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(Securities Code: 8358)

June 5, 2023

(Date of commencement of electronic provision measures: May 29, 2023)

**To Shareholders:**

Kosuke Saga  
Director and President  
Suruga Bank Ltd.  
23 Toriyoko-cho, Numazu City,  
Shizuoka, Japan

## NOTICE OF CONVOCATION OF THE 212TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

We wish to inform you that the 212th Annual General Meeting of Shareholders of Suruga Bank Ltd. (the “Bank”) will be held as described below.

When convening this General Meeting of Shareholders, the Bank has taken measures for providing information in electronic format (the “electronic provision measures”) and has posted matters subject to the electronic provision measures on the Bank’s website as set forth below.

[The Bank’s website]

<https://www.surugabank.co.jp/surugabank/common/english/shareholders/>

In addition to the above, the Bank also has posted this information on the following website on the Internet.

[Tokyo Stock Exchange (TSE) website (Listed Company Search)]

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

To view the information, please access the above website, input the Bank’s name (Suruga Bank) or securities code (8358), and click on “Search,” and then click on “Basic information” and select “Documents for public inspection/PR information.”

We would like you to make a decision on whether or not to attend the Meeting in person by considering the status of the pandemic and your own health condition on the day of the Meeting. While we will provide sufficient seating capacity at the Meeting venue, we recommend prior registration for attending the Meeting to alleviate congestion in front of the Meeting venue and for us to know in advance the number of shareholders who wish to attend the Meeting. While shareholders without prior registration may attend the Meeting, shareholders with prior registration will have priority should there be a shortage of seats. Accordingly, for shareholders who wish to attend this General Meeting of Shareholders, please register in advance via the Internet.

If you do not attend the Meeting, you may exercise your voting rights via the Internet or in writing. Please review the Reference Documents for the General Meeting of Shareholders contained in the matters subject to the electronic provision measures and exercise your voting rights no later than 5:00 p.m. (JST) on Wednesday, June 28, 2023.

### *Exercise of Voting Rights in Writing*

Please indicate your approval or disapproval for each of the proposals on the enclosed Voting Rights Exercise Form and return it so that it will reach the Bank by the aforementioned voting deadline.

### *Exercise of Voting Rights via the Internet, etc.*

Please access the Bank’s designated website for the exercise of voting rights (<https://www.e-sokai.jp>) using the “Voting Rights Exercise Code” and “Password” shown on the enclosed Voting Rights Exercise Form, follow the on-screen guidance, and enter your approval or disapproval for each of the proposals. Please refer to the “Information on Exercising Voting Rights via the Internet, etc.” on pages 5 when voting via the Internet, etc. and exercise your voting rights by the aforementioned deadline.

**1. Date and Time:** Thursday, June 29, 2023 at 10:00 a.m. Japan Standard Time  
(Reception opens at 9:00 a.m.)

**2. Place:** Convention Hall A, 1F,  
Plaza Verde  
1-1-4 Otemachi, Numazu City, Shizuoka, Japan

**3. Meeting Agenda:**

**Matters to be reported:** (1) The Business Report and Consolidated Financial Statements for the Bank’s 212th Fiscal Year (from April 1, 2022 to March 31, 2023) and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee  
(2) Non-consolidated Financial Statements for the Bank’s 212th Fiscal Year (from April 1, 2022 to March 31, 2023)

**Proposals to be resolved:**

**<Matters proposed by the Bank (Proposals No. 1 and No. 2)>**

<b>Proposal No. 1:</b>	Election of Eight (8) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
<b>Proposal No. 2:</b>	Election of Three (3) Directors Who Are Audit and Supervisory Committee Members

**<Matters proposed by shareholders (5 shareholders, number of voting rights: 302) (Proposals No. 3 through No. 12)>**

<b>Proposal No. 3:</b>	Dissolution of Suruga Bank
<b>Proposal No. 4:</b>	Dismissal of Audit and Supervisory Committee Members
<b>Proposal No. 5:</b>	Partial Amendment to the Articles of Incorporation (Regarding Statement of Percentage of Female Directors)
<b>Proposal No. 6:</b>	Amendment to Article 4 of the Articles of Incorporation
<b>Proposal No. 7:</b>	Partial Amendment to the Articles of Incorporation (Regarding the Establishment of a Protest Response Office)
<b>Proposal No. 8:</b>	Partial Amendment to the Articles of Incorporation (Regarding the Handling of Officers’ Compensation and Compensation Regarding Stock Options)
<b>Proposal No. 9:</b>	Partial Amendment to the Articles of Incorporation (Regarding the Distribution of Dividends)
<b>Proposal No. 10:</b>	Partial Amendment to the Articles of Incorporation (Regarding the Disclosure of Whistleblowing Reports)
<b>Proposal No. 11:</b>	Partial Amendment to the Articles of Incorporation (Regarding the Cleaning of Front Entrances by Directors, Branch General Managers and Deputy Branch General Managers of Branches)
<b>Proposal No. 12:</b>	Partial Amendment to the Articles of Incorporation (Regarding Restrictions on External Training Cooperation and Financial Education)

**<Matters proposed by shareholders (329 shareholders, number of voting rights: 635) (Proposals No. 13 through No. 22)>**

<b>Proposal No. 13:</b>	Dismissal of Director
<b>Proposal No. 14:</b>	Dismissal of Director
<b>Proposal No. 15:</b>	Partial Amendment to the Articles of Incorporation (Regarding Establishment of Operational System Aimed at the Lifting of the Business Improvement Order)
<b>Proposal No. 16:</b>	Deletion of Article 33 of the Articles of Incorporation (Regarding the Organ that Decides Dividends of Surplus, etc.)
<b>Proposal No. 17:</b>	Partial Amendment to the Articles of Incorporation (Regarding the Disclosure of Individual Officers’ Compensation)
<b>Proposal No. 18:</b>	Amendment of Article 28 of the Articles of Incorporation (Regarding Directors’ Compensation)

- Proposal No. 19:** Partial Amendment to the Articles of Incorporation (Regarding the Establishment of Deadlines for Achievement Commitments in Response to Administrative Disposition)
- Proposal No. 20:** Partial Amendment to the Articles of Incorporation (Regarding Publication of the Status of Implementation of the Compliance Charter)
- Proposal No. 21:** Amendment to Article 2 of the Articles of Incorporation
- Proposal No. 22:** Partial Amendment to the Articles of Incorporation (Regarding Incorporation of Details that Reflect the SDGs)

**Proposals No. 3 through No. 22** are proposals made by shareholders; the Board of Directors opposes each of the above shareholder proposals.

#### 4. Information on Convocation:

- (1) If you choose to exercise your voting rights in writing and do not indicate your approval or disapproval for each of the proposals on the Voting Rights Exercise Form returned to the Bank, you will be deemed to have indicated approval for the Bank's proposals and disapproval of shareholder proposals.
- (2) If you exercise your voting rights in writing in duplicate, the last Voting Rights Exercise Form to reach the Bank will be deemed to be valid.
- (3) If you exercise your voting rights both in writing and via the Internet, etc., your exercise via the Internet, etc. will be deemed to be valid. In addition, if you exercise your voting rights multiple times via the Internet, etc., your last exercise will be deemed to be valid.
- (4) If you intend to engage in split voting, you are required to notify the Bank indicating your intention to engage in split voting and the reasons for the split voting at least three days prior to the General Meeting of Shareholders.

- ⊙ For this General Meeting of Shareholders, the Bank has uniformly sent documents stating the matters subject to the electronic provision measures, whether or not you requested the delivery in writing. However, in accordance with laws and regulations and Article 16, Paragraph 2 of the Articles of Incorporation of the Bank, the following matters are not included in the documents sent to shareholders:
  - (1) Matters relating to Subscription Rights to Shares of the Bank,
  - (2) Consolidated Statement of Shareholders' Equity,
  - (3) the Notes to the Consolidated Financial Statements,
  - (4) Non-consolidated Statement of Shareholders' Equity, and
  - (5) the Notes to the Non-consolidated Financial Statements.
 Accordingly, the Business Report, the Consolidated Financial Statements, and the Non-consolidated Financial Statements, which have been audited by the Accounting Auditor and the Audit and Supervisory Committee, are comprised of not only the documents referred to in the documents stating the matters subject to the electronic provision measures, but also the items listed in (1) through (5) above posted on each website.
- ⊙ Any revisions to the matters subject to the electronic provision measures will be posted on the relevant website(s).
- ⊙ Exercise of voting rights by proxy is permitted, provided that another shareholder with voting rights is designated as a proxy, in accordance with Article 18 of the Articles of Incorporation of the Bank. A shareholder may designate one proxy. To enable exercise of voting rights by proxy, a document evidencing the proxy's power of representation must be submitted

#### **To shareholders attending the meeting**

- ⊙ When attending the meeting, please submit or present the enclosed Voting Rights Exercise Form and, in addition, for shareholders with prior registration, either a printed-out copy of the "Notice of Seat Number" sent by e-mail or such Notice on a smartphone screen at the reception desk.
- ⊙ We would appreciate it if you could bring these reference documents with you to the meeting.
- ⊙ Please refrain from photographing and/or recording using a camera, smartphone, feature phone, etc. Please also refrain from talking or texting on a smartphone, feature phone, etc., including before and after the opening of the meeting.
- ⊙ Please note that we no longer hand out gifts to shareholders attending the meeting and have not done so since the 206th Annual General Meeting of Shareholders.

## Information on Exercising Voting Rights via the Internet, etc.

Voting rights can be exercised via the Internet by accessing the website for the exercise of voting rights designated by the Bank indicated below. You are cordially requested to exercise your voting rights by the voting deadline to facilitate the timely recording of votes.

### Voting deadline

**5:00 p.m. (JST) on Wednesday, June 28, 2023**

### Website for the exercise of voting rights

**<https://www.e-sokai.jp>**

### About Smart Exercise

Please scan the “QR Code for Login to the Website for the Exercise of Voting Rights by Smartphone” printed on the enclosed Voting Rights Exercise Form, and you will be able to access the website without entering the Voting Rights Exercise Code or the Password.

\*You can exercise your voting rights by “Smart Exercise” only once.

For details, please refer to the enclosed leaflet (in Japanese).

### Notes

- > The website for the exercise of voting rights is not accessible via the Internet from mobile phones except for certain mobile phone terminals (smartphones, etc.).
- > All charges required for accessing the website for the exercise of voting rights, such as service charge by the Internet service provider and communication fees charged by carriers (telephone charges, etc.), shall be borne by shareholders.
- > The Password is a means to identify the voter is the shareholder. You are requested to keep the Password safely until the closure of this General Meeting of Shareholders. Please note that we are unable to respond to any inquiries about the Voting Rights Exercise Code or the Password.

### Procedures to Access the Website for the Exercise of Voting Rights

#### 1. Access the website for the exercise of voting rights

Click “Proceed.”

#### 2. Log in

Enter the “Voting Rights Exercise Code” indicated at lower left on the Voting Rights Exercise Form and click “Log in.”

#### 3. Enter the Password

Enter the “Password” indicated on the Voting Rights Exercise Form and click “Proceed.”

**Then, follow the instructions on the screen and indicate your vote for or against each proposal.**

### Inquiries regarding the Exercise of Voting Rights via the Internet

If you have any inquiries about the exercise of voting rights via the Internet, please call the following number.

- Transfer agent: Agency Department, JAPAN SECURITIES AGENTS, LTD.
- Web support direct line: 0120-707-743 (toll-free in Japan)
- Business hours: Open from 9:00 a.m. to 9:00 p.m. (including Saturdays, Sundays, and national holidays)

For institutional investors

By applying in advance to use the Electronic Voting Platform for Institutional Investors managed by ICJ Inc., a company jointly established by the Tokyo Stock Exchange, Inc. and other entities, management trust banks and other nominee shareholders (including standing proxies) are able to use the platform as an alternative to the method for exercising the voting rights via the Internet described above.

