



THE SHIMIZU BANK,LTD.

Annual Report 2024

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, 2024

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

Date of Incorporation: July 1, 1928
Paid-up Capital: ¥10,816million
Number of Branches: 78
Number of Sub-branches: 1
Number of Employees: 893
Consolidated Capital Adequacy Ratio
(based on domestic standards): 8.06%
Non-Consolidated Capital Adequacy Ratio
(based on domestic standards): 7.89%



Consolidated Subsidiaries

As of March 31, 2024

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



Creating connections with our stakeholders

Yasuhiro Iwayama
President and
Representative
Director

Environment surrounding the Bank

The Japanese economy in the current fiscal year recovered gradually, with improvements in employment and personal income despite signs of economic standstill in some areas due to the effect of rising prices and the slowing pace of recovery in overseas economies. Business activities were hindered by factors such as a shortage of raw materials in the manufacturing industry with some factories forced to pause operations but they recovered particularly in the services industry. Private consumption was also firm, with increased consumption in travel and eating out, which had declined during the COVID-19 pandemic, despite some belt-tightening in grocery spending, etc. In financial services, the Bank of Japan decided to terminate its negative interest rate policy and abolish yield curve control in March 2024. Upon entering 2024, the Nikkei Stock Average showed signs of a virtuous cycle of wages and prices and continued to set historical highs against the backdrop of the commencement of the new NISA scheme.

As for the economy of Shizuoka Prefecture, which is the Bank's main business base, we saw a gentle recovery overall. Strength seems to have returned to both corporate capital investment and private consumption. Based on my conversations with presidents of corporate customers concerning investment plans, up until last year, there had been many companies holding back on making proactive investments for reasons such as the impact of the pandemic and the impact of the high prices of raw materials. However, this year, I feel a definite shift, with a growing number of companies beginning to execute their plans for capital investment and human capital investment.

The first year's achievements of our 28th Medium-term Management Plan

Name	<h1>SHINKA</h1> <p>— Creating Connections —</p>		
Plan period	April 1, 2023 - March 31, 2026 (three years)		
Basic policy	More sophisticated solutions sales	Improved human capital	Implement sustainable management
Target figures		Results for FYE March 31, 2024	Targets for final year (FYE March 31, 2026)
	(i) Core operational net profit	¥1.1 billion	¥4 billion or more
	(ii) Profit	-¥3 billion	¥2.5 billion or more
	(iii) Total loans to small to medium-sized companies in the prefecture	¥950.6 billion	¥1 trillion or more
	(iv) Consolidated capital adequacy ratio	8.06%	8% or more

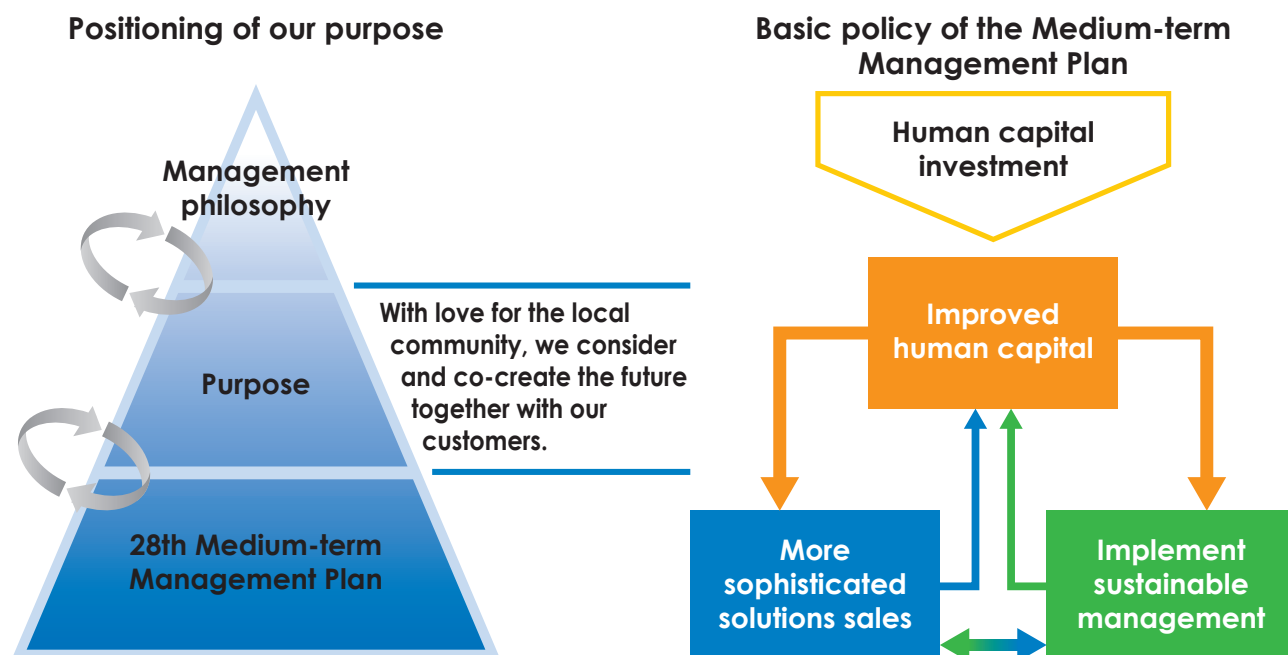
Under such an environment, the Bank carried out the policies of the 28th Medium-term Management Plan “SHINKA — Creating Connections —,” which started in April 2023, and worked to demonstrate and offer true value as a regional financial institution by pushing forward with new measures while making further progress and deepening measures undertaken up until now.

As part of our initiatives for corporate customers, our sustainable finance for supporting sustainable company management achieved further market penetration. As a result, the Bank brought its cumulative balance of sustainable investment and lending to ¥93.4 billion by FY2023, with the aim of bringing that total to ¥300 billion by FY2030. Our customers, while having made it through the pandemic, are facing challenges such as soaring prices and repayment of zero-zero loans (loans with zero interest and collateral). We aim to improve their operations by providing companion-like support with meticulous attention to detail.

As an initiative for individual customers, we conducted a campaign coinciding with the start of the new NISA scheme to strengthen individual trading. Meanwhile, for customers struggling with the challenges of inheritance and passing down assets, we cooperated with external institutions to offer solutions that matched individual needs.

As an initiative to activate our regional economy, a trade promotion conference hosted by the Bank was held in Nagano Prefecture to further accelerate cross-region business matching of products locally produced in Shizuoka Prefecture, Yamanashi Prefecture, Nagano Prefecture and other prefectures for which initiatives have been undertaken up until now, and at that conference, the appeal of the marine products and other products of Shizuoka Prefecture was showcased.

