

September 30, 2024

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Representative:	Yasuhide Uno, President, Representative Director & CEO
	(Securities code: 9418)
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**Notice on acquisition of shares of NetMove Corporation to make it a wholly owned subsidiary
and NetMove Corporation's succession of acquiring business of
SBI Sumishin Net Bank, Ltd. by company split**

U-NEXT HOLDINGS Co., Ltd. (the "Company") hereby announces that at a meeting of the Board of Directors held today, the Company passed a resolution to 1) acquire all shares of NetMove Corporation (the "Target Company"), which is a wholly owned subsidiary of SBI Sumishin Net Bank, Ltd. ("SBI Sumishin Net Bank"), to make it a wholly owned subsidiary of the Company (the "Share Acquisition"), and to 2) carry out, subsequent to the completion of the Share Acquisition and upon receipt of required approval and authorization, an absorption-type company split in which SBI Sumishin Net Bank is the splitting company and the Target Company is the succeeding company (the "Company Split," and together with the Share Acquisition, collectively, the "Transactions") that succeeds the Acquiring Business of SBI Sumishin Net Bank.

In the Share Acquisition, the Company will acquire all shares of the Target Company from SBI Sumishin Net Bank in exchange for cash consideration, on the premise that the Target Company has transferred its solutions business and innovation business to the succeeding company by way of an incorporation-type company split (the "Split of the Target Company").

I. Purposes of the Transactions

In 2019, the Group launched USEN PAY, a cashless payment service that utilizes the payment service provider service of the Target Company, with the Group serving as a general agent and in collaboration with the Acquiring Business division of SBI Sumishin Net Bank. USEN PAY, which is offered as a one stop package along with communication lines, POS cash register and other Group products as a way of differentiation from existing cashless service providers, has an edge in developing SMB markets in particular and is seeing increased engagement in its participating stores, with a total of over 2,000 sales staff and field engineers stationed at 150 locations across Japan to provide onsite services.

Meanwhile, the Target Company has been working to integrate its payment services with the banking services of SBI Sumishin Net Bank since it became a wholly owned subsidiary of SBI Sumishin Net Bank in April 2019, and is continuing to grow steadily with a lineup of three businesses, namely, payment solutions, security and authentication services and communications services. It boasts a firm customer base built over many years and high capabilities in system design and development.

The Company is convinced that vertical integration of the Target Company's payment solution functions and the Acquiring Business of SBI Sumishin Net Bank through the Transactions will allow it to enhance added value of its services, including by establishing a business model of "offering in one stop from sales, screening, systems registration, equipment installation to onboarding, follow-up and development" that will drastically shorten the lead time from application to when the stores can start using the services, and create convenience and competitive edge.

At present, the Group only provides store services in the area of face-to-face payment, the business size of which amounts to 250 billion yen in terms of annualized gross merchandise value. When the Transactions are implemented, the Company will consider expanding into the area of non-face-to-face payment in order to make available prepayments before store visits and a combination of physical stores and e-commerce sites, as well as offering face-to-face and non-face-to-face payment functions to business providers outside of the Group. The Company also plans to create a synergy by cross-selling the Group's POS cash registers and financial services to its customer base that is growing in tandem with the continuing growth of cashless payment business.

* : Acquiring flow via SBI Sumishin Net Bank
 : Payment service provision flow via the Target Company

The diagram illustrates the business model for a payment service provider (PSP) and its acquirer, SBI Sumishin Net Bank. The model is organized into three horizontal layers: Acquirer, Payment Service Provider, and General Agent.

Acquirer Layer: SBI Sumishin Net Bank (Acquiring Business) is the central entity. It is connected to three boxes representing different payment methods:

- JCB/AMEX/Diners
- Visa/Master
- Electronic money issued by public transportation companies
- QR code payment
- Other electronic money (issued by distribution companies, etc.)

