

Shizuoka Bank Group 11th Medium-term Business Plan

“MIRAI—Future”

(FY2011-FY2013)

April 15, 2011

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Dream with you.



静岡銀行



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[Basic strategy 1]

Grow through innovation and problem-solving ability

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Build the robust operating structure with high productivity

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Increase the value of the Shizugin brand

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Overview of 10th Medium-term Business Plan

Overview of 10th medium-term business plan (1)

- Laid the groundwork for sustainable growth by increasing the market share and the customer base, and created a virtuous circle driven by productivity improvements.

Listed on world's 50 safest banks in 2009 and 2010 (by Global Finance Magazine)

Credit Ratings
Moody's: A1 → Aa3
S&P: A+ → AA-

Entering a new stage of growth
11th Medium-term Business Plan
"MIRAI—Future"

10th Medium-Term Business Plan:
"Dream TEN—New Challenges" FY2008–FY2010

◆ **Established the earnings model**

Expanded the market share
Promoted regional finance
Expanded consumer loan

◆ **Improved productivity**

Allocated staff to front offices
Advanced new branch operation
Overhauled work processes

9th Medium-Term Business Plan:

"3C Plan: Challenge to Creation and Change" FY2005–FY2007

◆ **Expanded customer base**

Focused on SME and housing loans
Founded Shizuginship
Established the Shizugin Saison Card

◆ **Developed operating infrastructure**

Centralized loan operations
Deployed new branch operation
Enhanced group governance

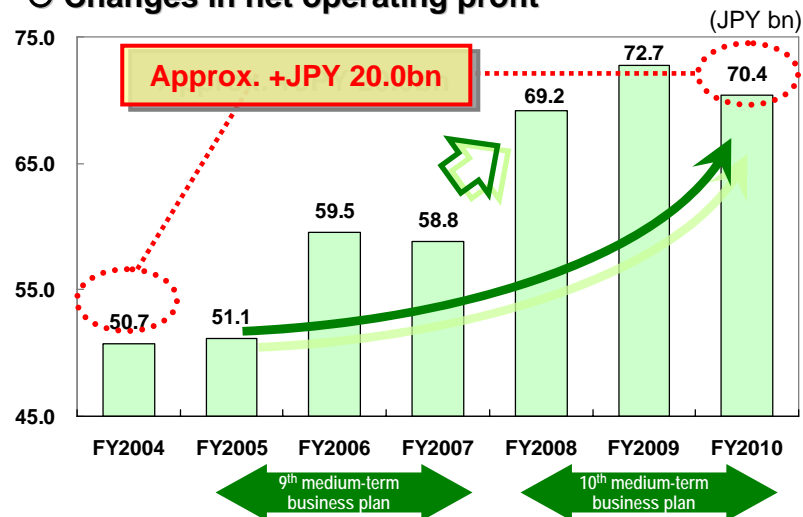
Overview of 10th medium-term business plan (2)

- Achieved significant milestones and earnings, by focusing on regional finance and enhancing the operating productivity

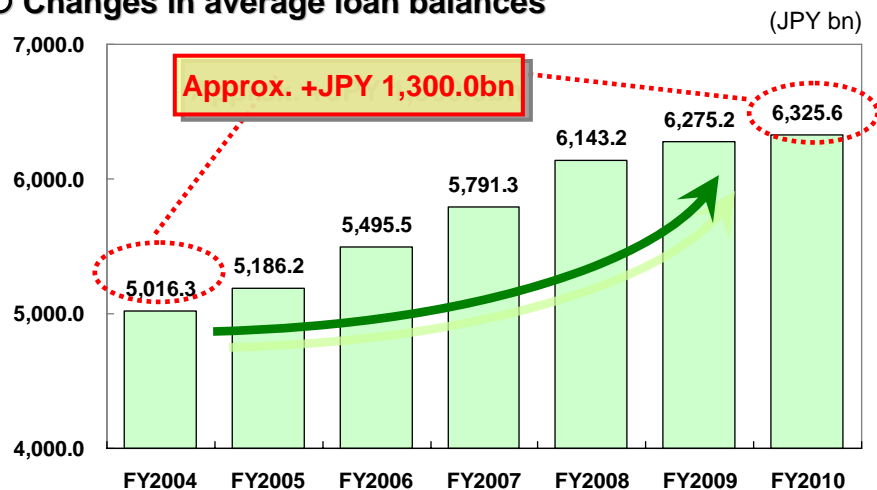
Established vigorous earnings model

- Corporate markets – Pursued regional finance
Business matching, Shizuginship, Management Consulting
→ Increased market share with the strong relationship with customers
- Retail markets
Sustained growth in housing loans
Top-level sales in annuity insurance among regional banks

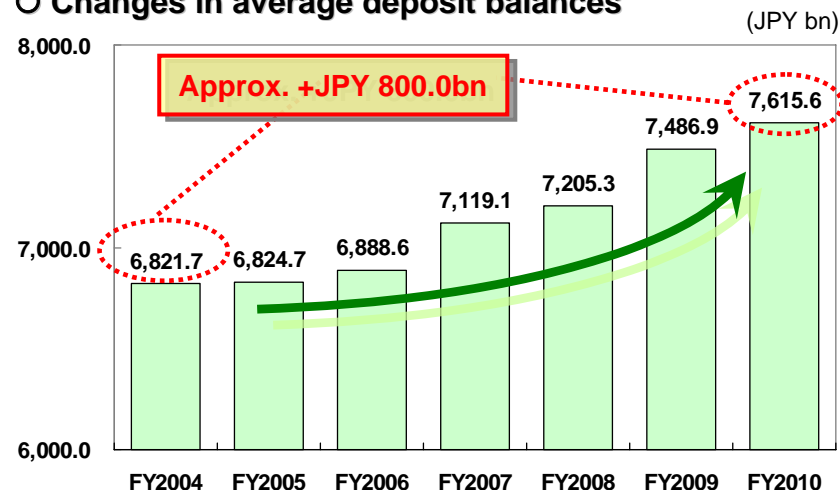
○ Changes in net operating profit



○ Changes in average loan balances



○ Changes in average deposit balances



Overview of 10th medium-term business plan (3)

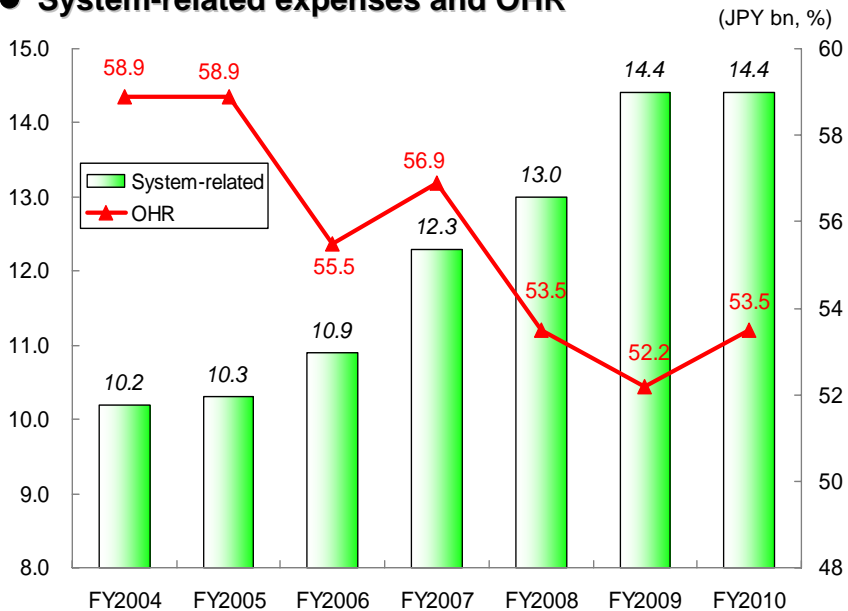
Expanded operating infrastructure

- Invested aggressively in IT infrastructure and cut clerical work processes dramatically
 - Reallocated back-office staff to front in order to enhance the sales force (total front-office staff increased by 578)
 - Expanded IT infrastructure (supporting financial product sales, etc.)
 - Reduced branch workloads by about 60%

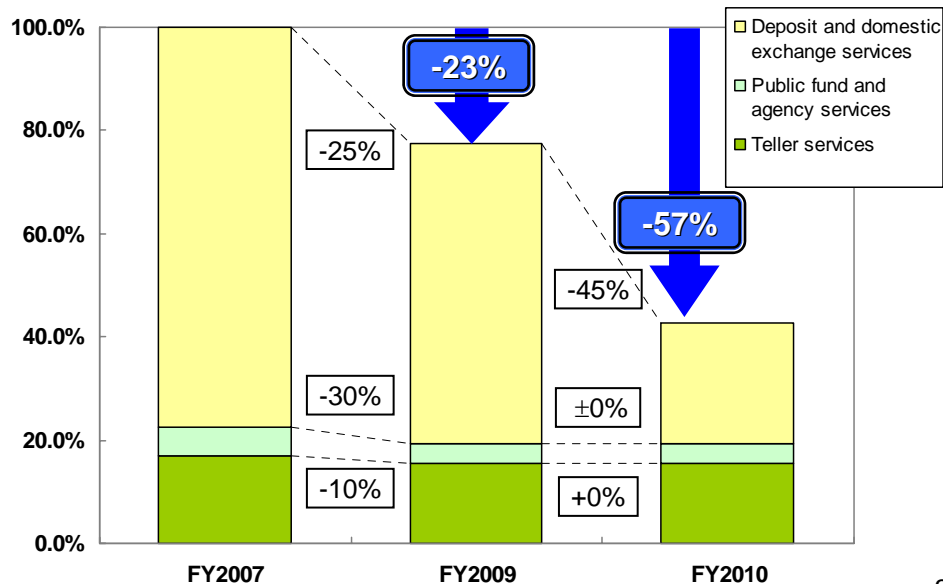
● Number of personnel

(Employees)	End of Mar. '08	End of Mar. '11	Compared to the end of Mar. '08
Front office	2,411	2,989	+578
Of which bank employees	1,794	2,205	+411
Back office/assisting	1,693	1,097	-596
Of which bank employees	548	90	-458
HQ, loan operations centers and other	1,060	885	-175
Of which bank employees	509	560	+51
Shizuoka Bank (A)	5,164	4,971	-193
Of which bank employees	2,851	2,855	+4
Total number of employees at Group companies, etc (B)	1,873	2,096	+223
Total Group employees (A + B)	7,037	7,067	+30

● System-related expenses and OHR



● Workload reduction at branches



Overview of 11th Medium-term Business Plan



Overview of 11th medium-term business plan

- **Expand the consolidated income by exploiting our potentiality as a comprehensive financial group, and enrich the productivity further utilizing the management infrastructure in order to open up a bright future with the region.**