Human capital investment and digitalization investment



In the 28th Medium-term Management Plan in addition to positioning the purpose “With love for the local community, we consider and co-create the future together with our customers” as the foundation of the plan, we set forth three basic policies. These basic policies are not parallel measures but instead make up a sequence of steps which involves first accelerating investment in human capital, thereby enhancing the strength of the organization, which in turn will allow us to achieve more sophisticated solutions sales and implement sustainability management. The first concrete measure that we undertook after starting the Medium-term Management Plan was to revise the human resources system. We implemented improvements to create a system that carries out initiatives to pass on the “defining essence of The Shimizu Bank” that has been fostered over a long span of years, to raise the remuneration of younger employees and to create a career development support system and the like while improving motivation. We also newly implemented forums for discussion between management and employees and an operational improvement proposal system in order to spread our purpose to each employee as a sense of common value throughout the organization. For such forums, we established a total of 21 venues to give opportunities for 269 employees to engage in dialogue. I personally participated at 10 venues, and directly engaged in dialogue with more than 100 employees. While ensuring psychological safety, time was set aside to listen directly to the opinions and ideas of employees, and after prioritizing such content, those of higher priority were reflected in measures. For the operational improvement proposal system, each participant applied problem awareness when approaching the common theme of “improvement of daily operations” and undertook improvement approaches using “everyone thinking together” as the concept. Ranging from trivial matters such as “revision of ledger sheets,” to matters necessitating system investment such as “revision of business flows,” a total of 436 matters were proposed. The matters were implemented as measures after establishing their order of priority, a process which took into account the opinions expressed at these venues.

In May this year, we successfully completed our system migration project, which we have been working on for about three years, and we participated in STELLA CUBE® a shared infrastructure center for regional banks provided by NTT DATA Japan Corporation. STELLA CUBE®



Scene of the “Meet Up” discussion forums held between management and employees

uses a next-generation banking application BeSTA®, which has a proven reputation based on many usage cases. Since the service started in 2011, it has been evolved into the most up-to-date financial system that has met the changing times over a substantial number of years while continuing to provide stable operation. Through fusing the Bank's operational knowhow with this system, we are now able to provide products and services that meet our customers' needs more swiftly with greater stability. Going forward, while leveraging the economies of scale of the shared infrastructure center to realize system cost reductions, we will pursue new system investment that had been partially suspended due to the system migration according to our established priorities in order to improve convenience to our customers.

Revision of performance evaluation criteria and more sophisticated solutions sales

One important element for improving the Bank's business performance is the performance evaluation system at sales branches. Originally, the Bank conducted such performance evaluation at each branch to motivate employees to meet plan targets through introduction of the principle of competition. However, as revisions have been made to criteria in a timely and appropriate manner to meet the changes in the external environment, etc., the system has become more complex. The Bank is returning to placing our customers at the foundation of our policies as expressed by our purpose "With love for the local community, we consider and co-create the future together with our customers," and while respecting the opinions voiced at the forums we hold with employees, we revised the evaluation items. In addition, the Bank revised its process evaluation and award system for employees in order to evaluate the initiatives that contributed to solving customer solutions to realize more sophisticated solutions sales, which is the Bank's strength, through the deployment of organized sales activities by each sales branch and headquarters. Each year, I think we are taking progressive approaches and positive outcomes for such problem solving to higher levels. The number of cases of business successions and M&A support are increasing, and our competencies in those areas are strengthening. We will continue to deploy measures that lead to the quantitative expansion and qualitative improvement of our solutions.

Toward improving corporate value

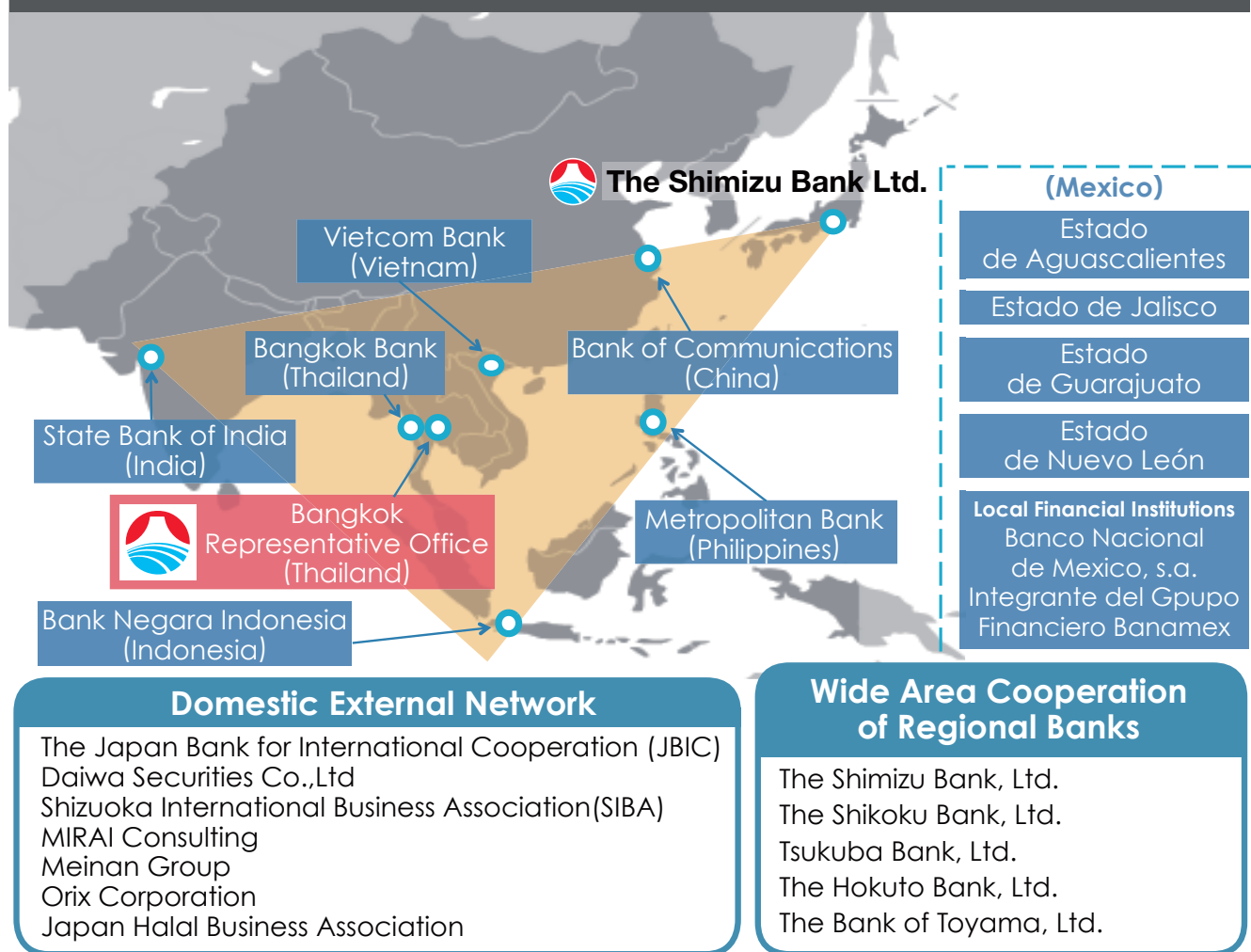
In the fiscal year ended March 31, 2024, a loss was recorded as a result of selling all foreign-currency denominated bonds on consideration of the impact on future performance from higher financing cost in our securities department due to rising overseas interest rates. We apologize to all shareholders for the significant concern caused by that action. However, through that action, we improved the Bank's revenue structure and established greater certainty for future growth. We are proceeding with the deployment of further measures to ensure our achievement of our numerical targets for the fiscal year ending March 31, 2026, the last year of our Medium-term Management Plan, of core operational net profit of ¥4 billion and profit of ¥2.5 billion.

