

For Immediate Release

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

Notice Concerning the Continuation of Restricted Stock Compensation Plan for Directors and the Decisions on Specific Matters regarding the Plan

Tokyo (Thursday, May 13, 2021) --- Shinsei Bank, Limited (hereinafter, the "Bank") announced today that it has resolved at its Board of Directors meeting held today to continue the Restricted Stock Compensation Plan (hereinafter, the "Plan") for Directors and to decide Specific Matters regarding the Plan and will submit a proposal to continue the Plan and to decide specific matters regarding the Plan to the 21st Annual General Meeting of Shareholders planned to be held on June 23, 2021, in correspondence to the amendment of the Companies Act enacted from March 1, 2021. The Bank resolved at the 18th Ordinary General Meeting of Shareholders held on June 20, 2018, the introduction of the Plan for full-time Directors and also resolved at the 20th Ordinary General Meeting of Shareholders held on June 17, 2020, the introduction of the Plan for Outside Directors (hereinafter, the eligible directors of the Plan resolved at the 18th Ordinary General Meeting of Shareholders held on June 20, 2018, and the eligible directors of the Plan at the 20th Ordinary General Meeting of Shareholders held on June 17, 2020 are collectively referred to as "Eligible Directors").

1. The Continuation of Restricted Stock Compensation Plan for Directors

The Bank continues the Plan to share the risks and benefits of stock price movements with the shareholders and to further motivate the Directors to enhance the corporate value and stock price of the Bank from both a mid-term and a long-term perspective. The Continuation of the Plan is subject to the resolution at the 21st Annual General Meeting of Shareholders planned to be held on June 23, 2021.

2. Overview of the Plan

The overview of the Plan proposed at the 21st Annual General Meeting of Shareholders planned to be held on June 23, 2021 is as follows. It should be noted that the items proposed to be resolved at the 21st Annual General Meeting of Shareholders planned to be held on June 23, 2021, in addition to the items resolved at the 18th General Meeting of Shareholders held on June 20, 2018 and the items resolved at the 20th General Meeting of Shareholders held on June 17, 2020 is underlined.

(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. 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. In addition, the payment of compensation of 20 million yen or less per year for granting the restricted stock to full-time Directors (Directors excluding Outside Directors) within the scope of the said compensation limit was approved at the 18th Ordinary General Meeting of Shareholders held on June 20, 2018.). The amount of the compensation for Outside Directors for granting restricted stock to Outside Directors is up to 15 million yen per year, which is within the annual limit of 60 million yen per year, which was resolved at the 20th General Meeting of Shareholders held on June 17, 2020. 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 for Full-time Directors shall be no more than 24,000 shares per year and the total number of shares of common stock in the Bank to be issued or disposed of under the Plan for Outside Directors shall be no more than 18,000 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 Proposal 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).

Separately, the Equity Compensation 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.

i) Transfer Restriction Period

The Eligible Directors shall not transfer, create a security interest in, nor otherwise dispose of the common shares of the Bank (hereinafter the "Allocated Shares") for which allocation is received under the Allocation Contract (hereinafter the "Transfer Restrictions") during the period stipulated in advance by the Board of Directors of the Bank that is between three and five years after the allotment date of the Allocated Shares (hereinafter the "Transfer Restriction Period").

ii) Treatment in the Event that a Director Leaves His/Her Post or Retires

In the case that Eligible Directors leave their posts as Directors, Audit & Supervisory Board Members, Executive Officers, or employee of the Bank or the Bank's subsidiaries before the end of the Transfer Restriction Period, the Bank shall acquire the Allocated Shares at no cost except in the case of the expiration of the term of office, death, or any other legitimate reasons for the Eligible Directors to leave their posts.

