

**Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.**

We would like to express our appreciation for your continued support and patronage.

We are pleased to announce that the 18th Ordinary General Meeting of Shareholders of SBI Sumishin Net Bank, Ltd. will take place on Tuesday, June 24, 2025.

We would be very grateful if you could review the documents below.

Noriaki Maruyama  
President & CEO  
SBI Sumishin Net Bank, Ltd.

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

***To Shareholders with Voting Rights:***

Securities code: 7163

June 5, 2025

(Date of Commencement of electronic provision of measures: May 29, 2025)

Noriaki Maruyama

President & CEO

SBI Sumishin Net Bank, Ltd.

2-1, Roppongi 3-chome, Minato-ku, Tokyo, Japan

NOTICE OF CONVOCATION OF  
THE 18TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We hereby inform you that the 18th Ordinary General Meeting of Shareholders (the "Shareholders' Meeting") of SBI Sumishin Net Bank, Ltd. (the "Company") will be held as described below.

For this Shareholders' Meeting, we electronically provide documents, including the Reference Documents, etc., and post them on the websites below. You are kindly requested to access any of the websites and see the documents.

**[Our Company's website]**

<https://www.netbk.co.jp/contents/company/en/ir/stock/meeting/>

**[Tokyo Stock Exchange's website]**

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

(Please access the Tokyo Stock Exchange's website above, enter and search for "SBI Sumishin Net Bank," the Company name, or "7163," the securities code of the Company, select "Basic information" and "Documents for public inspection/PR information," in that order, and see the information.)

In lieu of attending Shareholders' Meeting in person, you may exercise your voting rights via the Internet or in writing (by mail). Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights no later than 5 p.m. on Monday, June 23, 2025, Japan time.

**Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.**

1. Date and Time: Tuesday, June 24, 2025 from 10:00 a.m., Japan time  
(Reception begins from 9:30 a.m.)
  2. Place: Rooms H and I of BELLESALLE Roppongi Grand Conference Center  
9th Floor, Sumitomo Fudosan Roppongi Grand Tower  
2-1, Roppongi 3-chome, Minato-ku, Tokyo, Japan
  3. Shareholders' Meeting Agenda:  
[Matters to be reported]
    1. The Business Report and Consolidated Financial Statements for the Company's 18th Fiscal Year (April 1, 2024 - March 31, 2025) and results of audits by the Accounting Auditor and the Audit and Supervisory Board of the Consolidated Financial Statements
    2. Non-consolidated Financial Statements for the Company's 18th Fiscal Year (April 1, 2024 - March 31, 2025)[Proposals to be resolved]
    - Proposal 1: Appropriation of Surplus
    - Proposal 2: Election of Nine (9) Directors
    - Proposal 3: Election of Three (3) Auditors
- When attending the Shareholders' Meeting in person, please submit the Voting Rights Exercise Form at the reception desk.
  - Should the documents electronically provided require revisions, a statement to that effect and the matters before and after the revisions will be posted on the respective websites on the Internet.

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

### Guidance on Exercising Voting Rights

There are three ways to exercise your voting rights as described below.

Attend to Shareholders' Meeting	Exercise Your Voting Rights in Writing (by Mail)	Exercise Your Voting Rights via the Internet
Please submit the enclosed Voting Rights Exercise Form at the reception desk.	Please indicate your votes for or against each of the proposals on the enclosed Voting Rights Exercise Form and send it back by mail.	Please indicate your votes for or against each of the proposals in accordance with the instructions on the next page.
Date and time: Tuesday, June 24, 2025 from 10 a.m., Japan time (Reception begins from 9:30 a.m.)	Deadline for Exercise: The Voting Rights Exercise Form must be received no later than Monday, June 23, 2025 at 5 p.m., Japan time.	Deadline for Exercise: Your voting rights must be exercised no later than Monday, June 23, 2025 at 5 p.m., Japan time.

(Notes)

1. If you exercise your voting rights in writing (by post) and you do not indicate whether you vote for or against a proposal on the Voting Rights Exercise Form, it shall be treated as a vote for the proposal.
2. If you exercise your voting rights multiple times via the Internet, the last vote you exercised shall be deemed and treated as the valid one.
3. If you exercise your voting rights via the Internet and in writing (by mail), the voting rights exercised via the Internet shall be deemed and treated as the valid one, regardless of the date and time your vote arrives.
4. You can exercise your voting rights by proxy. In that case, you may designate another shareholder with voting rights as your proxy, and the proxy may attend the Shareholders' Meeting. Please note that a document certifying the proxy's authority must be submitted.
5. If you wish to make a diverse exercise of your voting rights, please notify the Company in writing or by electronic means of your intention of making a diverse exercise of your voting rights and the reasons thereof by three days prior to Shareholders' Meeting.

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

## **Guidance on Exercise of Voting Rights via the Internet and Information on Acceptance of Advance Questions and Virtual General Meeting of Shareholders**

By using your smartphone or other devices to scan the QR Code on the Voting Rights Exercise Form, you would easily be able to access the Portal of Shareholders' Meeting.

**Entry of your ID and password is not required.**

\*QR code is a registered trademark of DENSO WAVE INCORPORATED.

### **The Portal of Shareholders' Meeting**

#### **Exercises of voting rights via "Smart Voting"**

**Deadline for exercising voting rights: No later than Monday, June 23, 2025 at 5 p.m., Japan time**

**You may only exercise your voting rights once via "Smart Voting" (available only in Japanese)**

If you wish to change your vote after exercising your voting rights, please access the website for PCs, enter the "voting code" and "password" indicated on the Voting Rights Exercise Form to log-in to the website, and exercise your voting rights again.

\*By scanning the QR Code again, you will be able to access the website for PCs.

#### **Advance questions**

**Period of accepting advance questions: From June 5, 2025 at 9:00 a.m. to June 16, 2025 at 9:00 a.m., Japan time**

\*We plan to answer questions received on the day of the Meeting or post the answers on our corporate website after the Shareholders' Meeting. Please note that similar questions will be answered together, and we will not be able to answer all questions.

#### **Virtual General Meeting of Shareholders**

**Date and time of live streaming: Tuesday, June 24, 2025, from 10:00 a.m. to the end of the Shareholders' Meeting**

(The streaming website is scheduled to open around 9:50 a.m. on the same day.)

**Since it is difficult to scan the QR code when displayed on a PC, please use the QR code shown in the "Virtual General Meeting of Shareholders" section on the reverse side of the "NOTICE OF CONVOCATION OF THE 18TH ORDINARY**

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

**GENERAL MEETING OF SHAREHOLDERS” that we have sent to you.**

\*Shareholders will not be able to exercise their voting rights at the Virtual General Meeting of Shareholders. If you are not going to attend the Shareholders’ Meeting and will watch the live stream, please exercise your voting rights in writing or by electronic means (via the Internet).

\*Please note that you may not be able to watch the live stream or have problems with the video or audio depending on the device you are using or the Internet communication environment.

\*If live streaming is canceled for some reason, we will make an announcement on our corporate website.

**Sumitomo Mitsui Trust Bank, Limited, Stock Transfer Agent Web Support Center**

Tel: **0120-652-031** (toll-free in Japan) (9:00 a.m. to 9:00 p.m.)

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

## Proposal for the Election of Directors and Auditors

The nine candidates for Director and three candidates for Auditor are as follows. For details, please see the Company's website.

No.	Candidates for Director	
1	<input type="checkbox"/> Reappointment	Yasunaga Matsumoto
2	<input type="checkbox"/> Reappointment	Noriaki Maruyama
3	<input type="checkbox"/> Reappointment	Tomokazu Yokoi
4	<input type="checkbox"/> Reappointment	Ryota Okazawa
5	<input type="checkbox"/> New candidate	Masayuki Okamoto <input type="checkbox"/> Outside
6	<input type="checkbox"/> Reappointment	Noriyoshi Kimura
7	<input type="checkbox"/> Reappointment	Yukihito <input type="checkbox"/> Outside Machida <input type="checkbox"/> Independent
8	<input type="checkbox"/> Reappointment	Tomohisa <input type="checkbox"/> Outside Takeda <input type="checkbox"/> Independent
9	<input type="checkbox"/> Reappointment	Tamotsu <input type="checkbox"/> Outside Moriyama <input type="checkbox"/> Independent

No.	Candidates for Auditor	
1	<input type="checkbox"/> New candidate	Takahiro <input type="checkbox"/> Outside Yoshida
2	<input type="checkbox"/> Reappointment	Mariko <input type="checkbox"/> Outside Hidaka <input type="checkbox"/> Independent
3	<input type="checkbox"/> Reappointment	Naoyuki <input type="checkbox"/> Outside Iwashita <input type="checkbox"/> Independent

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

## Reference Documents for the Shareholders' Meeting

### • **Proposal 1: Appropriation of Surplus**

The Company recognizes that increasing corporate value and returning profits to shareholders is one of its most important management issues. The Company's policy is to distribute dividends by taking into consideration stable shareholder returns in the light of a balance between profit and capital while maintaining financial discipline.

Based on this policy, the Company proposes the year-end dividend for the 18th Fiscal Year as follows.

#### 1. Matters concerning the year-end dividend

##### (1) Type of dividend property

Cash

##### (2) Allotment of dividend property to shareholders and its total amount

10 yen per share of common stock of the Company

Total amount: 1,507,796,960 yen

(Note) Combined with the interim dividend per share, annual dividends will total 19 yen per share.

##### (3) Date on which dividends from surplus shall be effective

June 25, 2025

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

• **Proposal 2: Election of Nine (9) Directors**

As the terms of office of all ten Directors will expire at the conclusion of this Shareholders' Meeting, the Company proposes to elect nine Directors. The proposal was referred to the Nomination and Compensation Committee, a committee chaired by an Independent Outside Director where Independent Outside Directors form a majority of the members. Having received a report from the committee, the Board of Directors decided to submit the proposal to the Shareholders' Meeting.

Should this proposal be approved as proposed, there will be four Executive Directors, one Non-executive Director, and four Outside Directors (three of whom will be Independent Outside Directors).

The candidates for Director are as follows.

No.	New candidate/ Reappointment	Name	Gender	Current position and responsibility at the Company	Tenure as Director
1	Reappointment	Yasunaga Matsumoto	Male	Chairman	1 year
2	Reappointment	Noriaki Maruyama	Male	President & CEO	11 years and 2 months
3	Reappointment	Tomokazu Yokoi	Male	Director, Deputy President, Executive Officer and General Manager of Corporate Division	15 years and 11 months
4	Reappointment	Ryota Okazawa	Male	Director and Managing Executive Officer, General Manager of Risk Management Division	1 year
5	New candidate	Masayuki Okamoto Outside Director	Male		-
6	Reappointment	Noriyoshi Kimura	Male	Director	1 year
7	Reappointment	Yukihito Machida Outside Director (Independent Officer)	Male	Outside Director	4 years and 5 months
8	Reappointment	Tomohisa Takeda Outside Director (Independent Officer)	Male	Outside Director	4 years and 5 months
9	Reappointment	Tamotsu Moriyama Outside Director (Independent Officer)	Male	Outside Director	4 years and 5 months

\* The tenure as Director represents the number of years each Director will have been in office at the conclusion of this Shareholders' Meeting.

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

(Candidates' Career Summaries)

**Candidate No.1**

**Reappointment**

<b>Yasunaga Matsumoto</b>		[Male]
(May 18, 1965)		
Career summary, positions and responsibilities at the Company, and significant concurrent positions	Apr. 1989	Joined The Sumitomo Trust and Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Limited)
	Apr. 2015	General Manager of Corporate Business Department VI, Sumitomo Mitsui Trust Bank, Limited
	Oct. 2017	General Manager of Corporate Planning Department, Sumitomo Mitsui Trust Bank, Limited
	Apr. 2018	Executive Officer and General Manager of Corporate Business Department II, Sumitomo Mitsui Trust Bank, Limited
	Apr. 2019	Managing Executive Officer, General Manager of Finance Product Solution Department and General Manager of Structured Finance Department, Sumitomo Mitsui Trust Bank, Limited
	Oct. 2019	Managing Executive Officer and General Manager of Finance Product Solution Department, Sumitomo Mitsui Trust Bank, Limited
	Apr. 2020	Managing Executive Officer, Sumitomo Mitsui Trust Bank, Limited
	Apr. 2024	Corporate Advisor, the Company
	Jun. 2024	Chairman, the Company (to present)
Tenure as Director	1 year (at the conclusion of the Meeting)	

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

Number of shares of the Company held	Common shares currently held: 1,026 Common shares potentially held: 0
Attendance at meetings of the Board of Directors	21/21 meetings (100%)
Reasons for nomination	Mr. Yasunaga Matsumoto has been involved in banking business practice for 35 years since he joined The Sumitomo Trust and Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Limited), and has abundant experience and knowledge of management as a Managing Executive Officer of the company. The Company believes that he is well qualified to be Director, as he has been serving as Chairman of the Company since 2024 and has knowledge necessary for the management of the Company.

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

## Candidate No.2

### Reappointment

<b>Noriaki Maruyama</b>		[Male]
(May 12, 1965)		
Career summary, positions and responsibilities at the Company, and significant concurrent positions	Apr. 1989	Joined The Tokai Bank, Ltd. (currently MUFG Bank, Ltd.)
	Feb. 2000	Joined E-Loan, Inc. (currently SBI Holdings, Inc.)
	Apr. 2001	Director, GOODLOAN Co., Ltd. (currently SBI ARUHI Corporation)
	Mar. 2005	Representative Director and COO, Good Mortgage Corporation (currently SBI ARUHI Corporation)
	Jun. 2006	Director, SBI Holdings, Inc.
	Jun. 2007	Director and Executive Officer, SBI Holdings, Inc.
	Apr. 2012	Representative Director, President, CEO and COO, SBI Mortgage Co., Ltd. (currently SBI ARUHI Corporation)
	Jun. 2013	Director & Managing Executive Officer, SBI Holdings, Inc.
	Mar. 2014	Chairman of the Board, Representative Director, and CEO, SBI Mortgage Co., Ltd. (currently SBI ARUHI Corporation)
	Apr. 2014	President & CEO, the Company (to present)
	Dec. 2022	Director, THEMIX Data, Inc. (to present)
	Dec. 2023	Director, THEMIX Green, Inc. (to present)
	Dec. 2023	Outside Director, Mapry Corporation (to present)
	Dec. 2024	Director (part-time), Green Carbon Co., Ltd. (to present)
	(Significant concurrent positions)	
Director, THEMIX Data, Inc.		
Director, THEMIX Green, Inc.		
Outside Director, Mapry Corporation		
Director (part-time), Green Carbon Co., Ltd.		

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

Tenure as Director	11 years and 2 months (at the conclusion of the Meeting)
Number of shares of the Company held	Common shares currently held: 62,356 Common shares potentially held: 0
Attendance at meetings of the Board of Directors	26/26 meetings (100%)
Reasons for nomination	Mr. Noriaki Maruyama worked at The Tokai Bank, Ltd. (currently MUFG Bank, Ltd.) for 11 years. He subsequently participated in the launch of Japan's first loan comparison website and contributed to its listing as a director of the parent company. After creating the mortgage bank market in Japan by launching Japan's first mortgage bank in 2001, he contributed to the bank's listing on the Tokyo Stock Exchange as President. He has been serving as President & CEO of the Company since 2014. The Company believes that he is well qualified to be Director as he has knowledge of the banking business and sufficient experience as a management executive.

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

### Candidate No.3

### Reappointment

<b>Tomokazu Yokoi</b>		[Male]
(November 27, 1967)		
Career summary, positions and responsibilities at the Company, and significant concurrent positions	Apr. 1990	Joined The Tokai Bank, Ltd. (currently MUFG Bank, Ltd.)
	May 2005	Joined Good Mortgage Corporation (currently SBI ARUHI Corporation)
	Jun. 2007	Director, SBI Mortgage Co., Ltd. (currently SBI ARUHI Corporation)
	Jun. 2009	Joined SBI Holdings, Inc.
	Jun. 2009	Seconded to the Company
	Jun. 2009	Director and Executive Officer, the Company
	Jan. 2021	Director and Managing Executive Officer, General Manager of Corporate Division, the Company
	Mar. 2024	Director, Dayta Consulting Co., Ltd. (to present)
	Apr. 2024	Director, Deputy President, Executive Officer and General Manager of Corporate Division, the Company (to present)
	Dec. 2024	Director, Profit Cube Co., Ltd.
	Apr. 2025	President, NEOBANK TECHNOLOGIES Co., Ltd. (to present)
	Apr. 2025	President, Profit Cube Co., Ltd. (to present)
		(Significant concurrent positions)
		Director, Dayta Consulting Co., Ltd.
	President, NEOBANK TECHNOLOGIES Co., Ltd.	
	President, Profit Cube Co., Ltd.	
Tenure as Director	15 years and 11 months (at the conclusion of the Meeting)	
Number of shares of the Company held	Common shares currently held: 4,798 Common shares potentially held: 0	

**Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.**

Attendance at meetings of the Board of Directors	26/26 meetings (100%)
Reasons for nomination	Mr. Tomokazu Yokoi worked at The Tokai Bank, Ltd. (currently MUFG Bank, Ltd.) for 15 years and gained experience in mortgage banking. He subsequently has been serving as Director of the Company since 2009. The Company believes that he is well qualified to be Director as he has sufficient experience and knowledge necessary for the management of the Company.

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

#### Candidate No.4

#### Reappointment

<b>Ryota Okazawa</b>		[Male]
(March 16, 1978)		
Career summary, positions and responsibilities at the Company, and significant concurrent positions	Apr. 2000	Joined The Sumitomo Trust and Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Limited)
	Jan. 2022	Senior Manager, Corporate Administration Department, Sumitomo Mitsui Trust Holdings, Inc. (currently Sumitomo Mitsui Trust Group, Inc.)
	Oct. 2023	Seconded to the Company
	Nov. 2023	Executive Officer, the Company
	Apr. 2024	Managing Executive Officer, the Company
	Jun. 2024	Director and Managing Executive Officer, General Manager of Risk Management Division, the Company (to present)
Tenure as Director	1 year (at the conclusion of the Meeting)	
Number of shares of the Company held	Common shares currently held: 513 Common shares potentially held: 0	
Attendance at meetings of the Board of Directors	21/21 (100%)	
Reasons for nomination	Mr. Ryota Okazawa joined The Sumitomo Trust and Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Limited) and joined the Company in 2023. As he has 23 years of experience in the banking business and has been serving as Director of the Company since 2024, the Company believes that he has sufficient experience and knowledge necessary for the Company's management and is well qualified to be Director.	

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

**Candidate No.5**

**New candidate  
Outside Director**

<b>Masayuki Okamoto</b>		[Male]
(September 3, 1968)		
Career summary, positions and responsibilities at the Company, and significant concurrent positions	Apr. 1992	Joined The Sumitomo Trust and Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Limited)
	Jan. 2014	Senior Manager, Corporate Planning Department, Sumitomo Mitsui Trust Bank, Limited
	Apr. 2017	General Manager of Futakotamagawa Branch, Sumitomo Mitsui Trust Bank, Limited
	Jan. 2019	General Manager of Life Plan Advisory Business Department, Sumitomo Mitsui Trust Bank, Limited
	Apr. 2021	Executive Officer and General Manager of Retail Business Planning Department, Sumitomo Mitsui Trust Bank, Limited
	Apr. 2023	Managing Executive Officer, Sumitomo Mitsui Trust Holdings, Inc. (currently Sumitomo Mitsui Trust Group, Inc.)
	Apr. 2023	Auditor (part-time), Cardif Assurance Vie Japan
	Apr. 2023	Auditor (part-time), Custody Bank of Japan, Ltd.

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

	Jun. 2024	Director & Audit and Supervisory Committee Member (External Director), Custody Bank of Japan, Ltd.
	Apr. 2025	Managing Executive Officer, Sumitomo Mitsui Trust Bank, Limited (to present)
		(Significant concurrent positions)
		Managing Executive Officer, Sumitomo Mitsui Trust Bank, Limited
Tenure as Director	-	
Number of shares of the Company held	Common shares currently held: 0 Common shares potentially held: 0	
Attendance at meetings of the Board of Directors	-	
Reasons for nomination and outline of expected roles	<p>Mr. Masayuki Okamoto has held key positions in various fields such as corporate planning and retail business since joining The Sumitomo Trust and Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Limited) in 1992. He has been serving as Managing Executive Officer at Sumitomo Mitsui Trust Bank, Limited since 2025. The Company expects him to provide advice and supervision for the Company's management based on his extensive experience and achievements in the banking business, and therefore proposes appointing him Outside Director.</p>	

**Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.**

Violation of laws or the articles of incorporation that occurred at companies where the candidate for Outside Director has been serving as an officer

Mr. Masayuki Okamoto served as Auditor from April 2023 and as Director & Audit and Supervisory Committee Member (External Director) from June 2024 (resigned in March 2025) at Custody Bank of Japan, Ltd. It was discovered that a former Director of Custody Bank of Japan, Ltd. committed acts involving a breach of duty such as conflicts of interest in multiple outsourced projects in June 2023. Mr. Okamoto always made proper proposals from the standpoint of strengthening the company's governance, compliance with laws, and compliance management at the meetings such as the company's Board of Directors. Upon becoming aware of these facts, he performed his responsibilities appropriately until his resignation from the post in March 2025 by proposing a thorough investigation, analysis of the true causes, and the creation of measures to prevent recurrence, among other actions.

