

For Immediate Release

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

Shinsei Bank to Realign Group Companies

- To maximize Group synergies by consolidating the Shinsei Bank Group's servicer business and real estate secured loan business, and realigning Shinsei Principle Investments Group -

Tokyo (Friday, June 30, 2017) --- Shinsei Bank, Limited (hereinafter, "Shinsei Bank," "the Bank") announced today that it will consolidate the Shinsei Bank Group's servicer business and real estate secured loan business, and realign the Shinsei Principal Investments Group (hereinafter, the "Shinsei PI Group"). In order to consolidate servicing function in the Group, Shinsei Bank will first make Alfa Servicer Co., Ltd. (hereinafter, "Alfa Servicer"), a wholly-owned subsidiary of the Shinsei Bank Group's member company, APLUS Co., Ltd. (Chiyoda-ku, Tokyo; Representative Director & President Akira Watanabe; hereinafter, "APLUS"), a wholly-owned subsidiary of the Bank, and then merge it with Shinsei Servicing & Consulting Limited (hereinafter, "SSC") which engages in servicing business in the Shinsei PI Group, subject to the approval of the supervisory authorities. In addition, the Bank will merge Shinsei Principal Investments Limited (hereinafter, "SPI"), Shinsei Property Finance Co., Ltd. (hereinafter, "SPF"), and Shinsei Investment & Finance Limited (hereinafter, "SIF") to consolidate the real estate secured loan business in the Shinsei Bank Group. The Bank aims to complete the consolidation of both businesses as of October 1, 2017.

Under its Third Medium-Term Management Plan, Shinsei Bank is endeavoring to create new businesses outside the traditional frameworks of the financial business by reviewing the Group's business operations from the perspective of its customers based on their true needs. The announced Group realigning is part of the Bank's efforts to review its business operation structure and optimize the Group's existing business functions. The proposed realigning does not result in any revision to the Bank's earnings forecast for fiscal year 2017.

The details of the proposed realigning and consolidation of Group functions are as follows:

1. Consolidation of the servicer business

Shinsei Bank will consolidate Alfa Servicer whose principal business is servicing small loans to individual borrowers and SSC whose principal business is servicing non-performing loans and commercial secured loans effective October 1, 2017 after obtaining approval from the supervising authorities. The Bank will first conclude a share transfer agreement with APLUS, which owns the Alfa Servicer shares, to accept the transfer of all the shares of Alfa Servicer as of July 1, 2017. In addition, the Bank will receive a dividend in kind from SPI which owns all the shares of SSC to make SSC a wholly-owned subsidiary of the Bank as of July 1, 2017. Thereafter, Alfa Servicer and SSC will conclude a merger agreement for Alfa Servicer to absorb SSC effective October 1, 2017.

While the existing businesses will be maintained at the time of merger, Alfa Servicer will become a comprehensive servicer in charge of the all servicing business operations of the Shinsei Bank Group including non-performing loans and specified claims after the consolidation in order to improve the efficiency of and optimize the Group's servicing operations.

2. Consolidation of the real estate secured loan business

Shinsei Bank will consolidate SIF and SPF whose real estate secured loan businesses are highly compatible, and SPI, which is responsible for management operations in the Shinsei PI Group. First, SPI and SPF will conclude a merger agreement which allows SPI to absorb SPF effective on October 1, 2017. With the same effective date of October 1, 2017, SPI and SIF will conclude a merger agreement for SPI to absorb its wholly-owned subsidiary, SIF. After the mergers, SPI will be renamed as Shinsei Investment & Finance Limited as of October 1, 2017.

3. Making Shinsei Corporate Investment Limited a wholly-owned subsidiary

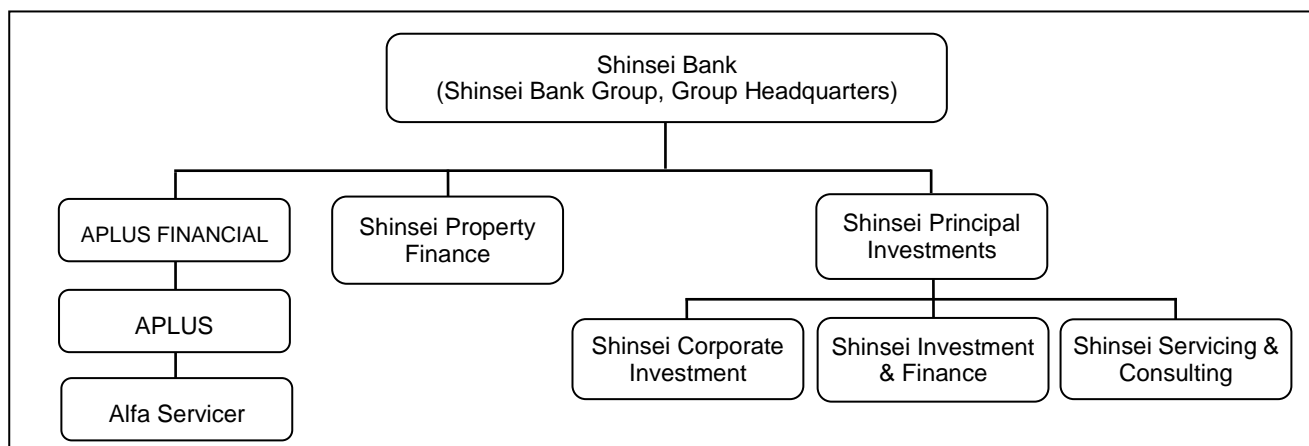
Together with the business consolidation described in 1. and 2. above, Shinsei Bank will make Shinsei Corporate Investment Limited (hereinafter, "SCI") a wholly-owned subsidiary of the Bank as of October 1, 2017. SPI currently wholly owns shares of SCI, and will provide a dividend in kind to Shinsei Bank effective on October 1, 2017.

