Suruga Bank Ltd.

Highlights of Financial Results for Q1 of FY3/27

August 10, 2026

SURUGA bank

■ Highlights of Financial Results for Q1 of FY3/27

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FY3/27 Q1 Financial Results – Off to a Steady Start

➢ Core gross operating profit up 13% (+2.2 billion yen) YoY

Core gross operating profit (excluding gains/losses on cancellation of investment trusts)	**19.0** billion yen +2.2 billion yen YoY
Ordinary profit	**20.2** billion yen +13.7 billion yen YoY
Net income	**13.8** billion yen +8.1 billion yen YoY

- Steady progress in our core business of new loan disbursements, etc.
- Expansion of interest margins accompanying the rise in the short-term prime rate and market interest rates

- Gains on securities increased due to factors such as gains on sales of strategic shareholdings (+3.4 billion yen YoY)
- Actual credit costs decreased, partly due to temporary factors accompanying changes in the collateral valuation methodology for revenue-generating real estate loans (-7.7 billion yen YoY)

- Tax rate: 31% as assumed at the beginning of the period (FY3/26 Q1 actual: 16%)
- Net income up 8.1 billion yen YoY

*Figures are non-consolidated unless marked as consolidated. “Net income” refers to “quarterly (annual) net income attributable to owners of parent” (consolidated) or “quarterly (annual) net income” (non-consolidated).

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■ Topline Growth: Core Gross Operating Profit +13% YoY

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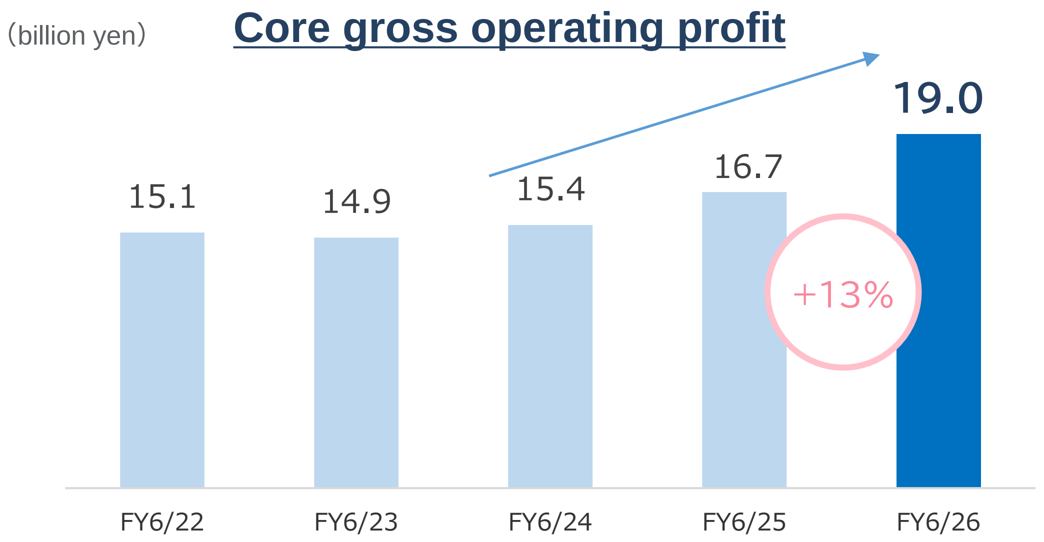
Core gross operating profit

