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September 9, 2021

Address: 1-6-1 Roppongi, Minato-ku, Tokyo
Company: SBI Holdings, Inc.
(CodeNo.:8473,TSE 1st Sec.)
Representative
Representative: Director, President & Yoshikata Kitao
CEO
Contact: Executive Officer Hideyuki Katsuchi
Tel: +81 3 6229 0100
Company: SBI Regional Bank Holdings Co., Ltd.

**Notice Regarding Commencement of a Tender Offer for
the Shares of Shinsei Bank, Limited (Securities Code: 8303)**

SBI Holdings, Inc. (“SBIHD”) and its wholly owned subsidiary company SBI Regional Bank Holdings Co., Ltd. (head office location: Minato-ku, Tokyo; Representative Director: Shumpei Morita; the “Tender Offeror,” together with SBIHD, the “SBIHD Parties”) each determined at their respective board of directors meetings held today to acquire the common shares (the “Target Company Shares”) of Shinsei Bank, Limited (listed on the First Section of the Tokyo Stock Exchange (“TSE”); securities code: 8303; the “Target Company”) through a tender offer (the “Tender Offer”) pursuant to the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the “Act”).

This document constitutes disclosure by SBIHD pursuant to the Securities Listing Regulations and public announcement by the Tender Offeror under Article 30, paragraph 1, item 4 of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended; the “Order”) at the request of the Tender Offeror to SBIHD, its wholly owning parent company.

Particulars

1. Outline of SBI Regional Bank Holdings Co., Ltd.

(i) Name:	SBI Regional Bank Holdings Co., Ltd.
(ii) Address:	1-6-1 Roppongi, Minato-ku, Tokyo
(iii) Name and position of representative:	Shumpei Morita, Representative Director
(iv) Description of business:	<ul style="list-style-type: none"> (1) Investment business, such as holding, management, investment, and acquisition of securities, etc. (2) Research, planning, and intermediation in connection with business transfers, sales and purchases of assets, capital participations, business alliances, and mergers by companies (3) Consulting services concerning business management in general (4) Bookkeeping of company accounts, administrative work concerning account settlement, and diagnosis and guidance concerning management and accounts (5) Information provision services (6) Development, sale, and rental of systems (7) Any other businesses incidental or related to each of the above
(v) Stated capital:	100 million yen (as of September 9, 2021)

2. Purpose of the Purchase

(1) Outline of the Tender Offer

The Tender Offeror is a stock company whose issued shares are all owned, as of today, by SBIHD, and which was established on August 25, 2015 mainly for the purpose of increasing the profitability of regional financial institutions and enhancing their corporate value by directly investing in them while utilizing the products, services, and know-how held by the companies belonging to the SBIHD Group (as defined in “A. Overview of the SBIHD Parties” in “(i) Purpose and Background of the Tender Offer” in “(2) Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Tender Offer, and Management Policy After Completion of the Tender Offer” below; the same shall apply hereinafter) and the SBIHD Group’s investee companies. As of today, the Tender Offeror owns 100 shares (ownership ratio (Note): 0.00%) of the Target Company Shares. In addition, SBIHD, which is the wholly-owning parent company of the Tender Offeror, is the largest shareholder, as well as a major shareholder, owning 42,737,700 Target Company Shares (ownership ratio: 20.32%) as of today. Yoshitaka Kitao, President and Representative Director of SBIHD, and Shumpei Morita, Representative Director of the Tender Offeror, who have been respectively entrusted to finally decide to implement the Tender Offer based on the resolution of the board of directors of the SBIHD Parties as of September 9, 2021, decided the

implementation of the Tender Offer on the same date, for the purpose of (a) making the Target Company a consolidated subsidiary of SBIHD, establishing and reinforcing a business alliance relationship between the SBIHD Group and the Target Company Group (as defined below), and (b) ensuring that the SBIHD Parties have the voting rights to practically enable to change all or part of the Target Company's officers and to accomplish the optimal composition of officers, and (c) flexibly increasing the SBIHD Parties' ownership ratio of the Target Company Shares in order to accomplish the purposes as stated in the above (a) and (b) in the future by the Tender Offer, even if the Tender Offeror is unable to acquire the Target Company Shares necessary for making the Target Company a consolidated subsidiary of SBIHD as stated in the above (a) and ensuring that the SBIHD Parties have the voting rights to enable to change all or part of the Target Company's officers and accomplishing the optimal composition of officers as stated in the above (b), in order to improve the Target Company's business performance and to recover and enhance its corporate value.

The SBIHD Parties respectively applied to Financial Services Agency Commissioner the for the authorization required related to the share purchase by the Tender Offer based on the Banking Act (Act No. 59 of 1981, as amended; hereinafter the same shall apply) as of August 13, 2021 and respectively obtained each authorization as of September 9, 2021.

(Note) "Ownership ratio" means the ratio to the number of shares (210,310,530 shares) obtained by deducting the number of treasury shares owned by the Target Company as of August 31, 2021 (48,724,159 shares) from the total number of issued shares of the Target Company as of the same date, as stated in the "share buyback report (in accordance with Article 24-6, Paragraph 1 of the Act)" (the "Target Company Share Buyback Report") filed by the Target Company on September 3, 2021 (259,034,689 shares) (any fraction being rounded off to two decimal places; unless otherwise specified, the same shall apply hereinafter in the calculation of ratios); hereinafter the same shall apply.

SBIHD highly evaluated the business areas of the Target Company Group's core businesses, including its card loan and consumer finance-related businesses, structured finance business, credit investments, and private equity investments held by the Target Company Group (referring to the corporate group consisting of the Target Company, 161 subsidiaries (88 consolidated subsidiaries, including Aplus Financial Co., Ltd., Showa Leasing Co., Ltd., Shinsei Financial Co., Ltd., and Shinsei Investment & Finance Limited, and 73 non-consolidated subsidiaries), and 39 affiliated companies (the number of companies is accurate as of March 31, 2021); hereinafter, collectively referred to as the "Target Company Group"), and it believed that if the management resources of the SBIHD Group and the Target Company Group ("Both Groups") could be combined organically, this would enhance customer convenience, resulting in enhancement of the corporate value of Both Groups. Therefore, as stated in "C. Reasons for Implementing the Tender Offer" in "(i) Purpose and Background of the Tender Offer" in "(2) Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Tender Offer, and Management Policy After

Completion of the Tender Offer” below, SBIHD started purchasing the Target Company Shares in the market on April 2, 2019, started considering the possibility of a capital and business alliance with the Target Company in August 2019, and made proposals for the capital and business alliance to the Target Company on a continuing basis. However, while certain progress was seen regarding an alliance for regional revitalization, SBIHD has not yet received a positive response from the Target Company regarding an alliance in the areas where synergies for Both Groups can be expected, including the securities business.

Under these circumstances, as stated in “C. Reasons for Implementing the Tender Offer” in “(i) Purpose and Background of the Tender Offer” in “(2) Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Tender Offer, and Management Policy After Completion of the Tender Offer” below, the SBIHD Parties believe that although the Target Company has failed to achieve the planned values published by it in almost all of the business years in and after the business year ended in March 2016, and the net business income and net income attributable to owners of its parent company have continued to trend downward, the Target Company’s management has failed to take drastic countermeasures to remedy that situation. Furthermore, the SBIHD Parties believe that although the Target Company’s decisions that lack appropriateness and flexibility are partly attributable to the composition of the Target Company’s officers in that it appears that among the members of the board of directors, there is a bias in the companies at which outside directors worked, such as certain foreign security companies, it is difficult to expect the Target Company to voluntarily review its officer structure and to make efforts toward recovery of its governance functions.

Considering these circumstances, from its position as a major shareholder of the Target Company, the SBIHD Parties determined that (i) taking appropriate measures early to improve the Target Company’s business performance and to recover and enhance its corporate value was an urgent task, and it determined that (ii) in order to take those measures early, (a) it would be necessary to increase its ownership ratio of the Target Company Shares to make the Target Company a consolidated subsidiary of SBIHD and to establish and reinforce a business alliance relationship with the Target Company Group through sincere discussion with the Target Company which has not been made possible by the SBIHD Parties’ current ownership ratio, and that (b) it was necessary to ensure that it has the voting rights to practically enable them to change all or part of the Target Company’s officers and to accomplish the optimal composition of officers, and that (c) it is ideal to flexibly increase the SBIHD Parties’ ownership ratio of the Target Company Shares by the Tender Offer in order to accomplish the purposes as stated in the above (a) and (b) in the future by the Tender Offer, even if the Tender Offeror is unable to acquire the Target Company Shares necessary for the purposes as stated in the above (a) and (b); thus, the SBIHD Parties decided to implement the Tender Offer. The SBIHD Parties believe that a business alliance between Both Groups will produce synergistic effects and will contribute to enhancement of the corporate value of Both

Groups (for details of the synergies expected from the business alliance between Both Groups, please see “C. Reasons for Implementing the Tender Offer” in “(i) Purpose and Background of the Tender Offer” in “(2) Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Tender Offer, and Management Policy After Completion of the Tender Offer” below).

Given the purpose of the Tender Offer, the SBIHD Parties have set the maximum number of shares to be purchased in the Tender Offer at the ownership ratio of 27.68% (58,211,300 shares, which results in the SBIHD’s ownership ratio of 48.00% combined with the number of shares currently held by them). This ceiling has been determined since it was considered that, as of today, it is ideal to promptly increase the SBIHD Parties’ ownership ratio of the Target Company’s shares to the extent that it does not exceed 50.00%, etc., considering (i) that it is not always necessary to acquire the Target Company Shares that exceeds the threshold (Note) under which the Target Company will become a consolidated subsidiary of SBIHD in light of the International Accounting Standards which SBIHD has adopted and (ii) that if the ratio of voting rights after taking into account the current portion of the SBIHD Parties exceeds 50.00% as a result of the Tender Offer, it may be necessary to obtain approvals, based on various laws including the authorization of the Prime Minister as provided in Article 52-17, Paragraph 1 of the Banking Act (“Authorization as a Bank Holding Company”). If the total number of Shares that are offered for sale in response to the Tender Offer (“Tendered Shares”) exceeds the maximum number of shares to be purchased (58,211,300 shares), all or part of that excess number of shares will not be purchased, and delivery and other settlement with respect to the purchase, etc., of Shares will be handled on a pro rata basis as provided in Article 27-13, Paragraph 5 of the Act and Article 32 of the Ordinance. The SBIHD Parties contemplate (i) to make the Target Company a consolidated subsidiary of SBIHD, and (ii) to have the voting rights to enable to change all or part of the Target Company’s officers and to accomplish the optimal composition of officers. So, even if the Tender Offer is unable to purchase the Target Company Shares necessary for achieving the purposes as stated in the above (i) and (ii), the SBIHD Parties intend to acquire as many Target Company Shares as possible in order to achieve the purposes as stated in the above (i) and (ii) in the future. In addition, it takes certain duration for general shareholders in the Target Company to enjoy revenue from increase of the share price by synergetic effect through improvement of governance of the Target Company and business alliance with the SBIHD Group and it is considered that it is appropriate to provide the chance to sell the Target Company Shares to the shareholders in the Target Company that desire to sell its Target Company Shares by applying to the Tender Offer with providing the appropriate chance to judge based on enough information. Therefore, a minimum number of shares to be purchased in the Tender Offer is not set. Thus, if the total number of Tendered Shares is equal to or less than the maximum number of shares to be purchased (58,211,300 shares), all of the Tendered Shares will be purchased. If the Tender Offeror is unable to acquire the Target Company Shares necessary for the purposes as stated in the above (i) and (ii), as stated in

“(3) Plans for Additional Acquisition of Target Company Shares” below, the SBIHD Parties plan to additionally acquire the Target Company Shares within the scope necessary to achieve the purposes as stated in the above (i) and (ii), by transaction in stock market transaction or other method, and the SBIHD will determine the manner, terms and conditions, and timing and appropriateness of implementation, taking into consideration such factors as the trend of the market share price, the status of discussions with the Target Company, or its other shareholders and other related parties, and the availability of financing of the SBIHD Parties and then will acquire the Target Company Shares.