## Reference Documents for the General Meeting of Shareholders

### Proposals and References

#### Matters proposed by the Bank (Proposals No. 1 and No. 2)

Proposal No. 1 and Proposal No. 2 are matters proposed by the Bank.

#### Proposal No. 1: Election of Eight (8) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter the same applies in this Proposal) will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, in order to strengthen the management structure, the Bank proposes to increase the number of Directors by two (2) and to elect eight (8) Directors.

However, the election of Mr. Naoki Takahashi will take effect, based on the capital and business alliance agreement dated May 18, 2023 between the Bank and Credit Saison Co., Ltd., as of the effective date (scheduled to be July 3, 2023), subject to the effectuation of (1) third-party allotment by the Bank to Credit Saison Co., Ltd. and (2) the third-party allotment by Credit Saison Co., Ltd. to the Bank.

Nominations of the candidates for Director were determined by the Board of Directors based on the recommendation by the Nomination and Compensation Committee, an optional committee (chaired by an Independent Outside Director and with Independent Outside Directors constituting a majority of the members). The Audit and Supervisory Committee examined this proposal but identified no special matters on which the Committee should state its opinions at the General Meeting of Shareholders in accordance with the provisions of the Companies Act.

The candidates for Director are as follows:

No.	Name	Positions and responsibilities at the Bank	Candidate attributes	Attendance at Board of Directors' meetings
1	Kosuke Saga	Representative Director and President	Reelection Male	17/17 (100%)
2	Kosuke Kato	Representative Director and Vice President	Reelection Male	17/17 (100%)
3	Tomoaki Tsutsumi	Managing Director, CCO General Manager of Credit Division	Reelection Male	17/17 (100%)
4	Tomoki Toya	Director General Manager of Community Bank	Reelection Male	17/17 (100%)
5	Takeshi Miyajima	Director General Manager of IT & Operations Headquarters	Reelection Male	13/13 (100%)
6	Yoriyuki Kusaki	Outside Director	Reelection Outside Director Independent Director Male	19/19 (100%)
7	Yukiteru Yamamoto	—	New election Outside Director Independent Director Male	— / —
8	Naoki Takahashi	—	New election Outside Director Male	— / —

## Candidates for Directors

### 1 Kosuke Saga

Reelection / Male

Date of birth: July 2, 1964  
Attendance at Board of Directors' meetings: 17/17 (100%)  
Number of shares of the Bank held: – shares

Career summary, positions, responsibilities and significant concurrent positions

- Apr. 1987 Joined Recruit Cosmos Co., Ltd. (currently, Cosmos Initia Co., Ltd.)
- Jun. 2006 Director (responsible for accounting and finance), Recruit Cosmos Co., Ltd.
- Nov. 2010 Director and Managing Executive Officer, MK Capital Management Corporation (currently, IDERA Capital Management Ltd.)
- Sep. 2012 Director and Vice President, IDERA Capital Management Ltd.
- Nov. 2012 Representative Director and President, IDERA Capital Management Ltd.
- Mar. 2016 Executive Director responsible for strengthening management infrastructure, SG Holdings Co., Ltd.
- Jun. 2018 Director responsible for Corporate Planning, SG Holdings Co., Ltd.
- Jun. 2019 Director and Vice President of the Bank  
Responsible for General Management Planning Headquarters and Sales Division
- Oct. 2019 Representative Director and Vice President  
Responsible for General Management Planning Headquarters and Sales Division
- Jun. 2020 Representative Director and President  
Responsible for Corporate Administration Division
- Jun. 2022 Representative Director and President (current position)  
To present

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#### Reasons for nomination as a candidate for Director

Mr. Kosuke Saga has been exerting leadership in restructuring the business model and tackling various management issues by leveraging his wealth of experience and extensive knowledge gained through his career as a corporate management executive, and based on these achievements, the Bank judges that he is indispensable in continuing to work to resolve important management issues in the second phase of the Mid-term Management Plan and back up the new executive structure, and thus nominated him as a candidate for Director.

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## 2 Kosuke Kato

Reelection / Male

Date of birth: March 15, 1966

Attendance at Board of Directors' meetings: 17/17 (100%)

Number of shares of the Bank held: – shares

Career summary, positions, responsibilities and significant concurrent positions

- Apr. 1989 Joined Nippon Life Insurance Company
- Mar. 1997 Joined Boston Consulting Group
- Jul. 2003 Partner, Boston Consulting Group
- Jan. 2010 Senior Partner & Managing Director, Boston Consulting Group
- Oct. 2013 Vice President, American Family Life Assurance Company of Columbus (currently, Aflac Life Insurance Japan Ltd.)
- Jan. 2016 Senior Vice President, American Family Life Assurance Company of Columbus (currently, Aflac Life Insurance Japan Ltd.)
- Aug. 2018 Chief Executive Officer, AEGON Sony Life Insurance Co., Ltd. (currently, Sony Life Insurance Co., Ltd.)
- Jun. 2020 Representative Director and Vice President, CCO of the Bank  
Responsible for General Management Planning Headquarters, Compliance Department, Systems Department, and Market Finance Department
- Jun. 2022 Representative Director and Vice President  
Responsible for General Management Planning Headquarters, Solution Business Promotion Division, and Market Finance Department
- Apr. 2023 Representative Director and Vice President (current position)  
To present

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### Reasons for nomination as a candidate for Director

Mr. Kosuke Kato has leveraged his experience in corporate management, deep knowledge in the field of finance, and extensive network of relationships to engage in all important business executions of the Bank that contribute to enhancing its corporate value. He has exercised leadership in working on the second phase of the Mid-term Management Plan since its planning stage, and based on these achievements, the Bank judges that he is indispensable in the steady implementation of the Mid-term Management Plan and the promotion of the retail solutions business, and thus nominated him as a candidate for Director.

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### 3 Tomoaki Tsutsumi

Reelection / Male

Date of birth: November 23, 1966

Attendance at Board of Directors' meetings: 17/17 (100%)

Number of shares of the Bank held: 3,300 shares

Career summary, positions, responsibilities and significant concurrent positions

Apr. 1990 Joined the Bank

Apr. 2010 General Manager of Integrated Risk Management Department, Corporate Planning Division

Apr. 2013 General Manager of Ito Branch

Apr. 2014 General Manager of Integrated Risk Department, Corporate Administration Division

Apr. 2017 Executive Officer, General Manager of Credit Department

Dec. 2018 Senior Executive Officer, General Manager of Credit Division

Jun. 2019 Director, Senior Executive Officer, General Manager of Credit Division  
Responsible for Credit Division, Loan Management Division, and Market Finance Department

Jun. 2020 Managing Director  
Responsible for Credit Division and Loan Management Division

Jun. 2022 Managing Director, CCO  
Responsible for Credit Division, Loan Management Division, and Compliance Department

Apr. 2023 Managing Director  
General Manager of Credit Division and CCO (current position)  
To present

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#### Reasons for nomination as a candidate for Director

Mr. Tomoaki Tsutsumi has leveraged his wealth of experience and deep insight in managing credit risk to execute business that optimizes risk and return, and as CCO (Chief Compliance Officer), he has been working sincerely and appropriately to thoroughly ensure customer-oriented business operations. Based on these achievements, the Bank judges that he continues to be indispensable in appropriately executing risk-return control, constructing a system to ensure compliance, and promoting the second phase of the Mid-term Management Plan, and thus nominated him as a candidate for Director.

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## 4 Tomoki Toya

Reelection / Male

Date of birth: March 11, 1966

Attendance at Board of Directors' meetings: 17/17 (100%)

Number of shares of the Bank held: 2,400 shares

Career summary, positions, responsibilities and significant concurrent positions

Apr. 1989 Joined the Bank

Apr. 2006 General Manager of Hatano Branch

Apr. 2015 General Manager of Personal Finance Department, Customer Support Division

Jun. 2016 General Manager of Casting Department, Corporate Planning Division

Sep. 2018 Executive Officer, General Manager of Human Resources Department

Oct. 2018 Executive Officer, General Manager of Sales Division

Apr. 2019 Executive Officer, General Manager of Sales Division and General Manager of Kanagawa Community Bank

May 2020 Executive Officer, General Manager of Sales Division

Jun. 2020 Director

Responsible for Sales Division and Business Administration Division

Jun. 2022 Director

Responsible for Sales Division

Apr. 2023 Director

General Manager of Community Bank (current position)

To present

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### Reasons for nomination as a candidate for Director

Taking into account Mr. Tomoki Toya's achievements in establishing high-quality, long-term relationships with local customers through promoting sales activities according to the policy of customer-oriented business operations, the Bank judges that he is indispensable in promoting the sales activities set forth in the second phase of the Mid-term Management Plan, and thus nominated him as a candidate for Director.

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## 5 Takeshi Miyajima

Reelection / Male

Date of birth: August 5, 1965

Attendance at Board of Directors' meetings: 13/13 (100%)

Number of shares of the Bank held: – shares

Career summary, positions, responsibilities and significant concurrent positions

- Apr. 1989 Joined the Bank
- Apr. 2005 General Manager of Yokohama Hiyoshi Branch
- Apr. 2012 General Manager of Yokosuka Branch
- Apr. 2015 General Manager of Quality Support Department, Customer Support Division
- Apr. 2016 Executive Officer, General Manager of Quality Support Department, Customer Support Division
- Apr. 2017 Executive Officer, General Manager of Administration Division
- Apr. 2018 Executive Officer, General Manager of Corporate Planning Division
- Oct. 2018 Executive Officer, General Manager of Corporate Administration Division
- Jun. 2021 Senior Executive Officer, General Manager of Corporate Administration Division
- Jun. 2022 Director  
Responsible for Corporate Administration Division, Business Administration Division, and Systems Department
- Apr. 2023 Director  
General Manager of IT & Operations Headquarters (current position)  
To present

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### Reasons for nomination as a candidate for Director

Mr. Takeshi Miyajima is well-versed in banking operations, has shown exceptional business execution abilities, and has worked to create new customer contact points through Digital Transformation (DX) and reform and streamline business operations. Based on these achievements, the Bank judges that he is indispensable in promoting the second phase of the Mid-term Management Plan, and thus nominated him as a candidate for Director.

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## 6 Yoriyuki Kusaki

Reelection / Outside Director / Independent Director / Male

Date of birth: March 31, 1958

Attendance at Board of Directors' meetings: 19/19 (100%)

Number of shares of the Bank held: – shares

Career summary, positions, responsibilities and significant concurrent positions

Apr. 1980 Joined Daiwa Securities Co. Ltd.

May 2004 Senior Managing Director, Daiwa Securities SMBC Co. Ltd.

Apr. 2007 Executive Managing Director, Daiwa Securities SMBC Co. Ltd.

Apr. 2009 Senior Executive Managing Director, Head of Sales Division of Daiwa Securities Co. Ltd.

Apr. 2012 Representative Director and Deputy President, Head of Sales Division of Daiwa Securities Co. Ltd.;

Corporate Executive Officer, Deputy President, Deputy Head of Retail of Daiwa Securities Group Inc.

Apr. 2016 President and Representative Director of Daiwa Institute of Research Holdings Ltd.;

President and Representative Director of Daiwa Institute of Research Ltd.;

President and Representative Director of Daiwa Institute of Research Business

Innovation Ltd.;

Executive Vice President in charge of Thinktanks of Daiwa Securities Group Inc.

