

*December 11, 2020*

**Notice Regarding Transition to a Company with an Audit and Supervisory Committee**

TOKYO, December 11, 2020—At the board of directors meeting held today, SBS Holdings, Inc. has resolved to transition to a company with an Audit and Supervisory Committee, subject to approval at the 35th Ordinary General Meeting of Shareholders scheduled to be held on March 25, 2021, as follows.

1. Purpose of the transition

(1) Raise management transparency

The purpose of this change is to strengthen the monitoring function of the Board of Directors and to further improve the transparency of management by allowing Audit and Supervisory Committee members, who are responsible for auditing the execution of duties by directors, to have voting rights at meetings of the Board of Directors.

(2) Accelerate decision making

By stipulating this in the Articles of Incorporation, it will be possible to delegate important business execution decisions to directors, so business execution decisions can be made without passing a resolution of the Board of Directors, further improving the mobility of management decisions.

2. Timing of the transition

At the Company's 35th Ordinary General Meeting of Shareholders scheduled to be held on March 25, 2021, the Company will transition to a company with an Audit and Supervisory Committee after the necessary amendments to the Articles of Incorporation will be approved.

The proposed amendments to the Articles of Incorporation in connection with the transition to a company with an audit and supervisory committee and the candidates for the Board of Directors will be announced as soon as they are determined.