

**Shizuoka Bank Group the 13th Medium-term Business Plan
(FY2017 - FY2019)**

「TSUNAGU」

April 17, 2017

“TSUNAGU” has several meanings in Japanese ...“connect”, “link”, “unite”, etc.



静岡銀行

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<Definition of terms in this material>

- 2016 Plan : Projected performance figures announced Nov. 2016
- 2016E : Ordinary income and net income ... figures announced Apr. 2017
Others(loans balance, etc.) ... sum of first half of 2016 results & calculated figures based on second half plans

Review of the 12th Medium-term Business Plan

Growth strategy of the 9th -12th Medium-term Business Plan

13th Medium-term Business Plan (FY2017- FY2019) “TSUNAGU”

Reversal toward growth
in interest on loans

Establish a foothold for business development
in the Tokyo metropolitan area and nationwide

12th Medium-term Business Plan
(FY2014- FY2016)
“TOBIRA -Open the Gate for the Next”

■ Expanding the business fields

Structured finance, Loans for Asset building, Consumer finance , etc.

■ Strategic investment

Collaboration among various industries,
“SHIZUGIN Headquarters Tower”, Next generation system, etc.

11th Medium-term Business Plan
(FY2011- FY2013)
“MIRAI -Future”

■ Reinforced solution -based approach

- Consulted for turnaround and revitalization
- Supported for overseas entry of corporate customers

■ Boosted further productivity

- Reformed the process for housing loans
- Reinforced IT infrastructure

10th Medium-term Business Plan
(FY2008- FY2010)
“Dream Ten –New Challenges”

■ Established the earning model

- Promoted regional finance

■ Improved productivity

- Reallocated managerial Resources

9th Medium-term Business Plan
(FY2005- FY2007)
“3C Plan –Challenge to Creation and Change”

■ Expended customer base

- Founded Shizuginship

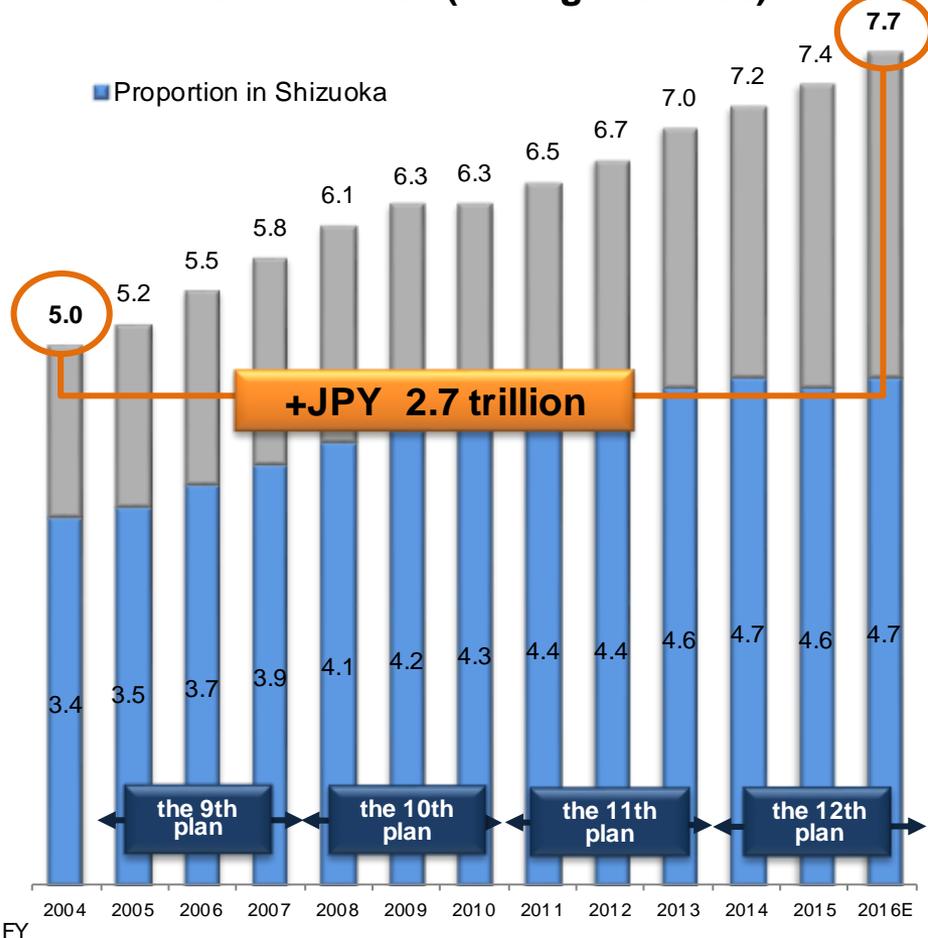
■ Developed operating infrastructure

- Established the Internet branch and the Shizugin Saison Card
- Centralized loan operations

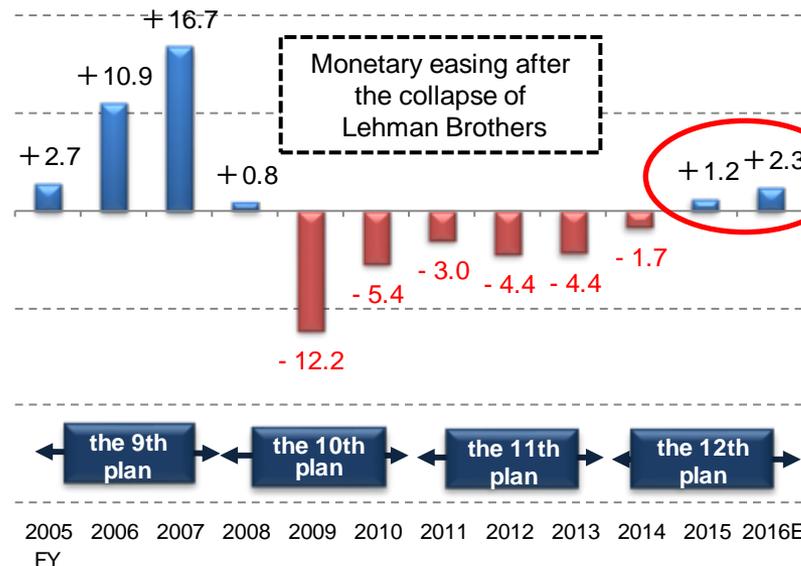
Review of the 12th Medium-term Business Plan (1) - Loans

- Total loan balance (average balance) has increased JPY 2.7 trillion for twelve years since the 9th Medium-term Business plan
- Interest on loans decreased under the 10th and 11th Medium-term Business Plans due to the impact of monetary easing, but this trend reversed in the second half of the 12th Medium-term Business Plan

Total loan balance (average balance) (JPY trillion)



Interest on loans (YoY change) (JPY bn)

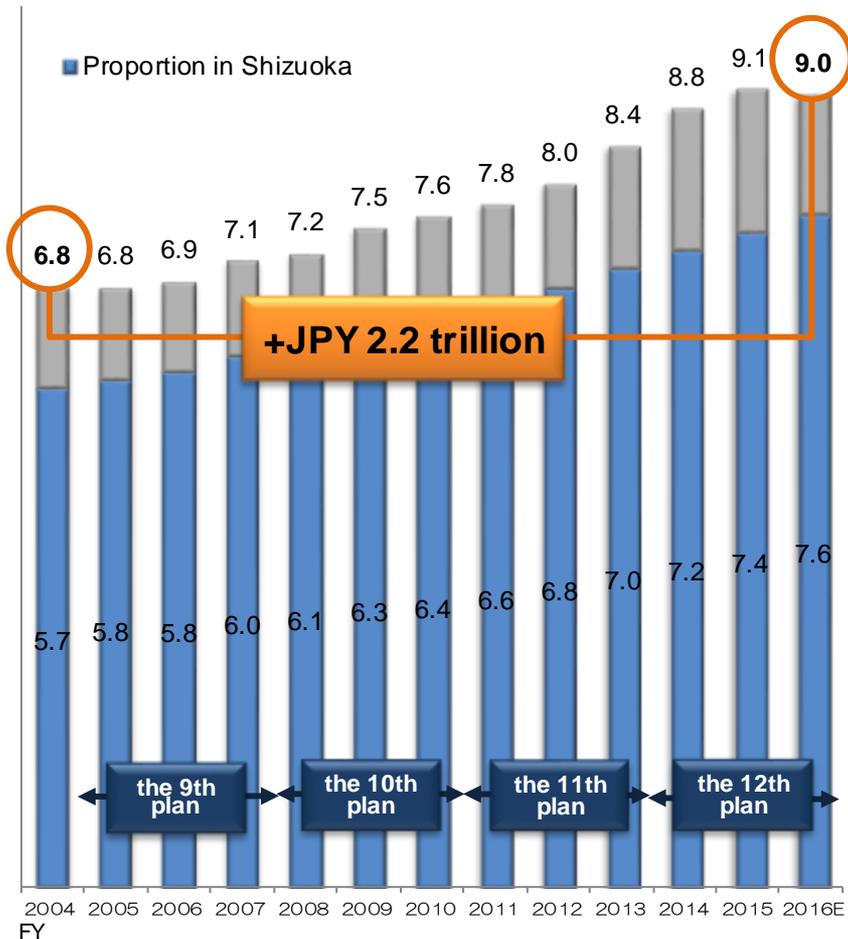


- Reshuffled loan portfolio
- Result of business fields expansion
- Increased awareness toward lending rates in sales promotion

