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September 24, 2021

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(CodeNo.:8473,TSE 1<sup>st</sup> Sec.)  
Representative  
Representative: Director, President & Yoshikata Kitao  
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Company: SBI Regional Bank Holdings Co., Ltd.

**Notice Regarding Our Response to “Request for Extension of End Date of Tender Offer Period” from Shinsei Bank, Limited. (Securities Code: 8303)**

SBI Holdings, Inc. ( “SBIHD” ) and its wholly owned subsidiary company, SBI Regional Bank Holdings Co., Ltd. (the “Tender Offeror,” together with SBIHD, the “SBIHD Parties” ), announces that the SBIHD Parties received a letter entitled “Request for Extension of End Date of Tender Offer Period” ( “Letter from Shinsei Bank dated September 17” ) from Shinsei Bank, Limited (the “Target Company” ) regarding the tender offer which the Tender Offeror is conducting for shares of the Target Company (the “Tender Offer” ), and as a result of considering the contents, as of today, the SBIHD Parties have sent a letter entitled “Response to Letter from Shinsei Bank dated September 17” ( “Our Response dated September 24” ) with questions to the Target Company as attachment.

According to the “Notice of the Introduction of Takeover Defense Measures subject to Confirmation of Shareholders' Support after the commencement of the TOB for Shinsei Bank’ s shares by SBI Regional Bank Holdings Co., Ltd. ” published by the Target Company on September 17, 2021, the SBIHD Parties understand that if the SBIHD Parties accepts the request of extension of the end date of tender offer period, the board of directors of the Target Company will confirm whether or not the proposal regarding the implementation of the countermeasures is

approved at the shareholders meeting to confirm shareholders’ intent only in the case where the board of directors of the Target Company decides that the Tender Offer will “significantly damage the corporate value, corporate interests, and/or common interests of shareholders.” In the Tender Offer Registration Statement, the SBIHD Parties have already provided information on specific measures to recover and enhance Target Company’ s corporate value in a form that the shareholders of the Target Company can fully understand. In addition, the SBIHD Parties plan to provide additional information for the questions from the Target Company in the Tender Offeror’ s Answer which will be submitted in the days to come. On the other hand, in order for the shareholders of the Target Company to decide whether to stop the Tender Offer by taking a vote for the introduction of the takeover defense measure and the implementation thereof , more information on how the management of the Target Company analyzes (i) the reason why the Target Company has failed to achieve the planned values published by them in almost all of the business years during and after the business year ended in March 2016 and has not repaid public funds more than twenty years since its injection, (ii) what measures the management has taken and plans to take to repay public funds, and (iii) what measures the management considers to recover and enhance the Target Company’ s corporate value should be provided. Based on such information, it is necessary for the shareholders of the Target Company to judge whether the measures for recovering and enhancing the corporate value taken by the management of Target Company or the measures proposed by the Company are desirable for all stakeholders.

As mentioned above, the intent of the questions provided to the Target Company in “Our Response dated September 24” is to ask the management of the Target Company to explain the measures which the management considers to recover and enhance the Target Company’ s corporate value more concretely and in detail. The SBIHD Parties are confident that the proper answers to these questions are significant for the shareholders of the Target Company to make appropriate decisions.

End

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For further information, please contact:

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September 24, 2021

To  
Hideyuki Kudo  
President and CEO

Nihonbashi Muromachi Nomura Building,  
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Chuo-ku, Tokyo  
103-8303

From  
Yoshitaka Kitao  
Director, President & CEO  
SBI Holdings, Inc.

1-6-1 Roppongi, Minato-ku, Tokyo  
106-6019

Shumpei Morita  
Representative Director  
SBI Regional Bank Holdings Co., Ltd.

1-6-1 Roppongi, Minato-ku, Tokyo  
106-6019

Dear Mr. Kudo:

SBI Holdings, Inc. (“SBIHD”) and its wholly owned subsidiary company, SBI Regional Bank Holdings Co., Ltd. (“SBI Regional Bank HD,” together with SBIHD, the “SBIHD Parties”), received a letter entitled “Request for Extension of End Date of Tender Offer Period” dated September 17 from Shinsei Bank Limited (“Shinsei Bank”) regarding the tender offer which SBI Regional Bank HD is conducting for shares of Shinsei Bank (the “Tender Offer”), and the SBIHD Parties considered the contents of the letter.

On the obvious premises that the SBIHD Parties ensures that the interests of minority shareholders are not harmed by any chance by taking sufficient measures such as developing an appropriate system

for managing conflicts of interest to protect minority shareholders, the SBIHD Parties believe that (i) making Shinsei Bank a consolidated subsidiary of SBIHD to organically combine and synergize the management resources of Shinsei Bank group and the SBIHD group and (ii) changing all or part of Shinsei Bank's officers and accomplishing the optimal composition of officers, through the acquisition of the Shinsei Bank Shares by the Tender Offer and the additional acquisition to the necessary extent will lead to the recovery and enhancement of its corporate value, resulting in repayment of huge public funds. As such, the SBIHD Parties firmly believe that the Tender Offer is beneficial to various stakeholders, such as shareholders, employees, depositors, and clients.