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

**Candidate No.6**

**Reappointment**

<b>Noriyoshi Kimura</b>		[Male]
(January 26, 1969)		
Career summary, positions and responsibilities at the Company, and significant concurrent positions	Apr. 1992	Joined Information Services International-Dentsu, Ltd. (currently DENTSU SOKEN INC.)
	Nov. 1998	Joined E*TRADE SECURITIES Co., Ltd. (currently SBI Holdings, Inc.)
	Jun. 2003	General Manager of Systems Development Department, SOFTBANK INVESTMENT CORPORATION (currently SBI Holdings, Inc.)
	Apr. 2006	Seconded to Sumishin SBI Net Bank Research Company, Ltd. (currently the Company) as Director
	Sep. 2007	Managing Director, the Company
	May 2009	Director and Managing Executive Officer, the Company
	Jun. 2009	Managing Executive Officer, the Company
	Jun. 2009	Director, SBI Holdings, Inc.
	Jun. 2010	Executive Officer and CTO, the Company
	Jun. 2015	Director, Executive Officer and CTO, the Company
	Jun. 2020	Director, Executive Officer and General Manager of Systems Division, the Company
	Jan. 2021	Managing Executive Officer and General Manager of Systems Division, the Company
	Apr. 2021	Representative Director and Chairman, NetMove Corporation (currently USEN Fintech Co., Ltd.)
	Jun. 2022	Managing Executive Officer and General Manager of Operations and Systems Division, the Company
	Aug. 2022	Executive Chairman, NetMove Corporation (currently USEN Fintech Co., Ltd.)
Nov. 2023	Technical Advisor, Regional Bank Value Enhancement Office, SBI Holdings, Inc. (to present)	
Apr. 2024	Managing Executive Officer and General Manager of Systems Division, the Company	

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

	Jun. 2024	Director, the Company (to present)
	Jun. 2024	Senior Managing Executive Officer & Group CTO, SBI Holdings, Inc. (to present)
	Jul. 2024	CTO, SBI Regional Revitalization Banking System Co., Ltd. (to present)
	Sep. 2024	Representative Director, SBI Neo Banking System Co., Ltd. (to present)
	Oct. 2024	Director, DeCurret Holdings, Inc. (to present)
	Oct. 2024	Director, DeCurret DCP Inc. (to present)
		(Significant concurrent positions)
		Technical Advisor, Regional Bank Value Enhancement Office, SBI Holdings, Inc.
		Senior Managing Executive Officer & Group CTO, SBI Holdings, Inc.
		CTO, SBI Regional Revitalization Banking System Co., Ltd.
		Representative Director, SBI Neo Banking System Co., Ltd.
		Director, DeCurret Holdings, Inc.
		Director, DeCurret DCP Inc.
Tenure as Director		1 year (at the conclusion of the Meeting)
Number of shares of the Company held		Common shares currently held: 6,116 Common shares potentially held: 0
Attendance at meetings of the Board of Directors		19/19 meetings (100%)
Reasons for nomination		Mr. Noriyoshi Kimura participated in the Company in 2006 after obtaining knowledge in the field of systems development at multiple companies. Since participating in the Company, he has played a lively part as an officer in charge of systems development and operations departments, directing and overseeing the development of the Company's mission-critical systems for many years. The Company believes that he is well qualified to be Director as he has sufficient experience and knowledge in the fields of finance and technology as necessary for the management of the Company.

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

**Candidate No.7**

**Reappointment  
Independent Outside Director**

<b>Yukihito Machida</b>		[Male]
(August 29, 1971)		
Career summary, positions and responsibilities at the Company, and significant concurrent positions	Mar. 1998	Completed judicial apprentice training (50th term)
	Apr. 1998	Registered as attorney-at-law (Tokyo Bar Association)
	Apr. 1998	Joined Tokyo City Law & Tax Partners (currently City-Yuwa Partners)
	Apr. 1999	Joined Nishimura & Asahi (currently Nishimura & Asahi Foreign Law Joint Enterprise)
	Sep. 2003	Studied at University of Southern California Gould School of Law (LL.M.)
	Sep. 2004	Seconded to LeBoeuf, Lamb, Greene & MacRae, L.L.P.
	Aug. 2005	Registered as attorney-at-law in New York State
	Oct. 2005	Seconded to Corporate Accounting and Disclosure Division, Planning and Coordination Bureau, Financial Services Agency
	Jan. 2020	Joined Atsumi & Sakai (to present)
	Jan. 2021	Outside Director, the Company (to present)
		(Significant concurrent positions)
Tenure as Director	4 years and 5 months (at the conclusion of the Meeting)	
Number of shares of the Company held	Common shares currently held: 0 Common shares potentially held: 0	
Attendance at meetings of the Board of Directors	26/26 meetings (100%)	
Reasons for nomination and outline of expected roles	Mr. Yukihito Machida is an attorney-at-law specializing in financial laws (registered in Japan and New York) and has experience of being seconded to the Financial Services	

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

Agency. The Company has determined that he is a suitable person to appropriately provide supervision and advice focusing on corporate legal affairs and appointed him Outside Director. The Company expects him to provide advice and supervision for the Company's management based on his extensive insight and abundant experience as a legal expert, and therefore proposes reappointing him Outside Director.

Although he has no experience of being involved in company management other than as an outside officer, the Company believes that he will be able to appropriately perform his duties as Outside Director for the above reasons.

He has been designated as an independent officer as he satisfies the independence standards set by the Tokyo Stock Exchange and the Company's "Criteria for Determining the Independence of Outside Officers."

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

## Candidate No.8

### Reappointment Independent Outside Director

<b>Tomohisa Takeda</b>		[Male]
(November 8, 1957)		
Career summary, positions and responsibilities at the Company, and significant concurrent positions	Apr. 1981	Joined the Bank of Japan
	Apr. 2003	Branch Manager of Takamatsu Branch, the Bank of Japan
	Apr. 2005	Associate Director-General, Secretariat of the Policy Board, the Bank of Japan
	Apr. 2006	Director-General for Management Strategy, Budget and Accounting, Secretariat of the Policy Board, the Bank of Japan
	Jul. 2010	Director-General, Information System Services Department, the Bank of Japan
	Apr. 2013	Executive Director, the Bank of Japan
	Nov. 2018	Registered as attorney-at-law (joined Dai-Ichi Tokyo Bar Association) Established Tomohisa Takeda Law Office, Director (to present)
	Jan. 2021	Outside Director, the Company (to present)
	(Significant concurrent positions)	
	Attorney-at-law, Tomohisa Takeda Law Office	
Tenure as Director	4 years and 5 months (at the conclusion of the Meeting)	
Number of shares of the Company held	Common shares currently held: 0 Common shares potentially held: 0	
Attendance at meetings of the Board of Directors	26/26 meetings (100%)	
Reasons for nomination and outline of expected roles	After joining the Bank of Japan, Mr. Tomohisa Takeda served as Director-General for Management Strategy, Budget and Accounting of the Secretariat of the Policy Board, Director-General of the Information System	

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

Services Department, and Executive Director at the Bank of Japan. He is also a qualified attorney-at-law. As he has abundant experience, knowledge, etc. in system development and operation, formulation of management plans, budgeting, settlement of accounts and internal control such as human resources, the Company has determined that he is a suitable person to appropriately provide supervision and advice on overall business execution of the Company, with focus on the IT and system areas, and appointed him Outside Director. The Company expects him to provide advice and supervision for the Company's management based on his abundant experience in government financial administration, etc., and therefore proposes reappointing him Outside Director. He has been designated as an independent officer as he satisfies the independence standards set by the Tokyo Stock Exchange and the Company's "Criteria for Determining the Independence of Outside Officers."

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

**Candidate No.9**

**Reappointment  
Independent Outside Director**

<b>Tamotsu Moriyama</b>		[Male]	
(March 24, 1973)			
Career summary, positions and responsibilities at the Company, and significant concurrent positions	Oct. 1994	Joined Showa Ota & Co. (currently Ernst & Young ShinNihon LLC)	
	Jan. 2001	Joined Stern Stewart & Co.	
	Jan. 2002	Joined Nomura Wasserstein Perella Co., Ltd. (currently Nomura Securities Co., Ltd.)	
	Jan. 2007	Joined Frontier Management Inc.	
	Apr. 2013	Established Maxus Corporate Advisory Inc., President and Representative Director (to present)	
	Aug. 2015	Outside Director, PROPOLIFE INC. (currently LOGPROSTYLE INC.) (to present)	
	Jan. 2021	Outside Director, the Company (to present)	
	Mar. 2025	Representative, M&A Financial Advisor Association (to present)	
		(Significant concurrent positions)	
	President and Representative Director, Maxus Corporate Advisory Inc.		
	Outside Director, LOGPROSTYLE INC.		
	Representative, M&A Financial Advisor Association		
Tenure as Director	4 years and 5 months (at the conclusion of the Meeting)		
Number of shares of the Company held	Common shares currently held: 0 Common shares potentially held: 0		
Attendance at meetings of the Board of Directors	26/26 meetings (100%)		

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

Reasons for nomination and outline of expected roles

Mr. Tamotsu Moriyama serves as Representative Director of a company with extensive experience and achievements as an M&A advisor. He has abundant experience and insight as a certified public accountant (Japan and the United States), in addition to experience and insight in corporate management, while also having a track record of involvement in corporate restructuring at financial institutions. The Company has determined that he is a suitable person to appropriately provide supervision and advice on the Company's medium- to long-term strategies and group management policies, etc., and appointed him Outside Director. The Company expects him to provide advice and supervision for the Company's management based on his abundant experience in business executives and financial institution management, and therefore proposes reappointing him Outside Director.

He has been designated as an independent officer as he satisfies the independence standards set by the Tokyo Stock Exchange and the Company's "Criteria for Determining the Independence of Outside Officers."

**Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.**

(Notes)

1. No conflict of interest exists between the Company and each candidate.
2. Mr. Masayuki Okamoto, Mr. Yukihiro Machida, Mr. Tomohisa Takeda, and Mr. Tamotsu Moriyama are candidates for Outside Director.
3. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Mr. Noriyoshi Kimura, Mr. Yukihiro Machida, Mr. Tomohisa Takeda, and Mr. Tamotsu Moriyama to limit their liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act. The limit of liability for damages under the agreement is the minimum amount of liability as prescribed by Article 425, Paragraph 1 of the Companies Act. If the reappointment of each candidate is approved, the Company will continue the agreement with them. In the event that Mr. Masayuki Okamoto assumes the office of Director, the Company will enter into an agreement with him to limit his liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, with the same terms and conditions as if the reappointment of Mr. Noriyoshi Kimura, Mr. Yukihiro Machida, Mr. Tomohisa Takeda, and Mr. Tamotsu Moriyama is approved, pursuant to Article 427, Paragraph 1 of the Companies Act.
4. Upon the reappointment of Mr. Yukihiro Machida, Mr. Tomohisa Takeda, and Mr. Tamotsu Moriyama, the Company will continue to designate each of them as an independent officer.
5. The Company has entered into a directors and officers liability insurance agreement with an insurance company under Article 430-3, Paragraph 1 of the Companies Act for Directors, Auditors, and Executive Officers of the Company and subsidiaries of the Company as the insured persons. The insurance premiums are all paid by the Company. The insurance agreement covers compensation for damages and litigation costs in the event that the insured is sued by a third party or shareholder for damages. However, as a measure to ensure that the appropriate performance of duties by the insured is not impaired, damages, etc. arising from criminal acts of the insured, acts committed by the insured with the knowledge of violating laws and regulations, and the insured illegally obtaining personal benefits or favors are not covered by the insurance agreement. Mr. Yasunaga Matsumoto, Mr. Noriaki Maruyama, Mr. Tomokazu Yokoi, Mr. Ryota Okazawa, Mr. Noriyoshi Kimura, Mr. Yukihiro Machida, Mr. Tomohisa Takeda, and Mr. Tamotsu Moriyama are currently Directors of the

**Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.**

Company and insured by the above insurance agreement. Upon the reappointment of each candidate, they will continue to be insured by the insurance agreement. In addition, if Mr. Masayuki Okamoto assumes the office of Director, he will be insured by the insurance agreement. The Company will renew the insurance agreement with the same terms and conditions during the terms of office of the candidates.

6. Mr. Tomokazu Yokoi will resign as the President of NEOBANK TECHNOLOGIES Co., Ltd. and assume the office of Director on June 24, 2025. He will resign as the President of Profit Cube Co., Ltd. and assume the office of Director on June 24, 2025.

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

**(Reference) Nomination procedures for candidates for Director, election criteria for Outside Directors, and criteria for determining independence**

Nomination procedures for candidates for Director	When nominating candidates for Director, we ensure a high degree of transparency and objectivity in the deliberation process by having discussions at the Nomination and Compensation Committee, a committee chaired by an Independent Outside Director where Independent Outside Directors form a majority of the members.
Election criteria for Outside Directors	The Company selects candidates by setting requirements, such as insight of corporate management and Fintech, experience and insight in specialized fields such as those of lawyers and accountants, and experience and insight in risk management of financial institutions and government financial administration, while also considering their personalities and talents. Furthermore, in the nomination of candidates for Independent Outside Directors, the Company selects candidates who are independent of the Company and have no risk of causing conflicts of interest with shareholders in accordance with the criteria established by the Company for determining independence of outside officers.
Criteria for determining independence	<p>1. If none of the following criteria applies, the candidate is judged to be sufficiently independent.</p> <p>A) A person who is currently or has been in the ten years prior to appointment an officer (Note 1) or an executive (Note 2) of the Company, its subsidiary or associate, other affiliate of the Company, a subsidiary of such affiliate, a parent company of other affiliate of the Company, or a subsidiary of such parent company</p> <p>B) A person who is currently or has been in the three years prior to appointment a major shareholder (Note 3) of the Company or, if such person is a corporation, such as a company, its officer or executive</p> <p>C) A person whose major business partner (Note 4) is currently or has been in the three years prior to appointment the Company or its subsidiary or, if such person is a corporation, such as a company, its officer or executive</p> <p>D) A person who is currently or has been in the three years prior to appointment a major business partner of the Company or its subsidiary or, if such person is a corporation, such as a company, its officer or executive</p> <p>E) A consultant, accounting professional, or legal professional who currently receives or has received in the three years prior to appointment a large amount of cash (Note 5) or other property, other than officer remuneration, from the Company or its subsidiary (or if such person is an organization, such as a corporation or association, a person who is affiliated with the organization)</p> <p>F) A person who is currently the Accounting Auditor of the Company or its subsidiary or an employee, etc. of such Accounting Auditor, or a person who has been engaged in auditing of the Company or its subsidiary as an employee, etc. of the Accounting Auditor of the Company or its subsidiary in the three fiscal years prior to appointment</p>

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

- G) A person who currently receives or has received in the three years prior to appointment a large amount of donations (Note 6) from the Company or its subsidiary or, if such person is a corporation, such as a company, its officer or executive
  - H) A close relative (spouse, relative within the second degree of kinship, or relative living together) of a person who falls under any of A through G above (excluding non-important (Note 7) persons)
2. Even in the case of a person to whom any of the above criteria applies, if the Company considers that the person is appropriate as an independent officer of the Company and has no risk of causing conflicts of interest in light of his/her personality and insight, etc., the Company may select such person as a candidate for an independent officer of the Company, provided that the Company explains the reasons to external parties.
- (Notes)
- 1. A Director (excluding Independent Outside Directors) or Auditor (excluding Independent Outside Auditors)
  - 2. An executive Director, Corporate Officer, Executive Officer, manager or other employee
  - 3. A shareholder holding 10% or more of total voting rights
  - 4. In transactions with the business partner for the past three fiscal years, the amount paid by the Company or its subsidiary is 2% or more of consolidated net sales of the business partner, or the amount received by the Company or its subsidiary is 2% or more of ordinary income of the Company
  - 5. The annual amount of cash received from the Company or its subsidiary is 10 million yen or more in the case the person is an individual. If the person is affiliated with a corporation, etc., the annual amount of cash received from the Company or its subsidiary is 2% or more of consolidated net sales of such corporation, etc.
  - 6. The annual average of donations for the past three fiscal years is 10 million yen or more in the case the recipient is an individual. If the recipient is a corporation, the annual average of donations for the past three fiscal years is 10 million yen or more or 2% or more of consolidated net sales or total income of the recipient, whichever is larger
  - 7. In the case of an organization such as a corporation or association, a person at the levels of officers or general managers of such organization, or in the case of an association or a school, a person in a position equivalent to a director

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

**(Reference) Areas in which the Company has particular expectations for candidates for Director (up to four areas)**

Name, Current position /Area		Corporate manage- ment	Finance	Legal affairs Compliance Risk manage- ment	Financial accounting	Technology	Innovation
	<b>Yasunaga Matsumoto</b> Chairman	●	●	●	●		
	<b>Noriaki Maruyama</b> President & CEO	●	●			●	●
	<b>Tomokazu Yokoi</b> Director, Deputy President and Executive Officer		●	●	●		
	<b>Ryota Okazawa</b> Director and Managing Executive Officer		●	●			
	<b>Masayuki Okamoto</b>	●	●	●			
	<b>Noriyoshi Kimura</b> Director		●			●	

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

Name, Current position /Area		Corporate management	Finance	Legal affairs Compliance Risk management	Financial accounting	Technology	Innovation
	<b>Yukihiro Machida</b> Independent Outside Director		●	●			
	<b>Tomohisa Takeda</b> Independent Outside Director		●	●		●	
	<b>Tamotsu Moriyama</b> Independent Outside Director	●	●		●		

\* The table above does not represent all types of knowledge and experience held by Director candidates.

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

• **Proposal 3: Election of Three (3) Auditors**

As the terms of office of Auditors Mr. Toshiharu Fujita, Ms. Mariko Hidaka, and Mr. Naoyuki Iwashita will expire at the conclusion of this Shareholders' Meeting, the Company proposes electing three Auditors as follows. The Audit and Supervisory Board has given its consent with regard to the submission of this proposal.

(Candidates' Career Summaries)

**Candidate No.1**

**New candidate  
Outside Auditor**

<b>Takahiro Yoshida</b>		[Male]
(September 2, 1961)		
Career summary, positions and responsibilities at the Company, and significant concurrent positions	Apr. 1985	Joined The Dai-Ichi Kangyo Bank, Limited (currently Mizuho Bank, Ltd.)
	Apr. 2002	Senior Manager of Trading Department, Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)
	Apr. 2005	Deputy General Manager of Treasury Department, Mizuho Bank, Ltd.
	Aug. 2012	Joined Shinsei Bank, Limited (currently SBI Shinsei Bank, Limited), GM/ALM Division
	Oct. 2014	Sub Group Head/Treasury Sub-Group, GM/ALM Division, Shinsei Bank, Limited (Currently SBI Shinsei Bank, Limited)
	Apr. 2016	Executive Officer, GM/Treasury Division, Shinsei Bank, Limited (Currently SBI Shinsei Bank, Limited)
	Apr. 2017	Senior Officer/Group Planning and Financial Accounting, GM/Group Treasury Division, Executive Officer, GM/Treasury Division, Shinsei Bank, Limited (Currently SBI Shinsei Bank, Limited)

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

	Nov. 2017	Senior Officer/Group Planning and Financial Accounting, GM/Group Treasury Division, Shinsei Bank, Limited (Currently SBI Shinsei Bank, Limited)
	Apr. 2020	Senior Officer/Group Planning and Financial Accounting, Shinsei Bank, Limited (Currently SBI Shinsei Bank, Limited)
	Apr. 2022	Executive Officer, in charge of Group Treasury, Shinsei Bank, Limited (Currently SBI Shinsei Bank, Limited)
	Apr. 2023	Executive Advisor, in charge of Group Treasury, SBI Shinsei Bank, Limited
	Jun. 2023	Standing Statutory Auditor, SBI Holdings, Inc. (to present)
	Jun. 2023	Statutory Auditor, SBI SECURITIES Co., Ltd. (to present)
	Jun. 2023	Statutory Auditor, SBI Financial Services Co., Ltd. (to present)
		(Significant concurrent positions)
		Standing Statutory Auditor, SBI Holdings, Inc.
		Statutory Auditor, SBI SECURITIES Co., Ltd.
		Statutory Auditor, SBI Financial Services Co., Ltd.
Tenure as Auditor		–
Number of shares of the Company held		Common shares currently held: 0 Common shares potentially held: 0
Attendance at meetings of the Audit and Supervisory Board		–

**Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.**

Reasons for nomination	Mr. Takahiro Yoshida has held key positions in a wide range of areas such as corporate planning and finance and group treasury at Mizuho Bank, Ltd. and SBI Shinsei Bank, Limited and possesses abundant practical experience and highly ethical views. Given his extensive experience and achievements in various banking businesses, the Company believes that he is well qualified to be an Auditor who conducts proper audits from diverse perspectives, and therefore proposes appointing him Outside Auditor.
------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

## Candidate No.2

### Reappointment Independent Outside Auditor

<b>Mariko Hidaka</b>		[Female]
(May 4, 1961)		
Career summary, positions and responsibilities at the Company, and significant concurrent positions	Apr. 1984	Joined Chuo Audit Corporation
	Apr. 1987	Registered as a certified public accountant
	Jul. 2000	Partner at Chuo Audit Corporation
	Jul. 2006	Senior Partner, Chuo Aoyama Audit Corporation
	Aug. 2007	Senior Partner, ShinNihon Audit Corporation (currently Ernst & Young ShinNihon LLC)
	Jul. 2013	Deputy Division Manager, Corporate Division I, Ernst & Young ShinNihon LLC
	Sep. 2015	Member, Board of Trustees, Ernst & Young ShinNihon LLC
	Jun. 2020	External Director, Tosoh Corporation (to present)
	Aug. 2020	Director, Hidaka Certified Public Accountants Office (to present)
	Jan. 2021	Outside Auditor, the Company (to present)
	Jun. 2021	Outside Director, Audit and Supervisory Committee Member, KYOKUTO BOEKI KAISHA, LTD. (to present)
		(Significant concurrent positions)
		Director, Hidaka Certified Public Accountants Office
	External Director, Tosoh Corporation	
	Outside Director, Audit and Supervisory Committee Member, KYOKUTO BOEKI KAISHA, LTD.	
Tenure as Auditor	4 years and 5 months (at the conclusion of the Meeting)	
Number of shares of the Company held	Common shares currently held: 0 Common shares potentially held: 0	

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

Attendance at meetings of the Audit and Supervisory Board	13/13 (100%)
Reasons for nomination	<p>Ms. Mariko Hidaka served as Senior Partner at Ernst &amp; Young ShinNihon LLC and possesses abundant experience and achievements in accounting, auditing, and business management support. She also has a wealth of knowledge and experience in diversity as she served on a committee promoting women’s participation at the audit firm. Although she has no experience of being involved in company management other than as an outside officer, as described above, the Company believes that she is well qualified to be an Auditor who conducts proper audits from diverse perspectives in addition to the perspective of accounting, and therefore proposes reappointing her Outside Auditor.</p>

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

### Candidate No.3

### Reappointment Independent Outside Auditor

<b>Naoyuki Iwashita</b>		[Male]	
(March 28, 1962)			
Career summary, positions and responsibilities at the Company, and significant concurrent positions	Apr. 1984	Joined the Bank of Japan	
	May 2009	Manager, Shimonoseki Branch, Bank of Japan	
	Jul. 2011	General Manager, Smart Information Systems Headquarters, Hitachi, Ltd.	
	Jul. 2013	Associate Director-General, Payment and Settlement Systems Department, Bank of Japan	
	May 2014	Deputy Director-General, Financial System and Bank Examination Department; Head, Center for Advanced Financial Technology, Bank of Japan	
	Apr. 2016	Deputy Director-General, Payment and Settlement Systems Department; Head, FinTech Center, Bank of Japan	
	Apr. 2017	Professor, School of Government, Kyoto University (to present)	
	Jun. 2017	Counselor, Financial Services Agency (to present)	
	Jan. 2019	Member, Financial System Council, Financial Services Agency (to present)	
	Jan. 2021	Outside Auditor, the Company (to present)	
	Apr. 2023	Advisory Board Member/Advisor, Iyogin Holdings, Inc. (to present)	
	Jun. 2024	Director (part-time), Nissay Asset Management Corporation (to present)	
		(Significant concurrent positions)	
	Professor, School of Government, Kyoto University		
	Counselor, Financial Services Agency		

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

	Member, Financial System Council, Financial Services Agency
	Advisory Board Member/Advisor, Iyogin Holdings, Inc.
	Director (part-time), Nissay Asset Management Corporation
Tenure as Auditor	4 years and 5 months (at the conclusion of the Meeting)
Number of shares of the Company held	Common shares currently held: 0 Common shares potentially held: 0
Attendance at meetings of the Audit and Supervisory Board	13/13 (100%)
Reasons for nomination	Mr. Naoyuki Iwashita has experience and knowledge both in finance and technology, gained through his long-term research into financial information technology at the Bank of Japan while being at the forefront of FinTech advancement in the financial industry. As an academic expert, he concurrently serves as a member of the Financial System Council of the Financial Services Agency, among other organizations. The Company believes that he is well qualified to audit the cutting-edge area of FinTech, and therefore proposes reappointing him Outside Auditor.

**Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.**

(Notes)

1. No conflict of interest exists between the Company and each candidate.
2. Mr. Takahiro Yoshida, Ms. Mariko Hidaka, and Mr. Naoyuki Iwashita are candidates for Outside Auditor.
3. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Ms. Mariko Hidaka and Mr. Naoyuki Iwashita to limit their liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act. The limit of liability for damages under the agreement is the minimum amount of liability as prescribed by Article 425, Paragraph 1 of the Companies Act. If the reappointment of each candidate is approved, the Company will continue the agreement with them. In the event that Mr. Takahiro Yoshida assumes the office of Auditor, the Company will enter into an agreement with him to limit his liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, with the same terms and conditions as if the reappointment of Ms. Mariko Hidaka and Mr. Naoyuki Iwashita is approved, pursuant to Article 427, Paragraph 1 of the Companies Act.
4. Upon the reappointment of Ms. Mariko Hidaka and Mr. Naoyuki Iwashita, the Company will continue to designate each of them as an independent officer.
5. The Company has entered into a directors and officers liability insurance agreement with an insurance company under Article 430-3, Paragraph 1 of the Companies Act for Directors, Auditors, and Executive Officers of the Company and subsidiaries of the Company as the insured persons. The insurance premiums are all paid by the Company. The insurance agreement covers compensation for damages and litigation costs in the event that the insured is sued by a third party or shareholder for damages. However, as a measure to ensure that the appropriate performance of duties by the insured is not impaired, damages, etc. arising from criminal acts of the insured, acts committed by the insured with the knowledge of violating laws and regulations, and the insured illegally obtaining personal benefits or favors are not covered by the insurance agreement. Ms. Mariko Hidaka and Mr. Naoyuki Iwashita are currently Auditors of the Company and insured by the above insurance agreement. Upon the reappointment of each candidate, they will continue to be insured by the insurance agreement. If Mr. Takahiro Yoshida assumes the office of Auditor, he will be insured by the insurance agreement. The Company will renew the insurance agreement with the same terms and conditions during the term of office of the candidate.

**Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.**

6. Mr. Takahiro Yoshida currently serves as Standing Statutory Auditor of SBI Holdings, Inc. but he is scheduled to retire from this position and become Statutory Auditor as of June 23, 2025. In addition, he will retire from the position of part-time Statutory Auditor of SBI Holdings, Inc. on June 27, 2025. Mr. Yoshida currently serves as part-time Statutory Auditor of SBI SECURITIES Co., Ltd. but he will retire from this position as of June 26, 2025.
7. Mr. Takahiro Yoshida was, until March 31, 2023, an Executive Officer of SBI Shinsei Bank, Limited, a major business partner of the Company. He also serves as part-time Statutory Auditor of SBI SECURITIES Co., Ltd., a major business partner of the Company.

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

## Business Report for the 18th Fiscal Year

(April 1, 2024 - March 31, 2025)

### 1. Matters Concerning the Current Situation of the Company

#### (1) Business Progress and Results, etc. of the Group

<Details of the main businesses of the Group>

The Group, which is comprised of the Company, seven consolidated subsidiaries, and two equity method affiliates, operates businesses in the three segments of the Digital banking business, the BaaS (Banking as a Service) business, and the THEMIX business.

Digital banking business: This segment principally provides banking services such as deposit and lending services through mobile applications and the Internet, and financial services such as debit card operation. The affiliate relating to this segment is Yuryo Loan, Ltd.

BaaS business: This segment provides banking functions to business partners through working on NEOBANK<sup>®</sup> services. The NEOBANK<sup>®</sup> services that the Company offers are designed to provide a complementary banking infrastructure that integrates with our business partners' platforms to enable their customers to use their services smoothly and efficiently. By utilizing the banking functions provided by the Company, business partners can operate banking services and their customers can access the products and services similar to those offered in the digital banking business. Affiliates relating to this segment are Dayta Consulting Co., Ltd., NeoBank Services Co., Ltd., NEOBANK TECHNOLOGIES Co., Ltd., Profit Cube Inc., and JAL Payment Port Co., Ltd.

THEMIX business: This segment operates non-financial services. These services primarily include business activities related to data marketing and advertising that utilize data, which customers have agreed to be used (financial data platform business), forestry and forestry administration DX (DX Platform Business), and the support business related to carbon credits (carbon credit platform business). Affiliates relating to this segment are THEMIX Data, Inc., THEMIX Green, Inc., and mapry Co., LTD.

The Digital banking business provides products and services to customers through mobile applications and the Internet. It also provides mortgage loans through external business providers including subsidiaries, partner companies and bank agencies. The BaaS business provides full banking products and services through partners, mainly comprised of bank agencies. The THEMIX business is engaged in non-financial services mainly through subsidiaries and an affiliate. These services primarily include the business related to data marketing and advertising that utilize data, which customers have agreed to be used, forestry and forestry administration DX, and the support business related to carbon credits. Income generated from the above-mentioned transactions with customers through partners, mainly bank agencies, is allotted between the partners and the Company.

(Note) The BaaS business refers to the provision of financial functions such as deposits, loans, and settlement services, which are handled by banks, to partners.

<Financial business environment>

In Japan, we have seen significant progress in digitization supported by the greater use of the Internet and the development and spread of communication devices. According to the WHITE PAPER 2024 on Information and Communications in Japan published by the Ministry of Internal Affairs and Communications, the Internet usage rate among individuals reached 86.2% and the Internet usage rate using smartphones reached 72.9% in 2023. The business environment surrounding the Group and the Company, an Internet-only bank, has been changing at an unprecedented pace. Behind this is the spread of everyday digital devices such as smartphones, a decrease in the population, rising awareness of solving

**Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.**

social issues, and the impact of lifestyle changes driven by the COVID-19 pandemic.

The Japanese financial and capital markets have been encountering a phase of major changes, as the Bank of Japan (BOJ) decided to lift its negative interest rate policy and to end yield curve control in March 2024, which was followed by an interest rate hikes to 0.25% in July 2024 and to 0.50% in January 2025. The gradual rate hikes temporarily pushed uncollateralized overnight call rates up to the 0.47% level and long-term interest rates up to the 1.5% level by the end of the fiscal year ended March 31, 2025. The yen depreciated to a level exceeding the 160-yen per dollar range by early July 2024 due to diminished expectations of an early rate cut in the U.S. Subsequently, in anticipation of continued interest rate hikes by the BOJ, the yen appreciated to the 140 yen level by the end of the fiscal year ended March 31, 2025. The Nikkei Stock Average temporarily rose to the 42,000 yen level in July 2024, reaching an all-time high, aided by the weaker yen and a rise in the U.S. stock market. However, the Nikkei dropped briefly to the 35,000 yen level in March 2025, as it was affected by the appreciation of the yen and concerns over the trade policies of the Trump administration in the U.S.

**Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.**

<Business results of the Group>

In this financial economic environment, for the fiscal year ended March 31, 2025, ordinary profit was 38.1 billion yen (up 9.6% year on year) and profit attributable to owners of parent was 28.1 billion yen (up 13.2% year on year). This was due to an increase in interest on loans and discounts including mortgage loans, main products of the Company, and an increase in interest on securities reflecting rising market interest rates in Japan and overseas, both of which contributed to an increase in ordinary profit. Additionally, gain on sale of shares of subsidiaries contributed to an increase in profit.

Regarding the status of reportable segments for the fiscal year ended March 31, 2025, in the Digital banking business, an increase in fees and commissions due to lending administration fees and payment-related fees due to the progress of cashless payments due to mortgage loans, and an increase in net interest income against the backdrop of rising market interest rates in Japan and overseas contributed to a gross profit of 70.6 billion yen (up 7.9% year on year), and as a result of increases in personnel expenses, advertising expenses, outsourcing expenses related to office work, etc., expenses, etc. was 36.9 billion yen (up 7.8% year on year) and ordinary profit was 33.7 billion yen (up 7.9% year on year). In the BaaS business, because of an increase in account fees due to an increase in bank accounts and an increase in fees due to mortgage loans and loans for asset formation, gross profit was 12.7 billion yen (up 43.8% year on year), expenses, etc., was 7.9 billion yen (up 53.4% year on year), and ordinary profit was 4.7 billion yen (up 30.1% year on year) due to continuous system investments in addition to advertising expenses, etc., for the "NEOBANK<sup>®</sup>" service. As for the THEMIX business, as the business is in the start-up phase where expenses are incurred ahead, an ordinary loss of 200 million yen was recorded.

Profit per share was 186.54 yen.

Regarding the status of assets and liabilities for the fiscal year ended March 31, 2025, total assets were 11,236.9 billion yen, an increase of 560.5 billion yen from the fiscal year ended March 31, 2024. Cash and due from banks were 1,494.5 billion yen, a decrease of 171.0 billion yen from the fiscal year ended March 31, 2024, and loans and bills discounted amounted to 8,676.0 billion yen, an increase of 703.3 billion yen from the fiscal year ended March 31, 2024, due to active efforts for mortgage loans. Securities amounted to 701.7 billion yen, an increase of 139.2 billion yen from the fiscal year ended March 31, 2024. Meanwhile, liabilities amounted to 11,067.0 billion yen, an increase of 542.2 billion yen from the fiscal year ended March 31, 2024. Deposit, which is mainly yen deposit, amounted to 9,814.1 billion yen, an increase of 351.0 billion yen from the fiscal year ended March 31, 2024. In addition, borrowed money amounted to 1,000.0 billion yen, an increase of 200.0 billion yen from the fiscal year ended March 31, 2024. Net assets amounted to 169.9 billion yen, an increase of 18.3 billion yen from the fiscal year ended March 31, 2024, due to the recording of 28.1 billion yen in profit attributable to owners of the parent as the source of funds, as well as changes in net unrealized gains (losses) on available-for-sale securities and net deferred gains (losses) on hedges.

<Business progress, etc. of the Group>

The Group has been striving to realize its basic concept of "providing easiest-to-use, attractive full internet banking products and services 24 hours a day, 365 days" since it started operation in September 2007. As a result of the support of many customers, the number of accounts at the end of the consolidated fiscal year ended March 31, 2025 was 8.25 million, and the total amount of deposits reached the 9.8 trillion yen range.

For mortgage loans, main products of the Company, we continued to expand our branch network using bank agencies this consolidated fiscal year in order to provide our products to more customers, and have concluded partnership agreements with many companies and new bank agencies. As a result of these initiatives, the cumulative amount of mortgage loans we handled since starting operations reached 12 trillion yen in November 2024. In the BaaS business, we launched Bill One Bank, a banking service for corporate customers of Sansan, Inc. in May 2024, HEBEL HAUS NEOBANK, a banking service for customers of the Asahi Kasei Homes Group in June, Yutaka Bank, a banking service for customers of KI-STAR REAL ESTATE GROUP in July, SBI FX TRADE NEOBANK, a banking service for customers of SBI FXTRADE Co., Ltd. in December, KateEne BANK, a banking service for customers of Chubu Electric Power Miraiz Company, Incorporated in December, and TOHO

**Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.**

HOUSE NEOBANK, a banking service for customers of TOHO HOUSE Group in February 2025. Going forward, we will continue striving to deliver our financial infrastructure as BaaS to a variety of companies and work to provide financial services using the latest technology to even more customers.

In the THEMIX business, we are engaged in non-financial operations such as the businesses including data marketing and advertising that utilize data, which customers have agreed to be used, forestry and forestry DX, and support business related to carbon credit. We have been pursuing our efforts to maximize forest values, reducing the burden on the environment, contributing to the development of a sustainable society, and realizing a carbon-neutral society through the realization of DX in the forest supply chain. We have already concluded agreements with several local governments, banks, etc. We will build business models for the forestry and forestry DX and carbon credit-related support business, as well as working on the creation of credits other than those derived from forests, establishment of carbon offsetting methods, etc.

We will also continue to develop and improve attractive financial services by maximizing the convenience of the Internet with “customer-centric” “initiatives concerning SBI Sumishin Net Bank’s fiduciary duties.”

<Issues to be addressed>

In addition to the changes in the financial economic environment described above, since the Company started business, the business and competitive environment surrounding the banking industry has been significantly changing, such as the expansion of financial transactions using the Internet, the spread of smartphones and tablets, and in recent years, domestic IT companies and regional financial institutions entering the field of Internet-only banks, as well as major banks and Internet-only banks entering the BaaS business. With the Company’s Corporate Slogan of “With technology, in the spirit of integrity we will create a society where affluence circulates,” basing our business activities on “customer-centric,” we will continue to further improve convenience, offer attractive products, and achieve stable business management and organizational operations, in order to continue to be the bank of choice for our stakeholders.

The priority issues to be addressed by the Group on business and financial affairs are as follows.

1) Creation of new business models for the new era

The financial environment is drastically being transformed into a “state with positive interest rates” as the long-standing negative interest rate policy comes to an end. At the same time, we recognize the issue that continued profit growth in the future will be difficult in the traditional income model that secures profit margins centered on deposits and loans, due to the recent acceleration of the digital shift by major banks, intensifying competition among Internet-only banks, and other factors. Under these circumstances, the Group will continue to achieve further profit growth by not only reviewing its management of deposit and loan interest rates but also constructing innovative business models, not limited to the BaaS business and the THEMIX business, to accumulate non-interest income which is not conventional financial income.

Furthermore, the Group promotes the provision of high value-added products by combining the use of advanced IT technologies such as APIs and the cloud with our customer-centric principles. Aiming to create new value, the Group will strive to improve an expense ratio in pursuit of efficiency by using technology to build a highly profitable business portfolio. Moreover, the Group will continue to speedily create new value by quickly introducing high quality user interface/user experience (UI/UX) and advanced, efficient technologies such as AWS (Amazon Web Services) cloud, API, in-house AI, and generative AI.

2) Establishment of a stable income base and customer base

By promoting the expansion of customer base and income base through becoming a main bank, the Group aims to establish an even more stable management base by continuing to provide products that match customer life stages and introducing new services that seek customer convenience.

For the main product, mortgage loans, we will review product characteristics,

**Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.**

improve the customer support system, expand sales channels, and work to further accumulate balances and enhance profitability through promoting cooperation with partners in the BaaS business that are engaged in housing related businesses. In addition, our expected loss ratio<sup>(Note)</sup> for mortgage loans as of March 31, 2025 was only 0.014% due to our high-quality customer base, as well as our proprietary technology such as AI screening models. Furthermore, in customer loans, we aim to strengthen profitability by offering new products such as loans for asset building through real estate investment, acquiring customers through the development of marketing measures and other measures, and accumulating balances by appealing product strengths, etc. We will also strive to accumulate deposits and stable fee-based income by aiming to enhance customer convenience through expanding payment businesses such as debit cards, and proactive initiatives in the FinTech field, etc.

In the BaaS business, we will work to leverage the expertise we have cultivated since our opening to provide our NEOBANK<sup>®</sup> services to an even greater number of business partners and their customers, in order to create new value in the financial services sector. Our partnership with companies in NEOBANK<sup>®</sup> business started with Japan Airlines Co., Ltd. in April 2020, and the number of our business partners is 22 as of March 31, 2025.

(Note) Expected loss ratio is calculated based on the Probability of Default (PD) × Loss Given Default (LGD) for exposure to residential real estate calculated in accordance with the “Criteria for Judging Whether a Bank’s Capital Adequacy is Appropriate in Light of Assets Held” (the Financial Services Agency Notification No. 19; March 27, 2006), which is based on Article 14-2 of the Banking Act

### 3) Strengthening the business management system

The business management risks facing the Group are changing due to the expansion of the customer base and total assets, business diversification, the change of interest rate environment, and volatile market environment. We will take actions independently to enhance our management system, in line with future business development.

In terms of systems, with providing highly convenient services that are of use to customers as the number one priority, we will continuously consider constructing a system suitable for future business models while promoting minimizing development risks and advancing measures to prevent failures from occurring and to prevent their expansion when they do occur.

In terms of risk management, we will strive to strengthen risk management by promoting strengthening the interest rate risk management and liquidity risk management system in line with the assets held by the Group and enhance credit risk management while complying with various regulations such as Basel III. We will also continue to work on measures against unauthorized use of accounts and unlawful access.

In terms of governance, we will improve our company-wide governance system in accordance with the Corporate Governance Code, ensure its smooth operation, and strengthen our sustainability initiatives. Furthermore, as our sustainability initiatives, we will promote efforts to contribute to solving social issues through our overall business activities, based on the Sustainability Declaration formulated in April 2021.

In addition, we will further promote customer protection measures by constructing a risk management system appropriate for the increasing number of bank agents and strengthening security measures based on the growing social expectations of financial institutions and the recent increase in financial crimes and cyberattacks on the Internet.

We appreciate the continued understanding and cooperation of our shareholders as we move forward.

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

(2) Status of Assets and Profit of the Group and Company

A. Status of assets and profit of the Group

(Millions of yen)

	FY2021	FY2022	FY2023	FY2024
Ordinary income	83,527	98,052	118,572	146,521
Ordinary profit	23,265	29,390	34,846	38,189
Profit attributable to owners of parent	17,113	19,932	24,845	28,127
Comprehensive income	11,706	16,254	21,143	21,029
Net assets	145,392	131,691	151,608	169,921
Total assets	8,534,021	8,679,004	10,676,416	11,236,958

- (Notes)
- The amounts above are shown with amounts less than one unit rounded down.
  - Based on a resolution of the Extraordinary General Meeting of Shareholders on January 18, 2023, the Company paid a cash dividend of 198.95 yen per share, or a total of 30,000 million yen, from retained earnings, (written resolution pursuant to Article 319, Paragraph 1 of the Companies Act), with the record date on the aforementioned date of resolution and the effective date on January 20, 2023. As a result, net assets decreased by 30,000 million yen.

B. Status of assets and profit of the Company

(Millions of yen)

	FY2021	FY2022	FY2023	FY2024
Deposits	7,115,850	7,977,700	9,465,829	9,821,650
Time deposits	1,641,811	1,786,215	1,938,492	2,179,920
Others	5,474,039	6,191,484	7,527,337	7,641,730
Loans and bills discounted	5,409,936	6,606,594	7,978,762	8,676,084
Individuals	4,757,344	5,664,193	7,108,063	8,480,108
Small to mid-sized enterprises	43,429	36,086	15,346	1,774
Others	609,162	906,313	855,352	194,202
Securities	813,670	568,626	571,806	708,218
Japanese government bonds	385,929	149,840	180,887	307,448
Others	427,741	418,786	390,919	400,770
Total assets	8,533,737	8,677,604	10,674,141	11,238,716
Domestic exchange transactions	28,338,339	31,511,346	43,978,060	60,513,245
Foreign exchange transactions	Millions of dollars 158,064	Millions of dollars 285,435	Millions of dollars 301,660	Millions of dollars 431,646
Ordinary profit (loss)	22,346	29,035	33,605	38,199
Profit (loss)	16,680	19,890	23,784	27,714
Profit (loss) per share	Yen 110.61	Yen 131.90	Yen 157.74	Yen 183.80

- (Notes)
- The amounts above are shown with amounts less than one unit rounded down.
  - Based on the resolution made by the Board of Directors meeting on December 10, 2021, the Company conducted a share split at a ratio of 100 shares for a common share with January 1, 2022 as the effective date. Profit (loss) per share is calculated assuming that the share split was conducted at the beginning of the fiscal year ended March 31, 2022.

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

(3) Status of Employees of the Group

A. Status of employees of the Group

	Digital banking business	BaaS business	THEMIX business	Total
Number of employees	638	136	11	785

- (Notes) 1. The number of employees includes Executive Officers who do not concurrently serve as Director and seconded employees, and excludes fixed-term contract employees and temporary employees.
2. All employees in the THEMIX business are concurrently engaged in the Digital banking business or the BaaS business. For the purpose of this report, they are listed as employees of the business in which they are most involved.

B. Status of employees of the Company

	As of March 31, 2025
Number of employees	664 employees
Average age	39 years and 3 months old
Average length of service	4 years and 11 months
Average monthly salary	709 thousand yen

- (Notes) 1. The average age, the average length of service, and the average monthly salary are shown with amounts less than one unit rounded down.
2. The number of employees include Executive Officers and accepted secondees who do not concurrently serve as Director. It does not include fixed-term contract employees and temporary employees.
3. The average age, the average length of service, and the average monthly salary do not include accepted secondees, fixed-term contract employees, and temporary employees.
4. The average monthly salary includes bonuses and overtime allowances, etc.

