



Business and Financial Highlights

First Half Ended September 30, 2018

Shinsei Bank, Limited
November 2018



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Key Points

1 Ordinary Business Profit (OBP): JPY 43.7 billion (48% progression)

- Total revenue: JPY 114.7 billion (48% progression toward full year projection)
- Expenses: JPY 70.9 billion (49% progression toward full year projection)
 - ✓ Expense-to-Revenue Ratio: 61.9%

2 Net Income : JPY 27.6 billion (53% progression)

- Net credit costs: JPY 14.4 billion (42% progression toward full year projection)
- OBP after Net Credit Costs: JPY 29.3 billion (51% progression toward full year projection)
- Gain from reversal of gray zone reserve : JPY 1.7 billion

3 Progress in the Growth Areas

- Unsecured Loan: Revision of website navigation and a new campaign contributed in improved performance in Lake ALSA
 - ✓ New customer acquisition: 26K in 2Q (23K in 1Q), Approval rate: 29.5% (28.9% in 1Q)
- Structured Finance: Asset balance grew at 9% from September 2017
 - ✓ Newly committed transactions momentum continues to be satisfactory in project finance

1H FY2018 Financial Results Summary

(Unit: JPY billion; %)

Consolidated	17.4-9 (Actual)	18.4-9 (Actual)		18.4-19.3 (Plan)	
		YoY % B(+)/W(-)	Progress %		
Total Revenue	115.9	114.7	-1	48	236.5
Net Interest Income	64.1	66.3	+3		
Noninterest Income	51.7	48.3	-7		
Expenses	-71.6	-70.9	+1	49	-144.5
Ordinary Business Profit (OBP)	44.2	43.7	-1	48	92.0
Net Credit Costs	-19.8	-14.4	+27	42	-34.0
OBP after Net Credit Costs	24.3	29.3	+21	51	58.0
Others	0.7	-1.6	n.m.	27	-6.0
Income Tax, etc.	-1.8	-1.8	0		
Net Income	25.1	27.6	+10	53	52.0

Points

Total Revenue: YoY-1%

- ◆ Net Interest Income: YoY+3%
- ◆ Noninterest Income: YoY-7%

Expenses: YoY +1%

- ◆ Expense-to-revenue ratio: 61.9%
(1H FY2017: 61.8%)

OBP: YoY-1%

Net Credit Costs: YoY+27%

- ◆ Structured Finance : JPY 3 billion (reversal)
- ◆ APLUS FINANCIAL : JPY 8.1 billion (provision)
- ◆ Unsecured Loans : JPY 8.3 billion (provision)

OBP after Net Credit Costs: YoY+21%

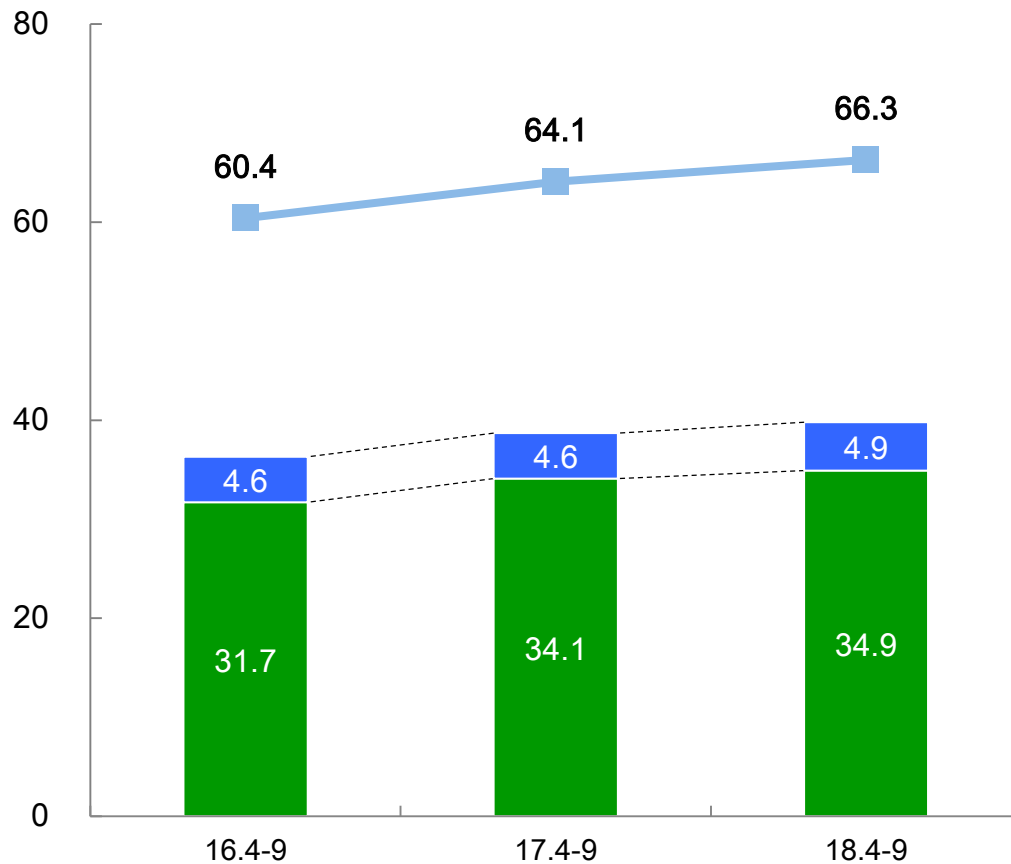
Others:

- ◆ Reversal of gray zone reserve: JPY 1.7 billion

Financial Update: Net Interest Income

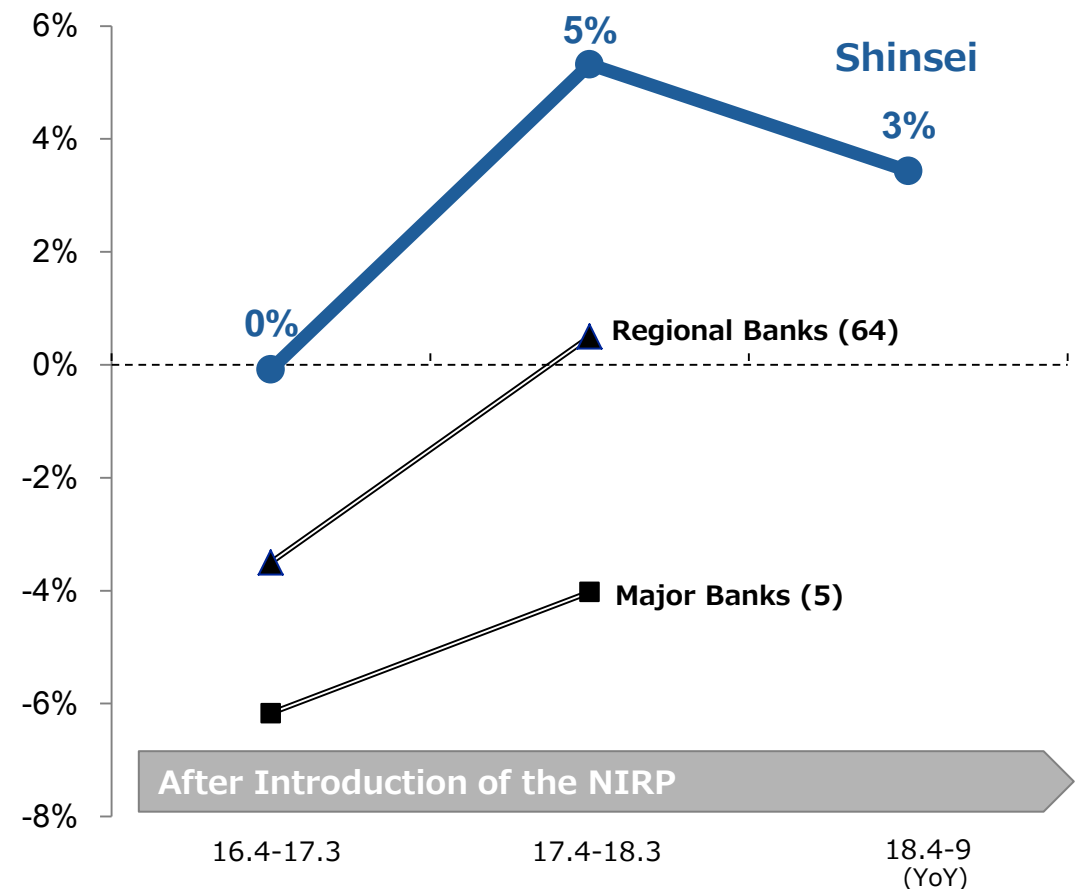
(Unit: JPY billion)

- Net Interest Income
- Of which, Structured Finance
- Of which, Unsecured Loans
(Lake Businesses, NOLOAN, Shinsei Bank SmartCard Loan Plus)



Net Interest Income YoY Comparison

■ Shinsei's net interest income has shown steady growth despite introduction of the Negative Interest Rate Policy (NIRP)

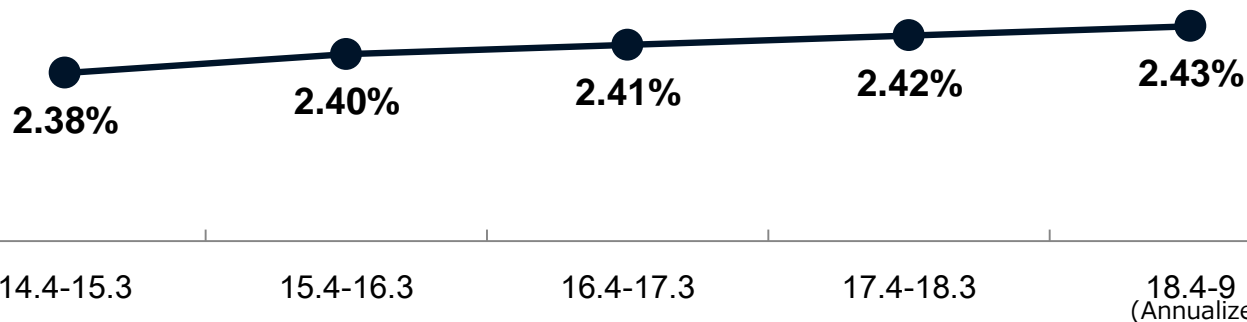


(Source) Regional Banks joining Regional Banks Association of Japan (nonconsolidated basis):
 Compiled based on disclosures of Japanese Bankers Association
 Major Banks (consolidated basis): Based on disclosures of each bank

Financial Update: Net Interest Margin(NIM), Yield on Interest Earning Assets, Funding Costs

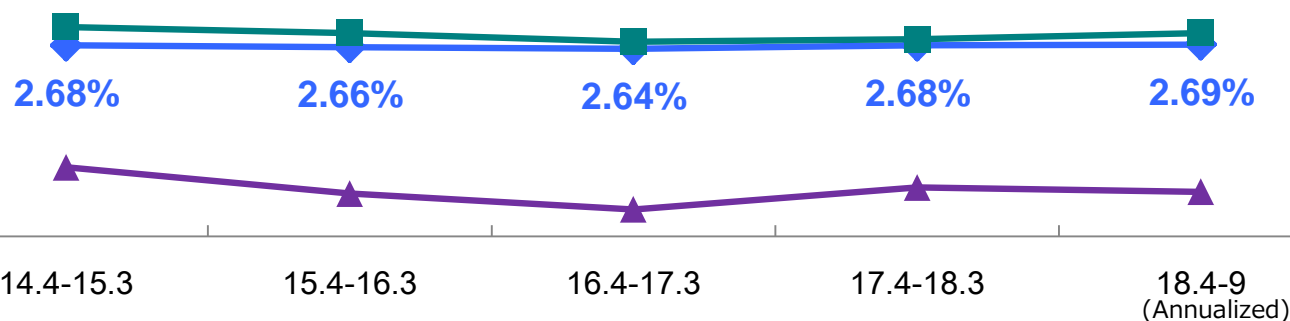
(Unit: %)

Net Interest Margin¹



■ NIM has continuously improved despite the NIRP environment

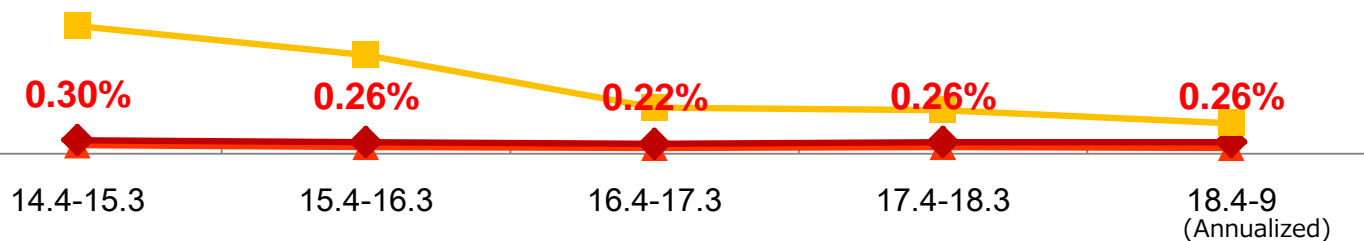
Yield on Interest Earning Assets



■ Yield on interest earning assets bottomed out in 16.4-17.3 and loan yield has been up of late

■ Yield on Loans and Bills Discounted
 ◆ Yield on Interest Earning Assets¹
 ▲ Yield on Securities