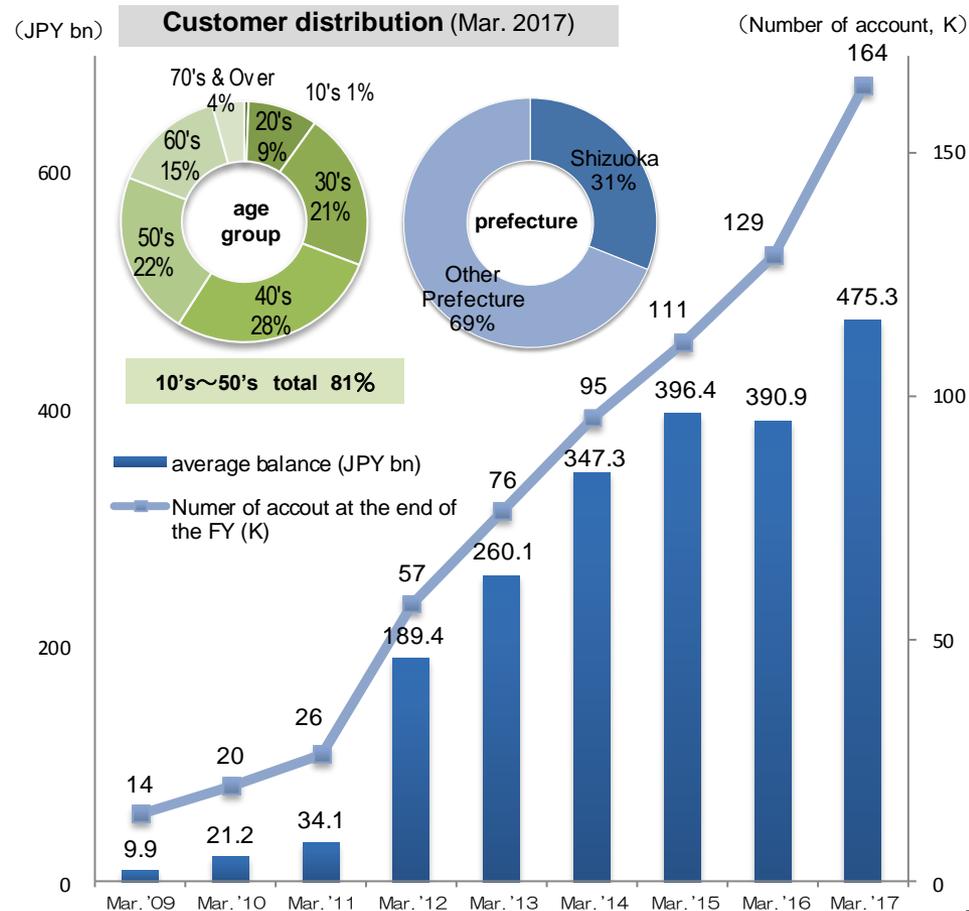
Review of the 12th Medium-term Business Plan (2) - Deposits

- Total deposit balance (average balance) has increased JPY2.2 trillion for twelve years since the 9th Medium-term Business plan
- The Internet Branch has grown into a stable funding procurement channel with 164,000 accounts and a deposit balance exceeding JPY 470.0bn. At present, we are strengthening investments, including housing loans and card loans.
(Loan balance: About JPY 20.0bn at the end of Mar. 2017)
Approximately 70% of our customers are outside Shizuoka Prefecture, forming a cross-regional business customer base

Total Deposits balance (average balance) (JPY trillion)



Number of account and average balance in Internet Branch



Strategic investments of the 12th Medium-term Business Plan

FY2014

FY2015

FY2016



MONEX GROUP
Monex Group, Inc.

Capital and business tie-up in Apr. 2014

Most important partner in terms of bank-security collaboration in non-face-to-face channels

HOUSALL

Joint-venture established in Sep. 2015, delegated two employees including an outside director

Establishing a housing-related service platform



Capital and business tie-up in Aug. 2015

Offering financial services in the FinTech fields



Capital and business tie-up in Oct. 2015

Offering asset-building services for the working-age people and young adults



GLOBAL CATALYST PARTNERS JAPAN
Investment in Dec. 2015

Gaining ideas about new business, and fostering human resources with startup know-how

HOKEN NO MADOGUCHI INC.



Business tie-up in Jun. 2016

Opened the 1st joint desk at Hamamatsu city in Dec. 2016



Operating joint desks for insurance consultation, and developing a one-stop channel for financial services

Seeking potential for block chains in trading transactions, with ORIX Corporation, ORIX Bank Corporation, NTT DATA Corporation and NTT DOCOMO Ventures, Inc.

Feb.-Jun. 2016
Participated in joint research project on block chain technology

Aug. 2016
Participated in block chain technology testing

“SHIZUGIN Headquarters tower” started operation

Mar. 2016



【SHIZUGIN Headquarters Tower】



【Teleconference system】



【Free-address office】

Work style reformation

- Teleconference system
- Free-address office
- Paperless conference

Collaboration among different types of industries

Construction “SHIZUGIN Headquarters Tower”

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

Overview of the 13th Medium-term Business Plan

Overview of the 13th Medium-term Business Plan (1)

Name of the plan / Group vision

Name of the plan **TSUNAGU**

Our mind of name of plan

“TSUNAGU” has several meanings in Japanese ...“connect”, “link”, “unite”, etc.

- Connecting Shizuoka Bank Group’s traditions and eras, growing hand-in-hand with the region
- Connecting all stakeholders (regional communities, customers, employees, and shareholders) through Shizuoka Bank Group financial services
- Connecting to the creation of a sustainable business model in the 14th Medium-term Business Plan through the three structural reforms targeted in the 13th Medium-term Business Plan

Group vision **Innovative Bank**

“Shizugin” will continue to create new value along with the region

Way of thinking for group vision

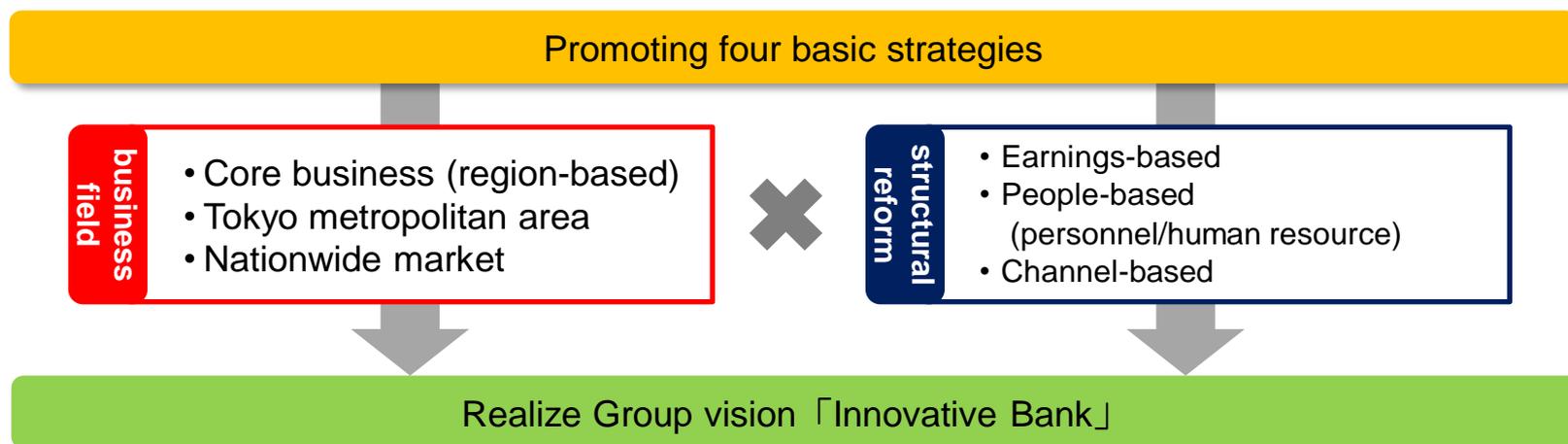
The Shizuoka Bank Group aims to be a financial institution that grows along with the region and remains close to the region at anytime, by keep creating value from both traditional business fields which have supported us up to now and new business fields which we started to focus in the 12th Medium-term Business Plan

Overview of the 13th Medium-term Business Plan (2)

Basic strategy

1. Reinforce core businesses by focusing on regional economic growth
2. Create a new business model for regional banks by developing and monetizing new business fields
3. Reform sales operations using retail channel and IT infrastructure
4. Help realize the dreams and wealth of the region, customers, employees, and shareholders

Realize our vision by promoting four basic strategies in **three business fields: core business (region-based), Tokyo metropolitan area, and nationwide market**, while at the same time engaging in **three structural reforms: earnings, people, and channels**.



Structural reforms targeted in the 13th Medium-term Business Plan

- Under the 13th Medium-term Business Plan, the Bank will engage in **three structural reforms targeting earnings, people, and channels**, aiming to create sustainable business model in the future

