

For Immediate Release

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## **Shinsei Bank to Strengthen Corporate Restructuring Business**

TOKYO (Wednesday, June 30, 2010) --- Shinsei Bank, Limited (“Shinsei Bank”; “the Bank”) is taking measures to expand its corporate restructuring business as it works to “rebuild its customer franchise in Japan” - one of the goals set forth in the Bank’s new Medium-Term Management Plan.

In line with extensive organizational reforms scheduled for completion by the end of August 2010, Shinsei Bank will establish a Corporate Support Division to provide assistance to small- and medium-sized enterprises (SME) undergoing restructuring. The Bank will also consider establishing a wholly owned subsidiary responsible for providing capital support to its corporate customers, to be managed by the Corporate Support Division.

To date, Shinsei Bank has implemented various measures to address the financial restructuring needs of its corporate customers, including strengthening its credit trading operations, centered around loan purchases, and advisory functions. The Bank will leverage the knowledge and experience it has accrued through the provision of these services, and implement organizational reforms to meet a wider range of corporate restructuring needs and offer more comprehensive support for corporate customers. The Bank believes these initiatives could also lead to an increase in the number of corporate customers in the future.

### **1. Establishment of Corporate Support Division**

The Corporate Support Division will primarily be responsible for providing financing and equity, as well as related advisory services and personnel, to help the restructuring efforts of SMEs. The Corporate Support Division will operate by providing support to restructuring SMEs either independently or in cooperation with joint business sponsors and financial sponsors, and aims to make investments and loans totaling 20 billion yen over the next three years.

- Target Transactions
  - Corporate restructuring by providing equity, credit or advisory services to non-core subsidiaries of large corporations or SMEs in need of successors or in financial difficulty
  - Promote restructuring finance and related business by working together with joint business sponsors and financial sponsors

The Corporate Support Division will work closely with other divisions in Shinsei Bank’s Institutional Group to leverage the capabilities and know-how of Group companies, including Showa Leasing, to appropriately meet the restructuring needs of its customers.

### **2. Establishment of Restructuring-Related Investment Subsidiary**

Shinsei Bank is considering establishing a subsidiary aimed at providing support for business rehabilitation by making restructuring-related investments. Following deregulation in December 2008, bank subsidiaries are now able to hold over 5% of voting rights in unlisted companies that are undergoing corporate restructuring. Utilizing this framework, the Bank will serve as a shareholder with voting rights and actively assume a leading role in providing not only financial but also capital support towards the business rehabilitation of its corporate customers. Details of the investment subsidiary will be announced when decided.

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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 11.3 trillion yen (US\$122.0 billion) on a consolidated basis (as of March 2010) and a network of 41 outlets that includes 30 Shinsei Financial Centers and 11 Consulting Spots in 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/english/index.html>*