SBI SHINSEI BANK

Sustainability and Communications Division
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SBI SHINSEI BANK

INTEGRATED REPORT 2026

SBI Shinsei Bank, Limited
For the fiscal year ended March 31, 2026

Publication of the Integrated Report 2026

This Integrated Report aims to deepen investors' and other stakeholders' understanding of the SBI Shinsei Bank Group's efforts to enhance corporate value by integrating both financial and non-financial information. It explains our value creation process through three key elements, Profitability, Growth, and Integrity, and outlines our initiatives and future directions for each. Through this Report, we aim to further deepen stakeholders' understanding of the Group's commitment to a customer-centric approach and the delivery of next-generation financial services, thereby creating new value and achieving sustainable growth together with our stakeholders.

Key Features of the Integrated Report 2026

1 Value Creation Logic Tree

The Integrated Report 2026 (the report) is structured around our value creation process, which is organized into three core elements: Profitability, Growth, and Integrity.

2 A Narrative-Driven Approach

The report explains the Group's current position and future direction through the framework of its value creation logic tree.

3 Enhanced Disclosure

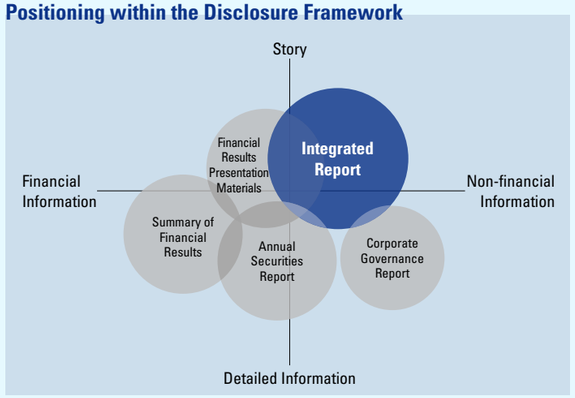
We have included a wide range of information that we believe will be valuable to stakeholders. In addition, we have prioritized accessibility and ease of understanding by incorporating charts, diagrams, and other visual elements throughout the report.

Cautionary Statement Regarding Forward-Looking Statements

This Integrated Report contains forward-looking statements reflecting the judgments of the management of the SBI Shinsei Bank Group (the "Group") and its current projections regarding the Group's financial condition and future operating performance. These statements reflect the Group's current expectations regarding future events, but are subject to risks and uncertainties and are based on certain assumptions. If such risks or uncertainties materialize, or if any underlying assumptions prove to be incorrect, the Group's actual results and performance may differ materially from those currently anticipated. Such risks and uncertainties include, among others, the risk factors described in the Group's Annual Securities Report. Readers are therefore cautioned not to place undue reliance on these forward-looking statements.

This Integrated Report has been prepared as a disclosure document pursuant to Article 21 of the Banking Act of Japan.

Positioning within the Disclosure Framework



Publication Date
July 2026

Reporting Period
April 2025 – March 2026
The report includes certain information from or after April 2026.

Reporting Scope
In principle, the SBI Shinsei Bank Group and its subsidiaries and affiliates.

Guidelines and Frameworks Referenced
- IFRS Foundation: *International Integrated Reporting Framework and SASB Standards*
- Ministry of Economy, Trade and Industry: *Guidance for Collaborative Value Creation*
- *Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)*

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CEO MESSAGE

President and CEO Katsuya Kawashima

Completing the Repayment of Public Funds and Relisting as a New Starting Point, Pioneering the Next Generation of Finance as the Core Banking Group of the SBI Group

On behalf of the SBI Shinsei Bank Group, I would like to express my sincere appreciation for your continued support.

Fiscal 2025 (April 2025 to March 2026) marked a major milestone in our Group's history. During the year, we successfully completed the full repayment of public funds and relisted on the Prime Market of the Tokyo Stock Exchange. These achievements represent a significant turning point and a new chapter in the evolution of the SBI Shinsei Bank Group. For more than 25 years, the repayment of public funds had remained our highest management priority. Reaching this milestone would not have been possible without the support of our shareholders, customers, regional communities, and all other stakeholders. I would like to take this opportunity to express my heartfelt gratitude to everyone who has supported us throughout this journey.



CEO MESSAGE

Business Environment in FY2025 and the Group's Achievements

Fiscal 2025 was characterized by a challenging and uncertain operating environment, shaped by developments in global tariff policies, geopolitical tensions, and fluctuations in foreign exchange rates and commodity prices. Despite inflationary pressures and labor shortages, the Japanese economy maintained a moderate recovery, supported by solid corporate earnings, capital investment, and wage growth. The return to a "world with interest rates" environment has created new opportunities for banks to fulfill their core role as financial intermediaries.

At the same time, it has heightened the importance of comprehensive management capabilities, including strengthening the deposit base and managing market-related risks. Against this backdrop, we responded proactively to emerging opportunities and challenges, including the rapid advancement of generative AI and increasing cybersecurity risks. By adapting to these changes and leveraging them as drivers of growth, we continued to strengthen our earnings capacity and enhance our management foundation.

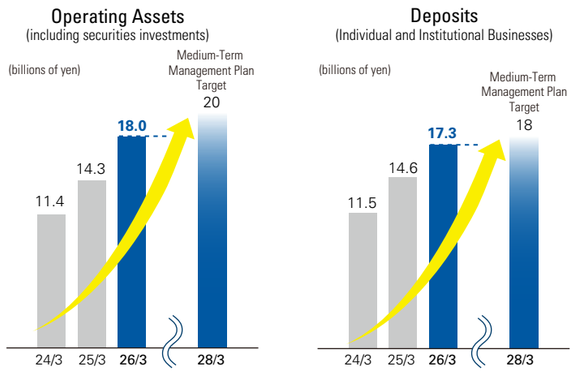
Building on Record Profitability as a Foundation for the Next Stage of Growth

Fiscal 2025, the first year of our Medium-Term Management Plan, marked a year in which the steady enhancement of our earnings capacity and capital efficiency translated into tangible results. Total revenue, income before income taxes, and profit attributable to owners of the parent all reached record highs, while ROE improved significantly from 8.8% to 10.4% from the previous fiscal year. These achievements were driven not only by a favorable external environment, including the return to positive interest rates, but also by our ongoing efforts to strengthen our financial foundation and improve the quality of our earnings. Growth in deposits and operating assets, coupled with an improvement in the loan-deposit spread, contributed to higher earnings. At the same time, the expansion of noninterest income and continued cost discipline led to a lower expense ratio, further enhancing profitability and capital efficiency. As a result, we have further strengthened the foundation for sustainable growth and made a solid start toward achieving the objectives of our Medium-Term Management Plan.

Total Revenue	Record Highs*1 **334.6** billion yen
Income Before Income Taxes	Record Highs*1 **122.1** billion yen
Profit Attributable to Owners of the Parent	Record Highs*1 **113.4** billion yen

*1. Since the establishment of Shinsei Bank in FY2000.

Financial Foundation



Synergies with the SBI Group were also a key driver of these achievements. In the Individual Business, we launched SBI Hyper Deposits in collaboration with SBI SECURITIES, expanding both our customer base and stable funding platform.

In the Institutional Business, under the Fourth Megabank Concept, we expanded origination and distribution opportunities through collaboration with regional financial institutions while advancing initiatives to realize next-generation finance, including the issuance of a trust-based stablecoin.

Building on these achievements, we will accelerate growth initiatives in fiscal 2026 (April 2026 to March 2027) and strive to achieve the financial targets of our Medium-Term Management Plan ahead of schedule.

Practicing Customer-Centricity as the Core Banking Group of the SBI Group

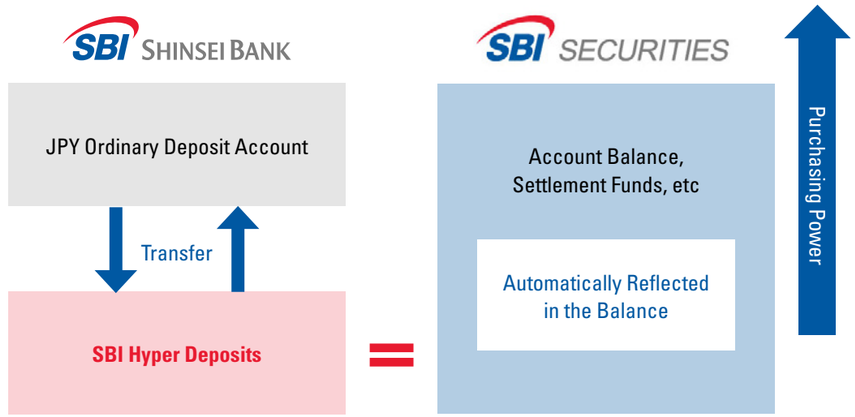
More than four years have passed since SBI Shinsei Bank joined the SBI Group. During this period, we have steadily strengthened our business foundation as the core banking institution of the SBI Group. Within the Group's diverse ecosystem, which spans securities, insurance, asset management, and digital asset businesses, we serve as the banking hub, leveraging the strengths of Group companies to deliver value-added products and services to our customers. By capitalizing on the unique characteristics that differentiate us from Japan's megabanks, we combine the capabilities of Group companies to address the diverse needs of our customers and provide financial services that are both agile and customer-focused.

A symbolic example of this approach is SBI Hyper Deposits, launched in September 2025. By seamlessly linking customer accounts at SBI SECURITIES and SBI Shinsei Bank, the service significantly enhances convenience while embodying our commitment to a customer-centric approach. As a result of strong customer acceptance, deposit balances reached 1.3 trillion yen as of March 31, 2026. SBI Hyper Deposits is more than a convenient service for customers. It serves as a strategic platform that strengthens the Bank's stable funding base while connecting customers to a broad range of financial services, including investments, housing loans, asset management, and payments. As a gateway to the SBI Group ecosystem, it contributes to the expansion of both our customer base and earnings foundation, further supporting sustainable growth.

SBI Group's Fundamental Business Building Concepts

1. Thorough Pursuit of the "Customer-centric Principle"
2. Formation of a "Business Ecosystem" and Thorough Pursuit of Group Synergies
3. Thorough Devotion to Innovative Technology
4. Formulate and Implement Strategies that Anticipate the Near Future
5. Public Benefit Leads to Private Benefit
6. Going Beyond Finance with Finance at Its Core

How SBI Hyper Deposits Works



CEO MESSAGE

Creating a New Model for Regional Finance through the Fourth Megabank Concept

The Fourth Megabank Concept is rooted in the SBI Group's philosophy that "public benefit leads to private benefit." Through collaboration with regional financial institutions, it seeks to contribute to regional revitalization and sustainable economic development across Japan. For the SBI Shinsei Bank Group, it also represents a key strategy for simultaneously creating social value and enhancing corporate value.

As regional communities face increasingly complex challenges, including population decline and labor shortages, regional financial institutions are being called upon to address a wide range of issues, from system modernization and human capital development to the strengthening of risk management capabilities.

As the core banking group of the SBI Group, SBI Shinsei Bank Group serves as a bridge between regional financial institutions and the diverse capabilities and solutions available across the SBI Group ecosystem. By combining the deep local knowledge and customer networks of regional financial institutions with the expertise, technology, and financial solutions of the SBI Group, we support business expansion, operational transformation, and the strengthening of management foundations, thereby contributing to the sustainable development of regional finance.

At the same time, the Fourth Megabank Concept is an important growth strategy for our Group. Through closer collaboration with regional financial institutions, we are expanding opportunities in loan origination and distribution, asset-based businesses, and regional development projects. By broadening both interest and noninterest income opportunities, we aim to enhance our earnings base while contributing to the long-term growth and vitality of regional economies throughout Japan.

From Concept to Execution: Advancing Next-Generation Finance

The SBI Group has positioned the development of next-generation financial services through a strategic transformation toward an on-chain financial ecosystem as a key growth initiative. As the Group's core banking entity, the SBI Shinsei Bank Group is leveraging advanced technologies such as artificial intelligence (AI) and blockchain to enhance traditional banking functions while developing innovative financial services that meet evolving customer needs.

A flagship initiative in this area is JPYSC, a Japanese yen-denominated stablecoin. Jointly developed by SBI Holdings and Startale Group and issued by SBI Shinsei Trust Bank, JPYSC was launched in June 2026 as Japan's first trust-based stablecoin. Looking ahead, we expect JPYSC to play an important role in advancing a wide range of financial transactions, including the settlement of tokenized assets and both domestic and cross-border payments.

At the same time, we continue to make steady progress in other next-generation finance initiatives, including tokenized deposits, blockchain-based international remittances, and AI-driven enhancements to credit assessment and risk management.

By harnessing the power of innovative technologies, we aim to deliver financial services that are more convenient, secure, and value-added for our customers. Through the seamless integration of deposits, investments, payments, and other financial functions, we are helping to shape the next generation of finance.



People and Culture as the Foundation of Sustainable Growth

At the SBI Shinsei Bank Group, professionals with diverse expertise collaborate across organizational boundaries, sharing knowledge and leveraging their collective capabilities to support sustainable growth. We are also committed to fostering a corporate culture in which our management philosophy is embraced throughout the Group and every employee is empowered to realize their full potential.

As transformative technologies such as generative AI continue to reshape the financial industry, the importance of talent capable of generating new value from customer insights and collaborating with a diverse range of partners is increasing. We believe that combining human expertise with technological innovation is essential to delivering sustainable value to our customers and society.

The SBI Group regards "Entrepreneurship" as one of its core cultural values. In line with this philosophy, the SBI Shinsei Bank Group places great emphasis on cultivating a culture in which employees anticipate change, take initiative, and drive innovation and transformation. By positioning human capital as a strategic management asset and enabling



employees to maximize their capabilities, we aim to strengthen our organizational competitiveness and sustainably enhance corporate value over the long term.

Never Forgetting the Support of Public Funds and Contributing to Society through Distinctive Financial Services

Our Group has benefited from public support for many years. We believe it is essential never to lose sight of the significance of that support and to carry forward the lessons learned from this experience in our management. The full repayment of public funds in July 2025 marked a major milestone in our history.

The greatest way we can repay that support is by continuing to create value for our customers, regional communities, shareholders, and all other stakeholders through distinctive financial products and services that set us apart.

As the core banking group of the SBI Group, we will continue to pursue our customer-centric approach, contribute to the advancement of regional finance through the Fourth Megabank Concept, and drive the development of next-generation financial services.

While the full repayment of public funds and our relisting were significant achievements, we do not view them as the culmination of our journey. Rather, they mark the starting point for the next stage of our growth. As a publicly listed company, we will maintain strong governance and financial discipline, engage constructively with the capital markets, and pursue the sustainable enhancement of corporate value. Through these efforts, we will continue to create new value for society, contribute to sustainable economic development, and remain a trusted financial partner for our customers and communities.

July 2026
Katsuya Kawashima
Representative Director, President and CEO

SBI Group's Management Philosophy and Fundamental Principles for Business Development

SBI Group conducts its business activities in accordance with its Management Philosophy and Fundamental Principles for Business Development. The Group's brand message reflects this philosophy and these principles and expresses the vision it seeks to realize. Guided by a customer-centric approach and innovative technologies, SBI Group strives to create value beyond the financial sector and contribute to the advancement of society together with its stakeholders.

SBI Group's Five Management Principles

1. Sound Ethical Values
2. Financial Innovator
3. New Industry Creator
4. Continual Self-Evolution
5. Fulfill Social Responsibility

Fundamental Business Building Concepts

Thorough Pursuit of the "Customer-centric Principle"

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SBI Group Brand Message

SBI GROUP

Future Begins with SBI

SBI Group goes beyond finance to design the future of society.

Leveraging innovative technologies such as AI and blockchain, we deliver personalized experiences tailored to each customer's needs.

We connect diverse aspects of people's lives, including investment, insurance, healthcare, media, and culture, creating new value and opportunities.

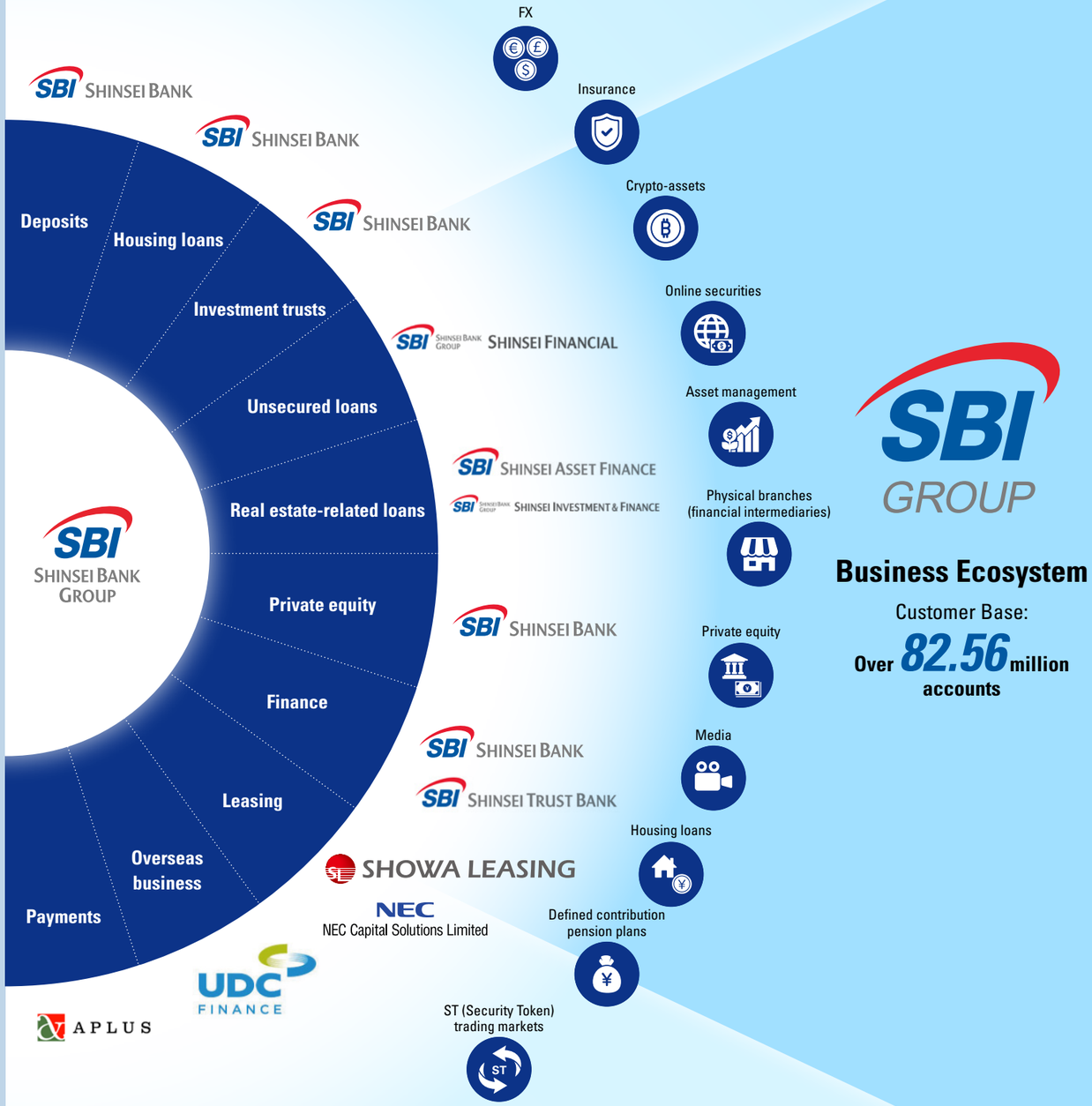
By fostering innovation and collaboration, we expand this virtuous cycle from local communities to the world.

SBI Group Business Ecosystem

SBI Group has expanded beyond traditional financial services into businesses that generate synergies with its core financial operations, guided by its principle of "going beyond finance with finance as its core."

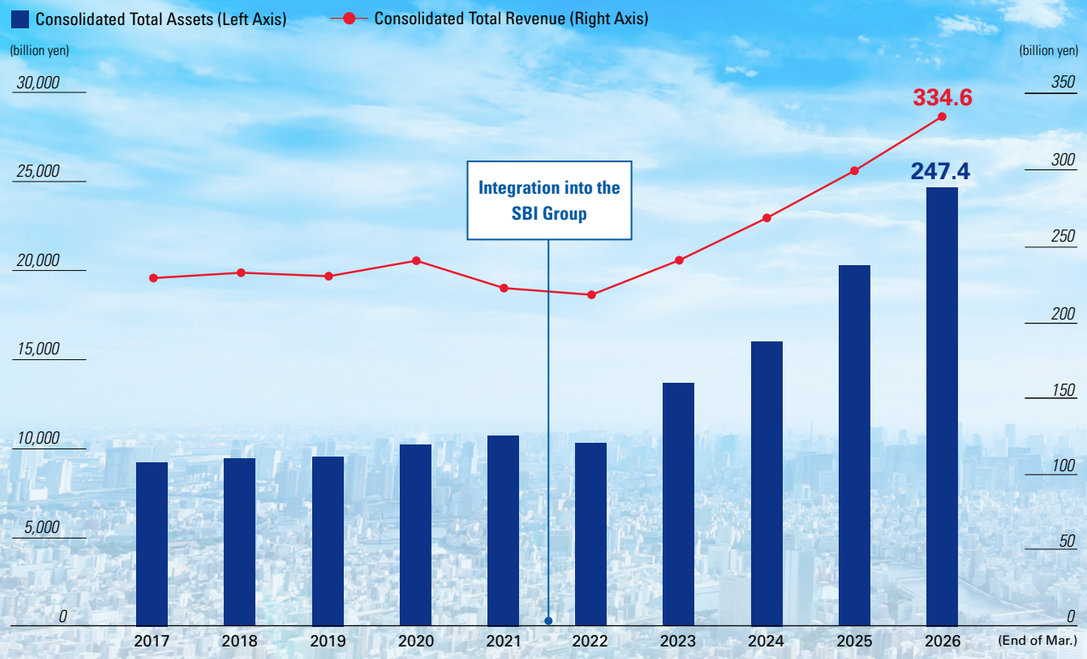
Its unique ecosystem encompasses five business segments: Financial Services, Asset Management, Private Equity Investment, Crypto-asset, and Next-Generation Businesses, serving 82.56 million customer accounts as of March 31, 2026.

By leveraging its own strengths together with SBI Group's diverse capabilities and extensive customer base, SBI Shinsei Bank Group provides more comprehensive and value-added financial services to its customers.



History of SBI Shinsei Bank Group

Financial Performance Over the Past 10 Years



Financial KPIs

Assets
(As of the end of March 2026, Consolidated)
24.7 JPY tn
10.3 JPY tn
(As of Mar. end 2022)

Operating Assets*1
(As of the end of March 2026, Consolidated)
18.0 JPY tn
8.1 JPY tn
(As of Mar. end 2022)

Deposits*2
(As of the end of March 2026, Consolidated)
17.3 JPY tn
6.3 JPY tn
(As of Mar. end 2022)

Number of Accounts*3
(As of the end of March 2026, Consolidated)
4,330 K accts
3,040 K accts
(As of Mar. end 2022)

Consolidated Capital Adequacy Ratio
(As of the end of March 2026, Consolidated)
9.68%
8.5% or more
(FY2022 Full year)

Total Revenue
(For the year ended March 31, 2026, Consolidated)
334.6 JPY bn
217.5 JPY bn
(FY2022 Full year)

Net Profit
(For the year ended March 31, 2026, Consolidated)
113.4 JPY bn
20.3 JPY bn
(FY2022 Full Year)

Expense-to-Revenue Ratio*4
(For the year ended March 31, 2026, Consolidated)
53.2%
71.5%
(FY2022 Full year)

ROE*5
(For the year ended March 31, 2026, Consolidated)
10.4%
2.2%
(FY2022 Full year)

RORA*6
(For the year ended March 31, 2026, Consolidated)
1.23%
Around 1.15%
(FY2022 Full year)

*1. Operating assets represent the total balance of loans, securities, monetary claims in trust, purchased monetary claims, lease receivables and lease investment assets, tangible leased assets, intangible leased assets, acceptances and guarantees, installment receivables, and other related assets.
*2. Deposits and certificates of deposit
*3. Number of SBI Shinsei Bank retail accounts
*4. The expense-to-revenue ratio is calculated as operating expenses (excluding amortization of goodwill and intangible assets) divided by total revenue from operations.
*5. Calculation formula: Net income attributable to owners of the parent / {[(Total net assets at the beginning of the period – stock acquisition rights at the beginning of the period – non-controlling interests at the beginning of the period) + (Total net assets at the end of the period – stock acquisition rights at the end of the period – non-controlling interests at the end of the period)] / 2}
*6. Income before Income Taxes / Risk Assets

Group History

Before the Establishment of Shinsei Bank

1952 The Long-Term Credit Bank of Japan, Limited was established
1998 The Bank was temporarily nationalized under the Financial Revitalization Act following its insolvency

2000 **The Bank changed its name from The Long-Term Credit Bank of Japan, Limited to Shinsei Bank, Limited**
2001 Shinsei Securities Co., Ltd. commenced operations
2003 Shinsei Investment Management Co., Ltd. (currently SBI Asset Management Co., Ltd.) commenced operations
2004 • Listed its common shares on the First Section of the Tokyo Stock Exchange and transitioned from a long-term credit bank to a commercial bank.
• APLUS Co., Ltd. became a consolidated subsidiary
2005 Showa Leasing Co., Ltd. became a consolidated subsidiary
2007 SHINKI Co., Ltd. (currently Shinsei Personal Loan Co., Ltd.) became a consolidated subsidiary
2008 GE Consumer Finance Co., Ltd. (currently Shinsei Financial Co., Ltd.) became a consolidated subsidiary
2016 Showa Leasing Co., Ltd. became a wholly owned consolidated subsidiary
2019 Acquired all shares of Financial Japan Co., Ltd., an insurance agency business
2020 • UDC Finance Limited became a consolidated subsidiary
• APLUS Financial Co., Ltd. (currently APLUS Co., Ltd.) became a wholly owned subsidiary
2021 **Following a tender offer by SBI Holdings, Inc., Shinsei Bank became a consolidated subsidiary of the SBI Group**
2022 Transferred to the Tokyo Stock Exchange Standard Market
2023 • Changed its corporate name from Shinsei Bank, Limited to SBI Shinsei Bank, Limited
• Delisted from the Tokyo Stock Exchange Standard Market following a share consolidation
2024 • Diamond Asset Finance Co., Ltd. (currently SBI Shinsei Asset Finance Co., Ltd.) became a consolidated subsidiary
• NEC Capital Solutions Limited became an equity-method affiliate
2025 • **Completed the full repayment of public funds**
• **Relisted on the Tokyo Stock Exchange Prime Market**



TOPIC 1

Receiving the "IPO of the Year Award" at the DEALWATCH AWARDS 2025

SBI Shinsei Bank received the "IPO of the Year award" at the DEALWATCH AWARDS 2025, organized by DealWatch, a service of the London Stock Exchange Group (LSEG).The award recognized the Bank's successful 370.1 billion yen IPO, which followed a series of management reforms and growth initiatives implemented after joining SBI Group. These efforts contributed to the full repayment of public funds and culminated in the Bank's relisting on the Prime Market of the Tokyo Stock Exchange in December 2025.

During the IPO process, the Bank actively engaged with investors, highlighting its "customer-centric growth strategy" and the value created through synergies within SBI Group's business ecosystem.

The Bank will continue to engage in constructive dialogue with investors and other capital market participants as it pursues the sustainable enhancement of corporate value over the medium to long term.



TOPIC 2

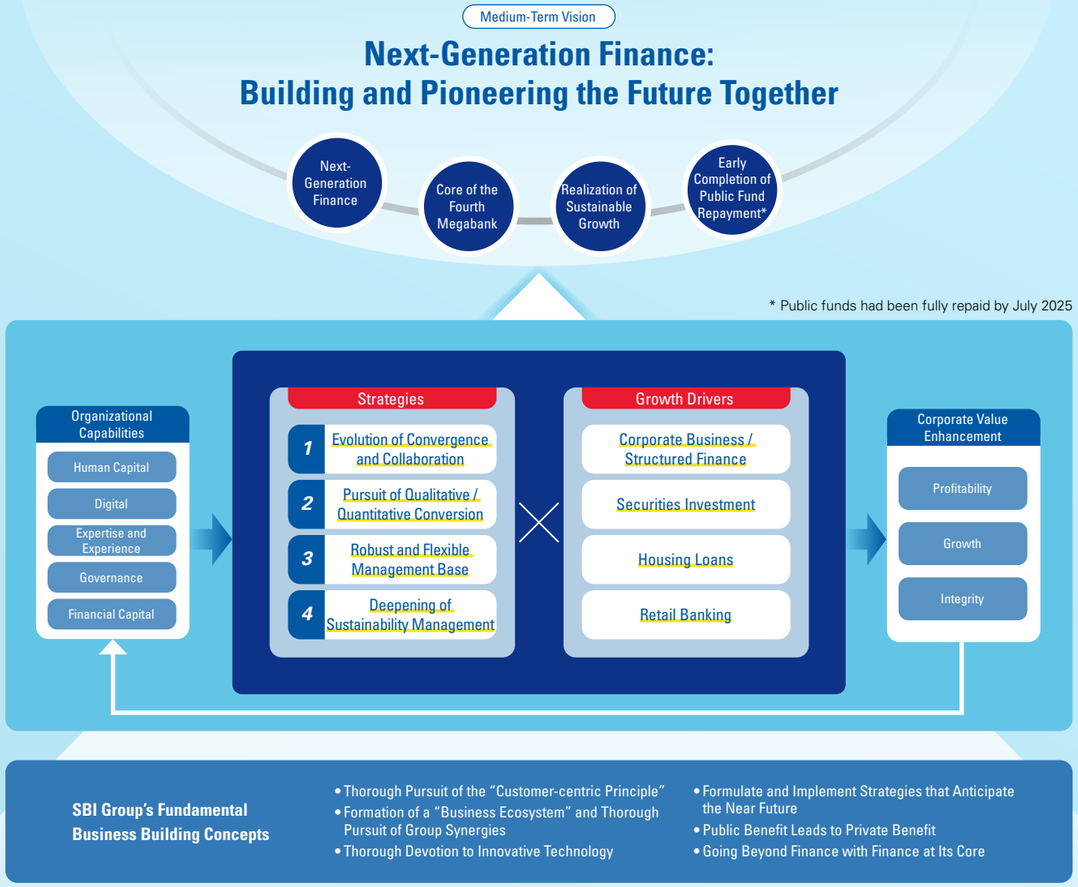
Ranked No. 1 in the Oricon Customer Satisfaction Survey for "Internet Banking" for the Third Consecutive Year

SBI Shinsei Bank was ranked No. 1 overall for the third consecutive year in the 2026 Oricon Customer Satisfaction® Survey for "Internet Banking," conducted by Oricon Inc.

The survey was based on evaluations from 6,312 users of internet banking services provided by 106 financial institutions across Japan. SBI Shinsei Bank received the highest overall rating and ranked first in the fees category, while also earning strong evaluations for website usability, related services, and customer support. The Bank believes this recognition reflects its ongoing efforts to enhance customer convenience and service quality in line with SBI Group's "customer-centric philosophy." By continually improving its digital services and customer experience, the Bank strives to provide financial services that meet the diverse needs of its customers.

Value Creation Process

To achieve sustainable growth together with society, our customers, and our shareholders, we have clearly defined and visualized our value creation process. By consistently executing our management strategies and initiatives aligned with this process, we strive to create long-term value and enhance our corporate value sustainably.



Overview of the Medium-Term Management Plan (MTMP)

Our FY2025-2027 MTMP is guided by the vision of "Next-Generation Finance: Building and Pioneering the Future Together." The plan focuses on four key aspirations: "Next-Generation Finance," "Core of the Fourth Megabank," "Realization of Sustainable Growth," and "Early Completion of Public Fund Repayment." These aspirations are supported by four core strategies designed to achieve these objectives: "Evolution of Convergence and Collaboration," "Pursuit of Qualitative / Quantitative Conversion," "Robust and Flexible Management Base," and "Deepening of Sustainability Management." Aligned with the SBI Group's fundamental approach to business development, the MTMP seeks to advance integrated and collaborative operations across the SBI Group.

Progress of the MTMP

① Financial Targets: KPIs

Under the MTMP, we have established five consolidated financial KPIs: income before income taxes, RORA, deposit balances, operating assets, and the consolidated capital adequacy ratio. Our fiscal 2025 results demonstrate steady progress toward achieving these targets. For fiscal 2026, the Group forecasts income before income taxes of 132.0 billion yen and expects to achieve its profitability-related KPI targets one year ahead of schedule.

		KPI	FY2024 Results	FY2025 Results	Final Year of the MTMP (FY2027) Targets
Improving of Quality	Profitability	Income before Income Taxes	JPY 87.7 bn*1	JPY 122.1 bn	Around **+50**% compared to FY2024
	Efficiency	RORA Income before Income Taxes /Risk Assets	0.96%	1.23%	Around **1.15**%
Expansion of Volume	Financial base	Deposits Individual Deposits + Institutional Deposits	JPY 14.6 tn	JPY 17.3 tn	JPY **18** tn
		Operating Assets*2 Including Securities Investment	JPY 14.3 tn	JPY 18.0 tn	JPY **20** tn
Soundness		Consolidated Capital Adequacy Ratio Basel III, Domestic Standard	9.33%	9.68%	**8.5**% or more

Key assumptions for the calculation of target values
For FY 2027, the Bank of Japan's policy rate is assumed to be 0.75% (compared with 0.50% in FY 2025), and the yield on 10-year Japanese government bonds is assumed to be 1.50%. Real GDP growth in Japan is assumed to remain positive in each fiscal year through 2027.
*1. The FY2024 result for income before income taxes of JPY87.7 billion excludes a large one-off gain on negative goodwill of JPY11.7 billion
*2. Includes loan assets, leasing, installment receivables, guarantees, securities investment, and other related exposures

② Four Growth Drivers

Under the MTMP, we have identified Corporate Business / Structured Finance, Securities Investment, Housing Loans, and Retail Banking as our four growth drivers. Since joining the SBI Group, we have steadily accumulated high-quality assets and delivered sustained profit growth.

In FY2025, we achieved our operating asset target of 8 trillion yen in the Corporate Business / Structured Finance business, while balances of securities investments, housing loan originations, and retail deposits also continued to grow.

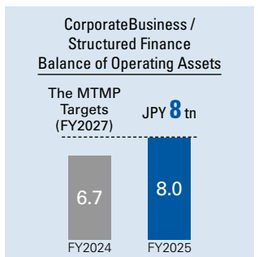
Looking ahead, we aim to accelerate growth by leveraging the SBI Group's customer base, our specialized expertise, and strategic partnerships with external organizations.

Four Growth Driving Businesses

01 Corporate Business/ Structured Finance

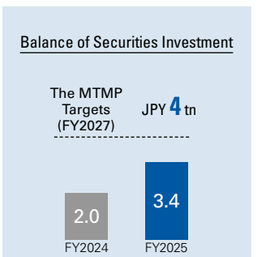
- A three-pronged sales strategy combining Corporate Business, Structured Finance, and Financial Institution
- Strengthening O&D *3

Achieved



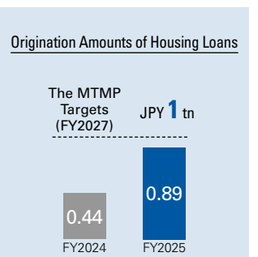
02 Securities Investment

- Expansion of investment scope and scale
- Strengthening risk management and operational capabilities



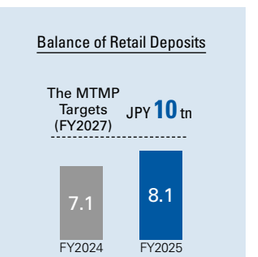
03 Housing Loans

- Offering competitive interest rates and products
- Leveraging the SBI Group and external distribution channels



04 Retail Banking

- Multi-channel deployment across online and physical channels
- Seamless collaboration with the SBI Group
- Expansion of SBI Hyper Deposits



RORA by Asset Class

Corporate Business / Structured Finance		Securities Investment		Retail Banking*4	
FY2024	FY2025	FY2024	FY2025	FY2024	FY2025
0.65%	1.18%	1.38%	1.17%	3.87%	8.49%

*3. Origination & Distribution
*4. RORA for the overall Retail Banking business

Basic Approach to Enhancing Corporate Value Sustainably

The Group defines corporate value as the value that investors attribute to the profits and growth the Group is expected to generate over the long term. To enhance this value, we have organized our fundamental approach and key initiatives as outlined below.

Current Assessment of Corporate Value

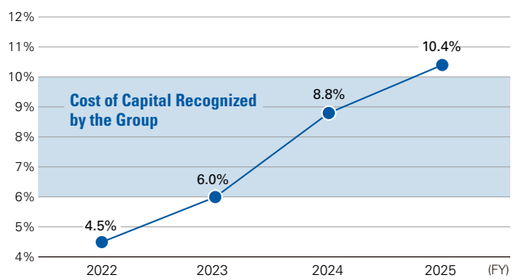
As a prerequisite for enhancing corporate value, the Group recognizes its cost of capital to be approximately 6% to 10%. Since joining the SBI Group in December 2021, we have steadily strengthened our business foundation and accelerated the execution of our growth strategy. As a result, ROE reached 10.4% in fiscal year 2025 (from April 2025 to March 2026), exceeding the upper end of the cost of capital range recognized by the Group.

Cost of Capital

Based on internal analyses and external market assessments, the Group recognizes its cost of capital to be approximately 6% to 10%.