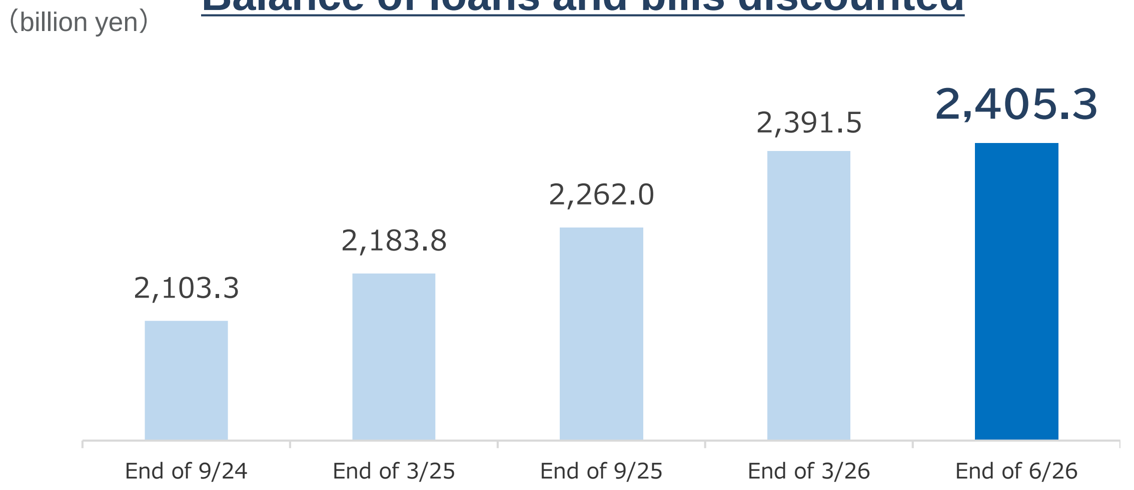


Growth in core gross operating profit driven by the expansion of loan volume and quality

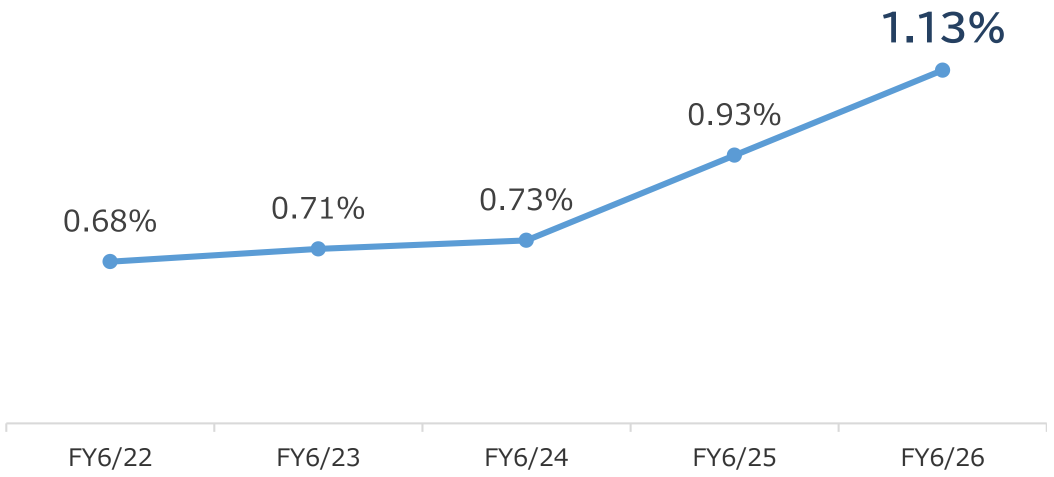
- ■ Net interest income +2.0 billion yen
  - Interest on loans and bills discounted +2.5 billion yen
    (Average balance factor +1.5 billion yen, Yield factor +1.0 billion yen)
  - Interest and dividends on securities +0.4 billion yen
- ■ Net fees and commissions +0.2 billion yen

* Figures are YoY comparison

Balance of loans and bills discounted



Net interest margin



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New Loan Disbursements

(billion yen)

	FY6/26 (A)	FY3/27 Full-year Plan (B)	Progress (A) / (B)
Real estate related	**89.7**	317.0	28.3%
Housing loans	**22.8**	66.0	34.6%
Investment real estate loans	**22.5**	100.0	22.5%
Non-recourse real estate loans	**16.6**	108.0	15.3%
Loans to real estate companies	**6.6**	–	–
Collaboration loans, etc.	**21.0**	43.0	48.9%
Non-real estate related	**21.8**	99.0	22.0%
Other retail loans	**2.9**	10.0	29.3%
Loans to large corporations (including LBO financing)	**8.4**	68.0	12.3%
Loans to business corporations, etc.	**6.5**	9.0	72.2%
Collaboration loans, etc.	**4.0**	12.0	33.3%
Total	**111.6**	416.0	26.8%

*"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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■ Balance Sheet Status

