

Aspirations toward the Shinsei Bank Group's Medium-Term Vision

Katsuya Kawashima
Representative Director,
President and Chief Executive Officer



We would like to express our sincere gratitude for your continued patronage.

The Shinsei Bank Group ("the Group") became a member of the SBI Group in December 2021 and launched a new management structure in February 2022.

Since becoming the Representative Director, President and CEO, I have held repeated discussions with the Group executives and employees regarding the future direction and growth strategy of the Group, which has entered a new stage, and formulated the new medium-term management plan, namely the "Medium-Term Vision of the Shinsei Bank Group" (the "Medium-Term Vision").

The Medium-Term Vision covers the three-year period from fiscal 2022 to fiscal 2024. The Group aims to meet the expectations of stakeholders by achieving the three-year plan as outlined in the Medium-Term Vision, along with building a foundation that is capable of achieving sustainable growth to enhance corporate value.

First, I will explain the three "targets to be achieved in three years" as set forth in the Medium-Term Vision.

Medium-Term Vision

(Targets to be achieved
in 3 years' time)

1

Realize JPY 70 bn in consolidated
net income and establish a
foundation for further growth

2

Evolve into a leading banking
group providing pioneering
and advanced finance

3

Show the path toward
repayment of public funds

1 Achieve 70 billion yen of consolidated net income and establish a foundation for further growth

Our first target is to achieve consolidated net income of 70 billion yen and establish a foundation for further growth.

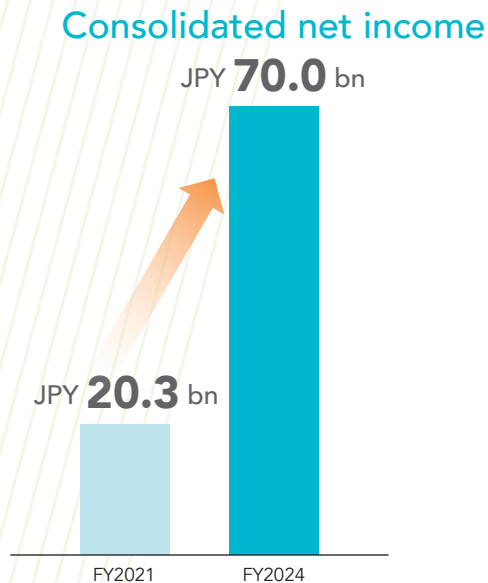
The new quantitative consolidated net income target of 70 billion yen for fiscal 2024 is a highly ambitious target, approximately 3.5 times compared with the result of 20.3 billion yen for fiscal 2021. However, if the executives and employees of the Group work together and realize synergies with the SBI Group, I believe that this can be achieved.

The key to achieving this target is increasing the number of customers, the scale of assets and transaction volume. As one of the new strategies, our financial targets under the Medium-Term Vision are to expand the



number of customers, increase the balance of deposits to support growth and grow the operating assets balance, which are the foundation for sustainable revenue growth.

I believe that the growth in quantity, or the number of customers and transaction volume, in turn, improves the overall quality. In other words, we can improve the quality of our products and services by receiving and responding to a wide variety of requests from our growing customer base. Providing products and services that are better than those of other financial institutions by improving quality, is highly appreciated by customers and leads to deepening relationships with them. By building this cycle, we aim to establish a customer base that would be the catalyst for the further growth of the Group.



2 Evolve into a leading banking group providing pioneering and advanced finance

The second target is to be a leading banking group that provides pioneering and advanced finance.

This represents the ideal image of the Shinsei Bank Group from a medium- to long-term perspective. We aim to become a banking group that provides pioneering and advanced finance through providing our products and services with a sense of speed and entrepreneurial spirit ahead of others, and by aggressively using advanced technologies to achieve this target.

To realize this ideal image, we plan to thoroughly incorporate the customer base, expertise and know-how of the SBI Group's financial ecosystem into the Shinsei Bank Group's business operations.

3 Show the path toward repayment of public funds

The third target is to show the path toward repayment of public funds.

Regarding the repayment of public funds, which is one of the most important management issues for the Shinsei Bank Group, we will work together with the SBI Group to gain the understanding of the government and other stakeholders, premised on protecting minority

shareholders, so that we can show the path and direction for the repayment of public funds over the next three years.

