

# ***Results of FY2015***

**May 23, 2016**

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**静岡銀行**

SHIZUOKA BANK

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***Results of FY 2015***

# Results of FY2015 ① - Nonconsolidated

Nonconsolidated (JPY bn, %)	FY2015	YoY change	
		Increase/ Decrease	Rate of change
Ordinary revenue	187.0	+11.5	+6.6
Gross operating profit	145.4	+0.9	+0.6
Net interest income	115.9	+1.2	+1.1
Fees and commissions	15.9	+0.3	+1.8
Trading income	0.9	+0.3	+42.6
Other operating profit	12.7	-0.8	-6.3
[Bond-related income such as JGBs]	11.3	-1.8	-13.7
Expenses (-)	79.5	-2.0	-2.5
Actual net operating profit *	65.9	+3.0	+4.7
Provision for general allowance for loan losses (-)	-1.6	-1.6	—
Net operating profit	67.5	+4.6	+7.3
Special profit and loss	-1.5	-5.6	-135.2
Bad debt written-off (-)	4.0	+3.5	+658.7
Gain on reversals from loan loss reserves	—	-0.1	-100.0
Gain (loss) on stocks	2.9	-2.4	-44.7
Ordinary profit	66.1	-1.0	-1.5
Extraordinary profit and loss	-0.1	+0.8	+87.9
Net income before taxes	66.0	-0.2	-0.3
Corporate taxes (-)	22.0	-1.6	-6.8
Net income	44.0	+1.4	+3.3

\* Actual NOP=NOP + Provision for general allowance for loan losses

**Ordinary revenue** +JPY 11.5bn YoY (First increase in 2 periods)

- Ordinary revenue rose JPY 11.5bn year on year to JPY 187.0bn, mainly due to an increase in gain on sell of bonds such as JGBs (+JPY 7.5bn) and interest income (+JPY 3.1bn) .

**Gross operating profit** +JPY 0.9bn YoY (First increase in 6 periods)

- Although other operating profit decreased (-JPY 0.8bn) due to an increase in loss on sell of bonds such as JGBs, gross operating profit rose JPY 0.9bn year on year to JPY 145.4bn due to an increase in net interest income (+JPY 1.2bn), which was mainly due to an increase in gains on cancellation of investment trusts.

**Net operating profit** +JPY 4.6bn YoY (First increase in 3 periods)

- Net operating profit rose JPY 4.6bn year on year to JPY 67.5bn, mainly due to a decrease in expenses (-JPY 2.0bn) and reversal from general allowance for loan losses (JPY 1.6bn).

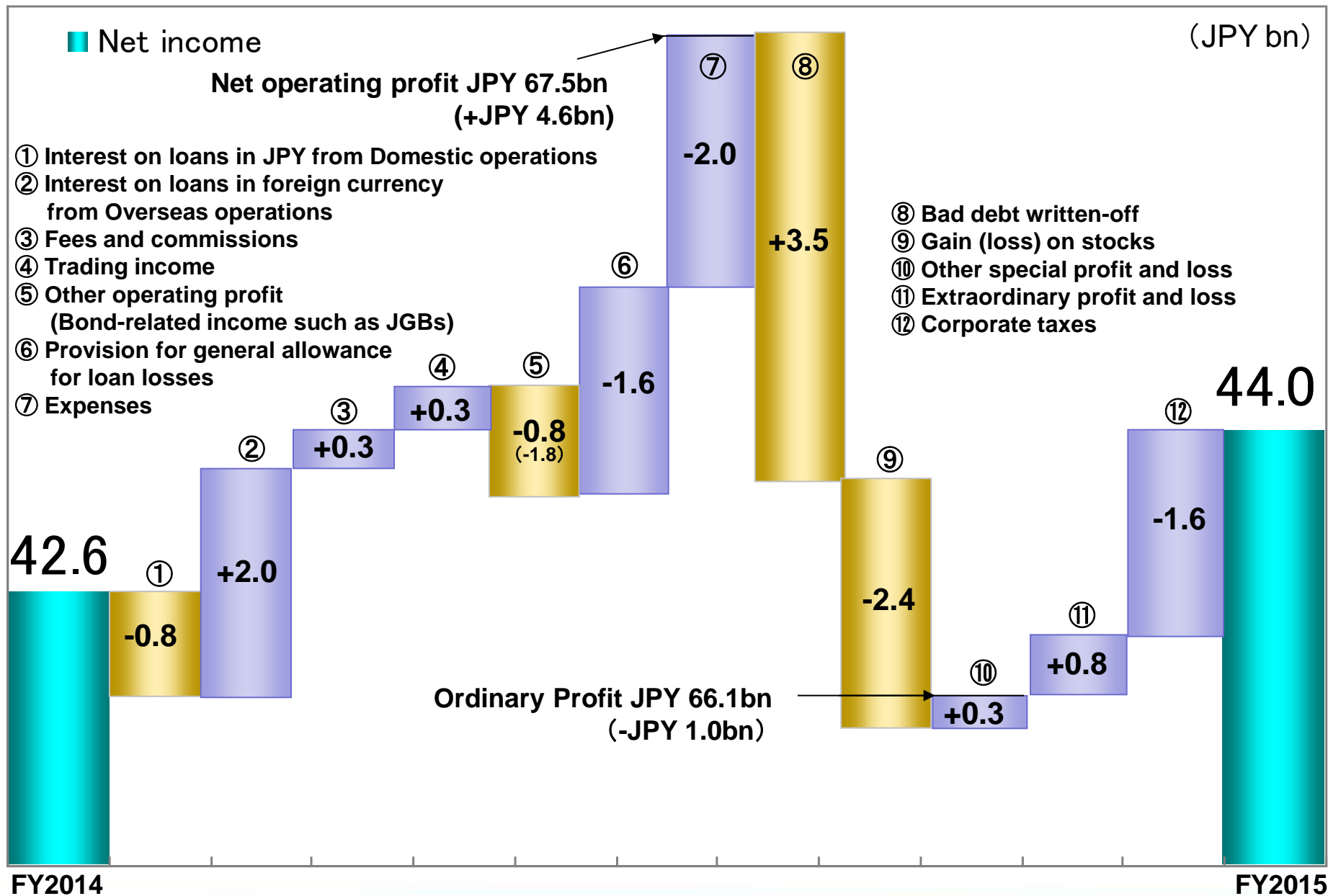
**Ordinary profit** -JPY 1.0bn YoY (Continued decrease in 2 periods)

- Ordinary profit declined JPY 1.0bn year on year to JPY 66.1bn, due to an increase in bad debt written-off (+JPY 3.5bn) and a decrease in gain on stocks (- JPY 1.6bn).

**Net income** +JPY 1.4bn YoY (First increase in 2 periods) **[Recorded High]**

- Net income rose JPY 1.4bn to JPY 44.0bn, due to an improvement of extraordinary profit and loss (+JPY 0.8bn) and a decrease in corporate taxes (-JPY 1.6bn) reflecting a decline in corporate tax rate.

# Results of FY2015 ② – Net income



# Results of FY2015 ③ - Consolidated

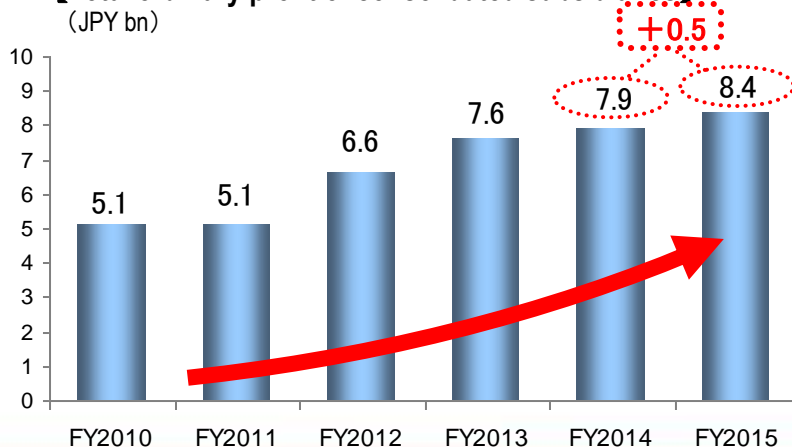
- Ordinary revenue rose JPY +12.0bn YoY to JPY 223.6bn, ordinary profit declined JPY -2.4bn YoY to JPY 72.8bn
- As Shizugin TM Securities Co., Ltd. (securities subsidiary) highly contributed to group business performance, total of all group companies' ordinary profit increased by JPY +0.5bn YoY to 8.4bn (Shizugin TM Securities Co., Ltd.: Ordinary profit in FY2015: JPY 3.7bn, -0.3bn YoY)

Consolidated (JPY bn, %)	FY2015	YoY change		Contents
		Increase/ Decrease	Rate of change	
Ordinary revenue	223.6	+12.0	+5.7	<b>First increase in 2 periods</b> Mainly due to increases in gain on sell of bonds such as JGBs and fees and commissions.
Ordinary profit	72.8	-2.4	-3.1	<b>First decrease in 7 periods</b> Due to a decrease in nonconsolidated ordinary profit and an increase in loss on sell of bonds such as JGBs.
Net income (Excluding gains on negative goodwill)	47.9 (47.9)	-2.0 (+0.2)	-4.1 (+0.5)	<b>First decrease in 2 periods</b> Because of not recording the contribution amount of increase in ownership ratio: JPY2.3bn
Comprehensive income	11.2	-126.5	-92.0	<b>First decrease in 2 periods</b> Due to a decrease in valuation difference on marketable securities.

Consolidated / Nonconsolidated ratio		
	FY 2015	YOY change Increase/Decrease
Ordinary profit	1.10times	-0.01times
Net income (Excluding gains on negative goodwill)	1.08times (1.08times)	-0.09times (-0.04times)

## Group Companies

### 【Total ordinary profit of consolidated subsidiaries】



Consolidated Subsidiaries	
Shizugin Management Consulting Co., Ltd.	Shizugin TM Securities Co., Ltd.
Shizugin Lease Co., Ltd.	Shizuoka Bank (Europe) S.A.
Shizugin Computer Service Co., Ltd. (Name changed from April. 2016)	Shizugin General Service Co., Ltd.
Shizugin Credit Guaranty Co., Ltd.	Shizugin Mortgage Service Co., Ltd.
Shizugin DC Card Co., Ltd.	Shizugin Business Create Co., Ltd.
Shizuoka Capital Co., Ltd.	Shizuoka Liquidity Reserve Limited

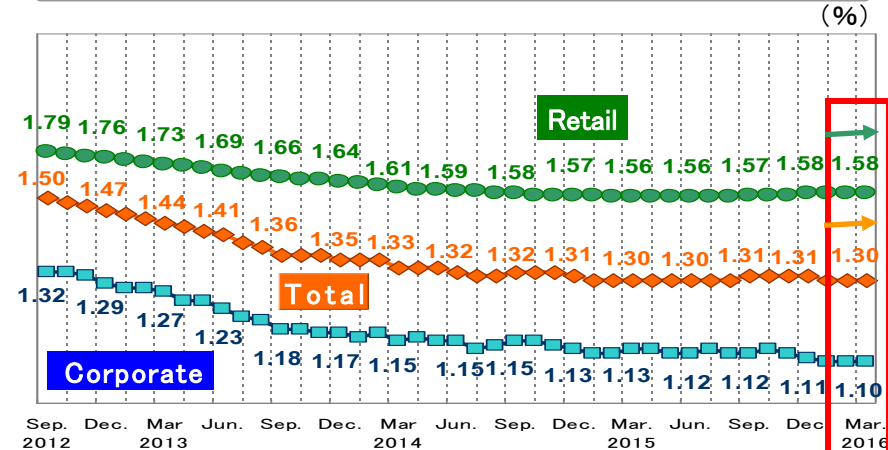
# Net interest income and loan rate

- Net interest income of FY2015: JPY 115.9bn (+JPY 1.2bn YoY)
- Interest on loans (JPY and foreign currency total) increased from last fiscal year for the first time in 7 periods since FY2008

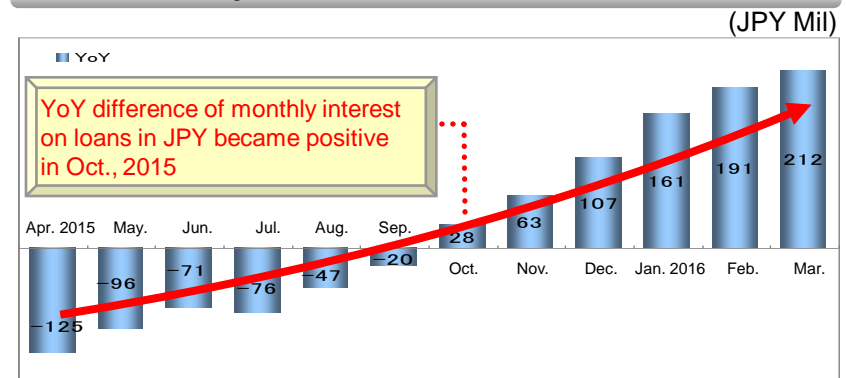
## Break down of net interest income

(JPY bn)	FY2014	FY2015	Increase/ Decrease
<b>Total</b>	<b>114.7</b>	<b>115.9</b>	<b>+1.2</b>
<b>Domestic operations</b>	<b>104.2</b>	<b>104.5</b>	<b>+0.3</b>
Of which, Interest on loans	86.3	85.5	-0.8
Interest and dividends on securities (Cancellation of investment trusts)	21.2 7.3	21.3 10.4	+0.1 +3.1
Interest received on deposits etc.	91.8	93.0	+0.6
Interest paid on deposits etc. (-)	3.9	3.8	-0.1
<b>Overseas operations</b>	<b>10.5</b>	<b>11.4</b>	<b>+0.9</b>
Of which, Interest on loans	5.5	7.5	+2.0
Interest and dividends on securities	7.3	8.4	+1.1
Interest paid on deposits etc. (-)	3.2	5.3	+2.1
<b>Gains and losses on JGBs</b>	<b>13.1</b>	<b>11.3</b>	<b>-1.8</b>
Gain on sale of JGBs	14.6	22.1	+7.5
Loss on sale of JGBs(-)	1.5	10.8	+9.3

## Loan rates (monthly average)



## YoY comparison of interest on loans in JPY



## Loan and Deposit rate

〔Domestic Operations〕 (%)	FY2014	FY2015	Increase/ decrease
Loan rate	1.29	1.26	-0.03
Deposit rate	0.04	0.04	-0.00
Yield on securities	1.35	1.78	+0.43

〔Overseas Operations〕 (%)	FY2014	FY2015	Increase/ decrease
Spread between investments and Procurements	0.62	0.60	-0.02

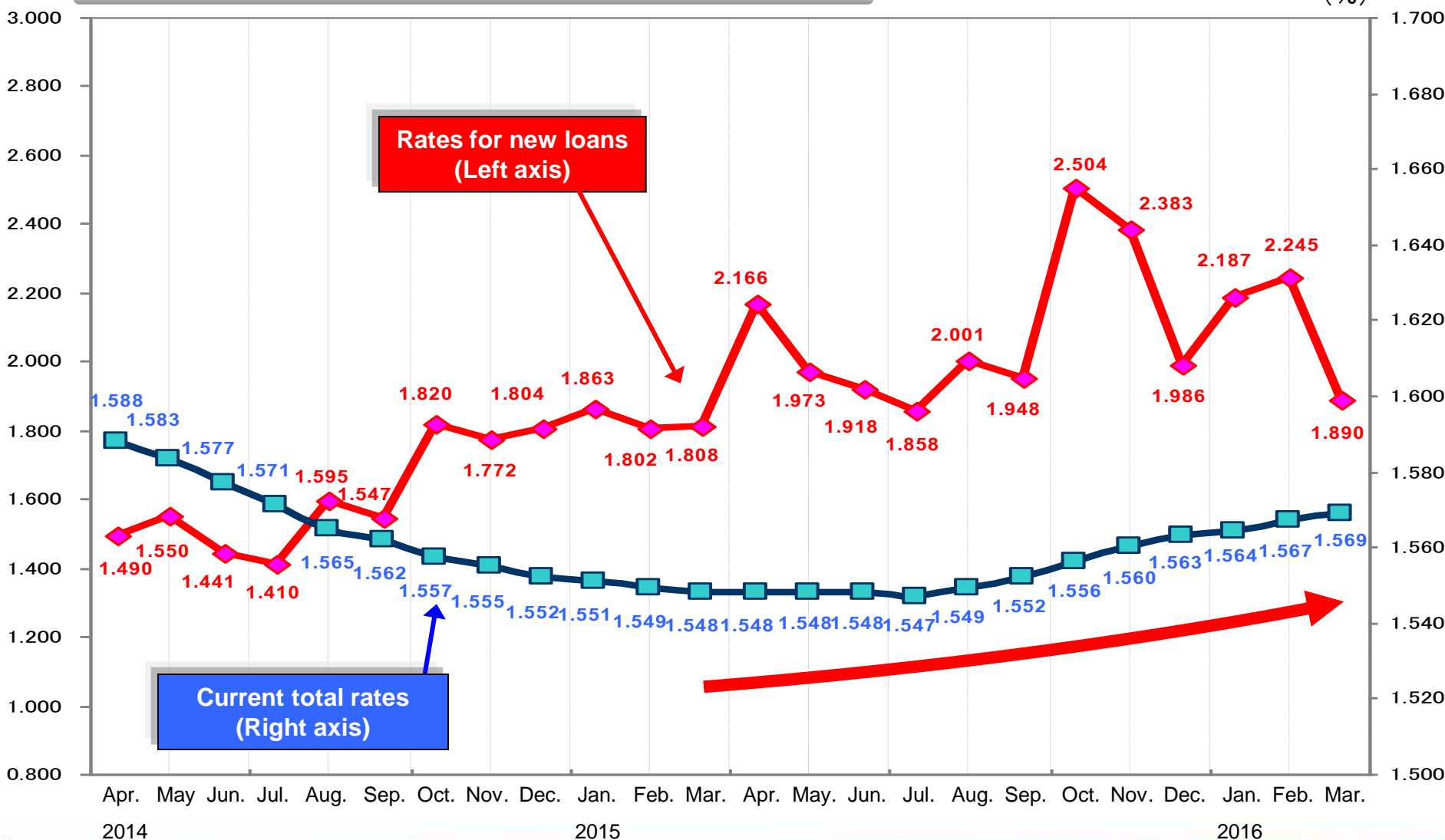


# Loan rates for Retail Banking

- Total loan rates for customer loans have started to go up as rates for new loans have been higher than current total rates since Oct. 2014

Loan rates for customer loans (monthly average of contract rates)

(%)

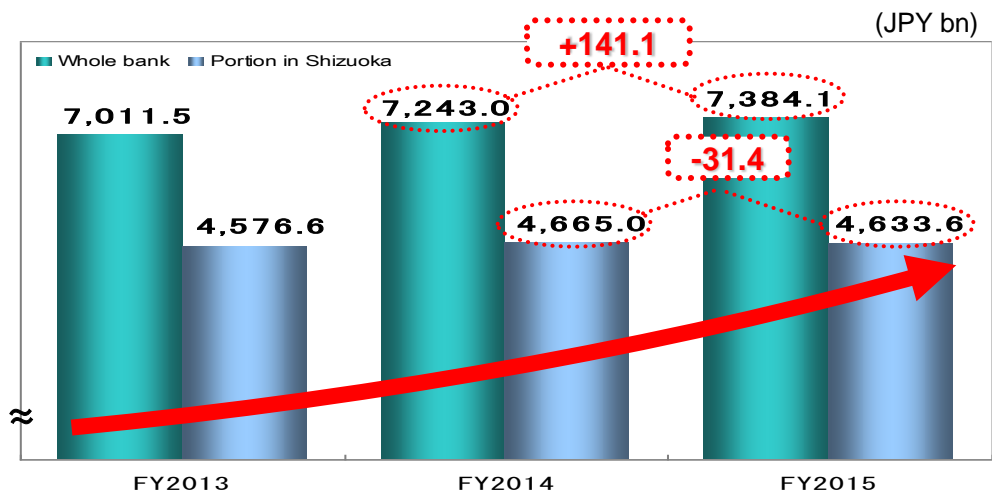




# Loans ① - Average balance

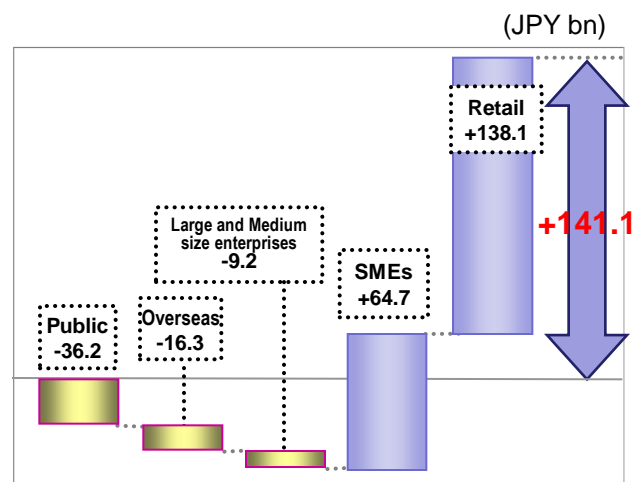
● Total loan balance (average balance) of FY2015 : JPY 7,384.1bn, up JPY 141.1bn (+1.9%) YoY

