

For Immediate Release

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 Name of Representative: Katsuya Kawashima
 President and CEO
 (Code: 8303, TSE Standard Market)

Announcement Concerning the Reversal of Losses on Devaluation of Securities for the Second Quarter of FY2022

Tokyo (Monday, October 3, 2022) --- Shinsei Bank, Limited (hereinafter, "Shinsei Bank") announces that it has concluded not to record the majority of impairment losses on devaluation of securities booked in the first quarter of FY2022 and to make a reversal of the loss in the second quarter of FY2022 (consolidated) (July 1, 2022 – September 30, 2022). Shinsei Bank booked the loss due to impairment for its securities portfolio classified as "Other securities" – measured by market value, owing to a significant decline in market value.

As Shinsei Bank introduces the reversal method for the impairment loss on securities for its first quarter financial results, the amount of losses was reversed at the beginning of the second quarter term. Considering that a recovery in the market value has been seen, the necessity to book impairment losses for the first half of FY2022 has become irrelevant. Therefore, Shinsei Bank recognized the reversal of losses on the devaluation of securities for the second quarter of FY2022.

Meanwhile, the said securities are equities held strategically from a business perspective and are not pure investments.

1. Losses on Devaluation of Securities for Q2 FY2022

Total amount of losses on devaluation of securities for the second quarter of the fiscal year ending March 2023 (consolidated) (July 1, 2022 – September 30, 2022) (=A - B)	- JPY 16,683 million
(A) Total amount of losses on devaluation of securities for the first half of the fiscal year ending March 2023 (consolidated) (April 1, 2022 – September 30, 2022)	JPY 1 million
(B) Total amount of losses on devaluation of securities for the first quarter of the fiscal year ending March 2023 (consolidated) (April 1, 2022 – June 30, 2022)	JPY 16,685 million

* Shinsei Bank adopts the reversal method for the first and third quarter, while it applies the separation method for the first half and year-end, for the impairment loss on securities.

* The fiscal year end is March 31.

2. Outlook

Shinsei Bank adopts the reversal method for the impairment loss on securities for its third-quarter financial results and the separation method for its full-year financial results. Hence, it will evaluate the necessity to book impairment losses at the end of each quarter based on the decline in market value.

In this regard, as of now, Shinsei Bank perceives that there is no need to change the full-year earnings forecast for the year ending March 31, 2023. However, going forward, in an event where the earnings forecast revision is necessary from various other factors, it will be promptly disclosed by Shinsei Bank.

Shinsei Bank is a leading diversified Japanese financial institution providing a various range of financial products and services to both institutional and individual customers. The Bank has a network of outlets throughout Japan and is committed in its pursuit of uncompromising levels of integrity and transparency in all of its activities in order to earn the trust of its customers, staff and shareholders. The Bank is committed to delivering long-term profit growth and increasing value for all its stakeholders. News and other information about Shinsei Bank is available at <https://www.shinseibank.com/corporate/en/index.html>

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