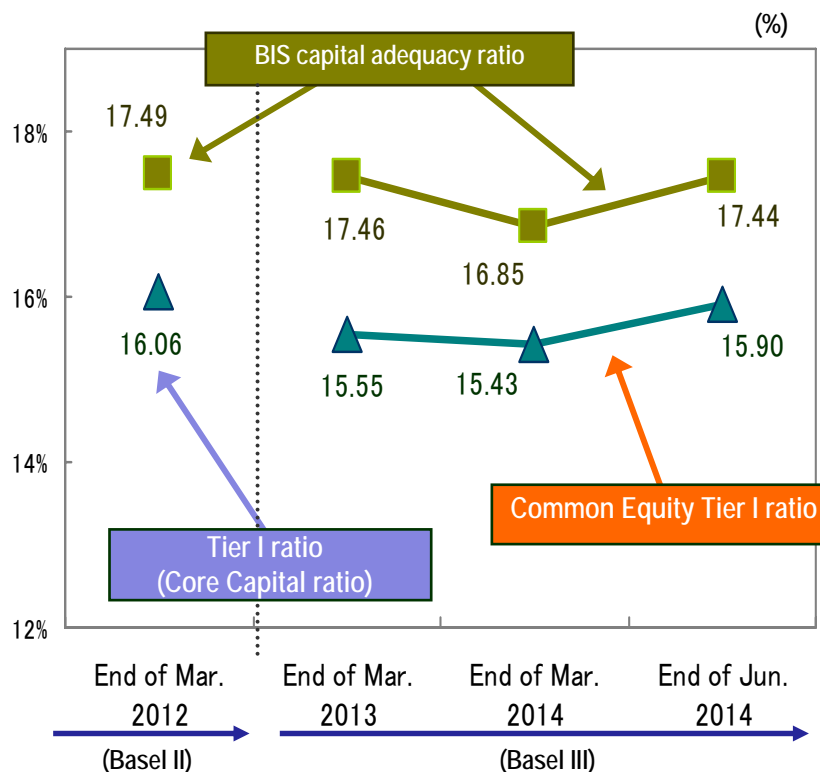
Despite rising costs, we expect to maintain the overhead ratio at around 55% in FY2016 (final year of medium-term business plan), supported by growth in the top line.



Capital adequacy ratio

- The Basel III capital adequacy ratio at the end of Jun. 2014 was 17.44%.
Common Equity Tier I ratio : 15.90%
(From the end of Mar. 2013, we adopted to Basel III criteria for the calculation of capital adequacy ratio)

BIS capital adequacy ratio (consolidated basis)



Outlier ratio (nonconsolidated basis)

Amount of maximum risk	Tier I+Tier II	Outlier ratio
JPY 39.9bn	JPY 778.1bn	5.1%

Changes in capital and risk-adjusted assets

【Basel III】	(JPY bn)	End-Mar. '14	End-Jun. '14	Change from end-Mar. '14
		Capital*	782.9	812.5
Common Equity Tier I		716.8	740.8	+24.0
Other Tier I		0.7	0.0	-0.7
Tier II		65.4	71.7	+6.3
Risk-adjusted assets		4,643.6	4,656.4	+12.8
Total credit-risk adjusted assets		4,333.2	4,345.5	+12.3
Amount corresponding to market risk		12.7	13.2	+0.5
Amount corresponding to operational risk		297.7	297.7	±0.0

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

[Estimation based on criteria in the Basel III text released in December 2010 (End-September 2013 basis)]

- Liquidity coverage ratio: 103.2%(Regulatory level 100% and over)
- Net stable funding ratio: 123.4%(ditto over 100%)
- Leverage ratio: 6.73%(ditto 3% in trial period)

Shareholder return (1) Shareholder return and shareholder return ratio

- Shareholder return ratio in 11th Medium-term Business Plan(FY2011 ~ FY2013): 62.36%
(Executed the repurchase of 50 million at JPY 45.5bn)
- Target of shareholder return ratio in 12th Medium-term Business Plan: 50% or more in medium term
- We bought back 10 million shares at JPY 11.3bn in FY2014

Dividend trends

- Paid a year-end dividend of JPY 8.00 per share for FY2013 and plan to pay annual year dividend of JPY 16.00 for FY2014

	(JPY)			
	FY2011	FY2012	FY2013	FY2014E
Annual dividend per share	13.50 (6.5)	*15.00 (8.0)	15.50 (7.5)	16.00 (8.0)

*Include 70th anniversary dividend

Profit distribution to shareholders

				(Interim dividend)
	FY2011	FY2012	FY2013	(JPY bn,%)
Annual dividend (1)	8.9	9.7	9.7	Accumulated total 86.7
Repurchase of shares (2) (Shares bought back: million shares)	14.6 (20)	8.2 (10)	22.7 (20)	Accumulated total 77.1
Shareholder returns (3)=(1)+(2)	23.5	18.0	32.4	Accumulated total 163.8
Net income (4)	34.7	40.9	42.8	Accumulated total 336.5
Dividend payout ratio (1)/(4)x100	25.54	23.78	22.78	Average 25.76
Shareholder return ratio (3)/(4)x100	67.60	43.93	75.73	Average 48.66

