SBI SHINSEI BANK

INTEGRATED REPORT 2024

For the fiscal year ended March 31, 2024

Digest Version

The SBI Group's Management Philosophies

The SBI Group's Management Philosophies

Sound Ethical Values

We shall undertake judgments on actions based not only on whether they conform to the law or profit the Company, but also whether they are socially equitable.

Financial Innovator

We will transcend traditional methods and bring financial innovations to the forefront of the financial industry, utilizing opportunities provided by the powerful price-cutting forces of the Internet and developing financial products and services that further enhance benefits for customers.

New Industry Creator

We strive to become the leader in creating and cultivating the core industries of the 21st century.

Continual Self-Evolution

We will continue self-evolution to flexibly adapt to changes in the economic environment through "Ingenuity" and "Self-transformation."

Fulfill Social Responsibility

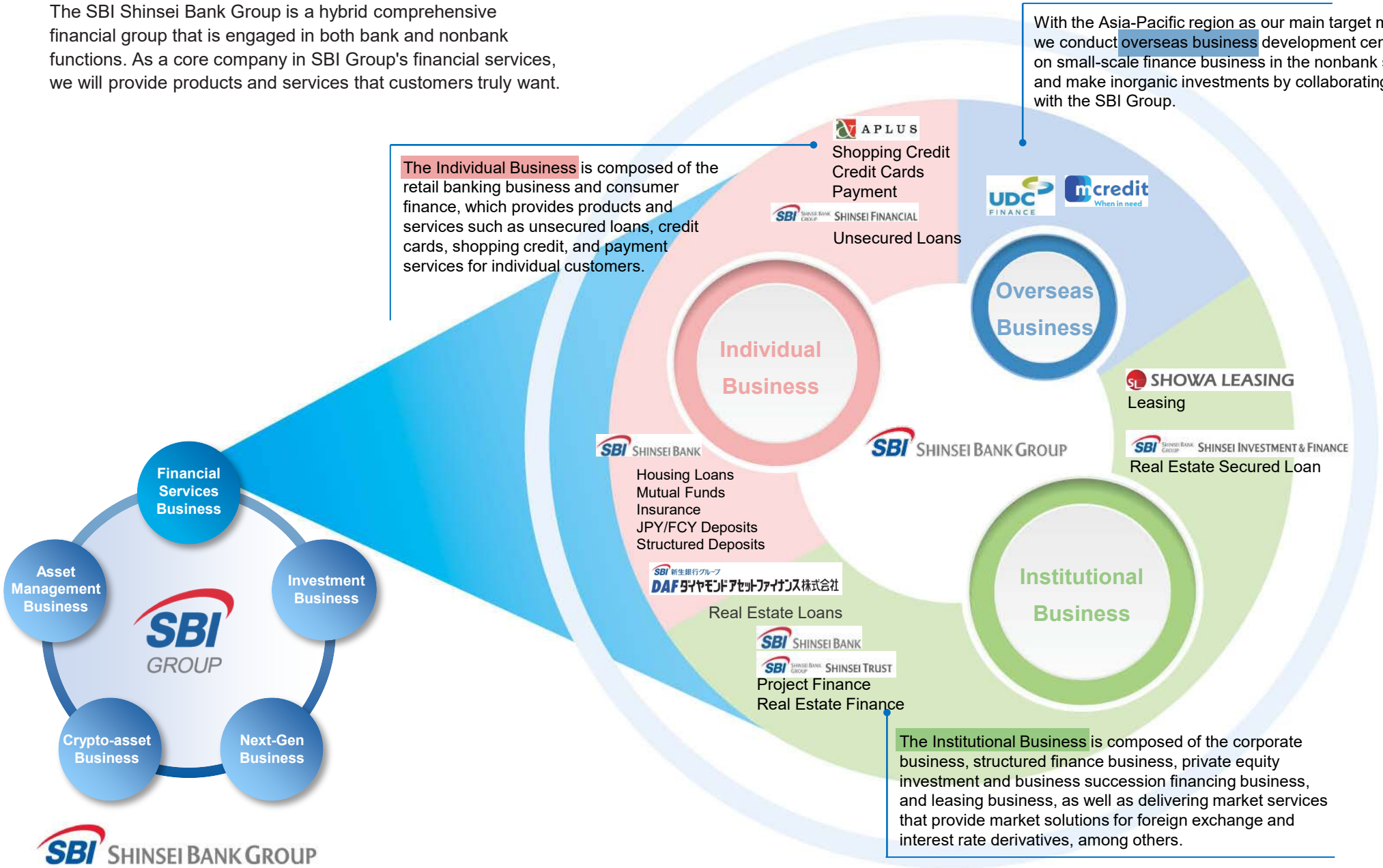
We ensure that each company in the SBI Group recognizes its social responsibilities as a member of society, while fulfilling the demands of its stakeholders, contributing to the betterment of society.

Management Principles of SBI Shinsei Bank Group

- To become a banking group that is sought by customers, contributes to the development of both domestic and international industrial economies, and maintains stable profitability
- To become a banking group that values diverse talents and cultures and is constantly taking on new challenges presented by change, based on its experiences and history
- To become a banking group that strives for highly transparent management and values that is trusted by all stakeholders including customers, investors, and employees

SBI Shinsei Bank Group's Products and Services

The SBI Shinsei Bank Group is a hybrid comprehensive financial group that is engaged in both bank and nonbank functions. As a core company in SBI Group's financial services, we will provide products and services that customers truly want.



SBI SHINSEI BANK GROUP

CEO Message

Integration as the SBI Group

We would like to express our sincere gratitude for your continued patronage.

More than two years have passed since the SBI Shinsei Bank Group joined the SBI Group. During the past year, we continued to thoroughly adhere to the “Customer-centric Principle” and worked to expand our customer and earnings base. We changed our corporate name to SBI Shinsei Bank and made significant progress in integrating with the SBI Group. We are opening SBI Shinsei Wealth Management, joint branches offering pioneering and diverse products and services for our individual customers. By the end of fiscal 2024, all 22 branches will be joint branches. In fiscal 2023, synergies with the SBI Group, including those in the institutional business and securities investment areas, amounted to 13.5 billion yen, significantly higher than the five billion yen in the previous fiscal year. We are seeing steady results being part of the SBI Group.

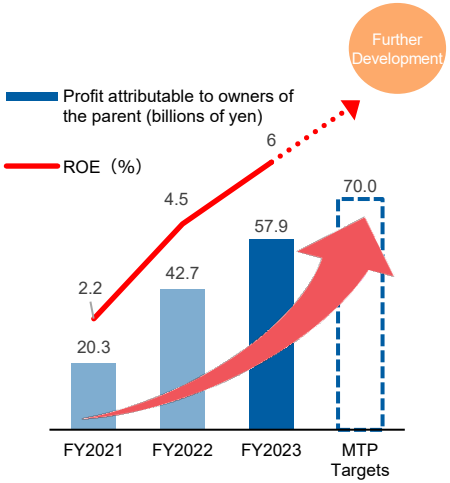
In September 2023, our shares were delisted in order to further integrate with the SBI Group and establish and execute a medium-to long-term management strategy. I would like to thank all of our shareholders for their continued support. Subsequently, following the share consolidation, in February 2024, the Bank repaid part of public funds (approximately 19.3 billion yen) for the first time in 18 years through the purchase of fractional shares held by the Deposit Insurance Corporation of Japan. We are currently in the process of reviewing the public fund repayment schemes based on contracts with four parties: the Bank, SBI Holdings, the Deposit Insurance Corporation of Japan, and the Resolution and Collection Corporation. We plan to reach an agreement on specific structures regarding the repayment of public funds by June 2025.

Review of Fiscal 2023 Results and the Second Year of the Medium-Term Management Plan

In the second year of the medium-term management plan, the Medium-Term Vision of the SBI Shinsei Bank Group, the Bank promoted integration as the core bank of the SBI Group and achieved significant results. Total revenue and ordinary business profit both reached record highs since fiscal 2011, and profit attributable to owners of the parent rose 36% to 57.9 billion yen. The balance of operating assets increased by 1.1 trillion yen to 11.4 trillion yen, and the balance of deposits increased by 1.6 trillion yen to 11.5 trillion yen. As a result, the Bank's customer base and core profitability expanded significantly. These achievements are largely attributable to thorough adherence to the SBI Group's “Customer-centric Principle” and the pursuit of synergies with the SBI Group companies.

■Progress of the Medium-Term Vision

KPI	FY2021 Actual	FY2022 Actual	FY2023 Actual	Medium-Term Vision Targets
Number of Customers	3.05 million	3.16 million	3.53 million	3.80 million
Deposits Balance (Retail) (trillions of yen)	6.3 (4.7)	9.9 (5.3)	11.5 (5.9)	8.0 (5.5)
Operating Assets (trillions of yen)	8.1	10.3	11.4	10.0
CET1 ratio	11.6%	10.0%	9.7%	10% or more



CEO Message

Contributing to Sustainability through Business Activities

In terms of sustainability management, the Group aims to achieve a virtuous cycle between “long-term contribution to the environment, society, and customers through our business” and “sustainable growth of our group.” By fully utilizing the functions of the SBI Group and working to resolve customers’ challenges, we believe that this will have a positive impact on our customers' businesses and the surrounding environment/society and will lead to the enhancement of the Group's corporate value.

Sustainable Finance in the institutional business is one of our distinctive initiatives as a contribution to sustainability through our business. In February 2020, we established the Sustainable Impact Assessment Department to internalize the evaluation of sustainable finance, thereby achieving evaluation and high economic efficiency based on a deep understanding of our customers. One of our sustainability goals is to originate sustainable financing for a cumulative total of five trillion yen by the end of fiscal 2030. In addition to providing financing such as green loans and social loans, we also engage in transition finance through dialogue with customers as part of our support for corporate decarbonization from the standpoint of a financial institution.

