

June 26, 2026

Suruga Bank, Ltd.

Progress on Resolution of the Apaman Issue (as of June 20, 2026)

Regarding issues related to loans for investment real estate other than share houses (hereinafter, the “Apaman Issue”), we sincerely apologize for the inconvenience and concern caused to all parties involved, including customers subject to the Apaman Issue.

Regarding the Apaman Issue, the Suruga Bank Victims Defense Counsel (hereinafter referred to as the “SI Victims’ Counsel” for clarity in this English version) filed for civil mediation in February 2022. Based on the final mediation recommendation (hereinafter, “this recommendation”) issued by the court in October 2025, the Bank and the SI Victims’ Counsel issued a joint statement on December 15, 2025. The main points are as follows:

- Both the SI Victims’ Counsel and Suruga Bank take the judiciary’s opinion in this matter very seriously and are committed to working toward resolving the Apaman Issue as quickly as possible in accordance with this recommendation.
- Going forward, both parties will work together to address the Apaman Issue by offering initiatives such as proposing appropriate repayment plans tailored to the circumstances of each petitioner.

Furthermore, with respect to the properties deemed ineligible for compensation payments under this recommendation, a new mediation recommendation was issued by the court on January 20, 2026. By March 17, 2026, both parties expressed their acceptance, and as a result, a settlement was reached (or out-of-court settlements were reached) for a total of 600 properties.

- In light of these results, the court declared that the civil mediation proceedings in this matter would conclude on March 17, 2026.

Taking into account the results of the mediation, the Bank is making sincere and diligent efforts to propose repayment plans tailored to the individual circumstances of customers. At present, to further enhance customers’ understanding of the Bank’s individualized resolution support measures, the Bank is engaging in earnest and careful dialogue with customers, including assistance with the preparation and confirmation of necessary documents. As a result, reaching agreements requires a certain amount of time.

Going forward, the Bank will continue to make every effort to resolve the Apaman

issue as quickly as possible, while placing the highest priority on sincere and careful responses. We appreciate your understanding.

Accordingly, we would like to report the progress status as of June 20, 2026, as outlined below.

Progress on Resolution Based on the Mediation Recommendation (as of June 20, 2026)

Classification	Number of properties concerned* ¹ (as of the end of November 2025)	Mediation reached, etc. (as of March 17, 2026)	Settlement reached [Change from March Report] [Change from Last Month]	Under consultation [Change from March Report] [Change from Last Month]
A. Eligible for Compensation Payments	193 properties	193 properties (100%)	—	—
B. Not Eligible for Compensation Payments	407 properties	407 properties*³ (100%)	224 properties *³ [+106 properties] [+60 properties]	183 properties [-106 properties] [-60 properties]
Total	600 Properties*²	600 properties (100%)	—	—

*1 Four properties have been excluded, as the petitioner withdrew from or otherwise discontinued the mediation at their own request after the issuance of this recommendation.

*2 Of the properties listed in the mediation inventory under this recommendation (as of the end of November 2025), those with outstanding loan balances were counted. Although the SI Victims' Counsel requested the addition of two properties (multiple properties held by the same debtor), which the Bank accepted, these properties are not included in the count presented here.

*3 This includes properties for which settlement was reached, covering the final repayment plan in accordance with the new mediation recommendation, as well as properties for which settlement was reached through alternative means in lieu of mediation (such as out-of-court settlements).

- Of the 407 properties classified under “reached mediation, etc.” within “B. Not Eligible for Compensation Payments,” settlement agreements including repayment plans (or settlements reached through out-of-court means) have been completed for 224 properties. The number of properties currently under consultation stands at 183 (a decrease of 106 properties compared to the March report).

In addition, with regard to individual communications with customers, some cases have not progressed (including 19 properties for which documents necessary for preparing repayment plans have not been submitted, and 24 properties for which the Bank has presented proposed repayment plans but has not received a response, among others). The Bank has accordingly asked the SI Victims' Counsel to encourage progress in these individual consultations.