ROE Trend



Management Approach and Policy with a Focus on Cost of Capital and Corporate Value Enhancement

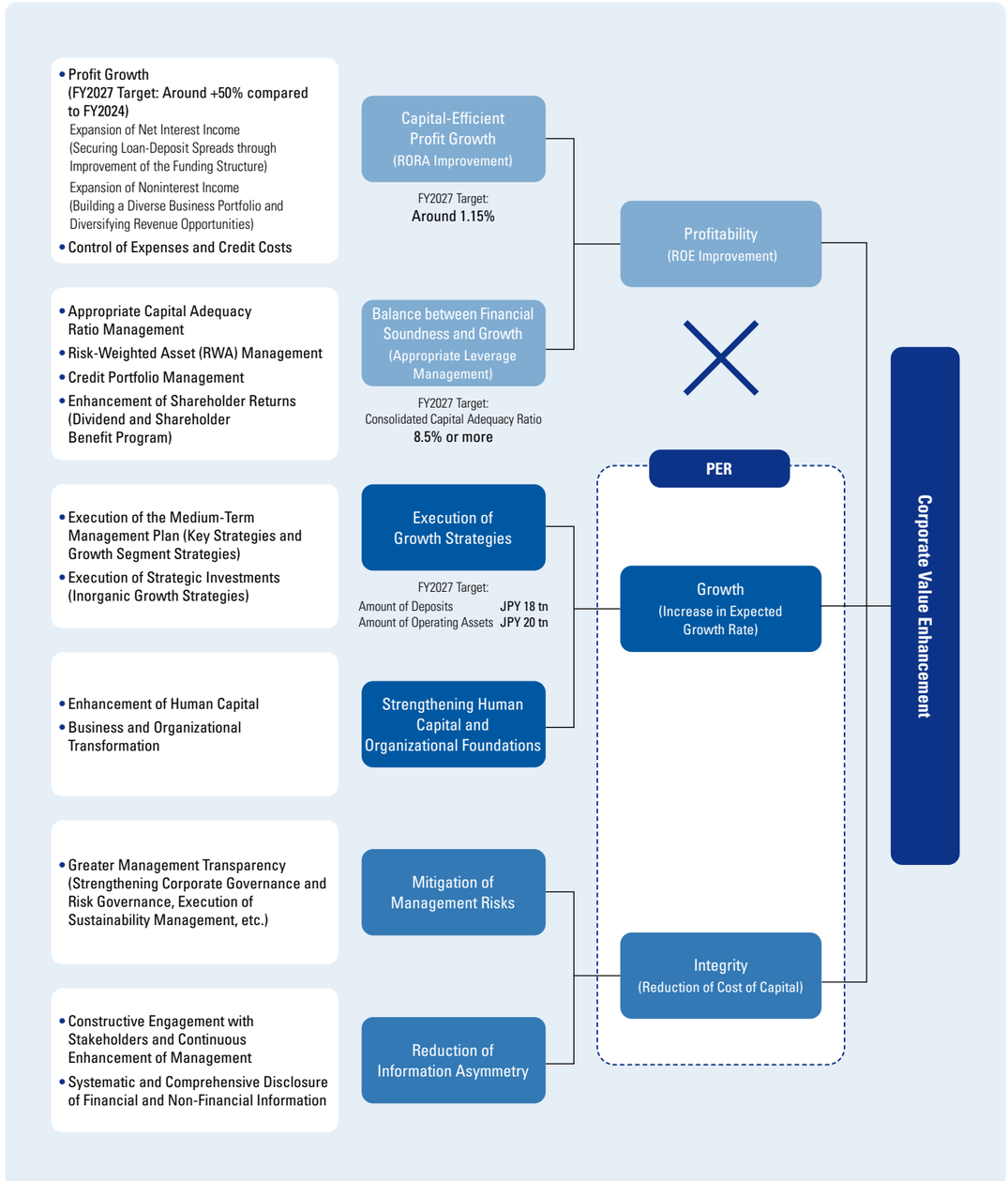
We believe that maintaining a strong focus on the cost of capital and capital efficiency is essential to achieving sustainable growth and enhancing corporate value over the long term. Accordingly, the Group pursues integrated initiatives aimed at strengthening earnings capacity, enhancing growth expectations, and building stakeholder confidence.

As a result of these efforts, ROE reached 10.4% in fiscal year 2025 (from April 2025 to March 2026), exceeding the upper end of the Group's recognized cost of capital range of 6% to 10%. Going forward, we will continue to improve ROE while reducing our cost of capital, with the aim of ensuring that ROE sustainably exceeds the cost of capital.

Profitability (ROE Improvement)	To improve ROE, we are strengthening earnings capacity while maintaining capital efficiency. By expanding revenues and controlling expenses and credit costs, we aim to achieve the MTMP target of approximately 1.15% RORA and deliver sustainable earnings growth. In addition, we will pursue further improvements in ROE through disciplined capital allocation and sound financial management.
Growth (Increase in Expected Growth Rate)	To enhance corporate value over the medium to long term, we are advancing the execution of growth strategies and strengthening our human capital and organizational foundations. We allocate management resources to the MTMP's growth drivers and other strategic businesses to support further growth and realize the Fourth Megabank Concept and Next-Generation Finance. In addition, we are strengthening our execution capabilities through investments in human capital and business and organizational transformation, thereby fostering sustainable growth expectations.
Integrity (Reduction of Cost of Capital)	To support the sustainable enhancement of corporate value, we are strengthening integrity through enhanced corporate governance and the mitigation of management risks. We also promote constructive engagement with shareholders, investors, and other stakeholders, while working to reduce information asymmetry through proactive disclosure and greater transparency. By incorporating stakeholder feedback into our management practices, we seek to enhance management quality and build a trusted management foundation that contributes to a lower cost of capital.

Corporate Value Enhancement Logic Tree

This logic tree illustrates the Group's framework for enhancing corporate value. By clearly illustrating how each initiative contributes to value creation, we aim to achieve the sustainable long-term growth of corporate value.



Growth

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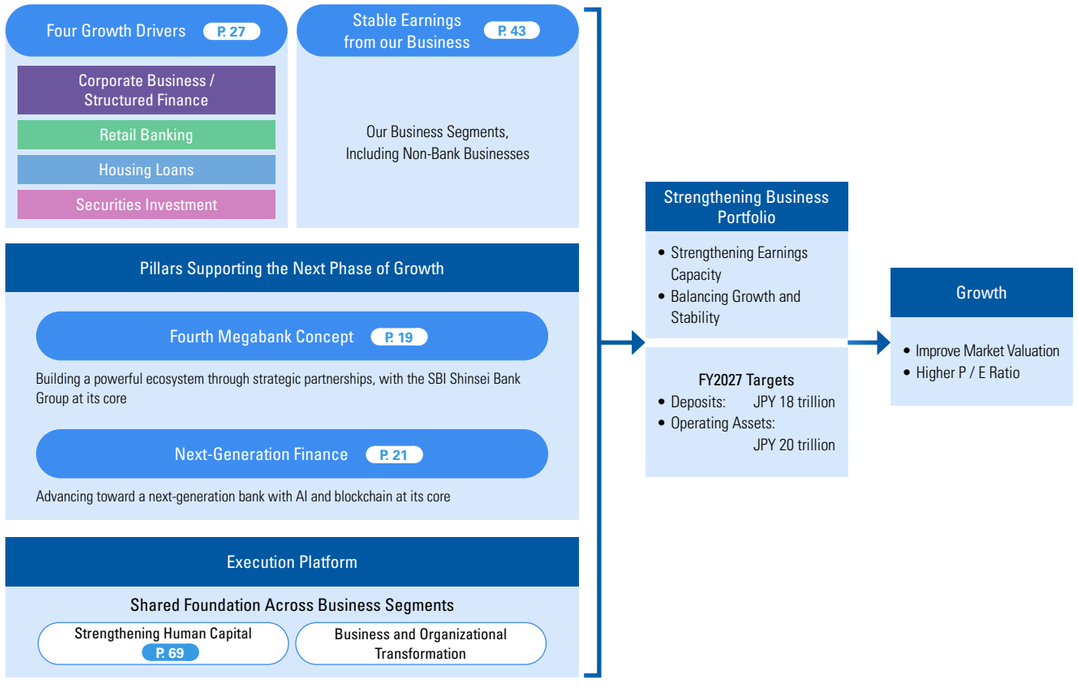
Overview of the Growth Strategy

Growth Strategy of the SBI Shinsei Bank Group

The SBI Shinsei Bank Group is committed to achieving sustainable, high-quality growth that enhances profitability and delivers long-term value. We are strengthening our earnings base by positioning corporate business and structured finance, retail banking, housing loans, and securities investments as key growth drivers, while expanding new growth opportunities through strategic investments and M&A. At the same time, we are advancing the Fourth Megabank Concept and Next-Generation Finance initiatives, with digitalization at the core pillars of these initiatives. Through investments in human capital and business transformation, we aim to further enhance corporate value.



Relationship Between the "Fourth Megabank Concept" and "Next-Generation Finance" and Our Business Segments

The Fourth Megabank Concept and Next-Generation Finance, which are the core pillars of the SBI Shinsei Bank Group's growth strategy, are advanced across the Group by leveraging the capabilities of each business segment. This table outlines the role of each segment, its external partnerships, and key initiatives, and illustrates how these capabilities contribute to the realization of these strategic growth initiatives.

Fourth Megabank Concept × Business Segments

Business Segments	Capabilities	Role	Key Examples
Corporate Business / Structured Finance	• Strong origination capabilities • Specialized expertise in structured finance • Collaboration and distribution capabilities leveraging regional financial institutions and the SBI Group	• Advance the Fourth Megabank Concept through collaboration with the SBI Group and regional financial institutions • Provide financing to growth sectors and address customer needs through syndicated loans and O&D	• Originate infrastructure and renewable energy projects • Promote O&D • Support business succession and growth strategies for regional companies
Securities Investment	• Advanced asset management capabilities leveraging data and AI • Expertise in investment decision-making and portfolio construction • Collaboration capabilities across the SBI Group	• Serve as a core earnings driver that supports the Group's revenue base • Enhance investment management capabilities across the SBI Group and regional financial institutions	• Leverage partnerships with KKR, FOLIO, and other leading firms to strengthen investment capabilities and broaden investment opportunities
Showa Leasing	• Asset origination capabilities • Business development capabilities leveraging asset-based businesses	• Promote the creation and expansion of asset-based businesses through collaboration with regional financial institutions and regional bank-affiliated leasing companies	• Establish joint ventures in areas such as construction equipment and buy and sell-related businesses • Develop asset-based businesses in collaboration with regional banking groups • Facilitate personnel exchanges with regional bank-affiliated leasing companies
Shinsei Financial	• Operational expertise in consumer lending businesses • Advanced credit servicing and risk management capabilities • Data driven credit strategy and credit model development capabilities	• Support the enhancement of consumer lending functions at regional financial institutions • Deliver value beyond credit guarantee services through marketing expertise and operational know-how	• Provide unsecured loan guarantee services to regional financial institutions • Share customer management expertise

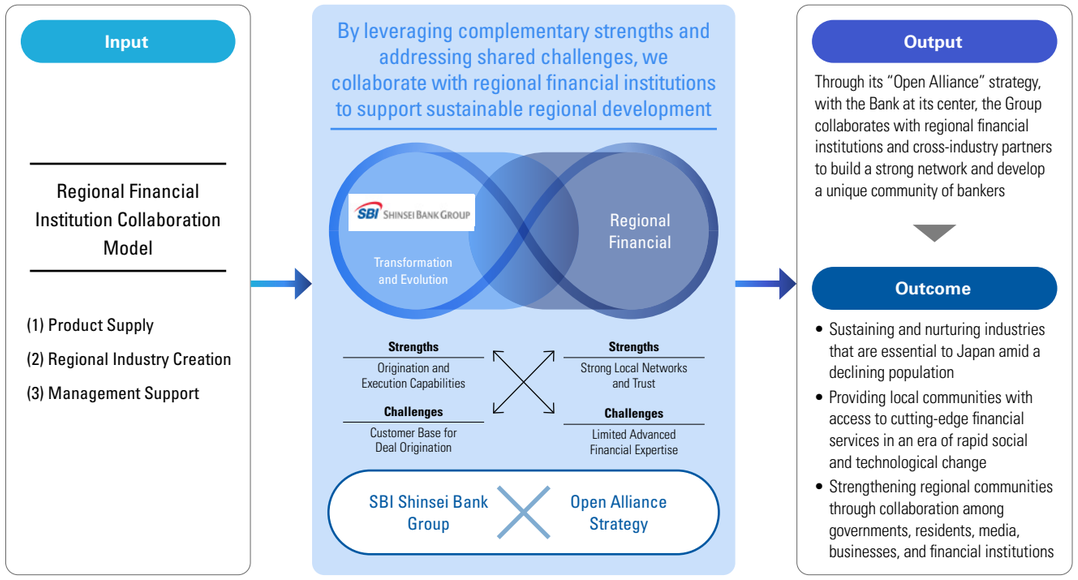
Next-Generation Finance × Business Segments

Business Segments	Capabilities	Role	Key Examples
Corporate Business / Structured Finance	• Extensive network spanning the SBI Group and regional financial institutions • Strong customer base and business collaboration capabilities	• Drive proof-of-concept initiatives and the commercialization of next-generation financial models utilizing tokenized deposits and digital securities • Create new capital circulation mechanisms that connect investment, distribution, and payment functions	Use Cases for Implementation • Create new investment opportunities through digital securitization • Tokenize real-world assets and regional resources • Explore next-generation payment solutions utilizing tokenized deposits and digital currencies (Note) Proof-of-concept initiatives and commercialization efforts are being advanced in collaboration with the SBI Group
Retail Banking	• Ability to expand the customer base and customer touchpoints through collaboration with the SBI Group	• Drive customer acquisition, expansion, and capital circulation by providing integrated financial services that connect deposits, investments, and lending, with SBI Hyper Deposits serving as the primary entry point	Use Cases for Implementation • Integrate SBI Group services through a super application • Provide financial functions to external customers through BaaS
Aplus	• Extensive merchant network and payment processing capabilities • Strong customer base in the credit card business	• Connect financial services and digital assets through payment-based customer touchpoints • Expand customer base and promote new forms of capital circulation	• Offer crypto-asset rewards linked to credit card spending through the SBI VISA Crypto Card • Integrate loyalty points and crypto assets through SBI VC Trade • Conduct pilot initiatives for in-store payments utilizing stablecoins

Feature 1 The Fourth Megabank Concept

The Vision of "The Fourth Megabank Concept"

Under the SBI Group's Fourth Megabank Concept, the SBI Shinsei Bank Group aims to create sustainable value and addressing social and regional challenges through its "Open Alliance*" strategy, in collaboration with regional financial institutions and partners across a wide range of industries. By promoting the shared use of a next-generation banking platform and providing management support, we help drive the transformation of regional financial institutions, contributing to the advancement of regional finance and the revitalization of local economies. Through these initiatives, we will continue to deliver our distinctive value as the core of a new financial group.



* The SBI Group's core strategy, the "Open Alliance" model, seeks to expand and strengthen its corporate ecosystem by fostering open collaboration, in contrast to closed economic spheres.

Regional Financial Institution Collaboration Model

Under the Fourth Megabank Concept, the SBI Shinsei Bank Group collaborates with regional financial institutions through three models: (1) Product Supply, (2) Regional Industry Creation, and (3) Management Support. By leveraging our financial capabilities, expertise, and management resources, we provide tailored solutions aligned with each institution's needs and stage of development.

(1) Product Supply

The SBI Shinsei Bank Group promotes an Origination and Distribution (O&D) model, providing regional financial institutions with diversified investment opportunities through loans and other assets originated by the Group. Through the joint arrangement of large-scale transactions, knowledge sharing, and human capital development, we support the strengthening of regional financial institutions and contribute to the advancement of regional finance.

<u>Specific Initiatives</u>

Diversification of solutions for regional Financial Institutions (FIs)

Distribution ····· • FIs with transactions: 76 banks Total amount: JPY 538.7bn (FY2025)

Derivatives ····· • Total notional principal amount of Foreign Exchange derivatives transactions with regional FIs: USD 933mn (From FY2023 onward)

Loan Arrangements (FY2025) ····· • Nippon Yusen (NYK Line) A syndicated loan arranged by the Bank in collaboration with 6 regional FIs (Total amount: approx. JPY24.0bn)
• Sun Frontier Hotel Management Inc.
A coordinated loan with The Akita Bank to finance the hotel development in front of Akita Station (The Bank's loan amount: JPY2.0 bn)
• The Shiga Bank coordinated LBO financing related to an equity investment transaction in a local medical corporation group

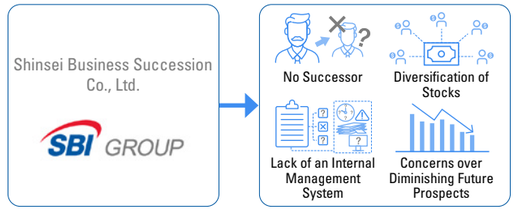
Human Resource Exchange ····· • Trainee acceptance: 32 banks, 60 participants (as of April 2026)
• Held seminars for regional FIs, including bank-affiliated leasing companies

(2) Regional Industry Creation

We support large-scale regional projects in areas such as infrastructure, energy, and sports and entertainment facilities by providing financing and structuring funding solutions. We are also exploring the application of next-generation financial services, including security tokens to facilitate fundraising from individual investors and other digital finance solutions.

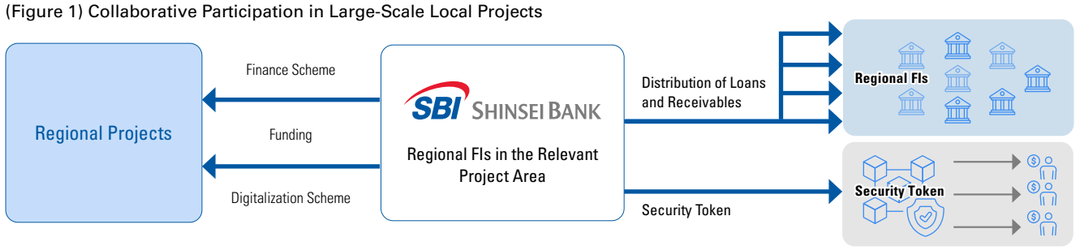
In addition, we address the business succession, growth, and restructuring needs of regional SMEs by providing not only advisory services but also equity capital. Through these efforts, we help preserve and strengthen local industries while supporting the sustainable development of regional economies.

(Figure 2) Support for Local SMEs



For specific examples, please refer to "Intellectual Capital" on page 75.

(Figure 1) Collaborative Participation in Large-Scale Local Projects



(3) Management Support

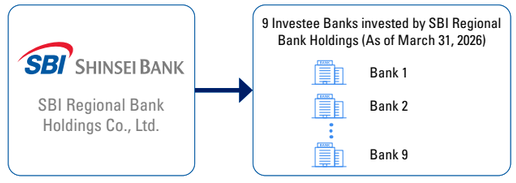
The next-generation banking system provided by SBI Regional Revitalization Banking System is an integrated platform that incorporates core banking, sales and loan support functions, and internet banking. Designed for shared use by regional financial institutions, the platform leverages cloud technology to improve cost efficiency, enhance service capabilities, strengthen management foundations, and support business transformation.

In addition, we provide capital and management support, as well as functions tailored to the specific needs of regional financial institutions. Through these initiatives, we contribute to the advancement of regional finance and the revitalization of local economies.

(Figure 3) Four Types of Management Support

Responding to Change	Quickly implementing system and product revisions
Scalability	Flexible support for new business initiatives through API integration
DX•CX	Drive innovative business transformation and the enhancement of customer experience
Cost Leveling	Transforming fixed costs into variable costs in order to free up capacity for investments and financing activities

(Figure 4) Capital Injection into Regional FIs



Feature 2 Next-Generation Finance

Next-Generation Finance: Strategy and Vision

The Group aims to evolve into a "next-model bank" that serves both retail and corporate customers through advanced digital technologies and broad-based industry partnerships. As a driver of Next-Generation Finance, we will continue to enhance our financial services to meet evolving societal needs.

With blockchain and AI at the core of our growth strategy, we are shifting from a scale-driven growth model to a value-creating business model. By continuously improving our products and services, we aim to create a virtuous cycle of growth and quality enhancement, supporting sustainable growth and strengthening our long-term competitiveness.

Specific Initiatives

JPYSC: SBI Group's Trust-Based Japanese Yen Stablecoin

The SBI Group launched JPYSC, Japan's first trust-based Japanese yen stablecoin*, jointly developed by SBI Holdings and the Startale Group. Issued by SBI Shinsei Trust & Banking under Japan's regulatory framework and initially made available through SBI VC Trade accounts in June 2026, JPYSC represents a significant step toward advancing regulated digital finance.

Combining the reliability of a trust-based structure with the efficiency of blockchain technology, JPYSC is designed to function as a trusted digital yen that can be used across both traditional financial systems and digital asset networks.

To ensure user protection and regulatory compliance, JPYSC is currently available only through SBI VC Trade accounts. Looking ahead, the Group plans to expand access to external wallets and public blockchain networks as the relevant legal and tax frameworks evolve. Potential use cases include on-chain foreign exchange transactions, the settlement of tokenized assets, and domestic and cross-border payments. Through these initiatives, JPYSC is expected to support the development of a yen-denominated digital settlement infrastructure that bridges traditional finance and the digital asset ecosystem.

* As of June 24, 2026, JPYSC is the first yen-denominated stablecoin issued under a trust-based structure and classified as an "Electronic Payment Instrument" under Japan's Payment Services Act, based on company research.

USE CASE

Key JPYSC Use Cases Following Deployment on Public Blockchain Networks

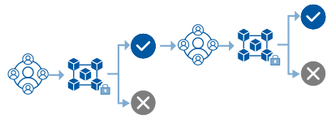
(1) On-chain foreign exchange markets
(2) Institutional lending and on-chain carry trades
(3) Settlement of RWAs and tokenized assets
(4) Retail payments and merchant settlement in Japan
(5) Cross-border remittances and international payments
(6) OTC transactions and institutional liquidity provision



Introduction of the DCJPY Tokenized Deposit Platform

DCJPY, which is scheduled to be launched in FY2026 (April 2026 to March 2027), is a yen-denominated tokenized deposit platform provided by DeCurret DCP. Available to both corporate and individual customers of SBI Shinsei Bank, DCJPY digitizes bank deposits on a blockchain, enabling transaction execution, payment instructions, fund transfers, and audit trails to be managed on a single platform. By directly linking transaction data with fund movements, DCJPY has the potential to enable new services and use cases that are difficult to achieve through conventional banking infrastructure.

Programmability*1 and Traceability*2



In addition to its payment functionality, DCJPY enables the automated execution of transactions and real-time transaction tracking on the blockchain. Payments can be processed automatically when predefined conditions are met, while fund flows can be traced transparently.

Safety Comparable to Bank Deposits



DCJPY maintains a one-to-one linkage with the Japanese yen and offers the same level of security as conventional bank deposits, including protection under Japan's Deposit Insurance Act.

Dual-Layer Structure Enabling Diverse Business Applications

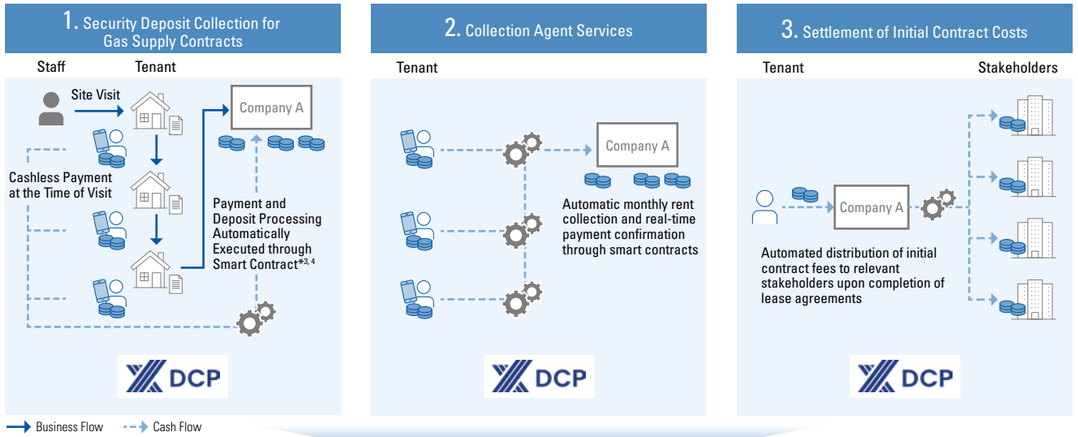


The platform integrates tokenized deposit issuance and business applications within a single infrastructure, enabling a wide range of use cases, including local currencies, environmental value trading, and public services.

*1. Programmability: The ability to automate transaction processing based on predefined conditions
*2. Traceability: The ability to track and verify the flow of funds

USE CASE

In property management, linking payments with deposit information enables automated payment processing and faster collection of outstanding receivables, improving both operational efficiency and customer convenience.



By automating payment processes, including fund transfers and reconciliation, tokenized deposits can improve operational efficiency and productivity for property management companies while enhancing customer experience.

*3. Non-face-to-face transactions may be supported in the future.
*4. Smart Contract: A program that automatically performs predefined contractual actions, such as payments or transfers of rights, when specified conditions are met

Feature 2

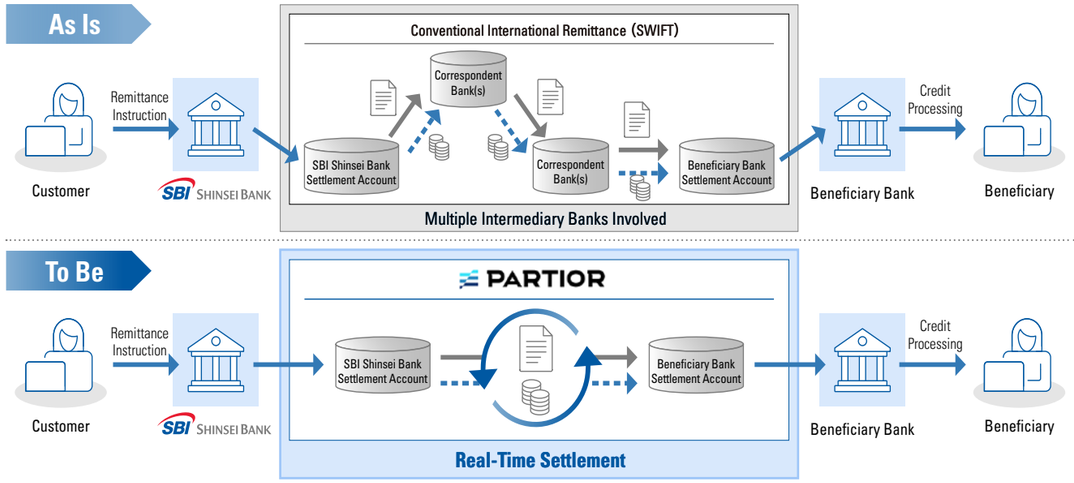
Next-Generation Finance

Partior Blockchain Cross-Border Remittances

For U.S. dollar-denominated cross-border remittances, we are leveraging blockchain technology to address the limitations of conventional SWIFT-based transfers, including lengthy settlement times and intermediary banking fees. By utilizing Partior's* blockchain-based settlement network, transactions can be settled directly between participating banks without the need for correspondent banks, enabling faster settlement, greater transparency, and full-value remittances, where the amount received matches the amount sent. This initiative supports the development of a more efficient cross-border payment infrastructure through digital innovation and blockchain technology.

* Partior: A provider of a multi-currency settlement platform that utilizes tokenized deposits.

USE CASE: As the first phase of this initiative, we plan to join Partior's international settlement platform and launch a U.S. dollar remittance service for corporate customers in FY2026. Through Partior's network, we aim to deliver faster, more transparent, and more efficient cross-border payments than conventional remittance channels.



Risk Recognition and Approach to Addressing Challenges

Realizing Next-Generation Finance requires careful management of regulatory, technological, and emerging operational risks. As new financial infrastructures continue to evolve, we must also address challenges related to security, misuse prevention, regulatory compliance, and customer convenience.

To address these challenges, we collaborate across business functions and with external partners to identify risks, implement appropriate mitigation measures, and advance initiatives from proof-of-concept to commercialization. In doing so, we strive to balance prudent risk management with the speed of execution required for innovation.

Through these efforts, we aim to expand innovative financial services that enhance efficiency, create new value, and support sustainable growth.

Expansion of Next-Generation Financial Platforms and Value Creation

The Group aims to expand its customer base through tokenized deposits while providing access to the digital asset ecosystem through stablecoins. We also plan to explore partnerships with regional financial institutions to connect traditional banking customers with digital asset users through services tailored to their needs and risk profiles. Through these efforts, we aim to generate synergies across the SBI Group and create new value within the evolving financial ecosystem.

Creating Value through "Knowledge Integration" Driven by AI



Masamichi Kanemaru
Head of Group Digital Strategy

Q. What is the Group's approach to AI?

At the SBI Shinsei Bank Group, we view AI not merely as a tool for improving productivity, but as a strategic enabler that enhances decision-making by combining human expertise with technology. As financial services continue to evolve at an unprecedented pace, realizing our vision of "Next-Generation Finance" requires not only technological innovation, but also the development of the people and organizations that harness it.

Our objective is not to replace people with AI, but to make the knowledge, experience, and expertise of individuals available across the organization. By combining AI with human judgment, we can make better decisions, respond more quickly to changing needs, and create new value for our customers and stakeholders.

Q. How far has AI adoption progressed?

Today, hundreds of AI use cases, including both predictive and generative AI, support day-to-day operations across the Group. A defining feature of our approach is that AI is accessible to all employees, rather than being limited to specialists or specific functions.

Given the importance of security and compliance, and risk management in financial services, we deploy AI within robust governance and control frameworks. AI is already being utilized in a wide range of areas, including policy and knowledge searches, inquiries, credit assessment support, customer analytics, and operational quality enhancement.

As a result, AI has become an integral part of daily operations and decision-making, embedded across the organization rather than treated as a standalone initiative.

Q. What does "knowledge integration" mean?

"Knowledge integration" refers to the use of AI to capture and share the experience, expertise, and judgment accumulated across individuals and organizations.

Over many years, the Group has built a deep and diverse pool of expertise.

However, much of this knowledge has traditionally resided within individuals, teams, or specific functions, making it difficult to access and leverage across the organization.

AI serves as a bridge that connects tacit knowledge and dispersed information, enabling employees to access the right knowledge at the right time.

Through "knowledge integration," we aim to transform individual knowledge into organizational intellectual capital, promote cross-functional collaboration, and strengthen our ability to respond quickly and effectively to a rapidly changing business environment.

Q. What are some examples of AI applications?

One example is an AI agent trained on customer feedback and inquiry data. By learning from large volumes of customer comments, requests, and interactions, the system can generate simulated "customer reactions" and insights in response to employee questions. This enables employees to better understand customer needs and perspectives, supporting faster development and refinement of products and services.

Q. What kind of culture supports AI adoption?

We believe that the most effective way to learn is through practical application.

AI creates value only when it is actively used, refined through feedback, and continuously improved. For this reason, we encourage employees to incorporate AI into their daily work, experiment with new applications, and share their experiences across the organization.

Many of our most successful AI use cases originated from frontline teams and were subsequently adopted more broadly across the Group. This cycle of experimentation, learning, and continuous improvement is helping embed AI into everyday operations and foster a culture of innovation.

Q. What are your future plans?

Our next step is to make generative AI a natural part of everyday work rather than a specialized technology used by a limited number of employees. We aim to create an environment in which every employee can leverage AI to focus more time and energy on higher-value activities.

By further advancing AI-driven knowledge integration, we will strengthen decision-making, enhance operational quality, deepen our understanding of customer needs, and improve productivity across the organization.

TOPIC **Advancing Credit Screening with NEC Capital Solutions**

SBI Shinsei Bank and NEC Capital Solutions are enhancing credit screening through generative AI. By combining the Bank's AI-based screening logic with NEC Capital Solutions' credit expertise, the companies developed a credit screening model for small-ticket leasing on YUI Platform®. The model has automated approximately 20% of the screening process while improving accuracy and reducing response times. This initiative demonstrates how AI can strengthen credit decision-making, enhance operational efficiency, and create Group synergies through the effective use of shared data and expertise.

Segment Overview

The Group leverages the expertise and customer base of each business segment to create value for society and its customers through the provision of financial services. By combining the distinct roles of each segment with close collaboration across the organization, we enhance profitability while ensuring the stable provision of financial intermediation functions.

In addition, our diversified business portfolio, consisting of key growth drivers as well as overseas and non-bank businesses, supports a resilient earnings base capable of adapting to changes in the operating environment.

	Business Segment	Value Created	Major Business Activities	FY2026 Achievements
Growth Drivers	**Corporate Business / Structured Finance** P. 27 • Financial services for corporate clients, financial institutions, and the public sectors • Structured finance, syndication, and advisory services • Market-related services, including foreign exchange and interest rate derivatives	Through the provision of financing for infrastructure, energy, and other strategically important sectors, we contribute to the creation of social and environmental value. In addition, through close collaboration with regional financial institutions, we support regional revitalization and the sustainable development of local economies.	• Corporate deposit-taking and lending services • Origination, distribution, and securitization of structured finance transactions • Provision of management support and business solutions to clients of regional financial institutions • Markets-related businesses, fee-based businesses, and proprietary investment and financing activities in growth sectors  Project Finance for a Desalination Plant in Saudi Arabia	Total Revenue ¥60.1 bn (23) → ¥64.4 bn (24) → ¥74.0 bn (25) (FY)
	Retail Banking P. 29 • Financial transactions and services for individual customers	In addition to providing deposits, asset management and succession services, and various loan products, we leverage synergies across the SBI Group to deliver value-added financial solutions. Through these efforts, we support our customers' financial well-being and asset growth while helping to build a more prosperous future for generations to come.	• Retail deposits (including SBI Hyper Deposits) • Asset management consulting services through SBI Shinsei Wealth Management, available at all branches • Financial solutions tailored to customers' life stages, including insurance, wealth succession, and inheritance-related services 	Deposit Balances ¥5.9 tn (23) → ¥7.1 tn (24) → ¥8.1 tn (25) (FY)
	Housing Loans P. 33 • Housing loans and related financial services for individual customers	By helping customers manage interest rate risk and providing a range of housing loan-related solutions that enhance financial protection, we support greater financial security and peace of mind throughout their homeownership journey. In addition, by promoting the adoption of environmentally friendly housing, we contribute to improving quality of life and advancing a more sustainable society.	• Housing loans offering a variety of interest rate options and long-term repayment plans tailored to customers' needs • ZEH (Net Zero Energy House) Housing Loans, which provide preferential interest rates for environmentally friendly homes 	Operating Assets ¥1.25 tn (23) → ¥1.64 tn (24) → ¥2.38 tn (25) (FY)
	Securities Investment P. 35 • Portfolio management activities that generate earnings through investments in financial markets	We aim to generate stable earnings and enhance capital efficiency by strengthening investment management capabilities, optimizing asset allocation, and maintaining disciplined risk management.	• Managing a securities portfolio that combines stable income generation through investments in AAA-rated securitized products with optimized asset allocation across fixed income and equity investments SBI GROUP | folio Enhancing Investment Decision-Making and Portfolio Management Through AI	Total Revenue ¥7.0 bn (23) → ¥10.8 bn (24) → ¥15.0 bn (25) (FY)
Business Supporting Earnings Stability	**Overseas Business** P. 37 • Provision of small-ticket financing and other financial services through the Group's overseas consolidated subsidiaries and affiliates	By providing financial services tailored to local market needs and collaborating with financial institutions in each region, we contribute to improved access to financial services and greater customer convenience. In addition, through inorganic growth initiatives undertaken in collaboration with the SBI Group, we strengthen our business foundation, expand growth opportunities, and support sustainable growth.	• Retail auto loans and corporate finance provided through UDC Finance in New Zealand • Consumer finance services provided through Mcredit in Vietnam • Credit support activities, including guarantees for Solaris SE in Germany and credit facilities provided to Latitude Group in Australia • Expansion of overseas financial services through SBI Group collaboration 	Total Revenue* ¥15.1 bn (23) → ¥23.0 bn (24) → ¥18.7 bn (25) (FY)
	Showa Leasing P. 39 • Provision of a broad range of financial products and services centered on leasing	By providing financing and value-added solutions, we support our customers' growth investments and help improve capital efficiency. In addition, by leveraging our expertise in asset-based businesses and collaborating with the SBI Group and regional financial institutions, we contribute to the creation of new business opportunities and the sustainable growth of our customers.	• Leasing and installment financing for the real estate, construction machinery, and renewable energy sectors • Provision of asset-based solutions • Financial services, including factoring and other working capital solutions • Fund formation and related financing services  Construction Machinery Leasing and Financing	Total Revenue ¥17.6 bn (23) → ¥16.0 bn (24) → ¥18.1 bn (25) (FY)
	SBI Shinsei Asset Finance P. 40 • Investment condominium loans and financing solutions for real estate developers and operators	Through investment condominium loans for individual customers and financing solutions for real estate developers and operators, we support customers' asset-building objectives and contribute to the supply of quality housing. In addition, by promoting asset securitization, we facilitate the efficient circulation of capital within the real estate market and enhance capital efficiency.	• Investment condominium loans for individual customers • Financing solutions for real estate developers, including acquisition, development, and construction financing for inventory properties 	Investment Property Loan Balances ¥144.8 bn (23) → ¥152.0 bn (24) → ¥221.5 bn (25) (FY)
	APLUS P. 41 • Shopping credit, credit card, loan, and payment services	Through shopping credit and payment services, we support the purchasing needs of consumers and the business growth of our merchant partners. By leveraging our extensive merchant network and payment infrastructure to facilitate transactions, we contribute to the revitalization of economic activity and the creation of new value within the consumer finance ecosystem.	• Shopping credit services for automobiles, housing equipment, and consumer durables • Payment services, including credit cards, QR code payments, and collection agency services • Personal loan products for individual customers • Provision of payment and credit platforms leveraging BANKIT® 	Total Revenue ¥70.9 bn (23) → ¥69.0 bn (24) → ¥76.2 bn (25) (FY)
	Shinsei Financial P. 42 • Personal loan and credit guarantee services	By providing convenient, AI-enabled and digitally driven financial services supported by disciplined credit underwriting, we respond quickly and flexibly to customers' diverse financing needs. Through our personal loan and credit guarantee businesses, we help customers maintain and improve their quality of life while supporting financial inclusion and the vitality of regional communities.	• Personal loan services, primarily under the Lake brand • Unsecured loan guarantee services for regional financial institutions • Financial solutions and related services for corporate clients 	Total Revenue ¥60.5 bn (23) → ¥61.3 bn (24) → ¥64.0 bn (25) (FY)

* FY2024 includes 15 months of UDC Finance financial results due to a change in its fiscal year-end.

Segment Strategy



Corporate Business / Structured Finance

Driving Further Growth and Enhancing ROE through Stronger Earnings Capability and Collaboration with Regional Financial Institutions

Through close collaboration between our Corporate Business and Structured Finance businesses, we are capturing financing demand in growth sectors and enhancing profitability. At the same time, we are advancing the "Fourth Megabank Concept" by partnering with regional financial institutions and supporting regional revitalization initiatives. In addition, we are developing digital finance and investment-related businesses as new growth drivers, strengthening our earnings base and contributing to the sustainable growth of the SBI Group.