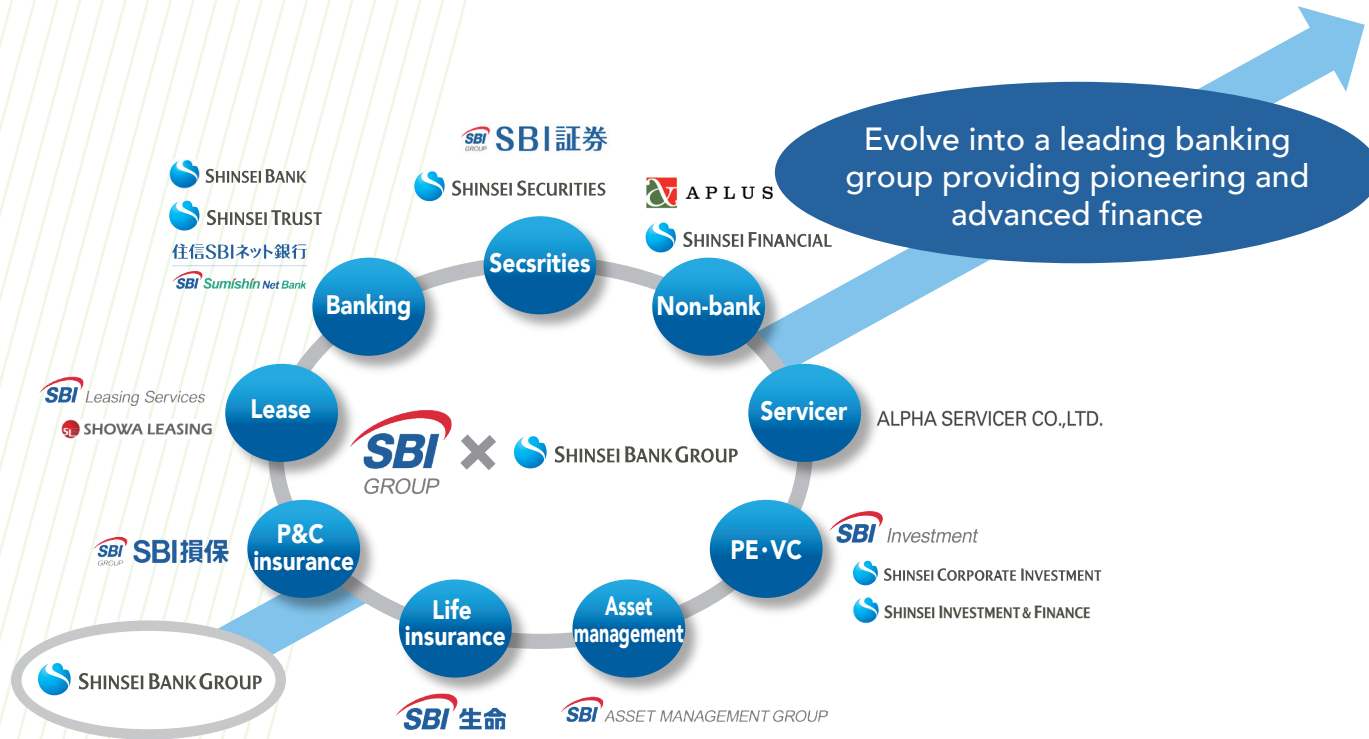
To achieve this target, we recognize that it is essential to improve profitability, which, in turn, becomes the source of public funds repayment and enhancement of corporate value. Therefore, in terms of our shareholder returns policy, we will give the highest priority to improving earning capacity by implementing our business strategies. Specifically, we place greater emphasis on using capital to expand our business foundation and strengthen earning capacity, as well as on accumulating retained earnings.

Next, I will explain the three core strategies for realizing the above targets.

Core Strategy 1

Pursue value co-creation inside and outside the Group

Regarding "value co-creation," we have traditionally promoted collaboration with external partner companies. Going forward, we will expand the definition of "value co-creation" and promote it as an "open alliance" in a broad sense, including "value co-creation with the SBI Group companies," "value co-creation within the Shinsei Bank Group," "value co-creation with companies outside the Group" and broadly defined nonorganic value co-



strengthening our earnings base, and through these initiatives we will build a foundation for sustainable growth.

Core Strategy 2

Enhance the Group's strengths and realize a full range of service offerings

To deepen our strengths, we have been focusing on small-scale financing and business with institutional investors. In the future, we will add overseas business customers to this mix and enhance our expertise and deepen our experience as one of domains in which the Shinsei Bank Group possesses strengths.

Full range of service offerings will become a new concept in the Medium-Term Vision. In a rapidly changing business environment, customer needs are diverse and variable. Therefore, without a wide variety of offerings of products and services, we cannot make prompt and accurate proposals to meet customers' needs. By adding the products and services of the SBI Group and external partners to the offerings of products and services that the Shinsei Bank Group has long possessed, we will realize a full product offerings and maximize our ability to make proposals to customers and the added value that we provide to customers.

To bolster our strengths and provide a full range of services, the Group will utilize innovative technologies.

creation via investments and M&As.

For value co-creation with the SBI Group companies, we will promote mutual customer referrals, supplementation of functions and sharing of resources with the SBI Group companies. As an example, we will widely introduce the products and services of the Shinsei Bank Group to the SBI Group's customers. Through close collaboration between the Shinsei Bank Group and the SBI Group, the Group will be able to provide attractive products and services to a customer base of more than

40 million for both groups combined.

Since January 2022, the Shinsei Bank Group has been engaging in joint projects to discuss and promote measures to create synergies with the SBI Group. In about 40 different fields relating to business and the management base, the Shinsei Bank Group and the SBI Group's personnel are discussing various joint business opportunities on a daily basis and launching a wide range of collaborative measures. We have positioned fiscal 2022 to fiscal 2023 as a preparation period for

- Repayment of public funds is one of the most important management issues for the Shinsei Bank Group. We will work in collaboration with the SBI Group to gain the understanding of the government and other stakeholders on the premise of protecting minority shareholders so that we can show the path and direction for repayment in the next three years
- Recognizes that it is essential to improve profitability, which is the source of public funds and enhancement of corporate value, in order to show the path toward repaying public funds

Actions for achievement

Business Strategy

By steadily implementing the various strategies while utilizing the functions and customer base of the SBI Group obtained through joining the SBI Group, expand the customer base and achieve a significant and sustainable improvement in profitability.

