

# REVIEW OF OPERATIONS

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# AT A GLANCE

## INSTITUTIONAL GROUP GLOBAL MARKETS GROUP

The Institutional Group focuses primarily on corporate and public sector finance and advisory business, while the Global Markets Group concentrates on financial markets business and serving financial institution clients\*<sup>1</sup>

### Major Business\*<sup>1,2</sup>

#### Institutional Group

- Corporate & Public Sector Finance
- Healthcare Finance
- Advisory
- Real Estate Finance
- Specialty Finance
- Corporate Restructuring
- Credit Trading
- Private Equity
- Leasing (Showa Leasing)
- Trust operations (Shinsei Trust)

#### Global Markets Group

- Financial Institutions Business
- Markets
- Asset Management
- Wealth Management
- Treasury
- Securitization (Shinsei Securities)

### Major Subsidiaries



\* 1. Effective April 1, 2011, the Bank reorganized its institutional businesses into the two groups mentioned above. However, presentation of the Bank's financial results and other information relating to fiscal year 2010 are based on previous business segmentation.

2. Presentation of business lines is based on current business segmentation.

## INDIVIDUAL GROUP

The Individual Group serves 6 million core customers in its retail banking, and unsecured personal loan, installment sales and other consumer finance businesses, offering products and services ranging from asset management to loans

### Major Business

- Retail Banking
  - Deposit related products (saving deposits, time deposits, structured deposits, foreign currency deposits)
  - Asset management (consultation, mutual funds, annuity products)
  - Housing loans
- Consumer Finance
  - Unsecured personal loans (Shinsei Financial, Shinki)
  - Installment sales credit, settlement, credit cards (APLUS FINANCIAL)