Overview of the new medium-term business plan

1. Name: “MIRAI—Future”
2. Period: 3 years (FY2011 through FY2013)
3. Vision:

“A comprehensive financial group that goes along with customers to open up a future with the region
— Challenge for the future”

We always try to be the best partner for customers, so that we can contribute to regional development and growth for the future.
4. Basic strategy:
 - (1) Grow through innovation and problem-solving ability
 - (2) Build the robust operating structure with high productivity
 - (3) Increase the value of the Shizugin brand

Targeted operational indicators

<Profit targets>

Consolidated ordinary profit	JPY 70.0bn or more
Consolidated net income	JPY 40.0bn or more
Non-consolidated net operating profit	JPY 73.0bn or more

<Efficiency indicators>

Consolidated Tier I ROE	6% level
Consolidated ROA	0.4% or more
Consolidated OHR	Around 55%

<Financial soundness indicators>

Consolidated Tier I ratio	Around 13%
Credit cost rate	0.2% or less

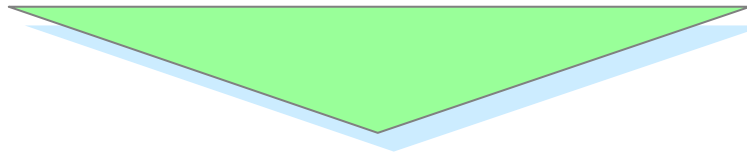
<Indicators for investors>

Shareholder return ratio	50% or more
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Key concepts

- Enter a new stage of growth by making maximum use of the earnings model and operating infrastructure



Key concepts of the 11th medium-term business plan

1. Increase our presence as the top regional bank
2. Enhance our regional competitiveness
3. Cope with the external structural changes
4. Utilize the benefits built under the previous plan
5. Keep well-balanced for all stakeholders



Group vision

Basic philosophy:
Expand dreams and affluence with our community

Group vision

**“A comprehensive financial group that goes along with customers to open up a future with the region
—Challenge for the future”**

We always try to be the best partner for customers, so that we can contribute to regional development and growth for the future.

– The ideas behind our vision –

- Expecting macroeconomic and structural changes over the next ten years, we must have the strong will to confront the difficulties with our customers and spend maximum effort to lead the community by enriching the function as a regional financial institution.
- We will open up the bright future of the region by offering high-quality solutions which no other regional banks comes close.
- We will always go back to the basics of the service industry and remind ourselves that the fundamental role of Shizuoka Bank Group is to serve our customers.



“MIRAI—Future”

- The name of the plan is **MIRAI**, Japanese word for “future,” quoted from our vision, “**open up a future.**”
- “MIRAI” includes the following:
 - M *Motivation* = A challenging spirit
 - I *Innovation* = Be innovative, Open to new ideas
 - R *Relation* = Build relationships with customers
 - A *Action* = Take action
 - I *Imagination* = Envision the future



Overview of basic strategies

- **Three pillars of our basic strategy should be implemented in a well-balanced manner**

Grow through innovation and problem-solving ability

- (1) Expand our customer base**
- (2) No. 1 solution-offering bank for SMEs in the region**
- (3) Support customers expanding to Asia**
- (4) Revitalize the customers and the region**
- (5) Keep the housing loan growth**
- (6) Total wealth management for private customers**
- (7) Marketing approaches for retail customers**
- (8) Increasing retail transactions by utilizing the relationship with corporate customers**

Build the robust operating structure with high productivity

- (1) Increase operating productivity**
- (2) Develop a new branch operating model**
- (3) IT strategy**
- (4) Compliance policy**
- (5) Upgrade risk management techniques**

Increasing the value of the Shizugin brand

- (1) Promote CSR programs**
- (2) Increase customer satisfaction**
- (3) Develop a culture full of creativity and teamwork**
- (4) Contribute to the regional community**
- (5) Capital policy**

[Basic strategy 1]

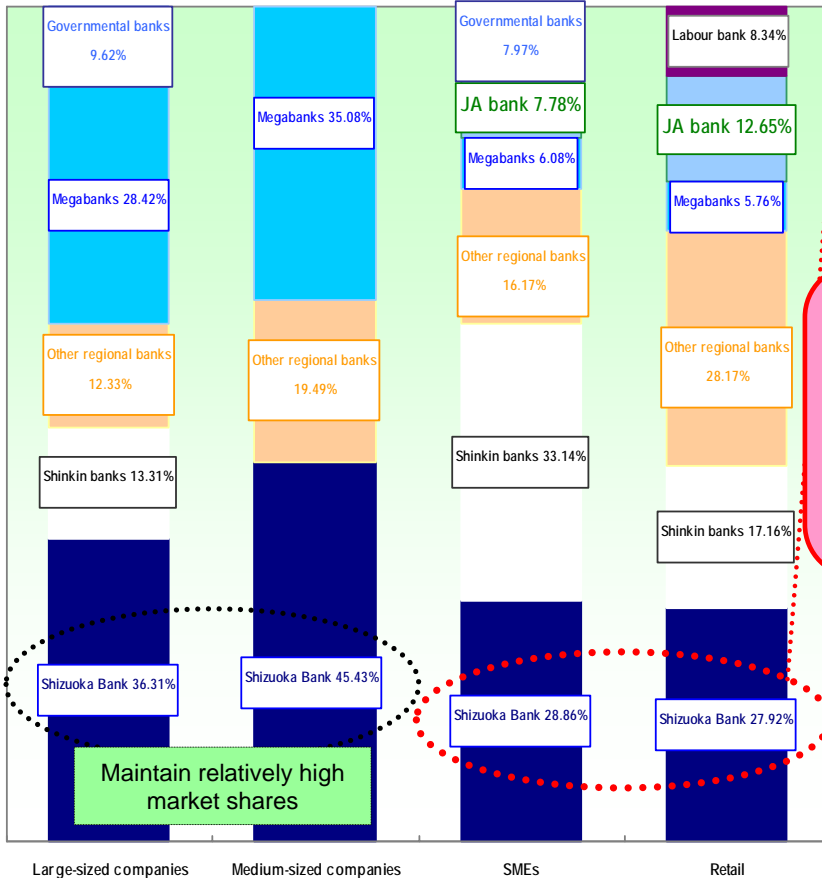
***Grow through innovation and
problem-solving ability***

[Basic strategy 1] Grow through innovation and problem-solving ability
Expand our customer base

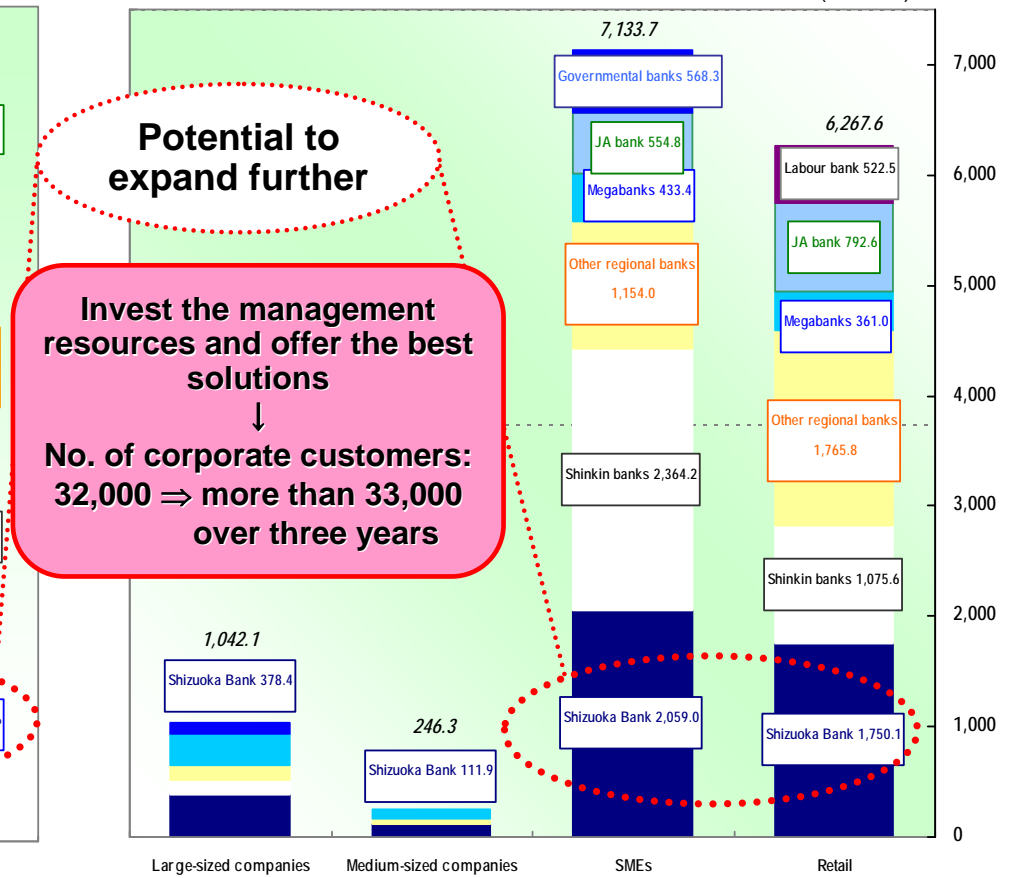
- No. of corporate customers: Acquire more than 1,000 customers over three years
- Identify areas where our market share is low, new business opportunities will be found, and/or growth potential exists, and invest the management resources

Loan market share / balances in Shizuoka prefecture by financial institution (As of End-Mar. '10)

○ Loan market share



○ Loan balances



10th medium-term business plan

Build stronger customer relationships
Expand regional market share

Business matching

- No. of business matching : 8,001 / New loans: JPY 97.8bn
- Organized business matching in / outside the region

Management consulting/Business regeneration

- No. of business regeneration : 54
- Since Apr. 2005, ensuring the job opportunities for approximately 8,800 employees in 98 companies
- Assist area-wide revival, such as hot-spring resorts or shopping streets as single entities

Shizuginship

- ~Offer to-be-leaders with the opportunity to network and learn from each other
- Members: 883 companies, 1,328 persons (Mar. 2011)
- Nurture to-be-managers through seminars and visits

<Evaluation from the outside>

- Our commitment to regional finance was rewarded by:
Tokai Local Finance Bureau citation (for three years running since FY2008)
- Our participation in the Regional Vitality Coordination Center Service was rewarded by:
The Director of Kanto Bureau of Economy, Trade and Industry Award (in Dec. 2008)
- Shizuginship initiative was rewarded by:
F.B.N. Japan Family Business Grand Prize "Special Award" (in Feb. 2009)

