

Shizuoka Financial Group

Financial Report 2026



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Shizuoka Financial Group, Inc.:

<Audit of Consolidated Financial Statements>

Opinion

We have audited the consolidated financial statements of Shizuoka Financial Group, Inc. and its consolidated subsidiaries (the "Group"), which comprise the consolidated balance sheet as of March 31, 2026, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, all expressed in Japanese yen.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, including the ethical requirements that are relevant to audits of the financial statements of public interest entities, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Determination of amounts of loans written-off and allowance for loan losses	
Key Audit Matter Description	How the Key Audit Matter Was Addressed in the Audit
As disclosed in Note 3, "SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Allowance for loan losses" to the consolidated financial statements, The Shizuoka Bank, Ltd. (the "Bank"), a consolidated subsidiary of the Group that engages in banking business, determines the allowance for loan losses in accordance with its write-off and allowance standards. In addition, the quality of loans is assessed through the determination of the category of borrowers by the branches and the Credit Supervision Department, with a subsequent audit performed by the Credit Examination Department, which is independent of these branches and departments, in accordance with the Group's policy and rules for self-assessment of asset quality. The Group recorded an allowance for loan losses of ¥53,558 million and loans and bills discounted of ¥11,185,408 million on the consolidated balance sheet as of March 31, 2026. The Bank determines the category of borrowers by comprehensively considering the information of each borrower, including financial information, future forecasts, loan contract terms, transaction histories and other qualitative information. In the area of credit-related matters, the Bank has established a Business Support Department, which will not only support borrowers' financing activities but also actively support borrowers' business improvement. For borrowers who have developed business improvement plans, borrower's categories are judged by considering future forecasts of the business plans such as budgets, medium-term management plans, and business improvement plans developed by the borrowers. In particular, in addition to the determination of the borrower's category, for loans to certain large borrowers for which the allowance for loan losses is determined using the Discounted	We performed the following procedures, among others, regarding the reasonableness of the assumptions used, such as future estimates within the business plans of certain large borrowers, in determining the allowance for loan losses as a key audit matter. This is especially relevant where the Bank intensively relies on these assumptions when determining a borrower's category and estimating future cash flows using the DCF method: ● We made inquiries and inspected related documents to test the design and operating effectiveness of controls over the Group's assessment of the reasonableness of the assumptions, such as future estimates within the borrowers' business plans, based on the analysis of business plans and their progress. ● To test the reasonableness of the assumptions, such as future estimates within the business plans of specific borrowers, we evaluated the sufficiency and reliability of the information used by the Group and performed the following procedures using information from external and other sources: ➢ We evaluated the reasonableness of the sales projections used in the borrowers' business plans by comparing them with historical sales results, the recent status of customer orders received, and the market environment. We also evaluated the actual achievement against the sales projections. ➢ We evaluated the reasonableness of the estimated cost reductions used in the business plans, assessing whether they were consistent with the sales projections and whether targets and methods

Cash Flow ("DCF") method, the Group records the allowance for loan losses by estimating the cash flows from the collection of principals and interests of the loans based on the borrowers' business plans. As disclosed in Note 4, "SIGNIFICANT ACCOUNTING ESTIMATE (Recording of allowance for loan losses)" to the consolidated financial statements, the borrowers' business plans involve uncertainty since they include assumptions related to future forecasts such as sales projections, estimated cost reductions, and expected repayment of loans. In particular, the sales projections are estimated based on assumptions regarding changes in the economic environment such as inflation, interest rate hikes, human resource shortages, geopolitical risks including the situation in the Middle East, potential market growth, and price trends in the industries where borrowers operate. Therefore, such estimates involve a high level of uncertainties and judgments made by the Group. Based on the above, we identified the reasonableness of the assumptions used, such as future estimates within the business plans of certain large borrowers, in determining the allowance for loan losses as a key audit matter, specifically where the Bank intensively relies on these assumptions when determining a borrower's category and estimating future cash flows using the DCF method.	for cost reduction were clearly defined. We also evaluated the actual achievement against the estimated cost reductions. ➤ We evaluated whether the expected repayment of loans used in the business plans was supported by reasonable estimates of the cash flows, which were consistent with the sales projections and the estimated cost reductions. ➤ We evaluated the need to revise the business plans by comparing them with historical results and testing the Group's causal factor analysis for borrowers showing high divergence.
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Other Information

Management is responsible for the other information. The Audit and Supervisory Committee is responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in Integrated Report , but does not include the consolidated financial statements and our auditor's report thereon. Integrated Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit and Supervisory Committee is responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall

presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit and Supervisory Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

<Fee-Related Information>

Fees for audit and other services for the year ended March 31, 2026, which were charged by us and our network firms to Shizuoka Financial Group, Inc. and its subsidiaries were ¥132 million and ¥56 million, respectively.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Deloitte Touche Tohmatsu LLC
August 7, 2026

Consolidated Balance Sheets

The Shizuoka Financial Group, Inc. and Consolidated Subsidiaries March 31, 2026

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2026	2025	2026
Assets:			
Cash and due from banks (Notes 16 and 35)	¥ 862,461	¥ 993,913	\$ 5,392,745
Call loans and bills bought (Note 35)	104,012	140,298	650,365
Monetary claims bought	44,738	50,723	279,735
Trading assets (Notes 8 and 35)	10,625	9,955	66,441
Money held in trust (Note 9)	282,200	143,701	1,764,527
Securities (Notes 10, 16 and 35)	2,997,542	3,269,737	18,742,843
Loans and bills discounted (Notes 11, 16, 17 and 35)	11,185,408	10,672,814	69,939,404
Foreign exchanges (Note 12)	8,754	9,366	54,737
Lease receivables and investment assets (Note 33)	88,578	84,718	553,855
Other assets (Notes 13 and 16)	319,301	230,709	1,996,505
Tangible fixed assets (Note 14)	53,538	50,084	334,764
Intangible fixed assets (Note 14)	20,990	21,049	131,247
Asset for retirement benefits (Note 22)	24,775	17,279	154,911
Deferred tax assets (Note 32)	4,364	3,185	27,291
Customers' liabilities for acceptances and guarantees (Note 15)	62,325	69,971	389,707
Allowance for loan losses (Note 35)	(53,558)	(52,599)	(334,888)
Allowance for investment losses	(46)	(48)	(287)
Total Assets	¥16,016,015	¥15,714,861	\$100,143,909
Liabilities and Equity:			
Liabilities:			
Deposits (Notes 16, 18 and 35)	¥12,386,701	¥11,914,134	\$ 77,450,768
Call money and bills sold (Note 35)	16,327	34,092	102,094
Payables under repurchase agreements (Notes 16 and 35)	405,800	506,350	2,537,360
Payables under securities lending transactions (Note 35)	79,722	409,480	498,483
Trading liabilities (Note 8)	4,588	3,663	28,693
Borrowed money (Notes 16, 19 and 35)	1,480,829	1,338,684	9,259,232
Foreign exchanges (Note 12)	602	469	3,767
Bonds payable (Note 20)	2,000	3,000	12,505
Borrowed money from trust account	185	109	1,160
Other liabilities (Note 21)	268,608	206,123	1,679,537
Liability for retirement benefits (Note 22)	2,640	3,805	16,507
Provision for directors' retirement benefits	992	563	6,208
Provision for losses from reimbursement of inactive accounts	573	583	3,582
Provision for contingent losses	1,303	1,242	8,153
Provision for point program	669	246	4,185
Provision for employee stock ownership plan	185	112	1,158
Reserves under special laws	19	14	119
Deferred tax liabilities (Note 32)	70,039	55,258	437,936
Acceptances and guarantees (Note 15)	62,325	69,971	389,707
Total Liabilities	14,784,115	14,547,907	92,441,164
Equity: (Notes 23, 24, 25 and 39)			
Capital stock:			
authorized, 2,000,000 thousand shares;			
issued, 580,129 thousand shares in 2026 and 2025	90,000	90,000	562,746
Capital surplus	40,946	40,861	256,025
Subscription rights to shares	38	86	240
Retained earnings	944,365	894,055	5,904,868
Treasury stock—at cost, 49,578 thousand shares in 2026 and 38,195 thousand shares in 2025	(71,073)	(41,756)	(444,406)
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities	227,612	183,698	1,423,198
Deferred gains on hedges	184,052	163,223	1,150,830
Deferred gains on hedges	17,892	10,388	111,879
Foreign currency translation adjustments	19,323	8,841	120,822
Defined retirement benefit plans	6,343	1,245	39,666
Total	1,231,888	1,166,945	7,702,672
Noncontrolling interests	11	8	72
Total Equity	1,231,900	1,166,953	7,702,745
Total Liabilities and Equity	¥16,016,015	¥15,714,861	\$100,143,909

See notes to consolidated financial statements.

Consolidated Statements of Income

The Shizuoka Financial Group, Inc. and Consolidated Subsidiaries Year ended March 31, 2026

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2026	2025	2026
Income:			
Interest Income:			
Interest on loans and discounts	¥178,108	¥153,360	\$1,113,667
Interest and dividends on securities	69,938	68,250	437,305
Other interest income	7,556	6,218	47,248
Subtotal	255,603	227,829	1,598,220
Fees and Commissions	94,998	88,452	593,997
Trading Income	1,432	1,542	8,955
Other Operating Income (Note 26)	17,204	2,239	107,573
Other Income (Note 27)	72,671	28,470	454,393
Total Income	441,909	348,534	2,763,140
Expenses:			
Interest Expense:			
Interest on deposits	53,856	42,495	336,752
Interest on borrowings and rediscounts	2,969	2,639	18,565
Other interest expense	29,219	35,592	182,704
Subtotal	86,046	80,727	538,023
Fees and Commission Payments	40,916	39,335	255,842
Other Operating Expenses (Note 28)	63,388	12,690	396,354
General and Administrative Expenses (Note 29)	105,301	97,110	658,424
Other Expenses (Notes 30 and 31)	19,157	14,040	119,788
Total Expenses	314,811	243,904	1,968,433
Income before income taxes	127,097	104,630	794,707
Income Taxes: (Note 32)			
Current	37,543	29,307	234,748
Deferred	(918)	713	(5,742)
Total income taxes	36,624	30,020	229,005
Net Income	90,472	74,609	565,701
Net Income (Loss) Attributable to Noncontrolling Interests	3	(8)	21
Net Income Attributable to Owners of the Parent	¥ 90,469	¥ 74,618	\$ 565,680

	Yen	U.S. Dollars (Note 2)
Per Share: (Note 39)		
Basic net income	¥167.66	¥136.37
Diluted net income	167.64	136.34
Cash dividends applicable to the year	80.00	60.00
		0.50

See notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income

The Shizuoka Financial Group, Inc. and Consolidated Subsidiaries Year ended March 31, 2026

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2026	2025	2026
Net Income	¥ 90,472	¥ 74,609	\$565,701
Other Comprehensive Income (Loss): (Note 38)			
Valuation difference on available-for-sale securities	20,931	(81,945)	130,879
Deferred gains on hedges	7,543	8,862	47,169
Foreign currency translation adjustments	9,510	459	59,466
Defined retirement benefit plans	5,098	(1,513)	31,878
Share of other comprehensive income (loss) in associates	829	(281)	5,185
Total other comprehensive income (loss)	43,913	(74,418)	274,580
Comprehensive Income	¥134,386	¥ 190	\$840,281
Total Comprehensive Income Attributable To:			
Owners of the parent	¥134,382	¥ 199	\$840,260
Noncontrolling interests	3	(8)	21

See notes to consolidated financial statements.

Consolidated Statements of Changes in Equity

The Shizuoka Financial Group, Inc. and Consolidated Subsidiaries Year ended March 31, 2026

	Thousands	Millions of Yen											
	Number of Shares of Common Stock Outstanding	Capital Stock	Capital Surplus	Subscription Rights to Shares	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income				Total	Noncontrolling Interests	Total Equity
							Valuation Difference on Available- for-Sale Securities	Deferred Gains or Losses on Hedges	Foreign Currency Translation Adjustments	Defined Retirement Benefit Plans			
Balance at April 1, 2024	585,129	¥90,000	¥45,922	¥86	¥845,288	¥(36,042)	¥245,056	¥1,238	¥9,063	¥2,758	¥1,203,370	¥16	¥1,203,387
Changes during the period													
Cash dividends, ¥47.00 per share		—	—	—	(25,850)	—	—	—	—	—	(25,850)	—	(25,850)
Net income attributable to owners of the parent		—	—	—	74,618	—	—	—	—	—	74,618	—	74,618
Purchase of treasury stock (8,157 thousand shares)		—	—	—	—	(10,993)	—	—	—	—	(10,993)	—	(10,993)
Disposal of treasury stock (148 thousand shares)		—	67	—	—	152	—	—	—	—	219	—	219
Retirement of treasury stock (5,000 thousand shares)	(5,000)	—	(5,128)	—	—	5,128	—	—	—	—	—	—	—
Net changes other than shareholders' equity		—	—	—	—	—	(81,833)	9,149	(221)	(1,513)	(74,418)	(8)	(74,427)
Balance at March 31, 2025	580,129	¥90,000	¥40,861	¥86	¥894,055	¥(41,756)	¥163,223	¥10,388	¥8,841	¥1,245	¥1,166,945	¥8	¥1,166,953
Balance at April 1, 2025	580,129	¥90,000	¥40,861	¥86	¥894,055	¥(41,756)	¥163,223	¥10,388	¥8,841	¥1,245	¥1,166,945	¥8	¥1,166,953
Changes during the period													
Cash dividends, ¥74.00 per share		—	—	—	(40,158)	—	—	—	—	—	(40,158)	—	(40,158)
Net income attributable to owners of the parent		—	—	—	90,469	—	—	—	—	—	90,469	—	90,469
Purchase of treasury stock (11,888 thousand shares)		—	—	—	—	(30,001)	—	—	—	—	(30,001)	—	(30,001)
Disposal of treasury stock (505 thousand shares)		—	84	—	—	683	—	—	—	—	768	—	768
Net changes other than shareholders' equity		—	—	(47)	—	—	20,828	7,504	10,481	5,098	43,865	3	43,869
Balance at March 31, 2026	580,129	¥90,000	¥40,946	¥38	¥944,365	¥(71,073)	¥184,052	¥17,892	¥19,323	¥6,343	¥1,231,888	¥11	¥1,231,900

	Thousands of U.S. Dollars (Note 2)											
	Capital Stock	Capital Surplus	Subscription Rights to Shares	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income				Total	Noncontrolling Interests	Total Equity
						Valuation Difference on Available -for-Sale Securities	Deferred Gains or Losses on Hedges	Foreign Currency Translation Adjustments	Defined Retirement Benefit Plans			
Balance at April 1, 2025	\$562,746	\$255,497	\$538	\$5,590,291	\$(261,089)	\$1,020,592	\$64,953	\$55,284	\$7,787	\$7,296,603	\$50	\$7,296,653
Changes during the period												
Cash dividends, \$0.46 per share	—	—	—	(251,102)	—	—	—	—	—	(251,102)	—	(251,102)
Net income attributable to owners of the parent	—	—	—	565,680	—	—	—	—	—	565,680	—	565,680
Purchase of treasury stock	—	—	—	—	(187,592)	—	—	—	—	(187,592)	—	(187,592)
Disposal of treasury stock	—	527	—	—	4,276	—	—	—	—	4,803	—	4,803
Net changes other than shareholders' equity	—	—	(298)	—	—	130,237	46,925	65,537	31,878	274,281	21	274,303
Balance at March 31, 2026	\$562,746	\$256,025	\$240	\$5,904,868	\$(444,406)	\$1,150,830	\$111,879	\$120,822	\$39,666	\$7,702,672	\$72	\$7,702,745

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

The Shizuoka Financial Group, Inc. and Consolidated Subsidiaries Year ended March 31, 2026