Moreover, aiming to realize a management mindful of both cost of capital and share price, we are accelerating initiatives to improve corporate value. Even if we achieve the numerical targets set forth in the Medium-term Management Plan, the ROE level will remain at around 3%. To achieve an ROE that exceeds our cost of capital in the medium to long term, we are pursuing initiatives aimed at enhancing profitability in new areas such as structured finance, as well as improving profitability by asset class.

In conclusion

The environment surrounding regional financial institutions is expected to become harsher as in addition to the expected decline in the regional population and the declining birth rate and aging of the population, we are facing various changes as digitalization progresses and we move toward a decarbonized society. The large-scale monetary easing policy that has continued for many years in Japan is being revised and close attention needs to be paid to how this impacts the Bank. While deploying measures to respond flexibly to the changing environment, we will find the optimal balance between financial soundness, profitability and shareholder returns, and strive to enhance information disclosure in order to satisfy all stakeholders. We appreciate your continued support and 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 increased by ¥1,501 million year on year to ¥29,904 million due to increases in fees and commissions and gain on sale of equity securities. Ordinary expenses increased by ¥7,229 million year on year to ¥34,035 million, which was the result of the sales of all of the Bank's foreign currency bonds in light of the impact on future financial results from the increase in procurement costs due to the rise in interest rates overseas. As a result, an ordinary loss of ¥4,131 million was posted.

In terms of deposits, as a result of striving to expand our business base, which has close ties to the region, and carrying out funding with an emphasis on profitability, total deposits decreased by ¥0.9 billion from the end of the previous fiscal year to ¥1,541.9 billion. In personal deposit assets, by responding to increasing diverse customer needs, we succeeded in growing investment trusts and personal pension insurance, leading to an increase of ¥43.0 billion from the end of the previous fiscal year to ¥1,380.2 billion.

Loans and bills discounted decreased by ¥0.2 billion from the end of the previous fiscal year to ¥1,245.1 billion, as a result of responding proactively, as a regional financial institution, to demand from customers for funding.

Securities decreased by ¥51.8 billion from the end of the previous fiscal year to ¥276.8 billion, as a result of keeping a close eye on market fluctuations while taking a flexible approach to management.

(Millions of Yen)

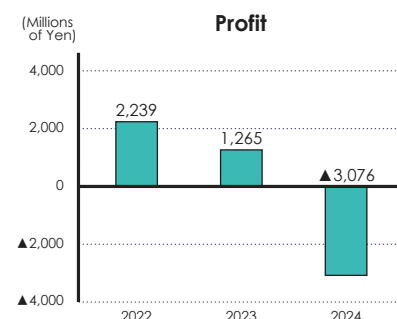
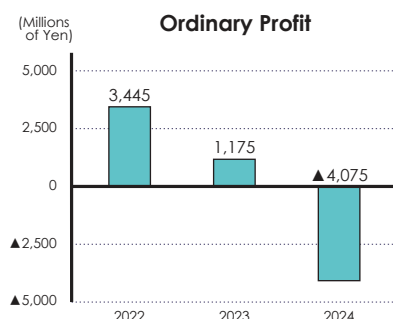
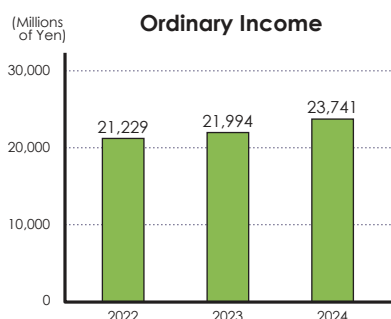
Consolidated Five-years Summary	2020	2021	2022	2023	2024
Ordinary Income	¥28,974	¥27,782	¥27,421	¥28,403	¥29,904
Ordinary Profit	▲4,230	3,475	3,984	1,596	▲4,131
Profit Attributable to Owners of Parent	▲3,968	2,163	2,580	1,474	▲3,301
Comprehensive Income	▲5,980	5,179	▲3,788	▲6,642	5,435
Total Net Assets	82,512	87,071	82,569	75,158	79,930
Total Assets	1,596,871	1,795,397	1,808,806	1,889,075	1,755,862
Net Assets per Share in Yen	7,001.06	7,388.40	6,993.66	6,384.27	6,780.19
Net Income per Share in Yen	▲342.58	186.69	222.69	127.55	▲286.14
Consolidated Capital Adequacy Ratio (based on domestic standards)	8.63%	9.03%	8.95%	8.69%	8.06%
Number of Employees	993	996	999	985	982

Non-Consolidated Results

Ordinary income increased by ¥1,747 million year on year to ¥23,741 million due to an increase in gain on sale of equity securities. Ordinary expenses increased by ¥6,998 million year on year to ¥27,816 million. As a result, an ordinary loss of ¥4,075 million was posted.

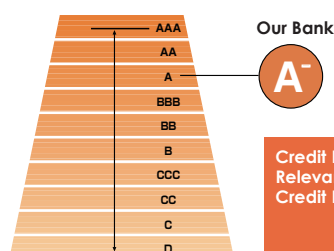
(Millions of Yen)

Non-Consolidated Five-years Summary	2020	2021	2022	2023	2024
Ordinary Income	¥23,245	¥21,874	¥21,229	¥21,994	¥23,741
Ordinary Profit	▲4,464	3,370	3,445	1,175	▲4,075
Profit	▲3,982	2,208	2,239	1,265	▲3,076
Capital Stock	10,816	10,816	10,816	10,816	10,816
Number of Shares Issued in Thousand Shares	11,641	11,641	11,641	11,641	11,641
Total Net Assets	78,956	82,912	77,904	70,383	73,752
Total Assets	1,585,837	1,784,805	1,797,996	1,876,516	1,743,818
Deposits	1,386,907	1,494,257	1,519,359	1,546,805	1,545,433
Loans and Bills Discounted	1,156,716	1,211,117	1,225,136	1,251,148	1,252,886
Securities	287,130	310,524	335,725	329,005	277,120
Net Assets Per Share in Yen	6,810.11	7,149.32	6,715.05	6,098.80	6,377.94
Dividends per Share in Yen	55	60	60	60	55
Dividends per Share at mid-term in Yen	30	30	30	30	30
Net Income per Share in Yen	▲343.75	190.65	193.24	109.40	▲266.59
Dividends Payment ratio	-%	31.47%	31.04%	54.84%	-%
Non-Consolidated Capital Adequacy Ratio (based on domestic standards)	8.42%	8.79%	8.71%	8.47%	7.89%
Number of Employees	901	904	906	892	893



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.



