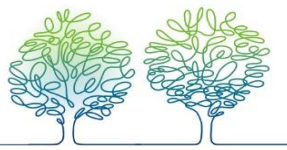


Suruga Bank Mid-term Business Plan

 *Waku Waku Only One*

FY2026 - FY2028



1 . Introduction

- 1 - 1 Corporate Philosophy — Our origin
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 - ▶ Three Management Strategies and Main Achievements
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1-1. Corporate Philosophy — Our origin

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“I’m glad you’re here...
I’m glad we met...”
This perception is our goal.

No matter how much the times change or time passes, we are committed to providing service from the customer’s perspective, staying closely in tune with their everyday lives providing value, and helping our customers lead more prosperous lives.

<Our Ambition>

We aim to serve as a bank that always thinks of customers first in any situation. By genuinely listening to our customers and providing added value like only Suruga Bank can deliver, we aim to be the kind of bank that makes customers feel "I'm glad you're here...I'm glad we met."

To provide customers with truly satisfying service, it is vital for staff who provide these services to feel that their work is meaningful. Thus, we also want to be a company that not only customers, but also staff feel "I'm glad you're here...I'm glad we met."



1-2. Review of Re:Start2025 Phase2 — Three Management Strategies and Main Achievements

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Management Strategy

I. Evolving the Retail and Solution Businesses

We will create **sources of differentiation** founded in resolving AID (Anxiety, Inconvenience, Dissatisfaction) for our customers, leading them to say **"I'm glad you're here...I'm glad we met..."**

II. Building a Sustainable Revenue Structure

We will counteract the decline in the top line due to the collection of existing loans and pivot to a sustainable revenue structure with three measures: **growth of new business revenue through four autonomous profit centers, cost structure reform, and minimizing and stabilizing actual credit costs through higher credit quality**

III. Risk-Taking and Risk Diversification

In accordance with the Risk Appetite Framework (RAF), we will repeat a cycle of active risk-taking and verification in selected areas, diversifying away from our traditional risk structure concentrated in specific real estate areas*¹

*¹Single building income properties (relatively high share of older properties and properties located in regional areas) executed in or before FY2018

Main Achievements

- Cases of **"creating a difference"** by four autonomous profit centers
 - Evolution from product sales to account-based sales; establishment of the wealth advisory division; development of the dental loan market; expansion of small-lot receivables investment, etc.
 - Gross profit from new businesses 7.7 billion yen (FY2022) ⇒ 28.5 billion yen (FY2025)
- Launch of a collaborative business model with a non-bank (Credit Saison)

- Bottoming out of the top line (year-on-year change in core business gross profit):
-4.5 billion yen (FY2022) ⇒ +5.0 billion yen (FY2025)
- Cost structure reform (non-personnel expenses):
22.5 billion yen (FY2022) ⇒ 19.0 billion yen (FY2025)
- Adjusted credit cost ratio: -19bps (FY2023–FY2025 average)

- Share of traditional specific real estate areas in total assets under management (AUM):
40% at end-FY2022 ⇒ 25% at end-FY2025
- Share of New portfolio in total AUM:
15% at end-FY2022 ⇒ 40% at end-FY2025



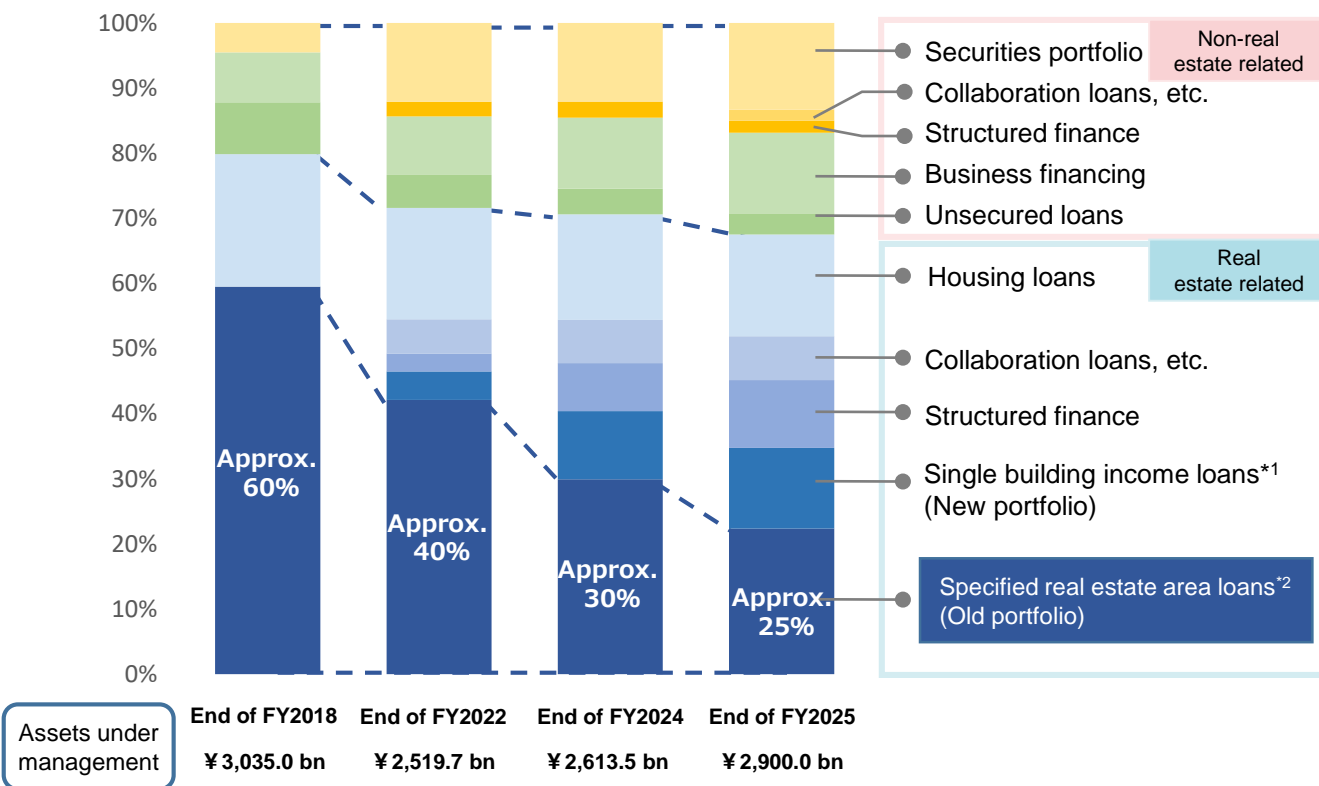
New loan disbursements continued to grow steadily, clearly demonstrating a V-shaped recovery trajectory (+90% growth, FY2025 vs. FY2022)
The share of traditional specific real estate areas in total assets under management declined to approximately 25% (-15 pt vs. FY2022)

Loan Disbursements

		FY2022	FY2023	FY2024	FY2025 Forecast	FY2025 【Revised Mid-Term Business Plan】
Solutions business	Solutions business	36.4	51.7	67.9	94.4	65.0
	Investment real estate loans	47.6	83.0	90.2	103.4	70.0
	Structured finance	72.1	87.9	133.4	158.2	60.0
	Collaboration loans, etc.	79.9	25.8	56.7	96.6	65.0
	Total	236.2	248.6	348.3	452.7	260.0

(billion yen)

Change in composition of assets under management from FY2018 to FY2025



*Solution Business: Housing loans (including corporate housing loans), unsecured loans, etc.
 *Investment real estate loans include corporate investment real estate loans.
 *Structured finance includes specific corporate bonds, etc., and collaboration loans, etc. include securitization of receivables such as purchased monetary claims.

*1 Single building income loans + studio apartment loans + other secured loans + loans for asset management companies, executed after the full-scale rollout of Phase 1 of the mid-term plan
 *2 Single building income loans (relatively high share of older properties and properties located in regional areas), executed prior to the full-scale rollout of Phase 1 of the mid-term plan

1-2. Review of Re:Start2025 Phase2 — KPI Targets and Results

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Achieved KPI targets for all main KPIs and secondary KPIs.

		FY2022	FY2023	FY2024	FY2025 Forecast		FY2025 Revised Mid-Term Business Plan -Announced on April 4, 2024-
Main KPIs	Ordinary profit	¥11.2 bn	¥20.1 bn	¥25.6 bn	¥34.0 bn	>>	¥17.0 bn
	Net income (Consolidated)	¥10.5 bn	¥15.3 bn	¥20.1 bn	¥34.0 bn	>>	¥13.5 bn
	Capital adequacy ratio (Finalized Basel III basis)	11.39%	11.87%	11.27%	10.8%	≒	10% or more (effective)
Secondary KPIs Key action indicators for achieving main KPIs	New business gross profit	¥7.7 bn	¥11.3 bn	¥18.8 bn	¥28.5 bn	>>	¥19.0 bn or more
	Expenses [Ref. Excluding personnel expenses]	¥36.2 bn [¥22.5 bn]	¥35.1 bn [¥21.7 bn]	¥35.2 bn [¥21.6 bn]	¥33.5 bn [¥19.0 bn]	<	¥34.0 bn or less
	Actual credit cost ratio	- 5bps	- 9bps	- 9bps	- 38bps	<<	Approx. 10bps

Note: All figures and indicators are for Suruga Bank non-consolidated unless otherwise stated

1-2. Review of Re:Start2025 Phase2 Stock Price Movement and TSR

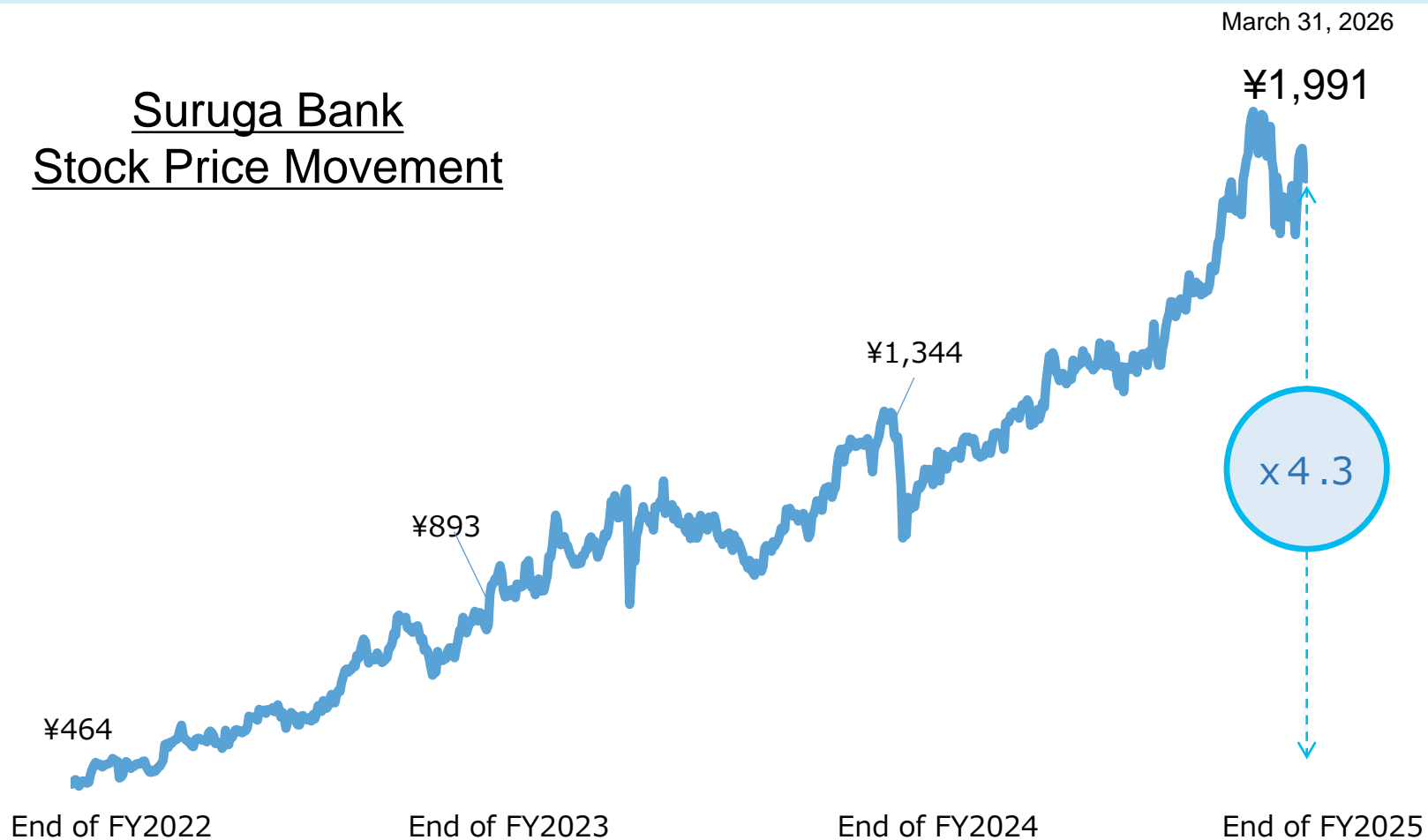
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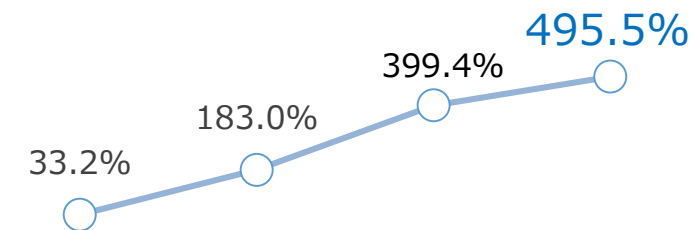
The company's stock price has risen 4.3-fold since the start of the Mid-Term Plan

