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**Announcement Regarding the Switch from an Ex-Post Delivery type Share Remuneration Scheme  
(PSUs/RSUs) to a Trust-type Stock Compensation System**

At its Board of Directors Meeting held on May 12, 2025, the Bank decided to switch from the current share remuneration scheme, consisting of performance share units (PSUs) and restricted stock units (RSUs), to a Trust-type Stock Compensation System ("the System") for the Bank's executive directors (excluding non-residents in Japan; "directors").

Consequently, the Bank will propose a resolution on a switch to the System at the 214<sup>th</sup> Ordinary Annual General Meeting of Shareholders scheduled to be held on June 25, 2025 ("the Shareholders' Meeting").

Furthermore, subject to the approval of the switch to the System at the Shareholders' Meeting, the Bank plans to switch from the Ex-Post Delivery type Share Remuneration Scheme (PSUs/RSUs) to the Trust-type Stock Compensation System for executive officers who do not concurrently serve as directors, in the same manner as described below.

Note

1. Abolishment of the Ex-Post Delivery type Share Remuneration Scheme (PSUs/RSUs) Categories

On the condition that the resolution regarding the switch to the System is adopted and approved at the Shareholders' Meeting, the categories related to the current Share Remuneration Scheme shall be abolished, and no new units will be granted under the current Share Remuneration Scheme thereafter. In addition, the units previously granted under the current Share Remuneration Scheme to the directors who are eligible for the System, for which the delivery of the Bank's common shares and provision of money have not yet been made, will be waived by the relevant directors. As a transitional measure from the current Share Remuneration Scheme, points equivalent to the number of shares subject to the relinquished units will be granted under the System.

2. Switch to the System

- (1) The Bank is switching to the System for the directors with the objective of further heightening the directors' motivation to continue to enhance the corporate value and performance of the Bank in the mid-to long-term
- (\*1) (\*2). The System differs from the current Share Remuneration Scheme in that annual stock price

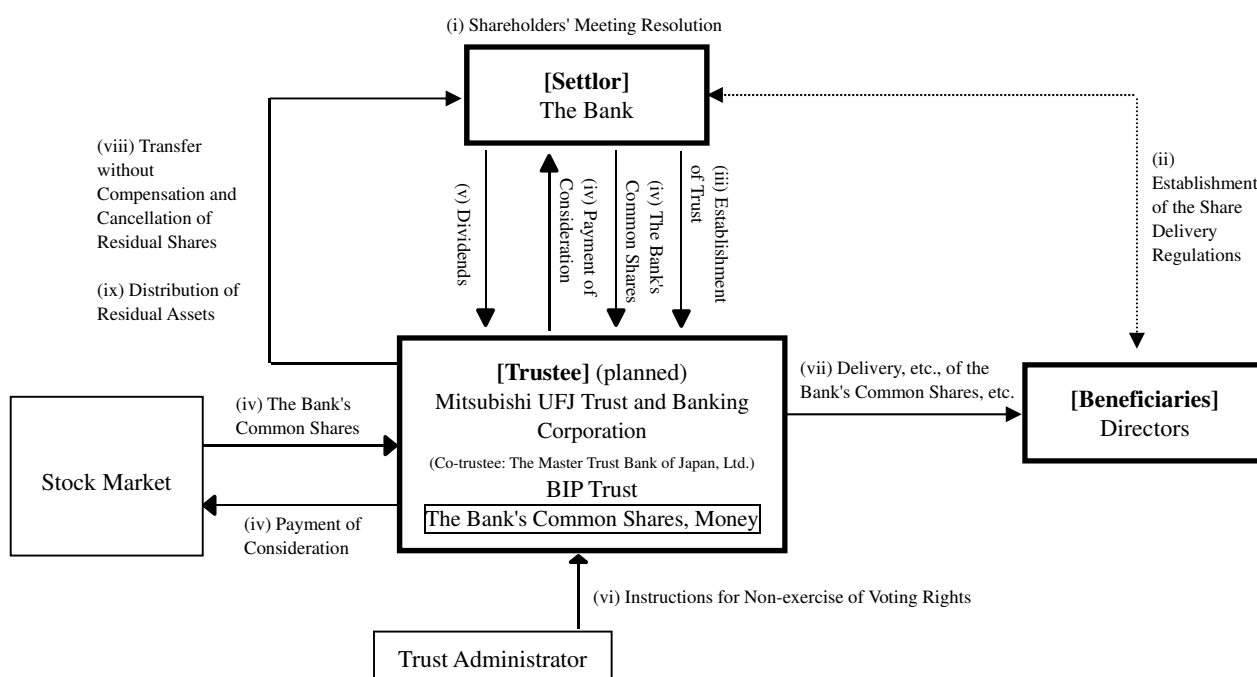
fluctuations will not affect the Bank's accounting treatment, enabling the Bank to operate a more stable and efficient share remuneration scheme, which is why the Bank is switching to the System. Following the switch to the System, there will be no change to the policy for determining the main content of each director's individual remuneration, etc., such as the level of remuneration and the criteria for disbursement for directors' share remuneration.