If the voting rights ratio of the Target Company Shares held by the SBIHD Parties after the purchase through the Tender Offer is likely to exceed 50.00% due to changes in the total number of the Target Company’ s voting rights, since the SBIHD Parties may be required to obtain approvals, etc., based on various laws including the Authorization as a Bank Holding Company, the SBIHD Parties may consider promptly disposing of the Target Company Shares to the extent required in order to resolve that concern.

(Note) Under the International Accounting Standards which SBIHD has adopted, the consolidation is judged based on substantial controlling power; therefore, the voting ratio for SBIHD to make the Target Company a consolidated subsidiary is judged under the consultation with SBIHD’ s accounting firm, by referring to the ratio of exercised voting rights in the past shareholders meetings of Target Company and the scale and distribution status of other voting rights holders.

Furthermore, as of today, the SBIHD Parties have not held prior discussions regarding the Tender Offer with the Target Company and have not confirmed whether the Target Company will support the Tender Offer. The reasons why the SBIHD Parties have not held prior discussions regarding the Tender Offer with the Target Company by today are as follows: (i) as stated below in “(A) Background Leading to the Tender Offer” of “ C. Reasons for Implementing the Tender Offer” in “(i) Purpose and Background of the Tender Offer” in “(2) Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Tender Offer, and Offer Management Policy After Completion of the Tender Offer,” SBIHD continuously made proposals to the Target Company for a capital and business alliance; however, while certain progress was seen regarding an alliance for regional revitalization, SBIHD has not yet received a positive response from the Target Company regarding an alliance in the areas where synergies for Both Groups can be expected, including the securities business, and given the Target Company’ s responses so far, no progress could be expected—based on that situation, it was not expected that positive discussions would be realized even if the SBIHD Parties again proposed prior discussions regarding the Tender Offer with the Target Company; and (ii) if prior discussions were held, possible leakage of undecided information, may lead to a risk of causing turbulence in share prices. From these perspectives, the SBIHD Parties determined that immediately implementing the Tender

Offer would be advisable in connection with enhancement of the corporate value of the Target Company Group and the SBIHD Group, instead of holding discussions with the Target Company to obtain its support for the Tender Offer; therefore, the SBIHD Parties decided to commence the Tender Offer. Further, as stated in the above (i), the SBIHD Parties considers that it is essential to enhance the SBIHD Parties' ownership ratio of the Target Company Shares in order to have positive discussions for establishing and reinforcing a business alliance relationship, based on the past Target Company's response, and therefore, it is intended that discussions with the Target Company will be held after completion of the Tender Offer.

The Target Company Shares are not intended to be delisted through the Tender Offer, and they will remain listed after completion of the Tender Offer.

(2) Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Tender Offer, and Management Policy After Completion of the Tender Offer

(i) Purpose and Background of the Tender Offer

A. Overview of the SBIHD Parties

SBIHD, the wholly-owning parent of the Tender Offeror, was established in July 1999 as a subsidiary of SOFTBANK INVESTMENT CORPORATION (currently SoftBank Corporation) in order to engage in venture capital business. Its shares became listed on the NASDAQ Japan Market of the Osaka Exchange in December 2000 and subsequently on the First Section of Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange") in February 2002. In June 2003, it merged with E*TRADE Japan K.K. and made E*TRADE SECURITIES Co., Ltd. (currently SBI Securities Co., Ltd. (the "SBI Securities")), its subsidiaries, and then it acquired shares of WORLD NICHIEI Securities Co., Ltd. in October 2003. In July 2005, it changed its corporate name to SBI Holdings, Inc., transferred its fund management business to SBI VENTURES K.K., whose corporate name was changed to SOFTBANK INVESTMENT CORPORATION (currently SBI Investment Co., Ltd.). SBIHD's capital relationship with Softbank was dissolved in August 2006 and remains so to date.

The business of the company group consisting of SBIHD and SBIHD's subsidiaries (299 companies as of March 31, 2021) and equity-method affiliates (40 companies as of March 31, 2021) (the "SBIHD Group") focuses on the "financial services business" of providing services related to financial instruments and related services centering on securities, banking, and insurance; "asset management business" of investment business, foreign financial service business, and asset management service business; and the "bio-healthcare and medical informatics business" of development and sale of pharmaceuticals, health foods, and cosmetics, and medical informatics business.

Currently, SBIHD is pursuing formulation of alliances with numerous companies and expansion of various business areas, including digital areas such as financial services for smartphones. Furthermore, in addition to reinforcing relationships with regional financial institutions in order to contribute to regional revitalization as a social mission, SBIHD established a presiding company that promotes regional revitalization (Regional Revitalization Partners Co., Ltd. (“Regional Revitalization Partners”)) with several partner companies and engages in: providing regional financial institutions with uniform systems; providing functions that promote revitalization of local economies; establishing companies that invest in or extend loans to venture companies; and accepting new investment partners from various industries. Furthermore, in light of the accelerated entry of differing industries due to matters such as developments in FinTech and the progressing unbundling of bank functions, SBIHD is strongly promoting the “neobank” concept, under which banking functions will be provided to partner companies.

On the other hand, the Tender Offeror was established under the umbrella of the SBIHD group companies on August 25, 2015 under the corporate name ER SIX Co., Ltd.. Subsequently, the Tender Offeror changed its corporate name to SBI Bank Holdings, Inc. in July 2019 and then to SBI Regional Bank Holdings Co., Ltd. in April 2020, which has remained unchanged since.

The main business purpose of the Tender Offeror is to strengthen the profitability of regional financial institutions and to increase their corporate value accordingly by the direct investment in them.

For the above purpose, the Tender Offeror provides opportunities to utilize products, services, know-how, etc. owned by companies belonging to the SBIHD group or companies invested by the SBIHD group, including entrusting operating assets to the SBIHD group’ s asset management company mainly, and promoting shared stores with SBI MONEY PLAZA Co., Ltd., a financial instruments intermediary service provider.

B. Overview of the Target Company

According to disclosed information, such as the Target Company’ s annual securities report, the Target Company was established as The Long-Term Credit Bank of Japan, Limited in December 1952 and became listed on the Tokyo Stock Exchange and the Osaka Exchange in April 1970. However, it became subject to special public management under the Financial Reconstruction Law in October 1998 and was delisted from the Tokyo Stock Exchange and the Osaka Exchange. Subsequently, New LTCB Partners CV acquired a controlling interest in the Target Company in March 2000. The Target Company changed its corporate name to Shinsei Bank, Limited in June 2000 and became listed on the First Section of the Tokyo Stock Exchange in February 2004.

The Target Company has been pursuing its medium-term strategy, “Redesigning Finance,” since 2019, has made its basic strategies “Grow through Value Co-Creation” and “Enhance/Leverage Capabilities,” and aims to create business that is easy for customers to use by integrating the Target Company’s strengths and other companies’ services. In particular, it upholds four focus areas: (i) in small-scale finance (individual business), which offers small amount and frequent financing (lending) and settlement services to individuals and small businesses, it will work on integrating services with external services and offering functions to partners as well as upgrading services by utilizing digital technology, in addition to data analysis and its usage in marketing, credit decision making, collection and robust operations, which have been its strengths; (ii) in relation to institutional investors (institutional business), it will aim for one-stop provision of various services related to alternative investments in real assets (renewable energy, infrastructure, and real estate) to a wide range of institutional investors, leveraging its network of investors, trust-structuring capability, and knowledge of a broad range of assets; (iii) as a group strategy, it will unify business strategy planning functions for institutional and individual customers on a group-wide basis in order to further promote group business integration and work together as a single entity to provide best solutions for the needs and challenges of its customers; and (iv) as productivity reforms, it will further promote cost structure reforms with no sanctuaries through optimization of branch channels and office space and optimization through digital technologies and work style reforms.

C. Reasons for Implementing the Tender Offer

(A) Background Leading to the Tender Offer

As stated in “B. Overview of the Target Company” above, the Target Company’s core strategy is “Grow through Value Co-Creation,” and as described in “(C) Reasons Leading to Implementation of the Tender Offer” below, the businesses of the SBIHD Group and the Target Company Group are mutually complementary. SBIHD determined that if Both Groups’ management resources could be combined organically, this would enhance customer convenience, resulting in enhancement of the corporate value of Both Groups. Therefore, during the period from April 2, 2019 to August 28, 2019, SBIHD intermittently purchased 11,281,100 Target Company Shares (ownership ratio: 5.36%, ownership ratio at the timing (Note): 4.66%) through trading on the market.

(Note) “Ownership ratio at the timing” means the ratio to the number of shares (242,252,217 shares) obtained by deducting the number of treasury shares owned by the Target Company as of July 31, 2021 (16,782,472 shares) from the total number of issued shares of the Target Company as of the same date, as stated in the Target Company Share Buyback Report filed by the Target Company on September 3, 2021 (259,034,689 shares).

Thereafter, early in August 2019, SBIHD began considering the possibility of a capital and business alliance with the Target Company. Early in September 2019, SBIHD's management made the following proposal to the President of the Target Company to acquire the Target Company Shares at the voting rights ratio of 33.4% to 48% at the largest, subject to obtaining approval from related authorities, in order to position the Target Company as the core company in the SBIHD Group as a consolidated subsidiary or an equity method affiliated company, and to commit to a capital and business alliance, the main points of which were: (i) to organically combine the management resources of Both Groups with the aim of becoming a general finance group; (ii) to strengthen their alliance in retail and corporate areas; (iii) to complement the mutual business areas of Both Groups by working together; and (iv) to expand their customer bases and increase profitability by cross-selling, specifically (a) mutual customer transfers and service cooperation between the Target Company's businesses such as retail banking, consumer finance, etc. and each of the SBIHD Group's businesses of securities, FX, crypto-assets, etc., (b) sales of loan receivables such as structured financing by the Target Company through the SBI Securities customer base for institutional investors and regional financial institutions, and (c) support, etc. centered upon SBI NEO FINANCIAL SERVICES Co., Ltd. for regional financial institutions, jointly with the Target Company, by using expandable and functional API infrastructure. Also, for that purpose, SBIHD's management requested that the Target Company cooperate with SBIHD in conducting a due diligence review of SBIHD's tender offer for the Target Company Shares.

Late in September, 2019, SBIHD's management again met with the President of the Target Company, and the Target Company stated that the Target Company could not agree to the proposed alliance and wished to consider an alternative arrangement to becoming a consolidated subsidiary. Also, in mid-November, 2019, SBIHD's management had a meeting with the President of the Target Company, and the Target Company stated that its board of directors had objected to SBIHD becoming a large shareholder, and as such, that the Target Company could not enter into the proposed capital and business alliance agreement at that time. However, the Target Company stated that it could proceed to consider participating in a joint venture (currently, Regional Revitalization Partners), to be separately discussed, which would plan and propose regional revitalization projects in order to directly contribute to revitalization of local economies, along with several other partners who also were working to achieve regional revitalization. The Target Company also stated that it would like to confirm whether Both Groups were compatible, upon considering the participation.

