May 12, 2026

News Release

Company name: Shizuoka Financial Group, Inc.
Representative: Hisashi Shibata, President
(Securities code 5831, Tokyo Stock Exchange Prime Market)
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Shizuoka Financial Group to establish Shizuoka Mirai Cocreation Foundation and to dispose of treasury stock through third-party allotment to support the foundation's activities

In a meeting held on May 12, 2026, the Board of Directors of Shizuoka Financial Group, Inc. ("Company" hereinafter) resolved to dispose of treasury stock through the third-party allotment of shares of Company stock ("treasury stock disposal" hereinafter) to provide sustained and stable support for the activities of the Shizuoka Mirai Cocreation Foundation ("Foundation" hereinafter), a general incorporated foundation that subsidiary Shizuoka Bank, Ltd. ("Shizuoka Bank" hereinafter) plans to establish as part of the initiatives mentioned in the November 7, 2025 News Release, "Shizuoka Financial Group to Consider Using Shares to Support New General Incorporated Foundation," as described below.

The treasury stock disposal will be implemented conditional on the approval of a special resolution at the Company's fourth regular General Meeting of Shareholders scheduled for June 19, 2026.

Details

1. About the establishment of the Foundation

(1) Purpose of establishment of the Foundation

Under its Corporate Philosophy—Expand dreams and affluence with our community—the Company, a comprehensive financial group whose identity and growth is rooted in the region, promotes various businesses through the Group companies to provide diverse value, contribute to the economic and cultural progress of the region, and enrich the lives of stakeholders.

Launched in FY2026, the Company's Second Medium-term Business Plan, "Xover 2.0: Into the Future Together," establishes the 10-year Vision of "A cyclical state of resonance between Shizuoka Financial Group's growth and stakeholder growth." Toward this vision, the Company is striving to realize sustained improvements in the wellbeing of all stakeholders, in addition to its own corporate value, by focusing on providing solutions to the issues and meeting the needs facing the region and its customers.

As part of these efforts, Shizuoka Bank will establish the Foundation to support regional industry and to contribute to ongoing community development while seeking to create new industries, launch projects that will deliver solutions to various challenges, and develop human resources to power the region's future.

(2) Overview of the Foundation

(i) Name	Shizuoka Mirai Cocreation Foundation

(ii) Managing Director	Katsunori Nakanishi* * Mr. Nakanishi, a Director (Chairman and Director) of the Company, plans to resign as a Director (Chairman and Director) of the Company upon the expiration of his term of office, effective at the end of the June 19, 2026 General Meeting of Shareholders.
(iii) Activities	• Planning, managing, and implementing events and programs to promote exchange, collaboration, and cooperation • Consulting, hand in hand support, financial support, and subsidies for activities to contribute to new business creation, solutions to the region's challenges, etc. • Planning, development, operations, management, rental, leasing, and provision for use of co-creation facilities • Human resource development, education, training, and provision of learning opportunities • Research and collection and communication of information related to the above
(iv) Funding for activities	Approx. 500 million yen per year (planned) Activities will be funded from revenue generated by business activities and dividends on shares of Company stock allotted to it through the treasury stock disposal.
(v) Date of establishment	July 2026 (planned)
(vi) Relationships to the Company	
Capital relationship	Plans call for Shizuoka Bank, a Company subsidiary, to contribute the endowment needed to establish the Foundation.
Personal relationship	Plans call for one current Director of the Company (who will resign upon the expiration of his term of office, effective at the end of the Company's Fourth Regular General Meeting of Shareholders scheduled for June 19, 2026) to be appointed as the Foundation's Managing Director. In addition, plans call for one current executive officer of the Company (who is expected to take office as a Director of the Company upon his appointment at the Company's Fourth Regular General Meeting of Shareholders scheduled for June 19, 2026) to serve concurrently as a trustee of the Foundation.
Transaction relationship	Plans call for the Shizuoka Bank to donate 3 million yen as the endowment to establish the Foundation.
Status as a related interested party	Not applicable

