

Financial Results for the 3Q of FY2012

March, 2013

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静岡銀行

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Approach of Shizuoka Bank



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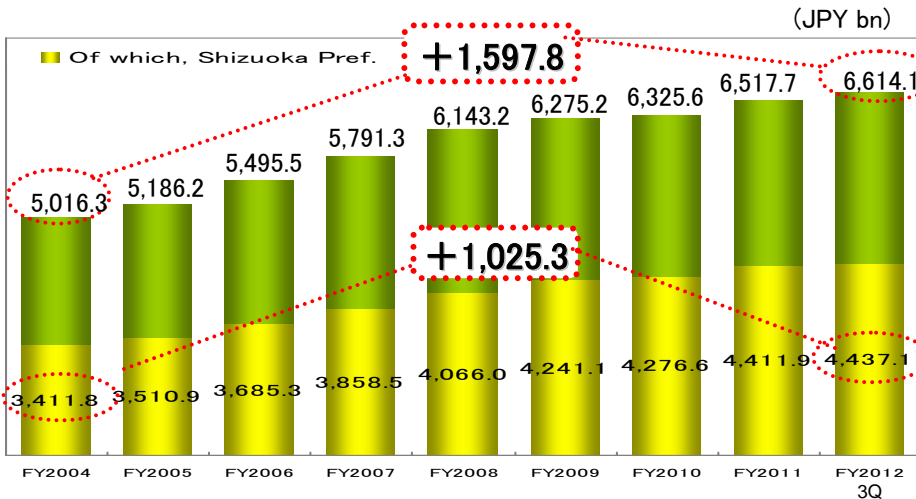


Loans and share in Shizuoka Pref.

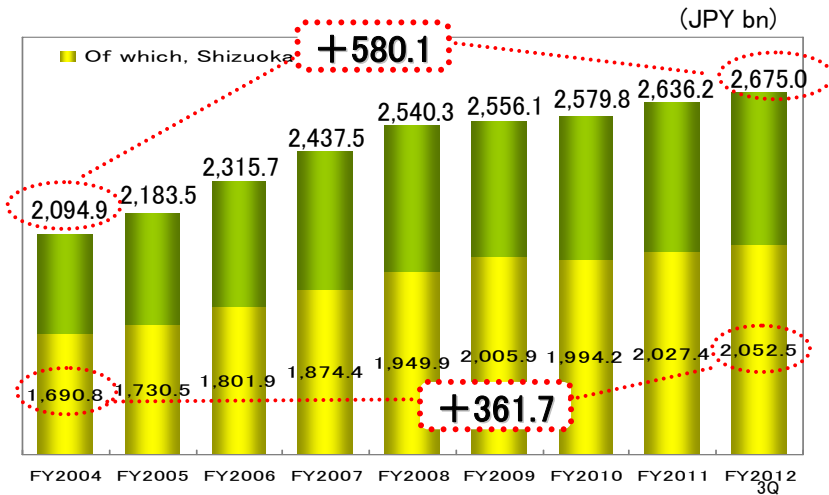
SHIZUOKA BANK

- From FY2004, total loan balances (average) increased +JPY 1,597.8bn, of which +JPY 1,025.3bn in Shizuoka Pref.
- SME loan balances: +JPY 580.1bn, consumer loan balances: +JPY 880.7bn

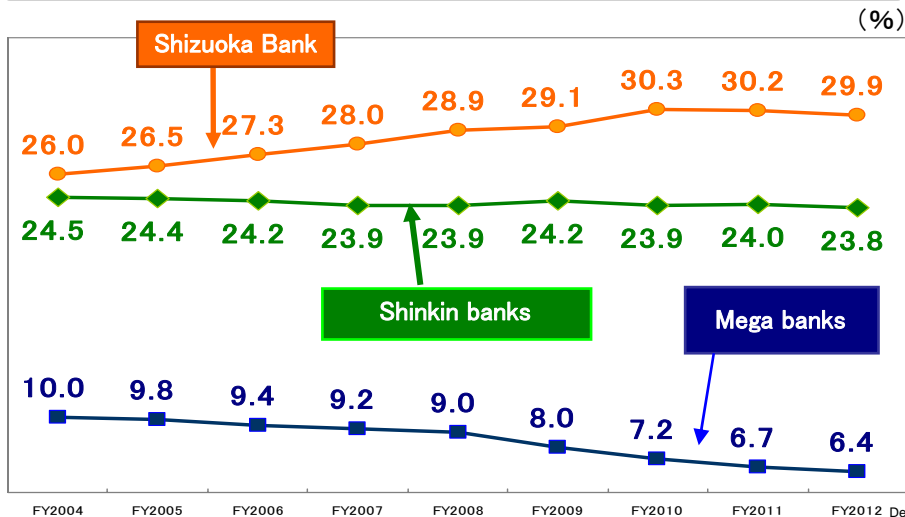
Total loan balances (average balances)



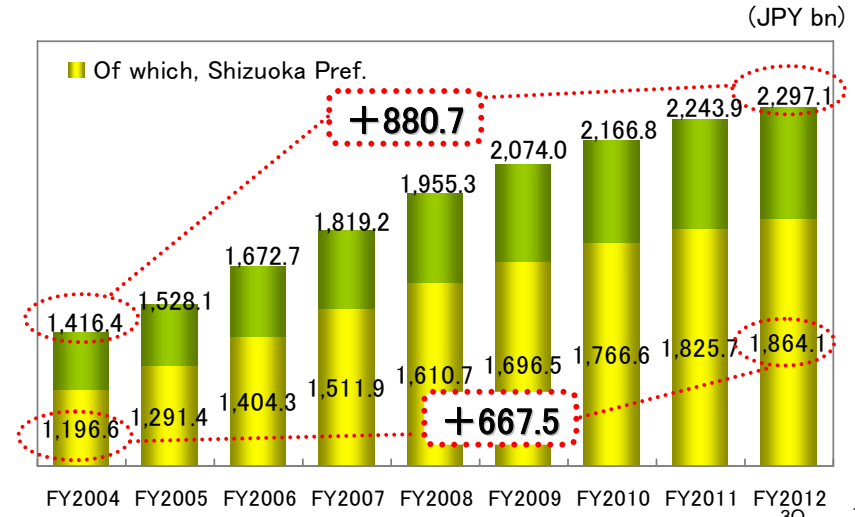
SME loan balances (average balances)



Share of loans in Shizuoka Prefecture



Consumer loan balances (average balances)





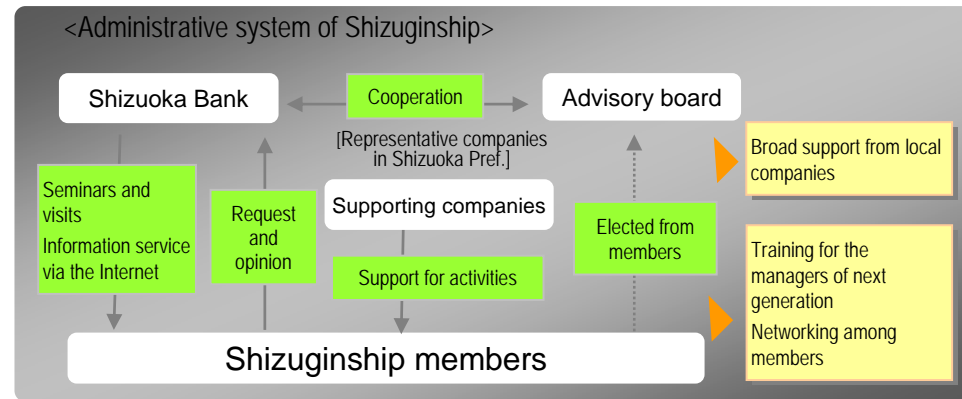
Regional finance

SHIZUOKA BANK

- Have further developed the relationship with customers by providing three pillar of solutions , that is, business matching services , “Shizuginship” , and support for business restructuring and turn around
- The advanced approaches differentiated ourselves, resulting in the growth of market shares in Shizuoka Pref.

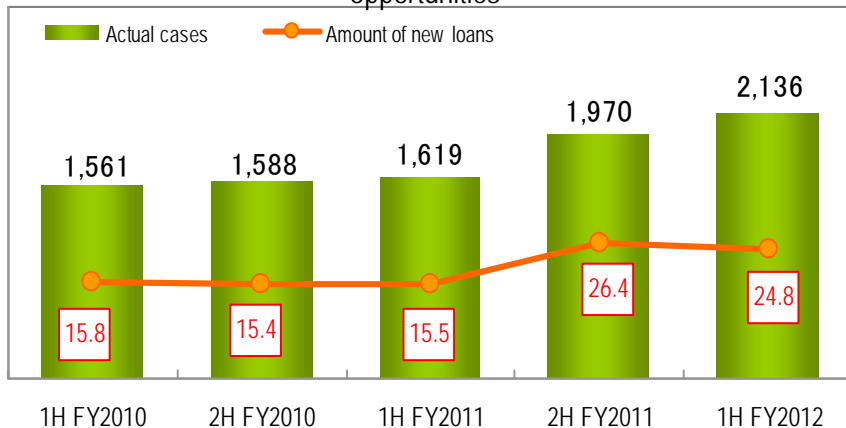
“Shizuginship” – training club for the next generation managers

- Offering opportunities of learning and networking for younger managers, who will contribute to the development of community’s future
- No. of member: (As of the end of December 2012)
863 companies, 1,297 members
- No. of participant for seminars and visits of 1HFY2012 : 1,669



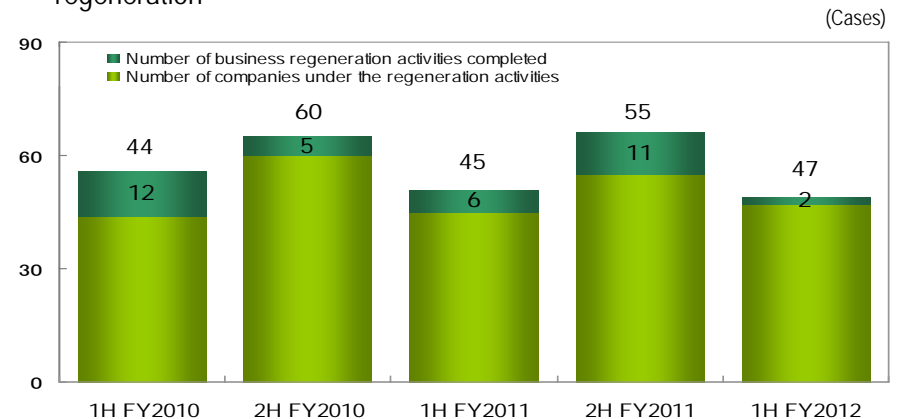
Progress of business matching services and the amount of new loans

- Supporting our customer’s business expansion by creating new sales opportunities (Cases, JPY bn)



Support for business restructuring and turn around

- In addition to M&A and DDS, utilizing external organization for business regeneration

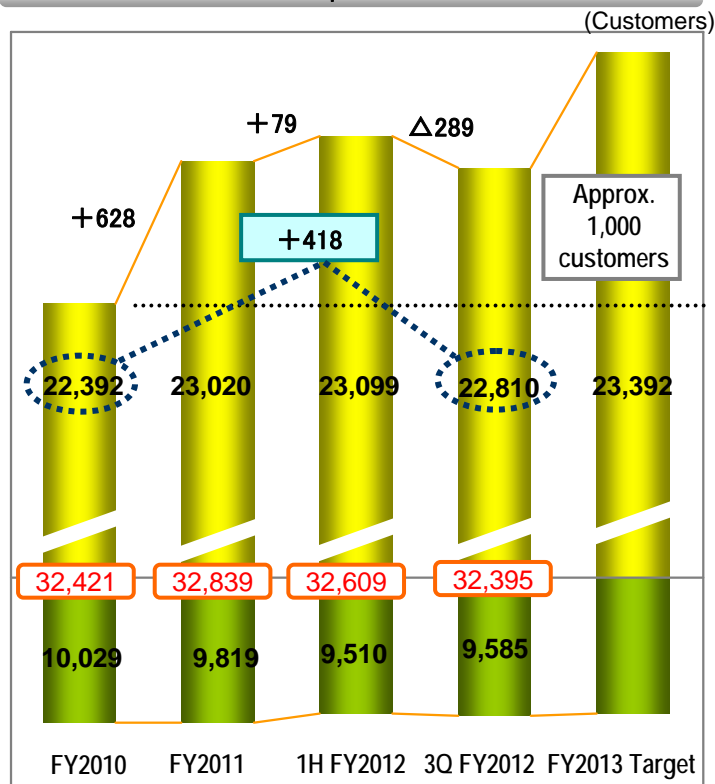


Initiatives for Corporate Banking

- Acquisition of new corporate customers, Initiatives in growing and untapped fields

- As of end-December 2012, the number of corporate customer was up 418 from end-March 2011
- Keep working to generate new demand for funds by stepping up initiatives in “growing and untapped fields” and by offering tailored solutions; the goal is to expand the customer base and increase market share

Number of corporate customers



■ Amount of loan(term-end balance) is over 5million ■ Less than 5million

We keep working to increase the number of corporate customers due to strategic repositioning of employees *

* Adding 18 sales staff for the new customer acquisition after FY2011 (for a total of 33members)

Solution-providing to growing and untapped fields

Health and welfare

- ◆ Provide information and identify needs through seminars run by Shizuoka Bank
- ◆ Strengthen the specialized team for the health and welfare field by adding 2 sales staff (total of 12 members)

(JPY bn)	1H FY2011	2H FY2011	1H FY2012	3Q FY2012
Loan book	25.9	33.0	47.4	24.5

Environment

- ◆ Consult to help clients gain ISO environmental certification
- ◆ Provide financial support for the installation of environmental-related equipment