Funding Costs



■ Overall funding cost remains stable and at a low level, reflecting redemption of subordinate bonds and low level of deposits cost

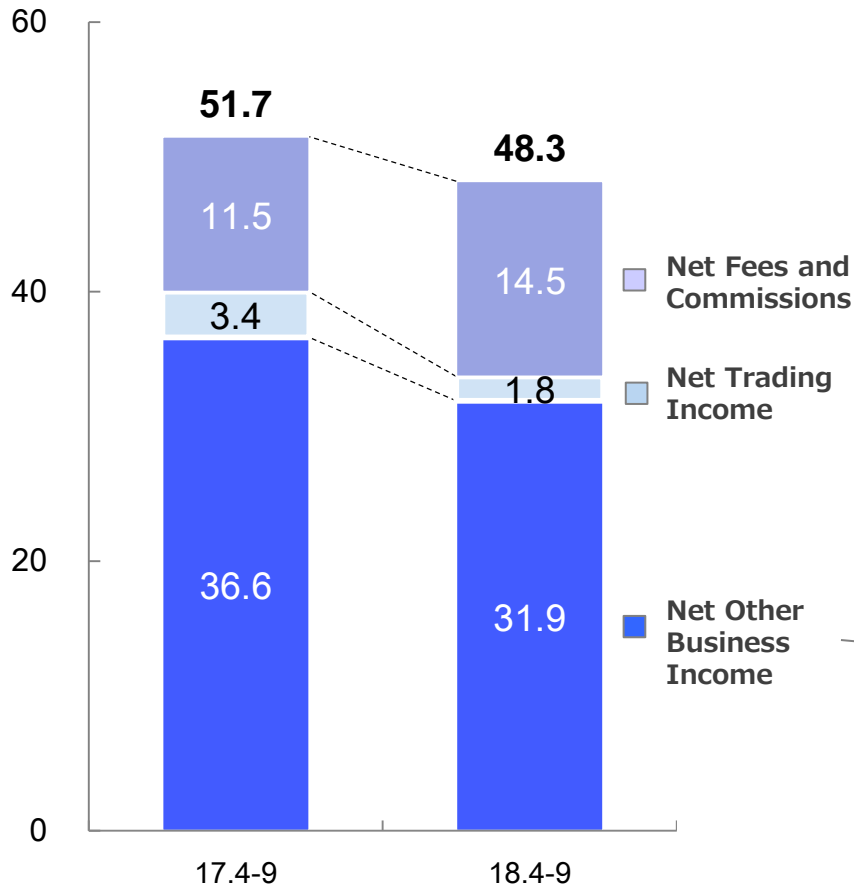
■ Rate on Corporate Bonds
 ◆ Rate on Interest Bearing Liabilities
 ▲ Rate on Deposits, including NCDs

¹ Includes income on leased assets and installment receivables

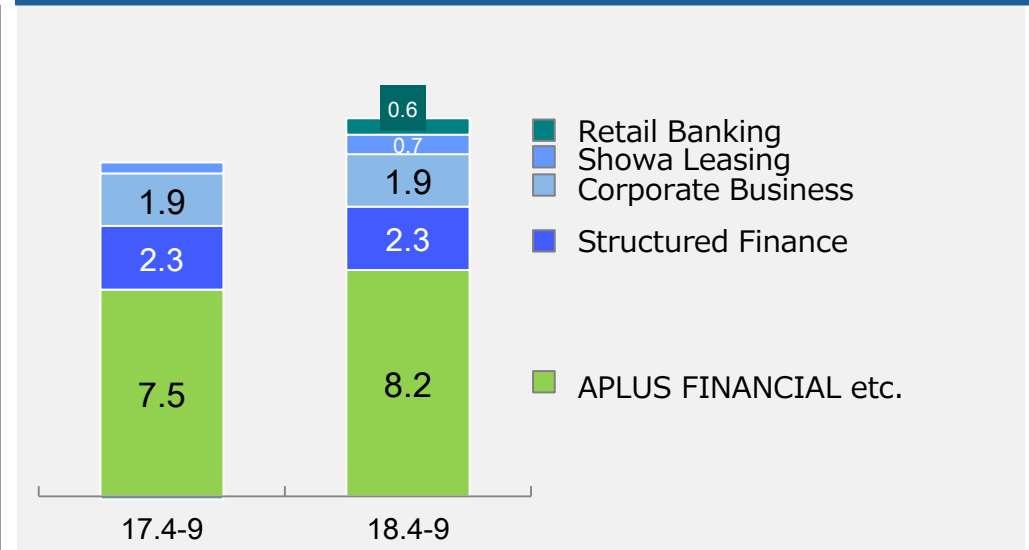
Financial Update: Noninterest Income

(Unit: JPY billion)

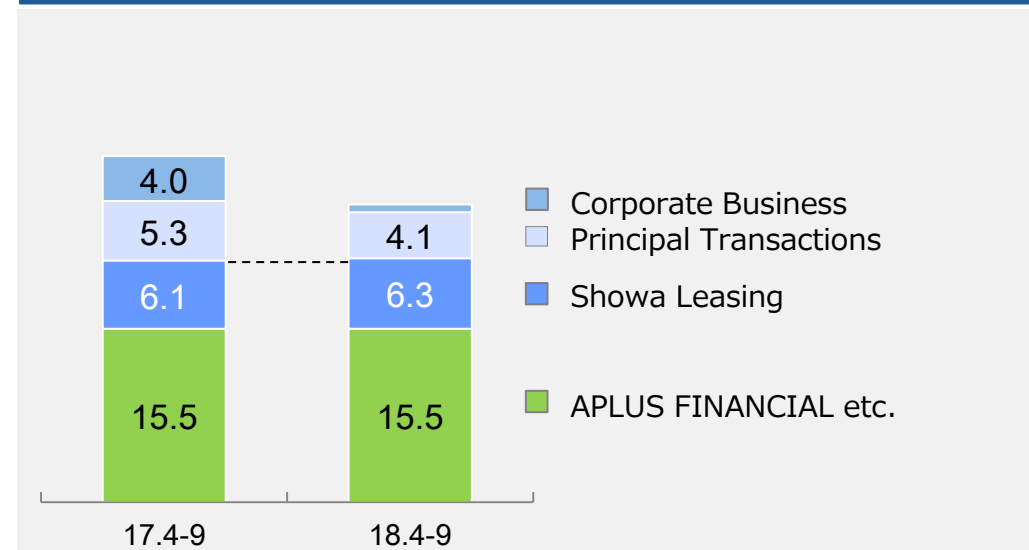
- **Net fees and commissions:** increase in fee income in APLUS FINANCIAL and Retail Banking
- **Net trading income:** decrease in derivative related income in Global Markets Business
- **Net other business income:** reflecting absence of a large gain on equity sales recorded in 2017.4-9



Net Fees and Commissions: Major Segments

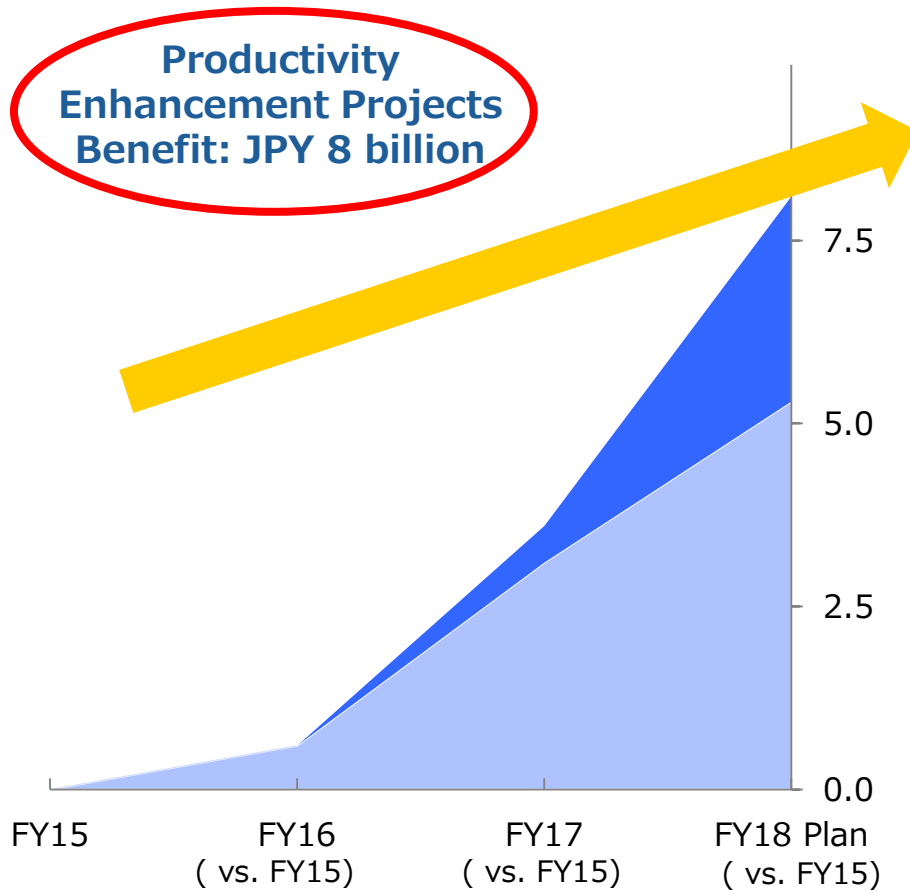


Net Other Business Income: Major Segments



Productivity Enhancement

(Unit: JPY billion)



- Productivity enhancement projects benefit additionally expected
- Productivity enhancement projects benefit originally expected

**Projects Total Investment for 3 years:
JPY 3.5 billion**

Measures Toward FY18 Plan

- ✓ **Solid progress toward FY18 benefit plan**
- ✓ **Optimizing earnings structure of Retail Banking**
 - Revised ATM fee table in “Shinsei Step Up Program” in October
 - Commenced initiatives for productivity enhancement such as new CRM, area management system of branches, etc.
- ✓ **Streamlining operation in call centers**
 - Developed on-line system and automation system of the operation such as online password resetting via internet banking etc.
- ✓ **Optimizing branch channels**
 - Bank: branch closure (2), call center relocation (1)
 - Lake : closure of branches (24), new branches (9)
 - Showa Leasing: consolidation with the Bank’s offices (2)
- ✓ **Consolidating head office function and enhancing technology**
 - Expanding common platform: HR evaluation system, consolidation of compliance program
 - Creating benefit of 13% FTE¹ of employees in the head office function
 - Enhancing FTE reduction by automating operations including RPA² in APLUS, Showa Leasing and Shinsei Financial

Measures Toward FY19 and beyond

- ✓ **Realigning the Group’s offices in Tokyo area**
 - Consolidating the Group’s offices to reduce costs
 - Streamlining operation by shifting from entity-wide organization to function-wide organization format

¹ Full Time Equivalent

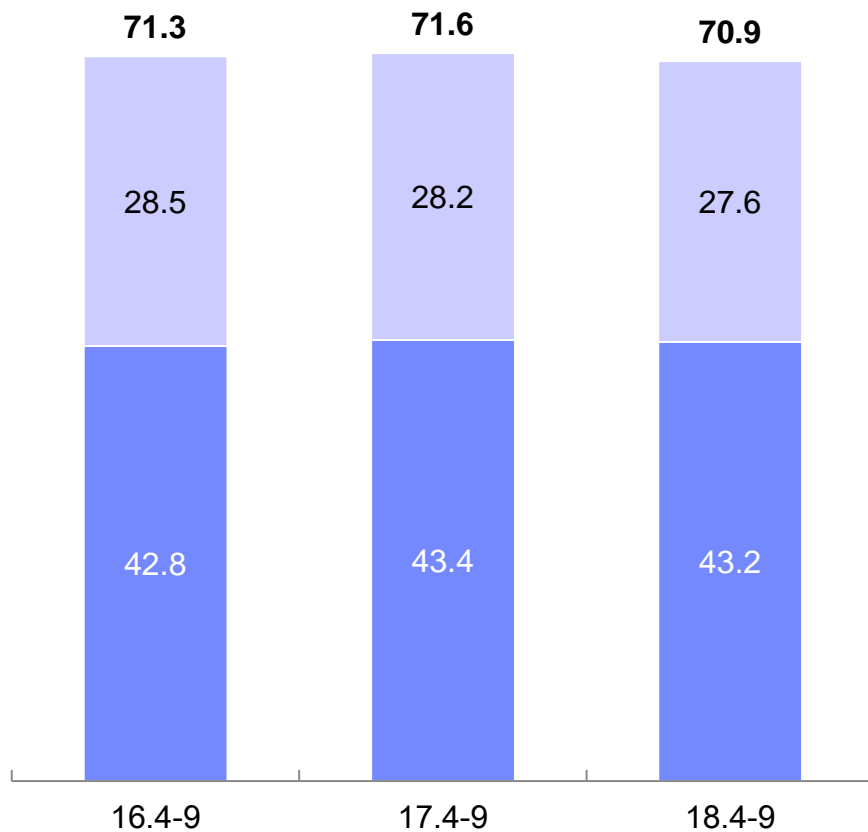
² Robotics Process Automation

Financial Update: Expenses, Expense-to-Revenue Ratio

(Unit: JPY billion)

