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[TRANSLATION]

SBI Shinsei Bank, Limited

TSE code: 8303

Notice of the Extraordinary General Meeting of Shareholders

Date and Time

Friday, September 1st, 2023 at 10:00 a.m.
(Doors Open at 9:00 a.m.)

Place

The Conference Room
22nd Floor, Izumi Garden Tower
6-1 Roppongi 1-chome, Minato-ku, Tokyo

Agenda Items

- 1.Share Consolidation
- 2.Partial Amendment to the Articles of Incorporation

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Please exercise your voting right by mail or via internet by the deadline in case you do not attend the meeting in person: Thursday, August 31, 2023 by 5:00 p.m.

No gifts to shareholders will be given on the meeting day.

Notice of the Extraordinary General Meeting of Shareholders

Dear Shareholders,

We are pleased to invite you to the Extraordinary General Meeting of Shareholders of SBI Shinsei Bank, Limited ("the Bank") which will be held as shown below.

We kindly ask you to exercise your voting right in advance, by returning the Voting Right Exercise Form to the Bank or by an electromagnetic method using the Internet, etc.

We encourage you to examine the accompanying reference materials below and exercise your voting right by using the methods that is convenient to you.

The Bank's Website

<https://corp.sbishinseibank.co.jp/ja/ir/stock/shareholdersmtg.html>



In addition, to the Bank's website, information on electronic provision measures is posted on the website of the Tokyo Stock Exchange, so please check below.

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>



(Access the Tokyo Stock Exchange website above, enter and search for "SBI Shinsei Bank" in "Stock name (company name)" or our bank's securities code "8303" in "Code", and click "Basic information" Please select "Documents/PR Information" in order and check from the "Notice of General Meeting of Shareholders/Materials of General Meeting of Shareholders" column in "Documents for Public Inspection".)

If you are unable to attend the meeting, we encourage you to exercise your voting rights via the Internet or in writing (by mail). Please exercise your voting rights by 5:00 p.m., Thursday, August 31, 2023.

Yours faithfully,

Katsuya Kawashima
Representative Director,
President and Chief Executive Officer

Description of the Meeting

- 1. Date and Time: Friday, September 1st, 2023 at 10:00 a.m.**
Doors Open at 9:00 a.m.

- 2. Place: The Conference Room**
22nd Floor, Izumi Garden Tower
6-1 Roppongi 1-chome, Minato-ku, Tokyo

No gifts to shareholders will be given on the meeting day.

3. Purposes:

Matters to be voted on:

- Item1 : Share Consolidation
Item2 : Partial Amendment to the Articles of Incorporation

END

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- If you are attending the meeting, please present the Voting Rights Exercise Form, which will be sent along with the notice of convocation of the General Meeting of Shareholders, to the receptionist at the venue.
 - If you exercise your voting rights by proxy, you may attend the General Meeting of Shareholders with one other shareholder who has voting rights as your proxy. However, please note that you will be required to submit a document certifying the authority of representation.

If you have exercised your voting rights in writing (by mail) and there is no indication of approval or disapproval of the proposal on the voting right exercise form, we will treat it as an indication of approval. If you exercise your voting rights both in writing (by mail) and via the Internet, etc., we will treat your voting rights exercised via the Internet, etc. as valid. In addition, if you exercise your voting rights multiple times via the Internet, etc., we will treat the last exercise as the valid exercise of your voting rights.

- In the event that there are any revisions to the items for electronic provision, the items before and after the revision will be posted on the Bank's website and the Tokyo Stock Exchange website.

The Bank's Website ▶▶▶▶▶ <https://corp.sbishinseibank.co.jp/>

Please note that this is a translation of the original document and is provided for your reference only. Although this translation is intended to be complete and accurate, the original document in Japanese shall take precedence over this translation in case of any discrepancies between this translation and the original.

Exercise of voting rights in writing via Voting Right Exercise Form



Please indicate your approval or disapproval for the agenda on the Voting Right Exercise Form enclosed herewith and send the Voting Right Exercise back to us (no postage is needed.)

Deadline: Thursday, August 31, 2023 by 5:00 p.m.

Exercise of voting rights by Internet



Please refer page 4 and **vote by: Thursday, August 31, 2023 by 5:00 p.m.**

If you attend the Meeting in person



Please **submit to the receptionist the enclosed Voting Right Exercise Form** while indicating your approval or disapproval for the agenda.

To Institutional Investors;

If you have applied in advance to use the electronic voting platform for institutional investors operated by ICJ Inc., you can exercise your voting rights from that platform.

Instructions on Exercising Voting Rights

Exercise of voting rights by Internet



Please access the website to exercise voting rights. (<https://www.web54.net>)

Log on with your "Voting Rights Exercise Code" and password written on the Voting Right Exercise Form enclosed herewith to follow the instruction on the site for approval or disapproval.

Deadline: Thursday, August 31, 2023 by 5:00 p.m.



※You may access the website via this bar-code if your cell phone is able to scan it.

(Japanese Only)

Procedures for Exercising Voting Rights via Internet

Please take note of the following instructions before exercising voting rights via Internet.

1. Voting rights can be exercised via Internet only by accessing the following website for exercising voting rights from a personal computer or cell phone.

Website for exercising voting rights: <https://www.web54.net>

2. When exercising voting rights via the Internet, you must enter the "Voting Rights Exercise Code" and "Password", both of which are contained in the enclosed Form for Exercising Voting Rights. Please follow the instructions on the screen to vote in favor of or against the proposed items.

3. Shareholders may exercise their voting rights via the Internet **until 5:00 p.m. Thursday, August 31, 2023**. However, we urge shareholders to exercise their voting rights at their earliest convenience for the purpose of tallying all voting rights.

4. If you have cast your votes twice by using the Form for Exercising Voting Rights and via the Internet, the Bank will consider the vote cast via the Internet to be the valid vote.

5. If you have cast your votes more than once via Internet, the Bank will consider the vote last cast via the Internet to be the valid vote.

6. Any costs incurred to access the website for exercising voting rights, such as Internet connection costs payable to a provider or telecommunication fees (telephone charges, etc.) shall be borne by the shareholder exercising the voting rights.

Inquiries concerning Exercising Voting Rights via the Internet

Please contact the following.

Shareholder List Administrator:

Web Support, Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited.

Hotline **0120-652-031** (available from 9 a.m. to 9 p.m.)

Other inquires **0120-782-031** (available from 9 a.m. to 5 p.m., except Saturdays, Sundays, and Holidays)

- In case that you have an account at a securities company, please consult with them directly.
- Any shareholder who had originally agreed to receive the notice of convocation by electromagnetic means, however, now wishes to request that the Form for Exercising Voting Rights, etc., including other written forms and documents, be delivered to him or her. In that case, please contact the Hotline above.

Material for Extraordinary General Meeting of Shareholders Agenda

Item 1: Share Consolidation

1. Reasons for the Share Consolidation

SBI Regional Bank Holdings Co., Ltd. (SBI Regional Bank HD") executed the takeover bid for the common shares of SBI Shinsei Bank (the "Shares") (the "TOB") with the period of takeover bid being from May 15, 2023 until June 23, 2023 (the "TOB Period"), resulting in the ownership of 109,707,388 Shares (Ownership Ratio (Note): 53.74%) as of June 30, 2023 which is the commencement date of the settlement of the TOB.

(Note)"Ownership Ratio" refers to the ratio (rounded to the second decimal place; unless otherwise stated, the same shall apply in the calculation of ratios) to the number of shares (204,144,971 shares), which is obtained by deducting the treasury shares owned by SBI Shinsei Bank as of March 31, 2023 (889,718 shares) from the total number of outstanding shares of SBI Shinsei Bank as of March 31, 2023 (205,034,689 shares), as stated in the "Financial Results for FY 2022 Japanese GAAP (Consolidated)" announced by SBI Shinsei Bank on May 12, 2023 ("Financial Results of SBI Shinsei Bank"). The same shall apply hereinafter.

After SBI Shinsei Bank received from SBI Regional Bank HD on February 8, 2023 an initial proposal (the "Initial Proposal") for the Transactions (which refer to transactions in which SBI Regional Bank HD would acquire all of the Shares (excluding the Shares held by SBI Regional Bank HD, treasury shares held by SBI Shinsei Bank, and Shares held by the Deposit Insurance Corporation of Japan ("DICJ") and the Resolution and Collection Corporation ("RCC") hereinafter the same), and which aimed to take SBI Shinsei Bank private with SBI Regional Bank HD, DICJ and RCC as the only remaining shareholders of SBI Shinsei Bank), SBI Shinsei Bank decided to deliberate if it would start considering such proposal at meetings of the board of directors. Then, SBI Shinsei Bank established a special committee (the "Special Committee") consisting of outside directors and an outside auditor, and an outside expert and decided at the board of directors meeting on March 9, 2023 to officially commence the review of the Initial Proposal.

Thereafter, the board of directors of SBI Shinsei Bank resolved at its meeting held on May 12, 2023 through the process below to express its opinion in support of the TOB and to recommend its shareholders to tender their shares in the TOB.

(A) Proposal by SBI Regional Bank HD and background of establishment of systems for reviewing

On February 8, 2023, after SBI Shinsei Bank received from SBI Regional Bank HD the Initial Proposal proposing that SBI Regional Bank HD would conduct the TOB for Shares with cash consideration without setting a maximum and minimum number of shares to be purchased, with the aim of taking SBI Shinsei Bank private with SBI Regional Bank HD, DICJ and RCC as the only remaining shareholders and if it becomes unable to acquire all of the Shares held by shareholders other than DICJ and RCC through the TOB, it would implement the Squeeze-Out Procedures (which refer to a series of procedures to make SBI Regional Bank HD, DICJ and RCC the only shareholders of SBI Shinsei Bank) which are intended to limit the shareholders of SBI Shinsei Bank only to SBI Regional Bank HD, DICJ and RCC, SBI Shinsei Bank decided to deliberate if it would start considering such proposal at its meetings of the board of directors.

It was also decided to prepare for establishing a framework for consideration so that SBI Shinsei Bank may promptly proceed with the process once the board of directors resolves to start the consideration of such proposal. In other words, SBI Shinsei Bank started preparing for establishing a framework to consider, negotiate, and make decisions on the Transactions in terms of enhancing the corporate value of SBI Shinsei Bank and ensuring its minority shareholders' interest, from an independent position from SBIHDs (as defined below), DICJ and RCC, based on advice from Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. ("MUMSS"), with whom SBI Shinsei Bank has had a business relationship for some time and Anderson Mori & Tomotsune ("AMT"), with whom also SBI Shinsei Bank has had a business relationship for some time to ensure the fairness of the Transactions, given that SBI Regional Bank HD is a controlling shareholder (the parent company) of SBI Shinsei Bank and that SBI Holdings, Inc., the parent company of SBI Regional Bank HD ("SBIHD" and together with SBI Regional Bank HD, "SBIHDs"), is also the parent company of SBI Shinsei Bank. Specifically, after February 8, 2023, SBI Shinsei Bank decided to advance preparation for the establishment of the Special Committee, which consists of outside directors and an outside auditor of SBI Shinsei Bank, and an outside expert.

SBI Shinsei Bank, then, officially decided by the resolution of its board of directors dated March 9, 2023 to consider the Initial Proposal from SBI Regional Bank HD and informed SBIHD of the decision on the same day. In such resolution of board of directors, SBI Shinsei Bank resolved to officially appoint MUMSS as its financial advisor and third-party calculation agent, and AMT as its legal advisor.

In addition, SBI Shinsei Bank decided by the resolution of its board of directors dated March 9, 2023 above to establish the Special Committee that consists of its outside directors, an outside auditor and an outside expert who are considered to be independent of SBIHDs and to be highly knowledgeable for purposes including eliminating arbitrariness in the decision-making on the Transactions at SBI Shinsei Bank and ensuring the fairness, transparency, and objectivity in the decision-making process at SBI Shinsei Bank, and it has established the Special Committee that consists of four members: Mr. Yasuhiro Hayasaki (an outside director of SBI Shinsei Bank); Mr. Masahiro Terada (an outside director of SBI Shinsei Bank); Ms. Ikuko Akamatsu (an outside auditor of SBI Shinsei Bank); and Ms. Miyako Suda (an outside expert committee member; belonging to The Canon Institute for Global Studies).

In doing so, SBI Shinsei Bank consulted the Special Committee on the following matters (collectively “Consulted Matters”):

- (a) whether the purpose of the Transactions and the Transactions as a means to achieve the purpose are legitimate and reasonable (including whether the Transactions will contribute to the enhancement of the corporate value of SBI Shinsei Bank);
- (b) whether the conditions for the Transactions (including the Tender Offer Price in the TOB) are ensured to be fair and reasonable;
- (c) whether due consideration and explanation will be given with respect to the interest of the shareholders in SBI Shinsei Bank through appropriate disclosure and fair procedures in the Transactions;
- (d) whether the Transactions are considered to be not disadvantageous to the minority shareholders, besides (a) through (c) above;
- (e) whether it is not inappropriate for SBI Shinsei Bank to enter into agreements that it needs to enter into as a party in connection with or in association with the Transactions (this shall be decided in consideration of their content);
- (f) based on consideration of (a) through (e) above, whether it is appropriate for SBI Shinsei Bank’s board of directors to express its opinion in support of the TOB, and further, if that is determined to be appropriate, whether it is appropriate for the board of directors to recommend its shareholders to tender their shares in the TOB.

In establishing the Special Committee, SBI Shinsei Bank’s board of directors regarded the Special Committee as a panel independent of SBI Shinsei Bank’s board of directors, and resolved that (a) the Special Committee may delegate to a third party the stock valuation of SBI Shinsei Bank, the provision of valuation reports, fairness opinion and other advice on the Transactions, and other matters that the Special Committee deems necessary in considering the Consulted Matters, and in such case, SBI Shinsei Bank shall bear reasonable expenses for such delegation, (b) SBI Shinsei Bank’s board of directors shall make decisions on the Transactions with the utmost respect to the decision of the Special Committee, and if the Special Committee determines that the conditions for the Transactions are not appropriate, SBI Shinsei Bank’s board of directors shall not support the Transactions 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 TOB, 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 SBIHD Group (which refers to a company group that consists of SBIHD, and its subsidiaries and equity method affiliates but excludes SBI Shinsei Bank Group (which refers to SBI Shinsei Bank and its consolidated subsidiaries, equity method affiliates, and unconsolidated subsidiaries; hereinafter the same) hereinafter the same) 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 SBIHDs, the Financial Services Agency, DICJ and RCC, and (C) the Special Committee’s authority to negotiate/make an arrangement with SBIHDs, the Financial Services Agency, DICJ and RCC by itself) (for the manner to make resolutions at the board of directors meeting, please see “(ix) Approval of the majority of directors of SBI Shinsei Bank without conflicts of interest and the opinion of non-objection of all auditors without conflicts of interest” in “(4) Measures to Ensure the Fairness of the Transactions and Measures to Avoid Conflicts of Interests” in “3. Matters Concerning Reasonableness of Consolidation Ratio” below).

As described in “(ii) Establishment of an Independent Special Committee by SBI Shinsei Bank” in “(4) Measures to Ensure the Fairness of the Transactions and Measures to Avoid Conflicts of Interests” in “3. Matters Concerning Reasonableness of Consolidation Ratio” below, SBI Shinsei Bank obtained an approval from the Special Committee for the appointments of MUMSS as its financial advisor and third-party calculation agency, and AMT as its legal advisor, after confirming that there were no concerns with their independence and expertise.

SBI Shinsei Bank established the internal systems for review, negotiation and decision-making on the Transactions independently of SBIHDs (including the scope of the directors and employees of SBI Shinsei Bank who participate in the review, negotiation and decision-making on the Transactions and their duties), and obtained an approval of the Special Committee for no concerns with such review systems in terms of their independence and fairness.

Furthermore, the Special Committee appointed Momo-o, Matsuo & Namba with which SBI Shinsei Bank has had a business relationship for some time, as its legal advisor on March 15, 2023. The Special Committee appointed Frontier Management Inc. (“Frontier Management”) which was introduced by a committee member, as its third-party calculation agency on March 27, 2023. The Special Committee appointed them after confirming that they did not fall under a related party of SBIHDs, DICJ, RCC and SBI Shinsei Bank, they did not have material interests in the Transactions including the TOB, and there were no concerns over their independence and expertise.

(B) Background of review and negotiation

After the establishment of the systems for reviewing described in “(A) Proposal by SBI Regional Bank HD and background of establishment of systems for reviewing” above, SBI Shinsei Bank received a report on the results of the valuation of the Shares and the advice on the policy for the negotiation with SBI Regional Bank HD from MUMSS, and also legal advice on the measures to ensure the fairness of the procedures in the Transactions from AMT. Based on the foregoing, SBI Shinsei Bank carefully considered the benefits and disadvantages of the Transactions and the reasonableness of the conditions for the Transactions.

Specifically, on April 14, 2023, SBI Shinsei Bank received from SBIHDs a proposal stating, among other things, that (i) they maintain the scheme of the Transactions as set forth in the Initial Proposal, (ii) SBIHDs recognize that the repayment of public funds is one of the important issues for SBI Shinsei Bank Group and believe that it is their social responsibility to pave the way for the early repayment of public funds after taking SBI Shinsei Bank private, and that they will contribute to the repayment of public funds by focusing on improving the profitability of SBI Shinsei Bank, which is the source of repayment funds and corporate value, through the promotion of synergy measures after SBI Shinsei Bank goes private, and (iii) the purchase price per share of SBI Shinsei Bank in the TOB (the “Tender Offer Price”) is set at 2,600 yen (the price calculated by adding a premium of 9.43%, 12.80%, 9.80% and 13.04% (rounded to two decimal places; hereinafter the same in the calculation of the premium rate) to the closing price of the Shares (2,376 yen) on Tokyo Stock Exchange, Inc. (“TSE”) Standard Market on April 13, 2023, which is the business day immediately preceding April 14, 2023, and the simple average closing price for the past one month (2,305 yen) (rounded to the nearest whole number; the same shall apply to the calculation of the simple average closing price hereinafter), the simple average closing price for the past three months (2,368 yen) and the simple average closing price for the past six months (2,300 yen) based on the same date, respectively. This price is calculated by adding a premium of 34.02%, 34.30%, 32.25%, 27.02% to the closing price of the Shares (1,940 yen) on TSE Standard Market on September 29, 2022, which is the business day immediately preceding the date of report on the application by SBI Regional Bank HD for bank holding company approval (the “Approval Report Date”), and the simple average closing price for the past one month (1,936 yen), the simple average closing price for the past three months (1,966 yen) and the simple average closing price for the past six months (2,047 yen) based on the same date, respectively. This price is also calculated by adding a premium of 78.94%, 83.62%, 78.08% and 63.42% to the closing price (1,453 yen) on the business day immediately preceding the date of announcement of the takeover bid for Shares by SBI Regional Bank HD (the minimum number of shares to be purchased was not set, the maximum number of shares to be purchased were set at 58,211,300 shares, and the tender offer period was set from September 10, 2021, until December 10, 2021, the “Previous TOB”) (September 8, 2021), and the simple average closing price for the past one month (1,416 yen), the simple average closing price for the past three months (1,460 yen) and the simple average closing price for the past six months (1,591 yen) based on the same date, respectively.) per share, based on the results of due diligence and consideration of the transaction terms as of that date. In response, on

April 17, 2023, SBI Shinsei Bank and the Special Committee made a request to SBIHDs stating that (i) SBI Shinsei Bank and the Special Committee have no objection to the general framework of the structure of the Transactions, (ii) Shinsei Bank and the Special Committee recognize that the repayment of public funds is one of the important issues and requires careful considerations, and (ii) the Tender Offer Price of 2,600 yen per share is required to be reconsidered because it is insufficient in light of SBI Shinsei Bank's intrinsic value and does not serve the interests of minority shareholders.