Payment Service Provider Layer: The Target Company (PSP Business) is the central entity. It is connected to SBI Sumishin Net Bank (Acquiring Business) via a "Membership" link. The Target Company is also connected to "Participating stores" via a "Participation agreement" link.

General Agent Layer: The Group is the central entity. It is connected to The Target Company (PSP Business) via a "Payment agency service" link. The Group is also connected to "Participating stores" via a "Participation agreement" link.

Participating stores: The bottom layer of the diagram, representing the merchants using the payment service.

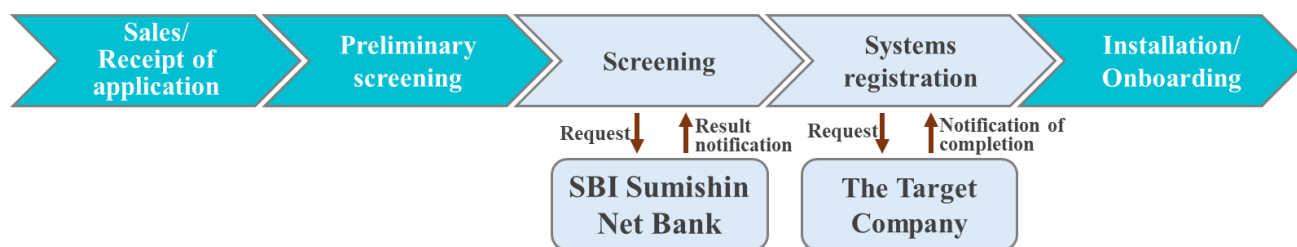
Connections and Flow:

- SBI Sumishin Net Bank (Acquiring Business) provides "Payment by agency" to The Target Company (PSP Business).
- The Target Company (PSP Business) provides "Payment agency service" to The Group.
- The Group provides "Payment (partially by agency)" to SBI Sumishin Net Bank (Acquiring Business).
- The Target Company (PSP Business) and The Group are both connected to "Participating stores" via "Participation agreement" links.

[illegible]

<Process for service introduction>

(Present)



(After the Transactions)



- * Screening, provisional systems registration and arrangement for equipment installation can be conducted concurrently.
- * Lead time before applicants start using the services can be drastically reduced.

II. The Share Acquisition

1. Overview of the subsidiary concerned with the change (the Target Company)

1. Overview of the subsidiary concerned with the change (the Target Company)

(1)	Name	NetMove Corporation		
(2)	Address	Shoei Rokubancho Bldg., 6 Rokubancho, Chiyoda-ku, Tokyo, Japan		
(3)	Title and name of the representative	Toshiyuki Karasawa, President		
(4)	Business description	Provision of cashless payment services, etc.		
(5)	Capital	100 million yen		
(6)	Date of incorporation	February 2000		
(7)	Major shareholders and shareholding ratio	SBI Sumishin Net Bank, Ltd. (100%)		
(8)	Relationship between the Company and the company concerned	Capital relationship	Not applicable.	
		Personnel relationship	Not applicable.	
		Transaction relationship	The company concerned has transactions with USEN CORPORATION, a subsidiary of the Company.	
(9)	Operating results and financial position of the company concerned for the past three years (Payment business)			
Fiscal year		Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net assets		973 million yen	1,339 million yen	1,665 million yen
Total assets		2,304 million yen	2,773 million yen	3,134 million yen
Net sales		1,156 million yen	1,310 million yen	1,499 million yen
Operating profit		427 million yen	481 million yen	644 million yen

Note 1: Of the Target Company's businesses, the operating results and financial position concerning its payment business are presented above.

The above figures have not been audited by any audit corporation.