Initiatives to Enhance Human Resource Value

We believe that human resources are the most important capital for financial institutions. The Bank Group provides opportunities for employees to learn and develop their abilities to maximize their potential, as well as to create an environment conducive to career development. In addition, we are working to introduce various personnel systems and create an organizational culture so that they can engage in businesses while choosing flexible work styles according to life stages and life events, and to fully demonstrate their abilities. In September 2023, we launched the Group Diversity and Inclusion Committee to promote initiatives that contribute to the active participation of diverse human resources, not limited to women’s active participation and gender issues. By bringing together personnel with various personalities and abilities, and organically connecting them, we aim to create new added value that is not constrained by existing concepts and provide financial products and services that meet the diverse values and needs of our customers.

Going beyond Finance with Finance as Its Core

The SBI Group continues to evolve and expand its corporate ecosystem on a daily basis with the concept of “Going Beyond Finance with Finance as its Core.” The launch of the “Zero Revolution” (no charge on domestic equity trading commissions) by SBI SECURITIES and the entry into the semiconductor business, which the SBI Group is currently planning, will have a significant impact on the expansion of the Group's customer base and business domains. By proactively participating in these developments as the core bank of the SBI Group, we will contribute to the expansion of corporate ecosystems and aim to grow further.

In Japan, a “world with interest rates” has begun, and financial institutions are facing a historical turning point. Amid enormous changes in the external environment, it is necessary for us to change in a pioneering and innovative manner by ourselves. As the core bank of the SBI Group, SBI Shinsei Bank will continue to promote the speed and entrepreneur spirit of the SBI Group and achieve growth together by repeating the process of “self-reflection, self-transformation, and self-evolution.”

Katsuya Kawashima
President and Chief
Executive Officer

Evolution of the SBI Shinsei Bank Group

We became a consolidated subsidiary of the SBI Group in December 2021 and changed our corporate name to SBI Shinsei Bank on January 4, 2023. While valuing our history since establishment, we aim to become a leading banking group that provides pioneering and advanced finance through further expansion of our customer base and utilization of technology as a core company of SBI Group.

Transition of the SBI Shinsei Bank Group

The Long-Term Credit Bank of Japan

Shinsei Bank

SBI Shinsei Bank

1952

- **The Long-Term Credit Bank of Japan, Limited established**

1998

- Due to business failures, temporary nationalization and special public management began based on the Financial Revitalization Law.

2000

- **Shinsei Bank launched**
- **Name changed 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. commenced operations

2004

- APLUS Co., Ltd. converted into a consolidated subsidiary
- Listed the Bank's common stock on the First Section of the Tokyo Stock Exchange/converted the Bank's long-term credit bank charter to an ordinary bank charter

2005

- Showa Leasing Co., Ltd. converted into a consolidated subsidiary

2007

- SHINKI Co., Ltd. (now Shinsei Personal Loan Co., Ltd.) converted into a consolidated subsidiary

2008

- GE Consumer Finance Co., Ltd. (now Shinsei Financial Co., Ltd.) converted into a consolidated subsidiary

2016

- Showa Leasing Co., Ltd. converted into a wholly owned consolidated subsidiary

2019

- Acquired all shares of Financial Japan Co., Ltd.
- Showa Leasing Co., Ltd. acquired the shares of SHINKO LEASE CO., LTD.

2020

- Acquired stocks of UDC Finance Limited
- APLUS Financial Co., Ltd. （now APLUS Co., Ltd.) converted into a wholly owned consolidated subsidiary

2021

- **Shinsei Bank became a consolidated subsidiary of SBI Holdings**

2022

- Transferred to "Standard Market" of the Tokyo Stock Exchange

2023

- Tender offer by SBI Holdings
- Delisted due to share consolidation (TSE Standard Market)

2024

- Acquired stocks of Diamond Asset Finance Company Limited

2023

- **Name changed from Shinsei Bank, Limited to SBI Shinsei Bank, Limited**

Transition of Stock

2000 Preferred stock capital injection and a partial reduction of preferred stock capital without compensation
2003 Reduction of capital through the merger of two shares of common stock into one share
2006 Partial repayment of public funds / cancellation of treasury shares
2007 Conversion of preferred stock into common stock
2008 Issuance of new shares by third-party allotment / conversion of preferred stock into common stock
2011 Issuance of new shares through international offering
2016 Acquisition of treasury shares (every year until 2022)
2017 Merger of 10 shares of common stock into one share
2018 Acquisition and cancellation of treasury shares
2019 Implemented a secondary offering of shares of common stock of the Bank
2023 Cancellation of treasury shares / merger of 20 million shares of common stock into one share
2024 Acquisition of fractional shares / partial repayment of public funds / split one common share to six shares / third-party allotment by sale of treasury stock

Topics in Fiscal 2023

April 2023

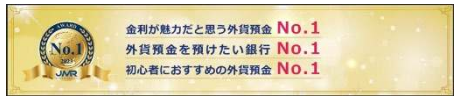
- Launched SBI Shinsei Connect, an automated deposit/withdrawal service
- Released Power Trust Neo money trusts
- Formulated the SBI Shinsei Bank Group's "General Business Owners Action Plan based on the Law for Measures to Support the Development of the Next Generation and the Law for the Promotion of Women's Participation and Advancement in the Workplace"

May

- Launched "Sustainability Deposits"
- Entered into a business alliance with ARUHI (now SBI ARUHI Corporation)

June

- **Achieved two consecutive years of three crowns in the survery for brand image of foreign currency deposits**



- Conducted nonrecourse loans for residential property acquisition projects using security tokens
- Implemented positive impact financing to the Medical Corporation Tesshokai

July

- Concluded two social loan agreements with Kenedix Residential Next Investment Corporation
- **Started the fourth joint branch operation by SBI Shinsei Bank and SBI MONEYPLAZA**
  (Eight branches as of the end of March 2024)

August

- Implemented the first green loan as SBI Shinsei Bank to ZEH rental apartment management fund
- Commenced to offer "Lala Pay Plus," a new digital wallet
- Assets under management (AUM) exceeded 100 billion yen at the joint branches of SBI Shinsei Bank and SBI MONEYPLAZA
- Participated in the Sustainability Data Standardization Consortium

September

- AUM exceeded 20 billion yen of SBI Wrap × SBI Shinsei Bank, a discretionary investment service
- Released SBI Shinsei Bank app "COTRA remittance service"
- Implemented social loan related to investment in East Samurai Co., Ltd. by regional business succession fund managed by SBI Regional Business Succession Investment Co., Ltd.
- Implemented the first positive impact financing for startup as SBI Shinsei Bank

October

- AUM of PowerYokin exceeded 120 billion yen

November

- **Received the highest "Gold" status for the second consecutive year in PRIDE Index, an initiative indicator related to LGBTQ+**

work with Pride Gold 2022

- **Launched Real-Time Foreign Currency Deposit and Withdrawal Service and U.S. Dollar Regular Automatic Deposit Service**

- Implemented positive impact financing to JA Mitsui Leasing, Ltd.

January 2024

- **Acquired shares in Diamond Asset Finance Co., Ltd.**

SBI新生銀行グループ DAF ダイヤモンドアセットファイナンス株式会社

February

- Partial repayment of public funds
- **Achieved No.1 in satisfaction for the "various expenses" category in the "Good Housing Loan Ranking Selected by Users Second Half 2023" survey**

March

- Launched SBI Money Assistant, an unsecured loan service
- Established ZEH Regional Revitalization Fund and invested in anonymous association

Progress of the Medium-Term Vision and Summary of the Second Year

The SBI Shinsei Bank Group has developed the Medium-Term Vision of the SBI Shinsei Bank Group (the "Medium-Term Vision"), a medium-term business plan covering from fiscal 2022 to 2024. Based on the SBI Group's universally fundamental management viewpoint relating to business development, the Medium-Term Vision consists of three targets to be achieved and three core strategies that enable the achievement of those goals.

In fiscal 2023, the second year of the Medium-Term Vision, we realized to expand our balance sheet and customer base and built a foundation to increase future profit opportunities by gaining a foothold from joining SBI Group. Going forward, we will steadily advance both the expansion of volume and the improvement of quality, which will lead to the achievement of our Medium-Term Vision.

Medium-Term Vision (Targets to Be Achieved in Three Years' Time)

1. Realize JPY 70 billion of consolidated net income and establish a foundation for further growth
2. Evolve into a leading banking group providing pioneering and advanced finance
3. Show the path toward repayment of public funds

Strategies for Achieving the Medium-Term Vision

The SBI Group's universally fundamental management viewpoint relating to business construction

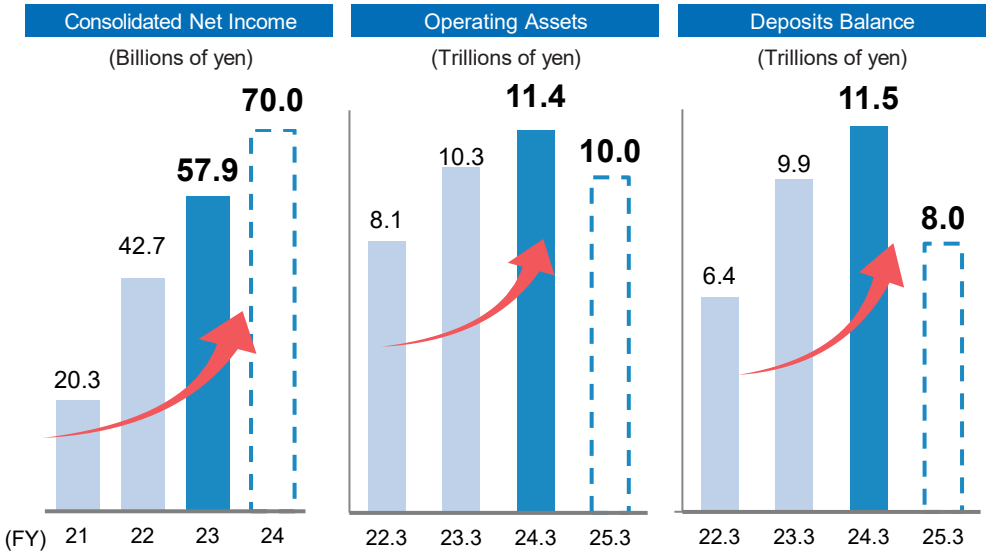
1. Adherence to the "Customer-centric Principle": Public benefits leading to private benefits
2. Forming a "corporate ecosystem" and comprehensively pursuing Group synergies
3. Thorough devotion to innovative technology
4. Formulating and executing strategies encompassing anticipated challenges in the near future
5. Public Benefit Leads to Private Benefit
6. Going Beyond Finance with Finance at Its Core

Core Strategy 1
Pursue value co-creation inside and outside the Group.

