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Corporate Governance Report

CORPORATE GOVERNANCE

SBI Shinsei Bank, Limited.

Last Update:

June 30, 2026

SBI Shinsei Bank, Limited

President and CEO Katsuya Kawashima

Contact: Sustainability and Corporate Communications Division

Securities code: 8303

<https://www.sbishinseibank.co.jp>

The corporate governance of SBI Shinsei Bank, Limited (the “Bank”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Key Information

1. Basic Views

SBI Shinsei Bank, Limited (hereinafter “the Bank”) recognizes that enhancing corporate governance is one of the highest priorities to achieve our management principles, and has established a corporate governance framework as a “Company with an Audit & Supervisory Board.” This model aims to ensure appropriate managerial decision-making and business implementation in order to establish a corporate governance framework with sufficient organizational checking functions. We aim to achieve this through the following two key actions:

- 1) Setting the broad direction of corporate strategy and establishing an environment where appropriate risk-taking by the senior management is supported through decision-making by Board of Directors, the highest managerial decision-making body, on important corporate business execution matters, such as basic management policies including medium-term plan and annual plans; and
- 2) Assigning Audit & Supervisory Board Members and an Audit & Supervisory Board those are independent of the Board of Directors auditing duties that include auditing of the Board of Directors.

The basic views and policies of the Bank regarding Corporate Governance are set forth in the “Basic Policy on Corporate Governance of SBI Shinsei Bank” which is published on our website.

Reasons for Non-compliance with the Principles of the Corporate Governance Code

We implement each of the Principles of the Corporate Governance Code.

Disclosure Based on each Principle of the Corporate Governance Code

(Principle 1.4 Cross-Shareholdings)

(1) Policy for reducing cross-shareholdings

The Bank deems investment shares with the objective other than purely financial as cross-shareholdings, which in principle excludes shares that are strategically held due to a new business or a new business partnership. Under such a policy, for listed shares considered necessary to be acquired or held in view of the respective business status including the need to maintain or strengthen business relations, the Bank verifies the appropriateness of acquiring and holding the shares according to predefined procedures, and discloses in the securities report the individual name, number, the amount booked on the balance sheet, and the objective of the shares as specific investment shares.

A new cross-shareholding is approved at the Group Executive Committee if it is for a new business or business partnership and by a panel consisting of the Head of Executive Officer in charge of transaction, Head of Credit Risk Management, and Executive Officer in charge of Group Corporate Planning if it is for other purposes.

(2) Verification of the significance and economic rationale of cross-shareholdings

The cross-shares held are regularly reported to the internal committee responsible for risk judgment of transactions to verify medium- to long-term economic rationale and future outlook based on the expected return and risks are to discuss the significance and policy of the cross-shareholding. The results of the discussions are regularly reported to the Board. Based on reports from the executive side, the Board verifies the appropriateness of cross-shareholding of individual stocks from perspectives including whether the cross-shareholding is in line with the Bank's strategy and whether the benefit gained from the holding should be prioritized even considering risks of the holding, and requests the executive side to take appropriate actions when necessary. Specifically, for all listed stocks it holds, the Bank defines its policy including decreasing the cross-shareholding and confirms the implementation status of the policy annually after the business section in charge of the transaction, risk management section, and corporate and planning section examine the purpose of cross-shareholding, finance and risk statuses, statuses of transactions with the counterparty and earnings from the transactions, unrealized gains and losses, and other indirect advantages that can be gained by conducting comprehensive transactions with the counterparty.

(3) Criteria for exercising voting rights

In exercising voting rights as to cross-shareholdings, the Bank judges as basic criteria whether to exercise the rights or not through internal procedures, whether the cross-share contributes to the improvement of long-term shareholder value, whether the exercising incurs a disadvantage, whether the exercising damages the significance of cross-shareholding when it is due to a new business or a new business partnership, and whether the cross-shareholding has been fully explained as needed.

(Principle 1.7 Related Party Transactions)

With respect to transactions with directors and other related parties, as well as transactions with the parent company group, the Bank conducts deliberations on conflicts of interest and the fairness of such transactions at the Special Transaction Review Committee, which is established in accordance with internal regulations and composed, among others, of the Executive Officer in charge of Group Legal and Compliance, with the participation of full-time Audit & Supervisory Board Members being mandatory. In addition, transactions with directors and other related parties are subject to a process requiring approval by the Board of Directors. Furthermore, among transactions with the parent company group, material transactions are, in principle, resolved by the Board of Directors, in which a majority of the members are independent outside directors who maintain

independence from the parent company group. In addition to the above, all transactions with the parent company group that are submitted to the Special Transaction Review Committee are reported to the Board of Directors on a semi-annual basis. Moreover, transactions deemed material by the Special Transaction Review Committee are reported to the Board of Directors in advance. Through these measures, the Bank ensures an appropriate monitoring framework and has established and implemented a system to safeguard the interests of the Bank and its other stakeholders.

(Supplementary Principle 2.4.1)

The Bank Group believes that securing diverse viewpoints and values as an organization, and enabling them to co-exist organically through sound conflict and integration - namely, realizing Diversity & Inclusion - will create new value, contribute to the sustainable growth of the Group and the realization of its management principles, and serve as the source of the Group's competitiveness.

To promote Diversity & Inclusion, we have established the Diversity Promotion Department within the Group Human Resources Division, as well as the Group Diversity & Inclusion Committee ("Group D&I Committee"), chaired by the heads of business divisions, in order to enhance the effectiveness of diversity initiatives across the Group, including the promotion of women's active participation. In addition, subcommittees for D&I have been established within each organization to address organization-specific issues. Since FY2020, diversity promotion targets have been incorporated into the performance objectives of managers to ensure the effectiveness of these initiatives. Furthermore, the President has expressed support for initiatives such as the "Leaders Coalition for Empowerment of Women" declaration and the Women's Empowerment Principles ("WEPs," thereby clearly demonstrating our commitment.

<Numerical targets for ensuring diversity>

The Group places importance on ensuring diversity among core human resources involved in important decision-making. With regard to the promotion of women's participation, we have set and disclosed targets for the ratio of female managers (section manager level and above) for the Group and each company.

(Non-consolidated) Ratio of female managers (section manager level and above):

Target: 23% (as of March 31, 2028) / Actual: 22.2% (as of March 31, 2026)

With respect to foreign nationals and mid-career hires, specific numerical targets have not been set, as mid-career hires already account for more than half of all employees and approximately 60% of managers, and both foreign nationals and mid-career hires are well established as core human resources. We will continue to appoint personnel based on their abilities and experience. In recruiting new graduates, we conduct selection processes that ensure that foreign nationals whose native language is not Japanese are not disadvantaged. In addition to mid-career hiring, we actively rehire individuals who have left the Group and subsequently gained experience in different cultures, improved their knowledge and skills, and acquired new perspectives. We have also established an alumni network to maintain connections with former employees.

<Policies for human resource development and internal environment development to ensure diversity, as well as the status of their implementation>

Based on the Medium-Term Management Plan, the Group promotes human capital management centered on "recruitment, development, and engagement." In addition to systematic human resource development combining OJT, Off-JT, and job rotation,

we implement initiatives for developing next-generation leaders, supporting career development, and providing reskilling opportunities. We also allow employees to engage in side jobs and secondary employment to enhance their skills and expand external networks.

To enable employees with diverse backgrounds to work without constraints arising from life stages or life events, we are developing systems that offer flexible working options, including staggered working hours, flextime systems, remote work, and flexible working arrangements (such as reduced working hours and leave for life support, and options for three- or four-day workweeks).

Details of policies and the status of initiatives aimed at ensuring diversity are disclosed in our Integrated Report.

Integrated Report:

<https://corp.sbshinseibank.co.jp/ja/ir/library/integrated.html>

(Principle 2.6 Roles of Corporate Pension Funds as Asset Owners)

The Bank has adopted a defined benefit corporate pension plan, and conducts asset management aiming to secure needed total profits for a long period of time in order to ensure future pension payment to plan-holders and pensioners. In order to achieve this, the Bank responds as follows based on the Ministry of Health, Labor and Welfare's "Guidelines for the Roles and Responsibilities of Asset Managers Related to Defined Benefit Corporate Pension" so that the Bank can demonstrate its functions expected as the asset owner.

