

SBI Holdings' Tender Offer for Shinsei Bank— No Immediate Impact on SBI SECURITIES' Rating; JCR will Watch Course of Tender Offer

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on tender offer by SBI Holdings, Inc. (security code: 8473), parent company of SBI SECURITIES Co., Ltd., for Shinsei Bank, Limited (security code: 8303).

- (1) SBI Holdings, Inc. ("SBIHD") and its wholly owned subsidiary SBI Regional Bank Holdings Co., Ltd. announced on September 9 that they have decided to acquire the common stock of Shinsei Bank, Limited (Long-term Issuer Rating: "A-/Stable") through a tender offer. SBIHD is currently the largest shareholder of Shinsei Bank with a 20.32% stake (as of September 9), and intends to increase its stake to a maximum of 48% through the tender offer. The maximum purchase price is expected to be approximately 110 billion yen. In addition, SBIHD plans to make Shinsei Bank a consolidated subsidiary.
- (2) SBI SECURITIES' rating reflects SBI Group's creditworthiness based on its core role in the Group. For the SBI Group, the burden of the purchase price for this transaction will not be significant from a financial perspective. Shinsei Bank operates business, in which the SBI Group is not involved, having under its umbrella companies such as Shinsei Financial Co., Ltd. and APLUS FINANCIAL Co., Ltd. in its personal business, and Shinsei Securities Co., Ltd. and Showa Leasing Co., Ltd. in its corporate business. If Shinsei Bank can be made a consolidated subsidiary, it will contribute to expansion of SBI Group's business by expanding its operating base and diversifying its revenue opportunities. Shinsei Bank, on the other hand, has not yet expressed its opinion on whether to support or oppose the tender offer. Therefore, JCR believes that it will be necessary to assess the impact on Shinsei Bank's governance and business even if it becomes a consolidated subsidiary, and reflect this on the Group's creditworthiness.

Kengo Sakaguchi, Tatsuya Shimizu

<Reference>

Issuer: SBI SECURITIES Co., Ltd.

Long-term Issuer Rating: A- Outlook: Stable

Japan Credit Rating Agency, Ltd.

Jiji Press Building, 5-15-8 Ginza, Chuo-ku, Tokyo 104-0061, Japan
Tel. +81 3 3544 7013, Fax. +81 3 3544 7026

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