

For Immediate Release

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

Launch of Resort Loans for Purchasers of Condominium Developed by KAMORI KANKO, Co., Ltd.

Tokyo (Thursday, July 5, 2018) --- Shinsei Bank, Limited (hereinafter, “Shinsei Bank,” “the Bank”) today announced that Shinsei Investment & Finance Limited (Chiyoda-ku, Tokyo; CEO and Representative: Sadayuki Ohno; hereinafter, “SIF”), a Shinsei Bank Group company, launched in June 2018 mortgage loans targeting overseas investors who purchase luxury condominiums developed and sold by KAMORI KANKO, Co., Ltd. (Sapporo City, Hokkaido; Chairman: Kimihito Kamori; hereinafter, “Kamori Kanko”), a tourism leisure operator in Hokkaido.

“The Rusutsu Resort Loan,” the new product launched by SIF offers up to ten-year mortgage loans to individual customers living in Hong Kong¹ who are purchasing “The Vale Rusutsu,” a luxury condominium for sale to be built in the Rusutsu Resort, a large resort complex operated by Kamori Kanko, or to corporations established in Japan for purchasing the condominium. Effective May 31, 2018, Shinsei Bank, SIF, and Kamori Kanko concluded a comprehensive agreement for executing the Loan, in which Kamori Kanko will provide a joint guarantee for the Loan and Shinsei Bank will provide a sub-guarantee for the joint guarantee.

The target condominium will be built next to a hotel in the Rusutsu Resort, aiming for completion in February 2020. It will have ten stories and 17,903m² total floor space. Kamori Kanko plans to sell all of its 148 rooms. With its good-quality powder snow, the Rusutsu Resort is highly evaluated as a ski resort complex globally². By operating golf courses and an amusement park in the summer, the complex is attracting more tourists from overseas as a resort complex operating throughout the year. As this is attracting more attention of overseas investors, Kamori Kanko plans to promote the purchase of the condominium by developing resort loans.

Since May 2015, SIF has been offering mortgage loans for overseas investors purchasing properties in Tokyo, but had not offered mortgage loans for regional and resort properties. Shinsei Bank and SIF decided to launch the Rusutsu Resort Loan considering its stable operation of the Rusutsu Resort for a long time and strong position among the major resorts in Hokkaido. As this scheme will enable meeting overseas investors’ needs for regional properties, Shinsei Bank and SIF will consider offering the Loan to other resort properties in the neighborhood, as well.

[Summary of The Vale Rusutsu]

Property name: The Vale Rusutsu
 Location: Rusutsu Resort, Rusutsu-mura, Hokkaido
 Structure and size: Reinforced concrete; 10 floors above ground and 1 below
 Total floor space: 17,903.06 m²
 Completion: Winter 2020 (plan)



¹ The target customers are limited to the residents in Hong Kong with their passport issued by the government of Hong Kong Special Administration Region, Japanese nationals and permanent residents (including special permanent residents) living in Japan, and permanent residents with alien registration. For details, please refer to the attached product summary.

² The Resort won “World Best Ski Resort” by World Ski Award 2017 which evaluates ski resorts around the world.

Shinsei Bank is a leading diversified Japanese financial institution providing a various range of financial products and services to both institutional and individual customers. The Bank has a network of outlets throughout Japan and is committed in its pursuit of uncompromising levels of integrity and transparency in all of its activities in order to earn the trust of its 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>

Eligible Customers

- Hong Kong Special Administrative Region (HKSAR) passport holders residing in Hong Kong, and Japanese citizens & foreign nationals with permanent residency residing in Japan (special permanent residents inclusive)
- With annual income over JPY 8MM (or equivalent)
- Ability to understand agreement details in Japanese or English
- Aged between 20 and 70 years at the time of loan drawdown (age 75 or younger at time of final loan repayment)
- Hold a Japanese bank account or will be able to open an account for loan repayments
- Kamori Kanko Co., Ltd. will be nominated to guarantee the loan
- Satisfy other conditions and requirements specified by Shinsei Investment & Finance

