

For Immediate Release

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

### **Shinsei Bank Syndicated Project Finance for Mega Solar Project in the Eastern Area of Hokkaido**

Tokyo (Friday, March 22, 2013) --- Shinsei Bank, Limited (“Shinsei Bank”; “the Bank”) today announced that it has syndicated a project finance for the construction of large-scale solar power plants. In terms of project finance, these mega solar power plants with a total output of approximately 5.5 megawatts will be operated near Kushiro and Tokachi, the eastern part of Hokkaido, by JAG Energy Co., Ltd. (Chiyoda-ku, Tokyo, Representative Director and President: Yasuhiro Kimura, “JAG Energy”), the developer and operator of the solar power generation business. A loan agreement for the project finance was signed on March 14, 2013. The project finance was arranged by Shinsei Bank in order to raise approximately 1.6 billion yen out of the total construction cost by means of a loan. In addition to Shinsei Bank, Mitsubishi UFJ Lease & Finance Company Limited (Chiyoda-ku, Tokyo, Representative Director and President: Tadashi Shiraishi) is also participating in this project finance.

The sponsor, JAG Energy, started the construction of five solar power plants near Kushiro in September 2012, and they will start commercial operation of the plants, one by one, from March 2013. After full launch, the entire power generated by the plants will be sold to Hokkaido Electric Power Co., Inc. at a fixed price for 20 years, based on the electricity supply contract in accordance with the “Act on Special Measures concerning the Procurement of Renewable Electric Energy by Operators of Electric Utilities” enforced in July 2012.

Japan Asia Group Limited, the parent of JAG Energy, has many successful cases in the mega solar business as noted by 24 solar power plants in four countries of Europe and the “Miyazaki Solar Way” established in Tsuno-machi, Koyu-gun in Miyazaki Prefecture. Shinsei Bank expects good profitability in this mega solar business planned by JAG Energy in Kushiro City and the Tokachi area, Hokkaido, because the area has relatively long sunshine hours and is one of the least snowfall areas in Hokkaido. The Bank also expects that this transaction will pave the way for new types of financing for mega solar development in Japan. This is a project finance for which the source of repayment is limited to the cash flow from the project. Up until now, the mega solar projects have been financed mainly by ordinary corporate loans.

Shinsei Bank established the VBI (Venture Banking Initiative) Promotion Division in March 2012, as a part of its corporate business strategies under its Medium-Term Management Plan, and it is now actively promoting business incubation services (development of new business domains and regional revitalization). Further, in order to actively work on the project finance business both in Japan and abroad, and to promote the arrangement of business deals for domestic electricity and infrastructure, the Bank has established the Project Finance Department in June 2012 and strengthened its framework for business. The Clean Energy industry including solar power generation is one of its strategic areas with new business opportunities. In order to alleviate stress of electricity supply caused by the Great East Japan Earthquake, the Bank will actively engage in the project finance for this industry.

[Project Overview]

Project title: Hokkaido Mega Solar Operation Project  
Location: Kushiro, Hokkaido  
Number of power plants: 5  
Total output: Approximately 5.5 megawatts  
Project period: 20 years  
Operators: JAG Hokkaido Solar Development Company, Co., Ltd.  
Sponsor: JAG Energy Co., Ltd.  
Commencement of commercial operation: March 2013

[Overview of JAG Energy Co., Ltd.]

Company name: JAG Energy Co., Ltd.  
Representative: Representative Director and President, Yasuhiro Kimura  
Headquarters: 2 Rokuban-cho, Chiyoda-ku, Tokyo  
Business: Development, operation, and consulting of renewable energy power plants and facilities  
Establishment: March 7, 2012  
Capital: 85 million yen  
Shareholder: Japan Asia Group Limited (100% parent)

[Overview of the Loan Agreement]

Lender: Shinsei Bank, Limited (Arranger)  
Mitsubishi UFJ Lease & Finance Company, Limited  
Loan amount: Approximately 1.6 billion yen  
Contract date: March 14, 2013

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*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 9.1 trillion yen (US\$105.4 billion) on a consolidated basis (as of December 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>*