Total loan balance (average balance)

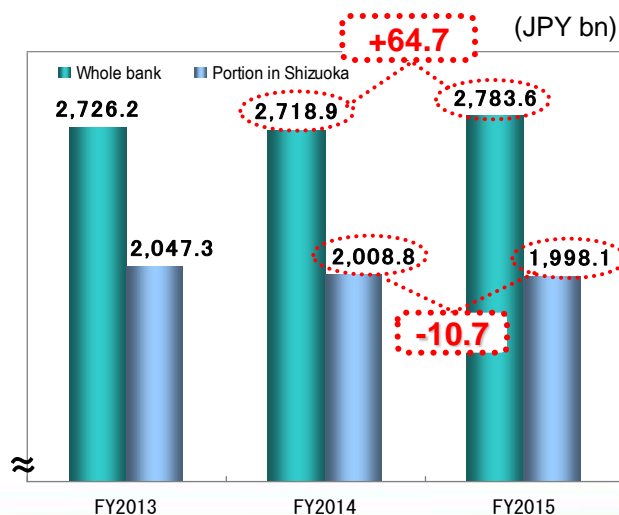


	Average balance	YoY change	Annual growth rate
Total loan balance	7,384.1bn	+141.1bn	+1.9%
SMEs loan balance	2,783.6bn	+64.7bn	+2.4%
Retail loan balance	2,681.5bn	+138.1bn	+5.4%
Large and Medium size enterprises	1,522.1bn	-9.2bn	-0.6%

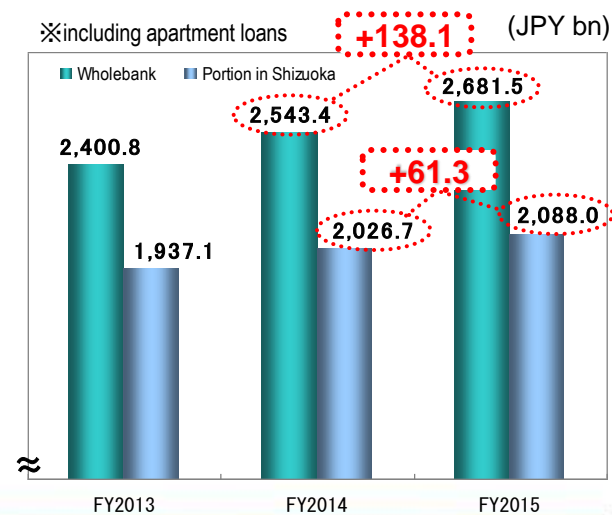
Breakdown of year-on-year change in total loan balance (average balance)



SMEs loan balance (average balance)



Retail loan balance (average balance)

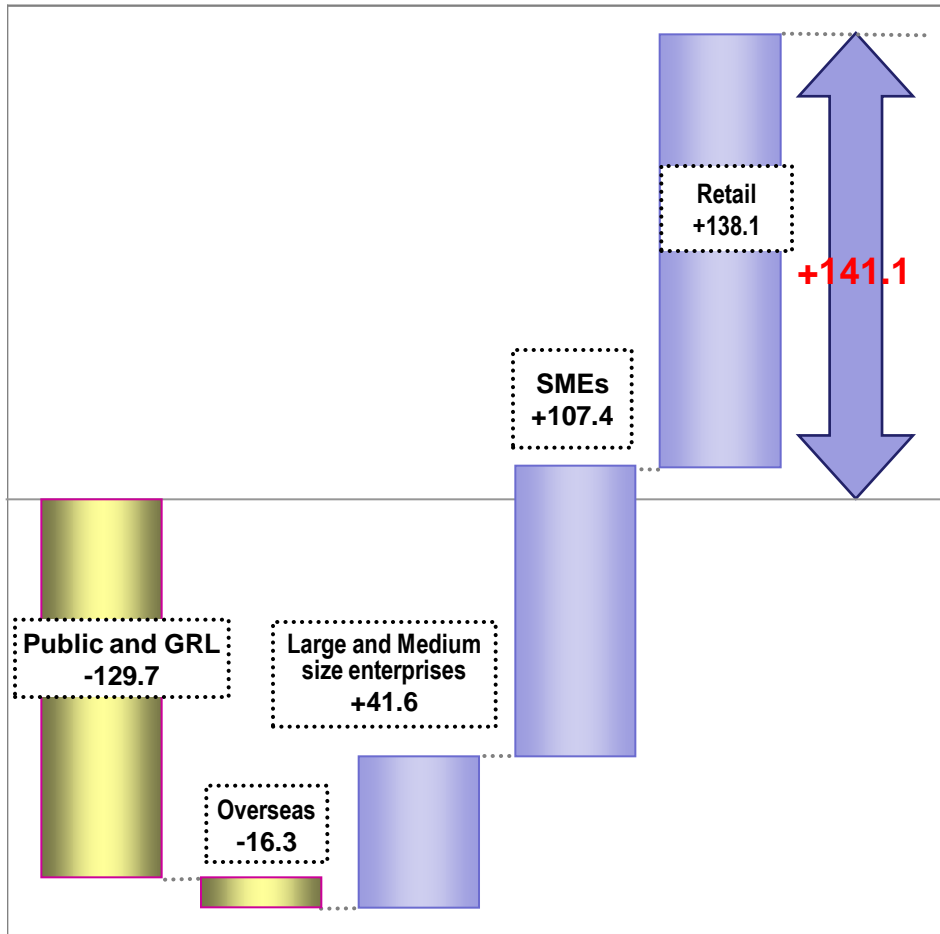


# Loans ② (Excluding government-related loans) -Average balance

- Loan average balance excluding government-related loans in Shizuoka: JPY 4,527.4bn, up JPY 90.6bn
- Total loan balance (term-end balance) of FY2015: JPY 7,663.7bn, up JPY 270.6bn YoY
- Portion in Shizuoka Prefecture: up JPY 66.0bn YoY

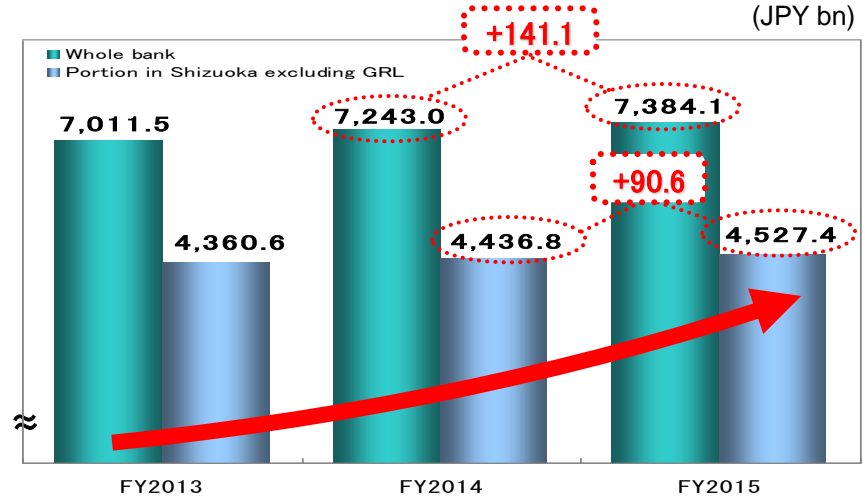
## Breakdown of year-on-year change in loan balance excluding government-related loans

Government-related loans which are classified as loans for Large size enterprises and SMEs are excluded in the figure below.



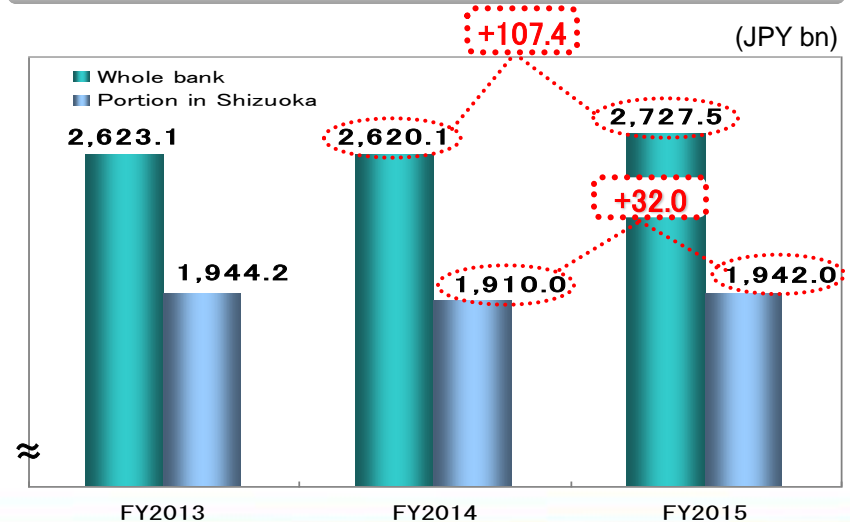
## Total loan balance (average balance)

(JPY bn)



## SMEs loan balance excluding GRL (average balance)

(JPY bn)



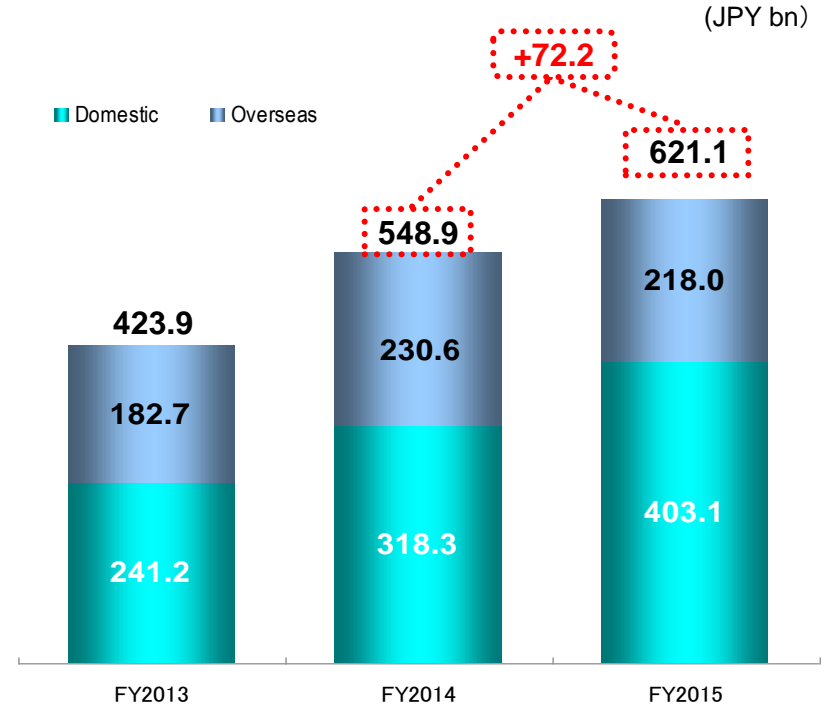
# Initiatives for Corporate Banking

- Posted specialized human resources on growing fields, centered on medical/welfare business (Loan provided for customers on growing fields in FY2015: JPY 225.5bn)
- Average balance of loans in foreign currency: JPY 621.1bn (+JPY 72.2bn YoY), maintained upward trend by satisfying customers' need for foreign currency

## Initiatives for growth and untapped fields

		【Loan in FY2015】
Health and welfare	<ul style="list-style-type: none"> <li>• 8 qualified specialists in medical/welfare business management</li> <li>• Supported openings and expansions of business in this field</li> </ul>	<b>3,361cases</b> <b>145.8bn</b>
Environment	<ul style="list-style-type: none"> <li>• Generated demand for funds by supporting the installation of energy-efficient equipment</li> <li>• Provided support for capital investment related to renewable energy</li> </ul>	<b>364cases</b> <b>30.8bn</b>
Agriculture	<ul style="list-style-type: none"> <li>• “Shizugin@gricom” events to promote Shizuoka produce to buyers</li> <li>• Deployed 14 agricultural business advisers</li> </ul>	<b>377cases</b> <b>16.7bn</b>
Business Succession	<ul style="list-style-type: none"> <li>• “Shizuginship” to help train next generation business leaders</li> <li>• Business succession support including share transfers and M&amp;As (24 M&amp;A contracts signed in FY2015)</li> </ul>	<b>238cases</b> <b>32.2bn</b>
		<b>【Total】</b> <b>4,340cases</b> <b>225.5bn</b>

## Loan balance in foreign currency (average balance)



## Measures to support new business creation

### “Shizugin Entrepreneur Awards”

- 27 winners out of a total of 559 applicants received prizes in the past 4 rounds
- “Entrepreneur category” for applicants who are preparing launch of their business or have been in business for less than 5 years was founded for the 4th round in FY2015
- Financial support for the 27 award winners from the 1st to the 4th round:  
New loans: 44 cases/JPY 892mil Investments: 6 cases/JPY 147mil

## Initiatives for business turn-around

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

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

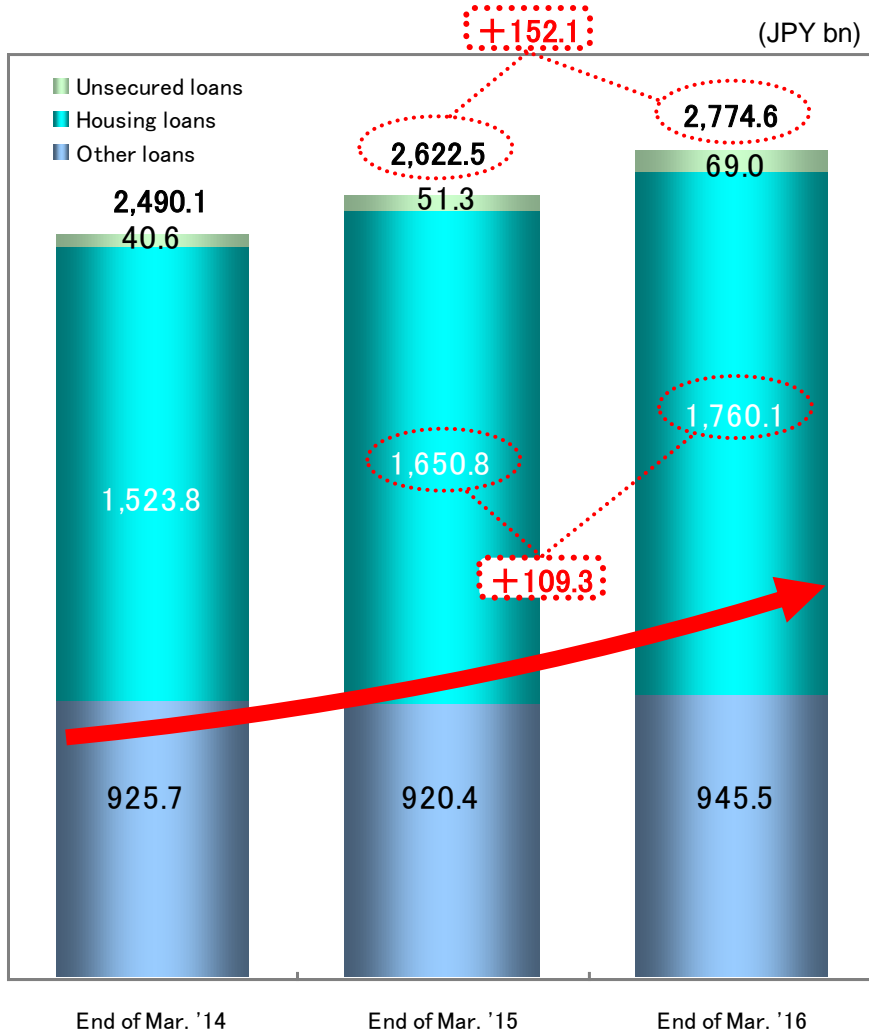
Business Support Fund : 139 cases/JPY 3,682mil  
 Business Turn-around Fund: 366 cases/JPY 11,544mil  
 Total: 505 cases/JPY 15,226mil  
 Step Up Fund : 69 cases/JPY 8,821mil

(Cumulative amount)

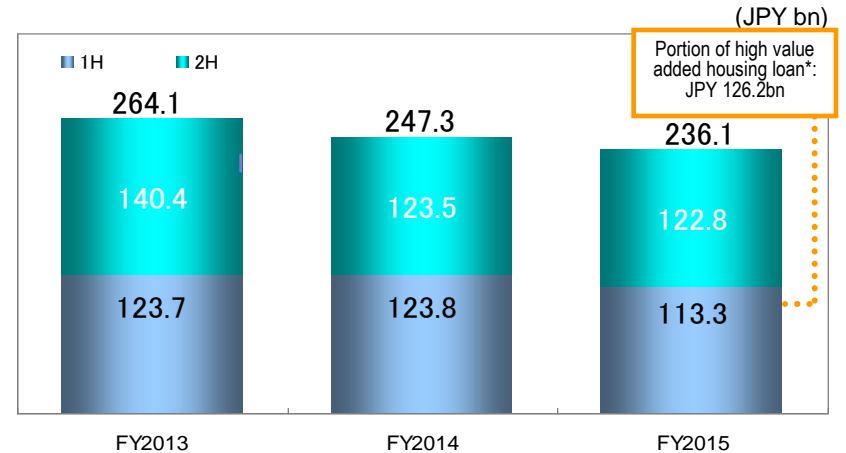
# Initiatives for Retail Banking

- FY2015 term-end customer loan balance: JPY 2,774.6bn, up JPY 152.1bn YoY
- Enhancing non face-to-face channels increased the balance of unsecured loans at an accelerated pace

Customer loan balance (term-end balance)



Housing loan provided

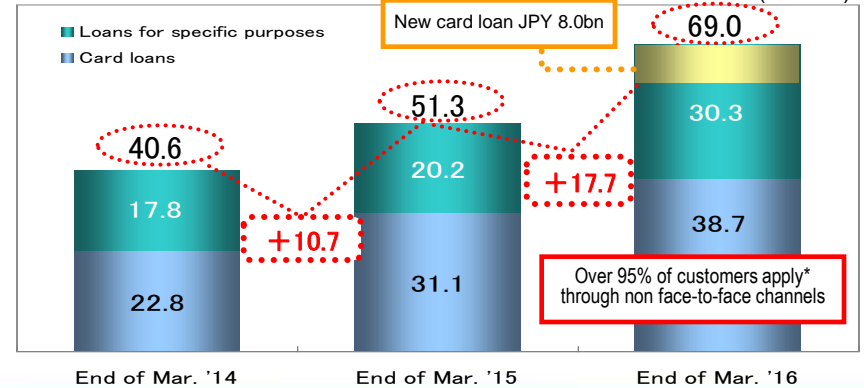


\*High value added housing loan: housing loan with the "All medical conditions" insurance, the advanced "8 medical conditions" insurance, the "8 medical conditions" insurance, and the "Shizugin 8 medical conditions plus" insurance

Balance of unsecured loan

A new card loan has been launched in Jul. 2015.

