

February 15, 2022
SBI Holdings, Inc.
(TOKYO: 8473)

Notice Regarding Approval for Listing of an Equity-Method Affiliate of the Company (SBI Sumishin Net Bank, Ltd.) and Partial Sale of Shares Held by the Company

SBI Holdings, Inc. (hereinafter the “Company”) hereby announces that SBI Sumishin Net Bank, Ltd. (hereinafter “SBI Sumishin Net Bank”), an equity-method affiliate of the Company, has received approval today to newly list its shares on the First Section of the Tokyo Stock Exchange. Accordingly, the Company announces its plans to conduct a partial sale of its shares of SBI Sumishin Net Bank as follows.

1. Positioning of SBI Sumishin Net Bank within the Company Group

The principal businesses of the Company and its group companies (hereinafter the “Group”) are the “Financial Services Business,” which provides financial products and related services centered on securities, banking, and insurance, the “Asset Management Business,” which conducts investment businesses, overseas financial businesses, and asset management services businesses, and the “Biotechnology, Healthcare & Medical Informatics Business,” which develops and distributes pharmaceuticals, health foods and cosmetics, and conducts medical informatics business. As one of the Group’s core financial services companies which started its business as a challenger bank after obtaining a banking license in 2007, SBI Sumishin Net Bank, has operated as a pure-play Internet bank since its inauguration and has been expanding its customer base, especially among retail customers, by providing highly convenient financial services such as account linking services with SBI SECURITIES Co. Ltd. In addition, SBI Sumishin Net Bank is currently promoting its NEOBANK® initiative, providing BaaS (Banking as a Service) services to partner companies across different industries. On January 28, 2022, SBI Sumishin Net Bank and SBI SECURITIES Co., Ltd. together launched “SBI SECURITIES NEOBANK,” utilizing SBI Sumishin Net Bank’s NEOBANK® service. SBI Sumishin Net Bank will continue to pursue synergies with the Group and strive towards further growth after the listing.

2. Outline of the sale of shares held by the Company

Selling shareholder	SBI Holdings, Inc.
Shares to be sold	Common shares of SBI Sumishin Net Bank, Ltd.
Number of shares to be sold (planned)	31,862,500 *1
Sales price	TBD
Date of sales	March 24, 2022
Number of shares held before the sale	75,396,900 (Ownership ratio: 50%) *2
Number of shares held after the sale (planned)	43,534,400 (Ownership ratio: 27.86%) *2,3
Outline of SBI Sumishin Net Bank, Ltd.	See attachment.

*1 Assuming that the shares are sold in the over-allotment in full. Assuming any shares are not sold in the over-allotment, the Company will sell 27,351,000 shares.

*2 Ownership ratio is the shareholding expressed as a percentage of the total issued shares.

*3 Assuming that the shares are sold in the over-allotment in full. Assuming any shares are not sold in the over-allotment, the Company will hold 48,045,900 shares and its ownership ratio will be 30.75%.

3. Future policy on holding shares of SBI Sumishin Net Bank

After the listing, the Company will hold 27.86% of the shares of SBI Sumishin Net Bank (assuming that the shares are sold in the over-allotment in full), and SBI Sumishin Net Bank will continue to be an equity-method affiliate of the Company. However, given that SBI Sumishin Net Bank has a system in place for the protection of its minority shareholders and governance system that is structured for an independent entity, including a board of directors of which one third or more are independent outside directors as well as an optional nominating and compensation committee of which the majority of members are independent outside directors and chaired by an independent outside director the Company believes that SBI Sumishin Net Bank, through its board of directors, will ensure sufficient independence by evaluating and improving its effectiveness.

The ownership ratio after listing will be considered reasonably based on the ongoing relationship between the Company group and SBI Sumishin Net Bank.

4. Policy on the listing of group companies

The Group will continue to assess the merits of publicly listing the stock of its subsidiaries in cases where doing so would allow the Company's corporate value to be evaluated more accurately and where a subsidiary operates in a business sector that requires neutrality, has a need for a more agile business structure to maintain managerial independence or where additional capital is needed to aid business expansion.

5. Future outlook

By conducting partial sales of the SBI Sumishin Net Bank shares held by the Company, the Company expects to record a gain on sale of shares of subsidiaries and affiliates as revenue in its consolidated business results for the fiscal year ending March 31, 2022, and extraordinary income in its non-consolidated business results for the fiscal year ending March 31, 2022, but the amount is yet to be determined, and will be announced in a timely manner.

