

June 9, 2021

ALBERT Inc.
(Stock code: 3906)
2-21-1, Kita-Shinjuku,
Shinjuku-ku, Tokyo
Takeshi Matsumoto, President

Notice Concerning Capital and Business Alliance with SBI Holdings, Inc., Stock Offering and Change in Largest Shareholder and Other Affiliated Companies

At a Board Meeting held today, ALBERT Inc. (hereafter “ALBERT”) resolved to form capital and business alliance with SBI Holdings, Inc. (hereafter “SBI”).

Simultaneously, along with this alliance, ALBERT was announced that SBI Financial Services Co., Ltd. (hereafter “SBIFS”) will acquire ALBERT’s common stock held by Whiz Asia Evolution Fund, ALBERT’s major shareholder, through off-market negotiation transaction corresponded to stock offering. In addition, the transfer of shares will occur a change of ALBERT’s the largest major shareholder and other affiliated companies.

I. Capital and business alliance

1. Purpose and background of the alliance

ALBERT’s MISSION is “Building the future with data science. We are the CATALYST.”. We contribute to industry development as an artificial intelligence (AI) development partner with a view toward AI social implementation providing “Big data analysis”, “AI algorithm development”, “AI implementation” and versatile AI products. We also offer the data scientist training support by utilizing our unique program is backed by our accumulated experience and know-how because of the shortage in data scientists in each industry.

In addition, we have defined the domain of automotive, manufacturing, communications & logistics and finance as "core industries", and through data analysis support for these key industries, we have accumulated expertise in the industrial domain to provide solutions that utilize AI to solve customers' apparent and latent issues. Working across a variety of industries, we serve as a catalyst through AI algorithm development and data analysis, and have developed the "CATALYST strategy" aiming to promote AI and data sharing between industries and to create an AI networked society by serving as a catalyst for AI algorithms and data.

We are pleased to announce that we have decided to form a business alliance with aim to reinforce effort to utilize big data and AI in advanced technology domain in SBI and its subsidiaries (collectively, the "SBI Group")’ Financial Service Business, Asset Management Business and Biotechnology, Healthcare & Medical Informatics Business, and upgrade existing businesses and creating new business.

2.Details of the alliance

(1) Contents of business alliance

1. Upgrading existing businesses and planning and developing new services using big data and AI in the SBI Group's advanced technology domain.
2. Joint planning, review and development of AI products and AI systems in the SBI Group's advanced technology domain.
3. Planning and development of new business solutions using big data across industries through collaboration between ALBERT and SBI Group.
4. Further promoting ALBERT’s “CATALYST strategy” by leveraging the SBI Group’s track record and know-how in a wide range of business domain.
5. Support for business development to SBI Group's investee companies.
6. Support the education of data scientists and citizen data scientists for the SBI Group's employees.
7. Joint research through industry-academia collaboration in AI-related fields, etc.

(2) Contents of capital alliance

We have been notified that SBIFS agreed with Whiz Asia Evolution Fund Investment Limited Partnership and its general partner, Whiz Partners Inc. on June 9, 2021 to acquire 1,383,100 of ALBERT's shares from Whiz Asia Evolution Fund (31.29% of all issued stocks) through an off-market negotiated transaction and stock transfer will be done on June 30, 2021. For details, please refer to III below.

(3) Details of agreement on the right to appoint director

ALBERT and SBI have agreed in the agreement on capital and business alliance that (i) If the shareholding ratio of ALBERT's shares held by SBI is 5% or more, SBI may nominate one candidate for the position of director, and ALBERT shall endeavor to submit a proposal for the election of the candidate for director nominated by SBI to the shareholders' meeting (The schedule will be decided through discussion.) and (ii) If the shareholding ratio of ALBERT's shares held by SBI is 10% or more, SBI agrees to allow ALBERT to have one person designated by SBI to participate in ALBERT's board of directors meetings and important meetings (including management meetings) as an observer (without the right to speak or vote).

