

This document is an English translation of the official Japanese version of the press release (the “Official Japanese Version” ) and reflects the contents of the notice dated May 15, 2023 regarding partial amendment to the Japanese press release dated May 12, 2023. This English translation was prepared for your reference, to help you understand what is stated in the Official Japanese Version. In the event of any discrepancy between the Official Japanese Version and the English translation, the Official Japanese Version will prevail.

May 12, 2023

SBI Holdings, Inc.

(TOKYO: 8473)

SBI Regional Bank Holdings Co., Ltd.

**Notice Regarding Commencement of a Tender Offer for  
the Shares of SBI 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 of SBI Shinsei Bank, Limited (listed on the Standard Market of the Tokyo Stock Exchange ( “TSE” ); securities code: 8303; the “Target Company” , and the common shares thereof, the “Target Company Shares” ) 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 SBIHD 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:	(1) Business management of the banks and of companies that the Tender Offeror may have as its subsidiaries under the Banking Act

	<p>(2) Any businesses incidental or related to the business indicated in the preceding item</p> <p>(3) Any businesses that a bank holding company may engage in under the Banking Act in addition to the businesses indicated in the preceding items (i) and (ii).</p>
(v) Stated capital:	30,100 million yen (as of May 12, 2023)

## 2. Purpose of the Purchase

### (1) Outline of the Tender Offer

The Tender Offeror is a stock company established on August 25, 2015 mainly for the purpose of increasing the profitability of regional financial institutions and thereby enhancing their corporate value by directly investing in regional financial institutions while utilizing the products, services, and know-how held by the companies belonging to the SBIHD Group (as defined in “(I) Background, Purpose and Decision-Making Process Leading to the Decision to Implement 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’s issued shares are all owned by SBI Holdings, Inc.. As of today, the Tender Offeror owns 102,159,999 shares (Ownership Ratio (Note): 50.04%) of the Target Company’s common stock and has made the Target Company its consolidated subsidiary. In addition, as of today, SBIHD owns no Target Company Shares directly.

As stated in “(I) Background, Purpose and Decision-Making Process Leading to the Decision to Implement 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 decided by resolutions of SBIHD’s board of directors meeting dated May 12, 2023 and the Tender Offeror’s board of directors meeting dated May 12, 2023 that the Tender Offeror will implement the Tender Offer as part of the transaction whose purpose is privatization by which the Tender Offeror, the Deposit Insurance Corporation of Japan (the “DIC”) (number of shares owned: 26,912,888 shares; Ownership Ratio: 13.18%), and The Resolution and Collection Corporation (“RCC”) (number of shares owned: 20,000,000 shares; Ownership Ratio: 9.80%) (the Target Company Shares owned by the DIC and RCC are hereinafter collectively referred to as the “Untendered Shares”) will become the only shareholders of the Target Company through the acquisition of all of the Target Company Shares (excluding the Target Company Shares owned by the Tender Offeror, the treasury shares owned by the Target Company, and the Target Company Shares owned by the DIC and RCC).

(Note) “Ownership Ratio” means the ratio to the number of shares (204,144,971 shares) obtained by deducting the number of treasury shares owned by the Target Company as of March 31, 2023 (889,718 shares) from the total number of issued shares of the

Target Company as of the same date, as stated in the Financial Results for FY 2022 [Japanese GAAP] (Consolidated)” (the “Target Company Consolidated Financial Results”) published by the Target Company on May 12, 2023 (205,034,689 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.

Moreover, for the Tender Offer, SBIHD, with the DIC, RCC, and the Target Company, as of May 12, 2023, entered into an agreement on the handling of public funds injected into the Target Company (for details, please refer to “(I) Background, Purpose and Decision-Making Process Leading to the Decision to Implement 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) (such agreement, the “Four-Party Agreement”), under which the parties have agreed on how to handle the public funds after the Transaction. In addition, in connection with the Tender Offer, SBIHD entered into a memorandum relating to the Four-Party Agreement (the “Shareholders Memorandum”) with the DIC and RCC, as of May 12, 2023, pursuant to which the parties have agreed that the DIC and RCC would not tender the Untendered Shares in the Tender Offer provided that the Target Company resolved at the board of directors meeting and announced that it would agree to the Tender Offer and recommend that the Target Company’s shareholders tender their shares in the Tender Offer, and that decision has not been withdrawn or changed. Furthermore, in order to implement a series of procedures to make the Tender Offeror, the DIC, and RCC the only shareholders of the Target Company (the “Squeeze Out Procedures”), as indicated in “(5) Post-Tender Offer Reorganization(s) Policy (Two-Step Acquisition Items)” below, the parties have agreed pursuant to the Shareholders Memorandum that the DIC and RCC would exercise their voting rights to agree with the proposal on the Share Consolidation (defined in “(5) Post-Tender Offer Reorganization(s) Policy (Two-Step Acquisition Items)” below; the same will apply hereinafter) to be submitted to the Extraordinary General Shareholders Meeting (defined in “(5) Post-Tender Offer Reorganization(s) Policy (Two-Step Acquisition Items)” below; the same will apply hereinafter). For details about the Four-Party Agreement and the Shareholders Memorandum, please refer to “(3) Critical Agreements Concerning the Tender Offer” below.

The SBIHD Parties intend to take the Target Company private by which the Tender Offeror, the DIC, and RCC will become the only shareholders of the Target Company through the Tender Offer. Thus, the maximum number of shares to be purchased has not been set for the Tender Offer.

Further, as indicated in “(I) Background, Purpose and Decision-Making Process Leading to the Decision to Implement 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 taking the

Target Company private through the Tender Offer will not only contribute to the sustainable improvement of corporate value of the SBIHD Group, including the Target Company Group (as defined in (I) Background, Purpose and Decision-Making Process Leading to the Decision to Implement 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 will apply hereinafter), but will also benefit the Target Company’s minority shareholders who will be provided with opportunities to sell their shares at a fair price. Thus, the minimum number of shares to be purchased has not been set for the Tender Offer to ensure that the Target Company will go private. Regarding this point, with respect to the Tender Offer, the ratio of the Target Company Shares owned by the Tender Offeror (102,159,999 shares), the Target Company’s largest shareholder (as of March 31, 2022), is high (Ownership Ratio: 50.04%). In addition, the DIC, the Target Company’s second largest shareholder (as of March 31, 2023) (number of shares owned: 26,912,888 shares; Ownership Ratio: 13.18%) and RCC, the third largest shareholder (as of March 31, 2023) (number of shares owned: 20,000,000 shares; Ownership Ratio: 9.80%) have agreed not to tender in the Tender Offer. Therefore, the ratio of the number of the Target Company Shares that are scheduled to be purchased in the Tender Offer (55,072,084 shares) is low (Ownership Ratio: 26.98%), and if the minimum number of shares to be purchased is set for the Tender Offer, it would be possible for any third party to easily obstruct the completion of the Tender Offer through the acquisition of a small number of shares by actions such as buying up the Target Company Shares, thereby making the completion of the Tender Offer unstable, possibly not contributing to the benefit of minority shareholders of the Target Company that wish to sell their shares through the Transaction. Moreover, for implementation of the Share Consolidation as part of the Squeeze Out Procedures, a special resolution at a shareholders meeting will be required as specified in Article 309, Paragraph 2 of the Companies Act (Act No. 86 of 2005, as amended, the “Companies Act”). However, the total number of voting rights (1,490,727) comprising the number of the voting rights (1,021,599) regarding the Target Company Shares owned by the Tender Offeror (102,159,999 shares, Ownership Ratio: 50.04%) and the number of voting rights (the DIC: 269,128, and RCC: 200,000) regarding the Target Company Shares owned by the DIC and RCC whose voting rights have been agreed with SBIHD to be exercised to agree with the proposal on the Share Consolidation to be submitted to the Extraordinary General Shareholders Meeting (the DIC: 26,912,888 shares (Ownership Ratio: 13.18%), and RCC 20,000,000 shares (Ownership Ratio: 9.80%)) is more than two-thirds of the number of voting rights (2,041,449) regarding the shares (204,144,971 shares) obtained by deducting the number of treasury shares owned by the Target Company as of March 31, 2023 (889,718 shares) from the total number of issued shares of the Target Company as of the same date, as stated in the Target Company Consolidated Financial Results (205,034,689 shares). Accordingly, the SBIHD Parties believe that the Squeeze Out Procedures are sure to be implemented even without setting the minimum number of shares to be purchased in the Tender Offer.

Since the maximum or minimum number of shares to be purchased is not set for the Tender Offer, the Tender Offeror will purchase all of the Shares offered for sale in response to the Tender Offer (the “Tendered Shares”).

The Tender Offeror’s purpose is privatization by which the Tender Offeror, the DIC, and RCC will become the only shareholders of the Target Company. Therefore, the Tender Offeror plans to acquire all the Target Company Shares (excluding the Target Company Shares owned by the Tender Offeror, the treasury shares owned by the Target Company, as well as the Target Company Shares owned by the DIC and RCC) by implementing the Squeeze Out Procedures if the Tender Offeror fails to be able to acquire all the Target Company Shares (however, excluding the Target Company Shares owned by the Tender Offeror, the treasury shares owned by the Target Company, as well as the Target Company Shares owned by the DIC and RCC) in the Tender Offer. The Target Company Shares are listed on the Standard Market of the Tokyo Stock Exchange, Inc. (the “Tokyo Stock Exchange”) as of today. However, as stated in “(6) Possibility of Delisting and Reasons Therefor” below, based on the results of the Tender Offer, it is possible that the Target Company Shares will be delisted through the prescribed procedures pursuant to the Tokyo Stock Exchange’s delisting standards. In addition, even if such standards do not apply as of the completion of the Tender Offer, as stated in “(5) Post-Tender Offer Reorganization(s) Policy (Two-Step Acquisition Items)” below, the Tender Offeror plans to implement the Squeeze Out Procedures after the completion of the Tender Offer. Thus, in that case, the Target Company Shares will be delisted through the prescribed procedures pursuant to the Tokyo Stock Exchange’s delisting standards.

According to the “Notice Regarding Support to TOB for Shares of SBI Shinsei Bank by SBI Regional Bank Holdings Co., Ltd., Controlling Shareholder, and Recommendation for Application for the TOB” announced by the Target Company as of May 12, 2023 (the “Target Company Press Release”), the Target Company resolved at the board of directors meeting held on the same date that it would agree to the Tender Offer and recommend the Target Company’s shareholders to tender their shares in the Tender Offer. For more details, please refer to “(II) The Target Company’s Decision-Making Process Leading to Approving the Tender Offer and Reasons Therefor” 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”.

- (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) Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Tender Offer

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 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”)) subsidiary. In July 2005, it changed its corporate name to SBI Holdings, Inc., and 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 (563 companies as of December 31, 2022) and equity-method affiliates (60 companies as of the same date) (excluding the Target Company Group, the “SBIHD Group”) focuses on “financial services business” centered on securities, banking, and insurance businesses; “asset management business” of providing investment management or investment advice for the establishment, offering, and management of investment trusts; “investment business” centered on the private equity business of managing venture capital funds; the “crypto-assets business” of managing crypto-asset exchange services; and “non-financial business,” such as the bio-healthcare and medical informatics business of promoting the development and sale of pharmaceuticals, health foods, and cosmetics, digitalization of medical information, and utilization of medical big data, business related to Web 3.0 of providing purchase and sale platforms for non-fungible tokens (NFTs) based on block chain technology and traceability services, and the business of exporting used cars to African countries and providing services incidental thereto.

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; and establishing companies that invest in or extend loans to venture 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. On October 11, 2022, the Tender Offeror acquired the Financial Services Agency’s permission to become a bank holding company under Article 52-17 of the Banking Act (Act No. 59 of 1981, as amended, the “Banking Act”). Thereafter, from October 12, 2022 to October 19, 2022, the Tender Offeror acquired the Target Company

Shares via on-market trading; and as a result, on October 19, 2022, it came to own 102,159,999 shares of the Target Company Shares (Ownership Ratio: 50.04%; ownership ratio at the timing (Note): 50.05%). As of October 21, 2022, when settlement of the account for acquisition of the Target Company Shares on October 19, 2022 was completed, the Tender Offeror became a bank holding company, and the business details are as follows: (i) business management of the banks and of companies that the Tender Offeror may have as its subsidiaries under the Banking Act; (ii) any business incidental or related to the business indicated in the preceding item (i); and (iii) in addition to the business indicated in the preceding items (i) and (ii), any business that a bank holding company may engage in under the Banking Act. The Tender Offeror promotes alliances with companies belonging to the SBIHD Group, including the Target Company Group, and companies allied with or invested in by the SBIHD Group, including the Target Company Group, in order to increase the profitability of the Target Company.

(Note) “Ownership ratio at the timing” means the ratio to the number of shares (204,119,088 shares) obtained by deducting the number of treasury shares owned by the Target Company as of September 30, 2022 (54,915,601 shares) from the total number of issued shares of the Target Company as of the same date, as stated in the Quarterly Report submitted by the Target Company on November 21, 2022 (259,034,689 shares).

On the other hand, according to the Target Company Press Release, the Target Company was established as “The Long-Term Credit Bank of Japan, Limited” on December 1, 1952 under the Long Term Credit Bank Act (Act No. 187 of 1952, as amended, the “Long Term Credit Bank Act”). Thereafter, the scope of the Target Company’s business expanded in line with Japan’s considerable economic growth, and the Target Company Shares became listed on the First Section of the Tokyo Stock Exchange and the First Section of the Osaka Exchange in April 1970. Thereafter, from 1985, as a result of a rapid increase in loans concentrated on specific business areas (such as real estate and non-bank financial institutions) amid Japan’s bubble economy, the Target Company came to hold a large amount of bad debt following the subsequent decline of Japan’s bubble economy. Thus, on October 23, 1998, it was decided for the Target Company to undergo special public management under Article 36, Paragraph 1 of the Act on Emergency Measures for the Revitalization of Financial Functions (Act No. 132 of 1998, as amended, the “Financial Reconstruction Law”) and have its shares acquired under Article 38, Paragraph 1 of the Financial Reconstruction Law. On October 28, 1998, under Article 39, Paragraph 1 of the Financial Reconstruction Law, all of the Target Company Shares that had been issued by the Target Company, as well as series 2 preferred shares (Note 1), were acquired by the DIC (Note 2). On October 24, 1998, the Target Company Shares were delisted.

Subsequently, on March 1, 2000, New LTCB Partners CV (“Partners”) (Note 3) acquired the Target Company Shares held by the DIC (Note 4), and on the same date, the special

public management ended. When Partners acquired the Target Company Shares, it was agreed under the Share Purchase Agreement entered into between Partners, the Target Company and the DIC as of February 9, 2000, that after Partners acquired the Target Company Shares, if the Target Company requested a subscription of shares under Article 4, Paragraph 2 of the Act on Emergency Measures for Early Strengthening of Financial Functions (Act No. 143 of 1998, as amended) (the “Subscription Request”), the DIC would acquire preferred shares without voting rights to be newly issued by the Target Company, subject to approval by the Financial Reconstruction Commission. Consequently, the Target Company filed the Subscription Request on March 3, 2000, and on March 31, 2000, RCC (all issued shares of which were owned by the DIC) subscribed for 600 million shares of series 3 class-B preferred shares of Shinsei Bank, Limited (the “Series 3 Preferred Shares”) for a total of 240 billion yen (400 yen per share) (Note 5).

Thereafter, in June 2000, the Target Company changed its corporate name from “The Long-Term Credit Bank of Japan, Limited” to “Shinsei Bank, Limited” and became listed again on the First Section of the Tokyo Stock Exchange in February 2004. In April 2004, the Target Company converted from a long-term credit bank under the Long Term Credit Bank Act to an ordinary bank under the Banking Act, pursuant to the Act on Mergers and Conversions of Financial Institutions (Act No. 86 of 1968, as amended) (Note 6).

Thereafter, in December 2021, as a result of a tender offer targeting the Target Company Shares by the Tender Offeror, the Tender Offeror became the Target Company’s other associated company (i.e., a major shareholder and the largest shareholder) and SBIHD became the Target Company’s controlling shareholder (the parent company). On February 1, 2022, the Target Company Shares held by SBIHD were transferred to the Tender Offeror; thus, the Tender Offeror became the Target Company’s controlling shareholder (the parent company). Thereafter, on April 4, 2022, as the Tokyo Stock Exchange reviewed its market divisions, the Target Company moved from the First Section to the Standard Market of the Tokyo Stock Exchange. In addition, on January 4, 2023, following the recent change of its parent companies, the Target Company changed its corporate name from “Shinsei Bank, Limited” to “SBI Shinsei Bank, Limited.”

(Note 1) Series 2 preferred shares refer to the preferred shares that the Target Company issued to RCC for a total of 130 billion yen (100 million shares in total) pursuant to the Act on Emergency Measures for the Stabilization of Financial Functions (Act No. 5 of 1998, as amended) on March 31, 1998, which took place before the Decision on Initiation of Special Public Management was made.

(Note 2) Under the Financial Reconstruction Law, if a bank cannot repay its debts in full with its assets, or in cases, among others, where a risk is found that a bank may suspend withdrawals of deposits and the like in light of the circumstances surrounding its business and assets, the Financial Reconstruction Commission (currently, the Prime Minister) may make a decision on the initiation of special public management (the “Decision on Initiation of Special Public Management”)



with respect to the bank (Article 36, Paragraph 1 of the Financial Reconstruction Law), and the Financial Reconstruction Commission (currently, the Prime Minister) may decide, at the same time as the Decision on Initiation of Special Public Management, to have shares issued by the bank acquired (Article 38, Paragraph 1 of the Financial Reconstruction Law).

(Note 3) Partners is a limited partnership which was established in the Kingdom of the Netherlands by investments from multiple financial institution groups and numerous investors to acquire the Target Company's shares, at the call of Ripplewood Holdings LLC, a U.S. private equity management firm.

(Note 4) Specifically, as of March 2000, the Target Company issued 2,417,075,212 shares of the Target Company Shares and 100 million shares of series 2 preferred shares, all of which were held by the DIC. The DIC sold 2,417,075,000 shares of the Target Company Shares to Partners for one billion yen (212 fractional shares of the Target Company Shares were acquired by the Target Company). Of the 100 million shares of series 2 preferred shares, 25,472,000 shares were cancelled by the Target Company's capital reduction, and the DIC continued to hold the remaining 74,528,000 shares. On March 31, 2008, all of the series 2 preferred shares were acquired by the Target Company after it issued the Target Company Shares (269,128,888 shares in total) to the DIC as consideration, following the DIC's exercise of its put option.

(Note 5) All of Series 3 Preferred Shares subscribed for by RCC (600 million shares in total) were acquired by the Target Company in the following manner:

(a) On July 31, 2006, following RCC's exercise of its put option, the Target Company acquired 300 million shares of Series 3 Preferred Shares after issuing the Target Company Shares (200,033,338 shares) to RCC as consideration (of the Target Company Shares issued as consideration, 200,033,000 shares were sold in the market by RCC on August 17, 2006).

(b) On August 1, 2007, pursuant to the provision on the acquisition of Series 3 Preferred Shares in its articles of incorporation, the Target Company acquired 300 million shares of Series 3 Preferred Shares after issuing the Target Company Shares (200,000,000 shares in total) to RCC as consideration.

(Note 6) A long-term credit bank under the Long Term Credit Bank Act does not provide loans using deposits, as in the case of an ordinary bank, and its main business is to provide loans for equipment or long-term operations by issuing long-term credit bank bonds.

As of March 31, 2023, the Target Company owns 84 consolidated subsidiaries, 43 equity-method affiliates, and 51 non-consolidated subsidiaries (the Target Company and its consolidated subsidiaries, equity-method affiliates, and non-consolidated subsidiaries are

hereinafter collectively referred to as the “Target Company Group”).

The Target Company Group’s businesses are mainly divided into the following: “Institutional Business”, “Individual Business”, and “Overseas Business/Treasury/Others”.

Of the above, “Institutional Business”, which mainly includes financial and advisory services for business corporations, public service corporations, and financial corporations, is made up of six separate categories, and with respect to “Institutional Business”, the Target Company engages in (a) sales for corporate and institutional customers (financial instruments and related services, advisory services, syndication services, and wealth management services, etc. for business corporations, public service corporations, and financial corporations), (b) structured finance (real estate finance such as non-recourse loans, project finance and specialty finance (such as that for vessels and aircrafts, and M&A-related finance), financial instruments and related services with respect to healthcare finance, and trust services), (c) principal transactions (venture-related business, business succession, private equity, and asset-backed investments, etc.), (d) Showa Leasing (financial instruments and related services focused on leasing), (e) market-related sales (services related to foreign exchange, derivatives, stocks, and other capital markets), and (f) other services relating to financial markets (such as services relating to the management of profits, losses, and assets by Shinsei Securities Co., Ltd.).

“Individual Business”, which mainly includes provision of retail financial instruments and related services, is made up of four separate categories, and with respect to “Individual Business”, the Target Company engages in (a) retail banking (provision of financial instruments sales and services for individuals), (b) Shinsei Financial (services related to unsecured credit-card loans and credit guarantees), (c) Aplus (services related to shopping credit, credit cards, loans, and settlements), and (d) other business for individuals (profit and loss attributable to other subsidiaries).

Finally, “Overseas Business/Treasury/Others” businesses, which fall within neither “Institutional Business” nor “Individual Business” above, are made up of three separate categories, and with respect to “Overseas Business/Treasury/Others” businesses, the Target Company engages in (a) overseas business (profits and losses of the Target Company Group’s overseas consolidated subsidiaries, etc.), (b) treasury (ALM business, as well as profits and losses arising from transactions relating to capital and credits), and (c) others (profits and losses that are not included in the reportable category, the difference between a budget and an actual result with regard to expenses allocated based on a budget, eliminated amounts regarding inter-segment transactions, and others).

On May 13, 2022, the Target Company published the medium-term management plan, covering the three years from the fiscal year ending March 2023 to the fiscal year ending March 2025 (the “Target Company’s Medium-Term Management Plan”). The Target Company’s Medium-Term Management Plan sets out, as the medium-term vision (targets to be achieved by the end of the fiscal year ending March 2025), (a) realizing 70 billion yen

of consolidated net income and establishing a foundation for further growth, (b) evolving into a leading banking group providing pioneering and advanced finance, and (c) showing the path toward repayment of the public funds. In addition, as core strategies for achieving the medium-term vision, the Target Company's Medium-Term Management Plan sets out (i) pursuing value co-creation inside and outside the Group, (ii) enhancing the Group's strengths and realizing a full range of service offerings, and (iii) achieving sustainability through business activities.

Repayment of the public funds, as described in (c) above, means that the Target Company will allow the DIC and RCC to collect monetary support that was provided by the DIC and RCC, under the special public management procedure and after completion of that procedure. As separately confirmed by the DIC, RCC, SBIHD, and the Target Company (please refer to "(3) Critical Agreements Concerning the Tender Offer" below), the balance as of today is 349,374,894,942 yen in total.

In the fiscal year ending March 2023, which is the initial year of the Target Company's Medium-Term Management Plan, the Target Company has been strengthening and restructuring its customer and revenue base, with a focus on alignment with the SBIHD Group, in order to achieve the medium-term vision. As a result, the amount of deposits and the balance of operating assets have increased remarkably and exceeded the targets in the Target Company's Medium-Term Management Plan (the actual amount of deposits and the balance of operating assets in the fiscal year ended March 31, 2023 were 9,982.2 billion yen and 10,374.2 billion yen, respectively, while the targets for the fiscal year 2024 in the Target Company's Medium-Term Management Plan are 8.0 trillion yen and 10.0 trillion yen, respectively).

Since 2019, the Target Company has made its medium-term strategy, "Redesigning Finance," the basic aim of which is to "Grow through Value Co-Creation." SBIHD believed that the businesses of the SBIHD Group and the Target Company Group are mutually complementary, and that if the management resources of Both Groups (collectively referring to the Target Company Group and the SBIHD Group; the same shall apply hereinafter) 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 Target Company Shares through trading on the market and as a result, on August 28, 2019, it came to own 11,281,100 shares of the Target Company Shares (Ownership Ratio: 5.53%; ownership ratio at the timing (Note): 4.66%).

(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, 2019 (16,782,472 shares) from the total number of issued shares of the Target Company as of the same date (259,034,689 shares), as stated in the Target Company Share Buyback Report filed by the

Target Company on August 1, 2019.

Thereafter, early in August 2019, SBIHD began considering the possibility of a capital and business alliance with the Target Company. 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 13,004,000 shares of the Target Company Shares (Ownership Ratio: 6.37%; 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 shares of the Target Company Shares (Ownership Ratio: 14.33%; 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 (259,034,689 shares), as stated in the Target Company Share Buyback Report filed by the Target Company on January 8, 2020.

(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 (259,034,689 shares), as stated in the Target Company Share Buyback Report filed by the Target Company on December 3, 2020.

From January 28 to late March, 2021, SBIHD purchased additional Target Company Shares and on March 26, 2021, came to own 42,737,800 shares of the Target Company Shares, and the ownership ratio as of such date (Note 1) became 19.85%. Thereafter, through the Target Company's share buyback, implemented until August 31, 2021, the ownership ratio at the time (Note 2) increased to 20.32%.

(Note 1) "Ownership ratio at the time" 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 (259,034,689 shares), as stated in the Target Company Share Buyback Report filed by the Target Company on April 5, 2021.

(Note 2) "Ownership ratio at the time" 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 (259,034,689 shares), as stated in the Target Company Share Buyback Report filed by the Target Company on September 3, 2021.

Thereafter, in order to improve the Target Company's business performance and recover and enhance its corporate value, the SBIHD Parties implemented a tender offer for the Target Company Shares by the Tender Offeror (minimum number of shares to be purchased: not set; maximum number of shares to be purchased: 58,211,300 shares; purchase period: from September 10, 2021 to December 10, 2021; the "Last Tender Offer") with the following purposes: (a) to make the Target Company a consolidated subsidiary of SBIHD and to establish and reinforce a business alliance relationship between the SBIHD Group and the Target Company Group; (b) to hold a sufficient amount of the voting rights so as to enable changing all or part of the Target Company's officers and realize the most appropriate composition of its officers; and (c) even if the Tender Offeror could not acquire the Target Company Shares necessary to make the Target Company a consolidated subsidiary through the Tender Offer, as stated in (a) above, or the Target Company Shares necessary to hold a sufficient amount of the voting rights so as to enable changing all or part of the Target Company's officers and realize the most appropriate composition of its officers through the Tender Offer, as stated in (b) above, 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 (a) and (b) above in the future. Such tender offer was completed with tendering 56,922,199 shares by shareholders of the Target Company. As a result, on December 17, 2021, the day to commence settlement, the SBIHD Parties owned 99,659,999 shares of the Target Company Shares (Ownership Ratio: 48.82%; ownership ratio as of such date (Note 1): 47.77%), and as of that day, the Target Company became a consolidated subsidiary of SBIHD.

In addition, on February 1, 2022, SBIHD transferred all of the Target Company Shares it owned (42,737,700 shares (Ownership Ratio: 20.93%; ownership ratio at the timing (Note 2): 20.67%)) to the Tender Offeror by a transfer of shares; and as a result, the Tender Offeror came to own 99,659,999 shares of the Target Company Shares (Ownership Ratio: 48.82%; ownership ratio at the timing (Note 2): 48.21%).

Further, as stated above, on October 11, 2022, the Tender Offeror acquired the Financial Services Agency's permission to become a bank holding company under Article 52-17 of the Banking Act. Thereafter, from October 12, 2022 to October 19, 2022, the Tender Offeror acquired the Target Company Shares via on-market trading; and as a result, on October 19, 2022, it came to own 102,159,999 shares of the Target Company Shares (Ownership Ratio: 50.04%; ownership ratio at the timing (Note 3): 50.05%). As of October 21, 2022, on which the settlement of acquisition of the Target Company Shares on October 19, 2022 was completed, the Tender Offeror became a bank holding company.

(Note 1) "Ownership ratio at the timing" means the ratio to the number of shares

(208,641,080 shares) obtained by deducting the number of treasury shares owned by the Target Company as of November 30, 2021 (50,393,609 shares) from the total number of issued shares of the Target Company as of the same date (259,034,689 shares), as stated in the Target Company Share Buyback Report filed by the Target Company on December 3, 2021.

(Note 2) “Ownership ratio at the timing” means the ratio to the number of shares (206,719,580 shares) obtained by deducting the number of treasury shares owned by the Target Company as of January 31, 2022 (52,315,109 shares) from the total number of issued shares of the Target Company as of the same date (259,034,689 shares), as stated in the Target Company Share Buyback Report filed by the Target Company on February 3, 2022.

(Note 3) “Ownership ratio at the timing” means the ratio to the number of shares (204,119,088 shares) obtained by deducting the number of treasury shares owned by the Target Company as of September 30, 2022 (54,915,601 shares) from the total number of issued shares of the Target Company as of the same date (259,034,689 shares), as stated in the Quarterly Report filed by the Target Company on November 21, 2022.

Thereafter, while respecting the Target Company Group’s culture and history so far, the Target Company aims to clearly demonstrate that it is a member of the SBIHD Group by including “SBI” in its trade name and to evolve into a leading banking group providing pioneering and advanced financial services by adopting the SBIHD Group’s sense of swiftness, entrepreneurship, and advanced technologies. Accordingly, on January 4, 2023, the Target Company changed its trade name from “Shinsei Bank, Limited” to “SBI Shinsei Bank, Limited”. In addition, because SBIHD expects that the market interest rate will increase due to future conversion from the zero interest rate policy, SBIHD established a policy of preferentially distributing management resources to banking and non-banking areas for the time being in order to increase the percentage of commercial- and consumer-lending businesses and businesses incidental thereto. As part of that policy, SBIHD aims to strengthen the retail service business of the Target Company.

Under such circumstances, the SBIHD Parties have taken the measures below, with the goal of improving the strategies of the entire group, including the Target Company, which has become a consolidated subsidiary.

(i) Promoting Unification of the SBIHD Group and the Target Company Group

In order to promote unification with the Target Company Group, the SBIHD Group has been promoting reorganization between Both Groups. Concretely, first, on October 3, 2022, SBIHD’s subsidiary, Morningstar Japan K.K. (currently, SBI Global Asset Management Co., Ltd.), acquired all the shares of Shinsei Investment Management Co., Ltd., which is the subsidiary of the Target Company, in order to make that company its subsidiary. After that, as of April 1, 2023, SBI Global Asset Management Co., Ltd. merged with Shinsei

Investment Management Co., Ltd. through an absorption-type merger in which SBI Asset Management Co., Ltd., which is the subsidiary of SBI Global Asset Management Co., Ltd., will be the surviving company. Thus far, the SBIHD Group's management companies, including SBI Asset Management Co., Ltd., have provided investment products, mainly stock-type index funds subject to public offering and bond-type funds subject to private offering, the management of which have primarily been entrusted to the SBIHD Group by regional financial institutions. However, the scope of the asset class regarding the investment products to be provided by the SBIHD Group will become broader by adding an active fund of funds mainly managed by Shinsei Investment Management Co., Ltd., and other investment products. This has further contributed to the optimal asset management of both retail investors and institutional investors. Furthermore, due to the merger of SBI Asset Management Co., Ltd. and Shinsei Investment Management Co., Ltd., management resources, such as systems, data, and personnel, were integrated in order to optimize the business, enhance profitability, and further strengthen risk management and compliance structures.

