

Company Name: Shinsei Bank, Limited  
Name of Representative: Hideyuki Kudo  
President and CEO  
(Code: 8303, TSE First Section)

## **Regarding APLUS' Press Release on Recent Media Reports**

Tokyo (Thursday, January 30, 2020) --- There are some media reports regarding investment-type condominium loans provided by APLUS, a subsidiary of Shinsei Bank. Please find the attached press release published by APLUS FINANCIAL, which gives an update on the media reports.

<Attached Document>

[Survey on the Situation of Reports on Part of Investment Condominium Loans]  
APLUS FINANCIAL Co, Ltd.

End

\*\*\*\*\*

*Shinsei Bank is a leading diversified Japanese financial institution providing a various range of financial products and services to both institutional and individual customers. The Bank has a network of outlets throughout Japan and is committed in its pursuit of uncompromising levels of integrity and transparency in all of its activities in order to earn the trust of its 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 <https://www.shinseibank.com/corporate/en/index.html>*

For further information, please contact:  
Group Investor Relations & Corporate Communications Division  
Shinsei Bank, Limited (www.shinseibank.com)  
Tel: (+81)-3-6880-8303/Fax: (+81)-3-4560-1706

Survey on the Situation of Reports on Part of Investment Condominium Loans

Since January 27, 2020, APLUS Corporation ("APLUS"), a subsidiary of APLUS FINANCIAL Co., Ltd. (the Company), has collaborated with ARUHI CORPORATION ("ARUHI") to report on the status of investigation and the current countermeasures responses to media news.

We sincerely apologize to our customers and all other stakeholders for their concerns. We sincerely ask for your understanding and cooperation as we take the utmost care to give top priority to the peace of mind of our customers.

We will promptly announce new facts through press releases, etc. when the progress of the investigation reveals new facts.

1. Status of investigation

Currently, we have received information from media and other sources that APLUS handles investment-type condominium loans, which may be subject to falsification of annual income certificates without borrowers' knowledge and unrealistic real estate valuations and, hence we are proceeding with the investigation. Based the information, we have obtained so far, we have confirmed that this issue is potentially concentrated with some distributors only.

2. Overview of Condominium Loans for Investment

APLUS' condominium loans for investments are available to customers of dealers nationwide through which APLUS accepts application documents and reviews them for use. Loan applications are transmitted via a dedicated system to APLUS' review center after the dealer receives the application form from a client who wishes to use it. APLUS receives application documents at the Examination Centers and provides financing after a predetermined examination is performed, such as examination of applicants' credit worthiness, judgment on the appropriateness of property prices by a third-party, and confirmation of applicants' intentions.

<Chart -1>

3. Response to Dealers who are discovered to be fraudulent

We suspend transactions with dealers whose transactions were discovered to be fraudulent in the past as soon as fraudulent transactions were discovered. In the future, we will immediately suspend business transactions and take measures including legal measures if any distributors are found to be involved in the falsification of examination documents.

4. For Our Customers

We have established a contact point to respond to inquiries from customers who use APLUS' investment-type condominium loans and are concerned about their loan applications, in an effort to resolve their concerns.

[Customer Inquiry Contact] Applicant Customer Support

Phone: 0570-086-866

From 9:30 p.m. to 17:30 p.m. on weekdays

<Chart -1>