2. About the treasury stock

<Summary of disposal>

(i) Dates of disposal (pay-in period)	From September 1, 2026 through the end of September 2026 (Specific dates will be determined in accordance with the progress of related procedures.)
(ii) Number of shares to be disposed of	4,000,000 shares of common stock
(iii) Disposal price	One yen per share
(iv) Endowment	4,000,000 yen
(v) Method of collection or disposal	Disposal through third-party allotment
(vi) Disposal recipient	Custody Bank of Japan, Ltd. (Trustee of re-trust by trustor Sumitomo Mitsui Trust Bank, Limited)
(vii) Other matters	Treasury stock disposal is conditional on approval by the special resolution titled "Treasury stock disposal through third-party allotment to support the activities of Shizuoka Mirai Cocreation Foundation," which will be submitted to the Company's fourth regular General Meeting of Shareholders scheduled for June 19, 2026.

3. Purposes of and reasons for disposal

Current plans call for the Foundation to undertake the following activities. The Company will contribute to regional economic development by providing sustained and stable support for the Foundation's activities, which we expect to lead to gains in the Company's corporate value.

Activities	Creating new regional businesses and projects that deliver solutions to regional challenges, supporting human resource development, subsidies, etc. through co-creation with regional firms, startups, and other partners
Targets of activities	Regional firms, local governments, educational institutions, domestic and international startups, local residents, students, etc., centered on those in Shizuoka Prefecture
Region of activities	These activities are expected to take place in Japan, primarily Shizuoka Prefecture.
Examples of specific activities	(i) Planning and holding various events and programs to promote business co-creation (e.g., pitch contests and entrepreneur programs) (ii) Hand in hand support and subsidies for trial costs related to projects created through the programs (iii) Providing regional firms, participants, and others with venues for activities and opportunities for communication
Contribution to boosting corporate value	Creating new regional businesses and projects that deliver solutions to regional challenges through the Foundation's activities will lead to the following gains in corporate value by realizing the Company's targeted social impacts as part of its sustainability KPIs, including social population growth in Shizuoka Prefecture and growth in Shizuoka's prefectural GDP: (i) Increasing ordinary revenues through various means, including deposit growth, investment and finance, and M&As (ii) Continuing to build on and deepen relations of trust with networks that include startups and administrators (iii) Improving brand image and officer and employee engagement

Given these considerations, treasury stock disposal will be conducted to enable dividends on Company stock to serve as the funding needed to provide sustained and stable support for Foundation activities.

In handling treasury stock disposal, the Company will establish a third-party benefit trust naming Sumitomo Mitsui Trust Bank, Limited as the trustee, the Custody Bank of Japan as the trustee of the re-trust, and the Foundation as the beneficiary ("Trust" hereinafter). The Trust will acquire shares of Company stock and issue trust earnings, including dividends on shares of Company stock, to the Foundation, which will use them to fund its activities. The treasury stock will be disposed to the Trust established to contribute funding for Foundation activities.

4. Amount, use, and planned timing of disbursement of funds to be raised

(1) Amount of funds to be raised

(i) Total pay-in amount	JPY 4,000,000
(ii) Rough estimate of costs of issue	0 yen
(iii) Rough estimate of amount after deducting costs	JPY 4,000,000

(2) Specific uses of funds to be raised

Plans call for the above rough estimate of the amount after deducting costs to be allocated to the costs needed to establish the above series of systems ("Scheme" hereinafter).

5. Reasons for affirming rational use of funds

Plans call for allocating the funds raised to the costs needed to establish the Scheme. Since each cost is essential to the establishment of the Scheme, this use of funds is judged to be rational.

6. Rationality of disposal conditions, etc.

(1) Rationale of the pay-in amount and its details

Through co-creation with regional firms, local governments, educational institutions, startups, and other partners, the Foundation will support the creation of new businesses and projects that will deliver solutions to various challenges, as well as engage in long-term human resource development for the region's future. These activities are expected not only to contribute to the region's sustained economic growth but also to expand earnings opportunities through deposits, investment, finance, etc., to further build networks and deepen relations of trust with startups, administrators, and others, and to improve the Company's brand image and officer and employee engagement. Through these and other accomplishments, it is expected to contribute to increasing the Company's corporate value over the medium to long term.