Secondly, the Target Company and the wholly-owned subsidiary of the Target Company, Shinsei Securities Co., Ltd. ("Shinsei Securities"), have considered the possibility of reorganization, including an alliance between Shinsei Securities and SBI Securities, which is a subsidiary of SBIHD, through identifying the complementary relationship and service overlaps in the securities business area, after they became members of the SBIHD Group in December 2021. As a result, a letter of intent regarding the reorganization of Shinsei Securities was executed between all three companies on November 2, 2022. After that, an absorption-type company split agreement was executed between SBI Securities and Shinsei Securities as of February 1, 2023, with respect to the absorption-type company split in which SBI Securities will succeed to some of the rights and obligations of Shinsei Securities. Due to that absorption-type company split, among the rights and obligations of Shinsei Securities, intermediary accounts with regional banks, accounts owned by Shinsei Securities as the principal, and other services will be succeeded to by SBI Securities by setting June 1, 2023, as the effective date. Furthermore, among the business activities provided by Shinsei Securities, the bond-repackaging loan business, derivative-inclusion-type loan business, derivatives business, arrangement service regarding securitization of credit were transferred to the Target Company through business transfer; pursuant to the business transfer agreement dated December 27, 2022 between the Target Company and Shinsei Securities, and duties to store statutory books; etc., are planned to be transferred to the Target Company by the end of July, 2023. Through such absorption-type company split and business transfer, the management of the securities business within the Both Groups will be further unified.

The SBIHD Group and the Target Company Group have promoted various measures to optimize the back office operation. Concretely, Both Groups jointly purchased a license for the IT system used by Both Groups and managed to reduce costs. Furthermore, SBIHD

made investment into Shinsei Business Service Co., Ltd., which was the wholly-owned subsidiary of the Target Company, and made Shinsei Business Service Co., Ltd. a JV. SBIHD will unify some of the functions of the companies' general services divisions in order to reduce costs by bulk purchase of equipment, economize on labor concerning general services-related business, and enhance productivity. SBIHD established SBI Shinsei Human Resources Limited as a JV in March 2023, in order to optimize services in the area of, among others, recruitment and training, with respect to its human resources division.

In addition, in order to establish group integrity, the SBIHD Group and the Target Company Group have conducted mutual personnel exchanges in each business area. Concretely, as of April 1, 2023, 27 personnel are being dispatched from the SBIHD Group to five companies in the Target Company Group; moreover, 34 personnel are being dispatched from the Target Company Group to eight companies in the SBIHD Group (excluding personnel who work in both groups). Furthermore, so far, 301 personnel of the SBIHD Group have participated in the Target Company's training programs, and 58 personnel of the Target Company Group have participated in the SBIHD Group's training programs.

(ii) Systematic Pursuit of Business Synergy of the SBIHD Group and the Target Company Group

As of July 29, 2022, the Target Company, SBI Securities, and SBI Moneyplaza Co., Ltd. ("SBI Moneyplaza") announced a comprehensive business alliance with respect to three services, specifically, financial instruments intermediary business, bank agency business, and joint store operation business, in Both Groups' retail services area. On August 9, 2022, the Target Company started the "financial instruments intermediary business" of SBI Securities, and SBI Securities started the "bank agency business" of the Target Company. In addition, on September 9, 2022, the "credit card accumulation" service in which funds for investment trusts can be reserved by using prescribed credit cards issued by Aplus Co., Ltd. (which is a subsidiary of the Target Company; "Aplus" ) was started. Furthermore, on October 20, 2022, the discretionary investment service utilizing AI for face-to-face sales channels, "SBI Wrap × SBI Shinsei Bank" started to be provided in which "real" and "digital," specifically the consulting abilities cultivated by the Target Company and the most advanced management knowhow of the SBIHD Group, are combined.

In addition, in order to expand SBI Moneyplaza's operational capabilities and enhance the Target Company's profitability by using the Target Company's face-to-face sales channels, joint operation of stores by the Target Company and SBI Moneyplaza started in Ikebukuro on August 18, 2022, in Umeda on November 1, 2022, and in Ginza on February 1, 2023. Moreover, under a bank agency business service agreement, "SBI Housing Loan Ginza," which is the first store in which SBI Moneyplaza handles the Target Company's housing loans, was established and attached to the jointly operated store in Ginza.



(iii) Efforts to Further Strengthen the “Triangle Strategy”, Which Has Been Promoted by the SBIHD Group, the Target Company Group, and Regional Financial Institutions That Form a Three-Pronged Strategy

As a result of the Target Company Group becoming a member of the SBIHD Group in December 2021, the initiatives related to the regional revitalization strategy that have been promoted by the SBIHD Group have been enabled to take their first steps toward the next stage of growth. Specifically, the groups will make effective use of the SBIHD Group’s network with regional financial institutions to thoroughly promote the “Triangle Strategy,” utilizing the functions of the SBIHD Group, the Target Company Group, and regional financial institutions that form a three-pronged strategy.

In the “Triangle Strategy,” regional financial institutions demonstrate their regional brand strength and identify business needs. In response to such business opportunities, the SBIHD Group and the Target Company Group will collaborate with each other, with the SBIHD Group and its portfolio companies providing regional financial institutions with their cutting-edge technology, know-how, and the SBIHD Group’s vast business network, and the Target Company Group providing them with its banking and non-banking functions. Thus far, the SBIHD Group and the Target Company Group have introduced structured finance transactions created by the Target Company to regional financial institutions and introduced leasing transactions to the leasing subsidiaries of regional financial institutions through Showa Leasing Co., Ltd., which is a subsidiary of the Target Company (“Showa Leasing”), which concerns the institutional business, and have provided Aplus’s NEOBANKING platform, “BANKIT®” and the SBIHD Parties’ banking applications to regional financial institutions, which concerns the retail services area. In this way, Both Groups are contributing to regional revitalization by leveraging the strengths and functions of each group.

(iv) Enhancement of the non-banking area through various measures, including M&A

SBI Non-Bank Holdings, Co., Ltd., which is a wholly-owned subsidiary of SBIHD, executed the tender offer for the shares of ARUHI Corporation, which has the largest share of the housing loan product, “Flat 35” in Japan (Note 1), for the purpose of converting ARUHI Corporation into a consolidated subsidiary by setting the purchasing period to be from September 15, 2022 to November 11, 2022. As a result, that tender offer was successfully completed, and SBI Non-Bank Holdings, Co., Ltd. came to own 51.00% of the ARUHI Corporation’s shares upon completion of the settlement on November 18, 2022; on the same day, ARUHI Corporation became a consolidated subsidiary of SBIHD. On November 21, 2022, SBI Non-Bank Holdings, Co., Ltd. acquired additional shares of ARUHI Corporation and increased its ownership ratio to 53.29% as of May 12, 2023. As a result of the Target Company and ARUHI Corporation becoming consolidated subsidiaries of SBIHD, housing loan balance of the SBIHD Group (including the Target Company Group) amounted to 10.4 trillion yen as of the end of March 2022 (Note 2) and is comparable to that

of megabanks. Moreover, as a result of ARUHI Corporation becoming SBIHD's consolidated subsidiary, it is considered to be possible for the Target Company Group and SBI Moneyplaza to provide "Flat 35" as well as housing loan products developed jointly with ARUHI Corporation. From the perspective of ARUHI Corporation, it is considered to be possible to provide customers with products that meet the needs for floating interest by acting as a banking agency for the floating-interest housing loans handled by the Target Company and housing loan products with outside guarantee companies.

(Note 1) Statistical data for FY2010-2021, "Flat 35" execution volume (including refinancing) among all financial institutions that handle those products (as of the end of March 2022; source: "ARUHI tops list for 12th consecutive year in "Flat 35" execution volume" published by ARUHI Corporation on May 10, 2022)

(Note 2) Total amount obtained by adding the balance of ARUHI Corporation's housing loan servicing credit to the housing loan balances of SBI Sumishin Net Bank, Ltd. and the Target Company as of the end of March 2022.

Thus, after making the Target Company a consolidated subsidiary in December 2021, through various measures, the SBIHD Parties have sought synergy in the SBIHD Group as a whole, including the Target Company Group. As an advantage of the Target Company remaining a listed company, the Target Company can raise funds from capital markets independently. Nevertheless, in order to implement the initiatives and measures above, it is necessary to carefully examine the usefulness and objective fairness of a transaction when making mutual use of the respective management resources, etc. by taking into account the interests of the Target Company's minority shareholders. Furthermore, it may be necessary to implement, promptly, prior investments that require a certain amount of time to maximize the Target Company's interests, including incurrence of reasonable costs on the Target Company's side, in the short term or initiatives that temporarily increase costs, and such initiatives and measures are necessary for the mid- and long-term growth of the SBIHD Group as a whole, including the Target Company Group, and contribute to enhancement of the corporate value of the Target Company. However, it may be possible that in the short term, the Target Company's minority shareholders cannot understand the value thereof easily. In addition, with respect to measures relating to alliances with the companies in the SBIHD Group, including SBI Securities, the Target Company Group will gain new earning opportunities, such as obtaining new customers using the SBIHD Group's customer base, and finding new transactions by providing advisory and finance services jointly with any companies in the SBIHD Group, which will contribute to the growth of the Target Company Group and the SBIHD Group as a whole, including the Target Company Group. However, because the Target Company's minority shareholders enjoy part of the increase in the Target Company Group's profits, explanations to SBIHD's shareholders will be difficult if the profit to be obtained by the SBIHD Group as a result of the increase in the Target Company Group's profit through such measures does not exceed the profit directly

obtained by the companies in the SBIHD Group, in the case where such measures are not taken. In such a case, it would be likely that such measures cannot be taken. In addition, if the Target Company Group conducts transactions with the SBIHD Group, from the perspective of protecting the interests of minority shareholders, the Target Company shall go through prior review and ex-post monitoring by the “Parent Corporation Transaction Advisory Committee” consisting of the Target Company’s independent outside directors, and officers who have a close relationship with the SBIHD Group, such as the SBIHD Group’s inside directors or employees, and persons previously holding these positions shall not take part in resolutions relating to such transactions. Therefore, the Target Company Group currently is unable to promptly determine whether to conduct transactions with the SBIHD Group. Furthermore, it will be difficult for the Target Company Group to conduct transactions with the SBIHD Group even if a transaction leads to the mid- and long-term growth of the SBIHD Group, including the Target Company Group, and contributes to enhancement of the corporate value of the Target Company, but the short-term growth brought by the transaction will not be certain, and the Target Company’s minority shareholders cannot understand the value of the transaction easily, the SBIHD Parties believe it would be difficult for the Target Company to promptly and flexibly implement such initiatives and measures that are necessary from the perspective of mid- and long-term growth while the Target Company remains a listed company.

Therefore, in order to further strengthen the strategies of the entire group as well as to promptly and flexibly implement the initiatives and measures above, the SBIHD Parties believe that it is necessary to further enhance the alliance of the Target Company Group and each company in the SBIHD Group, to optimize allocation of management resources in the entire group, and to utilize each company’s resource assets by strategically combining them across the group. The SBIHD Parties plan to do this by taking the Target Company private and believe that it is the optimum choice for continued enhancement of the corporate value of the SBIHD Group, including the Target Company Group, to promptly and flexibly implement decision-making by each company of the SBIHD Group, including the Target Company Group, concerning initiatives and measures across the group, and to continuously ensure the Target Company will not become an institutional bank and actively conduct transactions with the SBIHD Group that may lead to the mid- and long-term growth of the entire SBIHD Group, including the Target Company Group, for which conservative decisions tended to be made from the perspective of protecting the interests of the Target Company’s minority shareholders (such as finance to the SBIHD Parties’ investee companies, provision of services, co-financing, and assumption of joint financial advisors of M&A transactions by Both Groups). The DIC and RCC will remain as the Target Company’s minority shareholders even after the Target Company is taken private as a result of the Transaction. However, compared to the current circumstances, in which there are many minority shareholders who each have different interests, and who may be changed from time to time (the total number of the Target Company’s shareholders was

17,878 as of March 31, 2023), after the Target Company is taken private, the minority shareholders whose interests should be taken into account by the Target Company will be limited to the DIC and RCC, both of whom expect the mid- and long-term growth of the Target Company toward repayment of the public funds. Accordingly, the SBIHD Parties believe that active measures can be taken with regard to the alliance between the Target Company Group and each company of the SBIHD Group, including transactions with the SBIHD Group, which have been difficult to conduct, taking into account various interests of the many minority shareholders of the Target Company as well as the fact that many of the Target Company's minority shareholders will enjoy part of the increase in the Target Company Group's profits.

If the SBIHD Parties take the Target Company private, for instance, although Both Groups have had a comprehensive business alliance thus far with respect to three services in the retail services area (specifically, the financial instruments intermediary business, the bank agency business, and the joint store operation business), they will further promote such a business alliance after the Target Company is taken private. Furthermore, Both Groups will consider additional measures, such as the expansion of the Target Company Group's unsecured loans using the SBIHD Parties' network of regional financial institutions; the realization of a "superapp," which will enable one-stop use of financial services, including banking functions, and nonfinancial services that can be used in each region as a result of cooperation with regional financial institution, the acquisition of new customers for unsecured loans through the alliance with SBI Securities; and the introduction of member store candidates concerning the installment sales business through the SBIHD Group's related companies.

In addition to the retail services area, Both Groups will flexibly and promptly cooperate in various transactions in the institutional business area. For a more concrete example, tailored finance, including lending, which is the Target Company Group's strength, will be provided promptly and flexibly to portfolio companies of SBI Investment Co., Ltd., the SBIHD Group's venture capital company ("SBI Investment") and companies introduced by regional financial institutions; and this will enable the timely satisfaction of a large variety of the financing needs of portfolio companies and, as well as financing, the introduction of professional technologies and human resources to such companies using the SBIHD Group's network, etc., will contribute to the further growth of those portfolio companies and the improvement of SBI Investment's investment performance. Furthermore, after the Target Company is taken private, it will be possible to make joint investments in or capital alliances with companies other than the SBIHD Group and the Target Company Group, which have been difficult to actively promote with respect to protecting the minority shareholders of Both Groups. By providing products and services that are Both Groups' strengths, in addition to such joint investments and capital alliances, investee companies and capital alliance counterparties will grow, and in turn, the profits of Both Groups are expected to expand. It is also believed that as a result of taking the Target Company private

and enabling the cooperation of Both Groups' M&A advisory teams, earning opportunities will expand due to the increase in matching opportunities between the needs of sellers and purchasers, and the provision of the Target Company Group's M&A finance in the M&A transactions of Both Groups. In addition, combining a large variety of the SBIHD Group's financial instruments will allow for a better response to customers' real estate needs, including the comprehensive provision to the SBIHD Group and Showa Leasing customers of financial instruments relating to real estate (including real-estate leasing and small trust beneficiary rights to real estate), and will allow for a greater focus on, among others, the real estate, healthcare, environment, and energy sectors, all of which are positioned as growth areas by Showa Leasing to further expand its business. The SBIHD Parties believe that by further promoting their alliance in the institutional business, which necessitates the combined capabilities of the groups (such as the introduction of trustee projects by the SBIHD Group, further expansion of opportunities to provide financial instruments relating to finance, leasing, and real property, using the network of regional financial institutions above, the introduction of investment projects in foreign countries by the SBIHD Group, as well as the implementation of joint investments in transactions explored by the Target Company Group, in which the SBIHD Group's knowledge is utilized), the Target Company can drive further growth in the SBIHD Group as a full service financial institution.

From the perspective of business management, for example, in April 2017 the Target Company adopted a virtual headquarters known as the "Group Headquarters" in order to enhance corporate governance, as well as to integrate and integrally manage the head office functions of each company of the Target Company Group. However, since the Tender Offeror became a bank holding company, the Group Headquarters has management functions similar to those of a bank holding company, and there has been an overlap in the use of management resources. The SBIHD Parties believe that by taking the Target Company private, the overlapping functions and departments in the SBIHD Group and the Target Company Group will promptly be resolved, and the management functions will quickly be integrated, enabling optimal distribution of the management resources. In addition, relatively small companies in the Target Company Group have been reorganized with the SBIHD Group's members across the groups. However, for example, even if Both Groups can experience long-term growth due to the reorganization of companies whose flexibility in management will increase by the establishment of a direct capital relationship with the SBIHD Group, or companies for which it is advisable to establish a direct capital relationship with the Target Company, such reorganization with any of the SBIHD Group's members has been passed over, taking into account the interests of the Target Company's minority shareholders, when material costs occur in the short term. The SBIHD Parties believe that once the Target Company is taken private, it will be possible to reorganize the SBIHD Group's companies across the groups, including the relatively large members of the Target Company Group, and the distribution of Both Groups' management resources will be further optimized.

The SBIHD Parties recognize that the Target Company Group's repayment of the public funds of 349,374,894,942 yen is one of its top priorities. The SBIHD Parties believe it is their social responsibility to take the Target Company private to quickly find a path toward repayment of the public funds. Once the Target Company is taken private, while continuously paying attention to equity capital adequacy, it will be easier to make investments in the growth of the Target Company from a mid- and long-term perspective rather than focusing solely on maximization of short-term interests. The SBIHD Parties expect that as a result, it will become possible to focus on improving the Target Company's profitability, which funds the source of repayment and corporate value, by, among other means, promoting synergy measures set forth above, and in turn, it will also contribute to repayment of the public funds. In addition, the SBIHD Parties believe that finding a path toward repayment of the public funds by agreeing on a concrete plan for repayment of the public funds with the DIC, and RCC will increase the Target Company Group's flexibility in business management, including in its capital policies, and the Target Company Group's mid- and long-term corporate value will further increase. Regarding this point, as stated in "(3) Critical Agreements Concerning the Tender Offer" below, SBIHD entered into the Four-Party Agreement with the DIC, RCC, and the Target Company, pursuant to which the parties have agreed that SBIHD will propose a specific mechanism for repayment of the public funds (including a contemplated schedule for the repayment) to the DIC and RCC by the end of March 2025, after the effective date of the Share Consolidation, and the parties will engage in good faith discuss and reach an agreement on the specific mechanism for repayment of the public funds by the end of June 2025.

One of the advantages of taking the Target Company private is that various costs relating to listing, such as annual listing fees and audit fees concerning audits under the Financial Instrument and Exchange Act, will be reduced as a result of the Target Company ceasing to be a listed company. In addition, to maintain a listing on the Standard Market of the Tokyo Stock Exchange, on which the Target Shares are listed, a tradable share ratio should be 25% or more. Taking into account the current circumstances, in which the SBIHD Parties, the DIC, and RCC hold 73.02% (Ownership Ratio) of the Target Company Shares in total, it may be difficult for the Target Company to maintain its listing in the future due to conflict with this standard. Accordingly, the SBIHD Parties believe that it will also contribute to the interests of the Target Company's minority shareholders to provide the opportunities to sell the shares while avoiding any risks that the Target Company's minority shareholders would incur due to the delisting of the Target Company, by means of taking the Target Company private through a series of procedures including the Tender Offer.

Taking into account such circumstances, in late October 2022, the SBIHD Parties determined that it is the optimum choice to take the Target Company private by the Transaction, in which the Target Company's shareholders will be limited only to the Tender Offeror, the DIC, and RCC. From late October of the same year, together with Citigroup

Global Markets Japan Inc. (“Citigroup Global Markets”) as financial advisor and with Nishimura & Asahi as legal advisor, both independent of the SBIHD Parties, the DIC, RCC, and the Target Company, the SBIHD Parties began sincerely contemplating taking the Target Company private. Specifically, in light of the facts that the Tender Offeror is the Target Company’s controlling shareholder (parent company) and that SBIHD is the parent company of both the Tender Offeror and the Target Company, the SBIHD Parties deliberated over policies to establish a review structure to ensure the fairness of the Transaction, a series of transaction schemes that are expected to be carried out in order to take the Target Company private by the Transaction, and to make the Target Company’s shareholders comprise only the Tender Offeror, the DIC, and RCC, a schedule of the Tender Offer, as well as policies relating to due diligence on the Target Company. On February 8, 2023, the SBIHD Parties submitted to the Target Company a preliminary written proposal concerning the Transaction (the “Preliminary Written Proposal”). The Preliminary Written Proposal proposes that the Tender Offer concerning the Target Company Share will be implemented in exchange for cash and without setting a minimum or maximum number of shares to be purchased in order to take the Target Company private, in which the Target Company’s shareholders will be limited only to the Tender Offeror, the DIC, and RCC, and that if the Tender Offeror fails to be able to acquire all the Target Company Shares owned by the shareholders other than the DIC and RCC in the Tender Offer, the Squeeze Out Procedures will be implemented for the purpose of making the Target Company’s shareholders comprise only the Tender Offeror, the DIC, and RCC. In early March, 2023, it received communication from the Target Company to the effect that the Target Company would establish a system necessary for consideration, and then consider the details of that proposal. After that, since late March of the same year, the SBIHD Parties conducted due diligence on the Target Company and, on April 10, 2023, provided the special committee, composed of the Target Company’s outside directors, outside auditors, and outside experts (the “Special Committee”), with a response to its inquiry concerning the Transaction, which was received by the SBIHD Parties from that special committee on April 4, 2023. Thus, simultaneously with the SBIHD Parties conducting the due diligence on the Target Company, the SBIHD Parties and the Target Company have had discussions on the terms and conditions of the Transaction multiple times since the middle of March 2023.

On April 14, 2023, the SBIHD Parties submitted a written proposal to the Target Company, taking into account the progress of the due diligence and results of deliberations on the terms and conditions of the Transaction at the time. The written proposal set forth, among other things, that (i) the expected schemes of the Transaction that were set forth in the Preliminary Written Proposal will remain as they are; (ii) the SBIHD Parties’ attitude regarding repayment of the public funds such that the SBIHD Parties recognize that the Target Company Group’s repayment of the public funds is one of its top priorities, and the SBIHD Parties believe it is their social responsibility to take the Target Company private and quickly find a path toward repayment of the public funds and expect that it will become

possible to focus on improving the Target Company's profitability, which will provide the funds the source of repayment and corporate value, by promoting synergy measures (among other means); and (iii) the purchase price per share of the Target Company Shares in the Tender Offer (the "Tender Offer Price") shall be 2,600 yen per share (the Tender Offer Price represents the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on April 13, 2023, which is the business day immediately preceding April 14, 2023 (2,376 yen), as well as the simple average of the closing prices during the previous one month ending on April 13, 2023 (2,305 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 during the previous three months ending on April 13, 2023 (2,368 yen), and the simple average of the closing prices during the previous six months ending on April 13, 2023 (2,300 yen), with premiums of 9.43%, 12.80%, 9.80%, and 13.04%, respectively (rounded to two decimal places; hereinafter the same shall apply in calculating the premium rate (%)); the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on September 29, 2022, which is the business day immediately preceding the publication relating to the application for bank holding company authorization by the Tender Offeror (the "Publication Day of Holding Company Authorization") (1,940 yen), as well as the simple average of the closing prices during the previous one month ending on September 29, 2022 (1,936 yen), the simple average of the closing prices during the previous three months ending on September 29, 2022 (1,966 yen), and the simple average of the closing prices during the previous six months ending on September 29, 2022 (2,047 yen), with premiums of 34.02%, 34.30%, 32.25%, and 27.02%, respectively; and the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on September 8, 2021, which is the business day immediately preceding the announcement of the Last Tender Offer for the Target Company Shares by the Tender Offeror (1,453 yen), as well as the simple average of the closing prices during the previous one month ending on September 8, 2021 (1,416 yen), the simple average of the closing prices during the previous three months ending on September 8, 2021 (1,460 yen), and the simple average of the closing prices during the previous six months ending on September 8, 2021 (1,591 yen), with premiums of 78.94%, 83.62%, 78.08%, and 63.42%, respectively). In response to that written proposal, on April 17, 2023, the SBIHD Parties received an answer from the Target Company and the Special Committee stating that the Target Company does not object to most parts of the structure of the Transaction and recognizes that repayment of the public funds is an important issue and requires careful consideration, as well as a request that the SBIHD Parties reconsider the Tender Offer Price of 2,600 yen per share because it is inadequate in light of the Target Company's intrinsic value and does not contribute to the interests of minority shareholders. In response to that request, on April 21, 2023, the SBIHD Parties submitted to the Target Company and the Special Committee a written answer stating, among other things, that the SBIHD Parties do not intend to reconsider the Tender Offer Price of 2,600 yen per share.



In response to that answer, on April 25, 2023, the Target Company and the Special Committee requested that the SBIHD Parties reconsider that Tender Offer Price because the Target Company's conclusion remains the same (i.e., that the Tender Offer Price of 2,600 yen per share is inadequate). The Target Company and the Special Committee believe that such price underestimates the expected intrinsic value of the Target Company Shares that the Target Company cannot satisfy its responsibility to its minority shareholders, and that based on the expected mid- and long-term intrinsic value of the Target Company (by taking into account the business plan disclosed by the Target Company to the SBIHD Parties), an equity value exceeding 3,400 yen per share can be justified.

In response to this request, on April 27, 2023, the SBIHD Parties submitted to the Target Company and the Special Committee a written answer stating, among other things, that the Tender Offer Price shall be 2,700 yen per share (the Tender Offer Price represents the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on April 26, 2023, which is the business day immediately preceding April 27, 2023 (2,411 yen), as well as the simple average of the closing prices during the previous one month ending on April 26, 2023 (2,371 yen), the simple average of the closing prices during the previous three months ending on April 26, 2023 (2,387 yen), and the simple average of the closing prices during the previous six months ending on April 26, 2023 (2,317 yen), with premiums of 11.99%, 13.88%, 13.11%, and 16.53%, respectively; the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on September 29, 2022, which is the business day immediately preceding the Publication Day of Holding Company Authorization (1,940 yen), as well as the simple average of the closing prices during the previous one month ending on September 29, 2022 (1,936 yen), the simple average of the closing prices during the previous three months ending on September 29, 2022 (1,966 yen), and the simple average of the closing prices during the previous six months ending on September 29, 2022 (2,047 yen), with premiums of 39.18%, 39.46%, 37.33%, and 31.90%, respectively; and the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on September 8, 2021, which is the business day immediately preceding the announcement of the Last Tender Offer of the Target Company Shares by the Tender Offeror (1,453 yen), as well as the simple average of the closing prices during the previous one month ending on September 8, 2021 (1,416 yen), the simple average of the closing prices during the previous three months ending on September 8, 2021 (1,460 yen), and the simple average of the closing prices during the previous six months ending on September 8, 2021 (1,591 yen) with premiums of 85.82%, 90.68%, 84.93%, and 69.70%, respectively). In response to this answer, on April 29, 2023, the SBIHD Parties received a written answer from the Target Company and the Special Committee requesting that the SBIHD Parties reconsider that Tender Offer Price. That written proposal stated, among other things, that (i) the Tender Offer Price of 2,700 yen per share is still far from the level of the share value in light of the Target Company's intrinsic value assumed by the Target Company and the Special Committee, and is unacceptable to

the Special Committee, which is expected to make reasonable efforts to give full consideration to the interests of the minority shareholders and aim for transaction terms as favorable as possible for minority shareholders; (ii) the Target Company and the Special Committee believe that setting a minimum number of shares to be purchased could be highly important depending on the level of the final Tender Offer Price, and if a substantial increase in the proposed Tender Offer Price from the SBIHD Parties cannot be expected in the future, it is essential to set a minimum number of shares to be purchased (including the “majority of minority” factor) in order to make the completion of the Tender Offer conditional on a reasonable number of the minority shareholders tendering in the Tender Offer.

In response to this request, after the SBIHD Parties received a briefing regarding the Target Company’s business plan from the Target Company’s management on May 2, 2023, on May 8, 2023, the SBIHD Parties submitted to the Target Company and the Special Committee a written answer stating, among other things, that (i) the Tender Offer Price shall be 2,800 yen per share (the Tender Offer Price represents the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on May 2, 2023, which is the business day immediately preceding May 8, 2023 (2,449 yen), as well as the simple average of the closing prices during the previous one month ending on May 2, 2023 (2,402 yen), the simple average of the closing prices during the previous three months ending on May 2, 2023 (2,391 yen), and the simple average of the closing prices during the previous six months ending on May 2, 2023 (2,324 yen) with premiums of 14.33%, 16.57%, 17.11%, and 20.48%, respectively; the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on September 29, 2022, which is the business day immediately preceding the Publication Day of Holding Company Authorization (1,940 yen), as well as the simple average of the closing prices during the previous one month ending on September 29, 2022 (1,936 yen), the simple average of the closing prices during the previous three months ending on September 29, 2022 (1,966 yen), and the simple average of the closing prices during the previous six months ending on September 29, 2022 (2,047 yen) with premiums of 44.33%, 44.63%, 42.42%, and 36.79%, respectively; and the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on September 8, 2021, which is the business day immediately preceding the announcement of the Last Tender Offer for the Target Company Shares by the Tender Offeror (1,453 yen), as well as the simple average of the closing prices during the previous one month ending on September 8, 2021 (1,416 yen), the simple average of the closing prices during the previous three months ending on September 8, 2021 (1,460 yen), and the simple average of the closing prices during the previous six months ending on September 8, 2021 (1,591 yen), with premiums of 92.70%, 97.74%, 91.78%, and 75.99%, respectively); and (ii) the SBIHD Parties do not intend to set a minimum number of shares to be purchased in the Tender Offer because, among other reasons, the SBIHD Parties continue to believe that ensuring that the Target Company will go private will benefit the Target Company’s

minority shareholders in light of the fact that taking the Target Company private through the Transaction will not only contribute to the sustainable improvement of the corporate value of the SBIHD Group, including the Target Company Group, but will also benefit the Target Company's minority shareholders, who will be provided with opportunities to sell their shares at a fair price. In response to this answer, on May 9, 2023, the SBIHD Parties received a written answer from the Target Company and the Special Committee requesting that the SBIHD Parties reconsider that Tender Offer Price. That written answer stated, among other things, that (i) it remains difficult to conclude that the Tender Offer Price below 3,000 yen per share is the price resulting from consideration of the interests of minority shareholders and (ii) if the Tender Offer Price remains at the level of the price proposed by the SBIHD Parties (i.e., below 3,000 yen per share), the Target Company and the Special Committee believe that it is necessary to set a minimum number of shares to be purchased in the Tender Offer which can be evidence that the terms of the Transaction are supported by the minority shareholders. In other words, the Target Company and the Special Committee believe that it is difficult to recommend that the Target Company's shareholders tender their shares in the Tender Offer unless (a) the SBIHD Parties propose a Tender Offer Price of 3,000 yen or more or (b) a minimum number of shares to be purchased in the Tender Offer is set if the Tender Offer Price is 2,800 yen, which is the price proposed by the SBIHD Parties, or less than 3,000 yen, and the Target Company and the Special Committee wish to set a minimum number of shares to be purchased in the Tender Offer, as a specific level of the minimum number of shares to be purchased in the Tender Offer, that is determined based on the "majority of minority" concept and taking into account the assumed Ownership Ratio of passive index funds, which are generally said to have a policy of not tendering their shares in a tender offer regardless of the amount of the tender offer price..

In response to this request, on May 10, 2023, the SBIHD Parties submitted to the Target Company and the Special Committee a written answer stating, among other things, that (i) the SBIHD Parties maintain the proposal regarding the Tender Offer Price (i.e., that the Tender Offer Price shall be 2,800 yen per share) since the SBIHD Parties believe that (a) the Tender Offer Price of 2,800 yen per share is the best and final proposal that the SBIHD Parties could present, taking into consideration the interests of the minority shareholders of the Target Company to the maximum extent, and (b) the Tender Offer Price will adequately contribute to the interests of the minority shareholders of the Target Company, and (ii) for setting a minimum number of shares to be purchased in the Tender Offer, the SBIHD Parties do not intend to set a minimum number of shares to be purchased in the Tender Offer because the SBIHD Parties continue to believe that ensuring that the Target Company will go private will benefit the Target Company's minority shareholders in light of the fact that taking the Target Company private through the Transaction will not only contribute to the sustainable improvement of the corporate value of the SBIHD Group, including the Target Company Group, but also will benefit the Target Company's minority

shareholders, who will be provided with opportunities to sell their shares at a fair price. In response to this answer, on May 11, 2023, the Target Company and the Special Committee requested that the SBIHD Parties reconsider setting a minimum number of shares to be purchased in the Tender Offer.

