



THE SHIMIZU BANK,LTD.

Annual Report 2022

Profile

The Shimizu Bank, Ltd. was established in 1928 with the merger of six banks and has always been a valuable partner of the local community.

The Bank has its headquarters in Shizuoka City, which has the Shimizu Port, the largest in the prefecture.

Shimizu Port, located halfway between Tokyo and Osaka, plays a significant role in international trade and economic development.

We will provide customers with a wide range of financial services, seek further business expansion as a customer-friendly bank and contribute to the development of the local community.



Bank Data

As of March 31, 2022

Head Office 2-1 Fujimicho, Shimizu-ku, Shizuoka-shi,
Shizuoka 424-0941 Japan

Date of Incorporation: July 1, 1928
 Paid-up Capital: JP¥10,816,260,000
 Number of Branches: 78
 Number of Sub-branches: 1
 Number of Employees: 906
 Consolidated Capital Adequacy Ratio
 (based on domestic standards): 8.95%
 Non-Consolidated Capital Adequacy Ratio
 (based on domestic standards): 8.71%



Consolidated Subsidiaries

As of March 31, 2022

Name of Company	Capital (Millions of Yen)	Ratio of Voting Right	Ratio of Voting Right [Other Group Companies]	Established	Line of Business
The Shimizu Business Service Co., Ltd.	10	100.00%	–	December 10, 1981	Calculating cash
The Shimizu General Maintenance Co., Ltd.	30	100.00%	–	December 24, 1991	Management of real estate
The Shimizu Regional Economy Research Center, INC	12	100.00%	–	October 28, 1965	Financial and economic research services, Training
The Shimizu Credit Guarantee Co., Ltd.	50	100.00%	–	November 1, 1978	Credit guaranteeing
The Shimizu Lease and Card Co., Ltd.	60	15.13%	48.32%	April 14, 1999	Leasing, Credit card
The Shimizu General Computer Service Co., Ltd.	30	5.00%	50.00%	July 1, 1989	Calculation operations



Yasuhiro Iwayama
President and
Representative
Director

Taking on Challenges and Implementing Reforms with the “Strength to Change” and “Resolute Commitment”

Introduction

We want to thank all of our customers for your continued patronage at the Shimizu Bank and our group partners. We have newly published the 2022 Annual Report, Integrated Report and Disclosure Materials. Efforts were made to enhance the disclosure of corporate information of the Shimizu Bank Group more than ever, and we invite you to make use of these materials to further your understanding of the Shimizu Bank Group.

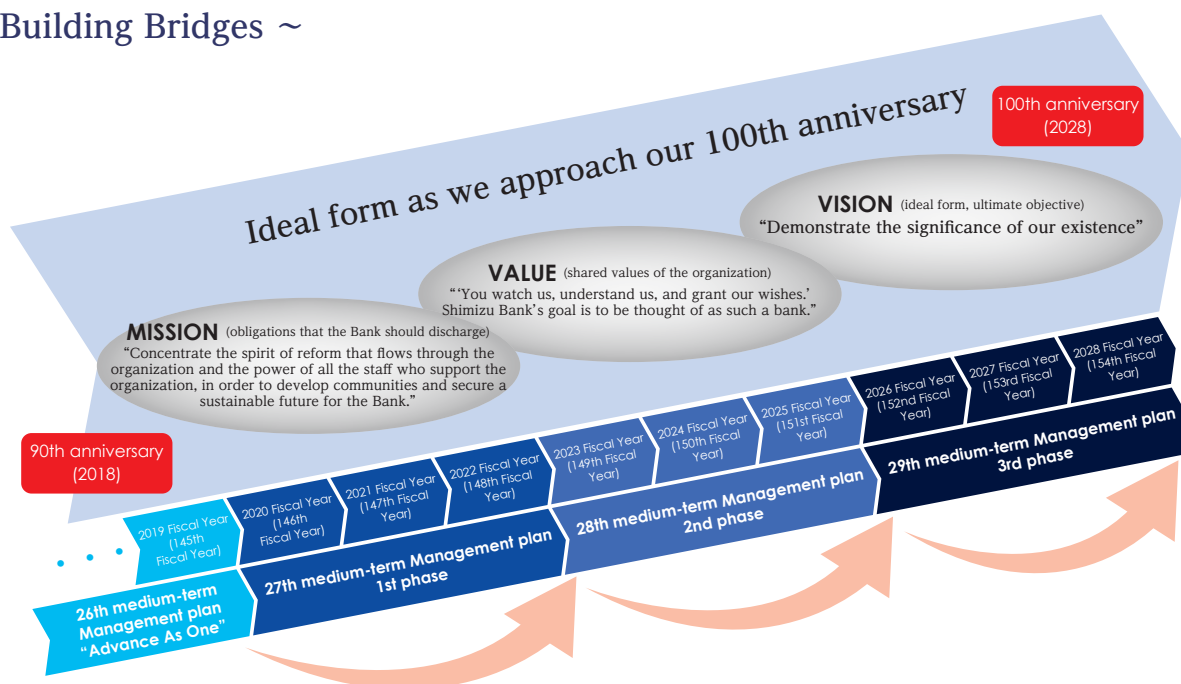
Thoughts as We Approach Our 100th Anniversary

The Shimizu Bank defines its ideal form as it approaches the 100th anniversary of its foundation on July 1, 2028, from the perspectives of MISSION (obligations that the Bank should discharge), VALUE (shared values of the organization) and VISION (ideal form, ultimate objective). It was by backcasting from this ideal form that the 27th Medium-term Management Plan “ZENSHIN – Building Bridges –” was formulated as the first phase toward the 100th anniversary. The first phase, which began in April 2020, has been positioned as an important period for raising the base level of profitability.

The “ZENSHIN” motto we have used for this plan incorporates the three Japanese meanings of “conscience,” “whole body,” and “forward movement,” and is intended to convey the sense of “Using every last bit of effort to move forward steadily, one step at a time, with a moral conscience.” The subtitle “Building Bridges” reflects our determination to build bridges with customers as well as a bridge to the next phase toward our 100th anniversary.

The 27th Medium-term Management Plan from April 1, 2020 to March 31, 2023 (three years)

ZENSHIN ~ Building Bridges ~



Shimizu Bank's Strengths and Value Creation Process

The Bank's biggest strength is the social capital nurtured in local communities through providing community-oriented financial services over a long period of more than 90 years. Shizuoka Prefecture, which is the primary business base of the Bank, is not only blessed with a mild climate but also has in place solid land, sea and air infrastructures such as the Tokaido main artery running east-west, Chubu-Odan Expressway running north-south, Port of Shimizu and other ports, and Mt. Fuji Shizuoka Airport. With a variety of industrial agglomerations taking advantage of the convenience of the location among other factors, Shizuoka Prefecture exhibits high potential. The Bank's branch network established throughout the prefecture has built strong relationships with local companies, administrative and government organizations, and other entities. We utilize such social capital nurtured in local communities along with financial, human, intellectual and natural capital in pursuing business activities to provide our stakeholders with diverse values.

Top Message / Medium-term Management Plan

Financial and Economic Environment

During the fiscal year under review, as the Japanese economy moved toward the normalization of economic activities, which had been stagnant due to the impact of the novel coronavirus disease (COVID-19), there were signs of improvement generally in consumer spending, corporate activities and capital investment. In some industries, however, steps toward recovery were at a standstill due to surging raw material prices prompted by the Ukraine situation and supply restrictions caused by COVID-19.

While the economy of Shizuoka Prefecture, which is the primary business base of the Bank, is also basically on a path to recovery, the food service and lodging businesses faced challenging conditions mainly as the impact of COVID-19 lingered. Looking at the employment and income environment, although the labor market is improving, the income of employees is deteriorating.

In the financial environment, domestic long-term interest rates hovered around 0% under the Bank of Japan's "Quantitative and Qualitative Monetary Easing with Yield Curve Control" and came to 0.210% at the end of the term.

Medium-term Management Plan "ZENSHIN – Building Bridges –" -- Basic Policies and Target Figures

Basic policies

Pursuing customer-oriented business

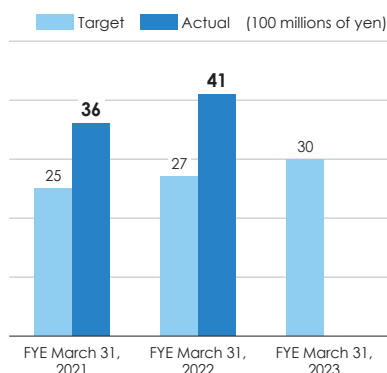
Maximizing the power of human resources

Strengthening the business base

Target figures

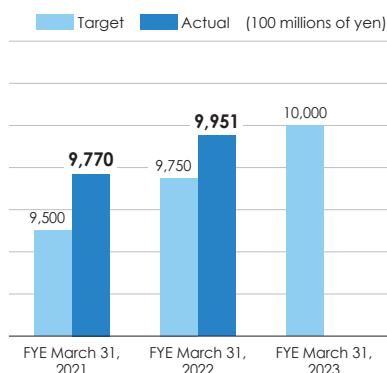
Core operational net profit
<Final fiscal year of the plan>

¥3 billion or more



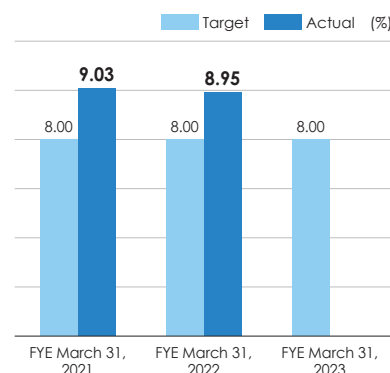
Total loans to small to medium-sized companies
<Final fiscal year of the plan>

¥1 trillion or more



Consolidated capital adequacy ratio
<Final fiscal year of the plan>

8% or more



Progress of the 27th Medium-term Management Plan

While implementing the measures presented in the 27th Medium-term Management Plan "ZENSHIN – Building Bridges –," which started from April 2020, we concentrated the power of all employees and strove for secure revenue and greater soundness while staying closely attuned to customers.