(JPY bn)	1H FY2011	2H FY2011	1H FY2012	3Q FY2012
Loan book	6.8	6.3	8.2	3.4

[Food business]

- ◆ Support for customer's participation in trade shows and development of sales channels and help agricultural producers move into up or down-stream (Support from 11 team members qualified as agricultural business advisors)
- ◆ Work with Shizuoka Prefecture Agricultural Credit Guarantee Fund Association to meet the funding needs of agricultural producers

(JPY bn)	1H FY2011	2H FY2011	1H FY2012	3Q FY2012
Loan book	3.6	7.2	3.8	3.2

Business Succession

- ◆ Target key clients and fulfill their needs for business succession by working with Group companies and external organizations such as " the Shizuoka Prefecture Business Continuity Support Center"

(JPY bn)	1H FY2011	2H FY2011	1H FY2012	3Q FY2012
Loan book	4.0	4.2	9.5	3.2

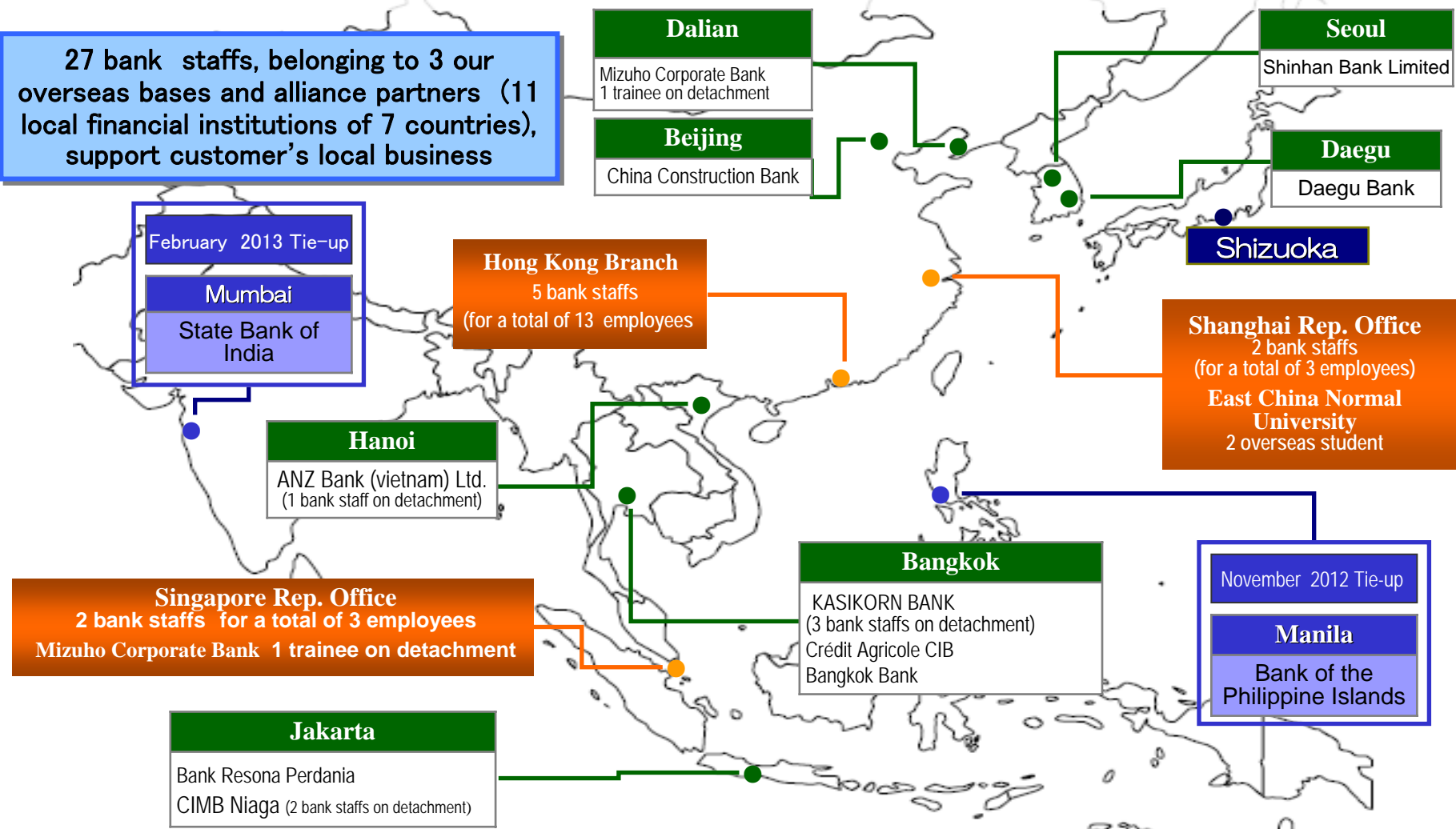


Initiatives for Corporate Banking – Strategies in Asia

SHIZUOKA BANK

- Develop our support network for customers in Asia through tie-ups with local financial institutions
- Achieve steady progress in the areas of loan and foreign exchange by responding appropriately to the diverse needs of customers
- Loans for customer's overseas entrance: JPY 11.3bn in 3Q FY2012,
- Our support for clients' overseas expansion dedicate to develop relationship with our clients, so that we acquire JPY 5.4bn of domestic loans in 3Q FY2012

27 bank staffs, belonging to 3 our overseas bases and alliance partners (11 local financial institutions of 7 countries), support customer's local business





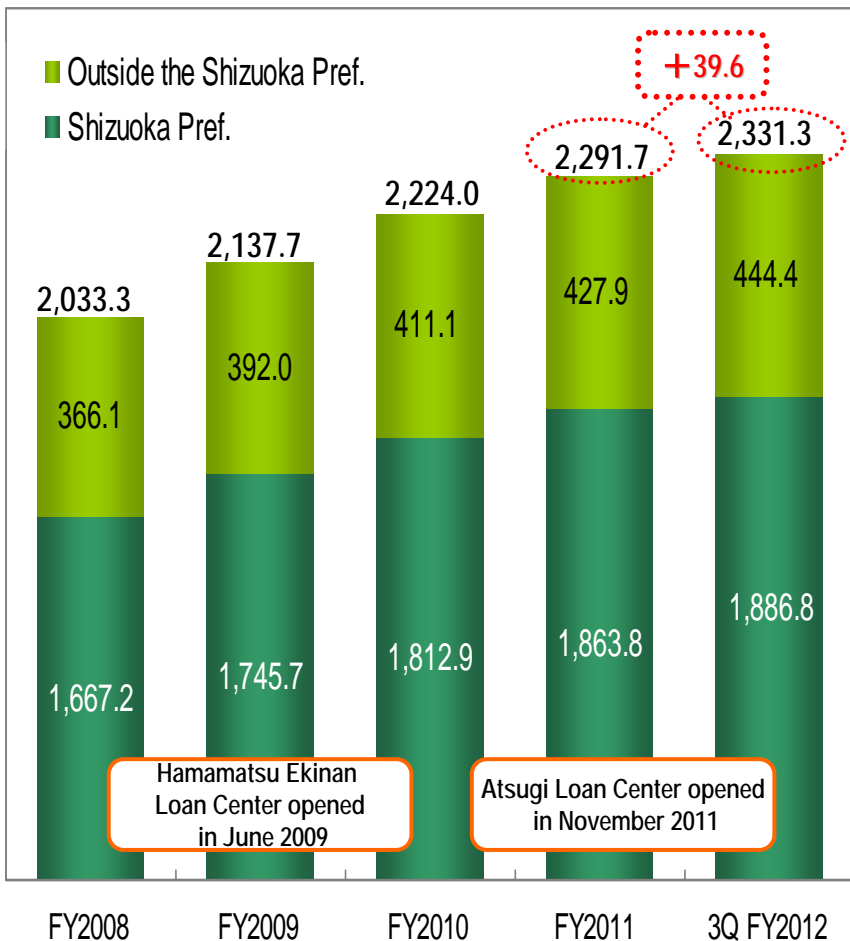
Initiatives for Retail Banking - Consumer loan

SHIZUOKA BANK

- Consumer loan balance continue to grow by JPY 39.6bn from end-Mar. 2012
- Continue to boost growth in the consumer loan balance by reforming business processes to increase productivity and reduce costs and launching new value-added products

Consumer loan balance (term-end balance)

(JPY bn)



Initiatives

Business process reforms

- ◆ Aim to reduce the processing time by 60% under the 11th Medium-term Business Plan
- ◆ Reduced processing time for workload of consumer loan (targeting a reduction of roughly 50% in FY2012 compared with FY2010)

Maintain competitiveness by boosting the profitability of housing loans through increase in productivity and cost reduction

Limiting decline in interest rates

- ◆ Limited the decline in interest rates through a loan rate point system as one of performance incentives for consumer loan sales staff

3Q FY2012 Average rate for new housing loans: 1.116% (-0.077% from 1H FY2012)

New products

- ◆ Promoted New value-added products released on July 2012

New value-added products that target potential customer needs and boost the bank's competitive advantage

- Home loans including insurance for 8 medical conditions (plus 2 special provisions)
- The loan balance provided from July 2012 to December 2012 : 24.1bn**

High reliability of Shizuoka Bank

- Has received higher credit ratings from three major credit rating agencies ,including two overseas and one Japanese
- Has kept the highest Moody's long-term ratings, Aa3, as creditworthy as that of JGB, among Japanese banks

External ratings (As of end Dec.2012)			
	Long-term Ratings	Short-term Ratings	Financial Strength
Moody's	A a 3	P-1	C+
Standard & Poor's	A+	A-1	a+*
R & I	AA	-	-

* Stand-Alone credit Profile

Results of the 3Q of FY2012



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Results of the 3Q of FY2012

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Consolidated (JPY bn 、 %)	3Q FY2011	3Q FY2012	YoY change	Progress
Ordinary revenue	163. 6	155. 9	-7. 8	75. 3
Ordinary profit	58. 2	57. 6	-0. 6	83. 4
Net income	30. 3	49. 2	+18. 9	88. 7

- Gains on negative goodwill by increasing equity stakes in Group companies :JPY12.9bn
- Decrease of corporate taxes:-JPY4.9bn YoY

Non-consolidated	3Q FY2011	3Q FY2012	YoY change	Progress
Ordinary revenue	140. 7	132. 6	-8. 1	74. 9
Gross operating profit	115. 0	114. 7	-0. 3	77. 2
Net interest income	97. 2	91. 4	-5. 8	74. 6
Fees and commissions	10. 8	11. 0	+0. 2	71. 1
Trading income	-0. 2	0. 6	+0. 7	80. 1
Other operating profit	7. 2	11. 7	+4. 5	118. 4
[Bond-related income such as JGBs]	(8. 5)	(11. 7)	(+3. 1)	(134. 3)
Expenses(-)	60. 9	59. 8	-1. 1	74. 7
Actual net operating profit *	54. 1	54. 9	+0. 8	80. 1
Core net operating profit **	45. 6	43. 3	-2. 3	72. 2
General transfer to loan loss reserves (-)	—	—	—	—
Net operating profit	54. 1	54. 9	+0. 8	77. 6
Special profit and loss	-0. 2	-1. 6	-1. 4	23. 3
Bad debt written-off (-)	0. 4	0. 4	+0. 0	12. 7
Gain on reversals from loan loss reserves	7. 4	1. 2	-6. 2	—
Gain (loss) on stocks	-6. 4	-1. 5	+4. 9	66. 7
Ordinary profit	53. 9	53. 4	-0. 5	83. 4
Net income	29. 4	34. 0	+4. 6	85. 1

[Breakdown of net interest income]	3Q FY2012	YoY change
Total	91. 4	-5. 8
Domestic operations	82. 5	-5. 0
Of which, Interest on loans	72. 3	-3. 7
Interest and dividends on securities	13. 8	-1. 3
Interest on deposits (-)	3. 6	+0. 2
Overseas operations	8. 9	-0. 8
Of which, Interest on loans	1. 7	+0. 6
Interest and dividends on securities	8. 9	-0. 8

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

**Core NOP =NOP + General transfer to loan loss reserves
- Bond-related income such as JGBs

Difference between loan and deposit interest rates

– Changes in Loans and Deposits portfolio

- Difference between loan and deposit interest rates at the end of Dec. 2012 dropped 0.10 points from the end of Dec. 2011

Changes in yen-denominated loans and deposit structure

[Comparison of monthly records of average balance and interest rates] (JPY tn, %)

<Reference>	[March 2008]	
	Average balance (% of total)	Interest rate
Loans	5.8 (100.0)	2.04
Floating interest	4.2 (71.8)	2.07
Fixed interest	1.6 (28.2)	1.96

	[December 2011]		[December 2012]	
	Average balance (% of total)	Interest rate	Average balance (% of total)	Interest rate
Loans	6.3 (100.0)	1.56	6.5 (100.0)	1.46
Floating interest	4.9 (77.1)	1.52	5.0 (77.4)	1.44
Fixed interest	1.5 (22.9)	1.74	1.5 (22.6)	1.56

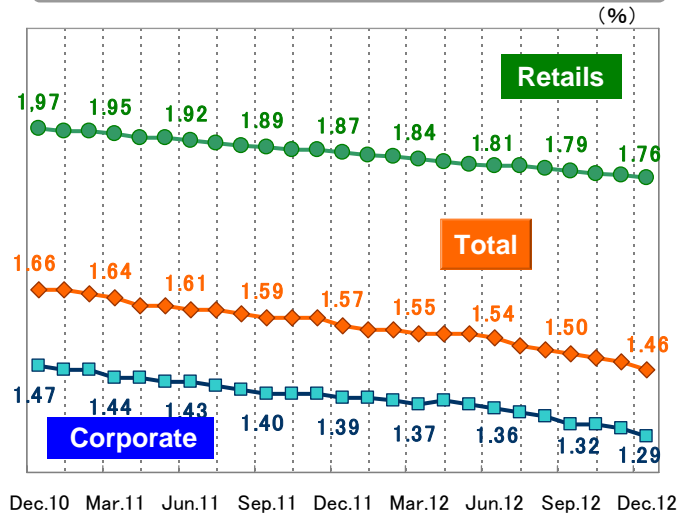
	[March 2008]	
	Average balance (% of total)	Interest rate
Deposits	7.1 (100.0)	0.27
Of which Liquid deposits	4.0 (56.3)	0.16
Of which Term deposits	2.7 (38.7)	0.38