1. Credit examination done in 30 min at fastest
2. All transaction done through the Internet
3. Fund provided on the day of application



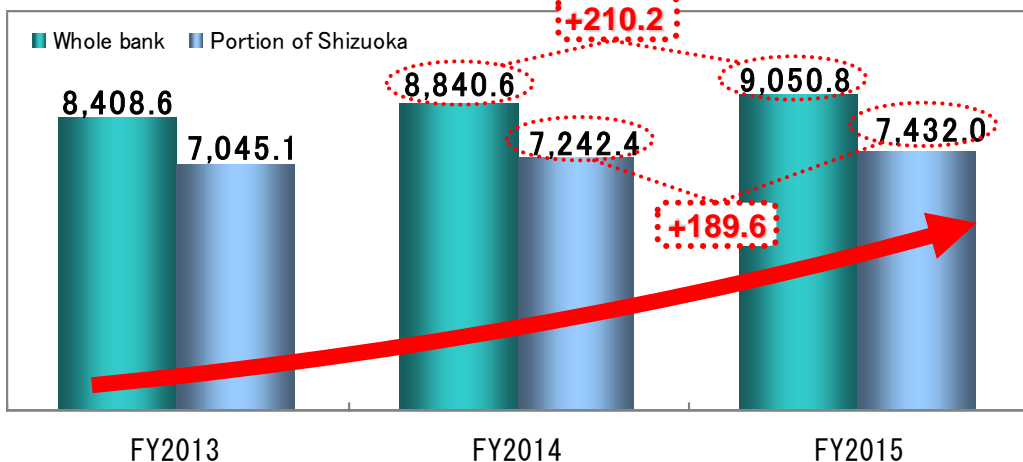
\*Excluding loans designed for face-to-face channel sales

# Deposits

- Deposit balance (average balance) of FY2015: JPY 9,050.8bn, up JPY 210.2bn(+2.4%) YoY
- Loan-Deposit ratio (excluding NCD):84.9%, remained high

## Deposit balance (average balance)

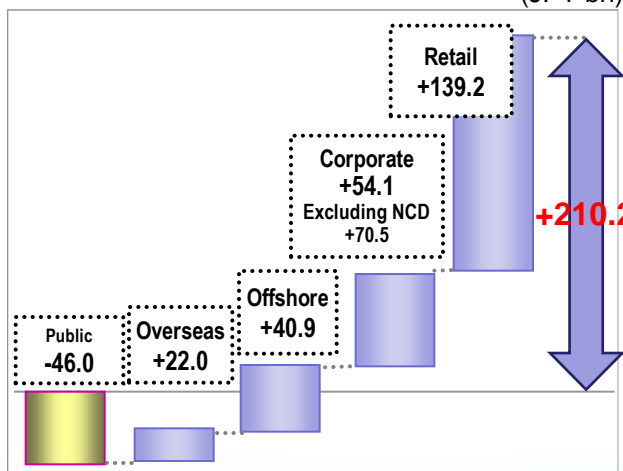
(JPY bn)



	Average balance	YoY change	Annual growth rate
Total deposit balance	9,050.8bn	+210.2bn	+2.4%
Deposit balance in Shizuoka	7,432.0bn	+189.6bn	+2.6%
Corporate deposit balance	2,078.0bn	+54.1bn	+2.7%
Retail deposit balance	6,007.3bn	+139.2bn	+2.4%
Portion in Internet branch	409.8bn	+26.5bn	+6.9%

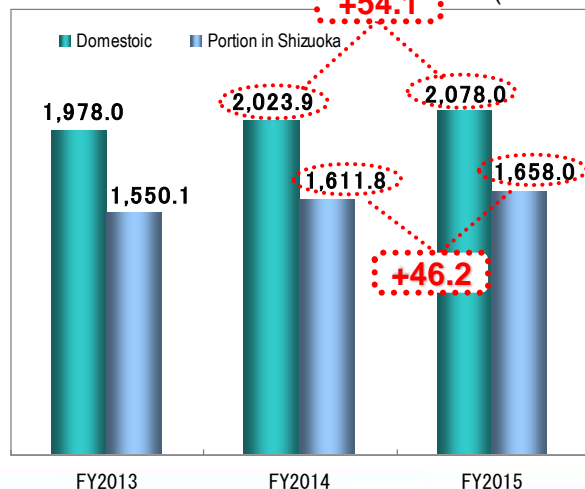
## Breakdown of year-on-year changes in deposits balance (average balance)

(JPY bn)



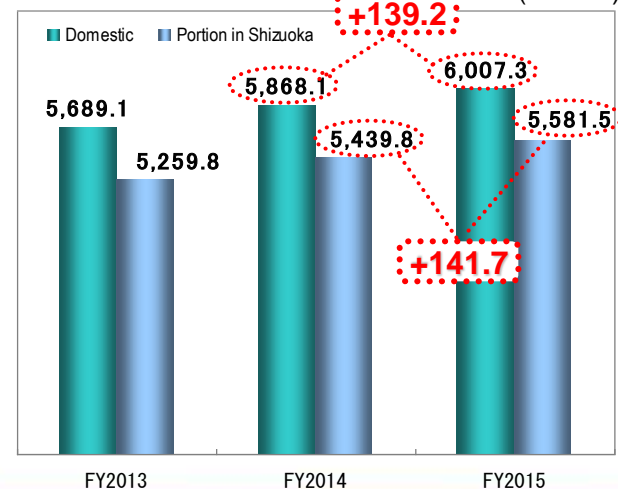
## Corporate deposit balance (average balance)

(JPY bn)



## Retail deposit balance (average balance)

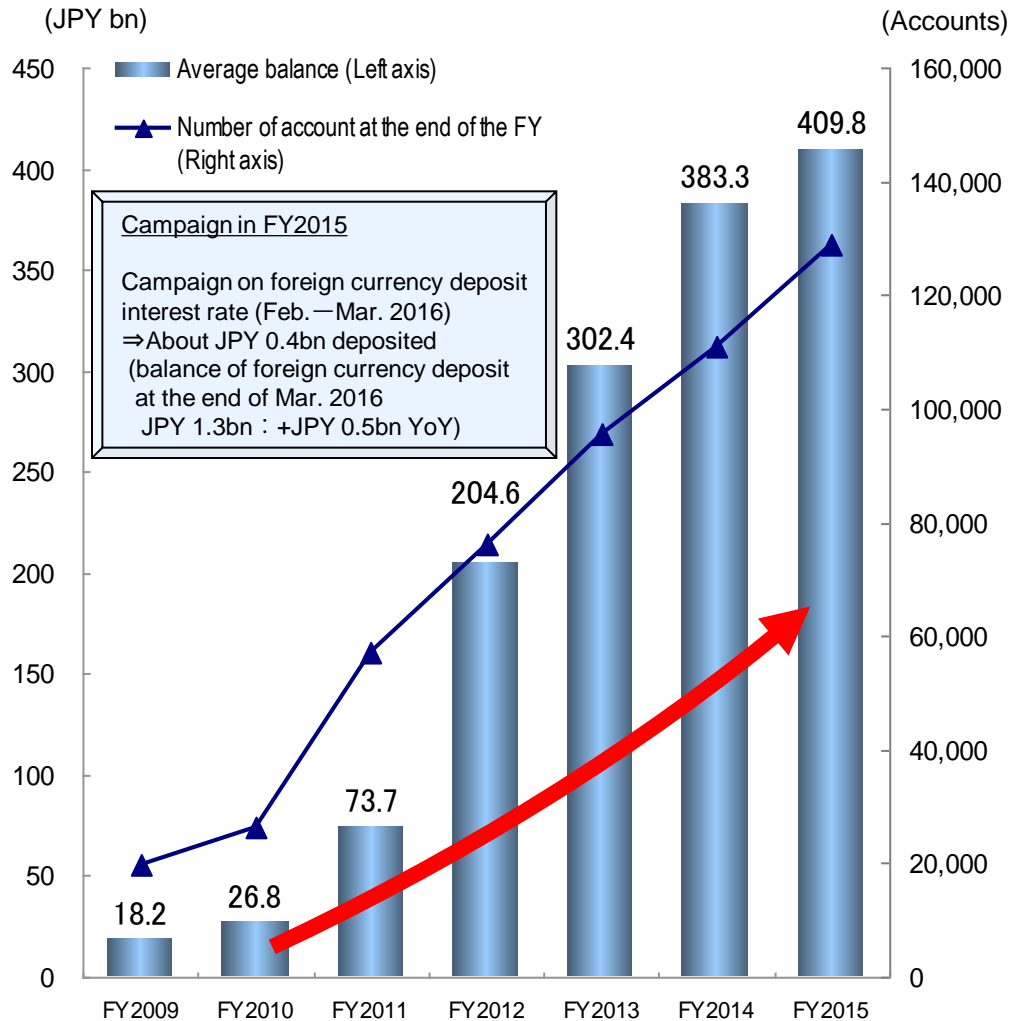
(JPY bn)



# Internet branch

- The Internet branch has grown to be a stable funding channel, maintaining average deposit balance in an upward trend
- Reinforcing investment side including housing loans and card loans (loan balance at the end of Mar. 2016 : JPY 9,379mil)

## Number of account and average balance



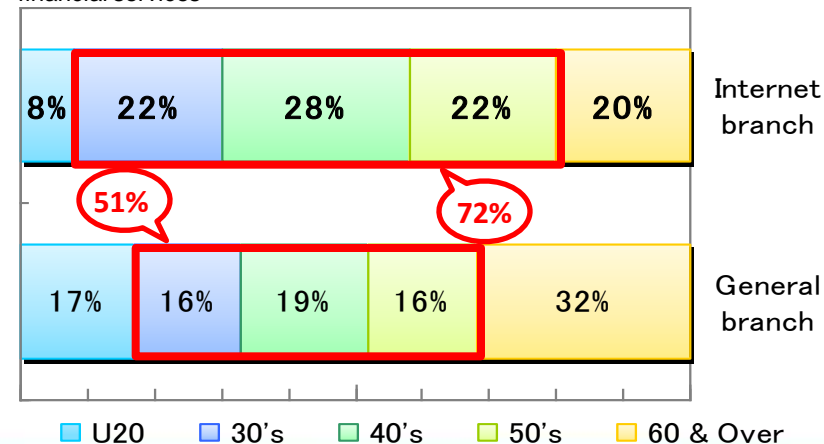
## Customer distribution by prefecture

Due to a significant increase in customers in other prefectures, the Internet branch has grown to be a funding channel that is effective regardless of location.

	End of Mar. 2010	End of Mar. 2016	Change from end of Mar. 2010
Shizuoka	84%	32%	△52
Tokyo	3%	16%	+52
Kanagawa	4%	12%	
Aichi	2%	6%	
Other	7%	34%	

## Customer distribution by age group (End of Mar. 2016)

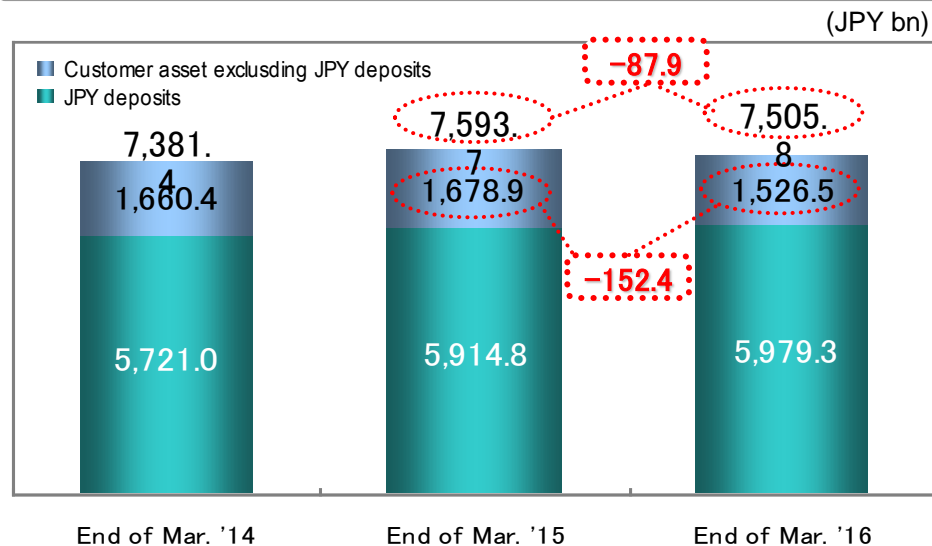
Having the generations familiar with the Internet (30's-50's asset building generation) as the main customer segment, which is different from general branch, enables the Internet branch to provide a wide range of provision of financial services



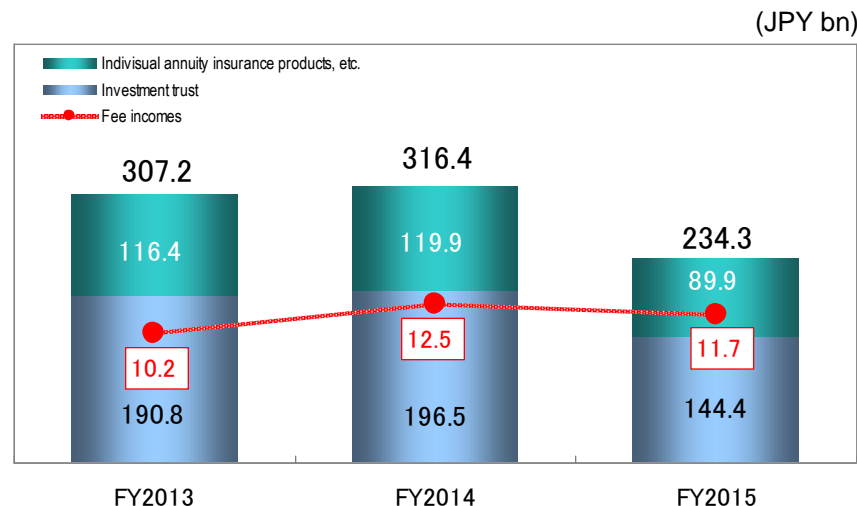
# Customer assets and fee incomes

- Customer assets (including the balance of Shizugin TM Securities) was JPY 7,505.8bn (-JPY 87.9bn from the end of March 2015), of which balance of customer asset, excluding JPY deposits, was JPY 1,526.5bn (-JPY 152.4bn: Individual annuity insurance products -60.3bn, Investments trusts -55.0bn, Public bonds -46.7bn)
- Have been increasing the percentage of recurring premium policies in the sales of insurance products to stabilize revenue from insurance sales

## Customer assets (term-end balance)



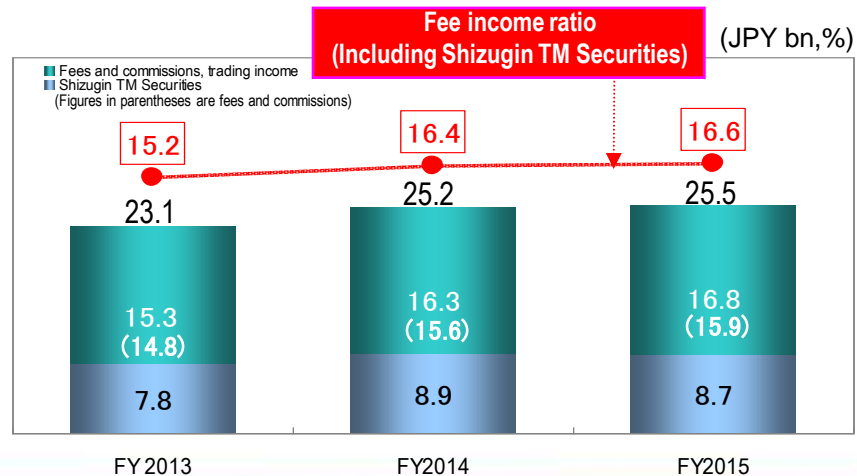
## Sales and fee income from offering investment trust and insurance products



## Balance of individual annuity insurance products, etc. and investment trusts

Individual annuity insurance products, etc.	FY2013	FY2014	FY2015	Change from the end of FY2014	
Balance (JPY bn)	949.3	951.8	891.5	-60.3	
Number of sales and Percentage of					
Level premium policies	Number of sales	2,214	4,283	11,169	+6,886
	Percentage	10%	17%	43%	-
Single premium policies	Number of sales	20,112	20,204	14,953	-5,251
	Percentage	90%	83%	57%	-
Investment trusts					
Balance (JPY bn)	350.2	434.6	379.6	-55.0	
Portion in Shizuoka Bank	15.2	20.3	22.0	+1.7	
Portion in Shizugin TM Securities	335.0	414.3	357.6	-56.7	

## Fee incomes (Shizuoka Bank / Shizugin TM Securities)

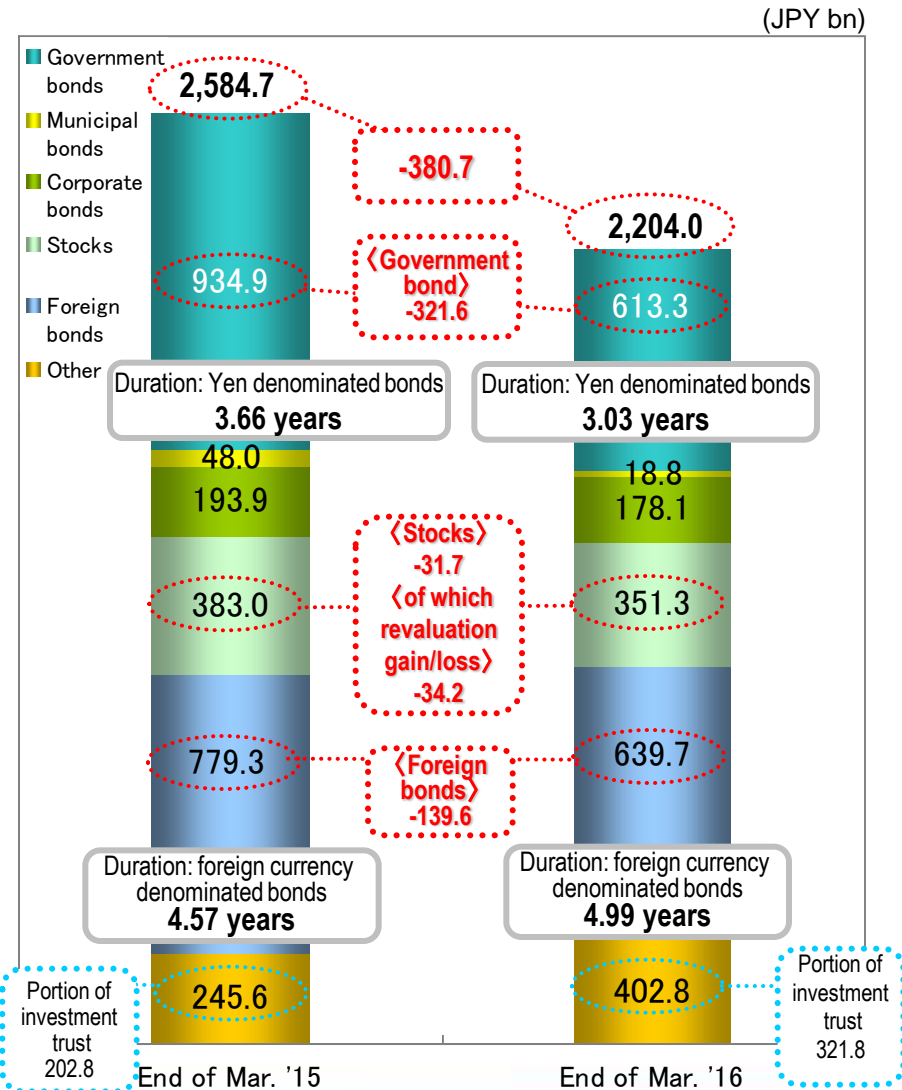




# Securities

- Total balance of securities (term-end balance) : JPY2,204.0bn (-JPY 380.7bn from the end of March 2015)  
Gains from the revaluation of securities: JPY 227.4bn (-JPY 58.1bn from the end of March 2015)
- Secured JPY 10.4bn gain on cancellation of investment trusts and JPY 11.3bn gain from timely trade of bonds such as JGBs, keeping up with the market trend

## Securities



## Gains and losses on securities

(JPY bn)	FY2014	FY2015	Increase/Decrease
Gain on cancellation of investment trusts	7.3	10.4	+3.1
Gains and losses on bonds such as JGBs	13.1	11.3	-1.8
Gain on sell of bonds such as JGBs	14.6	22.1	+7.5
Loss on sell of bonds such as JGBs(-)	1.5	10.8	+9.3
Gains and losses on stocks	5.3	2.9	-2.4
Gain on sell of stocks	5.3	3.6	-1.7
Devaluation of stocks (-)	0.0	0.6	+0.6

## Gains and losses from the revaluation of securities

(JPY bn)	End of Mar. 2015	End of Mar. 2016	Increase/Decrease
Gains and losses from the revaluation of securities	285.5	227.4	-58.1
Stocks	238.8	204.6	-34.2
Nikkei stock average (JPY)	19,206.99	16,758.67	-2,448.32

## [Ref.] 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 5,493	JPY 2.4bn
Yen-denominated bonds	5-year JGB	0.320%	JPY 2.4bn
Foreign-currency bonds	10-year US Treasury Note	2.050%	JPY 3.4bn

# Credit-related costs

● Credit-related costs in FY2015: JPY 2.4bn (+JPY 1.9bn YoY), Credit-related cost rate: 0.03% (+0.02 points)