Apr. 2020 Adviser of Daiwa Institute of Research Holdings Ltd. (currently, Daiwa Institute of Research Ltd.)

Jun. 2020 Outside Director of the Bank (current position)

To present

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### Reasons for nomination as a candidate for Outside Director and a summary of expected roles

Mr. Yoriyuki Kusaki, as an Outside Director and Chairperson of the Nomination and Compensation Committee, has demonstrated a wealth of experience, deep insight, and prowess as a management executive, and the Bank judges that his advice and supervision that leverages his knowledge and other qualities will continue to contribute to the Bank with a view to enhancing the Bank's corporate value, and thus nominated him as a candidate for Outside Director.

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- Notes
1. No special interest exists between Mr. Yoriyuki Kusaki and the Bank.
  2. Mr. Yoriyuki Kusaki is a candidate for Outside Director as provided for in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act and satisfies the Bank's criteria for independence of outside directors. Mr. Yoriyuki Kusaki is an independent director as provided for by the Tokyo Stock Exchange, Inc. and the Bank has registered him as an independent director with the same Exchange. The Bank has no transactions with Mr. Yoriyuki Kusaki.
  3. Mr. Yoriyuki Kusaki will have served as Outside Director of the Bank for three (3) years upon the conclusion of this Annual General Meeting of Shareholders.

## 7 Yukiteru Yamamoto

**New election / Outside Director / Independent Director / Male**

Date of birth: June 3, 1953

Attendance at Board of Directors' meetings: - / - (-%)

Number of shares of the Bank held: - shares

Career summary, positions, responsibilities and significant concurrent positions

Apr. 1977 Joined Mitsui Mutual Life Insurance Company (currently, TAIJU LIFE INSURANCE COMPANY LIMITED)

Apr. 2004 Executive Officer and General Manager of General Affairs and Personnel Division, of Mitsui Life Insurance Company

Apr. 2006 Managing Executive Officer, Mitsui Life Insurance Company

Jun. 2008 Director & Managing Executive Officer, Mitsui Life Insurance Company

Jul. 2008 Director, Japan Association for Financial Planners

Apr. 2009 Representative Director & President and Chief Executive Officer, Mitsui Life Insurance Company

Jun. 2013 Special Advisor, Mitsui Life Insurance Company

Jun. 2014 Outside Director, Sanki Engineering Co., Ltd.

Jul. 2014 Managing Director, Japan Association for Financial Planners

Apr. 2015 Advisor, Mitsui Life Insurance Company

Jul. 2016 Senior Managing Director, Japan Association for Financial Planners (current position)

Jun. 2020 Outside Director & Chairman of the Board of Directors, Sanki Engineering Co., Ltd. (current position)

To present

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### **Reasons for nomination as a candidate for Outside Director and a summary of expected roles**

In addition to his wealth of experience and extensive network as a manager of a financial institution, Mr. Yukiteru Yamamoto is also well-versed in the fields of human resources and labor affairs. The Bank judges that incorporating his knowledge and experience into the management of the Bank and receiving his advice and supervision on important management issues, including sustainability management, will contribute to enhancing the Bank's corporate value, and thus nominated him as a candidate for Outside Director.

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- Notes
1. No special interest exists between Mr. Yukiteru Yamamoto and the Bank.
  2. Mr. Yukiteru Yamamoto is a candidate for Outside Director as provided for in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act and satisfies the Bank's criteria for independence of outside directors. Mr. Yukiteru Yamamoto is an independent director as provided for by the Tokyo Stock Exchange, Inc. and the Bank has registered him as an independent director with the same Exchange. The Bank has no transactions with Mr. Yukiteru Yamamoto.

## 8 Naoki Takahashi

New election / Outside Director / Male

Date of birth: August 5, 1950

Attendance at Board of Directors' meetings: - / - (-%)

Number of shares of the Bank held: - shares

Career summary, positions, responsibilities and significant concurrent positions

Apr. 1974 Joined The Fuji Bank, Limited (currently, Mizuho Financial Group, Inc.)

Apr. 2003 Executive Officer, General Manager, Osaka Corporate Banking Division No. 2 of Mizuho Corporate Bank, Ltd. (currently, Mizuho Bank, Ltd.)

Apr. 2004 Managing Executive Officer, Business Executive Officer of Mizuho Corporate Bank, Ltd.

Apr. 2005 Joined Credit Saison Co., Ltd. As Advisor

Jun. 2005 Managing Director, Credit Saison Co., Ltd.

Mar. 2007 General Manager, Business Strategy Division, Credit Saison Co., Ltd.

Mar. 2010 Senior Managing Director, Credit Saison Co., Ltd.

Mar. 2011 Representative, Senior Managing Director, Credit Saison Co., Ltd.

Mar. 2016 Representative, Executive Vice President, Credit Saison Co., Ltd.

Mar. 2020 Representative, Executive Vice President and CHO, Credit Saison Co., Ltd. (current position)  
To present

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### Reasons for nomination as a candidate for Outside Director and a summary of expected roles

Mr. Naoki Takahashi is Representative of Credit Saison Co., Ltd., which entered into a capital and business alliance agreement with the Bank on May 18, 2023. The Bank judges that his experience as an executive officer of a megabank will contribute to the creation of a unique retail financial solutions business through collaboration between banks and non-banks by further strengthening cooperation between the two, and thus nominated him as a candidate for Outside Director.

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- Notes
1. The Bank has entered into a capital and business alliance agreement dated May 18, 2023 with Credit Saison Co., Ltd. for which Mr. Naoki Takahashi serves as Representative, Executive Vice President and CHO. If the third-party allotment by the Bank to Credit Saison Co., Ltd. comes into effect, the ratio of voting rights held by Credit Saison Co., Ltd. to the total number of voting rights after the allotment will be 15.72%. No special interest exists between Mr. Naoki Takahashi and the Bank.
  2. Mr. Naoki Takahashi is a candidate for Outside Director as provided for in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.

- Notes -
- The Bank has entered into a directors and officers liability insurance contract, under which all of its Directors are the insureds, to cover loss or damage that may result from the insured Directors assuming liability for the performance of their duties or being subject to a claim for the pursuit of such liability. However, there are grounds for exemptions, such as that loss or damage caused intentionally or with gross negligence will not be covered. If the election of each candidate for Director is approved and resolved, the Bank intends to renew the insurance contract.
  - The Bank has entered into an agreement with Mr. Yoriyuki Kusaki in accordance with the Articles of Incorporation of the Bank and Article 427, Paragraph 1 of the Companies Act, to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act. If the election of Mr. Yoriyuki Kusaki is approved and resolved as originally proposed, the said liability limitation agreement will remain in effect.
  - If the election of Mr. Yukiteru Yamamoto and Mr. Naoki Takahashi are approved as originally proposed, the Bank will enter into an agreement with each of them in accordance with the Articles of Incorporation of the Bank and Article 427, Paragraph 1 of the Companies Act, to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act to the amount stipulated by laws and regulations.

**Proposal No. 2: Election of Three (3) Directors Who Are Audit and Supervisory Committee Members**

The terms of office of the three (3) Directors who are Audit and Supervisory Committee Members will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of three (3) Directors who are Audit and Supervisory Committee Members is proposed.

Nomination of candidates for Directors who are Audit and Supervisory Committee Members was determined by the Board of Directors based on the recommendation by the Nomination and Compensation Committee, an optional committee (chaired by an Independent Outside Director and with Independent Outside Directors constituting a majority of the members). The approval of the Audit and Supervisory Committee regarding this proposal has been obtained in advance.

The candidates for Directors who are Audit and Supervisory Committee Members are as follows:

No.	Name	Positions and responsibilities at the Bank	Candidate attributes	Attendance at Board of Directors' meetings
1	Tatsuya Akita	Senior Executive Officer, General Management Planning Headquarters	New election Male	- / -
2	Emi Noge	Outside Director who is an Audit and Supervisory Committee Member	Reelection Outside Director Independent Director Female	19/19 (100%)
3	Yoichi Namekata	Outside Director who is an Audit and Supervisory Committee Member	Reelection Outside Director Independent Director Male	19/19 (100%)

## Candidates for Directors who are Audit and Supervisory Committee Members

### 1 Tatsuya Akita

New election / Male

Date of birth: September 6, 1962

Attendance at Board of Directors' meetings: - / - (-%)

Number of shares of the Bank held: 8,168 shares

Career summary, positions, responsibilities and significant concurrent positions

Apr. 1985 Joined the Bank

Apr. 2005 General Manager of Integrated Risk Management Department, Corporate Planning Division

Apr. 2007 General Manager of Shimizu Branch

Oct. 2009 Deputy General Manager of Corporate Planning Division

Apr. 2011 Executive Officer, General Manager of Corporate Administration Division

Apr. 2015 Managing Executive Officer, General Manager of Corporate Administration Division, in charge of Market Finance Department

Apr. 2018 Senior Executive Officer, General Manager of Corporate Administration Division

Oct. 2018 Senior Executive Officer, General Manager of General Management Planning Headquarters

Apr. 2023 Senior Executive Officer, General Management Planning Headquarters (current position)  
To present

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#### Reasons for nomination as a candidate for Director

As Senior Executive Officer and General Manager of General Management Planning Headquarters, Mr. Tatsuya Akita exercises leadership in overall risk management and is committed to the execution of the Bank's business operations. He is also well-versed in the field of accounting, and the Bank judges that his appointment as a full-time Audit and Supervisory Committee Member will contribute to strengthening the auditing and supervisory functions of management, and thus nominated him as a candidate for Director who is an Audit and Supervisory Committee Member.

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Note The shares of the Bank held by Mr. Tatsuya Akita is the total of his own shares and shares held through the Suruga Bank Shareholding Association as of March 31, 2023.

## 2 Emi Noge

**Reelection / Outside Director / Independent Director / Female**

Date of birth: January 17, 1970

Attendance at Board of Directors' meetings: 19/19 (100%)

Number of shares of the Bank held: – shares

Career summary, positions, responsibilities and significant concurrent positions

Apr. 1995 Became a public prosecutor

Mar. 2006 Registered as attorney-at-law

Mar. 2006 Joined Fuji Godo Law Office (current position)

Apr. 2012 Dispute Coordinating Committee Member, Tokyo Labor Bureau

Apr. 2017 Mediation Committee Member, Tokyo Summary Court (current position)

Jun. 2018 Outside Audit & Supervisory Board Member, the Bank

Jun. 2019 Outside Director who is an Audit and Supervisory Committee Member (current position)

Jun. 2022 Auditor The Japanese Circulation Society (current position)

To present

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### **Reasons for nomination as a candidate for Outside Director and a summary of expected roles**

Ms. Emi Noge has, on top of her career as an attorney-at-law, a wealth of experience as well as deep insight and expertise gained through serving as a public prosecutor. She has vigorously conducted visiting audits and other activities at branches and headquarter departments of the Bank. She has also contributed greatly to the soundness and transparency of the Bank's decision-making by providing useful and honest opinions and recommendations at the Board of Directors' meetings and through her fair and impartial words and actions as a member of the Nomination and Compensation Committee. In addition, in her capacity as an Audit and Supervisory Committee Member, Ms. Emi Noge has represented the Bank in handling a lawsuit against the Bank's former management team. Based on these achievements, the Bank judges that Ms. Emi Noge will continue to leverage her experience in strengthening the audit and supervision of the management, and thus nominated her as a candidate for Outside Director who is an Audit and Supervisory Committee Member.