Shareholder Returns

Prioritize improving profitability by implementing business strategies. Review of our previous shareholder returns policy and focus more on capital utilization and internal reserves of profits to expand our business foundation and strengthen profitability.

Core Strategy 3

Achieve sustainability through business activities

The demand from society for sustainability is high, as it is for the Shinsei Bank Group.

What is most expected of the Group and requested by society is to repay public funds, and in order to realize the repayment, we are required to strengthen

the earnings base and increase corporate value. For this reason, we have set the goal of achieving sustainability through our businesses.

Within this context, we will put particular emphasis on our efforts to revitalize local communities. Through collaboration with the SBI Group, we will support local financial institutions in resolving their issues as the platformer of regional financial institutions. At the same time, we will provide financial services to local companies, residents, municipal governments, and other entities with the aim of revitalizing regional economies.

In addition to these efforts, we will support the resolution of environmental and social issues by providing advanced financial services such as sustainable finance. At the same time, we will also provide financial services that are trusted by our customers through the maintenance of robust and stable financial infrastructure.

Specifically, we will provide highly convenient services to customers by utilizing digital technologies, AI and big data. In addition, to strengthen our organizational capabilities for growth and transformation, we will recruit and train personnel, further strengthen governance, secure sound and appropriate capital and strategically inject and allocate management resources through cost reduction without exceptions.



Underlying these core strategies is the consistent pursuit of the Customer-centric Principle. Customer-centric Principle means thoroughly seeking services that are truly from the customer's point of view. This fundamental idea includes offering more competitive commissions, more favorable interest rates on products, more transparent customer cost services, as well as safe, reliable services and a wealth of high-quality financial products from a neutral position. Going forward, we will provide products and services that are in line with customer expectations by fully implementing the Customer-centric Principle within the Shinsei Bank Group.

Finally, I will explain the governance that is a prerequisite for realizing the Medium-Term Vision and the change of the corporate name, scheduled for January 2023.

Governance

Management of conflict of interest and protecting the interests of minority shareholders

The Shinsei Bank Group will fully manage conflicts of interest and protect the interests of minority shareholders so that the interests of Shinsei Bank's minority shareholders will not be compromised when realizing synergies with the SBI Group.

In March 2022, Shinsei Bank established the Parent

Company Transaction Screening Committee to establish a management system to protect the interests of minority shareholders for transactions involving conflicts of interest or potential conflicts of interest between the parent company SBI Holdings and its group companies. The Committee is composed of all independent outside directors, and Audit & Supervisory Board members can attend and express their opinions. The Committee has established a system to verify and monitor the conflicts of interest and fairness of transactions with the SBI Group and whether these transactions harm the interests of the Bank's minority shareholders. The final resolution is discussed and determined at the Board of Directors, with the opinions of the Committee taken under consideration, however, officers closely related to the SBI Group are not allowed to be involved in the resolution of the Board of Directors.

We will continue to promote initiatives to maximize the corporate value of the Shinsei Bank Group by comprehensively protecting the interests of minority shareholders.

SBI Shinsei Bank Group

At the Annual General Meeting of Shareholders on June 22, 2022, shareholders approved the change of our corporate name to "SBI Shinsei Bank, Limited" to be

effective from January 4, 2023. At the same time, we plan to change the Group name to the "SBI Shinsei Bank Group."

The new corporate name includes the advanced, innovative image of the SBI Group and the value as well as the existing culture and vision of the Shinsei Bank Group. It clearly demonstrates the true unity of the Shinsei Bank Group and the SBI Group, and the SBI Group's strong commitment to the Bank both internally and externally.

By changing our corporate name, we will ensure the realization of our Medium-Term Vision and improve corporate value at an early stage, which will lead to higher profits for all our shareholders.

The Shinsei Bank Group has entered a new growth stage as a member of the SBI Group. By thoroughly implementing the "Customer-centric Principle," we endeavor to achieve our Medium-Term Vision and sustainable growth.

July 2022



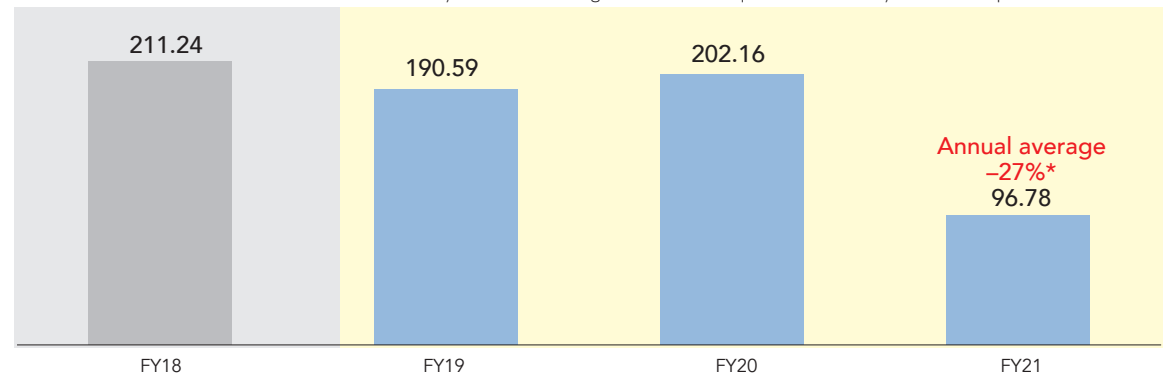
Katsuya Kawashima
Representative Director,
President and Chief Executive Officer