Core Strategy 2
Enhance the Group's strengths and realize a full range of service offerings.

Core Strategy 3
Achieve sustainability through business activities.

Financial Targets (KPIs)



Number of Customers
3.05 million → **3.53** million accounts
Target of 3.8 million accounts in the Medium-Term Vision

CET1 Ratio
11.6% ↘ **9.7%**
Target: 10% or more
Decreased due to increase in risk assets accompanying expansion of operating assets and purchase of treasury stock related to the reverse stock split.

Special Feature: Individual Business Cooperation with SBI MONEYPLAZA

Aiming to expand the asset management business for individuals by accelerating bank and securities affiliation through joint branches

SBI Shinsei Bank and SBI MONEYPLAZA began operating SBI Shinsei Bank MONEY PLAZA, a joint branch, in August 2022. The name was changed to “SBI Shinsei Wealth Management” in June 2024, and the plan is to have joint branches at all of the Bank's branches by the end of fiscal 2024. We asked about the aims and achievements of these efforts, as well as their future prospects.

Tomohiko Ota
Representative Director
President
SBI MONEYPLAZA Co., Ltd.

Kazunori Tsujimura
Executive Officer
General Manager of SBI Shinsei Bank Group Collaboration Project Division
SBI MONEYPLAZA Co., Ltd.

Hiroki Otake
Managing Executive Officer
In Charge of Retail Banking Business
SBI Shinsei Bank, Limited

Tomomi Kumagai
General Manager, Ueno Financial Center
SBI Shinsei Bank, Limited

Please tell us the background to the establishment of the joint branches.

Otake: As the Bank joined the SBI Group, one of the top priorities was the creation of synergies in the individual businesses. So, initiatives for bank and securities business affiliation were promoted. SBI Shinsei Bank acts as a financial product intermediary for SBI SECURITIES, while SBI SECURITIES acts as a bank agent for SBI Shinsei Bank. The first joint branch opened in Ikebukuro, Tokyo. As of May 2024, we have expanded to nine stores, and we plan to have joint branches at all branches of the Bank by the end of fiscal 2024.

Ota: Originally, SBI MONEYPLAZA had a track record of bank and securities collaboration. We have been operating joint branches with regional financial institutions since October 2017, and we knew from experience that new transactions would emerge by providing the unique products and services of securities companies customers of regional banks, so the opening of joint branches this time was a natural trend.

What changes have actually occurred at the branches?

Kumagai: I am working at the Ueno Branch. Prior to the opening of the joint branch, we introduced customers who were interested in asset management products not handled by the bank to the neighboring Ginza Branch. Now that a joint branch is on the same floor, we can smoothly guide our customers. With the launch of the new Nippon Individual Savings Account (NISA) and the expansion of the customer base, we are now able to meet a wide range of needs with a one-stop solution.

Tsujimura: I feel that the Ueno Branch is really working together well. I have been in charge of all the branches as the manager since the start-up of the joint branches, and I am especially careful about the areas of cooperation with the Bank. We try to find the best way to do things for each branch, based on the characteristics of the region and the branch manager working at the actual site. We are communicating closely with branch managers around all of our branches, and we see that branches where the manager is taking initiative are doing well.

What are your thoughts on the strategies for fiscal 2025 and beyond?

Otake: First, we aim to steadily succeed in the plan to have joint branches at all of our branches during fiscal 2024. Beyond that, we hope to expand the joint branches strategically. While the overall birthrate is declining, the population is increasing in some regions, and there are also regions where there is a strong need for face-to-face branches. We expect to open new branches in a flexible manner while considering complementary relationships with the customer base of SBI SECURITIES and other Group companies.

Ota: In parallel with the opening of new branches, we would like to attract new customers who would like to engage in face-to-face asset management transactions, even if they have not done business with the Bank to date, even at existing branches. We would also like to further increase the range of support for consultations. If we can provide a wide range of products and sophisticated consulting services, we will be able to further contribute to our customers, which in turn will lead to profits.

Special Feature: Institutional Business
Creating Value through Cooperation with Regional Financial Institutions

Promoting Collaboration with Regional Financial Institutions to Realize Regional Revitalization "Triangle Strategy"

The SBI Shinsei Bank Group is a hybrid comprehensive financial group that is engaged in both bank and nonbank functions. In addition, the SBI Group has expanded its alliances with regional financial institutions nationwide to contribute to regional revitalization, which is a national strategy. Since the Bank joined the SBI Group in December 2021, regional financial institutions, the SBI Group, and the SBI Shinsei Bank Group are pursuing the "Triangle Strategy," working as a trinity, and leveraging their respective strengths to promote regional revitalization.

Becoming a Platformer of Regional Financial Institutions

As a new stage of collaboration with regional financial institutions, the Bank aims to become a platformer to provide the Bank's functions and services to regional financial institutions. Regardless of whether or not they have an equity relationship with the SBI Group, we intend to strengthen collaboration with the SBI Group and the SBI Shinsei Bank Group companies for all regional financial institutions, thereby contributing to regional economic development and improving the profitability of regional financial institutions.

Specifically, when regional financial institutions consider financing for local companies and local projects, we provide the functions of the Bank effectively in accordance with the issues faced by the companies with which they do business, thereby enabling them to provide solutions that were previously difficult for regional financial institutions to deal with on their own. As a result, we are able to contribute to the acquisition of new financing opportunities and profit opportunities in regional financial institutions and the strengthening of local support.

Collaboration in the Advanced Financial Sector by Leveraging Our Strengths

Structured finance business is one of the areas in which we have strengths, and we have built up a track record of collaborating with regional financial institutions. To date, we have formed collaborative financial institutions in financing with a total of 23 banks for a total of 193.9 billion yen. Since fiscal 2022, we have distributed 265.4 billion yen in structured finance projects, bringing the total to 212 banks.

Launch of a Specialized Section to Strengthen Collaboration

As a new strategy, the Bank established the Regional Collaborative Finance Department within the Group Institutional Business Strategy Department in April 2023 to strengthen support for the core businesses of regional financial institutions, including lending operations in the corporate business field.

In order to meet a variety of needs, including loans for local companies and projects, M&A, and business succession areas, the Regional Collaborative Finance Department serves as a contact point for regional financial institutions and works with related departments and group companies. We consider this to be the most important function to enable regional financial institutions to utilize the Bank's various functions and resources to the fullest.

At the same time, we established the Corporate Advisory Department within the Division to accelerate collaboration in areas such as M&A and business succession. In collaboration with the Regional Collaborative Finance Department, we will provide advisory services to local companies that have issues in expanding their businesses and taking over their businesses.

Focus on Offering Information, including Seminars

In addition to these initiatives, we are also working to offer information. We send monthly reports on timely themes to the top management of regional financial institutions, and we also hold seminars on an ongoing basis. Recently, the program has expanded from 86 banks to a total of 176 participants.

Since fiscal 2023, we began expanding the acceptance of trainees. We have a wide range of services, including structured finance and screening sections, and we have already accepted them from a total of 22 banks.

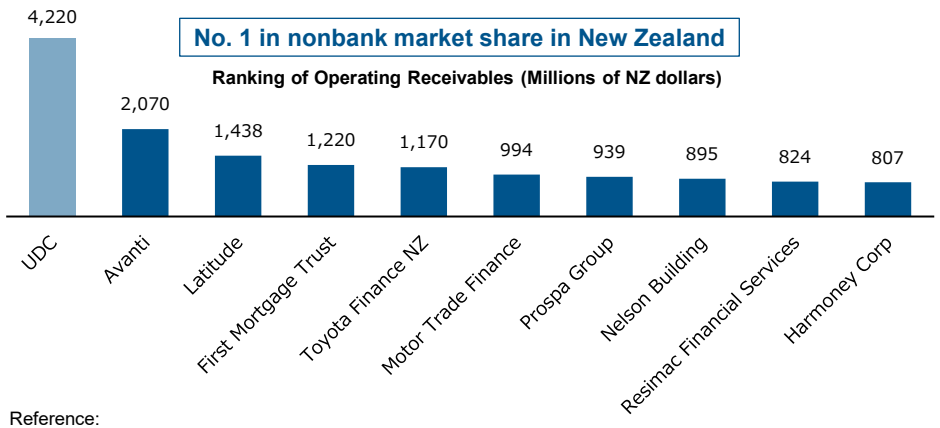
Yoshihisa Hirose
General Manager, Regional Collaborative Finance Department
Group Institutional Business Strategy Division

Hironori Sakata
Joint General Manager
Group Institutional Business Strategy Division

Special Feature: Overseas Business Introduction of UDC Finance Limited

Outline of UDC

- UDC Finance Limited (UDC) is New Zealand's largest nonbank, founded in 1937, and is our wholly owned subsidiary. UDC provides personal auto loans, asset-backed financing for corporations (such as transportation, forestry, and construction), and inventory financing for automotive dealers.
- UDC, which operates in New Zealand, where the population is growing due to its immigration policies and reopen of border following COVID-19 crisis, and is expected higher GDP growth among developed country, is counted on playing a key role in the Group's core business and further growth in the future.
- The business and risk profile of UDC is similar to the business models of APLUS and Showa Leasing, the Bank's subsidiaries, and there are synergies that can be expected by leveraging the experience and knowledge gained domestically and overseas.
- Since 2020, when UDC became a 100% subsidiary, the Bank has been fully supporting the growth of UDC through temporary staffing, financing, IT project promotion support, and support for the acquisition of inorganic projects. UDC's business is expanding steadily.



