

For Immediate Release

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

Shinsei Bank Enhances Diversity Initiatives

- Establishment of the Diversity Promotion Department, acceptance of subsidiary business to support diversified workstyle, and agreement about the Declaration on Action by “A Group of Male Leaders Who Will Create a Society in Which Women Shine” -

Tokyo (Thursday, March 29, 2018) --- Shinsei Bank, Limited (hereinafter, “Shinsei Bank” or the “Bank”) announced today that in order to promote the diversity initiatives in the Shinsei Bank Group, it established the “Diversity Promotion Department” in the Group Human Resources Division effective February 1, 2018, and actively takes the initiatives to implement effective measures for two priority items; enhancement of diversified workstyle and the active participation of women in the Group. As a part of such initiatives, the Bank established the “Group Committee to Promote the Active Participation of Women” effective the same day to take initiatives in effective measures to promote active participation of women, and Mr. Hideyuki Kudo, President and CEO of Shinsei Bank, assents to the declaration on action by “A Group of Male Leaders Who Will Create a Society in Which Women Shine.” Furthermore, Shinsei Bank will accept its employees to work for the subsidiary business from April 2018.

Shinsei Bank Group has integrated function of many Group member companies with a broad spectrum of financial functions from banking to securities, trusts, shopping credit and other credit businesses, leasing and unsecured loans based on customers’ true needs. With understanding that the diversity is a big key issue to utilize the Group’s strengthen of human resources, Shinsei Bank has created a work environment, systems, and processes that enable each employee to contribute as much as possible to the organization by harnessing his or her unique aspirations, attributes, and capabilities. In April 2016, the Group Human Resources Division was established as part of the integration of the head-office functions of the Group, and a comprehensive review of the human resource system and the promotion of measures to reform work styles have been undertaken. Enhancement of diversity initiatives is in line with such efforts. Please refer to the following for the outline of each of priority items, and to the attachment for the entire structure of initiatives.

Shinsei Bank will proactively take these initiatives, with the view that the enhancement of diversity including the promotion of the active participation of women and the encouragement of various work styles is essential to be a financial innovator that provides innovative financial services, one of the goals of its Medium- to Long-Term Vision.

1. Measures to promote diversified workstyle

(1) Acceptance of subsidiary business (introduced in April 2018)

As long as the prescribed condition is satisfied, Shinsei Bank will accept its employees to conduct subsidiary business in both a sole-proprietor-type working and employed working by other companies. This measure is expected to meet employees’ needs to gain experience and knowledge from outside Shinsei Bank while working for the Bank and to contribute Shinsei Bank to foster innovation by expanding employees’ human connections and network.

[Outline of acceptance of subsidiary business]

| | Sole-proprietor-type working | Employed working by other companies |
|------------------------|--|---|
| Expected working style | <ul style="list-style-type: none"> Self-employed business, entrusted business, management members of other companies and participation in the family business | <ul style="list-style-type: none"> Employment by other companies |
| Target | <ul style="list-style-type: none"> All employees who satisfy the prescribed condition | |
| Prohibited business | <ul style="list-style-type: none"> Financial institutions, or competitive companies or business against Shinsei Bank or business that Shinsei Bank provides Companies that might cause information leaking | |

| | |
|------------------------|--|
| | <ul style="list-style-type: none"> • Companies or business possible to lose Shinsei Bank's reputation • Companies or business possible to run counter to interests of the Shinsei Bank Group member companies • Midnight work or dangerous and harmful work |
| Application and report | <ul style="list-style-type: none"> • Employee's application is decided by agreement between the Group Human Resources Division and a general manager of the division where applied employee belongs • Employee is required to provide a monthly report on working hours of subsidiary business to the Group Human Resources Division • Employees is required to report the contents of business and to submit commitment form once a year |

(2) Life support leave system (introduced in January 2018)

This is a leave system to support the careers of employees who in the past had no choice than to resign due to reasons that were not covered by the conventional leave system. The reasons for taking life support leave include childcare, nursing of family, attending university or postgraduate school, studying abroad, job relocation of spouse, fertility treatment, pregnancy of the employee or his/her spouse. Employees after working for Shinsei Bank for three or more years are entitled to a life support leave of at least six months and at most a total of three years, which can also be taken in divided periods.