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	2026	2025	2026
I. Operating Activities:			
Income before income taxes	¥ 127,097	¥ 104,630	\$ 794,707
Adjustments for:			
Income taxes paid	(29,488)	(32,106)	(184,384)
Depreciation and amortization	12,881	13,197	80,544
Impairment losses	4,945	4,379	30,924
Gains on bargain purchase	(2,738)	—	(17,122)
Losses on step acquisition	1,369	—	8,561
Equity in losses (earnings) of affiliated companies	(1,517)	(823)	(9,486)
Increase (decrease) in allowance for loan losses	174	4	1,093
Increase (decrease) in allowance for investment losses	(2)	(1)	(14)
Decrease (increase) in asset for retirement benefits	(7,496)	416	(46,870)
Increase (decrease) in liability for retirement benefits	(1,165)	307	(7,285)
Increase (decrease) in provision for directors' retirement benefits	429	147	2,685
Increase (decrease) in provision for reimbursement of inactive accounts	(10)	(123)	(62)
Increase (decrease) in provision for contingent losses	61	(1)	382
Increase (decrease) in provision for point program	16	0	104
Increase (decrease) in provision for employee stock ownership plan	72	112	453
Interest income	(255,603)	(227,829)	(1,598,220)
Interest expense	86,046	80,727	538,023
Losses (gains) on securities	(13,559)	(4,033)	(84,786)
Losses (gains) on money held in trust	(948)	(466)	(5,931)
Losses (gains) on sale of fixed assets	(379)	(6,160)	(2,374)
Net decrease (increase) in trading assets	(669)	1,879	(4,189)
Net increase (decrease) in trading liabilities	925	(518)	5,784
Net decrease (increase) in loans and bills discounted	(456,697)	(288,029)	(2,855,608)
Net increase (decrease) in deposits	410,803	(28,141)	2,568,647
Net increase (decrease) in borrowed money	135,359	72,074	846,365
Net decrease (increase) in due from banks (excluding deposits paid to Bank of Japan)	22,307	25,589	139,481
Net decrease (increase) in call loans	40,014	(39,392)	250,200
Net decrease (increase) in monetary claims bought	5,985	3,020	37,427
Net increase (decrease) in call money	(20,136)	(15,431)	(125,905)
Net increase (decrease) in payables under repurchase agreements	(136,289)	(4,919)	(852,179)
Net increase (decrease) in payables under securities lending transactions	(329,758)	(369,301)	(2,061,891)
Net decrease (increase) in foreign exchanges (assets)	624	(3,085)	3,907
Net increase (decrease) in foreign exchanges (liabilities)	133	(653)	831
Net decrease (increase) in lease receivables and investment assets	(4,391)	(1,455)	(27,461)
Increase (decrease) in straight bonds-issuance and redemption	(1,000)	(1,000)	(6,252)
Net increase (decrease) in borrowed money from trust account	75	(7)	474
Interests and dividends received	255,025	226,996	1,594,608
Interests paid	(81,579)	(82,268)	(510,095)
Others-net	(33,633)	51,232	(210,298)
Total Adjustments	(399,812)	(625,664)	(2,499,919)
Net Cash Provided by (Used in) Operating Activities	(272,714)	(521,034)	(1,705,211)
II. Investing Activities:			
Purchases of securities	(1,085,909)	(942,920)	(6,789,903)
Proceeds from sales of securities	1,218,343	763,236	7,617,980
Proceeds from redemptions of securities	244,998	201,854	1,531,913
Increase in money held in trust	(138,500)	(1)	(866,003)
Decrease in money held in trust	0	500	4
Purchases of tangible fixed assets	(9,309)	(5,518)	(58,210)
Purchases of intangible fixed assets	(11,097)	(9,318)	(69,390)
Proceeds from sales of tangible fixed assets	1,106	6,830	6,919
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(55)	—	(343)
Proceeds from sales of shares of affiliated companies accounted for by the equity method	—	1,843	—
Net Cash Provided by (Used in) Investing Activities	219,578	16,506	1,372,966
III. Financing Activities:			
Dividends paid	(40,072)	(25,794)	(250,563)
Purchases of treasury stock	(30,001)	(10,993)	(187,592)
Proceeds from sales of treasury stock	0	—	0
Net Cash Provided by (Used in) Financing Activities	(70,074)	(36,788)	(438,156)
IV. Foreign Currency Translation Adjustments on Cash and Cash Equivalents	0	(0)	0
V. Net Increase (Decrease) in Cash and Cash Equivalents	(123,210)	(541,316)	(770,401)
VI. Cash and Cash Equivalents, Beginning of Year	879,153	1,420,470	5,497,115
VII. Cash and Cash Equivalents, End of Year	¥ 755,943	¥ 879,153	\$ 4,726,714

See notes to consolidated financial statements.

Cash and due from banks in the consolidated balance sheets at March 31, 2026 and 2025, are reconciled with cash and cash equivalents in the consolidated statements of cash flows as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Cash and due from banks	¥ 862,461	¥ 993,913	\$5,392,745
Due from banks other than the Bank of Japan	(106,518)	(114,759)	(666,031)
Cash and cash equivalents	¥ 755,943	¥ 879,153	\$4,726,714

Notes to Consolidated Financial Statements

The Shizuoka Financial Group, Inc. and Consolidated Subsidiaries Year ended March 31, 2026

1. BASIS OF PRESENTATION

The accompanying consolidated financial statements have been prepared from the accounts maintained by The Shizuoka Financial Group, Inc. (the “Company”) and its subsidiaries (the “Group”) in accordance with the provisions set forth in the Companies Act of Japan (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 in accordance with accounting principles generally accepted in Japan (“Japanese GAAP”), which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards (IFRS).
In preparing these consolidated financial statements, certain reclas-sifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form that is more familiar to readers outside Japan.

2. JAPANESE YEN AND U.S. DOLLAR AMOUNTS

As permitted by the Japanese Financial Instruments and Exchange Act, Japanese yen amounts less than one million and U.S. dollars amounts less than one thousand have been omitted. As a result, the totals shown in the accompanying consolidated financial statements and the notes (both in yen and U.S. dollars) 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 Company is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥159.93 to \$1, the approxi-mate rate of exchange at March 31, 2026. Such translation should not be construed as a 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, 2026, include the accounts of the Company, its 18 subsidiaries and two companies accounted for by the equity method.
During the current fiscal year, Shizugin Saison Card Co., Ltd., which had been accounted for by the equity method, became a consoli-dated subsidiary as a result of an additional acquisition of its shares (effective July 1, 2025).

Under the control and influence concepts, those companies in which the Company, 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.

There are 16 companies that the Company has not made subsidiar-ies, although it owned a majority of the voting rights (business execution rights) of those companies in its own account, and there are three companies that the Company has not made associated compa-nies, although it owned at least 20% and not more than 50% of the voting rights (business execution rights) of those companies in its own account. They are not treated as subsidiaries or associated

companies because they are owned by consolidated subsidiaries engaged in the investment business as business transactions for the purpose of acquiring capital gains through investment development, etc., and not for the purpose of including them in the Group.
For investments in the remaining unconsolidated subsidiaries and associated companies, if the equity method of accounting had been applied, the effect on the accompanying consolidated financial state-ments would be immaterial.
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:

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. However, financial statements prepared by foreign subsidiaries in accordance with either IFRS or generally accepted accounting principles in the United States of America tentatively may be used for the consolidation process, except for the following items that should be adjusted in the consolidation process so that net income is accounted for in accordance with Japanese GAAP, unless they are not material: (a) amortization of goodwill; (b) scheduled amortization of actuarial gain or loss of pen-sions that has been recorded in equity through other comprehensive income; (c) expensing capitalized development costs of R&D; and (d) cancellation of the fair value model of accounting for property, plant and equipment and investment properties and incorporation of the cost model of accounting; and (e) recording a gain or loss through profit or loss on the sale of an investment in an equity instrument for the difference between the acquisition cost and selling price, and recording impairment loss through profit or loss for other-than-tempo-rary declines in the fair value of an investment in an equity instrument, where a foreign subsidiary elects to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument.

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 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 (expense)” 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 using the straight-line method. 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.

Available-for-sale securities whose fair value cannot be reliably determined 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 Company and domestic consolidated subsidiaries engaged in the banking business is computed mainly using the declining-balance method over the estimated useful lives, while the straight-line method is applied to structures acquired on or after April 1, 2016.

The range of useful lives is principally from three to 50 years for buildings and from two to 20 years for equipment.

Depreciation of tangible fixed assets owned by the other consolidated subsidiaries is computed mainly using the declining-balance method based on the criteria as stipulated in the Corporation Tax Act.

Lease assets under lease transactions, in which ownership of the lease property is not deemed to be transferred to the lessee, are depreciated by the straight-line method over the lease term.

The residual value is zero or the guaranteed value if specified in the lease contracts.

Impairment loss:

The Group reviews its long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss is 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:

Internal-use software development costs are amortized using the straight-line method over the useful life (five years) stipulated by the Group.

Allowance for loan losses:

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

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

The Group has established a credit rating system under which its borrowers are classified into five categories. The credit rating system is used for self-assessment of asset quality. All borrowers are classified into five categories for self-assessment purposes - “normal,” “caution,” “possible bankruptcy,” “virtual bankruptcy,” and “legal bankruptcy.”

Legal bankruptcy:

Borrowers who are legally or formally bankrupt, such as bankruptcy or special liquidation.

Virtual bankruptcy:

Borrowers virtually in the same situation as legal bankruptcy.

Possible bankruptcy:

Borrowers who are not currently bankrupt, but are likely to fall into bankruptcy in the future.

Caution:

Borrowers who have problems with lending conditions or reimburse performance have slow growth or unstable business conditions.

Management required:

Borrowers in “caution” whose loans require management (being with restricted loans and loans overdue for more than three months).

Normal:

Borrowers who are recognized as having good business conditions and no particular financial problems.

(a) For loans to borrowers classified as legal bankruptcy or virtual bankruptcy, the Group fully provides the net amount of loans and estimated collectible amounts by collateral or guarantees. Regarding loans to borrowers classified as possible bankruptcy, a specific reserve is provided to the necessary extent for the net amount of loans and estimated collectible amounts by collateral or guarantees.

(b) For the borrower with certain loan amounts classified as possible bankruptcy or being with restructured loans, if cash flows from collection of principals and interests can be reasonably estimated, the Group provides the difference between the present value of these cash flows discounted at the initial contractual rates and the book values of loans (the “DCF” method). For other loans, a general allowance is provided based on anticipation of the expected loss for the average remaining life of loans, etc. The expected loss amount is calculated by adjusting the loss ratio considering future projections.

(c) For the borrower with certain loan amounts classified as caution or management required, the Group provides the difference between the present value of these cash flows discounted at the initial contractual rates and the book values of loans (the “DCF” method) if cash flows from collection of principals and interests can be reasonably estimated.

(d) For loans to borrowers classified as normal, caution and management required, a general allowance is provided based on anticipation of the expected loss for the average remaining life of loans, etc. The loss ratio is calculated based on the average value of the actual loan loss ratio over a certain period in the past, and the expected loss amount is calculated by adjusting the loss ratio considering future projections.

Grouping in calculating loss ratio

In calculating loss ratio, borrowers are divided into consumer loan borrowers and business-lending borrowers. Business-lending borrowers are classified into two categories of normal (upper normal and lower normal), three categories of caution (upper caution, lower caution, and management required), and one category of legal bankruptcy, for a total of seven categories.

A certain period of time in which the expected loss amount is expected in the future
Allowance for loan losses is recorded based on anticipation of the expected loss ratio for the period corresponding to the average remaining period of receivables (the average remaining period is eight years for consumer loan borrowers, among business loan borrowers of (d) above, about three to four years for “normal,” about three years for “caution,” and about four years for “management required” and about five years for “possible bankruptcy” of (b) above).

Revision of expected loss ratio due to future prospects, etc.
In the current fiscal year, the expected loss ratio has been revised for “management required,” but the impact on allowance for loan losses is minor.

The consolidated subsidiaries provide based on anticipation of the expected loss 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.

Retirement and pension plans:

Certain consolidated subsidiaries have lump-sum retirement benefit plans, a contributory funded defined benefit pension plan, and a noncontributory funded pension plan.

The projected benefit obligations are attributed to periods on a straight-line basis. Actuarial gains and losses are amortized on a straight-line basis over 10 years within the average remaining service period. Past service costs are recognized in the applicable year.

Provision for losses from reimbursement of inactive accounts:

The provision for losses from reimbursement of inactive accounts, which are derecognized as liabilities under certain conditions, is provided for possible losses on future claims of withdrawal based on historical reimbursement experience.

Provision for retirement benefits to directors:

The provision for retirement benefits to directors is provided for the payments that have occurred up to the end of the fiscal year to pay for retirement benefits to directors.

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 a loss-sharing system.

Provision for point program:

The provision for point program is provided for the reasonably estimated future usage of points given to credit card customers.

Provision for employee stock ownership plan:

The provision for employee stock ownership plan is provided based on the expected amount of stock benefit obligations at the end of the current consolidated fiscal year in order to prepare for the provision of the Company’s shares to employees of the Group in accordance with the Stock Benefit Regulations established by the Company.

Reserves under special laws:

Reserves under special laws are reserves for financial product transaction liabilities in accordance with Section 1, Article 46-5 of the Japanese Financial Instruments and Exchange Act.

Asset retirement obligations:

An asset retirement obligation is recorded for a legal obligation imposed either by law or contract that results from the acquisition, construction, development, and 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 the 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 adjustment to the carrying amount of the liability and the capitalized amount of the related asset retirement cost.

Leases:

Lessor
For financing leases in which the Group is a lessor, sales and cost of sales are accounted for when lease payments are paid.

Stock options:

The accounting standard for stock options requires companies to measure the cost of employee stock options based on the fair value at the date of grant and recognize compensation expense over the vesting period as consideration for receiving goods or services. The standard also requires companies to account for stock options granted to nonemployees based on the fair value of either the stock options or the goods or services received. In the balance sheets, the stock options are presented as stock acquisition rights as a separate component of equity until exercised. The standard covers equity-settled, share-based payment transactions, but does not cover cash-settled, share-based payment transactions. In addition, the standard allows unlisted companies to measure options at their intrinsic value if they cannot reliably estimate fair value.

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 Company and its consolidated 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:

All derivative transactions, except those entered into for hedging purposes, are recognized as either assets or liabilities and measured at fair value, with gains or losses on derivative transactions recognized in the consolidated statements of income.
For derivative transactions used for hedging purposes, the methods of hedge accounting are as follows:

(a) Transactions to hedge against interest rate risk
Transactions to hedge against interest rate risk affecting the financial assets and liabilities of the Group are accounted for using deferral hedge accounting as stipulated in the Japanese Institute of Certified Public Accountants (JICPA) Industry Committee Practical Guideline No. 24, March 17, 2022, “Accounting and Auditing Treatments on the Application of Accounting Standards for Financial Instruments in the Banking Industry.” 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.

(b) Special hedging treatment is applied for interest rate swaps
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 the JICPA Industry Committee Practical Guideline No. 25, October 8, 2020, “Accounting and Auditing Treatments of Accounting Treatments on Foreign Currency Transactions in the Banking Industry.”
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 Group 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.

Consolidated statements of cash flows:

For the purpose of the consolidated statements 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 attributable to common shareholders by the weighted-average number of common shares outstanding for the period. The average number of common shares used in the computation was 539,598 thousand shares for 2026 and 547,165 thousand shares for 2025.
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 consolidated statements of income are dividends applicable to the year, including dividends to be paid after the end of the year.

4. SIGNIFICANT ACCOUNTING ESTIMATE
(Recording of allowance for loan losses)

(1) Carrying amounts

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Allowance for loan losses	¥53,558	¥52,599	\$334,888

(2) Information on the significant accounting estimate
(a) Calculation method
The calculation method of allowance for loan losses is listed in “Allowance for loan losses” of “3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.”

(b) Main assumptions
Assumptions are made in determining the impact on borrower’s category, future forecasts such as sales projections, cost reductions, and borrower’s repayment schedules on business plan used for the classification of borrower’s category and the estimate of future cash flow based on cash flow estimate method.
Future forecasts such as sales projections, cost reductions, and borrower’s repayment schedules on business plan, are determined based on the potential market growth and price trends in the industries to which the borrower belongs.

(c) The impact on the consolidated financial statements for the next fiscal year
If the original assumption for estimates changes because of the change in the economic environment, such as high prices, interest rate hikes and labor shortages, market growth potential and price trends in the industry to which the borrower belongs, the balance of allowance for loan losses may fluctuate due to the change in borrower’s category, cash flow estimates, and expected loss ratio, and it may affect the consolidated financial statements for the next fiscal year.

(Impairment losses on fixed assets)

Other information that contributes to the understanding of users of consolidated financial statements regarding the content of accounting estimates
(1) Calculation method of the amount recorded in the consolidated financial statements for the current consolidated fiscal year
In the current consolidated fiscal year, due to the inability to expect a recovery of the investment in business assets belonging to the branches that constitute the branch sales departments of the Shizuoka Bank, Ltd. (the “Bank”) , a consolidated subsidiary of the Company, the book value was reduced to the recoverable value, and the amount of reduction of ¥4,945 million (\$30,924 thousand) was recorded in the extraordinary losses as impairment losses. The details of the impairment losses are as follows:

	Millions of Yen	Thousands of U.S. Dollars
	2026	2026
Software and other assets	¥4,815	\$30,111
Land	47	299
Buildings	3	22
Leased assets	7	44
Other tangible fixed assets	71	447
Total	¥4,945	\$30,924

The identification of signs of impairment in the determination of impairment at the department level, the determination of the recognition of impairment loss, and the calculation method are as follows: (Identification of signs of impairment, determination and measurement of whether recognition is necessary)
For each division, the Bank identifies signs of impairments in the event that the profit or loss arising from the sales activities of the division continues to be negative or is expected to continue to be negative, if the land value falls by more than 50% of the book value, or if there is a change in the use of assets due to factors, such as the closure or relocation of branches.
For fixed assets to which sign of an impairment is visible, the Bank determines whether or not impairment losses need to be recognized. If the total amount of future cash flows before discounts obtained from fixed assets in the relevant division is less than the book value of the fixed assets, the book value of the fixed assets is reduced to the recoverable value, and the amount of the decrease is recorded as an impairment loss. The recoverable value is calculated as the higher of the use value or the net sale value.

(2) Key assumptions used to calculate the amounts recorded in the consolidated financial statements for the current fiscal year
At the Bank, the smallest unit of grouping is the branch unit for each branch sales department.
Software and other assets that are reasonably deemed to be used by each department are assets that belong to each department. Software belonging to the branch sales department is allocated to the sales branch based on the headcounts of each sales branch.
Future cash flows, which are used to measure the value-in-use of each branch, are calculated based on the most recent net operating income and net operating income plan. In addition, the value-in-use is calculated as the discounted present value of future cash flows, where the discount rate used in the calculation is 10% with reference to the level of the cost of capital (calculated based on the risk-free rate, stock beta, etc.).
The net selling price is calculated by deducting the estimated disposal cost from the real estate appraisal value, which is an indicator that is considered to appropriately reflect the market value. Since the software assets are customized as systems for in-house use and have no value-in-use at other companies, the net selling price is zero.

(3) Impact on consolidated financial statements for the current fiscal year and the years after
For valuation of real estates, basis for calculating future cash flows, discount rates, and net sellable value, are used to calculate the value-in-use. These assumptions used during the current consolidated fiscal year’s valuation, may be affected by changes in social and economic trends, real estate market conditions, financial and economic environments, etc. If it becomes necessary to review the assumptions, the amount of impairment loss may increase.