Reference:
KPMG: Non-bank Financial Institutions Performance Survey – Review 2023
Referred to the latest financial results of each company as of September 2023

Key Initiatives in Recent Years

September 2020	Completed the acquisition of UDC and switched all funding to securitization and the parent-subsidiary loan of the Bank, and dispatched directors and full-time executives from the Bank
October 2020	Began handling a new product, residual value-setting automobile loans
January 2021	Started a core system replacement project
September 2022	Strategy business alliance and purchase of trade receivables with Giltrap Group Holdings Limited, a comprehensive automotive group that imports and sells international brands
August 2023	Sales finance program with Kobelco Construction Machinery Co., Ltd. New Zealand Branch started
November 2023	Formed a strategic business alliance with a leading New Zealand automotive industry association and purchased trade receivables
December 2023	Issued the largest local ABS (Asset Backed Securities) as a nonbank
May 2024	Purchased trade receivables for commercial assets held by BOQ (Bank of Queensland Australia)

Initiatives for Enhancing Human Resource Value

The SBI Shinsei Bank Group believes that “human resources” are the most important capital. We aim to prepare an environment for each employee to demonstrate their full potential and grow significantly while respecting their career development and spirit of challenge. By bringing together human resources with various personalities and strengths, and linking them organically, we will create new value that is not constrained by existing concepts and provide financial products and services that meet the diverse values and needs of our customers.

Usei Yano
Executive Officer
In charge of Group Human Resources

SBI Shinsei Bank Group’s Human Resources Strategy

The SBI Shinsei Bank Group believes that each employee’s willingness to take on challenges and continue to grow leads to sustainable value creation and growth for the organization. We are working on enhancing human resources value in order to realize our Medium-Term Vision and other medium- to long-term management strategies. As a financial group that generates innovation, human resources are the source for each function to demonstrate its strengths. To this end, in addition to firmly developing new graduates, we are recruiting specialists as a ready-to-serve workforce in an effort to realize a deep personnel structure.

Efforts to Enhance Employee Engagement

In fiscal 2023, we launched an employee engagement survey in order to identify issues for each employee to contribute voluntarily to and take initiatives actively in the organization and in thier own work. Based on the analysis of the survey results, we are working on communication enhancement or other initiatives aiming at more attractive organization as a working place. We will continue to conduct regular employee engagement research and continue our efforts for improvements.

Diversity and Inclusion (D&I)

Synergies created through the active participation and growth of diverse human resources, regardless of age, gender, nationality, race, sexual orientation and gender identity, or disability, are the cornerstone of the Group's sustainable growth. We are advancing various D&I-related initiatives so that employees with diverse backgrounds can demonstrate their individual abilities and work with the sense of motivation.

Aiming to Become a Rewarding Organization

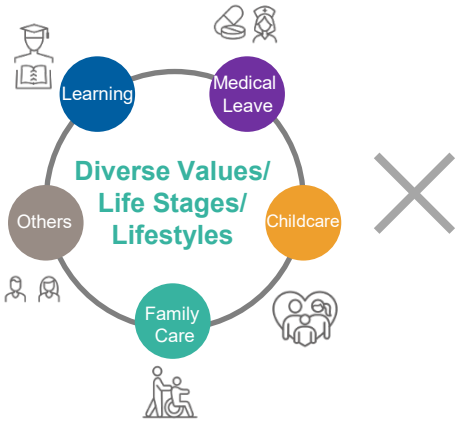
Enhancement of Options for Working Styles

We have enhanced the options for working styles so that employees can thrive while striking a balance between work and life according to their respective life stages and life events. In addition to “the self-time differential working system” and “flex-time/super flex-time system” that broaden the options for working hours, and the remote work system that broadens the options for working places, we have implemented leave and shorter working hours related to childcare and nursing care. We have also introduced a flexible working system with “a three/four-day work per week system” and “a life support leave/time reduced working hours system” to provide options for working styles that respond to various life events.

Side Work/Concurrent Work

We became the first major bank to allow side/concurrent work, so that employees are able to link learning outside the company or in a place away from business for individual growth and organizational innovation. We support self-directed career development that takes advantage of each individual's strengths and individuality.

■ Workstyle Reform-Related Programs of SBI Shinsei Bank Group



Options for Working Styles

Days	Three-Day Work/ Four-Day Work per Week System
Time	Self-Time Difference Work System Flex-Time System/Super Flex-Time System Life-Support Reduced Working Hours System
Holidays Recess	Childcare Leave Family Care Leave Special Leave to Male Employees for Childbirth
Place	Work from Home

(Note) Only employees satisfying certain conditions are eligible to take the systems noted above.

Sustainability

Yasuhiro Fujiki
Chief Sustainability Officer
Executive Officer
General Manager of Group Overseas Business Division
In charge of Group Corporate Planning

We recognize that financial institutions play a significant role in addressing various environmental and social challenges. The SBI Shinsei Bank Group defines sustainability management as aiming for a virtuous cycle between “long-time contribution to the environment, society, and our customers through our business” and “sustainable growth of our Group.” The “virtuous cycle” refers to a cycle where our business contributes to improving the sustainability of the environment, society, and our valued customers, with support from our customers and the public, leading to our group's growth, where the growth enables us further to contribute to society.

We will leverage our distinctive capabilities and expertise as a comprehensive financial group dedicated to forging new value with the transformative power of finance for those customers who are working on resolving various issues or those who face various challenges.

Sustainability Management Promotion System

The Group Executive Committee makes decisions on sustainability management under the supervision of the Board of Directors. We have established the Group Sustainability Committee as one of the Group Important Committees. The Chief Sustainability Officer (CSO) and the Senior Sustainability Officer (SSO) respectively serve as chairperson and vice chairperson of the committee, which coordinates and discusses matters related to sustainability management and reflects them in business execution. Regular reports are made to the Board of Directors and the Group Executive Committee, and important matters are authorized. We have also established the Sustainability and Communications Division at the Group Head Office to plan, formulate, and promote sustainability management. In addition, we have established a sustainability promotion organization at each Group company to enhance sustainability management.

Sustainability Targets and the Progress in Fiscal 2023

	Targets	Progress
Financing for solving environmental and social issues	・5 trillion yen of cumulative origination of sustainable finance by the end of fiscal 2030 ・Supporting transition promotion of corporate customers in sectors with high greenhouse gas emissions	・The amount of origination of sustainable finance was 1.4 trillion yen. -Promoted the origination of sustainable finance jointly with regional financial institutions -To promote transition, prepared rule books and engagement sheets and organized study sessions ・Conducted sustainability deposits for individual customers ・Launched preferential interest rate programs for Net Zero Energy House mortgages ・Originated and invested Net Zero Energy House development funds by Showa Leasing ・Digitalization in settlement at convenience stores by APLUS
Providing financial services in light of changes in social and various other needs	・To continue to present new value and options to customers through the utilization of FinTech and collaboration with business partners in response to changes in society and diversification of customer values	
Contributing to the solution of environmental and social issues from a global perspective	・Solving environmental and social issues by providing financial services utilizing new technologies both domestically and overseas	
Building a flow of funds to solve environmental and social issues	・Providing products respectively in order to link financiers and providers of funds under the theme of solving environmental and social issues	
Respect for human rights and enhancement of human resource value	・To establish a framework for promoting and managing respect for human rights and appropriately fulfill corporate responsibilities ・To create a working environment in which each employee recognizes his or her own values and personalities and maximizes his or her strengths and characteristics ・To foster an organizational culture that realizes the creation of new values while harmonizing diversity	・Initiatives are undergoing toward the target in the Action Plan for Act on the Promotion of Women’s Active Engagement in Professional Life. ・Conducted human rights due diligence for employees and addressed the issues arised from the survey
Responding to climate change	・Net zero greenhouse gas emissions from the Group’s energy use by the end of fiscal 2030 ・Net zero greenhouse gas emissions in the Group’s investment and loan portfolio by the end of fiscal 2050 ・Zero loan balance for project finance for coal-fired thermal power generation by the end of fiscal 2040	・Reduced greenhouse gas emissions by switching to renewable electricity for some of our office buildings ・Loan balance for project financing for coal-fired thermal power generation decreased steadily to 39.6 billion yen (as of March 31, 2024)
Promotion of philanthropic initiatives	・Creation of social impact through sustainable social contribution activities and disclosure of the impact	・Conducted impact assessment of MoneyConnection®, a basic monetary educational program developed in collaboration with the NPO-SODATEAGE-NET
Improvement of governance	・Establishment of a supervisory system for the Board of Directors and a management executive system for addressing sustainability ・Consideration of the status of sustainability initiatives in evaluation and compensation ・Establishment of a risk management system for sustainability	・Renovated the sustainability management promotion system ・Reflected sustainability-related items in performance evaluation

■ **Sustainability Management Promotion System**

Initiatives for Climate Change

The SBI Shinsei Bank supports the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures).

Governance

We recognize that responding to climate change is essential for the realization of a sustainable society. Therefore, we designated “response to environmental issues such as climate change” as one of our material sustainability issues. Under the system described in the previous page, we are striving to create social value through a variety of initiatives, including investment and lending for businesses that are responding to climate change as well as to improve the Group’s corporate value over the medium to long term.

Strategy: Opportunities

Businesses Achievements that Contribute to Resolve Climate Change

We have set a target of 5 trillion yen of cumulative origination in sustainable finance by fiscal 2030. Out of sustainable finance originations, the finance contributing to climate change in fiscal 2023 was 568.7 billion yen (including Group companies, etc., due to the expansion of the scope of our sustainable finance compilation).

Examples of Finance that Contribute to Resolve Climate Change

Recently, there has been an upward trend in renewable energy projects in the form of portfolios that combine multiple small-scale power generation facilities. In the loan project for the LLC sponsored by Clean Energy Connect, Inc., the company implemented the Shinsei Green Loan to finance the costs of developing, constructing, and operating approximately 700 low-voltage solar power generation facilities (totaling approximately 69MW).

In the Individual Business, we offered “Sustainability Deposits” (yen time deposits) as opportunities for customers contributing to resolve climate change and social issues in a limited amount and for a limited time. Among these, for the portion related to climate change, the deposit is allocated by the Bank to wind/solar power generation or other projects, which creates a mechanism for the circulation of funds that leads to the reduction of emissions, with the aim of realizing a better future together with customers.

