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**Japanese Salarymen's Pocket Money Rose for the First Time in Five Years –
Shinsei Bank Announces Results of 2012 Salarymen's Pocket Money Survey**
Launching Lifestyle Labo: a new website on the younger generation's lifestyle and money

Tokyo (Thursday, June 28, 2012) --- Shinsei Bank, Limited ("Shinsei"; the "Bank") today announced the results of the *2012 Salarymen's Pocket Money Survey*, based on responses from approximately 1,000 salarymen in the 20 to 50 age range.

On the same day, Shinsei also launched a new website, Lifestyle Labo (<http://www.shinseibank.com/cfsq/>). Showcasing the *Salarymen's Pocket Money Survey* which has been running for over 30 years since 1979, *Lifestyle Labo* provides a wide range of information focusing on lifestyle and money issues from the perspective of the younger generation.

1. 2012 Salarymen's Pocket Money Survey Results

Main Findings of the 2012 Salarymen's Pocket Money Survey

- * The average amount of pocket money is 39,600 yen a month, 3,100 yen more than last year and the first increase in five years.
- * However, respondents maintain a cautious approach to money. The trend of not spending and going without is accelerating this year.
- * While daily spending on lunch has increased slightly by 20 yen to 510 yen, spending on drinking has fallen considerably by 680 yen to 2,860 yen.

According to the 2012 survey, salaries are lower than the previous year and respondents generally feel hard pressed. However, signs of economic recovery seem to be gradually emerging: the Cabinet Office's Monthly Economic Report (May 2012) showed recovery in consumer sentiment, and the Economy Watchers Survey published by the Cabinet Office found a gradual improvement in the diffusion indexes (DI), an indicator for judging current economic conditions, which had plummeted in the wake of the March 2011 Great East Japan Earthquake to levels even lower than the post-Lehman Shock plunge. Due to the catastrophic earthquake, last year was also a year which may have reminded people of the importance of "ties" with family and friends.

Looking at salarymen's pocket money situation, the survey results suggest that purse strings may have started to loosen. The average amount of pocket money rose by 3,100 yen from the last year when, having declined for four consecutive years, it hit its lowest level since the collapse of the bubble economy. The average amount of pocket money in 2012 is close to the level found in 2010. Although respondents still feel hard pressed, they are more inclined to spend on things such as domestic and overseas trips, while saving where they can, including money spent on drinking. Aiming to maintain their standard of living, it seems that respondents may be placing higher priorities on "ties" with family and friends, while having after-work drinks with colleagues less frequently.

The *Salarymen's Pocket Money Survey* was started in 1979 by (then) Lake K.K., and has continued for over 30 years. It looks at the financial situation of salarymen in their twenties to fifties, including pay rises and pocket money, to research changes in values caused by changes in times. The survey is usually conducted before the payment of summer bonuses each year. Shinsei Financial Co., Ltd. ("Shinsei Financial"), a consolidated subsidiary of the Bank, conducted the survey until last year, but the Bank has taken it over as of this year.

■ **Average amount of salarymen's pocket money is 39,600 yen – 3,100 yen more than last year and the first increase in five years**

In the 2012 survey, the **average amount of salarymen's pocket money** was 39,600 yen – 3,100 yen more than last year and the first increase in five years. According to the labor statistics survey published by the Ministry of Health, Labour, and Welfare, total cash wages in fiscal year 2010 rose by 0.5% from the previous fiscal year - the first year-on-year increase in four years - then declined by 0.3% in the last fiscal year compared to the previous fiscal year. Nonetheless, cash wages continued rising for three months consecutively since February this year on a month-on-month basis (+0.1% in February, +0.9% in March, and +0.2% in April). As the economy is basically on a recovery trend as mentioned earlier, purse strings may have gradually begun to loosen, which might have impacted the amount of pocket money.

The 30-year old survey points to a tendency for salarymen's pocket money to move in line with the Nikkei Stock Average trajectory. The highest amount of pocket money (76,000 yen) was recorded in 1990 during the bubble economy. It fluctuated thereafter, and has moved within a range of 35,000 yen and 50,000 yen over the last few years. The Nikkei Stock Average also plummeted from between the 14,000 - 10,000 yen level to the 8,000 yen level after the 2011 earthquake in Japan, and continues to stagnate. If pocket money is linked to share prices, we may not see it increase in the next fiscal year. (See Attachment 1, "Changes in Nikkei Stock Average and Average Amount of Pocket Money of Salarymen.")

