

**Shinsei IR Day (Held on February 24, 2021)**  
**Institutional Investor Business Presentation Script**

Good afternoon. I am Hirofumi Kusakabe of the Institutional Business Unit of Shinsei Bank.

The Institutional Business Unit is promoting expansion of business with institutional investors as one of the Unit's themes in the Medium-Term Strategies (the "MTS".)

Today I will share its progress.

P1

Please see Slide 1.

The Institutional Investor Business is being promoted under the three strategies listed here.

First, as mentioned in I and II, we will further deepen structured finance, one of our strengths. Furthermore, we will seek new growth by responding to the investment demand of institutional investors.

Sustainability perspectives are extremely important considering the recent trend of society and investment policy of institutional investors.

The Shinsei Bank Group too will promote the three strategies by always bearing in mind the sustainability focus concept stated in III.

The chart below shows the compatibility of structured finance, one of Shinsei Bank's strengths, and alternative and ESG investments of institutional investors, and how they are connected.

We will respond to institutional investors' investment demand by enhancing the sustainability element in structured finance.

P2

Next, please move to Slide 3.

P3

This slide provides a diagram which visualizes the relationships among the three strategies in an easy-to-understand manner.

The big arrow on the left-hand side hits the target on the right-hand side.

Expanding strategies I and II that are the feathers of the arrow is the pillar of the strategy. Arrows do not fly straight unless their core is solid. Sustainability focus is the core of the arrow. We will be able to stabilize the entire structure and achieve the target on the right-hand side by expanding and making this core solid. The developing of structured finance in I means expanding it to new structures and asset classes that were not handled before the MTS.

We will diversify the structured finance business through this.

The promotion of the joint investment business with institutional investors in II will originate transactions with new features backed by the funds of institutional investors. This strategy too aims to develop sales methods and channels under a new structure such as the fund business and a distribution method incorporating ESG elements.

P4

Please move to Slide 4.

I will explain our Group organizational structure for promoting the three strategies.

The divisions colored in blue are divisions dedicated to assets for promoting structured finance. Our advantage is providing various types of finance with many dedicated divisions/departments.

The organizations colored in green are organizations in the Institutional Business for promoting sustainable finance. We established the Sustainable Impact Development Division in February last year. The Division is taking the lead in planning, promoting and assessing sustainable finance.

The organizations colored in red constitute a sales structure for institutional investors through syndication, securities, funds and trusts. These organizations will promote the Institutional Investor Business and sustainable finance as one team.

Please see the next slide.

P5

This slide shows the progress of the three strategies explained earlier.

The first box is about developing structured finance. The box shows transactions executed and those in the pipeline. Transactions under a new structure and handling new asset classes are increasing steadily, generating track records.

The second box is a track record of the joint investment business with institutional investors. The box too shows transactions that have new features and transactions in the pipeline. The business is progressing steadily even in the COVID-19 crisis. We are developing new initiatives such as ESG-related syndication proactively.

The third box is about sustainability focus.

The box shows a track record of transactions which obtained Shinsei Sustainable Impact Assessment, Shinsei Bank's unique assessment which will be explained later. The Sustainable Impact Development Division has just been established in February last year but made a good start. Finance for ESG assets other than those that obtained our unique assessment is expanding, as well.

P6

On Slide 7 and subsequent slides, I will elaborate on the three strategies.

First of all, I will share with you our four products for developing structured finance.

P7

Slide 7 is about project finance.

As highlighted in gray, project finance has been financing solar power plants, biomass power plants and offshore transmission cables since before implementing the MTS. During the MTS period, we are developing new asset classes as highlighted in blue and new finance schemes.

As a result of these efforts, we are ranked 5<sup>th</sup> in the league table for renewable energy project finance in 2020 and in the APAC.

Please see the charts on the bottom left and bottom center.

The charts show the origination amount of domestic project finance and the accumulated amount of target assets. The initiatives we have taken and the entire project finance continue to grow. In addition, the origination of transactions targeting wind power plants and infrastructure funds, asset types we have particularly been focusing on in renewable energy assets, is increasing.

The chart on the bottom right indicates the breakdown of domestic project finance by attribute.

Solar power generation projects represent about 70% of the origination amount of domestic project finance, but other projects are also steadily growing.

As new initiatives in domestic project finance, we will proactively work on new assets such as offshore wind power generation projects and geothermal power generation projects and on mezzanine finance.

We have mainly been participating in overseas transactions to learn new asset types, but we have started distribution of asset types of which we have accumulated knowledge for institutional investors.

We are also promoting digital infrastructure transactions as a new asset type for overseas project finance.

We will further develop project finance responding to the development of social infrastructure in Japan through our experience in financing advanced asset types overseas.

Let me continue.

P8

Slide 8 is about real estate finance.

As described the area highlighted in gray, since the establishment of Shinsei Bank, the real estate finance business has been granting many finance transactions, centered on non-recourse loans for offices, residences and hotels, etc.

as one of the Bank's core businesses.

In the MTS period, we are expanding financing high-spec logistics facilities, data centers, student dormitories and green properties as new asset types.

