

November 15, 2017

Notice Concerning Capital and Business Alliance with Shinsei Bank

Miroku Jyoho Service Co., Ltd. (“MJS”) announces that MJS has reached an agreement to form a business alliance with Shinsei Bank, Ltd. (head office: Chuo-ku, Tokyo; President and Representative Director: Hideyuki Kudo, “Shinsei Bank”) for the purposes of developing financial services based on MJS products and furthering businesses targeting regional financial institutions. Going further, MJS will consider establishing a new fund business to support companies undertaking operations in the field of financial technology (FinTech).

MJS additionally announces that Shinsei Bank acquired 300,000 common shares of MJS*¹ from NK Holdings Co., Ltd. (head office: Shinjuku-ku, Tokyo; President and Representative Director: Naoki Koreeda), a main holder of MJS shares, effective as of November 15, 2017.

1. Background and objectives of the business alliance

Regulations including the introduction of a registration system for electronic settlement and other agents were established with the enactment of the Act for Partial Revision of the Banking Act, Etc. in May 2017. Meanwhile, financial institutions have been facing an obligation to make efforts to set up systems capable of dealing with open APIs*². As these changes indicate, initiatives are in progress for furthering innovations in the FinTech field.

In this environment, system linkage and business collaboration with as many financial institutions as possible are essential for MJS and its affiliates (the “MJS Group”) to expand their services in the FinTech field, where the MJS Group has a competitive edge. In the meantime, Shinsei Bank is taking on issues such as the generation of new value, positioning the supply of solutions taking advantage of group functions to small and medium business operators as one of the strategic areas in its third medium-term management plan.

Through this business alliance, the MJS Group aims to promote enterprise resource planning (ERP) products and the provision of cloud computing and new services in cooperation with regional financial institutions and to offer comprehensive business support services that contribute to business expansion, including services for supporting business succession at small and midsize companies in local communities, in cooperation with accounting offices and financial institutions throughout Japan. In the meantime, Shinsei Bank will support the MJS Group’s efforts to develop financial services and offer new services in cooperation with regional financial institutions. In return, the MJS Group will consider recommending Shinsei Bank’s products and services for asset management and financial services to its own corporate clients.

Going further, MJS and Shinsei Bank hope to make joint contributions to the development of domestic and regional economies by building systems for cooperation and assistance in the field of participation in a fund business for supporting FinTech companies, which the MJS Group is working to realize.

*¹: They accounted for approximately 0.9% of the outstanding shares of MJS as of November 15, 2017. Shinsei Bank acquired them using the block trading method.

*²: An API (application programming interface) refers to rules on matters, such as procedures and data formats, necessary for calling data and functions managed by a certain system from an external system and using such data and functions.

2. Acquisition of shares

Shinsei Bank acquired 300,000 common shares of MJS from NK Holdings Co., Ltd. (head office: Shinjuku-ku, Tokyo: President and Representative Director: Naoki Koreeda), a main holder of MJS shares, effective as of November 15, 2017.

3. Overview of Shinsei Bank

Name: Shinsei Bank, Ltd.

Representative: President and Representative Director: Hideyuki Kudo

Address: Nihonbashi Muromachi Nomura Building, 4-3 Nihonbashi Muromachi 2-chome, Chuo-ku, Tokyo

Establishment: December 1952

Capital stock: 512,200 million yen

Business description: banking

4. Outlook for the future

The capital and business alliance described above will have a minor impact on consolidated business results for the fiscal year ending March 31, 2018.