

** This is an English version of Japanese press release translated by Shinsei Bank.*

For Immediate Release

Shinsei Bank, Limited
Aozora Bank, Ltd.
Development Bank of Japan

Origination of Syndicated Loan for Business Rehabilitation of Matsuyadenki Co., Ltd.

- First case of exit financing to companies supported by
Industrial Revitalization Corporation of Japan (IRCJ) -

Tokyo (Wednesday, November 10, 2004) – Shinsei Bank, Limited (“Shinsei Bank”), Aozora Bank, Ltd. (“Aozora Bank”) and Development Bank of Japan (“DBJ”) today announced an origination of a syndicated loan totaling 12 billion yen in connection with the business rehabilitation of Matsuyadenki Co., Ltd (“Matsuyadenki”). Six other institutions, namely The Norinchukin Bank, The Hokkaido Bank, Ltd., Mitsui Sumitomo Insurance Co., Ltd., The Bank of Kyoto, Ltd., Aioi Insurance Co., Ltd. and Tokio Marine & Nichido Fire Insurance Co., Ltd. also participated in this syndicated loan, in addition to Shinsei Bank, Aoroza Bank and DBJ.

<Outline of the syndicated loan>

Borrower: Matsuyadenki Co., Ltd.
Head office: Osaka City;
Representative Director & President & CEO: Tetsu Kiriishi;
Number of employees: 615
Business: Retailer of home electric appliances
Syndicated loan amount: 12 billion yen
(Term loan: 11 billion yen; Commitment line: 1 billion yen)

In September 2003, the former Matsuyadenki filed for court protection against creditors under the Civil Rehabilitation Law and was granted support from the Industrial Revitalization Corporation of Japan (“IRCJ”). In December 2003, its business was transferred to the assignee, Matsuyadenki, owned by the new sponsor Shinsei Bank group, and the new company made a fresh start taking over the former company’s retail stores with better performance.

With the syndicated loan, Matsuyadenki made a bullet repayment of its outstanding borrowings including the debts owed to IRCJ, giving a spur to its business rehabilitation. Also, this is the first case of an exit financing to a company supported by IRCJ.

Shinsei Bank, Aozora Bank and DBJ have jointly originated this syndicated loan. The participating lenders decided to provide the finance for the new company for the following main reasons:

- Strong business base comprising only profitable operating stores, including franchisees
- Matsuyadenki's differentiated business strategies from major retailers of home electric appliances; localized retail stores and customer-focused and face-to-face services
- Adoption of prices and merchandise policies based on customers' standpoint, including the EDLP (Every Day Low Prices) policy and localized customer-oriented merchandise
- Acquisition of new customers by introducing a new brand "CaDen."
- Expense reduction through cost controls
- A high level of feasibility of the above policies under the initiative of President Kiriishi

With the syndicated loan, the new Matsuyadenki is expected to emerge from the stage of being supported by IRCJ, and will continue to develop its business base as going forward.

(English translation ended)

Shinsei Bank is a Japanese banking institution founded on global standards of governance and management. With over \$61 billion in assets and 29 branches throughout Japan, Shinsei provides a broad range of value-added financial solutions to institutional and individual customers under the banner of "Better Banking." Our PowerFlex account, free ATM network and internet banking service, and customer friendly financial centers have redefined the Japanese retail banking experience. Shinsei is committed to long-term growth and profitability by expanding its customer-focused business model.

*News and other information about Shinsei Bank are available at
<http://www.shinseibank.com/english/index.html>.*