

For Immediate Release

Shinsei Bank, Limited  
Showa Leasing Co., Ltd.  
ITOCHU HOUSING Co., Ltd.

## **The Shinsei Bank Group Enters into Home Leaseback Business**

*- Showa Leasing to Provide “Shinsei My WAY,” a Leaseback Service Targeting Condominiums Owned by Individual Customers from Friday, September 15, 2017 -*

Tokyo (Wednesday, September 6, 2017) -- Shinsei Bank Limited (Chuo-ku, Tokyo; President and CEO: Hideyuki Kudo; hereinafter, “Shinsei Bank”) and Showa Leasing Co., Ltd. (Bunkyo-ku, Tokyo; President and CEO: Kiyohiro Kiyotani; hereinafter, “Showa Leasing”), a Group member company of Shinsei Bank, will enter into a leaseback business for individual customers, which is the first service as the Shinsei Bank Group.

Showa Leasing will start providing “*Shinsei My WAY*,” a leaseback service targeting condominiums owned by individual customers from Friday, September 15, 2017. Shinsei Bank will intermediate finance lease transactions, develop advertisements, conduct customer solicitation, and deal with inquiries from customers. ITOCHU HOUSING Co., Ltd. (Minato-ku, Tokyo; President and CEO: Keiji Fujita; hereinafter, “ITOCHU HOUSING”) will provide real estate brokerage service for sales and leasing of customer-owned residential properties.

“*Shinsei My WAY*” is a service to meet the needs of senior individual customers wishing to make effective use of their assets while being able to stay in their homes. Showa Leasing purchases the customer’s residential property at a certain price of the property valuation<sup>1</sup>, and the sales proceeds are paid in a lump to the customer. At the same time, a fixed-term lease contract is concluded between the customer and Showa Leasing, thereby allowing the customer to keep his/her residence unchanged during the term of the contract, so long as rents are paid to Showa Leasing. At the termination of the contract, the relevant property is sold to the third party at the market price at that time, and Showa Leasing pays the difference between the sales proceeds and the purchase price of the property to the customer. Showa Leasing will start providing “*Shinsei My WAY*” to owners of condominiums located in Tokyo and three prefectures of Kanagawa, Chiba, and Saitama.

Compared to the reverse mortgage in which a customer obtains loans from a financial institution using the home as collateral, a leaseback of customer-owned residential property frees the customers from the burden of having to dispose of their properties in the future. Furthermore, because Showa Leasing pays to a customer a part of the sales proceeds sold to the third party at the termination of the contract<sup>2</sup>, the customer will be able to receive an additional value brought forth by an increase in the real estate market price even though he/she has released the rights to their properties. Unlike a typical home leaseback service<sup>3</sup>, the “*Shinsei My WAY*” customer’s the sales proceeds are considered as ‘real estates and loans’ at the time of inheritance, as same as those of the customer who uses the reverse mortgage. In a way, “*Shinsei My WAY*” is a new type of service which combines features of the reverse mortgage and leaseback services.

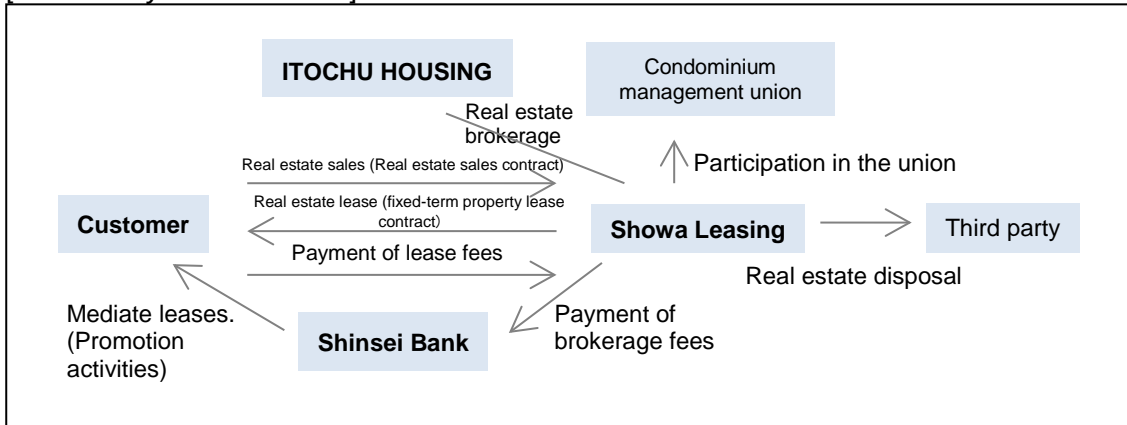
Following an increase in single and elderly households, people’s values have been diversified, such as liquidating or using up assets in order to enjoy their lives. Shinsei Bank and Showa Leasing will propose services to meet the needs of customers who consider moving to compact apartments or residences with health and welfare services for the elderly into the future.

<sup>1</sup> The property valuation is assessed by a method prescribed by Showa Leasing.

<sup>2</sup> There is a possibility that the customer will not be able to receive the additional value when the market price goes down at the termination of the contract.

<sup>3</sup> In the typical home leaseback service, the sales proceeds are not considered as ‘real properties and loans’ at the termination of the contract, and residuals of the sales proceeds are examined as dutiable properties.

["Shinsei My WAY" Scheme]



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