Takahisa Komoda
Senior Managing Executive Officer,
Head of Institutional Business

Strengths

- Providing syndicated financing and investment opportunities, while supporting the resolution of regional challenges through our extensive network of regional financial institutions
- Offering a wide range of financing solutions by leveraging our extensive track record and expertise in Structured Finance

Key Issues for Sustainable Growth

- Further enhancing profitability and capital efficiency following the successful expansion of operating assets
- Strengthening risk management frameworks and maintaining disciplined credit cost control as exposure to growth sectors expands

Examples of Initiatives Contributing to Corporate Value Creation

Profitability	• Expanding net interest income by improving the profitability in our deposit and lending businesses • Promoting Origination & Distribution (O&D), primarily through Structured Finance, to expand noninterest income and strengthen financing and investment in growth sectors
Growth	• Expanding large-scale projects in growth sectors, including infrastructure and energy • Creating new financial services leveraging digital tokens and related technologies • Strengthening solutions that address regional challenges through collaboration with regional financial institutions
Integrity	• Expanding new business opportunities while controlling risk-weighted assets through a focus on high-credit-quality borrowers and the promotion of distribution strategies

Business Environment Shaping Growth Strategy

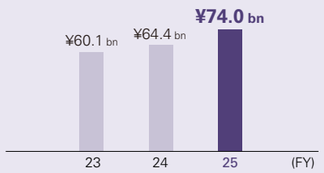
Environmental Factors	• Changes in the market environment driven by geopolitical developments and interest rate fluctuations • Rising policy interest rates and fluctuations in market interest rates
Opportunities	• Expanding business opportunities, particularly in the infrastructure and energy sectors • Enhancing profitability through the expansion of low-cost funding sources
Risks	• Potential impacts of rising interest rates on real estate values and the financial condition of borrowers • Pressure on asset yields resulting from higher funding costs

Current Growth Position Demonstrated by Key Metrics

Profitability

Expanding earnings through the growth of operating assets and deposit acquisition, driven by close collaboration between Corporate Business and Structured Finance.

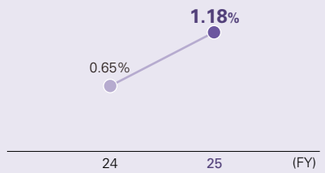
Total Revenue



Efficiency

Optimizing risk-weighted assets and expanding noninterest income through the promotion of Structured Finance and Origination & Distribution.

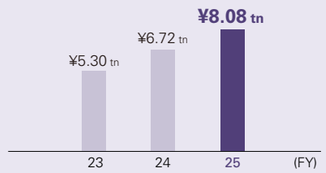
RORA



Business Foundation

Expanding operating assets by broadening our customer base.

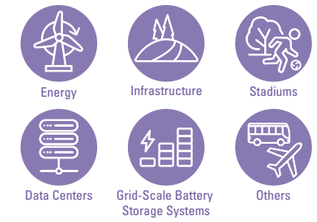
Operating Assets



Progress on Key Strategies

1. Enhancing Portfolio Resilience through Integrated Coverage Across Corporate Business and Structured Finance

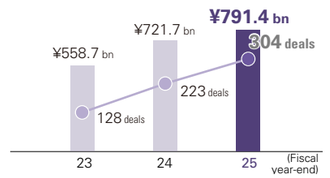
Through closer collaboration between Corporate Business and Structured Finance, we are expanding our ability to originate large-scale projects, particularly in the infrastructure and energy sectors. Cross-functional collaboration has contributed to the successful execution of data center financing projects, while initiatives in emerging growth areas, including hydrogen and ammonia, battery storage, and offshore wind power, are strengthening our origination capabilities and enhancing our competitive position in growth markets.



2. Expanding the Customer Base through Collaboration with the SBI Group and Regional Financial Institutions (The Fourth Megabank Concept)

In addition to expanding customer referrals and creating synergies through deeper collaboration with the SBI Group, we are promoting syndicated lending with regional financial institutions and supporting the growth of regional businesses. Through these initiatives, we are building a broad regional platform aimed at realizing the "Fourth Megabank Concept."

Record of Collaboration with the SBI Group (Cumulative Since Joining the SBI Group)*1



*1. Based on approved credit exposure amount.

(Note) For further information on the initiatives related to the "Fourth Megabank Concept," please refer to page 19.

Strategic Direction for the Next Phase of Growth

1. Creating New Financial Services through Digital Token Technologies

We are advancing payment, liquidity management, and fund transfer solutions through the use of digital token technologies, including tokenized deposits and stablecoins. By leveraging tokenized deposits, we aim to improve the efficiency of corporate transactions while creating new value-added services.

In addition, we are promoting the digitalization of assets and data through the use of security tokens (STs) and non-fungible tokens (NFTs). Through these initiatives, we are developing business models that can be deployed as next-generation financial services and serve as new drivers of sustainable growth.

Together with the above-mentioned parties, we completed a practical verification of DVP*3 settlement for Security Tokens (STs) using tokenized deposits

*2. The logo shown is the previous logo. The company name and corporate logo were renewed effective July 1, 2026.
*3. Delivery Versus Payment (DVP) is a settlement mechanism under which the transfer of securities and the payment of funds are conditional upon each other, ensuring that neither occurs unless the other is completed simultaneously.

2. Partnership Strategy

We are expanding investment and financing opportunities and strengthening our financial capabilities through strategic partnerships with Norinchukin Bank and KKR. Through our collaboration with Norinchukin Bank, we are advancing joint initiatives in the agriculture and food sectors, while also supporting regional revitalization.

At the same time, we are enhancing our business platform by leveraging KKR's products, expertise, and management resources. Through these strategic alliances, we aim to broaden our business domains and create new sources of value.

TOPIC **Shinsei Trust Bank Renamed "SBI Shinsei Trust Bank, Ltd."**

The Bank transferred a 49% stake in Shinsei Trust Bank, Limited to SBI Holdings, Inc. Following the transaction, the company changed its name to SBI Shinsei Trust Bank, Ltd. in April 2026.

Together, SBI Shinsei Bank and SBI Shinsei Trust Bank will serve as core entities in the digital finance domain, promoting the convergence of financial and digital ecosystems. Through this collaboration, we aim to enhance our digital finance capabilities and create new value for customers and society.

Segment Strategy

Retail Banking



Customer Growth Through SBI Hyper Deposits and Digital Transformation

We are enhancing customer convenience while strengthening our business foundation with a focus on earnings growth and capital efficiency. By leveraging SBI Hyper Deposits, we are expanding our deposit base and growing our customer franchise. At the same time, we are utilizing AI to improve operational efficiency and enhance customer engagement. Through our Neo Financial Platform initiative and collaboration with the SBI Group and external partners, we aim to diversify revenue opportunities, generate stable cash flow, and improve ROE.



Yoshihiro Yuasa
Managing Executive Officer,
Head of Individual Business

Strengths

- Expanding our reach to the SBI Group's customer base through SBI Hyper Deposits and jointly operated branches
- Providing digital-first services complemented by multi-channel customer engagement

Examples of Initiatives Contributing to Corporate Value Creation

Profitability	• Enhancing net interest income through sticky deposit acquisition via SBI Hyper Deposits and strategic deposit pricing • Introducing conversational voice AI for customer calls and promoting AI adoption across the Bank to improve operational efficiency and customer satisfaction
Growth	• SBI Hyper Deposits are expanding active accounts and supporting sustainable earnings growth. • Through jointly operated SBI Money Plaza branches, accounts increased approximately 1.8 times and assets under custody approximately 2.8 times year-on- year, driven by demand for face-to-face financial consultation.
Integrity	• Growth in the number of accounts, deposits, and assets under custody is strengthening and expanding our business foundation. • We have enabled single sign-on access to all internet banking functions through our mobile app and continue to enhance UI/UX while strengthening security.

Key Issues for Sustainable Growth

- Differentiating ourselves through SBI Group synergies in response to the evolving financial ecosystem, including digital finance and Next-Generation Finance
- Strengthening and optimizing digital and physical channels in response to demographic changes

Business Environment Shaping Growth Strategy

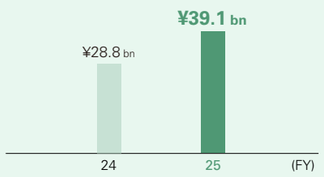
Environmental Factors	• Rising prices and interest rates driven by global political and economic uncertainty • The emergence of new financial services, including tokenized deposits
Opportunities	• Capturing asset management demand and creating added value through cross-selling to our existing customer base • Expanding and deepening customer relationships through integrated services powered by the SBI Group's capabilities
Risks	• Earnings volatility resulting from changes in customer behavior and narrowing interest margins • Business disruptions, information leaks, and fraudulent transactions resulting from cyberattacks

Current Growth Position Demonstrated by Key Metrics

Profitability*1

Strong growth in housing loan originations, together with expanded deposit balances and higher deposit spread income from SBI Hyper Deposits, has significantly enhanced our earnings capacity.

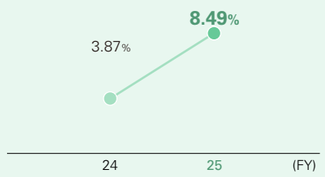
Total Revenue*2



Efficiency*1

Total revenue has increased due to an expanded earnings base centered on housing loans and deposits, contributing to the steady improvement of RORA.

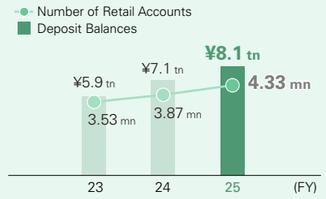
RORA



Business Foundation

Closer collaboration with the SBI Group has expanded our customer base and strengthened the development of a stable and resilient funding foundation.

Retail Accounts and Deposit Balances



*1. Combined with the Housing Loan segment.
*2. FY2023 figures are not disclosed, as a comparison would not be meaningful due to special factors, including profit contributions from subsidiaries.

Progress on Key Strategies

Steady Expansion of the Asset Management Business through Collaboration with the SBI Group

Our asset management business, centered on collaboration with SBI SECURITIES and SBI Money Plaza, continues to grow steadily. By the end of FY2024, SBI Shinsei Wealth Management had completed co-location with all of the Bank's retail branches (Financial Centers), establishing a nationwide platform that combines a diverse product lineup with specialized financial advisory services.

Leveraging the integrated management of customers' financial assets, including deposits held with the Bank, our jointly operated branches provide tailored asset allocation and investment solutions. Strong demand for face-to-face financial advisory services contributed to approximately a 1.8-fold increase in customer accounts and a 2.8-fold increase in assets under custody compared with the end of the previous fiscal year. Going forward, we will continue to leverage the SBI Group's comprehensive capabilities to deliver high-quality services and meet the diverse asset management needs of our customers.



Strategic Direction for the Next Phase of Growth

1. Expanding Customer Touchpoints through a Digital-First Approach

In February 2026, we introduced conversational AI for customer calls, enhancing the customer experience. Expanding customer touchpoints through digital channels is a key pillar of our retail growth strategy. We are also preparing to launch our Neo Financial Platform in FY2026, which will integrate a range of services, including account opening, balance management, fund transfers, and asset management. By seamlessly connecting digital services with in-person and remote consultations, we aim to deliver an integrated customer experience that combines the strengths of both digital and physical channels.

	IVR Legacy Technologies	Voice Bot Current Mainstream	Bot AI Latest Developments	AI Agent Next Generation
Role of AI	Call Routing	FAQ Guidance	First-Level Support	End-to-End Resolution
Role of Human Agents	Customer Support	Customer Support	Escalation Handling	Quality Management
Areas Requiring Human Involvement	General Customer Interactions	Non-Standard Inquiries	Non-Standard Inquiries	Judgment-Based Responses
Operating Model	Human Agents Required	Human Agents +AI	Human Agents +AI	Supervisor for AI Evaluation and Improvement AI-Driven After-Call Work

2. Enhancing Asset Management Proposals through Transformation of the Branch Network

Leveraging the strengths of both digital and face-to-face channels, we are redefining branch roles based on customer needs and regional characteristics while advancing our retail business. AI-driven improvements to administrative and proposal processes are enabling employees to spend more time engaging with customers. Through these initiatives, we aim to enhance the value of face-to-face channels and establish a growth model that expands our deposit base while increasing assets under custody.

TOPIC **Strong Interest in SBI SECURITIES Collaboration at Asset Management Festival**

In February 2026, we participated in Asset Management Festival–Spring 2026, a major event for individual investors hosted by SBI SECURITIES. Interest in the collaboration between SBI SECURITIES and the Bank was particularly strong, with many visitors highlighting the convenience of using both services together.

We also received significant interest in our face-to-face advisory services, including inquiries about opening SBI Hyper Deposits accounts. The event provided a valuable opportunity to demonstrate the expansion of our customer touchpoints and reaffirm the effectiveness of our collaboration initiatives with the SBI Group.



Segment Strategy

Deposit Growth Strategy

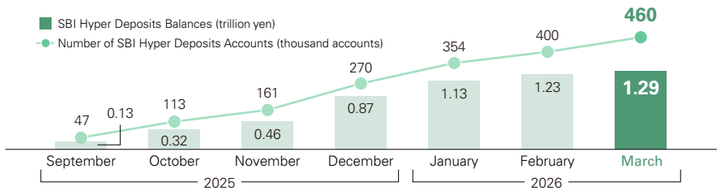
SBI Hyper Deposits

Strengthening the Deposit Base to Support Sustainable Growth

We view deposit growth as a key management priority under our Medium-Term Management Plan and a critical element of strengthening the Group's financial foundation. Beyond increasing deposit balances, our focus is on building a stable and sustainable funding base that supports long-term growth.

As a core initiative, we launched "SBI Hyper Deposits" in September 2025, enabling seamless and automated fund transfers between SBI SECURITIES and SBI Shinsei Bank. Supported by strong customer adoption and the "10x Interest Rate Campaign" introduced in December 2025, deposit balances expanded rapidly, surpassing 1 trillion yen in January 2026, approximately four months after launch. As of March 31, 2026, the service had attracted 460 thousand accounts, with deposit balances reaching 1,292.7 billion yen.

SBI Hyper Deposits Balances / Number of SBI Hyper Deposits Accounts

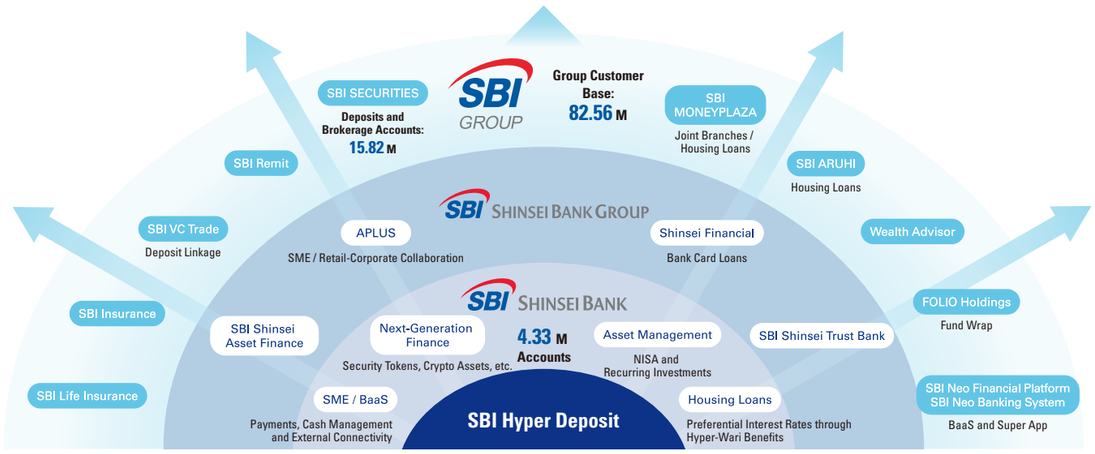




Centered on SBI Hyper Deposits, the Bank is transforming its customer engagement model to maximize customer lifetime value (LTV) by connecting customers with a broad range of financial services across the SBI Group ecosystem. Leveraging SBI SECURITIES' extensive customer base, the Bank is building a sustainable funding model supported by stable deposit inflows.

Going forward, SBI Shinsei Bank will continue to position SBI Hyper Deposits as a strategic platform for customer engagement, expanding customer touchpoints through enhanced digital convenience and value-added services while further strengthening its funding base and growth potential.

Targeting a Group Customer Base of 100 Million



(Note) The number of the Bank's accounts, SBI SECURITIES accounts, and the SBI Group's domestic and overseas customer base are as of March 2026.

Initiatives for Customers

Customer-Oriented Business Conduct

Pursuing the Best Interests of Our Customers

Since its founding in 1999, the SBI Group has embraced the "Customer-centric Principle," placing the interests of customers at the center of all its business activities. By proactively leveraging innovative technologies, including the Internet, the Group has delivered financial services from a truly customer-focused perspective. As a member of the SBI Group, we share this commitment to customer-centricity. As a banking group that delivers innovative and forward-looking financial solutions, we are dedicated to supporting customers in building and preserving their assets. We will continue to provide optimal solutions that help realize the best interests of our customers.

Expanding Attractive Products and Services

1. Delivering Diverse Solutions through Collaboration with SBI Group Companies

- We will continue to expand the range of products and services available to customers by strengthening collaboration with SBI Group companies and external partners, enabling us to meet increasingly diverse customer needs.
- For products and services not offered directly by SBI Shinsei Bank, we leverage referrals within the SBI Group to provide comprehensive financial solutions tailored to each customer's needs.

2. Enhancing Convenience and Security through Technology

- By leveraging the latest technologies, we provide customers with a secure and convenient environment in which to access our services with confidence.
- Through our internet banking platform and smartphone applications, we continue to enhance both convenience and security.



Honest and Customer-Focused Engagement

1. Delivering Optimal Solutions Based on Customer Needs

- We place our customers' interests at the center of everything we do and provide solutions tailored to their individual needs and circumstances.
- Through ongoing dialogue, we strive to understand each customer's goals, needs, and challenges, enabling us to deliver products and services that create lasting value.
- To ensure that recommendations are always made from the customer's perspective, we maintain a robust framework for identifying, managing, and mitigating potential conflicts of interest.

2. Providing Ongoing Support and Follow-up

- We maintain ongoing communication with customers after providing productsand services, fostering long-term relationships built on trust.
- Customer feedback is carefully collected and incorporated into the continuous enhancement of our products, services, and customer experience.
- In addition, customer feedback is shared across branches and business units and is utilized in employee development, performance evaluation, and training programs to further strengthen our customer-centric culture.

3. Providing Clear and Customer-Focused Information

- We are committed to providing clear, accurate, and easy-to-understand information supported by customer-friendly materials and explanations.
- Information on products, risks, fees, costs, and market conditions is provided in a manner tailored to each customer's level of knowledge and understanding.
- We also ensure transparent disclosure of important information, including fees and costs, to support informed decision-making and help customers make financial choices with confidence.

Customer-Oriented Business Conduct:
Alignment with the SBI Group Corporate Mission and the FSA's Principles for Customer-Oriented Business Conduct

Policy on Customer-Oriented Business Conduct	Related SBI Group Corporate Mission	Related Principles for Customer-Oriented Business Conduct
◆ Expanding Attractive Products and Services • Delivering diverse solutions through collaboration with SBI Group companies • Providing secure and convenient services through the use of technology	◆ Financial Innovator ◆ New Industry Creator ◆ Continual Self-Evolution	**Principle 6:** Provision of Services Suited to Customers
◆ Honest and Customer-Focused Engagement • Understanding customers' needs and providing optimal solutions • Providing ongoing follow-up and support • Providing Customer-Focused Information	◆ Sound Ethical Values ◆ New Industry Creator ◆ Fulfill Social Responsibility	**Principle 3:** Appropriate Management of Conflicts of Interest **Principle 4:** Clarification of Fees, etc. **Principle 5:** Provision of Important Information in an Easy-to-Understand Manner **Principle 6:** Provision of Services Suited to Customers **Principle 7:** Appropriate Motivation Frameworks for Employees

Policy on Customer-Oriented Business Conduct and Action Plan: https://www.sbishinseibank.co.jp/fiduciaryduty.html

Housing Loans



Sustainable Growth and Value Creation in the Housing Loan Business

The housing loan business aims to create sustainable value by strengthening its earnings base and expanding its business platform. Through competitive products tailored to diverse customer needs as well as collaboration with the SBI Group and external partners, we continue to build a high-quality and resilient loan portfolio.

At the same time, we are enhancing profitability, capital efficiency, and risk management through the effective use of digital technologies, supporting sustainable growth in both scale and quality.



Yoshihiro Yuasa
Managing Executive Officer,
Head of Individual Business

Strengths

- Extensive expertise in credit management and a product lineup tailored to diverse customer needs
- Achieving balanced growth while maintaining portfolio quality through collaboration with business partners

Examples of Initiatives Contributing to Corporate Value Creation

Profitability	• Strengthening stable earnings generation through market-responsive product design and pricing while maintaining appropriate risk management • Enhancing cost efficiency and capital productivity by utilizing AI, RPA, and other digital technologies to streamline and upgrade operational processes
Growth	• Enhancing group credit life insurance coverage and other value-added features is expanding our customer base and supporting sustainable growth. • Product development addressing diverse housing-related needs enables us to capture long-term growth opportunities.
Integrity	• We continue to strengthen credit quality and reduce potential losses through more sophisticated screening and monitoring. • Governance and compliance remain key priorities in all collaborations with external partners.

Key Issues for Sustainable Growth

- Diversifying the loan portfolio beyond housing loans to enhance risk diversification
- Further optimizing and automating operations in line with transaction growth
- Continuously enhancing products and systems to meet evolving customer needs

Business Environment Shaping Growth Strategy

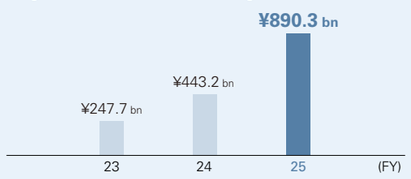
Environmental Factors	• Changes in home-purchasing behavior driven by interest rates and inflation fluctuation • Shifts in housing loan demand resulting from long-term demographic trends
Opportunities	• Emerging financing demand driven by growth in the existing-home market and housing transactions • Opportunities to enhance operational efficiency and service quality through digital technologies
Risks	• The impact of interest rate fluctuations and housing market conditions on profitability and asset quality • The risk of losing competitiveness if evolving customer needs are not adequately addressed

Current Growth Position Demonstrated by Key Metrics

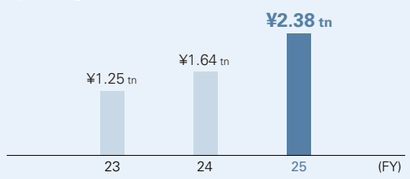
Business Foundation*

Through an expanded product lineup and stronger partnerships, origination volumes continue to grow, contributing to a larger earnings base through the accumulation of loan balances.

Origination Amounts of Housing Loans



Operating Assets



* For profitability and efficiency indicators, please refer to page 29, Retail Banking.

Progress on Key Strategies

1. Enhancing Product Offerings to Meet Diverse Customer Needs

To address growing demand for lower repayment burdens, we introduced housing loans with repayment periods of up to 50 years. As a flexible financing option that accommodates diverse life plans, this product has contributed to growth in both loan originations and outstanding loan balances.

In addition, enhanced group credit life insurance coverage and strengthened partnerships with real estate companies and bank agency operators are supporting the expansion of our customer base.

Standard Group Credit Life Insurance Coverage	If the borrower dies or becomes totally and permanently disabled (as defined in the policy):	The outstanding loan balance will be repaid in full.
	If the borrower is diagnosed by the insurer, based on a physician's diagnosis, as having a life expectancy of six months or less or advanced cancer:	The outstanding loan balance will be fully repaid.
+ Comprehensive Coverage for Illness and Injury	If the borrower becomes unable to work due to one of eight specified illnesses, including cancer:	(1) Monthly loan repayments will be covered with no waiting period, and (2) if the condition continues for 12 months, the outstanding loan balance will be repaid in full.
	If the borrower becomes unable to work due to an illness or injury other than one of the eight specified illnesses:	(1) Monthly loan repayments will be covered after a three-month waiting period, and (2) if the condition continues for 24 months, the outstanding loan balance will be repaid in full.

2. Sales Initiatives Reflecting Housing Market Trends

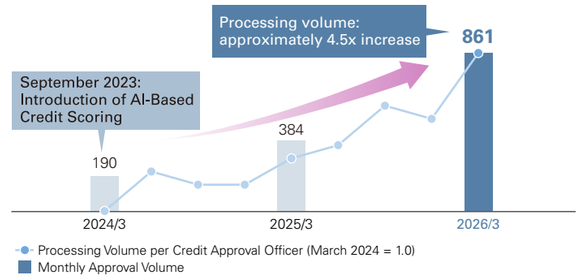
We continue to strengthen our partnerships and relationships with real estate companies. The supply of existing homes has increased in recent years and is expected to continue growing, making this a promising area for future business expansion. Partnerships with selected real estate companies also help prevent fraudulent transactions and support sound portfolio growth. In addition, we are expanding our relationships with bank agency operators that have strong real-estate-related networks, driving customer acquisition through both organic and inorganic channels.

Strategic Direction for the Next Phase of Growth

1. Enhancing Operational Efficiency

We are diversifying our loan portfolio and strengthening the resilience of our earnings base through the expansion of our product lineup and the exploration of products beyond housing loans. We are also reviewing the operating models of existing products to improve cost efficiency.

Combined with market-responsive pricing management, these initiatives are designed to balance competitive customer acquisition with stable earnings generated through the accumulation of loan balances.



2. Earnings Contribution through Digital Utilization

We are leveraging digital technologies, including RPA and AI, to enhance operational efficiency and strengthen our operating infrastructure. The automation of credit assessment and administrative processes supports growing transaction volumes while improving our cost structure. At the same time, we combine digital channels with personalized support to enhance customer experience. We also utilize AI for fraud detection and monitoring, strengthening our risk management framework.

TOPIC **Digitalization for Customers**

By digitalizing housing loan contract procedures, we enable customers to complete transactions anytime and anywhere, improving convenience and accessibility. The introduction of web-based contracts has expanded service availability beyond traditional business hours. Going forward, we will continue to combine digital solutions with personalized support to enhance customer experience by providing both convenience and peace of mind.



Securities Investment

A New Stage of Profitability and Growth through Evolving Investment Management

Following the relisting of our shares as a new starting point, we are transforming our investment management approach from a traditionally conservative, safety-focused model to one that places greater emphasis on profitability and growth. By leveraging data and AI and collaborating closely with SBI Group companies, we are creating value beyond what could be achieved by the Bank alone. As a member of the SBI Group, we remain committed to the sustainable enhancement of corporate value.



Kei Fujisaki
Senior Managing Executive Officer, In charge of Group Treasury

Strengths

- Achieving both stability and profitability through a portfolio centered on AAA-rated securitized products
- Continuously enhancing the quality and consistency of investment decisions through the use of AI and collaboration within and beyond the SBI Group

Key Issues for Sustainable Growth

- Strengthening specialized talent and enhancing investment and risk management frameworks to respond flexibly to changes in the operating environment

Examples of Initiatives Contributing to Corporate Value Creation

Profitability	• We are promoting geographic diversification through investments in European credit markets, while strengthening our earnings base by leveraging an information advantages in Australian asset-backed securities (ABS).
Growth	• Through investments in investment trusts and collaboration with SBI Group asset management companies, we are strengthening our investment capabilities, advancing AI-driven investment management, and pursuing new growth opportunities.
Integrity	• By incorporating macroeconomic conditions and asset correlations into our analytical framework, we are enhancing our investment decision-making capabilities and strengthening portfolio management with a focus on inflation resilience in uncertain market environments.

Business Environment Shaping Growth Strategy

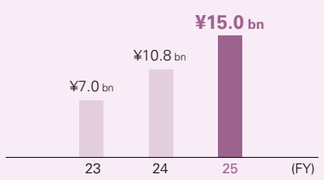
Environmental Factors	• An increasingly volatile operating environment driven by geopolitical risks and uncertainty surrounding interest rates and monetary policy • Rising market volatility, making future market conditions increasingly difficult to predict
Opportunities	• Advancing investment management sophistication and enhancing investment decision-making through the use of AI and data analytics • Enhancing investment capabilities and capturing attractive investment opportunities through the SBI Group expertise and collaboration with external partners
Risks	• A highly volatile operating environment in which unexpected events can trigger sharp fluctuations in market conditions and asset prices

Current Growth Position Demonstrated by Key Metrics

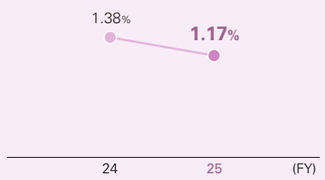
Profitability and Efficiency

By maintaining a two-pronged investment strategy consisting of stable earnings from AAA-rated securitized products and optimized asset allocation between bonds and equities, we have steadily accumulated earnings and delivered solid investment performance.

Total Revenue



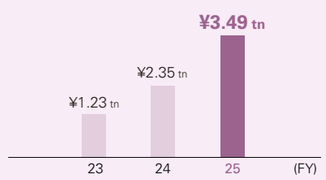
RORA



Business Foundation

We balanced stability and profitability through investments in AAA-rated securitized products, including CLOs and RMBS, and through diversified asset allocation across equities and bonds.

Securities Portfolio Balance



Progress on Key Strategies

1. Enhancing Portfolio Management Resilience to Changing Market Conditions

Amid continued market volatility, we have enhanced asset allocation and risk management practices centered on securitized products. Through these efforts, we have strengthened portfolio resilience while maintaining stable earnings.

2. Advancing SBI Group Collaboration to Enhance Investment Management and Talent Development

We are enhancing our investment capabilities through collaboration with companies across the SBI Group. By leveraging AI, we are improving the accuracy of investment and risk management while strengthening our investment platform through talent development and the accumulation of expertise.

Strategic Direction for the Next Phase of Growth

1. Advancing Investment Capabilities through Human–AI Collaboration

Against a backdrop of persistent market uncertainty, we are enhancing investment decision-making through the use of AI. AI analyzes accumulated market data and indicators, while experienced investment professionals make final investment decisions. This combination of data-driven insights and human expertise supports higher-quality portfolio management.

2. A Human Capital-Driven Vision for a Next-Generation Finance Platform

We are working to promote regional revitalization and advance next-generation finance by sharing accumulated expertise with regional financial institutions. Through these initiatives, we support human capital development and enhance investment capabilities, thereby contributing to the strengthening of the broader financial ecosystem.

TOPIC Strengthening Decision-Making through a Macro Perspective and AI Utilization

By maintaining a broad perspective on the overall market environment and grounding our decisions in an understanding of medium-term trends, we place strong emphasis on informed day-to-day decision-making. We are also progressively incorporating AI into our operations to enhance strategic judgment and strengthen our capacity to take a long-term view, thereby contributing to the sustainable growth of the organization.



Inside the Trading Room

COMMENT



Toshitaka Otani
Securities Investment and Treasury Division

Growing Through Challenge

As a second-year employee, I am developing practical investment management skills through the use of market data and AI-driven analysis. With the support of senior colleagues and managers, I am entrusted with opportunities to think independently and make decisions from an early stage of my career. I find it highly rewarding to challenge myself by advancing investment management through the integration of data-driven insights and human expertise.

Overseas Business



Deepening Growth at Existing Portfolio Companies and Expanding Through New Investments

In our overseas business, we are expanding the SBI Group's financial services platform across the Asia-Pacific region and Europe through strategic investments, acquisitions, and the provision of credit to banks and non-bank financial institutions.

Our portfolio companies in New Zealand and Vietnam are pursuing both organic and inorganic growth initiatives, including asset acquisitions, to further strengthen their business foundations and enhance their growth prospects. Going forward, we will deepen collaboration with our overseas offices and portfolio companies while pursuing new investment opportunities to drive growth and enhance value.



Yasuhiro Fujiki
Managing Executive Officer,
In charge of Group Overseas Business

Strengths

- SBI Group's global network and expertise in financial services
- Extensive expertise in the non-bank sector within the SBI Shinsei Bank Group
- Data-driven investment, financing, and advisory capabilities

Examples of Initiatives Contributing to Corporate Value Creation

Profitability	• UDC Finance (UDC) is steadily expanding its earnings base through asset acquisitions and new customer acquisitions. • Expanding revenue opportunities through credit provision to the SBI Group's overseas operations
Growth	• Strengthening inorganic investment initiatives and related financing capabilities • Pursuing acquisitions of banks and non-bank financial institutions to expand future earnings streams and generate synergies across the SBI Group
Integrity	• Optimizing the business portfolio through the restructuring and exit of low-profit businesses • Actively pursuing new investment and financing opportunities in collaboration with the SBI Group

Key Issues for Sustainable Growth

- Securing and developing talent to support the expansion of overseas operations
- Enhancing funding and payment capabilities
- Maintaining and strengthening capital resources to support growth investments

Business Environment Shaping Growth Strategy

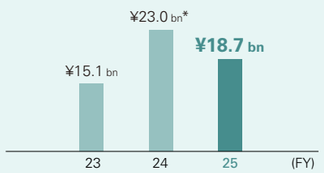
Environmental Factors	• Geopolitical uncertainties, including wars and regional conflicts • Increasing regulatory requirements and changes in political and policy environments • Shifts in global interest rates, markets, and economic conditions
Opportunities	• Growing investment and financing opportunities driven by overseas business expansion • Rising demand for equity-related solutions and stable funding amid changing economic conditions • Expanding demand for digital asset-based financial products as regulatory frameworks evolve
Risks	• Intensifying competition that may impact the competitiveness of portfolio companies • Elevated credit risk resulting from higher interest rates and commodity prices

Current Growth Position Demonstrated by Key Metrics

Profitability

Delivering steady growth through the expansion of UDC's earnings base and increased lending to SBI Group companies

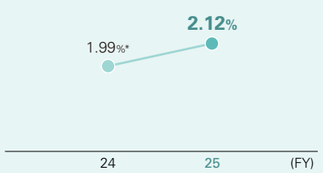
Total Revenue



Efficiency

Improving capital efficiency by expanding revenue opportunities beyond equity investments

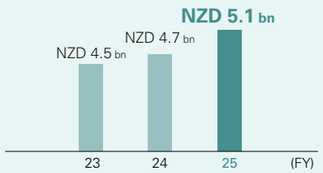
RORA



Business Foundation

Achieving record-high business volumes driven by the acquisition of new auto loan dealers

Operating Assets (UDC)



* FY2024 includes 15 months of UDC Finance's financial results following a change in the company's fiscal year-end.

Progress on Key Strategies

1. Strengthening and Expanding Overseas Financial Services Through Collaboration with the SBI Group

Through close collaboration with the SBI Group's overseas businesses and global network, we are expanding investment and financing opportunities while strengthening the earnings base of our existing overseas platforms. By leveraging the SBI Shinsei Bank Group's expertise and credit capabilities, we support the growth and profitability of portfolio companies and contribute to the expansion of revenue opportunities across the SBI Group.

2. Enhancing Data Analytics Capabilities

The Group Overseas Business Division has established a dedicated risk data analytics team to support the evaluation of new investment and financing opportunities, to monitor existing portfolio companies, and to enhance Basel-related reporting. By leveraging in-house analytics capabilities and specialized expertise, the division is improving the quality of investment and financing decisions, strengthening risk monitoring, and delivering higher value-added solutions.

Strategic Direction for the Next Phase of Growth

Expanding the Business Foundation Through Stronger Collaboration with the SBI Group

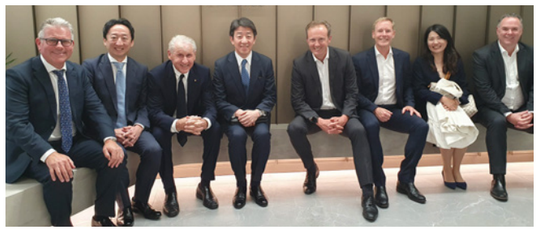
In alignment with the SBI Group's overseas business strategy, we are expanding our international business through closer collaboration with the Group's overseas operations and global network.

The first Overseas Office Heads Meeting was held in August 2025, serving as a catalyst for further strengthening collaboration among the SBI Group's overseas business units. Through regular exchanges of information with overseas banks and non-bank financial institutions, we are working to identify and develop concrete opportunities for collaboration.

To support these initiatives, we recognize the enhancement of the capabilities and organizational framework for the Group's overseas business as a key priority. In addition to securing and developing overseas talent, we will advance the sophistication of our lending and payment capabilities to build a sustainable business foundation that contributes to the growth of the SBI Group.



Mcredit's 10th Anniversary Celebration Event in Vietnam



President Kawashima with the UDC Management Team

TOPIC Supporting Global Strategy Through the Growth of UDC Finance

UDC Finance, New Zealand's largest non-bank lender, was acquired by SBI Shinsei Bank in September 2020 and has established a leading position in the country's asset finance market. Since the acquisition, we have supported UDC's growth by maintaining the autonomy of local management while strengthening governance and risk management frameworks. We have also provided stable funding support amid a challenging operating environment characterized by regulatory changes, rising interest rates, and natural disasters. As a result, UDC has continued to deliver steady growth and has become a key contributor to the Group's global growth strategy.



At the UDC Finance Office

Segment Strategy

Showa Leasing Co., Ltd.

SHOWA LEASING

Sustainable Growth through Collaboration and Transformation

Guided by our commitment to growth through transformation and Group-wide collaboration, we are expanding our business through partnerships with regional financial institution groups under the Fourth Megabank Concept, as well as with a diverse range of corporate partners. Through these initiatives, we create value for customers, partners, and the Company.

At the same time, the adoption of AI and the renewal of our core banking systems are strengthening our operational capabilities and laying the foundation for future growth. By enhancing both profitability and growth potential, we will continue to create sustainable value for society, the environment, and our stakeholders.



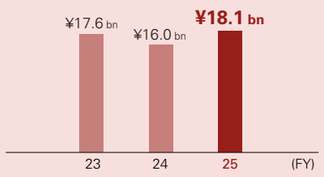
Shinsuke Yasuyama
President & CEO

Current Growth Position Demonstrated by Key Metrics

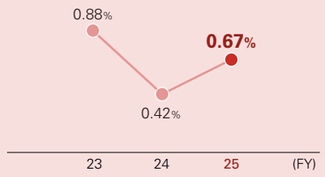
Profitability and Efficiency

We are diversifying our revenue base by expanding business with regional financial institution groups while increasing exposure to higher-yielding assets in a rising interest rate environment. As a result, earnings and asset efficiency continue to improve, reinforcing a business model that combines stable profitability with sustainable growth.

Total Revenue



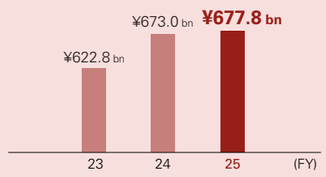
ROA



Business Foundation

By strategically expanding higher-yielding operating assets, we have further strengthened our business foundation while maintaining a balance between profitability and growth.

Operating Assets



Progress on Key Strategies and Strategic Direction

1. Creating Value with Regional Financial Institution Groups

Collaboration with regional financial institution groups continues to generate new business opportunities and drive business growth. In our fund business, a key growth area, real estate fund originations increased steadily from 28.4 billion yen in FY2023 to 49.0 billion yen in FY2024 and 66.3 billion yen in FY2025, supported by closer collaboration with regional banking groups. At the same time, collaboration through Origination and Distribution (O&D) transactions continues to expand, creating fee-based revenue opportunities that are less dependent on balance sheet growth and contributing to the diversification of our earnings base.

