



For Immediate Release

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

(Update on Disclosed Matters) Formation of Independent External Directors Council in connection with “Notice Regarding Reservation of Opinion on TOB for Shares of Shinsei Bank by SBI Regional Bank Holdings Co., Ltd.”

Tokyo (October 6, 2021) --- Shinsei Bank, Limited (the “Bank”) announced the status of the ongoing consideration on a take-over bid for the common shares of the Bank by SBI Regional Bank Holdings Co., Ltd. (the “TOB”).

In the TOB and the Takeover Defense Measures (the “Plan”)^{Note}, the Bank is carefully considering the matters such as whether the large-scale purchase of shares would hinder the maximization of the Bank’s corporate value or the common interests of shareholders.

Within the context, independent External Directors (five (5) independent External Directors of the Bank) have formed the Independent External Directors Council (the “Council”), which is composed entirely of five (5) independent External Directors who are independent from the Bank’s management team that conducts business operations, for the purpose of further enhancing the fairness and objectivity of the evaluation and review process and the operation of the Plan. The independent external corporate auditors of the Bank join in the Council as observers. Based on the policies announced in the Plan, the Council has determined to appoint external experts (financial advisors and legal advisors) who are independent of the Board of Directors of the Bank so that the independent External Directors can obtain advice in discussions at the Council.

After careful evaluation and consideration on the relevant information, the Board of Directors of the Bank will evaluate and review whether to support or object to the TOB as well as whether to implement the countermeasures stipulated in the Plan with maximum respect to the recommendations and opinions of the Council, and it will present the Bank’s opinion.

Note For the details of the Plan, please refer to the Bank’s press release on September 17, 2021, entitled “Notice of the Introduction of Takeover Defense Measures subject to Confirmation of Shareholders’ Support after the commencement of the TOB for Shinsei Bank’s shares by SBI Regional Bank Holdings Co., Ltd.” (the “Takeover Defense Measures Press Release”), and press release on September 17, 2021, entitled “Notice Regarding Reservation of Opinion on TOB for Shares of Shinsei Bank by SBI Regional Bank Holdings Co., Ltd.” (the “Opinion Press Release”)

As the Bank announced in the Opinion Press Release, it reserved its opinion and provided the questionnaire for the TOB to SBI Regional Bank Holdings Co., Ltd. (the “Bidder”), a wholly owned subsidiary of SBI Holdings, Inc. (“SBIHD,” and together with the Bidder, “SBIHDs”) as stipulated in Article 27-10, Item 1 of the Financial Instruments and Exchange Act, at the resolution of the Board of Directors of the Bank held on September 17, 2021. The Bidder submitted the responses on the questionnaire on September 28, 2021 and released the public notice of the change in the terms of

the TOB, etc. and the amendment of the TOB Registration Statement on September 30, 2021, whereby the TOB period was extended. Following the acceptance of the extension of the TOB period, which was requested by the Bank, the Bank is carefully evaluating and considering the content of the questionnaire responses submitted by the Tender Offeror and other relevant information, and will make a final determination to present the Bank's opinion on the TOB, as stated in the notice regarding reservation of opinion on the TOB.

In addition, as the Bank announced in the Takeover Defense Measures Press Release, it is carefully considering the responses on the TOB by establishing a mechanism (i.e. the Plan) to provide shareholders with the necessary information to determine whether the large-scale purchase of shares would hinder the maximization of the Bank's corporate value or the common interests of shareholders, to ensure that shareholders have sufficient time to consider the pros and cons of the large-scale purchase, to prevent damage to the Bank's corporate value in the event that the large-scale purchase is considered to be disadvantageous to shareholders, and to prevent decisions on the financial and business policies of the Bank from being controlled by persons who are inappropriate in light of the basic policies regarding those who control the determination of the Company's financial and operational policies.

The Bank has five (5) independent External Directors out of the seven (7) Directors, and two (2) independent external corporate auditors out of the three (3) corporate auditors. Accordingly, as stated in the Takeover Defense Measures Press Release, the Bank believes that the Board of Directors can sufficiently prevent arbitrary judgments and ensure fairness and objectivity in the evaluation, review, and approval of the Plan, as well as in the operation of the Plan through such an executive structure. Therefore, the Bank believes that it is not necessary to separately establish so-called stand-alone committee which is independent from the Board of Directors. On the other hand, platform to discuss among independent External Board Members should not be prevented. As a result, for the purpose of further enhancing the fairness and objectivity of the evaluation and review process and the operation of the Plan, independent External Directors (five (5) independent External Directors) have formed the Independent External Directors Council, which is composed entirely of five (5) independent External Directors who are independent from the Bank's management team that conducts business operations, and as observers two (2) independent external corporate auditors in order to independently evaluate the review the TOB. (See appendix of the names and biographies of the independent External Directors as members and the independent external corporate auditors as observers.) Furthermore, as stated in the Takeover Defense Press Release, the Bank announced that the Council has determined to appoint financial advisor and legal advisor who are exclusive for the Council and are independent from the Board of Directors of the Bank so that the independent External Directors can obtain advice in discussions at the Council. (MOMO-O, MATSUO & NAMBA has been retained as a legal advisor. A financial advisor is under the selection process.) All costs incurred in obtaining such advice by the Council shall be borne by the Bank to the extent reasonable. The Council will evaluate and review the following matters and, based on the results, it will provide recommendations or opinions to the Board of Directors of the Bank.

1. Investigate, review and evaluate whether or not the TOB will prevent the Bank from maximizing its corporate value or the common interests of its shareholders.
2. Examine whether or not to approve the TOB and whether or not to invoke the countermeasures stipulated in the Plan, taking into account the above-mentioned

investigations, examinations and evaluations.

