

December 27, 2018

To whom it may concern:

Name of Company: Suruga Bank, Ltd.  
Name of Representative: Director and President: Michio Arikuni  
(Code No. 8358 First Section of Tokyo Stock Exchange)  
Contact Person: Senior Executive Officer  
General Manager of General Management Planning  
Headquarters: Tatsuya Akita  
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**Notice concerning filing of lawsuit for compensation of damages to the Bank against the Bank's current and former Directors regarding credit management problems involving the founder's family companies**

**1 Filing of a lawsuit for compensation of damages to the Bank against the Bank's current and former Directors**

As announced in "Notice of the establishment of the 'Directors and Executive Officer's Responsibility Investigation Committee' and the 'Corporate Auditors' Responsibility Investigation Committee," timely disclosure dated September 14, 2018, we established the Board of Directors and Executive Officer's Responsibility Investigation Committee chaired by Tetsuo Ozawa, attorney-at-law. The Committee has been investigating and examining whether or not the current and former Directors are liable for compensation of the damages to the Bank due to a violation of duty of due care as a prudent manager in the execution of duties regarding the series of problems, including inappropriate handling of share house related loans and others. As announced in the "Notice concerning the filing of the lawsuit for compensation of damages to the Bank against the Bank's current and former Directors and the former Executive Officers regarding the loan problem concerning shared houses and other profitable real estate" timely disclosure dated November 12, 2018, we have filed a lawsuit against the current and former Directors, and the former Executive Officers for damages totaling 3.5 billion yen at the Shizuoka District Court.

Since then, we have continuously investigated and reviewed the credit management problems involving the founder's family companies,\* and on December 26th, 2018, we received an investigation report from this committee on the credit management problems involving the family companies.

\* This term collectively refers to corporations in which the founder's family is substantially engaged in management or has a certain influence (including those that have already been dissolved).

Yoichi Namekata and Emi Noge, who are external corporate auditors of the Bank, reviewed the need to file a lawsuit against the current and former Directors based on the investigation report on the credit management problems involving the family companies. As a result,

- (1) In the case of the acquisition of treasury shares from some family companies conducted by the Bank in November 2015 and the collateral release of the Bank's shares for one family company prior to the acquisition (a case of release of security), and
- (2) With regard to the donations the Bank made between 2012 and 2017 to the general incorporated foundation (family company) which operates a museum, the donations were flowing to some family companies through the trading of art works and real estate, and were used to repay borrowings from the Bank (donation cases)

With regard to the above cases, by following the contents of the investigation report, we have decided to file a lawsuit against the current and former Directors below (or their heirs) for compensation of part of the amount of damages to the Bank with consideration of the status of each current and former Director at the Bank and their degree of involvement in the cause of the claims, etc.

This is to inform that today the Bank has filed a lawsuit for compensation of damages to the Bank (action for pursuing liability) against the current and former Directors (or one's heirs) at the Shizuoka District Court as indicated below. (For this case, according to the provisions of the Company Law, the Bank is represented by the above outside corporate auditors, not Representative Directors. )

#### Note

(Names of current and former Directors)	(Amount of claim)
Mitsuyoshi Okano	1.3 billion yen
The late Kinosuke Okano (the litigants are his heirs)	3 billion yen
Toshihiko Shirai	200 million yen
Kazuya Mochizuki	200 million yen
Takeshi Yagi	30 million yen

(Note 1) In the event that the damage amount increases in the future, or in other circumstances, the amount of claims may be increased.

(Note 2) Each of the above claim amounts is to be paid for each cause of the claim jointly by each of the above-mentioned current and former Directors regarded as responsible, and the total amount claimed is 3,244,016,392 yen (600 million yen for the case of release of security, 2.4 billion yen for the 1st to 6th contributions in the donation cases, and 244,016,392 yen for the 7th and 8th donations after the death of Mr. Kinosuke Okano) (See attached sheet).

(Note 3) We are also requesting delayed interest by 5 percent p.a. from the day following the date of service of complaint of each of the above-mentioned claims until they are paid.

We will disclose the progress of the lawsuit in a timely and appropriate manner as necessary.

## **2 About not filing of claim for compensation of the damages against the current and former corporate auditors of the Bank**

As announced in the "Notice of the establishment of the 'Directors and Executive Officer's Responsibility Investigation Committee' and the 'Corporate Auditors' Responsibility Investigation Committee,'" timely disclosure dated September 14, 2018, we established the Corporate Auditors' Responsibility Investigation Committee chaired by Seiichiro Nishioka, attorney-at-law. The Committee has been investigating and examining whether or not the current and former corporate auditors are liable for compensation of damages to the Bank due to a violation of the duty of due care as a prudent manager in the execution of their duties regarding the series of problems, including inappropriate handling of share house related loans and others (as for the loan problem concerning shared houses and other profitable real estate, we received the investigation report on November 9, 2018 ).

On December 26, 2018, we received the investigation report from the Corporate Auditors' Responsibility Investigation Committee on the credit management problems involving the family companies.

Based on the investigation report from the Corporate Auditors' Responsibility Investigation Committee, the Bank's Board of Directors reviewed the need to file a lawsuit against the current and former corporate auditors, and as a result, by following the investigation report stating that the current and former corporate auditors are not liable for compensation of damages regarding the credit management problems involving the family companies, we would like to inform that the Board determined not to file a lawsuit against the current and former corporate auditors for compensation of damages to the Bank.

## Attachment

The claim amount for each cause of the claim and its breakdown

Units: Yen

Cause of the Claim (Names of Current and Former Directors)	Case of Release of Security 600 million yen	Donation Cases (1st to 6th) 2.4 billion yen	Donation Cases (7th, 8th) 244,016,392 yen	All Cases (Total Amount Claimed) 3,244,016,392 yen
Mitsuyoshi Okano	300 million yen	755,983,608 yen	244,016,392 yen	1.3 billion yen
The late Kinosuke Okano	600 million yen	2.4 billion yen	None	3 billion yen
Toshihiko Shirai	50 million yen	113,397,540 yen	36,602,460 yen	200 million yen
Kazuya Mochizuki	50 million yen	113,397,540 yen	36,602,460 yen	200 million yen
Takeshi Yagi	30 million yen	None	None	30 million yen

\* The cause of the claim relating to the case of release of security is the fact common to the current and former Directors mentioned above.

On the other hand, although a total of eight donations in the donation cases have a separate cause of claim, anyone other than Mr. Takeshi Yagi for the 1st to 6th donations, and anyone other than Mr. Takeshi Yagi and the late Kinosuke Okano for the 7th and 8th donations is recognized to have liabilities for damages.

As described above, since the late Kinosuke Okano, who is claimed for the largest amount of compensation, is not subject to compensation regarding the 7th and 8th donations, the amount claimed to Mr. Kinosuke Okano (3 billion yen) is different from the total amount claimed (3,244,016,392 yen).