

March 13, 2025  
Suruga Bank Ltd.

## Introduction

In response to the organizational negotiation of loans for investment real estate other than shared housing (hereinafter, the "Apaman Issue"), Suruga Bank announced in April 2023 three policies with the strong desire that this issue will be resolved as quickly as possible. The three policies are: (1) propose a plan for early settlement, (2) reduce obligations on debtors by assisting with negotiated sales etc., and (3) make decisions on an individual basis. In line with these policies, the Bank is making a sincere effort to address the issue.

## Overview of the Apaman Issue

In May 2019, the "Report (Investigation of All Investment Real Estate Loans)" (hereinafter, the "Investigation") was published,<sup>1</sup> revealing the full extent of the problems in the Bank's real estate investment-related lending. In light of the fact that the Investigation uncovered falsification or forgery of screening documents in approximately 20% of the total number of investment real estate loans granted (on 37,907 properties, including shared housing), the Bank has offered consultations and provided extensive repayment support, including measures such as negotiated settlements with debtors.

As of the end of February 2025, organizational negotiations are ongoing for 780 properties (2.1% of the 37,907 properties). Some debtors (hereinafter, the "Organizational Negotiation Debtors") have been withholding rental income earned on these properties and have stopped making principal and interest payments to the Bank for an extended period of time, despite their contractual obligations. To ensure financial soundness, Suruga Bank has appropriately recorded allowances for these liabilities with a coverage ratio of 99.64%<sup>2</sup>.

- Reference Material 1: Status and coverage of investment real estate loans and organizational negotiation partners

Taking into account this background and the overall situation, the Bank is making every effort to resolve the issue as quickly as possible through the following four initiatives. Below is an explanation of the status of each initiative:

1. Individual resolutions through dialogue (measures to reduce the burden on debtors, etc.)
2. Resolution by litigation (court rulings, etc.)
3. Individual notices and demands to resume repayments
4. Mediation with the Suruga Bank Victims Defense Team (hereinafter, the "SI Defense Team")

1. Individual resolutions through dialogue (measures to reduce the burden on debtors, etc.)

Suruga Bank is making every possible effort to achieve individual resolutions through dialogue by presenting all available options, including measures to reduce the burden on debtors, with the aim of

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<sup>1</sup> [https://www.surugabank.co.jp/surugabank/kojin/topics/pdf/190515\\_4\\_a.pdf](https://www.surugabank.co.jp/surugabank/kojin/topics/pdf/190515_4_a.pdf)

<sup>2</sup> The figures are as of December 31, 2024.

resolving the issue as quickly as possible. Specifically, the Bank has proposed the following support measures:

- Partial waiver of overdue interest and damages after voluntary sale
- Consultation on repayment of remaining debt after applying proceeds from a voluntary sale<sup>3</sup> (e.g., 0% interest, 35-year repayment period)
- Support for achieving a positive cash flow through individual consultations for debtors who are unable to make scheduled repayments due to a property's negative cash flow, including measures such as interest rate reductions (with a minimum rate of 1.40%) and a lump-sum payment of a portion of the principal at the final maturity date
- If repayment of the outstanding debt is unlikely even after implementing the above support measures, we will consult with the borrower to create an individual repayment plan based on their specific circumstances (e.g., amount that could be repaid, assets, etc.)
- Individual consultations for cases where the property's cash flow is unclear or where there are special circumstances

Through these various proposals and consultations, the number of cases reaching individual resolutions—such as repayment of remaining debt through voluntary sales or agreements to resume scheduled repayments—has been increasing. From the end of September 2022 to the end of February this year, 151 properties (including 64 properties newly resolved in fiscal 2024) have been removed from the list of organizational negotiation partners.

## 2. Resolution by litigation (court rulings, etc.)

While the Bank is making every possible effort to achieve individual resolutions through dialogue, some debtors have sought resolution through litigation. In response to these requests, a total of 38 lawsuits<sup>4</sup> have been filed in connection with the Apaman Issue. As of the end of February 2025: 5 cases have been resolved through settlements or withdrawals, 10 cases have reached final rulings, 3 cases have received first-instance rulings (currently under appeal, etc.), and 20 cases remain in dispute.

As of the end of last year, eight cases had reached final rulings. This year, two additional cases have been finalized, bringing the total to ten, as noted above. In none of these cases has the Bank been found liable for damages.

