

For Immediate Release

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 Name of Representative: Hideyuki Kudo  
 President and CEO  
 (Code: 8303, TSE First Section)

## Notification Regarding Secondary Offering of Shares and Change of Largest Shareholder (which is also a Principal Shareholder)

Tokyo (Thursday, August 8, 2019) --- Shinsei Bank, Limited (the "Bank") hereby announces that a secondary offering of shares of common stock of the Bank has been resolved at a meeting of its Board of Directors held on August 8, 2019, as follows.

The Bank also hereby announces that a change of its largest shareholder (which is also a principal shareholder) is expected as a result of such secondary offering.

### I. Secondary Offering of Shares

#### 1. Secondary offering of shares (offering by way of purchase and underwriting by the underwriters)

<p>(1) Class and number of shares to be offered</p>	<p>43,535,000 shares of common stock of the Bank (combined total of (i) to (iii) below)</p> <p>(i) 13,883,600 shares of common stock of the Bank, which are subject to the Japanese offering by way of purchase and underwriting by the underwriters (as defined below), as set forth in (3)(i) below.</p> <p>(ii) 25,783,900 shares of common stock of the Bank, which are subject to the International Offering (as defined below) by way of purchase and underwriting by the international managers, as set forth in (3)(ii) below.</p> <p>(iii) 3,867,500 shares (maximum) of common stock of the Bank, which are subject to the option to acquire additional shares of common stock of the Bank granted to the international managers in the International Offering, as set forth in (3)(ii) below.</p> <p>The total number of shares to be offered which are subject to the Japanese offering by way of purchase and underwriting by the underwriters and the International Offering (the combined total of (i) to (iii) above) is 43,535,000 shares. The breakdown of shares to be offered for each of the Japanese offering by way of purchase and underwriting by the underwriters and the International Offering is expected to be the number of shares set forth in (i) to (iii) above; however, the actual breakdown will be determined on the Offering Price Determination Date (as defined below) set forth in (4) below, after taking into account market demand and other conditions.</p>
<p>(2) Sellers and the number of shares to be offered</p>	<p>(i) Shares subject to the Japanese offering by way of purchase and underwriting by the underwriters as set forth in (1) (i) above</p> <p>Saturn IV Sub L.P.: 9,383,400 shares              J. Christopher Flowers: 2,329,700 shares              Saturn Japan III Sub C.V.: 891,200 shares              Saturn Japan II Sub C.V.: 640,200 shares              SATURN I SUB (CAYMAN) EXEMPT LTD.: 586,000 shares              Thierry Georges Porté: 53,100 shares</p> <p>(ii) Shares subject to the International Offering by way of purchase and underwriting by the international managers as set forth in (1) (ii) above</p> <p>Saturn IV Sub L.P.: 17,493,100 shares</p>

	<p>J. Christopher Flowers: 4,343,300 shares  Saturn Japan III Sub C.V.: 1,661,400 shares  Saturn Japan II Sub C.V.: 1,193,500 shares  SATURN I SUB (CAYMAN) EXEMPT LTD.: 1,092,600 shares</p> <p>(iii) The maximum number of shares subject to the option to acquire additional shares of common stock of the Bank granted to the international managers in the International Offering as set forth in (1) (iii) above</p> <p>Saturn IV Sub L.P.: 2,624,000 shares  J. Christopher Flowers: 651,500 shares  Saturn Japan III Sub C.V.: 249,100 shares  Saturn Japan II Sub C.V.: 179,000 shares  SATURN I SUB (CAYMAN) EXEMPT LTD.: 163,900 shares</p>
(3) Method of offering	<p>The Japanese offering and the International Offering will be made simultaneously.</p> <p>(i) Japanese offering by way of purchase and underwriting by the underwriters</p> <p>With regard to the offering in Japan (the "Japanese offering by way of purchase and underwriting by the underwriters"), the Japanese underwriters will jointly purchase and underwrite all shares in the Japanese offering by way of purchase and underwriting by the underwriters.</p> <p>(ii) International Offering</p> <p>With regard to the offering in international markets (noting that, in the United States, the offering will be limited to qualified institutional buyers in reliance on Rule 144A under the U.S. Securities Act of 1933) (the "International Offering"), the international managers will severally, and not jointly, purchase and underwrite all shares in the International Offering. The sellers set forth in (2) (iii) above will grant the international managers an option to purchase additional shares of common stock of the Bank.</p> <p>The joint global coordinators for the Japanese offering by way of purchase and underwriting by the underwriters, the International Offering, and the secondary offering by way of over-allotment as described in "2. Secondary offering of shares (offering by way of over-allotment)" below (collectively, the "Global Offering") are the Japanese underwrites.</p>
(4) Offer price	<p>Undetermined.</p> <p>The offer price will be determined on the Offering Price Determination Date in accordance with the method set forth in Article 25 of the Regulations Concerning Underwriting, etc. of Securities of the Japan Securities Dealers Association, after taking into account market demand and other conditions, based on the preliminary pricing terms calculated by multiplying by a factor between 0.90 and 1.00, the closing price of the shares of common stock of the Bank in regular trading on the Tokyo Stock Exchange, Inc. (rounding down to the nearest one yen) on a certain date between Tuesday, August 20, 2019 and Friday, August 23, 2019 (the "Offering Price Determination Date") (or the closing price on the day immediately preceding the Offering Price Determination Date, if no closing price was recorded on the Offering Price Determination Date).</p>
(5) Commissions for underwriters	<p>The Japanese underwriters will not receive an underwriting fee, but instead will receive the aggregate amount of the difference between the offer price and the underwriting value (the amount the sellers will receive as the purchase price per share from the underwriters), as the underwriters' proceeds.</p>
(6) Subscription period (for Japanese offering)	<p>The period between the business day immediately following the Offering Price Determination Date and the second business day following the Offering Price Determination Date.</p>