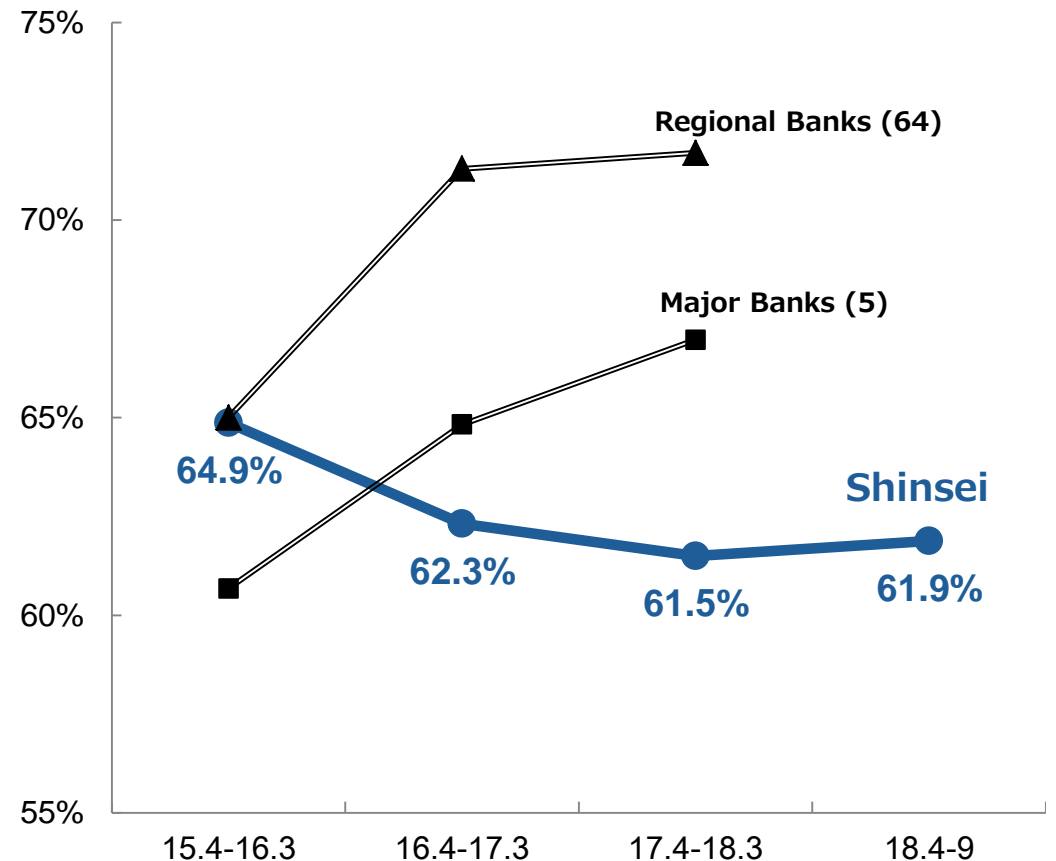
Expenses

- Personnel Expenses
- Nonpersonnel Expenses



Expense-to-Revenue Ratio Trend

- Shinsei's expense-to-revenue ratio is trending downward
- Increase in expenses for top line growth has been offset by benefits from productivity enhancement projects to bring the total expenses under control



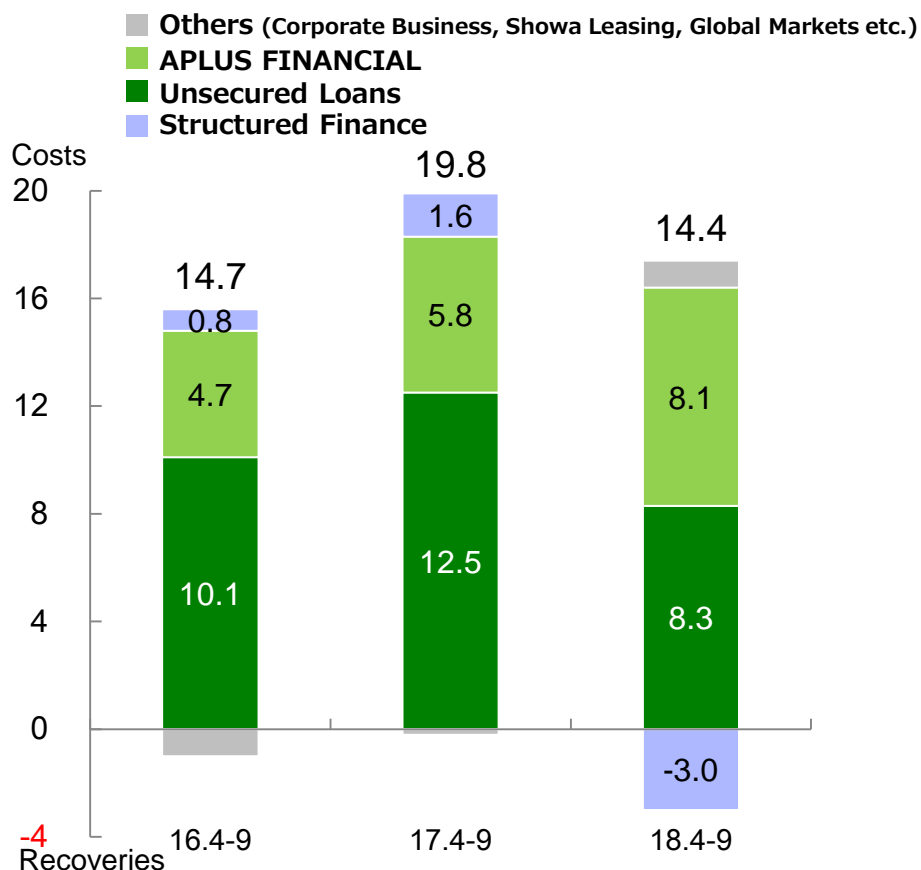
(Source) Regional Banks joining Regional Banks Association of Japan (nonconsolidated basis): Compiled based on disclosures of Japanese Bankers Association
Major Banks (consolidated basis): Based on disclosures of each bank

Financial Update: Net Credit Costs

(Unit: JPY billion)

Net Credit Costs

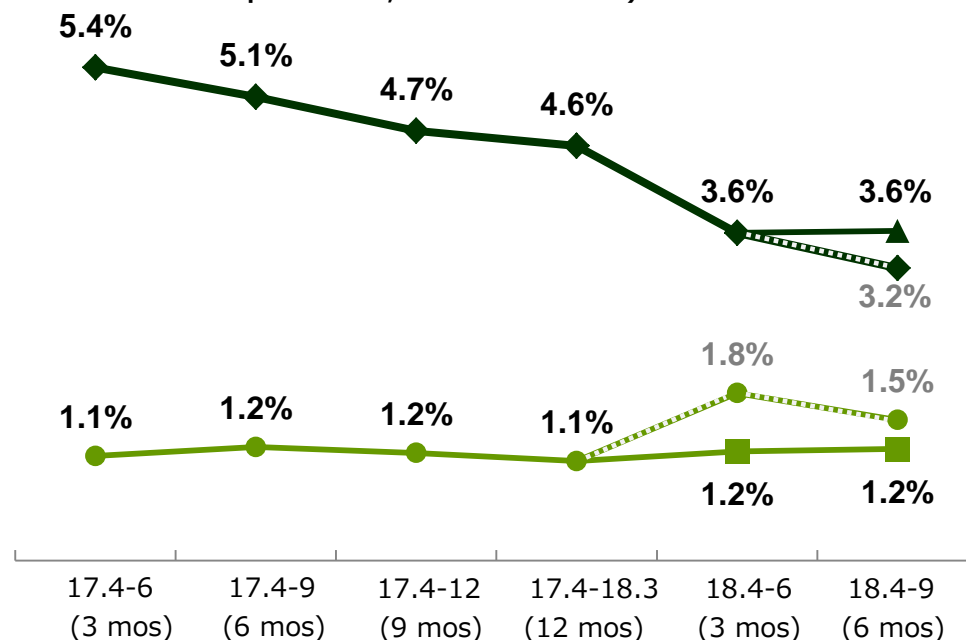
- In Structured Finance, net credit costs recoveries were recorded due primarily to calculation of general reserve for loan losses in accordance with growth of portfolio including project finance transactions etc.
- In APLUS FINANCIAL, increase in net credit costs reflects provisioning related to a bulk sale of delinquent loans in the 1QFY2018



Net Credit Costs Ratio: Consumer Finance

- Net credit costs ratio of the unsecured loans was down to 3.2%, reflecting credit recovery from former-Lake portfolio in Shinsei Financial in addition to flattish loan balance
- The ratio excluding the credit recovery was at 3.6%

- ◆ Unsecured Loans: Net Credit Costs Ratio (annualized basis¹)
- ▲ Unsecured Loans: Net Credit Costs Ratio (excluding the write-back gain on reserves of ex-Lake portfolio, annualized basis¹)
- APLUS FINANCIAL: Net Credit Costs Ratio (annualized basis¹)
- APLUS FINANCIAL: Net Credit Costs Ratio (excluding the factor of a bulk sale of delinquent loans, annualized basis¹)

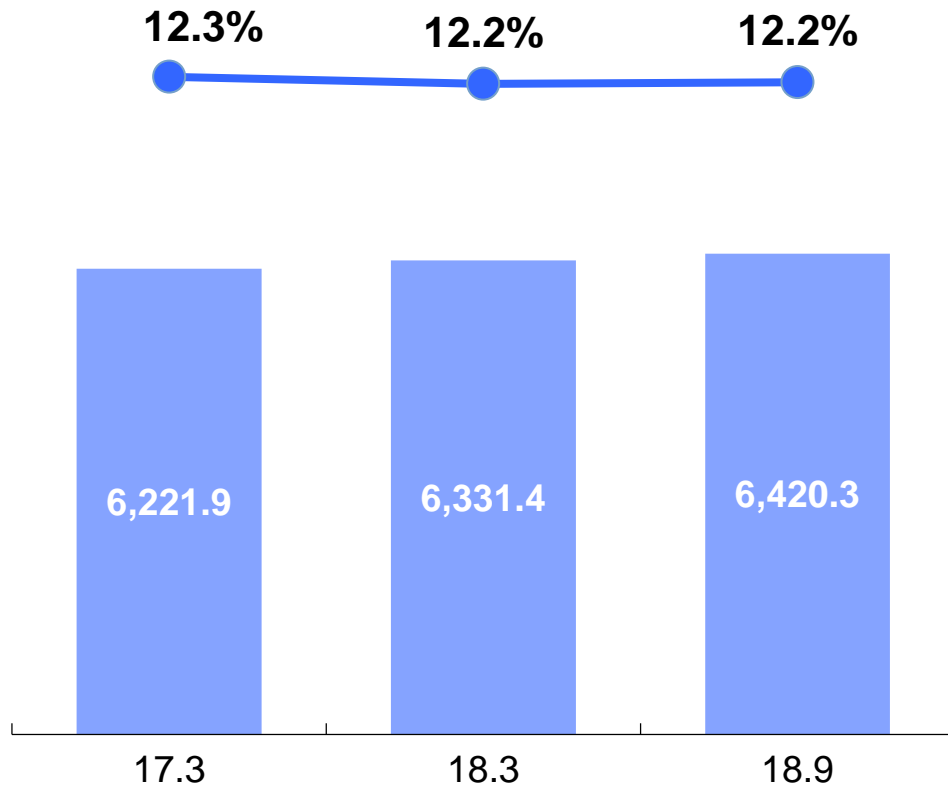


¹ Net Credit Costs Ratio = Calculated by annualizing the following formula :
(Net Credit Costs ÷ Average of Beginning and End of Period Operating Assets Balances)

Financial Update: Capital

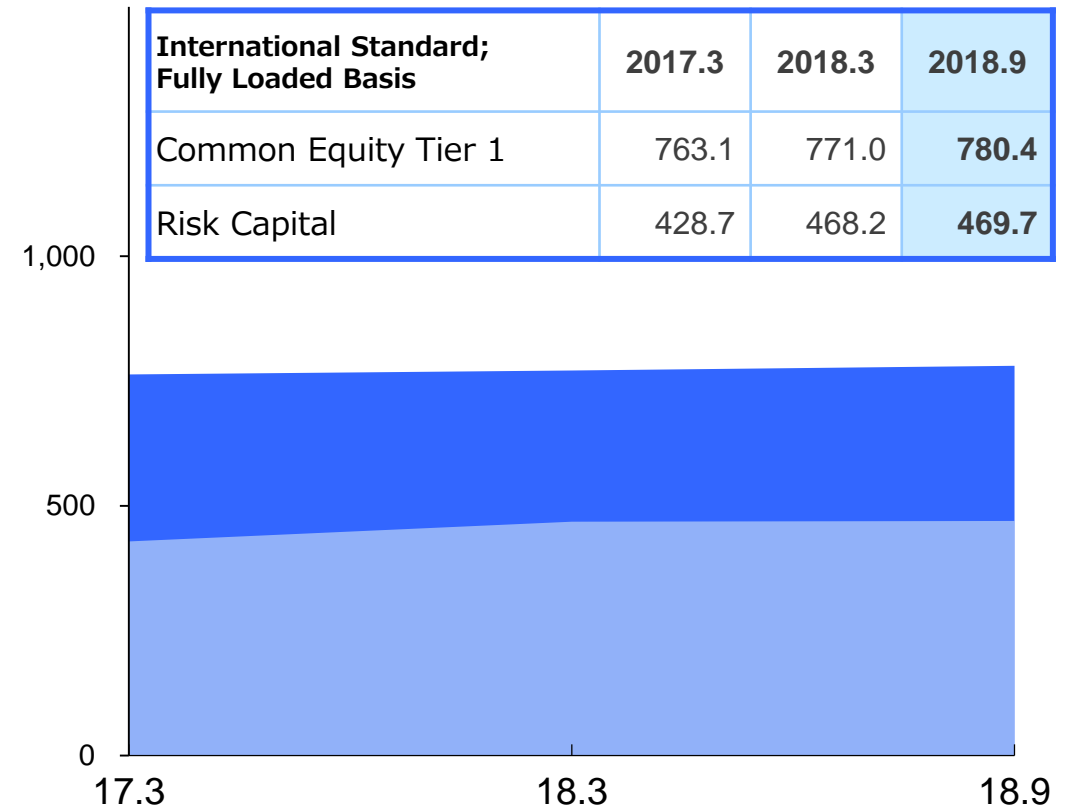
(Unit: JPY billion)

