FFG IR Day

Business Strategy for Minna Bank

Progress Status of Various Figures and Future Strategies

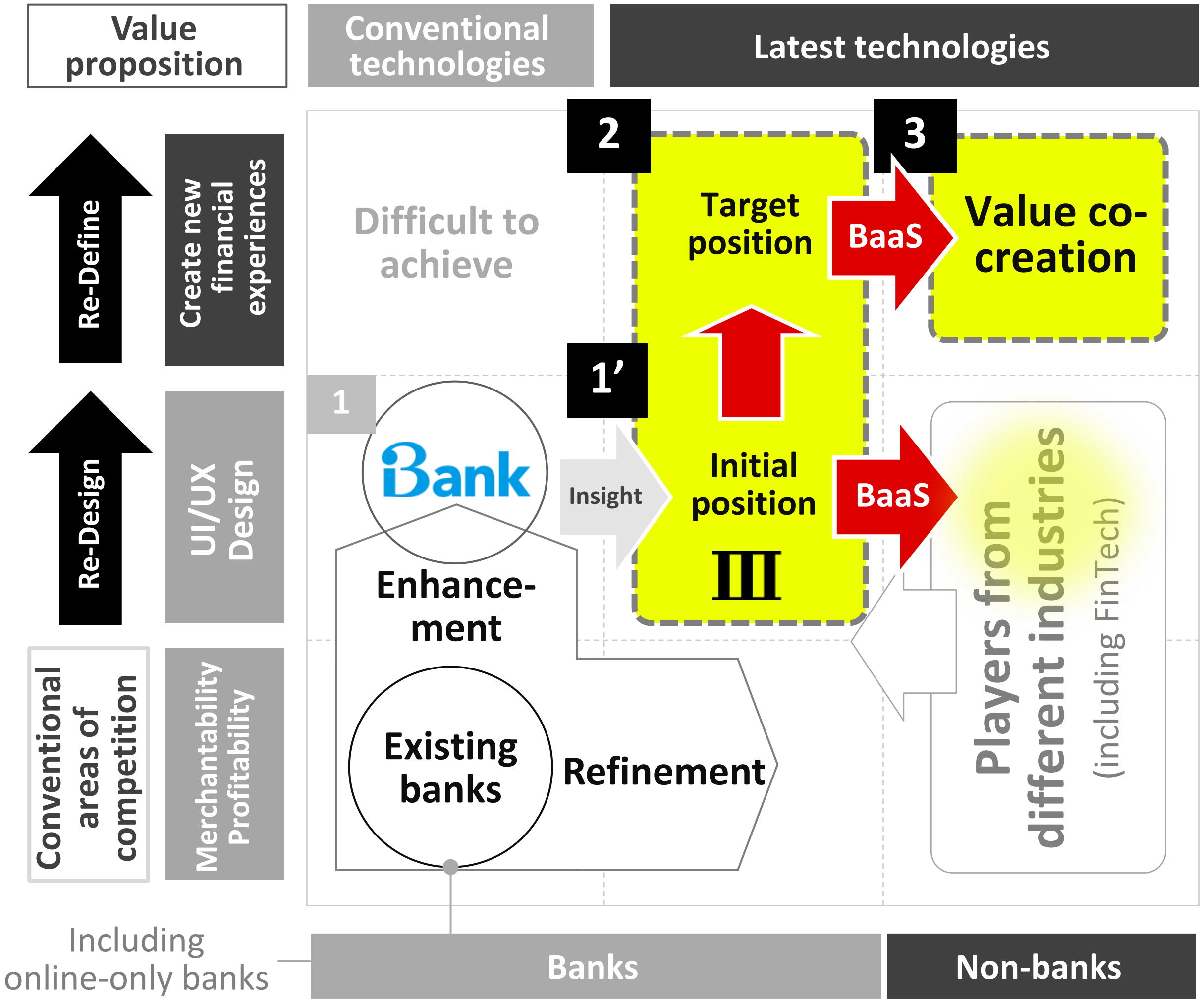
Minna no Ginko

September 8, 2025

FFG

Create diverse forms of abundance with our communities through advanced ideas

Introduction | Minna Bank's Competitive Strategy (Positioning)



1 FFG is developing iBank business to upgrade existing banking businesses

Leading the industry with customer-driven UI/UX as the first "Neobank" in Japan

1' "Financial Re-Design" by UI/UX and the latest technology

- **Enhancement of a frictionless financial experience that reflects customer feedback**
- **Development of BaaS business by making necessary functions available externally via an API**

2 "Financial Re-Define" by providing new financial functions

- **Development of unique services that are in line with changes in customer behavior**
- **Cultivation of customer segments other than digital native (retail) customers**

3 "Dramatic Expansion of BaaS" by providing functions not found in other companies/banks

- **B2B2X... Providing new financial experiences through partner companies**
- **Providing Web3 and stablecoin solutions**