On receiving the Target Company's reply above, from mid-November, 2019 to early October, 2020, as stated below, SBIHD had discussion with regard to regional

revitalization, with respect to which the positive reply was received against the above proposal of capital and business alliance. At the same time, SBIHD was determining how best to implement the capital and business alliance, such as continuing discussions about individual business, including the possibility of an alliance in the securities business. On the other hand, at the same time, for the purpose of enhancing the investment profit to be obtained from the investment in the Target Company through the realization of capital gain by the increase of the share price and dividend income in the future, SBIHD came to own Target Company Shares on the market and owned 13,004,000 Target Company Shares (ownership ratio: 6.18%, ownership ratio at the timing (Note 1): 5.51%) as of January 7, 2020. Since the share price of the Target Company keeps low-keyed, SBIHD proceeded to purchase the Target Company Shares in the price below its averaged purchasing price from early in March, 2020 to last in December, 2020 and decreased its averaged purchasing price. As the result, on December 21, 2020, SBIHD came to own 29,260,500 Target Company Shares (ownership ratio: 13.91%, ownership ratio at the timing (Note 2): 13.32%).

(Note 1) “Ownership ratio at the timing” means the ratio to the number of shares (236,042,100 shares) obtained by deducting the number of treasury shares owned by the Target Company as of December 31, 2019 (22,992,589 shares) from the total number of issued shares of the Target Company as of the same date, as stated in the Target Company Share Buyback Report filed by the Target Company on January 8, 2020 (259,034,689 shares).

(Note 2) “Ownership ratio at the timing” means the ratio to the number of shares (219,679,619 shares) obtained by deducting the number of treasury shares owned by the Target Company as of November 30, 2020 (39,355,070 shares) from the total number of issued shares of the Target Company as of the same date, as stated in the Target Company Share Buyback Report filed by the Target Company on December 3, 2020 (259,034,689 shares).

In addition, after mid-November, 2019, SBIHD had discussion with respect to an alliance in the form of a joint venture that would plan and propose regional revitalization projects in order to directly contribute to the revitalization of local economies along with several other partners who also were working to achieve regional revitalization, to which the Target Company positively responded within the proposed capital and business alliance stated above and, as published in the news release titled “Commencement of Consideration of Incorporation of Joint Venture Promoting Regional Revitalization” dated June 8, 2020, on the same date, SBIHD and three financial institutions, including the Target Company, agreed to incorporate Regional Revitalization Partners and began determining the details of the incorporation. Thereafter, as published by SBIHD and the Target Company in the news release titled “Joint Establishment of Regional Revitalization Partners Co., Ltd.” dated August 27, 2020, SBIHD and four financial institutions, including the Target Company, incorporated Regional Revitalization Partners

on August 31, 2020.

At the same time, from mid-November, 2019 to early in October, SBI Securities, a wholly-owned subsidiary of SBIHD, discussed the possibility of an alliance in the securities business. However, there were no contacts from the Target Company in regard to SBI Securities' proposal, and thereafter on January 27, 2021, the Target Company, Shinsei Securities Co., Ltd. ("Shinsei Securities") and Monex, Inc. ("Monex") issued a news release titled "Conclusion of an LOI for a Comprehensive Business Partnership in the Financial Instruments Intermediary Business between Monex, Inc. and Shinsei Bank Group." Since the targets of the comprehensive business partnership with Monex included the business alliance proposed by SBI Securities, SBIHD acknowledged from the disclosure of the comprehensive business partnership with Monex that the SBI Securities' proposal was not accepted. As announced in the news release titled "Conclusion of a Definitive Agreement for a Comprehensive Business Partnership in the Financial Instruments Intermediary Business between Monex, Inc. and Shinsei Bank Group" issued by the Target Company, Shinsei Securities and Monex, on March 24, 2021, the Target Company, Shinsei Securities and Monex entered into a definitive agreement.

In consideration of the circumstances above, SBIHD determined that, considering the past Target Company' s passive attitude, the increase of its ownership ratio of Target Company Shares is effective for the promotion of business alliance relationship with the Target Company Group in the future and that it is ideal to increase its ownership ratio of Target Company Shares for the purpose of the increase of the investment revenue from Target Company Shares, and therefore, from January 28 to late in March, 2021, SBIHD purchased additional Target Company Shares and on March 26, 2021, came to own 42,737,800 Target Company Shares and the ownership ratio at the timing (Note) became 19.85%. Thereafter, the ownership ratio increased to 20.32% by the Target Company' s purchasing treasury shares.

(Note) "Ownership ratio at the timing" means the ratio to the number of shares (215,291,519 shares) obtained by deducting the number of treasury shares owned by the Target Company as of March 31, 2021 (43,743,170 shares) from the total number of issued shares of the Target Company as of the same date, as stated in the Target Company Share Buyback Report filed by the Target Company on April 5, 2021 (259,034,689 shares).

Thereafter, as stated in "(B) Target Company' s Current Situation and Issues" below, in regard to the agenda of the election of directors included in the Target Company' s annual meeting of shareholders for the 21st business year, SBIHD exercised its voting rights against the re-appointment of Mr. Hideyuki Kudo, Mr. Ernest M. Higa, Mr. Jun Makihara, and Ms. Rie Murayama from among the current directors. In response to this,

SBIHD received a letter from the Target Company requesting a conversation about the reason for the exercise of its voting rights and business alliances, but as stated in “(1) Outline of the Tender Offer” above, SBIHD thought that it was unable to expect progress from the previous discussions, even if SBIHD held discussions with the current management, in light of the Target Company’s responses to previous proposals for a capital and business alliance with SBIHD or the proposals for an alliance regarding the securities business with SBI Securities etc., and assessed that there is a risk of receiving insider information depending on the contents of the discussion, and therefore, SBIHD has not responded to the letter from the Target Company as of today.

(B) Target Company’s Current Situation and Issues

The changes in the Target Company’s business performance on a consolidated basis for the past seven business years are as stated below. In and after the business year ended in March 2016, the Target Company has failed to achieve the planned values published by the Target Company in almost all of these business years with regard to total revenue, net business income, and net income attributable to owners of its parent company, and the net business income and net income attributable to owners of its parent company have continued to trend downward. While SBIHD believes that the main factors in the stagnation in the Target Company’s business performance are low growth of operating assets, a high expense-to-revenue ratio, net credit costs stuck at a high level, etc., in addition to the low-interest rate environment due to the Bank of Japan’s easy-money policy, SBIHD also believes that the Target Company’s management has failed to take drastic countermeasures to remedy that situation.

(million yen)	FY2015/3	FY2016/3	FY2017/3	FY2018/3	FY2019/3	FY2020/3	FY2021/3
Total Revenue							
Actual Amount (YoY)	235,300 (115.9%)	216,600 (92.1%)	228,500 (105.5%)	232,000 (101.5%)	229,700 (99.0%)	239,900 (104.4%)	221,900 (92.5%)
Planned Amount (YoY)	240,000 (111.6%)	270,000 (112.5%)	236,000 (87.4%)	246,000 (104.2%)	258,000 (104.9%)	243,000 (94.2%)	227,500 (93.6%)
Difference	△4,700	△53,400	△7,500	△14,000	△28,300	△3,100	△5,600
Net Business Income							
Actual Amount (YoY)	93,600 (133.5%)	76,000 (81.2%)	86,000 (113.2%)	89,400 (104.0%)	84,900 (95.0%)	90,400 (106.5%)	72,200 (79.9%)
Planned Amount (YoY)	100,000 (125.0%)	125,000 (125.0%)	90,000 (72.0%)	99,000 (110.0%)	109,000 (110.1%)	91,000 (83.5%)	76,000 (83.5%)

Difference	△6,400	△49,000	△4,000	△9,600	△24,100	△600	△3,800
Net Income attributable to owners of its parent company							
Actual Amount (YoY)	67,800 (164.2%)	60,900 (89.8%)	50,700 (83.3%)	51,400 (101.4%)	52,300 (101.8%)	45,500 (87.0%)	45,100 (99.1%)
Planned Amount (YoY)	55,000 (114.6%)	70,000 (127.3%)	55,000 (78.6%)	61,000 (110.9%)	64,000 (104.9%)	53,000 (82.8%)	34,000 (64.2%)
Difference	12,800	△9,100	△4,300	△9,600	△11,700	△7,500	11,100

(Note) The planned amounts for FY 2015/3 and 2016/3 are based on the amounts in the Second Mid-term Management Plan disclosed by the Target Company on March 18, 2013 and the planned amounts for FY 2017/3, 2018/3, and 2019/3 are based on the amounts in the Third Mid-term Management Plan disclosed by the Target Company on January 29, 2016. The planned amount in FY 2020/3 is based on the amount of P/L plan provided in the “Highlight of Annual Statement of Account and Business in FY 2018” disclosed by the Target Company on May 5, 2019 and the planned amount in FY 2021/3 is based on the amount of P/L plan provided in the “Highlight of Interim Statement of Account and Business in FY 2020” disclosed by the Target Company on November 12, 2020.

In addition, SBIHD questions the adequacy of the current composition of the Target Company’s officers, in that a certain bias can be seen within the members of the board of directors and in the organizations from which outside directors have been selected (for instance, Goldman Sachs Japan Co., Ltd. and Monex Group Inc.). Based on the discussions with the Target Company so far, SBIHD has judged that even though the Target Company’s decisions that lack appropriateness and flexibility is partly attributable to the composition of the Target Company’s officers, it is difficult to expect the Target Company to voluntarily review its officer structure or to make efforts toward recovery of its governance functions, since with respect to the proposal for the capital and business alliance with SBIHD in mid-November 2019, (i) the Target Company’s board just expressed opposing views to SBIHD becoming a large shareholder, and did not sincerely consider the capital and business alliance which could contribute to enhancing the corporate value of the Target Company and (ii) the Target Company’s response appeared to indicate that would like to avoid any changes to the current management system by a large shareholder. Based on this idea, SBIHD exercised its voting rights against the re-appointment of some of the current directors in the agenda of the election of directors included in the Target Company’s annual meeting of shareholders for the 21st term.

The SBIHD Parties also recognize, it is a significant social issue from the viewpoint of

protection of national property, as well as the Target Company's management issue, that the Target Company still has no prospect of repaying the public funds it has borrowed. Therefore, after the Tender Offer, the SBIHD Parties expect to accomplish the optimal composition of officers, as stated in "(ii) Management Policy After the Tender Offer" below, and have any prospects to repay such public funds through the increase of the share value of the Target Company by increasing the profitability of the Target Company through business alliance with the Target Company Group, as stated in (a) to (f) of "(C) Reasons Leading to Implementation of the Tender Offer" below, with fully respecting the Target Company's independence. However, considering the current situation that the Target Company has not repaid public funds, the SBIHD Parties recognizes that the current share price level does not reach to the level to enable repayment of public funds, although it has had no discussion with the Target Company and Deposit Insurance Corporation of Japan and The Resolution and Collection Corporation ("Resolution and Collection Corporation") which are major shareholders of the Target Company and therefore does not comprehend the articulate level. With respect to the policy of repayment of public funds, nothing has been discussed or agreed with the Target Company or Deposit Insurance Corporation of Japan or Resolution and Collection Corporation and SBIHD has not determined detail policy of repayment internally as of today. A detail policy of repayment of public funds will be discussed with the Target Company and Deposit Insurance Corporation of Japan and Resolution and Collection Corporation after the Tender Offer.

