

SBI Holdings, Inc.

Financial Results

**for the Six-month Period Ended September 30, 2021
(Fiscal Year Ending March 31, 2022)**

October 28, 2021

The items in this document are provided as information related to the financial results and the business strategy of the SBI Group companies and not as an invitation to invest in the stock or securities issued by each company.

None of the Group companies guarantees the completeness of this document in terms of information and future business strategy.

The content of this document is subject to revision or cancellation without warning.

Note: Fiscal Year ("FY") ends March 31 of the following year

- I. 1H FY2021 Consolidated Financial Results (IFRS)**
- II. SBI Group's new overall strategy**
- III. SBI Group's progress towards establishing its business in the digital asset field**

I. 1H FY2021 Consolidated Financial Results (IFRS)

SBI Group's New Medium-Term Vision (3–5 years) (Formulated on April 28, 2021)



- Define the next 3 to 5 years as a transitional period towards the new digital age and endeavor to realize the new medium-term vision during that period -

- Endeavor to achieve over JPY 300 billion consolidated profit before income tax expense during this period by exhaustively pursuing synergies between alliance partners and companies within the Group for both existing and new businesses. New businesses will be developed so that the total amount of profit before income tax expense for new businesses accounts for approximately 20% of consolidated profit before tax

Definition of new business:

- Any business that utilizes innovative technologies such as those related to digital assets or blockchain
- Any business that has become part of the Group through M&A since April 2018

- Strive not only for organic growth in every Group business, but also for growth through M&A, etc., thereby consistently maintaining an ROE of 10% or more

Note 1: The abovementioned is a vision that the Company seeks to achieve in the medium-term, and since there will be changes in the business environment, there cannot be any guarantees on the achievement of the vision.

Note 2: The abovementioned is based on a premise that the world economic situation will not dramatically deteriorate within the next five years.

Note 3: The abovementioned differs from any medium-term management plans or performance targets.

1H FY2021 Consolidated Performance (IFRS)

[Year-on-year comparison]

(Unit: JPY million)

	1H FY2020 (Apr.-Sept. 2020)	1H FY2021 (Apr.-Sept. 2021)	YoY % change
Revenue	228,165	Record high*¹ 334,283	+46.5
Profit before income tax expense	54,512	Record high*¹ 109,276	+100.5
Profit for the period	38,164	Record high*¹ 88,938	+133.0
Profit attributable to owners of the Company	33,104	Record high*¹ 76,765	+131.9

1H FY2021 annualized ROE recorded a historical high level of 24.6%*²

[Reference] FY2020: Average ROE of Securities and Commodity Futures Industry

(listed on on the TSE First Section): 8.05%

Average ROE of Banking Industry (listed on on the TSE First Section): 4.10%

*1 Comparison with past 1H results *2 Annualized ROE calculated by doubling 1H FY2021 profits

Companies That Have Significantly Expanded Their Business After M&A or Capital and Business Alliance

(Unit: JPY million)

Consolidated subsidiaries	(Dec. 2020: Became a consolidated subsidiary)	1H FY2020 (Apr.-Sept. 2020) Profit for the period	1H FY2021 (Apr.-Sept. 2021) Profit for the period	(June 2020: Became a consolidated subsidiary)	1H FY2020 (Apr.-Sept. 2020) Profit attributable to owners of the Company	1H FY2021 (Apr.-Sept. 2021) Profit attributable to owners of the Company
	B2C2	751	3,533	Rheos Capital Works	509	702
Equity method associate	(Nov. 2020: Became an equity method affiliate)	1H FY2020 (Jan.-June 2020) Profit attributable to owners of the Company	1H FY2021 (Jan.-June 2021) Profit attributable to owners of the Company	(Oct. 2020: Became an equity method affiliate)	9M FY2019 (Oct. 2019 - June 2020) Profit attributable to owners of the Company*2	9M FY2020 (Oct. 2020 - June 2021) Profit attributable to owners of the Company*2
	Medical Data Vision	319	484	Ascot	839	1,259
	(June 2021: Became an equity-method affiliate)	1H FY2020 (Jan.-June 2020) Net Income	1H FY2021 (Jan.-June 2021) Net Income	(Oct. 2020: Became an equity-method affiliate)	1H FY2020 (Jan.-June 2020) Net Income	1H FY2021 (Jan.-June 2021) Net Income
	ALBERT	-114	147	Keystone Partners	99	238
FVTPL	(Dec. 2019: Capital and business alliance)	1Q FY2020 (Apr.-June 2020) Profit attributable to owners of the Company	1Q FY2021 (Apr.-June 2021) Profit attributable to owners of the Company	<p>*1 Accounting standards used for each company's financial results: B2C2 uses UK GAAP for 1H FY2020, IFRS for 1H FY2021, and J-GAAP for all others</p> <p>*2 Excluding THE Global Inc.</p>		
	Double Standard	109	310			