In terms of initiatives aimed at corporate customers, we newly established the Solution Sales Division in order to respond to customer needs that are becoming more diversified and sophisticated. In addition, we worked to expand external collaborating organizations in areas of expertise relating to customer support, such as diversification of financing means including sustainable finance, employment placement, decarbonization, digital transformation, etc. and put in place a system for providing high-quality financial services.

As part of our initiatives for individual customers, we launched new inheritance-related services such as a testamentary trust and testamentary substitute trust and made efforts to expand our financial services to accommodate the 100-year life era. In response to the advancement of digitalization, we began operating account linkages with PayPay, pring and other cashless settlement services as well as worked on digitizing the application process for "SHIMIZU With Card" and individual life insurance products and taking other steps to increase the

convenience of customers.

In our alliance initiatives, we began handling the "SBI DX Database" to incorporate the network with IT ventures that the SBI Group has nurtured through corporate investments and other means also in the Bank. Furthermore, we expanded the items of collaboration with Yasai Bus Co., Ltd., a social venture company which operates a common distribution system that connects producers of agricultural products, etc. in local communities with users, as an initiative in cross-border business matching.

As part of our initiatives to strengthen the business base, we decided to adopt "STELLA CUBE®" run by NTT DATA Corporation as our next-generation core system and have been preparing for the start of usage in May 2024. Given that "STELLA CUBE®" has been continuing stable operation and safe management, which are the elements of highest priority for the Bank, we will be able to realize highly reliable system operations and further enhance security management.

As a result of these initiatives taken, we have achieved two of the three targets set out in the Medium-term Management Plan; "Core operational net profit of ¥3 billion or more" and "Consolidated capital adequacy ratio of 8% or more," and have exceeded the plan for the third target "Total loans to small to medium-sized companies of ¥1 trillion or more."

Adapting to Changes

We at the Bank have overcome numerous challenges together with our customers over a long period of more than 90 years to date. In the two years since the onset of the COVID-19 pandemic in 2020, restrictions were placed on face-to-face communication which used to be an obvious way of communicating, supply chains spreading worldwide were disrupted, and other changes came about, causing a paradigm shift that significantly altered existing values and lifestyles. In addition, because of the COVID-19 pandemic, matters such as response to digitalization, work style reforms, and strengthening resilience that had been recognized to be necessary from before but were being addressed slowly have been changing at an accelerated pace.

Under such circumstances, the Bank established the Corporate Support Office in June 2020 and increased the number of employees specializing in management improvement support in an effort to establish a system to support customers that have been significantly affected by the COVID-19 pandemic. In April 2021, we established the Solution Sales Division and assigned specialists in areas of expertise, such as business succession, M&A, public subsidies, overseas expansion support, healthcare and nursing, etc. By so doing, we provided a menu of agile solutions to accommodate customer needs that are becoming more diverse and sophisticated, and responded flexibly to changes in an effort to promote the sustainable development of local economies and secure a sustainable future for the Bank.

Currently, as SDGs and ESG initiatives spread in society and the economy, we are working to expand our product lineup alongside taking other measures to support the sustainability management of local customers.

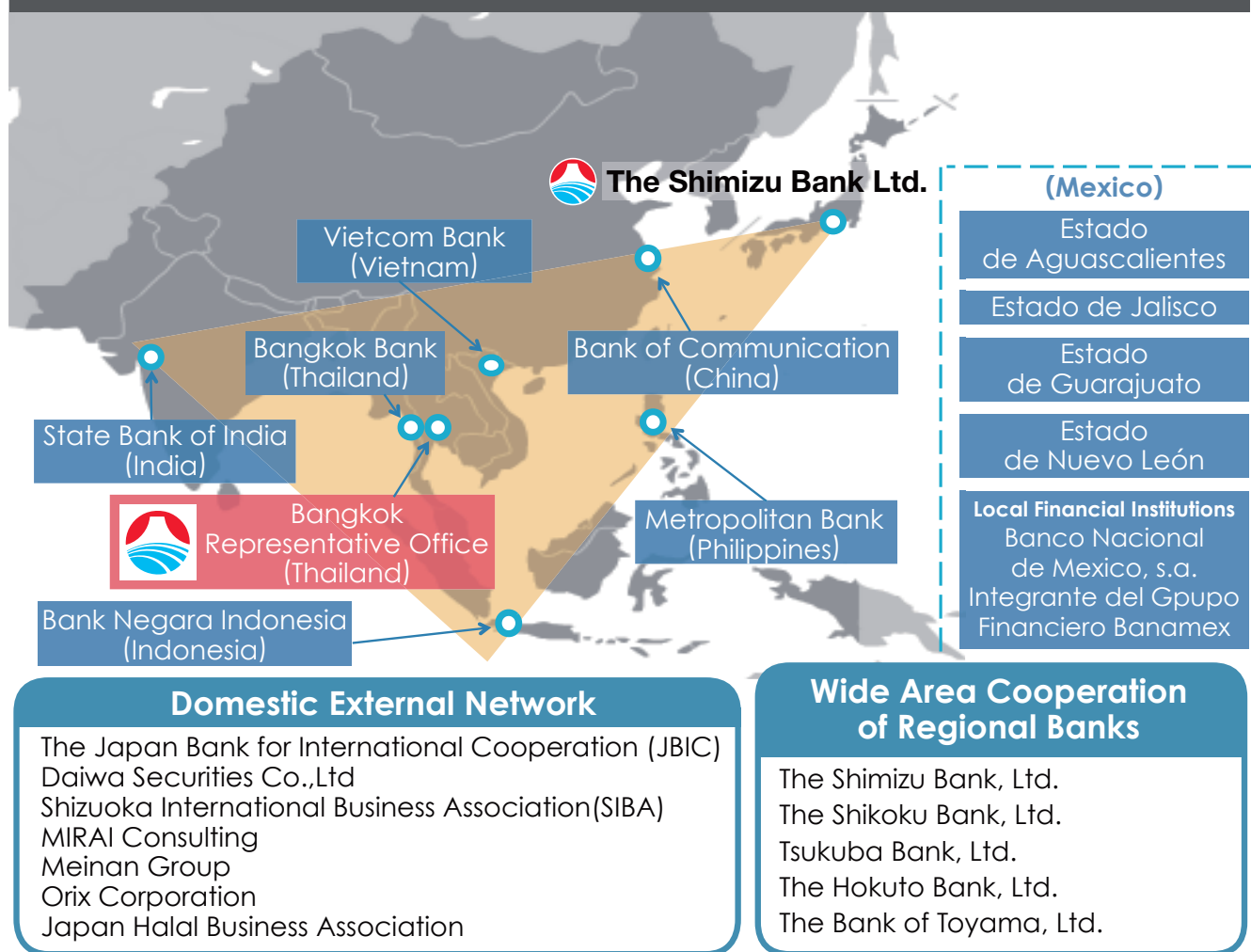


Implementation of Sustainability Management

In order to realize sustainable growth with all of our local community residents, we are implementing sustainability management with our "strength to change" in line with the changing tides of the time and our "resolute commitment" to stay closely attuned to customers, understand customers, and envision and implement measures that please and contribute to customers, based on our basic policies set out in the 27th Medium-term Management Plan.

We will continue to identify customer needs that are becoming more diverse and sophisticated, and enhance the quality of financial products we provide by designing products and services to meet these needs. Then we will strive to strengthen the Bank's earnings base. We will also maintain a keen awareness of our social responsibility as a finance institution, and in addition to building a robust structure for compliance, we will work to strengthen governance in order to increase corporate value, thereby responding to the trust and expectations from all stakeholders. We humbly and sincerely ask for your continued patronage.

Network of Support for Overseas Expansion



Mt. Fuji -Our Symbol-



Mt. Fuji and The Shimizu Bank

Mt. Fuji is the highest mountain in Japan, located on the border of Shizuoka prefecture, and is widely known as a symbol of Japan, at home and abroad, for its elegant appearance.

We have published a calendar about Mt. Fuji every year since 1969 and have been using a corporate logo since 1974 whose design includes images of Mt. Fuji and Gulf of Suruga.

In June of 2013, Mt. Fuji was registered as a World Heritage Site.

In line with the growing recognition of Mt. Fuji across the world, we intend to further strengthen "demonstrate the significance of our existence" for individual customers.



Summary of Business

Consolidated Results

Ordinary income decreased by ¥361 million year on year to ¥27,421 billion due to decreases in revenue related to securities. Ordinary expenses decreased by ¥871 million year on year to ¥23,436 billion due to decreases in expenses and credit-related expenses. As a result, an ordinary profit of ¥3,984 billion was posted.

In terms of deposits, as a result of striving to expand our business base, which has close ties to the region, total deposits increased by ¥24.9 billion from the end of the previous fiscal year to ¥1,515.7 billion.

In personal deposit assets, by responding to increasing diverse customer needs, we succeeded in growing personal deposits and personal pension insurance, leading to an increase of ¥53.1 billion over the end of the previous fiscal year, to ¥1,306.8 billion.