2. Measures to promote active participation of women

(1) Agreement about the Declaration on Action by "A Group of Male Leaders Who Will Create a Society in Which Women Shine"

After the meeting to support women shine held at the Cabinet Office in March 2014, male leaders of companies those actively engage in promoting women have come up with the Declaration on Action by "A Group of Male Leaders Who Will Create a Society in Which Women Shine." The Declaration announces male leaders' commitment to spontaneously act and provide messages, to break the deadlock in current conditions, and to promote networking in order for various women to increase the motivation and to maximally exert their abilities aiming that concrete initiatives by male leaders who agree with the Declaration stimulate activities by other male leaders who have social influence.



With respect to the promotion of the active participation of women, Shinsei Bank formulated an action plan in April 2016, with the target for female employees to take 17% of the managerial positions (section manager or higher)¹ (13.4% as of April 2017) and 35% of the managerial positions (chief clerk or higher)² (29.6% as of April 2017) by the end of fiscal year 2020. The Bank will take the opportunity of its support of the Declaration on Action to enhance these initiatives and integrate the measures as a Group.

Website of the Declaration on Action by "A Group of Male Leaders Who Will Create a Society in Which Women Shine" (Japanese only)

http://www.gender.go.jp/policy/sokushin/male_leaders/index.html

(2) Establishment of the "Group Committee to Promote the Active Participation of Women"

In order to actively take the effective initiatives for active participation of women in the Group, Shinsei Bank established the "Group Committee to Promote the Active Participation of Women" (secretariat: the Diversity Promotion Department).

¹ Senior Manager or higher positions

² Manager or higher positions

1. Establishment of the Diversity Promotion Department

- The “Diversity Promotion Department” was established in the Group Human Resources Division as of February 1, 2018, to further enhance diversity in the Shinsei Bank Group.
- The Department starts with the further enhancement of the key initiatives including the **promotion of the active participation of women**, **promotion of diversified workstyles**, and **use of senior resources**.

2. Promotion of diversified workstyle

- Acceptance of subsidiary business (introduced in April 2018)
 - ◆ As long as the prescribed condition is satisfied, Shinsei Bank accepts its employees to conduct subsidiary business in both a sole-proprietor-type working and employed working by other companies.

[Outline]

| | Sole-proprietor-type working | Employed working by other companies |
|-------------------------------|--|---|
| Expected working style | <ul style="list-style-type: none"> • Self-employed business, entrusted business, management members of other companies and participation in the family business | <ul style="list-style-type: none"> • Employment by other companies |
| Target | <ul style="list-style-type: none"> • All employees who satisfy the prescribed condition | |
| Prohibited business | <ul style="list-style-type: none"> • Financial institutions, or competitive companies or business against Shinsei Bank or business that Shinsei Bank provides • Companies that might cause information leaking • Companies or business possible to lose Shinsei Bank’s reputation • Companies or business possible to run counter to interests of the Shinsei Bank Group member companies • Midnight work or dangerous and harmful work | |
| Application and report | <ul style="list-style-type: none"> • Employee’s application is decided by agreement between the Group Human Resources Division and a general manager of the division where applied employee belongs • Employee is required to provide a monthly report on working hours of subsidiary business to the Group Human Resources Division • Employees is required to report the contents of business and to submit commitment form once a year | |

2. Promotion of diversified workstyles (continues)

- Working from home (introduced in April 2018)
 - ◆ From October to December 2017, trial of working from home for 2 days a week maximum was experimented with the cooperation of a total of 113 employees from 22 divisions and branches. The system is introduced based on the results.
- Life support leave system (introduced in January 2018)
 - ◆ A leave system to support the careers of employees who in the past had no choice than to resign due to reasons that were not covered by the conventional leave system.
 - ◆ Employees after working for the company for three or more years are entitled to a life support leave of at least six months and at most a total of three years, which can also be taken in divided periods.
 - ◆ The reasons for taking life support leave include childcare, nursing of family, attending university or postgraduate school, studying abroad, job relocation of spouse, fertility treatment, pregnancy of the employee or his/her spouse.
- Self-staggered work time system (introduced in October 2017)
 - ◆ A self-declared flextime system that allows the employee to move up or back the normal start time (8:50) and finish time (17:10¹) by 30 or 60 minutes (a total of four patterns) if applied by the finish time on the previous day 1 17:00 on Fridays
 - ◆ All full-time employees, non-regular employees, and part-time employees on normal working hours are entitled to the system

