

October 26, 2016

For Immediate Release

Shinsei Bank, Limited  
Shinsei Trust & Banking Co., Ltd.

**Notice Regarding the Possible Leakage of Customer Information Due to Unauthorized Access to a Client of Shinsei Trust & Banking, a Consolidated Subsidiary of Shinsei Bank**

It has come to the attention of the Bank that an unidentified third party may have attained personal information of customers of Shinsei Trust & Banking managed by Yuryo Jutaku Loan K.K. (Shinjuku-ku, Tokyo; President Yukihiro Tanobe; hereinafter "Yuryo Jutaku Loan") through unauthorized access to the email management server of Yuryo Jutaku Loan. Yuryo Jutaku Loan is a client of Shinsei Trust & Banking Co., Ltd. (Chuo-ku, Tokyo, Representative Director & President Hirofumi Kusakabe; hereinafter "Shinsei Trust & Banking"), a consolidated subsidiary of Shinsei Bank, Limited (Chuo-ku, Tokyo; President and CEO Hideyuki Kudo; hereinafter "Shinsei Bank" or the "Bank").

The following paragraphs confirmed details of this incident and any actions which have or will be taken in order to address this matter.

The Bank extends its sincerest apologies for any concerns and inconveniences this incident may cause our customers and other concerned parties.

Due to the serious nature of this incident Shinsei Bank and Shinsei Trust & Banking have requested Yuryo Jutaku Loan to conduct a full investigation and report of the incident. The Bank will engage in efforts to further enhance personal information management structures of both the Shinsei Bank Group and external service providers in order to prevent the recurrence of any similar incidents.

1. Overview and Background

(1) Relationships with Yuryo Jutaku Loan

Yuryo Jutaku Loan is a partner financial institution for *Flat 35*, a long-term fixed rate mortgage provided by the Japan Housing Finance Agency. Shinsei Trust & Banking has been entrusted by Yuryo Jutaku Loan to conduct transfer trust duties of the mortgages originated by Yuryo Jutaku Loan. In addition, Shinsei Trust & Banking has entrusted Yuryo Jutaku Loan to service the mortgages assigned by Yuryo Jutaku Loan to Shinsei Trust & Banking.

(2) Development of this incident

On October 6, 2016, Yuryo Jutaku Loan notified Shinsei Trust & Banking that unauthorized access of their email management server had been confirmed on September 30, 2016, and that email messages containing personal information of customers may have been leaked to outside parties. At the same time, Yuryo Jutaku Loan reported to Shinsei Trust & Banking that they had contacted the relevant investigative and supervisory authorities and had initiated and investigation of the incident with the assistance of a specialist agency.

Thereafter, on October 20, 2016, Yuryo Jutaku Loan reported the high likelihood that the leak of email messages containing personal information occurred between the dates of September 10 and September 30, 2016, and the leaked messages contained the information of loans owned

by Shinsei Trust & Banking and serviced by Yuryo Jutaku Loan. Furthermore, by October 24, 2016, it has come to be clear that the number of mortgage accounts contained in the leaked personal information was 3,756.

Following the report from Yuryo Jutaku Loan, Shinsei Trust & Banking reported the details of this incident to its supervisory authorities. The Bank has so far not confirmed any unlawful use of information that may have been leaked in this incident.

2. Nature of potentially leaked information

There are 3,756 customers of Shinsei Trust & Banking whose mortgage servicing is entrusted to Yuryo Jutaku Loan and whose personal information is included in the data of account withdrawals. Potentially leaked personal information includes: customer names, correspondent financial institution names, branch name, account types, account numbers, withdrawal amounts and application number.

3. Cause

Yuryo Jutaku Loan has reported a high likelihood that the cause of this incident is the result of an unauthorized access to the email management server which occurred on September 10, 2016.

4. Future actions

Shinsei Trust & Banking has authorized Yuryo Jutaku Loan to contact our customers via mail whose personal information may have been leaked, and Yuryo Jutaku Loan has start contacting since October 25, 2016. Shinsei Trust & Banking has requested Yuryo Jutaku Loan to conduct a detailed investigation of the incident, to provide the Bank with a report regarding its outcome, and to provide any required support to them.

[For customer inquiries to Yuryo Jutaku Loan (Japanese only)]

Yuryo Jutaku Loan K.K.

Toll free number: 0120-327-683

Operating hours: from 9:30 to 20:00 (including Saturday, Sunday and holidays)

[For customer inquiries to Shinsei Trust & Banking (Japanese only)]

Business Division, Shinsei Trust & Banking Co. Ltd.

Tel: 03-6880-6218

Operating hours: from 9:30 to 17:00 (weekdays)

5. Recurrence prevention measures

Shinsei Bank and Shinsei Trust & Banking are fully aware of the seriousness of this incident from a compliance perspective and will endeavor to further enhance the personal information management structure of the Shinsei Bank Group including its outside service providers in order to prevent the recurrence of any similar incidents.

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