➤ March 2026 Forecast: TSR (5-year cumulative) 495%, PBR 1.10x, ROE 10.9%

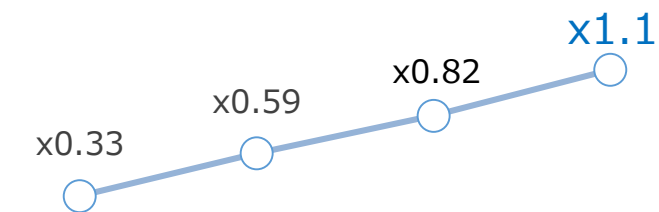
Suruga Bank Stock Price Movement



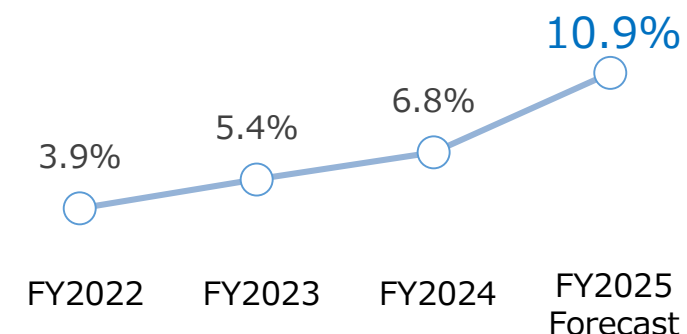
TSR



PBR



ROE



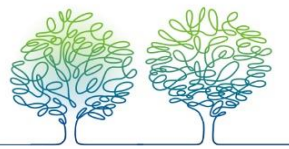
*Stock prices are closing prices, PBR is based on fiscal year-end closing prices, ROE is based on consolidated financial basis (TSE standard) for each fiscal year,

Total Shareholder Return (TSR) is calculated based on the closing price (stock price) at each fiscal year-end using the following formula: (Year-end stock price + Cumulative dividends per share from

4 fiscal years prior to the current fiscal year) ÷ Stock price at the end of the day 5 fiscal years prior

1-3 . Understanding the Business Environment Underlying the New Mid-Term Business Plan Formulation

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Economic Environment

- **Declining birthrate, aging population, and population decline**
Contraction of the domestic market
- **Exit from the deflationary economy Intensifying**
Competition in a “world with interest rates”
- **Uncertainty in the global economy**
Geopolitical risks, inflation, and unstable monetary policies

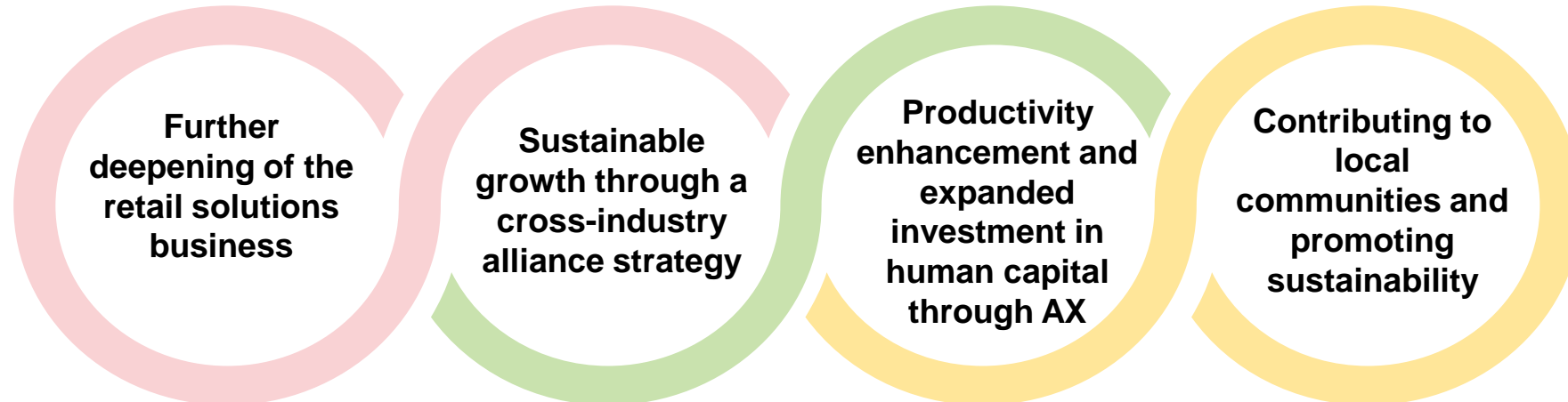
Competitive Environment

- **Regional bank consolidation**
Not only traditional rescue-driven consolidation, but also proactive restructuring aimed at scale expansion, among others
- **Entry by non-financial players**
Market entry by fintech companies and firms from other industries
Significant changes in customers’ lifestyles and consumption patterns

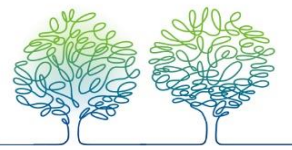
Social Trends

- **Strengthening of financial regulations**
Tightening of customer protection and anti- money laundering (AML), among others
- **Increasing importance of human capital investment**
Given ongoing population decline, a reassessment of human capital strategies and productivity improvements driven by AI are essential

Key Insights Derived from the Environmental Analysis



Interest rate environment assumptions under this plan: the plan assumes a policy rate hike to 1.25% starting in April 2027. The assumed pass-through rates for contracted interest rates are 90% for loans (short-term prime rate), 80% for time deposits, and 40% for demand (liquidity) deposits.



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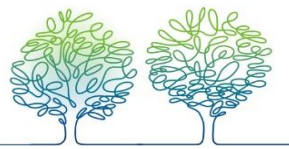
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2-1. New Mid-Term Business Plan Overview and Long-Term Vision

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Corporate Philosophy

**“I’m glad you’re here... I’m glad we met...”
This perception is our goal.**

Long-Term Vision

Every employee committed to embracing the challenge of “creating differentiation,” we transform that effort into excitement (Waku Waku) for our customers and proudly discuss it together. That is the bank we are striving to become—the most exciting bank there is.

**Waku Waku
Only One**

Management strategy of the new mid-term business plan

Management Strategy I

Deepening the Yatsugatake Model — refining differentiation through pivots

By incorporating a “Pivot” perspective into Suruga’s DNA of “Creating a Difference,” we further deepen each domain of the Yatsugatake Model.

Management Strategy II

Sustainable growth through an alliance strategy — from 4 PC to 5 PC

In addition to the four autonomous profit centers, we have positioned the “Alliance Business” as a new engine of revenue growth to accelerate overall growth.

Management Strategy III

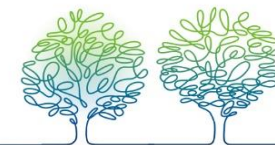
Co-creation with AI — advancing AX with all employees

By engaging with AI, using it as a tool, and ultimately co-creating “difference” with AI as a partner, we will drive AX (AI Transformation) across the entire organization.

2-2. Management Strategy I Deepening the Yatsugatake Model

— Refining Differentiation Through Pivots

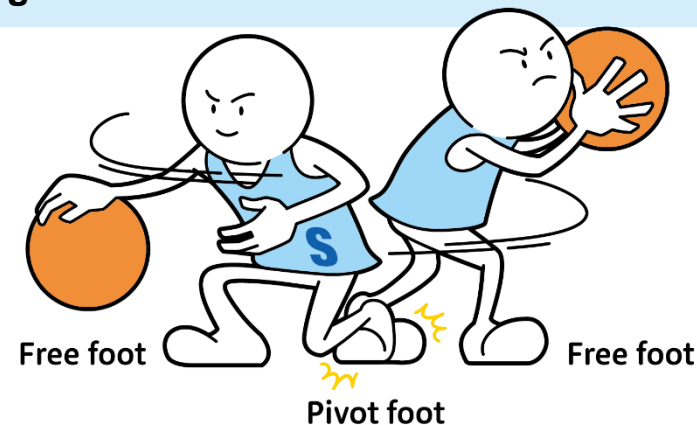
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By incorporating a “pivot” perspective into Suruga’s DNA of “creating a difference,” we further deepen the Yatsugatake Model.

“Pivot” that creates a difference

By making our own strengths the pivot foot, we deepen differentiation by shifting our perspectives and angles.



The “pivot foot” for creating a difference

Community Bank

— Shizuoka, Kanagawa —

The ability to build trust as a “lifelong partner” through long term, multi layered relationships with customers—rather than through single proposals.

Expanding the scope of trust-based relationships from individual customers to include sole proprietors, freelancers, and corporate entities.

Pivot directions and examples

Greater Tokyo/Wide Area Bank

— Tokyo and major Japanese cities

Consultative capability to deliver real estate-related financial solutions tailored to customers with unique needs, including high-net-worth individuals.

Evolution from a real estate company-focused sales approach to a customer-direct model (targeting ultra-high-net-worth individuals and other clients through the Wealth Advisory Department)

Direct Bank

— Nationwide business utilizing digital technologies —

Product and service development capability that leverages a low-cost and highly-adaptable digital platform.

Accelerating digital financial services tailored to customers’ lifestyles by combining AI with our digital platform.

Market Finance Division

— Structured finance, etc. —

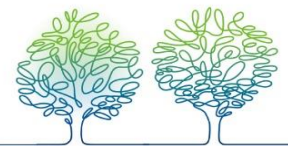
Accurate and swift organizational decision making, execution, and risk management enabled by the development of professional teams.

In addition to our traditional loan areas, the scope is being expanded to include receivables acquisition, asset-based lending (ABL), and loans to large and blue-chip corporations.

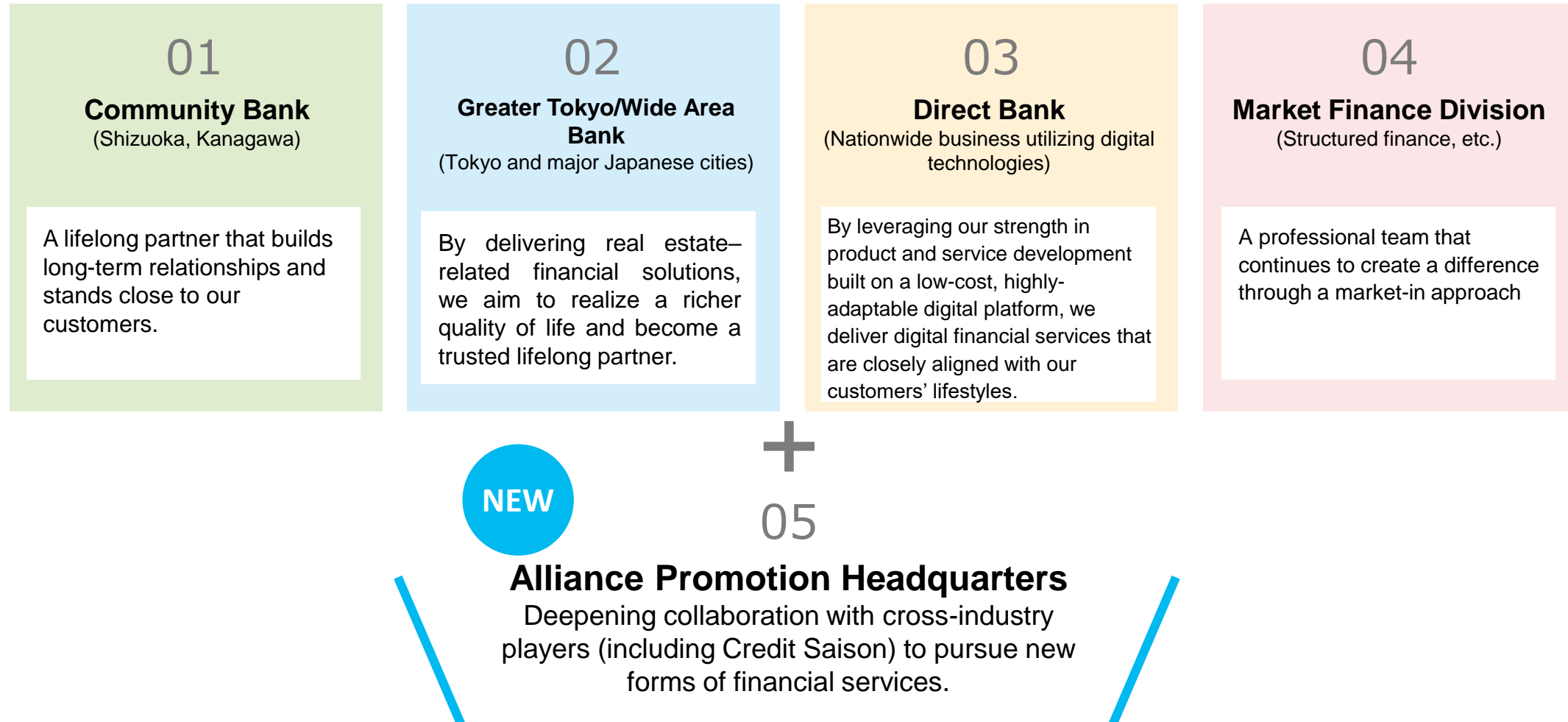
2-2. Management Strategy II Sustainable Growth Through an Alliance Strategy

— From 4 PC to 5 PC

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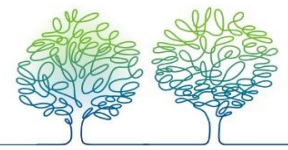
In addition to the four autonomous profit centers, we have positioned the “Alliance Business” as a new engine of revenue growth to accelerate overall growth.



2-2. Management Strategy Ⅲ Co-Creation with AI

— Advancing AX with All Employees

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By engaging with AI, using it as a tool, and ultimately co-creating “difference” with AI as a partner, we will drive AX (AI Transformation) across the entire organization.

Basic Policy

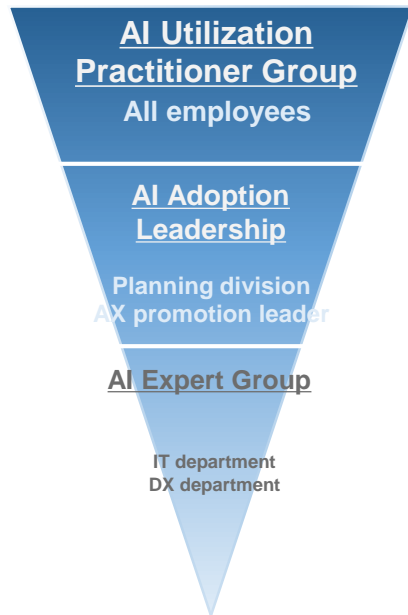
By treating AI as a partner, we evolve the creativity of both our employees and organization while co-creating differentiation.