Medium-Term Strategies (FY2019-FY2021) Key Financial Targets

- Key financial targets of EPS growth rate and ROE were not achieved even after excluding one-time losses such as losses on sales on bonds as bottom-line profits were sluggish
- Maintaining CET1 ratio above target of 10%

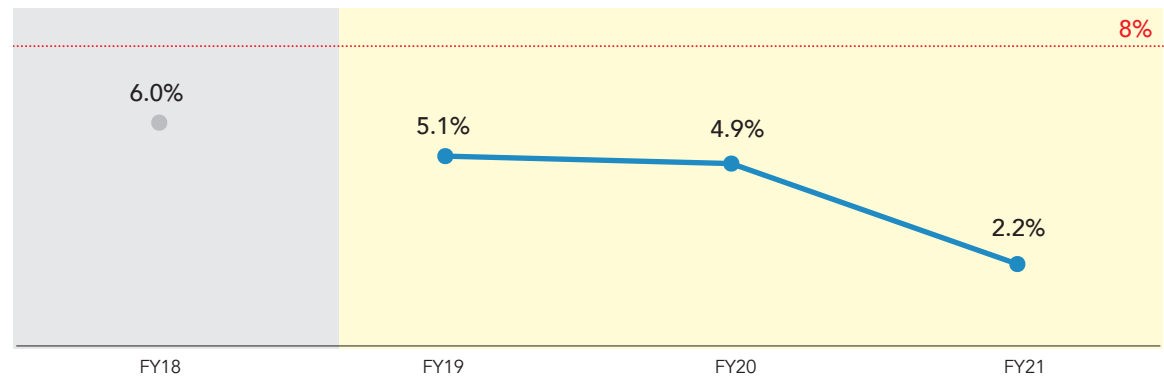
EPS growth rate

Target:
Average of **2%**
or more per year



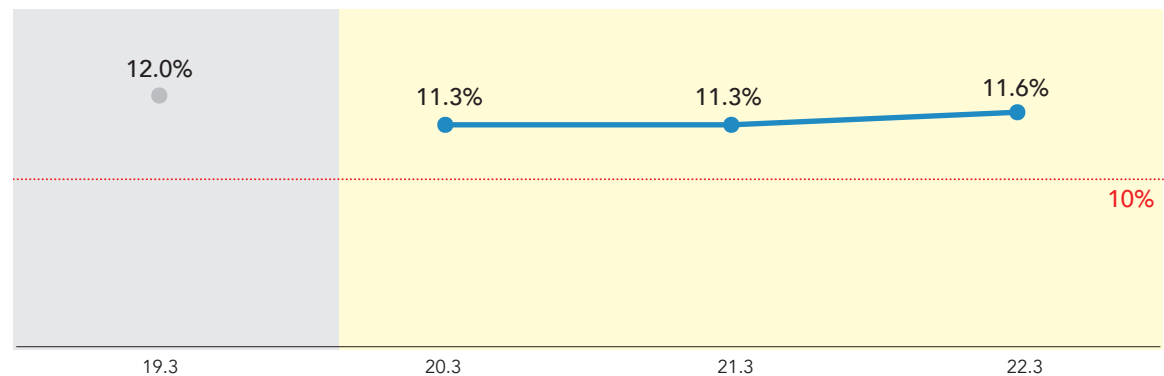
ROE

Target:
8% over
the medium-term



CET1 ratio

Target:
10% or more
in the medium-term



Medium-Term Vision of the Shinsei Bank Group

The Shinsei Bank Group has developed the Medium-Term Vision of the Shinsei Bank Group (the “Medium-Term Vision”), a medium-term business plan covering from fiscal 2022 to 2024 that is to be followed for the coming three years.

Based on the SBI Group’s universally fundamental management viewpoint relating to business development, the Medium-Term Vision consists of three targets to be achieved in three years’ time and three core strategies that enable the achievement of those goals of the Shinsei Bank Group, which joined the SBI Group in December 2021.

Medium-Term Vision (Targets to be achieved in three years’ time)

1. Realize JPY 70 billion of consolidated net income and establish a foundation for further growth
2. Evolve into a leading banking group providing pioneering and advanced finance
3. Show the path toward repayment of public funds

Strategies for achieving the Medium-Term Vision

The SBI Group’s universally fundamental management viewpoint relating to business construction

1. Adherence to the “Customer-centric Principle” — Public benefits lead to private benefits —
2. Forming a “corporate ecosystem” and comprehensively pursuing Group synergies
3. Thorough devotion to innovative technology
4. Formulate and execute strategies encompassing anticipated challenges in the near future