In response to this request, SBIHDs submitted a written response to SBI Shinsei Bank and the Special Committee on April 21, 2023, stating, among other things, that they do not intend to reconsider the Tender Offer Price of 2,600 yen per share. In response to this, on April 25, 2023, SBI Shinsei Bank and the Special Committee submitted a written request to SBIHDs to reconsider the Tender Offer Price, stating that their view that the Tender Offer Price of 2,600 yen per share is insufficient remains unchanged, and that SBI Shinsei Bank and the Special Committee consider that such price is an undervalued level that does not fulfill the accountability to minority shareholders in light of the assumed intrinsic value of the Shares, and that SBI Shinsei Bank's stock value of over 3,400 yen per share can be fully justified based on the assumed intrinsic value of SBI Shinsei Bank from a medium to long-term and sustainable perspective, taking into consideration the business plan disclosed by SBI Shinsei Bank to SBIHDs.

In response to this request, on April 27, 2023, SBIHDs submitted to SBI Shinsei Bank 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 a premium of 11.99%, 13.88%, 13.11%, and 16.53% to the closing price of the Shares on TSE Standard Market on April 26, 2023, which is the business day immediately preceding April 27, 2023 (2,411 yen), as well as the simple average closing price for the past one month ending on April 26, 2023 (2,371 yen), the simple average closing price for the past three months ending on April 26, 2023 (2,387 yen), and the simple average closing price for the past six months ending on April 26, 2023 (2,317 yen), respectively; a premium of 39.18%, 39.46%, 37.33%, and 31.90% to the closing price of the Shares on TSE Standard Market on September 29, 2022, which is the business day immediately preceding the Approval Report Date (1,940 yen), as well as the simple average closing price for the past one month ending on September 29, 2022 (1,936 yen), the simple average closing price for the past three months ending on September 29, 2022 (1,966 yen), and the simple average closing price for the previous six months ending on September 29, 2022 (2,047 yen), respectively; and a premium of 85.82%, 90.68%, 84.93%, and 69.70% to the closing price of the Shares on TSE Standard Market on September 8, 2021, which is the business day immediately preceding the announcement of the Previous TOB of the Shares by SBI Regional Bank HD (1,453 yen), as well as the simple average closing price for the past one month ending on September 8, 2021 (1,416 yen), the simple average closing price for the past three months ending on September 8, 2021 (1,460 yen), and the simple average closing price for the past six months ending on September 8, 2021 (1,591 yen), respectively). In response, on April 29, 2023, SBI Shinsei Bank and the Special Committee submitted to SBIHDs a written answer requesting that SBIHDs reconsider the Tender Offer Price. That written answer stated (among other things) that (i) the Tender Offer Price of 2,700 yen per share is still far from the level of the stock value in light of the SBI Shinsei Bank's intrinsic value assumed by SBI Shinsei Bank 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) SBI Shinsei Bank 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 proposal of the Tender Offer Price, and if a substantial increase in the proposed Tender Offer Price from SBIHDs 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 TOB conditional on a reasonable number of the minority shareholders tendering in the TOB.

In response to this request, after SBIHDs received a briefing regarding SBI Shinsei Bank's business plan from SBI Shinsei Bank's management on May 2, 2023, SBIHDs submitted a written answer to SBI Shinsei Bank and the Special Committee on May 8, 2023, stating (among other things) that (i) the Tender Offer Price shall be 2,800 yen per share (the Tender Offer Price represents a premium of 14.33%, 16.57%, 17.11%, and 20.48% to the closing price of the Shares on TSE Standard Market on May 2, 2023, which is the business day immediately preceding May 8, 2023 (2,449 yen), as well as the simple average closing price for the past one month ending on May 2, 2023 (2,402 yen), the simple average closing price for the past three months ending on May 2, 2023 (2,391 yen), and the simple average closing price for the past six months ending on May 2, 2023 (2,324 yen), respectively; a

premium of 44.33%, 44.63%, 42.42%, and 36.79% to the closing price of the Shares on TSE Standard Market on September 29, 2022, which is the business day immediately preceding the Approval Report Date (1,940 yen), as well as the simple average closing price for the past one month ending on September 29, 2022 (1,936 yen), the simple average closing price for the past three months ending on September 29, 2022 (1,966 yen), and the simple average closing price for the previous six months ending on September 29, 2022 (2,047 yen), respectively; and a premium of 92.70%, 97.74%, 91.78%, and 75.99% to the closing price of the Shares on TSE Standard Market on September 8, 2021, which is the business day immediately preceding the announcement of the Previous TOB of the Shares by SBI Regional Bank HD (1,453 yen), as well as the simple average closing price for the past one month ending on September 8, 2021 (1,416 yen), the simple average closing price for the past three months ending on September 8, 2021 (1,460 yen), and the simple average closing price for the past six months ending on September 8, 2021 (1,591 yen), respectively), and that (ii) since privatizing SBI Shinsei Bank through the Transactions contributes not only to sustainable improvement of corporate value of SBIHD Group (including SBI Shinsei Bank Group) but also to the benefit of minority shareholders who will be granted an opportunity to sell at fair price, SBIHDs do not intend to set the minimum number of shares to be purchased in the TOB because SBIHDs continue to believe that privatizing SBI Shinsei Bank without fail contributes to the benefit of the minority shareholders of SBI Shinsei Bank. In response, on May 9, 2023, SBI Shinsei Bank and the Special Committee submitted a written answer to SBIHDs requesting that the SBIHDs reconsider the Tender Offer Price. That written answer stated (among other things) that (i) it is still difficult to conclude that the Tender Offer Price of lower than 3,000 yen per share is set giving consideration to the interests of the minority shareholders; (ii) SBI Shinsei Bank and the Special Committee believe that if the Tender Offer Price remains at the level proposed by SBIHD (under 3,000 yen per share), a minimum number of shares to be purchased should be set so that it can be proven that the minority shareholders support the conditions of the Transactions; SBI Shinsei Bank and the Special Committee suggest that the Tender Offer Price be set at 3,000 yen or more, or if the Tender Offer Price is set at 2,800 yen as requested by SBIHDs or a price under 3,000 yen, they believe that it would be difficult to recommend that the shareholders of SBI Shinsei Bank tender their shares unless a minimum number of shares to be purchased are set, and based on the concept of majority of minority as the level of specific minimum number of shares to be purchased, they request that a minimum number of shares to be purchased be set taking into account the assumed ownership ratio of passive index funds whose policy is not to tender shares to TOB in principle regardless of the price of tender offer price.

In response to this request, on May 10, 2023, SBIHDs submitted a written answer stating (among other things) that (i) since the Tender Offer Price of 2,800 yen per share is the best and final price that SBIHDs can offer giving the best consideration to the interests of the minority shareholders of SBI Shinsei Bank, and SBIHDs believe that such price sufficiently contributes to the interests of the minority shareholders of SBI Shinsei Bank, SBIHDs intend to maintain such proposed Tender Offer Price (the Tender Offer Price of 2,800 yen per share), and that (ii) with respect to the minimum number of shares to be purchased, since privatizing SBI Shinsei Bank through the Transactions contributes not only to sustainable improvement of corporate value of SBIHD Group (including SBI Shinsei Bank Group) but also to the benefit of minority shareholders who will be granted an opportunity to sell at fair price, SBIHDs does not intend to set the minimum number of shares to be purchased in the TOB because SBIHDs continues to believe that privatizing SBI Shinsei Bank without fail contributes to the benefit of the minority shareholders of SBI Shinsei Bank. In response, on May 11, 2023, SBI Shinsei Bank and the Special Committee requested that SBIHDs reconsider setting the minimum number of shares to be purchased.

In response to such request, on May 11, 2023, SBIHDs submitted a written answer to SBI Shinsei Bank and the Special Committee stating that since SBIHDs still believe that setting the minimum number of shares to be purchased is not desirable from the perspective of protecting the interests of the minority shareholders of SBI Shinsei Bank, SBIHDs do not intend to set the minimum number of shares to be purchased in the TOB. In response to this, on May 11, 2023, SBI Shinsei Bank and the Special Committee answered to SBIHDs that they accept SBIHDs' proposal to set the Tender Offer Price at 2,800 yen per share and not to set the minimum number of shares to be purchased in the TOB.

As a result, SBIHDs and SBI Shinsei Bank reached an agreement to set the Tender Offer Price at 2,800 yen per share and not to set the minimum number of shares to be purchased in the TOB.

With respect to repayment of public funds, SBIHDs received an inquiry from SBI Shinsei Bank and the Special Committee about the expected repayment period. SBIHDs (i) answered that they cannot specify the expected period necessary to repay public funds because under the agreement on the handling of public funds injected to SBI Shinsei Bank executed among SBIHD, DICJ, RCC and SBI Shinsei Bank on May 12, 2023 (the “Four Party Agreement”), SBIHD and SBI Shinsei Bank shall give DICJ and RCC a proposal of specific structures regarding the repayment of public funds by the end of March 2025 and agree on such specific structures by the end of June 2025, and (ii) explained to SBI Shinsei Bank and the Special Committee that SBIHDs currently intend to repay public funds to DICJ and RCC, along with distribution to SBI Regional Bank HD, by SBI Shinsei Bank’s making dividends in accordance with their shareholding ratio, and believe that, based on certain assumptions at certain level, it may take a reasonable period until the amount of SBI Shinsei Bank’s dividend to DICJ and RCC in each term reaches the remaining amount of public funds.

In the reviewing and negotiation process above, the Special Committee received reports from SBI Shinsei Bank and its advisors from time to time, examined the situation and gave its opinions.

Specifically, the Special Committee has confirmed and approved the reasonableness of the details, key assumptions, and preparation process of the business plan that SBI Shinsei Bank prepared for the period from the fiscal year ending March 31, 2024 to the fiscal year ending March 31, 2025 (“Business Plan”). In the negotiation with SBIHDs on the conditions for the TOB and the negotiation with SBIHD, DICJ and RCC on the Four Party Agreement, SBI Shinsei Bank has followed the negotiation policy discussed and determined by the Special Committee. Also, when SBI Shinsei Bank received proposals on the Tender Offer Price or other conditions from SBIHDs, it has immediately reported them to the Special Committee and followed opinions of the Special Committee.

SBI Shinsei Bank received a findings report (“Findings Report”) from the Special Committee on May 12, 2023 stating that as a result of a comprehensive judgment, it is considered appropriate for the board of directors of SBI Shinsei Bank to express its opinion in support of the TOB, and for the same to recommend its shareholders to tender their shares in the TOB (for the summary of the Findings Report, please see “(ii) Establishment of an Independent Special Committee by SBI Shinsei Bank” in “(4) Measures to Ensure the Fairness of the Transactions and Measures to Avoid Conflicts of Interests” in “3. Matters Concerning Reasonableness of Consolidation Ratio” below)

(C) Details of Decision of SBI Shinsei Bank

Under the circumstances described above, SBI Shinsei Bank carefully discussed and deliberated at the meeting of the board of directors of SBI Shinsei Bank held on May 12, 2023, whether or not the Transactions including the TOB will contribute to the enhancement of its corporate value, and whether or not the conditions for the Transactions including the Tender Offer Price are appropriate, taking into account the legal advice received from AMT, the advice and the stock valuation report dated May 11, 2023 received from MUMSS (“Stock Valuation Report (MUMSS)”), and the fairness opinion dated May 11, 2023 received from MUMSS (“Fairness Opinion (MUMSS)”) stating that the Tender Offer Price of 2,800 yen per share is reasonable for the shareholders in SBI Shinsei Bank (excluding SBIHDs and their affiliates, as well as DICJ and RCC) from a financial perspective, as well as the stock valuation report dated May 11, 2023 submitted to the Special Committee from Frontier Management (“Stock Valuation Report (Frontier Management)”) and the fairness opinion dated May 11, 2023 submitted to the Special Committee from Frontier Management (“Fairness Opinion (Frontier Management)”) stating that the Tender Offer Price of 2,800 yen per share is reasonable for the shareholders in SBI Shinsei Bank (excluding SBI Regional Bank HD, DICJ and RCC) from a financial perspective, and paying utmost respect to the decision of the Special Committee presented in the Findings Report.

As a result, SBI Shinsei Bank has concluded as described below that the Transactions will contribute to the enhancement of its corporate value.

This means that SBI Shinsei Bank determined on May 12, 2023 that the Transactions are the best way to enhance its corporate value since it believes that going private will enable more agile and flexible decision-making, further integration with SBIHD Group, and development and execution of a medium to long-term management strategy, and will help generate synergies and benefits described in (a) through (c) below:

Specific synergies and benefits that SBI Shinsei Bank expects the Transactions to help generate are as stated in (a) through (c) below:

(a) Further strengthening of business by mutual complement in functions and customer base

In the retail sector of SBI Shinsei Bank Group (segment name: “Individual Business”), the two groups have had a full business alliance in the three businesses of financial instruments intermediary, bank agency, and cooperative store management. However, SBI Shinsei Bank believes that further support from SBIHD Group is possible in, for example, (a) support through the dispatch of personnel from SBIHD Group for cooperative store operation, (b) support for unsecured loans of Shinsei Financial and for sales efforts to acquire new clients by utilizing SBIHD Group’s network of regional financial institutions, and (c) support for the acquisition of new affiliated stores in the installment sales business of APLUS Co., Ltd. in SBI Shinsei Bank Group through SBIHD Group’s affiliates.

In the corporate sector of SBI Shinsei Bank Group (segment name: “Institutional Business”), SBI Shinsei Bank also believes that further support from SBIHD Group is possible in the areas of (a) referral to SBI Shinsei Bank of investment targets of SBI Investment Co., Ltd. (“SBI Investment”) which is a venture capital of SBIHD Group, and regional financial institutions, (b) support from SBIHD Group for better matching of needs of M&A sellers and buyers through collaboration between the M&A advisory teams of SBI Shinsei Bank and SBIHD Group, (c) referral of projects from SBIHD Group for provision of M&A financing from SBI Shinsei Bank, and (d) proposals from SBIHD Group to combine the various financial products of SBIHD Group for the fields of real estate, healthcare, environment and energy, which Showa Leasing Co., Ltd., which belongs to SBI Shinsei Bank Group, regards as a growth area.

However, according to SBIHD Group, it has a limitation to the provision of support because SBI Shinsei Bank is no more than one of the consolidated subsidiaries of SBIHD Group and the minority shareholders of SBI Shinsei Bank will receive a portion of the profits from the enhancement of the corporate value of SBI Shinsei Bank Group. Hence, SBI Shinsei Bank expects that SBI Regional Bank HD acquires more Shares through the Transactions, resulting in SBI Shinsei Bank receiving more support from SBIHD Group.

Since DICJ and RCC remain as a shareholder in SBI Shinsei Bank after the Transactions for the purpose of completion of repayment of public funds, the two groups will make further efforts to enhance the corporate value of SBI Shinsei Bank for a specific goal of completing repayment of public funds. Therefore, SBI Shinsei Bank does not anticipate such a situation as “support from SBIHD Group will not be reinforced because DICJ and RCC will receive a portion of the profits from the enhancement of the corporate value of SBI Shinsei Bank Group.”

(b) Rapid and optimal allocation of management resources across the two groups

SBI Shinsei Bank has used its original management functions as an independent listed company. However, SBI Shinsei Bank believes that the delisting of the Shares through the Transactions will help eliminate redundancy of management resources and achieve sophisticated business management by, for example, integration of the overlapping management functions in SBI Shinsei Bank Group and SBIHD Group.

In addition, SBI Shinsei Bank Group companies have attempted to integrate business portfolios including a merger of SBI Asset Management Co., Ltd. and Shinsei Investment Management, as a member of SBIHD Group. Meanwhile, SBI Shinsei Bank quite carefully decides on the optimization of the business portfolios with SBIHD Group from the perspective of respecting the interests of the minority shareholders of SBI Shinsei Bank. SBI Shinsei Bank, thus, considers that there is room for improvement in terms of speed. It expects that removing through the Transactions the restriction arising from respecting the interests of its minority shareholders will enable more rapid optimization of the business portfolios, thereby enhancing its corporate value.

Although DICJ and RCC remain as a shareholder in SBI Shinsei Bank after the Transactions, the number of shareholders will be much smaller than the current number of shareholders (17,878 shareholders as of March 31, 2023), which will enable much more rapid management decision-making.

(c) Reduction in listing maintenance cost

SBI Shinsei Bank believes that the delisting of the Shares 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. As a disadvantage associated with the delisting, it may become difficult to secure human resources due to lower name recognition. However, SBI Shinsei Bank believes that such disadvantage is limited by remaining a member of SBIHD Group, which is a listed company and has established a considerable size of a corporate ecosystem, because active personnel exchanges with SBIHD Group can be expected.

SBI Shinsei Bank also believes that through the realization of the synergies and benefits described above, which SBI Shinsei Bank believes are feasible through the Transaction, it will be possible to enhance SBI Shinsei Bank's corporate value and improve SBI Shinsei Bank's equity capital, thereby paving the way for the repayment of public funds, which is an important issue for SBI Shinsei Bank.