5. NEW ACCOUNTING PRONOUNCEMENTS

“Accounting Standard for Leasing” (Accounting Standards Board of Japan (ASBJ) Statement No. 34, September 13, 2024)
“Implementation Guidance on Accounting Standard for Leasing” (ASBJ Guidance No. 33, September 13, 2024), etc.

(1) Overview

In the same manner as the international accounting standards, it stipulates the treatment of all leases of a lessee such as recording assets and liabilities.

(2) Scheduled date of application

The Group will apply the standard and guidance from the beginning of the fiscal year ending March 2028.

(3) Impact of the respective accounting standard and implementation guidance
The Group is currently assessing the impact of adopting the above standard and guidance on the consolidated financial statements.

6. ADDITIONAL INFORMATION

Memorandum of Understanding Regarding Business Integration between the Company and The Bank of Nagoya, Ltd.
At the Board of Directors meeting held on March 27, 2026, the Company resolved to reach a memorandum of understanding to proceed with discussions and deliberations aimed at realizing a business integration (the “Business Integration”) with The Bank of Nagoya, Ltd. (“The Bank of Nagoya”) (the Company and The Bank of Nagoya are collectively referred to as the “Companies”) and the Companies have entered into a memorandum of understanding.

(1) Guiding principles on and objectives of the Business Integration
The Business Integration aims to develop the Companies into a top-tier regional bank financial group in terms of both scale and quality of business, by promoting a broader-area collaboration among the Companies, and also reinforcing the regional financial capability by strengthening the function of offering various solution-based sales to solve the challenges faced by the customers.

(a) Enhancing corporate values by the financial group structure after the business integration

- The financial group (the “New FG”) after the business integration will operate within the framework of a two-bank structure, namely, The Shizuoka Bank, Ltd. (“The Shizuoka Bank”) and The Bank of Nagoya, under a holding company (the “New FG Holding Company”).
- Building on the spirit of equality based on mutual understanding and mutual respect fostered through the Alliance, the Companies will develop the relationship of trust with the local communities and the customers which they have cultivated so far, and operate their businesses with an emphasis on “independence (autonomy) and collaboration” under the internal controls of the holding company structure.

- From a governance perspective, that is, separation of supervision and execution, the New FG Holding Company will continue to assume the supervisory role, promoting business strategies and ensuring appropriate allocation of management resources across all group companies, including The Shizuoka Bank and The Bank of Nagoya, thereby aiming for sustainable enhancement of corporate value.

(b) Contributing to the local communities and the customers as regional financial institutions

- By mutually leveraging the knowledge and strengths of the Companies, for example, by integrating the Company’s group company functions offering various solution-based sales with The Bank of Nagoya’s strong sales and customer base in Aichi Prefecture, the Companies will achieve mutual growth with the local communities and the customers while contributing to the advancement and enhanced competitiveness of local industries.
- With this, the Companies will encourage the creation of globally active companies from their respective sales areas through fostering local industries, thereby contributing to the development of the regional economy.

(c) Evolution of human capital management

- As the scale and scope of business expand, the Companies recognize that the expertise required of their human resources must be increasingly sophisticated and diversified. The New FG will create an environment where every officer and employee can exert their capabilities to the fullest, by enhancing career development opportunities and strengthening personnel development support systems.
- The Companies aim to build a corporate group where all officers and employees can work with pride and peace of mind for years to come, while also pushing forward the establishment of an organizational foundation where diverse talents can thrive.

(2) Structure of the Business Integration
Subject to obtaining the necessary approval of the general meeting of shareholders and permits and approvals from the relevant authorities, the Companies will discuss and consider conducting the Business Integration under the structure of a share exchange with a target effective date of April 1, 2028, wherein the Company will become the wholly-owning parent company and The Bank of Nagoya a wholly-owned subsidiary. As The Bank of Nagoya will become a wholly-owned subsidiary of the Company through the share exchange, the shares of The Bank of Nagoya are scheduled to be delisted from the Tokyo Stock Exchange and the Nagoya Stock Exchange prior to the effective date of the share exchange. Please note that the structure of the Business Integration is subject to change during the future discussions and deliberations to be continued between the Companies.

(3) Share exchange ratio
The share exchange ratio for the share exchange in the Business Integration will be determined by the time the definitive agreement for the Business Integration is concluded, based on various factors including the results of the upcoming due diligence and the results of stock valuation by third-party valuation firms.

(4) Establishment of integration preparation committee
The Companies will establish an integration preparation committee co-chaired by the President of the Company and the President of The Bank of Nagoya to hold intensive discussions regarding the Business Integration.

(5) Upcoming schedule		
March 2027 (scheduled)	Execution of the definitive agreement and the share exchange agreement concerning the Business Integration	
December 2027 (scheduled)	Extraordinary general meeting of shareholders at The Bank of Nagoya	
April 1, 2028 (scheduled)	Effective date of the share exchange	

(Note 1) For the Company, the Business Integration is planned to be conducted without obtaining the approval for the share exchange agreement regarding the Business Integration from the general meeting of shareholders, pursuant to the simplified share exchange procedures set forth in Article 796, Paragraph 2 of the Companies Act. However, depending on the share exchange ratio to be determined through future discussions, the Business Integration may not qualify as a simplified share exchange. Whether the approval of the general meeting of shareholders at the Company is required will be confirmed by the time the definitive agreement is concluded.

(Note 2) The above schedule is tentative at this time and is subject to change depending on future discussions between the Companies. In addition, execution of the Business Integration is contingent upon obtainment of the necessary permits and approvals from the relevant authorities (including the filing of a Form F-4 registration statement with the U.S. Securities and Exchange Commission (the “SEC”) and having the registration statement be declared effective). Should any event occur that delays the schedule for the Business Integration due to the status of obtainment of such permits and approvals, the Companies will promptly make an announcement.

(6) Overview of the Companies (as of March 31, 2026)			
Name	Shizuoka Financial Group, Inc.	The Bank of Nagoya, Ltd.	
Place of head office	10, Gofukucho 1-chome, Aoi-ku, Shizuoka City, Shizuoka	19-17, Nishiki 3-chome, Naka-ku, Nagoya City, Aichi	
Name and title of representative	Hisashi Shibata, President	Ichiro Fujiwara, President	
Description of businesses	Business administration of banks and other subsidiaries whose ownership therein is permitted by the Banking Act and any and all businesses incidental to or relating to such business; and other businesses which a bank holding company is permitted to operate by the Banking Act	Banking business	
Stated capital	¥90,000 million (\$562,746 thousand)	¥25,090 million (\$156,881 thousand)	
Date of establishment	October 3, 2022	February 24, 1949	
Total number of issued shares	580,129 thousand shares of common stock	49,366 thousand shares of common stock	
Fiscal year end	March 31	March 31	
Total assets (consolidated)	¥16,016,015 million (\$100,143,909 thousand)	¥6,272,701 million (\$39,221,540 thousand)	
Net assets (consolidated)	¥1,231,900 million (\$7,702,745 thousand)	¥313,890 million (\$1,962,671 thousand)	
Deposit balance (consolidated)	¥12,210,042 million (\$76,346,169 thousand)	¥5,381,207 million (\$33,647,264 thousand)	
Loan balance (consolidated)	¥11,185,408 million (\$69,939,404 thousand)	¥4,310,294 million (\$26,951,128 thousand)	
Number of employees (consolidated)	4,226 people	1,926 people	

(7) Other matters
In the event the Business Integration is executed, the shareholders of The Bank of Nagoya will receive the shares of the Company. Pursuant to the U.S. Securities Act of 1933, the Company is expected to file a Form F-4 registration statement with the SEC regarding the Business Integration.

7. STOCK GRANT TRUST FOR EMPLOYEES
1. Outline of the transaction
The Company has introduced an employee stock delivery trust (RS trust) plan (hereinafter referred to as the “Plan” and the trust established for the purpose of introducing the Plan is referred to as the “Trust”) for all employees of the Company and its subsidiaries (hereinafter referred to as “Employees”) as an incentive plan.
The purpose of the Plan is to strengthen human capital investment in Employees, who are an important part of achieving the Group’s goal of “maximizing social value creation and corporate value enhancement,” which will lead to improved well-being of Employees and engagement, and to promote co-growth between the organization and individuals.
Under the Plan, a trust will be established using the money contributed by the Company as a source of capital, and the Trust will acquire the Company’s shares and deliver the Company’s shares equivalent to the number of points granted to Employees through the Trust (provided, however, that Employees shall be subject to a transfer restriction for a certain period from the date of delivery). Details such as the number of shares to be delivered to the eligible persons will be operated in accordance with the stock delivery regulations established by the eligible company.

2. Shares of the Company remaining in the Trust
The book value and number of shares of the Company remaining in the Trust were ¥527 million (\$3,299 thousand) and 345 thousand shares in the current consolidated fiscal year, and were recorded as treasury stock in the net assets.

8. TRADING ASSETS AND LIABILITIES				
Trading assets and liabilities at March 31, 2026 and 2025, consisted of the following:				
(a) Trading assets				
	Millions of Yen		Thousands of U.S. Dollars	
	2026	2025	2026	
Trading securities:				
Japanese government bonds	¥ 18	¥ 78	\$ 114	
Local government bonds	202	373	1,267	
Industrial bonds	72	258	454	
Subtotal	293	711	1,836	
Financial derivatives:				
Other (Note)	5,338	4,249	33,378	
Subtotal	5,338	4,249	33,378	
Other trading assets:				
Commercial paper	4,994	4,995	31,227	
Subtotal	4,994	4,995	31,227	
Total	¥10,625	¥ 9,955	\$66,441	

(b) Trading liabilities

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Financial derivatives:			
Other (Note)	¥4,588	¥3,663	\$28,693
Subtotal	4,588	3,663	28,693
Total	¥4,588	¥3,663	\$28,693

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

9. MONEY HELD IN TRUST

Money held in trust at March 31, 2026 and 2025, consisted of the following:

	Millions of Yen			
	2026			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Money held in trust classified as:				
Held-to-maturity	¥ 5,700			¥ 5,700
Money held in trust classified as:				
Available-for-sale	276,500			276,500

	Thousands of U.S. Dollars			
	2026			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Money held in trust classified as:				
Held-to-maturity	\$ 35,640			\$ 35,640
Money held in trust classified as:				
Available-for-sale	1,728,887			1,728,887

	Millions of Yen			
	2025			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Money held in trust classified as:				
Held-to-maturity	¥ 5,700			¥ 5,700
Money held in trust classified as:				
Available-for-sale	138,001			138,001

10. SECURITIES

Securities at March 31, 2026 and 2025, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Japanese government bonds	¥ 831,145	¥ 947,277	\$ 5,196,931
Local government bonds	13,680	172,049	85,538
Corporate bonds	488,446	531,310	3,054,129
Corporate stocks	586,778	497,824	3,668,973
Other securities	1,077,491	1,121,276	6,737,270
Total	¥2,997,542	¥3,269,737	\$18,742,843

Securities included equity investments in unconsolidated subsidiaries and affiliated companies that amounted to ¥33,156 million (\$207,321 thousand) and ¥31,737 million as of March 31, 2026 and 2025, respectively.

Securities lent under unsecured loan agreements included as corporate stocks in securities amounted to ¥180 million (\$1,125 thousand) as of March 31, 2026.

In addition to securities, the following table presents details of trading securities and commercial paper classified as trading assets and negotiable certificates of deposit classified as cash and due from banks.

Information regarding each category of the securities classified as trading, available-for-sale, and held-to-maturity at March 31, 2026 and 2025, was as follows:

	Millions of Yen			
	2026			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Trading				¥ 5,287
Available-for-sale:				
Equity securities	¥ 81,160	¥472,052	¥ 17	553,194
Debt securities	1,376,040	19	189,415	1,186,644
Others	960,773	19,117	39,551	940,339
Held-to-maturity	151,195		3,058	148,136

	Thousands of U.S. Dollars			
	2026			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Trading				\$ 33,063
Available-for-sale:				
Equity securities	\$ 507,472	\$2,951,617	\$ 109	3,458,980
Debt securities	8,604,014	123	1,184,366	7,419,771
Others	6,007,463	119,537	247,306	5,879,693
Held-to-maturity	945,382		19,123	926,259

	Millions of Yen			
	2025			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Trading				¥ 5,706
Available-for-sale:				
Equity securities	¥ 87,237	¥375,854	¥ 79	463,011
Debt securities	1,759,259	2	127,831	1,631,430
Others	1,020,926	11,646	41,023	991,548
Held-to-maturity	23,226		675	22,551

Available-for-sale securities sold during the years ended March 31, 2026 and 2025, were as follows:

	Millions of Yen		
	2026		
	Proceeds from Sales	Total Amount of Gains on Sales	Total Amount of Losses on Sales
Equity securities	¥ 67,152	¥60,220	¥ —
Debt securities:	626,009	8,218	58,587
Others	486,325	11,556	7,580
Total	¥1,179,487	¥79,995	¥66,167

	Thousands of U.S. Dollars		
	2026		
	Proceeds from Sales	Total Amount of Gains on Sales	Total Amount of Losses on Sales
Equity securities	\$ 419,889	\$376,543	\$ —
Debt securities:	3,914,270	51,385	366,329
Others	3,040,863	72,261	47,395
Total	\$7,375,023	\$500,191	\$413,725

	Millions of Yen		
	2025		
	Proceeds from Sales	Total Amount of Gains on Sales	Total Amount of Losses on Sales
Equity securities	¥ 16,761	¥13,597	¥ —
Debt securities:	217,286	46	11,473
Others	455,155	8,564	3,957
Total	¥689,203	¥22,208	¥15,430

Marketable available-for-sale securities whose fair value significantly declines in comparison with their acquisition cost and whose fair value of the securities will not recover to their acquisition cost are written down and accounted for as impairment losses.

The Group recognizes securities as having significantly declined when their fair value is more than 30% below their acquisition cost. Impairment losses on marketable available-for-sale equity securities for the years ended March 31, 2026 and 2025, were ¥65 million (\$411 thousand) and ¥34 million, respectively.

11. LOANS AND BILLS DISCOUNTED

Loans and bills discounted at March 31, 2026 and 2025, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Bills discounted	¥ 7,729	¥ 12,791	\$ 48,331
Loans on bills	119,009	119,672	744,135
Loans on deeds	9,860,053	9,407,161	61,652,309
Overdrafts	1,198,615	1,133,188	7,494,627
Total	¥11,185,408	¥10,672,814	\$69,939,404

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 restructured loans at March 31, 2026 and 2025, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Claims provable in rehabilitation			
from bankruptcy and equivalents	¥17,356	¥19,706	\$ 108,526
Doubtful claims	67,025	66,393	419,093
Loans past due for three months or more	440	1,126	2,755
Restructured loans	7,513	7,768	46,976
Total	¥92,336	¥94,996	\$ 577,352

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. Restructured loans 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, or the relinquishment of claims) with the goal of supporting the recovery of borrowers that have fallen into financial difficulty, and thereby promoting the recovery of the loan.

Bills discounted are accounted for as financial transactions in accordance with the JICPA Industry Audit Committee Report No. 24. The Group had the right by contract or custom to sell or repledge bills discounted and foreign exchange bills bought and their total face values were ¥11,967 million (\$74,828 thousand) and ¥15,099 million as of March 31, 2026 and 2025, respectively.

12. FOREIGN EXCHANGES

Foreign exchange assets and liabilities at March 31, 2026 and 2025, consisted of the following:

(a) Assets

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Due from foreign banks	¥4,184	¥6,875	\$26,165
Foreign exchange bills bought	4,237	2,308	26,496
Foreign exchange bills receivable	331	181	2,074
Total	¥8,754	¥9,366	\$54,737

(b) Liabilities

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Foreign exchange bills sold	¥ 2	¥ 30	\$ 13
Foreign exchange bills payable	600	438	3,754
Total	¥602	¥469	\$3,767

13. OTHER ASSETS

Other assets at March 31, 2026 and 2025, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Accrued income	¥ 20,501	¥ 18,987	\$ 128,189
Derivative products	84,855	57,699	530,581
Guarantee deposits	1,956	1,891	12,232
Cash collateral paid for financial instruments	58,165	44,422	363,691
Others	153,822	107,707	961,810
Total	¥319,301	¥230,709	\$1,996,505

14. TANGIBLE FIXED ASSETS AND INTANGIBLE FIXED ASSETS

Tangible fixed assets and intangible fixed assets at March 31, 2026 and 2025, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Tangible fixed assets:			
Buildings	¥22,071	¥22,099	\$138,007
Land	16,846	16,802	105,335
Lease assets	11	16	69
Construction in progress	2,570	1,362	16,070
Other tangible fixed assets	12,039	9,804	75,281
Subtotal	53,538	50,084	334,764
Intangible fixed assets:			
Software	20,614	20,673	128,896
Other intangible fixed assets	376	375	2,351
Subtotal	20,990	21,049	131,247
Total	¥74,529	¥71,134	\$466,012

Tangible fixed assets are stated at cost, less accumulated depreciation of ¥126,474 million (\$790,810 thousand) and ¥124,722 million in 2026 and 2025, respectively.

Deferred gains for tax purposes of ¥9,006 million (\$56,315 thousand) and ¥9,033 million on tangible fixed assets sold and replaced with similar assets have been deducted from the cost of newly acquired tangible fixed assets as of March 31, 2026 and 2025, respectively.

15. 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 sheets, representing the Group'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) as of March 31, 2026 and 2025, amounted to ¥17,039 million (\$106,544 thousand) and ¥20,670 million, respectively.

