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[TRANSLATION]

## Shinsei Bank, Limited

TSE code: 8303

### Notice of the Annual General Meeting of Shareholders for the **22nd** Term

#### Date and Time

Wednesday, June 22, 2022 at 10:00 a.m.  
(Doors Open at 9:00 a.m.)

#### Place

The Conference Room  
22nd Floor, Izumi Garden Tower  
6-1 Roppongi 1-chome, Minato-ku, Tokyo

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#### Agenda Items

1. Election of Nine (9) Directors
2. Election of One (1) Audit & Supervisory Board Member
3. Revision of Maximum Amount of Basic Compensation, etc. for the Directors
4. Revision of Maximum Amount of the Compensation for Granting Restricted Stock
5. Revision of Maximum Amount of the Equity Compensation Type Stock Options
6. Partial Amendment of the Articles of Incorporation  
(Measures for Electronic Provision of the Reference Materials, Etc. for the Shareholders' Meeting)
7. Partial Amendment of the Articles of Incorporation (Change of Corporate Name)

*Please exercise your voting right by mail or via internet by the deadline in case you do not attend the meeting in person: Tuesday, June 21, 2022 by 5:00 p.m.*

**No gifts to shareholders will be given on the meeting day.**

TSE code: 8303

June 1, 2022

4-3 Nihonbashi-muromachi 2-chome, Chuo-ku, Tokyo  
Shinsei Bank, Limited

## Notice of the Annual General Meeting of Shareholders for the 22nd Term

Dear Shareholders,

We are pleased to invite you to the Annual General Meeting of Shareholders of Shinsei Bank, Limited ("the Bank") for the 22nd Term, which will be held as shown below.

We kindly ask you to exercise your voting right in advance, by returning the Voting Right Exercise Form to the Bank or by an electromagnetic method using the Internet, etc.

We encourage you to examine the accompanying reference materials below and exercise your voting right by using a method that is convenient to you. Please refer the "Instructions on Exercising Voting Rights, etc." carefully and exercise your voting right, using either method, so that your vote is received by 5:00 p.m. on Tuesday, June 21, 2022.

Yours faithfully,

Katsuya Kawashima  
Representative Director,  
President and Chief Executive Officer

### Exercise of voting rights in writing via Voting Right Exercise Form

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Please indicate your approval or disapproval for the agenda on the Voting Right Exercise Form enclosed herewith and send the Voting Right Exercise back to us (no postage is needed.)

**Deadline: Tuesday, June 21, 2022 by 5:00 p.m.**

### Exercise of voting rights by Internet

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Please refer page 3 and **vote by: Tuesday, June 21, 2022 by 5:00 p.m.**

### If you attend the Meeting in person

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Please **submit to the receptionist the enclosed Voting Right Exercise Form** while indicating your approval or disapproval for the agenda.

If you are not able to attend the meeting, you can designate another shareholder who is also eligible to vote at the meeting to vote on your behalf at the meeting. Please note, however, that a document must be submitted that provides evidence of this power of representation.

## **Description of the Meeting**

1. **Date and Time: Wednesday, June 22, 2022 at 10:00 a.m.**  
**Doors Open at 9:00 a.m.**

2. **Place: The Conference Room**  
**22nd Floor, Izumi Garden Tower**  
6-1 Roppongi 1-chome, Minato-ku, Tokyo

No gifts to shareholders will be given on the meeting day.

### **3. Purposes:**

#### **Matters to be reported:**

1. Report on the Business Report, Consolidated Financial Statements and the Results of the Audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Board for the 22nd Term (from April 1, 2021 to March 31, 2022).
2. Report on the Financial Statements for the 22nd Term (from April 1, 2021 to March 31, 2022).

#### **Matters to be voted on:**

- Item1 : Election of Nine (9) Directors
- Item2 : Election of One (1) Audit & Supervisory Board Member
- Item3 : Revision of Maximum Amount of Basic Compensation, etc. for the Directors
- Item4 : Revision of Maximum Amount of the Compensation for Granting Restricted Stock
- Item5 : Revision of Maximum Amount of the Equity Compensation Type Stock Options
- Item6 : Partial Amendment of the Articles of Incorporation  
(Measures for Electronic Provision of the Reference Materials, Etc. for the Shareholders' Meeting)
- Item7 : Partial Amendment of the Articles of Incorporation (Change of Corporate Name)

END

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• Among the documents to be provided in conjunction with this notice, Stock Acquisition Rights of the Bank, Contents of Resolutions Concerning the Organization of a System to Ensure Business Relevance and Operational Status of the said system (Outline of resolutions concerning a system to ensure business Relevance), and the notes to the financial statements as well as the notes to the consolidated financial statements are provided through the Bank's website pursuant to the laws and Article 13 of the Company's Articles of Incorporation, and they are not stated in the documents accompanying this notice.

The financial statements and the consolidated financial statements audited by the Audit & Supervisory Board Members or the Independent Accounting Auditors include the notes to the financial statements and the notes to the consolidated financial statements provided through the Bank's website described above.

• If it becomes necessary for the Bank to make corrections to the Reference Materials for the General Meeting of Shareholders, business report, financial statements (keisan-shorui) or consolidated financial statements (renketsu-keisan-shorui), the Bank will post these corrections on its website.

**The Bank's Website** ▶▶▶▶▶ <https://www.shinseibank.com>

### **To Institutional Investors;**

If you have applied in advance to use the electronic voting platform for institutional investors operated by ICJ Inc., you can exercise your voting rights from that platform.

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Please note that this is a translation of the original document and is provided for your reference only. Although this translation is intended to be complete and accurate, the original document in Japanese shall take precedence over this translation in case of any discrepancies between this translation and the original.

## Instructions on Exercising Voting Rights

### Exercise of voting rights by Internet

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Please access the website to exercise voting rights. (<https://www.web54.net>)

Log on with your "Voting Rights Exercise Code" and password written on the Voting Right Exercise Form enclosed herewith to follow the instruction on the site for approval or disapproval.

**Deadline: Tuesday, June 21, 2022 by 5:00 p.m.**



※You may access the website via this bar-code if your cell phone is able to scan it.

(Japanese Only)

### Procedures for Exercising Voting Rights via Internet

Please take note of the following instructions before exercising voting rights via Internet.

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1. Voting rights can be exercised via Internet only by accessing the following website for exercising voting rights from a personal computer or cell phone.

**Website for exercising voting rights: <https://www.web54.net>**

2. When exercising voting rights via the Internet, you must enter the "Voting Rights Exercise Code" and "Password", both of which are contained in the enclosed Form for Exercising Voting Rights. Please follow the instructions on the screen to vote in favor of or against the proposed items.

3. Shareholders may exercise their voting rights via the Internet **until 5:00 p.m. on Tuesday, June 21, 2022**. However, we urge shareholders to exercise their voting rights at their earliest convenience for the purpose of tallying all voting rights.

4. If you have cast your votes twice by using the Form for Exercising Voting Rights and via the Internet, the Bank will consider the vote cast via the Internet to be the valid vote.

5. If you have cast your votes more than once via Internet, the Bank will consider the vote last cast via the Internet to be the valid vote.

6. Any costs incurred to access the website for exercising voting rights, such as Internet connection costs payable to a provider or telecommunication fees (telephone charges, etc.) shall be borne by the shareholder exercising the voting rights.

### Inquiries concerning Exercising Voting Rights via the Internet

Please contact the following.

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Shareholder List Administrator:

Web Support, Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited.

**Hotline** 0120-652-031 (available from 9 a.m. to 9 p.m.)

**Other** 0120-782-031 (available from 9 a.m. to 5 p.m., except Saturdays, Sundays, and Holidays)

**inquires**

·In case that you have an account at a securities company, please consult with them directly.

·Any shareholder who had originally agreed to receive the notice of convocation by electromagnetic means, however, now wishes to request that the Form for Exercising Voting Rights, etc., including other written forms and documents, be delivered to him or her. In that case, please contact the Hotline above.

Material for Annual General Meeting of Shareholders Agenda  
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### Item 1 Election of Nine (9) Directors

The term of office of all seven (7) directors will expire at the termination of this General Meeting of Shareholders. We would like to seek an approval to elect nine (9) persons as Directors, adding two (2) to the current number of Directors, to enhance our management structure.

Career summary of the candidates is as follows.

Name	Positions and Responsibilities in the Bank				Attendance rate of the Board of Directors	
<b>1</b>	Hirofumi Gomi	Chairman of the Board	<b>Reappointed</b>			2/2 (100%)
<b>2</b>	Katsuya Kawashima	Representative Director, President and Chief Executive Officer	<b>Reappointed</b>			2/2 (100%)
<b>3</b>	Katsumi Hatao	Director, Senior Managing Executive Officer, Assistant to the President, In charge of Group Treasury and Group Overseas Business	<b>Reappointed</b>			2/2 (100%)
<b>4</b>	Eisuke Terasawa	Managing Executive Officer, In charge of Group Corporate Planning and Financing Facilitation	<b>Newly Appointed</b>			-
<b>5</b>	Kei Fujisaki		<b>Newly Appointed</b>	Outside	Independent	-
<b>6</b>	Yasuhiro Hayasaki		<b>Reappointed</b>	Outside	Independent	2/2 (100%)
<b>7</b>	Ayumi Michi		<b>Reappointed</b>	Outside	Independent	2/2 (100%)
<b>8</b>	Yurina Takiguchi		<b>Newly Appointed</b>	Outside	Independent	-
<b>9</b>	Masahiro Terada		<b>Reappointed</b>	Outside	Independent	2/2 (100%)

**Reappointed** Candidate for  
reappointed director

**Newly  
Appointed** Candidate for newly  
appointed director

**Outside** Candidate for  
outside director

**Independent** Candidate for  
independent director

#### [ Nominating policy of the candidates for Directors ]

The appointment of each candidate for Director is deliberated by the Nomination and Compensation Committee and determined by the Board of Directors meeting with a consideration of a balance among knowledge, experience and skills, diversity and appropriate size.

1

Name (Date of Birth)

**Hirofumi Gomi**May 13, 1949  
(73 years old)Ownership ..... nil  
Attendance rate of BoD ..... 2/2 (100%)

Reappointed



## [Personal History/Positions and Responsibilities in the Bank]

1972 Y 4 M Joined the Ministry of Finance (Okura-sho) (Predecessor of the Ministry of Finance (Zaimu-sho))  
 1996 Y 7 M Director, Research Division, Bank Bureau of the Ministry of Finance (Predecessor of the Ministry of Finance)  
 1998 Y 6 M Director-General of the Inspection Department, Financial Supervisory Agency (Predecessor of Financial Services Agency)  
 2000 Y 7 M Secretary-General of the Executive Bureau, Securities and Exchange Surveillance Commission, Financial Supervisory Agency  
 2001 Y 7 M Director-General of the Inspection Bureau, Financial Services Agency  
 2002 Y 7 M Director-General of the Supervisory Bureau, Financial Services Agency  
 2004 Y 7 M Commissioner, Financial Services Agency  
 2007 Y 10M Counselor, Nishimura & Asahi  
 2009 Y 10M CEO, PricewaterhouseCoopers Research Institute (Japan) Co., Ltd. (Predecessor of PwC Research Institute (Japan) LLC)  
 2009 Y 11M Special Guest Professor, Aoyama Gakuin University (Current)  
 2015 Y 2 M Senior Adviser, The Boston Consulting Group  
 2015 Y 6 M Outside Director, Aida Engineering, Ltd. (Current)  
 2016 Y 6 M Outside Director, Infoteria Corporation (Predecessor of Asteria Corporation) (Current)  
 2016 Y 6 M Outside Director, Miroku Jyoho Service Co., Ltd. (Current)  
 2017 Y 6 M Outside Director, SBI Holdings, Inc.  
 2019 Y 6 M Outside Director, ZUU Co., Ltd. (Current)  
 2020 Y 6 M Outside Director, THE FUKUSHIMA BANK, LTD.  
 2022 Y 2 M Chairman of the Board, Shinsei Bank, Limited (Current)

**Important status in other companies**

Outside Director, Aida Engineering, Ltd.  
 Outside Director, Asteria Corporation  
 Outside Director, Miroku Jyoho Service Co., Ltd.  
 Outside Director, ZUU Co., Ltd.  
 Special Guest Professor, Aoyama Gakuin University

**Reasons for nominating each of the candidates for Director**

Mr. Hirofumi Gomi has served as Commissioner of the Financial Services Agency and held various other positions and has a broad experience in the financial sector in general. In addition, he is familiar with management strategy, business revitalization, governance, and the like, and is expected to contribute to the enhancement of the corporate value of the Bank. Therefore, the Bank has determined that he is suitable for the position of Director of the Bank, and hereby proposes his election.

2

Name (Date of Birth)

**Katsuya Kawashima**March 30, 1963  
(59 years old)Ownership ..... nil  
Attendance rate of BoD ..... 2/2 (100%)

Reappointed



[Personal History/Positions and Responsibilities in the Bank]

1985 Y 4 M Joined Nomura Securities Co., Ltd.  
 1995 Y 8 M Joined SOFTBANK CORP. (Predecessor of SoftBank Group Corp.)  
 1999 Y 7 M Director, SOFTBANK INVESTMENT CORPORATION (Predecessor of SBI Holdings, Inc.)  
 1999 Y 10M Representative Director and President, SOFTBANK FRONTIER SECURITIES CO., LTD.(Predecessor of SBI SECURITIES Co., Ltd.)  
 2000 Y 11M Representative Director and President, Softbank Finance Corp. (Predecessor of SoftBank Corp.)  
 2001 Y 3 M Representative Director and President, Morningstar Japan K.K.  
 2005 Y 12M Director, Senior Executive Vice President & COO, E\*TRADE SECURITIES Co., Ltd.(Predecessor of SBI SECURITIES Co., Ltd.)  
 2006 Y 4 M Deputy President, Sumishin SBI Net Bank Research Co., Ltd. (Predecessor of SBI Sumishin Net Bank, Ltd.)  
 2007 Y 9 M Deputy President and COO, SBI Sumishin Net Bank, Ltd.  
 2011 Y 8 M President, SBI Sumishin Net Bank, Ltd.  
 2014 Y 4 M Director, SBI Sumishin Net Bank, Ltd.  
 2014 Y 4 M Representative Director and President, SBI MONEY PLAZA Co., Ltd.  
 2014 Y 6 M Director, SBI SECURITIES Co., Ltd.  
 2014 Y 6 M Representative Director, Senior Executive Vice President & Co-COO, SBI Holdings, Inc.  
 2015 Y 4 M Director, SBI FINANCIAL SERVICES Co., Ltd.  
 2015 Y 4 M Representative Director and President, SBI Capital Management Co., Ltd.  
 2015 Y 4 M Representative Director and President, SBI Investment Co., Ltd.  
 2015 Y 9 M Director, SBI SAVINGS BANK  
 2017 Y 5 M Director, SBI Sumishin Net Bank, Ltd.  
 2018 Y 6 M Representative Director, Senior Executive Vice President & COO, SBI Holdings, Inc.  
 2018 Y 7 M Director, SBI NEO FINANCIAL SERVICES Co., Ltd.  
 2019 Y 2 M Representative Director and President, SBI Regional Business Investment Co., Ltd.  
 2019 Y 3 M Representative Director and President, Money Tap Co., Ltd.  
 2020 Y 7 M Director, SBI Regional Bank Holdings Co., Ltd.  
 2022 Y 1 M Advisor, Shinsei Bank, Limited  
 2022 Y 2 M Representative Director, President and CEO, Shinsei Bank, Limited (Current)

**Reasons for nominating each of the candidates for Director**

Mr. Katsuya Kawashima has many years of experience in the securities and banking industries and has held important positions in these industries. In addition to being familiar with the financial services business, he has extensive knowledge and broad experience in overall management and is expected to contribute to the enhancement of the corporate value of the Bank. Therefore, the Bank has determined that he is suitable for the position of Director of the Bank, and hereby proposes his election.

3

Name (Date of Birth)

**Katsumi Hatao**September 12, 1957  
(64 years old)Ownership ..... nil  
Attendance rate of BoD ..... 2/2 (100%)

Reappointed



[Personal History/Positions and Responsibilities in the Bank]

1981 Y 4 M Joined The Bank of Tokyo (Predecessor of MUFG Bank, Ltd.)  
 1985 Y 4 M The Bank of Tokyo (Canada) Ltd., Toronto Main Office  
 1995 Y 4 M BOT International (Hong Kong) Ltd.  
 2004 Y 7 M Deputy General Manager, Corporate Planning Division, The Bank of Tokyo-Mitsubishi Ltd. (Predecessor of MUFG Bank, Ltd.)  
 2006 Y 1 M Deputy General Manager, Personnel Division, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Predecessor of MUFG Bank, Ltd.)  
 2007 Y 5 M Executive Officer and General Manager, Corporate Risk Management Division, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Predecessor of MUFG Bank, Ltd.)  
 2008 Y 4 M Executive Officer and General Manager, Global Planning Division, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Predecessor of MUFG Bank, Ltd.)  
 2011 Y 5 M Managing Executive Officer, Deputy Chief Executive, Global Business Unit, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Predecessor of MUFG Bank, Ltd.)  
 2012 Y 5 M Managing Executive Officer, Chief Executive Officer for the United States, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Predecessor of MUFG Bank, Ltd.)  
 2013 Y 2 M Outside Director, CIMB Group Holdings Berhad  
 2014 Y 7 M Managing Executive Officer, Chief Executive Officer for the United States, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Predecessor of MUFG Bank, Ltd.) and President for the MUFG Union Bank, N.A.  
 2017 Y 6 M Executive Officer, SBI Holdings, Inc.  
 2017 Y 10M Chairman of the Board of Directors, SBI Bank LLC (Russian Commercial Bank)  
 2022 Y 1 M Advisor, Shinsei Bank, Limited  
 2022 Y 2 M Director, Senior Managing Executive Officer, Shinsei Bank, Limited  
 2022 Y 4 M Director, Senior Managing Executive Officer, Assistant to the President, In charge of Group Treasury and Oversea Business, Shinsei Bank, Limited (Current)

**Reasons for nominating each of the candidates for Director**

Mr. Katsumi Hatao has many years of business experience at banks in Japan and overseas and has held various important positions. He has extensive knowledge and broad experience in financial services business and corporate management in Japan and overseas and is expected to contribute to the enhancement of the corporate value of the Bank. Therefore, the Bank has determined that he is suitable for the position of Director of the Bank, and hereby proposes his election.

4

Name (Date of Birth)

**Eisuke Terasawa**January 27, 1974  
(48 years old)

Ownership ..... Common Shares 776

Newly  
Appointed

[Personal History/Positions and Responsibilities in the Bank]

1996 Y 4 M Joined The Long-Term Credit Bank of Japan, Ltd. (Predecessor of Shinsei Bank, Limited)  
 2017 Y 4 M Senior Manager, Group Organizational Strategy Division, Shinsei Bank, Limited  
 2018 Y 7 M Section Head, Group Corporate Planning Division, Shinsei Bank, Limited  
 2020 Y 7 M GM, Group Corporate Planning Division, Shinsei Bank, Limited  
 2021 Y 4 M Senior Officer, Group Corporate Planning and Finance and GM, Group Corporate Planning Division, Executive Officer, Financing Facilitation and General Manager, Office of Financing Facilitation Management, Shinsei Bank, Limited  
 2022 Y 4 M Managing Executive Officer, In charge of Group Corporate Planning and Financing Facilitation and General Manager, Group Corporate Planning Division, General Manager, Office of Financing Facilitation Management, Shinsei Bank, Limited (Current)

**Reasons for nominating each of the candidates for Director**

Mr. Eisuke Terasawa has extensive knowledge and experience in overall banking business and has expertise particularly in corporate planning, organizational strategy and financial planning. He is also familiar with the Bank Group's business operational status through these business experiences, which is expected to contribute to the enhancement of the corporate value of the Bank. Therefore, the Bank has determined that he is suitable for the position of Director of the Bank, and hereby proposes his election.



5

Name (Date of Birth)

Kei Fujisaki

June 23, 1968  
(53 years old)

Ownership ..... nil

Newly  
Appointed

[Personal History/Positions and Responsibilities in the Bank]

Outside

1991 Y 4 M Joined The Norinchukin Bank

2012 Y 7 M Deputy General Manager, Corporate Planning Division, The Norinchukin Bank

2015 Y 7 M General Manager, Planning Division, Norinchukin Zenkyoren Asset Management Co., Ltd.

Independent

2017 Y 7 M General Manager, Risk Management Division, The Norinchukin Bank

2019 Y 4 M Managing Director, The Norinchukin Bank

2021 Y 4 M Director and Managing Executive Officer, The Norinchukin Bank

**Reasons for nominating each of the candidates for Director and summary of his/her expected roles**

Mr. Kei Fujisaki is asked to stand as a candidate for Outside Director in order to reflect in the Bank's management his knowledge and experience in finance obtained by assuming key positions at financial institutions. After being elected, Mr. Fujisaki is expected to provide appropriate supervision and advice on the execution of business especially from his expert perspective on risk, compliance management and market-related businesses.

