SHIZUOKA BANK

Shizuoka Bank Group
Annual Report 2009

Shizuoka Bank Group at a Glance

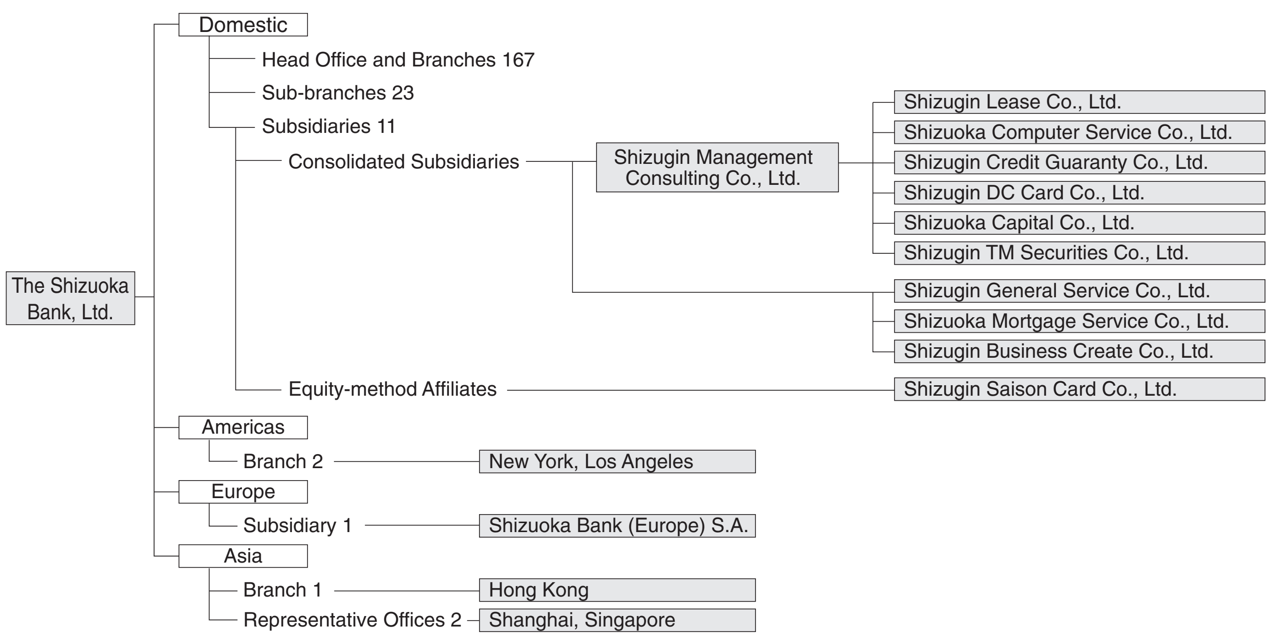
NURTURING THE VISION OF A PROSPEROUS COMMUNITY

True to a corporate philosophy which aims to "expand dreams and affluence with our community," the Shizuoka Bank Group makes an ongoing contribution to the development of the region around Shizuoka Prefecture, which forms the core of its business base. This corporate philosophy incorporates not only an economic dimension but also a cultural one: living in harmony with the local communities and the people we serve, sharing prosperity with them as a home-grown local banking group and a member of the regional community, and also helping local people to live more fulfilling lives.

A FIRST-CLASS REGIONAL BANK GROUP

The Shizuoka Bank Group comprises Shizuoka Bank and 12 Group companies, and is one of the largest regional banking groups in Japan. Centered on Shizuoka Bank with its 167 branches and 23 sub-branches, the Group serves the needs of customers not only within Shizuoka Prefecture, its home region, but also three major economic centers in Japan, namely Tokyo, Osaka, and Nagoya, all of which are comparatively nearby. For overseas operation, the Bank operates in New York, Los Angeles, Brussels, Hong Kong, Shanghai, and Singapore.

The Structure of the Shizuoka Bank Group (As of July 1, 2009)



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A SOLID FINANCIAL STRUCTURE

As of March 31, 2009, Shizuoka Bank's total assets stood at ¥9,114.7 billion (US$92,790 million) on a consolidated basis, together with loans and bills discounted of ¥6,350.2 billion (US$64,647 million), and deposits of ¥7,389.9 billion (US$75,231 million). The Bank's capital adequacy ratio was 14.12% on a consolidated basis, one of the highest ratios among Japanese banks, and its Tier I ratio was 13.76%, substantially higher than the BIS standard of 8% for banks engaging in international operations.

Consolidated Financial Highlights

THE SHIZUOKA BANK, LTD. and Subsidiaries
(Notes 1, 2)

	Millions of Yen		Thousands of U.S. Dollars
Years ended March 31	**2009**	2008	**2009**
Income before income taxes and minority interests	**¥19,677**	¥61,992	**$200,323**
Net income	**13,012**	34,758	**132,474**

	Yen		U.S. Dollars
Net income per share	**¥18.64**	¥49.25	**$0.19**
PER (Times, Non-consolidated)	**48.20**	23.59	
PBR (Times, Non-consolidated)	**0.97**	1.18	

	Millions of Yen		Thousands of U.S. Dollars
March 31	**2009**	2008	**2009**
Total assets	**¥9,114,742**	¥9,098,425	**$92,789,806**
Deposits	**7,389,963**	7,341,449	**75,231,227**
Loans and bills discounted	**6,350,250**	5,932,895	**64,646,754**
Securities	**2,063,085**	2,222,702	**21,002,598**
Capital stock	**90,845**	90,845	**924,827**
Total equity	**652,515**	717,391	**6,642,736**
ROE (%)	**1.94**	4.72	
Capital adequacy ratio (BIS) (%) (Note 3)	**14.12**	14.70	
Tier I ratio (%) (Note 3)	**13.76**	13.42	

Notes: 1. Translation into U.S. dollars has been made solely for the convenience of readers outside Japan at the exchange rate of ¥98.23 to $1, the approximate rate of exchange at March 31, 2009.
2. In this annual report, dollar figures are rounded off, but Japanese yen figures have been truncated in the process of calculation.
3. From the fiscal year ended March 31, 2007, Basel II methodology has been adopted to calculate capital ratios. For credit risk, the Foundation Internal Ratings Based Approach (F-IRB) has been applied. For operational risk, the Standardized Approach (TSA) has been adopted and the Internal Model Method has been used for market risk.

INTERNATIONAL CONFIDENCE

Shizuoka Bank, the core company of the Group, stands in the foremost rank of Japanese banks in terms of financial soundness. This is reflected in the fact that the Bank has received among the highest credit ratings received by any Japanese financial institution from four major credit rating agencies: three overseas and one Japanese.

(As of June 1, 2009)

	Long-Term	Short-Term	Financial Strength
Standard & Poor's	AA-/Stable	A-1+	B+*
Moody's	Aa3	P-1	C+
Fitch Ratings	—	F1	B
Rating and Investment Information, Inc.	AA	—	—

* Bank Fundamental Strength Rating

Cautionary Statements with Respect to Forward-Looking Statements

Statements made in this annual report with respect to the current plans, estimates, strategies and beliefs, and other statements of the Shizuoka Bank Group that are not historical facts, are forward-looking statements about the future performance of the Group. These statements are based on management's assumptions and beliefs in light of the information currently available to it, and therefore readers should not place undue reliance on them. Shizuoka Bank Group cautions readers that a number of important factors could cause actual results to differ materially from those discussed in the forward-looking statements. Such factors include, but are not limited to, (1) general economic conditions in Shizuoka Bank Group's market (particularly Shizuoka Prefecture) and (2) fluctuations in market interest rates and exchange rates.

To Our Stakeholders

Yasuo Matsuura, *Chairman*

Katsunori Nakanishi, *President & Chief Executive Officer*

The global economic downturn triggered by a financial system crisis in 2008 has caused a severe deterioration in business conditions for financial institutions and general business enterprises alike, and its impact is being felt in all aspects of business activity.

The Shizuoka Bank Group is committed to fulfilling its key role as a regional financial institution, no matter how difficult the operating environment, by offering a reliable supply of funds for the business enterprises that underpin the regional economy. To this end, we are working to strengthen relationship banking functions so as to serve as a community-based financial institution more effectively.

We are also faced with a number of other urgent management issues, including the need to strengthen customer information and to implement more sophisticated risk management systems. To deal with these issues we have drawn up our 10th medium-term business plan under the name Dream TEN — New Challenges, and are now working to achieve our goals under this new plan.

I hope that our shareholders and other stakeholders will continue to favor us with their support and encouragement as we pursue our forward-looking aims.

September 2009

Yasuo Matsuura
Chairman

Katsunori Nakanishi
President & Chief Executive Officer

Message from the President

Foster regional goals as a growing comprehensive financial group — Dream with you Shizuoka Bank

Survival now in preparation for growth

Fiscal 2008 saw unprecedentedly massive changes in the business environment. The first half of the business year was characterized by continued high prices of raw materials on the global market, which pushed up the prices of manufactured goods, leading to fears of inflation. In the second half, however, the situation performed an abrupt turnaround with the financial crisis that erupted in the United States, stemming originally from the subprime loan problem. This crisis caused a worldwide credit crunch, and the bankruptcy of Lehman Brothers sparked turmoil in the money markets on a scale never before seen.

The economy of Shizuoka Prefecture was not, of course, immune to the effects of these international developments. As the prefecture's economy had been performing quite firmly up to that point, the downturn was very severe in comparison with the previous year's performance. Corporate earnings continued to deteriorate across the board, irrespective of industry or business scale, and more and more companies were forced to take drastic cost-cutting measures and to reduce production volumes.

Amid this "once-in-a-century" economic crisis, I would like to propose the word "survival" as the key policy concept of Shizuoka Bank. By this, I do not mean that we must adopt a purely defensive stance and simply endure the current difficult operating environment, but that we must exert strong willpower and harness the expertise and creativity of our staff to build up the Bank's future potential, so that when the time is right we may realize vigorous growth.

I believe that we must work hand-in-hand with the authorities and important companies in the region to enable us all to ride out these harsh business conditions and ensure that Shizuoka Prefecture emerges from the downturn with its excellent economic base intact. If we can do that, we will have accomplished our prime mission as a regional financial institution.

Fiscal 2008 was the first year under the Bank's 10th medium-term business plan — Dream TEN — New Challenges. To realize our aims under this plan, expressed in our slogan "Foster regional goals as a growing comprehensive financial group — Dream with You Shizuoka Bank," we have laid down three basic strategies: 1) to establish the solid operational base required to achieve sustained growth in tandem with the region, 2) to achieve highly productive Group operations, and 3) to establish the "Shizugin"* brand. Addressing these three strategies as an indivisible whole, our desire is to create a business which gives rise to a virtuous circle of growth-infused enterprise value.

We have been putting considerable effort into realizing these strategies. As a result, despite a very difficult operating environment in fiscal 2008, marked by the lowering of the key policy rate, the necessity to dispose of an increased amount of bad debt, and the price slump on the nation's stock markets, we were able to achieve a steady growth in loans to individuals and SMEs. Thanks to this, the Bank's "core net operating profit" (net profit on core banking operations) grew still further. The Bank's annual dividend per share for fiscal 2008 stood at ¥13, maintaining the top level for the leading regional banks.

*Shizu is short for Shizuoka, while gin is short for ginko, the Japanese word for bank.

Meeting the expectations of all our stakeholders

With respect to our goal of establishing the "Shizugin" brand, one of our basic strategies under the 10th medium-term business plan, we are working to fulfill our corporate social responsibilities (CSR). At Shizuoka Bank, we believe that it is our mission as a regional financial institution to carry out a wide and balanced range of corporate activities in the fields of the economy, society as a whole, and the natural environment. By so doing, we will be able to satisfy the demands of all our stakeholders, including the regional community, our business partners, our shareholders, and our employees, and thereby achieve an even higher reputation for trustworthiness.

I believe that the ideal of the banking business is the provision of mutual support and encouragement so as to achieve prosperity for all parties involved through the synergy created from collaborative action. I also believe that this ideal is fully realizable. Moreover, in my opinion it is the responsibility of the Bank's management to bring together different stakeholders in this kind of organic relationship. I take as a guiding principle the concept of deriving pleasure from doing good to others. Under the key corporate philosophy statement of Shizuoka Bank — "Expand dreams and affluence with our community" — I intend to adopt a proactive management stance so as to meet the expectations of all our stakeholders and to guide the Bank into a bright future.

A comprehensive financial group that meets expectations and earns trust

Although the economic situation seems to have improved somewhat, a fullscale recovery is likely to take quite some time. Thus, the current challenging circumstances will continue to prevail for a while, and we could well experience unforeseeable business developments. Despite this, the vital mission of the Shizuoka Bank Group is to support the prefecture's economy no matter how difficult the operating environment. This is why we are pursuing the establishment of the kind of solid operational base that is needed to realize sustained growth in tandem with the regional economy as a whole. Looking further ahead, I am confident that the Shizuoka Bank Group, in its role as a comprehensive financial group, will succeed in maintaining the support and enjoying the trust of all its stakeholders — the local community, our business partners, our shareholders, and our employees alike.

Katsunori Nakanishi
President & Chief Executive Officer

Our 10th Medium-Term Business Plan (FY2008-2010)

Dream TEN — New Challenges

“Dream” indicates:

Our Basic philosophy: Expand dreams and affluence with our community and “dream,” which is incorporated in our medium-term vision.

“TEN” signifies:

It is our 10th plan, and also includes the following meaning:

Trinity
The basic three strategies working as one

Effort
The efforts of all employees, driving the plan

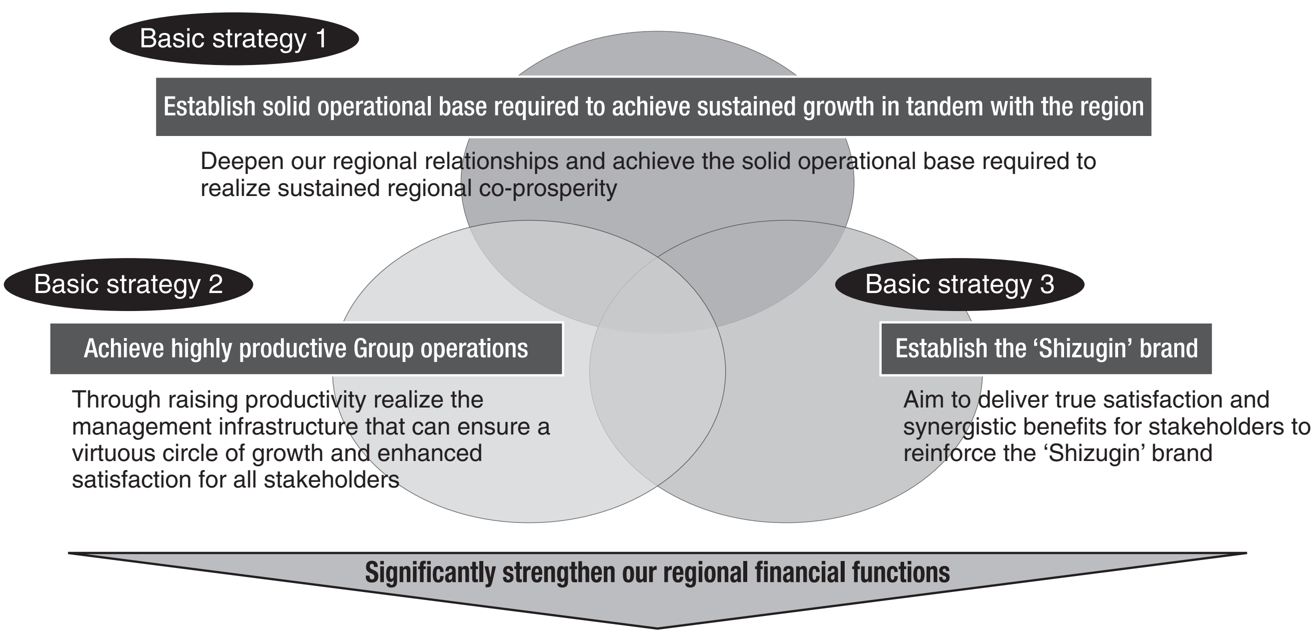
Next Stage
The next stage targeted in the plan

“New Challenges” signifies:

Actively taking on challenges to realize new dreams

Overview of basic strategies

- Realize a growth strategy through establishing: 1.The solid operational base required to achieve sustained growth in tandem with the region; 2. A group management infrastructure that can realize high productivity; and 3. The intangible infrastructure represented by the ‘Shizugin’ brand.



Group medium-term vision:

Foster regional goals as a growing comprehensive financial group — Dream with you Shizuoka Bank

- Targets

		10th Medium-Term Plan targets (FY2010)	FY2008 results
Profit targets	Consolidated ordinary income	¥65.0 billion or more	¥20.0 billion
	Core net operating profit (Bank, non-consolidated)	¥65.0 billion or more	¥69.0 billion
	Consolidated net income	¥35.0 billion or more	¥13.0 billion
Efficiency indicators	Consolidated Tier I ROE (Net income/Tier I capital)	6% to 7%	2.14%
	Consolidated ROA (Consolidated net income)	0.4% or more	0.14%
	Consolidated OHR	Around 55%	53.84%
Financial soundness indicators	Consolidated Tier I capital adequacy ratio (BIS)	Around 12%	13.76%

* Due to the change in economic situation we revised the plan in May, 2009.

Business Performance in Fiscal 2008 (Consolidated)

Earnings

Total income of the Shizuoka Bank Group decreased ¥12.3 billion from the previous term to ¥232.9 billion (US$2,371 million), attributable mainly to lower gains on sales of stocks and other securities.

Total expenses increased ¥29.9 billion year-on-year, to ¥213.2 billion (US$2,171 million), principally as a result of an increase in provision of allowance for loan losses.

As a result, net income decreased by ¥21.7 billion from the previous term, to ¥13.0 billion (US$132 million).

Loans

As our prosperity depends on the economic health of our home region, we continued to focus on providing loans to contribute to our customers by offering stable procurement methods. Mortgage loans and other loans to individual customers, and loans to SMEs both showed steady increases, with the result that the balance of loans and bills discounted at the end of the term rose by ¥417.3 billion year-on-year, to ¥6,350.2 billion (US$64,647 million).

