

For Immediate Release

Company Name: SBI Shinsei Bank, Limited
Name of Representative: Katsuya Kawashima
President and CEO
(Code: 8303, TSE Standard Market)

Notice Regarding Resolution of Shareholders Meeting to Approve Share Consolidation, Abolition of the Provisions regarding a Share Unit, and Partial Amendment to the Articles of Incorporation

Tokyo (Friday, September 1, 2023) --- SBI Shinsei Bank hereby announces that it submitted the proposal for share consolidation and the proposal for abolition of the provisions regarding a share unit and partial amendment to the Articles of Incorporation to an extraordinary shareholders meeting held today (the "Extraordinary Shareholders Meeting") as announced in the "Notice Regarding Share Consolidation, Abolition of the Provisions regarding a Share Unit, and Partial Amendment to the Articles of Incorporation" dated July 18, 2023 ("Share Consolidation Press Release"), and the proposals were all approved and adopted as their original form.

As a result, the common shares of SBI Shinsei Bank (the "Shares") will meet the delisting criteria of Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange"). In doing so, it is planned that the Shares will be designated as securities to be delisted between September 1, 2023 and September 27, 2023, and then be delisted as of September 28, 2023. Please note that the Shares will no longer be tradable on the Standard Market of the Tokyo Stock Exchange after they are delisted.

1. Share Consolidation

As announced in the Share Consolidation Press Release, the Shares will be consolidated as described below ("Share Consolidation").

- (i) Class of Shares to be Consolidated
Common shares
- (ii) Consolidation Ratio
On October 2, 2023 (planned), the Shares owned by the shareholders registered or recorded on the latest shareholders register as of October 1, 2023 (planned) will be consolidated at a ratio of 20,000,000 shares to one share.
- (iii) Total Number of Issued Shares to be Reduced
204,144,764 shares
- (iv) Total Number of Issued Shares Before the Effectuation of the Share Consolidation
204,144,774 shares
(Note) SBI Shinsei Bank resolved at the board of directors' meeting held today to cancel 889,915 shares of its treasury shares (equivalent to all of the treasury shares owned by SBI Shinsei Bank as of July 17, 2023) on September 29, 2023, subject to approval of the proposal for the Share Consolidation in its original form at the Extraordinary Shareholders Meeting; accordingly, the total number of issued shares after the cancellation is set forth as the "Total Number of Issued Shares Before the Effectuation of the Share Consolidation."
- (v) Total Number of Issued Shares After the Effectuation of the Share Consolidation
10 shares
- (vi) Total Number of Authorized Shares after the Effectuation
40 shares

(vii) The Method of the Treatment in the Case of Accrual of Fractional Shares Less than One Share and the Amount of Money Expected to be Delivered to Shareholders upon the Treatment

(a) Whether the treatment under Article 235, Paragraph 1 of the Companies Act or Article 234, Paragraph 2 of the said act as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the same act is scheduled or not, and the reasons therefor

The Shares owned by the shareholders (excluding SBI Regional Bank Holdings Co., Ltd. (“SBI Regional Bank HD”), the Deposit Insurance Corporation of Japan and the Resolution and Collection Corporation (“RCC”)) are planned to be fractional shares of less than one share upon the Share Consolidation.

If any fractional shares less than one share result from the Share Consolidation, each shareholder of SBI Shinsei Bank holding such fractional shares will receive an amount of cash obtained by selling the Shares equivalent to the total number of such fractional shares (with such total number rounded down to the nearest whole number if there is any fraction less than one share, the “Shares Subject to Sale”) on a prorata basis. SBI Shinsei Bank intends to sell all of such shares to SBI Regional Bank HD with the court’s permission under Article 234, Paragraph 2 of the Companies Act (Act No. 86 of 2005; as amended; hereinafter the same, the “Companies Act”) as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the Companies Act, obtain all of such shares with the court permission under Article 234, Paragraphs 2 and 4 of the Companies Act, or sell some of such shares to SBI Regional Bank HD and obtain some of such shares.

If the court’s permission above is obtained as planned, SBI Shinsei Bank intends to set the sales price in this case at a price that will result in the delivery of money to each of the shareholders in an amount equivalent to the amount obtained by multiplying the number of the Shares owned by the shareholders, who are registered or recorded on the latest shareholders register as of October 1, 2023, the day preceding the effective date of the Share Consolidation, by 2,800 yen, which is the same price as the purchase price per Share in the tender offer for the Shares carried out by SBI Regional Bank HD with the tender offer period from May 15, 2023 to June 23, 2023 (“TOB”). However, in cases where the court’s permission cannot be obtained or adjustment of fractions are required for calculation purposes, the amount actually delivered may be different from the above amount.

(b) Name or tradename of the person expected to purchase shares for sale

SBI Regional Bank Holdings Co., Ltd.
SBI Shinsei Bank, Limited

(c) Method that the person expected to purchase shares for sale uses to secure funds to pay the sales price, and reasonableness of the method

SBI Regional Bank HD plans to procure the funds required for the settlement of the TOB by investment and borrowing from SBI Holdings, Inc. (“SBIHD”), and SBI Shinsei Bank has confirmed the method of procurement of funds by SBI Regional Bank HD by verifying the certificate of investment and the certificate of loan from SBIHD to SBI Regional Bank HD (collectively “TOB Fund Certificates”).