	[December 2011]		[December 2012]	
	Average balance (% of total)	Interest rate	Average balance (% of total)	Interest rate
Deposits	7.5 (100.0)	0.06	7.7 (100.0)	0.06
Of which Liquid deposits	4.1 (54.2)	0.02	4.2 (54.3)	0.02
Of which Term deposits	3.2 (42.4)	0.12	3.3 (42.4)	0.10

Difference between loan and deposit interest rates

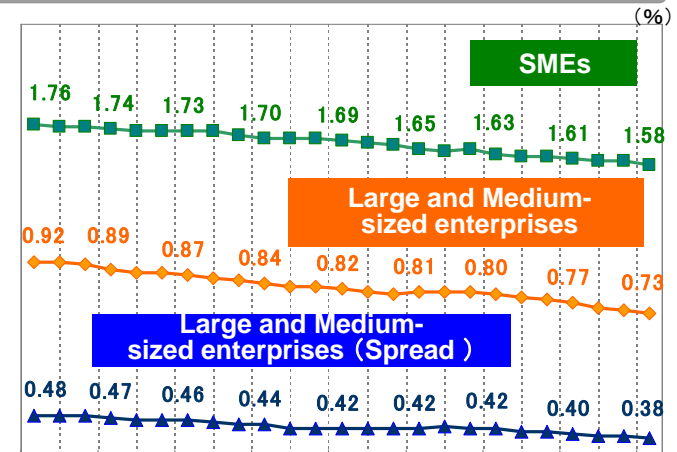
+1.50 ← -0.10 → +1.40

Loan interest rates (monthly average)



Dec.10 Mar.11 Jun.11 Sep.11 Dec.11 Mar.12 Jun.12 Sep.12 Dec.12

Trends in Corporate loan interest rates by company size



Dec.10 Mar.11 Jun.11 Sep.11 Dec.11 Mar.12 Jun.12 Sep.12 Dec.12

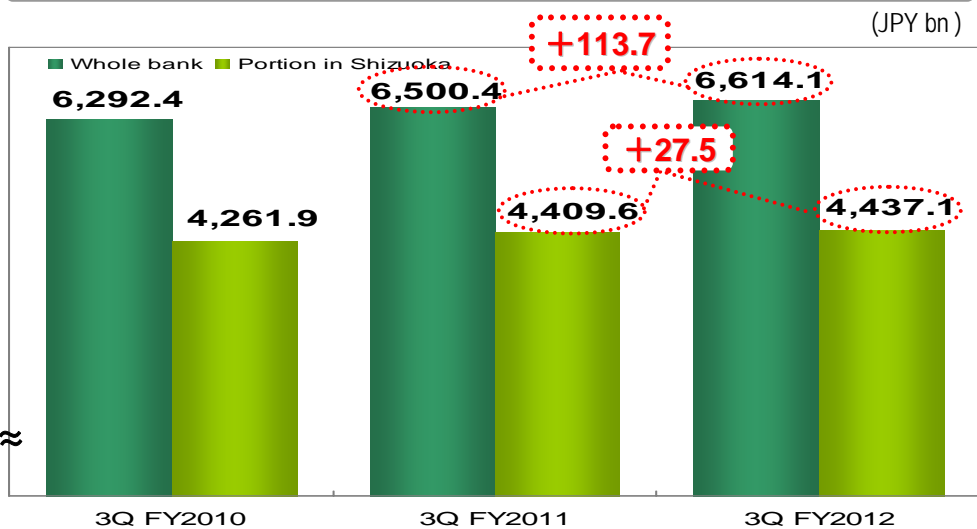


Loans (average balance)

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● Total loan balance (average balance) of 3Q FY2012: JPY 6,614.1bn, up JPY 113.7bn (+1.7%) YoY

Total loan balance (average balance)



[SME loan balance]

Average balance increased to JPY 2,675.0bn, by JPY 50.5bn (+1.9%) YoY

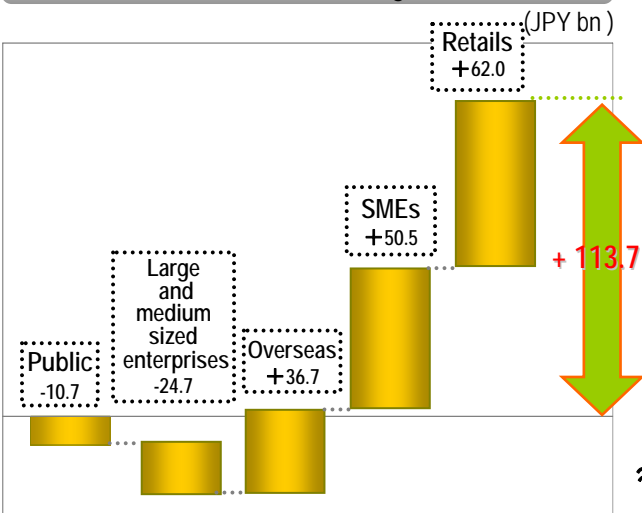
[Retail loan balance]

Average balance increased to JPY 2,294.1bn, by JPY 62.0bn (+2.7%) YoY

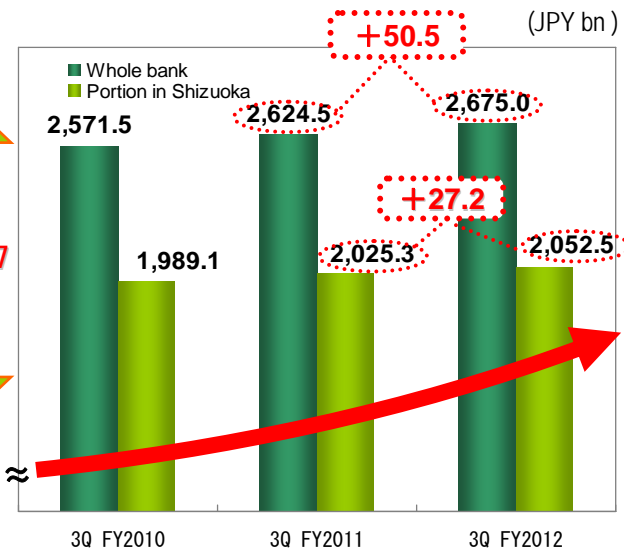
SME+Retail

Amount of increase : +JPY 112.5bn (+2.3%) YoY

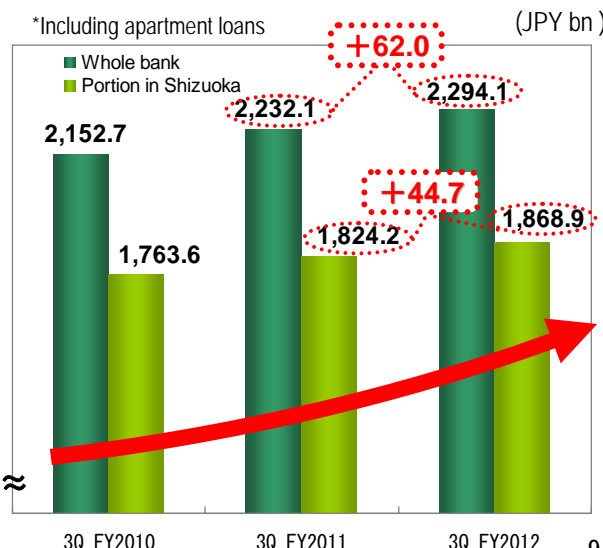
Breakdown of year-on-year change in total loan balance(average balance)



SME loan balance (average balance)



Retail loan balance (average balance)



*Including apartment loans

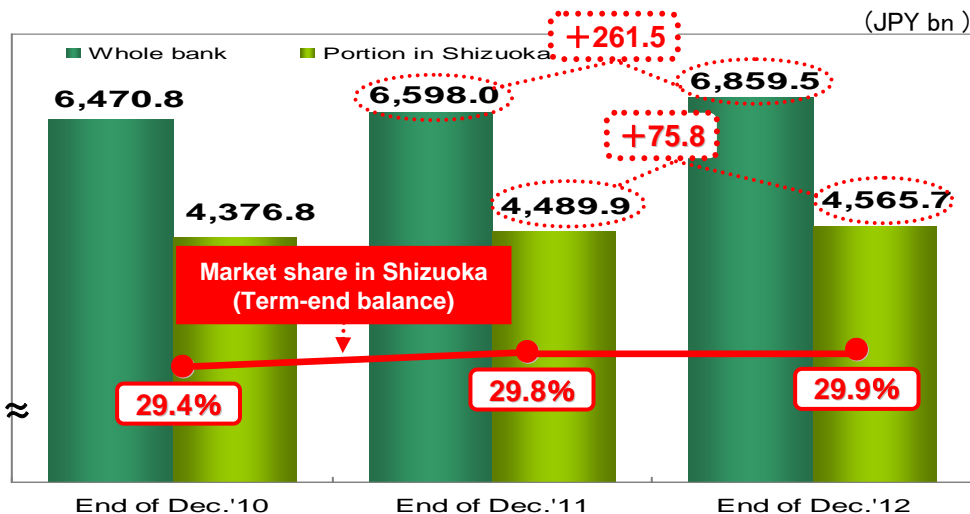


Loans (term-end balance)

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● Total loan balance (term-end balance) of 3Q FY2012: JPY 6,859.5bn, up JPY 261.5bn (+3.9%) YoY

Total loan balance (term-end balance)



[SME loan balance]

Term-end balance increased to JPY 2,778.0bn, by JPY 60.5bn (+2.2%) YoY

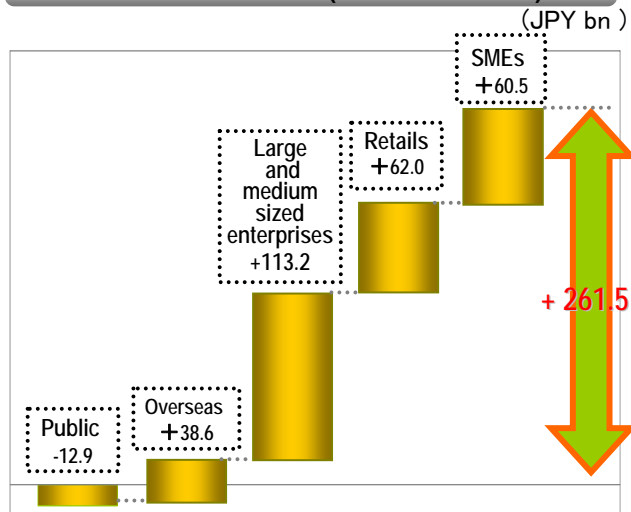
[Retail loan balance]

Term-end balance increased to JPY 2,327.1bn, by JPY 62.0bn (+2.7%) YoY

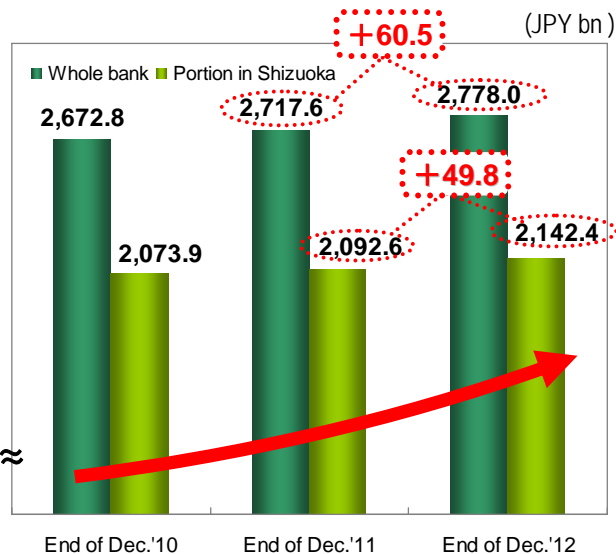
SME+Retail

Amount of increase : +JPY 122.5bn (+2.4%) YoY

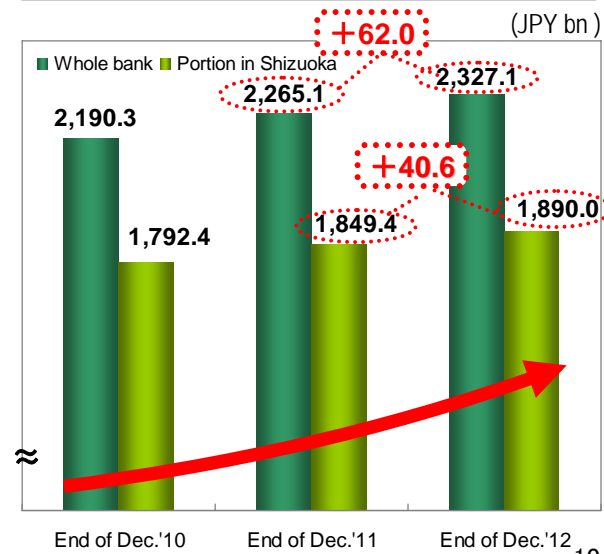
Breakdown of of year-on-year change in total loan balance (term-end balance)



SME loan balance (term-end balance)



Retail loan balance (term-end balance)





