



# Shinsei IR Day



## Individual Business

February, 2020

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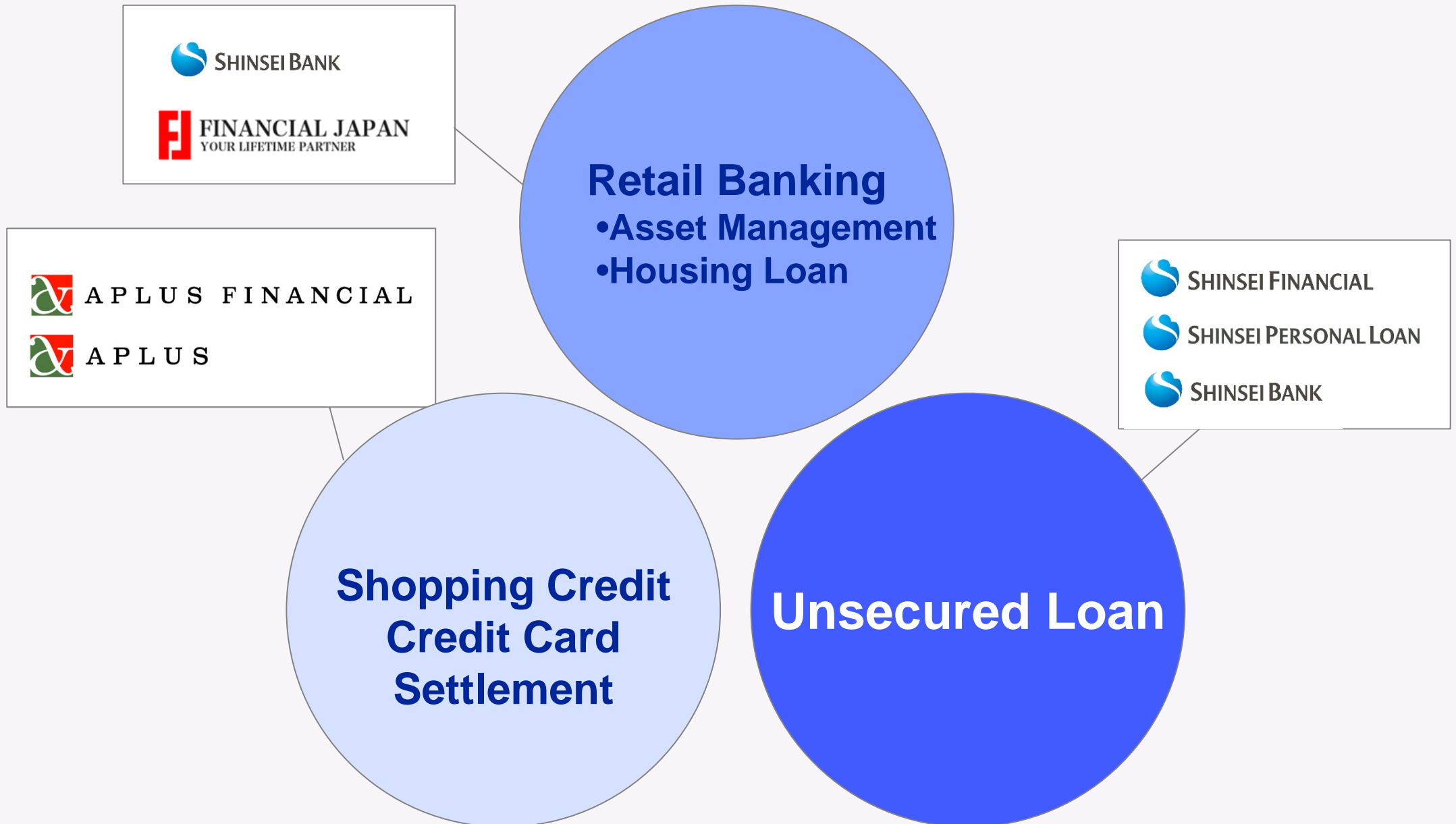
- Overview of Individual Business
- From Unsecured Loan to Small-Scale Finance
- Shinsei Bank Group's Business Model

