

For Immediate Release

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

Conclusion of a Simple Absorption-type Corporate Split Agreement

Tokyo (Wednesday, March 24, 2021) ---At the Board of Directors Meeting held on March 24, 2021, Shinsei Bank, Limited (hereinafter, the “Bank”) adopted a resolution for concluding an absorption-type corporate split agreement for transferring the Bank’s business related to its rights and obligations for its customers’ investment trust accounts in the registered financial institution business (hereinafter, the “Business”) to MONEX, Inc. (hereinafter, “MONEX”) through a corporate split (absorption-type) (hereinafter, the “Corporate Split”), and concluded the absorption-type corporate split agreement. At the Board of Directors Meeting held on March 24, 2021, Shinsei Securities, Co., Ltd. a wholly-owned subsidiary of the Bank (hereinafter, “Shinsei Securities”), also adopted a resolution for concluding an absorption-type corporate split agreement for transferring its rights and obligations for bond safekeeping accounts of its individual customers mainly related to financial instruments intermediary transactions with the Bank to MONEX through a corporate split (absorption-type), and concluded the corporate split agreement. The Corporate Split will be executed as one transaction with the absorption-type corporate split between Shinsei Securities and MONEX (hereinafter, “Shinsei Securities’ Corporate Split”). The transfer of the rights and obligations requiring the approval and license of relevant governmental bodies will be transferred in the Corporate Split subject to obtaining the approval and license.

Disclosure of the information of the Corporate Split is partially omitted since the net decrease of the Bank’s total assets is less than 10% of the Bank’s net assets at the closing date of the latest fiscal year and the decrease of the Bank’s sales is expected to be less than 3% of the Bank’s sales of the latest fiscal year.

1. Purpose of the Corporate Split

As mentioned above, the agreement includes an agreement for the Corporate Split as part of the partnership. The partnership aims to allow the Shinsei Bank Group to expand the line-up of its products to be provided to customers and to provide the best consulting in the future. Accordingly, the Group will use its management resources for strengthening its consulting capability to enhance the quality of its customer touchpoints and provide financial services that match the needs of individual customers better. On and after the effective date of the Corporate Split, the Bank will continue to sell investment trusts and bonds to both its new and existing

customers through entrusted financial instruments intermediary business from MONEX.

2. Summary of the Corporate Split

(1) Schedule

Board of Directors meeting to approve the corporate split agreement	March 24, 2021
Conclusion of the corporate split agreement	March 24, 2021
Effective date of the Corporate Split	January 2022 (tentative)

Note: The Corporate Split falls into the simple absorption-type split stipulated by Paragraph 2, Article 784 of the Corporation Law for the Bank and falls into the simple absorption-type split stipulated by Paragraph 2, Article 796 of the Corporation Law for MONEX. Both the Bank and MONEX will therefore execute the Corporate Split without obtaining the approval at the general shareholders' meeting.

(2) Method

A simple absorption-type split with the Bank as the splitting company and MONEX as the succeeding company

(3) Allocation related to the Corporate Split

The Corporate Split will not involve share allocation or the other forms of consideration, since the value of the business to be succeeded through the Corporate Split will be appropriately realized by the Bank after the effective date through the entrusted financial instruments intermediary service agreement.

(4) Stock acquisition rights and bonds with stock acquisition rights

Not applicable.

(5) Capital to increase or decrease due to the Corporate Split

Capital will not increase or decrease due to the Corporate Split.

(6) Rights and obligations to be succeeded to by the succeeding company

Based on the absorption-type split agreement, MONEX will succeed to the Bank's assets and liabilities and all associated rights and obligations related to investment trust accounts. (However, off-book debts, employee labor contracts and contracts that are related to the target business for the succession but are not related to the rights and obligations for investment trust accounts will be excluded.)

(7) Debt-servicing

It has been judged that there is no concern over servicing of the debts that should be borne by MONEX in the Corporate Split.