The Bank has established the Pension Asset Investment and Management Committee consisting of experts of financial market trends, risk management, and pension plans to establish and review the basic policy and guidelines for asset management and allocation of policy assets. The Pension Asset Investment and Management Committee selects asset managers and funds based on our asset management target and policy asset allocation. We have selected asset managers that have declared acceptance of the Stewardship Code and conducts quantitative and qualitative evaluation of these asset managers on a quarterly basis. In considering its basic policy, etc. for asset management, the Bank has created a structure for responding in a continuous and appropriate manner from the expertise, credibility, and conflict of interest perspectives by using asset management consultants and pension (asset management) master trustees/trust banks.

Management and performance status of pension assets are periodically reported to the Management Development Committee, which reviews important matters relating to human resources and labor issues.

In addition, from fiscal year 2025 onward, the Bank has adopted only a defined contribution corporate pension plan for new participants, and employees who participate in this plan manage their assets individually.

(Principle 3.1 Full Disclosure)

The Bank Group proactively provides the information listed below in order to enhance transparency and fairness in decision-making and ensure effective corporate governance. In doing so, we seek to make the provided information carry high added value for the user.

(i) Management principles and management plan

The Bank Group has set forth, in its Medium-Term Management Plan, the Medium-Term Vision of "Next-Generation Finance: Building and Pioneering the Future Together." This vision is composed of four key elements: "Next-Generation Finance," "Core of the Fourth Megabank," "Realization of Sustainable Growth," • and "Early Completion of Public Fund Repayment(*)."

To achieve this vision, the Bank has established four fundamental strategies: “Evolution of Convergence and Collaboration,” “Pursuit of Qualitative/Quantitative Conversion,” “Robust and Flexible Management Base,” and “Deepening of Sustainability Management.”

The Bank’s progress in the implementation will be regularly disclosed in the Integrated Report, etc.

(*) Public funds had been fully repaid by July 31, 2025 after the Medium-Term Management Plan was announced.

(ii) Basic views and guidelines on corporate governance

The Bank’s basic views and guidelines based on the five principles of the Corporate Governance Code are stated under “1.1 Basic views on corporate governance.”

(iii) Board of Directors’ policies and procedures in determining the compensation of the senior management and Directors

The compensation of the Directors is deliberated at the Nomination and Compensation Committee and determined by the Board within the total compensation determined at the general meeting of shareholders. The compensation of the Directors is determined based on the policy on the ratios and the amount of each type of compensation, which is determined by the Board of Directors taking into consideration the recommendation of the Nomination and Compensation Committee.

The compensation of Executive Officers including Executive Directors is decided based on the following policy.

- Basic compensation for Directors shall consist of fixed monthly monetary compensation, and shall be determined with due consideration given to each Director’s role, responsibilities, and other relevant factors.

- Bonuses for Directors shall, in principle, be paid once annually. The amount shall be determined as performance-linked compensation based on factors including each Director’s responsibilities and performance of duties, as well as the Group’s consolidated business performance for the previous fiscal year.

- Basic compensation and bonuses shall be determined appropriately so that they function as incentives toward the achievement of the Group’s Management Principles and the realization of the vision set forth in the Medium-Term Management Plan.

(iv) Board of Directors’ policies and procedures in the appointment/dismissal of the senior management and the nomination of candidates for Directors and Audit & Supervisory Board Members

The Bank’s Board makes final decisions on the appointment/dismissal of the senior management and the nomination of the candidates for Directors and Audit & Supervisory Board Members based on the Bank Rules. Details are as follows.

- Executive Officers: the Bank adopts the procedure with a high level of transparency to decide them from among candidates based on their evaluations and performance.

- Candidates for Directors: the appointment of Directors is deliberated by the Nomination and Compensation Committee and determined by the Board of Directors meeting with a consideration of the Bank’s size, a balance of knowledge, experience and skills necessary to effectively fulfill the roles and responsibilities of the Board, as well as diversity in terms of gender, international experience, professional background and age.

- Candidates for Audit & Supervisory Board Members: they are decided with the consent of the Audit & Supervisory Board, considering the candidates’ knowledge and experience in order to accurately, fairly and effectively ensure audit business execution by the Bank’s Directors.

(v) Explanations with respect to the individual appointments/dismissals and nominations based on (iv)

The Bank explains, in the reference documents of the Annual General Meeting of Shareholders and Integrated Report, the individual appointments and nominations of the Executive Directors and nominations of candidates for Directors and Audit & Supervisory Board Members. The appointment/dismissal of representative directors has been disclosed pursuant to the timely

disclosure system governed by the Tokyo Stock Exchange.

(Supplementary Principle 3.1.3)

<Policies and Initiatives for Sustainability>

Information on the Bank Group's sustainability policies and initiatives is disclosed on the following websites and in the Integrated Reports. The Group strives to engage in constructive dialogue with investors and other stakeholders by making active use of this information in the dialogue.

Sustainability Site: <https://corp.sbishinseibank.co.jp/en/sustainability.html>

Integrated Report: <https://corp.sbishinseibank.co.jp/en/ir/library/integrated.html>

<Impact of Climate Change-Related Risks and Earning Opportunities on Business Activities and Profits>

In line with the framework of the recommendation of the Task Force on Climate-related Financial Disclosures (TCFD), which we endorsed in January 2020, the Group analyzes the risks and the impacts on earnings associated with climate change. The content of these reports is disclosed on the Bank's website and the Integrated Report.

<Investment in Human Capital and Intellectual Properties>

We regard initiative associated with human capital as a crucial strategy in sustainability management, since the Group's human resources are the source of sustained increase in the corporate value. In addition, among the core strategies in the Medium-Term Vision of the Bank Group, a medium-term plan, as part of our efforts to strengthen organizational capabilities (human resources, governance and finance) to achieve growth and transformation, we seek to seize diverse human resources through work style reforms and create high added value through the development of advanced human resources. To foster an organizational culture and nurture human resources to improve the competitiveness of the Group, we have been expanding a wide variety of training programs, including common training such as diversity and inclusion, compliance, human rights and harassment training, and specialized training which is selectively attended according to the department to which they belong and their responsibilities in line with the careers of those employees, along with other training programs, including the development of team management skills and leadership for managerial and managerial position candidates. These specific initiatives are disclosed on the Bank's website and the Integrated Report.

(Supplementary Principle 4.1.1)

The Bank's Board of Directors is constituted of Executive Directors responsible for business operations and Outside Directors responsible for supervising the operations and makes appropriate decisions while ensuring the objectivity and transparency of the management. Ordinary business operations excluding matters that are stipulated by laws and ordinances as decisions of the Board of Directors are delegated to the President & CEO. The Bank has also built a structure where, under the direction of the President & CEO, Executive Officers appointed by the Board oversee sections in charge as directors in charge to realize flexible business execution. The specific scope of delegation is stipulated in the Rules of the Board of Directors and other Bank Rules.

(Principle 4.9 Independence Standards and Qualification for Independent Directors)

The Bank has established “Independence Criteria for Outside Directors and Audit & Supervisory Board Members” on “Basic Policy on Corporate Governance of SBI Shinsei Bank” and makes judgments taking such criteria into consideration.

Outside Directors are eventually selected by the Board of Directors, through sufficient discussions at the Nomination and Compensation Committee, from candidates who have a track record in the areas they experience, with a consideration of a balance among knowledge, experience and skills, diversity and appropriate size, from the perspective of incorporating diversified viewpoints in the Board.

(Supplementary Principle 4.10.1)

The Bank’s Board of Directors is structured on the basic policy that independent outside directors constitute a majority of its members, with the aim of strengthening the Board’s supervisory function, which enables the Board to have objective and transparent discussions on the appointment of Directors and senior management and the determination of compensation for them. The Nomination and Compensation Committee is chaired by an outside director and is composed of a majority of outside directors. The Committee discusses resolution matters of the General Meeting of Shareholders related to selection or dismissal of Directors, matters related to selection or dismissal of the President and matters related to compensation etc. for Directors and replies to the Board.

