

For Immediate Release

Shinsei Bank, Limited
Tokyu Livable, Inc.
Tokyu Housing Lease Corporation

Shinsei Property Finance, a Consolidated Subsidiary of Shinsei Bank Enters Business Alliance with Tokyu Livable and Tokyu Housing Lease Corporation to Offer Mortgage Loans to Overseas Investors

Tokyo (Friday, May 8, 2015) --- Shinsei Bank, Limited (“Shinsei Bank,” “the Bank”) announced today that the Bank’s consolidated subsidiary, Shinsei Property Finance Co., Ltd. (Minato-ku, Tokyo; President Kenji Kusumoto; hereinafter “SPF”), started offering “Shinsei Property Finance Mortgage Loan for Overseas Investors” from May 2015 to individual customers who live in Hong Kong¹ to purchase properties in Tokyo through a business alliance with Tokyu Livable, Inc. (President and CEO Shinji Sakaki; hereinafter “Tokyu Livable”) and Tokyu Housing Lease Corporation (Shibuya-ku, Tokyo; President Toshihiko Kitagawa; hereinafter “Tokyu Housing Lease”).

This loan is the first undertaking by SPF to provide real estate collateralized loans to overseas investors, and targets Hong Kong residents who wish to purchase a newly built or existing condominium (sectional ownership) located in the 23 Wards² of Tokyo for the purpose of investment or their own use, for instance, as a second residence. Through the conclusion of the business agreement with Tokyu Livable on April 30, 2015, when customers wish to purchase properties directly from or through mediation by Tokyu Livable, SPF will perform a collateral evaluation, loan examination and provide the loan. Additionally, SPF signed a business alliance with Tokyu Housing Lease on March 20, 2015, and Tokyu Housing Lease will provide property management services to customers, who use the affiliated loans, including collection of rent fees and payment of necessary costs such as management fees and reserve for repair. SPF has organized a support structure with bilingual staff members who are fluent in both Japanese and English, and has established a special desk where customers visiting Japan from Hong Kong can conduct transactions conformably in English. Please refer to the attachment for the details of the product.

Foreign investment in real estate in Japan has been growing in recent years due to the recent depreciation of the yen and the Tokyo Olympics to be held in 2020, and in particular, Tokyo is capturing the attention of overseas investors³. Shinsei Bank established Nippon Wealth Limited, a Restricted Licence Bank, in Hong Kong as a bank specializing in asset management services in August 2013 with joint equity investment by Japanese and Hong Kong companies including Tokyu Livable. The Bank is preparing to commence fully scaled up operations centered on asset management in the first half of fiscal year 2015. In order to provide more strategic support for the smooth entrance of Hong Kong investors to the Tokyo property market, Shinsei Bank, Tokyu Livable and Tokyu Housing Lease will start offering this loan product by utilizing SPF’s high level of expertise in real estate collateralized finance as one of the major member companies of the Shinsei Bank Group, and enhancing its sales channel through the business alliance with Tokyu Livable and Tokyu Housing Lease.

SPF became a Shinsei Bank Group company in March 2002, and has engaged in the real estate collateralized finance business for over 20 years with a focus on the Tokyo metropolitan area, offering both individual and institutional customers loans secured by real estate and loans repaid by the sale of properties. By leveraging its expertise in real estate valuation cultivated during this period and its strengths as a member of the Shinsei Bank Group, SPF looks to satisfy the various funding needs of its customers. Shinsei Bank will consider expanding the marketing areas of the real estate secured loan provided by SPF from Hong Kong to other Asian countries in the future in order to further strengthen its retail finance services.

Tokyu Livable has been actively expanding its business by establishing offices in Shanghai, Taiwan, Singapore and Hong Kong to meet investment needs for properties in Japan from overseas investors, and will further expand its global business and improve its service quality for investors from outside

Japan.

Additionally, Tokyu Housing Lease will actively respond overseas investors' needs to contribute to the activation of the real estate investment market in Japan.

*¹ This product is only available to Hong Kong residents who have a Hong Kong Special Administration Region Passport. Please refer to the attached Product Outline for other eligibility requirements of the loans.

*² Some of the properties in Kanagawa Prefecture, Saitama Prefecture, and Chiba Prefecture are eligible for the loan depending on their locations.

*³ In "Emerging Trends in Real Estate® Asia Pacific 2015," a report on a property trend survey in the Asia Pacific region jointly published by Urban Land Institute and PricewaterhouseCoopers on December 4, 2014, Tokyo ranked first in the categories of both City Investment Prospects and City Development Prospects.

■Product Outline of “Shinsei Property Finance Mortgage Loan for Overseas Investors”

Eligible Customers	<ul style="list-style-type: none"> • Hong Kong Special Administrative Region passport holder residing in Hong Kong. • Between the ages of 20 - 70 at the time of loan agreement (75 or younger at time of full payment). • Full-time employee (employed over 2 years consecutively) with an annual income over JPY 8million (or equivalent). For self-employed, business history over 2 years with an average annual business income after expenses over JPY 8million (or equivalent). • Satisfy other conditions and requirements specified by Shinsei Property Finance.
Loan Purpose	Loan to purchase new or second hand condominium in 23 wards of Tokyo. (Properties located in Kanagawa, Saitama or Chiba Prefecture may be applicable, depending on location)
Loan Amount	JPY 10million ~ JPY 300million (in units of JPY100,000) Maximum loan-to-value (LTV) will be capped at 65%
Loan Term (No. of payments)	1~20 years (12~240 payments) For Balloon Payment ¹ , up to a 35-year amortized repayment schedule can be applied
Interest Rate (p.a.)	Variable Rate ^{2,3} Shinsei Bank's short-term prime rate + 2.525%
Repayment Method	<ul style="list-style-type: none"> • Monthly equal payments with interest (including Balloon Payments) • Monthly payments will be due 14th of each month (next business day if the 14th of the month is a Japanese bank holiday) • Repayments shall be made by automatic domestic bank transfers⁴ within Japan or by international wire transfers
Establishment Charge	The greater of: <ul style="list-style-type: none"> • 1.00%⁵ of loan amount • JPY 100,000 Other government registration charges and legal fees, stamp duty, etc. are payable by the borrower
Early Repayment Charge (in part or in full)	JPY 30,000 per repayment in part JPY 30,000 upon full repayment ^[HM1]
Actual Annual Percentage Rate	Up to 15.00% p.a.
Collateral	<ul style="list-style-type: none"> • Property purchase financed under this mortgage must be solely owned by the borrower (no co-ownership) • 1st lien mortgage will be registered against the property as collateral • Fire insurance coverage against the collateral is required and pledge shall be established on the insurance policy during the life of the loan
Late Payment Charge	20.00% p.a.

¹ Balloon Payment: Monthly equal payments calculated at (up to) 35 year amortization schedule, with a bullet payment of principal at loan maturity.

² Short-term prime rate announced by Shinsei Bank

Current short-term prime rate 1.475% + 2.525% ⇒ 4.00% (as of May 1, 2015)

³ Interest rates will be reviewed every April 1st (applied from the following June interest calculations) and October 1st (applied from the following December interest calculations)

⁴ Automatic domestic bank transfers are limited to financial institutions serviced by APLUS Co., Ltd.

⁵ The minimum administrative fee will be 100,000 yen.