Core Strategy 1

Pursue value co-creation inside and outside the Group



Core Strategy 2

Enhance the Group’s strengths and realize a full range of service offerings



Core Strategy 3

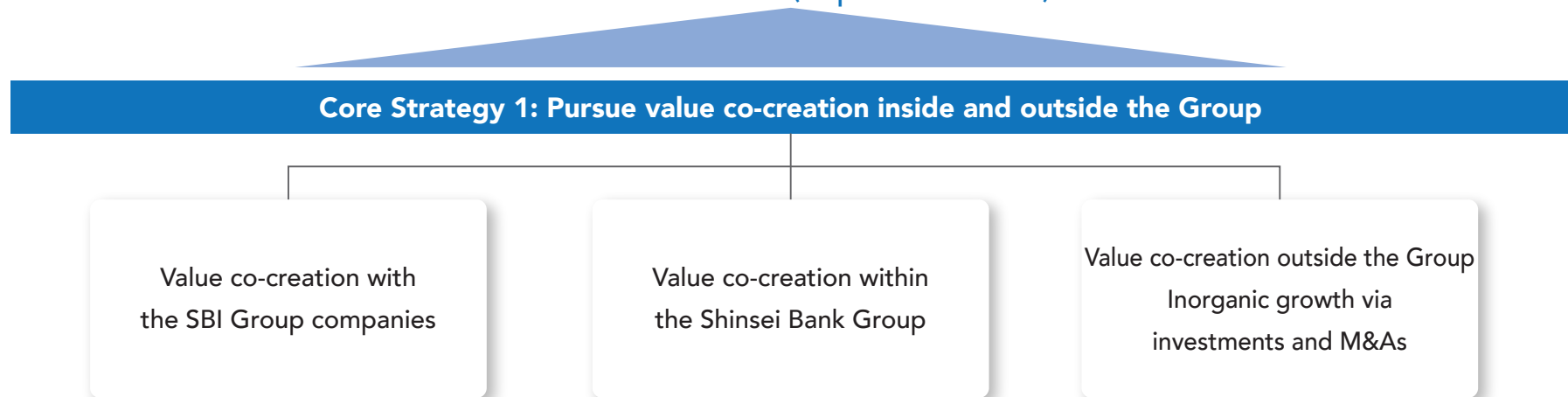
Achieve sustainability through business activities

Core Strategy 1: Pursue value co-creation inside and outside the Group

The Shinsei Bank Group has redefined the concept of "value co-creation" (open alliance) as "value co-creation with the SBI Group companies," "value co-creation within the Shinsei Bank Group," "value co-creation outside the Group," and a broad-based collaboration that includes

"inorganic growth via investments and M&As." On this basis, we will create synergies through these value co-creations, and achieve dramatic growth by expanding the customer base and improving our earning capacity.

Create synergies and accomplish exponential growth through value co-creation ("open alliances")

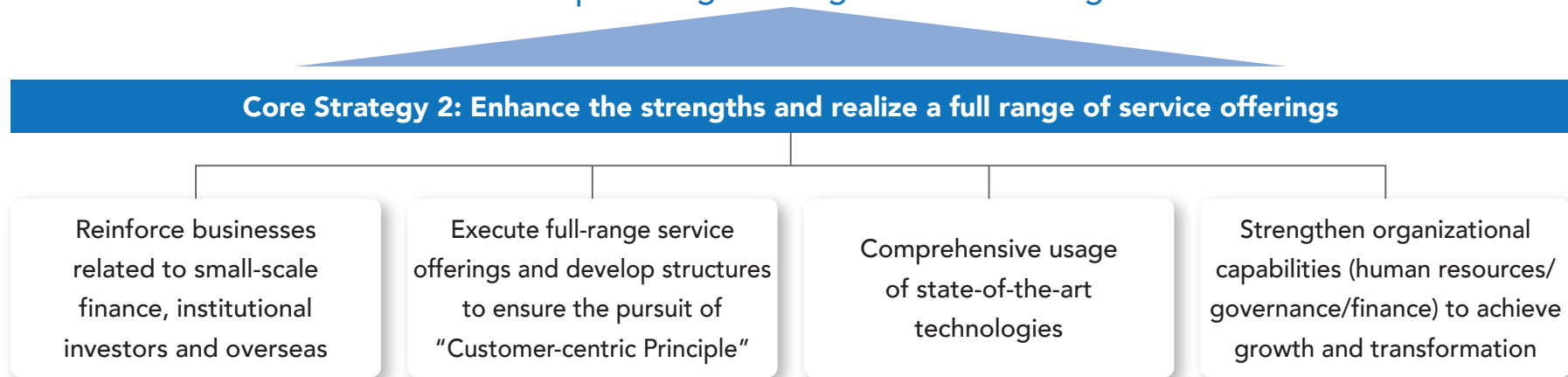


Core Strategy 2: Enhance the strengths and realize a full range of service offerings

The Shinsei Bank Group will enhance the strengths cultivated so far, including businesses related to small-scale finance, institutional investors and overseas, while thoroughly implementing the “Customer-centric Principle” by providing a full-range of services. To this end, the Group will thoroughly utilize technology and

strengthen organizational capabilities related to human resources, governance and finance. In the process of realizing a full range of services, we will leverage the resources and know-how that are both inside and outside the SBI Group without being constrained by the not invented here syndrome.

Thoroughly practice the “Customer-centric Principle” by enhancing strengths cultivated thus far and providing full-range service offerings

