

September 28, 2022

SBI Holdings, Inc.

(TOKYO: 8473)

Notice Regarding Capital and Business Alliance with BALNIBARBI Co.,Ltd.

SBI Holdings, Inc. (hereinafter “the Company”) hereby announces that, on September 28, 2022, the Company concluded a capital and business alliance agreement with BALNIBARBI Co., Ltd. (Head office: Nishi-ku, Osaka; Chairman and Representative Director: Hirohisa Sato; hereinafter “BALNIBARBI”). The details are as follows.

1. Purposes of capital and business alliance

BALNIBARBI and its group share a vision of “Revitalizing and creating a new Japan, starting with food.” and is developing and expanding its business by placing the restaurant business under the “bad location strategy,” and the estate build up business under the “bad location developer strategy” as the core. BALNIBARBI is also undertaking a variety of initiatives, striving to become a unique company that engages in urban development and area development based on expertise and knowledge of food, which it has cultivated through the development of restaurants.

The Company group has been expanding alliances with regional financial institutions across Japan and implemented initiatives that endeavor to strengthen the profitability of regional financial institutions and thus improve their corporate value in an effort to contribute to regional revitalization. Furthermore, going forward, as the next step towards realization of regional revitalization, the Company group strives to deepen its alliances not only with regional financial institutions but also with local businesses and governments and to be more directly involved in re-energizing regional economies. To advance those initiatives, the Group has decided to conclude a capital and business alliance with BALNIBARBI, which has already cooperated with regional financial institutions and local businesses that have concluded strategic capital and business alliances with the Company.

2. Details of the capital and business alliance

(1) Details of the business alliance

The Company group, together with companies it invests in and financial institutions that it partners with, will cooperate with regional revitalization projects through planning, proposals, and operation in developing BALNIBARBI’s restaurants, hotels, and living environments.

For example, in Izumo, Shimane, a special purpose company for regional revitalization that the Company has established jointly with Shimane Bank Ltd. and a local business, has entrusted BALNIBARBI to develop and operate a restaurant and accommodation facilities, which are planned to open in April 2023.

Meanwhile, BALNIBARBI will participate in regional revitalization projects promoted by Regional Revitalization Partners Co., Ltd., an equity-method affiliate of the Company, and SBI Regional Revitalization Services Co., Ltd., a consolidated subsidiary of the Company. They will integrate their management resources to accelerate initiatives for regional revitalization.

(2) Details of capital contribution

SBI SECURITIES Co., Ltd. (hereinafter “SBI SECURITIES”), a consolidated subsidiary of the Company that engages in the financial instruments business, entered into a share transfer agreement with Mr. Hirohisa Sato, a major shareholder of BALNIBARBI, on September 28, 2022. Under this agreement, SBI SECURITIES will acquire 600,000 common shares of BALNIBARBI (6.78% of voting rights*) in a negotiated transaction outside the market on September 30, 2022. On the same day, the Company will acquire 600,000 common shares of BALNIBARBI (6.78% of voting rights*) held by SBI SECURITIES in a negotiated transaction over the counter.

* Ratio of voting rights held to the total number of voting rights of all shareholders as of July 31, 2022 (%)

3. Overview of the capital and business alliance partner

(1) Name	BALNIBARBI Co.,Ltd.		
(2) Representative	Hirohisa Sato, Chairman and Representative Director		
(3) Location	Nakazawa Karaki Building 6F, 1-14-26 Minamihorie, Nishi-ku, Osaka		
(4) Date of establishment	September 1991		
(5) Paid in capital	466.82 million yen (as of the end of July 2022)		
(6) Business description	Management and operation of restaurants Consulting business related to restaurant planning and management Manufacture, processing, and sale of foodstuffs and beverages Planning, management, and outsourcing of weddings, parties, banquets, etc.		
(7) Major shareholders and ownership ratios (As of July 31, 2022)	HUMO Co., Ltd. 32.59% Hirohisa Sato 20.85%		
(8) Relationship between the parties	Capital relationship	N/A	
	Personnel relationship	N/A	
	Business relationship	N/A	
	Related party relationship	N/A	
(9) Financial status and operating performance for the last three years (unit: million yen)			
As of / Fiscal year ended	Fiscal Year Ended July 2020	Fiscal year ended July 2021	Fiscal year ended July 2022
Total shareholders' equity	1,875	2,103	2,246
Total assets	9,136	8,366	8,892
Shareholders' equity per share (Yen)	215.49	241.24	248.97
Revenue	9,433	8,046	9,969
Operating income or loss	-893	-1,212	-447
Ordinary profit or loss	-841	-622	1,185

Net income or loss attributable to shareholders of the parent	-920	357	123
Net income or loss per share (Yen)	-106.90	41.73	14.39
Dividend per share (Yen)	7.5	7.5	7.5

Note: Percentage of the number of shares owned to the total number (%) of issued shares (excluding treasury shares)

4. Schedule

(1) Date of conclusion of capital and business alliance agreement	September 28, 2022
(2) Date of share transfer	September 30, 2022 (plan)

5. Future outlook

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

For further information, please contact:

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