12th Medium-term Business plan

Challenge on the new business fields
Strategic investment

13th Medium-term Business plan

Maintain growth strategy through three structural reforms

14th Medium-term Business plan

Construct sustainable business model

Earnings-based structural reforms

Core business growth

- Converse earnings structure through growth of bank branch division

Growth in a monetary easing environment

- Continue to develop opportunities in new business fields

Reforms of expense structure

- Create a low cost operating structure along with channel changes

People-based (personnel/human resource) structural reforms

Work style-based structural changes

- Aim to be an attractive Bank for employees through diverse work style values

Cost balance between operation and management

- Reform management structure corresponding to profitability of operations

Channel-based structural reforms

Non-face-to-face channel expansion

- Change customer behaviors, expand cross-regional transactions

Changes in roles and targets of non-face-to-face channel

- Sales force structural reforms corresponding to future population dynamics

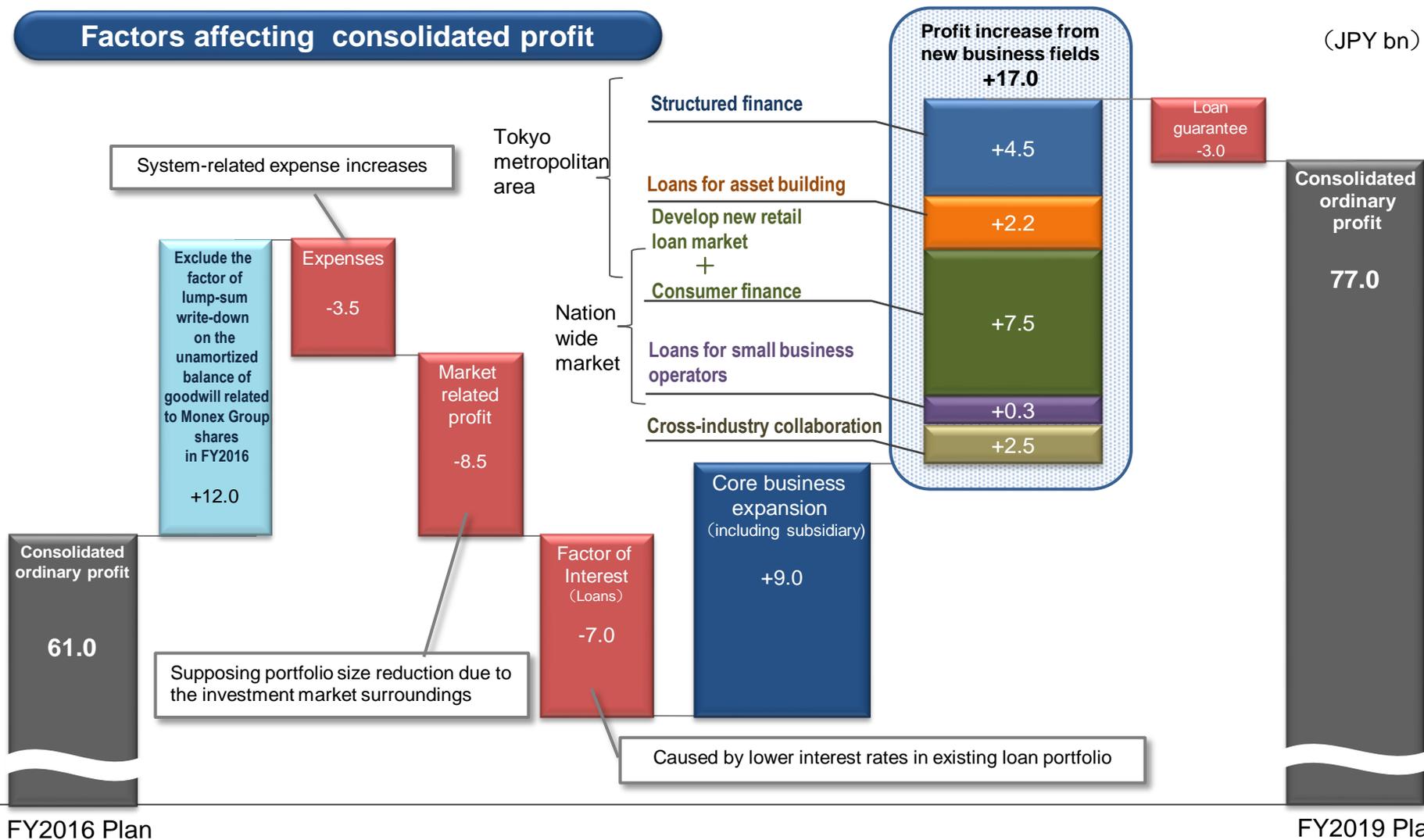
Key management indicator

consolidated	The 12 th Medium-term plan	The 13 th Medium-term plan
	FY2016 plan	FY2019 plan
Ordinary profit (Exclude lump-sum write-down on the unamortized balance of goodwill related to Monex Group shares)	<i>JPY 61.0bn</i> <i>(JPY 73.0bn)</i>	<i>JPY 77.0bn or more</i>
Net income (Exclude lump-sum write-down on the unamortized balance of goodwill related to Monex Group shares)	<i>JPY 38.0bn</i> <i>(JPY 50.0bn)</i>	<i>JPY 54.0bn or more</i>
ROE (Exclude lump-sum write-down on the unamortized balance of goodwill related to Monex Group shares)	<i>4.12%</i> <i>(5.35%)</i>	<i>6% level</i>
OHR	<i>56.5%</i>	<i>55% level</i>
Common Equity Tier I Ratio	<i>14.85%</i>	<i>14% level</i>
Shareholder return	<i>50% level in medium and long term</i>	

Structure of consolidated ordinary profit plan

- Aiming to achieve consolidated ordinary profit of JPY 77.0bn in FY2019 through **region-based core business expansion** and **top-line growth focused in the Tokyo metropolitan area and nationwide market**

Factors affecting consolidated profit



FY2016 Plan

FY2019 Plan

Target figures

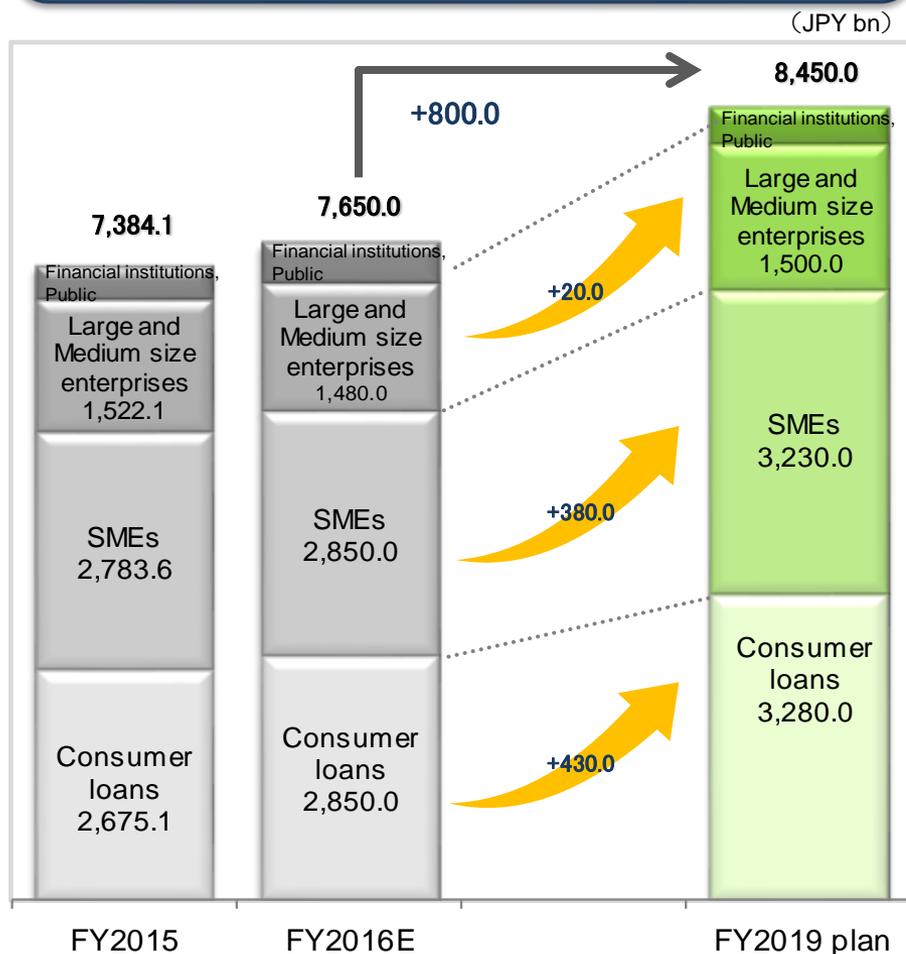
Target figures of the 13th Medium-term plan

		(JPY)	FY2015	FY2016 Plan	FY2019 Plan	Increase/ Decrease
Consolidated	Ordinary profit		72.8bn	61.0bn	77.0bn or more	+16.0bn
	Net income		47.9bn	38.0bn	54.0bn or more	+16.0bn
	ROE		5.18%	4.12%	6% level	—
	OHR		54.4%	56.5%	55% level	—
	Common Equity Tier 1 ratio		14.79%	14.85%	14% level	—
Non-consolidated	Gross operating profit		145.4bn	146.4bn	147.3bn	+0.9bn
	Net interest income		115.9bn	116.0bn	121.7bn	+5.7bn
	Interest on loans		93.0bn	93.0bn	106.9bn	+13.9bn
	Interest and dividends on securities		29.8bn	34.4bn	25.6bn	- 8.8bn
	Fees and commissions		15.9bn	14.2bn	17.0bn	+2.8bn
	Trading income		0.9bn	1.4bn	1.7bn	+0.3bn
	Other operating profit		12.7bn	14.8bn	6.9bn	- 7.9bn
	Gains and losses on bonds such as JGBs		11.3bn	13.8bn	3.7bn	- 10.1bn
	Expenses (-)		79.5bn	79.5bn	83.0bn	+3.5bn
	Actual net operating profit		65.9bn	66.9bn	64.3bn	- 2.6bn
	Ordinary profit		66.1bn	63.0bn	64.0bn	+1.0bn
	Net income		44.0bn	32.0bn	44.5bn	+12.5bn
	Shareholder return		43.82%	64.60%	50% level in medium and long term	—
Loans balance (average balance)		7,384.1bn	7,650.0bn	8,450.0bn	+800.0bn	
Deposits balance (average balance)		9,050.8bn	9,000.0bn	9,550.0bn	+550.0bn	
Securities balance (average balance)		1,839.7bn	2,000.0bn	1,600.0bn	- 400.0bn	

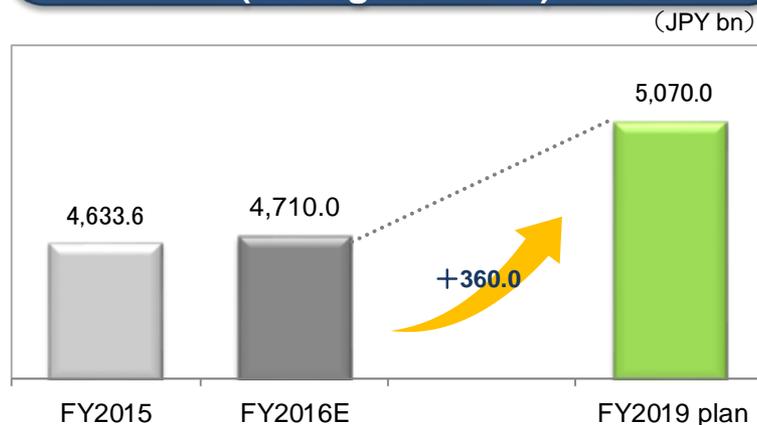
Loans

- Total loan balance (average balance) of FY2019 : JPY 8,450.0bn, up JPY 800.0bn (+3.4%) from FY2016E in which portion in Shizuoka : JPY 5,070.0bn, up JPY 360.0bn(+2.5%) from FY2016E
- Increase loan balance and interest income by expanding to Tokyo metropolitan area and nationwide market in addition to core business