(4) Status of Business Locations, etc. of the Group

A. Status of business locations, etc. of the Company

1) Number of business locations

	As of March 31, 2025
Head office and branches	45 branches including 2 sub-branches

2) Business locations opened during the fiscal year ended March 31, 2025

Business location	Address
Hebel Branch	2-1, Roppongi 3-chome, Minato-ku, Tokyo, Japan
Yutaka Bank Branch	2-1, Roppongi 3-chome, Minato-ku, Tokyo, Japan
Chubu Electric Power KateEne Branch	2-1, Roppongi 3-chome, Minato-ku, Tokyo, Japan
SBI FX TRADE Branch	2-1, Roppongi 3-chome, Minato-ku, Tokyo, Japan
TOHO HOUSE Branch	2-1, Roppongi 3-chome, Minato-ku, Tokyo, Japan
FANY Branch	2-1, Roppongi 3-chome, Minato-ku, Tokyo, Japan
Nakano Branch	24-11, Nakano 2-chome, Nakano-ku, Tokyo, Japan

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

3) List of bank agents

Name	Address of main business location	Main business other than bank agency business
Sumitomo Mitsui Trust Bank, Limited	4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan	Banking
SBI SECURITIES Co., Ltd.	6-1, Roppongi 1-chome, Minato-ku, Tokyo, Japan	Securities
SBI MONEYPLAZA Co., Ltd.	6-1, Roppongi 1-chome, Minato-ku, Tokyo, Japan	Financial product intermediary
GOOD MORTGAGE	5-1, Nishishinjuku 6-chome, Shinjuku-ku, Tokyo, Japan	-
MX Mobiling Co., Ltd.	2-24, Toyosu 3-chome, Koto-ku, Tokyo, Japan	Mechanical equipment retail
I.F.CREATE Co., Ltd.	36-2, Akebonocho 2-chome, Tachikawa-shi, Tokyo, Japan	Life insurance and non-life insurance agency
Yoshida Communication Co., Ltd.	5-14, Kinkocho, Kanagawa-ku, Yokohama-shi, Kanagawa, Japan	Mechanical equipment retail
Asahi Kasei Homes Financial Corporation	105, Kanda Jinbocho 1-chome, Chiyoda-ku, Tokyo, Japan	Housing-only financial business
Shimane bank Ltd.	484-19, Asahimachi, Matsue-shi, Shimane, Japan	Banking
JAL Payment Port Co., Ltd.	4-11, Higashishinagawa 2-chome, Shinagawa-ku, Tokyo, Japan	Other ancillary financial business
FUKUSHIMA BANK, LTD.	2-5, Banseicho, Fukushima-shi, Fukushima, Japan	Banking
THE SENDAI BANK, Ltd.	1-1, Ichibancho 2-chome, Aoba-ku, Sendai-shi, Miyagi, Japan	Banking
Anabuki Insurance Co., Ltd.	8-1, Togyamachi, Takamatsu-shi, Kagawa, Japan	Life insurance brokerage
TOHO HOUSE Co., Ltd	12-2, Honcho 2-chome, Kokubunji-shi, Tokyo, Japan	-
LIXIL Housing Research Institute, Ltd.	1-1, Nishishinagawa 1-chome, Shinagawa-ku, Tokyo, Japan	General contractor
CCC LIFE PARTNERS Co., Ltd.	16-17, Nanpeidai-cho, Shibuya-ku, Tokyo, Japan	Electronic money business
Takashimaya Company, Limited	12-10 Nihonbashi 2-chome, Chuo-ku, Tokyo, Japan	Department store business
OuchiLink Co., Ltd.	3-1 Shibuya 3-chome, Marunouchi, Chiyoda-ku, Tokyo, Japan	Communication
Kashiwabara Assist, Co., Ltd.	2-70, Konan 1-chome, Minato-ku, Tokyo, Japan	Housing-only financial business
YAMADA Finance Co., Ltd.	1-1, Sakaecho, Takasaki-shi, Gunma, Japan	Housing-only financial business
EHIME BANK, LTD.	2-1, Katsuyamacho, Matsuyama-shi, Ehime, Japan	Banking
Hoken Minaoshi Hongo, Inc.	17-18, Shinjuku 5-chome, Shinjuku-ku, Tokyo, Japan	Life insurance and non-life insurance agency
FAMILYLIFESERVICE	12-13, Sakai 2-chome, Musashino-shi, Tokyo, Japan	Housing-only financial business
Yuryo Loan, Ltd.	24-11, Nakano 2-chome, Nakano-ku, Tokyo, Japan	Housing-only financial business

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

Name	Address of main business location	Main business other than bank agency business
SBI Remit Co., Ltd.	9-3 Otsuka 2-chome, Bunkyo-ku, Tokyo, Japan	Remittance business
YAMADA DENKI CO., LTD.	1-1 Sakae-cho, Takasaki-shi, Gunma, Japan	Appliance and equipment retail
The Dai-ichi Life Insurance Company, Limited	13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo, Japan	Insurance
HOME FIRST FINANCE., LTD.	20-2, Nishishinjuku 1-chome, Shinjuku-ku, Tokyo, Japan	Housing-only financial business
NeoBank Services Co., Ltd.	2-1 Roppongi 3-chome, Minato-ku, Tokyo, Japan	Research, development and planning related to financial business
GRIT INC.	2-1 Roppongi 3-chome, Minato-ku, Tokyo, Japan	Other business services
Smile Bank., Co., Ltd.	13-1 Ginza 8-chome, Chuo-ku, Tokyo, Japan	-
CESbank., Co., Ltd.	7-1 Nishihonmachi 1-chome, Nishi-ku, Osaka, Japan	-
SBI ARUHI Corporation	4-3 Hirakawacho 1-chome, Chiyoda-ku, Tokyo, Japan	Housing-only financial business
Nomura Real Estate Solutions Co., Ltd.	26-2 Nishishinjuku 1-chome, Shinjuku-ku, Tokyo, Japan	Real estate brokerage, insurance agency
Mirai Bank, Co., Ltd.	12-38 Shibaura 4-chome, Minato-ku, Tokyo, Japan	Financial product intermediary
Broad-minded Co., Ltd.	1, Sakuragaokacho 1-chome, Shibuya-ku, Tokyo, Japan	Life insurance and non-life insurance agency, financial product intermediary
Keio Passport Club Co., Ltd.	2-2 Hatagaya 1-chome, Shibuya-ku, Tokyo, Japan	Credit card business
Matsui Securities Co., Ltd.	4 Kojimachi 1-chome, Chiyoda-ku, Tokyo, Japan	Securities
livedoor Co., Ltd.	9-1 Higashishimbashi 1-chome, Minato-ku, Tokyo, Japan	Internet-based service provider
Sansan, Inc.	1-1, Sakuragaokacho, Shibuya-ku, Tokyo, Japan	Information service
Yutaka Partners Co., Ltd.	2-1, Yaesu 2-chome, Chuo-ku, Tokyo, Japan	-
SBI FXTRADE Co., Ltd.	6-1, Roppongi 1-chome, Minato-ku, Tokyo, Japan	Financial instruments trading
Chubu Electric Power Miraiz Co., Inc.	1, Higashishincho, Higashi-ku, Nagoya-shi, Aichi, Japan	Electricity
Takashimaya Financial Partners Co., Ltd.	12-10, Nihonbashi 2-chome, Chuo-ku, Tokyo, Japan	Credit card business
LAVIIE Mortgage Loan Co., Ltd.	19-10, Egoe 1-chome, Minami-ku, Kumamoto-shi, Kumamoto, Japan	-
Integral Mortgage Bank Co., Ltd.	17-21, Sagamiono 3-chome, Minami-ku, Sagamihara-shi, Kanagawa, Japan	-
JO Finance Service Co., Ltd.	3-5, Hiranomachi 3-chome, Chuo-ku, Osaka, Japan	Money lending, Life insurance and non-life insurance agency

**Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.**

Name	Address of main business location	Main business other than bank agency business
Sem Loan & Finance Co., Ltd.	4-29, Tokiwa 5-chome, Yokkaichi-shi, Mie, Japan	Money lending, Life insurance and non-life insurance agency
Iedukuri Bank Co., Ltd.	19-4, Minamisaiwai 2-chome, Nishi-ku, Yokohama-shi, Kanagawa, Japan	-

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

4) Status of bank agencies operating banks, etc.

Name
Sumitomo Mitsui Trust Bank, Limited

B. Subsidiaries of the Company

1) Digital banking business

Company Name	Main Sales Sites	Location
Yuryo Loan, Ltd.	Headquarters	Nakano-ku, Tokyo, Japan

2) BaaS business

Company Name	Main Sales Sites	Location
Dayta Consulting Co., Ltd.	Headquarters	Minato-ku, Tokyo, Japan
NeoBank Services Co., Ltd.	Headquarters	Minato-ku, Tokyo, Japan
NEOBANK TECHNOLOGIES Co., Ltd.	Headquarters	Minato-ku, Tokyo, Japan
Profit Cube Inc.	Headquarters	Minato-ku, Tokyo, Japan

3) THEMIX business

Company Name	Main Sales Sites	Location
THEMIX Data, Inc.	Headquarters	Minato-ku, Tokyo, Japan
THEMIX Green, Inc.	Headquarters	Minato-ku, Tokyo, Japan

(5) Status of Capital Investment of the Group

A. Total Capital investment

(Millions of yen)

Company Name	Amount Invested
SBI Sumishin Net Bank, Ltd.	11,410

- (Notes)
- The stated amount is shown with amounts less than one million yen rounded down.
  - The total amount (excluding transfers from suspense accounts) of investments toward property, plant and equipment and intangible assets are shown.
  - For internal management purposes, the Group does not allocate assets to each segment. Accordingly, total capital expenditures for each company are listed.

B. Construction of significant facilities, etc.

(Millions of yen)

Company Name	Details	Amount Invested
SBI Sumishin Net Bank, Ltd.	Software Software in progress	9,889

- (Notes)
- The stated amount is shown with amounts less than one million yen rounded down.
  - The total amount (excluding transfers from suspense accounts) of investments toward property, plant and equipment and intangible assets are shown.
  - For internal management purposes, the Group does not allocate assets to each segment. Accordingly, the amount of construction of significant facilities, etc. for each company are listed.

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

(6) Status of Significant Parent Companies and Subsidiaries, Etc.

A. Status of parent companies

Not applicable.

B. Status of subsidiaries, etc.

Name	Address	Main business	Capital	Voting rights ratio of subsidiaries, etc., held by the Company	Other
Dayta Consulting Co., Ltd.	Minato-ku, Tokyo, Japan	AI-based screening services and other finance-related business	50 million yen	100.00%	Subsidiary
Yuryo Loan, Ltd.	Nakano-ku, Tokyo, Japan	Money lending	200 million yen	100.00%	Subsidiary (Note 4)
THEMIX Data, Inc.	Minato-ku, Tokyo, Japan	Advertising and data marketing business	450 million yen	100.00%	Subsidiary
NeoBank Services Co., Ltd.	Minato-ku, Tokyo, Japan	Services related to Bank agent business	35 million yen	100.00%	Subsidiary
THEMIX Green, Inc.	Minato-ku, Tokyo, Japan	Forestry and forest DX business and support business related to carbon credits	150 million yen	100.00%	Subsidiary
NEOBANK TECHNOLOGIES Co., Ltd.	Minato-ku, Tokyo, Japan	Provision of security solutions and other finance-related business	100 million yen	100.00%	Subsidiary (Note 6)
Profit Cube Inc.	Minato-ku, Tokyo, Japan	Development, sales, and maintenance of management support systems for financial institutions	30 million yen	100.00%	Subsidiary (Note 7)
JAL Payment Port Co., Ltd.	Shinagawa-ku, Tokyo, Japan	Prepaid card business	390 million yen	15.06%	Affiliated corporation, etc.

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

Name	Address	Main business	Capital	Voting rights ratio of subsidiaries, etc., held by the Company	Other
mapry Co., LTD.	Tamba-shi, Hyogo, Japan	Development of GIS applications, etc.	306 million yen	44.09%	Affiliated corporation, etc.

- (Notes)
- The stated amounts are shown with amounts less than one million yen rounded down.
  - The voting rights ratios of subsidiaries, etc., held by the Company are shown with amounts rounded down to the second decimal place.
  - As of March 31, 2025, the Company has seven consolidated subsidiaries, which are the significant subsidiaries above. The Company has two equity method affiliates.
  - During the fiscal year ended March 31, 2025, Yuryo Loan, Ltd. transferred its contractual status, loan claims, etc. of the Flat 35 related business to SBI ARUHI Corporation on March 21, 2025.
  - During the fiscal year ended March 31, 2025, the Company sold all shares of NetMove Corporation, which was previously a consolidated subsidiary of the Company. As a result, NetMove Corporation was excluded from the consolidated subsidiaries of the Company during the fiscal year ended March 31, 2025.
  - Newly established NEOBANK TECHNOLOGIES Co., Ltd. became a consolidated subsidiary of the Company during the fiscal year ended March 31, 2025.
  - Due to share acquisition, Profit Cube Inc. became a consolidated subsidiary of the Company during the fiscal year ended March 31, 2025.

(7) Status of Business Transfers, Etc.

At the Board of Directors meeting held on September 30, 2024, the Company decided to conduct a split of NetMove Corporation, a consolidated subsidiary of the Company, and transfer NetMove Corporation's solutions and innovation businesses, except the payment business, to a newly incorporated company (NEOBANK TECHNOLOGIES Co., Ltd.) through an incorporation-type company split. A shares of NetMove Corporation, which is the splitting company, to U-NEXT HOLDINGS Co., Ltd. The Company also decided to transfer its acquiring business to NetMove Corporation, which became a subsidiary of U-NEXT HOLDINGS Co., Ltd. and is currently renamed to USEN Fintech Co., Ltd., due to an absorption-type split. The absorption-type split is planned to take effect on August 1, 2025.

Yuryo Loan, Ltd., Ltd., a consolidated subsidiary of the Company, conducted a business divestiture on March 21, 2025, with Yuryo Loan, Ltd., Ltd. as a divesting entity and SBI ARUHI Corporation as a divested entity. The contractual status, loan claims, etc. related to the Flat 35 related business were transferred to SBI ARUHI Corporation.

(8) Other Significant Matters Concerning the Current State of the Group

The Company relocated its head office from "6-1 Roppongi 1-chome, Minato-ku, Tokyo, Japan" to "2-1 Roppongi 3-chome, Minato-ku, Tokyo, Japan" as of April 30, 2024.

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

## 2. Matters Concerning Company Officers (Directors and Auditors)

### (1) Current Status of Company Officers

(As of March 31, 2025)

Name	Current position and responsibilities	Significant concurrent positions	Other
Yasunaga Matsumoto	Chairman		
Noriaki Maruyama	President & CEO	Director, THEMIX Data, Inc. Director, THEMIX Green, Inc. Outside Director, Mapry Corporation Director (part-time), Green Carbon Co., Ltd.	
Tomokazu Yokoi	Director, Deputy President, Executive Officer and General Manager of Corporate Division	Director, Dayta Consulting Co., Ltd. Director, Profit Cube Inc.	Note 1
Ryota Okazawa	Director and Managing Executive Officer, General Manager of Risk Management Division		
Manatomo Yoneyama	Director (Outside Director)	Managing Executive Officer and Executive Officer, Chief Information Security Officer (CISO), Sumitomo Mitsui Trust Group, Inc. Director and Managing Executive Officer, Sumitomo Mitsui Trust Bank, Limited Director, Sumitomo Mitsui Trust (Ireland) Limited Outside Director, Japan Securities Depository Center, Incorporated Outside Director, Custody Bank of Japan, Ltd.	Notes 2, 8
Noriyoshi Kimura	Director	Technical Advisor, Regional Bank Value Enhancement Office, SBI Holdings, Inc. Senior Managing Executive Officer & Group CTO, SBI Holdings, Inc. CTO, SBI Regional Revitalization Banking System Co., Ltd. Representative Director, SBI Neo Banking System Co., Ltd. Director, DeCurret Holdings, Inc. Director, DeCurret DCP Inc.	Note 3
Yukihito Machida	Director (Outside Director)	Attorney-at-law, Atsumi & Sakai	Notes 2, 7
Hitoshi Hatta	Director (Outside Director)		Notes 2, 7
Tomohisa Takeda	Director (Outside Director)	Attorney-at-law, Tomohisa Takeda Law Office	Notes 2, 7
Tamotsu Moriyama	Director (Outside Director)	President and Representative Director, Maxus Corporate Advisory Inc. Outside Director, LOGPROSTYLE INC. Representative, M&A Financial Advisor Association	Notes 2, 7
Toshiharu Fujita	Standing Auditor (Outside)		Note 4
Fumihito Eno	Standing Auditor (Outside)		Note 4

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

Name	Current position and responsibilities	Significant concurrent positions	Other
Mariko Hidaka	Auditor (Outside)	Director, Hidaka Certified Public Accountants Office External Director, Tosoh Corporation Outside Director, Audit and Supervisory Committee Member, KYOKUTO BOEKI KAISHA, LTD.	Notes 4, 5, 7
Naoyuki Iwashita	Auditor (Outside)	Professor of School of Government, Kyoto University Counselor, the Financial Services Agency Member of Financial System Counsel, the Financial Services Agency Advisory Board Member/Advisor, Iyogin Holdings, Inc. Director (part-time), Nissay Asset Management Corporation	Notes 4, 7

- (Notes)
1. Director, Deputy President, and Executive Officer Tomokazu Yokoi assumed the offices of President of NEOBANK TECHNOLOGIES Co., Ltd. and President of Profit Cube Inc. on April 1, 2025.
  2. Directors Manatomo Yoneyama, Yukihito Machida, Hitoshi Hatta, Tomohisa Takeda, and Tamotsu Moriyama are Outside Directors as stipulated in Article 2, Item 15 of the Companies Act.
  3. Of the Directors, Noriyoshi Kimura is a part-time Director.
  4. Auditors are all Outside Auditors as stipulated in Article 2, Item 16 of the Companies Act. Outside Auditor Toshiro Ishizaki resigned as Outside Auditor of the Company at the conclusion of the 17th Ordinary General Meeting of Shareholders held on June 18, 2024.
  5. Auditor Mariko Hidaka is a certified public accountant and has considerable knowledge of financial affairs and accounting.
  6. The Company has introduced an Executive Officer system. As of March 31, 2025, Tomoyuki Naomi, Ikko Sataka, Naoya Uchikawa, Shinichi Aikawa, Toshiyuki Karasawa, Takahiro Terada, Hiromi Maeda, Takeshi Sakai, Tomoko Inoue, and Eiji Handa were appointed as Executive Officers (excluding Executive Officers who concurrently serve as Directors).
  7. The Company has designated Outside Directors Yukihito Machida, Hitoshi Hatta, Tomohisa Takeda and Tamotsu Moriyama, and Outside Auditors Mariko Hidaka and Naoyuki Iwashita as independent officers in accordance with the provisions of the Tokyo Stock Exchange, and has notified the Exchange of such designation.
  8. Director Manatomo Yoneyama assumed the office of Senior Managing Executive Officer CISO of Sumitomo Mitsui Trust Group, Inc., Director, Senior Managing Executive Officer of Sumitomo Mitsui Trust Bank, Limited, and Director of Trust Base Co., Ltd. on April 1, 2025.

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

(2) Remuneration, etc., for Officers of the Company

- 1) Policies, etc., Concerning Determinations on Details of Remuneration, etc., for Officers  
Remuneration for directors and auditors of the Company is determined within the respective remuneration limits for all directors and all auditors as resolved at the General Meeting of Shareholders.

At the 16th Ordinary General Meeting of Shareholders held on June 20, 2023, the amount of remuneration for Directors was resolved to be no more than 350 million yen per year (including up to 100 million yen for Outside Directors) as monetary remuneration and remuneration for granting restricted shares. The number of Directors was ten (10) (including six (6) Outside Directors) at the conclusion of the said General Meeting of Shareholders. The number of Directors as stipulated in the Articles of Incorporation is 12 or less. The remuneration for individual Directors through the end of their term of office in June 2025 was determined at the Board of Directors meeting held on June 18, 2024, taking into account the report from the Nomination and Compensation Committee. The Board of Directors also judged that the remuneration for individual Directors for the fiscal year ended March 31, 2025 was in line with the following policy since the remuneration for individual Directors was reviewed by the Nomination and Compensation Committee prior to said Board of Directors meeting.

At the 16th Ordinary General Meeting of Shareholders held on June 20, 2023, the amount of monetary remuneration for Auditors was resolved to be no more than 70 million yen per year (four (4) Auditors eligible to receive remuneration). The number of Auditors was four (4) at the conclusion of the said General Meeting of Shareholders. Remuneration for each Auditor consists only of a base salary, which is fixed remuneration, and the amount to be paid to each auditor is determined through discussion between auditors within remuneration limits resolved.

- 2) Basic Policy for Remuneration for Officers

The “Basic policy for Remuneration for Officers” was established based on the resolution at the Board of Directors meeting on June 20, 2023. In accordance with the resolution made at the Board of Directors meeting on July 29, 2024, the basic policy was revised as stated below. The resolution on the revision of the basic policy was made while taking into account the report from the Nomination and Compensation Committee, a committee chaired by an Independent Outside Director where Independent Outside Directors form a majority of the members.

(Basic policy for Remuneration for Officers)

The Company determines remuneration for Officers based on the following approach.  
(Principles)

A remuneration system that continuously improves corporate value and prioritizes linkage with company performance

An appropriate remuneration structure and remuneration levels based on job responsibilities to be able to secure talented individuals who can appropriately perform business execution and supervisory roles

A fair and equitable remuneration system in which decisions are made through an objective and transparent process

[Policy on determining remuneration for Directors]

(Policy on determining each remuneration)

Fixed remuneration (cash)

- Remuneration is divided into supervisory compensation and executive compensation and paid according to the roles to be fulfilled by Directors.
- Supervisory compensation is remuneration for Directors’ supervisory activities and is set at a fixed amount according to the level of responsibility for supervisory activities.
- Executive compensation is remuneration for each Director’s business execution and is set at a fixed amount according to ranks and responsibilities, taking into account

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

the level of contribution to business execution and the level of responsibility of each Director, based on factors such as the operating performance level of each fiscal year.

- Fixed remuneration (cash) may be switched to fixed remuneration (shares) depending on the responsibilities of each Director.

Fixed remuneration (shares)

- Fixed remuneration (shares) is a restricted share remuneration program, where Directors (excluding Outside Directors) are granted monetary claims to acquire common shares of the Company on which a transfer restriction period is set until their resignation. The upper limit of remuneration for Directors, including fixed remuneration (shares), is 350 million yen per year, and the maximum number of shares to be granted is 138,000 per year.
- The amount of monetary claims to be paid as fixed remuneration (shares) for each Director is determined according to the ranks and responsibilities of Directors.

Bonuses for Officers

- The bonuses for Officers are paid to Directors (excluding Outside Directors) when performance targets set by the Board of Directors are achieved. The amount of the bonuses is calculated by multiplying the total amount of fixed remuneration (cash) and fixed remuneration (shares) by a certain ratio defined by the Board of Directors.

Policy on determining the remuneration ratio

- The proportions of fixed remuneration (cash) and fixed remuneration (shares) are determined according to the responsibilities and ranks of Directors.
- The ratio of bonuses for Officers is determined at the Board of Directors so that it appropriately works as incentives for corporate value improvement.

Policy on determining the timing of remuneration payment

- In principle, fixed remuneration (cash) is paid monthly, and bonuses for Officers and fixed remuneration (shares) is paid annually.

Method of determining the details of remuneration for individual Directors (excluding the details above)

- The specific amount of remuneration to be paid to Directors is determined within the limit of remuneration resolved by the General Meeting of Shareholders by a resolution of the Board of Directors, after consulting with and receiving a report from the Nomination and Compensation Committee, a voluntary committee chaired by an Independent Outside Director and composed of a majority of Independent Outside Directors.