In addition, as a financial institution with the ability to originate green finance, the Bank newly registered itself with the Ministry of the Environment's Green Finance Supporters System.

Strategy: Risks

Climate Change Risks

We conducted risk assessments for physical and transition risks in each sector, and we quantify risks in sectors of high importance.

Physical risk:

As a result of estimation of domestic real estate nonrecourse loans, housing loans, domestic project finance, and unsecured personal loans of Shinsei Financial, cumulative credit-related costs through 2050 are projected to be in the range of 5.5 to 9 billion yen.

Transition risk:

As a result of estimation of the power utility, oil and gas, and marine transportation sectors, the cumulative credit-related costs through 2050 are projected in the range of 8.5 to 32 billion yen.

Risk Management

In order to address the physical and transition risks and enhance our response to risks related to climate change, we have formulated the Responsible Investment and Lending Policy. We also participated in initiatives at home and abroad, such as “the Equator Principles”, “the Poseidon Principles”, and “GX League”, and engage in financing based on an appropriate judgment of risks and economic rationality.

Metrics and Targets

The Group has set the targets described on the previous page for the response to its material sustainability issue—“response to environmental issues such as climate change.” Recognizing that providing funds to resolving environmental/social issues is an important role of financial institutions, we continue to promote carbon-neutral initiatives. In addition, we measure our financed emissions based on international standards, as shown on the right.

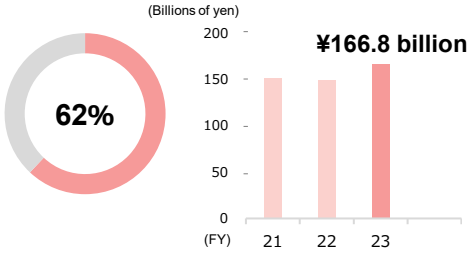
Asset type	Balance to be calculated (billions of yen)	GHG emissions ($ktCO_2e$)	Carbon intensity	Data quality score
Business Corporations	2,428	3,375	1.39 ($ktCO_2e$/JPY 1 billion)	2.64
Project finance	118	564	0.58 ($ktCO_2e$/MWh)	3.00
Real estate nonrecourse Loan	837	166	0.09 ($ktCO_2e$/1,000㎡)	4.00
Housing loans	1,108	84	1.38 ($ktCO_2e$/household)	4.25

*1 GHG emissions are calculated using the international standards published by PCAF.
*2 Data quality scores: Accuracy is scored on a 5-level scale for each measurement/estimating. The smaller the value, the higher the accuracy.
*3 These GHG emissions are calculated as the contribution of the Group to the total GHG emissions of each investment and lending.
*4 Of the asset types in the PCAF standards, we measured GHG emissions based on the methods from "listed stocks and corporate bonds" and "business loans and unlisted stocks" for the Bank’s business corporations, as well as "residential real estate" for housing loans, "project finance" for project finance, and "commercial real estate" for real estate nonrecourse loans.

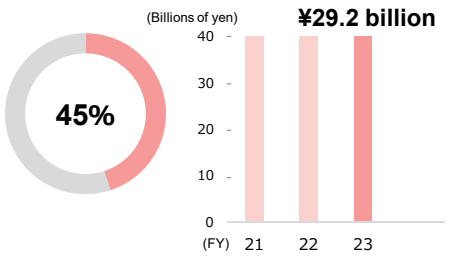
At a Glance

Individual Business

Total Revenue



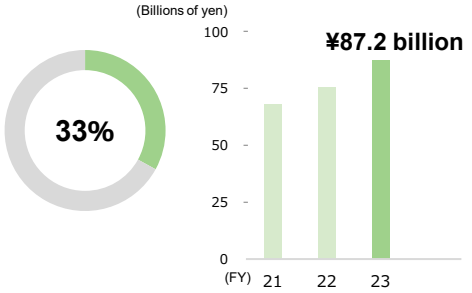
Ordinary Business Profit after Net Credit Costs



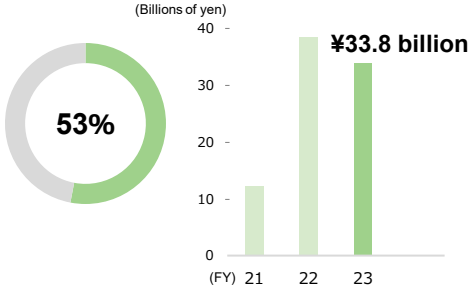
Major Businesses	
Retail Banking	Yen/foreign currency deposits, structured deposits, investment trusts and bonds through intermediation of financial products, life and nonlife insurance (through partner institutions), housing loans, as well as financial transactions and services for individuals
Shinsei Financial	Unsecured loans and credit guarantees
APLUS	Shopping credit, credit cards and payment services
Other Individual Business	Business activities related to other subsidiaries

Institutional Business

Total Revenue



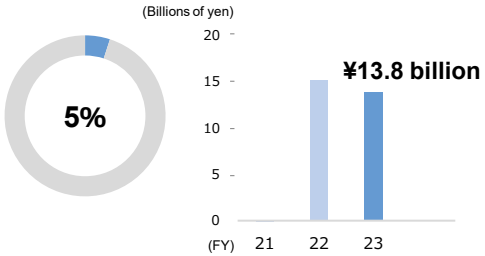
Ordinary Business Profit after Net Credit Costs



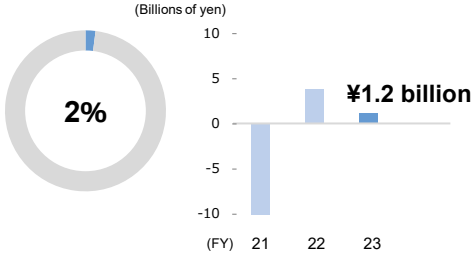
Major Businesses	
Corporate Business	Financial products, services and advisory services for corporations, public-sector entities and financial institutions, as well as syndication and wealth management, etc.
Structured Finance	Real estate-related nonrecourse finance, project finance, specialty finance including shipping and aircraft domain and M&A-related finance, financial products and services related to healthcare finance and trust banking services, etc.
Principal Transactions	Venture business-related services, business succession, private equity and asset-backed investment, etc.
Showa Leasing	Financial products and services focused on lease finance
Markets Business	Foreign exchange, derivatives, equity-related and other capital markets

Overseas Business/Treasury/Other

Total Revenue



Ordinary Business Profit (Loss) after Net Credit Costs



Major Businesses	
Overseas Business	Profit and loss attributable to overseas subsidiaries such as UDC Finance Limited (New Zealand) and EasyLend (Hong Kong) affiliated companies such as MB Shinsei Finance (Mcredit/Vietnam)
Treasury	ALM-related operations and gains and losses from equity and subordinated debt financing activities
Other	Company-wide accounts that are not included in our reportable segments, allocation variance of indirect expense and elimination amount of inter-segment transactions

Individual Business

Takayuki Shimada
Representative Director, President and Chief Executive Officer (CEO)
APLUS Co., Ltd.

Hiroyuki Kagita
Managing Executive Officer
Head of Individual Business
SBI Shinsei Bank, Limited

Tadashi Wachi
President and CEO
Shinsei Financial Co., Ltd.

Our Individual Business segment is comprised of the retail banking business, which handles deposits, investment trusts and housing loans; unsecured loans; and credit card, shopping credit and payment services for individual customers. In January 2024, we made Diamond Asset Finance Company Limited a subsidiary, creating a structure that aims to further expand the real estate finance business. As a member of the SBI Group, the Bank is reforming its business model by thoroughly implementing the “Customer-centric Principle.” We are continuously working to expand our offerings of competitive products and services through group collaboration and strengthen our transaction channels.

In the retail banking business, we are steadily implementing various measures to achieve the targets for deposit balances and the number of retail banking accounts set forth in the Medium-Term Vision. In collaboration with SBI SERCURITES, we launched SBI Shinsei Connect, an account connection service, in April 2023. This service enables customers to make even more convenient fund transfers to SBI SECURITIES accounts. In this way, we have laid the foundation for seamlessly conducting transactions between bank and securities accounts. In addition, the joint branch with SBI MONEYPLAZA, which had already been established at 11 locations nationwide as of the end of June 2024, changed its name to “SBI Shinsei Wealth Management” in June of the same year. By the end of fiscal 2024, the joint branches will be installed at all 22 Financial Centers nationwide.

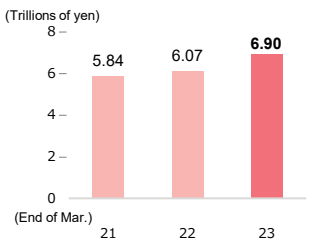
In APLUS’s shopping credit, card, and payment business, we are building a stable business base through value co-creation with many franchisees and other partners. In the shopping credit business in particular, in addition to growth in auto credit and auto leasing, we are also focusing on areas such as solar power generation systems and luxury watches and jewelry, and the scale of business is steadily expanding.

In the card and payment business, amid the expansion of the cashless payment market and the recovery in inbound consumption, we are increasing transaction volume by providing a variety of payment methods and services, such as credit cards, 2D code payment, and convenience store receiving agent services, to a greater number of customers.

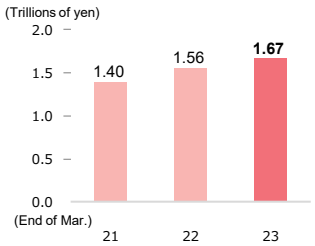
In the area of unsecured loans, we are required to respond meticulously to the financing needs of our customers. We achieved steady growth with quality in fiscal 2023 by responding to various funding needs while enhancing our credit strategy and stabilizing our collection system. We are also working to strengthen brand recognition, and Shinsei Financial was ranked fifth out of 2,601 companies, in the “Efficiency in Acquiring CM Favorability Ranking by Company” in fiscal 2023.