AI applications to customer services

Cost optimization through operational efficiency

Thorough governance and compliance

AI talent capability enhancement plan —Establishment of an AI talent development training program—



- ✓ Improve operational efficiency by applying AI to daily work
- ✓ Understand basic AI literacy and use AI effectively
- ✓ Establish a user-driven AI promotion framework
- ✓ Analyze business processes and plan and drive AI adoption initiatives
- ✓ Drive the design, in-house development, and operation of the company-wide AI platform
- ✓ Stay up to date with the latest AI technologies and evaluate their potential for business adoption

Company-wide AI basics training

Role-based AI utilization training

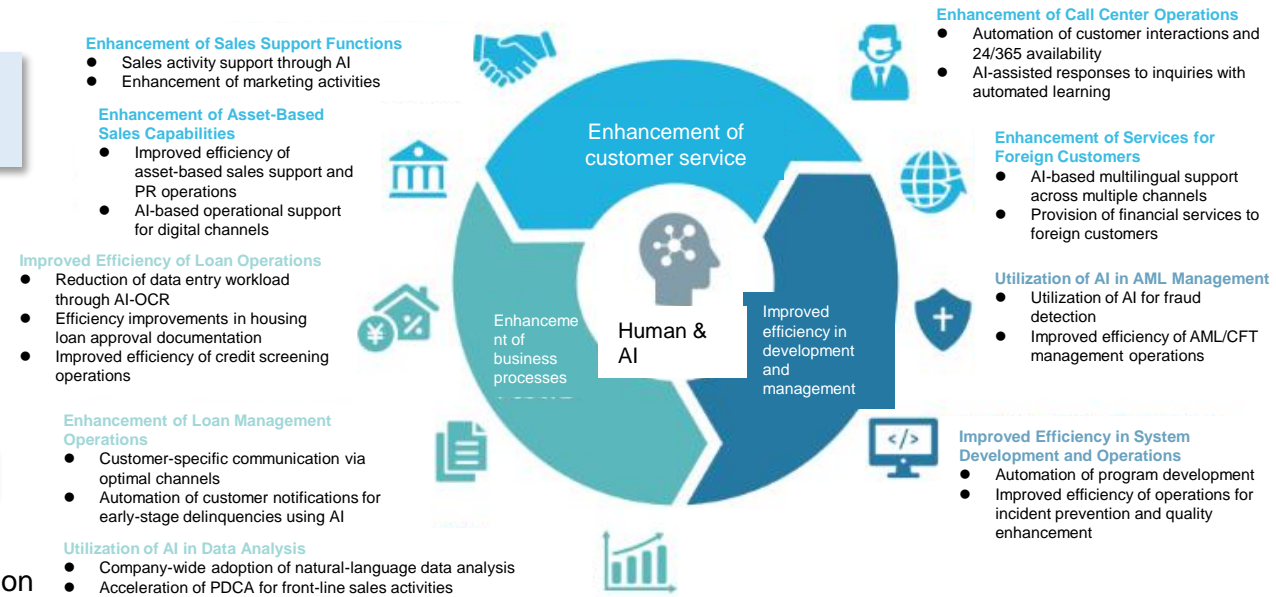
Department-based AI adoption training

Business-specific AI utilization workshop

AI development and modeling

External collaboration and joint research

AX (AI Transformation)



Monitoring Indicators

Enhancement and developing AI talent

AI talent capability enhancement training: 100% participation rate
Number of AI adoption initiatives: 30

Operational efficiency and productivity improvement

Approximately 30% improvement in operational efficiency
(Equivalent to approximately 500,000 hours of work)

2-3. KPI

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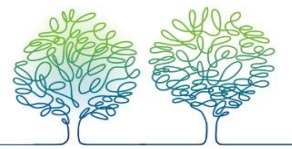
		FY2025 Forecast	FY2028 Plan	Notes
Main KPIs	Ordinary profit	34.0 billion yen	52.5 billion yen	
	ROE (consolidated)	10.9% (After excluding the impact of the tax burden rate 7.8%*)	11.0% or higher	<ul style="list-style-type: none"> On a consolidated basis (TSE standards)
	Capital adequacy ratio	10.8%	Approx. 10% (effective)	<ul style="list-style-type: none"> Target range: 9.5%–10.5% On a non-consolidated basis. If unrealized valuation differences on securities result in a loss, such losses shall be deducted from core capital.
Secondary KPIs Key action indicators for achieving main KPIs	Core gross operating profit	65.0 billion yen	77.0 billion yen	<ul style="list-style-type: none"> Excludes gains from investment trust redemptions
	Core expense ratio (OHR)	51.5%	Approx. 50%	<ul style="list-style-type: none"> Denominator: Core gross operating profit (excluding gains from investment trust redemptions)
	Disclosed non-performing loan ratio	3.9%	In the 2% range	<ul style="list-style-type: none"> Ratio excluding counterparties under structured negotiations that are largely fully-collateralized

ROE value calculated by applying a standard tax burden rate of 31.1%, instead of the estimated FY2025 tax burden rate of Approx.2%.

Note: Items not marked as “consolidated” are figures and indicators for Suruga Bank on a non-consolidated basis.

Reference: New Loan Disbursements

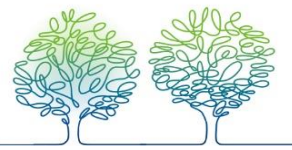
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(Billion yen)	FY2025 Forecast	FY2028 Plan	(Reference) ROA Balance Basis for FY2025/12
Real estate related	3 7 9 . 7	3 8 7 . 0	2 . 3 %
Housing loans	7 9 . 7	7 9 . 0	2 . 1 %
Investment real estate loans	1 0 3 . 4	1 1 5 . 0	1 . 6 %
Non-recourse real estate loans	1 4 1 . 2	1 3 0 . 0	2 . 5 %
Loans to real estate companies	7 . 0	–	1 . 4 %
Collaboration loans, etc.	4 8 . 3	6 3 . 0	1 . 6 %
Non-real estate related	1 5 7 . 0	1 2 3 . 0	2 . 5 %
Other retail loans	1 4 . 4	1 2 . 0	4 . 7 %
Loans to large corporations (including LBO financing)	6 0 . 2	8 2 . 0	1 . 9 %
Loans to business corporations, etc.	3 3 . 9	1 1 . 0	0 . 4 %
Collaboration loans, etc.	4 8 . 3	1 8 . 0	1 . 8 %
Total	5 3 6 . 7	5 1 0 . 0	2 . 4 %

(Notes)

- ROA is calculated based on core gross operating profit, with net interest income, fee income, and fee expenses aggregated in accordance with the Bank's internal management definitions.
- "Housing loans" and "Investment real estate loans" include loans to corporate customers in addition to loans to individual customers.
- "Structured finance," which was a disclosure category up through FY2025, has been reorganized in this table into "Non-recourse real estate loans" and "Loans to large corporations (including LBO financing)."
- "Non-recourse real estate loans" and "Collaboration loans, etc." include specified corporate bonds and monetary claims bought.



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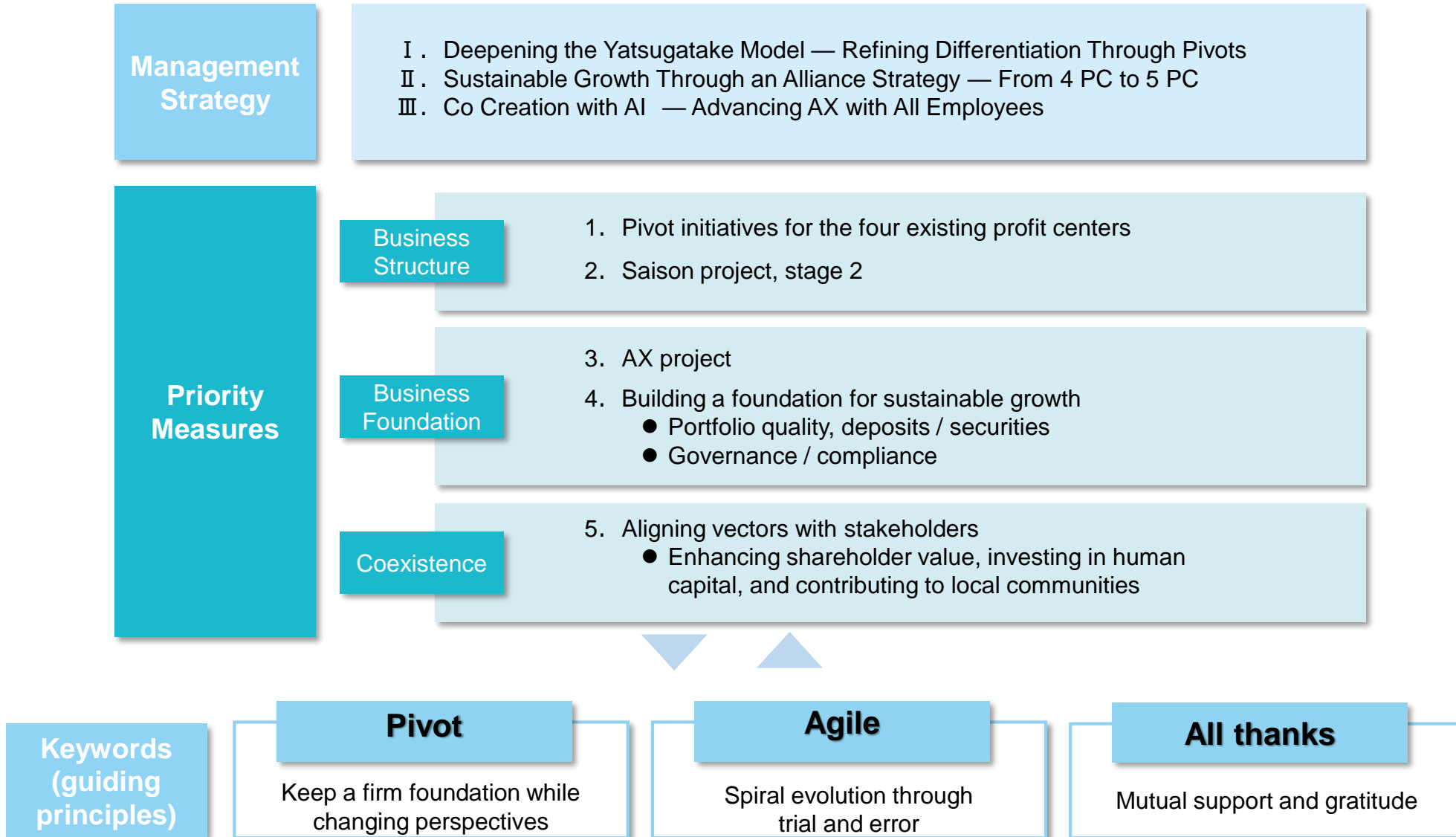
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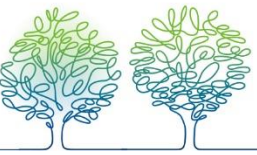
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3. Priority Measure

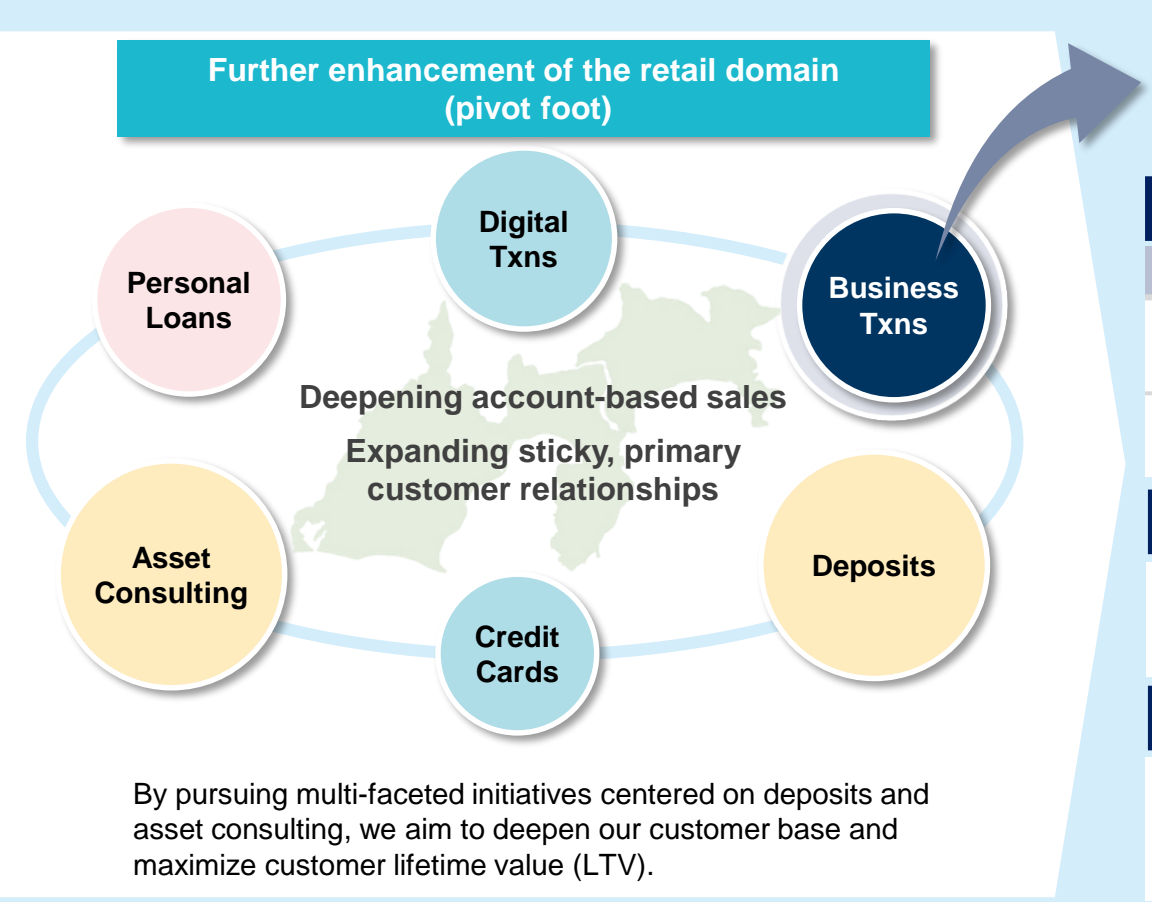


3-1-1 . Priority Measure: Pivot Initiatives for the Four Existing Profit Centers – Community Bank



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Expanding the scope of community contribution from the retail domain (pivot foot) to business management support (free foot), we aim to become a lifelong partner closely supporting our customers through long-term, multi-layered relationships within the community



An integrated strategic approach to individuals and businesses (free foot)

Aim to expand the customer base and enhance customer loyalty through seamless value delivery

I. Targeting aligned with the business environment

Community	Priority Targets	Concrete Actions
Shizuoka	Corporate clients	Alongside corporate clients, we will deploy a comprehensive approach encompassing owners, management, and individual employees
Kanagawa	Sole proprietors and freelancers	Providing a broad range of financial services from retail banking to business management support

II. Strategic organizational setup

- ▶ Refine our sales structure and strategies by concentrating and enhancing resources in line with regional characteristics
- ▶ Frontline information feedback cycle activities and cross-functional collaboration

III. Advancing solution-based proposals

- ▶ Developing talent with high levels of expertise and LP capability, combined with optimal solution proposals through cross-team collaboration*
- ▶ Providing a broad range of proposals and business management support through collaboration with group companies and strategic partners

*Life Planning

Outstanding balance trend of business loans

[Plan]
FY2028-end
148.0 billion yen

FY2025-end
135.8 billion yen

FY2022-end
109.5 billion yen

FY2021-end
104.5 billion yen

Strength of a Community Bank (Customer Base)

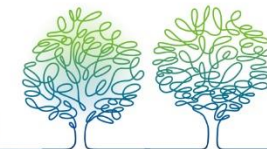
Face-to-face consulting through a community-based branch network

Building trust with customers through long-term, multi-layered relationships

Rapid and flexible, cross-team customer support and full-service banking

3-1-2. Priority Measure: Pivot Initiatives for the Four Existing Profit Centers

– Greater Tokyo/Wide Area Bank



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**We integrate a customer direct model with strong partnerships leveraging a nationwide network of major cities
Advance real estate solutions and strive to become a trusted lifelong partner**

Pivot foot (Strengths / Core foundation)

Sales activities centered on partnerships

Continuous engagement with real estate-related companies nationwide, including real estate brokerage firms and condominium developers

Deepening transactions through stronger relationships with partner companies and existing business clients

Nationwide network of major cities

Leveraging our strength of having bases in major cities nationwide, we meet customer needs across Japan through collaboration among these locations

Developing a lineup tailored to regional characteristics and property types

Free foot (Deepening differentiation)

Building a customer-direct model

A new “Wealth Advisory Department” will be established in 2025
Specialized teams directly engage high-net-worth and ultra-high-net-worth individuals.