The treasury stock disposal is intended to provide sustained and stable support for the Foundation's activities, and plans call for the funds raised (trust assets) to be allocated to the costs needed to establish the Scheme, as described under 4.(2) above. Accordingly, in light of these purposes and the nature of the Scheme (e.g., the fact that it is intended to secure a stable source of funding for Foundation activities and shares are not expected to be sold in the short term), a pay-in amount of one yen per share is considered rational.

Since the treasury stock disposal would qualify as favorable issue to the Foundation, it will be conditional on approval through the special resolution "Treasury stock disposal through third-party allotment to support the activities of Shizuoka Mirai Cocreation Foundation," to be submitted to the Company's fourth regular General Meeting of Shareholders planned to be held on June 19, 2026.

(2) Grounds for determination that the volume of disposal and the scale of dilution are rational

The number of shares to be disposed of via treasury stock disposal is 4,000,000 shares. This figure has been chosen as an optimal balance from the perspective of both securing the funding (dividends, etc.) needed to maintain the Foundation's activities and restraining dilution effects on existing shareholders.

Since the number of 4,000,000 shares to be disposed of accounts for only 0.69% of the total number of 580,129,069 shares issued as of March 31, 2026, its share dilution effects are deemed negligible.

In addition, as announced in the November 7, 2025 News Release "Notice Concerning Decision on Matters Related to Acquisition of Treasury Stock (Acquisition of Own Shares Under the Provisions of the Articles of Incorporation Pursuant to the Provisions of Article 165, Paragraph (2) of the Companies Act," based on a Board of Directors resolution concerning the acquisition of treasury stock, the Company acquired approximately JPY 20.0 billion yen in treasury stock during the period from November 12, 2025 through January 23, 2026. As announced in the February 12, 2026 News Release "Notice Concerning Revised Forecasts of Full-year Consolidated Financial Results and (Increased) Year-end Dividend, and Decision on Matters Related to Acquisition of Treasury Stock," based on a Board of Directors resolution concerning the acquisition of treasury stock, the Company also acquired approximately JPY10.0 billion yen in treasury stock during the period from February 17 through March 13, 2026. These Company measures are intended to address the issue of share dilution.

During the trust period, the Custody Bank of Japan will refrain from exercising voting rights to shares of stock acquired by the Trust through the treasury stock disposal. As a result, during the period in which the Trust, as described above, continues to hold the shares of stock disposed of via the treasury stock disposal, there should occur no effective impact on percentages of voting rights.

Based on a comprehensive consideration of the above matters, the scale of dilution of shares resulting from the treasury stock disposal is deemed rational.

7. Reasons for selection of the disposal recipient, etc.

(1) Overview of the disposal recipient

(i) Name: Custody Bank of Japan, Ltd.

(ii) Overview of the trust agreement

Type of trust	Specified independently managed trust of funds other than the money trust ("*kinsen-shintaku*") (third-party-benefit trust)
Purpose of trust	Funding the Foundation activities by distributing to the beneficiary the trust revenue from dividends on shares of common stock issued by the trustor
Trustor	The Company
Trustee	Sumitomo Mitsui Trust Bank, Limited (Trustee of re-trust: Custody Bank of Japan, Ltd.)
Beneficiary	The Foundation
Date of trust agreement	September 2026 (planned)
Trust period	Two years (planned)

During the trust period, the Custody Bank of Japan will not exercise voting rights to shares of stock acquired by the Trust through treasury stock disposal. Plans call for the future determination of the details of the trust agreement with Sumitomo Mitsui Trust Bank, the trustee.

* The Company has assessed the disposal recipient, its officers, major shareholders, and major investors by reviewing its website, disclosure publications, and other materials to rule out ties to organized crime and submitted to the Tokyo Stock Exchange, Inc. ("Tokyo Stock Exchange" hereinafter) a confirmation letter to this effect.