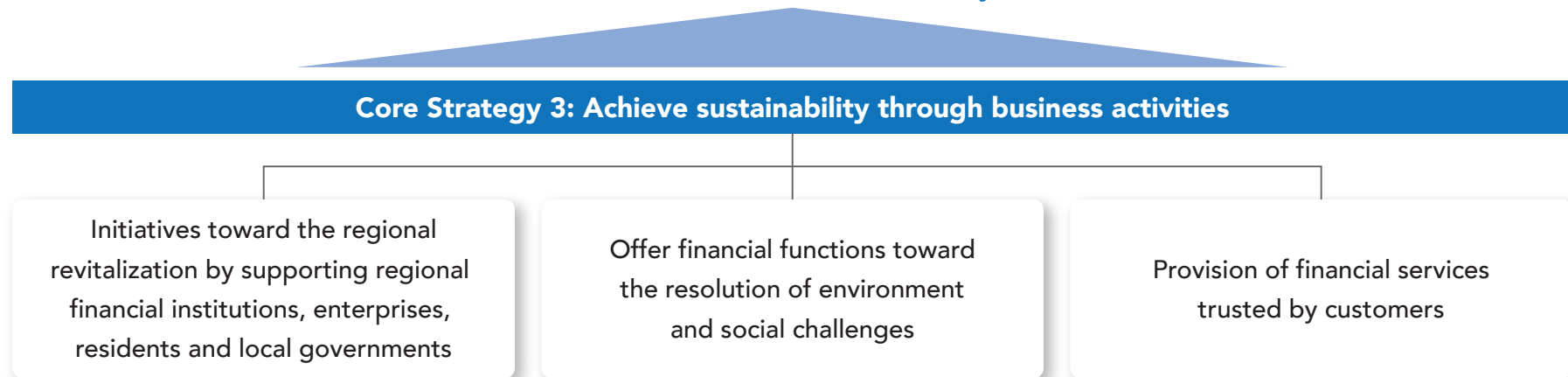


Core Strategy 3: Achieve sustainability through business activities

The Shinsei Bank Group will endeavor to comprehensively leverage the capabilities inside and outside the Group to cooperate for the sustainability of customers, the Shinsei Bank Group, as well as the environment and society as a whole. Specifically, we will fulfill our social responsibilities

as a financial institution by working toward initiatives for regional revitalization and providing financial solutions to help resolve environmental and social issues, while at the same time providing services trusted by customers.

Comprehensively leverage the capabilities inside and outside the Group to cooperate for the sustainability of customers, the Shinsei Bank Group, as well as the environment and society as a whole



Financial Targets

KPI

		FY2021 results	FY2024 target
Customer base	Customers (Shinsei Bank's retail bank accounts)	3,050 thousand	3,800 thousand
	Deposits (Retail and corporate)	JPY 6.4tn	JPY 8.0tn
Financial foundation	Operating assets (including management of marketable securities)	JPY 8.1tn	JPY 10.0tn
	Net income (Attributable to owners of Shinsei Bank)	JPY 20.3bn	JPY 70.0bn
Financial soundness	CET1 ratio	11.6%	Aim for 10% or more

Operating assets and deposits

- Increase the deposit balance by improving customer convenience and aligning with the SBI Group
- Endeavor to strengthen earning capacity through the reinforcement of asset management utilizing the increased deposits

Initiatives to reinforce asset management

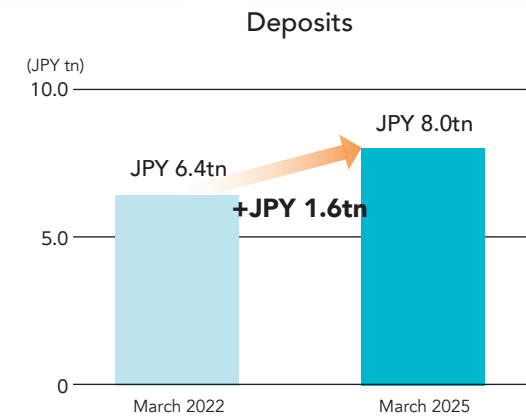
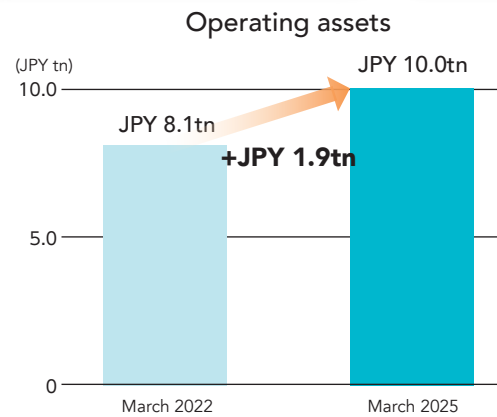
- Expansion of highly profitable operating assets related to small-scale finance and institutional investors business
- Enlarge the business of overseas investees, including means involving collaboration with the SBI Group
- Sophistication and diversification in management of marketable securities

March 2025
Consolidated Balance Sheet

Operating assets JPY 10.0tn (+JPY 1.9tn)	Deposits JPY 8.0tn (+JPY 1.6tn)
Other assets	Other liabilities
Net assets	

Initiatives to increase the deposit balance

- Comprehensively implement the "Customer-centric Principle" and improve customer convenience
- Increase in number of retail bank accounts through cooperation with the SBI Group
- Expand transaction base with corporate customers



Individual Strategies: Individual Business

Summary

- Provide services that incorporate the customers' perspective by thoroughly implementing "Customer-centric Principle"
- Provision of full-range service offerings through cooperation with the SBI Group
- Offer services with high customer convenience by leveraging technologies

Key individual strategies

Small-scale finance

- Utilization of the SBI Group's customer base; improving the UI/UX; increasing the number of unsecured loan customers by enhancing brand recognition
- Expansion of credit guarantees business for regional financial institutions; strengthen cooperation in the retail unsecured loan business with business corporations
- Acquire new credit card members and expand the shopping credit customer base by utilizing functions and partners of the Group