### 3) Total amounts, etc., of remuneration, etc., for the fiscal year ended March 31, 2025

(Millions of yen)

Classification	Number of persons paid	Total amount of remuneration, etc.	Total amount of remuneration, etc., by type			
			Fixed remuneration	Performance-linked remuneration	Non-monetary remuneration as fixed remuneration	Other
Directors	10 persons	221	144	-	77	-
Auditors	5 persons	50	50	-	-	-
Total	15 persons	271	194	-	77	-

- (Notes)
- The stated amounts are shown with amounts less than one unit rounded down.
  - Remuneration, etc., for eligible Officers is fixed remuneration only, and the remuneration is not applicable to performance-linked remuneration.
  - The Company does not have an officer retirement allowance system.
  - The number of persons paid above includes two Directors who retired and one Auditor who resigned at the conclusion of the 17th Ordinary General Meeting of Shareholders held on June 18, 2024.
  - As of March 31, 2025, the Company had ten Directors and four Auditors, which included two Directors who did not receive remuneration for their roles.

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

(3) Limited Liability Agreement

Name	Overview of the limited liability agreement
Manatomo Yoneyama	<p>For liability under Article 423, Paragraph 1 of the Companies Act, the Company shall bear liability for damages up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the same Act if a person acts in good faith and without gross negligence while performing his or her duties, and shall exempt the person from liability for the portion exceeding the amount of liability for damages.</p>
Noriyoshi Kimura	
Yukihito Machida	
Hitoshi Hatta	
Tomohisa Takeda	
Tamotsu Moriyama	
Toshiharu Fujita	
Fumihito Eno	
Mariko Hidaka	
Naoyuki Iwashita	

(4) Indemnity Agreement  
Not applicable.

(5) Matters Concerning Liability Insurance Agreement for Officers, etc.

Scope of Insurance Agreement	Overview of Liability Insurance Agreement for Officers, etc.
Directors, Auditors and Executive Officers of the Company	<p>The Company has entered into a directors and officers liability insurance agreement with an insurance company under Article 430-3, Paragraph 1 of the Companies Act covering parties listed on the left of this table as the insured persons. The insurance premiums are all paid by the Company. The insurance agreement covers compensation for damages and litigation costs in the event that the insured is sued by a third party or shareholder for damages.</p> <p>However, as a measure to ensure that the appropriate performance of duties by the insured is not impaired, damages, etc. arising from criminal acts of the insured, acts committed by the insured with the knowledge of violating laws and regulations, and the insured illegally obtaining personal benefits or favors are not covered by the insurance agreement.</p>
Directors, Auditors and Executive Officers of subsidiaries of the Company	

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

### 3. Matters Concerning Outside Officers

#### (1) Current Status of Concurrent Positions of Outside Officers

Name	Current Status of Concurrent Positions of Outside Officers
Manatomo Yoneyama	Managing Executive Officer and Executive Officer, Chief Information Security Officer (CISO), Sumitomo Mitsui Trust Group, Inc. Director and Managing Executive Officer, Sumitomo Mitsui Trust Bank, Limited Director, Sumitomo Mitsui Trust (Ireland) Limited Outside Director, Japan Securities Depository Center, Incorporated Outside Director, Custody Bank of Japan, Ltd.
Yukihito Machida	Attorney-at-law, Atsumi & Sakai
Hitoshi Hatta	
Tomohisa Takeda	Attorney-at-law, Tomohisa Takeda Law Office
Tamotsu Moriyama	President and Representative Director, Maxus Corporate Advisory Inc. Outside Director, LOGPROSTYLE INC. Representative, M&A Financial Advisor Association
Toshiharu Fujita	
Fumihito Eno	
Mariko Hidaka	Director, Hidaka Certified Public Accountants Office External Director, Tosoh Corporation Outside Director, Audit and Supervisory Committee Member, KYOKUTO BOEKI KAISHA, LTD.
Naoyuki Iwashita	Professor, School of Government, Kyoto University Counselor, Financial Services Agency Member, Financial System Council, Financial Services Agency Advisory Board Member/Advisor, Iyogin Holdings, Inc. Director (part-time), Nissay Asset Management Corporation

- (Notes) 1. Outside Director Manatomo Yoneyama is, as of March 31, 2025, Director and Managing Executive Officer of Sumitomo Mitsui Trust Bank, Limited, one of the largest and principal shareholders of the Company, and Managing Executive Officer and Executive Officer, Chief Information Security Officer (CISO), of Sumitomo Mitsui Trust Group, Inc., the wholly owning parent company of the aforementioned largest and principal shareholder of the Company. He assumed the office of Director, Senior Managing Executive Officer of Sumitomo Mitsui Trust Bank, Limited and the office of Senior Managing Executive Officer CISO of Sumitomo Mitsui Trust Group, Inc. on April 1, 2025. Other than the above, he has no personal, capital, business, or other interest in the Company.
2. Outside Auditors Toshiharu Fujita and Fumihito Eno have no personal, capital, business, or other interest in the Company.
3. Outside Auditor Toshiro Ishizaki resigned as Outside Auditor of the Company at the conclusion of the 17th Ordinary General Meeting of Shareholders held on June 18, 2024.
4. Other than the above, there are no personal, capital, business, or other interests between the firms where Outside Directors and Outside Auditors hold concurrent positions and the Company.

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

(2) Major Activities of Outside Officers

Name	Length of service	Member of Nomination and Compensation Committee	Attendance at Board of Directors meetings and Audit and Supervisory Board meetings	Current status of activities including statements at the Board of Directors meetings and the Audit and Supervisory Board meetings
Manatomo Yoneyama	4 years		24/24 Board of Directors meetings	Makes appropriate, necessary statements from a specialist perspective based on his extensive experience in finance and corporate management, drawing on his wealth of experience and accomplishments in the banking business.
Yukihito Machida	4 years and 3 months	Chairperson	26/26 Board of Directors meetings	Makes appropriate, necessary statements from a specialist perspective drawing on his broad insight and wealth of experience as a legal professional specializing in finance-related law (certified in Japan and New York) and having formerly worked on secondment to the Financial Services Agency.
Hitoshi Hatta	4 years and 3 months	Member	25/26 Board of Directors meetings	Makes appropriate, necessary statements regarding compliance risk management and overall business operation based on his extensive experience and knowledge of financial administration, including experience at the Financial Services Agency of Japan, as well as his experience as the officer responsible for compliance at Lifenet Insurance Company.
Tomohisa Takeda	4 years and 3 months	Member	26/26 Board of Directors meetings	Makes appropriate, necessary statements regarding the overall operation of the Company's business, particularly in the area of IT and systems, based on his extensive experience and knowledge, including system development and operation at the Bank of Japan, as well as internal management such as formulation of business plans, budgets and financial statements, and human resources.
Tamotsu Moriyama	4 years and 3 months	Member	26/26 Board of Directors meetings	Makes appropriate, necessary statements from a specialist perspective drawing on his extensive experience in finance and corporate management, based on his wealth of experience and insight as a certified public accountant (in Japan and the U.S.) and involvement in corporate restructuring at financial institutions.

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

Name	Length of service	Member of Nomination and Compensation Committee	Attendance at Board of Directors meetings and Audit and Supervisory Board meetings	Current status of activities including statements at the Board of Directors meetings and the Audit and Supervisory Board meetings
Toshiharu Fujita	10 years and 9 months		26/26 Board of Directors meetings 13/13 Audit and Supervisory Board meetings	Makes appropriate, necessary statements from the perspective of ensuring the integrity of the Company's management, drawing on his experience in business operation at SBI Holdings, Inc., one of the largest and principal shareholders of the Company.
Fumihito Eno	9 months		21/21 Board of Directors meetings 10/10 Audit and Supervisory Board meetings	Makes appropriate, necessary statements from the perspective of ensuring the integrity of the Company's management, drawing on his experience in business operation at Sumitomo Mitsui Trust Bank, Limited, one of the largest and principal shareholders of the Company.
Mariko Hidaka	4 years and 3 months		26/26 Board of Directors meetings 13/13 Audit and Supervisory Board meetings	As a former senior partner at Ernst & Young ShinNihon LLC, she has extensive experience and accomplishments in accounting, auditing, and corporate management support. She also possesses a wealth of knowledge and experience in diversity issues, including serving as a committee member for women's career empowerment at an auditing firm. In addition to her accounting perspective, she makes appropriate, necessary statements based on her substantial experience in finance.
Naoyuki Iwashita	4 years and 3 months		26/26 Board of Directors meetings 13/13 Audit and Supervisory Board meetings	Makes appropriate, necessary statements regarding finance and technology, drawing on his experience and insight in both finance and technology accumulated through his many years of research in financial information technology at the Bank of Japan.

- (Notes) 1. The difference in the total number of the Board of Directors meetings for Outside Director Manatomo Yoneyama and that of the other Directors is because he is a Director who has special interests and there were Board of Directors meetings in which he could not participate in the proceedings and voting.
2. Mr. Fumihito Eno is an Outside Auditor elected at the 17th Ordinary General Meeting of Shareholders held on June 18, 2024. The above attendance information indicates his attendance at the Board of Directors meetings and Audit and Supervisory Board meetings held after his assumption of the office.

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

(3) Remuneration, etc., for Outside Officers

(Millions of yen)

	Number of persons paid	Remuneration, etc., from the Bank	Remuneration, etc., from the Bank's parent companies, etc.
Total remuneration, etc.	9 persons	107	-

- (Notes)
1. Amounts of less than one million yen are rounded down.
  2. The number of persons paid above includes one Outside Auditor who resigned at the conclusion of the 17th Ordinary General Meeting of Shareholders held on June 18, 2024.
  3. Of the Outside Directors who were in office during the fiscal year ended March 31, 2025, one Outside Director who resigned at the conclusion of the 17th Ordinary General Meeting of Shareholders held on June 18, 2024 had not received remuneration for its roles.
  4. As of March 31, 2025, the Company had five Outside Directors and four Outside Auditors. One of the Company's Outside Directors did not receive remuneration for its roles.

(4) Opinions of Outside Officers  
Not applicable.

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

#### 4. Status of Shares

##### (1) Number of shares

Total number of authorized shares 600,000,000 shares

Total number of issued shares 150,779,696 shares

(Note) Treasury shares of 14,104 were excluded in the calculation of total number of issued shares.

##### (2) Number of shareholders as of March 31, 2025 54,183 persons

##### (3) Major shareholders

Name	Status of investment in the Company	
	Number of shares held, etc.	Shareholding ratio
	Thousand shares	%
Sumitomo Mitsui Trust Bank, Limited	51,552	34.19%
SBI Holdings, Inc.	51,552	34.19%
Japan Securities Finance Co., Ltd.	5,562	3.69%
NORTHERN TRUST CO. (AVFC) RE NON TREATY CLIENTS ACCOUNT	3,870	2.57%
Akira Katayama	1,560	1.03%
RBC IST 15 PCT LENDING ACCOUNT-CLIENT ACCOUNT	1,399	0.93%
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	1,199	0.80%
MORGAN STANLEY & CO.LLC	1,119	0.74%
BNYM AS AGT/CLTS NON TREATY JASDEC	802	0.53%
STATE STREET BANK AND TRUST COMPANY 505103	778	0.52%

(Notes) 1. The number of shares, etc. less than one thousand are rounded down.

2. Treasury shares of 14,104 were excluded in the calculation of shareholding ratio.

3. The shareholding ratio is shown with amounts rounded down to second decimal place.

##### (4) Status of shares issued to company officers in exchange for their execution of duties in the fiscal year ended March 31, 2025

The Company has introduced a restricted share remuneration program to provide incentives for Directors of the Company (excluding Outside Directors) to achieve sustained enhancement of corporate value of the Company and to share more value with shareholders.

Details of the share remuneration granted during the fiscal year ended March 31, 2025 are as follows.

Eligible officers	Number of shares	Number of eligible officers
Directors (excluding Outside Directors)	29,305 shares	4 persons
Outside Directors	-	-
Auditors	-	-

**Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.**

(5) Other important matters related to shares

[Acquisition of treasury shares]

In accordance with the provisions of Article 156 of the Companies Act, applicable pursuant to Article 165, Paragraph 3 of the said Act, the Company acquired 47,800 shares of treasury stock (0.03% of the total number of issued shares (excluding treasury shares)) for a total amount of 119,909,900 yen by way of market purchase through the Tokyo Stock Exchange on May 13, 2024, based on the resolution of the Board of Directors on May 10, 2024, in order to use them for the issuance of treasury shares as restricted share remuneration to Directors (excluding Outside Directors), and Executive Officers who do not concurrently serve as Director.

[Disposal of treasury shares as restricted share remuneration to Directors (excluding Outside Directors) and Executive Officers who do not concurrently serve as Director]

The Company disposed of treasury shares in the restricted share remuneration program for Directors (excluding Outside Directors) and Executive Officers who do not concurrently serve as Director, which was implemented during the fiscal year ended March 31, 2025. The outline is as follows.

Purpose of disposal of treasury shares	At the 16th Ordinary General Meeting of Shareholders held on June 20, 2023, it was approved to issue or dispose of 138,000 shares or less of common stock of the Company per year by granting monetary claims of 350 million yen or less to the eligible Directors as remuneration to be used as assets contributed in kind for the acquisition of restricted shares (hereinafter "restricted share remuneration"), based on the restricted share remuneration program. The Meeting also approved that the period of transfer restriction of shares shall be from the day eligible Directors receive the allotment of shares of the Company's common stock under the restricted share allotment agreement to be concluded between the Company and the eligible Directors until immediately after they resign from all their positions of Director and Executive Officer of the Company (excluding the case of being reappointed or appointed as Director or Executive Officer at the same time as resignation; the same applies hereinafter) (if the said time is before a lapse of three months from the end of the fiscal year in which the eligible Director receives the allotted shares of common stock of the Company, the day after a lapse of three months from the end of the fiscal year in which the eligible Director receives the allotted shares of common stock of the Company shall apply). Based on the above, the Company disposed of treasury shares as restricted share remuneration to the eligible Directors. At the same time, the Company disposed of treasury shares as restricted share remuneration to Executive Officers who do not concurrently serve as Director.
Date of disposal of treasury shares	July 3, 2024
Eligible persons to whom treasury shares were issued	4 Directors (excluding Outside Directors): 29,305 shares 10 Executive Officers who do not concurrently serve as Director: 13,602 shares
Number of treasury shares disposed of	42,907 shares
Period of transfer restriction	During the period from July 3, 2024 until the time immediately after they resign from all their positions of Director and Executive Officer of the Group (excluding the case of being reappointed or appointed as Director or Executive Officer at the same time as resignation) or July 1, 2025, whichever is later.

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

**5. Matters Concerning the Company's Share Acquisition Rights, etc.**

(1) The Company's share acquisition rights, etc., held by the Company's officers at the end of the fiscal year

Not applicable.

(2) The Company's share acquisition rights, etc., delivered to employees, etc., during the fiscal year

Not applicable.

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

## 6. Matters Concerning the Accounting Auditor

### (1) Current status of the Accounting Auditor

(Millions of yen)

Name	Remuneration, etc., for the fiscal year	Other
KPMG AZSA LLC	65	<p>1) The Audit and Supervisory Board compared the amount with the Accounting Auditor's past remuneration, examined audit agreement proposals and quotes, etc., and as a result of considering the appropriateness of audit fee, etc., has judged the remuneration, etc., for the Accounting Auditor as appropriate, and gave consent under Article 399, Paragraph 1 of the Companies Act.</p> <p>2) The Company has consigned support services for introduction of new Basel III methodologies for measuring organization risk etc., which are services other than those specified in Article 2, Paragraph 1 of the Certified Public Accountants Act (non- audit services) to the Accounting Auditor, and has paid consideration.</p>
Yohei Morimoto Engagement Partner, Designated Limited Liability Partner		
Shunsuke Suda Engagement Partner, Designated Limited Liability Partner		

- (Notes)
1. Amounts of less than one million yen are rounded down.
  2. In the audit agreement between the Company and the Accounting Auditor, the amount of remuneration, etc., for audits based on the Companies Act and the amount of remuneration, etc., for audits based on the Financial Instruments and Exchange Act are not clearly classified, and "Remuneration, etc., for the fiscal year" is stated including remuneration for audits based on the Financial Instruments and Exchange Act.
  3. The total amount of money to be paid and other property benefits (including the above) by the Company, its subsidiaries and its subsidiary corporations, etc. is 81 million yen.

### (2) Limited liability agreement

Not applicable.

### (3) Indemnity agreement

Not applicable.

### (4) Other matters concerning the Accounting Auditor

#### Policy on determination of dismissal or non-reappointment of Accounting Auditor

In the event that the Account Auditor falls under the items set forth in the clauses of Article 340, Paragraph 1 of the Companies Act, the Audit and Supervisory Board of the Company will consider dismissal of the Accounting Auditor. If the dismissal is considered reasonable, the Audit and Supervisory Board dismisses the Accounting Auditor with unanimous agreement of Auditors, and reports the dismissal to the General Meeting of Shareholders, together with the reasons for the dismissal based on laws and regulations.

In addition, other than the above, if reasons for impairment of the appropriateness and independence of the Accounting Auditor are to occur, and if changing the Accounting Auditor is found to be necessary, taking into consideration the status of the Account Auditor's performance of its duties and the Company's auditing system, etc., the Company's Audit and Supervisory Board will determine the content of a proposal to the General Meeting of Shareholders concerning the dismissal or non-reappointment of the Accounting Auditor.

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

## 7. Basic Policy Concerning Persons Who Control Financial and Business Policy Decisions

Not applicable.

## 8. The Systems to Ensure the Appropriateness of Operations and Their Operation Status

The Company recognizes that it is important to execute business through a sound internal control system. In order to ensure the soundness and appropriateness of business and a sound internal control system under appropriate business management, the Company has established the following policies to ensure compliance (legal and regulatory compliance), customer protection and improvement of convenience and to develop and establish appropriate management systems for various risks.

- (1) System for ensuring that Directors execute their duties in accordance with laws and regulations, and the Articles of Incorporation
  - (a) The Board of Directors shall position compliance as one of the most important management issues and establish the Company's Corporate Mission Values and compliance policy that serves as a code of conduct for Directors, officers, and employees, etc., in order to execute business based on sound social norms.
  - (b) The Board of Directors shall develop a system to take a resolute attitude against anti-social forces which are a threat to the order and safety of society.
  - (c) In the event that a Director discovers a serious violation of laws and regulations or other important compliance-related facts concerning other Directors, he or she shall report it to the Auditors immediately and to the Board of Directors without delay.
- (2) System for the storage and management of information related to the execution of duties by Directors

In accordance with internal rules on document management and information security, the Board of Directors shall store and manage information in an appropriate and highly searchable state according to the medium in which it is stored and maintain accessibility for 10 years as required.
- (3) Regulations concerning the management of risk of loss and other systems
  - (a) The risks (categories) of (i) to (x) below are recognized as risks related to business execution.
    - (i) Credit risk  
Risk of losses resulting from a decrease in or impairment of the value of assets (including off-balance sheet assets) due to deterioration in the financial condition of parties to which loans and other forms of credit have been granted
    - (ii) Market risk  
Risk of losses resulting from fluctuations in the value positioned as assets/liabilities (including off-balance sheet assets/liabilities) and the earnings generated from assets/liabilities due to fluctuations in risk factors (individual factors of the risk) which belong in the market risk categories such as interest rates and exchange rates, or other asset prices
    - (iii) Liquidity risk  
Risk of difficulties in securing necessary funds due to a mismatch between the period of management and the period of funding or unexpected outflow of funds, or the risk of losses resulting from being forced to raise funds at significantly higher interest rates than usual (funding risk) and the risk of losses resulting from a situation in which it becomes impossible to conduct transactions in the market, or becomes obligatory to trade at prices that are significantly more disadvantageous than usual, due to market turmoil
    - (iv) Operational risk  
Risk of incurring losses arising from inadequate or non-functioning internal processes, human behavior, staffing or systems, or from external events (including risks (v)-(x) below)
    - (v) Administrative risk  
Risk of losses arising from Directors, officers, or employees neglecting to engage in accurate administrative work, or other incidents such as accidents or fraud
    - (vi) Information security risk  
Risk of losses arising from damage to the confidentiality, integrity, and availability of the Company's information and information systems, etc., resulting from improper

**Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.**

- information management (including customer information management), system failures (including those caused by software, hardware, infrastructure and operations) and inappropriate management of system development projects, etc., including so-called system risk (risk that the Company may incur losses due to reasons such as computer system failures, malfunctions, and defects, as well as the risk that the Company may incur losses due to unauthorized computer usage, including "cyber security incidents")
- (vii) Compliance risk  
Risk of legal or regulatory penalties, financial loss or reputational loss resulting from a failure to comply with internal and external laws, regulations, social norms, and appropriate standards of business practice, including the risk of losses resulting from inability to complete a transaction due to contractual obstacles such as missing required clauses and lack of legal capacity of counterparty (legal risk)
  - (viii) Human resource risk  
Risk of losses resulting from inequity and unfairness in personnel management (issues of compensation, benefits, dismissal, etc.) and issues of harassment, etc.
  - (ix) Event risk  
Risk of losses (including property, plant and equipment) arising from emergencies such as natural disasters, war, crime, infectious diseases, etc.
  - (x) Reputational risk  
Risk of losses as a result of a deterioration of the reputation of the Company and its subsidiaries, etc. due to reasons such as media reports, rumors, or speculation, which (potentially) have a significant impact on the Company's management
- (b) As the basis of the risk management system, the Board of Directors shall establish management policies by each risk category and a policy for integrated risk management (collectively the "Risk Management Policy") that take the management policies on the whole while comparing and contrasting them with the management strength (core capital).
  - (c) In accordance with the Risk Management Policy, the Board of Directors shall complete arrangements to prevent losses and minimize the impact of unforeseen events by establishing regulations setting out arrangements for risk management, appointing management departments and officers in charge of the departments (Directors and Executive Officers), etc.
  - (d) The Board of Directors shall receive reports from the management departments on the status of risk management on a regular basis (or each time for serious matters) in order to verify the validity and adequacy of the policy and the effectiveness of the system and to review them in a timely manner and have the management departments conduct investigations, etc. as required.
  - (e) The Board of Directors shall establish an internal audit policy for the internal management systems, etc., including risk management and receive reports on results of audits from the Internal Audit Department, which is independent of the departments responsible for business execution, in a timely and appropriate manner. In addition, the Board of Directors shall be subject to external audits on the effectiveness of the risk management as required.
- (4) System for ensuring the efficient execution of duties by Directors
- (a) The Board of Directors shall establish a company-wide management policy, which is shared by all Directors, officers, and employees, work to ensure that it is disseminated, and adopt a management plan based on the management policy. In adopting the management plan, the Board of Directors shall determine company-wide profit targets as strategic goals, allocate management resources efficiently, and if necessary, allocate the amount of risk to each risk category (capital allocation).
  - (b) The Board of Directors shall stipulate a core capital management policy and establish a management system to maintain and improve the soundness of business through the enhancement of capital adequacy and the efficiency of business through the effective use of core capital.
  - (c) In order to protect customers and improve their convenience, the Board of Directors shall establish a customer protection and management policy, build a management system, provide appropriate and sufficient explanations to customers, deal with customer complaints and consultations, and manage customer information to ensure thorough

**Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.**

- customer protection and management.
- (d) The Board of Directors shall receive reports on progress with regard to the management plan, including the operational plans of each department, on a regular basis, and revise the plan as necessary.
  - (e) A meeting of the Board of Directors shall be held as appropriate, in principle at least once a month, to ensure rapid decision-making and efficient execution of duties.
  - (f) The Board of Directors shall establish a Management Meeting, comprising Directors, etc. selected by the Board of Directors, as a body to deliberate and resolve on matters relating to individual business strategies, risk management and operations, etc. In addition, the Board of Directors may, by its resolution, establish each committee as an advisory body as necessary.
  - (g) The Board of Directors shall designate officers in charge of each department from among Directors and Executive Officers selected by the Board of Directors to execute business in order to clarify the responsibilities of each department and improve the efficiency of the execution of duties of Directors. In addition, the Board of Directors shall stipulate and clarify the internal organization, authorities, and responsibilities.
  - (h) The Board of Directors shall establish a department responsible for disclosure to ensure that the Company's management-related information is disclosed in a fair, timely and appropriate manner in order to gain understanding of stakeholders to execute business efficiently.
- (5) System for ensuring that employees execute their duties in accordance with laws and regulations and the Articles of Incorporation
- (a) The Board of Directors shall establish the Company's Corporate Mission Values, compliance policy and Compliance Code of Conduct, which serve as a code of conduct for Directors, officers, and employees, etc., and Directors shall repeatedly convey the spirit of those policies to directors, officers, and employees, etc. to ensure that they are fully aware of the policies.
  - (b) The Board of Directors shall establish a Compliance and Operational Risk Management Committee to consider matters relating to compliance, which is chaired by the officer in charge of the Risk Management Department. The Board of Directors shall receive recommendations and reports on the status of compliance implementation and operational issues from the Compliance and Operational Risk Management Committee on a regular basis (on a case-by-case basis for serious matters) and reflect them in management strategies.
  - (c) The Board of Directors shall establish a compliance management department to develop a company-wide compliance system and related regulations and provide training. In addition, Compliance Risk Management Officers are appointed in all departments to practice compliance and provide training in each department.
  - (d) The Board of Directors shall establish a compliance hotline system in which directors, officers, and employees can report directly to the Board of Directors on any conduct that raises a doubt in terms of compliance, and the compliance management department shall report to the Board of Directors on the operation of the system on a regular basis.
  - (e) If a Director discovers a serious violation of the law or any other important compliance-related matter in the Company, he or she shall report it to Auditors immediately and to the Board of Directors without delay.
  - (f) The Board of Directors shall establish an internal audit policy relating to internal management systems, etc., including compliance, and receive reports on the results of audits in a timely and appropriate manner from the Internal Audit Department, which is independent of the departments responsible for business execution. In addition, the Board of Directors shall be subject to external audits on the effectiveness of the compliance-related management systems as required.
- (6) System for ensuring appropriate conduct of business of the Company and its subsidiaries
- (a) The Board of Directors shall take appropriate measures from the perspective of compliance, customer protection, etc., as well as from the perspective of risk management in accordance with the regulations that stipulate basic matters concerning the business operations of subsidiaries, in order to properly manage their business operations according to the scale and characteristics of their business operations.
  - (b) The Board of Directors shall establish a system for reporting and providing guidance with respect to business operations with subsidiaries in accordance with the regulations that

**Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.**

- stipulate basic matters concerning business operations of subsidiaries.
- (c) The Board of Directors shall designate a department that comprehensively grasps and manages the Company's subsidiaries, as well as departments in charge of each subsidiary. In principle, General Managers of the departments in charge, etc. shall be appointed as Directors of each subsidiary and shall participate in and give guidance to the management of the subsidiaries.
  - (d) The Corporate Planning Department and the departments in charge shall monitor the status of subsidiaries and provide guidance, etc., and the relevant departments of the Company shall provide guidance, etc., as required. The Corporate Planning Department and the departments in charge shall report the status of subsidiaries to the Board of Directors and the Management Meeting on a regular basis.
  - (e) The Internal Audit Department shall conduct internal audits of subsidiaries as required within the scope of laws and regulations and shall report the results of such audits to the respective subsidiaries and the Board of Directors of the Company in a timely and appropriate manner.
  - (f) The Board of Directors shall establish a system to ensure full implementation of measures to eliminate risks from the parent business company, etc.
- (7) Matters concerning employees to assist Auditors to execute their duties  
The Company assigns employees to assist Auditors as requested by the Auditors.
- (8) Matters concerning independence of employees to assist Auditors from Directors  
In the event that employees are assigned to assist Auditors, such employees shall not be subject to the direction and orders of Directors with respect to such assistant operations, and the personnel change and treatment of such employees shall be discussed with Auditors in advance.
- (9) System for Directors and employees to report to Auditors
- (a) Directors, Executive Officers and employees shall report the (i) to (iii) below to Auditors in addition to the reporting items stipulated in the regulations of the Board of Directors.
    - (i) Immediately report any discovery of any fact that may materially harm the Company to Auditors
    - (ii) Report the status of reporting through the compliance hotline system to Auditors on a case-by-case basis
    - (iii) Report on the status of business execution, including that of subsidiaries, etc., on a regular basis or upon request of Auditors
  - (b) The Internal Audit Department shall report the results of internal audits to Auditors on a regular basis or upon their request.
  - (c) Any unfair treatment of a person who has made a report to Auditors shall be prohibited by reason of such report.
- (10) Other systems for ensuring effective auditing by Auditors
- (a) Directors, Executive Officers and employees shall cooperate in conducting audits based on the audit plan prepared by Auditors each fiscal year.
  - (b) In order to secure the appropriateness and reliability of accounting audits, the Company shall establish the following systems (i) through (v) to allow the Accounting Auditor to maintain his or her independence.
    - (i) The Accounting Auditor shall submit the audit plan to Auditors and exchange opinions with them.
    - (ii) The Accounting Auditor shall notify Auditors of the system to ensure that his or her duties are executed appropriately.
    - (iii) The appropriateness of the Accounting Auditor's remuneration shall require prior approval of Auditors.
    - (iv) The Accounting Auditor shall have a meeting and exchange opinions with Auditors on a regular basis or upon request of Auditors.
    - (v) Directors, Executive Officers and employees shall cooperate in the development and establishment of any other systems that Auditors deem necessary.
  - (c) Representative Directors shall have a meeting and exchange opinions with Auditors on a regular basis or upon request of Auditors.
  - (d) The Internal Audit Department shall have a meeting and exchange opinions with Auditors on a regular basis or upon request of Auditors.
  - (e) Auditors shall seek advice of outside experts as required.
  - (f) If an Auditor claims expenses incurred in the performance of his or her duties, such

**Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.**

expenses shall be paid after deliberation at the relevant department, unless the Company certifies that such expenses are not necessary.

### **Overview of the Operation Status of the Systems to Ensure the Appropriateness of Operations**

The Company has developed the above-mentioned systems to ensure appropriate conduct of business and taken specific measures based on their basic policies. At the same time, in light of the business situation and the external environment, including revisions of laws and regulations, the Company identifies important issues of risk management and compliance, which are reported to and discussed at meetings of the Board of Directors. These key issues are periodically reviewed, taking into account the situation at that point. In addition, the progress and achievement status of the risk management plan, the status of the compliance system, and the progress and achievement status of the internal audit plan are also reported to the Board of Directors on a regular basis.

Furthermore, in addition to exchanging information with executive Directors, including Representative Directors, and various departments, Auditors of the Company conduct audits of the aforementioned systems through various methods, including attending important meetings such as the Management Meeting, councils, and the Compliance and Operational Risk Management Committee meetings, and regularly report the results of audits to the Board of Directors.

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

**9. Matters Concerning Specified Wholly-Owned Subsidiaries**

Not applicable.

**10. Matters Concerning Transactions with Parent Companies, etc.**

Not applicable.

**11. Matters Concerning Accounting Advisors**

Not applicable.

**12. Other**

Not applicable.

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

### Consolidated Balance Sheet

As of March 31, 2025

(Millions of yen)

Description	Amount	Description	Amount
(Assets)		(Liabilities)	
Cash and due from banks	1,494,507	Deposits	9,814,163
Call loans and bills bought	6,500	Cash collateral received for securities lent	153,367
Monetary claims bought	189,859	Borrowed money	1,000,000
Securities	701,730	Foreign exchanges	4,955
Loans and bills discounted	8,676,084	Other liabilities	92,723
Foreign exchanges	10,142	Provision for bonuses	862
Other assets	114,804	Provision for retirement benefits	59
Property, plant and equipment	4,234	Provision for point card certificates	845
Buildings, net	1,559	Provision for reimbursement of deposits	59
Construction in progress	1		
Other, net	2,673		
Intangible assets	29,326	Liabilities	11,067,037
Software	24,944	(Net assets)	
Software in progress	3,970	Share capital	31,000
Goodwill	406	Capital surplus	13,648
Other	5	Retained earnings	147,843
Assets for retirement benefits	56	Treasury stock	(20)
Deferred tax assets	13,151	Shareholders' equity	192,471
Allowance for loan losses	(3,438)	Valuation difference on available-for-sale securities	(26,711)
		Deferred gains or losses on hedges	4,161
		Valuation and translation adjustments	(22,550)
		Net assets	169,921
Assets	11,236,958	Liabilities and net assets	11,236,958

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

### Consolidated Statement of Income

From April 1, 2024 to March 31, 2025

(Millions of yen)

Description	Amount	
Ordinary income		146,521
Interest income	73,005	
Interest on loans and discounts	54,177	
Interest and dividends on securities	13,615	
Interest on call loans and bills bought	0	
Interest on deposits with banks	3,906	
Other interest income	1,306	
Fees and commissions	64,726	
Other ordinary income	8,332	
Other income	456	
Other	456	
Ordinary expenses		108,331
Interest expenses	20,848	
Interest on deposits	21,236	
Interest on call money and bills sold	0	
Interest expenses on cash collateral received for securities lent	341	
Interest on borrowings and rediscounts	(735)	
Other interest expenses	5	
Fees and commissions payments	45,022	
Other ordinary expenses	848	
General and administrative expenses	40,677	
Other expenses	934	
Provision of allowance for loan losses	697	
Other	237	
Ordinary profit (loss)		38,189
Extraordinary profit		3,679
Reversal of reserve for financial instruments transaction liabilities	9	
Gain on business transfers	883	
Gain on sale of shares of subsidiaries	2,779	
Gain on change in equity	6	
Extraordinary losses		94
Loss on disposal of non-current assets	14	
Impairment losses	60	
Loss on business transfers	9	
Other	10	
Profit (loss) before income taxes		41,774
Income taxes-current	15,307	
Income taxes-deferred	(1,660)	
Income taxes		13,647
Profit (loss)		28,127
Profit (loss) attributable to owners of parent		28,127

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

### Consolidated Statement of Changes in Net Assets

From April 1, 2024 to March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	31,000	13,633	122,430	(2)	167,061
Changes during period					
Dividends of surplus			(2,714)		(2,714)
Profit attributable to owners of parent			28,127		28,127
Purchase of treasury shares				(120)	(120)
Disposal of treasury shares		14		102	117
Net changes in items other than shareholders' equity					
Total changes during period	-	14	25,412	(17)	25,409
Balance at end of period	31,000	13,648	147,843	(20)	192,471

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total accumulated other comprehensive income	
Balance at beginning of period	(15,614)	161	(15,452)	151,608
Changes during period				
Dividends of surplus				(2,714)
Profit attributable to owners of parent				28,127
Purchase of treasury shares				(120)
Disposal of treasury shares				117
Net changes in items other than shareholders' equity	(11,097)	4,000	(7,097)	(7,097)
Total changes during period	(11,097)	4,000	(7,097)	18,312
Balance at end of period	(26,711)	4,161	(22,550)	169,921

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

## Notes to the Consolidated Financial Statements

Amounts of less than one million Japanese yen are rounded down.

The definitions of subsidiaries, subsidiary corporations, etc., affiliated corporations, etc. are based on Article 2, Paragraph 8 of the Banking Act and Article 4-2 of the Order for Enforcement of the Banking Act.

### Policies for Preparation of Consolidated Financial Statements

#### 1. Scope of consolidation

##### (1) Consolidated subsidiaries, subsidiary corporations, etc.: 7 companies

Names of consolidated subsidiaries, subsidiary corporations, etc.

Dayta Consulting Co., Ltd.

Yuryo Loan Co., Ltd.

THEMIX Data, Inc.

NeoBank Services Co., Ltd.

THEMIX Green, Inc.

NEOBANK TECHNOLOGIES Co., Ltd.

Profit Cube Inc.

(Change in scope of consolidation)

NEOBANK TECHNOLOGIES Co., Ltd. was newly established and included in the scope of consolidation in the fiscal year ended March 31, 2025.

NetMove Corporation, which was previously a consolidated subsidiary, was excluded from the scope of consolidation in the fiscal year ended March 31, 2025 due to the sale of shares of the company.

Profit Cube Inc. is included in the scope of consolidation in the fiscal year ended March 31, 2025 due to the acquisition of shares of the company.

##### (2) Unconsolidated subsidiaries, subsidiary corporations, etc.

Not applicable.

#### 2. Application of the equity method

##### (1) Unconsolidated subsidiaries, subsidiary corporations, etc. accounted for by the equity method

Not applicable.

##### (2) Affiliated corporations, etc. accounted for by the equity method: 2 companies

Names of affiliated corporations, etc.

JAL Payment Port Co., Ltd.

Mapry Corporation

##### (3) Unconsolidated subsidiaries, subsidiary corporations, etc. that are not accounted for by the equity method

Not applicable.

##### (4) Affiliated corporations, etc. that are not accounted for by the equity method

Not applicable.

#### 3. The balance sheet dates of consolidated subsidiaries, subsidiary corporations, etc.

The balance sheet dates of the consolidated subsidiaries, subsidiary corporations, etc. are as follows.

The end of March: 7 companies

#### 4. Amortization of goodwill

Goodwill is amortized by using the straight-line method over a reasonable number of years not exceeding 20 years, based on the judgement of each individual case.

### Accounting Policies

#### 1. Standards for recognition and measurement of securities

Available-for-sale securities are stated at their quoted market prices (cost of securities sold is calculated primarily using the moving-average method), and equity securities with no quoted market price available are stated at acquisition cost computed using the moving-average method.

Net unrealized gains (losses) on available-for-sale securities are included directly in net assets. However, with respect to available-for-sale securities denominated in foreign currencies, translation adjustments related to debt securities are treated as valuation differences related to changes in market value in foreign currencies, and other differences are treated as foreign exchange losses (gains).

**Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.**

2. Standards for recognition and measurement of derivative transactions

Derivative transactions are stated at fair value.

3. Depreciation and amortization of fixed assets

(1) Property, plant and equipment (excluding leased assets)

Property, plant and equipment of the Company and its consolidated subsidiaries are mainly depreciated using the straight-line method. The estimated useful lives of major items are as follows:

Buildings: 6 to 38 years

Others: 3 to 20 years

(2) Intangible fixed assets (excluding leased assets)

Intangible fixed assets are depreciated using the straight-line method. Capitalized software for internal use owned by the Company and its consolidated subsidiaries is depreciated over its estimated useful life (mainly 5 to 7 years).

(3) Leased assets

Leased assets are depreciated using the straight-line method, assuming that lease terms are, in principle, their depreciation period and the residual values are zero when the lease period expires.

4. Accounting standards for allowance for loan losses

Allowance for loan losses of the Company is provided as detailed below in accordance with the internal standards for write-offs and provisions.

For claims on normal borrowers with no particular issues and those in need of special attention, as defined in the Japanese Institute of Certified Public Accountants (“JICPA”) Special Committee on Audit of Banks and Other Financial Institutions Report No. 4, “Practical Guidelines for Self-assessment of Assets, Write-offs and Allowance for Loan Losses of Banks and Other Financial Institutions” (April 14, 2022), is provided based mainly on expected losses for the immediately following one-year period. Expected losses are calculated by applying a loss rate, which is obtained based on the average rate of historical credit loss experience or historical default probability experience over a certain period, which is derived from actual credit losses or actual defaults over a one-year period, with necessary adjustments for future loss projections and other factors. For claims on borrowers that are not currently bankrupt but are perceived to have a high risk of falling into bankruptcy, an allowance is provided in the amount deemed necessary, net of the expected amount of recoveries from collateral and guarantees. For claims on borrowers that are bankrupt or those that are not legally or formally bankrupt but are regarded as substantially in the same situation, an allowance is provided based on the amount of claims, after the write-off, net of the expected amount of recoveries from collateral and guarantees.

The asset appraisal division assesses all claims in cooperation with the relevant divisions in accordance with the Company’s self-assessment standards for assets.

The allowance for loan losses of consolidated subsidiaries for general claims is provided in the amount deemed necessary based on the historical loan-loss ratios, and for doubtful claims in the amount deemed uncollectible based on assessment of each claim.

5. Accounting standards for provision for bonuses

Provision for bonuses is provided for payment of bonuses to employees, in the amount of estimated bonuses which are attributable to the consolidated fiscal year.

6. Accounting standards for provision for point card certificates

Provision for point card certificates is provided for the potential future redemption of points awarded to credit card members and account holders under the point programs. The amount is calculated by rationally estimating and recognizing the amount that will be redeemed in the future.

7. Accounting standards for provision for reimbursement of deposits

Provision for reimbursement of deposits which were derecognized as liabilities is provided for the possible losses on the future claims of withdrawal in the amount deemed necessary based on an estimate of losses to be incurred.

8. Accounting method for retirement benefits

Certain consolidated subsidiaries apply the simplified method for the calculation of provision for retirement benefits and retirement benefit expenses, using the amount payable at the end of the fiscal year for voluntary retirement as the retirement benefit obligation, and using the most recent actuarial obligation on the calculation of pension financing for corporate pension plans as the retirement benefit obligation.

**Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.**

9. Translation of foreign currency assets and liabilities  
Assets and liabilities denominated in foreign currencies are translated into yen at the exchange rates prevailing at the consolidated balance sheet date.
10. Significant hedge accounting method  
As for the hedge accounting method applied to hedging transactions for interest rate risk arising from financial assets and liabilities, the Company mainly applies deferred edge accounting as stipulated in the JICPA Industry Committee Practical Guidelines No. 24, "Treatment of Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (March 17, 2022). As for the hedge to offset market fluctuation, the Company assesses the effectiveness of such hedges by classifying the hedged items such as loans and the hedging instruments such as interest rate swaps by a certain residual period. Certain other transactions that meet the requirements for special treatment, such as interest rate swaps, are accounted for by the special treatment method.  
For deferred hedges for each individual transaction, the assessment of hedge effectiveness is omitted because the material terms regarding the hedged items and hedging instruments are the same.
11. Accounting for non-deductible consumption taxes, etc. related to assets  
Nondeductible consumption taxes, etc. related to fixed assets are recorded in other assets and amortized on a straight-line basis over 5 years.

#### Significant Accounting Estimates

The items whose amounts were recorded based on accounting estimates in the consolidated financial statements for the fiscal year ended March 31, 2025, that have a potentially significant impact on the consolidated financial statements for the next fiscal year are as follows.

#### Allowance for loan losses on mortgage loans

1. The amount recorded in the consolidated financial statements for the fiscal year ended March 31, 2025  
The Group has a large loan balance of 8,676,084 million yen, of which the Company's mortgage loans account for 7,986,759 million yen, an important portion or 71% of total assets worth 11,236,958 million yen. The allowance for loan losses for such mortgage loans is 3,093 million yen (2,440 million yen for general allowance for loan losses and 653 million yen for specific allowance for loan losses), which is considered significant in accounting estimates due to its significant impact on business performance, etc.
2. Information on details of the significant accounting estimates for the identified item
  - (1) Calculation method  
The calculation method of the allowance for loan losses for loans, including mortgage loans is described in "4. Accounting standards for allowance for loan losses" in "Accounting Policies."
  - (2) Significant assumption  
The ratio of potential losses used to calculate the general allowance for loan losses for the Company's mortgage loans is based on the historical average of the loan loss ratio over a certain period of time, which is based on actual loan losses in the past one year. Furthermore, as necessary adjustments such as future estimations, assumptions for changes in economic trends and declines in collateral values are added to the ratio of potential losses, taking into account prices, interest rates, and other economic conditions.

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

- (3) Impact on the consolidated financial statements for the next fiscal year  
 The assumptions in (2) above are uncertain, and changes in the business environment, economic trends, etc. could have a significant impact on the allowance for loan losses in the consolidated financial statements for the following fiscal year.

#### Unapplied Accounting standards

- “Accounting Standard for Leases” (ASBJ Statement No. 34, September 13, 2024)
- “Implementation Guidance on Accounting Standard for Leases” (ASBJ Guidance No. 33, September 13, 2024)

#### 1. Overview

Similar to the international accounting standards, this establishes treatments such as recording assets and liabilities for all leases transactions by the lessee.

#### 2. Planned application date

We plan to apply the standard and guidance from the beginning of the fiscal year ending March 31, 2028.

#### 3. Impact of applying these accounting standards

The amount of the impact is being evaluated at the time of the preparation of the consolidated financial statements for the fiscal year ended March 31, 2025.

#### Matters to Be Noted

##### (Notes to Consolidated Balance Sheet)

1. Total amount of shares of affiliates (excluding shares of consolidated subsidiaries, consolidated subsidiary corporations, etc.): 1,402 million yen
2. Claims under the Banking Act and the Act on Emergency Measures for the Revitalization of the Financial Functions were as follows. The claims are items that are recorded under the following items on the consolidated balance sheet: bonds included in “Securities” (limited to bonds for which the redemption of principal and the payment of interest in whole or in part are guaranteed, and that are issued through private placements (under Article 2, Paragraph 3 of the Financial Instruments and Exchange Act)), loans and bills discounted, foreign exchanges, accrued interest and suspense payments included in “Other assets,” and customers’ liabilities for acceptances and guarantees. If security lending listed in the notes is conducted, such securities (limited to those based on loan for a use agreement or lease agreement) are also included in the claims.

Bankrupt and quasi-bankrupt loans:	3,015 million yen
Doubtful loans:	855 million yen
Past-due loans (3 months or more)	- million yen
Restructured loans	511 million yen
Total:	4,382 million yen

Bankrupt and quasi-bankrupt loans are claims to borrowers who have fallen into bankruptcy due to reasons such as commencement of bankruptcy proceedings, commencement of reorganization proceedings, or petition for commencement of rehabilitation proceedings, and other similar claims.