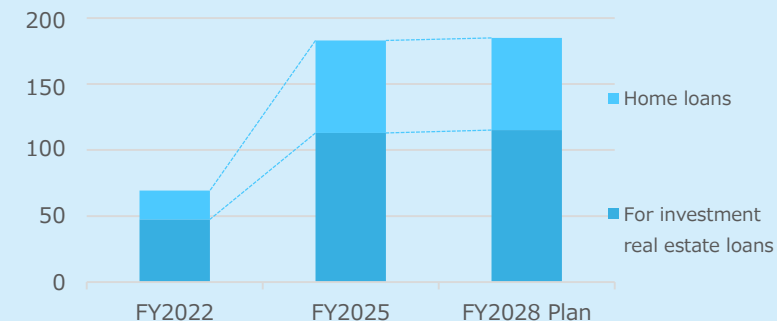
Through direct dialogue, we gain a deep understanding of customers’ needs and deliver optimal solutions. By expanding business with high-net-worth clients, we will further enhance the quality of our loan asset portfolio

Deepening our proprietary real estate solutions

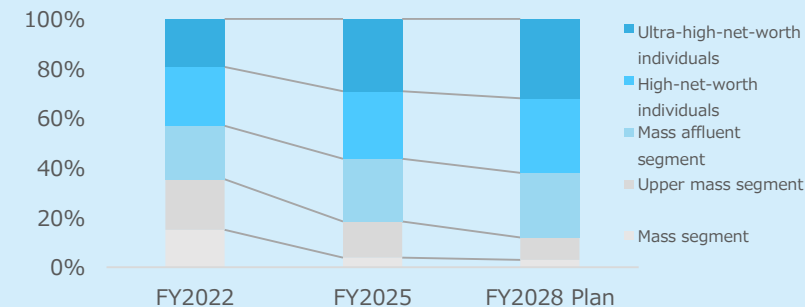
By directly capturing customers’ latent needs, we create proprietary products that respond to a wide range of customer needs, while securing appropriate returns commensurate with risk

(Loan disbursement trends and targets)

(billion yen)



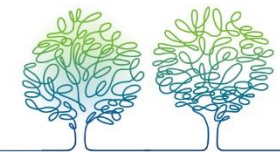
(Trends and targets for the share of disbursement amounts by segment for investment-purpose real estate loans)



Enhancing quality through the expansion of high-net-worth and ultra-high-net-worth transactions

3-1-3. Priority Measure: Pivot Initiatives for the Four Existing Profit Centers

— Direct Bank



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Provision of digital financial services and deployment of a business model aligned with our customers' lifestyles

[Trend and Plan for the Number of New Customer Transactions]*



We will expand differentiated value-added offerings to grow the customer base, while strengthening customer stickiness by deepening transactional relationships.

Shifting the focus of the customer base from quantitative expansion to qualitative deepening, we prioritize enhancing customer stickiness and maximizing transaction volume through deeper engagement in deposit and related services
*Cumulative number of new account openings and new purpose specific loan contracts at the online branch (Cumulative total since FY2022)

Deposits

Suruga bank's online branch tailored to customer needs

Our online branch with a diverse range of alliances

A product lineup with various benefits to meet a wide range of customer preferences



Enhanced security through JPKI and passkeys

Expanding through an app-centric approach that



deepens engagement across both deposits and loans

Enhancing UI/UX through AI-powered automated responses

Unsecured loans

Optimal purpose-specific loans to meet a wide range of needs

A diverse range of "use-case-focused" purpose-specific loans, shown below:

- A direct approach to markets where our offerings resonate
- Partnerships that accelerate co creation
- Risk return management that carefully assesses appropriateness

This enables us to build a sustainable earnings base and a stable portfolio

Three key elements for the sustainable growth of the direct bank



Expanding financial solutions aligned with the customer lifecycle



A proprietary non-face-to-face platform and digital strategy

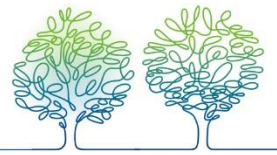


Business process transformation through AI

3-1-4. Priority Measure: Pivot Initiatives for the Four Existing Profit Centers

— Market Finance Division

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While pursuing deeper differentiation in the real estate area with structured finance as our core, we will drive multi-axis expansion into non-real-estate areas. By ensuring rapid, organization-wide decision making and rigorous risk management, we aim to build a high-quality asset portfolio and achieve sustainable growth

Pivot I

A stronger, deeper focus on the real estate sector

By further enhancing our expertise in non-recourse real estate loans, we aim to strengthen our position within the non-recourse real estate loan industry

Pivot II

Responding to securitization needs

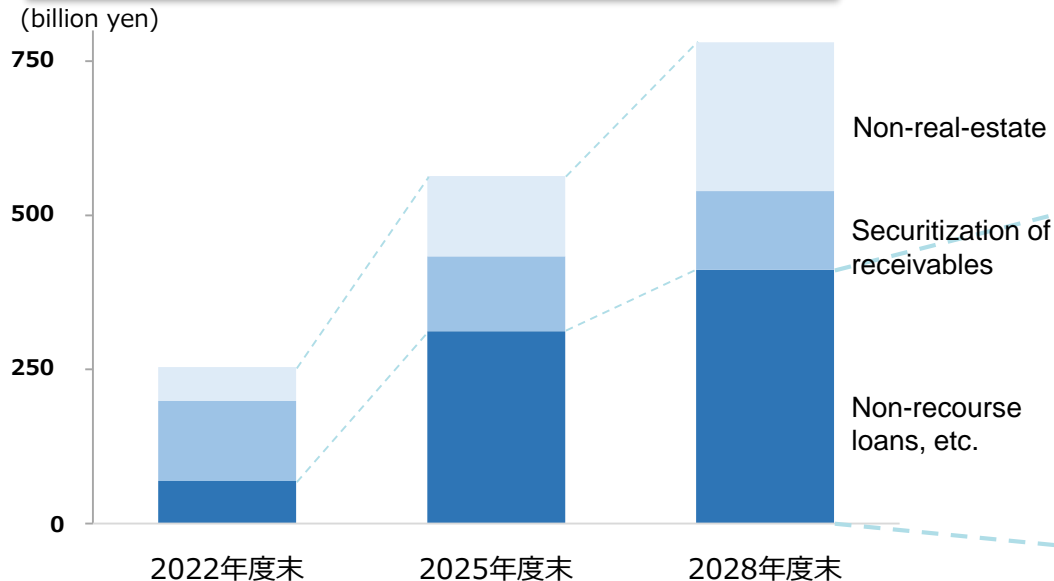
By capturing the growing securitization needs driven by rising interest rates, we will also approach new products through initiatives such as claim purchases

Pivot III

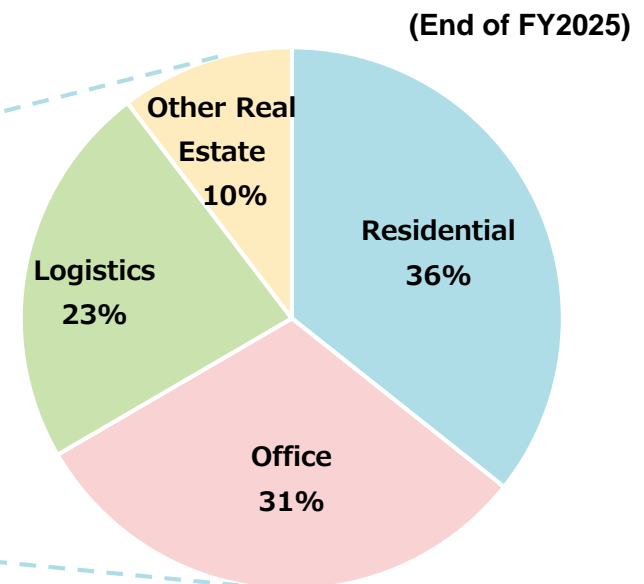
Establishing the corporate business domain

Establish corporate loans, including LBO loans and syndicated loans, as one of the core pillars of our portfolio, while expanding into non-real-estate areas

**Asset Portfolio Balance
(Excluding Market Operations)**

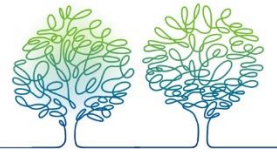


Outstanding Balance of Non-Recourse Real Estate Loans by Purpose



3-2. Priority Measure: Saison Project Stage 2

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Leveraging the synergies between the two companies, we will expand the scope of collaboration beyond lending-related businesses to include funding-related businesses and corporate-focused businesses

Neo Finance Solution Company



Know-how

Resource

Culture

Foundation

Initiatives under the previous mid-term business plan

First Arrow

Loan-related business

Deepening diverse financing needs by leveraging the retail expertise of both companies

Continued promotion of the real estate sector

Expansion of collaboration in non-real-estate sectors

Prioritized under the new mid-term business plan

Second Arrow

Procurement-related business

Expansion of sticky deposits by leveraging the retail bases of both companies

Provision of digital banking services to Saison cardholders

- ▶ Joint development of proprietary services
- ▶ Utilization of data × UX × AI, etc.

Third Arrow

Corporate-related business

Enhancing presence in the SME market by leveraging the resources of both companies

Integration of physical and digital channels (B2B)

- ▶ Mutual coordination of face-to-face sales activities
- ▶ Provision of digital platforms, etc.

Promotion of alliances (B2B2B)

- ▶ Provision of solutions to corporate business alliance partners, etc.

3-3. Priority Measure: AX Project

By embracing AI as a partner in co-creating differentiation, Suruga-unique initiatives aim to enhance customer experience and improve employee productivity

Integration of physical and digital from a senior perspective

Refreshing the UI/UX of digital touchpoints

AI transformation of loan business

Creating warm, cross-generational connections through AI

Delivering a stress-free and comfortable customer experience through AI guidance

Achieving comprehensive operational transformation and efficiency through AI-first process redesign

Evolution toward next-generation branches

Evolution of the CONNECT app

Digitalization and AI utilization in loan application operations



- ▶ Enabling “at-home consultations” and “family consultations” without constraints of time or location [digital support]
- ▶ Delivering new value through collaboration between people and digital/AI at next-generation branches [digital experience]



- ▶ AI analyzes individual customer needs and automatically delivers and recommends optimal information and services
- ▶ Providing a safe and secure digital experience through the latest security and authentication enhancements
- ▶ Offering app features tailored to corporate clients and sole proprietors, alliance partners, and seniors



- ▶ Significantly reduce the time and effort previously spent on document exchanges, improving operational speed
- ▶ Digitalization and AI support for collateral valuation and credit approval documentation
- ▶ Automation and efficiency gains in credit screening through the introduction of AI agents specialized in loan operations

A trusted baton that connects family feelings

A customer experience supported by digital and AI

Enhancement of ongoing loan management operations



- ▶ Providing a senior package (proxy transactions, family information registration, etc.) through an integrated digital × physical approach
- ▶ Providing the CONNECT app, which uses AI to automatically detect changes in transaction behavior and enables families to share peace of mind



- ▶ Seamless in-app onboarding immediately after account opening
- ▶ AI-powered 24/7 support available at any time
- ▶ Delivering a smooth customer experience that promptly resolves “what customers want to know” and “what they want to achieve”

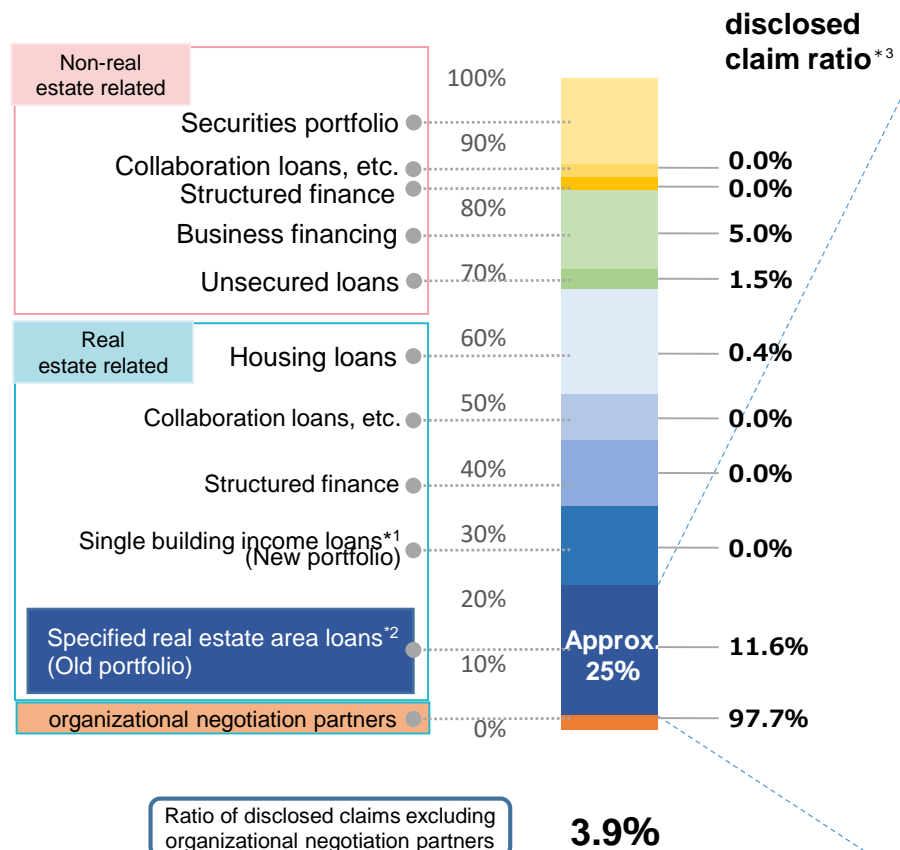


- ▶ Automating routine tasks in loan management operations using AI and other technologies to significantly reduce operational costs
- ▶ Allow employees to focus on higher value-added activities, including customer consulting and other strategic initiatives