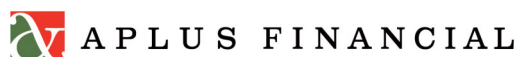
### Major Subsidiaries

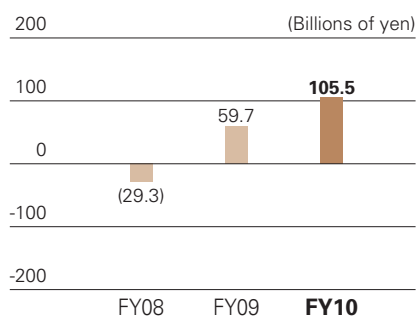
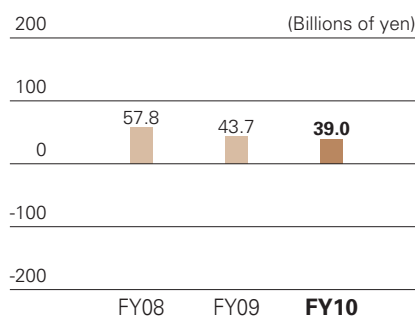
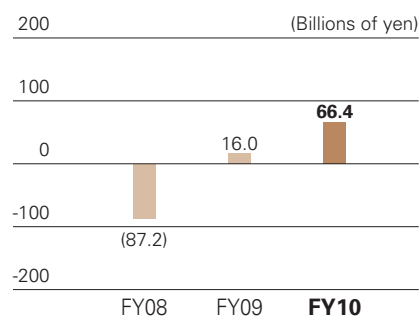
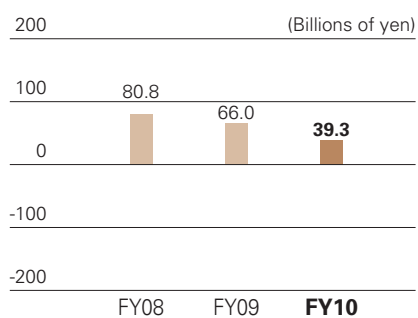
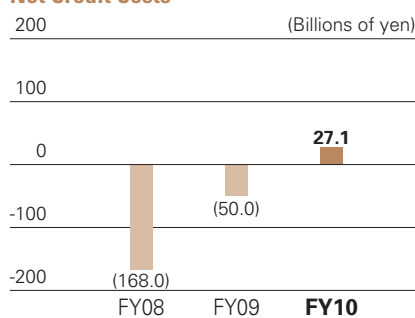
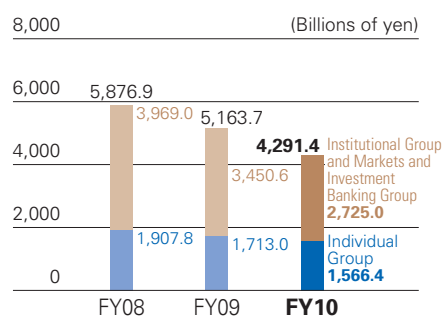
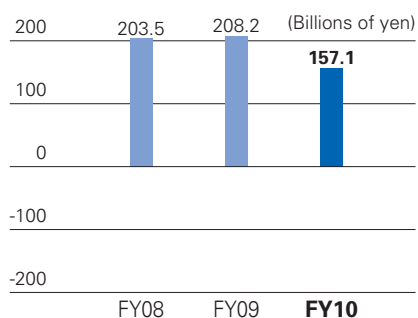
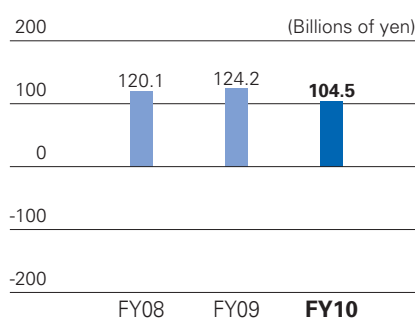
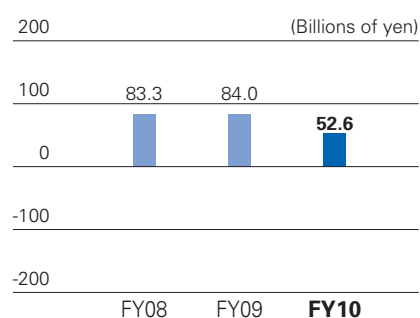
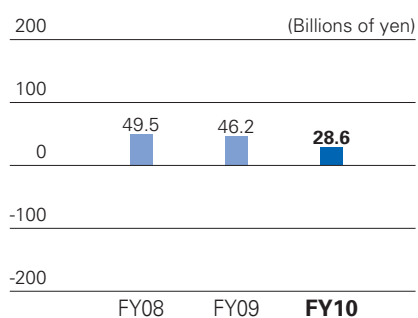
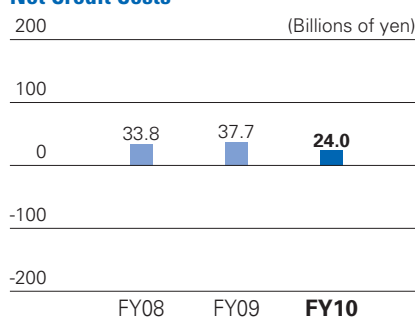
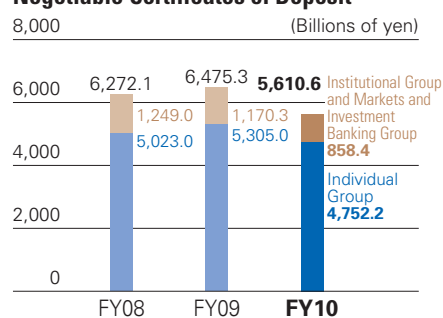


Lake - a service provided by Shinsei Financial



Service provided by Shinki



**Total Revenue (Loss)****General and Administrative Expenses****Ordinary Business Profit (Loss)****Net Credit Costs****Ordinary Business Profit (Loss) after Net Credit Costs****Total Loans and Bills Discounted****Total Revenue****General and Administrative Expenses****Ordinary Business Profit****Net Credit Costs****Ordinary Business Profit after Net Credit Costs****Deposits and Negotiable Certificates of Deposit**

# INSTITUTIONAL GROUP GLOBAL MARKETS GROUP

Financial Highlights

Message from the Management

Special Feature

Review of Operations

Management Structure

Data Section



Having reduced non-core business assets and provisioned conservatively for potential risks in fiscal year 2010, our institutional businesses are shifting gears to grow the customer franchise and stabilize earnings in fiscal year 2011.



