INFORMATION

SHINSEI BANK

For Immediate Release

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President and CEO
(Code: 8303, TSE First Section)

Nonrecourse Finance to ON THE MARKS, a Hotel targeted at Foreign Tourists
- Provide a nonrecourse finance secured by the hotel property opened today -

Tokyo (Wednesday, September 16, 2015) --- Shinsei Bank, Limited (hereinafter "Shinsei Bank," the "Bank") announced today that it will provide nonrecourse finance secured by "ON THE MARKS" (Kawasaki City, Kanagawa Prefecture, hereinafter, "the Hotel"), a hotel opened today which targets foreign tourists visiting Japan and Japanese tourists with diversifying needs. TMK Kawasaki Kaihatsu, a special purpose company, has developed the Hotel.

In order to support a plan to convert a 22-year old office building into a hotel, Shinsei Bank underwrote the first specified bonds issued by TMK Kawasaki Kaihatsu in November 2014. The financing will be provided through the underwriting of the second specified bonds to be issued in October 2015 concurrent to the opening of the Hotel.

The Hotel is operated by UDS Ltd. (Shibuya-ku, Tokyo; President: Keibun Nakagawa), which has a track record in planning, designing, and operating hotel conversion projects, and has operated guest-house style hotels for foreign tourists. The Hotel aims to meet lodging needs of foreign tourists as well as domestic tourists and business customers, by offering reasonable prices and a comfortable lodging environment with the three different guest room types of "bunk bed floors," "compact rooms," and "standard rooms,"[1] in Kawasaki, which has good accessibility to the center of Tokyo and Yokohama. It is expected that the needs for financing reasonably priced lodging facilities offering bunk beds and the guest house business will increase going forward with an increase of foreign tourists due to the Tokyo Olympic Games scheduled for 2020.

Shinsei Bank participated in this project from the initial stage and proactively utilized its expertise and knowledge in real estate nonrecourse finance in areas such as evaluating the business plan based on the Hotel's target customer segment, and created a finance scheme for such an operational asset[2].

[1] The Hotel offers "bunk bed floors," bunk beds that are larger and more comfortable than capsule beds, "compact rooms," single rooms with shared bath rooms and toilets, and independent "standard rooms," offering a semi-double or double bed and a prefabricated bath or shower.
[2] Operational asset refers to assets whose management and operation require expertise such as commercial buildings, hotels, leisure/amusement facilities, hospitals, clinics, and senior care facilities, and whose income greatly fluctuates depending on the management skills of the specialized operator (business operator) and whether it is experienced in the management of the same type of assets.

[Project overview]

Facility name：	ON THE MARKS
Address:	17-1, Ogawa-cho, Kawasaki-ku, Kawasaki City, Kanagawa Prefecture
Building overview:	Site area: 705.84 ㎡
	Total floor area: 2,957.058 ㎡ (hotel portion only)
	Size: 6 stories and 1 basement floor
	Number of guest rooms: 227
Opening:	September 16, 2015
Owner:	TMK Kawasaki Kaihatsu
Operator:	UDS, Ltd.

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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 on a consolidated basis (as of June 30, 2015) 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/corporate/en/index.html