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

- We have regularly bought back shares since FY1997, with a total of 191 million shares repurchased over the same period (supporting steady increases in EPS and BPS)

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
FY2013	20,000	22,642	—	—	75.7	67.84	1,257.63
FY2014	10,000	11,315	—	—	—	—	—
Total	191,044	179,874	140,404	128,891		—	—

*The amount in FY2014 is an actual amount by the end of July FY2014

Projected performance in FY2014

Projected performance in FY2014

Nonconsolidated	(JPYbn)	FY2013	FY2014E	Change from FY2013
Ordinary revenue		186.1	190.0	+3.9
Gross operating profit		144.5	145.6	+1.1
Expenses (-)		79.7	84.8	+5.1
Net operating profit		64.7	62.7	-2.0
Ordinary profit		67.2	64.0	-3.2
Net income		42.8	41.0	-1.8

	(JPYbn)	FY2013	FY2014E	Change from FY2013
Credit-related costs		0.5	1.4	+0.9
Provision for general allowance for loan losses		-4.6	-1.9	+2.7
Bad debt written-off		5.1	3.3	-1.8
Provision for specific allowance for loan losses		4.1	2.0	-2.1

Consolidated	(JPYbn)	FY2013	FY2014E	Change from FY2013
Ordinary revenue		220.9	225.0	+4.1
Ordinary profit		74.7	74.0	-0.7
Net income		46.7	47.5	+0.8



***Overview of the 12th Medium-term
Business Plan***

Overview of the 12th Medium-term Business Plan

The 12th Medium-term Business Plan (12th MBP)

Name of the plan

「TOBIRA ~ Open a Gate for the Next」

Group vision

「Shizugin」 that ventures on the new possibilities

Guideline for action ~ We aim to be the best regional bank in the world with taking 「Breakthrough」 to heart

Basic strategies

Top line Growth

- Refine region-based relationship banking
- Challenge on the new business fields and profitable opportunities