Doubtful loans are claims to borrowers who have not yet become bankrupt but whose financial condition and business performance have deteriorated and it is highly probable that the loan principal cannot be collected and interest cannot be received in accordance with the contract, excluding bankrupt and quasi-bankrupt loans.

Past due loans (3 months or more) are loans for which the payment of principal or interest has been delayed for three months or more from the day after the agreed-upon payment date, excluding bankrupt and quasi-bankrupt loans and doubtful loans.

Restructured loans are loans on which terms and conditions have been amended in favor of the borrower with the objective of assisting the borrower’s financial recovery, such as by reducing or exempting interest, postponing interest payment and principal repayment, and forgiving debts, excluding bankrupt and quasi-bankrupt loans, doubtful loans, and past due loans (3 months or more).

The amounts of loans presented above are the amounts before deduction of reserve for possible loan losses.

#### 3. Assets pledged as collateral were as follows:

##### Assets pledged as collateral:

Securities	265,271 million yen
Loans and bills discounted	2,399,421 million yen

**Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.**

Liabilities corresponding to assets pledged as collateral:

Payables under securities lending transactions 153,367 million yen

Borrowed money 1,000,000 million yen

Other than the above, as collateral for transactions of exchange settlement, etc. or substitute for margin for futures transactions, etc., securities of 98,276 million yen have been provided.

Other assets include margin deposits for futures transactions of 1,288 million yen, cash collateral paid for financial instruments of 32,891 million yen, and guarantee deposits of 7,816 million yen.

4. Commitment line contracts on overdrafts and loans are agreements to lend to customers, up to a prescribed amount, as long as there is no violation of any condition established in the contracts. The amount of unused commitments was 264,515 million yen. Many of these contracts are unconditionally cancelable at any time.
5. Accumulated depreciation on property, plant and equipment (including accumulated impairment losses): 2,134 million yen

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

(Notes to Consolidated Statement of Income)

1. "Other income" included 155 million yen of gain on sale of shares.
2. "Other extraordinary losses" included the payment for the mid-term cancellation of leases.

(Notes to Consolidated Statements of Changes in Net Assets)

1. Information on the type and number of issued shares and treasury stock

(Thousands of shares)

	Number of shares as of beginning of the fiscal year	Number of shares increased	Number of shares decreased	Number of shares as of end of the fiscal year	Remarks
Issued shares					
Common stock	150,793	-	-	150,793	
Total	150,793	-	-	150,793	
Treasury stock					
Common stock	1	55	42	14	(Notes 1, 2)
Total	1	55	42	14	

(Notes) 1. The increase of 55 thousand shares in the number of treasury stock was due to the acquisition of 47 thousand shares of treasury stock by resolution of the Board of Directors on May 10, 2024, the acquisition of 7 thousand restricted shares without consideration, and the purchase of 0 thousand shares less than one unit of stock in response to purchase requests made by shareholders.

2. The decrease in the number of treasury stock was due to the disposal of treasury stock as remuneration for granting restricted shares.

2. Information on stock acquisition rights and treasury stock acquisition rights  
Not applicable.

3. Information on dividends

(1) Dividends paid in the fiscal year ended March 31, 2025

(Date of resolution)	Type of shares	Total cash dividends	Cash dividends per share	Record date	Effective date
Ordinary General Meeting of Shareholders to be held on June 18, 2024	Common stock	1,357 million yen	9.00 yen	March 31, 2024	June 19, 2024
Meeting of the Board of Directors on November 8, 2024	Common stock	1,357 million yen	9.00 yen	September 30, 2024	December 2, 2024

(2) Dividends the record date for which fell within the fiscal year and the effective date of which was after the fiscal year ended

(Scheduled date of resolution)	Type of shares	Total cash dividends	Source of dividends	Cash dividends per share	Record date	Effective date
Ordinary General Meeting of Shareholders to be held on June 24, 2025	Common stock	1,507 million yen	Retained earnings	10.00 yen	March 31, 2025	June 25, 2025

**Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.**

(Notes to Financial Instruments)

1. Status of financial instruments

(1) Policies on financial instruments

The Group, as an Internet-only bank, provides a variety of products and services through easy and speedy procedures, including Japanese yen and foreign currency deposits that emphasize marketability and real-time performance, and loans that are primarily non-face-to-face such as mortgage loans and card loans, as well as investments in securities and other assets. These services entail holding financial assets and liabilities that mainly involve fluctuations in interest rates. Therefore, the Group conducts comprehensive asset and liability management ("ALM") to ensure the fluctuations in interest rates do not have an unfavorable impact on the Group's financial assets and liabilities. In addition, as part of ALM, the Group engages in derivative transactions.

(2) Details of financial instruments and associated risks

The main financial assets held by the Group include loans and securities, and are exposed to credit risk arising from defaults on contracts by customers, issuers, and other parties.

Loans and bills discounted consist primarily of mortgage loans. Changes in the economic environment or other conditions may cause borrowers to fail to fulfill their obligations in accordance with the terms of their contracts.

Securities, which are mainly bonds such as government bonds, local government bonds and corporate bonds, are held and classified as available-for-sale securities. They are exposed to credit risk of the issuer, interest rate fluctuation risk, and market price fluctuation risk, respectively, unexpectedly large market or interest rate fluctuations could have a negative impact on the Group's performance and financial position.

Securities include foreign bonds, which are relatively illiquid.

Derivative transactions include forward exchange contracts that are used as a cover deal for customer transactions, currency options, and interest rate options. As part of ALM, the Company uses interest rate swaps as a means of hedging against interest rate fluctuation risks associated with assets and liabilities and applies hedge accounting.

(3) Risk management framework for financial instruments

1) Management of credit risk

In accordance with the Company's regulations related to credit risk management, the Group has established and operates a system for credit management, including individual credit screenings, credit limits, credit information management, setting of guarantees and collateral, and responses to non-performing loans. These credit management operations are carried out by each business unit and credit screening division while the risk management division executes monitoring and reports to the Board of Directors and other relevant parties on a regular basis.

2) Management of market risk

(i) Management of interest rate risk

The Group manages interest rate fluctuation risk through ALM. The regulations on ALM specify detailed risk management methods, procedures, etc. Based on the ALM policy determined by the Board of Directors, divisions executing transactions conduct derivative transactions related to securities, currency, and interest rates.

The status of interest rates

The risk management division comprehensively monitors the status of interest rates and term distribution of financial assets and liabilities, including these transactions, on a daily basis, and monitors compliance with regulations through analysis of market risk volume risk (value at risk, "VaR"), gap analysis, and analysis of interest rate sensitivity, etc. and reports regularly to the Board of Directors and other relevant parties.

(ii) Management of price fluctuation risk

The risk management division monitors price fluctuation risk of investment instruments, including securities, and reports regularly to the Board of Directors and other relevant parties.

(iii) Management of foreign exchange risk

The Group conducts a cover deal through foreign exchange transactions for each individual transaction to manage foreign exchange fluctuation risk. The risk management division monitors foreign exchange fluctuation risk and reports regularly to the Board of Directors and other relevant parties.

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

(iv) Derivative transactions

Risk management for derivative transactions is conducted in accordance with the Company's regulations related to market risk management, while establishing a system of mutual checks and balances by separating the execution of transactions, evaluation of hedge effectiveness, and administrative control functions.

(v) Quantitative information on market risks

Market risk is the "risk of incurring losses due to changes in the value of assets and liabilities caused by fluctuations in interest rates, stock prices, and exchange rates." To manage market risk, the Company uses VaR (estimated loss), which is calculated using the variance-covariance method (holding period: 21 days, confidence interval: 99%, observation period: 1 year (260 business days)).

As of the end of the fiscal year ended March 31, 2025, the Group's overall VaR was 10,732 million yen.

The Group has a system in place to verify the reliability and effectiveness of the risk measurement model by conducting back-testing to compare the VaR calculated by the model with actual profit and loss.

However, VaR measures the amount of market risk at a certain probability of occurrence statistically calculated based on past market fluctuations, and may not capture risks under the circumstance in which market conditions change so drastically as to be unthinkable under normal circumstance.

3) Management of liquidity risk

The Group manages liquidity risk by managing group-wide funds in a timely manner through ALM, as well as by diversifying funding instruments and adjusting the balance between long- and short-term funding in consideration of market conditions.

(4) Supplementary explanations about matters concerning fair value of financial instruments

Fair values of financial instruments have been calculated using certain assumptions, and may differ if calculated based on different assumptions.

2. Matters concerning fair value of financial instruments

The amounts on the consolidated balance sheet, the fair value, and the difference between them as of March 31, 2025 are as follows. The amounts shown in the following tables do not include shares with no market price, etc. (refer to (Note 1)). Cash and due from banks, call loans and bills bought, foreign exchange (assets and liabilities), and cash collateral received for securities lent are not included in the following tables since they are short-term, and their fair values approximate their carrying amounts.

(Millions of yen)

	Amount on consolidated balance sheet	Fair value	Difference
(1) Monetary claims bought (*1)	189,770	189,782	12
(2) Securities			
Available-for-sale securities	699,171	699,171	—
(3) Loans and bills discounted	8,676,084		
Allowance for loan losses (*1)	(3,351)		
	8,672,733	8,653,082	(19,650)
Total assets	9,561,675	9,542,037	(19,638)
(1) Deposits	9,814,163	9,813,232	(930)
(2) Borrowed money (*3)	1,000,000	997,269	(2,730)
Total liabilities	10,814,163	10,810,502	(3,660)
Derivative transactions (*2)			
Derivative transactions for which hedge accounting is not applied	[776]	[776]	—
Derivative transactions for which hedge accounting is applied (*3)	6,004	6,004	—
Total derivative transactions	5,228	5,228	—

(Notes) 1. General allowance for loan losses and special allowance corresponding to loans are deducted. The allowance for loan losses on "Monetary claims bought" is deducted directly from the consolidated balance sheet amount since it is immaterial.

**Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.**

2. The amounts collectively represent the derivative transactions which are recorded in "Other assets" and "Other liabilities." Debts and credits arising from derivative transactions are presented on a net basis, with a net debt presented in square brackets.
3. For those for which the special treatment of interest rate swaps is applied to offset market fluctuations of hedged items, the fair value of the interest rate swaps as hedging instruments is included in the fair value of the hedged items.

(Note) Consolidated balance sheet amount of shares with no market prices, etc. and investments in partnership are as follows, and are not included in "(2) Securities of Assets" in the information on fair value of financial instruments.

(Millions of yen)	
Category	Amounts on consolidated balance sheet
Shares with no market price, etc. (*1)	2,185
Investments in partnership (*2)	373

- (Notes)
1. Shares with no market price, etc. include unlisted shares, which are not subject to fair value disclosure in accordance with Paragraph 5 of ASBJ Guidance No. 19 "Implementation Guidance on Disclosures about Fair Value Financial Instruments" (March 31, 2020).
  2. Investments in partnership are not subject to fair value disclosure in accordance with Paragraph 24-16 of ASBJ Guidance No. 31 "Implementation Guidance on Accounting Standard for Fair Value Measurement" (June 17, 2021).

### 3. Matters concerning fair value of financial instruments and breakdown by input level

The fair values of financial instruments are classified into the following three levels depending on the observability and significance of the input used in the fair value measurement.

- Level 1: Fair value determined based on quoted prices in an active market for the asset or liability for which such fair value is calculated among the observable inputs related to the calculation of fair value
- Level 2: Fair value determined based on observable inputs other than Level 1 inputs among the observable inputs related to the calculation of fair value
- Level 3: Fair value determined based on unobservable inputs related to the calculation of fair value

If multiple inputs with a significant impact are used for the fair value measurement of a financial instrument, the financial instrument is classified to the lowest priority level of fair value measurement in which each input belongs.

**Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.**

(1) Financial instruments measured at fair value on the consolidated balance sheet  
(As of March 31, 2025)

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Monetary claims bought (*1)	–	56,763	–	56,763
Securities				
Available-for-sale securities	393,250	305,921	–	699,171
Government bonds, local government bonds, etc.	307,448	14,266	–	321,715
Corporate bonds	–	60,593	–	60,593
Other securities	85,802	231,061	–	316,863
Derivative transactions				
Interest rate derivatives	–	25,727	–	25,727
Currency derivatives	–	48	–	48
Total assets	393,250	388,460	–	781,710
Derivative transactions				
Interest rate derivatives (*2)	–	19,812	–	19,812
Currency derivatives	–	735	–	735
Total liabilities	–	20,547	–	20,547

(Notes) 1. Monetary claims bought consist of securitized products, etc. of 56,763 million yen accounted for in the same manner as available-for-securities.

2. For those for which the special treatment of interest rate swaps is applied to offset market fluctuations of hedged items, the fair value of the interest rate swaps as hedging instruments is included in the fair value of the hedged items.

(2) Financial instruments other than those measured at fair value on the consolidated balance sheet  
(As of March 31, 2025)

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Monetary claims bought	–	–	133,019	133,019
Loans and bills discounted	–	–	8,653,082	8,653,082
Total assets	–	–	8,786,102	8,786,102
Deposits	–	9,813,232	–	9,813,232
Borrowed money (*)	–	997,269	–	997,269
Total liabilities	–	10,810,502	–	10,810,502

(Note) For those for which the special treatment of interest rate swaps is applied to offset market fluctuations of hedged items, the fair value of the interest rate swaps as hedging instruments is included in the fair value of the hedged items.

**Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.**

(Note) Description of the valuation techniques and inputs used to measure fair value

#### Assets

##### Monetary claims bought

Out of monetary claims bought, securitized products, etc. are based on prices quoted by correspondent financial institutions and are classified as Level 2 based on inputs used for the prices of obtained loans. The fair values of other transactions are, in principle, based on methods similar to the methods applied to "Loans and bills discounted." These transactions are classified into Level 3.

##### Securities

Securities for which unadjusted quoted prices in an active market are available are classified into Level 1. Japanese Government bonds are mainly classified into Level 1.

Securities for which published quoted prices are available but the market is not active are classified into Level 2. Local government bonds and corporate bonds are mainly classified into Level 2. The fair value of short-term corporate bonds is valued using a discounted cash flow methodology of future cash flows. The valuation is based on the maximum use of observable inputs, which include market interest rates. If significant unobservable inputs are used in the valuation, the securities are classified into Level 3; otherwise, the securities are classified into Level 2. For other securities, the fair values are the prices quoted by the financial institutions, etc. from which these securities are purchased. If significant unobservable inputs are used in the valuation, the securities are classified into Level 3; otherwise, the securities are classified into Level 2.

##### Loans and bills discounted

With respect to loans, for each category of loans based on their types, credit ratings and maturity periods, the fair values are determined by discounting the total amount of principal and interest by the interest rate that would be applicable to a similar new loan. For loans with floating interest rates, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount because the market interest rates are reflected in such deposits within a short time period, unless the creditworthiness of the borrower has changed significantly since the loan origination.

For receivables from bankrupt, virtually bankrupt and likely to become bankrupt borrowers, credit loss is estimated based on factors such as the present value of expected future cash flows or the amount expected to be collected from collateral and guarantees. Since the fair value of these items approximates the net amount of receivables after the deduction of allowance for credit losses on the consolidated balance sheet as of the consolidated balance sheet date, such amount is presented as the fair value.

For loans that do not have specified repayment dates due to their characteristics such as limiting such loans to the scope of collateral assets, the book value is used as the fair value because the fair value is assumed to approximate the book value based on the expected repayment period and interest rate terms and conditions, etc. The fair value of these receivables is classified into Level 3.

#### Liabilities

##### Deposits

For demand deposits, the amount payable on demand as of the consolidated balance sheet date is considered to be the fair value. For time deposits, the fair value is determined based on the present value of future cash flows discounted by a certain period of time. The discount rate used is the interest rate used for new deposits. For those with short deposit terms (one year or less), their book value is used as fair value because fair value approximates the book value. The fair value of these deposits is classified into Level 2.

##### Borrowed money

The present value of borrowings is calculated by discounting the total principal and interest of such borrowings, grouped by certain maturity periods, by the interest rate assumed for similar borrowings. Such fair value is classified into Level 3 if the impact of unobservable inputs on the fair value is significant, otherwise it is classified into Level 2. For borrowings for which the special treatment of interest rate swaps is applied to offset market fluctuations of hedged items, the fair value of the interest rate swaps as hedging instruments is included in the fair value of the hedged items.

**Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.**

#### Derivative transactions

Derivative transactions for which unadjusted quoted prices in an active market are available are classified into Level 1, which mainly includes bond futures transactions and interest rate futures transactions.

However, since most derivatives are over-the-counter transactions and no published quoted prices are available, their fair values are calculated using valuation techniques such as present value techniques depending on the type of transaction and the maturity period. The main inputs used in those valuation techniques include interest rates, exchange rates, and volatility. When unobservable inputs are not used or their effect is not significant, the fair value is classified into Level 2, which includes plain vanilla interest rate swap transactions and foreign exchange forward contracts.

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

(Notes to Securities)

In addition to "Securities" on the consolidated balance sheet, the following tables include beneficial interests in loan receivables trust and others in "Monetary claims bought."

1. Available-for-sale securities (as of March 31, 2025)

(Millions of yen)

	Type of securities	Amount on consolidated balance sheet	Acquisition cost	Difference
Securities whose fair value exceeds the acquisition cost	Bonds	5,257	5,215	41
	Government bonds	4,847	4,813	33
	Local government bonds	410	402	8
	Short-term corporate bonds	–	–	–
	Corporate bonds	–	–	–
	Other securities	109,327	108,741	585
	Foreign bonds	104,536	103,974	561
	Other	4,791	4,766	24
	Subtotal	114,585	113,957	627
Securities whose fair value does not exceed the acquisition cost	Bonds	377,050	409,824	(32,773)
	Government bonds	302,601	328,623	(26,021)
	Local government bonds	13,855	14,498	(642)
	Short-term corporate bonds	13,488	13,490	(1)
	Corporate bonds	47,104	53,211	(6,107)
	Other securities	264,299	271,163	(6,864)
	Foreign bonds	211,535	216,559	(5,023)
	Other	52,764	54,604	(1,840)
	Subtotal	641,349	680,987	(39,637)
Total	755,934	794,945	(39,010)	

2. Available-for-sale securities sold during the fiscal year (from April 1, 2024 to March 31, 2025)

(Millions of yen)

Type of securities	Amount sold	Gain on sale	Loss on sale
Bonds	16,027	34	49
Government bonds	16,027	34	49
Local government bonds	–	–	–
Short-term corporate bonds	–	–	–
Corporate bonds	–	–	–
Other securities	102,777	1,251	32
Foreign bonds	98,477	1,095	3
Other	4,300	155	28
Total	118,805	1,285	82

(Notes to Tax Effect Accounting)

Adjustment to the amounts of deferred tax assets and deferred tax liabilities due to changes in income tax rate

The "Act for Partial Revision of the Income Tax Act, etc." (Act No. 13 of 2025) was enacted on March 31, 2025, and the "special defense corporation tax" will be imposed from the consolidated fiscal years beginning on or after April 1, 2026. As a result, the effective statutory tax rate used for the calculation of deferred tax assets and deferred tax liabilities associated with temporary differences that is expected to be eliminated in the consolidated fiscal years beginning on or after April 1, 2026 has been changed to 31.52%, from the previous effective statutory tax rate of 30.62%. The impact of this change on the fiscal year ended March 31, 2025 are a 320 million yen increase of deferred tax assets, a 350 million yen increase of valuation difference on available-for-sale securities, a 56 million yen decrease of deferred gains or losses on hedges, and a 27 million yen decrease of income taxes-deferred.

**Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.**

(Notes to Business Combination)

(Transfer of shares of consolidated subsidiary)

NetMove Corporation, which is a consolidated subsidiary of the Company, operates three businesses comprising the payment, solution and innovation businesses.

At the Board of Directors meeting held on September 30, 2024, the Company resolved to transfer NetMove Corporation's solution and innovation businesses, except the payment business, to a newly incorporated company (NEOBANK TECHNOLOGIES Co., Ltd.) through an incorporation-type company split and to transfer all shares of NetMove Corporation, which is the splitting company. On December 2, 2024, the Company transferred all shares of NetMove Corporation.

1. Outline of business divestiture

(1) Name of the company to which the business was divested

U-NEXT HOLDINGS Co., Ltd.

(2) Name of the subsidiary which divested its business and nature of divested business

Name: NetMove Corporation

Nature of divested business: Payment business

(3) Reason of business divestiture

While the Company has pursued synergies within the group, and sought to expand the businesses of respective group companies, it has determined that the option to divest and sell the payment business and concentrate its management resources in other businesses is a better choice than the option to scale the payment business within the group.

(4) Date of share transfer

December 2, 2024

(5) Other matters related to the transaction including the legal form

Company split: Incorporation-type company split in which NetMove Corporation is the splitting company and the newly incorporated company (NEOBANK TECHNOLOGIES Co., Ltd.) is the successor company

Share transfer: Share transfer in which consideration received is only assets including cash

2. Outline of accounting treatment

(1) Amount of gain on sale

2,779 million yen

(2) Appropriate carrying amount of the transferred subsidiary and its breakdown

Amount of assets

Total assets 1,742 million yen

Of which, cash and due from banks 941 million yen

Amount of liabilities

Total liabilities 738 million yen

Of which, deposits received 493 million yen

(3) Accounting treatment

The difference between the sales proceeds of the shares transferred and their carrying amount is recognized as "Gain on sale of shares of subsidiaries" in extraordinary profit.

3. Name of reportable segment in which the subsidiary was included

BaaS business

4. Approximate amount of profit or loss recognized by the transferred business included in the Consolidated Statement of Income for the fiscal year ended March 31, 2025

Ordinary income 741 million yen

Ordinary loss (149) million yen

(This amount includes the amortization of goodwill of 240 million yen.)

**Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.**

(Business Transfer of Consolidated Subsidiary)

Yuryo Loan Co., Ltd., a consolidated subsidiary of the Company, conducted a business divestiture on March 21, 2025, with Yuryo Loan Co., Ltd. as a divesting entity and SBI ARUHI Corporation as a divested entity.