- Reference Material 2: Examples of court decisions regarding Apaman loans and Suruga Bank's liability for damages

## 3. Individual notices and demands to resume repayments

In July 2021, the SI Defense Team unilaterally notified the Bank of a suspension of repayments along with a request for settlement discussions. However, from the outset, the Bank has consistently maintained that a blanket suspension of repayments cannot be accepted for the following reasons.

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<sup>3</sup> In the case of Organizational Negotiation Debtors who have been withholding rental income earned on their properties and have stopped paying principal or interest to the Bank, we request that approximately 70% of the amount withheld (after deduction of appropriate and necessary expenses) be added to their repayment.

<sup>4</sup> This figure includes lawsuits involving debtors who are not counted as organizational negotiation partners (i.e., those handling individual lawsuits related to the Apaman Issue). Additionally, it does not include lawsuits arising from payment demands filed by the Bank. As of the end of February 2025, 16 cases are undergoing court mediation or alternative dispute resolution procedures, excluding the mediation cases with the SI Defense Team, which are discussed later.

- Reasons why a blanket suspension of repayments cannot be accepted: For each individual case, claims of improper conduct and resulting damages must be asserted and agreed upon as a prerequisite for any suspension of repayments. Without going through this process, the Bank cannot uniformly grant a deferral of payments.

Despite these explanations, many debtors represented by the SI Defense Team have continued to unilaterally suspend payments. In November 2023, the Bank issued a statement, emphasizing that it would be difficult to overlook the suspension of repayments, particularly for break-even properties<sup>5</sup>—those estimated to generate positive real estate income.

- Excerpt from the published statement: In these positive cash flow properties, it is highly likely that positive real estate income can be secured even if scheduled repayments continue as per the loan agreement with Suruga Bank. And since the possibility of damage caused by an inflated price is considered to be limited, we believe that there are doubts as to whether there is a legitimate reason to suspend loan repayments for an extended period of time.

Furthermore, in April 2024, the Bank began sending individual notices to the relevant debtors, and in July 2024, it issued another public statement, further clarifying its stance that allowing the suspension of debt payments is extremely difficult. The Bank also strongly urged debtors to resume scheduled repayments and take other necessary actions.

- Excerpt from the published statement: We hope you will understand that we are doing our best to resolve the Apaman issue as quickly as possible by providing repayment advice based on individual circumstances and by proposing measures to reduce repayment obligations to the greatest extent possible, regardless of whether the property is producing income or not.

If however, despite these proposals, you do not respond to our communication to resume repayments, we will be forced to go back to the principles stipulated by law and file our claim that as a bank, it is extremely difficult for us to allow you to miss repayments for an extended period of time.

Suruga Bank has repeatedly urged debtors to consult with us regarding the resumption of repayments while also presenting all available options, including measures to reduce repayment burdens. Additionally, we have requested debtors to notify us of any special circumstances that may apply to their cases. Furthermore, in discussions regarding the resumption of repayments, the Bank does not rely solely on its own estimates. Instead, we request the submission of supporting documents that verify actual expenses and real estate income, allowing us to pursue individual resolutions through flexible support measures tailored to each debtor's specific needs and situation.

Despite these repeated requests, some debtors have refused to engage in discussions regarding the resumption of repayments. As a result, in November 2024, the Bank filed payment demands for 14 properties (first round). However, even for these cases, the Bank has continued to engage in careful communication alongside legal action. As of the end of February, one case has been individually resolved through full repayment of the debt, and one case is currently under consultation regarding

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<sup>5</sup> A break-even property is one that has a high possibility of securing positive "real estate income" even if scheduled repayments continue as per the loan agreement with Suruga Bank. As such, we believe that, in principle, there is no justifiable reason to suspend loan repayments for an extended period of time. The term "real estate income" here refers to the amount obtained when 30% of the rental income from the property is deemed as necessary expenses, and those necessary expenses and loan payments (interest and scheduled repayments paid to Suruga Bank) are deducted from the rental income. The expenses ratio for a single apartment building, which includes management fees, utilities for common areas, property tax, city planning tax, and refurbishment costs when empty, is generally said to be around 15–20%, but Suruga Bank conservatively assumes an expenses ratio of 30% when calculating "real estate income".

repayment.

Following the first round, Suruga Bank plans to file demands for payment in the near future for an additional 17 properties as part of a second round. As with the first round, the Bank will continue to engage in careful communication alongside legal action, making every effort to accommodate individual consultations wherever possible.

