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Shinsei Bank, the Extraordinary General Meeting of Shareholders

Questions received from Deposit Insurance Corporation of Japan and The Resolution and Collection Corporation in advance

February 2022

<Question 1>

Please explain your future management policy.

<Answer 1>

(The Advisor)

I would first like to briefly explain my management philosophy before explaining the bank's future management policy.

I have experienced corporate management in a variety of fields, including securities, banking, venture capital, and regional bank collaboration within the SBI Group. In addition, I have also engaged in maximizing the Group's performance through cooperation across the group companies. Based on these experiences, I will manage the Shinsei Bank Group through the following five management philosophies.

1. Have all employees of both groups recognize that the Shinsei Bank Group has become a member of the SBI Group and promote mutual understanding to maximize business synergies.
2. Ensure to prevent conflicts of interest between the two groups and the protection of the interests of Shinsei Bank's minority shareholders
3. Provide highly beneficial financial services for customers through both the online and real channels by accelerating utilization of technologies such as FinTech, AI and blockchain with deeper understanding of such technologies.
4. Contribute to regional rehabilitation by providing a wide range of differentiated financial services including structured finance as a platformer by strengthening collaboration with regional financial institutions.
5. Aim to becoming a financial innovator by responding flexibly and swiftly to changes in the business environment by having ingenuity and a sense of self-transformation as a DNA of the organization.

Through these philosophies, I will accelerate the sustainable growth as well as the increase of corporate value of the Shinsei Bank Group, and realize an appropriate return to all stakeholders, including customers and employees.

Next, I will explain the Shinsei Bank Group's management policies going forward, which I think at this point in time. I consider the following four points as important.

1. Demonstrate business synergies by combining the strengths and functions of the Shinsei Bank Group together with the customer base, product as well as service

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2. Allocate management resources to small-scale finance and institutional investor business in which the Shinsei Bank Group has strengths and can expect profitability and growth
3. Provision of new financial services and significant expansion of customer base through collaborating the functions of the Shinsei Bank Group with financial and non-financial partners who have large customer bases.
4. Promote nonorganic initiatives (investments and acquisitions) focusing on the Asia-Pacific region by actively utilizing excess capital.

Through these policies, we intend to move away from the traditional banking model and increase the corporate value of the Shinsei Bank Group by being recognized as “a comprehensive financial group with high creditworthiness of the bank” from the market.

In deciding on important transactions with the SBI Group, Shinsei Bank will carefully deliberate and consider whether such transactions would be disadvantageous to the minority shareholders of the Bank at the Board of Directors level of the Bank, which keeps its independency with the majority of independent outside directors. Shinsei Bank is also going to establish an adequate system to manage conflict of interests relating to the transactions with the SBI Group. For example, Shinsei Bank will appropriately determine the terms of transactions to be best for the Bank and will exclude the following people from the decision-making; the internal directors or employees of the SBI Group as well as officers who have a deep relationship with the SBI Group including those with such backgrounds. Furthermore, Shinsei Bank will establish a special committee composed of independent members, and the committee will conduct advanced reviews and post monitoring in order to ensure the system to manage the conflict of interests.

The Shinsei Bank Group plans to launch a new Medium-Term Strategies starting from fiscal year 2022. The plan is scheduled to be announced in the first quarter of fiscal year 2022. It will present more detailed management policies that embody my management philosophies and policies, which I explained here.

<Question 2>

What kinds of personnel selection for higher positions as well as human resource utilization will be undertaken in the future in order to increase corporate value based on management policies which you explained as a response to Question-1. Please also explain your views on the reasons for the nomination of the seven director candidates, including discussions at the Independent External Directors Nomination Committee.

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<Answer 2>

(The Advisor)

The Shinsei Bank Group will realize an increase of corporate value by allocating corporate management resources focusing on important initiatives such as business synergies with the SBI Group, which I explained in our management policies going forward, business fields in which the Shinsei Bank Group has strengths, and value creation through technology. The Shinsei Bank Group will assign and utilize human resources necessary for soundness and appropriate management as a financial institution, including the establishment of an appropriate risk management system as well as a system for managing the conflict of interests with minority shareholders.

(The Chairman)

The reasons for the nomination of the seven director candidates are described in the Notice of Convocation.

Kawashima, Gomi and Hatao will be elected as Executive Director who will be engaged in the daily operations of the bank at the Board of Directors meetings to be held after the election of directors.

With regard to the four candidates of outside directors, the Independent External Directors Nomination Committee nominated the candidates considering; whether the candidates have sufficient insight, work experience, expertise in each field, and understanding of the Group's business as independent outside directors to represent the interests of all shareholders, including minority shareholders of the Bank; and whether the candidates are sufficiently capable of prudently and fairly executing their duties based on independence and neutrality after several meetings, including interviews with the candidates. The Board of Directors as well as the Nomination and Compensation Committee has also determined that the candidates proposed by the Independent External Directors Nomination Committee are qualified.

<Question 3>

Regarding nomination from employees of Shinsei Bank, you have announced that at least one person who is currently employed at Shinsei Bank will be nominated as a candidate for a director as a company proposal. Please explain how to realize this at your 22nd Annual General Meeting of Shareholders to be held in June 2022.

<Answer 3>

(The Advisor)

The Shinsei Bank Group plans to propose a candidate for a director from employees of Shinsei Bank at the 22nd Annual General Meeting of Shareholders. This aims to ensuring stability and continuity when taking over its management structure. To realize this goal, the Nomination and Compensation Committee of the Bank, which is composed of outside directors to be elected here, selects candidates through a process that ensures objectivity

This is English translation of the original Japanese version for your reference. and transparency, considering their expected contribution to the management policy, the ability and experience of the candidates, and the diversity and balance of the director composition, and reports the results to the Board of Directors of the Bank. The nomination of additional directors might violate the number of directors and their compensation specified in the "Revitalization Plan". We will consult with supervisory authorities in a timely and appropriate manner when nominating candidates.

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