

# FFG's Mass Retail Strategy

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January 21, 2026



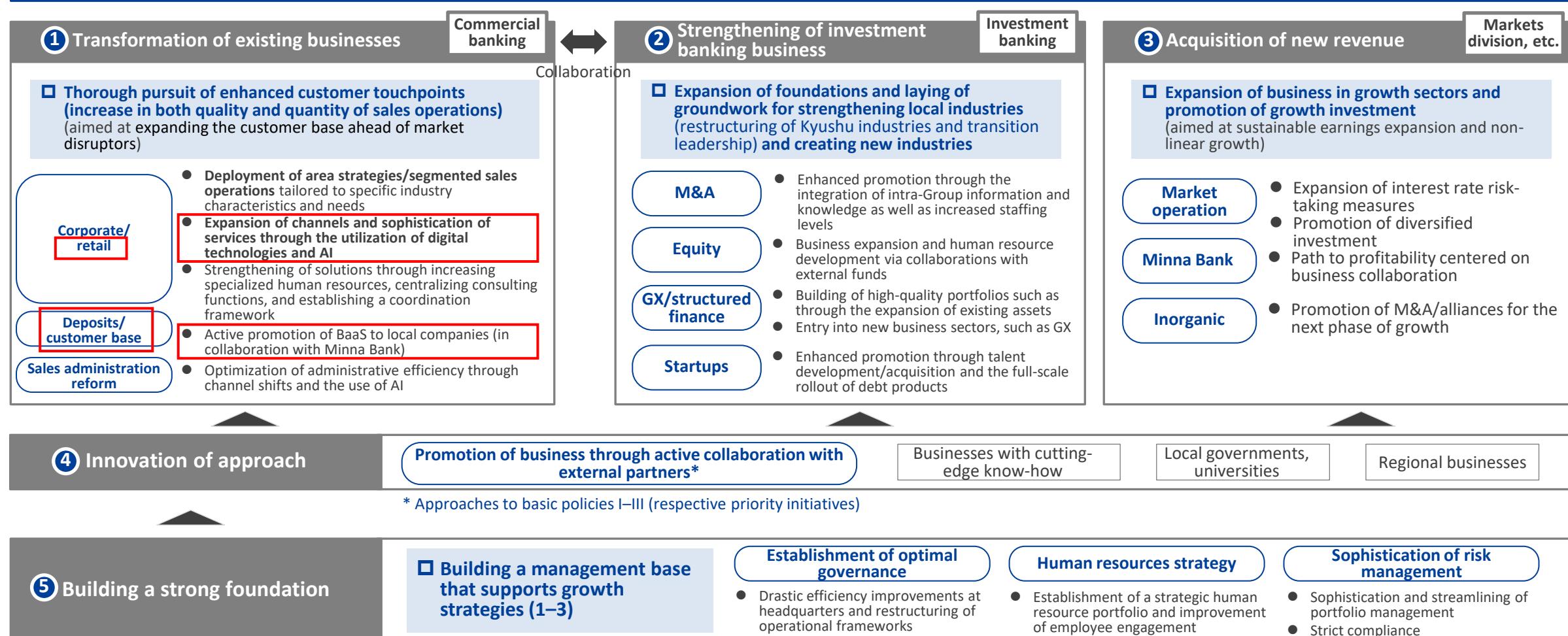
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## 8th Medium-Term Management Plan: Basic Policies and Priority Initiatives

- The 8th Medium-Term Management Plan establishes priority initiatives for each of the five basic policies, based on current challenges and the vision in the Long-Term Strategy.
- Under “transform existing businesses,” efforts are underway to enhance customer touchpoints, aimed at expanding the customer base ahead of market disruptors.

3-year period for building a growth foundation for the sustainable growth of existing businesses and the co-creation of new value

Priority initiative

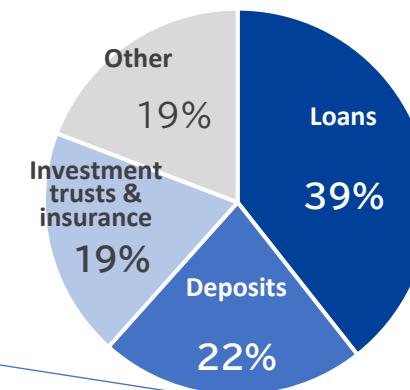
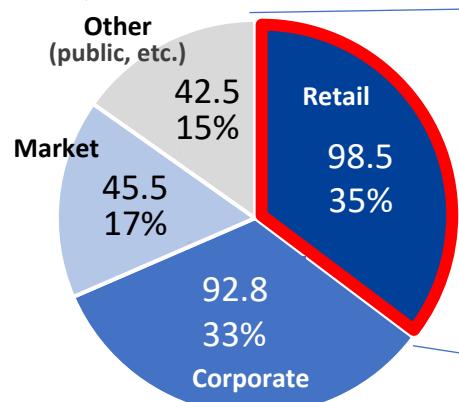


## Current Status of FFG's Retail Business

- Retail division revenue—a core revenue driver for FFG—has performed steadily.
- There has also been steady build-up of business volume (deposits, loans, investment trusts, etc.).

### Business portfolio (FY2024)

Consolidated core gross business profit: ¥279.3 billion  
(Unit: ¥ bil.)



### Retail division revenue

(Unit: ¥ bil.)



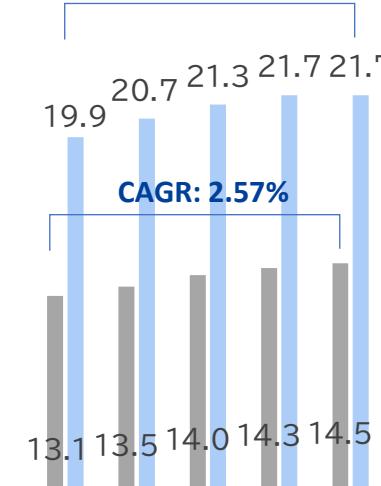
\* Retail revenue: Total of three physical banks

### Retail division business volume

Average balance of individual deposits  
(Unit: ¥ tril.)

Individual deposits  
Total assets

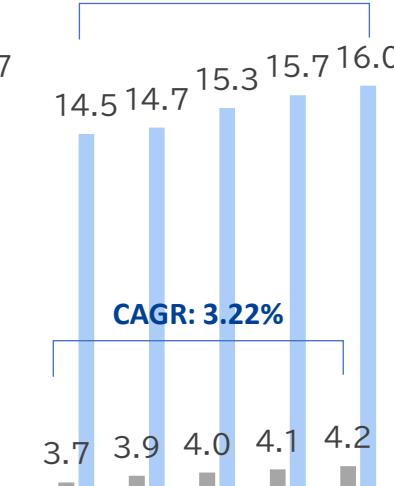
CAGR: 2.19%



Average balance of individual loans  
(Unit: ¥ tril.)

Individual loans  
Total loans

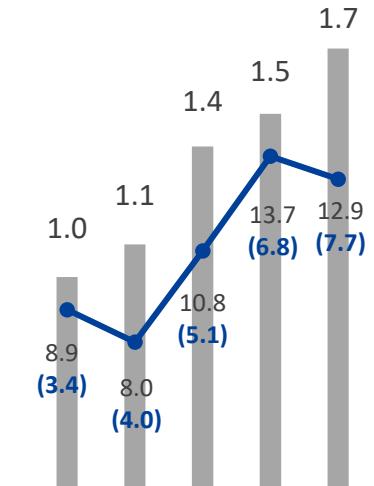
CAGR: 2.65%



Balance of investment trusts  
(Balance: ¥ tril., revenue: ¥ bil.)