11th medium-term business plan

○ **No. 1 solution-offering bank for SMEs in the region**

Making maximum use of the infrastructures developed under the previous plan

- ⇒ **Enrich the solution-offering ability;**
- *Finer and Closer services compared to those of mega banks*
 - *Services with higher quality compared to those of other regional banks*



Specific actions to take

<Develop growth potentials and untapped areas>

Medical care

- Develop networks with medical business
- Expand necessary support for business startups

Environment

- Assist businesses investing in energy/environmental solutions
- Help customers expand into environmentally-focused automobile industries

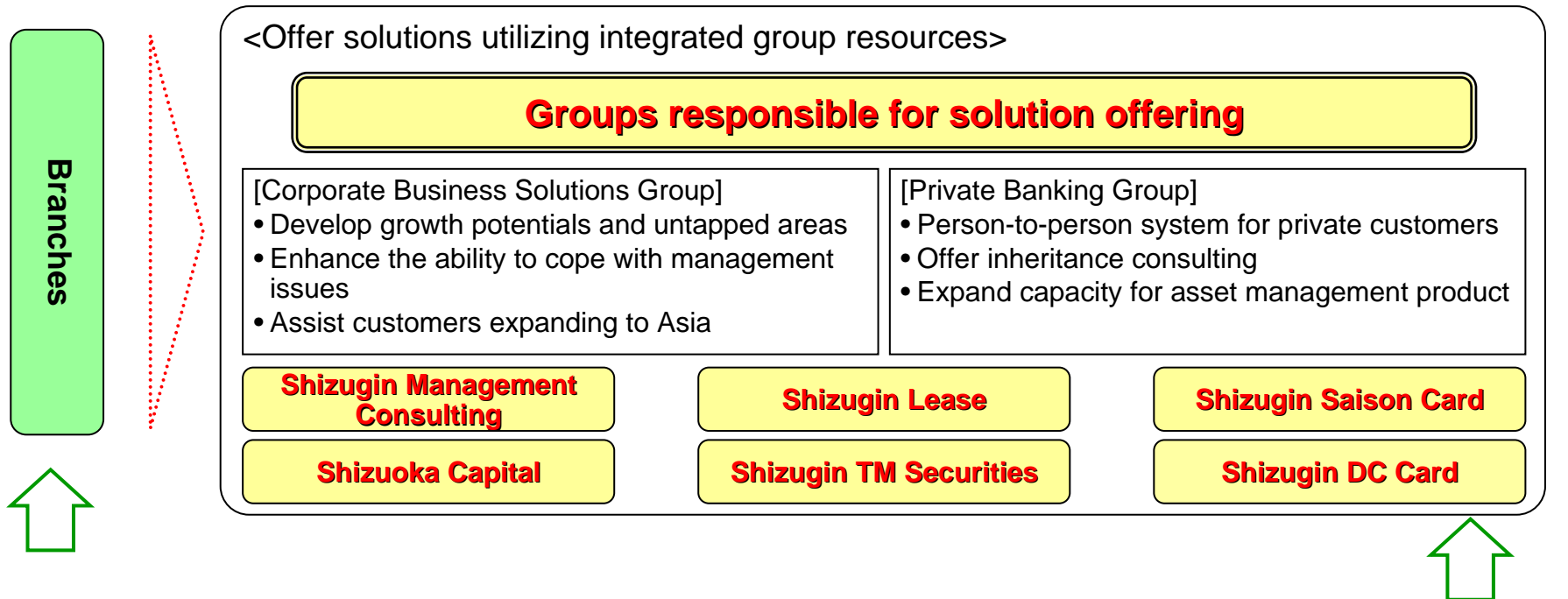
Agriculture

- Assist businesses starting the agriculture
- Help agricultural producers expand their operations

No.1 solution-offering bank for SMEs in the region ~ Operating Structure

- Organized Corporate Solutions Sales Group and Private Bank Group
- Expand the solutions sales structure and increase competitiveness along with group companies

Overall perspective of solutions offering



<Improve the skill of branch staff>

- Train especially young officers to reinforce the ability to tackle management issues
- Send staff to external organizations to reserve the knowledge and expertise as a financial specialists

<Partner with organizations outside the group>

- Collaborate consulting firms to enhance the service menu
- Build stronger relations with regional community by cooperating with municipal governments, chambers of commerce, etc.

Assist customers expanding to Asia ~ Overview

- Set up an Overseas Business Support Department in Jan. 2011 to support the increasing number of corporations expanding overseas
- Expand the business alliance so that Shizuoka Bank employees can support customers in Asian countries directly

Shizuoka Bank provides the comprehensive support needed for Asian expansion

Expand our network throughout Asia

Overseas offices	<ul style="list-style-type: none"> • Hong Kong branch: 5 employees (total staff:13) • Shanghai Rep office: 2 employees (total staff:3) • Singapore Rep office: 1 employee (total staff:2)
Thailand	<ul style="list-style-type: none"> • Employees: 3 → 1 for Crédit Agricole CIB, 2 for KASIKORN Bank • No. of companies already advanced:97 / have plans to advance:39
Indonesia	<ul style="list-style-type: none"> • Employee : 1 (Planned) → Bank Resona Perdania Plan to take an equity interest (5%) • No. of companies already advanced:52 / have plans to advance:22
Vietnam	<ul style="list-style-type: none"> • Employee : 1 (Planned) → ANZ Bank (Vietnam) Ltd. • No. of companies advanced:30 / have plans to advance:37
China, others	<ul style="list-style-type: none"> • No. of companies advanced in China:266 / have plans to advance:119 • Business alliance: China Construction Bank (China), Daegu Bank (South Korea) • Others Language learning program (East China Normal Univ.) Plan to send a trainee in China (Mizuho Corporate Bank)

Totally twenty-three bank staffs in Asia support customers' local operation

Enhance support functions within Japan

Support functions for overseas expansion

- Provide information to customers utilizing external agencies
- Help customers develop sales channels by offering business meetings in Asia
- Consult customers with difficulty expanding overseas (advice on management, etc.)

Reinforce organizational and human resources arrangements

- Develop internationally minded staff
- Increase study tours and visits to local companies in Asia
- Establish a scholarship program for students from Asia

Expand credit monitoring mechanisms

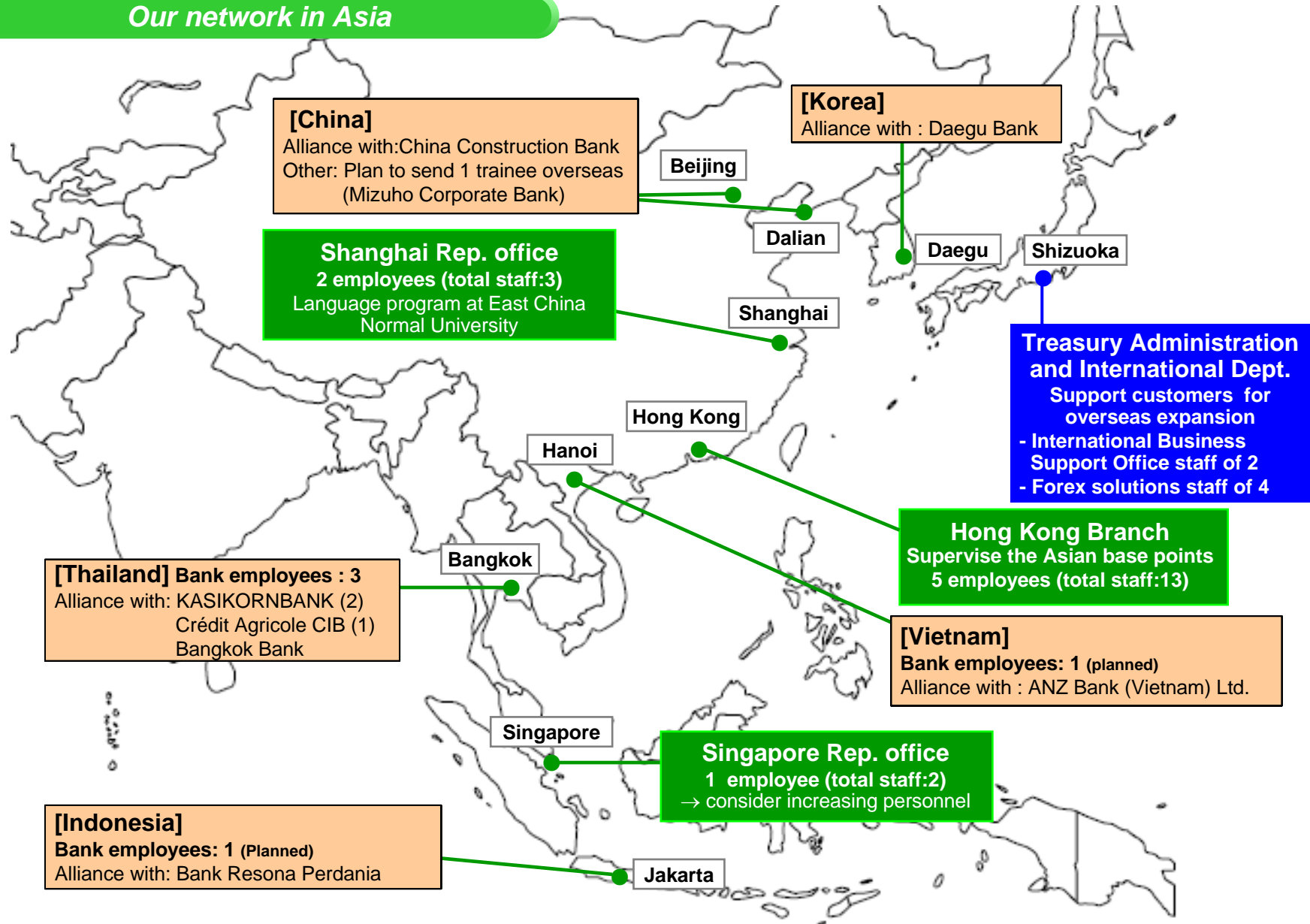
- Gather customer information about financial results and operation in overseas
- Keep track of overseas expansions and respond in a timely manner

* The numbers are based on a survey of our customers.