#### 4. Mediation with the SI Defense Team

In May 2022, Suruga Bank proposed an Early Resolution Framework to the SI Defense Team as part of its efforts toward a settlement. The framework proposes a three stage process. The first stage is to consider the issue of inflated<sup>6</sup> property valuations, the second is to consider whether it is highly likely that Suruga Bank and its employees were involved in falsifying rent rolls presented to debtors, and the third is to consider the calculation of a settlement figure based on the amount of damage and the degree of responsibility.

However, even now, more than three years since the SI Defence Team filed for mediation, there are still differences of opinion on some fundamental points. For example, Suruga Bank has insisted on the need to make decisions on an individual basis<sup>7</sup>, but the SI Defense Team has effectively demanded a blanket settlement, something which we have not been able to come to agreement on.

Suruga Bank will continue to engage in negotiations involving the court with the utmost sincerity. At the same time, the Bank maintains its stance that it will actively cooperate in clarifying the background of loan transactions for cases that are deemed likely to fall into categories where the Bank's liability for damages could be recognized in litigation.

In August 2024, the Bank filed a lawsuit against representatives of the Victims Alliance of Suruga Bank's Illegal Loans, seeking an injunction against certain protest activities and damages. The case is currently ongoing. Despite the Bank's willingness to engage in discussions mediated through the court, certain individuals have engaged in persistent personal attacks that go beyond legitimate protest activities and have caused psychological and physical distress to Bank employees. As a result, the Bank was left with no choice but to take legal action.

- Reference Material 3: Notice regarding the filing of a lawsuit (August 2024 release)

#### Future Actions

The Bank will continue to pursue the four initiatives outlined above and remains fully committed to achieving a swift resolution. In particular, we believe that it is essential to take prompt action under

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<sup>6</sup> The term "inflated" here broadly means that the falsified rent roll led to the "mistake" of thinking that the property in question was more profitable than it actually was, resulting in a higher price than if the "mistake" had not occurred.

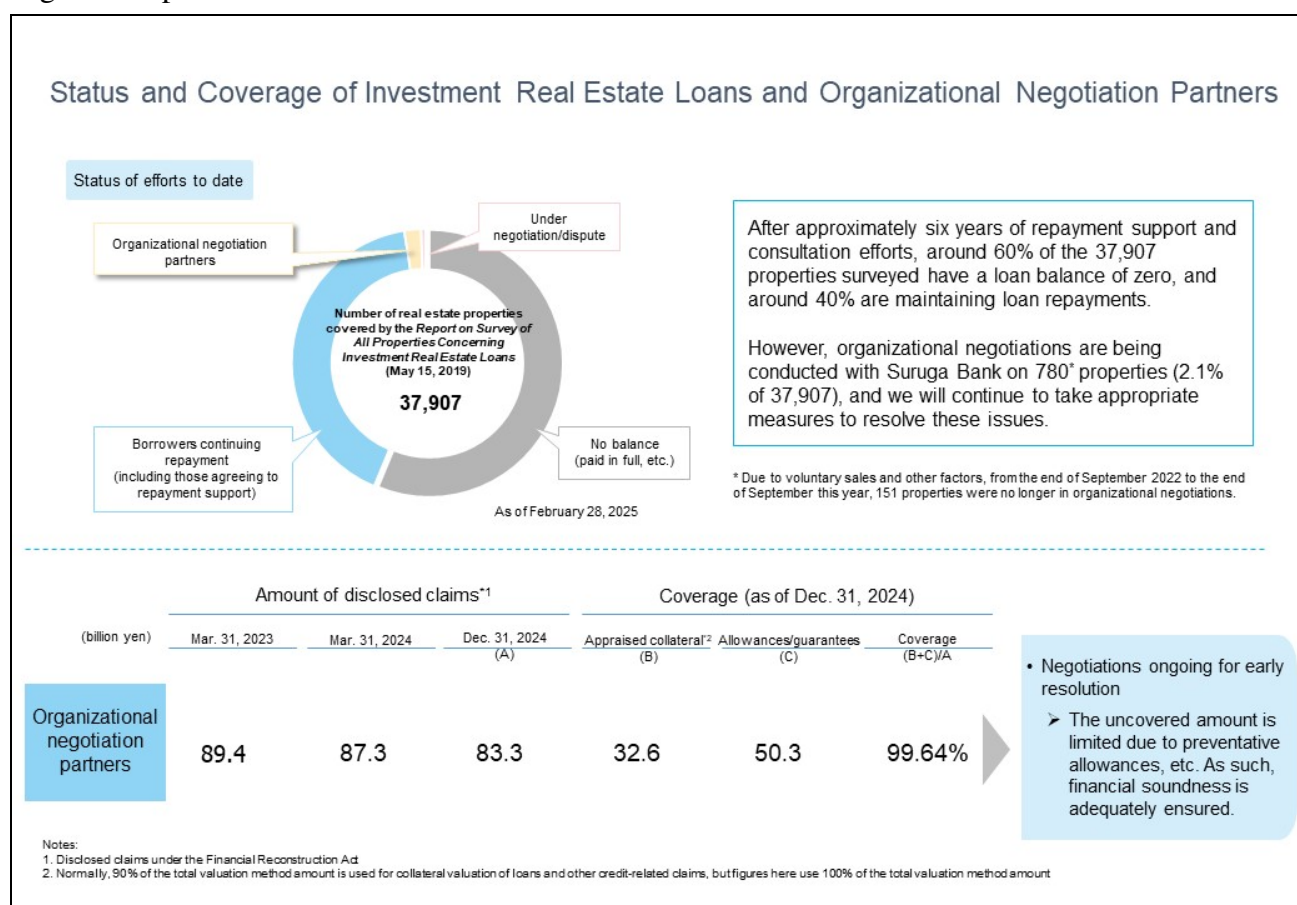
<sup>7</sup>Reasons why we believe that decisions on an individual basis are necessary (summary of materials published in April 2023):