- (2) The switch to the System is conditional upon approval of the resolution on directors' remuneration at the Shareholders' Meeting.
- (3) The System will adopt a structure referred to as the Board Incentive Plan (BIP) Trust ("BIP Trust"). The BIP Trust is an incentive plan for directors that refers to performance share and restricted stock compensation systems in Europe and the United States, and the delivery and granting ("delivery, etc.") of the Bank's common shares and money equivalent to the proceeds from the conversion of the Bank's common shares ("the Bank's common shares, etc.") to directors will be carried out according to the achievement level of company performance indicators.
- (4) When the trust period of the BIP Trust ("the Trust") established for implementing the System expires, the Bank plans to continuously implement the System by establishing a new Trust, or changing an existing Trust upon expiration of the trust period and making additional contributions.

\*1 Upon the switch to the System, the remuneration of directors will comprise "basic remuneration," "bonus," and "trust-type stock compensation."

\*2 In view of the switch to the System, the Bank has conducted deliberations through the voluntary Nomination and Compensation Committee (chaired by an independent outside director and in which independent outside directors constitute a majority of committee members) to ensure transparency and objectivity in the remuneration decision process.

### 3. Overview of the System



- (i) The Bank will obtain approval for the resolution regarding the switch to the System at the Shareholders' Meeting.
- (ii) The Bank will establish share delivery regulations pertaining to the System through necessary procedures such as resolutions of the Board of Directors.
- (iii) The Bank will entrust money within the scope approved at the Shareholders' Meeting as described in 1 above as the source of funds for remuneration to directors, and establish the Trust with directors who fulfill the beneficiary requirements as beneficiaries.
- (iv) The Trust will acquire the Bank's common shares from the stock market or the Bank (disposition of treasury shares) with the money entrusted in 3 above as the source, in accordance with the instructions of the trust administrator. The number of shares to be acquired by the Trust will be within the scope approved by the resolution at the Shareholders' Meeting as described in 1 above.
- (v) Dividends will be paid on the Bank's common shares by the Trust in the same manner as with other common shares of the Bank.
- (vi) Voting rights of the Bank's common shares held by the Trust shall not be exercised throughout the trust period.
- (vii) During the trust period, at a certain time each year, a set number of points will be granted to each director according to their position, etc., in the bank for each business year. Additionally, as a transitional measure from the Ex-Post Delivery type Share Remuneration Scheme, directors who have waived their units from the Ex-Post Delivery type Share Remuneration Scheme upon the switch to the System will be separately granted points under the System equivalent to the number of shares subject to the relinquished units without delay after the establishment of the Trust. Delivery, etc., of the Bank's common shares, etc., to directors who fulfill certain beneficiary requirements upon their retirement, will be carried out in accordance with the cumulative points (as defined in (5) below; the same shall apply hereinafter).
- (viii) If residual shares remain at the expiration of the trust period due to non-achievement of performance targets, etc., the Bank will either continue to use the Trust as the System or a similar new share remuneration scheme by changing the trust agreement and making additional contributions to the Trust, or the Trust will transfer the residual shares to the Bank without compensation and the Bank will acquire them without compensation and cancel them by resolution of the Board of Directors.
- (ix) Upon termination of the Trust, the residual assets after distribution to beneficiaries are expected to belong to the Bank within the scope of the trust expense reserve calculated by deducting the share acquisition funds from the trust money. Also, any portion exceeding the trust expense reserve is planned to be donated to organizations that have no interest in the Bank and its directors.