Credit-related costs

SHIZUOKA BANK

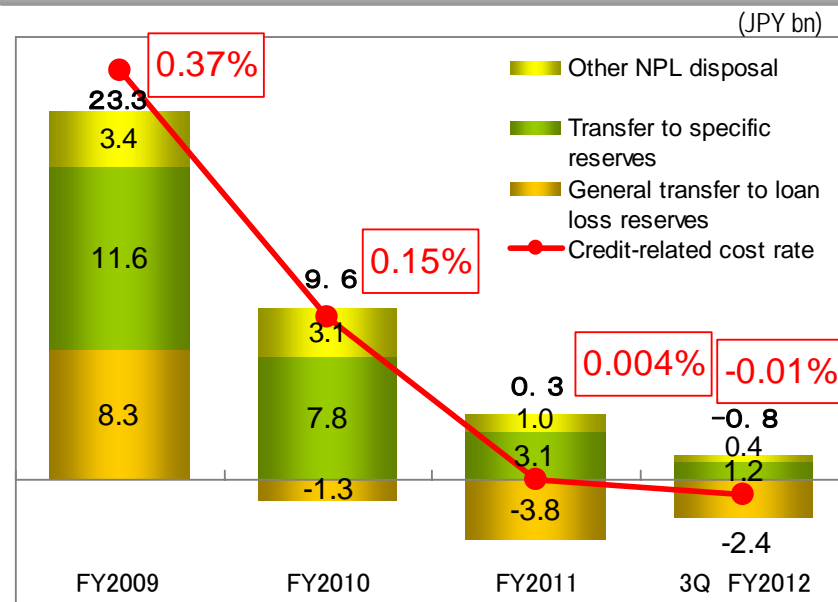
- Cumulative credit-related costs until 3Q FY2012: -JPY 0.8bn (+JPY 6.2bn YoY),
- Credit-related cost rate: -0.01% (+0.13 percentage points YoY)

Breakdown of credit-related costs

	(JPY bn)			
	1H FY2011	2H FY2011	1H FY2012	3Q FY2012
General transfer to loan loss reserves	-9.6	5.8	-1.9	-0.5
Transfer to specific reserves	2.2	0.9	0.9	0.3
Other NPL disposal	0.1	0.9	0.3	0.2
Total	-7.3	7.6	-0.7	-0.1

* According to accounting rule, general transfer to loan loss reserves was booked as gains on reversals from loan loss reserves in the statements of income, because the gains on reversals from general transfer exceeded the loss from transfer to specific reserves and others.

Credit-related cost and credit-related cost rate trends



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

【Variation factor (balance of general loan loss reserves)】

	1H FY2011	2H FY2011	1H FY2012	3Q FY2012
Balance of general loan loss reserves as of the beginning of term	48.7	39.2	45.0	43.1
Change in calculation method	-8.9	+3.5	-	-
Changes in balance, loan loss ratio and other factors	-9.6	+5.8	-1.9	-0.5
DCF-based reserves	+5.5	+3.3	-0.3	-0.1
DDS-based reserves	+1.0	+0.3	-0.1	-
Balance of general loan loss reserves as of the end of term	39.2	45.0	43.1	42.6



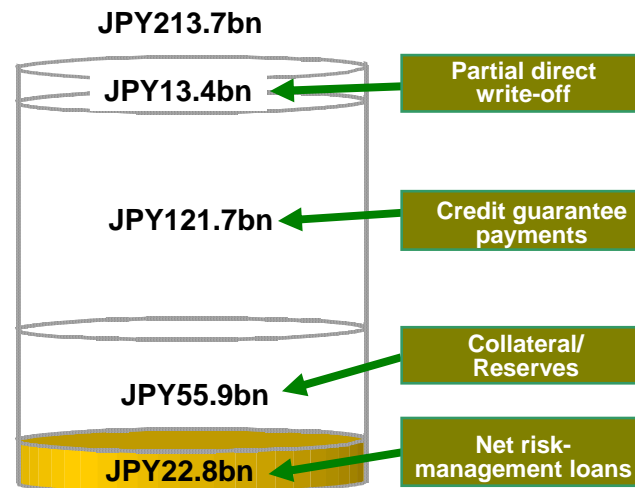
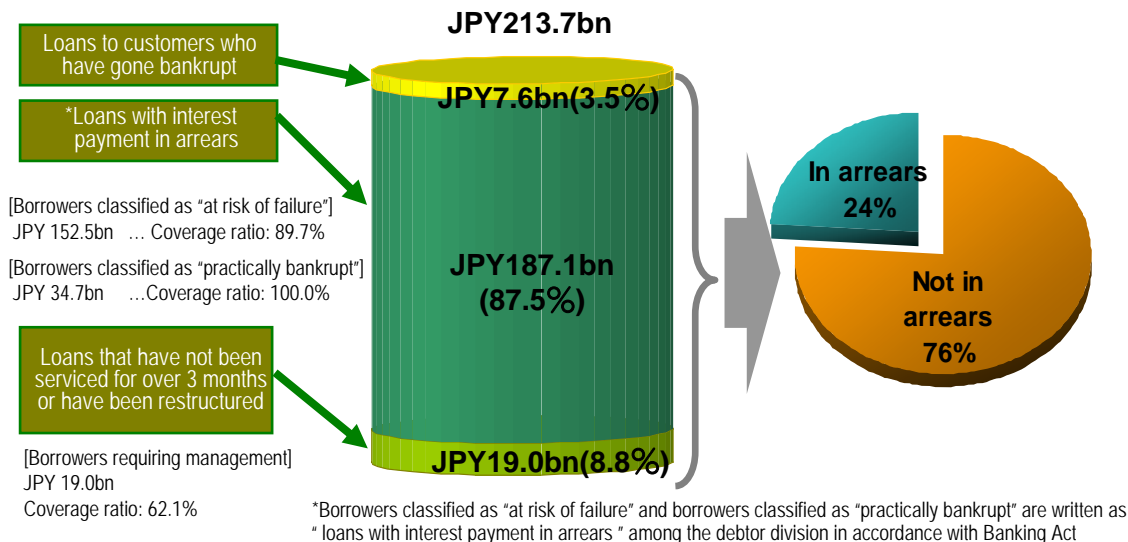
Risk-management loans

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- Total risk-management loans (Non-consolidated): JPY 213.7bn (down JPY 14.7bn from the end of March 2012)
- The ratio of risk-management loans: 3.11% (down 0.29 percentage points)
- Net risk-management loans (Non-consolidated): JPY 22.8bn (up JPY 1.5bn)
- The ratio of net risk-management loans: 0.33% (up 0.01 percentage points)

Risk-management loans at the end of Dec. 2012

Net risk-management loans

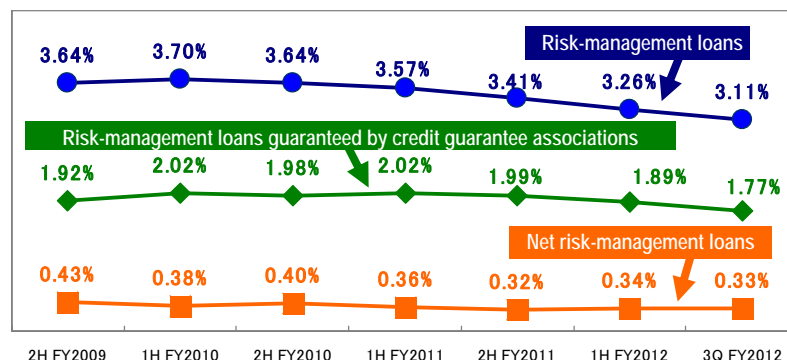


NPL removal from the balance sheet

The ratio of risk-management loans

(JPYbn)	FY2011	1H FY2012	3Q FY2012
New recognition of NPLs	+52.9	+24.5	+11.1
Removal from the balance sheet (NPL to borrowers classified as "at risk of failure" or riskier categories)	-66.9 (-60.7)	-31.2 (-28.7)	-19.1 (-18.0)
Risk-management loans	228.5	221.8	213.7

[Breakdown of JPY 18.0 bn]	
	(JPY bn)
Collected from borrower/set off against deposit account	2.9
Collateral disposal/subrogated to guarantor	7.5
Reclassified to better categories	7.4
Loans sold-off	0.3
Direct write-off of loans	0.0



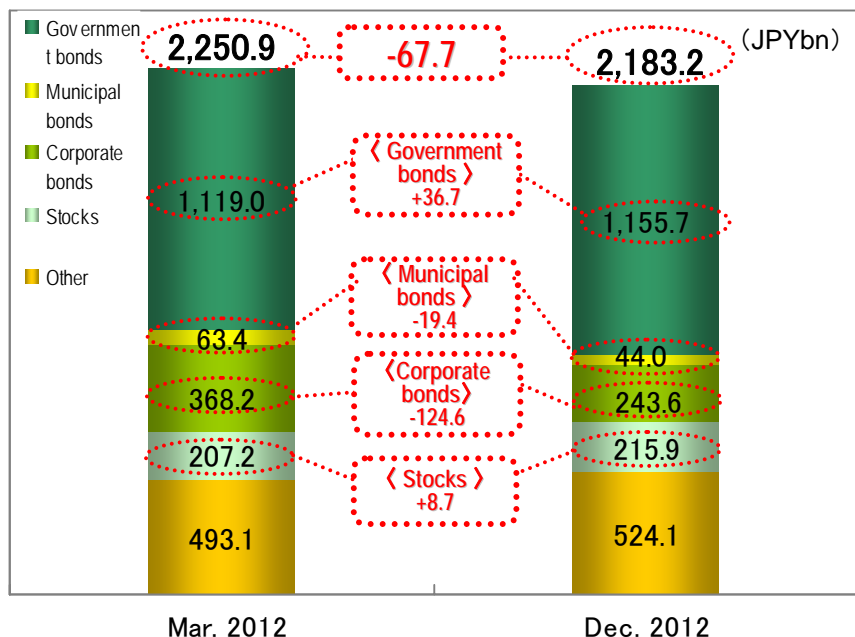


Securities

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- Total balance of securities : JPY 2,183.2bn (-JPY 67.7bn from the end of March 2012)
- Securities revaluation profit and loss : JPY 134.1bn (+JPY 6.5bn)
- Gains and losses from bond-related income such as JGBs : JPY11.7bn (+ JPY 3.1bn YoY)
- Gains and losses from stocks : -JPY 1.5bn (+JPY 4.9bn)

Term-end balance of Securities



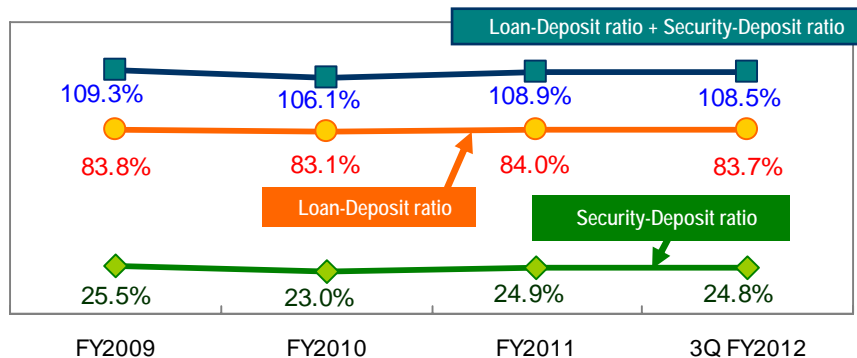
Average life of bonds / gains and losses from revaluation of securities

	End of Mar. 2012	End of Dec. 2012
Average life of yen denominated bonds	5.25y	5.16y
Average life of foreign currency denominated bonds	3.45y	3.34y
Gains and losses from the revaluation of securities	JPY127.6bn	JPY134.1bn
Stocks	JPY88.1bn	JPY93.9bn
Nikkei stock average	JPY10, 083.56	JPY10, 395.18

Breakdown of gains and losses from Bond-related income such as JGBs

(JPYbn)	3Q FY2011	3Q FY2012	Increase/Decrease
Gains and losses from JGBs	8.5	11.7	+3.1
Gain on sale of JGBs	9.7	12.1	+2.4
Loss on sale of JGBs (-)	1.2	0.4	-0.7
Devaluation of JGBs (-)	-	-	-
Depreciation of JGBs (-)	-	-	-

Loan-Deposit ratio / Security-Deposit ratio



Breakdown of gains and losses from stocks

(JPYbn)	3Q FY2011	3Q FY2012	Increase/Decrease
Gains and losses from stocks	-6.4	-1.5	+4.9
Gain on sale of stocks	0.1	0.3	+0.2
Loss on sale of stocks (-)	0.0	0.0	-0.0
Devaluation of stocks (-)	6.4	1.7	-4.7

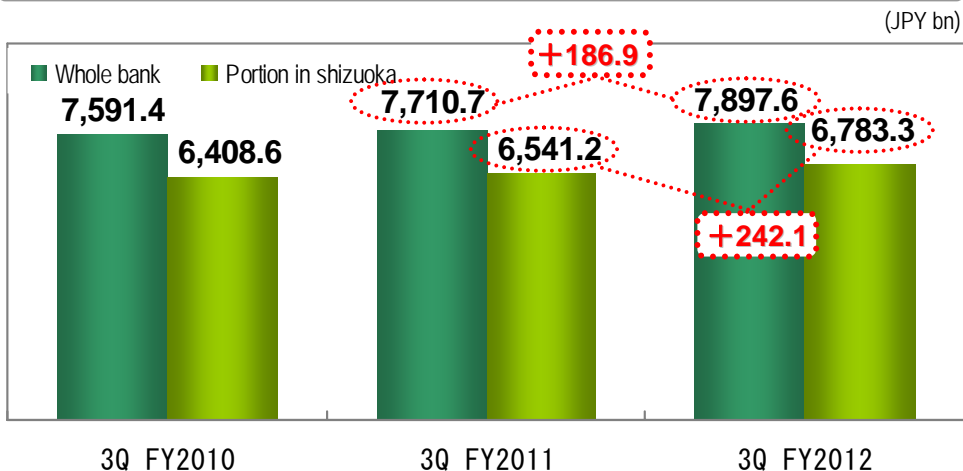


Deposits

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● Total deposit balance in 3Q FY2012: JPY 7,897.6bn (average balance), up JPY 186.9bn (+2.4%) YoY