In response to this request, on May 11 2023, the SBIHD Parties submitted to the Target Company and the Special Committee a written answer stating, among other things, that the SBIHD Parties still do not intend to set a minimum number of shares to be purchased in the Tender Offer because the SBIHD Parties still believe that it is undesirable to set a minimum number of shares to be purchased in the Tender Offer from the perspective of the interests of the minority shareholders of the Target Company. In response to this answer, on May 11, 2023, the SBIHD Parties received an answer from the Target Company stating that the Target Company accepted the proposal of the SBIHD Parties that the Tender Offer Price shall be 2,800 yen per share and that a minimum number of shares to be purchased in the Tender Offer shall not be set. As a result, the SBIHD Parties and the Target Company agreed that the Tender Offer Price shall be 2,800 yen per share and a minimum number of shares to be purchased in the Tender Offer shall not be set.

With respect to repayment of the public funds, the SBIHD Parties received questions from the Target Company and the Special Committee regarding the contemplated repayment period of the public funds and responded that the contemplated period required to repay the public funds cannot be specified since the Four-Party Agreement stipulates that SBIHD and the Target Company shall propose a specific mechanism for the repayment of the public funds to the DIC and RCC by the end of March 2025 and agree on such specific mechanism by the end of June 2025. In addition, the SBIHD Parties explained to the Target Company and the Special Committee that, at present, the SBIHD Parties contemplate that the public funds will be repaid by means of dividends to the Tender Offeror, the DIC, and RCC, in proportion to their respective shareholding ratios or other measures, and that, based on certain assumptions at certain levels, it will take a reasonable period of time for the amount of the Target Company's dividends paid each fiscal year to the DIC and RCC to reach the remaining public funds.

Taking into account these discussions and negotiations with the Target Company, the SBIHD Parties decided by resolutions of SBIHD's board of directors meeting dated May 12, 2023 and the Tender Offeror's board of directors meeting dated May 12, 2023 that the Tender Offeror will implement the Tender Offer whose purpose is privatization by which the Tender Offeror, the DIC, and RCC will become the only shareholders of the Target Company and that the Tender Offer Price shall be 2,800 yen per share.

(II) The Target Company's Decision-Making Process Leading to Approving the Tender Offer and Reasons Therefor

According to the Target Company's press release, on February 8, 2023, after receiving the Preliminary Written Proposal from the Tender Offeror, the Target Company decided that

the Target Company's board of directors will deliberate on whether to review such proposal

In addition, the Target Company decided to prepare for the establishment of a review structure in order to be able to promptly implement the review of such proposal in the case where the Target Company's board of directors officially resolves in favor of the commencement of such review. In other words, taking into account that the Tender Offeror is the controlling shareholder (parent company) of the Target Company, and that SBIHD, which is the parent company of the Tender Offeror, is also a parent company of the Target Company, the Target Company started preparing to establish a system to review, negotiate, and determine the Transaction independently from the Tender Offeror, the DIC, and RCC, and from the viewpoint of improving the Target Company's corporate value and ensuring the benefits of the Target Company's minority shareholders based on advice from Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. ("Mitsubishi UFJ Morgan Stanley Securities"), a company with which the Target Company had a prior business relationship, and Anderson Mori & Tomotsune LPC ("Anderson Mori & Tomotsune"), a firm with which the Target Company had a prior business relationship, in order to ensure fairness of the Transaction. In particular, after receiving on February 8, 2023 the Preliminary Written Proposal, the Target Company established a project team to carry out the review concerning the Transaction (including the preparation of a business plan that would be the basis for calculation of the equity value of the Target Company) as well as the discussions and negotiations with the Tender Offeror. The project team consists of a total of six members, and all of such members, excluding one, are officers and employees of the Target Company that do not concurrently work as officers or employees of any companies of the SBIHD Group and that have never previously occupied the position of officer or employee at any company in the SBIHD Group, and this practice has been maintained. One member of the project team (an executive officer of the Target Company) had concurrently held the position of non-executive director of a stock company that belongs to the SBIHD Group (with no remuneration for either role) from August 31, 2020 to April 3, 2023, due to the joint establishment of Regional Revitalization Partners Co., Ltd. with other companies that agree with the purpose of the regional development initiatives advocated by SBIHD and share a common desire to realize regional development; however, the Target Company determined that such executive officer's participation in the review concerning the Transaction (including the preparation of the business plan that would be the basis for calculation of the equity value of the Target Company Shares), as well as in the discussions and negotiations with the Tender Offeror, is essential because such executive officer has been working as an employee of the Target Company for 20 years or more and is the person in charge of the Target Company's corporate planning as the executive director, the General Manager of the Group Strategy Planning Division and the person in charge of the Group Corporate Planning Division at the Target Company; and therefore, the executive officer joined the project team. Including the aforementioned treatment, the Target Company has confirmed with the Special Committee that there are no issues in terms of independence in

the review structure of the Transaction that was established within the Target Company, and the Target Company has also consulted and confirmed, with the Special Committee, the form of participation of said executive officer.

In addition, the Target Company decided to proceed with the preparations for the establishment of the Special Committee, which consisted of the Target Company's outside directors, outside auditors, and outside experts, on and after February 8, 2023.

Further, the Target Company determined in its board of directors resolution on March 9, 2023 that it will officially review the Preliminary Written Proposal from the Tender Offeror, and notified the SBIHD Parties to that effect on the same day. In such board of directors' meeting, the Target Company resolved to officially appoint Mitsubishi UFJ Morgan Stanley Securities as the Target Company's financial advisor and third-party valuation firm, and Anderson Mori & Tomotsune as the Target Company's legal advisor.

In addition, the Target Company decided in its board of directors' resolution on March 9, 2023 stated above to establish a Special Committee that consists of the Target Company's outside directors, outside auditors, and outside experts who are considered to be independent from the SBIHD Parties and have excellent judgment, with aims such as eliminating arbitrary decision-making at the Target Company regarding the Transaction and ensuring fairness, clarity, and objectivity in the Target Company's decision-making process. The Target Company established a Special Committee that consists of four members: Yasuhiro Hayasaki (Target Company's outside director), Masahiro Terada (Target Company's outside director), Ikuko Akamatsu (Target Company's outside auditor), and Miyako Suda (outside expert committee member; belongs to the Canon Institute for Global Studies) (for the background of the establishment, review process, and details of decisions, etc. of the Special Committee, please refer to "II. Establishment of an independent special committee in the Target Company" in "(Measures to ensure fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price as well as measures to avoid conflicts of interest)," in "(B) Background of the calculation," in "(4) Basis of Calculation, etc. of the Price for Purchase, etc.," in "3. Outline of the Purchase, etc." below).

At that time, the Target Company consulted with the Special Committee regarding the following matters (collectively, the "Consulted Matters"):

- (A) Whether the purpose of the Transaction and the Transaction as means to achieve such purpose is valid and reasonable (including whether the Transaction will contribute to improvement of the Target Company's corporate value);
- (B) Whether the fairness and reasonableness of the terms and conditions of the Transaction (including the purchase price in the Tender Offer) are ensured;
- (C) Whether sufficient care and explanations have been provided for the Target Company shareholders' interests in the Transaction through appropriate disclosure and fair procedures;

- (D) In addition to (A) through (C) above, whether it is considered that the Transaction will not disadvantage minority shareholders;
- (E) In the case where the Target Company is required to execute contracts and the like as a party thereto in connection with or incidental to the Transaction, whether it is appropriate for the Target Company to execute such contracts and the like (which will be decided taking into account the details thereof); and
- (F) Based on the review of (A) through (E) above, whether it is appropriate for the Target Company's board of directors to express that it agrees to the Tender Offer, and if so, whether it is appropriate for the Target Company's board of directors to recommend the Target Company's shareholders to tender their shares in the Tender Offer.

Further, when establishing the Special Committee, the Target Company's board of directors positioned the Special Committee as a decision-making organization independent from the Target Company's board of directors and resolved that (a) when reviewing the Consulted Matters, the Special Committee may consign to third-party firms and the like the provision of a valuation of the equity value of the Target Company Shares and a valuation report for the Transaction, a fairness opinion, and other advice and matters that the Special Committee deems necessary, and in such a case, reasonable expenses for such consignment will be borne by the Target Company; (b) the decision-making by the Target Company's board of directors regarding the Transaction shall be conducted by respecting to the maximum extent the details of the Special Committee's decisions, and especially when the Special Committee determines that the transaction terms of the Transaction are not reasonable, the Target Company's board of directors will not agree to the Transaction under such terms; and (c) the Special Committee will be authorized to carry out certain actions if it deems necessary regarding the purchase price and other transaction terms and the like of the Tender Offer or the disclosed details of the purpose, process, and the like of the Transaction (i.e., (A) the authority of the Special Committee to direct necessary investigations on officers, employees, and departments of the Target Company (excluding Director Hirofumi Gomi, Director Katsuya Kawashima, and Director Katsumi Hatao, who have previously served as officers in the SBIHD Group; the same applies hereinafter); (B) the authority of the Special Committee to direct officers, employees, and departments of the Target Company to negotiate and make adjustments with the SBIHD Parties, the Financial Services Agency, the DIC, and RCC; and (C) the authority of the Special Committee to negotiate and make adjustments by itself with the SBIHD Parties, the Financial Services Agency, the DIC, and RCC). (for the resolution method of such board of directors meeting, please refer to "II. Establishment of an independent special committee in the Target Company," in "(Measures to ensure fairness of the Tender Offer, such as measures to ensure fairness of the Tender Offer Price as well as measures to avoid conflicts of interest)," in (B) Background of the calculation," in "(4) Basis of Calculation, etc. of the Price for Purchase, etc.," in "3. Outline of the Purchase, etc." below).

In addition, as stated in “II. Establishment of an independent special committee in the Target Company,” in “(Measures to ensure fairness of the Tender Offer, such as measures to ensure fairness of the Tender Offer Price as well as measures to avoid conflicts of interest),” in “(B) Background of the calculation,” in “(4) Basis of Calculation, etc. of the Price for Purchase, etc.,” in “3. Outline of the Purchase, etc.” below, the Target Company received approval from the Special Committee for the appointment of Mitsubishi UFJ Morgan Stanley Securities, which is the Target Company’s financial advisor and third-party valuation firm, and Anderson Mori & Tomotsune, which is the Target Company’s legal advisor, after the Special Committee confirmed that there are no issues with their independence and expertise.

Further, the Target Company internally established a system to review, negotiate, and determine the Transaction (including the range of the Target Company’s officers and employees involved in the review, negotiation, and determination of the Transaction and their duties) independently from the Tender Offeror and the Target Company has obtained the Special Committee’s approval that there are no issues with the review structure in terms of independence and fairness.

Furthermore, on March 15, 2023, the Special Committee appointed Momo-o, Matsuo & Namba, a firm with which the Target Company had a prior business relationship, as its legal advisor. In addition, on March 27, 2023, the Special Committee appointed Frontier Management Inc. (“Frontier Management”), which was introduced by a member of the Special Committee, as its third-party valuation firm. The Special Committee approved the appointment of Momo-o, Matsuo & Namba and Frontier Management after confirming that they are not related parties to the SBIHD Parties, the DIC, RCC, or the Target Company, and that they do not have any material conflicts of interest in the Transaction, including the Tender Offer, and that there are no other issues regarding their independence and expertise in the Transaction.

After establishing the review structure stated above, the Target Company received reports concerning the valuation results of the Target Company Shares and advice on the policy on negotiation with the Tender Offeror from Mitsubishi UFJ Morgan Stanley Securities, as well as legal advice on measures to ensure fairness of procedures in the Transaction and other matters from Anderson Mori & Tomotsune. Based thereon, the Target Company has been carefully assessing the advantages and disadvantages of the Transaction and the reasonableness of the transaction terms.

In particular, on April 14, 2023, the Target Company received a written proposal from the SBIHD Parties, taking into account the progress of the due diligence and results of deliberations on the terms and conditions of the Transaction at the time. The written proposal set forth, among other things, that (i) the expected schemes of the Transaction that were set forth in the Preliminary Written Proposal will remain as they are; (ii) the SBIHD Parties’ attitude regarding repayment of the public funds such that the SBIHD Parties



recognize that the Target Company Group's repayment of the public funds is one of its top priorities, and the SBIHD Parties believe it is their social responsibility to take the Target Company private and quickly find a path toward repayment of the public funds and expect that it will become possible to focus on improving the Target Company's profitability, which will provide the funds that will be the source of repayment and corporate value, by promoting synergy measures (among other means); and (iii) the Tender Offer Price shall be 2,600 yen per share (the Tender Offer Price represents the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on April 13, 2023, which is the business day immediately preceding April 14, 2023 (2,376 yen), as well as the simple average of the closing prices during the previous one month ending on April 13, 2023 (2,305 yen), the simple average of the closing prices during the previous three months ending on April 13, 2023 (2,368 yen), and the simple average of the closing prices during the previous six months ending on April 13, 2023 (2,300 yen), with premiums of 9.43%, 12.80%, 9.80%, and 13.04%, respectively); the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on September 29, 2022, which is the business day immediately preceding the Publication Day of Holding Company Authorization (1,940 yen), as well as the simple average of the closing prices during the previous one month ending on September 29, 2022 (1,936 yen), the simple average of the closing prices during the previous three months ending on September 29, 2022 (1,966 yen), and the simple average of the closing prices during the previous six months ending on September 29, 2022 (2,047 yen), with premiums of 34.02%, 34.30%, 32.25%, and 27.02%, respectively; and the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on September 8, 2021, which is the business day immediately preceding the announcement of the Last Tender Offer for the Target Company Shares by the Tender Offeror (1,453 yen), as well as the simple average of the closing prices during the previous one month ending on September 8, 2021 (1,416 yen), the simple average of the closing prices during the previous three months ending on September 8, 2021 (1,460 yen), and the simple average of the closing prices during the previous six months ending on September 8, 2021 (1,591 yen), with premiums of 78.94%, 83.62%, 78.08%, and 63.42%, respectively). In response to that written proposal, on April 17, 2023, the Target Company and the Special Committee responded to the SBIHD Parties stating that the Target Company does not object to most parts of the structure of the Transaction and recognizes that repayment of the public funds is an important issue and requires careful consideration, as well as a request that the SBIHD Parties reconsider the Tender Offer Price of 2,600 yen per share because it is inadequate in light of the Target Company's intrinsic value and does not contribute to the interests of minority shareholders.

In response to that request, on April 21, 2023, the SBIHD Parties submitted to the Target Company and the Special Committee a written answer stating, among other things, that the SBIHD Parties do not intend to reconsider the Tender Offer Price of 2,600 yen per share. In response to that answer, on April 25, 2023, the Target Company and the Special

Committee requested that the SBIHD Parties reconsider that Tender Offer Price because the Target Company's conclusion remains the same (i.e., that the Tender Offer Price of 2,600 yen per share is inadequate). The Target Company and the Special Committee believe that such price underestimates the expected intrinsic value of the Target Company Shares such that the Target Company cannot satisfy its responsibility to its minority shareholders, and that based on the expected mid- and long-term intrinsic value of the Target Company (by taking into account the business plan disclosed by the Target Company to the SBIHD Parties), an equity value exceeding 3,400 yen per share can be justified.

In response to this request, on April 27, 2023, the SBIHD Parties submitted to the Target Company and the Special Committee a written answer stating, among other things, that the Tender Offer Price shall be 2,700 yen per share (the Tender Offer Price represents the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on April 26, 2023, which is the business day immediately preceding April 27, 2023 (2,411 yen), as well as the simple average of the closing prices during the previous one month ending on April 26, 2023 (2,371 yen), the simple average of the closing prices during the previous three months ending on April 26, 2023 (2,387 yen), and the simple average of the closing prices during the previous six months ending on April 26, 2023 (2,317 yen), with premiums of 11.99%, 13.88%, 13.11%, and 16.53%, respectively; the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on September 29, 2022, which is the business day immediately preceding the Publication Day of Holding Company Authorization (1,940 yen), as well as the simple average of the closing prices during the previous one month ending on September 29, 2022 (1,936 yen), the simple average of the closing prices during the previous three months ending on September 29, 2022 (1,966 yen), and the simple average of the closing prices during the previous six months ending on September 29, 2022 (2,047 yen), with premiums of 39.18%, 39.46%, 37.33%, and 31.90%, respectively; and the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on September 8, 2021, which is the business day immediately preceding the announcement of the Last Tender Offer of the Target Company Shares by the Tender Offeror (1,453 yen), as well as the simple average of the closing prices during the previous one month ending on September 8, 2021 (1,416 yen), the simple average of the closing prices during the previous three months ending on September 8, 2021 (1,460 yen), and the simple average of the closing prices during the previous six months ending on September 8, 2021 (1,591 yen) with premiums of 85.82%, 90.68%, 84.93%, and 69.70%, respectively). In response to this answer, on April 29, 2023, the Target Company and the Special Committee submitted a written answer to the SBIHD Parties requesting that the SBIHD Parties reconsider that Tender Offer Price. That written proposal stated, among other things, that (i) the Tender Offer Price of 2,700 yen per share is still far from the level of the share value in light of the Target Company's intrinsic value assumed by the Target Company and the Special Committee, and is unacceptable to the Special Committee, which is expected to make reasonable efforts to give full

consideration to the interests of the minority shareholders and aim for transaction terms as favorable as possible for minority shareholders; (ii) the Target Company and the Special Committee believe that setting a minimum number of shares to be purchased could be highly important depending on the level of the final Tender Offer Price, and if a substantial increase in the proposed Tender Offer Price from the SBIHD Parties cannot be expected in the future, it is essential to set a minimum number of shares to be purchased (including the “majority of minority” factor) in order to make the completion of the Tender Offer conditional on a reasonable number of the minority shareholders tendering in the Tender Offer.

In response to this request, after the SBIHD Parties received a briefing regarding the Target Company’s business plan from the Target Company’s management on May 2, 2023, on May 8, 2023, the SBIHD Parties submitted to the Target Company and the Special Committee a written answer stating, among other things, that (i) the Tender Offer Price shall be 2,800 yen per share (the Tender Offer Price represents the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on May 2, 2023, which is the business day immediately preceding May 8, 2023 (2,449 yen), as well as the simple average of the closing prices during the previous one month ending on May 2, 2023 (2,402 yen), the simple average of the closing prices during the previous three months ending on May 2, 2023 (2,391 yen), and the simple average of the closing prices during the previous six months ending on May 2, 2023 (2,324 yen) with premiums of 14.33%, 16.57%, 17.11%, and 20.48%, respectively; the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on September 29, 2022, which is the business day immediately preceding the Publication Day of Holding Company Authorization (1,940 yen), as well as the simple average of the closing prices during the previous one month ending on September 29, 2022 (1,936 yen), the simple average of the closing prices during the previous three months ending on September 29, 2022 (1,966 yen), and the simple average of the closing prices during the previous six months ending on September 29, 2022 (2,047 yen) with premiums of 44.33%, 44.63%, 42.42%, and 36.79%, respectively; and the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on September 8, 2021, which is the business day immediately preceding the announcement of the Last Tender Offer for the Target Company Shares by the Tender Offeror (1,453 yen), as well as the simple average of the closing prices during the previous one month ending on September 8, 2021 (1,416 yen), the simple average of the closing prices during the previous three months ending on September 8, 2021 (1,460 yen), and the simple average of the closing prices during the previous six months ending on September 8, 2021 (1,591 yen), with premiums of 92.70%, 97.74%, 91.78%, and 75.99%, respectively); and (ii) the SBIHD Parties do not intend to set a minimum number of shares to be purchased in the Tender Offer because, among other reasons, the SBIHD Parties continue to believe that ensuring that the Target Company will go private will benefit the Target Company’s minority shareholders in light of the fact that taking the Target Company private through

the Transaction will not only contribute to the sustainable improvement of the corporate value of the SBIHD Group, including the Target Company Group, but will also benefit the Target Company's minority shareholders, who will be provided with opportunities to sell their shares at a fair price. In response to this answer, on May 9, 2023, the Target Company and the Special Committee submitted to the SBID Parties a written answer requesting that the SBIHD Parties reconsider that Tender Offer Price. That written answer stated, among other things, that (i) it remains difficult to conclude that the Tender Offer Price below 3,000 yen per share is the price resulting from consideration of the interests of minority shareholders and (ii) if the Tender Offer Price remains at the level of the price proposed by the SBIHD Parties (i.e., below 3,000 yen per share), the Target Company and the Special Committee believe that it is necessary to set a minimum number of shares to be purchased in the Tender Offer which can be evidence that the terms of the Transaction are supported by the minority shareholders. In other words, the Target Company and the Special Committee believe that it is difficult to recommend that the Target Company's shareholders tender their shares in the Tender Offer unless (a) the SBIHD Parties propose a Tender Offer Price of 3,000 yen or more or (b) a minimum number of shares to be purchased in the Tender Offer is set if the Tender Offer Price is 2,800 yen, which is the price proposed by the SBIHD Parties, or less than 3,000 yen, and the Target Company and the Special Committee wish to set a minimum number of shares to be purchased in the Tender Offer, as a specific level of the minimum number of shares to be purchased in the Tender Offer, that is determined based on the "majority of minority" concept and taking into account the assumed Ownership Ratio of passive index funds, which are generally said to have a policy of not tendering their shares in a tender offer regardless of the amount of the tender offer price..

In response to this request, on May 10, 2023, the SBIHD Parties submitted to the Target Company and the Special Committee a written answer stating, among other things, that (i) the SBIHD Parties will maintain the proposal regarding the Tender Offer Price (i.e., that the Tender Offer Price shall be 2,800 yen per share) since the SBIHD Parties believe that (a) the Tender Offer Price of 2,800 yen per share is the best and final proposal that the SBIHD Parties could present, taking into consideration the interests of the minority shareholders of the Target Company to the maximum extent, and (b) the Tender Offer Price will adequately contribute to the interests of the minority shareholders of the Target Company, and (ii) for setting a minimum number of shares to be purchased in the Tender Offer, the SBIHD Parties do not intend to set a minimum number of shares to be purchased in the Tender Offer because the SBIHD Parties continue to believe that ensuring that the Target Company will go private will benefit the Target Company's minority shareholders in light of the fact that taking the Target Company private through the Transaction will not only contribute to the sustainable improvement of the corporate value of the SBIHD Group, including the Target Company Group, but also will benefit the Target Company's minority shareholders, who will be provided with opportunities to sell their shares at a fair price. In response to this answer, on May 11, 2023, the Target Company and the Special

Committee requested that the SBIHD Parties reconsider setting a minimum number of shares to be purchased in the Tender Offer.

In response to this request, on May 11 2023, the SBIHD Parties submitted to the Target Company and the Special Committee a written answer stating, among other things, that the SBIHD Parties still do not intend to set a minimum number of shares to be purchased in the Tender Offer because the SBIHD Parties still believe that it is undesirable to set a minimum number of shares to be purchased in the Tender Offer from the perspective of the interests of the minority shareholders of the Target Company. In response to this answer, on May 11, 2023, the Target Company submitted to the SBIHD Parties an answer stating that the Target Company accepted the proposal of the SBIHD Parties that the Tender Offer Price shall be 2,800 yen per share and that a minimum number of shares to be purchased in the Tender Offer shall not be set. As a result, the SBIHD Parties and the Target Company agreed that the Tender Offer Price shall be 2,800 yen per share and a minimum number of shares to be purchased in the Tender Offer shall not be set.

With respect to repayment of the public funds, the SBIHD Parties received questions from the Target Company and the Special Committee regarding the contemplated repayment period of the public funds and responded that the contemplated period required to repay the public funds cannot be specified since the Four-Party Agreement stipulates that SBIHD and the Target Company shall propose a specific mechanism for the repayment of the public funds to the DIC and RCC by the end of March 2025 and agree on such specific mechanism by the end of June 2025. In addition, the SBIHD Parties explained to the Target Company and the Special Committee that, at present, the SBIHD Parties contemplate that the public funds will be repaid by means of dividends to the Tender Offeror, the DIC, and RCC, in proportion to their respective shareholding ratios or other measures, and that, based on certain assumptions at certain levels, it will take a reasonable period of time for the amount of the Target Company's dividends paid each fiscal year to the DIC and RCC to reach the remaining public funds.

In the review and negotiation process of the above, the Special Committee received reports from the Target Company and the Target Company's advisors as appropriate, and took actions such as making confirmations and providing opinions.

In particular, the Target Company had the Special Committee confirm the rationality of the details of the business plan prepared by the Company for the period from the fiscal year ending March 2024 to the fiscal year ending March 2025 (the "Target Company Business Plan"), the important preconditions and background of preparation thereof, and similar matters, and received approval from the Special Committee. Further, the Target Company handled negotiations with the SBIHD Parties concerning various terms and conditions of the Tender Offer, negotiations with the SBIHD Parties, the DIC, and RCC regarding the Four-Party Agreement in accordance with the negotiation policy deliberated and determined by the Special Committee. Moreover, each time the Target Company received a proposal concerning the Tender Offer Price and other terms and conditions from the SBIHD

Parties, the Target Company immediately made reports to the Special Committee, and handled the proposal pursuant to the opinions of the Special Committee.

Further, on May 12, 2023, the Target Company received a written report from the Special Committee stating that, after comprehensive deliberation, the Special Committee considers it appropriate for the Target Company's board of directors to state that it agrees to the Tender Offer and to recommend that the Target Company's shareholders tender their shares in the Tender Offer (the "Report") from the Special Committee (for an overview of the Report, please refer to "II. Establishment of an independent special committee in the Target Company," in "(Measures to ensure fairness of the Tender Offer, such as measures to ensure fairness of the Tender Offer Price as well as measures to avoid conflicts of interest)," in "(B) Background of the calculation," in "(4) Basis of Calculation, etc. of the Price for Purchase, etc.," in "3. Outline of the Purchase, etc." below).

Under the above circumstances, the Target Company carefully reviewed and discussed at its board of directors' meeting held on May 12, 2023 whether the Transaction, including the Tender Offer, would contribute to the improvement of the Target Company's corporate value, and whether the terms of the Transaction, including the Tender Offer Price, are reasonable, based on the legal advice from Anderson Mori & Tomotsune, the advice from Mitsubishi UFJ Morgan Stanley Securities, as well as the details of the share valuation report dated May 11, 2023 obtained from Mitsubishi UFJ Morgan Stanley Securities ("Target Company Share Valuation Report (Mitsubishi UFJ Morgan Stanley Securities)") and the details of the fairness opinion dated May 11, 2023 stating that the Tender Offer Price of 2,800 yen per share is reasonable from the perspective of the financial interests of the Target Company's shareholders (excluding the SBIHD Parties and their affiliates as well as the DIC and RCC) ("Target Company Fairness Opinion (Mitsubishi UFJ Morgan Stanley Securities)"), and the details of the share valuation report dated May 11, 2023 submitted by Frontier Management to the Special Committee ("Target Company Share Valuation Report (Frontier Management)") and the fairness opinion dated May 11, 2023 stating that the Tender Offer Price of 2,800 yen per share is reasonable from the perspective of the financial interests of the Target Company's shareholders (excluding the Tender Offeror, the DIC, and RCC) ("Target Company Fairness Opinion (Frontier Management)"); respecting, to the maximum extent, the details of the Special Committee's decision as presented in the Report.

As a result, the Target Company reached the conclusion that, as stated below, the Transaction will contribute to the improvement of the Target Company's corporate value.

That is to say, on May 12, 2023, the Target Company determined that the Transaction is the best way to improve the Target Company's corporate value because it believes that taking the Target Company private will enable more timely and flexible decision-making than before, further unification with the SBIHD Group, and the establishment and implementation of medium- to long- term management strategy and that it will also enable the achievement of synergy and advantages, as stated in the following (A) through (C).

The specific synergies and advantages that the Target Company believes can be achieved through the Transaction are as follows:

(A) Further reinforcement of business through mutual complementation of functions and customer bases

In the retail service area of the Target Group (category name: "Individual Business"), Both Groups have formed a comprehensive business alliance with respect to three services, specifically, financial instruments intermediary business, bank agency business, and joint store operation business. However, the Target Company believes that there is room for further support from the SBIHD Group, for example, (a) support for the dispatch of personnel from the SBIHD Group for joint branch operations, (b) support for Shinsei Financial Co., Ltd.'s sales efforts to acquire unsecured loans and new customers by utilizing the SBIHD Group's network of regional financial institutions, and (c) support for the acquisition of new member store candidates concerning the installment sales business of Aplus through the SBIHD Group's affiliated companies.

In addition, the Target Company believes that there is room for further support from the SBIHD Group in the following various areas in the corporate service area of the Target Company Group (category name: "Institutional Business"). (a) introduction of investees of SBI Investment, a venture capital company of the SBIHD Group, and regional financial institutions to the Target Company; (b) support from the SBIHD Group to strengthen matching the needs of sellers and purchasers through cooperation of the M&A advisory teams of the Target Company and the SBIHD Group; (c) introduction of deals from the SBIHD Group for the provision of M&A financing by the Target Company; and (d) proposals from the SBIHD Group in the areas of real estate, healthcare, environment and energy, which Showa Lease, a member of the Target Company Group, positions as growth areas, through a combination of various financial instruments owned by the SBIHD Group..

However, from the viewpoint of the SBIHD Group, there is a limit to such support because the Target Company is only one of its consolidated subsidiaries, and therefore, the minority shareholders of the Target Company will receive a part of the benefits from the improvement of the corporate value of the Target Company Group. Therefore, the Target Company believes that the Tender Offeror may obtain further support from the SBIHD Group by acquiring more shares of the Target Company through the Transaction.

Although the DIC and RCC will continue to be shareholders of the Target Company after the implementation of the Transaction, the reason for this is to complete the repayment of the public funds. Therefore, after the implementation of the Transaction, Both Groups are expected to implement initiatives to further enhance the corporate value

of the Target Company for the clear purpose of completing the repayment of the public funds. Therefore, the Target Company do not assume a situation where “since the DIC and RCC will receive a portion of the benefits from the improvement of the Target Company Group's corporate value, the support from the SBIHD Group will not be enhanced.”

(B) Prompt and optimal allocation of management resources across Both Groups

The Target Company, as an independent listed company, has so far had its own management and administrative functions. However, the Target Company's conversion to a non-listed company through the Transaction will enable the Target Company to eliminate the overlapping consumption of management resources and enhance its management and administrative functions by integrating the overlapping management functions between the Target Company Group and the SBIHD Group, etc.

In addition, the Target Company Group companies, as members of the SBIHD Group, have been attempting to integrate their business portfolios, for example, by merging SBI Asset Management Co. Ltd. and Shinsei Investment Management Co., Ltd. However, from the viewpoint of considering the interests of the minority shareholders of the Target Company, the Target Company has made a very cautious decision to optimize its business portfolio with the SBIHD Group and believes that there is room for improvement in terms of promptness. The Target Company believes that the Transaction will allow it to achieve optimization of its business portfolio more promptly by removing the restriction that it consider the interests of the Target Company's minority shareholders, and that this will lead to an improvement in the corporate value of the Target Company Group.

Although the DIC and RCC will continue to be shareholders of the Target Company after the Transaction, the number of shareholders will be significantly reduced compared to the current number of shareholders of the Target Company (approximately 17,878 shareholders as of March 31, 2023), which is expected to significantly improve the promptness of management decisions.

(C) Reduction of listing maintenance costs

The Target Company believes that the Transaction will enable the Target Company to reduce various costs required to maintain its listing, such as audit costs, costs related to the operation of general shareholders' meetings, and costs related to the outsourcing of administrative work to the administrator of the shareholders' register, by taking the Target Company Shares private. As a disadvantage of the delisting, it is anticipated that it may become difficult to secure human resources due to a decline in name recognition. However, the exchange of human resources between the SBIHD Group and the Target Company is expected to become more active as the Target Company will remain a member of the SBIHD group, which is a listed company and has established a corporate ecosystem



of a reasonable scale. Therefore, the Target Company believes that such disadvantages are limited.

In addition, the Target Company believes that through the realization of the above synergies and advantages that the Target Company believes to be achieved through the Transaction, it will be possible to improve the Target Company's corporate value and enhance the Target Company's equity capital, thereby finding the path toward repayment of the public funds, which is an issue for the Target Company.

Also, the Target Company determined that, based on the following, the Tender Offer Price of 2,800 yen per share is a reasonable price that ensures the interests that should be enjoyed by the Target Company's minority shareholders and that the Tender Offer is providing a reasonable opportunity for the Target Company's minority shareholders to sell the Target Company Shares at a price with an appropriate premium.