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- Notes
1. No special interest exists between the candidate for Director and the Bank.
  2. Ms. Emi Noge is a candidate for Outside Director as provided for in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act and satisfies the Bank's criteria for independence of outside directors. Ms. Emi Noge is an independent director as provided for by the Tokyo Stock Exchange, Inc. and the Bank has registered her as an independent director with the same Exchange. The Bank has no transactions with Ms. Emi Noge.
  3. Ms. Emi Noge will have served as Outside Director who is an Audit and Supervisory Committee Member of the Bank for four (4) years upon the conclusion of this Annual General Meeting of Shareholders. Prior to assuming office as Director who is an Audit and Supervisory Committee Member, she served as an Audit & Supervisory Board Member for one (1) year.



### 3 Yoichi Namekata

**Reelection / Outside Director / Independent Director / Male**

Date of birth: March 21, 1969

Attendance at Board of Directors' meetings: 19/19 (100%)

Number of shares of the Bank held: – shares

Career summary, positions, responsibilities and significant concurrent positions

- Apr. 1996 Registered as attorney-at-law
- Aug. 1999 Joined Merrill Lynch Japan Securities Co., Ltd.
- May 2003 Joined the Financial Service Agency
- Jan. 2008 Joined Tokyo Aoyama Aoki Koma Law Office
- Aug. 2009 Joined Blakemore & Mitsuki
- Aug. 2013 Representative Partner, NAMEKATA International Law Office (current position)
- Jun. 2018 Outside Audit & Supervisory Board Member, the Bank
- Mar. 2019 Corporate Auditor, LINE Corporation (currently A Holdings Corporation)
- Jun. 2019 Outside Director who is an Audit and Supervisory Committee Member, the Bank (current position)
- Mar. 2020 Outside Corporate Auditor, LINE Pay Corporation (current position)
- Feb. 2021 Outside Corporate Auditor, LINE Corporation (current position)
- To present

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#### **Reasons for nomination as a candidate for Outside Director and a summary of expected roles**

Mr. Yoichi Namekata, on top of his career as an attorney-at-law, is well-versed in the operations of financial institutions and has a wealth of experience as well as deep insight and expertise. He has also contributed greatly to the soundness and transparency of the Bank's decision-making by appropriately and effectively managing agendas as the chair of the Board of Directors' meetings. In addition, in his capacity as an Audit and Supervisory Committee Member, Mr. Yoichi Namekata has represented the Bank in handling a lawsuit against the Bank's former management team. Based on these achievements, the Bank judges that Mr. Yoichi Namekata will continue to leverage his experience in strengthening the audit and supervision of the management, and thus nominated him as a candidate for Outside Director who is an Audit and Supervisory Committee Member.

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- Notes
1. No special interest exists between the candidate for Director and the Bank.
  2. Mr. Yoichi Namekata is a candidate for Outside Director as provided for in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act and satisfies the Bank's criteria for independence of outside directors. Mr. Yoichi Namekata is an independent director as provided for by the Tokyo Stock Exchange, Inc. and the Bank has registered him as an independent director with the same Exchange. Although the Bank has business transactions related to settlement services with LINE Pay Corporation, the transaction amount accounted for less than 1% of the annual consolidated net sales of said corporation, and for less than 1% of the consolidated gross profit of the Bank, in the most current fiscal year, respectively. Thus, the Bank considers that the relationship does not affect his independence.
  3. Mr. Yoichi Namekata will have served as Outside Director who is an Audit and Supervisory Committee Member of the Bank for four (4) years upon the conclusion of this Annual General Meeting of Shareholders. Prior to assuming office as Director who is an Audit and Supervisory Committee Member, he served as an Audit & Supervisory Board Member for one (1) year.

- Notes - The Bank has entered into a directors and officers liability insurance contract, under which all of its Directors are the insureds, to cover loss or damage that may result from the insured Directors assuming liability for the performance of their duties or being subject to a claim for the pursuit of such liability. However, there are grounds for exemptions, such as that loss or damage caused intentionally or with gross negligence will not be covered. If the election of each candidate for Director is approved and resolved, the Bank intends to renew the insurance agreement.
- The Bank has entered into an agreement with Ms. Emi Noge and Mr. Yoichi Namekata in accordance with the Articles of Incorporation of the Bank and Article 427, Paragraph 1 of the Companies Act, to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act. If the election of Ms. Emi Noge and Mr. Yoichi Namekata is approved and resolved as originally proposed, the said liability limitation agreement will remain in effect.

(Reference) Skills Matrix of the Board of Directors after this General Meeting of Shareholders (tentative)

The principal areas of expertise and experience particularly expected of each Director are as follows.

Name		Corporate Management	Risk Management	Finance / Accounting	Sales / Marketing	HR Management	Marketable activities	Compliance/ Legal	IT/ Digital
Directors who are not Audit and Supervisory Committee Members	Kosuke Saga	●	●	●	●	●			
	Kosuke Kato	●	●	●	●		●		●
	Tomoaki Tsutsumi		●	●				●	
	Tomoki Toya		●		●	●			
	Takeshi Miyajima				●	●			●
	Yoriyuki Kusaki	●			●	●			
	Yukiteru Yamamoto	●		●		●			
	Naoki Takahashi	●			●	●			
Directors who are Audit and Supervisory Committee Members	Emi Noge		●					●	
	Yoichi Namekata		●					●	
	Yasumine Satake	●		●			●		
	Tatsuya Akita		●	●			●		

\* The above matrix does not reflect the entirety of insight and experience of each Director.

## Shareholder Proposals (Proposal No. 3 through Proposal No. 12)

Proposal No. 3 through Proposal No. 12 are proposals made by shareholders (5 shareholders). The number of voting rights held by such shareholders is 302.

The “Reasons for the Proposal” for each Proposal, including choice of wording and assertions of facts, are presented in their original form as submitted by the shareholders, except for formal revisions. [Translation Note: This paragraph is not applicable to English translation]

The Board of Directors of the Bank **opposes** all of these proposals as described below.

### Proposal No. 3: Dissolution of Suruga Bank

#### 1. Outline of the Proposal

It is proposed that Suruga Bank Ltd. be dissolved. Dissolution procedures would be conducted under the supervision of a third party committee to ensure that no fraudulent activities are committed by the Bank during such procedures.

#### 2. Reasons for the Proposal

After the fraudulent loan scandal in 2018, the Bank’s stock price has floundered at a price book-value ratio of less than 1, which is causing immense inconvenience to shareholders. Meanwhile, not only was directors’ compensation per person for the fiscal year ended March 31, 2021 double that of the fiscal year ended March 31, 2019, extraordinary personnel appointments have been made, such as the promotion of a bank employee who played a leading role in the falsification of financial screening documents to the general manager of a branch. This leads to the assumption that there has been no remorse whatsoever for these actions. As the Bank has been unable to realize the “customer-oriented business operations” it has declared in its Compliance Charter and continues with its system of bank-oriented business operations, regaining customers’ trust and restructuring its management is impossible. Therefore, we hereby propose that the Bank be dissolved immediately and its net assets be distributed to shareholders after abandoning the fraudulent loans for apartments and condominiums. To ensure that the Bank, which obstructed investigations by the Financial Services Agency and examination by the Bank of Japan, does not act fraudulently during the dissolution procedures, such procedures would be conducted under the supervision of a third party committee.

### Opinion of the Board of Directors of the Bank

<b>Oppose</b>	The Board of Directors of the Bank <b>opposes</b> this Proposal for the following reasons.
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We take seriously the point that the Bank’s stock price has fallen to a price book-value ratio of less than 1. On the other hand, we seek shareholders’ understanding that progress is being made on improvements to the management, with, for example, profit for the last fiscal year exceeding the KPI target set forth in the Mid-term Management Plan. In addition, as a regional bank, the Bank plays a role as essential infrastructure for the region, and going forward, it will strive to achieve “customer-oriented business operations.” Therefore, we believe that immediately dissolving the Bank would not be appropriate.

#### **Proposal No. 4: Dismissal of Audit and Supervisory Committee Members**

##### 1. Outline of the Proposal

It is proposed that the following Audit and Supervisory Committee Members be dismissed from office.  
Audit and Supervisory Committee Member Yasumine Satake  
Audit and Supervisory Committee Member Emi Noge  
Audit and Supervisory Committee Member Yoichi Namekata

##### 2. Reasons for the Proposal

Even with the Financial Services Agency's business improvement order still in place after over four and a half years, the embezzlement of 57 million yen by an employee of the Bank at the Odawara Branch was exposed. Moreover, this case was brought to light by a customer's report and the embezzlement by the Bank's employee had been going on for as long as a year. The business improvement order calls for "the strengthening of internal control systems, etc." Also, the "Evaluation Points for Supervising Major Banks" clearly state that "Company auditors of a bank are responsible for auditing the bank's business operations, including audits to check whether or not directors develop internal control systems." The fact that the Bank has failed to detect the fraud by a Bank employee over an extended period indicates that the Audit and Supervisory Committee Members have not fulfilled their duties in the slightest. Therefore, Audit and Supervisory Committee Members who are unable to perform audits should be dismissed immediately.

#### **Opinion of the Board of Directors of the Bank**

<b>Oppose</b>	The Board of Directors of the Bank <b>opposes</b> this Proposal for the following reasons.
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Audit and Supervisory Committee Member Mr. Satake has demonstrated a wealth of experience in bank management and deep insight and prowess as Outside Director and Chairperson of the Audit and Supervisory Committee, and he is contributing greatly to strengthening the Bank's management control system from a more diversified perspective.

Ms. Noge and Mr. Namekata possess a high degree of expertise as lawyers and, as described in the "Reasons for nomination as a candidate for Outside Director and a summary of expected roles" on pages 17-18 of this Notice of Convocation, they are contributing to the soundness and transparency of the Bank's decision-making. The Board of Directors sincerely regrets that the embezzlement at the Odawara Branch, which has been cited as a reason for this Proposal, occurred while the Financial Services Agency's business improvement order was still in place. Furthermore, the Board has clarified where the management responsibility rested and reduced the pay of President Saga and the other executive directors as punishment. On the other hand, the occurrence of this embezzlement does not signify that there were problems with the execution of their duties by the Audit and Supervisory Committee Members, and moreover, we certainly do not believe that it constitutes a reason for the dismissal of the Audit and Supervisory Committee Members.

**Proposal No. 5:** Partial Amendment to the Articles of Incorporation (Regarding Statement of Percentage of Female Directors)

1. Outline of the Proposal

To stipulate in the Articles of Incorporation that the percentage of female directors shall be 30% or more.

2. Reasons for the Proposal

The Asian Corporate Governance Association has proposed the following listing rules for companies listing on the Prime Market.

- That the companies no longer be permitted to have single-gender boards of directors;
- That the companies be mandated to have 1-2 female directors; and
- That the companies to be mandated to have at least 30% of the director positions filled by women by the close of their annual general meeting in calendar 2030.

In addition, research conducted by Professor Barbara Casu, of the Bayes Business School of City, University of London, et al found that greater female representation on bank boards significantly reduces the frequency of misconduct fines. Accordingly, Professor Casu et al concluded that banks with more female directors commit less fraud.

In light of the current state of the Bank, with fraudulent loans and the seemingly endless repetition of fraud incidents such as embezzlement of customers' deposits, it is essential that it reaches a percentage of 30% of female directors. In addition, as a company listed on the Prime Market, achieving such a percentage would present to broader society an image of the Bank as a progressive organization that has been quick to achieve diversity and encourage women to play an active role.

**Opinion of the Board of Directors of the Bank**

<b>Oppose</b>	The Board of Directors of the Bank <b>opposes</b> this Proposal for the following reasons.
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The Bank emphasizes the balance and diversity of knowledge, experience and ability of the Board of Directors as a whole. Regarding the active participation of women as well, the Bank is proceeding with various initiatives aimed at creating a workplace in which female employees can flourish in the medium to long term, while also aiming to increase the number of female managers to at least a certain percentage.