(Supplementary Principle 4.11.1)

The selection of Director candidates is eventually decided by the Board of Directors meeting after thorough discussion with a consideration of a balance among knowledge, experience and skills, diversity and appropriate size after sufficient discussion at the Nomination and Compensation Committee. Inclusion of those who have experience as an executive at other companies is also considered when discussing candidates for Outside Directors. Furthermore, a skill matrix of Directors is created and posted on the Notices of General Meetings of Shareholders to visualize skills needed for the Board to realize the Bank Group’s management strategies, and a skill matrix of Directors and Audit & Supervisory Board Members is disclosed in the Integrated Report.

Notice of GMS: [Shareholder Information | Disclosure | SBI Shinsei Bank, Limited](#)

Integrated Report: <https://corp.sbishinseibank.co.jp/en/ir/library/integrated.html>

(Supplementary Principle 4.11.2)

The status of the Directors and Audit & Supervisory Board Members also serving at other companies appropriately disclose in the business reports. The Bank considers that the status is reasonable in terms of the time and effort needed for the Board or the Audit & Supervisory Board.

(Supplementary Principle 4.11.3)

The Bank periodically conducts the evaluation/analysis of the effectiveness of the Board as a whole in order to improve the functionality of the Board. The Bank conducted self-evaluation as follows in fiscal year 2025:

(1) Purpose: Enhance the Board of Directors’ function by evaluating whether the Board has fulfilled its roles and responsibilities and by running the PDCA cycle

(2) Targets for the analysis and evaluation: Board of Directors' activities (including Nomination and Compensation Committee, Strategy Session and other activities) and operational and support systems for conducting the activities in an efficient and effective manner

(3) Evaluators: All participants of the Board of Directors (12 members including Directors, Audit & Supervisory Board Members). The evaluation includes questions targeting Audit & Supervisory Board Members only, the same as every year.

(4) Analysis and evaluation items: Discussions at the Board of Directors meetings and Strategy Session, Operation of Board of Directors meetings and other meetings by the executive team, Composition and diversity, Provision of information to the Board of Directors from the executive team, Communication, Third-party assessment on the effectiveness of the Board of Directors, Nomination and Compensation Committee, and Evaluations from Audit & Supervisory Board Members, etc.

(5) Method for analysis and evaluation: Questionnaire survey by the secretariat of the Board of Directors based on the direction of the Chairman of the Meetings (with multiple responses and open-ended responses)

(6) Feedback of the survey results: Selected responses and open-ended responses were reported to the Board of Directors.

Based on these results, while some opinions indicated the need for continued consideration and improvement, we confirmed that, overall, the effectiveness of the Board of Directors has generally been ensured. Initiatives to be undertaken in 2026 to address the issues identified through the results are as follows.

- Operational enhancements to enable more in-depth discussions on medium- to long-term management strategies and business models, including through the use of Strategy Sessions
- Ongoing consideration of the composition of the Board of Directors
- Effective use of briefing sessions for Board of Directors and improvement in the quality of materials and explanations
- Continuation of meetings primarily aimed at information sharing among Outside Directors and Outside Audit & Supervisory Board Members (Executive Sessions)

Based on the results of the questionnaire, in fiscal year 2026, we will prioritize these initiatives with the aim of further enhancing the effectiveness and functions of the Board of Directors.

(Supplementary Principle 4.14.2)

The Directors and Audit & Supervisory Board Members in the Bank have sufficient expertise. Furthermore, the Bank provides and arranges opportunities as well as provides financial support, to Directors and Audit & Supervisory Board Members to acquire knowledge, etc. necessary for the performance of their duties.

(Principle 5.1 Policy for Constructive Dialogue with Shareholders)

The Bank endeavors to proactively create opportunities to have dialogue with market participants including investors, analysts, and the Bank's shareholders concerning matters that contribute to sustainable growth and increased corporate value over the mid- to long-term. The Sustainability and Communications Division, which is responsible for IR and SR activities, is strengthening its engagement efforts through repeated meetings with as many market participants as possible to help them gain a better understanding of the Bank's management policies and financial condition, thereby promoting effective dialogue between the senior management and market participants aimed at enhancing corporate value over the mid- to long-term.

In accordance with the "SBI Shinsei Bank Disclosure Policy" and related information disclosure rules, the Bank has appointed an officer responsible for information disclosure. In close cooperation with senior management and the Sustainability and

Communications Division, the Bank is committed to fulfilling its accountability to market participants through proactive disclosure of management information and external communication.

Furthermore, feedback and requests received from market participants through such dialogue are appropriately shared with senior management and relevant divisions and are utilized to enhance future management practices and disclosure activities.

Action to Implement Management That Is Conscious of Cost of Capital and Stock Price

Content of Disclosure	Disclosure of Initiatives (Update)
Availability of English Disclosure	Available

Explanation of Actions

For the Bank's views and the status of its efforts toward realizing management that is conscious of the cost of capital and stock price, please refer to the Bank's 2026 Integrated Report (scheduled to be posted on the Bank's website in July 2026).

<https://corp.sbishinseibank.co.jp/ja/ir/library/integrated.html>

2. Capital Structure

Foreign Shareholding Ratio	Less than 10%
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Status of Major Shareholders

Name or Company Name	Number of Shares Owned	Percentage (%)
SBI Holdings, Inc.	631,700,000	71.21
The Master Trust Bank of Japan, Ltd. (Trust Account)	23,373,400	2.63
QATAR HOLDING LLC	17,000,000	1.91
JAPAN SECURITIES FINANCE CO., LTD.	5,373,500	0.60
JPMorgan Securities Japan Co., Ltd.	3,917,912	0.44
Custody Bank of Japan, Ltd. (Trust Account)	3,786,600	0.42
JP MORGAN CHASE BANK 385167	3,675,215	0.41
MSIP CLIENT SECURITIES	3,564,145	0.40
The Norinchukin Bank	3,448,200	0.38
Nomura Securities Co., Ltd.	3,405,083	0.38

Name of Controlling Shareholder, if applicable (excluding Parent Companies)	-
Name of Parent Company, if applicable	SBI Holdings, Inc. (Listed Stock Exchange: Tokyo) (Code) 8473

Supplementary Explanation

- 1.Shareholdings are based on beneficial ownership to the extent known as of March 31, 2026.
- 2.Percentages are rounded down to the third decimal place (excluding treasury shares).

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Prime Market
Fiscal Year-End	March
Business Sector	Banks
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	¥100 billion or more but less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	50 or more but fewer than 100

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

The Bank has established a framework to verify and monitor whether transactions with the parent company group involve conflicts of interest, are conducted in a fair manner, and do not harm the interests of minority shareholders. Under this framework, the Special Transaction Review Committee, which is composed, among others, of the Executive Officer in charge of Group Legal and Compliance and requires the participation of full-time Audit & Supervisory Board Members, deliberates on transactions with the parent company group entities that may give rise to conflicts of interest or the risk thereof. Among such transactions, material transactions are, in principle, resolved by the Board of Directors, in which a majority of the members are independent outside directors who maintain independence from the parent company group. In addition, with respect to transactions that do not require Board approval, matters deemed material by the Special Transaction Review Committee are reported to the Board of Directors in advance. Furthermore, through semi-annual reporting to the Board of Directors on the operation of the Special Transaction Review Committee and all transactions subject to its deliberation, the Board of Directors supervises the appropriate operation of the Special Transaction Review Committee.

5. Other Special Circumstances which May have a Material Impact on Corporate Governance

[Policies regarding Group management as a company with listed subsidiaries, the significance of holding listed subsidiaries and concepts concerning the securing of effective corporate governance systems for listed subsidiaries]

As the SBI Group has a diverse array of business fields, certain investors have stated that the overall picture of the Group's business is difficult to understand. As a solution, the Company is promoting initial public offerings of its subsidiaries, thereby ensuring that the value of each business entity is clarified, and the overall corporate value of the Group is more visible. The Company believes that through public stock offerings each company in the SBI Group can enhance its capital-raising capability and strengthen its financial position to become more independent. On the other hand, in order to protect minority shareholders, the SBI Group respects the independence of each company's business management and secures fair and reasonable transactions according to the arm's length rule. For example, in the SBI Group, the Company has a business management agreement with each listed company and has established a system, based on this agreement, under which only matters subject to timely and appropriate disclosure, etc. are reported to the Company, including consolidated business performance management, business

alliance with other companies and acquisitions and dispositions of investment securities (those regarding cross shareholding). In addition, it is stipulated that the Company has the right to investigate subsidiaries when there is a risk that they may jeopardize the Group's reputation. However, the Company respects each listed company's independence and entrusts the listed company's own business management to the listed company.