Loans and bills discounted rose by ¥13.6 billion from the end of the previous fiscal year to ¥1,217.8 billion, as a result of responding proactively, as a regional financial institution, to demand from customers for funding.

Securities rose by ¥25.2 billion over the end of the previous fiscal year, to ¥335.3 billion, the result of keeping a close eye on market fluctuations while taking a flexible approach to management.

(Millions of Yen)

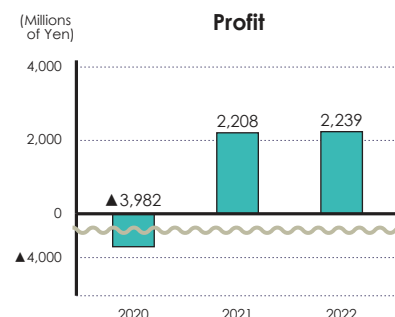
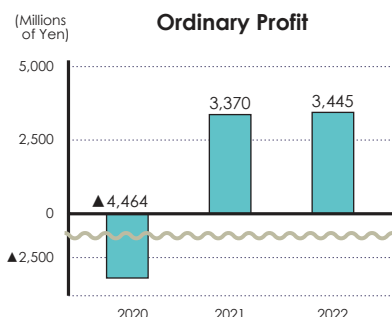
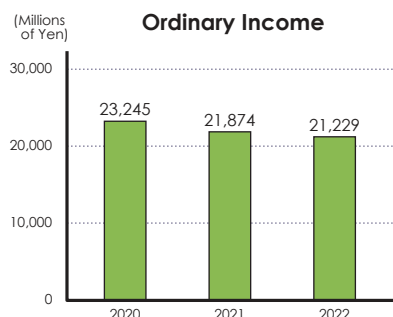
Consolidated Five-years Summary	2018	2019	2020	2021	2022
Ordinary Income	¥27,637	¥28,675	¥28,974	¥27,782	¥27,421
Ordinary Profit	3,345	3,620	▲4,230	3,475	3,984
Profit Attributable to Owners of Parent	2,332	2,521	▲3,968	2,163	2,580
Comprehensive Income	2,509	1,958	▲5,980	5,179	▲3,788
Total Net Assets	83,602	89,173	82,512	87,071	82,569
Total Assets	1,510,013	1,656,759	1,596,871	1,795,397	1,808,806
Net Assets per Share in Yen	8,629.71	7,584.31	7,001.06	7,388.40	6,993.66
Net Income per Share in Yen	244.52	225.83	▲342.58	186.69	222.69
Consolidated Capital Adequacy Ratio (based on domestic standards)	10.30%	9.41%	8.63%	9.03%	8.95%
Number of Employees	1,027	1,006	993	996	999

Non-Consolidated Results

Ordinary income decreased by ¥645 million year on year to ¥21,229 billion due to decreases in revenue related to securities. Ordinary expenses decreased by ¥720 million year on year, to ¥17,783 billion. As a result, an ordinary profit of ¥3,445 billion was posted.

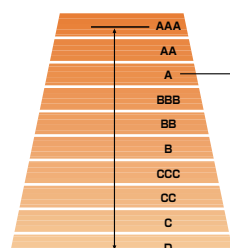
(Millions of Yen)

Non-Consolidated Five-years Summary	2018	2019	2020	2021	2022
Ordinary Income	¥22,473	¥23,048	¥23,245	¥21,874	¥21,229
Ordinary Profit	3,394	3,411	▲4,464	3,370	3,445
Profit	2,573	2,492	▲3,982	2,208	2,239
Capital Stock	8,670	10,816	10,816	10,816	10,816
Number of Shares Issued in Thousand Shares	9,600	11,641	11,641	11,641	11,641
Total Net Assets	80,159	85,524	78,956	82,912	77,904
Total Assets	1,499,276	1,646,792	1,585,837	1,784,805	1,797,996
Deposits	1,350,623	1,390,359	1,386,907	1,494,257	1,519,359
Loans and Bills Discounted	1,097,004	1,129,123	1,156,716	1,211,117	1,225,136
Securities	308,102	300,501	287,130	310,524	335,725
Net Assets Per Share in Yen	8,398.51	7,380.63	6,810.11	7,149.32	6,715.05
Dividends per Share in Yen	60	65	55	60	60
Dividends per Share at mid-term in Yen	30	35	30	30	30
Net Income per Share in Yen	269.79	223.23	▲343.75	190.65	193.24
Dividends Payment ratio	22.23%	29.11%	-%	31.47%	31.04%
Non-Consolidated Capital Adequacy Ratio (based on domestic standards)	10.06%	9.14%	8.42%	8.79%	8.71%
Number of Employees	942	914	901	904	906



Credit Rating

Credit rating is assigned to debts as follows: Concerning the relevant debt, a credit rating agency, which is a fair and disinterested third party, rates the certainty of payment of its principals and interest on a contractual basis, and such rating is represented using a simple code.



Our Bank

A⁻

Credit Rating : A⁻
 Relevant Debt : long-term Preferred Debt
 Credit Rating Agency :
 Japan Credit Rating Agency, Ltd.
 (As of March 31, 2022)

Corporate Governance Structure

Fundamental Approach to Corporate Governance

At a time when companies are required to enhance corporate governance, the Shimizu Bank believes its mission is to perform business management fairly through delivering increased transparency to shareholders and customers.

To this end, it is necessary for us to bolster the functions of the Board of Directors, realize swift decision-making and develop a framework to strictly monitor the business management execution.

1) Outline of our corporate governance system

The Audit & Supervisory Committee composed of four Directors serving as Audit & Supervisory Committee Members has been established, which conducts appropriate audits of the business execution by Directors, leading to more substantial checks on management.

The Board of Directors consists of eleven Directors (excluding Directors serving as Audit & Supervisory Committee Members), of which three are Outside Directors, and four Directors serving as Audit & Supervisory Committee Members, of which three are Outside Directors, for a total of 15. The Chairman of the Bank serves as the Chair, and the Board supervises the execution of business, such as by taking decisions on important management strategies, etc., based on our business philosophy. Ordinary meetings of the Board of Directors are held once a month as a rule, in addition to which extraordinary meetings of the Board of Directors are held as required.

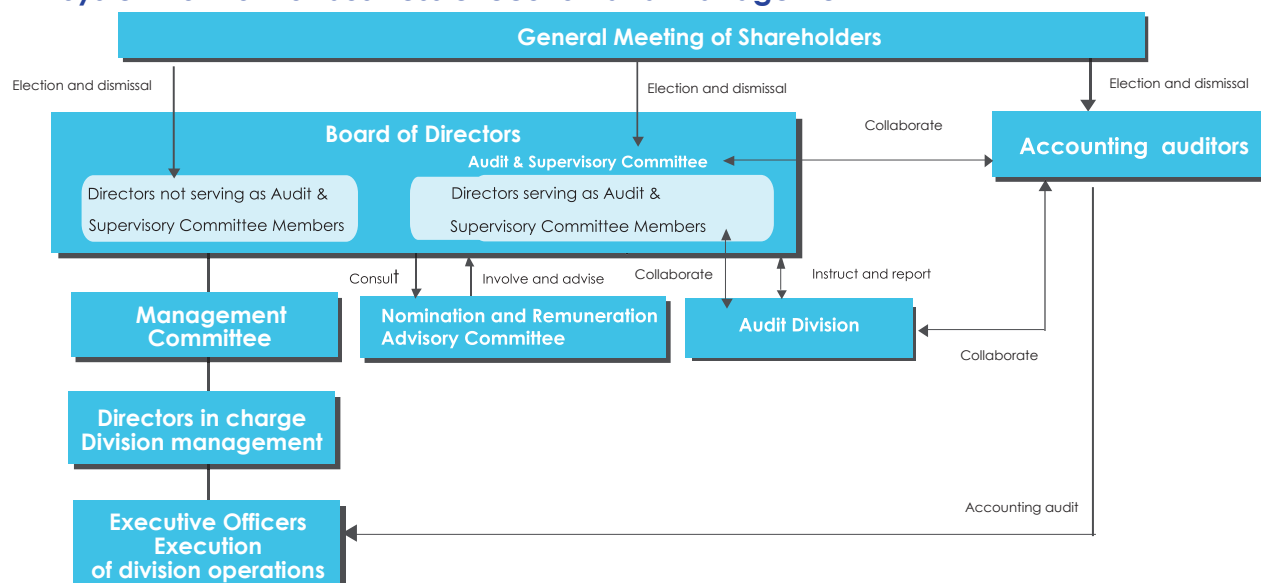
The Audit & Supervisory Committee deliberates and reports on the status of audits, with a particular focus on the duties of Directors. Ordinary meetings of the Audit & Supervisory Committee are held once a month as a rule, in addition to which extraordinary meetings are held as required.

The Nomination and Remuneration Advisory Committee has been established with the aim of strengthening the independence, objectivity, and explanatory functions of the Board of Directors through the appropriate involvement and council of the Independent Outside Directors when considering particularly important matters such as the nomination and remuneration of Directors (excluding Directors serving as Audit & Supervisory Committee Members). A majority of the Committee members are Independent Outside Directors, and the Committee is composed entirely of Directors with representative rights or Independent Outside Directors (excluding Directors serving as Audit & Supervisory Committee Members).