(2) Reasons for selection of the disposal recipient

Sumitomo Mitsui Trust Bank, Limited was selected as the trustee based on the judgment that it was the best choice to achieve the purposes described under "3. Purposes of and reasons for disposal" in light of its extensive track record and experience in the trust business. The Custody Bank of Japan, Ltd. was chosen as the disposal recipient because it will engage in trust administration as the trustee of the re-trust under the Trust agreement to be concluded by the Company with Sumitomo Mitsui Trust Bank and because it will also handle the retention and settlement of the trust assets.

(3) The disposal recipient's holding policy

Under the Trust Agreement, the Custody Bank of Japan, the disposal recipient, will issue to the Foundation all gains on the trust funded by Company dividends. Plans call for the Trust to hold the disposed shares of stock based on the Trust Agreement. The trust assets will be issued to the trustee in their current state upon the termination of the trust. The disposal recipient will not exercise at any time during the trust period voting rights to shares of stock acquired by the Trust through treasury stock disposal.

The Company has obtained from the Custody Bank of Japan, the disposal recipient, informal consent to report in writing to the Company the names, addresses, numbers of shares transferred, transfer dates, transfer prices, reasons for transfer, methods of transfer, and other relevant information immediately after transfers and to the Company's reporting the nature of such reports to the Tokyo Stock Exchange and publicly releasing such reports if any of the shares disposed of are transferred for any specific reason during the period of two years from the pay-in date.

Given the need for sustained and stable activities to achieve the purposes of the Foundation and the purpose of the treasury stock disposal being to help fund Foundation activities, plans call for the trust period of the Trust Agreement to be extended and for the Trust to continue to hold shares of Company stock even after the two-year period above.

(4) Confirmed details regarding the assets required for pay-in by the disposal recipient

The disposal recipient Custody Bank of Japan, Ltd. will make cash payments from the assets of the Trust to be established by the Company.

8. Principal shareholders and percentages of total shares held after disposal

Before disposal (as of March 31, 2026)		After disposal	
The Master Trust Bank of Japan, Ltd. (trust account)	77,582,300 shares (14.613%)	The Master Trust Bank of Japan, Ltd. (trust account)	77,582,300 shares (14.504%)
Nippon Life Insurance Company	29,745,736 shares (5.603%)	Nippon Life Insurance Company	29,745,736 shares (5.561%)
Meiji Yasuda Life Insurance Company	29,117,819 shares (5.485%)	Meiji Yasuda Life Insurance Company	29,117,819 shares (5.444%)
Custody Bank of Japan, Ltd. (trust account)	27,274,800 shares (5.138%)	Custody Bank of Japan, Ltd. (trust account)	31,274,800 shares (5.847%)
Sumitomo Life Insurance Company	13,070,000 shares (2.462%)	Sumitomo Life Insurance Company	13,070,000 shares (2.443%)
JPMorgan Securities Japan Co., Ltd.	11,056,496 shares (2.083%)	JPMorgan Securities Japan Co., Ltd.	11,056,496 shares (2.067%)
STATE STREET BANK AND TRUST COMPANY 505001	8,330,564 shares (1.569%)	STATE STREET BANK AND TRUST COMPANY 505001	8,330,564 shares (1.557%)
SUZUKI MOTOR CORPORATION	7,000,800 shares (1.319%)	SUZUKI MOTOR CORPORATION	7,000,800 shares (1.309%)
Tokio Marine & Nichido Fire Insurance Co., Ltd.	6,965,400 shares (1.312%)	Tokio Marine & Nichido Fire Insurance Co., Ltd.	6,965,400 shares (1.302%)
JP MORGAN CHASE BANK 385781	6,747,780 shares (1.271%)	JP MORGAN CHASE BANK 385781	6,747,780 shares (1.262%)

Notes:

1. The percentages of total shares given in the table above are calculated as percentages held of the total of 530,896,254 shares after deducting 49,232,815 shares of treasury stock from the total of 580,129,069 shares outstanding. The figures of shares of treasury stock exclude the Company treasury shares (345,700 shares) held by the trust account related to employee incentive plan (RS trust).
2. Principal shareholders and percentages of total shares held are based on information provided in the shareholder registry as of March 31, 2026. The figures account solely for changes in numbers of shares resulting from the treasury stock disposal (4,000,000 shares) described herein.