Deposits

Total deposits increased ¥48.5 billion at the end of the term, to ¥7,389.9 billion (US$75,231 million), thanks mainly to increases in deposits for individuals.

To meet customers' increasingly diverse asset management needs, the Bank put efforts into offering attractive financial products, such as foreign-currency deposits, government bonds, investment trusts, and etc. As a result, the total of such personal assets under custody (including yen deposits and NCDs) increased by ¥152.6 billion to ¥6,380.4 billion (US$64,954 million).

Securities

The Bank worked to construct a portfolio yielding sound and steady earnings by tailoring its position flexibly to market trends. The Bank has increased the balance of yen-denominated bonds assuming that any rise in medium-to-long-term interest rates in Japan will be limited. However, the balances of equities, investment trusts, and similar financial instruments, all of which are subject to mark-to-market valuation, decreased as a result of the decline in prices on the stock markets. As a result, the total balance of securities at the end of the term decreased by ¥159.6 billion from the previous term-end, to ¥2,063.0 billion (US$21,003 million).

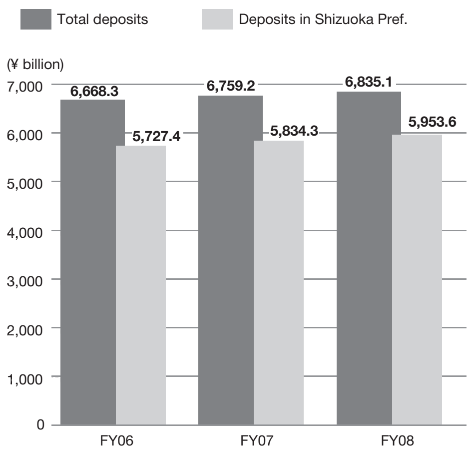
Cash Flows

Net cash provided by operating activities amounted to ¥25.2 billion (US$257 million), due mainly to an increase in deposits and borrowed money. Net cash provided in investing activities totaled ¥6.1 billion (US$63 million), reflecting the sale of securities. Net cash used in financing activities totaled ¥9.6 billion (US$98 million), mainly because of dividend payments. As a result, cash and cash equivalents increased by ¥21.7 billion at the term-end, to ¥137.2 billion (US$1,398 million).

Results of Recent Achievement

Deposit Services

Balance of deposits **(average; non-consolidated)**



Note: Balance of deposits excludes negotiable certificates of deposit

We have made efforts to raise the proportion of deposits, which are the basis of our entire business, through a variety of campaigns, targeting customers preparing for the major events in their lives, as well as new product introductions.

During the reporting period we launched a number of financial products with special features, such as the Time Deposit with Lotto sold online, and the Greenhouse Gas Reduction Time Deposit, a product that transfers emission rights to the Japanese government from us for free in proportion to customer deposit amounts, which went on sale in October 2008. In March and April 2009 we launched a sales campaign targeting new college graduates, as well as various products and services tailored to particular customer life stages, such as designated accounts for the receipt of pension payments or for direct salary deposit.

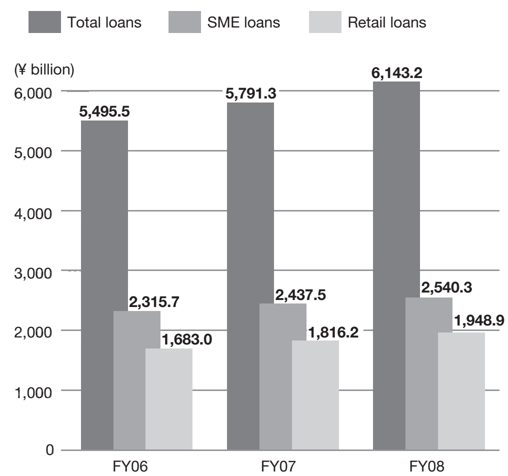
For our corporate customers, we started the sale of multi-callable time deposits in April 2008, and Premium Plan yen time deposits with a special foreign exchange rider in September 2008. We continued to design and launch solutions for the management issues being tackled by our corporate customers, including electronic banking services and defined contribution plans, which are Japanese versions of the 401(k) plans in the U.S.

Loan Services

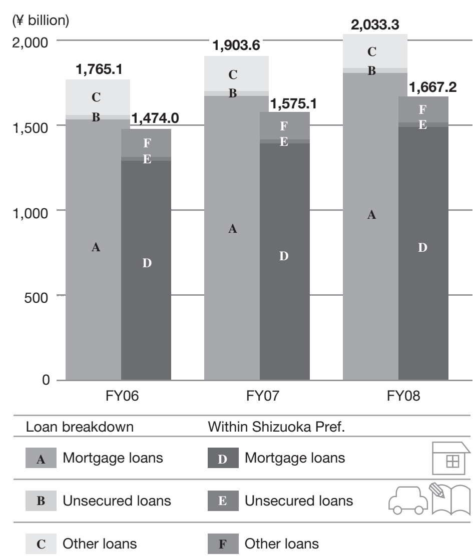
We have focused on financial supports for home region, which provide loans and other financial products based on customers' information gathered through long-term relationship with them, to sustain the development of the regional economy as a regional bank of Shizuoka Prefecture.

In corporate lending, we endeavored to provide loan products not overly dependent on real estate collateral or personal guarantees, so that we can supply stable funding to the region. In retail lending, we worked to develop a quick response system to promptly address the varying funding needs that our customers experience in the different stages of their lives. In the field of housing-related loans, in June 2008 we opened our 17th loan center on the south side of Hamamatsu Station. These centers are aimed at meeting the funding needs of Generation Y (the children of the Baby Boomers), who are now starting to buy their own homes, and also to offer finely customized solutions to the refinancing needs of other customers amid a period of changing interest rates.

Balance of total loans **(average; non-consolidated)**



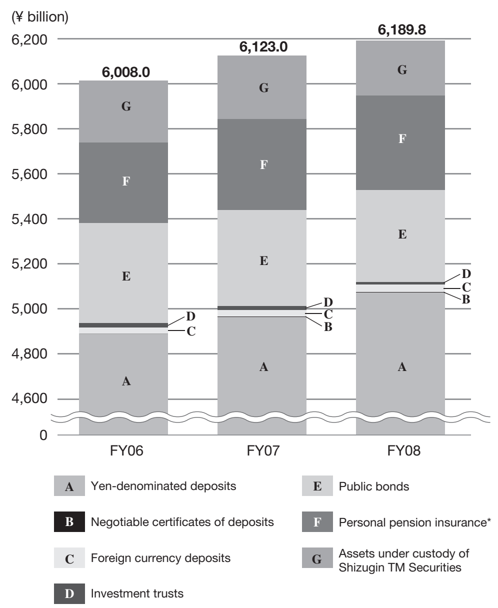
Balance of consumer loans **(at term-end; non-consolidated)**



Note: "Unsecured loans" include loans for car purchase, education expenses and loans taken out using bank cards

Asset Custody Services

Balance of individual assets under custody
(at term-end; Shizuoka Bank and Shizugin TM Securities)



* Balance of remaining contracts

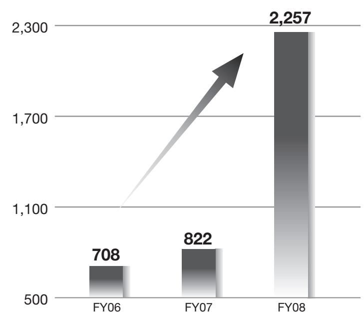
Our financial planners, having expertise in asset management, are deployed throughout the Bank's service area, and offer a wide variety of appealing products to residents in the region in charge to help them build their assets and realize a comfortable lifestyle. In addition to yen-denominated deposits, depending on the level of the customer's risk tolerance, these products can include foreign currency-denominated deposits, government bonds, installment investment trusts, and individual pension insurance plans. Utilizing the resources of our subsidiary Shizugin TM Securities, which handles a wide range of financial products, primarily investment trusts, we offered solutions to optimize customer portfolios introducing customers interested in money market products to the subsidiary.

Solutions and Management Consulting

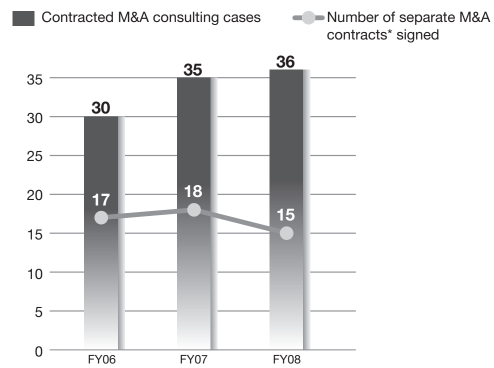
To fulfill our duty of supporting the regional economy amid the current downturn, we must not only respond swiftly to funding needs, we must also help corporate customers to expand their business lines by providing new marketing channels and offering support for technological collaboration. We are also offering business matching services, and leveraging the comprehensive financial functions of the Shizuoka Bank Group to provide support for management improvement and business rehabilitation. At the same time, the Bank is helping to train the next generation of managers who will take charge of the region's future through the Shizugin Management Training Course (known as "Shizuginship"). We are putting our full efforts into the concrete materialization of regional finance initiatives with the goal of achieving sustained growth in tandem with the region.

For individual customers, we have set up what we call company private bankers at three main locations in Shizuoka Prefecture, helping customers to build their assets through extended, personalized relationship. In addition, we are collaborating with Mitsubishi UFJ Trust and Banking to provide expert advice on inheritance planning, which is attracting attention among an aging society.

Business matching performance
(successful business matchups)

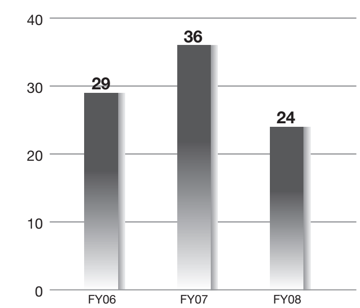


M&A consulting performance
Collaboration with Shizugin Management Consulting Co., Ltd.



* In the "number of separate M&A contracts signed," where separate contracts are concluded with both the acquiring company and the company being acquired, these are counted as two separate contracts.

Management consulting contracts track record
Collaboration with Shizugin Management Consulting Co., Ltd.



Credit Cards

We have build up our credit card business as a new component of our business lines, designed to deal with the anticipated decline in mortgage loans caused by decrease in population and the aging society. Users of "joyca," a card issued by the Bank itself, exceeded 280,000 as of the end of April 2009. In July 2008, Shizugin Saison Card, a joint venture with Credit Saison, began selling the Entetsu Card in collaboration with Ensyu Railway. By April 2009 the number of cardholders had topped 70,000 and the Entetsu Card had become one of the most popular credit cards in use in Western Shizuoka.

Our Operational Base: Shizuoka Prefecture

Economic Scale

With a nominal annual economic output of ¥16.8 trillion (US$171.69 billion) in fiscal 2006, Shizuoka Prefecture, our main operational base, would comes after the GDP of Pakistan, Chile and the Czech Republic. In terms of economic indicators, Shizuoka Prefecture has a share of the national economy amounting to roughly 3%, putting it at around 10th place among the country's 47 prefectures. For this reason, it is sometimes called "the 3% economy."

Industrial Characteristics

Shizuoka Prefecture is situated midway between the two major consumer markets and industrial centers of Japan — the Nagoya region plus the Osaka-Kyoto region to the west, and the Yokohama-Tokyo region to the east. Because of this location at a busy "crossroads" of the nation, it has historically developed into a significant center of manufacturing industry. The convenient location of Shizuoka Prefecture in transportation terms has caused the growth of a strong industrial base. The prefecture ranks first among Japan's 47 prefectures for the establishment of new factories, and is one of the country's leading manufacturing areas. Moreover, the wide variety of industries represented within Shizuoka has led to it being dubbed "the industrial department store." Corporations active in Shizuoka include world-leading enterprises such as Toyota, Honda, Suzuki, and Yamaha, and the prefecture is renowned for its concentration of export-oriented manufacturing companies. Many of these firms have set up production subsidiaries overseas, which is creating a growing international aspect to the regional economy. The opening of Shizuoka Airport in June 2009 is expected to accelerate the internationalization of Shizuoka Prefecture, stimulate the interchange of people and ideas between the prefecture and the major urban centers of Eastern Asia, and act as an important driving force for the regional economy.

In recent years the prefectural authorities have been operating a number of schemes to encourage companies in the medical treatment, pharmaceuticals, chemicals, and optical technology industries, among others, to set up operations in the so-called "Shizuoka Triangle Research Cluster" (spread across the prefecture's eastern, central, and western districts) as a means of developing a next-generation industrial base.

Eastern Shizuoka

This part of the prefecture is characterized by the traditional paper and pulp industry, which developed to take advantage of the abundant underground water resources near Mt. Fuji, as well as a number of plants and research facilities that have more recently relocated to the area from Tokyo and its vicinity. The Izu Peninsula boasts wonderful natural scenery that is magically transformed with the changing seasons, as well as a wealth of hot springs. For these reasons, it is one of the most popular yen-round holiday resort areas in Japan.

The Pharma Valley Project

In anticipation of a massive increase in demand for medical treatment and nursing care services against the background of a growing lifespan, a project is being pursued to encourage research activities in the field of wellness.

Central Shizuoka

This region has a wide variety of retailing companies and a concentration of other service industries. Traditional craft manufacturing (primarily furniture), plastic models and other toy manufacturing, and food processing industries (tea, canned foods) are also active in this part of Shizuoka. The famous ports of Yaizu and Shimizu are also located in this region. The former is well-known as a base for large-scale commercial fishing operations, and the latter as a trading port.

The Food-Science Hills Project

This project seeks to develop the local industrial base by efforts to overcome lifestyle-related diseases through scientific progress in the fields of foods and pharmaceutical products.

Western Shizuoka

This part has a high concentration of manufacturing companies, such as makers of motorcycles and musical instruments, among which are many world-renowned companies. This is one of the main reasons why Shizuoka Prefecture ranks third among Japan's 47 prefectures in terms of the value of manufactured goods shipments, accounting for 5.8% of the value of nation's total manufacturing output in 2007. It is to this area that Shizuoka Prefecture owes its reputation as a heavily industrialized prefecture with a high proportion of export-oriented companies.

The Photon Valley project

The project aims to develop a next-generation industrial base centered on optical technology, and assist in practical industrial applications of new technologies.

Main Economic and Business Indicators for Shizuoka Prefecture

Item	Figure	Share of National Total	Nationwide Rank	Date of Survey
Area	7,780 km^2	2.1%	13th	October 2005
Population	3.80 million	3.0%	10th	October 2008
Households	1.41 million	2.7%	10th	March 2008
Gross product (nominal)	¥16,866.5 billion	3.3%	10th	FY2006
Business premises	191 thousand	3.2%	10th	October 2006
Value of farm output	¥230.8 billion	2.7%	13th	2007
Fishery catch	203 thousand tons	3.6%	6th	2008
Manufactured goods shipments (by factories with four employees or more)	¥19,410.3 billion	5.8%	3rd	2007
Annual revenue of wholesaling industry	¥6,976.4 billion	1.7%	11th	2007
New housing starts	36,210	3.3%	10th	2008
Information service sales	¥101.5 billion	0.8%	13th	2007

Shipments of Manufactured Products in which Shizuoka Holds 1st Place (2006)

Item	Value of Shipments (¥ billion) Shizuoka Pref.	Share of National Total	Nationwide Rank
Pulp & paper	905.3	13.0%	1st
Air conditioners	162.7	38.9%	1st
Green tea	165.1	58.1%	1st
Tea beverages	196.6	34.8%	1st
Piano	40.7	100.0%	1st
Canned tuna	28.3	89.1%	1st
Aluminum foil	36.8	36.8%	1st
Plastic model kit	10.6	79.2%	1st

Economic Trends in Shizuoka

In the latter half of fiscal 2008 the prefecture was impacted by the global economic downturn, and a slowdown was seen in sales of automobile components, which had been performing favorably up to that point. Exports continue to fall at an increasing pace, capital expenditures are drying up, inventory adjustments are continuing, and a production volume remain sharply down. As a result of these factors, consumer spending continues to weaken still further against the backdrop of high unemployment and falling wage levels.

Looking ahead to the rest of fiscal 2009, we see export demand and capital expenditures remaining stagnant, and expect that business conditions in the prefecture will remain very difficult, particularly for small and medium-sized enterprises.

In the financial sector, economic prospects have been becoming increasingly unclear since last October, and we expect companies to strongly cut back on capital expenditures, particularly in the manufacturing sector. While our customers are likely to be in growing need of loans for working capital, loans for capital expenditures purposes are predicted to decline.

Financial Institutions in Shizuoka Prefecture

Japan's megabanks and other money-center banks operating on a nationwide scale are now active in the principal cities of Shizuoka Prefecture. Moreover, in addition to Shizuoka Bank, there are three other regional banks operating in the prefecture, as well as 13 shinkin banks (large-scale credit unions) and various government-run financial institutions and agricultural cooperatives. Shizuoka Prefecture is thus one of the most hotly contested financial markets in Japan.

Over the sixty years since its establishment, Shizuoka Bank has built up a solid base of loyal customers. For this reason, we are confident of retaining our firm position as the prefecture's leading bank.

Management Systems

Having always prioritized corporate ethics at the management level, the Shizuoka Bank Group has taken steps to strengthen its corporate governance and compliance structure through establishment of an Ethical Charter and related policies.

We will continue to tirelessly strengthen our management structure, the cornerstone of our efforts to fulfil our corporate social responsibilities, and increase Group enterprise value.