Deposit balance (average balance)



[Deposit balance in Shizuoka Prefecture]

Average balance increased to JPY 6,783.3bn, by JPY 242.1bn (+3.7%) YoY

[Retail deposit balance]

Average balance increased to JPY 5,518.7bn, by JPY 229.9bn (+4.3%) YoY

[Average balance of Internet branch: JPY 191.2bn, up JPY 147.0bn YoY]

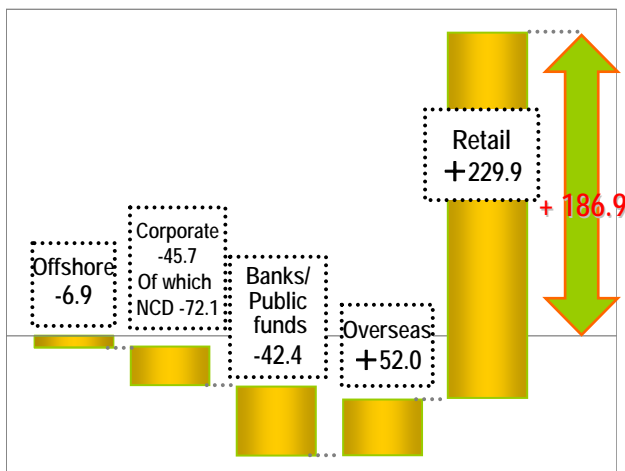
[Corporate deposit balance]

Average balance decreased to JPY 1,940.6bn, by JPY -45.7bn (-2.3%) YoY

[Excluding NCD : up JPY 26.4bn (+1.5%) YoY]

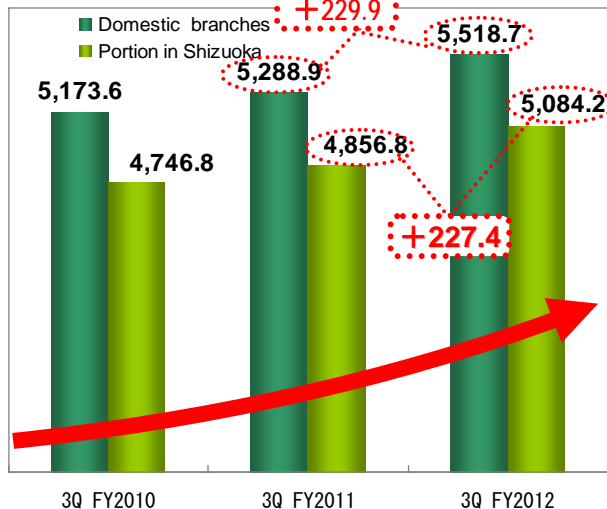
Breakdown of year-on-year changes in deposits balance (average balance)

(JPY bn)



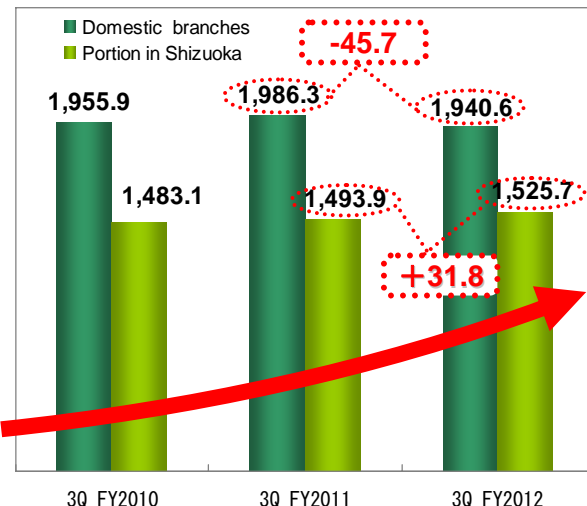
Retail deposit balance (average balance)

(JPY bn)



Corporate deposit balance (average balance)

(JPY bn)



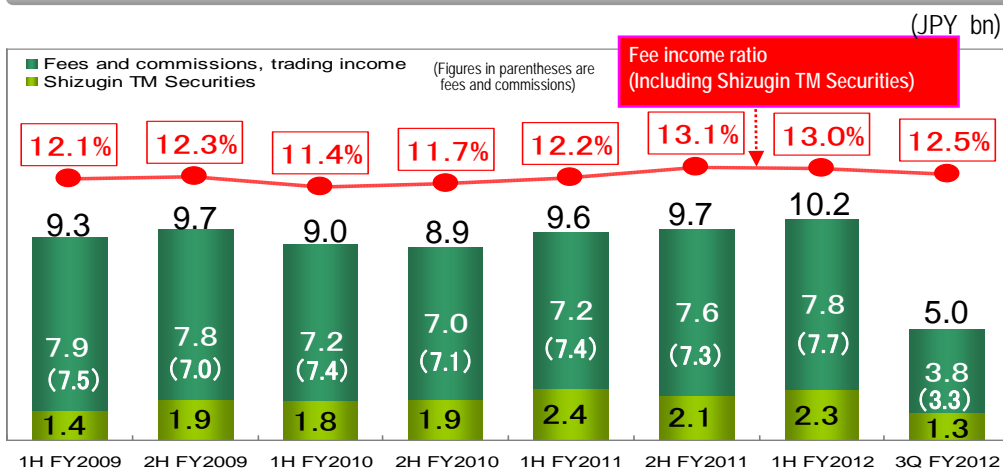


Fee incomes and customer assets

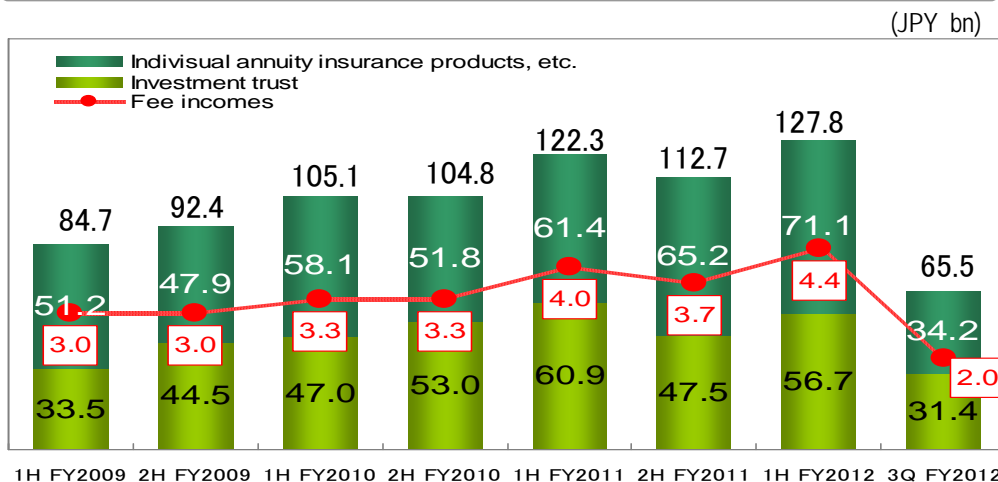
SHIZUOKA BANK

- Cumulative fees and commissions until 3Q FY2012 was JPY 11.0bn (up JPY 0.2bn YoY), trading income JPY 0.6bn (up JPY 0.7bn YoY)
- Customer assets at the end of December 2012 (including the balance of Shizugin TM Securities) : JPY 7,129.4bn, up JPY 193.8bn from the end of March 2012.
- Customer assets excluding risk-free asset such as deposits : JPY 1,543.5bn, up JPY 81.6bn from the end of March 2012

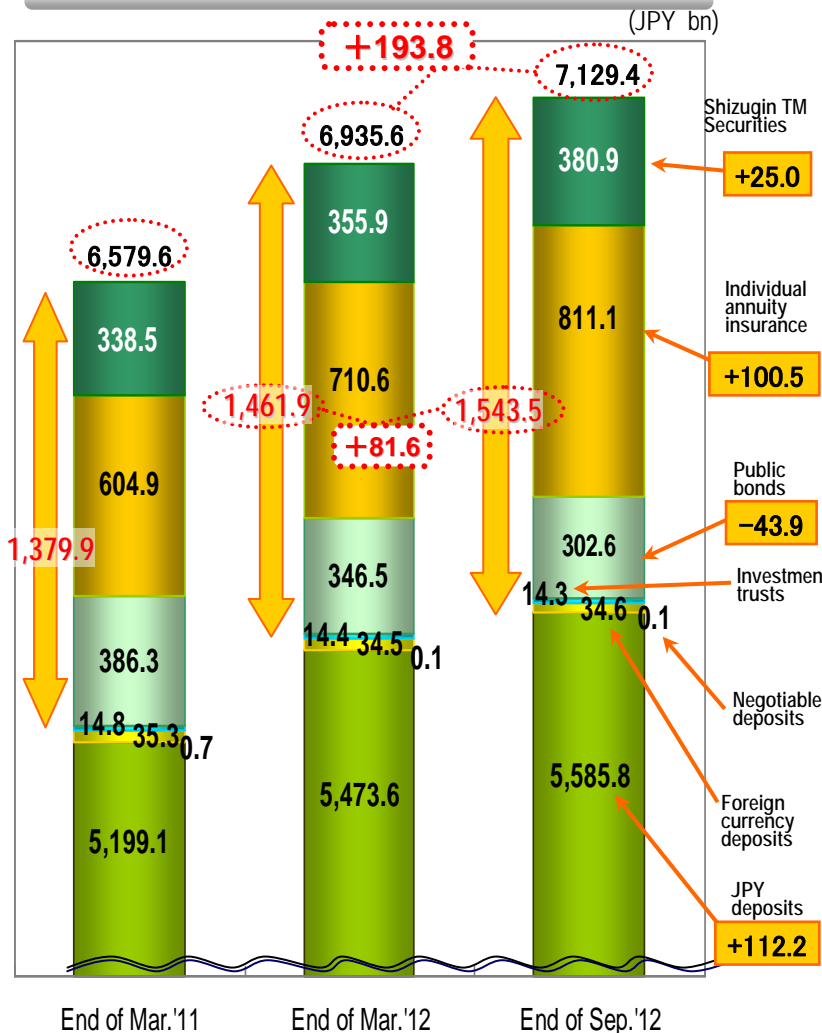
Fee incomes (Shizuoka Bank / Shizugin TM Securities)



Sales and fee income from sales of investment trust and insurance products



Customer assets (term-end balances)





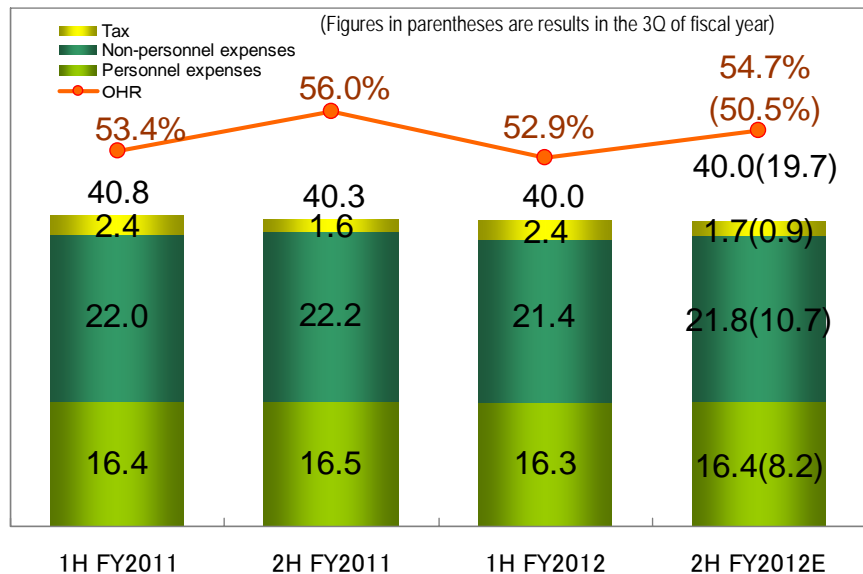
Expenses

SHIZUOKA BANK

- Expenses in 3Q FY2012: JPY 59.8bn (-JPY 1.1bn YoY), OHR in 3Q FY2012: 52.1% (-0.8 Percentage points YoY)
- Estimate the expenses of FY2012 at JPY 80.0bn, which is controlled under 55% of OHR

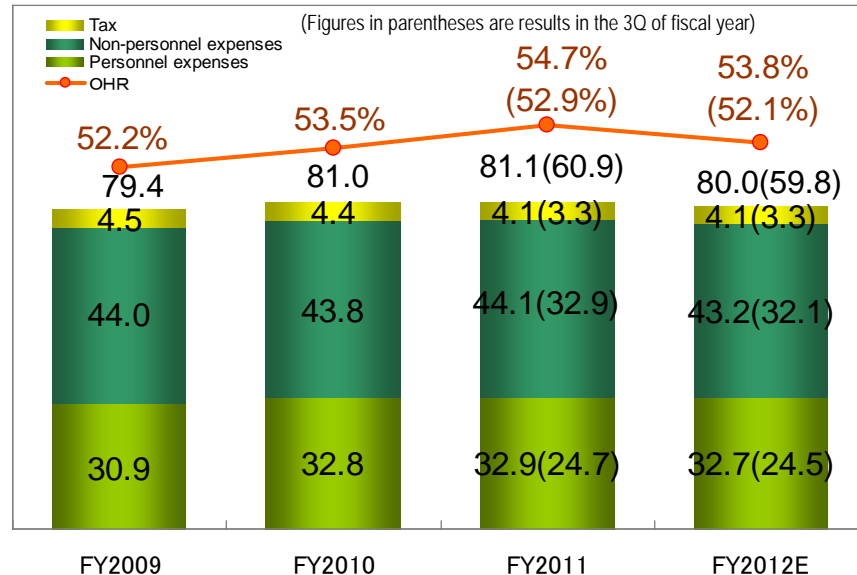
Expenses and OHR (half-year basis)