Balance  
Revenue

1.7



\* Total of physical banks (including FCB from second half of FY2023).

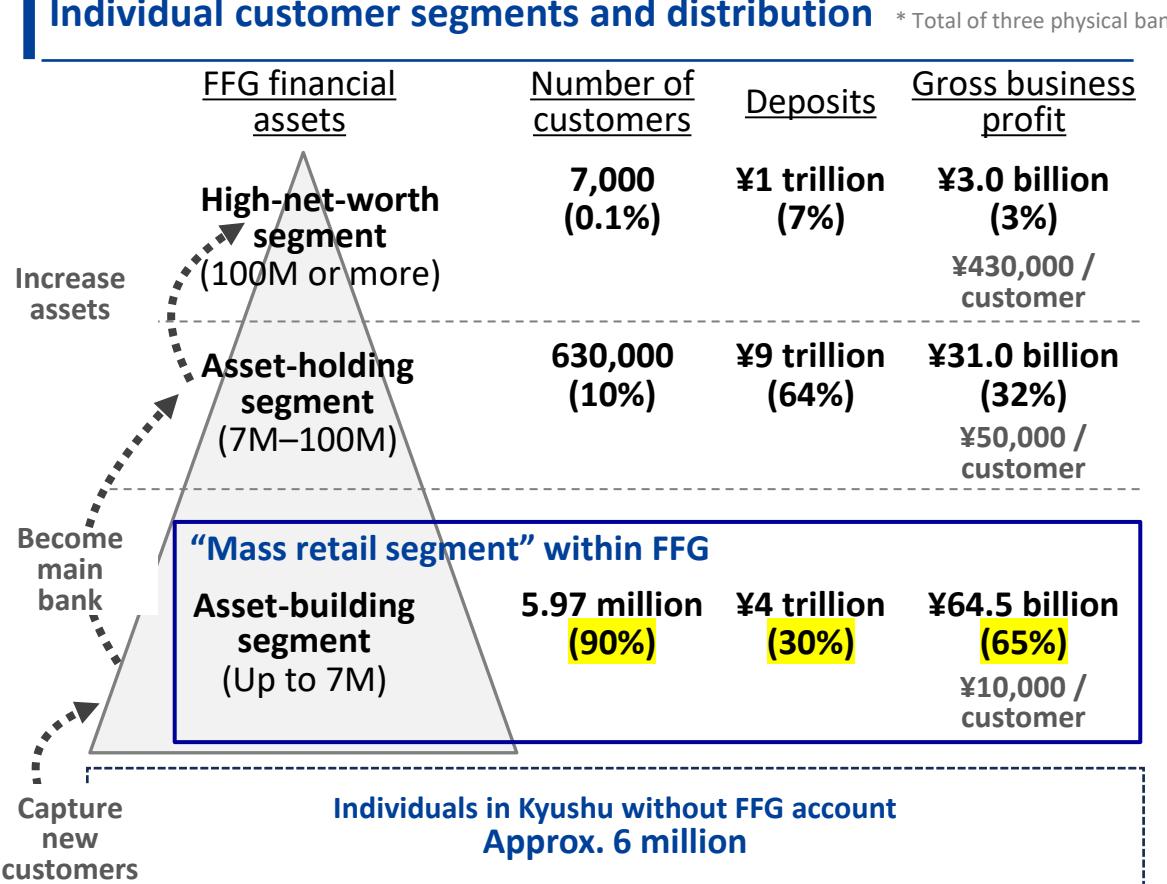
Balance of investment trusts includes FFG Securities (investment trusts, bonds, stocks (sales amount only)).

Revenue amount in ( ) represents trust fees.

## Positioning of Mass Retail Customers within the Overall Retail Business

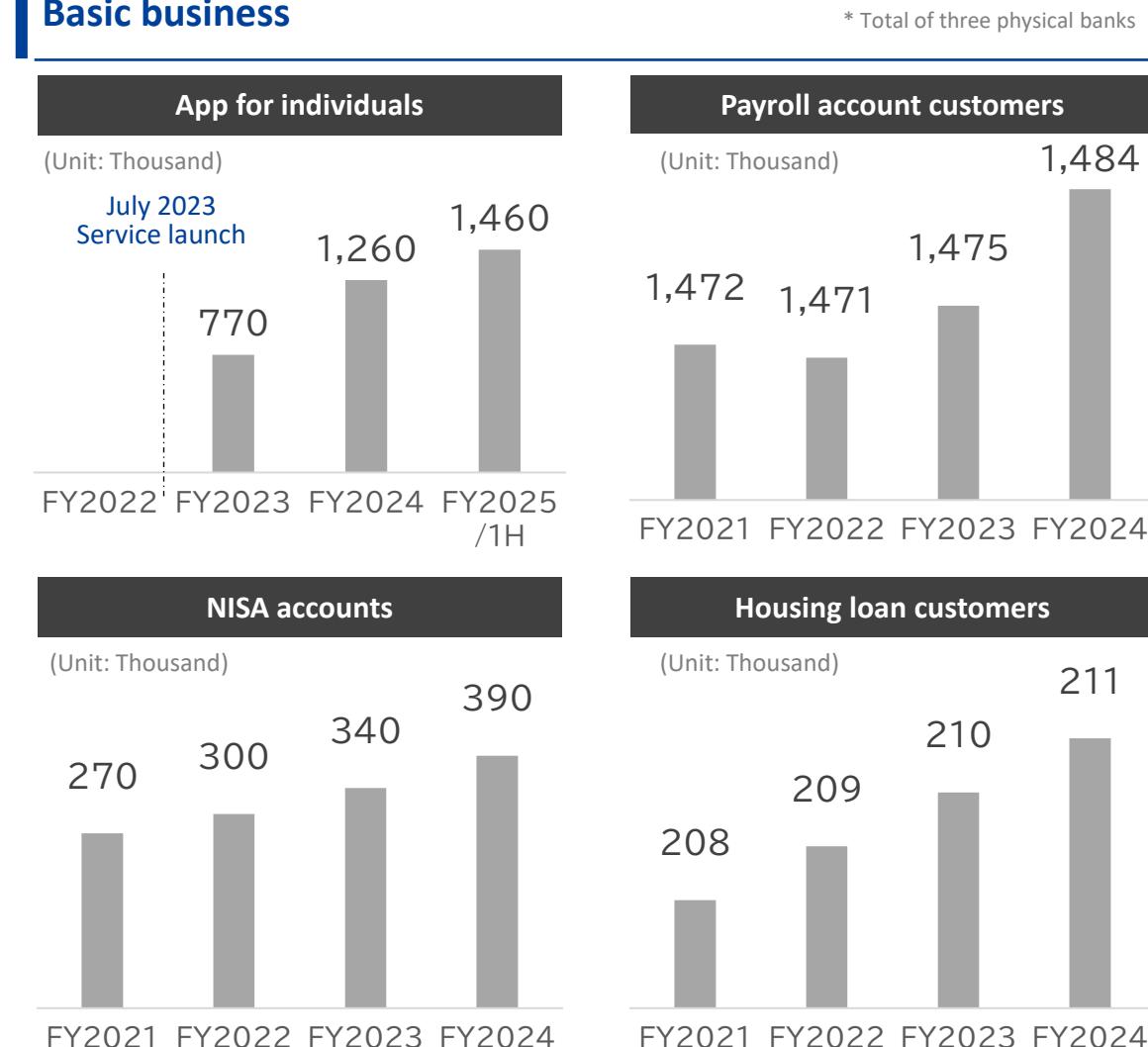
- Mass retail segment is a vital part of the customer base, representing 90% of FFG's individual customers (6.6 million customers) and contributing 65% of revenue.
- Important to acquire new customers and become their main bank (to build foundations for the future), while raising LTV efficiently and effectively.