Credit Rating : A⁻
 Relevant Debt : long-term Preferred Debt
 Credit Rating Agency :
 Japan Credit Rating Agency, Ltd.
 (As of April 30, 2024)

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.

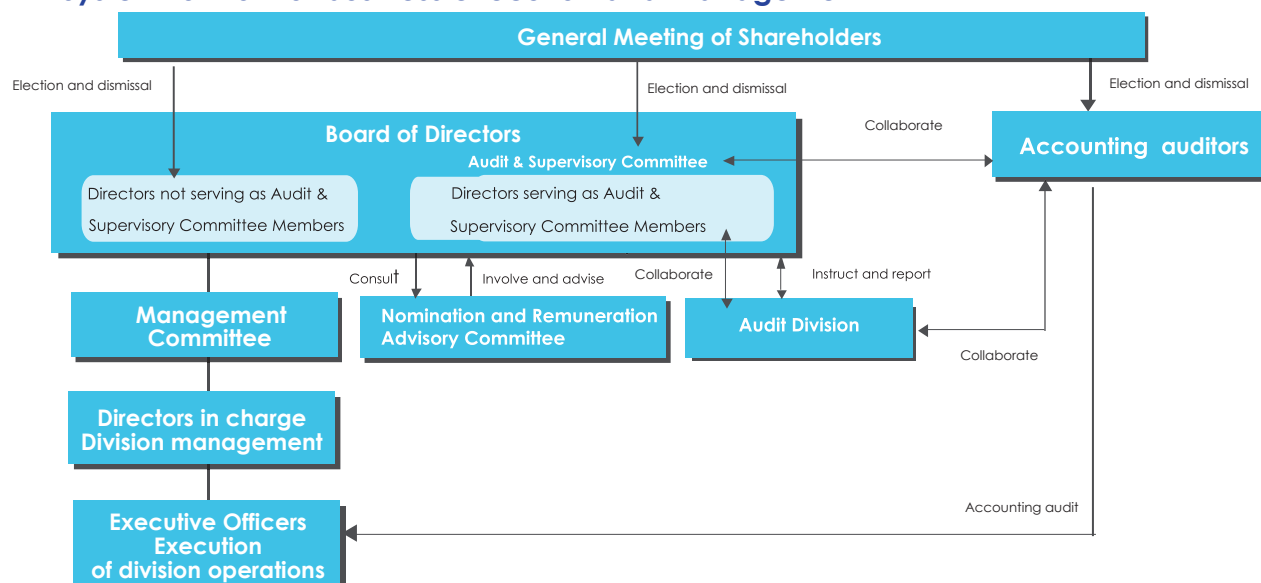
The Audit & Supervisory Committee deliberates and reports on the status of audits, with a particular focus on the duties of Directors. Ordinary meetings of the Audit & Supervisory Committee are held once a month as a rule, in addition to which extraordinary meetings are held as required.

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.

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.

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

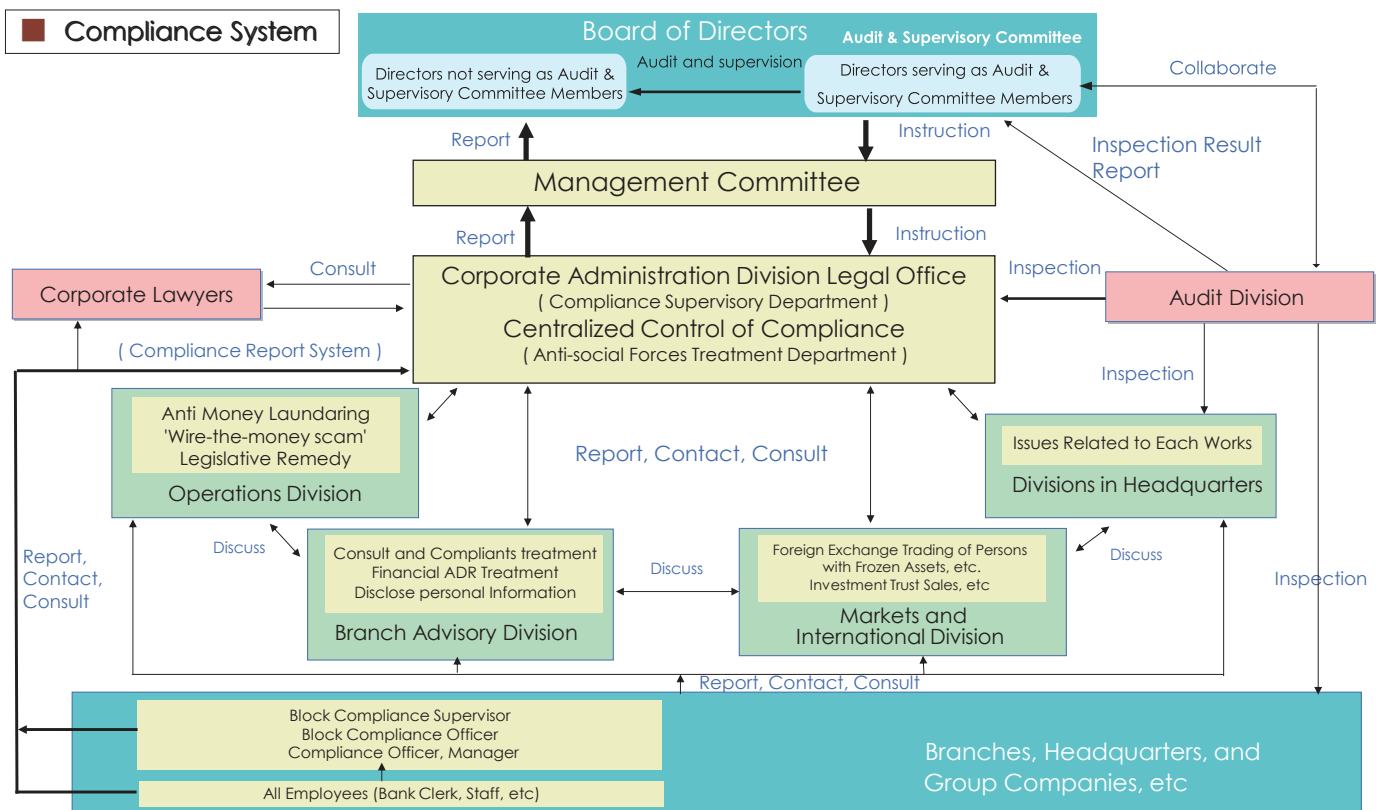
We comply with laws and regulations as well as with internal rules in the course of executing our business. We respect social rules, perform corporate activities with conscientiousness, integrity and fairness.