SBI Shinsei Bank also determined for the following reasons that the Tender Offer Price of 2,800 yen per share is a reasonable price that secures the interests that the minority shareholders in SBI Shinsei Bank should receive, and that the TOB provides the minority shareholders with reasonable opportunities to sell their shares at the price with a proper premium added.

- (a) The price has been fully negotiated and agreed upon by SBI Shinsei Bank with SBI Regional Bank HD after fully taking measures to ensure the fairness of the conditions for the Transactions including the Tender Offer Price as described in "(4) Measures to Ensure the Fairness of the Transactions and Measures to Avoid Conflicts of Interests" in "3. Matters Concerning Reasonableness of Consolidation Ratio" below, and with substantial involvement of the Special Committee.
- (b) Of the valuation result of the Shares provided by MUMSS stated in the Stock Valuation Report (MUMSS) described in "(v) Stock valuation report and fairness opinion obtained by SBI Shinsei Bank from an independent financial advisor and third-party calculation agent" in "(4) Measures to Ensure the Fairness of the Transactions and Measures to Avoid Conflicts of Interests" in "3. Matters Concerning Reasonableness of Consolidation Ratio", the price is beyond the range of the valuation by the market price analysis and within the range of the valuation by the comparable company analysis and DDM Analysis (as defined in "(B) Summary of Calculation" in "(v) Stock valuation report and fairness opinion obtained by SBI Shinsei Bank from an independent financial advisor and third-party calculation agent" in "(4) Measures to Ensure the Fairness of the Transactions and Measures to Avoid Conflicts of Interests" in "3. Matters Concerning Reasonableness of Consolidation Ratio" below). Furthermore, as described in "(v) Stock valuation report and fairness opinion obtained by Shinsei Bank from an independent financial advisor and third-party calculation agent" in "(4) Measures to Ensure the Fairness of the Transactions and Measures to Avoid Conflicts of Interests" in "3. Matters Concerning Reasonableness of Consolidation Ratio" below, MUMSS has issued the Fairness Opinion (MUMSS) stating that the Tender Offer Price of 2,800 yen per share is reasonable for the minority shareholders in SBI Shinsei Bank (excluding SBIHDs and their affiliate companies, as well as DICJ and RCC) from a financial perspective.
- (c) Of the valuation result of the Shares provided by Frontier Management stated in the Stock Valuation Report (Frontier Management) described in "(vi) Stock valuation report and fairness opinion obtained by the special committee from an independent third-party calculation agent" in "(4) Measures to Ensure the Fairness of the Transactions and Measures to Avoid Conflicts of Interests" in "3. Matters Concerning Reasonableness of Consolidation Ratio" below, the price is beyond the range of the valuation by the market price method and within the range of the valuation by the comparable company method and DDM Method (as defined in "(B) Summary of Calculation" in "(vi) Stock valuation report and fairness opinion obtained by the special committee from an independent third-party calculation agent" in "(4) Measures to Ensure the Fairness of the Transactions and Measures to Avoid Conflicts of Interests" in "3. Matters Concerning Reasonableness of Consolidation Ratio" below). Furthermore, as described in "(vi) Stock valuation report and fairness opinion obtained by the special committee from an independent third-party calculation agent" in "(4) Measures to Ensure the Fairness of the Transactions and Measures to Avoid Conflicts of Interests" in "3. Matters Concerning Reasonableness of Consolidation Ratio" below, Frontier Management has issued the Fairness Opinion (Frontier Management) stating that the Tender Offer Price of 2,800 yen per share is reasonable for the minority shareholders in SBI Shinsei Bank (excluding DICJ and RCC: the same shall apply to the summary of the Fairness Opinion (Frontier Management)) from a financial perspective.

- (d) With the record date of May 11, 2023, which is the business day immediately preceding the date of the announcement of the TOB, the Tender Offer Price has a premium of 12.63 % over the closing price of the Shares of 2,486 yen on TSE Standard Market on the record date, a premium of 14.66% over the simple average closing price of 2,442 yen for the one month prior to the record date, a premium of 16.81% over the simple average closing price of 2,397 yen for the three months prior to the same date, and a premium of 19.97% over the simple average closing price of 2,334 yen for the six months prior to the same date. Further, with the record date of September 29, 2022, which is the business day immediately preceding the Approval Report Date, the price has a premium of 44.33 % over the closing price of the Shares of 1,940 yen on TSE Standard Market 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. The price is considered to be comparable and reasonable in light of the level of premiums in 54 other cases of tender offers by parent companies for the purpose of delisting their listed subsidiaries' shares on and after June 28, 2019 which is the announcement date of "Fair M&A Guidelines – Enhancing Corporate Value and Securing Shareholders' Interests -" by the Ministry of Economy, Trade and Industry (a premium of 39.13% over the closing price on the business day immediately preceding the announcement date, a premium of 42.33% over the simple average closing price for the one month prior to the announcement date, a premium of 41.79% over the simple average closing price for the three months prior to the announcement date, and a premium of 39.59% over the simple average closing price for the six months prior to the announcement date). Even if the Tender Offer Price is less than the book value of the consolidated net assets per share calculated from the book value of the consolidated net assets of SBI Shinsei Bank as of March 31, 2023, SBI Shinsei Bank considers that it is not reasonable to place importance on the book value of the net assets in the calculation of the stock value of SBI Shinsei Bank which is a going concern since the book value of the net assets only represents a theoretical liquidation value and does not reflect future profitability. SBI Shinsei Bank, which is subject to the capital adequacy requirements under the Banking Act (Act No. 59 of 1981, as amended; the same applies hereinafter the "Banking Act"), considers that it is not realistic to immediately return an amount equivalent to the book value of the net assets to shareholders through dividends or other means in order to continue the operation of its banking business, and given the high public nature of the banking business and the protection of depositors, SBI Shinsei Bank believes that the approach that assumes liquidation of its business is not appropriate for the actual situation of it. If SBI Shinsei Bank were to liquidate its business, it would be difficult to sell assets, particularly its less liquid assets, and various expenses would arise (such as customer service costs related to repayment of deposits, costs related to closure of stores, premium retirement allowances for employees, fees for attorneys and other professionals engaged for liquidation of businesses including overseas subsidiaries). Thus, the business would not be liquidated at the book value of its net assets, and it is realistic to assume substantial reduction in the value (SBI Shinsei Bank has not obtained an estimate that assumes liquidation, and has not confirmed that the Tender Offer Price exceeds the expected liquidation value calculated taking into consideration various factors including the expected liquidation cost that is estimated through specific examination), and SBI Shinsei Bank considers that the book value of its net assets is not necessarily linked to the exchange value of its assets. Accordingly, since it is difficult to accept the approach to assume the book value of the consolidated net assets per share to be the floor of the fair value of the Shares, and it is not reasonable in the calculation of the stock value of SBI Shinsei Bank which is a going concern, to place importance on the valuation method that assumes liquidation of the business, SBI Shinsei Bank has not examined the Tender Offer Price by comparing it with the book value of its consolidated net assets per share or the liquidation value.
- (e) As described in "(ii) Establishment of an independent special committee by SBI Shinsei Bank" in "(4) Measures to Ensure the Fairness of the Transactions and Measures to Avoid Conflicts of Interests" in "3. Matters Concerning Reasonableness of Consolidation Ratio" below, the price is also deemed to be considered appropriate for the board of directors of SBI Shinsei Bank to express its opinion in support of the TOB, and for the same to recommend its shareholders to tender their shares in the TOB, as a result of a comprehensive judgment, in the Findings Report obtained from the Special Committee.

With respect to the premium added in the Tender Offer Price, in addition to the premium based on the business day preceding the announcement date of the TOB, SBIHDs have also included the premium based on the business day immediately preceding the Approval Report Date as a factor for evaluating

the level of the premium in the Tender Offer Price. SBI Shinsei Bank also believes that after the Approval Report Date, the price of the Shares may already have incorporated certain market expectations regarding additional acquisitions of the Shares by SBI Regional Bank HD, including the privatization of SBI Shinsei Bank. Therefore, with regard to the basis for SBI Shinsei Bank's judgment on the validity of the Tender Offer Price, SBI Shinsei Bank believes it would be useful to include the premium compared to the price of the Shares prior to the Approval Report Date as a basis for judgment by the shareholders of SBI Shinsei Bank.

In other words, in order for SBI Regional Bank HD to acquire additional Shares, the authorization of a bank holding company under the Banking Act (Article 52-17 of the Banking Act) is required, and SBI Shinsei Bank believes that this was recognized outside the bank as well. As of the date of the Approval Report Date, the percentage of the Shares held by SBI Regional Bank HD was 48.21% at that time, but SBIHDs had made SBI Shinsei Bank a consolidated subsidiary as of December 17, 2021, the date of commencement of settlement relating to the Previous TOB and under these circumstances, SBI Regional Bank HD obtaining authorization of a bank holding company regardless of the circumstance may have given rise to speculation of additional acquisition of the Shares, including privatization, beyond the acquisition of a majority of the Shares on a voting rights basis, and such speculation may have had an impact on the price of the Shares. In fact, compared with the closing price on the business day (1,940 yen) immediately preceding the Approval Report Date (September 29, 2022), the closing price of the Shares rose 12.4% (2,180 yen) on the business day following the Approval Report Date (October 3, 2022) and 18.0% (2,290 yen) on the fifth business day following such the Approval Report Date (October 7, 2022). Although certain events affecting price of the Shares have occurred after the Approval Report Date (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 (head office in California, USA) on March 10, 2023, and the Federal Deposit Insurance Corporation's declaration of bankruptcy for First Republic Bank (head office in California, USA) on May 1, 2023), the price of the Shares after the Approval Report Date has been on an upward trend and has not fallen below the closing price on the business day immediately preceding the Approval Report Date of 1,940 yen until May 12, 2023 which is the announcement date of the TOB.

Based on the above, SBI Shinsei Bank determined that the Transactions will contribute to the enhancement of its corporate value and the conditions for the Transactions including the Tender Offer Price are reasonable, and resolved at the meeting of the board of directors of SBI Shinsei Bank held on May 12, 2023, to express its opinion in support of the TOB, for the same and to recommend its shareholders to tender their shares in the TOB.

For the manner to make resolutions at the board of directors meeting, please see "(ix) Approval of the majority of directors of SBI Shinsei Bank without conflicts of interest and the opinion of non-objection of all auditors without conflicts of interest" in "(4) Measures to Ensure the Fairness of the Transactions and Measures to Avoid Conflicts of Interests" in "3. Matters Concerning Reasonableness of Consolidation Ratio" below.

Thereafter, as announced in the "Notice Regarding Result of the Takeover Bid for Shares of SBI Shinsei Bank by SBI Regional Bank Holdings Co., Ltd., the Controlling Shareholder" dated June 24, 2023, although the TOB was closed, SBI Regional Bank HD failed to acquire all of the Shares (excluding Shares held by SBI Regional Bank HD, treasury shares held by SBI Shinsei Bank, and Shares held by DICJ and RCC) through the TOB.

SBI Shinsei Bank, then, decided at the board of directors meeting held on July 18, 2023 to execute consolidation of Shares at the ratio of 20,000,000 shares to 1 share (the "Share Consolidation") as described in "2. Content of Share Consolidation" in order to make SBI Regional Bank HD, DICJ and RCC the only shareholders of SBI Shinsei Bank, and to take SBI Shinsei Bank private on the condition of obtaining approval from the shareholders at the Extraordinary Shareholders Meeting on the ground that the proposal for the Share Consolidation is certain to be approved at the Extraordinary Shareholders Meeting, given the fact that (i) SBI Shinsei Bank received from SBI Regional Bank HD a request to convene an extraordinary shareholders meeting whose agendas include a share consolidation and partial amendments to articles of incorporation to abolish the provisions regarding a share unit, and (ii) in the memorandum concerning the Four Party Agreement executed with SBIHD, DICJ and RCC on May 12, 2023, DICJ which is the second largest shareholder of SBI Shinsei Bank (as of March 31, 2023) (shares owned: 26,912,888 shares, ownership ratio: 13.18%) and RCC which is

the third largest shareholder (as of March 31, 2023) (shares owned: 20,000,000 shares, ownership ratio: 9.80%) have agreed to exercise their voting rights in favor of the proposal for the share consolidation to be submitted to the shareholders meeting of SBI Shinsei Bank to implement the Squeeze-Out Procedures. The board of directors resolved to submit the proposal for the Share Consolidation to the Extraordinary Shareholders Meeting by majority (five supporting votes, one dissenting vote) approval of six out of the nine directors (five of whom were independent outside directors) who participated in the deliberation and resolution.

Director Ayumi Michi opposed to the submission of the proposal for the Share Consolidation to the Extraordinary Shareholders Meeting for the following reason:

She opposed at the board of directors meeting as she considered it difficult to determine that SBI Shinsei Bank should support the TOB and recommend its shareholders to tender their shares in the TOB for the reasons given in 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” dated May 12, 2023, upon the commencement of the TOB (For details, please see “(ix) Approval of the majority of directors of SBI Shinsei Bank without conflicts of interest and the opinion of non-objection of all auditors without conflicts of interest” in “(4) Measures to Ensure the Fairness of the Transactions and Measures to Avoid Conflicts of Interests” in “3. Matters Concerning Reasonableness of Consolidation Ratio” below). For the same reason, she opposed to the Share Consolidation which is a part of the Transaction, even if she took into account that TOB was completed and the Transaction has proceeded to a new phase since then.

As a result of the Share Consolidation, the number of Shares held by shareholders other than SBI Regional Bank HD, DICJ and RCC will be fractional shares less than one share.

As announced in the “Notice of the Establishment of the Record Date Pertaining to the Convocation of the Extraordinary General Meeting of Shareholders” dated June 27, 2023, SBI Shinsei Bank has set July 12, 2023 (Wednesday) as the record date to determine the shareholders who are entitled to vote at the Extraordinary Shareholders Meeting, and has made a public notice in an electronic manner on June 27, 2023 to entitle the shareholders registered or recorded on the latest shareholder register on July 12, 2023 to exercise their voting rights.

2. Content of the Share Consolidation (items listed in Article 180, Paragraph 2 of the Companies Act)

(1) Consolidation Ratio

The Shares will be consolidated at a ratio of 20,000,000 shares to one share.

(2) Date when the Share Consolidation will become effective (effective date)

October 2, 2023

(3) Total Number of Authorized Shares as of the Effective Date

40 shares

3. Matters Concerning Reasonableness of Consolidation Ratio (matters concerning reasonableness of terms and conditions for items listed in Article 180 Paragraph 2, Items (i) and (iii) of the Companies Act)

In the Share Consolidation, the Shares will be consolidated at a ratio of 20,000,000 shares to one share.

The consolidation ratio in the Share Consolidation is determined reasonable based on the fact that the Share Consolidation intends to make SBI Regional Bank HD, DICJ and RCC the only shareholders of SBI Shinsei Bank as stated in “1. Reasons for the Share Consolidation” above and the TOB was closed which was executed as part of the Transactions through the process stated in the same section as well as the following facts:

(1) When SBI Shinsei Bank has a Parent Company, Etc., Particulars Given Due Consideration so as Not to Harm the Interests of Shareholders of SBI Shinsei Bank (Excluding the Parent Company, Etc.)

While the Share Consolidation will be executed as the second-tier process of the so-called two-tier takeover strategy after the TOB as part of the Transactions, since SBI Regional Bank HD falls under a controlling shareholder (parent company) of SBI Shinsei Bank, and SBIHD, the parent company of SBI Regional Bank HD, falls under the parent company of SBI Shinsei Bank, the Transactions fall under material transactions with controlling shareholders for SBI Shinsei Bank. Also, taking into account that the Transactions including the TOB fall under a type of transactions in which the issues of structural conflicts of interests and information asymmetry exists in general, SBI Shinsei Bank has taken the measures as described in “(4) Measures to Ensure the Fairness of the Transactions and Measures to Avoid Conflicts of Interests” in order to handle these issues and ensure the fairness of conditions of the Transactions including the Tender Offer Price.

(2) The Method of the Treatment in the Case of Accrual of Fractional Shares Less than One Share and the Amount of Money Expected to be Delivered to Shareholders upon the Treatment

- (i) Whether the treatment under Article 235, Paragraph 1 of the Companies Act or Article 234, Paragraph 2 of the said act as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the said act is planned, and reasons therefor

As stated in “1. Reasons for the Share Consolidation” above, the Shares owned by the shareholders (excluding SBI Regional Bank HD, DICJ and RCC) are planned to be fractional shares of less than one share upon the Share Consolidation.

If any fractional shares less than one share result from the Share Consolidation, each shareholder of SBI Shinsei Bank holding such fractional shares will receive an amount of cash obtained by selling the Shares equivalent to the total number of such fractional shares (with such total number rounded down to the nearest whole number if there is any fraction less than one share, the “Shares Subject to Sale”) on a prorated basis. SBI Shinsei Bank intends to sell all of such shares to SBI Regional Bank HD with the court’s permission under Article 234, Paragraph 2 of the Companies Act (Act No. 86 of 2005; as amended; hereinafter the same, the “Companies Act”) as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the Companies Act, obtain all of such shares with the court permission under Article 234, Paragraphs 2 and 4 of the Companies Act, or sell some of such shares to SBI Regional Bank HD and obtain some of such shares.

If the court’s permission above is obtained as planned, SBI Shinsei Bank intends to set the sales price in this case at a price that will result in the delivery of money to each of the shareholders in an amount equivalent to the amount obtained by multiplying the number of the Shares owned by the shareholders, who are registered or recorded on the latest shareholders register as of October 1, 2023, the day preceding the effective date of the Share Consolidation, by 2,800 yen, which is the same price as the Tender Offer Price. However, in cases where the court’s permission cannot be obtained or adjustment of fractions are required for calculation purposes, the amount actually delivered may be different from the above amount.

- (ii) Name or tradename of the person who is expected to purchase the shares for sale
SBI Regional Bank Holdings Co., Ltd. (SBI Regional Bank HD)
SBI Shinsei Bank, Limited (SBI Shinsei Bank)
- (iii) Method by which the person who is expected to purchase the shares for sale procures funds to pay the price for the sale of the shares, and reasonableness of the method
SBI Regional Bank HD plans to procure the funds required for the settlement of the TOB by investment and borrowing from SBIHD, and SBI Shinsei Bank has confirmed the method of procurement of funds by SBI Regional Bank HD by verifying the certificate of investment and the certificate of loan from SBIHD to SBI Regional Bank HD (collectively “TOB Fund Certificates”).