(JPYbn)



Expenses and OHR (annual basis)

(JPYbn)



Amount of investments

(JPYbn)

	1H FY2011	2H FY2011	1H FY2012	2H FY2012E
Amount of investments	3.2	3.4	3.6	4.5
Software	1.8	0.9	1.6	2.2
Building	0.5	0.5	0.8	0.9
Movable property	0.5	0.8	0.5	0.7

(Ref)

Construction of a new headquarters building

- Enhance the ability to respond to disasters and strengthen supporting functions for communities and customers
- Deliver improvements in operational efficiency by reforming work styles

Plan JPY22bn of investment and schedule completion in February 2015

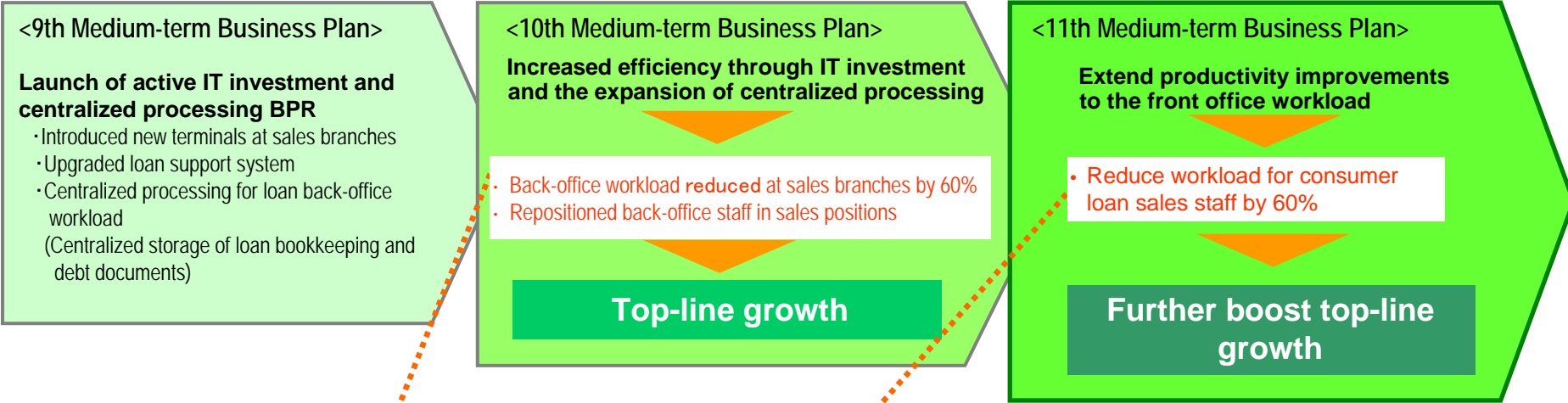




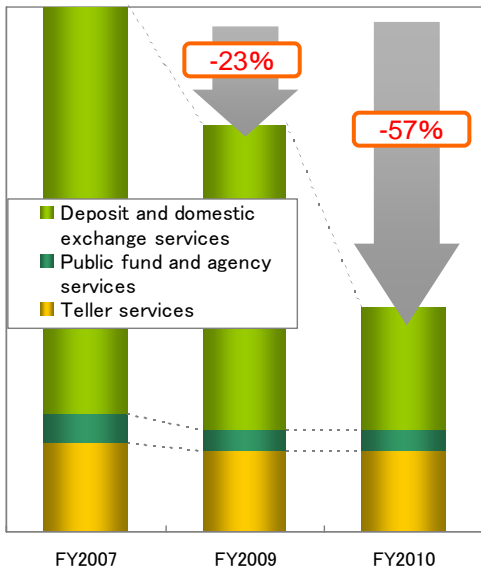
Improvement of productivity - BPR

SHIZUOKA BANK

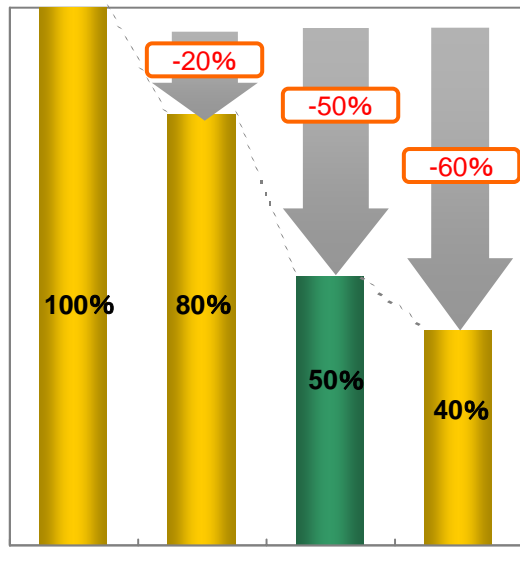
- An ongoing BPR program increased front-office staff without boosting the overall headcount
→ make it possible to achieve sustainable top-line growth



Workload reduction of branches



Reduced processing time for workload of consumer loan



Number of personnel

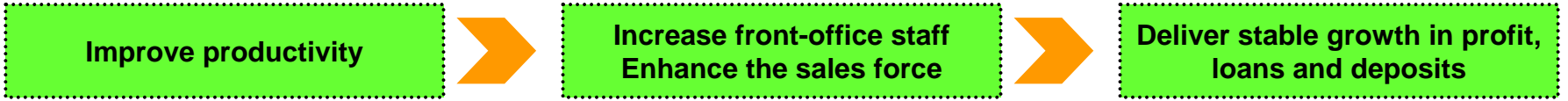
(Employees)	End-Sep. 2008	End-Sep. 2011	End-Sep. 2012	Change from end-Sep. 2008
Front-office	2,662	3,076	3,137	+475
Of which, bank employees	1,996	2,293	2,330	+334
Back-office/assisting	1,658	1,063	986	-672
Of which, bank employees	392	88	54	-338
Shizuoka Bank	5,365	5,021	5,011	-354
Of which, bank employees	2,914	2,935	2,951	+37

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

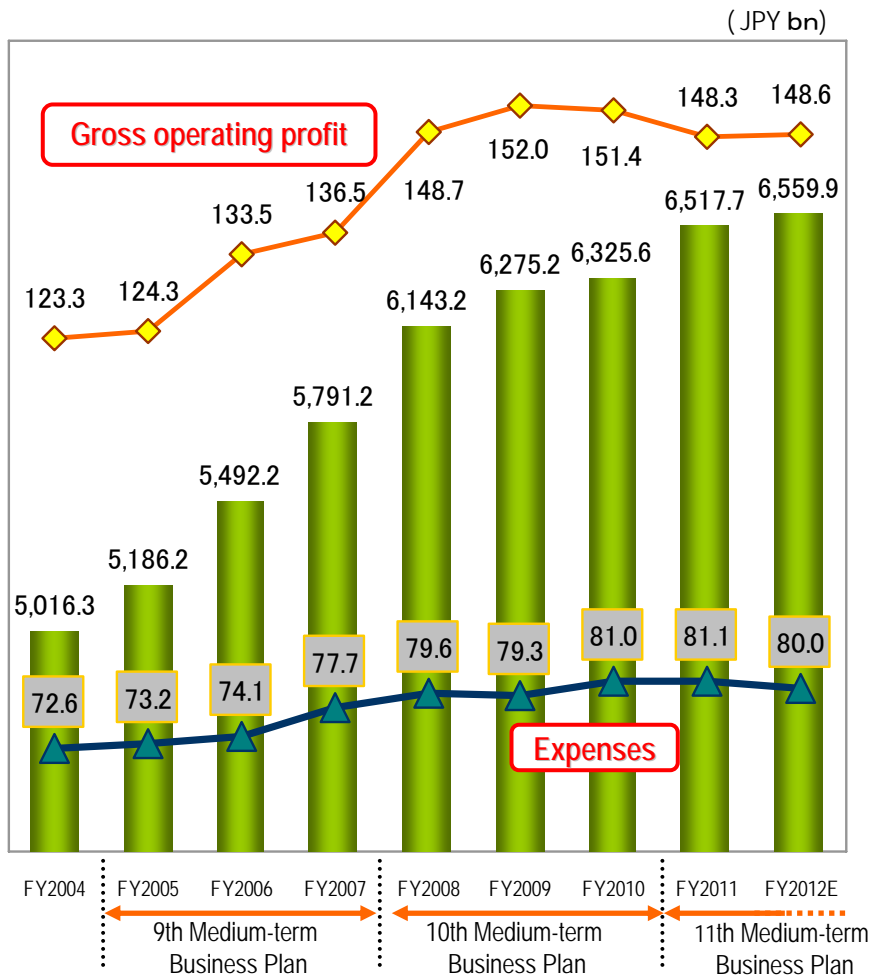
* Assume the amount of business in the FY2010 is set to 100

Improvement of productivity - Result from Improvement of productivity

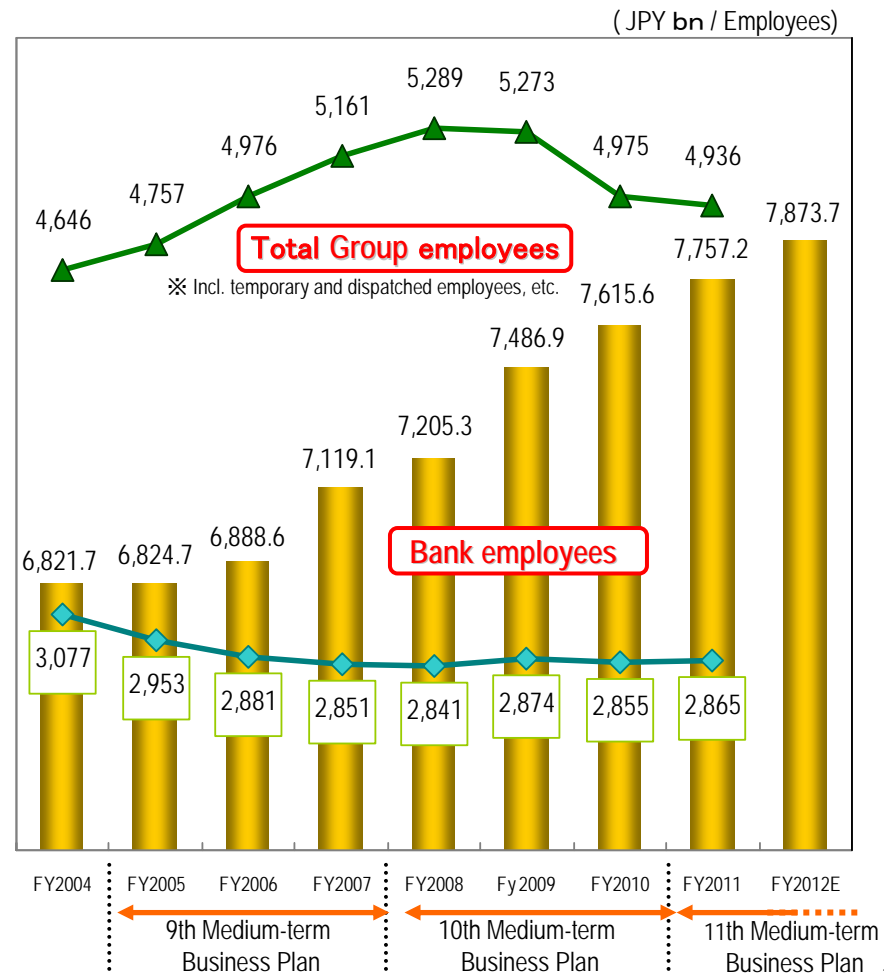
• Delivered stable growth in profit, loans and deposits while controlling costs through improvement of productivity



Loan balance (average balance)



Deposit balance (average balance)



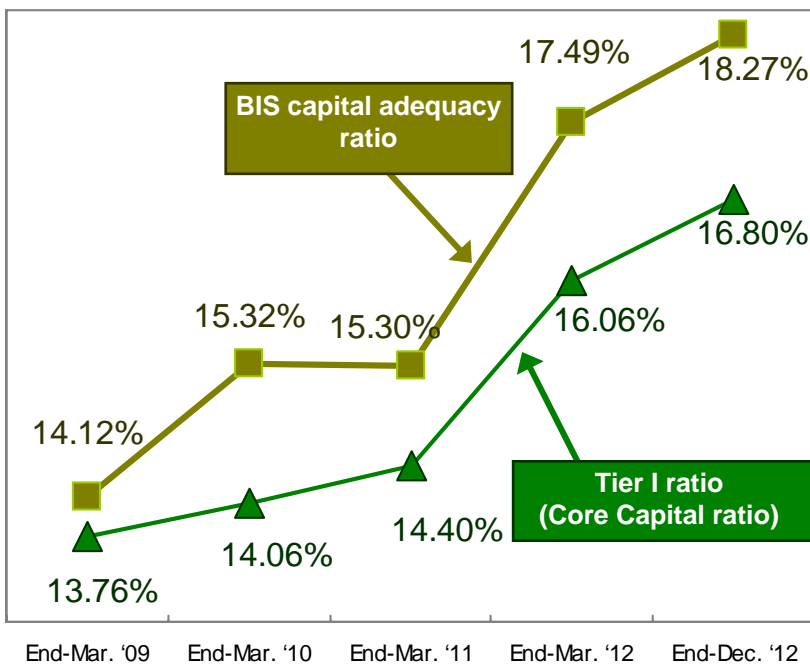


Capital adequacy ratio

SHIZUOKA BANK

- The Basel II capital adequacy ratio at the end of December 2012 : 18.27%. (+0.78 percentage points from the level at the end of March 2012)
- Tier I ratio (core capital ratio) : 16.80%. (+0.74 percentage points from the level at the end of March 2012)
- Based on criteria in the Basel III text released in December 2010, the level of capital adequacy ratio at the end-March 2012 fully met regulatory levels