(7) Share unit for subscription	100 shares
(8) Advance on subscription	Same as the offer price per share
(9) Settlement date	A certain date between Tuesday, August 27, 2019 and Friday, August 30, 2019; provided that such date will be the fifth business day following the Offering Price Determination Date.
(10) Approval for the offer price and all other matters necessary for the secondary offering by way of purchase and underwriting by the underwriters will be entrusted solely to the President and CEO of the Bank.	

**2. Secondary offering of shares (offering by way of over-allotment) (Please refer to <Reference> 2. below.)**

(1) Class and number of shares to be offered	Shares of common stock of the Bank: 2,082,500 shares The aforementioned number of shares to be offered represents the maximum number of shares to be offered and the actual number of shares may decrease or the offering by way of over-allotment may not be carried out at all, subject to market demand and other conditions for the Japanese offering by way of purchase and underwriting by the underwriters. The number of shares to be offered will be determined on the Offering Price Determination Date, after taking into account market demand and other conditions for the Japanese offering by way of purchase and underwriting by the underwriters.
(2) Seller	The designated Japanese underwriter
(3) Method of offering	In connection with the Japanese offering by way of purchase and underwriting by the underwriters, the designated Japanese underwriter will, after taking into account market demand and other conditions, carry out the offering in Japan of up to 2,082,500 shares of common stock of the Bank to be borrowed from certain shareholders of the Bank.
(4) Offer price	Undetermined. The offer price will be determined on the Offering Price Determination Date. The offer price will be the same as that in the Japanese offering by way of purchase and underwriting by the underwriters.
(5) Subscription period	Same as that in the Japanese offering by way of purchase and underwriting by the underwriters.
(6) Share unit for subscription	100 shares
(7) Advance on subscription	Same as the offer price per share.
(8) Settlement date	Same as that in the Japanese offering by way of purchase and underwriting by the underwriters.
(9) Approval for the offer price and all other matters necessary for the offering by way of over-allotment will be entrusted solely to the President and CEO of the Bank.	

[Reference]

1. Purpose of the secondary offering of shares

Saturn IV Sub L.P., J. Christopher Flowers, Saturn Japan III Sub C.V., Saturn Japan II Sub C.V., SATURN I SUB (CAYMAN) EXEMPT LTD. and Thierry Georges Porté, which are the sellers in the Japanese offering by way of purchase and underwriting by the underwriters and the International Offering, have expressed their intention to sell shares of common stock of the Bank that they hold. The Bank has decided to approve this secondary offering of shares from the point of view of enhancing the liquidity of the shares of common stock of the Bank in the market and expanding its shareholder base. J. Christopher Flowers as a seller stated to the Bank that: “the sellers, including funds advised by J.C. Flowers & Co. LLC, are conducting the secondary offering of shares as part of their normal investment operations including in consideration of the limited life of the funds. We continue to have a high regard for the Bank and its management team.”

As of Thursday, August 8, 2019, J. Christopher Flowers, an outside Director of the Bank, has expressed his intention to resign from Board of Directors of the Bank after the completion of this secondary offering of shares. The Bank believes that the impact of resignation of J. Christopher

Flowers on the management of the Bank will be negligible, since the Bank ensures its Board members' sufficient expertise and independence. In addition, the Bank also believes that this secondary offering of shares by a principal shareholder will lead to an increase in the number of its shareholders and there should be no issue in terms of appropriately conducting the general shareholders meeting.