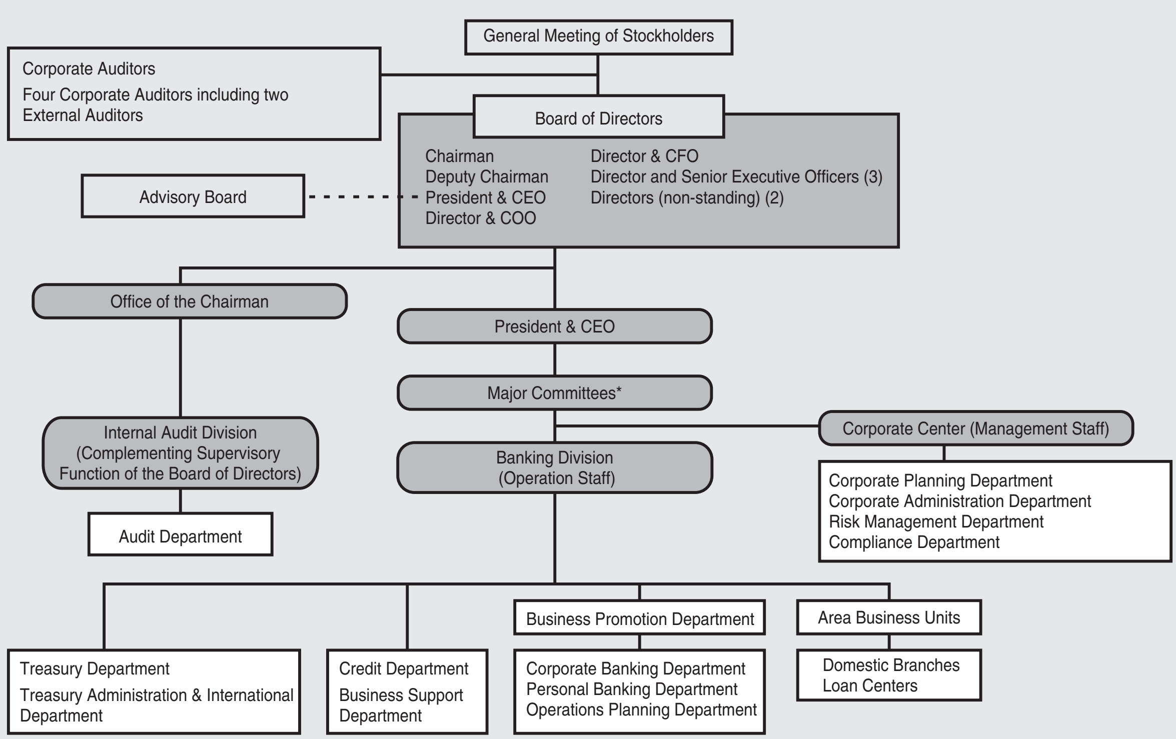
Corporate Governance System

Based on our corporate philosophy, the Board of Directors is the Shizuoka Bank's main organization responsible for management-level decision-making and supervision. As such, it decides on important management strategy and basic policies relating to risk management and compliance, and monitors the conduct of operations.

Shizuoka Bank has adopted the corporate auditor-led system of governance, in which two of four auditors come from outside of Group, to ensure greater management transparency and strengthen monitoring functions.

Management of everyday operations is carried out by the President, the Senior Vice Presidents, and executive officers appointed by the Bank's Board of Directors. Decisions on important matters that arise in the course of these day-to-day operations are taken by Major Committees, including the Executive Committee, dedicated to particular fields of operation and specially appointed by the Board of Directors. This approach is aimed at creating a system that can respond with precision and flexibility to changes in the management environment, while clearly delineating authority and responsibility.

Bank's Corporate Governance System



* Major Committees include Executive Committee, Committee for Integrated Risk and Budget Management, Compliance Committee, and Credit Committee

We have also established an Office of the Chairman headed by the chairman and deputy chairman, to conduct audits into executive functions, enabling us to clearly distinguish the monitoring and executive roles of management, thereby strengthening our governance framework.

In addition, we have established an Advisory Board to assist the President of the Bank with the goal of ensuring the objectivity of the Bank's decision-making process. This board is composed mainly of executives from outside the Bank, so as to involve outside viewpoints.

Creation of an Internal Monitoring System

The Bank has classified the organization into three arms, based on function – the Banking Division, handling front office business operations; the Corporate Center with managers for corporate planning, administration, and risk management; and the Internal Audit Division conducting internal auditing. It has also strengthened cross-checking among these three arms.

We have also set forth the Bank's basic policies so as to make possible the provision of a system that ensures that the directors of the Bank comply both with the law and with the Bank's Articles of Incorporation in the performance of their duties, as well as a system enabling the management to secure appropriate business operations across the board. Based on these policies, we are currently working to create an effective system of internal control.

Ensuring the Reliability of Financial Reporting

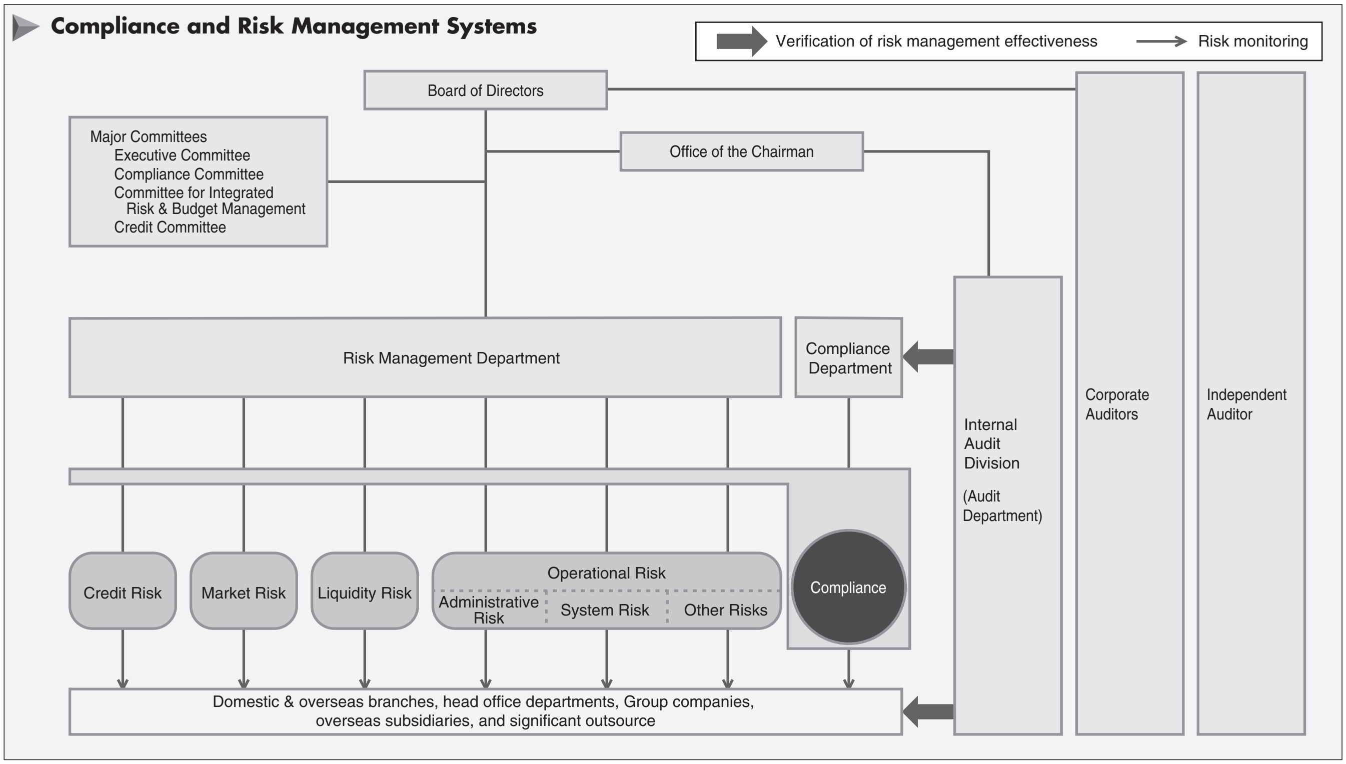
In fiscal 2008 the provision of Internal Control Reporting System became mandatory under the Financial Instruments and Exchange Act. This system requires managers to evaluate the internal controls over financial reporting, and also requires auditors, such as certified public accountants, to audit it in order to ensure the reliability of a company's financial reporting.

The Shizuoka Bank Group commenced preparations for the adoption of such a system in July 2006. The Group was thus fully prepared with the arrival of mandatory adoption in fiscal 2008, and we were able to report that the system was operating effectively. We are currently working to reinforce our internal controls system and are determined to put it into operation with all due rigor. We will continue taking all necessary steps to ensure the reliability of financial reporting within the Group.

Prompt and Appropriate Disclosure

To ensure the prompt and appropriate provision of corporate information to the Bank's stakeholders, the Corporate Planning Department has been charged with responsibility for disclosure in accordance with the Bank's Information Disclosure Regulations. The Bank will not only disclose information in accordance with the stipulations of the Banking Law, the Financial Instruments and Exchange Act, and any other relevant legislation, as well as in line with the disclosure regulations of the Japanese stock exchanges, it will also carry out proactive disclosure, will always maintain management transparency, and will consistently observe the principles of impartiality in its provision of corporate information.

Compliance and Risk Management Systems



Basic Compliance Policy and Organizational Structure

The Shizuoka Bank Group has always regarded ethical and legal compliance as a priority issue for management, and is taking measures to consolidate and strengthen its compliance structure under its Ethical Charter, which sets out the Bank's basic policy. These measures are governed by the Compliance Program, a specific set of compliance measures drawn up by the Board of Directors each fiscal year.

Meetings of the Compliance Committee, chaired by the Bank's president and composed of directors and other top executives, are held monthly to deliberate on important compliance-related matters and assess the operation of the compliance system across the whole Shizuoka Bank Group — including progress being made in achieving the goals of the Compliance Program. The system is revised when deemed necessary.

In addition to acting as the central body for the unified management of compliance-related information throughout the Group, the Compliance Group of the Compliance Department takes prime responsibility for monitoring the functioning of the compliance system, devises preventive measures against possible compliance violations, and works to improve the whole compliance system. In addition, Compliance Officers and officers responsible for the management of risk-involved products assigned to the Compliance Group carry out on-site checks of the Bank's branches to strengthen our monitoring systems at the branch level.

Creating Compliance-Centered Corporate Culture

The Shizuoka Bank is taking measures to foster greater awareness of compliance issues from the executive level down. In addition to distributing the Shizuoka Bank Compliance Manual, which explains laws and business ethics, we have appointed managers with responsibility for compliance (and their assistant staff) at head office and branches, departments in headquarters, Group companies, and subsidiaries. We check that laws are rigidly observed in daily operations, based on study sessions held at branches and a completion of compliance checklists for daily operations. We have also set up a whistleblower function enabling all employees of the Bank Group to inform executives in charge, Compliance Group, or The Legal Office of legal violations occurring within the Bank Group.

Basic Risk Management Policy and Organizational Structure

To secure a steady flow of earnings while maintaining a sound financial position, the Shizuoka Bank Group has positioned the reinforcement of its risk management as a top-priority management issue. Risks are comprehensively assessed according to individual risk categories as far as possible. Our core policy is to implement an integrated risk management system that keeps the amount of risk within the Bank's economic capital (regulatory capital). In addition, our basic stance is to maintain a level of capital adequacy sufficient to cover the materialization of projected risks.

At the Shizuoka Bank Group, we have drawn up a set of Risk Management Regulations that specify the Group's policies regarding business risks and lay down the organizational structure for dealing with risks. Our risk management is based on these regulations, which stipulate procedures to be followed in the case of each separate category of risk, including credit risk, market risk, liquidity risk, and operational risk. The Risk Management Department acts as the central authority for all categories of risk management, and has risk management sections responsible for each of these risk categories. Risks that affect or may affect the business operations of the Bank's Group are analyzed and assessed by a risk management system that enables integrated monitoring and management of risk across the entire Group. Additionally, the Audit Department, which is organizationally independent of the departments and sections subject to its audits, conducts regular verifications of the appropriateness and effectiveness of the Group's internal controls relating to risk management across the entire breadth of the Group's business operations.

Integrated Risk Management System

To ensure the effectiveness of the Shizuoka Bank Group's integrated risk management system, we have adopted a system of risk management through risk capital allocation.

The Bank allocates regulatory risk capital to the extent deemed to be required to cover losses that may arise from the materialization of the risks (particularly market and credit risks) attendant on the conduct of the Bank's normal business operations. By setting aside an amount of regulatory capital sufficient to cover any such losses, we can avoid becoming insolvent, and thereby ensure the ability to continue business operations.

Risk capital is defined as core capital (Tier I minus an amount equivalent to net deferred tax assets), and specific amounts are allocated to each operational department or section by the Board of Directors. Each department for business execution must conduct its business so that the maximum losses arising from risk materialization do not exceed the amount of risk capital allocated to cover them. The amounts at risk are estimated by the appropriate risk management section, and the Risk Management Group constantly monitors the situation to ensure that the amount at risk does not exceed the allocated risk capital amount. Through this system, the Bank ensures objective and accurate risk management.

Risk capital allocation does not imply that the entire amount of core capital is allocated: a certain amount of the core capital is kept as a buffer against the losses likely to be incurred in the event of a natural disaster such as a major earthquake. This enables the Bank to carry out its business operations with a reasonable degree of assurance that its financial position will remain sound.

Credit Risk Management

The Credit Risk Management Group of the Risk Management Department manages all credit risk relating to the Shizuoka Bank Group's operations both in Japan and overseas in order to enhance the soundness of the Group's loan asset portfolio.

In April 2007 the Bank's borrower credit rating system, which is the foundation stone of its credit risk management, together with other internal rating systems, was reorganized into a new system in which responsibility for the design of the system and the supervision of its functioning lies with the Credit Risk Management Group of the Risk Management Department (which is independent from the front-line marketing units that actually make loans); responsibility for the day-to-day operation of the system lies with the Ratings Assessment Group of the Credit Department; and responsibility for verification of the correct functioning of the system lies with the Risk Management Group of the Risk Management Department. These three units exercise a mutual limitation and checking function with respect to one another, thereby facilitating greater precision and more advanced functions in the Bank's internal ratings system. In addition, the self-assessment process — overseen by the Asset Auditing Group of the Audit Department, which is organizationally independent of the front-line marketing and loan units — is used to verify that the rules of credit risk management are being properly observed.

The Credit Risk Management Group uses statistical methods to quantify latent credit risk across the Bank's entire loan portfolio. In this way, the Bank accurately assesses the scale of potential risk, monitors the concentration of loans to particular large-scale borrowers or specific industries, and thus controls the portfolio to avoid excessive credit risk.

Borrowers' Credit Rating System

The Bank employs a borrowers' credit rating system to understand an accurate picture of the creditworthiness of corporate borrowers and ensure meticulous credit risk management. Borrowers are rated on a scale of 1 to 12 according to financial indicators, including the asset portfolio and cash flows. To make the ratings objective, we put more weight on quantitative information in this system.

Borrowers' credit ratings form the basis of self-assessment, which is preparatory to the calculation of capital ratios. They are also used in calculating the general reserve for possible loan losses, and are widely used as criteria for determining credit-approval limits and management of problem credits. They are thus fundamental to credit risk management.

Market Risk Management

The Bank employs the market risk management system which controls total amount of market risk (including that of Shizuoka Bank Europe S. A.) within a certain range of risk capital while keeping appropriate level of profit that corresponds to such risk. Regarding the market risk faced by our other major subsidiaries, we are also taking a unified approach to market risk management.

To ensure an effective system of checks and balances at Shizuoka Bank, market risk management (middle office) departments and administrative (back office) departments are kept strictly separate from departments involved in market transactions (front office). In addition, the Audit Department monitors the system of mutual checking among the front, middle, and back offices.

Earnings performance and risk level data assessed by middle offices are used in management evaluations through an intranet which enables managers to monitor at all times.

Liquidity Risk Management

Liquidity risk consists mainly of market liquidity risk and cash flow risk. Staff are assigned to manage the cash flow risk on a daily, weekly, and monthly basis, and cash flow risk is controlled across the whole Bank, including overseas branches. We have established four emergency scenarios to formulate rapid and appropriate responses to unforeseeable events, and set the responsibilities, offices, and measures needed to ensure immediate remedial action for each scenario.

Position limits are set for each financial product and maturity period to control market liquidity risk. In addition, the Audit Department monitors the execution of liquidity risk management.

Operational Risk Management

The Shizuoka Bank Group uses the term "operational risk" to refer to a set of eight risk categories, i.e. administrative risk, system risk, data management and clerical work outsourcing risk, legal risk, risk of damage to tangible fixed assets, personnel risk, reputational risk, and miscellaneous operational risks. Each risk category is managed by a dedicated unit of the Bank, while the Operational Risk Management Group of the Risk Management Department is the central unit responsible for overseeing and managing operational risk throughout the entire Shizuoka Bank Group. In line with our basic policies on operational risk management, we are taking measures to construct a failsafe system for the appropriate identification, assessment, detailed analysis, monitoring, and minimization of this category of risk through the application of self-assessment based on the rigorous compilation and analysis of data. The effectiveness of this risk management system is being verified by on-site audits conducted by the Audit Department, which is organizationally independent from any of the units that it audits.

Business Continuity Plan

Japan is one of the countries most vulnerable to earthquakes. Shizuoka Bank Group has drawn up a contingency plan in the event of a large-scale earthquake in the Tokai region or under metropolitan area, since it is said that there is a significant likelihood of such an earthquake in the near future. We have strengthened our ability to deal with such disasters through a contingency plan, so that we can continue our operations even during emergencies or re-open operations at an early date after such events.

In addition to quakeproofing Bank structures, firmly attaching safe-deposit boxes, ATMs and other equipment to walls/floors, establishment of backup computing systems, and replenishment of earthquake-resistant materials at each branch including emergency communications equipment, we also undertake earthquake training sessions based on our emergency procedures twice a year.

Soundness of Financial Position

The core of the Shizuoka Bank Group's management policy has been the maintenance of the kind of sound financial position expected of a financial sector enterprise, in view of its strong public service character.

Capital Ratios

The adoption of the new Basel II capital adequacy requirements with effect from the end of March 2007 will produce changes in the method of calculating banks' capital ratios. As a result, the relative reputations of banks for financial soundness will change depending on the degree of risk involved in their operations and their success in managing risk. At Shizuoka Bank, with the aim of using the most accurate method feasible of estimating risk, we have pushed forward with reforms to our internal systems, and with effect from the fiscal 2007 term-end, we will apply the "Foundation IRB (FIRB) approach" to the calculation of credit risk and the "standardized approach" to the calculation of operational risk.

As of the end of March 2009, the Bank's capital ratio according to the new standard was 14.12% on a consolidated basis. The fundamental Tier I capital ratio stood at 13.76%, and the core capital ratio (Tier I capital minus an amount equivalent to net deferred tax assets as the numerator) was 12.76%, which was substantially higher than the BIS minimum capital adequacy requirement of 8% for banks engaging in international operations.