Retail banking

- Expansion of the customer base (number of accounts and deposits balance) through reciprocal customer transfer within the SBI Group and the Shinsei Bank Group
- Enhancement of service offerings liaising with the SBI Group
- Optimizing face-to-face channels (co-branches with the SBI Group) and sophistication of the online channel (apps)

Housing-related loans

- Expansion of the customer base through provision of competitive products; streamlining the operations through cooperating with the SBI Group

Individual Strategies: Institutional Business

Summary

- Thorough pursuit of "Customer-centric Principle" and expansion of customer base
- Provision of full-range service offerings through cooperation with the SBI Group
- Further reinforce its strength in the institutional investors business
- Contribute to the revitalization of regional economies and enterprises as a platformer for regional financial institutions

Key individual strategies

Institutional investors

- Further strengthen the commitment to renewable energy sector; provide sustainable finance including those related to regional revitalization
- Increase in investment and loan opportunities through the SBI Group; strengthen the efforts of hybrid transactions
- Reform the framework of institutional investors business structures by utilizing the SBI Group's functions

Financial institutions

- Enhance cooperation with regional financial institutions by leveraging networks and solutions of the SBI Group
- Meticulously respond to various needs of regional financial institutions (e.g., asset management, enhancement of their main businesses, reduction of risk assets and non-performing assets disposal) with sophisticated finance functions

Business corporations

- By utilizing the SBI Group's customer base, broaden the network of startups and business owner customers along with the provision of venture debts
- Resolve the finance-related challenges faced by business corporations by leveraging Group companies' functions

Individual Strategies: Overseas Business

Summary

- In the APAC region, creating the presence as a banking group with strengths in non-banking business via the provision of financial services leveraging FinTech
- Through cooperation with the SBI Group, cultivate the overseas business into one of the Shinsei Bank Group's primal businesses by expanding inorganic growth opportunities

Key individual strategies

- APAC region as its main target market, conduct M&As centered on small-scale finance business in the non-bank sector; making inorganic investments by collaborating with the SBI Group
- Expand overseas businesses through investments and acquisitions by utilizing existing investee companies' platforms (includes raising the value of investee companies by leveraging SBI's overseas investees' organizational capabilities)
- By utilizing the expertise and investment base of the SBI Group, enhance our organizational capability through partnering with and investing in companies and financial institutions that will serve as a platform for digitalized businesses, as well as companies having excellent technologies and infrastructure (bring skills and business models back to Japan)
- In addition to cooperation and human resources exchange with the SBI Group's overseas bases, strengthen hiring and development of human resources that have sophisticated skills and experience

Individual Strategies: Management Base

Summary

- Reinforce organizational capabilities and strategically inject management resources through cooperation with the SBI Group
- Advance and diversify the management of marketable securities, as well as enhance risk management structures
- Examination of the International Financial Reporting Standards (IFRSs)
- Strengthen the compliance structure and cybersecurity measures

Key individual strategies

Management of marketable securities

- Advance and diversify the management of marketable securities by leveraging the SBI Group's know-how in order to gain stable revenue
- Build and operate risk management structures responding to the sophisticated and diversified management of marketable securities

Human resources and general affairs

- Establish and operate new companies to improve operational efficiency by consolidating resources of the Shinsei Bank Group and the SBI Group (Place the right person in the right position; jointly conduct hiring and training activities; integrate general affairs; reduce system costs)
- Secure diverse resources through Diversity & Inclusion and work style reforms, human resources exchange with the SBI Group

Finance control

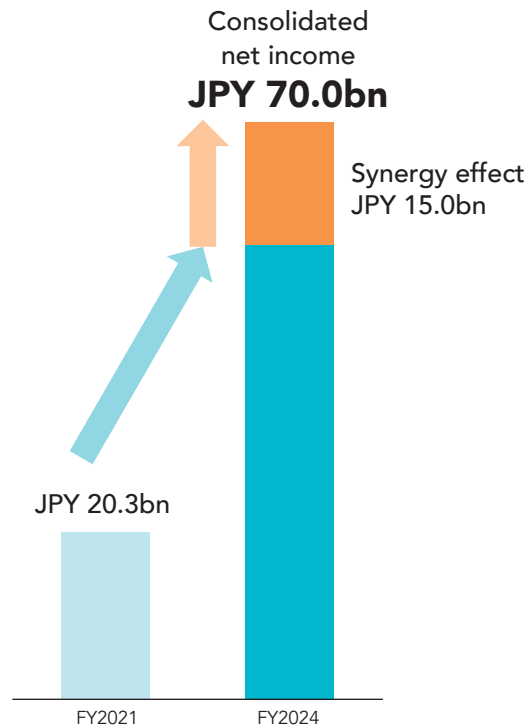
- Examine the IFRSs via coordination with the SBI Group

Compliance

- Enhance cyber security measures, responses to money laundering regulations and monitoring structures through alignment with the SBI Group