While the percentage of women on the Board of Directors is important, it is also necessary to strive for a balance of knowledge, experience and ability of the Board of Directors as a whole as stated above, and we believe that it is not appropriate to focus solely on increasing the percentage of women. The Bank believes that it is most important to enhance the opportunities for female managers to flourish by working on the development of the environment, such as providing long-term career development support for female employees and expanding the diversity of work styles, and we believe that the outcomes of these efforts will lead to the improvement of the percentage of women on the Board of Directors.

**Proposal No. 6:** Amendment to Article 4 of the Articles of Incorporation

1. Outline of the Proposal

To amend Article 4 of the Articles of Incorporation as follows.

“The Bank shall have the following organizational bodies in addition to General Meetings of Shareholders and Directors.

- (1) Board of Directors
- (2) Audit and Supervisory Committee
- (3) Accounting Auditor
- (4) A third party committee to check internal control systems and operational systems”

2. Reasons for the Proposal

In many real estate investment loans, it was the Bank instigating or tacitly consenting to the falsification of financial screening documents that resulted in the fraudulent activities. Not only this, but even with the Financial Services Agency’s business improvement order still in place after over four and a half years, the embezzlement of 57 million yen by an employee of the Odawara Branch was exposed in October 2022. Despite both of these issues being matters to be identified by internal investigations at the Bank, they were brought to light by a customers’ report. It is clear from this that the internal control systems within the Bank that were ordered in the improvement order from the Financial Services Agency are dysfunctional. For this reason, we propose that the Articles of Incorporation stipulate the establishment of a third party committee to regularly monitor and scrutinize the Bank’s internal control systems and operational systems. To ensure fairness, the members of the third party committee shall be selected by nominations other than by the Bank.

**Opinion of the Board of Directors of the Bank**

<b>Oppose</b>	The Board of Directors of the Bank <b>opposes</b> this Proposal for the following reasons.
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The Bank is constantly reviewing its internal control systems, and we believe that they are functioning effectively in their current state. We cannot conceive that the best method for improving internal control systems would be to establish a permanent third party committee as an organizational body to regularly monitor and scrutinize the Bank’s internal control systems and operational systems. The proposers point out that the case of fraud at the Odawara Branch was exposed by a customer’s report, and that the fact is evidence of the deficiency of the internal control systems. However, as soon as this case was reported, the Bank promptly conducted an investigation, analyzed the causes, and implemented recurrence prevention measures. Even if a third party committee had been established, we do not believe that the response to this case would have been any better. Therefore, we believe that it is unnecessary to amend the Articles of Incorporation as proposed in this Proposal.

**Proposal No. 7: Partial Amendment to the Articles of Incorporation (Regarding the Establishment of a Protest Response Office)**

1. Outline of the Proposal

To stipulate in the Articles of Incorporation the establishment of a protest response office

2. Reasons for the Proposal

In 2022, multiple protest demonstrations apparently took place against the unresolved apartment and condominium fraud case, not only in front of the Tokyo Branch, but also at the Nagoya and Fukuoka Branches and at the branches in Shizuoka and Kanagawa Prefectures. The Bank's shareholders are extremely concerned that, if protest demonstrations are repeatedly held in front of the branches, not only will it lead to a loss of motivation among the employees, but also a loss of customers' trust, and that it may result in more customer churn.

It is unheard of for these kinds of large-scale protest demonstrations to take place multiple times at banks, for whom credibility is the top priority, and this extraordinary situation must be remedied as quickly as possible. Therefore, we propose that the Articles of Incorporation stipulate that a protest response office be established to talk to groups that conduct these protests and negotiate carefully, to ensure that the problem of the fraudulent loans is resolved and that there are no more protest demonstrations.

**Opinion of the Board of Directors of the Bank**

<b>Oppose</b>	The Board of Directors of the Bank <b>opposes</b> this Proposal for the following reasons.
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The goal of the Bank's response to the protest demonstrations by the SI Victims Alliance concerning the so-called apartments and condominiums problem is not to do away with the demonstrations; instead, we believe that it is important to work quickly toward an appropriate resolution of this problem. Further, as we cannot believe that establishing a "Protest Response Office" would eliminate such demonstrations, we believe that it would not be appropriate to amend the Articles of Incorporation as proposed in this Proposal.

**Proposal No. 8: Partial Amendment to the Articles of Incorporation (Regarding the Handling of Officers' Compensation and Compensation Regarding Stock Options)**

1. Outline of the Proposal

To stipulate in the Articles of Incorporation the handling of officers' compensation and compensation regarding stock options in the event of misconduct.

2. Reasons for the Proposal

With the intentions of learning a lesson from the eradication and early resolution of misconduct, and providing the motivation of all Directors to vow to never again let the Bank err in the same way and to not create problems for the future, we propose that, if officers' compensation and stock options occur or continue during their term of office, such payments may be suspended until the problems are resolved. We also propose that the Articles of Incorporation stipulate that, if misconduct is exposed after compensation has been paid, such compensation should be retrospectively paid back, up to the amount of such compensation.

If Directors press forward with operations with a high consciousness of compliance, misconduct will not occur, so for this reason, the incorporation of this Proposal in the Articles of Incorporation would not be a problem.

**Opinion of the Board of Directors of the Bank**

<b>Oppose</b>	The Board of Directors of the Bank <b>opposes</b> this Proposal for the following reasons.
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We believe that, in the event that some kind of scandal occurred in the Bank, it would be inappropriate to demand the suspension of payment or paying back of compensation across the Board with no consideration whatsoever of the details of the case, its scale and causes, involvement, and responsibility for supervision. In addition, as stated on page 17 of the Report for the 212th Fiscal Year (available in Japanese only), regarding stock compensation as officers' compensation, so-called clawback and malus clauses have been established, and regarding other compensation, in the event of a scandal, the Board of Directors passes resolutions for the reduction or repayment of officers' compensation, respecting the opinion of the Nomination and Compensation Committee, which is chaired by an Independent Outside Director and with Independent Outside Directors constituting a majority of the members. Therefore, we believe that it is unnecessary to amend the Articles of Incorporation as proposed in this Proposal.



**Proposal No. 9: Partial Amendment to the Articles of Incorporation (Regarding the Distribution of Dividends)**

1. Outline of the Proposal

To stipulate in the Articles of Incorporation that the payout ratio be 40%, the average for global companies.

2. Reasons for the Proposal

The Bank's current payout ratio is only 17%, and it could not be said that the Bank is adequately achieving returns to shareholders. The average payout ratio for Japanese companies is 30%, and the global average is over 40%. If the Bank is to aim to be a global company, it must develop a lean management condition, and in addition to increasing operating income, it must conduct thorough cost reductions. As a first step toward achieving the targets, we propose that the Bank make a public commitment by stipulating the global payout ratio of 40% in its Articles of Incorporation. In addition to applying pressure to the Bank itself, this could signal that the Bank is an attractive company even from the viewpoint of the world's investors, and it could contribute to the improvement of the currently floundering stock price.

If the payout ratio were to be 40%, based on the financial results announced on April 14, 2023, the dividend per share for the fiscal year ended March 31, 2023 would be 21 yen.

**Opinion of the Board of Directors of the Bank**

<b>Oppose</b>	The Board of Directors of the Bank <b>opposes</b> this Proposal for the following reasons.
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The Bank announced its Mid-term Management Plan, "Re: Start 2025 Phase 2" on April 21, 2023. Regarding dividends, this plan describes a basic policy of stable dividends with an aim of a payout ratio of around 30%. Also, regarding purchase of treasury stock, it states that, as a shareholder return policy that will contribute to capital efficiency, the Bank shall consider the status of financial performance and capital, opportunities for growth investments, and the market environment including share prices, and conduct such purchases in an agile manner. This basic policy for shareholder returns has been determined upon consideration of the optimal balance between the soundness of capital and investments for growth, and the Bank believes that it is appropriate at this point in time. In addition, stipulating a level of dividends in a uniform and fixed manner in the Articles of Incorporation, which are the core rules of the Bank, would result in limitations being placed on appropriate responses to the Bank's circumstances, and for this reason, we do believe that this would be inappropriate.

**Proposal No. 10: Partial Amendment to the Articles of Incorporation (Regarding the Disclosure of Whistleblowing Reports)**

1. Outline of the Proposal

To stipulate in the Articles of Incorporation that internal whistleblowing reports by current employees and whistleblowing reports by former employees be disclosed immediately without cover-up or falsification.

2. Reasons for the Proposal

Internal whistleblowing is crucial for the effective self-cleansing of an organization. However, even when the Bank receives whistleblowing reports, no self-cleansing is observed. For this reason, to restore customers' trust and rebuild the Bank by publicly disclosing the details of whistleblowing reports and the responses to them, we propose that this be stipulated in the Articles of Incorporation. Currently, four and a half years have elapsed since the business improvement order was issued in October 2018, which is an extraordinary situation for a bank. Although the Bank established the Compliance Structure Rebuilding Committee in November 2018 to restore credibility, it could definitely not be said that efforts are being made to restore credibility, with 57 million yen in customer deposits being embezzled by a Bank employee for over a year at the Odawara Branch, for example, despite the business improvement plan being progressed. For every individual employee to break away from misconduct, alongside the penetration of the Compliance Charter, a mechanism for a correctly functioning whistleblowing system is essential.

**Opinion of the Board of Directors of the Bank**

<b>Oppose</b>	The Board of Directors of the Bank <b>opposes</b> this Proposal for the following reasons.
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The Bank established an internal whistleblowing system in February 2019, and handles reports appropriately. In 2020, our system was recognized as complying with the criteria for the Whistleblowing Compliance Management System of the Consumer Affairs Agency. The details of whistleblowing reports are varied, and many of them would not be suitable for disclosure, for reasons such as employees' privacy and business secrets. Therefore, we do not believe that the immediate disclosure of whistleblowing reports, etc. would be appropriate.

**Proposal No. 11: Partial Amendment to the Articles of Incorporation (Regarding the Cleaning of Front Entrances by Directors, General Managers and Deputy General Managers of Branches)**

1. Outline of the Proposal

To stipulate in the Articles of Incorporation that Directors, General Managers and Deputy General Managers of Branches come to work before start of business and clean the area around the Headquarters and branches, and neighboring areas to promote Suruga Bank's clean image to society.

2. Reasons for the Proposal

In addition to the problem of fraudulent loans, the Bank has had repeated embezzlements of customer deposits, the business improvement order from the Financial Services Agency has not been lifted even after four and a half years, and the fraudulent loan problem continues to be reported on television and in newspapers. Moreover, the protest demonstrations by victims are becoming increasingly intense day by day, and it could be said that the Bank's image is in the worst state it has ever been.

This is a disgraceful situation for a banking business, for which the trust of customers and society is the foundation of management. To dispel this image, we propose that Directors, General Managers and Deputy General Managers of Branches regularly (at least three times a week) come to work before start of business and clean the area around the Headquarters and branches, and neighboring areas to promote Suruga Bank's clean image to society. In addition, with a view to broadly informing society about these activities and achieving communication with customers, we propose that the cleaning schedule and scenes from these activities be posted on the Bank's website. This content would be the third installment, following on from the "Suruga Bank Cycling Project" and "General Manager Ii's Hot Springs and Gourmet Quest."

**Opinion of the Board of Directors of the Bank**

<b>Oppose</b>	The Board of Directors of the Bank <b>opposes</b> this Proposal for the following reasons.
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When undertaking any kind of activity to improve the Bank's image, it is necessary to make flexible and agile judgments based on various circumstances, including the environment surrounding the Bank. Given this, we believe that the details of such activities should not be stipulated in the Articles of Incorporation as proposed in this Proposal.

