



April 21, 2023

To whom it may concern:

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Name of Representative: Director and President: Kosuke Saga  
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### **Announcement Regarding the Introduction of a Stock Compensation Plan for the Bank's Executive Employees**

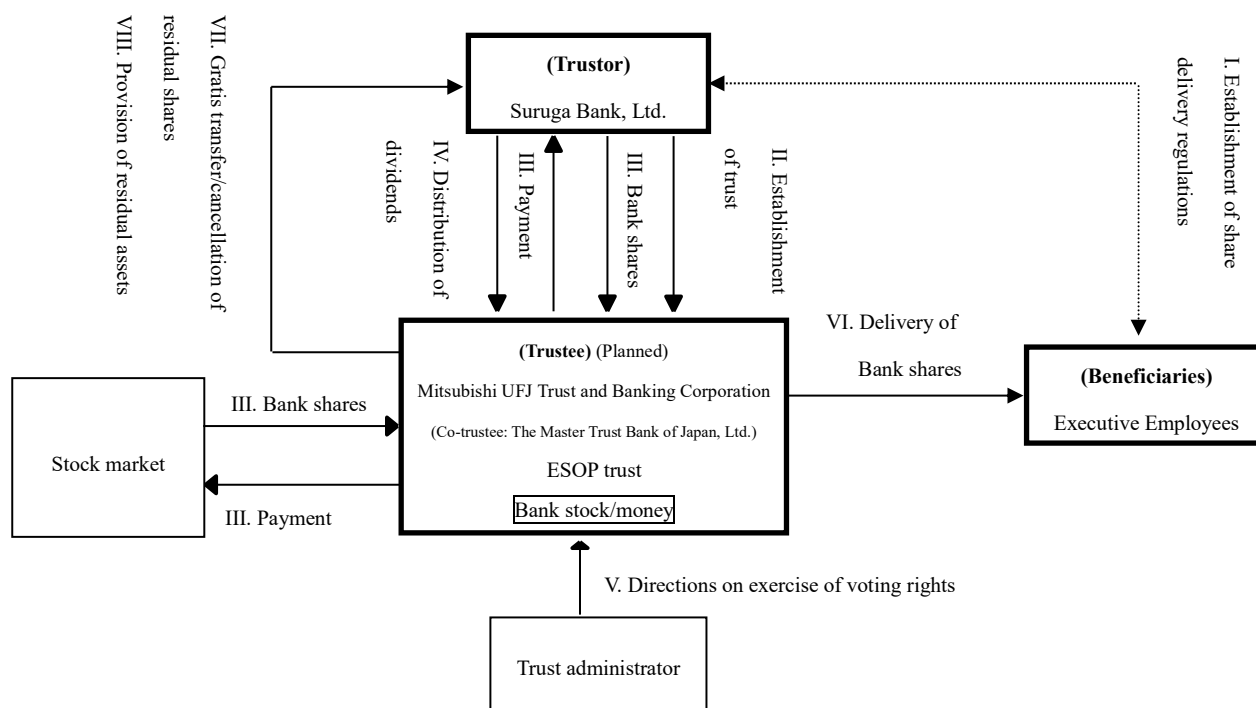
At a meeting of the Board of Directors held today, Suruga Bank, Ltd. resolved to introduce a stock compensation plan (the "Plan"), as follows, for its executive employees (excluding non-residents of Japan; hereinafter the "Executive Employees") consisting of the heads of its sales branches and of each headquarters.

#### Note

##### 1. Purpose of introducing the Plan

- (1) In considerations regarding the Bank's Re:Start 2025 Phase 2 mid-term business plan, announced today, the Bank has engaged in repeated discussions about human capital investment measures. With these measures, the Bank aims to continuously improve its corporate value by regarding employees as valuable human capital. One measure decided as a result was to introduce the Plan for Executive Employees with the aim of increasing their engagement and building shared interest with shareholders, raising their awareness of contributing to the enhancement of corporate value from a long-term perspective while bringing out the value offered by the Bank's talent.
- (2) The stock compensation plan to be introduced for Executive Employees utilizes an employee stock ownership plan (hereinafter the "ESOP Trust"). The ESOP Trust is an incentive plan based on ESOP systems utilized in the United States. In this plan, the Bank's shares acquired by the ESOP Trust are delivered (the "Delivery"), alongside an amount of money equivalent to the cash proceeds from the conversion of the Bank's shares (collectively the "Bank's Shares, Etc.") to Executive Employees who fulfill certain requirements in accordance with predetermined share delivery regulations on their retirement.