3. Summary of the companies concerned with the Corporate Split

	Splitting company	Succeeding company
(1) Name	Shinsei Bank, Limited	MONEX, Inc.
(2) Location	4-3, Nihonbashi Muromachi 2-chome, Chuo-ku, Tokyo	12-32, Akasaka 1-chome, Minato-ku, Tokyo
(3) Title and name of the representative	Hideyuki Kudo President & CEO	Yuko Seimei Representative
(4) Business	Banking	Securities
(5) Capital	JPY512,204 million	JPY12,200 million
(6) Established	December 1, 1952	May 20, 1999
(7) Number of issued shares	259,034,689	228,000
(8) Fiscal year	End of March	End of March
(9) Major shareholders and their shareholding*	<ul style="list-style-type: none"> ▪ Deposit Insurance Corporation of Japan (11.66%) ▪ SBI Holdings, Inc. (9.50%) ▪ THE RESOLUTION AND COLLECTION CORPORATION (8.66%) ▪ THE MASTER TRUST BANK OF JAPAN, LTD. (Trust account) (6.07%) ▪ SSBTC CLIENT OMNIBUS ACCOUNT (3.94%) 	<ul style="list-style-type: none"> ▪ MONEX Group (100%)
(10) Latest operating results and financials		
Fiscal year	March 2020	March 2020 (Non-consolidated)
Net assets	JPY910,485 million	JPY48,848 million
Total assets	JPY10,226,571 million	JPY656,308 million
Book value per share	JPY3,913.40	—
Sales	JPY239,996 million (Total revenue)	JPY27,987 million (Operating revenue)
Operating profit	JPY90,422 million (Ordinary Business Profit)	JPY2,680 million

Ordinary profit	JPY51,036 million	JPY2,659 million
Net profit attributable to owners of the parent	JPY45,575 million	—
Net profit per share	JPY190.59	—

* As provided in the Bank's "Notice of Change of Major Shareholders (the Largest Shareholder)" dated December 24, 2020, SBI Holdings, Inc. has become the Bank's largest shareholder effective December 21, 2020 according to the "Change Report pertaining to the Report of Possession of Large Volume" submitted by the company on December 24, 2020. After that according to the "Change Report pertaining to the Report of Possession of Large Volume" submitted by SBI Holdings, Inc. on March 17, 2021, the company has voting rights of 401,474 units of Shinsei bank and the ratio of the voting rights of the company stands at 17.96% as of March 15, 2021. Percentage of total shareholder voting rights is calculated based on the total number of voting rights of 2,235,248 units as of September 30, 2020.

4. Business to be split

(1) Section to be split

The business to be split by this Corporate Split is investment trust account section

(2) Performance of the section to be split

Fiscal year	March 2020
Investment trusts (Total assets under management)	JPY286,700 million

(3) Assets and liabilities to be split and their amounts (as of March 31, 2020)

There are no assets or liabilities to be split in the Corporate Split.

5. Status of the companies concerned after the Corporate Split

The name, location, title and names of the representative, business, capital and fiscal year of the companies will remain unchanged.

6. Outlook

The Corporate Split is expected to have immaterial impact on the consolidated performance of the Bank.

(Reference) Summary of Shinsei Securities' Corporate Split (absorption-type)

(1) Schedule

Board of Directors meeting to approve the corporate split agreement	March 24, 2021
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Conclusion of the corporate split agreement	March 24, 2021
Effective date of Shinsei Securities' Corporate Split	January 2022 (tentative)

Note: Shinsei Securities' Corporate Split falls into the simple absorption-type split stipulated by Paragraph 2, Article 796 of the Corporation Law for MONEX. MONEX will therefore execute the split without obtaining the approval at the general shareholders' meeting.

(2) Method

A simple absorption-type split with Shinsei Securities as the splitting company and MONEX as the succeeding company.

(3) Allocation related to the corporate split

The corporate split will not involve share allocation or the other forms of consideration.

(4) Stock acquisition rights and bonds with stock acquisition rights

Not applicable.

(5) Capital to increase or decrease due to the corporate split

Capital will not increase or decrease due to the corporate split.

(6) Rights and obligations to be succeeded to by the succeeding company

Based on the absorption-type split agreement, MONEX will succeed to the assets and liabilities and associated rights and obligations related to Shinsei Securities' bond safekeeping accounts under the financial instruments intermediary contract concluded with the Bank and Shinsei Securities' bond safekeeping accounts of its individual customers opened through referral from the Bank (hereinafter, collectively "the Bond Safekeeping Accounts Subject to the Transfer"). (However, off-book debts, employee labor contracts and contracts that are related to the target business for the succession but are not related to the rights and obligations for the Bond Safekeeping Accounts Subject to the Transfer will be excluded.)

Performance of the investment trusts and structured bonds before the split are as follows.

(Shinsei Securities)

Fiscal year	March 2020
Structured bonds (total assets under management)	JPY207,900 million

(7) Debt-servicing

It has been judged that there is no concern over servicing of the debts that should be borne by MONEX in the corporate split.

End

Shinsei Bank is a leading diversified Japanese financial institution providing a various range of financial products and services to both institutional and individual customers. The Bank has a network of outlets throughout Japan and is committed in its pursuit of uncompromising levels of integrity and transparency in all of its activities in order to earn the trust of its customers, staff, and shareholders. The Bank is committed to delivering long-term profit growth and increasing value for all its stakeholders. News and other information about Shinsei Bank is available at <https://www.shinseibank.com/corporate/en/index.html>

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Monex, Inc.
Shinsei Bank, Limited
Shinsei Securities, Co., Ltd.

