

Maximizing business synergies through collaboration with the SBI Shinsei Bank Group to achieve sustainable growth and enhance corporate value.

In October 2024, NEC Capital Solutions became part of the SBI Shinsei Bank Group following changes in its major shareholders. What kind of business synergies do NEC Capital Solutions expect to gain through collaboration with SBI Shinsei Bank and its Group companies? What kind of growth scenarios have both companies envisioned for the future? In this section, we speak to President Masaaki Suganuma, and President and Chief Executive Officer Katsuya Kawashima of SBI Shinsei Bank.

(This meeting took place in June 2025 at the head office of NEC Capital Solutions.)

A wealth of ICT knowledge accumulated through the Leasing Business of NEC products, with a robust customer base comprising of national and local governments

— **NEC Capital Solutions was founded in 1978 as the financial services company of the NEC Group. Please give us a brief history of the Company to date.**

Suganuma At NEC Capital Solutions, we started as a company handling sales finance for NEC products, steadily building our foundations as a manufacturer affiliated leasing company. From around 2003, we expanded our business domain to include ICT services, and were listed on the Tokyo Stock Exchange in 2005.

In 2008, to provide comprehensive financial services alongside our Leasing Business, we changed our name to NEC Capital Solutions Limited. We have expanded our range of solutions regarding finance and real estate, including the conversion of RISA Partners, Inc. into our subsidiary in 2010.

In April 2023, we formulated the Group Vision 2030. We are working toward the realization of the next-generation circular economy by promoting CSV (Creating Shared Value) management and are currently in the middle of the Medium-term Plan 2025 (FY2024/3–FY2026/3), which is the first year of the three-year period of our challenging transformation plan.

We currently operate in four business segments—Leasing Business, Finance Business, Investment Business, and Other Business—and in the fiscal year ended March 31, 2025, the Leasing Business accounted for 44% of the operating income composition ratio^{*1}, the Finance Business for 29%, the Investment Business for 22%, and the Other Business for 5%.



Masaaki Suganuma
President

Katsuya Kawashima
President and Chief Executive Officer of SBI Shinsei Bank

— **What are the current trends in the leasing industry, where does NEC Capital Solutions stand in the industry, and what are its strengths?**

Suganuma In FY2025/3, the lease transaction volume across the industry increased 10.7% year on year. Transactions in information and communication equipment, the Company's main leasing business, increased 18.7% year on year, showing a growth rate surpassing that of the industry overall^{*2}. On the other hand, when looking at corporate bankruptcies, although total liabilities in FY2025/3 decreased year on year, the rising number of bankruptcies, primarily among SMEs, is a future risk factor^{*3}.

One of our strengths is the wealth of ICT expertise that we have accumulated through the Leasing Business, with a focus on NEC's ICT equipment. The handling ratio of

ICT equipment accounts for around 80% of our business transactions. Another strength is the solid relationships we have built with the national and local governments leveraging NEC's customer base and technological capabilities, which led to the establishment of a stable sales base. We currently have around 1,800 customers in the national and local governments.

High business compatibility and complementarity in a collaborative relationship with the SBI Shinsei Bank Group and the potential for further growth and improvements in corporate value

— **Due to changes in major shareholders, NEC Capital Solutions became a part of the SBI Shinsei Bank Group in October 2024. What is the background to the business and capital alliance and what are the potential challenges?**

Suganuma In October 2024, a portion of the Company's shares held by NEC and Sumitomo Mitsui Finance and Leasing Company was transferred to SBI Shinsei Bank, and SBI Shinsei Bank became our largest shareholder.

In our efforts to transition from a manufacturer affiliated leasing company to a financial services company, we have improved our corporate value and established a unique position within the domestic leasing industry. However, to further expand our business areas as a financial services company and achieve sustainable growth, in addition to leveraging the sales channels of the NEC Group, we recognized the need for the sales channels, knowledge, and know-how of a comprehensive financial group, and have explored the potential for new third-party collaborations.

Amid these developments, we realized that working with SBI Shinsei Bank would enable us to accelerate our growth strategies through a highly compatible and complementary partnership while maintaining our financial business partnership with the NEC Group, and in turn further improve our corporate value. We therefore progressed with the relevant discussions.