3-4-1. Priority Measure: Building a Foundation for Sustainable Growth — Portfolio Quality



Composition of assets under management at FY2025 year-end



Debtor classification	Balance (billion yen)	Preventive and remedial measures	Common
Normal borrowers	191.9	<ul style="list-style-type: none"> ■ Regular review of financial performance 	
Watch-list borrowers	256.9	<p>【To date】</p> <ul style="list-style-type: none"> ○ Identification of Materialized Risks (Ongoing Monitoring) <p>【Going forward】</p> <ul style="list-style-type: none"> ○ In addition to the above, proactive dialogue and proposals with customers, taking potential risks into account <ul style="list-style-type: none"> • Sharing future risks and consulting on appropriate countermeasures (e.g., optimization of repayment plans, support for voluntary sales, etc.) 	<ul style="list-style-type: none"> ■ At least one on-site inspection of properties and tenants per year ■ Measures to maintain and enhance property profitability ■ Rebuilding property profitability and formulating exit strategies
Management-concern borrowers and below	73.0	<ul style="list-style-type: none"> ○ Consultation on normalization and debt reduction plans, including collaboration with a diverse range of external specialists 	

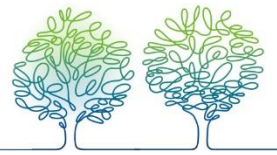
*1 Single building income loans + studio apartment loans + other secured loans + loans for asset management companies, executed after the full-scale rollout of Phase 1 of the mid-term plan

*2 Single building income loans (relatively high share of older properties and properties located in regional areas), executed prior to the full-scale rollout of Phase 1 of the mid-term plan

*3 The disclosed claim ratio represents the proportion of disclosed claim value relative to the outstanding balance for each category

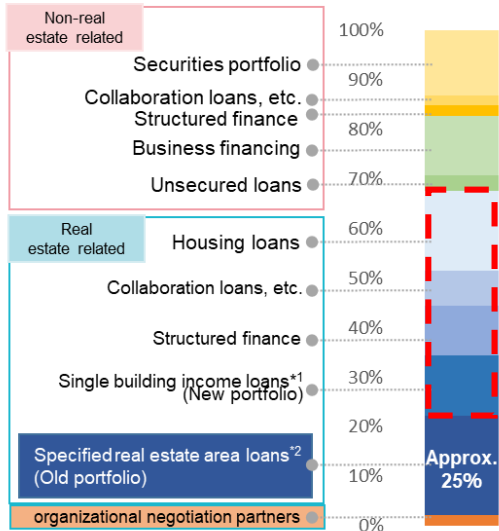
While further reducing the share of higher risk loans in specific real estate areas, we aim to improve credit quality by lowering the disclosed claim ratio (excluding counterparties under structured negotiations) to the low 2% range by the end of FY2028

3-4-1. Priority Measure: Building a Foundation for Sustainable Growth (Portfolio Quality)



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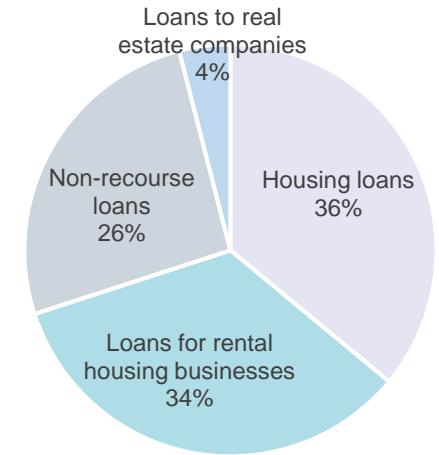
Composition of assets under management at FY2025 year-end



Initiatives for real estate-related loans by category in the New portfolio

Rather than simply capturing the overall volume of real estate risk, risks are classified into four categories based on their characteristics, and effective real estate risk management is implemented in each domain (see table below)

Composition ratio of the four categories of real estate-related loans in the New portfolio (As of the end of FY2025)



Category	Content	Key risk factors			Risk control
		Real estate price	Rent trends	Creditworthiness of borrowers	
① Housing loans	Loans for the purchase of residential real estate	△	—	◎	We flexibly assess customers by conducting a multifaceted analysis of each individual's life plan (including household circumstances) and asset position. At the same time, by utilizing external guarantees (Credit Saison guarantees), we achieve both broader outreach to a wide range of customer segments and effective risk diversification.
② Loans for rental housing businesses	Investment use for individuals and asset management companies Loans for the purchase and construction of real estate	△	◎	○	Based on future cash flow projections derived from DSCR assessments utilizing both internal and external data, we objectively evaluate the future income and expenditure outlook of the property. In addition, we comprehensively assess overall creditworthiness by examining investors' career backgrounds (including professional history, employer, salary, and executive compensation) as well as their risk tolerance (secondary income streams including real estate income and financial assets held).
③ Non-recourse loans	Structured finance (non-recourse) loans for professional real estate investors, primarily domestic and overseas funds	◎	◎	—	As a basic principle, we maintain the LTV (Loan to Value) ratio at 75% or below and conduct a multifaceted review encompassing investor attributes, property attributes, contractual compliance requirements (covenants), and various quantitative indicators. In addition, we perform stress testing that assumes sudden changes in market conditions and conservatively assess potential loss trigger points.
④ Loans to real estate companies	The following loans to real estate companies: Acquisition funding / Development funding (construction loans) / Working capital loans / Acquisition funding including other investment purposes	◎	◎	△	Under a restrained stance, in addition to conducting detailed reviews of individual transactions, we implement comprehensive risk monitoring measures, including setting upper limits.

※ Key risk factors ◎ : Strong correlation ○ : Correlation △ : Certain impact

Reference: Status of responses to the Apaman issue

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■ Status of Cases Filed for Civil Mediation by the SI Defense Counsel — Settlement reached for all 600 properties subject to the proceedings

- ▶ Mediation recommendations for both “Eligible for Compensation Payments” (193 properties / Total Compensation Amount: 12.1 billion yen) and “Not Eligible for Compensation Payments” (407 properties) were accepted by both parties, and **mediation was reached for all properties** subject to the proceedings.
- ▶ Approximately four years after the filing in February 2022, following the court’s diligent and comprehensive deliberation process, the **civil mediation concluded on March 17, 2026**.

Reference: Overview of the Mediation Recommendation accepted by both parties regarding the “Not Eligible for Compensation Payments” cases

- (Both parties) agree, **on the premise that no wrongful act has been established**, ...to **seek resolution through an amicable settlement**
 - (Suruga Bank) **commits to presenting support measures in accordance with the declaration made at the joint press conference**
 - However, **both parties agree that the application of these support measures is premised on the assumption that no wrongful act has been established**
- ▶ Of the 407 properties classified as “Not Eligible for Compensation Payments,” **settlement agreements including repayment plans** have already been completed for 133 properties.* Discussions tailored to the individual circumstances of each customer are ongoing for the remaining properties. *As of April 20, 2026

Future Actions: A response tailored to individual circumstances based on the court’s mediation outcome.

Based on the court’s mediation outcome, the Bank’s policy is to continue making its best efforts to propose appropriate repayment plans tailored to the individual circumstances of each customer.

Reference: Financial Impact — 100% coverage ratio for the subject loans

Organizational negotiation partners among Financial Reconstruction Law disclosed claims

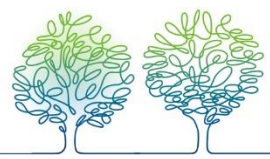
As of March 31, 2026
(billion yen)

	Balance	Total coverage amount	Coverage components		Coverage ratio
			Portion secured by collateral or guarantees, etc.*	Allowance for loan losses	
Organizational negotiation partners, etc.	60.6	60.6	27.1	33.5	100%

*While collateral valuations for loan-related claims typically use 90% of the value calculated by the cost approach, etc., these figures represent 100% of such valuations. For income-generating properties securing investment real estate loans, the ratio of claim transfer amounts to collateral value in past claim transfers has exceeded 200%.

※For details regarding the properties in scope and the counting method, etc., please refer to the report published on April 23, 2026, “Progress on Resolution of the Apaman Issue (as of April 20, 2026)”.

3-4-2. Priority Measure: Building a Foundation for Sustainable Growth



—Deposits / Securities

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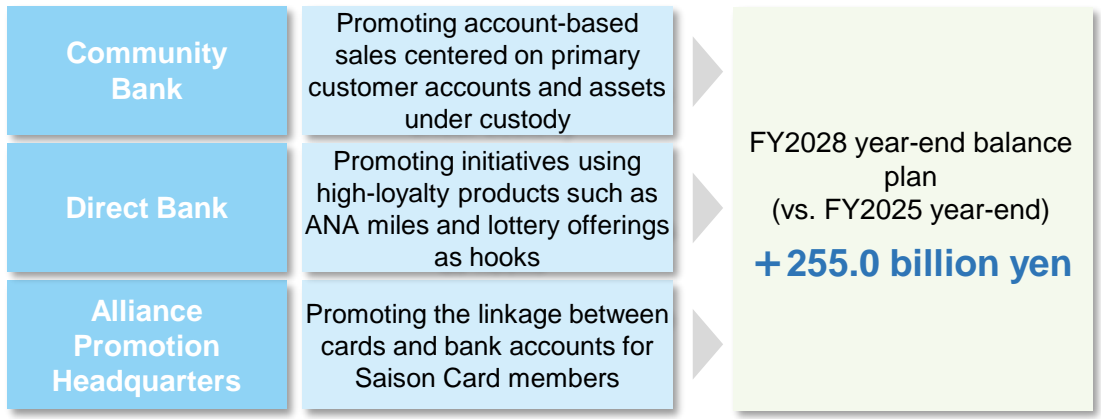
Strengthening highly sticky deposits through deeper customer engagement and stable securities investment

Deposit strategy

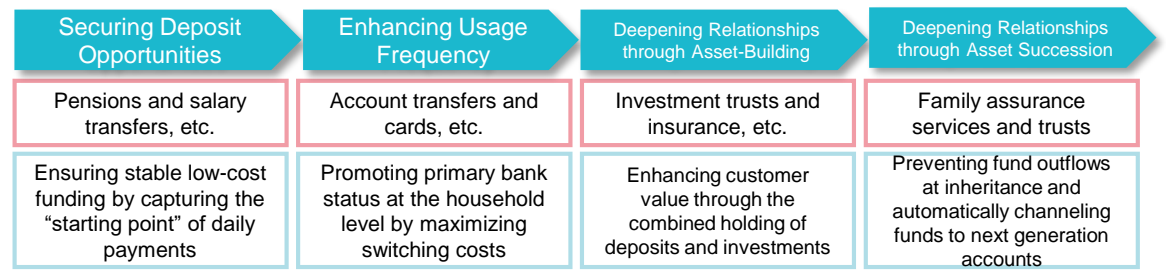
Implementation policy

In a world with interest rates, where the importance of a stable deposit customer base is increasing, we are strengthening initiatives focused on “sticky deposits” built on deep transactional relationships with customers.

Leveraging diverse customer touchpoints



Deepening transaction relationships through account sales



Securities investment strategy

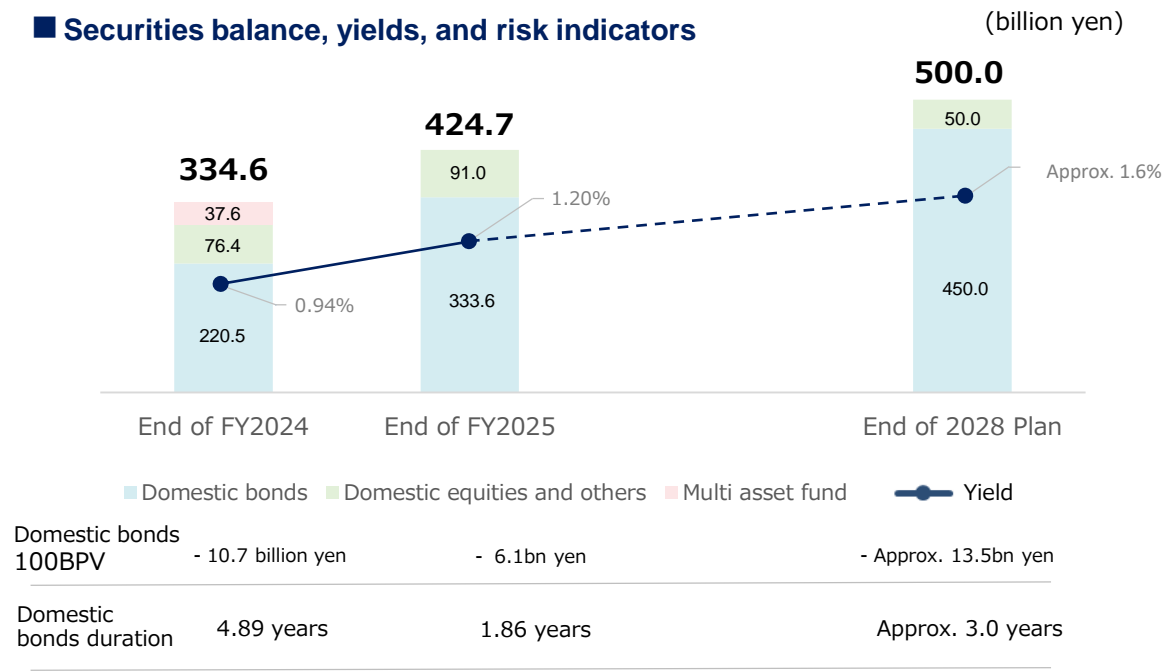
Implementation policy

Emphasis on flexibility, stability, and liquidity

Basic strategy

- The basic approach is to accumulate yen-denominated bonds.
- Duration is managed based on an assumption of a gradual rise in interest rates.
- Short-term fund management using call loans, commercial paper (CP), and repo transactions.