Credit Ratings

A credit rating is an indicator of a bank's ability to repay the principal of and interest on deposits. Credit ratings are widely accepted as reliable indicators of a bank's creditworthiness and financial safety. Shizuoka Bank has been rated by one Japanese and three overseas ratings agencies, and these ratings are in each case substantially higher than most of Japanese financial institutions.

Non-Performing Loans

The balance of risk-managed loans, under the Banking Law, totaled ¥210.7 billion (US$2,145 million) on a consolidated basis, representing 3.31% of the total balance of loans outstanding at the end of the term. This figure reflects our success in curbing new occurrences of bad debt by supporting business rehabilitation at struggling customers, and our efforts to move bad debt off the balance sheet.

With regard to non-performing loans on which payments of principal or interest are in arrears, Shizuoka Bank aims to remove them from its balance sheets by such means as the rapid disposal of collateral or sale of receivables. However, not all loans classified as risk-managed loans are treated in the same way, because the greater part of the Bank's risk-managed loans are performing loans, with the payment of principal and interest being kept up. For such loans, working in collaboration with Group companies and others, the Bank endeavors to bring about the revitalization of the debtor companies and their business activities, even if it takes some time to do so. In this way, we seek to maintain the soundness of the Bank's assets and at the same time revitalize the regional economy.

In line with the deterioration of business performances among our corporate customers, we have made an additional provision to the loan-loss reserves, leading to an increase in total credit costs. In this way, we took steps to ensure that the proportion of risk-managed loans covered by reserves or collateral and guarantees remains at a high level.

Deloitte.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Shizuoka Bank, Ltd.:

We have audited the accompanying consolidated balance sheets of The Shizuoka Bank, Ltd. (the "Bank") and consolidated subsidiaries as of March 31, 2009 and 2008, and the related consolidated statements of income, changes in equity, and cash flows for the years then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Bank and consolidated subsidiaries as of March 31, 2009 and 2008, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 2. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu

June 18, 2009

Member of
Deloitte Touche Tohmatsu

Consolidated Balance Sheets

THE SHIZUOKA BANK, LTD. and Subsidiaries March 31, 2009 and 2008

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2009	2008	**2009**
Assets:			
Cash and due from banks (Note 11)	**¥ 287,987**	¥ 288,011	**$ 2,931,767**
Call loans and bills bought	**57,233**	185,000	**582,649**
Monetary claims bought	**62,107**	142,964	**632,265**
Trading assets (Note 4)	**65,127**	69,278	**663,013**
Securities (Notes 5, 11)	**2,063,085**	2,222,702	**21,002,598**
Loans and bills discounted (Notes 6, 11, 12)	**6,350,250**	5,932,895	**64,646,754**
Foreign exchanges (Note 7)	**10,178**	3,956	**103,623**
Lease receivables and investment assets (Notes 11, 26)	**36,422**		**370,786**
Other assets (Notes 8, 11)	**83,029**	90,632	**845,256**
Tangible fixed assets (Note 9)	**71,916**	97,751	**732,122**
Intangible fixed assets (Note 9)	**18,788**	19,842	**191,272**
Deferred tax assets (Note 25)	**18,831**	2,932	**191,712**
Customers' liabilities for acceptances and guarantees (Note 10)	**71,034**	101,453	**723,140**
Allowance for loan losses	**(81,141)**	(58,887)	**(826,041)**
Allowance for investment losses	**(109)**	(108)	**(1,110)**
Total Assets	**¥9,114,742**	¥9,098,425	**$92,789,806**
Liabilities and Equity:			
Liabilities:			
Deposits (Notes 11, 13)	**7,389,963**	7,341,449	**75,231,227**
Call money and bills sold (Note 11)	**149,623**	164,423	**1,523,192**
Payables under securities lending transactions (Note 11)	**126,751**	70,703	**1,290,359**
Trading liabilities (Note 4)	**28,341**	31,720	**288,517**
Borrowed money (Notes 11, 14)	**478,045**	334,116	**4,866,596**
Foreign exchanges (Note 7)	**116**	282	**1,191**
Bonds payable (Note 15)	**85,000**	150,112	**865,316**
Other liabilities (Notes 11, 16)	**108,245**	124,984	**1,101,957**
Provision for retirement benefits (Note 17)	**22,870**	22,925	**232,826**
Provision for losses from reimbursement of inactive accounts	**960**	928	**9,773**
Provision for contingent losses	**1,263**	445	**12,863**
Reserves under the special laws	**11**	11	**114**
Deferred tax liabilities (Note 25)		37,477	
Acceptances and guarantees (Note 10)	**71,034**	101,453	**723,139**
Total Liabilities	**¥8,462,226**	¥8,381,034	**$86,147,070**
Equity: (Notes 18, 19, 20, 31)			
Capital stock,			
authorized, 2,414,596 thousand shares:			
issued, 710,129 thousand shares in 2009 and 2008	**90,845**	90,845	**924,827**
Capital surplus	**54,887**	54,887	**558,768**
Subscription rights to shares	**129**	57	**1,319**
Retained earnings	**462,094**	458,525	**4,704,212**
Valuation difference on available-for-sale securities	**40,284**	108,950	**410,101**
Deferred gains or losses on hedges	**(312)**	(218)	**(3,180)**
Foreign currency translation adjustment	**(884)**	(44)	**(9,006)**
Treasury stock-at cost			
12,159 thousand shares in 2009 and 11,985 thousand shares in 2008	**(12,349)**	(12,163)	**(125,716)**
Total	**634,695**	700,841	**6,461,325**
Minority interests	**17,819**	16,549	**181,411**
Total Equity	**652,515**	717,391	**6,642,736**
Total Liabilities and Equity	**¥9,114,742**	¥9,098,425	**$92,789,806**

Consolidated Statements of Income

THE SHIZUOKA BANK, LTD. and Subsidiaries Years ended March 31, 2009 and 2008

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2009	2008	**2009**
Income:			
Interest Income:			
Interest on loans and discounts	**¥123,898**	¥123,144	**$1,261,312**
Interest and dividends on securities	**35,830**	40,492	**364,766**
Other interest income	**3,979**	4,755	**40,517**
Subtotal	**163,709**	168,393	**1,666,595**
Fees and Commissions	**43,914**	48,597	**447,059**
Trading Income	**2,188**	3,045	**22,281**
Other Operating Income (Note 21)	**13,675**	4,136	**139,221**
Other Income (Note 22)	**9,461**	21,164	**96,322**
Total Income	**232,950**	245,338	**2,371,478**
Expenses:			
Interest Expenses:			
Interest on deposits	**22,650**	29,944	**230,584**
Interest on borrowings and rediscounts	**6,263**	8,908	**63,766**
Other interest expenses	**5,078**	9,713	**51,697**
Subtotal	**33,992**	48,567	**346,047**
Fees and Commissions Payments	**20,521**	22,357	**208,909**
Other Operating Expenses (Note 23)	**11,919**	9,199	**121,345**
General and Administrative Expenses	**86,477**	82,925	**880,357**
Other Expenses (Note 24)	**60,362**	20,296	**614,497**
Total Expenses	**213,272**	183,345	**2,171,155**
Income before Income Taxes and Minority Interests	**19,677**	61,992	**200,323**
Income Taxes: (Note 25)			
Current	**14,882**	23,863	**151,503**
Deferred	**(9,617)**	1,549	**(97,911)**
Minority Interests in Net Income of Consolidated Subsidiaries	**1,400**	1,820	**14,257**
Net Income	**¥ 13,012**	¥ 34,758	**$ 132,474**

	Yen		U.S. Dollars (Note 2)
Per Share: (Note 30)			
Basic net income	**¥18.64**	¥ 49.25	**$0.19**
Diluted net income	**18.63**	49.25	**0.19**
Cash dividends applicable to the year	**13.00**	13.00	**0.13**

See notes to consolidated financial statements.

Consolidated Statements of Changes in Equity

THE SHIZUOKA BANK, LTD. and Subsidiaries Years ended March 31, 2009 and 2008

	Thousands	Millions of Yen										
	Outstanding Number of Shares of Common Stock	Capital Stock	Capital Surplus	Subscription Rights to Shares	Retained Earnings	Valuation Difference on Available-for-sale Securities	Deferred Gains or Losses on Hedges	Foreign Currency Translation Adjustment	Treasury Stock	Total	Minority Interests	Total Equity
Balance at April 1, 2007	720,129	¥90,845	¥54,940		¥444,100	¥188,727	¥ 153	¥ (72)	¥ (9,439)	¥769,255	¥14,944	¥784,200
Change of items during the period												
Cash dividends, ¥14.50 per share					(10,270)					(10,270)		(10,270)
Net income					34,758					34,758		34,758
Purchase of treasury stock (10,224 thousand shares)									(12,892)	(12,892)		(12,892)
Disposal of treasury stock (44 thousand shares)			13						38	52		52
Retirement of treasury stock (10,000 thousand shares)	(10,000)		(66)		(10,063)				10,130			
Net changes of items other than shareholders' equity				¥ 57		(79,776)	(371)	28		(80,062)	1,605	(78,456)
Total changes of items during the period	(10,000)		(52)	57	14,424	(79,776)	(371)	28	(2,723)	(68,413)	1,605	(66,808)
Balance at March 31, 2008	710,129	¥90,845	¥54,887	¥ 57	¥458,525	¥108,950	¥(218)	¥ (44)	¥(12,163)	¥700,841	¥16,549	¥717,391
Balance at April 1, 2008	710,129	¥90,845	¥54,887	¥ 57	¥458,525	¥108,950	¥(218)	¥ (44)	¥(12,163)	¥700,841	¥16,549	¥717,391
Change of items during the period												
Cash dividends, ¥13.50 per share					**(9,423)**					**(9,423)**		**(9,423)**
Net income					**13,012**					**13,012**		**13,012**
Purchase of treasury stock (462 thousand shares)									**(479)**	**(479)**		**(479)**
Disposal of treasury stock (289 thousand shares)					**(19)**				**294**	**274**		**274**
Net changes of items other than shareholders' equity				**71**		**(68,666)**	**(94)**	**(839)**		**(69,529)**	**1,270**	**(68,259)**
Total changes of items during the period				**71**	**3,569**	**(68,666)**	**(94)**	**(839)**	**(185)**	**(66,145)**	**1,270**	**(64,875)**
Balance at March 31, 2009	**710,129**	**¥90,845**	**¥54,887**	**¥129**	**¥462,094**	**¥ 40,284**	**¥(312)**	**¥(884)**	**¥(12,349)**	**¥634,695**	**¥17,819**	**¥652,515**

	Thousands of U.S. Dollars (Note 2)										
	Capital Stock	Capital Surplus	Subscription Rights to Shares	Retained Earnings	Valuation Difference on Available-for-sale Securities	Deferred Gains or Losses on Hedges	Foreign Currency Translation Adjustment	Treasury Stock	Total	Minority Interests	Total Equity
Balance at April 1, 2008	$924,827	$558,768	$ 590	$4,667,874	$1,109,141	$(2,219)	$ (455)	$(123,823)	$7,134,703	$168,479	$7,303,182
Change of items during the period											
Cash dividends, $0.14 per share				**(95,934)**					**(95,934)**		**(95,934)**
Net income				**132,474**					**132,474**		**132,474**
Purchase of treasury stock								**(4,886)**	**(4,886)**		**(4,886)**
Disposal of treasury stock				**(202)**				**2,993**	**2,791**		**2,791**
Net changes of items other than shareholders' equity			**729**		**(699,040)**	**(961)**	**(8,551)**		**(707,823)**	**12,932**	**(694,891)**
Total changes of items during the period			**729**	**36,338**	**(699,040)**	**(961)**	**(8,551)**	**(1,893)**	**(673,378)**	**12,932**	**(660,446)**
Balance at March 31, 2009	**$924,827**	**$558,768**	**$1,319**	**$4,704,212**	**$ 410,101**	**$(3,180)**	**$(9,006)**	**$(125,716)**	**$6,461,325**	**$181,411**	**$6,642,736**

Consolidated Statements of Cash Flows

THE SHIZUOKA BANK, LTD. and Subsidiaries Years ended March 31, 2009 and 2008

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2009	2008	**2009**
I. Operating Activities:			
Income before income taxes and minority interests	**¥ 19,677**	¥ 61,992	**$ 200,323**
Adjustments for:			
Income taxes-paid	**(25,539)**	(23,340)	**(260,000)**
Depreciation and amortization	**11,540**	21,256	**117,481**
Impairment loss	**56**	99	**577**
Equity in loss of affiliates	**447**	437	**4,557**
Increase (decrease) in allowance for loan losses	**22,254**	(2,428)	**226,553**
Increase in allowance for investment losses		6	**4**
Decrease in provision for directors' bonuses		(69)	
Decrease in provision for retirement benefits	**(54)**	(558)	**(557)**
Increase in provision for losses from reimbursement of inactive accounts	**32**	928	**326**
Increase in provision for contingent losses	**817**	445	**8,324**
Losses on securities	**17,727**	3,806	**180,466**
Losses on money held in trust		6	
(Gains) losses on sale of fixed assets	**(140)**	1,117	**(1,426)**
Changes in assets and liabilities			
Decrease in trading assets	**4,150**	1,819	**42,258**
(Decrease) increase in trading liabilities	**(3,379)**	797	**(34,399)**
Increase in loans and bills discounted	**(425,123)**	(265,934)	**(4,327,843)**
Increase in deposits	**61,393**	377,550	**624,993**
Increase in borrowed money	**143,929**	254,184	**1,465,228**
Decrease (increase) in due from banks (excluding deposit paid to Bank of Japan)	**18,056**	(108,663)	**183,822**
Decrease (increase) in call loans	**127,766**	(67,836)	**1,300,686**
Decrease (increase) in monetary claims bought	**80,857**	(4,691)	**823,142**
Decrease in call money	**(11,975)**	(36,832)	**(121,912)**
Increase (decrease) in payables under securities lending transactions	**57,898**	(8,016)	**589,420**
(Increase) decrease in foreign exchanges (assets)	**(6,224)**	447	**(63,367)**
Decrease in foreign exchanges (liabilities)	**(164)**	(18)	**(1,673)**
Increase in lease receivables and investment assets	**(9,122)**		**(92,869)**
Decrease in straight bonds-issuance and redemption	**(63,938)**	(20,000)	**(650,902)**
Decrease in interest and dividends receivable	**1,765**	216	**17,978**
(Decrease) increase in interest payable	**(763)**	3,632	**(7,770)**
Other net	**3,289**	(32,156)	**33,484**
Total Adjustments	**5,557**	96,205	**56,581**
Net Cash Provided by Operating Activities	**25,235**	158,198	**256,904**
II. Investing Activities:			
Purchase of securities	**(1,572,398)**	(960,130)	**(16,007,313)**
Proceeds from sale of securities	**1,289,175**	475,705	**13,124,051**
Proceeds from redemption of securities	**302,639**	360,225	**3,080,925**
Purchase of tangible fixed assets	**(8,333)**	(18,927)	**(84,842)**
Purchase of intangible fixed assets	**(6,152)**	(9,273)	**(62,629)**
Proceeds from sale of tangible fixed assets	**1,214**	1,592	**12,361**
Net Cash Provided by (Used in) Investing Activities	**6,144**	(150,808)	**62,553**
III. Financing Activities:			
Dividends paid	**(9,415)**	(10,259)	**(95,853)**
Dividends paid to minority interests	**(27)**	(21)	**(281)**
Purchase of treasury stock	**(479)**	(12,892)	**(4,886)**
Proceeds from sales of treasury stock	**274**	52	**2,791**
Net Cash Used in Financing Activities	**(9,648)**	(23,121)	**(98,229)**
IV. Foreign Currency Translation Adjustments on Cash and Cash Equivalents	**(26)**	(63)	**(268)**
V. Net Increase (Decrease) in Cash and Cash Equivalents	**21,704**	(15,794)	**220,960**
VI. Cash and Cash Equivalents, Beginning of Year	**115,590**	131,384	**1,176,733**
VII. Cash and Cash Equivalents, End of Year (1)	**¥ 137,295**	¥115,590	**$ 1,397,693**

See notes to consolidated financial statements.

Note (1): For the purpose of the consolidated statements of cash flows, cash and cash equivalents consist of cash and demand deposits with the Bank of Japan.
Cash and due from banks on the consolidated balance sheets at March 31, 2009 and 2008 are reconciled with cash and cash equivalents on the consolidated statements of cash flows as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2009	2008	**2009**
Cash and due from banks	**¥287,987**	¥288,011	**$2,931,767**
Other due from banks	**(150,692)**	(172,420)	**(1,534,074)**
Cash and cash equivalents, end of year	**¥137,295**	¥115,590	**$1,397,693**

Notes to Consolidated Financial Statements

1. BASIS OF PRESENTATION

The accompanying consolidated financial statements have been prepared from the accounts maintained by The Shizuoka Bank, Ltd. (the "Bank") and its subsidiaries (the "Group") in accordance with the provisions set forth in the "Companies Act", the Japanese Financial Instruments and Exchange Act, the Banking Act of Japan and the Accounting Guideline for Banks in Japan stated by the Japanese Bankers' Association and accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

In order to facilitate an understanding by readers outside Japan, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically.

In addition, certain reclassifications and rearrangements have been made in the 2008 consolidated financial statements to conform to classifications and presentations used in 2009.

2. YEN AND U.S. DOLLAR AMOUNTS

As permitted by the Japanese Financial Instruments and Exchange Act, yen amounts less than one million have been omitted. As a result, the totals in yen shown in the accompanying consolidated financial statements and the notes thereto do not necessarily agree with the sum of the individual account balances.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Bank is incorporated and operates. The translation of Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan and have been made at the rate of ¥98.23 to $1, the approximate rate of exchange at March 31, 2009. Such translation should not be construed as representation that Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Consolidation:

The accompanying consolidated financial statements as of March 31, 2009 and 2008 include the accounts of the Bank, 11 subsidiaries and 1 company accounted by the equity method.

Under the control or influence concept, those companies in which the Bank, directly or indirectly, is able to exercise control over operations are fully consolidated, and those companies over which the Group has the ability to exercise significant influence are accounted for by the equity method.

Investments in associated companies are accounted for by the equity method.

Investments in the remaining unconsolidated subsidiaries and associated companies are stated at cost. If the equity method of accounting had been applied to the investments in these companies, the effect on the accompanying consolidated financial statements would not be material.