- Measures to Ensure Independence from the Parent Company from the Perspective of Protecting Minority Shareholders

As stated in the policy set forth in Section 4 above regarding measures for protecting minority shareholders in transactions with the controlling shareholder, the Bank has established a framework to ensure that transactions and actions involving the parent company group that entail the risk of conflicts of interest are appropriately deliberated and determined, with a view to protecting the interests of minority shareholders. In addition, as described above, SBI Holdings, Inc., the Bank's parent company, states in its Corporate Governance Report that, as part of its approach to group management, it respects the managerial independence of each group company and ensures fair and reasonable transactions in accordance with the arm's length principle, with the aim of protecting minority shareholders of each group company.

- Business management agreement with the parent company

The Bank has entered into a business management agreement with its parent company, SBI Holdings, Inc., as part of the parent company's efforts to ensure group governance.

Under this agreement, the Bank is required to report, to the extent that it does not conflict with applicable laws and regulations, various matters including those related to financial results and timely disclosures,

as well as other important matters that the Bank determines may have a material impact on the financial soundness or the appropriateness of operations of the SBI Group.

However, the agreement does not require prior approval, and it does not affect the independence of the Bank's management.

■ Disclosure of Information Regarding Relationships with Listed Affiliates Significance of Having Listed Affiliates in Light of the Group Management Philosophy and Policy

The Bank adopts as its basic policy SBI Holdings, Inc.'s "Policies regarding Group management as a company with listed subsidiaries, the significance of holding listed subsidiaries and concepts concerning the securing of effective corporate governance systems for listed subsidiaries." Based on this policy, the Bank aims to achieve sustainable growth and enhance the medium- to long-term corporate value of the Bank Group and its subsidiaries and affiliates, while respecting the management independence of each group company.

In October 2024, the Bank acquired 33.32% of the shares of NEC Capital Solutions Limited, which is listed on the Prime Market of Tokyo Stock Exchange, and made it an equity-method affiliate. In May 2025, the Bank conducted a tender offer for the common shares of NEC Capital Solutions Limited, and its shareholding ratio stood at 43.47% as of March 31, 2026. The Bank acquired a portion of the shares of NEC Capital Solutions Limited, together with the execution of a business alliance agreement, in order to accelerate the growth strategies of both the Bank Group and NEC Capital Solutions Limited through collaboration based on business affinity and complementarity, and thereby realize further enhancement of corporate value for both parties.

Through this relationship, the Bank and NEC Capital Solutions Limited will, as mutually beneficial partners, pursue close business collaboration and mutual exchange of human resources, while making maximum use of the SBI Group's financial

ecosystem and advanced capabilities.

[Measures to Ensure the Effectiveness of the Governance System of the Listed Affiliates]

Of the 13 officers of NEC Capital Solutions Limited, four are employees of the Bank. However, three of its nine directors are Independent Outside Directors, and a majority of the members of its voluntarily established Nomination and Compensation Committee are composed of such Independent Outside Directors. No employee of the Bank serves as a member of that committee. Accordingly, NEC Capital Solutions Limited has established an appropriate officer composition from the perspective of protecting the interests of minority shareholders.

In addition, NEC Capital Solutions Limited has transactions with the Bank, which serves as its main bank, including borrowings of funds for business purposes. Such transactions are conducted appropriately and fairly so as not to impair the independence or interests of NEC Capital Solutions Limited, and are carried out on terms equivalent to those of other borrowings, based on interest rate trends and other prevailing market conditions.

Furthermore, NEC Capital Solutions Limited conducts diversified funding that does not depend on any particular financial institution or funding method, and is not subject to restrictions imposed by the Bank. As such, NEC Capital Solutions Limited has established a governance system as an independent listed company.

Agreements Related to Matters to Be Described as the Group Management Philosophy and Policy

The Bank and NEC Capital Solutions Limited have entered into a memorandum of understanding under which they agreed that the Bank may recommend to NEC Capital Solutions Limited up to three director candidates and up to three Audit & Supervisory Board Member candidates.

At the same time, in order to ensure the independence of NEC Capital Solutions Limited as a listed company, the Bank and NEC Capital Solutions Limited have also agreed that the Bank's recommendation of director candidates and Audit & Supervisory Board Member candidates shall not obligate NEC Capital Solutions Limited to submit proposals for the election of such recommended candidates as directors or Audit & Supervisory Board Members to its general meeting of shareholders.

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight

1. Organizational Composition and Operation

Corporate Governance System	Company with Audit and Supervisory Board*
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*Referred to as "Company with *Kansayaku* Board" in the Corporate Governance Code reference translation

Directors

Number of Directors Stipulated in Articles of Incorporation	20
Directors' Term of Office Stipulated in Articles of Incorporation	One year
Chairperson of the Board	President
Number of Directors	Nine
Election of Outside Directors	Elected
Number of Outside Directors	Five
Number of Independent Directors	Five

Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Masahiro Terada	Lawyer											
Yurina Takiguchi	From another company											
Katsunori Tanizaki	From another company											
Makoto Hayashi	Lawyer								○			
Yuji Sakoda	Other								○			

*Categories for "Relationship with the Company".

(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

- Person who executes business for the Company or its subsidiary
- Person who executes business for or a non-executive director of the Company's parent company
- Person who executes business for a fellow subsidiary
- Person/entity for which the Company is a major client or a person who executes business for said person/entity
- Major client of the Company or a person who executes business for said client
- Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to compensation as a director/Audit and Supervisory Board Member
- Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
- Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to director him/herself only)
- Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to director him/herself only)
- Person who executes business for an entity receiving donations from the Company (applies to director him/herself only)
- Other

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Masahiro Terada	○	—	In order to reflect in the Bank's management his expertise and experience as a lawyer, as well as his experience as an inhouse attorney at a financial institution and an outside audit & supervisory board member etc. at other companies. In addition to the independence from internal management assured by his position as an Outside Director, he is not likely to generate any conflict of interests with ordinary shareholders. Therefore, the Bank has submitted to the Tokyo Stock Exchange, Inc. an "independent director statement" (<i>dokuritsu-yakuin todokede-sho</i>) that he is an independent director.
Yurina Takiguchi	○	—	In order to reflect in the Bank's management her extensive experience at mass media including anchor of TV economic programs. In addition to the independence from internal management assured by her position as an Outside Director, she is not likely to generate any conflict of interests with ordinary shareholders. Therefore, the Bank has submitted to the Tokyo Stock Exchange, Inc. an "independent director statement" (<i>dokuritsu-yakuin todokede-sho</i>) that she is an independent director.
Katsunori Tanizaki	○	—	In order to reflect in the Bank's management his experience and a wide range of knowledge as an executive obtained by assuming important posts at major financial institutions. In addition to the independence from internal management assured by his position as an Outside Director, he is not likely to generate any conflict of interests with ordinary shareholders. Therefore, the Bank has submitted to the Tokyo Stock Exchange, Inc. an "independent director statement" (<i>dokuritsu-yakuin todokede-sho</i>) that he is an independent director.