16. ASSETS PLEDGED

Assets pledged as collateral and their relevant liabilities at March 31, 2026 and 2025, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Assets pledged as collateral:			
Trading assets	¥ 2,999	¥ —	\$ 18,754
Securities	1,133,470	1,664,321	7,087,292
Loans and bills discounted	1,109,095	983,558	6,934,880
Relevant liabilities to above assets:			
Deposits	¥ 31,906	¥ 29,643	\$ 199,501
Payables under repurchase agreements	405,800	506,350	2,537,360
Payables under securities lending transactions	79,722	409,480	498,483
Borrowed money	1,263,600	1,313,300	7,900,956

In addition to the above, the Bank has provided ¥105,251 million (\$658,109 thousand) and ¥106,101 million in securities as collateral for foreign exchange settlements and certain other transactions and as security for future transactions at March 31, 2026 and 2025, respectively.

Guarantee deposits on office space of ¥1,956 million (\$12,232 thousand) and ¥1,891 million, cash collateral paid for financial instruments of ¥58,165 million (\$363,691 thousand) and ¥44,422 million were included in other assets at March 31, 2026 and 2025, respectively.

17. LOAN COMMITMENTS

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 balances of loans undisbursed under these agreements at March 31, 2026 and 2025, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Undisbursed loan commitments outstanding:			
Loans due within one year	¥1,730,384	¥1,529,647	\$10,819,637
Loans due over one year	128,603	134,268	804,123
Total	¥1,858,988	¥1,663,916	\$11,623,761

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 Company and its consolidated subsidiaries. The Company and its consolidated subsidiaries can refuse to advance loans and reject applications that have been received or can reduce the maximum amounts under the agreements for reasonable reasons, such as changes in the financial situation and preservation of credit. In addition, at the time the agreements are entered into, borrowers may, when necessary, be required to provide collateral, such as real estate or securities, and after the agreements have been signed, the state of the borrower’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.

18. DEPOSITS

Deposits at March 31, 2026 and 2025, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Current deposits	¥ 634,994	¥ 651,337	\$ 3,970,449
Savings deposits	7,407,860	7,428,614	46,319,393
Time deposits	3,531,066	2,934,595	22,078,823
Negotiable certificates of deposit	176,658	132,619	1,104,598
Other	636,122	766,966	3,977,502
Total	¥12,386,701	¥11,914,134	\$77,450,768

19. BORROWED MONEY

The weighted-average annual interest rates applicable to borrowed money were 0.33% and 0.07% at March 31, 2026 and 2025, respectively.

Borrowed money consists of borrowings from financial institutions. Annual maturities of borrowed money as of March 31, 2026 and 2025, were as follows:

	Millions of Yen	Thousands of U.S. Dollars
	2026	2026
2027	¥1,040,162	\$6,503,861
2028	272,133	1,701,581
2029	21,410	133,875
2030	19,064	119,202
2031 and thereafter	128,057	800,711
Total	¥1,480,829	\$9,259,232

	Millions of Yen	
	2025	
2026	¥ 384,780	
2027	744,323	
2028	203,705	
2029	3,453	
2030 and thereafter	2,421	
Total	¥1,338,684	

20. BONDS PAYABLE

Bonds at March 31, 2026 and 2025, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Shizugin Lease Co., Ltd.’s first private placement bonds payable only for qualified institutional investors	¥2,000	¥3,000	\$12,505
Total	¥2,000	¥3,000	\$12,505

Annual maturities of bonds as of March 31, 2026 and 2025, were as follows:

	Millions of Yen	Thousands of U.S. Dollars
	2026	2026
2027	¥1,000	\$ 6,252
2028	1,000	6,252
2029	—	—
2030	—	—
2031	—	—
Total	¥2,000	\$12,505

	Millions of Yen	
	2025	
2026	¥1,000	
2027	1,000	
2028	1,000	
2029	—	
2030	—	
Total	¥3,000	

21. OTHER LIABILITIES

Other liabilities at March 31, 2026 and 2025, consisted of the followings:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Income taxes payable	¥ 22,731	¥ 14,289	\$ 142,136
Accrued expenses	22,841	14,405	142,823
Unearned income	15,389	15,661	96,223
Derivative products	94,707	66,787	592,180
Cash collateral received for financial products	55,339	39,474	346,026
Others	57,598	55,505	360,147
Total	¥268,608	¥206,123	\$1,679,537

22. RETIREMENT AND PENSION PLANS

The Company and certain consolidated subsidiaries 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 Company or from certain consolidated subsidiaries in Japan and annuity payments from a trustee.

1. The changes in defined benefit obligation for the years ended March 31, 2026 and 2025, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Balance at beginning of year	¥56,424	¥57,930	\$352,808
Current service cost	1,759	1,636	11,000
Interest cost	549	559	3,434
Actuarial (gains) losses	(5,820)	221	(36,396)
Benefits paid	(4,233)	(4,052)	(26,473)
Others	121	128	760
Balance at end of year	¥48,800	¥56,424	\$305,134

2. The changes in plan assets for the years ended March 31, 2026 and 2025, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Balance at beginning of year	¥69,898	¥72,129	\$437,056
Expected return on plan assets	1,200	1,245	7,507
Actuarial gains (losses)	1,882	(1,167)	11,772
Contributions from the employer	351	338	2,198
Benefits paid	(2,520)	(2,767)	(15,757)
Others	121	120	761
Balance at end of year	¥70,935	¥69,898	\$443,538

3. Reconciliation between the liability recorded in the consolidated balance sheets and the balances of defined benefit obligation and plan assets

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Funded defined benefit obligation	¥ 46,396	¥ 54,283	\$ 290,107
Plan assets	(70,935)	(69,898)	(443,538)
Total	(24,538)	(15,615)	(153,430)
Unfunded defined benefit obligation	2,403	2,141	15,026
Net asset arising from defined benefit obligation	¥ (22,135)	¥(13,473)	\$(138,404)

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Liability for retirement benefits	¥ 2,640	¥ 3,805	\$ 16,507
Asset for retirement benefits	(24,775)	(17,279)	(154,911)
Net asset arising from defined benefit obligation	¥ (22,135)	¥(13,473)	\$(138,404)

4. The components of net periodic retirement benefit costs for the years ended March 31, 2026 and 2025, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Service cost	¥ 1,759	¥ 1,636	\$ 11,000
Interest cost	549	559	3,434
Expected return on plan assets	(1,200)	(1,245)	(7,507)
Amortization of actuarial gains and losses	(346)	(739)	(2,169)
Others	26	40	167
Net periodic retirement benefit costs	¥ 787	¥ 251	\$ 4,926

5. Amounts recognized in other comprehensive income (before income tax effect) in respect of defined retirement benefit plans for the years ended March 31, 2026 and 2025, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Actuarial gains (losses)	¥7,356	¥(2,129)	\$46,000
Total	¥7,356	¥(2,129)	\$46,000

6. Amounts recognized in accumulated other comprehensive income (before income tax effect) in respect of defined retirement benefit plans as of March 31, 2026 and 2025, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Unrecognized actuarial losses	¥(9,164)	¥(1,808)	\$(57,305)
Total	¥(9,164)	¥(1,808)	\$(57,305)

7. Plan assets

(1) Components of plan assets

Plan assets consisted of the following:

	2026	2025
Debt investments	47%	47%
Equity investments	11%	14%
Cash and cash equivalents	1%	1%
General account of life insurance companies	26%	25%
Others	15%	13%
Total	100%	100%

(2) Method of determining the expected rate of return on plan assets
The expected rate of return on plan assets is determined considering the long-term rates of return that are expected currently and in the future from the various components of the plan assets.

8. Assumptions used for the years ended March 31, 2026 and 2025, were set forth as follows:

	2026	2025
Discount rate	Mainly 2.6%	Mainly 1.0%
Expected rate of return on plan assets	0.8% - 2.0%	0.8% - 2.0%
Expected rate of salary increase	8.4%	8.4%

The discount rate applied at the beginning of the current consolidated fiscal year was mainly 1.0%, however as a result of reviewing the discount rate at the end of the period, it was determined that the change would have a significant impact on the amount of retirement benefit obligations, and the discount rate was changed to mainly 2.6%.

9. Defined contribution

The amounts to be contributed by the Company and the consolidated subsidiaries for the years ended March 31, 2026 and 2025, were ¥532 million (\$3,326 thousand) and ¥501 million, respectively.

23. EQUITY

Japanese companies are subject to 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. Additionally, for companies that meet certain criteria, such as (1) having a board of directors, (2) having independent auditors, (3) having an audit and supervisory board, and (4) the term of service of the directors being prescribed as one year rather than the normal two-year term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends in

24. STOCK OPTIONS

At the annual general meeting of shareholders of the Bank held on June 17, 2022, Proposal No. 4, "Incorporation of Wholly Owning Parent Company Through Share Transfer," was approved. As a result of the share transfer under the proposal, the Company issued stock acquisition rights in place of the stock acquisition rights issued by the Bank before the establishment of the Company.

The Company's stock option plans grant options to the Bank's directors to purchase certain shares of the Company's common stock in the respective exercise periods.

The stock options outstanding as of March 31, 2026, were as follows:

Stock Options	Persons Granted	Number of Options Granted	Date of Grant (*)	Exercise Price	Exercise Period
The Company's 8th stock acquisition rights	3 directors (the Bank)	38,000 shares	2014.7.22	¥1 (\$0.01)	From October 3, 2022 to July 22, 2039
The Company's 9th stock acquisition rights	3 directors (the Bank)	17,000 shares	2015.7.21	¥1 (\$0.01)	From October 3, 2022 to July 21, 2040
The Company's 10th stock acquisition rights	3 directors (the Bank)	24,000 shares	2016.7.19	¥1 (\$0.01)	From October 3, 2022 to July 19, 2041
The Company's 11th stock acquisition rights	3 directors (the Bank)	28,000 shares	2017.7.18	¥1 (\$0.01)	From October 3, 2022 to July 18, 2042
The Company's 12th stock acquisition rights	3 directors (the Bank)	26,500 shares	2018.7.17	¥1 (\$0.01)	From October 3, 2022 to July 17, 2043
The Company's 13th stock acquisition rights	3 directors (the Bank)	29,000 shares	2019.7.16	¥1 (\$0.01)	From October 3, 2022 to July 16, 2044

(*) The date of grant is the original grant date at the Bank.

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 (noncash assets) to shareholders subject to certain limitations 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 provide certain limitations on the amounts available for dividends or the purchase of treasury stock.

(b) Increases/decreases 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 the aggregate amount of the legal reserve and additional paid-in capital equals 100% of 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 within equity 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 using a specific formula.

Under the Companies Act, stock acquisition rights are 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.

The stock option activity is as follows:

	The Company's 8th stock acquisition rights	The Company's 9th stock acquisition rights	The Company's 10th stock acquisition rights	The Company's 11th stock acquisition rights	The Company's 12th stock acquisition rights	The Company's 13th stock acquisition rights
Year Ended March 31, 2025						
Non-vested						
March 31, 2024—Outstanding						
Granted						
Vested						
March 31, 2025—Outstanding						
Vested						
March 31, 2024—Outstanding	20,000	10,000	12,000	16,000	16,600	18,000
Vested						
March 31, 2024—Outstanding						
Vested						
Exercised						
March 31, 2025—Outstanding	20,000	10,000	12,000	16,000	16,600	18,000
Exercise price	¥ 1	¥ 1	¥ 1	¥ 1	¥ 1	¥ 1
Average stock price at exercise	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
Fair value price at grant date	¥ 1,079	¥ 1,351	¥ 730	¥ 899	¥ 888	¥ 733

	The Company's 8th stock acquisition rights	The Company's 9th stock acquisition rights	The Company's 10th stock acquisition rights	The Company's 11th stock acquisition rights	The Company's 12th stock acquisition rights	The Company's 13th stock acquisition rights
Year Ended March 31, 2026						
Non-vested						
March 31, 2025—Outstanding						
Granted						
Vested						
March 31, 2026—Outstanding						
Vested						
March 31, 2025—Outstanding	20,000	10,000	12,000	16,000	16,600	18,000
Vested						
March 31, 2025—Outstanding	10,000	5,000	6,000	10,000	9,900	11,000
Vested	10,000	5,000	6,000	6,000	6,700	7,000
Exercised						
March 31, 2026—Outstanding						
Exercise price	¥ 1 (\$ 0.01)	¥ 1 (\$ 0.01)	¥ 1 (\$ 0.01)	¥ 1 (\$ 0.01)	¥ 1 (\$ 0.01)	¥ 1 (\$ 0.01)
Average stock price at exercise	¥1,714.5 (\$ 10.72)	¥1,714.5 (\$ 10.72)	¥1,714.5 (\$ 10.72)	¥1,714.5 (\$ 10.72)	¥1,714.5 (\$ 10.72)	¥1,714.5 (\$ 10.72)
Fair value price at grant date	¥ 1,079 (\$ 6.74)	¥ 1,351 (\$ 8.44)	¥ 730 (\$ 4.56)	¥ 899 (\$ 5.62)	¥ 888 (\$ 5.55)	¥ 733 (\$ 4.58)

25. VALUATION DIFFERENCE ON AVAILABLE-FOR-SALE SECURITIES

The breakdowns of "Valuation difference on available-for-sale securities" in the consolidated balance sheets are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Valuation difference	¥265,111	¥234,853	\$1,657,673
Deferred tax liabilities	(80,638)	(71,311)	(504,208)
Amounts equivalent to difference on available-for-sale securities	¥184,473	¥163,541	\$1,153,464
Noncontrolling interest adjustment	—	—	—
Share of valuation difference on available-for-sale securities in affiliated companies	(421)	(318)	(2,634)
Valuation difference on available-for-sale securities	¥184,052	¥163,223	\$1,150,830

26. OTHER OPERATING INCOME

Other operating income for the years ended March 31, 2026 and 2025, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Gains on foreign exchange transactions	¥ 971	¥ —	\$ 6,074
Gains on sales of bonds	15,060	1,990	94,168
Gains on financial derivatives	1,069	249	6,684
Other	103	—	646
Total	¥17,204	¥2,239	\$107,573

27. OTHER INCOME

Other income for the years ended March 31, 2026 and 2025, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Gains on sales of stock and other securities	¥62,424	¥15,091	\$390,324
Equity in earnings of affiliated companies	1,517	823	9,486
Gains on disposal of fixed assets	624	6,481	3,905
Gains on bargain purchase	2,738	—	17,122
Others	5,366	6,074	33,554
Total	¥72,671	¥28,470	\$454,393

Gains on bargain purchase were incurred due to the additional acquisition of shares of Shizugin Saison Card Co., Ltd., an equity-method affiliate, making it a consolidated subsidiary for the year ended March 31, 2026.

28. OTHER OPERATING EXPENSES

Other operating expenses for the years ended March 31, 2026 and 2025, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Losses on foreign exchange transactions	¥ —	¥ 186	\$ —
Losses on sales of bonds	62,964	12,504	393,698
Others	424	—	2,655
Total	¥63,388	¥12,690	\$396,354

29. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the years ended March 31, 2026 and 2025, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Salary	¥ 38,573	¥ 36,191	\$241,188
Depreciation expenses	11,733	12,055	73,365
Others	54,995	48,864	343,870
Total	¥105,301	¥97,110	\$658,424

30. OTHER EXPENSES

Other expenses for the years ended March 31, 2026 and 2025, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Provision of allowance for loan losses	¥ 7,947	¥ 3,878	\$ 49,693
Losses on written-off claims	445	227	2,787
Losses on sales of stocks and other securities	820	994	5,133
Losses on devaluation of stocks and other securities	139	326	874
Losses on disposal of fixed assets	244	321	1,531
Impairment losses	4,945	4,379	30,924
Provision of reserves under special laws	4	—	26
Losses on step acquisition	1,369	—	8,561
Others	3,239	3,912	20,257
Total	¥19,157	¥14,040	\$119,788

31. IMPAIRMENT LOSSES

For the year ended March 31, 2026

In the current consolidated fiscal year, Shizuoka Bank recorded impairment losses on 64 commercial branches in Shizuoka Prefecture.

In calculating impairment losses, the branch sales department of Shizuoka Bank uses the sales branch as the smallest unit of grouping. Assets that are idle or scheduled for disposal are grouped on a per-asset basis.

In addition, for common assets that are reasonably permitted to be used by each department (branch sales department, overseas branch, Tokyo sales department, etc.), the impairment judgment is made after determining that the assets belong to each division. In addition, software belonging to the branch sales department is allocated to the sales store based on the personnel of each sales store.

As a result, in the current consolidated fiscal year, as for business assets belonging to the business branches that constitute the branch sales departments of the Bank, the book value was reduced to the recoverable value for the asset group for which a recovery of investments can no longer be expected, and the amount of reduction of ¥4,945 million (\$30,924 thousand) was recorded in the extraordinary losses as impairment losses.

For the year ended March 31, 2025

In the current consolidated fiscal year, Shizuoka Bank recorded impairment losses on 63 commercial branches and one idle asset in Shizuoka Prefecture.

In calculating impairment losses, the branch sales department of Shizuoka Bank uses the sales branch as the smallest unit of grouping. Assets that are idle or scheduled for disposal are grouped on a per-asset basis.

In addition, for common assets that are reasonably permitted to be used by each department (branch sales department, overseas branch, Tokyo sales department, etc.), the impairment judgment is made after determining that the assets belong to each division. In addition, software belonging to the branch sales department is allocated to the sales store based on the personnel of each sales store.

As a result, in the current consolidated fiscal year, as for business assets belonging to the business branches that constitute the branch sales departments of the Bank, the book value was reduced to the recoverable value for the asset group for which a recovery of investments can no longer be expected, and the amount of reduction of ¥4,379 million was recorded in the extraordinary losses as impairment losses.

The details of the impairment losses for the years ended March 31, 2026 and 2025 are as follows.