6

Name (Date of Birth)

Yasuhiro Hayasaki

January 14, 1961  
(61 years old)

Ownership ..... nil

Attendance rate of BoD ..... 2/2 (100%)

Reappointed

[Personal History/Positions and Responsibilities in the Bank]

Outside

1983 Y 4 M Joined the Bank of Japan

2009 Y 5 M Deputy Director-General of Financial System and Bank Examination Department, the Bank of Japan

2010 Y 8 M Deputy Commissioner for International Affairs, Financial Services Agency

Independent

2010 Y 10M Vice-chair of the Executive Committee, International Association of Insurance Supervisors

2012 Y 7 M Director General of Payment and Settlement Systems Department, the Bank of Japan

2013 Y 5 M Director General of Internal Auditors' Office, the Bank of Japan

2014 Y 6 M Director General of Personnel and Corporate Affairs Department, the Bank of Japan

2015 Y 9 M Counsellor to the Board (global strategy), The Norinchukin Bank

2021 Y 5 M Joined Ricoh Company, Ltd.

2021 Y 6 M President, Ricoh Institute of Sustainability and Business, Ricoh Company, Ltd. (Current)

2022 Y 2 M Outside Director, Shinsei Bank, Limited (Current)

**Important status in other companies**

President, Ricoh Institute of Sustainability and Business, Ricoh Company, Ltd.

**Reasons for nominating each of the candidates for Director and summary of his/her expected roles**

Mr. Yasuhiro Hayasaki is asked to stand as a candidate for Outside Director in order to reflect in the Bank's management his experience and a wide range of knowledge in the field of finance, including a career at the Bank of Japan. After being elected, Mr. Hayasaki is expected to provide appropriate supervision and advice on the execution of business based on his experience and knowledge, especially from his expert perspective on financial administration and regulation, risk management, and economic analysis.

7

Name (Date of Birth)

**Ayumi Michi**January 16, 1966  
(56 years old)Ownership ..... nil  
Attendance rate of BoD ..... 2/2 (100%)

Reappointed

Outside

Independent



[Personal History/Positions and Responsibilities in the Bank]

1988 Y 4 M Joined Nippon Telegraph and Telephone Corporation  
 1995 Y 4 M Registered Tokyo Bar Association  
 1995 Y 4 M Attorney at Law, Matsuo & Kosugi  
 2002 Y 2 M Registered New York State Attorney  
 2008 Y 9 M Visiting Professor, Waseda University Graduate School of Law  
 2009 Y 4 M Professor, Waseda University Graduate School of Law (fixed term)  
 2009 Y 4 M Attorney at Law, Waseda University Legal Clinic Corporation (Current)  
 2015 Y 10M Deputy Secretary-General, Japan Federation of Bar Associations  
 2018 Y 4 M Vice President, Tokyo Bar Association  
 2019 Y 4 M Director General of the Headquarters, Japan Legal Support Center (Houterasu)  
 2022 Y 2 M Outside Director, Shinsei Bank, Limited (Current)

**Important status in other companies**

Attorney at Law (Attorney at Law, Waseda University Legal Clinic Corporation)

**Reasons for nominating each of the candidates for Director and summary of his/her expected roles**

Ms. Ayumi Michi is asked to stand as a candidate for Outside Director in order to reflect in the Bank's management her expertise and experience as a lawyer as well as her broad knowledge of diversity, including gender. After being elected, Ms. Michi is expected to contribute to the Bank's sustainability management by providing appropriate supervision and advice, etc. to the executive team from a viewpoint of diversity and general legal affairs, including civil and commercial matters, which are her areas of expertise.

Although Ms. Michi has not been involved in the management of a company in the past other than as an outside director or outside audit & supervisory board member, the Bank believes that she will be able to appropriately perform her duties as an outside director for the reasons stated above, as well as because of her extensive experience and knowledge as a lawyer, including her positions at a bar association and as the secretary-general of a nationwide organization.

8

Name (Date of Birth)

**Yurina Takiguchi**August 1, 1987  
(34 years old)

Ownership ..... nil

Newly  
Appointed

Outside

Independent



[Personal History/Positions and Responsibilities in the Bank]

2008 Y 4 M Joined cent. Force CO., LTD (~Current)  
 2014 Y 6 M Co-Ancor, TV Tokyo "News Morning Satellite"  
 2017 Y 4 M Anchor, Nikkei CNBC  
 2019 Y 4 M Editor and Communication Director, Forbs JAPAN  
 2021 Y 9 M Advisory Board Member, School of Engineering, University of Tokyo (Current)

**Important status in other companies**

Advisory Board Member, School of Engineering, University of Tokyo

**Reasons for nominating each of the candidates for Director and summary of his/her expected roles**

Ms. Yurina Takiguchi is asked to stand as a candidate for Outside Director in order to reflect in the Bank's management her extensive experience at mass media including anchor of TV economic programs. After being elected, Ms. Takiguchi is expected to provide appropriate supervision and advice on the execution of business based on her broad knowledge of society and economics in general and from the perspectives of gender and generation diversity.

Although she has not been involved in the management of a company in the past, the Bank believes that she will be able to appropriately perform her duties as an outside director due to the reasons stated above.

9

Name (Date of Birth)

**Masahiro Terada**May 7, 1968  
(54 years old)Ownership ..... nil  
Attendance rate of BoD ..... 2/2 (100%)

Reappointed

Outside

Independent



## [Personal History/Positions and Responsibilities in the Bank]

1996 Y 4 M	Registered Tokyo Daini Bar Association
1998 Y 5 M	In-house Attorney, Daiwa Securities Co., Ltd. (Predecessor of Daiwa Securities Group Inc.)
2000 Y 5 M	In-house Attorney, Morgan Stanley Japan Limited (Predecessor of Morgan Stanley MUFG Securities Co., Ltd.)
2005 Y 1 M	Partner, City-Yuwa Partners (Current)
2012 Y 10M	Supervisory Director, Ichigo Real Estate Investment Corporation (Predecessor of Ichigo Office REIT Investment Corporation) (Current)
2016 Y 8 M	Outside Audit & Supervisory Board Member, Nissen Holdings Co., Ltd.
2022 Y 2 M	Outside Director, Shinsei Bank, Limited (Current)

**Important status in other companies**

Attorney at Law (Partner, City-Yuwa Partners)

Supervisory Director, Ichigo Office REIT Investment Corporation

**Reasons for nominating each of the candidates for Director and summary of his/her expected roles**

Mr. Masahiro Terada is asked to stand as a candidate for Outside Director in order to reflect in the Bank's management his expertise and experience as a lawyer, as well as his experience as an in-house attorney at a financial institution and as an outside audit & supervisory board member etc. at other companies. After being elected, Mr. Terada is expected to provide appropriate supervision and advice, etc. to the executive team based on his extensive knowledge in his areas of expertise, such as structured finance, corporate governance, and compliance.

Although he has not been involved in the management of a company in the past other than as an outside director or outside audit & supervisory board member, the Bank believes that he will be able to appropriately perform his duties as an outside director due to his extensive experience and knowledge as a lawyer, in addition to the reasons stated above.

**Notes.**

1. The attendance rate to Board of Directors Meetings indicates the attendance rate to Meetings held during the period from the end of the Extraordinary General Meeting of Shareholders held in February 2022 to March 31, 2022.
2. Those positions or posts of candidates for Directors without "Current" in their "Personal History/Positions and Responsibilities in the Bank" section are positions or posts from which the candidate has already retired.
3. Among the candidates for Directors, Mr. Hirofumi Gomi, Mr. Katsuya Kawashima, Mr. Katsumi Hatao and Mr. Eisuke Terasawa will be elected as Executive Directors at the Board of Directors meeting to be held after this General Meeting of Shareholders. They have the knowledge and experience to be able to carry out business management of a bank appropriately, fairly and efficiently.
4. Regarding Mr. Katsuya Kawashima, the candidate for Director, his positions and responsibilities at the Bank's parent companies (SBI Holdings, Inc. and SBI Regional Bank Holdings, Co., Ltd.) and the subsidiaries of the Bank's parent companies for the past ten years are described in "Personal History/Positions and Responsibilities in the Bank". Mr. Kawashima also served as an executive officer of the following subsidiaries of the Bank's parent companies, other than those listed in the "Personal History/Positions and Responsibilities in the Bank."  
 Director, SBI-HIKARI P.E. Co., Ltd.  
 Representative Director, SBI Regional Revitalization Advisory Co., Ltd.  
 Managing Director, Strategic Business Innovator Berlin GmbH  
 Director, SBI JI Innovation Partners Ltd.,  
 Director, SBI JI Innovation Partners II, Ltd.  
 Director, SBI Leasing Services Co., Ltd.  
 Representative Director, SBI regional activation support Co., Ltd.  
 Representative Director, SBI Regional Revitalization Investment And Lending Co., Ltd.  
 Director, SBI Crypto Investment Co., Ltd.,  
 Director, SBI RI Partners, Ltd.  
 Representative Director, SBI University Startup Incubator Co., Ltd.  
 Director, SBI Capital Co., Ltd.,  
 Director, SBI Incubation Co., Ltd. and  
 Director, SBI CAPITAL Co., Ltd.

Regarding Mr. Katsumi Hatao, the candidate for Director, his positions and responsibilities at the Bank's parent companies (SBI Holdings, Inc. and SBI Regional Bank Holdings, Co., Ltd.) and the subsidiaries of the Bank's parent companies for the past ten years are described in "Personal History/Positions and Responsibilities in the Bank".

5. Special interests between the Bank and a candidate:  
No special interests exist between any of the other candidates for Directors and the Bank.
6. Overview of the contents of the Agreement for Limitations on Liability concluded with Directors:  
Mr. Yasuhiro Hayasaki, Ms. Ayumi Michi and Mr. Masahiro Terada among candidates for Directors has concluded an Agreement for Limitations on Liability with the Bank under Article 427, Paragraph 1 of the Corporation Act. Under this agreement, liability of each of the Directors for any damage caused through neglect of their duties and responsibilities shall be limited. If the Bank suffers damage as a result of such neglect, the Outside Directors shall be liable up to the lowest maximum liability provided for in Article 425, Paragraph 1 of the Corporation Act, provided that there should be no willful misconduct or gross negligence involved in their duties and responsibilities. If the above-mentioned candidates are re-elected as Director, the Bank will continue the said Agreement for Limitations on Liability with them.  
The candidates for new Outside Directors, Mr. Kei Fujisaki and Ms. Yurina Takiguchi, once elected as Director, will conclude with the Bank an Agreement for Limitations on Liability with the same conditions as mentioned above.
7. The Bank has concluded a directors and officers liability insurance contract with all Director candidates that are current Directors as insureds. If the election of the candidates is approved, all elected Directors will be the insureds of the insurance contract. See page 47 of the Business Report for the summary, etc. of the insurance contract.
8. The following persons are candidates for Outside Directors:  
Mr. Kei Fujisaki, Mr. Yasuhiro Hayasaki, Ms. Ayumi Michi, Ms. Yurina Takiguchi and Mr. Masahiro Terada.
9. The registered name of Ms. Ayumi Michi is "Ayumi Kodama" and Ms. Yurina Takiguchi is "Yurina Kizuki".
10. Matters concerning candidates for Outside Directors:
  - (1) *Violation of laws or articles of incorporation or other unjust business execution by the relevant joint stock company (kabushiki-kaisha) during the most recent term of office of the Outside Director candidate in the joint stock company, as well as actions actually taken by the Outside Director candidate to prevent recurrence of such violation and subsequent countermeasures taken by him/her.*  
Not applicable.
  - (2) *If a candidate for Outside Director had been a Statutory Executive Officer, a Director, or an Auditor in other joint stock companies (kabushiki-kaisha) in the last five years, the fact (if any) of violation of laws or articles of incorporation or other unjust business execution by the relevant joint stock company during his/her term of office in the company, as well as actions actually taken by the relevant candidate to prevent a recurrence of this violation and subsequent countermeasures taken by him/her.*  
Not applicable.
  - (3) *The number of years since candidates for Outside Directors who are currently Outside Directors became Outside Directors and Audit Supervisory Board Members:*
    - ① As of the end of this Annual General Meeting of Shareholders, Mr. Yasuhiro Hayasaki will have been an Outside Director for five months.
    - ② As of the end of this Annual General Meeting of Shareholders, Ms. Ayumi Michi will have been an Outside Director for five months.
    - ③ As of the end of this Annual General Meeting of Shareholders, Mr. Masahiro Terada will have been an Outside Director for five months.
11. The Bank has submitted to the Tokyo Stock Exchange, Inc. an "independent director statement" (dokuritsu-yakuin todokesho) that Mr. Yasuhiro Hayasaki, Ms. Ayumi Michi and Mr. Masahiro Terada are an independent director (dokuritsu-yakuin). In addition, the Bank will submit to the Tokyo Stock Exchange, Inc. of Mr. Kei Fujisaki and Ms. Yurina Takiguchi as "independent directors" (dokuritsu-yakuin) once they are elected as Director.  
The Bank judges the independence of the Outside Directors considering the independence standards presented by the Tokyo Stock Exchange, Inc.

## Skill Matrix of Candidates for Directors


		Hirofumi Gomi	Katsuya Kawashima	Katsumi Hatao	Eisuke Terasawa	Kei Fujisaki	Yasuhiro Hayasaki	Ayumi Michi	Yurina Takiguchi	Masahiro Terada
Management Experience	Corporate/ Association Management		○	○	○	○	○	○		
	Venture Management		○							
Financial Experience	Investment and loans	○	○	○	○	○	○			○
	Securities/ Financial Market Business		○	○	○	○				○
	Overseas Finance			○			○			○
	Finance/Risk Management	○	○	○	○	○	○			○
Other Necessary Experience	Consumer Business		○							
	Real Estate Business									○
	Mass media								○	
Comprehensive Knowledge on Management and Finance	Legal/ Governance	○		○		○	○	○		○
	IR / Public Relations								○	
	Personnel Labor/Human Rights Protection			○				○	○	○
	Diversity							○	○	
	Administration Bureau Experience	○					○			

## Item 2: Election of One (1) Audit & Supervisory Board Member

We would like to seek approval to elect one person as Audit & Supervisory Board Member, since Ms. Shiho Konno will have completed her terms of office at the end of this Annual General Meeting of Shareholders.

The Audit & Supervisory Board's consent has been obtained.

Career summary of the candidates is as follows.

	Name (Date of Birth)		
	<b>Miyuki Nakagawa</b>	November 22, 1964 (57 years old)	Ownership ..... Nil
	[Personal History/Positions in the Bank]		
Newly Appointed	1990 Y 4 M	Public Prosecutor, Tokyo District Public Prosecutors Office	
Outside	2008 Y 4 M	Counsellor, Judicial System Department of Minister's Secretariat, Ministry of Justice	
Independent	2011 Y 1 M	Counsellor, Cabinet Secretariat, Assistant Chief Cabinet Secretary Office	
	2013 Y 4 M	Public Prosecutor, Tokyo High Public Prosecutors Office	
	2013 Y 8 M	Director General, General Affairs Department, Saitama District Public Prosecutors Office	
	2015 Y 4 M	Specially Appointment Professor, Chuo Law School, Chuo University (Appointed Public Prosecutor)	
	2019 Y 3 M	Retired as Public Prosecutor	
	2019 Y 4 M	Registered Dai-ichi Tokyo Bar Association, Attorney at Law, Kousui Law Office (Current)	
	2019 Y 4 M	Professor, Chuo Law School, Chuo University (Current)	
	2019 Y 6 M	Outside Director, NITTO KOGYO CORPORATION (Current)	
	2021 Y 6 M	Outside Director, Nissan Chemical Corporation (Current)	
	2021 Y 6 M	Outside Audit & Supervisory Board Member, FANCL CORPORATION (Current)	

### **Important status in other companies**

Attorney at Law (Attorney at Law, Kousui Law Office)

Professor, Chuo Law School, Chuo University

Outside Director, NITTO KOGYO CORPORATION

Outside Director, Nissan Chemical Corporation

Outside Audit & Supervisory Board Member, FANCL CORPORATION

### **Reasons for nominating the candidate for Audit & Supervisory Board Member**

Ms. Miyuki Nakagawa is asked to stand as a candidate for Outside Audit & Supervisory Board Member in order to reflect in the Bank's audit operations her expertise and experience as a public prosecutor and lawyer, in particular her expertise in law and corporate governance and her extensive experience as outside director and outside audit & supervisory board member at listed companies.

Although she has not been involved in the management of a company in the past other than as an outside director or outside audit & supervisory board member, the Bank believes that she will be able to appropriately perform her duties as an outside audit & supervisory board member for the reasons stated above.

Notes.

1. The positions or posts of the candidate for the Audit & Supervisory Board Member without “Current” in the “Personal History/Positions in the Bank” section are positions or posts from which the candidate has already retired.

2. Ms. Miyuki Nakagawa, who is the candidate for Audit & Supervisory Board Member, has knowledge and experience to be able to carry out the audit of the execution of duties of directors of a bank appropriately, fairly and efficiently.

3. Special Interests between the Bank and a candidate:

No Special Interests exist between the candidate for Audit & Supervisory Board Member and the Bank.

4. Overview of the contents of the Agreement for Limitations on Liability concluded with Outside Audit & Supervisory Board Member

Once elected as Audit & Supervisory Board Member, Ms. Miyuki Nakagawa, the candidate for Outside Audit Supervisory Board Member is to conclude an Agreement for Limitations on Liability with the Bank under Article 427, Paragraph 1 of the Corporation Act. Under this agreement, her liability for any damage caused through neglect of her duties and responsibilities shall be limited. If the Bank suffers damage as a result of such neglect, she shall be liable up to the lowest maximum liability provided for in Article 425, Paragraph 1 of the Corporation Act, provided that there should be no willful misconduct or gross negligence involved in her duties and responsibilities.

5. The Bank has concluded a directors and officers liability insurance contract with current all Outside Audit & Supervisory Board Members as insureds. If the election of the candidate is approved, elected Audit & Supervisory Board Member will be the insured of the insurance contract. See page 47 of the Business Report for the summary, etc. of the insurance contract.

6. Ms. Miyuki Nakagawa is the candidate for Outside Audit & Supervisory Board Member.

7. If a candidate for Outside Audit & Supervisory Board Member had been a Statutory Executive Officer, a Director, or an Audit & Supervisory Board Member in other joint stock companies (kabushiki-kaisha) in the last five years, the fact (if any) of violation of laws or articles of incorporation or other unjust business execution by the relevant joint stock company during his/her term of office in the company, as well as actions actually taken by the relevant candidate to prevent a recurrence of this violation and subsequent countermeasures taken by him/her.

Not applicable.

8. The Bank will notify the Tokyo Stock Exchange, Inc. of Ms. Miyuki Nakagawa as “independent audit & supervisory board member” (dokuritsu-yakuin) once she is elected as Audit & Supervisory Board Member.

The Bank judges the independence of the Outside Audit & Supervisory Board Member considering the independence standards presented by the Tokyo Stock Exchange, Inc.

**[Reference]**

**Regarding the Standards for Independent Outside Directors and Outside Audit & Supervisory Board Members**

**1. Policies and procedures in the nomination of candidates for Directors and Audit & Supervisory Board Members**

The Bank's Board makes final decisions on the appointment/dismissal of the senior management and the nomination of the candidates for Directors and the Audit & Supervisory Board Members based on the Bank Rules.

- Candidates for Directors; the appointment of Director is deliberated by the Nomination and Compensation Committee and determined by the Board of Directors meeting with a consideration of the Bank's size, a balance among knowledge, experience, skills and diversity.
- Candidates for Audit & Supervisory Board Members: they are decided with the consent of the Audit & Supervisory Board, considering the candidates' knowledge and experience in order to accurately, fairly and effectively ensure audit business execution by the Bank's Directors.

**2. Independence Standards for Independent Directors**

The Bank judges the independence of the Directors considering the independence standards presented by the Tokyo Stock Exchange, Inc.

Outside Directors are eventually selected by the Board of Directors, through sufficient discussions at the Nomination and Compensation Committee, from candidates who are expected to contribute to frank, active and constructive discussions at Board meetings.



### **Item 3: Revision of Maximum Amount of Basic Compensation, etc. for the Directors**

At the 15th Annual General Meeting of Shareholders held on June 17, 2015, the total amount of basic compensation, etc. for the Directors of the Bank of up to 180 million yen per year (including maximum 60 million yen per year for the Outside Directors) (this amount does not include the portion which represents the salary of Directors who concurrently serve as employees of the Bank) was approved.

If Item 1, "Election of Nine (9) Directors," is approved at the 22nd Annual General Meeting of Shareholders to be held today, the number of full-time Directors will increase by two (2) as compared with the constitution of the board of directors at the time of the 15th Annual General Meeting of Shareholders (we will have nine (9) directors, four (4) Full-time Directors and five (5) Outside Directors). Therefore, in accordance with the increase in the number of full-time Directors, the maximum amount of basic compensation, etc. for the Directors will be revised to 230 million yen annually (however, this amount does not include the salary of Directors who concurrently serve as employees of the Bank).

As in the past, the maximum amount of basic compensation, etc. for Outside Directors remains at 60 million yen per year.