2. Overview of the counterparty of share acquisition

(1)	Name	SBI Sumishin Net Bank, Ltd.
(2)	Address	Sumitomo Fudosan Roppongi Grand Tower, 2-1, Roppongi 3-chome, Minato-ku, Tokyo, Japan
(3)	Title and name of the representative	Yasunaga Matsumoto, Chairman Noriaki Maruyama, President and CEO
(4)	Business description	Digital-only bank. Provides loans, settlement, savings and other services using mobile application and via the internet.
(5)	Capital	31,000 million yen (Fiscal year ended March 31, 2024)

(6)	Date of incorporation	June 1986	
(7)	Net assets	151,608 million yen (Fiscal year ended March 31, 2024)	
(8)	Total assets	10,676,416 million yen (Fiscal year ended March 31, 2024)	
(9)	Major shareholders and shareholding ratio (As of March 31, 2024)	Shareholder name	Shareholding ratio
		Sumitomo Mitsui Trust Bank, Limited	34.19%
		SBI Holdings, Inc.	34.19%
		Japan Securities Finance Co., Ltd.	3.72%
		BNY GCM CLIENT ACCOUNT JPRDAC ISG (FE-AC)	1.21%
		The Master Trust Bank of Japan, Ltd. (Trust account)	1.18%
		Tomohiro Yoshida	0.76%
		Akira Katayama	0.68%
		MORGAN STANLEY & CO. LLC	0.65%
		BNP PARIBAS LUXEMBOURG/2S/JASDEC SECURITIES/UCITS ASSETS	0.63%
		Custody Bank of Japan, Ltd. (Trust account)	0.58%
(10)	Relationship between the Company and the company concerned	Capital relationship	Not applicable.
		Personnel relationship	Not applicable.
		Transaction relationship	SBI Sumishin Net Bank has transactions with USEN CORPORATION, a wholly owned subsidiary of the Company, related to cashless payment services in which USEN CORPORATION is a general agent and SBI Sumishin Net Bank is the acquirer.
		Applicability to related party	Not applicable.

3. Number of shares to be acquired, acquisition cost, and status of shares held before and after the acquisition

(1)	Number of shares held before the change	– shares (Number of voting rights: –) (Share in the total voting rights: –%)	
(2)	Number of shares to be acquired	7,115 shares (Number of voting rights: 7,115)	
(3)	Acquisition cost	Common shares of the Target Company	5,500 million yen
		Advisory costs, etc. (Estimated)	275 million yen
		Total (Estimated)	5,775 million yen
(4)	Number of shares held after the change	7,115 shares (Number of voting rights: 7,115) (Share in the total voting rights: 100%)	

* Acquisition cost of the common shares of the Target Company will be adjusted using the method stipulated in the share transfer agreement.

4. Schedule

(1)	Date of resolution by the Board of Directors	September 30, 2024
(2)	Execution date of agreement	September 30, 2024
(3)	Date of share transfer	December 2, 2024 (Scheduled)

5. Future outlook

The impact of the Share Acquisition on the consolidated financial results of the Company for the current fiscal year is currently expected to be minimal. Any matters requiring disclosure arising in the future will be promptly disclosed.

III. The Company Split

1. Summary of the Company Split

(1) Schedule concerning the Company Split

Date of resolution by the Board of Directors	September 30, 2024
Execution date of agreement	September 30, 2024
Date of resolution by the General Meeting of Shareholders	January 31, 2025 (Scheduled)
Date of payment of cash consideration (Effective date)	February 1, 2025 (Scheduled)

(2) Method of the Company Split

The Company Split is conducted as an absorption-type company split concerning the Acquiring Business of SBI Sumishin Net Bank in which SBI Sumishin Net Bank is the splitting company and the Target Company, which is to become a wholly owned subsidiary of the Company, is the succeeding company.

(3) Details of allotment related to the Company Split (Compensation for the split)

As a compensation for the Company Split, the Target Company will pay cash in the amount of 1,000 million yen to SBI Sumishin Net Bank.

(4) Handling of share acquisition rights and bonds with share acquisition rights associated with the Company Split

Not applicable.

(5) Capital increase/decrease as a result of the company split

There will be no increase or decrease in capital of the Target Company resulting from the Company Split.