9. Future outlook

The disposal of treasury stock is expected to have negligible impact on the Company's financial results. Any emerging factors affecting this assessment will be announced promptly.

10. Matters related to the procedures under the Code of Corporate Conduct

Since (i) the dilution ratio is less than 25% and (ii) no change in controlling shareholders will occur, this treasury stock disposal requires neither the opinion of an independent third party nor the confirmation of shareholder intent stipulated in Article 432 of the Securities Listing Regulations of the Tokyo Stock Exchange.

11. Business results and state of equity financing in the most recent three years

(1) Business results (consolidated) in the most recent three years

	Year ended March 31, 2024	Year ended March 31, 2025	Year ended March 31, 2026
Consolidated ordinary revenue	JPY 346,526 mn	JPY 341,277 mn	JPY 438,546 mn
Consolidated ordinary income	JPY 102,224 mn	JPY 102,073 mn	JPY 130,298 mn
Net income attributable to owners of parent	JPY 57,760 mn	JPY 74,618 mn	JPY 90,469 mn
Consolidated net income per share	JPY 104.17	JPY 136.37	JPY 167.66
Dividend per share	JPY 39.00	JPY 60.00	JPY 80.00

Consolidated net assets per share	JPY 2,188.01	JPY 2,153.14	JPY 2,321.83

(2) Recent state of share price

(i) Most recent three years

	Year ended March 31, 2024	Year ended March 31, 2025	Year ended March 31, 2026
Opening price	JPY965.00	JPY 1,453.50	JPY 1,656.50
High	JPY 1,555.00	JPY 1,788.00	JPY 3,150.00
Low	JPY 944.00	JPY 1,140.00	JPY 1,252.00
Closing price	JPY 1,447.00	JPY 1,623.00	JPY 2,562.50

(ii) Most recent six months

	November 2025	December 2025	January 2026	February 2026	March 2026	April 2026
Opening price	JPY 2,075.00	JPY 2,294.00	JPY 2,450.00	JPY 2,557.00	JPY 2,990.00	JPY2,712.50
High	JPY 2,276.00	JPY 2,466.00	JPY 2,669.00	JPY 3,150.00	JPY 3,017.00	JPY2,911.50
Low	JPY 2,037.50	JPY 2,265.00	JPY 2,433.50	JPY 2,490.50	JPY 2,452.00	JPY2,603.50
Closing price	JPY 2,262.50	JPY 2,432.00	JPY 2,518.00	JPY 3,144.00	JPY 2,562.50	JPY2,751.00

(iii) Share price on business day immediately preceding the date of decision concerning disposal

	May 11, 2026
Opening price	JPY2,776.50
High	JPY2,826.00
Low	JPY2,766.50
Closing price	JPY2,811.50

(3) State of equity financing in the most recent three years

Not applicable

May 12, 2026

To whom it may concern:

Questions and answers concerning the news release titled “Shizuoka Financial Group to establish Shizuoka Mirai Cocreation Foundation and to dispose of treasury stock through third-party allotment to support the foundation’s activities”

Q1: Can you provide a brief summary of your plans?

A1: Shizuoka Financial Group, Inc. (“Company” hereinafter) will establish a third-party benefit trust naming the trust bank as the trustee and allocate its treasury stock shares to the trust bank with the aim of providing stable support for the activities of Shizuoka Mirai Cocreation Foundation (“Foundation” hereinafter). The trust bank will distribute trust revenue, including dividends from its stock holdings, to the Foundation, which will use the funds to pay for implementing projects to stimulate the regional economy and society, including hand in hand support for business development and industrial creation involving regional firms and support for projects seeking solutions to the region’s challenges. A total of 4,000,000 shares (0.69% of total shares issued) will be disposed of. The trust bank will refrain from exercising voting rights on the shares placed in trust. The planned disposal price is one yen per share. This disposal is to be implemented during 2026, conditional on approval granted by a special resolution passed at the Company’s regular General Meeting of Shareholders scheduled for June 19, 2026, since it would qualify as favorable issue of shares.