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.

● Basic Policy on Preventing Money Laundering and Countering the Financing of Terrorism

Basic Policy on Preventing Money Laundering and Countering the Financing of Terrorism

With the diversification of payment methods and the globalization of transactions, the proceeds of crime are being transferred across national borders and becoming a source of activity for criminal organizations and terrorists, making preventing money laundering and countering the financing of terrorism international challenges. The Bank considers preventing money laundering and countering the financing of terrorism to be important management issues. We have established an effective control system and are working to maintain and improve the healthiness and appropriateness of our business operations through the establishment of various regulations and ongoing customer management.

The details of our basic policy are posted on our website.

<https://www.shimizubank.co.jp/footer/maneron/english.html>



● Solicitation Policy

The Bank observes various laws, regulations and rules, as well as the following matters when soliciting the sale of financial instruments.

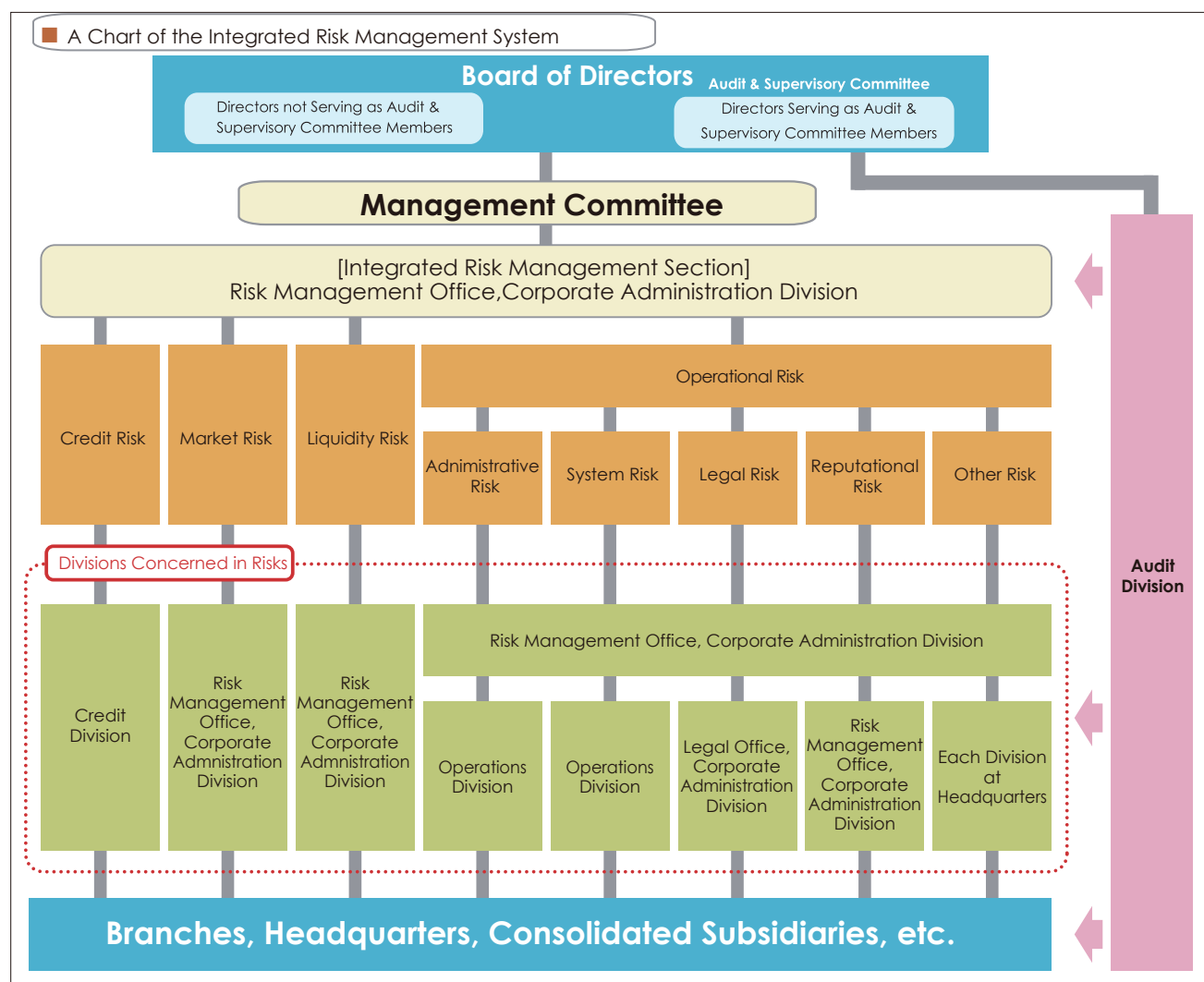
- ① The Bank works to make appropriate solicitations by referring to customers' knowledge, experience, asset status and purpose for concluding the agreement.
- ② The Bank sufficiently explains significant matters, such as the details and risks of financial instruments.
- ③ The Bank will not make solicitations 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 "STELLA CUBE" created by NTT DATA Japan Corporation.

We established a backup center for "STELLA CUBE", 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.

Cyber Security

The risk of cyber-attacks is continuing to increase due to the advancement of digital technology and changes in the international situation. As attack methods become more diverse and sophisticated, the difficulty of managing system vulnerabilities and other issues is also increasing. The Bank recognizes cybersecurity management as one of its most important management issues. We have established "Cybersecurity Management Regulations" to clarify our basic policies, management structure, and roles during normal operations and in the event of an incident, and have also established a Computer Security Incident Response Team (CSIRT) to conduct cyber attack-related training, exercises, and education to improve the effectiveness of our countermeasures.

In addition, through membership in the corporate association Financials ISAC Japan, which conducts cooperative activities related to cybersecurity of financial institutions in Japan, and participation in the Shizuoka Prefectural Council on Countermeasures for Cyberterrorism, which aims to take action to combat cyberterrorism using public-private collaboration in Shizuoka Prefecture, the Bank is engaged in efforts to collect information regarding the latest threat trends and to enhance the system for collaboration with external organizations.