## **2. Initiatives of Value Co-Creation Model**

- Collaboration between the Shinsei Bank Group and Other Companies
- Initiatives

## **3. Summary and Key Takeaways**

# Overview of Individual Businesses



# From Unsecured Loan to Small-scale Finance

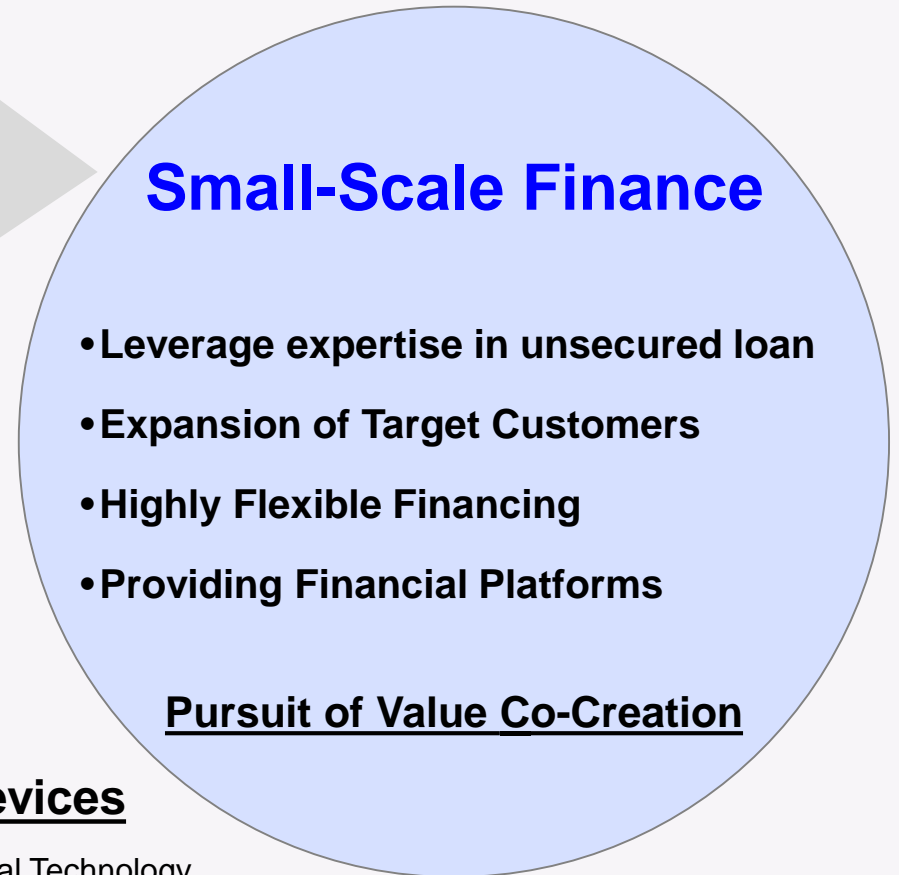
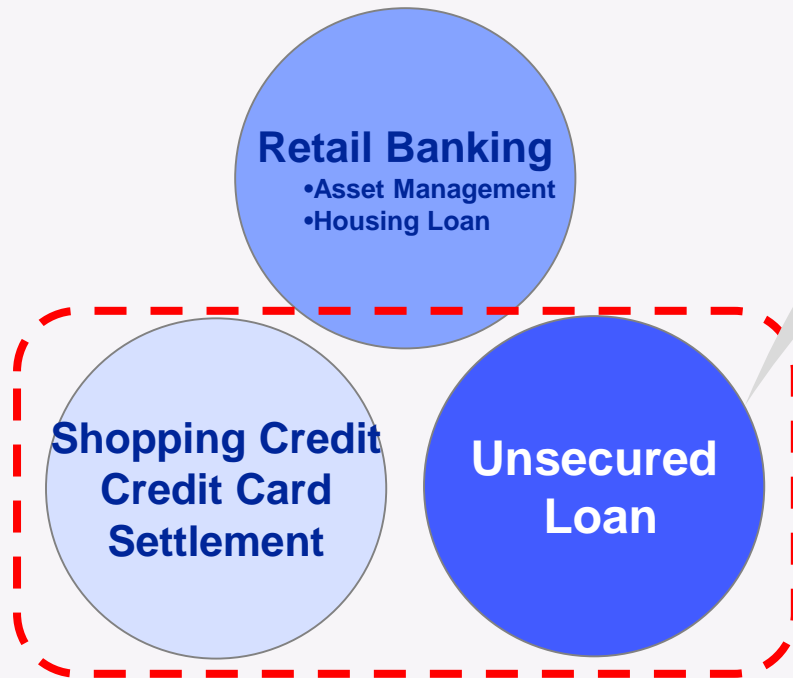
Shrink to grow