Progress Status of Various Figures

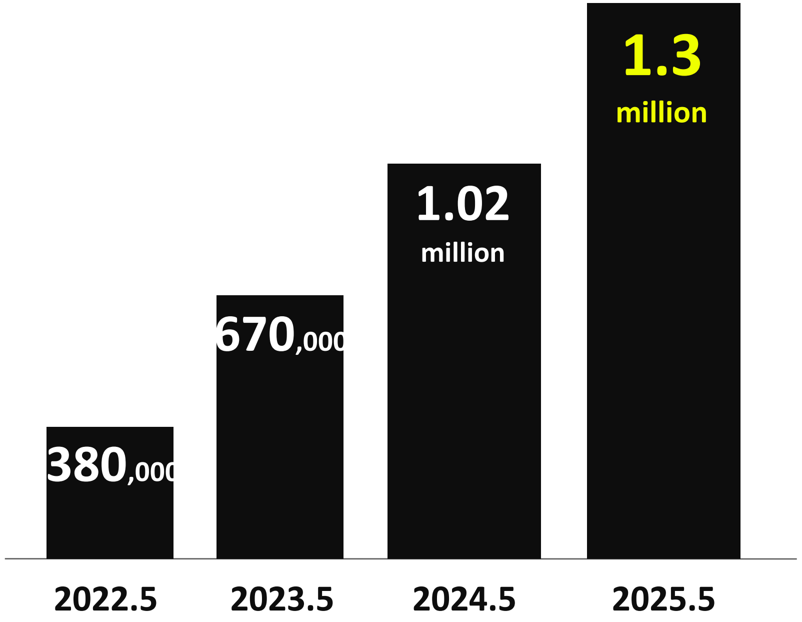
User Status

Number of accounts opened

Since the service launched in May 2021

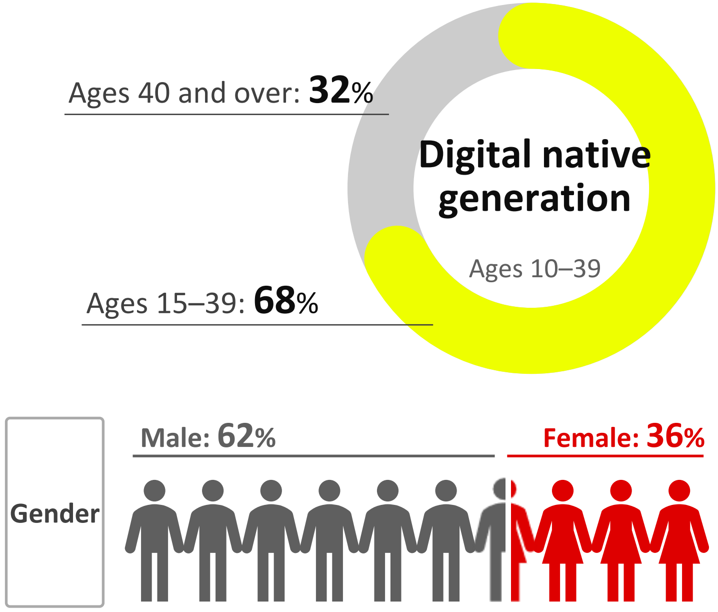
Over **1.3 million**

accounts have been opened



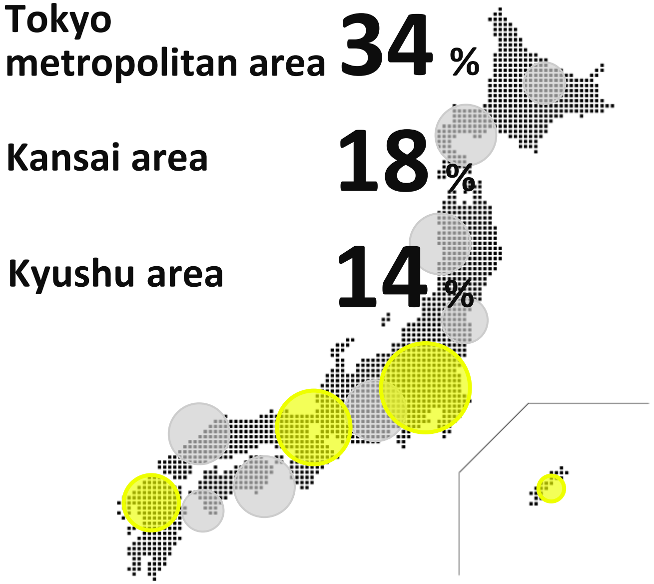
User attributes

Approx. **70%** of users are from the digital native generation



User distribution

Users are **spread nationwide, reflecting demographic trends**, with a focus on the **Tokyo metropolitan area**

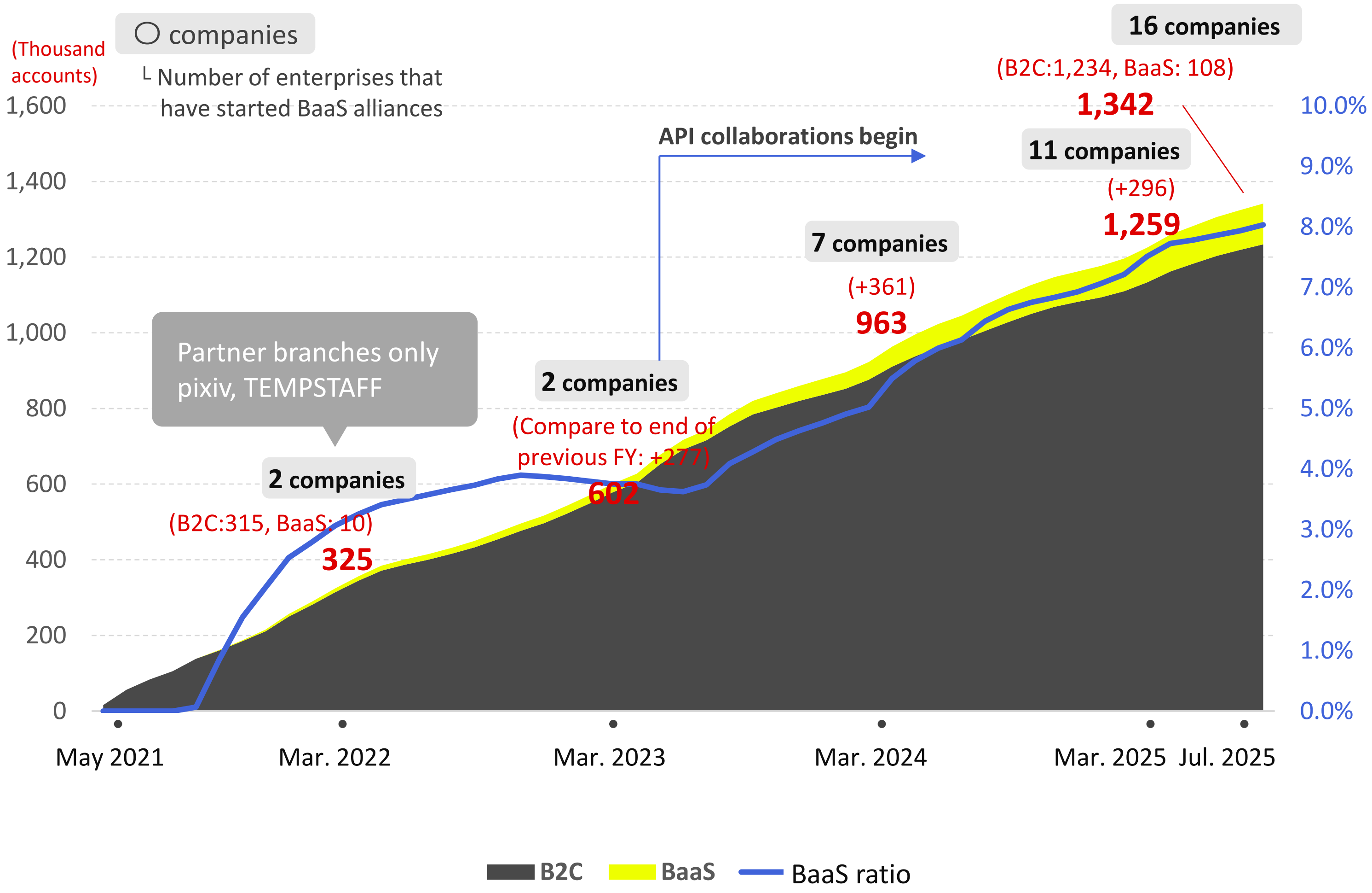


User attributes and distribution are as of March 31, 2025

Track Record in Number of Accounts Opened

Number of accounts and other metrics have consistently trended upward since launch. Recently, proportion of BaaS accounts has been rising along with the increase in BaaS partners.