When I first heard of the idea and discussed it several times, I knew that our different customer bases and product focus areas would lead to a highly complementary business alliance for both parties. Moreover, it was clear to see the sincere and friendly manner of management and various other individuals at SBI Shinsei Bank, while I also felt similarities in our atmospheres and cultures. Accordingly, I held high expectations for the major business collaborations that would result from the changes in our major shareholders.

I also need to explain that the core businesses of our main shareholder, NEC, are in ICT Service Business and Social Infrastructure Business, and it is currently working to concentrate its management resources on these two areas. In light of this, we are determined that aiming for

^{*1} The operating profit composition ratio is calculated excluding adjustments for operating profit (company-wide costs not allocated to each segment).

^{*2} According to the Japan Leasing Association's "Lease Statistics"

^{*3} According to "Bankruptcy Report" on the TEIKOKU DATABANK homepage.

medium- to long-term business growth and improved profitability through collaborations with financial companies with whom we could generate maximum synergies would be the best way forward.

— **What was the objective of SBI Shinsei Bank in acquiring shares of NEC Capital Solutions and making it into an equity-method affiliate?**

Kawashima As mentioned by President Suganuma, put simply, it was the complementary business relationship that would stem from our collaboration. One of our Group companies at SBI Shinsei Bank is Showa Leasing, a comprehensive leasing company. However, there is almost no overlap between the business domains and customer bases of Showa Leasing and NEC Capital Solutions.

NEC Capital Solutions has a robust customer base, including government agencies as well as major companies among its main customers. Its strength lies in providing various services that utilize its ICT expertise. On the other hand, Showa Leasing's main customers are SMEs, and to date it has focused on strengthening its businesses in leasing and renting assets in construction equipment and industrial factory equipment fields.

I intuitively sensed the potential of this unique combination and knew that once harmony among employees progresses, the synergistic effects would be massive.

Moreover, with NEC as the mediator, we were able to discuss various matters in a straightforward manner, which in turn enabled the share acquisition and business alliance to progress smoothly.

— **What are your impressions of the personnel and corporate culture at NEC Capital Solutions?**

Kawashima Although we are the major shareholder of NEC Capital Solutions with more than 40% of shares, it is not simply our intention to place the Company under the SBI Shinsei Bank Group's umbrella. Rather, our real intention is to utilize our respective strengths to ensure mutual business growth and enhance corporate value.

When we joined the SBI Group, all officers and employees at SBI Shinsei Bank experienced first-hand the challenges that come with combining different cultures, placing us in a position to brace ourselves for this new collaboration with NEC Capital Solutions. Having actually visited the frontline operations and observed our employees' collaboration and mutual consideration, I have a strong sense that our collaboration will be a success.

Generated collaborative projects leading to business synergies worth 90.0 billion yen in just six months after conclusion of the business alliance, with exponential increases expected in the future

— **Approximately six months have passed since NEC Capital Solutions became part of the SBI Shinsei Bank Group. Please tell us about your efforts to produce business synergies since the collaboration began.**

Suganuma We are proactively progressing with collaboration in areas that leverage each company's strengths, and we have seen excellent results particularly in real estate finance and renewable energy. Due to restrictions specified in the Banking Act, both are areas in which it can be difficult for banks to invest directly or conduct business operations, and as such we have seen remarkable progress in our collaborative projects.

In terms of collaboration with Showa Leasing, we are making progress with multiple initiatives including participation in the formation of a green building development fund, and the cooperative leasing of construction equipment.

Moving forward, we plan to launch full-scale operation of, so-called introduction-based sales, by introducing our ICT asset management services, an area in which we excel, to the clients of SBI Shinsei Bank and Showa Leasing.

Kawashima While I'm not sure we can consider this an achievement as it has only been six months since the start of our business and capital alliance, we have already generated business worth around 90.0 billion yen by simply introducing our respective customers and projects to each other as an initial step. In line with this, I anticipate that our collaboration will lead to significant achievements in the future. As such, it is still somewhat premature to highlight our accomplishments.

Due in part to our receipt of public funding^{*4}, it is difficult for SBI Shinsei Bank to engage in businesses that use vast amounts of capital. The nature of our business as a bank is primarily to provide loans to customers and businesses. Conversely, NEC Capital Solutions has capabilities in fields that we could not engage in even if we wanted to, such as equity financing and mezzanine financing. In this sense, our respective functions are highly complementary and are working well together.

That said, the fact that we have achieved so much in just six months suggests that we will see exponential growth in both business and revenue.