**Item 4: Revision of Maximum Amount of the Compensation for Granting Restricted Stock**

At the 15th Annual General Meeting of Shareholders held on June 17, 2015, the total amount of compensation, etc. for the Directors of the Bank of up to 180 million yen per year (including maximum 60 million yen per year for the Outside Directors) (this amount does not include the portion which represents the salary of Directors who concurrently serve as employees of the Bank) was approved. In addition, at the 18th Annual General Meeting of Shareholders held on June 20, 2018, an amount of maximum 20 million yen per year of compensation in the form of restricted stock for full-time Directors (excluding the Outside Directors), within the maximum amount of basic compensation, etc. as mentioned above, was approved. At the 20th Annual General Meeting of Shareholders held on June 17, 2020, the compensation for Outside Directors at a maximum amount of 15 million yen per year in the form of restricted stock, within the maximum amount of basic compensation, etc. as mentioned above, was approved. At the 21st Annual General Meeting of Shareholders held on June 23, 2021, the continuation of the restricted stock compensation plan for full-time Directors and Outside Directors was approved.

If Item 1, "Election of Nine (9) Directors," is approved at the 22nd Annual General Meeting of Shareholders to be held today, the number of full-time Directors will be increased by two (2) as compared with the constitution of the board of directors at the time of the 18th Annual General Meeting of Shareholders (we will have nine (9) directors, four (4) Full-time Directors and five (5) Outside Directors). If Item 3, "Revision of Maximum Amount of Basic Compensation, etc. for the Directors," is approved, the maximum amount of basic compensation, etc. will be revised to a maximum of 230 million yen annually. In accordance with the increase in the number of full-time Directors and the revision of the maximum amount of compensation, etc. for Directors, the maximum amount of compensation in the form of restricted stock to full-time Directors will be revised to 25 million yen annually.

The total number of common shares of the Bank to be issued or disposed of under this compensation plan of restricted stock for full-time Directors shall not be exceed 30,000 shares per year.

As in the past, the maximum amount of compensation for Outside Directors granted in the form of restricted stock remains 15 million yen per year, out of the maximum amount of compensation of up to 60 million yen per year.

## **Item 5: Revision of Maximum Amount of the Equity Compensation Type Stock Options**

At the 15th Annual General Meeting of Shareholders held on June 17, 2015, the allocation of the subscription warrants not exceeding 50 million yen per year for full-time Directors was approved, apart from the 180 million yen maximum basic compensation, etc. to be paid to the Directors of the Bank (out of which 60 million yen is for Outside Directors) annually. At the 21st Annual General Meeting of Shareholders held on June 23, 2021, the Continuation of Stock Options Compensation Plan for Full-Time Directors was approved.

If Item 1, "Election of Nine (9) Directors," is approved at the 22nd Annual General Meeting of Shareholders to be held today, the number of full-time Directors will increase by two (2) as compared with the constitution of board of directors at the time of the 15th Annual General Meeting of Shareholders (we will have nine (9) directors, four (4) Full-time Directors and five (5) Outside Directors). Therefore, in accordance with the increase in the number of full-time Directors, apart from the maximum compensation, etc., the maximum amount of the equity compensation type stock options will be revised to 75 million yen per year.

The maximum number of subscription warrants to be allotted under the stock option plan within one year from the date of the annual general meeting of shareholders for each business year shall not exceed 9,000.

**Agenda Item 6:  
Partial Amendment of the Articles of Incorporation  
(Measures for Electronic Provision of the Reference Materials, Etc. for the Shareholders' Meeting)**

**1. Reason for Amendments**

The amended provisions stipulated in the proviso of Article 1 of the Supplementary Provisions of the "Act Partially Amending the Companies Act" (Act No.70 of 2019) will be enforced from September 1, 2022. Accordingly, these amendments to the Articles of Incorporation are made so that information contained in the Reference Materials, etc. for the Shareholders' Meeting will be provided electronically.

- ① The paragraph 1 of the Article 13 of proposed amendment stipulates that the Bank shall take electronic measures for provision of the information contained in the Reference Materials, etc. for the Shareholders' Meeting.
- ② The paragraph 2 of the Article 13 of proposed amendment shall limit the scope of matters to be stated in the document to be delivered to the shareholders who have requested delivery of paper.
- ③ The current Article 13. (Internet Disclosure and Deemed Provision of Referential Materials for Meetings of Shareholders) will be no longer necessary thus to be deleted.
- ④ With the above-mentioned new establishment and deletion, supplementary provisions regarding the effective date, etc. will be established.

**2. Details of Amendments**

The details of the amendments are as follows:

(Amended parts are underlined.)

Current	Proposed Amendment
<p><u>Article 13</u> (<u>Internet Disclosure and Deemed Provision of Referential Materials for Meetings of Shareholders</u>) <u>Information relating to the matters to be indicated or presented in referential materials for meetings of shareholders, business reports, financial statements and consolidated financial statements may be deemed to be provided by the Bank to the shareholders by disclosing them through the Internet pursuant to the Ordinances of the Ministry of Justice.</u></p> <p style="text-align: center;">(New)</p>	<p style="text-align: center;">(Delete)</p> <p><u>Article 13.</u> (<u>Measures for Electronic Provision, Etc.</u>)</p> <ol style="list-style-type: none"> <li>1. <u>The Bank shall take electronic measures for provision of the information contained in the Reference Materials, etc. for the Shareholders' Meeting.</u></li> <li>2. <u>Among the matters to be provided electronically, the Bank may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the hardcopy to be provided to shareholders who have requested it by the record date for voting rights.</u></li> </ol>

Current	Proposed Amendment
(New)	<p data-bbox="807 208 1090 237">Supplementary Provisions</p> <p data-bbox="807 239 922 268"><u>Article 43.</u></p> <p data-bbox="807 271 1441 331"><u>(Transitional Measures Regarding Measures for Electronic Provision, Etc.)</u></p> <ol data-bbox="807 333 1441 936" style="list-style-type: none"> <li data-bbox="807 333 1441 555">1. <u>The deletion of Article 13 of the current Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Materials for Meetings of Shareholders) and the establishment of the proposed Article 13 of the Articles of Incorporation (Measures for Electronic Provision, Etc.) shall come into effect from September 1, 2022 (the "Effective Date").</u></li> <li data-bbox="807 557 1441 779">2. <u>Notwithstanding the provisions of the preceding paragraph, Article 13 of the current Articles of Incorporation (Internet Disclosure and Deemed Provision of Referential Materials for Meetings of Shareholders) shall remain in force with respect to Shareholders' Meeting to be held within six months from the Effective Date.</u></li> <li data-bbox="807 781 1441 936">3. <u>These Supplementary Provisions shall be deleted automatically 6 months after the Effective Date or after the lapse of three months from the date of the Shareholders' Meeting set forth in the preceding paragraph, whichever is later.</u></li> </ol>

**Item 7:**  
**Partial Amendment of the Articles of Incorporation (Change of Corporate Name)**

**1. Reason for proposal**

This matter will change the corporate name from Shinsei Bank, Limited to SBI Shinsei Bank, Limited upon the change of our parent company and largest stockholder to SBI Holdings, Inc.

Shinsei Bank has announced its Medium-Term Vision of the Shinsei Bank Group (hereinafter, the "Medium-Term Vision"), a medium-term business plan covering from FY2022 to FY2024 that is to be pursued for the coming three years. The core strategy for realizing the Medium-Term Vision, "pursue value co-creation inside and outside the Group," especially calls for endeavors to strengthen the Group's revenue base and achieve sustainable growth through the creation of synergies with the SBI Group. The synergy effects anticipated to be actualized in FY2024 is approximately JPY 15 billion. The purpose of the corporate name change is to foster a sense of unity between the Shinsei Bank Group and the SBI Group in order to realize such synergies at an early stage and steadily.

The change of corporate name will clearly show the SBI Group's strong commitment to the Shinsei Bank, both internally and externally. In so doing, the Group would be able to gain the confidence of all stakeholders, including shareholders, customers and employees, along with leverage the advanced image and high market recognition that the SBI brand possesses in its businesses. Meanwhile, Shinsei Bank expects to incur one-time costs (approximately JPY 1.5 billion) related to changes in signage and forms, system renovations, etc.; however, considers this to be an upfront investment that is sufficiently commensurate with the above objectives, significance and synergy effects.

Shinsei Bank believes that the change of its corporate name will ensure the realization of its Medium-Term Vision and prompt enhancement of the corporate value, which would lead to the expansion of profits for all shareholders.

With regard to the new corporate name, the SBI Shinsei Bank, Ltd. is a company name that combines the two names in order to express the advanced and innovative image of the SBI Group and the collaboration between the two groups to provide even greater value to society and customers, while respecting the culture and vision that Shinsei Bank (Group) has built up to date.

**2. The contents of amendment**

The contents of amendments are as follows.

The Corporate name and the Articles of Incorporation will be amended on January 4, 2023.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed amendment
<p>Article 1 (Corporate Name)</p> <p>1. The name of the Bank shall be "Kabushiki Kaisha Shinsei Ginko", and in the English language "Shinsei Bank, Limited".</p> <p style="text-align: right;">(New)</p>	<p>Article 1 (Corporate Name)</p> <p>1. The name of the Bank shall be "Kabushiki Kaisha <u>SBI Shinsei Ginko</u>", and in the English language "<u>SBI Shinsei Bank, Limited</u>".</p> <p>Supplementary Provisions  <u>(Transitional Measures regarding Change of Corporate Name)</u>  <u>Article 42</u></p> <p>1. <u>The changes in Article 1 (Corporate Name) shall take effect from January 4, 2023, provided that if the Board of Directors of the Bank decides to set a different date as the effective date at the meeting of the Board of Directors of the Bank to be held on or before January 3, 2023, the changes shall take effect from the newly determined date.</u></p> <p>2. <u>This Article shall be deleted after the effective date of the changes in Article 1 (Corporate Name) has elapsed.</u></p>

END

(Attachment)

**Business Report for the 22nd Fiscal Year  
(From April 1, 2021 to March 31, 2022)**

**1. Current State of the Bank****(1) Business Development and Performance of the Group*****[Principal Business of the Group]***

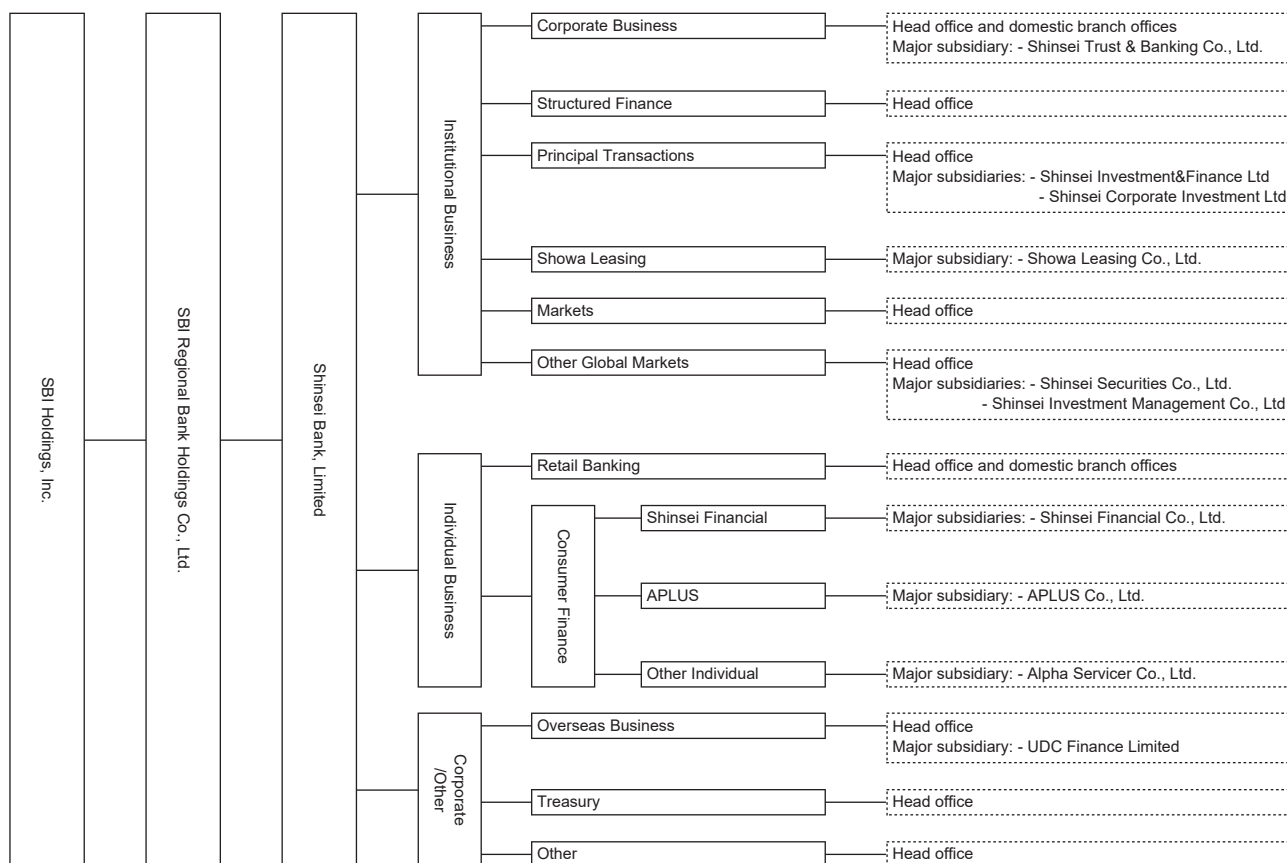
The Shinsei Bank Group, which consists of Shinsei Bank, Limited, 135 subsidiaries (comprised of 81 consolidated companies including APLUS Co., Ltd., Showa Leasing Co., Ltd., Shinsei Financial Co., Ltd., Shinsei Trust & Banking Co., Ltd., UDC Finance Limited and 54 unconsolidated subsidiaries) and 43 affiliated companies (comprised of 43 affiliates accounted for under the equity method including MB Shinsei Finance Limited Liability Company ) as of March 31, 2022, provides a wide variety of financial products and services to customers through our Institutional Business, Individual Business and Overseas Business. These groups consist of business segments which provide their respective financial products and services. Shinsei Bank, Limited, subsidiaries and affiliated companies are related to each segment as follows.

In the Institutional Business, the “Corporate Business” segment provides financial products and services, advisory services, and trust business for corporate, public, and financial sectors. The “Structured Finance” segment provides real estate finance such as nonrecourse loans, financial products and services for real estate and construction industries, and financial products and services related to project finance and specialty finance, such as M&A finance. The “Principal Transactions” segment provides private equity businesses and business succession services, and financial products and services related to credit trading. The “Showa Leasing” segment primarily provides financial products and services related to leasing. The “Markets” segment engages in foreign exchanges, derivatives, equity-related transactions and other capital markets transactions. The “Other Global Markets” segment consists of securities business provided by Shinsei Securities Co., Ltd., asset management and wealth management businesses.

In the Individual Business, the “Retail Banking” segment provides financial products and services for retail customers. The “Shinsei Financial” segment provides unsecured card loan business and credit guarantee business (Shinsei Financial, Shinsei Bank Card Loan L, Lake ALSA). The “APLUS” segment provides installment sales credit, credit cards, loans and payment services. The “Other Individual” segment in the Individual Business consists of profit and loss attributable to other subsidiaries.

In the Corporate/Other, the “Overseas Business” segment includes the majority of the Group's overseas consolidated subsidiaries and overseas affiliates, through which it mainly provides small-scale financing. The “Treasury” segment engages in ALM operations and fund raising including capital instruments.

The aforementioned can be illustrated in a business organization chart as follows.





**[Financial and Economic Environment]**

In the fiscal year under review, the domestic and overseas economies continued to face a downward pressure on economic activities due to the Novel Coronavirus. However, due to the progress in vaccination and other factors, economic activities became more normalized, and the market generally showed a recovery trend. Furthermore, supply-side constraints such as shortages of semiconductors and decline in the capacity utilization rate at factories are intensified. In response to the rise in crude oil prices following Russia's invasion of Ukraine in February 2022, inflationary pressures are intensified worldwide, and overseas inflation rates rose significantly beyond the price target.

At the end of 2021, the Federal Reserve Board (FRB) sharply tightened its monetary policy stance to curb inflation. In March 2022, the Federal Open Market Committee (FOMC) lifted the target federal funds rate by 0.25% and terminated the zero-interest rate policy. Looking ahead, the implementation of monetary tightening at a rapid pace was also suggested. In contrast, the Bank of Japan has continued with large-scale monetary easing, saying that the achievement of the price stability target cannot be expected, even though the upward pressure on prices has increased mainly due to rising commodity prices.

Looking at the financial markets, the U.S. long-term interest rates remained on a declining trend through August 2021, mainly due to concerns about economic stagnation caused by the spread of infectious diseases. Thereafter, the FRB withdrew its view that inflation was temporary. Despite the heightened geopolitical risks in February 2022, the FRB steadily strengthened its stance of tightening monetary policy to curb inflation and the rates remained on an uptrend. Domestic long-term interest rates (10-year JGB yields) remained move along with to the U.S. interest rates throughout the fiscal year, and temporarily rose to 0.25% in March 2022. However, as the Bank of Japan conducted aggressive outright purchases of JGBs, the long-term interest rates declined to around 0.22% at the end of March 2022 (around 0.10% at the end of March 2021).

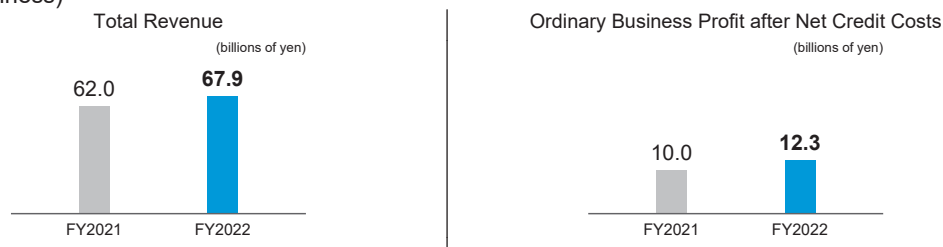
As for the foreign exchange rate, the U.S. dollar and the yen remained at around ¥110 toward August 2021, but from the end of September, the yen has depreciated against the U.S. dollar against the backdrop of differences in the direction of monetary policy between Japan and the U.S. As a result, the foreign exchange rate reached the ¥121 level at the end of March 2022 (a depreciation of the yen by approximately ¥11 against the U.S. dollar compared to the end of March 2021). In contrast, the euro-yen remained steady in 2021. From 2022 onward, after the depreciation of the euro progressed due to heightened geopolitical risks in February, expectations of tightening monetary policy are strengthened in March and the appreciation of the euro progressed, reaching the ¥135 level at the end of March 2022 (a depreciation of the yen by approximately ¥6 against the euro compared to the end of March 2021).

Finally, in September 2021, the Nikkei Stock Average temporarily recovered to the ¥30,000 level due to receding uncertainty over political affairs. However, it generally remained weak throughout the year against the backdrop of the spread of infectious diseases in Japan, tightening of monetary policy at overseas central banks, and heightened geopolitical risks. The closing price at the end of March 2022 was approximately ¥27,821 (down approximately ¥1,357 from the end of March 2021).

**[Business Developments and Performances of the Group in Fiscal Year 2021]**

The Shinsei Bank Group formalized its "Medium-Term Strategies", which runs from April 1, 2019 to March 31, 2022. Fiscal Year 2021 is the final year of the Medium-Term Strategies. Initiatives undertaken in each business area are as follows.

(Institutional Business)



[Business strategy]

In Institutional Business, the Shinsei Bank Group has set "Partnership-style business" and "Business for Institutional Investors". The Shinsei Bank Group will realize the core strategies of the Medium-Term Strategies, "Growth through Value Co-Creation," mainly in the following fields.

#### 1. Institutional Investors

Capture customer needs in the alternative investment space

- Service offerings for investments in renewable energy, real estate, domestic private equity etc.
- Expand networks with institutional investors, provide investment opportunities

The field of structured finance, such as project finance and real estate finance, is where the Bank has a comparative advantage, and the Bank will pursue initiatives that leverage its expertise and new growth opportunities.

In Fiscal Year 2021, as for project finance, the Bank continue to focus on structuring various renewable energy projects such as solar power generation, onshore wind power generation, and biomass power generation, as well as new geothermal power generation projects in Japan. The Bank is also working on overseas project finance, such as large-scale offshore wind power generation projects in Europe and the United States. In addition, we are also working on transition assets for decarbonization and financing for the digital infrastructure sector. In real estate finance, while assessing trends in the external environment, the Bank has originated transactions centered on logistics, housing, and offices while taking into account carefully not only the risks of individual transactions but also the risks and returns of the real estate market as a whole.

As for the existing business activities, business activities centered on senior loans, utilizing the knowledge, analytical capabilities, and finance structuring capabilities the Bank has cultivated to date, while paying attention to market conditions. The Bank will take a cautious stance on risk and return in order to promptly and flexibly originate new deals. The Bank has also actively pursued financing syndications with banks and insurance companies.

Through expansion of investor channels and diversification of sales methods, including the use of the functions of Shinsei Bank Group companies, the Group will continue to improve asset efficiency and expand profit opportunities.

#### 2. Non-financial Corporations

Deploy partnership-style business

- Deploy solutions that merge financial to non-financial service
- Strengthen ability to propose financial services, such as derivatives and factoring
- Strengthen asset business for core areas such as construction machinery

In the business for non-financial corporations, in addition to the traditional lending business, the Bank has also pursued initiatives aimed at collaborating with the functions of outside companies as an opportunity to grow further. Furthermore, the Bank has pursued business partnership-style businesses that provide solutions that go beyond the financial domain by helping customers resolve their management issues and create new businesses.