Assist customers expanding to Asia ~ Network in Asia

Our network in Asia

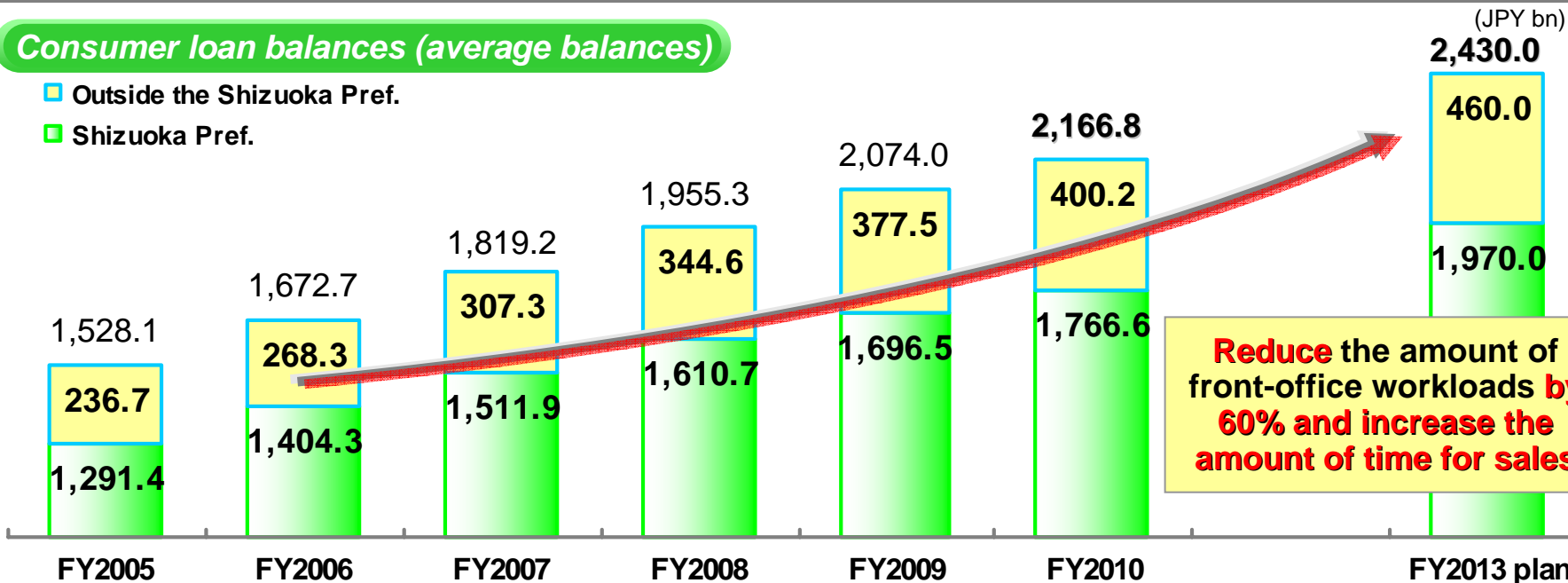


Keep the housing loan growth

- Consumer loan balance has increased steadily by the expansion of sales sites, the deployment of more than 200 officers, etc
- The 11th business plan aims to increase the balance further with the expansion of sales channels and workload BPR for housing loans

Consumer loan balances (average balances)

- Outside the Shizuoka Pref.
- Shizuoka Pref.



Reduce the amount of front-office workloads by 60% and increase the amount of time for sales

	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2013 plan
No. of loans issued	13,137	9,493	9,910	11,023	10,214	—	
Loan amounts issued (JPY bn) * Housing related loans	273.4	270.3	269.4	257.2	242.8	—	
Channels	22	23	23	25	25	Flexible opening of branches	
No. of personnel	184	208	218	230	230	230	
Expansion of offices outside of Shizuoka pref.		Toyohashi Loan Center	Yokohama Loan Center		Atsugi Loan Desk		BPR programs, loan center expansions, etc.

Total wealth management for private customers

- Consult with retail customers and provide wealth management services for lifetime investment
- Build trust-worthy relationships with customers by offering well-tailored and develop comprehensive consulting services immune to market fluctuations

Initiatives in the 11th business plan

*Inheritance/
business succession*

*Protection-type
insurance*

*Insurance consulting
desk*

IT utilization

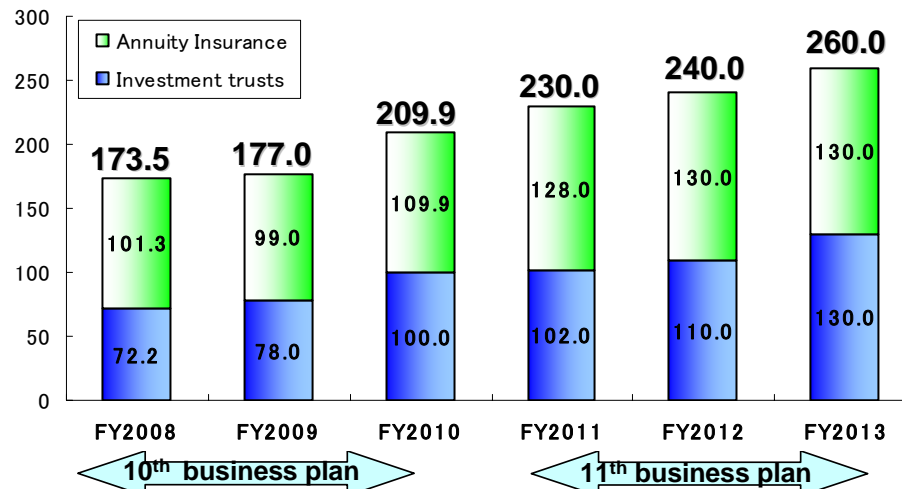
- Comprehensive consulting services responding to the needs of inheritance planning
- Establish stable sales and income structure with protection-type insurance as a new source of business
- Expand the insurance consulting desk within the Shizuoka prefecture
- Utilize CRM information collected in the financial product sales support system

<Insurance consulting desk>



● Sales amounts for customer assets (including the Shizugin TM Securities)

(JPY bn)



Marketing approaches for retail customers

- Take effective approaches along with customer behavior, based on data stock analysis utilizing the customer information database
- Efficient and effective cross selling by combining customer information between channels



Build a stable deposit balance from retail customers

Establish a new group for retail marketing

Personal Marketing Group

- Promote marketing strategy based on analysis of consumer behavior and market trends
- Increase the profitability of retail transactions through the cross selling and develop a stable deposits from retail customers

Promotion

Product

Implement retail marketing strategy

Channel

Expand IT infrastructure

- Expand IT infrastructure in order to support the marketing strategy

Effective cross selling



Customer

<Branch>



Approaching customers by plural channels and never miss the customer access

<PC/mobile>



Sharing information between each channel, and lead each customers to make a deal

So useful!!

<ATM>



<Call center>



Long-term relationship

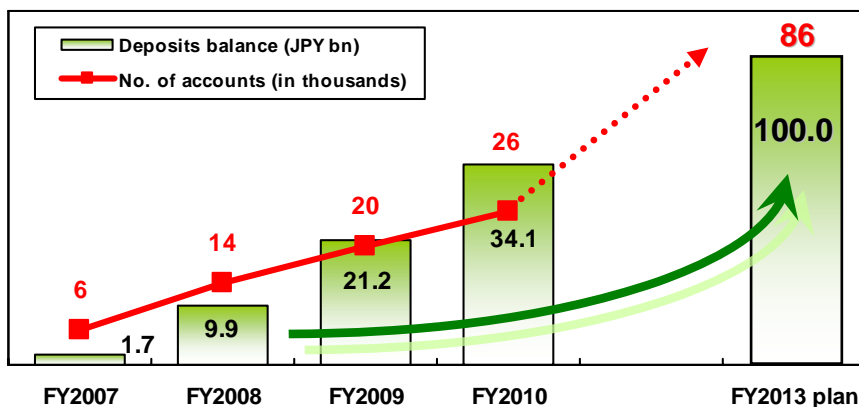
	10 th business plan	FY2011	FY2012	FY2013
Marketing strategy	Launch CRM (a financial product sales support system)		Expand functionality of CRM	
		Develop marketing strategy	Upgrade marketing approaches	Achieve EBM
		Upgrade the ATM function	Add sales capabilities to ATM	
Information infrastructure development	Expand the integrated database / review existing information system			Enable advanced information search/analysis

[Basic strategy 1] Grow through innovation and problem-solving ability

Long-term perspective of Internet strategy

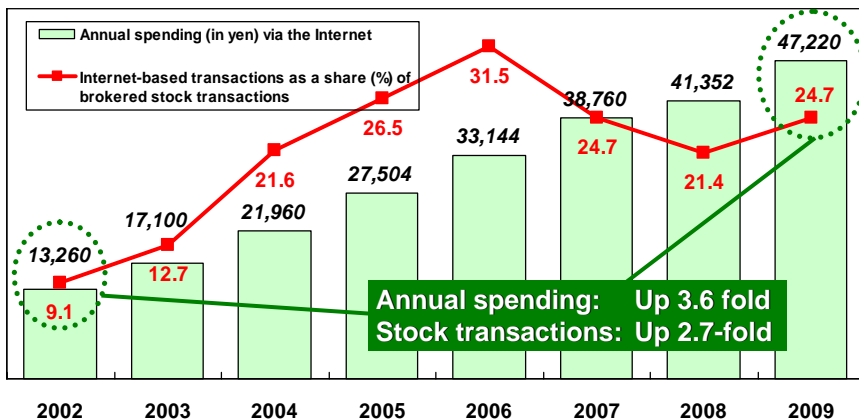
- The 11th medium-term business plan aims to enhance our Internet banking functions to the highest level among regional financial institutions

No. of accounts and the deposit balance at our Internet branch



Changing consumer behavior

○ Internet-based spending and stock transactions



Sources: the Japan Securities Dealers Association
the Statistics Bureau, Ministry of Internal Affairs and Communications

Internet strategy

⇒ Forward-looking growth strategy

The two inseparable aspects of our marketing strategy

Internet channel

Develop an approach that differ from the branch channel

Branch channel

Offer high-quality consulting functions

Upgrade our Internet banking functions to the highest level among regional financial institutions

- Attract customers by Internet-only products
- Reach out to new customer segments in collaboration with Shizugin TM Securities, Shizugin Saison Card, etc.