*1 Accounting standards used for each company's financial results: B2C2 uses UK GAAP for 1H FY2020, IFRS for 1H FY2021, and J-GAAP for all others

*2 Excluding THE Global Inc.

[Consolidated Performance Overview]

- Revenue increased 46.5% year-on-year to JPY 334.3bn, profit before income tax expense rose 100.5% year-on-year to JPY 109.3bn and profit attributable to owners of the Company increased 131.9% YoY to JPY 76.8bn, which were historical highs for a 1H period
- In the Financial Services Business, the Securities business is diversifying its revenue sources and continues to grow steadily. In addition, earnings based on equity in SBI Sumishin Net Bank, based on IFRS for 1H FY2021, continues to increase
- In the Asset Management Business, record valuation and sales gains for a 1H period due to large increases in the per-share valuations of several unlisted companies that raised new funds, as well as gains on the sale of the Group's equity interests in portfolio companies following M&A transactions. Korea's SBI SAVINGS BANK also posted record profits. In the Biotechnology, Healthcare & Medical Informatics Business, revenue increased 2.3 times YoY due to milestone revenue at SBI Biotech and significant revenue growth at SBI ALApromo. Aggressive cost-cutting efforts by SBI Pharmaceuticals and other companies have been successful, and the deficit in this business has improved by approximately JPY 2bn

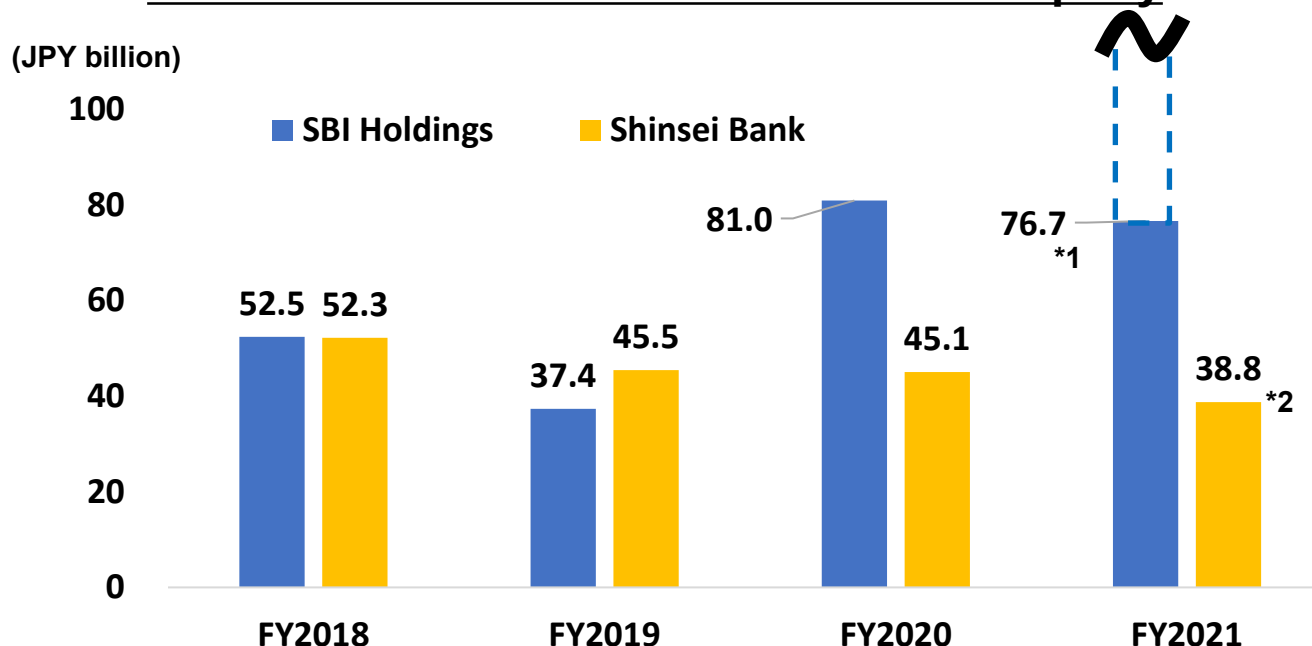
Consolidated Profit Attributable to Owners of the Company Comparison with Major Face-to-face Securities Companies