For further information, please contact:

SBI Holdings, Inc. Corporate Communications Dept., Tel: +81 3 6229-0126

This is a general press release, and is not prepared for the purpose of solicitation of investment or any other similar activities in Japan or elsewhere. Investors are encouraged to refer to the prospectus prepared by SSNB (as amended) when making investment decisions with respect to the offerings of the shares of common stock of SSNB resolved by the Board of Directors of SSNB held on February 15, 2022, and to make decisions based on their own judgment. The prospectus (as amended) may be obtained from the underwriter.

This press release does not constitute an offer to sell or solicitation of any offer to buy securities in the United States. The shares of common stock of SSNB has not been, and will not be, registered under the U.S. Securities Act of 1933. The shares of common stock of SSNB may not be offered or sold in the United States absent registration or an exemption from registration under the U. S. Securities Act of 1933. No securities registration will be conducted in the United States in connection with the matter described herein.

[Reference]

February 15, 2022

To whom it may concern

SBI Holdings, Inc.
Sumitomo Mitsui Trust Bank, Limited
SBI Sumishin Net Bank, Ltd.

Notice Regarding Approval for Listing of SBI Sumishin Net Bank, Ltd.

SBI Holdings, Inc. (President & CEO: Yoshitaka Kitao, hereinafter “SBIHD”), Sumitomo Mitsui Trust Bank, Limited (President: Kazuya Oyama, hereinafter “SuMi TRUST Bank”) and SBI Sumishin Net Bank, Ltd. (President & CEO: Noriaki Maruyama, hereinafter “SSNB”) announced today that SSNB has received approval for listing on the Tokyo Stock Exchange (the “Listing”). The shares of SSNB are to be listed on the Tokyo Stock Exchange on Thursday, March 24, 2022, and can be traded on that exchange as of that day.

For details regarding approval for listing on the Tokyo Stock Exchange, see the Japan Exchange Group’s “New Listings” page.

Japan Exchange Group, “New Listings”:

<https://www.jpx.co.jp/english/listing/stocks/new/index.html>

1. Purpose of listing

SSNB offers convenient financial services using advanced technologies and is a leading internet bank. Through NEOBANK®*, SSNB is developing a new business model for financial institutions with a focus on BaaS (Banking as a Service) through which it provides its banking functions to partner companies.

The Listing will improve public awareness of and trust in SSNB and contribute to its further growth by enabling SSNB to secure independent financing for system investments and the like and to more rapidly expand its BaaS business.

* NEOBANK® is a registered trademark of SSNB (No. 5953666)

2. Outline of SSNB

Name	SBI Sumishin Net Bank, Ltd.
Address	6-1 Roppongi 1-chome, Minato-ku, Tokyo
Title and name of representative	President & CEO: Noriaki Maruyama
Description of business	Internet banking
Stated capital	31,000 million yen
Date of establishment	September 24, 2007
Shareholders and ownership ratios	SBI Holdings, Inc.: 50% Sumitomo Mitsui Trust Bank, Limited: 50%

3. Outline of the Listing

Market (*)	First Section of the Tokyo Stock Exchange
Listing approval date	February 15, 2022
Listing date	March 24, 2022

* SSNB intends to apply for its shares to be listed on the Prime Market of the Tokyo Stock Exchange after the market reorganization that will be effective on April 4, 2022.

4. Shareholdings and ownership ratios of SBIHD and SuMi TRUST Bank

Company	SBI Holdings, Inc.	Sumitomo Mitsui Trust Bank, Limited
Before the Listing (before the sale and issuance of shares) Total issued shares: 150,793,800	75,396,900 Ownership ratio: 50%	75,396,900 Ownership ratio: 50%
After the Listing (after the sale and issuance of shares) Total issued shares (planned): 156,247,300	43,534,400 Ownership ratio: 27.86%	43,534,400 Ownership ratio: 27.86%

* Ownership ratio is the shareholding expressed as a percentage of the total issued shares.

* The shareholdings after the listing assume that the shares are sold in the over-allotment in full. Assuming any shares are not sold in the over-allotment, each of SBIHD and SuMi TRUST Bank will have 48,045,900 shares and its ownership ratio will be 30.75% after the listing.

This is a general press release, and is not prepared for the purpose of solicitation of investment or any other similar activities in Japan or elsewhere. Investors are encouraged to refer to the prospectus prepared by SSNB (as amended) when making investment decisions with respect to the offerings of the shares of common stock of SSNB resolved by the Board of Directors of SSNB held on February 15, 2022, and to make decisions based on their own judgment. The prospectus (as amended) may be obtained from the underwriter.

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