(C) Reasons Leading to Implementation of the Tender Offer

Considering these circumstances, based on its position as a major shareholder of the Target Company, SBIHD determined that (i) taking appropriate measures early to improve the Target Company's business performance and to recover and enhance its corporate value was an urgent task, and it determined that (ii) in order to take those measures early, (a) it was necessary to increase its ownership ratio of the Target Company Shares to make the Target Company a consolidated subsidiary of SBIHD and to establish and reinforce a business alliance relationship with the Target Company Group through sincere discussions with the Target Company, which has not been conducted under the current ownership ratio held by SBIHD Parties, and that (b) it was necessary to hold a sufficient amount of the voting rights for the Target Company to enable the SBIHD Parties to change all or part of the Target Company's officers and to realize the most appropriate composition of its officers, and that (c) it is ideal to flexibly increase the SBIHD Parties' ownership ratio of the Target Company Shares by the Tender Offer in order to accomplish the purposes as stated in the above (a) and (b) in the future by the Tender Offer, even if the Tender Offeror is unable to acquire the Target Company Shares necessary for the purposes as stated in the above (a) and (b). From early August 2021, together with Citigroup Global Markets Japan Inc. ("Citigroup Global Markets") as a financial advisor, and Nishimura & Asahi

as a legal advisor, SBIHD began its sincere deliberation of the Tender Offer, and decided on the terms and conditions of the Tender Offer, such as the number of shares to be purchased, etc., in totally considering (i) the threshold under which the Target Company will become a consolidated subsidiary of SBIHD in light of the International Accounting Standards adopted by SBIHD, (ii) the reasonableness of the amount to be invested by the SBIHD Parties for the Tender Offer, and that if the ratio of voting rights of the SBIHD Parties after taking into account the current ownership of the SBIHD Parties exceeds 50.00% as a result of the Tender Offer, it may be necessary to obtain approvals etc. based on various laws, including the Authorization as a Bank Holding Company, etc. Around early in August, when the Tender Offer started to be considered in earnest, the SBI Parties (i) started to prepare business plans during the period from the fiscal year ending March 2021 to the fiscal year ending March 2026, which is the premises of share price valuation, and to the price per Target Company Share on the purchase (the “Tender Offer Price”), based on the SBIHD Parties’ knowledge of the Target Company’ s business and various factors such as the Target Company’ s recent performance trends and publicly available information, and (ii) when determining the Tender Offer Price, (a) requested that Citigroup Global Markets, as a third-party valuation firm independent from the SBIHD Parties and the Target Company, calculate the equity value of the Target Company Shares and (b) obtained the Share Valuation Report (as defined in “(i) Basis for Calculation” in “(4) Basis of Calculation, etc. of the Price for Purchase, etc.”) from Citigroup Global Markets on September 8, 2021. Then, the SBIHD Parties reviewed the Tender Offer Price taking into account the share price ranges in the market price method, the comparable company analysis method, and (c) the DDM Method (as defined below) and took into account (a) that the Tender Offer Price ensures enough premium to the share price range in the market price method; (b) that the Tender Offer Price ensures a level near to upper limit in the share price range in the comparable company analysis method; (c) that the Tender Offer Price is within the share price range in the DDM Method; (d) ensuring enough level of premium for more shareholders of the Target Company to tender the Tender Offer because no prior approval from the Target Company’ s management has been obtained, and finally decided to set the Tender Offer Price at 2,000 yen per share on September 9, 2021.

Based on the considerations stated above, SBIHD decided to promptly and flexibly acquire additional Target Company Shares and to aim to acquire additional Target Company Shares through the Tender Offeror, which invests in regional financial institutions within the SBIHD Group. Yoshitaka Kitao, President and Representative Director of SBIHD, and Shunpei Morita, Representative Director of the Tender Offeror, who have been respectively entrusted to finally decide to implement the Tender Offer based on the resolution of the board of directors of the SBIHD Parties as of September 9, 2021, decided the implementation of the Tender Offer on the same date. The SBIHD Parties believe that a business alliance with the Target Company Group, as described below, will

produce synergistic effects and will contribute to enhancement of the corporate value of Both Groups.

The main business purpose of the Tender Offeror is to increase the profitability of regional financial institutions and to enhance their corporate value by directly investing in them, and taking into account the Target Company' s importance as a partner in regional revitalization projects, the SBIHD Parties made the Tender Offeror, which is the corporation to promote business alliances with financial institutions among the SBIHD Group the entity to purchase in the Tender Offer.

SBIHD assumes that, by entering into a business alliance with the Target Company Group, which owns several competitive instruments and services, synergies are expected to arise basically in the following respects, and thus lead to enhancement of the corporate value of both the Target Company and SBIHD. Furthermore, the enhancement of corporate value through these synergies should be beneficial to not only the shareholders of both companies but also various stakeholders, such as employees, depositors, and clients. Personnel are inherently the source of value in the financial industry, and since the Target Company in particular has numerous competent personnel in highly-professional sectors such as small-lot finance and structured finance, SBIHD assumes that securing the employment of these employees is obviously essential for business expansion in accordance with the alliance and is considering providing further stages for their careers. Moreover, SBIHD assumes that improvement of the profit and stabilization of management of the Target Company, which is a significant social infrastructure, will be beneficial for both depositors and clients.

(a) Alliance in the Retail Account and Securities Sector

The core company in the SBIHD Group is SBI Securities, which has approximately 7,264,000 (Note 1) accounts as of the end of June 2021. It also has a 43.6% share in individual stock brokerage fees (Note 1, 2) (including the portion for SBI Neotrade Securities Co., Ltd.) as of the end of June 2021. In the securities business, SBI Securities handles various financial instruments, such as shares, investment trusts, and FX, and if simultaneous opening or linkage of deposits in bank accounts and securities accounts of the Target Company is actualized, then convenience for customers of the Target Company will be further enhanced, which will also make it possible to transfer customers from SBI Securities to the Target Company. The acquisition of new individual customers will increase the Target Company' s retail customers, which have recently been decreasing, with the number of retail accounts remaining at approximately 3,070,000 accounts as of the end of June 2021. That acquisition should also be a springboard for yield enhancement of the Target Company Group from individual customers.

(Note 1) "Presentation Material for the first quarter of FY2022/3 SBI Holdings

Financial Results” released by SBIHD on July 29, 2021.

(Note 2) Calculated by individual stock brokerage fees for each company ÷ {individual stock brokerage fees (two markets, sections 1, 2, etc.) + sales and purchase price for ETF/REIT}.

(b) Alliance in Small-lot Finance

With respect to the SBIHD Group, it does substantially not charge customers who are 25 years old or younger expenses for domestic spot-trading through SBI Securities (substantial non-charge by cashback of expenses for domestic spot-trading and cashback up to 10 thousand yen in a month of charge for domestic spot-trading for customers who are minor). Also, the SBIHD Group has incorporated SBI Neomobile Securities Co., Ltd., which is dedicated to smartphone transactions and is targeting novice investors and young people, and has also been engaging in services such as FX transactions through SBI FX Trade Co., Ltd., crypto-asset related transactions through SBI VC Trade, and otherwise. On the other hand, the Target Company owns unsecured loan businesses, including “Lake Also,” “No-Loan,” “Card Loan L,” etc., and installment payment, credit guarantee, credit card, and prepaid card businesses. Because SBIHD Group understands that its customers are young, and the products do not overlap in the businesses of both companies, there is a significant profit opportunity in the mutual supply of instruments and customer transfer (cross-selling). Further, it is understood that by mutually incorporating young customers, the customer segment will increase, creating a profit opportunity in customer life events, and thereby contribute to enhancement of long-term profitability. Moreover, it is understood that because it will be important to hold big data for high precision credit decisions, marketing, etc., in the small-lot finance sector, which faces the challenge of reducing both the cost of acquiring new customers with financial needs and credit costs, the accuracy of credit decisions and marketing will increase by compiling the data of both companies through cross-selling, thus contributing to cost reductions.

(c) Alliance in Structured Finance

The Target Company has a strength in developing the structured finance with respect to a variety of assets, such as real estate, solar power generation, biomass, submarine cable, wind power generation, listed infrastructure corporation, geothermal power generation, vessel, healthcare, etc. The Target Company states in its medium-term management plan that it will focus not only on individually creating structured finance, but also on partnerships with regional financial institutions for value co-creation by providing senior loans jointly with regional financial institutions, etc. It is assumed that profit opportunities for the Target Company will be expanded by effectively utilizing the network between regional financial institutions with which the SBIHD Group is a capital and business alliance partner or business alliance partner and by selling the instruments

provided by the Target Company.

(d) Alliance in Principal Transactions

The SBIHD Group operates various asset management businesses, such as SBI Investment Co., Ltd. The Target Company also owns a principal transaction business and conducts private equity operations, business transfer operations, and other services for medium-sized and small businesses. In addition to the expectation of mutual enhancement of productivity through cooperation in investment opportunities and know-how sharing, etc., it is also assumed that new profit opportunities will be created, not only for client companies but also for the Target Company, if regional financial institution can utilize the instruments, services, and financial power of the Target Company as one of the measures to support the client companies of regional financial institutions with which SBIHD cooperates, for example, by participation in a syndicated loan originated by the Target Company and provision of chance to finance utilizing customer base of the Target Company, etc.

(e) Alliance in Market Operations and Treasury (Note)

With regard to exchange transactions, SBI Liquidity Market Co., Ltd., which is a subsidiary of SBIHD, has experience serving as a counterparty to thirty-one (31) major financial institutions in Europe, the United States, and Japan, and provides its customers with both the opportunity to trade on foreign exchanges at abundant liquidity and competitive spreads by being utilized by its customers or FX traders other than the SBIHD Group who have more than 1.5 million accounts as FX accounts. At fact, the SBI FX Trade Co., Ltd., a FX Trader of the SBIHD Group, provides its customers chances of exchange transactions with low spread. By using SBI Liquidity Market Co., Ltd. and SBI FX Trade Co., Ltd., the SBIHD Group has been able to reduce costs associated with foreign exchange transactions such as foreign currency procurement and foreign currency hedging, compared with in the past. Therefore, by using SBI Liquidity Market Co., Ltd. and SBI FX Trade Co., Ltd., the Target Company's exchange transaction costs could be lower than in the past by providing the Target Company's customers chances to compare the costs.

(Note) According to the Target Company's Annual Securities Report for the 21st Term filed on June 24, 2021 (the "Target Company's Annual Securities Report"), "Treasury" means "ALM operations, fund-raising operations including capitalization" .

(f) Alliance in Leasing Business

Showa Leasing Co., Ltd., a consolidated subsidiary of the Target Company, provides various lease-related products, such as construction machinery, industrial facilities, information and telecommunications technology, environmental energy, healthcare, and real estate. It is believed that the Target Company could expand the business

infrastructure of the leasing business by providing the lease-related products of Showa Leasing Co., Ltd. to the clients of the SBIHD Group, as well as the clients of regional financial institutions that are capital and business alliance partners or business alliance partners of SBIHD.

As above, it is believed that the business compatibility between SBIHD and the Target Company is significantly high and that it could lead to the creation of various mutual profit opportunities. After the SBIHD Parties' ownership ratio has increased through the Tender Offer, the SBIHD Parties plan to suggest discussion of a business alliance to the Target Company's management, and to implement such an alliance promptly.