Securities balance, yields, and risk indicators



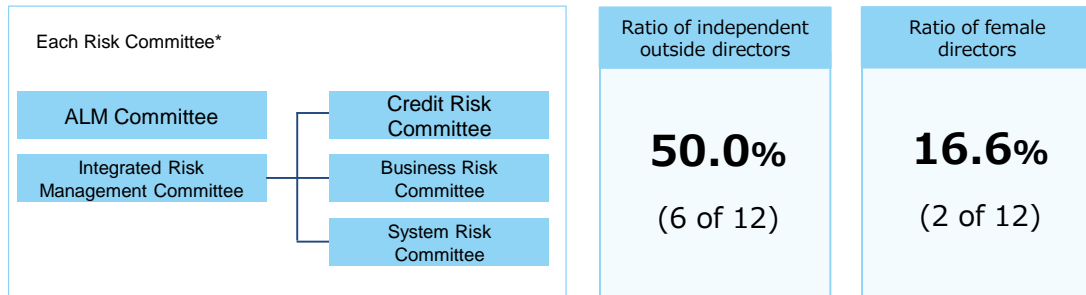
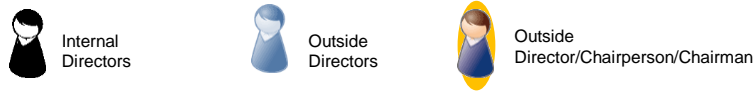
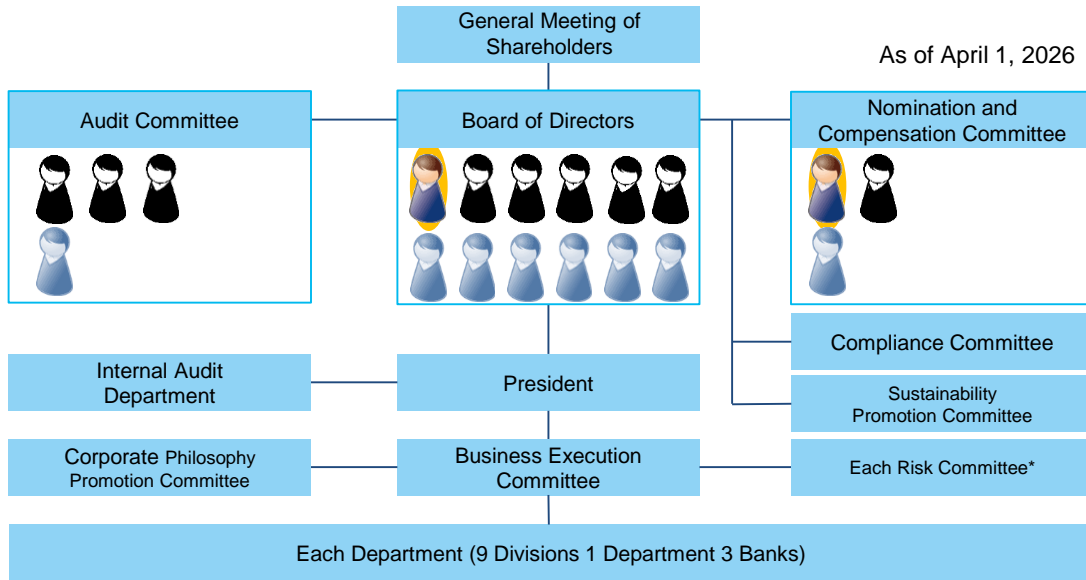
3-4-3. Priority Measure: Building a Foundation for Sustainable Growth

—Governance / Compliance



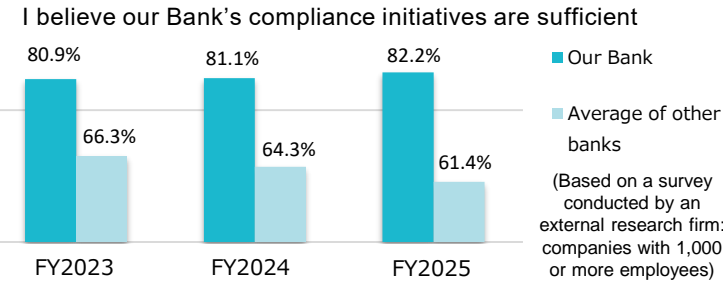
Establishing a strong governance framework as a foundation for sustainable growth Maintaining a high level of employee compliance awareness and further enhancing it through the company-wide, unified implementation of various initiatives

Corporate Governance Structure Chart



Compliance initiatives

Compliance awareness survey



Company-wide session

To further foster compliance awareness, simultaneous sessions were conducted across all departments, offices, and branches under a company-wide unified theme. The content of these sessions was shared with the executives.

Two-way communication

By fostering two-way communication through direct dialogue with the executives, the momentum for promoting compliance is strengthened.

Monitoring Indicators

Agreement rate with the statement "I believe the company's initiatives toward compliance are sufficient" in the compliance awareness survey	85% or more
---	--------------------

Measures to address financial crime and money laundering

Ultimate objective of anti-money laundering and related measures

By ensuring the soundness and safety of the services we provide and the financial infrastructure functions in which we are involved, we aim to protect our customers' valuable assets and become a trusted presence—one where customers can genuinely say, "I'm glad you're here... I'm glad we met."

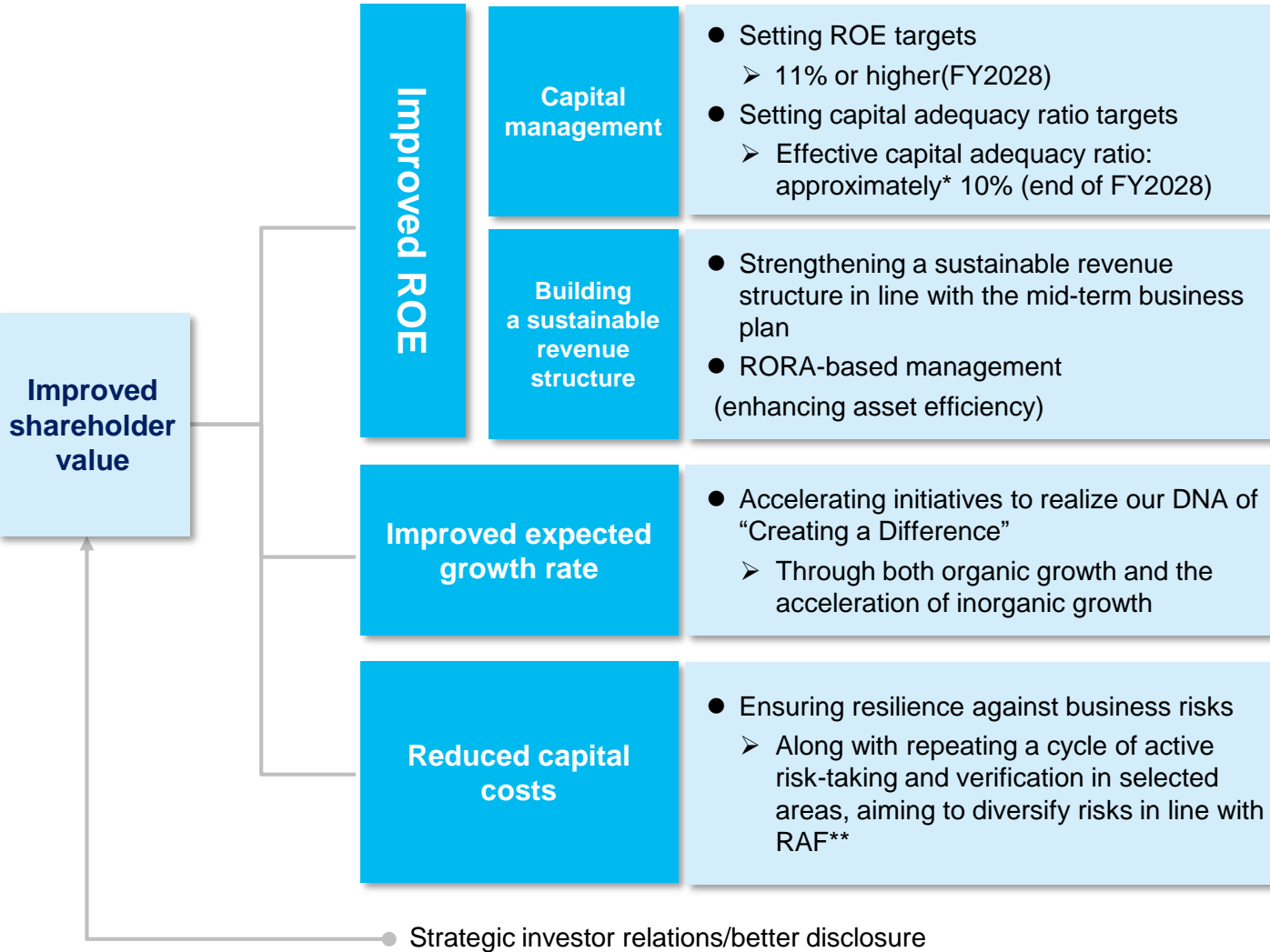
Key factors

- Management commitment
- Verification of the effectiveness of risk mitigation measures
- Timely and appropriate reporting of suspicious transactions

3-5-1. Priority Measure: Aligning Vectors with Stakeholders —Enhancing Shareholder Value



Framework for enhancing shareholder value

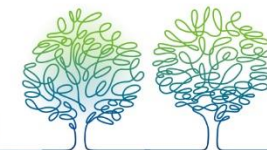


Main initiatives

- **Implementing proactive shareholder returns with ROE targets and capital adequacy ratio targets firmly in mind**
- **Reduction of cross-shareholdings**
- Driving growth in core business gross profit through five profit centers
- **Promoting RORA-based management**
- Minimizing and stabilizing actual credit costs through higher credit quality
- Improvement of the loan-to-deposit ratio (enhancing funding efficiency through liquidity management)
- Pioneering blue oceans through pivoting (maintaining a firm strategic focus while shifting perspectives)
- Creating a Neo Finance Solution Company through the evolution of the alliance with Credit Saison
- Proactive investment in AX, people, and local communities
- Improvement of external credit ratings
- Enhancement of interest rate and real estate risk management
- Promotion of ESG and SDGs initiatives
- On a non-consolidated basis. If unrealized valuation differences on securities result in a loss, such losses shall be deducted from core capital
- ** Risk appetite framework

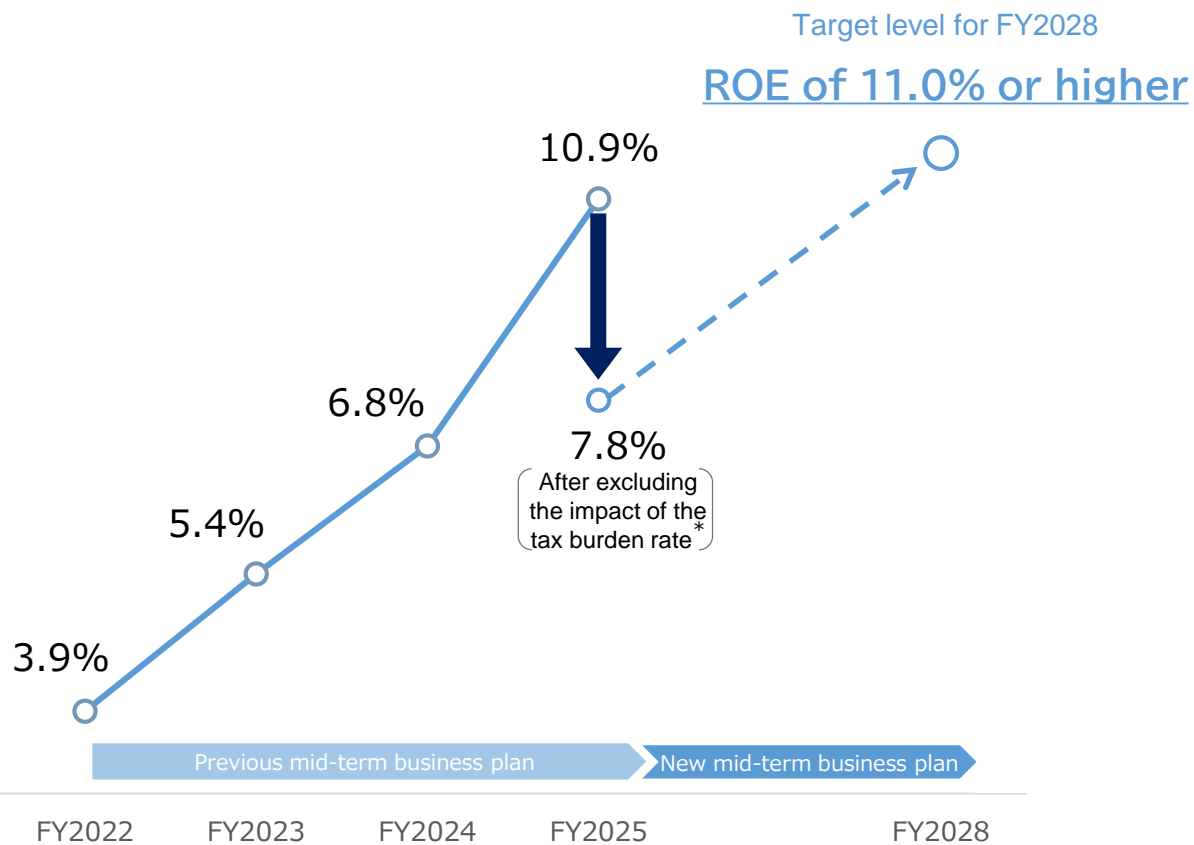
ROE Targets and Capital Adequacy Ratio Targets