Number of accounts (excluding canceled accounts)



Key points

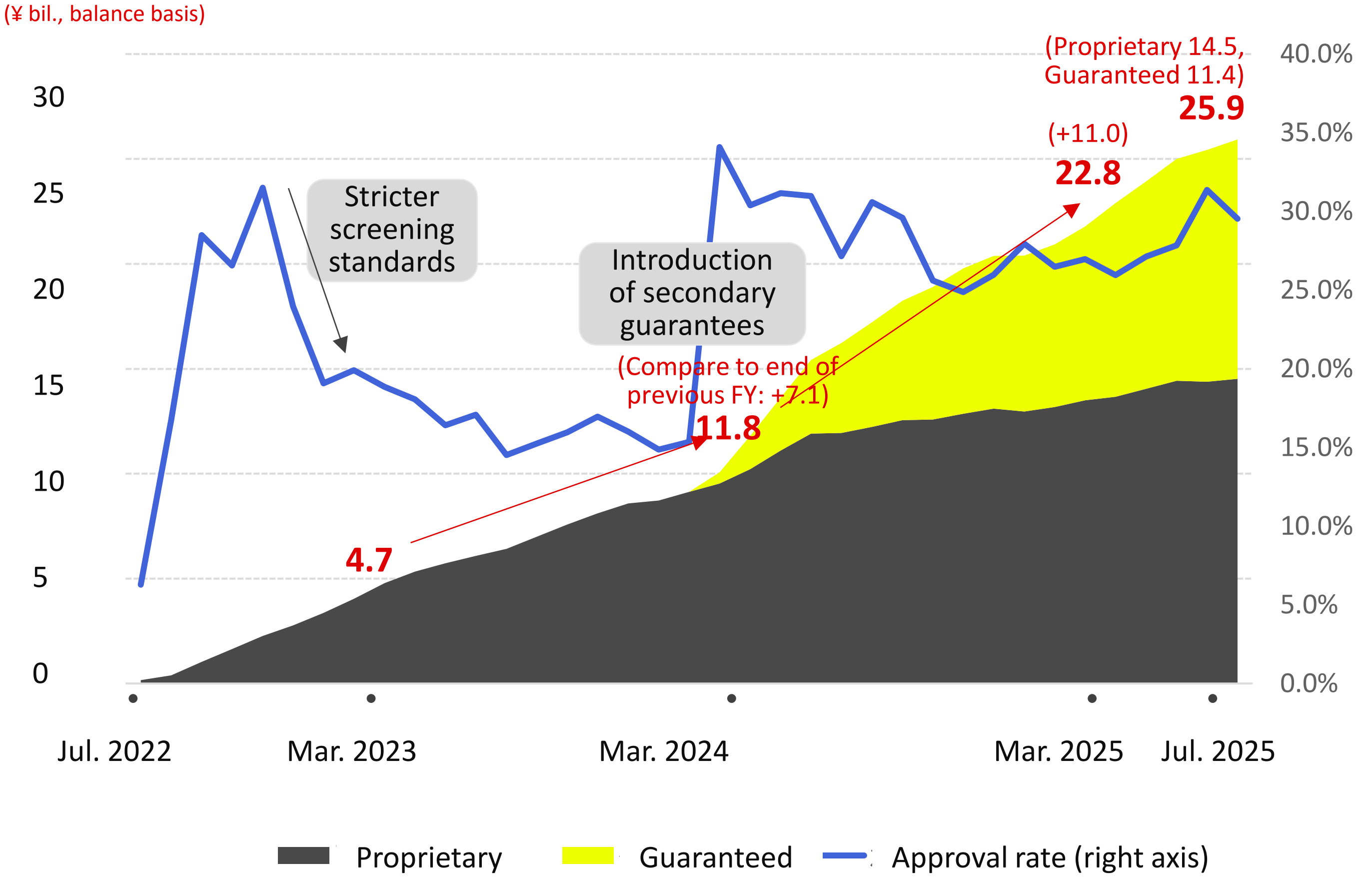
- ✓ BaaS business alliances started with partner branches for pixiv and TEMPSTAFF
- ✓ API collaborations began sequentially in 2023. Currently, BaaS accounts as a percentage of all accounts **have risen to about 10%**
- ✓ **Aiming for dramatic increase in account acquisition by adding BaaS partners with large customer bases, such as Mercari,** while continuing to acquire accounts via existing BaaS partners

  ⇨ By FY2027, the ratio of B2C:BaaS accounts will be reversed

Loan | Track Record of Various Metrics

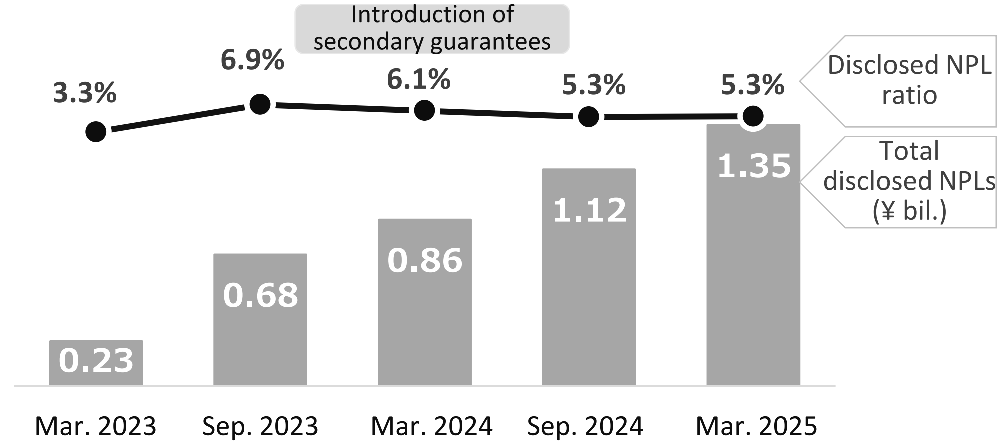
Loan balance has continuously trended upward since launch of service. Since the introduction of secondary guarantees, the upward trend has accelerated and approval rates have also improved significantly.

Loan balance



Reference data

NPLs disclosed under the FRL



* Amounts and ratios include “Cover”

Key points of current initiatives

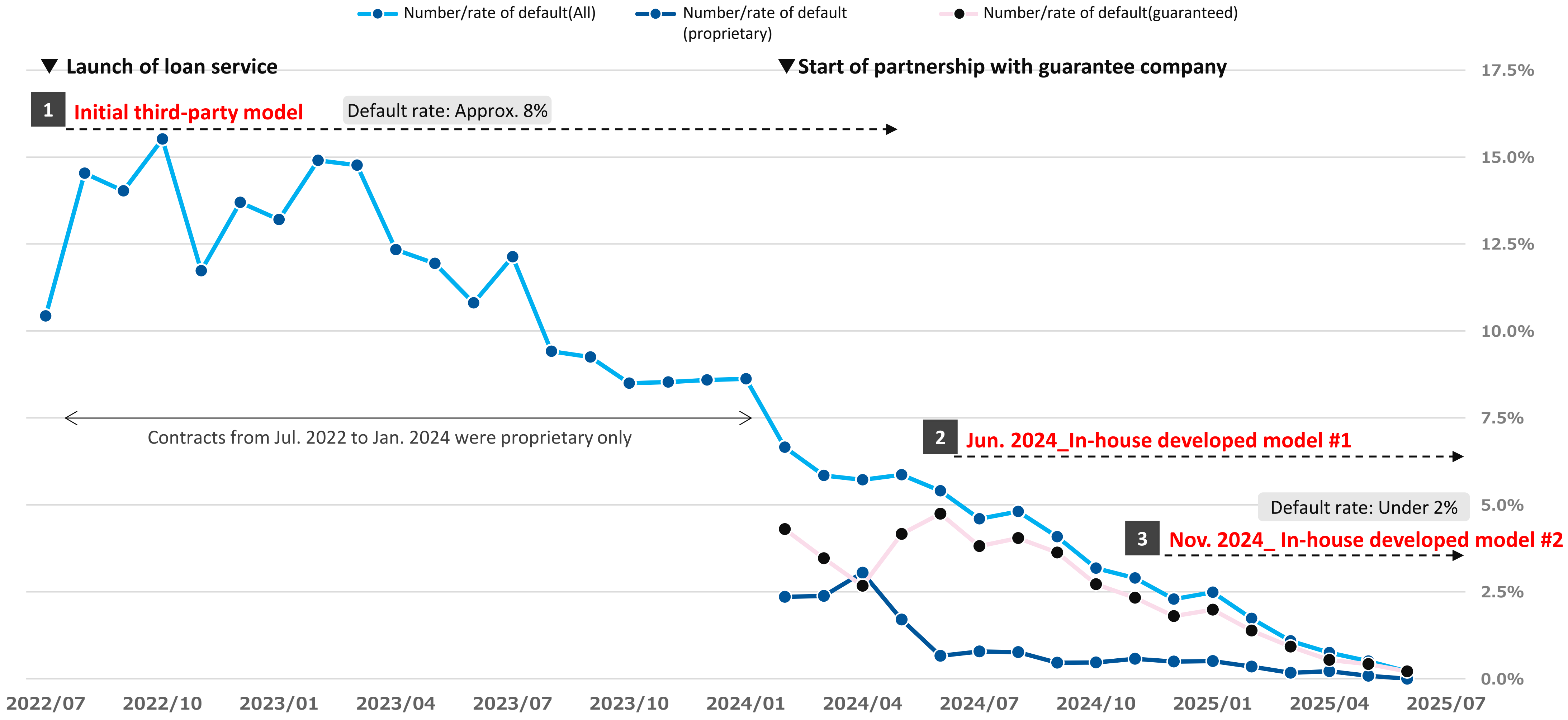
Loan balance = **Number of accounts** × Application rate × **Approval rate** × Contract rate × Unit value

