

Addressing Climate Change (Initiatives Based on TCFD Recommendations)

The SBI Group considers climate change as a critical issue confronting society and has identified climate-related risks and opportunities using the two scenarios of the global mean temperature rising 4°C and 1.5°C compared to before the Industrial Revolution. For the banking business, a core business of the SBI Group, SBI Shinsei Bank has estimated its cumulative financial impact up to FY2050. For the securities business and the investment (private equity) business, we have estimated the financial impact in FY2030.

Governance

SBI Holdings has established a Sustainability Committee under the Board of Directors, composed of Senior Managing Directors and chaired by the Representative Director, President & CEO. [▶ P.34](#)

Risk Management

The SBI Group identifies risks and opportunities related to climate change, recognizing inadequate response to issues of climate change, among others, as a key strategic business risk that could significantly impact its operations. As a regular framework for risk management, in order to understand and to properly assess and manage risks including climate change, which has the possibility of obstructing business activities, the Company has designated an officer in charge of risk management at the Group level and has established a Group Risk Management Department, so that it can carry out integrated risk management. [▶ P.50](#)

Strategy

In the scenario analysis, the SBI Group analyzed and examined the risks and opportunities and financial impacts under two scenarios, assuming global mean temperature increases of 4°C and 1.5°C respectively by 2100 compared to before the Industrial Revolution.

Financial Impact Forecast for FY2050 (Cumulative up to FY2050/Banking Business)

SBI Shinsei Bank estimates the financial impact as follows.

Physical risk: Cumulative credit costs impact of around ¥5.5 billion to ¥9 billion

Transition risk: Cumulative credit costs impact of around ¥8.5 billion to ¥32 billion

Note 1: Target business for the physical risk is domestic real estate non-recourse loans, domestic project finance, housing loans, and personal unsecured loans from Shinsei Financial.

Note 2: Target business for the transition risk is electric power utilities, oil and gas, and shipping.

Financial Impact Forecast for FY2030 (Compared to FY2020/Securities Business and Investment Business)

4°C scenario: ¥66 million

1.5°C scenario: ¥169 million

(For reference) SBI Holdings' profit before income tax expense was ¥282,290 million in FY2024.

Note: The total amount of predicted financial impact includes additional costs from the introduction of decarbonization and emissions trading; cost increases due to electric power rates and zero energy buildings (ZEBs); air conditioning costs due to rising temperatures; annual loss from floods and high tides; and annual loss of interrupted operations through the securities business and investment (private equity) business.

Examples of SBI Group Initiatives to Resolve Environmental and Social Issues

- Support for the issuance of social impact bonds, including green bonds (SBI SECURITIES and SBI Shinsei Bank)
- Sustainable finance and impact finance (SBI Shinsei Bank)
- Selecting investee companies in consideration of SDGs (SBI Investment)
- Agricultural solar power generation development business (SBI Smart Energy)

Metrics and Targets

Towards realizing the national target of carbon neutrality by 2050, the SBI Group targets net zero GHG emissions (Scope 1 and Scope 2) by FY2050. Its interim target is a 33% reduction by FY2030 (compared to its FY2018 levels). In addition, we have begun calculating Scope 3 emissions for each category in order to understand the scale of the Group's Scope 3 emissions.

Change in GHG Emissions (Units: t-CO₂)

	FY2022	FY2023	FY2024
Scope 1	1,482	1,206	1,071
Scope 2	12,030	10,367	9,797
Total	13,512	11,573	10,868
Scope 3	1,286	5,496	5,921

Note 1: Scope of collected data: Disclosed are emissions at SBI Holdings' and its main Group companies' domestic facilities. Disclosures respectively cover Scope 1 (direct emissions from use of fossil fuels, etc.), Scope 2 (indirect emissions from use of purchased power and heat), and Scope 3 (emissions of others related to the operator's activities) as defined by the GHG Protocol.

Note 2: Scope 3 covers business travel (Category 6) and employees' commutation (Category 7). SBI Shinsei Bank Group has been included from FY2023.

For full disclosure in accordance with the TCFD,
please refer to the following website:

<https://www.sbigroup.co.jp/english/sustainability/environment/tcf.html>