2. Accelerating Alliance and Inorganic Growth Strategies

To address evolving customer needs and a rapidly changing business environment, we are accelerating alliance and inorganic growth initiatives in areas that leverage our asset-based expertise, including construction machinery, secondary asset transactions, and fund businesses. Dedicated teams are advancing strategic partnerships with regional banking groups and corporate partners, while pursuing M&A and other initiatives to strengthen our capabilities and expand our business domains. By combining external partnerships and resources with enhanced internal capabilities, we aim to create new revenue streams beyond traditional business models and establish a sustainable platform for long-term growth.



SBI Shinsei Asset Finance

SBI SHINSEI ASSET FINANCE

Enhancing Corporate Value through Growth and Sound Asset Quality

We provide real estate finance solutions specializing in residential properties, supporting the supply of high-quality housing through financing for both individual and corporate customers. Since joining the SBI Group in 2024, both businesses have grown significantly. We will continue to strengthen our operating platform and risk management while pursuing sustainable growth and further enhancement of corporate value.



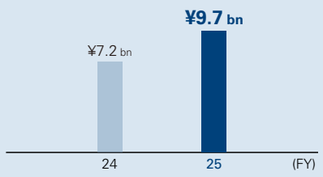
Junya Nakamura
Representative Director and President

Current Growth Position as Demonstrated by Key Metrics

Profitability

While net interest income declined due to securitization transactions, total revenue increased as a result of gains on loan sales and higher fee income from investment property loans.

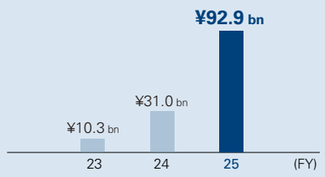
Total Revenue*



Business Foundation

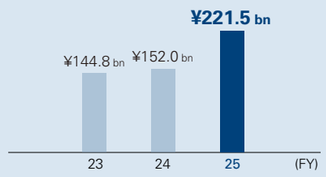
Competitive interest rate offerings and revised lending conditions drove a nearly threefold increase in origination volumes year-on-year and an approximately ninefold increase since joining the SBI Group.

Investment Property Loan Originations



By expanding outstanding balances while maintaining sound asset quality, we have strengthened the business foundation that supports stable securitization.

Investment Property Loan Balances (Including Securitized Balances)



* Only two fiscal years are presented, as the SBI Shinsei Asset Finance joined the SBI Shinsei Bank Group in January 2024.

Progress on Key Strategies and Strategic Direction

Growth Strategy Balancing Expansion and Asset Quality

Since joining the SBI Group in 2024, we have accelerated growth through group synergies, expanded partnerships with high-quality distribution partners, and implemented differentiated lending initiatives. As a result, investment property loan originations have increased approximately ninefold over the past two years, significantly exceeding our initial expectations.

To support further growth, we will place advanced risk management at the core of our strategy from FY2026 onward. By strengthening delinquency management and portfolio management, we aim to maintain and enhance asset quality while continuing to expand our business. These efforts will support stable securitization and further strengthen our earnings base.

Through proactive IT investments, we are improving operational speed and shortening lead times to respond more effectively to customer needs. We are also enhancing credit assessment and administrative processes to build a highly productive operating model capable of efficiently handling increased business volumes. Through these initiatives, we aim to create a virtuous cycle of top-line growth, sound asset quality, and cost optimization, thereby improving capital efficiency.



Segment Strategy

APLUS Co., Ltd.

Achieving Sustainable Growth through a Transformative Shift in Earnings Structure

We are transforming our earnings structure by viewing the structural changes reshaping the financial and payments industries as opportunities for growth. Across our core businesses, including shopping credit, credit cards, and payments, we are enhancing profitability through revisions to transaction terms and greater operational efficiency, while creating new value through collaboration with the SBI Group. Aplus will celebrate its 70th anniversary in FY2026. Building on the trust and track record it has established over the years, Aplus will continue to embrace new challenges and pursue sustainable growth, striving to remain a company trusted and chosen by customers and society.



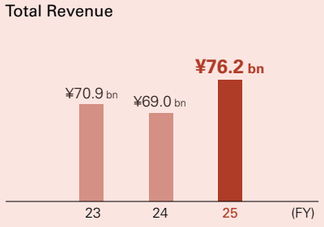
Takayuki Shimada
Representative Director, President and Chief Executive Officer (CEO)

Current Growth Position as Demonstrated by Key Metrics

Profitability

Growth in the shopping credit business and tighter control of cost of sales more than offset higher funding costs, resulting in increased gross operating profit.

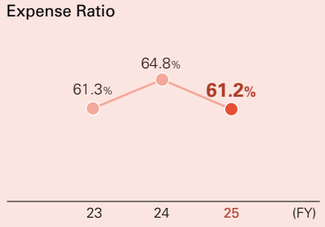
Total Revenue



Efficiency

While expanding gross operating profit, we maintained disciplined cost management and operational efficiency, leading to a lower expense ratio.

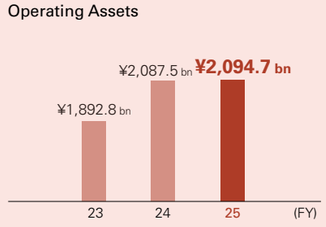
Expense Ratio



Business Foundation

Growth in operating assets was moderated by the transfer of receivables under our Origination and Distribution (O&D) strategy, reflecting efficient balance sheet management.

Operating Assets



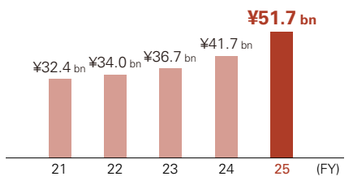
Progress on Key Strategies and Strategic Direction

1. Deepening Core Businesses (Strengthening Earnings with Shopping Credit at the Core)

The shopping credit business continues to grow by focusing on key sectors, including auto leasing, residential solar systems, and healthcare. Operating revenue reached 51.7 billion yen in FY2025, marking eight consecutive years of growth.

We will further improve profitability through appropriate customer pricing, while enhancing efficiency and competitiveness through automation and process streamlining.

Operating Revenue of the Shopping Credit Segment



2. Expanding Next-Generation Finance and Platform Businesses (Expanding Growth Areas Aligned with Emerging Trends)

Transaction volumes remain solid, supported by LUXURY CARD and growing corporate payment demand, including through Rise APLUSCARD BIZ.

In partnership with SBI Group, we are advancing next-generation financial services, including initiatives in digital assets, a co-branded card with SBI VC Trade, and USDC-based merchant payments. We are also expanding revenue opportunities by leveraging our payment, credit, and data businesses.

Shinsei Financial

Continuing to Challenge Conventional Wisdom in Consumer Finance

Leveraging our strengths in managing diversified small-ticket portfolios, our advanced risk management capabilities, and our strong brand franchise, we have established a stable earnings base. By combining AI and other digital technologies with human expertise, we will further enhance the customer experience and operational efficiency, strengthen our competitive advantage, and contribute to the realization of a sustainable society through financial services that remain closely aligned with customer needs.



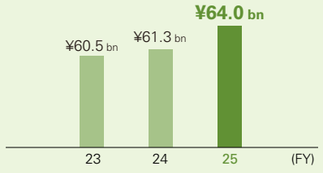
Tadashi Wachi
President and CEO

Current Growth Position as Demonstrated by Key Metrics

Profitability

Interest income increased as the growth in the outstanding balance of Lake, our core product, more than offset higher funding costs, resulting in an increase in gross business profit.

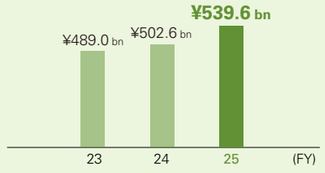
Total Revenue



Business Foundation

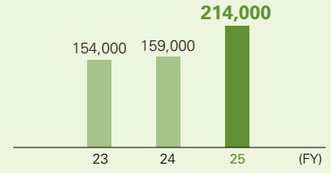
While maintaining a high-quality customer base, we steadily expanded our portfolio of high-quality assets by balancing new customer acquisition with the retention of existing customers.

Operating Assets



Strong demand for our "365 Days Interest-Free" offering contributed significantly to the growth in new customer acquisitions.

Number of New Lake Customers



Progress on Key Strategies and Strategic Direction

1. Expanding the Customer Base through an Enhanced Customer Experience

We are driving new customer acquisition by leveraging the strong brand recognition of Lake and our "365 Days Interest-Free" offering. At the same time, we are continuously enhancing the customer experience through improvements to our web and mobile app functionalities, supporting the expansion of our customer base and the steady accumulation of high-quality operating assets.

2. Enhancing Operational Sophistication and Profitability through AI and other Digital Technologies

We are leveraging AI to build on the expertise, data, and operational infrastructure developed through our credit underwriting and receivables management functions, driving both greater efficiency and more sophisticated operations. Through improvements in service quality and productivity while strengthening our operational platform and resilience, we aim to support sustainable growth and further enhance profitability.

Profitability

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Consolidated Financial Highlights

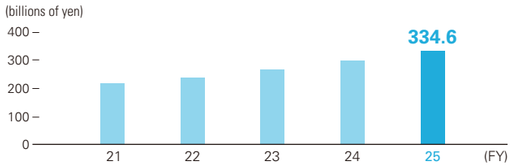
FY2025 Performance

In fiscal 2025, the Group achieved record-high results across all major profit indicators, with total revenue of 334.6 billion yen, income before income taxes of 122.1 billion yen, and profit attributable to owners of the parent of 113.4 billion yen.

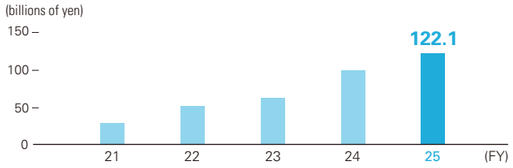
Deposits increased to 17.3 trillion yen. Notably, SBI Hyper Deposits reached a balance of 1.4 trillion yen and approximately 470 thousand accounts within about eight months of its launch. Operating assets expanded to 18.0 trillion yen.

Following the full repayment of public funds and the relisting on the Tokyo Stock Exchange Prime Market, together with the diversification of revenue opportunities through a well-balanced business portfolio and collaboration with the SBI Group, we will continue to pursue further profit growth for the Group.

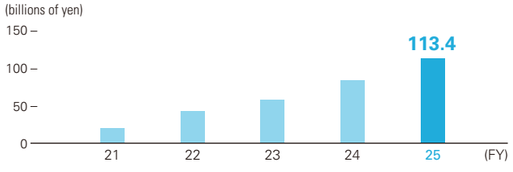
Total Revenue



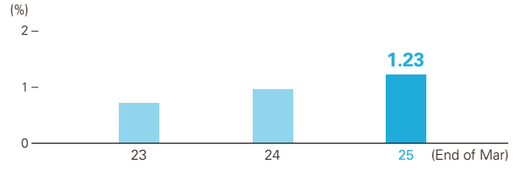
Net Income before Income Taxes



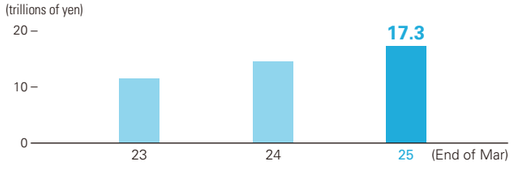
Net Income Attributable to Parent Company



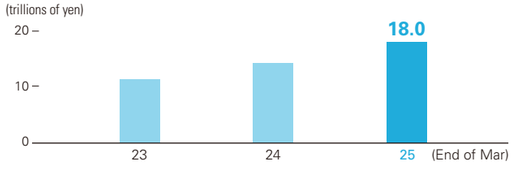
RORA (Income before Income Taxes /Risk Assets)



Deposit Amounts (Retail and institutional)



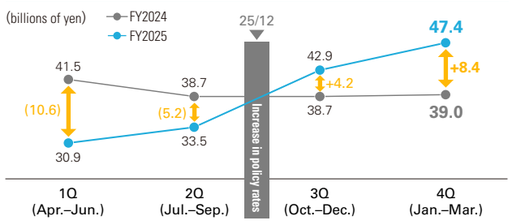
Operating Assets (includes Securities Investment)



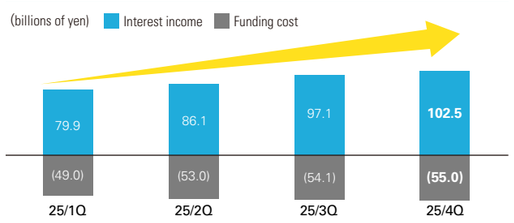
Net Interest Income

Since joining the SBI Group, we have prioritized expanding our customer base and strategically returned to customers the benefits of rising policy rates. From the third quarter of fiscal 2025 onward, the positive impact of rising policy rates has gradually become evident, supported in part by contributions from SBI Hyper Deposits. Net interest income for the fourth quarter reached a record high.

Net Interest Income Trend (Net)

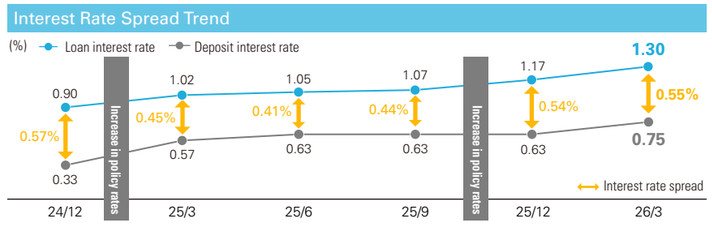


Interest Income and Funding Costs Trends



As of the end of March 2026, interest rates on loans increased by 0.28% compared with the end of March 2025. The spread between lending and deposit rates improved to 0.55%.

Interest Rate Spread Trend

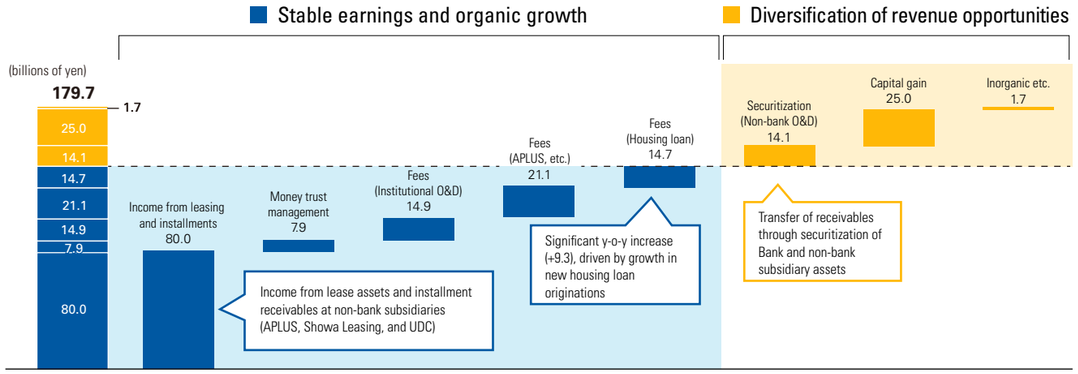


Noninterest Income

Noninterest income grew strongly, driven by the expansion of revenue opportunities through a diversified business portfolio and synergies with the SBI Group.

- Income from leasing and installment receivables, and fee income from institutional and nonbank businesses remained stable
- Fee income from housing loans and Origination & Distribution (O&D) drove profit growth
- Capital gains and inorganic initiatives including NEC Capital Solutions contributed to earnings growth

* Capital gains from private equity investments and equity sales in securities operations

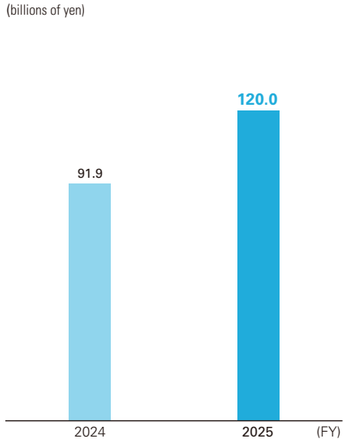


Consolidated Financial Highlights

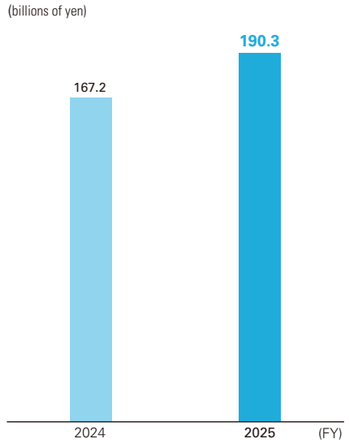
Gross Profit in Focus Areas (Total Revenue Basis)

Total revenue generated from the four strategic growth drivers—Institutional Business / Structured Finance, Retail Banking, Housing Loans, and Securities Investment—showed steady progress.

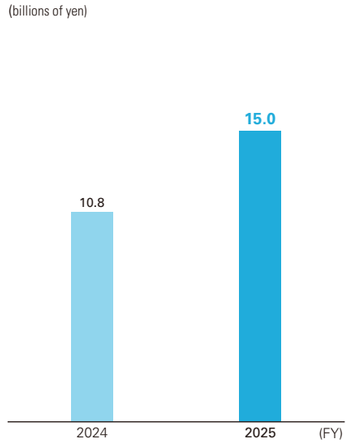
Institutional Business*1



Individual Business*2



Securities Investments

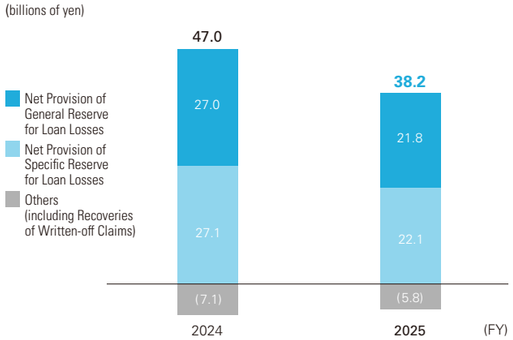


*1. Including Corporate Business, Structured Finance
*2. Including Retail Banking, Housing Loans

Credit Costs

Credit costs decreased year on year to 38.2 billion yen, reflecting rigorous risk control and steady recoveries. Measures taken for large-scale exposures were substantially completed in the previous fiscal year, resulting in a significant decline in provisions for specific loan loss reserves, which have remained at a controlled level.

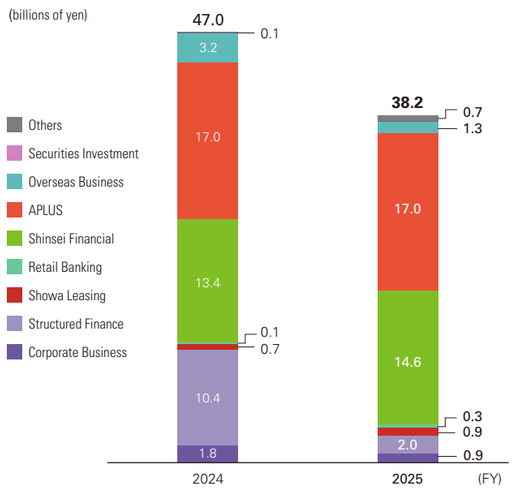
Trend of Net Credit Costs



NPL Ratio	25/3	26/3
Consolidated*3	1.18%	1.01%
Nonconsolidated	0.27%	0.22%

*3 NPL ratio on a consolidated basis, including non-bank subsidiaries

Net Credit Costs by Business Segments

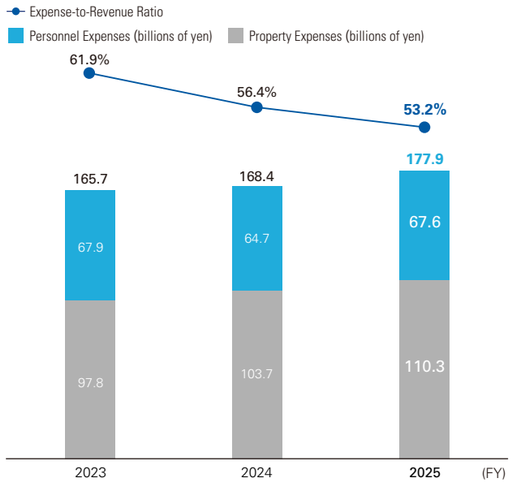


Expenses / Expense-to-Revenue Ratio

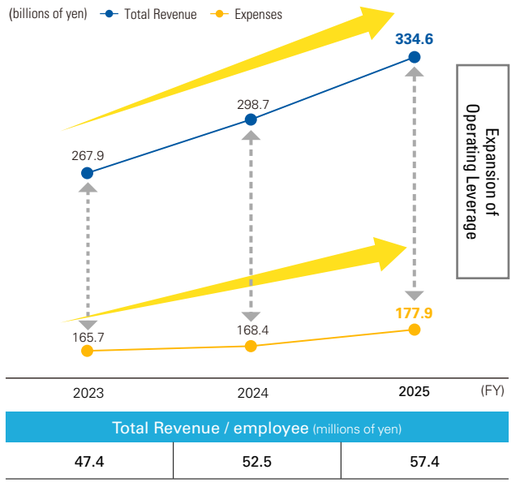
Expenses for fiscal 2025 increased from 168.4 billion yen in the previous fiscal year to 177.9 billion yen. This was mainly attributable to system-related expenses, personnel expenses, and listing-related costs (one-time expenses). On the other hand, the expense-to-revenue ratio declined from 56.4% in the previous fiscal year to 53.2%.

We are promoting operational efficiency using generative AI such as AI agents, and total revenue per employee has increased.

Personnel Expenses, Property Expenses, and Expense-to-Revenue Ratio



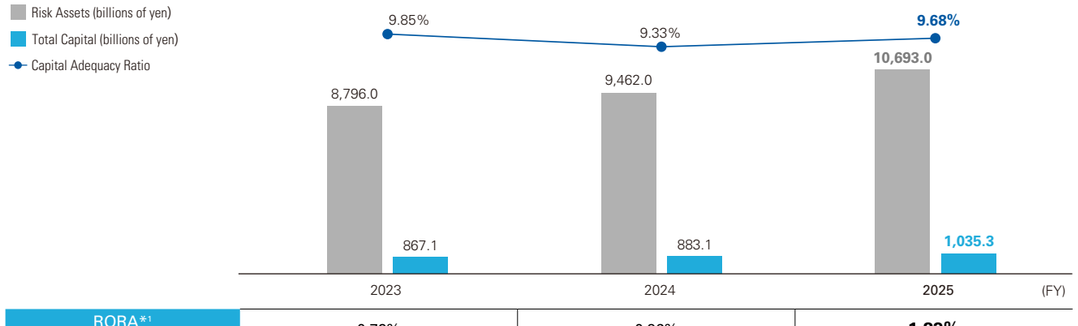
Improved Profitability through Operational Efficiency



Total Revenue / employee (millions of yen)			
	47.4	52.5	57.4

Capital Adequacy (Domestic Standard)

The capital adequacy ratio for fiscal 2025 was 9.68%. Although risk-weighted assets increased, the soundness of our financial base was maintained through profit accumulation and capital raised in connection with the share listing. By accumulating assets with high capital efficiency, our RWA Density declined further.



RORA*1 (Interest Rate before Tax Adjustments)	0.72%	0.96%	**1.23%**
RWA density (Risk assets ÷ Operating Assets)	77%	66%	**59%**
(Reference) CET1 Ratio*2	9.69%	8.68%	**9.54%**

*1 Income before income tax/Risk assets
*2 CET1 Capital ÷ Risk-Weighted Assets (RWA)

Strategies and Initiatives to Strengthen Profitability

Strategy for Enhancing Profitability

In fiscal 2025, key indicators such as RORA, ROE, and the expense-to-revenue ratio improved, reflecting enhanced efficiency alongside business expansion.

The increasing share of noninterest income, particularly from housing loans, contributed to revenue growth beyond balance-sheet expansion.

Under the Fourth Megabank concept, we aim to enhance ROE through an Origination & Distribution model by distributing assets such as housing loans and leasing to regional financial institutions.

Current Position of SBI Shinsei Bank as Indicated by ROE

Since joining the SBI Group in December 2021, the SBI Shinsei Bank Group has undergone a clear transformation in profitability. For fiscal 2025, ROE improved significantly to 10.4%. We believe this improvement is attributable to three key factors.

1. Changes in the Earnings Level

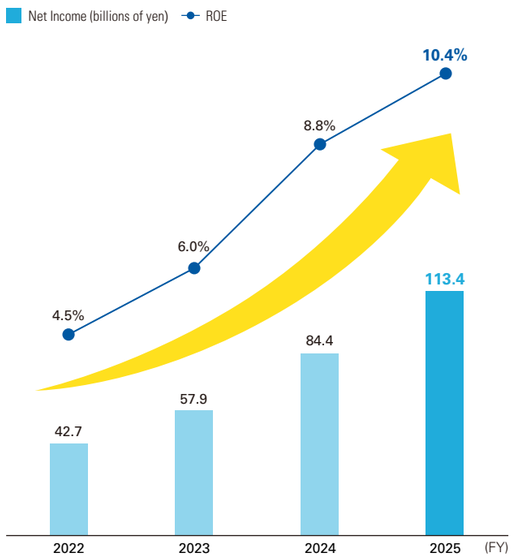
In addition to the expansion of operating assets and deposits, improvements in the funding structure and growth in noninterest income have substantially strengthened the earnings base. At the same time, the expense ratio has declined, and a structure in which profitability improves alongside business scale is steadily taking hold.

2. Changes in Capital Utilization

Following the full repayment of public funds, flexibility in both management and financial operations has increased. Under a capital allocation framework that emphasizes ROE, the Group has shifted toward balancing investment in growth areas with the maintenance of financial soundness.

3. Establishment of Foundations for Continued Improvement

Structural drivers that will support ROE improvement over the medium- to long-term are being put in place. These include the expansion of the deposit base through SBI Hyper Deposits, collaboration with regional financial institutions under the "Fourth Megabank" concept, and the creation of new revenue opportunities in digital-related businesses.



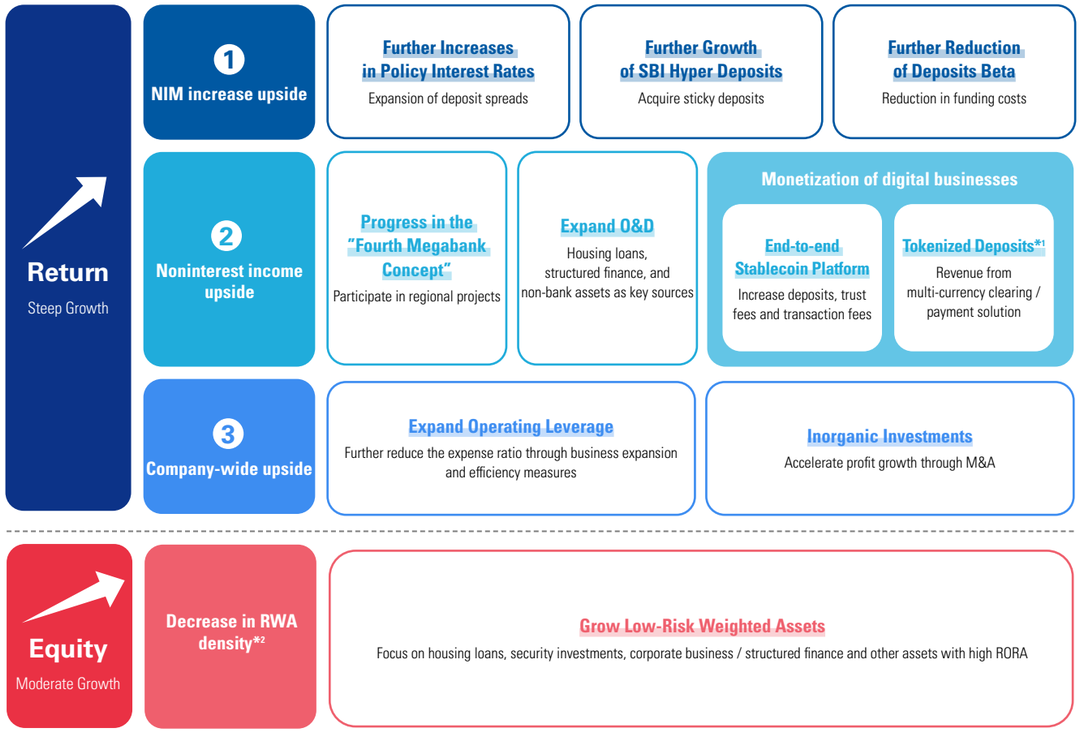
Initiatives to Enhance ROE

Our Group fully repaid the public funds only four months after the launch of the Medium-Term Management Plan and re-listed its shares just nine months later, thereby increasing its flexibility in raising funds.

In addition, following the introduction of SBI Hyper Deposits, deposits and earning assets have progressed steadily toward the targets of the Medium-Term Management Plan, and we are working to further strengthen our core earning capacity.

Going forward, we believe there are three major drivers of profit upside. The first is an improvement in Net Interest Margin (NIM), the second is upside potential in noninterest income, and the third is company-wide upside potential, consisting of expanded operating leverage and inorganic investments.

While achieving strong profit growth, on the capital side we intend to moderate the growth in the required capital ratio by reducing the ratio of risk assets to total assets. As a result, we aim to realize sustainable ROE growth.



Note: Portions of SBI Hyper Deposit, the Fourth Megabank Concept and cost cuts through operating leverage are reflected in the medium-term management plan targets. The above upside points to growth potential above and beyond the medium-term management plan. The left figure illustrating the difference in growth speed between Return and Equity is intended to explain the pathway for achieving ROE growth. It does not represent a forecast or a commitment.

*1. Tokenized deposits refer to bank deposits enhanced with digital functionality using technologies such as blockchain. Also known as deposit tokens, these are being adopted internationally.

*2. Risk-weighted assets / total assets.

Integrity

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Communication with Stakeholders 66

Corporate Governance

Management Focused on Reducing the Cost of Capital

The SBI Shinsei Bank Group regards management focused on reducing the cost of capital as a key management priority for building a strong management foundation. To achieve this, the Group is pursuing two key initiatives: reducing management risks and addressing information asymmetry.

To reduce management risk, we continue to enhance our corporate governance and risk governance frameworks while appropriately identifying sustainability-related risks and opportunities and incorporating them into management decision-making. These efforts strengthen our ability to respond to uncertainty in the business environment and reinforce the foundation for value creation. At the same time, we are further embedding sustainability into our management strategy by integrating responses to environmental and social challenges into our business operations.

Addressing information asymmetry is also essential for earning the trust of stakeholders. In addition to non-financial information, the Group is enhancing its disclosure of sustainability-related information with an emphasis on transparency and comparability. Through these efforts, we seek to promote constructive dialogue with stakeholders, including investors and business partners, and foster deeper mutual understanding.

By advancing these initiatives, the SBI Shinsei Bank Group aims to strengthen stakeholder confidence while reducing its cost of capital, thereby enhancing corporate value over the medium to long term.

Basic Approach to Corporate Governance

SBI Shinsei Bank recognizes the enhancement of corporate governance as one of its highest management priorities in realizing the Group's management principles. As a company with an Audit & Supervisory Board, the Bank has established a corporate governance framework under which: (1) the Board of Directors, as the highest decision-making body, determines important matters related to business execution, including the Medium-Term Management Plan, annual business plans, and other fundamental management policies, thereby providing overall strategic direction for the Bank and fostering an environment that supports appropriate risk-taking by senior management; and (2) the Audit & Supervisory Board Members and the Audit & Supervisory Board, which are independent of both business execution and the Board of Directors, perform an audit function over the Board of Directors to ensure appropriate management decision-making and business execution.

Through this framework, the Bank seeks to maintain a corporate governance structure with effective checks and balances.

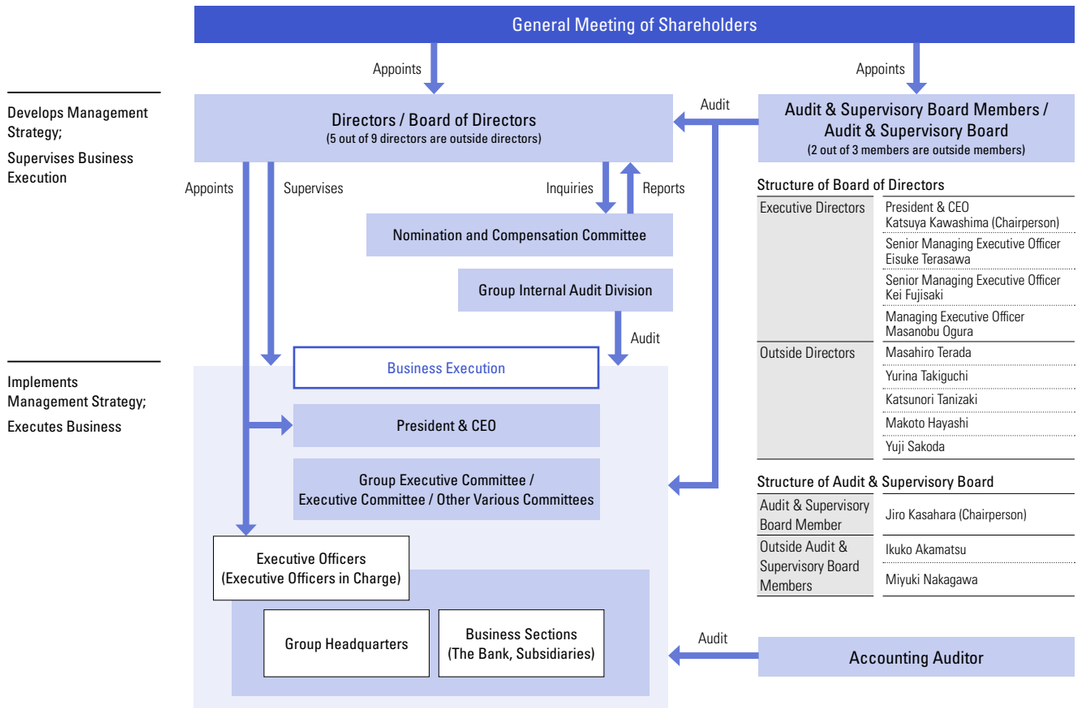
Corporate Governance Framework

The Board of Directors of SBI Shinsei Bank consists of four internal directors responsible for day-to-day business execution and five independent outside directors with extensive experience and expertise in areas including financial services, legal affairs and corporate governance, risk management, IT and digital transformation, and investor relations and corporate communications. As the outside directors constitute a majority of the Board, they play a critical role in enhancing the effectiveness of corporate governance by providing independent and objective perspectives on management and overseeing the execution of directors' duties.

To further enhance accountability to shareholders and other stakeholders, the Bank has established a voluntary Nomination and Compensation Committee. The Committee is designed to strengthen the objectivity and transparency of Board functions related to the nomination of director candidates and the determination of directors' compensation.

In addition, following the Bank's integration into the SBI Group in December 2021, transactions that may give rise to, or are deemed likely to give rise to, conflicts of interest involving the parent company or its affiliates are reviewed and, where appropriate, addressed by the Special Transaction Review Committee.

Corporate Governance Structure (As of June 22, 2026)



Structure of Board of Directors

Executive Directors	President & CEO Katsuya Kawashima (Chairperson)
	Senior Managing Executive Officer Eisuke Terasawa
	Senior Managing Executive Officer Kei Fujisaki
	Managing Executive Officer Masanobu Ogura
Outside Directors	Masahiro Terada
	Yurina Takiguchi
	Katsunori Tanizaki
	Makoto Hayashi
	Yuji Sakoda

Structure of Audit & Supervisory Board

Audit & Supervisory Board Member	Jiro Kasahara (Chairperson)
Outside Audit & Supervisory Board Members	Ikuko Akamatsu
	Miyuki Nakagawa

Corporate Governance

Executive Officers

To ensure agility in day-to-day business execution, SBI Shinsei Bank has established a management structure in which "divisions" serve as the basic units of operation. Under the direction of the President and CEO, Executive Officers, who have been delegated authority by the Board of Directors, oversee and supervise the operations of their respective divisions.

For indirect functions, including human resources and finance, the Bank has consolidated the functions of Group companies within the "Group Headquarters" to the extent permitted under the Banking Law, the Corporation Act, and other applicable laws and regulations. This framework enhances the sophistication of Group-wide management on a consolidated basis while improving operational efficiency.

In addition, the Bank has established the Group Executive Committee and the Executive Committee as advisory bodies to support decision-making by the President and CEO. These committees comprise Executive Directors, officers with overall management responsibilities, and officers responsible for the Group Headquarters. Their deliberations are supplemented by various specialized committees that review matters requiring specific expertise. Through this framework, the Bank ensures that decisions are made following thorough deliberation and review appropriate to the nature of each agenda item.

Overview of Important Committees

Name	Main Purpose
Group Executive Committee	The President's decision-making body for day-to-day business execution at the Group level
Executive Committee	The President's decision-making body for day-to-day business execution for SBI Shinsei Bank, Limited
Group ALM Committee	Negotiate, formulate policies and make decisions concerning medium- and long-term asset and liability management
Group Compliance Committee	Communicate, coordinate and make decisions on the Group's compliance posture and on matters relating to compliance
Group Risk Policy Committee	Discuss the risk operation policy and management framework for the Group's portfolios, and the Group's approach to major portfolios, sectors, products and so forth
Group IT Committee	Discuss, coordinate and resolve the Group's IT strategies and governance issues
Group Business Continuity Management Committee	Discuss, coordinate and make decisions across divisions to advance reforms to the Group's business continuity structure
Group Basel Committee	Discuss, coordinate and make resolutions on matters concerning regulatory capital, with a focus on Basel regulations
Group Management Development Committee	Discuss, coordinate and make decisions about the Group's HR system and related measures, etc.
Group New Business / Product Committee	Conduct due diligence on each new business and service proposal across the Group and make decisions, and conduct due diligence on strategic investment proposals
Group Sustainability Committee	Discuss, coordinate and resolve the issues relating to promotion of sustainability management
Doubtful Debt Committee	Promptly inform top management about significant bad debt exposure, and make decisions on write-offs and other matters concerning sale of debts, debt forgiveness and so forth

Policy for Operation of the Board of Directors

The Board of Directors of SBI Shinsei Bank meets, in principle, on a monthly basis. In addition, the Bank holds Strategy Sessions to facilitate focused discussions on specific topics. In FY2025 (April 2025 to March 2026), four Strategy Sessions were held, primarily to discuss business strategies in connection with the formulation of the Medium-Term Management Plan covering FY2026 through FY2028. During these sessions, directors and Audit & Supervisory Board members provided a wide range of valuable perspectives and recommendations based on long-term strategic considerations, as well as assessments of risks and growth opportunities. These discussions were subsequently reflected in the formulation of business strategies and plans. Furthermore, the Bank holds regular meetings consisting exclusively of outside directors and outside Audit & Supervisory Board members to facilitate the exchange of diverse expertise and insights regarding business execution.

