

**Product Description of Foreign Currency Time Deposits
to be confirmed prior to concluding**

the Customer Agreement on Foreign Currency Deposit for *PowerFlex* Account

(This is the pre-contract document to be delivered based on the laws and ordinances before concluding the forementioned Agreement, and doubles as the product description of foreign currency deposits, etc.)

Please read this document carefully.

Characteristic of Foreign Currency Time Deposit:

- This deposit is a foreign currency time deposit. Foreign currency time deposit is defined as a deposit in foreign currency (currencies other than yen) whose term or maturity date is specified in advance, and cancellation before maturity is not permitted in principle.
- For deposit currency, there is a choice of 13 currencies, e.g. US dollar, Euro, Australian dollar, New Zealand dollar, and other currencies designated by Shinsei Bank (hereinafter referred to as “the Bank”).
- Deposit in foreign currency cash is not accepted. Withdrawal in foreign currency cash is not accepted at the Bank branches, provided however, that the Bank accepts foreign currency cash withdrawal in the way prescribed by the Bank.

Matters to be noted:

- Cancellation before maturity is not permitted in principle. If the Bank agrees to the cancellation prior to the maturity for any reason that the Bank deems justifiable, the principal shall be paid, and no interest shall accrue.
- Foreign currency deposits entail the risk of foreign exchange rate fluctuation. When a customer places a deposit by exchanging yen into a foreign currency, the customer may incur exchange losses - in terms of yen - depending on the trends in the foreign exchange market, with the result that the funds to be repaid - when translated into yen using the exchange rate as of the repayment date - would be smaller than the yen amount initially deposited.

When a customer places a deposit in a foreign currency, and converts the deposit into another currency eligible for a direct non-JPY cross currency exchange, the customer may suffer exchange losses - in terms of the initially deposited currency - depending on the trends in the foreign exchange market, with the result that the funds to be repaid - when translated into the initially deposited currency using the exchange rate as of the repayment date - would be smaller than the initially deposited currency amount.

Fees and charges:

- When a customer starts a foreign currency time deposit (hereinafter the “Deposit”) in yen, the Bank-designated telegraphic transfer selling rate (TTS rate) which includes foreign exchange fee will apply to exchange a yen original investment to the Deposit principal. Then, the Bank-designated telegraphic transfer buying rate (TTB rate) which includes foreign exchange fee will apply to exchange withdrawal or interest amount from a foreign currency to yen. Therefore, there is a risk of principal less than the original investment even if foreign exchange rates do not fluctuate.
- A customer is allowed to switch the Deposit principal remitted into a foreign currency savings deposit to another foreign currency, provided, however, that those foreign currencies shall be currencies eligible for a direct non-JPY cross currency exchange. The Bank-designated foreign exchange rate which includes foreign exchange fee will apply when switching a currency. Therefore, there is a risk of principal less than the original investment.
- Foreign exchange fee depends on a pair of currencies. Details can be found in the after-mentioned “Fees and Charges relating to Foreign Currency Deposits”.

Risk of principal less than original investment due to exchange rate fluctuation:

- When a customer places the Deposit by exchanging yen into a foreign currency, the customer may incur exchange losses - in terms of yen - depending on the trends in the foreign exchange market, with the result that the funds to be repaid - when translated into yen using the exchange rate as of the repayment date - would be smaller than the yen amount initially deposited.

● When a customer places the Deposit in a foreign currency, and converts the Deposit into another currency, provided, however, that those currencies shall be currencies eligible for a direct non-JPY cross currency exchange, the customer may suffer exchange losses - in terms of the initially deposited currency - depending on the trends in the foreign exchange market, with the result that the funds to be repaid - when translated into the initially deposited currency using the exchange rate as of the repayment date - would be smaller than the initially deposited currency amount.

Product description: Please read carefully and understand fully the following before your application.

