

February 28, 2022

SBI Holdings, Inc.

(TOKYO: 8473)

Notice Regarding the Recording of Gain on Negative Goodwill, Etc.

SBI Holdings, Inc. (hereinafter the “Company”) hereby announces that it has recorded a gain on negative goodwill, etc. in its consolidated financial results for the nine-month period ended December 2021 (April 1, 2021 - December 31, 2021) as a result of Shinsei Bank, Limited (hereinafter “Shinsei Bank”) becoming a consolidated subsidiary.

1. About the recording of gain on negative goodwill, etc.

As a result of Shinsei Bank becoming a consolidated subsidiary on December 17, 2021, the Company has recorded a gain on negative goodwill of JPY 270,212 million, as well as an allowance for credit losses of JPY 68,203 million based on the designated International Financial Reporting Standards (IFRS), which is required at the time of acquisition of Shinsei Bank, for performing loans among loans and other assets of Shinsei Bank, in the Consolidated Financial Results for the nine-month period ended December 31, 2021.

2. About future plans

The acquired assets and the undertaken liabilities, etc., in connection with the acquisition of Shinsei Bank as a consolidated subsidiary, have been tentatively measured based on the information available at this time, and the amount of impact described above may vary in the future.

In the fiscal year ending March 31, 2022, Shinsei Bank's consolidated statement of income will be included in the Company's consolidated financial results only for the period from January to March 2022, and the full-year contribution to the Company's consolidated financial results will not be made until the fiscal year ending March 31, 2023.

Due to the nature of the overall financial business, including the investment and securities-related business in which the Group operates, the impact of fluctuating factors such as stock markets is extremely large, and therefore the Company does not disclose its earnings forecasts. However, the Company will promptly disclose a reasonable earnings forecast when it becomes possible to do so.

For further information, please contact:

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