Operational system

- Build the flexible and robust operating structure

Branding

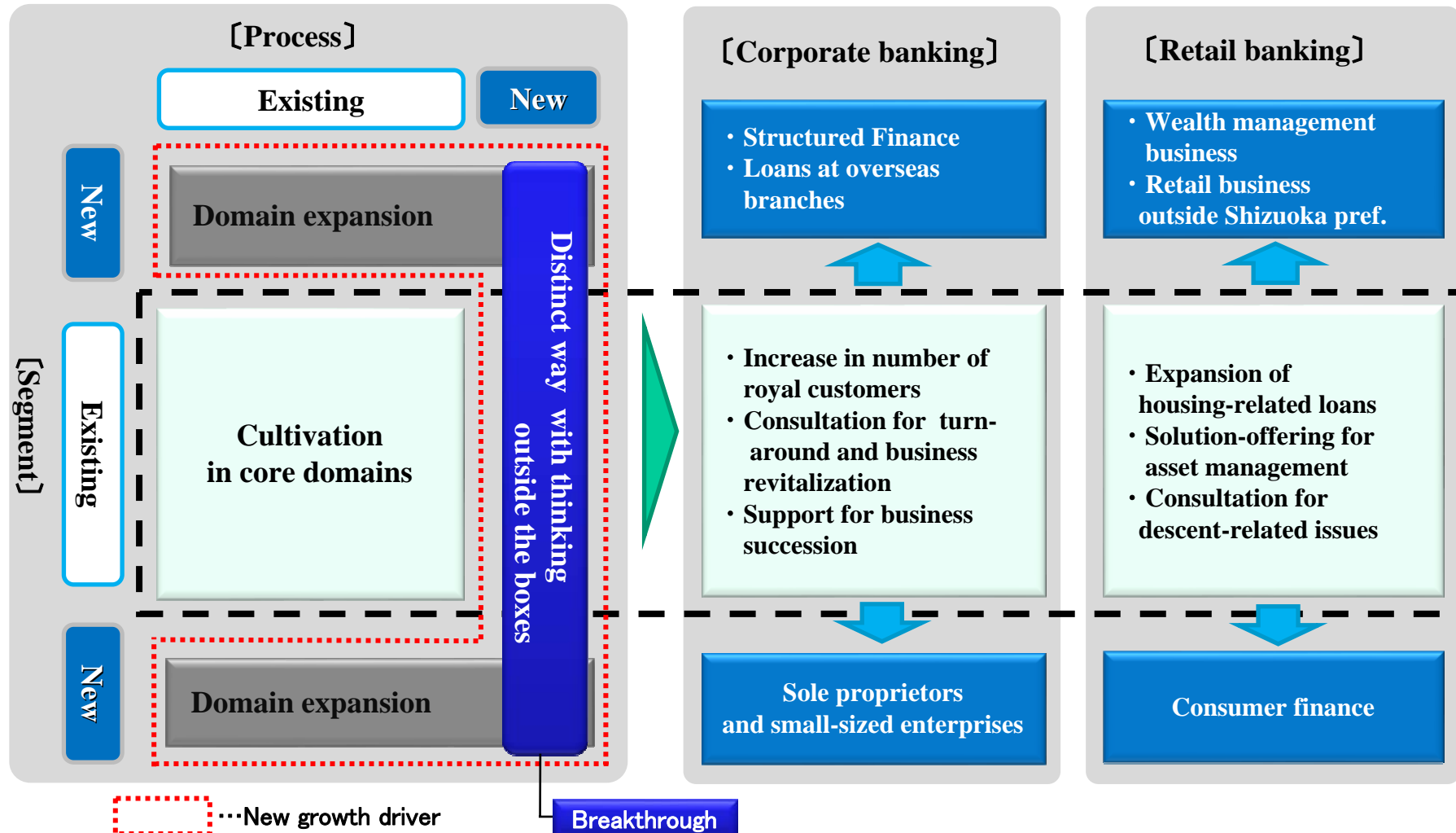
- Add more value to 「Shizugin」 brand

Target figures (consolidated)

	11 th Medium-term Business plan	12 th Medium-term Business Plan
	FY2013 plan	FY2016 plan
Ordinary profit	74.0	80.0 or more
Net income	46.0	50.0 or more
Common Equity Tier I ROE	6.56%	6% level
OHR	54.7%	Around 55%
Common Equity Tier I ratio	15.25%	Around 14%
Shareholder return	50% or more in medium term	50% or more in medium term

Expansion of customer base

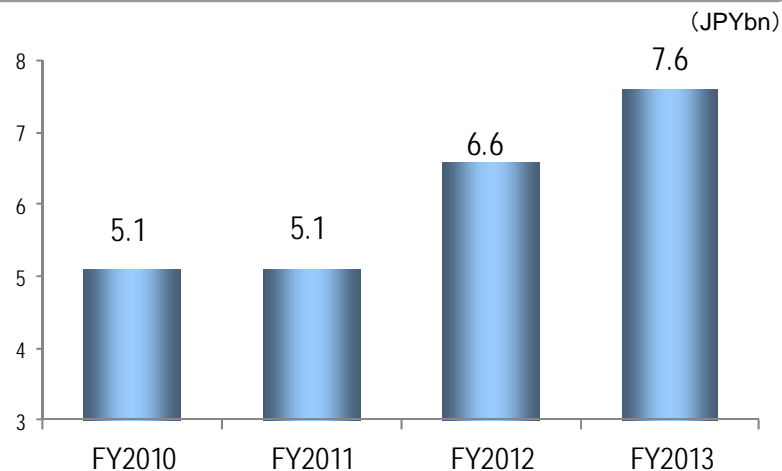
- Tackle further growth in core business domains, acquire business opportunities outflowing from Shizuoka pref. to other cities and overseas, and create fresh opportunities in untapped segments and domains
- Strategically allocate managerial resources according to the scale and growth potential of each region and the severity of competitive situations



Group strategy – Increase in ownership ratio

- Total of ordinary profit of group subsidiaries increased by 50% in 11th Medium-term Business Plan
- Raised the ownership ratio of 6 consolidated subsidiaries, such as Shizugin Lease Co., Ltd., to 100% in April 2014 in order to expand consolidated net income and closely tie up consolidated subsidiaries. We currently have full controlled ownership in 10 subsidiaries excluding Shizuoka Capital Co., Ltd.

Total ordinary profit of consolidated subsidiaries



Gains on negative goodwill

Gains on negative goodwill in 1Q FY2014 : JPY 2.2 bn

Increase in consolidated net income

Positive impact of roughly JPY 0.5bn per year (based on FY2013 results)