3rd Mid-term Management Plan  
(FY2016-FY2018)



“Redesigning Finance”  
Medium-Term Strategies  
(FY2019-FY2021)



**Existence of Needs**

- ✓ Diverse Customer Needs
- ✓ Needs for Sophisticated Customer Value and Experience
- ✓ Needs of Non-financial Businesses for Financial Functions



**Advent of Devices**

- ✓ Advances in Digital Technology



# Shinsei Bank Group's Business Model

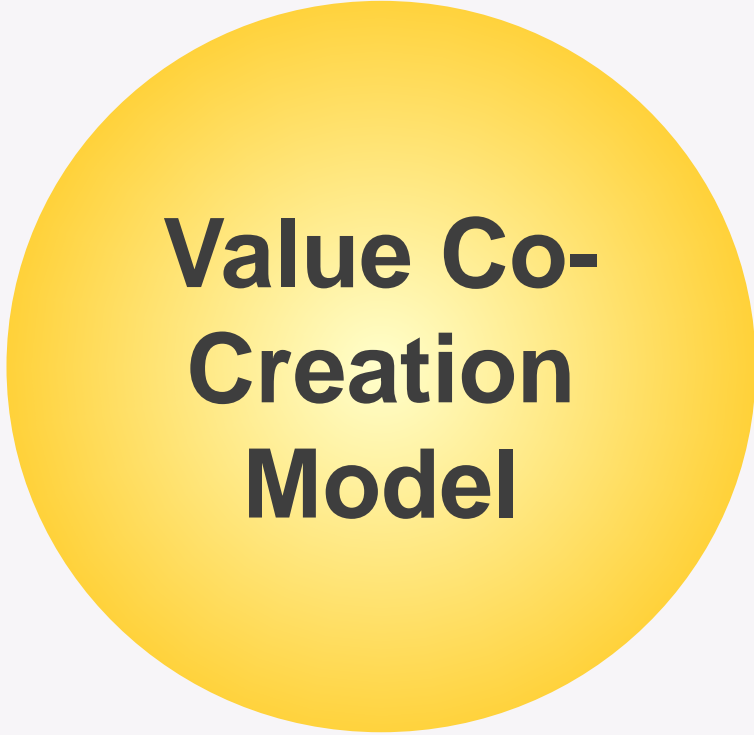
Sources of Strengths



**Self-  
Contained  
Model**

**Provide Shinsei Bank Group  
products and services to  