Operating Assets

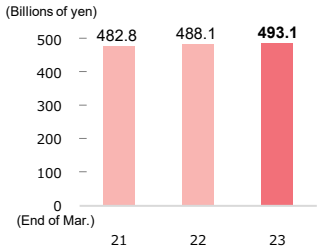
Retail Banking (AUM)



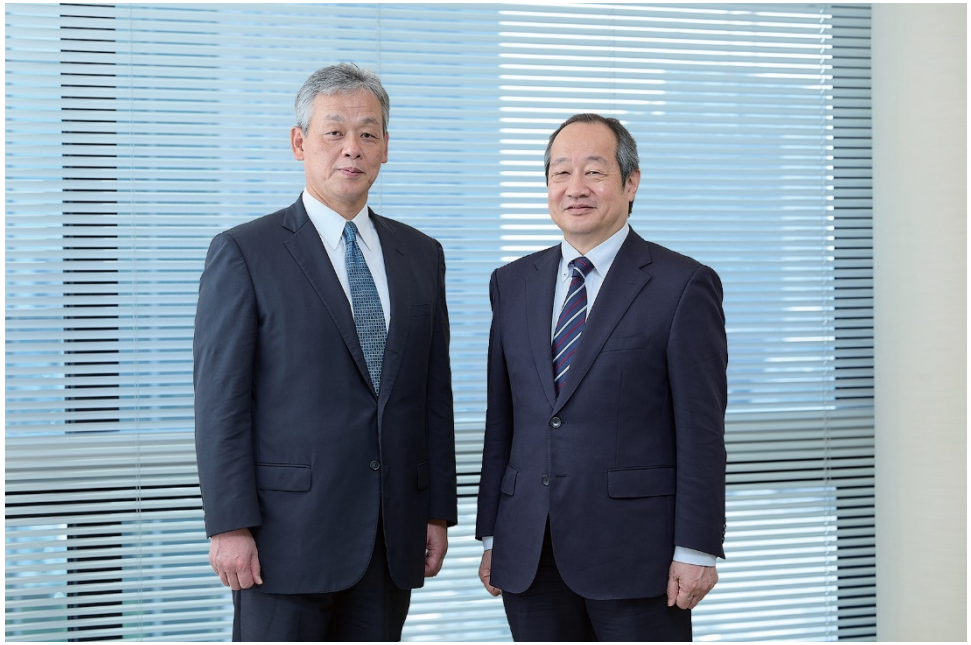
APLUS



Unsecured Loans



Institutional Business



Takahisa Komoda
Senior Managing Executive Officer
Head of Institutional Business
SBI Shinsei Bank, Limited

Shoichi Hirano
President & CEO
Showa Leasing Co., Ltd.

The Institutional Business includes corporate business, which provides solutions to our corporate and financial institution customers; renewable energy-related structured finance, which provides services such as real estate finance and project finance; investments and loans to venture companies and business succession finance; the leasing business; and the markets business, which provides market solutions for foreign exchange and interest rate derivatives, among others.

With the termination of negative interest rates in Japan for the first time in eight years at the Monetary Policy Meeting of the Bank of Japan held in March 2024, the stock market and foreign exchange rates fluctuated significantly. The financial and economic environment has reached a major turning point, and the rise in interest rates is viewed as a major growth opportunity in our business. As the core bank of the SBI Group, the Bank will contribute to the revitalization of regional economies and corporate growth. This will be achieved through full range of product offerings, services, functions, and other solutions based on the "Customer-centric Principle" and through collaboration with regional financial institutions.

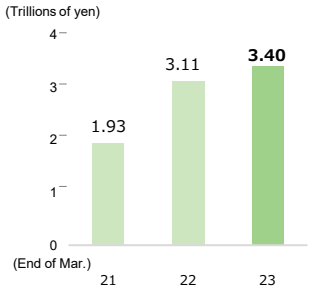
For corporate customers, we succeeded in significantly revitalizing sales activities and strengthening sales promotion through collaboration with the SBI Group, and our customer base expanded. As a result, our operating assets and revenue increased significantly. In addition, we are supporting the growth of startups in which the SBI Group invests and providing mutual customer referrals and joint visits. In this way, we are able to provide integrated solutions in a diverse range of fields. For financial institution customers, we are strengthening the activities as a platformer for regional financial institutions based on the "Triangle Strategy." Participation in loan projects increased, particularly in the sustainability sectors such as renewable energy and social finance in the healthcare field.

In the business pertaining to institutional investors centered on structured finance business in which we have strengths, we will further strengthen our capabilities in the renewable energy area while further promoting the provision of sustainable finance, including projects for regional revitalization in the healthcare and housing-related businesses.

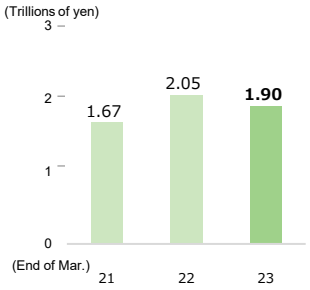
With the aim of becoming a "good partner" for customers, Showa Leasing provides high-value-added finance and leasing in the fields of real estate, renewable energy, healthcare, and aerospace and ships, mainly to small and medium-sized companies, through collaboration with the SBI Shinsei Bank Group companies. In fiscal 2023, synergies with the SBI Group and collaboration with regional financial institutions expanded. Contract transaction volume remained firm due to orders for large-scale factoring, solar power generation, real estate leasing, and construction machinery-related projects, in addition to growth in alliances with SBI Leasing Services Co., Ltd. in the JOLCO sector. In collaboration with regional financial institutions, we have expanded our collaboration track record, including the formation of sustainability-related funds such as ZEH (Net Zero Energy House) apartment and green buildings, sales of operating assets to regional bank-affiliated leasing companies, and syndication transactions.

Operating Assets

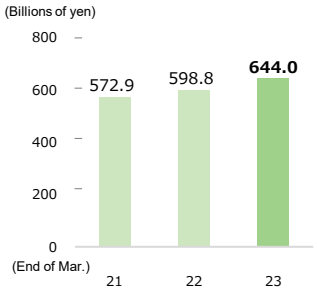
Corporate Business



Structured Finance



Showa Leasing



Overseas Business / Securities Investment

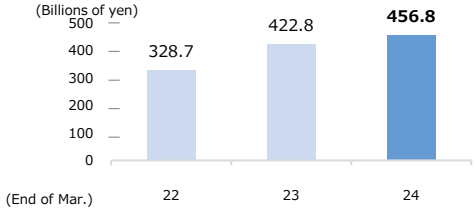
Katsumi Hatao
Senior Managing Executive Officer
In charge of Group Overseas Business
SBI Shinsei Bank, Limited

We are expanding nonbank businesses overseas, such as UDC Finance Limited ("UDC"), which is the largest nonbank financial institution in New Zealand. UDC has strengths in auto loans for individuals, asset-backed financing for corporations (transportation, forestry, construction, etc.), and inventory financing for auto dealers. In fiscal 2023, the loan balance reached a record high as a result of progress in acquiring new loans. The business alliance with a group of local companies engaged in sales agency operations of luxury automobile brands since fiscal 2022 led to steady growth and, with low credit loss ratio, contributed to profits. In addition, in fiscal 2023, we also made progress in nonorganic initiatives, including business alliances with local automotive services and bank-affiliated competitors and the acquisition of receivables, and are steadily expanding the scope of our business.

Mcredit is a joint venture with Military Commercial Joint Stock Bank, which is a major private commercial bank in Vietnam, and it develops consumer installment loan, cash loan, and credit card businesses. Mcredit is implementing a variety of initiatives such as creating a new customer acquisition route, strengthening its collection system, and improving the quality of receivables to stabilize their business performance and to achieve growth.

Operating Assets

Overseas Business



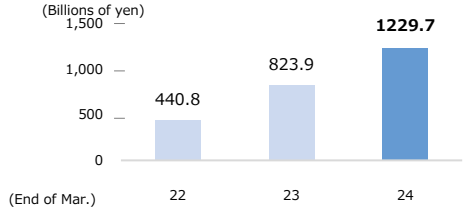
Kei Fujisaki
Senior Managing Executive Officer
In charge of Group Treasury
SBI Shinsei Bank, Limited

In the Medium-Term Vision, the individual strategy of securities investment is set as "enhancing and diversifying investment management and reinforcing the risk management system."

In October 2023, we formulated a policy to restructure our portfolio of investment products, including yen-denominated bonds, foreign bonds, credits, and stocks. As a result of portfolio diversification and flexible operations, the balance at the end of March 2024 was 1,229.8 billion yen, a significant increase from 823.9 billion yen from the same period of last year. Investment yields have also improved year on year, and we are working to secure stable profits.

Operating Assets

Securities Investment



Financial Summary

Fiscal 2023 Financial Review

Total revenue in fiscal 2023 was 267.9 billion yen, an increase of 27.6 billion yen from 240.2 billion yen in fiscal 2022.

Net interest income was 156.1 billion yen, an increase of 17.4 billion yen from 138.7 billion yen in the previous fiscal year. This was mainly due to a substantial increase in revenues, resulting from an increase in interest income from loan growth in the institutional business, an improvement in deposit interest rate margin in retail banking, and gains on dividends of private placement investment trusts in securities investments.

Noninterest income was 111.7 billion yen, an increase of 10.2 billion yen from 101.5 billion yen in fiscal 2022. This was mainly due to the increase of revenue by sale of asset management products in retail banking and the main businesses of APLUS, along with revenue from securitization of receivables.

General and administrative expenses were 165.7 billion yen, an increase of 4.0 billion yen from 161.6 billion yen in fiscal 2022. This was mainly attributable to increased costs related to sales promotion, system-related expenses, and the consolidation of Diamond Asset Finance Company Limited during the fiscal year, despite a decrease associated with organizational restructuring within the SBI Group.

Net credit costs amounted to 37.8 billion yen, an increase of 15.8 billion yen from 22.0 billion yen in fiscal 2022. This was due to credit provisions on individual projects in the institutional business, while in the previous fiscal year there were large recoveries relating to credit collections. In addition, credit costs increased in the individual business mainly because of a steady increase in operating assets at APLUS. We have allocated sufficient reserves while expanding the scale of our assets.