The SBIHD Parties also believe whether or not the shareholders of Shinsei Bank accept the Tender Offer shall be clarified through their decision to apply for the Tender Offer. On the Tender Offer, the SBIHD Parties have provided information regarding the specific measures for the recovery and enhancement of Shinsei Bank's corporate value and for protection of minority shareholders in the Tender Offer Registration Statement in a manner for shareholders to fully understand, and the SBIHD Parties also plan to provide additional information in the Tender Offeror's Answer which will be submitted for the questions from Shinsei Bank in the days to come. Thus, though these provision of information, the SBIHD Parties will provide information necessary and sufficient for shareholders of Shinsei Bank to decide whether to apply for the Tender Offer. In addition, while the shortest Tender Offer Period stipulated by applicable laws and regulations is 20 business days, the SBIHD Parties set the Tender Offer Period to be 30 business days. By setting a relatively long Tender Offer Period, the Tender Offeror ensures that the shareholders of Shinsei Bank are provided with a sufficient period to decide on their application for the Tender Offer.

Therefore, the SBIHD Parties believe that it is unreasonable for Shinsei Bank to introduce takeover defense measures against the Tender Offer (the "Takeover Defense Measures"), and that it is highly suspected that the Takeover Defense Measures were introduced by the management of Shinsei Bank to protect their own interests. As such, the SBIHD Parties will continue to verify the legality of the Takeover Defense Measures. Further, Shinsei Bank requests the SBIHD Parties an extension of the end date of the Tender Offer Period, but the SBIHD Parties strongly require Shinsei Bank not to unfairly use the Takeover Defense Measures to protect the managements' own interests and damage the corporate value or the common interests of the shareholders. The Tender Offeror will extend the Tender Offer Period until November 24, 2021 (up to 50 business days) if Shinsei Bank publishes through its press release that Shinsei Bank promises to comply with the following four items that will lead to the protection of all shareholders of Shinsei Bank and their benefit by September 28, 2021, two business days before September 30, 2021, which is the date Shinsei Bank requests the SBIHD Parties as a deadline for the extension of the tender offer period. If any of these four items cannot be promised to be complied with, please explain the reason clearly and in detail by September 28, 2021 and announce it in through its press release.

- 1 Additional questions with lower importance in deciding whether shareholders will apply for the Tender Offer shall not be asked, and the period for consideration shall not be unnecessarily extended

In order to secure a period of consideration for the shareholders, the SBIHD Parties believe that it is desirable to complete the exchange of questions and answers early and to have the Board of Directors early decide whether or not to ask the shareholders their intention regarding the implementation of countermeasures. Thus, please promise not to unnecessarily extend the period for Board of Directors' consideration by insisting that the SBIHD Parties' answers to the questions are insufficient while asking additional questions with less importance or questions for the purpose of gaining time.

- 2 In the case that the Board of Directors will confirm whether the implementation of countermeasures is accepted at the shareholders meeting to confirm shareholders' intent, the Board of Directors shall explain the specific grounds to determine that the Tender Offer will "significantly damage corporate value, corporate interests, and/or common interests of shareholders."

The SBIHD Parties understand that, pursuant to the Takeover Defense Measure, if the SBIHD Parties accept the request of extension of the end date of tender offer period, the Board of Directors of Shinsei Bank will confirm whether or not the implementation of the countermeasures will be accepted in the shareholders meeting to confirm the shareholders' intent only in the case the Tender Offer will "significantly damage corporate value, corporate interests, and/or common interests of shareholders" (Please see "Appendix: Overview of the Plan's procedures" of the press release regarding the Takeover Defense Measures).

The SBIHD Parties believe it is clear that the Tender Offer will not "significantly damage corporate value, corporate interests, and/or common interests of shareholders" given the details of the specific measures for the recovery and enhancement of corporate value and for the protection of minority shareholders in the case the Tender Offer is successfully completed, which have been already stated in the Tender Offer Registration Statement. If by any chance the Board of Directors will (i) decide that the Tender Offer will "significantly damage corporate value, corporate interests, and/or common interests of shareholders" and that the countermeasures shall be implemented for the Tender Offer and (ii) hold the general meeting to confirm shareholder's intent, please explain the specific grounds for such decision clearly and in detail.

We also believe (i) that the Shinsei Bank's answers to "Questions to Shinsei Bank" as attached is significant in order for the shareholders of Shinsei Bank to decide whether to accept

the introduction of the Takeover Defense Measures and the implementation of countermeasures and (ii) that based on the information, it is necessary for the shareholders of Shinsei Bank to judge which is desirable for all stakeholders of Shinsei Bank, the corporate value recovery and enhancing measures proposed by the current management of Shinsei Bank, or proposed by the SBIHD Parties.

Therefore, please answer these questions within the deadline stated in the attachment.