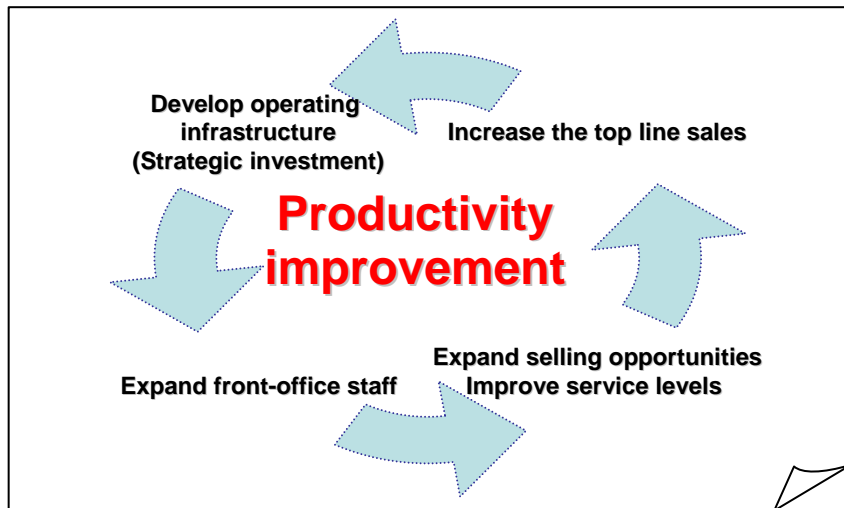
[Basic strategy 2]

***Build the robust operating structure
with high productivity***

Enrich the productivity further

- Assign staffs freed up from back offices under the previous plan to front offices in order to expand the top line
- Invest aggressively in growth opportunities while maintaining OHR at around 55%

A virtuous circle driven by productivity improvements



Number of personnel

(Employees)	End of Mar. '08	End of Mar. '11	Compared to the end of Mar. '08	End of Mar. '14E
Front office	2,411	2,989	+578	3,116
Of which bank employees	1,794	2,205	+411	2,325
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Of which bank employees	548	90	-458	35
HQ, loan operations centers and other	1,060	885	-175	855
Of which bank employees	509	560	+51	535
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Of which bank employees	2,851	2,855	+4	2,895
Total Group employees	7,037	7,067	+30	7,049

Roadmap for IT related investment (main milestones)

	10 th business plan	FY2011	FY2012	FY2013
Productivity of branch operation		Launch navigation system	Expand navigation system	
		Stard document digitalization	Run document management system	
			Work process monitoring system	
Corporate strategy		Upgrade the systems for loan sales and operations	Introduce the <i>kaizen</i> system using activity chart, etc.	
			Improve solutions-offering abilities by visualizing corporate information	
Retail strategy		Launch CRM and ensure its stable running	Expand CRM functionality	
		Develop a marketing strategy	Upgrade marketing approaches	Achieve EBM

[Basic strategy 2] Build the robust operating structure with high productivity
Develop a new branch operation model

- **Develop branch channel from providing administrative work processing to consulting-focused in order to enhance sales function and customer satisfaction**

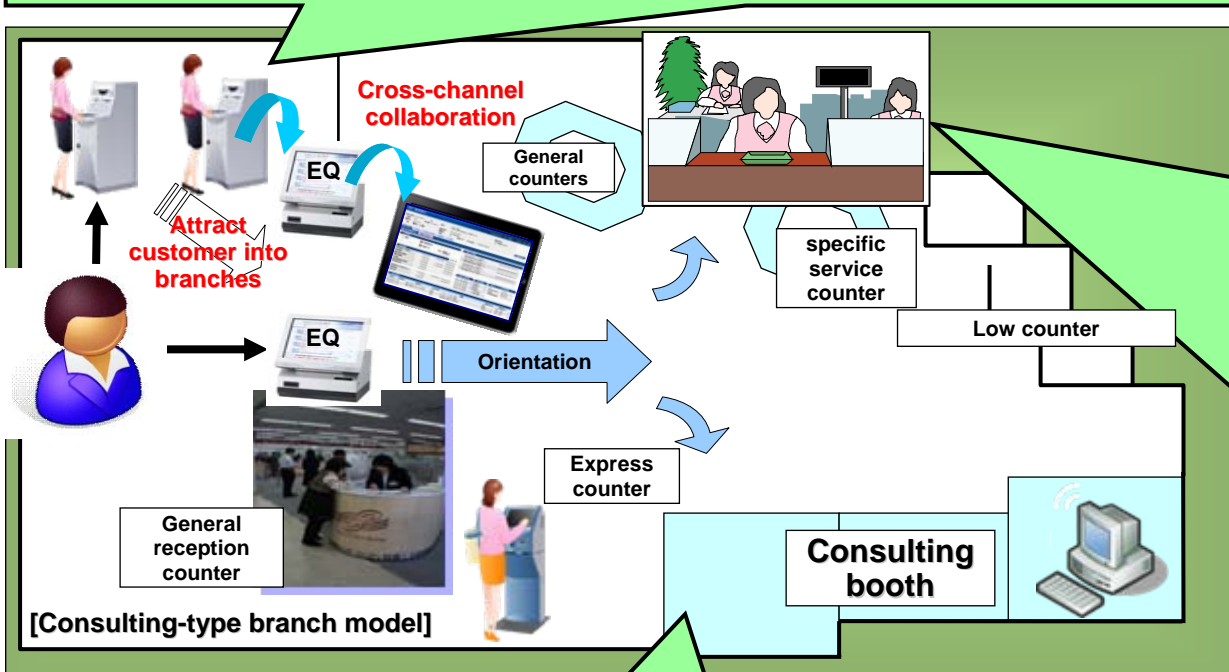
Enhance marketing structure

○ **Cross-channel collaboration**

- Attract customers using ATMs into branches and guide them to appropriate terminals

○ **ATM as a marketing channel**

- Enhance convenience and customer satisfaction by offering a personalized “My Page”, displaying a list of frequent recipients of remittances, etc.



Simplify front-office work processes

○ **Paperless/Sealless processes**



○ **Clerical work navigation**

- Keep the quality and quantity of clerical works constant

Customer service evolution

○ **Interactive communication**

- Utilize tablet computers or double-faced display
- Provide easy-to-understand explanations via visuals/graphics



○ **Self-help terminal (zero line environment)**

- Reduce OTC reception work
- Shorten waiting time



[Basic strategy 3]

Increase the value of the Shizugin brand

Enhance corporate value

- Maintain an appropriate capital adequacy ratio for the financial soundness
- Offer stable shareholder returns in order to reinforce the corporate value

Shareholder return

<Profit distribution>

(JPY, %)	4-year total f 8 th business plan	3-year total f 9 th business plan	3-year total f 10 th business plan
Dividend (1) (bn)	20.6	25.4	26.9
Purchase of treasury stock (2) (bn)	39.9	12.6	19.0
Net income (3) (bn)	81.7	102.8	80.3
Dividend payout ratio (1) / (3)	25.21%	24.71%	33.53%
Shareholder return ratio ((1) + (2)) / (3)	74.05%	36.96%	57.16%
	FY2004	FY2007	FY2010
Annual dividend per share	8.50	13.00	13.00

○ Shareholder return projected in the 11th medium-term business plan

Dividend

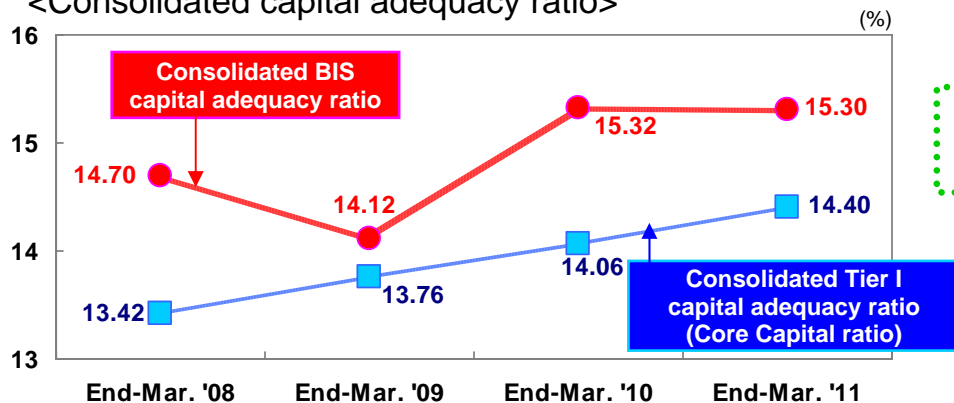
- Maintain “dividend payout ratio at approximately 25%, the highest among main regional banks”

Shareholder return ratio

- Continue flexible stock buybacks
→ Announced a stock buyback (to repurchase a maximum of 20 million shares) on Apr. 1, 2011
- Keep shareholder returns ratio more than 50% for a long term

Capital adequacy ratio

<Consolidated capital adequacy ratio>



○ Capital adequacy ratio projected in the 11th medium-term business plan

Maintain soundness of capital structure

- Maintain consolidated Tier I capital adequacy ratio at around 13%

Adopt advanced internal rating techniques

- Embrace a sophisticated risk measurements and make effective use of capital

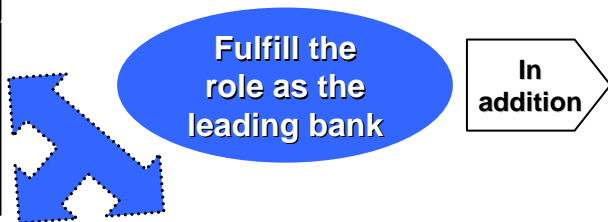
Promote CSR programs

- Contribute to local communities and improve CS/ES programs in order to enhance the value of the Shizugin Brand.
- Develop new regional contribution activities in preparation for Shizuoka Bank's 70th anniversary in March 2013

Regional contribution initiatives

Economics

- Pursue regional finance
- Smooth financing for SMEs
- Foster to-be-leaders via *Shizuginship*



Society

- Demonstrate regional leadership
- Make contribution in the fields of culture and arts
- Continue financial education

Environment

- Conserve the environment via financing
- Reduce the environmental burden from our operations
- Conserve the environment voluntarily

<Celebrate the 70th anniversary>

- Establish a scholarship to support students from Asia, etc
- Help customers expand into environmentally-focused automobile industries
- Participate actively in tree-planting program, etc.

