

December 22, 2022
SBI Holdings, Inc.
(TOKYO: 8473)

**Notice Regarding Capital and Business Alliance Agreement with gumi Inc.
and Acquisition of Its Shares through Third-Party Allotment
(to Make It an Equity Method Affiliate)**

SBI Holdings, Inc. (head office: Minato-ku, Tokyo; Representative Director, Chairman, President & CEO: Yoshitaka Kitao; hereinafter “the Company”), as of today, announces that it has concluded a capital and business alliance agreement (hereinafter “Capital and Business Alliance Agreement”) with gumi Inc. (head office: Shinjuku-ku, Tokyo, CEO: Hiroyuki Kawamoto, hereinafter “gumi”). In addition, the Company has agreed to acquire gumi’s shares by underwriting the capital increase through a third-party allotment (hereinafter “Third-Party Allotment”) implemented by gumi. Furthermore, after the completion of the Third-Party Allotment, gumi is planned to become an equity method affiliate of the Company.

1. Purpose of Capital and Business Alliance

The Company and its 538 consolidated subsidiaries and 62 equity-method affiliates (as of September 30, 2022; hereinafter collectively referred to as the “SBI Group”) consist of the Financial Services Business, Asset Management Business, Investment Business and Crypto-asset Business as its core business, and are developing a series of advanced businesses that are expected to grow rapidly in the future, such as Web3.0 related businesses, and are actively promoting the construction of regulations and infrastructures for Web3.0.

In September 2021, the Company made SmartApp Co., Ltd. (currently SBINFT Co., Ltd.) a consolidated subsidiary and entered the NFT marketplace business and focusing on developing the issuance and distribution market for security tokens (hereinafter “STs”), which is attracting attention as next-generation financial products. Moreover, SBI SECURITIES Co., Ltd. (hereinafter “SBI SECURITIES”) conducted the first public offering of bond-type STs and asset-backed STs for general investors in Japan, and Osaka Digital Exchange Co., Ltd. plans to start providing services in 2023 to build a distribution market for STs.

On the other hand, gumi and its 19 consolidated subsidiary and 6 equity-method affiliates (as of April 30, 2022, hereinafter collectively referred to as the “gumi Group”; the SBI Group and gumi Group collectively referred to as “Both Groups”), is based on the corporate philosophy “Wow the World!” with gumi becoming the starting point to provide “Wow!” (“Wow!”, “和 (WA: Japanese style)” and “輪 (WA: social network)” all over the world. While various services utilizing new technologies such as blockchain and XR are being created and the market related to the Metaverse is rapidly expanding, in addition to the mobile online game business, which is currently the main source of gumi’s income, it has entered the Metaverse business at an early stage, developing content such as blockchain games, investment in funds, and node management. Especially in the development and distribution of blockchain games, gumi has already distributed the NFT game “Brave Frontier Heroes” worldwide and have a track record of producing hit content. In developing and distributing full-fledged blockchain games,

the gumi Group needs not only the high level of game development technology that has cultivated so far, but also expertise such as token issuance and token economy formation. Under these circumstances, the Company decided to conclude this Capital and Business Alliance Agreement, for combining the gumi Group's blockchain-based expertise of game development with the Company's financial functions and network and expertise in the Web3.0 area to create content that provides a new user experience. Through joint investment in Web3.0-related funds, the Company will further strengthen the competitiveness in the Web3.0 area and expect an increase in the corporate value of both parties.

In addition, in the Third-Party Allotment, SQUARE ENIX HOLDINGS CO., LTD. ("SQUARE ENIX"), a content provider with many world-famous IPs (Intellectual Property), has also concluded a capital and business alliance agreement with gumi and will underwrite its shares.

2. Details of the capital and business alliance

(1) Details of the capital alliance

The Company plans to acquire 8,800,000 shares of gumi's common stock (88,000 voting rights) through the Third-Party Allotment. Based on the total number of voting rights (292,063 voting rights) as of October 31, 2022, plus the number of voting rights to be increased (99,800 voting rights*) as a result of the Third-Party Allotment, the Company's voting rights ratio is expected to be 22.46% (rounded to the third decimal place).

* This is the total of 88,000 units to be allocated to the Company and 11,800 units to be allocated to SQUARE ENIX in the capital increase through Third-Party Allotment.

(2) Details of the business alliance

[Alliance in the development, operation, and marketing of blockchain-related content]

The Company and gumi will collaborate in the content area, including the development and global deployment of token-issuing blockchain games by utilizing the knowledge and expertise of Both Groups. Specifically, the gumi Group will combine its expertise in game development and operation, which enables high-quality, long-term operation of game content, with the SBI Group's expertise in token listing, etc., with the goal of listing tokens used in the game on crypto asset exchanges such as SBI VC Trade Co., Ltd. and BITPoint Japan, Co., Ltd. In addition, there are plans to utilize the NFT marketplace function provided by SBINFT, a member of the Company Group, as a secondary distribution market for NFTs acquired in the game.

Moreover, both companies are already considering the establishment of a dedicated platform for blockchain games and a NFT marketplace and will collaborate to seek to provide a one-stop service from the development and delivery of blockchain games to the sale and distribution of tokens and NFTs.

[Alliance through mutual use of networks in the Web3.0 area]

In addition to joint investments in investment funds and business corporations in which Both Groups have investments, the SBI Group will support the listing of major tokens for which the gumi Group has a network, expansion of the node operation business by utilizing the SBI Group's network and conduct various other business collaborations.

[Alliance in the development and distribution of financial products]

There will be considerations over issuance of STs backed by copyrights of games developed by gumi Group in SBI SECURITIES and selling them its customers, as well as provision of expertise from gumi Group in order to provide SBI SECURITIES' customers with an investment experience that incorporates gaming elements.

[Alliance to promote the development of the business environment surrounding the Web3.0 area]

In order to further develop the Web3.0 industry and resolve issues in the Web3.0 area, the Company and gumi will promote efforts to increase awareness of Web3.0 among general consumers through the provision of content and publicity activities and will work closely with related ministries and agencies and industry associations to promote the development of the business environment.

3. Number of shares acquired, acquisition costs, and shareholding before and after acquisition due to the Third-Party Allotment

(1) Number of shares held before the change	0 shares (Ratio of voting rights held: 0%)
(2) Number of shares to be acquired	8,800,000 shares
(3) Acquisition costs	6,230,400,000 yen (708 yen per share)
(4) Number of shares held after the change	8,800,000 shares (Ratio of voting rights held: 22.46%)

4. Overview of the capital and business alliance partner

(1) Name	gumi Inc.
(2) Representative	CEO, Hiroyuki Kawamoto
(3) Location	4-34-7 Nishi-Shinjuku, Shinjuku-ku, Tokyo
(4) Establishment	June 2007
(5) Paid in capital	94.17 million yen (as of the end of April 2022)
(6) Business description	Mobile online game business, Metaverse business

5. Timetable

(1) Date of conclusion of the Capital and Business Alliance Agreement and the Third-Party Allotment	December 22, 2022
(2) Payment Date of the Third-Party Allotment and commencement date of the Capital and Business Alliance Agreement	January 11, 2023 (Plan)

6. Future outlook

The Company believes that the impact of this capital and business alliance and the making of gumi an equity

method affiliate on its consolidated business results will be minor.

For further information, please contact:

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