

For Immediate Release

 Shinsei Bank, Limited  
 Shinsei Corporate Investment Limited

### Establishment of Femto Growth's 2nd Fund

Tokyo (Friday, May 26, 2017) --- Shinsei Bank, Limited (Chuo-ku, Tokyo; President and CEO: Hideyuki Kudo; hereinafter, "Shinsei Bank" or "the Bank") announced today that the Bank entered into the Limited Partnership Agreement on April 27, 2017 in its position as a lead investor of "Femto Growth Fund II L.P. (hereinafter, "The 2nd Fund") in order to invest in and support the growth of Japanese early-stage Internet companies. The 2nd Fund follows Femto Growth Capital L.P. (hereinafter, "The 1st Fund"), which Shinsei Bank and Shinsei Corporate Investment Limited (Chiyoda-ku, Tokyo; President and CEO: Ippei Matsubara; hereinafter, "SCI") co-founded in April 2013, with Mr. Tetsuya Isozaki who has extensive experience in Internet venture company investments and business development. The total amount of The 2nd Fund will be 4 billion yen. In addition to investing in early-stage companies, The 2nd Fund will continue investing in middle-stage and later-stage companies up to 800 million yen for each as the lead investor.

Femto Partners LLP, whose partners are Mr. Tetsuya Isozaki and others, will operate The 2nd Fund as a general partner ("GP"), and establish The 2nd Fund with Shinsei Bank, another major financial institution, and a listed company. SCI will increase the value of The 2nd Fund and its investments in collaboration with the GP, suggesting investment candidates, and providing advice on fund operations and investments.

Positioning early-stage venture companies engaged in Internet platform and fintech services as its investment targets, The 1st Fund has made equity investments of up to 320 million yen per company, and provided hands-on growth support under the leadership of Mr. Isozaki. As a result, The 1st Fund has invested in seven companies by April 2017 including Toreta Inc., a restaurant platform operator. The business environment has been becoming easier for venture companies to raise funds. Both the amount invested and the number of investments made in domestic companies in 2015 increased from 2014. The market has expanded compared with when The 1st Fund was launched, as seen in both the number and value of funds launched in 2015 being the largest<sup>1</sup> since the Lehman Shock in 2008. The 1st Fund's portfolios are growing fastly with additional investments. Following this success, The 2nd Fund decided to expand its scope of the stages of companies to invest.

The Shinsei Bank Group's private equity business invests, through SCI, in the Internet, moving picture distribution, regenerative medicine, drug development, and bio-secondary areas, among others. In recent years, it has launched investment funds targeting early-stage venture companies in collaboration with outside partners based on its active Pre-IPO investments in competitive and growing middle- and later-stage venture companies. Shinsei Bank and SCI will continue, through SCI, to promote private equity investments in various businesses at various stages.

<sup>1</sup> The amount invested by investment funds in Japanese companies in FY2015 was 87.4 billion yen (74 billion yen in FY 2014; up 118.1% YoY), and the number of fund investments was 1,162 (969 fund investments in FY2014; a 193 increase YoY). In FY2015, 51 funds were originated with the amount of 193.2 billion yen ("VEC Yearbook 2016" issued by Venture Enterprise Center).

#### [Summary of The 2nd Fund]

Name	: Femto Growth Fund II L.P.
Establishment	: April 27, 2017
Total investment	: 4 billion yen
GP	: Femto Partners LLP
LPs	: Shinsei Bank, Limited, a major financial institution, and a listed company
Partnership period	: Extendable to more than 10 years
Investment target	: Internet companies mainly in Tokyo

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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 <http://www.shinseibank.com/corporate/en/index.html>*