### Individual customer segments and distribution



**Mass retail segment is positioned as an important customer base that will lead to future revenue**

### Basic business



## Responding to Environmental Changes and Challenges in the Retail Business

- Environment surrounding retail business is changing significantly, driven by population decline, encroachment of market disrupters, etc.
- Given these market changes, FFG must take strategic approach to expanding customer base and improving profitability.

### Recognition of challenges arising from changing environment

#### Market

➤ **Population decline, aging society, declining birthrate**

- ✓ Contraction of regional economy, decrease in number of customers



➤ **Rising digital needs**

- ✓ Entrenchment of digital transactions, use of AI



#### Competition

➤ **Encroachment by market disruptors**

- ✓ Rise of online-only participants and entrants from other sectors
- ✓ Scaling of digital channels by megabanks



#### Internal challenges

➤ **Maintenance and expansion of FFG foundations**

- ✓ Slowing growth of new accounts
- Mechanisms capable of reaching broad customer base, with focus on working-age and younger customers



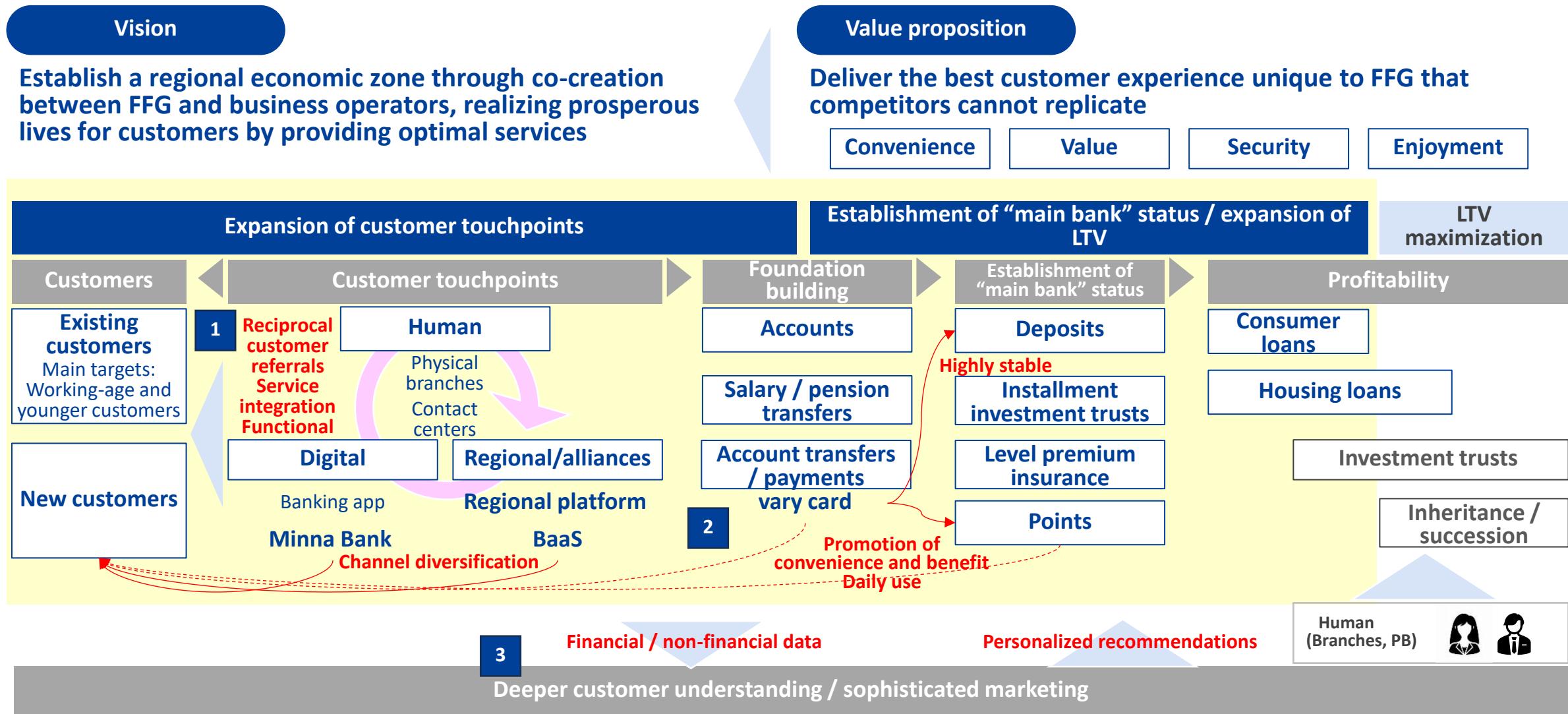
➤ **Establishing “main bank” status and enhancing profitability**

- ✓ Risk of eroding core transaction base, such as payroll deposits
- Mechanisms to drive regular usage as the primary (main bank) account



**Strategic acquisition and retention of mass retail customers is crucial**

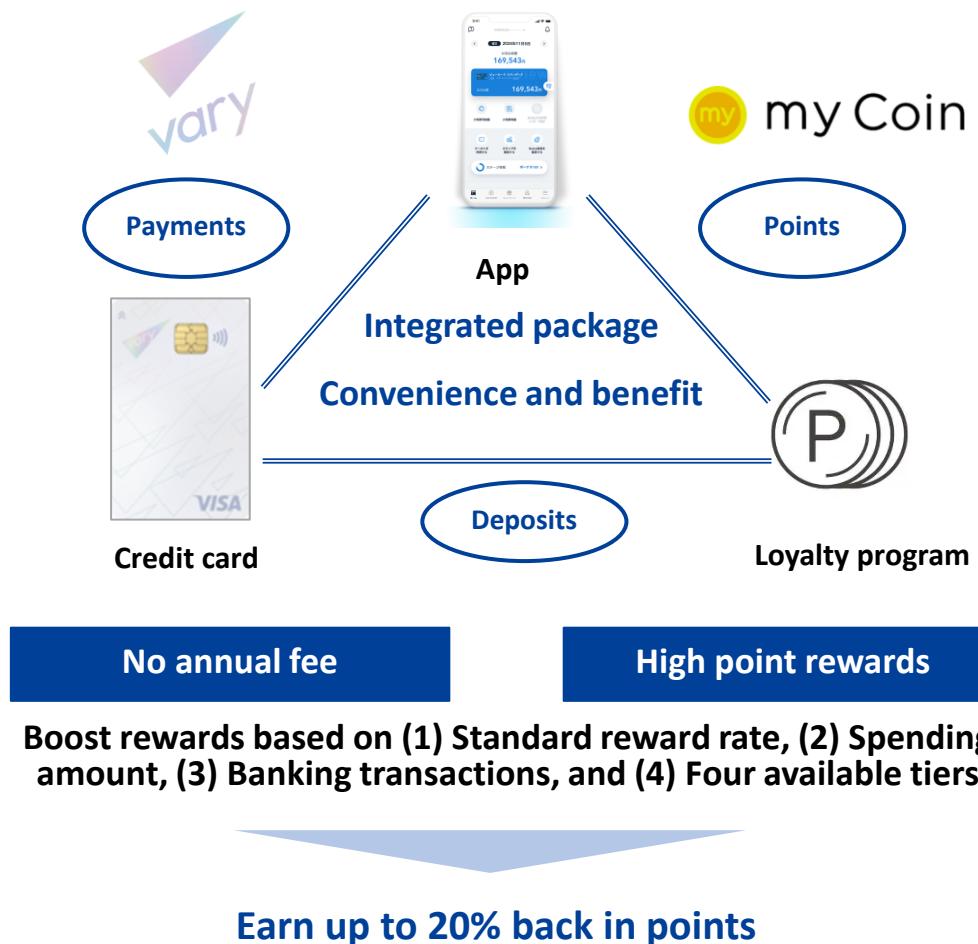
# Overview of Individual Mass Retail Strategy



## Key Initiative (1): Expansion of vary Services

- Launch of “vary,” a new service offering an integrated package of an app, credit card, and loyalty program.
- Differentiate through superior point rewards partnering with the local community, offering both convenience and benefit for daily use across Kyushu.