(1) In the results of all investigations, no fraud was found in approximately 80% of Apaman loans, so we cannot assume that Suruga Bank committed illegal acts in all cases; (2) The circumstances of the parties involved differ depending on the individual case (For example, there was a report of a real estate agent falsifying documents at the request of the Bank, deceiving property owners. However, Suruga Bank has also seen cases where a real estate agent falsified documents deceiving both the owner and the Bank, and cases where the owner and real estate agent jointly falsified documents to obtain a larger loan from the Bank); and (3) Fairness with debtors with whom individual lawsuits and settlements have already been made (judicial rulings and settlements have already been reached in accord with individual circumstances, so from the perspective of fairness, it is difficult for Suruga Bank to opt for a blanket resolution).

our first policy—individual resolutions through dialogue (measures to reduce the burden on debtors, etc.)—given the urgent need to reduce the burden on Organizational Negotiation Debtors who are struggling to make repayments, and to those who may not be able to achieve the expected sales price depending on future real estate market conditions.

For this reason, we offer the maximum level of support possible to all Organizational Negotiation Debtors. We will do our utmost to bring relief as soon as possible to the many Organizational Negotiation Debtors by quickly reducing their debt obligations, providing assistance in the form of repayment plans, and creating a path to resolving individual issues on a case-by-case basis.