1. Product name	<i>PowerFlex</i> Foreign Currency Time Deposit (hereinafter the "Deposit")
2. Product outline	Foreign currency deposit (other than yen currency) that has a specified date of maturity and must be held until the maturity date.
3. Eligibility	Individual customers with <i>PowerFlex</i> account
4. Term	<p>One month or more and 5 years or less</p> <ul style="list-style-type: none"> ● Regular type time deposits with a selection of terms, i.e. 1 month, 3 months, 6 months, 1 year, 2 years, 3 years or 5 years: <ul style="list-style-type: none"> • The day corresponding to the deposit date ("Corresponding Date") shall be treated as the maturity date, depending upon the duration. • If the deposit date is the last day of the month, or if there is no Corresponding Date, the end of the month corresponding to the deposit date shall be treated as the maturity date, depending on the duration. • A selection of terms are limited to terms for which the Bank quotes interest rates on the day of depositing. An option of terms of 2 years, 3 years and 5 years are offered for the Deposits in US dollar, Euro, Australian dollar, and New Zealand dollar only. A term of deposit in Brazil real is 1 year only. ● Maturity-date-designated type time deposits: <ul style="list-style-type: none"> • According to the terms specified between 1 month and 1 year, the maturity date shall be designated by the depositor on the day of depositing. • There is a more option of terms exceeding 1 year and up to 5 years for the Deposit in US dollar, Euro, Australian dollar, and New Zealand dollar. • Maturity-date-designated type time deposits in Brazil real are not available.
5. Deposit method, Currency, Minimum deposit amount, and Deposit unit	<p>1) Deposit shall be made in a lump sum anytime in the manner described below.</p> <ul style="list-style-type: none"> • A foreign currency which is exchanged from a <i>PowerFlex</i> yen savings deposit is remitted to the Deposit in the same currency. • A currency of a <i>PowerFlex</i> foreign currency savings deposit is remitted into the Deposit in the same foreign currency. <p>2) Currencies eligible for the Deposit: US dollar (USD), Euro (EUR), Canadian dollar (CAD), Pound sterling (GBP), Australian dollar (AUD), New Zealand dollar (NZD), Hong Kong dollar (HKD), Singapore dollar (SGD), South African rand (ZAR), Norwegian krone (NOK), Chinese yuan (CNY), Turkish lira (TRY), and Brazilian real (BRL) Provided, however, that eligible currencies are limited to currencies for which the Bank quotes interest rates on the day of depositing.</p> <p>3) Minimum deposit amount: 10 units of base currency</p> <p>4) Unit of deposit: Unit of 1 fractional currency</p>
6. Treatment at Maturity	<ul style="list-style-type: none"> • The aggregate sum of principal and interest thereon shall be credited into a <i>PowerFlex</i> foreign currency savings deposit in the same currency. • Automatic renewal option is not available.
7. Interest	<p>1) Applicable interest rate</p> <ul style="list-style-type: none"> • Interest rates which are posted at the Bank branches on the day of depositing shall apply. • For the latest interest rates, call the call center, Shinsei PowerCall, or visit one of the Bank branches. <p>2) Frequency of interest payment Interest shall be paid in a lump sum on the maturity date.</p> <p>3) Calculation method The interest unit shall be 1 fractional currency unit. The interest shall be calculated for the period from the deposit date up to the day immediately preceding the maturity date on a pro-rata basis based on a year of 365 days. The fractional figure shall be rounded off.</p>
8. Interest after maturity	<p>Upon maturity the funds in the Deposit shall be remitted into a <i>PowerFlex</i> savings deposit in the same currency, And the interest rate which applies to a <i>PowerFlex</i> savings deposit in the same currency shall apply. Regarding frequency and method of interest payment and calculation of interest, refer to the "Product Description of Foreign Currency Deposits to be confirmed prior to concluding the Customer Agreement on Foreign Currency Savings Deposit for <i>PowerFlex</i> Account", or call the call center, Shinsei PowerCall, or visit one of the Bank branches.</p>
9. Cancellation before maturity	<p>Cancellation before maturity is not permitted in principle. If the Bank agrees to the cancellation prior to the maturity for any reason that the Bank deems justifiable, the principal shall be paid, and no interest</p>

