

June 15, 2026

Summary of Q&A Session of the Financial Results Presentation Meeting of Senshu Ikeda Holdings, Inc. for the Fiscal Year Ended March 31, 2026

This is a summary of the Q&A session at the financial results presentation meeting held on Tuesday, June 2, 2026.

Q: Regarding deposits, the loan-to-deposit ratio stands at 83%. I believe there will be strong demand for loans in this region going forward, but I'd like to know if there are sufficient deposits. Also, regarding the profitability of deposits, how will this be factored into the management of RORA? Please explain this, including its relationship to the real interest rate.

A: Recently, both loans and deposits have been growing. In our Sixth Medium-Term Business Plan, deposits are the key to expanding our balance sheet, and the question is whether deposits will grow as pricing expands.

we are planning to increase individual deposits by 110.0 billion yen through our “foundation and empathy” initiative. These funds will not be raised through paying interest.

From the perspective of empathy, for example, we began offering time deposits designed to support children's dreams in the summer of last year. With this product, a portion of the deposit balance is donated to organizations that support children, and we've managed to acquire a fairly sizable deposit balance. In addition, the launch of our BaaS service will not take place until next year or later, and the amount of deposits we can attract is not solely up to us; the matter will be considered with Hankyu Hanshin Holdings. Recently, other financial institutions have also been forming BaaS partnerships with infrastructure companies. Hankyu Hanshin Holdings is, of course, involved in the infrastructure business, and it also offers a wide range of entertainment content. Some of the content is available nationwide, not just in Osaka, so this is something I'm really looking forward to. This is how we'll attract non-interest-bearing deposits.

We are planning to increase corporate deposits by 60.0 billion yen. Since we have not been able to maintain depositor balances in line with our loan share, branches will need to communicate with customers and work to bring our loan share and deposit share roughly in balance.

As part of our strategy to boost deposits by offering a certain level of interest, we plan to increase individual deposits by 30.0 billion yen. Starting in February of this year, we sold time deposits with a modest interest rate for a period of three months. We received more deposits than expected, to the point where we had to stop accepting them earlier than originally planned. We have found that offering interest rates attracts a certain amount of deposits, but doing so also incurs costs; striking the right balance is something the management team must consider.

The relationship between the real interest rate and RORA is quite perplexing. The real interest rate approach has been largely absent in recent years. As for the deposit-acquisition strategies based on the perspective of foundation and empathy described, I believe we should implement them while taking the real interest rate into account. However, the 300.0 billion yen in deposit balances acquired from corporate and public sector clients consists of deposits from local government entities and large corporations; particularly with regard to large corporations, we must clearly distinguish between loans and deposits. I think it's difficult to manage profitability using the traditional concept of real interest rates.

Q: When it comes to securities, if you're building a ladder portfolio, holding them to maturity is the best approach, as it eliminates the worry of unrealized losses. Why has the balance of holdings to maturity remained flat recently?

A: When holding securities to maturity, a key consideration is how to assess liquidity risk. If all holdings are held to maturity, it will become necessary to consider measures to address any liquidity concerns that may arise. We will maintain a certain balance between other securities and held-to-maturity securities. This approach involves setting a threshold for the amount to be held to maturity and determining how to manage the overall securities portfolio.

Q: Are you concerned about liquidity risk from a regulatory perspective or from a practical perspective?

A: Both.

Q: Regarding 01Bank, while losses are expected to increase through FY2026, the bank is projected to achieve profitability in FY2027 and post a profit of approximately 3.0 billion yen in FY2028. What are the factors driving this rapid increase in profits?

A: In the Sixth Medium-Term Business Plan presented here, we are targeting consolidated net income of 30.0 billion yen for FY2028; however, we have not factored in 01Bank's projected profit for that year into this figure and are treating it as a net zero. The deficit for FY2026 is projected to be 2.8 billion yen, which is an increase from the deficit in FY2025. Given the current state of lending, it is more likely that the deficit will narrow rather than widen. This is because credit risk will not materialize as the loan balance does not increase. However, if that happens, we won't have built up a loan balance by FY2027 and 2028, and we won't be able to turn a profit. The main challenge right now is how to build up our loan balance to the point where we can turn a profit. Looking at the actual figures, the loan amount per borrower is higher than originally planned. The key to increasing 01Bank's outstanding loan balance lies in how effectively it can increase the number of borrowers.

Though it opened last July, it is true that awareness of 01Bank remains low. Until now, we have focused on developing the business through partnerships with platform providers, but we also need to engage in face-to-face sales efforts. It is necessary to engage in offline activities as well as online ones. Specifically, this involves visiting entities such as tax accounting firms and chambers of commerce to explain what 01Bank offers, and asking them to refer clients to us if they have any financing needs. We are currently working hard to raise awareness among everyone. In addition, we are focusing on accumulating data to refine our credit scoring models, and in any case, we aim to become profitable within three years of opening.

Q: Regarding the Senshu Ikeda and Shiga alliance, the cross-shareholding ratio stands at 0.5 to 1.0%. I think it was also possible to consider not forming a capital alliance or increasing the cross-shareholding ratio somewhat. Could you explain the reasoning behind settling on this ratio?

A: While alliances have been formed in each region, I believe there have been cases where it has been difficult to measure their effectiveness. Without financial backing, people may be enthusiastic when the partnership is first formed, but as time passes and the staff members involved change, there is a risk that their commitment will wane. Since this Senshu Ikeda and Shiga alliance involves capital investment, it reflects the determination of both parties to make the alliance a success. I suppose you might think that 0.5% to 1% is a small amount, but we haven't decided that this is the final figure. Going forward, as we engage in substantive discussions with Shiga Bank, if we can reach a mutual understanding that the plan is more feasible and that we should increase the cross-shareholding ratio a little more, we may move in that direction.

Q: Could you explain the differences between "digital core" and "digital base" personnel? Also, I understand there are plans to increase the number of digital base personnel by about 200. Given the difficulty in recruiting digital talent, could you explain the factors driving this significant increase?

A: When formulating our Sixth Medium-Term Business Plan, we started by considering how many digital personnel our company would need. The criteria for digital base personnel are not simply based on holding an IT Passport; rather, we have established standards requiring that such personnel not only hold an IT Passport but also have sufficient work experience at various locations. Although the number of digital core personnel appears to be growing only slightly, they are the ones responsible for driving digital transformation and possess the ability to lead efforts to streamline operations. We certify such personnel on an annual basis. Specifically, regarding digital base personnel, we calculate the number of such employees needed at each headquarters and branch location, and then tailor our training programs based on who the target candidates are. The plan to increase digital base personnel by approximately 200 people is based on a calculation of our staffing needs, and we will identify candidates and train them as we go.

The goal is to enhance the skills of our current workforce, not to increase the headcount by around 200 through mid-career hiring.