Makoto Hayashi	○	Mr. Makoto Hayashi entered into an advisory agreement with the Bank effective April 1, 2023; however, as the total compensation paid during the term of the agreement was less than 10 million yen, the Bank believes that the agreement does not pose a risk of affecting his independence. In addition, he is a holder of a SBI Shinsei Bank PowerFlex comprehensive retail account for individuals. Transactions of PowerFlex accounts of individual independent directors are the same as normal transactions on the accounts of ordinary individual customers and have no bearing on his independence. We therefore do not include here a summary of the transactions of his account.	In order to reflect in the Bank's management his extensive experience of expertise in governance and risk management, developed through many years of experience in these important positions at Prosecutor-General, the Tokyo High Public Prosecutors Office and Attorney General etc. In addition to the independence from internal management assured by his position as an Outside Director, he is not likely to generate any conflict of interests with ordinary shareholders. Therefore, the Bank has submitted to the Tokyo Stock Exchange, Inc. an “independent director statement” (<i>dokuritsu-yakuin todokede-sho</i>) that he is an independent director.
Yuji Sakoda	○	Mr. Yuji Sakoda is a holder of a SBI Shinsei Bank PowerFlex comprehensive retail account for individuals. Transactions of PowerFlex accounts of individual independent directors are the same as normal transactions on the accounts of ordinary individual customers and have no bearing on his independence. We therefore do not include here a summary of the transactions of his account.	In order to reflect in the Bank's management his extensive experience of expertise in governance and risk management including crisis management response, developed through many years of experience in these important positions at Director-General, Security Bureau, National Police Agency, Superintendent General, Tokyo Metropolitan Police Department etc., In addition to the independence from internal management assured by his position as an Outside Director, he is not likely to generate any conflict of interests with ordinary shareholders. Therefore, the Bank has submitted to the Tokyo Stock Exchange, Inc. an “independent director statement” (<i>dokuritsu-yakuin todokede-sho</i>) that he is an independent director.

Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee

Established

Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chairperson

	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	Nomination and Compensation Committee	Three	-	One	Two	-	-	Outside Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Nomination and Compensation Committee	Three	-	One	Two	-	-	Outside Director

Supplementary Explanation

The Bank established the Nomination and Compensation Committee, an optional body, for further enhancing the objectivity and transparency of the Board of Directors' functions of appointing candidates for directors and making decisions on directors' compensation.

The majority of the Bank's Board of Directors is currently composed of outside directors, creating a framework that enables objective and transparent discussions on the nomination of candidates for Directors, as well as on the directors' compensation system and the determination of specific compensation levels.

Based on a request from the Board of Directors, the Nomination and Compensation Committee is to discuss and respond to the Board concerning agenda items for the General Meeting of Shareholders related to the election/dismissal of Directors, matters related to the election/dismissal of the President & CEO, and matters related to compensation etc. of Directors.

"The Basic Policy on Corporate Governance of SBI Shinsei Bank" stipulates that the Bank's Nomination and Compensation Committee shall be composed of the President & CEO and two or more Outside Directors selected by resolution of the Board of Directors.

In order to fulfill its accountability towards stakeholders, The Bank will make efforts to continually strengthen its corporate governance framework by enhancing objectivity and transparency of the decision-making process.

Audit and Supervisory Board Member*

*Referred to as "*kansayaku*" in Corporate Governance Code reference translation

Establishment of Audit and Supervisory Board
Number of Audit and Supervisory Board Members

Established

Five

Stipulated in Articles of Incorporation	
Number of Audit and Supervisory Board Members	Three

Cooperation among Audit and Supervisory Board Members, Accounting Auditors and Internal Audit Departments

The Audit & Supervisory Board invites the accounting auditor and receives explanations regarding internal control evaluations and the results of accounting audits at the Bank and its Group companies and holds discussions with the accounting auditor. In addition, to confirm the independence of the accounting auditor and the appropriateness of audit methodologies, the Board receives reports on the audit plan and the accounting auditor's internal quality control system.

Regarding Key Audit Matters (KAM), the Audit & Supervisory Board holds discussions with the accounting auditor, receives reports on the progress of related audits, and seeks further clarification as necessary. The Board also receives periodic reports from internal control-related departments, including those responsible for risk management and compliance, on business operations. In particular, the Group Internal Audit Division prepares its internal audit plan with the Audit & Supervisory Board's approval and reports directly to the Board on the same basis as to the President and Chief Executive Officer. In addition to regular internal audits, the Audit & Supervisory Board may request the Group Internal Audit Division to conduct specific audits as necessary.

Furthermore, full-time Audit & Supervisory Board Member regularly holds discussions with the accounting auditor and, separately, with the Group Internal Audit Division, thereby enhancing the effectiveness of audits.

Appointment of Outside Audit and Supervisory Board Members	Appointed
Number of Outside Audit and Supervisory Board Members	Two
Number of Independent Audit and Supervisory Board Members	Two

Outside Audit and Supervisory Board Members' Relationship with the Company (1)

Name	Attributes			Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k	l	m
Ikuko Akamatsu	CPA										○			
Miyuki Nakagawa	Lawyer													

*Categories for "Relationship with the Company".

(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

- Person who executes business for the Company or its subsidiary
- A non-executive director or an accounting advisor of the Company or its subsidiaries
- Person who executes business for or a non-executive director of the Company's parent company
- An Audit and Supervisory Board Member of a parent company of the Company
- Person who executes business for a fellow subsidiary
- Person/entity for which the Company is a major client or a person who executes business for said person/entity
- Major client of the Company or a person who executes business for said client
- Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition

- to compensation as a director/ Audit and Supervisory Board Member
- i. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
 - j. Person who executes business for a client of the Company (excluding persons categorized as any of f, g, or h above) (applies to the auditor him/herself only)
 - k. Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to the director/auditor him/herself only)
 - l. Person who executes business for an entity receiving donations from the Company (applies to the person him/herself only)
 - m. Other

Outside Audit and Supervisory Board Members' Relationship with the Company (2)

Name	Designation as Independent Audit and Supervisory Board Member	Supplementary Explanation of the Relationship	Reasons for Appointment
Ikuko Akamatsu	○	Ms. Ikuko Akamatsu uses the Bank's PowerFlex comprehensive account and Power Smart Housing Loan. Transactions conducted by independent directors/auditors through PowerFlex accounts and Power Smart Housing Loans are ordinary transactions as general consumers and are not considered to affect their independence. Accordingly, a description of such transactions is omitted.	The Bank has appointed her to reflect in its audit activities her expertise as a Certified Public Accountant and a Certified Fraud Examiner, along with her extensive experience as an outside director and an outside Audit & Supervisory Board member of listed companies. The Bank has notified the Tokyo Stock Exchange of her designation as an independent director/auditor, as she is independent from management as an outside Audit & Supervisory Board member and is considered to have no risk of conflicts of interest with general shareholders.
Miyuki Nakagawa	○	—	The Bank has appointed her to reflect in its audit activities her expertise as a public prosecutor and a lawyer, along with her extensive experience as an outside director and an outside director serving on an audit committee of listed companies. The Bank has notified the Tokyo Stock Exchange of her designation as an independent director/auditor, as she is independent from management as an outside Audit & Supervisory Board member and is considered to have no risk of conflicts of interest with general shareholders.

Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members

Number of Independent Directors and Independent Audit and Supervisory Board Members	Seven
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Other Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members

All Outside Directors and Outside Audit & Supervisory Board Members who meet the qualifications for independent officers are designated by the Bank as independent officers.

Incentives

Implementation Status of Measures related to Incentives Granted to Directors	Introduction of Stock Options Scheme /Introduction of Executive Bonus System for Executive Directors
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Supplementary Explanation for Applicable Items

The Bank grants paid stock options to its executive directors.
In addition, from fiscal year 2026, the Bank has introduced an executive bonus system for its executive director

Persons Eligible for Stock Options	Inside Directors / Employees / Subsidiaries' Directors / Subsidiaries' Employees
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Supplementary Explanation for Applicable Items

The Bank grants stock options with contribution to its executive directors and executive officers, as well as to directors and senior executive officers of its subsidiaries, and grants stock options without contribution to the Bank's employees and to executive officers and employees of its subsidiaries.

Director Remuneration

Status of Disclosure of Individual Director's Remuneration	No Disclosure for any Directors
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Supplementary Explanation for Applicable Items

Information on directors' compensation is disclosed in the Business Report and the Annual Securities Report. The amounts of compensation for fiscal year 2025 disclosed in the Annual Securities Report are as follows:

Compensation for directors: JPY 141 million (excluding outside directors; number of recipients: 4), of which fixed compensation amounted to JPY 141 million.

Compensation for Audit & Supervisory Board Members: JPY 21 million (excluding outside Audit & Supervisory Board Members; number of recipients: 1), of which fixed compensation amounted to JPY 21 million.

Compensation for outside officers: JPY 84 million (number of recipients: 7), of which fixed compensation amounted to JPY 84 million.