(6) Continuing rights and obligations of the succeeding company

As a consequence of the Company Split, the Target Company will succeed from SBI Sumishin Net Bank, as of the effective date, from among the contractual position and other rights and obligations related to the Acquiring Business, those that are specified in the agreement on the Company Split.

(7) Prospects of performance of obligations

It is judged that the Target Company will have no problem performing the obligations associated with the liabilities it succeeds as a result of the Company Split.

2. Grounds for details of allotment related to the Company Split and other information

(1) Grounds and reasons for the details of allotment

In order to ensure the fairness and appropriateness in deciding the Company Split, the Company requested Deloitte Tohmatsu Financial Advisory LLC (“DTFA”), which is a third-party calculation agency independent of the Company, the Target Company, and SBI Sumishin Net Bank, to calculate the value of the Acquiring Business, and obtained a calculation report on September 26, 2024.

The Company, after considering the result of calculation by DTFA and such factors as the financial position and trends in operation results of the Acquiring Business of SBI Sumishin Net Bank in a comprehensive manner, held a series of careful discussions with SBI Sumishin Net Bank over the Company Split, and judged that the compensation amount stated in “(3) Details of allotment related to the Company Split” under “1. Summary of the Company Split” was within the range of DTFA’s calculation results and was therefore appropriate. Accordingly, the Company concluded the agreement on the Company Split.

The amount of compensation for the Company Split is subject to change upon consultation between the Company and SBI Sumishin Net Bank if any significant change arises in the conditions serving as the basis for calculation.

(2) Matters related to the calculation

(i) Name of the calculation agency and relationship with the Company and the counterparts

DTFA is a calculation agency independent of the Company, the Target Company, and SBI Sumishin Net Bank, does not fall under the category of a related party of the Company, the Target Company, or SBI Sumishin Net Bank, and does not have any significant interest that needs to be described in relation to the Company Split.

(ii) Summary of the calculation

DTFA calculated the value of Acquiring Business using the discounted cash flow method (“DCF method”) to reflect the status of future business activities in the valuation.

The range of value of Acquiring Business calculated using DCF method is as shown below.

Calculation method	Result of calculation
DCF method	952 million yen - 1,207 million yen

In the above calculation, DTFA valued the enterprise value of SBI Sumishin Net Bank’s Acquiring Business by discounting the future cash flows that the Acquiring Business is expected to generate on and after June 30, 2024, the calculation base date, back to their present value using a certain discount rate, premised on financial forecasts based on the business plan for the fiscal year ending March 31, 2025, through the fiscal year ending March 31, 2028, prepared by SBI Sumishin Net Bank, as well as publicly available information and various other factors.

The financial forecasts used as a premise in the calculation project a substantial year-on-year increase in profits of 30% or more for the fiscal year ending March 31, 2027, and the fiscal year ending March 31, 2028, based on a prospective increase in the transaction value of payment services due to customer acquisition by participating stores. These financial forecasts also take into account such factors as the latest trends in operation results and the labor costs and systems costs that are expected to be additionally borne by the Group in consequence of the Transactions, as the business plan had been formulated by SBI Sumishin Net Bank with no presumption that this reorganization would take place.

(3) Prospects and reasons for delisting

Not applicable.

(4) Measures to ensure fairness

Not applicable.

(5) Measures to avoid conflict of interests

Not applicable.