Dramatically increasing number of accounts via BaaS will contribute dramatically to balance

More advanced models and introduction of secondary guarantees will improve approval rate

Loan | More Advanced Credit-screening Model

Non-performing loans are controlled by shifting to a more advanced credit-screening model developed in-house based on our own data.



* Monthly count of contracts in legal default ÷ Number of loan contracts (stock)

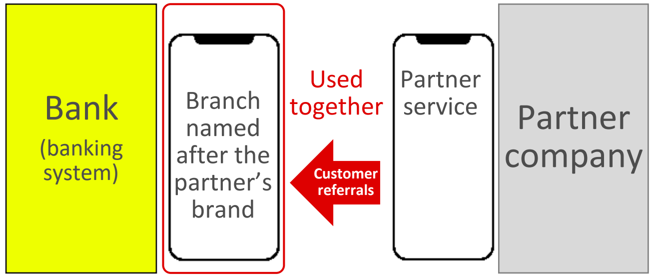
BaaS | Three Service Provision Models

Model

"Partner Branch" model

Envisioned partnership

- Digital branch within the Minna Bank app that expresses the partner company's worldview
- Achieves marketing synergies by being used together with the partner company's own services



Provided functions

Equivalent to the **functions provided** **within the Minna Bank app**

Improved LTV

Implementation burden

In principle, no need to acquire financial license

In principle, no need for partner company to develop system

and

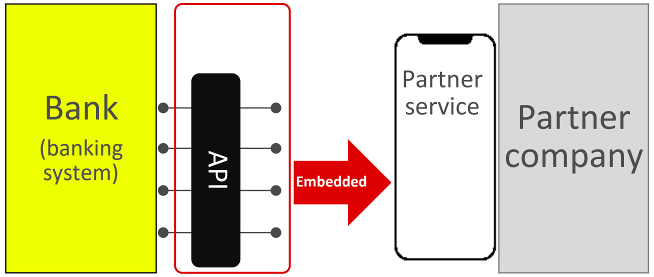
or

API collaborations

"API Provision" model

Envisioned partnership

- Frictionless user experience achieved with Minna Bank's financial API
- Financial functions can be flexibly embedded into partner company's existing channels



Provided functions

Enhanced customer experience

Reduced costs

Equivalent to **Minna Bank's API development status**

Implementation burden

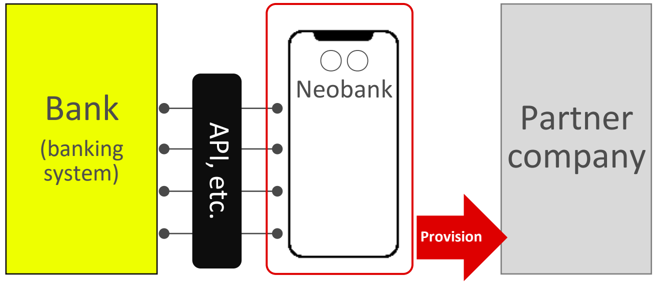
Financial license may be required

Both sides **need to develop system for API collaboration**

"White Label App Provision" model

Envisioned partnership

- Provision of a bank account package (complete app or website with API connection)
- Partner company can provide this to their customers, freely using their own company/service name



Provided functions

Acquire financial income

Implementation burden

In principle, **need to have "bank agency" license**

Service is implemented for each channel

BaaS | Strengths of “Minna BaaS”

Strength lies in the ability to flexibly develop and provide necessary financial functions on an API basis, according to the industry characteristics and commercial transactions of each company
New customer experiences are co-created by integrating into the services and apps of businesses whose end-users are primarily retail customers

	Main users: **Retail**	Main users: **Corporate**
Individual provision of APIs	**Minna Bank** **Individual provision of APIs** Integrated into the apps and services of businesses	Competitors Substantial APIs for corporate customers Batch transfer, etc. (focus on corporate-oriented functions)
Packaged provision	Competitors Full package of financial functions provided to external businesses Including housing loans, asset management, etc.	

In principle, requires bank agency license
Users use the banking app and the service provider’s app separately

Current strengths

Can even be used without a financial license

A2A payments, identity verification APIs, etc.

Leverage ability to develop in-house to accommodate customer needs

Ability to develop and provide APIs that meet customer requirements

Provide value to the digital native generation (retail)

Digital-native UI/UX experience
Cultivation and acquisition of younger customers

Co-create new, frictionless customer experiences through non-financial + financial services by integrating those services into the services of businesses whose end-users are primarily retail (non-commercial) customers

Key Figures (Profit & Loss)

Most overhead expenses relate to the development of new functions and the maintenance/operation of existing functions. Structure of general and administrative expenses is the same as that of other online banks.