Common Equity Tier1 Ratio



- Common Equity Tier 1 Ratio (International Standard; Fully Loaded Basis)
- Risk Assets (International Standard; Fully Loaded Basis)

Amounts of Capital



- Common Equity Tier 1 Capital (Regulatory Capital)
- Risk Capital

Financial Update: Excess Interest Repayment (Kabarai)

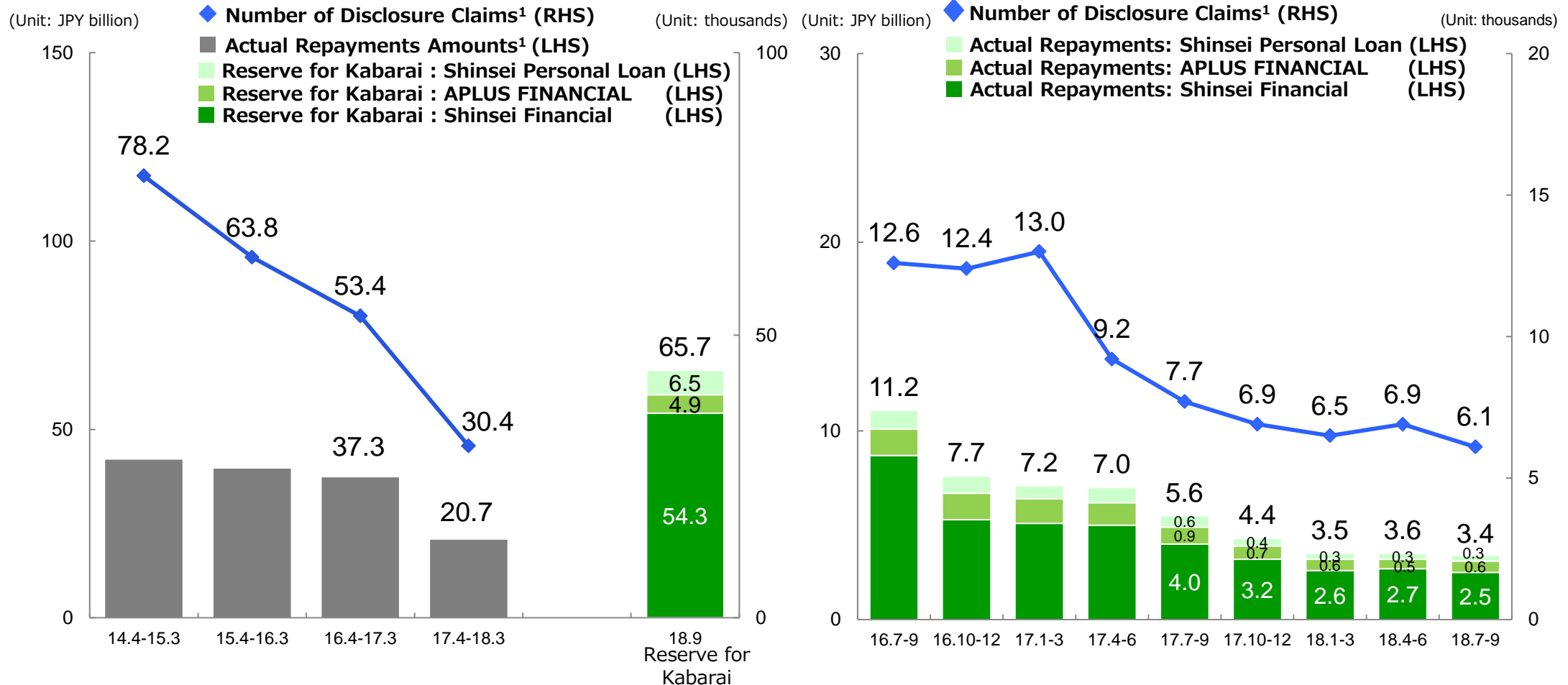
(Unit: JPY billion)

Annual Trend

- Combined reserve coverage ratio based on the total actual payments in 2QFY2018 is 4.8 years (Shinsei Financial: approx. 5 years, APLUS FINANCIAL: approx. 2 years, Shinsei Personal Loan: approx. 5 years)

Recent Quarterly Trend

- The number of disclosure claims and actual repayments decreased in 2018.7-9; increase in 2018.4-6 was due to resumption of advertising activities by certain legal firms



¹ Shinsei Financial, Shinsei Personal Loan and APLUS FINANCIAL combined

Business Update

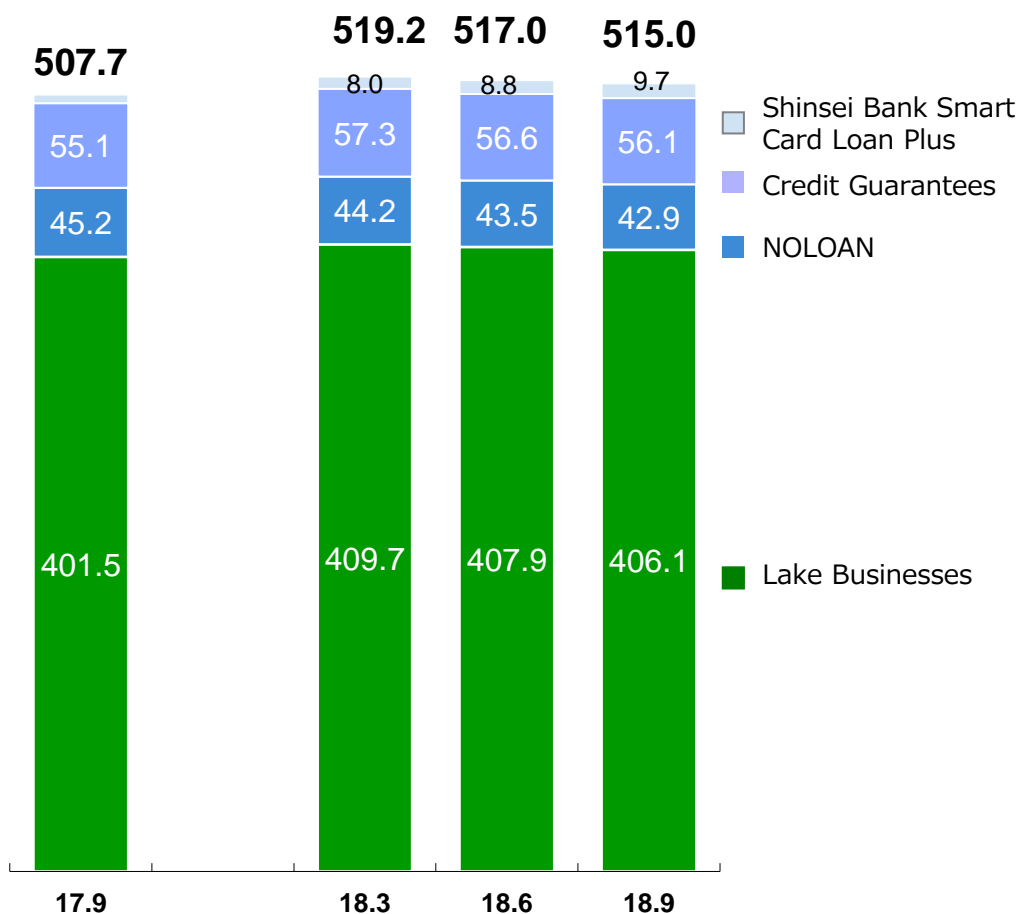


Business: Unsecured Loans

(Unit: JPY billion; %)

Balance

- Unsecured loan balance increased JPY 7 billion from Sep. 2017 but declined JPY 4 billion from Mar. 2018
- It reflected fewer new customer acquisition of Lake ALSA than initial plan

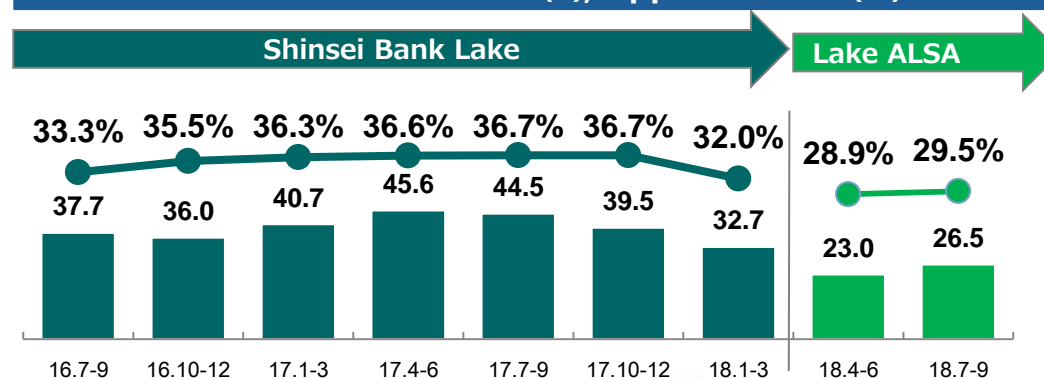


P&L

- Flattish loan balance resulted in decrease in net credit costs and increase in profits by 117%
- New customer acquisition and approval rate have gradually improved through revision of website navigation and "60 days no interests" campaign etc.

Shinsei Financial ¹	17.4-9	18.4-9	YoY % B(+)/W(-)
Net Interest Income	34.1	34.9	+2
of which, Lake Businesses	30.9	32.0	+4
Noninterest Income	-0.1	0.0	n.m.
Total Revenue	33.9	35.0	+3
Expenses	-16.5	-16.4	+1
Ordinary Business Profit (OBP)	17.3	18.5	+7
Net Credit Costs	-12.5	-8.3	+34
OBP after Net Credit Costs	4.7	10.2	+117

Lake: New Customers (κ), Approval Rate (%)



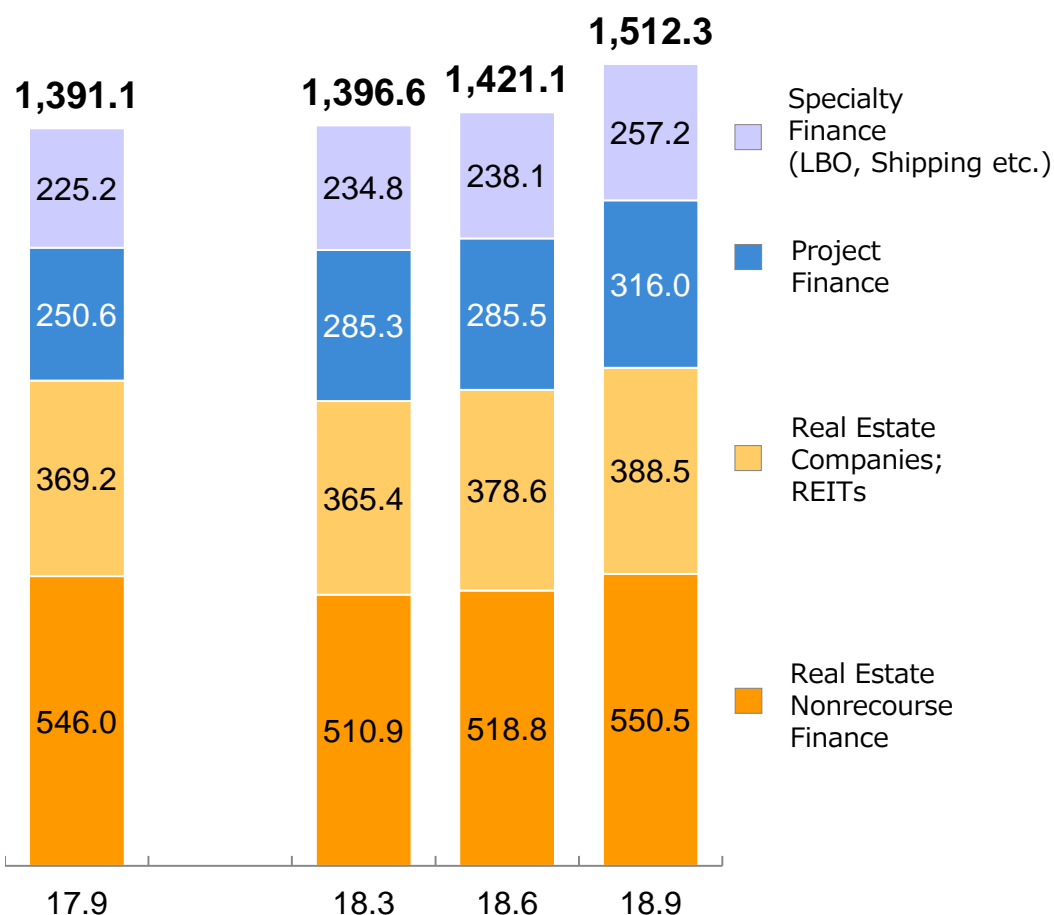
Business: Structured Finance

(Unit: JPY billion; %)

Balance

- Operating assets in structured finance grew at 9% from Sep. 2017 and at 8% from Mar. 2018
- New commitments in project finance increased due mainly to domestic mega solar and biomass projects and overseas wind power project etc.