The Board currently consists of nine directors, including five outside directors, giving outside directors a majority on the Board. This structure enables appropriate management decision-making and provides a framework for ensuring objective and transparent deliberations regarding the nomination of director candidates, as well as the design of the directors' compensation system and the determination of individual compensation.

In addition, the Nomination and Compensation Committee, which is chaired by an outside director and composed of a majority of outside directors, deliberates on matters referred by the Board of Directors, including proposals for the appointment and dismissal of directors to be submitted to the General Meeting of Shareholders, the appointment and dismissal of Representative Directors, succession planning, and director compensation, and provides recommendations to the Board of Directors.

The Bank will continue to strengthen its corporate governance framework to fulfill its accountability to all stakeholders.

Board Meeting Agenda Items and Time Allotment

		Reporting from CEO	HR / Compensation	Financials	Individual Transactions*1	Audit / Risk*2	Others
Total Time Required (min.)	FY2024	265	70	330	70	300	95
	FY2025	265	160	407	385	542	115

*1. Includes proposals related to the Bank's relisting
*2. Includes compliance and system related proposals

FY2025 Board Meeting Schedule

April	Extraordinary Board Meeting Strategy Session
May	Regular Board Meeting (financial results, Annual General Meeting of Shareholders related materials, audit reports, etc.)
June	Regular Board Meeting (held after Annual General Meeting of Shareholders, appointment of President, etc.) Nomination and Compensation Committee
July	Extraordinary Board Meeting (preliminary first-quarter results, etc.) Strategy Session
August	Regular Board Meeting Nomination and Compensation Committee
September	Regular Board Meeting Strategy Session
October	Extraordinary Board Meeting Strategy Session; Nomination and Compensation Committee
November	Regular Board Meeting (interim financial results, etc.) Strategy Session; Nomination and Compensation Committee
December	Extraordinary Board Meeting Strategy Session
January	Regular Board Meeting (preliminary third-quarter results, etc.) Strategy Session
February	Extraordinary Board Meeting Strategy Session
March	Regular Board Meeting (annual budget and plan discussions, etc.) Nomination and Compensation Committee

Corporate Governance

Role Expected of the Board of Directors

The Board of Directors of SBI Shinsei Bank determines the Bank's fundamental policies and important matters related to business execution from a long-term perspective, with the aim of achieving sustainable growth and enhancing corporate value over the medium to long term. The Board also evaluates and oversees the execution of business by Executive Directors and other members of management, safeguards the interests of shareholders, and provides advice and guidance, as appropriate.

The Board is composed of five Outside Directors with extensive experience and deep expertise and four Executive Directors responsible for business execution, ensuring a balanced governance structure. The Board also reflects diversity, including diversity of gender and age.

For profiles of individual directors, please refer to profiles of "Board of Directors" (p. 89).

Skills Matrix of the Board of Directors

	Katsuya Kawashima	Eisuke Terasawa	Kei Fujisaki	Masanobu Ogura	Masahiro Terada Outside	Yurina Takiguchi Outside	Katsunori Tanizaki Outside	Makoto Hayashi Outside	Yuji Sakoda Outside
Corporate Management	○	○	○	○			○		
Financial Services	○	○	○	○	○		○		
Corporate Finance / Capital Strategy	○	○	○						
Risk & Crisis Management	○	○	○		○		○	○	○
Legal / Corporate Governance	○	○	○		○		○	○	○
Human Rights / Diversity	○			○	○	○	○	○	○
IT / Digital	○			○			○		
Global / International Experience			○	○		○	○	○	○
Investor Relations / Corporate Communications	○	○				○			
Public Administration / Government				○				○	○

Board Effectiveness Evaluation

The Bank has established a framework for periodically evaluating and analyzing the effectiveness of the Board of Directors as a whole, with the aim of continuously enhancing its effectiveness and functionality.

An overview of the FY2025 self-evaluation is provided below.

(1) Objective

Assess whether the Board of Directors is fulfilling the roles and responsibilities expected of it and to enhance its effectiveness by implementing a continuous PDCA cycle

(2) Scope of Analysis and Evaluation

Board activities (including the Nomination and Compensation Committee, Strategy Sessions, and other activities) and the operational and support framework for ensuring their efficient and effective execution

(3) Evaluators

Evaluation conducted by all attendees of Board meetings (12 individuals in total, consisting of Directors and Audit & Supervisory Board Members). As in prior years, additional questions were provided exclusively to Audit & Supervisory Board Members.

(4) Evaluation Items

Topics discussed at Board of Directors meetings and Strategy Sessions include management of meetings by executive management, Board composition and diversity, provision of information to Board members by management, communication among Board members and management, third-party evaluations of Board effectiveness, the activities and effectiveness of the Nomination and Compensation Committee, evaluations by Audit & Supervisory Board Members, etc.

(5) Evaluation Methodology

A questionnaire survey (including both multiple-choice and free-response questions) was conducted by the Board Secretariat under the direction of the Chair of the Board of Directors.

(6) Feedback of Results

The survey results, including both multiple-choice responses and written comments, were reported to the Board of Directors. While some respondents identified areas requiring ongoing review and improvement, the evaluation confirmed that the Board's overall effectiveness is being appropriately maintained.

Based on the issues identified through the survey, the Bank will prioritize the following initiatives in FY2026:

- Implement operational improvements to facilitate deeper discussions on medium- to long-term management strategies and business models, including more effective use of Strategy Sessions
- Continue reviewing the composition of the Board of Directors
- Enhance the effectiveness of pre-meeting briefings and improve the quality of materials and explanations provided to Board members
- Continue Executive Sessions, which primarily serve as forums for information sharing among Outside Officers

Through the prioritized implementation of these initiatives in FY2026, the Bank will continue to enhance the effectiveness and functionality of the Board of Directors.

Executive Compensation System

The Bank determines its executive compensation framework and compensation levels within the aggregate compensation amount approved by the General Meeting of Shareholders. Such determinations are made by the Board of Directors, a majority of whose members are Outside Directors. In addition, the Bank has voluntarily established the Nomination and Compensation Committee, in which Independent Outside Directors constitute a majority, as an advisory body to the Board of Directors. Upon consultation by the Board, the Committee deliberates on matters relating to directors' compensation and reports its recommendations to the Board of Directors.

■ Policy for Determining Executive Compensation

- Directors' base compensation consists of fixed monthly cash compensation determined in light of each director's role and responsibilities.
- Directors' bonuses are generally paid once a year. The amount is determined as performance-linked compensation based on each director's responsibilities and performance, as well as the SBI Shinsei Bank Group's consolidated financial results for the previous fiscal year.
- Directors' base compensation and bonuses are designed to function as effective incentives for achieving the Group's management philosophy and realizing the vision set forth in its Medium-Term Management Plan.

Corporate Governance

■ Compensation Structure for Directors

Compensation for full-time directors (excluding Outside Directors) consists of base compensation (fixed compensation) and annual bonuses.

Base compensation is fixed compensation determined based on whether a director serves on a full-time or part-time basis, as well as the director's position and responsibilities. Compensation levels are reviewed by the Nomination and Compensation Committee with reference to those of peer companies.

Bonuses for full-time directors are performance-linked compensation based on the SBI Shinsei Bank Group's consolidated performance for the previous fiscal year. Bonus amounts are determined under a consolidated performance evaluation framework that incorporates both quantitative and qualitative assessments. The standard bonus amount is set at approximately one-third of a director's total annual compensation under standard performance conditions. Actual bonus payments may range from 0% to 150% of the standard amount, depending on performance.

Type of Compensation, Contents, and Structure

Officer Category	Type of Compensation	
	Base Compensation	Bonus
Full-time Directors	Fixed compensation commensurate with position and responsibilities	Performance-linked compensation based on quantitative and qualitative evaluations
Guideline Proportion	2/3 of total compensation	1/3 of total compensation
	Specific proportions are determined by the Board of Directors after deliberation by the Nomination and Compensation Committee.	
Outside Directors	Fixed compensation commensurate with position and responsibilities	Not applicable
Guideline Proportion	100% of total compensation	

■ Process for Determining Compensation Amounts

Directors' base compensation is determined within the total amount of compensation approved by the General Meeting of Shareholders. The Nomination and Compensation Committee deliberates on the appropriate compensation for each director based on their roles and responsibilities, and the Board of Directors determines the final compensation amount based on the Committee's recommendations.

Bonuses are likewise determined by the Board of Directors following deliberation by the Nomination and Compensation Committee. In addition, the Board of Directors operates within an internal control framework that is subject to oversight by the Audit & Supervisory Board.

A majority of the members of the Nomination and Compensation Committee are Independent Outside Directors, and resolutions are adopted by a majority vote of the members present. The Nomination and Compensation Committee convened 11 times during FY2025 (April 2025 to March 2026).

■ Maximum Aggregate Amount of Directors' Compensation

Compensation for directors (including Outside Directors): up to 700 million yen per year (of which compensation for Outside Directors shall not exceed 110 million yen per year)

Total Amount of Compensation by Director Category and Compensation Type as well as Number of Directors

Categories	Total amount of compensation, etc. (millions of yen)	Total amounts by type of compensation, etc. (millions of yen)				Number of eligible persons
		Fixed compensation	Officer bonuses	Retirement benefits	Non-monetary rewards included on the left	
Directors (excluding outside directors)	141	141	—	—	—	4
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	21	21	—	—	—	1
Outside officers	84	84	—	—	—	7
Total	247	247	—	—	—	12

(Notes) 1. Amounts have been rounded down to the nearest unit. 2. Within the above categories, four directors concurrently serve as executive officers.

Audit & Supervisory Board

The Audit & Supervisory Board consists of one full-time Audit & Supervisory Board Member with extensive experience in the Bank's operations and two Outside Audit & Supervisory Board Members, one of whom is an attorney at law and the other a certified public accountant and certified fraud examiner. Leveraging their professional expertise and insights into corporate governance, diversity, and related matters, they audit the execution of directors' duties from a position independent of the Board of Directors.

The Outside Audit & Supervisory Board Members leverage their experience serving as outside officers at other companies and provide opinions and recommendations from independent and objective perspectives, thereby enhancing the effectiveness of the Bank's audit function. The full-time Audit & Supervisory Board Member not only attends meetings of the Board of Directors and other important meetings, including those of the Group Executive Committee, but also conducts audit activities through the review of key documents and interviews with directors, executive officers, and the accounting auditor.

In addition, through close coordination with internal control functions, including the Group Internal Audit Division, and with the support of the Office of Audit & Supervisory Board Members, the full-time Audit & Supervisory Board Member continuously and efficiently audits the execution of business operations throughout the SBI Shinsei Bank Group, including the Bank and its subsidiaries.

Activities of Audit & Supervisory Board Members in FY2025

	Board of Directors	Audit & Supervisory Board
Number of meetings	12	13
Attendance	Jiro Kasahara 12/12	13/13
	Ikuko Akamatsu 12/12	12/13
	Miyuki Nakagawa 12/12	13/13

Audit & Supervisory Board Members' Skill Matrix

	Jiro Kasahara	Ikuko Akamatsu Outside	Miyuki Nakagawa Outside
Finance	○		
Financial Accounting		○	
Legal			○

Internal Controls

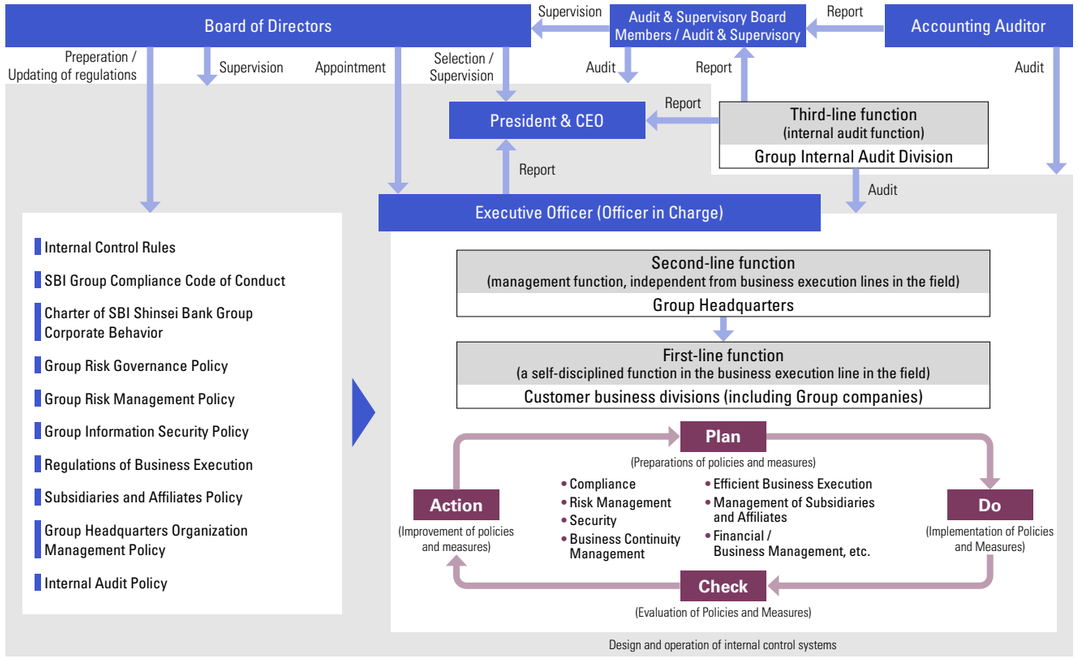
For corporate governance to function effectively, it is essential not only to establish a framework for oversight of business execution and decision-making centered on the Board of Directors, but also to maintain systems that enable internal audit, compliance, and other control functions to operate effectively. The establishment of internal control systems required under the Corporation Act and internal controls to ensure the reliability of financial reporting under the Financial Instruments and Exchange Act are also critical elements of effective corporate governance. While management is responsible for the overall effectiveness of internal controls, the framework ultimately depends on each division implementing appropriate control measures in its daily operations.

At SBI Shinsei Bank, the basic policy for establishing an internal control system to support the appropriate and efficient execution of daily operations is set forth in the Internal Control Rules approved by the Board of Directors, which also reviews the system annually. The Internal Control Rules stipulate that: (1) the internal control system consists of autonomous control functions within the business execution line (first-line), management functions independent of the business execution line, including compliance (second-line), and internal audit functions independent of both (third-line); and (2) the Board of Directors receives timely reports from the second and third lines and regularly reviews key policies and controls to identify and address significant risks appropriately. Under these policies, the Bank has established foundational policies, including the SBI Group Code of Compliance Conduct, Group Risk Governance Policy, Group Risk Management Policy, Group Information Security Policy, Regulations of Business Execution, Subsidiaries and Affiliates Policy, Group Headquarters Organization Management Policy, and Internal Audit Policy. The Bank has also developed a framework to ensure the effectiveness of audits conducted by Audit & Supervisory Board Members. Through these measures, the Bank seeks to maintain appropriate, transparent, and efficient operations throughout the SBI Shinsei Bank Group, including its subsidiaries.

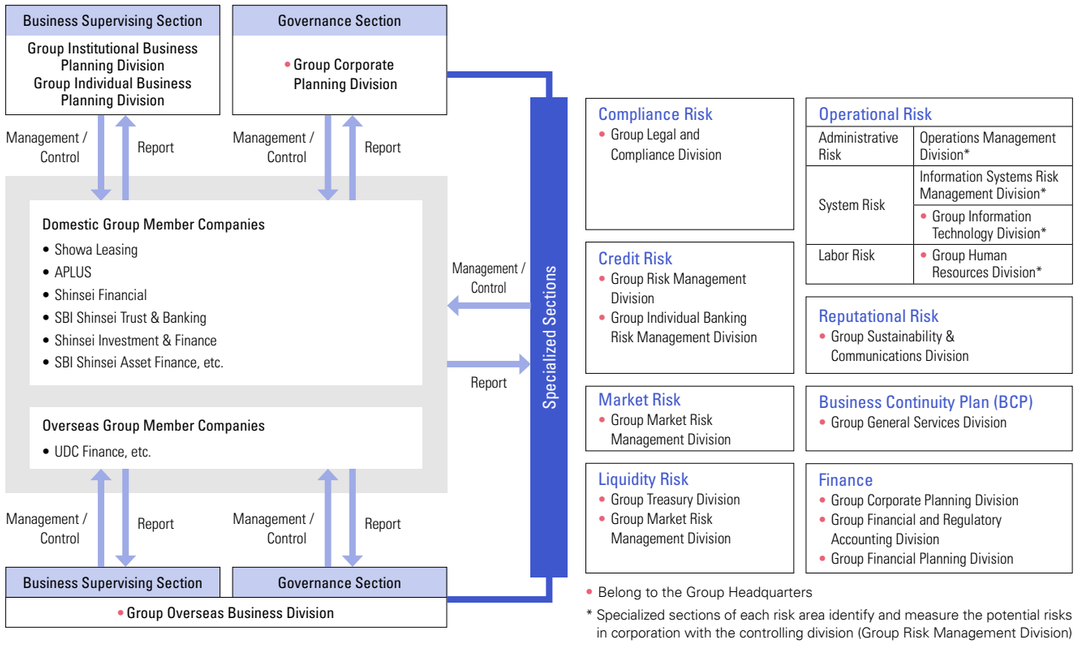
Furthermore, the SBI Shinsei Bank Group Code of Conduct stipulates the complete exclusion of all relationships with anti-social forces. The Bank has established systems and procedures to prevent harm arising from anti-social forces and to ensure the integrity and appropriateness of its business operations.

Corporate Governance

Internal Control Framework



Framework for Ensuring Proper Operations at Subsidiaries (As of June 22, 2026)



• Belong to the Group Headquarters

* Specialized sections of each risk area identify and measure the potential risks in corporation with the controlling division (Group Risk Management Division)

The SBI Group has established a framework for overseeing subsidiaries and affiliates through the Subsidiaries and Affiliates Policy, which defines the roles of specialized sections, business supervising sections, and governance sections. The framework ensures that Group companies operate in alignment with the Group's management policies, business plans, risk management standards, and compliance requirements. Specialized sections at the Group headquarters establish rules and standards for subsidiary management, conduct regular reviews of organizational structures and operations, provide guidance, and monitor corrective measures to strengthen the Group-wide internal control framework. Business supervising sections support sound business operations after confirming compliance with applicable laws and regulations. Governance sections, while respecting each company's autonomy, work closely with specialized sections to ensure consistency with the Group's overall strategy and management direction. The Group Corporate Planning Division directly performs governance management functions for major subsidiaries and overseas subsidiaries and affiliates across the Group.

Matters relating to business activities and internal management are reported regularly to the Group Executive Committee, while material management matters are submitted or reported to the Group Executive Committee and other key committees chaired by the relevant specialized sections. Under this framework, the Group headquarters and its subsidiaries and affiliates conduct operations in an integrated and efficient manner in accordance with the Group Headquarters Organization Management Regulations. The Group will continue enhancing its governance framework to support sustainable growth and strengthen corporate value.

Business Continuity Management (Business Continuity Plan: BCP)

To ensure the continuity of critical operations and the fulfillment of its responsibilities to customers and society in the event of disruptions arising from natural disasters such as earthquakes and typhoons, acts of terrorism, criminal activities, infectious disease outbreaks, or other emergencies, SBI Shinsei Bank has established a Business Continuity Management Policy and a Business Continuity Plan (BCP).

The Bank regularly reviews and updates its Business Continuity Plan and related operational procedures. It also conducts annual training and exercises based on scenarios envisioned under the BCP to verify their effectiveness, identify areas for improvement, and continuously strengthen its business continuity framework.

In addition, to maintain employees' awareness and understanding of disaster preparedness, infectious disease response, and other business continuity measures, the Bank provides ongoing education and information to its employees. Through these initiatives, SBI Shinsei Bank seeks to maintain and enhance its business continuity capabilities and operational resilience.

Initiatives to Ensure Independence from the Parent Company and the Effective Protection of Minority Shareholders

SBI Holdings, Inc. is the Bank's parent company and principal shareholder. As a controlling shareholder, the SBI Group may exert significant influence over shareholder resolutions, including the appointment and dismissal of directors, organizational restructurings, and amendments to the Articles of Incorporation. To ensure management independence, the Bank has voluntarily established a Nomination and Compensation Committee chaired by an Outside Director, with a majority of members being Outside Directors. In addition, the Bank has not accepted seconded directors from SBI Holdings, Inc., and no prior approval from SBI Holdings, Inc. is required for the Bank's business operations.

The SBI Shinsei Bank Group conducts transactions with SBI Group companies on arm's-length terms equivalent to those applied to other third parties. The Bank has established internal rules governing related-party transactions and transactions with the parent company and its affiliates, and has implemented a framework to review and monitor potential conflicts of interest and minority shareholder protection.

Transactions with SBI Holdings, Inc. and its subsidiaries or affiliates that involve potential conflicts of interest are reviewed by the Special Transaction Review Committee, which includes executives from the Group Legal and Compliance Division and requires the participation of the full-time Audit & Supervisory Board Member. Transactions meeting specified criteria are further submitted to the Board of Directors, a majority of whose members are Outside Directors, for final approval.

Risk Governance

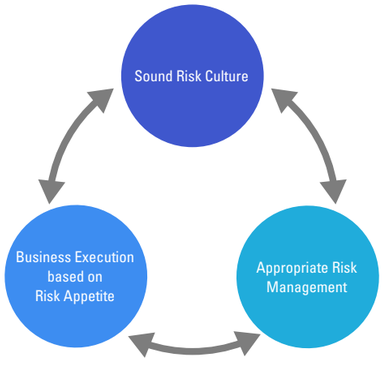
Basic Concept

Risk governance is a key component of the corporate governance framework. At SBI Shinsei Bank Group, we view risk governance as a form of self-discipline that enables the sustainable management of risk through the clear definition and effective execution of the respective roles and responsibilities of the Board of Directors and management.

The Group has established the Group Risk Governance Policy, which clearly sets out its governance framework based on three core elements: a sound risk culture, business execution aligned with risk appetite, and appropriate risk management. For a financial institution to generate stable earnings and achieve sustainable growth, it must take risks in accordance with a clearly defined risk appetite while maintaining a robust risk management framework to support such risk-taking. These activities are the collective result of the judgments and actions of individual officers and employees, and are influenced not only by rules and regulations but also by the organization's values and culture. We therefore believe that effective risk governance requires a comprehensive and holistic perspective encompassing all of these elements.

While continuing to enhance our risk management framework and strengthen organizational capabilities commensurate with the risks we undertake, we have also focused on establishing a structure that supports appropriate business execution based on risk appetite. As a result, we have developed an integrated management framework founded on alignment between risk appetite and financial planning. Furthermore, as a member of the SBI Group, we are renewing our efforts to foster a sound risk culture grounded in the SBI Group's management philosophy.

Conceptual Diagram of Risk Governance



Risk Culture

Creating and maintaining a sound risk culture is essential to establishing effective risk governance. Under the SBI Group's shared management philosophy and the SBI Group Compliance Code of Conduct, the SBI Shinsei Bank Group has established the SBI Shinsei Bank Group Code of Conduct. Based on this code, we define our risk culture as the values and behaviors that guide the decisions and actions of officers and employees when managing risk.

Enhancing corporate value requires not only avoiding unnecessary risks but also taking appropriate risks when warranted. Accordingly, we have made it clear that the fundamental stance and leadership of the Board of Directors and senior management form the foundation for such risk-taking.

We are also advancing initiatives to foster a sound risk culture, including conducting employee surveys to assess risk awareness and risk-related behaviors.

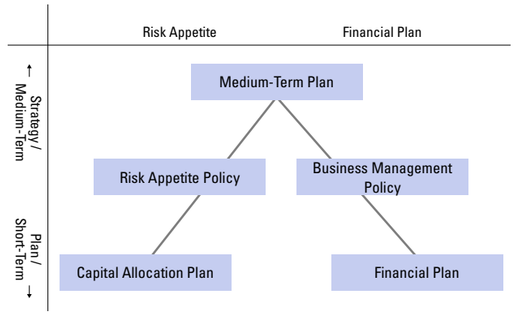
Business Execution Based on Risk Appetite

The Risk Appetite Framework uses risk appetite as a common language across the organization to define and communicate the Group's overall approach to risk-taking. At SBI Shinsei Bank Group, alignment between risk appetite and financial planning is regarded as essential for effective management. By integrating these functions, we have established a framework that aligns the Board of Directors' risk appetite with management execution. Risk appetite and financial plans are translated into strategies and initiatives for each business line based on the Medium-Term Management Plan. With Board approval, we have established a Risk Appetite Policy that articulates our risk appetite at an appropriate level of detail. By clearly defining the risk appetite underlying our financial plans, we have strengthened monitoring through quantitative indicators established for both the Group and individual risk categories. In addition, risk capital, representing risk appetite on a common basis, is allocated to each business line and monitored regularly to ensure financial soundness.

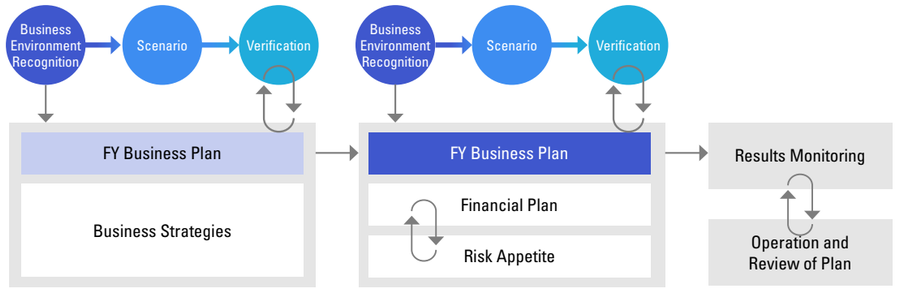
To ensure consistency between risk appetite and financial planning, we conduct scenario analysis (stress testing) to assess the adequacy of capital, liquidity, and earnings capacity. Where results indicate excessive risk-taking or concerns regarding the achievability of financial plans, we review and, where necessary, revise our risk appetite, financial plans, and related assumptions.

We have also established the Group Risk Policy Committee as a management-level forum for risk appetite discussions. In parallel, we emphasize close communication among functions responsible for promoting and overseeing risk-taking at the operational level. This collaboration is a key component of our integrated management framework.

Conceptual diagram of the relationship between risk appetite and financial planning



Conceptual diagram of joint operations



SBI Shinsei Bank Group Risk Appetite Policy (Summary)

Pursue the transformation of quantity into quality, achieving synergistic and sustainable growth in both dimensions
• Drive the expansion of quantity through further growth in the customer base, deposits, and operating assets, supported by collaboration with the SBI Group and regional financial institutions, as well as the realization of medium- to long-term growth opportunities through strategic partnerships and investments
• Place greater emphasis on enhancing portfolio quality, including profitability and efficiency, while taking into account capital and liquidity constraints to support sustainable growth
• Generate sustainable earnings and enhance stakeholder confidence in the sustainability and growth potential of the SBI Shinsei Bank Group through synergistic growth in both quantity and quality

In operating its Risk Appetite Framework, the SBI Shinsei Bank Group seeks to ensure not only capital resilience but also alignment among business growth, liquidity, and risk exposure. With regard to its risk-taking capacity, the Group places particular emphasis on the following three considerations.
• In light of future capital policy, maintain soundness and profitability on both a regulatory-capital and risk-capital basis ✓ In addition to risk capital budget management, risk exposure is monitored against regulatory-capital-based metrics for financial soundness and profitability. Business portfolio adjustments are implemented in a timely and agile manner whenever deemed necessary
• Maintain a sound asset portfolio by monitoring credit concentration and unrealized losses on securities ✓ To mitigate earnings volatility arising from credit losses and valuation losses on securities, careful assessment and ongoing monitoring are conducted with respect to credit concentration risk, including single-name and industry concentrations, as well as unrealized losses on securities
• Maintain a stable funding base ✓ To establish a stable funding structure, analyses of deposit stickiness are conducted and initiatives are implemented to attract and retain highly stable deposits. Due attention is also paid to potential declines in the Liquidity Coverage Ratio (LCR) when expanding operating assets

(Note) Under the basic policies outlined above, risk appetite statements and risk limits are established for each of five categories: capital adequacy, credit concentration, funding liquidity, business, and operational risk

Risk Governance

Risk Management

The SBI Shinsei Bank Group has established an internal control framework based on three lines of defense: autonomous control functions within frontline business operations (first-line), control functions independent of business execution lines (second-line), and an internal audit function independent of both (third-line). Within this framework, the risk management function, as the second-line, is responsible for assessing risk-taking and is expected to provide effective challenge from a risk management perspective when necessary. The Group has clearly stated that such challenge is respected and encouraged. In particular, the officer responsible for Group Risk regularly attends Board of Directors meetings to ensure appropriate opportunities to challenge management policies.

The fundamental approach to risk management is set out in the Group Risk Management Policy, which is built on two pillars: risk management frameworks tailored to individual risk categories and appropriate resource allocation across business lines. With respect to capital allocation, the Group has established an integrated risk management framework centered on its risk capital system, enabling risks to be assessed on a consolidated basis against financial strength and risk-bearing capacity. For further details regarding the Group's risk management framework, please refer to the "Risk Management" section beginning on page 8 of the Data Appendix 2026.

As the operating environment evolves and value co-creation initiatives expand within and outside the Group, including collaboration with SBI Group companies, risks that are difficult to capture through conventional frameworks have become increasingly important. The Group identifies risks with the potential to materially affect management as "Material Risks" (Top Risks).

These are identified through discussions at the Group Risk Policy Committee and other management forums and include non-financial risks that are difficult to quantify. Current examples include increases in credit-related costs, valuation losses on securities due to market volatility, rising funding costs, and growth constraints caused by shortages of skilled human resources. To address these risks, the Group is enhancing its early-warning and predictive risk management capabilities while strengthening preparedness and response measures.

Material Risks of the SBI Shinsei Bank Group

Risk Scenario	Key Details / Potential Impacts (Examples)
Increase in Credit-Related Expenses	• Increased credit-related expenses resulting from a rise or prolonged period of long-term interest rates, heightened geopolitical risk, large-scale natural disasters or pandemics, a global economic slowdown, or a decline in the value of real estate collateral.
Valuation Losses on Securities Due to Sudden Financial-Market Changes	• Decline in the value of securities holdings caused by rising interest rates following changes in monetary policy by central banks or further policy-rate increases.
Increase in Funding Costs	• Risk of being unable to execute business plans due to higher funding costs and instability in funding sources resulting from intensified competition for deposits.
Growth Constrained by Talent Shortages	• Reduced competitiveness in strategic and priority business areas due to difficulty recruiting new graduates and mid-career professionals amid intensifying competition for talent.
Business Disruption, Customer Rights Infringement, and Losses Caused by Cyberattacks or System Failures	• Direct losses and reputational deterioration resulting from leakage of confidential information, suspension of settlement functions, or unauthorized use and remittance arising from cyberattacks and cyber-enabled financial crime.
Reputational Damage and Administrative Sanctions Due to Legal or Regulatory Violations	• Direct losses and reputational deterioration arising from legal violations or inappropriate conduct that departs from social norms by the Group or officers and employees of its business partners.
Reduced Ability to Execute Overseas Business Due to Changing International Conditions and Shortages of Specialized Personnel	• Business-execution risk caused by delays or cancellation of new projects, or difficulties managing and recovering existing investments, due to changes in geopolitical conditions overseas. • Reduced competitiveness and delayed transaction execution due to shortages of specialized personnel needed to plan, advance, and manage overseas business.
Reputational Damage Due to Inadequate Response to Environmental and Social Issues	• Stricter laws and regulations concerning environmental issues, including climate change, and social issues.
Constraints on Risk-Taking Due to Reduced Capital Buffers	• Risk of constrained capital management due to reduced capital capacity and growth in risk-weighted assets, resulting in limitations on planned risk-taking or the need for strategic adjustments.
Reduced Competitiveness Due to Delayed Adoption of Technological Advances	• Risk of weaker competitiveness relative to other banks, lower customer satisfaction, and delays in detecting financial crime or managing risk due to slow adoption of advanced technologies such as generative AI.

Cybersecurity

Basic Approach to Cybersecurity

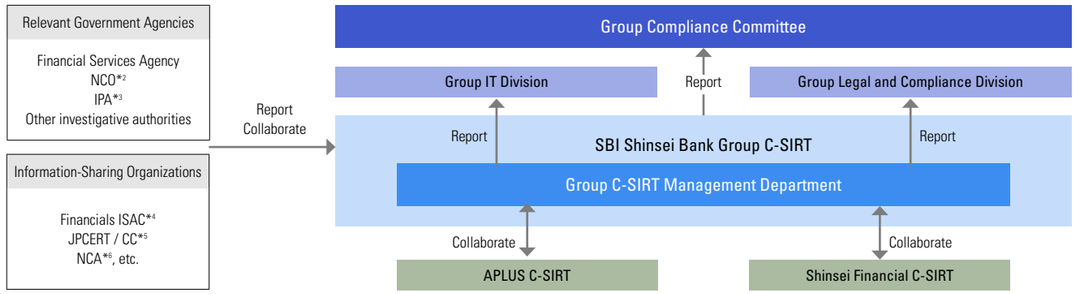
Core financial services, including deposit-taking, lending, and payment and settlement services, constitute critical social infrastructure, and their stable provision is one of the SBI Shinsei Bank Group's key responsibilities to society. However, as digitalization accelerates, network connectivity expands, and the global geopolitical environment evolves, cyber threats to financial systems have become increasingly sophisticated and severe. Under these circumstances, maintaining robust cybersecurity is essential not only to preserve a sound financial foundation but also to fulfill our broader responsibilities to society.

Accordingly, the Group recognizes the stable operation of its financial systems as a key management priority and is committed to reducing cybersecurity risks while continuously strengthening its cybersecurity framework and capabilities.

Cybersecurity Governance Framework

The SBI Shinsei Bank Group promotes cybersecurity initiatives under the leadership of management in accordance with the Group Cybersecurity Guidelines. Recognizing cybersecurity as a critical management issue, the Group has established a governance framework to enhance resilience against increasingly sophisticated cyber threats and support the stable operation of financial services.

As a dedicated cybersecurity function, the Group has established the Group C-SIRT*1 Management Department within the Group Headquarters. Working closely with Group companies, the Department is responsible for Group-wide cybersecurity governance, including the development of organizational frameworks, the enhancement of security measures, monitoring, and incident response. The Department is jointly overseen by the Group Information Technology Division and the Group Legal and Compliance Division, and reports to both divisions as well as the Group Compliance Committee.



*1. C-SIRT: Computer Security Incident Response Team
*2. NCO: National Cybersecurity Office
*3. IPA: Information-technology Promotion Agency, Japan
*4. Financials ISAC: Financials ISAC Japan
*5. JPCERT / CC: Japan Computer Emergency Response Team Coordination Center
*6. NCA: Nippon CSIRT Association

Cybersecurity Initiatives

■ Defense-in-Depth Security Measures

- Perimeter security controls to prevent unauthorized access
- Data loss prevention measures to protect sensitive information
- Internal security controls assuming network intrusion
- Validation of security measures through external penetration testing

■ Strengthening Cyber Resilience

- Regular cybersecurity drills based on cyber incident scenarios
- Recovery and restoration measures for ransomware attacks

■ Group-wide Cybersecurity Risk Assessment

- Group-wide assessments based on the Group Cybersecurity Guidelines

■ Employee Cybersecurity Education and Awareness

- Regular cybersecurity training and e-learning programs tailored to employee roles, including new graduates, mid-career hires, IT personnel, and senior management
- Phishing simulation exercises to strengthen responses to suspicious emails
- Participation in external seminars and professional training to enhance cybersecurity expertise and incident response capabilities

Legal and Compliance

Basic Approach to Compliance

Guided by the SBI Group's Management Philosophies, SBI Shinsei Bank regards compliance as a fundamental element supporting sound and sustainable management. We believe that conducting business with integrity and fairness, in compliance with applicable laws, regulations, and social norms, is essential to maintaining the confidence of our stakeholders. Such confidence strengthens our reputation in the capital markets and contributes to reducing our cost of capital.

Based on this approach, the Bank is committed to customer-centric operations, transparent management, and rigorous information management, while continuously working to mitigate compliance and reputational risks. By fostering a strong compliance culture throughout the organization and ensuring that senior management demonstrates leadership in this area, we aim to enhance corporate value over the medium to long term and fulfill our role as a trusted member of society.

Legal and Compliance Framework

The Group's compliance framework is centered on the Group Compliance Committee established within the Group Headquarters, the Group Legal and Compliance Division, and the compliance committees, compliance oversight departments, compliance supervisors (heads of departments, offices, and branches), and compliance officers established at major Group companies, including SBI Shinsei Bank.

The Group Compliance Committee, chaired by the executive officer responsible for legal and compliance matters, discusses and reports on the basic policies governing the Group-wide compliance framework, as well as other key compliance-related matters. The compliance oversight departments of each Group company support and guide compliance initiatives undertaken by compliance supervisors and compliance officers. Working in coordination across the Group, they formulate the annual Group Compliance Program and implement various measures to strengthen the compliance risk management framework, including enhancing internal regulations and providing compliance training. These activities are supported and independently monitored by the Group Legal and Compliance Division.

In addition, the Group Legal and Compliance Division works closely with the legal and compliance functions of Group companies to support the sound development of new businesses and the adoption of emerging technologies. By engaging with relevant divisions at an early stage and providing practical guidance from legal and risk management perspectives, the Group Legal and Compliance Division helps ensure that business initiatives are pursued in a prudent and sustainable manner.

Legal and Compliance Initiatives

■ Anti-Corruption and Anti-Bribery Measures

SBI Shinsei Bank endorses the United Nations Global Compact (UNGC) and continues its efforts to prevent corruption, one of the Ten Principles of the UNGC. In addition, the Group Sustainability Management Policy explicitly states the Group's commitment to preventing all forms of corruption, including bribery, as part of its efforts to uphold high standards of corporate ethics and integrity.

■ Whistleblower System

SBI Shinsei Bank has established a Compliance Hotline through which directors, officers, and employees can report actual or suspected violations of laws, regulations, or internal rules. When a report is received, the matter is escalated to senior management, and an investigation team is organized to examine the issue and implement any necessary corrective and remedial measures. The Bank strictly prohibits any retaliatory or otherwise disadvantageous treatment of whistleblowers, and the Group Legal and Compliance Division conducts follow-up measures to ensure that whistleblowers are not subjected to unfavorable treatment.

In addition, the Bank actively promotes the use of the whistleblower system to facilitate the early detection and prevention of misconduct and other inappropriate activities, thereby contributing to a sound and transparent organizational culture. Similar whistleblower systems have also been established across other Group companies.