The Shimizu Bank has in place three categories of management meeting, namely, Ordinary Management Meeting, Expanded Management Meeting and Project Meeting. These serve as consultation bodies designed to have operations executed nimbly and with a mutual restraint function. An Ordinary Management Meeting is held daily, in principle, to bolster governance and expedite decision-making. To deliberate and resolve more rigorously, an Expanded Management Meeting is held twice-monthly, in principle, under specified themes such as: 1) loan screening aimed at reinforcing credit risk control; 2) revenue management for controlling revenue and examining revenue improvement measures; 3) risk management intended to oversee various risks comprehensively; 4) compliance control designed to ensure strict compliance with laws and regulations and check and give guidance on such compliance; 5) system strategies to deliberate on system strategies for operations; 6) financial reporting to determine a financial closing policy. A Project Meeting is allowed to be held any time as a meeting to resolve (deliberate) on a specific subject continuously for a limited period of time, and an Ordinary Management Meeting is supposed to resolve on the subjects and operation for such meeting each time. An Ordinary Management Meeting is chaired by the President and its other members are determined by the Board of Directors, based on a proposal by the Chair. An Expanded Management Meeting is attended by officers comprising members of an Ordinary Management Meeting as well as employees who are designated separately in subsidiary rules on a subject-by-subject basis. A Project Meeting is attended by officers more or less identical to attendees of an Ordinary Management Meeting. Each Management Meeting is regarded as a body designed to resolve and deliberate at the commission of the Board of Directors, so minutes are created on the resolutions before being reported to the Board.

The ALM Earnings Management Committee, established as a body to comprehensively manage assets and liabilities and be involved in the formulation of strategic goals, seeks to bolster the framework for earnings management and asset liability management (ALM).

System to monitor business execution and management



2) State of development of internal control system

In addition to prescribing the following Basic Policy on Internal Control System, the Bank strives to develop its internal control system.

- a. System to ensure that duty execution by Directors and employees adheres to laws and regulations as well as the Articles of Incorporation
 - Establish the Compliance Manual to specify laws, regulations and rules that directors and employees must observe
 - Install a business unit charged with supervising compliance and strive to develop the compliance framework of the Bank and the Shimizu Bank Group as a whole and ascertain compliance issues. Hold an Expanded Management Meeting monthly on the theme of compliance as a meeting chaired by the President and attended by our corporate lawyer
 - Install compliance managers and administrators at the headquarters and branches; they are to verify the conformity of routine operations to laws. Establish the Compliance Reporting Scheme to prevent any violation from occurring with respect to the user of this reporting scheme, management will not take any action detrimental to the reporting officer such as a disciplinary action and employee evaluation downgrade on account of the reporting.
 - The Awards and Discipline Committee takes a penalty action against an employee for a violation of laws and regulations or the Articles of Incorporation. As for a violation of laws and regulations or the Articles of Incorporation by a Director, the Management Committee investigates the violation pursuant to the "Director Compliance Rules," following which the Board of Directors resolves to take specific action.
 - The Bank will battle determinedly against what are generally referred to in Japan as "anti-social forces" and anti-community groups that threaten order and security in local communities, and will not provide any benefit to such entities.
- b. System for the storage and management of information on duty execution by Directors
 - We store and manage information on duty execution by Directors such as minutes of Board of Directors meetings and ringi approval letters in an appropriate manner pursuant to internal rules
- c. Regulations and other systems for management of risk of loss
 - To perform risk management appropriately, we establish the Integrated Risk Management Provisions before designating departments in charge on a category-by-category basis, thereby building a system to manage various types of risks.
 - We also install a department charged with performing risk supervision for the entire Bank. This department is to report on the state of various risks to the Board of Directors and the Management Committee, as required.
 - In addition to establishing the Business Continuity Regulations for us to continue operations appropriately in an emergency, we will respond swiftly and adequately, thus developing a system capable of minimizing effects on our business activities.
- d. System to ensure that Directors execute their duties efficiently
 - Directors (excluding Directors serving as Audit & Supervisory Committee Members) are to execute their duties according to the Organization Regulations and the Job Authority Regulations. The Bank has the Management Committee in place as a body to deliberate and resolve within the scope assigned to it by the Board of Directors, and this committee is to expedite decision-making for business execution.
 - The personnel are to report to the Board of Directors on the state of progress for any matter resolved by the Board of Directors every three months, thereby managing and ascertaining the progress until completion.
- e. System to secure the appropriateness of operations at the corporate group comprising the Bank and its subsidiaries
 - We strive to secure the appropriateness of our operations with respect to compliance at the Shimizu Bank Group companies and adequate reporting to the Bank, as well as the efficiency of our risk management and duty execution. To this end, we install a supervision department to be charged with operating and managing the Shimizu Bank Group companies. Moreover, we establish the Shimizu Bank Group Operation and Management Regulations. Our group companies are to submit reports to the Bank and consult with it according to the List of Matters for Consultation and Reporting by Group Companies.
 - The Bank's personnel are to visit our group companies and audit them, as required.
 - The Bank and its group companies are to comply with accounting standards and other relevant laws and regulations, and develop a system to secure the trustworthiness of their financial reporting.
- f. Matters related to employees who are obliged to assist with the duties of the Audit & Supervisory Committee
 - At least one person is assigned to assist the Audit & Supervisory Committee in its duties.
- g. Matters related to ensuring the independence of the employees mentioned in the previous item from Directors (excluding Directors serving as Audit & Supervisory Committee Members) and the effectiveness of instructions to said employees
 - In cases where the employees are also obliged to assist in audit operations, for the purposes of assisting in such duties, said employees are detached from the instructions of the operating departments, such as Directors (excluding Directors serving as Audit & Supervisory Committee Members), and obey the instructions and orders of the Audit & Supervisory Committee.
 - With regard to internal transfers and evaluations for employees obliged to assist in such matters, the opinion of the Audit & Supervisory Committee is respected.
- h. Systems for Directors (excluding Directors serving as Audit & Supervisory Committee Members) and employees to report to the Audit & Supervisory Committee, and other systems for reporting to the Audit & Supervisory Committee.
 - The Directors (excluding Directors serving as Audit & Supervisory Committee Members) of the Bank and its group companies are to report without delay to the Audit & Supervisory Committee on any significant matter that affects the Bank's operations or financial results. The employees of the Bank and its group companies are to report on such matter through a control department and by way of a Director in charge and a group company Director. The Directors (excluding Directors serving as Audit & Supervisory Committee Members) and employees of the Bank and its group companies must provide cooperation if asked by the Audit & Supervisory Committee to report on operations.
 - Management must not take any action detrimental to the reporting officer such as a disciplinary action and employee evaluation downgrade on account of the above-mentioned reporting.
- i. Other systems to ensure that audits of the Audit & Supervisory Committee are conducted effectively
 - The Audit & Supervisory Committee cooperates with the internal audit department, etc., and regularly exchanges opinions in relation to issues facing the Bank, issues with internal management structures, and so on. In addition, the Audit & Supervisory Committee works to achieve appropriate audits, such as by listening to the opinions of the Accounting Auditor and external specialists.
- j. Matters related to policies for the processing of expenses and obligations arising from the execution of duties by the Audit & Supervisory Committee, such as procedures for prepayment of expenses or for reimbursement arising from the execution of said duties
 - When an Audit & Supervisory Committee Member requests prepayment of expenses required for the execution of duties, or reimbursement, etc., the expense or obligation in question shall be processed promptly.

Compliance System

At the Shimizu Bank group, our awareness of our social responsibility and public duties has led us to make compliance a top priority, building an effective compliance system that will help us earn the trust of our customers and the local communities we share.

Our management in particular is actively engaged in compliance issues and is working with executives and employees of all of the companies in our group to foster awareness on these issue and create a corporate culture in which "compliance is the foundation for everything."

Establishing a Framework for Compliance

For through compliance, the Shimizu Bank has created a "Legal and Regulatory Compliance Policy" as our basic policy for compliance in keeping with our management policy. This Compliance Policy is widely disseminated across the Shimizu Bank group.

At monthly expanded management meetings, members of bank management including the president meet with outside corporate lawyers to discuss matters concerning compliance.

In addition, we have established the Legal Office within the Corporate Administration Division to supervise compliance and entrusted that office with centralized control of information pertaining to compliance issues and providing guidance on the laws and regulations officers and employees must observe.

Furthermore, we have assigned individuals to be in charge of compliance at each division and branch to facilitate coordination with the office that oversees compliance (the Legal Office) and exhaustively enforce observance of laws and regulations. The Shimizu Bank also assigns regional compliance supervisor and the like in order to properly address compliance issues in relevant divisions.

Corporate Culture Attaching Importance to Compliance

The Bank formulated the Compliance Manual which illustrates the Ethics Charter and laws and regulations required to be observed and which specifically outlines how to deal with any illegal act discovered. Each time laws or regulations are amended, the provisions of the Compliance Manual are revised with the approval of the Board of Directors. We ensure that the Compliance Manual is adhered to in the Bank by organizing training and in-branch learning programs.

This manual, in electronic format, is allowed to be viewed by any employee via a PC at all times. Thus, we seek to foster compliance awareness in the organization while striving to cause specific actions to be taken.

Each fiscal year, we formulate the Compliance Program, a specific action plan aimed at securing the state of compliance in the Bank. Thus, we engage in effective monitoring activities while developing a compliance framework.

Specifically, based on our training programs, all Shimizu Bank employees take e-learning-based compliance study and testing courses, among other efforts to grasp rules including various laws and regulations.

The results of such courses are analyzed by the Compliance Supervisory Department before being reported to the Expanded Management Meeting. Then, the personnel discuss measures such as those for preventing any violation of laws and regulations and stopping their recurrence before reflecting such measures in our business execution, in a move to further bolster our compliance system.

