

## Arrangement of Project Financing for the Megasolar Project in Atsuma-cho, Hokkaido

Tokyo (Thursday, July 31, 2014) --- Shinsei Bank, Limited (Chuo-ku, Tokyo; President and CEO Shigeki Toma; hereafter "Shinsei Bank") has arranged project financing for a large-scale solar ("megasolar") power plant with a total generating capacity of approximately 15 megawatts to be built in Atsuma-cho, Yufutsu-gun, Hokkaido, by a Special Purpose Company (SPC) funded by Watami Ecology Co., Ltd. and Community Solar System Corporation (Sapporo, Hokkaido; Representative Director Ken Yoshizumi; hereafter "Community Solar System"), and have signed a loan related agreement on July 15, 2014. This project financing is a collaborative effort undertaken together with Showa Leasing Co., Ltd. (Bunkyo-ku, Tokyo; President and CEO Akimasa Tsuchiya; hereafter "Showa Leasing"), a consolidated subsidiary of Shinsei Bank. A total of 3.8 billion yen of the construction costs will be arranged and financed by Shinsei Bank, followed by 0.6 billion yen of financing by Showa Leasing after the construction is completed.

This project was started in October 2013 by Watami Co., Ltd. (Ota-ku, Tokyo; President & CEO Yutaka Kuwabara; hereafter "Watami") in collaboration with Community Solar System, and marks the first Watami Group venture into the megasolar business. Construction commenced in October 2013, and the targeted commencement of operations is December 2014. Watami aims to expand business rooted in local communities by using locally produced ingredients amongst the Watami Group.

Showa Leasing has provided financing for the Watami Group since fiscal year 2010 in order to support the Watami Group's initiatives to reinforce their renewable energy business and to promote CO2 reductions within the Group, such as Energy Service Company\* ("ESCO") type financing for implementing LED lighting in the restaurants operated by the Watami Group, and the provision of a finance function upon the Watami Group's entry into the wind power generation business. These relations are what led to the Shinsei Bank Group's financing of the megasolar project.

As part of the Shinsei Bank Group's business strategy for institutional customers in the Second Medium-Term Management Plan, the renewable energy business is defined as one of our focus areas. Shinsei Bank has been endeavoring to enhance project financing and its arrangement in the renewable energy business since 2012, and has arranged the financing of many projects. For its part, Showa Leasing is providing a wide range of solutions for companies promoting environmental management, such as supporting the deployment of renewable energy mainly in solar power generation systems, promoting the introduction of environmentally friendly products through ESCO type financing, and consulting for the installation of energy saving facilities. Shinsei Bank will continue to use the expertise of its Group companies to proactively enhance our initiatives in this business area.

\*A business that suggests options to improve energy efficiency of factories, office buildings, and commercial facilities, guarantees energy use reduction, and receives remuneration from the reduced energy cost.

### [Outline of the project]

Project name	: Watami Atsuma Megasolar Business
Power generating capacity	: Approximately 15 megawatts
Project location	: Atsuma-cho, Yufutsu-gun, Hokkaido
Business entity	: Community Solar Corporation
Sponsor	: Watami Co., Ltd.
Commercial operation initiation	: December 2014 (target)

### [Outline of Watami Co., Ltd.]

Name	: Watami Co., Ltd.
Representative	: President & CEO Yutaka Kuwabara
Location of Headquarters	: 1-1-3 Haneda, Ota-ku, Tokyo
Paid-in capital	: 4.41 billion yen (as of March 31, 2014)

[Outline of Shinsei Bank, Limited]

Name : Shinsei Bank, Limited  
Representative : President and CEO Shigeki Toma  
Location of Headquarters : 2-4-3 Nihonbashi-muromachi, Chuo-ku, Tokyo  
Paid-in capital : 512.2 billion yen (as of March 31, 2014)

[Showa Leasing Co., Ltd.]

Name : Showa Leasing Co., Ltd.  
Representative : President and CEO Akimasa Tsuchiya  
Location of Headquarters : Kouraku Mori Building, 1-4-14 Kouraku, Bunkyo-ku, Tokyo  
Paid-in capital : 29.36 billion yen (as of March 31, 2014)

[Outline of loan agreement]

Senior lender : Shinsei Bank, Limited (arranger)  
Junior lender : Showa Leasing Co., Ltd. (co-arranger)  
Loan amount : Total of approximately 4.42 billion yen  
Contract date : July 15, 2014