According to SBI Regional Bank HD, it plans to use such funds to purchase the Shares Subject to Sale. The funds required for the purchase of the Shares Subject to Sale include funds to purchase fractional shares less than one share arising to the Shares held by DICJ as a result of the Share Consolidation. If SBI Regional Bank HD purchases all of the Shares Subject to Sale, such funds cannot be fully covered by the investment and loan under the TOB Fund Certificates. SBI Regional Bank HD plans to procure such funds by investment or loan from SBIHD to SBI Regional Bank HD, or both of them. SBI Shinsei Bank has confirmed the method of procurement of funds by SBI Regional Bank HD by way of investment or loan from SBIHD to SBI Regional Bank HD, or both of them by reviewing the balance sheet of SBIHD stated in the annual securities report for the 25th term (from April 1, 2022 to March 31, 2023) submitted by SBIHD on June 30, 2023. According to SBI Regional Bank HD, no event has occurred to SBI Regional Bank HD that may prevent the payment of the purchase price of the Shares Subject to Sale nor has any likelihood of such event been recognized.

As of July 18, 2023, SBI Shinsei Bank has cash and deposits that equals to funds to pay the purchase price of the Shares Subject to Sale. No event has occurred to SBI Shinsei Bank that affects the payment of the purchase price of the Shares Subject to Sale nor has any likelihood of such event been recognized. SBI Shinsei Bank was given an explanation from SBI Regional Bank HD that it plans to separately take appropriate actions in relation to the effect on the equity capital of SBI Shinsei Bank that is caused by purchase by SBI Shinsei Bank of all or some of the Shares Subject to Sale.

Therefore, SBI Shinsei Bank determined that the method to secure the funds to pay the purchase price of the Shares Subject to Sale is reasonable whether it sells them to SBI Regional Bank HD or purchases them by itself.

(iv) Expected timing of sale and delivery of sale proceeds to shareholders

SBI Shinsei Bank plans to apply for the court's permission for sale of the Shares equivalent to the total number of fractional shares less than one share resulting from the Share Consolidation in accordance with Article 234, Paragraph 2 of the Companies Act as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the said act in early November of 2023. SBI Shinsei Bank expects to sell the Shares with the court's permission around the middle of December 2023, then to complete necessary preparation for delivery of the sales proceeds to shareholders, and to deliver the sales proceeds to the shareholders around early January to early February 2024. In consideration of the period required from the effective date of the Share Consolidation to a series of procedures for the sale, SBI Shinsei Bank determined as stated above that the Shares Subject to Sale will be sold and the sales proceeds will be delivered to the shareholders at each timing.

The sales proceeds will be delivered to the shareholders on the latest shareholder register of SBI Shinsei Bank as of October 1, 2023 which is the day immediately preceding the effective date of the Share Consolidation, in the same manner as distribution of dividends by SBI Shinsei Bank.

(3) Amount of Money Expected to be Delivered to Shareholders as a Result of the Treatment of Fractional Shares and Matters Concerning Reasonableness of Such Amount

As described in "(vii) The Method of the Treatment in the Case of Accrual of Fractional Shares Less than One Share and the Amount of Money Expected to Be Delivered to Shareholders upon the Treatment" in "(2) Content of the Share Consolidation" in "2. Outline of the Share Consolidation" above, the amount of money expected to be delivered to the shareholders by treating fractional shares will be the amount obtained by multiplying the number of the Shares owned by the shareholders registered or recorded on the latest shareholders register of SBI Shinsei Bank as of October 1, 2023, which is the day before the effective date of the Share Consolidation, by 2,800 yen, being the same price as the Tender Offer Price.

As stated in "(C) Details of Decision of SBI Shinsei Bank" in "1. Reasons for Share Consolidation", SBI Shinsei Bank has determined based on the reasons below that the Tender Offer Price of 2,800 yen per share is a reasonable price that secures the interests that the minority shareholders of SBI Shinsei Bank should receive, and that the TOB provides the minority shareholders with reasonable opportunities to sell their shares at the price with a proper premium added.

- (a) The price has been fully negotiated and agreed upon by SBI Shinsei Bank with SBI Regional Bank HD after fully taking measures to ensure the fairness of the conditions for the Transactions including the Tender Offer Price as described in "(4) Measures to Ensure the Fairness of the Transactions and Measures to Avoid Conflicts of Interests" below, and with substantial involvement of the Special Committee.
- (b) Of the valuation result of the Shares provided by MUMSS stated in the Stock Valuation Report (MUMSS) described in "(v) Stock valuation report and fairness opinion obtained by SBI Shinsei Bank from an independent financial advisor and third-party calculation agent" in "(4) Measures to Ensure the Fairness of the Transactions and Measures to Avoid Conflicts of Interests", the price is beyond the range of the valuation by the market price analysis and within the range of the valuation by the comparable company analysis and DDM Analysis (as defined in "(B) Summary of Calculation" in "(v) Stock valuation report and fairness opinion obtained by SBI Shinsei Bank from an independent financial advisor and third-party calculation agent" in "(4) Measures to Ensure the Fairness of the Transactions and Measures to Avoid Conflicts of Interests" below). Furthermore, as described in "(v) Stock valuation report and fairness opinion obtained by Shinsei Bank from an independent financial advisor and third-party calculation agent" in "(4) Measures to Ensure the Fairness of the Transactions and Measures to Avoid Conflicts of Interests" below, MUMSS has issued the Fairness Opinion (MUMSS) stating that the Tender Offer Price of 2,800 yen per share is reasonable for the minority shareholders in SBI Shinsei Bank (excluding SBIHDs and their affiliate companies, as well as DICJ and RCC) from a financial perspective.
- (c) Of the valuation result of the Shares provided by Frontier Management stated in the Stock Valuation Report (Frontier Management) described in "(vi) Stock valuation report and fairness opinion obtained by the special committee from an independent third-party calculation agent" in "(4) Measures to Ensure the Fairness of the Transactions and Measures to Avoid Conflicts of Interests" below, the price is beyond the range of the valuation by the market price method and within the range of the valuation by the comparable company method and DDM Method (as defined in "(B) Summary of

Calculation” in “(vi) Stock valuation report and fairness opinion obtained by the special committee from an independent third-party calculation agent” in “(4) Measures to Ensure the Fairness of the Transactions and Measures to Avoid Conflicts of Interests” below). Furthermore, as described in “(vi) Stock valuation report and fairness opinion obtained by the special committee from an independent third-party calculation agent” in “(4) Measures to Ensure the Fairness of the Transactions and Measures to Avoid Conflicts of Interests” below, Frontier Management has issued the Fairness Opinion (Frontier Management) stating that the Tender Offer Price of 2,800 yen per share is reasonable for the minority shareholders in SBI Shinsei Bank (excluding DICJ and RCC: the same shall apply to the summary of the Fairness Opinion (Frontier Management)) from a financial perspective.

- (d) With the record date of May 11, 2023, which is the business day immediately preceding the date of the announcement of the TOB, the Tender Offer Price has a premium of 12.63 % over the closing price of the Shares of 2,486 yen on TSE Standard Market on the record date, a premium of 14.66% over the simple average closing price of 2,442 yen for the one month prior to the record date, a premium of 16.81% over the simple average closing price of 2,397 yen for the three months prior to the same date, and a premium of 19.97% over the simple average closing price of 2,334 yen for the six months prior to the same date. Further, with the record date of September 29, 2022, which is the business day immediately preceding the Approval Report Date, the price has a premium of 44.33 % over the closing price of the Shares of 1,940 yen on TSE Standard Market 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. The price is considered to be comparable and reasonable in light of the level of premiums in 54 other cases of tender offers by parent companies for the purpose of delisting their listed subsidiaries' shares on and after June 28, 2019 which is the announcement date of “Fair M&A Guidelines – Enhancing Corporate Value and Securing Shareholders' Interests -“ by the Ministry of Economy, Trade and Industry (a premium of 39.13% over the closing price on the business day immediately preceding the announcement date, a premium of 42.33% over the simple average closing price for the one month prior to the announcement date, a premium of 41.79% over the simple average closing price for the three months prior to the announcement date, and a premium of 39.59% over the simple average closing price for the six months prior to the announcement date). Even if the Tender Offer Price is less than the book value of the consolidated net assets per share calculated from the book value of the consolidated net assets of SBI Shinsei Bank as of March 31, 2023, SBI Shinsei Bank considers that it is not reasonable to place importance on the book value of the net assets in the calculation of the stock value of SBI Shinsei Bank which is a going concern since the book value of the net assets only represents a theoretical liquidation value and does not reflect future profitability. SBI Shinsei Bank, which is subject to the capital adequacy requirements under the Banking Act (Act No. 59 of 1981, as amended; the same applies hereinafter the “Banking Act”), considers that it is not realistic to immediately return an amount equivalent to the book value of the net assets to shareholders through dividends or other means in order to continue the operation of its banking business, and given the high public nature of the banking business and the protection of depositors, SBI Shinsei Bank believes that the approach that assumes liquidation of its business is not appropriate for the actual situation of it. If SBI Shinsei Bank were to liquidate its business, it would be difficult to sell assets, particularly its less liquid assets, and various expenses would arise (such as customer service costs related to repayment of deposits, costs related to closure of stores, premium retirement allowances for employees, fees for attorneys and other professionals engaged for liquidation of businesses including overseas subsidiaries). Thus, the business would not be liquidated at the book value of its net assets, and it is realistic to assume substantial reduction in the value (SBI Shinsei Bank has not obtained an estimate that assumes liquidation, and has not confirmed that the Tender Offer Price exceeds the expected liquidation value calculated taking into consideration various factors including the expected liquidation cost that is estimated through specific examination), and SBI Shinsei Bank considers that the book value of its net assets is not necessarily linked to the exchange value of its assets. Accordingly, since it is difficult to accept the approach to assume the book value of the consolidated net assets per share to be the floor of the fair value of the Shares, and it is not reasonable in the calculation of the stock value of SBI Shinsei Bank which is a going concern, to place importance on the valuation method that assumes liquidation of the business, SBI Shinsei Bank has not examined the Tender Offer Price by comparing it with the book value of its consolidated net assets per share or the liquidation value.
- (e) As described in “(ii) Establishment of an independent special committee by SBI Shinsei Bank” in “(4) Measures to Ensure the Fairness of the Transactions and Measures to Avoid Conflicts of Interests”

below, the price is also deemed to be considered appropriate for the board of directors of SBI Shinsei Bank to express its opinion in support of the TOB, and for the same to recommend its shareholders to tender their shares in the TOB, as a result of a comprehensive judgment, in the Findings Report obtained from the Special Committee.

With respect to the premium added in the Tender Offer Price, in addition to the premium based on the business day preceding the announcement date of the TOB, SBIHDs have also included the premium based on the business day immediately preceding the Approval Report Date as a factor for evaluating the level of the premium in the Tender Offer Price. SBI Shinsei Bank also believes that after the Approval Report Date, the price of the Shares may already have incorporated certain market expectations regarding additional acquisitions of the Shares by SBI Regional Bank HD, including the privatization of SBI Shinsei Bank. Therefore, with regard to the basis for SBI Shinsei Bank's judgment on the validity of the Tender Offer Price, SBI Shinsei Bank believes it would be useful to include the premium compared to the price of the Shares prior to the Approval Report Date as a basis for judgment by the shareholders of SBI Shinsei Bank.

In other words, in order for SBI Regional Bank HD to acquire additional Shares, the authorization of a bank holding company under the Banking Act (Article 52-17 of the Banking Act) is required, and SBI Shinsei Bank believes that this was recognized outside the bank as well. As of the date of the Approval Report Date, the percentage of the Shares held by SBI Regional Bank HD was 48.21% at that time, but SBIHDs had made SBI Shinsei Bank a consolidated subsidiary as of December 17, 2021, the date of commencement of settlement relating to the Previous TOB and under these circumstances, SBI Regional Bank HD obtaining authorization of a bank holding company regardless of the circumstance may have given rise to speculation of additional acquisition of the Shares, including privatization, beyond the acquisition of a majority of the Shares on a voting rights basis, and such speculation may have had an impact on the price of the Shares. In fact, compared with the closing price on the business day (1,940 yen) immediately preceding the Approval Report Date (September 29, 2022), the closing price of the Shares rose 12.4% (2,180 yen) on the business day following the Approval Report Date (October 3, 2022) and 18.0% (2,290 yen) on the fifth business day following such the Approval Report Date (October 7, 2022). Although certain events affecting price of the Shares have occurred after the Approval Report Date (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 (head office in California, USA) on March 10, 2023, and the Federal Deposit Insurance Corporation's declaration of bankruptcy for First Republic Bank (head office in California, USA) on May 1, 2023), the price of the Shares after the Approval Report Date has been on an upward trend and has not fallen below the closing price on the business day immediately preceding the Approval Report Date of 1,940 yen until May 12, 2023 which is the announcement date of the TOB.

In addition, SBI Shinsei Bank has confirmed that there was no material change to the conditions based on which the Tender Offer Price was calculated, after SBI Shinsei Bank resolved to express its opinion in support of the TOB and recommend that its shareholders tender their shares in the TOB at its board of directors' meeting held on May 12, 2023, until the time of the resolution of its board of directors held on July 18, 2023.

In light of the above, SBI Shinsei Bank determined that the amount of money expected to be delivered to the shareholders by treating fractional shares is appropriate.

(4) Measures to Ensure the Fairness of the Transactions and Measures to Avoid Conflicts of Interests

While the Share Consolidation will be executed as the second-tier process of the so-called two-tier takeover strategy after the TOB as part of the Transactions, since, as of May 12, 2023 which is the announcement date of the TOB, SBI Regional Bank HD falls under a controlling shareholder (parent company) of SBI Shinsei Bank, and SBIHD, the parent company of SBI Regional Bank HD, falls under the parent company of SBI Shinsei Bank, the Transactions fall under material transactions with controlling shareholders for SBI Shinsei Bank. Also, taking into account that the Transactions including the TOB fall under a type of transactions in which the issues of structural conflicts of interests and information asymmetry exists in general, SBI Shinsei Bank has taken the following measures in order to handle these issues and ensure the fairness of conditions of the Transactions including the Tender Offer Price.

SBI Regional Bank HD believes that, if the minimum number of "majority of minority" were set in the TOB, the success of the TOB would be unstable, which would be less likely to be beneficial for minority

shareholders who wish to tender their shares in the TOB, and that taking SBI Shinsei Bank private through TOB does not only contribute to the sustained improvement of the business valuation of SBIHD Group including SBI Shinsei Bank Group, but also to the benefit of minority shareholders of SBI Shinsei Bank. Therefore, the minimum number of shares to be purchased is not set in the TOB. However, since SBIHDs and SBI Shinsei Bank has taken the following measures, SBI Shinsei Bank believes that sufficient consideration is given to the benefit of minority shareholders of SBI Shinsei Bank.

In addition, a special resolution at the Shareholders' Meeting provided in Article 309, Paragraph 2 of the Companies Act is a requirement when conducting the Share Consolidation as part of the Squeeze-out Procedures, but the total of the number of voting rights (1,490,727) pertaining to the Shares held by SBI Regional Bank HD (1,021,599) (102,159,999 shares, ownership ratio: 50.04%) and the number of voting rights (DICJ: 269,128, RCJ: 200,000) pertaining to the Shares held by DICJ and RCC (DICJ: 26,912,888 shares (ownership ratio: 13.18%), RCJ: 20,000,000 shares (ownership ratio: 9.80%)), which have agreed with SBIHD to vote in favor of the proposal for the Squeeze-out Procedures to be presented at the Extraordinary Shareholders' Meeting exceeds two thirds of the number of the total voting rights (2,041,449) pertaining to the number of shares (204,144,971 shares), which is obtained by deducting the treasury shares held by SBI Shinsei Bank as of March 31, 2023 (889,718 shares) from the total number of issued and outstanding shares of SBI Shinsei Bank as of March 31, 2023 (205,034,689 shares), as stated in Financial Results of SBI Shinsei Bank, and the Squeeze-out Procedures can be implemented with certainty. Thus, SBI Regional Bank HD has set no minimum number of shares to be purchased in the TOB.

- (i) Stock valuation report obtained by SBI Regional Bank HD from independent third-party calculation agent
 - (A) Name of the calculation agent and the relationship with SBI Shinsei Bank and SBI Regional Bank HD
In determining the Tender Offer Price, SBIHDs have requested Citigroup Global Markets Japan Inc. ("CGMJ"), a financial advisor as a third-party calculation agent independent of DICJ, RCC and SBIHDs, SBI Shinsei Bank to calculate the value of the Shares. CGMJ is not a related party of SBIHDs, DICJ, RCC and SBI Shinsei Bank, and does not have material interests regarding the TOB.
 - (B) Outline of calculation
CGMJ has considered the calculation method to be adopted in calculating the value of the Shares from among several stock value calculation methods, and it has calculated the value of the Shares by using the following methods: the market price method that takes into account the trends of the share price of SBI Shinsei Bank; the comparable company analysis as there are several listed companies that are comparable to SBI Shinsei Bank and analogical inference of the value of the Shares is possible through the comparable company analysis; and in addition, in order to reflect the status of future business activities in the evaluation, the dividend discount model, or the DDM Method, which is a method that analyzes the stock value by assuming the capital adequacy ratio necessary for SBI Shinsei Bank to conduct its business stably, and then discounting the profit attributable to shareholders after taking into account the retained earnings, etc. necessary to maintain the core capital calculated from the capital adequacy ratio to the present value at the cost of shareholders' equity, and is used widely in the evaluation of financial institutions. SBIHDs have obtained the stock valuation report (the "SBI Regional Bank HD's Stock Valuation Report") from CGMJ on May 12, 2023. As SBIHDs intend to determine and decide the Tender Offer Price after comprehensively considering the various factors described below and through discussions and negotiations with SBI Shinsei Bank, they have not obtained an opinion concerning the fairness of the Tender Offer Price (fairness opinion) from CGMJ.