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 31,2023	March 31,2024	March 31,2024
Assets			
Cash and Due from Banks	¥248,749	¥165,704	US\$1,094,481
Trading Securities	577	598	3,950
Money Held in Trust	1,000	1,000	6,605
Securities	328,664	276,814	1,828,364
Loans and Bills Discounted	1,245,342	1,245,101	8,223,919
Foreign Exchanges	1,601	502	3,321
Lease Receivables and Investments in Leases	14,542	14,532	95,987
Other Assets	27,979	27,468	181,429
Property, Plant and Equipment	17,012	16,579	109,508
Buildings, Net	6,631	6,505	42,966
Land	8,999	8,834	58,354
Leased Assets, Net	6	10	70
Construction in Progress	74	31	209
Other Tangible Fixed Assets	1,300	1,197	7,908
Intangible Assets	955	1,552	10,255
Software	832	1,441	9,521
Leased Assets	4	3	21
Other Intangible Fixed Assets	118	107	712
Retirement Benefit Asset	265	2,300	15,196
Deferred Tax Assets	4,584	4,408	29,116
Customers' Liabilities for Acceptances and Guarantees	5,587	6,036	39,871
Allowance for Loan Losses	(7,787)	(6,736)	(44,497)
Total Assets	¥1,889,075	¥1,755,862	US\$11,597,508

	(Millions of Yen)	(Millions of Yen)	(Thousands of U.S.Dollars)
	March 31,2023	March 31,2024	March 31,2024
Liabilities			
Deposits	¥1,542,937	¥1,541,974	US\$10,184,770
Negotiable Certificates of Deposit	79,550	-	-
Cash Collateral Received for Securities Lent	50,235	-	-
Borrowed Money	126,685	119,019	786,129
Foreign Exchanges	54	53	354
Other Liabilities	7,542	7,855	51,882
Provision for Bonuses	462	460	3,041
Retirement Benefit Liability	438	117	776
Provision for Retirement Benefits for Directors(and Other Officers)	51	54	356
Provision for Loss on Cancellation of System Contracts	283	283	1,870
Deferred Tax Liabilities	87	77	513
Acceptances and Guarantees	5,587	6,036	39,871
Total Liabilities	1,813,916	1,675,932	11,069,566
Net Assets			
Share Capital	10,816	10,816	71,441
Capital Surplus	7,642	7,606	50,239
Retained Earnings	66,701	62,708	414,189
Treasury Shares	(346)	(274)	(1,810)
Total Shareholders' Equity	84,813	80,856	534,060
Valuation Difference on Available-for-Sale Securities	(11,819)	(4,687)	(30,960)
Deferred Gains or Losses on Hedges	297	290	1,920
Remeasurements of Defined Benefit Plans	257	1,819	12,015
Total Accumulated Other Comprehensive Income	(11,264)	(2,577)	(17,025)
Share Acquisition Rights	123	117	775
Non-Controlling Interests	1,485	1,534	10,132
Total Net Assets	75,158	79,930	527,942
Total Liabilities and Net Assets	¥1,889,075	¥1,755,862	US\$11,597,508

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 ¥151.40per U.S.\$1, the approximate rate of exchange prevailing on March 29,2024.

Consolidated Statement of Income

	(Millions of Yen)	(Millions of Yen)	(Thousands of U.S.Dollars)
	Years ended March 31, 2023	Years ended March 31, 2024	Years ended March 31, 2024
Ordinary Income	¥28,403	¥29,904	US\$197,521
Interest Income	15,982	15,997	105,666
Interest on Loans and Discounts	12,757	12,737	84,129
Interest and Dividends on Securities	2,812	3,005	19,854
Interest on Deposits with Banks	366	207	1,371
Other Interest Income	44	47	310
Fees and Commissions	11,315	11,440	75,563
Other Ordinary Income	151	119	786
Other Income	953	2,347	15,504
Other	953	2,347	15,504
Ordinary Expenses	26,806	34,035	224,808
Interest Expenses	1,659	2,350	15,522
Interest on Deposits	238	231	1,526
Interest on Negotiable Certificates of Deposit	0	0	0
Interest on Call Money	(13)	(33)	(218)
Interest Expenses on Cash Collateral Received for Securities Lent	1,404	2,102	13,884
Interest on Borrowings and Rediscounts	26	49	325
Other Interest Expenses	1	0	3
Fees and Commissions Payments	6,388	6,639	43,856
Other Ordinary Expenses	2,252	8,140	53,765
General and Administrative Expenses	15,208	15,107	99,788
Other Expenses	1,298	1,798	11,876
Provision of Allowance for Loan Losses	816	1,527	10,089
Other	481	270	1,786
Ordinary Profit (Loss)	1,596	(4,131)	(27,287)
Extraordinary Income	12	-	-
Gain on Disposal of Non-Current Assets	0	-	-
Reversal of Provision for Loss on Cancellation of System Contracts	12	-	-
Extraordinary Losses	30	170	1,127
Loss on Disposal of Non-Current Assets	30	0	3
Impairment Losses	-	170	1,123
Profit (Loss) Before Income Taxes	1,578	(4,302)	(28,415)
Income Taxes - Current	271	172	1,137
Income Taxes - Deferred	(217)	(1,218)	(8,050)
Total Income Taxes	54	(1,046)	(6,912)
Profit (Loss)	1,524	(3,255)	(21,502)
Profit Attributable to Non-Controlling Interests	49	46	304
Profit (Loss) Attributable to Owners of Parent	¥1,474	(¥3,301)	(US\$21,806)

Consolidated Statement of Comprehensive Income

	(Millions of Yen)	(Millions of Yen)	(Thousands of U.S.Dollars)
	Years ended March 31, 2023	Years ended March 31, 2024	Years ended March 31, 2024
Profit (Loss)	¥1,524	(¥3,255)	(US\$21,502)
Other Comprehensive Income	(8,167)	8,691	57,407
Valuation Difference on Available-for-Sale Securities	(8,032)	7,136	47,138
Deferred Gains or Losses on Hedges	22	(6)	(44)
Remeasurements of Defined Benefit Plans, Net of Tax	(157)	1,561	10,313
Comprehensive Income	(6,642)	5,435	35,904
Comprehensive Income Attributable to Owners of Parent	(¥6,694)	¥5,385	US\$35,572
Comprehensive Income Attributable to Non-Controlling Interests	51	50	332

Notes

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Consolidated Statement of Changes in Net Assets

Years ended March 31, 2023

(Millions of Yen)