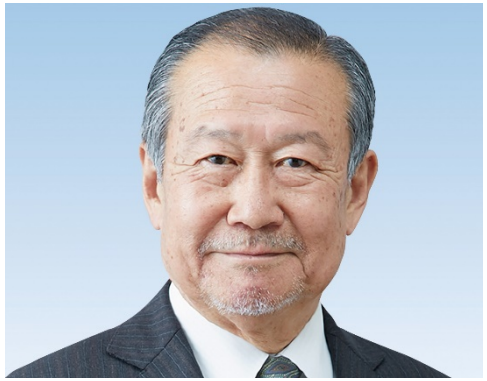
As a result, net income attributable to owners of the parent for fiscal 2023 increased by 15.1 billion yen to 57.9 billion yen from 42.7 billion yen in fiscal 2022.

(Billions of yen)

(FY)	2023	2022	Change
Net interest income	156.1	138.7	17.4
Noninterest income	111.7	101.5	10.2
Net fees and commissions	43.1	39.1	4.0
Net trading income	12.4	3.7	8.6
Net other business income	56.1	58.5	-2.4
Income on lease transactions and installment receivables	61.6	54.3	7.3
Total revenue	267.9	240.2	27.6
General and administrative expenses	-165.7	-161.6	-4.0
Ordinary business profit	102.2	78.6	23.5
Net credit costs	-37.8	-22.0	-15.8
Ordinary business profit after net credit costs	64.3	56.5	7.7
Amortization of goodwill and other intangible assets	-4.4	-3.5	-0.9
Other gains	3.0	-1.2	4.2
Income before income taxes	62.9	51.7	11.1
Current income tax	-10.3	-9.0	-1.3
Deferred income tax	5.2	0.0	5.2
Profit attributable to noncontrolling interests	0	0.0	0.0
Profit attributable to owners of the parent	57.9	42.7	15.1

Board of Directors, Audit & Supervisory Board Members

Directors



Hirofumi Gomi

Director, Chairman of the Board

Reappointed

[Reasons for Nomination]
Mr. Hirofumi Gomi has served as Commissioner of the Financial Services Agency and held various other positions and has broad experience in the financial sector in general. In addition, he is familiar with management strategy, business revitalization, governance, etc., and is expected to contribute to the enhancement of the corporate value of the Bank.

February 2022: Chairman of the Board (Current)

[Status of Concurrent Position]
- Outside Director, Aida Engineering, Ltd.
- Outside Director, Asteria Corporation
- Outside Director, Miroku Jyoho Service Co., Ltd.
- Outside Director, ZUU Co., Ltd.
- Special Guest Professor, Aoyama Gakuin University

Attendance rate: 100%

Katsuya Kawashima

Director, President and Chief Executive Officer

Reappointed

[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.

February 2022: Representative Director, President and CEO (Current)
January 2022: Advisor

Attendance rate: 100%

Katsumi Hatao

Director

Reappointed

[Reasons for Nomination]
Mr. Katsumi Hatao has many years of business experience at banks in Japan and overseas and has held various important positions. He has extensive knowledge and broad experience in financial services business and corporate management in Japan and overseas and is expected to contribute to the enhancement of the corporate value of the Bank.

June 2023: Director, Senior Managing Executive Officer, Assistant to the President, Overseeing Group Human Resources and Group Risk, In charge of Group Overseas Business (Current)
April 2022: Director, Senior Managing Executive Officer, Assistant to the President, In charge of Group Treasury and Group Overseas Business
February 2022: Director, Senior Managing Executive Officer
January 2022: Advisor

Attendance rate: 100%

Eisuke Terasawa

Director

Reappointed

[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.

June 2022: Director, Managing Executive Officer (current)
April 2022: Managing Executive Officer, In charge of Group Corporate Planning and General Manager, Group Corporate Planning Division (current)
April 2021: Senior Officer, Group Corporate Planning and Finance and GM, Group Corporate Planning Division, Executive Officer, Financing Facilitation and General Manager, Office of Financing Facilitation Management (current)

Attendance rate: 100%

Board of Directors, Audit & Supervisory Board Members

Outside Directors

Yasuhiro Hayasaki

Outside Director
Chairperson, Nomination and Compensation Committee

Reappointed

[Reasons for Nomination]
Mr. Yasuhiro Hayasaki is asked to stand as an outside director in order to reflect in the Bank's management his experience and a wide range of knowledge in the field of finance, including a career at the Bank of Japan.

February 2022: Director, SBI Shinsei Bank, Limited (Current)

[Status of Concurrent Position]
- President, Ricoh Institute of Sustainability and Business, Ricoh Company, Ltd.

Attendance rate: 100%

Masahiro Terada

Outside Director
Nomination and Compensation Committee Member

Reappointed

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

February 2022: Director, SBI Shinsei Bank, Limited (Current)

[Status of Concurrent Position]
- Partner Attorney, Miura & Partners
- Supervisory Director, Ichigo Office REIT Investment Corporation

Attendance rate: 100%

Yurina Takiguchi

Outside Director
Nomination and Compensation Committee Member

Reappointed

[Reasons for Nomination]
Ms. Yurina Takiguchi is asked 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.

June 2022: Director, SBI Shinsei Bank, Limited (Current)

[Status of Concurrent Position]
- Advisory Board Member, School of Engineering, University of Tokyo
- Outside Director, TerraSky Co., Ltd.
- Outside Director, Avex Inc.

Attendance rate: 94%

Katsunori Tanizaki

Outside Director
Nomination and Compensation Committee Member

Reappointed

[Reasons for Nomination]
Mr. Katsunori Tanizaki is asked 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.

June 2023: Director, SBI Shinsei Bank, Limited (Current)

[Status of Concurrent Position]
- Representative Director, President and CEO, The Japan Research Institute, Limited
- Representative Director, President and CEO, The Japan Research Institute, Limited
- Director, JAIS, Limited
- Director, SMBC Nikko Securities Inc.

Attendance rate: 100%

Makoto Hayashi

Outside Director
Nomination and Compensation Committee Member

Newly appointed

[Reasons for Nomination]
Mr. Makoto Hayashi is asked to stand as an outisde director in order to reflect in the Bank's management his high level of knowledge on governance and risk management based on his years of experience in positions such as the Prosecutor-General of the Tokyo High Public Prosecutors Office and Attorney General.

June 2024: Director, SBI Shinsei Bank, Limited (Current)

[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

Attendance rate: –

Board of Directors, Audit & Supervisory Board Members

Audit & Supervisory Board Member | **Outside Audit & Supervisory Board Members**

Jiro Kasahara

Audit & Supervisory Board Member Newly appointed

[Reasons for Nomination]
Mr. Jiro Kasahara is asked to stand as an audit & supervisory board member to reflect in the Bank his broad and deep knowledge of the banking business and his expertise through his long business experience at the Bank. He also has a wealth of perception on auditor's audit through his experience as an audit & supervisory board member at several Group companies of the Bank.

June 2024: Audit & Supervisory Board Member (Current)

Attendance rate: –

Ikuko Akamatsu

Outside Audit & Supervisory Board Member Reappointed

[Reasons for Nomination]
Ms. Ikuko Akamatsu is asked to stand as an outside audit & supervisory board member 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.

June 2019: Audit & Supervisory Board Member, SBI Shinsei Bank, Limited (Current)

[Status of Concurrent Position]
- Certified Public Accountant, Certified Fraud Examiner
- Board Director, The Japanese Institute of Certified Public Accountants
- Outside Director, Mitsubishi UFJ Securities Holdings Co., Ltd.
- Outside Audit & Supervisory Board Member, Toyo Seikan Group Holdings, Ltd.
- Outside Director, Nippon Kayaku Co., Ltd.
- Outside Director, TOP'S Inc.
- Outside Audit & Supervisory Board Member, iCARE Co., Ltd.

Attendance rate: 100%

Miyuki Nakagawa

Outside Audit & Supervisory Board Member Reappointed

[Reasons for Nomination]
Ms. Miyuki Nakagawa is asked 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.

June 2022: Audit & Supervisory Board Member, SBI Shinsei Bank, Limited (Current)

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

Attendance rate: 100%

Board of Directors, Audit & Supervisory Board Members

Board of Directors, Audit & Supervisory Board Members with a Full Diversity of Knowledge and Experience

The Board of Directors of SBI Shinsei Bank is composed of five outside directors and four executive directors with extensive experience and highly specialized knowledge and is well balanced. In addition, it is composed with diversity including gender and generation.

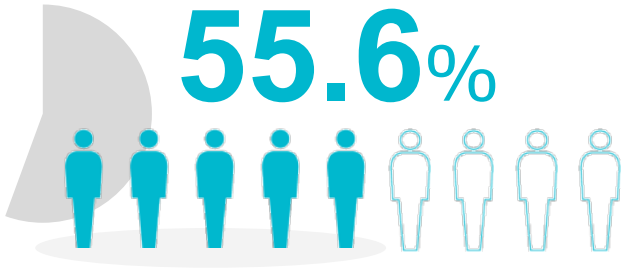
■ **Directors' Skills Matrix**

		Hirofumi Gomi	Katsuya Kawashima	Katsumi Hatao	Eisuke Terasawa	Yasuhiro Hayasaki	Masahiro Terada	Yurina Takiguchi	Katsunori Tanizaki	Makoto Hayashi
Management Experience	Corporate/ Association Management		○	○	○	○			○	
	Venture Company Management		○							
Financial Experience	Investment and Loans	○	○	○	○	○	○		○	
	Securities/ Financial Market Business		○	○	○		○		○	
	Overseas Finance			○		○	○			
	Finance/Risk Management	○	○	○	○	○	○			○
Other Necessary Experience	IT/Digital		○						○	
	Consumer Business		○							
	Real Estate Business						○			
	Mass Media							○		
Comprehensive Knowledge on Management and Finance	Legal/Governance	○		○		○	○			○
	IR / Public Relations							○		
	Personnel Labor/Human Rights Protection			○			○	○		○
	Diversity							○		
	Administration Bureau Experience	○				○				○