**Hitomi Sato**  
Head of Institutional Group



**Akira Watanabe**  
Head of Global Markets Group

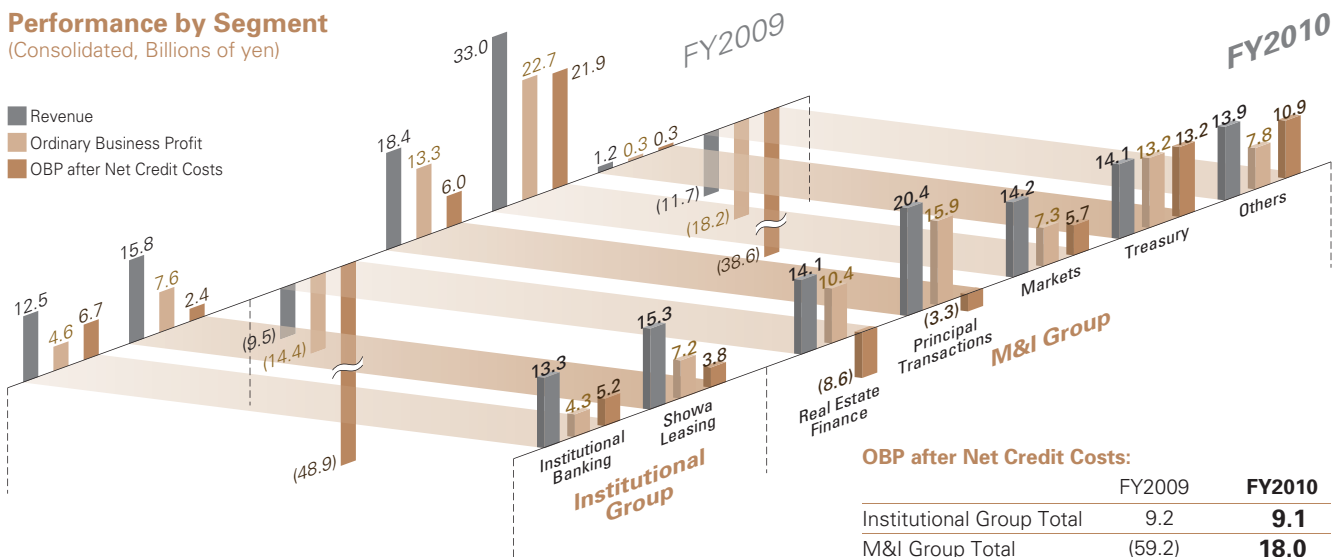
(Note) Effective April 1, 2011, the Bank reorganized its institutional businesses into a newly defined Institutional Group and the Global Markets Group. However, presentation of the Bank's financial results and other information relating to fiscal year 2010 are based on previous business segmentation.

## Results

In fiscal year 2010, the Institutional Group and Markets and Investment Banking Group (M&I Group) dramatically improved their earnings power by implementing initiatives aimed at growing the customer franchise and stabilizing earnings.

### Performance by Segment

(Consolidated, Billions of yen)



#### OBP after Net Credit Costs:

	FY2009	FY2010
Institutional Group Total	9.2	<b>9.1</b>
M&I Group Total	(59.2)	<b>18.0</b>

#### Businesses with higher revenues and higher OBP after net credit costs year-on-year:

- "Real estate finance" higher due to decrease in losses on domestic real estate principal investments. Made provisions for potential risks
- "Treasury" higher due mainly to gains on sale of Japanese government bonds
- "Others" higher due to gains on the sale and revaluation of asset-backed investments and asset-backed securities

#### Businesses with lower revenues, higher OBP after net credit costs year-on-year:

- "Showa Leasing" had higher profits due to strict credit control despite lower operating assets
- "Markets" enjoyed steady customer transaction business despite lower non-recurring gains on sale of securities (CLOs etc.)

#### Businesses with higher revenues, lower OBP after net credit costs year-on-year:

- "Institutional banking" focused on channeling resources into areas where the Bank can demonstrate its unique strength as part of efforts to rebuild the customer franchise
- "Principal transactions" saw improvement at equity-method affiliate in addition to strong domestic credit trading business

## Operating Environment & Challenges

Prior to the Great East Japan Earthquake, the Japanese economy as a whole had shown signs of an export-led recovery during the fourth quarter of fiscal year 2010, despite an historically strong yen. However, in the banking industry there was little change overall in the market for corporate funding, where demand remained weak as intense competition and the ongoing shift in companies' funds procurement methods continued to hamper profitability. On the other hand, conditions in the real estate market appeared to be improving, evidenced by a slowdown in the deterioration of rent levels and vacancy rates in the rental sector, sparking renewed interest in the property sales market. In light of this upturn, we began originating new real estate non-recourse finance in the second half of fiscal year 2010, while making additional reserves for existing portfolios. Meanwhile, a broader revival in risk appetite globally facilitated an acceleration in the reduction of non-core business assets, accompanied by gains related to their disposal.