According to the SBI Regional Bank HD's Stock Valuation Report, the range of values per share of the Shares calculated under each method is as follows:

Market Price Method:	2,334 yen - 2,486 yen
Comparable Company Analysis:	1,896 yen - 3,524 yen
DDM Method:	2,078 yen - 3,358 yen

Under the Market Price Method, based on 2,486 yen, the closing price of the Shares on TSE Standard Market on the calculation reference date, which is the business day immediately preceding the date of the resolution by the board of directors of SBIHD concerning the TOB, which is May 11, 2023, 2,442 yen, the simple average closing price of the Shares on TSE Standard Market for the past one period ending on the reference date (which is from April 12, 2023 to May 11, 2023), 2,397 yen, the simple average of the closing prices for the past three months ending on such reference date (which is from February 13, 2023 to May 11, 2023) and 2,334 yen, the simple average of the closing prices for the past six months ending on such reference date (which is from November 14, 2022 to May 11, 2023), the range of the per share value of the Shares is calculated to be from 2,334 yen to 2,486 yen.

According to the Comparable Company Analysis, the value of the Shares is calculated using the ratio of the shareholders' equity per share, the tangible shareholders' equity per share and the net profit for the current year per share to the market price, with reference to similar listed companies that have been determined to be engaged in businesses similar to the banking, consumer finance, credit card and leasing businesses operated by SBI Shinsei Bank as a comparison, and the range of the per share value of the Shares is analyzed to be from 1,896 yen to 3,524 yen.

According to the DDM Method, based on various factors such as the Business Plan provided by SBI Shinsei Bank, SBI Shinsei Bank's latest business performance trends, and publicly available information, the per share value of the Shares is calculated by discounting the profit attributable to shareholders to the present value at the cost of shareholders' equity after assuming the capital adequacy ratio necessary for SBI Shinsei Bank to conduct its business stably in the period from the fiscal year ending March 2024 to the fiscal year ending March 2025, and taking into account the internal reserves and other factors necessary to maintain the capital calculated from the capital adequacy ratio, and the range of the per share value of the Shares is analyzed to be from 2,078 yen to 3,358 yen. The financial projections based on the Business Plan, which CGMJ used for the DDM Method, include fiscal years in which significant gains are expected. Specifically, in the fiscal year ending March 31, 2025, CGMJ expects the net profit for the current year to increase significantly year on year due to the realization of synergies from the measures that SBIHD Group as a whole, including SBI Shinsei Group, has taken to date and an increase in earnings resulting from the efficient management and reallocation of capital, including the liquidation and replacement of assets. Furthermore, the synergies expected to be realized through the TOB are not reflected since it is difficult to predict the probability or time frame for realizing synergies with SBI Shinsei Bank at the time of the commencement of the TOB.

SBIHDs reviewed the Tender Offer Price in light of the ranges of stock values under the Market Price Method, Comparable Company Analysis and DDM Method stated in the SBI Regional Bank HD's Stock Valuation Report acquired from CGMJ, and in light of comprehensive consideration of the result of the due diligence conducted by SBIHDs with respect to SBI Shinsei Bank from late March 2023 to early May 2023, trends in the market price of the Shares, possibility of SBI Shinsei Bank to support the TOB, trends in the market price of the Shares, and prospects for receiving tenders in the TOB and the results of discussions and negotiations with SBI Shinsei Bank, SBIHDs decided on May 12, 2023 to set the Tender Offer Price at 2,800 yen per share. Although an initial analysis was conducted for reference, SBIHDs have determined that it is not possible to make a direct comparison with the premium analysis granted in cases where a listed subsidiary is made a wholly-owned subsidiary by a parent company of the same type as in this TOB, because the premium may vary depending on the market share price at the time of each case and the level of the intrinsic value of target companies in each case that SBI Regional Bank HD considers reasonable, and has not considered the premium analysis in the consideration of the Tender Offer Price.

The Tender Offer Price of 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 Shares on TSE Standard Market on May 11, 2023, which is the business day immediately preceding the announcement date of the intention to conduct the TOB; 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 (which is the period beginning from April 12, 2023 and ending on May 11, 2023); 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 (which is the period beginning from February 13, 2023 to May 11, 2023); 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 (which is the period beginning from November 14, 2022 to May 11, 2023); the price at which a premium of 44.33% is added to the closing price of 1,940 yen of the Shares on TSE Standard Market on September 29, 2022, which is the business day immediately preceding the Approval Report Date; the price at which a premium of 44.63% is added to the simple average closing price of 1,936 yen for the past one month (which is the period beginning from August 30, 2022 to September 29, 2022); the price at which a premium of 42.42 % is added to the simple average closing price of 1,966 yen for the past three months (which is the period beginning from June 30, 2022 to September 29, 2022); the price at which a premium of 36.79% is added to the simple average closing price of 2,047 yen for the past six months (which is the period beginning from March 30, 2022 to September 29, 2022); the price at which a premium of 92.70% is added to the closing price of 1,453 yen of the Shares on TSE Standard Market on September 8, 2021, which is the business day immediately preceding the date of announcement of the Previous TOB by SBI Regional Bank HD for the Shares; the price at which a premium of 97.74% is added to the simple average closing price of 1,416 yen for the past one month (which is the period beginning from August 9, 2021 to

September 8, 2021); the price at which a premium of 91.78% is added to the simple average closing price of 1,460 yen for the past three months (which is the period beginning from June 9, 2021 to September 8, 2021); and the price at which a premium of 75.99% is added to the simple average closing price of 1,591 yen for the past six months (which is the period beginning from March 9, 2021 to September 8, 2021).

From January 28, 2021 to late March of the same year, SBIHD acquired the Shares by market trading at the market price at that time (the average acquisition unit price of the Shares from January 28, 2021 to late March of the same year was 1,656.44 yen) and each such market trading was conducted by competitive trading on the First Section of TSE, and unlike the TOB, no premium was granted.

In addition, SBI Regional Bank HD acquired 100 Shares from SBIHD through a relative transaction on the acquisition date of September 9, 2021 at 1,418 yen per share (the closing price of the Shares on the First Section of TSE on the 7th of the same month).

There is a difference of 1,382 yen between the Tender Offer Price (2,800 yen) and the purchase price (1,418 yen) because, in addition to the movement in the share price of the Shares since the time of the share acquisition, the share acquisition was a transfer of shares between the 100% parent company and subsidiary company and, unlike the TOB, no premium was granted.

In addition, SBI Regional Bank HD acquired the Shares at 2,000 yen per share through the Previous TOB which commenced on September 10, 2021. There is a difference of 800 yen between the Tender Offer Price (2,800 yen) and the tender offer price of the Previous TOB (2,000 yen), because the share price level of the Shares has changed (while the closing price of the Shares on September 8, 2021, the business day immediately preceding the announcement date of the Previous TOB was 1,453 yen, the closing price of the Shares on May 11, 2023, the business day immediately preceding the announcement date of the TOB was 2,486 yen), the premium level to the Tender Offer Price is different (while the Tender Offer Price (2,000 yen) for the Previous TOB is the price at which a premium of 37.65% is added to the closing price of 1,453 yen of the Shares on September 8, 2021, the business day immediately preceding the announcement date of the Previous TOB, the Tender Offer Price is the price at which a premium of 12.63% is added to the closing price of 2,486 of the Shares on May 11, 2023, the business day immediately preceding the announcement date of the TOB), and SBI Shinsei Bank's financial projections used by SBI Regional Bank HD in its stock valuation calculation of the Shares and the results of the stock valuation calculation of the Shares based thereon at each relevant time in the Previous TOB and the TOB have changed.

Further, from October 12, 2022 to October 19, 2022, SBI Regional Bank HD acquired Shares through market transactions at the market price at that time (the average acquisition unit price of the Shares from October 12, 2022 to October 19, 2022 was 2,144.62 yen), and each such market trading was conducted by competitive trading on TSE Standard Market, and unlike the TOB, no premium was granted.

(ii) Establishment of an independent special committee by SBI Shinsei Bank

(A) Background of establishment, etc.

As set out in “(A) Proposal by SBI Regional Bank HD and background of establishment of systems for reviewing” in “1. Reasons for the Share Consolidation” above, SBI Shinsei Bank established the Special Committee by a resolution adopted at the meeting of its board of directors held on March 9, 2023.

Confirming that the candidate members of the Special Committee are independent of SBIHDs, DICJ 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 and sufficient opportunities to have discussions and consultations, SBI Shinsei Bank appointed four members including Mr. Yasuhiro Hayasaki (outside directors of SBI Shinsei Bank), Mr. Masahiro Terada (outside directors of SBI Shinsei Bank), Ms. Ikuko Akamatsu (outside auditors of SBI Shinsei Bank) 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 SBI Shinsei Bank.

Although Ms. Miyako Suda is not an officer of SBI Shinsei Bank, SBI Shinsei Bank had an interview with her since a prospective Special Committee member introduced her. As a result, SBI Shinsei Bank found

that Ms. Miyako Suda was more independent of SBI Shinsei Bank than its independent outside officers, 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, SBI Shinsei Bank 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, SBI Shinsei Bank's board of directors regarded the Special Committee as a panel independent of SBI Shinsei Bank's board of directors, and resolved that (a) the Special Committee may delegate to a third party the stock valuation of SBI Shinsei Bank, the provision of valuation reports, fairness opinion and other advice on the Transactions, and other matters that the Special Committee deems necessary in considering the Consulted Matters, and in such case, SBI Shinsei Bank shall bear reasonable expenses for such delegation, (b) SBI Shinsei Bank's board of directors shall make decisions on the Transactions with the utmost respect to the decision of the Special Committee, and if the Special Committee determines that the conditions for the Transactions are not appropriate, SBI Shinsei Bank's board of directors shall not support the Transactions 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 TOB, 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 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 SBIHDs, the Financial Services Agency, DICJ and RCC, and (C) the Special Committee's authority to negotiate/make an arrangement with SBIHDs, the Financial Services Agency, DICJ and RCC by itself).

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

(B) Background of considerations

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 fulfilled 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 Transactions, based on the opinions heard from Momo-o, Matsuo & Namba. Also, the Special Committee has received explanations from SBI Shinsei Bank on the details, material conditions precedent and background of preparation regarding the Business Plan prepared by SBI Shinsei Bank, and has confirmed and approved the reasonableness of these matters.

Moreover, the Special Committee has received explanations from SBI Shinsei Bank on the purpose and significance of the Transactions and impact on SBI Shinsei Bank's business, etc., and has held question-and-answer sessions regarding these points. The Special Committee has submitted questions to SBI Regional Bank HD, and has held question-and-answer sessions for SBI Regional Bank HD regarding the purpose and background of the Transactions, and the management policies after the Transactions in an interview form.

Moreover, as set out in "(v) Stock valuation report and fairness opinion obtained by SBI Shinsei Bank from an independent financial advisor and third-party calculation agent" and "(vi) Stock valuation report obtained by the Special Committee from an independent third-party calculation agent" below, while each of MUMSS, a financial advisor and third-party calculation agent of SBI Shinsei Bank, and Frontier Management, a third-party calculation agent of the Special Committee, calculated the value of the Shares based on the Business Plan, the Special Committee received explanations from MUMSS upon the request of SBI Shinsei Bank as well as explanations from Frontier Management on the calculation method for their calculation of the value of 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, deliberations and considerations to confirm the reasonableness of these matters.

In addition, the Special Committee received a report on negotiations between SBI Shinsei Bank and SBI Regional Bank HD from SBI Shinsei Bank and MUMSS, a financial advisor and third-party calculation

agent of SBI Shinsei Bank from time to time, made deliberations and considerations on SBI Shinsei Bank'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 SBI Regional Bank HD that SBI Shinsei Bank heard from MUMSS and advice from Frontier Management from financial perspective upon receiving proposals regarding the Tender Offer Price from SBI Regional Bank HD. The Special Committee was involved in the entire process of consultation and negotiation between SBI Shinsei Bank and SBI Regional Bank HD regarding conditions for the Transactions including the Tender Offer Price, such as expressing its opinions to SBI Shinsei Bank that it had no objection against SBI Shinsei Bank's intention to request that SBI Regional Bank HD reconsider the Tender Offer Price and on the matters to be consulted with SBI Regional Bank HD in order to achieve the significance/purpose of the Transactions for SBI Shinsei Bank. Consequently, on May 11, 2023, SBI Shinsei Bank received a proposal from SBI Regional Bank HD setting the Tender Offer Price being 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.

Moreover, the Special Committee has received an explanation from AMT several times regarding the details of the press release pertaining to the TOB SBI Shinsei Bank is to publish or submit, and confirmed that enough information is expected to be disclosed to the minority shareholders.

(C) Details of decision

Under such circumstances, the Special Committee carefully discussed and considered the Consulted Matters multiple times, and based on its overall judgement and with approval of the majority of the committee members (3 out of 4 members), reported that it is appropriate for SBI Shinsei Bank's board of directors to express its opinion in support of the TOB, and for the same to recommend its shareholders to tender their shares in the TOB, and submitted the Findings Reports the contents of which are outlined below to SBI Shinsei Bank's board of directors on May 12, 2023.

Note that Mr. Masahiro Terada has added supplementary opinion and Ms. Miyako Suda has attached counter opinion to the Findings Report. Please refer to "Supplementary opinion and counter opinion" below.

(D) Details of reporting

1. Concerning Consulted Matters (a) (Whether the purpose of the Transactions and Transactions as a means to realize the purpose have legitimacy and reasonableness (including whether the Transaction will contribute to enhancing SBI Shinsei Bank's corporate value))

The Special Committee believes that the purpose of the Transactions, and Transactions as a means to realize the purpose have legitimacy and reasonableness and the Transactions will contribute to the sustainable enhancement of the corporate value of SBI Shinsei Bank.

2. Concerning Consulted Matters (b) (Whether the fairness and appropriateness of the terms and conditions of the Transaction (including the Tender Offer Price) have been 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 the interests of SBI Shinsei Bank's shareholders will be adequately considered and explained through appropriate disclosure and fair procedures in the Transaction)

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 SBI Shinsei Bank's shareholders have been adequately considered and explained.

4. Concerning Consulted Matter (d) (In addition to (a) through (c) above, whether the Transaction is considered not disadvantageous to 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 Matter (e) (If it is necessary to enter into an agreement, etc. to which SBI Shinsei Bank is a party in connection with or incidental to the Transaction, whether it would be inappropriate for SBI Shinsei Bank to enter into the agreements. (The Special Committee makes its determination, after

considering the contents of the said agreements.))

With respect to agreements regarding the handling of public funds to which SBI Shinsei Bank is a party in connection with or incidental to the Transaction, the Special Committee believes that it would not be inappropriate for SBI Shinsei Bank to enter into the said agreements, taking into consideration the contents of the said agreements.

6. Concerning Consulted Matter (f) (Whether it is appropriate for SBI Shinsei Bank's board of directors to express its opinion in support of the TOB based on the considerations in (a) through (e) above and, if it deems it appropriate, whether it is appropriate for SBI Shinsei Bank's board of directors to further recommend its shareholders to tender their shares in the TOB)

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 SBI Shinsei Bank's board of directors to express its opinion in support the TOB, and for the same to recommend its shareholders to tender their shares in the TOB.

(E) Reasons for reporting

1. Concerning Consulted Matters (a)

(1) Legitimacy and Reasonableness of the Purpose of the Transactions

Based on the following points, the purpose of the Transactions can be found to be legitimate and reasonable. In addition, the Transactions will contribute to the enhancement of the corporate value of SBI Shinsei Bank.

The Special Committee received an explanation on the purpose of the Transactions, the specific details of the corporate value of SBI Shinsei Bank expected to be enhanced by the Transactions and other matters from SBIHDs and SBI Shinsei Bank (including the explanations obtained during the question-and-answer sessions implemented by the Special Committee to SBIHDs).

A. Explanation by SBIHDs

According to the explanation received from SBIHDs, 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 SBI Shinsei Bank 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 SBI Shinsei Bank to grasp (For example, measures for up-front investment that requires time to maximize profits for SBI Shinsei Bank and collaboration with SBIHD Group that requires time to realize growth for SBI Shinsei Bank.). In addition, when SBI Shinsei Bank Group implements a transaction with SBIHD Group, it is necessary to conduct pre-screening and post-transaction/action monitoring by the "Parent Company Transaction Screening Committee" consisting of SBI Shinsei Bank'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 with between SBI Shinsei Bank Group and SBIHD Group. Therefore, taking SBI Shinsei Bank private will further strengthen collaboration between SBI Shinsei Bank and 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 Transactions, in the retail sector, SBI Shinsei Bank 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 SBI Shinsei Bank, realizing a "Super App" in each region with regional financial institutions, acquiring new customers for unsecured loans through collaboration with SBI SECURITIES Co., Ltd., and introducing affiliated stores in the installment sales business through SBIHD Group's affiliates.). Also, in the institutional business, SBI Shinsei Bank 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 SBI Shinsei Bank's strengths, to companies that are referred by investment targets of SBI Investment Co., Ltd. which is a venture capital of SBIHD Group and regional financial institutions.).
- SBIHDs recognize the repayment of public funds as one of the most important issues for SBI Shinsei Bank and believe that it is their social responsibility to pave the way for the early repayment of the public funds after taking SBI Shinsei Bank private. By paving the way for the repayment of the public funds, it will be possible to further increase the flexibility of SBI Shinsei

Bank's business operations, including the flexibility of its capital policy, which is expected to further enhance SBI Shinsei Bank's corporate value over the medium to long term.

- If SBI Shinsei Bank 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 Financial Instruments and Exchange Act.
- TSE Standard Market, where SBI Shinsei Bank is listed, has a listing maintenance standard of 25% or more of tradable shares, and since SBI Regional Bank HD, DICJ and RCC, together own 73.02% of the Shares, SBI Shinsei Bank's tradable equity ratio is not high enough, and there is a risk that SBI Shinsei Bank will have difficulty maintaining its listing in the future. Therefore, it is also in the interest of SBI Shinsei Bank's minor shareholders to provide them with an opportunity to sell their shares by taking SBI Shinsei Bank private through the series of procedures including the TOB.

B. Views of SBI Shinsei Bank

According to the explanation of SBI Shinsei Bank, it believes that the purpose of the Transactions is as follows.