## 2. Offering of shares by way of over-allotment, etc.

The offering of shares by way of over-allotment refers to an offering in Japan, in connection with and in addition to the Japanese offering by way of purchase and underwriting by the underwriters, in which the designated Japanese underwriter will, after taking into account market demand and other conditions, carry out the offering in Japan of up to 2,082,500 shares of common stock of the Bank to be borrowed from certain shareholders of the Bank. While 2,082,500 shares are scheduled to be offered under the offering of shares by way of over-allotment, such number of shares represents the maximum number of shares to be offered and the actual number of shares may decrease or the offering by way of over-allotment may not be carried out at all, subject to market demand and other conditions.

In the event that the offering of shares by way of over-allotment is carried out, the designated Japanese underwriter will be granted by the aforementioned shareholders of the Bank an option to purchase additional shares of common stock of the Bank (the "Green Shoe Option") up to the number of shares in the offering by way of over-allotment in addition to the shares in the Japanese offering by way of purchase and underwriting by the underwriters, exercisable during the period beginning on the settlement date of the Japanese offering by way of purchase and underwriting by the underwriters and the offering by way of over-allotment, and ending on Friday, September 20, 2019.

The designated Japanese underwriter may purchase on the Tokyo Stock Exchange, Inc. shares of common stock of the Bank up to the number of shares in the offering by way of over-allotment (a "syndicate covering transaction"), for the purpose of returning the shares borrowed from the aforementioned shareholders of the Bank (the "Borrowed Shares"), during the period beginning on the day immediately following the last day of the subscription period for the Japanese offering by way of purchase and underwriting by the underwriters and the offering by way of over-allotment, and ending on Wednesday, September 18, 2019 (the "syndicate covering transaction period"). All shares of common stock of the Bank purchased through syndicate covering transactions by the designated Japanese underwriter will be used for the purpose of returning the Borrowed Shares. During the syndicate covering transaction period, the designated Japanese underwriter may choose not to carry out any syndicate covering transactions or may cease to conduct syndicate covering transactions before the number of shares purchased reaches the number of shares in the offering by way of over-allotment.

Also, the designated Japanese underwriter may carry out stabilizing transactions in connection with the Japanese offering by way of purchase and underwriting by the underwriters and the offering by way of over-allotment, in which case the shares of common stock of the Bank acquired through such stabilizing transactions may wholly or partially be used for the purpose of returning the Borrowed Shares.

Any remaining, unreturned portion of the Borrowed Shares, following the return of shares using shares acquired through syndicate covering transactions and stabilizing transactions, will be returned using shares acquired by the designated Japanese underwriter through its exercise of the Green Shoe Option.

Determination of whether or not the offering by way of over-allotment is to be carried out, along with the number of shares to be offered in such offering, if such offering is to be carried out, will be made on the Offering Price Determination Date. In the event that the offering by way of over-allotment is not to be carried out, none of the borrowing of shares of common stock of the Bank by the designated Japanese underwriter from the aforementioned shareholders, the Green Shoe Option to the designated Japanese underwriter by the aforementioned shareholders, or any syndicate covering transactions on the Tokyo Stock Exchange, Inc. will be carried out.

The designated Japanese underwriter will carry out the aforementioned transactions in consultation with the other Japanese underwriters

## 3. Lock-up

In connection with the Global Offering, Saturn IV Sub L.P., J. Christopher Flowers, Saturn Japan III Sub C.V., Saturn Japan II Sub C.V. and SATURN I SUB (CAYMAN) EXEMPT LTD., the sellers in the Japanese offering by way of purchase and underwriting by the underwriters and the International Offering, have agreed with the joint global coordinators that they will not sell shares of common stock of the Bank (excluding the Japanese offering by way of purchase and underwriting by the underwriters and the International Offering, etc.), during the period beginning on the Offering Price Determination Date

and ending on the date that is 180 days from and including the settlement date of the Global Offering (the "lock-up period"), without the prior written consent of the joint global coordinators.

The Bank has also agreed with the joint global coordinators that it will not, without the prior written consent of the joint global coordinators, issue shares of the Bank, issue securities convertible into or exchangeable for shares of the Bank, or issue securities that represent the right to acquire or receive shares of the Bank (excluding the issuance of new shares by way of stock splits, etc.), during the lock-up period.

In either of the aforementioned cases, the joint global coordinators have the right to wholly or partially waive the aforementioned agreements at their own discretion, even during the lock-up period.

#### 4. Share Repurchase

The Bank resolved, at a meeting of its Board of Directors held on Wednesday, May 15, 2019, certain details of acquisition of its own shares as a part of the Bank's efforts to achieve the repayment of public funds in light of factors such as the Bank's capital position, earning capability and per share values.