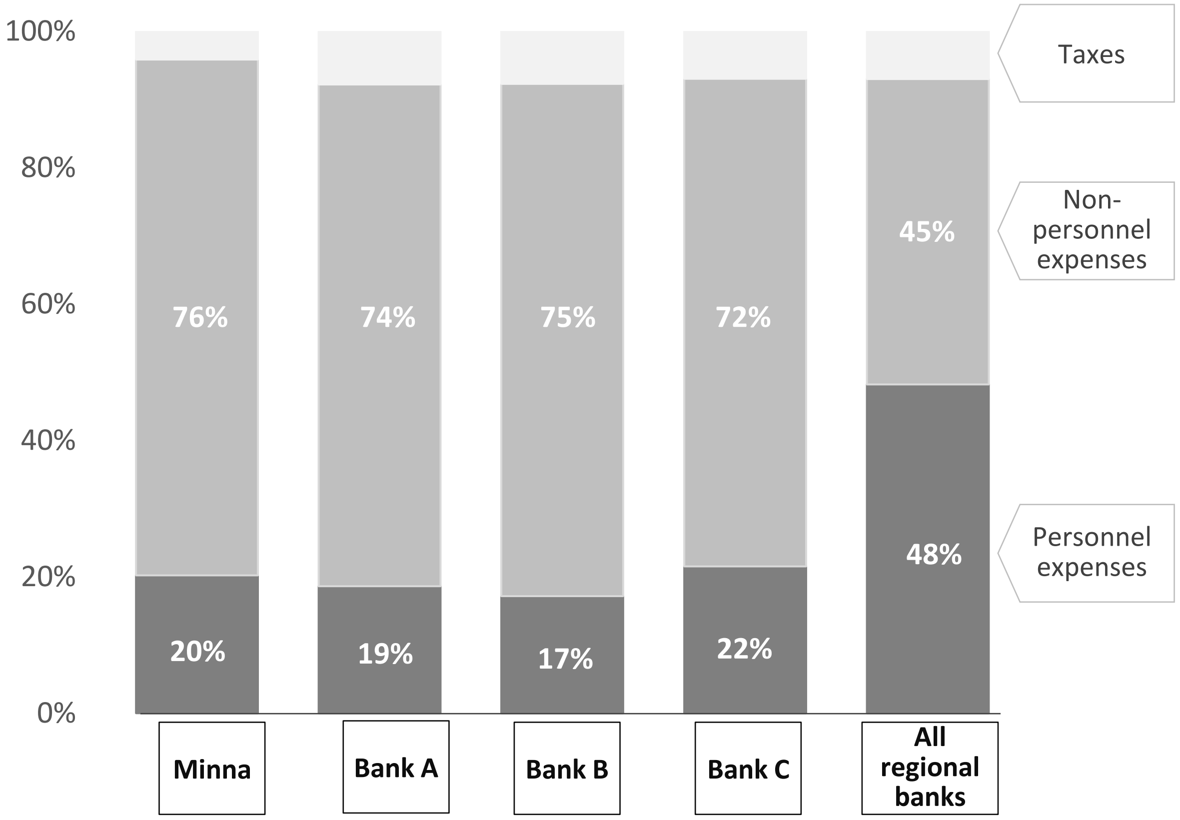
Profit (loss) of Minna Bank and Zerobank Design Factory

FY2024	Results	YoY chg.
Gross business profit	1.9	+1.3
Net interest income	2.2	+1.4
Non-interest income	-0.3	-0.4
Overhead expenses	**-12.3**	**-0.6**
Core business profit	-10.4	**+0.3**
Net income	-8.8	+0.5

Structure of overhead expenses

Personnel expenses -2.5	Business	65%
	Engineers	35%
Non-personnel expenses -9.3	System costs	60%
	Marketing	25%
	Outsourcing costs	15%

Reference: Structure of general and administrative expenses compared to other online banks (researched by FFG based on disclosed materials)

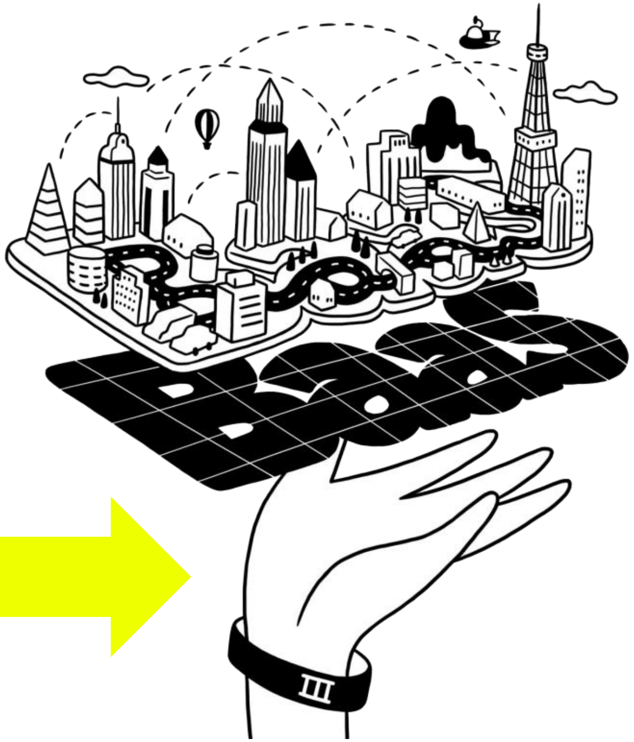


Future Initiatives and Strategies

Provision of Products and Experiences Based on the Views of Minna Customers

The views of Minna customers include not only retail customers but also corporate customers.
The range of offerings is being expanded by taking the services (plus their underlying systems) built for retail customers and providing them as APIs for corporate customers.

	Base products	Unique products
Retail	**Debit** (physical card) **Enhanced system for opening accounts** **Various account transfers** **Premium service + α**	**Debit × OO** **Loan × OO** Integration with other functions, etc. **Multiple accounts** Each user can have multiple accounts **Web3 & stablecoin**
Corporate	**Partner branch** **[API-based]** **Balance inquiry, account transfer, remittance**	**BaaS-API** **B2B2B or B2B products**

