



August 8, 2024

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## Notice Regarding Disposal of Treasury Stock under the Post-Issuance Stock Compensation System

At the Board of Directors meeting held on August 8, 2024, Suruga Bank, Ltd. resolved to dispose of treasury stock in accordance with the Restricted Stock Units (hereinafter, “RSUs”) and Performance Share Units (hereinafter, “PSUs”) granted under the post-issuance stock compensation system (hereinafter referred to as the “Disposal of Treasury Stock”). The details are as follows:

### 1. Overview of the Disposal

(1) Disposal period	August 26, 2024 - August 27, 2024
(2) Type and number of shares to be disposed of	157,000 shares of common stock
(3) Disposal price	1,053 yen per share
(4) Total disposal amount	165,321,000 yen
(5) Intended recipient of disposal	157,000 shares to be disposed to a former director of the Company (1 person)
(6) Other	The effectiveness of this Disposal of Treasury Stock is conditional upon the notification taking effect under the Financial Instruments and Exchange Act.

### 2. Purpose and Reason for the Disposal

Suruga Bank introduced a post-issuance stock compensation system (hereinafter, “the System”) for its directors (excluding outside directors, directors who are audit and supervisory committee members, and non-residents of Japan; the same applies hereafter) to clarify the connection between directors’ compensation and the Company’s performance and stock value, as well as raising directors’ awareness of the need to contribute to improving the Company’s long-term performance and increasing its corporate

value. The System has also been introduced for executive officers who do not concurrently serve as directors of the Company (excluding non-residents of Japan; hereinafter collectively referred to as “Directors, etc.” along with the directors). This Disposal of Treasury Stock is being carried out in accordance with the System, following the vesting of the Restricted Stock Units (RSUs) and Performance Share Units (PSUs) granted to eligible recipients, based on a resolution passed by the Board of Directors today.

#### <Overview of the System, etc.>

##### (1) Overview of the System

The System targets a three-fiscal-year period that corresponds to the Company’s mid-term business plan (hereinafter, the “Target Period”). It provides for the allocation and provision (hereinafter, “Allocation, etc.”) of the Company’s common stock and cash (hereinafter, the “Company’s Common Stock, etc.”) as executive compensation (hereinafter, the “Stock Allocation Portion” and the “Monetary Compensation Portion”) to the Company’s Directors, etc., based on the achievement levels of the Company’s performance indicators during the Target Period.

The System is classified into the following two types:

(i) Restricted Stock Unit (RSU): During the Target Period, a predetermined number of units (hereinafter, “Fixed Units”) are granted annually. After the director retires, the Allocation, etc. of the Company’s Common Stock, etc. is provided as a post-issuance fixed stock compensation.

(ii) Performance Share Unit (PSU): During the Target Period, a predetermined number of units (hereinafter, “Performance-Based Units”) are granted annually. After the Target Period ends, these units are adjusted based on the achievement level of performance targets (ranging from 0% to 150%) and then the Allocation, etc. of the Company’s Common Stock, etc. is provided as a post-issuance performance-linked stock compensation upon the director’s retirement.

Each year during the Target Period, both RSUs (Fixed Units) and PSUs (Performance-Based Units) are granted to each Director, etc., based on their role and position in the fiscal year. Performance-Based Units may vary between 0% and 150%, depending on the achievement of performance targets at the end of the Target Period.

The units accumulate annually, and upon the Director’s retirement, the accumulated units are converted into the Company’s Common Stock, etc., and the Allocation, etc. is provided accordingly.

Each unit corresponds to one share of the Company’s Common Stock. However, if a reasonable event occurs during the Target Period, such as a stock split or consolidation, the number of shares per unit will be adjusted accordingly based on the split or consolidation ratio.

The timing of the allocation of the Company’s Common Stock, etc., is set to occur after the Director’s retirement (including retirement due to death; the same applies hereafter).

##### (2) Eligibility for the System

Eligible Directors, etc., may receive Allocation, etc. of the Company’s Common Stock, etc., after

retirement, provided they meet the following requirements and complete the prescribed procedures as set forth in the Stock Allocation Regulations.

The conditions for receiving Allocation, etc. of the Company's Common Stock, etc., are as follows:

- 1) The individual must be serving as a Director, etc., of the Company during the Target Period after the commencement date of the System (including those who become Directors, etc., after the System's commencement date)
- 2) The individual must be a resident of Japan
- 3) The individual must have retired from their position as a Director, etc., of the Company
- 4) The cumulative units as defined in section (1) must have been finalized
- 5) The individual must not have retired from their position as a Director, etc., of the Company without justifiable reason, or have engaged in certain misconduct or other actions that would trigger forfeiture as determined by the Board of Directors
- 6) Any other conditions deemed necessary to achieve the purpose of the stock compensation system must be satisfied

### (3) Method and Timing of the Allocation, etc. of the Company's Common Stock

Directors, etc. who meet the conditions outlined in (2) and complete the required procedures will receive, after retirement, the allocation of a number of the Company's Common Stock corresponding to a certain percentage of their cumulative units as of the time of retirement (fractional shares will be rounded down). This is referred to as the "Stock Allocation Portion." For the remaining cumulative units, they will receive a monetary payment equivalent to the corresponding value of the Company's Common Stock instead. This is referred to as the "Monetary Compensation Portion."

The allocation of the Company's Common Stock to Directors, etc., will be carried out through the issuance of new shares or the disposal of treasury stock by the Company. In this process, the Company will grant the Directors, etc., monetary compensation claims, and the Directors, etc., will acquire the Company's Common Stock by making a contribution in kind of the amount corresponding to the Stock Allocation Portion from these monetary compensation claims. The remaining amount of the monetary compensation claim will be paid in cash. The amount of the monetary compensation claim will be determined by multiplying the number of cumulative units by the per-share subscription price. The per-share subscription price will be determined by the Board of Directors, based on the closing price of the Company's Common Stock on the Tokyo Stock Exchange on the business day preceding the date of the Board resolution regarding the issuance of new shares or disposal of treasury stock (or the most recent closing price if there was no trade on that day). The subscription price will not be set at a particularly advantageous rate to the directors who are subscribing to the stock.

If a Director, etc., passes away during the Target Period, their legal heirs will promptly receive a monetary payment equivalent to the Company's Common Stock corresponding to the cumulative units as of the time of death.

## 3. Basis and Details of the Subscription Price Calculation

The Disposal of Treasury Stock described herein will be executed using the monetary compensation

claims granted to the allocation recipients as contribution assets. To ensure that the subscription price is determined without arbitrary factors, it has been set at the closing price of the Company's stock on the Tokyo Stock Exchange on the business day preceding the Board of Directors' resolution regarding the disposal (August 7, 2024), which is 1,053 yen per share.

This price reflects the market stock price immediately before the Board's decision and is considered a reasonable figure that appropriately reflects the Company's corporate value. It is not deemed particularly advantageous for the allocation recipients.

Furthermore, the Audit and Supervisory Committee of the Company has reviewed the basis for determining the disposal price and has provided an opinion confirming that it is appropriate and reasonable, and does not constitute a particularly advantageous price, thus affirming its legality.

#### 4. Procedures under the Corporate Code of Conduct

The dilution rate resulting from the Disposal of Treasury Stock is less than 25%, and since there will be no change in the controlling shareholder, it is not necessary to obtain an opinion from an independent third party or conduct a shareholder confirmation process as stipulated in Article 432 of the Tokyo Stock Exchange's Securities Listing Regulations.

Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.