The difference between the cost of an acquisition and the fair value of net assets of the acquired subsidiary at the date of acquisition is charged to income when incurred.

All significant intercompany accounts and transactions have been eliminated in consolidation. All material unrealized profits resulting from intercompany transactions are eliminated.

Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements:

In May 2006, the Accounting Standards Board of Japan (the "ASBJ") issued ASBJ Practical Issues Task Force (PITF) No.18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements". PITF No.18 prescribes: (1) the accounting policies and procedures applied to a parent company and its subsidiaries for similar transactions and events under similar circumstances should in principle be unified for the preparation of the consolidated financial statements, (2) financial statements prepared by foreign subsidiaries in accordance with either International Financial Reporting Standards or the generally accepted accounting principles in the United States of America tentatively may be used for the consolidation process, (3) however, the following items should be adjusted in the consolidation process so that net income is accounted for in accordance with Japanese GAAP unless they are not material: 1) amortization of goodwill; 2) scheduled amortization of actuarial gain or loss of pensions that has been directly recorded in the equity; 3) expensing capitalized development costs of R&D; 4) cancellation of the fair value model accounting for property, plant, and equipment and investment properties and incorporation of the cost model accounting; 5) recording the prior years' effects of changes in accounting policies in the income statement where retrospective adjustments to financial statements have been incorporated; and 6) exclusion of minority interests from net income, if contained. PITF No.18 was effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted.

The Group applied this accounting standard effective April 1, 2008. There was no material impact on the consolidated financial statements as a result of this adoption.

Trading purpose transactions:

"Transactions for trading purposes" (the purpose of seeking to capture gains arising from short-term fluctuations in interest rates, currency exchange rates or market prices of securities and other market-related indices or from gaps among markets) are included in "Trading assets" and "Trading liabilities" on a trade-date basis. Trading securities and monetary claims purchased for trading purposes recorded in these accounts are stated at market value, and trading-related financial derivatives are stated at the amounts that would be settled if they were terminated at the end of the fiscal year.

Profits and losses on transactions for trading purposes are shown as "Trading income (losses)" on a trade-date basis.

Securities:

Held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity are stated at amortized cost computed by straight-line method and available-for-sale securities, which are not classified as either trading account securities or held-to-maturity debt securities, are stated at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity.

Non-marketable available-for-sale securities are stated at cost determined by the moving-average method.

For other than temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

Tangible fixed assets:

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation of tangible fixed assets owned by the Bank is computed using the declining-balance method over the estimated useful lives.

The range of useful lives is principally from 3 to 38 years for buildings, and from 2 to 20 years for equipment.

Depreciation of tangible fixed assets owned by consolidated subsidiaries is principally computed using the declining-balance method over the estimated useful lives of the assets.

Impairment loss:
The Group reviews its long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

Software:
The Bank and its subsidiaries in Japan amortize internal-use software development costs by the straight-line method over the useful life (five years).

Allowance for loan losses:
The amount of the allowance for loan losses is determined based on management's judgement and assessment of future losses based on the self-assessment system. This system reflects past experience of credit losses, possible credit losses, business and economic conditions, the character, quality and performance of the portfolio and other pertinent indicators.

The Bank implemented a self-assessment system for its asset quality. The quality of all loans is assessed by branches and the Credit Supervision Department with a subsequent audit by the Credit Examination Department, in accordance with the Bank's policy and rules for self-assessment of asset quality.

The Bank has established a credit rating system under which its customers are classified into five categories. The credit rating system is used for self-assessment of asset quality. All loans are classified into five categories for self-assessment purposes — "normal," "caution," "possible bankruptcy," "virtual bankruptcy" and "legal bankruptcy."

The allowance for loan losses is calculated based on the specific past actual loss ratio for normal and caution categories, and the fair value of collateral for collateral-dependent loans and other factors of solvency, including the value of future cash flows for other self-assessment categories.

The consolidated subsidiaries provide the "Allowance for loan losses" at the amount deemed necessary to cover such losses, principally based on past experience.

Allowance for investment losses:
The allowance for investment losses is provided at a necessary amount based on the estimated possible losses on investments.

Provision for retirement benefits:
The Bank and domestic consolidated subsidiaries have lump-sum retirement benefit plans, a contributory funded pension plan and a non-contributory funded pension plan.

The Bank and its subsidiaries accounted for the provision for retirement benefits based on the projected benefit obligations and plan assets at the balance sheet date.

Provision for losses from reimbursement of inactive accounts:
Provision for losses from reimbursement of inactive accounts which were derecognized as liabilities under certain conditions is provided for the possible losses on the future claims of withdrawal based on the historical reimbursement experience.

Provision for contingent losses:
The provision for contingent losses is provided for the estimated future payments to credit guarantee corporations due to the implementation of loss sharing system.

Reserves under the special laws:
Reserves under the special laws are reserves for financial products transaction liabilities in accordance with section 1 of Article 46-5 of the Financial Instruments and Exchange Act.

Leases:
In March 2007, the ASBJ issued ASBJ Statement No.13, "Accounting Standard for Lease Transactions", which revised the previous accounting standard for lease transactions issued in June 1993. The revised accounting standard for lease transactions is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted for fiscal years beginning on or after April 1, 2007.

Lessee
Under the previous accounting standard, finance leases that deem to transfer ownership of the leased property to the lessee were to be capitalized. However, other finance leases were permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the note to the lessee's financial statements. The revised accounting standard requires that all finance lease transactions should be capitalized to recognize lease assets and lease obligations in the balance sheet. In addition, the revised accounting standard permits leases which existed at the transition date and do not transfer ownership of the leased property to the lessee to be accounted for as operating lease transactions.

The Bank and its consolidated subsidiaries in Japan applied the revised accounting standard effective April 1, 2008. In addition, the Bank and its consolidated subsidiaries in Japan accounted for leases which existed at the transition date and do not transfer ownership of the leased property to the lessee as operating lease transactions. There was no material impact on the consolidated financial statements as a result of this adoption.

Lessor
Under the previous accounting standard, finance leases that deem to transfer ownership of the leased property to the lessee were to be treated as sales. However, other finance leases were permitted to be accounted for as operating lease transactions if certain "as if sold" information is disclosed in the note to the lessor's financial statements. The revised accounting standard requires that all finance leases that deem to transfer ownership of the leased property to the lessee should be recognized as lease receivables, and all finance leases that deem not to transfer ownership of the leased property to the lessee should be recognized as investments in lease.

The Bank and its consolidated subsidiaries in Japan applied the revised accounting standard effective April 1, 2008. There was no material impact on the consolidated financial statements as a result of this adoption.

In regard to finance lease sales and cost of sales are accounted when lease payments are paid.

Stock option:
The ASBJ Statement No. 8, "Accounting Standard for Stock Options" and related guidance are applicable to stock options granted on and after May 1, 2006.

This standard requires companies to recognize compensation expenses for employee stock options based on the fair value at the date of grant and over the vesting period as consideration for receiving goods or services. The standard also requires companies to account for stock options granted to non-employees based on the fair value of either the stock option or the goods or services received. In the balance sheet, the stock option is presented as subscription rights to shares as a separate component of equity until exercised.

The Bank has applied the accounting standard for stock options to those granted on and after May 1, 2006.

Translation of foreign currencies:
Assets and liabilities which are payable or receivable in foreign currencies are converted into Japanese yen at the rates prevailing at

each balance sheet date.

The financial statements of the consolidated subsidiaries outside Japan are translated into Japanese yen at the current exchange rate at each balance sheet date, except for equity, which is translated at the historical exchange rate.

Differences arising from such translation are shown as "Foreign currency translation adjustments" in a separate component of equity.

Income taxes:
The Bank and its subsidiaries in Japan allocate income taxes based on the asset and liability method.

Deferred income taxes are recorded to reflect the impact of temporary differences between assets and liabilities recognized for financial reporting purposes and such amounts recognized for tax purposes. These deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

Derivatives and hedging activities:
(a) Transactions to hedge against interest rate risk
Transactions to hedge against interest rate risk affecting the financial assets and liabilities of the Bank are accounted for using deferral hedge accounting as stipulated in "Accounting and Auditing Treatment of Accounting Standards for Financial Instruments in the Banking Industry" (Japanese Institute of Certified Public Accountant Industry Audit Committee Report No. 24). Regarding the effectiveness of a hedging relationship under fair value hedging, a portfolio of hedged items, such as deposits or loans with common maturities, is matched with a group of hedging instruments, such as interest rate swaps, which offset the effect of fair value fluctuations of the hedged items by identified maturities, and are designated as a hedge of the portfolio. The effectiveness of the fair value hedge is assessed by each group. Also, the effectiveness of a cash flow hedge is assessed on the basis of the correlation between the base interest rate index of the hedged cash flow and that of the hedging instrument.

Special hedging treatment is applied for interest rate swaps.

Methods similar to that utilized by the Bank are applied to hedge transactions conducted by the subsidiaries of the Bank.

(b) Transactions to hedge against foreign exchange fluctuation risk
Deferral hedge accounting is applied to hedges against foreign exchange fluctuation risks associated with foreign currency denominated monetary assets and liabilities, stipulated in JICPA Industry Audit Committee Report No. 25.

The effectiveness of currency-swap transactions, exchange swap transactions and similar transactions hedging foreign exchange risks of monetary assets and liabilities denominated in foreign currencies is assessed by comparison of the foreign currency position of the hedged monetary assets and liabilities and the hedging instruments.

In order to hedge the foreign exchange risk of foreign-currency-denominated Available-for-sale securities (except bonds), the Bank applies the "general method", using market-value hedges in accordance with certain conditions, namely the stipulation in advance of which foreign-currency-denominated securities are to be hedged, and the existence in foreign currency of a spot-forward liability in excess of the acquisition cost of the relevant foreign-currency-denominated securities.

Statement of cash flows:
For the purpose of the consolidated statement of cash flows, cash and cash equivalents represent cash and due from the Bank of Japan.

Per share information:
Basic net income per share is computed by dividing net income available to common stockholders, by the weighted-average number of common shares outstanding for the period, retroactively adjusted for stock splits. The average number of common shares used in the computation was 698,034,536 shares for 2009 and 705,635,098 shares for 2008.

Diluted net income per share reflects the potential dilution that could occur if the outstanding stock options were exercised. Diluted net income per share assumes full exercise of the outstanding stock options at the beginning of the year (or at the time of grant).

Cash dividends per share presented in the accompanying statements of income are dividends applicable to the respective years including dividends to be paid after the end of the year.

New Accounting Pronouncements:
(a) Business Combinations
On December 26, 2008, the ASBJ issued a revised accounting standard for business combinations, ASBJ Statement No.21, "Accounting Standard for Business Combinations." Major accounting changes under the revised accounting standard are as follows;

(1) The current accounting standard for business combinations allows companies to apply the pooling of interests method of accounting when certain specific criteria are met such that the business combination is essentially regarded as a uniting-of-interests. The revised standard requires to account for such business combination by the purchase method and the pooling of interests method of accounting is no longer allowed.
(2) The current accounting standard accounts for the research and development costs to be charged to income as incurred. Under the revised standard, an in-process research and development (IPR&D) acquired by the business combination is capitalized as an intangible asset.
(3) The current accounting standard accounts for a bargain purchase gain (negative goodwill) to be systematically amortized within 20 years. Under the revised standard, the acquirer recognizes a bargain purchase gain in profit or loss on the acquisition date after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed with a review of such procedures used.

This standard is applicable to business combinations undertaken on or after April 1, 2010 with early adoption permitted for fiscal years beginning on or after April 1, 2009.

(b) Asset Retirement Obligations
On March 31, 2008, the ASBJ published a new accounting standard for asset retirement obligations, ASBJ Statement No.18 "Accounting Standard for Asset Retirement Obligations" and ASBJ Guidance No.21 "Guidance on Accounting Standard for Asset Retirement Obligations". Under this accounting standard, an asset retirement obligation is defined as a legal obligation imposed either by law or contract that results from the acquisition, construction, development and the normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset.

The asset retirement obligation is recognized as the sum of the discounted cash flows required for the future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of asset retirement obligation can be made. Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense through depreciation over the remaining useful life of the asset. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the original estimate of undiscounted cash flows are reflected as an increase or a decrease in the carrying amount of the liability and the capitalized amount of the related asset retirement cost. This standard is effective for fiscal years beginning on or after April 1, 2010 with early adoption permitted for fiscal years beginning on or before March 31, 2010.

4. TRADING ASSETS AND LIABILITIES
Trading assets and liabilities at March 31, 2009 and 2008 consisted of the following:

(a) Trading assets

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Trading securities:			
National government bonds	**¥ 4,163**	¥ 3,471	**$ 42,380**
Local government bonds	**866**	713	**8,823**
Foreign securities	**14**	266	**148**
Subtotal	**5,044**	4,451	**51,351**
Financial derivatives:			
Other (Note)	**31,126**	34,800	**316,876**
Subtotal	**31,126**	34,800	**316,876**
Other trading assets:			
Commercial paper	**28,906**	30,003	**294,277**
Other (Note)	**50**	23	**509**
Subtotal	**28,956**	30,026	**294,786**
Total	**¥65,127**	¥69,278	**$663,013**

(b) Trading liabilities

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Trading security derivatives:	**¥ 1**		**$ 15**
Subtotal	**1**		**15**
Financial derivatives:			
Other (Note)	**¥28,339**	¥31,720	**$288,502**
Subtotal	**¥28,339**	¥31,720	**$288,502**
Total	**¥28,341**	¥31,720	**$288,517**

Note: Other in assets and liabilities represents unrealized gains and losses, respectively.

5. SECURITIES

Securities at March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
National government bonds	**¥ 450,353**	¥ 315,439	**$ 4,584,680**
Local government bonds	**245,384**	239,313	**2,498,064**
Corporate debentures	**784,550**	815,260	**7,986,871**
Corporate stocks	**203,566**	321,088	**2,072,343**
Other securities	**379,230**	531,600	**3,860,640**
Total	**¥2,063,085**	¥2,222,702	**$21,002,598**

In the following description, in addition to “Securities” in the consolidated balance sheet, also presented are trading account securities and commercial paper within the item “Trading assets,” negotiable certificates of deposit within the item “Cash and due from banks,” and miscellaneous monetary claims purchased within the item “Monetary claims bought.”

Information regarding each category of the securities classified as trading, available-for-sale and held-to-maturity at March 31, 2009 and 2008 were as follows:

	Millions of Yen			
March 31, 2009	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Trading				**¥ 34,001**
Available-for-sale:				
Equity securities	**¥ 127,634**	**¥72,378**	**¥3,620**	**¥ 196,392**
Debt securities	**1,443,087**	**5,557**	**3,877**	**1,444,768**
Others	**372,262**	**2,687**	**9,141**	**365,808**
Held-to-maturity	**6,456**	**138**	**0**	**6,595**

	Millions of Yen			
March 31, 2008	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Trading				¥ 34,478
Available-for-sale:				
Equity securities	¥ 137,435	¥179,793	¥ 2,522	314,705
Debt securities	1,329,101	12,241	2,823	1,338,519
Others	526,727	5,157	15,962	515,922
Held-to-maturity	7,490	62	6	7,546

	Thousands of U.S. Dollars			
March 31, 2009	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Trading				**$ 346,137**
Available-for-sale:				
Equity securities	**$ 1,299,341**	**$736,829**	**$36,860**	**$ 1,999,310**
Debt securities	**14,690,909**	**56,579**	**39,472**	**14,708,016**
Others	**3,789,706**	**27,358**	**93,060**	**3,724,004**
Held-to-maturity	**65,732**	**1,414**	**0**	**67,146**

Available-for-sale securities and held-to-maturity securities whose fair value is not readily determinable as of March 31, 2009 and 2008 were as follows:

	Carrying amount		
	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Available-for-sale:			
Equity securities	**¥ 6,611**	¥ 5,873	**$ 67,306**
Debt securities	**39,791**	36,286	**405,083**
Held-to-maturity	**27,694**	103,414	**281,934**
Total	**¥74,097**	¥145,573	**$754,323**

Proceeds from sales of available-for-sale securities for the years ended March 31, 2009 and 2008 were ¥1,261,932 million ($12,847 million), and ¥481,215 million, respectively. Gross realized gains and losses on these sales, computed on the moving average cost basis, were ¥13,936 million ($141,878 thousand) and ¥13,510 million ($137,536 thousand), respectively for the year ended March 31, 2009 and ¥16,252 million and ¥12,670 million, respectively, for the year ended March 31, 2008.

The carrying values of debt securities by contractual maturities for securities classified as available-for-sale and held-to-maturity at March 31, 2009 and 2008 were as follows:

	Millions of Yen		Thousands of U.S. Dollars	
2009	Available-for-sale	Held-to-maturity	Available-for-sale	Held-to-maturity
Due in one year or less	**¥ 153,164**	**¥19,155**	**$ 1,559,244**	**$195,008**
Due after one year through five years	**880,275**	**4,918**	**8,961,376**	**50,066**
Due after five years through ten years	**478,598**	**298**	**4,872,223**	**3,042**
Due after ten years	**310,980**	**9,778**	**3,165,838**	**99,551**
No maturity period				
Total	**¥1,823,019**	**¥34,151**	**$18,558,681**	**$347,667**

	Millions of Yen	
2008	Available-for-sale	Held-to-maturity
Due in one year or less	¥ 184,071	¥ 93,217
Due after one year through five years	994,703	4,896
Due after five years through ten years	281,640	1,157
Due after ten years	377,659	11,633
No maturity period		
Total	¥1,838,074	¥110,905

Corporate stocks in associated companies included in securities as of March 31, 2009 and 2008 were ¥562 million ($5,727 thousand) and ¥510 million, and investments in unconsolidated subsidiaries were ¥2,693 million ($27,421 thousand) and ¥3,395 million.