	Shareholders' Equity				
	Share Capital	Capital Surplus	Retained Earnings	Treasury Shares	Total Shareholders' Equity
Balance at April 1, 2022	¥10,816	¥7,642	¥65,922	(¥246)	¥84,134
Changes During Period					
Dividends of Surplus			(695)		(695)
Profit (Loss) Attributable to Owners of Parent			1,474		1,474
Purchase of Treasury Shares				(100)	(100)
Disposal of Treasury Shares		-		-	-
Net Changes in Items Other Than Shareholders' Equity					
Total Changes During Period	-	-	779	(100)	679
Balance at March 31, 2023	¥10,816	¥7,642	¥66,701	(¥346)	¥84,813

	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, 2022	(¥3,785)	¥274	¥415	(¥3,095)	¥93	¥1,436	¥82,569
Changes During Period							
Dividends of Surplus							(695)
Profit (Loss) Attributable to Owners of Parent							1,474
Purchase of Treasury Shares							(100)
Disposal of Treasury Shares							-
Net Changes in Items Other Than Shareholders' Equity	(8,034)	22	(157)	(8,169)	29	49	(8,090)
Total Changes During Period	(8,034)	22	(157)	(8,169)	29	49	(7,410)
Balance at March 31, 2023	(¥11,819)	¥297	¥257	(¥11,264)	¥123	¥1,485	¥75,158

Years ended March 31, 2024

(Millions of Yen)

	Shareholders' Equity				
	Share Capital	Capital Surplus	Retained Earnings	Treasury Shares	Total Shareholders' Equity
Balance at April 1, 2023	¥10,816	¥7,642	¥66,701	(¥346)	¥84,813
Changes During Period					
Dividends of Surplus			(691)		(691)
Profit (Loss) Attributable to Owners of Parent			(3,301)		(3,301)
Purchase of Treasury Shares				(1)	(1)
Disposal of Treasury Shares		(35)		73	37
Net Changes in Items Other Than Shareholders' Equity					
Total Changes During Period	-	(35)	(3,993)	72	(3,956)
Balance at March 31, 2024	¥10,816	¥7,606	¥62,708	(¥274)	¥80,856

	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, 2023	(¥11,819)	¥297	¥257	(¥11,264)	¥123	¥1,485	¥75,158
Changes During Period							
Dividends of Surplus							(691)
Profit (Loss) Attributable to Owners of Parent							(3,301)
Purchase of Treasury Shares							(1)
Disposal of Treasury Shares							37
Net Changes in Items Other Than Shareholders' Equity	7,132	(6)	1,561	8,687	(6)	48	8,729
Total Changes During Period	7,132	(6)	1,561	8,687	(6)	48	4,772
Balance at March 31, 2024	(¥4,687)	¥290	¥1,819	(¥2,577)	¥117	¥1,534	¥79,930

Notes

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Consolidated Statement of Changes in Net Assets

Years ended March 31, 2024

(Thousands of U.S.Dollars)

	Shareholders' Equity				
	Share Capital	Capital Surplus	Retained Earnings	Treasury Shares	Total Shareholders' Equity
Balance at April 1, 2023	US\$71,441	US\$50,475	US\$440,566	(US\$2,288)	US\$560,195
Changes During Period					
Dividends of Surplus			(4,570)		(4,570)
Profit (Loss) Attributable to Owners of Parent			(21,806)		(21,806)
Purchase of Treasury Shares				(8)	(8)
Disposal of Treasury Shares		(236)		486	250
Net Changes in Items Other Than Shareholders' Equity					
Total Changes During Period	-	(236)	(26,377)	478	(26,135)
Balance at March 31, 2024	US\$71,441	US\$50,239	US\$414,189	(US\$1,810)	US\$534,060

	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, 2023	(US\$78,070)	US\$1,964	US\$1,701	(US\$74,404)	US\$817	US\$9,813	US\$496,421
Changes During Period							
Dividends of Surplus							(4,570)
Profit (Loss) Attributable to Owners of Parent							(21,806)
Purchase of Treasury Shares							(8)
Disposal of Treasury Shares							250
Net Changes in Items Other Than Shareholders' Equity	47,110	(44)	10,313	57,379	(42)	319	57,656
Total Changes During Period	47,110	(44)	10,313	57,379	(42)	319	31,521
Balance at March 31, 2024	(US\$30,960)	US\$1,920	US\$12,015	(US\$17,025)	US\$775	US\$10,132	US\$527,942

Notes

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Consolidated Statement of Cash Flows

	(Millions of Yen)	(Millions of Yen)	(Thousands of U.S.Dollars)
	Years ended March.31,2023	Years ended March.31,2024	Years ended March.31,2024
Cash Flows from Operating Activities			
Profit (Loss) Before Income Taxes	¥1,578	(¥4,302)	(US\$28,415)
Depreciation	994	931	6,150
Impairment Losses	-	170	1,123
Increase (Decrease) in Allowance for Loan Losses	762	(1,050)	(6,940)
Increase (Decrease) in Provision for Bonuses	(6)	(1)	(12)
Decrease (Increase) in Retirement Benefit Asset	92	(2,035)	(13,443)
Increase (Decrease) in Retirement Benefit Liability	133	(321)	(2,123)
Increase (Decrease) in Provision for Retirement Benefits for Directors (and Other Officers)	13	2	16
Increase (Decrease) in Provision for Loss on Cancellation of system contracts	(12)	-	-
Interest Income	(15,982)	(15,997)	(105,666)
Interest Expenses	1,659	2,350	15,522
Loss (Gain) Related to Securities	899	3,898	25,752
Loss (Gain) on Money Held in Trust	(8)	(11)	(73)
Foreign Exchange Losses (Gains)	(6,504)	(6,175)	(40,791)
Loss (Gain) on Disposal of Non-Current Assets	30	0	3
Net Decrease (Increase) in Trading Securities	(13)	(20)	(136)
Net Decrease (Increase) in Loans and Bills Discounted	(27,454)	241	1,592
Net Increase (Decrease) in Deposits	27,187	(962)	(6,359)
Net Increase (Decrease) in Negotiable Certificates of Deposit	79,550	(79,550)	(525,429)
Net Increase (Decrease) in Borrowed Money (Excluding Subordinated Borrowings)	(24,766)	(7,666)	(50,634)
Net Decrease (Increase) in Due from Banks (Excluding Due from Bank of Japan)	351	58	383
Net Increase (Decrease) in Cash Collateral Received for Securities Lent	9,022	(50,235)	(331,805)
Net Decrease (Increase) in Foreign Exchanges-Assets	(830)	1,098	7,258
Net Increase (Decrease) in Foreign Exchanges-Liabilities	45	(1)	(7)
Net Decrease (Increase) in Lease Receivables and Investments in Leases	(760)	(803)	(5,306)
Interest Received	16,569	16,651	109,982
Interest Paid	(1,687)	(2,414)	(15,948)
Other, Net	(1,599)	2,986	19,728
Subtotal	59,263	(143,160)	(945,577)
Income Taxes Paid	(939)	(135)	(895)
Net Cash Provided by (Used in) Operating Activities	58,323	(143,296)	(946,473)
Cash Flows from Investing Activities			
Purchase of Securities	(60,534)	(38,572)	(254,773)
Proceeds from Sale of Securities	49,721	79,594	525,721
Proceeds from Redemption of Securities	16,153	20,617	136,179
Decrease in Money Held in Trust	8	11	78
Purchase of Property, Plant and Equipment	(440)	(436)	(2,882)
Purchase of Intangible Assets	(486)	(748)	(4,944)
Proceeds from Sale of Property, Plant and Equipment	404	543	3,590
Payments for Asset Retirement Obligations	-	(4)	(30)
Net Cash Provided by (Used in) Investing Activities	4,826	61,004	402,937
Cash Flows from Financing Activities			
Repayments of Lease Obligations	(3)	(3)	(22)
Purchase of Treasury Shares	(100)	(1)	(8)
Proceeds from Sale of Treasury Shares	-	0	0
Dividends Paid	(691)	(689)	(4,552)
Dividends Paid to Non-Controlling Interests	(1)	(1)	(12)
Net Cash Provided by (Used in) Financing Activities	(797)	(695)	(4,596)
Effect of Exchange Rate Change on Cash and Cash Equivalents	0	0	4
Net Increase (Decrease) in Cash and Cash Equivalents	62,353	(82,986)	(548,127)
Cash and Cash Equivalents at Beginning of Period	185,640	247,993	1,638,004
Cash and Cash Equivalents at End of Period	¥247,993	¥165,007	US\$1,089,876