### Overview of vary services



### Comparison of services

#### Previous service



- ✓ Low brand awareness
- ✓ Difficult to navigate
- ✓ Limited appeal (benefits were fragmented)

#### Market leaders



- ✓ High point rewards at partner stores and own platforms

#### vary



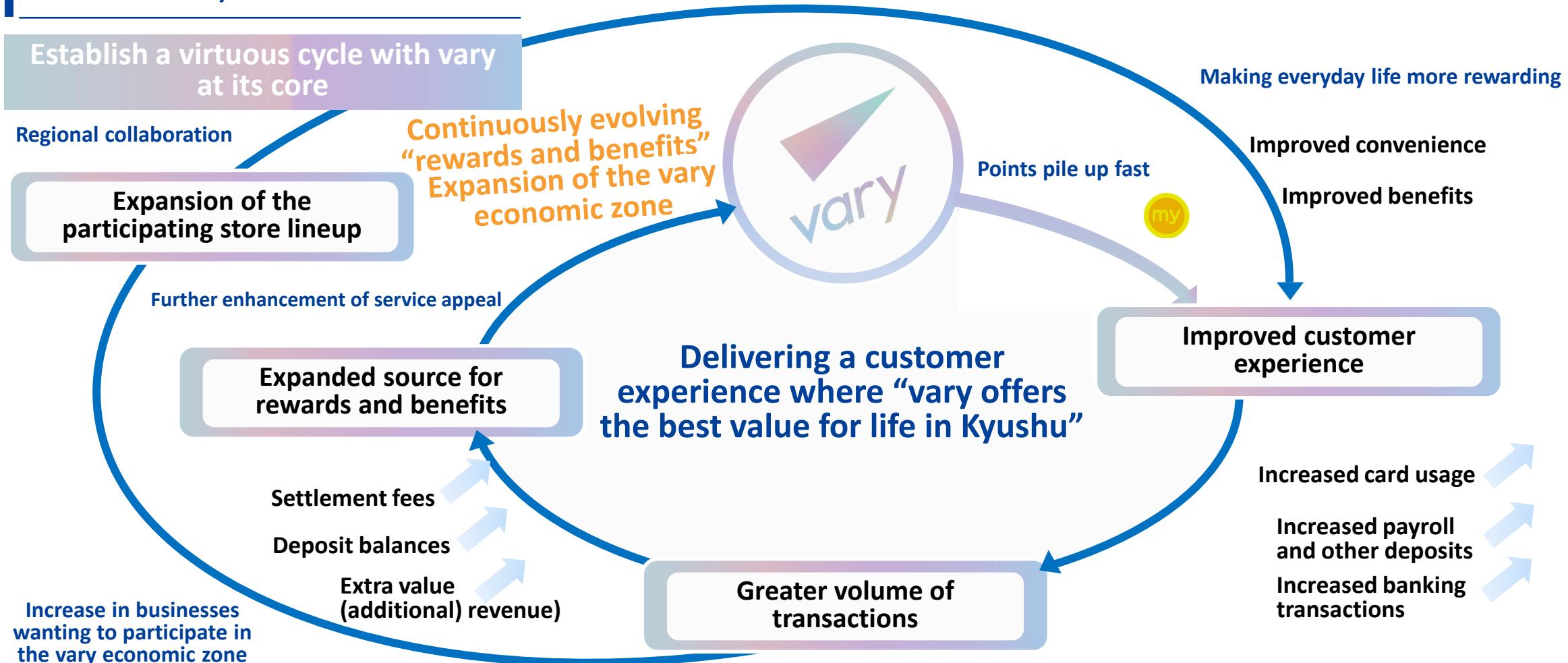
- ✓ Easy to apply via app
- ✓ Simple course design
- ✓ Benefits via the vary card

- ✓ High point rewards at national retail partners (up to 15%)
- ✓ Even higher point rewards at Kyushu retail partners (up to 20%)
- ✓ Collaboration with local communities (unique value)

## Key Initiative (1): Vision for vary Services

- Deliver a customer experience where “vary offers the best value for life in Kyushu,” establishing a virtuous cycle with vary at its core.
- Aim to secure highly stable deposits and expand transactions beyond just payments, by enhancing the customer experience and establishing vary as the primary service for transactions

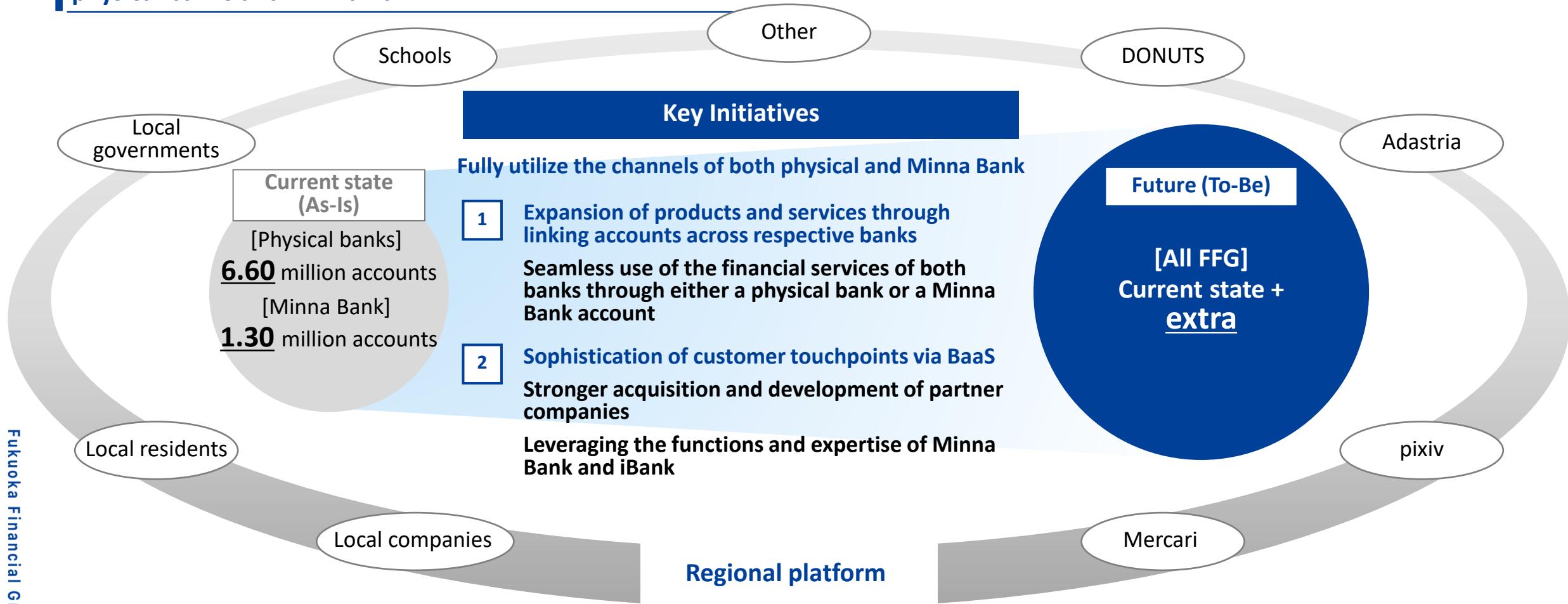
### The vision for vary services



## **Key Initiative (2): Group Synergies between Minna Bank and iBank**

- Strengthen collaboration between physical banks and Minna Bank / iBank to create a unified identity as “All FFG.”
- Eliminate threats from disruptors such as online banks by constructing an FFG-branded BaaS and expanding partner alliances.