In the basic agreement on capital and business alliance, ALBERT has agreed to hold an extraordinary general meeting of shareholders until the end of August 2021 in order to elect directors to replace Hiroshi Takeda, Jun Matsumura, Takashi Ejiri and Satoru Iino, who are scheduled to resign as directors of ALBERT in the event of the acquisition of ALBERT's shares by SBIFS. And it has also agreed that a resolution for the election of two or more candidates for directors, including one candidate nominated by SBI, will be adopted at the extraordinary general meeting of shareholders.

3. Company profile

(1)	Company Name	SBI Holdings, Inc.		
(2)	Head Office	1-6-1 Roppongi, Minato-ku, Japan		
(3)	Representative	Representative Director, President Yoshitaka Kitao		
(4)	Description of Business	Control and management of SBI Group through share ownership		
(5)	Capital	Approximately 98,711 million yen (as of March 31, 2021)		
(6)	Establishment	July 8, 1999		
(7)	Major Shareholders and Shareholding Ratio	The Master Trust Bank of Japan, Ltd. (Trust Account)		7.05%
		(as of March 31, 2020)		
(8)	Relationship with Parties	Capital relationship	None	
		Personal relationship	None	
		Trade relationship	None	
		Related party status	None	
(9)	Financial position and Performance in the past 3 years (in million yen)			
	Consolidate fiscal year ended	FY March 31, 2019	FY March 31, 2020	FY March 31, 2021
	Consolidated total equity	562,557	593,699	717,095
	Consolidated total assets	5,034,124	5,513,227	7,208,572
	Equity per share attributable to owners of parent (yen)	2,000.82	1,955.91	2297.87
	Consolidated revenue	351,411	368,055	541,145
	Profit before income tax expense	83,037	65,819	140,380
	Profit attributable to owners of parent	52,548	37,487	81,098
	Consolidated basic earnings per share	231.43	163.18	399.78

	(yen)			
	Dividends per share (yen)	100	100	120

4. Schedule

June 9, 2021 (Today) Corporate resolution (ALBERT), Conclusion of this alliance, Start of this alliance
June 30, 2021 (Scheduled) Stock transfer

5. Outlook

We will promptly announce any matters about this alliance that requires disclosure in the future. This alliance spurs improvement of ALBERT's mid-long term performance.

II. Stock offering

1. Details

(1) Class and Number of Shares to be Offered	1,383,100 shares of common stock of the Company
(2) Selling Price	5,450 yen per share
(3) Total Selling Price	7,537,895,000 yen
(4) Sellers and the number of Shares to be Offered	Whiz Asia Evolution Fund 1,383,100 shares
(5) Method of Offering	Transfer of common stocks from Whiz Asia Evolution Fund to SBIFS through an off-market negotiated transaction.
(6) Subscription Period	June 28, 2021
(7) Date of Share Transfer	June 30, 2021
(8) Advance on Subscription	N/A
(9) Share Unit of Subscription	100 shares
(10) Others	The Company submitted a Securities Notice concerning the above transaction to Kanto Local Finance Bureau in accordance with the Financial Instruments and Exchange Act.

2. Purpose of stock offering

As described in I. above, ALBERT will enter into the capital and business alliance agreement with SBI, and SBIFS will enter into a share transfer agreement on June 9, 2021 with Whiz Asia Evolution Fund Investment Limited Partnership and its general partner, Whiz Partners Inc.. The purpose of this agreement is to transfer ALBERT's common stock through stock offering in accordance with the procedures stipulated by the relevant laws and regulations. For details, please refer to III below.

[Reference]

Earnings forecasts in FY 2021 (released on February 15, 2021) and the result in FY12/20

(Unit: in million)

	Net sales	Operating profit	Ordinary profit	Current net profit
Forecasts in FY12/21	3,380	404	404	267
Results for FY 12/20	2,703	250	272	146

III. Change in largest major Shareholder and other affiliated companies

1.Reason of the change

SBIFS agreed with Whiz Asia Evolution Fund on June 9, 2021 to acquire 1,383,100 of ALBERT's shares Whiz Asia Evolution Fund has (31.38% of all voting rights) and Stock transfer will be done on June 30, 2021. As a result, Whiz Asia Evolution Fund will not hold any ALBERT's common stock, and it will not be the largest major shareholder. On the other hand, SBI is expected to be the other affiliated company and SBIFS is expected to be the major and largest shareholder and other affiliated company.

