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Shinsei Bank Reports the Erroneous Disposal of Retail Banking Customer Information

Tokyo (Wednesday, July 4, 2012) --- Shinsei Bank, Limited (“Shinsei Bank”; “the Bank”) today announced that our Sapporo Branch has erroneously disposed of time deposit receipt forms that included retail banking customer account information.

Shinsei Bank offers its sincere apologies for this error. The background to this incident and the countermeasures taken to prevent recurrence are explained below.

1. Background

On May 18, 2012, when the Sapporo Branch returned a document box containing time deposit receipt forms that it had retrieved from an external warehouse for storage, the warehouse service provider erroneously included the document box with other companies’ documents that were awaiting disposal. On May 19, the document box was handed over to an industrial waste treatment company and scrapped together with the other companies’ documents.

On June 5, 2012 Sapporo Branch received confirmation of the document boxes which were shipped and warehoused in May 2012. As there was a discrepancy between the number of document boxes shipped and the number of document boxes warehoused, Sapporo Branch asked the warehouse service provider to investigate. On June 8, Sapporo Branch received confirmation from the warehouse that one document box was erroneously included with other companies’ documents that were awaiting disposal, after checking footage from CCTV cameras that monitor operations at the warehouse. Shinsei Bank originally planned to provide an explanation to each affected customer after identifying the time deposit receipt forms that had been scrapped erroneously. However, it became clear that the identification of the forms would be difficult and so the Bank decided to make a public announcement about the incident.

2. Information Disposed of in Error

Retail banking customer information (account number, name and time deposit balance) included on time deposit receipt forms that were prepared between October and December 2000 was scrapped.

The Bank estimates that approximately 300 forms were disposed of in error, although the exact number cannot be accurately specified.

3. Impact on Customers / Customer Service

As it has been verified that the document box was scrapped erroneously, the Bank judges that it is very unlikely that any customer information has been leaked. Furthermore, this incident has no impact on the status of customers’ time deposits.

Retail banking customers are requested to call Shinsei PowerCall on the number below with any inquiries about this incident.

[Inquiries from Individual Customers]

Shinsei PowerCall (call center) at 0120-456-007 (365 days / 24 hours a day)

Note: Press *1 → 6 → 4 during the audio guidance to be connected to an operator.

4. Countermeasures taken to Prevent Recurrence

Shinsei Bank takes this incident extremely seriously, and will make every effort to prevent a recurrence by ensuring compliance with Bank Rules based on the Act on the Protection of Personal Information. In addition, the Bank has requested the warehouse service provider to outline measures to prevent recurrence of such an incident.

Shinsei Bank is a leading diversified Japanese financial institution providing a full range of financial products and services to both institutional and individual customers. The Bank has total assets of 8.6 trillion yen (US\$105.0 billion) on a consolidated basis (as of March 2012) and a network of outlets throughout Japan. Shinsei Bank demands uncompromising levels of integrity and transparency in all its activities to earn the trust of customers, staff and shareholders. The Bank is committed to delivering long-term profit growth and increasing value for all its stakeholders.

News and other information about Shinsei Bank is available at <http://www.shinseibank.com/english/index.html>