【Operating Assets】



P&L

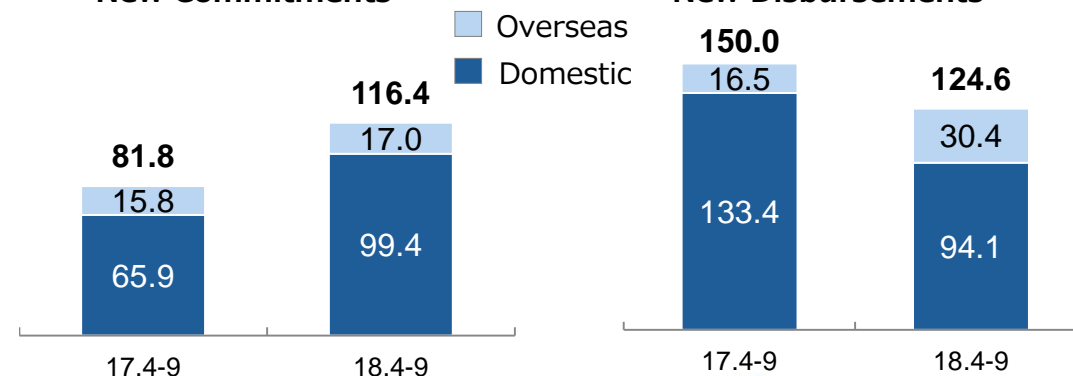
- JPY 3 billion of net credit costs recoveries was recorded due primarily to calculation of general reserve for loan losses in accordance with growth of portfolio including project finance transactions etc.

Structured Finance	17.4-9	18.4-9	YoY % B(+)/W(-)
Net Interest Income	4.6	4.9	+7
Noninterest Income	3.2	3.4	+6
Expenses	-3.4	-3.9	-15
Ordinary Business Profit (OBP)	4.4	4.4	0
Net Credit Costs	-1.6	3.0	n.m.
OBP after Net Credit Costs	2.7	7.5	+178

New Commitments; New Disbursements

Project Finance New Commitments

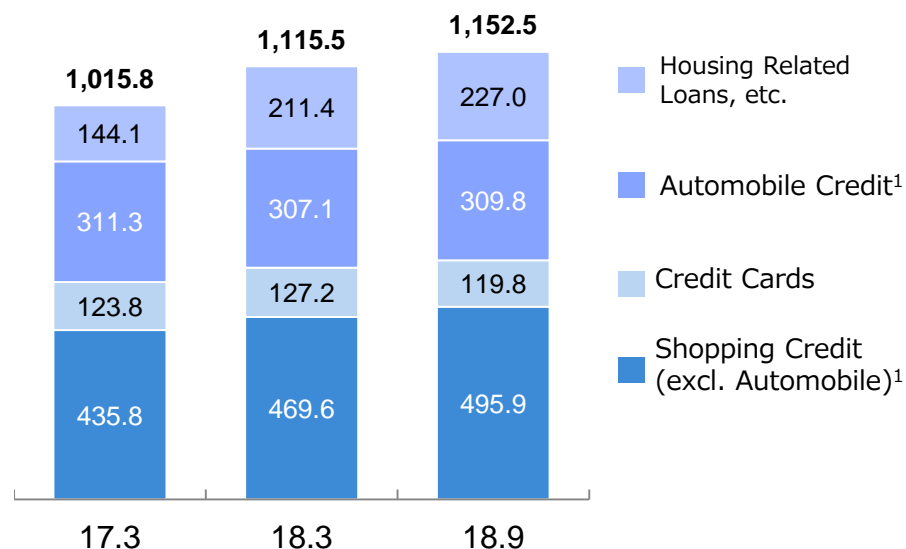
Real Estate Nonrecourse Finance New Disbursements



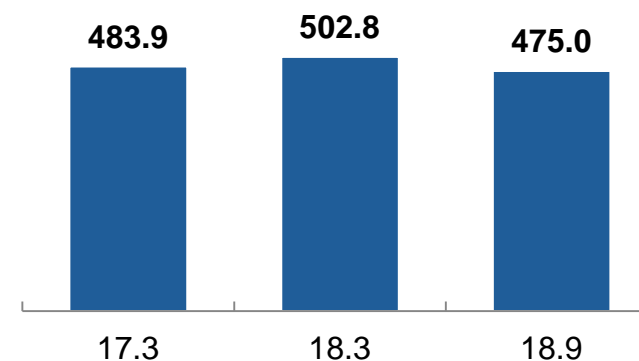
Business: APLUS FINANCIAL, Showa Leasing

(Unit: JPY billion; %)

APLUS FINANCIAL: Operating Assets Balance



Showa Leasing: Operating Assets Balance



APLUS FINANCIAL	17.4-9	18.4-9	YoY % B(+)/W(-)
Net Interest Income	5.5	5.5	0
Noninterest Income	22.3	22.9	+3
Expenses	-18.5	-18.7	-1
Ordinary Business Profit (OBP)	9.3	9.7	+4
Net Credit Costs	-5.8	-8.1	-40
OBP after Net Credit Costs	3.4	1.6	-53

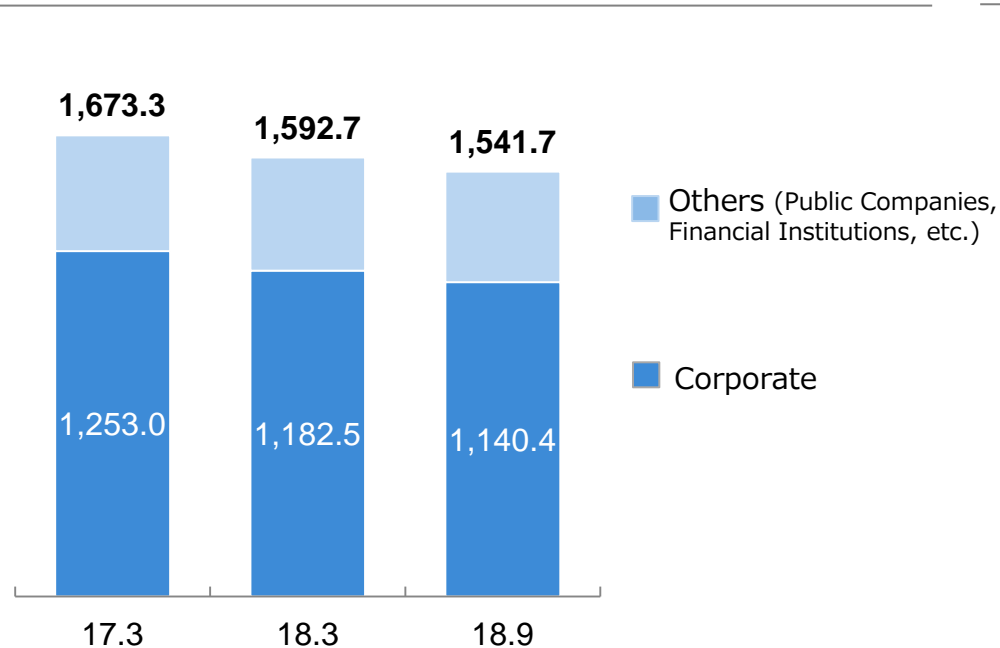
¹ Includes credit guarantees business

Showa Leasing	17.4-9	18.4-9	YoY % B(+)/W(-)
Net Interest Income	-0.0	-0.1	n.m.
Noninterest Income	6.6	7.1	+8
Expenses	-4.1	-4.7	-15
Ordinary Business Profit (OBP)	2.4	2.2	-8
Net Credit Costs	-0.5	0.7	n.m.
OBP after Net Credit Costs	1.8	3.0	+67

Business: Corporate Business, Global Markets

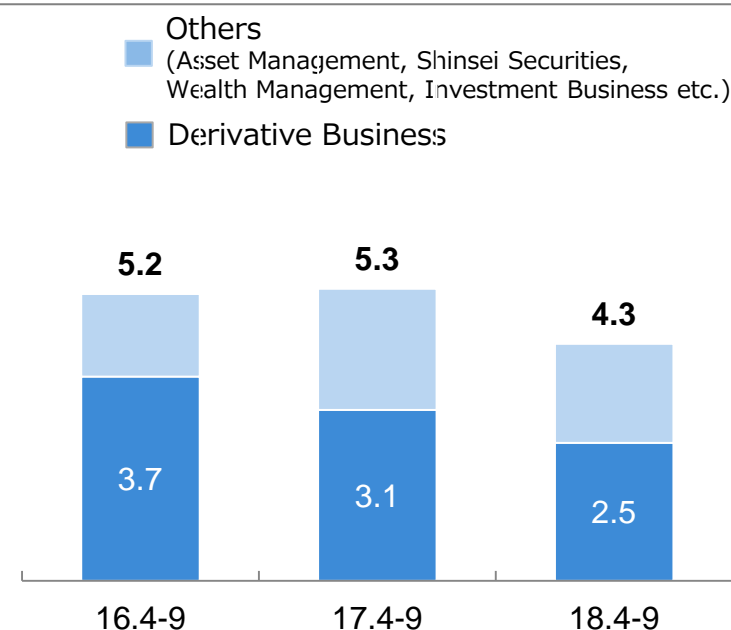
(Unit: JPY billion; %)

Corporate Business: Operating Assets Balance



Corporate Business	17.4-9	18.4-9	YoY % B(+)/W(-)
Net Interest Income	4.9	5.0	+2
Noninterest Income	5.7	2.6	-54
Expenses	-5.9	-5.9	0
Ordinary Business Profit (OBP)	4.7	1.6	-66
Net Credit Costs	0.8	-1.6	n.m.
OBP after Net Credit Costs	5.5	0.0	-100

Global Markets: Revenue from Derivative Business



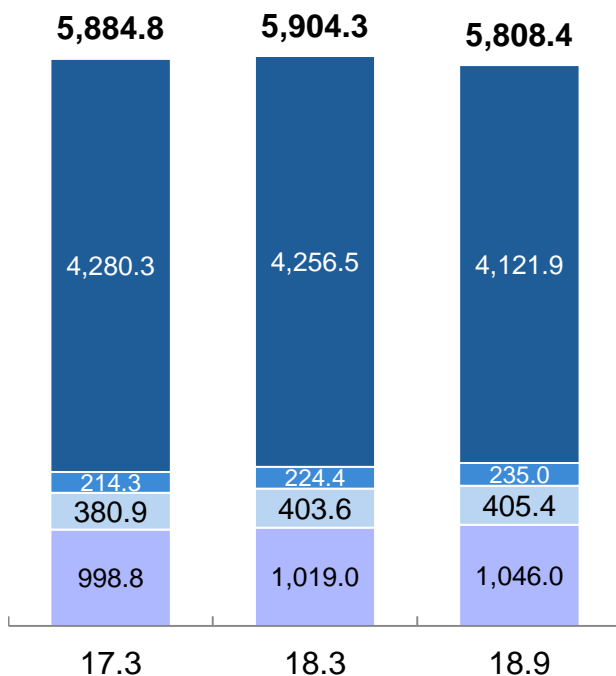
Global Markets	17.4-9	18.4-9	YoY % B(+)/W(-)
Net Interest Income	1.1	0.9	-18
Noninterest Income	4.1	3.3	-20
Expenses	-3.5	-3.5	0
Ordinary Business Profit (OBP)	1.7	0.7	-59
Net Credit Costs	-0.0	-0.0	0
OBP after Net Credit Costs	1.7	0.6	-65

Business: Retail Banking

(Unit: JPY billion; %)

AUM¹: Balance

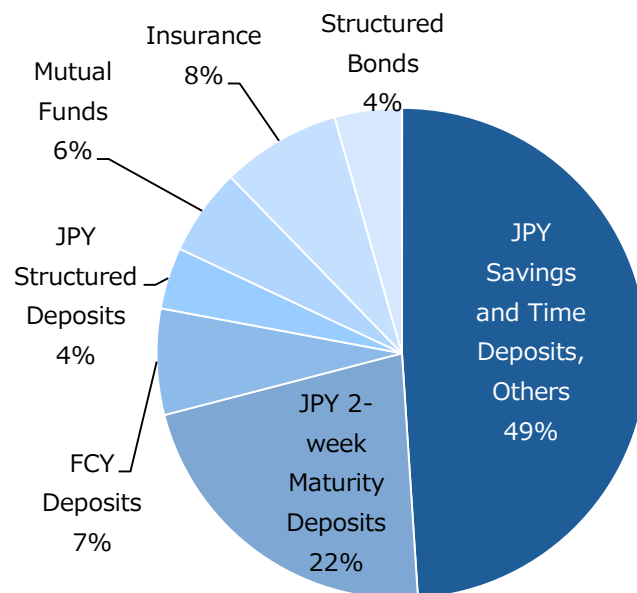
- JPY Deposits
- JPY Structured Deposits
- FCY Deposits
- Asset Management Products
(Mutual Funds, Insurance, Structured Bonds)