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Software and other assets	¥4,815	¥4,132	\$30,111
Land	47	118	299
Buildings	3	35	22
Leased assets	7	29	44
Other tangible fixed assets	71	62	447
Total	¥4,945	¥4,379	\$30,924

The recoverable value is calculated as the higher of the value-in-use or the net sale value. The value-in-use is calculated at the discounted present value of future cash flows, and the discount rate used is 10% with reference to the level of the cost of capital (calculated based on the risk-free rate, stock beta, etc.). The net selling price is calculated by deducting the estimated disposal cost from the amount assessed based on the real estate appraisal value. Since the software assets are customized as in-house use and have no use value at other companies, the net selling price is zero.

32. INCOME TAXES

The Company and its domestic subsidiaries are subject to Japanese national and local income taxes. The breakdowns of deferred tax assets and liabilities by major causes for the years ended March 31, 2026 and 2025 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Deferred tax assets:			
Allowance for loan losses	¥ 15,854	¥ 15,138	\$ 99,133
Liability for retirement benefits	3,312	5,665	20,709
Valuation loss on securities	3,680	3,518	23,015
Depreciation expense	3,730	4,974	23,324
Others	12,706	10,784	79,449
Less: valuation allowance	(4,637)	(4,738)	(28,999)
Deferred tax assets	34,646	35,342	216,632
Deferred tax liabilities:			
Valuation difference on available-for-sale securities	(80,628)	(71,288)	(504,148)
Gain on establishment of employee retirement benefit trust	(4,176)	(4,176)	(26,112)
Securities returned from employee retirement benefit trust	(2,070)	(2,070)	(12,945)
Other	(13,445)	(9,879)	(84,070)
Deferred tax liabilities	(100,320)	(87,415)	(627,277)
Net deferred tax assets (liabilities)	¥ (65,674)	¥(52,072)	\$(410,645)

33. LEASES

(1) Financial Lease

(a) Lessor

The net lease investment assets are summarized as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Gross lease receivables	¥83,596	¥81,391	\$522,703
Estimated residual values	3,184	3,028	19,909
Unearned interest income	(8,306)	(7,382)	(51,941)
Lease investment assets	¥78,473	¥77,037	\$490,671

Maturities of lease receivables are as follows:

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
	2026	2026
2027	¥ 2,500	\$15,633
2028	2,044	12,785
2029	1,807	11,304
2030	1,382	8,644
2031	1,114	6,971
2032 and thereafter	2,059	12,880
Total	¥10,910	\$68,219

Year Ending March 31	Millions of Yen
	2025
2026	¥1,889
2027	1,467
2028	1,307
2029	1,127
2030	723
2031 and thereafter	1,756
Total	¥8,270

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

Year Ending March 31	Millions of Yen	Thousands of U.S. Dollars
	2026	2026
2027	¥33,326	\$208,383
2028	16,780	104,921
2029	12,668	79,213
2030	8,752	54,724
2031	5,116	31,990
2032 and thereafter	6,952	43,470
Total	¥83,596	\$522,703

Year Ending March 31	Millions of Yen
	2025
2026	¥32,454
2027	16,394
2028	12,525
2029	8,666
2030	5,074
2031 and thereafter	6,276
Total	¥81,391

(2) Operating Lease

(a) Lessee

The minimum rental commitments under noncancelable operating leases at March 31, 2026 and 2025, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Due within one year	¥375	¥318	\$2,347
Due after one year	380	478	2,376
Total	¥755	¥797	\$4,724

(b) Lessor

The future lease payment receivables under noncancelable operating leases at March 31, 2026 and 2025, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Due within one year	¥ 609	¥ 458	\$ 3,810
Due after one year	1,226	951	7,671
Total	¥1,836	¥1,409	\$11,482

34. SEGMENT INFORMATION

An entity is required to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available and such information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

1. Description of Reportable Segments

The Group’s reportable segments are those for which separate financial information is available and regular evaluation by the Committee for Integrated Risk and Budget Management is being performed in order to decide how resources are allocated among the Group. Therefore, the Group’s reportable segments consist of the banking operations and leasing operations. Banking operations consist of the banking business centered on deposits, loans, investment securities, and exchange transactions. Leasing operations consist of lease transactions centered on finance leases.

2. Methods of Measurement of Ordinary Income, Profit (Loss), Assets, Liabilities, and Other Items for Each Reportable Segment

The accounting policies of each reportable segment are consistent with those disclosed in Note 3, “SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.”

3. Information about Ordinary Income, Profit (Loss), Assets, Liabilities and Other Items

Year ended March 31, 2026	Millions of Yen						
	Reportable Segment			Other	Total	Reconciliations	Consolidated
	Banking Operations	Leasing Operations	Total				
Ordinary income:							
Ordinary income from external customers	¥ 389,685	¥ 32,318	¥ 422,004	¥ 16,542	¥ 438,546		¥ 438,546
Ordinary income from intersegment transactions	3,272	914	4,187	59,748	63,936	¥ (63,936)	
Total	¥ 392,958	¥ 33,233	¥ 426,191	¥ 76,291	¥ 502,482	¥ (63,936)	¥ 438,546
Segment profit	¥ 122,758	¥ 1,621	¥ 124,380	¥ 63,135	¥ 187,515	¥ (57,216)	¥ 130,298
Segment assets	15,895,905	130,043	16,025,948	883,117	16,909,066	(893,050)	16,016,015
Segment liabilities	14,789,463	105,661	14,895,125	24,616	14,919,742	(135,626)	14,784,115
Other:							
Depreciation	11,501	1,235	12,736	148	12,885	(3)	12,881
Interest income	256,056	12	256,069	57,330	313,399	(57,796)	255,603
Interest expense	85,918	759	86,677		86,677	(631)	86,046
Equity in earnings of affiliated companies	33		33	1,483	1,517		1,517
Extraordinary income	3,359	3	3,362		3,362		3,362
Gain on disposal of non-current assets	621	3	624		624		624
Gains on bargain purchase	2,738		2,738		2,738		2,738
Extraordinary losses	6,551	4	6,556	7	6,564		6,564
Loss on disposal of non-current assets	236	4	241	3	244		244
Impairment losses	4,945		4,945		4,945		4,945
Losses on step acquisition	1,369		1,369		1,369		1,369
Investments in affiliated companies				24,021	24,021		24,021
Increase in property, plant and equipment and intangible assets	19,052	1,170	20,223	195	20,418	(11)	20,407

Year ended March 31, 2026	Thousands of U.S. Dollars						
	Reportable Segment			Other	Total	Reconciliations	Consolidated
	Banking Operations	Leasing Operations	Total				
Ordinary income:							
Ordinary income from external customers	\$ 2,436,601	\$202,078	\$ 2,638,679	\$ 103,433	\$ 2,742,113		\$ 2,742,113
Ordinary income from intersegment transactions	20,464	5,719	26,183	373,594	399,778	\$ (399,778)	
Total	\$ 2,457,065	\$207,798	\$ 2,664,863	\$ 477,027	\$ 3,141,891	\$ (399,778)	\$ 2,742,113
Segment profit	\$ 767,578	\$ 10,136	\$ 777,715	\$ 394,769	\$ 1,172,484	\$ (357,761)	\$ 814,723
Segment assets	99,392,893	813,125	100,206,019	5,521,901	105,727,921	(5,584,011)	100,143,909
Segment liabilities	92,474,606	660,676	93,135,282	153,919	93,289,202	(848,037)	92,441,164
Other:							
Depreciation	71,914	7,725	79,639	929	80,568	(24)	80,544
Interest income	1,601,053	80	1,601,133	358,473	1,959,606	(361,385)	1,598,220
Interest expense	537,224	4,748	541,973		541,973	(3,949)	538,023
Equity in earnings of affiliated companies	209		209	9,277	9,486		9,486
Extraordinary income	21,006	20	21,027		21,027		21,027
Gain on disposal of non-current assets	3,884	20	3,905		3,905		3,905
Gains on bargain purchase	17,122		17,122		17,122		17,122
Extraordinary losses	40,964	30	40,994	48	41,043		41,043
Loss on disposal of non-current assets	1,479	30	1,509	22	1,531		1,531
Impairment losses	30,924		30,924		30,924		30,924
Losses on step acquisition	8,561		8,561		8,561		8,561
Investments in affiliated companies				150,198	150,198		150,198
Increase in property, plant and equipment and intangible assets	119,130	7,318	126,449	1,224	127,673	(73)	127,600

Notes: 1. "Reconciliations" are mainly eliminations of intersegment transactions.

2. Shizugin Saison Card Co., Ltd., which became a consolidated subsidiary through additional acquisition as of July 1, 2025, is included under "Banking Operations."

Year ended March 31, 2025	Millions of Yen						
	Reportable Segment			Other	Total	Reconciliations	Consolidated
	Banking Operations	Leasing Operations	Total				
Ordinary income:							
Ordinary income from external customers	¥ 294,698	¥ 32,527	¥ 327,225	¥ 14,051	¥ 341,277		¥ 341,277
Ordinary income from intersegment transactions	3,052	1,025	4,077	39,324	43,402	¥ (43,402)	
Total	¥ 297,750	¥ 33,552	¥ 331,303	¥ 53,376	¥ 384,680	¥ (43,402)	¥ 341,277
Segment profit	¥ 94,983	¥ 1,747	¥ 96,731	¥ 41,492	¥ 138,224	¥ (36,151)	¥ 102,073
Segment assets	15,595,185	124,467	15,719,653	887,748	16,607,402	(892,541)	15,714,861
Segment liabilities	14,560,200	100,121	14,660,322	22,641	14,682,963	(135,056)	14,547,907
Other:							
Depreciation	11,842	1,228	13,070	129	13,200	(2)	13,197
Interest income	228,100	17	228,118	36,227	264,345	(36,516)	227,829
Interest expense	80,659	484	81,144		81,144	(416)	80,727
Equity in earnings of affiliated companies	72		72	750	823		823
Extraordinary income	6,481		6,481	775	7,257		7,257
Gain on disposal of non-current assets	6,481		6,481		6,481		6,481
Gain on sales of shares of subsidiaries and associates				775	775		775
Extraordinary losses	4,690	0	4,691	9	4,700		4,700
Loss on disposal of non-current assets	311	0	311	9	321		321
Impairment losses	4,379		4,379		4,379		4,379
Investments in affiliated companies	1,390		1,390	23,817	25,208		25,208
Increase in property, plant and equipment and intangible assets	14,024	623	14,647	188	14,836		14,836

Note: "Reconciliations" are mainly eliminations of intersegment transactions.

4. Related information

(1) Information about services

Year ended March 31, 2026	Millions of Yen					Thousands of U.S. Dollars				
	Lending Operations	Investment Operations	Leasing Operations	Other	Total	Lending Operations	Investment Operations	Leasing Operations	Other	Total
	¥175,467	¥147,411	¥32,318	¥83,348	¥438,546	\$1,097,151	\$921,727	\$202,078	\$521,155	\$2,742,113

Year ended March 31, 2025	Millions of Yen				
	Lending Operations	Investment Operations	Leasing Operations	Other	Total
	¥150,072	¥85,320	¥32,527	¥73,357	¥341,277

(2) Information about geographical areas

(i) Ordinary income

The domestic share of ordinary income from external customers exceeds 90% of ordinary income in the consolidated statements of income, thus information is not presented.

(ii) Tangible fixed assets

The domestic share of tangible fixed assets exceeds 90% of tangible fixed assets in the consolidated balance sheets, thus information is not presented.

(3) Information about major customers

Ordinary income from a specific customer does not exceed 10% of ordinary income in the consolidated statements of income, thus information is not presented.

5. Information about impairment losses of assets

Year ended March 31, 2026	Millions of Yen					Thousands of U.S. Dollars				
	Reportable Segment			Other	Total	Reportable Segment			Other	Total
	Banking Operations	Leasing Operations	Total			Banking Operations	Leasing Operations	Total		
	¥4,945		¥4,945		¥4,945	\$30,924		\$30,924		\$30,924

Year ended March 31, 2025	Millions of Yen				
	Reportable Segment			Other	Total
	Banking Operations	Leasing Operations	Total		
	¥4,379		¥4,379		¥4,379

35. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

(Financial Instruments)

1. Information on financial instruments

(1) Policy for financial instruments

The Group provides comprehensive financial services, centering on banking, along with leasing and financial instruments trading. Its base of operations is Shizuoka Prefecture.

Banking operations, the core business of the Group, provide a range of financial instruments, including deposits in Japanese yen, deposits in foreign currencies, Japanese government bonds, investment trusts, and personal pension insurance. It also provides stable financing for customers in the region through loans to individuals and lending operations for small and medium enterprises.

(2) Details of financial instruments and related risks

The financial assets of the Group consist primarily of loans and bills discounted to domestic customers and securities, including bonds and equity securities.

The loans and bills discounted are exposed to credit risk arising from potential default by borrowers. As about 50% of the loans and bills discounted are for customers in Shizuoka Prefecture, credit-related losses could occur on a large scale if the regional economic environment changes negatively or if a severe earthquake occurs.

The Group holds securities, such as debt securities (bonds), equity securities, and investment trusts, under its investment policy focused on the safety and liquidity of the investment. These securities are exposed to risks of market price fluctuations associated with the credit standing of issuers and interest rate changes. If the prices of equity securities and other securities held decline, impairment losses or valuation losses could adversely affect the operating results and financial standing of the Group.

Financial liabilities consist primarily of deposits from domestic customers and funds raised in the call market, etc. If the Company loses its credit status because of downgrades or other factors, or if the market environment deteriorates, conditions for financing could worsen or transactions could be constrained.

The Group enters into derivative transactions for customer needs of hedging exchange rates or interest rates, and for asset and liability management (ALM) or hedging individual transactions to appropriately manage the market risks of the Group. The Group also conducts short-term trading transactions.

Derivatives mainly include interest rate swaps, currency swaps, and bond futures, and are exposed to market risk that could cause losses in association with changes in interest rate markets and foreign exchange markets, as well as credit risk (counterparty risk), that is, the risk of default on the initial contract due to the bankruptcy of the counterparty or other factors. Between financial assets and financial liabilities, there are interest rate risks associated with mismatches of interest rates and terms.

(3) Risk management systems for financial instruments

(i) Integrated risk management system

Under the Basic Risk Management Regulations that stipulate the Group's basic risk management policy, the Group has established a basic framework, including an organizational

structure for defining and managing risks and specific procedures for risk management.

To ensure a balance between profitability and financial soundness, the Group has introduced a management system based on a risk capital allocation at the core of integrated risk management.

The risk capital allocation is a system for avoiding excessive risk taking by setting risk limits below which the Group will be able to withstand losses on its own. This system allocates core regulatory capital to each operational department or section and controls risk so that if market, credit or other risks emerge, losses will be contained within the range of shareholders' equity.

(ii) Credit risk management system

Credit risk is the risk of incurring losses when collecting loans and bills discounted becomes difficult because of the worsening of borrowers' financial conditions.

The Credit Risk Management Office of the Risk Management Department manages all credit risks associated with the Group's operations both in Japan and overseas in order to ensure the soundness of the Group's loan asset portfolio. The borrower credit rating system, which is an essential part of its credit risk management, together with other internal rating systems, is operated by the Credit Planning Group of the Credit Support Department, designed and supervised by the Credit Risk Management Office of the Risk Management Department, which is independent from the credit department (i.e., the Credit Support Department), and verified for appropriateness of the system by the Risk Management Group of the Risk Management Department. This structure has been designed such that the internal credit rating system will function appropriately through mutual checks and balances between these three groups.

In addition, the Audit Department checks whether credit risk management is conducted appropriately in accordance with the relevant rules, through such means as validation of the self-assessment process.

The Credit Risk Management Office uses statistical methods to quantify latent credit risks intrinsic to the Group's entire loan portfolio. This enables the Bank to accurately assess the scale of potential risk, monitor any concentration of loans to particular large-scale borrowers or specific industries, and thus control the portfolio to avoid excessive credit risk.

The credit risk management status, together with the status of market risk management and liquidity risk management described below, is reported through monthly meetings of the Committee for Group Integrated Risk and Budget Management, which is chaired by the Chief Financial Officer, as well as through other channels of management.

(iii) Market risk management system

Market risk is the risk of incurring losses in association with changes in the prices of financial assets and liabilities that are caused by changes in interest rates, stock prices, and foreign exchange rates.

The Group controls the degree of market risks within a certain range by setting limits about risk capital allocations, unrealized profits and losses, position, sensitivity, and so on.

The Group has established ALM hedge criteria for transactions in banking accounts, especially deposits, loans and bills discounted, and investment securities to control the degree of market risk within a certain range. The Business Strategy Planning Office of the Corporate Planning Department discusses ALM hedge policies based on the status of interest rate risks and interest rate outlook at meetings of the Committee for Group Integrated Risk and Budget Management.

The Group has established a system of checks and balances in the market division by strictly separating trading departments and administration departments and by setting up an independent risk management department. The Audit Department, which is independent of departments subject to audit, checks the effectiveness of this system of checks and balances among the three departments.

The Group measures the market risks (the estimation of possible losses) of financial assets and liabilities, such as securities and derivatives held in trading portfolios, and loans, securities, deposits, bonds payable, and derivative transactions held in banking portfolios, using Value at Risk (VaR). VaR is utilized for the quantitative analysis to manage market fluctuations.

A historical simulation model (a variance covariance model in 2012) is used for the measurement of VaR. The Group performs backtesting comparing VaR calculated by the model and actual profit and loss, in order to determine whether the measurement model captures market risks with sufficient accuracy.

Nevertheless, VaR measures possible market risk amounts statistically calculated based on historical data and is unlikely to capture risks under significant market fluctuations not presumed.

The total amounts of market risks of the Group as of March 31, 2026 and 2025, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
VaR	¥165,913	¥173,751	\$1,037,414

The assumptions used to measure VaR are as follows:

Observation period: Five years

Confidence interval: 99%

Holding period: 125 days for banking transactions and 10 days for trading transactions

Demand deposits staying long term without withdrawal are estimated as core deposits and are reflected in the market risk measurement.

