

For Immediate Release

SBI Shinsei Bank, Limited
Katsuya Kawashima
President and CEO

Notice Regarding the Status of Consideration for Repayment of Public Funds

Tokyo (Tuesday, January 28, 2025) --- SBI Shinsei Bank, Limited (hereinafter, "SBI Shinsei Bank") is currently considering capital policy, which includes repayment of public funds, an important issue in Our Group's efforts to increase its corporate value. Details are as follows.

1. As described in the "Notice Regarding Acquisition of Partial Shares of SBI Shinsei Bank, Limited" released by SBI Holdings, Inc. (Head Office: Minato-ku, Tokyo; Chairperson and President: Yoshitaka Kitao; hereinafter referred to as "SBI Holdings") on December 30, 2024, shareholders of SBI Shinsei Bank as of January 9, 2025 are the SBI Group (SBI Holdings and SBI Regional Bank Holdings Co., Ltd.) and the Japanese government (Deposit Insurance Corporation of Japan and The Resolution and Collection Corporation).
2. SBI Shinsei Bank will be discussing with SBI Holdings and the Japanese government with a view to agreeing on a specific mechanism for its repayment of public funds (hereinafter referred to as the "Definitive Repayment Scheme") as soon as possible based on the "Agreement on the Handling of Public Funds" entered into between SBI Holdings, Deposit Insurance Corporation of Japan, and The Resolution and Collection Corporation dated May 12, 2023 (hereinafter referred to as the "Agreement on the Handling of Public Funds").
3. SBI Shinsei Bank intends to repay 100 billion yen out of the current remaining 330 billion yen of public funds as soon as preparations are made, aiming for March of this year, subject to the approval of the Japanese government and the consent of all shareholders of SBI Shinsei Bank. The repayment of 100 billion yen is expected to be financed through contributions of 50 billion yen from SBI Shinsei Bank's equity capital, after payment of which SBI Shinsei Bank will be able to maintain sufficient financial soundness in light of the current business conditions and the status of equity capital, and the remaining 50 billion yen through contribution of capital injection from SBI Holdings.
4. Regarding the specific method for repayment of 100 billion yen and the remaining amount of 230 billion yen of public funds thereafter (and other detailed matters related to the Definitive Repayment Scheme), we aim to reach an agreement as soon as possible based on the Agreement on the Handling of Public Funds, irrespective of the deadline of June this year. Furthermore, in order to ensure a sufficient distributable amount in preparation for making repayment promptly and without delay after the agreement is reached, we plan to reduce the amount of stated capital (transfer a part of stated capital to other capital surplus) subject to approval by the authorities.
5. In line with the above policy, SBI Shinsei Bank will clearly indicate the way forward for repayment of public funds, and then will begin consideration and preparation for re-listing.

Since becoming a consolidated subsidiary of SBI Holdings in December 2021, and through delisting in September 2023, SBI Shinsei Bank Group has laid a strong foundation for cooperation as a core banking group within the SBI Group. With the aim of achieving further growth, we are currently formulating a new three-year medium-term management plan starting from fiscal 2025 (i.e., fiscal year ending March 2026). In order to steadily expand our revenue base and generate profits, as well as to improve the pace of business expansion, in addition to the capital support from SBI Holdings, we intend to diversify our equity financing methods, including stock listings. At the same time, we aim to resolve the most important management issue by repaying public funds in full as early as possible, further increase the degree of management freedom, and accelerate the medium- to long-term enhancement of SBI Shinsei Bank Group's corporate value.

End

SBI Shinsei Bank is a leading diversified Japanese financial institution providing a wide 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 stakeholders, including customers, employees and shareholders. The Bank is committed to delivering long-term profit growth and sustainably increasing its corporate value for all its stakeholders. News and other information about SBI Shinsei Bank are available at <https://corp.sbishinseibank.co.jp/en/>.

For further information, please contact:
Sustainability and Communications Division
SBI Shinsei Bank, Limited (www.sbishinseibank.co.jp/english/)
SBIShinsei_PR@sbishinseibank.co.jp (Inquiry form for the media)