¹ Asset Under Management

AUM¹ : % Share

(as of September 30, 2018)



P&L

	17.4-9	18.4-9	YoY % B(+)/W(-)
Retail Banking	17.4-9	18.4-9	B(+)
Net Interest Income	11.2	11.8	+5
of which, from Loans	5.3	5.0	-6
of which, from Deposits, etc.	5.9	6.8	+15
Noninterest Income	0.1	1.0	+900
of which, from Asset Management Products	3.0	3.5	+17
of which, Other fees (Loan origination, ATM, FT, FX etc.)	-2.8	-2.4	+14
Expenses	-14.8	-13.9	+6
Ordinary Business Profit (OBP)	-3.4	-1.0	+71
Net Credit Costs	-0.1	-0.0	n.m.
OBP after Net Credit Costs	-3.5	-1.0	+71

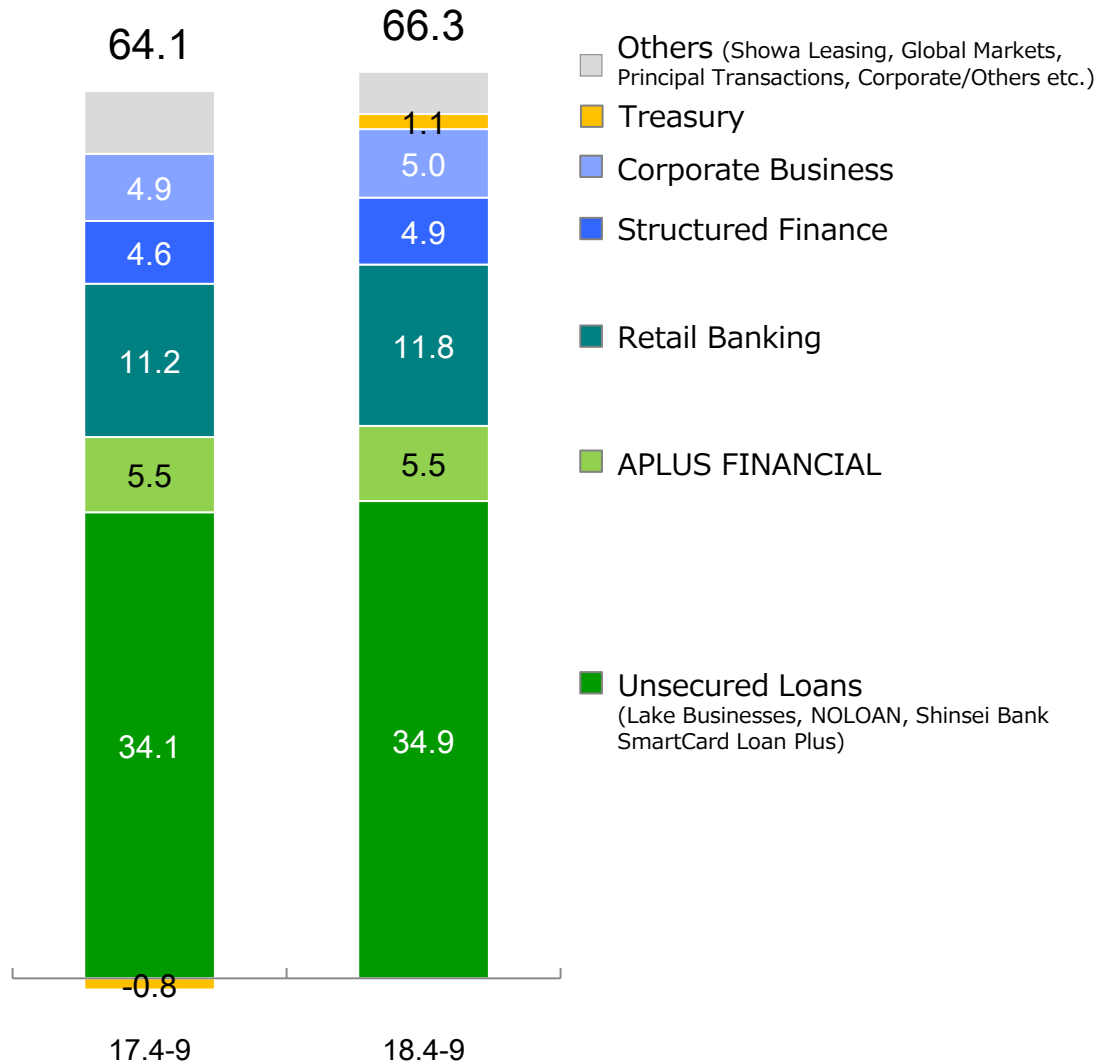
Segment Information



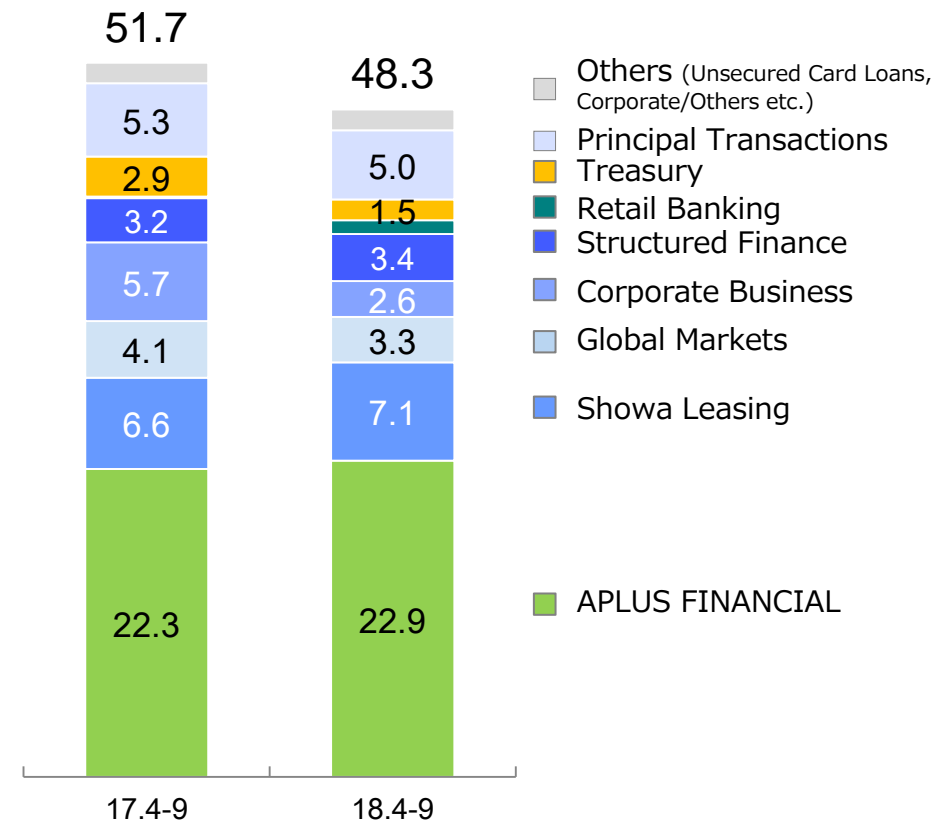
Segment: Net Interest Income, Noninterest Income

(Unit: JPY billion)

Net Interest Income: Segment YoY



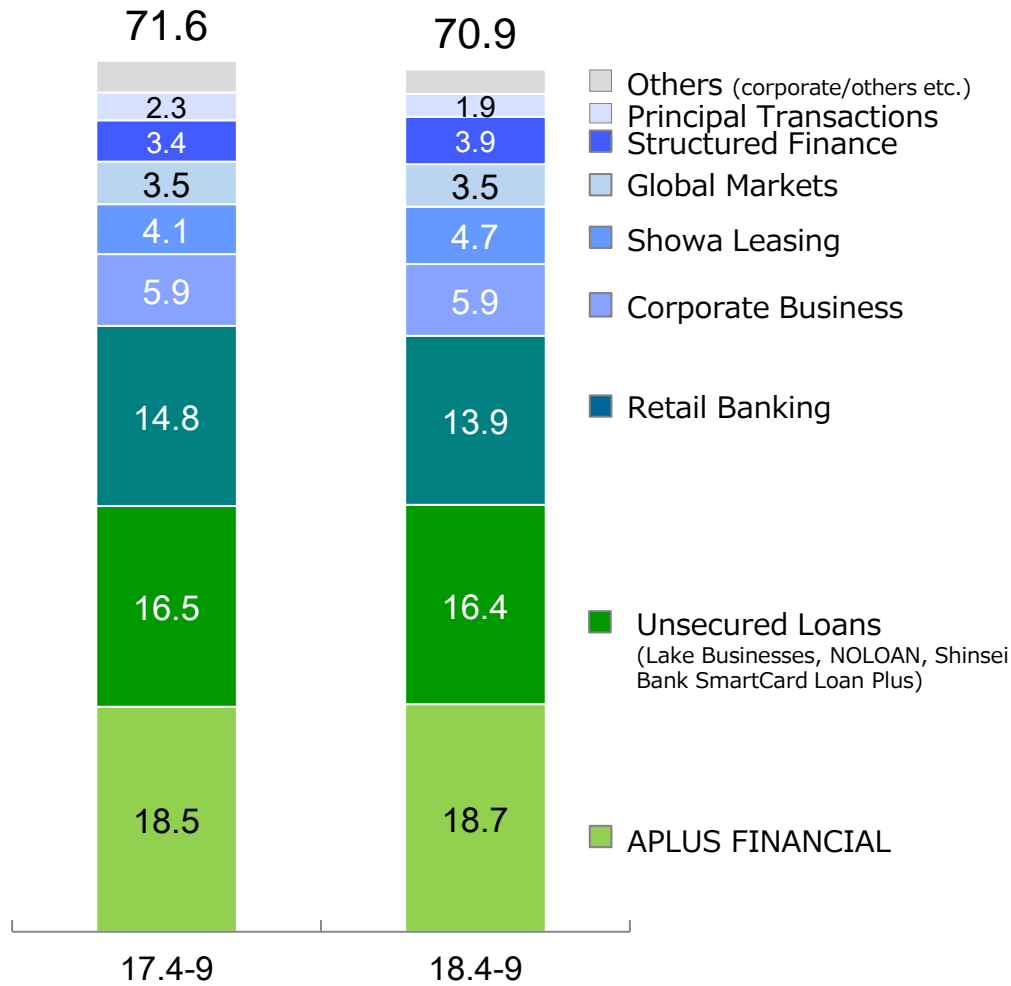
Noninterest Income: Segment YoY



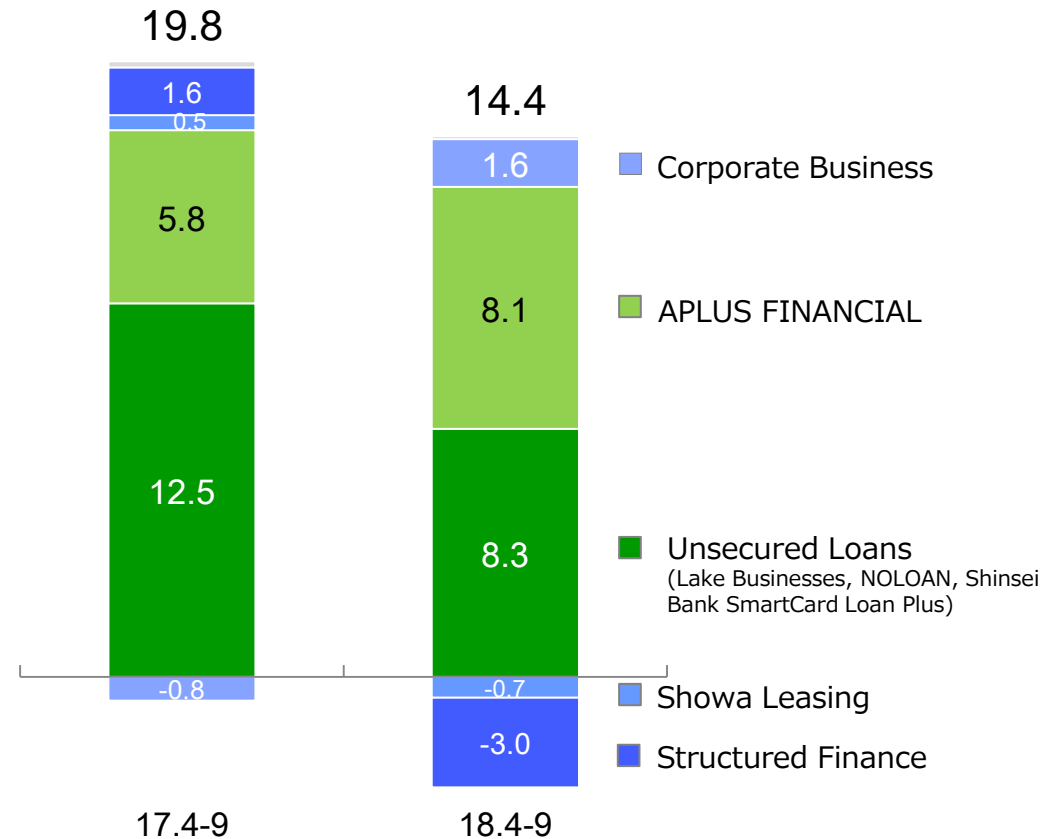
Segment: Expenses, Credit Costs

(Unit: JPY billion)