**Proposal No. 12:** Partial Amendment to the Articles of Incorporation (Regarding Restrictions on External Training Cooperation and Financial Education)

1. Outline of the Proposal

To stipulate in the Articles of Incorporation that external compliance training and financial education for students with Suruga Bank employees acting as instructors not be conducted until the business improvement order is lifted.

2. Reasons for the Proposal

In the investigations by the third party committee that resulted in the business improvement order, there were reports that power harassment, such as a revenue-before-everything approach and the forced imposition of quotas, had become normalized in the Bank. As a result, the Bank passed financial screenings even for bad projects by such means as falsification of documents, and repeated unreasonable loans, thus creating many victims. Further, despite the business improvement order still not having been lifted four and a half years after it was issued by the Financial Services Agency, there was an embezzlement of customer deposits last year, and compliance is far from being observed. Under these circumstances, it makes no sense for the Bank to conduct financial education to students who will shoulder the future. The Bank will be qualified to conduct external training and financial education only after it has shown remorse for the aforementioned scandals and the business improvement order is lifted.

In addition, some victims of the fraudulent loan cases have committed suicide, and the Bank must have a proper understanding of just how great an impact the finance business has on people's lives and endeavor to remedy the damage caused by the fraudulent loans as soon as possible.

**Opinion of the Board of Directors of the Bank**

<b>Oppose</b>	The Board of Directors of the Bank <b>opposes</b> this Proposal for the following reasons.
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The financial education that the Bank conducts stems from the Bank's corporate philosophy of "being a bank that makes customers think 'I'm glad you're here, I'm glad we met.'" It is also part of our social contribution activities. The Bank wishes to contribute to the local community as much as possible, and we do not believe that it would be appropriate to prohibit such activities in the Articles of Incorporation.

### Shareholder Proposals (Proposal No. 13 through Proposal No. 22)

Proposal No. 13 through Proposal No. 22 are proposals made by shareholders (329 shareholders). The number of voting rights held by such shareholders is 635.

The “Reasons for the Proposal” for each proposal, including choice of wording and assertions of facts, are presented in their original form as submitted by the shareholders, except for formal revisions. [Translation Note: This paragraph is not applicable to the English translation.]

The Board of Directors of the Bank **opposes** all of these proposals as described below.

#### Proposal No. 13: Dismissal of Director

##### 1. Outline of the Proposal

It is proposed that the following Director be dismissed from office.  
Representative Director and Vice President Kosuke Kato

##### 2. Reasons for the Proposal

Mr. Saga and Mr. Kato are the Representative Directors of the Bank. We understand that, along with Mr. Saga, Mr. Kato is opposed to the early, fundamental, uniform settlement of the problem of fraudulent loans for apartments and condominiums. He holds grave responsibility for this problem remaining unresolved, the business improvement order by the Financial Services Agency remaining in place for more than four and a half years, and the Bank’s business performance and stock price continuing to flounder. For this reason, Mr. Kosuke Kato should be dismissed.

#### Opinion of the Board of Directors of the Bank

<b>Oppose</b>	The Board of Directors of the Bank <b>opposes</b> this Proposal for the following reasons.
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As stated in the “Reasons for nomination as a candidate for Director” on page 8 of this Notice of Convocation, Mr. Kato is engaged in all manner of material business operations that contribute to the enhancement of the Bank’s corporate value. He is also an indispensable figure in the steady execution of the Mid-term Management Plan and the promotion of the retail solutions business. Regarding the policy for responding to the so-called “problem of fraudulent loans for apartments and condominiums” cited as the reasons for this Proposal, the Bank asserts that a uniform settlement of the problem is difficult because individual situations must be scrutinized. The Bank holds that a settlement should be sought while taking individual circumstances into account, and we believe this approach to be fair and appropriate. For this reason, we believe that there are no reasons for Mr. Kato to be dismissed.

## Proposal No. 14: Dismissal of Director

### 1. Outline of the Proposal

It is proposed that the following Director be dismissed from office.  
Director Tomoaki Tsutsumi

### 2. Reasons for the Proposal

Despite Mr. Tomoaki Tsutsumi assuming the position of General Manager of the Credit Department in April 2017, he committed gross negligence of stultifying the credit screening function under pressure from former Senior Managing Executive Officer Haruo Aso to pass financial screenings. This fact was pointed out in the ruling on Mr. Aso's lawsuit to nullify his dismissal. Despite such gross negligence, far from taking responsibility, Mr. Tsutsumi was promoted to Director.

The election of such a person as Director is, more than anything, evidence that the Bank has shown no remorse as an organization for the scandal regarding share houses and fraudulent loans for apartments and condominiums, and does not place importance on the credit screening function. A person incapable of even managing and supervising one part of an organization should not be adequate to oversee the entire company, and he could only be described as unsuitable for this position. For this reason, Mr. Tsutsumi should be dismissed from the position of Director immediately.

### Opinion of the Board of Directors of the Bank

<b>Oppose</b>	The Board of Directors of the Bank <b>opposes</b> this Proposal for the following reasons.
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As stated in the "Reasons for nomination as a candidate for Director" on page 9 of this Notice of Convocation, Mr. Tsutsumi is an indispensable figure in the establishment of a structure for the appropriate execution of risk-return control and thorough compliance and in promoting Phase 2 of the Mid-term Management Plan. The Bank is proceeding with the rebuilding of its compliance systems and screening systems, and since the temporary business suspension order was lifted in May 2019, to date there have been no inappropriate loans for investment real estate, and neither have there been any cases of long-term delays in repayment or substantive failure of any loans for investment real estate conducted during that period. In this way, the criticisms that the Bank has shown no remorse for the fraudulent loan cases as an organization and that it does not place importance on the credit screening function do not make sense, and the Bank believes that there are no reasons for Mr. Tsutsumi to be dismissed.

**Proposal No. 15: Partial Amendment to the Articles of Incorporation (Regarding Establishment of Operational System Aimed at the Lifting of the Business Improvement Order)**

1. Outline of the Proposal

To stipulate in the Articles of Incorporation the establishment of operational systems aimed at the lifting of the business improvement order.

2. Reasons for the Proposal

The problems at the Bank have been raised in the National Diet, and the Financial Services Agency Commissioner and the Minister of Finance have replied that they have instructed Suruga Bank to establish operational systems. These exchanges have been repeated for over four years. Because the problem of fraudulent loans has been reduced only to the share houses, and the fraudulent loans for apartments and condominiums have been ignored, it has been pointed out many times in the Diet that the Bank has not established customer-oriented operational systems, and each time, the Financial Services Agency Commissioner and the Minister of Finance have been at a loss to respond. Taking this situation seriously, we urge that the Articles of Incorporation be amended to stipulate that operational systems will be established so that the business improvement order, which has been in place for 1,661 days as of April 23, 2023, can be lifted as soon as possible. In the Financial Affairs Committee of the House of Representatives on March 29, 2023, a Liberal Democratic Party lawmaker Kiyoshi Odawara called for “a swift and fundamental resolution” in response to which Director-General Ito of the Supervisory Bureau, Financial Services Agency promised to “instruct (Suruga Bank) to resolve the problem swiftly and in good faith.” The Bank must take this fact seriously.

**Opinion of the Board of Directors of the Bank**

<b>Oppose</b>	The Board of Directors of the Bank <b>opposes</b> this Proposal for the following reasons.
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Since receiving the business improvement order in November 2018, the Bank has undertaken fundamental improvement measures, based on the business improvement plan, to realize thorough compliance and customer-oriented business operations with the aim of restoring trust and to build a sound organizational and corporate culture. This is something that is already being done, without having to purposely stipulate in the Articles of Incorporation. We also believe that there is very little meaning in including this kind of abstract provision in the Articles of Incorporation. Therefore, we do not believe that it would be appropriate to stipulate in the Articles of Incorporation the establishment of operational systems aimed at the lifting of the business improvement order.

**Proposal No. 16:** Deletion of Article 33 of the Articles of Incorporation (Regarding the Organ that Decides Dividends of Surplus, etc.)

1. Outline of the Proposal

To delete Article 33 of the Articles of Incorporation.

2. Reasons for the Proposal

The individual items of Article 459, Paragraph 1 of the Companies Act provide for the matters, such as shareholder dividends, that should, as a general rule, be decided by a resolution at a shareholders meeting. Through the establishment of Article 33 of its Articles of Incorporation, the Bank has changed the decision-making body for these matters to the Board of Directors, instead of the General Meeting of Shareholders. The Bank should reaffirm the fact that the Bank is owned by its shareholders, and matters that the Companies Act stipulated as “matters decided by a resolution at a shareholders meeting as a general rule” should be resolved by a General Meeting of Shareholders. Accordingly, we propose that Article 33 of the Articles of Incorporation, which is the basis for allowing resolutions by the Board of Directors, be deleted.

**Opinion of the Board of Directors of the Bank**

<b>Oppose</b>	The Board of Directors of the Bank <b>opposes</b> this Proposal for the following reasons.
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The Bank’s capital policies should be determined after taking into account the changes in the management environment surrounding the Bank, characteristics of the business, and other factors from the perspectives of striving for harmony with society and the sustained improvement of corporate value. For this reason, we believe that, regarding decisions on the Bank’s dividends of surplus, etc., it should be made possible for the Board of Directors, not a General Meeting of Shareholders, to make flexible decisions as matters for determination by management.



**Proposal No. 17: Partial Amendment to the Articles of Incorporation (Regarding the Disclosure of Individual Officers' Compensation)**

1. Outline of the Proposal

To stipulate in the Articles of Incorporation that the compensation, bonuses, and other financial benefits received by Directors and Executive Officers from the Bank in consideration for the execution of their duties be disclosed for each individual.

2. Reasons for the Proposal

The amount and other details of individual officers' compensation must be disclosed so that shareholders can compare them with each officer's achievements and check whether or not appropriate compensation has been paid. In addition, the disclosed details are also of extreme importance from the perspective of maximization of shareholders' interests. If individual compensation is disclosed, it will become easier to measure cost effectiveness. As a result, if the disclosed details are evaluated highly, shareholders would be able to propose compensation in higher amounts than currently, which could be expected to raise officers' motivation and, by extension, lead to the further advancement of the Bank.

**Opinion of the Board of Directors of the Bank**

<b>Oppose</b>	The Board of Directors of the Bank <b>opposes</b> this Proposal for the following reasons.
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Firstly, as the Bank is not a company with a nominating committee, etc. but a company with an audit and supervisory committee, it does not have executive officers. In addition, the compensation of the Bank's Directors is determined within the maximum amount of compensation resolved by a General Meeting of Shareholders upon full deliberation of the basic policy for directors' compensation, details of the compensation schemes, and other factors by the Nomination and Compensation Committee, which is chaired by an Independent Outside Director and with Independent Outside Directors constituting a majority of the members, via procedures based on laws and regulations. Moreover, regarding disclosure, the method of calculation of Directors' compensation, and the total amounts of compensation and number of payees per officer category are properly disclosed in accordance with laws and regulations in the Business Report and Annual Securities Report. Therefore, we believe that it is unnecessary to amend the Articles of Incorporation as proposed in this Proposal.

**Proposal No. 18:** Amendment of Article 28 of the Articles of Incorporation (Regarding Directors' Compensation)

1. Outline of the Proposal

To add the following to the end of Article 28 of the Articles of Incorporation:

“However, unless a settlement is reached with the victims of the fraudulent loans for investment real estate led by the Bank and the business improvement order is lifted, it shall be reduced to 10% of the amount decided by a General Meeting of Shareholders.”