Conclusion of a Final Agreement for a Comprehensive Business Partnership in the Financial Instruments Intermediary Business between Monex, Inc. and the Shinsei Bank Group

Monex, Inc. (Representative Director and President: Yuko Seimei; hereinafter, “Monex”), Shinsei Bank, Limited (President & CEO: Hideyuki Kudo; hereinafter, “Shinsei Bank”) and Shinsei Securities, Co., Ltd., a wholly-owned subsidiary of Shinsei Bank (Representative Director, President: Yasuhiro Iwamoto; hereinafter referred to individually as “Shinsei Securities”, and Shinsei Bank and Shinsei Securities are collectively referred to as the “Shinsei Bank Group” hereinafter) have concluded a three-party Final Agreement for the comprehensive business partnership in the financial instruments intermediary business (hereinafter, the “Partnership”) announced on January 27, 2021.

The Partnership is subject to obtaining the approval of relevant governmental bodies. Services under the new structure is planned to start around January 2022.

(1) Details of the Partnership

The three companies have been discussing for the realization of the partnership since concluding a Letter of Intent.

The rights and obligations for Shinsei Bank’s investment trust accounts and Shinsei Securities’ bond safekeeping accounts of its individual customers mainly related to financial instruments intermediary transactions with Shinsei Bank will be transferred to Monex through a corporate split (absorption-type). In the new structure after the transfer, Shinsei Bank will continue to conduct solicitation, sales and post-sales follow-ups of investment trusts and bonds for both its new and existing customers as the financial instruments intermediary agent entrusted by Monex. Shinsei Securities will act as an intermediary for providing products to Monex. Monex will execute transactions with the customers and manage their accounts. Furthermore, while focusing on the consistency of existing user experience, Monex and the Shinsei Bank Group will build a more convenient platform including the provision of a single-sign-on function which enables customers to sign on from the Shinsei Bank website to the Monex website.

In order to respond to more diverse customer needs, Monex and Monex Group affiliates (hereinafter, collectively referred to as “the Monex Group”) and the Shinsei Bank Group will work as one team in developing new security business models and products to provide higher-quality services to their customers. This will be achieved by leveraging the advantage of each company such as product

origination capability and the extensive product line-up of the Monex Group, and the customer base and consulting capability of the Shinsei Bank Group. The Partnership is in line with the basic philosophy of “customer-oriented business operation” which sets the highest priority on customers’ best interests to provide financial services that meet their needs. The Groups will also develop joint marketing strategies separately from sales promotion individually carried out through the channels of each company and will seek further business synergy in accordance with the concept of the partnership.

(2) Future Schedule

i) Provision of specific information to customers

A special section will be established on the Shinsei Bank website to release information about the procedures and schedule for transferring customer accounts.

Customers subject to the matter will receive a letter related to the transfer in and after April 2021. They may also be requested to submit relevant documents for the transfer.

ii) Migration to Monex financial instrument intermediary accounts

The migration is scheduled for around January 2022.

(3) Profiles of the companies

Trade name	Monex, Inc.	Shinsei Bank, Limited	Shinsei Securities, Inc.
Location	12-32, Akasaka 1-chome, Minato-ku, Tokyo	4-3, Nihonbashi Muromachi 2-chome, Chuo-ku, Tokyo	4-3, Nihonbashi Muromachi 2-chome, Chuo-ku, Tokyo
Representative	Yuko Seimei Representative Director and President	Hideyuki Kudo President & CEO	Yasuhiro Iwamoto Representative Director, President
Business	Securities	Banking	Securities
Capital	JPY12,200 million	JPY512,200 million	JPY8,750 million (Fully-owned by Shinsei Bank)
Established	May 1999	December 1952	December 2000

(4) Outlook

The partnership is expected to have immaterial impact on the consolidated performance of the Monex Group and the Shinsei Bank Group.

End

Shinsei Bank is a leading diversified Japanese financial institution providing a various range of financial products and services to both institutional and individual customers. The Bank has a network of outlets throughout Japan and is committed in its pursuit of uncompromising levels of integrity and transparency in all of its activities in order to earn the trust of its customers, staff and shareholders. The Bank is committed to delivering long-term profit growth and increasing value for all its stakeholders. News and other information about Shinsei Bank is available at <https://www.shinseibank.com/corporate/en/index.html>

For further information, please contact:
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