3. Overview of the companies which are parties to the Company Split

	Succeeding company	Splitting company	
(1) Name	NetMove Corporation	SBI Sumishin Net Bank, Ltd.	
(2) Address	Shoei Rokubancho Bldg., 6 Rokubancho, Chiyoda-ku, Tokyo, Japan	Sumitomo Fudosan Roppongi Grand Tower, 2-1, Roppongi 3-chome, Minato-ku, Tokyo, Japan	
(3) Title and name of the representative	Toshiyuki Karasawa, President	Yasunaga Matsumoto, Chairman Noriaki Maruyama, President and CEO	
(4) Business description	Provision of cashless payment services, etc. (Planned)	Digital-only bank. Provides loans, settlement, savings and other services using mobile application and via the internet.	
(5) Capital	100 million yen	31,000 million yen (Fiscal year ended March 31, 2024)	
(6) Date of incorporation	February 2000	June 1986	
(7) Number of shares issued and outstanding	7,115 shares	150,793,000 shares	
(8) Fiscal year-end	March 31	March 31	
(9) Number of employees	(Non-consolidated) 51	(Non-consolidated) 628 (As of March 31, 2024)	
(10) Main business partners	Benesse Corporation	–	
(11) Main financing banks	SBI Sumishin Net Bank, Ltd.	–	
(12) Major shareholders and shareholding ratio	U-NEXT HOLDINGS Co., Ltd. 100% (Planned) (As of December 2, 2024)	Sumitomo Mitsui Trust Bank, Limited 34.19% SBI Holdings, Inc. 34.19% Japan Securities Finance Co., Ltd. 3.72%	

BNY GCM CLIENT ACCOUNT JPRDAC ISG (FE-AC)	1.21%
The Master Trust Bank of Japan, Ltd. (Trust account)	1.18%
Tomohiro Yoshida	0.76%
Akira Katayama	0.68%
MORGAN STANLEY & CO. LLC	0.65%
BNP PARIBAS LUXEMBOURG/2S/JASDEC SECURITIES/UCITS ASSETS	0.63%
Custody Bank of Japan, Ltd. (Trust account)	0.58%
(As of March 31, 2024)	

(13)	Relationships between the companies	
	Capital relationship	At present, the Target Company is a wholly owned subsidiary of SBI Sumishin Net Bank. After the Share Acquisition, the Target Company will be a wholly owned subsidiary of the Company.
	Personnel relationship	At present, the Target Company has officers who are employees/officers of SBI Sumishin Net Bank. After the Share Acquisition, the Target Company will be a wholly owned subsidiary of the Company, and therefore the Company plans to appoint its employees/officers as officers of the Target Company.
	Transaction relationship	At present, the Target Company is a general agent in the Acquiring Business of SBI Sumishin Net Bank. It also provides data processing service, exclusive payment terminals and software licenses related to the payment service operated by SBI Sumishin Net Bank.
	Applicability to related party	Not applicable.

(14)	Operating results and financial position in the past three years		
	SBI Sumishin Net Bank (Consolidated)		
Fiscal year	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Consolidated net assets	145,392	131,691	151,608
Consolidated total assets	8,534,021	8,679,004	10,676,416
Net assets per share (yen)	963.98	872.74	1,005.41
Consolidated ordinary income	83,527	98,052	118,572
Consolidated ordinary profit	23,265	29,390	34,846
Net income attributable to owners of the parent	17,113	19,932	24,845
Net income per share (yen)	113.49	132.18	164.78
Dividend per share (yen)	—	198.95	16.50

(Unit: million yen, unless otherwise stated)

[Overview of the business division to be succeeded]

(1) Business description of the division to be succeeded

From among the assets, liabilities, contractual position and other rights and obligations related to the Acquiring Business operated by SBI Sumishin Net Bank, those that are specified in the agreement on the Company Split.

(2) Operating results of the business division to be succeeded (Fiscal year ended March 31, 2024)

Ordinary income 6,023 million yen

- (3) Items and carrying amounts of assets and liabilities to be succeeded
Not applicable, as there are no assets or liabilities to be succeeded in consequence of the Company Split.
4. Status after the reorganization
Regarding the Target Company, which is the succeeding company, the representative and fiscal year-end (from March 31 to August 31) will change. There will be no change in capital, address, and business description.
5. Summary of accounting treatment
The Company Split falls under acquisition according to the Accounting Standards for Business Combinations. Following the Company Split, the Company is expected to record goodwill, the amount of which has not yet been determined at this point in time.
6. Future outlook
The impact of the Company Split on the consolidated financial results of the Company for the current fiscal year is currently expected to be minimal. Any matters requiring disclosure arising in the future will be promptly disclosed.