customers acquired by ourselves**

Growth Opportunities



**Value Co-  
Creation  
Model**

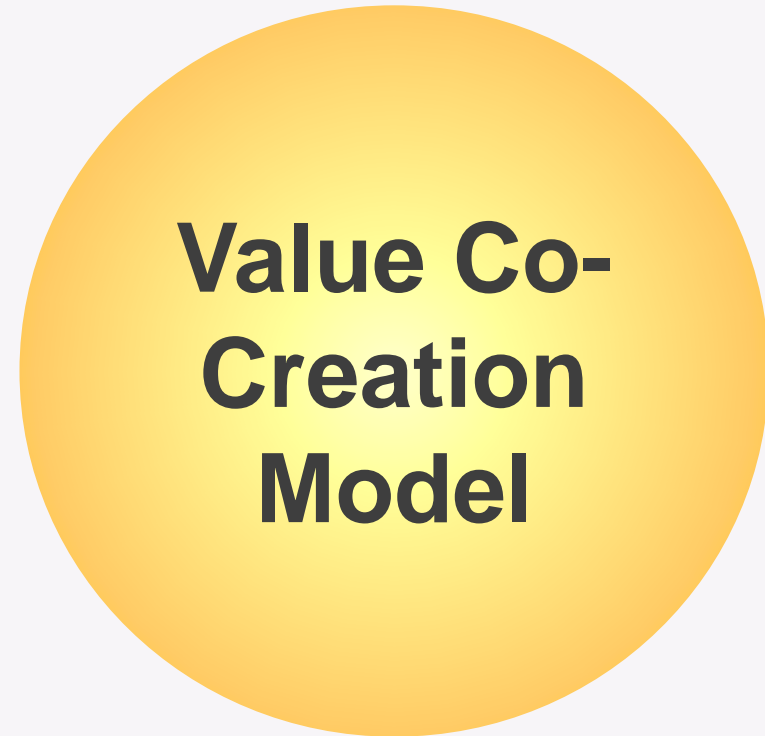
**Provide new value and services  
in cooperation with third parties  
by leveraging the expertise in a  
self-contained model**

# Shinsei Bank Group's Business Model

## Collaboration with NTT DOCOMO

Sources of Strengths

Growth Opportunities



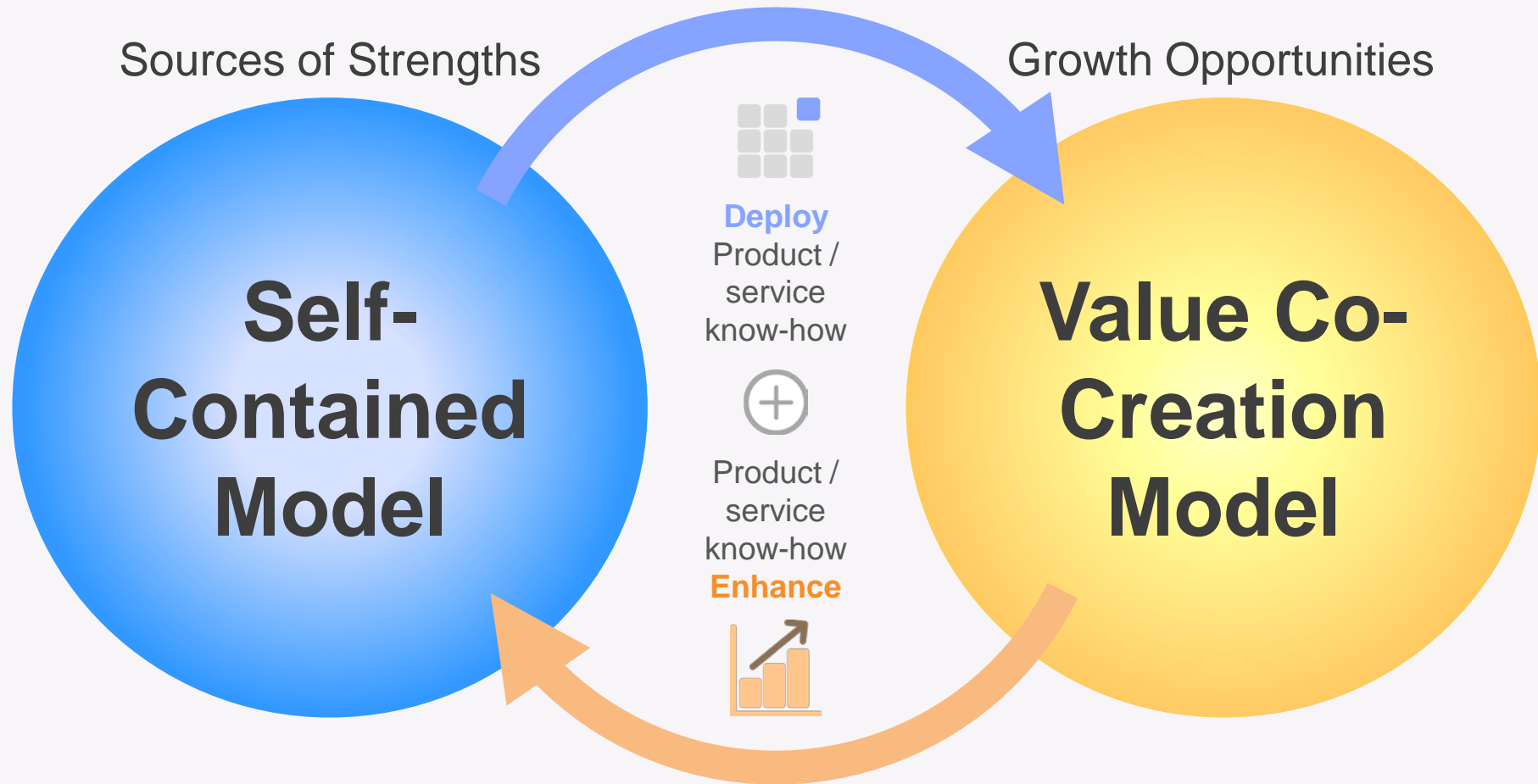
**Strengths of NTT DOCOMO**  
Customer base and technology / business development capabilities