The Shimizu Bank Group has in place the Compliance Reporting Scheme, a system in which to report any issue or problem detected. We secured neutrality for the system by arranging for the General Manager of the Legal Office at the Corporate Administration Division and our corporate lawyers to serve as reporting desks. Moreover, we built a platform to prevent any user of this reporting scheme from being subjected to detrimental treatment on account of the reporting, thereby striving to avert misconduct and fraud.

Charter of Ethics

1. Establishing trust

In order to maintain the structure of credit and to smooth financial processes in the regions, while remaining aware of the social responsibility of banks and the gravity of their public mission, we will conduct business in a sound and appropriate manner, with the goal of establishing unshakable trust.

2. Contributing to the economy and to society by providing high-quality services

In addition to the function of providing infrastructure to support economic activity that we have fulfilled from the beginning, we contribute to the economy and to society, both in Japan and overseas, by providing high-quality financial services that respond to the needs of users.

3. Compliance with laws, regulations and rules

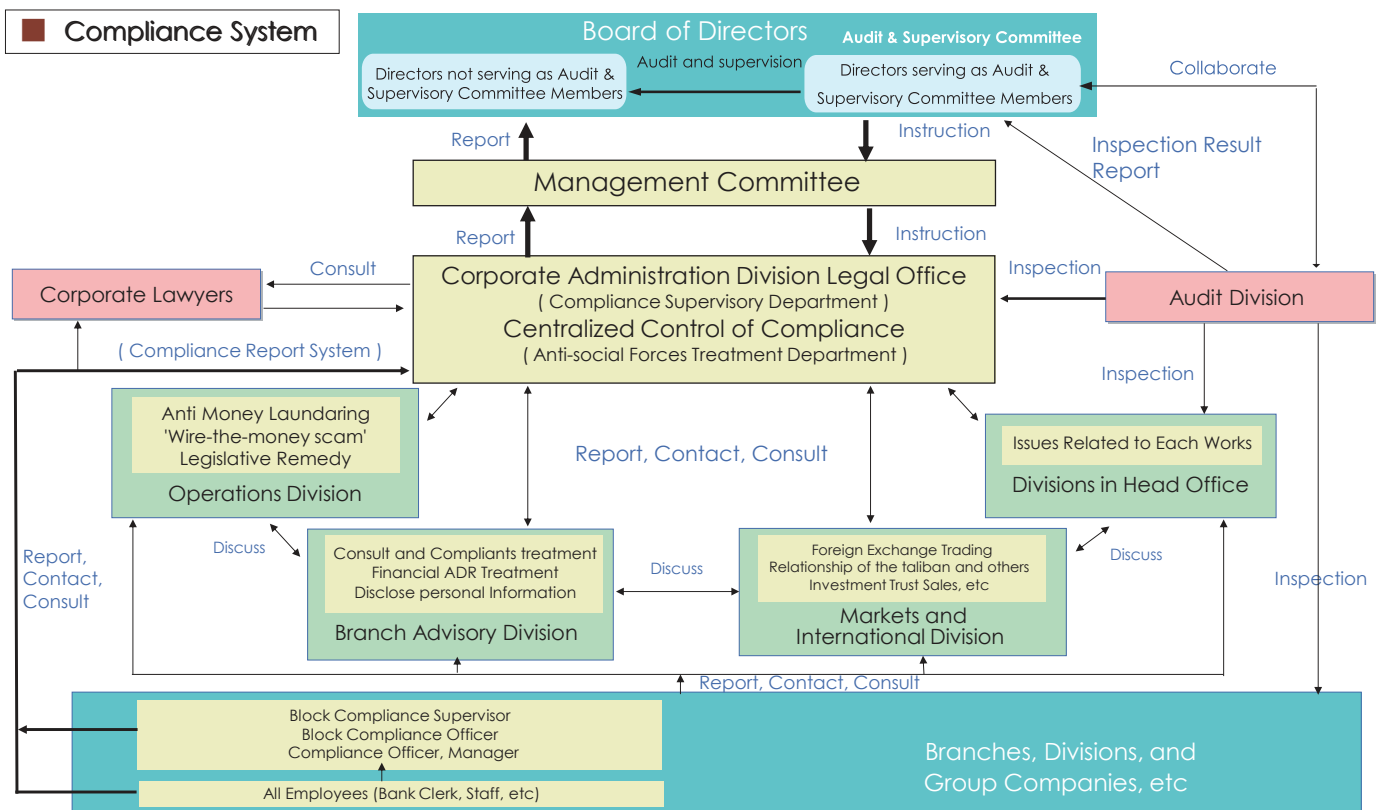
We comply with laws and regulations as well as with internal rules in the course of executing our business. We respect social rules, perform corporate activities with conscientiousness, integrity and fairness.

4. Blocking all relationships with anti-social forces

We resolutely reject illegal demands made by antisocial forces of the kind that threaten the safety and order of society, and will eliminate any and all relationships with them.

5. Proactive communication

In order to obtain wide-ranging understanding and trust from society at large, we will proactively and fairly disclose business information, make every effort to ensure the soundness of business, and strive to establish broad communications between the Bank and society.



● Legal and Regulatory Compliance Policy

Bolster Readiness for Legal and Regulatory Compliance

Regarding the observance of laws and regulations, which the Shimizu Bank and its group companies have already recognized as a top priority, we will continue to foster awareness of compliance and instill it in all executives and employees at all of our group companies to make sure that they all understand it and get into the habit of applying it.

Preventing Legal and Regulatory Violations

We have taken action to prevent legal and regulatory violations by forming a corporate culture which allows us to detect weaknesses and problem areas in our efforts toward legal and regulatory compliance, reflect on past conduct, and make improvements in those areas promptly.

Systems Targeting Anti-social Forces

Due to their public nature and critical economic function, banks are required to exclude anti-social forces from financial transactions. For this reason, the Shimizu Bank has created a basic policy that we will stand firmly against anti-social forces which pose a threat to the order and safety of civic life, and will not provide any favors to such forces. In addition, at the Shimizu Bank we have given the Corporate Administration Division the task of collecting, analyzing, and centrally managing information pertaining to anti-social forces, and have established a system whereby the bank systematically addresses such issues and excludes anti-social forces from business transactions in cooperation with external special agencies including law enforcement and the national and prefectural centers for the elimination of boryokudan (violent crime syndicates). Furthermore, in order to make it clear that we exclude anti-social forces from our business, we have also introduced clauses regarding the exclusion of "boryokudan" crime syndicates in basic loan agreements and in our rules concerning deposits and other services. We require all customers to comply with an agreement by which they express and affirm that they are not associated with any anti-social forces.

● Solicitation Policy

In line with the "Act on the Provision of Financial Services," the Bank observes the following matters as its solicitation policy when soliciting the sale of financial instruments.

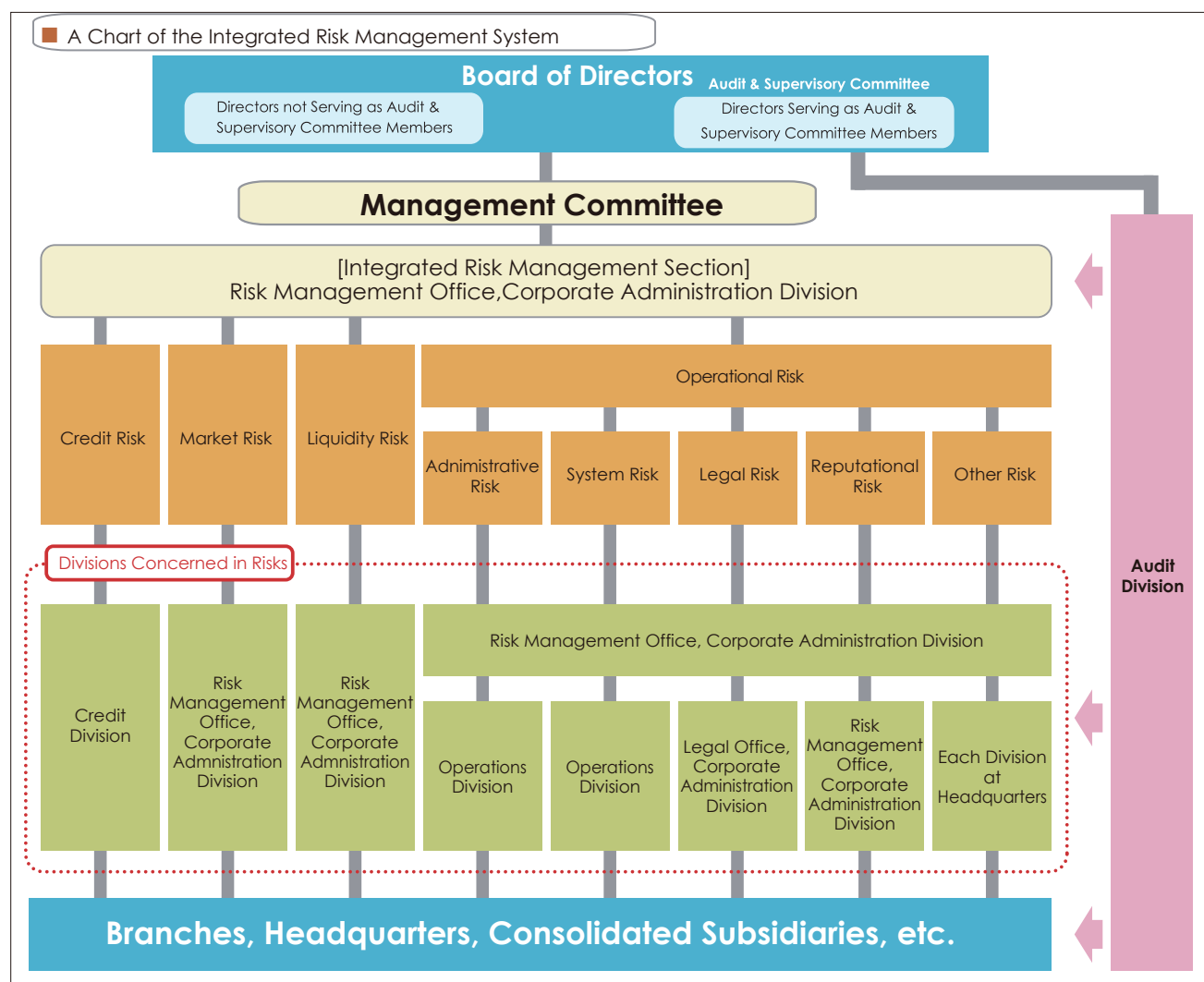
- ① The Bank works to make appropriate solicitations by referring to customers' knowledge, experience, asset status and purpose for concluding the agreement.
- ② The Bank sufficiently explains significant matters, such as the details and risks of financial instruments.
- ③ The Bank will not make solicitations that invite misunderstandings through declarative conclusions and the provision of factually incorrect information.
- ④ The Bank will not make solicitations during times and in places that are inconvenient.
- ⑤ The Bank will work to acquire knowledge of financial instruments so that it may make appropriate solicitations