- (A) Such price is a price agreed as a result of sufficient negotiations with the Tender Offeror with substantial involvement of the Special Committee after measures to ensure the fairness of transaction terms of the Transaction, including the Tender Offer Price, as stated in "(Measures to ensure fairness of the Tender Offer, such as measures to ensure fairness of the Tender Offer Price as well as measures to avoid conflicts of interest)," in "(B) Background of the calculation," in "(4) Basis of Calculation, etc. of the Price for Purchase, etc.," in "3. Outline of the Purchase, etc." below, have been sufficiently taken by the Target Company;
- (B) Such price is a price above the range of the valuation results derived from market price analysis, and within the range of the valuation results derived from comparable company analysis and DDM Analysis (as defined in "(ii) Outline of calculation," in "V. Acquisition of a share valuation report and fairness opinion from an independent financial advisor and third-party valuation firm by the Target Company," in "(Measures to ensure fairness of the Tender Offer, such as measures to ensure fairness of the Tender Offer Price as well as measures to avoid conflicts of interest)," in "(B) Background of the calculation," in "(4) Basis of Calculation, etc. of the Price for Purchase, etc.," in "3. Outline of the Purchase, etc." below) among the Target Company Shares valuation results by Mitsubishi UFJ Morgan Stanley Securities in the Target Company Share Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) stated in "(Measures to ensure fairness of the Tender Offer, such as measures to ensure fairness of the Tender Offer Price as well as measures to avoid conflicts of interest)," in "(B) Background of the calculation," in "(4) Basis of Calculation, etc. of the Price for Purchase, etc.," in "3. Outline of the Purchase, etc." below. Further, as stated in "(Measures to ensure fairness of the Tender Offer, such as measures to ensure fairness of the Tender Offer Price as well as measures to avoid conflicts of interest)," in "(B) Background of the calculation," in "(4) Basis of

Calculation, etc. of the Price for Purchase, etc.," in "3. Outline of the Purchase, etc." below, Mitsubishi UFJ Morgan Stanley Securities has issued the Target Company Fairness Opinion (Mitsubishi UFJ Morgan Stanley Securities) stating that the Tender Offer Price of 2,800 yen per share is reasonable from the financial perspectives of the Target Company's shareholders (excluding the SBIHD Parties and their affiliates as well as the DIC and RCC).

- (C) Such price is a price above the range of the valuation results derived from the market price method, and within the range of valuation results derived from the comparable company method and the DDM Method among the Target Company Shares valuation results by Frontier Management in the Target Company Share Valuation Report (Frontier Management) stated in "(Measures to ensure fairness of the Tender Offer, such as measures to ensure fairness of the Tender Offer Price as well as measures to avoid conflicts of interest)," in "(B) Background of the calculation," in "(4) Basis of Calculation, etc. of the Price for Purchase, etc.," in "3. Outline of the Purchase, etc." below. Further, as stated in "(Measures to ensure fairness of the Tender Offer, such as measures to ensure fairness of the Tender Offer Price as well as measures to avoid conflicts of interest)," in "(B) Background of the calculation," in "(4) Basis of Calculation, etc. of the Price for Purchase, etc.," in "3. Outline of the Purchase, etc." below, Frontier Management has issued the Target Company Fairness Opinion (Frontier Management) stating that the Tender Offer Price of 2,800 yen per share is reasonable from the financial perspectives of the Target Company's minority shareholders (excluding the DIC and RCC; the same applies in the Outline of the Target Company Fairness Opinion (Frontier Management)).
- (D) Such price has a premium of 12.63% added to 2,486 yen, which is the closing price of the Target Company Shares on the record date; a premium of 14.66% added to 2,442 yen, which is the simple average of the closing prices during the past one month up to the record date; a premium of 16.81% added to 2,397 yen, which is the simple average of the closing prices during the past three months up to the record date, and a premium of 19.97% added to 2,334 yen, which is the simple average of the closing prices during the past six months up to the record date, all of which are those on the Standard Market of the Tokyo Stock Exchange, having May 11, 2023, the business day immediately preceding the announcement regarding implementation of the Tender Offer, as the record date; in addition, such price has a premium of 44.33% added to 1,940 yen, which is the closing price of the Target Company Shares on the record date; a premium of 44.63% added to 1,936 yen, which is the simple average of the closing prices during the past one month up to the record date; a premium of 42.42% added to 1,966 yen, which is the simple average of the closing prices during the past three months up to the record date; and a premium of 36.79% added to 2,047 yen, which is the simple average of the closing prices during the past six months up to the record date, all of which are those on the Standard Market of the Tokyo Stock

Exchange, having September 29, 2022, the business day preceding the Publication Day of Holding Company Authorization, as the record date; and such price is comparable in light of the level of premium in 54 tender offer cases by a parent company with the purpose of taking its listed subsidiary private, which took place on or after June 28, 2019, the date on which the Ministry of Economy, Trade and Industry published “Fair M&A Guidelines - Enhancing Corporate Value and Securing Shareholders’ Interests -” (a premium of 39.13% added to the closing price of the business day preceding the announcement, 42.33% added to the simple average of the closing prices during the past one month, 41.79% added to the simple average of the closing prices during the past three months, and 39.59% added to the simple average of the closing prices during the past six months) and therefore is considered to be at a reasonable level. According to the Target Company, even if the Tender Offer Price falls short of the consolidated book value of net assets per share calculated by the consolidated book value of net assets of the Target Company as of March 31, 2023, the book value of net assets merely indicates the theoretical liquidation value and does not reflect future profitability, and therefore the Target Company believes that it would be irrational to place importance on this value when calculating the equity value of the Target Company, which is a going concern. Further, the Target Company, being subject to the capital adequacy requirements set forth in the Banking Act, believes that in continuing the operation of banking business, it is not practical for it immediately to return an amount equivalent to the book value of net assets to the shareholders through dividends and similar means, and taking into account the high public nature of banking business and the protection of depositors, a concept premised on liquidation of business is not suitable for the Target Company’s actual situation. If the Target Company were to liquidate its business, there would be difficulties in selling its assets, mainly the assets with low liquidity it owns, and various costs (such as costs for customer services, including those related to reimbursement of deposits, costs for closing branches, increased retirement payments for the employees, and expert fees, including fees for attorneys or other professionals, for liquidation of business, including overseas subsidiaries) would occur; thus, the book value of net assets would not be converted to cash at the same value and it is expected that as a practical matter the amount would be considerably decreased (The Target Company has not obtained a quotation premised on liquidation and has not confirmed that the Tender Offer Price exceeds the expected liquidation value calculated, considering the expected liquidation costs and similar items were roughly estimated after specific considerations), therefore, the Target Company believes that the book value of net assets is not necessarily relevant to the exchange value of the assets owned by the Target Company. Accordingly, it is difficult to adopt the concept that the consolidated book value of net assets, as a value per share, is the lowest fair value price of the Target Company Shares, and it is not reasonable to place

importance on a valuation method premised on liquidation of business when calculating the equity value of the Target Company as it is a going concern. Therefore, the Target Company has not considered the Tender Offer Price by comparing it to the consolidated book value of net assets on a value per share basis or the liquidation value.

- (E) Regarding such price, it is stated in the Report obtained from the Special Committee, as stated in “II. Establishment of an independent special committee in the Target Company,” in “(Measures to ensure fairness of the Tender Offer, such as measures to ensure fairness of the Tender Offer Price as well as measures to avoid conflicts of interest),” in “(B) Background of the calculation,” in “(4) Basis of Calculation, etc. of the Price for Purchase, etc.,” in “3. Outline of the Purchase, etc.” below, that after comprehensive deliberations, the Special Committee considers it appropriate for the Target Company’s board of directors to state that it agrees to the Tender Offer and to recommend that the Target Company’s shareholders tender their shares in the Tender Offer.

With respect to the Tender Offer Price premium, in addition to the premium based on the business day preceding the announcement of the Tender Offer, the SBIHD Parties have also included a premium based on the business day immediately preceding the Publication Day of Holding Company Authorization as a factor for evaluating the level of the Tender Offer Price premium. The Target Company also believes that after the Publication Day of Holding Company Authorization, the price of the Target Company Shares may already have incorporated certain market expectations regarding additional acquisitions, including privatization of the Target Company Shares by the Tender Offeror. Therefore, with regard to the basis for the Target Company’s judgment on the validity of the Tender Offer Price, the Target Company believes it would be useful to include a premium compared to the price of the Target Company Shares prior to the Publication Day of Holding Company Authorization as a basis for judgment by the shareholders of the Target Company.

In other words, in order for the Tender Offeror to acquire additional Target Company Shares, bank holding company authorization under the Banking Act (Article 52-17 of the Banking Act) is required, and the Target Company believes that this was recognized outside the bank as well. As of the Publication Day of Holding Company Authorization, the Ownership Ratio of the Tender Offeror was 48.21%, but the SBIHD Parties had made the Target Company a consolidated subsidiary as of December 17, 2021, the date of commencement of settlement relating to the Last Tender Offer, and under these circumstances, the Tender Offeror obtaining bank holding company authorization regardless of the circumstance may have given rise to speculation of additional acquisitions of the Target Company Shares, including privatization, beyond the acquisition of a majority of the Target Company Shares on a voting rights basis, and such speculation may have had an impact on the price of the Target Company Shares. In fact, compared with the closing

price on September 29, 2022, which is the business day immediately preceding the Publication Day of Holding Company Authorization (1,940 yen), the price of the Target Company Shares rose 12.4% (2,180 yen) on the business day following the Publication Day of Holding Company Authorization (October 3, 2022) and 18.0% (2,290 yen) five business days following the Publication Day of Holding Company Authorization (October 7, 2022). Although events affecting the price of the Target Company Shares have occurred after the Publication Day of Holding Company Authorization (examples include the Bank of Japan's announcement of revisions to its yield curve control policy at its monetary policy meeting (held from December 19, 2022 to December 20, 2022) on December 20, 2022, the Federal Deposit Insurance Corporation's declaration of bankruptcy for Silicon Valley Bank (headquartered in California, USA) on March 10, 2023, and the Federal Deposit Insurance Corporation's declaration of bankruptcy for First Republic Bank (headquartered in California, USA) on May 1, 2023), the price of the Target Company Shares after the Publication Day of Holding Company Authorization has been on an upward trend and has not fallen below the closing price on the business day immediately preceding the Publication Day of Holding Company Authorization of 1,940 yen to May 12, 2023, which is the announcement date regarding implementation of the Tender Offer.

Based on the above, the Target Company determined that the Transaction contributes to the improvement of the Target Company's corporate value and that the transaction terms for the Transaction, including the Tender Offer Price, are reasonable. At its board of directors meeting held on May 12, 2023, the Target Company resolved to express its opinion that it agrees to the Tender Offer and to recommend its shareholders to tender their shares in the Tender Offer.

### (III) Management Policy After Completion of the Tender Offer

As stated in "(I) Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Tender Offer" above, the SBIHD Parties aim to manage the SBI Group, including the Target Company Group, to sustainably increase its corporate value and endeavor to conduct management, by sufficiently taking advantage of the Target Company's business characteristics and strengths and subsequently enhance its business.

As of today, three directors from among the Target Company's nine directors have held positions as executives or employees of the SBIHD Parties in the past. The Target Company's future management structure has not yet been specifically decided; however, the SBIHD Parties, based on future discussions with the Target Company, plan to consider how to establish the most appropriate structure to implement the measures stated in "(I) Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Tender Offer" above and further enhance the management base.

(3) Critical Agreements Concerning the Tender Offer

(A) The Four-Party Agreement

SBIHD has executed the Four-Party Agreement as of May 12, 2023 with the DIC, RCC and the Target Company, which includes the following details:

- (i) SBIHD, the DIC, RCC and the Target Company have confirmed that the amount of public funds remaining as of the date of execution of the Shareholder Agreement (the "Required Collection Amount") is 349,374,894,942 yen in total.
- (ii) SBIHD and the Target Company shall comply with the Companies Act and other laws and regulations, and endeavor to repay the Required Collection Amount as soon as possible to the extent that it does not harm the financial soundness and business necessity and growth of the Target Company.
- (iii) SBIHD and the Target Company will work to further improve the earnings and corporate value of the Target Company in order to repay such public funds at the earliest possible time, and will propose a specific mechanism for such repayment (including a contemplated schedule for the repayment, the same shall apply hereinafter) by the end of March 2025 after the effective date of the Consolidation. After such proposal, SBIHD, the DIC, RCC and the Target Company shall discuss the specific mechanism for the repayment of the public funds in good faith and reach an agreement on the specific mechanism by the end of June 2025 (the agreed upon specific mechanism including the contemplated repayment schedule of the Required Collection Amount). (However, the Definitive Repayment Scheme and the repayment of the Required Collection Amount under the Definitive Repayment Scheme shall take into consideration the early repayment of the Required Collection Amount, compliance with laws and regulations including the principle of equality of shareholders, the financial soundness and business necessity and growth of the Target Company, and the rights of each shareholder of the Target Company. SBIHD, the DIC, RCC and the Target Company confirm that the policy announced from time to time by the DIC as its general policy for the disposal of preferred shares, etc. subscribed for the purpose of recapitalization (as of the date of execution of the Four-Party Agreement, the policy described in "Temporary Measures for Disposition of Preferred Shares, etc. Subscribed for Recapitalization" dated October 28, 2005) will also apply to the handling of shares issued by the Target Company held by the DIC and RCC from time to time (in the case that the contents thereof are changed, including the shares issued by the Target Company after the change, the "Shares" in this Section (A)).
- (iv) The Target Company and SBIHD shall make a good faith effort to ensure that the repayment of the public funds will be made in accordance with the repayment schedule for the Required Collection Amount contemplated in the Definitive Repayment Scheme, and shall notify the DIC and RCC by the end of June of each year following the year in which the Definitive Repayment Scheme is agreed upon.

If there is a prospect that the repayment of the public funds will be delayed and not meet the repayment schedule for the Required Collection Amount contemplated in the Definitive Repayment Scheme, the Target Company and SBIHD shall consult with the DIC and RCC in good faith.

- (v) SBIHD, the DIC, RCC and the Target Company have confirmed that in addition to the payment of dividends by the Target Company to the DIC and RCC from other capital surplus, any method of repayment of public funds that was treated by the DIC and RCC as repayment of public funds in the case of repayment of public funds implemented prior to the execution date of the Four-Party Agreement shall be treated as repayment of the public funds if a similar method is implemented in relation to the Target Company. (However, to the extent that the DIC and RCC agree that any methods falls under the repayment of the Required Collection Amount, the repayment of public funds by any other methods is not denied. If the Target Company or any third party purchases any fraction of less than one (1) share arising from the Shares held by the DIC and RCC in accordance with the Share Consolidation, the consideration for such purchase paid to the DIC and RCC shall be included in the repayment of the Required Collection Amount.
- (vi) During the effective term of the Four-Party Agreement (Note 1), the Target Company has a right to request the DIC and RCC to transfer to the Target Company or a third party designated by the Target Company, all (but not a part of) the Shares held by the DIC and RCC from time to time, for an aggregate consideration equal to the amount of the Required Collection Amount less the total amount of public funds repaid to the DIC and RCC pursuant to (v) above. In the event of such a request, the DIC and RCC shall comply with the request to the extent that it does not contravene laws and regulations or the policy described in (iii) above (in this case, the breakdown of the amount to be paid to the DIC and RCC shall be determined upon discussion between the parties.)
- (vii) The Target Company and SBIHD shall comply with the arm's length rule (which means a rule to prevent the undermining of soundness of bank management through transactions involving conflicts of interest between a bank and companies within the banking group, etc.) with respect to transactions between the Target Company and SBIHD or its subsidiaries (meaning subsidiaries as defined in Article 2, Paragraph 8 of the Banking Act) or affiliates.
- (viii) SBIHD, without the prior written consent of the DIC and RCC, shall not transfer or otherwise dispose of the shares in the Tender Offeror it holds to any third party, and shall not cause the Tender Offeror to transfer or otherwise dispose of the Target Company Shares it holds to any third party (provided, however, excluding the case that (a) SBIHD transfers the shares of the Tender Offeror to a SBIHD Group Company (Note 2) or causes the Tender Offeror to transfer the Target Company Shares to a SBIHD Group Company (the SBIHD Group Company receiving such

transfer shall be referred to as the "SBIHD Group Transferee") or (b) the total voting rights of the Target Company held by the SBIHD Group Companies after such transfer remain at least two-thirds (2/3). In the event of such transfer, SBIHD shall remain obligated as a party to the Four-Party Agreement, and if the SBIHD Group Transferee ceases to be a SBIHD Group Company, SBIHD shall, or shall cause SBIHD Group Companies to, acquire the shares of the Tender Offeror or the Target Company Shares held by such SBIHD Group Transferee.) In addition, if any group company of SBIHD other than SBIHD holds the Target Company Shares, SBIHD shall cause such group company to comply with the same obligations as those of SBIHD under the Four-Party Agreement.

- (ix) The Target Company shall not make any decision on or approve certain matters (Note 3) during the effective period of the Shareholder Agreement without the prior written consent of the DIC and RCC.

(Note 1) The Four-Party Agreement shall become effective as of the effective date of the Share Consolidation and shall remain in effect from that date until the DIC and RCC complete the collection of the full amount of Required Collection Amount. However, (i) above shall become effective upon the execution of the Four-Party Agreement.

(Note 2) The "SBIHD Group Company" referred to in (viii) above means SBIHD and its subsidiaries (defined as a subsidiary in IFRS 10 of the Designated International Financial Reporting Standards (IFRS) as stipulated in Article 93 of the Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ordinance of the Ministry of Finance No. 59 of 1963, as amended)).

(Note 3) Meaning (a) Amendments to the Articles of Incorporation regarding addition of a class of shares, change in the content of shares, or increase in the total number of authorized shares or total number of authorized class shares (except for those regarding the number of shares constituting one unit of shares) and any other amendments to the Articles of Incorporation that may hinder the repayment of public funds (meaning the repayment of public funds in accordance with the Definitive Repayment Scheme after an agreement on the Definitive Repayment Scheme has been reached), (b) repurchase of shares in the Target Company (excluding, repurchase of shares in the Target Company conducted in accordance with the Definitive Repayment Scheme after an agreement on the Definitive Repayment Scheme has been reached), (c) payment of dividends to shareholders other than the DIC or RCC (excluding, payment of dividends conducted in accordance with the Definitive Repayment Scheme after an agreement on the Definitive Repayment Scheme has been reached, and excluding payment of dividends to all shareholders in the same order and in proportion to the number of holding shares, from retained earnings as the source of funds, of which the total



amount payable in one fiscal year shall not exceed the total amount of dividends which were effective and paid by the Target Company during the fiscal year ended March 2023), (d) approval for demand for share cash-out of a special controlling shareholder, (e) share consolidation (limited to those resulting in fractions), and (f) a merger, corporate split, share exchange, share transfer, share delivery, or other reorganization, or the transfer or acquisition of all or a significant part of the business (excluding cases in which a resolution of the Target Company's shareholders' meeting is not required). However, the DIC and RCC accept that (a) the Target Company purchases the aggregate number of fractions of the Target Company Shares resulting from the Share Consolidation in accordance with the procedures set forth in Article 235 of the Companies Act and (b) the Tender Offeror subscribe for shares in the Target Company at the subscription price substantially equal to the Tender Offer Price by way of third-party allotment in order to enable the Target Company to maintain appropriate equity capital after the purchase of the aggregate number of fractions set forth in (a) above, and the Target Company will not need the consent of the DIC and RCC to implement the procedures necessary to conduct such transactions.

#### (B) Shareholders Memorandum

SBIHD has executed the Shareholders Memorandum as of May 12, 2023 with the DIC and RCC. In the Shareholders Memorandum, SBIHD, the DIC and RCC have confirmed that the Shareholders Memorandum is executed subject to the execution of the Four-Party Agreement, and mutually covenanted to comply with the provisions of the Four-Party Agreement, and agreed that the DIC and RCC (i) would not tender the Untendered Shares in the Tender Offer and (ii) would exercise their voting rights to agree with the proposal on the Share Consolidation to be submitted to the shareholders meeting of the Target Company to implement the Squeeze Out Procedures, on the condition that the Target Company resolved at the board of directors meeting and announced that it would agree to the Tender Offer and recommend the Target Company's shareholders to tender their shares in the Tender Offer and the decision has not been withdrawn or changed.

The Shareholders Memorandum will expire if the Tender Offer is not completed by August 31, 2025.

#### (4) Measures to Ensure Fairness of the Tender Offer, Such As Measures to Ensure Fairness of the Tender Offer Price as well as Measures to Avoid Conflicts of Interest

As of today, the Tender Offeror is a controlling shareholder (parent company) of the Target Company and SBIHD, being the parent company of the Tender Offeror, also is a parent company of the Target Company; accordingly, the Transaction is a material transaction with controlling shareholders and the Transaction, including the Tender Offer, is a transaction under which issues of structural conflicts of interest and information asymmetry typically

exist. In light of the foregoing, the following measures have been implemented in order to address those issues, and to ensure fairness of the transaction terms of the Transaction, including the Tender Offer Price.

The measures implemented by the Target Company in the following statements are based on the Target Company's press releases and explanations given by it:

- (I) Acquisition of a share valuation report by the SBIHD Parties from an independent third-party valuation firm;
- (II) Establishment of an independent special committee in the Target Company;
- (III) Acquisition of advice from an independent law firm by the Target Company;
- (IV) Acquisition of advice from an independent law firm by the special committee;
- (V) Acquisition of a share valuation report and fairness opinion from an independent financial advisor and third-party valuation firm by the Target Company;
- (VI) Acquisition of a share valuation report and fairness opinion by the special committee from an independent third-party valuation firm;
- (VII) Establishment of an independent review structure in the Target Company;
- (VIII) Approval of a majority of the directors of the Target Company without conflicts of interest and the opinion of all the auditors of the Target Company without conflicts of interest that they have no objection;
- (IX) Efforts to secure purchasing opportunities from other buyers; and
- (X) Efforts to ensure appropriate opportunities for Target Company shareholders to decide whether to participate in the Tender Offer.

For details regarding the above, please refer to "(Measures to ensure fairness of the Tender Offer, such as measures to ensure fairness of the Tender Offer Price as well as measures to avoid conflicts of interest)" in "(B) Background of the calculation," in "(4) Basis of Calculation, etc. of the Price for Purchase, etc.," in "3. Outline of the Purchase, etc." below.

The Tender Offeror believes that if a "majority of minority" minimum is set with respect to the Tender Offer, this would highly likely destabilize the completion of the Tender Offer, and actually undercut the interests that could be realized by minority shareholders who seek to tender in the Tender Offer, and that, as stated in "(1) Outline of the Tender Offer" above, taking the Target Company private through the Tender Offer will not only contribute to the sustainable improvement of the corporate value of the SBIHD Group, including the Target Company Group, but will also benefit the minority shareholders of the Target Company; therefore, the Tender Offeror elects not to set a minimum number of shares to be purchased with respect to the Tender Offer. However, since the SBIHD Parties and the Target Company have implemented the measures described in "(4) Measures to Ensure Fairness of the Tender Offer, Such As Measures to Ensure Fairness of the Tender Offer Price as well as Measures to Avoid Conflicts of Interest,"; the Tender Offeror believes that sufficient care has been exercised regarding the Target Company minority shareholders' interests.

(5) Post-Tender Offer Reorganization(s) Policy (Two-Step Acquisition Items)

As stated in “(1) Outline of the Tender Offer” above, if the Tender Offeror fails in the Tender Offer to acquire all of the Target Company Shares (excluding the Target Company Shares owned by the Tender Offeror, the treasury shares owned by the Target Company as well as the Target Company Shares owned by the DIC and RCC), the Tender Offeror, after completion of the Tender Offer, intends to implement the Squeeze Out Procedures for the purpose of making the Target Company’s shareholders comprise only the Tender Offeror, the DIC, and RCC by the method set forth below. Specifically, after completion of the Tender Offer, the SBIHD Parties plan to request the Target Company to implement a share consolidation of the Target Company Shares (the “Share Consolidation”) pursuant to Article 180 of the Companies Act and to hold an extraordinary general shareholders meeting (the “Extraordinary General Shareholders Meeting”), including making a proposal for the purpose of considering amending part of the articles of corporation to abolish the provision regarding share units, subject to the Share Consolidation taking effect. The Tender Offeror, the DIC, and RCC plan to agree to each proposal above at the Extraordinary General Shareholders Meeting. If the proposal for the Share Consolidation is approved at the Extraordinary General Shareholders Meeting, the Target Company shareholders will, as of the date the Share Consolidation is to take effect, own the number of the Target Company Shares corresponding to the Share Consolidation ratio approved at the Extraordinary General Shareholders Meeting. If the Share Consolidation results in fractional shares that are less than one full share, the Target Company Shares equivalent to the total number of such fractional shares will be sold to the Target Company or the Tender Offeror in accordance with the procedures set forth in Article 235 of the Companies Act and other relevant laws and regulations, and the Target Company shareholders owning such fractional shares will be provided with money in exchange for such fractional shares (if the total number of fractional shares is less than one full share, the fractional shares will be discarded; the same will apply hereinafter). With respect to the sale price of the Target Company Shares equivalent to the total number of such fractional shares, the Tender Offeror plans to request the Target Company to petition a court for permission to engage in a voluntary sale, after ensuring that as a result of such sale of fractional shares, the monetary sum provided to each Target Company shareholder who will not participate in the Tender Offer (excluding the Tender Offeror, the Target Company, the DIC, and RCC) is the same as the value obtained by multiplying the number of the Target Company Shares owned by such shareholders by the Tender Offer Price. Furthermore, although the ratio of consolidation of the Target Company Shares is still undetermined as of today, the Tender Offeror plans to request the Target Company to make a decision so as to cause the number of the Target Company Shares owned by each Target Company shareholder who will not participate in the Tender Offer (excluding the Tender Offeror, the Target Company, the DIC, and RCC) to become a fraction less than one full share so that the Tender Offeror, the DIC, and RCC will own all of the Target Company Shares (excluding the treasury shares owned by the Target Company). According to the Target Company’s press release, upon completion of

the Tender Offer, the Target Company plans to accept these requests by the Tender Offeror. The Companies Act provides, with the aim of protecting the rights of minority shareholders related to the procedures above, that pursuant to the provisions in Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations, if the Share Consolidation results in fractional shares that are less than one full share, the Target Company shareholders may demand that the Target Company purchase all fractional shares less than one full share in their possession at a fair price, as well as to petition a court to make a decision regarding the price of the Target Company Shares. As described above, with respect to the Share Consolidation, the number of the Target Company Shares owned by each Target Company shareholder who will not participate in the Tender Offer (excluding the Tender Offeror, the Target Company, the DIC, and RCC) is expected to be a fraction less than one full share. Thus, the Target Company shareholders opposing the Share Consolidation are expected to be able to file a petition to determine the price. If the above petition is filed, the purchase price of the Target Company Shares will be ultimately determined by the court. With respect to the procedures above, amendments may be made with respect to implementation methods and timing based on the status of amendments to, implementation of, and interpretation by relevant authorities, of the relevant laws and regulations. However, even in such cases, the plan is to utilize a method whereby money is ultimately provided to each Target Company shareholder who will not participate in the Tender Offer (excluding the Tender Offeror, the Target Company, the DIC, and RCC), and the value of money provided to such shareholders will be the same as the price obtained by multiplying the number of the Target Company Shares owned by such shareholders by the Tender Offer Price.

If the Extraordinary General Shareholders Meeting is held, the SBIHD Parties plans to request the Target Company to hold the meeting around August 2023. However, specific procedures and the meeting date will be announced by the Target Company promptly after they are decided following discussions with the Target Company. The Tender Offer does not require the solicitation of support from the Target Company's shareholders at the Extraordinary General Shareholders Meeting. Further, the Tender Offeror recommends the Target Company shareholders to consult, at their own responsibility, experts such as licensed tax accountants regarding the handling of taxes relating to applications with respect to the Tender Offer and each of the procedures described above.

If the Target Company Shares equivalent to the total number of fractions that are less than one (1) share arising from the Share Consolidation are sold to the Target Company, the Tender Offeror may acquire additional Target Company Shares through a subscription for Target Company Shares by way of third-party allotment at a subscription price substantially equal to the Tender Offer Price, in order to enable the Target Company to maintain appropriate equity capital after sales of the relevant fractions.

(6) Possibility of Delisting and Reasons Therefor

As of today, the Target Company Shares are listed on the Standard Market of the Tokyo

Stock Exchange; however, as the Tender Offeror has not set a maximum number of shares to be purchased in the Tender Offer, based on the results of the Tender Offer, it is possible that the Target Company Shares may be delisted following the designated procedures in accordance with the delisting standards established by the Tokyo Stock Exchange. Furthermore, even in the event that the delisting standards do not apply as of the completion of the Tender Offer, as stated in “(5) Post-Tender Offer Reorganization(s) Policy (Two-Step Acquisition Items)” above, after completion of the Tender Offer, the Tender Offeror plans to implement the Squeeze Out Procedures. In that case, the Target Company Shares will be delisted following the designated procedures in accordance with the delisting standards established by the Tokyo Stock Exchange. Thereafter, it will not be possible to trade the Target Company Shares on the Tokyo Stock Exchange.

### 3. Outline of the Purchase, etc.

#### (1) Outline of the Target Company

(i) Name:	SBI Shinsei Bank, Limited
(ii) Address:	2-4-3, Nihonbashi-muromachi, Chuo-ku, Tokyo
(iii) Name and position of representative:	Katsuya Kawashima, 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 &amp; 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 March 31, 2023)
(vi) Date of establishment:	December 1, 1952
(vii) Major shareholders and shareholding ratio:	SBI Regional Bank Holdings, Inc. 48.82%
	Deposit Insurance Corporation of Japan 13.18%
	The Resolution and Collection Corporation 9.79%

(as at September 30, 2022)	The Master Trust Bank of Japan Ltd. (Trust Account)	8.78%
	CITY INDEX ELEVENTH CO.,Ltd	2.68%
	Custody Bank of Japan, Ltd. (Trust Account)	2.05%
	JPLLC-CL JPY (Standing agent: Citibank, N.A., Tokyo Branch)	1.12%
	JP JPMSE LUX RE MERRILL LYNCH INTERNATI EQ CO (Standing agent: MUFG Bank, Ltd. Settlement Service Department)	0.88%
	STATE STREET BANK AND TRUST COMPANY 505103 (Standing agent: Mizuho Bank, Ltd. Settlement Service Department)	0.73%
	BNYM AS AGT/CLTS NON TREATY JASDEC (Standing agent: MUFG Bank, Ltd. Settlement Service Department)	0.62%
(viii) Relationship between the Tender Offeror and the Target Company:		
Capital relationship	As of today, the Tender Offeror owns 102,159,999 shares (ownership ratio : 50.04%) of the Target Company Shares. SBIHD, which is the wholly-owning parent company of the Tender Offeror, owns no Target Company Shares directly as of today.	
Personnel relationship	<ul style="list-style-type: none"> <li>Hirofumi Gomi, Katsuya Kawashima and Katsumi Hatao, as members of the Target Company' s Board of Directors, had served as executive officers of SBIHD Group.</li> <li>As of April 1, 2023, 27 persons of the SBIHD Group are seconded to five companies of the SBI Shinsei Bank Group, and 34 persons of the SBI Shinsei Bank Group are seconded to eight companies of the SBIHD Group, respectively (These number of persons do not include seconded double-hatting personnel.).</li> </ul>	
Transactional relationship	<p>The following are transactions between Target Company and SBIHD:</p> <ul style="list-style-type: none"> <li>Target Company is a shareholder of Regional Revitalization Partners Co., Ltd., and SBI PE Holdings Co., Ltd., subsidiaries of SBIHD</li> <li>Target Company invests in FinTech Business Innovation LPS, SBI AI&amp;Blockchain LPS, SBI 4&amp;5 Investment Limited Partnership, and SBI Regional Business Succession Investment No. 2 Limited Partnership established and managed by SBI Investment Co., Ltd., a subsidiary of SBIHD</li> </ul>	

	<ul style="list-style-type: none"> <li>The Target Company has loan transactions with SBIHD, SBI Africa Co., Ltd., SBI Estate Finance Co.,Ltd., and SBI LYHOUR BANK PLC.</li> </ul>
Status as a related party	The Target Company is a related party of the Tender Offeror, as the company is a consolidated subsidiary of the Tender Offeror.