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＜Balances of Deposits and Loans and Bills Discounted＞

(billion yen)

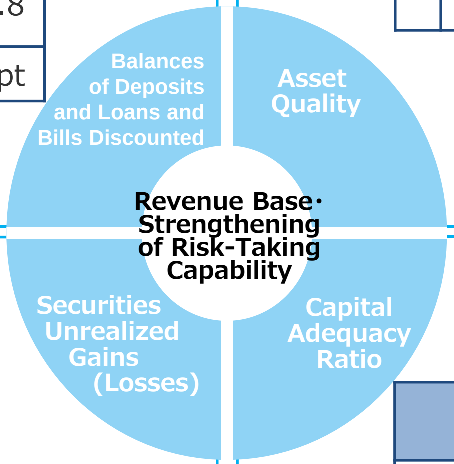
	End of 6/25	End of 3/26	End of 6/26	Change from end of prev. period
Deposits	3,192.4	3,203.7	3,197.0	(6.7)
(Reference: Individual Customer Assets*)	2,683.1	2,660.3	2,665.4	+5.1
Balance of loans and bills discounted	2,202.5	2,391.5	2,405.3	+13.8
Loan-to-Deposit Ratio	68.9%	74.6%	75.2%	+0.6pt

Strengthening the foundation for sustainable profitability by increasing the loans and bills discounted balance and improving the loan-to-deposit ratio.

＜Asset quality＞

	End of 3/26	End of 6/26	Change
Disclosed non-performing loan ratio to total credits	6.29%	6.02%	(0.27pt)
Excluding organizational negotiation partners	3.86%	3.76%	(0.10pt)

With the progress of steady efforts toward credit quality improvement, the disclosed non-performing loan ratio decreased.



＜Securities＞

(billion yen)

	End of 3/26		End of 6/26	
	Fair value	Unrealized gains (losses)	Fair value	Unrealized gains (losses)
Available-for-sale securities	414.1	37.3	426.3	38.3
Stocks	62.5	42.2	61.8	42.5
Bonds	333.6	(5.2)	344.0	(4.5)
Others	17.9	0.2	20.5	0.3

As of end-June 2026
Securities-to-deposits ratio: 13.6%
Domestic bond modified duration: 1.6 years
Domestic bond 100BPV: (- ¥5.7 billion)

Shortened duration has improved resilience to interest rate risk.

＜ Capital adequacy ratio ＞

(billion yen)

	End of 3/26	End of 6/26
Capital Adequacy Ratio	10.84%	11.43%
Total Capital (Core Capital)	261.8	274.3
Risk-Weighted Assets, etc.	2,415.4	2,398.5

Securing a capital buffer to enable appropriate risk-taking as we transition to a "world with interest rates."

* Individual Customer Assets include individual deposits and investment products.

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■ Financial Results for Q1 FY3/27: YoY Comparison

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＜Non-consolidated＞

（billion yen）

	FY6/25 (A)	FY6/26 (B)	YoY comparison (B)ー(A)
Core gross operating profit (excluding gains/losses from investment trust cancellations)	16.7	19.0	+2.2
Expenses (-)	8.6	8.7	+0.1
Gain (loss) on securities	(2.5)	0.9	+3.4
Actual credit costs (-)	(0.9)	(8.6)	(7.7)
Ordinary profit	6.4	20.2	+13.7
Net income	5.7	13.8	+8.1

＜Consolidated＞

	FY6/25 (A)	FY6/26 (B)	YoY comparison (B)ー(A)
Consolidated ordinary income	26.0	37.1	+11.0
Consolidated ordinary profit	6.6	20.5	+13.8
Net income	5.4	14.0	+8.6

Core gross operating profit

- Driven by an increase in net interest income (+2.0 billion yen YoY) accompanying growth in loan volume and quality

Gain (loss) on securities

- Increased due to factors such as gains on sales of strategic shareholdings (+3.4 billion yen YoY)

Actual credit costs

- Recorded a 5.6 billion yen reversal of allowance for loan losses, a temporary factor limited to the first quarter, partly due to changes in the collateral valuation methodology for revenue-generating real estate loans

		FY6/25	FY6/26
Actual credit costs		(0.9)	(8.6)
Normal amount	Actual credit costs arising from loans without special factors Including reversal of allowance for loan losses related to share house loans, etc.	(0.7)	(0.4)
Preventive allowances	The below are provisions for subject loans	(0.1)	(8.8)
	Provisions for some investment real estate loan customers who newly stopped repayments following organizational negotiations	(0.2)	(7.1)
	Precautionary allowance for claims for restructured loans that are unlikely to be recovered in the future	+0.0	(1.7)
Corporate	Actual credit costs arising from corporate loans	(0.0)	0.6

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■ 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**

▶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.