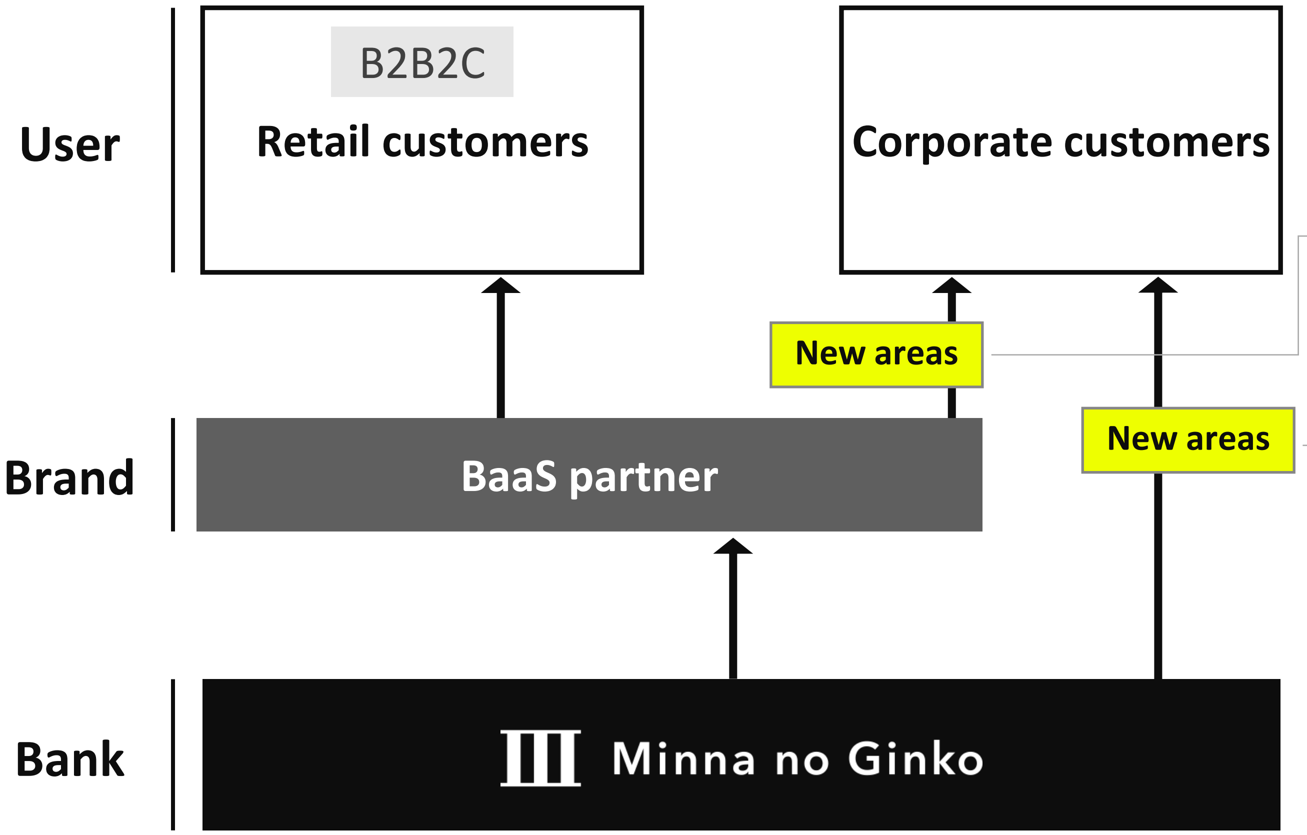


* Premised on obtaining the necessary permits and approvals from relevant authorities to provide new services/functions

The Challenge: B2B2X → B2B2B

While considering alliances with existing BaaS partners and other businesses, we confirmed a need for embedded finance for business use. We will take on this challenge as a new business domain.

BaaS business flow



New business opportunities

Through the course of B2B2C BaaS business, a financial need for corporate end users (B) was identified

Objective	**Deepen existing alliances** **Create new revenue streams**

Services for general corporate customers also being considered

Objective	**Future-oriented initiatives**

* Premised on obtaining the necessary permits and approvals from relevant authorities to provide new services/functions

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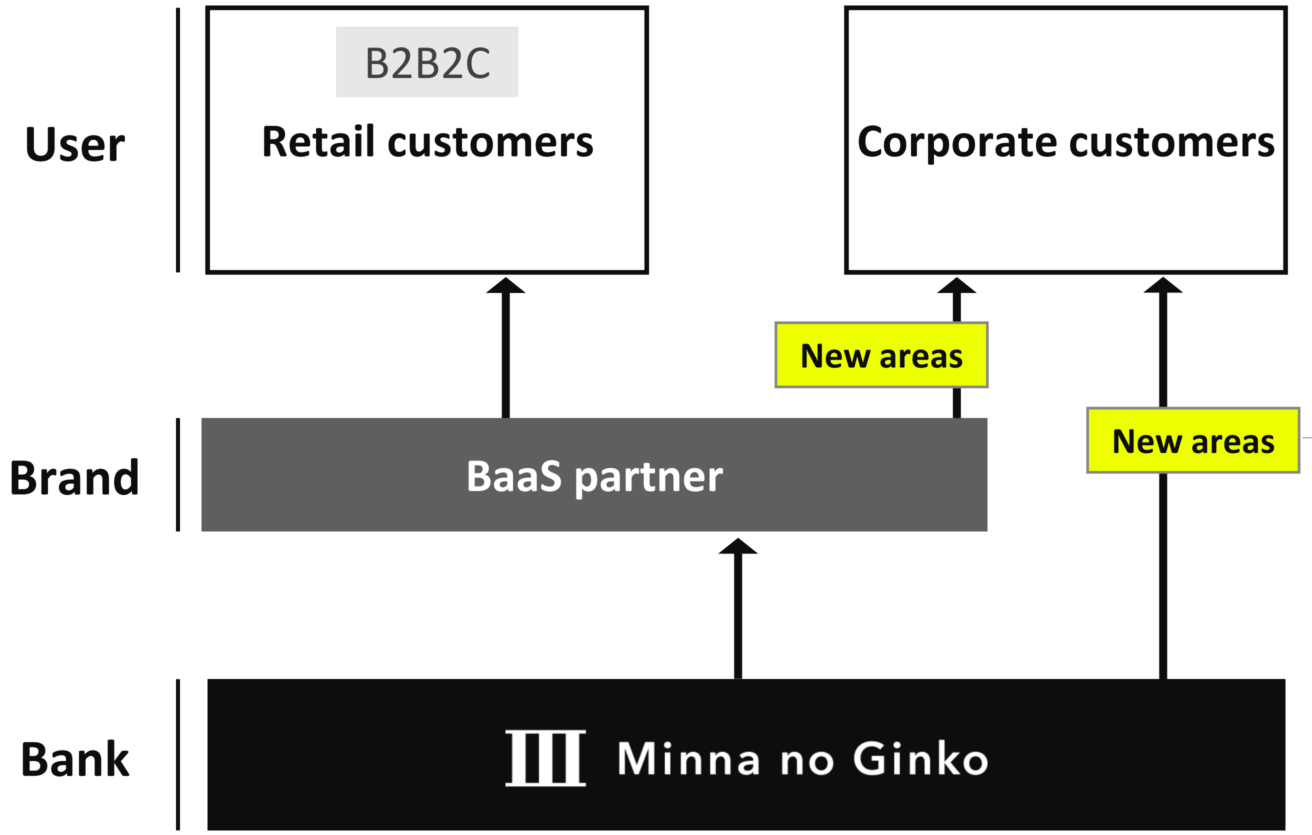
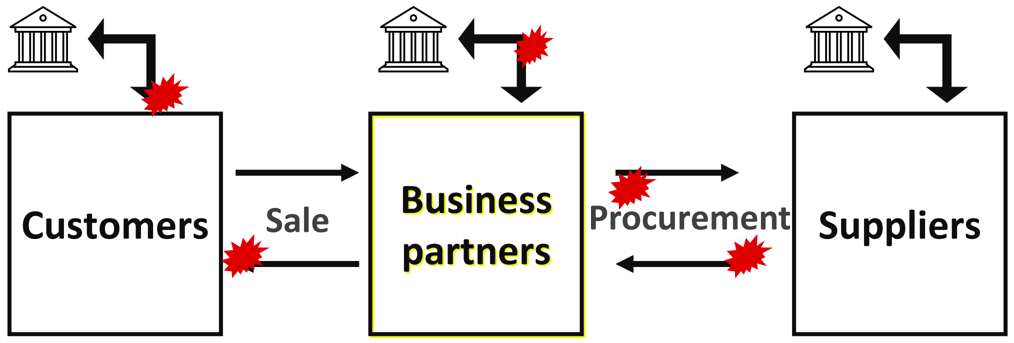


Examples of financial challenges for business

- Mounting foreign exchange costs in settlement of funds between companies
- Cumbersome settlement operations, such as remittances
- Need for financing due to restrictions on payment methods, etc.
- Fundamentally inconvenient procedures for opening corporate accounts