(2) Schedule, etc.

(i) Schedule

Date of resolution by the board of directors	Friday, May 12, 2023
Date of public notice of commencement of the Tender Offer	Monday, May 15, 2023 An electronic public notice will be issued, and a notice to that effect will be published in the Nihon Keizai Shimbun (Japanese only). (URL for electronic public notice: <a href="http://disclosure.edinet-fsa.go.jp/">http://disclosure.edinet-fsa.go.jp/</a> ) Since the day of the public notice is a newspaper holiday, the notice will be published on Tuesday, May 16, 2023.
Filing of the tender offer registration statement	Friday, May 15, 2023

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

Monday, May 15, 2023 to Friday, June 23, 2023 (30 business days)

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

Not applicable.

(3) Price for Purchase, etc.

2,800 yen per share of common shares

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

(A) 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, the DIC, RCC, 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 DIC, RCC, and the Target Company and does not have any material conflicts of interest in the Tender Offer.

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 May 12, 2023. 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 as they intend to determine and decide the Tender Offer Price after comprehensively taking into account various factors described in “(B) Background of the calculation” below and discussing and negotiating with the Target Company.

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:	2,334 yen to 2,486 yen
Comparable company analysis method:	1,896 yen to 3,524 yen
DDM Method:	2,078 yen to 3,358 yen

Under the market price method, the range of the per-share value of the Target Company Shares is calculated as being between 2,334 yen and 2,486 yen, on the basis that the simple average of the closing prices of Target Company Shares in the previous month (from April 12, 2023 to May 11, 2023) was 2,442 yen ; the simple average of the closing prices in the previous three months (from February 13, 2023 to May 11, 2023) was 2,397 yen; and the simple average of the closing prices in the previous six months (from November 14, 2022 to May 11, 2023) was 2,334 yen, all of which prices are those on the Standard Market of the Tokyo Stock Exchange, having May 11, 2023, 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, by referring to comparable listed companies that are considered to be engaged in businesses similar to the banking, consumer finance and credit card, and leasing businesses operated by the Target Company as a comparison, and using the multiple of shareholders' equity per share, tangible shareholders’ equity per share, and earnings per share by the market price, it is analyzed that the range of the per-share value of the Target Company Shares is between 1,896 yen and 3,524 yen.

Under the DDM Method, it is analyzed that the Target Company Shares are between 2,078 yen and 3,358 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 2024 to the fiscal year ending March 2025, based on various factors such as the Target Company Business Plan provided by the Target Company, 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. In the financial forecast based on the Target Company Business Plan used by Citigroup Global Markets for the DDM Method, there is a fiscal year in which a significant increase in profit is expected. Specifically, a significant increase in the net income in comparison to the preceding fiscal year is expected in the fiscal year ending March 2025 since increase in profit due to the efficient management and redistribution of capital, such as the synergy effects of the measures which the SBIHD Group, including the Target Company Group, has worked on as a whole, and arrangement and replacement of assets, etc., is expected. 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 based on the share price ranges in the market price method, the comparable company analysis method, and the DDM Method, stated in the Share Valuation Report obtained by Citigroup Global Market, and comprehensively considered (a) the results of the due diligence of the Target Company conducted by the SBIHD Parties between late March 2023 to early-May, 2023; (b) the market share price trends of the Target Company Shares; (c) the probability of the Target Company's approval of the Tender Offer; and (d) the prospects for subscriptions for the Tender Offer. Thereafter, also taking into account matters such as the outcome of discussions and negotiations with the Target Company, the SBIHD Parties finally decided to set the Tender Offer Price at 2,800 yen per share on May 12, 2023. Although an initial analysis on premiums paid in cases similar to the Tender Offer which comprised the conversion of a listed subsidiary into a wholly-owned subsidiary by the parent company was conducted for reference purposes, the premiums are different each other depending on the market price at the times and the intrinsic value of the target in each case that the tender offeror considers to be appropriate, and as such, a direct comparison is impossible. Accordingly, such analysis was not taken into account in considering the Tender Offer Price.

The Tender Offer Price of 2,800 yen is the amount equal to (a) 2,486 yen, which is the closing price of Target Company Shares on the Standard Market of the Tokyo Stock Exchange on May 11, 2023, the business day immediately preceding the announcement regarding implementation of the Tender Offer with a 12.63% premium; (b) 2,442 yen, which is the simple average closing price of regular transactions during the past month (from April 12, 2023 to May 11, 2023) with a 14.66% premium; (c) 2,397 yen, which is the simple average closing price of regular transactions during the past three months (from February

13, 2023 to May 11, 2023) with a 16.81% premium; (d) 2,334 yen, which is the simple average closing price of regular transactions during the past six months (from November 14, 2022 to May 11, 2023) with a 19.97% premium; (e) 1,940 yen, which is the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on September 29, 2022, the business day immediately preceding the publication relating to application for the bank holding company authorization by the Tender Offeror, with a 44.33% premium; (f) 1,936 yen, which is the simple average closing price of regular transactions during the past one month ending on September 29, 2022 (from August 30, 2022 to September 29, 2022) with a 44.63% premium; (g) 1,966 yen, which is the simple average closing price of regular transactions during the previous three months ending on September 29, 2022 (from June 30, 2022 to September 29, 2022) with a 42.42% premium; (h) 2,047 yen, which is the simple average closing price of regular transactions during the previous six months ending on September 29, 2022 (from March 30, 2022 to September 29, 2022) with a 36.79% premium; (i) 1,453 yen, which is the closing price of Target Company Shares on the Standard Market of the Tokyo Stock Exchange on September 8, 2021, which is the business day immediately preceding the announcement of the Last Tender Offer of the Target Company Shares by the Tender Offeror, with a 92.70% premium; (j) 1,416 yen, which is the simple average closing price of regular transactions during the past one month ending on September 8, 2021 (from August 9, 2021 to September 8, 2021) with a 97.74% premium; (k) 1,460 yen, which is the simple average closing price of regular transactions during the previous three months ending on September 8, 2021 (from June 9, 2021 to September 8, 2021) with a 91.78% premium; and (l) 1,591 yen, which is the simple average closing price of regular transactions during the previous six months ending on September 8, 2021 (from March 9, 2021 to September 8, 2021) with a 75.99% 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 (the average of the acquisition price of the Target Company Shares Acquisition from January 28, 2021 to late in March 2021 was 1,656.44 yen), which were conducted through auctions on the First Section of the Tokyo Stock Exchange, respectively, 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 1,382 yen per share between that price (1,418 yen per share) and the Tender Offer Price (2,800 yen per share) 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.

Moreover, the Tender Offeror acquired Target Company Shares for 2,000 yen per share in the Last Tender Offer commenced on September 10, 2021. A difference of 800 yen per

share between the tender offer price of the Last Tender Offer (2,000 yen per share) and the Tender Offer Price (2,800 yen per share) has emerged due to (a) the change in the level of the Target Company Shares' value (while the closing price of the Target Company Shares as of September 8, 2021, which is the business day immediately preceding the announcement of the Last Tender Offer was 1,453 yen, the closing price as of May 11, 2023, which is the business day immediately preceding the announcement of the Tender Offer is 2,486 yen), (b) the difference in the level of premium to the tender offer price (while the tender offer price for the Last Tender Offer (2,000 yen per share) is equal to 1,453 yen, the closing price of Target Company Shares as of September 8, 2021, which is the business day immediately preceding the announcement of the Last Tender Offer, with a 37.65% premium, the Tender Offer Price (2,800 yen per share) is equal to 2,486 yen, the closing price of Target Company Shares as of May 11, 2023, which is the business day immediately preceding the announcement of the Tender Offer, with a 12.63% premium), and (c) the difference in the Target Company' s financial forecast that the Tender Offeror referenced to calculate the equity value of the Target Company Shares, and the result of the share value calculation based on such forecast at the Last Tender Offer and the Tender Offer, respectively.

Furthermore, during the period from October 12, 2022 to October 19, 2022, the Tender Offeror acquired Target Company Shares through market transactions at the then prevailing market prices (the average of the acquisition price of the Target Company Shares Acquisition from October 12, 2022 to October 19, 2022 was 2,144.62 yen), which were conducted through auctions on the Standard Market of the Tokyo Stock Exchange, and unlike the Tender Offer, no premium was paid.

## (B) Background of the Calculation

### (Background of the Decision on the Tender Offer Price)

As stated in “(I) Background, Purpose and Decision-Making Process Leading to the Decision to Implement 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,” in “2. Purpose of the Purchase” above, on February 8, 2023, the SBIHD Parties submitted to the Target Company the Preliminary Written Proposal. The Preliminary Written Proposal proposes that the Tender Offer concerning the Target Company Share will be implemented in exchange for cash and without setting a minimum or maximum number of shares to be purchased in order to take the Target Company private, in which the Target Company' s shareholders will be limited only to the Tender Offeror, the DIC, and RCC, and that if the Tender Offeror fails to be able to acquire all the Target Company Shares owned by the shareholders other than the DIC and RCC in the Tender Offer, the Squeeze Out Procedures will be implemented for the purpose of making the Target Company' s shareholders comprise only the Tender Offeror, the DIC, and RCC. In early March, 2023, it received communication from the Target Company to the effect that the Target Company would establish a system necessary for

consideration, and then consider the details of that proposal. After that, since late March of the same year, the SBIHD Parties conducted due diligence on the Target Company and, on April 10, 2023, provided the special committee composed of the Special Committee with a response to its inquiry concerning the Transaction, which was received by the SBIHD Parties from that special committee on April 4, 2023. Thus, simultaneously with the SBIHD Parties conducting the due diligence on the Target Company, the SBIHD Parties and the Target Company have had discussions on the terms and conditions of the Transaction multiple times since the middle of March 2023.

On April 14, 2023, the SBIHD Parties submitted a written proposal to the Target Company, taking into account the progress of the due diligence and results of deliberations on the terms and conditions of the Transaction at the time. The written proposal set forth, among other things, that (i) the expected schemes of the Transaction that were set forth in the Preliminary Written Proposal will remain as they are; (ii) the SBIHD Parties' attitude regarding repayment of the public funds such that the SBIHD Parties recognize that the Target Company Group's repayment of the public funds is one of its top priorities, and the SBIHD Parties believe it is their social responsibility to take the Target Company private and quickly find a path toward repayment of the public funds and expect that it will become possible to focus on improving the Target Company's profitability, which will provide the funds that will be the source of repayment and corporate value, by promoting synergy measures (among other means); and (iii) the Tender Offer Price shall be 2,600 yen per share (the Tender Offer Price represents the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on April 13, 2023, which is the business day immediately preceding April 14, 2023 (2,376 yen), as well as the simple average of the closing prices during the previous one-month ending on April 13, 2023 (2,305 yen), the simple average of the closing prices during the previous three months ending on April 13, 2023 (2,368 yen), and the simple average of the closing prices during the previous six months ending on April 13, 2023 (2,300 yen), with premiums of 9.43%, 12.80%, 9.80%, and 13.04%, respectively); the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on September 29, 2022, which is the business day immediately preceding the Publication Day of Holding Company Authorization (1,940 yen), as well as the simple average of the closing prices during the previous one month ending on September 29, 2022 (1,936 yen), the simple average of the closing prices during the previous three months ending on September 29, 2022 (1,966 yen), and the simple average of the closing prices during the previous six months ending on September 29, 2022 (2,047 yen), with premiums of 34.02%, 34.30%, 32.25%, and 27.02%, respectively; and the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on September 8, 2021, which is the business day immediately preceding the announcement of the Last Tender Offer for the Target Company Shares by the Tender Offeror (1,453 yen), as well as the simple average of the closing prices during the previous one month ending on September 8, 2021 (1,416 yen), the simple average of the closing prices during the previous

three months ending on September 8, 2021 (1,460 yen), and the simple average of the closing prices during the previous six months ending on September 8, 2021 (1,591 yen), with premiums of 78.94%, 83.62%, 78.08%, and 63.42%, respectively).

In response to that written proposal, on April 17, 2023, the SBIHD Parties received an answer from the Target Company and the Special Committee stating that the Target Company does not object to most parts of the structure of the Transaction and recognizes that repayment of the public funds is an important issue and requires careful consideration, as well as a request that the SBIHD Parties reconsider the Tender Offer Price of 2,600 yen per share because it is inadequate in light of the Target Company's intrinsic value and does not contribute to the interests of minority shareholders. In response to that request, on April 21, 2023, the SBIHD Parties submitted to the Target Company and the Special Committee a written answer stating, among other things, that the SBIHD Parties do not intend to reconsider the Tender Offer Price of 2,600 yen per share. In response to that answer, on April 25, 2023, the Target Company and the Special Committee requested that the SBIHD Parties reconsider that Tender Offer Price because the Target Company's conclusion remains the same (i.e., that the Tender Offer Price of 2,600 yen per share is inadequate). The Target Company and the Special Committee believe that such price underestimates the expected intrinsic value of the Target Company Shares such that the Target Company cannot satisfy its responsibility to its minority shareholders, and that based on the expected mid- and long-term intrinsic value of the Target Company (by taking into account the business plan disclosed by the Target Company to the SBIHD Parties), an equity value exceeding 3,400 yen per share can be justified.

In response to this request, on April 27, 2023, the SBIHD Parties submitted to the Target Company and the Special Committee a written answer stating, among other things, that the Tender Offer Price shall be 2,700 yen per share (the Tender Offer Price represents the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on April 26, 2023, which is the business day immediately preceding April 27, 2023 (2,411 yen), as well as the simple average of the closing prices during the previous one month ending on April 26, 2023 (2,371 yen), the simple average of the closing prices during the previous three months ending on April 26, 2023 (2,387 yen), and the simple average of the closing prices during the previous six months ending on April 26, 2023 (2,317 yen), with premiums of 11.99%, 13.88%, 13.11%, and 16.53%, respectively; the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on September 29, 2022, which is the business day immediately preceding the Publication Day of Holding Company Authorization (1,940 yen), as well as the simple average of the closing prices during the previous one month ending on September 29, 2022 (1,936 yen), the simple average of the closing prices during the previous three months ending on September 29, 2022 (1,966 yen), and the simple average of the closing prices during the previous six months ending on September 29, 2022 (2,047 yen), with premiums of 39.18%, 39.46%, 37.33%, and 31.90%, respectively; and the closing price of the Target Company Shares on

the Standard Market of the Tokyo Stock Exchange on September 8, 2021, which is the business day immediately preceding the announcement of the Last Tender Offer of the Target Company Shares by the Tender Offeror (1,453 yen), as well as the simple average of the closing prices during the previous one month ending on September 8, 2021 (1,416 yen), the simple average of the closing prices during the previous three months ending on September 8, 2021 (1,460 yen), and the simple average of the closing prices during the previous six months ending on September 8, 2021 (1,591 yen) with premiums of 85.82%, 90.68%, 84.93%, and 69.70%, respectively). In response to this answer, on April 29, 2023, the SBIHD Parties received a written answer from the Target Company and the Special Committee requesting that the SBIHD Parties reconsider that Tender Offer Price. That written proposal stated, among other things, that (i) the Tender Offer Price of 2,700 yen per share is still far from the level of the share value in light of the Target Company's intrinsic value assumed by the Target Company and the Special Committee, and is unacceptable to the Special Committee, which is expected to make reasonable efforts to give full consideration to the interests of the minority shareholders and aim for transaction terms as favorable as possible for minority shareholders; (ii) the Target Company and the Special Committee believe that setting a minimum number of shares to be purchased could be highly important depending on the level of the final Tender Offer Price, and if a substantial increase in the proposed Tender Offer Price from the SBIHD Parties cannot be expected in the future, it is essential to set a minimum number of shares to be purchased (including the "majority of minority" factor) in order to make the completion of the Tender Offer conditional on a reasonable number of the minority shareholders tendering in the Tender Offer.

In response to this request, after the SBIHD Parties received a briefing regarding the Target Company's business plan from the Target Company's management on May 2, 2023, on May 8, 2023, the SBIHD Parties submitted to the Target Company and the Special Committee a written answer stating, among other things, that (i) the Tender Offer Price shall be 2,800 yen per share (the Tender Offer Price represents the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on May 2, 2023, which is the business day immediately preceding May 8, 2023 (2,449 yen), as well as the simple average of the closing prices during the previous one month ending on May 2, 2023 (2,402 yen), the simple average of the closing prices during the previous three months ending on May 2, 2023 (2,391 yen), and the simple average of the closing prices during the previous six months ending on May 2, 2023 (2,324 yen) with premiums of 14.33%, 16.57%, 17.11%, and 20.48%, respectively; the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on September 29, 2022, which is the business day immediately preceding the Publication Day of Holding Company Authorization (1,940 yen), as well as the simple average of the closing prices during the previous one month ending on September 29, 2022 (1,936 yen), the simple average of the closing prices during the previous three months ending on September 29, 2022 (1,966 yen), and the simple

average of the closing prices during the previous six months ending on September 29, 2022 (2,047 yen) with premiums of 44.33%, 44.63%, 42.42%, and 36.79%, respectively; and the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on September 8, 2021, which is the business day immediately preceding the announcement of the Last Tender Offer for the Target Company Shares by the Tender Offeror (1,453 yen), as well as the simple average of the closing prices during the previous one month ending on September 8, 2021 (1,416 yen), the simple average of the closing prices during the previous three months ending on September 8, 2021 (1,460 yen), and the simple average of the closing prices during the previous six months ending on September 8, 2021 (1,591 yen), with premiums of 92.70%, 97.74%, 91.78%, and 75.99%, respectively); and (ii) the SBIHD Parties do not intend to set a minimum number of shares to be purchased in the Tender Offer because, among other reasons, the SBIHD Parties continue to believe that ensuring that the Target Company will go private will benefit the Target Company's minority shareholders in light of the fact that taking the Target Company private through the Transaction will not only contribute to the sustainable improvement of the corporate value of the SBIHD Group, including the Target Company Group, but will also benefit the Target Company's minority shareholders, who will be provided with opportunities to sell their shares at a fair price.

In response to this answer, on May 9, 2023, the SBIHD Parties received a written answer from the Target Company and the Special Committee requesting that the SBIHD Parties reconsider that Tender Offer Price. That written answer stated, among other things, that (i) it remains difficult to conclude that the Tender Offer Price below 3,000 yen per share is the price resulting from consideration of the interests of minority shareholders and (ii) if the Tender Offer Price remains at the level of the price proposed by the SBIHD Parties (i.e., below 3,000 yen per share), the Target Company and the Special Committee believe that it is necessary to set a minimum number of shares to be purchased in the Tender Offer which can be evidence that the terms of the Transaction are supported by the minority shareholders. In other words, the Target Company and the Special Committee believe that it is difficult to recommend that the Target Company's shareholders tender their shares in the Tender Offer unless (a) the SBIHD Parties propose a Tender Offer Price of 3,000 yen or more or (b) a minimum number of shares to be purchased in the Tender Offer is set if the Tender Offer Price is 2,800 yen, which is the price proposed by the SBIHD Parties, or less than 3,000 yen, and the Target Company and the Special Committee wish to set a minimum number of shares to be purchased in the Tender Offer, as a specific level of the minimum number of shares to be purchased in the Tender Offer, that is determined based on the "majority of minority" concept and taking into account the assumed Ownership Ratio of passive index funds, which are generally said to have a policy of not tendering their shares in a tender offer regardless of the amount of the tender offer price..

In response to this request, on May 10, 2023, the SBIHD Parties submitted to the Target Company and the Special Committee a written answer stating, among other things, that (i)

the SBIHD Parties will maintain the proposal regarding the Tender Offer Price (i.e., that the Tender Offer Price shall be 2,800 yen per share) since the SBIHD Parties believe that (a) the Tender Offer Price of 2,800 yen per share is the best and final proposal that the SBIHD Parties could present, taking into consideration the interests of the minority shareholders of the Target Company to the maximum extent, and (b) the Tender Offer Price will adequately contribute to the interests of the minority shareholders of the Target Company, and (ii) for setting a minimum number of shares to be purchased in the Tender Offer, the SBIHD Parties do not intend to set a minimum number of shares to be purchased in the Tender Offer because the SBIHD Parties continue to believe that ensuring that the Target Company will go private will benefit the Target Company's minority shareholders in light of the fact that taking the Target Company private through the Transaction will not only contribute to the sustainable improvement of the corporate value of the SBIHD Group, including the Target Company Group, but will also benefit the Target Company's minority shareholders, who will be provided with opportunities to sell their shares at a fair price. In response to this answer, on May 11, 2023, the Target Company and the Special Committee requested that the SBIHD Parties reconsider setting a minimum number of shares to be purchased in the Tender Offer.

In response to this request, on May 11 2023, the SBIHD Parties submitted to the Target Company and the Special Committee a written answer stating, among other things, that the SBIHD Parties still do not intend to set a minimum number of shares to be purchased in the Tender Offer because the SBIHD Parties still believe that it is undesirable to set a minimum number of shares to be purchased in the Tender Offer from the perspective of the interests of the minority shareholders of the Target Company. In response to this answer, on May 11, 2023, the SBIHD Parties received an answer from the Target Company stating that the Target Company accepted the proposal of the SBIHD Parties that the Tender Offer Price shall be 2,800 yen per share and that a minimum number of shares to be purchased in the Tender Offer shall not be set. As a result, the SBIHD Parties and the Target Company agreed that the Tender Offer Price shall be 2,800 yen per share and a minimum number of shares to be purchased in the Tender Offer shall not be set.

With respect to repayment of the public funds, the SBIHD Parties received questions from the Target Company and the Special Committee regarding the contemplated repayment period of the public funds and responded that the contemplated period required to repay the public funds cannot be specified since the Four-Party Agreement stipulates that SBIHD and the Target Company shall propose a specific mechanism for the repayment of the public funds to the DIC and RCC by the end of March 2025 and agree on such specific mechanism by the end of June 2025. In addition, the SBIHD Parties explained to the Target Company and the Special Committee that, at present, the SBIHD Parties contemplate that the public funds will be repaid by means of dividends to the Tender Offeror, the DIC, and RCC, in proportion to their respective shareholding ratios or other measures, and that, based on certain assumptions at certain levels, it will take a reasonable period of



time for the amount of the Target Company’ s dividends paid each fiscal year to the DIC and RCC to reach the remaining public funds.

Taking into account these discussions and negotiations with the Target Company, the SBIHD Parties decided by resolutions of SBIHD’ s board of directors meeting dated May 12, 2023 and the Tender Offeror’ s board of directors meeting dated May 12, 2023 that the Tender Offeror will implement the Tender Offer whose purpose is privatization by which the Tender Offeror, the DIC, and RCC will become the only shareholders of the Target Company and that the Tender Offer Price shall be 2,800 yen per share.

(i) 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, the DIC, RCC, 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 May 12, 2023. Citigroup Global Markets is not a related party of the SBIHD Parties, the DIC, RCC, or the Target Company, and does not have any material conflicts of interest concerning the Tender Offer. 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 as they intend to determine and decide the Tender Offer Price after comprehensively taking into account various factors described in this “Background of the calculation” and discussing and negotiating with the Target Company.

(ii) 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:	2,334 yen to 2,486 yen
Comparable company analysis method:	1,896 yen to 3,524 yen
DDM Method:	2,078 yen to 3,358 yen

(iii) Background of the Decision on the Tender Offer Price Based on the Foregoing Opinions

The SBIHD Parties reviewed the Tender Offer Price based on the share price ranges in the market price method, the comparable company analysis method, and the DDM Method, stated in the Share Valuation Report, and comprehensively considered (a) the results of the due diligence of the Target Company conducted by the SBIHD Parties between in late March 2023 to early-May 2023; (b) the market share price trends of the Target Company Shares; (c) the probability of the Target Company’ s approval of the Tender Offer; and (d) the prospects for tendering s to the Tender Offer. Thereafter, also taking into account matters such as the outcome of discussions and negotiations with the Target Company, the SBIHD Parties finally decided to set the Tender Offer Price at 2,800 yen per share on May 12, 2023.

(Measures to ensure fairness of the Tender Offer, such as measures to ensure fairness of the Tender Offer Price as well as measures to avoid conflicts of interest)

The SBIHD Parties and the Target Company, on the basis that (i) the Target Company is a consolidated subsidiary of the SBIHD Parties; (ii) the Transaction, which includes the Tender Offer, is connected to material transactions with controlling shareholders; and (iii) structural conflicts of interest could arise due to the Target Company considering the Transaction, have each implemented the following measures in order to ensure the fairness of the Tender Offer Price, as well as to eliminate arbitrary decision making and instead ensure fairness and clarity regarding the Transaction.

The measures implemented by the Target Company in the following statements are based on the Target Company's press releases and explanations given by it.

I. Acquisition of a share valuation report by the SBIHD Parties from an independent third-party valuation firm

The SBIHD Parties, when deciding the Tender Offer Price, requested that Citigroup Global Markets, a financial advisor as a third-party valuation firm independent from the SBIHD Parties, the DIC, RCC, and the Target Company provide a valuation report on the shares of the Target Company. Citigroup Global Markets is not a related party of the SBIHD Parties.

For details, please refer to “(A) Basis for Valuation” above.

II. Establishment of an independent special committee in the Target Company

(i) Background of establishment

As stated in “(II) The Target Company's Decision-Making Process Leading to Approving the Tender Offer and Reasons Therefor,” 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,” in “2. Purpose of the Purchase” above, the Target Company established the Special Committee by a board of directors' resolution on March 9, 2023.

Prior to such resolution, the Target Company confirmed that the candidates for members of the Special Committee are independent from the SBIHD Parties, the DIC, and RCC and do not have any material conflicts of interest concerning the success or failure of the Transaction that differ from the minority shareholders. Thereafter, the Target Company discussed with the Target Company's independent outside directors and independent outside auditors and, in order to form the Special Committee while ensuring the balance of the Special Committee as a whole in terms of knowledge, experience, and ability, and with an appropriate scale from the perspective of ensuring opportunity for sufficient consideration and discussions, selected four candidates, Yasuhiro Hayasaki (Target Company's outside director), Masahiro Terada (Target Company's outside director), Ikuko Akamatsu (Target Company's outside auditor),

and Miyako Suda (outside expert committee member; belongs to the Canon Institute for Global Studies) as candidates for members of the Special Committee.

Miyako Suda is not an officer of the Target Company; however, she was introduced by a member of the Special Committee who had been unofficially appointed, and the Target Company conducted an interview with her. As a result, Miyako Suda is more independent than the Target Company's independent outside officers and has successively held various posts, including Member of the Policy Board of the Bank of Japan and university professor, and has deep knowledge on economic and finance; therefore, the Target Company appointed her in which the Target Company considered her appropriate as a member of the Special Committee. The members of the Special Committee have not changed since its establishment.

Further, when establishing the Special Committee, the Target Company's board of directors positioned the Special Committee as a collegial body independent from the Target Company's board of directors and resolved that (a) when reviewing the Consulted Matters, the Special Committee may consign to third-party firms and the like the provision of a valuation of the equity value of the Target Company Shares and a valuation report for the Transaction, a fairness opinion, and other advice and matters that the Special Committee deems necessary, and in such a case, reasonable expenses for such consignment will be borne by the Target Company; (b) the decision-making by the Target Company's board of directors regarding the Transaction shall be conducted by respecting to the maximum extent the details of the Special Committee's decisions, and especially when the Special Committee determines that the transaction terms of the Transaction are not reasonable, the Target Company's board of directors will not agree to the Transaction under such terms; and (c) the Special Committee will be authorized to carry out certain actions if it deems necessary regarding the purchase price and other transaction terms and the like of the Tender Offer or the disclosed details of the purpose, process, and the like of the Transaction (i.e., (A) the authority of the Special Committee to direct necessary investigations on officers, employees, and departments of the Target Company (excluding Director Hirofumi Gomi, Director Katsuya Kawashima, and Director Katsumi Hatao, who have previously served as officers in the SBIHD Group; the same applies hereafter); (B) the authority of the Special Committee to direct officers, employees, and departments of the Target Company to negotiate and make adjustments with the SBIHD Parties, the Financial Services Agency, the DIC, and RCC; and (C) the authority of the Special Committee to negotiate and make adjustments by itself with the SBIHD Parties, the Financial Services Agency, the DIC, and RCC).

All of the members of the Special Committee shall be paid remuneration calculated according to the number of meetings held, regardless of the details of the report.

(ii) Review process

The Special Committee meetings were held between March 15, 2023 and May 11, 2023 amounting to a total of 24 times and approximately 44 hours. The Special Committee carried out their duties concerning the Consulted Matters such as by carrying out reports, information sharing, discussions, and decision-making.

Moreover, the Special Committee discussed the measures that should be taken to ensure fairness of the procedures in the Transaction, taking into account the opinion received from Momo-o, Matsuo & Namba. Further, the Special Committee received explanations from the Target Company on the Target Company Business Plan prepared by the Target Company, such as its details, important preconditions, and background of the preparation, and confirmed and approved the reasonableness of those matters.

Furthermore, the Special Committee received explanations from the Target Company on matters including the purpose and meaning of the Transaction, impact on the Target Company's business, and held question-and-answer sessions regarding those matters. The Special Committee also presented questions to the Tender Offeror and held question-and-answer sessions in the form of interviews with the Tender Offeror regarding matters including the purpose and background of the Transaction and management policy after the Transaction.

Additionally, as stated in "V. Acquisition of a share valuation report and fairness opinion from an independent financial advisor and third-party valuation firm by the Target Company" and "VI. Acquisition of a share valuation report and fairness opinion by the special committee from an independent third-party valuation firm" below, Mitsubishi UFJ Morgan Stanley Securities, which is the Target Company's financial advisor and third-party valuation firm, and Frontier Management, which is the Special Committee's third-party valuation firm, have each carried out valuation of the Target Company Shares premised on the Target Company Business Plan. The Special Committee received an explanation from Mitsubishi UFJ Morgan Stanley Securities at the request of the Target Company on the calculation method of the valuation of the Target Company Shares, the reasons why such calculation method was adopted, and details of the calculation by each calculation method, and important preconditions. The Special Committee also received an explanation from Frontier Management on the calculation method of the valuation of the Target Company Shares, the reasons why such calculation method was adopted, and details of the calculation by each calculation method, and important preconditions. In addition, the Special Committee have carried out question-and-answer sessions, discussions, and reviews, and confirmed the reasonableness of these items.

In addition to the above, the Special Committee has from time to time received reports on the Target Company's negotiations with the Tender Offeror from the Target Company and Mitsubishi UFJ Morgan Stanley Securities, which is the Target

Company's financial advisor and third-party valuation firm; after discussing and reviewing the Target Company's negotiation policy, taking into account the advice from Frontier Management, the Special Committee expressed necessary opinions as appropriate.

In particular, the Special Committee discussed the proposal from the Tender Offeror concerning the Tender Offer Price as soon as it received such proposals, taking into account Mitsubishi UFJ Morgan Stanley Securities' analysis and opinion on the dealing policy and policy on negotiation with the Tender Offeror received by the Target Company, and the advice from a financial perspective from Frontier Management. After that, the Special Committee stated their opinion to the Target Company that they have no objection on the Target Company's intention to request that the Tender Offeror reconsider the Tender Offer Price, and stated their opinion concerning matters that should be discussed between the Target Company and the Tender Offeror in order for the Target Company to achieve the meaning and purpose of the Transaction; through such actions, the Special Committee was involved in the overall process of the discussions and the negotiations between the Target Company and the Tender Offeror concerning the terms of the Transaction, including the Tender Offer Price. As a result, on May 11, 2023 the Target Company received a proposal from the Tender Offeror which included the Tender Offer Price of 2,800 yen per share, which results in the Target Company receiving proposals for five times in total, and the price being increased by 7.69% (any fraction being rounded off to two decimal places) since the initial price proposal.