(Unit: JPY million)

	1H FY2020 (Apr. 2020 – Sept. 2020)	1H FY2021 (Apr. 2021 – Sept. 2021)	YoY % change
SBI Holdings (IFRS)	33,104	76,765	+131.9
Nomura Holdings (US-GAAP)	210,158	51,700	-75.4
Daiwa Securities Group (J-GAAP)	32,804	50,203	+53.0
SMBC Nikko Securities (J-GAAP)	28,217	32,559	+15.4

[Reference] Trends in the Consolidated Results of SBI Holdings and Shinsei Bank

Profit attributable to owners of the Company



^{1*} Financial results of SBI Holdings six-month period ended September 30, 2021

^{2*} Financial forecast announced by Shinsei Bank

Comparison of ROE

SBI Holdings	11.9	8.3	16.0	24.6 ^{*3}
Shinsei Bank	6.0	5.1	4.9	4.2 ^{*4}

^{*3} Annual ROE is calculated by doubling the profit of the first half

^{*4} Calculated based on net worth at the end of Q1 FY2021 and forecast profit attributable to owners of the Company of FY2021 which was announced in the earnings forecast

1H FY2021 Performance by Segment (IFRS)

[Year-on-year comparison]

Profit before Income
Tax Expense

(Unit: JPY million)

Revenue

	1H FY2020 (Apr. 2020– Sept. 2020)	1H FY2021 (Apr. 2021– Sept. 2021)	YoY % change	1H FY2020 (Apr. 2020– Sept. 2020)	1H FY2021 (Apr. 2021– Sept. 2021)	YoY % change / YoY change
Financial Services Business	145,181	171,548 Record high*	+18.2	40,610	45,520 Record high*	+12.1
Asset Management Business	80,984	149,644 Record high*	+84.8	24,477	78,590 Record high*	+221.1
Biotechnology, Healthcare & Medical Informatics Business	1,945	4,545 Record high*	+133.7	-3,186	-1,190	+1,996

Note: Owing to Group company segmentation realignments, 1H FY2020 results were restated in accordance with segmentation realignment

Note: Figures are before elimination of inter-segment transactions

* Comparison with past 1H results

Interim Dividend of JPY 30 Per Share was Declared

[Basic policy for shareholder return]

As a general rule, implement shareholder returns with a target total shareholder return ratio, as calculated by the sum of dividend payouts and share repurchase costs, of **40% as a minimum**. However, for FY2018 and beyond, depending on the level of fair value gains and losses from operating investment securities, which does not generate cash flow as a percentage of the Company's consolidated profit before income tax expense, the shareholder return amount will be determined by making adjustments, such as deducting the total amount of fair value gains or losses from the Company's consolidated profit before income tax expense

■ Dividend forecast (result) per share

	End of 2Q	Year-end	Full-year
FY2021 (forecast)	<u>JPY 30</u>	N/A	N/A
FY2020 (result)	JPY 20	JPY 100	JPY 120