##### Details of share repurchase

- (1) Class of shares to be repurchased: Common stock  
 (2) Total number of shares to be repurchased: (Up to) 23.5 million shares  
 (9.58% of total number of common shares issued (excluding treasury shares))  
 (3) Aggregate repurchase price: (Up to) 23.5 billion yen  
 (4) Period of share repurchase: From May 16, 2019 to March 31, 2020

For more details in the status of share repurchase from Saturday, June 1, 2019 through Wednesday, August 7, 2019 (the "Reporting Period"), please see "Status of acquisition of treasury shares" set forth below.

Also, in light of the guideline introduced by Japan Exchange Regulation, the share acquisition (repurchase) will not be implemented from Friday, August 9, 2019 through the settlement date in the Global Offering.

##### Status of share repurchase

###### (1) Status of repurchase

As of August 7, 2019

Class	Number of shares (shares)		Aggregate price (yen)
	Share repurchase during the Target period (acquisition date)	June 1 to June 30	1,219,700
July 1 to July 31		1,003,700	1,698,255,300
August 1 to August 7		794,700	1,313,348,800
Total	-	3,018,100	4,991,527,300
Progress of share repurchase (%)		12.84	21.24

###### (2) Status of shares owned

As of August 7, 2019

Status of shares owned at the end of Target period	Number of shares (shares)
Total number of shares issued	259,034,689
Number of treasury shares owned	17,577,172

(Note) Number of treasury shares owned includes 3,174 shares that were acquired through request for repurchasing less than one unit shares.

## II. Change of Largest Shareholder (which is also a Principal Shareholder)

### 1. Reason for the change

The Bank's largest shareholder (which is also a principal shareholder) is expected to change as a result of the secondary offering of shares of common stock of the Bank set forth in "I. Secondary Offering of Shares - 1. Secondary offering of shares (offering by way of purchase and underwriting by the underwriters)" above.

### 2. Overview of shareholder subject to change

Overview of shareholder which no longer will be the largest shareholder (which is also a principal shareholder).

- (1) Name: Saturn IV Sub L.P.
- (2) Address: c/o Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1-9005, Cayman Islands
- (3) Name of representative: J. Christopher Flowers
- (4) Title of representative: Director of Cayman IV (Cayman) Exempt Ltd., the general partner of Saturn IV Sub L.P.
- (5) Content of businesses: Investment Fund

**3. Number of voting rights held by the shareholder (number of shares held) and percentage of total voting rights before and after change**

	Number of voting rights (Number of shares held)	% of total voting rights	Ranking among shareholders
Before change (as of August 8, 2019)	323,680 (32,368,068 shares)	13.20%	First
After change	28,675 (2,867,568 shares)	1.17%	Eleventh

(Note 1) The percentage of total voting rights is calculated based on 2,452,497 voting rights held by all shareholders as of March 31, 2019. Ranking among shareholders is based on the register of shareholders of the Bank as of March 31, 2019.

(Note 2) The number of voting rights (the number of shares held) and the percentage of total voting rights after change is calculated based on the number of voting rights (the number of shares held) after deducting 295,005 voting rights (29,500,500 shares) related to the total number of shares to be offered in the Japanese offering by way of purchase and underwriting by the underwriters and the International Offering set forth in "I. Secondary Offering of Shares - 1. Secondary offering of shares (offering by way of purchase and underwriting by the underwriters) - (1) Class and number of shares to be offered" above.

(Note 3) The number of voting rights (number of shares held) after change may further decrease up to 14,128 (1,412,800 shares) from the number of voting rights (number of shares held) set forth above as a result of exercise of the Green Shoe Option set forth in "I. Secondary Offering of Shares - <Reference> 2. Offering of shares by way of over-allotment, etc." above.

**4. Expected date of change**

Settlement date (the fifth business day following the Offering Price Determination Date) set forth in "I. Secondary Offering of Shares - 1. Secondary offering of shares (offering by way of purchase and underwriting by the underwriters) - (9) Settlement date"

**5. Outlook**

No impact is expected on management or results of operations of the Bank as a result of this change of the largest shareholder (which is also a principal shareholder).

This press release does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Bank's securities referred to in this press release have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States absent registration thereunder or an applicable exemption from registration requirements under the Securities Act. The securities referred to in this press release will not be publicly offered or sold in the United States.

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*Shinsei Bank is a leading diversified Japanese financial institution providing a various range of financial products and services to both institutional and individual customers. The Bank has a network of outlets throughout Japan and is committed in its pursuit of uncompromising levels of integrity and transparency in all of its activities in order to earn the trust of its 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 <https://www.shinseibank.com/corporate/en/index.html>*

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