(Notes)

1. Amounts are rounded down to the nearest million yen.

2. Four directors concurrently serve as executive officers.
 3. The maximum aggregate amount of compensation for directors was resolved at the 22nd Annual General Meeting of Shareholders held on June 22, 2022, to be within JPY 230 million per year (for nine directors at the time). This limit does not include salaries for directors who concurrently serve as employees.
 4. The maximum aggregate amount of compensation for outside directors was resolved at the 15th Annual General Meeting of Shareholders held on June 17, 2015, to be within JPY 60 million per year.
- * At the 26th Annual General Meeting of Shareholders held on June 22, 2026, it was resolved that the maximum aggregate amount of compensation for directors shall be JPY 700 million per year, and that for outside directors shall be JPY 110 million per year.

Policy on Determining Remuneration Amounts and Calculation Methods

Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

An outline of the policy for determining the details of compensation, etc. for individual directors is as follows:

1. Compensation Structure

Compensation for the Bank's directors (excluding outside directors) shall consist of fixed compensation ("Base Compensation") and performance-linked compensation ("Bonus") based on the Bank's performance, etc.

Compensation for outside directors shall consist solely of fixed compensation ("Base Compensation"), in light of their role in supervising management.

(1) Base Compensation shall be paid as monthly monetary compensation and shall be determined taking into account the role and responsibilities of each director.

(2) Bonuses shall, in principle, be paid once a year in cash as performance-linked compensation based on the consolidated performance of the Bank Group for the previous fiscal year.

The standard amount of the bonus for each director shall be approximately one-third of the total compensation of such director in the case of standard performance.

The amount of the bonus for each director shall be determined within a range of 0% to 150% of such standard amount, based on performance evaluations conducted under the Bank's consolidated performance evaluation framework, which incorporates both quantitative and qualitative assessments.

2. Compensation Determination Process

In order to ensure fairness and transparency in the process for determining compensation of officers, the Bank has established a voluntary Nomination and Compensation Committee, a majority of whose members are independent outside directors.

The policy for determining the amount of compensation, etc. or the method of calculating such amount shall be determined by the Board of Directors after receiving recommendations from the Nomination and Compensation Committee.

The amount of compensation for each individual director shall be determined by the Board of Directors, within the total amount of compensation approved at the General Meeting of Shareholders, after receiving recommendations from the Nomination and Compensation Committee.

Support System for Outside Directors (and/or Outside Audit and Supervisory Board Members)

Outside Directors are supported by the Board of Directors Secretariat, which provides them with the information necessary for the execution of their duties. Materials for Board meetings are distributed well in advance, and explanatory sessions on agenda items are held to ensure that each Director can make appropriate decisions at Board meetings.

Outside Audit & Supervisory Board Members are supported by staff assigned to assist them in the performance of their duties, ensuring that they receive the necessary support.

2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Compensation Decisions (Overview of Current Corporate Governance System)

The Board of Directors

The Bank has consistently engaged in management which emphasizes the supervisory functions of outside Directors in order to achieve transparency and objectivity management as it seeks to achieve sustainable growth and enhance the Bank's corporate value over the mid to long term. In accordance with its corporate governance framework as a "Company with an Audit & Supervisory Board," the Bank has a Board of Directors structure in which outside Directors outnumber internal Directors, with Directors responsible for daily business execution and Outside Directors. The current outside Directors are a well-balanced group of executives that bring to the Bank their extensive experience and expertise in a range of fields strongly related to the Bank's business, including financial services, legal and governance, risk management, IT/Digital and investor relations/corporate communications etc. Drawing upon their experience and expertise, the Bank's outside Directors provide independent and objective perspectives regarding the Bank's management and operations and fulfil vital roles as both supervisors and advisors to the Executive Directors.

The Board of Directors, in principle, is held once a month. At these meetings, all Board members express their opinions freely and engage in robust discussions. The outside Directors articulate their views regarding the management of the Bank, drawing upon their diverse backgrounds to offer a broader range of perspectives on topics being discussed and perform supervisory roles regarding management issues such as whether optimum strategies are being adopted, whether the risk-return balance is appropriate and whether a particular course of action will contribute to the growth of the Bank's businesses. By determining policy through such discussions, the Bank seeks to achieve sustainable growth and enhancement of the Bank's corporate value over the mid to long-term, protection of the interests of all stakeholders including our shareholders and customers as well as maintain appropriate business promotion frameworks. Furthermore, efforts to improve the effectiveness of the Board of Directors by enabling the Board members to focus on discussing key management issues and important matters which affect the mid- to long-term sustainable growth of the Bank.

The Outside Directors and Audit & Supervisory Board Members of the Bank are not involved in the day to day execution of the Bank's business and in order to ensure the sharing of their independent viewpoints as well as to share detailed information regarding the execution of the Bank's business with each of the outside officers, the Bank holds regular meetings attended only by the outside officers. Through these meetings each outside Director and Audit & Supervisory Board Member is able to more effectively fulfill their role as supervisors, advisors and auditors to the Executive Directors responsible for the Bank Group's day to day operations.

In addition, the Bank's Articles of Incorporation provide that the term of office of Directors shall be one year. The Board of Directors determines the nomination of Director candidates and the compensation of individual Directors within the maximum amount approved at the General Meeting of Shareholders, following deliberation by the Nomination and Compensation Committee.

With respect to transactions with directors and the parent company group, the Bank conducts deliberations on conflicts of interest and the fairness of such transactions at the Special Transaction Review Committee, which is established in accordance with internal regulations and composed, among others, of the Executive Officer in charge of Group Legal and Compliance, with the participation of a full-time Audit & Supervisory Board Members being mandatory.

Executive Officers, the Group Executive Committee, and the Executive Committee

To ensure agility in day-to-day business execution, the Bank has established “Divisions” as the basic unit of business operations and has adopted a structure under which Executive Officers, delegated by the Board of Directors, oversee the operations of each department as officers in charge, under the direction of the President and CEO. With respect to indirect functions such as human resources and finance, the Bank has consolidated the functions of group companies into the “Group Headquarters” established within the Bank, within the scope permitted under the Banking Act, the Companies Act, and other applicable laws and regulations, thereby enhancing the sophistication of operations on a consolidated basis and improving productivity.

In addition, the Bank has established the Group Executive Committee and the Executive Committee, comprising “Executive Directors” (gyoumu-shikkou-torishimariyaku), the Heads of Executive Officers, and Executive Officers in the Group Headquarters, as decision-making bodies for the President and CEO with respect to business execution. Various committees that handle specialized matters - such as the Group ALM Committee, the Group Compliance Committee, the Group Risk Policy Committee, the Group IT Committee, the Group Business Continuity Management Committee, the Group Basel Committee, the Group Management Development Committee, the Group New Business Product Committee, the Group Sustainability Committee, and the Doubtful Debt Committee are also established to support these committees. Through this framework, the Bank ensures that decisions are made following sufficient deliberation and examination in accordance with the nature of each agenda item.

Audit & Supervisory Board Members / Audit & Supervisory Board

The Audit & Supervisory Board of the Bank consists of one full-time Audit & Supervisory Board Member with extensive business experience at the Bank and two outside Audit & Supervisory Board Members, one of whom is a lawyer and the other holds qualifications as both a Certified Public Accountant and a Certified Fraud Examiner. Each Audit & Supervisory Board Member audits the legality and appropriateness of the Directors’ execution of duties from a standpoint independent of the Board of Directors, drawing on his or her respective expertise. To support their duties, the Bank has established the Office of Audit & Supervisory Board Members, staffed by three dedicated personnel.

The full-time Audit & Supervisory Board Member keeps apprised of the Bank Group’s business operations by exchanging opinions with the President and Chief Executive Officer, attending important meetings and various committees including the Group Executive Committee, receiving reports from internal control-related departments, reviewing important documents, exchanging opinions with presidents and corporate auditors of subsidiaries, conducting on-site inspections of branches, and holding monthly meetings with the accounting auditor and the Group Internal Audit Division. The information thus obtained is shared with the outside Audit & Supervisory Board Members, and through discussions at meetings of the Audit & Supervisory Board, the Board oversees the execution of business operations.