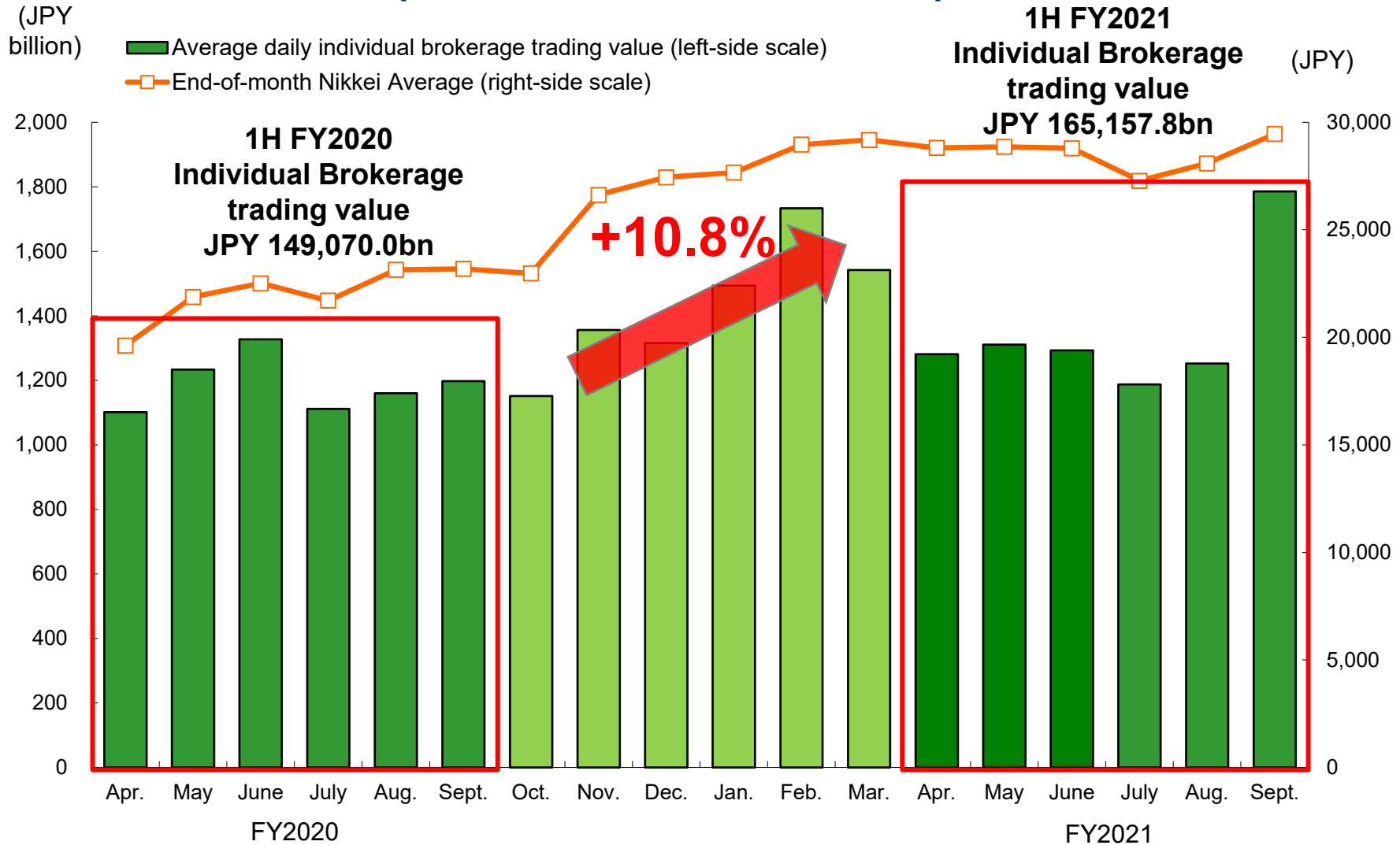
【Business Overview of Core Businesses】

1. Securities-related business (SBI SECURITIES)

(1) Business Overview for 1H FY2021

SBI SECURITIES' consolidated results for 1H FY2021 saw brokerage commissions down 9.6% YoY due to gradual promotion of the Neo-securities initiative, which is to eliminate trading commissions for online domestic stock transactions, and offset by contributions from businesses other than stock brokerage commissions, including underwriting and offering commissions and financial revenue, resulting in Operating income up 1.3% YoY to JPY 27.6 bn

Average Daily Individual Brokerage Trading Value (Total for two markets*)



* Japanese stocks listed on Tokyo Stock Exchange and Nagoya Stock Exchange
(Including TSE Mothers, JASDAQ and NSE Centrex)

Source: Compiled by SBIH from disclosed data from TSE

SBI SECURITIES 1H FY2021

Consolidated Results (J-GAAP)




[Year-on-year comparison]

(Unit: JPY million)

	1H FY2020 (Apr. 2020 – Sept. 2020)	1H FY2021 (Apr. 2021 – Sept. 2021)	YoY % change
Operating Revenue	74,030	82,027	+10.8
Net Operating Revenue	68,858	77,253	+12.2
Operating Income	27,237	27,584	+1.3
Ordinary Income	27,316	27,684	+1.3
Profit attributable to owners of the Company	18,988	18,684	-1.6

Comparison with Major Online Securities Companies

[1H FY2021 results]

	Share of individual stock trading value (%)	Deposit assets (JPY trillion)	Operating income (JPY million)
SBI ^{*1} (cons.)	 43.2	 21.5	 27,584
Rakuten (cons.)	29.0	14.0	6,142
Matsui	10.2	3.0	6,624
au Kabucom	8.0	2.7	2,464
Monex ^{*2} (cons.)	4.6	5.4	16,129

*1 SBI's number of share of individual stock trading value include that of SBI NEOMOBILE SECURITIES, SBI Neotrade Securities and FOLIO.

