



April 14, 2023

To whom it may concern:

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Announcement Regarding the Revision to Earnings and Dividend Forecast

Suruga Bank, Ltd. announces that the Company has revised its full-year earnings forecast and per-share year-end dividend forecast for the fiscal year ended March 2023 (April 1, 2022 - March 31, 2023) announced on February 9, 2023, as follows.

Note

1. Revision of earnings forecast

Revision of full-year consolidated earnings forecast for the fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)

	Ordinary income	Ordinary profit	Profit attributable to owners of parent	Earnings per share
	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	86,000	11,000	9,000	47.77
Revised forecast (B)	91,000	12,000	10,000	53.09
Change (B - A)	5,000	1,000	1,000	
Percent change	5.8	9.1	11.1	
(Reference) Results for the previous period (Fiscal year ended March 2022)	92,072	10,596	7,960	34.72

Revision of full-year non-consolidated earnings forecast for the fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)

	Ordinary income	Ordinary profit	Net income	Earnings per share
	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	77,000	10,000	8,500	45.12
Revised forecast (B)	82,000	10,500	9,000	47.78
Change (B - A)	5,000	500	500	
Percent change	6.5	5.0	5.9	
(Reference) Results for the previous period (Fiscal year ended March 2022)	83,658	10,093	7,854	34.26

2. Reasons for revision

In the fourth quarter (January 1, 2023 to March 31, 2023), as announced on March 29, 2023, the Company has sold multi-asset funds and bonds that had unrealized losses in order to restructure its securities portfolio. As a result, the Company expects to record a total loss on redemption and sales of JGBs and other bonds of approximately 14.0 billion yen. On the other hand, actual credit costs are expected to decrease from the previous forecast due to fewer cases of suspension of repayments versus expectations at the time of the previous announcement among borrowers for which systematic negotiations and other actions were taken. Note that the Company expects to record an excess reversal of the general allowance for loan losses and specific allowance for loan losses, and plans to record the excess reversal amount as a gain on reversal of allowance for loan losses (non-recurring income).

(Reference)

Full-year non-consolidated earnings forecast for the fiscal year ended March 31, 2023 (Billions of yen)

	Revised forecast	Previous forecast	Change
Ordinary income	82.0	77.0	5.0
Gross operating profit	43.0	45.0	(2.0)
Expenses	36.5	37.0	(0.5)
Core net operating profit	23.5	22.5	1.0
Net operating profit	6.5	8.0	(1.5)
Ordinary profit	10.5	10.0	0.5
Net income	9.0	8.5	0.5

Actual credit costs	(1.0)	1.0	(2.0)
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(Note) The capital adequacy ratio as of March 31, 2023 is expected to be about 13%, new loan disbursements in the business areas for promotion in the fiscal year ended March 31, 2023 are expected to be about 230 billion yen (including the acquisition of monetary claims purchased), and the actual credit cost ratio is expected to be about -5 bps.

3. Revision of dividend forecast

After comprehensively taking into account business performance trends for the fiscal year ended March 31, 2023, the soundness of the capital base, and future financial condition, the Company has revised its year-end dividend forecast per share with a record date of March 31, 2023, to 9 yen per share for the ordinary dividend.

The dividend forecast for the fiscal year ending March 31, 2024 (April 1, 2023 to March 31, 2024) will be announced in the earnings results for the fiscal year ended March 31, 2023, based on the second phase of the mid-term business plan, Re:Start 2025, which will begin in the fiscal year ending March 31, 2024.

	Dividends per share (yen)		
	2 nd quarter-end	Fiscal year-end	Total
Previous forecast	Yen	Yen 6.00	Yen 6.00
Revised forecast		9.00	9.00
Current fiscal year results	—		
Previous fiscal year results (Fiscal year ended March 2021)	—	6.00	6.00

(Note) Earnings forecasts and other forward-looking statements in this document are based on information currently available and certain assumptions that are judged to be reasonable. Actual performance may differ from forecasted figures due to a variety of factors that may arise.

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