

# Frequently Asked Questions



Below are the main frequently asked questions received by the Bank since the financial results briefing on Nov 8, 2019.

<b>Q1</b>	<b>What are the future prospects for credit-related costs in the current situation where the costs are increasing?</b>
<b>A1</b>	<p>We recognize that the reason for increase in credit-related costs is individual factors of corporate customers outside Shizuoka Prefecture. The number of bankruptcy is decreasing, the soundness of loan portfolio is not deteriorating, and we do not expect further increase in credit-related costs.</p> <p>Incidentally, we completed revision of the way to compute allowance for loan losses including extension of period to compute general allowance for loan losses in 1H FY2019 in order to realize even more detailed computation of allowance for loan losses.</p>
<b>Q2</b>	<b>What is the policy for future shareholder return?</b>
<b>A2</b>	<p>We have target of “50% level of shareholder return ratio in medium and long term” in the current 13th Medium Term Business Plan, and we will decide shareholder return of FY2019 based on our performance in 2H FY2019.</p> <p>We will decide the policy for shareholder return in the next Medium Term Business Plan by further discussing capital policy internally.</p>
<b>Q3</b>	<b>How is the progress of formulation of the next Medium Term Business Plan?</b>
<b>A3</b>	<p>While we are in the middle of internal discussion and can disclose only some parts about it, we would like to formulate a business plan which enables improvement of provision of comprehensive financial services through further enhancing collaboration among group companies, and contribution to development of regional economy.</p>

# SHIZU-GIN