

July 24, 2006

Company: Suruga Corporation
Representative: Kazuo Iwata, Chairman & President
(Code: 1880 TSE 2nd Section)
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Notice of the Call of Suruga Corporation 3rd Series Unsecured Convertible Bonds
(Bonds with stock acquisition rights with inter-bond pari passu clause)

Suruga Corporation (the “ Company ”) decided at the board of directors meeting held on July 24, 2006 to call its 3rd series unsecured convertible bonds (bonds with stock acquisition rights with inter-bond pari passu clause) (the “ bonds ”) according to the terms and conditions of the bonds. Details are available below.

1. Reason for Call

While the bonds have been partly converted to shares of the Company, comprehensively taking into account the recent share performance of the Company and potential dilution of equity value expected, it was decided by the Company to call all of its outstanding bonds on the following expected call date pursuant to the prepayment provisions of the bonds.

The proceeds from the bonds have been used to fund acquisitions of new properties for its real estate solutions business. The call will be made by using its cash and other financing instruments including bank borrowing and will have no impact on the Company’s investment plan and earnings projection.

2. Expected Call Date

August 25, 2006

3. Redemption Amount and Call Method

The full amount of bonds outstanding on the expected call date will be redeemed at ¥100 for each principal amount of ¥100. Stock acquisition rights of the bonds are exercisable until 3 bank business days prior to the expected call date below.

【Reference】 Outline of Suruga Corporation 3rd Series Unsecured Convertible Bonds (Bonds with stock acquisition rights with inter-bond pari passu clause)

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| 1. Issue Date | April 24, 2006 |
| 2. Issue Amount | ¥8.0 billion |
| 3. Outstanding Bonds | ¥3.8 billion (as of July 24, 2006) |
| 4. Maturity | April 24, 2008 |
| 5. Interest | No interest paid on bonds |
| 6. Conversion Price | ¥8,000 (as of July 24, 2006) |