Moreover, the Special Committee received several explanations from Anderson Mori & Tomotsune on the details of the draft of the press release concerning the Tender Offer which the Target Company plans to announce or submit, and has confirmed that information will be disclosed appropriately to the minority shareholders.

(iii) Details of decision

Under the above circumstances, the Special Committee has carefully reviewed and discussed the Consulted Matters for several times, and as a result, on May 12, 2023, with the approval of a majority (3 out of 4 members) of the members of the Special Committee, the Special Committee reported that, after comprehensive deliberations, the Special Committee considers it appropriate for the Target Company's board of directors to state that it agrees to the Tender Offer and to recommend that the Target Company's shareholders tender their shares in the Tender Offer, and submitted the Report to the Target Company's board of directors, the details of which are outlined in the following. Attached to the Report is Masahiro Terada's supporting opinion and Miyako Suda's opposing opinion. For details, please refer to "(vi) Opposing opinion and supporting opinion" below.

(iv) Details of report

- ① Concerning Consulted Matters (A) (Whether the purpose of the Transaction and the Transaction as means to achieve such purpose is valid and reasonable (including whether the Transaction will contribute to improvement of the Target Company' s corporate value)

The Special Committee believes that the purpose of the Transaction, and the Transaction as means to achieve such purpose is valid and reasonable and the Transaction will contribute to improvement of the Target Company' s corporate value.

- ② Concerning Consulted Matters (B) (Whether the fairness and reasonableness of the terms and conditions of the Transaction (including the purchase price in the Tender Offer) are ensured

Although it is difficult to determine whether the Tender Offer Price is fair from the perspective of shareholder equality, the Special Committee believes that the terms of the Transaction as a whole (including the Tender Offer Price) are fair and reasonable

- ③ Concerning Consulted Matters (C) (Whether sufficient care and explanations have been provided for the Target Company shareholders' interests in the Transaction through appropriate disclosure and fair procedures

The Special Committee believes that appropriate disclosure has been made in the Transaction to the extent considered possible at this time, fair procedures have been taken, and the interests of the Target Company's shareholders have been adequately considered and explained.

- ④ Concerning Consulted Matters (D) (In addition to (A) through (C) above, whether it is considered that the Transaction will not disadvantage minority shareholders

In addition to Consulted Matters (A) through (C) above, the Special Committee is not aware of any matters that would make the Transaction disadvantageous to minority shareholders.

- ⑤ Concerning Consulted Matters (E) (In the case where the Target Company is required to execute contracts and the like as a party thereto in connection with or incidental to the Transaction, whether it is appropriate for the Target Company to execute such contracts and the like (which will be decided taking into account the details thereof))

With respect to the Four-Party Agreement to which the Target Company is a party in connection with or incidental to the Transaction, the Special Committee believes that it would not be inappropriate for the Target Company to enter into the said agreement, taking into consideration the contents of the said agreement.

- ⑥ Concerning Consulted Matters (F) (Based on the review of (A) through (E) above,

whether it is appropriate for the Target Company's board of directors to express that it agrees to the Tender Offer, and if so, whether it is appropriate for the Target Company's board of directors to recommend the Target Company's shareholders to tender their shares in the Tender Offer)

Based on the consideration of the above-mentioned Consulted Matters (A) through (E), and based on a comprehensive judgment, the Special Committee believes that it is appropriate for The Target Company's board of directors to express its opinion in support the Tender Offer, and for the same to recommend its shareholders to tender their shares in the Tender Offer.

(v) Reasons of report

① Concerning Consulted Matters (A)

(1) Validity and Reasonableness of the Purpose of the Transaction

Based on the following points, the purpose of the Transaction can be found to be valid and reasonable. In addition, the Transaction will contribute to improvement of the Target Company's corporate value.

The Special Committee received an explanation on the purpose of the Transaction, the specific details of the corporate value of the Target Company expected to be enhanced by the Transaction and other matters from the SBIHD Parties and the Target Company (including the explanations obtained during the question-and-answer sessions implemented by the Special Committee to the SBIHD Parties).

A. Explanation by SBIHD Parties

According to the explanation received from the SBIHD Parties, the purpose of the Transactions is as follows.

- Given the current capital relationship, among the measures that will contribute to the enhancement of the corporate value of the Target Company and the medium to long-term growth of the entire Both Groups, it will be difficult in the short term to actively implement measures whose significance is difficult for minority shareholders of the Target Company to grasp (For example, measures for up-front investment that requires time to maximize profits for the Target Company and collaboration with the SBIHD Group that requires time to realize growth for the Target Company.). In addition, when the Target Company Group implements a transaction with the SBIHD Group, it is necessary to conduct pre-screening and post-transaction/action monitoring by the "Parent Company Transaction Screening Committee" consisting of the Target Company's independent outside directors from the viewpoint of protecting the interests of minority shareholders, which make it impossible to make a prompt decision on the transaction between the Target Company Group and the SBIHD Group. Therefore, taking the Target

Company private will further strengthen collaboration between the Target Company and the SBIHD Group companies, enable the prompt and flexible decision-making, as well as actively implement various measures that could lead to the medium to long term growth of Both Groups.

- After the implementation of the Transaction, in the retail sector, the Target Company will further strengthen collaboration with SBIHD Group companies in the three businesses of financial instruments intermediary, bank agency, and cooperative store management (Specifically, consideration of measures such as expanding sales of unsecured loans of the Target Company, realizing a "Super App" in each region with regional financial institutions, acquiring new customers for unsecured loans through collaboration with SBI Securities, and introducing affiliated stores in the installment sales business through SBIHD Group's affiliates). Also, in the institutional business, the Target Company is considering flexible and prompt execution of business collaborations in various transactions (For example, to provide loans and other tailor-made financing promptly and flexibly, which is one of the Target Company's strengths, to companies that are referred by investment targets of SBI Investment which is a venture capital of the SBIHD Group and regional financial institutions.).
- The SBIHD Parties recognize the repayment of public funds as one of the most important issues for the Target Company and believe that it is their social responsibility to take the Target Company private and quickly find a path toward repayment of the public funds. By finding a path toward the repayment of the public funds, it will be possible to further increase the flexibility of the Target Company's business operations, including the flexibility of its capital policy, which is expected to further enhance the Target Company's corporate value over the medium to long term.
- If the Target Company ceases to be a listed company, it will be able to reduce various costs associated with the listing, such as annual listing fees and audit fees related to audit under the Act.
- The Standard Market of the Tokyo Stock Exchange, where the Target Company is listed, has a listing maintenance standard of 25% or more of tradable shares, and since the Tender Offeror, the DIC and RCC, together own 73.02% (Ownership Ratio), The Target Company's tradable share ratio is not high enough, and there is a risk that the Target Company will have difficulty maintaining its listing in the future. Therefore, it is also in the interest of the Target Company's minority shareholders to provide them with an opportunity to sell their shares by taking the Target Company private through the series of procedures including the Tender Offer.

## B. Views of the Target Company



According to the explanation from the Target Company, it believes that the purpose of the Transaction is as follows.

- The following synergies can be realized through the Transaction:
  - (i) The Target Company believes that further support from the SBIHD Group is possible in the retail and corporate sectors in the Target Company Group. However, according to the SBIHD Group, it has a limitation to the provision of the SBIHD Group's support for the Target Company Group because the Target Company is no more than one of the consolidated subsidiaries of the SBIHD Group and shareholders of the Target Company other than the Tender Offeror will receive a portion of the profits from the enhancement of the corporate value of the Target Company Group. Therefore, as a result of the Transaction, the Target Company Group will receive further support from the SBIHD Group as the Tender Offeror acquires more shares and further strengthens its business by mutual complement in functions and customer base.
  - (ii) The Target Company has used its original management functions as an independent listed company. However, the delisting of the Target Company through the Transaction will help eliminate double consumption of management resources and sophisticate business management by, for example, integration of the overlapping management functions in the Target Company Group and the SBIHD Group.
  - (iii) In addition, under the current capital relationship, the optimization of the business portfolios of the SBIHD Group and the Target Company Group required very careful judgment and was hampered in speed from the perspective of respecting the interests of the minority shareholders of the Target Company. The Target Company believes that the Transaction will remove the restriction of respecting the interests of its minority shareholders, enable more rapid optimization of the business portfolios, as well as optimal and rapid allocation of management resources across Both Groups.
  - (iv) The delisting of the Target Company through the Transaction will help reduce various costs required for maintaining the listing including audit fees, costs relating to the operation of shareholders' meetings, and costs relating to the delegation of administrative affairs to the shareholder register administrator.
- Therefore, since the Special Committee believes that the delisting of the Target Company will enable more rapid and flexible decision-makings, further integration with the SBIHD Group, building and execution of medium to long-term management strategies, as well as realization of the synergies and benefits of (i) through (iii) above, the Transaction will contribute to the improvement of the corporate value of the Target Company.

### C. Review by the Special Committee

There is no particular unreasonable point in the contents described in A and B above as explained by the SBIHD Parties and the Target Company, and the purpose of the Transaction can be found to be valid and reasonable.

Especially, as explained by SBIHD, although the significance of the Target Company is difficult for the minority shareholders of the Target Company to grasp in the short term, it is recognized that it will contribute to the sustainable enhancement of the corporate value of Both Groups by implementing flexibly and promptly, without being bound by conventional ideas, measures that will contribute to the sustainable enhancement of corporate value and medium to long-term growth of Both Groups, and by further strengthening the collaboration between the Target Company Group and the SBIHD Group by promptly implementing transactions between Both Groups without giving special consideration to the perspective of the interests of the minority shareholders of the Target Company.

Based on the above, the Special Committee believes that the Transaction will not only enhance the corporate value of the SBIHD Group but will also contribute to the sustainable enhancement of the corporate value of the Target Company over the medium to long-term.

#### (2) Validity and Reasonableness of the Transaction as Means to Achieve the Purpose

In light of the following points, it can be found to be valid and reasonable to implement the Transaction as a means to realize the purpose described in (1) above.

Under the Transaction, a tender offer will be made for the purpose of delisting the Target Company, and if the Tender Offeror fails to acquire all of the Target Company Shares by the Tender Offer, it is assumed that the Tender Offeror will acquire all of the Target Company Shares by conducting a squeeze out through a consolidation of share after the completion of the Tender Offer

The method of conducting a tender offer in the first step and a squeeze out by way of a consolidation of share in the second step is the method generally adopted in transactions for going private, such as the Transaction, and thus nothing particularly unreasonable can be found in the method of implementing the Transaction itself

In addition, with regard to the measures to be implemented after the Transaction, which were explained by the SBIHD Parties, it may be implemented under the current capital structure as the Target Company is already a subsidiary of the Tender Offeror. However, as explained by the SBIHD Parties, in relation to the Target Company's policy decisions under the current capital structure, among the measures that will contribute to the enhancement of the corporate value of the Target Company and the medium to long term growth of Both Groups, it will be difficult in the short term to

promptly implement measures whose significance is difficult for minority shareholders of the Target Company to grasp, and there are constraints on the implementation of transactions between the Target Company Group and the SBIHD Group that require screening and monitoring by the Parent Company Transaction Screening Committee, and thus the delisting of the Target Company is expected to lead to faster and more active implementation of these measures. Therefore, it cannot be said that all of the measures to be implemented after the Transaction explained by the SBIHD Parties can be implemented under the current capital structure, and in the sense of accelerating the implementation of these measures, it is found to be reasonable to choose the Transaction as means to achieve the above purposes. Further, as explained by the Target Company, the Target Company can expect further synergies and benefits from delisting of the Target Company, and from this point, it is found to be reasonable to choose the Transaction as means to achieve the above purposes.

Furthermore, in light of the possibility that the Target Company may have difficulty in maintaining its listing in the future, the implementation of the Transaction is considered reasonable and appropriate because it will enable the Target Company to avoid the risk associated with unexpected delisting, and by conducting the Transaction after taking measures to ensure fairness, it will provide minority shareholders with an opportunity to sell the Target Company Shares they hold at a fair price.

Based on the above, it can be found to be valid and reasonable to implement the Transactions as means to achieve the above purpose.

## ② Concerning Consulted Matters (B)

### (1) Fairness of the Tender Offer Price

#### A. Calculation of prices by independent financial advisors

The Target Company has received the stock valuation report about the Target Company Shares from Mitsubishi UFJ Morgan Stanley Securities, a financial advisor and third-party calculation agent independent of the SBIHD Group including the Target Company. The Special Committee has received detailed explanations from Mitsubishi UFJ Morgan Stanley Securities on the calculation method for its calculation of the value of the Target Company Shares, the reason for the adoption of such method, the details of the calculation made by using each calculation method and material assumptions, and has held question-and-answer sessions for Mitsubishi UFJ Morgan Stanley Securities and the Target Company regarding detailed values or assumptions on which the calculation is based, the reasonableness of the calculation method, etc. In addition, as described below, Frontier Management, which was appointed by the Special Committee as a financial advisor and third-party calculation

agent independent of SBIHD and the Target Company, explained to the Special Committee that it considered the selection of the calculation method and the basis of the calculation, etc. of Mitsubishi UFJ Morgan Stanley Securities to be reasonable without particular unreasonable points.

As a result of consideration based on such explanation, the Special Committee did not find any unreasonable points in Mitsubishi UFJ Morgan Stanley Securities' stock valuation report in light of general valuation practices.

According to the stock valuation report obtained by the Target Company from Mitsubishi UFJ Morgan Stanley Securities, the per share value of the Target Company Shares has been calculated to range from 2,334 yen to 2,486 yen under the market price analysis, 1,764 yen to 3,005 yen under the comparable company analysis, and 2,479 yen to 3,393 yen under the DDM Method. The Tender Offer Price is above the upper limit of the per share value range under the market price basis method and within the range of the per share value under the comparable company analysis and the DDM Method.

In addition, in considering Consulted Matters (B), in order to ensure the fairness of the conditions of the Transaction including the Tender Offer Price, the Special Committee appointed Frontier Management as its independent financial advisor and third-party calculation agent, and obtained the stock valuation report for the Target Company Shares as of May 11, 2023

The Special Committee has received detailed explanations from Frontier Management regarding the calculation method used in the stock valuation and its selection method, the reason for the adoption of such method, the details of the calculation made by using each calculation method and material assumptions, has held question-and-answer sessions for Frontier Management regarding the positioning of several calculation methods, the details of the figures and assumptions on which the calculation is based, and the treatment of the Target Company, etc., and has confirmed that the content of its stock valuation is reasonable.

According to the stock valuation report obtained by the Special Committee from Frontier Management, the per share value of the Target Company Shares has been calculated to range from 2,334 yen to 2,486 yen under the average market price method, 1,865 yen to 3,359 yen under the comparable company analysis, and 2,439 yen to 3,331 yen under the DDM Method. The Tender Offer Price is above the upper limit of the per share value range under the market price basis method, above the median of the range of the per share value under the comparable company analysis, and near the median of the per share value range based on the DDM Method.

From the viewpoint of reflecting the Target Company's intrinsic value in the evaluation, emphasis should be placed on the DDM Method among the above

calculation methods, and the Tender Offer Price is positioned near the median in the calculation results of the value of the Target Company Shares under the DDM Method in the stock valuation reports obtained from Mitsubishi UFJ Morgan Stanley Securities and Frontier Management.

#### B. Premiums over market share prices

The Tender Offer Price (2,800 yen) is the price at which a premium of 12.63% is added to the closing price of 2,486 yen of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on May 11, 2023, which is the business day immediately preceding the announcement date of the intention to conduct the Tender Offer; the price at which a premium of 14.66% is added to the simple average closing price of 2,442 yen for the past one month; the price at which a premium of 16.81% is added to the simple average closing price of 2,397 yen for the past three months; and the price at which a premium of 19.97% is added to the simple average closing price of 2,334 yen for the past six months. Since the Transaction is a transaction in which a listed subsidiary is made a wholly-owned subsidiary by a parent company, in light of the level of premiums over the closing price on the business day immediately preceding the announcement date, and the simple average closing price for the past one month, three months and six months, respectively (over the closing price on the business day immediately preceding the announcement date: 41.76%; over the past one month: 43.47%; over the past three months: 43.13%; over the past six months: 41.37%) in 53 successful cases of tender offers by parent companies for the purpose of delisting their listed subsidiaries' shares, which were announced after June 28, 2019, when the Fair M&A Guidelines were announced, excluding cases in which the tender offer price was discounted from the closing price on the business day prior to the announcement date, such premiums over the Tender Offer Price are lower than that of the above-mentioned tender offer in comparison with premiums over the closing price on the business day immediately preceding the announcement date and the simple average closing price for the past one month.

On the other hand, on September 29, 2022 as the record date, which is the business day immediately preceding September 30, 2022 when some news media reported that the Tender Offeror was found to have applied to the Financial Services Agency for the authorization for a bank holding company, the price has a premium of 44.33% over the closing price of the Target Company Shares of 1,940 yen on Standard Market of the Tokyo Stock Exchange on the record date, a premium of 44.63% over the simple average closing price of 1,936 yen for the one month prior to the record date, a premium of 42.42% over the simple average closing price of 1,966 yen for the three months prior to the same date, and a premium of 36.79% over the simple average closing price of 2,047 yen for the six months prior to the same date. After the above-mentioned report on September 30, 2022, there is room to evaluate that the market's

expectation for the Target Company to go private, similar to the Transaction, is factored into the share price, and the Special Committee does not believe it is generally inappropriate to consider a premium from this point. The premiums in this case are considered to be comparable and reasonable in light of the level of premiums in other cases of tender offers by parent companies for the purpose of delisting their listed subsidiaries' shares.

### C. Fairness of the procedure for the negotiation process

SBIHD initially proposed a price of 2,600 yen per share. Close negotiations were conducted five times and finally the tender offer price of 2,800 yen per share was agreed upon with a reasonable amount added (7.69%).

The details of the negotiations are as follows.

- The Special Committee requested that the price proposed by the Tender Offeror (2,600 yen per share) be re-proposed, stating that it must be said that the price was insufficient in light of the Target Company's intrinsic value.
- The Tender Offeror again proposed 2,600 yen per share.
- The Special Committee requested the price increase, stating that the price above 3,400 yen per share, which is close to the upper limit of the DDM Method, can be fully justified.
- The Tender Offeror proposed 2,700 yen per share.
- The Special Committee through the Target Company, made a management presentation to the Tender Offeror regarding the details of the Target Company's business plan, The Target Company's steady-state earning capacity after the plan period in such business plan, and upward revisions to the Target Company's results for the fiscal year ending March 31, 2023, and requested that the Tender Offeror reconsider the price.
- The Tender Offeror proposed 2,800 yen per share.
- The Special Committee requested that the price be raised to at least 3,000 yen per share, based on discussions with the SBIHD Parties. It also requested for an appropriate minimum number of shares to be purchased to be set if the price should be less than 3,000 yen.
- The SBIHD Parties again proposed 2,800 yen per share. However, the request to set a minimum number of shares to be purchased was refused because the minority shareholders would benefit from the delisting of the Target Company through the Transaction as they would be granted an opportunity to sell their shares at a fair price, and to set a minimum number of shares to be purchased would destabilize the completion of the Tender Offer.
- The Special Committee again requested for the minimum number of shares to be purchased to be set.
- The SBIHD Parties again refused to set a minimum number of shares to be

purchased for the above reasons.

As described above, the Target Company repeatedly sought to increase the tender offer price and to set a minimum number of shares to be purchased and engaged in sincere negotiations with the aim of making the Tender Offer on the most favorable trading terms to minority shareholders of the Target Company.

#### D. Obtaining fairness opinions from independent financial advisors

The Target Company obtained a fairness opinion from Mitsubishi UFJ Morgan Stanley Securities. The Special Committee received such fairness opinion on May 11, 2023.

In addition, the Special Committee obtained a fairness opinion from Frontier Management on May 11, 2023.

The Special Committee, as a result of considering both of the above fairness opinions, has determined that the procedures of the issuance and the contents of both fairness opinions were not unreasonable and were credible. Both of the fairness opinions stated that the Tender Offer Price was fair to the minority shareholders of the Target Company from a financial point of view.

#### E. Price analysis based on opinions in the stock valuation reports and fairness opinions

The stock valuation reports obtained by the Special Committee from Mitsubishi UFJ Morgan Stanley Securities and Frontier Management do not find any unreasonable points in terms of the calculation method, the valuation process and the progress of calculation, etc. The Tender Offer Price is above the range of the calculation results based on the market share price method and is within the range of the calculation results based on the comparable company method and the DDM Method. Mitsubishi UFJ Morgan Stanley Securities and Frontier Management have also submitted fairness opinions expressing an opinion that the Tender Offer Price is reasonable and fair to the minority shareholders from a financial point of view. Furthermore, the Tender Offer Price exceeds the highest price of the Target Company's share price over the past 7 years.

The Tender Offer Price is located near the medium of the range of the calculation results based on the DDM Method. While the premium level of the Tender Offer Price is not sufficient compared to other companies' cases based on the market share price on the business day before the announcement of the Tender Offer, it cannot be considered to be unreasonable low and cannot be considered to be below a fair price even in light of other objective circumstances, taking into account that it is comparable to the level of premium in similar cases on September 29, 2022 as the record date, which is the business day immediately preceding September 30, 2022 when some news

media reported that the Tender Offeror was found to have applied to the Financial Services Agency for the authorization for a bank holding company.

#### F. Measures to Ensure Opportunities for Other Purchasers to Make Competing Purchases

In the Tender Offer, opportunities to make competing purchases from parties other than the SBIHD Parties are secured, and the fact that such measures are taken is recognized as one of the factors underlying the fact that the appropriateness of the Tender Offer Price is ensured.

Based on the above, the Special Committee determined, after careful discussion and consideration, that the Tender Offer Price is fair.

### (2) Analysis and review in terms of the principle of shareholder equality with the DIC and RCC

#### A. Contents of the Four-Party Agreement

The outline of the material provisions on the handling of the public funds in the Four-Party Agreement is as follows:

- The DIC, RCC, SBIHD and the Target Company confirm that the amount of public funds the DIC and RCC need to collect is 349,374,894,942 yen.
- SBIHD and the Target Company endeavor to repay the Required Collection Amount as soon as possible to the extent it does not harm the financial soundness, operational necessity and growth of the Target Company by way of dividends, etc. from capital surplus in compliance with the Companies Act and other laws and regulations.
- After the Squeeze-out following the completion of the Tender Offer becoming effective, the Target Company and the SBIHD Parties shall propose the specific scheme on the repayment of the Required Collection Amount (including a planned schedule for the repayment) to the DIC and RCC by March 31, 2025, then, the DIC, RCC, SBIHD and the Target Company shall agree on the specific repayment scheme for the Required Collection Amount (including a term required for the collection of the Required Collection Amount (the “Repayment Term” )) by June 30, 2025.
- The repayment scheme for the Required Collection Amount and the repayment of the Required Collection Amount based thereon must consider the early repayment of the Required Collection Amount, the compliance with the laws and regulations including the principle of shareholder equality, the financial soundness, operational necessity and growth of the Target Company, and rights of each of the Target Company’s shareholder.
- During the effective term of the Four-Party Agreement, the Target Company may



request that the Target Company acquire or transfer to a third party designated by the Target Company all of the Target Company Shares held by the DIC and RCC from time to time, with the amount deducting the total repayment amount for the DIC and RCC from the Required Collection Amount being the total amount of consideration.

## B. Analysis and review in terms of the principle of shareholder equality

### (i) Outline of review

As mentioned in ①(1), one of the purposes of the Transaction is to set out a course for the repayment of the public funds, and according to the Four-Party Agreement, which has been executed for such purpose, it is expected to deliver total 349,374,894,942 yen, which is the Required Collection Amount, as the dividends, etc. from other surplus to, among the Target Company's shareholders, the DIC and RCC over a reasonable period. Therefore, since it is agreed in the Four-Party Agreement as of the commencement of the Tender Offer to make dividends, etc. from other surplus to the DIC and RCC, which are the common shareholders of the Target Company, until the amount of such dividends, etc. becomes equal to the Required Collection Amount, on the premise of such treatment, the Special Committee also conducted a review on whether the Tender Offer Price is fair in terms of the principle of shareholder equality (Article 109, Paragraph 1 of the Companies Act), a principle which requires to treat shareholders equally in accordance with their status.

### (ii) Explanation from the SBIHD Parties

As mentioned above, the term until the DIC and RCC receive the Required Collection Amount and the specific methods, etc. of its repayment (the "Definitive Repayment Scheme") shall be proposed by SBIHD and the Target Company by March 31, 2025, and agreed on by June 30, 2025, therefore it is not confirmed yet as of this moment. Thus, the SBIHD Parties gave an explanation that they were unable to predict the Repayment Term of the Required Collection Amount under the Definitive Repayment Scheme as of this moment.

On the other hand, the Special Committee discussed with the SBIHD Parties about the Repayment Term of the Required Collection Amount and the ideas on the principle of shareholder equality, since the Repayment Term of the Required Collection Amount is important information to conduct review in terms of the shareholder equality with minority shareholders. According to the SBIHD Parties, the Repayment Term of the Required Collection Amount under the Definitive Repayment Scheme is expected to be proposed by March 31, 2025, and agreed on by the DIC and RCC by June 30, 2025, although the SBIHD Parties are unable to provide the specifics of this scheme as of this moment. However, the SBIHD Parties

explained that their current idea on the repayment of the Required Collection Amount is to repay to the DIC and RCC (i) in light of the profit level of the Target Company from time to time, (ii) based on the past dividends amount and share buyback, the dividend payout ratio of general financial institutions, and uncertainty of business environment including global financial environment and business trend, and within the dividend payout ratio which can secure the Target Company's financial soundness and are sustainable in the long term, and (iii) by making dividends, etc. to the Tender Offeror, the DIC and RCC in accordance with their shareholding ratio.

(iii) Review by the Special Committee

The SBIHD Parties' explanation on their idea on the repayment of the Required Collection Amount as of this moment is not concrete and the present value of the Required Collection Amount cannot be calculated; however, there is nothing particularly unreasonable about their explanation. Also, as mentioned above, in light of the fact that the Four- Party Agreement also provides that the repayment scheme for the Required Collection Amount and the repayment of the Required Collection Amount based thereon must consider the early repayment of the Required Collection Amount, the compliance with the laws and regulations including the principle of shareholder equality, the financial soundness, operational necessity and growth of the Target Company, and rights of each of the Target Company's shareholder, the SBIHD Parties' explanation above is not found to be unreasonable, and it is interpreted that the DIC and RCC also are not rejecting the idea of such repayment method.

Thus, the Special Committee, based on the idea above, discussed with the Target Company, and Mitsubishi UFJ Morgan Stanley Securities (which is a financial advisor of the Target Company) and Frontier Management (which is a financial advisor of the Special Committee), and confirmed that it would take a reasonable period to repay the Required Collection Amount with the presumption of (i), (ii) and (iii) above. However, as stated above, because the Definitive Repayment Scheme is undecided, and the anticipated Repayment Term of the Required Collection Amount based on the Definitive Repayment Scheme is therefore still uncertain, it is not possible to compare the quantitative value as of present, and it is thus difficult to decide whether the Tender Offer Price is fair from the perspective of principle of shareholder equality, but it could neither be immediately decided that the Tender Offer Price is unfair from the above.

(3) Concerning the fact that the minimum number of shares to be purchased is not set

As stated above, in light of the situation that it is difficult to decide whether the Tender Offer Price is fair from the perspective of shareholder equality, the Special

Committee believes that it is desirable to provide a mechanism for the Tender Offer to establish on condition that a certain number of minority shareholders support the Tender Offer. Therefore, the Special Committee requested the Tender Offeror to set a minimum number of shares to be purchased.

Towards the above request, the Tender Offeror responded that it believes that setting the minimum number of shares to be purchased in the Tender Offer would destabilize the completion of the Tender Offer and would likely not be beneficial to minority shareholders who wish to tender in the Tender Offer. Also, the Tender Offeror believes that delisting of the Target Company through the Tender Offer would not only contribute to the sustainable enhancement of the corporate value of Both Groups but would also benefit minority shareholders of the Target Company. Therefore, the Tender Offeror has not set the minimum number of shares to be purchased in the Tender Offer.

To set a minimum number of shares to be purchased would mean that the completion of the Tender Offer is conditional that there are certain number of minority shareholders who support the Tender Offer, and in the Tender Offer in which it is difficult to decide whether the Tender Offer Price is fair from the perspective of principle of shareholder equality, while it is considered desirable to set this, it cannot be immediately said that the terms of the Transaction are unfair merely because the minimum number of shares to be purchased is not set.

### ③ Concerning Consulted Matters (C)

In this Transaction, (1) the Target Company established an independent special committee and this special committee is found to be effectively functioning, (2) the Target Company and the Special Committee are found to have obtained advice from independent law firms, (3) the Target Company and the Special Committee are found to have obtained stock valuation reports and fairness opinions from financial advisors and third-party calculation agents who are professionals and independent, (4) the Target Company is found to have established a system to review, negotiate, and decide on the Transaction independently from the SBIHD Group, and (5) measures have been found to have been assumed to provide the Target Company's shareholders with an opportunity to make appropriate judgment, and it could therefore be said that fair procedures are assumed. Furthermore, in the process of such fair procedures, the Special Committee received from Anderson Mori & Tomotsune explanations on the contents of the drafts of the press release concerning the Tender Offer scheduled to be released or submitted by the Target Company, and, therefore, sufficient consideration and explanation were given to the interests of the Target Company's shareholders.

The details of above (1) to (5) are as follows.

(1) Establishment of an independent special committee by the Target Company

A. Background of establishment, etc. of the special committee

The Target Company established the Special Committee by a resolution adopted at the meeting of its board of directors dated March 9, 2023.

Confirming that the candidate members of the Special Committee are independent from the SBIHD Parties, the DIC and RCC, and do not have material interests regarding the success or failure of the Transactions that are different from those of minority shareholders prior to such resolution, in order to form the Special Committee with an appropriate size while ensuring the balance of knowledge, experience and capacity of the Special Committee as a whole, the Target Company appointed four members including Mr. Yasuhiro Hayasaki (outside directors of the Target Company), Mr. Masahiro Terada (outside directors of the Target Company), Ms. Ikuko Akamatsu (outside auditors of the Target Company) and Ms. Miyako Suda (an outside expert committee member; belonging to The Canon Institute for Global Studies) as candidate members of the Special Committee through consultations with the independent outside directors and the independent outside auditors of the Target Company.

Although Ms. Miyako Suda is not an officer of the Target Company, she was appointed as a member of the Policy Board of the Bank of Japan and a university professor, and she has deep insights in economics and finance. Therefore, the Target Company had an interview with her and appointed her because it believed that she was appropriate as a member of the Special Committee. The members of the Special Committee have not changed since the establishment thereof.

In establishing the Special Committee, the Target Company's board of directors regarded the Special Committee as a panel independent of the Target Company's board of directors, and resolved that (a) the Special Committee may delegate to a third party the stock valuation of the Target Company, the provision of valuation reports, fairness opinion and other advice on the Transaction, and other matters that the Special Committee deems necessary in considering the Consulted Matters, and in such case, the Target Company shall bear reasonable expenses for such delegation, (b) the Target Company's board of directors shall make decisions on the Transaction with the utmost respect to the decision of the Special Committee, and if the Special Committee determines that the conditions for the Transaction are not appropriate, the Target Company's board of directors shall not support the Transaction on such conditions, (c) the Special Committee is authorized to carry out certain acts, if it determines necessary, in relation to disclosures of the Tender Offer Price or other conditions for the Tender Offer, or the purpose and process of the Transactions (i.e. (A) the Special Committee's authority to direct the officers and employees/departments (excluding Hirofumi Gomi, Director, Katsuya Kawashima, Director and Katsumi Hatao, Director, who have held

positions as officers and employees of the companies of the SBIHD Group in the past; hereinafter the same.) to carry out necessary investigations, (B) the Special Committee's authority to direct the officers and employees/departments to negotiate or make an arrangement with SBIHD Parties, the Financial Services Agency, the DIC and RCC, and (C) the Special Committee's authority to negotiate/make an arrangement with the SBIHD Parties, the Financial Services Agency, the DIC and RCC by itself).