## Breakdown of credit-related costs

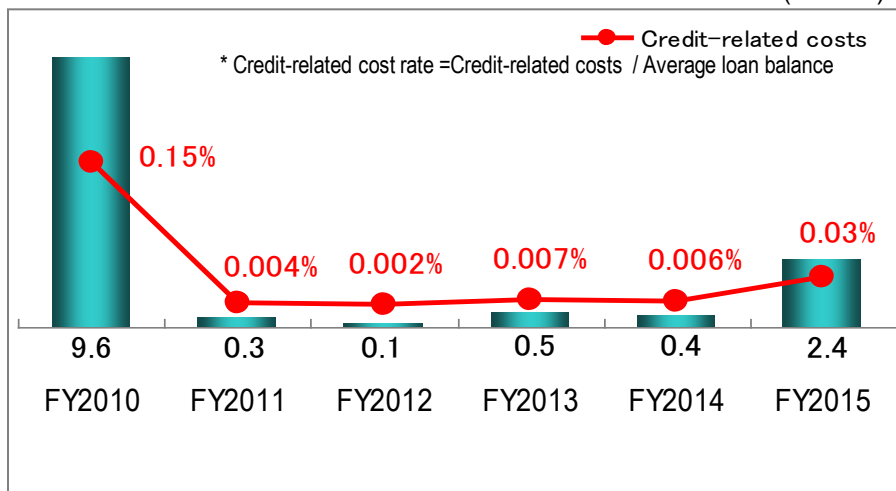
(JPY bn)	FY2014	FY2015	YoY change
Provision for general allowance for loan losses (1)	-4.2	-1.6	+2.6
Provision for specific allowance for loan losses (2)	4.1	3.6	-0.5
Other NPL disposal* (3)	0.5	0.4	-0.1
Credit-related Costs (1)+(2)+(3)	0.4	2.4	+1.9

\*Including provision for the estimated future payments to credit guarantee corporations, provision for allowance for accidental losses, and losses on sell of loans

(JPY bn)	
Changes in credit rating, etc	7.6
Decrease in the value of collaterals	0.3
Upgrade of credit rating, decrease in loan and credit balances by foreclosure ,etc	-4.3
<b>Total</b>	<b>3.6</b>

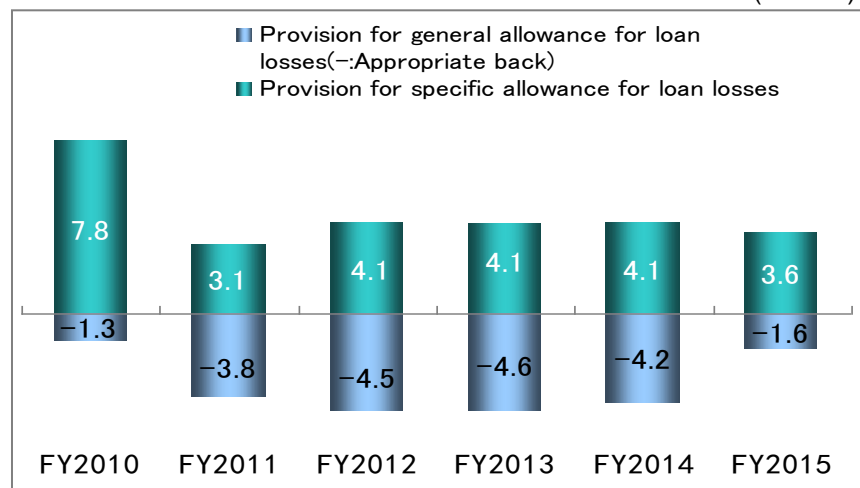
## Credit-related costs and Credit-related cost rate

(JPY bn)



## Provision for general allowance for loan losses and provision for specific allowance for loan losses

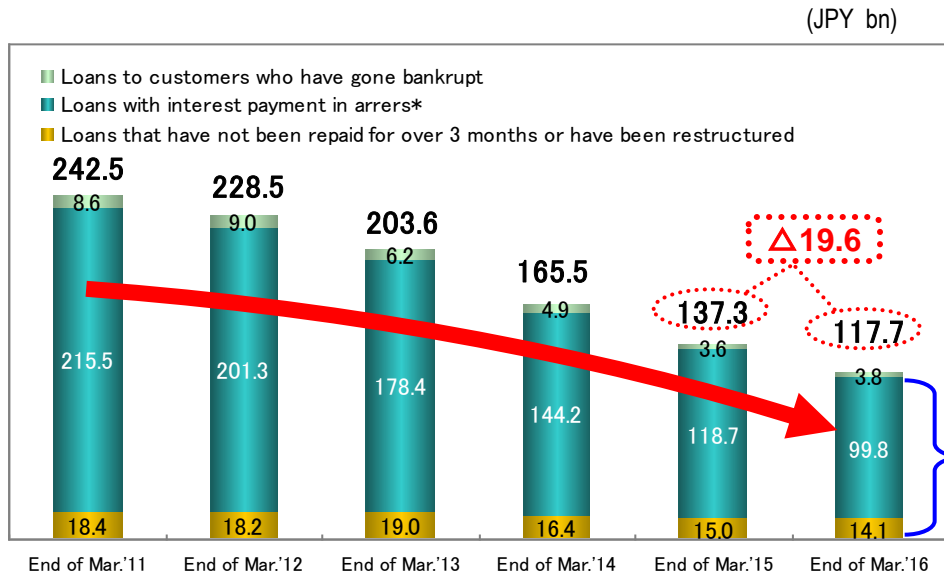
(JPY bn)



# Risk-management loans

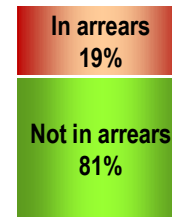
- Total risk-management loans at the end of Mar. 2016: JPY 117.7bn, the ratio of risk-management loans: 1.53%
- Net risk-management loans : JPY 14.7bn, the ratio of net risk-management loans: 0.19%
- Maintained soundness of the bank's asset, steadily reducing risk-management loans from the peak balance of JPY 242.5bn after the collapse of Lehman Brothers

## Trends in Risk-management loans

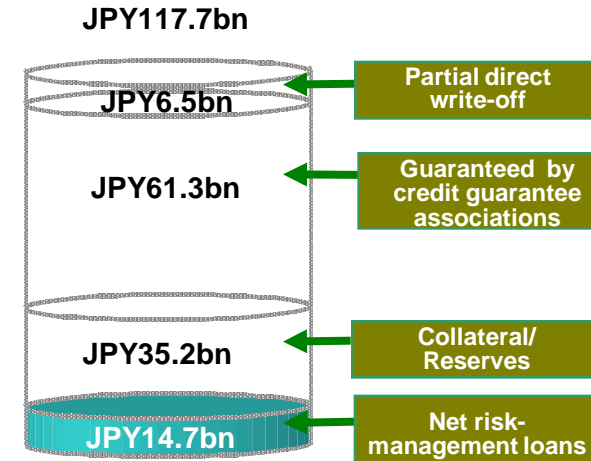


\*Borrowers classified as "at risk of failure" and borrowers classified as "practically bankrupt" are written as "loans with interest payment in arrears" among the debtor division in accordance with Banking Act

### [Delinquency ratio]



## Net risk-management loans



## NPL removal from the balance sheet

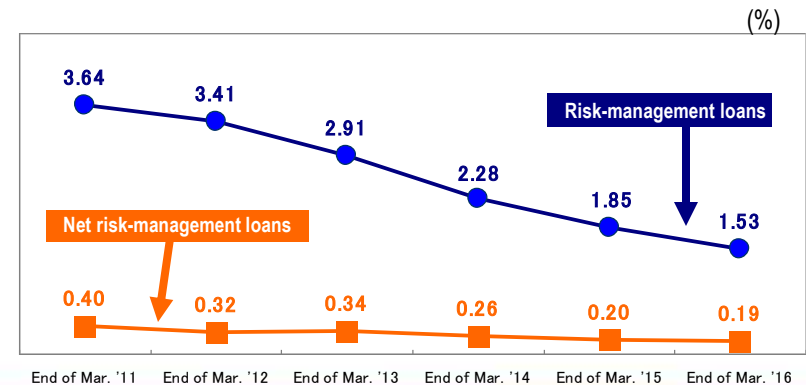
(JPY bn)	FY2014	FY2015
New recognition of NPLs	+27.2	+26.8
Removal from the balance sheet (NPL to borrowers classified as "at risk of failure" or riskier categories)	-55.4 (-51.1)	-46.4 (-42.5)
<b>Risk-management loans</b>	<b>137.3</b>	<b>117.7</b>

Δ-19.6

### [Breakdown of JPY 42.5bn]

(JPY bn)	
Collected from borrower/ set off against deposit account	4.7
Collateral disposal/ subrogated to guarantor	15.5
Reclassified to better categories	14.2
Loans sold-off	7.7
Direct write-off of loans	0.4

## The ratio of risk-management loans

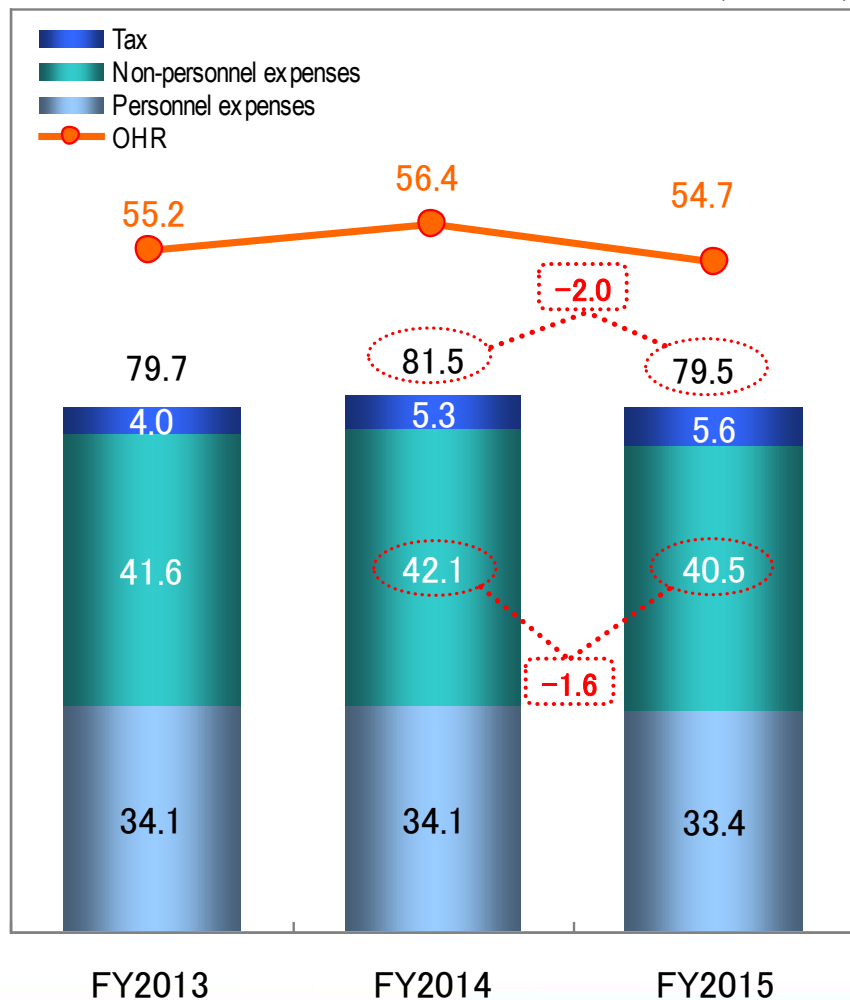


# Expenses and Strategic investments

- Expenses in FY2015: JPY 79.5bn (-JPY 2.0bn YoY)
- OHR (Non-consolidated): 54.7% (-1.7 points YoY)

## Expenses and OHR (annual basis)

(JPY bn, %)



## Strategic investments in the 12<sup>th</sup> Medium-term Business Plan

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

## “SHIZUGIN Headquarters Tower” Grand opening (Mar. 2016)



【SHIZUGIN Headquarters Tower】



【Teleconference system】



【Free-address office system】

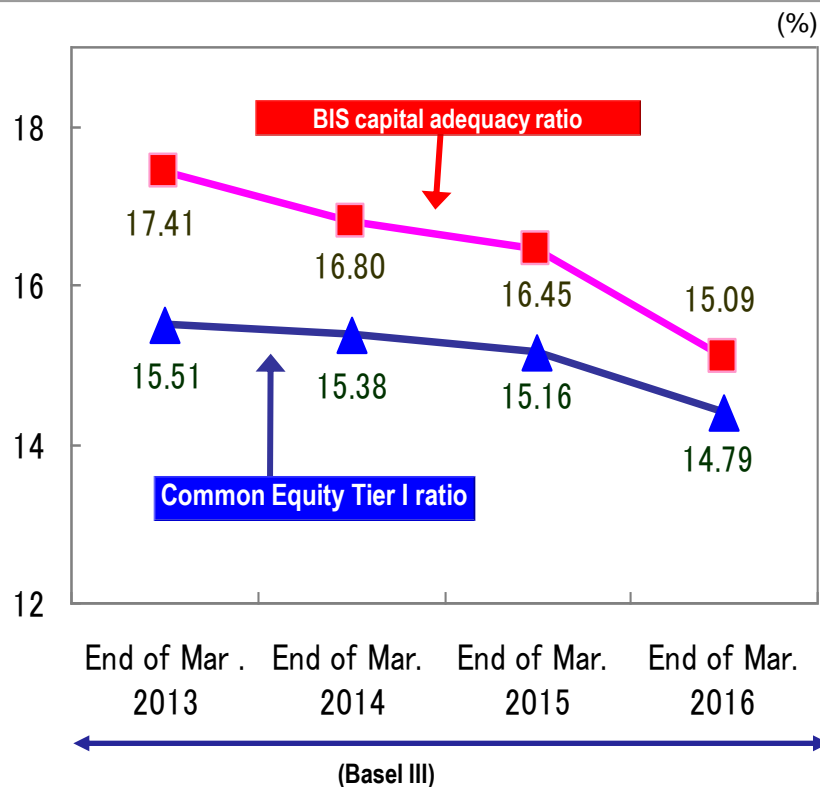
# Capital adequacy ratio

- The Basel III capital adequacy ratio at the end of Mar. 2016 was 15.09%

Common Equity Tier I ratio : 14.79%

(From the end of Mar. 2013, we adopted Basel III criteria for the calculation of capital adequacy ratio)

## BIS capital adequacy ratio ( consolidated basis)



## Outlier ratio (non-consolidated basis)

Amount of maximum risk	Tier I+Tier II	Outlier ratio
JPY 46.4bn	JPY 788.9bn	5.9%

## Changes in capital and risk-adjusted assets

【Basel III】	(JPY bn)	End of Mar. '15	End of Mar. '16	Change from the end of Mar. '15
		Capital*	854.4	835.1
Common Equity Tier I		787.3	818.1	+30.8
Other Tier I		1.9	0.0	-1.9
Tier II		65.2	17.0	-48.2
Risk-adjusted assets		5,192.0	5,530.5	+338.5
Total credit-risk adjusted assets		4,884.5	5,220.2	+335.7
Amount corresponding to market risk		11.3	11.9	+0.6
Amount corresponding to operational risk		296.2	298.5	+2.3

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

## [Other index related to the Basel III]

(End of Mar. 2016)

- Liquidity coverage ratio: 116.5% (Regulatory level 70% and over)
- Leverage ratio: 7.21% (ditto 3% in trial period\*)

\*Until Mar. 2018

# Shareholder return ① - Profit distribution

- Target of shareholder return ratio in 12<sup>th</sup> Medium-term Business Plan: 50% or more in medium term
- Plan to pay a year-end dividend of JPY 10.00 per share for FY2015 and annual dividend of JPY 20.00 per share for FY2016
- FY2015 ROE (Consolidated Net income basis) : 5.18%, average ROE in 5years : 5.85%

## Dividend trends

	FY2012	FY2013	FY2014	FY2015	FY2016E
Annual dividend per share (Interim dividend)	*JPY 15.00 (8.0)	JPY 15.50 (7.5)	JPY 16.00 (8.0)	JPY 20.00 (10.0)	JPY 20.00 (10.0)

\*Including 70<sup>th</sup> anniversary dividend

(Figures in parentheses are semi-annual dividend per share)

## Profit distribution to shareholders

(JPY bn,%)

	FY2012	FY2013	FY2014	FY2015	FY '06 – '15 (10years)
Annual dividend (1)	9.7	9.7	9.9	12.3	Accumulated total 95.8
Repurchase of shares (2) (Shares bought back: million shares)	8.2 (10)	22.7 (20)	11.3 (10)	7.0 (5)	Accumulated total 95.4
Shareholder returns (3)=(1)+(2)	18.0	32.4	21.2	19.3	Accumulated total 191.1
Net income (4)	40.9	42.8	42.6	44.0	Accumulated total 356.6
Dividend payout ratio (1)/(4)x100	23.78	22.78	23.24	27.91	Average 26.85
Shareholder return ratio (3)/(4)x100	43.93	75.73	49.82	43.82	Average 53.60

[Reference]

ROE (Consolidated : Net income basis)	7.43	5.78	5.74	5.18	Average in 5years
					5.85



# Shareholder return ② - Share buybacks, Trends in EPS /BPS

- We have regularly bought shares back since FY1997, with a total of 196 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	—	—	49.8	68.46	1,440.68
FY2015	4,767	6,999	—	—	43.8	71.42	1,436.53
<b>Total</b>	<b>195,811</b>	<b>186,873</b>	<b>140,404</b>	<b>128,892</b>	<b>60.1</b>	<b>—</b>	<b>—</b>





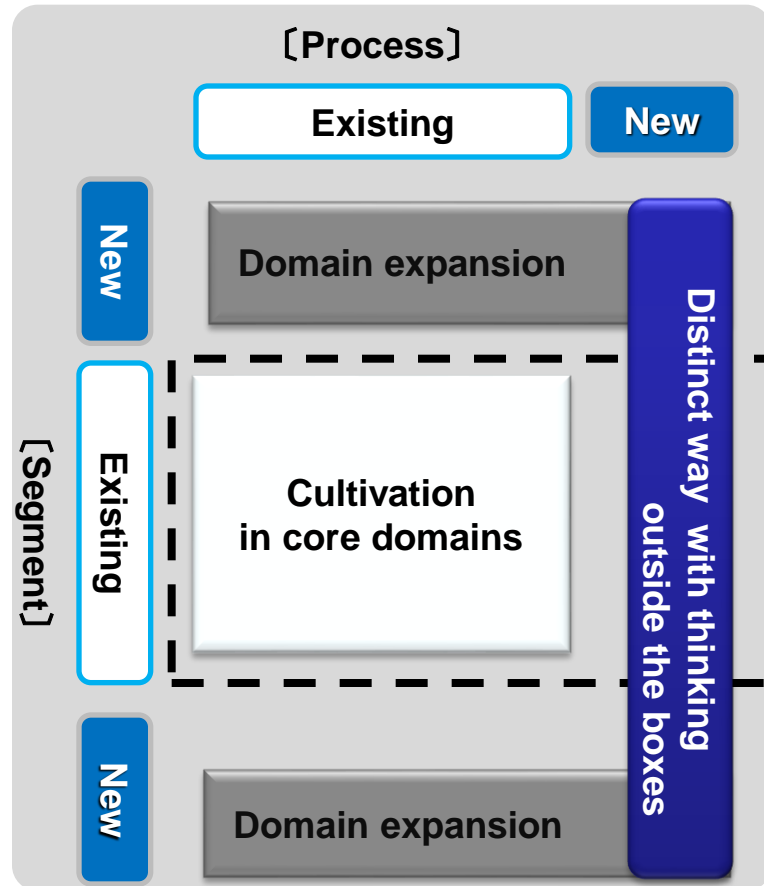
***Progress***  
***in the 12<sup>th</sup> Medium-term Business Plan***

# Progress in the 12<sup>th</sup> Medium-term Business Plan

Challenge on the new business field in 12th Medium-term business plan

Advance market-oriented indirect finance  
【Interest & Fee income in FY2015: JPY 5.0bn】

Promote loans for asset building  
Loans provided: JPY 114.1bn  
【Interest in FY2015: JPY 2.4bn】



Tokyo Office Banking Division III  
【Corporate banking】

Tokyo Office Banking Division IV  
【Retail banking】

Structured Finance

Wealth management business

- Advance relationship banking
- Increase in number of loyal customers

- Expansion of housing-related loans
- Solution-offering for asset management
- Consultation for descent-related issues