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 ¥151.40per U.S.\$1, the approximate rate of exchange prevailing on March 29,2024.

Board of Directors and Executive Officers

As of June 30, 2024

● Chairman

Katsuichiro Toyoshima*¹

● President

Yasuhiro Iwayama*¹

● Senior Managing Director

Ayato Mochizuki*¹

● Managing Directors

Masashi Hiraiwa
Nobuhide Fukazawa

● Directors

Keiko Higashi*²
Yoshiki Shimma*²
Makoto Kono*²
Naoyuki Tamura
Masaki Yagi
Yasumasa Oki
Fumitoshi Yabuzaki*³
Kazuaki Isobe*^{2,*3}
Shigeyuki Konagaya*^{2,*3}
Kanako Ito*^{2,*3}

*¹Representative Director

*²Outside Director

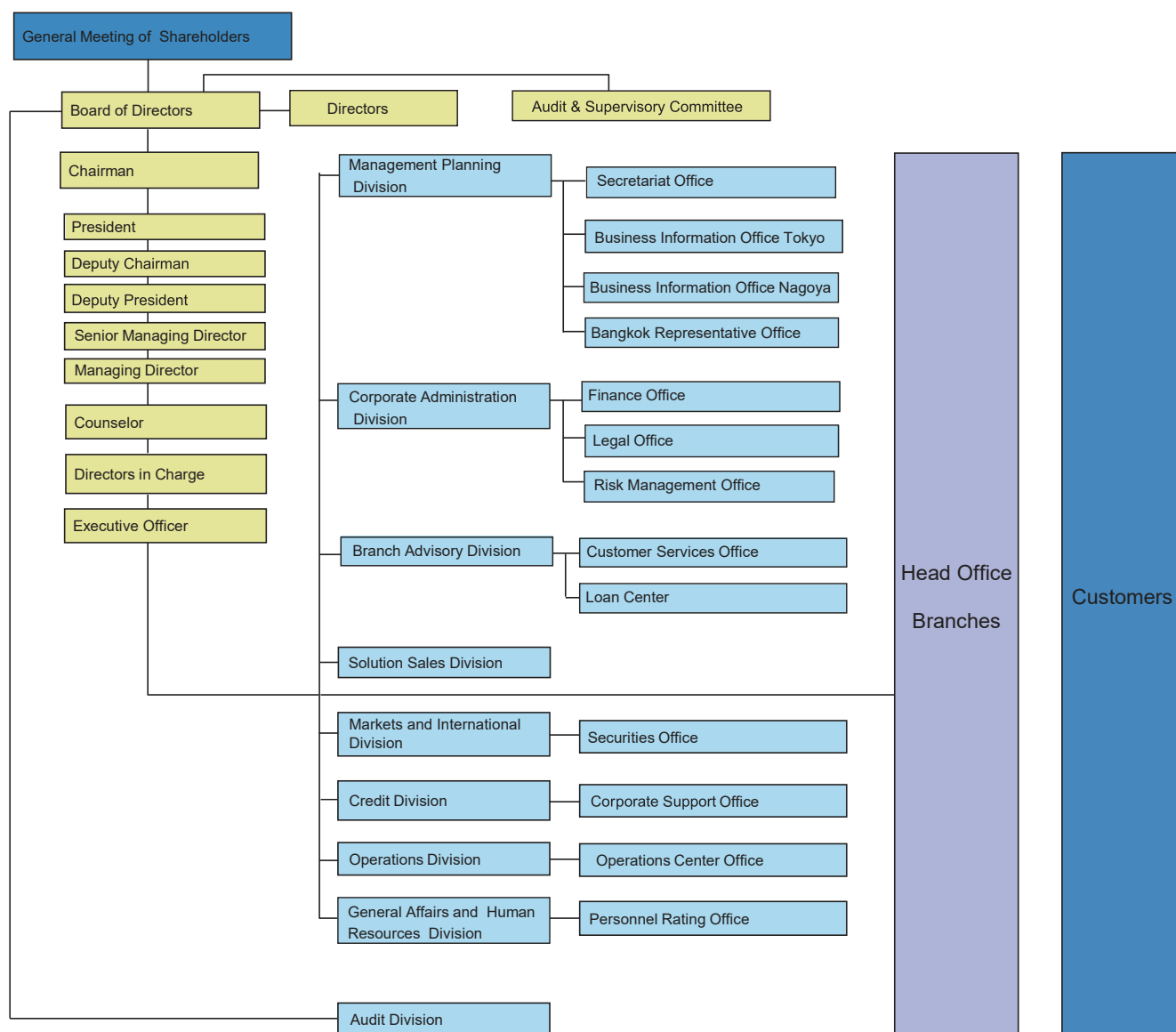
*³Audit & Supervisory Committee Members

● Executive Officers

Yoshiyasu Ohata
Takafumi Okada
Kunihiko Maeda
Akinori Iwama
Aki Matsumoto
Yasuko Imura
Hisashi Yui
Yukio Morota

Organization Chart

As of June 30, 2024



THE SHIMIZU BANK, LTD.

MARKETS AND INTERNATIONAL DIVISION

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