The effects of the earthquake that occurred in March 2011 are still difficult to measure. However, at least in the short-term, we expect that this will be a destabilizing factor in the operating environment for our institutional customers, and for smaller enterprises in particular. However, earthquake-related credit costs in our institutional businesses amounted to only ¥1.6 billion at Showa Leasing, as the direct impact of the disaster on our business was limited. In the second half of fiscal year 2011, we expect an increase in borrowing demand, including loans for recovery efforts, from core corporate and financial institution customers. In the real estate market, the earthquake actually generated some positive evaluations of Japanese property as the quake's impact on actual buildings themselves was relatively minor, thus proving the high standard of Japanese quake-resistant construction methods. Even if there is a temporary decline in transactions, we predict that the real estate market will regain vitality once the confusion caused by the earthquake settles, as there is still a huge amount of funds potentially available for investment.

## Strategy

Following a division of our institutional businesses across two business groups in October 2010, we have further refined our

organizational framework in April 2011 to achieve more strategic provision of products and services for institutional customers. The newly defined Institutional Group is focusing primarily on corporate and public sector finance and advisory business, while the Global Markets Group concentrates on financial markets and serving our financial institution clients.

### Key Points of Institutional Business Strategy

- Leveraging our neutral position to provide sophisticated financial solutions to a wide range of corporate, financial institution and public sector clients
- Developing niche business areas where we have accumulated substantial experience and expertise
- Establishing a division dedicated to supporting the creation of new industries and technologies; developing new fields expected to grow in response to changes in the industrial structure, or which will contribute to establishing a sustainable society for the future
- Supporting Japan's recovery from the Great East Japan Earthquake
- Continuing to restructure legacy portfolios to "stabilize the earnings base"

The Institutional Group will strive to broaden its customer base by responding appropriately to mid-market and small- and medium-sized enterprises' (SME) funding needs, in order to grow loan volume and interest income, and seize opportunities to provide advisory services, capital markets and other fee-generating products. At the same time, it will seek to carve out leading positions in certain industries and sectors that are set to grow on the back of rising social and industrial needs such as health-care finance, corporate restructuring and ship finance. We will also leverage our expertise in risk management and financial engineering to serve customers who are seeking to grow alongside the development of new industries or technology, while the provision of succession solutions for small business owners will be another strategic focus. Ensuring that customers' needs and economic rationality are aligned, the Institutional Group will continue to develop its strengths in niche areas including real estate finance, credit trading and leveraged/management buyout and other specialty finance.

On the other hand, the Global Markets Group will work to develop and market new financial and asset management products for all of the Bank's customers as part of efforts to





widen the client franchise and capture new earnings opportunities. These will include business solutions and investment products for our financial institutions customers, as well as a more innovative range of asset management products for retail banking and high-net worth individuals.

Going forward, we will maintain our strict expense discipline, while making proactive investments in people, infrastructure and other management resources in areas of strategic focus that we believe we should build out further.

## Progress

### Shifting Gears—FY2010 Initiatives to Promote Business Expansion in FY2011

- Branch-wide efforts resulted in significant increase in new customer and borrower numbers
- Progressively transferring credit assessment process to front-line relationship managers to promote aggressive but disciplined sales
- Revised internal evaluation system to further incentivize inter-Group and inter-division cross-sales
- Established Healthcare Finance Division and began making loan disbursements
- Made new disbursements in real estate non-recourse finance
- Established Corporate Support Division and subsidiary to provide capital for corporate restructuring. Steady accumulation of assets and customer leads
- Strengthening ship financing business, closing deals in both head office and regional branches
- Forged alliances with financial institutions in Vietnam, India and Taiwan
- Faster-than-planned disposal of legacy non-core business assets

The following discussion is based on previous business segmentation.

### Institutional Banking & Showa Leasing

*Providing basic banking and tailor-made financial products and services for corporates, financial institutions, public entities*

Our institutional banking business launched a branch-wide campaign to approach new customers with a specific focus on mid-market and small- and medium-sized enterprises. The result was a substantial increase in both new corporate customer and borrower numbers in the second half of the fiscal year alone.

Showa Leasing has built on relationships with regional and shinkin banks to expand its customer base, while working to enhance its product and service line-up, including innovative solutions to support customers' environmental protection efforts.