Untapped Segment

Consumer finance

New scheme & products

Improvement of non-face-to-face Channel

Provide funds for business turn-around  
505 cases/JPY 15.2bn

Provide funds for Step-up (Apr. 2015)  
69cases/JPY 8.8bn

Loan for individual business owners (Apr. 2015)  
Balance: JPY 1.3bn

Expand sales of unsecured loans  
Increase in unsecured loan balance: JPY 17.7bn

New card loan (Jul. 2015)  
Balance: JPY 8.0bn

Develop new business with Monex Group and different types of business companies

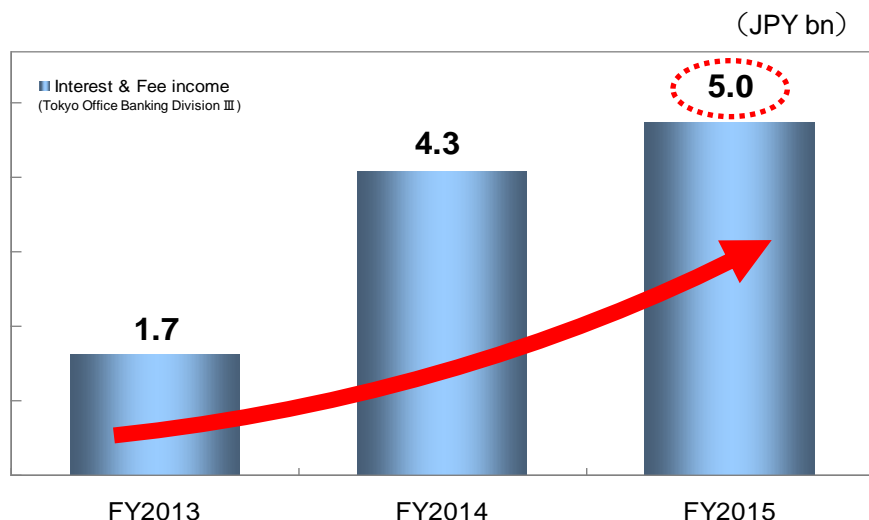


...New business Field

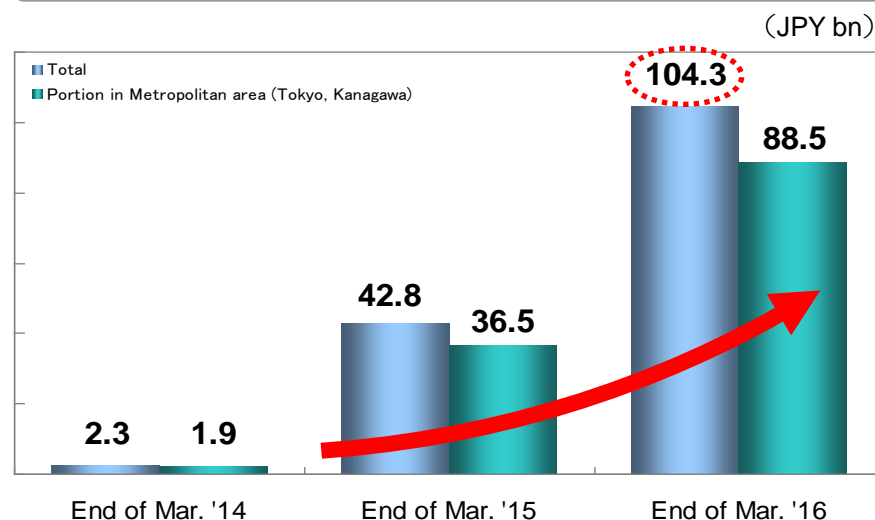
# Initiatives in New business field

- Challenge on the new business field, important policy of 12<sup>th</sup> Medium-term business plan, is leading to favorable results and growing to be our important profit driver

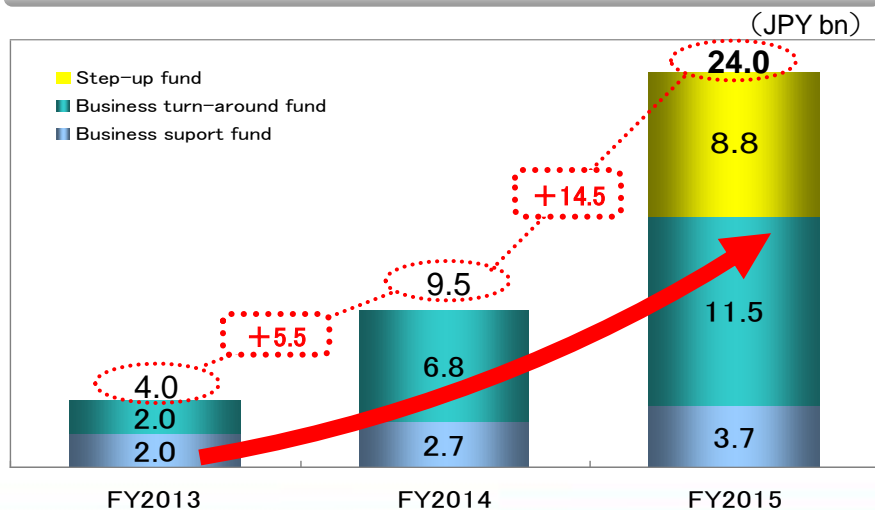
【Structured Finance】 Interest & Fee income



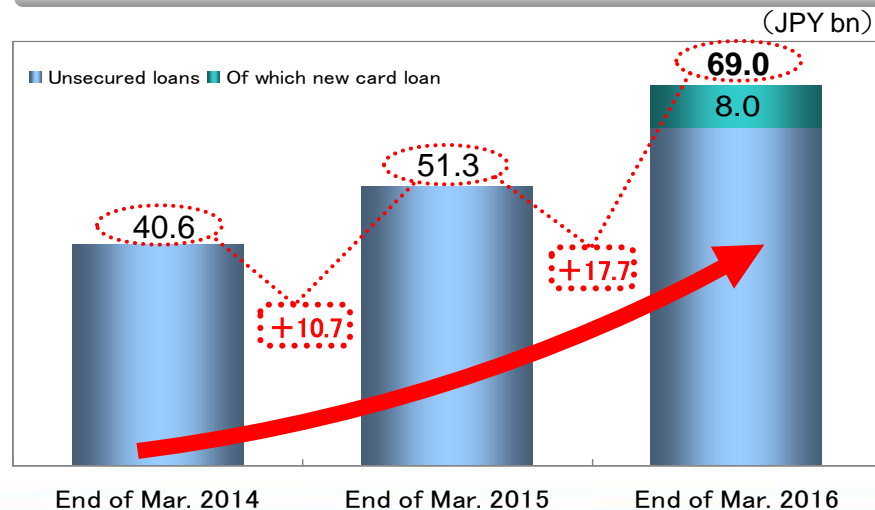
【Wealth management business】 Balance of loans for asset building



【Untapped Segment】 Funds provided for busines turn-around etc.



【Consumer finance】 Balance of unsecured loans



# New business development with different types of business companies

## Monex Group, Inc. [Jan.-Mar. 2016 Additional purchase of stocks]

- 【Purpose】
- ① Reinforcing business relationship in the future
  - ② Reinforcing group management through expansion of consolidated profit

- 【Achievement】
- ① Started selling "Risk control strategy fund of American stocks" (Apr. 2015)
  - ② Held the "Family summer seminar" for investment education (Jul. 2015)

### Matters on discussion (excerpt)

- Reinforcing the alliance through utilizing Fintech
- Utilizing tool for asset management proposal etc.

⇒ **Creating a unique and improved online financial experience**



Capital and business tie-up Apr. 2014

Developing network with different types of business companies, with the alliance with Monex group as the starting point

## New alliance with different types of business companies in FY2015



Capital and business tie-up Sep. 2015

### 【Business overview】

Provision of automated household budget and asset management services (more than 3.5 mil users), cloud accounting services for SMEs (more than 0.4 mil users), and cloud services for medical institutes



Joint-venture established Sep. 2015, two employees including an outside director on loan

### 【 Business overview 】

Outsourcing and business matching in the housing sector (provision of solutions to housing companies, etc.)



COMMONS  
asset management, inc.

Capital and business tie-up Oct. 2015

### 【 Business overview 】

An asset management company offering products such as its flagship Commons 30 Fund (investors aged under 50 account for roughly 70% of the client base)



GLOBAL CATALYST PARTNERS JAPAN  
Investment Dec. 2015

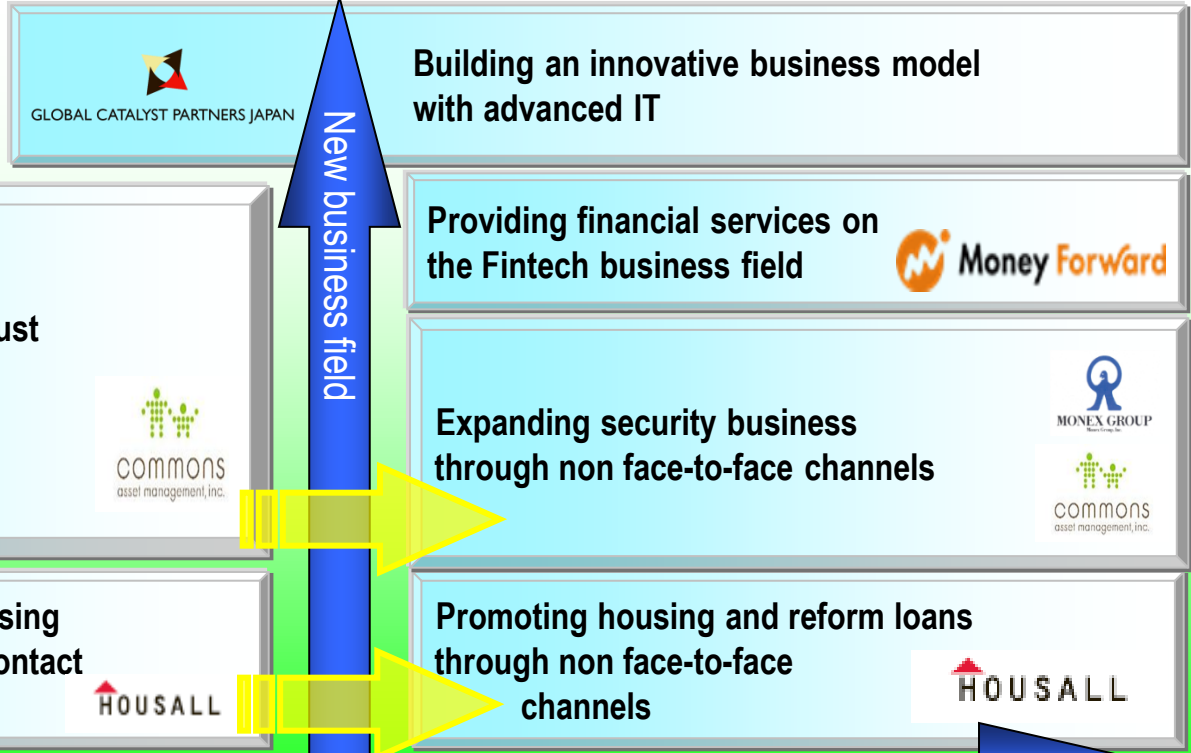
### 【 Business overview 】

An IT-related investment fund launched by a Silicon Valley-based venture capital "Global Catalyst Venture Management Japan", which has made many investment cases mainly in the U.S.

Identify new growth opportunities to support sustained growth and strengthen the earnings base

# Direction of the new business development

**【The 12<sup>th</sup> Medium-term Business Plan】**  
**Challenge on the new business field**



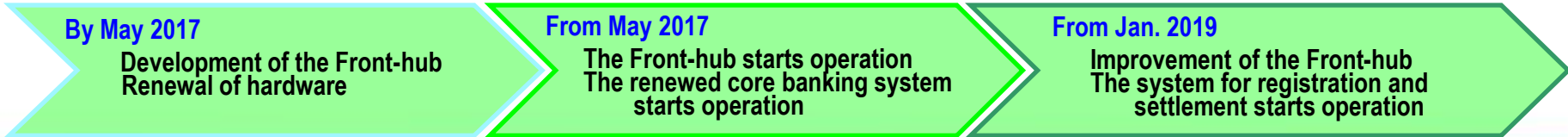
Real branches: expanding and digging down customer segments      Internet: for customers who prefer non face-to-face channels

**【The 11<sup>th</sup> Medium-term Business Plan】**  
**Cultivation in core domains**

Existing

**【Expanding the business of the Internet branch】**  
 Started opening accounts of the new card loan in Jul. 2015  
 ⇒ Strengthening operation on investment side

**【Schedule of the Next-Generation System Development】**



***Projected performance in FY2016***

# Projected performance in FY2016 ①

(JPY bn)

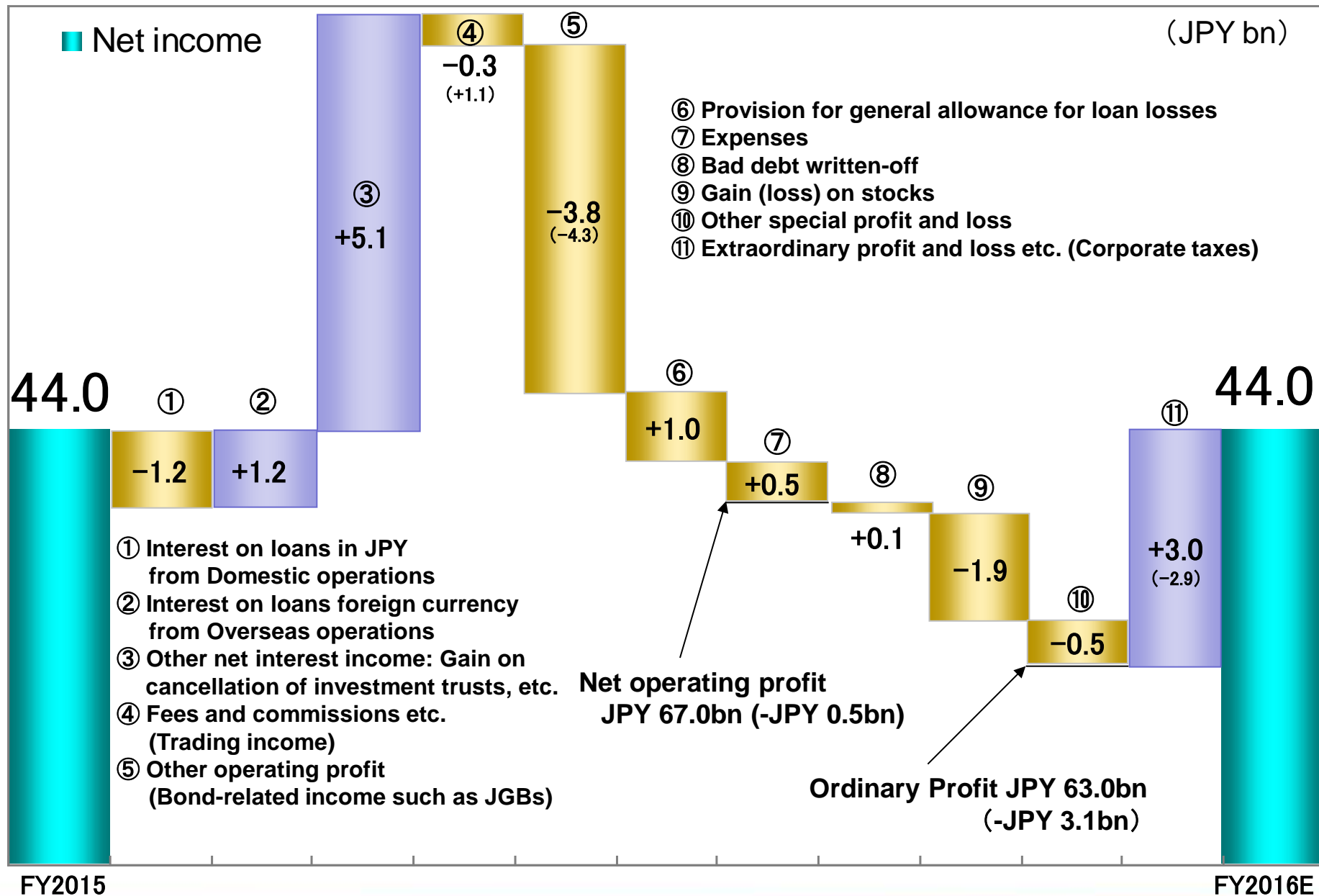
【Consolidated】	FY2015	FY2016E	YoY
	(A)	(B)	(B-A)
Ordinary profit	72.8	73.0	+0.2
Net income	47.9	50.0	+2.1

(JPY bn)

【Nonconsolidated】	FY2015	FY2016E	YoY
	(A)	(B)	(B-A)
Gross operating profit	145.4	146.4	+1.0
Net interest income	115.9	121.0	+5.1
Fees and commissions	15.9	14.5	-1.4
Trading income	0.9	2.0	+1.1
Other operating profit	12.7	8.9	-3.8
(Bond-Related income such as JGBs)	11.3	7.0	-4.3
Expenses (-)	79.5	80.0	+0.5
Provision for general allowance for loan losses (-)	-1.6	-0.6	+1.0
Net operating profit	67.5	67.0	-0.5
Special profit and loss	-1.5	-4.0	-2.5
Ordinary profit	66.1	63.0	-3.1
Net income	44.0	44.0	+0.0
Credit-related costs (-)	2.4	3.5	+1.1



# Projected performance in FY2016 ② - Net income



# ***Reference***

# Overview of the 12<sup>th</sup> Medium-term Business Plan

## The 12<sup>th</sup> Medium-term Business Plan (12<sup>th</sup> 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

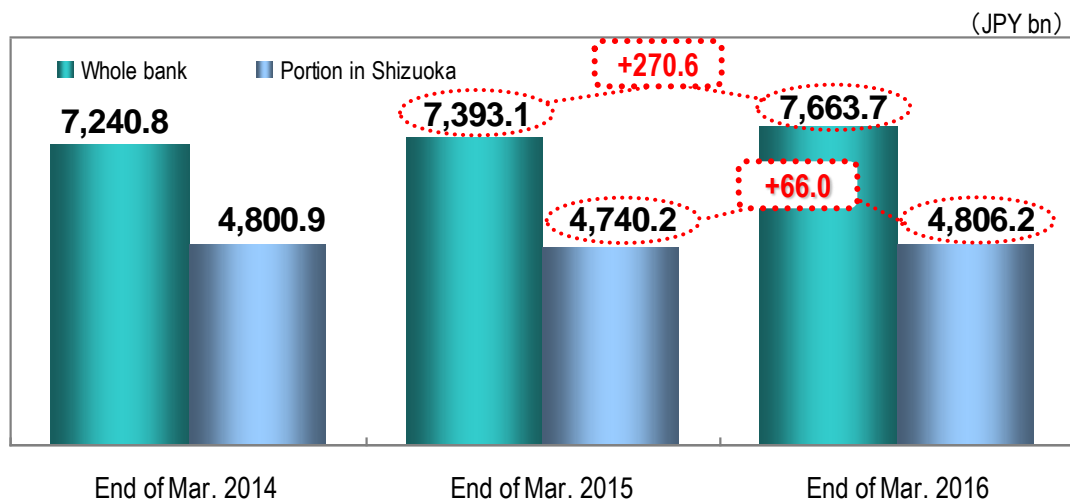
## Target figures (consolidated)

	12 <sup>th</sup> Medium-term Business Plan	
	FY2015	FY2016 plan
Ordinary profit	JPY 72.8bn	JPY 80.0bn or more
Net income	JPY 47.9bn	JPY 50.0bn or more
Common Equity Tier I ROE	5.85%	6% level
Consolidated ROE	5.18%	-
OHR	54.4%	Around 55%
Common Equity Tier I ratio	14.79%	Around 14%
Shareholder return	43.82%	50% or more in medium term

# Loans ③ - Term-end balance

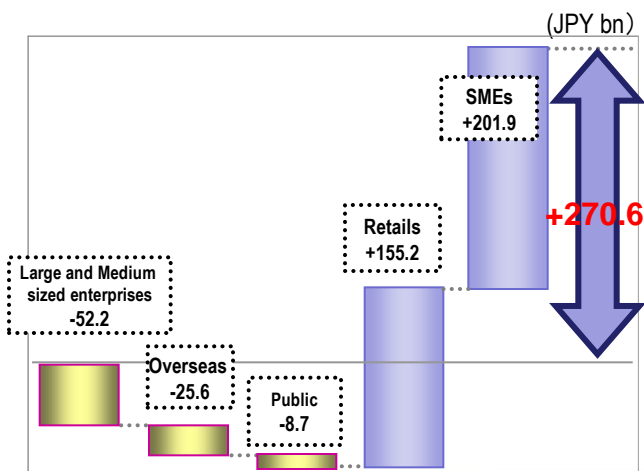
• Total loan balance (term-end balance) of FY2015: JPY 7,663.7bn, up JPY 270.6bn (+3.7%) YoY