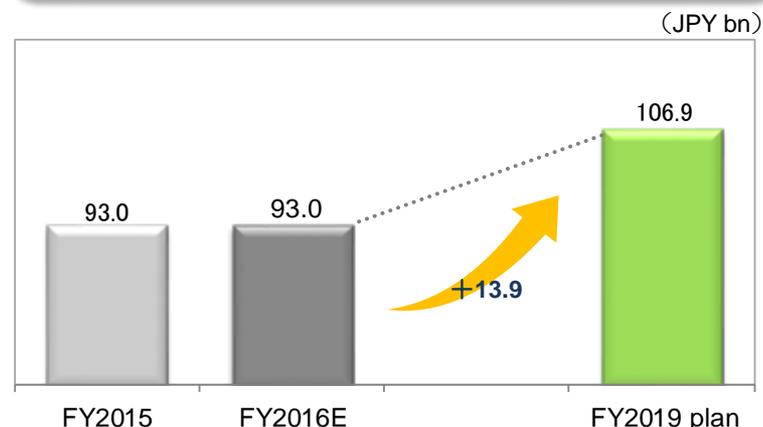
Total loan balance (average balance)



Loan balance in Shizuoka prefecture (average balance)



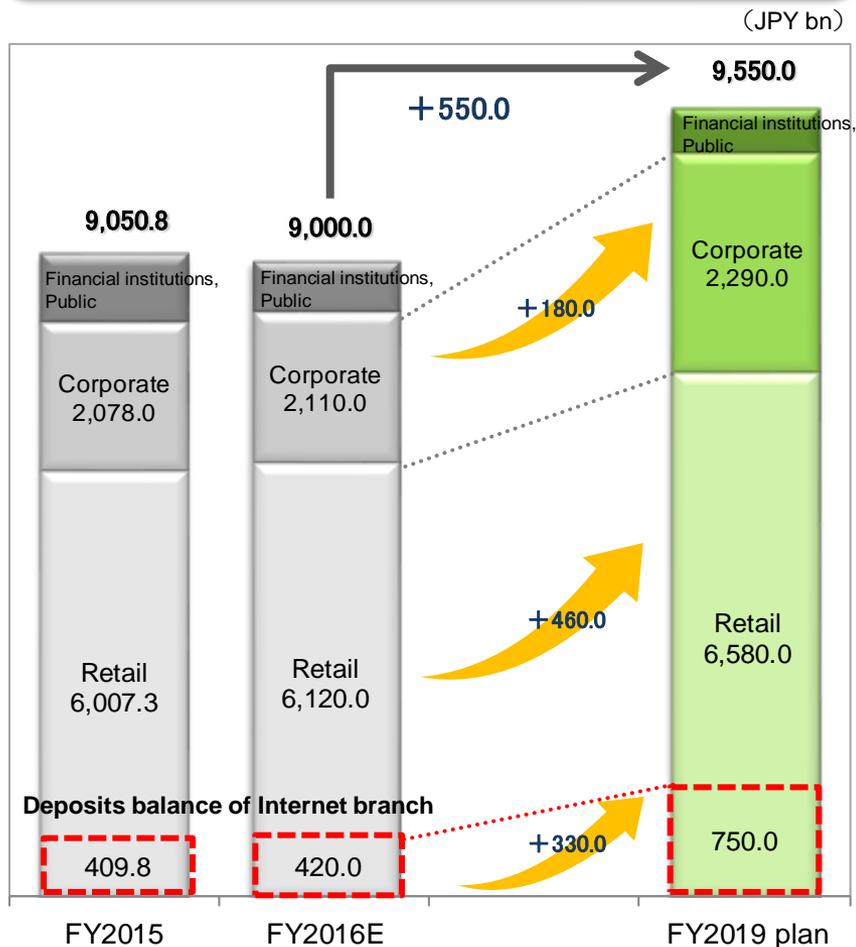
Interest on loans



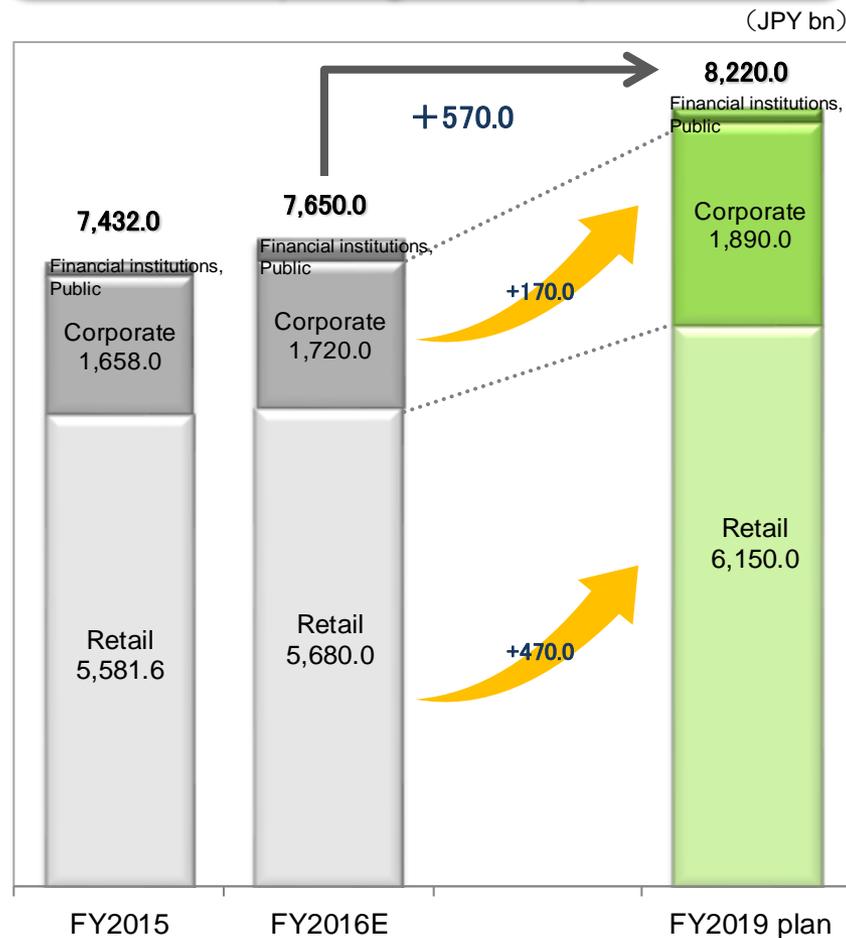
Deposits

- Total deposits balance (average balance) of FY2019 : JPY 9,550.0bn, up JPY 550.0bn (+2.0%) from FY2016E in which portion in Shizuoka : JPY 8,220.0bn, up JPY 570.0bn(+2.4%) from FY2016E
- Promote retail deposits through internet branches in the nationwide market

Deposit balance (average balance)



Deposit balance in Shizuoka prefecture (average balance)

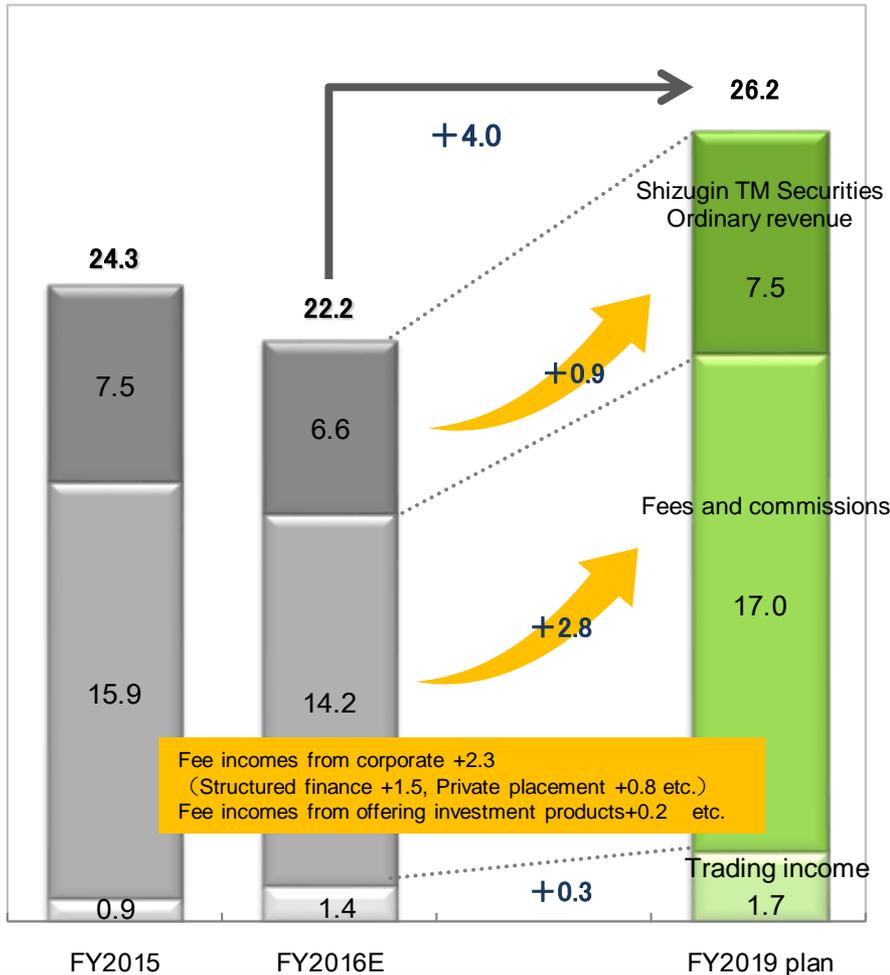


Fee incomes and Group strategy

Fee incomes

- Fee incomes of FY2019: JPY 26.2bn, up JPY4.0bn from FY2016E
- Aim to expand earnings through consulting business targeting corporate-related fee income and wealthy segments

(JPY bn)