## Reference Material 1: Status and coverage of investment real estate loans and organizational negotiation partners



## Reference Material 2: Examples of court decisions regarding Apaman loans and Suruga Bank's liability for damages

No.	Judgment Date	Jurisdiction	Points of Issue	Court Decision	Judgment
1	2021/6/2	Tokyo High Court	<ul style="list-style-type: none"> <li>Can the following acts by the real estate agent be considered a tort liability?               <ul style="list-style-type: none"> <li>(1) Inducing a customer to enter into a sales contract by giving false explanations about the value of the property or income and expenditure of the property</li> <li>(2) Making the plaintiff take out a loan for more than the purchase price without being made fully aware of the amount to be borrowed</li> </ul> </li> <li>If the Bank was involved in falsifying screening documents, can it be said that the plaintiff is not responsible for repaying the loan based on the principle of good faith?</li> </ul>	<ul style="list-style-type: none"> <li>Tort liability due to fraud by the real estate agent not recognized               <ul style="list-style-type: none"> <li>(1) The sale price was not unreasonably high, and there were no false statements about the property's income and expenses (the sales contract and loan agreement are fundamentally legally separate and independent contracts, so the validity of a sales contract does not immediately affect the validity of a loan agreement)</li> <li>(2) The loan agreement is genuine and in accordance with the intentions of plaintiff</li> </ul> </li> <li>The Bank was not aware of nor involved in the falsification of screening documents (the investigation report by the Third Party Committee does not necessarily reflect that the Bank was aware of or involved in any document falsification)</li> </ul>	Claim dismissed (Final judgment)
2	2021/10/7	Tokyo High Court	<ul style="list-style-type: none"> <li>Assuming illegal acts by the real estate agent (falsification of screening documents, etc.), is the Bank's vicarious liability recognized or is joint tort liability recognized?</li> <li>Does the Bank have an obligation to check customer's creditworthiness, for instance, checking documents that confirm customer's own funds, etc., at time of loan screening?</li> </ul>	<ul style="list-style-type: none"> <li>Since the real estate agent is not found to be liable in tort, the Bank's vicarious liability or joint tort liability is not recognized based on this assumption</li> <li>In general, when a bank makes a loan, it is not obligated to point out to the prospective borrower that there had been any forgery or falsification, unless the bank was aware of the forgery or falsification, or could have been aware of it, having taken all reasonable care</li> </ul>	Claim dismissed (Final judgment)
3	2021/11/16	Tokyo District Court	<ul style="list-style-type: none"> <li>Does the Bank have the following duty of care and can it be held jointly liable in tort?               <ul style="list-style-type: none"> <li>(1) Duty of care to check documents confirming customer funds, etc. (whether the Bank was aware of the frequent occurrence of falsification or fabrication of documents confirming customer funds, etc.)</li> <li>(2) Obligation to confirm real estate collateral valuation and explanation of valuation method</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>The Bank does not have the following duty of care and cannot be held liable in tort               <ul style="list-style-type: none"> <li>(1) It is not recognized that there was a common understanding at the Bank that incidents such as falsification or fabrication of documents confirming customer funds, etc., were occurring frequently. The reason why banks ask for documents to verify a customer's financial resources is to determine the customer's ability to repay the loan and to mitigate credit risk. There is no obligation to verify the original documents with the customer.</li> <li>(2) Banks are only required to know the collateral value of the real estate for the possibility of non-repayment of loan. The Bank is not obliged to confirm the real estate collateral valuation or to explain the valuation method</li> </ul> </li> </ul>	Claim dismissed (Final judgment)
4	2022/7/7	Tokyo High Court	<ul style="list-style-type: none"> <li>Is the Bank liable in joint tort on the grounds that it knew or could have known of the real estate agent's illegal acts (falsification of screening documents, etc.)?</li> <li>Even if the Bank was unaware of the real estate agent's intent, can it be found to have negligently aided and abetted the real estate agent's illegal acts?</li> </ul>	<ul style="list-style-type: none"> <li>Although the real estate agent's actions cannot avoid being ruled out as unfairly infringing on the plaintiff's rights, there is not enough evidence to prove that the Bank was aware of or knew of any intent of illegal action, and therefore no joint tort liability can be found</li> <li>There is no reason to believe that the Bank negligently aided and abetted the real estate agent's actions</li> </ul>	Claim dismissed (Final judgment)
5	2024/1/24	Tokyo District Court	<ul style="list-style-type: none"> <li>Did a Bank employee instruct or knowingly and tacitly approve the real estate agent's (seller) falsification of the customer's bank balance or income (falsification)?</li> <li>Even if the Bank employee was unaware of any fraudulent activity, if the Bank overlooked the fraudulent activity when executing the loan, was the bank guilty of illegal conduct toward its customer?</li> <li>Is the Bank legally obligated to confirm that there is a reasonable basis for the seller, a real estate agent, to enter into a sales contract rather than a brokerage contract for the acquisition of real estate for investment?</li> </ul>	<ul style="list-style-type: none"> <li>There is no evidence to suggest that Bank employees ordered or tacitly approved any fraudulent activity</li> <li>If the loan was made merely because the Bank employees overlooked the fraudulent activities, there is no tort for breach of duty of care to the customer in relation to a customer who admits that he/she was aware of and cooperated with some part of the fraudulent activity</li> <li>There is no reason to believe that a financial institution that receives a loan application has a legal obligation to confirm whether or not there is a rational basis for the customer for a sales contract rather than a brokerage contract</li> </ul>	Claim dismissed (Final judgment)
6	2024/2/28	Nagoya District Court	<ul style="list-style-type: none"> <li>Did the Bank collude with the seller, a real estate agent, to conclude a sales contract with the purchase price exceeding the market value?</li> <li>Does the Bank have an obligation to explain to its customers the contents of the contract and the purpose for which the loan proceeds will be used, as well as a duty of care and protection to ensure no unexpected damage, based on the principle of good faith?</li> </ul>	<ul style="list-style-type: none"> <li>The price listed in the valuation report of the property submitted by the plaintiff as evidence does not represent the only appropriate market value equivalent, and it is not found that the plaintiff was induced to enter into a sales contract for a sales price higher than the market value equivalent in this case.</li> <li>The fact that (i) a sales contract in which the purchase price was falsified and (ii) a forged internet banking balance statement were used in the screening of the conclusion of the loan agreement is not considered a circumstance that would lead to an inference of collusion between the Bank and the real estate agent</li> <li>Unless there are special circumstances, the financial institution that financed the sale and purchase is not liable in tort with regard to the conclusion of the sale and purchase contract. In this case, there are no circumstances sufficient to find that the defendant is liable in tort.</li> </ul>	Claim dismissed (Final judgment)
7	2024/3/21	Tokyo High Court	<ul style="list-style-type: none"> <li>Can any joint tort involving fraud be established when a real estate agent deceives a plaintiff into purchasing real estate?</li> <li>Can any joint tort be established based on the bank's assistance?</li> <li>Does the real estate agent bear joint tort liability for breaching the duty to explain defects or other issues related to the property?</li> <li>Can it be established that damages equivalent to the difference between the loan amount and the value of the property arose due to fraudulent loans caused by the intentional or negligent actions of the bank staff, and whether the bank staff bears joint tort liability for aiding in the fraudulent loans?</li> </ul>	<ul style="list-style-type: none"> <li>There is insufficient evidence to establish that the real estate agent fabricated a false rent roll, and therefore, it cannot be recognized that they misrepresented the profitability of the property to solicit investment. As a result, joint tort liability is not established.</li> <li>It cannot be established that the bank instructed the real estate agent to falsify the rent roll or was aware of the fraudulent rent roll. Therefore, joint tort liability based on the bank's assistance is not recognized.</li> <li>There is insufficient evidence to establish that defects or other issues with the property existed at the time of the contract. Therefore, the real estate agent's breach of the duty to explain is not recognized.</li> <li>Even if alterations were made to assets or income and irregularities occurred in the bank's loan procedures, it cannot be concluded that such actions resulted in damages equivalent to the difference between the loan amount and the property's value. Additionally, the bank staff does not bear joint tort liability for aiding in such actions.</li> </ul>	Claim dismissed (Final judgment)
8	2024/3/22	Tokyo District Court	<ul style="list-style-type: none"> <li>Does the bank and its staff have a duty to explain to customers the authenticity of loan assessment documents and the disparity between the property's sale price and loan amount compared to market value? And if so, does failing to fulfill this duty constitute a violation of the customer's right to self-determination, thereby incurring liability for tort?</li> </ul>	<ul style="list-style-type: none"> <li>The purpose of the bank's loan assessment process is to mitigate the risk of default. Therefore, it is not readily considered that the bank has a duty to thoroughly verify the accuracy of documents submitted by customers or to explain the details of such verification.</li> <li>It cannot be concluded that the bank staff knowingly condoned the falsification of documents or that they could have easily detected such falsifications.</li> <li>The decision of whether to purchase a property and, if so, at what price is typically made at the buyer's own discretion and responsibility. Therefore, it is difficult to interpret that the bank has a duty to investigate whether the sale price is appropriate or to explain this to the customer.</li> <li>There is no sufficient and reliable evidence to establish that the property purchased by the customer deviated from market value.</li> </ul>	Claim dismissed (Final judgment)