4. Outline of subsidiaries that will be realigned (as of March 31, 2017)

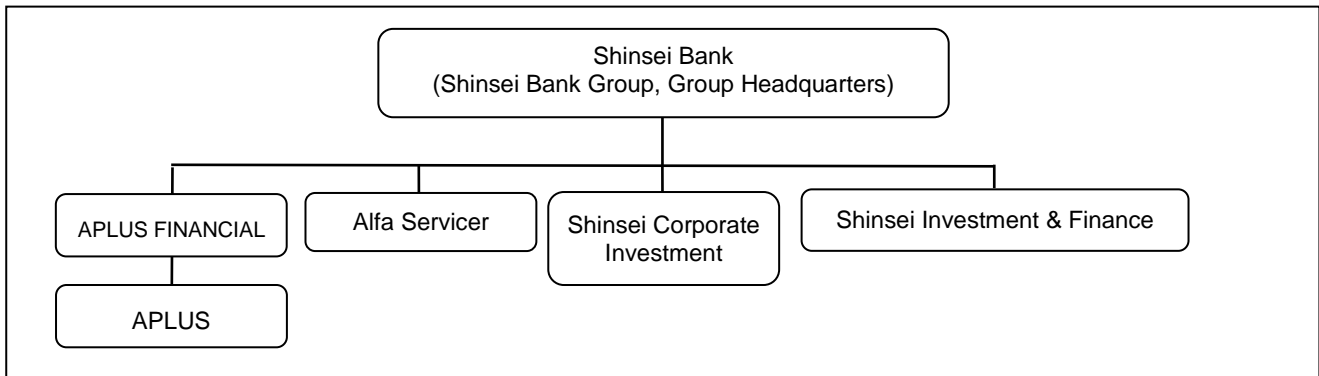
Name	Shinsei Principal Investments Limited	Shinsei Corporate Investment Limited	Shinsei Investment & Finance Limited	Shinsei Servicing & Consulting Limited
Address	Otemachi Financial City South Tower 16F, 1-9-7, Otemachi, Chiyoda-ku, Tokyo	Otemachi Financial City South Tower 16F, 1-9-7, Otemachi, Chiyoda-ku, Tokyo	Otemachi Financial City South Tower 16F, 1-9-7, Otemachi, Chiyoda-ku, Tokyo	Otemachi Financial City South Tower 16F, 1-9-7, Otemachi, Chiyoda-ku, Tokyo
Representative	President & Representative Director Hiromasa Takano	CEO Ippei Matsubara	President & Representative Director Masanao Taniya	President & Representative Director Yukihisa Kuwana
Business	Financial instruments business	Investment business	Finance business	Servicing business
Capital	100 million yen	50 million yen	100 million yen	500 million yen
Established	April 11, 2006	November 21, 2012	January 1, 1993	October 19, 2001
Major shareholders and shareholding ratio	Shinsei Bank (100%)	Shinsei Principal Investments (100%)	Shinsei Principal Investments (100%)	Shinsei Principal Investments (100%)

Name	Alfa Servicer Co., Ltd.	Shinsei Property Finance Co., Ltd.
Address	Shinjuku Square Tower 8F, 6-22-1, Nishi-shinjuku, Shinjuku-ku, Tokyo	Sumitomo Fudosan Akihabara Bldg. 11F, 3-12-8, Soto-kanda, Chiyoda-ku, Tokyo
Representative	President & Representative Director Yoshitsugu Katsuma	President & Representative Director Sadayuki Ono
Business	Servicing business	Real estate secured loan business
Capital	500 million yen	100 million yen
Established	December 26, 2005	May 1959
Major shareholders and shareholding ratio	APLUS (100%)	Shinsei Bank (100%)

[Reference] Overview of Realignment of Shinsei Bank Group companies Before the changes (as of June 30, 2017)



After the changes (as of October 1, 2017)



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>