- 3 Even if a shareholders meeting to confirm the shareholder's intent is to be held, it shall be held at the shortest possible timing in practice.

We believe that many shareholders expect (i) to sell their shares early by applying for the Tender Offer or (ii) to recover and enhance corporate value early through business collaboration between Shinsei Bank group and the SBIHD Group through an early completion of the Tender Offer. From the perspective of maximizing the protection of such interests of the shareholders, even if a shareholders meeting to confirm shareholder's intention is to be held, the Tender Offer Period shall be extended only to the minimum extent necessary to confirm the intention of the shareholders, and the shareholders meeting shall be held at the earliest possible timing in practice.

According to the SBIHD Parties' analysis, even if Shinsei Bank takes three weeks to send convening notices before the meeting in order to give its shareholders sufficient time to consider the agenda based on the Supplementary Principles 1.2.2 of the Corporate Governance Code, considering the reasonable schedule in practice for shareholders meetings (three to four business days for the confirmation of all shareholder registers from the record date, one week from the confirmation of all shareholder register to send convening notices, etc.), the SBIHD Parties understand that the shareholders meeting to confirm the shareholders' intent can be held on November 17, 2021. Thus, please promise to hold the shareholders meeting to confirm the shareholders' intent by that date. On condition that the shareholders meeting to confirm the shareholders' intent is held on or before November 17, the SBIHD Parties will extend the end date of the Tender Offer Period to November 24, 2021, which is 4 business days after November 17, from the perspective of securing a sufficient period for shareholders to apply for the Tender Offer based on the results if the introduction of the Takeover Defense Measures and the implementation of countermeasures are rejected.

- 4 If the shareholders meeting to confirm the shareholders' intent is to be held, it shall be held in a fair manner

Even if the shareholders meeting to confirm the shareholders' intent is held, in the case the meeting is held in an unfair manner, the shareholders' intent will be distorted and the interests of shareholders will be harmed. Thus, please promise to hold the shareholders meeting in a fair manner. For instance, as already clarified in the press release regarding the introduction of the Takeover Defense Measures, the resolution at the shareholders meeting shall be an ordinary resolution under the Companies Act and please promise not to take any action that would not fairly reflect the intent of all of the shareholders at the shareholders meeting, such as removing the SBIHD Parties from the basis of resolution requirements, or requesting or encouraging shareholders or others to acquire Shinsei Bank' s shares by the Record Date of the shareholders meeting.

If Shinsei Bank has promised to comply with the above four items but the SBIHD Parties find that Shinsei Bank is in breach of those items after the SBIHD Parties extend the Tender Offer Period, the SBIHD Parties will conclude that the Takeover Defense Measures were introduced not for the interests of the shareholders but for the protection of the Shinsei Bank management's own interests, and will take every possible measures to protect Shinsei Bank' s corporate value and the common interests of the shareholders, such as a provisional disposition order seeking an injunction against the implementation of the Takeover Defense Measures, legal measures against breach of the director' s duty of care, or the convocation of the extraordinary shareholders meeting for the purpose of changing the directors of Shinsei Bank.

End

## Questions to Shinsei Bank

The SBIHD Parties also believe that providing information to the shareholders of Shinsei Bank to make decisions is extremely important. The SBIHD Parties would appreciate it if Shinsei Bank would answer the following important matters by noon on October 1, 2021 that are not covered in the published materials, including “Update on Status for Expression of Opinion to the TOB initiated by SBI Regional Bank Holdings” dated September 16, 2021, “Notice of the Introduction of Takeover Defense Measures subject to Confirmation of Shareholders' Support after the commencement of the TOB for Shinsei Bank’s shares by SBI Regional Bank Holdings Co., Ltd.” and “Notice Regarding Reservation of Opinion on TOB for Shares of Shinsei Bank by SBI Regional Bank Holdings Co., Ltd.” dated September 17, 2021, and the letter entitled “Questions to the Tender Offeror” to the SBIHD Parties dated September 17, 2021.

1. The SBIHD Parties considers that the situation where Shinsei Bank has not repaid huge public funds for more than twenty years since its injection is a significant issue from the viewpoint of protection of national property. Please explain how the management of Shinsei Bank analyzes the reason why it has not repaid public funds for such a long time.
2. As described in page seven of the Tender Offer Registration Statement, during and after the business year ended in March 2016, Shinsei Bank has failed to achieve the planned values published by Shinsei Bank 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. The SBIHD Parties believe that Shinsei Bank’s management has failed to take drastic countermeasures to remedy that situation. Please explain what kind of measures the management of Shinsei Bank will take in order to enhance business performance and corporate value and repay public funds in future, and, if any, please explain the specific measures to improve corporate value which exceeds the measures proposed by the SBIHD Parties.
3. The SBIHD Parties believe that the slump of the performance described in 2 is the underlying cause of the low-keyed stock price of Shinsei Bank. As it may seem that such low-keyed stock price level is retrogressing Shinsei Bank from repaying public funds, please explain Shinsei Bank’s view on the idea.

End