No	Judgment Date	Jurisdiction	Points of Issue	Court Decision	Judgment
9	2024/12/19	Tokyo High Court	<ul style="list-style-type: none"> <li>• Is a loan agreement, concluded after falsifying documents that confirm the customer's own funds, invalid as a violation of public policy and morals?</li> <li>• Does a claim for repayment under a loan agreement concluded in violation of Article 12-2, Paragraph 2 of the Banking Act, among other provisions, constitute an abuse of rights?</li> <li>• If there was intent to falsify documents that confirm the customer's own funds, or negligence in failing to verify the original documents, does this constitute a tort?</li> </ul>	<ul style="list-style-type: none"> <li>• Since there is no sufficient evidence to conclude that the bank conspired with the real estate agent to falsify documents that confirm the customer's own funds, the loan agreement cannot be deemed a violation of public policy and morals.</li> <li>• (While it may be generally recognized that banks should verify the originals of passbooks and other documents, there is no assertion or evidence establishing an obligation to verify all such originals.)</li> <li>• There is insufficient evidence to conclude that the bank demonstrated a complete disregard for compliance with Article 12-2, Paragraph 2 of the Banking Act, among other provisions, and therefore, the exercise of the right to claim repayment does not constitute an abuse of rights.</li> <li>• Banks are not generally understood to have an obligation to verify the originals of documents that confirm the customer's own funds.</li> <li>• (Even if internal bank procedures did not strictly enforce original document verification or implement measures against forged documents, this does not specifically indicate the review process in this case.)</li> <li>• Since there is no sufficient evidence to suggest an implicit conspiracy with the real estate agent or any indication that the bank had reason to suspect falsification, it cannot be concluded that the bank had a duty of care to verify the originals in the first place.</li> </ul>	Claim dismissed (Final judgment)
10	2024/12/23	Tokyo District Court	<ul style="list-style-type: none"> <li>• Does the solicitation conducted by the agent constitute a tort by misrepresenting profitability?</li> <li>• Did the bank conspire with the agent in carrying out the solicitation?</li> <li>• Occurrence and amount of damages</li> </ul>	<ul style="list-style-type: none"> <li>• The plaintiff argues that the simulation prepared by the agent misrepresented profitability.</li> <li>• However, it was provided merely as a reference document and was not intended to guarantee a certain amount of remaining income.</li> <li>• As stated above, the solicitation does not constitute a tort.</li> <li>• Even if it did, there is no sufficient evidence to conclude that the bank conspired with the agent.</li> <li>• There is no need to determine the occurrence or amount of damages.</li> </ul>	Claim dismissed (Final judgment)

