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Company name: Suruga Bank, Ltd.
Representative: Kosuke Kato, President
(Code: 8358, Prime Market of the Tokyo Stock Exchange)
Inquiries: Fujio Sato, Senior Executive Officer,
General Manager of General Management
Planning Headquarters
Tel: +81-3-3279-5536

Notice Regarding Upward Revisions to Full-year Earnings Forecast for the Fiscal Year Ended March 2024

Suruga Bank, Ltd. hereby announces that it has revised its earnings forecast for the fiscal year ended March 31, 2024, which was announced on February 9, 2024.

1. Revisions to earnings forecast

Revision of consolidated earnings forecast for the fiscal year ended March 2024 (April 1, 2023 to March 31, 2024)

	Ordinary revenue	Ordinary profit	Profit attributable to owners of parent	Net income per share
	millions of yen	millions of yen	millions of yen	yen
Previous forecast (A)	87,500	17,500	12,000	59.50
Revised forecast (B)	91,400	20,600	15,300	75.44
Change (B - A)	3,900	3,100	3,300	
Change (%)	4.5	17.7	27.5	
(Reference) Previous year results (FY3/23)	92,403	13,266	10,576	56.15

Revision of non-consolidated earnings forecast for the fiscal year ended March 2024 (April 1, 2023 to March 31, 2024)

	Ordinary revenue	Ordinary profit	Net income	Net income per share
	millions of yen	millions of yen	millions of yen	yen
Previous forecast (A)	79,500	17,000	11,500	57.02
Revised forecast (B)	83,600	20,100	15,000	73.73
Change (B - A)	4,100	3,100	3,500	
Change (%)	5.2	18.2	30.4	
(Reference) Previous year results (FY3/23)	82,794	11,267	9,537	50.63

2. Reason for revision

On a non-consolidated basis, the Bank expects ordinary revenue, ordinary profit, and net income to exceed its previously announced forecasts due to stronger-than-expected core gross operating profit, as well as cost reductions and improvement in actual credit costs, which also exceeded forecasts.

3. Dividend forecast

The Bank's basic policy for shareholder returns is to improve returns by considering the optimal balance between the soundness of capital and investments for growth. Upon which, the Bank's basic policy for dividends is a stable dividend with a payout ratio of approximately 30%. Regarding the year-end dividend per share forecast for the fiscal year ended March 2024, the Bank plans to keep the year-end dividend forecast (ordinary dividend) as announced on April 4, 2024 at 14 yen per share.

* Please refer to the "Notice Regarding Revision of Year-End Dividend Forecast (Dividend Increase)" announced on April 4, 2024.

Reference:

Non-consolidated earnings forecast for the full year ended March 2024 (billions of yen)

	Revised Forecast	Previous Forecast	Change
Ordinary revenue	836	795	41
Core gross operating profit* ¹	585	575	10
Expenses	351	360	(9)
Core net operating profit	233	215	18
Loss on securities	(52)	(60)	8
Ordinary profit	201	170	31
Net income	150	115	35

Actual credit costs	(20)	(10)	(10)
Normal amount	(50)	(50)	0
Preventive allowances* ²	30	40	(10)

*1 Core gross operating profit: The forecast does not include gains/losses from the redemption of investment trusts.

*2 Preventive allowances: Allowance for (a) suspension of repayments by some investment real estate loan customers triggered by organized negotiations, and for (b) restructured loans for which normalization of recovery is unlikely.

Note: The above earnings forecasts are based on information currently available to the company and on certain assumptions deemed to be reasonable. Actual performance may differ.