We have made important inroads into our strategic focus areas of healthcare finance and corporate restructuring, establishing dedicated divisions in July 2010 and October 2010 respectively, and making loan disbursements. In line

with the Financial Services Agency's exhortation in April 2011 for financial institutions to provide solutions to SMEs in need of business improvement, we believe that corporate restructuring needs are set to increase. In advance of such announcements, we established Shinsei Corporate Support Finance Co., Ltd. in November 2010, an investment subsidiary specializing in corporate restructuring investment. We are also strengthening our shipping finance operations, a business where our expertise and networks stretch back to the days of The Long-Term Credit Bank, in anticipation of increased financing demand from the Chinese and Indian ship chartering market.

As increasing numbers of Japanese companies look to grow their presence in Asian markets, we have begun building a framework to support customers' expansion of their business operations in this region, particularly in rapidly growing emerging markets. In fiscal year 2010, we forged business alliances with financial institutions in Vietnam (Baoviet Holdings), India (YES BANK LIMITED), and Taiwan (Jih Sun Financial Holding), and assigned more resources to this area as we seek to provide even greater support for our customers' Asian operations.



## Real Estate Finance

*Providing non-recourse finance to global private equity funds, financial institutions and other sponsors, and corporate loans to real estate development and construction companies as well as REITs*

Over the past year, we have made solid progress in restructuring our real estate-related portfolios, which account for over 80% of our non-performing loans, to reduce our concentration risk in this sector. We have reduced our domestic real estate non-recourse finance balance to ¥658.6 billion at March 2011, in excess of our initial target of a 20% reduction compared with the ¥950.0 billion balance at March 2010, and recorded ¥19.5 billion in conservative provisioning.

In the second half of fiscal year 2010, we restarted disbursements of non-recourse financing for domestic real estate for the first time since December 2008 as we moved forward with the replacement of assets in this portfolio. Going forward, we aim to continue replacing portfolio assets and building up high quality loan assets while maintaining an appropriate level of exposure to real estate.

## Principal Transactions

*In our credit trading business, we purchase non- and sub-performing monetary claims, and provide financing solutions that harness customers' assets. In specialty finance, we offer a comprehensive range of services related to leveraged finance, acquisition finance and other structured finance.*

While proactively unwinding legacy overseas credit trading portfolios, we have maintained our presence as one of the key players in the domestic credit trading business—one of our core competencies. In specialty finance, we have made provisions of ¥19.9 billion for potential risks in fiscal year 2010, and will continue to pursue this business by carefully considering the risk-return profile of each transaction going forward.

Leveraging our experience in the domestic market, in fiscal year 2011 we aim to restart credit trading operations in the distressed debt market in Korea, where we have extensive experience. In private equity, we hope to serve the growing needs of small business owners who lack a successor—a market left largely unserved by major financial institutions, and where our agile and efficient operations, and ongoing relationships with domestic and foreign funds, will be a strong advantage.

## Markets

*A full suite of capital markets products, including currency exchange and derivative products such as equity, interest rate and credit derivatives, as well as securitization (through Shinsei Securities) and loan syndication.*

While posting non-recurring gains on sales of legacy collateralized loan obligations (CLOs), we also saw steady progress in customer-driven business and trading. This included new mandates won in the second half of the fiscal year for sales of “white label” structured deposits and other financial products to retail customers of partner regional financial institutions.

The organizational changes effective from the start of fiscal year 2011 unite our markets-related functions with our financial institutions business, as we aim to step up our services to this important customer base whose needs are primarily markets and product-based.

## Treasury

*Asset liability management and fund-raising for the Shinsei Bank Group*

Throughout fiscal year 2010, we continued to maintain ample liquidity reserves in excess of ¥1 trillion. In addition, we carefully analyzed the market for Japanese government bonds, which we hold for ALM purposes, and realized sales gains as a result of dynamic management of this portfolio. This contributed to improved performance for this segment year-on-year.

## Others

*Includes advisory, asset management, alternative investments, wealth management, trust, overseas credit trading, asset-backed investment and other businesses and products*

In fiscal year 2010, we saw a marked improvement in performance in this segment, supported by sales and valuation gains on asset-backed securities (ABS) and asset-backed investments (ABI). The residual balance of our portfolio of overseas ABI and ABS (including CLOs) was approximately ¥79.5 billion, down from approximately ¥168 billion at March 31, 2010, and a 83% reduction compared with a peak of almost ¥474 billion in fiscal year 2007.