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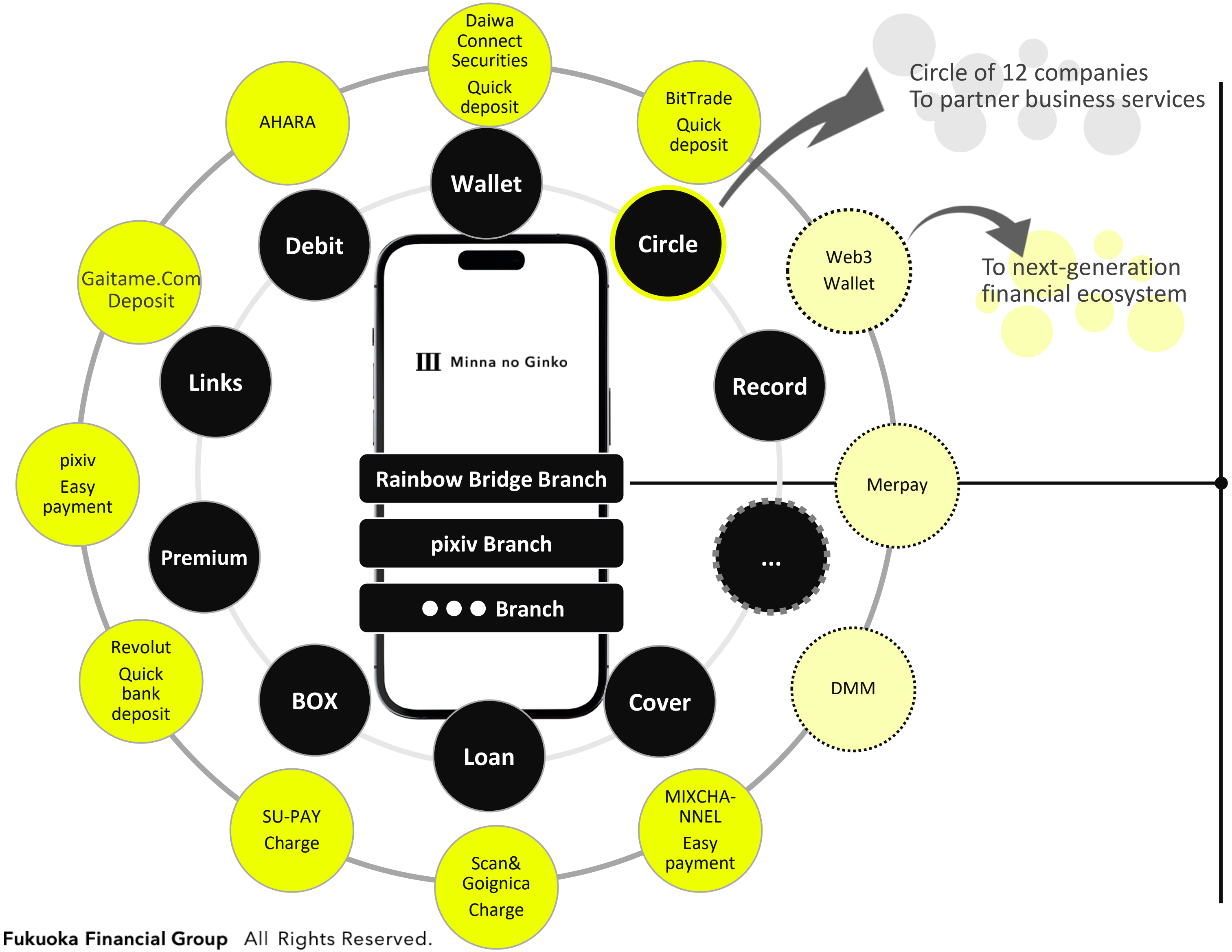
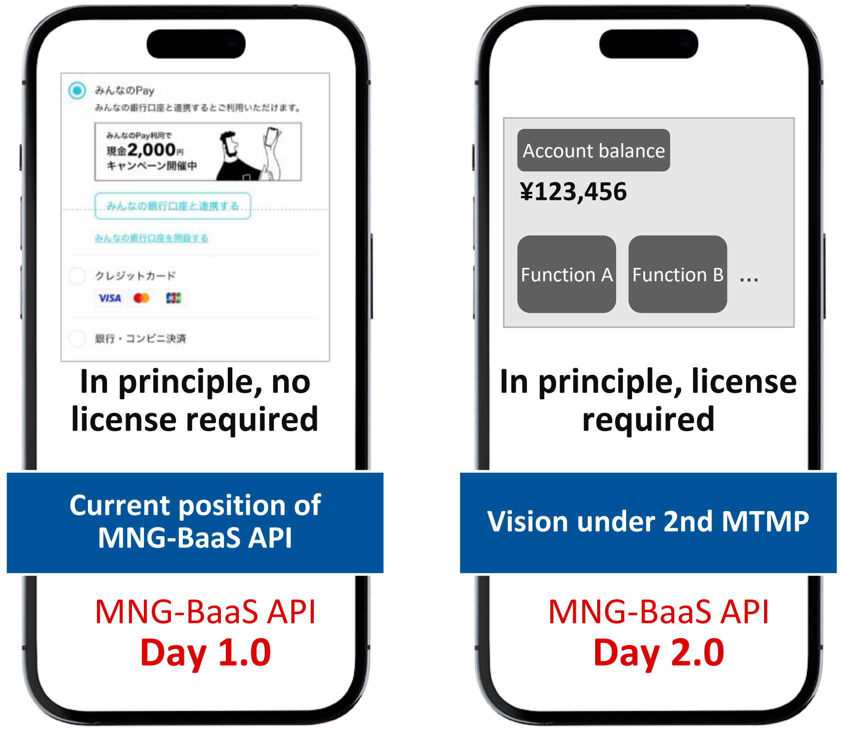
BaaS Alliance 2.0 | Expanding the Platform through the API Economy