2. Reasons for the Proposal

Regarding the “strengthening of internal control systems, etc.” in the business improvement order imposed on the Bank in October 2018, it is truly exceptional for a financial institution for that order not to have been lifted yet. It is because the problem of illegal loans for the sale of used apartments and condominiums at prices near the top of the market (loans of approximately 442.7 billion yen due to some kind of fraudulent activity) has been left unresolved, protests from victims continue, and the deterioration of the Bank's credibility because of this has become increasingly serious. As a result, both the Bank's business performance and its stock price are floundering. Consequently, unless this problem is completely resolved through an early and fundamental settlement, there can be no hope for an improvement in the Bank's business performance or a recovery in its stock price. Given that the responsibility for the failure to resolve this problem rests with the individual Directors and the Board of Directors, the compensation, bonuses, and other financial benefits received by Directors from the Bank in consideration for the execution of their duties should be reduced to 10% of the amount decided by a General Meeting of Shareholders.

**Opinion of the Board of Directors of the Bank**

<b>Oppose</b>	The Board of Directors of the Bank <b>opposes</b> this Proposal for the following reasons.
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The Bank has established a Nomination and Compensation Committee, which is chaired by an Independent Outside Director and with Independent Outside Directors constituting a majority of the members, and this committee makes its decisions upon full deliberation of the basic policy for directors' compensation, details of the compensation schemes, and other factors via procedures based on laws and regulations. As officers' compensation is decided via proper procedures in this way, we believe that it is unnecessary to amend the Articles of Incorporation as proposed in this Proposal.

**Proposal No. 19: Partial Amendment to the Articles of Incorporation (Regarding the Establishment of Deadlines for Achievement Commitments in Response to Administrative Disposition)**

**1. Outline of the Proposal**

To stipulate in the Articles of Incorporation that, in the event that the Bank receives an administrative disposition from a government agency, it will announce its plans for the execution of operational improvements and deadlines for achieving them to customers and shareholders and execute those plans faithfully, as well as making its performance status public on a regular basis.

**2. Reasons for the Proposal**

Due to the fraudulent loans problem that was exposed in 2018, the Financial Services Agency issued a business suspension order and business improvement order, and the Bank's business performance and social credibility plummeted. As the business improvement order remains in place as of April 23, 2023, and the Bank has been unable to dispel the impact on its business performance, the gravity of the dispositions from government agencies can be inferred. To take past mistakes seriously and ensure that this tragedy is never repeated, and further, to regain the public trust that has been lost, it is extremely important for the Bank to commit publicly to results in response to such dispositions from government agencies. For this reason, we propose that it be stipulated in the Articles of Incorporation that, in the event that the Bank receives an administrative disposition from a government agency, regardless of whether or not the government agency has announced it, the Bank itself will announce its plans for the execution of operational improvements and make a commitment to customers and shareholders that it will achieve results to notice of social credibility.

If operations are conducted with a high consciousness of compliance, the Bank would not be subject to business improvement orders, and stipulating this in the Articles of Incorporation would pose no impediment whatsoever to operations.

**Opinion of the Board of Directors of the Bank**

<b>Oppose</b>	The Board of Directors of the Bank <b>opposes</b> this Proposal for the following reasons.
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Since receiving the business improvement order in November 2018, the Bank has undertaken fundamental improvement measures based on the business improvement plan, to realize thorough compliance and customer-oriented business operations with the aim of restoring trust and to build a sound organizational and corporate culture. These measures are also made public on the Bank's website. Regarding the establishment of deadlines, this is not something that can be decided at the Bank's discretion alone. Therefore, we believe that it would not be appropriate to stipulate in the Articles of Incorporation a provision that mandates the establishment of deadlines.

**Proposal No. 20: Partial Amendment to the Articles of Incorporation (Regarding Publication of the Status of Implementation of the Compliance Charter)**

1. Outline of the Proposal

To stipulate in the Articles of Incorporation that the Bank will establish key performance indicators (KPIs) to check the status of engagement in the Compliance Charter for the realization of the corporate philosophy and announce them publicly on a regular basis.

2. Reasons for the Proposal

The Bank established a new corporate philosophy in 2019 to break away from the corporate condition that has caused heartache to many people due to past scandals such as fraudulent loans. However, it is extremely unclear at present whether the Bank is putting the Compliance Charter into practice.

Given that the Bank has committed to “sincere, fair, and transparent corporate activities” in this Charter, we propose that it be stipulated in the Articles of Incorporation that the Bank will establish fair, objective, and measurable indicators regarding the implementation of the individual policies set forth in the Charter, conduct regular external audits and checks in good faith, and announce the results of those audits and checks publicly.

With the establishment and publication of the Charter as an operational indicator, not only will all stakeholders of the Bank be able to see the degree of achievement of the Charter, but it will also lead to the new corporate philosophy taking root among each and every employee, including officers. To ensure that the kind of tragic incident that caused heartache to so many people never happens again, thorough penetration of the corporate philosophy among all employees is essential.

**Opinion of the Board of Directors of the Bank**

<b>Oppose</b>	The Board of Directors of the Bank <b>opposes</b> this Proposal for the following reasons.
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The Compliance Charter has been published on the Bank’s website, but given its nature as a charter, it is difficult to stipulate fair, objective, and measurable indicators regarding its implementation. We are striving every day to obtain the understanding of our shareholders and customers regarding the status of implementation of the Compliance Charter by showing them the day-to-day actions of the Bank’s officers and employees. Accordingly, we believe that it would not be appropriate to establish indicators of the status of implementation of the Compliance Charter or to stipulate in the Articles of Incorporation a provision that mandates the publication of the degree of achievement of the Charter.

**Proposal No. 21: Amendment to Article 2 of the Articles of Incorporation**

1. Outline of the Proposal

To amend Article 2, Paragraph 1 of the Articles of Incorporation as follows.

1. Acceptance of deposits and time deposits, lending of funds or discounting of bills and exchange transactions. However, no lending of funds with the intervention of third parties shall be conducted.

2. Reasons for the Proposal

As stated in the investigation report of the third party committee, malicious real estate agents intervened in loans for real estate transactions extended by the Bank, resulting in the Bank instigating or tacitly consenting to the falsification and forgery of financial screening documents, collusion with real estate agents and the acceptance of kickbacks from them, and other wrongful acts against customers. To ensure that the Bank never again commits such fraud, we propose that the lending of funds with the intervention of third parties be restricted.

The problem of fraudulent loans for investment real estate such as share houses was an unprecedented case in financial history that resulted from the real estate agents and the Bank pursuing their own unjust interests in the sale of expensive real estate that could not be sold without loans. By rights, financial screening should have been conducted at the request of the borrower, but with the intervention of a third party in the form of the real estate agent, this became a hotbed of fraud. In light of these facts, it is necessary to prevent this kind of case from happening, so we propose that the Bank not conduct lending of funds with the intervention of third parties.

**Opinion of the Board of Directors of the Bank**

**Oppose** The Board of Directors of the Bank **opposes** this Proposal for the following reasons.

Various types of “lending of funds with the intervention of third parties” may be considered, and it could be perceived that all so-called “affiliated loans” would fall into this category. However, completely prohibiting these kinds of loans has the potential to significantly damage the business foundations of the Bank. Therefore, we believe that it would be inappropriate to amend the Articles of Incorporation as proposed in this Proposal.

**Proposal No. 22: Partial Amendment to the Articles of Incorporation (Regarding Incorporation of Details that Reflect the SDGs)**

1. Outline of the Proposal

To add operations set forth in the SDGs under Article 2, Item 5 of the Articles of Incorporation.

2. Reasons for the Proposal

The Bank is actively engaged in the SDGs, including participating in the Shizuoka Prefecture SDGs Business Award 2022 as a cooperating partner.

For this reason, we propose that all recommended operations in the SDGs, including the following operations, be included in the Articles of Incorporation.

- (1) Operations that will help end poverty in all its forms everywhere
- (3) Operations that will help ensure healthy lives and promote well-being for all at all ages
- (8) Operations that will help promote sustained, inclusive and sustainable economic growth, full and productive employment and stimulating and creative work for all
- (16) Operations that will help promote peaceful and inclusive societies for sustainable development and provide access to justice for all

Without a uniform and fundamental resolution of the apartments and condominiums problem, it means that the Bank is not conducting these operations.

**Opinion of the Board of Directors of the Bank**

<b>Oppose</b>	The Board of Directors of the Bank <b>opposes</b> this Proposal for the following reasons.
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The Bank actively promotes initiatives for the financial inclusion of foreign-national customers, senior citizens, and other customers under the banner of Financial Inclusion (FI). We also leverage the comprehensive capabilities of our Group companies and partners to provide in-depth solutions for the whole of management for local companies and other transaction partners. Further, as contributions to local communities, we actively engage in a variety of initiatives, including support for the services industry and tourism industry through a cycling project, educational, cultural, and sports support for children, who will shoulder the future, and initiatives in response to climate change and to protect abundant tourism resources. In such ways, the Bank is engaging seriously in the SDGs, but these initiatives are not of a nature that requires their addition to the purposes in the Articles of Incorporation. Therefore, we believe that it is unnecessary to amend the Articles of Incorporation as proposed in this Proposal.

## Consolidated Balance Sheet

(As of March 31, 2023)

(Millions of yen)

Accounts	Amount	Accounts	Amount
(Assets)		(Liabilities)	
<b>Cash and due from banks</b>	<b>1,044,263</b>	<b>Deposits</b>	<b>3,349,631</b>
<b>Call loans and bills bought</b>	<b>60,293</b>	<b>Foreign exchanges</b>	<b>41</b>
<b>Monetary claims bought</b>	<b>131,517</b>	<b>Other liabilities</b>	<b>16,340</b>
<b>Trading account securities</b>	<b>85</b>	<b>Provision for bonuses</b>	<b>461</b>
<b>Money held in trust</b>	<b>99</b>	<b>Provision for directors' bonuses</b>	<b>38</b>
<b>Securities</b>	<b>297,883</b>	<b>Net defined benefit liability</b>	<b>293</b>
<b>Loans and bills discounted</b>	<b>2,090,327</b>	<b>Provision for share-based compensation</b>	<b>303</b>
<b>Foreign exchanges</b>	<b>4,805</b>	<b>Provision for reimbursement of deposits</b>	<b>223</b>
<b>Lease receivables and investment assets</b>	<b>4,698</b>	<b>Provision for contingent loss</b>	<b>51</b>
<b>Other assets</b>	<b>44,172</b>	<b>Deferred tax liabilities</b>	<b>211</b>
<b>Tangible fixed assets</b>	<b>33,339</b>	<b>Acceptances and guarantees</b>	<b>1,271</b>
Buildings	10,700		
Land	20,313	<b>Total liabilities</b>	<b>3,368,869</b>
Leased assets	55		
Construction in progress	321	(Net assets)	
Other tangible fixed assets	1,950	<b>Capital stock</b>	<b>30,043</b>
<b>Intangible fixed assets</b>	<b>16,009</b>	<b>Capital surplus</b>	<b>1,974</b>
Software	13,771	<b>Retained earnings</b>	<b>255,042</b>
Goodwill	1,165	<b>Treasury stock</b>	<b>(18,111)</b>
Leased assets	101	<b>Total shareholders' equity</b>	<b>268,949</b>
Software development in progress	610	<b>Valuation difference on available-for-sale securities</b>	<b>167</b>
Other intangible fixed assets	360	<b>Deferred gains or losses on hedges</b>	<b>(0)</b>
<b>Net defined benefit asset</b>	<b>20,126</b>	<b>Remeasurements of defined benefit plans</b>	<b>1,823</b>
<b>Deferred tax assets</b>	<b>15,311</b>	<b>Total accumulated other comprehensive income</b>	<b>1,990</b>
<b>Customers' liabilities for acceptances and guarantees</b>	<b>1,271</b>	<b>Non-controlling interests</b>	<b>101</b>
<b>Allowance for loan losses</b>	<b>(124,295)</b>	<b>Total net assets</b>	<b>271,040</b>
		<b>Total liabilities and net assets</b>	<b>3,639,910</b>
<b>Total assets</b>	<b>3,639,910</b>		