Group Corporation

- Heighten presence of Group companies as wealth management group

13th Medium-term Business Plan

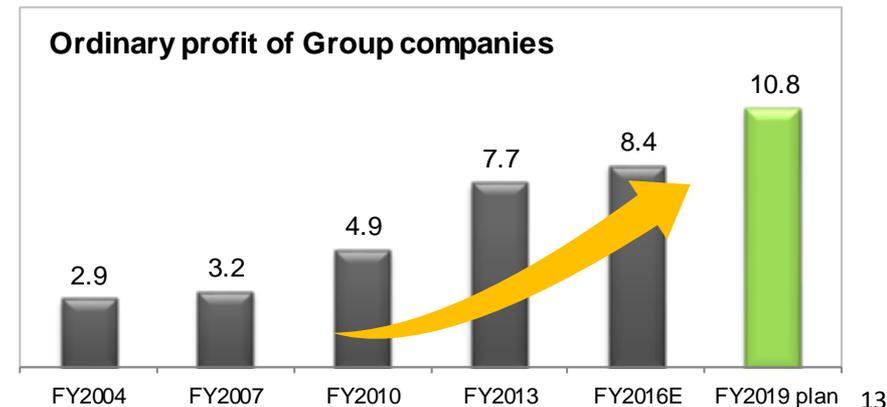
Promote strategies on both core and new business fields in line with Bank policies

Achieve low-cost operations through business centralization

Increase presence of each company as wealth management group

Achieve Group company ordinary profit of JPY 10bn, establish stable earnings base for 14th Medium-term Business Plan

(JPY bn)



Basic Strategies (1)

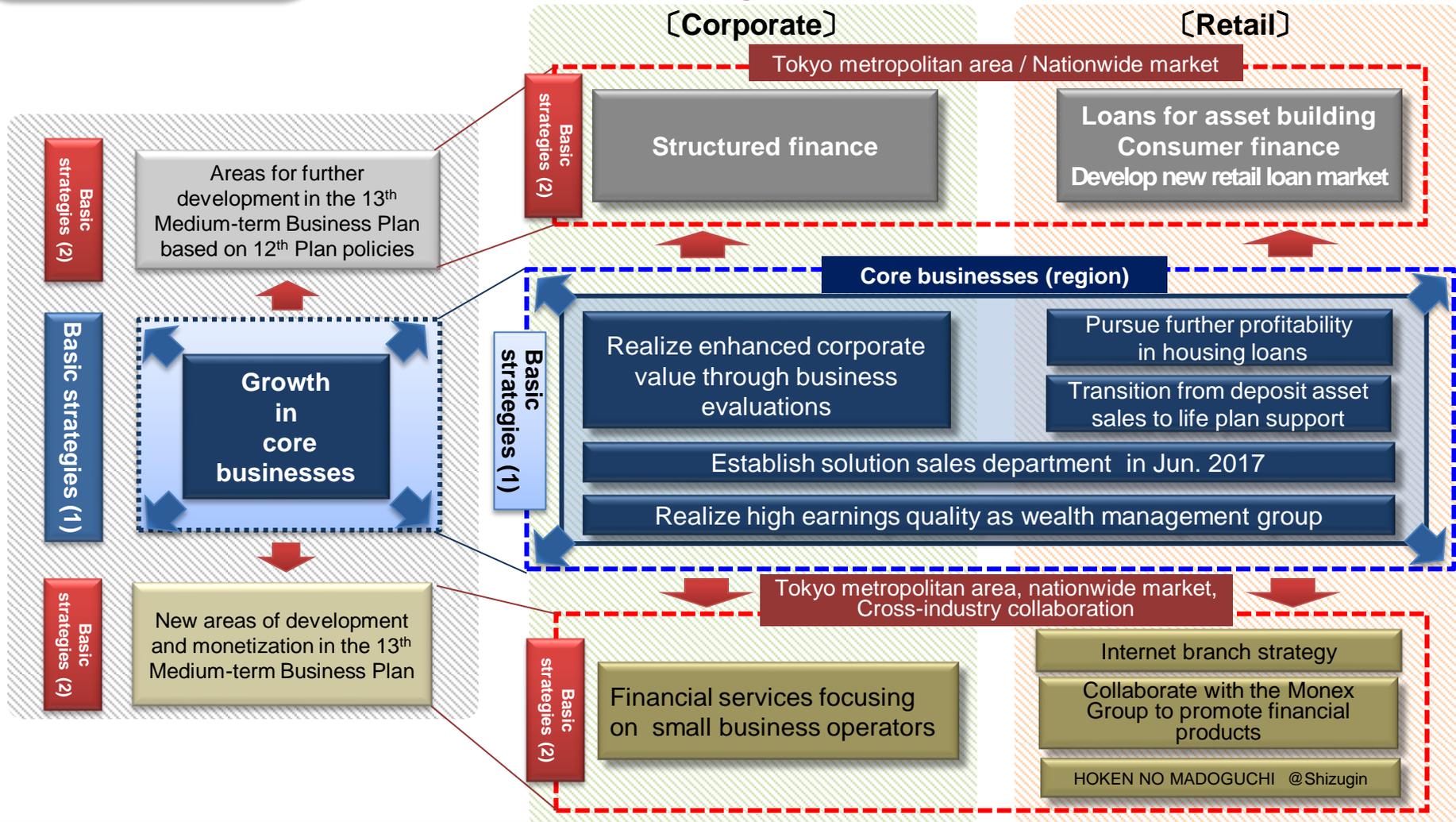
**Reinforce core businesses
by focusing on regional economic growth**

Basic strategies (1) - Reinforce core businesses by focusing on regional economic growth

- Realize sustainable growth in core business through supporting the regional economic growth

Overview of the Basic strategies (1)(2)

[Basic strategies (1)] Reinforce core businesses by focusing on regional economic growth
[Basic strategies (2)] Create a new regional bank business model for regional banks by developing and monetizing new business fields



Basic strategies (1) –Maximize profit of core fields

- As core-businesses(region based) ,expand transaction through business evaluation, and corporate restructuring in the SME segment

< Maximize profit from core businesses > (JPY bn)

	Increase / Decrease For three years (from FY2016E)
Corporate (Interest on loans, Fee incomes, etc.)	+3.5
Retail (Interest on loans, Fee incomes, etc.)	+2.5
Ordinary profit of Group companies	+2.7
Others (Foreign exchange earnings, Traditional fee income, etc.)	+0.3
Total	+9.0

● Corporate business

Loan balance of SMEs +JPY 300.0bn
(for three years, +3.7% annually)

Realize **enhanced corporate value** through business evaluations

- Reinforce the relationship with customers through business evaluations and corporate realignment (business succession and turn-around) in SME segment
- Increase share of lease business through finance lease sales
- Enhance solution business for international financial transaction

Establish Solution sales dept. in Jun. 2017

- Develop integrated corporate/retail solution sales

● Retail business

Consumer loan balance +JPY 320.0bn
(for three years, +3.7% annually)

Pursue further profitability in housing loans

- Enhance sales structure by increasing sales base and specialized housing loan staff, increase productivity through BPR
- Launch completely non-face-to-face housing loan initiatives

Transition from deposit asset sales to **life plan support**

- Expand earning opportunities through solution sales as the starting point for life planning

● Strategy of Group companies

Ordinary profit of
FY2019 plan JPY 10.8bn

Realize high-profit structure as a integrated financial service group

- Shizugin Lease Co., Ltd.
Achieve lease asset balance of JPY 100bn(up JPY 16bn YoY) through unified promotion of bank financing and leases
- Shizugin TM Securities Co., Ltd.
Increase deposit asset balance through the support for customer asset formation
[Balance of customer assets : JPY 700bn (up JPY 80bn)]
- Shizugin Credit Guaranty Co., Ltd.
Achieve guarantee balance of JPY 2,000bn (up JPY420bn) through consumer loan growth

Basic strategies (1)

-Support corporate realignment (business succession and turn-around) in SME segment, Pursue further profitability in housing loan business

Corporate

-Support corporate realignment (business succession and turn-around) in SME segment

- Utilize solid results and advantages in business revitalization as a top-tier regional bank and monetize corporate revitalization project in the SME segment, connecting to an increase in loan balance and of fee income

12th Medium-term business plan

Business Support Dept. Installation in 2003

- Hands-on support
- Loans based on business evaluation
- Utilizing external agencies, business regeneration fund

Business revitalization as a top-tier regional bank

- From 2005, completed roughly 190 cases of business restructuring, and maintained about 17,000 employments
⇒ activation of local economy



13th Medium-term business plan

Establish solution sales Dept. Installation in Jun. 2017

- Develop advanced solution sales with respect to business succession and other corporate revitalization projects



Establish a fee income business

- Acquire advisory fee income within business succession and revitalization

- Pursue earning opportunities by working on acquisition of corporate restructuring projects

Retail

- Pursue further profitability in housing loan business

- Increase productivity and expand products and channels for housing loans, based on BPR in the 10th – 12th Plan

12th Medium-term business plan

BPR program

- Reduce Back-office workload at branches by 60% [the 10th plan]
- Reduce workload for consumer loan sales staff by 63% [the 11th plan]

Increase of Housing loan balance

• Mar. 2008 JPY 969.8bn → Dec. 2016 JPY 1,848.3bn

Increase by about JPY 880.0bn for nine years in the 10th – 12th Plan

Ongoing simplification of housing loan operations

13th Medium-term business plan

Further profitability improvement programs

- Recruitment and operation of human resources specializing in housing loan operations
- Centralization of maintenance operations



Expand products and channel

- Launch completely non-face-to-face housing loan initiatives
- Expand sales force

- Increase profitability of housing loans by promoting low-cost operations and improving productivity while interest rate competition is intensifying

Basic strategies (2)

Create new business model for regional banks by developing and monetizing new business fields

Basic strategies (2)

–Create new business model for regional banks by developing and monetizing new business fields

- New business fields initiatives in the 12th Medium-term Business Plan will be further developed in the 13th Medium-term Business Plan to cultivate growth drivers generating JPY 30.0bn in FY2019

Profit increase from new business fields

the 12th Plan (FY2016 E)

**Profit increase from
new business fields
+JPY 17.0bn**

Total profit about JPY 13.0bn

Tokyo Metropolitan Area	Structured finance	JPY7.5bn
	Loans for asset building	JPY4.3bn
Nationwide	Consumer finance	JPY1.5bn
	Financial services focusing on small business operators	JPY0.2bn

the 13th Plan (FY2019 plan)

Total profit JPY30.0bn
(Profit target total JPY30.0bn from new business fields)