Of the 407 properties classified as “Not Eligible for Compensation Payments,” **settlement agreements including repayment plans** have already been completed for 331 properties.*

Discussions tailored to the individual circumstances of each customer are ongoing for the remaining properties. (Under consultation : 76 properties*)

*As of July 20, 2026

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

Organizational negotiation partners among Financial Reconstruction Law disclosed claims

As of June 30, 2026
(billion yen)

	Balance	Total coverage amount	Portion secured by collateral or guarantees, etc.	Allowance for loan losses	Coverage ratio
Organizational negotiation partners, etc.	56.7	56.7	27.6	29.0	100%

*For details regarding the properties in scope and the counting method, etc., please refer to the report published on July 27, 2026, “Progress on Resolution of the Apaman Issue (as of July 20, 2026)”.

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Reference Materials

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Capital Policy

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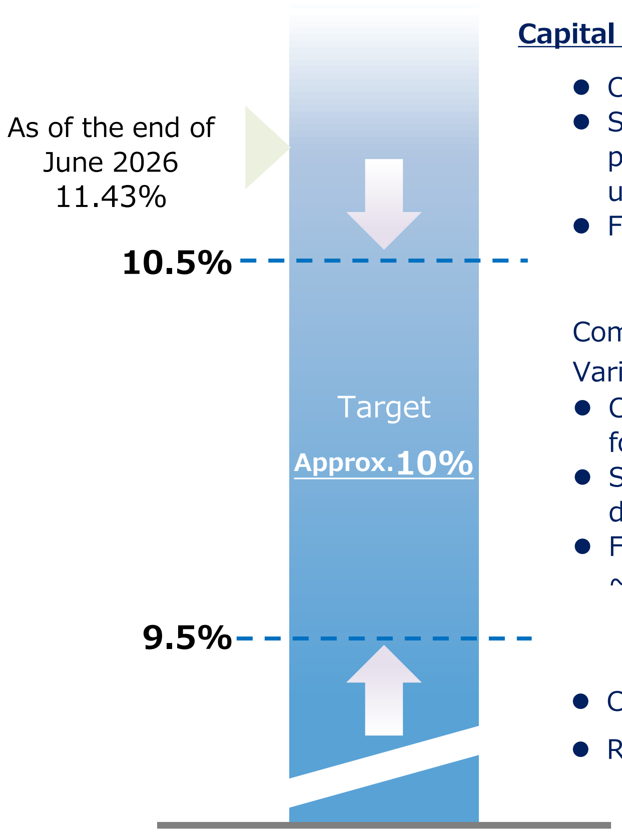
Capital adequacy ratio target (end of FY2028)



Effective capital adequacy ratio*

Capital Management Conceptual Image

- Capital utilization
- Stable dividends in line with dividend policy (additional enhancements under consideration)
- Flexible repurchase of treasury stock

Comprehensive Consideration of Various Measures
- Capital utilization (with consideration for capital accumulation)
- Stable dividends in line with dividend policy
- Flexible repurchase of treasury stock ~ Risk-weighted asset control

- Capital accumulation
- Risk-weighted asset control

* 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%

Dividend

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

	FY2025 Results	FY2026 Forecast
Annual dividend per share (cumulative)	60.0yen	60.0yen
Of which: Interim dividend	22.0yen	30.0yen
Of which: Year-end dividend	38.0yen	30.0yen

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.