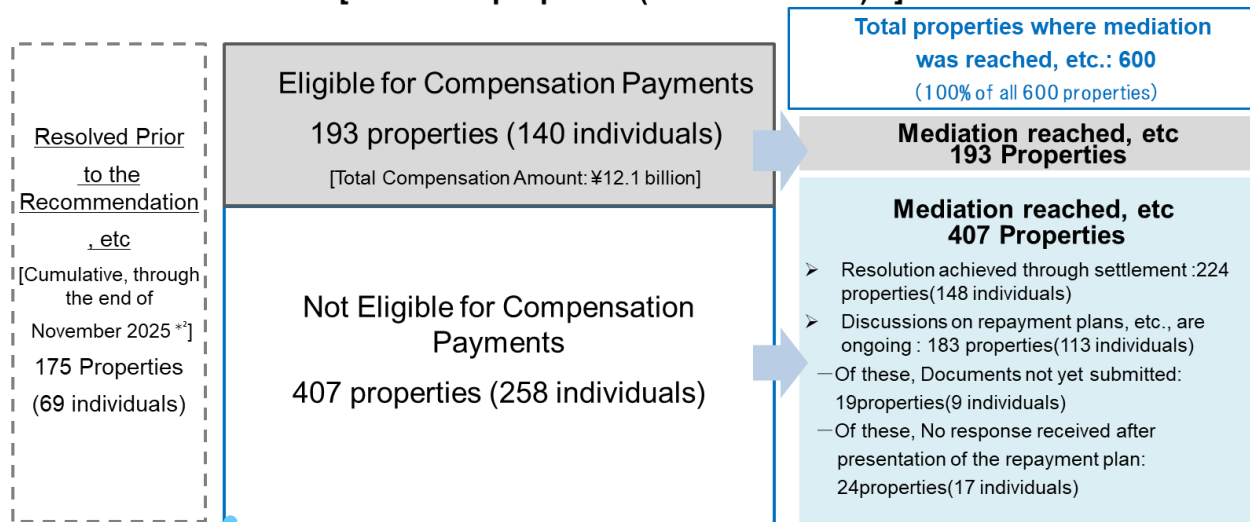
[List of Attached Reference Materials]

- Appendix 1 : Status of Civil Mediation Filed by the SI Victims' Counsel
- Appendix 2 : Status of the Bank's Response to the Apaman Issue
- Appendix 3 : Joint Statement on the Apaman Issue (December 15, 2025)
- Appendix 4 : New Mediation Recommendation issued by the court on January 20, 2026
- Appendix 5 : Overview of Individual Resolution Measures

Appendix 1 : Status of Civil Mediation Filed by the SI Victims' Counsel (as of June 20, 2026)

Cases Concerning the Court's Mediation Recommendation

[Total: 600 properties(350 individuals) *]



Summary of the "New Mediation Recommendation" Presented by the Court on January 20, 2026

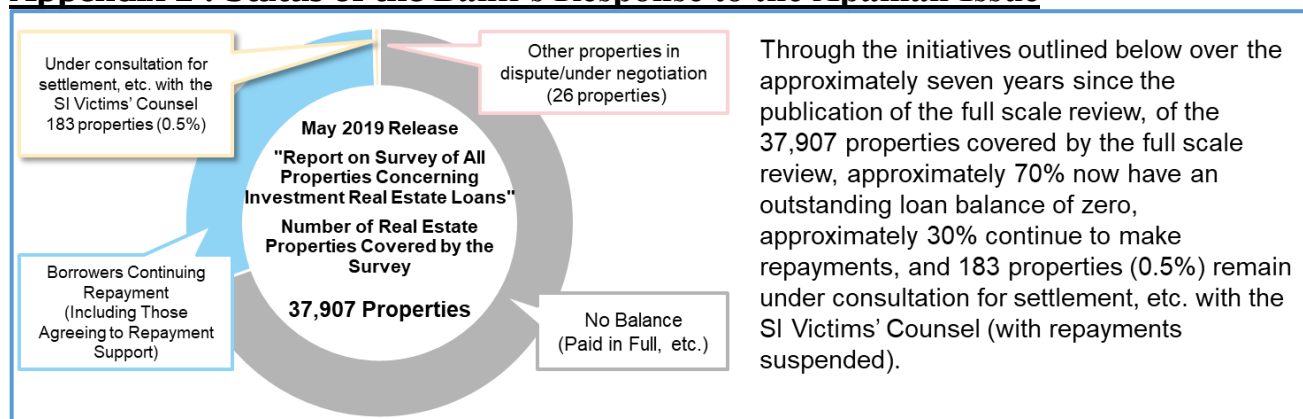
- (Both parties) agree, on the premise that no wrongful act has been established, ...to seek resolution through settlement.
- (Suruga Bank) commits to presenting support measures in accordance with the declaration made at the joint press conference.
- However, both parties agree that the application of these support measures is premised on the assumption that no wrongful act has been established.