(Note) During the trust period, if there is a possibility that the number of shares in the Trust may be insufficient for the number of points determined for directors during the trust period, or if there is a possibility that the money in the trust property may be insufficient for the payment of trust fees and trust expenses, additional money may be entrusted to the Trust within the scope of the upper limit of the trust money described in (7) below.

## (1) Overview of the System

The System is a system where the Bank's common shares are acquired through the Trust with the directors' remuneration contributed by the Bank as the source, and delivery, etc., of the Bank's common shares, etc., is carried out to directors according to the achievement level of company performance indicators, targeting the period ("target period") of the Bank's mid-term management plan. The initial target period ("initial target period") beginning with the business year ending March 31, 2026, will target one business year corresponding to the remaining period of the Bank's current mid-term management plan "Re:Start 2025 Phase 2."

The System is categorized into the following two parts.

- (i) Restricted Stock ("RS") such that a predetermined number of points ("fixed points") are granted every

year during the target period, and delivery, etc., of the Bank's common shares, etc., is carried out after retirement.

- (ii) Performance Share ("PS") such that a predetermined number of points ("performance-based points") are granted every year during the target period, adjustment is made in the range of 0-150% in accordance with the degree of achievement of performance objectives after the end of the target periods and delivery, etc., of the Bank's common shares, etc., is carried out after retirement.

The time that the directors receive delivery, etc., of the Bank's common shares, etc., shall be after the director's retirement (including retirement due to death; hereinafter likewise).

(2) Shareholders' Meeting Resolution on the Switch to the System

The Bank will pass a resolution on the upper limit of the money to be contributed to the Trust, the upper limit of the total number of points (set forth in (5) below) to be granted to directors, and other necessary matters at the Shareholders' Meeting.

In the event that the Trust is continued by changing the trust agreement and making additional contributions at the expiration of the trust period, the Bank will decide by resolution of the Board of Directors within the scope approved at the Shareholders' Meeting.

(3) Eligible persons under the System (beneficiary requirements)

After retirement, directors eligible for the System can receive delivery, etc., of the Bank's common shares, etc., through the prescribed procedures stipulated in the regulations for delivery of shares provided that the following requirements are met.

- (i) Having been a director of the Bank during the target period from the starting date of the System or thereafter (including those who had newly become directors after the starting date of the System)
- (ii) Being a resident of Japan
- (iii) Having retired as a director
- (iv) Not having retired from being a director of the Bank without justifiable reason nor committed certain acts of wrongdoing nor otherwise become subject to causes for forfeiture of rights as specified by the Board of Directors
- (v) Other requirements recognized as necessary to achieve the purpose of the share remuneration scheme

(4) Trust period

- (i) Initial trust period

From August 2025 (planned) to August 2026 (planned).

- (ii) Continuation of the Trust

The Trust may be continued by changing the trust agreement and making additional contributions at the expiration of the trust period. In such a case, the trust period of the Trust shall, in principle, be extended for the same period as the Bank's mid-term management plan that is in place at that time, and the business years corresponding to said mid-term management plan shall be the new target period. The Bank will make additional contributions within the scope approved at the Shareholders' Meeting for

each extended trust period, and will continue to grant points to directors and carry out delivery, etc., of the Bank's common shares, etc., during the extended trust period. The trust period may be extended more than once in the same manner.

However, in the case of making such additional contributions, if there are residual shares (excluding the Bank's common shares corresponding to the points granted to directors for which delivery, etc., has not been completed) and money in the trust property at the end of the trust period before extension (hereinafter collectively referred to as "residual shares, etc."), the sum of the amount of residual shares, etc., and the trust money to be additionally contributed shall be within the upper limit of the trust money approved by resolution at the Shareholders' Meeting.