Increase in consolidated/nonconsolidated ratio

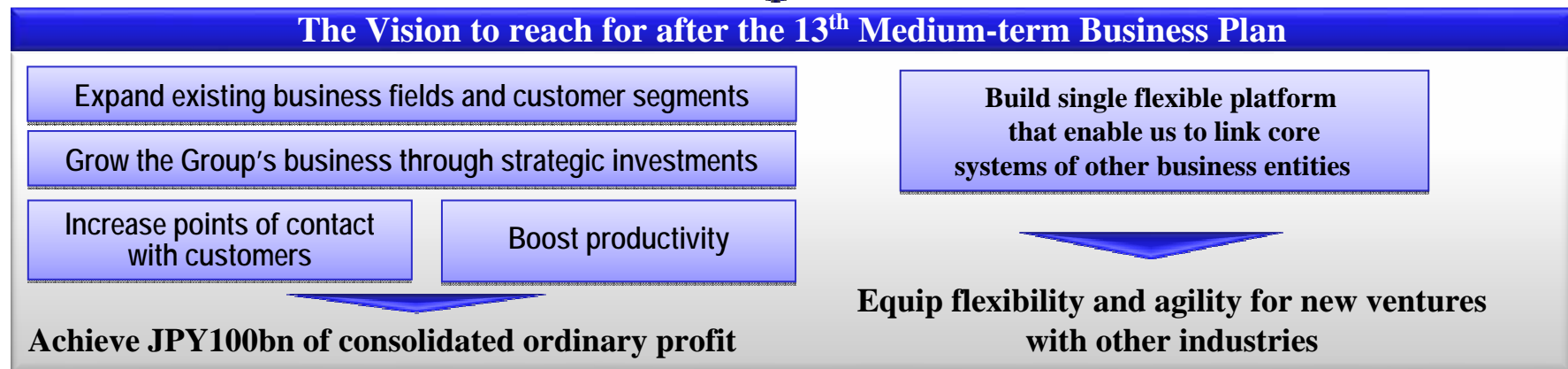
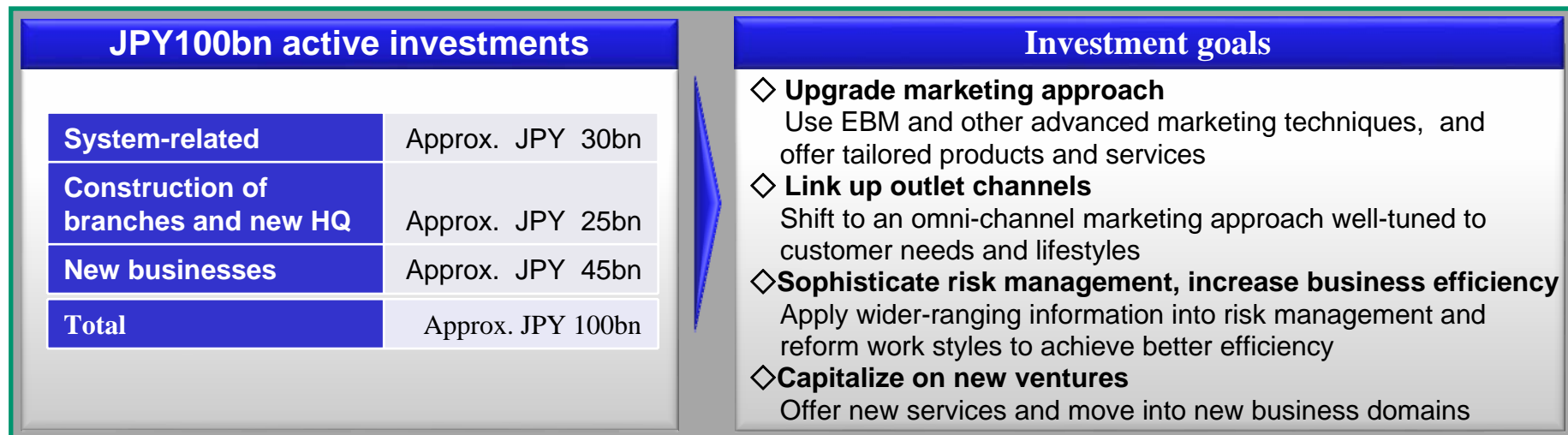
Increase by roughly 0.02x due to rise in consolidated net income (based on FY2013 results)

Consolidated subsidiaries	Consolidated ownership ratio	Consolidated subsidiaries	Consolidated ownership ratio
Shizugin Management Consulting Co., Ltd.	100.00%	Shizugin TM Securities Co., Ltd.*	100.00%
Shizugin Lease Co., Ltd.*	100.00%	Shizuoka Bank (Europe) S.A.	100.00%
Shizuoka Computer Service Co., Ltd.*	100.00%	Shizugin General Service Co., Ltd.	100.00%
Shizugin Credit Guaranty Co., Ltd.*	100.00%	Shizugin Mortgage Service Co., Ltd.	100.00%
Shizugin DC Card Co., Ltd.*	100.00%	Shizugin Business Create Co., Ltd.	100.00%
Shizuoka Capital Co., Ltd.*	50.00%		

*Increase in ownership ratio

Active investments and vision to reach for in the 13th Medium-term Business Plan

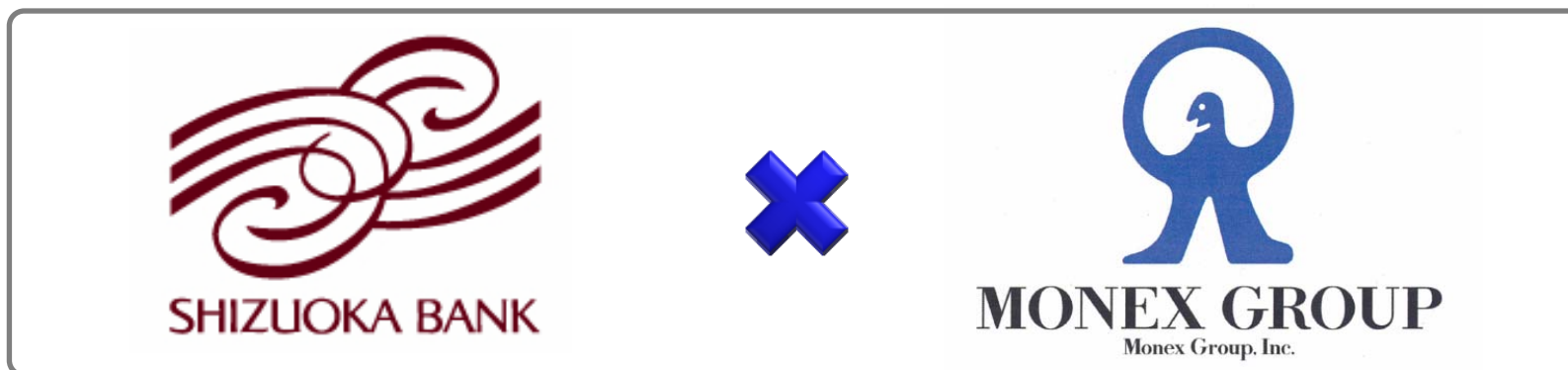
- Actively invest to build a robust operating structure that supports our growth strategy for the drive of top line and future developments including business mergers