The slide does not provide numbers, but the amount of non-recourse loans granted for green properties that have obtained an external certification totaled 77.5 billion yen.

Please see the chart on the right-hand side.

The chart shows the amount of loans for high-spec logistics facilities that draw strong attention of institutional investors. Many logistics facilities obtain a green property certification when they are developed. Loans for green properties are likely to continue to grow. Even though the environment is changing drastically, we will also proactively promote loans for the asset types shown on the bottom right whose market is expanding.

Please see the next slide.

P9

On Slide 9, I will explain our initiatives in ship finance.

In ship finance, we will continue to promote developing financing schemes and structures responding to diversified customer needs and demand of institutional investors in the shipping industry.

Please see the chart on the right-hand side.

The balance of loans for scrubber-fitted ships and dual-fuel ships, environment-friendly assets is growing. Through financing shipowners and operators working on lower carbon footprints, we will support the transition of the shipping industry for its sustainable future.

We will consider financing ships using next-generation fuels such as hydrogen and ammonium.

Please see the next slide.

P10

On Slide 10 I will explain our health care finance initiatives.

In 2004, Shinsei Bank became a pioneer in granting non-recourse loans to nursing care facilities such as paid nursing homes and assisted living residences. In 2010, the Bank established the Healthcare Finance Division which specializes in financing nursing care and medical sectors. We have since been working on various initiatives, from asset finance and M&A advisory to corporate finance for medical corporations and nursing care operators.

The chart on the right-hand side indicates the steady growth of the healthcare non-recourse loan balance.

In addition, as shown in the “Topic” section at the bottom, we originated Shinsei Social Non-recourse Loans in FY2020. The loans include the first non-recourse loan in the sector targeting an integrated facility for medical and long-term care.

We are continuing to take on a challenge of originating finance for new healthcare asset.

P11

Next, I will elaborate on the progress of the joint investment business with institutional investors, our second strategy.

p.12

Please see Slide 12.

The Institutional Investor Business diversifies distribution methods such as syndication of sustainable finance and project bonds, in addition to traditional syndication.

Adding project bonds allows us to approach investors who prefer not only loans but also marketable securities.

As shown in the “Topic 1” at the bottom, we have also launched a mezzanine joint investment scheme targeting the renewable energy business.

Thanks to these initiatives, as shown in the chart on the right-hand side, distribution has steadily expanded, and the number of client companies is also increasing.

We will continue to expand origination of large transactions and distribution of sustainable finance by diversifying sales methods and expanding the sales network.

P13

Next, I will explain the progress of sustainability focus, our third strategy.

P14

Please see Slide 14.

As highlighted in gray, before the implementation of the MTMS, divisions and branches used to handle sustainable finance individually. We have therefore been building during the MTS period a framework for taking organizational actions.

We established the Sustainable Impact Development Division in February last year. The Division plays a key role in promoting sustainable finance in institutional business sections. After establishing the Division, we are promoting our initiatives steadily, including adopting and complying with the Equator Principles and launch of sustainable finance products by building finance frameworks.

In addition, as shown on the topic at the bottom, we are organizing a structure for enhancing sustainability

management on a Group-wide basis.

Please see the next slide.

P15

On this slide I will explain Shinsei Bank's sustainable finance frameworks.

Shinsei Bank has established in May last year Shinsei Green Finance Framework, Shinsei Social Finance Framework and Shinsei Sustainability Finance Framework to support customers' initiatives contributing to solving environmental and social problems.

We have prepared frameworks for supporting sustainability initiatives based on the criteria we created, centered on the "agreement and dialogues" with borrowers, in addition to frameworks focusing on the consistency with the Principles. The Sustainable Impact Assessment Department checks the adaptability to the frameworks.

We have four products including Shinsei Green Loan as products complying with the Principles based on these frameworks.

We also provide Sustainable Impact Capital Loan which assesses loans based the criteria created by Shinsei Bank, centered on the agreement and dialogues with the borrower.

The next slide explains the track record of the products.

P16

Since we launched the product in May last year, we have executed seven Shinsei Sustainable Impact Finance transactions by the end of last year.

Shinsei Green Loan has executed four transactions totaling 18 billion yen financing on-shore wind power, solar power and biomass power plants. Shinsei Social Loan has executed three transactions totaling 5 billion yen, financing elderly facilities, etc.

We also started to provide since November last year Sustainable Impact Capital Loans which incorporate ESG elements into capital loans and have started dialogue with multiple customers.

We want to continue to develop sustainable finance proactively with the combination of these products.

Please see the chart on the right-hand side.

We have been developing finance for renewable energy, healthcare and ESG assets targeting green properties during the Medium-Term Strategies. However, you can see that they have further expanded.

Please move to Slide 18.

P18

This slide summarizes today's presentation.

The three business strategies are progressing steadily. We will continue to create opportunities for further growth.

We will connect the loan assets diversified by developing structured finance with the joint business with institutional investors and will accelerate this trend.

Furthermore, we will seek further development of the three business strategies by adding sustainable finance to these frameworks.

This concludes my presentation about the Institutional Investor Business.

Thank you for your attention.

(End)