In Fiscal Year 2021, as the final year of the Medium-Term Strategies, the Bank continued our proposal activities for new value co-creation to further promote business partnership-style businesses. As a joint financial business in collaboration with group companies, the bank started collaboration with IDOM CaaS Technology Co., Ltd. in the second half of the year, and as the first step, we have started to provide auto leasing products for individuals. In addition, in collaboration with the startup company Adinte Co., Ltd., we have newly started retail media development support business for retailers.

In the traditional lending business, while continuing to promote qualitative expansion of the customer base with an awareness of transaction profitability, the Bank has strengthened its ability to offer solutions that combine financial services, such as providing derivatives, M&A, balance sheet solutions by purchasing fixed receivables and non-core assets from Financial Institutions and institutional business customers, financing for real estate investments, debt investments for customers suffering from sluggish business conditions, and private equity investments to meet growth levels, in order to respond flexibly to customer needs. In addition, the Bank has further strengthened its asset business, in which its subsidiary Showa Leasing Co., Ltd. has strengths, while pursuing synergies within its businesses.

### 3. Financial Institutions

Partner with regional financial institutions

- Provide Shinsei Bank Group's services to regional customers
- Support regional financial institutions to solve their own issues by utilizing Shinsei Bank Group's functions

In the business for Financial Institutions, in addition to selling structured products and other investment products and providing investment opportunities through syndicated loans and loan receivables sales, the Shinsei Bank Group has promoted the establishment of strong partnerships by providing functions and services both inside and outside the Shinsei Bank Group to address management issues faced by regional financial institutions.

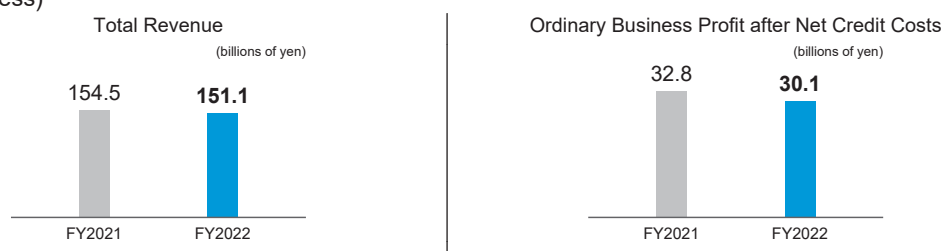
In Fiscal Year 2021, the Bank continued to promote the sale of loan receivables, and newly transferred healthcare-related loans and co-financed "Sustainability Link Loans" (described later). The Bank will continue to cooperate with regional financial institutions and contribute to the revitalization of the regional economy by providing various functions and services inside and outside the Shinsei Bank Group to the customers of the regional financial institutions.

### 4. Initiatives to differentiate Institutional Business

In addition to emphasizing sustainability ESG/SDGs and social impact, which have been attracting attention in recent years, the Bank has actively promoted differentiated initiatives that have positive impact on society by integrating these initiatives with the entire Institutional Business, including the institutional investors business, which is our focus area.

In Fiscal Year 2021, the Bank will continue to utilize evaluations based on the "New Green / Social / Sustainability Finance Framework" formulated in May 2020, and we are actively engaged in investment and financing for businesses that have specific social issues, bring about social impact and have a clear environmental improvement effect. In July 2021, we implemented our first "Sustainability Link Loan". This is to set multiple targets called "SPTs" based on the customer's sustainability management policy and change the loan conditions according to the achievement status, and the customer actively aims to achieve the SPTs. We aim to bring about a sustainable impact on society by taking measures. Institutional investors are also very interested in this project, and we are conducting syndication to a large number of regional financial institutions, etc., which will contribute to the progress of business for institutional investors. By providing financial solutions that promote the circulation of sustainable social capital, we will play a role in solving social and environmental issues.

(Individual Business)



[Business strategy]

In Individual Business, the Shinsei Bank Group has set "Data analysis to capture customer needs" and "personalized solutions" as business strategy, and promotes the core strategies of the Medium-Term Strategies "Growth through Value Co-Creation" mainly in the following fields.

1. Small-scale finance

Build / participate in ecosystems, use data to enhance services

- Collaboration with external parties which own customer base, data etc.
- Enhance strengths in credit assessment and collection by using payment / credit data, AI and digital technology

The Shinsei Bank Group recognizes that small-scale finance is an area in which it has a competitive advantage not only in the unsecured loans, which has been particularly strengthened up to the present time, but also in shopping credit, credit cards, payments and other businesses, in terms of data analysis and marketing, credit assessment, and collection, as well as stable operations. By utilizing the know-how, the Shinsei Bank Group has accumulated in various business, the Group has been working to provide a variety of financing products not only to individual business customers but also to a wide range of customers, including individual business owners, small and medium-sized enterprises, and non-Japanese customers. In addition, by providing the financial functions and platforms of the Shinsei Bank Group to companies that have strengths in customer bases and data, and creating new value and services, the Bank will continue to deepen customer understanding and promote collaboration with other services, with the aim of building and participating in ecosystems (economic ecosystems) and enhancing services.

In Fiscal Year 2021, the subsidiary APLUS Co., Ltd., in collaboration with T-Money Co., Ltd., a group company of Culture Convenience Club Co., Ltd. (CCC), launched a new postpaid payment application "T Point x QUICPay" using the neo-bank platform "BANKIT®". The subsidiary Shinsei Financial Co., Ltd. started guarantee business with "FamiPay Loan" provided by Famima Digital One Co., Ltd., a subsidiary of FamilyMart Co., Ltd. In addition, we concluded a basic agreement with Vietnam's partner bank, Military Commercial Joint Stock Bank, in 2023 with a commercial bank to be established in Cambodia with 49% capital participation. We are working on the effective use of capital, taken advantage of our strengths.

2. Retail asset management

Improve customer experience, and use alliances to uncover new customer opportunities

- Personalize communication and product offerings by using digital technology and customer data
- Use alliances with brokerage / insurance companies to uncover new customer opportunities

In retail asset management business, the Bank has been providing personalized solutions utilizing digital technologies and customer data, thereby realizing consulting tailored to individual needs and enhancing customer experience value. The Bank also has expanded its approach to new customer segments with diverse needs through alliances with external companies.

In Fiscal Year 2021, the alliance with Monex, Inc. in the financial product brokerage business started in January 2022. In addition, we expand video consultation and satellite bases, renewed the website for individual customers. In this way, the Bank continues to make progress in line with the Medium-Term Strategies.

The Bank has formulated and announced the "Policy on Customer-Oriented Operational Management" and the "Action Plan" to ensure the realization of this policy as guidelines for conducting business operations that prioritize the "best interests" of the Bank's customers. The Bank will contribute to the sustainable growth and development of society and the economy by thoroughly implementing customer-oriented business management based on a renewed recognition of the importance of "adhering to a customer-oriented approach to business management and helping customers build valuable assets."

### 3. Housing-related loans

Broaden customer segment via partnerships and new products

- Collaboration with housing-related companies and other financial institutions
- Capture customer needs for securing post-retirement cashflows and financing home renovations

In housing-related loans business, the Bank has worked to develop new products and expand sales channels through collaboration with real estate companies and other financial institutions as the business environment in that a large reversal in the number of condominium units sold due to the reaction to the Corona virus. In Fiscal Year 2021, A subsidiary APLUS Co., Ltd., started handling housing loans through bank agency business in April 2021, and also, we launched housing loans that customers can use with same-sex partners to create an environment where all customers can use our services. In addition, as the 100-year-life is approaching, customers have been changing their consumption behavior against a backdrop of the diversification of their lifestyles and the sense of value on their houses. The Bank aims to expand its customer base by offering products that meet the needs of customers who are not satisfied with existing products.

(Collaboration with SBI Group)

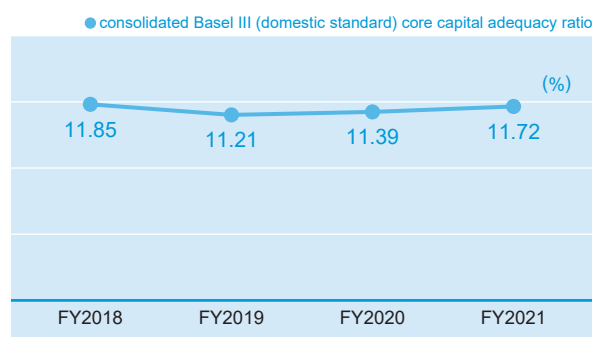
The Bank became a member of the SBI Group in December 2021. A new management team was elected at the extraordinary general meeting of shareholders held in February 2022, and we are currently considering expanding the customer base and profit base through synergies with the SBI Group in various business areas.

### **(Financial Position)**

At the end of fiscal year 2021, our consolidated Basel III (domestic standard) core capital adequacy ratio was 11.72%, and has been continually maintained at a sufficient level.

As part of efforts to pave the way for repayment of public funds, the Bank has been acquiring treasury stock since FY2016 in consideration of the current state of the Bank's capital, profitability, value per share, etc. In Fiscal Year 2021, the Bank had acquired 10,197,500 treasury shares until March 31, 2022, based on a resolution of acquiring treasury shares up to 20.0 billion yen approved through a meeting of its Board of Directors held on May 13, 2021 and on December 28, 2021.

Regarding future shareholder return policies, we will pay attention to business results such as earnings trends, their future outlook, balance with safety and retained earnings, and various regulations.



**(Business Performance)**

As a result of the above-mentioned business developments, in the fiscal year ended March 31, 2022, Shinsei Bank Group reported a consolidated ordinary income of 373.3 billion yen (decreased 0.9 billion yen compared to the previous fiscal year), ordinary expenses were 345.0 billion yen (increased 15.1 billion yen compared to the previous fiscal year). As a result, the Bank recorded a consolidated ordinary profit of 28.2 billion yen (decreased 16.0 billion yen compared to the previous fiscal year), and profit attributable to owners of parent was 20.3 billion yen (decreased 24.7 billion yen compared to the previous fiscal year). Segment profits of the Shinsei Bank Group on a management accounting basis totaled 31.0 billion (decreased 12.8 billion yen compared to the previous fiscal year).

On the Business segment level, Institutional Business increased revenue compared to the previous fiscal year, mainly due to an improvement in investment income in Principal Transactions. Net credit cost, in contrast, increased compared to the previous fiscal year due to the recording of an allowance for doubtful accounts related to large nonperforming loans, despite recoveries of written-off bad loans. As a result, segment profit increased compared to the previous fiscal year.

In Individual Business, Retail banking decreased segment profit compared to the previous fiscal year, despite an increase in sales-related revenues from asset management products. Consumer Finance decreased revenue compared with the previous fiscal year due mainly to a decrease in interest income in the Lake Business, despite the recording of gains on the sale of shares held and an increase in the volume of APLUS shopping credits. Net credit cost increased compared to the previous fiscal year due to a smaller decrease in outstanding loans compared to the previous fiscal year, despite improvement of asset quality of loans for unsecured card loans for individuals. As a result, segment profit decreased compared to the previous fiscal year.

In Corporate/Other segment, although interest income increased due to full-year impact of consolidation of UDC Finance Limited, segment profit decreased compared to the previous fiscal year due to the recording of losses on the sale of bonds such as government bonds in ALM operations at Treasury.

The business segments attained the following results for the fiscal year ended March 31, 2022.

(Millions of yen)

	Fiscal Year 2021 (22nd Fiscal Period)					
	Institutional Business					
	Corporate Business	Structured Finance	Principal Transactions	Showa Leasing	Markets	Other Global Markets
Revenue	15,220	21,250	9,419	15,577	3,957	2,544
Net Interest Income(loss)	11,162	13,903	5,089	226	941	406
Non-interest income(loss)	4,058	7,346	4,330	15,351	3,015	2,137
Expense	13,183	11,589	4,733	11,533	2,983	2,897
Net Credit costs (Recoveries)	1,254	7,636	(265)	3	—	109
Segment Profit (loss)	782	2,024	4,952	4,040	973	(461)

	Individual Business				Corporate/Other			Total
	Retail Banking	Shinsei Financial	APLUS	Other Individuals	Overseas Business	Treasury	Other	
Revenue	25,819	62,393	59,620	3,302	11,553	(11,333)	(1,753)	217,573
Net Interest Income(loss)	19,206	62,585	7,852	501	5,734	(1,931)	(2)	125,675
Non-interest income(loss)	6,612	(191)	51,768	2,801	5,819	(9,401)	(1,751)	91,897
Expense	23,940	34,518	37,882	2,160	6,056	1,409	2,568	155,456
Net Credit costs (Recoveries)	(93)	10,804	12,485	(752)	(69)	—	(1)	31,110
Segment Profit (loss)	1,972	17,070	9,253	1,893	5,567	(12,742)	(4,320)	31,006

**Note**

In the amount shown above, all figures have been truncated to the unit stated.



**[Challenges Facing the Shinsei Bank Group]****1. Overall strategy of the Shinsei Bank Group**

The Shinsei Bank Group has developed its Medium-Term Vision of the Group, a medium-term business plan covering from FY2022 to FY2024 that is to be pursued for the coming three years.

Based on the SBI Group's universally fundamental management viewpoint relating to business construction, the Shinsei Bank Group's Medium-Term Vision (hereinafter 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.

[Overall Grasp of the Medium-Term Vision of the Shinsei Bank Group]

**1. Three targets to be achieved in three years' time****(1) Realize JPY 70.0bn of consolidated net income and establish a foundation for further growth**

The Shinsei Bank Group, which has entered a new stage by becoming a part of the SBI Group, will strive to achieve JPY 70.0 billion of consolidated net income for FY2024 by improving its earning capacity.

In order to achieve this goal, the Shinsei Bank Group will establish a foundation for growth by expanding its customer base and converting this expansion to enhancement of the quality of its products and services through adherence to the "Customer-centric Principle," pursuit of value co-creation inside and outside the Group and enhancement of the Group's strengths and realization of a full range of service offerings.

Meanwhile, in terms of the KPIs for financial targets, apart from net income – a measurement of earning capacity, the Group has set targets for the number of customers (the number of Shinsei Bank's retail bank accounts) – an indicator of its customer base, deposit balance (retail and corporate) and operating assets (including management of marketable securities) – a barometer of financial foundation, as well as CET1 ratio – a yardstick for financial soundness.

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

(2) Evolve into a leading banking group providing pioneering and advanced finance  
With faster speed than others and with an entrepreneurial spirit, the Group strives to provide products, services and functions by implementing advanced technologies to build the foundation of a leading banking group. In so doing, by thoroughly incorporating the customer base, expertise, and know-how of the SBI Group's financial ecosystem into the business of the Shinsei Bank Group, we will establish the foundation for achieving the goal.

(3) Show the path toward repayment of public funds

Repayment of public funds is one of the most important management issues for the Shinsei Bank Group. The Shinsei Bank Group 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 the Group can show the path and direction for repayment in the next three years.

To show the path toward repayment of public funds, the Group acknowledges that it is essential to improve profitability, which is the source of public funds repayment and enhancement of corporate value. From a business strategy perspective, by steadily implementing the various strategies presented in the Medium-Term Vision while leveraging the functions and customer base of the SBI Group obtained through joining it, the Shinsei Bank Group will expand its customer base and achieve a significant and sustainable improvement in profitability. Moreover, in regard to shareholders returns, the Group will prioritize improving profitability by implementing business strategies, while reviewing the previous shareholder returns policy and focusing more on capital utilization and internal reserves of profits to expand the business foundation and strengthen profitability.

2. The three core strategies of the Medium-Term Vision

■ 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, it will create synergies through these value co-creations, and achieve dramatic growth by expanding the customer base and improving its earning capacity.



Value co-creation with the SBI Group companies

- Reciprocal customer transfer within the SBI Group and the Shinsei Bank Group; supplementation of functions; sharing of resources
- Provision of products, services and functions leveraging the SBI Group's network of regional financial institutions
- Integration and unification of common business and in-direct functions with the SBI Group

Value co-creation within the Shinsei Bank Group

- Strengthen cooperation within the Group to comprehensively provide products, services and functions from customers' perspective, as well as improve customer convenience
- Strengthen collaboration within the Group to expand the customer base by revamping customer contact points and reinforcing sales channels

Value co-creation outside the Group and inorganic growth via investments and M&As

- Enhance customer convenience through functional collaboration with partners, including those in the non-financial domains; expand customer base and accumulate know-how and experience
- Evolve existing collaboration projects with companies outside the Group into growth drivers by gaining momentum and monetizing those projects
- Conduct investments and M&As focused on nonbanking business areas in the overseas market prioritizing the rapidly growing Asia-Pacific region, in addition to domestic activities

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

The Shinsei Bank Group will enhance its strengths cultivated thus far, including businesses related to small-scale finance, institutional investors and overseas, while thoroughly implementing the "Customer-centric Principle" through the provision of full-range service offerings.

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 service offerings, it will leverage the resources and know-how of both inside and outside the SBI Group without being constrained by Not Invented Here Syndrome.

Reinforce businesses related to small-scale finance, institutional investors and overseas

- Further refining the Group's strengths in providing a diverse range of small-scale finance businesses in an integrated manner, as well as providing them to external partners in an optimal manner
- Becoming a pioneering player that is empathized by institutional investors in areas that contribute to the resolution of environmental and social issues, including renewable energy and other fields
- For the overseas nonbanking businesses, enlarge business bases prioritizing Asia-Pacific region

Execute full-range service offerings and develop structures to ensure the pursuit of the "Customer-centric Principle"

- Broaden customer options through the execution of full-range service offerings that incorporates products, services and functions of the SBI Group and external partners into the Shinsei Bank Group's platform
- Optimize organizational structure and business processes from the viewpoint of ensuring the pursuit of the "Customer-centric Principle"

Comprehensive usage of state-of-the-art technologies

- Provision of highly customer convenient services by leveraging digital technologies, AI and big data (e.g., aggregated apps, BANKIT)
- Digitization of business processes to concentrate human resources on high-value-added operations
- Maximize usage of the SBI Group's knowledge in the FinTech field

Strengthen organizational capabilities (human resources/governance/finance) to achieve growth and transformation

- Seize diverse human resources through work style reforms; create high added value through the development of advanced human resources; human resources exchange with the SBI Group
- Strengthen and enhance governance in response to the enlargement of value co-creations (corporate governance, risk governance)
- Secure sound and appropriate equity capital to enable new challenges and strategically inject and allocate management resources through non-sacred cost reductions

■ 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.

In specific, it will fulfill its social responsibilities as a financial institution by working toward initiatives for regional revitalization and providing financial functions to solve environmental and social issues, while at the same time providing services trusted by customers.

Initiatives toward the regional revitalization by supporting regional financial institutions, enterprises, residents and local governments

- Build a regional financial institution support platform to assist regional financial institutions in resolving issues
- Re-energize the local economies by providing financial functions to regional enterprises, residents and local governments, etc. in cooperation with regional financial institutions

Offer financial functions toward the resolution of environment and social challenges

- Supporting customers and partners in solving environmental and social challenges (sustainable finance, etc.)
- Provide products, services and functions through co-creations of value within and outside the Group to solve problems faced by customers and society

Provision of financial services trusted by customers

- Offer products, services and functions rooted in the “Customer-centric Principle” and build a sustainable relationship of trust with customers
- Present robust and stable financial infrastructure by defending customers against increasingly sophisticated and diverse threats

## **2. Response to the Novel Coronavirus**

Even after the outbreak of the Novel Coronavirus is over, the direction of the Medium-Term Vision of Shinsei Bank Group remains unchanged, and we believe it is necessary to further accelerate various strategic initiatives. As a defense against risks, we will prioritize the protection of the lives of all our stakeholders, while at the same time fulfilling our responsibilities as a financial institution as a part of the social infrastructure to contribute to our customers and society.

## **3. Strengthening Risk Management and Corporate Governance and Ensuring Highly Transparent Management**

Shinsei Bank will establish balanced business operations through the smooth implementation of Basel III (capital adequacy requirements in accordance with the Banking Act; Shinsei Bank utilizes an internal ratings based approach) by the Bank and its Group companies, as well as by enhancing risk management and by using risk and return identified accurately for optimized allocation of management resources. In regards to Basel III, while Shinsei Bank is considered a domestic bank from a regulatory standpoint, the Bank conducts its operations while also being aware of uniform international standards.

In addition, Shinsei Bank has a concept of business management framework based on the consistency of risk appetite and financial plan. Starting Fiscal Year 2020, Shinsei Bank has documented the risk appetite of the Group by establishing a “risk appetite policy”. At the same time, we have identified risk culture, appropriate business execution based on risk appetite and risk management as fundamental elements and have established the Group Risk Governance Policy as a basic concept and basic policy regarding these elements.

Shinsei Bank adopts a “Company with Audit & Supervisory Board” board model. The purpose of this corporate governance framework is to ensure appropriate managerial decision-making and business execution and to establish a corporate governance framework with sufficient check and balance functions. The Bank achieves this through the following two key actions:

- 1) Establishing the broad direction of the Bank and creating an environment which supports appropriate risk-taking by senior management, by deciding the Bank’s important business execution matters including basic management policies such as the Medium-Term Management Plan and annual plan at the Board of Directors, the highest decision-making authority; and
- 2) Assignment of audit responsibilities, including the auditing and monitoring of the Board of Directors, to Audit & Supervisory Board Members and an Audit & Supervisory Board that are independent of business execution and the Board of Directors.

