Albert
Analytical technology

ALBERT Inc. (Ticker: 3906, TSE Mothers Market)

# Conclusion of Capital and Business Alliance with SBI Holdings, Inc.

June 9, 2021

**ALBERT Inc.**
Shinjuku Front Tower 15F
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# Start of capital and business alliance with SBI

- ALBERT signed the capital and business alliance with SBI Holdings Inc. (SBI) on June 9, 2021. Simultaneously, along with this alliance, SBI Financial Services Co., Ltd. (SBIFS) will acquire ALBERT's common stock (31.29% of all issued stocks) held by Whiz Asia Evolution Fund (Whiz) on June 30, 2021.
- Aiming to reinforce effort to utilize big data and AI in advanced technology domain in SBI and its subsidiaries' Financial Service Business, Asset Management Business and Biotechnology, Healthcare & Medical Informatics Business, and upgrade existing businesses and creating new business.

SBI GROUP

- ✓ Online financial services with **the largest customers base of over 6 million.**
- ✓ In addition to the securities business, **a diverse business portfolio** including AM business, insurance, and medical services.
- ✓ **Collaboration with companies in diverse industries** for regional revitalization.
- ✓ Promoting **open alliances with companies outside the group to create synergies.**
- ✓ Proactive investment in IT and biotechnology companies.



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- ✓ Approximately **250 data scientists.**
- ✓ **Accumulated domain knowledge and data usage know-how** in the areas of finance, automotive, manufacturing, telecommunications, distribution and infrastructure.
- ✓ **Track record of collaboration with Japanese leading companies based on CATALYST strategy.**
- ✓ **Understanding of data sets** held by Japanese leading companies.

## Synergy through capital and business alliance

- Promoting DX strategy within the SBI Group
- **Further promoting of ALBERT's "CATALYST Strategy"** by leveraging SBI Group's experience and know-how

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# Shareholder Composition (assumption)(Note1)

■ Transferred all shares held by Whiz, our largest shareholder, to SBIFS, a wholly owned subsidiary of SBI and an intermediate holding company for financial services business, on June 30, 2021.

green : CATALYST partner (alliance partner)

**Before transfer** as of Dec. 31,2020

| | Name of shareholder | No. of shares held | % of total shares (excl. treasury stocks) |
|---|---|---|---|
| 1 | Whiz Asia Evolution Fund | 1,383,100 | 31.3% |
| 2 | **Toyota motor Corporation** | **165,800** | **3.8%** |
| 3 | **Mynavi Corporation** | **165,800** | **3.8%** |
| 4 | **MACNICA, Inc.** | **163,000** | **3.7%** |
| 5 | **Nihon Unisys, Ltd.** | **133,600** | **3.0%** |
| 6 | **KDDI Corporation** | **97,700** | **2.2%** |
| 7 | SBI SECURITIES Co., Ltd.(Note2) | 89,700 | 2.0% |
| 8 | BBH(LUX) FOR FIDELITY FUNDS PACIFIC FUND | 87,900 | 2.0% |
| 9 | BNY GCM ACCOUNTS M NOM | 77,100 | 1.7% |
| 10 | SUMITOMO LIFE INSURANCE COMPANY | 71,300 | 1.6% |
| 13 | **Tokio Marine & Nichido Fire Insurance Co., ltd.** | **46,800** | **1.1%** |

**After transfer** as of June 30, 2021(Note1)

| | Name of shareholder | No. of shares held | % of total shares (excl. treasury stocks) |
|---|---|---|---|
| 1 | **SBI Financial Services Co., Ltd.** | **1,383,100** | **31.3%** |
| 2 | **Toyota motor Corporation** | **165,800** | **3.8%** |
| 3 | **Mynavi Corporation** | **165,800** | **3.8%** |
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| 9 | SUMITOMO LIFE INSURANCE COMPANY | 71,300 | 1.6% |
| 12 | Tokio Marine & Nichido Fire Insurance Co., ltd. | **46,800** | **1.1%** |

(Note1) Assumed shareholder composition based on the number of shares as of December 31, 2020, taking into account the transfer of shares from Whiz to SBI Financial Services.

(Note2) SBI Securities is not included in the assumed shareholder composition after the transfer as it does not currently hold any shares of ALBERT, and shareholders ranked 8th or below as of December 31, 2020 are moved up.

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# CATALYST Partners Map

- SBI Group joins as a new CATALYST partner in the financial domain.
- As in the past, we plan to **further promote the "CATALYST Strategy"** with the aim of cross-industry data sharing.

| Focus Industries | CATALYST Partners | | Alliance Action |
|---|---|---|---|
| Automotive | TOYOTA | CATALYST Joint Partners | • Support constructing self-driving systems.<br>• Support implementation AI and big data for subsidiary companies. |
| Manufacturing | | MACNICA | • Support transforming "Smart factory".<br>• Co-development of AI development and implementation services for manufacturing. |
| Communications | KDDI | | • Support marketing analytics of life design services.<br>• Joint promotion of external sales of DX solutions. |
| Distribution & Infrastructure | マイナビ | UNISYS | • Support digital transformation in Distribution and Infrastructure industries.<br>• Promoting HR-related businesses using AI.<br>• Co-development of DX human resources development service. |
| Finance | TOKIO MARINE NICHIDO, SMBC | SBI GROUP | • Co-development of accident video analysis system.<br>• Improving finance services by big data.<br>• **Promoting DX strategy within the SBI group.** |

- We aim to spread partnership in each focus industries by our "Non-Exclusive Alliances".