Total loan balance (term-end balance)

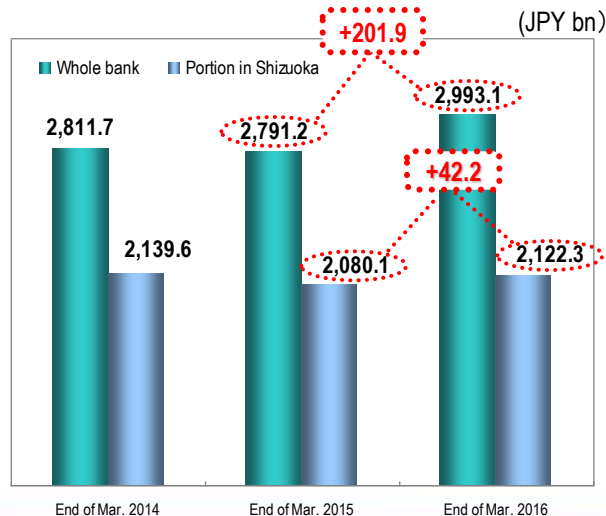


	Term-end balance	YoY change	Annual growth rate
Total loan balance	7,663.7bn	+270.6bn	+3.7%
SMEs loan balance	2,993.1bn	+201.9bn	+7.2%
Retail loan balance	2,782.7bn	+155.2bn	+5.9%
Large and Medium sized enterprises	1,503.2bn	-52.2bn	-3.4%

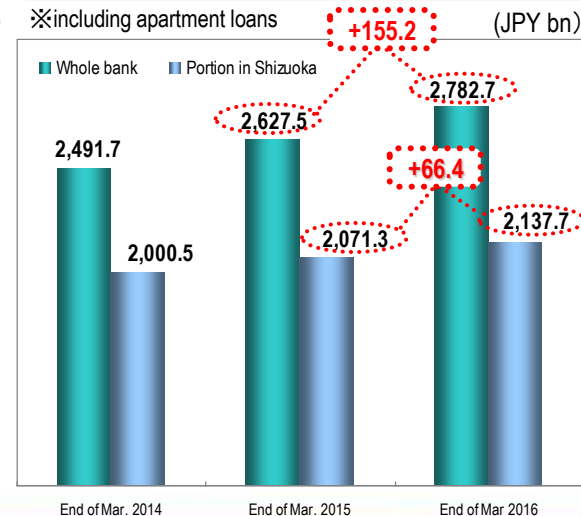
Breakdown of year-on-year change in total loan balance (term-end balance)



SMEs loan balance (term-end balance)



Retail loan balance (term-end balance)



# Loans ④ - Loans by industries

- Business loans to each industry such as real estate, construction, leasing, money lending and investment account for less than 10% of loan balance, respectively. There is no concentrated exposure to any of these specific industries
- Expected Loss (EL) for all industries : JPY 5.1bn (JPY 1.2bn for real estate and JPY 0.3bn for construction)
- Unexpected Loss (UL) for all industries : JPY 47.8bn

## Contemporary status of business loans to particular industries

[ Credit balance (as of the end of Mar. 2016) ]

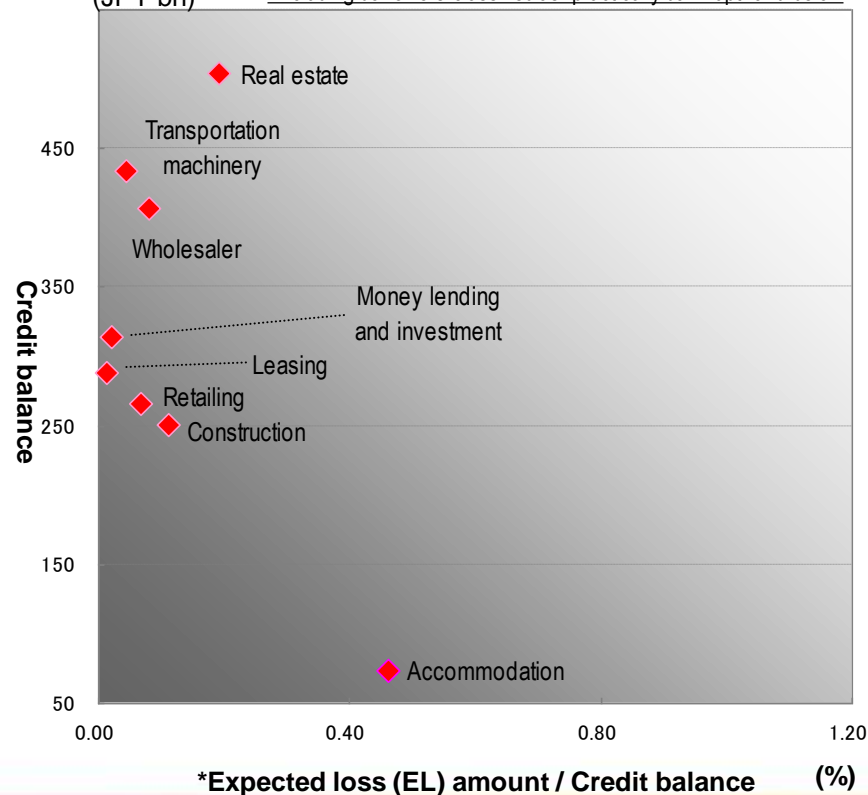
(JPY bn, %)

	Balance	Composition ratio	YoY change
All industries	5,150.0	100.0	+113.2
Real estate	504.3	9.8	+51.5
Wholesaler *	407.3	7.9	-8.0
Money lending and investment	314.1	6.1	-50.9
Transportation machinery	433.8	8.4	+11.2
Construction	251.2	4.9	-0.7
Retailer	265.9	5.2	+3.3
Leasing	288.1	5.6	+28.5
Accommodation	73.1	1.4	-0.9

\* excluding a general trading companies

[ Credit balance vs. expected loss rate\* ]

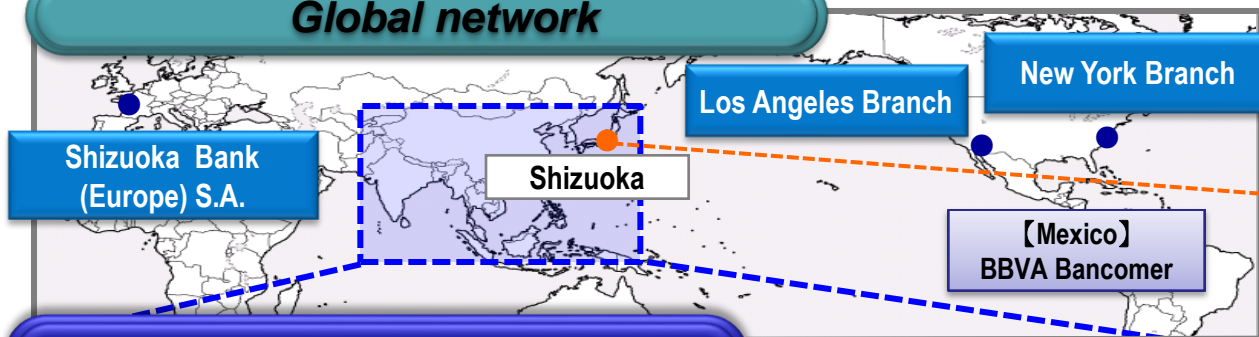
(JPY bn) Excluding borrowers classified as "practically bankrupt" and below



# Global network

- Global network (3 branches/2 rep. offices/1 subsidiary) and total 57 staff in oversea (in Asia 29 staffs)
- 13 partner banks in 8 countries/regions in Asia, a business tie-up made with BBVA Bancomer in Mexico in Nov. 2014

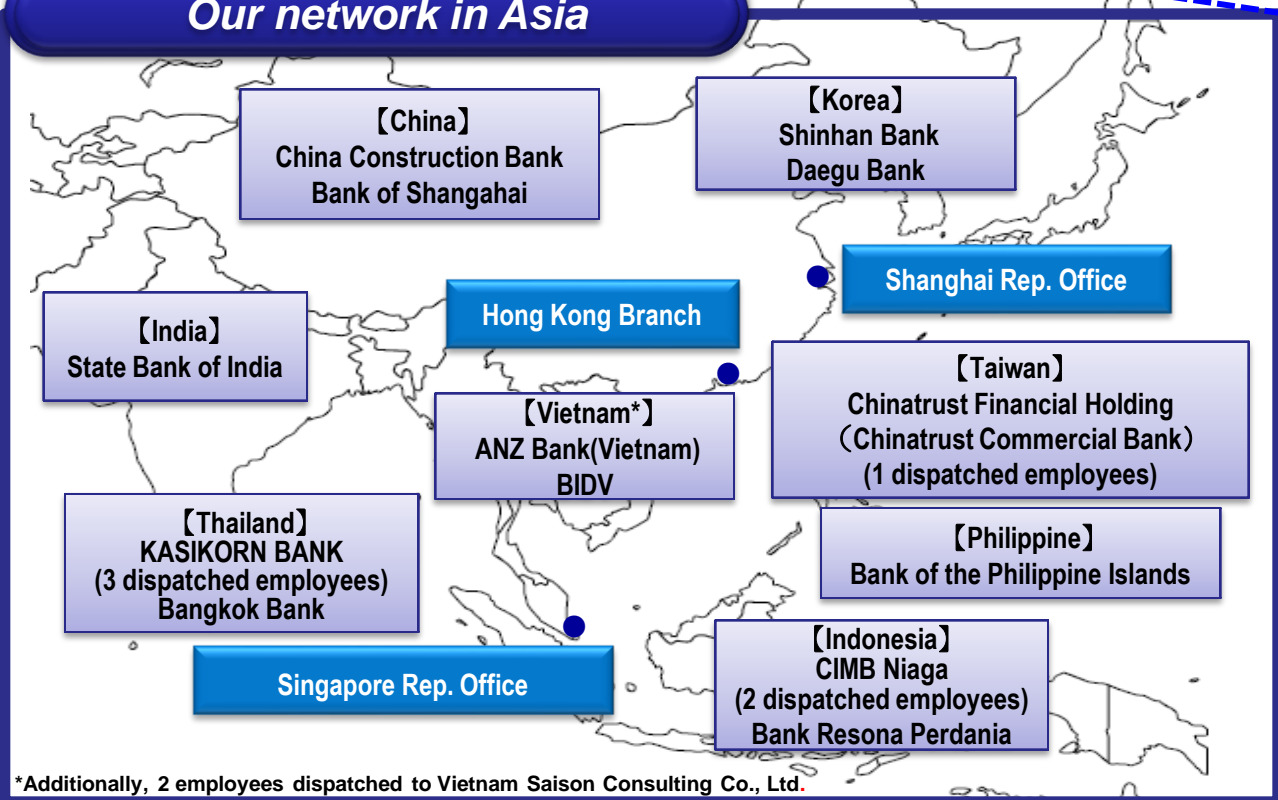
## Global network



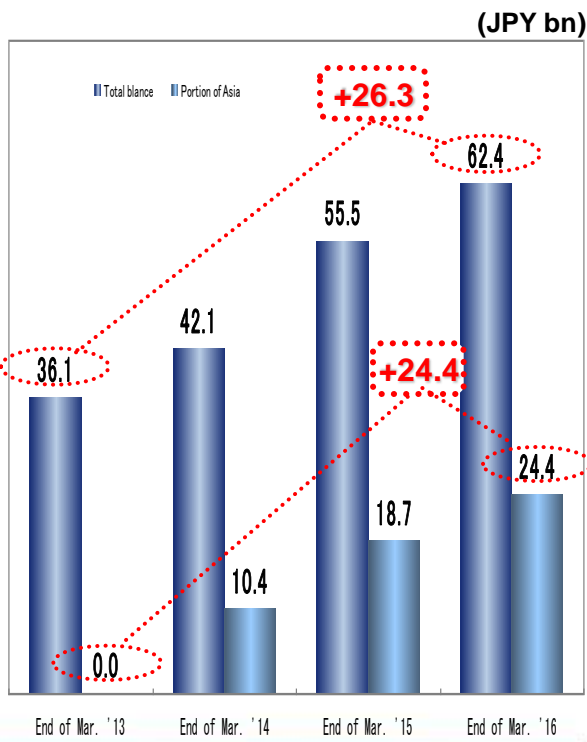
**International Department**

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

## Our network in Asia



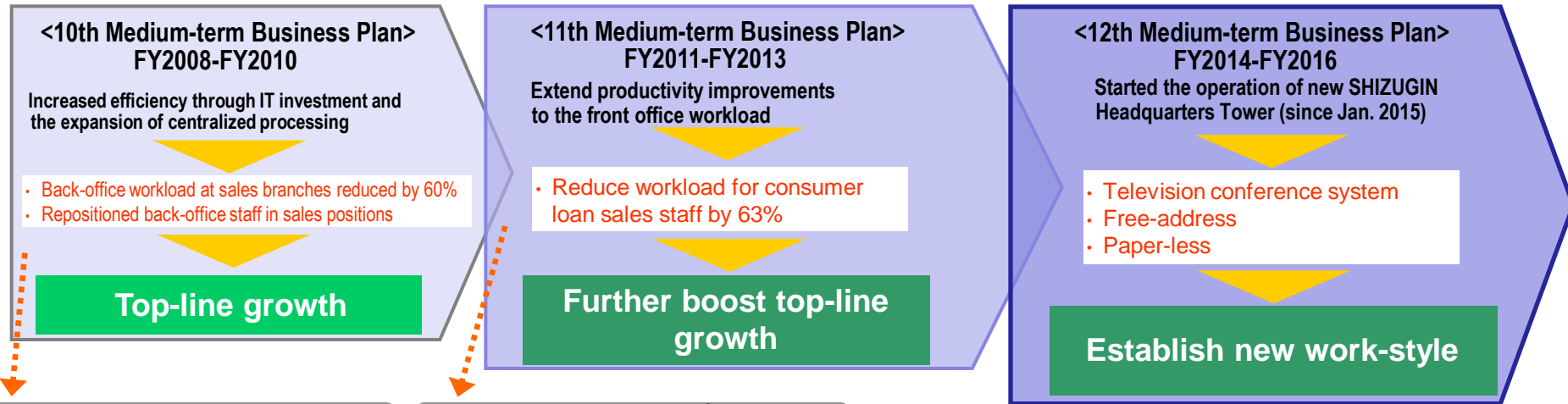
**Loan balance for Non-Japanese company (term-end balance)**



\*Additionally, 2 employees dispatched to Vietnam Saison Consulting Co., Ltd.

# Improvement of productivity - BPR

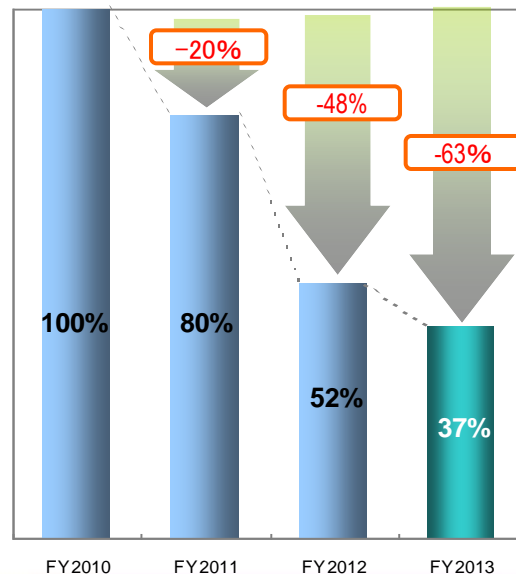
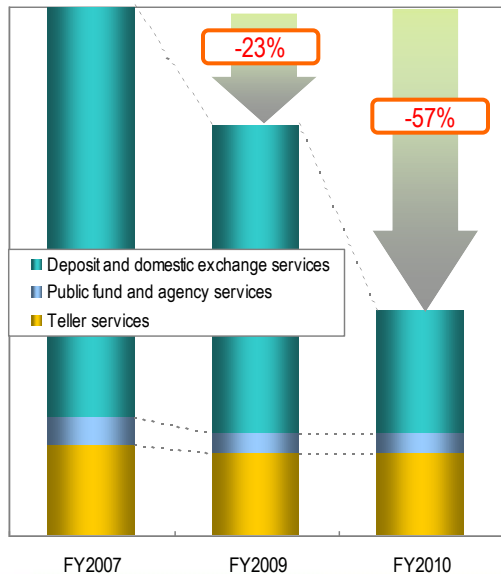
- An ongoing BPR program increased front-office staff without boosting the overall headcount  
→ make it possible to achieve sustainable top-line growth



Workload reduction of branches

Reduced processing time for workload of consumer loan

Number of personnel



	End-Mar. 2008	End-Mar. 2014	End-Mar. 2015	End-Mar. 2016	Change from end-Mar. 2008
Front-office	2,411	3,128	3,027	2,981	+570
Of which, bank employees	1,794	2,262	2,235	2,194	+400
Back-office/assisting	1,693	925	958	911	-782
Of which, bank employees	548	35	32	30	-518
Shizuoka Bank	5,164	4,942	4,915	4,829	-335
Of which, bank employees	2,851	2,851	2,830	2,789	-62

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

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





# Group companies

- FY2015 the total ordinary revenue of 12 major consolidated subsidiaries was JPY 52.7bn (+JPY 1.6bn YoY) and the ordinary profit was JPY 8.4bn (+JPY 0.5bn 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	1.3	+0.2	0.3	+0.2
Shizugin Lease Co., Ltd.	Leasing	25.8	+1.5	1.4	+0.0
Shizugin Computer Service Co., Ltd.	Computer system development and operation	4.7	-0.4	0.2	+0.0
Shizugin Credit Guaranty Co., Ltd.	Guarantee of housing loans, etc.	2.9	+0.6	1.9	+0.4
Shizugin DC Card Co., Ltd	Credit card and guarantee of consumer loans	2.0	+0.2	0.4	+0.0
Shizuoka Capital Co., Ltd.	Public-offering assistance Support for corporate rehabilitation	0.5	+0.1	0.1	+0.1
Shizugin TM Securities Co., Ltd.	Securities	8.7	-0.2	3.7	-0.3
Shizuoka Bank (Europe) S.A.	Finance and securities-related services	0.4	-0.1	0.1	-0.0
Shizuoka Liquidity Reserve Ltd.	Acquiring financial debt	0.1	+0.1	0.1	+0.1
Shizugin General Service Co., Ltd.	Fee-based job placement service, general administration	0.9	-0.0	0.0	+0.1
Shizugin Mortgage Service Co., Ltd.	Appraisal of real estate for loan collateral Operation center for loans	1.7	+0.0	0.1	+0.1
Shizugin Business Create Co., Ltd.	Operation center for remittance and bill collection	3.8	-0.2	0.0	-0.1
<b>Total(11 companies)</b>		<b>52.7</b>	<b>+1.6</b>	<b>8.4</b>	<b>+0.5</b>
Shizugin Saison Card Co., Ltd.*	Credit card and guarantee of consumer loans	2.1	+0.2	0.2	+0.1

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

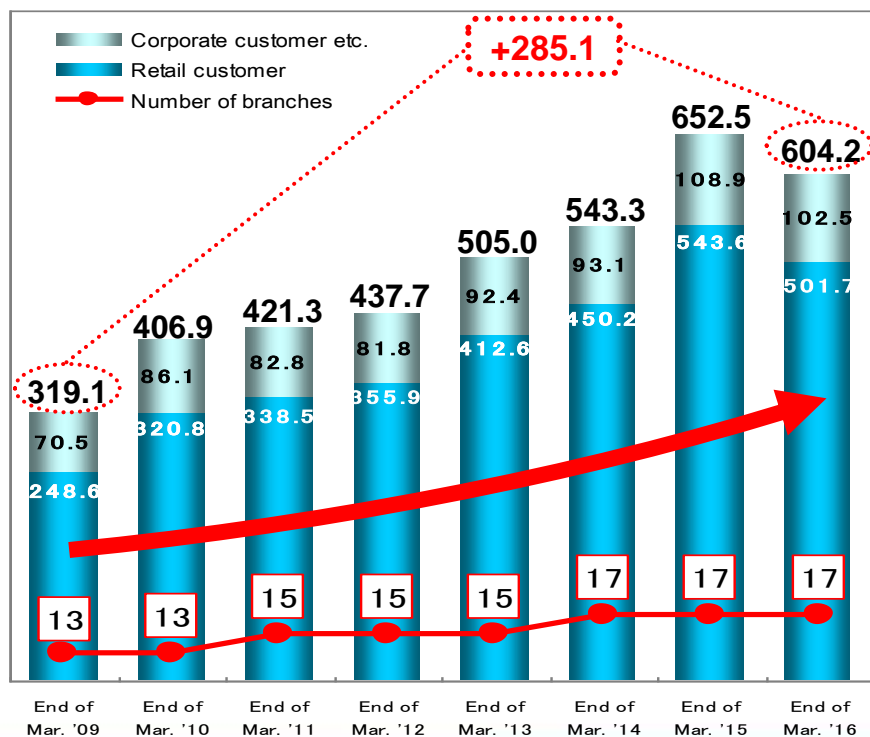
# Shizugin TM Securities Co., Ltd.