Shinsei Bank engages in management which emphasizes the oversight functions of Outside Directors, and even after February 8, 2022 when the Bank’s management team was replaced as a member of the SBI Group, had appointed three internal Directors as well as four Outside Directors who have extensive experiences and highly specialist knowledges in financial business, business for the elderly, venture management, management consulting, and risk management fields in both inside and outside Japan to its Board of Directors. As a result, the majority of Board of Directors are composed of Outside Directors. Furthermore, including the Bank’s two Outside Audit & Supervisory Board members, Shinsei Bank has registered a total of six executives with the Tokyo Stock Exchange as independent executives. Under such composition, members of the Board of Directors meeting decide the company policy through free and active discussions and enhance to secure profits for various stakeholders including shareholders and customers and to increase the sustainable corporate value of the Group which is required by the “Corporate Governance Code.” In March 2019, the Bank established the Nomination and Compensation Committee voluntarily, aiming to further enhance the objectivity and transparency of the Board’s role related to appointing candidates for directors and deciding executive remuneration. In addition, in March 2022, the Bank established the Parent Corporation Transaction Advisory Committee as an advisory body to the Board of Directors to establish a more prudent management system for conflict-of-interest transactions with the parent company

group from the viewpoint of protecting the interests of minority shareholders and introduced a mechanism for preliminary examination and ex-post monitoring. Furthermore, the Bank periodically conducts the evaluation and analysis of the effectiveness of the Board as a whole and implements improvement measures toward issues and challenges being found from the evaluation every year in order to improve the functionality of the Board. As to the “Corporate Governance Code”, since Fiscal Year 2019 the Bank has been disclosing the entire text of its corporate governance policy, which is a voluntary disclosure matter in the corporate governance report. Please click the following link for the Bank’s Policies for Initiatives Concerning the “Corporate Governance Code”:

[https://www.shinseibank.com/corporate/en/policy/governance/pdf/governance\\_code\\_e.pdf](https://www.shinseibank.com/corporate/en/policy/governance/pdf/governance_code_e.pdf)

Additionally, the Bank has adopted an Executive Officer system in order to ensure flexible day to day business execution. Under this system, as well as the leadership of the President & CEO, executive officers entrusted by the Board of Directors will execute their operations in an efficient manner. Furthermore, with approval from the Board of Directors, the Bank established an Executive Committee consisting of executive directors, executive officers (at the level of the Heads of executive officers in charge), and others in order to enable swift and efficient business administration. The “Group Executive Committee” and “Group Important Committees” in which executive directors of the major Group companies participate to resolute important decisions regarding the Group-wide management in order to enhance internal control of Group companies. Furthermore, a “Executive Officer” was assigned responsibility for the oversights of each relevant administrative function within the Group in order to consolidate authority and to realize optimal efficient decision-making across the entire Group. As a result, the Bank will optimize resources and decision-making on a group basis and realize more sophisticated group governance through the Group Head Office.

The Shinsei Bank Group is fully compliant with J-SOX, and as a listed company, the Group will continue to endeavor to perform disclosure in a timely, appropriate, and highly transparent manner for the benefit of investors, as well as to improve its internal control systems. In accordance with regulations such as the Financial Instruments and Exchange Law, the Group will also continue to strive to further ensure compliance, by reinforcing its compliance structure, with customer protection and appropriate business operations in mind.

Concerning of the development of management infrastructure to support the execution of the Medium-Term Vision of the Group, Shinsei Bank recognizes that operating IT systems stably is necessary for a financial institution which plays a part in social infrastructure. The Bank therefore continues to undertake efforts to stabilize its IT systems, as one of its important management tasks. In addition, to deal with cyber-attacks that are becoming increasingly serious and sophisticated, we established the Shinsei Bank Group C-SIRT (Computer Security Incident Response Team) as a dedicated team. It has been in operation since Fiscal Year 2021.

#### **4. Achievement of the Revitalization Plan**

Shinsei Bank submitted a “Plan for Restoring Sound Management” (the “Business Revitalization Plan”) to the Financial Services Agency in March 2020. In the fiscal year ended March 31, 2022, the Bank recorded a nonconsolidated net business profit of 42.2 billion yen, exceeding the target of 39.0 billion yen established in the Business Revitalization Plan, while a nonconsolidated net income of 30.3 billion yen, falling short of the target of 35.0 billion yen. This was mainly due to credit-related expenses incurred by the deterioration in business conditions at some large borrowers.

The Bank recognizes its expected role in fulfilling social responsibilities as a financial institution with public funds, and in addition to fulfilling these responsibilities, all employees of the Bank will work in a unified manner toward the achievement of business revitalization. In response to the formulation of Medium-Term Vision of the Shinsei Bank Group, a medium-term business plan covering from FY2022 to FY2024, we plan to submit a revised Business Revitalization Plan in June 2022.

Going forward we hope to enjoy your continued understanding and support.

#### **Note**

*The description of item 4. does not include subsidiaries.*

**(2) Overview of Assets, Profit and Loss**

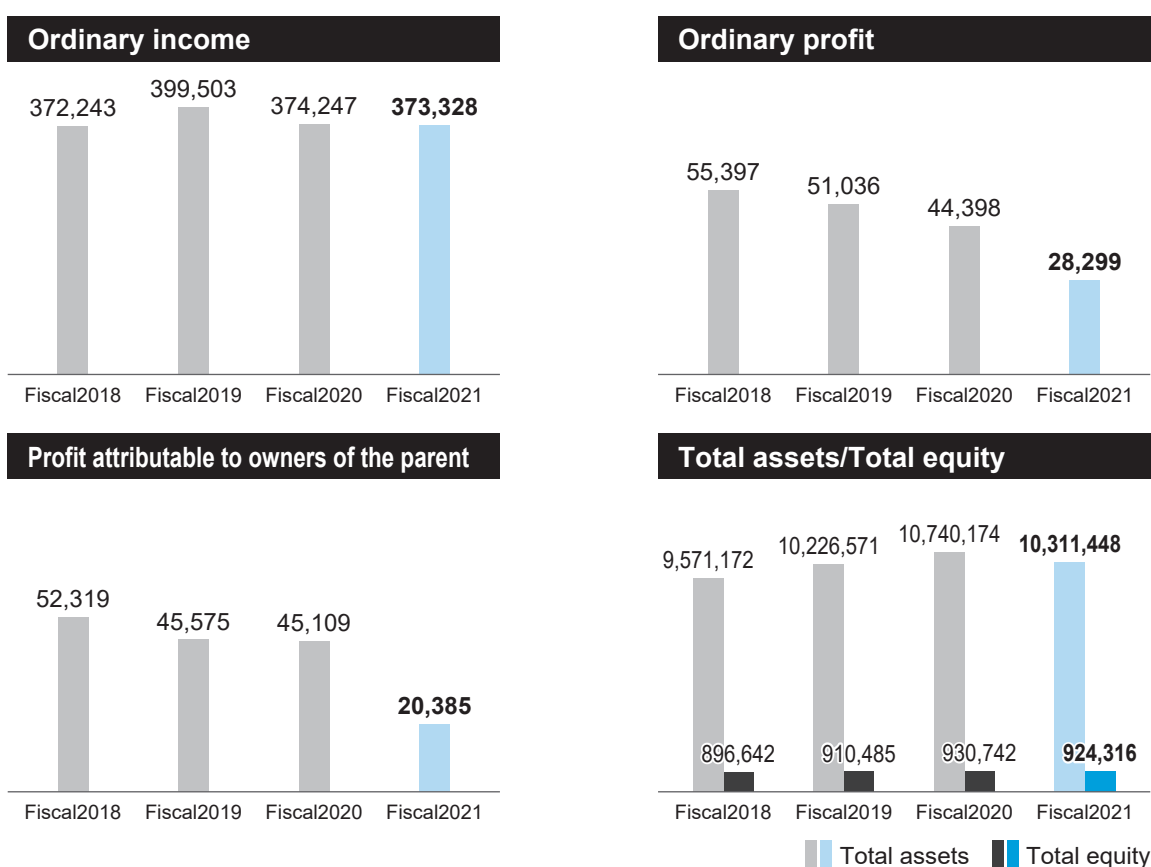
## i. Overview of Assets, Profit and Loss of the Group

(Millions of yen)

	Fiscal 2018 (19th Fiscal Period)	Fiscal 2019 (20th Fiscal Period)	Fiscal 2020 (21st Fiscal Period)	Fiscal 2021 (22nd Fiscal Period)
Ordinary income	372,243	399,503	374,247	373,328
Ordinary profit	55,397	51,036	44,398	28,299
Profit attributable to owners of the parent	52,319	45,575	45,109	20,385
Comprehensive income	49,492	36,307	47,483	17,037
Total equity	896,642	910,485	930,742	924,316
Total assets	9,571,172	10,226,571	10,740,174	10,311,448

**Note**

Figures have been truncated to the unit stated in all amounts shown above.



## ii. Overview of Assets, Profit and Loss of the Bank

(Millions of yen)

	Fiscal 2018 (19th Fiscal Period)	Fiscal 2019 (20th Fiscal Period)	Fiscal 2020 (21st Fiscal Period)	Fiscal 2021 (22nd Fiscal Period)
Deposits	6,206,867	6,451,032	6,727,974	6,582,048
Time deposits	2,271,980	2,652,189	2,646,869	2,451,415
Other	3,934,886	3,798,843	4,081,105	4,130,632
Corporate bonds	42,335	116,500	180,000	170,000
Loans and bills discounted	4,932,610	5,040,819	5,160,932	5,279,626
To individuals	1,457,556	1,393,447	1,344,185	1,302,216
To small- and medium-sized businesses	1,805,796	1,968,210	1,865,063	2,199,591
Other	1,669,257	1,679,161	1,951,683	1,777,818
Trading assets	200,276	206,547	164,194	148,385
Trading liabilities	179,749	182,969	142,966	128,032
Securities	1,445,927	1,265,800	1,352,522	1,104,839
Japanese national government bonds	499,550	358,567	348,922	212,446
Other	946,377	907,233	1,003,599	892,392
Total assets	8,328,595	8,686,696	9,090,890	8,726,897
Total equity	848,640	853,629	857,845	853,356
Domestic exchange transactions	24,352,190	26,989,971	24,768,102	24,429,490
	(Millions of dollars)	(Millions of dollars)	(Millions of dollars)	(Millions of dollars)
Foreign exchange transactions	10,866	10,361	8,234	7,642
Ordinary profits	38,630	33,938	37,154	36,811
Net income	35,443	33,180	34,506	30,387
	(Yen)	(Yen)	(Yen)	(Yen)
Net income per share	143.10	138.75	154.64	144.26

## Notes

- Figures have been truncated to the unit stated in all amounts shown above.
- Deposits and other deposits include negotiable certificates of deposits.

## (3) Employees on consolidated basis

	End of this fiscal year												Total
	Institutional Business						Individual Business			Corporate / Other		Total	
	Corporate Business	Structured Finance	Principal Transactions	Showa Leasing	Markets	Other Global Markets	Retail Banking	Consumer Finance		Treasury	Other		
							Shinsei Financial	APLUS	Other Individuals				
Number of employees	411	165	153	556	36	72	841	970	1,212	101	21	1,070	5,608

## Note

These numbers include overseas local employees.

**(4) Status of Main Offices of the Group**

i. The Bank

1) Number of business offices

	<b>End of this fiscal year (Annex)</b>
Hokkaido/Tohoku areas	1 (—)
Kanto area	15 (—)
(Tokyo)	(10 (—))
Chubu area	2 (1)
Kinki area	6 (1)
Chugoku/Shikoku/Kyushu areas	1 (—)
Domestic total	25 (2)
Overseas	— (—)
Grand total	25 (2)

*Note*

Unmanned branches for Shinsei Bank Card Loan L business were installed at 667 locations by the end of this fiscal year. Also, the number of business offices where bank agents, for which Shinsei Bank serves as a principal bank, operate bank agency services, is not included in the above lists.

2) Newly established business offices in this fiscal year

None

3) List of agencies of the bank

<b>Company name</b>	<b>Address</b>	<b>Main business except bank agent</b>
JAPAN POST BANK Co., Ltd.	7-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo	Banking
FINANCIAL JAPAN Co., Ltd.	12-8 Sotokanda 3-chome, Chiyoda-ku, Tokyo	Life insurance business
APLUS Co., Ltd.	12-8 Sotokanda 3-chome, Chiyoda-ku, Tokyo	Credit card business
Seven Global Remit, Ltd.	6-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo	Money transfer business

*Notes*

- The head office of FINANCIAL JAPAN Co., Ltd. moved to "28-23 Shinkawa 1-chome, Chuo-ku, Tokyo" as of April 18, 2022.
- Seven Global Remit, Ltd. is not an agency of the Bank from April 1, 2022.

4) Agent activities operated by the Bank

None

## ii. Subsidiaries

## 1) Institutional Business

Main company name and main office location

<b>Company name</b>	<b>Name of office</b>	<b>Address</b>
Shinsei Trust & Banking Co., Ltd.	Head office	4-3, Nihonbashi-muromachi 2-chome, Chuo-ku, Tokyo
Shinsei Investment & Finance Limited	Head office	12-8 Sotokanda 3-chome, Chiyoda-ku, Tokyo
Shinsei Corporate Investment Limited	Head office	4-3, Nihonbashi-muromachi 2-chome, Chuo-ku, Tokyo
Showa Leasing Co., Ltd.	Head office	4-3, Nihonbashi-muromachi 2-chome, Chuo-ku, Tokyo
Shinsei Securities Co., Ltd.	Head office	4-3, Nihonbashi-muromachi 2-chome, Chuo-ku, Tokyo
Shinsei Investment Management Co., Ltd.	Head office	4-3, Nihonbashi-muromachi 2-chome, Chuo-ku, Tokyo

## 2) Individual Business

Main company name and main office location

<b>Company name</b>	<b>Name of office</b>	<b>Address</b>
Shinsei Financial Co., Ltd.	Head office	12-8, Sotokanda 3-chome, Chiyoda-ku, Tokyo
APLUS Co., Ltd.	Tokyo office	12-8, Sotokanda 3-chome, Chiyoda-ku, Tokyo
Alpha Servicer Co., Ltd	Head office	12-8, Sotokanda 3-chome, Chiyoda-ku, Tokyo

## 3) Corporate/Other

Main company name and main office location

<b>Company name</b>	<b>Name of office</b>	<b>Address</b>
UDC Finance Limited	Head office	Ground Floor Anz Centre, 23-29 Albert Street, Auckland, 1010, New Zealand

**(5) Facility Investment of the Group**

## i. Total facility investment

(Millions of yen)

Business segment		Amount
Shinsei Bank (Note 2)		5,215
Subsidiaries	Institutional Business	832
	Individual Business	2,930
	Corporate/Other	169
Total		9,147

*Notes*

- Figures have been truncated to the unit stated in all amounts shown above.
- This amount is the total amount invested in each business segment on a nonconsolidated basis.

## ii. New establishment of important facilities

None

**(6) Important Parent Company and Subsidiaries**

## i. Parent Company

Company Name	Address	Major business	Establishment date	Capital (in millions)	Percentage of owned voting rights of Shinsei Bank held by the parent company (%)	Other
SBI Holdings, Inc.	Minato-ku, Tokyo	Finance business	July 8, 1999	¥99,312	48.56 (48.56)	—
SBI Regional Bank Holdings Co., Ltd	Minato-ku, Tokyo	Finance business	August 25, 2015	100	48.56	—

*Notes*

- Fractions of amounts shown less than one million have been truncated.
- Numbers included in parentheses in the "Percentage of owned voting rights of Shinsei Bank held by the parent company" column indicate indirect holdings.

## ii. Subsidiaries

Company Name	Address	Major business	Establishment date	Capital (in millions)	Percentage of voting rights of subsidiaries, etc. held by Shinsei Bank (%)	Other
APLUS Co., Ltd.	Osaka City, Osaka	Consumer credit business	April 24, 2009	¥100	100.00	—
Showa Leasing Co., Ltd.	Chuo-ku, Tokyo	Leasing business	April 2, 1969	29,360	100.00	—
Shinsei Financial Co., Ltd.	Chiyoda-ku, Tokyo	Consumer finance business	June 3, 1991	100	100.00	—
Shinsei Trust & Banking Co., Ltd.	Chuo-ku, Tokyo	Trust business	November 27, 1996	5,000	100.00	—



Shinsei Securities Co., Ltd.	Chuo-ku, Tokyo	Securities business	August 11, 1997	8,750	100.00	—
Shinsei Investment & Finance Limited	Chiyoda-ku, Tokyo	Financial instruments business	April 11, 2006	100	100.00	—
UDC Finance Limited	Auckland, New Zealand	Finance business	April 1, 1938	NZ\$52	100.00	—

*Notes*

1. *Fractions of amounts shown less than one million have been truncated.*
2. *Shinsei has 81 consolidated subsidiaries, including the major subsidiaries listed above, as well as 43 affiliated companies that are accounted for under the equity method.*

**Summary of Important Business Alliances**

1. Shinsei Bank offers automated cash withdrawal services under alliance relationships with the following financial institutions:

## Commercial banks:

MUFG Bank, Ltd.; Mizuho Bank, Ltd.; Sumitomo Mitsui Banking Corporation;  
Resona Bank, Ltd.; Saitama Resona Bank, Ltd.

## Trust and banking companies:

Sumitomo Mitsui Trust Bank, Ltd.; Mitsubishi UFJ Trust and Banking Corporation;  
Mizuho Trust & Banking Co., Ltd.

## Others:

The Shoko Chukin Bank, Ltd.; Aozora Bank, Ltd.

2. The Bank offers cash withdrawal and depository services under an alliance with Japan Post Bank Co., Ltd., and has signed a bank agency service contract for handling Shinsei Bank's housing loan.
3. The Bank offers cash withdrawal and depository services through ATMs operated by Seven Bank, Ltd., AEON Bank, Ltd., Lawson Bank, Inc., and E-net Co., Ltd. These ATMs are installed primarily in supermarkets and convenience stores.
4. The Bank offers ATM services through "VIEW ALTTE" ATMs which are located throughout East Japan Railway Company railway stations under a partnership agreement with Viewcard Co., Ltd., and also through "Patsat" ATMs installed in major stations in the Hankyu Railway and other railways under a partnership agreement with Station Network Kansai Co., Ltd. and The Senshu Ikeda Bank, Ltd.
5. The Bank is introducing financial products and services to members, who are the users of "T Points," "d Points," and "nanaco Points," each loyalty program provided by T point Japan Co., Ltd., NTT DOCOMO Inc. and Seven Card Service Co., Ltd. under a business alliance agreement with each company.
6. The Bank has an alliance with APLUS Co., Ltd., a consolidated subsidiary, and has been processing applications for the Luxury Card and the Shinsei APLUS Gold Card, a credit card issued by APLUS Co., Ltd. and has signed a bank agency service contract for handling Shinsei Bank's housing loan.
7. The Bank has an alliance with MONEY DESIGN, Co., Ltd., and has provided the discretionary ETF (Exchange Traded Fund) investment service, "THEO Plus Shinsei Bank," using a robo-advisor developed by MONEY DESIGN, Co., Ltd.
8. The Bank entered into an agreement on consignment of guarantee with Shinsei Financial Co., Ltd., a consolidated subsidiary, which acts as a guarantor for "Shinsei Bank Card Loan – L," and "Shinsei Bank Smart Card Loan Plus, unsecured personal card loan services.
9. The Bank has an alliance with NTT DOCOMO, INC., and has provided "Shinsei Bank Smart Money Lending" to its customers with NTT DOCOMO, INC. as the guarantee company and Shinsei Financial Co., Ltd., a consolidated subsidiary of the Bank, as the reassurance company.
10. The Bank has an alliance with Nissen Credit Service Co., Ltd., an equity method affiliate of the Bank, and provides "Shinsei Bank Smart Card Loan Plus for Nissen" with Nissen Credit Service Co., Ltd. as the guarantee company.
11. The Bank and Shinsei Securities Co., Ltd., a consolidated subsidiary of the Bank, entered into a comprehensive business partnership agreement with Monex, Inc. in the financial instruments intermediary business and structured bond brokerage. We have been providing services since January 4, 2022.
12. The Bank has signed a memorandum of understanding on a business alliance concerning healthcare finance with The Shoko Chukin Bank, Ltd.
13. The Bank has signed a business alliance agreement on business cooperation regarding business matching and lending with Military Commercial Joint Stock Bank (MB Bank), a major commercial bank in Vietnam.
14. The Bank has signed a memorandum of understanding on a business alliance concerning institutional business with RHB Bank Berhad, a major commercial bank in Malaysia as its strategic partner.
15. The Bank has signed a memorandum of understanding on a business alliance concerning institutional business with CIMB Bank Berhad, a major commercial bank in Malaysia, and CIMB Investment Bank Berhad.