(ii) Management Policy After the Tender Offer

As stated in "C. Reasons for Implementing the Tender Offer" in "(i) Purpose and Background of the Tender Offer" above, SBIHD believes that it is necessary to change all or part of the Target Company's officers and to realize the most appropriate composition of its officers for early implementation of measures for recovery and enhancement of the Target Company's corporate value. Therefore, taking into consideration both the ownership ratio of the Target Company Shares held by SBIHD after the Tender Offer and the intentions of the Target Company's management, which will be indicated in discussions with the Target Company's management after the Tender Offer, SBIHD plans to discuss these matters with the Target Company in order to build a structure consisting of the Target Company's officers as personnel suitable for the Target Company's continued growth and maximization of its corporate value. Specifically, SBIHD intends to have outside directors whom are also independent from SBIHD comprise one-third or more of the directors and also to nominate, as candidate for President and Representative Director of the Target Company, Mr. Katsuya Kawashima, who held important positions at SBI Securities and SBI Sumishin Net Bank, Ltd., which are the core businesses of SBIHD Group's financial services sector, and has extensive insight and experience in all aspects of management, and as candidates for Chairman of the Board of the Target Company, Mr. Hirofumi Gomi (former Financial Services Agency Commissioner), who has an experience to deeply take part in financial administration, and as candidate for Director, Mr. Katsumi Hatao, who held important positions at the Bank of Tokyo (currently MUFG Bank) and is currently the Chairman of the Board of Directors of SBI Bank, a Russian commercial bank that is a subsidiary of SBIHD). As of today, the SBIHD Parties have obtained informal consent to become directors of the Target Company from these candidates in the situation where the SBIHD Parties are unable to contact persons to become candidates for officers of the Target Company before disclosure and commence of the Tender Offer from the view point of confidentiality of the Tender Offer. As of today, there is no change in SBIHD's policy to be against reappointment of Mr. Hideyuki Kudo,

Mr. Ernest M. Higa, Mr. Jun Makihara, and Ms. Rie Murayama, that are the directors of which SBIHD exercised its voting rights against the reappointment on the resolution to appoint directors as put at the 21st general shareholders meeting of the Target Company. If the SBIHD Parties are unable to reach an agreement with the Target Company in regard to the executive structure of the Target Company after the Tender Offer, (i) the SBIHD Parties plan to request that the Target Company convene an extraordinary general shareholders meeting in the case where the number of Tendered Shares is equal to or more than the maximum number of Target Company Shares to be purchased, and (ii) otherwise, the SBIHD Parties plan to request that the Target Company convene an extraordinary general shareholders meeting in the case where the SBIHD Parties considers that it is highly likely to resolve the item of appointment of officers proposed by the SBIHD Parties with consent of other shareholders based on the situation of the offer to the Tender Offer, reaction of other shareholders of the Target Company to the Tender Offer, etc.

Furthermore, with regard to the business operations of the Target Company, when making decision-making on important transactions between the Target Company and the SBIHD Group, SBIHD intends to conduct careful deliberation and consideration in the board of directors meetings of the Target Company, one-third or more of which will consist of independent outside directors, on whether the transactions will be disadvantageous to minority shareholders of the Target Company, while also developing a significant management structure with the SBIHD Group regarding conflicts of interest, such as by establishing the arm's length rule as a principle and appropriately deciding on transaction requirements based on market rules. In addition to this, in order to maintain the appropriateness of operations and the soundness of financial affairs of the Target Company as a financial institution, SBIHD intends to construct a structure for SBIHD to appropriately monitor, as prior-consultation matters, transactions conducted with the SBIHD Group and exceeding a certain level in terms of amount. The directors with close ties to the SBIHD Group, such as inside directors or employees of the SBIHD Group and the persons who took these offices in the past, will not be involved in making decisions in the Target Company on transactions between the SBIHD Group and the Target Company. In addition, if the number of independent outside directors does not become a majority after the change in the structure of officers, the SBIHD Parties intend to encourage the maintenance and adoption of voluntary Nomination and Compensation Committees composed of a majority of independent outside directors, and to support the Board of Directors in exercising its supervisory and monitoring functions over the executive directors. SBIHD will aim to increase the profitability of the Target Company Group by taking these measures while considering the public nature of the Target Company's banking operations, fully respecting the Target Company's independence, and paying regard to avoiding problems such as the Target Company becoming an institutional bank, and also by combining the management resources of the SBIHD Group and the Target

Company Group.

As stated in “(C) Reasons Leading to Implementation of the Tender Offer” in “C. Reasons for Implementing the Tender Offer” in “(i) Purpose and Background of the Tender Offer,” since the SBIHD Parties consider that the Tender Offeror, which is a corporation to promote business alliances with financial institutions through direct investments to local financial institutions, is appropriate for the entity that collectively manages their Target Company Shares among the SBIHD Parties, taking into account the Target Company’s importance as a partner in regional revitalization projects, the Target Company Shares held by SBIHD are planned to be transferred to the Tender Offeror by the end of March, 2022, by also taking the future situation into account.

(3) Plans for Additional Acquisition of Target Company Shares

As stated in “(1) Overview of the Tender Offer” above, SBIHD aims (i) to make the Target Company a consolidated subsidiary of SBIHD, and (ii) to ensure that the SBIHD Parties have the voting rights to enable to change all or part of the Target Company’s officers and to accomplish the optimal composition of officers. Therefore, if the Tender Offeror is able to acquire the Target Company Shares necessary for the purpose as stated in the above (i) and (ii), then SBIHD does not plan to acquire additional Shares of the Target Company after the Tender Offer as of today.

On the other hand, if the Tender Offeror is not able to acquire the shares necessary for the purposes as stated in the above (i) and (ii), then the SBIHD Parties plan to additionally acquire the Target Company Shares within the scope necessary to achieve the purposes as stated in the above (i) and (ii), by transaction in stock market transaction or other method, and the SBIHD Parties will determine the manner, terms and conditions, and timing and appropriateness of implementation, taking into consideration such factors as the trend of the market share price, the status of discussions with the Target Company, other shareholders of the Target Company, and other related parties, and the availability of financing of the SBIHD Parties and then will acquire the Target Company Shares.

(4) Critical Agreements Concerning the Tender Offer

Not applicable.

(5) Possibility of Delisting and Reasons Therefor

As of today, the Target Company Shares are listed on the First Section of the Tokyo Stock Exchange. As the Target Company Shares are not intended to be delisted through the

Tender Offer and they will remain listed after completion of the Tender Offer, the Company has set a maximum number of shares to be purchased (58,211,300 shares), and the number of Target Company Shares that will be held by the SBIHD Parties after the Tender Offer will remain a maximum of 100,949,100 shares (ownership ratio: 48.00%). Therefore, the Target Company Shares will remain listed on the First Section of the Tokyo Stock Exchange after completion of the Tender Offer.

3. Outline of the Purchase, etc.

(1) Outline of the Target Company

(i) Name:	Shinsei Bank, Limited	
(ii) Address:	2-4-3, Nihonbashi-muromachi, Chuo-ku, Tokyo	
(iii) Name and position of representative:	Hideyuki Kudo, Representative Director, President	
(iv) Description of business:	<p>(1) Acceptance of deposits and installment deposits, advance of loans, discount of bills of exchange and promissory notes, and foreign & domestic exchange transactions</p> <p>(2) Guarantee of obligations, endorsement of bills and other business incidental to the Banking Business set forth in the immediately preceding item;</p> <p>(3) Underwriting, handling of offerings, handling of private placements, sale and purchase and other businesses in respect of government bonds, local government bonds, government guaranteed bonds and other securities</p> <p>(4) In addition to the businesses set forth in the preceding items, any other businesses which a bank is permitted to conduct under the Banking Law, Secured Corporate Bonds Trust Law, Corporate Bonds Law and other laws</p> <p>(5) Any other businesses incidental or related to any of the preceding items.</p>	
(v) Stated capital:	512,204 million yen (as of June 30, 2021)	
(vi) Date of establishment:	December 1, 1952	
(vii) Major shareholders and shareholding ratio: (as at March 31, 2021)	SBI Holdings, Inc.	19.85%
	Deposit Insurance Corporation of Japan	12.50%
	The Resolution and Collection Corporation	9.28%
	The Master Trust Bank of Japan Ltd. (Trust Account)	6.74%
	SSBTC CLIENT OMNIBUS ACCOUNT (Standing agent: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch, Custody Services	3.53%

	Department)	
	Custody Bank of Japan, Ltd. (Trust Account)	3.37%
	BNYM AS AGT/CLTS NON TREATY JASDEC (Standing agent: MUFG Bank, Ltd.)	1.39%
	STATE STREET BANK AND TRUST COMPANY 505103 (Standing agent: Mizuho Bank, Ltd. Settlement Service Department)	1.30%
	MSCO CUSTOMER SECURITIES (Standing agent: Morgan Stanley MUFG Securities Co., Ltd.)	1.18%
	STATE STREET BANKWEST CLIENT -TREATY 505234 (Standing agent: Mizuho Bank, Ltd. Settlement Service Department)	1.15%
(viii) Relationship between the Tender Offeror and the Target Company:		
Capital relationship	As of today, the Tender Offeror owns 100 shares (ownership ratio : 0.00%) of the Target Company Shares. In addition, SBIHD, which is the wholly-owning parent company of the Tender Offeror, owns 42,737,700 Target Company Shares (ownership ratio: 20.32%) as of today. The SBIHD Parties owns 42,737,800 Target Company Shares (ownership ratio: 20.32%) in total.	
Personnel relationship	Not applicable	
Transactional relationship	<ul style="list-style-type: none"> Target Company is an existing shareholders of Money Tap Co., Ltd., affiliated company of SBIHD Target Company is an existing shareholders of Regional Revitalization Partners Co., Ltd., subsidiary of SBIHD Target Company invests in FinTech Business Innovation LPS, SBI AI&Blockchain LPS, and SBI 4&5 Investment Limited Partnership, established and managed by SBI Investment Co., Ltd., subsidiary of SBIHD The Target Company has loan transactions with SBIHD, SBI Leasing Services Co., Ltd., and SBI FinTech Solutions Co., Ltd. 	
Status as a related party	Not applicable	

(2) Schedule, etc.

(i) Schedule

Date of resolution by the board of directors	Thursday, September 9, 2021
Date of public notice of commencement of the Tender Offer	Friday, September 10, 2021 An electronic public notice will be issued, and a notice to that effect will be published in the <i>Nihon Keizai Shimbun</i> . (URL for electronic public notice: http://disclosure.edinet-fsa.go.jp/)
Filing of the tender offer registration statement	Friday, September 10, 2021

(ii) Initial Tender Offer Period at the Time of Filing

Friday, September 10, 2021 to Monday, October 25, 2021 (30 business days)

While the shortest Tender Offer Period stipulated by applicable laws and regulations is twenty (20) business days, the Tender Offeror sets the Tender Offer Period to be thirty (30) business days. By setting a relatively long Tender Offeror Period, the Tender Offeror ensures that shareholders of the Target Company are provided a reasonable opportunity to decide on their participation in the Tender Offer and further that persons other than the Tender Offeror are provided with an opportunity to participate in the countervailing purchase, etc., and thereby ensuring the transparency of the additional purchase of the Target Company Shares by the Tender Offeror through the Tender Offer.

(iii) Possibility of Extension upon a Request by the Target Company

Not applicable.

(3) Price for Purchase, etc.

2,000 yen per share of common shares

(4) Basis of Calculation, etc. of the Price for Purchase, etc.

(i) Basis for Calculation

When determining the Tender Offer Price, the SBIHD Parties requested that Citigroup Global Markets, a financial advisor as a third-party valuation firm independent from the SBIHD Parties and the Target Company, calculate the equity value of the Target Company Shares. Citigroup Global Markets is not a related party of the SBIHD Parties. The SBIHD Parties sounded multiple financial institutions on the loan of the fund necessary for the settlement of the Tender Offer and payment of charges without disclosure of the matter, and as a result of considering the possibility of funding and terms and conditions of each financial institution, the SBIHD Parties appointed Citibank, N.A., Tokyo Branch ("Citibank"), a group company of Citigroup Global Markets, as its lender. Citibank is scheduled to loan to SBIHD funds for SBIHD to loan to the Tender Offeror for settlement of the Tender Offer and payment of charges but has no material interest that should be described in relation to the Tender Offer. Furthermore, pursuant to Article 36, Paragraph

2 of the Act and Article 70-4 of the Cabinet Office Ordinance on Financial Instruments Business (Cabinet Office Ordinance No. 52 of 2007, as amended, hereinafter referred to as “Cabinet Office Ordinance on Financial Instruments Business”), Citigroup Global Markets established and operates an appropriate system for managing conflicts of interest, including a Chinese wall between Citigroup Global Markets and Citibank, and calculated the equity value of the Target Company Shares from a position independent from Citibank’s position as the lender.