Risk Management System

Because of changes in the surrounding environment of the financial institutions, the risks banks face are increasingly diverse and have become complex. As financial institutions have the responsibility to safely and effectively manage the deposits they receive from customers, it is increasingly important to upgrade the risk control system, which is used to properly control various risks according to their characteristics. The Shimizu Bank is fully aware of the significance of risk management and endeavors to strengthen our risk management system.

Risk Management System

The Shimizu Bank stipulated the "Integrated risk management provisions" as basic provisions on risk management, and established a risk management system, in which the Board of Directors plays the central role. Based on the provisions, the Shimizu Bank draws up "Risk Management Regulations" and "Risk Management Procedures" according to various risk categories which prescribe the specific management methods, etc., as well as reporting to the Board of Directors and the Management Committee. The Shimizu Bank formulates its risk management plan every fiscal year to control risks effectively, and identifies, analyzes and assesses risks based on these plans.



Integrated Risk Management

From the perspective of enhancing soundness in management, the Shimizu Bank comprehensively identifies major risks that the bank faces, compares them with our corporate strength (equity capital), then establishes a self-controlling type risk management environment, as well as addressing the tasks of enhancing risk management so as to maintain a proper risk management environment.

Credit Risk Management

The Shimizu Bank collectively administers loans and bills discounted, assets with a credit risk, and off-balance sheet assets, managing credit risk of the Bank itself and its consolidated subsidiaries.

Our screening system is composed of two sections, Sales Promotion and Screening, in order to maintain and improve the soundness of loan assets. In addition, the Bank strictly manages credits above a certain level by screening and passing a resolution for financing policy at the Management Meeting, which consists of the Executives.

Moreover, the Bank defined its credit policy (the basic code of conduct for financing) to clarify the bank's basic action guidance in the loan business, and thoroughly enforces it among our bank clerks, so as to maintain and improve the level of our bank clerks' observation of the financing rules.

A credit rating system was introduced to measure the credit risk of borrowers with a unified standard, and it is utilized to set lending rate guidelines according to creditworthiness. Furthermore, in terms of credit management, the Bank endeavors to manage appropriate portfolios, to disperse risks, and to ensure stable profits by measuring risk quantities with the credit rating system, etc. and acknowledging the status of loan concentration in specific business types, etc.

Market Risk Management

The Shimizu Bank manages market risk to securely earn stable profits through market transactions. The Bank has installed both a front office and back office in the Markets and International Division, as well as a middle office in the Risk Management Office of the Corporate Administration Division, which is the Department concerned with risk, thus establishing a system of mutual checks and balances.

The status of measured risks is reported at the Board of Directors and Management Meeting so that the Executives can accurately acknowledge and appropriately make decisions on the market risks.

Liquidity Risk Management

The Shimizu Bank manages funds daily, weekly, and monthly at the Markets and International Division, which is a fund raising management section, while the Risk Management Office of the Corporate Administration Division, which is the department concerned with risk, manages the risks.

In addition, as a preparation for contingencies, the Bank set two phases of emergencies and prepares to secure financing methods according to respective situations.

Operational Risk Management

The Shimizu Bank recognizes administrative risk, system risk, legal risk, reputational risk, and other risks as operational risk; endeavors to prevent such risks from becoming tangible; and minimizes the impacts caused by such risks when they become apparent.

Regarding administrative risk, for the purpose of establishing a routine of impartial and swift office work, the Bank has been improving the quality of office work through the creation of various rules on office work, implementation of training programs, and centralization at the headquarters of the branch office work.

In relation to system risk management, the Bank uses as its core banking system "PROBANK-R2" created by Fujitsu Ltd. We established a backup center for "PROBANK-R2", reinforcing security against disasters (like the Tokai earthquake), whose occurrence is a concern. Moreover, the Internal Audit Division audits the computing systems and programs regularly, auditing system development and the administrative status of system operations, and verifying the effectiveness of risk management.

The legal risk is the risk in which the Bank suffers losses by violating laws and regulations, etc. The Shimizu Bank places the observance of laws and regulations, etc. as its priority issue in management to avoid the occurrence of the legal risk, and vigorously addresses actions to strengthen our preparedness to further observe laws and regulations.

Reputational risk is the risk suffered from unexpected damages by media coverage, etc. about the entire financial industry and our bank. The Bank takes measures, such as establishing rules and manuals which prescribe our actions, to prevent circulation of unfounded rumors and to respond to them.

The Bank has also established internal control systems to appropriately manage other operational risk, respectively.

In order to be ready for emergency events such as natural disasters, and to continue or swiftly restore our essential business in order to provide stable financial function to our customers, the Shimizu Bank established an action plan that assumes the outbreak of a state of emergency, and has built a business continuity management based on this plan.

ALM System

The Shimizu Bank regularly holds Management Meetings, which mainly consist of Executives, and the ALM Earnings Management Committee which in turn consists of General Managers, to examine proper assets and liability structures, etc. based on the financial and economic environment and forecasts of future interest rates, etc., so that the bank can fully exert the functions of ALM, with the goal to maximize profits while managing assets and liabilities in an integral manner balanced with adequate risks.

Corporate Data

Consolidated Balance Sheet

	(Millions of Yen)	(Millions of Yen)	(Thousands of U.S.Dollars)
	March 31,2021	March 31,2022	March 31,2022
Assets			
Cash and Due from Banks	¥216,190	¥186,746	US\$1,525,585
Trading Securities	523	563	4,606
Money Held in Trust	1,000	1,000	8,173
Securities	310,148	335,368	2,739,714
Loans and Bills Discounted	1,204,283	1,217,888	9,949,254
Foreign Exchanges	1,939	771	6,301
Lease Receivables and Investments in Leases	13,628	14,397	117,620
Other Assets	30,482	30,723	250,984
Property, Plant and Equipment	17,420	17,291	141,255
Buildings, Net	7,169	6,958	56,848
Land	9,113	8,999	73,521
Leased Assets, Net	4	4	36
Other Tangible Fixed Assets	1,132	1,328	10,849
Intangible Assets	503	621	5,079
Software	366	516	4,218
Leased Assets	19	1	8
Other Intangible Fixed Assets	117	104	852
Retirement Benefit Asset	206	358	2,927
Deferred Tax Assets	2,308	4,755	38,850
Customers' Liabilities for Acceptances and Guarantees	4,658	5,344	43,658
Allowance for Loan Losses	(7,897)	(7,025)	(57,390)
Total Assets	¥1,795,397	¥1,808,806	US\$14,776,620

	(Millions of Yen)	(Millions of Yen)	(Thousands of U.S.Dollars)
	March 31,2021	March 31,2022	March 31,2022
Liabilities			
Deposits	¥1,490,782	¥1,515,749	US\$12,382,564
Negotiable Certificates of Deposit	69,400	-	-
Cash Collateral Received for Securities Lent	22,914	41,212	336,679
Borrowed Money	111,455	151,452	1,237,254
Foreign Exchanges	9	9	76
Other Liabilities	8,172	11,271	92,083
Provision for Bonuses	469	469	3,831
Retirement Benefit Liability	357	305	2,495
Provision for Retirement Benefits for Directors(and Other Officers)	47	38	313
Provision for Loss on Cancellation of System Contracts	-	295	2,414
Deferred Tax Liabilities	60	88	720
Acceptances and Guarantees	4,658	5,344	43,658
Total Liabilities	1,708,326	1,726,237	14,102,091
Net Assets			
Share Capital	10,816	10,816	88,360
Capital Surplus	7,643	7,642	62,429
Retained Earnings	64,060	65,922	538,535
Treasury Shares	(248)	(246)	(2,009)
Total Shareholders' Equity	82,272	84,134	687,316
Valuation Difference on Available-for-Sale Securities	2,991	(3,785)	(30,925)
Deferred Gains or Losses on Hedges	71	274	2,245
Remeasurements of Defined Benefit Plans	275	415	3,393
Total Accumulated Other Comprehensive Income	3,337	(3,095)	(25,286)
Share Acquisition Rights	72	93	767
Non-Controlling Interests	1,388	1,436	11,732
Total Net Assets	87,071	82,569	674,528
Total Liabilities and Net Assets	¥1,795,397	¥1,808,806	US\$14,776,620

Notes

1.The Japanese yen figures are rounded down to the nearest one million yen in this financial report.