Improve level of customer satisfaction

Seek to be the most popular branch in each region

- Increase the level of CS at each branch with increased front staff
- Offer impressive services for customers

Increase loyal customers from various segment

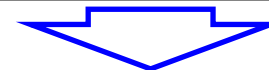
- Add special messages during the phone call with customers
- Utilize customer comments into marketing initiatives

Improve level of employee satisfaction

Utilize a wide variety of human resource and realize work-life balance

Nurture a corporate culture where every member has a pleasant and positive mindset

Promote mental and physical wellbeing of employees



Create a corporate culture with creativity and teamwork

Targets figures



Overview of plan targets

Plan targets for the 11th medium-term business plan

(JPY bn)

		FY2009	FY2010	FY2013 plan	Planned increase during 3-year period
Consolidated basis	Ordinary profit	53.9	64.2	70.0 or more	+5.8
	Net income	32.8	36.2	40.0 or more	+3.8
	Tier I ROE	5.19%	5.59%	6% level	—
	ROA	0.36%	0.39%	0.4% or more	—
	OHR	52.02%	53.27%	Around 55%	—
	Tier I ratio	14.07%	14.40%	Around 13%	—

Non-consolidated basis	Gross operating profit	152.0	151.4	155.0	+3.6
	Expenses (-)	79.3	81.0	82.0	+1.0
	Actual net operating profit	72.7	70.4	73.0	+2.6
	Ordinary profit	50.5	58.7	67.0	+8.3
	Net income	32.1	35.4	40.0	+4.6
	Credit cost rate	0.37%	0.15%	0.2% or less	—
	Shareholder return ratio	40.64%	67.22%	50% or more in medium- to long-term	—
	Average loan balance	6,275.2	6,325.6	6,860.0	+534.4
	Average deposit balance	7,486.9	7,615.6	8,070.0	+454.4
Sales amounts for customer assets	235.9	264.1	340.0	+75.9	

Consolidated basis

- Consolidated ordinary profit : JPY 70.0bn or more
- Consolidated net income : JPY 40.0bn or more
- Consolidated Tier I ROE : 6% level
- Consolidated ROA : 0.4% or more
- Consolidated OHR : around 55%

Consolidated earnings

Consolidated		FY2010			FY2013	Planned increase during 3-year period of 11 th medium term business plan
Ordinary revenue		209.0	➔	210.0	+1.0	
Ordinary profit		64.2		70.0 or more	+5.8	
Net income		36.2		40.0 or more	+3.8	
Tier I ROE		5.59%		6% level	—	
ROA		0.39%		0.4% or more	—	
OHR		53.27%		Around 55%	—	

(JPY bn)

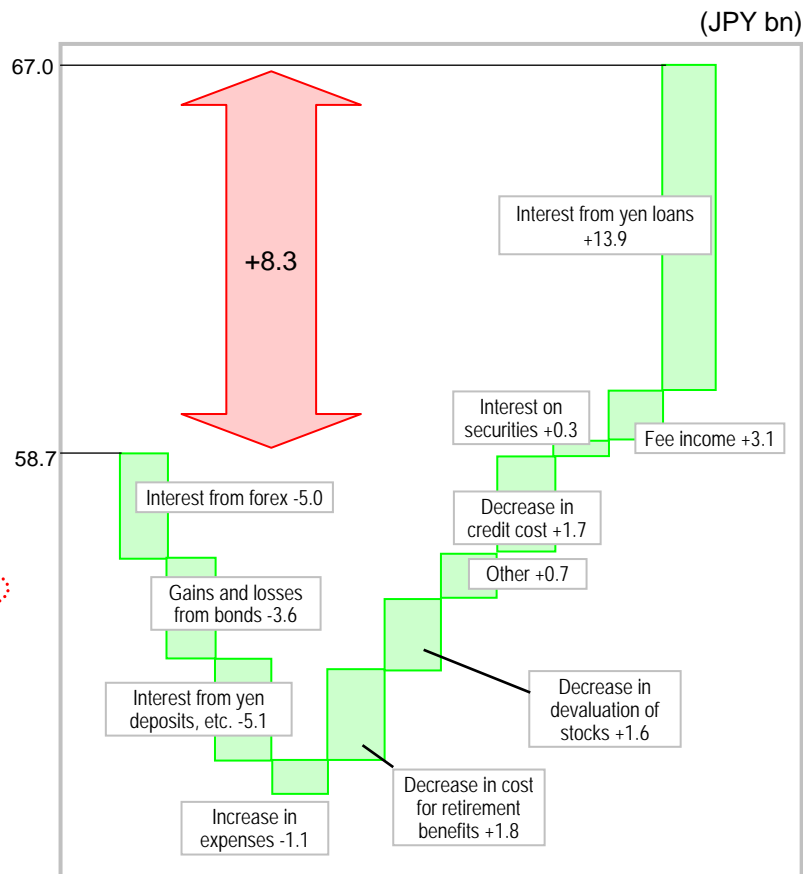
Non-consolidated basis

- **Gross operating profit** : JPY 155.0bn (up JPY 3.6bn on FY2010)
- **Actual net operating profit** : JPY 73.0bn (up JPY 2.6bn on FY2010)
- **Ordinary profit** : JPY 67.0bn (up JPY 8.3bn on FY2010)
- **Net income** : JPY 40.0bn (up JPY 4.6bn on FY2010)

Non-consolidated earnings

	FY2010	FY2013	Planned increase during 3-year period of 11 th medium term business plan
Gross operating profit	151.4	155.0	+3.6
Interest income	128.2	132.5	+4.3
(Of which due to interest rate increase)	—	4.0	+4.0
Fee income (*1)	14.2	17.5	+3.3
Expenses	81.0	82.0	+1.0
Actual net operating profit	70.4	73.0	+2.6
Ordinary profit	58.7	67.0	+8.3
Net income	35.4	40.0	+4.6
Credit costs	9.6	8.0	-1.6

[Factors in JPY 8.3bn increase in ordinary profit]

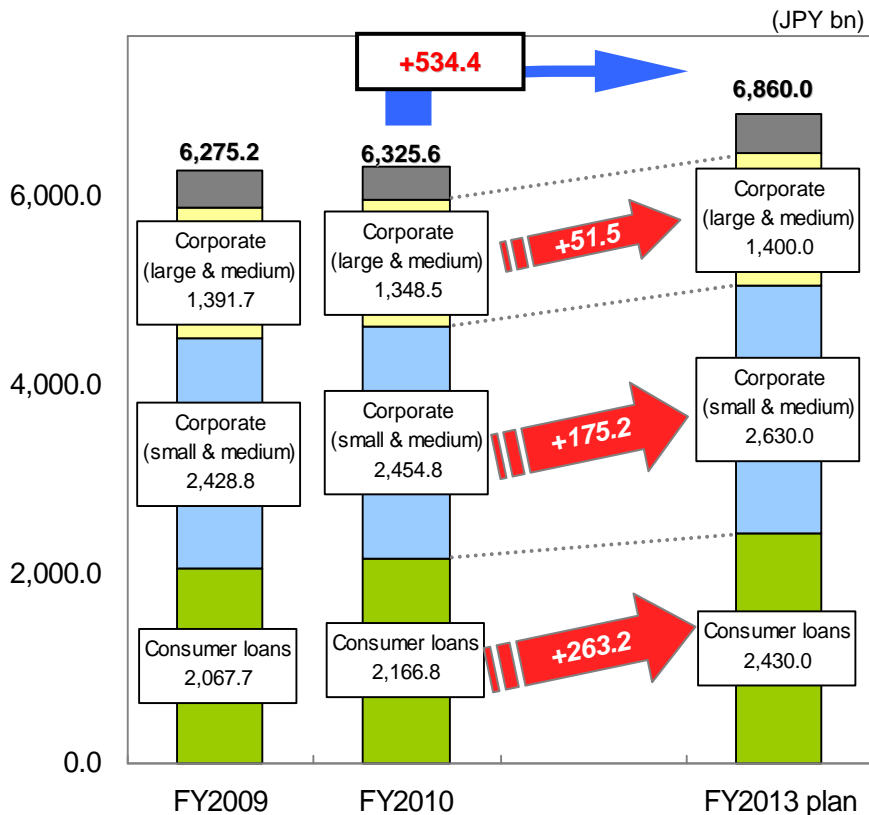


*1 Remittance fee transactions revenue + special transactions revenue

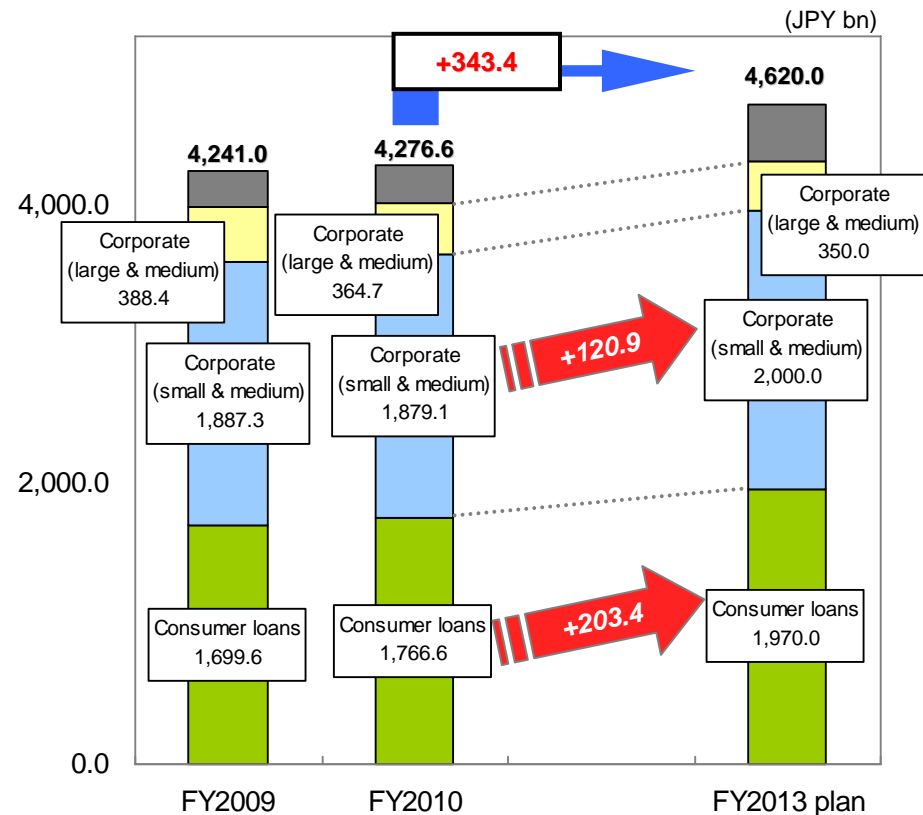
Lending

- Total average loan balances in FY2013: JPY 6,860.0bn (up JPY 534.4bn, annual growth +2.7% on FY2010)
- Total average loan balances in Shizuoka prefecture: JPY 4,620.0bn (up JPY 343.4bn, annual growth +2.6% on FY2010 plan)
- Expand SME and consumer loans in Shizuoka to increase the market share further

Total loan balances (average balances)