— **While interaction among employees is progressing through regular consultative meetings, what other effects have you seen outside of project introductions and collaborations?**

Suganuma As I have already mentioned, SBI Shinsei Bank employees have been incredibly genuine and friendly, while they have also been very quick in making decisions and taking action in terms of business. It has been great to see them provide rapid proposals on what NEC Capital Solutions can and should do from our perspective, and I cannot thank them enough for their efforts.

In other areas, we still have a great deal to learn in terms of financial risk management and we have benefited from the advice of SBI Shinsei Bank. We will engage in personnel exchange activities going forward to acquire additional knowledge. At this moment, plans are underway for an employee from Showa Leasing to come and work with us, and from our side, there have been many employees who have expressed their interest to go and work at SBI Shinsei Bank. Sending a large number of employees will of course be difficult, but it would be great if we could engage in some personnel exchange with a limited number of employees.



**One-stop solution for corporate financing needs through the combination of loans and financial services
Expansion of PFI/PPP business through collaboration**

— **As business partners, what sort of growth scenarios do you envision for the future?**

Suganuma As President Kawashima explained, the combination of SBI Shinsei Bank's lending capabilities with our equity and mezzanine financing capabilities will enable us as a Group to provide one-stop solutions to corporate financing needs. Our aim is to use this advantage to win projects and increase revenue.

On the basis of our track record of conducting business with the national and local governments, we have developed the PFI and PPP businesses to provide public services through public-private partnerships. To date, we have built up numerous projects primarily related to regional education business and cultural facilities. The PFI and PPP businesses often involve collaboration with regional banks, and working with SBI Shinsei Bank in this area will enable us to respond to an even wider range of financing needs from regional governments.

While maintaining and developing our business partnership with NEC as before, we will also work with SBI Shinsei Bank to pioneer new markets mainly in financial area. In doing so, we hope to be able to develop into a company with dual specialties.



*4 As of the end of July 2025, SBI Shinsei Bank has completed repayment of approximately 230.0 billion yen of public funds.

Dialogue between top executives

Kawashima One of the biggest advantages of the collaboration between NEC Capital Solutions and SBI Shinsei Bank is the fact that we are a bank.

Growing a leasing business naturally requires capital. While borrowing money in a zero-interest-rate environment was relatively easier, rising interest rates aimed at normalizing financial conditions have made it impossible to borrow money without limits at low cost. Moreover, as the shift from savings to investments gains momentum and individuals' capital flows into stock markets, financial institutions are focusing again on collecting deposits.

On the other hand, SBI Shinsei Bank currently has around 15 trillion yen in deposits, allowing us to respond to financing needs in a flexible manner. For NEC Capital Solutions to have a bank as a capital partner is highly significant in supporting its future growth.

In addition, as we aim to further increase our transactions with corporate customers as a bank, the ability to seamlessly offer the outstanding services of NEC Capital Solutions to our customers will have major benefits for the Group.

Also, capital is a prerequisite in the event of restructuring in the leasing industry in the future, and another advantage lies in our ability to provide the relevant financial support.

— **Thank you for your encouraging comment. Could you please describe your commitment to enhance corporate value and achieving sustainable growth for investors.**

Suganuma One point that often comes up in our dialogue with investors is our low profitability (capital efficiency). In the fiscal year ended March 31, 2025, our ROE was 5.6%, which is low among companies listed on the Prime Market of the Tokyo Stock Exchange. We therefore recognize the need to make quick improvements.

To help investors recognize our growth, we first aim to produce numerical results by widening our sales channels outside the NEC Group through our collaboration with SBI Shinsei Bank. As part of the "Medium-term Plan 2025," we are targeting an ROE of 8% this fiscal year. We will accelerate various initiatives as we strive to surpass this target and achieve our higher goal of 10%.

Kawashima This collaboration will naturally involve us supporting one another's businesses. On the other hand, with a leasing company coming together with a bank that has a different leasing company within its group, the volume of data we handle will increase significantly. As we know, generative AI improves as the volume of training data increases. I also hope to work with NEC Capital Solutions in the area of data utilization.

I speculate about what kind of leasing needs and views corporate customers have regarding lending. I look forward to leveraging our combined data to create new strategies and opportunities for new proposals.

Suganuma Thank you for your time today. We look forward to working with you and will continue to do everything in our power to meet your expectations.



Masaaki Suganuma
President

Katsuya Kawashima
President and Chief Executive Officer of SBI Shinsei Bank