Actively invest to invert the trend of top line performance and ensure sustainable growth

Capital and business alliance with Monex Group, Inc.

The Shizuoka Bank, Ltd. and Monex Group, Inc. held a capital and business alliance on April 2, 2014



Combine our respective resources to bring the best user experience to our customers and boost the overall quality of our financial services

Create a unique and improved financial experience for our retail customers, through actively implementing leading edge technology and ideas in the online space

Got 20% of stakes in Monex Group from ORIX Corporation and so on



Add Monex Group as equity method affiliate

【Outline of Monex Group】

Monex Group, with its affiliates, is the only online securities group in the world that has a retail customer base in Japan, the United States, and China (Hong Kong), and provides online financial services for individual investors as its principal business

Date of Incorporation : August, 2004

Capital : JPY 10,394 mil Total assets : JPY929,431 mil

Headquarters : Kojimachi, Chiyoda-ku, Tokyo

Overseas Branches : Florida, Beijing, Hong Kong, Sidney, London, Costa Rica

Rating : BBB (JCR)

(as of March, 2014)

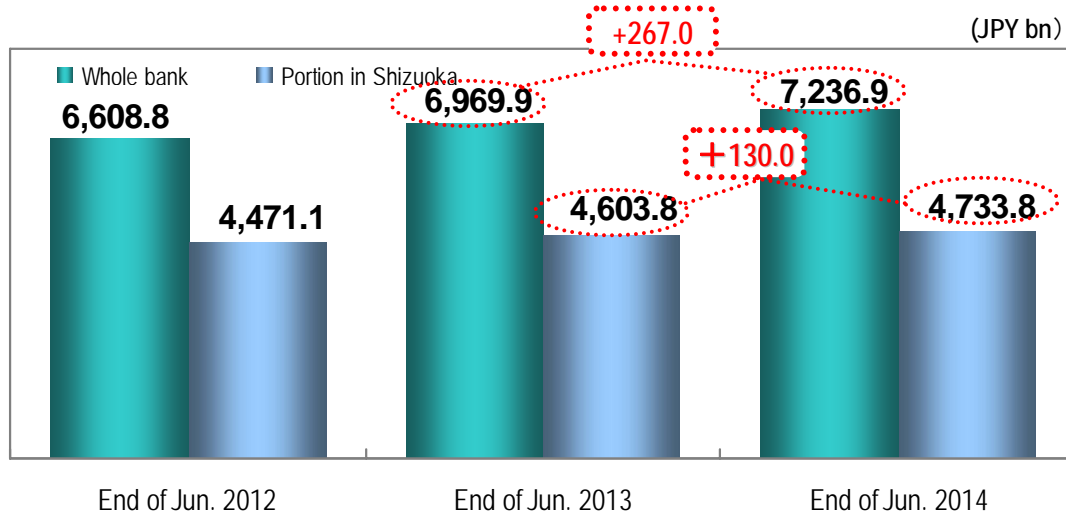


Reference

Loans(1) Term-end balance

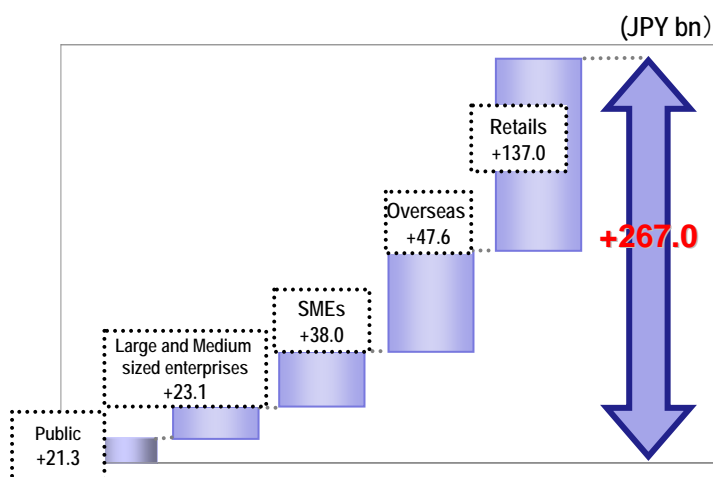
- Total loan balance (term-end balance) of 1Q FY2014: JPY 7,236.9bn, up JPY 267.0bn (+3.8%) YoY