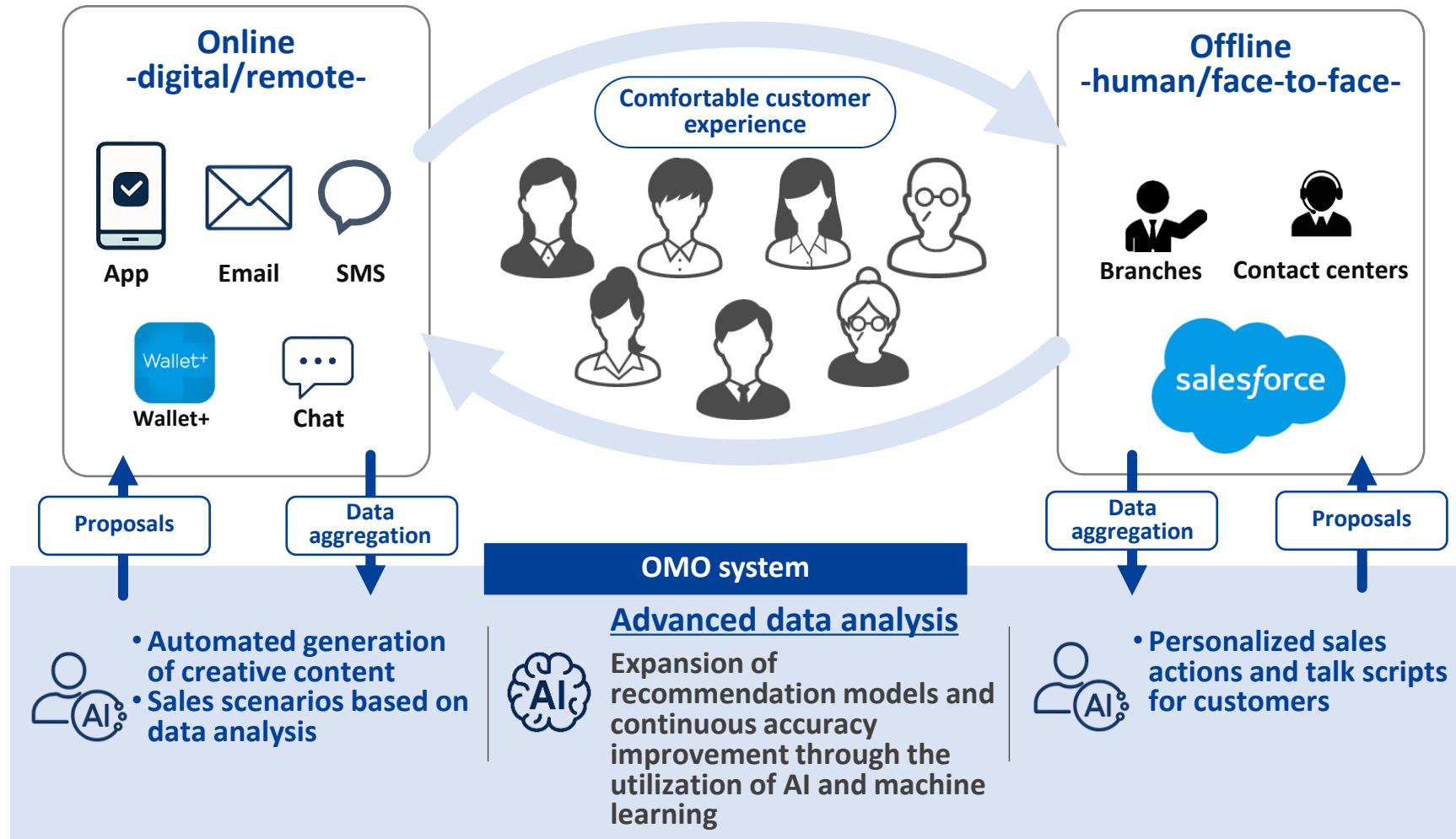
## **Creation of synergies through collaboration between physical banks and Minna Bank**



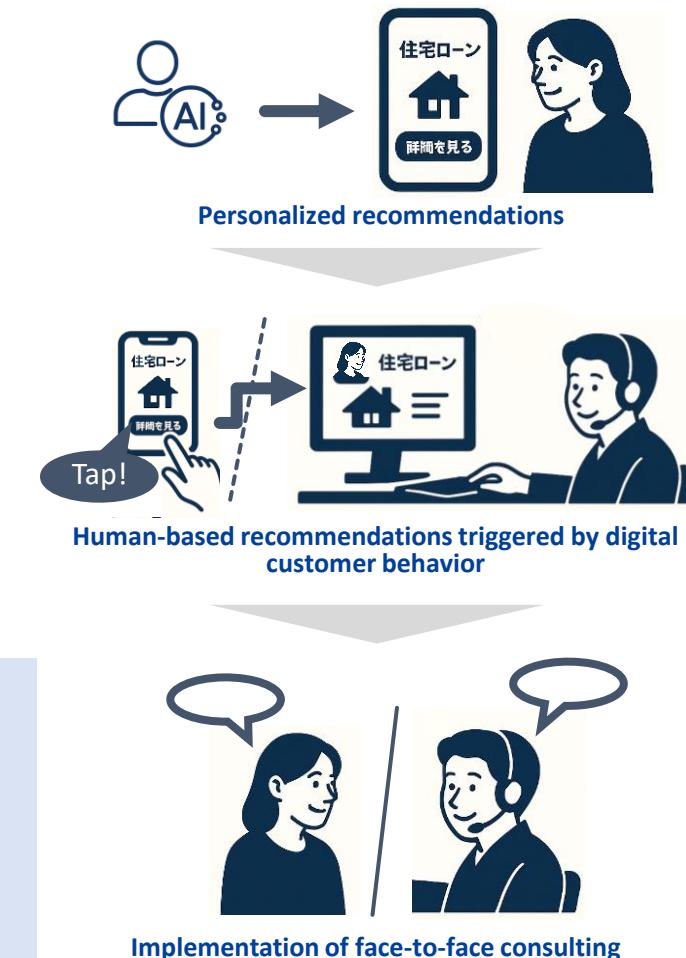
## Key Initiative (3): OMO (Online Merged with Offline) Strategy

- Aggregation and analysis of customer behavior data in online (digital/remote) and offline (human/face-to-face) environments.
- Maximization of LTV through hyper-personalized proposals delivered to customers via optimal channels.