All members of the Special Committee, regardless of how the contents of the report, will be paid a remuneration calculated based on the number of Special Committee meetings.

#### B. Background of considerations by the special committee

The meetings of the Special Committee were held a total of 24 times for a total of approximately 44 hours from March 15, 2023 to May 11, 2023. Additionally, the members performed their duties related to the Consulted Matters by communicating with each other to, among other things, report, share information, deliberate, and make decisions.

The Special Committee has been considering the measures to be taken to ensure the fairness of the procedures in the Transaction, based on the opinions heard from Momoto, Matsuo & Namba, the independent legal advisor to the Special Committee, as indicated in below (2) B. Also, the Special Committee has received explanations from the Target Company on the details, material conditions precedent and background of preparation regarding the Business Plan prepared by the Target Company, and has confirmed and approved the reasonableness of these matters.

Moreover, the Special Committee has received explanations from the Target Company on the purpose and significance of the Transactions and impact on The Target Company's business, etc., and has held question-and-answer sessions regarding these points. The Special Committee has submitted questions to the Tender Offeror, and has held question-and-answer sessions for the Tender Offeror regarding the purpose and background of the Transaction, and management policies after the Transaction in an interview form, and obtained responses thereto.

Moreover, each of Mitsubishi UFJ Morgan Stanley Securities, a financial advisor and third-party calculation agent of the Target Company, and Frontier Management, a financial advisor and third-party calculation agent of the Special Committee, calculated the value of the Target Company Shares based on the Business Plan. The Special Committee received explanations from Mitsubishi UFJ Morgan Stanley Securities on the calculation method for their calculation of the value of the Target Company Shares, the reason for the adoption of such method, the details of the calculation made by using each calculation method and material assumptions upon the request of the Target Company. The special Committee also received explanations from

Frontier Management on the calculation method for their calculation of the value of the Shares, the reason for the adoption of such method, the details of the calculation made by using each calculation method and material assumptions. The Special Committee has held question-and-answer sessions towards Mitsubishi UFJ Morgan Stanley Securities and Frontier Management, made deliberations and considerations and confirmed the reasonableness of these matters.

In addition, the Special Committee received a report on negotiations between the Target Company and the Tender Offeror from the Target Company and Mitsubishi UFJ Morgan Stanley Securities, a financial advisor and third-party calculation agent of the Target Company from time to time, made deliberations and considerations on the Target Company's negotiation policies based on advice from Frontier Management, and expressed necessary opinions when appropriate.

Specifically, the Special Committee implemented a review based on analysis of and opinions on the handling policies and policies for negotiations with the Tender Offeror that the Target Company heard from Mitsubishi UFJ Morgan Stanley Securities and advice from Frontier Management from financial perspective upon receiving proposals regarding the Tender Offer Price from the Tender Offeror. The Special Committee was involved in the entire process of consultation and negotiation between the Target Company and the Tender Offeror regarding conditions for the Transaction including the Tender Offer Price, such as expressing its opinions to the Target Company that it had no objection against the Target Company's intention to request that the Tender Offeror reconsider the Tender Offer Price and on the matters to be consulted with the Tender Offeror in order to achieve the significance/purpose of the Transaction for the Target Company. Consequently, on May 11, 2023, the Target Company received a proposal from the Tender Offeror setting the Tender Offer Price at 2,800 yen per share, which resulted in the rise by 7.69% (rounded to the second decimal place) from the initial proposed price through five proposals in total.

Based on the contents of above A and B, it is found that the Target Company established an independent special committee and that this special committee is effectively functioning.

(2) Concerning acquisition of advice from an independent law firm by the Target Company and the Special Committee

A. Acquisition of advice from independent law firm by the Target Company

The Target Company has appointed Anderson Mori & Tomotsune as its legal advisor independent from the SBIHD Parties, the Target Company, the DIC and RCC, and received legal advice from Anderson Mori & Tomotsune, including advice with respect to the measures to be taken to ensure the fairness of procedures taken in the

Transaction, various steps to be taken for the Transaction, and the method for decision-making by the Target Company for the Transaction and the process, etc. thereof.

Anderson Mori & Tomotsune is not a related party of the SBIHD Parties, the DIC, RCC and the Target Company, and does not have material interests regarding the Transactions including the Tender Offer.

It is therefore found that the Target Company is acquiring advice from an independent law firm.

#### B. Acquisition of advice from independent law firm by the Special Committee

The Target Company has appointed Momo-o, Matsuo & Namba as the Special Committee's legal advisor independent from the SBIHD Parties, The Target Company, the DIC and RCC, and received legal advice from Momo-o, Matsuo & Namba, including advice with respect to the measures to be taken to ensure the fairness of procedures taken in the Transaction, various steps to be taken for the Transaction, and the method for decision-making by the Target Company for the Transaction and the process, etc. thereof.

Momo-o, Matsuo & Namba is not a related party of the SBIHD Parties, the DIC, RCC and the Target Company, and does not have material interests regarding the Transactions including the Tender Offer.

It is therefore found that the Special Committee is acquiring advice from an independent law firm.

### (3) Concerning acquisition of stock valuation report and fairness opinion by the Target Company and the Special Committee from an independent financial advisor and third-party calculation agent

#### A. Acquisition of stock valuation report and fairness opinion by the Target Company from an independent financial advisor and third-party calculation agent

The Target Company appointed Mitsubishi UFJ Morgan Stanley Securities as its financial advisor and third-party calculation agent independent from the SBIHD Parties, the Target Company, the DIC and RCC, and received from Mitsubishi UFJ Morgan Stanley Securities advice and assistance from a financial standpoint including advice on the calculation of value of the Target Company Shares and negotiation policy with the Tender Offeror, and obtained the stock valuation report and the fairness opinion as of May 11, 2023.

Mitsubishi UFJ Morgan Stanley Securities is not a related party of the SBIHD Parties, the DIC, RCC and the Target Company, and does not have material interests regarding the Transactions including the Tender Offer.

It is therefore found that the Target Company has acquired stock valuation report and fairness opinion from a professional and independent financial advisor and third party calculation agent.

B. Stock valuation report and fairness opinion obtained by the Special Committee from independent third-party calculation agent

The Special Committee has appointed Frontier Management as a third-party calculation agent independent of SBIHD Parties, the Target Company, the DIC and RCC. Frontier Management has calculated the value of the Shares, and the Special Committee has received advice and assistance from Frontier Management from a financial point of view, including advice on the negotiation policy with the Tender Offeror, and it has obtained the stock valuation report and fairness opinion dated May 11, 2023.

Frontier Management is not a related party of SBIHD Parties, the DIC, RCC and the Target Company, and it does not have any material interest in the Transaction, including the Tender Offer.

It is therefore found that the Special Committee has acquired stock valuation report and fairness opinion from a professional and independent financial advisor and third-party calculation agent.

(4) Establishment of an independent review and negotiation system by the Target Company

After the Target Company received the initial proposal on the Transaction on February 8, 2023, it has established a project team to deal with the consideration of the Transaction (including the preparation of the Business Plan that serves as the basis for calculating the value of the Target Company Shares) and discussions and negotiations with the Tender Offeror. The project team consists of six members, who are officers and employees of the Target Company, who shall not be concurrently serving, or have ever been in a position of, officers or employees of any of the companies of the SBIHD Group, and such practice continues. One of the members of the project team (an executive officer of the Target Company) was concurrently serving as an outside director of companies belonging to the SBIHD Group (without any remuneration for any such companies) from August 31, 2020 to April 3, 2023 along with the joint establishment of Regional Revitalization Partners Co., Ltd. with other companies agree with the purpose of the regional development initiatives advocated by the SBIHD and share a common desire to realize regional development. However, given that the executive officer has been working for the Target Company for more than 20 years and that he is responsible for the management and planning of the Target Company as Executive Officer, General Manager of Group Strategy Planning Division, in charge of Group Corporate Planning, it is essential for him to be involved in the consideration of the Transactions (including preparation of business plan which will be the basis for calculating the stock value of the Target Company) and the discussion and negotiation with the Tender Offeror. In addition, the project team does not have



exclusive decision-making authority and a system is in place to proceed with negotiations by obtaining approval from the Special Committee, the Special Committee does not consider that having the executive officer as a member of the project team will create hindrance in establishing a system for the Target Company to independently review and negotiate. On the other hand, the Four-Party Agreement include material matters concerning the Target Company's management after the implementation of the Transaction, including the repayment of public funds, and thus, Hirofumi Gomi, Director, Katsuya Kawashima, Director and Katsumi Hatao, Director who have held positions as officers and employees of the companies of the SBIHD Group in the past, are also involved in the review. However, the Special Committee does not consider that having Hirofumi Gomi, Director, Katsuya Kawashima, Director and Katsumi Hatao, Director as members of the project team will create hindrance in establishing a system for the Target Company to independently review and negotiate.

Based on the above, it is found that the Target Company has established a system to review, negotiate, and decide independently from the SBIHD Group.

(5) Measures to ensure that the Target Company's shareholders have the opportunity to make an appropriate decision as to whether or not to tender their shares in the Tender Offer

The Special Committee received from Anderson Mori & Tomotsune explanations on the contents of the drafts of the press release concerning the Tender Offer scheduled to be released or submitted by the Target Company multiple times, and confirmed that its contents are in accordance with applicable laws and regulations, it is based on advice from the Financial Services Agency (Kanto Local Finance Bureau) and the Tokyo Stock Exchange, and that sufficient information would be disclosed to minority shareholders.

In addition, the SBIHD Parties have determined that the period for purchases in the Tender Offer will be 30 business days, which is relatively long in light of the minimum period of purchases prescribed by laws and regulations, which is 20 business days. It is therefore considered that the Target Company's shareholders are given an opportunity to make an appropriate decision on whether or not to tender in the Tender Offer.

The SBIHD Parties have also made it clear that (i) they plan to request the Target Company to hold an Extraordinary Shareholders' Meeting at which the proposals will include a consolidation of the shares promptly following the completion of settlement of the Tender Offer, and that they will not adopt a method whereby the right to request a price determination or the right to request the purchase of shares will not be secured for shareholders of the Target Company and (ii) when the consolidation of shares is carried out, the money to be delivered to shareholders of the Target Company as consideration will be calculated so as to be equal to the Tender Offer Price multiplied

by the number of Target Company Shares owned by each such shareholder. By doing so, the SBIHD Parties have taken care to ensure that shareholders of the Target Company have an opportunity to make an appropriate decision as to whether or not to tender their shares in the Tender Offer, and that this will not create coercion.

The DIC and RCC represented that they will vote in favor of a proposal on the Squeeze-out Procedures to be presented to the shareholders meeting after the Tender Offer completes, and because the Tender Offeror, the DIC, and RCC together hold 73.02% of the Target Company Shares, the proposal on the Squeeze-out Procedures will most likely be adopted at the shareholders meeting. In addition, SBIHD also represented that even if the purchaser of fractional shares is decided through consultation with the Target Company, and even if the Target Company should become such purchaser, if it is necessary to quickly recover the level of funds, SBIHD will obtain consent from the authorities and it will respond to the request for funding from the Target Company. From the above, it cannot be said that there are situations that would create difficulties in implementing the Squeeze-out Procedures, and from this perspective, it cannot be said that the shareholders of the Target Company are being coerced to make their decision.

It is therefore found that measures are assumed to ensure that the Target Company's shareholders are given an opportunity to make an appropriate decision on whether or not to tender their shares in the Tender Offer.

④ Concerning Consulted Matter (D)

The Special Committee reviewed whether the Transaction is considered to be not disadvantageous to the minority shareholders, in addition to above (A) to (C), and it found no facts that the Transaction would create disadvantages to minority shareholders excluding the points indicated in above (A) to (C).

⑤ Concerning Consulted Matter (E)

The Four-Party Agreement is an agreement to which the Target Company is required to enter into in connection with or incidental to the Transactions. For the reason set forth below, the Special Committee believes that the Four-Party Agreement is not considered to cause a substantial disadvantage to the legal position of the Target Company and the minority shareholders and therefore it is not inappropriate for the Target Company to enter into the Four-Party Agreement.

(1) Concerning the issue of indebtedness of public funds

Paragraph 1 of the Four-Party Agreement is to confirm that the amount of public funds remaining as of the execution date of the Four-Party Agreement that the DIC and RCC are required to collect from the Target Company (Required Collection Amount) is 349,374,894,942 yen in total. In addition, Paragraph 2 of the Four-Party

Agreement provides that the Target Company and the SBIHD Parties shall endeavor to repay the Required Collection Amount as soon as possible, in compliance with the Companies Act and other laws and regulations, to the extent that it does not harm the financial soundness, business necessity and growth potential of the Target Company.

Even if the Required Collection Amount is confirmed in these provisions and the repayment of such amount is agreed upon, (1) although the term "repayment" of public funds is used in the Four-Party Agreement, the method of such "repayment" may be, according to Paragraph 5 of the Four-Party Agreement, treated as the repayment of public funds by the DIC and RCC in cases of repayment of public funds executed prior to the date of the execution of the Four-Party Agreement and other methods agreed by the DIC and RCC, but it is understood that it is assumed in principle that such repayment shall be made by way of dividend from other capital surplus, which is different from the repayment method for legal or accounting monetary obligations, and (2) based on the absence of any specific provision on the basis of the indebtedness, it can be understood that the Target Company does not owe any legal or accounting monetary obligation to the DIC and RCC for the Required Collection Amount .

Since the approximate amount of the Required Collection Amount has already been publicly available, it is not interpreted that the Target Company will owe legal or accounting monetary obligations as described above, and the Required Collection Amount that the Target Company recognizes is not different from the amount set forth in Paragraph 1 of the Four-Party Agreement, the Special Committee believes that confirming the specific amount of the Required Collection Amount in Paragraph 1 of the Four-Party Agreement will not cause any disadvantage to the Target Company.

(2) Consideration from the perspective of equality between the DIC and RCC and minority shareholders

As mentioned above, Paragraph 2 of the Four-Party Agreement provides for an obligation to make efforts to repay the Required Collection Amount to the DIC and RCC as soon as possible. However, as a precondition for such repayment, there is a restriction that the repayment shall be made in compliance with the Companies Act and other laws and regulations, to the extent that the repayment does not harm the financial soundness, business necessity and growth potential of the Target Company. In addition, Paragraph 3 of the Four-Party Agreement provides that the Definitive Repayment Scheme and the repayment of the Required Collection Amount based thereon shall take into consideration the compliance with laws and regulations, including the principle of shareholder equality, the financial soundness, business necessity and growth potential of the Target Company, as well as the rights of each shareholder of the Target Company.

In light of the above, it would be difficult to interpret that the execution of the Four-

Party Agreement would treat the DIC and RCC significantly advantageously compared to minority shareholders.

(3) Others

There are no other provisions that would be disadvantageous to the Target Company or the minority shareholders with respect to the Four-Party Agreement.

⑥ Concerning Consulted Matter (F)

It is considered that the purpose of the Transaction and the Transaction as the means to achieve the purpose are valid and reasonable, the Transaction contribute to enhancing the corporate value of the Target Company, the terms and conditions of the Transaction, excluding the Tender Offer Price, are fair and appropriate, appropriate disclosure was made to the extent possible as of present, fair procedures were assumed, and consideration and explanation were relatively given to the interests of the Target Company's shareholders with respect to the Transaction, no other matters are found in which the Transaction creates disadvantages to minority shareholders, the Four-Party Agreement to which the Target Company is a party is executed in connection with or incidental to the Transaction, by also taking into account the contents thereof, is not an inappropriate agreement to be executed by the Target Company, and while it is difficult to decide whether the Tender Offer Price is fair from the perspective of shareholder equality, it can be said to be fair from a financial point of view, and in light of the fact that the Transaction could provide minority shareholders with an opportunity to sell their shares at a financially fair price while avoiding the minority shares to be exposed to risks arising from delisting of the Target Company, it is considered appropriate for the board of directors of the Target Company to express its opinion in support to the Tender Offer, and for the same to recommend its shareholders to tender their shares in the Tender Offer.

(vi) Supplementary and dissenting opinions

① Supplementary opinion of Committee member Masahiro Terada

The most difficult issue to be resolved in this case is whether the current value of the Required Collection Amount to be repaid over a "reasonable period of time" to the DIC and RCC in the repayment of public funds that will be made possible by the completion of the Transaction will be substantially equal to the Tender Offer Price. Based on the Tender Offeror's explanation and the advice of Mitsubishi UFJ Morgan Stanley Securities and Frontier Management, it is virtually impossible to calculate the present value of the Required Collection Amount in detail. Therefore, it is difficult to judge whether the Tender Offer Price of 2,800 yen can be justified. In addition, he personally concluded that it is virtually impossible to determine whether the Tender Offer Price is fair in terms of the principle of shareholder equality, given the fact that it is not possible to present sufficient grounds and information to explain to minority shareholders. As described

above, as long as it is not possible to confidently determine that the Tender Offer Price is a fair price from the perspective of the principle of shareholder equality, it is more desirable from the viewpoint of protecting minority shareholders to set a minimum number of shares to be purchased and to implement the Tender Offer by introducing a mechanism that respects the results of the tendering decision of the minority shareholders of the Target Company to a certain extent. However, the final response from the SBIHD Parties was that the minimum number of shares to be purchased could not be set. Therefore, it is natural to conclude that the Tender Offer Price is not recommended, but he has considered the following two points in view of the interests of minority shareholders.

- Repayment of public funds is the Target Company's social responsibility that serves the common interests of the people. It is also an indispensable premise for further enhancing the corporate value of the Target Company and a long-cherished aspiration of the officers and employees of the Target Company. This time, with the understanding and cooperation of the DIC and RCC, we have reached the point where we can realize this in just one step. I am doubtful it will be in the common interest of the people (it is also in the interest of the minority shareholders of the Target Company) to stop this transactions by emphasizing the equality of shareholders, which is impossible to quantitatively determine at this point.
- As described above, the Tender Offer Price of 2,800 yen cannot be confidently judged to be fair from the standpoint of the principle of shareholder equality. However, it cannot be said that the Tender Offer Price does not reach the level at which it can be recommended to minority shareholders to accept the Tender Offer in light of the current share price of the Target Company or the intrinsic value of the Target Company (fairness opinions have been issued by Mitsubishi UFJ Morgan Stanley Securities and Frontier Management). Even if it is not possible to provide sufficient information to demonstrate the equality of shareholders, it would be more conducive to the protection of minority shareholders to provide them with the option to sell at the Tender Offer Price.

As a result of a comprehensive judgment including these two points, I finally conclude that it is not inappropriate to recommend the Target Company's shareholders to tender their shares in the Tender Offer.

② Dissenting opinion of Committee member Miyako Suda

In light of the principle of equality of shareholders between the DIC and RCC and minority shareholders, which is a unique circumstance in this case, if the Tender Offer Price of 2,800 yen is equal to the Required Collection Amount to be received in the future by the two organizations, the repayment period to the two organizations will be quite long, while the Four-Party Agreement provides that repayment will be made as soon as

possible. Therefore, under the Four-Party Agreement, a specific repayment scheme to be agreed by the end of June 2025 must take into consideration the principle of shareholder equality, etc. However, it is impossible to assure that this commitment to the principle of equality will indeed be realized. And whether it is disadvantageous to minority shareholders cannot be determined in light of the materials, etc. In order to recover for this, the Special Committee requested the Tender Offeror to set the minimum number of shares to be purchased, but the Tender Offeror declined the request. Therefore, as for the tender, she must conclude not to recommend to shareholders to tender their shares. The extent of the risk of the Target Company Shares being delisted is uncertain, and even taking the delisting risk into account, she cannot change her view with this Tender Offer Price.

### III. Acquisition of advice from an independent law firm by the Target Company

As stated in “II. The Target Company’s Decision-Making Process Leading to Approving the Tender Offer and Reasons Therefor,” 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,” in “2. Purpose of the Purchase” above, the Target Company appointed Anderson Mori & Tomotsune as the Target Company’s legal advisor independent from the SBIHD Parties, the DIC, RCC, and the Target Company and receives legal advice from Anderson Mori & Tomotsune, including advice concerning matters such as measures to be taken to ensure fairness of the procedures in the Transaction, various procedures of the Transaction, and decision-making method and process of the Target Company concerning the Transaction.

Anderson Mori & Tomotsune is not a related party of the SBIHD Parties, the DIC, RCC, and the Target Company and does not have any material conflicts of interest concerning the Transaction, including the Tender Offer.

### IV. Acquisition of advice from an independent law firm by the Special Committee

As stated in “II. The Target Company’s Decision-Making Process Leading to Approving the Tender Offer and Reasons Therefor,” 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,” in “2. Purpose of the Purchase” above, the Special Committee appointed Momo-o, Matsuo & Namba as the Special Committee’s legal advisor independent from the SBIHD Parties, the DIC, RCC, and the Target Company and receives legal advice from Momo-o, Matsuo & Namba, including advice concerning matters such as measures to be taken to ensure fairness of the procedures in the Transaction, various procedures of the Transaction, and decision-making method and process of the Target Company concerning the Transaction.

Momo-o, Matsuo & Namba is not a related party of the SBIHD Parties, the DIC, RCC, or the Target Company and does not have any material conflicts of interest concerning the

Transaction, including the Tender Offer.

V. Acquisition of a share valuation report and fairness opinion from an independent financial advisor and third-party valuation firm by the Target Company

(i) Name of a valuation firm and relationship with the Target Company and the Tender Offeror

When expressing an opinion regarding the Tender Offer Price, in order to ensure the fairness of decision-making on the Tender Offer Price proposed by the Tender Offeror, the Target Company requested that Mitsubishi UFJ Morgan Stanley Securities, which is the financial advisor and third-party valuation firm independent from the SBIHD Parties, the DIC, RCC, and the Target Company, calculate the equity value of the Target Company Shares, and obtained the Target Company Share Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) and the Target Company Fairness Opinion (Mitsubishi UFJ Morgan Stanley Securities) on May 11, 2023.

Mitsubishi UFJ Morgan Stanley Securities is not a related party of the SBIHD Parties, the DIC, RCC, and the Target Company and has no vital conflicts of interest concerning the Transaction, including the Tender Offer.

The consideration paid to Mitsubishi UFJ Morgan Stanley Securities regarding the Transaction will include a contingent fee, which will be paid subject to, among other conditions, success of the Transaction. Taking into account common practice of similar transactions, the positives and drawbacks of a compensation structure in which even if the Transaction fails to complete, the Target Company will bear the obligation to pay a reasonable amount to Mitsubishi UFJ Morgan Stanley Securities, and other factors, the Target Company determined that the independence of the valuation firm will not be questioned on the ground that such consideration will include a contingent fee, which will be paid subject to success of the Transaction and selected Mitsubishi UFJ Morgan Stanley Securities as the Target Company's financial advisor and third-party valuation firm, adopting the compensation structure above.

(ii) Outline of calculation

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., after considering valuation methods for the Tender Offer, based on its belief that it is appropriate to calculate the equity value of the Target Company from multiple perspectives, has adopted the following methods to value the value of the Target Company Shares: (a) the market price analysis, due to the fact that the Target Company Shares are listed on the Standard Market of the Tokyo Stock Exchange; (b) the comparable company analysis, due to the fact that the existence of multiple listed companies comparable to the Target Company enables analogy of the equity value of the Target Company Shares by comparison with such comparable companies; and (c) the dividend discount model analysis (the dividend discount model, the "DDM," and the dividend discount model analysis, the "DDM

Analysis” ), in order to reflect future business activities in the valuation, which is a method used for analyzing equity value by making assumptions about the amount of capital required for the Target Company to conduct its business in a stable manner in accordance with the risk management policy adopted by the Target Company and by discounting any capital that exceeds that amount as profit attributable to shareholders (the “Theoretical Dividends” ) from the current value of the Target Company Shares at the cost of capital. According to the Target Company Share Valuation Report (Mitsubishi UFJ Morgan Stanley Securities), the ranges of the per-share equity value of the Target Company Shares calculated using each of the above methods are as follows:

Market price analysis:	2,334 yen to 2,486 yen
Comparable company analysis:	1,764 yen to 3,005 yen
DDM Analysis:	2,479 yen to 3,393 yen

Under the market price analysis, using May 11, 2023 as the record date, the range of the per-share value of the Target Company Shares was calculated as being between 2,334 yen and 2,486 yen, on the basis that the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on the record date was 2,486 yen; the simple average of the closing prices in the previous one month from the record date was 2,442 yen; the simple average of the closing prices in the previous three months was 2,397 yen; and the simple average of the closing prices in the previous six months was 2,334 yen.

Under the comparable company analysis, Mitsubishi UFJ Financial Group, Inc., Sumitomo Mitsui Financial Group, Inc., Mizuho Financial Group, Inc., Japan Post Bank Company, Limited, Sumitomo Mitsui Trust Holdings, Inc., Resona Holdings, Inc. and Aozora Bank, Ltd. were selected as comparable listed companies deemed to be comparable with the Target Company. Thereafter, by using the multiple of net income to market capitalization (P/E multiple) and the multiple of net assets to market capitalization (P/BV multiple), the equity value of the Target Company was calculated, and the range of the per-share value of the Target Company Shares was calculated as being between 1,764 yen and 3,005 yen. The P/BV multiple was calculated by performing a regression analysis of the P/BV multiple and ROE of comparable listed companies in order to appropriately reflect the level of capital efficiency of the Target Company.

The DDM Analysis was based on the business plan prepared by the Target Company, assuming various factors, such as revenue forecasts and investment plans in the business plan for 2 fiscal years between the fiscal year ending March, 2024 and the fiscal year ending March, 2025, as well as information publicly available. In addition, the equity value of the Target Company was calculated by (i) setting the amount of capital required for the Target Company to conduct its business in a stable manner in and after the fiscal year ending in March, 2024, in accordance with the risk management policy adopted by



the Target Company and (ii) discounting any capital that exceeds that amount as Theoretical Dividends attributable to shareholders, from the current value of the Target Company Shares, by applying the discount rate (cost of capital) based on the capital asset pricing model (CAPM). A cost of capital of 5.75% to 6.25% was adopted, and in calculating the going concern value, the Exit Multiple method was adopted, and in order to appropriately reflect the level of capital efficiency of the Target Company, a regression analysis of P/BV multiples and ROE of comparable listed companies was performed, and the P/BV multiples were set at 0.48-fold to 0.68-fold. As a result, the range of the per-share value of the Target Company Shares was calculated as being between 2,479 yen and 3,393 yen.

The consolidated financial forecasts based on the Target Company Business Plan, on which Mitsubishi UFJ Morgan Stanley Securities bases its DDM Analysis (the “Financial Forecasts” ), are as follows. As indicated in “(ii) Review process” in “II. Establishment of an independent special committee on the part of the Target Company” above, the Target Company explained to the Special Committee the details, important preconditions, background of the preparation, and the like of the Target Company Business Plan, and the Special Committee confirmed and approved the reasonableness of those matters. In addition, in the Target Company Business Plan, the Target Company expects significant increases in its net profit attributable to the parent company shareholders for the fiscal year ending in March 2025. According to the “Medium-Term Vision of the SBI Shinsei Bank Group (FY2022-FY2024)” published on May 13, 2022, as part of its mid-term projections in its medium-term management plan, the Target Company aims to achieve a consolidated net profit of 70 billion yen and to establish a basis for further growth. In order to achieve these mid-term projections, the Target Company strives to ensure a customer-centric approach, to seek opportunities to create value together in and outside the group, and to expand its customer base by increasing the Target Company Group’s strengths and offering a full range of services, and, by utilizing the above to improve the quality of its products and services, it aims to establish a basis for growth. Specifically, by reinforcing small-scale finance, business for institutional investors, and overseas business, and improving the risk management of its investments and loans, and with approximately 15 billion yen from synergy effects between the SBIHD Group and the Target Company based on the Target Company’s capital relationship after the Tender Offeror becomes the Target Company’s controlling shareholder (the parent company), the Target Company expects its net profit attributable to the parent company shareholders to increase by 55.6%, year-on-year, in the fiscal year ending March 2025. Furthermore, the Target Company Business Plan does not include fiscal years in which significant decreases are expected. In addition, it is difficult to estimate, as of now, specific synergy effects that are expected to be realized additionally by taking the Target Company private following the implementation of the Transaction; thus, such synergy effects have not been considered in the above calculation.

(Unit: 100 million yen)

	FY ending in March 2024	FY ending in March 2025
Gross operating profit	2,583	2,801
Adjusted net business profit	932	1,138
Net profit attributable to the parent company shareholders	450	700

(iii) Outline of Target Company Fairness Opinion (Mitsubishi UFJ Morgan Stanley Securities)

On May 11, 2023, The Target Company obtained the Fairness Opinion (MUMMS) from Mitsubishi UFJ Morgan Stanley Securities to the effect that the Tender Offer Price of 2,800 yen per share was, from a financial point of view, reasonable for the shareholders of the Shares (excluding SBIHD Parties and their affiliates, as well as the DIC and RCC) (Note). The Fairness Opinion (MUMMS) was issued following the analysis and review of the financial information, including the Financial Forecast submitted by The Target Company, and a question-and-answer session with MUMMS and the Special Committee, followed by a review of the results of the valuation of the Shares conducted by Mitsubishi UFJ Morgan Stanley Securities, as well as a question-and-answer session with The Target Company and the Special Committee on the background leading to the approval of the Tender Offer, and following procedures within MUMMS, with the approval of a committee consisting of Mitsubishi UFJ Morgan Stanley Securities Investment Banking Division and other professionals.

(Note) the Fairness Opinion (MUMMS) and its underlying analysis of the value of the Shares are addressed to the board of directors of The Target Company solely for its reference and, at the request of the board of directors of The Target Company, expresses its opinion as to whether or not the Tender Offer Price is, from a financial point of view, reasonable for the shareholders of the Shares (excluding SBIHD Parties and their affiliates, as well as the DIC and RCC). The Fairness Opinion (Mitsubishi UFJ Morgan Stanley Securities) expresses its opinion on the Shares, and Mitsubishi UFJ Morgan Stanley Securities has not analyzed the value of The Target Company's share acquisition rights, and the Fairness Opinion (Mitsubishi UFJ Morgan Stanley Securities) does not in any way express opinions on The Target Company's share acquisition rights. The Fairness Opinion (Mitsubishi UFJ Morgan Stanley Securities) and analysis makes no reference to the price of the Shares after completion of the Transactions. The Fairness Opinion (Mitsubishi UFJ Morgan Stanley Securities) does not express an opinion regarding the exercise of voting rights by the Shares at the general shareholders

meeting of The Target Company to be held in connection with the Transaction, nor does it recommend approval of the Transactions. The Fairness Opinion (Mitsubishi UFJ Morgan Stanley Securities) does not express an opinion on the relative adequacy of the Tender Offer Price when compared to the value received by the DIC and RCC through the collection of public funds (the “Repayment Value of Public Funds”). Furthermore, Mitsubishi UFJ Morgan Stanley Securities does not express its views on the Repayment Value of Public Funds and does not refer to this in its opinion in the Fairness Opinion (Mitsubishi UFJ Morgan Stanley Securities). In expressing its opinions and analyzing them in the Fairness Opinion (Mitsubishi UFJ Morgan Stanley Securities), Mitsubishi UFJ Morgan Stanley Securities relies on the information already published or provided by The Target Company on the assumption that such information is accurate and complete and has not verified the accuracy and completeness of such information on its own. In preparing the Fairness Opinion (Mitsubishi UFJ Morgan Stanley Securities), it is assumed that the financial forecast has been reasonably prepared and drafted by The Target Company’s management to reflect the best currently available expectations and judgments regarding The Target Company’s future financial condition. Mitsubishi UFJ Morgan Stanley Securities assumes that all necessary permits, approvals and consents from government agencies, regulatory agencies and other authorities for the Transactions are obtainable and that such permits, consents and approvals are not subject to any delay, restriction or condition that would materially adversely affect the expected benefits of the Transactions. Mitsubishi UFJ Morgan Stanley Securities is not an advisor on legal, accounting, tax, business regulation or corporate pension plans. Mitsubishi UFJ Morgan Stanley Securities is a financial advisor, and with respect to legal, accounting, tax, business regulation and corporate pension matters, does not conduct verifications on its own and relies on the judgments of The Target Company’s legal, accounting, tax, business regulation and corporate pension advisors. In connection with the consideration to be paid to the holders of the Shares in the Transactions, Mitsubishi UFJ Morgan Stanley Securities does not express an opinion as to whether or not the amount or nature of the consideration to be paid to the directors, officers or employees (regardless of their position or rank) of The Target Company is appropriate.

