

For Immediate Release

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

Notice concerning Disposal of Treasury Shares for Restricted Stock Compensation

Tokyo (Wednesday, March 20, 2019) --- Shinsei Bank, Limited (hereinafter, the “Bank”) announced today that its Board of Directors resolved, at a meeting held on March 20, 2019, to dispose of treasury shares (hereinafter the “Disposal of Treasury Shares”) as follows:

1. Outline of the disposal of treasury shares

(1) Disposal Date	April 19, 2019
(2) Class and number of shares to be disposed	36,886 shares of common stock of the Bank
(3) Disposal value	1,599 yen per share
(4) Total disposal value	58,980,714 yen
(5) Recipients of allocation and the numbers thereof; numbers of shares to be disposed	Executive Officers of the Bank as well as Chief Officers and Senior Officers of the Group Headquarters: 35 persons, total of 36,886 shares
(6) Others	The Disposal of Treasury Shares is conditioned on the Securities Registration Statement taking effect in accordance with the Financial Instruments and Exchange Act.

2. Purpose of and reasons for the disposal

The Bank resolved, as of April 23, 2018, to introduce a restricted stock compensation plan as a remuneration plan for full-time Directors of the Bank (Directors excluding Outside Directors; hereinafter, “Eligible Directors”), for the purpose of granting a mid- to long-term incentive to Eligible Directors and promoting shared value with shareholders. At the 18th General Meeting of Shareholders held on June 20, 2018, it was approved that, pursuant to the said restricted stock compensation plan, (i) monetary compensation not exceeding 20 million yen per year shall be paid to Eligible Directors as monetary compensation to serve as the property to be contributed for acquisition of restricted stocks (hereinafter, the “Restricted Stock Compensation”) and (ii) the transfer restriction period for the restricted stock shall be the period specified by the Board of Directors of the Bank which shall be the period between three (3) to five (5) years.

The Bank also resolved, as of September 19, 2018, to introduce a restricted stock compensation plan (hereinafter, the “Restricted Stock Compensation Plan”) for Executive Officers of the Bank as well as Chief Officers and Senior Officers of the Group Headquarters at the meeting of the board of directors, as a remuneration plan for Executive Officers of the Bank as well as Chief Officers and Senior Officers of the Group Headquarters (“the Eligible Executive Officers, etc.”), for the purpose of granting a mid- to long-term incentive and promoting shared value with shareholders, and to dispose of Treasury Shares.

This time, the Bank, as part of the Restricted Stock Compensation Plan, has decided to provide the total sum of monetary compensation claims of 58,980,714 yen (hereinafter, the “Monetary Compensation Claims”) and 36,886 shares of common stocks of the Bank to increase motivation of each of the Eligible Executive Officers, etc.

The outline of the Restricted Stock Compensation Plan and other matters are as described below.

[Outline of the Restricted Stock Compensation Plan and other matters]
 Eligible Executive Officers, etc. will make in-kind contributions of all monetary compensation claims to be provided by the Bank in accordance with the Restricted Stock Compensation Plan, and, in return, receive shares of common stock of the Bank that will be issued or disposed of by the Bank. The amount to be paid in

per share of common stock to be issued or disposed of by the Bank for Eligible Executive Officers, etc. under the Restricted Stock Compensation Plan shall be decided by the Board of Directors within a range that is not specially advantageous to Eligible Executive Officers, etc. who will receive the common stock, based on the closing price of the common stock of the Bank on the First Section of the Tokyo Stock Exchange on the business day immediately preceding the date of each 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).

For the purpose of issuing or disposing of common stock in the Bank based on the Restricted Stock Compensation Plan, the Bank shall enter into a restricted stock allotment agreement with Eligible Executive Officers, etc., which includes the provisions that (1) Eligible Executive Officers, etc. shall not, during a certain period, transfer, create a security interest on, or otherwise dispose of the common stock of the Bank which are allotted to them pursuant to the restricted stock allotment agreement, and (2) the Bank may acquire the relevant common stock without consideration if certain events occur.

In order to accomplish the purpose of introducing the Restricted Stock Compensation Plan which is to achieve shared value with shareholders over a mid- to long-term period, the Bank has decided the transfer restriction period to be three (3) years.

For the Disposal of Treasury Shares, 35 Eligible Executive Officers, etc., who are the planned recipients of an allocation of shares, will make an in-kind contribution of all Monetary Compensation Claims to the Bank in accordance with the Restricted Stock Compensation Plan, and will receive the disposed shares of common stock of the Bank (hereinafter, "the Allotted Stocks"). The outline of a restricted stock allotment agreement to be entered into by and between the Bank and Eligible Executive Officers, etc. in connection with the Disposal of Treasury Shares is as described in 3. below (hereinafter, "the Allotment Agreement").