## 2. Structure of the Plan



- I. The Bank shall establish share delivery regulations pertaining to the Plan through necessary procedures such as a resolution of the Board of Directors.
- II. The Bank shall place money in trust in accordance with the trust agreement and establish a trust (the "Trust"), the beneficiaries of which shall be the Executive Employees who satisfy beneficiary requirements (e.g., retirement).
- III. Trustees shall follow the instructions of the trust administrator and acquire Bank shares from the stock market or the Bank (disposition of treasury stock) using funds contributed in (II).
- IV. Dividends will be paid for the Bank's shares in the Trust in the same manner as other Bank shares.
- V. With respect to the Bank's shares held in the Trust, voting rights will be exercised throughout the trust period in accordance with the instructions of the trust administrator.
- VI. In accordance with the Bank's share delivery regulations, Executive Employees who satisfy beneficiary requirements, such as via retirement, during the trust period will receive the Delivery of the Bank's Shares, Etc. from the Trust.
- VII. As for the intended treatment of any residual shares at the end of the trust period, the Trust may continue to be used in the form of the Plan or as a similar incentive plan by amending the trust agreement and making additional contributions to the Trust. Alternatively, the Trust can transfer such residual shares to the Bank, which shall be able to acquire these without compensation and cancel them upon resolution of the Board of Directors.
- VIII. At the termination of the Trust, the residual assets after distribution to the beneficiaries will belong to the Bank within the trust expense reserve, which shall be the amount of trust funds less the funds for stock acquisition. The excess portion of the trust expense reserve will be donated to organizations that have no conflict of interest with the Bank or the beneficiary Executive Employees.

(Note) During the trust period, additional money may be placed in the Trust in the event that the number of shares in the Trust may

fall short of the number of shares for Delivery to Executive Employees who satisfy beneficiary requirements, or in the event that the money held as trust assets may fall short of the amount required for payment of trust fees and trust expenses.

(Reference)

### **Contents of Trust Agreement**

- |                                      |  |
|--------------------------------------|--|
| (1) Trust type                       | Trust of money held in trust other than that for a single specific use (third-party benefit trust)   |
| (2) Trust purpose                    | Granting incentives to Executive Employees   |
| (3) Trustor                          | Suruga Bank, Ltd.  |
| (4) Trustee                          | Mitsubishi UFJ Trust and Banking Corporation (planned)<br>(Co-trustee The Master Trust Bank of Japan Ltd. (planned))   |
| (5) Beneficiaries                    | Executive Employees who satisfy beneficiary requirements, such as retirement   |
| (6) Trust administrator              | A third party (certified public accountant) with no conflict of interest with the Bank   |
| (7) Trust agreement date             | August 2023 (scheduled)  |
| (8) Trust period                     | August 2023 to August 31, 2026 (scheduled)   |
| (9) Plan start date                  | August 2023 (scheduled)  |
| (10) Exercise of voting              | The trustee will exercise voting rights for the Bank's shares in accordance with the instructions of the trust administrator reflecting the voting status of the potential beneficiaries.                                  |
| (11) Type of shares to be acquired   | Common stock of the Bank   |
| (12) Amount of money in trust        | 170 million yen (planned; including trust fees and trust expenses)   |
| (13) Acquisition period for shares   | August 2023 (scheduled)  |
| (14) Method of acquisition of shares | Acquisition from the stock market or from the Bank (disposition of treasury stock)   |
| (15) Vested rights holder            | Suruga Bank, Ltd.  |
| (16) Residual assets                 | The residual assets to be received by the Bank, as the vested rights holder, shall be no more than the amount of the trust expense reserve, which shall be the amount of trust funds less the funds for stock acquisition. |

(Note) The scheduled timings indicated above may be changed as appropriate in light of applicable laws and regulations.

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