	accrue.
10. Foreign-exchange rate fluctuation to be noted	<ul style="list-style-type: none"> When a customer places the Deposit by exchanging yen into a foreign currency, the customer may incur exchange losses - in terms of yen - depending on the trends in the foreign exchange market, with the result that the funds to be repaid - when translated into yen using the exchange rate as of the repayment date - would be smaller than the yen amount initially deposited. When a customer places the Deposit in a foreign currency, and converts the Deposit into another currency (provided, however, that such currency is limited to the Bank-designated currencies eligible for a direct non-JPY cross currency exchange), the customer may suffer exchange losses - in terms of the initially deposited currency - depending on the trends in the foreign exchange market, with the result that the funds to be repaid - when translated into the initially deposited currency using the exchange rate as of the repayment date - would be smaller than the initially deposited currency amount.
11. Exchange fee and exchange rate	<ul style="list-style-type: none"> When a customer places the Deposit in yen, the Bank-designated telegraphic transfer selling rate (TTS rate) which includes foreign exchange fee will apply to exchange a yen original investment to the Deposit principal. Then, the Bank-designated telegraphic transfer buying rate (TTB rate) which includes foreign exchange fee will apply to exchange withdrawal or interest amount from foreign currency to yen. Therefore, there is a risk of principal less than the original investment even if foreign exchange rates do not fluctuate. The Bank-designated foreign exchange rate which includes foreign exchange fee will apply when switching a currency eligible for a direct non-JPY cross currency exchange to another currency eligible for a direct non-JPY cross currency exchange. Therefore, there is a risk of principal less than the original investment even if foreign exchange rates do not fluctuate. Foreign exchange fee depends on a pair of currencies. Details can be found in the after-mentioned "Fees and Charges relating to Foreign Currency Deposits", or call the call center, Shinsei PowerCall or visit one of the Bank branches.
12. Other fees	Depending on deposit method and withdrawal method, other fees may be charged. Details can be found in the after-mentioned "Fees and Charges relating to Foreign Currency Deposits", or call the call center, Shinsei PowerCall, or visit one of the Bank branches.
13. Foreign exchange forward contracts	N/A
14. Overdraft service	N/A
15. Special contracts to be added	N/A
16. Tax	<ul style="list-style-type: none"> Interest is subject to 20.315% withholding tax (national tax 15.315% and local tax 5%). Foreign exchange gain is subject to aggregate taxation as miscellaneous income by filing an individual income tax return. Foreign exchange loss is deductible from miscellaneous income. <i>Maru-yu</i> (Tax exempt treatment on interest of small-size savings of certain people): N/A <p>For details, customers are advised to consult with a certified public accountant or a certified tax accountant on their own.</p>
17. Deposit insurance	Not covered by deposit insurance
18. Designated dispute resolution body	<p>In case of trouble at financial transactions, dispute resolution organizations which are certified by the Financial Alternative Dispute Resolution System provides a resolution support framework for handling consumers' complaints and resolving disputes. Financial Alternative Dispute Resolution System is the system to settle disputes outside the court. Neutral mediators work for dispute parties to settle without judicial procedures.</p> <p>Contact: Consumer Relations Office of Japanese Bankers Association Phone numbers: 0570-017109, 03-5252-3772</p>
19. Certified investor-protection association	N/A
20. Others	There are some limitations in services of foreign currency deposit and withdrawal. Details can be found in the after-mentioned "Fees and Charges relating to Foreign Currency Deposits".
21. Note	Some procedures cannot be carried out depending on channel (e.g. the Bank branches, the call center (Shinsei PowerCall), the online banking (Shinsei PowerDirect), etc.) Furthermore, some procedures cannot be carried out through the online banking service (Shinsei PowerDirect) depending on computer-mediated environment. For details, visit one of the Bank branches, call the call center, Shinsei PowerCall, or access Shinsei Bank website.
22. Financial institution that handles these time deposits	Shinsei Bank, Limited 4-3, Nihonbashi-muromachi 2-chome, Chuo-ku, Tokyo
23. Contact	Shinsei Bank branch or call center, Shinsei PowerCall, toll-free at 0120-456-860

Fees and Charges relating to Foreign Currency Deposits

(1) Deposit/Withdrawal method and fees

• Deposit

Deposit method	Fees
Deposits of yen in cash	Yen cash must be first converted to foreign currency and deposited into a foreign currency savings deposit. (Yen cash will first be deposited to a <i>PowerFlex</i> yen savings deposit and will be remitted to a <i>PowerFlex</i> foreign currency savings deposit.)
Remittance from <i>PowerFlex</i> yen savings account	<ul style="list-style-type: none"> The Bank-designated telegraphic transfer selling rate (TTS rate) which includes foreign exchange fee will apply when exchanging yen to foreign currency. Refer to “(2) Foreign exchange fee” in this document, for foreign exchange fees which are included in TTS rate.
Deposits of foreign currency in cash, of traveler’s checks, or of checks	N/A
Remittance from <i>PowerFlex</i> another foreign currency deposit	<ul style="list-style-type: none"> Currency is limited to currencies eligible for a direct non-JPY cross currency exchange. The Bank-designated foreign exchange rate which includes foreign exchange fee will apply when exchanging foreign currency to another foreign currency. Refer to “(2) Foreign exchange fee” in this document, for foreign exchange fees which are included in foreign exchange rate.
Remittance from <i>PowerFlex</i> foreign currency deposit in the same currency	No fees and charges
Deposit of a foreign currency a customer has received by fund transfer	No fees and charges The funds will first be credited into a <i>PowerFlex</i> foreign currency savings deposit and will be remitted to a <i>PowerFlex</i> foreign currency time deposit.