- The following synergies can be realized through the Transactions:
 - (i) SBI Shinsei Bank believes that further support from SBIHD Group is possible in the retail and corporate sectors in SBI Shinsei Bank Group. However, according to SBIHD Group, it has a limitation to the provision of SBIHD Group's support for SBI Shinsei Bank Group because SBI Shinsei Bank is no more than one of the consolidated subsidiaries of SBIHD Group and shareholders of SBI Shinsei Bank other than SBI Regional Bank HD will receive a portion of the profits from the enhancement of the corporate value of SBI Shinsei Bank Group. Therefore, as a result of the Transactions, SBI Shinsei Bank Group will receive further support from SBIHD Group as SBI Regional Bank HD acquires more Shares and further strengthens its business by mutual complement in functions and customer base.
 - (ii) SBI Shinsei Bank has used its original management functions as an independent listed company. However, the delisting of the Shares through the Transactions will help eliminate double consumption of management resources and sophisticate business management by, for example, integration of the overlapping management functions in SBI Shinsei Bank Group and SBIHD Group.
 - (iii) In addition, under the current capital relationship, the optimization of the business portfolios of SBIHD Group and SBI Shinsei Bank Group required very careful judgment and was hampered in speed from the perspective of respecting the interests of the minor shareholders of SBI Shinsei Bank. SBI Shinsei Bank believes that the Transactions will remove the restriction of respecting the interests of its minor 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 Shares through the Transactions 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 Shares will enable more rapid and flexible decision-makings, further integration with 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 Transactions will contribute to the enhancement of the corporate value of SBI Shinsei Bank.

C. Review by the Special Committee

There is no particular unreasonable point in the contents described in A and B above as explained by SBIHDs and SBI Shinsei Bank, and the purpose of the Transactions can be found to be legitimate and reasonable.

Especially, as explained by SBIHD, although the significance of the delisting of the Shares is difficult for the minority shareholders of SBI Shinsei Bank 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 SBI Shinsei Bank Group and SBIHD Group by promptly implementing transactions between Both

Groups without giving special consideration to the perspective of the interests of the minority shareholders of SBI Shinsei Bank.

Based on the above, the Special Committee believes that the Transactions will not only enhance the corporate value of SBIHD Group but will also contribute to the sustainable enhancement of the corporate value of SBI Shinsei Bank over the medium to long term.

(2) Legitimacy and Reasonableness of the Transactions as a Means to Realize the Purpose

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

Under the Transactions, a tender offer will be made for the purpose of delisting the Shares, and if SBI Regional Bank HD fails to acquire all of the Shares by the TOB, it is assumed that SBI Regional Bank HD will acquire all of the Shares by conducting a squeeze out through a consolidation of share after the completion of the TOB.

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 Transactions, and thus nothing particularly unreasonable can be found in the method of implementing the Transactions itself.

In addition, with regard to the measures to be implemented after the Transactions, which were explained by SBIHDs, it may be implemented under the current capital structure as SBI Shinsei Bank is already a subsidiary of SBI Regional Bank HD. However, as explained by SBIHDs, in relation to SBI Shinsei Bank's policy decisions under the current capital structure, among the measures that will contribute to the enhancement of the corporate value of SBI Shinsei Bank 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 SBI Shinsei Bank to grasp, and there are constraints on the implementation of transactions between SBI Shinsei Bank Group and SBIHD Group that require screening and monitoring by the Parent Company Transaction Screening Committee, and thus the delisting of the Shares 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 Transactions explained by SBIHDs 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 Transactions as a means to achieve the above purposes. Further, as explained by SBI Shinsei Bank, SBI Shinsei Bank can expect further synergies and benefits from delisting of the Shares, and from this point, it is found to be reasonable to choose the Transactions as a means to achieve the above purposes.

Furthermore, in light of the possibility that SBI Shinsei Bank may have difficulty in maintaining its listing in the future, the implementation of the Transaction is considered reasonable and appropriate because it will enable SBI Shinsei Bank 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 Shares they hold at a fair price.

Based on the above, it can be found to be legitimate and reasonable to implement the Transactions as a means to realize the above purpose.

2. Concerning Consulted Matters (b)

(1) Fairness of the Tender Offer Price

A. Calculation of prices by independent financial advisors

SBI Shinsei Bank has received the stock valuation report about the Shares from MUMSS, a financial advisor and third-party calculation agent independent of SBIHD Group and SBI Shinsei Bank. The Special Committee has received detailed explanations from MUMSS on the calculation method for its 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, and has held question-and-answer sessions for MUMSS and SBI Shinsei Bank 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 Group and SBI Shinsei Bank, explained to the Special Committee that it considered the selection

of the calculation method and the basis of the calculation, etc. of MUMSS 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 MUMSS's stock valuation report in light of general valuation practices.

According to the stock valuation report obtained by SBI Shinsei Bank from MUMSS, the per share value of the 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 DMM 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 DMM Method.

In addition, in considering Consulted Matters (B), in order to ensure the fairness of the conditions of the Transactions 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 SBI Shinsei Bank's 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 SBI Shinsei Bank, 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 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 DMM 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 DMM Method.

From the viewpoint of reflecting SBI Shinsei Bank's intrinsic value in the evaluation, emphasis should be placed on the DMM 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 Shares under the DMM Method in the stock valuation reports obtained from MUMSS 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 Shares on the TSE Standard Market on May 11, 2023, which is the business day immediately preceding the announcement date of the intention to conduct the TOB; 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 Transactions are transactions 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 SBI Regional Bank HD 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 Shares of 1,940 yen on TSE Standard Market 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 SBI Shinsei Bank to go private, similar to the Transactions, 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 SBI Regional Bank HD (2,600 yen per share) be re-proposed, stating that it must be said that the price was insufficient in light of SBI Shinsei Bank's intrinsic value.
- SBI Regional Bank HD again proposed 2,600 yen per share.
- The Special Committee requested the price increase, saying that the price above 3,400 yen per share, which is close to the upper limit of the DDM Method, can be fully justified.
- SBI Regional Bank HD proposed 2,700 yen per share.
- The Special Committee through SBI Shinsei Bank, made a management presentation to SBI Regional Bank HD regarding the details of SBI Shinsei Bank's business plan, SBI Shinsei Bank's steady-state earning capacity after the plan period in such business plan, and upward revisions to SBI Shinsei Bank's results for the fiscal year ending March 31, 2023, and requested that SBI Regional Bank HD reconsider the price.
- SBI Regional Bank HD 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 SBIHDs. It also requested for an appropriate minimum number of shares to be purchased to be set if this price should be less than 3,000 yen.
- SBIHDs 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 SBI Shinsei Bank through the Transactions 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 establishment of the TOB.
- The Special Committee again requested for the minimum number of shares to be purchased to be set.
- SBIHDs again refused to set a minimum number of shares to be purchased for the above reasons.

As described above, SBI Shinsei Bank 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 TOB on the most favorable trading terms to minor shareholders of SBI Shinsei Bank.

D. Obtaining fairness opinions from independent financial advisors

SBI Shinsei Bank obtained a fairness opinion from MUMSS. 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's, 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 SBI Shinsei Bank 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 MUMSS 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. MUMSS 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 SBI Shinsei Bank'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 TOB, it cannot be considered to be unreasonable low and cannot be considered to be below a fair price even in the 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 SBI Regional Bank HD 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 TOB, opportunities to make competing purchases from parties other than SBIHDs 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 DICJ 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:

- DICJ, RCC, SBIHD and SBI Shinsei Bank confirm that the amount of public funds DICJ and RCC need to collect is 349,374,894,942 yen ("Required Collection Amount").
- SBIHD and SBI Shinsei Bank endeavor to repay the remaining amount of public funds (the "Required Collection Amount") as soon as possible to the extent it does not harm the financial soundness, operational necessity and growth of SBI Shinsei Bank 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 TOB becoming effective, SBI Shinsei Bank and SBIHD shall propose the specific scheme on the repayment of the Required Collection Amount (including a planned schedule for the repayment) to DICJ and RCC by March 31, 2025, then, DICJ, RCC, SBIHD and SBI Shinsei Bank shall agree on the specific repayment scheme for the Required Collection Amount (including a term required for the collection of the Required Collection Amount ("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 SBI Shinsei Bank, and rights of each of SBI Shinsei Bank's shareholder.
- During the effective term of the Four Party Agreement, SBI Shinsei Bank may request that SBI Shinsei Bank acquire or transfer to a third party designated by SBI Shinsei Bank all of SBI Shinsei Bank's shares held by DICJ and RCC from time to time, with the amount deducting the total repayment amount for DICJ 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

(A) Outline of review

As mentioned in 1(1), one of the purposes of the Transactions 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 SBI Shinsei Bank's shareholders, DICJ and RCC over a reasonable period. Therefore, since it is agreed in the Four Party Agreement as of the commencement of the TOB to make dividends, etc. from other surplus to DICJ and RCC, which are the common shareholders of SBI Shinsei Bank, 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.

(B) Explanation from SBIHDs

As mentioned above, the term until DICJ and RCC receive the Required Collection Amount and the specific methods, etc. of its repayment ("Definitive Repayment Scheme") shall be proposed by SBIHD and SBI Shinsei Bank by March 31, 2025, and agreed on by June 30, 2025, therefore it is not confirmed yet as of this moment. Thus, SBIHDs 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 SBIHDs 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 SBIHDs, 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 DICJ and RCC by June 30, 2025, although SBIHDs are unable to provide the specifics of this scheme as of this moment. However, SBIHDs explained that their current idea on the repayment of the Required Collection Amount is to repay to DICJ and RCC (i) in light of the profit level of SBI Shinsei Bank 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 SBI Shinsei Bank's financial soundness and are sustainable in the long term, and (iii) by making dividends, etc. to SBI Regional Bank HD, DICJ and RCC in accordance with their shareholding ratio.

(C) Review by the Special Committee

SBIHDs' 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 SBI Shinsei Bank, and rights of each of SBI Shinsei Bank's shareholder, SBIHDs' explanation above is not found to be unreasonable, and it is interpreted that DICJ and RCC also are not rejecting the idea of such repayment method.

Thus, the Special Committee, based on the idea above, discussed with SBI Shinsei Bank, and MUMSS (which is a financial advisor of SBI Shinsei Bank) 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 TOB to establish on condition that a certain number of minority shareholders support the TOB. Therefore, the Special Committee requested SBI Regional Bank HD to set a minimum number of shares to be purchased.

Towards the above request, SBI Regional Bank HD responded that it believes that setting the minimum number of shares to be purchased in the TOB would destabilize the establishment of the TOB and would likely not be beneficial to minority shareholders who wish to tender in the TOB. Also, SBI Regional Bank HD believes that delisting of SBI Shinsei Bank through the TOB would not only contribute to the sustainable enhancement of the corporate value of Both Groups but would also benefit minority shareholders of SBI Shinsei Bank. Therefore, SBI Regional Bank HD has not set the minimum number of shares to be purchased in the TOB.

To set a minimum number of shares to be purchased would mean that the establishment of the TOB is conditional that there are certain number of minority shareholders who support the TOB, and in the TOB 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 Transactions are unfair merely because the minimum number of shares to be purchased is not set.

3. Concerning Consulted Matters (c)

In this Transaction, (1) SBI Shinsei Bank established an independent special committee and this special committee is found to be effectively functioning, (2) SBI Shinsei Bank and the Special Committee are found to have obtained advice from independent law firms, (3) SBI Shinsei Bank and the Special Committee are found to have obtained stock valuation reports and fairness opinions from financial advisor and third-party calculation agent who are professionals and independent, (4) SBI Shinsei Bank is found to have established a system to review, negotiate, and decide on the Transaction independently from SBIHD Group, and (5) measures have been found to have been assumed to provide SBI Shinsei Bank'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 AMT explanations on the contents of the drafts of the press release concerning the TOB scheduled to be released or submitted by SBI Shinsei Bank, and, therefore, sufficient consideration and explanation were given to the interests of SBI Shinsei Bank's shareholders.

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

(1) Establishment of an independent special committee by SBI Shinsei Bank

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

SBI Shinsei Bank 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 of SBIHDs, DICJ and RCC, and do not have material interests regarding the success or failure of the Transactions that are different from those of minor 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, SBI Shinsei Bank appointed four members including Mr. Yasuhiro Hayasaki (outside directors of SBI Shinsei Bank), Mr. Masahiro Terada (outside directors of SBI Shinsei Bank), Ms. Ikuko Akamatsu (outside auditors of SBI Shinsei Bank) 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 SBI Shinsei Bank.

Although Ms. Miyako Suda is not an officer of SBI Shinsei Bank, 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, SBI Shinsei Bank 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, SBI Shinsei Bank's board of directors regarded the Special Committee as a panel independent of SBI Shinsei Bank's board of directors, and resolved that (a) the Special Committee may delegate to a third party the stock valuation of SBI Shinsei Bank, the provision of valuation reports, fairness opinion and other advice on the Transactions, and other matters that the Special Committee deems necessary in considering the Consulted Matters, and in such case, SBI Shinsei Bank shall bear reasonable expenses for such delegation, (b) SBI Shinsei Bank's board of directors shall make decisions on the Transactions with the utmost respect to the decision of the Special Committee, and if the Special Committee determines that the conditions for the Transactions are not appropriate, SBI Shinsei Bank's board of directors shall not support the Transactions 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 TOB, 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 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 SBIHDs, the Financial Services Agency, DICJ and RCC, and (C) the Special Committee's authority to negotiate/make an arrangement with SBIHDs, the Financial Services Agency, DICJ 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 Transactions, based on the opinions heard from Momo-o, Matsuo & Namba, the independent legal advisor to the Special Committee, as indicated in below (2) B. Also, the Special Committee has received explanations from SBI Shinsei Bank on the details, material conditions precedent and background of preparation regarding the Business Plan prepared by SBI Shinsei Bank, and has confirmed and approved the reasonableness of these matters.

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

Moreover, each of MUMSS, a financial advisor and third-party calculation agent of SBI Shinsei Bank, and Frontier Management, a financial advisor and third-party calculation agent of the Special Committee, calculated the value of the Shares based on the Business Plan. The Special Committee received explanations from MUMSS on the calculation method for their calculation of the value of 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 SBI Shinsei Bank. The special Committee also received explanations from Frontier Management on the calculation method for their calculation of the value of 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 MUMSS 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 SBI Shinsei Bank and SBI Regional Bank HD from SBI Shinsei Bank and MUMSS, a financial advisor and third-party calculation agent of SBI Shinsei Bank from time to time, made deliberations and considerations on SBI Shinsei Bank'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 SBI Regional Bank HD that SBI Shinsei Bank heard from MUMSS and advice from Frontier Management from financial perspective upon receiving proposals regarding the Tender Offer Price from SBI Regional Bank HD. The Special Committee was involved in the entire process of consultation and negotiation between SBI Shinsei Bank and SBI Regional Bank HD regarding conditions for the Transactions including the Tender Offer Price, such as expressing its opinions to SBI Shinsei Bank that it had no objection against SBI Shinsei Bank's intention to request that SBI Regional Bank HD reconsider the Tender Offer Price and on the matters to be consulted with SBI Regional Bank HD in order to achieve the significance/purpose of the Transactions for SBI Shinsei Bank. Consequently, on May 11, 2023, SBI Shinsei Bank received a proposal from SBI Regional Bank HD 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 SBI Shinsei Bank established an independent special committee and that this special committee is effectively functioning.

(2) Concerning acquisition of advice from an independent law firm by SBI Shinsei Bank and the Special Committee

A. Acquisition of advice from independent law firm by SBI Shinsei Bank

SBI Shinsei Bank has appointed AMT as its legal advisor independent of SBIHDs, SBI Shinsei Bank, DICJ and RCC, and received legal advice from AMT, including advice with respect to the measures to be taken to ensure the fairness of procedures taken in the Transactions, various steps to be taken for the Transactions, and the method for decision-making by SBI Shinsei Bank for the Transactions and the process, etc. thereof.

AMT is not a related party of SBIHDs, DICJ, RCC and SBI Shinsei Bank, and does not have material interests regarding the Transactions including the TOB.

It is therefore found that SBI Shinsei Bank is acquiring advice from an independent law firm.

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

SBI Shinsei Bank has appointed Momo-o, Matsuo & Namba as the Special Committee's legal advisor independent of SBIHDs, SBI Shinsei Bank, DICJ 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 Transactions, various steps to be taken for the Transactions, and the method for decision-making by SBI Shinsei Bank for the Transactions and the process, etc. thereof.

Momo-o, Matsuo & Namba is not a related party of SBIHDs, DICJ, RCC and SBI Shinsei Bank, and does not have material interests regarding the Transactions including the TOB.

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 SBI Shinsei Bank and the Special Committee from an independent financial advisor and third-party calculation agent

A. Acquisition of stock valuation report and fairness opinion by SBI Shinsei Bank from an independent financial advisor and third-party calculation agent

SBI Shinsei Bank appointed MUMSS as its financial advisor and third-party calculation agent independent of SBIHDs, SBI Shinsei Bank, DICJ and RCC, and received from MUMSS advice and assistance from a financial standpoint including advice on the calculation of value of the Shares and negotiation policy with SBI Regional Bank HD, and obtained the stock valuation report and the fairness opinion as of May 11, 2023.

MUMSS is not a related party of SBIHDs, DICJ, RCC and SBI Shinsei Bank, and does not have

material interests regarding the Transactions including the TOB.

It is therefore found that SBI Shinsei Bank 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 SBIHDs, SBI Shinsei Bank, DICJ 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 SBI Regional Bank HD, and it has obtained the stock valuation report and fairness opinion dated May 11, 2023.

Frontier Management is not a related party of SBIHDs, DICJ, RCC and SBI Shinsei Bank, and it does not have any material interest in the Transactions, including the TOB.

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 SBI Shinsei Bank

After SBI Shinsei Bank received the Initial Proposal on February 8, 2023, it has established a project team to deal with the consideration of the Transactions (including the preparation of the Business Plan that serves as the basis for calculating the value of the Shares) and discussions and negotiations with SBI Regional Bank HD. The project team consists of six members, who are officers and employees of SBI Shinsei Bank, who shall not be concurrently serving, or have ever been in a position of, officers or employees of any of the companies of SBIHD Group, and such practice continues. One of the members of the project team (an executive officer of SBI Shinsei Bank) was concurrently serving as an outside director of companies belonging to 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 SBIHD and share a common desire to realize regional development. However, given that the executive officer has been working for SBI Shinsei Bank for more than 20 years and that he is responsible for the management and planning of SBI Shinsei Bank 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 SBI Shinsei Bank) and the discussion and negotiation with SBI Regional Bank HD. 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 SBI Shinsei Bank to independently review and negotiate. On the other hand, the Four Party Agreement include material matters concerning SBI Shinsei Bank's management after the implementation of the Transactions, 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 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 SBI Shinsei Bank to independently review and negotiate.