According to SBI Regional Bank HD, it plans to use such funds to purchase the Shares Subject to Sale. The funds required for the purchase of the Shares Subject to Sale include funds to purchase fractional shares less than one share arising to the Shares held by DICJ as a result of the Share Consolidation. If SBI Regional Bank HD purchases all of the Shares Subject to Sale, such funds cannot be fully covered by the investment and loan under the TOB Fund Certificates. SBI Regional Bank HD plans to procure such funds by investment or loan from SBIHD to SBI Regional Bank HD, or both of them. SBI Shinsei Bank has confirmed the method of procurement of funds by SBI Regional Bank HD by way of investment or loan from SBIHD to SBI Regional Bank HD, or both of them by reviewing the balance sheet of SBIHD stated in the annual securities report for the 25th term (from April 1, 2022 to March 31, 2023) submitted by SBIHD on June 30, 2023. According to SBI Regional Bank HD, no event has occurred to SBI Regional Bank HD that may prevent the payment of the purchase price of the Shares Subject to Sale nor has any likelihood of such event been recognized.

As of today, SBI Shinsei Bank has cash and deposits that equals to funds to pay the purchase price of the Shares Subject to Sale. No event has occurred to SBI Shinsei Bank that affects the payment of the purchase price of the Shares Subject to Sale nor has any likelihood of such event been recognized. SBI Shinsei Bank was given an explanation from SBI Regional Bank HD that it plans to separately take appropriate actions in relation to the effect on the equity capital of SBI Shinsei Bank that is caused by purchase by SBI Shinsei Bank of all or some of the Shares Subject to Sale.

Therefore, SBI Shinsei Bank determined that the method to secure the funds to pay the purchase price of the Shares Subject to Sale is reasonable whether it sells them to SBI Regional Bank HD or purchases them by itself.

(d) Expected timing of sale and expected timing of delivery of sales proceeds to shareholders

After the Share Consolidation takes effect, SBI Shinsei Bank plans to apply to a court around early November 2023 for permission for sale of the Shares equivalent to the total number of fractional shares less than one share resulting from the Share Consolidation pursuant to Article 234, Paragraph 2 of the Companies Act as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the same act. While the timing of obtaining the court's permission may vary depending on the situation of the court and other factors, SBI Shinsei Bank expects to sell the Shares with the court's permission around the middle of December 2023, then to complete necessary preparation for delivery of the sales proceeds to shareholders, and to deliver the sales proceeds to the shareholders around early January to early February 2024. In consideration of the period required from the effective date of the Share Consolidation to a series of procedures for the sale, SBI Shinsei Bank determined as stated above that the Shares Subject to Sale will be sold and the sales proceeds will be delivered to the shareholders at each timing.

The sales proceeds will be delivered to the shareholders on the latest shareholder register of SBI Shinsei Bank as of October 1, 2023 which is the day immediately preceding the effective date of the Share Consolidation, in the same manner as distribution of dividends by SBI Shinsei Bank.

2. Partial Amendment to the Articles of Incorporation

SBI Shinsei Bank obtained shareholders' approval for the following partial amendments to the Articles of Incorporation of SBI Shinsei Bank at the Extraordinary Shareholders Meeting.

The details of the amendments are as described in "Share Consolidation Press Release".

The partial amendments to the Articles of Incorporation are scheduled to take effect on October 2, 2023, subject to the effectuation of the Share Consolidation.

- (1) If the proposal for the Share Consolidation is approved in its original form and the Share Consolidation takes effect, the total number of authorized shares of the Shares will be reduced to 40 shares pursuant to Article 182, Paragraph 2 of the Companies Act. In order to clarify such point, SBI Shinsei Bank proposes to amend Article 6 (Total number of authorized shares) of the Articles of Incorporation subject to the effectuation of the Share Consolidation.
- (2) If the proposal for the Share Consolidation is approved in its original form and the Share Consolidation takes effect, the total number of issued shares of SBI Shinsei Bank will be 10 shares, and it will not be necessary to provide for a share unit. Accordingly, subject to the effectuation of the Share Consolidation, in order to abolish the provision regarding a share unit of the Shares, which is currently 100 shares per unit, SBI Shinsei Bank proposes to delete the entirety of Article 7 (Share unit) and Article 8 (Rights in relation to shares less than one unit) of the Articles of Incorporation and move up the article numbers due to the amendments.
- (3) If the proposal for the Share Consolidation is approved in its original form, the Shares will be delisted and SBI Regional Bank HD, DICJ and RCC will be the only shareholders of SBI Shinsei Bank as a result off the Share Consolidation and the provision for the system for electronic delivery of shareholders meeting materials will become unnecessary. Accordingly, subject to the effectuation of the Share Consolidation, SBI Shinsei Bank proposes to delete the entirety of Article 13 (Measures for Electronic Provision, Etc.) and move up the article numbers due to the amendments.

3. Schedule of Share Consolidation

(1) Date of the Extraordinary Shareholders Meeting	September 1, 2023
(2) Date of designation as securities to be delisted	September 1, 2023
(3) Last trading date of the Shares	September 27, 2023
(4) Date of delisting of the Shares	September 28, 2023
(5) Effective date of the Share Consolidation	October 2, 2023

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:

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