*2 The amount of "Operating income" represented above is "The amount equivalent to operating income" disclosed by Monex.
Operating income of Monex includes JPY 13,748 million from crypto-asset related business.

*3 Deposit assets is as of the end of Sept. 2021.

Source: Compiled by SBIH from the information on websites of each company

(2) “Hypothesis” and “Verification” of Certain Measures Already Implemented for the Early Realization of Neo-securities Initiatives

"Hypothesis":

- ① The number of accounts will increase significantly by eliminating trading fees for online domestic stock transactions
- ② Even if brokerage commission income declines as a result of the introduction of eliminating trading fees for online domestic stock transactions, an increase in customers and diversification of revenue sources will compensate for this
- ③ Growth in the number of accounts will lead to business expansion for various companies in the entire SBI Group ecosystem

Neo-securities initiative:

Endeavor to eliminate trading fees for domestic stock transactions and other various fees that are currently incurred by investors

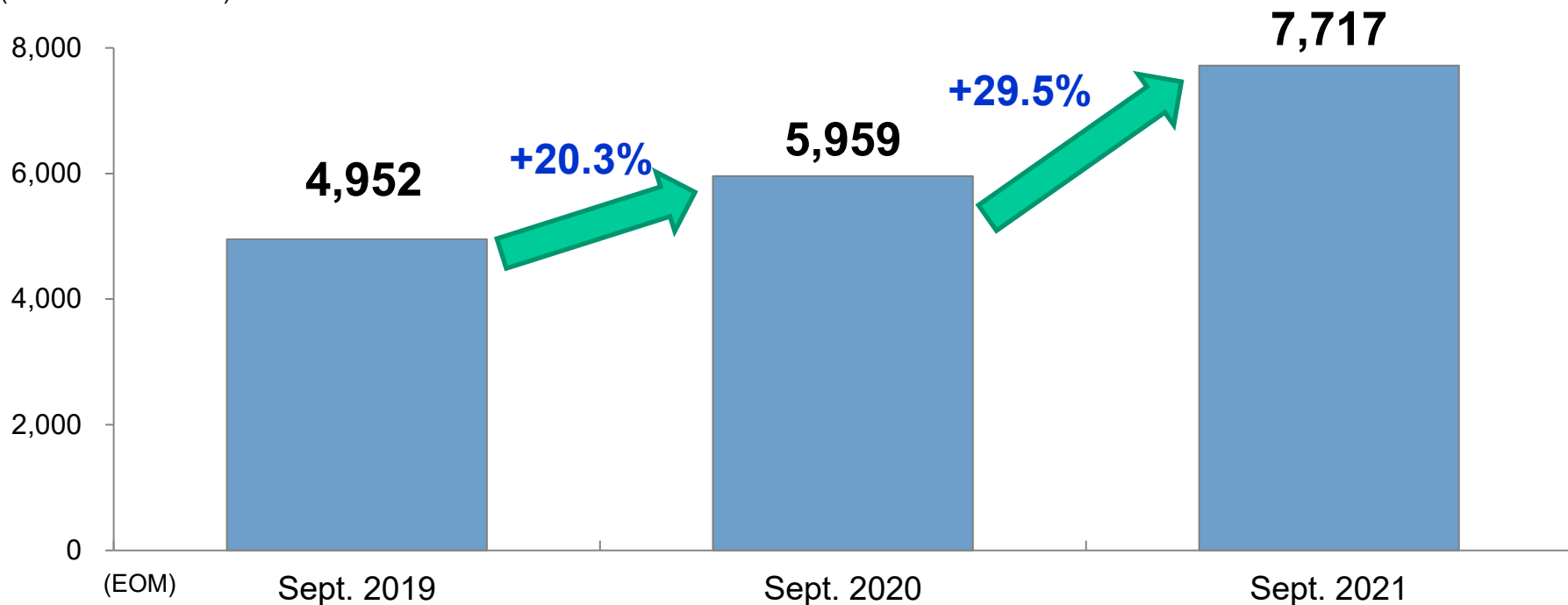
Achieve 30 million accounts by realizing the "Neo-securities initiative"