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

(5) Measures to ensure that SBI Shinsei Bank's shareholders have the opportunity to make an appropriate decision as to whether or not to tender their shares in the TOB

The Special Committee received from AMT explanations on the contents of the drafts of the press release concerning the TOB scheduled to be released or submitted by SBI Shinsei Bank 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 TSE, and that sufficient information would be disclosed to minority shareholders.

In addition, SBIHDs have determined that the period for purchases in the TOB 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 SBI Shinsei Bank's shareholders are given an opportunity to make an appropriate decision on whether or not to tender in the TOB.

SBIHDs have also made it clear that (i) they plan to request SBI Shinsei Bank 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 TOB, 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 SBI Shinsei Bank and (ii) when the consolidation of shares is carried out, the money to be delivered to shareholders of SBI Shinsei Bank as consideration will be calculated so as to be equal to the Tender Offer Price multiplied by the number of Shares owned by each such shareholder. By doing so, SBIHDs have taken care to ensure that shareholders of SBI Shinsei Bank have an opportunity to make an appropriate decision as to whether or not to tender their shares in the TOB, and that this will not create coercion.

DICJ and RCC represented that they will vote in favor of a proposal on Squeeze-out Procedures to be presented to the shareholders meeting after the TOB establishes, and because SBI Regional Bank HD, DICJ and RCC together hold 73.02% of the Shares, the proposal on 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 SBI Shinsei Bank, and even if SBI Shinsei Bank 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 SBI Shinsei Bank. 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 SBI Shinsei Bank are being coerced to make their decision. It is therefore found that measures are assumed to ensure that SBI Shinsei Bank's shareholders are given an opportunity to make an appropriate decision on whether or not to tender their shares in the TOB.

4. Concerning Consulted Matter (d)

The Special Committee reviewed whether the Transactions are considered to be not disadvantageous to the minority shareholders, in addition to above (a) to (c), and it found no facts that the Transactions 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 SBI Shinsei Bank 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 SBI Shinsei Bank and the minority shareholders and therefore it is not inappropriate for 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 date of the Four Party Agreement that DICJ and RCC are required to collect from SBI Shinsei Bank (Required Collection Amount) is 349,374,894,942 yen in total. In addition, Paragraph 2 of the Four Party Agreement provides that SBI Shinsei Bank and SBIHD 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 SBI Shinsei Bank.

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 DICJ 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 DICJ 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 SBI Shinsei Bank does not owe any legal or accounting monetary obligation to DICJ 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 SBI Shinsei Bank will owe legal or accounting monetary obligations as described above, and the Required Collection Amount that SBI Shinsei Bank 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 SBI Shinsei Bank.

- (2) Consideration from the perspective of equality between DICJ 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 DICJ 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 SBI Shinsei Bank. 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 SBI Shinsei Bank, as well as the rights of each shareholder of SBI Shinsei Bank.

In light of the above, it would be difficult to interpret that the execution of the Four Party Agreement would treat DICJ and RCC significantly advantageously compared to minority shareholders.

- (3) Others
There are no other provisions that would be disadvantageous to SBI Shinsei Bank or the minority shareholders with respect to the Four Party Agreement.

6. Concerning Consulted Matter (f)

It is considered that the purpose of the Transactions and the Transactions as the means to achieve the purpose are just and reasonable, the Transactions contribute to enhancing the corporate value of SBI Shinsei Bank, the terms and conditions of the Transactions, 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 SBI Shinsei Bank's shareholders with respect to the Transactions, no other matters are found in which the Transactions create disadvantages to minority shareholders, the Four Party Agreement to which SBI Shinsei Bank is a party is executed in connection with or incidental to the Transactions are, by also taking into account the contents thereof, is not an inappropriate agreement to be executed by SBI Shinsei Bank, 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 Transactions 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 Shares, it is considered appropriate for the board of directors of SBI Shinsei Bank to express its opinion in support to the TOB, and for the same to recommend its shareholders to tender their shares in the TOB.

(vi) Supplementary and dissenting opinions

(a) 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 DICJ and RCC in the repayment of public funds that will be made possible by the completion of the Transactions will be substantially equal to the Tender Offer Price. Based on the SBI Regional Bank HD's explanation and the advice of MUMSS 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, I 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 TOB by introducing a mechanism that respects the results of the tendering decision of the minority shareholders of SBI Shinsei Bank to a certain extent. However, the final response from SBIHDs 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 I have considered the following two points in view of the interests of minority shareholders.

- Repayment of public funds is SBI Shinsei Bank's social responsibility that serves the common interests of the people. It is also an indispensable premise for further enhancing the corporate value of SBI Shinsei Bank and a long-cherished aspiration of the officers and employees of SBI Shinsei Bank. This time, with the understanding and cooperation of DICJ 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 SBI Shinsei Bank) 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 TOB in light of the current share price of SBI Shinsei Bank or the intrinsic value of SBI Shinsei Bank (fairness opinions have been issued by MUMSS 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 SBI Shinsei Bank's shareholders to tender their shares in the TOB.

(b) Dissenting opinion of Committee member Miyako Suda

In light of the principle of equality of shareholders between DICJ 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 SBI Regional Bank HD to set the minimum number of shares to be purchased, but SBI Regional Bank HD declined the request. Therefore, as for the tender, I must conclude not to recommend to shareholders to tender their Shares. The extent of the risk of the Shares being delisted is uncertain, and even taking the delisting risk into account, I cannot change my view with this Tender Offer Price.

(iii) Acquisition of advice from independent law firm by SBI Shinsei Bank

As stated in "(A) Proposal by SBI Regional Bank HD and background of establishment of systems for reviewing" in "1. Reasons for the Share Consolidation", SBI Shinsei Bank has appointed AMT as its legal advisor independent of SBIHDs, DICJ, RCC and SBI Shinsei Bank, and received legal advice from AMT, including advice with respect to the measures to be taken to ensure the fairness of procedures taken in the Transactions, various steps to be taken for the Transactions, and the method for decision-making by SBI Shinsei Bank for the Transactions and the process, etc. thereof.

AMT is not a related party of SBIHDs, DICJ, RCC and SBI Shinsei Bank, and does not have material interests regarding the Transactions including the TOB.

(iv) Acquisition of advice from independent law firm by the Special Committee

As stated in "(A) Proposal by SBI Regional Bank HD and background of establishment of systems for reviewing" in "1. Reasons for the Share Consolidation", SBI Shinsei Bank has appointed Momo-o, Matsuo & Namba as the Special Committee's legal advisor independent of SBIHDs, DICJ, RCC and SBI Shinsei Bank, 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 Transactions, various steps to be taken for the Transactions, and the method for decision-making by SBI Shinsei Bank for the Transactions and the process, etc. thereof.

Momo-o, Matsuo & Namba is not a related party of SBIHDs, DICJ, RCC and SBI Shinsei Bank, and does not have material interests regarding the Transactions including the TOB.

- (v) Stock valuation report and fairness opinion obtained by SBI Shinsei Bank from an independent financial advisor and third-party calculation agent
- (A) Name of the calculation agent and the relationship with SBI Shinsei Bank and SBI Regional Bank HD
- In expressing its opinion regarding the Tender Offer Price, SBI Shinsei Bank requested MUMSS which is its financial advisor and third-party calculation agent independent of SBIHDs, DICJ, RCC and SBI Shinsei Bank, to calculate the value of the Shares in order to ensure the fairness of the decision-making on the Tender Offer Price offered from SBI Regional Bank HD, and obtained the Stock Valuation Report (MUMSS) and the Fairness Opinion (MUMSS) as of May 11, 2023.

MUMSS is not a related party of SBIHDs, DICJ, RCC and SBI Shinsei Bank, and does not have material interests regarding the Transactions including the TOB.

The remuneration payable to MUMSS related to the Transactions includes a performance fee paid on condition of the success, etc. of the Transactions. SBI Shinsei Bank determined that the independence of MUMSS is not denied by the fact that the performance fee that is payable on condition of the completion of the TOB will be included, taking into consideration the pros and cons, etc. of general practice in similar transactions and a remuneration system in which SBI Shinsei Bank will incur a reasonable financial burden even if the Transaction fails. Therefore, SBI Shinsei Bank has appointed MUMSS as its financial advisor and third-party calculation agent in accordance with the above remuneration system.

(B) Summary of Calculation

As a result of the review of the calculation method in the TOB, MUMSS, based on the belief that it is appropriate to evaluate the value of the Shares from multiple perspectives, has calculated the value of the Shares by adopting the following methods: the market price analysis as the Shares are listed on TSE Standard Market; the comparable company analysis as there are several comparable listed companies that are comparable to SBI Shinsei Bank and analogical inference of stock value is possible through the comparable listed company analysis; and in addition, in order to reflect the status of future business activities in the calculation, the Dividend Discount Model analysis ("Dividend Discount Model" as "DDM"), and "Dividend Discount Model analysis" as "DDM Analysis"), which is a method that analyzes the stock value by setting a capital level necessary for stable operation of business in accordance with the Risk Management Policy specified by SBI Shinsei Bank, and then discounting the portion of capital that exceeds such level to the present value at the cost of capital as profits attributable to shareholders ("Theoretical Dividends"). In the Stock Valuation Report (MUMSS), the range of values per share of the Shares calculated based on each method above is as follows.

Market Price Analysis:	2,334 yen - 2,486 yen
Comparable Company Analysis:	1,764 yen - 3,005 yen
DDM Analysis:	2,479 yen - 3,393 yen

Under the market price analysis, using May 11, 2023, as the reference date, the per share value of the Shares was calculated to range from 2,334 yen to 2,486 yen based on 2,486 yen, the closing price of the Shares on TSE Standard Market on the reference date, 2,442 yen, the simple average of closing prices for the last one month from the reference date, 2,397 yen, the simple average of closing prices for the last three months from the reference date, and 2,334 yen, the simple average of closing prices for the last six months from the reference date.

Under the comparable company analysis, Mitsubishi UFJ Financial Group, Inc., Sumitomo Mitsui Financial Group, Inc., Mizuho Financial Group, Inc., JAPAN POST BANK Co., Ltd., Sumitomo Mitsui Trust Holdings, Inc., Resona Holdings, Inc. and Aozora Bank, Ltd. have been selected as the comparable listed companies that are deemed to be similar with SBI Shinsei Bank. Then, the per share value of the Shares has been calculated to range from 1,764 yen to 3,005 yen by calculating the value of the Shares by using the ratio of net profit to market capitalization (P/E ratio) and the ratio of net asset to market capitalization (P/BV ratio). In order to appropriately reflect SBI Shinsei Bank's level of capital efficiency, the P/BV ratio is calculated by performing a regression analysis of the P/BV ratio and ROE of the comparable listed companies.

The DDM Analysis is conducted based on the Business Plan prepared by SBI Shinsei Bank, and by assuming various factors including, revenue forecasts and investment plans for the two fiscal years ended March 31, 2024 through March 31, 2025, and publicly available information. In addition, the value of the Shares has been calculated by setting a capital level necessary for stable operation of SBI Shinsei Bank's business in the fiscal year ended March 31, 2024 and beyond, in accordance with the Risk

Management Policy specified by SBI Shinsei Bank, and then discounting the portion of capital that exceeds such level to the present value by applying a discount rate (capital cost) based on the CAPM (Capital Asset Pricing Model) as the Theoretical Dividends attributable to shareholders. The capital cost is between 5.75% and 6.25%, and the exit multiple method is used to calculate the going concern value. In addition, in order to appropriately reflect SBI Shinsei Bank's level of capital efficiency, a regression analysis of the P/BV ratio and ROE of comparable listed companies was performed, and the P/BV ratio was set at 0.48 to 0.68. As a result, the per share value of the Shares was calculated to range from 2,479 yen to 3,393 yen.

The consolidated financial forecast ("Financial Forecast") based on the Business Plan prepared by SBI Shinsei Bank, on which MUMSS based its DDM Analysis, is as follows. With respect to the Business Plan, as described in "(ii) Establishment of an Independent Special Committee by SBI Shinsei Bank" above, the Special Committee has received from SBI Shinsei Bank an explanation of its contents, material assumptions and the process of preparation, etc., and has confirmed and approved the reasonableness of these matters. In addition, the Business Plan expects a significant increase in net profit attributable to the shareholders of the parent company for the fiscal year ending March 31, 2025. As one of the medium-term visions in its Medium-Term Management Plan, SBI Shinsei Bank has set in "Medium-Term Vision of the Shinsei Bank Group (FY2022 to FY2024)" announced on May 13, 2022, to achieve consolidated net profit of 70 billion yen and to establish a foundation for further growth. To achieve this medium-term vision, SBI Shinsei Bank aims to establish a foundation for growth by thoroughly implementing a customer-centric approach, pursuing value co-creation opportunities within and outside the group, expanding the customer base through deepening and fully lining up the strengths of SBI Shinsei Bank Group, etc., and translating those into improved quality of products and services. Specifically, SBI Shinsei Bank expects net profit attributable to the shareholders of the parent company for the current year to increase by 55.6% year-on-year in the fiscal year ending March 31, 2025, due to the strengthening of small-scale finance, institutional investors business and overseas business, strengthening of risk management of investments and loans, and synergies between SBIHD Group and SBI Shinsei Bank of approximately 15 billion yen, based on the SBI Shinsei Bank's capital relationship after SBI Regional Bank HD becomes SBI Shinsei Bank's controlling shareholder (parent company). The Business Plan does not expect a significant decrease in profit in any fiscal year. In addition, the synergies that are expected to be additionally realized by taking SBI Shinsei Bank private as a result of the Transactions are not taken into account in the above calculation since it is difficult to specifically estimate them as of this date.

(Unit: hundred millions yen)

	Fiscal Year Ending March 2024	Fiscal Year Ending March 2025
Gross Profit	2,583	2,801
Net Business Profits	932	1,138
Net Profit for the Current Year Attributable to Shareholders of the Parent Company	450	700

(C) Outline of Fairness Opinion (MUMSS)

On May 11, 2023, SBI Shinsei Bank obtained the Fairness Opinion (MUMMS) from MUMSS 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 SBIHDs and their affiliates, as well as DICJ and RCC). The Fairness Opinion (MUMMS) was issued following the analysis and review of the financial information, including the Financial Forecast submitted by SBI Shinsei Bank, 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 MUMSS, as well as a question-and-answer session with SBI Shinsei Bank and the Special Committee on the background leading to the approval of the TOB, and following procedures within MUMMS, with the approval of a committee consisting of MUMSS 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 SBI Shinsei Bank solely for its reference and, at the request of the board of directors of SBI Shinsei Bank, 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 SBIHDs and their affiliates, as well as DICJ and RCC). The Fairness Opinion (MUMSS)

expresses its opinion on the Shares, and MUMSS has not analyzed the value of SBI Shinsei Bank's share acquisition rights, and the Fairness Opinion (MUMSS) does not in any way express opinions on SBI Shinsei Bank's share acquisition rights. The Fairness Opinion (MUMSS) and analysis makes no reference to the price of the Shares after completion of the Transactions. The Fairness Opinion (MUMSS) does not express an opinion regarding the exercise of voting rights by the Shares at the general shareholders meeting of SBI Shinsei Bank to be held in connection with the Transaction, nor does it recommend approval of the Transactions. The Fairness Opinion (MUMSS) does not express an opinion on the relative adequacy of the Tender Offer Price when compared to the value received by DICJ and RCC through the collection of public funds (the "Repayment Value of Public Funds"). Furthermore, MUMSS 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 (MUMSS). In expressing its opinions and analyzing them in the Fairness Opinion (MUMSS), MUMSS relies on the information already published or provided by SBI Shinsei Bank 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 (MUMSS), it is assumed that the financial forecast has been reasonably prepared and drafted by SBI Shinsei Bank's management to reflect the best currently available expectations and judgments regarding SBI Shinsei Bank's future financial condition. MUMSS 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. MUMSS is not an advisor on legal, accounting, tax, business regulation or corporate pension plans. MUMSS 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 SBI Shinsei Bank'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, MUMSS 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 SBI Shinsei Bank is appropriate.

MUMSS has not conducted any independent evaluation or assessment of SBI Shinsei Bank's assets and liabilities, and has not been provided any evaluation or assessment, except for relying on the future development of SBI Shinsei Bank's risk assets and capital without independent verification. In addition, the amount of surplus capital is an amount of capital that exceeds SBI Shinsei Bank'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 SBI Shinsei Bank sets independently. MUMSS 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 Shinsei Bank. Accordingly, MUMSS assumed that SBI Shinsei Bank's total allowance for doubtful accounts was adequate. MUMSS's opinions are based on economic, financial, market and other conditions as of May 11, 2023 and information available to MUMSS as of May 11, 2023. Although events occurring on or after May 11, 2023 may affect the opinions expressed in the Fairness Opinion (MUMSS) or the assumptions used in the preparation of the Fairness Opinion (MUMSS), MUMSS assumes no obligation to update, revise or reaffirm the opinions expressed in the Fairness Opinion (MUMSS). In expressing the opinions expressed in the Fairness Opinion (MUMSS), MUMSS is not authorized to and has not solicited any entity in connection with a merger, consolidation or other extraordinary transaction involving SBI Shinsei Bank. Except for SBIHDs, MUMSS is not engaged in negotiations with any entity that has indicated to MUMSS its interest in a possible acquisition of SBI Shinsei Bank or any part of the businesses that comprise SBI Shinsei Bank.

MUMSS intends to provide services as a financial advisor to SBI Shinsei Bank 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, MUMSS or its affiliates provided services as a financial advisor to SBI Shinsei Bank, including in connection with the tender offer to SBI Shinsei Bank announced by SBIHD on September 9, 2021, and MUMSS or its affiliates received fees in consideration for these services. In addition, MUMSS and its affiliates may provide these services to SBIHDs, SBI Shinsei Bank and their affiliates in the future, and may receive fees in consideration for such services in the future. MUMSS (collectively, with the affiliates, "MUMSS 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, MUMSS Group may hold a position of buyer or seller in the bonds, shares or loans of SBIHDs, SBI Shinsei Bank or any company connected with the Transactions, currencies or commodities relating to the Transactions or related derivative products, or otherwise provide financial services of MUMSS Group to SBIHDs, SBI Shinsei Bank 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. MUMSS 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 SBIHDs, SBI Shinsei Bank or any company connected with the Transactions, currencies or commodities relating to the Transactions or related derivative products. In addition, MUMSS may provide normal brokerage services for SBIHDs, SBI Shinsei Bank or other companies related to the Transactions.