■ **For the first time, respondents brought lunch from home less frequently. Daily spending on lunch rose to 500 yen, while spending on drinking fell.**

Since 2005, almost all age groups have listed "**lunch**" as the biggest spending item of their pocket money. Daily spending on lunch dropped below 500 yen last year (490 yen) compared to 710 yen in 2001. However, it rose slightly by 20 yen to the 500-yen level this year.

The frequency of "bringing lunch from home" during a week dropped by 0.3 times to 1.5 times - the first decrease since the 2009 survey. While the frequency of eating out continued to diminish by 0.1 times from last year to 0.9 times, the frequency of purchasing packed lunch boxes and using staff canteens rose by 0.1 times, showing a shift away from eating out and home-made lunch boxes.

Furthermore, **the number of times that respondents dined out** after work per month fell by 0.5 times from last year to 2.4 times. Many respondents said that they would go straight home after work in response to a question about how they spend after-work hours, which is a factor contributing to the drop in the frequency of eating out. In addition, "**spending on drinking**" per outing continued to decrease, falling by 680 yen from last year to 2,860 yen. Spending on drinking (per outing) has now dropped below the 3,000 yen mark, compared to over 6,000 yen in 2009. The reduction in spending on drinking seems to have accelerated due to the popularity of cheap pub chains in the prolonged deflationary trend and by the trend to abolish "table charge" in pubs.

With regard to future economic trends, DI, which is used to judge current economic conditions, again fell below the benchmark 50, dropping to 47.2 in the Economy Watcher Survey for May 2012. Furthermore, while expressing some expectations for the economic recovery to take root more firmly, the Monthly Economic Report published by the Cabinet Office also warns of the risk of downward economic pressures both within and outside Japan. Given the continued uncertainty in the economic environment, it may be some time before there is a definite increase in the amount of pocket money.

For the detailed results of this survey, please see Attachment 1, "Changes in Nikkei Stock Average and Average Pocket Money of Salaried Men," and Attachment 2, "Detailed Report of 2012 Salarymen's Pocket Money Survey" (Japanese only)

2. Launching "Lifestyle Labo" – new website on lifestyle and money for the younger generation

Consumers' awareness about work and life has gone through dramatic changes in the last few years: there is a tendency for "smart consumption" after the Lehman Shock, and the importance of "ties" with family and friends has been recognized after the last year's Great East Japan Earthquake. In particular, the younger generation - directly affected by the decline in employment opportunities and slower income growth due to stagnating economic growth - is adapting to the environment and creating new

lifestyles such as house sharing and fast fashion. Lifestyle Labo will follow their changing perceptions on lifestyles and money using tools such as the pocket money survey, and present information together with expert perspectives to encourage working people to think about their lifestyle.

【Main Contents on Lifestyle Labo】

■ *Salarymen's Pocket Money Survey*

The results of the past *Salarymen's Pocket Money Surveys* will be available on this website. In addition to salarymen, the traditional target of the survey, we will also look at the pocket money situation of youths. 2011 was the 30th anniversary of the pocket money survey. To mark this occasion, we will compile past survey results in a "White Paper on 30 Years of Pocket Money Surveys," which will be published at the end of August.

