

Shinsei Bank, the Extraordinary General Meeting of Shareholders

Q&A Session Summary

February 8, 2022

(Shareholder: 1)

(1) There was a story that you expect synergies with the SBI Group going forward. Now, Shinsei Bank is a member of the SBI Group. What will happen on the investment trust accounts that had been transferred from Shinsei Bank to Monex, Inc.? Should Shinsei Bank put the link to SBI SECURITIES on its website?

(Answer by the Chairman)

Shinsei Bank has built a business alliance with Monex, Inc. in the area of middle-and back-office services related to investment operations while Shinsei Bank continues to have contact with customers. Shinsei Bank has formed other partnerships in various fields and will continue to do so going forward. The linkage of the website will be considered as a part of a variety of initiatives that will develop synergies with SBI SECURITIES.

(Answer by the Advisor)

The SBI Group has been focusing on a customer-centric principle as a major premise since its establishment. From this perspective, it is crucial how to deliver highly beneficial products and services to the customers of the Shinsei Bank Group. While Shinsei Bank has a contract with Monex, Inc., regarding this business alliance, it is important how to provide customers with a variety of options as long as there is no conflict on the contract with Monex, Inc. We will consider future developments considering your suggested idea.

(Shareholder: 2)

(1) I was interested in investment and tried to use related services with Shinsei Bank as the main bank. However, I use a different account other than Shinsei Bank as Shinsei Bank offers the small number of investment trust products and weak links between financial product transactions including stock trading and its banking account. How will Shinsei Bank improve it as it integrates management with the SBI Group?

(Answer by the Chairman)

Historically Shinsei Bank has had many conservative customers who do not take risks in its asset management business. Hence, the stock-related products offering to individual customers have been weaker within the Shinsei Bank Group. The business alliance with Monex, Inc. is a part of this effort to strengthen its products and services in this area. It should be a part of numerous initiatives to develop synergies to focus on offering products by utilizing the various functions of the SBI Group.

(Answer by the Advisor)

With personal financial assets approaching JPY2 quadrillion, it is important to know how to support individual customers in their overall financial transactions on a group-wide basis. Shinsei Bank becomes a core bank of the SBI Group. It means that Shinsei Bank will be able to provide its customers an opportunity to use the functions of SBI SECURITIES. We will consider building up a system which allows us to grasp this kind of opinions not only at the General Meeting of Shareholders but also on a daily basis.

(Shareholder: 3)

(1) I understand that it is necessary to raise the stock price in order to repay public funds. Under the guidance of the Financial Services Agency and the culture of Japan, I think it is impossible to raise stock prices to a level enabling repayment of public funds. I would like to ask the management team about the feasibility and your seriousness of public fund repayment.

(Answer by the Chairman)

Since public funds have been converted from preferred shares to common shares, repayment of public funds requires a higher stock price that would facilitate repayment requested by the government. We believe that we need to take steps, accumulate funds for repayment and then increase the value of the shares as the required total amount of public fund repayment is fixed. We don't think it can be achieved in a short time period. We have been working on it seriously and we believe we will be able to return it.

(Answer by the Advisor)

I take it as a very serious opinion. We will strive for sincere operations considering public fund repayment is the great concern for us. We think we will need to examine schemes and techniques for public fund repayment more deeply and more multilaterally than ever before. We believe that it is the most important task to accumulate source of public fund repayment by increasing profitability and corporate value as a basic premise.

(Shareholder: 4)

(1) I would like to hear the comment of Director Hirasawa. I would also like you to explain the reason why only Director Sasaki will be reappointed. Please explain the reasons for nominating these candidates for directors regarding there is no candidate from current employees of Shinsei Bank.

(Answer by the Chairman)

Director Hirasawa is in charge of looking at the overall management functions, and he supported me to keep a good balance as a member of the Board of Directors. In the course of reviewing the overall management system, all directors from Shinsei Bank will retire this time, but we have already announced that one director will be nominated from the employees of Shinsei Bank at the annual general meeting of shareholders to be held in June. We understand that the continuity of business operations will be maintained.

While Director Hirasawa will retire as a director, he will continue to play the role of supervising the overall management functions in the business operations. Therefore, this is adequate to maintain the continuity of management.

With regard to Director Sasaki, we expect that she plays a role to bridge the current Board of Directors and the new one. She agreed with this.

(Answer by Hirasawa)

I have been working with President Kudo as an executive director since June 2021. Shinsei Bank is aiming to establish an optimal board member composition from next June onward, including the candidate from Shinsei Bank. Please take this election proposal as a transitional measure.

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