

For Immediate Release

Company Name: Shinsei Trust & Banking Co., Ltd.
Name of Representative: Kenji Tozaki
Chairman & Representative Director

Administrative Actions on Shinsei Trust & Banking

Tokyo (Wednesday, April 26, 2006) – Shinsei Trust & Banking Co., Ltd. (“STB”) today announced that it was the subject of administrative actions by the Financial Services Agency (“FSA”) under Article 26 (1) of the Banking Law and Article 8 (2) of the Law for Trust Business of Financial Institutions.

The reasons for the administrative actions on STB by the FSA include violation of Article 20 of the Trust Law and Article 28 (2) of the Trust Business Law (so-called “duty of care of a good manager”) in connection with failure to investigate or assess properties prior to real estate entrustment as well as serious problems in connection with compliance and governance systems. STB is suspended from engaging in new real estate trust business from May 11, 2006 to May 10, 2007. Furthermore STB is ordered to establish a system of research, investigation and management for its entrusted assets, establish an effective system of corporate governance and compliance, and submit a business improvement plan associated with the problems identified by the FSA.

STB takes this matter very seriously. We wish to express our contrition to our customers and persons associated with our business for allowing this to occur. We will take definitive action to establish and strengthen our corporate governance and internal compliance to ensure these problems will not be repeated. Those persons responsible within STB have been dismissed. Going forward, we will move decisively to formulate and implement our business improvement plan under a new management team as soon as possible.

All other businesses conducted by STB including the management of existing entrusted properties, non-real estate-related entrustment businesses and our private client business will not be affected by the suspension and will continue as usual.

For further information, please contact us at:
0120-456-225