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Company name: The Shimizu Bank, Ltd.
Name of representative: Yasuhiro Iwayama, President
(Securities code: 8364; TSE Prime)
Inquiries: Kunihiko Maeda, Executive
Officer, General Manager of
Corporate Administrative Division
(Telephone: +81-54-353-5162)

Plan to Achieve Compliance with Continued Listing Criteria (Enter the Improvement Period)

The Shimizu Bank, Ltd. (the “Bank”) hereby announces that as of March 31, 2025, the Bank is no longer in compliance with the Continued Listing Criteria for the Prime Market. The Bank has therefore formulated a plan to comply with the Continued Listing Criteria, as described below.

1. The Bank’s Status of Compliance with the Continued Listing Criteria, the Period of the Plan, and the Improvement Period

The status of the Bank’s compliance with the Prime Market Continued Listing Criteria as of March 31, 2025 is shown in the table below. As the Bank is not in compliance with the criteria in terms of its tradable share market capitalization, it has currently entered the Improvement Period. In order to meet the tradable share market capitalization, with which the Bank is no longer in compliance, the Bank will continue to take various measures to comply with the Continued Listing Criteria. If the Bank is not confirmed to be in compliance with the tradable share market capitalization within the Improvement Period through to March 31, 2026, the Bank’s securities will be designated as Securities Under Supervision (under review) by the Tokyo Stock Exchange. Subsequently, if the Tokyo Stock Exchange reviews the distribution table submitted by the Bank as of March 31, 2026 and determines that the Bank’s securities are not in compliance with the tradable share market capitalization criteria, the Bank’s securities will be designated as Securities to be Delisted, and may be delisted on October 1, 2026. However, if the Bank is unable to comply with the Prime Market Continued Listing Criteria within the period of the plan due to changes in the domestic and international external environment or the impact of market conditions, it will also consider changing its market classification to the Standard Market.

		Number of shareholders	Number of tradeable shares	Tradable share market capitalization	Tradable share ratio	Daily average trading value (or monthly average trading volume)
The Bank's status of compliance	As of March 31, 2025	5,095	66,395 units	9.8 billion yen	57%	20 million yen
Continued Listing Criteria		800	20,000 units	10.0 billion yen	35%	20 million yen (or 10 units)
Period of the Plan (Improvement Period)				March 31, 2026		

* The status of the Bank's compliance is calculated based on the distribution table, etc. of the Bank's securities, etc. as determined by the Tokyo Stock Exchange as of the record date.

2. Basic Policy for Initiatives to Comply with the Continued Listing Criteria

- The Bank aims to achieve the criteria by working to increase its “tradable share market capitalization” by “enhancing corporate value in the medium to long term” and “increasing the number of tradable shares.”

3. Issues and Initiatives for Each Item Not in Compliance with Continued Listing Criteria

(1) Tradable share market capitalization

[Issues]

- As of March 31, 2025, the Bank's tradable share market capitalization was 9.8 billion yen, which does not meet the Prime Market Continued Listing Criteria of 10 billion yen or more.
- Although the Bank has been working to increase the number of tradable shares and improve the base share price, these are not in compliance with the criteria.

[Details of initiatives]

(1) Increase profitability

On March 27, 2023, the Bank announced its 28th Medium-term Management Plan “SHINKA - Creating Connections -” covering the three-year period from the fiscal year ended March 31, 2024 to the fiscal year ending March 31, 2026. The Plan is the second of three phases leading to the Bank's centenary in 2028, and is positioned as an important period for maintaining and expanding the revenue base that we have been building in the first phase.

The fiscal year ending March 31, 2026 is the final year of the 28th Medium-term Management Plan, and we will work to achieve our target profit of 2.5 billion yen.

To achieve an ROE that exceeds our cost of capital, the Bank is targeting a level of approximately 5-6% in the medium to long term. In medium- to long-term simulations, we expect to achieve a level of approximately 5-6% by the fiscal year ending March 31, 2032.

(2) Maintain and improve shareholder returns

Regarding shareholder returns, the Bank's policy is to secure internal reserves in order to strengthen its management structure and prepare for changes in the business environment, while also aiming to continue paying stable dividends.

In order to support the regional economy, the Bank is prioritizing the accumulation of equity capital while considering shareholder return measures such as increasing future dividend levels.

(3) Reduce cross-shareholdings

The Bank aims to reduce its strategic investment shareholdings by 20% in the fiscal year ending March 31, 2030 compared with the fiscal year ended March 31, 2025.

We will strive to increase the relative number of tradable shares by reducing our shareholdings in line with a reduction in cross-shareholdings.

(4) Enhance IR activities

We will strive to enhance our IR activities, further activate communication with stakeholders, and expand the content of our IR materials and other disclosure materials.

A financial results briefing is scheduled to be held in early June, materials for which will be posted on the Bank's website.