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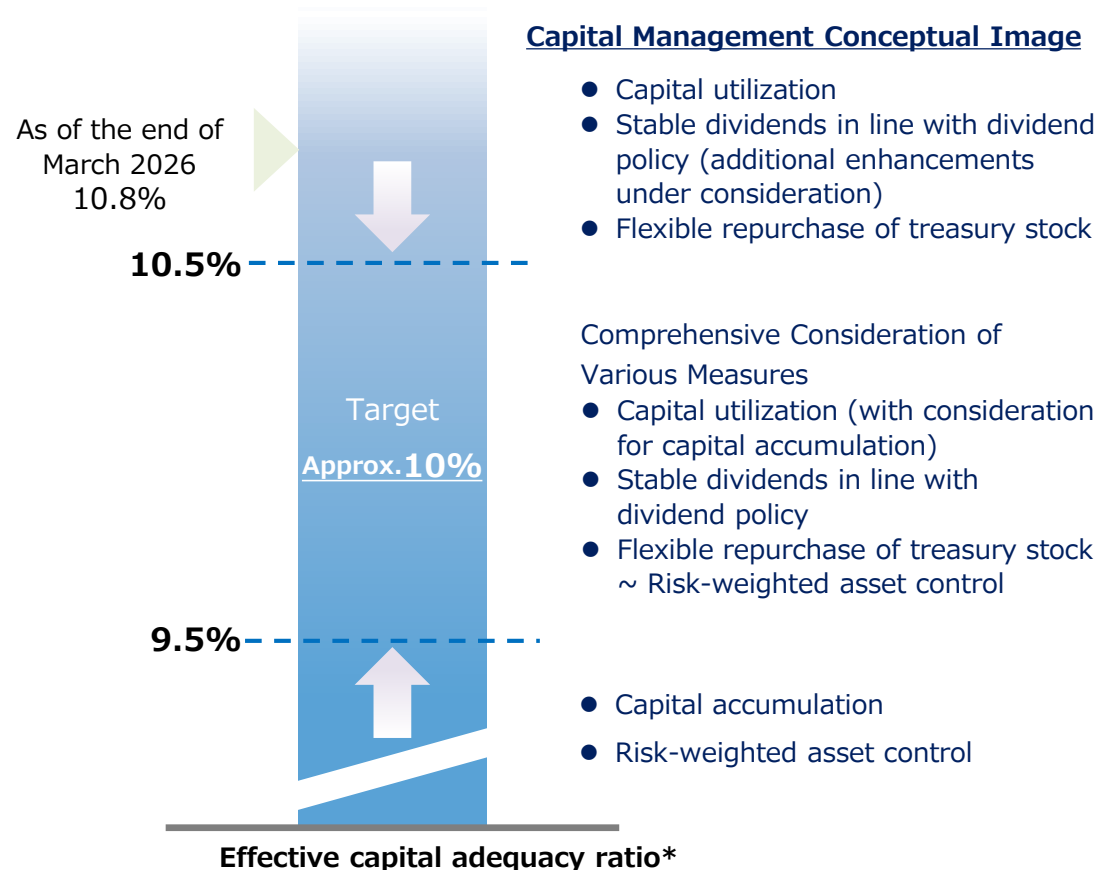
- We have set “ROE of 11% or higher” as the FY2028 target level and will steadily improve ROE throughout the period of the new mid-term business plan.
- In addition, we have set the target capital adequacy ratio at approximately 10% and aim to balance the maintenance of financial soundness with proactive shareholder returns.

ROE trends and mid-term targets



ROE value calculated by applying a standard tax burden rate of 31.1%, instead of the estimated FY2025 tax burden rate of Approx. 2%.

Capital adequacy ratio target (end of FY2028)



- ※ On a non-consolidated basis. If unrealized valuation differences on securities result in a loss, such losses shall be deducted from core capital
- Note : Capital Adequacy Ratio Target Range = 9.5%~10.5%

Shareholder Returns – Basic policy on shareholder return

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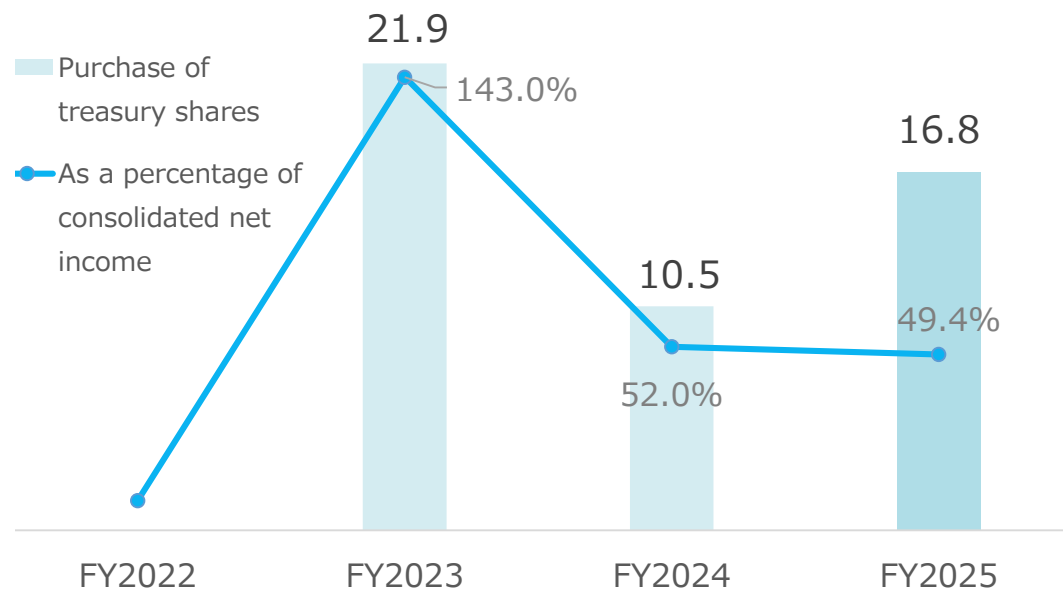


With ROE targets and the capital adequacy ratio target in mind, we will carefully assess the optimal balance between capital soundness and investments for growth, and pursue enhanced shareholder returns.

Treasury Stock Repurchase

As a shareholder return policy that contributes to improved capital efficiency, implementation will be conducted flexibly, taking into consideration business performance and capital conditions, growth investment opportunities, and market environment including stock price.

(billion yen)



- “Announcement Regarding the Establishment of a Quota for the Repurchase of Treasury Stock” published on April 24, 2026

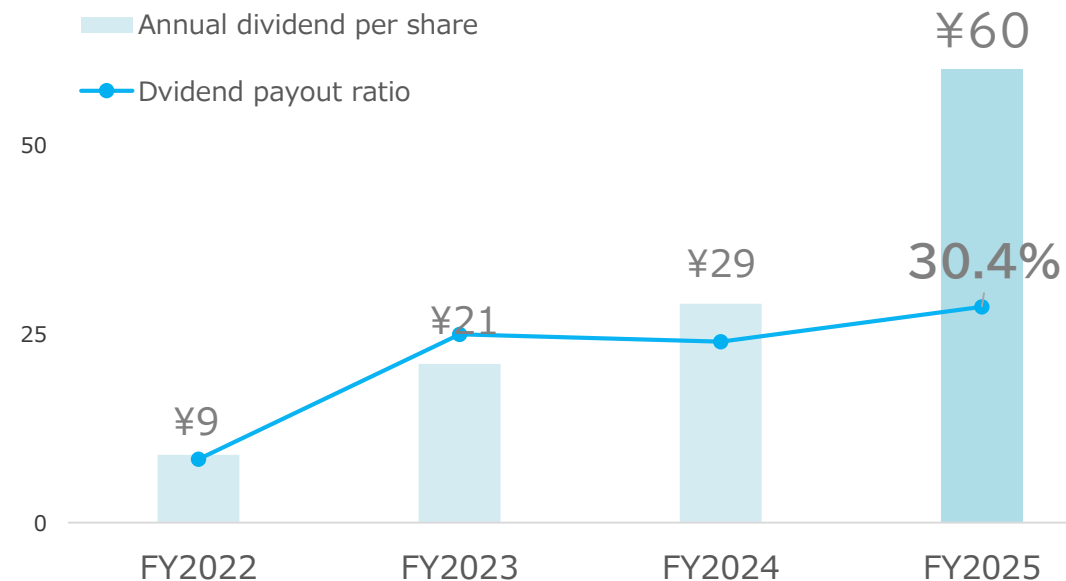
Plan Total number of shares to be acquired: 5,000,000 shares (maximum)

Total acquisition cost: 12,000 million yen (maximum)

Acquisition period: May 15, 2026 to December 31, 2026

Dividend

Our basic policy is to maintain stable dividends targeting a dividend payout ratio of approximately 30%



- “Announcement Regarding Revision of Earnings Forecast, Expected Differences from Previous Year’s Results, and Revision of Dividend Forecast (Dividend Increase)” published on April 24, 2026
Annual Dividend Forecast : ¥44 (Previous forecast) → ¥60 (Revised Forecast)

■ Cross-Shareholding Reduction Initiatives



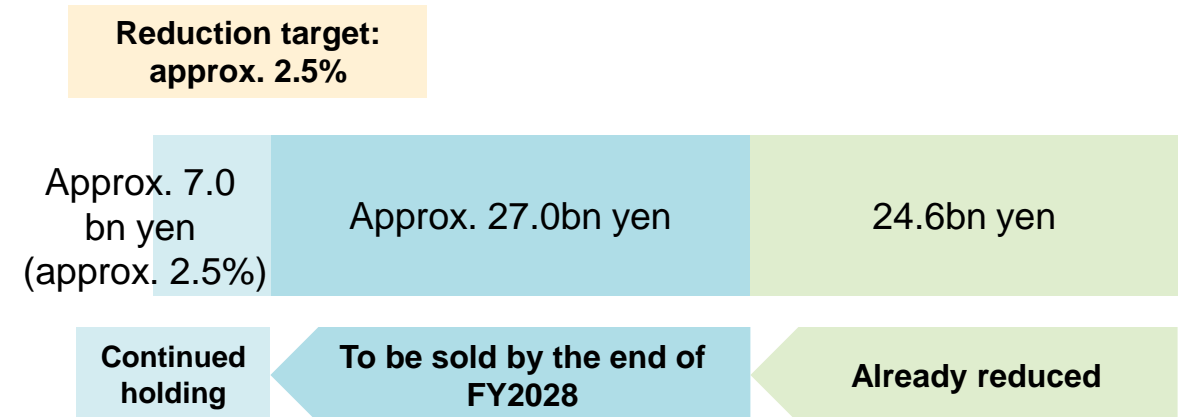
Policy on Cross-Shareholdings

- The Company's policy is to reduce the balance of cross-shareholdings after sufficient dialogue with business partners.
- The Company will hold cross-shareholdings when it is determined that they contribute to the medium- to long-term enhancement of corporate value from the perspective of building stable medium- to long-term business relationships with business partners, business alliances, and the smooth development and strengthening of alliance businesses.
- The Board of Directors verifies the significance, medium- to long-term economic rationality, and future prospects of all cross-shareholdings, and determines the appropriateness of holding them.
- When a business partner holding shares of the Company as a cross-shareholding requests to sell the Company's shares, the Company will not hinder the sale by suggesting a reduction in transactions with that company or imposing other restrictions on transactions.

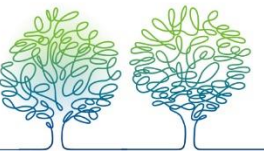
Cross-Shareholding Reduction Target

- Given that synergies from the capital and business alliance are being realized and further expansion of collaborative areas is expected going forward, Credit Saison shares are to be strategically held on a continuing basis.
- With respect to cross-shareholdings other than Credit Saison shares, the Company aims to reduce the total balance sheet carrying amount to approximately 2.5% of consolidated net assets by around the end of FY2028.

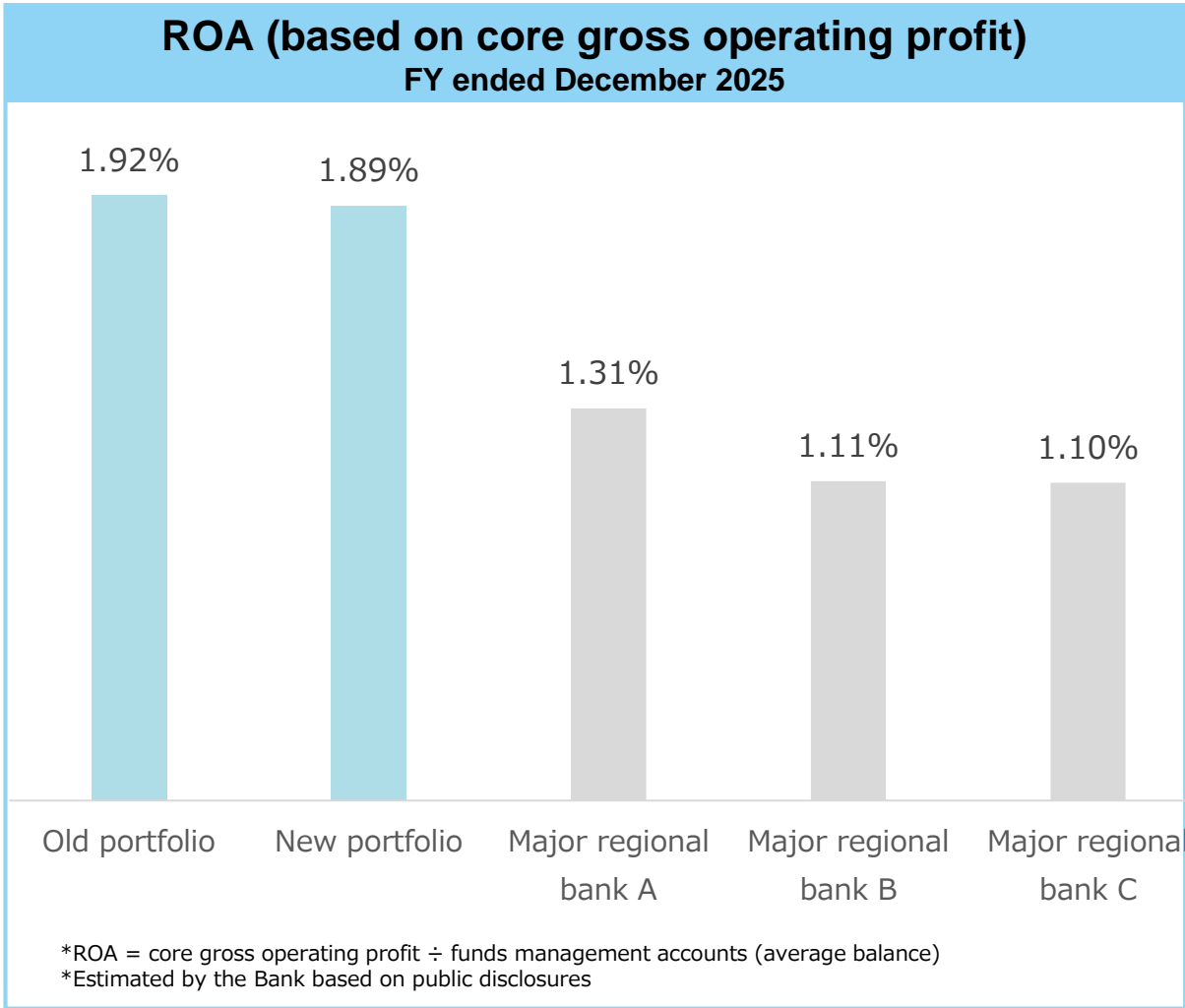
Status of the reduction of cross-shareholdings (excluding Credit Saison shares)