## Notice Regarding the Filing of a Lawsuit

August 6, 2024  
Suruga Bank Ltd.

Suruga Bank Ltd. and one of its employees filed a lawsuit (hereinafter referred to as the "Lawsuit") today with the Tokyo District Court, as outlined below. The Lawsuit seeks an injunction against certain demonstration activities and damages from the representative of the Victims Alliance of Suruga Bank's Illegal Loans (hereinafter referred to as the "SI Victims Alliance"), one of its members, a general incorporated association supporting the SI Victims Alliance, and the representative of that association.

### 1. Court and Filing Date of the Lawsuit

- (1) Court: Tokyo District Court
- (2) Filing Date: August 6, 2024

### 2. Defendants in the Lawsuit

- (1) Representative of the Victims Alliance of Suruga Bank's Illegal Loans
- (2) One member of the Victims Alliance of Suruga Bank's Illegal Loans
- (3) A general incorporated association supporting the Victims Alliance of Suruga Bank's Illegal Loans
- (4) Representative of the above general incorporated association

### 3. Background and Reasons for Filing the Lawsuit

Regarding the so-called "Apaman Issue," Suruga Bank Ltd. has been engaging in discussions with the Victims Alliance of Suruga Bank's Illegal Loans through court mediation. However, the defendants in this lawsuit have engaged in persistent personal attacks that go beyond legitimate protest activities, causing psychological and physical distress to the Bank's employees.

Suruga Bank Ltd. places great importance on its duty to protect the physical and mental well-being of its employees and has repeatedly requested that actions defaming or slandering its employees be stopped. However, no improvement has been observed. Given this situation, and in order to put an end to relentless personal attacks that have crossed the line and are threatening the well-being of its employees, the Bank has reluctantly decided to file this lawsuit to safeguard its employees' physical and mental safety.

#### (Activities That Suruga Bank Ltd. Considers to Have Crossed the Line)

- (i) Unlawful entry into the Bank's former Nagoya branch
- (ii) Relentless personal attacks (defamation and slander) against a specific employee based on false information
- (iii) Prolonged and repeated demonstrations near the residence of the Bank's representative, as well as unauthorized entry into their apartment building to distribute leaflets by placing them in the mailbox



#### 4. Details of the Lawsuit

- (1) Injunction against demonstration activities and other related actions near the branch where the defamed employee works and around the residence of the Bank's representative.
- (2) Claim for damages against Suruga Bank Ltd. and the defamed employee.

#### 5. Other Information

As of now, there are no fundamental changes to Suruga Bank Ltd.'s policy regarding the Apaman Issue, which was announced on July 1, 2024. However, the Bank believes that it must take a firm stance in response to malicious cases that threaten the physical and mental well-being of its employees.

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.