Tokyo Metropolitan Area

Nation wide

Structured finance	about JPY12.0bn
Loans for asset building	about JPY6.5bn
Personal loans + Consumer finance	about JPY9.0bn
Financial services focusing on small business operators (Nationwide expansion by Internet)	about JPY0.5bn
Cross-industry collaboration	about JPY2.5bn

Expanding the business fields (1) –Structured finance

- The 13th Medium-term Business Plan will continue to develop structured finance segment further launched in the 12th Medium-term Business Plan

the 12th Plan

Apr. 2013 Tokyo office banking Division III Installation ➤ Structured finance

the 13th Plan

Develop structured finance segment

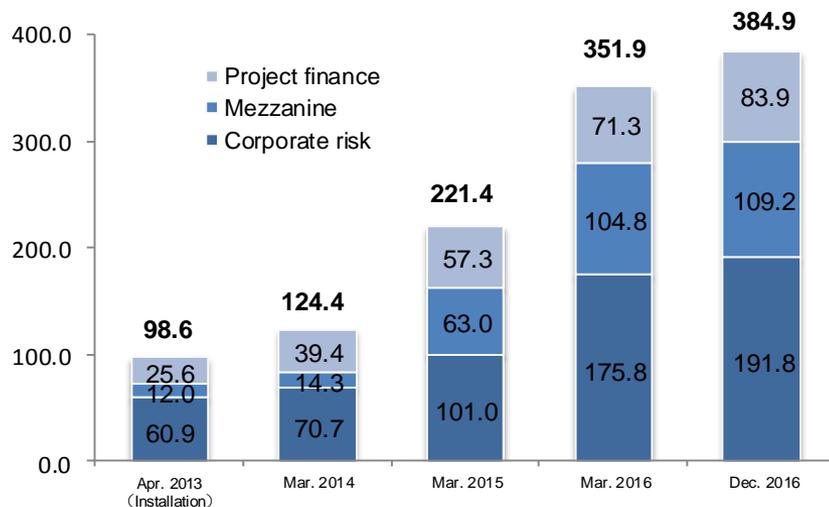
Develop distribution business

- Ongoing project participation utilizing expertise and skills
- Originate business which can be sold to other regional and Shinkin banks utilizing networks established in the 12th Medium-term Business Plan

⇒ Structured finance growing to one of the pillar of revenue

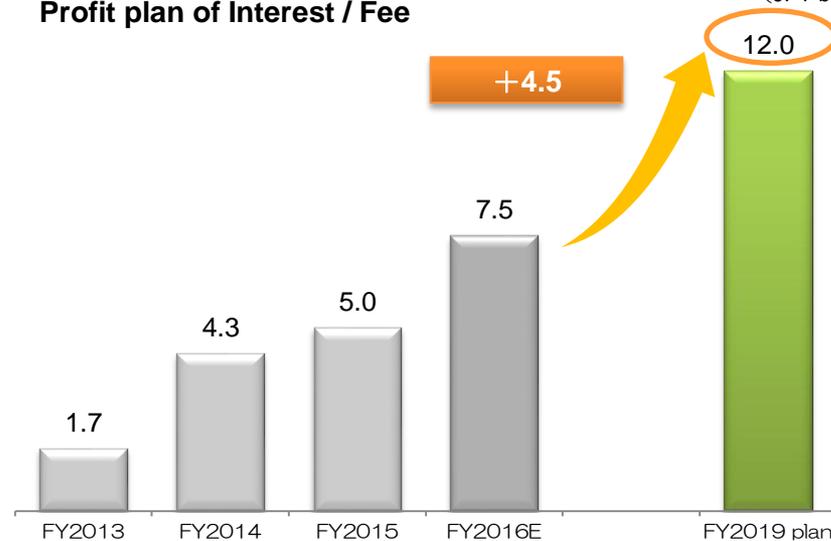
Structured finance portfolio

(JPY bn, monthly average balance)



Profit plan of Interest / Fee

(JPY bn)



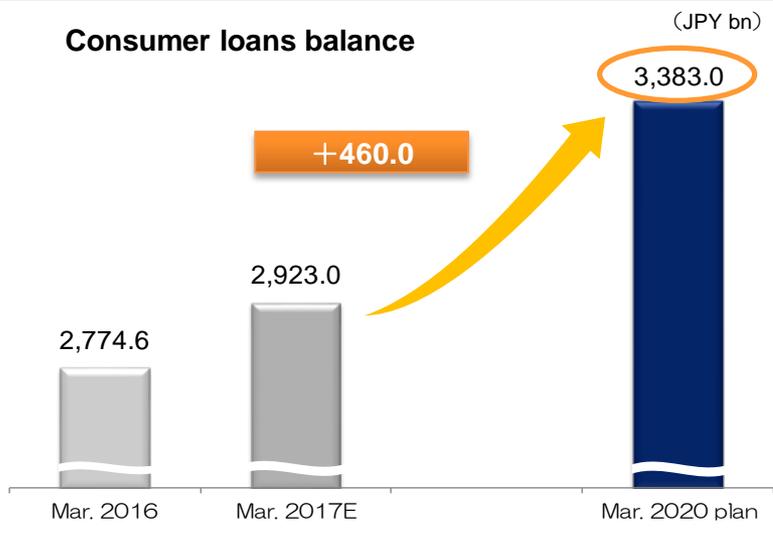
Expanding the business fields (2) –Develop new retail loan market

- Proactively develop new loan markets in addition to the markets developed in the 12th Medium-term Business Plan

[Tokyo metropolitan area / Nationwide market]

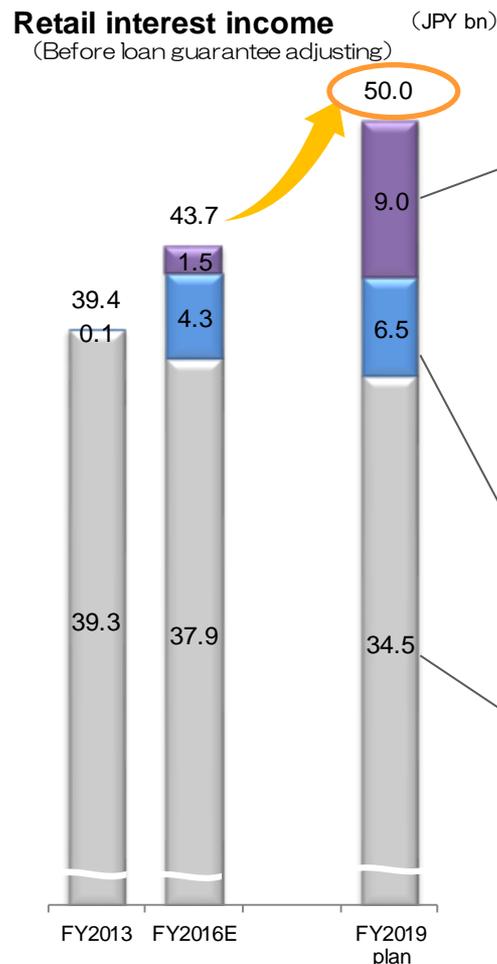
Develop new retail loan markets

Consumer loans balance



Retail interest income

(Before loan guarantee adjusting)



New retail loan market

Develop new retail loan market

- Nationwide deployment of freeloan
- Renovation loans
- Order-made housing loans
- Reverse mortgage loans etc.

Consumer finance

- Nationwide market

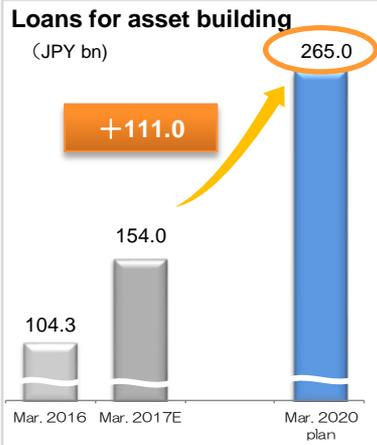
Loans for asset building

- Tokyo metropolitan area

Conventional loan market

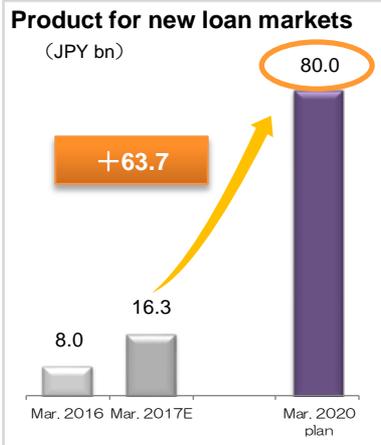
Loans for asset building

(JPY bn)



Product for new loan markets

(JPY bn)



Personal loan in new market compensate for profit decrease of conventional loan market

Expanding the business fields (3) –Nationwide market

【Nationwide market / Corporate】

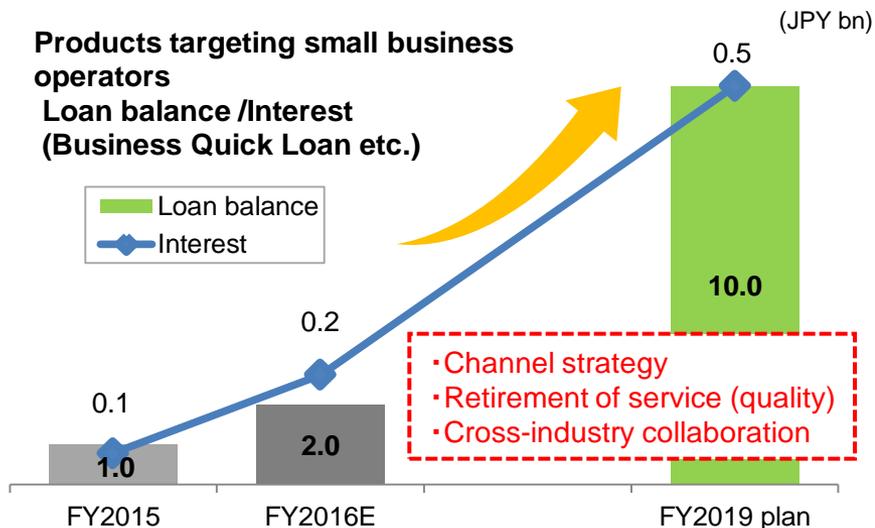
Financial services focusing on small business operators