The effectiveness of the Audit & Supervisory Board is assessed through questionnaires and opinion exchanges conducted with full-time and outside Audit & Supervisory Board Members, as well as corporate auditors of subsidiaries. Based on the results, the Audit & Supervisory Board reviews the audit plan, the audit framework, audit activities, and coordination with the accounting auditor and the internal audit division, and incorporates these results into the audit plan and audit activities for the following fiscal year, thereby maintaining and enhancing the effectiveness of audits conducted by the Audit & Supervisory Board Members.

Internal Audit

The Group Internal Audit Division (GIAD) of the Bank regularly makes direct reports regarding the results of audits and the status of GIAD activities to the President and the Audit & Supervisory Board. The GIAD supports the President in his responsibility for controlling business execution, in particular for establishing an effective system of internal controls, and also supports the Audit & Supervisory Board in their responsibilities for audit and supervisory activities, in particular for monitoring the system governing internal controls and its operation. The GIAD provides independent and objective assessments of the effectiveness of risk management, control and governance processes, the reliability of information and information technology systems, and compliance with statutory, legal and regulatory requirements as well as internal policy and procedure requirements of the Bank, and provides solutions to management. The GIAD submits annual and semiannual activity reports to the Board of Directors. It also exchanges views with the external auditor on a regular basis and as necessary, and strives to work collaboratively to enhance the effectiveness and efficiency of the audit function.

The GIAD is independent of all organizations subject to internal audits, as well as being independent of day-to-day operational activities and control processes, including regular preventive and detective controls. The GIAD utilizes a risk-based audit approach and creates a comprehensive risk assessment by combining a macro-risk assessment, assessing risk from the perspective of the Banking Group as a whole, together with a micro-risk assessment, assessing risk from an individual business level. Audit resources are prioritized to businesses or processes perceived to have relatively higher risk.

In order to improve the effectiveness and efficiency of internal audit activities, it is important to gather relevant information about the business departments. To do so, the GIAD has enhanced its off-site monitoring activities by attending key management meetings, reviewing internal control documents and holding regular meetings with senior management.

Comprised of the Business Audit Team, the IT Audit Team and the Quality Control and Planning Team, the GIAD takes the initiative in developing our internal auditors' expertise, in particular, strongly encouraging them to obtain professional certifications such as the Certified Internal Auditor and Certified Information Systems Auditor qualifications.

While the GIAD pursues the development and introduction of new audit techniques, it also recognizes the importance of maintaining fundamental skills necessary to performing its governance-related duties. The GIAD has integrated internal audit functions within the Bank and major subsidiaries, and conducts internal audit activities in an integrated manner across the Bank group. By receiving regular quality assessments carried out by a third party organization of group internal audit activities, we are able to identify opportunities for improvement from an objective viewpoint.

3. Reasons for Adoption of Current Corporate Governance System

The Bank is now expected to ensure more active involvement by the Board of Directors in internal control system establishment and risk management. It also recognized the need to strengthen its audit functions, such as daily business execution audit activities by full-time Audit & Supervisory Board Members, and supervision of business execution and Director activities by Audit & Supervisory Board Members responsible for audits and independent from directors. Based on such an understanding, the Bank changed its governance framework as a "Company with an Audit & Supervisory Board" (*kansayakukai-setchi-gaisha*) June, 2010.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize General Meeting of Shareholders and Facilitate Exercise of Voting Rights

	Supplementary Explanation
Early Posting of Notice of the General Meeting of Shareholders	The Company aims to issue convocation notices at least three weeks before the ordinary General Meeting of Shareholders in order to give shareholders time to examine proposals. In addition, prior to the mailing of the convocation notice, an electronic version of the notice will be posted on the Bank's website.
Scheduling of the General Meeting of Shareholders on a Non-Peak Day	The General Meeting of Shareholders is scheduled on a day other than the peak concentration day.
Electronic Exercise of Voting Rights	The Company has adopted an electronic voting system that allows shareholders to exercise their voting rights via the Internet and smartphones.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	Institutional investors are able to access the electronic voting platform operated by ICJ, Inc.
Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	An English translation of the information about proposals in the convocation notice for the ordinary General Meeting of Shareholders and an English version of the convocation notice is available on the Company's website.

2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	The Bank's disclosure policy is included in "SBI Shinsei Bank Disclosure Policy" available on the Bank's website.	
Regular Investor Briefings held for Individual Investors	The Bank plans to hold IR briefings for individual investors.	Not Held
Regular Investor Briefings held for Analysts and Institutional Investors	Following every quarterly financial results announcement, the Bank holds investor briefings with presentations and/or online meetings.	Held
Regular Investor Briefings held for Overseas Investors	Following every quarterly financial results announcement, the Bank holds investor briefings with presentations and/or online meetings.	Held
Online Disclosure of IR Information	Timely disclosure materials (including financial results materials), presentation materials for financial results briefings, materials related to the General Meeting of Shareholders, and integrated reports are posted on the	

	Bank's website. https://corp.sbishinseibank.co.jp/en/index.html
Establishment of Department and/or Placement of a Manager in Charge of IR	Department: Sustainability and Communications Division Place of Manager in Charge of IR: Senior Managing Executive Officer, Group Chief Financial Officer

3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	In compliance with SBI Group Compliance Code of Conduct, we declare our commitments in the Charter of SBI Shinsei Bank Group Corporate Behavior, as we are to be; 1. a banking group that is sought out by customers, with stable profitability, and contributing to the development of industrial economies in Japan and overseas 2. a banking group that values diverse talents and cultures and that is continually able to take on new challenges in a changing environment while taking into consideration experience and history 3. a banking group that has highly transparent management as well as be trusted by all stakeholders including customers, investors, and employees. In order to realize this, we will comply with all laws, regulations and social norms in executing our operations, respect the basic human rights of all people, and make decisions and act quickly with in-depth analyses and flexible thinking.
Implementation of Environmental Preservation Activities and CSR Activities, etc.	The Bank Group recognizes that the sound development of society is the foundation of the Group's existence, and believes that it is important to fulfill its role as a good corporate citizen that contributes to the development of a sustainable society. We regard social contribution activities as activities that have a positive impact on the creation of a sustainable society in which each employee of the Bank Group can participate with sympathy. We prioritize activities with the themes of "Promoting social diversity including nurturing the next generation" "environmental conservation" "Contribution to local communities." We are actively promoting social contribution activities while keeping in mind value co-creation in cooperation with support destinations and partners. As a representative initiative that leverages the strengths of the Bank Group, there is "MoneyConnection," a basic financial education program co-developed in 2006 by Shinsei Financial, a subsidiary of the Bank, and Sodateage.net, a certified NPO that supports young people in finding employment. Since fiscal 2012, the Bank Group has regarded this program as one of its key CSR activities and has promoted it in collaboration with the organization. The program has been implemented mainly for high school students across Japan, aiming to prevent unemployment, isolation of young people, and

	promoting financial literacy. The program was implemented in 1,643 high schools and 202,791 students as of March 31, 2026. We have provided the program with young people over 20 years. The Bank Group will continue to support young people who will shape the future through the program.
Formulation of Policies, etc. on Provision of Information to Stakeholders	In order to increase management transparency, to ensure an accurate understanding of the Bank's business conditions and management policies by customers, shareholders, and investors and to secure appropriate evaluations of the Bank by the financial markets and society at large, the Bank actively discloses a wide variety of information related to its management and business. In addition to providing legally required disclosures, the Bank endeavors to meet the disclosure requirements of customers and other stakeholders through the voluntary, timely, continuous, and impartial disclosure of information.
Other	The Bank Group has established and posted on the Bank's website the "Group Sustainability Management Policy," which sets out the Group's basic policy and direction for sustainability management and initiatives related to environmental and social issues. The Bank Group believes that securing diverse viewpoints and values within the organization and enabling them to co-exist organically through sound conflict and fusion—namely, realizing diversity and inclusion—will lead to the creation of new value, contribute to the sustainable growth of the Bank Group and the realization of its management principles, and ultimately become a source of the Group's competitiveness. To promote diversity and inclusion, the Bank Group has established the Diversity Promotion Office within the Group Human Resources Division, and has also established the Group Diversity & Inclusion Committee, chaired by the heads of business divisions, to enhance the effectiveness of diversity initiatives across the Group, including the promotion of women's active participation. In addition, with the aim of promoting initiatives tailored to each organization, D&I subcommittees have been formed on an organizational basis to address specific challenges related to diversity and inclusion within each unit. Since fiscal year 2020, diversity-related targets have also been incorporated into performance goals for managers. Furthermore, in order to clearly demonstrate this stance, the President has endorsed the "Leaders Coalition for Empowerment of Women" declaration and the Women's Empowerment Principles ("WEPs"). The Bank Group places importance on diversity among core personnel involved in key decision-making. With respect to the promotion of women's

participation, the Group has set and disclosed targets for the ratio of female managers (at the section manager level and above) for both the Group as a whole and each Group company. As for the appointment of foreign nationals and mid-career hires, no specific numerical targets have been set, as mid-career hires already account for more than half of total employees and approximately 60% of managers, and both foreign nationals and mid-career hires play active roles as core personnel on an equal footing with employees who joined the Bank as new graduates. In addition to mid-career hiring, the Bank Group actively rehires former employees who have gained experience in different environments after leaving the Bank, thereby enhancing their knowledge and skills and developing new insights, and has established an alumni network to maintain ongoing relationships with such individuals.