(iii) Handling of the expiration of the Trust (extension of the trust period without additional contribution)

If the trust agreement is not changed and additional contributions are not made at the expiration of the trust period (if the trust period is extended, the expiration date of the extended trust period), no additional points will be granted to directors thereafter. However, if there are directors in office who may fulfill the beneficiary requirements at that point, the trust period of the Trust may be extended for a certain period until the delivery, etc., of the Bank's common shares, etc., to such directors is completed.

(5) Number of the Bank's common shares, etc., for delivery, etc., to directors

During the target period, at a certain time each year, fixed points for RS and performance-linked points for PS will be granted to each director according to their position, etc., for each business year. The performance-linked points will be adjusted within a range of 0% to 150% in accordance with the degree of achievement level of performance targets (for the initial target period, consolidated net income, etc.) after the end of the target period.

However, for the initial target period, as a transitional measure from the Ex-Post Delivery type Share Remuneration Scheme, directors who have relinquished their units from the Ex-Post Delivery type Share Remuneration Scheme upon the switch to the System will be separately granted points under the System equivalent to the number of shares subject to the waived units without delay after the establishment of the Trust. For the portion corresponding to the performance-linked units granted during the current mid-term management plan period, the performance-linked coefficient (0% to 150%) will be applied in accordance with the degree of achievement level of performance targets (consolidated net income, etc.) after the end of the current mid-term management plan.

Granted points will be accumulated, and delivery, etc., of the Bank's common shares, etc., will be carried out after the director's retirement in accordance with the cumulative value of the points ("cumulative points").

One point shall be equivalent to one common share of the Bank. However, if an event occurs during the target period where adjustment of points is deemed reasonable, such as a stock split or reverse stock split of the Bank's common shares, the number of the Bank's common shares per point will be adjusted according to the split ratio, consolidation ratio, etc.

(6) Method and timing of delivery, etc., of the Bank's common shares, etc., to directors

Directors who fulfill the beneficiary requirements shall receive the delivery, etc., of the Bank's common shares, etc., in accordance with the number calculated based on (5) above, upon their retirement. At this time,

the director shall receive delivery of a certain percentage of the cumulative points in the Bank's common shares (fractions less than one unit shall be discarded), and the remainder shall be converted within the Trust and the director shall receive provision of money equivalent to the conversion amount.

In the event a director dies during the target period, all of the Bank's common shares corresponding to the cumulative points at that time shall be converted within the Trust, and the money equivalent to the conversion amount shall be provided to the director's heir.

- (7) Upper limit of the total amount of trust money to be contributed to the Trust and the upper limit of the number of the Bank's common shares, etc., for delivery, etc., to directors from the Trust

Subject to the approval of the resolution at the Shareholders' Meeting, the total amount of trust money to be contributed by the Bank to the Trust during the trust period and the number of the Bank's common shares, etc., for delivery, etc., to directors from the Trust (the number of points to be granted to directors) shall be subject to the following upper limits:

- (i) Upper limit of trust money to be contributed to the Trust

150 million yen multiplied by the number of business years in the target period <sup>(\*)</sup>(<sup>\*</sup>2)(<sup>\*</sup>3)

\*1 For the initial target period (the business year ending March 31, 2026), the amount will be 150 million yen for one business year, and for subsequent target periods, if the mid-term management plan covers three business years, the amount will be 450 million yen for three business years.

\*2 For the initial target period (the business year ending March 31, 2026), as a transitional measure from the Ex-Post Delivery type Share Remuneration Scheme, a separate amount of up to 600 million yen will be contributed as the source of funds for acquiring the Bank's common shares corresponding to the points to be granted to directors.

\*3 The upper limit of trust money is calculated by adding trust fees and trust expenses to the share acquisition funds, taking into consideration the current level of directors' remuneration.

- (ii) Upper limit of the number of the Bank's common shares, etc., for delivery, etc., to directors from the Trust

400,000 shares multiplied by the number of business years in the target period <sup>(\*)</sup>(<sup>\*</sup>5)(<sup>\*</sup>6)

\*4 For the initial target period (the business year ending March 31, 2026), the number will be 400,000 shares for one business year, and for subsequent target periods, if the mid-term management plan covers three business years, the number will be 1.2 million shares for three business years.