**(7) State of Business Transfer, etc.**

- i. Significant Business Transfer, Merger and Splitting, New Establishment and Splitting  
None
  
- ii. Significant Transfer of Business from Other Companies  
None
  
- iii. Significant Acquisition or Disposal of Stock, Other Equities or Stock Acquisition Rights of Other Companies  
None
  
- iv. Significant Succession of Rights and Obligations regarding Other Corporations' Business through Merger or Company Split  
None

**(8) Other Important Items Regarding the Current State of the Group**

None

## 2. Matters Concerning Corporate Directors and Audit & Supervisory Board Members

### (1) Corporate Directors and Audit & Supervisory Board Members

(As of March 31, 2022)

Name	Position(s)/ Responsibility(ies)	Important Concurrent Post(s)	Other(s)
Hirofumi Gomi	Chairman of the Board	Outside Director, Aida Engineering, Ltd. Outside Director, Asteria Corporation Outside Director, Miroku Jyoho Service Co., Ltd. Outside Director, ZUU Co., Ltd. Special Guest Professor, Aoyama Gakuin University	Appointed as of February 8, 2022.
Katsuya Kawashima	Representative Director, President and CEO	—	Appointed as of February 8, 2022.
Katsumi Hatao	Director Senior Managing Executive Officer	—	Appointed as of February 8, 2022.
Yasuhiro Hayasaki	Director (Outside)	President, Ricoh Institute of Sustainability and Business, Ricoh Company, Ltd.	Appointed as of February 8, 2022.
Ayumi Michi	Director (Outside)	Attorney at Law, Waseda University Legal Clinic Corporation Director General of the Headquarters, Japan Legal Support Center	Appointed as of February 8, 2022.
Hiroko Sasaki	Director (Outside)	President and CEO, Lyxis Co., Ltd. President & CEO, ChangeWAVE Inc. Outside Director, UT Group Co., Ltd.	Resigned and appointed as of February 8, 2022.
Masahiro Terada	Director (Outside)	Attorney at Law, City-Yuwa Partners Supervisory Director, Ichigo Office REIT Investment Corporation	Appointed as of February 8, 2022.
Shinya Nagata	Audit & Supervisory Board Member	—	Mr. Nagata has extensive experience in the operational area of financial control and accounting and has a considerable level of knowledge of matters of finance and accounting.
Ikuko Akamatsu	Audit & Supervisory Board Member (Outside)	Certified Public Accountant, Certified Fraud Examiner Board of Directors, The Japanese Institute of Certified Public Accountants Outside Audit & Supervisory Board Member, Toyo Seikan Group Holdings, Ltd. Outside Director, TOP'S Inc. Outside Director, CAWACHI LTD.	Ms. Akamatsu is qualified as a Certified Public Accountant and has a considerable level of knowledge of matters of finance and accounting.
Shiho Konno	Audit & Supervisory Board Member (Outside)	Attorney at Law Outside Director, Monex Group, Inc. Outside Director, LIXIL Corporation Outside Audit & Supervisory Board Member, Pegasus Tech Holdings, K.K.	—

#### Notes

- Directors Hirofumi Gomi, Katsuya Kawashima, Katsumi Hatao, Yasuhiro Hayasaki, Ayumi Michi and Masahiro Terada were elected and appointed at the Extraordinary General Meeting of Shareholders on February 8, 2022. Representative Director Katsuya Kawashima was elected and appointed at the Board of Directors on February 8, 2022.

2. Director Hiroko Sasaki was elected and appointed at the General Meeting of Shareholders on June 23, 2021. She resigned at the Extraordinary General Meeting of Shareholders on February 8, 2022 and was re-elected and re-appointed at the Extraordinary General Meeting of Shareholders.
3. Director Ayumi Michi resigned as Director General of the Headquarters, Japan Legal Support Center on March 31, 2022.
4. Outside Directors Yasuhiro Hayasaki, Ayumi Michi, Hiroko Sasaki and Masahiro Terada and Outside Audit & Supervisory Board Members Ikuko Akamatsu and Shiho Konno submitted an “independent director statement” (*dokuritsu-yakuin todokede-sho*) to the Tokyo Stock Exchange, Inc.
5. The Bank has adopted the Executive Officer system and Chief Officers and Senior Officers have been assigned to the Group Headquarters. As of March 31, 2022, there were 42 Executive Officers and Officers including those who also serve as Directors. Former positions of Chief Officers and Senior Officers in the Group Headquarter have been consolidated to Executive Officers since April 1, 2022.

## Directors who resigned during this fiscal year

Name	Position(s)/ Responsibility(ies)	Important Concurrent Post(s)	Other(s)
Hideyuki Kudo	Representative Director, President and CEO	—	Resigned as of February 8, 2022.
Akira Hirasawa	Director, Senior Managing Executive Officer, Overseeing Group Organizational, Strategy, Group Human Resources, Group Legal and Compliance, Group General Services and Group IT, Chief Officer, Group Corporate Planning and Finance, Head of Operations Management	—	Resigned as of February 8, 2022.
Ernest M. Higa	Director (Outside)	Chairman President & Chief Executive Officer, Higa Industries Co., Ltd. Chairman & Representative Director, Wendy's Japan K.K. Director, Delsole Corporation Board of Trustees, Showa Women's University Board of Overseers, Columbia Business School Board Member, The Tokyo New Business Conference	Resigned as of February 8, 2022.
Jun Makihara	Director (Outside)	Outside Director, Monex Group, Inc. Outside Director, Philip Morris International Inc.	Resigned as of February 8, 2022.
Rie Murayama	Director (Outside)	Representative Director, the Astate Outside Director, INFRONEER Holdings Inc Outside Director, Ricecurry Inc.	Resigned as of February 8, 2022.
Ryuichi Tomimura	Director (Outside)	Representative Director and President, SIGMAXYZ Holdings Inc. Outside Director, VECTOR INC.	Resigned as of February 8, 2022.

## Notes

1. Positions, responsibilities and important concurrent posts of the Directors as of the resignation date.
2. Messrs. Hideyuki Kudo, Akira Hirasawa, Ernest M. Higa, Jun Makihara, Ryuichi Tomimura and Ms. Rie Murayama resigned at the termination of Extraordinary General Meeting of Shareholders on February 8, 2022.

**(2) Compensation for Corporate Directors and Officers**

Total Amount of Compensation, etc. for Corporate Directors and Audit &amp; Supervisory Board members for this Fiscal Year

Classification	Number of payees	Compensation, etc. received from the Bank by type			Total	Remarks
		Base Remuneration	Performance-linked Remuneration, etc.	Non-monetary Remuneration, etc.		
Directors	15 (Of whom, 8 has already resigned)	119 million yen	33 million yen	58 million yen	178 million yen	
Audit & Supervisory Board members	3	45 million yen	—	—	45 million yen	
Total	18 (Of whom, 8 has already resigned)	165 million yen	33 million yen	58 million yen	223 million yen	

## Notes

- Figures have been truncated to the unit stated in all amounts shown above.
- In the above categories, 6 Directors, of whom, 3 has already resigned, also work as Executive Officer.
- The 15<sup>th</sup> General Meeting of Shareholders held on June 17, 2015 adopted a resolution to set ceilings for the total amount of compensation, etc. paid to Directors (seven Directors at that time) at 180 million yen a year (including 60 million yen for outside Directors, five outside Directors at that time) and the 10<sup>th</sup> General Meeting of Shareholders held on June 23, 2010 adopted a resolution to set ceilings for the total amount of compensation, etc. paid to Audit & Supervisory Board members (three Audit & Supervisory Board members at that time) at 60 million yen a year. However, these amounts do not include salaries payable to Directors as the Bank's employees when they also work as the Bank's employees.
- The Bank resolved at its Board of Directors meeting held on May 12, 2015 to abolish the retirement allowance plan for Officers and the introduction of equity remuneration type stock options to the Full-Time Directors (two Full-Time Directors at that time) was resolved at the 15<sup>th</sup> General Meeting of Shareholders held on June 17, 2015. Separately from the maximum remuneration stated above in the note 3, the 15<sup>th</sup> General Meeting of Shareholders held on June 17, 2015 adopted a resolution to set ceilings for allotment the Subscription Warrants not exceeding 50 million yen annually to the Full-Time Directors (two Full-Time Directors at that time) as equity remuneration type stock options. Also, the continuation of the stock options compensation plan for Full-Time Directors (two Full-Time Directors at that time), in correspondence to the amendment of the Companies Act enacted from March 1, 2021, was resolved at the 21<sup>st</sup> General Meeting of Shareholders held on June 23, 2021.
- The Bank resolved at the 18<sup>th</sup> Ordinary General Meeting of Shareholders held on June 20, 2018, the introduction of a restricted stock remuneration system targeting full-time Directors (two Full-Time Directors at that time). The amount of the compensation for full-time Directors (two Full-Time Directors at that time) is up to 20 million yen per year, which is within the annual limit of 180 million yen per year as stated above in the note 3. Also, the continuation of the restricted stock compensations plan for Full-Time Directors (two Full-Time Directors at that time), in correspondence to the amendment of the Companies Act enacted from March 1, 2021, was resolved at the 21<sup>st</sup> General Meeting of Shareholders held on June 23, 2021.
- The Bank resolved at the 20<sup>th</sup> Ordinary General Meeting of Shareholders held on June 17, 2020, the introduction of a restricted stock remuneration system targeting outside Directors (five outside Directors at that time). The amount of the compensation for outside Directors (five outside Directors at that time) is up to 15 million yen per year, which is within the annual limit of 60 million yen per year as stated above in the note 3. Also, the continuation of the restricted stock compensations plan for outside Directors (five outside Directors at that time), in correspondence to the amendment of the Companies Act enacted from March 1, 2021, was resolved at the 21<sup>st</sup> General Meeting of Shareholders held on June 23, 2021.
- Equity remuneration type stock options of 33 million yen granted to the Full-Time Directors are included both in 'Performance-linked Remuneration, etc.' and 'Non-monetary Remuneration, etc.' in the table above, so that the sum of Compensation, etc. received from the Bank by type does not match the total column.

8. Restricted Stock Remuneration of 25 million yen granted to the Directors is included in Non-monetary Remuneration, etc. in the table above.
9. Individual amounts of the remuneration for the Bank's Directors are decided by the Board of Directors based on the contents of the Revitalization Plan and within the total remuneration amount resolved at the General Meeting of Shareholders following a Policy on decisions on the content of remuneration, etc. for individual directors resolved at the Board of Directors meeting.

The base remuneration shall be the fixed remuneration corresponding to their full-time or part-time status, positions and responsibilities, to be determined after deliberation by the Nomination and Compensation Committee on the appropriate level of remuneration as a public fund injection bank with reference to the level of other companies in the same industry.

The amount of the Equity Remuneration Type Stock Options for full-time directors shall be determined at a Board of Directors meeting, after deliberation by the Nomination and Compensation Committee, by calculation using a formula that takes into account the Bank's stock price fluctuation rate, the performance of the Bank's stock price in comparison with the stock price of the banking industry and the Bank's net asset fluctuation rate during the previous fiscal year (i.e.,  $\text{Monthly base remuneration} \times 4 \times \sqrt{(\text{Bank's stock price fluctuation} \times \text{Performance ratio of the Bank's stock price fluctuation to TOPIX} \times \text{Bank's net asset fluctuation rate})}$ ), provided, however, that the amount of the Equity Remuneration Type Stock Options shall be within a range of 1 to 12 times of monthly base remuneration, in order for directors to share the risks and benefits of stock price fluctuations with shareholders and to increase their motivation to contribute to medium- to long-term increases in corporate value and stock prices, based on internal rules determined by the Board of Directors, and it is provided that upon the occurrence of a certain event to a director, all stock options granted to such director shall be waived. The actual ratios used in the formula are as follows: (1) For the Subscription Warrants Series 6, resolved to issue at the Board of Directors on June 23, 2021, Bank's stock price fluctuation is 1.37, Performance ratio of the Bank's stock price fluctuation to TOPIX is 1.03 and Bank's net asset fluctuation rate is 1.02 and (2) For the Subscription Warrants Series 7, resolved to issue at the Board of Directors on December 30, 2021, Bank's stock price fluctuation is 0.77, Performance ratio of the Bank's stock price fluctuation to TOPIX is 0.81 and Bank's net asset fluctuation rate is 1.01 (Truncate to the second decimal place).

A restricted stock compensation plan has been introduced for full-time directors (meaning directors excluding outside directors) and outside directors with the objective of providing them with incentives to continuously improve our corporate value and further promoting value sharing with shareholders and, after deliberation by the Nomination and Compensation Committee, the amount to be granted to each full-time and part-time director is determined corresponding to his/her positions and job responsibilities and common shares are granted to each director at a certain percentage of the total amount of remuneration for such director that is authorized by the General Meeting of Shareholders. It is provided that upon the occurrence of a certain event to a director, all shares granted to such director shall be acquired by the bank without consideration.

The ratio of the base remuneration to the total remuneration for full-time directors (meaning directors other than outside directors) and outside directors shall be determined specifically at a Board of Directors meeting, after deliberation by the Nomination and Compensation Committee, generally on the basis that the base remuneration shall be 60% of the total remuneration, the restricted stock compensation shall be 15-20% of the total remuneration and the Equity Remuneration Type Stock Options shall be 20-25% of the total remuneration with regard to full-time directors, and the base remuneration shall be 80% of the total remuneration and the restricted stock compensation shall be 20% of the total remuneration with regard to outside directors.

The Bank does not delegate the determination of the amount of remuneration. The Bank does not pay director bonuses to Directors in order to reduce the incentive for excessive risk-taking.

Since the Individual amounts of the remuneration for the Bank's Directors are decided by the Board of Directors after deliberation by the Nomination and Compensation Committee, following the Policy on decisions on the content of remuneration, etc. for individual directors resolved at the Board of Directors meeting, we believe that the details of individual compensation are in line with the Policy on decisions on the content of remuneration, etc. for individual directors.

10. Based on the resolution passed at the 15th General meeting of Shareholders held on June 17, 2015, the Bank paid 8 million yen for retirement benefit to three Directors who resigned and retired on February 8, 2022. The amount is not included in 'Compensation, etc.' in the table above.

**(3) Agreement for Limitation on Liability**

Name	Overview of Contents of Agreement for Limitation on Liability
Yasuhiro Hayasaki Ayumi Michi Hiroko Sasaki Masahiro Terada Ikuko Akamatsu Shiho Konno	The Outside Directors and the Outside Audit & Supervisory Board Members' liability for any damage caused through neglect of their duties and responsibilities shall be limited under Article 427, Paragraph 1 of the Corporation Act. If the Bank suffers damage as a result of such neglect, the Outside Directors and the Outside Audit & Supervisory Board Members shall be liable up to the lowest maximum liability provided for in Article 425, Paragraph 1 of the Corporation Act, provided that there should be no willful misconduct or gross negligence involved in their duties and responsibilities.

## Note

Messrs. Ernest M. Higa, Jun Makihara, Ryuichi Tomimura and Ms. Rie Murayama, who resigned at the termination of Extraordinary General Meeting of Shareholders on February 8, 2022, had similar agreements with the Bank.

**(4) Contract of Indemnity**

None

**(5) Summary of Directors and Officers Liability Insurance Policy**

Coverage of Insured	Summary of the Directors and Officers Liability Insurance Policy
The Directors and Audit & Supervisory Board Members of the Bank and all its subsidiaries	<ul style="list-style-type: none"> <li>• The Bank has concluded with an insurance company a directors and officers liability insurance contract stipulated in Article 430-3, Paragraph 1 of the Corporation Act, with the persons shown on the left as insureds, to enable the Bank to hire excellent human resources as well as to facilitate the Bank's directors and officers to fully perform their expected roles in executing their duties.</li> <li>• The insurance contract compensates for damages and litigation costs that may be incurred when the insureds are liable for the performance of their duties or are charged related to the liability. The insurance premium is not paid by the insureds but is fully paid by the Bank.</li> <li>• The insurance contract has certain exemptions including damages caused by an action taken when aware that the action is against laws and regulations to avoid reducing the appropriateness of the duties executed. In addition, an appropriate limit is established to the insurance payment.</li> </ul>



### 3. Matters concerning Outside Directors and Outside Audit & Supervisory Board Members

#### (1) Concurrent Posts and Other Details of Outside Directors and Outside Audit & Supervisory Board Members

Name	Concurrent Posts and Other Details	Relationship between the Bank and the company in question
Yasuhiro Hayasaki	President, Ricoh Institute of Sustainability and Business, Ricoh Company, Ltd.	The Bank has no particular transactions with Ricoh Company, Ltd. including shareholdings, etc.
Ayumi Michi	Attorney at Law, Waseda University Legal Clinic Corporation	The Bank has no particular transactions with Waseda University Legal Clinic Corporation including shareholdings, etc.
	Director General of the Headquarters, Japan Legal Support Center	The Bank has no particular transactions with Japan Legal Support Center including shareholdings, etc.
Hiroko Sasaki	President and CEO (Executive Officer), Lyxis Co., Ltd.	The Bank has no particular transactions with Lyxis Co., Ltd. including shareholdings, etc.
	President & CEO (Executive Officer), ChangeWAVE Inc.	The Bank has no particular transactions with ChangeWAVE Inc. including shareholdings, etc.
	Outside Director, UT Group Co., Ltd.	The Bank has no particular transactions with UT Group Co., Ltd. including shareholdings, etc.
Masahiro Terada	Attorney at Law, City-Yuwa Partners	The Bank has no particular transactions with City-Yuwa Partners including shareholdings, etc.
	Supervisory Director, Ichigo Office REIT Investment Corporation	The Bank has loan transactions with Ichigo Office REIT Investment Corporation, but has no other relationship that should be noted including shareholdings, etc.
Ikuko Akamatsu	Board of Directors, The Japanese Institute of Certified Public Accountants	The Bank has no particular transactions with The Japanese Institute of Certified Public Accountants including shareholdings, etc.
	Outside Audit & Supervisory Board Member, Toyo Seikan Group Holdings, Ltd.	The Bank has no particular transactions with Toyo Seikan Group Holdings, Ltd. including shareholdings, etc.
	Outside Director, TOP'S Inc.	The Bank has no particular transactions with TOP'S, Inc. including shareholdings, etc.
	Outside Director, CAWACHI LTD.	The Bank has no particular transactions with CAWACHI LTD. including shareholdings, etc.
Shiho Konno	Outside Director, Monex Group, Inc.	The Bank has no capital relationship or transactions with Monex Group, Inc. However, the Bank launched financial instruments intermediary business services based on a comprehensive business partnership with Monex, Inc., the Group's subsidiary.
	Outside Director, LIXIL Corporation	The Bank has no particular transactions with LIXIL Corporation including shareholdings, etc.
	Outside Audit & Supervisory Board Member, Pegasus Tech Holdings, K.K.	The Bank has no particular transactions with Pegasus Tech Holdings, K.K. including shareholdings, etc.

Ernest M. Higa	Chairman President & Chief Executive Officer (Executive Officer), Higa Industries Co., Ltd.	The Bank has no particular transactions with Higa Industries Co., Ltd. including shareholdings, etc.
	Chairman & Representative Director, (Executive Officer), Wendy's Japan K.K.	The Bank has no particular transactions with Wendy's Japan K.K. including shareholdings, etc.
	Director, Delsole Corporation	The Bank has no particular transactions with Delsole Corporation including shareholdings, etc.
	Board of Trustees, Showa Women's University	The Bank has no particular transactions with Showa Women's University including shareholdings, etc.
	Board of Overseers, Columbia Business School	The Bank has no particular transactions with Columbia Business School including shareholdings, etc.
	Board Member, The Tokyo New Business Conference	The Bank has no particular transactions with The Tokyo New Business Conference including shareholdings, etc.
Jun Makihara	Outside Director, Monex Group, Inc.	The Bank has no capital relationship or transactions with Monex Group, Inc. However, the Bank launched financial instruments intermediary business services based on a comprehensive business partnership with Monex, Inc., the Group's subsidiary.
	Outside Director, Philip Morris International Inc.	The Bank has no particular transactions with Philip Morris International Inc. including shareholdings, etc.
Rie Murayama	Representative Director(Executive Officer), the Astate	The Bank has no particular transactions with the Astate including shareholdings, etc.
	Outside Director, INFRONEER Holdings Inc	The Bank has no particular transactions with INFRONEER Holdings Inc including shareholdings, etc.
	Outside Director, Ricecurry Inc.	The Bank has no particular transactions with Ricecurry Inc. including shareholdings, etc.
Ryuichi Tomimura	Representative Director and President (Executive Officer), SIGMAXYZ Holdings Inc.	The Bank has no particular transactions with SIGMAXYZ Holdings Inc. including shareholdings, etc.
	Outside Director, VECTOR INC.	The Bank has no particular transactions with VECTOR INC. including shareholdings, etc.

Note

Messrs. Ernest M. Higa, Jun Makihara, Ryuichi Tomimura and Ms. Rie Murayama resigned as Outside Director at the termination of Extraordinary General Meeting of Shareholders on February 8, 2022.

Regarding "Concurrent Posts and Other Details" and "Relationship between the Bank and the company in question", the status until their resignation are described.

**(2) Major Activities of Outside Directors and Outside Audit & Supervisory Board Members**

Name	Term of Office	Participation in Meetings of Board of Directors etc.	Remarks at Meetings of Board of Directors etc. and Other Activities and Summary of Outside Directors' performance of expected roles
Yasuhiro Hayasaki	2 months	Participated in all two meetings of the Board of Directors held during this fiscal year after assuming office in February 2022.	Provided necessary remarks and advice on agenda items and deliberations appropriately based on his wide-ranging knowledge of and extensive experience in finance. Also asked questions and made clarification for various agenda items based on his knowledge and experience.