BIS capital adequacy ratio (consolidated basis)



[Calculation based on criteria in the Basel III text released in December 2010 (End-March 2012 basis)]

- Capital adequacy ratio : 16.7%(Regulatory level 10.5%)
- Tier I ratio : 16.5%(ditto 8.5%)
- Core Tie I ratio : 16.4%(ditto 7.0%)

Changes in capital and risk-adjusted assets (term-end)

(JPY bn)

	Mar. 2010	Mar. 2011	Mar. 2012	Dec. 2012	Change from -Mar. '12
Capital*	687.8	686.1	719.9	741.0	+21.2
Tier I	631.4	645.9	661.1	681.5	+20.4
Tier II	67.6	50.7	63.3	64.4	+1.2
Risk-adjusted assets	4,488.9	4,482.9	4,114.8	4,055.1	-59.7
Total credit-risk adjusted assets	4,166.3	4,162.8	3,800.4	3,734.6	-65.9
Amount corresponding to market risk	20.5	16.5	14.2	22.9	+8.7
Amount corresponding to operational risk	302.1	303.6	300.2	297.6	-2.6

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

Outlier ratio (Non-consolidated basis)

Amount of maximum risk	Tier I + Tier II	Outlier ratio
JPY 21.4bn	JPY 716.5bn	2.9%



Shareholder return – Overall figures

SHIZUOKA BANK

- Plan to increase FY2012-end dividend by JPY 1.00 per share as commemorative 70th anniversary dividend, raising the total annual dividend to JPY 15.00 per share

Dividend trends

(JPY)

	FY2009	FY2010	FY2011	FY2012E
Dividend per share (annual)	13.00	13.00	13.50	15.00 (7.00 *)

*Interim dividend

Profit distribution to shareholders

11th Medium-term Business Plan

(JPY bn)

	FY2009	FY2010	FY2011	1HFY2012	FY2012E	FY '02 – '11 (10 years)
Annual dividend (1)	9.1	8.8	8.9	4.5	※1 9.7	Accumulated total 77.3
Repurchase of shares *(2)	4.0	15.0	14.6	8.2	※2 8.2	Accumulated total 77.8
Shareholder returns (3)=(1)+(2)	13.1	23.8	23.5	12.7	17.9	Accumulated total 155.1
Net income (4)	32.1	35.4	34.7	20.8	※1 40.0	Accumulated total 291.7
Dividend payout ratio (1)/(4)x100	28.20%	24.85%	25.54%	21.82%	24.32%	Average 26.49%
Shareholder return ratio (3)/(4)x100	40.64%	67.22%	67.60%	61.42%	44.91%	Average 53.17%

※1. The total amount of annual dividend and Net Income in FY2012E are calculated based on our forecast disclosed in Nov. FY2012

※2. The amount of repurchase of shares in FY2012E is an actual amount by the end of Dec. FY2012

Shareholder return ratio 65.2%
(FY2011 ~ 1HFY2012)



Shareholder return - Share Buybacks ,Trends in EPS/ BPS

SHIZUOKA BANK

- Share buybacks have been continuously carried out since FY1997, cumulating the 151million of shares bought back by the end of March 2012
- Cancelled 20 million treasury shares and executed the repurchase of 10 million shares at JPY 8.2bn in 1HFY2012

Historical share buybacks

	Shares bought back (thousand shares)	Repurchase amount of shares (JPY mil)	Number of shares cancelled (thousand shares)	Cancellation amount (JPY mil)	Shareholder return ratio (%)	EPS (JPY)	BPS (JPY)
FY1997	7,226	9,997	7,226	9,997	90.3	20.39	587.56
FY1998	6,633	9,142	6,633	9,142	86.7	20.12	627.64
FY1999	8,357	9,143	8,357	9,143	51.4	34.14	650.95
FY2000	24,954	23,281	24,954	23,281	152.0	23.73	792.16
FY2001	8,234	8,267	8,234	8,267	165.4	10.26	742.73
FY2002	29,928	23,107	—	—	229.4	16.56	721.33
FY2003	10,712	8,566	30,000	23,381	50.8	37.20	831.76
FY2004	—	—	—	—	17.1	49.41	875.93
FY2005	—	—	—	—	22.5	44.24	1,019.15
FY2006	—	—	—	—	25.3	51.20	1,077.85
FY2007	10,000	12,621	10,000	10,130	61.8	49.89	997.20
FY2008	—	—	—	—	70.8	18.34	903.32
FY2009	5,000	3,996	5,000	4,638	40.6	46.01	998.21
FY2010	20,000	14,980	20,000	15,957	67.2	51.75	1,016.34
FY2011	20,000	14,575	—	—	67.6	52.44	1,097.55
Cumulative total	151,044	137,677	120,404	113,938	63.2	—	—
1H FY2012	10,000	8,239	20,000	14,953	61.4	*61.16	1,104.13

* based on projected performance of FY2012

Projected performance in FY2012

Consolidated	(JPY bn)	FY2011		FY2012E		Change from FY2011
Ordinary revenue		205.1		207.0		+1.9
Ordinary profit		68.8		69.0		+0.2
Net income		37.2		55.5		+18.3

Non-Consolidated	(JPY bn)	FY2011		FY2012E		Change from FY2011
Ordinary revenue		174.8		177.0		+2.2
Gross operating profit		148.3		148.6		+0.3
Expenses (-)		81.1		80.0		-1.1
Net operating profit		67.2		70.8		+3.6
Actual net operating profit		67.2		68.6		+1.4
Ordinary profit		62.3		64.0		+1.7
Net income		34.7		40.0		+5.3

	(JPY bn)	FY2011		FY2012E		Change from FY2011
Credit-related costs		0.3		1.0		+0.7
General transfer to loan loss reserves		(-3.8)		-2.2		-2.2
Bad debt written-off		1.0		3.2		+2.2
transfer to specific reserves		(3.1)		2.3		+2.3
Gain on reversals from loan loss reserves(-)		0.7		-		-0.7

* Figure in parentheses is amount before summing up to gains on reversals from loan loss reversals

Reference



静岡銀行



Progress of 11th Medium-term Business Plan “MIRAI—Future”(1)

SHIZUOKA BANK

1H FY2012 was a turning point of the 11th Medium-term Business Plan (FY2011–13)

- The bank generally made steady progress toward the 11th Medium-term Business Plan and shareholder return targets (totals for three years)

(JPY bn)		FY2011-13 plan totals	Results for 1H 2011-1H2012	Progress rate
Consolidated	Ordinary revenue	610.0	309.2	50.6%
	Ordinary profit	196.0	104.2	53.1%
	Net income	112.0	72.3	64.5%
Non-consolidated	Gross operating profit	452.0	224.0	49.5%
	Expenses (-)	246.0	121.1	49.2%
	Actual net operating profit	206.0	102.8	49.9%
	Ordinary profit	185.0	95.1	51.4%
	Net income	110.0	55.5	50.4%
	Increase in average loan balance	+530.0	+234.3	44.2%
	Increase in average deposit balance	+450.0	+258.1	57.3%
	Shareholder return ratio	50% or more for a long term	65.2%	—

[Goals for the second half of the 11th Medium-term Business Plan]

[Develop new earnings opportunities]

Strong capital base
→scope to take risks

Target undercultivated market segments

[Respond to regulatory and structural changes]

Rules restricting insurance sales through bank branches were relaxed from FY2012
→ Insurance sales reached to a record high

Implement initiatives to take advantage of regulatory changes and other developments

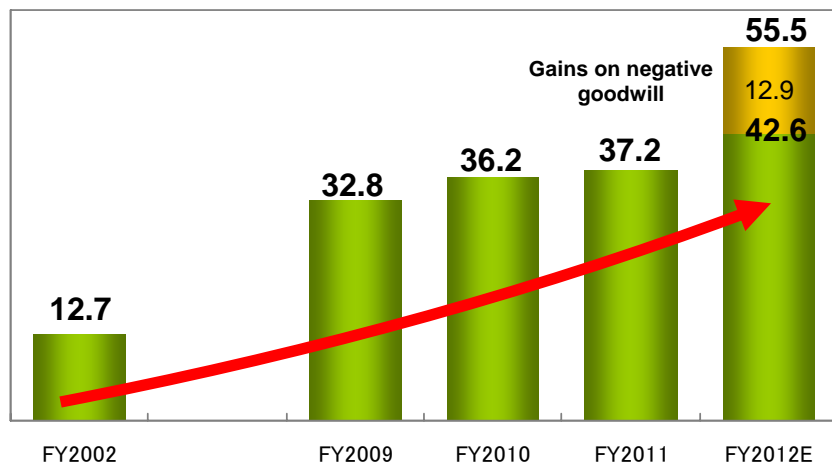
[Further increase productivity]

Ensure strategic placement of personnel through ongoing BPR

Realize visible benefits from the increase in front-office personnel in the second half of the 11th Medium-term Business Plan

Consolidated net income(10 years)

(JPY bn)



The effect of increase in equity stakes of Group companies

Gains on negative goodwill

JPY 12.9bn of gains to be booked as special gains in 1HFY2012

Increase in consolidated net income(after FY2012)

Roughly JPY 1.5bn of positive impact per year
(based on projected performance of FY2012)

Improve profitability on a consolidated basis

Conduct strategic investment to boost enterprise value

- ◆ **Construct a new headquarters building***
 - Enhance the ability to respond to disasters and strengthen supporting functions for communities and customers
 - Deliver improvements in operational efficiency by reforming work styles
- ◆ **IT investment**
 - Invest in IT systems to attain top-line growth
 - Enhance the functionality of internet branch for the buildup of a solid base to gain more deposits
- ◆ **Branch investment**
 - Strategically open branches in areas with growth potential

*Planned JPY22bn of investment and scheduled completion in February 2015

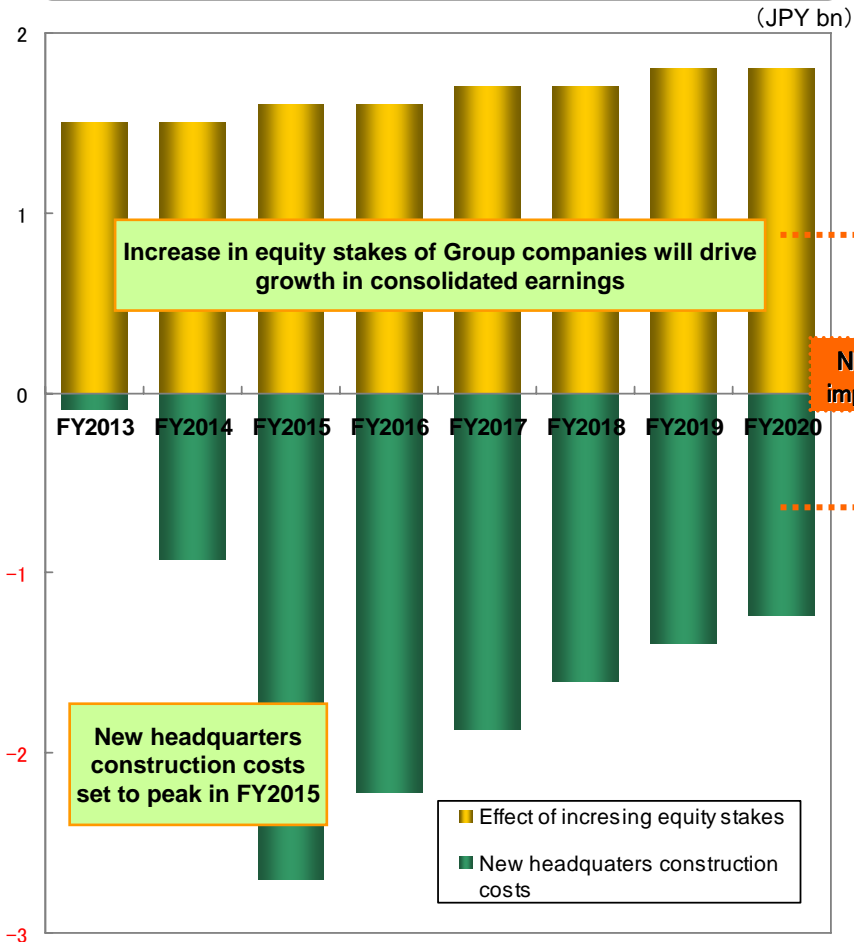


Progress of 11th Medium-term Business Plan “MIRAI—Future”(3)

