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Announcement Regarding Recording of Expenses Associated with Cloud Migration of the Accounting System and Recording of a Loss on Sales of Securities Held, Etc.

Suruga Bank, Ltd. hereby announces as follows that it is expected to record expenses associated with cloud migration of the accounting system and a loss on sales of securities held, etc. in the fourth quarter of the fiscal year ending March 2025.

No revision is expected to the consolidated and non-consolidated full-year earnings forecasts for the fiscal year ending March 2025, which were disclosed on November 12, 2024, at present.

Note

1. Recording of expenses associated with cloud migration of the accounting system

The Bank plans to implement cloud migration of the accounting system in May 2026. As a result of closely examining the current system in relation to the start of this cloud migration project, the Bank will expense the portion that is no longer expected to be used in the future in the fourth quarter of the fiscal year ending March 2025 (estimate of expenses is approximately 1,300 million yen, which will be recorded in non-personnel expenses).

2. Loss on sales of securities held, etc.

The Bank has decided to implement partial reduction of multi-asset funds with unrealized losses, and other efforts, in order to further improve quality of the securities portfolio in light of recent trends in financial markets. Due to these measures, a loss of approximately 3,000 million yen is expected to be recorded in gains (losses) on securities for the fourth quarter of the fiscal year ending March 2025.

No change is made to our future securities investment policy. Our policy is to gradually build a portfolio centered around yen-denominated bonds while taking into account the market environment, with the aim of establishing a more stable earnings structure.

Expected gains (losses) on securities for FY3/25 (non-consolidated)

(Millions of yen)

	Results for the 3rd quarter	Full-year forecast	Change
Gains (losses) on securities*	85	(2,915)	(3,000)

* Sum of gains (losses) on bonds and gains (losses) on stocks

3. Impact on performance

Financial results for the third quarter of the fiscal year ending March 2025 were released today, and the Bank's performance in the current fiscal year has shown steady progress. As described above, although the Bank will record expenses for the shift to cloud migration of the accounting system and a loss on sales of securities held, etc., no change is expected to the consolidated and non-consolidated full-year earnings forecasts for the fiscal year ending March 2025, which were disclosed on November 12, 2024, at present.

If any matter to be disclosed arises in the future, we will announce it promptly.

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.