iii) Cancellation of the Transfer Restrictions

The Bank shall cancel the Transfer Restrictions for all of the Allocated Shares as of the time when the Transfer Restriction Period expires, on the condition that the Eligible Directors have maintained their status of Directors, Audit & Supervisory Board Members, Executive Officers, or employee of the Bank or the Bank's subsidiaries continuously during the Transfer Restriction Period. However, in the case that said Eligible Directors leave their posts in the case of the expiration of the term of office, death, or any other legitimate reasons as stipulated in ii) above before the Transfer Restriction Period expires, the number of the Allocated Shares for which the Transfer Restrictions are cancelled and the timing of the cancellation of the Transfer Restrictions shall be reasonably adjusted as necessary.

iv) Treatment in the Event of Organizational Restructuring, etc.

Notwithstanding the provision in i) above, in the case that matters regarding merger contracts under which the Bank becomes a disappearing company, share exchange agreements or can transfer plans under which the Bank becomes a wholly owned subsidiary of another company, or any other organizational restructuring, etc. are approved at the General Meeting of Shareholders of the Bank (or at a Meeting of the Board of Directors of the Bank in the case that approval by the General Meeting of Shareholders of the Bank is not required regarding the said organizational restructuring, etc.) during the Transfer Restriction Period, the Bank shall cancel, based on the resolution of the Board of Directors of the Bank, the Transfer Restrictions before the effective date of the said organizational restructuring, etc. with regard to all or some of the Allocated Shares. Furthermore, in the case provided for above, the Bank shall acquire at no cost the Allocated Shares

for which the Transfer Restrictions have not been cancelled at the time immediately after the said cancellation of Transfer Restrictions.

v) The Bank's Acquisition without consideration

If the Eligible Director falls under any of the following items during the Transfer Restriction Period, the Bank shall automatically acquire, without consideration, all the Shares at the time when the Eligible Director falls under such item (or, in the case of item (c), at the time when the Bank gives written notice to the Eligible Director, stating that the Bank will acquire all of the Shares without consideration)

(a) If the board of directors of the Bank finds that the Eligible Director of a full-time Director engages in any business activities competing against the business of the Bank Group or he/she assumes an executive position in a competing corporation or other group (unless he/she obtains prior written consent from the Bank).

(b) If the Eligible Director resigns or retires from the position of Director, Auditor, Executive Officer and/or employee of the Bank Group, for any reason other than those set forth in proviso of the paragraph ii), including for his/her own convenience (except in the case of his/her assumption or re-assumption of any of the positions above simultaneously with his/her resignation or retirement, or other due reasons including his/her death, maturity of the term of office or retirement age).

(c) If the board of directors of the Bank finds that the Eligible Director is in breach of laws, regulations, internal regulations or rules in a material respect (including an accounting fraud that may cause large losses) and gives notice to the Eligible Director that the Bank will acquire the Shares allotted to him/her without consideration.

vi) Other Matters Determined by the Board of Directors

In addition to the above, the method of manifestation of intention and notification in the Allocation Contract, the method of revision of the Allocation Contract, and any other matters determined by the Board of Directors shall be included in the contents of the Allocation Contract.

(Reference)

The compensation of full-time Directors will be comprised of the following three elements: fixed compensation as the "basic compensation," Equity Compensation Type Stock Options as the "mid- to long-term incentive compensation" and restricted stock. The short-term incentive compensation will continue not to be paid.

The compensation of the Outside Directors will be comprised of non-performance-based restricted stock compensation to the fixed compensation as the "basic compensation" in order to share more of the value with shareholders.

The compensation of Executive Officers and Group Headquarters Chief Officers and Senior Officers will be comprised of the following three elements: fixed compensation as the "basic compensation," a performance-based bonus to be determined by the business performance in a single year as the "short-term incentive compensation" and the restricted stock compensation as the "med- to long-term incentive compensation."

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>

For further information, please contact:
Group Investor Relations & Corporate Communications Division
Shinsei Bank, Limited (www.shinseibank.com)
E-Mail: Shinsei_PR@shinseibank.com