■ Anti-Money Laundering and Countering the Financing of Terrorism (AML / CFT)

The SBI Shinsei Bank Group has established the SBI Shinsei Bank Group Policy on Anti-Money Laundering and Countering the Financing of Terrorism. Recognizing anti-money laundering and countering the financing of terrorism (AML / CFT) as one of its highest management priorities, the Group is committed to strengthening its AML / CFT framework on a Group-wide basis under the leadership of senior management.

Based on the risk-based approach advocated by the Financial Action Task Force (FATF), the Group identifies and assesses risks specific to its business activities and implements appropriate measures to mitigate those risks and enhance the effectiveness of its controls.

Through the ongoing evaluation of these measures and the continuous improvement of its framework, the Group strives to prevent money laundering and terrorist financing and maintain a robust AML / CFT management framework.

■ Corporate Legal Affairs

Legal risk within a banking group includes the risk of damaging the trust and reputation expected of a financial institution, as well as undermining the credibility and sound functioning of the financial system, as a result of violations of laws, regulations, or other requirements applicable to the Bank and its Group companies. In addition, individual transactions may give rise to disputes and unexpected losses. Preventing and appropriately managing such legal risks is therefore an essential element of operating a modern banking group.

To address these risks, the SBI Shinsei Bank Group has established the Legal Office within the Group Legal and Compliance Division, which is responsible for matters such as corporate legal affairs, transactional and contractual documentation, and litigation management. Working closely with legal and compliance personnel across Group companies, the Division seeks to prevent and manage legal risks on a Group-wide basis while supporting and strengthening the Group's compliance framework from a legal perspective.

The SBI Shinsei Bank Group Policy on Anti-Money Laundering and Countering the Financing of Terrorism (AML / CFT)

1. Risk assessment	Specify and assess the risk of money laundering and financing of terrorism at each company based on the concept of the risk-based approach, while paying attention to laws, ordinances, and other rules in Japan and documents issued by the Financial Action Task Force (FATF), the Basel Committee on Banking Supervision, and other international organizations. Take risk mitigation measures that are appropriate for the risk being addressed. Regularly examine the effectiveness of risk identifification and assessment practices and risk mitigation measures and review them as needed.
2. Customer identification and due diligence	Conduct customer identifification before entering into transactions pursuant to relevant laws and ordinances, practice proper customer due diligence, and endeavor to eliminate inappropriate transaction relationships with customers including those with antisocial forces.
3. Transaction monitoring, customer screening, and reporting of suspicious transactions	Give the authorities a suspicious transaction report immediately if a transaction is judged to fall under suspicious transactions based on an abnormality found in the customer identifification process conducted before entering into a transaction or during transaction monitoring or customer screening or based on a report made by business promotion divisions / branches.
4. Targeted financial sanctions and assetfreezing measures	Eliminate transaction relationships with the parties that are subject to targeted financial sanctions and appropriately take assetfreezing and other measures pursuant to domestic and overseas regulations and so forth.
5. Management of customers with correspondent contract	Appropriately collect information on customers who have entered into a correspondent contract with the Bank and assess their AML / CFT frameworks. SBI Shinsei Bank and its customers who have entered into a correspondent contract with the Bank are prohibited from having transactions with shell banks and from having transactions using through accounts with a strong level of anonymity.
6. Training for officers and employees	Endeavor to provide guidance and training to offificers and employees to deepen their knowledge and understanding of AML / CFT measures and to equip them with expertise and to ensure their suitability according to their roles.
7. Continuous improvement	Regularly check the effectiveness of AML / CFT frameworks and endeavor to keep improving them based on the results of such checks

Internal Audit

Basic Approach to Internal Audit

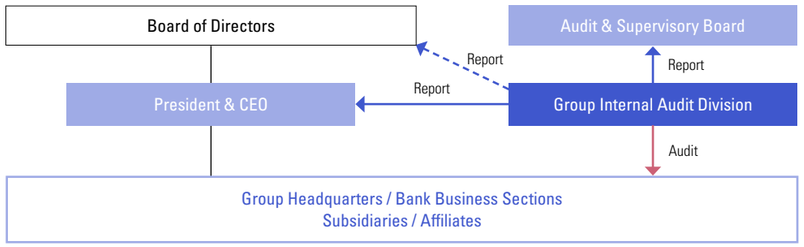
■ Purpose of Internal Audit and Organizational Positioning

The Group Internal Audit Division (GIAD) of the Bank independently and objectively assesses the effectiveness of the risk management and governance processes, the reliability of information and information technology systems, and compliance with applicable laws and regulations, while also providing solutions to management.

The GIAD directly reports the results of audits and the status of GIAD activities to the President and the Audit & Supervisory Board on a regular basis. The GIAD supports the President in his responsibility for managing business operation, in particular for establishing an effective system of internal controls, and also supports the Audit & Supervisory Board in their responsibilities for audit and supervisory activities, in particular for monitoring the system governing internal controls and its operation.

The GIAD submits annual and semiannual activity reports to the Board of Directors. It also exchanges views with the external auditor on a regular basis and, as necessary, strives to work collaboratively to enhance the effectiveness and efficiency of the audit function.

■ Organizational Position of the GIAD



The GIAD is independent of all organizations subject to internal audits, as well as being independent of day-to-day operational activities and control processes, including regular preventive and detective controls.

Internal Audit Initiatives

■ Information Gathering, Monitoring, and Risk Assessment

To improve the effectiveness and efficiency of internal audit activities, the GIAD gathers information on business departments through off-site monitoring, including attendance at key management meetings, review of internal control documents, and regular meetings with senior management.

In annual audit planning, the GIAD adopts a risk-based approach and conducts a comprehensive risk assessment by combining macro-risk assessments at the Banking Group level with micro-risk assessments at the individual business level.

Audit resources are prioritized for businesses with higher risk profile.

■ Group Integration of the Internal Audit Function and Maintenance / Enhancement of Expertise

The GIAD consists of the Business Audit Teams, the IT Audit Team and the Quality Control and Planning Team, and the internal audit functions of major subsidiaries are integrated as part of the business audit teams. The GIAD performs annual group-wide risk assessments and audit planning, and conducts internal audit activities using standardized manuals, systems and reporting formats. In addition, the Quality Control and Planning Team performs quality checks on audit projects for major subsidiaries, promoting consistent internal audit standards across the Bank Group.

The GIAD takes the initiative to strengthen auditors' expertise by encouraging the acquisition of professional certifications such as the Certified Internal Auditor and Certified Information Systems Auditor. The GIAD also continuously conducts group-wide internal training programs to maintain and improve auditors' professional capabilities.

■ Audit Quality Management

By receiving regular quality assessments carried out by a third party organization of group internal audit activities, the GIAD is able to identify opportunities for improvement from an objective viewpoint.

Communication with Stakeholders

As the business environment surrounding SBI Shinsei Bank continues to evolve, the expectations, interests, and concerns of our stakeholders are becoming increasingly diverse as we pursue sustainable growth following our relisting.

We engage in active dialogue with investors through the Annual General Meeting of Shareholders, financial results briefings, and meetings with institutional investors and analysts in Japan and overseas. We also strive to provide timely and accessible information to a broad range of stakeholders, including overseas and individual investors, by disclosing presentation materials, videos, and summaries of Q&A sessions from our financial results briefings.

To enhance the quality of these engagements, we continue to strengthen our disclosure practices. In particular, we seek to improve timeliness through the early disclosure of financial information and to communicate our value creation process more effectively by providing integrated financial and non-financial information.

Through ongoing disclosure and dialogue, we remain committed to transparent management and to building long-term relationships with our stakeholders.

Stakeholder Engagements (FY2025)*1

Briefing sessions for institutional investors and analysts	1 session held
Individual meetings with institutional investors and analysts	265 meetings held
Of which, meetings with the CEO	74 meetings held
Of which, meetings with the CFO	87 meetings held
Securities company-sponsored conferences	Participated in 2 conferences

*1. The Bank was relisted on the Prime Market of the Tokyo Stock Exchange on December 17, 2025.

IR Calendar*2

Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
	• Full-year Financial Results • Investors' Meeting / Conference Call	• Annual General Shareholders' Meeting		• First Quarter Financial Results • Investors' Meeting / Conference Call • Integrated Report			• Interim Financial Results • Investors' Meeting / Conference Call			• Third Quarter Financial Results • Investors' Meeting / Conference Call • Interim Report	
1Q			2Q			3Q			4Q		

*2. The schedule and details included in the IR Calendar are subject to change without notice due to various circumstances.







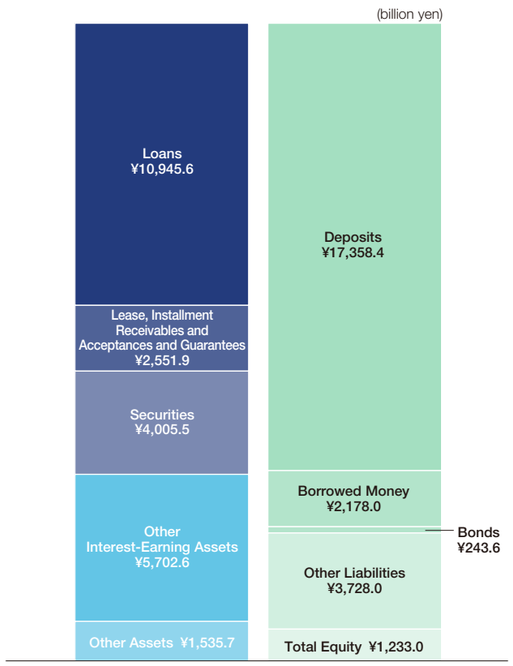
Capital Foundation

Five Capitals 67
Sustainability Management 83
Board of Directors, Audit & Supervisory Board Members 89
Directors and Executive Officers 91

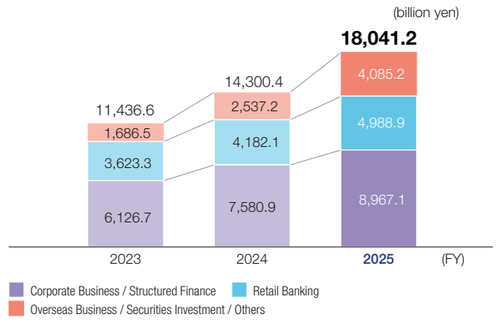
Five Capitals – Financial Capital

Financial capital within the Group primarily consists of shareholders' equity and deposits entrusted to us by our customers. As a financial institution that forms part of the social infrastructure, we conduct our business activities on a foundation of financial soundness while pursuing capital efficiency and enhancing the value of financial capital. Through disciplined capital management, we seek to balance growth investments with financial discipline, thereby generating sustainable value and delivering stable shareholder returns.

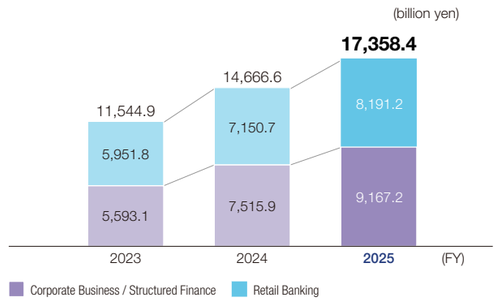
Balance between Assets and Fundings (as of March 31, 2026)



Trend in Operating Assets



Trend in Deposits



Capital Allocation and Capital Policy

The Group regards enhancing corporate value and delivering returns to shareholders as key management priorities.

While maintaining financial soundness, we aim to achieve sustainable earnings growth through disciplined capital allocation, balancing the retention of earnings required for business expansion and growth investments with the payment of stable dividends. Through these efforts, we strive to increase dividends per share over the medium to long term. For FY2026, we forecast an annual dividend of JPY 42 per share. However, we have not established specific targets for the dividend payout ratio or total shareholder return ratio.

Organic Investments

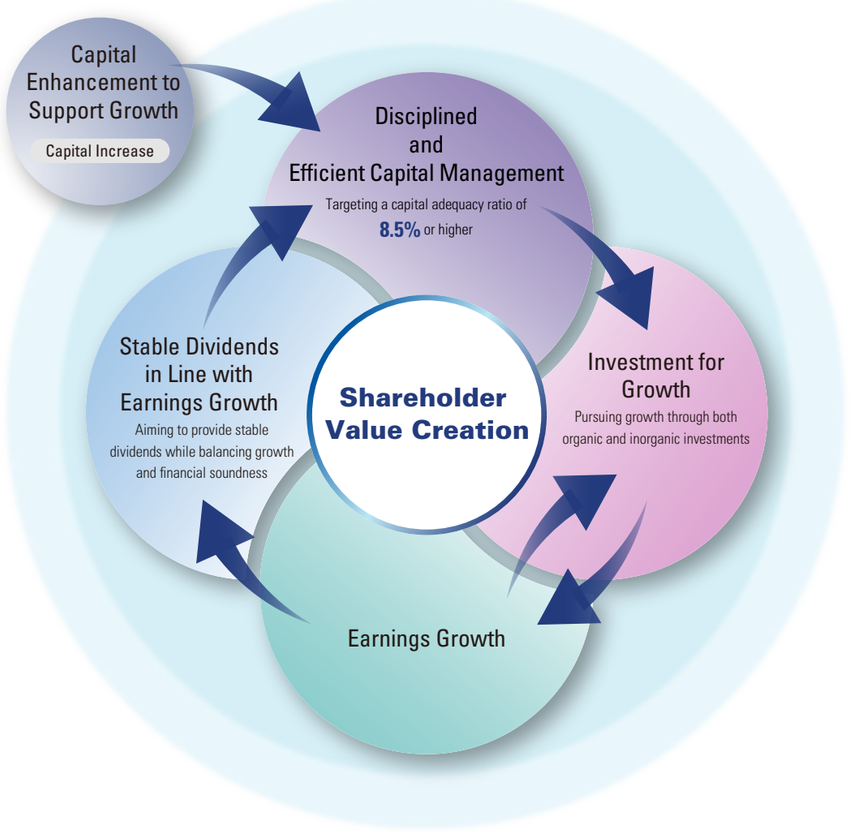
- Expanding business scale while maintaining a balance among profitability and capital efficiency
- Positioning Corporate Business / Structured Finance, Securities Investment, Housing Loans, and Retail Banking as key growth drivers, while pursuing both the expansion of the operating asset base and improvements in ROE

Inorganic Investments

- Pursuing M&A and other strategic initiatives to strengthen business platforms and acquire capabilities and origination functions that support the realization of the "Fourth Megabank Concept"
- Generating returns through disciplined inorganic growth investments under an appropriate risk management framework, leveraging our proven investment track record

Delivering Stable Shareholder Returns

- Targeting a capital adequacy ratio of 8.5% or higher, we aim to provide stable dividends in line with earnings growth by maintaining an appropriate balance between growth and financial discipline



Five Capitals – Human Capital

Executive Officer (Human Resources) Message

Human Capital: Our Most Important Management Asset

At the SBI Shinsei Bank Group, we regard our people as our most important management asset and the foundation of sustainable value creation. To execute our Medium-Term Management Plan and deliver distinctive value to our customers, we foster collaboration among employees with diverse expertise, experiences, and strengths across the Group.

As transformative technologies such as generative AI and blockchain reshape the financial industry, we are advancing our human capital strategy by combining the strengths of people and technology while leveraging the SBI Group's unique ecosystem. We will continue to invest in our people and cultivate an environment in which diverse talent can thrive, supporting sustainable growth and the enhancement of corporate value.



Hiroyuki Kagita
Senior Managing Executive Officer,
In charge of Group Human Resources

Governance

The Group Human Resources Committee, one of the Group's key management committees, plays a central role in overseeing human capital initiatives. The Committee is responsible for the strategic allocation and development of talent, and for deliberating and determining personnel systems and HR initiatives from a Group-wide perspective. Through fair and transparent human capital management, it seeks to maximize the value of human resources and contributes to the enhancement of corporate value. The Committee also reviews strategic talent deployment across the Group and discusses measures to ensure effective and appropriate human capital management. Material human resource matters are submitted to or reported to the Group Executive Committee, while significant changes to personnel systems are further submitted to or reported to the Board of Directors following the necessary approval procedures.

Strategy

■ Human Capital Risks and Opportunities

The Group recognizes talent shortages as a material risk to sustainable growth. Key challenges include attracting and retaining talent in strategic and core business areas amid intensifying competition for skilled professionals. In addition, increased workforce mobility may result in the loss of experienced employees, potentially leading to operational constraints and challenges in maintaining effective internal controls.

At the same time, workforce mobility presents opportunities to attract highly capable talent by offering an engaging and rewarding work environment. Guided by the SBI Group's commitment to being a "Financial Innovator" and a "Creator of New Industries," we seek to enhance employee engagement through strategic human capital management and talent mobility across the Group. Through these efforts, we aim to strengthen our organizational capabilities, support sustainable growth, and enhance corporate value.

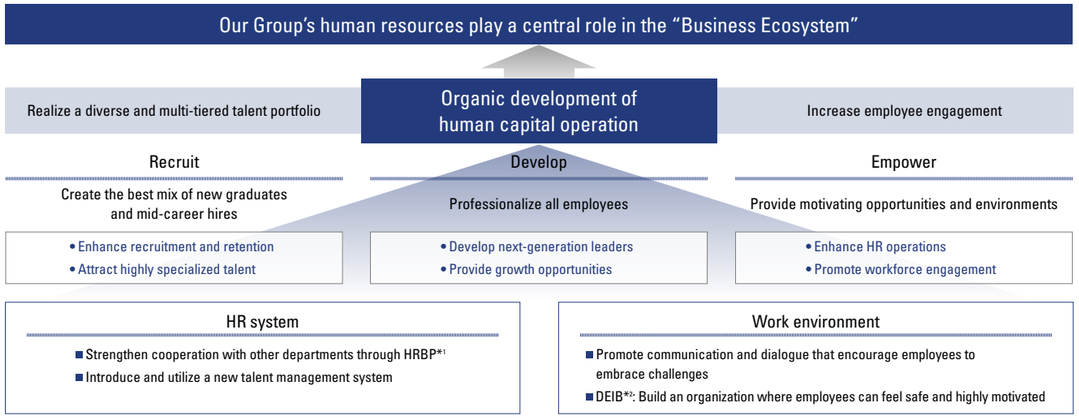
■ Human Resources Strategy

Under its Medium-Term Management Plan, the Group aims to expand growth areas through collaboration with the SBI Group, enhance its business portfolio, and strengthen its competitiveness through the use of advanced technologies. Achieving these objectives and creating sustainable value require talent with specialized expertise, a strong commitment to transformation, and the ability to drive innovation.

Accordingly, we position human capital as a key driver of our business strategy and advance our human resources strategy in alignment with the Medium-Term Management Plan.

As the financial industry undergoes rapid change driven by technological innovation, increasing business complexity, and greater workforce mobility, the Group recognizes the need to build an optimal talent portfolio, develop future leaders, and attract and retain talent in an increasingly competitive labor market.

To address these challenges, we are advancing our human resources strategy through three pillars: Recruit, Develop, and Empower, supported by enhanced HR capabilities and a workplace environment that enables diverse talent to thrive.



*1. Human Resources Business Partner: HRBP provides consultation on organizational and personnel issues, proposes solutions, and promotes the execution of HR initiatives for each organization
*2. Diversity, Equity, Inclusion, and Belonging: DEIB describes a workplace environment where employees of diverse backgrounds and attributes are respected, barriers created by those differences are removed, and all employees feel a sense of belonging and are empowered to thrive within the organization

Three Pillars of Our Human Resources Strategy

Recruit — Attracting and Securing Talent Through the Optimal Mix of New Graduate and Mid-Career Hiring —

To secure the talent required for sustainable value creation, the Group pursues a balanced recruitment strategy that combines new graduate and mid-career hiring. By leveraging diverse recruitment channels and talent development programs, we aim to attract and cultivate both future leaders and experienced professionals, building a diverse and resilient talent portfolio that supports long-term growth.

■ New Graduate Hiring

We recruit new graduates through both specialized career-track programs and open-track programs that provide broad exposure to a range of business functions, supporting diverse career development from the early stages of their careers.

Following Group-wide onboarding and role-specific training, new employees participate in a mentoring program under which senior employees from other departments provide guidance and support during their first year. Through these initiatives, we promote the successful development, engagement, and retention of new graduate hires.

■ Mid-Career Hiring

To attract experienced professionals, we actively leverage a diverse range of recruitment channels, including employee referral programs, alumni networks, and "comeback" hiring initiatives for former employees. We also enhance onboarding through orientation programs and regular HR follow-up sessions, helping new hires integrate quickly and maximize their impact from an early stage. Today, approximately 54% of our workforce consists of mid-career hires, bringing diverse perspectives, specialized expertise, and extensive professional experience to a broad range of functions across the Group.

Five Capitals – Human Capital

Develop — Developing Every Employee into a Professional —

We support employee development through a combination of on-the-job learning, job rotations, strategic assignments, and training and self-development opportunities. Managers play a central role in fostering individual growth by providing development opportunities tailored to each employee's skills, experience, and career aspirations. To strengthen these efforts, we offer programs that enhance managers' capabilities in talent management and people development.

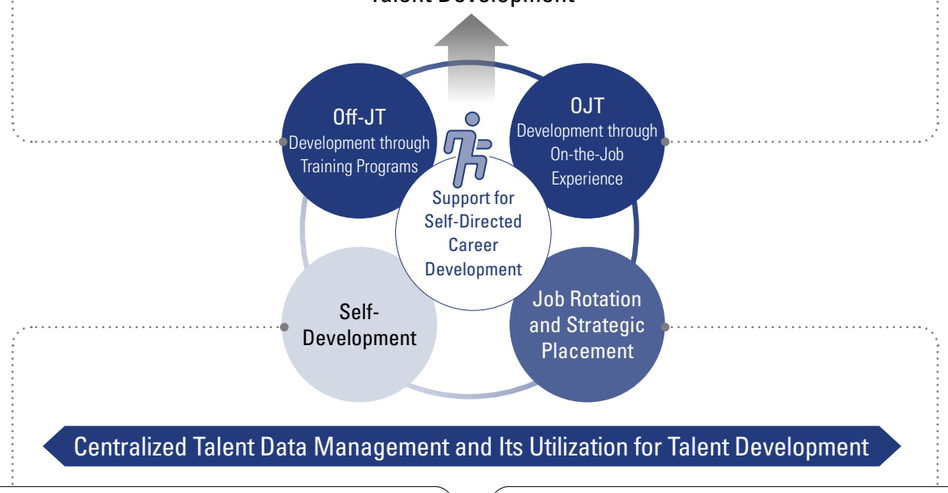
■ Off-JT
— Structured Training and Support for Self-Directed Learning —

In addition to training programs designed to strengthen core professional skills, we provide learning opportunities tailored to specialized business needs. We also support self-directed learning through application-based development programs, including graduate study opportunities in Japan and overseas, industry seminars, sustainability-related training, and generative AI courses.

■ OJT
— Strengthening People Management and Supporting Growth Through Work Experience —

We place strong emphasis on employee development through day-to-day work experiences, with managers playing a central role in supporting individual growth. To enhance people management capabilities, we provide programs such as evaluator training and career development workshops. In addition, regular one-on-one meetings promote ongoing dialogue tailored to each employee's career aspirations and development needs.

Annual 360-degree feedback further supports employee development by providing insights from multiple perspectives, helping individuals identify their strengths and areas for growth.



■ Self-Directed Learning
— Providing Diverse Learning Opportunities —

To support continuous learning and professional growth, we offer a broad range of learning opportunities, including e-learning programs covering topics such as digital transformation (DX) and logical thinking, as well as a Group-wide certification support program covering approximately 40 professional qualifications.

We also host lectures and webinars that are open to all employees, regardless of organization or position, encouraging continuous learning, knowledge sharing, and the development of a growth-oriented culture.

■ Strategic Talent Mobility and Job Rotation
— Supporting Growth and Career Development —

Leveraging the strengths of the SBI Group as a comprehensive financial services group, we actively promote talent mobility across the Group. Through job rotations, internal transfers, and intercompany assignments, while respecting individual career aspirations, we provide employees with diverse development opportunities, foster Group-wide collaboration and synergies, and place talent where it can create the greatest value.

Empower — Providing Opportunities and an Environment that Inspire Engagement —

We support employees in realizing their full potential through self-directed career development opportunities and fair, transparent evaluation and compensation systems. By fostering motivation, engagement, and a sense of ownership, we aim to strengthen the Group's collective expertise and competitiveness while reinforcing the human capital foundation that supports sustainable value creation.

■ Career Development Support

We support employees' career development through regular HR interviews that align talent deployment and development with individual career aspirations, performance, and experience. In addition, the Career & Life Support Desk provides personalized guidance to help employees balance career development with major life events and changing personal circumstances.

Since FY2025, we have further strengthened these efforts through dedicated intranet portals for training and career development. These platforms provide employees with greater visibility into training programs, potential career paths, and the skills and competencies required across different functions, empowering them to take greater ownership of their professional growth and career development.

■ Fair Evaluation and Compensation

The Group promotes personnel management based on ability and performance, including salary increases and promotions, without regard to age, gender, nationality, race, sexual orientation, gender identity, or disability status. In April 2025, we removed the upper age limit for the reemployment of retired employees and introduced a more flexible defined contribution (DC) pension plan to better support diverse career paths and evolving work styles.

■ Diverse Career Paths

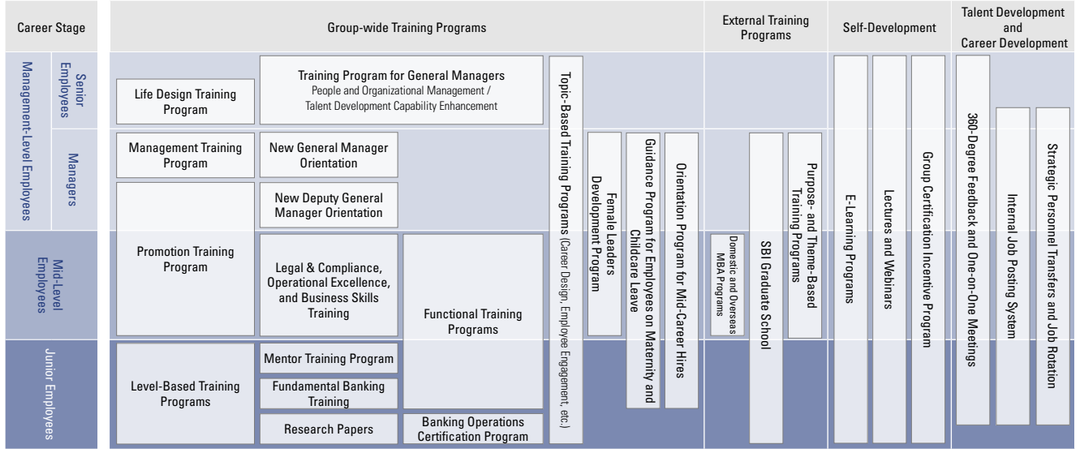
We offer both management and specialist career tracks, enabling employees to pursue leadership positions or deepen their professional expertise in their chosen fields. In FY2025, we enhanced the career framework for IT professionals by clarifying career progression pathways and aligning evaluation and compensation systems with each stage of professional development. We also established dedicated recruitment tracks for talent specializing in digital strategy and data analytics to support the Group's digital transformation initiatives.

In addition, SBI Shinsei Bank was among the first banks in Japan to introduce side-job and dual-employment programs. By encouraging employees to acquire experience, knowledge, and perspectives outside the Group, we support individual growth while fostering innovation and organizational agility. As of March 31, 2026, 126 employees across the Group were engaged in side jobs or dual employment arrangements.

■ Diverse Career Opportunities

We support self-directed career development through a Group-wide internal job posting program, which enables employees to take on new challenges and expand their career opportunities across the Group. During FY2025 (April 2025 to March 2026), 42 employees transitioned to new roles through this program.

Talent Development Framework

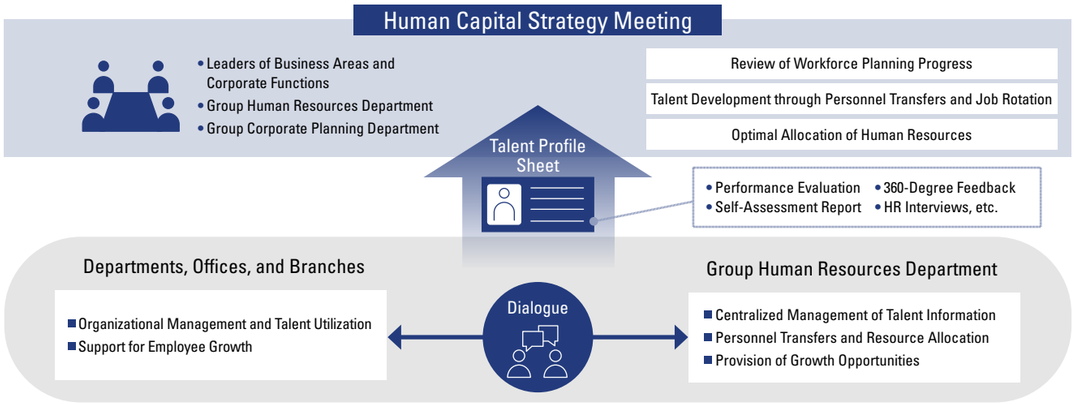


Enhancing Human Capital Management

Initiatives to Strengthen Human Capital Management

Since FY2024, we have convened the Human Capital Strategy Council to strengthen the strategic management of human capital across the Group and further enhance talent development. The Council brings together leaders from business units, corporate functions, and the Group Human Resources Department to advance talent management aligned with the Group's business strategy.

The Council discusses initiatives such as the optimal allocation of talent and succession planning for key positions, with the aim of developing future leaders and strengthening organizational capabilities. These efforts are supported by talent profiles that consolidate information on employee performance, career aspirations, development progress, skills, and areas of expertise. By leveraging these insights, we promote more strategic talent deployment and development, ensuring that the right talent is positioned to create value and support the Group's sustainable growth.



Human Capital Targets, Metrics, and Monitoring

To enhance our human capital initiatives, we continuously monitor progress in talent acquisition, talent development, and employee engagement, and refine related programs and measures based on the results.

Employee engagement is one of our key indicators. We conduct engagement surveys twice a year to identify organizational strengths, challenges, and areas for improvement.

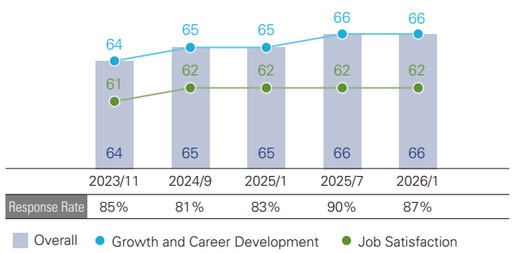
Based on the survey results, we have identified "Growth & Career" and "Job Satisfaction" as priority focus areas and monitor related indicators to assess the effectiveness of our human capital initiatives.

Since FY2025 (April 2025 to March 2026), we have strengthened support for self-directed career development and continued initiatives to enhance employee engagement. These efforts have contributed to steady improvements in related engagement scores and consistently high participation rates in employee surveys.

To foster an environment in which diverse talent can thrive, we established a new General Employer Action Plan in April 2026 under the Act on Advancement of Measures to Support Raising Next-Generation Children and the Act on Promotion of Women's Participation and Advancement in the Workplace. The plan includes targets relating to the ratio of women in management positions, the rate of childcare leave taken by male employees, paid leave utilization, and overtime hours, with progress monitored on an ongoing basis.

We also monitor a broad range of additional human capital indicators to assess the effectiveness of our initiatives and identify opportunities for further improvement. For more information, please refer to the ESG Data section (p. 93).

Implementation Status of the Engagement Survey



	2023/11	2024/9	2025/1	2025/7	2026/1
Response Rate	85%	81%	83%	90%	87%

Overall ● Growth and Career Development ● Job Satisfaction

Building an Engaging Workplace

DEIB Governance

The Group promotes Diversity, Equity, Inclusion and Belonging (DEIB) through the coordinated efforts of the Group Human Resources Department, the Diversity Promotion Office, and the Group Diversity & Inclusion Committee. Together, these functions work to create an environment in which employees with diverse backgrounds, experiences, and perspectives can fully realize their potential and contribute to value creation.

The Group Diversity & Inclusion Committee, comprising business leaders and executives from across the Group, oversees the planning and promotion of DEIB initiatives while monitoring progress and sharing key challenges. In addition, D&I working groups have been established within individual organizations to advance initiatives tailored to local needs and facilitate the sharing of best practices across the Group.

To reinforce accountability and execution, diversity-related objectives are incorporated into the performance goals of managers with direct reports.

Promoting Diverse Talent

We are committed to fostering an environment where employees with diverse backgrounds, strengths, and perspectives can thrive and contribute to sustainable value creation.

As part of our efforts to empower women, we hold an annual Women's Week around International Women's Day, featuring events, seminars, and networking opportunities for female leaders and employees.

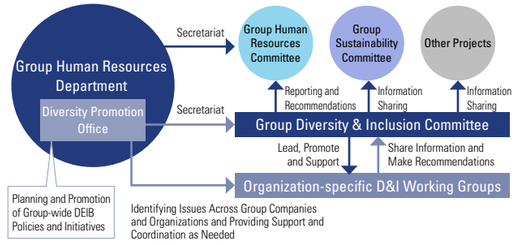
We also promote an inclusive workplace for LGBTQ+ employees through dedicated policies, employee benefits, consultation services, and ally programs. In addition, LGBTQ+ awareness training is provided during Pride Month to foster understanding and inclusion across the organization.

Employees with disabilities also play active roles across a wide range of functions and workplaces throughout the Group.

Planned Development of Women Leaders

The Group recognizes diversity in leadership and decision-making positions as a key management priority and is committed to strengthening the pipeline of future leaders. As of March 31, 2026, women accounted for 22.3% of management positions across the Group, and we have established and disclosed medium- to long-term targets to further increase this ratio. To expand the pool of future management candidates, we provide structured development programs that support leadership development and professional growth regardless of gender. These initiatives include Career Leadership Training, which encourages employees to take ownership of their career development, as well as Logical Thinking Training and other elective programs designed to strengthen business, management, and leadership capabilities.

Governance and Promotion Structure



Diverse Work Arrangements

We offer flexible work arrangements that enable employees to balance their careers with changing life stages and personal circumstances. Through our Flexible Working Program, employees can choose from a range of options related to working hours, work schedules, leave arrangements, and extended leave programs. We also support employees in balancing work with parenting and caregiving responsibilities through initiatives such as Hagukumi Leave and seminars focused on managing both work and eldercare responsibilities.

Diverse Working Arrangements

Work Schedule (Days)	Three- and Four-Day Workweek Programs
Working Hours	Flexible Start and Finish Time Program / Flexible Working Hours System (Flex-Time System) / Super Flex-Time System / Life Support Reduced Working Hours Program
Leave and Absence Programs	Childcare Leave / Family Care Leave / Life Support Leave Program / Hagukumi Leave *(company-specific leave program)*
Work Location	Work-from-Home Program

Health and Well-Being

Recognizing employee health and well-being as a foundation of sustainable growth, the Group promotes health management through collaboration with related committees, the health insurance association, and occupational health professionals.

We also maintain a safe workplace and support employees' physical and mental well-being.

Five Capitals – Intellectual Capital

Intellectual capital comprises the SBI Shinsei Bank Group's intangible knowledge assets that support long-term value creation and sustainable growth. We regard these assets as a key source of competitive advantage, underpinning both profitability and future growth. Through collaboration within the Group and with the broader SBI Group ecosystem, as well as through business activities spanning multiple regions and industries, we have accumulated deep expertise in industry structures, business models, and risk characteristics. This expertise is embedded in our proprietary know-how, data, technology, business processes, IT architecture, and operational capabilities, as well as in our ability to continuously enhance and leverage these assets.

Building a Next-Generation Core Banking Platform to Advance the "Fourth Megabank Concept"

The renewal of the SBI Shinsei Bank Group's core banking system is a key initiative for strengthening and leveraging our intellectual capital. Scheduled for launch in 2030, the project is far more than a system replacement. It represents a comprehensive redesign of the Group's accumulated expertise in business process design, regulatory compliance, and the definition of business and technology requirements for a digital-first era.

The new platform is designed not only for SBI Shinsei Bank but also as a shared infrastructure for the SBI Group and regional financial institutions. Building on the concepts and expertise developed through the "Next-Generation Banking System," which has already been adopted by several regional financial institutions, the platform will strengthen the Group's role as a wide-area regional financial platform.

■ Key Challenges of the Current System

The current core banking system has supported stable operations for many years and played an important role in the Group's business development. However, its increasingly complex and opaque architecture has made system enhancements and regulatory compliance updates more costly and time-consuming, requiring extensive testing and limiting operational agility.

In addition, the expansion of peripheral systems over time has increased the complexity of system interconnections. The use of an overseas package-based architecture has also led to fragmentation between business processes and system functions, reducing operational efficiency and flexibility.

The Group recognizes these structural challenges as a significant management issue and is addressing them through the development of a next-generation core banking platform designed to support future growth, innovation, and enhanced customer service.

■ Design Concept and Development Approach

To address these challenges, the next-generation core banking system will be built entirely on Amazon Web Services (AWS) and will adopt a loosely coupled architecture that enables individual functions to operate with minimal dependencies. This design will improve responsiveness to regulatory changes and new product development while facilitating more flexible collaboration with Group companies and external partners.

The project will also modernize the Group's data platform by establishing an integrated architecture that aligns business processes, data, and technology. This will provide a robust foundation for advanced data utilization, operational innovation, and the development of new business opportunities.

Development is guided by the principles of "Fit to Standard" and "Shift Left." By involving business divisions from the earliest stages of requirements definition, the project promotes the upfront standardization of processes and rules, reducing rework and enhancing both development efficiency and quality. The initiative is being advanced in collaboration with Future Architect, SBI Holdings, and SBI Regional Banking Systems. By incorporating expertise gained through the design and operation of shared platforms for regional financial institutions, the SBI Group is pursuing this initiative as a strategic Group-wide project with future shared utilization in mind.

Through this initiative, the Group aims to further strengthen its intellectual capital and enhance its integration with human capital and social and relationship capital, thereby supporting sustainable corporate value creation.

More than a technology upgrade, the new platform will serve as a foundation for capturing, sharing, and continuously enhancing the expertise, knowledge, and judgment accumulated across the Group, thereby enabling the Group to leverage these capabilities more effectively across the organization.