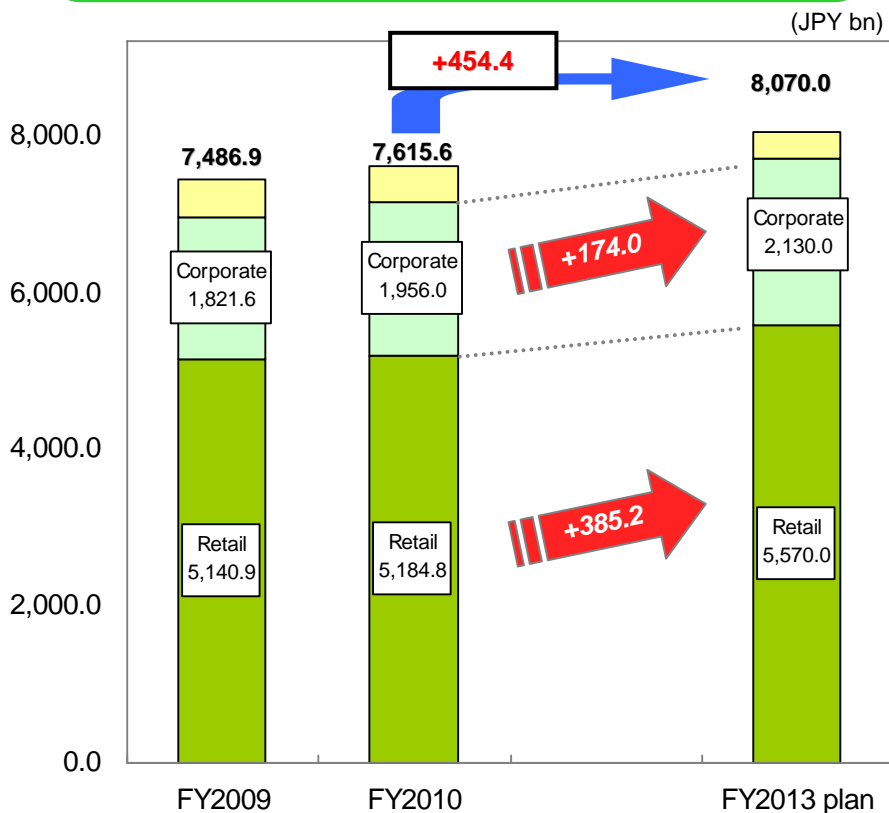
Total loan balances (average balances) in Shizuoka prefecture



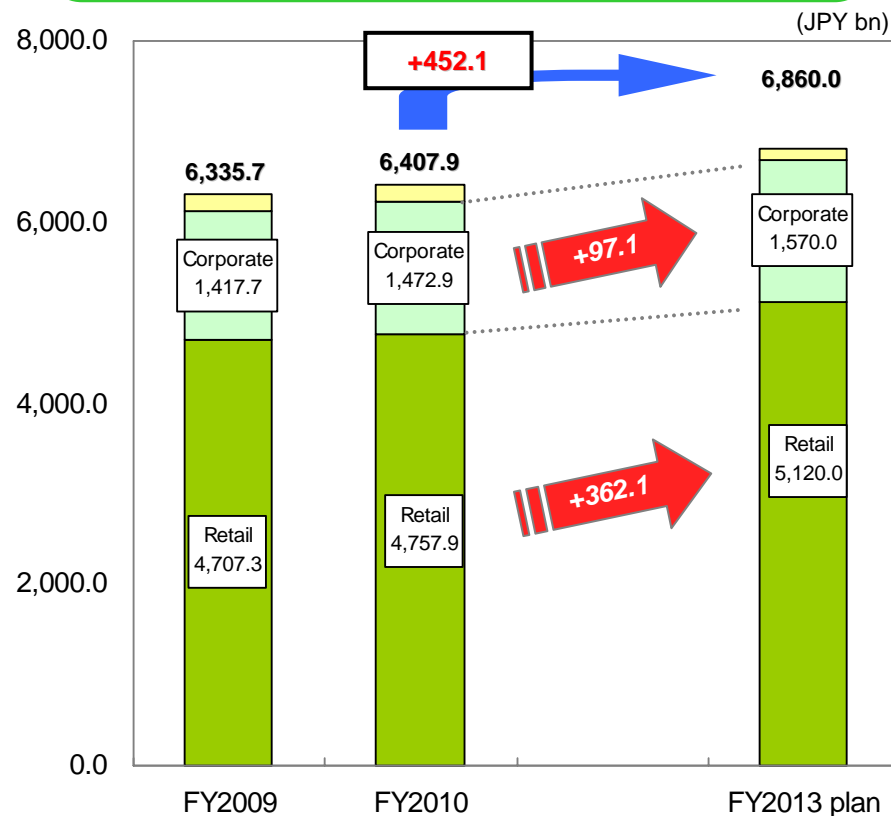
Deposits

- Total average deposit balances in FY2013: JPY 8,070.0bn (up JPY 454.4bn, annual growth +2.0% on FY2010)
- Total average deposit balances in Shizuoka prefecture: JPY 6,860.0bn (up JPY 452.1bn, annual growth +2.3% on FY2010)
- Corporate deposit balances: JPY 2,130.0bn (up JPY 174.0bn, annual growth +2.9% on FY2010)
- Retail deposit balances: JPY 5,570.0bn (up JPY 385.2bn, annual growth +2.4% on FY2010)

Total deposit balances (average balances)



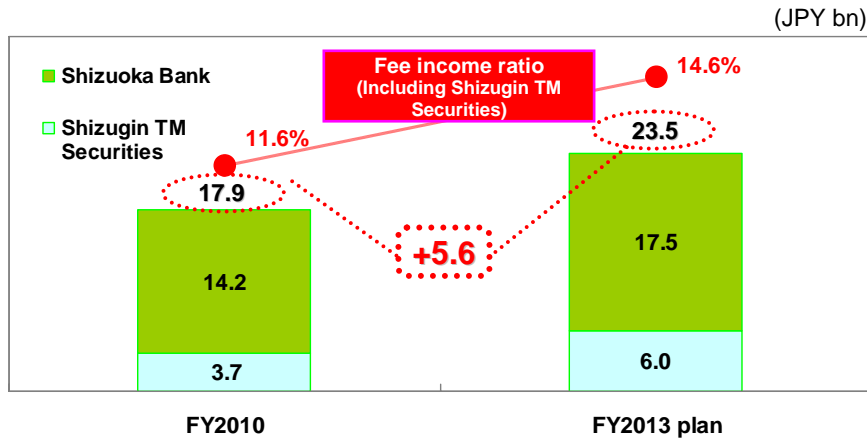
Total deposit balances (average balances) in Shizuoka prefecture



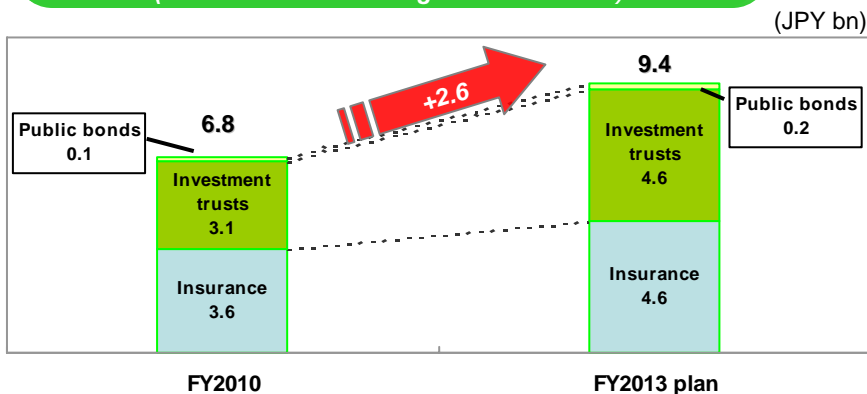
[Target figures] Fee incomes

- **Fee incomes in FY2013** (including Shizugin TM Securities): **JPY 23.5bn** (up JPY 5.6bn on FY2010)
- **Fee income from sales of customer assets**: Aim to acquire **JPY 9.4bn** (up JPY 2.6bn on FY2010) centering on OTC insurance sales commission
- **Sales amounts for customer assets**: Aim to acquire **JPY 340.0bn** (up 75.9bn on FY2010)

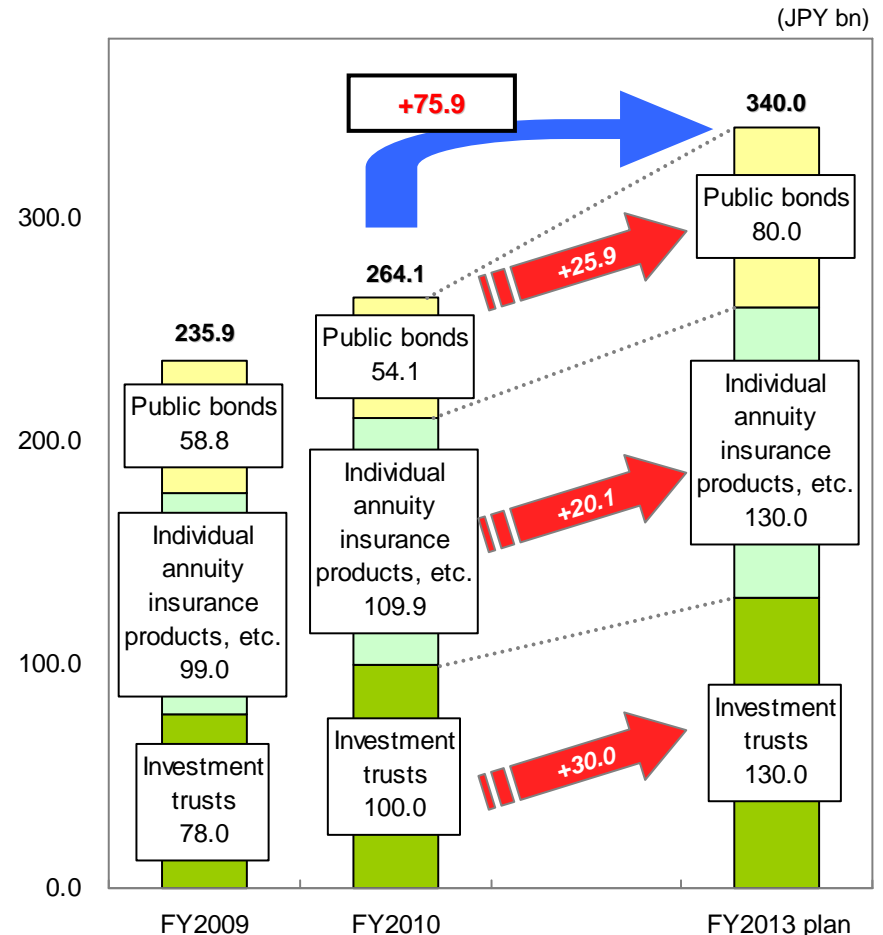
Fee incomes (Shizuoka Bank / Shizugin TM Securities)



Fee income from sales of customer assets (Shizuoka Bank / Shizugin TM Securities)



Sales amounts for customer assets (Shizuoka Bank / Shizugin TM Securities)