Expenses: Segment YoY



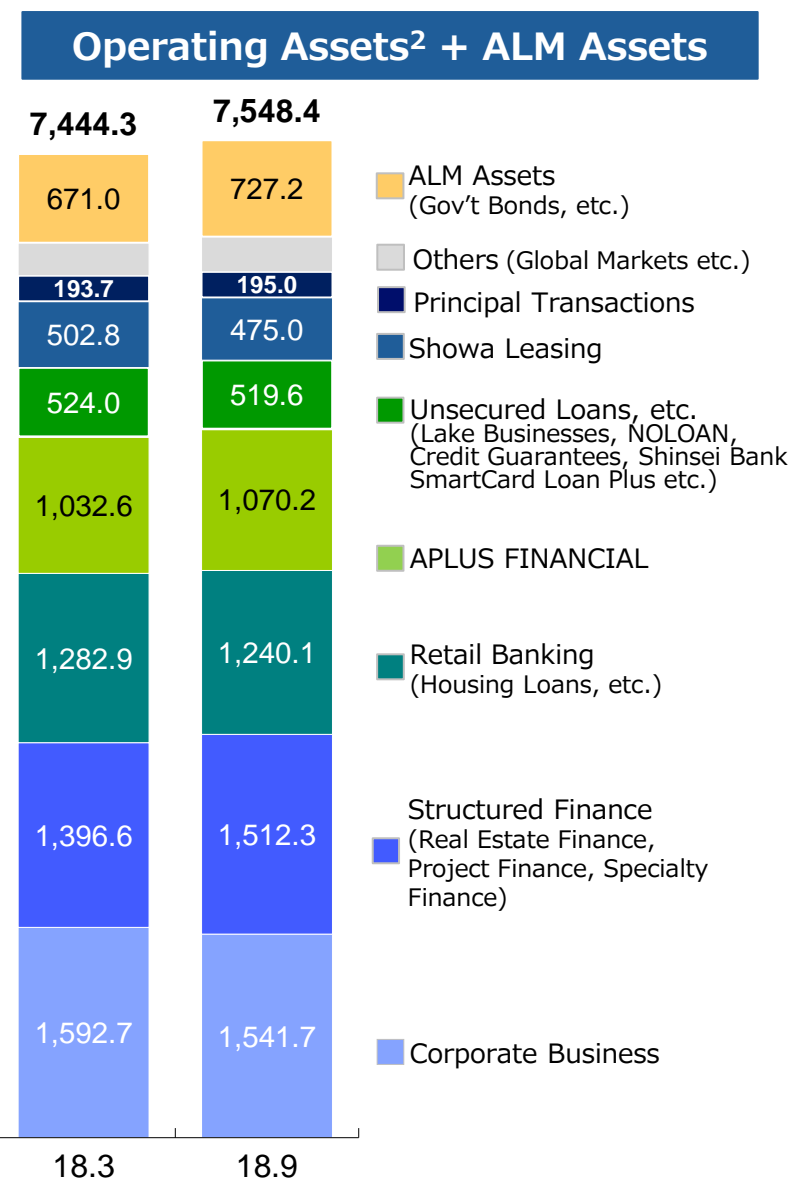
Net Credit Costs: Segment YoY



Segment: P&L and Operating Assets Balance (1HFY2018)

(Unit: JPY billion; %)

Segment	18.4-9 (1HFY2018)		
	Amounts (OBP after net credit costs)	Weight %	ROA ³ % (Reference)
Individual Business	11.0	38	-
Retail Banking	-1.0	-3	-0.2
Shinsei Financial ¹	10.2	35	3.9
APLUS FINANCIAL	1.6	5	0.3
Others	0.2	1	0.8
Institutional Business	15.2	52	-
Corporate Business	0.0	0	0.0
Structured Finance	7.5	26	1.0
Principal Transactions	4.6	16	4.7
Showa Leasing	3.0	10	1.2
Global Markets Business	0.6	2	-
Markets	1.1	4	n.m.
Others	-0.4	-1	n.m.
Corporate/Other	2.2	8	-
Treasury	1.8	6	0.5
Corporate/Other (excluding Treasury)	0.4	1	n.m.
Total (OBP after net credit costs)	29.3	100	0.8



(Note) Costs associated with the funding operations have been allocated to the interest earning businesses on a management accounting basis

¹ Includes Lake Businesses, NOLOAN, Shinsei Bank SmartCard Loan Plus

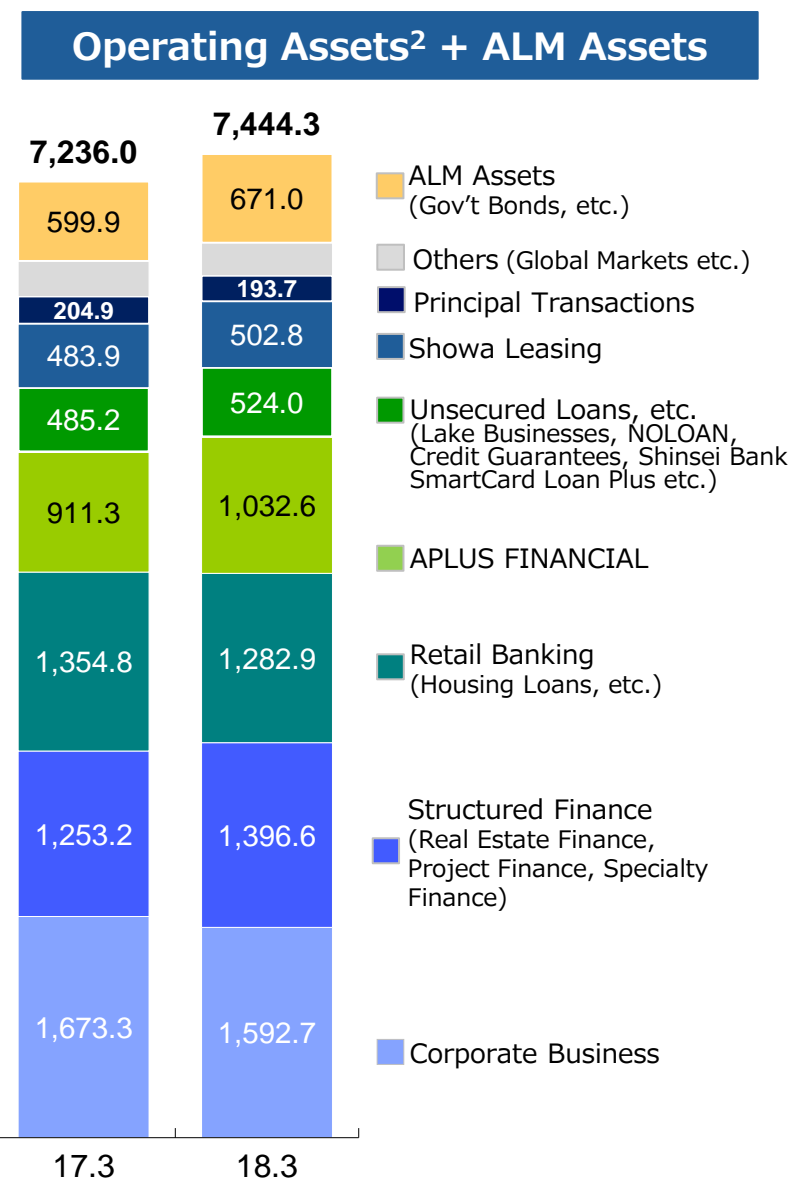
² Includes guarantees not requiring funding (customers' liabilities for acceptances and guarantees)

³ Segment ROA = OBP after net credit costs per segment / average operating assets balance of beginning of term and end of term

Segment: P&L and Operating Assets Balance (FY2017)

(Unit: JPY billion; %)

Segment	17.4-18.3 (FY2017)		
	Amounts (OBP after net credit costs)	Weight %	ROA ³ % (Reference)
Individual Business	19.0	36	-
Retail Banking	-5.8	-11	-0.4
Shinsei Financial ¹	13.7	26	2.7
APLUS FINANCIAL	9.1	17	0.9
Others	2.0	4	4.8
Institutional Business	28.6	55	-
Corporate Business	6.6	13	0.4
Structured Finance	8.4	16	0.6
Principal Transactions	9.3	18	4.7
Showa Leasing	4.2	8	0.9
Global Markets Business	4.3	8	-
Markets	4.8	9	n.m.
Others	-0.5	-1	n.m.
Corporate/Other	0.2	0	-
Treasury	1.0	2	0.2
Corporate/Other (excluding Treasury)	-0.8	-2	n.m.
Total (OBP after net credit costs)	52.1	100	0.8



(Note) Costs associated with the funding operations have been allocated to the interest earning businesses on a management accounting basis

¹ Includes Lake Businesses, NOLOAN, Shinsei Bank SmartCard Loan Plus

² Includes guarantees not requiring funding (customers' liabilities for acceptances and guarantees)

³ Segment ROA = OBP after net credit costs per segment / average operating assets balance of beginning of term and end of term

Segment: Quarterly P&L

(Unit: JPY billion)

Segment P&L (OBP after Net Credit Costs)	FY2017				FY2018	
	17.4-6	17.7-9	17.10-12	18.1-3	18.4-6	18.7-9
Individual Business	2.1	3.0	6.5	7.1	4.5	6.5
Retail Banking	-1.7	-1.7	-1.3	-1.0	-0.5	-0.4
Shinsei Financial ¹	1.7	3.0	4.8	4.1	4.6	5.6
APLUS FINANCIAL	1.9	1.5	2.7	2.9	0.4	1.1
Others	0.3	0.2	0.3	1.1	0.0	0.1
Institutional Business	8.7	7.6	5.6	6.5	5.0	10.2
Corporate Business	1.4	4.0	0.3	0.7	0.6	-0.6
Structured Finance	1.9	0.7	2.5	3.1	-0.2	7.8
Principal Transactions	4.3	1.8	2.9	0.1	2.4	2.1
Showa Leasing	0.9	0.8	-0.1	2.4	2.2	0.8
Global Markets Business	1.2	0.4	0.8	1.7	0.2	0.4
Markets	1.3	0.6	0.9	1.8	0.3	0.7
Others	-0.0	-0.1	-0.1	-0.1	-0.1	-0.3
Corporate/Other	0.5	0.4	0.3	-1.1	1.4	0.8
Treasury	0.7	0.4	0.5	-0.6	1.0	0.7
Corporate/Other (excluding Treasury)	-0.1	-0.0	-0.1	-0.4	0.4	0.0
Total (OBP after Net Credit Costs)	12.7	11.6	13.4	14.3	11.3	17.9

(Note) Costs associated with the funding operations have been allocated to the interest earning businesses on a management accounting basis

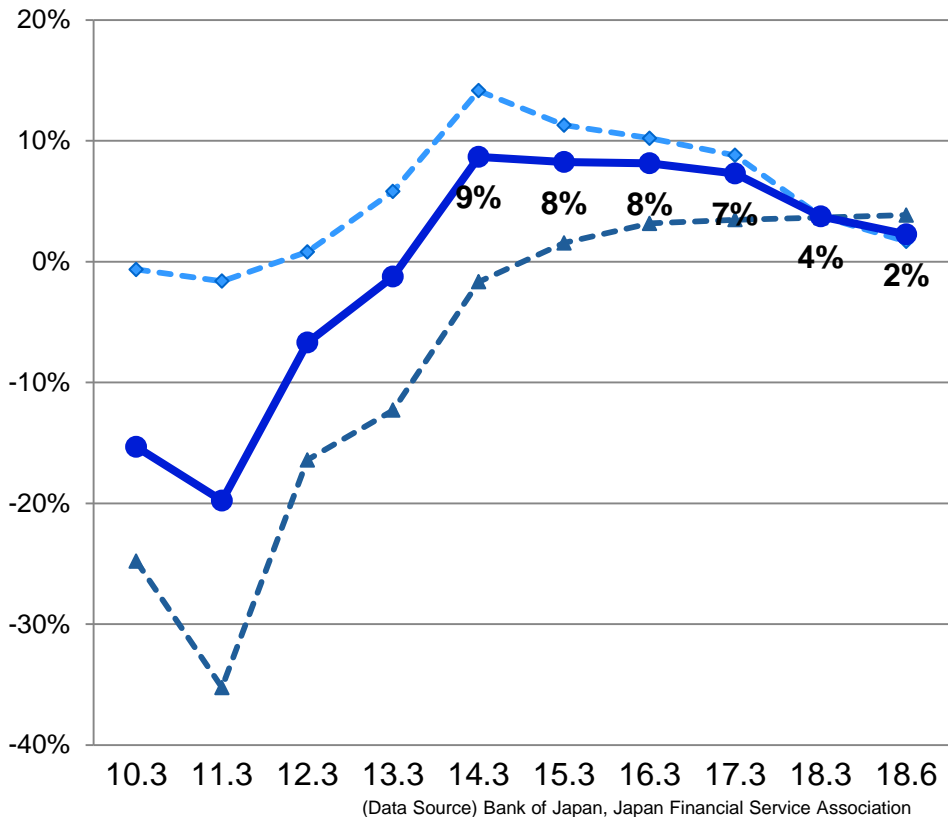
¹ Includes Lake Businesses, NOLOAN, Shinsei Bank SmartCard Loan Plus

Appendix



Unsecured Loan Market

Unsecured Loan Market: Growth Rate (YoY)



- ◆ YoY: Bank Card Loan Growth Rate
- YoY: Unsecured Loan Market Growth Rate
- ▲ YoY: Nonbank Unsecured Loan Growth Rate