(iv) Liquidity risk management system

There are two types of liquidity risk: (1) financing risk, which is the risk of not being able to secure needed funds as a result of worsening market conditions and other factors, or incurring losses due to being forced to raise funds at much higher interest rates than usual; and (2) market liquidity risk, which is the risk of not being able to trade financial instruments, such as bonds, because of market turmoil or other factors or incurring losses due to being forced to trade financial instruments at far less favorable prices than usual.

The Group has established a system of checks and balances by setting up fund management departments for financing in Japanese yen and in foreign currencies, and a liquidity risk management department that is independent of the fund management departments. The Fund and Foreign Exchange Group of the Treasury Department of the Bank, which is one of the fund management departments, seeks stable financing, considering market circumstances. The Risk Management Office of the Risk Management Department, which is the liquidity risk management department, assesses the stability of the asset and liability structure, including the status of the holding of liquid assets, and monitors the financing position and the status of management by the fund management departments.

To deal promptly with unforeseeable circumstances, the Bank has classified financing management in emergencies into four phases -- Phase 1 (prevention), Phase 2 (caution needed), Phase 3 (concern over liquidity), and Phase 4 (lack of liquidity) --, and has appointed authorized personnel and countermeasures for each phase in advance.

To manage market liquidity risk, the liquidity risk management department monitors the holding of liquid assets on a timely basis, and the front office chooses assets to be managed after taking into account their liquidity and sets limits by issue and by term.

(4) Supplementary explanation of the fair values of financial instruments

The fair values of financial instruments include values based on market prices. If there are no market prices, values are reasonably calculated. As these fair values are calculated based on certain assumptions, fair values could differ if different assumptions are used for calculation.

2. Fair values of financial instruments and a breakdown by level of the fair values of financial instruments

The carrying values and fair values of financial instruments, the difference between these values, and their fair values by level are as follows:

Please note that the table below does not include stocks or others without quoted market prices and investments in partnerships. Account items whose carrying values are of low significance have been omitted.

Financial Instruments Categorized by Fair Value Hierarchy

The fair value of financial instruments is categorized into the following three levels, depending on the observability and significance of the inputs used in making fair value measurements:

Level 1: Fair values measured by using quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Fair values measured by using inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly

Level 3: Fair values measured by using unobservable inputs for the assets or liabilities

If multiple inputs are used that have a significant impact on the measurement of fair value, fair value is classified at the lowest level in the fair value measurement among the levels to which each of these inputs belongs.

(1) Financial instruments measured at the fair values in the consoli-
dated balance sheets

March 31, 2026	Millions of Yen			
	Level 1	Level 2	Level 3	Total
Trading assets				
Trading securities	¥ 18	¥ 5,269		¥ 5,287
Japanese government bonds	18			18
Local government bonds		202		202
Corporate bonds		5,066		5,066
Money held in trust		276,500		276,500
Securities (*1)				
Available-for-sale securities	1,352,777	1,116,767	¥190,836	2,660,381
Japanese government bonds	697,051			697,051
Local government bonds		5,783		5,783
Corporate bonds		301,370	182,437	483,808
Stocks	548,265	4,929		553,194
Others	107,460	804,683	8,398	920,543
Foreign bonds	107,460	463,831	7,970	579,262
Total assets	¥1,352,796	¥1,398,538	¥190,836	¥2,942,170
Derivative transactions (*2)(*3)				
Interest rate-related		¥ 28,727		¥ 28,727
Currency-related		(37,829)		(37,829)
Total derivative transactions	¥	(9,102)		¥ (9,102)

March 31, 2026	Thousands of U.S. Dollars			
	Level 1	Level 2	Level 3	Total
Trading assets				
Trading securities	\$ 114	\$ 32,949		\$ 33,063
Japanese government bonds	114			114
Local government bonds		1,267		1,267
Corporate bonds		31,681		31,681
Money held in trust		1,728,887		1,728,887
Securities (*1)				
Available-for-sale securities	8,458,562	6,982,852	\$1,193,249	16,634,664
Japanese government bonds	4,358,477			4,358,477
Local government bonds		36,165		36,165
Corporate bonds		1,884,392	1,140,736	3,025,128
Stocks	3,428,159	30,820		3,458,980
Others	671,925	5,031,473	52,513	5,755,912
Foreign bonds	671,925	2,900,215	49,838	3,621,978
Total assets	\$8,458,676	\$8,744,688	\$1,193,249	\$18,396,615
Derivative transactions (*2)(*3)				
Interest rate-related		\$ 179,625		\$ 179,625
Currency-related		(236,540)		(236,540)
Total derivative transactions		\$ (56,914)		\$ (56,914)

(*1) Securities do not include investment trusts to which the treatment in Paragraph 24-9 of the Implementation Guidance on Accounting Standard for Fair Value Measurement is applied to deem the net asset value to be the fair value.

These investment trusts are carried at ¥19,796 million (\$123,781 thousand) in the consolidated balance sheets.

A reconciliation of the beginning balance to the ending balance of the invest-
ment trusts to which the treatment of net asset value as fair value was applied is
as follows:

(Millions of Yen)

Balance at Beginning of Year	Profit/Loss or Other Comprehensive Income		Net Purchase, Sales and Redemption	The Amount by Which the Net Asset Value of the Investment Trusts is Deemed to be the Fair Value	The Amount by Which the Net Asset Value of the Investment Trusts is Not Deemed to be the Fair Value	Balance at Ending of Year	Unrealized Gains/ Losses on Investment Trusts Held at the Consolidated Balance Sheet Date of the Amount Recorded in Profit/ Loss for the Year
	Recorded in Profit/ Loss	Recorded in Other Comprehensive Income (*)					
¥19,267		¥532	¥(3)			¥19,796	

(Thousands of U.S. Dollars)

Balance at Beginning of Year	Profit/Loss or Other Comprehensive Income		Net Purchase, Sales and Redemption	The Amount by Which the Net Asset Value of the Investment Trusts is Deemed to be the Fair Value	The Amount by Which the Net Asset Value of the Investment Trusts is Not Deemed to be the Fair Value	Balance at Ending of Year	Unrealized Gains/ Losses on Investment Trusts Held at the Consolidated Balance Sheet Date of the Amount Recorded in Profit/ Loss for the Year
	Recorded in Profit/ Loss	Recorded in Other Comprehensive Income (*)					
\$120,474		\$3,332	\$(24)			\$123,781	

(*) Included in “Valuation difference on available-for-sale securities” of “Other
comprehensive income” in the consolidated statements of comprehensive
income.

(*2) The total of all derivative transactions recorded in trading assets and liabilities and
other assets and liabilities

Net claims and liabilities arising from derivative transactions are presented in
netted amounts. Net negative amounts are marked with a bracket.

Transactions subject to special hedging treatment of interest rate swaps are
valued together with the hedged transactions, and have thus been excluded from
derivative transactions.

(*3) Of the derivative transactions, those subject to hedge accounting are carried at
¥(15,556) million (\$97,272) thousand) in the consolidated balance sheets.

March 31, 2025	Millions of Yen			
	Level 1	Level 2	Level 3	Total
Trading assets				
Trading securities	¥ 78	¥ 5,627		¥ 5,706
Japanese government bonds	78			78
Local government bonds		373		373
Corporate bonds		5,253		5,253
Money held in trust		138,001		138,001
Securities (*1)				
Available-for-sale securities	1,538,525	1,328,926	¥199,271	3,066,723
Japanese government bonds	947,277			947,277
Local government bonds		163,244		163,244
Corporate bonds		322,007	198,901	520,908
Stocks	458,913	4,098		463,011
Others	132,334	839,576	370	972,281
Foreign bonds	132,334	498,480		630,814
Total assets	¥1,538,604	¥1,472,555	¥199,271	¥3,210,431
Derivative transactions (*2)(*3)				
Interest rate-related		¥ 17,921		¥ 17,921
Currency-related		(26,422)		(26,422)
Total derivative transactions		¥ (8,501)		¥ (8,501)

(*1) Securities do not include investment trusts to which the treatment in Paragraph 24-9 of the Implementation Guidance on Accounting Standard for Fair Value Measurement is applied to deem the net asset value to be the fair value.

These investment trusts are carried at ¥19,267 million in the consolidated
balance sheets.

A reconciliation of the beginning balance to the ending balance of the invest-
ment trusts to which the treatment of net asset value as fair value was applied is
as follows:

(Millions of Yen)

Balance at Beginning of Year	Profit/Loss or Other Comprehensive Income		Net Purchase, Sales and Redemption	The Amount by Which the Net Asset Value of the Investment Trusts is Deemed to be the Fair Value	The Amount by Which the Net Asset Value of the Investment Trusts is Not Deemed to be the Fair Value	Balance at Ending of Year	Unrealized Gains/ Losses on Investment Trusts Held at the Consolidated Balance Sheet Date of the Amount Recorded in Profit/ Loss for the Year
	Recorded in Profit/ Loss	Recorded in Other Comprehensive Income (*)					
¥16,732		¥316	¥2,218			¥19,267	

(*) Included in “Valuation difference on available-for-sale securities” of “Other
comprehensive income” in the consolidated statements of comprehensive
income.

(*2) The total of all derivative transactions recorded in trading assets and liabilities and
other assets and liabilities

Net claims and liabilities arising from derivative transactions are presented in
netted amounts. Net negative amounts are marked with a bracket.

Transactions subject to special hedging treatment of interest rate swaps are
valued together with the hedged transactions, and have thus been excluded from
derivative transactions.

(*3) Of the derivative transactions, those subject to hedge accounting are carried at
¥(18,330) million in the consolidated balance sheets.

(2) Financial instruments not measured at the fair values in the consolidated balance sheets

Notes have been omitted for cash and due from banks, call loans and bills bought, call money and bills sold, payables under repurchase
agreements, and payables under securities lending transactions, as the carrying values of these financial instruments approximate their fair
values due to short payment terms.

March 31, 2026	Millions of Yen				Carrying Value	Difference
	Level 1	Level 2	Level 3	Total		
Money held in trust			¥ 5,700	¥ 5,700	¥ 5,700	
Securities						
Held-to-maturity	¥131,910	¥ 13,866	2,360	148,136	151,195	¥ (3,058)
Japanese government bonds	131,910			131,910	134,093	(2,183)
Local government bonds		7,251		7,251	7,896	(644)
Corporate bonds		2,122	2,360	4,482	4,638	(155)
Others		4,492		4,492	4,566	(74)
Foreign bonds		4,492		4,492	4,566	(74)
Loans and bills discounted					11,185,408	
Allowance for loan losses (*)					(49,899)	
			10,937,509	10,937,509	11,135,509	(197,999)
Total assets	¥131,910	¥ 13,866	¥10,945,570	¥11,091,346	¥11,292,404	¥(201,057)
Deposits		¥12,209,401		¥12,209,401	¥12,210,042	¥ (641)
Negotiable certificates of deposit		176,656		176,656	176,658	(1)
Borrowed money		1,443,763	¥ 26,474	1,470,238	1,480,829	(10,590)
Total liabilities		¥13,829,822	¥ 26,474	¥13,856,296	¥13,867,530	¥ (11,233)

March 31, 2026	Thousands of U.S. Dollars				Carrying Value	Difference
	Level 1	Level 2	Level 3	Total		
Money held in trust			\$ 35,640	\$ 35,640	\$ 35,640	
Securities						
Held-to-maturity	\$824,798	\$ 86,702	14,759	926,259	945,382	\$ (19,123)
Japanese government bonds	824,798			824,798	838,454	(13,655)
Local government bonds		45,340		45,340	49,373	(4,032)
Corporate bonds		13,270	14,759	28,029	29,000	(970)
Others		28,090		28,090	28,554	(464)
Foreign bonds		28,090		28,090	28,554	(464)
Loans and bills discounted					69,939,404	
Allowance for loan losses (*)					(312,010)	
			68,389,355	68,389,355	69,627,394	(1,238,038)
Total assets	824,798	\$ 86,702	\$68,439,755	\$69,351,255	\$70,608,418	\$(1,257,162)
Deposits		\$76,342,160		\$76,342,160	\$76,346,169	\$ (4,009)
Negotiable certificates of deposit		1,104,589		1,104,589	1,104,598	(9)
Borrowed money		9,027,474	\$ 165,535	9,193,009	9,259,232	(66,222)
Total liabilities		\$86,474,224	\$ 165,535	\$86,639,759	\$86,710,001	\$ (70,241)

(*) General and individual allowances for losses are excluded from the corresponding loans and bills discounted.

March 31, 2025	Millions of Yen				Carrying Value	Difference
	Level 1	Level 2	Level 3	Total		
Money held in trust			¥ 5,700	¥ 5,700	¥ 5,700	
Securities						
Held-to-maturity		¥ 14,236	8,315	22,551	23,226	¥ (675)
Japanese government bonds						
Local government bonds		8,328		8,328	8,804	(476)
Corporate bonds		1,966	8,315	10,282	10,401	(119)
Others		3,941		3,941	4,019	(78)
Foreign bonds		3,941		3,941	4,019	(78)
Loans and bills discounted					10,672,814	
Allowance for loan losses (*)					(49,196)	
			10,530,866	10,530,866	10,623,617	(92,750)
Total assets	¥ 14,236	¥10,544,882	¥10,559,118	¥10,652,544	¥10,652,544	¥(93,425)
Deposits		¥11,779,513		¥11,779,513	¥11,781,515	¥ (2,001)
Negotiable certificates of deposit		132,613		132,613	132,619	(5)
Borrowed money		1,297,902	¥ 24,560	1,322,463	1,338,684	(16,221)
Total liabilities		¥13,210,029	¥ 24,560	¥13,234,590	¥13,252,818	¥(18,228)

(*) General and individual allowances for losses are excluded from the corresponding loans and bills discounted.

Note 1: Description of the valuation methodologies and inputs used for measurement of the fair value of financial instruments

Assets

Trading assets

The fair values of trading assets are classified into Level 1 if their unadjusted quoted prices in active markets are available. These trading assets primarily include Japanese government bonds. If the market is not active, the fair values of trading assets are classified into Level 2 even if their published quoted prices are used. These trading assets primarily include local government bonds and corporate bonds.

Money held in trust

The fair values of money held in trust are classified into Level 2 or Level 3 based on the levels of the components of the trust property. As the trust periods or the components of the trust property are short-term in nature, the carrying amounts are used as the fair values because they are deemed to approximate fair value.

Notes regarding money held in trust by holding purpose are presented in "MONEY HELD IN TRUST."

Securities

The fair values of securities are classified into Level 1 if their unadjusted quoted prices in active markets are available. These securities primarily include listed stocks and Japanese government bonds. If the market is not active, the fair values of securities are classified into Level 2 even if their published quoted prices are used. These securities primarily include local government bonds and corporate bonds. For investment trusts for which no market trading prices exist, the net asset value is used as fair value and classified into Level 2, if there are no material restrictions that would require compensation for the risk from market participants with respect to cancellation or repurchase requests. The fair values of securitized products (beneficial interests in trust and secured loan receivables) are classified into Level 3, because these fair values are measured based on prices obtained from third parties, and significant unobservable inputs are used to calculate these prices. The fair values of private placement bonds are classified into Level 3, because these fair values are measured by discounting at a discount rate commensurate with the bonds' internal rating, remaining term, and coverage ratio, and the discount rate is a significant unobservable input. Stock acquisition rights are calculated using valuation techniques, such as the option valuation model. Major inputs include probability of listing. Since probability of listing is an unobservable input, the fair value of stock acquisition rights is classified into Level 3.

Loans and bills discounted

The fair values of loans and bills discounted are measured at their present values, which are calculated separately for different categories created based on types and internal ratings of loans and bills discounted, the status of their collateral and guarantees, and their periods, by discounting the future cash flows of the principal and interest at the interest rate expected for similar new loans or at a discount rate calculated by reflecting credit risk, expense rate, etc., on market interest rate. The fair values of floating-rate loans and bills discounted are measured at their carrying values, because their carrying values approximate fair values if the borrowers' credit status has not changed significantly since disbursement, as they quickly reflect market interest rates. As for claims against borrowers classified as legal bankruptcy, virtual bankruptcy or caution, since the loan loss estimates have been calculated based on, among other things, the amounts expected to be recoverable from collateral and guarantees, the fair values of these claims approximate their carrying values minus the amount of allowance for loan losses on the consolidated balance sheets at the end of the fiscal year. The remaining amounts are deemed to be their fair values. These fair values are all classified into Level 3, since the discount rate is unobservable.

Liabilities

Deposits and Negotiable Certificates of Deposit

As for demand deposits payable immediately on demand at the end of the fiscal year, the amounts payable are deemed to be their fair values. The fair values of time deposits and negotiable certificates of deposit are measured at their discounted present value, which is calculated by classifying them based on their periods and discounting the future cash flows at the interest rate to be used when accepting new deposits. The fair values of deposits with short terms (up to one year) or floating interest rates are measured at their carrying values, since their carrying values approximate fair values. These fair values are classified into Level 2.

Borrowed money

The fair value of borrowed money is measured at its present value, which is calculated by classifying the borrowed money based on its period and by discounting the future cash flows at the interest rate expected for similar new borrowings. Floating rate borrowed money reflects market interest rates in short periods, and the credit standing of the Group has not significantly changed since disbursement. Therefore, the carrying value of floating rate borrowed money approximates the fair value. The fair value of borrowed money with short terms (up to one year) is measured at its carrying value, since its carrying value approximates fair value. This fair value is classified into Level 3 if any significant unobservable input is used in its measurement, or otherwise into Level 2.