\*5 For the initial target period (the business year ending March 31, 2026), as a transitional measure from the Ex-Post Delivery type Share Remuneration Scheme, up to 260,000 shares will be separately granted to directors.

\*6 The upper limit of the number of the Bank's common shares, etc., for delivery, etc., to directors from the Trust is set with reference to the Bank's stock price trends, etc., based on the upper limit of trust money above.

- (8) Method of acquisition of the Bank's common shares by the Trust

The acquisition of the Bank's common shares by the Trust is planned to be made from the stock market or

from the Bank (disposition of treasury shares) within the scope of the upper limit of trust money and the upper limit of shares for delivery, etc., as described in (7) above.

During the trust period, if there is a possibility that the number of shares in the Trust may be insufficient for the number of cumulative points determined for directors during the trust period, or if there is a possibility that the money in the trust property may be insufficient for the payment of trust fees and trust expenses, additional money may be entrusted to the Trust within the scope of the upper limit of trust money as described in (7) above, and the Trust may acquire additional shares of the Bank.

(9) Malus and Clawback provisions

If the Board of Directors determines that a director has committed serious misconduct, etc., during their tenure, it may, after deliberations and recommendations by the Nomination and Compensation Committee, by resolution of the Board of Directors, request the director to forfeit all or part of their right to receive share remuneration, or to return all or part of the money equivalent to the Bank's common shares, etc., for which delivery, etc., has already been carried out.

(10) Treatment of voting rights related to the Bank's common shares in the Trust

To ensure management neutrality, voting rights shall not be exercised for the Bank's common shares in the Trust during the trust period.

(11) Treatment of dividends related to the Bank's common shares in the Trust

Dividends paid on the Bank's common shares in the Trust will be received by the Trust and allocated to trust fees and trust expenses. In the event that residual dividends relating to the Bank's common shares in the Trust remain at the time of expiration of the trust period, such dividends will be utilized as share acquisition funds if the Trust is continued, but if the Trust is terminated due to the expiration of the trust period, the portion exceeding the trust expense reserve is planned to be donated to organizations that have no vested interest in the Bank or its directors.

(12) Treatment at the termination of the Trust

If residual shares occur at the termination of the Trust (if the trust period is extended as described in (4)c, the expiration date of the extended trust period is carried out) due to non-achievement of performance targets, etc., as a measure to return value to shareholders, the Trust will transfer the residual shares to the Bank without compensation, and the Bank will acquire them without compensation and cancel them by resolution of the Board of Directors.

(Reference) Contents of Trust Agreement

(i) Type of trust	Money trust other than a specified single-purpose trust (third-party benefit trust)
(ii) Purpose of trust	Providing incentives to directors and executive officers
(iii) Settlor	The Bank
(iv) Trustee	Mitsubishi UFJ Trust and Banking Corporation (planned) (Co-trustee: The Master Trust Bank of Japan, Ltd. (planned))
(v) Beneficiaries	Directors and executive officers who fulfill the beneficiary requirements
(vi) Trust administrator	A third party who has no vested interest in the Bank (certified public accountant)
(vii) Trust agreement date	August 2025 (planned)
(viii) Trust period	August 2025 (planned) to August 2026 (planned)
(ix) Start date of the System	August 2025 (planned)
(x) Exercise of voting rights	No voting rights shall be exercised
(xi) Type of shares to be acquired	Common shares of the Bank
(xii) Amount of trust money	For directors: Up to 750 million yen (planned) (including trust fees and trust expenses) For executive officers: 400 million yen (planned) (same as above)
(xiii) Timing of share acquisition	August 2025 (planned) (Excluding the five business days prior to the end of each accounting period (including interim and quarterly accounting periods) up to the end of the accounting period)
(xiv) Method of share acquisition	To be acquired from the stock market or from the Bank (disposition of treasury shares)
(xv) Rights holder	The Bank
(xvi) Residual assets	Residual assets that the Bank as the rights holder can receive shall be within the scope of the trust expense reserve calculated by deducting the share acquisition funds from the trust money.

(Note) The planned period described above may be changed to an appropriate period in light of applicable laws and 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.