6. LOANS AND BILLS DISCOUNTED

Loans and bills discounted at March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Bills discounted	**¥ 48,313**	¥ 63,474	**$ 491,842**
Loans on bills	**280,893**	266,356	**2,859,554**
Loans on deeds	**4,689,797**	4,396,574	**47,743,023**
Overdrafts	**1,331,245**	1,206,489	**13,552,335**
Total	**¥6,350,250**	¥5,932,895	**$64,646,754**

Loans under bankruptcy proceedings, past due loans on which interest payments are waived from borrowers who are financially assisted by the Bank, loans past due for three months or more (except for loans under bankruptcy proceedings and past due loans) and loans with relaxed conditions at March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Loans under bankruptcy proceedings	**¥ 22,078**	¥ 9,627	**$ 224,767**
Past due loans	**172,272**	160,674	**1,753,766**
Loans past due for three months or more	**1,811**	1,793	**18,442**
Loans with relaxed conditions	**14,571**	26,736	**148,340**
Total	**¥210,734**	¥198,831	**$2,145,315**

Notes: 1. Loans past due for three months or more include loans for which payments of principal or interest are delinquent by three months or more, as calculated from the day following the contracted payment date, but do not include loans under bankruptcy proceedings or past due loans.

2. Loans with relaxed conditions include loans for which certain conditions have been relaxed for the benefit of the borrower (through means such as the reduction or elimination of interest payments, the deferral of principal repayments and the relinquishment of a portion of liabilities) with the goal of supporting the recovery of borrowers that have fallen into financial difficulties and thereby promoting the recovery of the loan.

Bills discounted are accounted for as financial transactions in accordance with "Accouting and Auditing treatment of Accounting Standards for Financial Instruments in Banking Industry" (Japanese Institute of Certified Public Accountant Industry Audit Committee Report No.24). As of March 31, 2009 and 2008, the Bank had the right by contract or custom to sell or repledge bills discounted and foreign exchange bills bought and their total face value were ¥48,847 million ($497,281 thousand) and ¥64,170 million, respectively.

7. FOREIGN EXCHANGES

Foreign exchange assets and liabilities at March 31, 2009 and 2008 consisted of the following:

(a) Assets

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Due from foreign banks	**¥ 6,711**	¥1,697	**$ 68,327**
Foreign exchange bills bought	**534**	696	**5,439**
Foreign exchange bills receivable	**2,932**	1,563	**29,857**
Total	**¥10,178**	¥3,956	**$103,623**

(b) Liabilities

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Foreign exchange bills sold	**¥ 86**	¥202	**$ 884**
Foreign exchange bills payable	**30**	79	**307**
Total	**¥116**	¥282	**$1,191**

8. OTHER ASSETS

Other assets at March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Accrued income	**¥11,081**	¥13,137	**$112,811**
Derivative products	**21,528**	16,987	**219,160**
Prepaid expenses	**9,422**	10,048	**95,921**
Others	**40,997**	50,459	**417,364**
Total	**¥83,029**	¥90,632	**$845,256**

9. TANGIBLE FIXED ASSETS AND INTANGIBLE FIXED ASSETS

Tangible fixed assets and intangible fixed assets at March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Tangible fixed assets			
Buildings	**¥24,376**	¥ 26,097	**$248,155**
Land	**24,781**	24,671	**252,278**
Construction in progress	**6,620**	327	**67,398**
Other tangible fixed assets	**16,138**	46,654	**164,291**
Subtotal	**71,916**	97,751	**732,122**
Intangible fixed assets			
Software	**18,263**	16,401	**185,922**
Other intangible assets	**525**	3,441	**5,350**
Subtotal	**18,788**	19,842	**191,272**
Total	**¥90,705**	¥117,594	**$923,394**

Tangible fixed assets are stated at cost less accumulated depreciation of ¥126,143 million ($1,284,168 thousand) and ¥162,598 million in 2009 and 2008, respectively.

As of March 31, 2009 and 2008, deferred gains for tax purposes of ¥10,866 million ($110,619 thousand) and ¥11,118 million, respectively, on tangible fixed assets sold and replaced with similar assets have been deducted from the cost of newly acquired tangible fixed assets.

The Group reviewed its long-lived assets for impairment as of March 31, 2009 and 2008, as a result, recognized an impairment loss of ¥56 million ($577 thousand) and ¥99 million as other expense for certain branches due to continuous operating losses and the carrying amount of the relevant tangible fixed assets was written down to the recoverable amount. The recoverable amount of such tangible fixed assets was measured at its net selling price determined by quotation from a third-party vendor.

10. CUSTOMERS' LIABILITIES FOR ACCEPTANCES AND GUARANTEES

All contingent liabilities for acceptances and guarantees are recorded and reflected in acceptances and guarantees. Customers' liabilities for acceptances and guarantees have been recorded and reflected as assets in the consolidated balance sheet, representing the Bank's right of indemnity from the applicant.

The respective amounts of "Acceptances and Guarantees" and "Customers' Liabilities for Acceptances and Guarantees" are netted in accordance with the appendix forms of "Banking Act Enforcement Regulations" (Ministry of Finance Ordinance No.10, 1982).

Liabilities for guarantees on corporate bonds included in Securities, which were issued by private placement (Article 2 Paragraph 3 of the Financial Instruments and Exchange Act) amounted to ¥31,999 million.

11. ASSETS PLEDGED

Assets pledged as collateral and their relevant liabilities at March 31, 2009 and 2008 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Assets pledged as collateral:			
Due from banks	**¥ 239**	¥ 239	**$ 2,442**
Securities	**795,274**	602,290	**8,096,043**
Loans and bills discounted			
Minimum future rentals on lease contacts (off balanced)		6,102	
Lease receivables and investment assets	**461**		**4,695**
Relevant liabilities to above assets:			
Deposits	**¥ 60,701**	¥ 88,453	**$ 617,956**
Call money and bills sold			
Payables under securities lending transactions	**126,751**	70,703	**1,290,359**
Borrowed money	**462,735**	322,949	**4,710,733**
Other liabilities		3,884	

In addition to the above, the Bank has provided ¥202,645 million in securities and ¥1,866 million in Negotiable Certificates of Deposit as collateral for foreign exchange settlements and certain other transactions and as security for futures transactions.

Guarantee deposits on office space are included in other assets in the amount of ¥1,846 million, and margin money on futures trading is included in other assets in the amount of ¥25 million.

12. LOAN COMMITMENTS

Loan commitments at March 31, 2009 and 2008 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Unexecuted loan commitments outstanding			
Loans due within one year	**¥1,476,706**	¥1,411,257	**$15,033,154**
Loans due over one year	**55,591**	61,059	**565,928**
Total	**¥1,532,297**	¥1,472,317	**$15,599,082**

Overdraft agreements and agreements for loan commitments are agreements under which the Bank pledges to lend funds up to a certain limit when applications for advances of loans are received from customers, provided there are no violations of the terms written in the agreements. The balance of loans as yet undisbursed under these agreements stands at ¥1,532,297 million ($15,599,082 thousand).

Of this total, ¥1,476,706 million ($15,033,154 thousand) relates to agreements under which the period remaining is no more than one year.

Many of these agreements terminate without loans being disbursed, and thus the balance of loans as yet undisbursed will not necessarily affect the future cash flow of the Bank or its consolidated subsidiaries. Many of these agreements contain stipulations providing numerous reasons, such as changes in the financial situation and the preservation of credit, for the Bank or its consolidated subsidiaries to refuse to advance loans for which applications have been received, or to reduce the maximum amounts under the agreements. In addition, at the time of agreements, borrowers can, when necessary, be required to provide collateral such as real estate or securities, and after the agreements have been signed, the state of the customer's business and other factors may be assessed regularly in accordance with in-house procedures. Moreover, agreements can be revised if necessary, and steps, such as the formulation of measures to preserve credit may be taken.

13. DEPOSITS

Deposits at March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Current deposits	**¥ 326,198**	¥ 314,544	**$ 3,320,761**
Savings deposits	**3,518,481**	3,463,481	**35,818,803**
Deposits at notice	**23,222**	17,689	**236,408**
Time deposits	**3,020,970**	2,926,959	**30,754,056**
Negotiable certificates of deposit	**289,140**	334,230	**2,943,500**
Other	**211,950**	284,543	**2,157,699**
Total	**¥7,389,963**	¥7,341,449	**$75,231,227**

14. BORROWED MONEY

At March 31, 2009 and 2008, the weighted average annual interests rates applicable to borrowed money were 0.31% and 0.59%, respectively.

Borrowed money are borrowings from financial institutions. Annual maturities of borrowed money as of March 31, 2009, were as follows:

Years Ending March 31,	Millions of Yen	Thousands of U.S. Dollars
2010	¥473,288	$4,818,162
2011	2,329	23,715
2012	1,430	14,564
2013	705	7,177
2014	292	2,978
2015 and thereafter		
Total	¥478,045	$4,866,596

15. BONDS PAYABLE

Bonds at March 31, 2009 and 2008, consisted of the following:

		Millions of Yen		Thousands of U.S. Dollars
	rate (%)	**2009**	2008	**2009**
Unsecured bonds, payable in Japanese yen, due September 2010	2.22	**¥20,000**	¥ 20,000	**$203,604**
Unsecured bonds, payable in Japanese yen, due May 2008	1.11		5,000	
Unsecured bonds, payable in Japanese yen, due May 2011	1.65	**5,000**	5,000	**50,900**
Unsecured bonds, payable in Japanese yen, due September 2009	0.68	**20,000**	20,000	**203,604**
Unsecured bonds, payable in Japanese yen, due September 2014	1.59	**10,000**	10,000	**101,802**
Unsecured bonds, payable in Japanese yen, due June 2010	0.54	**20,000**	20,000	**203,604**
Unsecured bonds, payable in Japanese yen, due June 2015	1.37	**10,000**	10,000	**101,802**
Bond, payable in U.S. dollars, due July 2008	3.49		30,056	
Bond, payable in U.S. dollars, due November 2008	3.16		30,056	
Total		**¥85,000**	¥150,112	**$865,316**

Annual maturities of bonds as of March 31, 2009, were as follows:

Years Ending March 31,	Millions of Yen	Thousands of U.S. Dollars
2010	¥20,000	$203,604
2011	40,000	407,207
2012	5,000	50,901
2013		
2014		
2015 and thereafter	20,000	203,604
Total	¥85,000	$865,316

16. OTHER LIABILITIES

Other liabilities at March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Income taxes payable	**¥ 2,695**	¥ 13,127	**$ 27,441**
Accrued expenses	**13,722**	16,282	**139,700**
Deposits from employees	**2,837**	2,935	**28,886**
Unearned income	**10,637**	11,001	**108,290**
Derivative products	**23,594**	18,364	**240,196**
Other	**54,757**	63,273	**557,444**
Total	**¥108,245**	¥124,984	**$1,101,957**

17. RETIREMENT AND PENSION PLANS

The Bank and its subsidiaries in Japan have severance payment plans for employees.

Under most circumstances, employees terminating their employment are entitled to retirement benefits determined based on the rate of pay at the time of termination, years of service and certain other factors. Such retirement benefits are made in the form of a lump-sum severance payment from the Bank or from subsidiaries in Japan and annuity payments from a trustee.

Employees are entitled to larger payments if the termination is involuntary, by retirement at the mandatory retirement age, by death, or voluntary retirement at certain specific ages prior to the mandatory retirement age.

The provision for retirement benefits at March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Projected benefit obligation	**¥75,685**	¥74,904	**$770,490**
Fair value of plan assets	**(39,773)**	(55,866)	**(404,901)**
Unrecognized actuarial (loss) gain	**(22,544)**	(6,259)	**(229,508)**
Prepaid pension costs	**9,503**	10,146	**96,745**
Net provision	**¥22,870**	¥22,925	**$232,826**

The components of net periodic benefit costs for the year ended March 31, 2009 and 2008 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Service cost	**¥2,005**	¥2,043	**$20,414**
Interest cost	**1,492**	1,483	**15,190**
Expected return on plan assets	**(1,620)**	(1,734)	**(16,499)**
Recognized actuarial losses	**1,621**	606	**16,509**
Other	**562**	805	**5,731**
Net periodic benefit costs	**¥4,061**	¥3,204	**$41,345**

Assumptions used for the year ended March 31, 2009 and 2008 are set forth as follows:

	2009	2008
Discount rate	**2.0%**	2.0%
Expected rate of return on plan assets	**3.5%**	3.5%
Amortization period of prior service cost	**1 year**	1 year
Recognition period of actuarial gain/loss	**10 years**	10 years

18. EQUITY

Since May 1, 2006, Japanese companies have been subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below;

(a) Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders meeting. For companies that meet certain criteria such as; (1) having the Board of Directors, (2) having independent auditors, (3) having the Board of Corporate Auditors, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends in kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. However, the Bank cannot do so because it does not meet all the above criteria. The Companies Act permits companies to distribute dividends-in-kind (non-cash assets) to shareholders subject to a certain limitation and additional requirements.

Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act and the Banking Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock.

(b) Increase / decrease and transfer of capital stock, reserve and surplus

The Banking Act requires that an amount equal to 20% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of aggregate amount of legal reserve and additional paid-in capital equals 100% of the capital stock.

The Companies Act also provides that capital stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

(c) Treasury stock and treasury stock acquisition rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by specific formula.

Under the Companies Act, stock acquisition rights, which were previously presented as a liability, are now presented as a separate component of equity.

The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

19. STOCK OPTIONS

The stock options outstanding as of March 31, 2009 were as follows:

	Persons Granted	Number of Options	Date of Grant	Exercise Price	Exercise Period
2007 Stock Option	8 directors	67,000 share	2007. 7.27	¥ 1 ($0.01)	From June 28, 2007 To June 27, 2032
2008 Stock Option	8 directors	66,000 share	2008. 7.18	¥ 1 ($0.01)	From July 19, 2008 To July 18, 2033

The stock option activity is as follows:

	2007 Stock Option	2008 Stock Option
For the year ended March 31, 2008		
Non-vested		
March 31, 2007—Outstanding		
Granted	67,000	
March 31, 2008—Outstanding	67,000	
Vested		
March 31, 2007—Outstanding		
March 31, 2008—Outstanding		
For the year ended March 31, 2009		
Non-vested		
March 31, 2008—Outstanding	67,000	
Granted		66,000
Vested	67,000	
March 31, 2009—Outstanding		66,000
Vested		
March 31, 2008—Outstanding		
Vested	67,000	
March 31, 2009—Outstanding	67,000	
Exercise price	¥ 1 ($ 0.01)	¥ 1 ($ 0.01)
Fair value price at grant date	¥1,153 ($11.74)	¥1,057 ($10.76)

The assumptions used to measure fair value of the 2008 Stock Option
Estimate method: Black-Scholes option pricing model
Volatility of stock price: 23.9%
Estimated remaining outstanding period: 3 years
Estimated dividend: ¥13 per share
Risk free interest rate: 0.8%

20. VALUATION DIFFERENCE ON AVAILABLE-FOR-SALE SECURITIES

Breakdown of "Valuation difference on available-for-sale securities" posted in the Balance Sheet is as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Valuation difference	**¥66,208**	¥178,620	**$674,017**
Deferred tax liabilities	**(25,866)**	(69,564)	**(263,329)**
Amounts equivalent to difference on available-for-sale securities	**¥40,341**	¥109,056	**$410,688**
Minority interests adjustment	**¥ (57)**	¥ (105)	**$ (587)**
Valuation difference on available-for-sale securities	**¥40,284**	¥108,950	**$410,101**

21. OTHER OPERATING INCOME

Other operating income for the years ended March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Gains on foreign exchange transactions	**¥ 1,465**	¥2,582	**$ 14,921**
Gains on sales of bonds	**12,044**	1,467	**122,618**
Gains on financial derivatives	**163**	71	**1,660**
Other	**2**	15	**22**
Total	**¥13,675**	¥4,136	**$139,221**

22. OTHER INCOME

Other income for the years ended March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Gains on sales of stocks and other securities	**¥ 921**	¥12,014	**$ 9,377**
Other	**8,540**	9,150	**86,945**
Total	**¥9,461**	¥21,164	**$96,322**

23. OTHER OPERATING EXPENSES

Other operating expenses for the years ended March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Losses on sales of bonds	**¥ 2,224**	¥3,058	**$ 22,647**
Losses on redemption of bonds	**9,695**	6,099	**98,698**
Amortized bond issue cost		41	
Other			
Total	**¥11,919**	¥9,199	**$121,345**

24. OTHER EXPENSES

Other expenses for the years ended March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Provision of allowance for loan losses	**¥31,230**	¥ 5,363	**$317,932**
Losses on written-off claims	**261**	249	**2,662**
Losses on sales of stocks and other securities	**894**	210	**9,105**
Losses on devaluation of stocks and other securities	**17,506**	1,529	**178,222**
Losses on money held in trust		6	
Equity in loss of affiliates	**447**	437	**4,557**
Losses on disposition of fixed assets	**897**	1,316	**9,135**
Impairment loss	**56**	99	**577**
Other	**9,067**	11,085	**92,307**
Total	**¥60,362**	¥20,296	**$614,497**

25. INCOME TAXES

The Bank and its domestic subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 39.7% for the years ended March 31, 2009 and 2008, respectively.

The tax effects of significant temporary differences, which resulted in deferred tax assets and liabilities, at March 31, 2009 and 2008 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Deferred tax assets:			
Allowance for loan losses	**¥29,020**	¥ 21,562	**$295,436**
Depreciation	**3,661**	3,608	**37,274**
Provision for retirement benefits	**13,241**	12,960	**134,798**
Valuation loss on securities	**7,119**	7,170	**72,482**
Other	**283**	(1,835)	**2,883**
Deferred tax assets	**53,326**	43,466	**542,873**
Deferred tax liabilities:			
Valuation difference on available-for-sale securities	**(25,866)**	(69,564)	**(263,329)**
Gain on establishment of employee retirement benefit trust	**(6,922)**	(6,922)	**(70,470)**
Revaluation reserve for fixed assets	**(1,478)**	(1,522)	**(15,051)**
Other	**(226)**	(2)	**(2,311)**
Deferred tax liabilities	**(34,494)**	(78,011)	**(351,161)**
Net deferred tax liabilities	**¥18,831**	¥(34,545)	**$191,712**

A reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the accompanying consolidated statements of income for the year ended March 31, 2009 is as follows:

Normal effective statutory tax rate: 39.7%
Valuation allowance: (8.7)%
Dividends exempted for income tax purpose: (5.8)%
Other: 1.6%
Actual effective tax rate: 26.8%

A reconciliation between the normal effective statutory tax rates for the year ended March 31, 2008 and the actual effective tax rates reflected in the accompanying consolidated statements of income was not required under Japanese accounting standards due to immaterial differences of tax rates.