### Evolution of customer experience through OMO



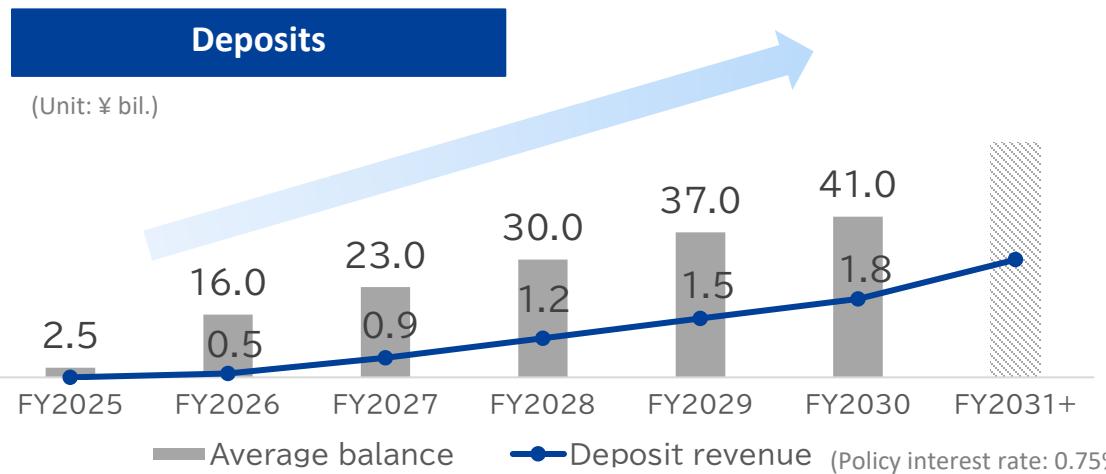
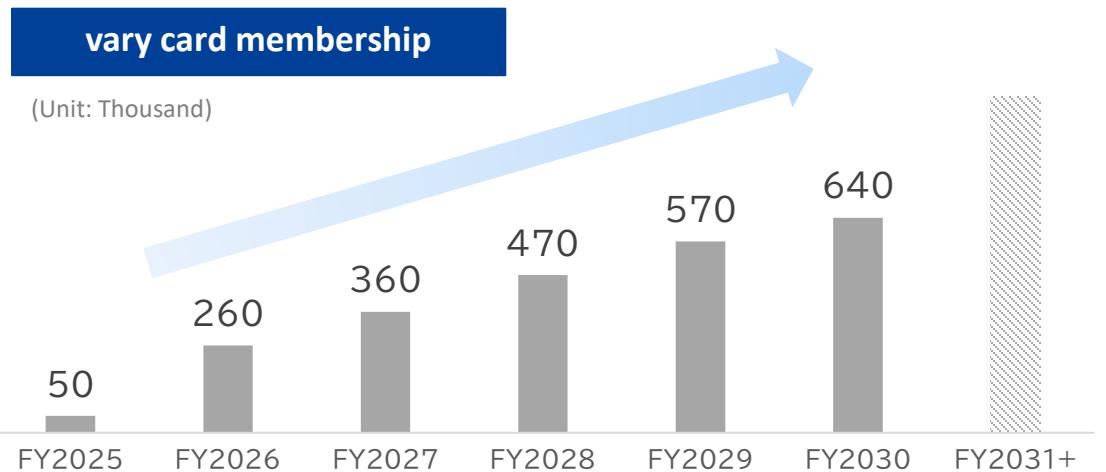
### Example of sales scenarios



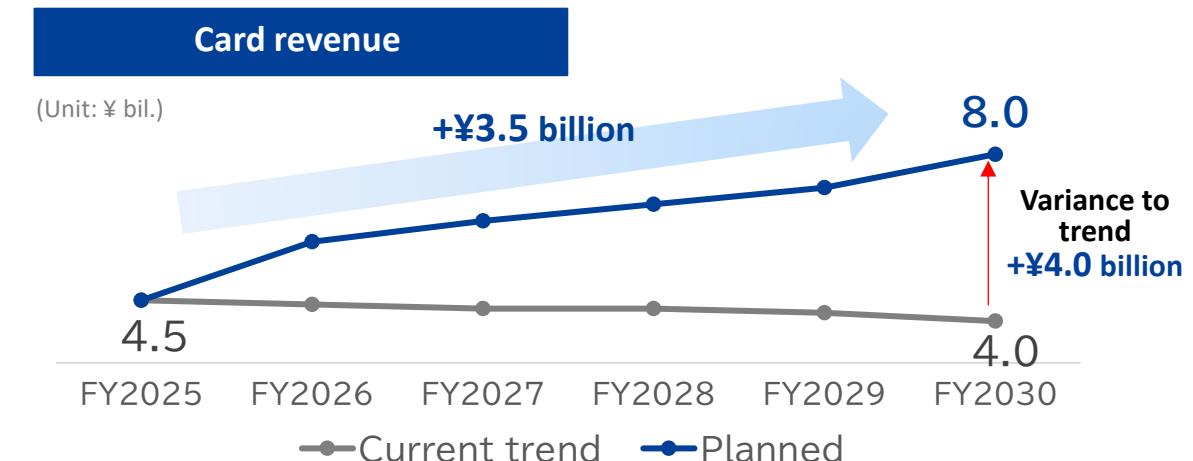
## Revenue Impact

- Plan to acquire 640,000 members and build up ¥40 billion in deposits within five years of launching the vary card.
- Revenue impact is estimated at approximately ¥4 billion over five years. Further growth is anticipated through utilizing Minna Bank and promoting the “main bank” status facilitated by vary services.

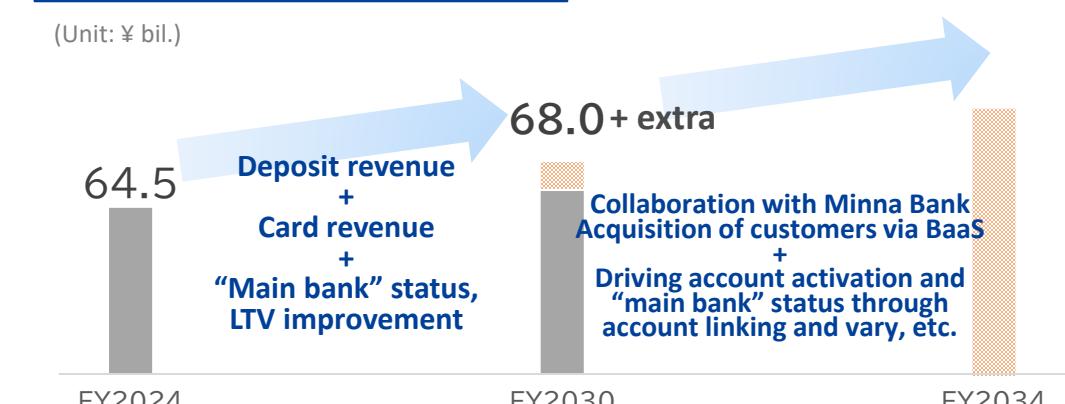
### Projected acquisition of vary card customers