1. Outline of business divestiture
  - (1) Name of the company to which the business was divested  
SBI ARUHI Corporation
  - (2) Description of the business divested  
Contractual status, loan claims, etc. of the Flat 35 related business
  - (3) Reason of business divestiture  
To integrate the sales business of the Flat 35 to the Company
  - (4) Date of business divestiture  
March 21, 2025
  - (5) Other matters related to the transaction including the legal form  
Business transfer in which consideration received is only assets including cash
  
2. Outline of accounting treatment
  - (1) Amount of gain on sale  
848 million yen
  - (2) Appropriate carrying amount of the transferred business and its breakdown  
Amount of assets

Total assets	10,567 million yen
Of which, monetary claims bought	4,443 million yen
Of which, loans and bills discounted	6,123 million yen
  - (3) Accounting treatment  
Considering that investment in the transferred Flat 35 related business has been liquidated, the difference between the fair values of assets received as consideration of the transfer and the amounts equivalent to shareholders' equity of the transferred business is recognized as "Gain on business transfers" in extraordinary profit.
  
3. Name of reportable segment in which the business was included  
Digital banking business
  
4. Approximate amount of profit or loss recognized by the transferred business included in the Consolidated Statement of Income for the fiscal year ended March 31, 2025

Ordinary income	1,516 million yen
Ordinary profit	723 million yen

**Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.**

(Notes to Revenue Recognition)

1. Information on breakdown of revenues from contracts with customers

(Millions of yen)

Category	For the fiscal year ended March 31, 2025
Ordinary income	146,521
Fees and commissions	64,726
Remittances and transfers	4,338
Mortgage loans	39,524
Others	20,864

(Note) Income based on "Accounting Standard for Financial Instrument" (ASBJ Statement No. 10) is also included in the table above.

2. Fundamental information to understand income

The description is omitted due to lack of materiality.

3. Information to understand the amount of income in the current and subsequent fiscal years

The description is omitted due to lack of materiality.

(Notes to Per Share Data)

Net assets per share:	1,126.95 yen
Profit per share attributable to owners of parent:	186.54 yen

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

### Non-consolidated Balance Sheet

As of March 31, 2025

(Millions of yen)

Description	Amount	Description	Amount
(Assets)		(Liabilities)	
Cash and due from banks	1,491,922	Deposits	9,821,650
Due from banks	1,491,922	Ordinary deposits	7,268,181
Call loans	6,500	Time deposits	2,179,920
Monetary claims bought	189,859	Other deposits	373,548
Securities	708,218	Cash collateral received for securities lent	153,367
Government bonds	307,448	Borrowed money	1,000,000
Local government bonds	14,266	Borrowings from other banks	1,000,000
Short-term corporate bonds	13,488	Foreign exchanges	4,955
Corporate bonds	47,104	Foreign bills payable	4,955
Stocks-assets	8,666	Other liabilities	89,206
Other securities	317,244	Domestic exchange settlement account, credit	17,668
Loans and bills discounted	8,676,084	Income taxes payable	9,236
Loans on deeds	8,554,879	Accrued expenses	7,488
Overdrafts	121,205	Unearned revenue	106
Foreign exchanges	10,142	Financial derivatives	20,547
Due from foreign banks (our accounts)	10,142	Other	34,157
Other assets	113,658	Provision for bonuses	803
Domestic exchange settlement account, debit	22,308	Provision for point card certificates	845
Prepaid expenses	3,047	Provision for reimbursement of deposits	59
Accrued revenue	13,140	Liabilities	11,070,889
Margin deposits for futures transactions	1,288		
Financial derivatives	25,775	(Net assets)	
Cash collateral paid for financial instruments	32,891	Share capital	31,000
Other	15,206	Capital surplus	13,640
Property, plant and equipment	4,194	Legal capital surplus	13,625
Buildings, net	1,559	Other capital surplus	14
Construction in progress	1	Retained earnings	145,757
Other, net	2,634	Legal retained earnings	6,769
Intangible assets	28,458	Other retained earnings	138,988
Software	24,736	Retained earnings brought forward	138,988
Software in progress	3,717	Treasury stock	(20)
Other	5	Shareholders' equity	190,377
Deferred tax assets	13,115	Valuation difference on available-for-sale securities	(26,711)
Allowance for loan losses	(3,438)	Deferred gains or losses on hedges	4,161
		Valuation and translation adjustments	(22,550)
		Net assets	167,827
Assets	11,238,716	Liabilities and net assets	11,238,716

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

### Non-consolidated Statement of Income

From April 1, 2024 to March 31, 2025

(Millions of yen)

Description	Amount	
Ordinary income		144,198
Interest income	74,054	
Interest on loans and discounts	54,172	
Interest and dividends on securities	14,615	
Interest on call loans	0	
Interest on deposits with banks	3,904	
Interest incomes on interest rate swaps	56	
Other interest income	1,305	
Fees and commissions	62,224	
Fees and commissions on domestic and foreign exchanges	4,338	
Other fees and commissions	57,885	
Other ordinary income	7,465	
Gain on foreign exchange transactions	4,087	
Gain on sale of bonds	1,129	
Gain on financial derivatives	412	
Other	1,834	
Other income	454	
Gain on sale of equity securities	155	
Other	299	
Ordinary expenses		105,999
Interest expenses	20,844	
Interest on deposits	21,236	
Interest on call money	0	
Interest expenses on cash collateral received for securities lent	341	
Interest on borrowings and rediscounts	(735)	
Other interest expenses	1	
Fees and commissions payments	44,961	
Fees and commissions on domestic and foreign exchanges	3,105	
Other fees and commissions	41,855	
Other ordinary expenses	384	
Loss on sale of bonds	53	
Other	330	
General and administrative expenses	38,975	
Other expenses	833	
Provision of allowance for loan losses	687	
Written-off of loans	4	
Loss on sale of equity securities	28	
Loss on money held in trust	0	
Other	111	
Ordinary profit (loss)		38,199
Extraordinary profit		2,362
Reversal of reserve for financial instruments transaction liabilities	9	
Gain on business transfers	34	
Gain on sale of shares of subsidiaries	2,317	
Extraordinary losses		61
Loss on disposal of non-current assets	10	
Impairment losses	41	
Loss on business transfers	9	
Profit (loss) before income taxes		40,499
Income taxes-current	13,579	
Income taxes-deferred	(793)	
Income taxes		12,785
Profit (loss)		27,714

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

## Non-consolidated Statement of Changes in Net Assets

From April 1, 2024 to March 31, 2025

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at beginning of period	31,000	13,625	–	13,625	6,226	114,531	120,757	(2)	165,380
Changes during period									
Dividends of surplus					542	(3,257)	(2,714)		(2,714)
Profit						27,714	27,714		27,714
Purchase of treasury shares								(120)	(120)
Disposal of treasury shares			14	14				102	117
Net changes in items other than shareholders' equity									
Total changes during period	–	–	14	14	542	24,457	24,999	(17)	24,996
Balance at end of period	31,000	13,625	14	13,640	6,769	138,988	145,757	(20)	190,377

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	(15,614)	161	(15,452)	149,928
Changes during period				
Dividends of surplus				(2,714)
Profit				27,714
Purchase of treasury shares				(120)
Disposal of treasury shares				117
Net changes in items other than shareholders' equity	(11,097)	4,000	(7,097)	(7,097)
Total changes during period	(11,097)	4,000	(7,097)	17,899
Balance at end of period	(26,711)	4,161	(22,550)	167,827

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

## Notes to the Non-consolidated Financial Statements

Amounts less than one million Japanese yen have been rounded down.

### Significant Accounting Policies

1. Standards for recognition and measurement of securities

As for the measurement of securities, investment in subsidiaries, subsidiary corporations, etc. and affiliated corporations, etc. are stated at cost using the moving-average method, and other securities are carried at fair value (cost of securities sold is calculated primarily using the moving-average method). Shares with no market prices are stated at cost using the moving-average method.

Net unrealized gains (losses) on available-for-sale securities are included directly in net assets. However, with respect to available-for-sale securities denominated in foreign currencies, translation adjustments related to debt securities are treated as valuation differences related to changes in market value in foreign currencies, and other differences are treated as foreign exchange losses (gains).
2. Standards for recognition and measurement of derivative transactions

Derivative transactions are stated at fair value.
3. Depreciation and amortization of fixed assets
  - (1) Property, plant and equipment (excluding leased assets)

Property, plant and equipment are mainly depreciated using the straight-line method. The estimated useful lives of major items are as follows:

Buildings:	6 to 38 years
Others:	3 to 20 years
  - (2) Intangible fixed assets

Intangible fixed assets are depreciated using the straight-line method. Capitalized software for internal use is depreciated over its estimated useful life (mainly 5 to 7 years).
4. Translation of foreign currency assets and liabilities

Assets and liabilities denominated in foreign currencies are translated into yen at the exchange rates prevailing at the balance sheet date.
5. Accounting standards for allowance
  - (1) Allowance for loan losses

Allowance for loan losses of the Company is provided as detailed below in accordance with the internal standards for write-offs and provisions.

For claims on normal borrowers with no particular issues and those in need of special attention, as defined in the Japanese Institute of Certified Public Accountants ("JICPA") Special Committee on Audit of Banks and Other Financial Institutions Report No. 4, "Practical Guidelines for Self-assessment of Assets, Write-offs and Allowance for Loan Losses of Banks and Other Financial Institutions" (April 14, 2022), is provided based mainly on expected losses for the immediately following one-year period. Expected losses are calculated by applying a loss rate, which is obtained based on the average rate of historical credit loss experience or historical default probability experience over a certain period, which is derived from actual credit losses or actual defaults over a one-year period, with necessary adjustments for future loss projections and other factors. For claims on borrowers that are not currently bankrupt but are perceived to have a high risk of falling into bankruptcy, an allowance is provided in the amount deemed necessary, net of the expected amount of recoveries from collateral and guarantees. For claims on borrowers that are bankrupt or those that are not legally or formally bankrupt but are regarded as substantially in the same situation, an allowance is provided based on the amount of claims, after the write-off, net of the expected amount of recoveries from collateral and guarantees.

The asset appraisal division assesses all claims in cooperation with the relevant divisions in accordance with the Company's self-assessment standards for assets.
  - (2) Provision for bonuses

Provision for bonuses is provided for payment of bonuses to employees, in the amount of estimated bonuses which are attributable to the fiscal year.

**Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.**

(3) Provision for point card certificates

Provision for point card certificates is provided for the potential future redemption of points awarded to credit card members and account holders under the point programs. The amount is calculated by rationally estimating and recognizing the amount that will be redeemed in the future.

(4) Provision for reimbursement of deposits

Provision for reimbursement of deposits which were derecognized as liabilities is provided for the possible losses on the future claims of withdrawal in the amount deemed necessary based on an estimate of losses to be incurred.

6. Hedge accounting method

As for the hedge accounting method applied to hedging transactions for interest rate risk arising from financial assets and liabilities, the Company mainly applies deferred edge accounting as stipulated in the JICPA Industry Committee Practical Guidelines No. 24, "Treatment of Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (March 17, 2022). As for the hedge to offset market fluctuation, the Company assesses the effectiveness of such hedges by classifying the hedged items such as loans and the hedging instruments such as interest rate swaps by a certain residual period. Certain other transactions that meet the requirements for special treatment, such as interest rate swaps, are accounted for by the special treatment method.

For deferred hedges for each individual transaction, the assessment of hedge effectiveness is omitted because the material terms regarding the hedged items and hedging instruments are the same.

7. Accounting for non-deductible consumption taxes, etc. related to assets

Non-deductible consumption taxes, etc. related to fixed assets are recorded in prepaid expenses and amortized on a straight-line basis over 5 years.

### Significant Accounting Estimates

The items whose amounts were recorded based on accounting estimates in the non-consolidated financial statements for the fiscal year ended March 31, 2025, that have a potentially significant impact on the non-consolidated financial statements for the next fiscal year are as follows.

#### Allowance for loan losses on mortgage loans

1. The amount recorded in the non-consolidated financial statements for the fiscal year ended March 31, 2025

The Company has a large loan balance of 8,676,084 million yen, of which the Company's mortgage loans account for 7,986,759 million yen, an important portion or 71% of total assets worth 11,238,716 million yen. The allowance for loan losses for such mortgage loans is 3,093 million yen (2,440 million yen for general allowance for loan losses and 653 million yen for specific allowance for loan losses), which is considered significant in accounting estimates due to its significant impact on business performance, etc.

2. Information on details of the significant accounting estimates for the identified item

(1) Calculation method

The calculation method of the allowance for loan losses for loans, including mortgage loans is described in "(1) Allowance for loan losses" of "5. Accounting standards for allowance" in "Significant Accounting Policies."

(2) Significant assumption

The ratio of potential losses used to calculate the general allowance for loan losses for the Company's mortgage loans is based on the historical average of the loan loss ratio over a certain period of time, which is based on actual loan losses in the past one year. Furthermore, as necessary adjustments such as future estimations, assumptions for changes in economic trends and declines in collateral values are added to the ratio of potential losses, taking into account prices, interest rates, and other economic conditions.

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

(3) Impact on the non-consolidated financial statements for the next fiscal year

The assumptions in (2) above are uncertain, and changes in the business environment, economic trends, etc. could have a significant impact on the allowance for loan losses in the non-consolidated financial statements for the following fiscal year.

Matters to Be Noted

(Notes to Non-consolidated Balance Sheet)

1. Total amount of shares of affiliates: 7,891 million yen
2. Claims under the Banking Act and the Act on Emergency Measures for the Revitalization of the Financial Functions were as follows. The claims are items that are recorded under the following items on the non-consolidated balance sheet: bonds included in "Securities" (limited to bonds for which the redemption of principal and the payment of interest in whole or in part are guaranteed, and that are issued through private placements (under Article 2, Paragraph 3 of the Financial Instruments and Exchange Act)), loans and bills discounted, foreign exchanges, accrued interest and suspense payments included in "Other assets," and customers' liabilities for acceptances and guarantees. If security lending listed in the notes is conducted, such securities (limited to those based on loan for a use agreement or lease agreement) are also included in the claims.
 

Bankrupt and quasi-bankrupt loans:	3,015 million yen
Doubtful loans:	855 million yen
Past-due loans (3 months or more)	- million yen
Restructured loans	511 million yen
Total:	4,382 million yen

Bankrupt and quasi-bankrupt loans are claims to borrowers who have fallen into bankruptcy due to reasons such as commencement of bankruptcy proceedings, commencement of reorganization proceedings, or petition for commencement of rehabilitation proceedings, and other similar claims.

Doubtful loans are claims to borrowers who have not yet become bankrupt but whose financial condition and business performance have deteriorated and it is highly probable that the loan principal cannot be collected and interest cannot be received in accordance with the contract, excluding bankrupt and quasi-bankrupt loans.

Past due loans (3 months or more) are loans for which the payment of principal or interest has been delayed for three months or more from the day after the agreed-upon payment date, excluding bankrupt and quasi-bankrupt loans and doubtful loans.

Restructured loans are loans on which terms and conditions have been amended in favor of the borrower with the objective of assisting the borrower's financial recovery, such as by reducing or exempting interest, postponing interest payment and principal repayment, and forgiving debts, excluding bankrupt and quasi-bankrupt loans, doubtful loans, and past due loans (3 months or more).

The amounts of loans presented above are the amounts before deduction of reserve for possible loan losses.
3. Assets pledged as collateral were as follows:
 

Assets pledged as collateral:	
Securities	265,271 million yen
Loans and bills discounted	2,399,421 million yen
Liabilities corresponding to assets pledged as collateral:	
Payables under securities lending transactions	153,367 million yen
Borrowed money	1,000,000 million yen

Other than the above, as collateral for transactions of exchange settlement, etc. or substitute for margin for futures transactions, etc., securities of 98,276 million yen have been provided.

Other assets include guarantee deposits of 7,816 million yen.
4. Commitment line contracts on overdrafts and loans are agreements to lend to customers, up to a prescribed amount, as long as there is no violation of any condition established in the contracts. The amount of unused commitments was 264,515 million yen. Many of these contracts are unconditionally cancelable at any time.
5. Accumulated depreciation on property, plant and equipment (including accumulated impairment losses): 2,102 million yen
6. Total monetary claims to affiliates: 75,507 million yen
7. Total monetary debts to affiliates: 21,915 million yen

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

8. The Company is subject to restrictions on the distribution of surplus in accordance with provisions of Article 18 of the Banking Act.

In the event of distribution of surplus, notwithstanding of the provisions of Article 445, Paragraph 4 (Amounts of Stated Capital and Amounts of Reserves) of the Companies Act, the Company records an amount obtained by multiplying the amount of surplus to be reduced by the payment of relevant dividends of surplus by one-fifth as legal capital surplus or legal retained earnings.

The amount of legal retained earnings related to such distribution of surplus in the fiscal year ended March 31, 2025 was 542 million yen.

(Notes to Non-consolidated Statement of Income)

1. Income from transactions with affiliates
- |                                                                       |                   |
|-----------------------------------------------------------------------|-------------------|
| Total income from fund management transactions:                       | 1,080 million yen |
| Total income from fees and commissions:                               | 825 million yen   |
| Total income from other transactions and other ordinary transactions: | 43 million yen    |
2. Expenses from transactions with affiliates
- |                                                                                 |                   |
|---------------------------------------------------------------------------------|-------------------|
| Total expenses arising from fund management transactions:                       | 431 million yen   |
| Total fees and commissions payments:                                            | 301 million yen   |
| Total expenses arising from other transactions and other ordinary transactions: | 2,161 million yen |

(Notes to Non-consolidated Statement of Changes in Net Assets)

1. Type and number of treasury stock

(Thousands of shares)

	Number of shares as of beginning of the fiscal year	Number of shares increased	Number of shares decreased	Number of shares as of end of the fiscal year	Remarks
Treasury stock					
Common stock	1	55	42	14	(Notes 1, 2)
Total	1	55	42	14	

(Notes) 1. The increase 55 thousand shares in the number of treasury stock was due to the acquisition of 47 thousand shares of treasury stock by resolution of the Board of Directors on May 10, 2024, the acquisition of 7 thousand restricted shares without consideration, and the purchase of 0 thousand shares of fractional shares in response to purchase requests made by shareholders.

2. The decrease in the number of treasury stock was due to the disposal of treasury stock as remuneration for granting restricted shares.

(Notes to Securities)

In addition to "Government bonds," "Local government bonds," "Short-term corporate bonds," "stocks-assets," and "Other securities" on the non-consolidated balance sheet, the following tables include beneficial interests in loan receivables trust and others in "Monetary claims bought."

1. Shares of subsidiaries, subsidiary corporations, etc. and affiliated corporations, etc. (as of March 31, 2025)

(Millions of yen)

	Non-consolidated balance sheet amount
Shares of subsidiaries, subsidiary corporations, etc.	6,621
Shares of affiliated corporations, etc.	1,269
Total	7,891

(Note) Shares of subsidiaries, subsidiary corporations, etc. and affiliated corporations, etc. are shares with no market prices.

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

2. Available-for-sale securities (as of March 31, 2025)

(Millions of yen)

	Type of securities	Amount on non-consolidated balance sheet	Acquisition cost	Difference
Securities whose fair value exceeds the acquisition cost	Bonds	5,257	5,215	41
	Government bonds	4,847	4,813	33
	Local government bonds	410	402	8
	Short-term corporate bonds	–	–	–
	Corporate bonds	–	–	–
	Other securities	109,327	108,741	585
	Foreign bonds	104,536	103,974	561
	Other	4,791	4,766	24
	Subtotal	114,585	113,957	627
Securities whose fair value does not exceed the acquisition cost	Bonds	377,050	409,824	(32,773)
	Government bonds	302,601	328,623	(26,021)
	Local government bonds	13,855	14,498	(642)
	Short-term corporate bonds	13,488	13,490	(1)
	Corporate bonds	47,104	53,211	(6,107)
	Other securities	264,299	271,163	(6,864)
	Foreign bonds	211,535	216,559	(5,023)
	Other	52,764	54,604	(1,840)
	Subtotal	641,349	680,987	(39,637)
	Total	755,934	794,945	(39,010)

(Note) Non-consolidated balance sheet amount of shares with no market prices, etc. and investments in partnership

(Millions of yen)

Category	Amounts on non-consolidated balance sheet
Shares with no market price, etc. (*1)	782
Investments in partnership (*2)	373

(Notes) 1. Shares with no market price, etc. include unlisted shares, which are not subject to fair value disclosure in accordance with Paragraph 5 of ASBJ Guidance No. 19 "Implementation Guidance on Disclosures about Fair Value Financial Instruments" (March 31, 2020).  
2. Investments in partnership are not subject to fair value disclosure in accordance with Paragraph 24-16 of ASBJ Guidance No. 31 "Implementation Guidance on Accounting Standard for Fair Value Measurement" (June 17, 2021).

3. Available-for-sale securities sold during the fiscal year (from April 1, 2024 to March 31, 2025)

(Millions of yen)

Type of securities	Amount sold	Gain on sale	Losses on sale
Bonds	16,027	34	49
Government bonds	16,027	34	49
Local government bonds	–	–	–
Short-term corporate bonds	–	–	–
Corporate bonds	–	–	–
Other securities	102,777	1,251	32
Foreign bonds	98,477	1,095	3
Other	4,300	155	28
Total	118,805	1,285	82

**Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.**

(Notes to Tax Effect Accounting)

1. The breakdown of major factors leading to the occurrence of deferred tax assets and deferred tax liabilities are as follows:

	Millions of yen
Deferred tax assets	
Valuation difference on available-for-sale securities	12,492
Allowance for loan losses	773
Deferred losses on hedges	712
Enterprise tax payable	489
Provision for point card certificates	266
Cancellation of shares of subsidiaries and affiliates	254
Provision for bonuses	246
Others	1,139
Subtotal deferred tax assets	<u>16,374</u>
Valuation allowance	<u>(254)</u>
Total deferred tax assets	16,120
Deferred tax liabilities	
Valuation difference on available-for-sale securities	(199)
Deferred gains on hedges	(2,630)
Other	(175)
Total deferred tax liabilities	<u>(3,004)</u>
Net amount of deferred tax assets	<u>13,115</u>

2. Adjustment to the amounts of deferred tax assets and deferred tax liabilities due to changes in income tax rate

The "Act for Partial Revision of the Income Tax Act, etc." (Act No. 13 of 2025) was enacted on March 31, 2025, and the "special defense corporation tax" will be imposed from the consolidated fiscal years beginning on or after April 1, 2026. As a result, the effective statutory tax rate used for the calculation of deferred tax assets and deferred tax liabilities associated with temporary differences that is expected to be eliminated in the consolidated fiscal years beginning on or after April 1, 2026 has been changed to 31.52%, from the previous effective statutory tax rate of 30.62%. The impact of this change on the fiscal year ended March 31, 2025 are a 320 million yen increase of deferred tax assets, a 350 million yen increase of valuation difference on available-for-sale securities, a 56 million yen decrease of deferred gains or losses on hedges, and a 27 million yen decrease of income taxes-deferred.

(Notes to Revenue Recognition)

Omitted since it is identical to the Consolidated Financial Statements.

(Notes to Per Share Data)

Net assets per share:	1,113. 06 yen
Profit per share attributable to owners of parent:	183. 80 yen