

For Immediate Release

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

Notice of Introduction of Restricted Stock Compensation Plan

Tokyo (Monday, April 23, 2018) --- Shinsei Bank, Limited (hereinafter, "Shinsei Bank"; "the Bank") announced today that, it reviewed the Director and Executive Officer compensation plan and resolved to introduce a restricted stock compensation plan (the "Plan") for full-time Directors (excluding Outside Directors; hereinafter "Eligible Directors"), and to submit a proposal regarding the introduction of the Plan to the 18th Annual General Meeting of Shareholders scheduled for June 20, 2018 (the "General Meeting of Shareholders") as of Monday, April 23, 2018.

1. Reason for introducing the Plan

The Plan will be introduced in order to provide an incentive for Eligible Directors to strive for the sustainable enhancement of the Bank's corporate value by having them hold the Bank's shares through allotment of restricted stock, in addition to sharing more of that value between Eligible Directors and shareholders.

2. Overview of the Plan

(1) Amount of compensation for Directors and number of shares to be granted:

Under the Plan, the Bank shall grant monetary compensation receivables to Eligible Directors for the allotment of restricted stock. Eligible Directors shall then make in-kind contributions of the monetary compensation receivables in return for the Bank's common stock that will be issued or disposed of by the Bank. While the compensation for Directors of the Bank was approved at an amount of 180 million yen or less per year at the 15th General Meeting of Shareholders held on June 17, 2015 (including 60 million yen or less per year for the Outside Directors)(However, this does not include the portion which represents an employee salary for Directors who concurrently serve as employees.), the Bank requests approval for payment of remuneration for granting the restricted stock to the Eligible Directors, within the scope of the said existing limit of compensation for the Directors of the Bank. The compensation paid in order to grant restricted stock to the Eligible Directors shall be a monetary compensation claim, and its total amount shall be 20 million yen or less per year, the amount to be appropriate based on the above objectives. The specific timing of the payment and distribution to each Director shall be determined at the Board of Directors' meetings.

In addition, the total number of shares of common stock in the Bank to be issued or disposed of under the Plan shall be no more than 24,000 shares per year (However, in the event of unavoidable circumstances for adjustment of the total number of shares, such as a share split or a consolidation of the shares of common stock of the Bank that is effective on or after the date the Plan is approved at the General Meeting of Shareholders, the total number of shares shall be adjusted as necessary within a reasonable range, in accordance with the split ratio or consolidation ratio, etc., from the effective date onward.).

Furthermore, the amount to be paid in per share shall be decided by the Board of Directors within a range that is not specially advantageous to the Eligible Directors who will receive the common stock, based on the closing price of the Bank's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Board of Directors (in the case that the transaction has not been established on that day, the closing price on the most recent trading day preceding that day).

Furthermore, the Equity Remuneration Type Stock Options for the Bank's full-time Directors

(excluding outside directors) was approved at amount of 50 million yen or less per year in the 15th General Meeting of Shareholders held on June 17, 2015.

(2) Restricted stock allotment contract:

For the purpose of issuing and disposing of common stock in the Bank based on the Plan, the Bank shall enter into a restricted stock allotment contract with Eligible Directors. The main content of this contract shall be as follows.

- 1) Eligible Directors shall not transfer, create a security interest in, or otherwise dispose of the allotted stock during a certain period; and
- 2) The Bank may acquire the stock without consideration if certain events occur.

(Reference)

Regarding the compensation of full-time Directors, the mid- to long-term incentive compensation will be enhanced as a result of the Plan being added to the Equity Remuneration Type Stock Options. The compensation of full-time Directors will be comprised of the following three elements: fixed compensation as the “basic compensation,” Equity Remuneration Type Stock Options as the “mid- to long-term incentive compensation” and restricted stock. The short-term incentive compensation shall continue not to be paid.

Furthermore, subject to receiving the shareholders’ approval for the introduction of the Plan at the General Meeting of Shareholders, the Bank also plans to introduce a restricted stock compensation plan, which will have content similar to that of the Plan, for Executive Officers and Group Headquarters Chief Officers and Senior Officers of the Bank. The compensation of Executive Officers and Group Headquarters Chief Officers and Senior Officers has been comprised of fixed compensation as the “basic compensation” and a performance-based bonus determined by the business performance in a single year as the “short-term incentive compensation.” However, due to the introduction of the Plan, it will now be comprised of three elements with the addition of the restricted stock compensation, which will strengthen the commitment to improve the corporate value.

Shinsei Bank is a leading diversified Japanese financial institution providing a full 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>