Mitsubishi UFJ Morgan Stanley Securities has not conducted any independent evaluation or assessment of The Target Company's assets and liabilities, and has not been provided any evaluation or assessment, except for relying on the future

development of The Target Company's risk assets and capital without independent verification. In addition, the amount of surplus capital is an amount of capital that exceeds The Target Company's CET1 ratio target of 10%, which is determined on the assumption that the level of surplus capital is appropriate and is based on what The Target Company sets independently. Mitsubishi UFJ Morgan Stanley Securities is not an expert in the assessment of allowance for doubtful accounts, and has not conducted or been requested to conduct an independent assessment of the adequacy of allowance for doubtful accounts or to verify the credit information of individual receivables in SBI Shinei Bank. Accordingly, Mitsubishi UFJ Morgan Stanley Securities assumed that The Target Company's total allowance for doubtful accounts was adequate. Mitsubishi UFJ Morgan Stanley Securities's opinions are based on economic, financial, market and other conditions as of May 11, 2023 and information available to Mitsubishi UFJ Morgan Stanley Securities as of May 11, 2023. Although events occurring on or after May 11, 2023 may affect the opinions expressed in the Fairness Opinion (Mitsubishi UFJ Morgan Stanley Securities) or the assumptions used in the preparation of the Fairness Opinion (Mitsubishi UFJ Morgan Stanley Securities), Mitsubishi UFJ Morgan Stanley Securities assumes no obligation to update, revise or reaffirm the opinions expressed in the Fairness Opinion (Mitsubishi UFJ Morgan Stanley Securities). In expressing the opinions expressed in the Fairness Opinion (Mitsubishi UFJ Morgan Stanley Securities), Mitsubishi UFJ Morgan Stanley Securities is not authorized to and has not solicited any entity in connection with a merger, consolidation or other extraordinary transaction involving The Target Company. Except for SBIHD Parties, Mitsubishi UFJ Morgan Stanley Securities is not engaged in negotiations with any entity that has indicated to Mitsubishi UFJ Morgan Stanley Securities its interest in a possible acquisition of The Target Company or any part of the businesses that comprise The Target Company.

Mitsubishi UFJ Morgan Stanley Securities intends to provide services as a financial advisor to The Target Company in connection with the Transactions and to receive a fee in consideration for such services. The receipt of a substantial portion of the fees is contingent on the closing of the Transactions. Within two years prior to May 11, 2023, Mitsubishi UFJ Morgan Stanley Securities or its affiliates provided services as a financial advisor to The Target Company, including in connection with the tender offer to The Target Company announced by SBIHD on September 9, 2021, and Mitsubishi UFJ Morgan Stanley Securities

or its affiliates received fees in consideration for these services. In addition, Mitsubishi UFJ Morgan Stanley Securities and its affiliates may provide these services to SBIHD Parties, The Target Company and their affiliates in the future, and may receive fees in consideration for such services in the future. Mitsubishi UFJ Morgan Stanley Securities (collectively, with the affiliates, "Mitsubishi UFJ Morgan Stanley Securities Group") provides global financial services, including banking, securities, trust, investment management and other financial services (collectively, these services, "Financial Services"). In addition to providing investment banking, finance and financial advisory services, securities business includes underwriting, trading, brokering, foreign exchange, commodities and derivatives transactions of securities. In the ordinary course of underwriting, trading, brokerage services of securities and financing activities, Mitsubishi UFJ Morgan Stanley Securities Group may hold a position of buyer or seller in the bonds, shares or loans of SBIHD Parties, The Target Company or any company connected with the Transactions, currencies or commodities relating to the Transactions or related derivative products, or otherwise provide financial services of Mitsubishi UFJ Morgan Stanley Securities Group to SBIHD Parties, The Target Company or any company connected with the Transactions, and may engage in trading or other transactions for its own account or for the account of its customers. Mitsubishi UFJ Morgan Stanley Securities Group and its directors and officers may make self-funded investments in, or operate funds that make self-funded investments in, bonds, shares or loans of SBIHD Parties, The Target Company or any company connected with the Transactions, currencies or commodities relating to the Transactions or related derivative products. In addition, Mitsubishi UFJ Morgan Stanley Securities may provide normal brokerage services for SBIHD Parties, The Target Company or other companies related to the Transactions.

- VI. Acquisition of a share valuation report by the special committee from an independent third-party valuation firm
- (i) Name of the valuation firm and its relationship with the Target Company and the Tender Offeror

For the purpose of reviewing the Consulted Matters, the Special Committee asked Frontier Management, a third-party valuation firm independent from the SBIHD Parties, the DIC, RCC, and the Target Company to calculate the equity value of the Target Company, and on May 11, 2023, received the Target Company Share Valuation Report (Frontier Management) and the Target Company Fairness Opinion (Frontier

Management).

Frontier Management is not a related party of the SBIHD Parties, the DIC, RCC, or the Target Company, and does not have any material conflicts of interest concerning the Transaction, including the Tender Offer.

The fee system for Frontier Management regarding the Transaction consists only of a fixed fee to be paid regardless of the completion of the Transaction, and does not include any contingency fee that will occur depending on the completion of the Transaction.

As indicated in “(II) The Target Company’s Decision-Making Process Leading to Approving the Tender Offer and Reasons Therefor” 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” in “2. Purpose of the Purchase” above, when the Target Company’s board of directors received the submission of the Report from the Special Committee on May 11, 2023, it also received the submission of the Target Company Share Valuation Report (Frontier Management) and the Target Company Fairness Opinion (Frontier Management), and based on the content of those reports, the board of directors resolved as indicated in “(II) The Target Company’s Decision-Making Process Leading to Approving the Tender Offer and Reasons Therefor” 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” in “2. Purpose of the Purchase” above.

(ii) Outline of calculation

Frontier Management, after considering calculation methods to adopt to calculate the equity value of the Target Company Shares among multiple equity value calculation methods, on the basis that the Target Company is a going concern, and based on its belief that it is appropriate to calculate the equity value of the Target Company Shares from multiple perspectives, has adopted each of the following methods for calculation: (a) the market price method, due to the fact that the Target Company Shares are listed on the Standard Market of the Tokyo Stock Exchange and there is a market price; (b) the comparable company method, due to the fact that the existence of comparable listed companies enables analogy of the equity value of the Target Company Shares by comparison with such comparable listed companies; and (c) the dividend discount model method (DDM, the “DDM Method”), in order to reflect future business activities in the valuation, which is a method used for analyzing equity value by discounting Theoretical Dividends from the current value of the Target Company Shares at the cost of capital and a method widely used for valuation by financial institutions.

The ranges of the per-share equity value of the Target Company Shares calculated using each of the methods are as follows:

Market price method:	2,334 yen to 2,486 yen
Comparable company method:	1,865 yen to 3,359 yen
DDM Method:	2,439 yen to 3,331 yen

Under the market price method, using May 11, 2023, the business day immediately preceding the announcement date of the Tender Offer, as the calculation record date, the range of the per-share equity value of the Target Company Shares was calculated as being between 2,334 yen and 2,486 yen, on the basis that the closing price of the Target Company Shares on the Standard Market of the Tokyo Stock Exchange on the calculation record date was 2,486 yen; the simple average of the closing prices in the previous one month from the record date was 2,442 yen; the simple average of the closing prices in the previous three months from the record date was 2,397 yen; and the simple average of the closing prices in the previous six months from the record date was 2,334 yen.

Under the comparable company method, Mitsubishi UFJ Financial Group, Inc., Sumitomo Mitsui Financial Group, Inc., Mizuho Financial Group, Inc., Aozora Bank, Ltd., and Sumitomo Mitsui Trust Holdings, Inc. were selected as listed companies deemed to be comparable with the Target Company, and by using PER and PBR, the equity value of the Target Company was calculated. As a result, the range of the per-share equity value of the Target Company Shares was calculated as being between 1,865 yen and 3,359 yen.

Under the DDM Method, Frontier Management considered reasonable bases such as the Target Company Business Plan and calculated the equity value of the Target Company Shares by discounting future Theoretical Dividends from the current value of the Target Company Shares at a specific discount rate. The discount rates adopted were from 6.21% to 7.21%, and in calculating the going concern value, multiple methods were adopted, with the PER calculated to be 8.28-fold to 10.12-fold and the PBR calculated to be 0.56-fold to 0.68-fold. As a result, the range of the per-share equity value of the Target Company Shares was calculated as being between 2,439 yen and 3,331 yen.

The financial forecast based on the Target Company Business Plan used by Frontier Management as a basis for calculation under the DDM Method is as described in “(ii) Background of calculation” in “V. Acquisition of a share valuation report and fairness opinion from an independent financial advisor and third-party valuation firm by the Target Company” above. With respect to the financial forecast, the reasonableness of the details, important preconditions, background of preparation, etc. thereof has been confirmed by the Special Committee.

The financial forecast includes the fiscal year in which a significant increase or decrease is expected compared to the previous fiscal year, and the causes of the significant increase or decrease are as described in “(ii) Background of calculation” in “V. Acquisition of a share valuation report and fairness opinion from an independent financial advisor and third-party valuation firm by the Target Company” above.

In the calculation of equity value of the Target Company Shares made by Frontier Management, the information received from the Target Company, publicly-available information, etc., were in principle used as-is based on the assumption that all such materials and information used by it are accurate and complete, and that there is no fact which may significantly affect the calculation of equity value of the Target Company Shares and which has not been disclosed to Frontier Management, and Frontier Management has not independently investigated the accuracy and completeness thereof. In addition, with respect to information regarding the Target Company Business Plan, Frontier Management assumes that the information was reasonably prepared based on the currently available and best projections and judgments made by the management of the Target Company. Further, no independent appraisal or assessment was conducted on any assets or liabilities of the Target Company (including financial derivatives, off-balance sheet assets and liabilities, or any other contingent liabilities), nor was any request made to a third party organization to conduct any appraisal or assessment thereon. The calculation of the Target Company Shares made by Frontier Management reflects the above information up to May 11, 2023.

(iii) Outline of the Target Company Fairness Opinion (Frontier Management)

On May 11, 2023, the Special Committee has received an opinion (Fairness Opinion) from Frontier Management to the effect that the Tender Offer Price is fair, from a financial point of view, to The Target Company's minority shareholders (excluding the DIC and RCC; the same applies hereinafter in the Overview of the Fairness Opinion (Frontier Management)). In addition to the results of the calculation of the value of the Shares conducted by Frontier Management after receiving the disclosure of the Business Plan and financial information, etc. submitted by The Target Company and receiving an explanation thereof, the Fairness Opinion (Frontier Management) has been submitted after hearing regarding the purpose and background of the Tender Offer, examination of The Target Company's business environment, economic, market and financial conditions, etc. which Frontier Management deemed necessary, and examination and review by an examination board of members independent of the engagement team of Frontier Management according to Frontier Management's internal procedures.

(Note) In preparing the Fairness Opinion (Frontier Management), Frontier Management has used publicly available information regarding The Target Company and information provided to Frontier Management by The Target Company, and has assumed that all such information is accurate and complete and that there are no facts that have not been disclosed to Frontier Management that could materially affect its analysis and calculation of the value of the Shares. Frontier Management has not independently verified the accuracy and completeness of such materials and assumes no obligation to do so. Therefore, Frontier



Management does not assume any responsibility arising from any deficiency in these materials or non-disclosure of material facts. In addition, Frontier Management has neither conducted any independent evaluation or appraisal, including any individual analysis or evaluation of The Target Company's assets or liabilities (including financial derivatives, off-balance-sheet assets and liabilities, and other contingent liabilities), nor has requested a third-party agent to evaluate or appraise them. Furthermore, Frontier Management has neither evaluated nor investigated the creditworthiness of The Target Company and its affiliates, including the applicability of laws and regulations regarding bankruptcy proceedings, suspension of payments or similar matters. In addition, matters related to the amount of repayment of public funds that the DIC and RCC may receive from The Target Company in the future after the Tender Offer are outside the scope of the Fairness Opinion (Frontier Management).

Frontier Management has assumed that the Business Plan, other forward-looking information and materials of The Target Company have been reasonably prepared or reviewed by the management of The Target Company based on the best estimates and judgment currently available, and that The Target Company's financial condition will change in accordance with such Business Plan. Frontier Management also does not guarantee the feasibility of the Business Plan and expresses no opinion on the analyses or forecasts on which they were based or the assumptions on which they were based.

Frontier Management is not a professional legal, accounting or tax agent, and does not conduct any independent analysis or review on whether there are any legal, accounting or tax issues related to the Tender Offer, nor is it obligated to do so.

Frontier Management is acting as financial advisor of the Special Committee with respect to the Tender Offer and is involved in part of the negotiations relating to the Tender Offer and will receive compensation for its services in connection with submitting the Fairness Opinion (Frontier Management). In submitting the Fairness Opinion (Frontier Management), the disclaimer and indemnification clauses set forth in the service agreement between The Target Company and Frontier Management shall apply.

The Fairness Opinion (Frontier Management) is intended solely to provide the Special Committee with information that will serve as a reference in considering the appropriateness of the Tender Offer Price in the Tender Offer, and the information in the Fairness Opinion (Frontier Management) is not expected to

be provided to any other person. The Fairness Opinion (Frontier Management) does not express any opinion on The Target Company's share price after the announcement of the Tender Offer. In addition, the Fairness Opinion (Frontier Management) does not mention the positioning of the Tender Offer in SBI Shinei Bank's business strategy or the benefits to be derived from the implementation of the Tender Offer, and does not express any opinion with respect to the management judgment as to whether or not the Tender Offer should be executed by The Target Company. The Fairness Opinion (Frontier Management) also does not express any opinion to minority shareholders, creditors or other related parties, and does not solicit or recommend any minority shareholders to tender in the Tender Offer or exercise their shareholder rights such as voting rights in connection with the Tender Offer in any way, and it has no authority to do so. Therefore, Frontier Management does not assume any responsibility to minority shareholders and third parties who rely on the Fairness Opinion (Frontier Management).

It is assumed that the contents of the Fairness Opinion (Frontier Management) will neither be disclosed to a third party, nor be used for any other purpose without the prior written consent of Frontier Management, whether by way of summary, reference, quotation, or otherwise, except as permitted in the service agreement between The Target Company and Frontier Management.

The Fairness Opinion (Frontier Management) is based on the business environment, economic, market, financial conditions and other conditions as of the date of the Fairness Opinion (Frontier Management), and relies on information available to Frontier Management as of such date. In submitting the Fairness Opinion (Frontier Management), Frontier Management has neither conducted any analysis or review on whether the Tender Offer price is the best price that can be achieved, nor is it obligated to conduct such analysis or review. The contents of the Fairness Opinion (Frontier Management) or the assumptions on which it is based may be affected by future changes in the economic environment, etc., but Frontier Management assumes no obligation to revise, change or supplement its opinion.

The Fairness Opinion (Frontier Management) does not infer or suggest any opinion other than the matters expressly stated in the Fairness Opinion (Frontier Management) or with respect to any matter on or after the date of submission of the Fairness Opinion (Frontier Management).

VII. Establishment of an independent review structure on the part of the Target Company

As described in “(II) The Target Company’ s Decision-Making Process Leading to Approving the Tender Offer and Reasons Therefor” 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” in “2. Purpose of the Purchase” above, the Target Company internally established a system to review, negotiate, and determine the Transaction independently from the SBIHD Group.

In particular, after receiving the Preliminary Written Proposal on February 8, 2023, the Target Company established a project team to carry out the review concerning the Transaction (including preparation of a business plan that would be the basis for calculation of the equity value of the Target Company) as well as the discussions and negotiations with the Tender Offeror. The project team consists of a total of six members, and all such members are officers and employees of the Target Company that do not concurrently work as officers or employees of any companies of the SBIHD Group and that have never previously occupied the position of officer or employee at any company in the SBIHD Group, and this practice has been maintained. One member of the project team (an executive officer of the Target Company) had concurrently held the position of non-executive director of a stock company that belongs to the SBIHD Group (with no remuneration for either role) from August 31, 2020 to April 3, 2023, due to the joint establishment of Regional Revitalization Partners with other companies that agree with the purpose of the regional development initiatives advocated by SBIHD and share a common desire to realize regional development; however, the Target Company determined that such executive officer’ s participation in the review concerning the Transaction (including preparation of the business plan that would be the basis for calculation of the equity value of the Target Company Shares), as well as in the discussions and negotiations with the Tender Offeror, is essential because such executive officer has been working as an employee of the Target Company for 20 years or more and is the person in charge of the Target Company’ s corporate planning as the executive director, the General Manager of the Group Strategy Planning Division, and the person in charge of the Group Corporate Planning Division at the Target Company; and therefore, the executive officer joined the project team.

However, the Four-Party Agreement includes significant matters relating to management of the Target Company after the Transaction is conducted, such as repayment of the public funds; thus, Director Hirofumi Gomi, Director Katsuya Kawashima, and Director Katsumi Hatao, who have previously occupied the position of officer or employee at each company in the SBIHD Group, also participated in the review.

Including the aforementioned treatment, the Target Company has obtained approval from the Special Committee with respect to the fact that there are no issues in terms of independence and fairness in the Target Company’ s review structure (including the range of the Target Company’ s officers and employees involved in the review, negotiation, and determination of the Transaction and their duties), and the Target Company has also

reported to the Special Committee on the specific form of participation of Director Hirofumi Gomi, Director Katsuya Kawashima, and Director Katsumi Hatao, who have previously occupied the position of officer or employee at each company in the SBIHD Group and have obtained confirmation of the Special Committee regarding such form of participation.

VIII. Approval of all the directors of the Target Company without conflicts of interest and the opinion of all the auditors of the Target Company without conflicts of interest that they have no objection

As described in “(II) The Target Company’ s Decision-Making Process Leading to Approving the Tender Offer and Reasons Therefor” 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” in “2. Purpose of the Purchase” above, the Target Company’ s board of directors carefully reviewed and discussed whether the Transaction, including the Tender Offer, would contribute to the improvement of the Target Company’ s corporate value, and whether the terms of the Transaction, including the Tender Offer Price, are reasonable, based on the legal advice from Anderson Mori & Tomotsune, the advice from Mitsubishi UFJ Morgan Stanley Securities, and the details of the Target Company Share Valuation Report (Mitsubishi UFJ Morgan Stanley Securities), the Target Company Fairness Opinion (Mitsubishi UFJ Morgan Stanley Securities), and the Target Company Share Valuation Report (Frontier Management) and the Target Company Fairness Opinion (Frontier Management) submitted to the Special Committee, respecting, to the maximum extent, the details of the Special Committee’ s decision as presented in the Report.

As a result, as described in “(II) The Target Company’ s Decision-Making Process Leading to Approving the Tender Offer and Reasons Therefor” 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” in “2. Purpose of the Purchase” above, the Target Company determined that it is best to take the Target Company private because it believes that this will enable the achievement of synergy and advantages as stated in (A) through (C) in “(II) The Target Company’ s Decision-Making Process Leading to Approving the Tender Offer and Reasons Therefor” 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” in “2. Purpose of the Purchase” above, and thus the Target Company resolved at the board of directors meeting held on May 12, 2023 that it would agree to the Tender Offer and recommend the Target Company’ s shareholders to tender their shares in the Tender Offer by a vote of a majority (five in favor, one (outside director) opposed) of the Target Company’ s six directors (of whom five were independent outside directors) who participated in the discussions and resolutions among the Target Company’ s nine

directors in total.

The reasons for Director Ayumi Michi' s opposition to the resolution are as follows:

- The Tender Offer Price (3,000 yen per share), which was last proposed by the Special Committee to SBIHD Parties, and the minimum number of shares to be purchased, which was proposed to be set by the Special Committee as a final condition in the event that the proposal regarding the Tender Offer Price is not accepted, were both rejected. Also, given that one of the purposes of such proposals is to pave the way for the “repayment” of public funds, shareholders may determine the fairness of the Transactions and the appropriateness of participating in the Tender Offer based on the amount of the “repayment” of public funds after going private and the estimated time required for it. Considering the fact that the Findings Report explains such period as a “reasonable period,” and also in light of the dissenting opinions and supplemental opinions in the Findings Report, it is difficult to say an “appropriate disclosure” sufficient to recommend the shareholders to participate in the Tender Offer has been made. Also, it is difficult to determine to support the Transactions and recommend the shareholders to participate in the Tender Offer based on the “conditions for the Transaction.”

Further, at the board of directors meeting above, among the Target Company' s three auditors in total, all of the Target Company' s three auditors who participated in the discussions (of whom two were independent outside auditors) stated their opinions to the effect that they had no objection with respect to any of the resolutions above.

Among the Target Company' s nine directors, Director Hirofumi Gomi, Director Katsuya Kawashima, and Director Katsumi Hatao have previously served as officers in the SBIHD Group; thus, from the perspective of eliminating a risk that the Target Company is affected by issues of structural conflicts of interest and information asymmetry in the Transaction, they did not participate in the discussions and resolutions of the Target Company' s board of directors meetings regarding the Transaction held since the resolution of the board of directors meeting on March 9, 2023 regarding the establishment of the Special Committee (including the Target Company' s board of directors meeting above held on May 12, 2023).

#### IX. Efforts to secure purchasing opportunities from other buyers

The SBIHD Parties have not entered into agreements with the Target Company that would limit the Target Company' s contact with competitive potential buyers, such as agreements that include transaction safeguarding provisions that would prohibit the Target Company from contacting competitive potential buyers.

Furthermore, the SBIHD Parties have set a purchase period for the Tender Offer (the “Tender Offer Period” ) of 30 Business Days, which is, in light of the minimum period mandated by laws and regulations, comparatively longer than the minimum of 20 Business Days mandated by laws and regulations. By setting a comparatively long Tender Offer Period, the SBIHD Parties intend to ensure appropriate opportunities for the shareholders of the Target Company to decide on whether to participate in the Tender Offer, while also

ensuring opportunities for alternative purchases to be attempted by parties other than the SBIHD Parties, thereby confirming the appropriateness of the Tender Offer Price.

X. Efforts to ensure appropriate opportunities for Target Company shareholders to decide whether to participate in the Tender Offer

As described in “(5) Post-Tender Offer Reorganization(s) Policy (Two-Step Acquisition Items)” in “2. Purpose of the Purchase” above, the SBIHD Parties (i) plan to request that the Target Company hold the Extraordinary General Shareholders Meeting, including a proposal for deliberation over conducting a share consolidation promptly after completion of the settlement of the Tender Offer and will adopt no method that will not secure Target Company shareholders’ rights to claim determination of the price or their appraisal rights, and (ii) have clarified that at the time of share consolidation, the money to be granted to Target Company shareholders as the consideration will be calculated to be the same as the price that is obtained by multiplying the Tender Offer Price and the number of Target Company Shares held by each such shareholder. Through the above efforts, the SBIHD Parties have paid careful attention to ensuring appropriate opportunities for Target Company shareholders to decide on whether to participate in the Tender Offer and to making sure that there is no pressure on them to do so.

(C) Relationship with the valuation firm

Citigroup Global Markets, as the financial advisor of the SBIHD Parties, is not a related party of SBIHD Parties, the DIC, RCC and the Target Company.

(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
55,072,084 shares	- shares	- shares

(Note 1) Neither the maximum number nor the minimum number of shares to be purchased has been set in the Tender Offer; thus, all of the Tendered Shares will be purchased.

(Note 2) The maximum number of shares to be purchased has not been set in the Tender Offer; thus, 55,072,084 shares is stated as the number of shares to be purchased, which is the maximum number of Target Company Shares to be acquired by the Tender Offeror through the Tender Offer. Such maximum number is the number of shares that is obtained by deducting (a) the number of treasury shares held by the Target Company as of March 31, 2023 (889,718 shares), the number of Target Company Shares held by the Tender Offeror as of today (102,159,999 shares), and the Untendered Shares held by the DIC and RCC (46,912,888 shares) from (b) the total number of issued Target Company Shares as of March 31, 2023 (205,034,689 shares), as stated in the Target Company Consolidated Financial Results

(Note 3) Treasury shares held by the Target Company will not be purchased through the

Tender Offer.

(Note 4) 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 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	1,021,599	(Ownership ratio of share certificates, etc. before the Tender Offer: 50.04%)
Number of voting rights pertaining to share certificates, etc. held by specially related parties before the Tender Offer	469,128	(Ownership ratio of share certificates, etc. before the Tender Offer: 22.98%)
Number of voting rights pertaining to share certificates, etc. held by the Tender Offeror after the Tender Offer	1,572,319	(Ownership ratio of share certificates, etc. after the Tender Offer: 77.02%)
Number of voting rights pertaining to share certificates, etc. held by specially related parties after the Tender Offer	469,128	(Ownership ratio of share certificates, etc. after the Tender Offer: 22.98%)
Number of voting rights of all shareholders of the Target Company	2,040,946	

(Note 1) The “Number of voting rights pertaining to share certificates, etc. held by the Tender Offeror after the Tender Offer” is the total number obtained by adding 1,021,599 voting rights stated in the “Number of voting rights pertaining to share certificates, etc. held by the Tender Offeror before the Tender Offer” to the number of voting rights (550,720 voting rights) pertaining to the number of shares to be purchased by the Tender Offer (55,072,084 shares) stated in the “(5)Number of Share Certificates, etc. to be Purchased” above.

(Note 2) 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, paragraph 1 of the Act, pursuant to Article 3, paragraph

2, item 1 of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates, etc. by Person Other than Issuer (Ordinance of the Ministry of Finance No. 38 of 1990, as amended, the “Cabinet Office Ordinance” ). The Tender Offeror will confirm the number of Target Company Shares owned by specially related parties hereafter and will disclose an amendment to this press release without delay if necessary.

(Note 3) The “Number of voting rights of all shareholders, etc. of the Target Company” is the total number of voting rights of all Target Company shareholders as of September 30, 2022, as stated in the Quarterly Report for the 23rd Second Quarter, filed by the Target Company on November 21, 2022 (one unit of shares is stated to consist of 100 shares). However, since shares less than one unit are subject to the Tender Offer (excluding treasury shares owned by the Target Company), for the purpose of calculating the “Ownership ratio of share certificates, etc. before the Tender Offer” and the “Ownership ratio of share certificates, etc. after the Tender Offer,” the number of voting rights (2,041,449 voting rights) pertaining to the number of shares (204,144,971 shares) is used as the denominator, which is obtained by deducting the number of treasury shares owned by the Target Company as of March 31, 2023 (889,718 shares) from the total number of issued Target Company Shares as of the same date (205,034,689 shares), as stated in the Target Company Consolidated Financial Results

(Note 4) The “Ownership ratio of share certificates, etc. before the Tender Offer” and the “Ownership ratio of share certificates, etc. after the Tender Offer” is rounded to two decimal places.

(7) Purchase Price: 154,201,835,200 yen

(8) Method of Settlement

(i) Name and Head Office Location of Financial Instruments Business Operator, Bank, or Any Other Institution Conducting Settlement of the Purchase

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

(ii) Commencement Date of Settlement

Friday, June 30, 2023

(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 shareholders who tender shares in the Tender Offer ( “Tendering Shareholders” ) (or in the case of shareholders who are residents of foreign countries (including corporate shareholders; “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

The Tender Offeror has not set the maximum number or the minimum number of shares to be purchased in the Tender Offer; thus the Tender Offeror will purchase all of the Tendered Shares.

(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 matter listed in Article 14, Paragraph 1, Items 1(a) through 1(j) and Items 1(l) 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 “facts equivalent to those set forth in (a) to (i)” listed in Article 14, Paragraph 1, Item 3(j) of the Order 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 the approval in response to the New Zealand Overseas Investment Office

(the “NZ OIO” ) Application which was obtained from the NZ OIO is revoked by a date prior to the expiration date of the Tender Offer Period (including 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.

(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

A Tendering Shareholder may cancel an agreement regarding 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) calling the tender offer agent’ s customer service center (telephone number: 0800-222-2999 (toll free)) 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 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 “(4) Method of Returning Shares” in “(8). Method of Settlement” above promptly after completion of the procedures related to cancellation.

(Note 1) 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, 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  
Monday, May 15, 2023

(11) Tender offer agent  
SBI Securities Co., Ltd. 1-6-1 Roppongi Minato-ku, Tokyo

#### 4. Policy after the tender offer and future prospects

See “(2) Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Tender Offer, and Post-Tender Offer Management Policy” , “(5)Post-Tender Offer Reorganization(s) Policy (Two-Step Acquisition Items)” and “(6) Possibility of Delisting and Reasons Therefor” in “2. Purpose of the Tender Offer” above with respect to the policy after the Tender Offer.

#### 5. Other

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

According to the Target Company Press Release, the Target Company resolved at the board of directors meeting held on May 12, 2023 that it would agree to the Tender Offer and recommend the Target Company’s shareholders to tender their shares in the Tender Offer.

Regarding the decision-making process of the Target Company’s board of directors, please refer to the Target Company Press Release as well as “VIII. Approval of a majority of the directors of the Target Company without conflicts of interest and the opinion of all the auditors of the Target Company without conflicts of interest that they have no objection” in “(Measures to ensure fairness of the Tender Offer, such as measures to ensure fairness of the Tender Offer Price as well as measures to avoid conflicts of interest)” in “(B) Background of the calculation” in “(4) Basis of Calculation, etc. of the Price for Purchase, etc.” in “3. Outline of the Purchase, etc” above.

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

purchase, etc.

① Publication of the “Financial Results for FY 2022 [Japanese GAAP] (Consolidated)”

The Target Company published the “Financial Results for FY 2022 [Japanese GAAP] (Consolidated)” as of May 12, 2023. The overviews of the Target Company’s consolidated profit and loss status, etc. based on the publication are as below. With respect to the details thereof, no certification of audit by an audit corporation under Article 193-2, Paragraph 1 of the Act has been received. Further, the overview of the published details below consists of excerpts of the details published by the Target Company, and for more details, please refer to the “Financial Results for FY 2022 [Japanese GAAP] (Consolidated)” published by the Target Company on the same date.

(I) Profit and Loss Status (Consolidated)

Accounting period	Fiscal year ended March 2023
Ordinary revenue	421,853 million yen
Ordinary income	52,136 million yen
Net profit attributable to the parent company shareholders	42,771 million yen

(II) Status per Share (Consolidated)

Accounting period	Fiscal year ended March 2023
Net income per share	209.47 yen
Dividend per share	12.00 yen

② Publication of “Notice Concerning Dividends from Surplus for FY 2022”

As described in the “Notice Concerning Dividends from Surplus for FY 2022” published on May 12, 2023, regarding the year-end dividend for the fiscal year ended March 2023 which had been undecided, at the Target Company’s board of directors meeting held on May 12, 2023, the Target Company resolved that it would pay dividend of surplus in the amount of 12 yen per share as the dividend of surplus for which the record date is March 31, 2023. For further details, please refer to the details of the publication.

③ Publication of “Announcement of the Appointment of Candidate of Directors, Corporate Auditor and Substitute Corporate Auditor”

As described in the “Announcement of the Appointment of Candidate of Directors, Corporate Auditor and Substitute Corporate Auditor” published on May 12, 2023, the Target Company decided at the Target Company’s board of directors meeting held on May 12, 2023 the candidates for the Target Company’s directors, corporate auditors and substitute corporate auditor to be proposed the Target Company’s General

Shareholders Meeting of the 23rd fiscal year planned to be held on June 27, 2023. For further details, please refer to the details of the publication.

End

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For further information, please contact:

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