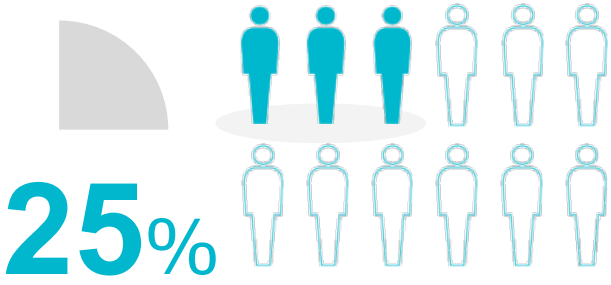
■ **Audit & Supervisory Board Members' Skills Matrix**

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

■ **Ratio of Outside Directors of the Board of Director**



■ **Ratio of Female Board Members**



Directors and Executive Officers

Directors and Executive Officers

As of July 1, 2024

Directors (9)

Hirofumi Gomi
Chairman of the Board

Katsuya Kawashima
Representative Director, President

Katsumi Hatao
Director

Eisuke Terasawa
Director

Yasuhiro Hayasaki*1
Director
President, Ricoh Institute of Sustainability and Business, Ricoh Company, Ltd.
Former Director General of Personnel and Corporate Affairs Department, the Bank of Japan

Masahiro Terada*1
Director
Attorney at Law

Yurina Takiguchi*1
Director
Business and Economics Anchor

Katsunori Tanizaki*1
Director
Representative Director, President and CEO, The Japan Research Institute, Limited

Makoto Hayashi*1
Director
Attorney at Law, Former Attorney General

*1 Outside director

Audit & Supervisory Board Members (3)

Jiro Kasahara
Audit & Supervisory Board Member

Ikuko Akamatsu*2
Audit & Supervisory Board Member
Certified Public Accountant, Certified Fraud Examiner

Miyuki Nakagawa*2
Audit & Supervisory Board Member
Attorney at Law

*2 Outside Audit & Supervisory Board member

Executive Officers (38)

Hirofumi Gomi
Chairman

Katsuya Kawashima
Representative Director
President and Chief Executive Officer

(Senior Managing Executive Officers)

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

Katsumi Hatao
Senior Managing Executive Officer, Assistant to the President, Overseeing Group Human Resources and Group Risk, In charge of Group Overseas Business

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

Takahisa Komoda
Senior Managing Executive Officer, In charge of Group Strategy Planning, Head of Institutional Business

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

Michiyuki Okano
Senior Managing Executive Officer, In charge of Group IT

(Managing Executive Officers)

Hiroyuki Kagita
Managing Executive Officer, In charge of Group Strategy Planning, Head of Individual Business

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

Hiroki Otake
Managing Executive Officer, In charge of Retail Banking Business

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

Eisuke Terasawa
Managing Executive Officer, In charge of General Manager of Group Corporate Planning Division, Group Corporate Planning and Financing Facilitation, General Manager of Office of Financing Facilitation Management

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

(Executive Officers)

Tomohiro Arimatsu
Executive Officer, General Manager of Structured Risk Management Division

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

Yasuhiro Fujiki
Executive Officer, General Manager of Group Overseas Business Division, In charge of Group Corporate Planning

Koichi Hazama
Executive Officer, In charge of Retail Customers Sales

Shinichi Hirayama
Executive Officer, In charge of Financial Institutional Business and Institutional Business, General Manager of Group Institutional Business Strategy Division

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

Ko Hoshino
Executive Officer, In charge of Group Risk

Nanshu Ido
Executive Officer, In charge of Group IT and IT System

Michihide Ito
Executive Officer, In charge of Institutional Business

Yukiko Iwasaki
Executive Officer, In charge of Institutional Business Operation and Retail Operation

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

Yuichiro Kawabe
Executive Officer, In charge of Group Structured Solution

Taichi Kawai
Executive Officer, In charge of Financial Institutional Business and Institutional Business, General Manager of Osaka Branch

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

Tsuyoshi Miyake
Executive Officer, 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, General Manager of Sustainable Impact Development Division
In charge of Group Corporate Planning

Chikara Oguni
Executive Officer, In charge of Institutional Business and Global Markets

Arimitsu Osato
Executive Officer, General Manager of Group Strategy Planning Division, In charge of Group Corporate Planning

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

Yuuichi Sugimoto
Executive Officer, General Manager of Retail Business Strategy Division

Takashi Tsuji
Executive Director, General Manager of Group Institutional Business Planning Division

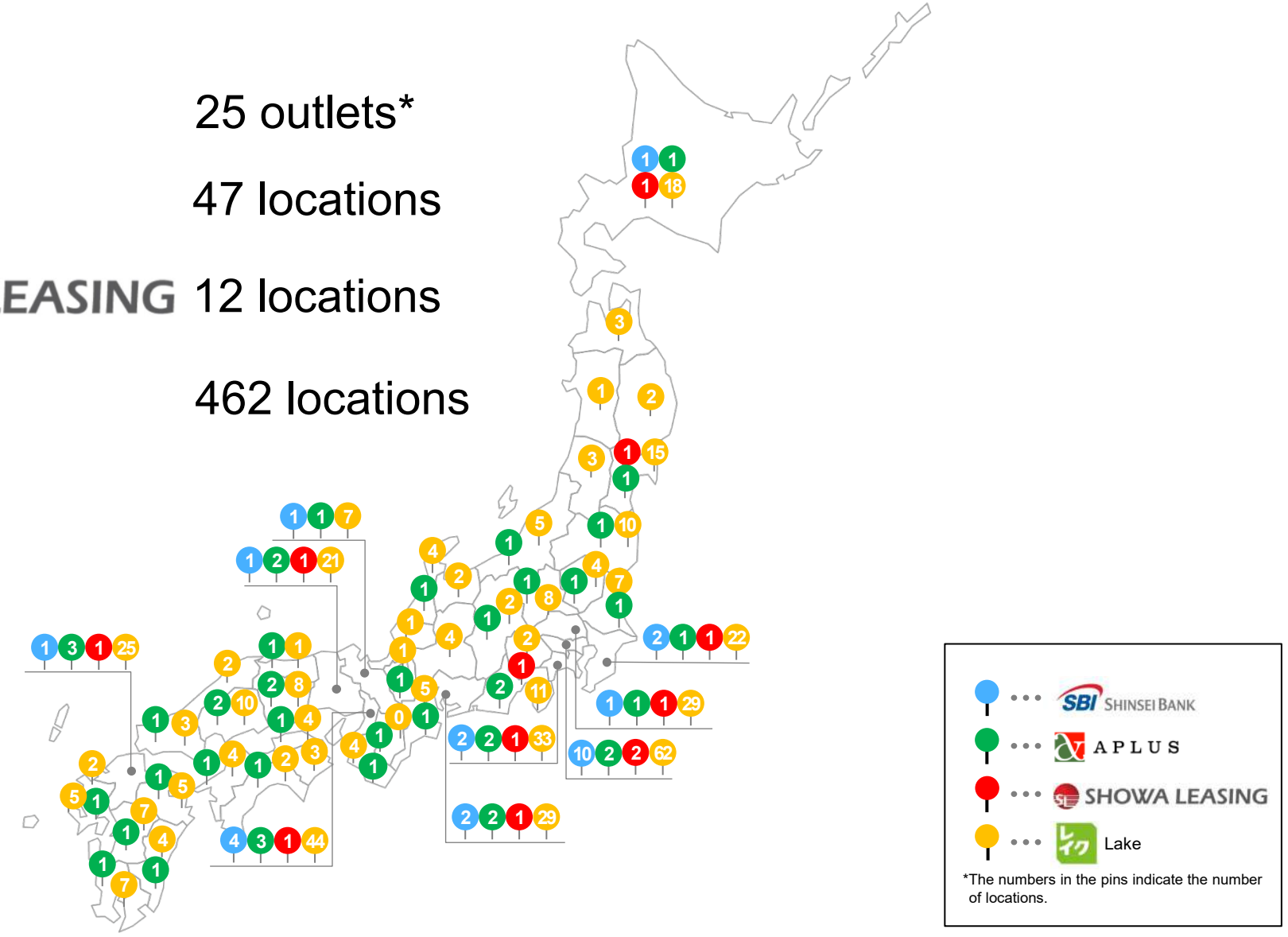
Usei Yano
Executive Officer, Group Human Resources, Group General Service

Yoshihiro Yuasa
Executive Officer, In charge of Retail Business Strategy and Housing Loan, General Manager of Housing Loan Division

Note: Executive officers are listed in alphabetical order.

Network of the SBI Shinsei Bank Group: SBI Shinsei Bank, APLUS, Showa Leasing, Lake

SBI SHINSEI BANK	25 outlets*
APLUS	47 locations
SHOWA LEASING	12 locations
Lake	462 locations



* SBI Shinsei Wealth Management located in Ikebukuro, Umeda, Ginza, Yokohama, Kashiwa, Kichijoji, Ueno, Sapporo, Kobe, Shinjuku, and Head Office are attached to each branch.

As of June 30, 2024

SBI SHINSEI BANK GROUP

Disclaimer

- The preceding description of the SBI Shinsei Bank Group's Medium-Term Strategies contains forward-looking statements regarding the intent, belief, and current expectations of our management with respect to our financial condition and future results of operations. These statements reflect our current views with respect to future events that are subject to risks, uncertainties, and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, our actual results may vary materially from those we currently anticipate. Potential risks include those described in our annual securities report filed with the Kanto Local Finance Bureau, and you are cautioned not to place undue reliance on forward-looking statements.
- Unless otherwise noted, the financial data contained in these materials is presented under Japanese GAAP. The SBI Shinsei Bank Group disclaims any obligation to update or to announce any revision to forward-looking statements to reflect future events or developments. Unless otherwise specified, all the financials are shown on a consolidated basis.
- Information concerning financial institutions and their subsidiaries other than the SBI Shinsei Bank Group are based on publicly available information.
- These materials do not constitute an invitation or solicitation of an offer to subscribe for or purchase any securities, and neither this document nor anything contained herein shall form the basis for any contract or commitment whatsoever.

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