- Expand financial services focusing on small business operators nationwide, and accumulate highly profitable loan assets
- Initiatives targeting small business operators (individual business owners) mainly in Shizuoka Prefecture in the 12th Medium-term Business Plan
- Through the Internet channel
- Under the 13th Medium-term Business Plan, the Bank will expand this scope to small corporations & nationwide market

Grow highly profitable loan assets to JPY 10bn balance in and JPY 0.5bn in earnings (interest)

Products targeting small business operators

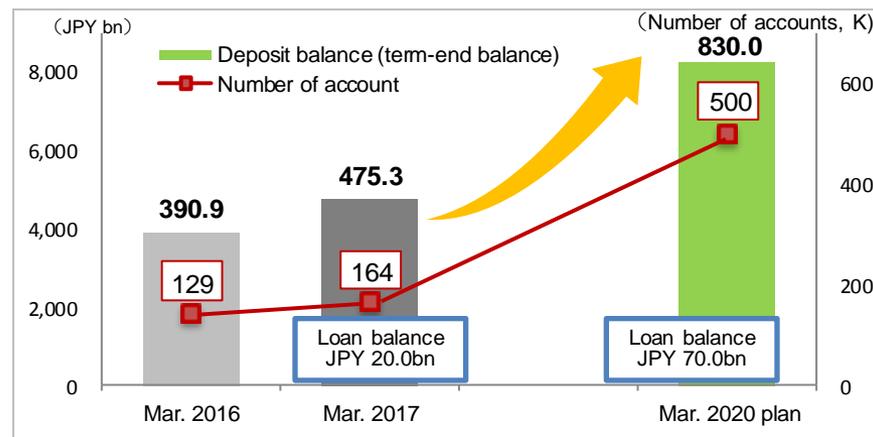
Loan balance /Interest (Business Quick Loan etc.)



【Nationwide market / Retail】

Strategy of Internet branch

- Under the concepts of “expanding our customer base in nationwide market” and “connected accounts,” the Bank aims for the rapid creation of 500,000 accounts and expanded deposit and loan balances



The concept of Internet branch (in the 13th medium-term business plan)

Expand customer base in **nationwide market**

Acquire “**connected accounts**” (transactions are maintained even when migrating outside Shizuoka Prefecture)

Rapidly create **500,000 accounts**

➤ develop earning opportunities outside region

Expanding the business fields (4) – Collaboration among various industries

HOKEN NO MADOGUCHI Group

Focusing on expansion of joint desk network in the 13th Medium-term Business Plan, expand customer base mainly among young adults

Realize integrated financial transactions with in-branch business model

- Increase the number of joint desk
- Specialize in over-the-counter sales
- Expand customer base mainly among young adults
- Expand new earning opportunities through integrated financial transactions

the 12th Plan

- Entered into business alliance contracts
- Opened “HOKEN NO MADOGUCHI@Shizugin” Hamamatsu in Dec. 2016 Shizuoka in Apr. 2017

ほけんの窓口 @しずぎん

the 13th Plan

- Increase the number of “HOKEN NO MADOGUCHI@Shizugin” ⇒ Totally 20-30 desks in Shizuoka, Kanagawa, and Aichi prefecture
- Expand integrated financial transactions through life planning

In the 14th Plan

Develop the segments with JPY 1bn or more in annual returns

Monex Group

Attempt to acquire new earnings by selling financial products of Shizuoka Bank Group to Monex securities clients

Monex Group is important strategic partner in terms of non-face-to-face channel



Expand customer base through Monex Group and acquire new earning opportunities

Create a win-win scenario by sending customers mutually

- Sell products of Shizuoka Bank Group to highly financially literate Monex Group clients

Various loan products

Inheritance related services

Insurance consulting

Sales segment to cultivate further in the 13th Medium-term Business Plan

- Create mechanism for introducing Shizuoka Bank Group customers to the Monex Group

Basic strategies (3)

Reform sales operations using retail channel
and IT infrastructure

Productivity Improvement -BPR

- An ongoing BPR program increased front-office staff without boosting the overall headcount up to the 12th Medium-term Business plan
- In the 13th Medium-term Business plan, promote to reform channels and operational processes

Up to now

<10th Medium-term business plan>
FY2008 – FY2010

Increased efficiency through IT investment and the expansion of centralized processing

- Back-office workload at sales branches reduced by 60%
- Repositioned back-office staff in sales positions

Top-line growth

Workload reduction of branches

Year	Deposit and domestic exchange	Public fund and agency services	Teller service
FY2007	100%	100%	100%
FY2009	-23%	100%	100%
FY2010	-57%	100%	100%

<11th Medium-term business plan>
FY2011 – FY2013

Extend productivity improvements to the front office workload

- Reduce workload for consumer loan sales staff by 63%

Further boost top-line growth

Reduced processing time for workload of consumer loan

Year	Processing Time
FY2010	100%
FY2011	-20%
FY2012	-48%
FY2013	-63%

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

<12th Medium-term business plan>
FY2014 – FY2016

Ongoing BPR, Operational concentration

“SHIZUGIN Headquarters Tower” started operation
→Established new work-style

Number of personnel in front and back office

	Mar. 2008	Mar. 2016	Increase / Decrease
Front-office	2,411	2,981	+570
Back-office	1,693	911	-782
Shizuoka Bank [inc. temporary employee]	5,164	4,829	-335

< 13th Medium-term business plan>
FY2017– FY2019

Sales Innovation Project

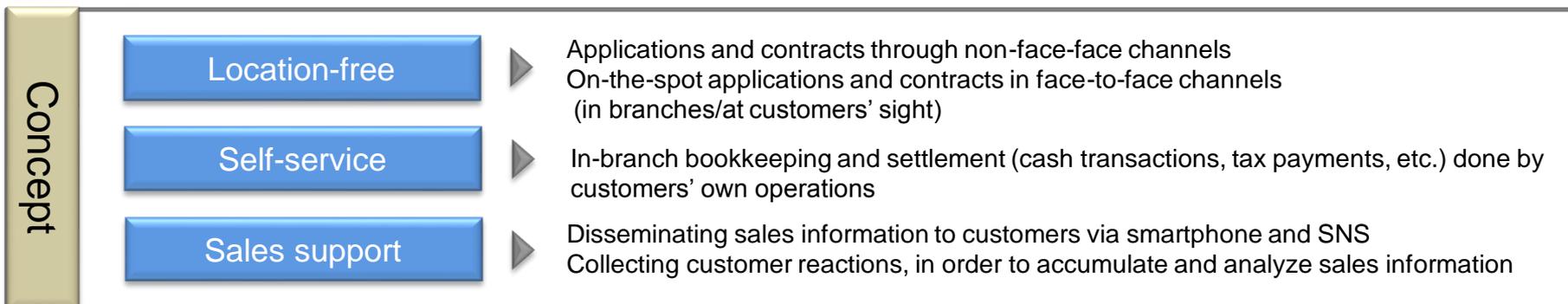
Reform face-to-face/non-face-to-face sales operations (channels) **×** Reform operational processes

Sales Innovation Project

- Promote “Sales Innovation Project” in the 13th medium-term Business Plan, defined as projects which reform operational processes and sales operations (channels) through Next-generation systems

Sales Innovation Project

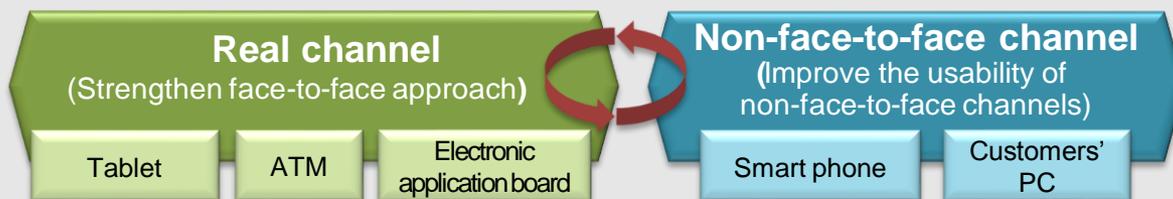
⇒ Reform operational processes and face-to-face/non-face-to-face sales operations (channels) through Next-generation systems, etc.



Target to be achieved through Sales Innovation Project

Channel coordination

⇒ Create structure which enables customers use same service everywhere regardless of the channel they access



Renovation of face-to-face channel

⇒ Considering to collaborate with various players, inside and outside financial industries

Work-style of employees

⇒ Spend more time for communication with customers
⇒ Offer each service via in-market concepts