Enhancement of Diversity Initiatives

2. Promotion of diversified workstyles (continues)

- Encouragement to go home early (introduced in June 2017)
 - ◆ Employees are encouraged to go home early by means of initiatives of no overtime after 20:00, “go-home-early day” on Wednesdays (leave work at 18:00), and “my regular-hour day” which is the day to leave at the regular finish time once a month.
 - ◆ The workstyle card is introduced in order to visibly show the closing time and to encourage the independent way of work.



3. Promotion of active participation of women

- Agreement about the Declaration on Action by “A Group of Male Leaders Who Will Create a Society in Which Women Shine”
 - ◆ Shinsei Bank has improved and implemented various career development systems to promote the active participation of women.
 - ◆ Mr. Hideyuki Kudo, President and CEO of Shinsei Bank, assents to the declaration to integrate initiatives in the Group.
- Establishment of the Group Committee to Promote the Active Participation of Women (Secretariat: Diversity Promotion Department)
 - ◆ The Committee was established in February 2018 to take further progress the effective measures in the Group.

Career development systems to promote the active participation of women

- Training courses for leaders
- Women’s career path training
- Hearing prior to maternity leave before and after childbirth
- Self-development support during childcare leave
- Reinstatement after maternity leave or childcare leave (for employees on leave and for managers)
- Shinsei Women’s Network lunches

【Reference】 Action plan to promote the active participation of women (disclosed on April 1, 2016)

| | | |
|-------------------------------------|--|--|
| 1. Plan period | April 1, 2016 to March 31, 2020 | |
| 2. Issues of the Bank | (1) Although active participation of women has progressed in the overall managerial positions, the proportion of women in the section manager or higher positions is still low (2) There is no established career planning support for women to aim to take the section manager or higher positions | |
| 3. Objectives | 1. Proportion of women in managerial positions (section manager or higher)*1 <small>*1 Senior manager or higher positions</small> 【FY2020 objective】 17.0% (11.0% as of the end of March 2015, 13.4% as of end of March 2017) | |
| 3. Objectives | 2. Proportion of women in managerial positions (chief clerk or higher)*2 <small>*2 Manager or higher positions</small> 【FY2020 objective】 35.0% (25.5% as of end of March 2015, 29.6% as of the end of March 2017) | |
| 4. Initiatives / action plan | 1. Deliver career training for female employees to develop managerial qualifications | <ul style="list-style-type: none"> ■ August to December 2016: Selection training for young female employees pursuing managerial positions ■ From October 2016: Understand the career development needs of female employees (questionnaires and hearings) ■ From FY2017: Examine and deliver career development measures based on the extracted needs and issues |
| 4. Initiatives / action plan | 2. Devise medium- to long-term career plans that meet individual aptitude and orientation | <ul style="list-style-type: none"> ■ From October 2016: Conduct individual interviews for career planning ■ From FY2017: Devise career development plans based on the above |

【Reference】 Action plan to promote the active participation of women (disclosed on April 1, 2016)

■ Information disclosure items (as of March 2017)

| Area | Specified item | Disclosed content |
|---|--|---|
| Recruitment | Proportion of female workers among the total recruited workers (including mid-career employment) | 【April 1, 2016 to March 31, 2017】 Regular employees: 36.1% Non-regular employees: 60.0% Part-time employees: 84.6% |
| Continued employment / reform of workstyles | Difference between sexes in the mean continued employment years | 【Full-time employees】 Male employees: 10.59 years Female employees: 13.63 years |
| Evaluation / appointment to managerial positions | Proportion of female workers in managerial positions (section manager or higher)*1 <small>*1 Senior manager or higher positions</small> | 13.4% |
| | Proportion of female workers in chief clerk positions*2 <small>*2 Manager or higher positions</small> | 45.9% |