26. LEASES

The revised accounting standard for lease transactions was effective for fiscal years beginning on and after April 1, 2008.

(1) Disclosures for financial lease transactions under the revised standard as of March 31, 2009 and the former standard as of March 31, 2008 are as follows:

As of March 31, 2009

(a) Lessee

As discussed in Note 3, the Bank and its consolidated subsidiaries in Japan account for leases which existed at the transition date and do not transfer ownership of the leased property to the lessee as operating transactions.

Lease payments under such finance leases for the year ended March 31, 2009 were ¥36 million ($371 million).

Pro forma information of such leases existing at the transition date, such as acquisition cost, accumulated depreciation, obligations under finance leases, depreciation expense, interest expense, on a "as if capitalized" basis for the years ended March 31, 2009 was as follows:

	Millions of Yen	Thousands of U.S. Dollars
Tangible Fixed Assets	**2009**	**2009**
Acquisition cost	**¥261**	**$2,666**
Accumulated depreciation	**(72)**	**(735)**
Net leased property	**¥189**	**$1,931**

Obligations under finance leases:

	Millions of Yen	Thousands of U.S. Dollars
Tangible Fixed Assets	**2009**	**2009**
Due within one year	**¥ 7**	**$ 73**
Due after one year	**228**	**2,323**
Total	**¥235**	**$2,396**

Depreciation expense and interest expense under finance lease:

	Millions of Yen	Thousands of U.S. Dollars
	2009	**2009**
Depreciation expense	**¥14**	**$147**
Interest expense	**29**	**298**

Depreciation expense and interest expense, which are not reflected in the accompanying statements of income, are computed by the straight-line method and the interest method, respectively.

(b) Lessor

The net lease investment assets are summarized as follows:

	Millions of Yen	Thousands of U.S. Dollars
	2009	**2009**
Gross lease receivables	**¥40,006**	**$407,274**
Estimate residual values	**3,168**	**32,254**
Unearned interest income	**(6,772)**	**(68,941)**
Lease investment assets	**¥36,402**	**$370,587**

Maturities of lease receivables are as follows:

Years Ending March 31,	Millions of Yen	Thousands of U.S. Dollars
2010	¥ 9	$100
2011	6	71
2012	3	33
2013		2
Total	¥20	$206

Maturities of lease payment receivables of lease investment assets are as follows:

Years Ending March 31,	Millions of Yen	Thousands of U.S. Dollars
2010	¥11,886	$121,012
2011	9,398	95,680
2012	7,316	74,488
2013	5,111	52,040
2014	3,097	31,538
2015 and thereafter	3,194	32,516
Total	¥40,006	$407,274

For finance leases without the transfer of ownership, which commenced before April 1, 2008, the appropriate book value (after the deduction of accumulated depreciation) as of March 31, 2008 is entered as the amount of "lease receivables and investment assets" at the beginning of the next period.

Moreover, for such finance leases, the interest payable during the remaining term of the lease is allocated over the lease term by the interest method in equal amounts.

As a result of this accounting treatment, the income before income taxes and minority interests for the year ended March 31, 2009 was ¥2,026 million ($20,631 thousand) less than it would have been if the revised lease standards had been applied since commencement day of lease transactions retrospectively.

As of March 31, 2008

(a) Lessee

Lease payments under finance leases for the years ended March 31, 2008 was ¥6 million.

Pro forma information of leased property, such as acquisition cost, accumulated depreciation, obligations under finance leases, depreciation expense and interest expense of finance leases that do not transfer ownership of the leased property to the lessee on an "as if capitalized" basis for the years ended March 31, 2008 was as follows:

	Millions of Yen
Equipment	2008
Acquisition cost	¥12
Accumulated depreciation	(9)
Net leased property	¥ 2

Obligations under finance leases:

	Millions of Yen
Equipment	2008
Due within one year	¥1
Due after one year	1
Total	¥3

Depreciation expense and interest expense under finance lease:

	Millions of Yen
	2008
Depreciation expense	¥5
Interest expense	0

Depreciation expense and interest expense, which are not reflected in the accompanying statements of income, are computed by the straight-line method and the interest method, respectively.

(b) Lessor

Lease revenue under finance leases for the year ended March 31, 2008 was ¥14,557 million.

Pro forma information of leased property, such as acquisition cost, accumulated depreciation, balance at term-end, future lease payment receivable, lease revenue and interest income of finance leases that do not transfer ownership of the leased property to the lessee on an "as if capitalized" basis for the years ended March 31, 2008 was as follows:

	Millions of Yen
Equipment	2008
Acquisition cost	¥105,764
Accumulated depreciation	(71,595)
Net leased property	¥ 34,168

Future lease payment receivable:

	Millions of Yen
Equipment	2008
Lease receivable (within one year)	¥10,654
Lease receivable (after one year)	21,309
Total	¥31,964

Leasing fees received under finance leases:

	Millions of Yen
	2008
Leasing fees received	¥11,340
Interest income	1,640

(2) Disclosures for operating lease transactions

(a) Lessee

The minimum rental commitments under noncancelable operating leases at March 31, 2009 were as follows:

	Millions of Yen	Thousands of U.S. Dollars
	2009	**2009**
Due within one year	**¥262**	**$2,671**
Due after one year	**689**	**7,019**
Total	**¥951**	**$9,690**

(b) Lessor

The future lease payment receivables under noncancelable operating leases at March 31, 2009 and 2008 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Due within one year	**¥ 305**	¥216	**$ 3,108**
Due after one year	**714**	520	**7,270**
Total	**¥1,019**	¥737	**$10,378**

27. SEGMENT INFORMATION

Information regarding business segments of the Bank and its subsidiaries for the years ended March 31, 2009 and 2008 were as follows:

The domestic share of both total income and total assets exceeds 90%; thus, geographic segment information is not presented.

The domestic share of total income exceeds 90%; thus information on total income from overseas is not presented.

	Millions of Yen					
Year ended March 31, 2009	Bank operations	Leasing operations	Other operations	Total	Eliminations	Consolidated
Ordinary income and ordinary profits:						
Ordinary income from outside customers	**¥ 206,093**	**¥17,592**	**¥ 8,532**	**¥ 232,218**		**¥ 232,218**
Ordinary income from intersegment transactions	**1,074**	**3,154**	**4,033**	**8,261**	**¥ (8,261)**	
Total	**207,167**	**20,746**	**12,565**	**240,480**	**(8,261)**	**232,218**
Ordinary expenses	**190,235**	**19,750**	**10,329**	**220,314**	**(8,054)**	**212,259**
Ordinary profits	**16,932**	**996**	**2,236**	**20,165**	**(207)**	**19,958**
Total assets, depreciation and amortization and capital expenditure:						
Total assets	**9,088,304**	**61,449**	**34,288**	**9,184,041**	**(69,299)**	**9,114,742**
Depreciation and amortization	**10,419**	**892**	**281**	**11,593**	**(53)**	**11,540**
Impairment loss	**56**			**56**		**56**
Capital expenditure	**13,875**	**559**	**178**	**14,613**	**(127)**	**14,486**

	Millions of Yen					
Year ended March 31, 2008	Bank operations	Leasing operations	Other operations	Total	Eliminations	Consolidated
Ordinary income and ordinary profits:						
Ordinary income from outside customers	¥ 215,190	¥19,950	¥ 9,958	¥ 245,099		¥ 245,099
Ordinary income from intersegment transactions	1,376	2,820	3,925	8,122	¥ (8,122)	
Total	216,567	22,771	13,884	253,222	(8,122)	245,099
Ordinary expenses	155,809	21,283	10,692	187,785	(7,796)	179,989
Ordinary profits	60,757	1,487	3,192	65,437	(326)	65,110
Total assets, depreciation and amortization and capital expenditure:						
Total assets	9,059,896	70,275	32,958	9,163,130	(64,704)	9,098,425
Depreciation and amortization	7,524	13,552	215	21,292	(36)	21,256
Impairment loss	99			99		99
Capital expenditure	10,576	18,705	241	29,523	(74)	29,448

	Thousands of U.S. Dollars					
Year ended March 31, 2009	Bank operations	Leasing operations	Other operations	Total	Eliminations	Consolidated
Ordinary income and ordinary profits:						
Ordinary income from outside customers	**$ 2,098,069**	**$179,092**	**$ 86,864**	**$ 2,364,025**		**$ 2,364,025**
Ordinary income from intersegment transactions	**10,939**	**32,110**	**41,058**	**84,107**	**$ (84,107)**	
Total	**2,109,008**	**211,202**	**127,922**	**2,448,132**	**(84,107)**	**2,364,025**
Ordinary expenses	**1,936,628**	**201,061**	**105,153**	**2,242,842**	**(81,999)**	**2,160,843**
Ordinary profits	**172,380**	**10,141**	**22,769**	**205,290**	**(2,108)**	**203,182**
Total assets, depreciation and amortization and capital expenditure:						
Total assets	**92,520,664**	**625,563**	**349,059**	**93,495,286**	**(705,480)**	**92,789,806**
Depreciation and amortization	**106,075**	**9,083**	**2,867**	**118,025**	**(544)**	**117,481**
Impairment loss	**577**			**577**		**577**
Capital expenditure	**141,258**	**5,694**	**1,814**	**148,766**	**(1,295)**	**147,471**

Note: Business segments:

(1) Bank Operations

(2) Leasing Operations

(3) Other Operations—commissioned computer processing operations, credit card operations, etc.

28. DERIVATIVES

(1) Nature of trading

The Bank and its consolidated subsidiaries use the following derivative transactions: Interest rate-related transactions using interest futures, interest rate swaps and interest rate caps; currency related transactions using currency swaps, currency options, future exchange contracts and forward exchange contracts; bond-related transactions using bond futures and bond future options, and commodity-related transactions using commodity swaps.

(2) Trading policy

In response to risk-hedging needs related to foreign exchange rates and interest rates for customers, the Bank and its consolidated subsidiaries use derivative transactions for hedging risk under asset/liability management ("ALM") and individual transactions with the aim of appropriate market risk management. In addition, they have set certain position limits and established loss-cutting rules for short-term transactions.

The Bank and its subsidiaries do not enter into derivative transactions for speculative purposes.

(3) Purpose

Derivative transactions are used on the basis of the trading policy indicated above.

Hedge accounting is applied to certain derivative transactions.

(a) Accounting for hedging activities

The deferral method and exceptional interest rate swap accounting method were adopted for hedging activities.

(b) Hedging policy (including hedging instruments and hedged items)

In accordance with the internal rules of the Bank that comply with the "accounting standard for derivative financial instruments" and other regulations, interest rate risk and risk from price fluctuations of bonds and equities are hedged.

Hedge accounting was applied to the following hedging instruments and hedged items:

Hedging instruments: Interest rate swaps, currency swaps

Hedged items:

Yen denominated assets: deposits (under general method)

Foreign-currency denominated assets: loans, corporate bonds, due from banks, call money, call loan and borrowed money (under individual hedge), deposits, equity securities and bonds (under genegal method)

(c) Assessment of the effectiveness of hedging instruments

Fair Value Hedge

A portfolio of hedged items, such as deposits or loans with common maturities, is matched with a group of hedging instruments, such as interest swaps which offset the effect of fair value fluctuations of the hedged items by identified maturities, and are designated as a hedge of the portfolio. The effectiveness of the fair value hedges is assessed by each group.

Cash Flow Hedge

The effectiveness of cash flow hedges is assessed based on the correlation between a base interest rate index of the hedged cash flow and that of the hedging instrument.

Exchange Hedge

The effectivess of exchange hedges is assessed based on the comparison between the amount of hedged items and hedging instruments.

Other Hedge

Others have been confirmed to meet the requirements of the exceptional interest rate swap handling method.

(4) Risk associated with derivatives

Derivatives are subject to market risk and credit risk. Market risk is the exposure created by potential Fluctuations in market conditions, including interest or foreign exchange rates. Credit risk is the possibility that a loss may result from a counterparty's failure to perform according to the terms and conditions of the contract.

(5) Risk control system for derivatives

The Bank and its important subsidiaries introduce a management system which distributes risk assets at the market dealing section (Treasury Department, etc.) in order to manage market risk and assigns permissible range of losses or position limits to each deal and product. The risk management group in the risk management department, as the middle office, monitors daily whether the market dealing section abides by such ranges and limits, and at the same time, measures the amount of risk, such as VaR (Value at Risk), and reports the results to the board of directors periodically.

In terms of the credit risk, the Bank sets credit limits for each customer considering both on-balanced and off-balanced deals, including derivatives, and manages such limits strictly to prevent overuse.

In addition, in order to establish a mutual checking system at the market section, the Bank separates the front office (market dealing section) strictly from the back office (office work section), while establishing an independent middle office (risk management section).

Market Value of Derivatives

	Millions of Yen			
	Contract or notional amount			
2009	Total	More than one year	Market value	Unrealized gain (loss)
Listed:				
Interest rate futures	**¥ 1,988**			
Bond futures	**692**	**¥ 692**	**¥ (1)**	**¥ (1)**
Over-the-counter:				
Interest rate swaps	**¥1,109,082**	**¥879,732**	**¥ 836**	**¥ 836**
Currency swaps	**719,956**	**628,948**	**1,747**	**1,747**
Exchange contracts	**53,955**		**(253)**	**(253)**
Currency option	**354,161**	**268,644**	**(154)**	**(154)**
Other	**51,612**	**35,633**	**380**	**380**

	Millions of Yen			
	Contract or notional amount			
2008	Total	More than one year	Market value	Unrealized gain (loss)
Over-the-counter:				
Interest rate swaps	¥1,206,001	¥1,021,788	¥ 978	¥ 978
Currency swaps	738,643	667,878	2,066	2,066
Exchange contracts	65,151		(1,324)	(1,324)
Currency option	344,648	279,149		
Other	78,011	39,705	107	107

Notes: 1. Derivatives included in the table above were measured at fair value and the unrealized gains and losses were recognized in income. Derivatives for which hedge accounting was adopted were excluded from the table.

2. The fair values of listed transactions represent the closing price on the Tokyo Financial Exchange and other exchanges at the consolidated balance sheet date, or are calculated mainly by using the discounted present values or option pricing models.

3. The contract or notional amounts of derivatives shown in the above table do not represent the amounts exchanged by the parties and do not measure the Bank's exposure to credit or market risk.

	Thousands of U.S. Dollars			
	Contract or notional amount			
2009	Total	More than one year	Market value	Unrealized gain (loss)
Listed:				
Interest rate futures	**$ 20,244**		**$ (2)**	**$ (2)**
Bond futures	**7,047**	**$ 7,047**	**(15)**	**(15)**
Over-the-counter:				
Interest rate swaps	**$11,290,665**	**$8,955,847**	**$ 8,520**	**$ 8,520**
Currency swaps	**7,329,293**	**6,402,810**	**17,785**	**17,785**
Exchange contracts	**549,273**		**(2,577)**	**(2,577)**
Currency option	**3,605,431**	**2,734,854**	**(1,572)**	**(1,572)**
Other	**525,421**	**362,755**	**3,879**	**3,879**

29. RELATED PARTY TRANSACTIONS

Related party transactions for the years ended March 31, 2009 and 2008 were as follows:

Related party	Category	Description of transactions	Millions of Yen 2009	Millions of Yen 2008	Thousands of U.S. Dollars 2009
Yasuhiko Saito Lawyer	Corporate Auditor of Shizuoka Bank	Legal service fees Lending operation loans	**¥ 21** **7**	¥ 20 11	**$ 219** **81**
Hiroyuki Aoshima President of Santamon Corp.	Former Corporate Auditor of Shizuoka Bank	Business transactions Lending operation loans	**32** **202**	113 210	**333** **2,058**
Masakuni Nakayama President of MTK Ltd.	Former Director of Shizuoka Bank	Lending operation loans		26	
Tsutomu Goto	Close relative of a director of Shizuoka Bank	Lending operation loans	**271**	298	**2,762**
Yoko Mizuguchi	Close relative of a director of Shizuoka Bank	Lending operation loans	**15**	16	**154**
Kenji Mizuguchi	Close relative of a director of Shizuoka Bank	Lending operation loans	**50**	52	**510**
Sano Kogyo Co.,Ltd. (Manufacture of machine parts)	Company in which majority voting rights are held by a close relative of a director of Shizuoka Bank	Lending operation loans	**20**	96	**204**

Notes: 1. Amounts of loans are balances at the end of the year.
2. The amounts of the business transactions and loans to Santamon Corp. are the balances at Mr. Aoshima's resignation as corporate auditor on June 25, 2008.

30. NET INCOME PER SHARE

Basic net income per share ("EPS") for the years ended March 31, 2009 and 2008 is computed as follows:

	Millions of Yen	Thousands of Stocks	Yen	Dollars
For the year ended March 31, 2009	Net income	Weighted average stocks	EPS	
Basic EPS				
Net income available to common shareholders	**¥13,012**	**698,034**	**¥18.64**	**$0.190**
Effect of Dilutive Securities				
Stock option		**113**		
Diluted EPS				
Net income for computation	**¥13,012**	**698,148**	**¥18.63**	**$0.190**
For the year ended March 31, 2008				
Basic EPS				
Net income available to common shareholders	¥34,758	705,635	¥49.25	$0.492
Effect of Dilutive Securities				
Stock option		45		
Diluted EPS				
Net income for computation	¥34,758	705,680	¥49.25	$0.492

31. SUBSEQUENT EVENTS

Appropriations of Retained Earnings

The following appropriations of retained earnings were scheduled to be authorized at the ordinary general shareholders' meeting held on June 24, 2009:

	Millions of Yen	Thousands of U.S. Dollars
Cash dividends, ¥6 ($0.06) per share	¥4,187	$42,633
Total	¥4,187	$42,633

Key Consolidated Financial Indicators

Summary of Profits (Losses)

Years ended March 31	2009	2008	Increase (decrease)	Percentage change
	Millions of Yen			
Net interest income	**¥129,717**	¥119,826	¥ 9,891	8.3
Net fees and commissions	**23,393**	26,240	(2,846)	(10.8)
Net trading income	**2,188**	3,045	(857)	(28.1)
Net other operating profits	**1,755**	(5,062)	6,818	(134.7)
General and administrative expenses	**86,477**	82,925	3,552	4.3
Net other ordinary income	**(50,619)**	3,986	(54,605)	(1,369.9)
Ordinary profits	**19,958**	65,110	(45,152)	(69.3)
Income before income taxes and minority interests	**19,677**	61,992	(42,315)	(68.3)
Income taxes:				
Current	**14,882**	23,863	(8,981)	(37.6)
Deferred	**(9,617)**	1,549	(11,167)	(720.6)
Minority interest in net income of consolidated subsidiaries	**1,400**	1,820	(420)	(23.1)
Net income	**13,012**	34,758	(21,745)	(62.6)

Breakdown of Net Interest Margin

Year ended March 31	Billions of Yen 2009
Interest income	**¥ 163.7**
Average interest-earning assets	**8,489.6**
Average interest rate of interest-earning assets (%)	**1.92**
Interest expenses (Note)	**33.9**
Average interest-bearing liabilities	**8,115.1**
Average interest rate of interest-bearing liabilities (%)	**0.41**
Net interest income	**129.7**

Note: Interest expenses here exclude interest paid in relation to investment in money held in trust.

