

May 12, 2022
SBI Holdings, Inc.
(TOKYO: 8473)

Notice Regarding Strategic Capital and Business Alliance with THE TAIKO BANK, LTD.

SBI Holdings, Inc. (hereinafter the “Company”) hereby announces the conclusion of an “Agreement Regarding Strategic Capital and Business Alliance” with THE TAIKO BANK, LTD (Head office: Nagaoka City, Niigata; President, Yukio Ishida; hereinafter “TAIKO BANK”). Details are as follows.

1. Purpose of the alliance

The SBI Group has identified contributing to regional revitalization through the invigoration of regional communities based on collaborative creation with regional financial institutions as one of its social responsibilities, and is forming alliances with regional financial institutions with the goal of contributing to regional revitalization through the invigoration of regional economies, including supporting initiatives to help local customers build assets and local enterprises improve their productivity, expand their sales channels and increase their earnings.

Based on this business policy, the Company decided to conclude the Agreement Regarding Strategic Capital and Business Alliance for the purpose of further strengthening the relationship between the SBI Group and TAIKO BANK, encouraging TAIKO BANK’s open innovation through the provision of the Group’s products, services and technologies, and contributing to regional revitalization and the realization of a sustainable society by helping local enterprises improve their productivity and helping local customers build assets.

2. Details of the business alliance

(1) Details of new business alliance

- (a) Support for digital transformation (DX) that will help local enterprises develop and innovate their businesses through the provision of cutting-edge technologies and expertise held by the SBI Group and its investee companies
- (b) Support for local enterprises’ SDG initiatives, including decarbonization initiatives, for the realization of a sustainable society
- (c) Consideration of the creation of a joint fund to support local enterprises through the provision of capital finance, capital loans, etc. with a view to strengthening the financial intermediary capabilities of TAIKO BANK and the SBI Group
- (d) Consideration of TAIKO BANK’s implementation of DX initiatives such as a next-generation of banking system that encompasses core banking system, and smartphone apps
- (e) Other initiatives that will help promote open innovation agreed separately by both companies

(2) Details of existing business collaboration

- (a) Financial instruments intermediary service with SBI SECURITIES Co., Ltd., and provision of a wide range of the SBI Group’s products and services to TAIKO BANK’s customers through joint branch operations with SBI MONEY PLAZA Co., Ltd.
- (b) Handling of the SBI Group’s services which supports the promotion regional revitalization and regional invigoration and increase customer convenience

- Introduction of local enterprises in need of financing, etc. in connection with anonymous partnership investments relating to the operating lease business of SBI Leasing Services Co., Ltd.
 - Provision of international remittance service handled by SBI Remit Co., Ltd. to TAIKO BANK customers who wish to transfer money overseas
 - Provision of cancer insurance (for treatments not covered by public health insurance) handled by SBI Insurance Co., Ltd.
- (c) Partial entrustment of managed assets in the SBI Group’s asset management business to strengthen TAIKO BANK’s earnings strength through diversification and sophistication of securities investment

3. Details of capital alliance

SBI Regional Bank Holdings, Co., Ltd., which is a wholly owned subsidiary of the Company, plans to acquire common shares of TAIKO BANK, with the number of shares equal to 3% of the total shares outstanding (excluding treasury shares and other non-voting shares) of TAIKO BANK as of the end of March 2022 as the maximum number of shares to be acquired, and TAIKO BANK plans to acquire common shares of the Company, with 300 million yen as the maximum acquisition cost. Although the timing and method of acquisition of the counterparty's shares have not been determined for both companies at this time, there is no plans to issue new shares in a capital increase by way of third-party allotment, etc. in connection with this matter.

4. Overview of the alliance partner

(1) Name	THE TAIKO BANK, LTD.
(2) Representative	President, Yukio Ishida
(3) Location	1-5-6 Ootedori, Nagaoka City, Niigata
(4) Date of establishment	March 1942
(5) Paid in capital	JPY 10 billion (As of end of December 2021)
(6) Total amount of deposit	JPY 1,459.3 billion (As of end of December 2021)

5. Schedule

Date of conclusion of the “Agreement Regarding Strategic Capital and Business Alliance”
May 12, 2022

6. Future outlook

The Company believes that the impact of this strategic capital and business alliance on its consolidated business results will be minor.

For further information, please contact:

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