Responding to Change
Rapidly implementing regulatory requirements and new product offerings

DX / CX
Accelerating business transformation and enhancing customer experience

Scalability
Supporting new business initiatives through flexible API-based integration

Cost Optimization
Converting fixed costs into variable costs, creating greater capacity for growth investments and financing activities

- ✓ Designed as a shared platform for regional financial institutions across Japan
- ✓ Enables rapid and cost-efficient collaboration by leveraging SBI Shinsei Bank Group's expertise and know-how
- ✓ Eliminates vendor lock-in and supports the sustainable evolution of regional financial institutions

Business Succession Expertise at Shinsei Business Succession

SBI Shinsei Bank Group supports SMEs facing succession challenges by leveraging the expertise and judgment it has developed through business assessments and management support. These capabilities represent an important part of the Group's intellectual capital.

Shinsei Business Succession, the Group's investment-focused subsidiary, applies this expertise to support the transfer of businesses, management capabilities, and organizational foundations to the next generation. Rather than viewing succession as a one-time transaction, it focuses on preserving and enhancing corporate value through comprehensive assessments of financial performance, business competitiveness, governance, and organizational strength. This approach enables solutions for a broad range of succession needs, including cases that are difficult to address through conventional M&A transactions.

The company also supports governance enhancement, management improvement, and organizational development to establish a foundation for sustainable growth after succession. In some cases, it participates in management as a shareholder before transferring ownership to a successor best aligned with the company's characteristics and growth strategy. Through these activities, Shinsei Business Succession continues to strengthen the Group's intellectual capital while helping clients achieve successful business succession.

Case Study **Business Succession Support for SP Pack Co., Ltd.**

In 2023, Shinsei Business Succession acquired SP Pack Co., Ltd., a company engaged in the planning, manufacturing, and sale of shopping bags, and supported its business succession. While the company had a solid business foundation built on strong planning capabilities and product quality, strengthening its management structure for future growth remained a key challenge.

As a shareholder, Shinsei Business Succession worked to enhance corporate value and strengthen the business foundation. In February 2026, it transferred all shares to Orikane Co., Ltd., a company operating in the food packaging materials industry, based on the strong strategic fit and expected synergies between the two companies and their potential to support SP Pack's long-term growth.

This case highlights how the Group's intellectual capital, including expertise in business assessment, succession planning, and sponsor selection, contributed to successful business succession and sustainable growth.

COMMENT

A Succession Solution Aligned with the Owner's Vision

In this case, the challenge extended beyond maximizing shareholder value. It was equally important to identify a successor to whom the owner could confidently entrust the business. In addition to business compatibility, cultural fit and the ability to maintain strong relationships with employees and customers were key considerations. Through close dialogue with all stakeholders, we were able to achieve a succession solution that earned broad support and ensured the company's continued growth.



Yuko Matsuo (right)
Business Succession Finance Department, SBI Shinsei Bank

Five Capitals – Social and Relationship Capital

All of the SBI Shinsei Bank Group's activities are founded on relationships with a wide range of stakeholders. As a member of society, we recognize our social responsibility and strive to meet stakeholder expectations while contributing to the sustainable development of society. Through these relationships, we accumulate social and relational capital. By leveraging this capital, we drive innovation, enhance profitability and sustainable growth, and reduce our cost of capital through ongoing engagement with stakeholders.

Customers	Shareholders	Employees
The SBI Group is committed to its "Customer-centric Principle," under which it develops innovative products and services designed to enhance customer convenience and strengthen customer trust. For more information on our customer-oriented business operations, please refer to page 32.	Shareholders are providers of capital and play an essential role in supporting and enhancing our corporate value. We engage with our shareholders through timely and appropriate disclosure and ongoing dialogue. For further details, please refer to page 66.	Our employees are essential to advancing next-generation finance, and we are committed to further enhancing our human capital management initiatives. For further details, please refer to page 69.
Business Partners	**Regional Communities**	**Nature Capital**
We collaborate with regional financial institutions and strategic partners to contribute to the sustainable development of regional communities and industries. Through these partnerships, we create social and economic value that extends beyond the capital within our organization. For further details, please refer to pages 19 and 27.	Coexistence with the communities in which we operate is essential to our business activities and is also one of our key elements of regional revitalization initiatives. For specific activities, please refer to the topics below.	Our business activities, as well as those of the companies and projects we finance and invest in, depend on natural capital. For further details, please refer to page 79.

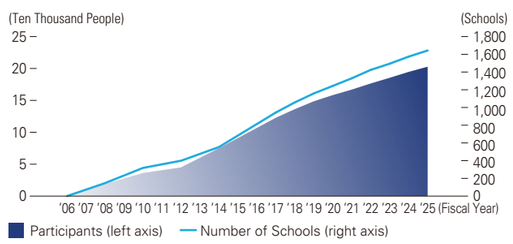
Community and Local Engagement Initiatives

To be recognized as a responsible corporate citizen and to foster innovation through an understanding of society's needs, the SBI Shinsei Bank Group builds and maintains strong relationships with local communities.

■ Approach to Corporate Social Responsibility

We define corporate social responsibility as initiatives that create positive social impact and contribute to the realization of a sustainable society while encouraging employees to engage with a shared sense of purpose and commitment.

Cumulative Results of "MoneyConnection®"



Concept	Employee participation driven by shared commitment	Priority Areas	Promoting social diversity (including the development of future generations)
	Positive impact on a sustainable society		Community engagement
			Environmental conservation
			+ Collaboration with the SBI Group

▶ Financial Literacy Program "MoneyConnection®"

Social Impact
- Helping prevent unemployment among young people

Impact on the SBI Shinsei Bank Group
- Understanding the perspectives, needs, and social challenges of future generations
- Enhancing employees' listening and customer engagement skills

Launched in 2006 and jointly developed with NPO Sodateage Net, MoneyConnection® is Japan's first workshop-style financial literacy program aimed at supporting youth independence. The program has continued for 20 years and has reached more than 200,000 participants.

Through simulations of work and household finances, primarily for high school students, the program encourages participants to think about employment, income, and independent living. In FY2025 (April 2025 – March 2026), 8,095 students at 69 schools participated.

SBI Shinsei Bank Group employees also support the program as volunteer facilitators. In FY2025, 43 employees participated across 10 schools.

▶ Financial Literacy Improvement Consortium

Social Impact
- Promoting financial literacy among young people

Impact on the SBI Shinsei Bank Group
- Understanding the perspectives, needs, and social challenges of future generations
- Strengthening employees' listening and customer engagement skills

In response to the increasing number of financial challenges faced by young people, Shinsei Financial partnered with the Japan Financial Services Association and three major consumer finance companies to establish the Financial Literacy Improvement Consortium. Through this initiative, instructors provide financial education at schools and universities. Shinsei Financial also trains and certifies its own instructors, who share practical, experience-based knowledge to help young people strengthen their financial literacy and avoid financial difficulties.

▶ Local Community and Environment Initiatives

Social Impact
- Environmental conservation

Impact on the SBI Shinsei Bank Group
- Understanding of environmental and social issues
- Stronger relationships with local communities
- Enhanced employee well-being

We participate in local environmental initiatives to contribute to environmental conservation. Through these activities, we deepen our understanding of environmental and social issues, strengthen our relationships with local communities, and enhance employee well-being through opportunities for family participation.


Riverbank clean-up activities


Forest conservation activities


Community beautification initiatives in the Nihonbashi area

▶ Orange Ribbon Campaign

Social Impact
- Supporting children's independence and welfare

Impact on the SBI Shinsei Bank Group
- Understanding of social issues
- Pursuit of knowledge

As part of the Orange Ribbon Campaign, a child abuse prevention initiative promoted by Japan's Children and Families Agency, the SBI Group conducts a range of activities aimed at supporting children's independence and enhancing child welfare. These activities include charity events for children affected by abuse and educational seminars that help raise awareness of child abuse and related social challenges.

Five Capitals – Natural Capital

The SBI Shinsei Bank Group's business activities, as well as those of its borrowers and investees, depend on natural capital. Through our lending and investment activities, we also have indirect impacts on natural capital. We recognize climate change, biodiversity loss, and ecosystem conservation as closely interconnected issues and address them in an integrated manner as key sustainability-related risks and opportunities.

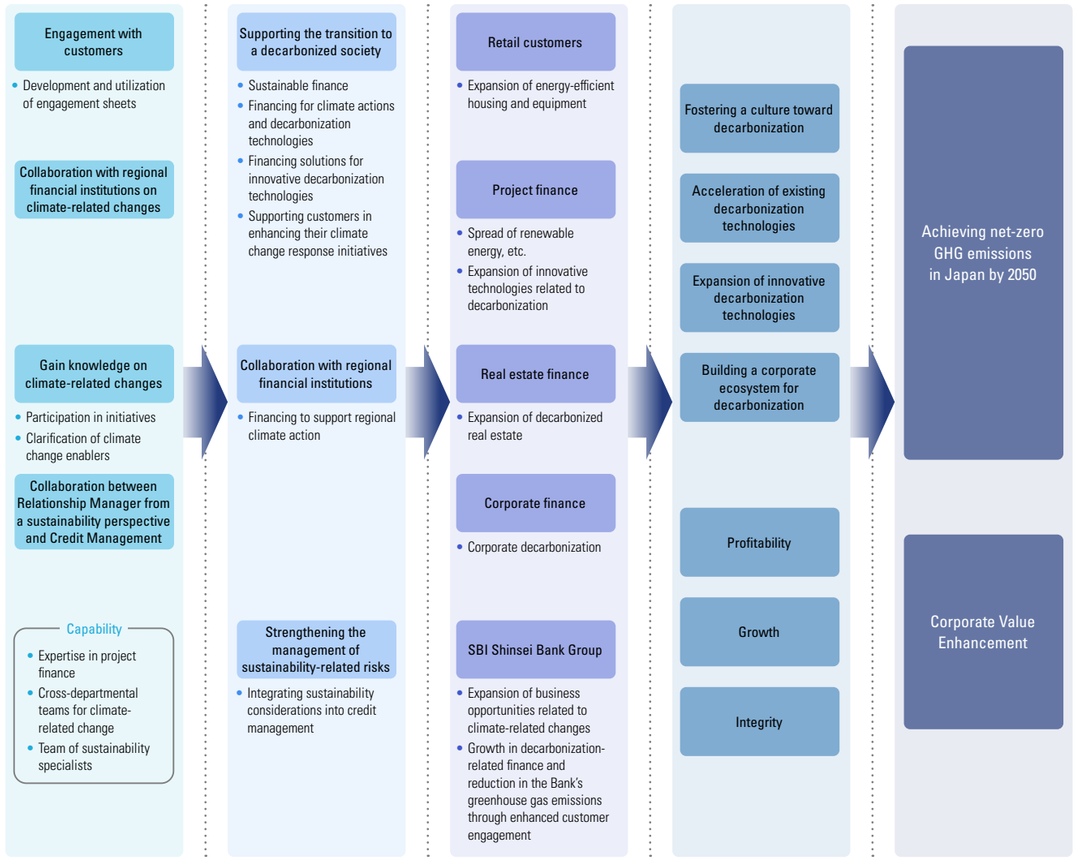
For information on our governance framework for sustainability-related issues, including climate change, please refer to "Sustainability Management" (P. 83).

Strategy

Climate Change-Related Risks and Opportunities

We identify material sustainability-related risks and opportunities across our value chain with reference to various external guidelines (for details, refer to "Sustainability Management," P. 83). We recognize both transition risks and physical risks as key climate change-related risks.

At the same time, we view rising customer demand for climate change solutions as a significant business opportunity and support these needs through financing and other financial services.



Specific Initiatives

1. Advancing Sustainable Finance

SBI Shinsei Bank actively promotes sustainable finance through initiatives such as its Green Finance Framework. The Bank's dedicated Sustainable Impact Assessment Department is responsible for developing and updating framework standards and assessing the eligibility of transactions. Since its establishment in 2020, the department has arranged 122 transactions totaling JPY 521.4 billion.

The Group also contributes to addressing climate change through a broad range of businesses, including renewable energy project finance, financing for environmentally friendly vessels and green buildings (ZEH / ZEB), circular economy-related services, and small-scale financing solutions such as solar panel shopping credits.

Recognizing that traditional sustainable finance alone may not be sufficient to support customers' long-term value creation or the transition to a sustainable society, we are exploring new approaches to accelerating transformation across corporate activities and value chains. As part of these efforts, we have published concept papers, including the "Map of Sustainability Challenges" and the SBI Shinsei Enabler / Accelerator Model, which provide frameworks for supporting businesses that generate a positive environmental and social impact.

2. Supporting the Transition to a Decarbonized Society

We promote climate transition finance through both our own financing frameworks and those of our customers, supporting their transition toward a decarbonized society. We also continue the activities of our cross-functional Transition Taskforce, which enhances customer engagement by sharing transition-related insights across business, credit, and sustainability functions. During FY2025 (April 2025 to March 2026), we intensified engagement with customers in high-emitting sectors through the use of an Engagement Sheet. We view post-financing engagement as a key activity that supports both societal decarbonization and the Group's risk management objectives. In addition, we strengthened our organizational capabilities through employee training and the enhancement of internal policies and processes.

3. Exploring New Climate Finance Opportunities

We have built a leading position in structured finance through initiatives such as financing for environmentally friendly vessels and green real estate. Beyond these established areas, we are exploring financing opportunities in emerging climate-related sectors, including large-scale offshore wind projects, battery storage infrastructure, and next-generation fuels such as hydrogen and ammonia.

4. Strengthening Climate-Related Business and Risk Management

We support our customers' climate change initiatives through financing while carefully considering the impacts of our activities on natural capital. Under our Responsible Investment and Lending Policy, environmental and social considerations are incorporated into investment and financing decisions. To address evolving environmental and social challenges, we continue to strengthen our risk management framework by enhancing collaboration between our credit and sustainability functions throughout the investment and lending process. Material issues are reviewed and discussed by the Group Sustainability Committee as appropriate.

Sector-Based Assessment of Climate-Related Risks

Based on the results of qualitative assessments and exposure levels, we identify priority sectors and asset classes and conduct more detailed analysis through quantitative assessments and other risk evaluation methods.

Climate Change Risk Heatmap by Sector

	Portfolio of investments and lending to	Transition risk	Physical risk	Exposure
Business corporations, etc.	Oil, gas, and coal	High*	Low*	Medium
	Electric power	High*	Low*	High
	Shipping and air transportation	High*	Medium	Medium
	Land transportation	Medium	Medium	Low
	Automobiles	Medium	Medium	Low
	Metals and mining	High	Medium	Low
	Chemical	High	Medium	Low
	Construction materials and capital goods	Medium	Medium	Medium
	Real estate management and development	Low	Low*	High
	Beverages and foods	Medium	Medium	Low
	Paper and forestry	High	Medium	Low
Individuals	Housing loans	Low	Medium*	High
	Consumer finance	Low	Medium*	High

* Quantification is done for almost all or some part of the targeted industries.

Five Capitals – Natural Capital

Scenario Analysis

We recognize climate change as a material management issue and conduct scenario analyses to assess related risks and opportunities. In light of the global transition toward a below-2°C pathway, we evaluate the potential impacts on our business and assess the effectiveness of our response measures and preparedness.

To identify sectors with material climate-related impacts on the Group, we assess risks across industries and determine their significance based on the composition of our investment and lending portfolio.

We have quantified physical risks associated with domestic real estate non-recourse loans, housing loans, domestic project finance, and unsecured consumer loans of Shinsei Financial. We have also quantified transition risks in the power utility, oil and gas, and shipping sectors.

We will continue to monitor climate-related risks, expand the scope of our analyses, and support the transition to a decarbonized society through our financing and investment activities.

Scenario Analysis Table

	Physical risk	Transition risk
Scenario	IPCC Fifth Assessment Report RCP2.6 (2°C scenario) / 8.5 (4°C scenario)	NGFS Net Zero 2050 (1.5°C), Delayed Transition, Current Policies
Target period	Year 2050	Year 2050
Risk events	Impairment of collateral value due to flooding, occurrence of defaults	Business / financial deterioration of investment and lending companies due to the transition to a decarbonized society, occurrence of defaults
Target business	Domestic real estate non-recourse loans, domestic project finance, housing loans, and unsecured loans and personal unsecured loans of Shinsei Financial	Electric Power Utilities, Oil and Gas, Shipping
Financial impact	Cumulative credit cost impact of around JPY 5.5 billion to JPY 9 billion	Cumulative credit cost impact of around JPY 8.5 billion to JPY 32 billion

Risk Management

The Group Sustainability Committee discusses climate-related risks and opportunities, including progress toward sustainable finance targets, the activities of the Transition Task Force, implementation of the Responsible Investment and Lending Policy, and the results of climate-related analyses. Through these discussions, the Committee reviews key strategic priorities, risks, and challenges. Matters requiring approval are submitted to the Group Executive Committee for resolution, while significant sustainability-related issues are reported to the Board of Directors as appropriate.

Metrics and Targets

■ Greenhouse Gas Emissions of the Group

The Group generates greenhouse gas (GHG) emissions through both its business operations and its investment and lending activities, each of which has an impact on climate change.

Greenhouse Gas Emissions (Unit: t-CO_2e)

Scope and Category	FY2025
Scope 1	884
Scope 2	6,833
Scope 1 + 2	7,717
Scope 3 Category 6	2,286
Scope 3 Category 7	1,631

Climate Change Initiatives: https://corp.sbishinseibank.co.jp/en/sustainability/activity/environment.html

Scope 3 Category 15 (FY2025)

	Loan balance (Billion yen)	Share (%)	GHG Emissions (t-CO_2e)			Data Quality Score		Coverage (%)
			Scope 1 + 2	Scope 3	Total	Scope 1 + 2	Scope 3	
Listed Equity and Corporate Bonds	132.1	1.40	33.7	172.0	205.7	2.7	2.3	60.99
Business Loans and Unlisted Equity	4,161.9	44.16	5,542.7	9,313.9	14,856.7	2.4	0.7	87.62
Project Finance	562.9	5.97	766.9	339.6	1,106.4	3.0	4.0	89.73
Commercial Real Estate	950.3	10.08	240.7	—	240.7	4.4	—	100.00
Mortgages	1,549.4	16.44	107.5	—	107.5	4.1	—	100.00
Sovereign Debt	2,067.0	21.93	3.0	—	3.0	1.0	—	99.99

(Note) SBI Shinsei Bank stand-alone. For an overview of the calculation, please refer to our website (https://corp.sbishinseibank.co.jp/en/sustainability/activity/environment.html).

Financed Emissions (FY2025)

		Loan balance (Billion yen)	Share (%)	GHG Emissions (t-CO_2e)			Data Quality Score		Coverage (%)
				Scope 1 + 2	Scope 3	Total	Scope 1 + 2	Scope 3	
Energy	Coal and Mining	10.74	0.11	22	186	208	1.05	2.09	100.00
	Electric power	660.13	7.00	2,621	1,021	3,643	2.26	3.31	95.09
	Oil and gas	68.57	0.73	100	206	307	3.23	3.51	90.63
Manufacturing	Automobiles	33.14	0.35	13	353	366	1.43	2.17	100.00
	Cement	12.78	0.14	1,127	105	1,232	1.90	2.05	99.77
	Chemical	179.93	1.91	524	1,812	2,336	1.58	2.23	97.30
	Steel	39.04	0.41	789	423	1,213	1.45	2.20	100.00
	Metals and Mining	43.68	0.46	34	255	290	1.58	2.09	100.00
	Building materials	63.77	0.68	17	241	258	2.05	2.60	93.42
	Pulp and Forestry	45.16	0.48	142	124	266	1.37	1.61	100.00
	Capital Goods	23.93	0.25	22	97	119	1.80	2.04	100.00
	Food	45.02	0.48	68	384	453	2.03	2.59	100.00
	Others	111.42	1.18	62	1,028	1,090	1.89	2.51	96.87
Transportation	Transportation	158.09	1.68	99	151	250	2.57	2.98	92.21
	Shipping	20.75	0.22	98	90	188	3.08	3.09	84.79
	Train	93.66	0.99	20	75	96	1.91	2.48	100.00
Services	Real Estate	1,321.86	14.03	226	213	439	3.06	0.01	98.20
	Others	3,112.41	33.03	598	3,059	3,657	2.90	0.23	82.91
	Public	1,837.00	19.49	3	—	3	1.00	—	100.00
Individual	Individual	1,542.60	16.37	107	—	107	4.13	—	100.00

(Note) SBI Shinsei Bank stand-alone. For an overview of the calculation, please refer to our website (https://corp.sbishinseibank.co.jp/en/sustainability/activity/environment.html).

Climate Change-Related Targets

The Group has established climate-related targets to support the transition to a decarbonized society. These include achieving net-zero greenhouse gas (GHG) emissions from its own operations by the end of FY2030, reducing project finance exposure to coal-fired power generation to zero by the end of FY2040, and achieving net-zero GHG emissions across its investment and lending portfolio by the end of FY2050. In addition, the Group aims to achieve cumulative sustainable finance origination of JPY 5 trillion by FY2030, including financing provided under the SBI Shinsei Bank Group Green Finance Framework and renewable energy-related financing.

Sustainability Management

Message from the CSO

Sustainability Management at the SBI Shinsei Bank Group

The SBI Shinsei Bank Group defines sustainability management as the pursuit of a virtuous cycle between "creating long-term value for the environment, society, and our customers through our business activities" and "achieving the Group's sustainable growth." We view sustainability as an integral part of management, addressing environmental and social challenges through our business while enhancing corporate value.

By creating positive impact through finance and expanding opportunities for future generations, we contribute to a more sustainable society. These initiatives strengthen the Group's profitability, growth, and integrity, supporting long-term corporate value. This approach reflects the Group's sustainability philosophy and the virtuous cycle framework described in our sustainability disclosures.



Masanobu Ogura
Chief Sustainability Officer (CSO)
Managing Executive Officer & Director

Governance

The SBI Shinsei Bank Group promotes sustainability management under the oversight of the Board of Directors, with key decisions made by the Group Executive Committee. As one of the Group's principal management committees, the Group Sustainability Committee has been established and is chaired by the Chief Sustainability Officer (CSO), with the Senior Sustainability Officer serving as Vice Chair. The Committee is composed primarily of the President and CEO of SBI Shinsei Bank and members of the Group Executive Committee. The Committee convened six times during FY2025 (April 2025 to March 2026). The Committee regularly reports on sustainability management initiatives to the Board of Directors and the Group Executive Committee and submits significant matters for their deliberation and approval. In addition, the Sustainability & Communication Division has been established within the Group Headquarters to plan, develop and promote sustainability management initiatives. Sustainability functions embedded within each business segment, together with subcommittees operating under the Group Sustainability Committee, further strengthen the Group's sustainability management framework.

Group Sustainability Management Framework



Enhancement of Sustainability Management

Response to Sustainability Disclosure Standards

SBI Shinsei Bank was relisted on the Tokyo Stock Exchange in December 2025. As of March 31, 2026, its market capitalization exceeded 1 trillion yen. If this level is maintained, the Group will be required to comply with the sustainability disclosure standards issued by the Sustainability Standards Board of Japan (SSBJ) beginning in FY2027 (the fiscal year ending March 2028). To seize this opportunity to further advance sustainability management, enhance the reliability and transparency of disclosures, and strengthen corporate value, the Group established a cross-functional project team in FY2025 to prepare for compliance with the SSBJ standards. The team is working across the organization to identify and address key issues and advance sustainability management.

Examples of Agenda Items Discussed by the Group Sustainability Committee in FY2025

Meeting Date	Matters Deliberated
June 10, 2025	• Gap analysis against the Sustainability Standards Board of Japan (SSBJ) disclosure standards • Development of a logic model linking the Group's businesses, social impact, and enhancement of corporate value • Update on discussions within the Human Capital Working Group on human capital management and responses to the SSBJ disclosure standards • Progress report on sustainability management initiatives
September 24, 2025	• Report on the results of the gap analysis conducted in preparation for compliance with the SSBJ Disclosure Standards and the corresponding implementation roadmap
December 30, 2025	• Sustainability-related risks and opportunities associated with compliance with the SSBJ Disclosure Standards • Formation of the SSBJ Compliance Project Team • Report on the results of environmental impact assessment based on the Poseidon Principles • Report on compliance with the "Responsible Investment and Lending Policy"
February 10, 2026	• Consultation on individual matters
March 10, 2026	• Business promotion and operating structure • Concept paper for the advancement of sustainable and impact finance • Sustainability-related risks and opportunities associated with compliance with the SSBJ Disclosure Standards • Sustainability management and internal audit
March 31, 2026	• Revision of the "Responsible Investment and Lending Policy"

Strategy

■ Sustainability-Related Risks and Opportunities

To identify sustainability-related risks and opportunities, the SBI Shinsei Bank Group first assessed the business segments disclosed in its Annual Securities Report. For each segment, we calculated the average gross operating profit and total assets over the most recent five-year period and identified those segments that accounted for 5% or more of the Group total as material. Based on this assessment, we designated Corporate Banking, Structured Finance, Showa Leasing, Retail Banking, Shinsei Financial, APLUS, Overseas Business, and Securities Investments as material business segments subject to sustainability-related risks and opportunities. We also examined the value chains associated with each of these business segments.

Next, we identified potential sustainability-related risks and opportunities by referencing industry-specific SASB Standards as well as disclosures and other information relating to risk governance and risk management of SBI Holdings and other Group companies. Reference sources included publications and guidance issued by the Financial Services Agency, the Bank of Japan, the Ministry of the Environment, the United Nations, and industry associations relevant to the Group's businesses, as well as sustainability disclosures published by peer companies. After assessing the potential financial impacts and likelihood of occurrence of these risks and opportunities, we identified those to be material to the Group.

As a result of this assessment, "Climate Change and Natural Capital," "Human Capital," "Respect for Human Rights," "Regional Revitalization and Personal Asset Building," "Compliance and Corporate Ethics," "Cybersecurity," and "Digital Technology" have been identified as key sustainability-related risks and opportunities.

While strengthening compliance with the specific requirements of the standards is important, it is equally essential that all employees understand both the Group's approach to sustainability management and the objectives of sustainability-related disclosures. Accordingly, the Group Risk Management Division and the Sustainability & Communication Division have been working together to provide employees with information and communications related to sustainability disclosures. Through these initiatives, we will continue to deepen understanding of sustainability management and foster greater engagement across the SBI Shinsei Bank Group.



Sustainability Management

Sustainability-related Risks and Opportunities

Topic	Risk / Opportunity	Identified Material Risks and Opportunities	Time Horizon	Financial Impact	Likelihood
Climate Change / Natural Capital	Risk	**Transition Risk** Delays by borrowers in responding to changes in climate-related policies, regulations, needs, and technologies may increase credit risk.	Medium / Long	High	High
	Risk	**Physical Risk** Natural disasters caused by climate change may increase credit risk among borrowers.	Short / Medium / Long	Medium	High
	Opportunity	**Climate-Related Business** Growing needs related to climate change may expand revenue opportunities through strategic investment.	Medium / Long	Medium	High
	Risk	**Biodiversity Risk** The degradation of biodiversity may adversely affect borrowers' businesses and lead to deterioration in credit risk.	Medium / Long	Medium	High
Human Capital	Risk	**Delayed Response to Human Capital Management** Delays may lead to administrative sanctions or litigation, lower employee productivity, and difficulty recruiting talent, affecting the earnings base and operations.	Short / Medium / Long	High	High
	Opportunity	**Advancement of Human Capital Management** Stronger human capital management may enhance recruitment, reduce excessive risk-taking, and improve productivity.	Short / Medium / Long	High	High
Respect for Human Rights	Risk	**Human Rights Violations Involving Employees** Internal human rights violations may lead to costs associated with administrative sanctions or litigation, lower motivation, customer attrition, and higher recruitment costs.	Short / Medium	High	Medium
	Risk	**Human Rights Violations at Borrowers and Other Business Partners** Human rights violations at borrowers may increase the Group's reputational risk through credit risk or termination of business relationships.	Short / Medium	High	Medium
Regional Revitalization / Individual Asset Building	Opportunity	**Opportunities in Regional Economies** Addressing regional economic contraction caused by population decline through business succession support and strategic investment may expand revenue opportunities.	Short / Medium	Medium	High
	Opportunity	**Improving Customers' Financial Literacy** Higher customer financial literacy may expand customer acquisition and revenue opportunities while enhancing brand value.	Short / Medium	Medium	High
Compliance / Corporate Ethics	Risk	**Compliance with Laws and Regulations** Given the highly regulated nature of the financial industry, legal or regulatory violations may cause significant monetary losses and reduced revenue through reputational damage.	Short / Medium	High	Medium
	Opportunity	**Opportunities from Sophisticated Governance** A sophisticated internal control framework may strengthen relationships with customers and investors, reduce funding costs, and create long-term business opportunities.	Short / Medium	High	High
	Risk	**Inadequate Governance** Insufficient transparency in organizational operations or inadequate supervision may encourage excessive risk-taking, resulting in significant losses, legal sanctions, and reputational damage.	Short / Medium	High	Medium
Cybersecurity	Risk	**Information Leakage** Information leakage may generate response costs, erode customer trust, and reduce profitability.	Short / Medium	High	High
Digital Technology	Opportunity	**Opportunities from Technological Advancement** Use of digital technologies and AI may reduce costs and expand revenue opportunities.	Short / Medium	Medium	High

Definitions of Time Horizon, Financial Impact, and Likelihood

Time Horizon	Long-term	Potential financial impact may arise from a long-term perspective, such as from 2030 onward.
	Medium-term	Potential financial impact may arise over approximately the next three years.
	Short-term	Potential financial impact may arise by the next fiscal year.
Financial Impact	High	Based on consideration of the resources and relationships on which the company depends or affects, the risk or opportunity is expected to have a relatively significant impact on the company's financial outlook.
	Medium	Other than High or Low.
	Low	Based on consideration of the resources and relationships on which the company depends or affects, the risk or opportunity is expected to have little or no relative impact on the company's financial outlook, or the impact is not considered material.
Likelihood	High	The risk or opportunity has already materialized or is highly likely to materialize.
	Medium	There is a reasonable possibility that the risk or opportunity will materialize.
	Low	The likelihood of the risk or opportunity materializing is low.

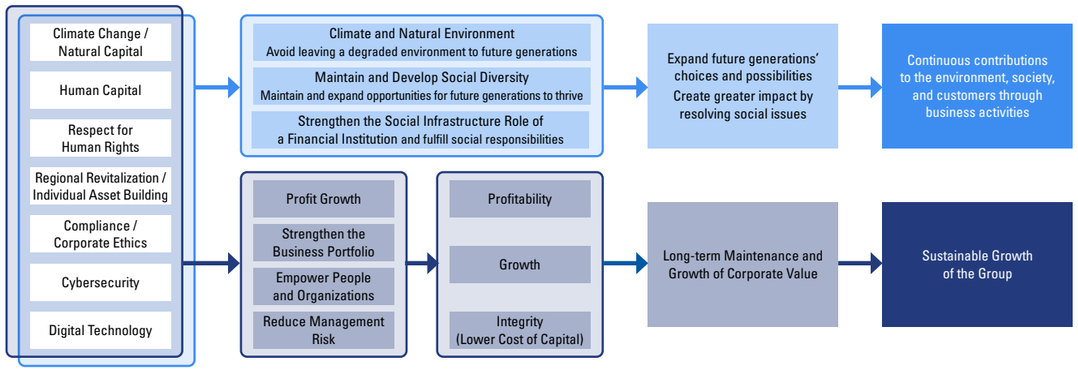
Reference Guidance	Description
SASB Standards	Industry-specific SASB standards are referenced.
Group-Related Information	Various publicly disclosed information sources, as well as information related to risk governance and risk management, across our banking group, including SBI Holdings, are referenced.
Published Information from Government Agencies and Industry Associations	Various information sources published by organizations such as the Financial Services Agency, the Ministry of the Environment, the United Nations, and industry associations related to the Group's businesses are referenced.
Peer Disclosures	Information disclosed by peer companies in the same industry as the Group is referenced.

■ Relationship Between Sustainability-Related Risks and Opportunities and Sustainability Management

The diagram below illustrates how the sustainability-related risks and opportunities identified by the Group contribute to both the creation of "long-term value for the environment, society, and our customers through our business activities" and the "sustainable growth of the Group."

The implementation and advancement of strategies addressing each sustainability-related risk and opportunity contribute to preserving the climate and natural environment, fostering a diverse and inclusive society, and strengthening social infrastructure while fulfilling the responsibilities expected of a financial institution. Through these efforts, we seek to create positive impact through finance, thereby contributing to the realization of a society that expands opportunities and choices for future generations.

At the same time, by linking the implementation and advancement of these individual strategies to our Corporate Value Enhancement Logic Tree (see p. 16), we aim to preserve and enhance corporate value over the long term and achieve the sustainable growth of the SBI Shinsei Bank Group. The relationship between sustainability management and sustainable growth is also reflected in the Group's Medium-Term Management Plan, which identifies climate change initiatives, human capital management, regional revitalization, and advanced risk management as key drivers of both financial and non-financial value creation.



Sustainability Management

Specific Initiatives

1. Climate Change and Natural Capital

We have identified transition, physical, and biodiversity-related risks, while recognizing the growing demand for climate solutions as a significant business opportunity. For details, please refer to "Natural Capital" (p. 79).

To support the transition to a low-carbon economy, SBI Shinsei Bank uses the Bank of Japan's climate response financing operations. Under this framework, the Bank provided 470.3 billion yen in climate-related financing during FY2025 (April 2025 to March 2026), measured by origination amount on a non-consolidated basis.

2. Human Capital

Human capital is critical to the Group's operations. Stronger human capital management supports the Group's competitive advantage, while delays in advancing such management could erode competitiveness and create significant risk. For details, please refer to "Human Capital" (p. 69).

3. Respect for Human Rights

Basic Approach: SBI Shinsei Bank Group regards respect for human rights as fundamental to corporate social responsibility. The Group established its Human Rights Policy in 2018 and comprehensively revised it in November 2021 to reflect developments in Japan and overseas. Since then, the Group has strengthened its initiatives under the Group Human Rights Policy. For details, please refer to the policy on our website.

Governance and Management Framework: The Group's human rights governance and management framework is aligned with its sustainability management framework. The Group Human Rights Promotion Committee promotes human rights awareness across the Group through internal communication, employee education, and awareness-raising activities.

Human Rights Due Diligence: The Group conducts human rights due diligence for employees to identify, prevent, and mitigate material human rights issues.

Remedy Mechanisms (Consultation Channels): The Group provides employees with access to remedy and support through the Harassment and Human Rights Consultation Desk and Compliance Hotline.

Initiatives Related to Individual Customers: The Group offers support tailored to diverse customer needs, including assistance with writing and reading documents, communication through written notes and sign language, and remote sign-language interpretation. The Group also maintains policies and frameworks to protect personal information and prevent financial crime and money laundering.

Initiatives for Employees: Since FY2022, the Group has conducted annual human rights due diligence across the Group. Based on identified material issues, the Group considers and implements improvement measures. It also provides employee e-learning to raise human rights awareness and prevent harassment, promotes measures to prevent excessive and prolonged working hours, and has established the Group Customer Harassment Response Policy.

Human Rights Considerations in Investment and Lending Activities: Under the Group's Responsible Investment and Lending Policy and the Equator Principles adopted by SBI Shinsei Bank, the Group conducts due diligence on material human rights issues, including child labor, forced labor, and human trafficking.

4. Regional Revitalization and Individual Asset Building

Regional Revitalization: We believe that maintaining and fostering industries that are essential to regional economies and providing access to advanced financial services are critical for future generations. The SBI Shinsei Bank Group collaborates with the SBI Group, regional financial institutions, and other stakeholders to address local challenges. These efforts contribute to society and customers over the long term while creating opportunities to expand the Group's business and earnings base. For details, please refer to Special Feature 1: The Fourth Megabank Concept (p. 19).

Individual Asset Building: Enhancing customers' financial literacy helps build long-term relationships of trust with customers and creates opportunities to expand the Group's business. For details, please refer to Social and Relationship Capital (p. 77).

5. Compliance and Corporate Ethics

As a financial services provider supporting critical social infrastructure, the Group recognizes that violations of laws or regulations could undermine stakeholder trust, adversely affect the Group financially, and significantly harm society.

The Group seeks to strengthen stakeholder trust through robust governance and thereby enhance corporate value over the long term. In line with the SBI Group's Corporate Mission, the Group conducts business based on sound ethical values. The guiding principle is not merely whether an action is legal or profitable, but whether it is right and just from the perspective of social justice. For details, please refer to Corporate Governance (p. 49).

Group Human Rights Policy: https://corp.sbishinseibank.co.jp/en/sustainability/policy/human_rights.html

6. Cybersecurity

Cybersecurity incidents, including information leakage and data breaches, could increase response and remediation costs, damage stakeholder trust, and weaken the Group's business and earnings base. For details, please refer to Cybersecurity (p. 62).

7. Digital Technology

Digital technologies and artificial intelligence (AI) can improve operational efficiency, reduce costs, and create significant business opportunities. Guided by the SBI Group's principles of "Be a Financial Innovator," "Aspire to Be a New Industry Creator," and "Continual Self-Evolution," the Group seeks new opportunities through digital technologies and innovation. For details, please refer to Special Feature 2: Next-Generation Finance (p. 21).

Risk Management

The Group Sustainability Committee oversees the identification and assessment of sustainability-related risks and opportunities that are material to the Group, as well as the related strategies, metrics, and targets. In FY2025 (April 2025 to March 2026), the Committee conducted extensive discussions aimed at enhancing sustainability-related disclosures, including the identification of material sustainability-related risks and opportunities. Going forward, the Committee will continue to review these risks and opportunities and monitor the related strategies, metrics, and targets. Matters requiring formal approval are submitted to the Group Executive Committee for deliberation and resolution.