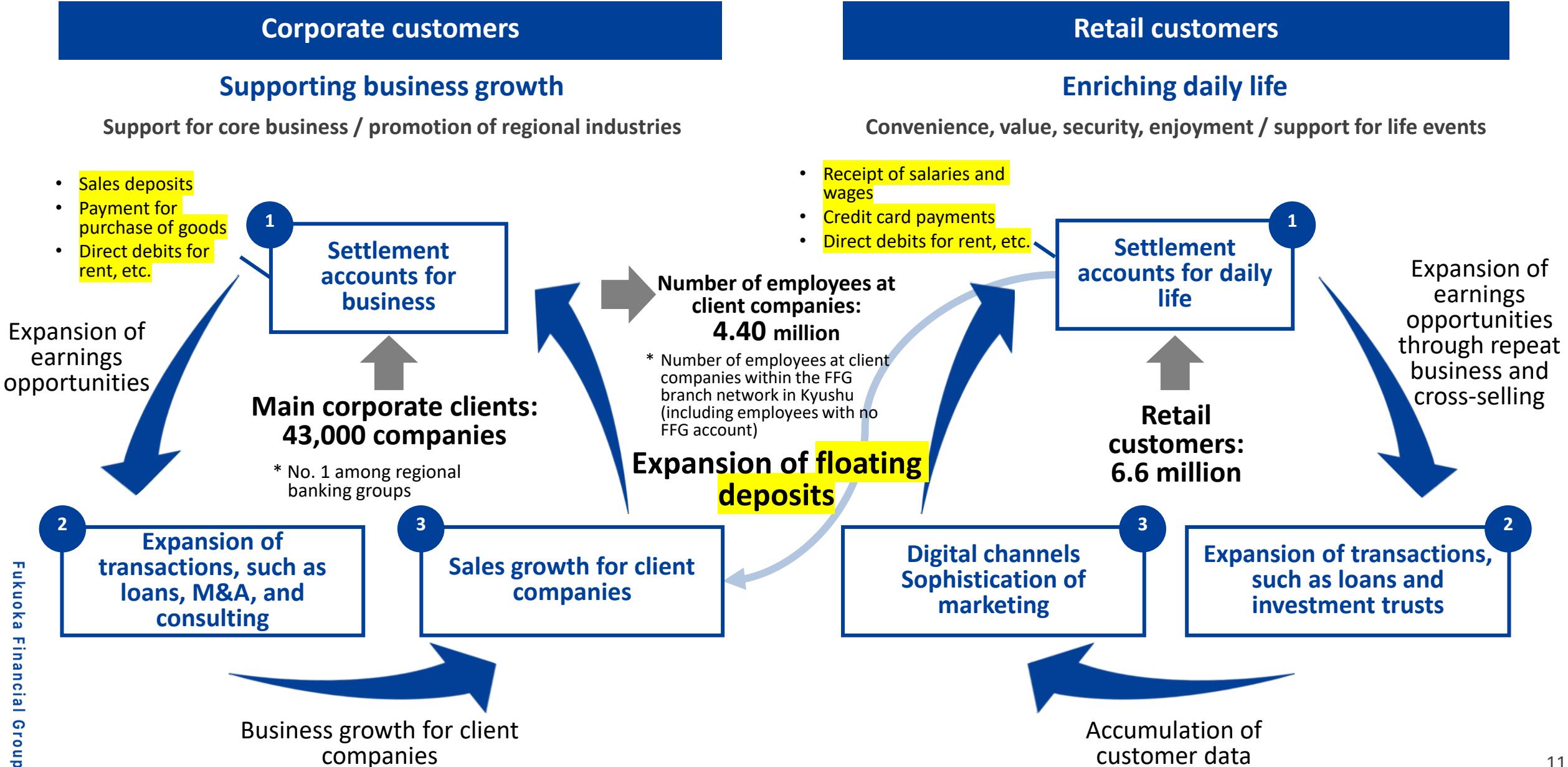
### Anticipated revenue in future retail business



### Anticipated mass retail revenue



## Achieving Sustainable Growth for FFG



# Overview of BaaS Alliance with Merpay

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**Commencement of multi-API integration through a BaaS business alliance with Merpay, Inc., realizing a seamless financial experience within the “Mercari” marketplace app.**



**Instant and fee-free transfer** of Mercari sales proceeds **directly from the Mercari app** to “Mercari Bank” (ordinary deposit account at Minna Bank)

**Accounts can be opened in as little as 5 minutes**



**Confirmation of ordinary deposit balances (account information) and various payment functions** (such as charging Merpay via direct debit) can be done **directly from the Mercari app**

Preferential program offers up to three **free ATM withdrawals** per month

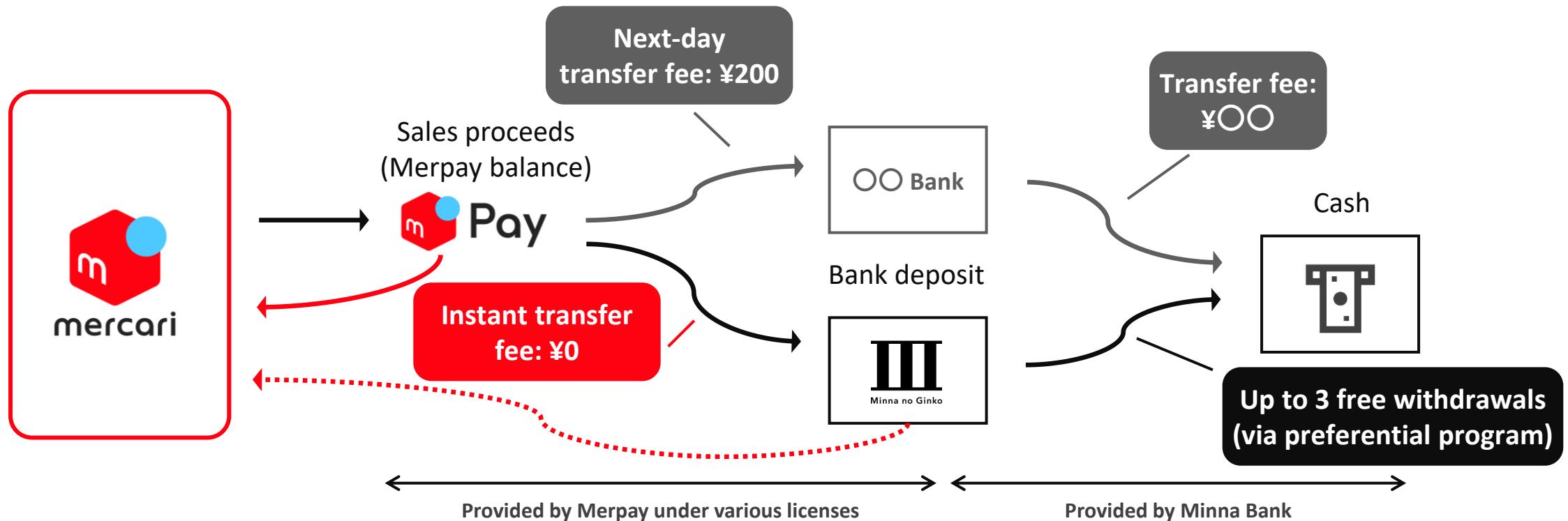
# What is Mercari Bank?

“Mercari Bank” is a service accessible by linking a Minna Bank account to Merpay through an API integration

1. Instant and fee-free transfer of Mercari sales proceeds (Merpay balance) to Minna Bank ordinary deposit account
2. Confirmation of ordinary deposit balances (account information) and various payment functions such as charging Merpay via direct debit
3. ATM withdrawal fee benefits via a preferential program provided by Minna Bank