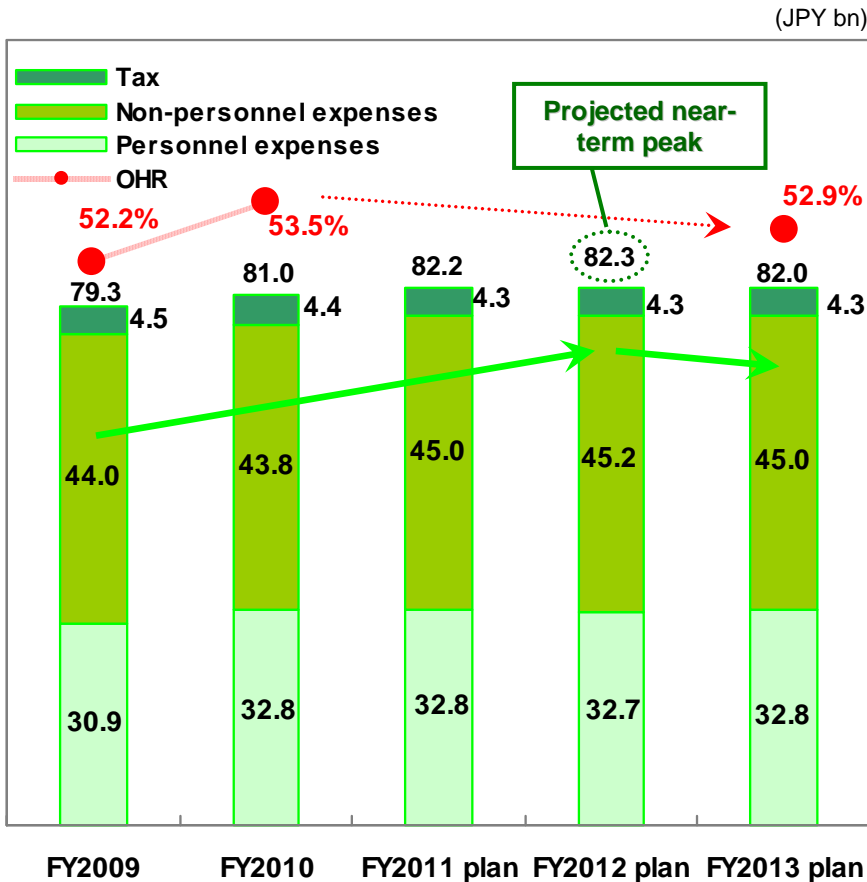


Expenses

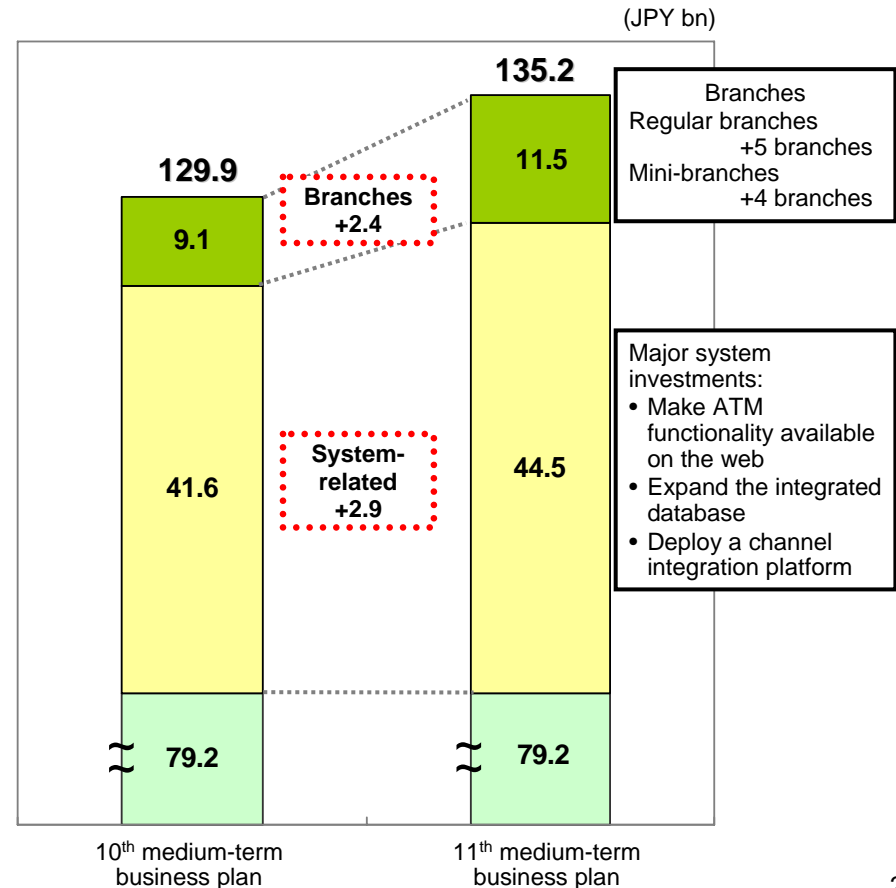
[Target figures]

- Non-personnel expenses will increase mainly due to new branch opening and strategic IT investment costs
- Maintain OHR at around 55%, as previously, by intensifying cost controls through prioritization and centralization of overheads

Expenses and OHR



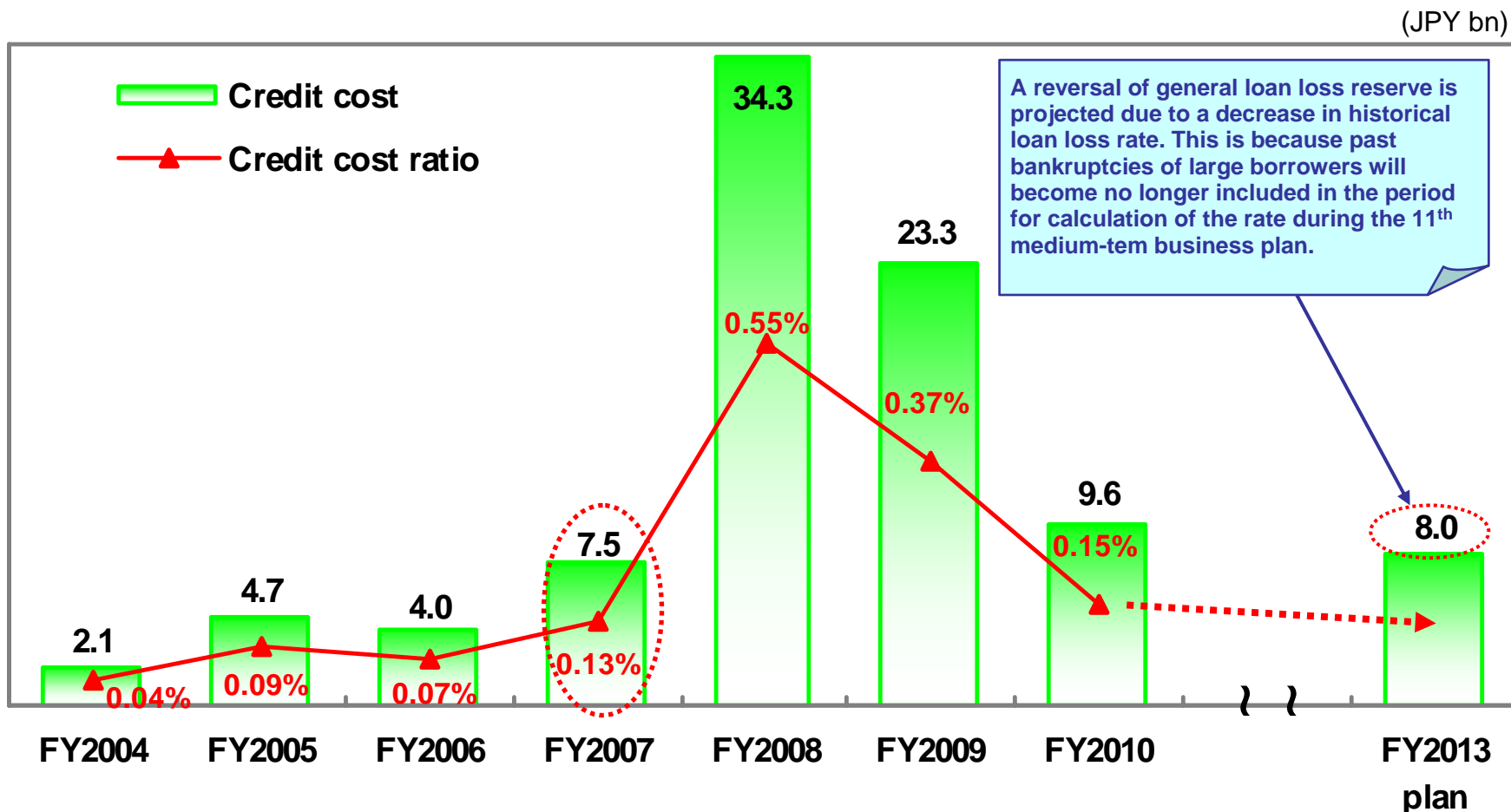
Breakdown of non-personnel expenses from FY2011 through FY2013



Credit costs

- Credit cost : approximately JPY 8.0bn in FY2013
- Credit cost ratio of 0.2% or less in FY2013

Credit cost and credit cost rate



- Take full advantage of highly specialized group companies in order to ensure competitiveness as a comprehensive financial group and to achieve sustainable growth

(JPY bn)

Company name	Business	Ordinary revenue		Ordinary profit	
			On FY2010		On FY2010
Shizugin Management Consulting Co., Ltd.	Corporate and financial management advisory services	0.3	+0.1	0.1	+0.1
Shizugin Lease Co., Ltd.	Leasing	23.0	-0.9	1.6	-0.2
Shizuoka Computer Service Co., Ltd.	Computer services, accounting	4.6	-0.1	0.1	-0.2
Shizugin Credit Guaranty Co., Ltd.	Guarantee of loans	1.5	+0.2	1.0	+0.2
Shizugin DC Card Co., Ltd.	Credit card and guarantee of consumer loans	1.8	-0.3	0.2	-0.4
Shizuoka CapitalCo., Ltd.	Public-offering assistance Support for corporate rehabilitation	0.4	-0.4	0.1	-0.4
Shizugin TM Securities Co., Ltd.	Securities	6.0	+2.3	1.8	+0.8
Shizuoka Bank (Europe) S.A.	Finance and securities-related services	0.5	+0.1	0.1	+0.0
Shizugin General Service Co., Ltd.	Part-time employee management, etc.	3.1	-0.2	0.1	+0.0
Shizuoka Mortgage Service Co., Ltd.	Appraisal of real estate for loan collateral, etc.	1.5	+0.6	0.0	+0.0
Shizugin Business Create Co., Ltd.	Operation center for remittance and bill collection, etc.	4.6	-0.0	0.0	-0.0
Shizugin Saison Card Co., Ltd.*	Credit card services, credit guarantee	-	-	0.1	+0.3
Total (12 companies)		47.4	+1.3	5.2	+0.3

*A company to which the equity method of accounting is applicable.

This document includes statements concerning future business results. These statements do not guarantee future business results, but contain risks and uncertainties. Please note that future business results may differ from targets for reasons such as changes in the business environment.

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