After considering several calculation methods for calculation of the equity value of the Target Company Shares, Citigroup Global Markets elected to use the following methods: (a) the market price method, which takes into consideration trends in the Target Company’s market share price; (b) the comparable company analysis method, due to the fact that the existence of listed companies comparable to the Target Company enabled calculation of the equity value of the Target Company Shares by analogy; and (c) the dividend discount model method (“DDM Method”), in order to reflect future business activities in the valuation, which is (i) a method of analyzing stock value by assuming the equity ratio required for the Target Company to conduct its business in a stable manner and by discounting profit attributable to shareholders after taking into account the retained earnings necessary to maintain the equity capital calculated from said equity ratio to the present value at the cost of shareholders’ equity and (ii) a method to be popularly used in valuation of financial institutions. The SBIHD Parties obtained a share valuation report (“Share Valuation Report”) from Citigroup Global Markets on September 8, 2021. The SBIHD Parties have not obtained a written opinion concerning fairness of the Tender Offer Price (known as a fairness opinion) from Citigroup Global Markets.

According to the Share Valuation Report, the ranges of the per-share value of the Target Company Shares calculated using each of the adopted methods are as follows:

Market price method:	1,416 yen to 1,591 yen
Comparable company analysis method:	1,602 yen to 2,198 yen
DDM Method:	1,650 yen to 2,584 yen

Under the market price method, the range of the per-share value of the Target Company Shares is calculated as being between 1,416 yen and 1,591 yen, on the basis that the simple average of the closing prices of Target Company Shares in the previous month (from August 10, 2021 to September 8, 2021) was 1,416 yen (rounded to the closest whole number; hereinafter the same shall apply in calculating the simple average of the closing prices); the simple average of the closing prices in the previous three months (from June 9, 2021 to September 8, 2021) was 1,460 yen; and the simple average of the closing prices in the previous six months (from March 9, 2021 to September 8, 2021) was 1,591 yen, all of which

prices are those on the First Section of the Tokyo Stock Exchange, having September 8, 2021, the business day immediately preceding the date of the resolution for the Tender Offer by SBIHD's board of directors, as the record date.

Under the comparable company analysis method, through comparison with market prices and financial statements showing profitability, it is analyzed that the range of the per-share value of the Target Company Shares is between 1,602 yen and 2,198 yen.

Under the DDM Method, it is analyzed that the Target Company Shares are between 1,650 yen and 2,584 yen by (a) assuming the equity ratio required for the Target Company to conduct its business in a stable manner during the period from the fiscal year ending March 2021 to the fiscal year ending March 2026, based on the SBIHD Parties' knowledge of the Target Company's business and various factors such as the Target Company's recent performance trends and publicly available information, and (b) discounting profit attributable to shareholders after taking into account the retained earnings necessary to maintain the equity capital calculated from the equity ratio to the present value at the cost of shareholders' equity. There is no fiscal year in which a significant increase or decrease in profit is expected in the financial forecast based on the above business plan. In addition, the synergy effects expected to be realized through the Tender Offer are not reflected since it is difficult to foresee the probability and time frame of the realization of synergy with the Target Company at the timing of the start of the Tender Offer.

The SBIHD Parties reviewed the Tender Offer Price taking into account the share price ranges in the market price method, the comparable company analysis method, and the DDM Method, and took into account (a) that the Tender Offer Price ensures enough premium to the share price range in the market price method; (b) that the Tender Offer Price ensures near to upper limit in the share price range in the comparable company analysis method; (c) that the Tender Offer Price is within the share price range in the DDM Method; (d) the prospects for subscriptions for the Tender Offer; and (e) ensuring enough level of premium for more shareholders of the Target Company to tender the Tender Offer because no prior approval from the Target Company's management has been obtained, and finally decided to set the Tender Offer Price at 2,000 yen per share on September 9, 2021.

The Tender Offer Price of 2,000 yen is the amount equal to (a) 1,453 yen, which is the closing price of Target Company Shares on the First Section of the Tokyo Stock Exchange on September 8, 2021, the previous business date of the announcement regarding implementation of the Tender Offer with a 37.65% premium (rounded to two decimal places; hereinafter the same shall apply in calculating the premium rate (%)); (b) 1,416 yen, which is the simple average closing price of regular transactions during the past month (from August 10, 2021 to September 8, 2021) (rounded to the closest whole number; hereinafter

the same shall apply in calculating the simple average of the closing prices) with a 41.25% premium; (c) 1,460 yen, which is the simple average closing price of regular transactions during the past three months (from June 9, 2021 to September 8, 2021) with a 36.95% premium; and (d) 1,591 yen, which is the simple average closing price of regular transactions during the past six months (from March 9, 2021 to September 8, 2021) with a 25.71% premium.

During the period from January 28, 2021 to late in March 2021, SBIHD acquired Target Company Shares through market transactions at the then prevailing market prices, which were conducted through auctions on the First Section of the Tokyo Stock Exchange, and unlike the Tender Offer, no premium was paid.

Further, on September 9, 2021, the Tender Offeror acquired 100 Target Company Shares outside the market from SBIHD for 1,418 yen per share (the closing price of the Target Company Shares on the First Section of the Tokyo Stock Exchange as of September 7, 2021). A difference of 582 yen between that price (1,418 yen) and the Tender Offer Price (2,000 yen) has emerged due to the fact that the transaction above was conducted between a wholly-owning parent company and a wholly-owned subsidiary and no premium was paid unlike in the Tender Offer, along with the market trends of the Target Company' s share price after the transaction above.

(ii) Background of the Calculation

(Background of the Decision on the Tender Offer Price)

As described in “(1) Outline of the Tender Offer” in “2. Purpose of the Purchase” above, SBIHD highly evaluated the business areas of the Target Company Group' s core businesses, including its card loan and consumer finance-related businesses, structured finance business, credit investments, and private equity investments held by the Target Company Group, and it believed that if the management resources of Both Groups could be combined organically, this would enhance customer convenience, resulting in enhancement of the corporate value of Both Groups for Both Groups. Therefore, SBIHD started purchasing the Target Company Shares on the market on April 2, 2019, started considering the possibility of a capital and business alliance with the Target Company in August 2019, and made proposals for the capital and business alliance to the Target Company on a continued basis. However, while certain progress was seen regarding an alliance for regional revitalization, SBIHD has not yet received a positive response from the Target Company regarding an alliance in the areas where synergies for Both Groups can be expected, including securities business.

Under these circumstances, the SBIHD Parties believe that although the Target Company has failed to achieve the planned values published by it in almost all of the business years in and after the business year ended in March 2016, and the net business income and net

income attributable to owners of its parent company have continued to trend downward, the Target Company's management has failed to take drastic countermeasures to remedy that situation. Furthermore, the SBIHD Parties believe that although the Target Company's decisions that lacks appropriateness and flexibility are partly attributable to the composition of the Target Company's officers in that appears that among the members of the board of directors, there is a bias in the companies at which outside directors worked, such as Goldman Sachs Japan Co., Ltd. and Monex Group Inc., it is difficult to expect the Target Company to voluntarily review its officer structure and to make efforts toward recovery of its governance function.

Considering these circumstances, Yoshitaka Kitao, President and Representative Director of SBIHD, and Shunpei Morita, Representative Director of the Tender Offeror, who have been respectively entrusted to finally decide to implement the Tender Offer based on the resolution of the board of directors of the SBIHD Parties as of September 9, 2021, decided the implementation of the Tender Offer on the same date in order to flexibly increase the SBIHD Parties' ownership ratio of the Target Company Shares, mainly for the purpose of (a) making the Target Company a consolidated subsidiary of SBIHD, establishing and reinforcing a business alliance relationship between SBIHD Group and the Target Company Group, and (b) ensuring that SBIHD Parties have the voting rights to practically enable them to change all or part of the Target Company's officers and to accomplish the optimal composition of officers, and (c) flexibly increasing the SBIHD Parties' ownership ratio of the Target Company Shares in order to accomplish the purposes as stated in the above (a) and (b) in the future by the Tender Offer, even if the Tender Offeror is unable to acquire the Target Company Shares necessary for the purposes as stated in the above (a) and (b), in order to improve the Target Company's business performance and to recover and enhance its corporate value, and resolved to make the Tender Offer Price 2,000 yen in light of the following background.

A. Name of Third Party from Whom Opinion was Sought upon Valuation

When determining the Tender Offer Price, the SBIHD Parties requested that Citigroup Global Markets, as a third-party valuation firm independent from the SBIHD Parties and the Target Company, calculate the equity value of the Target Company Shares. The SBIHD Parties obtained the Share Valuation Report from Citigroup Global Markets on September 8, 2021. Citigroup Global Markets is not a related party of the SBIHD Parties or the Target Company. Furthermore, the SBIHD Parties sounded multiple financial institutions on the loan of the fund necessary for the settlement of the Tender Offer and payment of charges without disclosure of the matter, and as a result of considering the possibility of funding and terms and conditions of each financial institution, the SBIHD Parties appointed Citibank, a group company of Citigroup Global Markets, as its lender. Citibank is scheduled to loan to SBIHD funds for SBIHD to loan to the Tender Offeror for

settlement of the Tender Offer and payment of charges but has no material interest that should be described in relation to the Tender Offer. Furthermore, pursuant to Article 36, Paragraph 2 of the Act and Article 70-4 of the Cabinet Office Ordinance on Financial Instruments Business, Citigroup Global Markets established and operates an appropriate system for managing conflicts of interest, including a Chinese wall between Citigroup Global Markets and Citibank, and calculated the equity value of the Target Company Shares from a position independent from Citibank's position as the lender. The SBIHD Parties have not obtained a written opinion concerning fairness of the Tender Offer Price (known as a fairness opinion) from Citigroup Global Markets.

B. Overview of the Foregoing Opinions

According to the Share Valuation Report, the ranges of the per-share value of the Target Company Shares calculated using each of the adopted methods are as follows:

Market price method:	1,416 yen to 1,591 yen
Comparable company analysis method:	1,602 yen to 2,198 yen
DDM Method:	1,650 yen to 2,584 yen

C. Background of the Decision on the Tender Offer Price Based on the Foregoing Opinions

The SBIHD Parties reviewed the Tender Offer Price taking into account the share price ranges in the market price method, the comparable company analysis method, and the DDM Method, and took into account (a) that the Tender Offer Price ensures enough premium to the share price range in the market price method; (b) that the Tender Offer Price ensures a level near to upper limit in the share price range in the comparable company analysis method; (c) that the Tender Offer Price is within the share price range in the DDM Method; (d) the prospects for subscriptions for the Tender Offer; and (e) ensuring enough level of premium for more shareholders of the Target Company to tender the Tender Offer because no prior approval from the Target Company's management has been obtained, and finally decided to set the Tender Offer Price at 2,000 yen per share on September 9, 2021.