2.Figures stated in U.S.dollars are translated solely for convenience at the rate of ¥122.41per U.S.\$1, the approximate rate of exchange prevailing on March 31,2022.

Consolidated Statement of Income

	(Millions of Yen)	(Millions of Yen)	(Thousands of U.S.Dollars)
	Years ended March 31, 2021	Years ended March 31, 2022	Years ended March 31, 2022
Ordinary Income	¥27,782	¥27,421	US\$224,014
Interest Income	15,531	15,835	129,361
Interest on Loans and Discounts	12,502	12,478	101,943
Interest and Dividends on Securities	2,903	3,046	24,885
Interest on Call Loans	0	-	-
Interest on Deposits with Banks	111	307	2,513
Other Interest Income	13	2	19
Fees and Commissions	10,276	10,559	86,261
Other Ordinary Income	1,195	638	5,214
Other Income	779	388	3,176
Other	779	388	3,176
Ordinary Expenses	24,307	23,436	191,460
Interest Expenses	562	454	3,716
Interest on Deposits	345	278	2,272
Interest on Negotiable Certificates of Deposit	1	0	0
Interest on Call Money	(1)	(5)	(47)
Interest Expenses on Cash Collateral Received for Securities Lent	178	142	1,162
Interest on Borrowings and Rediscounts	33	29	239
Other Interest Expenses	5	10	88
Fees and Commissions Payments	6,008	6,067	49,569
Other Ordinary Expenses	567	911	7,445
General and Administrative Expenses	15,488	15,165	123,888
Other Expenses	1,681	837	6,841
Provision of Allowance for Loan Losses	1,453	476	3,893
Other	227	360	2,947
Ordinary Profit (Loss)	3,475	3,984	32,553
Extraordinary Income	-	40	328
Gain on Disposal of Non-Current Assets	-	40	328
Extraordinary Losses	27	355	2,907
Loss on Disposal of Non-Current Assets	0	0	6
Impairment Losses	26	59	486
Provision for Loss on Cancellation of System Contracts	-	295	2,414
Profit (Loss) Before Income Taxes	3,447	3,669	29,974
Income Taxes - Current	1,144	985	8,047
Income Taxes - Deferred	95	31	258
Total Income Taxes	1,240	1,016	8,306
Profit (Loss)	2,207	2,652	21,667
Profit Attributable to Non-Controlling Interests	44	71	587
Profit (Loss) Attributable to Owners of Parent	¥2,163	¥2,580	US\$21,079

Consolidated Statement of Comprehensive Income

	(Millions of Yen)	(Millions of Yen)	(Thousands of U.S.Dollars)
	Years ended March 31, 2021	Years ended March 31, 2022	Years ended March 31, 2022
Profit (Loss)	¥2,207	¥2,652	US\$21,667
Other Comprehensive Income	2,972	(6,441)	(52,620)
Valuation Difference on Available-for-Sale Securities	2,332	(6,784)	(55,427)
Deferred Gains or Losses on Hedges	43	203	1,662
Remeasurements of Defined Benefit Plans, Net of Tax	596	140	1,144
Comprehensive Income	5,179	(3,788)	(30,952)
Comprehensive Income Attributable to Owners of Parent	¥5,133	(¥3,852)	(US\$31,473)
Comprehensive Income Attributable to Non-Controlling Interests	46	63	520

Notes

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Consolidated Statement of Changes in Net Assets

Years ended March 31, 2021

(Millions of Yen)

	Shareholders' Equity				
	Share Capital	Capital Surplus	Retained Earnings	Treasury Shares	Total Shareholders' Equity
Balance at April 1, 2020	¥10,816	¥7,648	¥62,534	(¥257)	¥80,741
Cumulative Effects of Changes in Accounting Policies			-		-
Restated Balance	10,816	7,648	62,534	(257)	80,741
Changes During Period					
Dividends of Surplus			(637)		(637)
Profit (Loss) Attributable to Owners of Parent			2,163		2,163
Purchase of Treasury Shares				(0)	(0)
Disposal of Treasury Shares		(4)		9	5
Net Changes in Items Other Than Shareholders' Equity					
Total Changes During Period	-	(4)	1,525	9	1,530
Balance at March 31, 2021	¥10,816	¥7,643	¥64,060	(¥248)	¥82,272

	Accumulated Other Comprehensive Income				Share Acquisition Rights	Non-Controlling Interests	Total Net Assets
	Valuation Difference on Available-for-Sale Securities	Deferred Gains or Losses on Hedges	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income			
Balance at April 1, 2020	¥660	¥27	(¥320)	¥367	¥59	¥1,343	¥82,512
Cumulative Effects of Changes in Accounting Policies						-	-
Restated Balance	660	27	(320)	367	59	1,343	82,512
Changes During Period							
Dividends of Surplus							(637)
Profit (Loss) Attributable to Owners of Parent							2,163
Purchase of Treasury Shares							(0)
Disposal of Treasury Shares							5
Net Changes in Items Other Than Shareholders' Equity	2,330	43	596	2,970	13	44	3,027
Total Changes During Period	2,330	43	596	2,970	13	44	4,558
Balance at March 31, 2021	¥2,991	¥71	¥275	¥3,337	¥72	¥1,388	¥87,071

Years ended March 31, 2022

(Millions of Yen)

	Shareholders' Equity				
	Share Capital	Capital Surplus	Retained Earnings	Treasury Shares	Total Shareholders' Equity
Balance at April 1, 2021	¥10,816	¥7,643	¥64,060	(¥248)	¥82,272
Cumulative Effects of Changes in Accounting Policies			(23)		(23)
Restated Balance	10,816	7,643	64,036	(248)	82,248
Changes During Period					
Dividends of Surplus			(695)		(695)
Profit (Loss) Attributable to Owners of Parent			2,580		2,580
Purchase of Treasury Shares				(0)	(0)
Disposal of Treasury Shares		(1)		2	0
Net Changes in Items Other Than Shareholders' Equity					
Total Changes During Period	-	(1)	1,885	2	1,885
Balance at March 31, 2022	¥10,816	¥7,642	¥65,922	(¥246)	¥84,134

	Accumulated Other Comprehensive Income				Share Acquisition Rights	Non-Controlling Interests	Total Net Assets
	Valuation Difference on Available-for-Sale Securities	Deferred Gains or Losses on Hedges	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income			
Balance at April 1, 2021	¥2,991	¥71	¥275	¥3,337	¥72	¥1,388	¥87,071
Cumulative Effects of Changes in Accounting Policies						(13)	(37)
Restated Balance	2,991	71	275	3,337	72	1,374	87,033
Changes During Period							
Dividends of Surplus							(695)
Profit (Loss) Attributable to Owners of Parent							2,580
Purchase of Treasury Shares							(0)
Disposal of Treasury Shares							0
Net Changes in Items Other Than Shareholders' Equity	(6,776)	203	140	(6,433)	21	61	(6,349)
Total Changes During Period	(6,776)	203	140	(6,433)	21	61	(4,464)
Balance at March 31, 2022	(¥3,785)	¥274	¥415	(¥3,095)	¥93	¥1,436	¥82,569

Notes

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Consolidated Statements of Changes in Net Assets

Years ended March 31, 2022

(Thousands of U.S.Dollars)

	Shareholders' Equity				
	Share Capital	Capital Surplus	Retained Earnings	Treasury Shares	Total Shareholders' Equity
Balance at April 1, 2021	US\$88,360	US\$62,445	US\$523,329	(US\$2,029)	US\$672,106
Cumulative Effects of Changes in Accounting Policies			(194)		(194)
Restated Balance	88,360	62,445	523,134	(2,029)	671,912
Changes During Period					
Dividends of Surplus			(5,679)		(5,679)
Profit (Loss) Attributable to Owners of Parent			21,079		21,079
Purchase of Treasury Shares				(3)	(3)
Disposal of Treasury Shares		(15)		22	7
Net Changes in Items Other Than Shareholders' Equity					
Total Changes During Period	-	(15)	15,400	19	15,404
Balance at March 31, 2022	US\$88,360	US\$62,429	US\$538,535	(US\$2,009)	US\$687,316

	Accumulated Other Comprehensive Income				Share Acquisition Rights	Non-Controlling Interests	Total Net Assets
	Valuation Difference on Available-for-Sale Securities	Deferred Gains or Losses on Hedges	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income			
Balance at April 1, 2021	US\$24,434	US\$582	US\$2,249	US\$27,266	US\$593	US\$11,340	US\$711,306
Cumulative Effects of Changes in Accounting Policies						(113)	(307)
Restated Balance	24,434	582	2,249	27,266	593	11,227	710,999
Changes During Period							
Dividends of Surplus							(5,679)
Profit (Loss) Attributable to Owners of Parent							21,079
Purchase of Treasury Shares							(3)
Disposal of Treasury Shares							7
Net Changes in Items Other Than Shareholders' Equity	(55,360)	1,662	1,144	(52,553)	174	504	(51,874)
Total Changes During Period	(55,360)	1,662	1,144	(52,553)	174	504	(36,470)
Balance at March 31, 2022	(US\$30,925)	US\$2,245	US\$3,393	(US\$25,286)	US\$767	US\$11,732	US\$674,528

