

HUMAN RESOURCES AND CORPORATE SOCIAL RESPONSIBILITY

Attracting and Retaining Top-Class Talent

Attracting and developing high-caliber people, capable of delivering the value-added services and solutions that our customers demand, is essential to succeed in the highly competitive financial services market. At Shinsei, we believe that giving individual employees opportunities to grow, and creating an environment that enables our diverse workforce to fully demonstrate their capabilities are key drivers of corporate growth.

We have continued to expand the provision of training programs that deepen our staff's specialist knowledge and skills, and encourage employees to use our internal job posting program to take charge of their career development. The proportion of female managers at Shinsei is among the highest in our industry, approximately 24% of all titled managers as at the end of March 2009. In response to the findings of our latest employee survey, we have launched initiatives to enhance communication between senior management and employees, and improved our performance evaluation process to make it fairer and more transparent. Our efforts have garnered positive external recognition, including a top place ranking in the "Human Resources Development and Evaluation" category of the *Nihon Keizai Shimbun's* survey on "Employee-Friendly Companies" (published in September 2008).

At the end of fiscal year 2008, we established the Management Development Committee to decide on important HR-related issues and ensure HR policy is implemented appropriately. Given our difficult financial conditions, the Bank is striving to optimize our human capital and reduce personnel costs as we restructure our business, organization and operations. Alongside these efforts, the Committee will lead initiatives to implement HR practices aimed at motivating employees to improve business performance, as we seek to continuously grow corporate value.

Contributing to Society through Philanthropic Initiatives

Reflecting our determination to go back to basics in fiscal year 2008, the Bank has reviewed its philanthropic initiatives and clarified our corporate responsibilities as a financial institution. As a result, we decided to realign the focus of our philanthropy activities from the second half of fiscal

year 2008 onwards. In previous years, providing financial assistance to non-profit organizations has comprised a sizeable part of our social contribution. Going forward, however, we will concentrate on seeking out opportunities to share the Bank's technical expertise and knowledge, and support activities that offer Bank and Group company employees the chance to volunteer their time, energy and skills.

Employee-driven Activities Contribute to Local Communities

In July 2008, the Bank established the Shinsei Community Steering Committee, an employee-led organization that promotes active participation in volunteer activities by Shinsei Bank Group employees. The Steering Committee represents a broad cross-section of employees from divisions across the Bank who propose and organize a variety of activities that contribute to local communities.

The Steering Committee has placed priority on tackling environmental issues through its activities. In fall 2008, a total of 216 Bank and Group company employees and their families picked up litter on a walk around the Japanese imperial palace grounds. In spring 2009, new recruits and other employees from the Bank and Group companies took part in a clean-up and survey of the Arakawa riverbank. The Steering Committee organized the event in collaboration with Arakawa Clean Aid Forum, a non-profit organization that works to protect the natural environment of this area. Other activities have included a Christmas Charity Project where staff from the head office and branches nationwide donated gifts to children's homes in their local communities.



New recruits taking part in a clean-up of the Arakawa riverbank

Sharing our Skills to Help Society

Shinsei is working with the Indian Institute of Technology Kanpur (IIT Kanpur) to make the Bank's unique information technology methods freely available—a first for a financial institution. Designed and built by a team of Indian engineers and companies, Shinsei's unique IT system powers a retail banking platform that continues to set the standard in Japan. IIT Kanpur is creating course material based on the Bank's IT methodology and will make this freely accessible through Creative Commons, a non-profit organization that works to expand the pool of public intellectual property. Through this initiative, our key stakeholders, our regulators and customers, will be able to better understand the capability we offer. At the same time, by making our methods easy to understand, we help expand the pool of engineers and technicians proficient in them. With IIT Kanpur's support, this is a valuable opportunity to contribute to building the knowledge base and to deepen our relationship with the Indian engineering community, which played a key role in the birth of Shinsei Bank and continues to contribute to its success.

As a responsible consumer credit provider, our subsidiary Shinsei Financial has developed a financial literacy program for high school students. The program aims to prevent young people from becoming NEETs (people Not in Employment, Education or Training)—a growing social problem in Japan. Called MoneyConnection® and run in collaboration with the non-profit organization Sodateage.net, the program has reached approximately 20,000 students nationwide as of April 30, 2009. Shinsei Financial employee volunteers take part in the program by acting as facilitators

in classroom-based workshops. From the end of 2008, Shinsei Bank employees have also participated in the program, as the Bank looks to expand its community contribution in partnership with other Group companies.

Our Commitment to Environmental Sustainability

We are working harder than ever at Shinsei to minimize the environmental impact of our offices and work style. When opening new branches, we take care to consider the environment in our choices of everything from construction materials and methods, to interior fixtures and fittings. For example, we use low-emissivity (Low-E) pair glass, which helps maintain comfortable indoor working temperatures, and enables us to reduce electricity consumption and lighten our carbon footprint. We also use power-saving LED lighting, state-of-the-art energy-efficient air conditioning systems, and ultra-low flush toilets. As we prepare to move to a new headquarters building in 2010, we are investigating how we can make this an opportunity to reach a new level in environmentally-sound office design.

In order to raise our employees' awareness of environmental issues, in September 2008 we launched an internal website providing a host of environment-related information. In addition to real-time data on CO₂ emissions from our headquarters and Meguro Production Center, the site also contains "green" hints and tips on how to save energy, reduce CO₂ emissions, recycle waste to conserve resources, and help protect the Earth in other ways, both at the workplace and in the home.

Shinsei Bank Selected for Inclusion in First Dow Jones Sustainability Asia Pacific Index



Shinsei Bank has been selected for inclusion in the first Dow Jones Sustainability Asia Pacific Index (DJSI Asia Pacific), as of March 31, 2009. Jointly managed by Dow Jones Indexes and sustainability investment specialist Sustainable Asset Management (SAM), the DJSI Asia Pacific tracks the 20% most sustainable companies out

of the 600 largest stocks in the region by free float market capitalization. As socially responsible investment attracts growing global attention, we believe that our inclusion in this authoritative index is an important achievement for Shinsei.