*1 Of the properties listed in the mediation inventory under this recommendation (as of the end of November 2025), those with outstanding debt balances were counted. Although the SI Defense Counsel subsequently requested the addition of two properties (multiple properties held by the same debtor), which the Bank accepted, these properties are not included in the count presented here.

*2 Including one case in which a mediation proposal was presented in June 2025 and a settlement was reached in December, and including four cases in which the mediation was withdrawn at the request of the petitioners after the issuance of this recommendation.

Note : The numbers in parentheses indicate the number of debtors concerned. However, as there are cases in which properties are held across multiple segments, the aggregate of each segment does not necessarily equal the overall total.

Appendix 2 : Status of the Bank's Response to the Apaman Issue



[2018: Revelation of Misconduct]

In response to the discovery of irregularities in loans for investment real estate, the Bank established an independent third-party committee in May 2018, published a report on the committee's findings in September of the same year, and submitted a business improvement plan to the Financial Services Agency in November of the same year. The Bank takes this issue of improper lending very seriously and, in accordance with the business improvement plan, has conducted a comprehensive review of all investment real estate loans (hereinafter, the "full-scale review").

[Through 2022: Response to the Apaman Issue]

In parallel with efforts to resolve the share house loan issues, the Bank also earnestly worked to address the Apaman Issue. The main initiatives undertaken up to 2022 are outlined below:

- In May 2019, the Bank publicly released the results of the full-scale review and informed borrowers that irregularities such as the falsification or fabrication of screening documents had been discovered.
- Based on the review results, the Bank decided in May 2019 to implement repayment support measures -such as partial principal forgiveness and interest rate reductions- for customers experiencing repayment difficulties. These measures were publicly announced, and individual notifications were sent to all borrowers of the affected properties.
- For properties for which we received inquiries or requests, the Bank conducted careful individual consultations and proposed support tailored to each borrower's circumstances. As a result, the Bank applied measures such as partial principal forgiveness or rate reductions to approximately 3,600 affected properties¹.

[2022 Onward: Additional Response to the Apaman Issue]

While the issues related to share house loans were largely resolved by 2022, customers seeking a blanket settlement similar to that reached for the share house loans in connection with the Apaman Issue formed the Suruga Bank Victims Defense Counsel (hereinafter referred to as the "SI Victims' Counsel" for clarity in this English version). In February 2022, this group filed a petition for civil mediation.

The Bank responded to the civil mediation in good faith, and proposed an "Early Resolution Framework" to the SI Victims' Counsel in May 2022. In April 2023, the Bank announced three key policies aimed at achieving early resolution of the Apaman Issue. As part of one of these policies, the Bank also announced the following debt relief measures. In addition to making these measures public, the Bank sent individual written notices to eligible borrowers.

As a result of these initiatives and of the efforts made in light of the final mediation recommendation presented by the court in October 2025, the number of properties under consultation for settlement and related matters with the SI Victims' Counsel has become 183 (0.5% of the 37,907 properties covered by the full-scale review, as of June 20, 2026).

¹ Number of properties addressed as of the end of September 2022. This excludes properties handled through the bulk transfer of share house loan claims.

Appendix 3:

Joint Statement on the Apaman Issue

December 15, 2025

Suruga Bank Victims Defense
Counsel
Suruga Bank, Ltd.

Regarding the Apaman Issue, the Suruga Bank Victims Defense Counsel (hereinafter referred to as the "SI Victims' Counsel" for clarity in this English version) filed for civil mediation in February 2022, and since then, the SI Victims' Counsel and Suruga Bank have engaged in sincere discussions. In light of the court's issuance of the final mediation recommendation, we hereby announce the following joint statement from both parties.

First of all, we would like to express our gratitude to the court and the mediation committee for presenting the mediation recommendation. Both the SI Victims' Counsel and Suruga Bank take the judiciary's opinion in this matter very seriously and are committed to working toward resolving the Apaman Issue as quickly as possible in accordance with this recommendation.