■ Lifestyle column

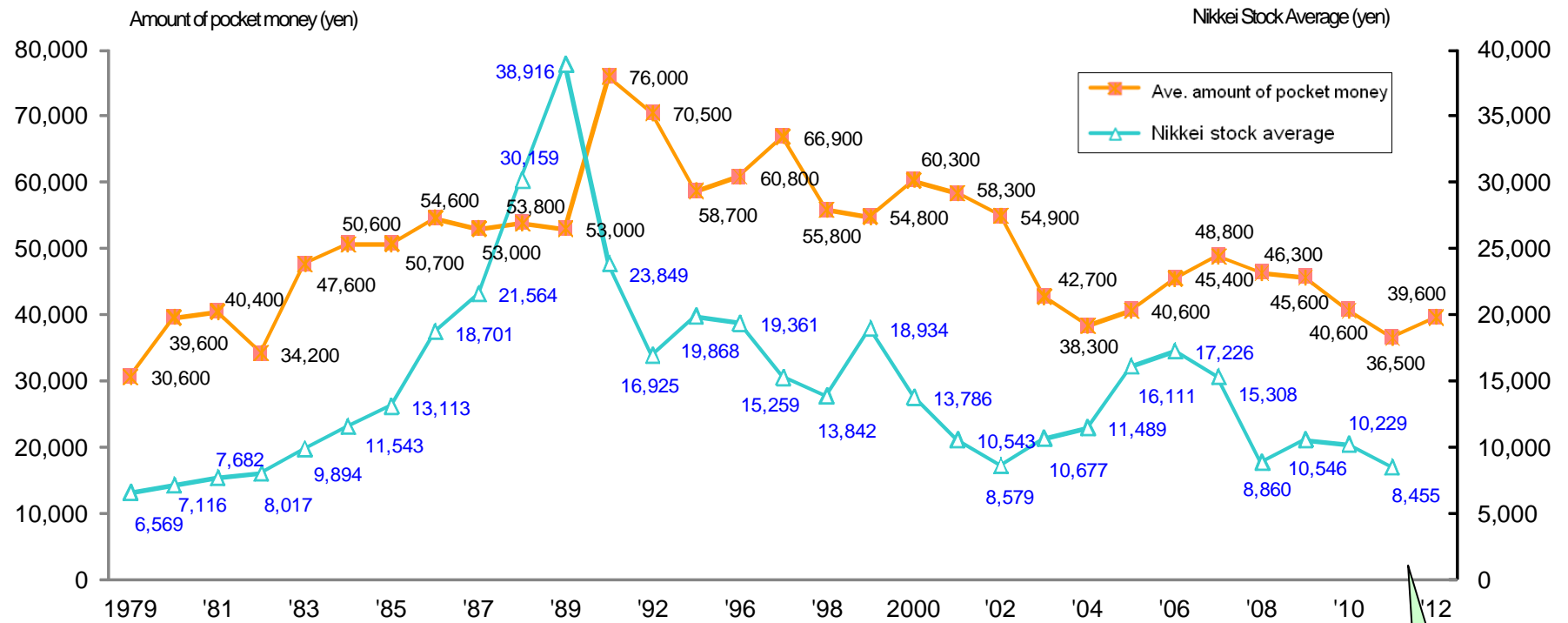
The column will look at modern youths' lifestyles and financial awareness and will also introduce experts' opinions. It will be updated on a bi-monthly basis.

■ Financial Literacy Program - "MoneyConnection®"

Lifestyle Labo will provide information on MoneyConnection®, a financial literacy program for young people, that the Shinsei Bank Group has been running since 2006. It will also include articles and information on surveys of high school students regarding their financial awareness. Please visit the MoneyConnection® website (moneyconnection.jp) for detailed information in Japanese including the program's achievements to date. MoneyConnection® was jointly developed in 2006 by Shinsei Financial and "NPO Sodateage.net," an NPO which supports young people to become self-reliant. From 2012, Shinsei is supporting and jointly running the program with "SODATEAGE NET," directly from the Bank, as part of its contribution to social activities.

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>

Changes in Nikkei Stock Average and Japanese Salarymen's Pocket Money (1979 to 2012)



Tohoku bullet train begins service; 500-yen coins put into circulation

Consumption tax introduced; Nikkei Stock Average peaks (Peak of bubble economy)

“i-mode” gains popularity; Regional promotion tickets distributed; Commercial and industrial loan problem

Democratic Party of Japan ousted Liberal Democratic Party; ECO points awarded for purchases of household appliance from May

Tokyo Disney Land opened; *Famicom* game consoles go on sale

Great Hanshin Earthquake; Collapse of financial institutions

Koizumi administration launched; 9/11 terrorist attacks; Princess Aiko born to the crown prince and Princess Masako

The failure of Lehman Brothers impacts global financial markets

Great East Japan Earthquake; Yen strengthens; Terrestrial digital broadcasting started; Rolling blackouts due to power shortage

- ※ No survey was conducted before 1978, or in 1991, 1993, and 1994.
- ※ The Nikkei Stock Average in the graph shows the closing price of annual data.