

For Immediate Release

Name of Representative: Shigeki Toma
President and CEO
(Code: 8303, TSE First Section)**Shinsei Bank to Provide Non-Recourse Loan for Construction of Lodgings
for Post-Earthquake Reconstruction Workers**

- A total of 1,000 rooms for mid- to long-term occupancy to be built in two locations in Miyagi Prefecture -

Tokyo (Friday, November 9, 2012) --- Shinsei Bank, Limited (“Shinsei Bank”; “the Bank”) today announced that it will provide financing for the construction of mid- to long-term lodging facilities in Miyagi Prefecture, as part of its efforts to contribute to the reconstruction process following the Great East Japan Earthquake. The Bank has partnered with Miyagi-based The 77 Bank, Ltd. and The Bank of Yokohama Ltd. to provide a total of 1.7 billion yen in non-recourse loans* to the Tohoku Reconstruction Fund 2 LLC (“the Fund”), which will manage the construction of the facilities. The three banks concluded a loan agreement on November 8, 2012.

The project covers the construction of two lodging facilities in the disaster-affected coastal regions of Miyagi Prefecture, where there is a lack of accommodation for workers involved in the recovery process due to a shortage of available facilities after buildings were washed away by the tsunami or otherwise damaged. Two facilities will be built in the prefecture – Value The Hotel Sanbongi (to be built in Osaki City) and Value The Hotel Yamoto (to be built in Higashimatsushima City), which will provide a total of 1,000 rooms, aimed primarily at reconstruction workers. Both facilities are scheduled to open in the first quarter of fiscal year 2013. The facilities will be constructed by Daiwa House Industry Co., Ltd. and operated by VALUE THE HOTEL MIYAGI Co., Ltd. an affiliated company of experienced hotel operator KACHIKAIHATSU Co. Ltd.

Value The Hotel Sanbongi is designed to provide a base for workers involved in the post-disaster reconstruction process. In addition to offering primarily single-room type accommodation and private office space for rental, there are plans to utilize empty space in the hotel as under-cover workshop areas or as all-weather material storage facilities. Value The Hotel Yamoto is expected to cater to strong demand for accommodation from reconstruction workers, as a highly convenient base in close proximity to the disaster-affected coastal regions, with plans to construct commercial facilities and housing for disaster survivors on the same site. Both facilities will also accept regular guests in addition to reconstruction workers, and are expected to contribute to the local economy through offering food that uses local ingredients, and by guests’ patronage of surrounding services.

As part of this financing arrangement, the Shinsei Bank Group will leverage its wide experience and track record in real estate non-recourse lending to support the Fund’s operation; Shinsei Bank is acting as an agent to the Fund to provide interim management services that include structuring the Fund’s scheme and cash management, while Shinsei Trust & Banking Co., Ltd. will act as trustee for the real estate. The Bank’s participation in this financing follows its investment in the “Fukushima Growth Industry Development Fund,” a limited liability investment business partnership (*toushi jigyou yugen sekinin kumiai*) established in October 2012 that aims to support growth industries, including unlisted companies, in Fukushima prefecture. Shinsei Bank is focusing on business that will stimulate regional economies, and will continue to utilize its strengths to contribute to the post-earthquake recovery and reconstruction process going forward.

*Non-recourse loans are loans for which repayment is made solely from the cash flows generated from specific businesses or assets (typically, but not always real estate), with no recourse to the sponsor

[Overview of the Non-recourse Loan]

Borrower: Tohoku Reconstruction Fund 2 LLC
Lenders: Shinsei Bank, Limited, The 77 Bank Ltd., The Bank of Yokohama, Ltd.
Amount: 1.7 billion yen (senior loan)

[Overview of Facilities to be Constructed]

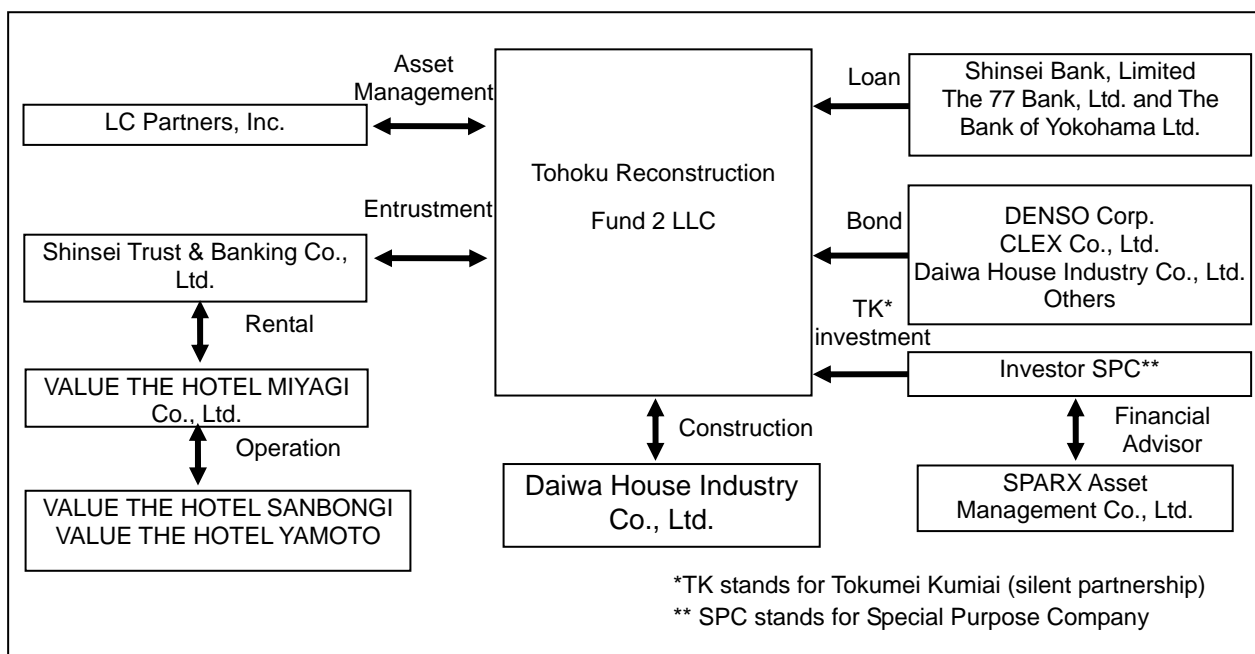
Value The Hotel Sanbongi

Location: Senkarita, Sanbongi-minamiyachi, Osaki-shi, Miyagi-ken
Scheduled opening date: April 1, 2013
No. of guest rooms: 545

Value the Hotel Yamoto

Location: Yachi, Komatsu, Higashimatsushima-shi, Miyagi-ken
Scheduled opening date: June 1, 2013
No. of guest rooms: 455

[Fund Scheme]



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 8.8 trillion yen (US\$114.6 billion) on a consolidated basis (as of September 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>