**Strengths of the Shinsei Bank Group**  
Operational Know-How

# Provide New Financing Services

# Shinsei Bank Group's Business Model



Provide Shinsei Bank Group products and services to customers acquired by ourselves

Provide new value and services in cooperation with third parties by leveraging the expertise in a self-contained business

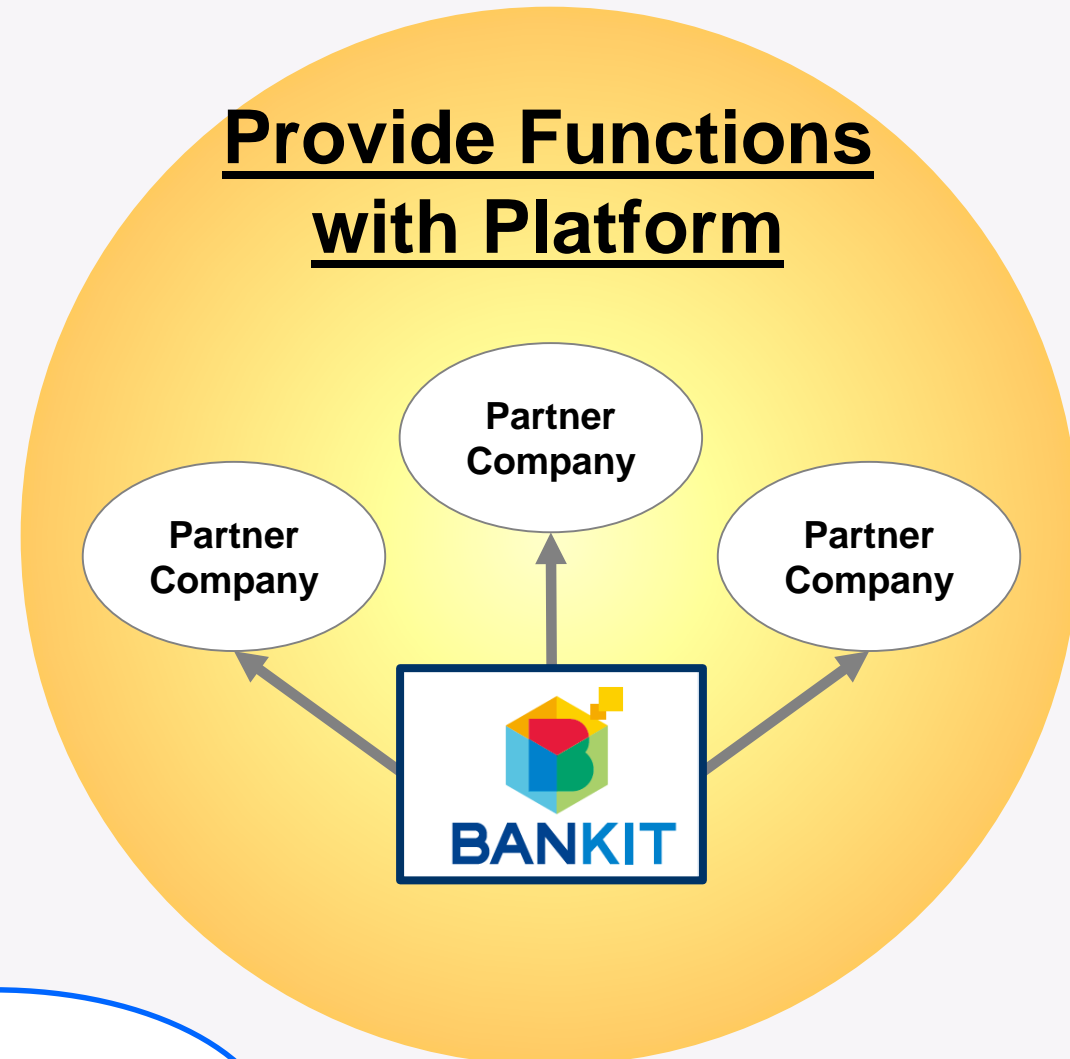


# Value Co-Creation Model: Collaboration with External Companies

## Provide Functions



## Provide Functions with Platform



Companies which have their own platforms



Companies which have no platform



# Initiatives with NTT DOCOMO to Provide Functions



## Points

- **Provide New Value Added** through NTT DOCOMO's Technological Capabilities
- **Scoring** based on Data held by NTT DOCOMO
- Shinsei Bank Group Provides Risk-Taking Functions and **Gains Access to New Customer Segments**

# Initiatives with USEN-NEXT HOLDINGS Corp to Provide Functions

USEN-NEXT  
HOLDINGS



## Points

- **Customer Bases of 750,000 Companies** partnering with USEN-NEXT GROUP
- **Provide Commercial Finance Services**, such as Shopping Credit, Small Leasing, and Corporate Cards through the Joint Venture with the Shinsei Bank Group
- **Develop Further Financial Services** for Sole Proprietors and SMEs

# Initiatives with Seven Bank, Ltd. to Provide Functions



## Points

- Seven Bank's **Ability to Provide Services and Brand Power to Foreign Customers**
- **Provide Finance Services for Foreigners** through Joint Venture with the Shinsei Bank Group
- **Contribute to Achievement of SDGs** through Comprehensive Supports for the Rich Lives of Foreigners in Japan

# Initiatives with Asahi Kasei Homes Corp to Provide Functions

## AsahiKASEI

ASAHIKASEI HOMES

### Points

- **Developed a New Housing Loan Product** for Purchasing *Hebel House* of Asahi Kasei Homes
- **Alliances with Partners who can Guarantee Future Values of High-Quality Houses** after Building Them
- **Reduced Monthly Repayment** by Making a Part of the Loan Principal Payable in a Lump Sum at the End of the Term.