Derivative transactions

The fair values of derivative transactions are classified into Level 1 if their unadjusted quoted prices in active markets are available. These derivative transactions primarily include bonds futures. However, since most derivatives are over the counter transactions without published quoted prices, their fair values are measured using valuation techniques, such as the present value technique and the option valuation model depending on the type of transaction and the maturity period. The main inputs used in those valuation techniques are interest rate, exchange rate, and volatility, among others. In addition, price adjustments are made based on the credit risk of the counterparty and that of the Group. The fair values of these transactions are classified into Level 2 if no unobservable inputs are used or if the effect of the unobservable inputs used is insignificant. These transactions primarily include interest rate swaps and forward exchange contracts.

Note 2: Information on financial instruments measured at Level 3 fair values in the consolidated balance sheets
(1) Quantitative information on significant unobservable inputs
March 31, 2026

Category	Valuation Technique	Significant Unobservable Input	Range of Input	Weighted Average of Input
Securities				
Corporate bonds				
Private placement bonds	Present value technique	Discount rates	1.4% - 3.5%	2.1%
Other				
Stock acquisition rights	Option valuation model	Probability of listing	0% - 100.0%	44.6%

March 31, 2025

Category	Valuation Technique	Significant Unobservable Input	Range of Input	Weighted Average of Input
Securities				
Corporate bonds				
Private placement bonds	Present value technique	Discount rates	0.9% - 2.6%	1.3%
Other				
Stock acquisition rights	Option valuation model	Probability of listing	0% - 100.0%	51.4%

(2) Reconciliation between opening and closing balances and loss/gain on valuation recognized in profit/loss

	Millions of Yen			
	Securities			
	Available-for-Sale Securities			
	Private Placement Bonds	Securitized Products (Beneficial Interest in Trust)	Securitized Products (Secured Loan Receivables)	Stock Acquisition Rights
March 31, 2026				
Balance at beginning of the year	¥24,120	¥174,780		¥370
Profit or loss or other comprehensive income for the period				
Recorded in profit or loss (*1)		(38)		(65)
Recorded in other comprehensive income (*2)	(258)	(8,885)	¥ (25)	109
Net purchases, sales, issues, and settlements	(4,133)	(3,147)	7,996	13
Transfer into Level 3 fair value				
Transfer from Level 3 fair value				
Balance at end of the year	¥19,728	¥162,709	¥7,970	¥427
Gains or losses on valuation of financial assets and financial liabilities held at the end of the year included in profit or loss for the period				

	Thousands of U.S. Dollars			
	Securities			
	Available-for-Sale Securities			
	Private Placement Bonds	Securitized Products (Beneficial Interest in Trust)	Securitized Products (Secured Loan Receivables)	Stock Acquisition Rights
March 31, 2026				
Balance at beginning of the year	\$150,818	\$1,092,857		\$2,318
Profit or loss or other comprehensive income for the period				
Recorded in profit or loss (*1)		(243)		(411)
Recorded in other comprehensive income (*2)	(1,614)	(55,556)	\$ (161)	681
Net purchases, sales, issues, and settlements	(25,844)	(19,681)	50,000	85
Transfer into Level 3 fair value				
Transfer from Level 3 fair value				
Balance at end of the year	\$123,359	\$1,017,376	\$49,838	\$2,675
Gains or losses on valuation of financial assets and financial liabilities held at the end of the year included in profit or loss for the period				

(*1) Included in "Interest Income" in the consolidated statements of income.
(*2) Included in "Valuation difference on available-for-sale securities" of "Other Comprehensive Income" in the consolidated statements of comprehensive income.

	Millions of Yen		
	Securities		
	Available-for-Sale Securities		
	Private Placement Bonds	Securitized Products (Beneficial Interest in Trust)	Stock Acquisition Rights
March 31, 2025			
Balance at beginning of the year	¥25,547	¥171,392	¥258
Profit or loss or other comprehensive income for the period			
Recorded in profit or loss (*1)		(38)	(34)
Recorded in other comprehensive income (*2)	(238)	(2,162)	107
Net purchases, sales, issues, and settlements	(1,189)	5,588	39
Transfer into Level 3 fair value			
Transfer from Level 3 fair value			
Balance at end of the year	¥24,120	¥174,780	¥370
Gains or losses on valuation of financial assets and financial liabilities held at the end of the year included in profit or loss for the period			

(*1) Included in "Interest Income" in the consolidated statements of income.
(*2) Included in "Valuation difference on available-for-sale securities" of "Other Comprehensive Income" in the consolidated statements of comprehensive income.

(3) Description of process of fair value measurement
The Group has established policies and procedures for fair value measurement in middle departments and back-end departments. Once a fair value is measured, verification is performed to test the validity of the valuation techniques and inputs used in the measurement of the fair value and the appropriateness of the classification of the fair value.
In calculating fair values, valuation models are used that most appropriately reflect the nature, characteristics, and risks of the individual assets. Furthermore, when quoted prices obtained from a third party are used, the validity of these prices are verified by such appropriate methods as checking the valuation techniques and inputs being used and/or comparing the resulting fair values with fair values of similar financial instruments.

(4) Description of the impact of changes in significant unobservable inputs on fair values
The significant unobservable inputs used in the measurement of fair values of securitized products (beneficial interests in trust and secured loan receivables) are probability of default, loss-given default, and prepayment rate. Significant increase (decrease) in probability of default or loss-given default will result in significant decrease (increase) in fair values, whereas significant change in prepayment rate will result in significant decrease (increase) in fair values, depending on the structure of the financial instrument.
The significant unobservable input used in the measurement of fair values of private placement bonds is discount rate. The discount rate is calculated according to the internal rating of the issuer, the remaining term, and the coverage ratio. Significant increase (decrease) in discount rate will result in significant decrease (increase) in fair values.
Probability of listing is the significant unobservable input used to calculate the fair value of stock acquisition rights. A significant increase (decrease) in probability of listing will result in a significant increase (decrease) in fair value.

Note 3: Stocks and others without quoted market prices and investments in partnerships are measured as follows in the consolidated balance sheets. They are not included in "Available-for-sale securities" in the tables disclosed within this footnote under the heading, "2. Fair values of financial instruments and a breakdown by level of the fair values of financial instruments" above.

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Unlisted stocks (*1, *2)	¥ 7,681	¥ 7,949	\$ 48,033
Investments in partnerships and others (*3)	125,330	120,832	783,658
Total	¥133,012	¥128,781	\$831,692

(*1) Unlisted stocks are not included in the disclosure of fair value in accordance with Paragraph 5 of the "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19, March 31, 2020).
(*2) The impairment losses on unlisted stocks for the years ended March 31, 2026 and 2025, are ¥74 million (\$462 thousand) and ¥291 million, respectively.
(*3) Investments in partnerships and others principally include investment partnerships. These are not included in the disclosure of fair value in accordance with Paragraph 24-16 of the "Implementation Guidance on Disclosures about Fair Value of Financial Instruments."

Note 4: Maturity analysis for financial assets and securities with contractual maturities

	Millions of Yen					
	Due in One Year or Less	Due after One Year through Three Years	Due after Three Years through Five Years	Due after Five Years through Seven Years	Due after Seven Years through Ten Years	Due after Ten Years
March 31, 2026						
Due from banks	¥ 784,842					
Call loans and bills bought	104,012					
Money held in trust	282,200	¥ 0				
Securities:	27,479	129,763	¥ 218,178	¥ 79,263	¥ 426,832	¥1,542,212
Held-to-maturity securities	1,000	7,186	32,500	1,100	105,800	4,363
Available-for-sale securities	26,479	122,576	185,678	78,163	321,032	1,537,849
Loans and bills discounted (*1)(*2)	2,425,837	1,926,673	1,484,186	882,468	949,191	3,328,955
Total	¥3,624,372	¥2,056,438	¥1,702,365	¥961,732	¥1,376,023	¥4,871,168

	Thousands of U.S. Dollars					
	Due in One Year or Less	Due after One Year through Three Years	Due after Three Years through Five Years	Due after Five Years through Seven Years	Due after Seven Years through Ten Years	Due after Ten Years
March 31, 2026						
Due from banks	\$ 4,907,415					
Call loans and bills bought	650,365					
Money held in trust	1,764,521	\$ 5				
Securities:	171,819	811,376	\$ 1,364,210	\$ 495,611	\$2,668,870	\$ 9,643,047
Held-to-maturity securities	6,252	44,936	203,213	6,878	661,539	27,281
Available-for-sale securities	165,566	766,440	1,160,996	488,733	2,007,331	9,615,765
Loans and bills discounted (*1)(*2)	15,168,123	12,046,981	9,280,228	5,517,844	5,935,042	20,815,080
Total	\$22,662,245	\$12,858,363	\$10,644,439	\$6,013,456	\$8,603,913	\$30,458,127

(*1) The amounts of loans and bills discounted without due dates, which have been excluded as of March 31, 2026 are ¥104,357 million (\$652,520 thousand).
(*2) The amounts of loans and bills discounted for "possible bankruptcy," "virtual bankruptcy," and "legal bankruptcy," excluding those without due dates, which have been excluded as of March 31, 2026 are ¥83,736 million (\$523,583 thousand).

	Millions of Yen					
	Due in One Year or Less	Due after One Year through Three Years	Due after Three Years through Five Years	Due after Five Years through Seven Years	Due after Seven Years through Ten Years	Due after Ten Years
March 31, 2025						
Due from banks	¥ 909,281					
Call loans and bills bought	140,298					
Money held in trust	143,700		¥ 1			
Securities:	70,193	¥ 123,576	254,035	¥ 301,974	¥ 238,091	¥1,672,936
Held-to-maturity securities	1,700	7,052	1,100	1,500	1,400	10,321
Available-for-sale securities	68,493	116,524	252,935	300,474	236,691	1,662,614
Loans and bills discounted (*1)(*2)	2,291,869	1,869,857	1,556,422	899,392	917,566	2,947,100
Total	¥3,555,344	¥1,993,434	¥1,810,459	¥1,201,367	¥1,155,658	¥4,620,036

(*1) The amounts of loans and bills discounted without due dates, which have been excluded as of March 31, 2025 were ¥104,559 million.
(*2) The amounts of loans and bills discounted for "possible bankruptcy," "virtual bankruptcy," and "legal bankruptcy," excluding those without due dates, which have been excluded as of March 31, 2025 were ¥86,045 million.

Note 5: Maturity analysis for borrowed money and other interest-bearing debt

	Millions of Yen					
	Due in One Year or Less	Due after One Year through Three Years	Due after Three Years through Five Years	Due after Five Years through Seven Years	Due after Seven Years through Ten Years	Due after Ten Years
March 31, 2026						
Deposits	¥11,775,457	¥388,058	¥34,983	¥ 1,765	¥ 9,778	
Negotiable certificates of deposit	176,658					
Call money and bills sold	16,327					
Payables under repurchase agreements	405,800					
Payables under securities lending transactions	79,722					
Borrowed money	1,040,162	293,544	37,372	21,334	29,523	¥58,891
Total	¥13,494,128	¥681,602	¥72,356	¥23,099	¥39,302	¥58,891

	Thousands of U.S. Dollars					
	Due in One Year or Less	Due after One Year through Three Years	Due after Three Years through Five Years	Due after Five Years through Seven Years	Due after Seven Years through Ten Years	Due after Ten Years
March 31, 2026						
Deposits	\$73,628,820	\$2,426,425	\$218,744	\$ 11,037	\$ 61,141	
Negotiable certificates of deposit	1,104,598					
Call money and bills sold	102,094					
Payables under repurchase agreements	2,537,360					
Payables under securities lending transactions	498,483					
Borrowed money	6,503,861	1,835,456	233,680	133,397	184,604	\$368,231
Total	\$84,375,219	\$4,261,882	\$452,425	\$144,434	\$245,746	\$368,231

Note: Demand deposits are included in "Due in One Year or Less."

	Millions of Yen					
	Due in One Year or Less	Due after One Year through Three Years	Due after Three Years through Five Years	Due after Five Years through Seven Years	Due after Seven Years through Ten Years	Due after Ten Years
March 31, 2025						
Deposits	¥11,476,689	¥ 249,937	¥40,784	¥2,357	¥11,745	
Negotiable certificates of deposit	132,619					
Call money and bills sold	34,092					
Payables under repurchase agreements	506,350					
Payables under securities lending transactions	409,480					
Borrowed money	384,780	948,029	5,028	771	75	
Total	¥12,944,012	¥1,197,967	¥45,812	¥3,129	¥11,820	

Note: Demand deposits are included in "Due in One Year or Less."

36. DERIVATIVES

Qualitative information on derivatives, such as the nature and the purpose of derivative financial instruments, is included in Note 35.

Derivative transactions to which hedge accounting is not applied at March 31, 2026 and 2025, consisted of the following:

	Millions of Yen			
	Contract or Notional Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gains (Losses)
March 31, 2026				
Over the counter:				
Interest rate swaps	¥499,589	¥470,783	¥ 792	¥ 792
Currency swaps	136,020	132,898	36	36
Forward contracts	687,990	300,539	5,604	5,604
Currency options	366,440	278,665	12	3,714
Other	6,855	6,837	8	8

	Thousands of U.S. Dollars			
	Contract or Notional Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gains (Losses)
March 31, 2026				
Over the counter:				
Interest rate swaps	\$3,123,801	\$2,943,685	\$ 4,955	\$ 4,955
Currency swaps	850,501	830,982	230	230
Forward contracts	4,301,824	1,879,195	35,045	35,045
Currency options	2,291,256	1,742,419	75	23,224
Other	42,863	42,750	51	51

Note: Derivatives included in the table above were measured at fair value, and the unrealized gains and losses were recognized in income.

	Millions of Yen			
	Contract or Notional Amount	Contract Amount Due after One Year	Fair Value	Unrealized Gains (Losses)
March 31, 2025				
Over the counter:				
Interest rate swaps	¥476,604	¥405,637	¥ 735	¥ 735
Currency swaps	169,631	158,437	0	0
Forward contracts	636,797	301,867	9,074	9,074
Currency options	272,366	201,681	4	3,346
Other	1,801	1,595	14	14

Note: Derivatives included in the table above were measured at fair value, and the unrealized gains and losses were recognized in income.

Derivative transactions to which hedge accounting is applied at March 31, 2026 and 2025, consisted of the following:

	Millions of Yen			
	Hedged Item	Contract Amount	Contract Amount Due after One Year	Fair Value
March 31, 2026				
Principled treatment:				
Interest rate swaps	Securities classified as available-for-sale and borrowed money	¥583,579	¥581,564	¥ 27,934
Currency swaps	Loans, deposits, and securities in foreign currencies	180,406	180,013	(43,491)
Special hedging treatment:				
Interest rate swaps	Loans	94,858	70,568	

	Hedged Item	Thousands of U.S. Dollars		
		Contract Amount	Contract Amount Due after One Year	Fair Value
March 31, 2026				
Principled treatment:				
Interest rate swaps	Securities classified as available-for-sale and borrowed money	\$3,648,970	\$3,636,370	\$ 174,668
Currency swaps	Loans, deposits, and securities in foreign currencies	1,128,036	1,125,577	(271,940)
Special hedging treatment:				
Interest rate swaps	Loans	593,121	441,246	
Notes: 1. Principally, deferral hedge accounting is applied as stipulated in JICPA Industry Committee Practical Guideline No. 24, March 17, 2022, and No. 25, October 8, 2020.				
2. The fair value of interest rate swaps with special hedging treatment is omitted as interest rate swaps and loans are treated unitary and their values are included in the fair value of loans and bills discounted in Note 35.				

	Hedged Item	Millions of Yen		
		Contract Amount	Contract Amount Due after One Year	Fair Value
March 31, 2025				
Principled treatment:				
Interest rate swaps	Securities classified as available-for-sale and borrowed money	¥576,524	¥573,149	¥ 17,185
Currency swaps	Loans, deposits, and securities in foreign currencies	173,723	153,951	(35,516)
Special hedging treatment:				
Interest rate swaps	Loans	90,087	65,283	
Notes: 1. Principally, deferral hedge accounting is applied as stipulated in JICPA Industry Committee Practical Guideline No. 24, March 17, 2022, and No. 25, October 8, 2020.				
2. The fair value of interest rate swaps with special hedging treatment is omitted as interest rate swaps and loans are treated unitary and their values are included in the fair value of loans and bills discounted in Note 35.				

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 Group's exposure to credit or market risk.

37. RELATED-PARTY TRANSACTIONS

Related-party transactions for the years ended March 31, 2026 and 2025, were as follows:

Related-Party Transactions with the Company's Consolidated Subsidiaries

March 31, 2026				
Related Party	Category	Description of Transactions	Millions of Yen	Thousands of U.S. Dollars
Kiyokawa Building Eiichiro Kiyokawa	Close relative of a director of Shizuoka Bank	Loans	¥623	\$3,898
Kiyokawa Corporation	Company in which majority voting rights are held by director or close relative of a director of Shizuoka Bank	Loans	¥147	\$922
Kiyokawa Real Estate Co., Ltd.	Company in which majority voting rights are held by director or close relative of a director of Shizuoka Bank	Loans	¥655	\$4,095
Notes: 1. Related-party transactions stated above are processed under equal conditions to transactions with general customers.				
2. Amounts of loans are balances at the end of the fiscal year.				

March 31, 2025

Related Party	Category	Description of Transactions	Millions of Yen
Kiyokawa Building Eiichiro Kiyokawa	Close relative of a director of Shizuoka Bank	Loans	¥662
Kiyokawa Corporation	Company in which majority voting rights are held by director or close relative of a director of Shizuoka Bank	Loans	¥160
Kiyokawa Real Estate Co., Ltd.	Company in which majority voting rights are held by director or close relative of a director of Shizuoka Bank	Loans	¥765

Notes: 1. Related-party transactions stated above are processed under equal conditions to transactions with general customers.