- Growth in top line of Shizugin TM Securities Co., Ltd (securities subsidiary) highly contributed to performance of the Group
- Customer asset: JPY 604.2bn, increased by JPY 285.1bn from the end of Mar. 2009 after the collapse of Lehman Brothers

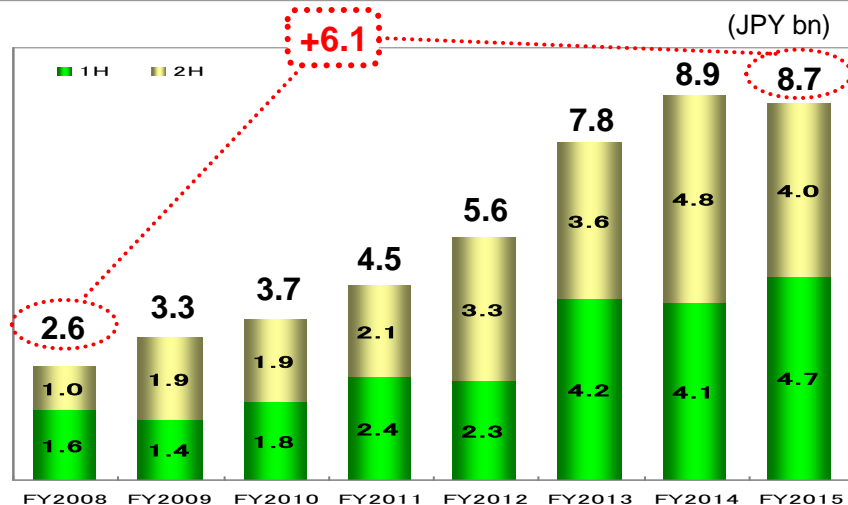
## 【Overview of Shizugin TM Securities, Co., Ltd.】

Establishment : December 2000  
 Capital Stock : JPY 3.0bn  
 Number of Branches : 17 (End of Dec. 2015)

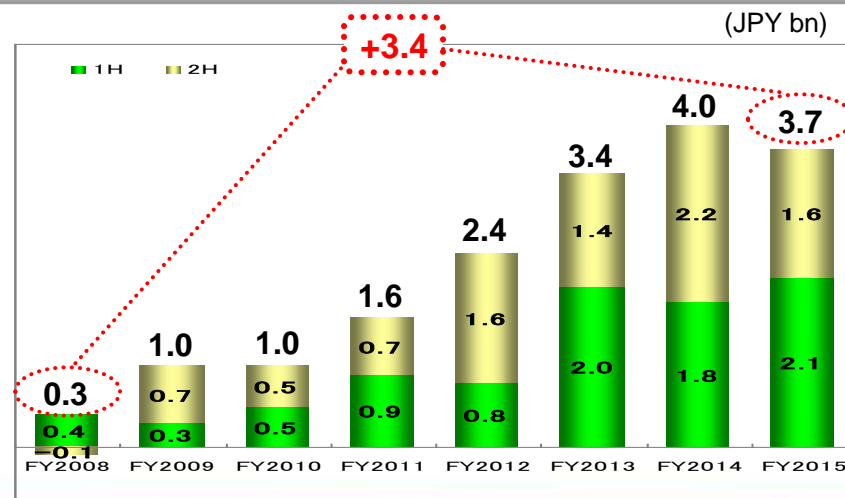
## Customer asset (year-end balance) and number of branches



## Ordinary revenue



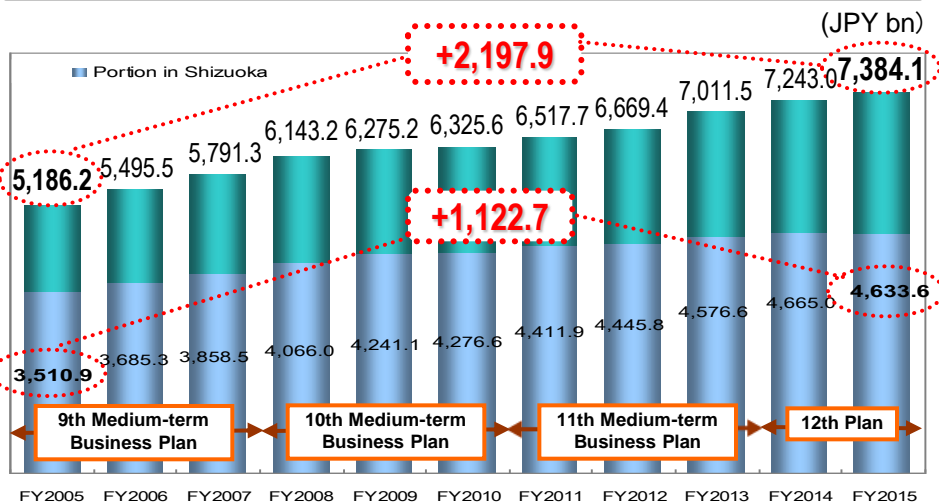
## Ordinary profit



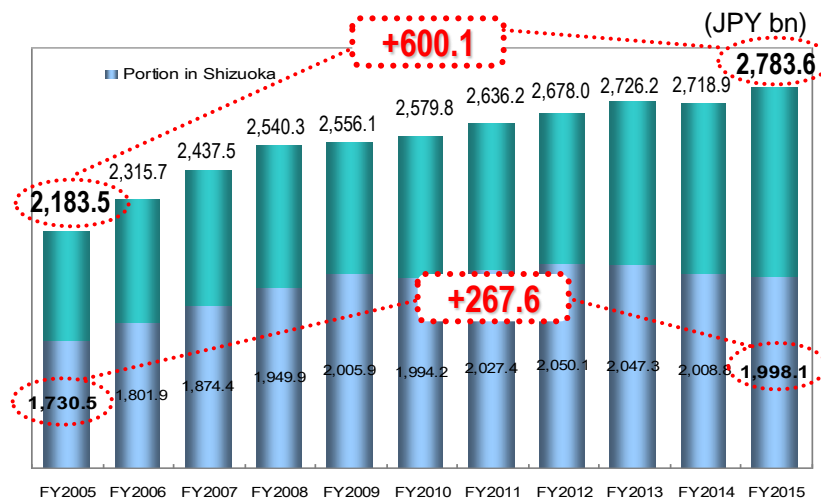
# Historical data of loans

- Total loan balance (average) increased by JPY 2,197.9bn in approximately 10 years since FY2005, of which JPY 1,122.7bn in Shizuoka Pref.
- SME loan balance: +JPY 600.1bn, consumer loan balance: +JPY 1,147.0bn

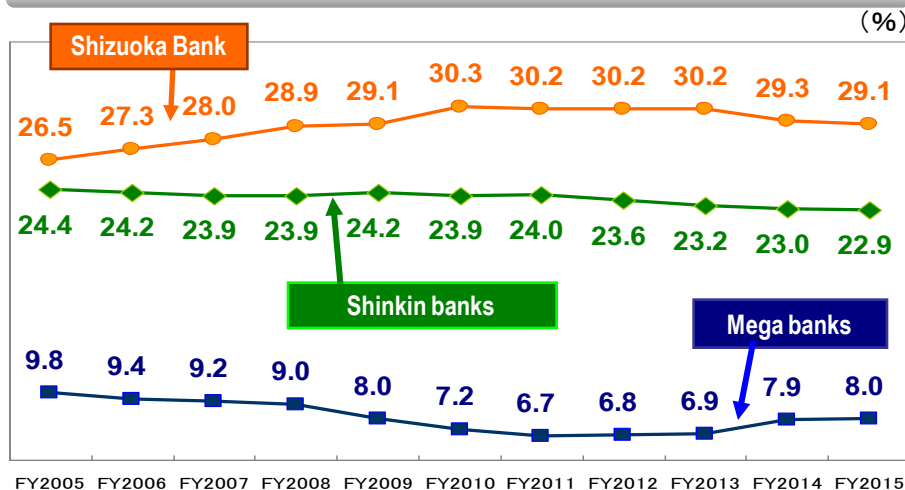
## Total loan balance (average balance)



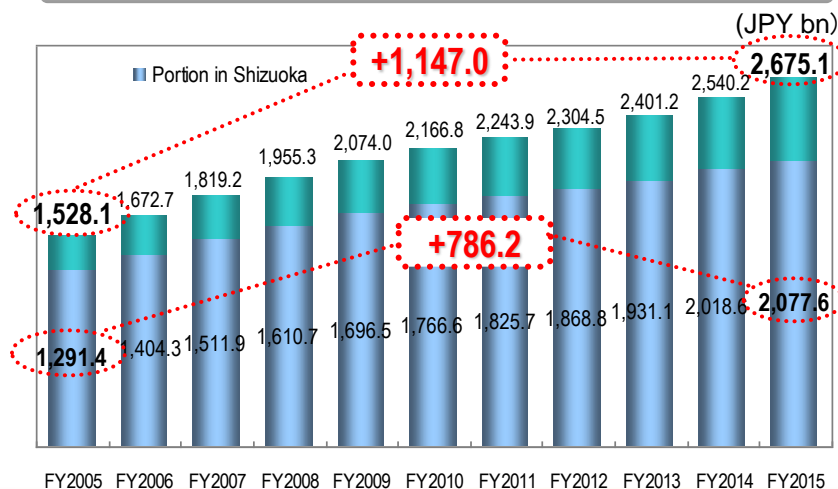
## SME loan balance (average balance)



## Share of loans in Shizuoka Prefecture



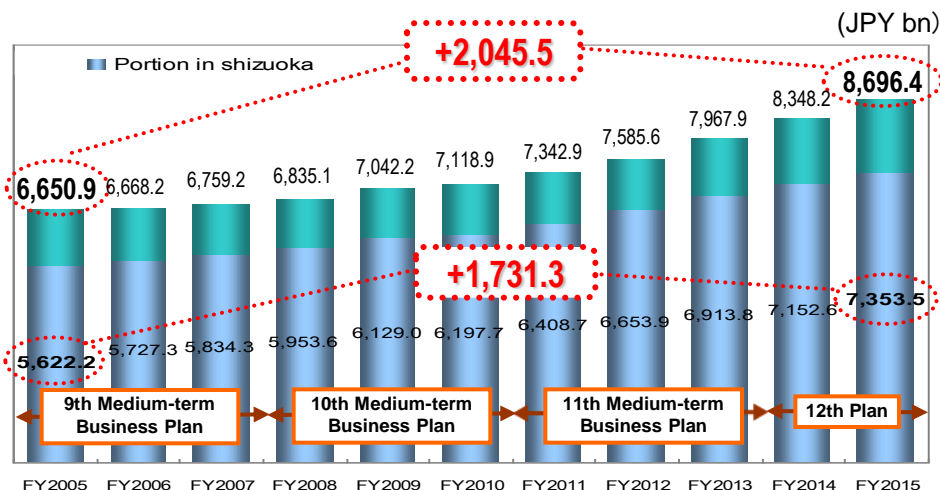
## Consumer loan balance (average balance)



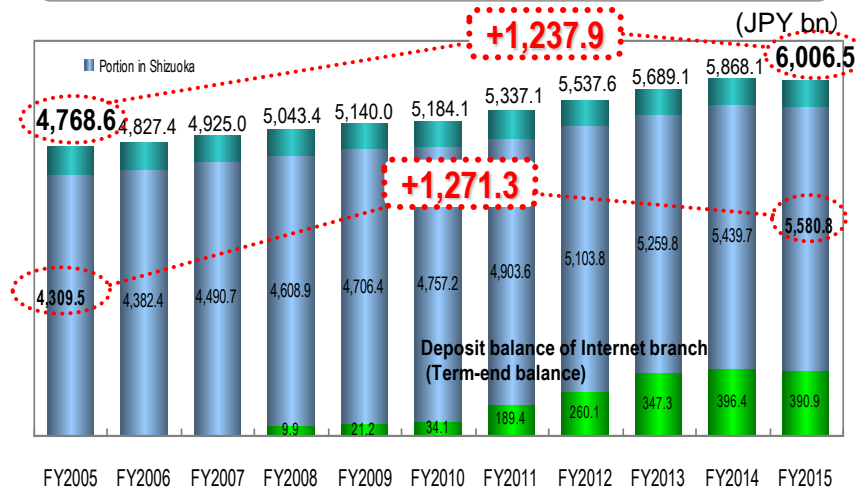
# Historical data of deposits

- Total deposit balance (average) increased by JPY 2,045.5bn in approximately 10 years since FY2005, of which JPY 1,731.3bn in Shizuoka Pref.
- Has received higher credit ratings from two overseas and one Japanese agencies

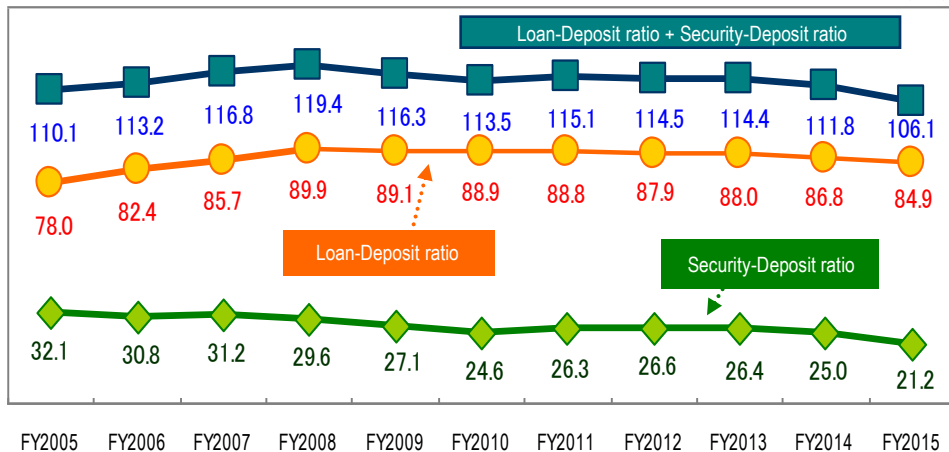
Deposit balance (average balance)



Retail deposit balance in domestic branches (average balance)



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

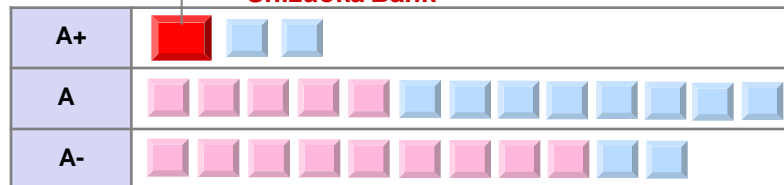


External ratings (As of the end of Mar. 2016)

- Has received higher credit ratings from two overseas and one Japanese agencies

< Standard & Poor's >

Shizuoka Bank



Regional banks  
 Except for regional banks (Mega banks, Trust banks etc.)

< Other external ratings >

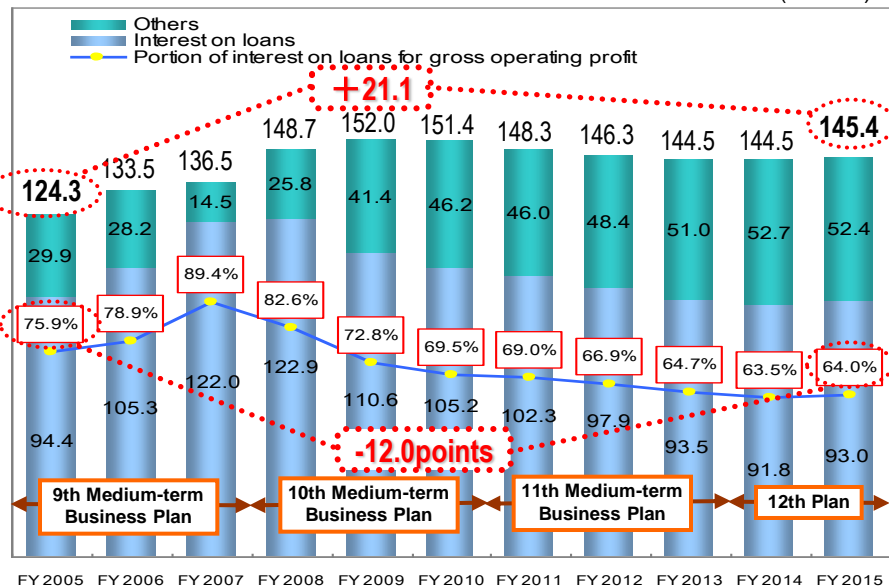
Moody's	A1	R&I	AA
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# Profit levels and improvement of productivity

- Gross operating profit stably increased totally over JPY 20.0bn for approximately 10 years
- Productivity improvement led by IT investment and BPR has contributed to strict cost control, and Net income increased totally over JPY 12.6bn in the same period

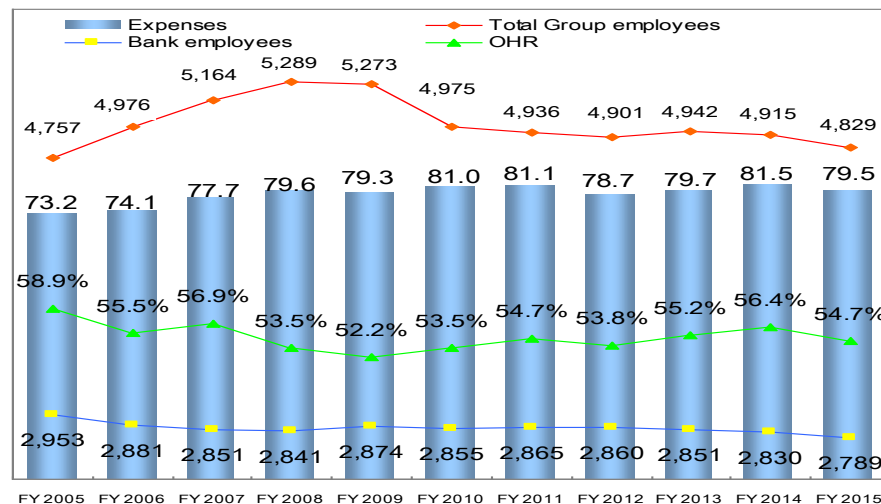
## Gross operating profit and interest on loans

(JPY bn)



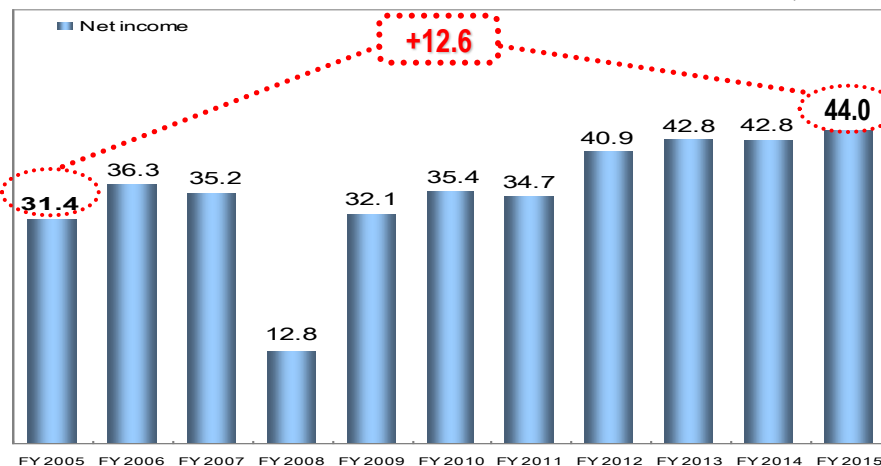
## Expenses and number of personnel

(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>

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

### <12th Medium-term Business Plan>

- Grand opening of new SHIZUGIN Headquarter Tower (Mar. 2016)
- Established new work-style (Free-Address, Paper-less)