Notes

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Consolidated Statement of Cash Flows

	(Millions of Yen)	(Millions of Yen)	(Thousands of U.S.Dollars)
	Years ended March.31,2021	Years ended March.31,2022	Years ended March.31,2022
Cash Flows from Operating Activities			
Profit (Loss) Before Income Taxes	¥3,447	¥3,669	US\$29,974
Depreciation	1,150	1,018	8,322
Impairment Losses	26	59	486
Increase (Decrease) in Allowance for Loan Losses	855	(872)	(7,125)
Increase (Decrease) in Provision for Bonuses	0	(0)	(1)
Decrease (Increase) in Retirement Benefit Asset	(206)	(152)	(1,243)
Increase (Decrease) in Retirement Benefit Liability	(576)	(51)	(421)
Increase (Decrease) in Provision for Retirement Benefits for Directors (and Other Officers)	(9)	(9)	(75)
Increase (Decrease) in Provision for Reimbursement of Deposits	(5)	-	-
Increase (Decrease) in Provision for Loss on Cancellation of System Contracts	-	295	2,414
Interest Income	(15,531)	(15,835)	(129,361)
Interest Expenses	562	454	3,716
Loss (Gain) Related to Securities	(1,065)	190	1,559
Loss (Gain) on Money Held in Trust	(9)	(6)	(55)
Foreign Exchange Losses (Gains)	(2,847)	(5,286)	(43,185)
Loss (Gain) on Disposal of Non-Current Assets	0	(39)	(321)
Net Decrease (Increase) in Trading Securities	51	(39)	(326)
Net Decrease (Increase) in Loans and Bills Discounted	(54,296)	(13,604)	(111,139)
Net Increase (Decrease) in Deposits	107,648	24,967	203,963
Net Increase (Decrease) in Negotiable Certificates of Deposit	69,400	(69,400)	(566,947)
Net Increase (Decrease) in Borrowed Money (Excluding Subordinated Borrowings)	43,983	39,997	326,747
Net Decrease (Increase) in Due from Banks (Excluding Due from Bank of Japan)	336	448	3,667
Net Decrease (Increase) in Call Money	(2,176)	-	-
Net Increase (Decrease) in Cash Collateral Received for Securities Lent	(25,558)	18,298	149,485
Net Decrease (Increase) in Foreign Exchanges-Assets	(17)	1,168	9,544
Net Increase (Decrease) in Foreign Exchanges-Liabilities	7	(0)	(3)
Net Decrease (Increase) in Lease Receivables and Investments in Leases	(1,302)	(1,382)	(11,296)
Interest Received	15,408	16,179	132,173
Interest Paid	(605)	(546)	(4,465)
Other, Net	2,809	2,030	16,588
Subtotal	141,482	1,551	12,674
Income Taxes Paid	(333)	(1,474)	(12,041)
Net Cash Provided by (Used in) Operating Activities	141,149	77	632
Cash Flows from Investing Activities			
Purchase of Securities	(70,556)	(143,874)	(1,175,348)
Proceeds from Sale of Securities	32,941	97,233	794,328
Proceeds from Redemption of Securities	16,786	19,000	155,224
Decrease in Money Held in Trust	209	6	56
Purchase of Property, Plant and Equipment	(385)	(865)	(7,072)
Purchase of Intangible Assets	(89)	(285)	(2,335)
Proceeds from Sale of Property, Plant and Equipment	365	440	3,596
Payments for Asset Retirement Obligations	(4)	(9)	(80)
Net Cash Provided by (Used in) Investing Activities	(20,733)	(28,354)	(231,631)
Cash Flows from Financing Activities			
Repayments of Lease Obligations	(24)	(22)	(182)
Purchase of Treasury Shares	(0)	(0)	(3)
Proceeds from Sale of Treasury Shares	0	0	0
Dividends Paid	(634)	(694)	(5,676)
Dividends Paid to Non-Controlling Interests	(1)	(1)	(16)
Net Cash Provided by (Used in) Financing Activities	(661)	(719)	(5,877)
Effect of Exchange Rate Change on Cash and Cash Equivalents	1	1	14
Net Increase (Decrease) in Cash and Cash Equivalents	119,756	(28,994)	(236,861)
Cash and Cash Equivalents at Beginning of Period	94,878	214,634	1,753,410
Cash and Cash Equivalents at End of Period	¥214,634	¥185,640	US\$1,516,548

Notes

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Board of Directors and Executive Officers

As of June 30, 2022

● **Chairman**
Katsuichiro Toyoshima*¹

● **President**
Yasuhiro Iwayama*¹

● **Senior Managing Directors**
Ayato Mochizuki*¹
Fumitoshi Yabuzaki

● **Managing Director**
Masashi Hiraiwa

● **Directors**
Keiko Higashi*²
Youichiro Ito*²
Yoshiki Shimma*²
Yosuke Wakabayashi
Naoyuki Tamura
Nobuhide Fukazawa
Akihiro Mochizuki*³
Kazuaki Isobe*^{2,3}
Makoto Kono*^{2,3}
Shigeyuki Konagaya*^{2,3}

*¹Representative Director

*²Outside Director

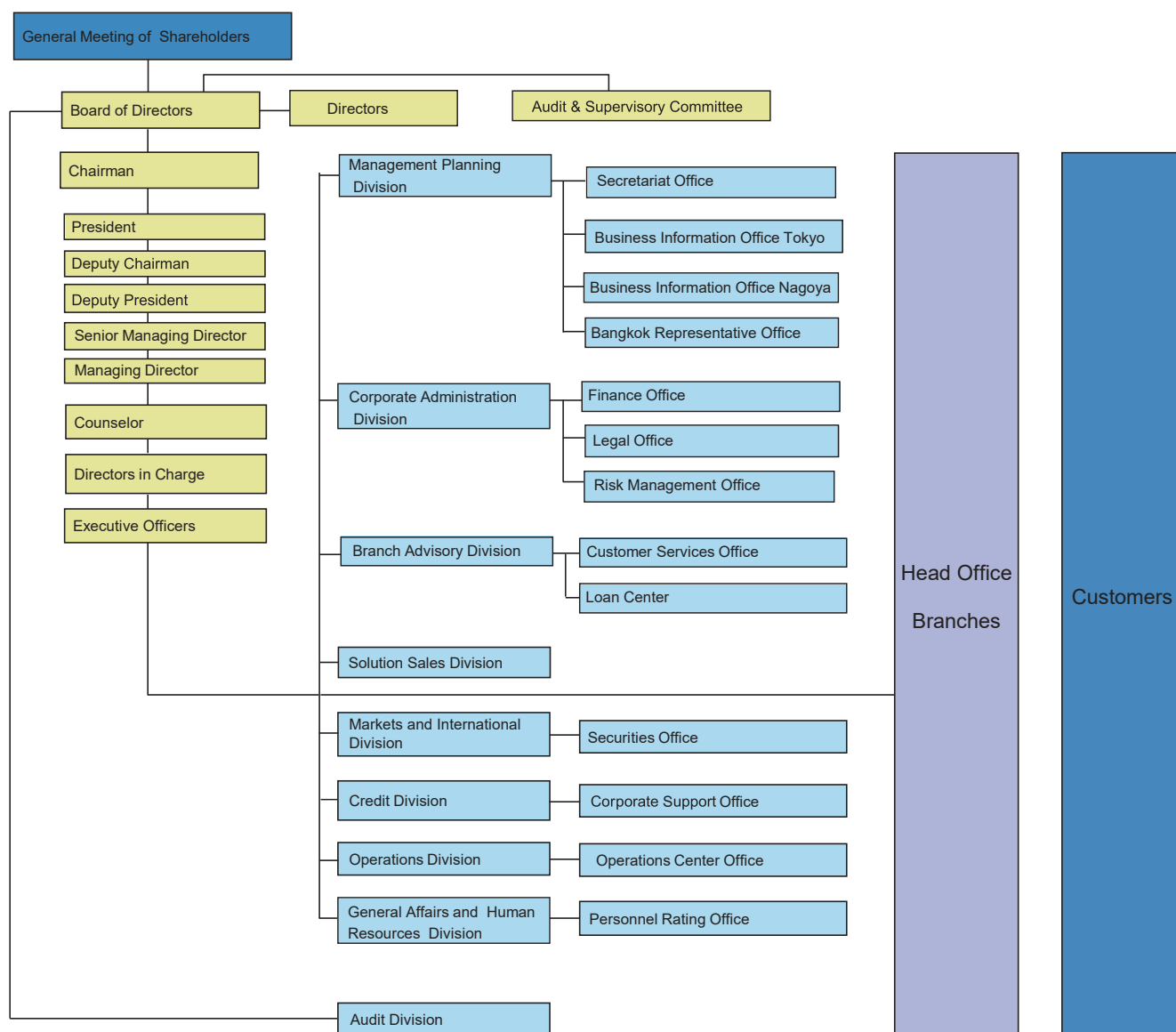
*³Audit & Supervisory Committee Members

● **Managing Executive Officers**
Satoshi Kobayashi
Masahiro Koyanagi

● **Executive Officers**
Yasunobu Sugimoto
Hiroshi Nonomura
Yoshiyasu Ohata
Masaki Suzuki
Yasumasa Oki

Organization Chart

As of June 30, 2022



THE SHIMIZU BANK, LTD.

MARKETS AND INTERNATIONAL DIVISION

TEL 81-54-353-5164 SWIFT : SMZGJPJT

<https://www.shimizubank.co.jp/>