Q2: Why have these activities handled by a foundation and not Shizuoka Financial Group?

A2: Engaging in these activities as Foundation businesses ensures a neutral and transparent structure that facilitates participation by external parties (parties outside the Group) and offers a stable basis for medium- to long-term activities. Additionally, we believe this approach will expand opportunities for diverse stakeholders to participate, which in turn will create an environment favorable for continuous initiatives to tackle regional challenges.

In addition to developing the Foundation’s operating framework and governance structure against potential conflicts of interest, the Company plans to ensure transparency through the ongoing disclosure of information on the status and results of Foundation activities.

Q3: Why do you fund the Foundation’s activities with dividends (trust revenues) rather than donations from Shizuoka Financial Group or Shizuoka Bank?

A3: Donation-based funding would leave Foundation activities vulnerable to fluctuations in the annual budgets and profits of its donors. Additionally, it might be difficult to explain the priority and positioning of such donations versus shareholder returns, since donations, as costs, would directly reduce donor income.

The approach of funding through dividends on Company stock will ensure that improvements in Company earning power and the sustained payment of dividends contribute both to shareholder returns and stable funding for Foundation activities. We consider this a rational way to increase the continuity and efficacy of Foundation activities.

Q4: Why place the shares in trust with a trust bank instead of disposing of the treasury shares to the Foundation?

A4: This decision is intended to separate voting rights from the Foundation and to prevent the exercise of voting rights to the disposed shares, thereby ensuring that Company governance remains unaffected.

Q5: How will voting rights to shares placed in trust be handled?

A5: The trust agreement will stipulate that the trust bank must refrain from exercising voting rights to shares acquired through treasury stock disposal.

Q6: Why issue the shares through third-party allocation at a favorable price and not the current market price?

A6: The purpose of the disposal of treasury stock under this Scheme is to ensure stable long-term funding for Foundation activities, not to raise funds for the Company. The course of favorable issue of the shares is more suited to the Scheme's goal—which is to quickly establish and constantly maintain the basis for activities that benefit the public. Otherwise the Foundation would be required to contribute funds equivalent to the current market price of the shares.

Q7: How do you justify the number of shares to be disposed of (4,000,000 shares)? What are your thoughts on the potential dilution of shares?

A7: We chose the number of shares to be disposed of to secure funding for stable and long-term activities of the Foundation while paying close attention to potential dilution effects for existing shareholders.
Assuming the Company maintains annual dividends of 80 yen per share, dividends on 4,000,000 shares would total approximately JPY 320 billion per year. We believe this is appropriate for supporting the Foundation's planned activities on the scale of approximately JPY 500 million over the medium to long term.
Since 4,000,000 shares represents a mere 0.69% of total shares issued, we expect any dilution effects to be limited.

Q8: How will the Foundation's activities help boost the corporate value of the Shizuoka Financial Group?

A8: As a comprehensive financial group with deep roots in the region, in which Shizuoka Bank is a major Group company, the Company is supported by the strong customer base of Shizuoka Prefecture. The sustained growth of the regional economy is a source of the Group's medium- to long-term growth. We believe the Foundation's activities will be important initiatives that will support this growth.
The social impact of population growth and real GDP achieved through the Foundation's activities in Shizuoka Prefecture will expand earnings opportunities and growth in deposits, investment, and finance, thereby contributing to corporate value.

Q9: How will the results of the Foundation's activities be monitored and disclosed?

A9: At regular intervals, we plan to ascertain matters related to the status and results of the Foundation's activities, including key measures, the status of support, and outcome indicators. We will disclose this information on an ongoing basis through Company disclosures via the Integrated Report and other media. We will choose indicators that make it possible to identify the concrete results of Foundation activities, including numbers of new businesses and projects generated with Foundation support, numbers of proofs of concept (PoCs), and progress on business development and cooperation.