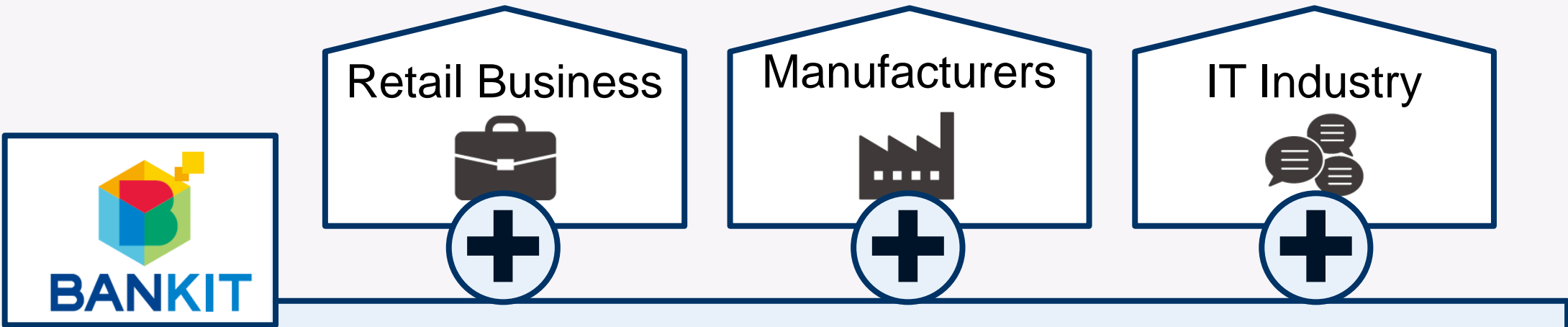
# BANKIT Initiatives to Provide Platforms and Functions (1)



## Points

- Reduce Pain Points for Non-Financial Companies when Entering into Financial Business
  1. License Acquisition
  2. System and Operation Building
- Provide Highly Flexible Financial Functions including Financial Service Platform, Settlement and Credit
- Support Customer Contacts and Actual Operations
- Services by Putting Together of the Shinsei Bank Group Companies' Expertise through Close Cooperation