(iii) Relationships between the SBIHD Parties and the Valuation Institution

Citigroup Global Markets, the financial adviser of the SBIHD Parties, is not a related party of the SBIHD Parties or the Target Company. The SBIHD Parties sounded multiple financial institutions on the loan of the fund necessary for the settlement of the Tender Offer and payment of charges without disclosure of the matter, and as a result of considering the possibility of funding and terms and conditions of each financial institution, the SBIHD Parties appointed Citibank, a group company of Citigroup Global Markets, as its lender. Citibank is scheduled to loan to SBIHD funds for SBIHD to loan to the Tender Offeror for

settlement of the Tender Offer and payment of charges but Citigroup Global Markets has been appointed as a valuation firm in considering that it established and operates an appropriate system for managing conflicts of interest, including a Chinese wall between Citigroup Global Markets and Citibank pursuant to Article 36, Paragraph 2 of the Act and Article 70-4 of the Cabinet Office Ordinance on Financial Instruments Business.

(5) Number of Share Certificates, etc. to be Purchased

Number of shares to be purchased	Minimum number of shares to be purchased	Maximum number of shares to be purchased
58,211,300	N/A	58,211,300

(Note 1) If the total number of Tendered Shares is equal to or less than the maximum number of shares to be purchased (58,211,300 shares), all of the Tendered Shares will be purchased. If the total number of Tendered Shares exceeds the maximum number of shares to be purchased (58,211,300 shares), all or part of the excess number of shares will not be purchased, and delivery and other settlement with respect to the purchase, etc. of Shares will be handled on a pro rata basis as provided in Article 27-13, Paragraph 5 of the Act and Article 32 of the Ordinance.

(Note 2) Treasury shares held by the Target Company will not be purchased through the Tender Offer.

(Note 3) Shares of less than one unit are also subject to the Tender Offer. If the Target Company shareholders exercise their right to request that the Target Company repurchase their shares of less than one unit in accordance with the Companies Act, the Target Company may purchase such shares during the period of purchases for the Tender Offer (the “Tender Offer Period”) pursuant to the procedures under laws and regulations.

(6) Change in Ownership Ratio of Share Certificates, etc. through the Tender Offer

Number of voting rights pertaining to share certificates, etc. held by the Tender Offeror before the Tender Offer	1	(Ownership ratio of share certificates, etc. before the Tender Offer: 0.00%)
Number of voting rights pertaining to share certificates, etc. held by specially related parties before the Tender Offer	427,377	(Ownership ratio of share certificates, etc. before the Tender Offer: 20.32%)
Number of voting rights pertaining to share certificates, etc. held by the Tender Offeror after the Tender Offer	582,114	(Ownership ratio of Share Certificates, etc. after the Tender Offer: 27.68%)

Number of voting rights pertaining to share certificates, etc. held by specially related parties after the Tender Offer	427,377	(Ownership ratio of Share Certificates, etc. after the Tender Offer: 20.32%)
Number of voting rights of all shareholders of the Target Company	2,152,652	

Note 1: The “Number of voting rights pertaining to share certificates, etc. held by specially related parties before the Tender Offer” is the total of the number of voting rights pertaining to the share certificates, etc. held by each specially related party (excluding specially related parties excluded from the specially related parties for the purpose of calculation of the ownership ratio of share certificates, etc. under each item of Article 27-2 of the Act, pursuant to Article 3, paragraph 2, item 1 of the Ordinance.

Note 2: The “Number of voting rights of all shareholders, etc. of the Target Company” is the total number of voting rights of all shareholders as of March 31, 2021 as stated in the Annual Securities Report for the 21th Fiscal Year (in which one share unit is stated as 100 shares). However, since less than one unit are subject to the Tender Offer (excluding treasury shares held by the Target Company), for the purpose of calculating the “Ownership ratio of share certificates, etc. before the Tender Offer” and “Ownership ratio of share certificates, etc. after the Tender Offer,” the number of voting rights (2,103,105 voting rights) pertaining to the number of shares (210,310,530 shares) is used as the denominator, which is obtained by deducting (a) the number of treasury shares held by the Target Company as of that date as stated in the Target Company Share Buyback Report (48,724,159 shares) from (b) the total number of issued Target Company Shares as of August 31, 2021 as stated in the Target Company Buyback Report (259,034,689 shares).

Note 3: The “Ownership ratio of share certificates, etc. before the Tender Offer” and “Ownership ratio of share certificates, etc. after the Tender Offer” are rounded to two decimal places.

(7) Purchase Price: 116,422,600,000 yen

(Note) The purchase price has been calculated by multiplying the number of shares to be purchased (58,211,300 shares) by the Tender Offer Price (2,000 yen).

(8) Method of Settlement

(i) Name and head office location of the securities firm, bank or other entity conducting settlement of the Tender Offer

SBI Securities Co., Ltd. 1-6-1 Roppongi Minato-ku, Tokyo

(ii) Commencement Date of Settlement

Monday, November 1, 2021

(iii) Method of Settlement

After expiration of the Tender Offer Period, a notice of purchase through the Tender Offer is mailed to the addresses or locations of the Tendering Shareholders (or in the case of Foreign Shareholders, their standing proxies) without delay.

The purchase is made in cash. The proceeds from the purchased Shares will be remitted by the tender offer agent to the places designated by the Tendering Shareholders (or in the case of Foreign Shareholders, their standing proxies) in accordance with the Tendering Shareholders' instructions (or in the case of Foreign Shareholders, their standing proxies') on or after the commencement date of settlement without delay.

(iv) Method of Returning Shares

If it is decided that all or part of the Tendered Shares will not be purchased pursuant to the conditions stated in “(i) Conditions Set Forth in Each Item of Article 27-13, Paragraph 4 of the Act, and Details Thereof” or “(ii) Conditions of Withdrawal of the Tender Offer, Details Thereof, and Method of Disclosing Withdrawal” in “(9) Other Conditions and Methods for the Purchase” below, the Shares that must be returned will be returned promptly on or after the Business Day following the last day of the Tender Offer Period (where the Tender Offer has been withdrawn, the day on which the withdrawal was made). The shares that must be returned will be returned by restoring the record to the status immediately before the tender application on the Tendering Shareholder Accounts at the tender offer agent (if a Tendering Shareholder wishes to transfer the shares to an account of the Tendering Shareholder held at any other financial instruments business operator, etc., please so instruct).

(9) Other Conditions and Methods for the Purchase

(i) Conditions Set Forth in Each Item of Article 27-13, Paragraph 4 of the Act, and Details Thereof

If the total number of Tendered Shares is equal to or less than the maximum number of shares to be purchased (58,211,300 shares), all of the Tendered Shares will be purchased.

If the total number of Tendered Shares exceeds the maximum number of shares to be purchased (58,211,300 shares), all or part of that excess number of shares will not be purchased, and delivery and other settlement with respect to the purchase of Shares will be handled on a pro rata basis as provided in Article 27-13, Paragraph 5 of the Act and Article 32 of the Ordinance (if any Tendered Share contains fractional shares of less than one unit (100 shares), the number of shares to be purchased that is calculated on a pro rata basis will be limited to the number of shares contained in such Tendered Share).

If the total number of shares purchased from each of the Tendering Shareholders which is obtained by rounding off the number of shares less than one unit resulting from the calculation on a pro rata basis is less than the maximum number of shares to be purchased, one unit of the Tendered Shares (or up to the number of the Tendered Shares in the case where additionally purchasing one unit causes an excess of the number of the Tendered Shares) will be purchased from each of the Tendering Shareholders in descending order beginning with the one who owns the largest number of rounded-down shares until the total number of shares purchased is equal to or greater than the maximum number of shares to be purchased. However, if purchasing from all the Tendering Shareholders who own an equal number of rounded-down shares by this method causes an excess of the maximum number of shares to be purchased, a lottery system will be used to decide from which shareholder the shares will be purchased among the relevant Tendering Shareholders to the extent where the resultant total number of shares purchased is equal to or greater than the maximum number of shares to be purchased.

If the total number of shares purchased from each of the Tendering Shareholders which is obtained by rounding off the number of shares less than one unit resulting from the calculation on a pro rata basis exceeds the maximum number of shares to be purchased, one unit of shares (or a portion of shares less than one unit if the number of shares purchased that was calculated on a pro rata basis has such a portion) will be decreased from the number of shares purchased from each of the Tendering Shareholders in descending order beginning with the one who owns the largest number of rounded-up shares until the total number of shares purchased is equal to or greater than the maximum number of shares to be purchased. However, if decreasing the number of shares purchased from all the Tendering Shareholders who own an equal number of rounded-up shares by this method causes the number to fall below the maximum number of shares to be purchased, a lottery system will be used to decide from which shareholder the number of shares purchased will be decreased among the relevant Tendering Shareholders to the extent where the resultant total number of shares purchased is equal to or greater than the maximum number of shares to be purchased.

If deciding from which shareholder the shares will be purchased among the relevant Tendering Shareholders by a lottery system or deciding from which shareholders the number of shares purchased will be decreased among the relevant Tendering Shareholders by a lottery system, SBI Securities Co., Ltd will conduct the lottery.

(ii) Conditions of Withdrawal of the Tender Offer, Details Thereof, and Method of Disclosing Withdrawal

The Tender Offer may be withdrawn upon the occurrence of any event listed in Article 14, Paragraph 1, Items 1(a) through 1(i) and Items 1(k) through 1(s), Items 3(a) through 3(h) and 3(j), Item 4, as well as Article 14, Paragraph 2, Items 3 through 6 of the Order. The

Tender Offer may be withdrawn for any case falling under “anything equivalent to what is set forth in (a) to (r)” set forth in Article 14, Paragraph 1, Item 1(s) of the Order, if (i) the organ which is responsible for making decisions on the execution of operations of the Target Company has made a decision to pay dividends of surplus with the record date being the day preceding the commencement date of settlement for the Tender Offer (excluding dividends where the amount of cash and other assets to be distributed to shareholders is expected to be less than the amount equivalent to 10% (85,784,500,000 yen (Note)) of the book value of the net assets stated in the non-consolidated balance sheet as of the last day of the most recent fiscal year of the Target Company) (including the case where the record date with respect to the dividends of surplus is decided to be the day preceding the commencement date of settlement for the Tender Offer without presenting a specific amount of the dividends of surplus), and (ii) the organ which is responsible for making decisions on the execution of operations of the Target Company has made a decision to repurchase its own shares (excluding stock repurchases where the amount of cash and other assets to be distributed in exchange of the stock repurchase is expected to be less than the amount equivalent to 10% (85,784,500,000 yen) of the book value of the net assets stated in the non-consolidated balance sheet as of the last day of the most recent fiscal year of the Target Company). With respect to Article 14, Paragraph 1, Item 3(j) of the Order, the “facts equivalent to those set forth in (a) to (i)” means (i) any case where it is found that there is a false statement regarding a material matter, or an omission of a material matter required to be stated in the statutory disclosure documents submitted by the Target Company in the past, and (ii) any case where any of the events listed in Items 3(a) through 3(h) occurs with respect to any of the important subsidiaries of the Target Company.

Furthermore, if an approval that has been obtained from the UK Financial Conduct Authority (the “UK FCA”) with respect to the acquisition of the Target Company Shares by the Tender Offer (the “Share Acquisition”), which effective period is three (3) months from August 27, 2021 (this period may be extended based on a request from the SBIHD Parties to the UK FCA), is expired by the date prior to the expiration date of the Tender Offer Period (including the case where the Tender Offer Period will be extended), the Tender Offeror may withdraw the Tender Offer by deeming the “permission, etc.” set forth in Article 14, Paragraph 1, Item 4 of the Order to have not been obtained.