Total loan balance (term-end balance)

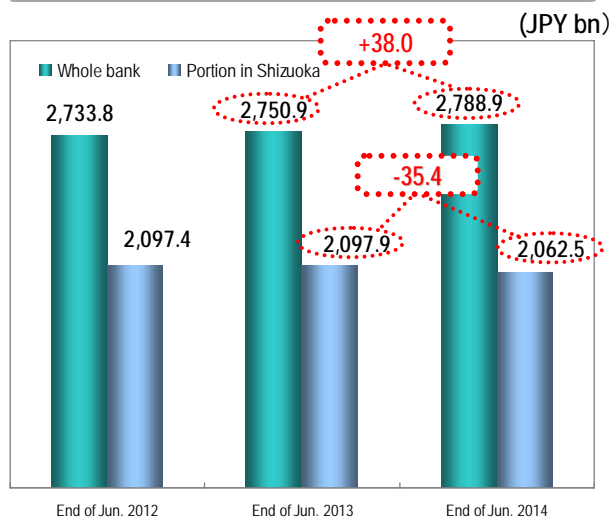


	Term-end balance	YoY change	Annual rate
Total loan balance	7,236.9bn	+267.0bn	+3.8%
SMEs loan balance	2,788.9bn	+38.0bn	+1.4%
Retail loan balance	2,512.0bn	+137.0bn	+5.8%
Large and Medium sized enterprises	1,477.8bn	+23.1bn	+1.6%

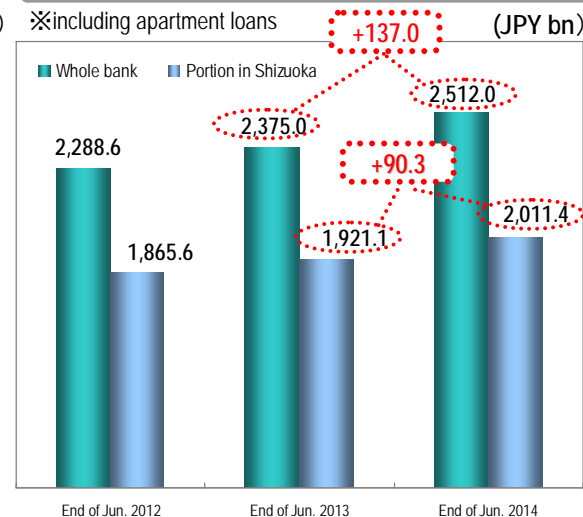
Breakdown of year-on-year change in total loan balance (term-end balance)



SMEs loan balance (term-end balance)



Retail loan balance (term-end balance)



Loans(2) Loans by industries

- Business loans to each industry such as real estate, construction, leasing, money lending and investment 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 5.5bn (JPY 1.2bn for real estate and JPY 0.4bn for construction)
- Unexpected Loss (UL) for all industries : JPY 55.5bn

Contemporary status of business loans to particular industries

[Credit balance (as of the end of Mar. 2014)]

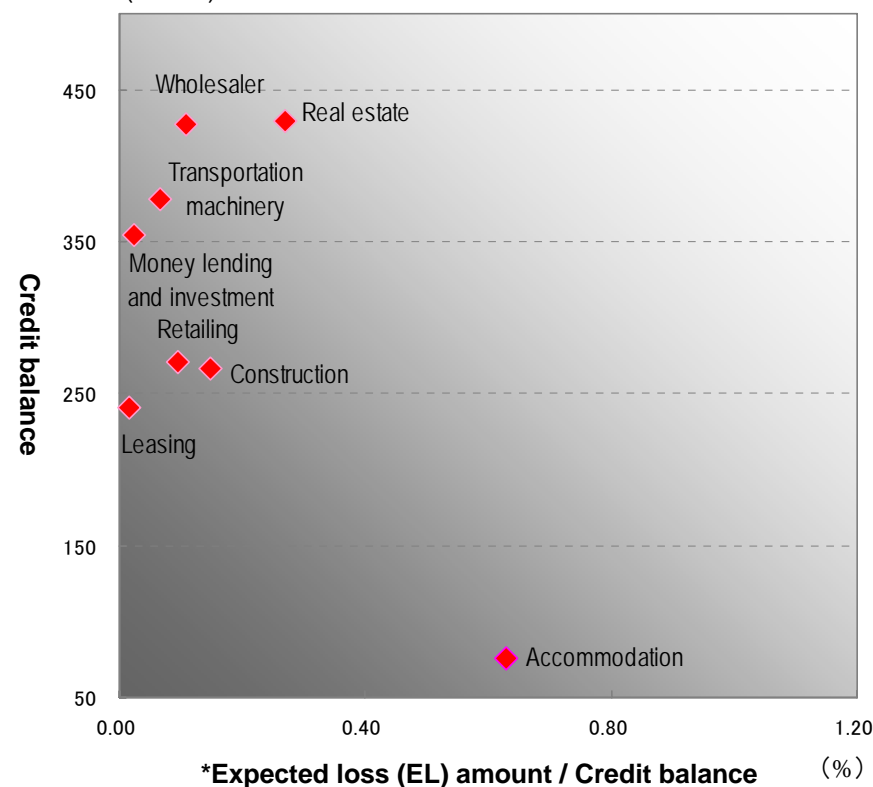
(JPY bn, %)