Provided by Merpay under various licenses

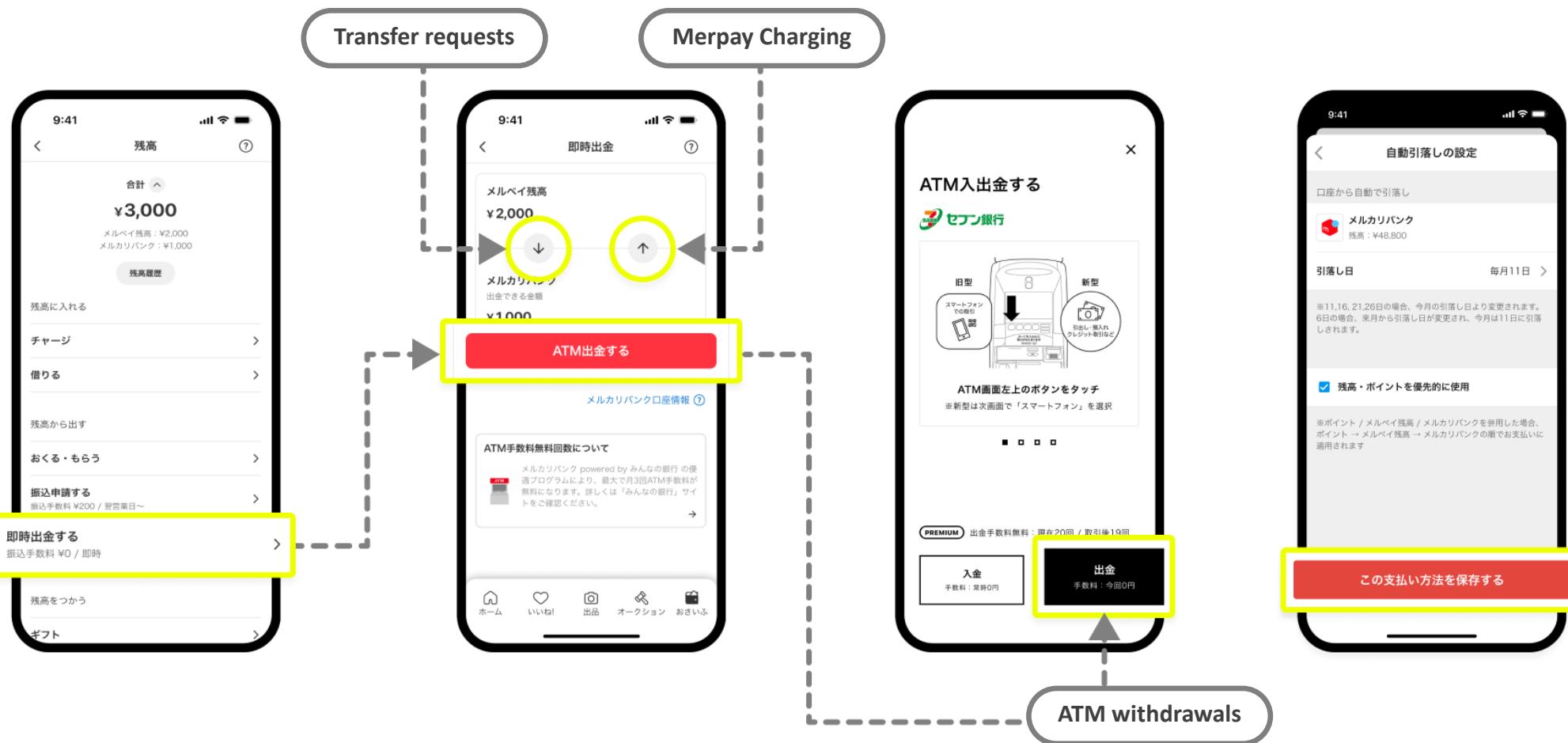
Provided by Minna Bank



# App Screenshots

Seamlessly navigate from the “Balance” page in the Mercari app to transfer requests, Merpay charging, and ATM withdrawals

Compatible with various settlement types



# Flow of Deposit and Loan Acquisitions via the “Mercari Bank Program”

- ① Acquire accounts by enabling instant and fee-free fund transfers.
- ② Conditions for fee-free ATM withdrawals include maintaining a specific deposit balance and logging into the Minna Bank app.
- ③ Acquisition of deposits and loans is facilitated through incentives for depositing into interest-bearing accounts and marketing for loans triggered by app logins.



## Mercari Bank Program

### Point 01

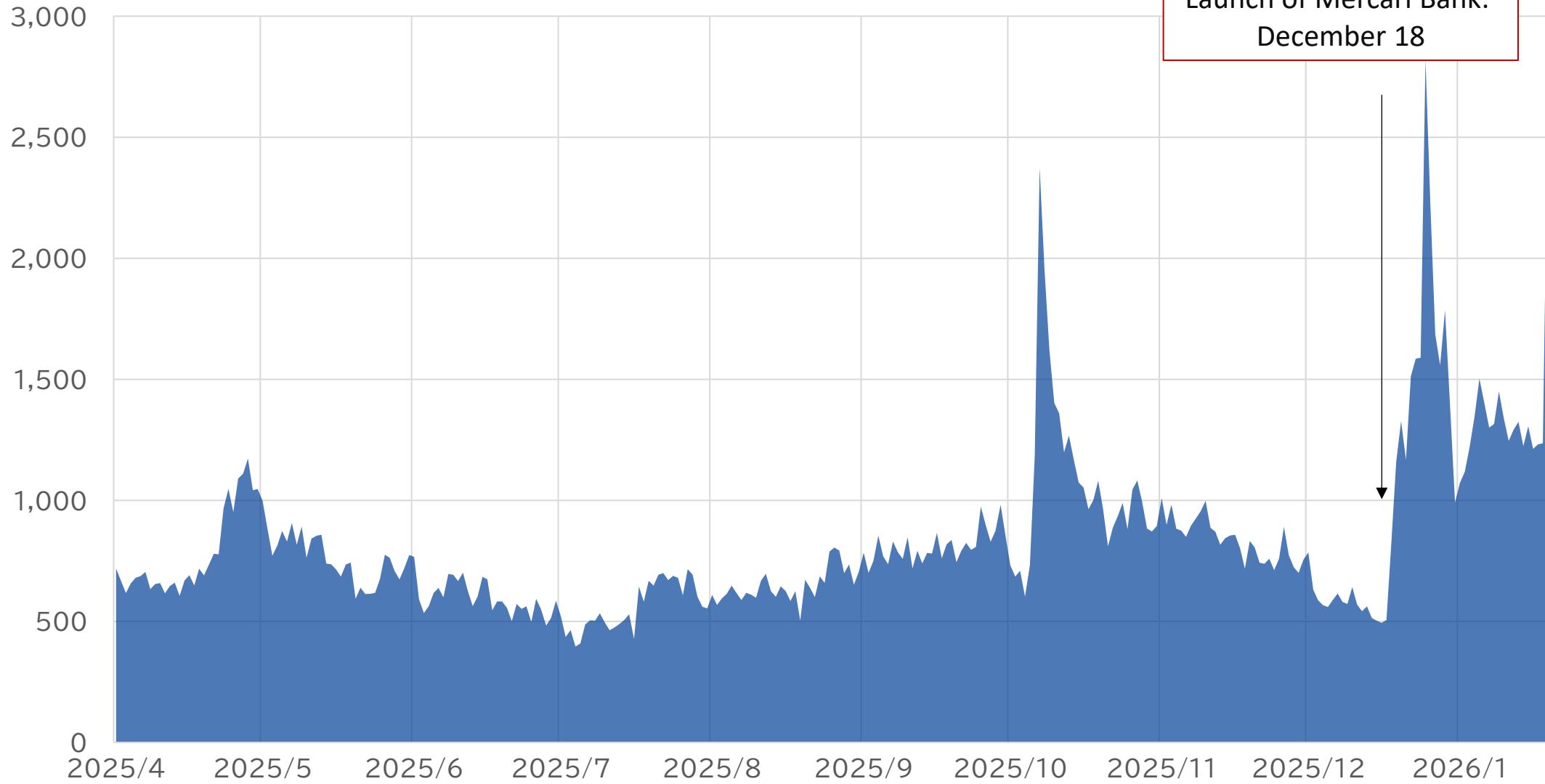
By opening a Mercari Branch account or linking with a Mercari account, users receive **one free ATM withdrawal per month**

### Point 02

Users can receive up to **two additional free** ATM withdrawals per month by meeting the conditions of Point 01 and **maintaining an ordinary deposit balance of at least ¥100,000 and logging into the Minna Bank app**

## Minna Bank: Overall Account Acquisitions (Daily Increase)

(Account acquisitions)





# Fukuoka Financial Group

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