

For Immediate Release

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

Shinsei Financial, a Consolidated Subsidiary of Shinsei Bank, Established a Fintech Joint Venture with Griffin Strategic Partners, Inc., to Utilize Artificial Intelligence (AI)

-Shinsei Financial aims to enhance its credit screening accuracy by adopting AI to its pre-approval model for its credit guarantee partner regional financial institutions -

Tokyo (Monday, June 6, 2016) --- Shinsei Bank, Limited (hereinafter, "Shinsei Bank"; "the Bank") announced today that Shinsei Financial Ltd. (hereinafter, "Shinsei Financial"), a consolidated subsidiary of Shinsei Bank, established SecondXight, Inc., (hereinafter, "SecondXight") on June 1, 2016, together with Griffin Strategic Partners, Inc. (hereinafter, "Griffin"), a data analysis and management consulting service provider. Inviting Mr. Hideaki Sakai, a professor emeritus at the Kyoto University and an authority on probability and statistical systems, as an advisor, SecondXight aims to provide solutions to a wide-range of business areas including the financial sector by conducting research and development on cutting-edge technologies for using Artificial Intelligence (AI).

Established in 2012, Griffin has a strong track record in gathering and analyzing big data and offering management consulting services to financial institutions and business companies. Meanwhile, Shinsei Financial has a lengthy track record in adopting customer data and information analysis technologies to the personal unsecured card loan business offered by the Shinsei Bank Group, such as credit risk scoring. SecondXight will merge the information analysis skills and data analysis capabilities of the two companies to offer innovative services to the financial industry.

Specifically, in personal loan pre-approval model that does not depend on credit bureau information, Shinsei Financial plans to utilize not only the traditional credit model that focuses on account information and uses the classical algorithm, but also intends to utilize a credit model that can develop prospective customers and reduce credit risk further by using various internal and external data and latest cutting edge algorithm. Shinsei Financial will also enhance its credit screening accuracy by adopting this methodology for credit guarantee screening for its partner regional financial institutions and pre-approved loan screening model.

The Shinsei Bank Group's Third Medium-Term Management Plan started in April 2016 concluded that the Group's individual business which utilizes information technology and scientific and statistical approaches has comparative advantages. Shinsei Financial will proactively utilize the expertise and technologies which will be obtained from SecondXight for the Group's further growth.

Riku Sugie, President of Shinsei Financial, has commented as follows:

"Cutting-edge information analysis technologies including AI will become a solution that will completely transform the stereotype of the financial industry. I am convinced that our collaboration with Griffin will be highly significant for the Shinsei Bank Group to become a leader in this field and to design unprecedented customer service experiences."

Ryotaro Kato, President of Griffin has commented as follows:

"We will merge Griffin's "future-oriented information analysis capability and speed of implementing advanced technologies" and Shinsei Financial's "technologies for utilizing the knowledge obtained from historical data and adaptability for processing the data into highly reliable information." This will allow us offer the best solutions in a speedy, flexible and stable manner. I am confident that SecondXight will become a company with outstanding information analysis technologies and capabilities."

[Summary of SecondXight, Inc.]

Name: SecondXight, Inc. (<http://www.sxi.co.jp/>)
Establishment: June 1, 2016
Representative: Ryotaro Kato, President and representative
Headquarters: 16th floor, Sumitomo Fudosan Akihabara Building, 12-8, Sotokanda 3-chome, Chiyoda-ku, Tokyo
Business: Solution offering by gathering and analyzing big data, research and development of Fintech-related technologies, and others
Capital : 100 million yen (as of June 1, 2016)
Shareholder: Griffin Strategic Partners, Inc. (47.6%), Shinsei Financial Ltd., (4.8%), and others (as of June 1, 2016)
Note: The percentages in the brackets represent voting rights.

[Summary of Griffin Strategic Partners, Inc.]

Name: Griffin Strategic Partners, Inc. (<http://www.gspi.co.jp/>)
Establishment: April 10, 2012
Representative: Ryotaro Kato, President and representative
Headquarters: 2nd Floor, BUREX, 7-5, Toranomom 2-chome, Tokyo
Business: Management consulting and advisory
Capital: 10 million yen (as of June 1, 2016)

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 8.9 trillion yen on a consolidated basis (as of March 31, 2016) 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/corporate/en/index.html>

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