• Withdrawal

Withdrawal method	Fees
<ul style="list-style-type: none"> - Withdrawals of yen in cash - Remittance to yen savings account 	<ul style="list-style-type: none"> The funds in the Deposit will first be remitted into a <i>PowerFlex</i> foreign currency savings deposit. The Bank-designated telegraphic transfer buying rate (TTB rate) which includes foreign exchange fee will apply when exchanging foreign currency to yen. Refer to “(2) Foreign exchange fee” in this document, for foreign exchange fees which are included in TTB rate.
Withdrawals of foreign currency in cash	<ul style="list-style-type: none"> Some currencies designated by the Bank can be withdrawn in cash only via “Foreign Currency Deposit Cash Delivery Service” whose contract is needed to be separately entered into. Handling fee which is calculated at the Bank-designated rate for each currency and delivery fee will be charged for “Foreign Currency Deposit Cash Delivery Service”. The fees are subject to change depending on a contract agreed between the Bank and a delivery outsourcing company, postal charges, etc., therefore exact or maximum amount and calculation formula are not detailed here. Each time customers use “Foreign Currency Deposit Cash Delivery Service”, they are advised to call the Bank call center, Shinsei PowerCall, to confirm the total amount of fees that will be charged.
Withdrawals of foreign currency by traveler’s check	N/A
Withdrawals of foreign currency check	<ul style="list-style-type: none"> The funds in the Deposit will first be remitted into a <i>PowerFlex</i> foreign currency savings deposit. Issuance fee is 4,000 yen. Some currencies are unavailable for withdrawals by check.
Remittance to a <i>PowerFlex</i> another foreign currency deposit	<ul style="list-style-type: none"> The funds in the Deposit will first be remitted into a <i>PowerFlex</i> foreign currency savings deposit. Currency is limited to currencies eligible for a direct non-JPY cross currency exchange. The Bank-designated foreign exchange rate which includes foreign exchange fee will apply when exchanging foreign currency to another foreign currency. Refer to “(2) Foreign exchange fee” in this document, for foreign exchange fees which are included in foreign exchange rate.

Remittance to a <i>PowerFlex</i> foreign currency deposit in the same currency	No fees and charges
Remittance to purchase an investment trust in the same foreign currency	<ul style="list-style-type: none"> The funds in the Deposit will first be remitted into a <i>PowerFlex</i> foreign currency savings deposit. No fees and charges. Investment trust sales fee will be separately charged.
Fund transfer in foreign currency ① Overseas transfer ② Domestic transfer	<ul style="list-style-type: none"> The funds in the Deposit will first be remitted into a <i>PowerFlex</i> foreign currency savings deposit. Fees and charges are as follows. <ul style="list-style-type: none"> ① Overseas fund transfer fee: 4,000 yen ② Domestic fund transfer fee: 4,000 yen Some currencies are unavailable for withdrawals through fund transfer.

(2) Foreign exchange fee

● Exchange between Japanese yen and foreign currency

Maximum exchange fees for converting each currency are as follows;

5 yen per 1 US dollar, 5 yen per 1 Euro, 5 yen per 1 Australian dollar, 5 yen per 1 New Zealand dollar, 5 yen per 1 Canadian dollar, 5.5 yen per Great Britain pound, and 5.5 yen per 1 currency unit of other currencies.

When converting currency at the time of deposit or withdrawal, customers are urged to confirm the Bank-designated telegraphic transfer selling rate (TTS rate) or the Bank-designated telegraphic transfer buying rate (TTB rate) which includes foreign exchange fee.

● Exchange between currencies eligible for a direct non-JPY cross currency exchange

Currency pair		Maximum exchange fee per currency unit	
EUR	GBP	1 EUR	0.01 GBP
EUR	AUD	1 EUR	0.02 AUD
EUR	NZD	1 EUR	0.02 NZD
EUR	USD	1 EUR	0.01 USD
EUR	CAD	1 EUR	0.02 CAD
GBP	AUD	1 GBP	0.02 AUD
GBP	NZD	1 GBP	0.02 NZD
GBP	USD	1 GBP	0.02 USD
GBP	CAD	1 GBP	0.02 CAD
AUD	NZD	1 AUD	0.01 NZD
AUD	USD	1 AUD	0.01 USD
AUD	CAD	1 AUD	0.01 CAD
NZD	USD	1 NZD	0.01 USD
NZD	CAD	1 NZD	0.01 CAD
USD	CAD	1 USD	0.01 CAD

[Note]

- Fees mentioned above are the upper limit on foreign exchange fees. Lower amount of fees may be quoted and applied.
- The maximum amount of fees mentioned above will apply in case of rapid movement of foreign exchange market or in case of sharp increase in the number of currency exchange order in market closed day such as weekend.
- Foreign exchange fees different from those mentioned above will apply due to campaign, program etc., but will not exceed the level of foreign exchange fees mentioned above.
- Customers are urged to confirm foreign exchange fees and TTS or TTB rate being applied when engaging in foreign exchange transactions.
- Foreign exchange fees and charges are subject to change.
- Consumption tax is not levied on the fees and charges above.

The English translation used in the product descriptions are intended solely for customer convenience, and shall be used as for reference only. Should there be any discrepancy between the Japanese and the English text, the Japanese text shall take precedence.