As we shift gears to go back on the offensive in fiscal year 2011, we have taken the strategic decision to continue our wealth management and asset management businesses. Both businesses will be realigned to focus on fee-generating provision of unique and timely investment products.





## Operating Environment & Challenges

While there was a partial recovery in consumer spending during fiscal year 2010 supported by an improvement in corporate earnings and government stimulus packages, Japanese individuals still faced a harsh environment amidst worsening employment conditions and wage levels. In the short term, the Great East Japan Earthquake is likely to exacerbate conditions, encouraging risk-avoidance in investments, and dampening consumer appetite both for housing and consumer loan products and credit card cashing services until the disaster's longer term effects on the wide economy become clear. While the earthquake had limited impact on our housing loan portfolio, we made provisions of ¥4.5 billion, largely at our consumer finance subsidiaries, and promptly began disaster recovery assistance programs for customers in affected areas.

Fiscal year 2010 witnessed a series of high-impact events for the consumer finance industry with the full scale implementation of the revised MLBL in June, Takefuji's bankruptcy filing in September, and the enforcement of the revised Installment Sales Law in December 2010. The introduction of an income-linked borrowing limit has resulted in a more pronounced decline in new unsecured personal loan applications, fuelling competition to acquire high quality borrowers. While disclosure claims did show a temporary increase over the third and fourth quarters, they returned to a declining trend by March 2011 and remain below past peak levels at all our consumer finance subsidiaries. "Grey zone" interest repayment losses also fell substantially year-on-year in fiscal year 2010 in large part due to our indemnity agreement against interest repayment liabilities at Shinsei Financial. However, as disclosure claims did not fall as far as initially expected, we recorded ¥10.1 billion in additional provisions across our subsidiaries.

## Strategy

### Retail Banking

- Strengthening retail banking operations that combine highly convenient Internet banking, ATM and other remote channels with branch-based consulting services at Shinsei Financial Centers and Shinsei Consulting Spots
- Enhancing our asset management consultation services to help customers, especially those approaching retirement, find the optimal financial solutions for their individual needs
- Providing housing loan products with unique features, such as a free-of-charge early repayment facility
- Offering a wide range of distinctive deposit products that contribute to stabilizing the Bank's funding base

### Consumer Finance

- Using effective marketing strategies, new products and speedier service to meet responsible borrower demand, and secure revenue amid a contracting Japanese consumer finance market
- Combining convenience and speed provided by Shinsei Financial's Lake brand with the reliability and peace-of-mind of Bank service, and launching full-scale unsecured personal loan business from the Bank under this brand
- Continuing to explore opportunities to diversify our consumer finance operations, by expanding the loan guarantee business with regional banks
- Managing expenses rigorously across the group through IT deployment and cost-effective marketing strategies



## Progress

### Retail Banking

Retail banking's ordinary business profit after net credit costs grew almost 20% from ¥6.3 billion in fiscal year 2009 to ¥7.5 billion in fiscal year 2010 as revenues rose and expenses declined.

Our deposits business showed stable income as customers with a maturing time deposit purchased during our preferential interest rate campaigns chose to remain with Shinsei. As a result of these maturities, while our overall deposit balance has fallen in line with expectations, as of May 31, 2011, we now have in excess of ¥1 trillion in the two-week maturity deposit that was originally launched in June 2009. In light of this product's popularity, we introduced Australian dollar, U.S. dollar, New Zealand dollar and euro-denominated two-week maturity deposits during fiscal year 2010. This strategic shift in our deposit profile has contributed to a decline of 20 basis points in the Bank's consolidated deposit-based funding costs year-on-year. Overall liquidity reserves remained at approximately ¥1.1 trillion as of March 31, 2011.

Although fee revenue in our asset management business was down slightly on the previous period, sales of structured bonds (financial product intermediary business) were strong, as customers opted for the clear returns offered by these instruments over the volatility of equity-based products in light of the current economic environment. In fiscal year 2011, we will be working closely with the newly established Asset Management Sub-Group and Shinsei Investment Management to develop timely new investment trust products.

We have seen steady performance in our housing loan business, with new disbursements rising strongly year-on-year, reflecting competitive pricing for our popular variable rate *PowerSmart Housing Loan*. In addition, from October 2010 we have partnered with APLUS FINANCIAL and begun introducing the *Home Bridge Loan (APLUS BRIDGE LOAN)* to customers who are considering taking out a housing loan and require bridge financing for land purchase and building construction costs.

