



March 7, 2025

SBI Holdings, Inc.
(TOKYO: 8473)

**Notice Regarding Signing of “Agreement on Definitive Repayment Scheme”
Related to the Repayment of Public Funds by SBI Shinsei Bank, Limited**

SBI Holdings, Inc. (hereinafter the “Company”) hereby announces that with regards to important issue of the repayment of public funds by SBI Shinsei Bank, Limited (Head Office: Chuo-ku, Tokyo; Representative Director, President: Katsuya Kawashima; hereinafter “SBI Shinsei Bank”), a consolidated subsidiary of the Company, the Company has decided at the Board of Directors meeting held today to conclude a “Agreement on Definitive Repayment Scheme” between the Company, SBI Shinsei Bank, Deposit Insurance Corporation of Japan, and The Resolution and Collection Corporation, and today concluded the said agreement. For further information, please refer to the attached “Notice Regarding Conclusion of ‘Agreement on Definitive Repayment Scheme’ Including Repayment of Public Funds of 100 Billion Yen,” announced by SBI Shinsei Bank.

Attachment

For Immediate Release

SBI Shinsei Bank, Limited

Katsuya Kawashima

President and CEO

**Notice Regarding Conclusion of "Agreement on Definitive Repayment Scheme"
Including Repayment of Public Funds of 100 Billion Yen**

Tokyo (Friday, March 7, 2025) --- SBI Shinsei Bank, Limited ("**SBI Shinsei Bank**") has been working closely with SBI Holdings, Inc., our parent company (Head Office: Minato-ku, Tokyo; Chairperson and President: Yoshitaka Kitao; "**SBI Holdings**"), to address the repayment of public funds, which is an important management issue for us, as part of our efforts to enhance the corporate value of the group companies of SBI Shinsei Bank ("**Our Group**"), and has been engaged in ongoing discussions with the government. SBI Shinsei Bank hereby announces that it has concluded an Agreement on Definitive Repayment Scheme ("**Agreement**") with Deposit Insurance Corporation of Japan, The Resolution and Collection Corporation, and SBI Holdings.

Based on the Agreement on the Handling of Public Funds dated May 12, 2023, which was concluded between Deposit Insurance Corporation of Japan, The Resolution and Collection Corporation, SBI Shinsei Bank and SBI Holdings, we concluded the Agreement with regard to the specific mechanism for our repayment of public funds, which we aimed to agree upon by the end of June 2025.

Based on the Agreement, SBI Shinsei Bank will convert all of the common shares held by Deposit Insurance Corporation of Japan and The Resolution and Collection Corporation into preferred shares. In addition, 100 billion yen will be repaid as a special dividend on preferred shares on March 28, 2025 (scheduled). In order to secure necessary funds for this repayment, SBI Shinsei Bank will raise 50 billion yen by disposing of its treasury shares to SBI Holdings.

Furthermore, in order to complete the repayment of public funds as early as possible, in addition to the repayment by way of the special dividend of 100 billion yen described above, we will consider additional repayment by way of another special dividend following the necessary procedures such as the amendment of our Articles of Incorporation. In repaying public funds through the additional special dividend, we will ensure that we give sufficient consideration to SBI Shinsei Bank's shareholder composition as well as the impacts on our capital adequacy, business operations, financial soundness, and business growth potential.

In addition to the special dividends described above, as a minimum measure to ensure repayment of

public funds, we will set a certain preferred amount (4.5 billion yen in total for Deposit Insurance Corporation of Japan and The Resolution and Collection Corporation) as a regular dividend for preferred shares for each fiscal year from and after the fiscal year ending March 2026. In addition, if it is possible to pay a dividend exceeding the said preferred amount, we will further increase the regular dividend in consideration of our performance and the status of our equity capital in each fiscal year.

We aim to pay off public funds as early as possible through the special dividend of 100 billion yen described above, possible additional special dividends, and regular dividends each fiscal year. At the same time, we will take various measures including adapting our business operations according to changes in the business environment, conducting constant reviews of Our Group structure, and considering changes to our capital policy, including re-listing.

Last year, for the first time in 18 years since 2006, SBI Shinsei Bank repaid a part of public funds of approximately 19.4 billion yen. We believe that, through the conclusion of the Agreement, SBI Shinsei Bank has now clearly indicated the way forward for repayment (and eventual pay-off) of public funds, which has been a management issue for us for about a quarter of a century. We would like to express our deep appreciation for the great support we have received from our customers. Moving forward, we will focus on strengthening our profitability and further enhancing our corporate value. We will return to our roots in the financial services industry and strive to maintain a customer-centric approach and further improve our services to our customers. We look forward to your continued support.

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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.sbihinseibank.co.jp/en/>.

For further information, please contact:

Sustainability and Communications Division

SBI Shinsei Bank, Limited (www.sbihinseibank.co.jp/english/)

SBISHinsei_PR@sbishinseibank.co.jp (Inquiry form for the media)

(Appendix)

Outline of the Definitive Repayment Scheme of Public Funds

(i) Securing sufficient distributable amount (source of repayment) to pay off public funds through capital account reclassification (reduction of paid-in capital*)

--> If other conditions for repayment of public funds are met in the future, public funds can be repaid in full at any time.

*Subject to approval by the regulatory authorities

(ii) Conversion of all 12 shares of SBI Shinsei Bank common shares held by the government into preferred shares

--> Dividends on preferred shares will be treated as repayments of public funds by using "other capital surplus" as the source of dividends.

(iii) Repayment of public funds through a special dividend of 100 billion yen (of which 50 billion yen will be funded by SBI Holdings)

(iv) Repayment of public funds in full as early as possible when conditions for repayment are met

--> We will aim at full repayment by means such as repurchase of preferred shares at the price equal to the remaining balance of the unpaid public funds, by accumulating capital of SBI Shinsei Bank and supports by our parent company.

(v) (Even if it would take time for item (iv) above) Repayment of public funds by paying dividends on preferred shares according to the level of profits in each fiscal year

--> The public funds will be repaid by way of dividends, even if a certain amount of time is required for the item (iv) above, through improvements in profitability and appropriate setting up of dividend payout ratio.

※"Special Dividend" and "Regular Dividend" sourced from "other capital surplus"

Under Japanese law, accounting and taxation systems, if the source of a dividend paid on shares is "other capital surplus," it is treated as receiving payback of the issuer's capital, and the shareholders who receive the dividend are required to reduce the book value of the shares by the amount of the dividend received. Therefore, under the Definitive Repayment Scheme, if the source of a dividend on preferred shares is "other capital surplus," it is treated as repayment of public funds, and the dividend amount is deducted from the amount of public funds required to be repaid, each time a dividend is paid.

The Special Dividend of 100 billion yen scheduled to be paid by SBI Shinsei Bank on March [28], 2025 will be paid in full from "other capital surplus". As such, the entire amount will be treated as repayment of public funds. In addition, the regular dividends on preferred shares which SBI Shinsei Bank plans to pay in and after the fiscal year ending March 2026 will be paid mostly from "other capital surplus". To the extent that the regular dividends are paid from "other capital surplus", they will

be treated as repayment of public funds, and the portion of the dividends paid from "other capital surplus" will be deducted from the amount of public funds required to be repaid, each time a dividend is paid.

Further, SBI Shinsei Bank intends, subject to the approval of the regulatory authorities, to conduct a capital account reclassification (reduction of paid-in capital) effective March [], 2025, whereby SBI Shinsei Bank's "other capital surplus" will be 372.7 billion yen, and a sufficient amount will be secured to fund the required amount for repayment of public funds.