	Balance	Composition ratio	YoY change
All industries	5,039.1	100.0	+53.7
Real estate	428.8	8.5	+5.5
Wholesaler *	427.5	8.5	-13.8
Money lending and investment	354.0	7.0	+18.8
Transportation machinery	377.5	7.5	+30.4
Construction	266.7	5.3	-23.2
Retailer	270.4	5.4	+15.9
Leasing	241.0	4.8	-10.8
Accommodation	75.9	1.5	-7.1

* excluding a general trading companies

[Credit balance vs. expected loss rate*]

(JPY bn) Excluding borrowers classified as "practically bankrupt" and below

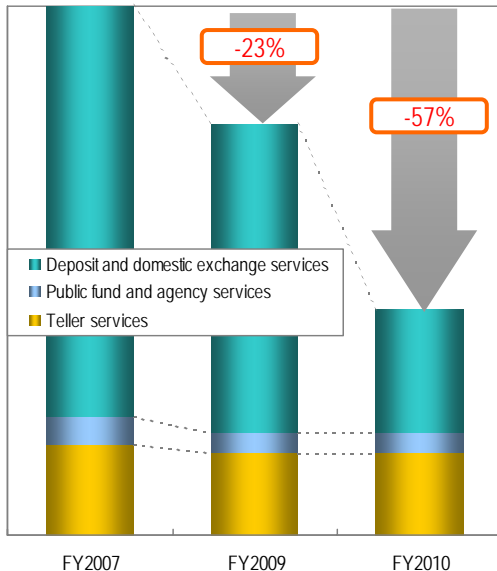


Improvement of productivity - BPR

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

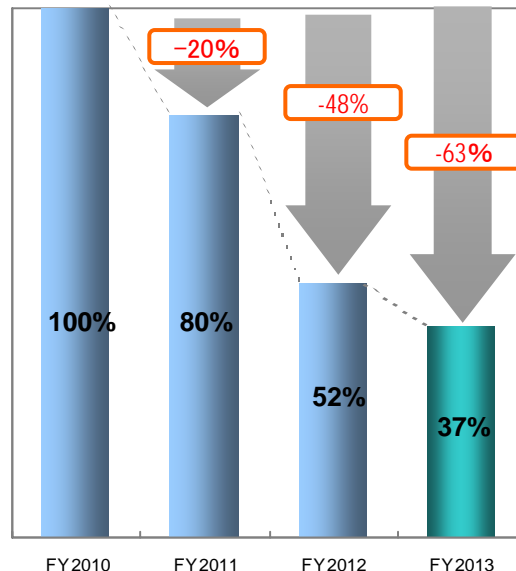


Workload reduction of branches



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

Reduced processing time for workload of consumer loan



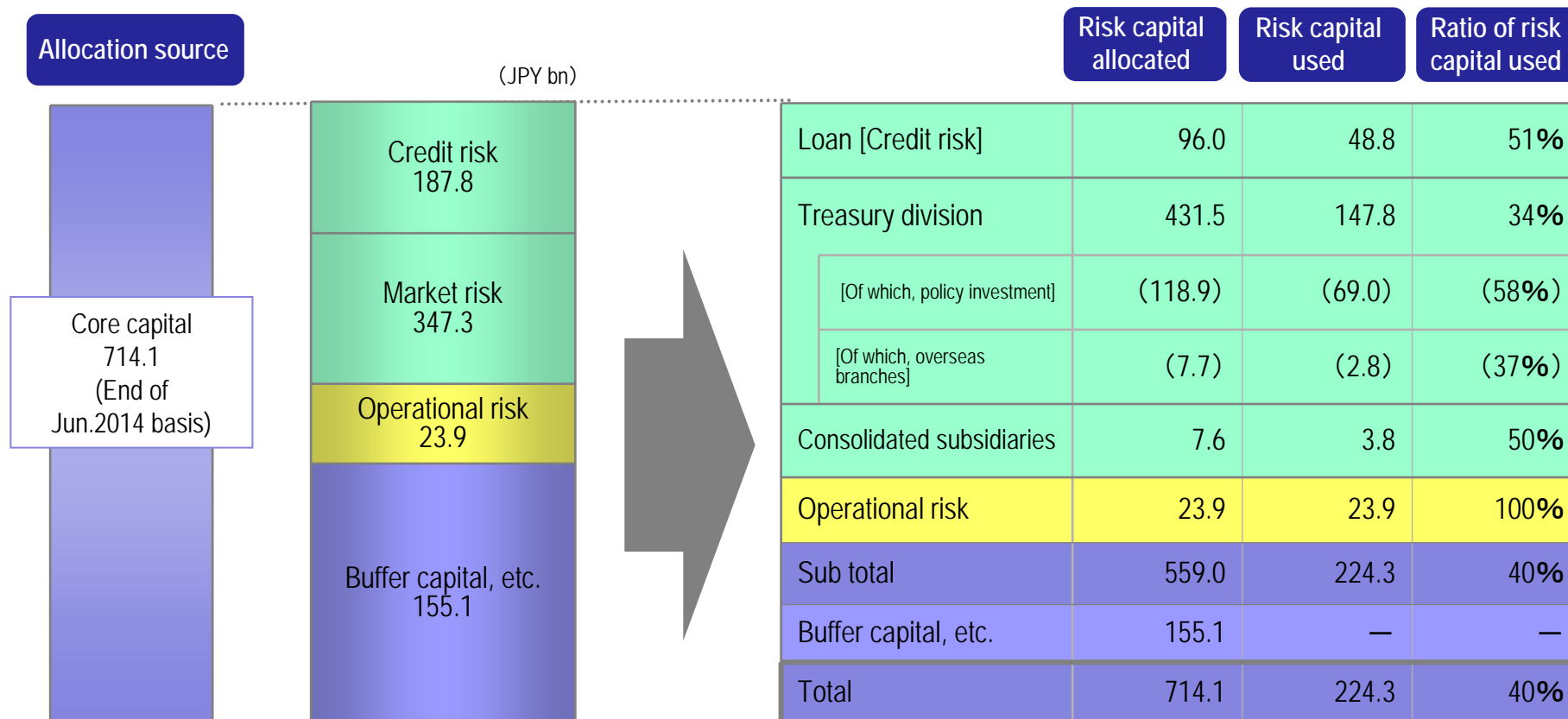
* Assume the amount of business in the FY2010 is set to 100

Number of personnel

	End-Mar. 2008	End-Mar. 2013	End-Mar. 2014	Change from end-Mar. 2008
Front-office	2,411	3,070	3,128	+717
Of which, bank employees	1,794	2,261	2,262	+468
Back-office/assisting	1,693	942	925	-768
Of which, bank employees	548	44	35	-513
Shizuoka Bank	5,164	4,901	4,942	-222
Of which, bank employees	2,851	2,860	2,851	±0

Allocation of risk capital

- Allocation of risk capital for the 1H FY2014 amounted to JPY 714.1bn, of which JPY 187.8bn was allocated to credit risk, JPY 347.3bn to market risk, JPY 23.9bn to operational risk, and JPY 155.1bn to buffer capital, etc
- JPY 48.8bn for loans [credit risk] and JPY 147.8bn for the Treasury division was used for the 1H FY2014



- Core capital=common equity Tire I (Basel III standard), excluding other marketable securities valuation difference
- Risk capital amount=<Market risk> | VaR |