We continued to enhance our face-to-face consulting capabilities through the roll-out of Shinsei Consulting Spots, adding five more of these branches to bring the total to 15 as of June 30, 2011. We also expanded our



Chiba Consulting Spot opened in October 2010

long-standing partnership with Seven Bank, Ltd. by installing Seven Bank ATMs in our own branches. Seven Bank's ATMs are connected to a network of approximately 560 financial institutions, allowing us to heighten customer convenience and make more effective use of branch space.

Alongside the opening of new Shinsei Consulting Spots, we have continuously reviewed our existing branch network and optimized staffing levels in line with customer traffic, while further reducing advertising expenses through a focus on more efficient strategies. As a result, we succeeded in bringing down our general and administrative costs by 5.8% year-on-year.

### Shinsei Financial & Shinki

Shinsei Financial continues to lead the market in share of new loan applications, demonstrating the appeal of the Lake brand—a strength that is all the more important as loan balances, and consequently, net interest income continue to be impacted by the income-linked borrowing limitation and interest rate ceiling caps stipulated in the revised MLBL. However, rigorous credit control and a more prudent approval rate than our major competitors have also led to an improvement in asset quality; credit costs have fallen substantially, and approximately 70% of customers have no borrowing from other lenders since full-scale implementation of the revised MLBL. As a result, both Shinsei Financial and subsidiary Shinki have remained profitable, despite posting combined earthquake-related provisions of approximately ¥2.3 billion, and grey-zone provisioning of ¥6.8 billion.



Consumer needs for sound, small-lot personal finance in Japan remain strong. In order to meet these needs smoothly and flexibly, we are planning to have the Bank take over the Lake-branded unsecured personal loan business from Shinsei Financial and launch full-scale operations from October 2011.

Going forward, Shinsei Financial will continue serving existing unsecured personal loan customers while pursuing further growth through the earnings diversification initiatives it began in fiscal year 2010. For example, since concluding its first business alliance agreement for provision of guarantees for third-party banks' unsecured personal loans with The Towa Bank, Ltd. in August 2010, Shinsei Financial has worked with Shinsei Bank's Financial Institutions business to win similar mandates with The Daito Bank, Ltd., The Toyama Bank, Ltd., Tsukuba Bank, Ltd. and Tomato Bank, Ltd. to date. We seek to differentiate ourselves in this business by offering comprehensive support to client financial institutions, including advice on their advertising strategy and product design. In addition, Shinsei Financial will also provide credit guarantees for the Lake-branded unsecured personal loan business to be launched by the Bank.

Throughout the fiscal year, Shinsei Financial and Shinki have continued right-sizing of their branch networks and headcount in line with market size, reducing expenses by 21.5% and 42.5% respectively. As of December 2010, APLUS FINANCIAL has joined Shinki to become a subsidiary of Shinsei Financial, opening the way for further integration of strategy and cost bases.

### APLUS FINANCIAL

Following its shift to a holding company structure in April 2010, APLUS FINANCIAL, one of Japan's three largest listed *shinpan* (sales finance) companies, now comprises APLUS Co., Ltd, a subsidiary specializing in the installment sales credit, credit card and settlement businesses, and APLUS PERSONAL LOAN Co., Ltd, which focuses on personal loans.

During fiscal year 2010 APLUS FINANCIAL has made steady progress towards its medium-term management plan vision of "becoming a *shinpan* (sales finance) company chosen by customers and fit for the new age," and breaking away from dependence on consumer finance loan income. The company returned to profitability posting net income of ¥3.2 billion (before consolidation) as greatly improved credit costs and reduced expenses offset additional reserves of

¥3.2 billion for losses on grey zone interest repayment and earthquake-related provisioning of ¥1.6 billion.

In installment sales credit, a core business, APLUS FINANCIAL has been ramping up sales activities focused on housing related products such as solar power generation systems and EcoCute energy-efficient water heating systems. It has also introduced a new installment sales service that allows customers to acquire T points\* when they make purchases, in an effort to overcome weak demand for sales finance. In the credit card business, APLUS FINANCIAL has worked to improve profitability by re-negotiating terms and conditions with key merchant partners, while establishing an on-line shopping site exclusively for cardholders and introducing a gold card with one of the industry's lowest annual fees, in a double-pronged strategy to simultaneously acquire new customers and improve activation rates among current cardholders. In the settlement business, APLUS has revamped its APLUS Business Support Card, a service for corporate customers which facilitates smoother transactions with small- and medium-sized, and sole proprietorship vendors. Through this service, APLUS helps customers reduce the risk of being unable to collect on accounts receivable by taking on this credit risk on their behalf. The enhanced service is now available for a wider range of vendors, and has a new installment payment option as well as other features designed to cater better to customers' needs.