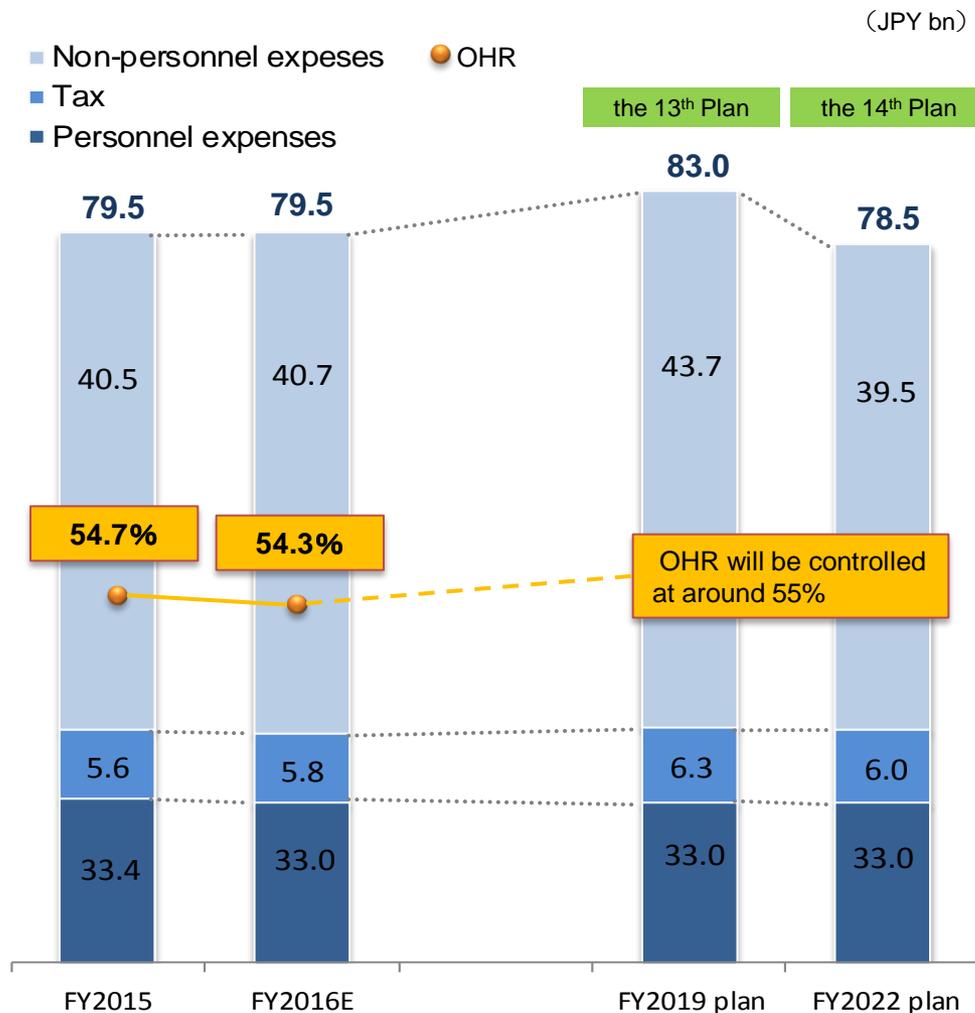
Reform of expense structure

⇒ Low-cost branch management, reconsideration of branch roles

Expenses

- Target figure of expense in FY2019 will be level of JPY 83.0bn, by changing the Bank's expense structure through the renovation of channel and operational process although next-generation system-related costs cause expenses to increase

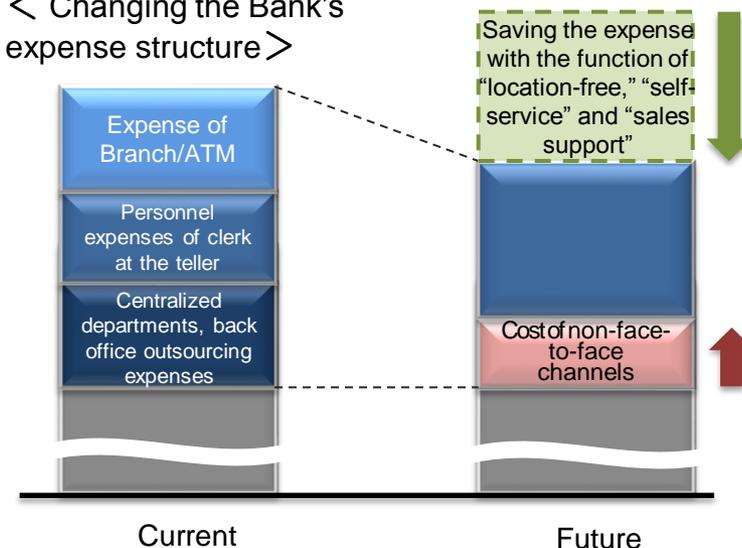
Expenses



Sales Innovation Project

- Propose products via virtual bank staff (AI)**
 Improve convenience of non-face-to-face channels
- Self-service terminals**
 Customers themselves operate terminals, saving desk works at branches and reducing wait times
- Paperless, non-personal seal applications**
 Digitized applications not requiring personal seals will reduce burdens on customers and the Bank
- Digitized insurance application**
 Completed the entire deal by using tablet device, proposal application, and administration etc.

< Changing the Bank's expense structure >



Basic strategies (4)

Help realize dreams and wealth of region, customers, employees, and shareholders

Basic strategies (4) - Help realize dreams and wealth of region, customers, employees, and shareholders

- Aim to realize an attractive “region” and “Shizuoka Bank Group” by creating a virtuous cycle in which the evaluation and trust of each stakeholder spread to the other through initiatives aimed at increasing satisfaction among all of them

- Regional revitalization
-execute regional bank business model to grow along with the region



Region

Linkage

Shareholder



- Target of shareholder return ratio in the 13th Medium-term Business Plan “about 50% in medium and long term”
- Increase individual shareholders in region

Establish a virtuous circle

Customer

Employee



- Become a Group that moves customers and motivates them to introduce the Bank to people close to them

- Realize work-style reforms and diversity
- Increase employee motivation

Regional revitalization

- Continuing alliances with industry, government, academia, finance, labor, media, and a variety of professionals among other foundational initiatives for regional revitalization created under the 12th Medium-term Business Plan, the 13th Medium-term Business Plan will deploy and develop new industrial promotion

12th Medium-term Business Plan

On January 12, 2017, our activities were recognized by the Cabinet Office's Headquarters for Vitalizing Towns, People and Jobs for excellence in promoting tourism through regional resource branding and local cooperation.

Promoting tourism across prefectural boundaries

- Establishment of the Kanagawa-Shizuoka Prefectural Border Region Revitalization Liaison Group

Contributing to local cooperation

- Formed regional revitalization alliances with 35 all municipal areas in Shizuoka Pref.
- Supported "Project Aisatsu Campaign Izu Peninsula" – One of the World's top Beauty Spots

Contributing to create the attractiveness of local community

- Building support "Mishima Skywalk", Japan's longest pedestrian suspension bridge

Shizugin's inbound tourism initiatives

- Runs ongoing seminars about Chinese tourists
- Distributed a guide to tourism companies to help them communicate with overseas travelers using only gestures.



Commendation ceremony
(Kozo Yamamoto, Minister of State for regional revitalization)

13th Medium-term Business Plan

Continue alliances with industry, government, academia, finance, labor, media, and a variety of professionals among other foundational initiatives for regional revitalization created under the 12th Medium-term Business Plan

⇒ Deploy and develop new industrial promotion

Shizuoka Bank Group's ongoing initiatives

Support each of local towns achieve business plan based on its own comprehensive strategy

Support inbound tourism and sightseeing

Disseminate information and cultivate activities related to regional revitalization

Contribute to the region from an environmental perspective

Reinforce enterprise value

- Target of shareholder return ratio in the 13th Medium-term Business Plan: 50% level in medium and long term
- Engage in ongoing efforts to “increase value per share”

Shareholder return

<Profit return>

	Total in the 10 th Plan	Total in the 11 th Plan	Expected total in the 12 th Plan
Annual dividend (1) JPY bn	26.9	28.3	34.4
Repurchase of shares (2) JPY bn	19.0	45.5	26.8
Net income (3) JPY bn	80.3	118.3	118.6
Shareholder return ratio [(1)+(2)] / (3)x100	57.17%	62.36%	51.58%
	FY2010	FY2013	FY2016E
Annual dividend per share (Interim dividend) JPY	13.00	15.50	20.00

<13th Medium-term Business Plan>

Target of shareholder return

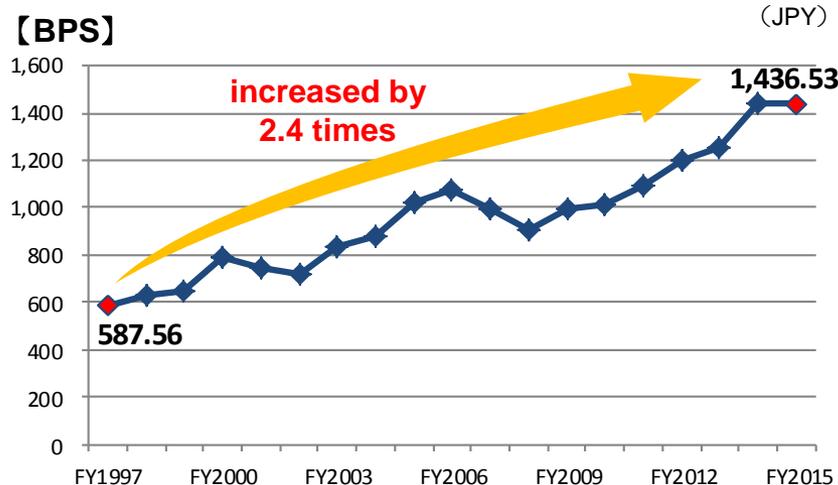
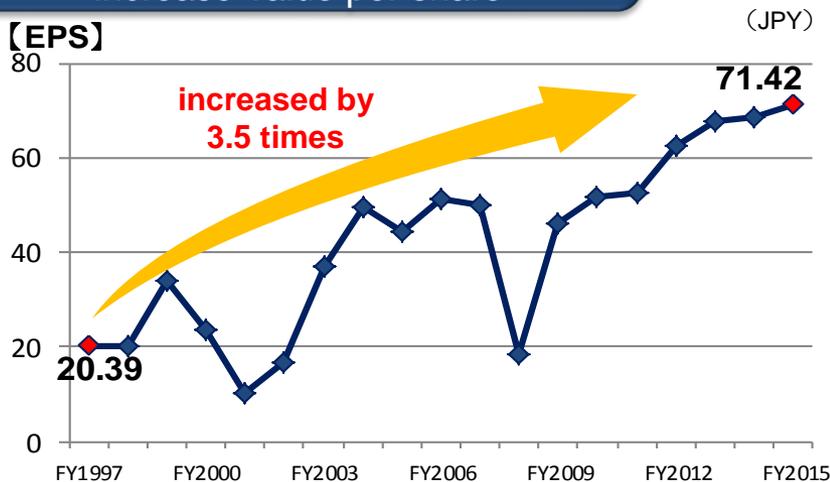
- 50% level in medium and long term
- Conduct share buybacks in consideration of market price and other factors

Engage in efforts to increase individual shareholders ratio in the 13th Plan

<Individual shareholders ratio > (%)

Mar. 2010	Mar. 2011	Mar. 2012	Mar. 2013	Mar. 2014	Mar. 2015	Mar. 2016
18.7	18.1	16.7	16.6	15.3	14.1	14.0

Increase value per share



Maintain policies that heighten value per share

This document includes statements concerning future business results. These statements do not guarantee future business results, but contain risks and uncertainties.

Please note that future business results may differ from targets for reasons such as changes in the business environment.

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