## Consolidated Statement of Income

(From April 1, 2022 to March 31, 2023)

(Millions of yen)

Accounts	Amount	
<b>Ordinary income</b>		<b>92,403</b>
<b>Interest income</b>	<b>68,562</b>	
Interest on loans and discounts	65,145	
Interest and dividends on securities	864	
Interest on call loans and bills bought	13	
Interest on deposits with banks	819	
Other interest income	1,719	
<b>Fees and commissions</b>	<b>7,306</b>	
<b>Other ordinary income</b>	<b>3,461</b>	
Gains on redemption of bonds	304	
Other	3,157	
<b>Other income</b>	<b>13,072</b>	
Reversal of allowance for loan losses	4,116	
Recoveries of written off claims	3,143	
Gain on sales of stocks and other securities	5,100	
Other	712	
<b>Ordinary expenses</b>		<b>79,137</b>
<b>Interest expenses</b>	<b>1,383</b>	
Interest on deposits	1,298	
Interest on payables under security lending transactions	0	
Other interest expenses	84	
<b>Fees and commissions payments</b>	<b>10,827</b>	
<b>Other ordinary expenses</b>	<b>20,037</b>	
Loss on sales of bonds	1,740	
Loss on redemption of bonds	15,387	
Other	2,909	
<b>General and administrative expenses</b>	<b>38,348</b>	
<b>Other expenses</b>	<b>8,540</b>	
Written-off of loans	4,693	
Losses on devaluation of stocks and other securities	120	
Other	3,726	
<b>Ordinary profit</b>		<b>13,266</b>
<b>Extraordinary income</b>		<b>51</b>
Gain on disposal of fixed assets	51	
<b>Extraordinary loss</b>		<b>1,282</b>
Loss on disposal of fixed assets	422	
Impairment loss	859	
<b>Profit before income taxes</b>		<b>12,036</b>
<b>Income taxes - current</b>	<b>1,371</b>	
<b>Income taxes - deferred</b>	<b>86</b>	
<b>Total income taxes</b>		<b>1,457</b>
<b>Profit</b>		<b>10,578</b>
<b>Profit attributable to non-controlling interests</b>		<b>1</b>
<b>Profit attributable to owners of parent</b>		<b>10,576</b>



## Consolidated Statement of Shareholders' Equity

(From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	30,043	1,976	245,595	(18,131)	259,484
Changes of items during the year					
Dividends of surplus			(1,129)		(1,129)
Profit attributable to owners of parent			10,576		10,576
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock		(2)		20	18
Net changes of items other than shareholders' equity					
Total changes of items during the year	-	(2)	9,446	20	9,464
Balance at the end of the year	30,043	1,974	255,042	(18,111)	268,949

(Millions of yen)

	Accumulated other comprehensive income			
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income
Balance at the beginning of the year	1,324	(3)	3,324	4,645
Changes of items during the year				
Dividends of surplus				
Profit attributable to owners of parent				
Purchase of treasury stock				
Disposal of treasury stock				
Net changes of items other than shareholders' equity	(1,156)	3	(1,501)	(2,655)
Total changes of items during the year	(1,156)	3	(1,501)	(2,655)
Balance at the end of the year	167	(0)	1,823	1,990

(Millions of yen)

	Non-controlling interests	Total net assets
Balance at the beginning of the year	100	264,229
Changes of items during the year		
Dividends of surplus		(1,129)
Profit attributable to owners of parent		10,576
Purchase of treasury stock		(0)
Disposal of treasury stock		18
Net changes of items other than shareholders' equity	1	(2,653)
Total changes of items during the year	1	6,811
Balance at the end of the year	101	271,040

## Non-consolidated Balance Sheet

(As of March 31, 2023)

(Millions of yen)

Accounts	Amount	Accounts	Amount
(Assets)		(Liabilities)	
<b>Cash and due from banks</b>	<b>1,043,476</b>	<b>Deposits</b>	<b>3,355,740</b>
Cash	26,276	Current deposits	68,617
Due from banks	1,017,200	Ordinary deposits	1,480,251
<b>Call loans</b>	<b>60,293</b>	Saving deposits	13,336
<b>Monetary claims bought</b>	<b>131,517</b>	Deposits at notice	147
<b>Trading account securities</b>	<b>85</b>	Time deposits	1,726,238
Trading government bonds	16	Other deposits	67,147
Trading local government bonds	69	<b>Foreign exchanges</b>	<b>41</b>
<b>Money held in trust</b>	<b>99</b>	Foreign bills sold	24
<b>Securities</b>	<b>303,504</b>	Foreign bills payable	17
Government bonds	29,763	<b>Other liabilities</b>	<b>7,561</b>
Local government bonds	120,407	Accrued expenses	2,498
Corporate bonds	4,531	Unearned revenue	59
Stocks	23,694	Deposits received from employees	734
Other securities	125,108	Lease obligations	115
<b>Loans and bills discounted</b>	<b>2,080,150</b>	Derivatives other than for trading – liabilities	9
Bills discounted	1,158	Other	4,143
Loans on bills	3,949	<b>Provision for bonuses</b>	<b>404</b>
Loans on deeds	1,895,490	<b>Provision for directors' bonuses</b>	<b>38</b>
Overdrafts	179,552	<b>Provision for share-based compensation</b>	<b>303</b>
<b>Foreign exchanges</b>	<b>4,805</b>	<b>Provision for reimbursement of deposits</b>	<b>223</b>
Due from foreign banks (our accounts)	3,983	<b>Provision for contingent loss</b>	<b>51</b>
Foreign bills receivable	822	<b>Acceptances and guarantees</b>	<b>1,271</b>
<b>Other assets</b>	<b>34,699</b>	<b>Total liabilities</b>	<b>3,365,637</b>
Prepaid expenses	1,611		
Accrued income	5,219	(Net assets)	
Derivatives other than for trading – assets	74	<b>Capital stock</b>	<b>30,043</b>
Other	27,793	<b>Capital surplus</b>	<b>18,585</b>
<b>Tangible fixed assets</b>	<b>32,520</b>	Legal capital surplus	18,585
Buildings	10,196	<b>Retained earnings</b>	<b>224,866</b>
Land	20,099	Legal retained earnings	30,043
Leased assets	109	Other retained earnings	194,823
Construction in progress	321	(Reserve for advanced depreciation of fixed assets)	59
Other tangible fixed assets	1,793	(General reserve)	103,032
<b>Intangible fixed assets</b>	<b>14,512</b>	(Retained earnings brought forward)	91,731
Software	13,548	<b>Treasury stock</b>	<b>(18,111)</b>
Software in progress	608	<b>Total shareholders' equity</b>	<b>255,384</b>
Other intangible fixed assets	354	<b>Valuation difference on available-for-sale securities</b>	<b>(214)</b>
<b>Prepaid pension cost</b>	<b>17,514</b>	<b>Deferred gains or losses on hedges</b>	<b>(0)</b>
<b>Deferred tax assets</b>	<b>15,277</b>	<b>Total valuation and translation adjustments</b>	<b>(215)</b>
Customers' liabilities for acceptances and guarantees	1,271		
<b>Allowance for loan losses</b>	<b>(118,920)</b>	<b>Total net assets</b>	<b>255,169</b>
<b>Total assets</b>	<b>3,620,806</b>	<b>Total liabilities and net assets</b>	<b>3,620,806</b>

## Non-consolidated Statement of Income

(From April 1, 2022 to March 31, 2023)

(Millions of yen)

Accounts	Amount	
<b>Ordinary income</b>		<b>82,794</b>
<b>Interest income</b>	<b>66,053</b>	
Interest on loans and discounts	60,989	
Interest and dividends on securities	2,511	
Interest on call loans	13	
Interest on deposits with banks	819	
Other interest income	1,719	
<b>Trust fees</b>	<b>0</b>	
<b>Fees and commissions</b>	<b>6,265</b>	
Fees and commissions on domestic and foreign exchanges	1,426	
Other fees and commissions	4,838	
<b>Other ordinary income</b>	<b>304</b>	
Net gain on trading securities transactions	0	
Gains on redemption of bonds	304	
<b>Other income</b>	<b>10,170</b>	
Reversal of allowance for loan losses	4,047	
Recoveries of written off claims	3,084	
Gain on sales of stocks and other securities	2,541	
Gain on investments in money held in trust	0	
Other	497	
<b>Ordinary expenses</b>		<b>71,526</b>
<b>Interest expenses</b>	<b>1,380</b>	
Interest on deposits	1,299	
Interest on payables under securities lending transactions	0	
Interest on interest swaps	3	
Other interest expenses	78	
<b>Fees and commissions payments</b>	<b>10,683</b>	
Fees and commissions on domestic and foreign exchanges	538	
Other fees and commissions	10,145	
<b>Other ordinary expenses</b>	<b>17,138</b>	
Loss on foreign exchange transactions	9	
Loss on sales of bonds	1,740	
Loss on redemption of bonds	15,387	
<b>General and administrative expenses</b>	<b>35,405</b>	
<b>Other expenses</b>	<b>6,918</b>	
Written-off of loans	4,538	
Losses on devaluation of stocks and other securities	120	
Other	2,260	
<b>Ordinary profit</b>		<b>11,267</b>
<b>Extraordinary income</b>		<b>51</b>
Gain on disposal of fixed assets	51	
<b>Extraordinary loss</b>		<b>1,277</b>
Loss on disposal of fixed assets	419	
Impairment loss	857	
<b>Profit before income taxes</b>		<b>10,042</b>
<b>Income taxes - current</b>	<b>51</b>	
<b>Income taxes - deferred</b>	<b>453</b>	
<b>Total income taxes</b>		<b>504</b>
<b>Profit</b>		<b>9,537</b>

## Non-consolidated Statement of Shareholders' Equity

(From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity			
	Capital stock	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at the beginning of the year	30,043	18,585	–	18,585
Changes of items during the year				
Dividends of surplus				
Profit				
Purchase of treasury stock				
Disposal of treasury stock				
Net changes of items other than shareholders' equity				
Total changes of items during the year	–	–	–	–
Balance at the end of the year	30,043	18,585	–	18,585

(Millions of yen)

	Shareholders' equity						
	Retained earnings					Treasury stock	Total shareholders' equity
	Legal retained earnings	Other retained earnings			Total retained earnings		
		Reserve for advanced depreciation of fixed assets	General reserve	Retained earnings brought forward			
Balance at the beginning of the year	30,043	59	103,032	83,326	216,461	(18,131)	246,958
Changes of items during the year							
Dividends of surplus				(1,129)	(1,129)		(1,129)
Profit				9,537	9,537		9,537
Purchase of treasury stock						(0)	(0)
Disposal of treasury stock				(2)	(2)	20	18
Net changes of items other than shareholders' equity							
Total changes of items during the year	–	–	–	8,405	8,405	20	8,425
Balance at the end of the year	30,043	59	103,032	91,731	224,866	(18,111)	255,384

(Millions of yen)

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at the beginning of the year	(598)	(3)	(602)	246,356
Changes of items during the year				
Dividends of surplus				(1,129)
Profit				9,537
Purchase of treasury stock				(0)
Disposal of treasury stock				18
Net changes of items other than shareholders' equity	384	3	387	387
Total changes of items during the year	384	3	387	8,813
Balance at the end of the year	(214)	(0)	(215)	255,169