Accelerating the use of financial services via partner business I/F

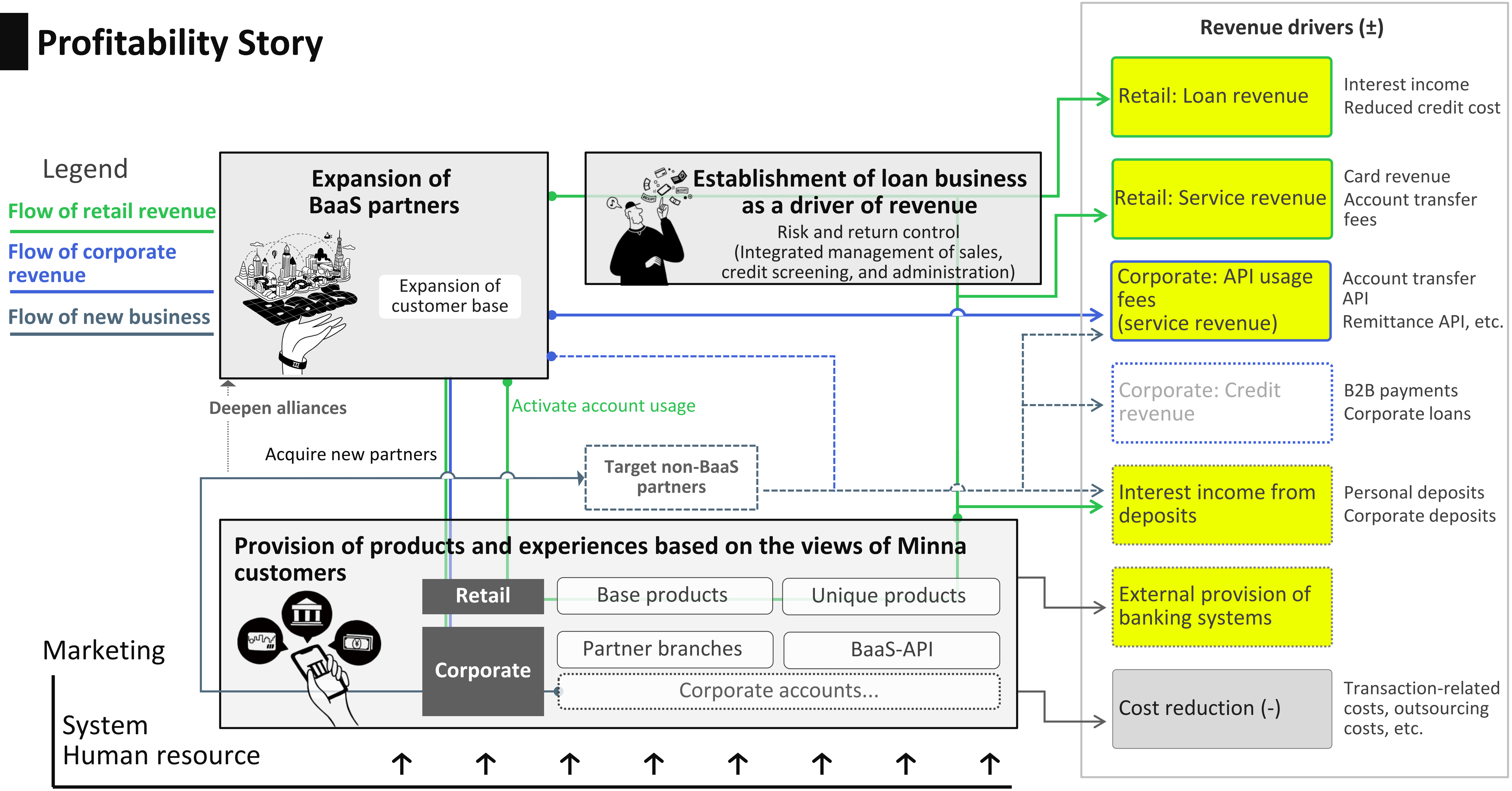
Expanding design and service lineup tailored to partner business needs



Expansion of banking functions, using a single API

Wallet-type model that integrates multiple services

Profitability Story



Role/Utilization of Minna Bank within the FFG Group

Even within Kyushu (FFG's home market), we expand BaaS and deposits as the Group's mission.

Responding to emerging BaaS needs in Kyushu

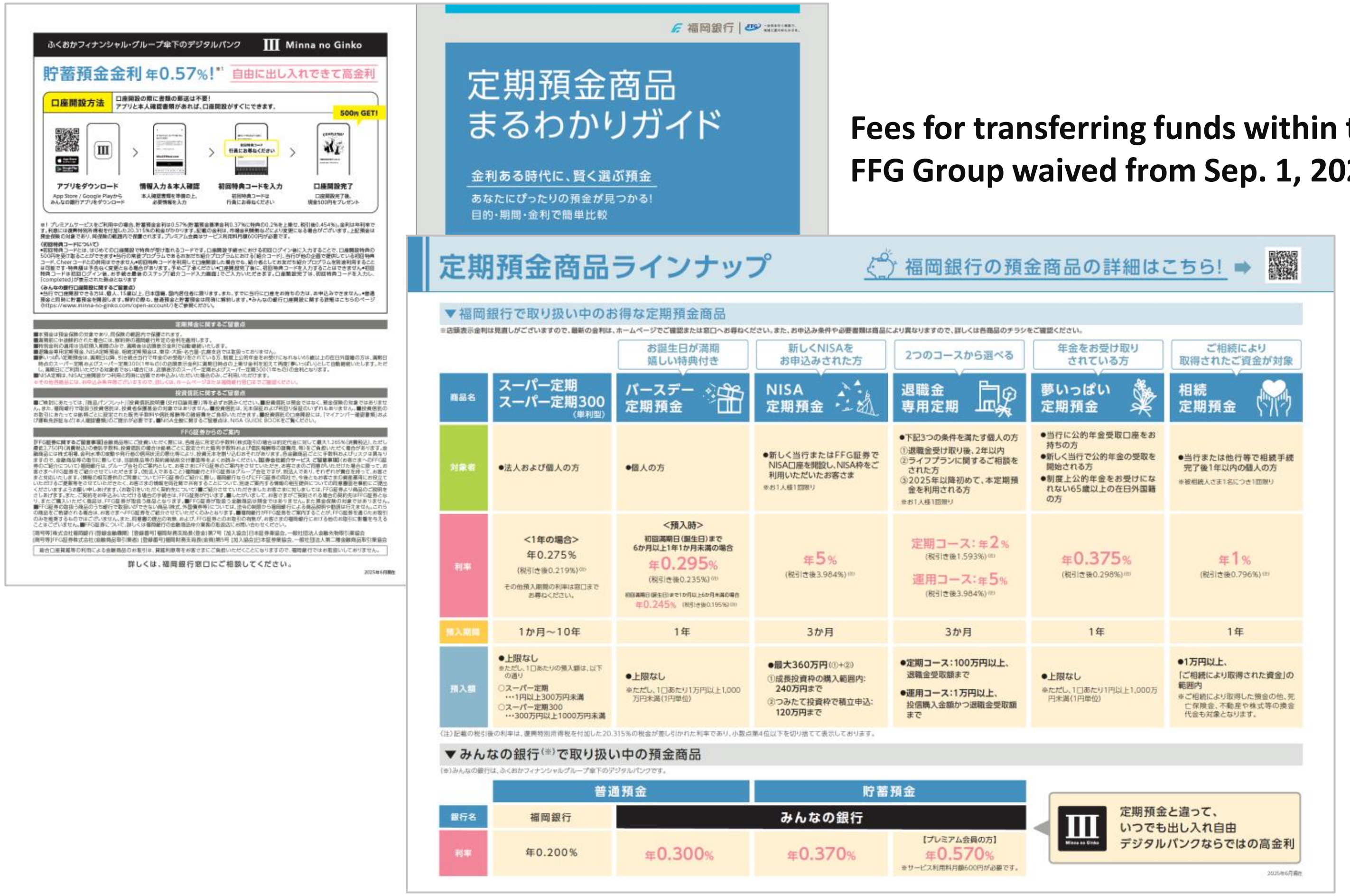
Formation of a cross-Group BaaS promotion team to support businesses in northern Kyushu (FFG's home market)

Group-wide response as needs emerge

▼ Businesses currently in contact

Northern Kyushu	Types of business
Partnership established	Major local retail business
Basic agreement under negotiation	HR
	Transportation
Ongoing contact	Retail, mail order
	Infrastructure
	Transportation
	Telecommunications, digital
	Retail

Minna Bank to be leveraged at Group banks (branches) to capture deposits that may otherwise flow out to other banks



Fees for transferring funds within the FFG Group waived from Sep. 1, 2025