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# Establishment of a New Management

- In accordance with the transfer, the four ALBERT's directors who joined from Whiz Partners, the management company of Whiz, have resigned and started procedures for the establishment of a new management. The details will be disclosed promptly.

## Focusing areas of the new management

1. Further promoting of ALBERT's "CATALYST strategy". (Continue to increase alliance partners.)
2. Accelerate the development of general-purpose solutions in the focus industries of automotive, manufacturing, telecommunications, distribution and infrastructure, and finance.
3. Establish a position as a "DX promotion partner" for leading companies in Japan. (Break out from short-term project order business.)
4. Implement management that emphasizes capital efficiency and a flexible capital policy while maintaining a sound financial structure.
5. Promotion of business growth and strengthening of governance functions by further enhancing the functions of the board of directors.
6. Implementation of IR activities with an emphasis on dialogue with institutional and individual investors.

## Schedule for establishment of a new management

| | |
|---|---|
| June 9, 2021 (Today) | Conclusion of capital and business alliance agreement (SBI and ALBERT) |
| | Conclusion of share transfer agreement(Whiz and SBIFS) |
| June 30, 2021 | Execution date of share transfer |
| August 13, 2021 (Planned) | Announcement of FY2021 2Q financial results |
| By the end of August 2021 | Holding of Extraordinary General Meeting of Shareholders |
| | Resolution for election of new directors |

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# Appendix

# Corporate Profile

| | |
|---|---|
| Name | : ALBERT Inc. |
| Head office | : Shinjuku Front Tower 15F, 2-21-1, Kita-Shinjuku, Shinjuku-ku, Tokyo, Japan |
| Established | : July 1, 2005 |
| Representative | : Takeshi Matsumoto, President |
| Listing | : TSE Mothers (ticker: 3906) |
| Capital stock* | : ¥ 1,022,967 thousand |
| Employees** | : 276 (244 data scientists) |
| Memberships | : The Japanese Society for Artificial Intelligence |

*Capital stock, no. of employees as of Mar. 31, 2021
**Employees include dispatch employees (including those in training) , part-time workers and subcontract workers.

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# New MISSION

- As the company celebrates its 15th anniversary in 2020, we defined new mission by verbalizing our employees' own words of the thoughts and aspirations we have held dear up to this point.



## MISSION

Building the future with data science

We are the CATALYST.

The data obtained in the past is just a collection of information by itself. Gathering and twisting it together with data science makes it possible to imagine the future and create new value that could not have been predicted before. As the use of artificial intelligence (AI) advances, and various visual and auditory information is beginning to take on more meaning than ever before, we hope that AI will not only replace conventional human judgements, but will also create new values that will lead to a better future, and that the new values we create will be inherited into the future. As a partner in the implementation of AI in society, we use the power of data science to co-create new value.

### As a CATALYST

ALBERT has a “CATALYST Strategy” and aims to create an AI networked society through AI and data sharing between industries.
“CATALYST” means not only “catalyst” but also “accelerator” and “a person who gives an opportunity or stimulus to others”.
We hope to be a “CATALYST” that causes new chemical reactions between industries and brings about changes through the social implementation of data science.
Since its establishment, ALBERT has grown as a data scientist group with "analytical capabilities as its core". We will continue to contribute to solving problems in all industries with data solutions that make full use of AI and machine learning technology.

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# Business Overview and Characteristics

- We offer three types of service: (1) project-based services through which we provide big data analytics tailored to individual clients, develop algorithms, and create AI systems, (2) providing our own general products to introduce AI at a wide range of clients, and (3) data scientist training support.

## (1) Project-based services A development partner deploying AI in industry

Earnings from long-term outsourced projects

### A focus on industries with high demand for investment in utilizing AI

- Focusing in particular on industries with a **robust demand for investment** in utilizing AI
- Our focusing industries

**(1)Automotive,**
**(2)Manufacturing**
**(3)Communications**
**(4)Distribution & Infrastructure**
**(5)Finance**

### A full range of services, from big data collection to AI system deployment

- Address the issues individual companies and industries face through outsourced development projects
- Respond with a full range of AI development processes

**(1)Big data collection**
**(2)Big data analytics**
**(3)Algorithm development**
**(4)System deployment**

### A group of 244 data scientists

- An organization of data scientists mainly with **backgrounds in the field of mathematical statistics**
- Ongoing efforts to enhance skills through proprietary training program
- **Our advanced technology team starts supporting the development of technology.**

## (2) Providing our own products

License earnings

- AI-advanced chat bot (Sugures)




- AI-image recognition service (Takuminome)




