

For Immediate Release

Shinsei Bank, Limited
(Code: 8303, TSE First Section)

Shinsei Bank Announces Launch of Non-Recourse Loans for Fee-based Senior Care Facilities

Tokyo (Tuesday, July 19, 2005) - Shinsei Bank, Limited (“Shinsei Bank”) today announced that it has developed non-recourse loans (NRLs) targeting fee-based senior care facilities and the first 200 million yen NRL was executed to the senior care facility operated and managed by Medis Corporation (Kiryu City, Gunma Prefecture; “Medis”) on July 8, 2005. Shinsei Bank plans to utilize such tools to proactively expand non-recourse lending to other potential fee-based senior care facilities.

This NRL is part of financing structure developed through the partnership of three companies – Medis as the business administrator, by Nikko Antfactory K.K. of Nikko Cordial Securities Inc. Group (Chiyoda-ku, Tokyo) as the equity investor and Shinsei Bank as the lender – targeting the Medis Kiryu I and II fee-based senior care facilities operated by Medis in Kiryu City, Gunma Prefecture. In addition, the business and financial due diligence are outsourced to KPMG Health Care Japan Co., Ltd. (see attached structure).

In Japan, NRLs for fee-based senior care facilities has not been a very common practice due to the difficulty of collateral evaluation ascribed to unstable profitability of the collateral resulting from the credibility and operation know-how of the business administrator. Shinsei Bank has realized providing NRLs for fee-based senior care facilities as “hybrid non-recourse loans” by adding professional analysis of business finance to its real-estate finance know-how.

Recently, business administrators are accelerating the expansion of business location, and investments per facility tend to increase as a result of larger and more complex facilities. Therefore, expedient securing of sites for business and smooth fund procurement are becoming essential parts of their business strategies. The structure of Shinsei Bank’s recent NRL satisfies such needs of business administrators.

Under a medical institution as a parent company, the business administrator Medis, whose headquarters is located in Gunma, is a leading operator of fee-based senior care facilities in the northern Kanto area. No lump-sum payments and relatively inexpensive occupancy fees draw from a wide customer base and maintain a high occupancy ratio. This sound

business model avoids various issues of high lump-sum payment systems and is well suited to the progressively aging society in Japan.

Shinsei Bank plans to proactively provide NRLs using the same type of structure for domestic leading administrators of fee-based senior care facilities.

Shinsei Bank is a Japanese banking institution founded on global standards of governance and management. With over \$59 billion in assets and 29 branches throughout Japan (non-consolidated, as of March 2005), 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 along with our 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>.*

Medis Corporation: Non-Recourse Loan to Fee-based Senior Care Facilities