Terms and Conditions

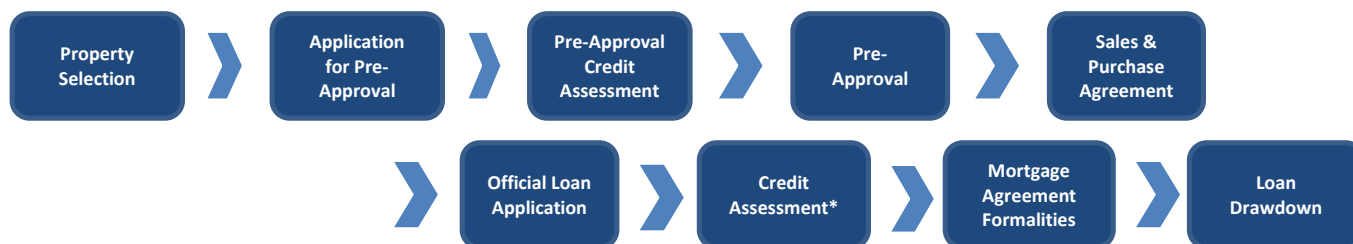
Loan Purpose	Loan to purchase Rusutsu Resort Condominium
Loan Amount	Up to 50% of the purchase price (JPY 10 MM ~ JPY 300 MM) *Up to 40% of the purchase price for Types 6・7・8
Loan Term (No. of payments)	1~10 years (12~120 payments) *Up to 25-year amortized repayment schedule for balloon payments* ¹
Interest Rate (p.a.)	Variable rate: 3.20% p.a. (guarantee fee inclusive) Short-term prime rate published by Shinsei Bank: 1.475% + 1.725% ⇒ 3.20% (as of June 1, 2018) Interest rates will be reviewed twice a year on April 1st and October 1st, applied from June and December interest calculations respectively
Repayment Method	<ul style="list-style-type: none"> • Monthly equal payments with interest (including balloon payment) • Monthly repayment due on 14th day of each month (following business day if the 14th is a Japanese bank holiday) • Repayments shall be made by automatic bank account transfers*² within Japan or via international wire transfers
Establishment Charge	1.50% of loan amount + consumption tax* ³ *Government registration charges, legal fees, and stamp duty, etc. are payable by the borrower
Early Repayment Charge (in part or full)	JPY 30,000+ consumption tax* ³ per repayment JPY 30,000+ consumption tax* ³ upon full repayment
Collateral	<ul style="list-style-type: none"> • Collateral property financed under this mortgage may be co-owned (co-owner is limited to a spouse, a parent or a child) and the co-owner will agree to sign as a joint-guarantor for the mortgage • First Mortgage Right will be created over the collateral property financed by this loan • Fire insurance policy covering the collateral property will be mandatory and first policy claim right will be granted to Shinsei Investment & Finance
Actual Annual Percentage Rate	Up to 15.00% p.a.
Delay Penalty Charge	19.90% (prorated on a 365-day year)

*1 Balloon payment: Monthly equal payments calculated in longer amortization schedule (up to 25 year), with a bullet payment of principal at loan maturity

*2 Automatic domestic bank account transfers are limited to financial institutions serviced by Aplus Co., Ltd.

*3 Non-residents of Japan are exempt from consumption tax payments

Application Process



- If it is longer than six months to scheduled loan drawdown (property handover), mortgage agreement formalities will be followed by pre-approval credit assessment, pre-approval, official application and credit assessment.

*Official credit assessment can begin six months prior to handover.

- Credit assessment will begin upon receiving your application and all supporting documents. We ask for your understanding in advance that depending on the results of our credit assessment, we may not be able to accommodate your request.

Required Documents for Application

* Additional documents may be required depending on individual circumstances.

Please note that all submitted documents will not be returned regardless of the assessment results.

Rusutsu Resort Loan and Loan Guarantee Application	
Agreement on Handling of Personal Information / Agreement on Antisocial Forces	
Identification * applicant and co-owner	A copy of HKSAR passport AND one of the following copies from A (1) ~ (3) as address proof
	(1) Declaration issued by Home Affairs Department ^{*3}
	(2) Bill issued by Water Supplies Department
	(3) Assessment & Notice from HK Inland Revenue Department (refer to 5 below)
Income Verification (4) and (5) * applicant and co-owner	(4) <ul style="list-style-type: none"> • Customers with employment income only: Pay slips for last 3 months • Customers with non-employment income: All tax returns, balance sheets and profit & loss statements for the last 2 years AND
	(5) Assessment Demanding Final Tax for 20xx/xx and Notice for Payment of Provisional Tax for 20xx/xx issued by HK Inland Revenue Department for last 2 years
Property Information	(6) Copy of Purchase Contract and Description of Important Matters Regarding Real Estate
	(7) Property Pamphlet (document showing floor plan at time of subdivision)
	(8) Copy of Hotel Management Service Agreement

※ For Japan residents, please submit your personal identification (i.e. driver's license, passport, zairyu card, etc.) and income supporting documents (withholding tax receipt, last 2 years of final tax returns) obtained in Japan. Property Information applies to all applicants.