SHIZUOKA BANK

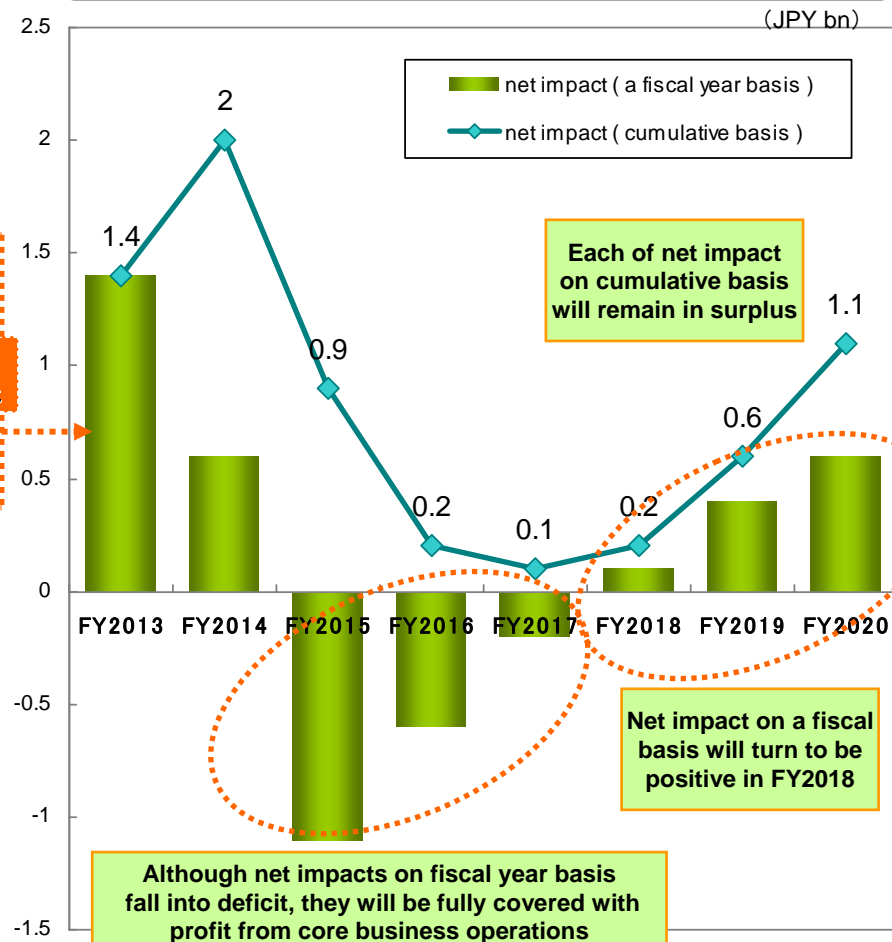
- Offset the cost of building the new headquarters by the profit coming from the acquisition of greater equity stakes in Group Companies
- Drive improvement in Group profitability to increase strategic investment in IT systems and others area

The cost of building the new headquarters and the effect of increasing equity stakes



※ New headquarters construction costs : primary costs, depreciation, etc (excluding IT system investment)

The net impact from building the new headquarters and increasing equity stakes



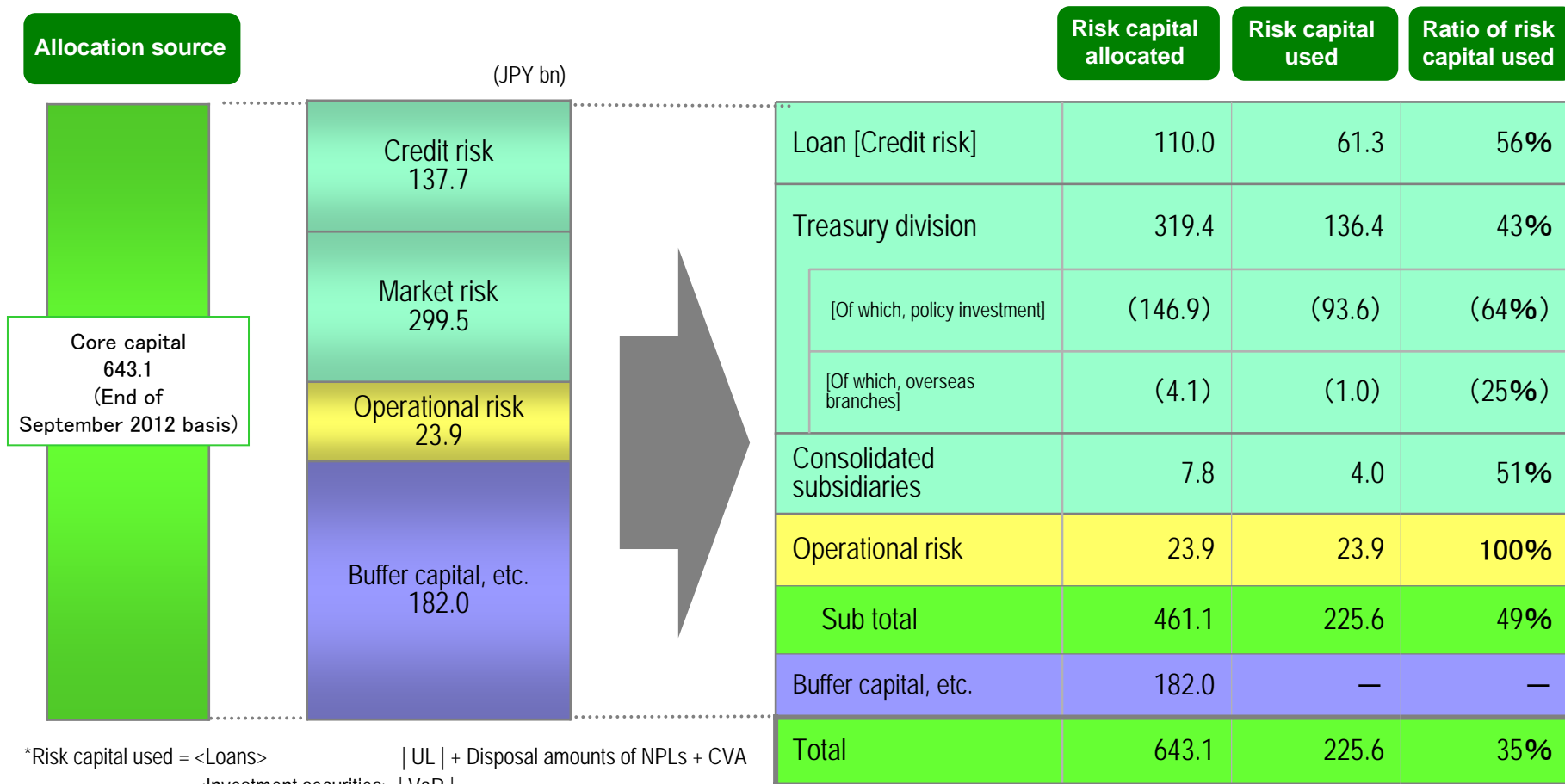
※net impact=The effect of increasing equity stakes + New headquarters construction costs



Allocation of risk capital

SHIZUOKA BANK

- Allocation of risk capital for the 2H FY2012 amounted to JPY 643.1bn, of which JPY 137.7bn was allocated to credit risk, JPY 299.5bn to market risk, JPY 23.9bn to operational risk, and JPY 182.0bn to buffer capital, etc
- JPY 61.3bn was used by the loans [credit risk] and JPY 136.4bn was used by the Treasury division



*Risk capital used = <Loans> | UL | Disposal amounts of NPLs + CVA
 <Investment securities> | VaR |
 <Others> | VaR |

*Core capital = common stock + retained earnings – cash outflow – intangible assets – prepaid pension expenses

*Buffer capital is kept aside for emergencies such as the anticipated Great Tokai Earthquake and other unquantifiable risks.

Borrowers with modified loan conditions on the basis of “Act on facilitation of succession of management of SMEs”

Borrowers with reduction of loan payment at the end of Sep. 2012

Borrowers classified as careful monitoring or in riskier categories who made changes in loan conditions by reducing payment on term

	Numbers of borrowers for which loan conditions were modified	Credit balance		Expected Loss	General transfer to loan loss
			Of which non-protected amount		
Loans for SMEs	*1 2,421	JPY 252.9bn	JPY 83.6bn	JPY 4.1bn	JPY 6.0bn
Housing loans	863	JPY 14.0bn	*2 JPY 3.5bn	JPY 0.1bn	JPY 0.3bn
Total	3,284	JPY 266.9bn	JPY 87.1bn	JPY 4.2bn	JPY 6.3bn

5.7% of total borrowers of business loans

*1 Including loans for apartments

Credit balance executed JPY 266.9bn (3.9% of total loans)
Of which, non-protected amount JPY 87.1bn (1.2% of total loans)

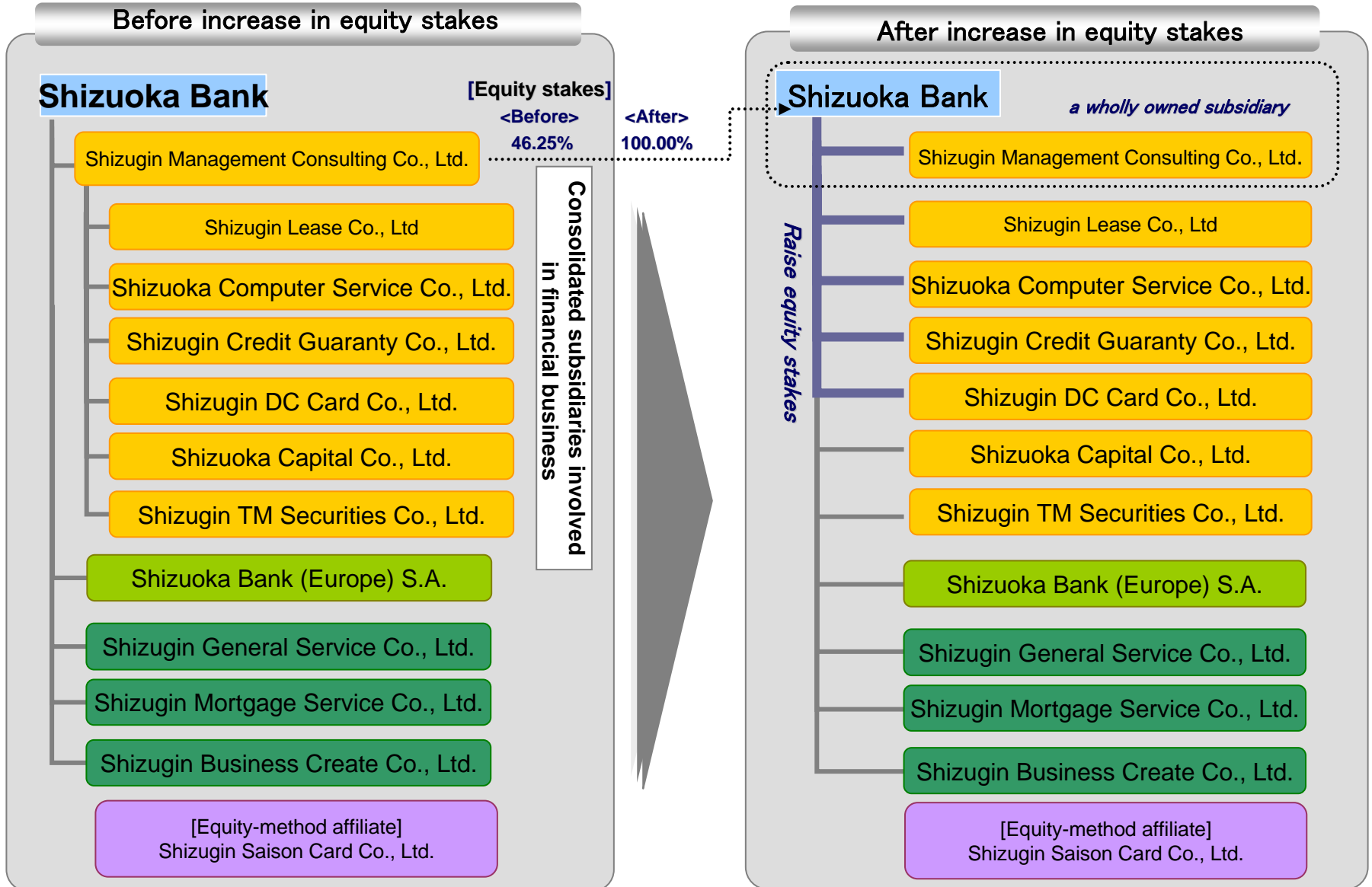
*2 Amount of non-protected housing loans was calculated on the basis of our collection performance

• Expected Loss (JPY 4.2bn) was managed within the range of “general transfer to loan loss balance” (JPY 6.3bn)



Group companies (1)

- We integrated the management of subsidiaries and parent companies and further strengthened Group governance by making core holding company Shizugin Management Consulting a wholly owned subsidiary and by increasing equity stakes in the other consolidated subsidiaries





Group companies (2)

SHIZUOKA BANK

- 11 consolidated subsidiaries earned JPY 35.5bn as total ordinary revenue and 4.5bn as total ordinary profit in 3Q FY2012

(JPY bn)

Company name	Business	Ordinary revenue		Ordinary Profit	
			YoY change		YoY change
Shizugin Management Consulting Co., Ltd.	Corporate and financial management advisory services	0.2	- 0.0	0.0	- 0.0
Shizugin Lease Co., Ltd.	Leasing	18.5	+ 0.5	1.4	- 0.0
Shizuoka Computer Service Co., Ltd.	Software development and sales	3.3	- 0.5	0.1	- 0.0
Shizugin Credit Guaranty Co., Ltd.	Guarantee of housing loans, etc.	1.4	+ 0.2	1.0	+ 0.2
Shizugin DC Card Co., Ltd.	Credit card and guarantee of consumer loans	1.3	- 0.1	0.3	- 0.1
Shizuoka Capital Co., Ltd.	Public-offering assistance Support for corporate rehabilitation	0.3	+ 0.0	0.1	- 0.0
Shizugin TM Securities Co., Ltd.	Securities	3.6	+ 0.3	1.3	+ 0.1
Shizuoka Bank (Europe) S.A.	Finance and securities-related services	0.3	- 0.1	0.0	- 0.0
Shizugin General Service Co., Ltd.	Part-time employee management General administration	2.2	- 0.1	0.0	+ 0.0
Shizugin Mortgage Service Co., Ltd.	Appraisal of real estate for loan collateral Operation center for loans	1.2	+ 0.1	0.0	+ 0.0
Shizugin Business Create Co., Ltd.	Operation center for remittance and bill collection Part-time employee management	3.2	- 0.3	0.0	- 0.0
Total (11 companies)		35.5	- 0.0	4.5	+ 0.1
Shizugin Saison Card Co., Ltd.*	Credit card and guarantee of consumer loans	0.9	+ 0.1	0.0	+ 0.0

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

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

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