 <Credit risk> (1) | UL | (loan balance includes bad debt written off, CVAs)
 (2) Basel III capital requirement amount (designated loan claims, credit linked loan, securitization transactions, investment trusts, and investment funds)
 <Operational risk> Amount equivalent to operational risk
- Buffer capital is kept aside for emergencies such as the anticipated Great Earthquake and other unquantifiable risks.

Group Companies

- The total ordinary revenue of 11 consolidated subsidiaries increased to JPY 11.9bn (down JPY 1.1bn YoY) and the ordinary profit of JPY 1.6bn (down JPY 0.9bn YoY)

(JPY bn)

Company name	Business	Ordinary revenue	YoY change	Ordinary Profit	YoY change
Shizugin Management Consulting Co., Ltd.	Corporate and financial management advisory services	0.3	+0.0	0.0	+0.0
Shizugin Lease Co., Ltd.	Leasing	5.8	-0.6	0.4	-0.1
Shizuoka Computer Service Co., Ltd.	Software development and sales	1.3	+0.2	0.0	+0.0
Shizugin Credit Guaranty Co., Ltd.	Guarantee of housing loans, etc.	0.5	-0.0	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	-0.1	0.0	-0.1
Shizugin TM Securities Co., Ltd.	Securities	1.7	-0.6	0.6	-0.6
Shizuoka Bank (Europe) S.A.	Finance and securities-related services	0.1	-0.1	0.0	-0.1
Shizugin General Service Co., Ltd.	Fee-Charging Employment Placement Businesses, etc	0.2	+0.0	0.0	-0.0
Shizugin Mortgage Service Co., Ltd.	Appraisal of real estate for loan collateral Operation center for loans	0.4	+0.0	-0.0	-0.0
Shizugin Business Create Co., Ltd.	Operation center for remittance and bill collection	1.1	-0.0	0.0	+0.0
Total(11 companies)		11.9	-1.1	1.6	-0.9
Shizugin Saison Card Co., Ltd.*	Credit card and guarantee of consumer loans	0.4	+0.1	0.0	+0.0

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

**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.**