[Status of Repurchase of Treasury Stocks disclosed in April 2026]

	Plan	Cumulative acquisitions as of July 31, 2026
Number of shares to be repurchased	5,000,000 shares (maximum)	1,114,600 shares
Acquisition cost	¥12.0 billion (maximum)	¥2.9 billion
Repurchase period	May 15, 2026, to December 31, 2026	

*For details, please refer to the document disclosed separately on April 24, 2026 titled “Announcement Regarding the Establishment of a Quota for the Repurchase of Treasury Stock” and “Notice Regarding Status of Repurchase of Treasury Stocks” disclosed on August 5, 2026

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■ Financial Results for Q1 FY3/27: Full-year Plan Comparison

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＜Non-consolidated＞ (billion yen)

	FY3/27 Full-year Plan (A)	FY6/26 Results (B)	Progress (B)/(A)
Core gross operating profit (excluding gains/losses from investment trust cancellations)	69.5	19.0	27%
Expenses (-)	35.0	8.7	25%
Gain (loss) on securities	5.0	0.9	–
Actual credit costs (-)	(6.0)	(8.6)	–
Ordinary profit	47.0	20.2	43%
Net income	32.0	13.8	43%

＜Consolidated＞

Consolidated ordinary profit	47.5	20.5	43%
Net income	32.0	14.0	44%

FY3/27 Q1 Financial Results (Non-consolidated)

✓ **Core earnings capacity progressed steadily**

- ➢ **Core gross operating profit 27% of Full-year Plan**
- ➢ **Ordinary profit 43% of Full-year Plan**
- ➢ **Net income 43% of Full-year Plan**

＜Actual credit costs, Non-consolidated＞ (billion yen)

			Full-year Plan	FY6/26
Actual credit costs			(6.0)	(8.6)
	Normal amount	Actual credit costs arising from loans without special factors Including reversal of allowance for loan losses related to share house loans, etc.	(2.0)	(0.4)
	Preventive allowances	The below are provisions for subject loans	(5.5)	(8.8)
		Provisions for some investment real estate loan customers who newly stopped repayments following organizational negotiations	(5.0)	(7.1)
		Precautionary allowance for claims for restructured loans that are unlikely to be recovered in the future	(0.5)	(1.7)
	Corporate	Actual credit costs arising from corporate loans	1.5	0.6

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■ Financial Results for Q1 FY3/27: YoY Comparison Details

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＜Non-consolidated＞

(billion yen)

	FY6/25 Results (A)	FY6/26 Results (B)	YoY comparison (B) - (A)
Core gross operating profit (excluding gains/losses from investment trust cancellations)	16.7	19.0	+2.2
Expenses (−)	8.6	8.7	+0.1
Personnel expenses	3.5	3.6	+0.0
Gain (loss) on securities	(2.5)	0.9	+3.4
Actual credit costs (−)	(0.9)	(8.6)	(7.7)
Other non-recurring gains (losses)	(0.0)	0.3	+0.4
Ordinary profit	6.4	20.2	+13.7
Extraordinary gains (losses)	0.3	(0.0)	(0.4)
Net income	5.7	13.8	+8.1

＜Consolidated＞

(billion yen)

Consolidated ordinary income	26.0	37.1	+11.0
Consolidated ordinary profit	6.6	20.5	+13.8
Net income	5.4	14.0	+8.6

＜Main factors contributing to changes (non-consolidated, YoY comparison)＞

Net interest income (+2.0 billion yen)	・Increase in interest on loans and bills discounted: +2.5 billion yen (Average balance factor: +1.5 billion yen, Yield factor: +1.0 billion yen) ・Increase in interest on deposits: +1.2 billion yen (increase in expenses) (Average balance factor: -0.0 billion yen, Yield factor: +1.2 billion yen) ・Increase in interest and dividends on securities: +0.4 billion yen
Net fees and commissions (+0.2 billion yen)	・Decrease in fee and commission expenses: -0.2 billion yen (Decrease in group credit life insurance premiums, etc.)
Expenses (+0.1 billion yen)	・Decrease in property expenses: -0.1 billion yen ・Increase in taxes and dues: +0.2 billion yen
Actual credit costs (-7.7 billion yen)	・Normal amount: +0.2 billion yen ・Preventive allowances: -8.6 billion yen ・Corporate: +0.6 billion yen
Tax rate	Tax rate: 31% (FY3/26 Q1 actual: 16%)

* ( ): indicates YoY comparison

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