Net Other Operating Profits

Years ended March 31	2009	2008	Increase (decrease)
	Millions of Yen		
Gain on foreign exchange transactions	**¥ 1,465**	¥2,582	**¥ (1,116)**
Gain/loss on government bonds	**125**	(7,689)	**7,814**
Gain on sale	**12,044**	1,467	**10,577**
Loss on sale	**(2,224)**	(3,058)	**833**
Loss on redemption	**(9,695)**	(6,099)	**(3,595)**
Amortized bond issue cost		(41)	**41**
Gain/loss on derivatives transactions	**163**	71	**91**
Proceeds from derivatives transaction	**163**	71	**91**
Others	**2**	15	**(13)**
Gain/loss on other business	**1,755**	(5,062)	**6,818**
Other operating revenue	**13,675**	4,136	**9,538**
Other operating expenses	**(11,919)**	(9,199)	**(2,720)**

Loans Outstanding by Type of Borrower

March 31	2009		2008	
	Billions of Yen, % Share			
Domestic branches:				
Manufacturing	**¥1,268.1**	**20.59%**	¥1,033.2	17.83%
Agriculture	**4.6**	**0.08**	5.6	0.10
Forestry	**0.1**	**0.00**	0.1	0.00
Fishery	**3.0**	**0.05**	3.7	0.06
Mining	**21.7**	**0.35**	17.6	0.31
Construction	**285.7**	**4.64**	274.7	4.74
Utilities	**49.6**	**0.81**	49.4	0.85
Telecommunications	**32.1**	**0.52**	29.4	0.51
Transportation	**234.7**	**3.81**	212.4	3.66
Wholesale and retailing	**734.2**	**11.92**	730.6	12.61
Finance and insurance	**354.3**	**5.75**	394.3	6.80
Real estate	**345.9**	**5.62**	350.5	6.05
Other miscellaneous services	**649.3**	**10.54**	663.2	11.44
Local governments	**127.6**	**2.07**	118.2	2.04
Other	**2,048.5**	**33.25**	1,913.0	33.00
Subtotal	**6,160.1**	**100.00**	5,796.5	100.00
Overseas branches and offshore accounts:				
Governments and official institutions				
Banks and other financial institutions	**1.9**	**1.03**	1.0	0.74
Other	**188.1**	**98.97**	135.3	99.26
Subtotal	**190.1**	**100.00**	136.3	100.00
Total	**¥6,350.2**		¥5,932.8	

Risk Management Asset Information

March 31	2009	2008	Increase (decrease)
	Millions of Yen		
Loans under bankruptcy proceedings A	**¥ 22,078**	¥ 9,627	¥12,451
% of loans and bills discounted	**0.34**	0.16	0.18
Past due loans B	**172,272**	160,674	11,597
% of loans and bills discounted	**2.71**	2.70	0.00
Loans past due for three months or more C	**1,811**	1,793	18
% of loans and bills discounted	**0.02**	0.03	(0.00)
Loans with relaxed conditions D	**14,571**	26,736	(12,164)
% of loans and bills discounted	**0.22**	0.45	(0.22)
Risk management loan total E (E=A+B+C+D)	**210,734**	198,831	11,902
% of loans and bills discounted	**3.31**	3.35	(0.03)
Value covered with collateral, guarantees, etc. F	**186,611**	171,219	15,391
Cover ratio (%) F/E	**88.55**	86.11	2.43

Notes: 1. Risk management loans are based on Article 19-2 of the Regulations for Execution of the Bank Law. Because these loans are disclosed regardless of the presence or absence of collateral, guarantees or other coverage, the figures shown do not represent unrecoverable amounts.

2. Loans past due for three months or more include loans for which payments of principal or interest are delinquent by three months or more, as calculated from the day following the contracted payment date, but do not include loans to bankrupt borrowers or past due loans.

3. Loans with relaxed conditions include loans for which certain conditions have been relaxed for the benefit of the borrower (through such means as the reduction or elimination of interest payments, the deferral of principal repayments and the relinquishment of a portion of liabilities) with the goal of supporting the recovery of borrowers that have fallen into financial difficulties and thereby promoting the recovery of the loan.

4. Value covered with collateral, guarantees, etc., includes provisions in the specific reserve for possible loan losses. The covered value was stated on a possible disposal basis.

Allowance for Loan Losses

March 31	Millions of Yen 2009	2008
General allowance for loan losses	**¥42,678**	¥27,488
Specific allowance for loan losses	**38,463**	31,399
Total	**¥81,141**	¥58,887
[Loans on written-off claims for the year]	**¥ [261]**	¥ [249]

Financial Index

Years ended March 31	Consolidated 2009	2008	Increase (decrease)	Non-Consolidated 2009	2008	Increase (decrease)
Per share (Yen):						
Net income	**¥ 18.64**	¥ 49.25	¥(30.61)	**¥ 18.34**	¥ 49.88	¥(31.54)
Net assets	**909.15**	1,003.78	(94.62)	**903.32**	997.20	(93.88)
Cash dividends	**13.00**	13.00		**13.00**	13.00	
Dividend payout ratio (%)				**70.88**	26.06	44.82
Return on equity (ROE) (%) (Note)	**1.94**	4.72	(2.77)	**2.19**	6.21	(4.01)
Price earnings ratio (PER) (%)	**47.41**	23.89	23.52	**48.20**	23.59	24.61

Note: Net income as a percentage of average balance of shareholders' equity.

Capital Adequacy Ratio

From the fiscal year ended March 31, 2007, the Basel II methodology has been adopted to calculate capital ratios. For credit risk, the Foundation Internal Ratings Based Approach (F-IRB) has been applied. For operational risk, the Standardized Approach (TSA) has been adopted and the Internal Model Method has been used for market risk.

March 31	Billions of Yen Consolidated 2009	2008	Non-Consolidated 2009	2008
Tier I:				
Common shareholders' equity	**¥ 607.8**	¥ 593.8	**¥ 585.0**	¥ 571.3
Tier II capital included as Tier I				
Total adjusted Tier I capital	**607.8**	593.8	**585.0**	571.3
Tier II:				
45% of an aggregate amount equivalent to the balance sheet value of available for sale securities with relevant aggregate book value deducted	**28.1**	78.4	**28.2**	78.5
Allowance for loan losses, excluding specific reserve	**1.0**	0.6	**0.2**	0.1
Others				
Tier II capital included as Tier I				
Total adjusted Tier II capital	**29.1**	79.0	**28.4**	78.6
Tier II capital included as qualifying capital	**29.1**	79.0	**28.4**	78.6
Tier III (Note 1)**:**				
Short-term subordinated debt (Capital for covering market risks)				
Deduction items	**13.5**	22.5	**8.9**	18.3
Total capital	**623.4**	650.4	**604.5**	631.7
Total risk-adjusted assets (Notes 1, 3)	**4,414.8**	4,423.1	**4,343.8**	4,369.0
Capital adequacy ratio (%) (Note 2)	**14.12**	14.70	**13.91**	14.45
Tier I ratio (%) (Note 2)	**13.76**	13.42	**13.46**	13.07

Notes: 1. The ratio of capital to risk-adjusted assets is based on Ministry of Finance guidelines formulated in accordance with the BIS agreement.
2. The capital adequacy ratio and the Tier I ratio were calculated on a consolidated basis. On a non-consolidated basis, based on Article 14-2 of the Bank Law.
3. Subordinated debt with two or more years remaining to redemption may be counted as Tier III capital for covering market risks. Accompanying the January 1, 1998 introduction of BIS market risk regulations, the Bank has recorded quasi-supplementary items and amounts corresponding to market risk beginning in the fiscal year ended March 31, 2000.

Credit-Related Financial Instruments

March 31	Billions of Yen Contract amount 2009	2008
Commitments to extend credit	**¥3,029.2**	¥3,205.8
Guarantees	**103.0**	128.7
Total	**¥3,132.3**	¥3,334.6

The Shizuoka Bank

Corporate Data

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10, Gofukucho 1-chome, Aoi-ku,
Shizuoka-shi, Shizuoka 420-8761, Japan

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URL: http://www.shizuokabank.co.jp/

INTERNATIONAL PLANNING GROUP
Phone: 054 (345) 5411
Fax: 054 (344) 0090

INTERNATIONAL OPERATIONS CENTER
Phone: 054 (345) 5700
Fax: 054 (349) 5501
SWIFT address: SHIZJPJT

NUMBER OF EMPLOYEES
(As of March 31, 2009)
3,156

DATE OF ESTABLISHMENT
March 1, 1943

DOMESTIC NETWORK
(As of July 1, 2009)
Head Office, 166 branches,
23 sub-branches

OVERSEAS NETWORK
(As of July 1, 2009)
3 branches,
2 representative offices and
1 subsidiary

Overseas Service Network

Los Angeles Branch
801 South Figueroa Street, Suite 610,
Los Angeles, CA 90017, U.S.A.
Phone: (1) 213-622-3233
Fax: (1) 213-623-8674

New York Branch
600 Lexington Ave,
4th Floor, New York,
NY 10022, U.S.A.
Phone: (1) 212-319-6260
Fax: (1) 212-319-6270

Hong Kong Branch
Suite 1010, 10th Floor, Chater House,
8 Connaught Road, Central, Hong Kong
People's Republic of China
Phone: (852) 2521-6547
Fax: (852) 2845-9257

Singapore Representative Office
2 Shenton Way, #04-02 SGX Centre 1,
Singapore 068804
Phone: (65) 6225-3600
Fax: (65) 6225-9901

Shanghai Representative Office
Room 1813, Shanghai
International Trade Centre,
2201 Yan-An Road (West),
Chang Ning Qu, Shanghai,
People's Republic of China
Phone: (86) 21-6209-8115
Fax: (86) 21-6209-8116

Shizuoka Bank (Europe) S.A.
283 Avenue Louise, Bte. 13,
1050 Brussels, Belgium
Phone: (32) 2-646-0470
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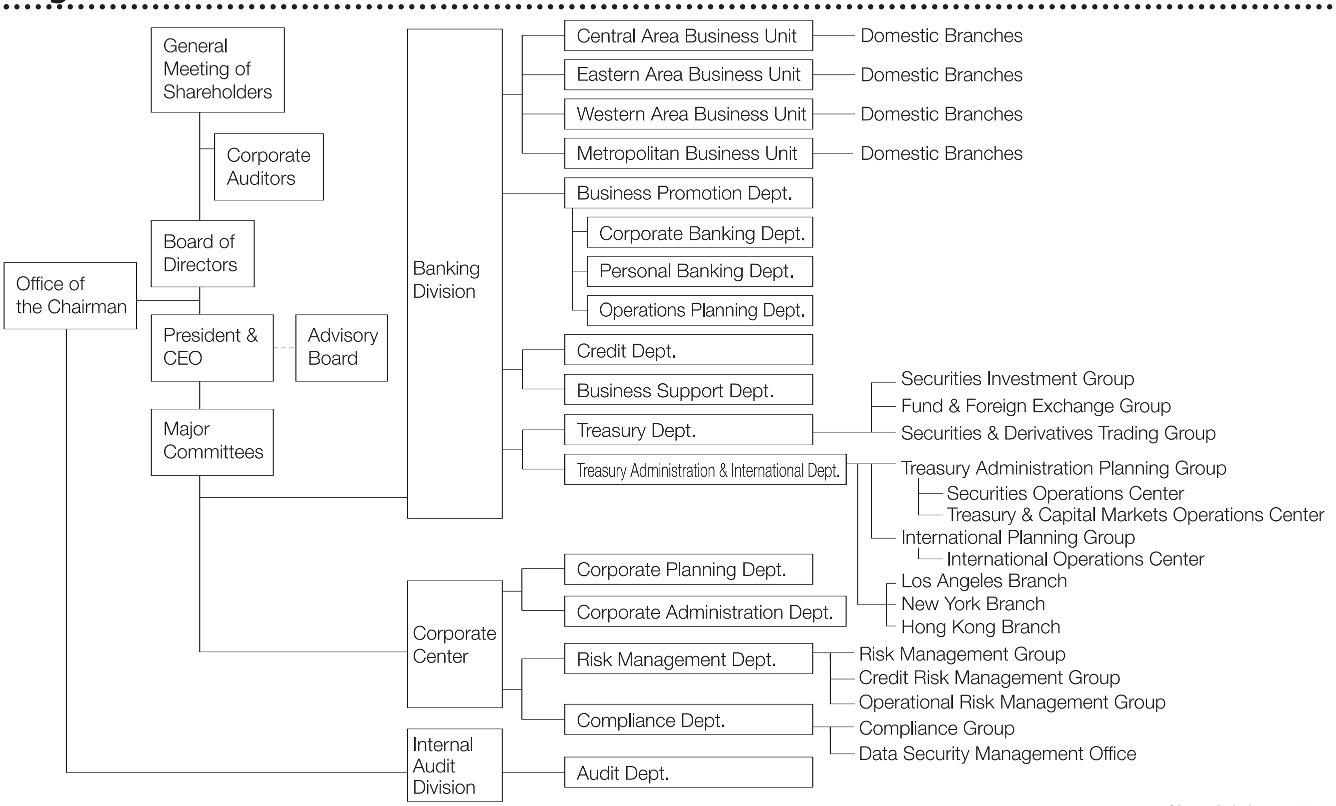
Organization Chart



(As of July 1, 2009)

Board of Directors and Corporate Auditors

Chairman
Yasuo Matsuura

Deputy Chairman
Kazuhiro Satomi

President & CEO
Katsunori Nakanishi

Director & COO
Toru Sakurai

Director & CFO
Seiya Ito

Director & Senior Executive Officers
Masahiro Goto
Toshihiko Yamamoto
Akihiro Nakamura

Directors
Masakazu Oishi
Toshiaki Sugiyama

Corporate Auditors
Yukihiro Fushimi
Hisashi Hotta
Yasuhiko Saito
Yoshinori Mitsui

CEO=Chief Executive Officer
COO=Chief Operating Officer
CFO=Chief Financial Officer

(As of July 1, 2009)

Investor Information

CAPITAL STOCK *(As of March 31, 2009)*
Common stock.................................. ¥90,845 million

NUMBER OF SHARES *(As of March 31, 2009)*
Authorized.. 2,414,596,000 shares
Issued and outstanding .... 710,129,069 shares

NUMBER OF SHAREHOLDERS *(As of March 31, 2009)*
19,292

STOCK LISTING
First Section of the Tokyo Stock Exchange

TRANSFER AGENT
Japan Securities Agents, Ltd.

STOCK PRICE, TURNOVER
Annual high/low stock price (five years)
(Yen)

Years ended March 31	2005	2006	2007	2008	**2009**
High	1,139	1,255	1,379	1,339	**1,294**
Low	800	899	1,104	1,042	**673**

Monthly high/low stock price, turnover (six months)
(Yen)

Month	Oct. 2008	Nov. 2008	Dec. 2008	Jan. 2009	Feb. 2009	Mar. 2009
High	1,089	986	1,050	1,068	985	969
Low	673	822	843	903	822	775
Turnover (thousands of shares)	84,405	45,474	50,003	36,374	51,173	51,862

PRINCIPAL SHAREHOLDERS
The 10 largest shareholders of the Bank and their respective shareholdings at March 31, 2009 were as follows:

	Number of Shares in Thousands	Percentage of Total Shares Outstanding
Japan Trustee Services Bank, Ltd. (trust account 4G)	30,029	4.22%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	29,884	4.20
Nippon Life Insurance Company	29,745	4.18
Japan Trustee Services Bank, Ltd. (trust account)	29,597	4.16
Meiji Yasuda Life Insurance Company	29,117	4.10
The Master Trust Bank of Japan, Ltd. (trust account)	28,109	3.95
The Dai-ichi Mutual Life Insurance Company	23,546	3.31
The Tokio Marine & Nichido Fire Insurance Co., Ltd.	23,216	3.26
Sumitomo Life Insurance Company	13,070	1.84
The National Mutual Insurance Federation of Agricultural Cooperatives	12,048	1.69
Total	248,364	34.97%

The Shizuoka Bank Group

Consolidated Subsidiaries

SHIZUGIN MANAGEMENT CONSULTING CO., LTD.
Corporate and financial management advisory services

SHIZUGIN LEASE CO., LTD.
Leasing

SHIZUOKA COMPUTER SERVICE CO., LTD.
Software development and sales

SHIZUGIN CREDIT GUARANTY CO., LTD.
Guarantee of housing loans, etc.

SHIZUGIN DC CARD CO., LTD.
Credit card and guarantee of consumer loans

SHIZUOKA CAPITAL CO., LTD.
Public-offering assistance
Support for corporate rehabilitation

SHIZUGIN TM SECURITIES CO., LTD.
Securities

SHIZUGIN GENERAL SERVICE CO., LTD.
Part-time employee management
Repair of dormitories, company housing, and branch of the Bank

SHIZUOKA MORTGAGE SERVICE CO., LTD.
Appraisal of real estate for loan collateral
Custody of credit documents

SHIZUGIN BUSINESS CREATE CO., LTD.
Operation center for remittance and bill collection
Part-time employee management

SHIZUOKA BANK (EUROPE) S.A.
Finance and securities-related services

Affiliates under equity method

SHIZUGIN SAISON CARD CO., LTD.
Credit card and guarantee of consumer loans

THE SHIZUOKA BANK, LTD.

Printed in Japan