Synergy effect with the SBI Group

Consolidated net income



Breakdown of the synergy effect of JPY 15.0bn expected in the FY2024 plan

	Initiatives to create synergies	FY2024 (JPY bn)
Individual business	Increase the number of retail customers, optimize face-to-face channels (e.g., branches) and expand housing loan transactions	4.0 to 5.0
	Acquire new credit card members, expand the number of shopping credit customers and develop BANKIT® partners	
	Expand the number of unsecured loan customers, improve the UI/UX and further cooperation with regional financial institutions	
Institutional business	Introduction of structured finance opportunities, joint financing and reinforcement of the business succession operation	4.5 to 5.5
	Startups and business owner customer referrals and reinforcing cooperation with regional financial institutions	
Overseas business	Increase the number of lease customers, reinforcing cooperation with regional financial institutions and collaborating in the shipping and aircraft domain	0.5 to 1.0
	Collaboration in the investments and business development overseas (inorganic investment opportunities are not included in the figure)	
Management base	Sharing know-how on management of marketable securities and advance fundraising capabilities	7.5 to 8.5
	Consolidate and improve the efficiency of the in-direct functions, implementing the sophistication of digital strategies and others	1.0 to 2.0
	Deduction: Overlapping existing initiatives (sift through and choose optimal initiatives)	-2.0 to -3.0
	Deduction: Corporate tax and other related costs	-2.0 to -3.0

Governance

Management of conflict of interest and protection of minority shareholders' rights

Necessity and backdrop for strengthening corporate governance

- While business collaborations in various areas are progressing to deliver synergy effects with the SBI Group, in line with the response made toward DIC in November 2021, we are strongly required to give full consideration to benefits of minority shareholders, as a listed company
- Especially for important transactions, since complying with the arms' length principle is not sufficient in these cases, involvement of outside directors and verification of the transaction to be under reasonable terms are expected
- Under such circumstances, organize effective management structure centered on **establishing the Parent Company Transaction Screening Committee** to ensure management of conflict of interest and protection of Shinsei Bank's minority shareholders

Establishment of the Parent Company Transaction Screening Committee

● Members

All outside directors as committee members and all Audit & Supervisory Board members as observers

● Transactions to be subjected

Transactions with the SBI Group, of which conflict of interest arises or potentially would arise

● Roles of the committee

Examine the existence of conflict of interest in and fairness of the transaction, while validating and monitoring the transaction to ensure that it does not damage the interest of Shinsei Bank's minority shareholders

● Method of final approval

Conclusively resolve by the Board with the Parent Company Transaction Screening Committee's opinion, following the Committee's resolution
The said Board resolutions will not involve Directors having close relationships with the SBI Group

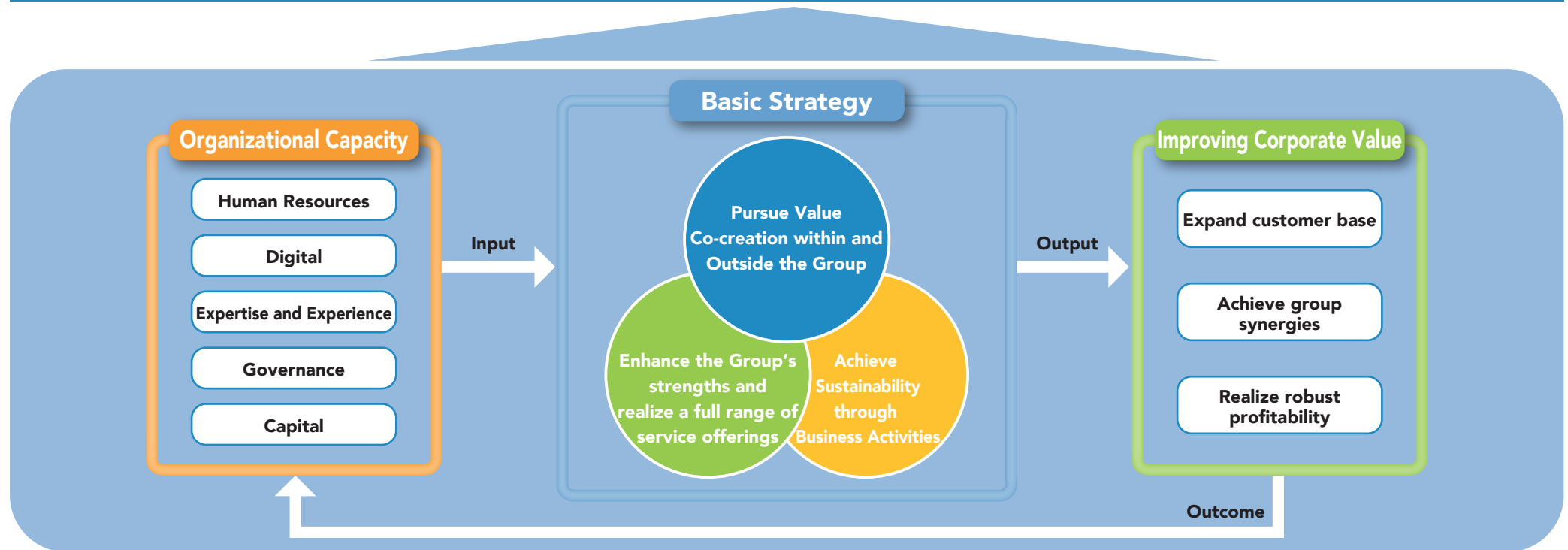
Corporate Value Creation Mechanism

Realize JPY 70 billion of consolidated net income and establish a foundation for further growth

Evolve into a leading banking group providing pioneering and advanced finance

Show the path toward repayment of public funds

Achieving the Medium-Term Vision



— Universal Fundamentals of the SBI Group's Business Structure —

1. Adherence to the "Customer-centric Principle" – Public benefits lead to private benefits –
2. Forming a "corporate ecosystem" and comprehensively pursuing Group synergies
3. Thorough devotion to innovative technology
4. Formulate and execute strategies encompassing anticipated challenges in the near future