Sustainability Targets and Progress in FY2025

Goals		FY2025 Progress
Financing Solutions for Environmental and Social Issues	• Achieve cumulative sustainable finance originations of 5 trillion yen by FY2030 • Support the transition of companies in sectors with high greenhouse gas emissions	• Sustainable finance originations reached a cumulative 3.6 trillion yen since FY2022 - Strengthened dialogue with companies in high greenhouse gas-emitting sectors using engagement sheets, while sharing practical knowledge and conducting study sessions - Established rules and related internal regulations for transition finance to recommend and support customers' decarbonization initiatives, further strengthening the operating framework - Improved the speed of financial service delivery to customers by accelerating screening through the use of AI - Invested in important social infrastructure in the Middle East through financing for seawater desalination plants abroad
Providing Financial Services that Reflect Social Change and Diverse Needs	• Continue to offer customers new value and choices by using fintech and collaborating with business partners in response to social change and increasingly diverse customer values	
Contributing to Environmental and Social Solutions from a Global Perspective	• Provide financial services that leverage new technologies, both in Japan and overseas, to address environmental and social issues	
Building Flows of Funds to Resolve Environmental and Social Issues	• Offer products tailored to individual issues in order to connect capital providers with capital users around the theme of resolving environmental and social issues	
Respect for Human Rights and Enhancement of Human Capital Value	• Establish a framework to promote and manage human rights and appropriately fulfill the responsibilities expected of companies • Recognize each employee's values and individuality, and create an environment where their strengths and distinctive qualities can be fully demonstrated • Build an organization in which diversity is integrated and coexists, generating new value	• Established a target for the Group's ratio of female management in the action plan under the Act on the Promotion of Women's Active Engagement in Professional Life, and continued initiatives for talent development and organizational culture, steadily improving results • Conducted human rights due diligence for employees and implemented measures to address identified issues; establishing a human rights due diligence framework for business partners remains a future priority
Response to Climate Change	• Achieve net-zero greenhouse gas emissions from the Group's energy use by the end of FY2030 • Achieve net-zero greenhouse gas emissions in the Group's investee and financing portfolio by the end of FY2050 • Reduce the outstanding balance of project finance loans for coal-fired power generation to zero by the end of FY2040	• Switched a portion of electricity used at the Group's offices to renewable energy, contributing to reduced greenhouse gas emissions • Steadily reduced the outstanding balance of project finance loans for coal-fired power generation
Promotion of Social Contribution Activities	• Create and visualize social impact through ongoing social contribution activities	• Repositioned social contribution activities as sustainable social co-creation initiatives in which employees can participate with a sense of shared purpose; continued the financial literacy program "MoneyConnection®" for 20 years, reaching a cumulative 200,000 participants
Enhancement of Governance	• Establish Board oversight and executive management structures for sustainability initiatives • Reflect sustainability initiatives in performance evaluation and compensation • Build a sustainability risk management framework	• Established a governance framework for discussing sustainability-related themes through the Group Sustainability Committee, which is one of the important committees • Incorporated sustainability items into performance evaluation criteria • Continued gathering information on the linkage between sustainability and officer evaluation and compensation, and on the development of sustainability risk management frameworks

Board of Directors, Audit & Supervisory Board Members (As of July 1, 2026)

Please refer to the URL below for biography of each director.

Directors



Reappointed

Katsuya Kawashima

Director, President and Chief Executive Officer

Attendance at Board of Directors Meetings in FY2025
12/12

Reasons for Nomination
Mr. Katsuya Kawashima has many years of experience in the securities and banking industries and has held important positions in these industries. In addition to being familiar with the financial services business, he has extensive knowledge and broad experience in overall management and is expected to contribute to the enhancement of the corporate value of the Bank.



Reappointed

Eisuke Terasawa

Director, Senior Managing Executive Officer, Group Chief Financial Officer, In charge of Group Corporate Planning and Financing Facilitation

Attendance at Board of Directors Meetings in FY2025
12/12

Reasons for Nomination
Mr. Eisuke Terasawa has extensive knowledge and experience in overall banking business and has expertise particularly in corporate planning, organizational strategy and financial planning. He is also familiar with the Bank Group's business operational status through these business experiences, which is expected to contribute to the enhancement of the corporate value of the Bank.



Newly Appointed

Kei Fujisaki

Senior Managing Executive Officer, In charge of Group Treasury

Attendance at Board of Directors Meetings in FY2025
—

Reasons for Nomination
Mr. Kei Fujisaki has held important positions at major financial institutions and has extensive knowledge and experience in finance. In particular, he has expertise in risk management and financial market operations, and is expected to contribute to the enhancement of the corporate value of the Bank.



Newly Appointed

Masanobu Ogura

Managing Executive Officer, In charge of "Fourth Megabank Concept," Group Next-Generation Finance and Group Corporate Planning

Attendance at Board of Directors Meetings in FY2025
—

Reasons for Nomination
Mr. Masanobu Ogura has acquired knowledge of finance through his professional experience at the Bank of Japan. In addition, through serving in important public positions such as a Minister of State, he has gained broad experience and deep insight, particularly in addressing issues toward the realization of a sustainable society, which is expected to contribute to the enhancement of the corporate value of the Bank.

Status of Concurrent Position
- Director, Medical Corporation Keijinkai
- Outside Director, Osaka Dojima Exchange, Inc.

Outside Directors



Reappointed Outside

Masahiro Terada

Outside Director

Attendance at Board of Directors Meetings in FY2025
12/12

Reasons for Nomination
Mr. Masahiro Terada is elected to stand as an outside director in order to reflect in the Bank's management his expertise and experience as a lawyer, including his experience as an in-house attorney at a financial institution, and as an outside audit and supervisory board member at other companies.

Status of Concurrent Position
- Partner Attorney, Miura & Partners
- Outside Director (Audit & Supervisory Committee Member), JINUSHI Co., Ltd.
- Outside Director, Bitbank, Inc



Reappointed Outside

Yurina Takiguchi

Outside Director

Attendance at Board of Directors Meetings in FY2025
12/12

Reasons for Nomination
Ms. Yurina Takiguchi is elected to stand as an outside director in order to reflect in the Bank's management her extensive experience in mass media including anchoring economic TV programs and broad knowledge of society and economics in general.

Status of Concurrent Position
- Representative Director, Globe Eight Inc.
- Outside Director, TerraSky Co., Ltd.
- Outside Director, Avex Inc.

Directors and Executive Officers: https://corp.sbishinseibank.co.jp/en/about/corporate/officers.html

Outside Directors



Reappointed Outside

Katsunori Tanizaki

Outside Director

Attendance at Board of Directors Meetings in FY2025
12/12

Reasons for Nomination
Mr. Katsunori Tanizaki is elected to stand as an outside director in order to reflect in the Bank's management his experience and a wide range of knowledge as an executive obtained by assuming important posts at major financial institutions.

Status of Concurrent Position
- Special Advisor, The Japan Research Institute, Limited
- Director, SMBC Nikko Securities Inc.
- Outside Director, Nippon Export and Investment Insurance
- Director, Otsuma Gakuin Educational Institution
- Director, The Tokyo Foundation



Reappointed Outside

Makoto Hayashi

Outside Director

Attendance at Board of Directors Meetings in FY2025
12/12

Reasons for Nomination
Mr. Makoto Hayashi is elected to stand as an outside director in order to reflect in the Bank's management his many years of experience and insights gained through serving in important positions, including as Superintendent Public Prosecutor of the Tokyo High Public Prosecutors Office and subsequently as Prosecutor General.

Status of Concurrent Position
- Special Counsel, Mori Hamada & Matsumoto
- Outside Director, AEON Co., Ltd.
- Outside Audit & Supervisory Board Member, Mitsui & Co., Ltd.
- Outside Audit & Supervisory Board Member, Central Japan Railway Company
- Outside Audit & Supervisory Board Member, ONODERA Food Service Holdings Co., Ltd.

Audit & Supervisory Board Member



Newly Appointed Outside

Yuji Sakoda

Outside Director

Attendance at Board of Directors Meetings in FY2025
—

Reasons for Nomination
Mr. Yuji Sakoda is elected to stand as an outside director in order to reflect in the Bank's management his appropriate supervision and advice on the execution of business from the perspective of building an effective risk management framework, including governance and crisis response, based on his many years of experience serving in important positions, including Director-General of the Security Bureau of the National Police Agency and Superintendent General of the Tokyo Metropolitan Police Department.

Status of Concurrent Position
- Outside Audit & Supervisory Board Member, TAISEI CORPORATION



Reappointed

Jiro Kasahara

Audit & Supervisory Board Member

Attendance at Board of Directors Meetings in FY2025
12/12

Reasons for Nomination
Mr. Jiro Kasahara has extensive and profound knowledge of banking operations gained through his many years of experience at the Bank. He has also served as a Corporate Auditor at several Group companies and possesses extensive expertise in audits conducted by Corporate Auditors.

Outside Audit & Supervisory Board Members



Reappointed Outside

Ikuko Akamatsu

Outside Audit & Supervisory Board Member

Attendance at Board of Directors Meetings in FY2025
12/12

Reasons for Nomination
Ms. Ikuko Akamatsu is elected to stand as an outside audit & supervisory board member in order to reflect in the Bank's audit operations her expertise in compliance and governance, etc. and extensive experience as a consultant based on the aforementioned expertise, as well as her professional knowledge and experience as a certified public accountant and a Certified Fraud Examiner.

Status of Concurrent Position
- Outside Director (Audit & Supervisory Committee Member), Mitsubishi UFJ Securities Holdings Co., Ltd.
- Outside Audit & Supervisory Board Member, Toyo Seikan Group Holdings, Ltd.
- Outside Director, Nippon Kayaku Co., Ltd.
- Outside Director / Audit & Supervisory Committee Member, BROTHER INDUSTRIES, LTD.



Reappointed Outside

Miyuki Nakagawa

Outside Audit & Supervisory Board Member

Attendance at Board of Directors Meetings in FY2025
12/12

Reasons for Nomination
Ms. Miyuki Nakagawa is elected to stand as an outside audit & supervisory board member in order to reflect in the Bank's audit operations her expertise and experience as a public prosecutor and lawyer, in particular her expertise in law and corporate governance and her extensive experience as outside director and outside audit & supervisory board member at listed companies.

Status of Concurrent Position
- Attorney at Law, Kousui Law Office
- Professor, Chuo Law School, Chuo University
- Outside Director (Audit & Supervisory Committee Member), NITTO KOGYO CORPORATION
- Outside Director, Nissan Chemical Corporation
- Outside Director (Audit & Supervisory Committee Member), ASKUL Corporation

Directors and Executive Officers (As of July 1, 2026)

Board of Directors (9)

Katsuya Kawashima
Representative Director, President

Eisuke Terasawa
Director

Kei Fujisaki
Director

Masanobu Ogura
Director

Masahiro Terada Outside
Director
Attorney at Law

Yurina Takiguchi Outside
Director
Business and Economics Anchor

Katsunori Tanizaki Outside
Director
Special Advisor, The Japan Research Institute, Limited

Makoto Hayashi Outside
Director
Attorney at Law, Former Attorney General

Yuji Sakoda Outside
Director
Former Superintendent General, Tokyo Metropolitan Police Department

Audit & Supervisory Board Members (3)

Jiro Kasahara
Audit & Supervisory Board Member

Ikuko Akamatsu Outside
Audit & Supervisory Board Member
Certified Public Accountant, Certified Fraud Examiner

Miyuki Nakagawa Outside
Audit & Supervisory Board Member
Attorney at Law

Executive Officers (41)

Katsuya Kawashima
Representative Director
President and Chief Executive Officer

Senior Managing Executive Officers

Kei Fujisaki
Senior Managing Executive Officer, In charge of Group Treasury

Akira Hirasawa
Senior Managing Executive Officer, Overseeing Corporate Planning, Group Human Resources, Group Legal and Compliance, Group General Services, Group Risk and Group IT, Head of Operations Management

Hiroyuki Kagita
Senior Managing Executive Officer, In charge of Group Human Resources and Group General Services

Takahisa Komoda
Senior Managing Executive Officer, Head of Institutional Business

Tsukasa Makizumi
Senior Managing Executive Officer, Head of Credit Risk Management

Eisuke Terasawa
Senior Managing Executive Officer, Group Chief Financial Officer, In charge of Group Corporate Planning and Financing Facilitation

Kenji Uesaka
Senior Managing Executive Officer, Head of Group Structured Solution, Financial Sponsors and Institutional Business

Managing Executive Officers

Tomohiro Arimatsu
Managing Executive Officer, In charge of Group Structured Solution

Hitoshi Asano
Managing Executive Officer, In charge of Group IT and Head of IT Systems

Yasuhiro Fujiki
Managing Executive Officer, In charge of Group Overseas Business

Shinobu Jitsukawa
Managing Executive Officer, In charge of Institutional Business Strategy, Financial Institutional Business and Institutional Business

Takahiro Kubo
Managing Executive Officer, In charge of Group Structured Solution and Institutional Business

Masanobu Ogura
Managing Executive Officer, In charge of "Fourth Megabank Concept," Group Next-Generation Finance and Group Corporate Planning

Arimitsu Osato
Managing Executive Officer, In charge of Group Strategy Planning and Group Corporate Planning

Kojiro Taima
Managing Executive Officer, In charge of Group Legal and Compliance

Takashi Tsuji
Managing Executive Officer, In charge of Institutional Business Planning, Institutional Business, and Corporate Sales Promotion

Tomokazu Yokoi
Managing Executive Officer, In charge of AI-driven Innovation and Group Treasury

Yoshihiro Yuasa
Managing Executive Officer, Head of Individual Business

Executive Officers

Shinichi Hirayama
Executive Officer, In charge of Financial Institutional Business and Institutional Business

Tsuyoshi Hirokawa
Executive Officer, In charge of Consumer Finance and Retail Customer Sales

Ko Hoshino
Executive Officer, In charge of Group Risk

Naoko Ikeda
Executive Officer, In charge of Institutional Business Transformation, General Manager of Institutional Business Operation Division

Tsuneo Ishizuka
Executive Officer, General Manager of Group Corporate Planning Division, General Manager of Office of Financing Facilitation Management

Shuichi Kubo
Head of Group Internal Audit, General Manager of Group Internal Audit Division

Tsuyoshi Miyake
Executive Officer, Group Deputy CFO, General Manager of Group Financial and Regulatory Accounting Division

Hideki Murakami
Executive Officer, General Manager of Group Legal and Compliance Division

Yuko Nagasawa
Executive Officer, In charge of Group Structured Solution and Corporate Planning

Eri Okamoto
Executive Officer, In charge of AI-driven Innovation (Deputy) and Retail Business Transformation

Hiroaki Okubo
Executive Officer, In charge of Institutional Business Strategy and Institutional Business

Tsuyoshi Oota
Executive Officer, General Manager of Group Risk Management Division

Gen Ozaki
Executive Officer, In charge of Group Risk, General Manager of Group Market Risk Management Division

Yuki Sagawa
Executive Officer, General Manager of Project Finance Division

Kohei Seito
Executive Officer, General Manager of Structured Risk Management Division

Yuuichi Sugimoto
Executive Officer, In charge of Customer and Business Support

Kazuhiro Takeda
Executive Officer, General Manager of Information Systems Development Division

Yuji Toki
Executive Director, General Manager of Financial Institutions Business Division, In charge of Financial Institutional Business and Institutional Business

Hiromi Wada
Executive Director, General Manager of Retail Customers Sales Division

Taiko Yamamoto
Executive Director, General Manager of Cash Flow Solution Division

Tatsuya Yano
Executive Officer, General Manager of Securities Investment and Treasury Division

Usei Yano
Executive Officer, In charge of Group Treasury

(Note) Executive Officers are listed in alphabetical order.

Newly Appointed Directors



Kei Fujisaki
Senior Managing Executive Officer, In charge of Group Treasury

I was recently appointed as a Director of SBI Shinsei Bank.

I joined The Norinchukin Bank in 1991, where I was primarily involved in securities investment, risk management, and corporate planning. Since 2023, I have served as an Executive Officer of SBI Shinsei Bank.

The environment surrounding the banking industry has been evolving rapidly in recent years. The era of ultra-low interest rates that persisted for many years has come to an end, while advances in digital technology continue to have a profound impact on bank management.

At this pivotal moment, SBI Shinsei Bank, as the core banking institution of the SBI Group, is advancing initiatives to deliver greater value to customers while responding to their evolving needs and expectations.

Drawing on the experience and expertise I have cultivated throughout my career, I am committed to helping drive the Bank's sustainable growth while continuing to meet the evolving needs of society and our customers. I sincerely appreciate your continued support.



Masanobu Ogura
Managing Executive Officer, In charge of "Fourth Megabank Concept," Group Next-Generation Finance and Group Corporate Planning

I was recently appointed as a Director of SBI Shinsei Bank.

Following a career at the Bank of Japan in international operations and financial supervision, I spent approximately 12 years as a member of the House of Representatives, holding positions such as Parliamentary Vice-Minister for Internal Affairs and Communications and Minister of State. During my tenure as Minister of State for Gender Equality, I witnessed firsthand how initiatives that support the work-life balance of female employees can improve the working environment for all employees, including men. This experience reinforced my belief that strengthening human capital is a key driver of corporate value.

In addition to addressing important societal challenges such as human capital development, regional revitalization, and climate change, SBI Shinsei Bank is advancing the "Fourth Megabank Concept" and promoting "Next-Generation Finance." Through these initiatives, we aim to provide financial services that support regional economies in the face of population decline, while leveraging cutting-edge technologies to build a new financial ecosystem capable of competing on a global scale. These efforts embody the SBI Group's philosophy that "public benefit leads to private benefit."

I am committed to contributing to the Bank's continued growth and to advancing both a sustainable society and enhanced corporate value.



Yuji Sakoda
Director

I was recently appointed as an Outside Director of SBI Shinsei Bank.

I joined the National Police Agency in 1991 and recently retired after serving as Superintendent General of the Tokyo Metropolitan Police Department. Throughout my career, I held a wide range of positions in police administration, serving not only within the National Police Agency and prefectural police departments, including the Tokyo Metropolitan Police Department, but also at the Ministry of Foreign Affairs, overseas diplomatic missions, and the Cabinet Secretariat.

I understand that SBI Shinsei Bank has steadily enhanced its corporate value and contributed to the development of society by leveraging its role as the core banking institution of the SBI Group. This includes promoting regional revitalization through collaboration with regional financial institutions and advancing "Next-Generation Finance" through the proactive adoption of innovative technologies. I strongly share and support this vision.

Going forward, I will draw on the experience and expertise gained throughout my career to provide effective oversight and constructive advice on business execution. In particular, I hope to contribute to further strengthening the Bank's governance and risk management framework, including its crisis management capabilities. Through these efforts, I am committed to helping the Bank meet the expectations of all its stakeholders and continue enhancing its corporate value.

ESG Data

(As of March 31, 2026)

Governance (Nonconsolidated)

	2023	2024	2025
Number of Directors	9	9	9
Ratio of Female Directors	11.1%	11.1%	11.1%
Number of Outside Directors	5	5	5
Number of Board of Directors Meetings Held	18	11	12
Attendance Rate for the Board of Directors Meetings	99%	98%	100%

(Note) Number of Directors, Ratio of Female Directors, and Number of Outside Directors for each fiscal year are as of June 30.

Employees (Nonconsolidated)

	2023	2024	2025
Number of Employees	2,288	2,309	2,419
Male	1,314	1,352	1,419
Ratio	57%	59%	59%
Female	974	957	1,000
Ratio	43%	41%	41%
Competitive Ratio in Recruitment (Applicant base)	22.1	9.4	9.4
Male	19.1	8.7	9.1
Female	38.2	12.7	10.5
Average Age	43.1	43.1	42.7
Male	42.2	42.0	41.5
Female	44.3	44.5	44.4
Average Years of Service	13 years 9 months	13 years 7 months	13 years 1 month
Male	12 years 6 months	12 years 0 months	11 years 5 months
Female	15 years 6 months	15 years 10 months	15 years 7 months
Average Monthly Salary	JPY 499 thousands	JPY 526 thousands	JPY 536 thousands
Number of Business-Limited Employees	136	122	105
Number of Part-time Employees	290	313	360
Number of Temporary Employees	0	0	0
Number of Overseas Locals Recruited	0	0	0
Number of New University Graduates Hired	53	62	81
Male	31	52	64
Ratio	58%	84%	79%
Female	22	10	17
Ratio	42%	16%	21%
Number of mid-career hires	72	147	172
Male	53	102	104
Female	19	45	68
Mid-career recruitment ratio	70.3%	67.9%	68.0%

	2023	2024	2025
Ratio of Female Managing Executive Officers	14%	8%	15%
Number of Managers	776	794	805
Number of Female Managers			
Section Leader-Level or Higher	168	164	179
Ratio	21.6%	20.7%	22.2%
Section Manager-Level or Higher	513	503	537
Ratio	34.1%	33.2%	34.5%
Number of Employees with Disabilities	45	49	47
Employment Rate of Employees with Disabilities	2.4%	2.7%	2.4%
Turnover Ratio (Voluntary)	4.4%	4.9%	3.5%
Average Overtime Hours per Month	19.8	19.7	19.6
Average Paid Leave Acquisition Rate*1	67.6%	69.5%	71.0%
Ratio of Employees Taking Consecutive Leaves (One Week Leaves)	97.5%	98.6%	98.3%
Number of Employees Taking Childcare Leave	50	42	53
Male	21	14	31
Female	29	28	22
Number of Employees Taking Life Support Leave	11	3	11
Number of Employees Taking Family Care Leave	8	10	9
Number of Employees Registering for Concurrent Business or Side Business	81	89	92
Ratio of Employees Using Remote Work Arrangements*2	51.0%	62.0%	60.6%
Number of Employees Using Continued Employment System	40	42	52
Number of Employees Using ComeBack System*3	103	112	113
Male	51	58	61
Female	52	54	52
Number of Employment of Functional Change or Employment Status Change	39	33	39
Male	11	11	9
Female	28	22	30

*1. Regarding the average paid leave utilization rate and consecutive leave (one week leave) utilization rate, employees seconded to our company are counted and employees seconded to other companies are not counted.
*2. The ratio of SBI Shinsei Bank employees who have used remote work arrangements during each fiscal year.
*3. The number of SBI Shinsei Bank employees who have retired and are re-employed and working at the Bank (excluding retired employees)

Sustainability: https://corp.sbishinseibank.co.jp/en/sustainability.html
ESG Data: https://corp.sbishinseibank.co.jp/en/sustainability/data/esg.html

(As of March 31, 2026)

Environment (consolidated)

	2023	2024	2025
Environment Impact Data			
Gas Usage (m^3)	45,600	46,225	47,093
Amount of Heavy Oil (t)	2	1	1
Gasoline Usage (kl)	265	262	276
Diesel Usage (kl)	74	97	55
Amount of Hot Water (GJ)	41	43	13
Amount of Cold Water (GJ)	1,885	3,022	2,320
Electricity Usage (MWh)	25,404	23,473	21,558
Clean Water Usage (t)	9,896	10,372	10,367
CO_2 Emissions			
CO_2 Emissions (t)	10,031	8,929	7,717
Scope 1 (Direct Emissions) (t)	921	698	884
Gas	102	97	98
Heavy Oil	5	2	3
Gasoline	615	600	743
Diesel	200	262	39
Scope 2 (Indirect Emissions) (t)	9,110	8,230	6,833
Hot Water	2	2	1
Cold Water	107	161	123
Electricity	9,001	8,093	6,709
Scope 3 (Other Indirect Emissions) (t)	3,665	3,711	3,917
Business Travel	2,070	1,944	2,286
Commuting	1,595	1,767	1,631
Amount of Waste Generated / Recycling Rate			
Waste Generated (t)	163	175	180
Amount Recycled (t)	93	104	95
Amount of Waste Disposal (t)	70	71	85
Recycling Rate	57%	59%	53%

(Notes) 1. Environmental impact data and greenhouse gas (GHG) emissions represent the combined figures for SBI Shinsei Bank, Limited, its major domestic subsidiaries, and UDC Finance.
Scope 3 emissions represent the combined figures for SBI Shinsei Bank, Limited and its major domestic subsidiaries only.
Waste generation and recycled waste volumes represent the combined figures for SBI Shinsei Bank and other Group companies located in the Nihonbashi Muromachi Nomura Building, where the Bank's head office is situated.
2. CO_2-equivalent emissions associated with the consumption of gas, heavy oil, gasoline, diesel fuel, and chilled water are calculated using the emission factors stipulated under the Act on Promotion of Global Warming Countermeasures. Electricity-related emissions are calculated using the adjusted emission factors by electricity supplier under Japan's Greenhouse Gas Emissions Calculation, Reporting and Disclosure System based on the same Act.
3. In line with the change in its fiscal year-end, UDC's reporting period for FY2024 covers the 15-month period from January 2024 to March 2025.

Financed Emissions

Asset Type	Outstanding Balance (billion yen)	GHG Emissions ($ktCO_2e$)	GHG Emissions Intensity	Data Quality Score
Business Loans and Investments	4,294	5,576	1.30 (tCO_2e/billion yen)	2.40
Project Finance	563	767	1.36 (tCO_2e/billion yen)	2.98
Non-recourse Real Estate Loans	950	241	0.03 (tCO_2e/m^2)	4.42
Housing Loans	1,549	107	1.56 (tCO_2e/home)	4.13

(Notes) 1. These GHG emissions were calculated in accordance with the international standards published by PCAF.
2. Data Quality Score: Measurement and estimation accuracy is scored on a five-point scale according to the approach used to measure or estimate financed emissions, with lower scores indicating higher accuracy.
3. These GHG emissions represent the share of each investee's and borrower's GHG emissions attributable to the Bank Group.
4. Among the asset classes defined under the PCAF Standard, financed portfolio GHG emissions were measured based on the methodologies for "Listed Equity and Corporate Bonds" and "Business Loans and Unlisted Equity" for corporates, "Residential Real Estate" for housing loans, "Project Finance" for project finance, and "Commercial Real Estate" for non-recourse real estate loans.

Contribution to Society (Consolidated)

	2023	2024	2025
Financial Literacy Program (MoneyConnection®)			
Number of Schools where the Program was Held (Cumulative Total)	1,494	1,574	1,643
Number of Student Participants (Cumulative Total)	185,430	194,696	202,791
Social Contribution Activities			
Number of Volunteer Activities	23	31	27
Number of Employee Participants	621	752	825

Compliance (Nonconsolidated)

	2023	2024	2025
Number of Whistle-Blowing Reports	3	4	5

Sustainability: https://corp.sbishinseibank.co.jp/en/sustainability.html
ESG Data: https://corp.sbishinseibank.co.jp/en/sustainability/data/esg.html

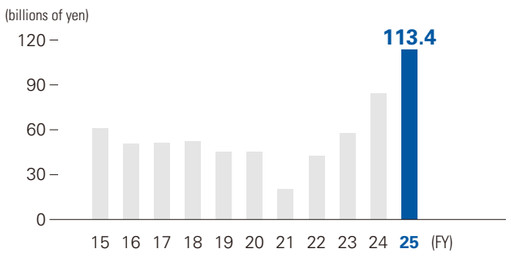
Financial Summary

SBI Shinsei Bank, Limited, and Consolidated Subsidiaries
For the fiscal years ended March 31, 2016 through 2026

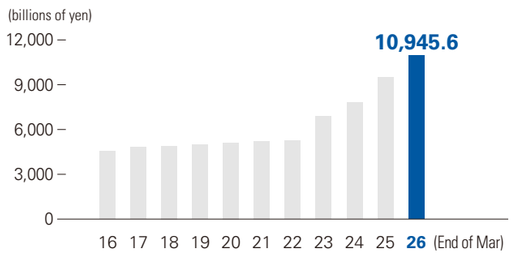
(Fiscal Year)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
For the fiscal years (Billions of yen)*1:											
Total revenue	216.6	228,5	232.0	229.7	239.9	221.9	217.5	240.2	267.9	298.7	334.6
General and administrative expenses	140.5	142.4	142.5	144.7	149.5	149.6	155.4	161.6	165.7	168.4	177.9
Net credit costs	3.7	31.8	37.2	29.3	39.1	28.3	31.1	22.0	37.8	47.0	38.2
Income before income taxes	62.8	51.7	55.4	54.5	49.2	55.3	28.4	51.7	62.9	99.4	122.1
Profit attributable to owners of the parent	60.9	50.7	51.4	52.3	45.5	45.1	20.3	42.7	57.9	84.4	113.4
Balances at fiscal year-end (Billions of yen):											
Securities	1,227.8	1,014.6	1,123.5	1,130.2	957.0	929.7	674.6	1,572.7	1,592.6	2,814.2	4,005.5
Loans and bills discounted	4,562.9	4,833.4	4,895.9	4,986.8	5,110.4	5,233.6	5,241.8	6,888.8	7,788.9	9,504.4	10,945.6
Lease receivables and leased investment assets	211.4	191.4	171.4	176.5	193.4	192.1	190.8	211.0	241.2	288.6	324.8
Total assets	8,928.7	9,258.3	9,456.6	9,571.1	10,226.5	10,740.1	10,311.4	13,694.8	16,048.9	20,329.8	24,741.3
Deposits and negotiable certificates of deposit (NCDs)	5,800.9	5,862.9	6,067.0	5,922.1	6,305.1	6,571.3	6,398.0	9,982.2	11,544.9	14,666.6	17,358.4
Total liabilities	8,135.6	8,437.5	8,600.6	8,674.5	9,316.0	9,809.4	9,387.1	12,728.3	15,082.2	19,370.6	23,508.3
Total equity	793.1	820.7	856.0	896.6	910.4	930.7	924.3	966.5	966.7	959.2	1,233.0
Per share data (Yen)*2, 3, 4, 5, 6:											
Common equity	294.41	3,163.89	3,376.39	3,636.92	3,913.40	4,283.92	4,484.01	16,033.31	17,828.74	1,151.40	1,381.19
Basic earnings	22.96	194.65	199.01	211.24	190.59	202.16	96.78	712.85	990.85	112.70	137.66
Dividends	1.00	1.00	10.00	10.00	10.00	12.00	12.00	12.00	40.00	40.00	42.00
Ratios (%):											
Return on assets*7	0.7	0.6	0.5	0.5	0.5	0.4	0.2	0.4	0.4	0.5	0.5
Return on equity	8.1	6.3	6.1	6.0	5.1	4.9	2.2	4.5	6.0	8.8	10.4
Expenses-to-revenue ratio	64.9	62.3	61.5	63.0	62.3	67.4	71.5	67.3	61.9	56.4	53.2
Capital ratio (Basel III, Domestic Standard)	14.20	13.06	12.83	11.85	11.21	11.39	11.72	10.24	9.85	9.33	9.68
Ratio of nonperforming claims classified under the Financial Revitalization Law to total claims	0.79	0.22	0.17	0.20	0.34	0.64	0.66	0.28	0.27	0.27	0.22

*1. "Profit (loss)" figures are presented on a management accounting basis (operating basis).
*2. On October 1, 2017, the Bank conducted a share consolidation with a rate of ten shares of common stock into one share. Common equity per share and profit attributable to owners of the parent per share are calculated as if the consolidation of shares had occurred at the beginning of FY2016.
*3. On October 2, 2023, the Bank conducted a share consolidation with a rate of 20,000,000 shares of common stock into one share. In addition, on March 15, 2024, the Bank conducted a six-for-one stock split of its common shares.
*4. Common equity per share and profit attributable to owners of the parent per share for FY2022 and FY2023 are calculated as if the above share consolidation and share split had been carried out at the beginning of FY2022 and are presented in millions of yen. For detailed figures, please refer to page 16 of the Integrated Report 2026 Data Appendix.
*5. On March 21, 2025, 12 common shares were reclassified into 12 preferred shares. Subsequently, in July 2025, both common shares and preferred shares were subject to a share split at a ratio of 14,000,000-for-1. Thereafter, on August 25, 2025, all of the preferred shares were reclassified into common shares. Profit attributable to owners of the parent per share for FY2024 and FY2025 are calculated as if the above share split had been carried out at the beginning of FY2024. In calculating profit attributable to owners of the parent per share, preferred shares are included in the weighted average number of common shares outstanding during the fiscal year.
*6. "Return on Assets (ROA)" is calculated by dividing profit attributable to owners of the parent by the average of total assets at the beginning and end of the fiscal year.
*7. "Return on Equity (ROE) (Diluted)" is calculated by dividing profit attributable to owners of the parent by the average of (common equity less stock acquisition rights and noncontrolling interests) at the beginning and end of the fiscal year.

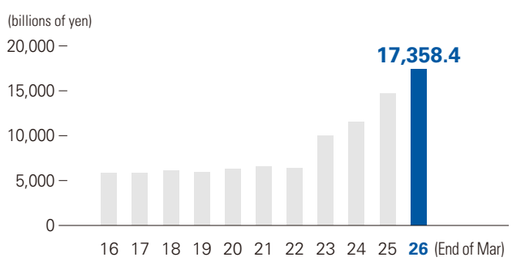
Profit Attributable to Owners of the Parent



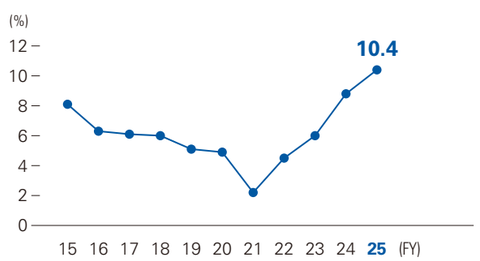
Loans and Bills Discounted



Deposits and NCDs



Return on Equity



Stock Information / Rating Information

(As of March 31, 2026)

Shares Outstanding and Capital

(Shares, Millions of yen)

Date	Shares Outstanding		Capital		Capital Surplus		Summary
	Change	Balance	Change	Balance	Change	Balance	
March 30, 2023	(54,000,000)	205,034,689	—	512,204	—	79,465	Cancellation of Treasury Shares (common) -54,000,000 shares
September 29, 2023	(889,915)	204,144,774	—	512,204	—	79,465	Cancellation of Treasury Shares (common) -889,915 shares
October 2, 2023	(204,144,764)	10	—	512,204	—	79,465	20,000,000-for-1 reverse share split for common shares Post reverse split common shares outstanding 10 shares
March 15, 2024	50	60	—	512,204	—	79,465	6-for-1 reverse share split for common shares Post reverse split common shares outstanding 60 shares
March 19, 2025	—	60	(372,204)	140,000	—	79,465	Capital Reduction -372,204,560,638 yen (72.6% of stated capital) Transferred the reduced capital to Other Capital surplus
March 28, 2025	—	60	—	140,000	20,000	99,465	Repaid public funds Dividend paid from Other Capital surplus Capital Reserve increased by 20,000,000,000 yen
July 27, 2025	839,999,940	840,000,000	—	140,000	—	99,465	Stock split at a ratio of 14,000,000 shares for each share of Common Stock, Class A Preferred Shares, and Class B Preferred Shares Post Stock split common shares outstanding Common Shares: 672,000,000 shares, Class A Preferred Shares: 84,000,000 shares, Class B Preferred Shares: 84,000,000 shares
December 16, 2025	55,500,000	895,500,000	38,507	178,507	38,507	137,973	Public Offering of New Shares (common shares) 55,500,000 shares Issue price: 1,450 yen per share; amount recorded as capital: 693.825 yen Stated Capital and Capital Reserve each increased by 38,507,287,500 yen

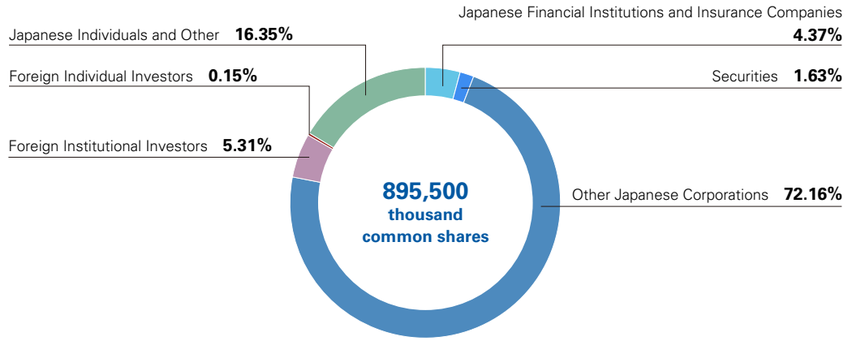
(Notes) 1. Pursuant to a resolution of the Board of Directors adopted on February 24, 2023, treasury shares were canceled on March 30, 2023, resulting in a decrease of 54,000,000 shares in the total number of issued shares.
2. Pursuant to a resolution of the Board of Directors adopted on July 18, 2023, treasury shares were canceled on September 29, 2023, resulting in a decrease of 889,915 shares in the total number of issued shares.
3. Pursuant to a resolution of the Extraordinary General Meeting of Shareholders held on September 1, 2023, a reverse stock split at a ratio of one share for every 20,000,000 shares of common stock was implemented on October 2, 2023. As a result, the total number of issued shares decreased by 204,144,764 shares to 10 shares.
4. Pursuant to a resolution of the Board of Directors adopted on February 22, 2024, a stock split at a ratio of six shares for every one share of common stock was implemented on March 15, 2024. As a result, the total number of issued shares increased by 50 shares.
5. Pursuant to a resolution of the Extraordinary General Meeting of Shareholders held on March 11, 2025, stated capital was reduced by ¥372,204,560,638 on March 19, 2025, and the reduced amount was transferred to Other Capital Surplus (capital reduction ratio: 72.6%).
6. As part of the Agreement on the Confirmed Repayment Scheme entered into on March 7, 2025 among the Deposit Insurance Corporation of Japan, the Resolution and Collection Corporation, SBI Holdings, Inc., and the Bank, public funds were repaid on March 28, 2025. In connection with such repayment, dividends were paid from Other Capital Surplus, and Capital Reserve increased by 20,000,000,000 yen.
7. Pursuant to a resolution of the Board of Directors adopted on July 11, 2025, a stock split at a ratio of 14,000,000 shares for every one share of Common Stock, Class A Preferred Shares, and Class B Preferred Shares was implemented on July 27, 2025. As a result, the total number of issued shares increased by 839,999,940 shares.
8. Based on an agreement between the Bank and the holders of the Class A Preferred Shares and Class B Preferred Shares, and with the consent of all other common shareholders, 84,000,000 Class A Preferred Shares and 84,000,000 Class B Preferred Shares were converted into common stock on August 25, 2025.
9. Pursuant to resolutions of the Board of Directors adopted on November 13, 2025 and December 1, 2025, the Bank issued 55,500,000 new common shares through a public offering on December 16, 2025. As a result, the total number of issued shares increased by 55,500,000 shares, and both stated capital and Capital Reserve increased by 38,507,287,500 yen.

Largest Shareholders (Common Stock)

(As of March 31, 2026)

Rank	English Name	Thousands of Common Shares	Shareholding Ratio
1	SBI Holdings, Inc.	631,700	70.54%
2	The Master Trust Bank of Japan, Ltd. (Trust Account)	23,373	2.61%
3	QATAR HOLDING LLC	17,000	1.89%
4	SBI Shinsei Bank, Limited	8,500	0.94%
5	JAPAN SECURITIES FINANCE CO., LTD.	5,373	0.60%
6	JPMorgan Securities Japan Co., Ltd.	3,917	0.43%
7	Custody Bank of Japan, Ltd. (Trust Account)	3,786	0.42%
8	JP MORGAN CHASE BANK 385167	3,675	0.41%
9	MSIP CLIENT SECURITIES	3,564	0.39%
10	The Norinchukin Bank	3,448	0.38%
	Total number of issued shares	895,500	100.00%

Beneficial Ownership / Type of Shareholders



(Note) "Japanese Individuals and Others" includes treasury shares.

Credit Ratings

(As of June 30, 2026)

	Long-Term (Outlook)	Short-Term
R&I	A (Stable)	a-1
JCR	A (Positive)	J-1
S&P	BBB (Stable)	A-2
Moody's	Baa1 (Stable)	Prime-2

Network of SBI Shinsei Bank Group

[SBI Shinsei Bank, APLUS, Showa Leasing, Lake]

