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To whom it may concern:

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Announcement regarding formulation of mid-term business plan “Re: Start 2025 Phase 2”

At the meeting of the Board of Directors held today, Suruga Bank, Ltd. formulated a mid-term business plan (Phase 2) with a plan period of three years from FY2023.

Note

1. Key points of the Phase 2 Plan

(1) Plan period

April 2023 – March 2026 (3 years)

(2) Main content

Suruga Bank, Ltd. released its mid-term business plan (Re: Start 2025 Phase I) for the period from November 2019 to FY2022 in November 2019. In line with this plan, we were able to implement the following strategies and achieve steady results:

- i. Addressing key issues: Early dissolution of relationships with founding families, resolution of share house-related loans, etc.
- ii. Sales strategy (topline strategy): Laying the foundation for a sustainable business model based on our unique retail infrastructure.
- iii. Structural reform (cost strategy): Establishing a business foundation to optimize management resource allocation and promote new management strategies.

Although there were delays in the start-up of loans due to the impact of COVID-19 that was not expected at the time of planning, the final fiscal results year saw steady progress in the development of the operating base, including the execution of 230 billion yen (including monetary claims bought). In addition, while the improvement of actual credit costs has progressed beyond the initial plan, and RA gross business profit excluding losses on securities transactions has reached a level that exceeds the initial plan of 61 billion yen, as a result of recording losses such as losses on bond transactions (17 billion yen), which were intended to restructure the securities portfolio in anticipation of Phase 2 of the mid-term business plan, RA gross business profit (gross business profit after actual credit costs) was below the planned level, but the foundation for a sustainable business model is being established.

In light of the progress of the efforts in Phase 1 and changes in the business environment, Suruga Bank, Ltd. has formulated a three-year mid-term business plan that starts in FY2023, placing the bank’s critical

purpose function of “realizing the corporate philosophy” as an unchanging axis. The following shows the business strategy in the new plan:

I. Evolution of Retail Solutions Business

We will pursue the “creation of difference” based on customer “concerns” and deliver a message of “we are happy to have you” or “we are happy to meet you” to customers.

*Worries, inconveniences, dissatisfactions, etc.

II. Building a sustainable revenue structure

We will reverse the decline in the top line due to existing debt collection with “three measures (growth of new business profits through four autonomous profit centers, cost structure reform, and stabilization of actual credit costs at a low level by improving debt quality),” and transform it into a profit structure that can achieve sustainable growth.

III. Risk-taking and risk diversification

In accordance with the RAF (Risk Appetite Framework), we will repeat active risk taking and verification in the selected areas, and promote diversification from the risk structure concentrated in the conventional specific real estate area.**

** Entire building profit real estate that was executed before the full-scale development of Phase 1 of the mid-term business plan (relatively high proportion of old properties and properties located in rural areas)

In addition, please refer to page 12 of the Attachment, “KPIs for Phase 2”, for the results targets (KPIs) of Phase 2, and page 14 of the Attachment, “Policy for Initiatives of ‘Re: Start 2025 Phase 2’” for the five key measures and keywords to realize the above business strategy.

All officers and employees will promote the business strategy, key measures, and keywords formulated under Phase 2 of the mid-term business plan together, realize the “unique value provision of Suruga Bank” set forth in our vision, and aim to contribute to the community and society and improve corporate value.

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