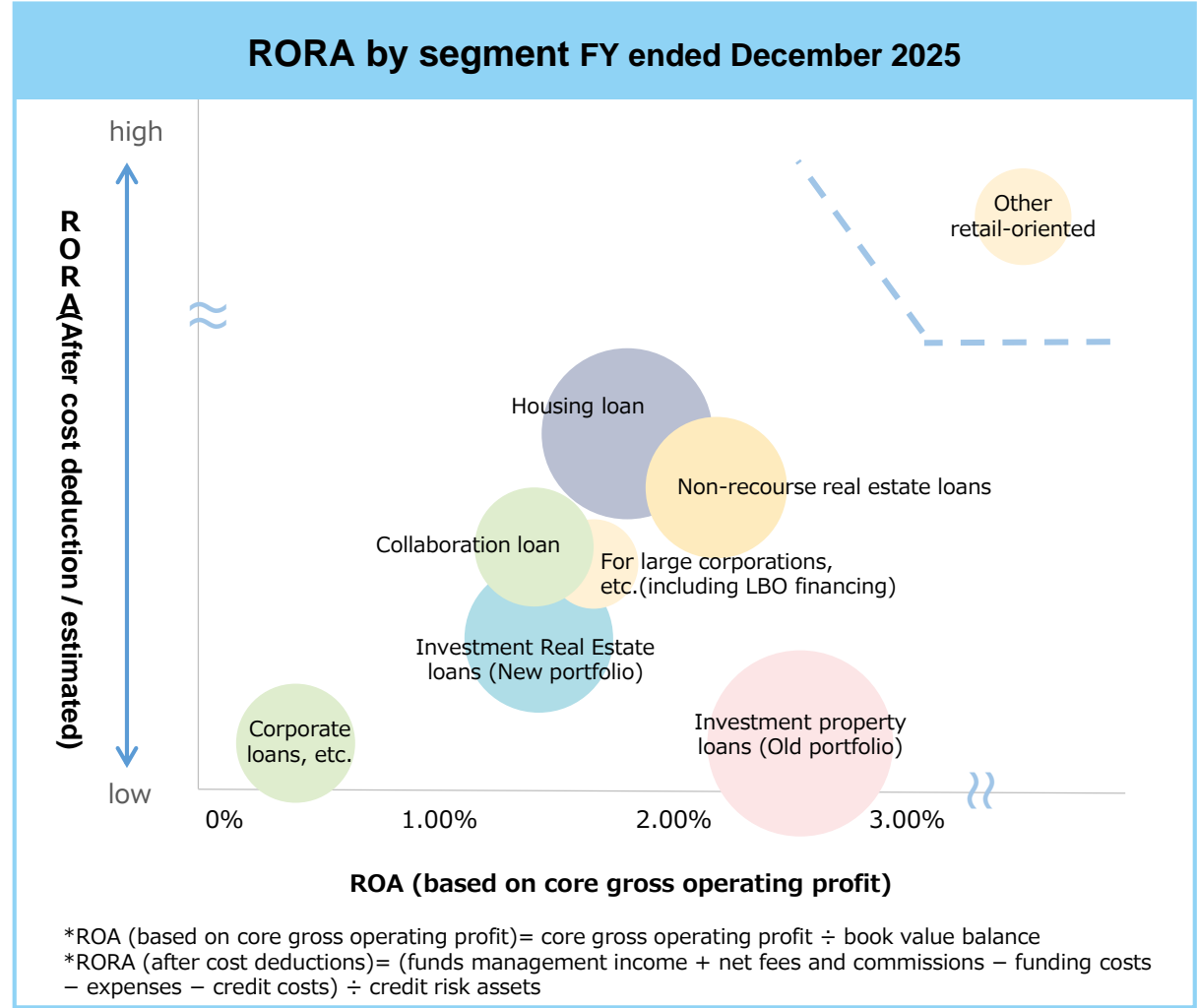
Note: "Already reduced" refers to the results of initiatives implemented during the previous mid-term business plan period (FY2023–FY2025), including deemed shareholdings.



■ Promotion of RORA-Based Management



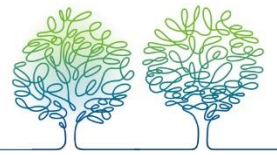
- As the runoff of the Old portfolio (high-risk, high-yield) progresses, downward pressure on revenue will continue; however, the New portfolio has secured a comparable level of ROA.



- Focusing on low-RORA segments, deal selection is conducted based on profitability × risk levels (promoting RORA-based management).

3-5-2. Priority Measure: Aligning Vectors with Stakeholders

— Investing in Human Capital



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Deploying human capital initiatives integrated with management strategy to enhance sustainable corporate value Spreading a sense of excitement (“Waku Waku”) throughout the organization and working to build a strong team where people with diverse areas of expertise come together

Monitoring Indicators

Item	Target
Engagement Score* (FY2028)	70 or more
Human Capital Investment Amount (3-Year Cumulative)	1.0 billion yen or more
Number of Certified Professionals (3-Year Cumulative)	500 people or more

* Overall score of the engagement survey “Wevox” provided by Atræ, Inc.

FY2025 Wage Increase Results	Regular pay raise and Base Salary Increases	Total Compensation Basis*
Average Wage Increase Rate (General Employees)	5.5% or more	7.5% or more

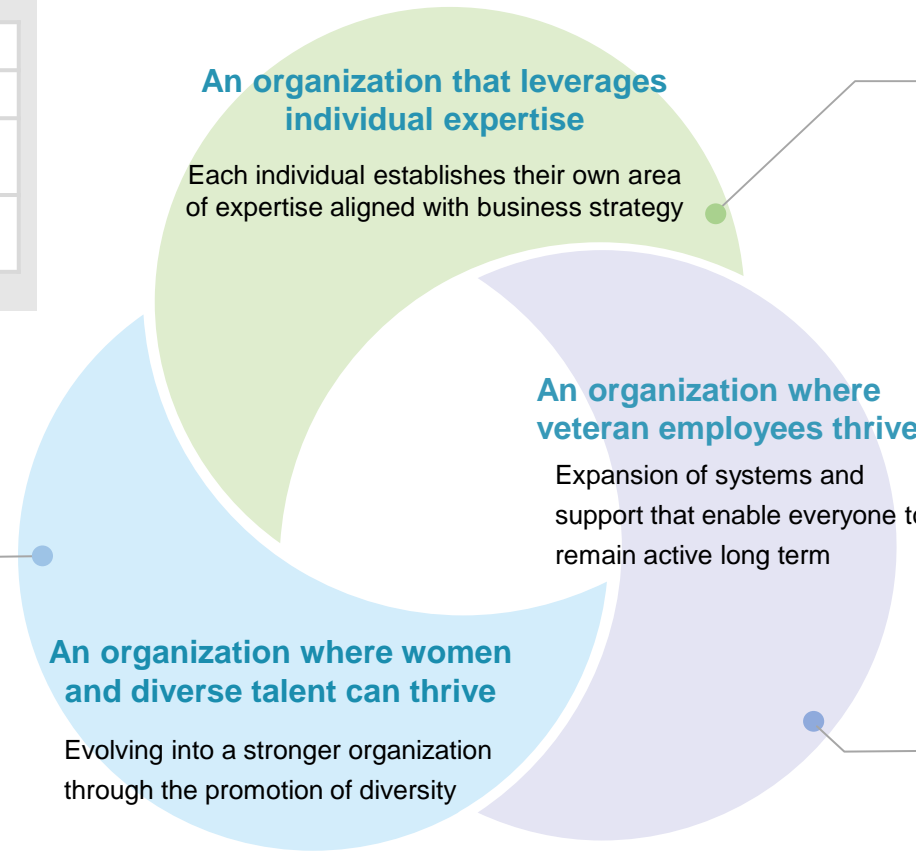
*Includes regular pay raises, base salary increases, bonuses, and one-time payments, etc.

Promotion of women’s advancement (promotion of DE&I)

- Expansion of opportunities for women’s advancement
- Promotion of women’s advancement projects and external networking initiatives
- Implementation of DE&I training programs, including unconscious bias training

Securing a diverse talent pool

- Building diverse recruitment channels
- Providing training to strengthen bonds and opportunities for Cross-departmental interaction



Talent development centered on professional expertise

- Provision of talent development programs to strengthen individual areas of expertise
- Strategic talent development through certification programs

Strategic allocation of talent

- Optimizing personnel placement by matching professional expertise with business strategy

Career development support

- Provision of internal internship programs and external training opportunities through open application and nomination processes
- Career development support through communication and data utilization

Support for the Active Engagement of Veteran Employees

- Promotion of various certification programs for veteran employees in management positions, skilled professionals, and personnel in key focus areas

Reskilling Training

- Implementation of knowledge career training programs aimed at skills and business knowledge acquisition to expand individuals’ work scope

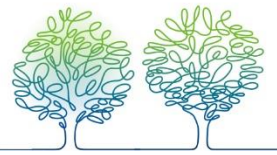
Promotion of Health Management

- Development of an environment and systems that enable employees to remain active until age 70

3-5-3. Priority Measure: Aligning Vectors with Stakeholders

—Contributing to Local Communities

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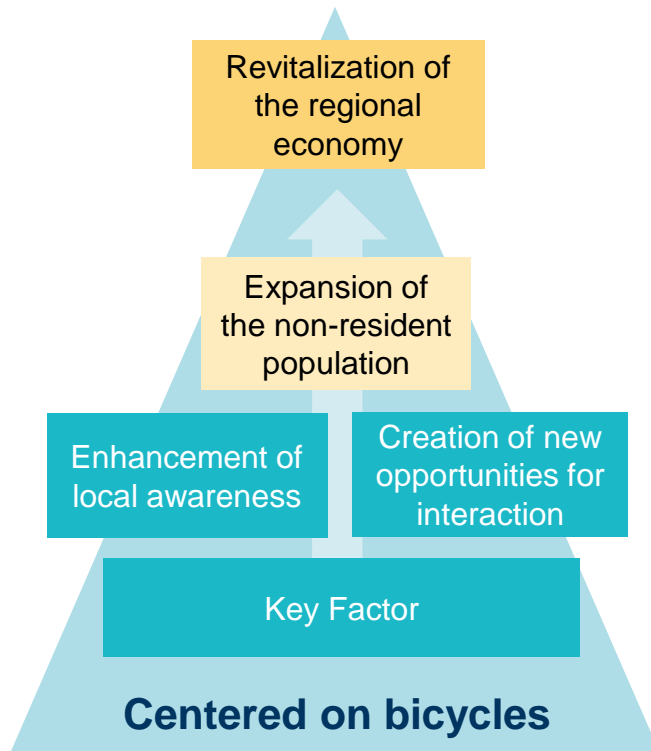
Contributing to the development of a sustainable regional economy through community collaboration centered on bicycles

Mission

By placing bicycles at the center and collaborating with a diverse range of partners, we create vibrancy in local communities and contribute to the development of a sustainable regional economy.

Monitoring Indicators

Economic ripple effects
1.0 billion yen or more
(3 years cumulative)



Creation of new opportunities for interaction

In local areas, various events are organized with the cooperation of regional partners to attract cyclists and other visitors.

- ① Participatory events
- ② Visitor-based events
- ③ Time-limited events utilizing smartphones



Enhancement of local awareness

Jointly implementing bicycle-based town tour programs in collaboration with Municipalities and local businesses.

Communicating the charms of the region, including tourism and culinary experiences uniquely accessible by bicycle, through social media.



Building a Partner Base

Building networks and promoting collaboration across industry, government, and academia, centered on partner organizations under bicycle promotion agreements.

<Partner Organizations> (as of March 2026) Local governments (including regional councils): 16 Local companies: 11 Local educational institutions: 1



Reference: Mid-term Business Plan Monitoring Indicators (List)

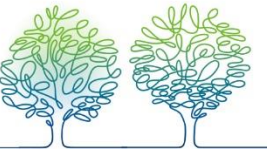
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		Indicators	FY2028 Plan	Notes
Financial indicators	Main KPIs	Ordinary profit	52.5 billion yen	
		ROE (consolidated)	11.0% or higher	<ul style="list-style-type: none"> On a consolidated basis (TSE standards)
		Capital adequacy ratio	Approx. 10% (effective)	<ul style="list-style-type: none"> Target range: 9.5%–10.5% On a non-consolidated basis. If unrealized valuation differences on securities result in a loss, such losses shall be deducted from core capital.
	Secondary KPIs	Core gross operating profit	77.0 billion yen	<ul style="list-style-type: none"> Excludes gains from investment trust redemptions
		Core expense ratio (OHR)	Approx. 50%	<ul style="list-style-type: none"> Denominator: Core gross operating profit (excluding gains from investment trust redemptions)
		Disclosed non-performing loan ratio	In the 2% range	<ul style="list-style-type: none"> Ratio excluding counterparties under structured negotiations that are largely fully-collateralized
Non-financial indicators	Investing in Human Capital	Engagement Score	70 or more	<ul style="list-style-type: none"> Overall score of the engagement survey “Wevox” provided by Atræ, Inc.
		Human Capital Investment Amount	1.0billion yen or more	<ul style="list-style-type: none"> 3-Year Cumulative Investment
		Number of Certified Professionals	500 people or more	<ul style="list-style-type: none"> 3-Year Cumulative Number of People
	Compliance	Compliance Awareness Survey: Agreement Rate	85% or more	<ul style="list-style-type: none"> Agreement rate with the statement “I believe the company’s initiatives toward compliance are sufficient” in the compliance awareness survey
	AX (AI Transformation)	AI talent capability enhancement training: participation rate	100%	
		Number of AI adoption initiatives	30	
		improvement in operational efficiency	Approximately 30% improvement	<ul style="list-style-type: none"> Equivalent to approximately 500,000 hours of work
	Contributing to Local Communities	Economic ripple effects	1.0 billion yen or more	<ul style="list-style-type: none"> 3-Year Cumulative Economic ripple effects

Note: All figures and indicators are for Suruga Bank non-consolidated unless otherwise stated

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SURUGA bank

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These statements are not intended as guarantees of any specific future performance, and involve various risks and uncertainties. Actual future business results may differ from the plans described in the present material due to changes in economic conditions, the business environment, and other factors. Please be advised of this in advance.

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In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.