3. In addition to the above, any matters for which the Independent External Directors Council considers recommendations or opinions should be given to the Board of Directors of the Bank

After carefully evaluating and considering relevant information, the Board of Directors of the Bank will evaluate and review whether to support or oppose to the TOB as well as whether to implement the countermeasures stipulated in the Plan with maximum respect to the recommendations and opinions of the Council, and will present the Bank's opinion.

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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Members and Observers of the Independent External Directors Council

Title	Name (Date of Birth)	Biography	
Director	Ernest M. Higa (October 15, 1952)	April 1976	Joined Higa Industries Co., Ltd.
		April 1983	President and Chief Executive Officer
		April 2008	Board Member, The Tokyo New Business Conference (Current)
		May 2009	Board of Overseers, Columbia Business School (Current)
		June 2010	Director, JC Comsa Corporation (Predecessor of Delsole Corporation) (Current)
		March 2011	Chief Executive Officer, Wendy's Japan
		June 2013	Independent External Director, Shinsei Bank, Limited (Current)
		April 2015	Chairman President & Chief Executive Officer, Higa Industries Co., Ltd. (Current)
		September 2016	Chairman & Representative Director, Wendy's Japan K.K. (Current)
		April 2017	Board of Trustees, Showa Women's University (Current)
Director	Jun Makihara (January 15, 1958)	September 1981	Joined Goldman, Sachs & Co
		November 1992	Partner
		November 1996	Co-Branch Manager, Goldman Sachs Tokyo Branch (Predecessor of Goldman Sachs Japan Co., Ltd.)
		July 2000	Chairman of the Board, Neoteny Co., Ltd.
		June 2006	Independent External Director, Monex Group, Inc. (Current)
		June 2011	Independent External Director, Shinsei Bank, Limited (Current)
		September 2014	Independent External Director, Philip Morris International Inc. (Current)

Director	Rie Murayama (May 1, 1960)	November 1988	Joined First Boston Securities, Tokyo Branch
		March 1993	Joined Goldman Sachs Tokyo Branch (Predecessor of Goldman Sachs Japan Co., Ltd.)
		November 2001	Managing Director
		June 2016	External Director, RENOVA, Inc.
		April 2017	Chairman & Representative Director, ComTech, Ltd.
		June 2017	External Director, KATITAS Co., Ltd.
		June 2019	Independent External Director, Shinsei Bank, Limited (Current)
		June 2020	External Director, MAEDA CORPORATION (Current)
		October 2021	Independent External Director, INFRONEER Holdings Inc. (Current)
Director	Hiroko Sasaki (October 29, 1973)	April 1996	Joined the Bank of Japan
		April 2001	Joined McKinsey & Company, Inc.
		July 2006	Associate Principal, McKinsey & Company, Inc., Tokyo office
		October 2009	Transformation Designer, Sony Corporation
		October 2010	President & CEO, ChangeWAVE Inc. (Current)
		September 2016	President and CEO, Lyxis Co., Ltd. (Current)
		June 2021	Independent External Director, Shinsei Bank, Limited (Current)
		June 2021	Independent External Director, UT Group Co., Ltd. (Current)

Director Ryuichi Tomimura (February 17, 1959)	October 1983	Joined IBM Japan, Ltd
	October 1991	General Manager, Network Integration Division, Recruit Co. Ltd. (Predecessor of Recruit Holdings Co., Ltd.)
	January 1994	Managing Partner, Pricewaterhouse Consultant
	October 2002	Managing Director, IBM Business Consulting Service KK Vice President, IBM Corporation Business Consulting Service, Asia Pacific
	February 2004	Representative Director, Senior Executive Vice President, JAPAN TELECOM CO., LTD (Predecessor of Softbank Corp.)
	December 2007	Representative Director, Managing Director, RHJ International Japan, Inc.
	April 2010	Executive Vice President, Director, SIGMAXYZ Inc.
	August 2012	External Director, Plan · Do · See Inc
	June 2014	Independent External Audit & Supervisory Board Member, Shinsei Bank, Limited
	June 2015	Independent External Director, Shinsei Bank, Limited (Current)
	June 2016	Executive Vice President, Representative Director, SIGMAXYZ Inc.
	June 2018	President, Representative Director, SIGMAXYZ Inc.
	May 2020	Independent External Director, Vector, Inc. (Current)
	June 2021	Representative Director and President, SIGMAXYZ Holdings Inc. (Current)

Audit and Supervisory Board Members	Shiho Konno (June 28, 1963)	April 1991	Registered Daiichi Tokyo Bar Association
		April 1997	Assistant Instructor, The Legal Training and Research Institute, Supreme Court of Japan
		April 2004	Associate Professor, School of Law, Meiji University
		June 2005	External Audit & Supervisory Board Member, Yahoo Japan Corporation
		July 2006	Member, The National Police Agency General Security Countermeasures Committee
		April 2007	Specially Appointed Professor, School of Law, Meiji University
		March 2008	External Audit & Supervisory Board Member, Advanced Softmaterials Inc. (Predecessor of AMS Inc.)
		April 2009	Professor, Waseda Law School, Waseda University
		August 2014	Auditor, Japan Corporate Governance Network
		June 2015	External Director, Watami Co., Ltd.
		August 2015	Member, The Liaison conference for the Promotion of Gender Equality, Cabinet Office (Current)
		June 2016	External Director, Kakaku.com, Inc.
		June 2017	External Director, Alfresa Holdings Corporation
		June 2018	Independent External Audit & Supervisory Board Member, Shinsei Bank, Limited (Current)
		June 2018	Independent External Director, Monex Group, Inc. (Current)
		June 2021	Independent External Director, LIXIL Corporation (Current)

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