(As of June 30, 2021, the investment agreement dated November 21, 2016 that ALBERT entered into with Wiz Partners Inc. will be terminated.)

2.Overview of major shareholder

(1) Overview of the shareholder who will be the new other affiliated company

Please refer to “ I . Capital and business alliance 3. Company profile” above.

(2) Overview of the shareholder who will be the new largest major shareholder and other affiliated company (SBIFS)

(1)	Name	SBI Financial Services Co., Ltd.	
(2)	Location	1-6-1 Roppongi, Minato-ku, Japan	
(3)	Representative	Representative Director, President Masato Takamura	
(4)	Description of Business	Control and management of financial services of SBI Group	
(5)	Capital	100 million yen (as of March 31, 2021)	
(6)	Establishment	June 13, 2012	
(7)	Capital	213,403 million yen (as of March 31, 2020)	
(8)	Total asset	214,195 million yen (as of March 31, 2020)	
(9)	Major Shareholders and Shareholding Ratio	SBI Holdings Inc.	100%
(10)	Relationship with Parties	Capital relationship	None
		Personal relationship	None
		Trade relationship	None
		Related party status	None

(3) Overview of the shareholder who will no longer be the largest major shareholder (Whiz Asia Evolution Fund)

(1)	Name	Whiz Asia Evolution Fund	
(2)	Location	36th Floor, Atago Green Hills MORI TOWER, 2-5-1, Atago, Minato-ku, Japan	
(3)	Basis of Establishment	Limited Partnership act for Investment (Act No. 90 of June 3, 1998. Incl. subsequent amendments)	
(4)	General Partnership	Company Name	Whiz Partners Inc.
		Head Office	36th Floor, Atago Green Hills MORI TOWER, 2-5-1, Atago, Minato-ku, Japan
		Representative	Atsushi Matsumura, Founder

	Description of Business	(a) Securities acquisition and holdings (b) Asset management of investment limited partnerships (c) Accounting and audit advisory for equity and credit holdings (d) Corporate strategy consulting and asset management advisory (e) Business development practice including mergers and acquisitions, technology joint ventures, sales distribution partnerships, and manufacturing partnerships (f) Type II Financial Instruments Business as defined by Japanese Financial Instruments and Exchange Act (g) Investment Management practice as defined by Japanese Financial Instruments and Exchange Act (h) Investment Advisory practice and agency as defined by Japanese Financial Instruments and Exchange Act All other business practices pertaining to the above
	Capital	100 million yen

3.The number of voting rights (number of shares) held by shareholder and the percentage of the total number of voting rights before and after the changing

(1) SBI

	Attributes	Number of voting rights/Number of shares held			Shareholding rank among major shareholders
		Direct Retention	Indirect Retention	Total	
Before shareholdings change	—	—	—	—	—
After shareholdings change	Other affiliated company	—	13,831 (31.38 %)	13,831 (31.38%)	—

(2) SBIFS

	Attributes	Number of voting rights/Number of shares held			Shareholding rank among major shareholders
		Direct Retention	Indirect Retention	Total	
Before shareholdings change	—	—	—	—	—
After shareholdings change	Major shareholder and other affiliated companies	13,831 (31.38%)	—	13,831 (31.38%)	1st

(3) Whiz Asia Evolution Fund

	Attributes	Number of voting rights/Number of shares held	Percentage of the total number of voting rights	Shareholding rank among major shareholders
Before shareholdings change	Major shareholder	13,831 1,383,100 shares	31.38%	1st
After shareholdings change	—	—	—	—

* The percentage of the total number of voting rights is calculated based on the total number of voting rights of 44,081 units as of March 31, 2021.

** “Percentage of the total number of voting rights” is rounded off to the second decimal place.

4. Existence of change in unlisted parent company subject to disclosure

As a result of the above transfer, 2 companies will be ALBERT’s parent company. However, SBI which is listing company is the most affective company for ALBERT, it is not applicable “the unlisted parent company subject to disclosure”.

5. Outlook

Nothing to be specifically described at this time. We will promptly announce any matters that requires disclosure in the future.