Ayumi Michi	2 months	Participated in all two meetings of the Board of Directors held during this fiscal year after assuming office in February 2022.	Provided necessary remarks and advice on agenda items and deliberations appropriately based on her expertise and experience as a lawyer. Also asked questions and made clarification for various agenda items based on her knowledge and experience as a lawyer.
Hiroko Sasaki	9 months	Participated in all eight meetings of the Board of Directors held during this fiscal year after assuming office in June 2021.	Provided necessary remarks and advice on agenda items based on her wide-ranging knowledge of finance and extensive experience as a consultant and an executive. Also asked questions, made clarification and provided valuable advice and suggestions for our medium-to long-term strategies mainly from her special viewpoint as an executive.
Masahiro Terada	2 months	Participated in all two meetings of the Board of Directors held during this fiscal year after assuming office in February 2022.	Provided necessary remarks and advice on agenda items and deliberations appropriately based on his expertise and experience as a lawyer. Also asked questions and made clarification for various agenda items based on his knowledge and experience as a lawyer and his knowledge and experience at financial institutions.
Ikuko Akamatsu	2 years 9 months	Participated in all nine meetings of the Board of Directors and all twelve meetings of the Audit & Supervisory Board held during this fiscal year	Provided necessary remarks and advice on agenda items and deliberations mainly from her special viewpoint and extensive experience as a certified public accountant and a certified fraud examiner.
Shiho Konno	3 years 9 months	Participated in all nine meetings of the Board of Directors and all twelve meetings of the Audit & Supervisory Board held during this fiscal year	Provided necessary remarks and advice on agenda items and deliberations mainly from her special viewpoint as a lawyer and experienced outside audit & supervisory board member and director of other companies.
Ernest M. Higa	8 years 7 months	Participated in all seven meetings of the Board of Directors held until his resignation on February 8, 2022.	Provided timely and necessary remarks and advice on agenda items and deliberation based upon his extensive knowledge regarding business for consumers and his experience as an executive officer. Also asked and raised questions capturing the essence of the problem and made suggestions about human resource strategies including corporate culture and diversity and productivity reform based on his management experience and international viewpoint.
Jun Makihara	10 years 7 months	Participated in all seven meetings of the Board of Directors held until his resignation on February 8, 2022.	Provided timely and necessary remarks and advice on general agenda items based upon his wide-ranging financial knowledge. Asked questions on various agenda items from a global viewpoint based on his knowledge and experience in domestic and international finance and raised questions for the activation of the meeting of the Board of Directors.

Rie Murayama	2 years 7 months	Participated in all seven meetings of the Board of Directors held until her resignation on February 8, 2022.	Provided timely and necessary remarks and advice on general agenda items based upon her wide-ranging financial knowledge. Asked questions and provided useful advice regarding communications with investors from a market-player viewpoint based on her knowledge and experience at an investment bank and provided various suggestions and advice and activities for promoting diversity and active participation of females.
Ryuichi Tomimura	6 years 7 months as an Outside Director and 1 year as an Outside Audit & Supervisory Board Member	Participated in all seven meetings of the Board of Directors held until his resignation on February 8, 2022.	Provided necessary remarks and advice on general agenda items and deliberations with extensive experience and wide range of knowledge including information system as a management executive and a consultant. Provided useful and accurate suggestions and advice for the Group's medium-to-long-term IT strategy and new businesses based on his knowledge and experience of information systems and others.

### (3) Compensation for Outside Directors and Outside Audit & Supervisory Board Members

Number of payees	Compensation, etc. received from the Bank by type			Total	Compensation, etc. received from the Bank's parent company, etc.
	Base Remuneration	Performance-linked Remuneration, etc.	Non-monetary Remuneration, etc.		
11 (Of whom, 5 has already resigned)	69 million yen	-	11 million yen	80 million yen	—

#### Notes

- Figures have been truncated to the unit stated in all amounts shown above.
- Restricted Stock Remuneration of 11 million yen granted to the Directors is included in Non-monetary Remuneration, etc. in the table above.
- Based on the resolution passed at the 15th General meeting of Shareholders held on June 17, 2015, the Bank paid 8 million yen for retirement benefit to three Outside Directors who resigned and retired on February 8, 2022. The amount is not included in 'Compensation, etc.' in the table above.

### (4) Opinions from Outside Directors and Outside Audit & Supervisory Board Members

None

#### 4. Matters concerning Shares of the Bank

##### (1) The Number of Shares

Aggregate number of shares authorized to be issued	400,000,000
Aggregate number of shares issued	259,034,689

##### Note

The aggregate number of shares issued includes treasury shares (53,802,453 shares).

##### (2) The Number of Shareholders at the End of the Fiscal Year

18,884

##### (3) Major Shareholders

Shareholder's name	Investment in the Bank	
	Number of shares	Shareholding percentage
SBI Regional Bank Holdings, Co., Ltd.	99,659,999	48.55%
Deposit Insurance Corporation of Japan	26,912,888	13.11%
The Master Trust Bank of Japan, Ltd. (Trust Account)	20,491,800	9.98%
The Resolution and Collection Corporation	20,000,000	9.74%
Custody Bank of Japan, Ltd. (Trust Account)	5,228,200	2.54%
BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM FE	4,127,699	2.01%
STATE STREET BANK AND TRUST COMPANY 505103	3,185,565	1.55%
CHARLES SCHWAB FBO CUSTOMER	1,069,253	0.52%
BNYMSANV AS AGENT/CLIENTS LUX UCITS NON TREATY 1	1,051,200	0.51%
STATE STREET BANK WEST CLIENT - TREATY 505234	868,299	0.42%

##### Note

Shareholding percentages have been calculated by deducting treasury shares (53,802,453) from the denominator and rounding down to the second decimal place.

##### (4) The Shares of the Bank held by the Directors and Audit & Supervisory Board Members of the Bank

	The number of Directors and Audit & Supervisory Board Members of the Bank	The classes and number of shares
Full-time directors (meaning directors excluding outside directors)	2 persons	Common Stock of the Bank 12,295 shares
Outside directors	5 persons	Common Stock of the Bank 9,800 shares
Audit & Supervisory Board Members	None	-

##### Notes

- The number of shares delivered to the retired directors is included in above.
- The Bank has acquired 2,124 shares from one director (excluding outside directors) and 1,960 shares from four outside directors who retired due to resignation on February 8, 2022, without compensation. The number of these shares is included in above.

#### 5. Stock Acquisition Rights of the Bank

Disclosed the Bank's website (<https://www.shinseibank.com>).

## 6. Matters concerning the Bank's Independent Accounting Auditor

### (1) The Bank's Independent Accounting Auditor

Name	Fees for This Fiscal Year (millions of yen)		Others
Deloitte Touche Tohmatsu LLC	Audit and assurance services	349	Business other than audit and assurance services includes 1. Advisory service for TCFD (Task Force on Climate-related Financial Disclosures) 2. Agreed upon procedures regarding the effectiveness of the internal control system for the calculation of the capital adequacy ratio etc.
	Business other than audit and assurance services	10	
	Total fees	359	

#### Notes

- Fractions are rounded down.
- Yoshio Satou, Daiju Ono, and Kyoko Nosaka are engagement partners.
- The audit certification business is the business that falls under Article 2, Paragraph 1 of the Certified Public Accountant Law.
- The Audit & Supervisory Board gives consent, as set forth in Article 399, Paragraph 1 of the Corporation Act, to compensation for independent accounting auditors. The Board has judged that the audit plans of the accounting auditor are reasonable and match with the characteristics of the Shinsei Bank Group, and that the compensation is reasonable in light of ensuring the audit quality and governance framework of the accounting auditor after necessary examination of their execution status of accounting audit, communications with the executive side and Audit & Supervisory Board members, and the basis of calculation of compensation estimates.
- Compensation for independent accounting auditors of the Bank and the consolidated subsidiaries of the Bank for this fiscal year is as follows.

Fees for This Fiscal Year (millions of yen)		
	Audit and assurance services	684
	Business other than audit and assurance services	17
Total fees		701

### (2) Agreement for Limitation on Liability

None

### (3) Contract of Indemnity

None

### (4) Other Matters Concerning the Bank's Independent Accounting Auditor

Policy to determine dismissal or non-reassignment of independent accounting auditor

The Audit & Supervisory Board has a policy to discuss the dismissal or non-reassignment of the independent accounting auditor if it falls under any of the provisions in each item of Article 340, Paragraph 1 of the Corporation Act.

In addition, the Audit & Supervisory Board determine the agenda regarding the dismissal or non-reassignment of the independent accounting auditor to the General Meeting of Shareholders, if it is certain that the independent accounting auditor cannot exercise its duties properly or as otherwise demanded necessary. And then the Board of Directors submits the Agenda to the General Meeting of Shareholders based on the Audit & Supervisory Boards' resolution.

## 7. Basic Policy for Persons Who Determine Financial and Business Policies

None

## 8. Contents of Resolutions Concerning the Organization of a System to Ensure Business Relevance and Operational Status of the Said System

### 8-1. Outline of resolutions concerning a system to ensure business Relevance

Disclosed on the Bank's website (<https://www.shinseibank.com>).

## 8-2. Outline of operational status of the system to ensure appropriate business operations

The major operational status in this fiscal year is as follows.

### (1) Framework of the organization

As organizations in charge of the Second Line, specialized divisions are established in the Group Headquarters to take charge in risk management and compliance functions. Furthermore, the Group Internal Audit Division is established to take charge in the Third Line function.

### (2) Status of activities to ensure that the Bank's directors and employees perform their duties and responsibilities in compliance with laws, regulations and the Articles of Incorporation

All officers and directors of the Bank including the Representative Director receive training (e-learning) on the "Shinsei Bank Group Code of Conduct" and pledge their compliance with the Code each year. In addition, the Audit & Supervisory Board Members audit business execution by directors from the viewpoint of compliance with laws, regulations, and so forth.

For compliance-related issues, we appoint a Chief Compliance Officer and Compliance Officer in all the Divisions, Departments, and Branches to conduct monitoring.

We have a whistle-blowing system as an independent system from business execution lines. In addition to the Group Legal and Compliance Division, full-time Audit & Supervisory Board Members and external lawyers work as contact persons and keep the full-time Audit & Supervisory Board Members informed of any reports made to them and the details of the investigations conducted.

### (3) Status of activities for retaining and managing information related to the execution of duties and responsibilities of directors of the Bank

Pursuant to the Group Information Security Policy, we recognize information as our important assets and prepare and retain various types of information assets in a manner consistent with internal procedures stipulated in the Policy. We ensure that access to such information assets is controlled in accordance with their characteristics and manage them appropriately. Further, we conduct information security self-checks targeting all Divisions and Branches on a regular basis and make improvements on issues as needed. We are also working on measures and trainings to prevent damage caused by any cyberattack from extending to business applications and customer data.

### (4) Status of activities for managing risk of losses for the Bank

The Group Risk Governance Policy has defined management of risk of losses (risk management) as a key component of risk governance.

We have established the Group Risk Management Policy and created a risk management system based on this Policy. Pursuant to the basic approach delineated in the Policy, we perform risk management through the divisions responsible for each risk, the Group Risk Policy Committee, Transaction Committee, Doubtful Debt Committee, Group ALM Committee, Market Business Management Committee, and Group New Business and Product Committee. In addition, we are operating by focusing on stable continuation of important operations, our customers and society including countermeasures against coronavirus expansion.

### (5) Status of activities to ensure that the Bank's directors efficiently perform their duties and responsibilities

Executive Officers(\*) who are delegated authorities from the Board of Directors execute businesses for which they are responsible pursuant to the "Regulations of Business Execution" and under the directions given by the President. In addition, the Group Executive Committee and the Executive Committee makes decisions when necessary.

Under this system, we set annual plans/budgets and important management indicators (KPI: Key Performance Indicator) for each fiscal year to make the Medium-Term Plan more specific. The Bank's management review the process and progress status for achieving the Plan at the PDCA Session conducted four times a year. The Bank's management also reviews the progress of new businesses and strategic capital partnerships at quarterly monitoring sessions. As for the Medium-Term Plan, the new plan covering from FY2022 to FY2024 was established and disclosed in May 2022.

Furthermore, we have strengthened our group governance by pursuing more sophisticated functions and optimization of the Group as a whole under the Group Headquarters which substantially integrated the support functions held by the Bank and Group member companies. We have also improved productivity and efficiency by eliminating functional overlaps.

(\*) Former position of Chief Officers and Senior Officers in the Group Headquarter has been consolidated to Executive Officers since April 1, 2022. The above statements regarding operational status reflect such organizational changes.

### (6) Status of activities to ensure appropriate business operations of corporate groups consisting of the Bank and its parent company and subsidiaries

The Subsidiaries and Affiliates Policy has defined the role of Specialized Sections, Business-Supervising Sections and Governance Section in order to ensure day-to-day operations along with overall group management policies, business



plan, risk management system and compliance system with a consistency. Specifically, the Specialized Sections, mainly the divisions of the Group Headquarters, maintain rules for each responsible field, give guidance and periodic check for the operations of the subsidiaries and affiliates. Business-Supervising Sections support appropriate business activities by checking compliance with supervising laws and regulations. Governance Section ensures consistency of strategies and direction of the Group as well as supporting the autonomy of the subsidiaries/affiliates. The Group Corporate Planning Division oversees overall management of the subsidiaries and affiliates, as well as assuming the role of Governance Section for major subsidiaries. Moreover, the business activities of the subsidiaries and matters concerning their governance are periodically reported to the Group Executive Committee and important matters concerning the management of the subsidiaries are submitted to the Group Executive Committee and Group Important Committees for its approval.

The Group Headquarters and subsidiaries and affiliates are operating integrally and efficiently to the extent possible, pursuant to Group Headquarters Organization Management Policy

**(7) Status of activities concerning employees, if any, who are appointed to assist the Audit & Supervisory Board Members of the Bank in performing their duties, and activities concerning independence of the said employees from directors**

We have established the Office of Audit & Supervisory Board Members to assist the Audit & Supervisory Board Members of the Bank in the performance of audits. The Assistants who belong to the said Office report to the Audit & Supervisory Board Members the results of their work in accordance with the directions and orders given by the Audit & Supervisory Board Members.

**(8) Status of activities concerning a system for the Bank's directors and employees to give reports to the Audit & Supervisory Board Members and other systems for giving reports to the Audit & Supervisory Board Members, and activities to ensure that audits by the Audit & Supervisory Board Members are performed effectively**

The Audit & Supervisory Board consists of three Audit & Supervisory Board Members including two outside Audit & Supervisory Board Members. As a general rule, the Audit & Supervisory Board holds a meeting every month where they receive reports on, discuss, and make resolutions for, important matters concerning audits. In addition, the Audit & Supervisory Board has regular meetings with accounting auditors to exchange opinions on the current status of compliance and internal controls.

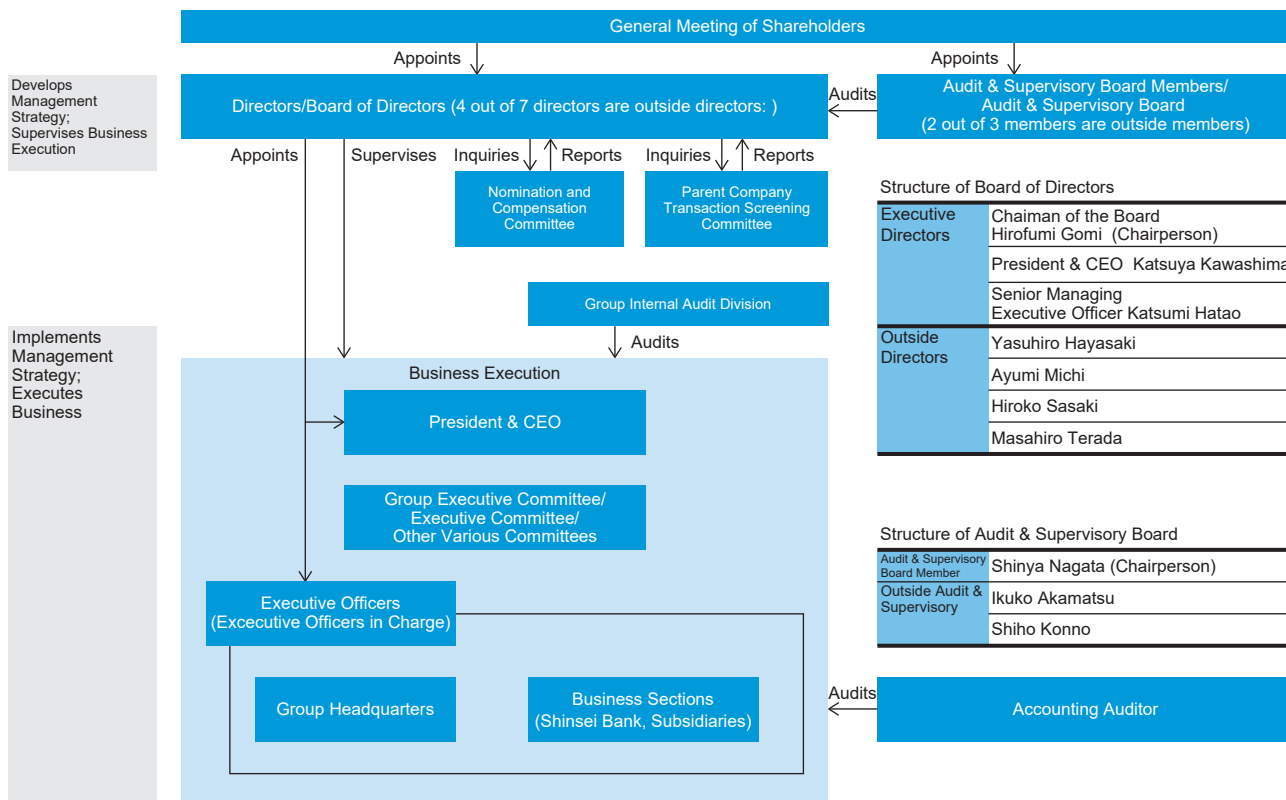
Standing Audit & Supervisory Board Members attend various important committees including the Group Compliance Committee and the Compliance Committee and conduct interviews on the relevant Divisions and Branches including the Group member companies in an attempt to improve the effectiveness of audits.

**(9) Status of initiatives for eliminating anti-social forces and preventing money laundering and terrorism financing**

We have established "Guidelines for Handling Antisocial Forces" and the Financial Crime Information Department in the Group Legal and Compliance Division oversees planning, promotion, and management concerning the measures to deal with antisocial forces and liaises with external specialist organizations and mainly takes the measures described below in close collaboration with the Group General Services Division. As the measures to eliminate antisocial forces, we regularly perform screening checks to determine if our customers fall under antisocial forces before and after we start transactions with them. In addition, we include designated clauses on the elimination of relationships with antisocial forces in contracts, agreements and other documents we sign at the time of transactions. We have also organized a Group-wide control structure for preventing money laundering and terrorism financing under the control policy established by the Financial Information Control Department under the Group Legal and Compliance Division.



Corporate Governance Structure (As of April 1, 2022)



#### **9. Matters Concerning Wholly Owned Subsidiary Companies**

None

#### **10. Matters Concerning Transactions with the Parent Company, etc.**

The parent company of the Bank is SBI Regional Bank Holdings, Co., Ltd., which holds 99,659,999 shares of the Bank's stock (48.56% of the voting rights) as of March 31, 2022.

The Bank has loans and other transactions with the group companies ( "parent company group" ) of SBI Holdings, Inc., which is the sole parent company of the SBI Regional Bank Holdings, Co., Ltd. Such transactions are based on appropriate terms similar to general transaction terms and conditions, and the appropriateness of the transaction terms and conditions is reviewed in accordance with the internal regulations. The Board of Directors, majority member of which are independent outside directors, determines whether or not transactions are fair and appropriate after confirming that such transactions do not harm the interests of the Bank.

In addition, on March 23, 2022, the Bank established the Parent Company Transaction Screening Committee as an advisory body to the Board of Directors to establish a more prudent management system for conflict of interest transactions with the parent company group, from the viewpoint of protecting the interests of minority shareholders. The committee has introduced a mechanism for conducting preliminary examinations and ex-post monitoring. The committee is composed of all independent outside directors, and Audit & Supervisory Board members also attend meetings to express their opinions.

For these reasons, the Board of Directors determines that the transactions do not harm the interests of the Bank.

#### **11. Matters Concerning Accountants**

None

#### **12. Others**

Policy concerning exercise of authorities granted to the Board of Directors in accordance with the provisions of the Articles of Incorporation under the provision of Article 459, Paragraph 1 of the Corporation Act.

We will make timely and appropriate decisions based on the business results, future outlook, safety, balance with retained earnings, various regulations, etc., and the business conditions and market trends at that time.