# BANKIT Initiatives to Provide Platforms and Functions (2)

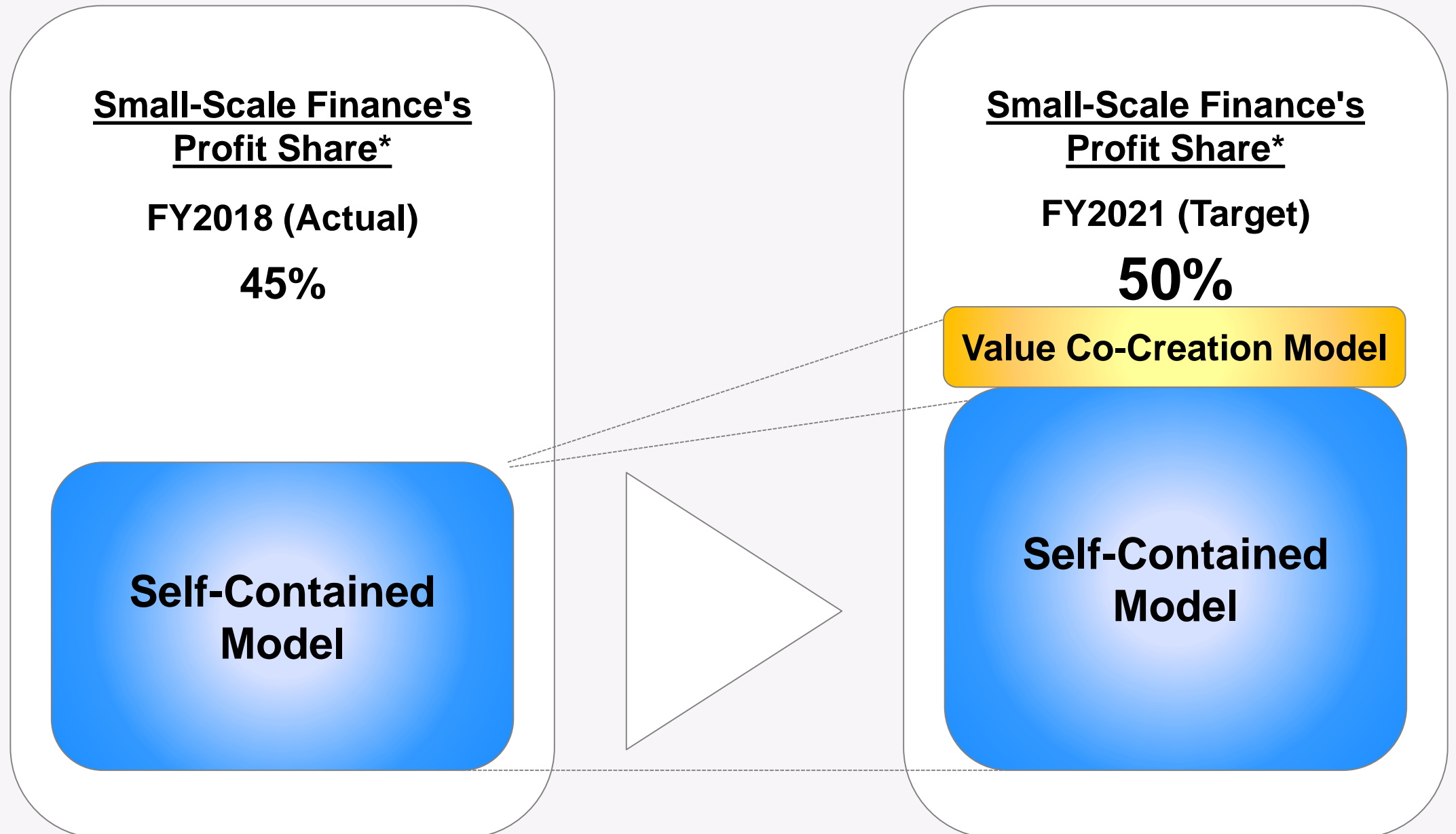


**BANKIT**

Examples

<b>APLUS</b>	Wallet A/C	Money load service	Code settlement	Deferred payment
<b>Shinsei Bank</b>	ATMs deposits and withdrawals		Funds transfer	Deposits
<b>Shinsei Financial</b>	Lending			
<b>Others</b>	Coupon	Equities	Insurance	

# Vision for Small-Scale Finance



\* Ratio of ordinary business profit after net credit costs, excluding temporary factors



## Summary and Key Takeaways

- Initiatives for Small Scalet Finance under the Medium-Term Strategies
  - ◆ Provide of Know-How in Unsecured Loan Business to a Wide Range of Customers
  - ◆ Develop Highly Flexible Financial Services and Provide Platforms
  
- “Value Co-Creation” with Third Parties
  - ◆ Provide Functions
    - Provide Functions to Partner Companies with Own Customer Bases and Functions
  - ◆ Provide Platforms and Functions
    - Provide Platforms and Functions to Partner Companies which hesitate to Enter into the Financial Business and/or Settlement Business
  
- Future Challenges
  - ◆ Implementation and Monetization of Current Initiatives
  - ◆ Discover New Opportunities for “Value Co-Creation”

# Disclaimer

- The preceding description of Shinsei Bank Group's Medium-Term Strategies contains forward-looking statements regarding the intent, belief and current expectations of our management with respect to our financial condition and future results of operations. These statements reflect our current views with respect to future events that are subject to risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, our actual results may vary materially from those we currently anticipate. Potential risks include those described in our annual securities report filed with the Kanto Local Finance Bureau, and you are cautioned not to place undue reliance on forward-looking statements.
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