- (vi) Stock valuation report and fairness report obtained by the Special Committee from an independent third-party calculation agent

- (A) Name of the calculation agent and the relationship with SBI Shinsei Bank and SBI Regional Bank HD

In considering the Consulted Matters, the Special Committee requested Frontier Management, a third-party calculation agent independent of SBIHDs, DICJ, RCC and SBI Shinsei Bank, to calculate the value of the Shares, and obtained the Stock Valuation Report (Frontier Management) and the Fairness Opinion (Frontier Management) as of May 11, 2023.

Frontier Management is not a related party of SBIHDs, DICJ, RCC and SBI Shinsei Bank, and does not have material interests regarding the Transactions including the TOB.

The system of remuneration payable to Frontier Management related to the Transactions is a fixed-remuneration payable regardless of success or failure of the Transactions rather than a system in which a performance fee is payable on condition of success of the Transactions.

As set out in "(iii) Details of SBI Shinsei Bank's decision-making" in "1. Reasons for the Share Consolidation" above, on May 12, 2023, SBI Shinsei Bank's board of directors received the Stock Valuation Report (Frontier Management) and the Fairness Opinion (Frontier Management) at the time when it received the Findings Report from the Special Committee, and made a resolution as set out in "(ix) Approval of the majority of directors of SBI Shinsei Bank without conflicts of interest and the opinion of non-objection of all auditors without conflicts of interest" below based on the contents thereof.

- (B) Summary of Calculation

Frontier Management has considered the calculation method to be adopted in calculating the value of the Shares from among several calculation methods, and based on the assumption that SBI Shinsei Bank is a going concern, Frontier Management believed that it is appropriate to evaluate the value of the Shares from multiple perspectives. Based on this belief, Frontier Management has calculated the value of the Shares by adopting the following methods: the market price method as the Shares are listed on TSE Standard Market, and the market share price exists; the comparable company analysis as there are comparable listed companies and analogical inference of stock value is possible through the comparable listed company analysis; and in addition, in order to reflect the status of future business activities in the evaluation, the Dividend Discount Model ("DDM Method"), which is a method that analyzes the stock value by discounting Theoretical Dividends to the present value at the capital cost, and is used widely in the evaluation of financial institutions.

The range of values per share of the Shares calculated under each method is as follows.

Market Price Method:	2,334 yen - 2,486 yen
Comparable Company Analysis:	1,865 yen - 3,359 yen
DDM Method:	2,439 yen - 3,331 yen

Under the market price method, using May 11, 2023, the business day before the announcement of the TOB, as the calculation reference date, the per share value of the Shares was calculated to range from 2,334 yen to 2,486 yen based on 2,486 yen, the closing price of the Shares on TSE Standard Market on the calculation reference date, 2,442 yen, the simple average of closing prices for the past one month until that date, 2,397yen, the simple average of closing prices for the past three months until that date, and 2,334 yen, the simple average of closing prices for the past 6 months until that date.

Under the comparable company analysis, Mitsubishi UFJ Financial Group, Inc., Sumitomo Mitsui Financial Group, Inc., Mizuho Financial Group, Inc., Aozora Bank, Ltd. And Sumitomo Mitsui Trust Holdings, Inc. have been selected as the listed companies that are deemed to be similar with SBI Shinsei Bank, and then the value of the Shares has been calculated using the PER and PBR. As a result, the per-share value of the Shares was calculated to range from 1,865 yen to 3,359 yen.

Under the DDM Method, the stock value has been calculated by considering assumptions considered reasonable, such as the Business Plan, and then discounting the future Theoretical Dividends to the present value at a fixed discount rate. The discount rate is between 6.21% and 7.21%, and the multiple method is used to calculate the going concern value, with the PER of 8.28 to 10.12 and PBR of 0.56 to 0.68. As a result, the per-share value of the Shares was calculated to range from 2,439 yen to 3,331 yen.

The financial forecast based on SBI Shinsei Bank's Business Plan, on which Frontier Management based its DDM Method calculation, is as described in "(B) Summary of Calculation" in "(v) Stock valuation report and fairness opinion obtained by SBI Shinsei Bank from an independent financial advisor and third-party calculation agent" above. With respect to such financial forecast, the Special Committee has confirmed the reasonableness of its contents, material assumptions and the process of preparation, etc.

The financial forecast includes fiscal years that are expected to significantly increase or decrease compared to the previous fiscal year, but the factors for the significant increase or decrease are as described in "(B) Summary of Calculation" in "(v) Stock valuation report and fairness opinion obtained by SBI Shinsei Bank from an independent financial advisor and third-party calculation agent" above.

In calculating the value of the Shares, Frontier Management used, in principle, the information received from SBI Shinsei Bank and publicly available information, etc. as is, assuming that all such materials and information used are accurate and complete, and that there are no facts undisclosed to Frontier Management that could have a material impact on the calculation of the value of the Shares. Frontier Management did not verify their accuracy and completeness on its own. Additionally, it is assumed that the information regarding SBI Shinsei Bank's Business Plan has been reasonably prepared based on the best estimates and judgment currently available from SBI Shinsei Bank's management. In addition, Frontier Management has neither conducted any independent evaluation or assessment of SBI Shinsei Bank's assets and liabilities (including financial derivatives, off-balance-sheet assets and liabilities, and other contingent liabilities), nor requested any third-party agent to appraise or assess them. The calculation of the Shares by Frontier Management reflects the above information as of May 11, 2023.

(C) Overview of the 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 SBI Shinsei Bank's minority shareholders (excluding DICJ 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 SBI Shinsei Bank and receiving an explanation thereof, the Fairness Opinion (Frontier Management) has been submitted after hearing regarding the purpose and background of the TOB, examination of SBI Shinsei Bank'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 SBI Shinsei Bank and information provided to Frontier Management by SBI Shinsei Bank, 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 SBI Shinsei Bank'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 SBI Shinsei Bank 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 DICJ and RCC may receive from SBI Shinsei Bank in the future after the TOB 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 SBI Shinsei Bank have been reasonably prepared or reviewed by the management of SBI Shinsei Bank based on the best estimates and judgment currently available, and that SBI Shinsei Bank'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 TOB, nor is it obligated to do so.

Frontier Management is acting as financial advisor of the Special Committee with respect to the TOB and is involved in part of the negotiations relating to the TOB 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 SBI Shinsei Bank 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 TOB, 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 SBI Shinsei Bank's share price after the announcement of the TOB. In addition, the Fairness Opinion (Frontier Management) does not mention the positioning of the TOB in SBI Shinsei Bank's business strategy or the benefits to be derived from the implementation of the TOB, and does not express any opinion with respect to the management judgment as to whether or not the TOB should be executed by SBI Shinsei Bank. 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 TOB or exercise their shareholder rights such as voting rights in connection with the TOB 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 SBI Shinsei Bank 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) No trade protection clause

SBI Regional Bank HD and SBI Shinsei Bank have not made any agreement that would restrict SBI Shinsei Bank from having any contact with a competing bidder other than SBI Regional Bank HD ("Competing Bidder"), such as an agreement that contains a trade protection clause that would prohibit SBI Shinsei Bank from having any contact with a Competing Bidder, and do not restrict opportunities of competing offers, thereby giving consideration to ensuring the fairness of the TOB.

(viii) Establishment of an independent review system by SBI Shinsei Bank

As described in "(A) Proposal by SBI Regional Bank HD and background of establishment of systems for reviewing" in "1. Reasons for the Share Consolidation", SBI Shinsei Bank has established an internal system to review, negotiate and make decisions on the Transactions from a standpoint independent of SBIHD Group.

Specifically, after SBI Shinsei Bank received the Initial Proposal on February 8, 2023, it has established a project team that conducts reviews on the Transactions (including the preparation of the Business Plan that serves as the basis for calculating the value of the Shares), and discussions and negotiations with SBI Regional Bank HD. Its members do not concurrently serve as officers or employees of any of the companies of SBIHD Group, and the members consist of a total of six officers and employees of SBI Shinsei Bank who have never held positions as officers and employees of companies of SBIHD Group in the past, and such practice continues. The one person of the project team (an executive officer of SBI Shinsei Bank) was concurrently serving as an outside director (unpaid for both positions) of a stock company that belongs to SBIHD Group from August 31, 2020 to April 3, 2023 along with 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. Given the fact that the executive officer has been working for SBI Shinsei Bank for more than 20 years and that he is responsible for the management and planning of SBI Shinsei Bank as Executive Officer, Group Strategy Planning Manager and Group Management Planning Manager, he is added to the project team as it is believed that his involvement in the consideration of the Transactions (including the preparation of a business plan that serves as the basis for calculating the value of SBI Shinsei Bank's Shares) as well as discussions and negotiations with SBI Regional Bank HD is essential. Including such treatment, a confirmation has been obtained from the Special Committee (as defined below) that there is no problem in terms of the independency in the framework to consider the Transactions established in SBI Shinsei Bank, and it has also consulted with the Special Committee for the manner of involvement of such executive officer and obtained a confirmation from the committee.

However, since the Four Party Agreement include material matters such as the repayment of public funds concerning SBI Shinsei Bank's management after the implementation of the Transactions, Hirofumi Gomi, Director, Katsuya Kawashima, Director and Katsumi Hatao, Director who have held positions as officers and employees of the companies of SBIHD Group in the past, are also involved in the review.

The Special Committee has approved that there are no problems with SBI Shinsei Bank's review system (including the scope of SBI Shinsei Bank's officers and employees involved in the review, negotiation and decision-making of the Transactions and their duties), including such practice, from the viewpoint of independence and fairness. SBI Shinsei Bank has reported to the Special Committee about the involvement of Hirofumi Gomi, Director, Katsuya Kawashima, Director and Katsumi Hatao, Director who have held positions as officers and employees of the companies of SBIHD Group in the past, and obtained its confirmation.

(ix) Approval of the majority of directors of SBI Shinsei Bank without conflicts of interest and the opinion of non-objection of all auditors without conflicts of interest

As described in "(B) Background of review and negotiation" in "1. Reasons for the Share Consolidation" above, SBI Shinsei Bank's board of directors has carefully examined and discussed whether the Transactions, including the TOB contribute to the enhancement of SBI Shinsei Bank's corporate value, and whether the conditions of the Transactions, including the Tender Offer Price are reasonable by considering the legal advice of AMT, advice of MUMSS, the contents of the Stock Valuation Report (MUMSS) and the Fairness Opinion (MUMSS) as well as the contents of the Stock Valuation Report (Frontier Management) and the Fairness Opinion (Frontier Management) submitted to the Special Committee, and by respecting the decisions of the Special Committee indicated in the Findings Report to the maximum extent.

As a result, since synergies and benefits described in (a) to (c) in "(C) Details of SBI Shinsei Bank's

decision-making” in “1. Reasons for the Share Consolidation” above can be achieved, SBI Shinsei Bank has been determined that it would be best for SBI Shinsei Bank to go private, and at the meeting of SBI Shinsei Bank’s board of directors held on May 12, 2023, it was resolved, by a majority vote of six (five of whom are independent outside directors) (five in favor, one (outside director) against) of its nine directors who attended the discussion and the vote, to express an opinion to support the TOB and to recommend that SBI Shinsei Bank’s shareholders tender their shares in the TOB.

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 SBIHDs, 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 TOB 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 TOB has been made. Also, it is difficult to determine to support the Transactions and recommend the shareholders to participate in the TOB based on the “conditions for the Transactions.”

In addition, at the above meeting of the board of directors, all three corporate auditors (two of whom are independent outside auditors) of SBI Shinsei Bank who attended the discussion expressed the opinion that they had no objection to passing the resolution above.

Among the nine directors of SBI Shinsei Bank, Hirofumi Gomi, Director, Katsuya Kawashima, Director and Katsumi Hatao, Director who have held positions as officers and employees of the companies of SBIHD Group in the past, and thus they did not attend the discussion and the vote of the meeting of SBI Shinsei Bank’s board of directors (including the above meeting of SBI Shinsei Bank’s board of directors held on May 12, 2023) related to the Transactions since the resolution of the board of directors dated March 9, 2023 related to the establishment of the Special Committee from the viewpoint of eliminating the risk of being affected by structural conflicts of interests and asymmetric information issues in the Transactions.

(x) Measures to ensure purchase opportunities from other purchasers

SBIHDs have not entered into any agreement with SBI Shinsei Bank that would restrict SBI Shinsei Bank from having any contact with a Competing Bidder, such as an agreement that includes a trade protection clause that would prohibit SBI Shinsei Bank from having any contact with a Competing Bidder.

In addition, SBIHDs have determined that the TOB Period 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. SBIHDs intend to ensure the appropriateness of the Tender Offer Price by setting a relatively long TOB Period so as to ensure that shareholders of SBI Shinsei Bank have an opportunity to make an appropriate judgment on their acceptance of the TOB, while at the same time providing opportunities for parties other than SBIHDs to make competitive purchases.

(xi) Measures to ensure that SBI Shinsei Bank’s shareholders have the opportunity to make an appropriate decision as to whether or not to tender their shares in the TOB

SBIHDs have made it clear that (i) they have requested SBI Shinsei Bank to hold the Extraordinary Shareholders’ Meeting at which the proposals will include a consolidation of the Shares promptly following the completion of settlement of the TOB, 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 SBI Shinsei Bank and (ii) when the consolidation of shares is carried out, the money to be delivered to shareholders of SBI Shinsei Bank as consideration will be calculated so as to be equal to the Tender Offer Price multiplied by the number of shares of SBI Shinsei Bank owned by each such shareholder. By doing so, SBIHDs have taken care to ensure that shareholders of SBI Shinsei Bank have an opportunity to make an appropriate decision as to whether or not to tender their shares in the TOB, and that this will not create coercion.

4. Disposal of Important Property, Burden of Major Obligations, or Any Other Event Having a Material Impact on the Status of Company Property that Occurs After the Last Day of the Latest Business Year of SBI Shinsei Bank

(1) Implementation of the TOB

As described in “1. Reasons for Share Consolidation” above, SBI Regional Bank HD implemented the TOB,

and consequently, came to own 109,707,388 Shares (ownership ratio: 53.74%) as of June 30, 2023, the commencement date of the settlement for the TOB.

(2) Cancellation of Treasury Shares

SBI Shinsei Bank resolved at its board of directors' meeting held on July 18, 2023 to cancel 889,915 shares of its treasury shares (which equal to all of its treasury shares held as of July 17, 2023) effective as of September 29, 2023. Such cancellation of treasury shares is on condition that the proposal for the Share Consolidation is approved in its original form at the Extraordinary Shareholders Meeting, and the total number of issued shares of SBI Shinsei Bank after the cancellation will be 204,144,774 shares.

Item 2: Partial Amendment to the Articles of Incorporation

1. Reasons for Amendment

- (1) If the Item 1 is approved in its original form and the Share Consolidation takes effect, the total number of authorized shares of the Shares will be reduced to 40 shares pursuant to Article 182, Paragraph 2 of the Companies Act. In order to clarify such point, SBI Shinsei Bank proposes to amend Article 6 (Total number of authorized shares) of the Articles of Incorporation subject to the effectuation of the Share Consolidation.
- (2) If the Item 1 is approved in its original form and the Share Consolidation takes effect, the total number of issued shares of SBI Shinsei Bank will be 10 shares, and it will not be necessary to provide for a share unit. Accordingly, subject to the effectuation of the Share Consolidation, in order to abolish the provision regarding a share unit of the Shares, which is currently 100 shares per unit, SBI Shinsei Bank proposes to delete the entirety of Article 7 (Share unit) and Article 8 (Rights in relation to shares less than one unit) of the Articles of Incorporation and move up the article numbers due to the amendments.
- (3) If the Item 1 is approved in its original form, the Shares will be delisted and SBI Regional Bank HD, DICJ and RCC will be the only shareholders of SBI Shinsei Bank as a result off the Share Consolidation and the provision for the system for electronic delivery of shareholders meeting materials will become unnecessary. Accordingly, subject to the effectuation of the Share Consolidation, SBI Shinsei Bank proposes to delete the entirety of Article 13 (Measures for Electronic Provision, Etc.) and move up the article numbers due to the amendments.

2. Details of Amendment

The details of the amendments are as follows. The amendments to the Articles of Incorporation under this Item shall come into effect as of October 2, 2023, the effective date of the Share Consolidation, on the condition that the Item 1 is approved in its original form at the Extraordinary Shareholders Meeting and the Share Consolidation comes into effect.

(The underlined portions indicate amendments)

Current Articles of Incorporation	Proposed amendments
Article 6 (Aggregate Number of Shares Authorized to be Issued) The aggregate number of shares which the Bank shall have the authority to issue shall be <u>four hundred million (400,000,000) shares.</u>	Article 6 (Aggregate Number of Shares Authorized to be Issued) The aggregate number of shares which the Bank shall have the authority to issue shall be <u>forty (40) shares.</u>
<u>Article 7 (Number of Shares Constituting One Predetermined Minimum Unit of Shares (tan-gen kabu))</u> 1. <u>One predetermined minimum unit of shares (tan-gen kabu) shall be one hundred (100) shares.</u> 2. <u>Shareholders of the Bank may request the Bank to sell shares in the number that will constitute one full unit of shares when combined with the number of shares constituting less than one full of unit shares owned by them.</u>	(Deleted)
<u>Article 8 (Rights Concerning Shares Constituting Less than One Full Unit)</u> <u>Shareholders of the Bank may not exercise any rights concerning shares constituting less than one full unit other than those prescribed below:</u> (1) <u>Rights set force in Article 189, Paragraph 2 of the Corporation Act;</u> (2) <u>Right to file a claim in accordance with the provision of Article 166, Paragraph 1 of the Corporation Act;</u> (3) <u>Right to receive allocation of shares offered or share purchase rights offered in proportion to the number of shares held; or</u> (4) <u>Right to make requests in accordance with the provision of Article 7, Paragraph 2.</u>	(Deleted)

Current Articles of Incorporation	Proposed amendments
Articles <u>9</u> to <u>12</u> (provisions omitted)	Articles <u>7</u> to <u>10</u> (remain unchanged)
<u>Article 13 (Measures for Electronic Provision, Etc.)</u> 1. <u>The Bank shall take electronic measures for provision of the information contained in the Reference Materials, etc. for the Shareholders' Meeting.</u> 2. <u>Among the matters to be provided electronically, the Bank may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the hardcopy to be provided to shareholders who have requested it by the record date for voting rights.</u>	(Deleted)
Articles <u>14</u> to <u>41</u> (provisions omitted)	Articles <u>11</u> to <u>38</u> (remain unchanged)

END