## Consolidated Balance Sheet

Shinsei Bank, Limited, and Consolidated Subsidiaries

As of March 31, 2022

	Millions of yen
<b>ASSETS</b>	
Cash and due from banks	¥1,625,159
Other monetary claims purchased	31,512
Trading assets	149,014
Monetary assets held in trust	388,177
Securities	674,609
Loans and bills discounted	5,241,817
Foreign exchanges	56,510
Lease receivables and leased investment assets	190,859
Other assets	1,334,725
Premises and equipment	60,989
Buildings	11,552
Land	1,798
Tangible leased assets as lessor	43,184
Construction in progress	49
Other premises and equipment	4,405
Intangible assets	62,604
Software	46,265
Goodwill	11,007
Intangible leased assets as lessor	106
Intangible assets acquired in business combinations	3,852
Other intangible assets	1,372
Assets for retirement benefits	19,499
Deferred tax assets	10,725
Customers' liabilities for acceptances and guarantees	584,708
Reserve for credit losses	(119,466)
<b>Total assets</b>	<b>¥10,311,448</b>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities:</b>	
Deposits	¥5,771,056
Negotiable certificates of deposit	627,010
Call money and bills sold	3,654
Payables under repurchase agreements	9,567
Payables under securities lending transactions	237,530
Trading liabilities	134,068
Borrowed money	978,424
Foreign exchanges	1,905
Short-term corporate bonds	189,200
Corporate bonds	380,104
Other liabilities	416,356
Accrued employees' bonuses	9,977
Accrued directors' bonuses	39
Liabilities for retirement benefits	8,149
Reserve for directors' retirement benefits	23
Reserve for reimbursement of deposits	393
Reserve for reimbursement of debentures	2,853
Reserve for losses on interest repayments	31,635
Deferred tax liabilities	472
Acceptances and guarantees	584,708
<b>Total liabilities</b>	<b>9,387,131</b>
<b>Equity:</b>	
Common stock	512,204
Capital surplus	72,961
Retained earnings	449,547
Treasury stock, at cost	(98,612)
<b>Total shareholders' equity</b>	<b>936,101</b>
Unrealized gain (loss) on available-for-sale securities	(11,667)
Deferred gain (loss) on derivatives under hedge accounting	(13,940)
Foreign currency translation adjustments	5,587
Defined retirement benefit plans	4,182
<b>Total accumulated other comprehensive income</b>	<b>(15,836)</b>
Noncontrolling interests	4,052
<b>Total equity</b>	<b>924,316</b>
<b>Total liabilities and equity</b>	<b>¥10,311,448</b>

## Consolidated Statement of Income

Shinsei Bank, Limited, and Consolidated Subsidiaries

For the fiscal year ended March 31, 2022

	Millions of yen
<b>ORDINARY INCOME</b>	¥373,328
Interest income	139,000
Interest on loans and bills discounted	127,493
Interest and dividends on securities	9,261
Interest on call loans and bills bought	0
Interest on deposits with banks	1,460
Other interest income	784
Fees and commissions income	59,398
Trading income	6,602
Other business income	147,040
Other ordinary income	21,285
Recoveries of written-off claims	9,154
Other	12,131
<b>ORDINARY EXPENSES</b>	345,028
Interest expenses	13,324
Interest on deposits	3,424
Interest on negotiable certificates of deposit	164
Interest on call money and bills sold	33
Interest on payables under repurchase agreements	(82)
Interest on payables under securities lending transactions	135
Interest on borrowings	2,067
Interest on short-term corporate bonds	133
Interest on corporate bonds	3,674
Other interest expenses	3,775
Fees and commissions expenses	25,325
Other business expenses	103,755
General and administrative expenses	158,313
Amortization of goodwill	2,770
Amortization of intangible assets acquired in business combinations	459
Other general and administrative expenses	155,084
Other ordinary expenses	44,309
Provision of reserve for credit losses	37,271
Other	7,037
<b>ORDINARY PROFIT</b>	28,299
Extraordinary gains	1,616
Gain on disposal of premises and equipment	568
Other extraordinary gains	1,048
Extraordinary losses	1,420
Loss on disposal of premises and equipment	446
Impairment losses	373
Other extraordinary losses	599
Income before income taxes	28,495
Income taxes (benefit) - current	8,921
Income taxes (benefit) - deferred	(770)
Total income taxes (benefit)	8,151
<b>Profit</b>	20,344
Profit (loss) attributable to noncontrolling interests	(40)
<b>PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT</b>	¥20,385

## Consolidated Statement of Changes in Equity

Shinsei Bank, Limited, and Consolidated Subsidiaries

For the fiscal year ended March 31, 2022

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock at cost	Total shareholders' equity
Balance at beginning of the year (Millions of yen)	¥512,204	¥72,961	¥431,623	¥(81,464)	¥935,324
Cumulative effect of accounting change			129		129
Restated balance	512,204	72,961	431,753	(81,464)	935,454
Changes during the year					
Dividends			(2,583)		(2,583)
Profit attributable to owners of the parent			20,385		20,385
Purchase of treasury stock				(17,409)	(17,409)
Disposal of treasury stock		(29)		262	233
Transfer to Capital surplus from retained earnings		29	(29)		—
Increase by forfeit of stock acquisition rights of consolidated subsidiaries			22		22
Decrease by exclusion of consolidated subsidiaries			(0)		(0)
Net changes during the year excluding shareholders' equity					
Total changes during the year	—	—	17,794	(17,147)	647
Balance at end of the year (Millions of yen)	¥512,204	¥72,961	¥449,547	¥(98,612)	¥936,101

	Accumulated other comprehensive income					Stock acquisition rights	Noncontrolling interests	Total equity
	Unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Foreign currency translation adjustments	Defined retirement benefit plans	Total accumulated other comprehensive income			
Balance at beginning of the year (Millions of yen)	¥(593)	¥(16,799)	¥(1,133)	¥5,495	¥(13,031)	¥149	¥8,300	¥930,742
Cumulative effect of accounting change								129
Restated balance	(593)	(16,799)	(1,133)	5,495	(13,031)	149	8,300	930,872
Changes during the year								
Dividends								(2,583)
Profit attributable to owners of the parent								20,385
Purchase of treasury stock								(17,409)
Disposal of treasury stock								233
Transfer to Capital surplus from retained earnings								—
Increase by forfeit of stock acquisition rights of consolidated subsidiaries								22
Decrease by exclusion of consolidated subsidiaries								(0)
Net changes during the year excluding shareholders' equity	(11,073)	2,858	6,721	(1,312)	(2,805)	(149)	(4,248)	(7,203)
Total changes during the year	(11,073)	2,858	6,721	(1,312)	(2,805)	(149)	(4,248)	(6,556)
Balance at end of the year (Millions of yen)	¥(11,667)	¥(13,940)	¥(5,587)	¥4,182	¥(15,836)	—	¥4,052	¥924,316

**Nonconsolidated Balance Sheet**

Shinsei Bank, Limited

**As of March 31, 2022**

	Millions of yen
<b>ASSETS</b>	
Cash and due from banks	¥1,514,510
Cash	4,387
Due from banks	1,510,123
Other monetary claims purchased	15,225
Trading assets	148,385
Derivatives for securities held to hedge trading transactions	52
Trading-related financial derivatives	148,333
Monetary assets held in trust	299,893
Securities	1,104,839
Japanese national government bonds	212,446
Japanese local government bonds	2,197
Japanese corporate bonds	145,062
Equity securities	352,644
Other securities	392,488
Loans and bills discounted	5,279,626
Loans on bills	9,662
Loans on deeds	4,181,643
Overdrafts	1,088,319
Foreign exchanges	56,510
Due from foreign banks	56,510
Other assets	281,119
Income taxes receivable	3,910
Prepaid expenses	3,398
Accrued income	6,286
Margin on futures transactions	4,039
Derivatives held in banking account	62,356
Cash collateral paid for financial instruments	131,085
Deferred issuance expenses for corporate bonds	282
Accounts receivable	5,313
Other	64,445
Premises and equipment	10,149
Buildings	7,778
Leased assets	0
Construction in progress	26
Other premises and equipment	2,343
Intangible assets	23,040
Software	21,414
Goodwill	256
Leased assets	1,357
Other intangible assets	11
Prepaid pension cost	9,195
Deferred tax assets	546
Customers' liabilities for acceptances and guarantees	22,003
Reserve for credit losses	(38,149)
<b>Total assets</b>	<b>¥8,726,897</b>

	Millions of yen
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities:</b>	
Deposits	¥5,955,038
Current accounts	80,284
Ordinary deposits	2,818,562
Notice deposits	2,705
Time deposits	2,451,415
Other deposits	602,069
Negotiable certificates of deposit	627,010
Call money	3,654
Payables under repurchase agreements	9,567
Payables under securities lending transactions	237,530
Trading liabilities	128,032
Derivatives for securities held to hedge trading transactions	51
Trading-related financial derivatives	127,981
Borrowed money	546,635
Borrowed money	546,635
Foreign exchanges	1,905
Foreign bills payable	1,905
Corporate bonds	170,000
Other liabilities	164,006
Income taxes payable	1,468
Accrued expenses	8,903
Unearned income	1,396
Suspense receipt on futures transactions	5
Derivatives held in banking account	126,707
Cash collateral received for financial instruments	12,029
Asset retirement obligations	7,201
Other	6,294
Accrued employees' bonuses	4,909
Reserve for reimbursement of deposits	393
Reserve for reimbursement of debentures	2,853
Acceptances and guarantees	22,003
<b>Total liabilities</b>	<b>7,873,541</b>
<b>Equity:</b>	
Common stock	512,204
Capital surplus	79,465
Additional paid-in capital	79,465
Retained earnings	398,941
Legal reserve	16,712
Other retained earnings	382,229
Unappropriated retained earnings	382,229
Treasury stock, at cost	(98,612)
<b>Total shareholders' equity</b>	<b>891,999</b>
Unrealized gain (loss) on available-for-sale securities	(12,667)
Deferred gain (loss) on derivatives under hedge accounting	(25,976)
<b>Total net unrealized gain (loss) and translation adjustments</b>	<b>(38,643)</b>
<b>Total equity</b>	<b>853,356</b>
<b>Total liabilities and equity</b>	<b>¥8,726,897</b>

**Nonconsolidated Statement of Income**

Shinsei Bank, Limited

**For the fiscal year ended March 31, 2022**

	Millions of yen
<b>ORDINARY INCOME</b>	¥165,589
Interest income	130,092
Interest on loans and bills discounted	78,480
Interest and dividends on securities	49,852
Interest on call loans	0
Interest on deposits with banks	1,435
Other interest income	323
Fees and commissions income	16,881
Domestic and foreign exchange commissions income	815
Other fees and commissions income	16,065
Trading income	4,660
Income from securities held to hedge trading transactions	1
Income from trading-related financial derivatives	4,658
Other business income	4,664
Gains on foreign exchange	1,937
Gains on sales of bonds	1,557
Gains on redemption of bonds	415
Income from derivatives held in banking account	339
Other	414
Other ordinary income	9,290
Recoveries of written-off claims	2,035
Gains on sales of equity securities and others	4,073
Gains on monetary assets held in trust	2,488
Other	693
<b>ORDINARY EXPENSES</b>	128,777
Interest expenses	8,470
Interest on deposits	3,430
Interest on negotiable certificates of deposit	164
Interest on call money	33
Interest on payables under repurchase agreements	(82)
Interest on payables under securities lending transactions	134
Interest on borrowings	38
Interest on corporate bonds	440
Interest on swaps	4,268
Other interest expenses	41
Fees and commissions expenses	22,289
Domestic and foreign exchange commissions expenses	931
Other fees and commissions expenses	21,358
Other business expenses	13,909
Losses on sales of bonds	12,182
Amortization of deferred issuance expenses for corporate bonds	157
Other	1,569
General and administrative expenses	71,663
Other ordinary expenses	12,444
Provision of reserve for credit losses	9,180
Losses on write-off of loans	1,671
Losses on sales of equity securities and others	228
Losses on write-down of equity securities and others	1,001
Losses on monetary assets held in trust	0
Other	362
<b>ORDINARY PROFIT</b>	36,811
Extraordinary gains	1,629
Gain on disposal of premises and equipment	0
Other extraordinary gains	1,629
Extraordinary losses	1,754
Loss on disposal of premises and equipment	77
Impairment losses	228
Other extraordinary losses	1,447
<b>Income before income taxes</b>	36,686
Income taxes (benefit) - current	1,103
Income taxes (benefit) - deferred	5,195
Total income taxes (benefit)	6,299
<b>NET INCOME</b>	¥30,387



**Nonconsolidated Statement of Changes in Equity**

Shinsei Bank, Limited

For the fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity								
	Common stock	Capital surplus			Retained earnings			Treasury stock, at cost	Total shareholders' equity
		Additional paid-in capital	Other capital surplus	Total capital surplus	Legal reserve	Other retained earnings	Total retained earnings		
Balance at beginning of the year	¥512,204	¥79,465	—	¥79,465	¥16,195	¥354,492	¥370,688	¥(81,464)	¥880,893
Cumulative effect of accounting change						478	478		478
Restated balance	512,204	79,465	—	79,465	16,195	354,970	371,166	(81,464)	881,372
Changes during the year									
Dividends					516	(3,100)	(2,583)		(2,583)
Net income						30,387	30,387		30,387
Purchase of treasury stock								(17,409)	(17,409)
Disposal of treasury stock			(29)	(29)				262	233
Transfer to capital surplus from retained earnings			29	29		(29)	(29)		—
Net changes during the year excluding shareholders' equity									
Total changes during the year	—	—	—	—	516	27,258	27,774	(17,147)	10,627
Balance at end of the year	¥512,204	¥79,465	—	¥79,465	¥16,712	¥382,229	¥398,941	¥(98,612)	¥891,999

	Net unrealized gain (loss) and translation adjustments			Stock acquisition rights	Total equity
	Unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Total net unrealized gain (loss) and translation adjustments		
Balance at beginning of the year	¥(1,717)	¥(21,432)	¥(23,150)	¥101	¥857,845
Cumulative effect of accounting change					478
Restated balance	(1,717)	(21,432)	(23,150)	101	858,323
Changes during the year					
Dividends					(2,583)
Net income					30,387
Purchase of treasury stock					(17,409)
Disposal of treasury stock					233
Transfer to capital surplus from retained earnings					—
Net changes during the year excluding shareholders' equity	(10,949)	(4,543)	(15,492)	(101)	(15,594)
Total changes during the year	(10,949)	(4,543)	(15,492)	(101)	(4,967)
Balance at end of the year	¥(12,667)	¥(25,976)	¥(38,643)	—	¥853,356

## INDEPENDENT AUDITOR'S REPORT

May 11, 2022

To the Board of Directors of  
Shinsei Bank, Limited:

Deloitte Touche Tohmatsu LLC  
Tokyo office

Designated Engagement Partner,  
Certified Public Accountant:

\_\_\_\_\_  
Yoshio Sato

Designated Engagement Partner,  
Certified Public Accountant:

\_\_\_\_\_  
Daiju Ono

Designated Engagement Partner,  
Certified Public Accountant:

\_\_\_\_\_  
Kyoko Nosaka

### Opinion

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements of Shinsei Bank, Limited and its consolidated subsidiaries (the "Group"), namely, the consolidated balance sheet as of March 31, 2022, and the consolidated statement of income and consolidated statement of changes in equity for the fiscal year from April 1, 2021 to March 31, 2022, and the related notes.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2022, and its consolidated financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

#### Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader.

## INDEPENDENT AUDITOR'S REPORT

May 11, 2022

To the Board of Directors of  
Shinsei Bank, Limited:

Deloitte Touche Tohmatsu LLC  
Tokyo office

Designated Engagement Partner,  
Certified Public Accountant:

\_\_\_\_\_  
Yoshio Sato

Designated Engagement Partner,  
Certified Public Accountant:

\_\_\_\_\_  
Daiju Ono

Designated Engagement Partner,  
Certified Public Accountant:

\_\_\_\_\_  
Kyoko Nosaka

### Opinion

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the nonconsolidated financial statements of Shinsei Bank, Limited (the "Bank"), namely, the nonconsolidated balance sheet as of March 31, 2022, and the nonconsolidated statement of income and nonconsolidated statement of changes in equity for the 22nd fiscal year from April 1, 2021 to March 31, 2022, and the related notes and the accompanying supplemental schedules.

In our opinion, the accompanying nonconsolidated financial statements present fairly, in all material respects, the financial position of the Bank as of March 31, 2022, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements section of our report. We are independent of the Bank in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the nonconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the nonconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the nonconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Nonconsolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the nonconsolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of nonconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the nonconsolidated financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Bank's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the nonconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these nonconsolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the nonconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the nonconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the nonconsolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the nonconsolidated financial statements, including the disclosures, and whether the nonconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Bank which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

#### Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader.

*(Translation)*

*This translation is made for convenience only. The original report was issued in Japanese.*

## **REPORT OF THE AUDIT & SUPERVISORY BOARD**

The Audit & Supervisory Board of Shinsei Bank, Limited (hereinafter, the “Bank”) prepared this report, upon deliberation based on audit reports prepared by each Audit & Supervisory Board Member, in relation to the execution of duties by the Bank’s Directors during the 22nd fiscal year (from April 1, 2021 to March 31, 2022).

1. Process and Details of Audits by Audit & Supervisory Board Members and the Audit & Supervisory Board
  - (1) The Audit & Supervisory Board determined the audit plan, the assignment of audit duties, and other matters under the audit basic policy of: serving as the supervising functions of the Bank in collaboration with the Board of Directors; creating the sound and sustainable growth and medium- to long-term corporate value of the Bank and its Group; and establishing a good corporate governance framework. The Audit & Supervisory Board received reports from each Audit & Supervisory Board Member on the status and results of audits. Moreover, we received reports from Directors and employees, etc. and the Accounting Auditor on the execution of their duties and requested explanations, as needed.
  - (2) In accordance with the audit policy, audit plan and assignment of audit duties, etc. determined by the Audit & Supervisory Board, each Audit & Supervisory Board Member made efforts to communicate with Directors, the internal audit section and other employees, etc., collect information and improve the audit environment, and conducted audits as follows:
    - A. At the same time, we investigated the status of the Bank’s business activities and assets by attending important meetings, including the Board of Directors meetings, receiving reports and requesting explanations, as needed, from Directors and employees, etc. on the execution of their duties, referring to important approval documents, etc. In addition, with respect to the Bank’s subsidiaries, we communicated and exchanged information with their Directors, Audit & Supervisory Board Members and so forth and received reports on their business, as needed.
    - B. With regard to the Board of Directors resolutions on the establishment of frameworks to ensure that the execution of duties by Directors mentioned in the business report complies with laws, ordinances and the Bank’s Articles of Incorporation as well as other frameworks that are necessary to ensure appropriate business activities by a corporate group consisting of a corporation and its subsidiaries as stipulated in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act, and frameworks (internal control system) based on such resolutions, we received reports from Directors and employees, etc., on a regular basis, on the status of establishing and administering such frameworks and requested explanations and expressed opinions, as needed.

In relation to internal controls over financial reporting, we were provided reports on internal control assessments and audit status from Division in charge and from the Auditor – Deloitte Touche Tohmatsu LLC – and requested explanations, as needed.
    - C. We monitored and examined whether the Bank’s Accounting Auditor was maintaining its independence and conducting appropriate audits; received its reports on the status of the execution of its duties; and requested explanations, as needed. Moreover, we received from the Accounting Auditor a notice stating that the “System for Ensuring the Appropriate Execution of



Duties” (a matter listed in each item of Article 131 of the Ordinance on Accounting of Companies) is in operation in line with the “Audit Quality Control Standards” (released on October 28, 2005 by the Business Accounting Council), etc. and requested explanations, as needed. Regarding key audit matters, we discussed with Deloitte Touche Tohmatsu LLC, received a report on the implementation status of the audit, and requested explanations as needed. We discussed an internal audit plan with the internal audit section prior to their audits, and received reports on the audit results and the status of improvements as needed.

Based on the above process, we examined the Bank’s business report and its supplementary schedules, financial statements (balance sheet, income statement, statements of changes in equity, explanatory notes), supplementary schedules thereto, and consolidated financial statements (consolidated balance sheet, consolidated income statement, consolidated statements of changes in equity, consolidated explanatory notes) for the relevant fiscal year.

## 2. Results of the Audit

### (1) Results of the audit of the business report, etc.

- A. We acknowledge that the business report and its supplementary schedules fairly present the state of the Bank and its subsidiaries in accordance with laws, ordinances and its Articles of Incorporation.
- B. We acknowledge that nothing came to our attention which falls within the definition of misconduct or a material violation of laws, ordinances or the Bank’s Articles of Incorporation with respect to the execution of duties by Directors.
- C. We acknowledge that the contents of the Board of Directors resolutions concerning the system of internal controls were reasonable. In addition, we acknowledge that nothing came to our attention which should be pointed out concerning the contents of the business report and the execution of duties by Directors in relation to the said internal control system, including internal controls over financial reporting.

### (2) Results of the audit of financial statements and supplementary schedules

We acknowledge that the process and results of the audit by the Bank’s Accounting Auditor, Deloitte Touche Tohmatsu LLC, are appropriate.

### (3) Results of the audit of consolidated financial statements

We acknowledge that the process and results of the audit by the Bank’s Accounting Auditor, Deloitte Touche Tohmatsu LLC, are appropriate.

May 12, 2022

The Audit & Supervisory Board of Shinsei Bank, Limited  
Shinya Nagata, Full-time Audit & Supervisory Board Member (Seal)  
Shiho Konno, Outside Audit & Supervisory Board Member (Seal)  
Ikuko Akamatsu, Outside Audit & Supervisory Board Member (Seal)