Furthermore, if an approval that has been obtained from the New Zealand Overseas Investment Office with respect to the Share Acquisition is revoked or withdrawn by the date prior to the expiration date of the Tender Offer Period (including the case where the Tender Offer Period will be extended), the Tender Offeror may withdraw the Tender Offer by deeming the “permission, etc.” set forth in Article 14, Paragraph 1, Item 4 of the Order to have not been obtained.

If the Tender Offeror intends to withdraw the Tender Offer, it will give public notice thereof through electronic disclosure and make an announcement with respect thereof in the Nihon Keizai Shimbun; provided, however, if it is difficult to give such public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement pursuant to Article 20 of the Ordinance and give public notice immediately thereafter.

(Note) For reference: If any dividends of surplus are paid with respect to which the amount of cash and other assets to be distributed to shareholders is the amount equivalent to 10% of the book value of the net assets stated in the non-consolidated balance sheet as of the last day of the most recent fiscal year of the Target Company and it is assumed that the total number of issued shares and the number of treasury shares of the Target Company as of the record date with respect to such dividends are consistent with the numbers thereof described herein, the amount of per-share dividend will be equivalent to 408 yen (specifically, this amount was calculated by dividing (x) 85,784,500,000 yen, which is equal to 10% of the amount of net assets (857,845 million yen, calculated by rounding down the digits below one million) stated in the non-consolidated balance sheet of the Target Company as of March 31, 2021, as stated in the Target Company's Annual Securities Report, by (y) the number of shares (210,310,530 shares) as calculated by deducting the number of treasury shares (48,724,159 shares) owned by the Target Company as of August 31, 2021 from the total number of issued Target Company Shares (259,034,689 shares) as of the same date, as stated in the Target Company Share Buyback Report, and rounding up any fraction less than one yen).

(iii) Conditions of Reduction in Purchase Price, Details Thereof, and Method of Disclosing Reduction

In accordance with Article 27-6, Paragraph 1, Item 1 of the Act, if the Target Company conducts any act listed in Article 13, Paragraph 1 of the Order during the Tender Offer Period, the purchase price may be reduced pursuant to the standards set forth in Article 19, Paragraph 1 of the Ordinance. If the Tender Offeror intends to reduce the purchase price, it will give public notice thereof through electronic disclosure and make an announcement with respect thereof in the Nihon Keizai Shimbun; provided, however, if it is difficult to give such public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement pursuant to Article 20 of the Ordinance and give public notice immediately thereafter. If the purchase price is reduced, the Tendered Shares that were tendered on or before the date of the public notice are also purchased at the reduced purchase price.

(iv) Matters Relating to Agreement Cancellation Rights of Tendering Shareholders

The Tendering Shareholders may cancel an agreement related to the Tender Offer at any time during the Tender Offer Period. In order to cancel an agreement, please complete the cancellation procedures by (i) inputting necessary information on the tender offer agent's webpage (<https://www.sbisec.co.jp>) or by (ii) contacting the tender offer agent's customer service center (telephone number: 0120-104-214; for mobile phones or PHS: 03-5562-7530) by 9:00 AM on the last day of the Tender Offer Period.

When canceling an agreement for a tender applied for via the Over-the-Counter Application Desk (over-the-counter transaction account), please deliver or send a document indicating the intention to cancel the agreement regarding the Tender Offer (a "Cancellation Document") with an acceptance slip for the tender offer application (if delivered) to the head office or business office (Note) of the person designated below, or any of the branches of SBI Money Plaza Co., Ltd. where personnel of the person designated below are stationed. However, if sending the Cancellation Document, the document must arrive at the Over-the-Counter Application Desk by 9:00 AM on the last day of the Tender Offer Period.

Party authorized to receive the Cancellation Document

SBI Securities Co., Ltd.

1-6-1 Roppongi, Minato-ku, Tokyo

(other business offices of SBI Securities Co., Ltd. or branches of SBI Money Plaza Co., Ltd. where SBI Securities Co., Ltd.'s personnel are stationed)

The Tender Offeror will not make any claim for damages or a penalty payment against the Tendering Shareholders due to the cancellation of their agreements. In addition, the Tender Offeror will bear the cost of returning the Tendered Shares to the Tendering Shareholders. If a Tendering Shareholder applies for cancellation, his/her Tendered Shares will be returned by the method stated in "(iv) Method of Returning Shares" of "(8) Method of Settlement" above promptly after completion of the procedures related to cancellation.

(Note) The Over-the-Counter Application Desk is as stated below.

Tender offer agent's head office

Tender offer agent's business offices

Osaka Office, Nagoya Office, Fukuoka Office

The tender offer agent's business offices are attached to the branches of SBI Money Plaza Co., Ltd. (Osaka Branch, Nagoya Branch, Fukuoka Central Branch).

Branches of SBI Money Plaza Co., Ltd. where the tender offer agent's personnel are stationed

Aizu Branch, Kumagaya Central Branch, Utsunomiya Central

Branch, Shinjuku Central Branch, Matsumoto Branch, Ina Branch, Nagoya Branch, Osaka Branch, Fukuoka Central Branch, Kagoshima Central Branch

(v) Method of Disclosing Changes Made to Terms and Conditions of the Purchase

The Tender Offeror may change the purchase terms during the Tender Offer Period, excluding cases where it is prohibited by Article 27-6, Paragraph 1 of the Act and Article 13, Paragraph 2 of the Order. If the Tender Offeror intends to change the purchase terms, it will give public notice thereof through electronic disclosure and make an announcement with respect thereof in the Nihon Keizai Shimbun; provided, however, if it is difficult to give such public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement pursuant to Article 20 of the Ordinance and give public notice immediately thereafter. If the purchase terms are changed, the Tendered Shares that were tendered on or before the date of the public notice are also purchased based on the changed purchase terms.

(vi) Method of Disclosure in Case of Filing of Amendment Statement

If the Tender Offeror files an amendment statement with the Director-General of the Kanto Local Finance Bureau, excluding the cases set forth in the proviso to Article 27-8, Paragraph 11 of the Act, the Tender Offeror will immediately make a public announcement on the details relating to those described in the public notice of tender offer commencement among other things in the amendment statement, pursuant to Article 20 of the Ordinance. The Tender Offeror will also immediately amend the tender offer explanatory statement and deliver the amended tender offer explanatory statement to the Tendering Shareholders to whom the tender offer explanatory statement has already been delivered. However, if the scope of the amendment is limited, the amendment may be made by preparing a document stating the reason for the amendment and the subject matters before and after the amendment, and delivering the document to the Tendering Shareholders.

(vii) Method of Disclosing the Results of the Tender Offer

The results of the Tender Offer will be publicly announced on the day following the last day of the Tender Offer Period by the method set forth in Article 9-4 of the Order and Article 30-2 of the Ordinance.

(viii) Other

The Tender Offer is not being made, either directly or indirectly, in or to the United States. Nor are the U.S. postal service, or other methods or means of interstate or international commerce (including but not limited to facsimile transmissions, e-mails, internet communications, telexes, and telephones) being utilized in making the Tender Offer. The Tender Offer is also not being made through securities exchange facilities in the United

States. It is not permissible to tender shares in the Tender Offer by the methods or means stated above, through the facilities stated above, or from the United States.

This Statement or related purchase documents will not be sent or delivered by the postal service or any other means in, to, or from the United States. Such sending or delivering is not allowed. No tender of shares in the Tender Offer that is directly or indirectly in violation of the restrictions stated above can be accepted.

When tendering shares in the Tender Offer, the Tendering Shareholders (in the case of Foreign Shareholders, their standing proxies) may be requested to make representations and warranties to the tender offer agent concerning the following:

- The Tendering Shareholder is not resident in the United States at either the time of tendering or when sending a tender offer application form.
- The Tendering Shareholder has not, directly or indirectly, received or sent any information (including copies) regarding the Tender Offer in, to, or from the United States.
- The Tendering Shareholder has not, directly or indirectly, used the U.S. postal service, or any other methods or means of interstate or international commerce (including but not limited to facsimile transmissions, e-mails, internet communications, telexes, and telephones), and has not used securities exchange facilities in the United States when conducting a purchase or signing and delivering a tender offer application form.
- The Tendering Shareholder is not acting as an agent without discretionary power or as a trustee or mandatary for any other person (excluding cases where the other person provides all instructions regarding the purchase from outside the United States).

(10) Date of public notice of commencement of the tender offer

Friday, September 10, 2021

(11) Tender offer agent

SBI Securities Co., Ltd. 1-6-1 Roppongi Minato-ku, Tokyo

4. Policy after the tender offer and future prospects

(1) Policy after completion of the tender offer

Please see “(2) Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Tender Offer, and Management Policy After Completion of the

Tender Offer,” “(3) Plans for Additional Acquisition of Target Company Shares” and “(5) Possibility of Delisting and Reasons Therefor” in “2. Purpose, etc. of the Tender Offer” above with respect to the policy after completion of the Tender Offer.

(2) Future Prospects

If the Target Company becomes a consolidated subsidiary of SBIHD after completion of the Tender Offer, it is considered to have an impact on SBIHD’s consolidated business results. However, such impact has not yet been calculated at this timing due to the difference of accounting standards adopted by SBIHD and the Target Company and other factors. If any fact to be announced with respect to an impact on SBIHD’s consolidated business, SBIHD will promptly announce it.

5. Other

(1) Existence and content of an agreement between the Tender Offeror and the Target Company or its officers

Not applicable.

(2) Other information necessary for investors to judge the merits of tendering shares in the purchase, etc.

Not applicable.

End

For further information, please contact:

SBI Holdings, Inc. Corporate Communications Dept., Tel: +81 3 6229-0126

[Solicitation Regulations]

This press release is intended to publicly release the Tender Offer, and was not prepared for the purpose of soliciting a tender for a sale. If you intend to tender an offer to sell shares in the Tender Offer, please make sure that you refer to the Tender Offer Explanatory Document regarding the Tender Offer in advance, and tender shares at your own discretion. This press release is not a tender for, or a solicitation for a tender for, a sale or purchase of securities, and does not constitute a part of the foregoing. In addition, this press release (or any part of it) and any distribution hereof will not be the basis for any agreement concerning the Tender Offer, nor will it be relied upon when executing an agreement.

[Prediction of the Future]

The SBIHD Parties do not promise that the projections expressed or implied as “forward-looking statements” will ultimately be accurate. The “forward-looking statements” in this press release have been prepared based on information available to the SBIHD Parties as of the date hereof, and unless otherwise required by law or regulation, the SBIHD Parties will not be responsible for updating or otherwise revising such forward-looking statements in order to reflect any future event or circumstances.

[U.S. Regulations]

The Tender Offer will not be conducted, directly or indirectly, in or targeted at the United States, through the U.S. postal mail services or other interstate or international commercial methods or means (including, but not limited to, telephone, telex, facsimile, e-mail, and internet communication), or through any stock exchange facilities in the United States. No application for the Tender Offer will be accepted through any of those methods or means, through those stock exchange facilities, or from the United States. In addition, no Tender Offer Statements or relevant purchase documents will, or may, be sent or distributed to, in, or from the United States by postal mail or other means. No application for the Tender Offer that violates, directly or indirectly, the aforementioned restrictions will be accepted.

No solicitation for the purchase of securities or other equivalents is made to U.S. residents or in the United States, and the SBIHD Parties will not accept any solicitation that is sent from U.S. residents or from the United States.

[Other Countries]

In some countries or regions, the release, issuance, or distribution of this press release may be restricted by relevant laws, in which case, please keep such restriction in mind and comply with it. This press release does not constitute a solicitation for a tender for, a sale or purchase of the shares in relation to the Tender Offer, and is deemed solely as a distribution of information material.