The company's existing portfolio of consumer loan and cashing receivables continues to improve in quality as a result of strict credit control, contributing to an overall reduction in credit costs of 34.5% year-on-year. In addition, APLUS FINANCIAL has succeeded in cutting credit costs through improved collections following the incremental introduction of a new collection system based on Shinsei Bank's IT.

\* The T Point Loyalty Program is an integrated loyalty point program, operated by Culture Convenience Club Co., Ltd. ("CCC"), which allows holders of a T card to accumulate T points when making purchases at participating retailers. Points can be redeemed across a spectrum of retailers including convenience stores and supermarkets. APLUS FINANCIAL has an alliance with CCC in the credit card business, where it offers the credit-enabled "T Card Plus" card.



# BANKING INFRASTRUCTURE GROUP

## A unique core system based on PC-class servers

### Highlights

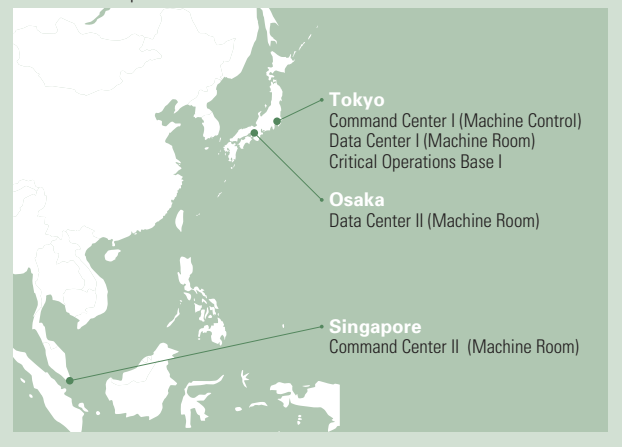
- Operating core business system with approximately 2,000 PC-class servers
- Continued provision of stable customer service at low initial and running costs
- Building a flexible business process framework for future expansion and new business development
- Ensuring continued customer service even in the event of a major natural disaster

## Shinsei's IT Infrastructure—Stable, Scalable and Low Cost

At Shinsei, our Banking Infrastructure Group has been deploying a unique IT methodology not found at any other bank. Most banks rely on a complex web of systems and data that are processed by huge mainframe computers. These systems necessitate huge initial investment, and require substantial amounts of time and additional cost to improve or expand. Shinsei prides itself on being the first bank ever to abandon mainframes. Instead, following the "path-based approach" common in industrial engineering, we have built a completely new system based on PC-class servers that can evolve incrementally to meet our businesses' needs. We are able to respond rapidly, flexibly and at low cost to these ever-changing needs by breaking down our businesses' requirements into smaller modules and using mass-manufactured PC-class servers to develop solutions for each. Alongside the implementation of this IT methodology, we continue to automate our business processes in order to realize the low costs, high quality and flexibility of a manufacturing line. In addition, we have decentralized both the servers that house our core systems and the systems that control those servers, as well as settlement and certain other core business processes, to help ensure that we can continue serving customers even in the event of a widespread natural disaster.

### Prepared for the Unexpected —A Robust Business Continuity Framework

In order to minimize the impact of a widespread natural disaster on our services to customers, Shinsei has designated certain functions, including cash provision and payments (ATM withdrawals), settlement and funding, as "critical operations" to be prioritized, and prepared functional back-up systems across multiple locations.



Shoji Shiba, Emeritus Professor of Tsukuba University and globally renowned expert in quality control has been researching Shinsei's IT infrastructure for almost one year.

"In the course of my research, I was amazed to realize that Shinsei's IT goes beyond the dimensions of just delivering dramatically reduced development times and lower costs. At its core there is a scientific methodology that utilizes IT as a management tool to transform business frameworks and the corporate organization into services that are intimately connected to customers, and in doing so, Shinsei's Banking Infrastructure Group has created an organizational revolution." *Shoji Shiba*

**Shoji Shiba** Emeritus Professor of Tsukuba University Former Professor at Massachusetts Institute of Technology (MIT)