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August 21, 2024

Company name: SBI RHEOS HIFUMI Inc.
Name of representative: Hideto Fujino, Representative Director,
Chairman, President, Group CEO
(Securities code: 165A; TSE Growth Market)
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CAO

Notice Concerning Share Split, Amendment to Articles of Incorporation and Change in Exercise Conditions of Stock Acquisition Rights (Paid Stock Options)

SBI RHEOS HIFUMI Inc. (the “Company”) hereby announces that the Board of Directors, at its meeting held on August 21, 2024, has resolved as follows to carry out a share split, amend its Articles of Incorporation, and change the exercise conditions of stock acquisition rights (paid stock options).

1. Share split

(1) Objectives of share split

The Company intends to improve the liquidity of its shares and expand its investor base by splitting its shares and lowering the amount per investment unit of the Company’s shares to about ¥10,000, thereby creating an environment that makes it easier for people of all ages, including young people, to invest in the Company’s shares.

(2) Outline of share split

(i) Method of share split

The Company will conduct an eight-for-one share split of common stock owned by shareholders listed or recorded in the final shareholder register as of September 30, 2024, which is the record date of the share split.

(ii) Number of shares increased by share split

(i)	Total number of issued shares before share split	12,912,800 shares
(ii)	Number of shares to be increased by split	90,389,600 shares
(iii)	Total number of issued shares after share split	103,302,400 shares
(iv)	Total number of authorized shares after share split	384,000,000 shares

* The number of shares in (i) through (iii) in the above table may increase as a result of the exercise of stock acquisition rights up to the record date.

(iii) Schedule

(1) Public notice of record date	September 13, 2024 (Scheduled)
(2) Record date	September 30, 2024 (Scheduled)
(3) Effective date	October 1, 2024 (Scheduled)

(iv) Adjustment of exercise price for stock acquisition rights, etc.

In accordance with this share split, the exercise price per share of stock acquisition rights issued by the Company will be adjusted as follows effective from October 1, 2024. In addition, the number of shares to be issued upon the exercise of each unexercised stock acquisition right will be adjusted from 100 shares to 800 shares.

Stock acquisition rights (Date of resolution on issuance)	Exercise price before adjustment	Exercise price after adjustment
First series of stock acquisition rights *1 (January 19, 2022) *2	¥1,365	¥171
2nd series of stock acquisition rights (July 17, 2024)	¥1,239	¥155

*1. The Company was established on April 1, 2024, as a holding company (wholly-owned parent company) of Rheos Capital Works Inc. (“Rheos Capital Works”) by means of a sole-share transfer (the “share transfer”). The 6th series of stock acquisition rights of Rheos Capital Works issued by Rheos Capital Works were cancelled on the effective date of the share transfer, and the first series of stock acquisition rights of the Company were delivered to the holders of such stock acquisition rights on the same date in exchange.

*2 The date of resolution for the issuance of the 6th series of stock acquisition rights of Rheos Capital Works.

2. Amendment to Articles of Incorporation

(1) Reasons for amendments

In accordance with this share split, the total number of authorized shares as stipulated in Article 6 of the Company’s Articles of Incorporation will be changed as of October 1, 2024, pursuant to Article 184, Paragraph (2) of the Companies Act.

(2) Details of amendments

Details of the amendments are as follows:

(Underlines indicate amendments)

Current Articles of Incorporation	After amendments
Article 6. (Total number of its authorized shares) The total number of shares authorized to be issued by the Company shall be <u>48,000,000</u> .	Article 6. (Total number of its authorized shares) The total number of shares authorized to be issued by the Company shall be <u>384,000,000</u> .

(3) Schedule of amendment

Effective date of the Articles of Incorporation amendment: October 1, 2024 (Scheduled)

3. Change in exercise conditions of the stock acquisition rights (paid stock options)

(1) Reasons for amendments

The exercise condition for the 2nd series of stock acquisition rights (paid stock options) (the “stock acquisition rights”) resolved to issue on July 17, 2024, was that the Company’s share price (closing price) must be at least 2,000 yen per share. However, the amount set for this condition will be adjusted in accordance with this share split.

At the time of the issuance of the stock acquisition rights, the Company has received confirmation from PLUTUS CONSULTING Co., Ltd., a third-party valuation institution, that this change will not affect the fair market value of the stock acquisition rights.

(2) Stock acquisition rights for which exercise conditions are to be changed

2nd series of stock acquisition rights (issued by resolution at the Board of Directors meeting held on July 17, 2024)

(3) Details of amendments

Details of the amendments are as follows:

(Underlines indicate amendments)

Current Articles of Incorporation	After amendments
<p>3. Details of stock acquisition rights (Text omitted) (6) Exercise conditions of the stock acquisition rights (i) The persons to whom the stock acquisition rights are allotted (the “stock acquisition rights holders”) may exercise the stock acquisition rights only if the Company’s operating profit before deduction of stock compensation expenses for the stock acquisition rights exceeds ¥2,500 million as shown in the Company’s consolidated income statement (or income statement if the Company does not prepare a consolidated income statement) for any fiscal year from the fiscal year ending March 31, 2025, to the fiscal year ending March 31, 2027, and the closing price of the Company’s common stock in regular trading on a financial instruments exchange is at least <u>¥2,000</u> at least once during the period from the date of allotment to the expiration date of the exercise period. (The rest is omitted)</p>	<p>3. Details of stock acquisition rights (Text omitted) (6) Exercise conditions of the stock acquisition rights (i) The persons to whom the stock acquisition rights are allotted (the “stock acquisition rights holders”) may exercise the stock acquisition rights only if the Company’s operating profit before deduction of stock compensation expenses for the stock acquisition rights exceeds ¥2,500 million as shown in the Company’s consolidated income statement (or income statement if the Company does not prepare a consolidated income statement) for any fiscal year from the fiscal year ending March 31, 2025, to the fiscal year ending March 31, 2027, and the closing price of the Company’s common stock in regular trading on a financial instruments exchange is at least <u>¥250</u> at least once during the period from the date of allotment to the expiration date of the exercise period. (The rest is omitted)</p>

4. Other

- (1) There was no change to the Company's capital as a result of the share split.
- (2) Since the share split is effective as of October 1, 2024, the interim dividend for the fiscal year ending March 31, 2025 with a record date of September 30, 2024 will be based on shares before the share split, as described in the "Notice Concerning Revision of Dividend Forecast" released on the same date.

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