Required Documents for Mortgage Agreement

Identification * borrower and co-owner	a. HKSAR passport	Original
	b. Declaration issued by HK Home Affairs Department ^{*3}	4 Original copies
Stamp Duty	Japanese Stamp Duty according to loan amount (as of June, 2018)	
	JPY 10,000 stamp for JPY 10MM	} 1 Original
	JPY 20,000 stamp for over JPY 10MM ~ JPY 50 MM and under	
	JPY 60,000 stamp for over JPY 50MM ~ JPY 100 MM and under	
	JPY 100,000 stamp for over JPY 100MM ~ JPY 300MM and under	

*3 Declaration issued by Home Affairs Department is a substitute for a residential certificate and seal certificate in Japan. The above documents will be separately required from both the borrower and the co-owner.

※ For Japan residents, please bring with you your personal identification (i.e. driver's license, passport, zairyu card, etc.) , residential and seal certificates. Stamp Duty applies to all loan agreements.

※ **If there is any inconsistency or conflict between the Japanese and English language versions of all documents, the Japanese language version shall prevail.**

SHINSEI INVESTMENT & FINANCE LIMITED

Sumitomo Fudosan Akihabara Building, 3-12-8 Sotokanda, Chiyoda-ku, Tokyo, Japan 101-0021 TEL: +81-3-6859-9282

Money Lending Registration No.: Governor of Tokyo (1) No. 31653

Japan Financial Services Association Member Registration No.006009

[Designated dispute resolution organization contracted in relation to our money lending operations]

Name: Japan Financial Services Association Money Lending Dispute Resolution Center

Location: 19-15, Takanawa 3 Chome, Minato-ku, Tokyo, Japan 108-0074 TEL: +81-3-5739-3861

[Please Note]

- Please ensure that you read and confirm the contents of any agreements you are entering into.
- Please ensure that your income and expenditures are well balanced, and that your repayment plan is reasonable.
- Please feel free to contact us if you have any questions.

Shinsei Investment & Finance

Rusutsu Resort Loan

New Corporates

Eligible Customers

- A joint-stock company or limited liability company established in Japan for the purpose of purchasing a Rusutsu Resort Condominium
- Disclosure of representative director(s) and investors with a 25% or higher stake in the company including name, date of birth (date of establishment) and registered address
- Representative Director or appointed manager has the ability to understand agreement details in Japanese or English
- Will hold a corporate bank account for repayment in Japan
- Kamori Kanko Co., Ltd. will be nominated to guarantee the loan
- Satisfy other conditions and requirements specified by Shinsei Investment & Finance

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Early Repayment Charge (in part or in full)	JPY 30,000+ consumption tax per repayment JPY 30,000+ consumption tax upon full repayment
Collateral	<ul style="list-style-type: none">• First Mortgage Right will be created over the collateral property financed by this loan• Fire insurance policy covering the collateral property will be mandatory and first policy claim right will be granted to Shinsei Investment & Finance
Actual Annual Percentage Rate	Up to 15.00% p.a.
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Required Documents for Application

* Additional documents may be required depending on individual circumstances.

Please note that all submitted documents will not be returned regardless of the assessment results.

Rusutsu Resort Loan and Loan Guarantee Application	
Agreement on Handling of Personal Information / Agreement on Antisocial Forces	
ID of Company Representative	(1) Copy of passport
ID of all substantial shareholders / those with company control	(2) Copy of passports [not necessary if company representative is the sole applicable person]
Documents for New Corporations	(3) Budget & Mortgage Repayment Plan (please use our designated format) (4) Articles of Incorporation (Draft)
Property Information	(5) Copy of Purchase Contract and Description of Important Matters Regarding Real Estate (6) Property Pamphlet (document showing floor plan at time of subdivision) (7) Copy of Hotel Management Service Agreement

Required Documents for Mortgage Closing

Certificate of Registered Corporate Seal	2 original copies [bring representative director's seal (registered seal) and company stamp (rubber stamp with corporation name, address and name of representative director) to closing]
Certificate of All Corporate Registered Matters	1 original copy
ID of Company Representative	Passport
Stamp Duty	Japanese Stamp Duty according to loan amount (as of June, 2018) JPY 10,000 stamp for JPY 10MM JPY 20,000 stamp for over JPY 10MM ~ JPY 50 MM and under JPY 60,000 stamp for over JPY 50MM ~ JPY 100 MM and under JPY 100,000 stamp for over JPY 100MM ~ JPY 300MM and under } 1 Original

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