3. Outline of the Allotment Agreement

(1) Transfer restriction period: April 19, 2019 to April 18, 2022

(2) Conditions for removal of transfer restrictions

The Bank will remove the transfer restrictions on the entirety of the Allotted Stocks upon expiration of the transfer restriction period on the condition that the Eligible Executive Officers, etc. continuously retain the position as any of Director, Auditor, Executive Officer, Chief Officer or Senior Officer of the Group Headquarters or employee of the Bank or its subsidiary during the transfer restriction period.

(3) Treatment in case of resignation of Eligible Executive Officers, etc. due to expiration of the term of office, attainment of retirement age or any other justifiable reasons during the transfer restriction period

(i) Timing of removal of transfer restrictions

If an Eligible Executive Officer, etc. resigns or retires from the position of Director, Auditor, Executive Officer, Chief Officer or Senior Officer of the Group Headquarters or employee of the Bank or its subsidiary due to expiration of the term of office, attainment of retirement age or any other justifiable reasons, the transfer restrictions will be removed at the time of expiration of the transfer restriction period (in case of resignation or retirement due to death, the removal shall be on the date of the resignation or retirement of the Eligible Executive Officer, etc.).

(ii) Number of shares subject to removal of transfer restrictions

The number of shares obtained by multiplying the number of Allotted Stocks held by an Eligible Executive Officer, etc. at the time of his/her resignation or retirement set forth in (i) above by the value obtained as a result of dividing the period of service of the Eligible Director during the transfer restriction period (on a monthly basis) by 12 (if the value is above 1, then 1 shall apply) (provided, however, that, any fraction less than one share as a result of the calculation shall be rounded off) shall be removed.

(4) Acquisition by the Bank without consideration

The Bank shall automatically acquire, without consideration, the Allotted Stocks for which transfer restrictions have not been removed at the time of expiration of the transfer restriction period.

(5) Management of shares

The Allotted Stocks shall be managed in dedicated accounts at Nomura Securities Co., Ltd. opened by the Eligible Executive Officers, etc. during the transfer restriction period in order to ensure that it is not possible to transfer, create any security interest on, or otherwise dispose of the shares during the transfer restriction period. The Bank has entered into an agreement with Nomura Securities Co., Ltd. in relation to the management of the accounts of the Allotted Stocks held by the Eligible Executive Officers, etc. to ensure the effectiveness of the transfer restrictions on the Allotted Stocks. In addition, the Eligible Executive Officers, etc. shall agree to the details of the management of the accounts.

(6) Treatment upon reorganization

If, during the transfer restriction period, a merger agreement in which the Bank is a disappearing company, a share exchange agreement or a share transfer plan in which the Bank becomes a wholly owned subsidiary, or any other matters concerning reorganization is approved by the General Shareholders' Meeting of the Bank (or by the Board of Directors of the Bank, if the approval by the General Shareholders' Meeting of the Bank is not required in relation to the relevant reorganizations), based on the resolution of the Board of Directors, the Bank will remove the transfer restrictions on the number of shares obtained by multiplying the number of shares of the Allotted Stocks held at the time being by the value obtained as a result of dividing the number of months from the commencement month of the transfer restriction period to the month including the date of the approval of reorganization by 12 (if the value is above 1, then 1 is applied) at the time immediately before the preceding business day of the effective date of reorganization (provided, however, that, any fraction less than one share as a result of the calculation shall be rounded off). The Bank shall automatically acquire, without consideration, the entire Allotted Stocks for which transfer restrictions are not removed at the time immediately after the removal of the transfer restrictions.

4. Basis for calculating the amount to be paid in and details thereof

The Disposal of Treasury Shares will be performed as an in-kind contribution based on the monetary compensation claims which will be provided as the Restricted Stock Compensation for the 20th term of the Bank based on the Restricted Stock Compensation Plan. To eliminate any arbitrariness in the disposal price, the closing price for common stock of the Banks on March 19, 2019 (which is the business day immediately before the date of resolution of the Board of Directors) on the First Section of the Tokyo Stock Exchange of 1,599 yen is used as the disposal price. As this is the market price of the shares the day immediately before the date of resolution of the Board of Directors, the Bank believes it is reasonable and does not constitute a particularly favorable price.

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