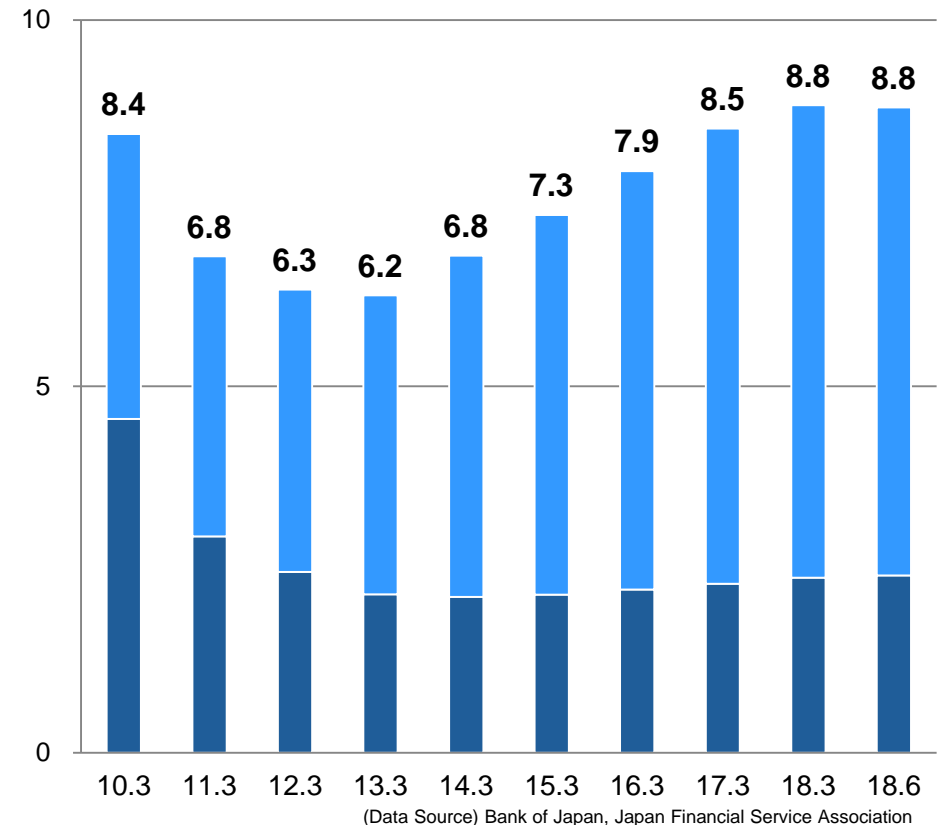
“Unsecured loan market”= “Bank card loan balance” + “Nonbank unsecured loan balance”

“Bank card loan balance”: Statistics aggregated by the Bank of Japan; Balance of consumer card loans extended by domestic banks and credit unions

“Nonbank unsecured loan balance”: Statistics aggregated by the Japan Financial Services Association; Unsecured loans (consumer finance sector) month end balance (excludes housing loans)

Unsecured Loan Market: Size

(Unit: JPY trillion)

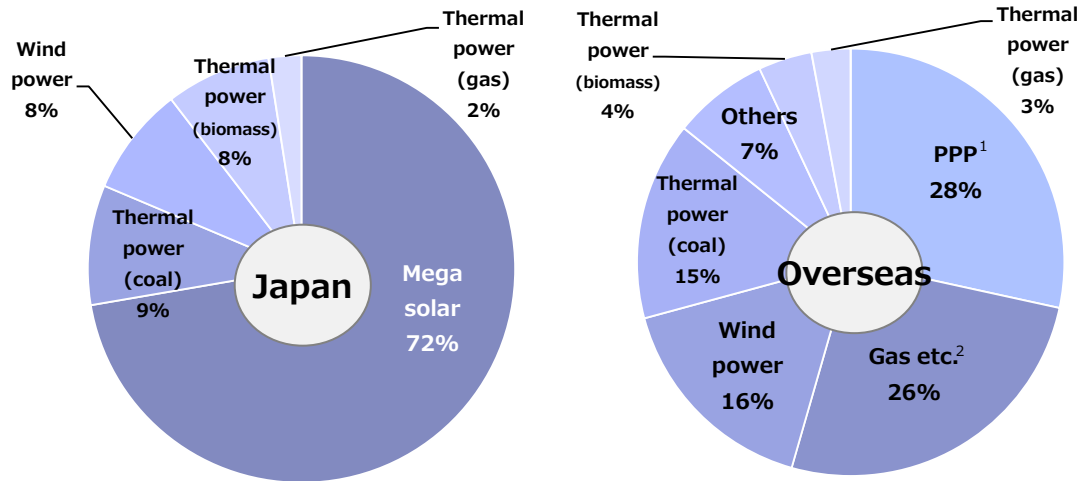


- Bank Card Loan Balance
- Nonbank Unsecured Loan Balance

Structured Finance: Portfolio (as of September 30, 2018)

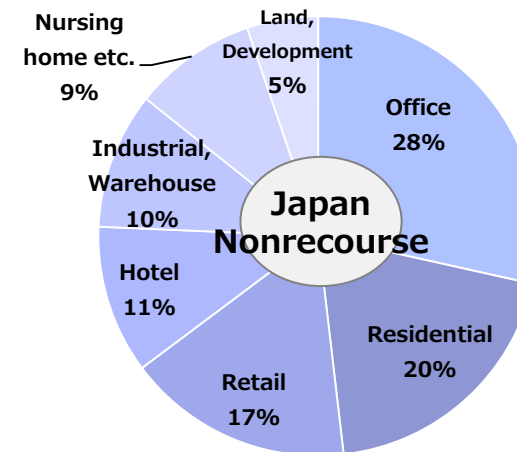
Project Finance

[Balance: project type, includes commitment basis]

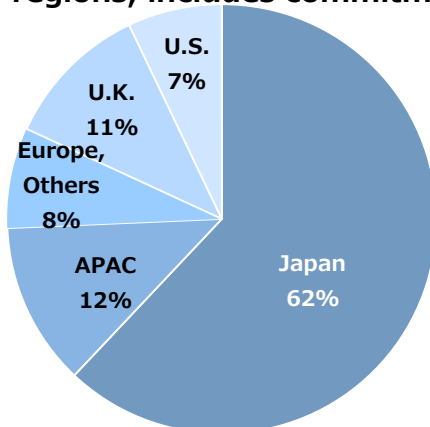


Real Estate Finance

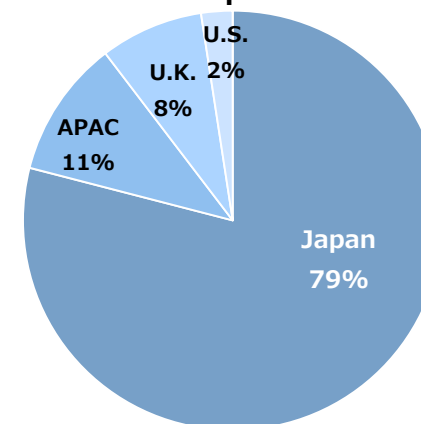
[Balance: asset type]



[Balance: regions, includes commitment basis]



[Balance: regions in nonrecourse, real estate companies and REITs]



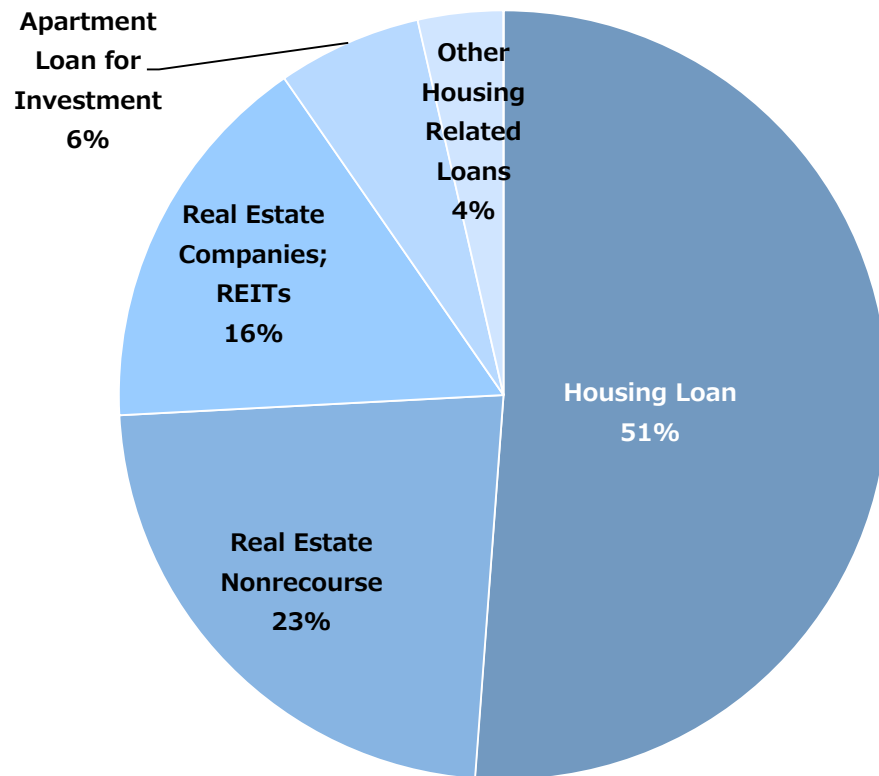
Nonrecourse finance accounts for more than half of the Japanese exposure

¹ Public Private Partnership

² Finance to LNG related facilities and receiving terminal etc.

Major Real Estate Exposure

- Shinsei Bank Group's real estate exposure stood at approx. JPY 2.4 trillion (as of September 30, 2018)
- It comprises approx. 50% of retail banking housing loan for individual customers and approx. 40% of real estate finance for institutional customers
- Loan to one-room studio type of apartment for investment purposes to individual customers accounts for 6%



(as of September 30, 2018)

Individual Customers

- Retail banking housing loan
 - ✓ Providing mortgage for primary residence
- APLUS' apartment loan for investment purpose
 - ✓ Small-sized loans for individuals to purchase second-hand one-room studio type of apartments mainly located in Tokyo metropolitan area
- Other housing related loan
 - ✓ Includes loans associated with housing equipment and bridge finance type of loan

Institutional Customers

- Real estate nonrecourse
 - ✓ Finance based on repayment which entirely relies on the cash flow generated from the underlying assets and the value of the assets
- Real estate companies, REITs
 - ✓ Corporate loan to real estate companies and real estate investment trusts

Key Data

Balance Sheet

(Unit: JPY billion)	15.3	16.3	17.3	18.3	18.9
Loans and bills discounted	4,461.2	4,562.9	4,833.4	4,895.9	4,877.0
Securities	1,477.3	1,227.8	1,014.6	1,123.5	1,217.5
Lease receivables/ leased investment assets	227.0	211.4	191.4	171.4	159.2
Installment receivables	459.1	516.3	541.4	558.8	549.3
Reserve for credit losses	-108.2	-91.7	-100.1	-100.8	-100.7
Deferred Tax Assets	15.3	14.0	15.5	14.7	14.3
Total assets	8,889.8	8,928.7	9,258.3	9,456.6	9,535.5
Deposits including negotiable certificates of deposits	5,452.7	5,800.9	5,862.9	6,067.0	6,041.3
Borrowed money	805.2	801.7	789.6	739.5	700.2
Corporate bonds	157.5	95.1	112.6	85.0	87.3
Grey zone reserves	170.2	133.6	101.8	74.6	65.7
Total liabilities	8,136.0	8,135.6	8,437.5	8,600.6	8,662.2
Shareholders' equity	728.5	786.8	823.7	862.5	875.5
Total net assets	753.7	793.1	820.7	856.0	873.2

¹ NPL ratio based on Financial Revitalization Law (Nonconsolidated)

² Domestic Standard; Grandfathered Basis

Financial Ratios

(Unit: %)	14.4-15.3	15.4-16.3	16.4-17.3	17.4-18.3	18.4-9
Expense-to-revenue ratio	60.2	64.9	62.3	61.5	61.9
Loan-to-deposit ratio	81.8	78.7	82.4	80.7	80.7
ROA	0.7	0.7	0.6	0.5	0.6 ⁴
ROE	9.8	8.1	6.3	6.1	6.4 ⁴
RORA	1.2	1.1	0.8	0.8	0.9 ⁴
NPL Ratio ¹	1.42	0.79	0.22	0.17	0.15
Core Capital Ratio ²	14.86	14.20	13.06	12.83	12.44

Per Share Data

(Unit: JPY)	14.4-15.3	15.4-16.3	16.4-17.3 ³	17.4-18.3 ³	18.4-9
BPS ³	275.45	294.41	3,163.89	3,376.39	3,547.97
EPS ³	25.57	22.96	194.65	199.01	110.73

Credit Ratings

	15.3	16.3	17.3	18.3	18.9
R&I	BBB+	BBB+	BBB+	A-	A-
JCR	BBB+	BBB+	BBB+	BBB+	A-
S&P	BBB+	BBB+	BBB+	BBB+	BBB+
Moody's	Baa3	Baa3	Baa2	Baa2	Baa2

³ Reverse stock split (10 stocks to 1 stock) was executed on October 1, 2017

Per share data for FY16 has been adjusted to conform to current period presentation

⁴ Annualized basis

- **The preceding description of Shinsei’s Medium-Term Management Plan 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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