2. Amounts of loans are balances at the end of the fiscal year.

38. OTHER COMPREHENSIVE INCOME

The components of other comprehensive income for the years ended March 31, 2026 and 2025, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Unrealized gain (loss) on available-for-sale securities:			
Gain (loss) arising during the year	¥30,647	¥(106,960)	\$191,631
Reclassification adjustments to profit and loss	(389)	(6,760)	(2,436)
Amount before income taxes and income tax effect	30,257	(113,720)	189,195
Income taxes and income tax effect	(9,326)	31,774	(58,315)
Total	¥20,931	¥ (81,945)	\$130,879
Deferred gains on derivatives under hedge accounting:			
Gain (loss) arising during the year	¥ 4,765	¥ 5,246	\$ 29,794
Reclassification adjustments to profit and loss	6,130	7,579	38,329
Amount before income taxes and income tax effect	10,895	12,825	68,124
Income taxes and income tax effect	(3,351)	(3,962)	(20,954)
Total	¥ 7,543	¥ 8,862	\$ 47,169
Foreign currency translation adjustments:			
Gains arising during the year	¥ 9,510	¥ 459	\$ 59,466
Reclassification adjustments to profit and loss	—	—	—
Amount before income taxes and income tax effect	9,510	459	59,466
Income taxes and income tax effect	—	—	—
Total	¥ 9,510	¥ 459	\$ 59,466
Defined retirement benefit plans:			
Adjustments arising during the year	¥ 7,703	¥ (1,389)	\$ 48,169
Reclassification adjustments to profit and loss	(346)	(739)	(2,169)
Amount before income taxes and income tax effect	7,356	(2,129)	46,000
Income taxes and income tax effect	(2,258)	616	(14,121)
Total	¥ 5,098	¥ (1,513)	\$ 31,878
Share of other comprehensive income (loss) in affiliated companies:			
Gain (loss) arising during the year	¥ 829	¥ (281)	\$ 5,185
Reclassification adjustments to profit and loss	—	—	—
Total	¥ 829	¥ (281)	\$ 5,185
Total other comprehensive income (loss)	¥43,913	¥ (74,418)	\$274,580

39. NET INCOME PER SHARE

Net income per share (“EPS”) for the years ended March 31, 2026 and 2025, are computed as follows:

March 31, 2026	Millions of Yen	Thousands of Shares	Yen	U.S. Dollars
	Net Income Attributable to Owners of the Parent	Weighted-Average Shares	EPS	
Basic EPS:				
Net income attributable to common shareholders	¥90,469	539,598	¥167.66	\$1.04
Effect of dilutive securities:				
Interest expenses (excluding tax amount)	—			
Stock options		52		
Convertible bonds with stock acquisition rights		—		
Diluted EPS:				
Net income for computation	¥90,469	539,651	¥167.64	\$1.04

March 31, 2025	Millions of Yen	Thousands of Shares	Yen
	Net Income Attributable to Owners of the Parent	Weighted-Average Shares	EPS
Basic EPS:			
Net income attributable to common shareholders	¥74,618	547,165	¥136.37
Effect of dilutive securities:			
Interest expenses (excluding tax amount)	—		
Stock options		92	
Convertible bonds with stock acquisition rights		—	
Diluted EPS:			
Net income for computation	¥74,618	547,258	¥136.34

The Company's shares owned by the Employee Stock Delivery Trust (RS Trust), which are recorded as treasury stock in shareholders' equity, are included in the number of treasury shares deducted from the total number of shares issued at the end of the fiscal year for calculating the net asset amount per share, and are also included in the number of treasury shares deducted in the calculation of the average number of shares during the period for calculating Basic EPS and Diluted EPS.

For calculating the net asset amount per share, the number of shares at the end of the period after deduction of such treasury stock as of March 31, 2026 and 2025, was 345 thousand shares and 650 thousand shares, respectively. For calculating Basic EPS and Diluted EPS, the average number of treasury shares during the period after deduction for the years ended March 31, 2026 and 2025, was 382 thousand shares and 575 thousand shares, respectively.

40. SUBSEQUENT EVENTS

Appropriation of Retained Earnings
The following appropriation of retained earnings was authorized at the annual general meeting of shareholders held on June 19, 2026:

	Millions of Yen	Thousands of U.S. Dollars
Cash dividends, 41 yen (\$0.25) per share	¥21,766	\$136,101
Total	¥21,766	\$136,101

The total amount of dividends includes dividends of ¥14 million (\$88 thousand) on treasury stock owned by the Employee Stock Delivery Trust (RS Trust).

Key Consolidated Financial Indicators

Summary of Profits (Losses)

Years ended March 31	Millions of Yen			Percentage Change
	2026	2025	Increase (Decrease)	
Net interest income	169,557	147,101	22,455	15.2
Net fees and commissions	54,081	49,117	4,963	10.1
Net trading income	1,432	1,542	(110)	(7.1)
Net other operating income	(46,184)	(10,451)	(35,733)	341.9
General and administrative expenses	105,301	97,110	8,191	8.4
Net other ordinary income	56,714	11,873	44,840	377.6
Ordinary profits	130,298	102,073	28,225	27.6
Income before income taxes	127,097	104,630	22,467	21.4
Income taxes:				
Current	37,543	29,307	8,236	28.1
Deferred	(918)	713	(1,631)	(228.7)
Net income	90,472	74,609	15,863	21.2
Net income attributable to noncontrolling interests	3	(8)	12	(140.1)
Net income attributable to owners of the parent	90,469	74,618	15,851	21.2
Comprehensive income	134,386	190	134,195	70,261.8

Breakdown of Net Interest Margin

Years ended March 31	Billions of Yen
Interest income	255.6
Average interest-earning assets	14,782.4
Average interest rate of interest-earning assets (%)	1.72
Interest expense (Note)	85.7
Average interest-bearing liabilities	14,181.6
Average interest rate of interest-bearing liabilities (%)	0.60
Net interest income	169.8

Note: Interest expense here excludes interest paid in relation to investment in money held in trust.

Net Other Operating Income

Years ended March 31	Millions of Yen		
	2026	2025	Increase (Decrease)
Gains on foreign exchange transactions	971	(186)	1,158
Gains/losses on government bonds	(47,903)	(10,513)	(37,390)
Gains on sales	15,060	1,990	13,069
Losses on sales	(62,964)	(12,504)	(50,460)
Losses on redemptions	0	0	0
Amortized bond issue cost			
Gains/losses on derivative transactions	1,069	249	820
Proceeds from derivative transactions	1,069	249	820
Expenses for derivative products			
Others	(321)	0	(321)
Gains/losses on other business	(46,184)	(10,451)	(35,733)
Other operating income	17,204	2,239	14,964
Other operating expenses	(63,388)	(12,690)	(50,698)

Loans Outstanding by Type of Borrower

March 31	Billions of Yen	
	2026	
Domestic branches:		
Manufacturing	1,591.0	14.69
Agriculture and forestry	7.9	0.07
Fishery	14.2	0.13
Mining and quarrying	16.1	0.15
Construction	304.0	2.81
Utilities	157.1	1.45
Telecommunications	76.9	0.71
Transportation and mail service	326.6	3.02
Wholesale and retailing	783.9	7.24
Finance and insurance	770.0	7.11
Real estate, lease, and rental	2,647.5	24.44
Medical, welfare, lodging, and other services	755.6	6.98
Local governments	65.4	0.60
Other	3,314.7	30.60
Subtotal	10,831.6	100.00
Overseas branches and offshore accounts:		
Governments and official institutions	0.0	0.00
Banks and other financial institutions	45.4	12.84
Other	308.3	87.16
Subtotal	353.7	100.00
Total	11,185.4	

Financial Rehabilitation Law Disclosure Claims

March 31	Millions of Yen		
	2026	2025	Increase (Decrease)
Claims provable in rehabilitation from bankruptcy and equivalents	17,356	19,706	(2,350)
% of total credit	0.15	0.18	(0.02)
Doubtful claims	67,025	66,393	632
% of total credit	0.59	0.61	(0.02)
Loans past due for three months or more	440	1,126	(686)
% of total credit	0.00	0.01	(0.00)
Restructured loans	7,513	7,768	(255)
% of total credit	0.06	0.07	(0.00)
Financial Rehabilitation Law Disclosure Claims total	92,336	94,996	(2,659)
% of total credit	0.81	0.88	(0.06)
Value covered with collateral, guarantees, etc.	82,399	84,039	(1,639)
Cover ratio(%)	89.23	88.46	0.77

- Notes: 1. Capital ratios were calculated on a consolidated basis, according to the provision of the Article 52-25 of Banking Act,with the formula on the criteria, the 20th notice by Financial Services Agency in 2006, to judge whether the sufficiency of the equity capital of the banking group is appropriate in light of the assets owned by its group, and so on.
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 claims provable in rehabilitation from bankruptcy and equivalents and doubtful claims.
3. In addition, the leverage ratio, which was a complementary indicator of the capital ratio, was calculated on a consolidated basis,according to the provision of the Article 52-25 of Banking Act, with the formula on the criteria, the 12th notice by Financial Services Agency in 2019, to judge the soundness of the leverage as a complementary indicator of the criteria on whether the sufficiency of the equity capital of the banking group is appropriate in light of the assets owned by its group, and so on.
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	
	2026	2025
General allowance for loan losses	27,543	26,383
Specific allowance for loan losses	26,015	26,216
Total	53,558	52,599
Loans on written-off claims for the year	445	227

Financial Index

	Consolidated		
	2026	2025	Increase (Decrease)
Years ended March 31			
Per share (Yen):			
Net income	167.66	136.37	31.29
Net assets	2,321.83	2,153.14	168.69
Cash dividends	80.00	60.00	20.00
Dividend payout ratio (%)	47.71	43.99	3.72
Return on equity (ROE) (%)	7.54	6.29	1.25
Price earnings ratio (PER) (%)	15.28	11.90	3.38

Note: The amount of net income returned as a percentage of the average balance of shareholders' equity.

Capital Adequacy Ratio

	Consolidated	
	2026	2025
March 31		
1. Total capital ratio (%)	15.60	16.29
2. Tier 1 ratio (%)	15.60	16.29
3. Common equity Tier 1 ratio (%)	15.60	16.29
4. Total capital	1,081.5	991.2
5. Tier 1 capital	1,081.5	991.2
6. Common equity Tier 1 capital	1,081.5	991.2
7. Total risk weighted assets	6,930.0	6,082.1
8. Total capital requirements	554.4	486.5
Leverage ratio (%)	6.89	6.47

Notes: 1. Capital ratios were calculated both on consolidated and nonconsolidated bases, with the formula shown on the criteria, the 20th notice by Financial Services Agency in 2006, to judge whether or not the adequacy of equity capital of the Bank is appropriate in light of the circumstances, such as the assets owned by the Bank, according to the provision of the Article 52-25 of Banking Act.

2. The Group adopted the Foundation Internal Rating-Based Approach to calculate credit risk assets and the Standardized Approach for operational risk, and applies the Market Risk Capital Regulations.

3. In addition, the leverage ratio, which was a complementary indicator of the equity ratio, was calculated both on consolidated and nonconsolidated bases, with the formula shown on the criteria, the 12th notice by Financial Services Agency in 2019, to judge the soundness of the leverage as a complementary indicator of the criteria on whether or not the adequacy of equity capital of the Bank is appropriate in light of the circumstances, such as the assets owned by the Bank, according to the provision of the Article 52-25 of Banking Act.

Board of Directors and Audit & Supervisory Board Members

President	Director	Audit & Supervisory Board Member
Minoru Yagi	Takeshi Kageyama	Kazuhiko Taki
	Naoko Nemoto	Koichi Kiyokawa
Deputy President	Director & Senior Executive Officer	Yoshihiro Yamashita
Yutaka Fukushima	Toshiyasu Takizawa	Isamu Nakamura
Director & Senior Managing Executive Officer		
Hiromitsu Umehara		

(As of July 1, 2026)

Investor Information (The Shizuoka Financial Group)

CAPITAL STOCK (As of March 31, 2026)
Common stock..... ¥90,000 million

NUMBER OF SHARES (As of March 31, 2026)
Authorized 2,000,000,000 shares
Issued and outstanding 580,129,069 shares

NUMBER OF SHAREHOLDERS (As of March 31, 2026)
46,954

STOCK LISTING
Prime Market of the Tokyo Stock Exchange

TRANSFER AGENT
Sumitomo Mitsui Trust Bank, Limited.

PRINCIPAL SHAREHOLDERS
The 10 largest shareholders of the Shizuoka Financial Group and their respective shareholdings at March 31, 2026, were as follows:

	Number of shares in thousands	Percentage of total shares outstanding
The Master Trust Bank of Japan, Ltd. (trust account)	77,582	14.61%
Nippon Life Insurance Company	29,745	5.60
Meiji Yasuda Life Insurance Company	29,117	5.48
Custody Bank of Japan, Ltd. (trust account)	27,274	5.13
Sumitomo Life Insurance Company	13,070	2.46
JP Morgan Securities Japan co., Ltd.	11,056	2.08
STATE STREET BANK AND TRUST COMPANY 505001	8,330	1.56
SUZUKI MOTOR CORPORATION	7,000	1.31
Tokio Marine & Nichido Fire Insurance co., Ltd.	6,965	1.31
JP MORGAN CHASE BANK 385781	6,747	1.27
Total	216,891	40.85%

Notes: 1. In addition to the above, the Shizuoka Financial Group holds 49,232 thousand treasury shares.

2. Numbers of shares have been rounded down to the nearest 1,000 shares.

3. Percentages of total shares outstanding have been calculated after subtracting the number of treasury shares from the total number of shares outstanding, with results being rounding down to two decimal places.

The Shizuoka Financial Group

Consolidated Subsidiaries

THE SHIZUOKA BANK, LTD. Banking service	SHIZUGIN TM SECURITIES CO., LTD. Securities	TOKYO GAS LEASE CO., LTD. Leasing business, credit business, insurance agency business, settlement services business, claims purchasing business
SHIZUGIN MANAGEMENT CONSULTING CO., LTD. Corporate and financial management advisory services Bill collection services	SFG MARKETING CO., LTD. Marketing support services Advertising agency services Premium placement services	SHIZUGIN HEARTFUL CO., LTD. Making, printing, and binding of documents
SHIZUGIN LEASE CO., LTD. Leasing	SFG REAL ESTATE INVESTMENT ADVISORS CO., LTD. Investment advisory services for private real estate funds Consulting services	SHIZUOKA LIQUIDITY RESERVE LIMITED Purchases of monetary receivables
SHIZUGIN IT SOLUTION CO., LTD Computer system development and operation	SHIZUGIN GENERAL SERVICE CO., LTD. General administration Premium placement services	SHIZUOKA EU LIQUIDITY RESERVE LIMITED Purchases of monetary receivables
SHIZUGIN CREDIT GUARANTY CO., LTD. Guarantee of housing loans, etc.	SHIZUGIN BUSINESS PARTNERS CO., LTD. Centralized processing of deposits and loans, worker dispatch business, real estate appraisal and research business	SHIZUOKA SG LIQUIDITY RESERVE LIMITED Purchases of monetary receivables
SHIZUGIN CARD CO., LTD. Credit card and guarantee of consumer loans		SHIZUGIN SAISON CARD CO., LTD. Credit-card business, credit guarantee business
SHIZUOKA CAPITAL CO., LTD. Public-offering assistance, SME management support, SME business succession support		

* Other than the above-mentioned Group companies, Monex Group, Inc. , Commons Asset Management, Inc. , and Shizuoka Community Development Consulting co., Ltd. are equity-method affiliates of the Shizuoka Financial Group.

(As of July 1 , 2026)

The Shizuoka Bank

Corporate Data

HEAD OFFICE 10, Gofukucho 1-chome, Aoi-ku, Shizuoka-shi, Shizuoka 420-8761, Japan	INTERNATIONAL BUSINESS DEPT. INTERNATIONAL BUSINESS PROMOTION GROUP Phone: (81) 54-345-5411 Fax: (81) 54-344-0090	DOMESTIC NETWORK (As of July 1, 2026) Head Office, 173 branches, 26 subbranches
HEADQUARTERS 2-1, Kusanagi-Kita, Shimizu-ku, Shizuoka-shi, Shizuoka 424-8677, Japan Phone: (81) 54-345-5411 URL: https://www.shizuokabank.co.jp/	Financial Process Operations Dept. TREASURY & INTERNATIONAL OPERATIONS CENTER Phone: (81) 54-345-5700 Fax: (81) 54-349-5501 SWIFT address: SHIZJPJT	OVERSEAS NETWORK (As of July 1, 2026) 3 branches, 3 representative offices
NUMBER OF EMPLOYEES (As of March 31, 2026) 2,879		
DATE OF ESTABLISHMENT March 1, 1943		

Overseas Service Network

New York Branch 425 Lexington Avenue, 10th Floor, New York, N.Y.10017, U.S.A Phone: (1) 212-319-6260 Fax: (1) 212-319-6270	Singapore Branch 10 Collyer Quay #09-08/10, Ocean Financial Centre, Singapore Phone: (65) 6225-3600 Fax: (65) 6225-9901	Silicon Valley Representative Office 873 Santa Cruz Avenue, Suite 204, Menlo Park, CA, USA Phone: (1) 650-240-3258 Fax: (1) 650-240-3259
Hong Kong Branch Suite 1001-1003, 10th Floor, Tower 6, The Gateway, Harbour City, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong S.A.R., P.R.C. Phone: (852) 2521-6547 Fax: (852) 2845-9257	Shanghai Representative Office Room 1813, Shanghai International Trade Centre, 2201 Yan-An Road (West), Chang Ning Qu, Shanghai, P.R.C. Phone: (86) 21-6209-8115 Fax: (86) 21-6209-8116	Brussels Representative Office Rue Jules Cockx 8-10, Box 9, 1160 Auderghem, Brussels, Belgium Phone: (32) 2-646-0470 Fax: (32) 2-646-2462

Organization Chart