While the final resolution requires the individual decisions of each petitioner, the SI Victims' Counsel believes that resolving the dispute in accordance with this recommendation is the best course of action.

At the same time, Suruga Bank recognizes that alleviating the burden and anxiety of individual petitioners is essential for dispute resolution. The bank will continue to apply the individual resolution measures it has previously announced in a flexible manner and reaffirms that it will not engage in debt collection practices that would make it difficult for petitioners to maintain a normal daily life.

Going forward, both parties will work together to address the Apaman Issue by offering initiatives such as proposing appropriate repayment plans tailored to the circumstances of each petitioner.

Appendix 4 : New Mediation Recommendation issued by the court on January 20, 2026

[Draft Mediation Clause / Summary]

- 1 The petitioners listed in the attached list marked [Cases Not Eligible for Compensation Payments] (hereinafter, the “Petitioners”; the attached list omitted) and the respondent [Suruga Bank], hereby agree as follows:

With respect to the loan amounts associated with the loans executed by the respondent for each Petitioner in connection with the acquisition of the real properties specified for that Petitioner in the “Property Name” and “Property Location” columns of the attached list (hereinafter the “Loans”), and on the premise that **no wrongful act has been established in relation to the Loans, the parties agree to engage in good faith discussions regarding the payment terms for the loans and commit to seeking resolution through an amicable settlement.**

- 2 The respondent **undertakes to present support measures in accordance with the declaration made at the joint press conference** with the Petitioners on December 15, 2025, during the consultations described in the preceding paragraph. However, **both parties agree that the application of these support measures is premised on the assumption that no wrongful act has been established,** and each Petitioner undertakes that, when concluding the settlement determining payment terms in accordance with the support measures, they will waive the right to claim damages against the respondent based on a wrongful act.
- 3 If the consultations described in Paragraph 1 do not result in a settlement, each Petitioner reserves the right to claim damages against the respondent based on a wrongful act.

Note: The [] brackets and any bold or underlined text within the document are additions made by the Bank for supplementary explanation.

Appendix 5 : Overview of Individual Resolution Measures

To accelerate resolution through individual dialogue, the Bank is implementing the following measures:

- Launch of an emergency project team and expansion of consultation services
 - Expansion of individualized resolution measures (the items newly expanded in June 2025 in this update are indicated in bold and underlined below):
 - Partial waiver² of overdue interest and damages, **regardless of whether voluntary sale has taken place**
 - Consultation on repayment of remaining debt after applying proceeds from a voluntary sale (e.g., 0% interest, 35-year repayment period)
 - Measures to achieve a positive cash flow through individual consultations for customers 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 1.25% for the time being)** and a lump-sum payment of a portion of the principal at final maturity date
 - If repayment of the outstanding debt is unlikely even after implementing the above 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.) **(including flexible adjustments to interest rate, repayment amount, and repayment period)**
 - Individual consultations for cases where the property's cash flow is unclear or where there are special circumstances
 - Individual notifications to affected customers (regarding consultation services, expanded resolution measures, etc.) and proactive outreach for individual dialogue through various channels
 - Implementation of briefing sessions on individual resolution measures in response to requests from affected customers, etc.
- ◇ In addition to the above, on December 1, 2025, we also established a special response team for the following purpose.
- To inquire about the individual circumstances of the customers concerned, (including cases such as having borrowings from other institutions and facing overall repayment difficulties) and to provide even more considerate support so that they do not experience hardship in maintaining a normal daily life.
 - In cases where such special circumstances exist, we kindly ask that you submit a request to the Bank and provide the necessary documents

Consultation desk: Office to Support Customer Owners of Share Houses and Others 1-7-1 Nihombashi Muromachi, Chuo-ku, Tokyo Toll free: 0120-010-636 Lines open: 09:00-17:00 (Monday through Friday, excluding Saturdays, Sundays, national holidays, and year-end and New Year holidays)

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.

² Please note that in cases where the borrower is withholding rental income generated from the property and has suspended repayments to the Bank, repayment proposals will be premised on the borrower making payments equivalent to approximately 70% of that rental income (after deducting appropriate and necessary expenses).