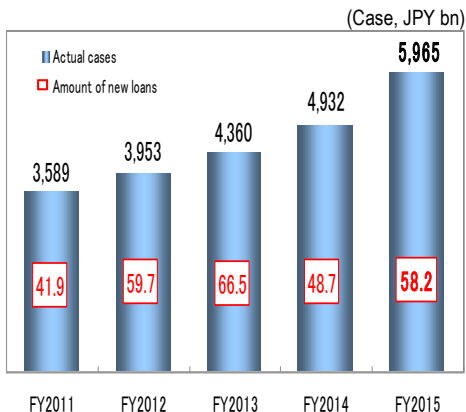
# Region-based Relationship Banking

- 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]



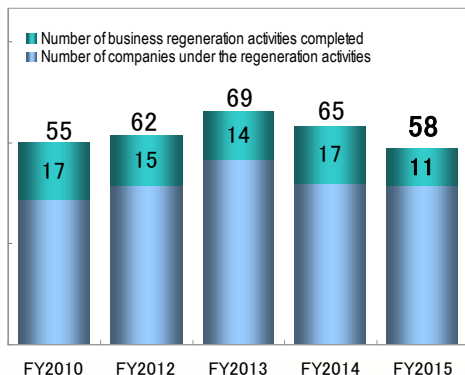
- Have regularly held Shizugin @gricom (agricom), a business networking event to link companies in the agricultural, forestry and fisheries sector and the food processing sector with buyers since February 2006.
- Have held 12<sup>th</sup> Shizugin @gricom (agricom) in August 2015

⇒ 58 companies participated  
Closed 6 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

(Case)

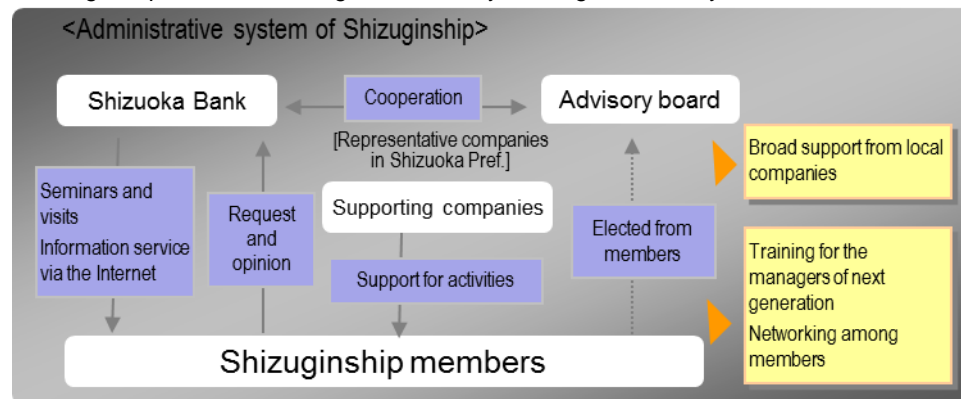


- From 2005, completed roughly 180 case of business restructuring

Maintained local economy by upholding about 16,660 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 March 2016) ]

- 816 companies, 1,219members
- No. of participant for seminars and visits of FY2015 : 1,649

[Activity achievement in FY2015 ]

Content	Activity achievement
Divisional forum	4 Forums
Lectures by top executive and specialists	11 Lectures
Seminar	Total 36 Courses
• Executive program	8 Courses
• Middle management program	8 Courses
• Basic program	20 Courses
Inspection tour	2 tours



# Initiatives for Regional revitalization

- Regional Revitalization Dept.” was established in June 2015 to play an active role in Regional revitalization and take more flexible measures. By the end of March 2016, made the alliance related to Regional revitalization with 17 cities.
- Actively participating in initiatives related to Regional revitalization in close collaboration with local municipalities, the industry, universities, etc., utilizing the various knowledge that has been acquired

## Initiatives for supporting entrepreneurs

“**Entrepreneur Support Desk**” (set up in Regional Revitalization Dept.)

Advance information providing and effective support for entrepreneurs with the Chamber of Commerce all over the prefecture

“**Shizugin Entrepreneur Awards**” (27 winners out of 559 applicants in the past 4 rounds)

For a discovery and development of entrepreneurs, actively supporting business growth

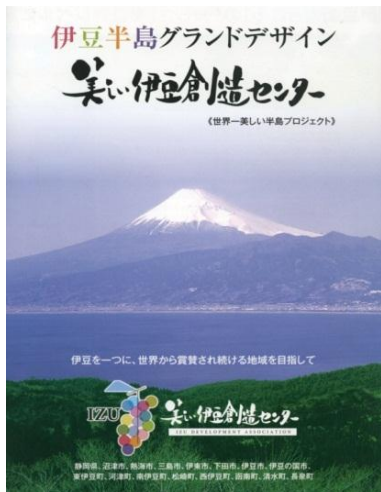
## Shizugin the top regional bank in the second round of manufacturing subsidy awards

Number of approvals secured in second round of FY2014 business reform subsidies for manufacturing, trade and services : 107

⇒ **Highest number among regional banks**  
(Second highest overall after Shoko Chukin Bank)

## Aisatsu (Greeting) Campaign

- This campaign (full name : Project Aisatsu Campaign Izu Peninsula – One of the World’s top Beauty Spots), which covers the whole Izu region, aims to showcase the hospitality of the area to tourists through aisatsu (greetings)
- The campaign was launched in September 2015 with the Izu Peninsula Aisatsu Campaign Declaration



【The Aisatsu Campaign】



## Meeting to discuss regional revitalization

- On 25 September 2015, Shizugin held a meeting to discuss regional revitalization. The meeting was attended by Hiroya Masuda, Chairman of the Japan Policy Council, Shigeki Nishihara, Mayor of Makinohara City, and representatives from local government agencies from across Shizuoka Prefecture, the first case all over the country (Number of participants: About 470 person)
- The meeting was broadcast via the Tele-conference system to the SHIZUGIN Headquarters Tower and 171 domestic branches

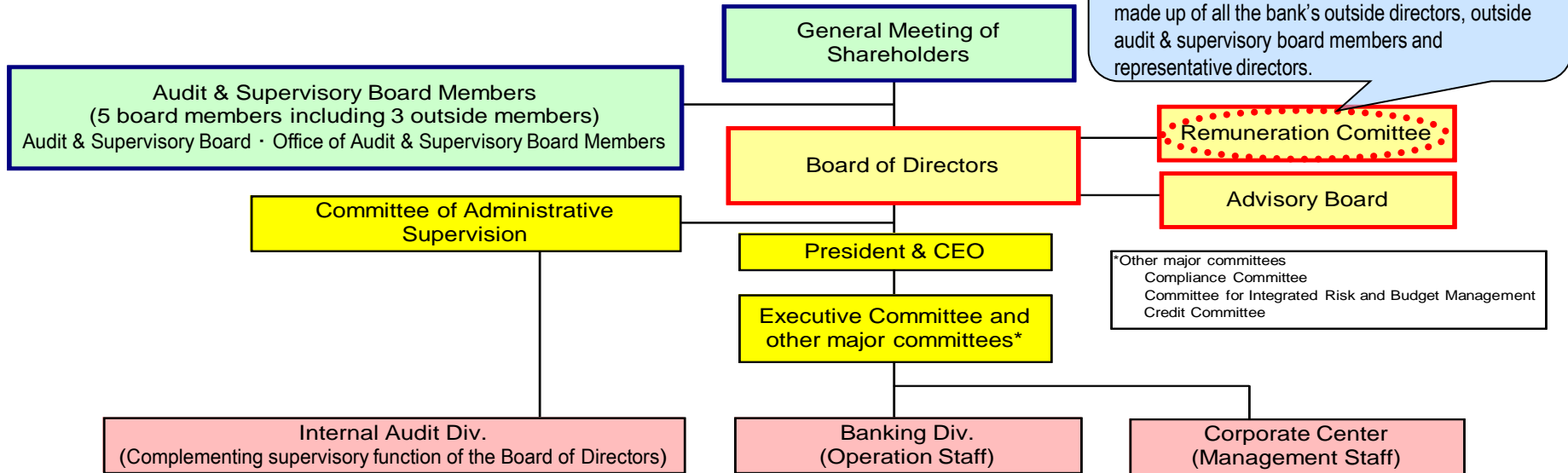


【Meeting for regional revitalization】

# Corporate Governance Structure

- As the foundation for fulfilling corporate social responsibility, The Shizuoka Bank Group is strengthening its management systems to enhance corporate value

## Shizuoka Bank Group's Corporate Governance System



## Outside Directors • Outside Audit & Supervisory Board Members

### 2 Outside Directors / 10 All Members

Kumi Fujisawa	President, SophiaBank Limited
Kazuyasu Kato	Former President and Chief Executive Officer, Kirin Holdings Co., Ltd.

### 3 Outside Audit & Supervisory Board Members / 5 All Members

Mitsuhiro Ishibashi	Former Director and Executive Vice President, Nippon Life Insurance Company
Kazuo Kouzuki	President and Chief Executive Officer, Tokio Marine & Nichido Career Service Co., Ltd.
Yoshihiro Yamashita	President, Yamashita Yoshihiro Law Office

- One third of bank's directors and audit & supervisory members are outside appointments

- Shizugin is using the independent opinions of these individuals in decision making, oversight and auditing of the Shizuoka Bank Group  
⇒ Increase corporate value

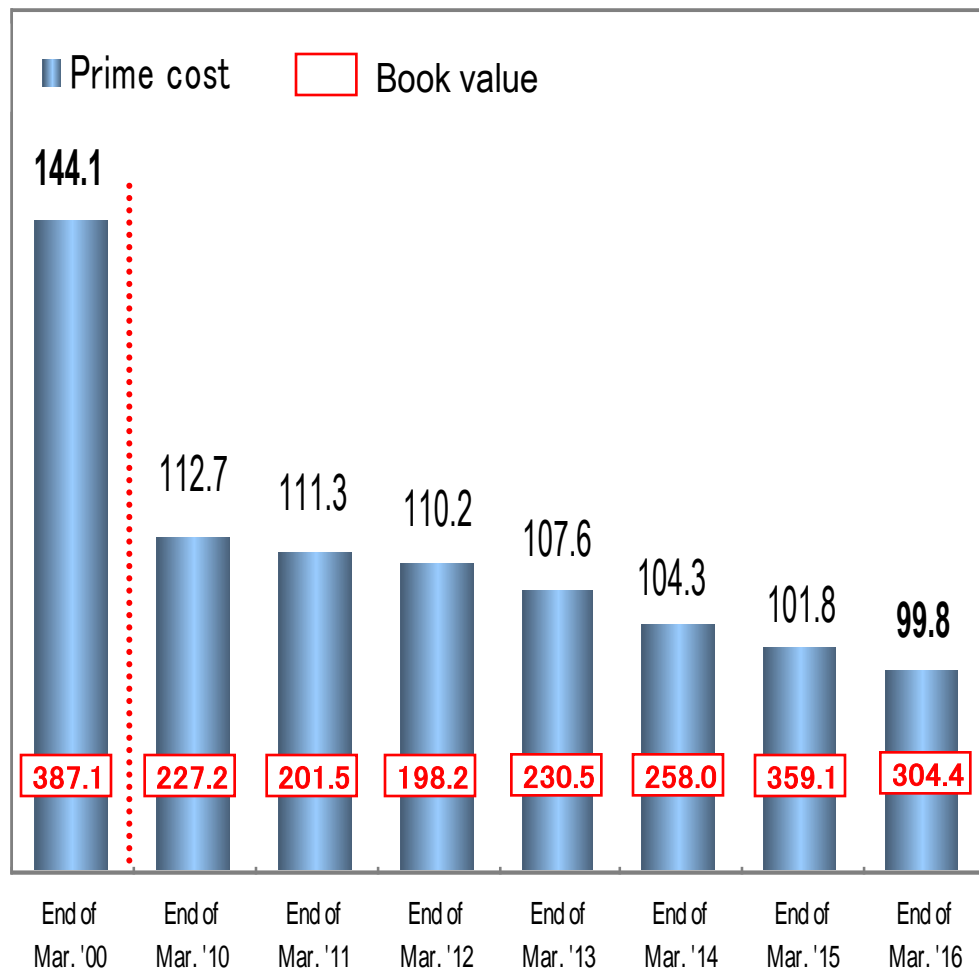
\*All have submitted notification to the Tokyo Stock Exchange of their independent director status

# Strategic shareholdings

- Only holding strategic shareholdings when justified from the standpoint of business investment, strengthening business relationships, or contributing to the regional economy
- Reviewing the reasons and assess the economic rationale for strategic shareholdings on a regular basis, reducing the holding value of the shares as required

## Prime cost of strategic shareholdings\*

(JPY bn)



\*Except for equity method affiliate

## Policy on strategic shareholdings (Corporate Governance Code : general principles 1-4)

The bank only holds strategic shareholdings when justified from the standpoint of business investment, strengthening business relationships, or contributing to the regional economy

The bank also regularly reviews the rationale for holding the shares based on profitability, share prices and other criteria

Shares deemed to be no longer important for the bank are sold on the market after taking into consideration the impact on market conditions and other factors

The bank also works to ensure appropriate and efficient management, taking into account the level of equity capital and the use of other assets in operations such as lending

# 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 Kazakhstan, Peru, and Qatar

## Shizuoka Prefecture indices

	Share of all-Japan		National ranking
•Population*	3.70 m	2.9%	10th of 47 (2015)
•No. of households*	1.43 m	2.7%	10th of 47 (2015)
•Nominal prefectural GDP	JPY 15.5 tn	3.1%	10th of 47 (FY2012)
•Per-capita income	JPY 3.195 m	-	3rd of 47 (FY2012)
•No. of business establishments	180 K	3.1%	10th of 47 (2014)
•Amount of shipments of manufactured goods, etc.	JPY 15.7 tn	5.3%	4th of 47 (2014)
•Agricultural output	JPY 215.4 bn	2.6%	15th of 47 (2014)
•Fishery production volume	200 k tons	5.3%	4th of 47 (2014)
•No. of industrial locations	55	5.1%	4th of 47 (2015)
•No. of new housing starts	24 k	2.6%	10th of 47 (2015)

\* Based on flash reports

## Shizuoka Prefecture economic scale

Prefectural GDP (2012, Nominal)		
Rank	Prefecture/Region	(US\$ billions)
9	Fukuoka Prefecture	215.6
<b>10</b>	<b>Shizuoka Prefecture</b>	<b>186.4</b>
11	Ibaraki Prefecture	140.1
-	4 prefectures in Shikoku	162.2
-	3 prefectures in Hokuriku	143.3
GDP comparison with countries (2012)		
Rank	Country (Region)	(US\$ billions)
51	Kazakhstan	203.5
52	Peru	192.8
53	Qatar	190.3
-	<b>Shizuoka Prefecture</b>	<b>186.4</b>
54	Ukraine	175.7
55	New Zealand	175.5


\*Sources: Economic and Social Research Institute (ESRI)

Cabinet Office , Government of Japan

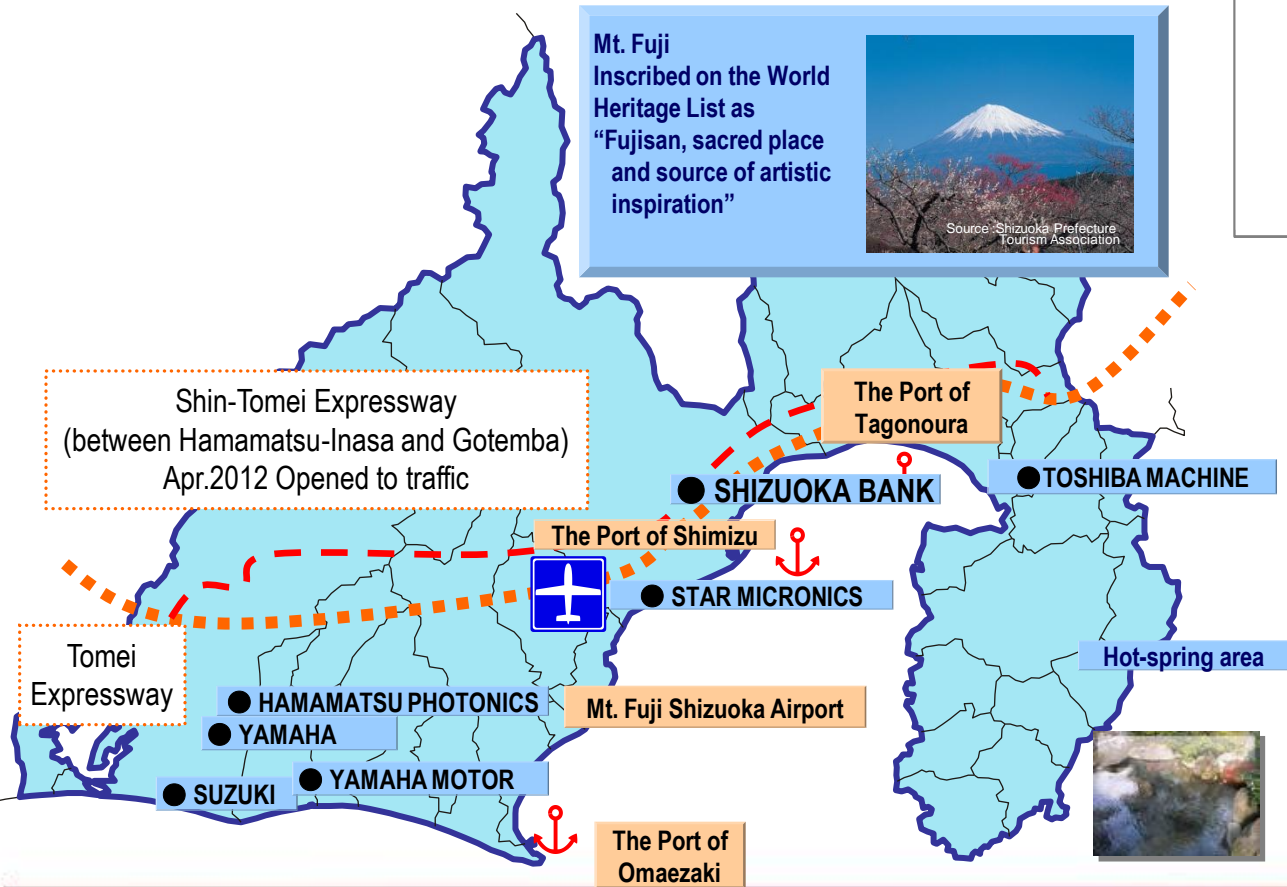
# Economy in Shizuoka Prefecture and current state

- 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

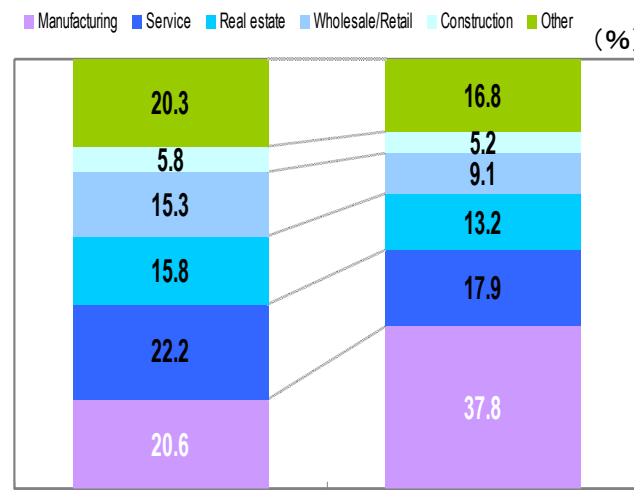
Mt. Fuji  
Inscribed on the World Heritage List as  
"Fujisan, sacred place and source of artistic inspiration"



Source: Shizuoka Prefecture Tourism Association



Percentage distribution of Shizuoka Prefecture GDP by industry



All-Japan Shizuoka Pref.  
Source: Cabinet Office, Government of Japan, FY2012

No. of listed companies with HQs in Shizuoka Prefecture

Listing	No. of companies
TSE 1 <sup>st</sup> section	22
TSE 2 <sup>nd</sup> section	11
Mothers	1
Jasdaq	18
Total	52

\*As of the end of Oct. 2015, 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.**



SHIZUOKA BANK

静岡銀行