

TO OUR SHAREHOLDERS, CUSTOMERS, AND EMPLOYEES

Financial Highlights

Message from the Management
To Our Shareholders, Customers, and Employees

Overview of the Second Medium-
Term Management Plan (MTMP)

Review of Operations

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Data Section



Hideyuki Kudo

President and
Chief Executive Officer

In the first half of fiscal year 2015, the final year of its Second Medium-Term Management Plan ("Second MTMP"), Shinsei Bank achieved a profit attributable to owners of the parent of ¥37.4 billion, largely on track to achieve the full-year target of ¥70.0 billion. In the second half, we will devote our full energy and leverage the Group's strengths in order to achieve the financial targets of the MTMP and to create a unique business model that ensures sustainable growth.

During the first half of fiscal year 2015, the Japanese economy saw only a slow recovery in consumer spending despite the waning of the impact from the previous year's consumption tax hike. Meanwhile, economic slowdowns in China and other emerging nations had a somewhat palpable negative impact. Nonetheless, corporate profits were solid overall and employment conditions continued to improve, helping to keep the Japanese economy on track for a moderate recovery. Looking ahead, we expect the economy to continue to its gradual recovery, supported by continued improvement in the employment and income environments and various government stimulus measures. However, the global economy, starting with China, remains a source of some concern, and we need to continue monitoring developments overseas as they could present a potential downside risk for Japan.

In the final year of the Second MTMP, in this business environment, Shinsei Bank aggressively implemented initiatives to strengthen its individual and institutional businesses and achieve the goals of the same Plan, including the establishment of a unique business platform, increasing revenues, and further strengthening our financial fundamentals.

As a result of these efforts, the Bank recorded a profit attributable to owners of the parent of ¥37.4 billion, a ¥8.5 billion increase over the result in the first half of the previous year and largely on track to achieve the full-year target of ¥70.0 billion.

The firm first-half result could not have been possible without the continued understanding and support of our various stakeholders, and I would like to take this opportunity to express our sincerest appreciation for your support.

Going forward, in addition to achieving the financial targets originally set forth in the Second MTMP, we will strive to further expand our customer base and strengthen our unique business platform, a core group strength, which will be the springboard for sustainable growth of the Shinsei Group under the Third Medium-Term Management Plan ("Third MTMP"), which will be launched in fiscal year 2016.

The management and employees of the Shinsei Group are firmly committed to working together to meet the expectations of all stakeholders.

We look forward to your continued support and guidance in the future.

December 2015



Hideyuki Kudo
President and Chief Executive Officer