The Group is also promoting the planned development of diverse human resources who will be responsible for the next generation of management, and allows employees to engage in secondary employment or side businesses with the aim of enhancing their skills, expanding external networks, broadening perspectives, and gaining diverse experiences.

In order to enable employees with diverse backgrounds to work without being constrained by life stages or life events, the Group is developing systems that provide a range of flexible working options, including staggered working hours, flextime, telework, and flexible working arrangements (such as reduced working hours for life support purposes, special life support leave, and three- or four-day workweeks).

The status of securing internal diversity through these initiatives—including the ratio of female managers, the number and ratio of mid-career hires, and the number of rehired employees—is disclosed regularly on the Bank's website, in the Integrated Report, and through other channels.

IV. Matters Concerning the Internal Control System

1. Basic Views on Internal Control System and Status of Development

For corporate governance to function effectively, it is necessary not only to establish frameworks for oversight of business execution and decision-making centered on the Board of Directors, but also to develop systems that enable functions such as internal audit and compliance to operate properly. In addition, the establishment of an internal control system as required under the Corporation Act, and the assurance of internal controls to secure the accuracy of financial reporting as required under the Financial Instruments and Exchange Act, are also essential elements for ensuring the effective functioning of corporate governance. While the responsibility for establishing and maintaining internal controls rests with management, the overall effectiveness of internal control is achieved through the implementation of concrete control measures by each department engaged in day-to-day operations.

At the Bank, the basic policy for establishing an internal control system to ensure the appropriate and efficient execution of daily operations is set out in the “Internal Control Rules”, which is approved by the Board of Directors. The Board of Directors also reviews the status of the development of the internal control system on an annual basis. The “Internal Control Rules” stipulates, among other matters, that (i) the internal control system shall consist of three components: autonomous control functions within the operational line (first line functions), management functions such as compliance that are independent from the operational line (second line functions), and internal audit functions that are independent from both (third line functions); and (ii) the Board of Directors shall appropriately identify and address significant risks and issues by receiving timely and appropriate reports from the second and third line functions, and shall periodically verify key policies and controls. Under this rule, the Bank has established, as its fundamental rules, the SBI Group Compliance Code of Conduct, the Group Risk Governance Policy, the Group Risk Management Policy, the Group Information Security Policy, the Regulations of Business Execution, the Subsidiaries and Affiliates Policy, the Group Headquarters Organization Management Policy, and the Internal Audit Policy. In addition, by developing systems to ensure the effectiveness of audits by the Audit & Supervisory Board Members, the Bank strives to secure the appropriateness, transparency, and efficiency of operations across the entire group, including its subsidiaries.

Furthermore, the Bank has established frameworks to prevent various damages caused by antisocial forces and to ensure the soundness of operations, including through “The Charter of SBI Shinsei Bank Group Corporate Behavior”, which stipulates the severance of any relationships with antisocial forces.

With respect to internal controls over group companies, the “Subsidiaries and Affiliates Policy” defines the roles of Specialized Sections, Business-Supervising Sections and Governance Sections in order to ensure business operations that are aligned with the overall management strategy and business plans of the Bank’s group, as well as with its risk management and compliance frameworks. Specifically, the Specialized Sections within the Group Headquarters primarily work to establish group-wide internal management frameworks by developing rules and regulations relating to the management of subsidiaries within their respective areas of responsibility, periodically confirming the status of system development and operational implementation at subsidiaries and affiliates, and providing guidance and monitoring improvement efforts. Business-Supervising Sections, after confirming compliance with the applicable industry laws and regulations governing each company, support the promotion and appropriate operation of business activities. Governance Sections support the exercise of autonomy by each company while collaborating with the Specialized Sections to ensure alignment with the Group’s overall strategy and direction. In addition, the Group Corporate Planning Division undertakes the role of the Governance Sections for major subsidiaries and oversees the overall management of subsidiaries and affiliates. Furthermore, matters relating to the business activities and internal management of

each company are regularly reported to the Group Executive Committee, and important matters concerning the management of each company are submitted to or reported at the Group Executive Committee and key committees organized by the Specialized Sections. Under this framework, the Group Headquarters and its subsidiaries and affiliates conduct integrated and efficient business operations to the extent practicable in accordance with the principles set forth in the “Group Headquarters Organization Management Policy”, thereby further enhancing the Group-wide management framework.

2. Basic Views on Measures for Eliminating Anti-Social Forces and Status of Development

The Bank Group has clarified its stance on eliminating relationships with anti-social forces by clearly stating in its Internal Control Rules that it will “sever all relationships with anti-social forces.” Based on this policy, the SBI Shinsei Bank Group Code of Conduct declares: “We will take a firm and resolute stance against anti-social forces that threaten the order and safety of civil society, will always prevent their unjustified intervention, and will sever all relationships with anti-social forces so as not to provide them with any foundation for their activities.”

Furthermore, in terms of organizational structure, the Financial Information Management Office of the Group Legal and Compliance Division has been designated as the department responsible for overall control, planning, and management of measures to prevent transactions with anti-social forces and related matters. The Office works closely with the Group General Affairs Division, which is primarily responsible for frontline responses, and undertakes various initiatives to sever relationships with anti-social forces. Specifically, the Bank Group maintains a monitoring framework under which it periodically checks whether there has been any contact with anti-social forces, including at group companies, and the circumstances of any such contact, and reports the results to the Bank’s management. In addition, the Bank and its major subsidiaries have established departments responsible for overall coordination of responses and have assigned persons responsible for preventing unjustified demands at business locations.

The Bank Group also conducts checks for anti-social forces before commencing transactions and periodically after transactions have begun. As a general rule, the Bank Group includes so-called “anti-social forces exclusion clauses” in all contracts. If a counterparty is found to be an anti-social force, the Bank Group, as necessary, works with specialists such as the police, legal counsel, and external organizations to terminate the transaction, thereby maintaining a framework for eliminating anti-social forces from its transactions. Group companies also share within the Group information on anti-social forces held by the Bank and have established checking and transaction-exclusion frameworks at the same level as those of the Bank.

In addition, as part of frontline responses to eliminate anti-social forces, the Group General Affairs Division focuses on collecting information related to anti-social forces through timely visits to the police and external specialized organizations. The Division also actively utilizes training sessions on measures against anti-social forces hosted by external specialized organizations, distributes timely information to the Bank and its group companies, revises response manuals in light of prevailing circumstances, and conducts crisis management training.*

* The Bank conducts annual e-learning training for officers and employees of the Bank and the Group.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
Supplementary Explanation for Applicable Items	
When anti-takeover measures are adopted or implemented, the Board of Directors examines their necessity and rationale, ensures appropriate procedures, and provides sufficient explanation to shareholders.	

2. Other Matters Concerning the Corporate Governance System

With respect to its information disclosure framework, the Bank has established the “SBI Shinsei Bank Disclosure Policy” as an internal rule and has developed a framework for disclosing important corporate information to investors in a timely and appropriate manner. Under the leadership of the information handling officers, relevant departments work together to promptly identify material matters and disclose them swiftly, thereby realizing highly transparent management.

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