## (3) Data scientist training support

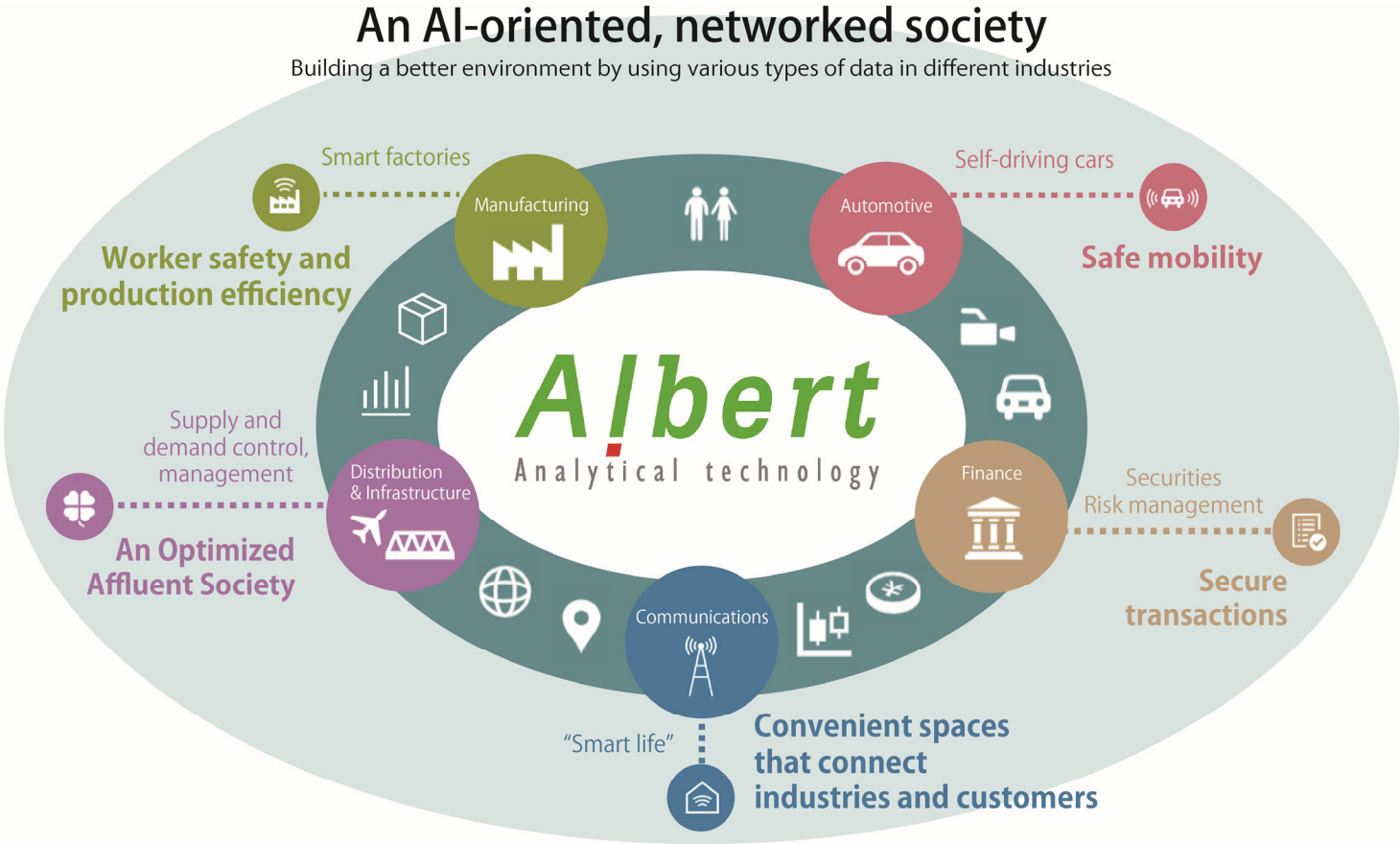
Earning from outsourced projects

- **Certified by the Ministry of Economy, Trade and Industry as a "Certification Program for Fourth Industrial Revolution Skills Courses"**
- Responding to need to cultivate data scientists in-house, mainly at capital & business partners
- **Starting our new training program for optimizing Small and middle group training needs.**

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# The CATALYST Strategy

- Working across a variety of industries, we aim to serve as **a catalyst in AI algorithms and in data** in our core industries. By promoting AI and data sharing between industries, we are working toward an AI-oriented, networked society.
- In the process of sharing, we aim to position ourselves in the center of the data society, doing big data accumulation & analytics, algorithm development (including jointly developed products), and system deployment thoroughly.




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# memo

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# Disclaimer

- The materials and information provided in this briefing contain forward-looking statements. Forecasts and other statements about the future are based on information currently available to the company and on judgments made by the company's management team. As such, this information contains known and unknown risks and uncertainties. These statements and assumptions could fail to materialize due to a host of factors, including changes in the company's business environment and market fluctuations.

- Such risks and uncertainties include general industry and market conditions, fluctuations in interest and currency exchange rates, and other general domestic and international economic conditions.


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