Verification of Hypothesis ①: The Number of Group Securities Accounts is Increasing at an Accelerated Rate by Measures to Eliminate Commission Fees

In 1H FY2021, the number of new accounts opened at SBI SECURITIES by people aged 25 and under increased 88.8% YoY, and the number of people aged 26 and above increased 62.7%

Number of SBI Group securities accounts

(Thousand accounts)



* From June 2019, includes SBI NEOMOBILE SECURITIES' accounts, from Oct. 2020 includes SBI Neotrade Securities' accounts, and from Sept. 2021 includes FOLIO's accounts

Verification of Hypothesis ② (i): Impact of Measures to Eliminate Certain Commissions from Sept. 2020 (trial calculation)

- Online trading of domestic stocks for people under 25 years old has already been practically eliminated -

(Unit: JPY million)

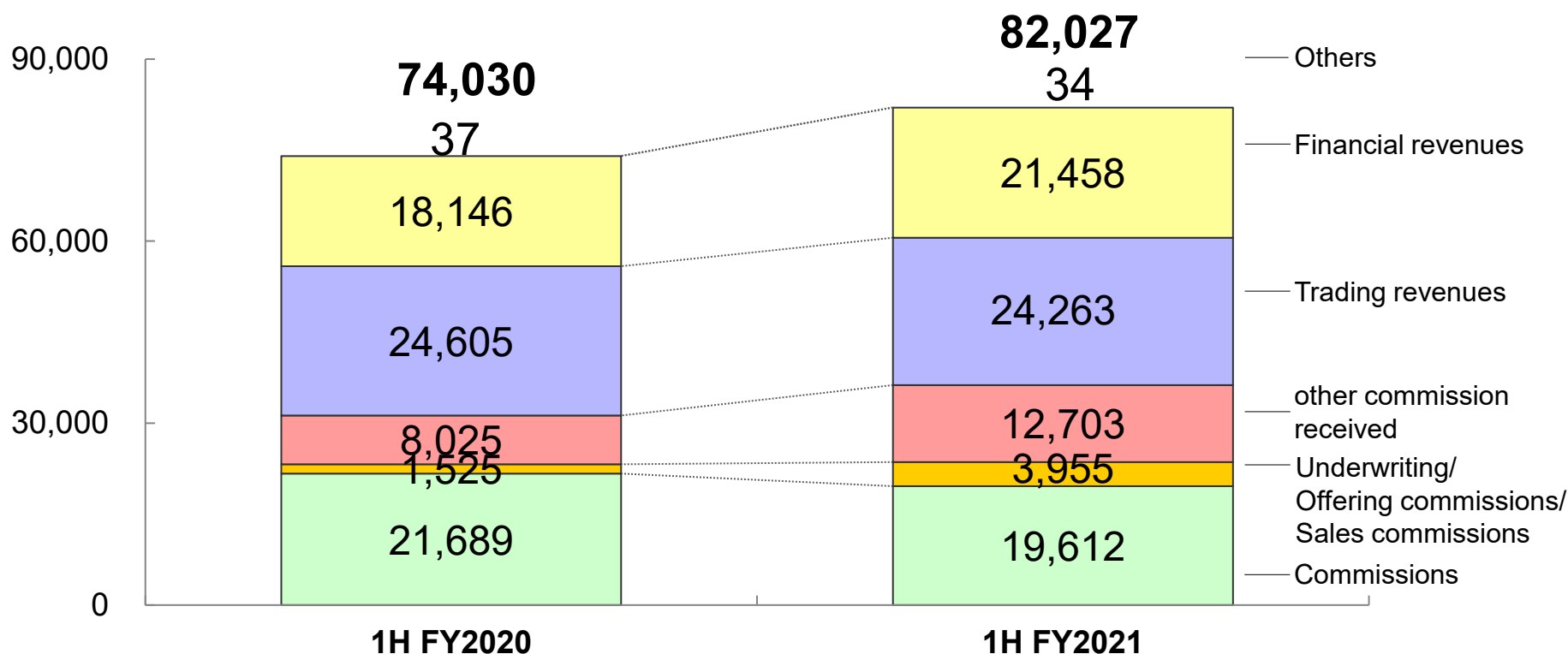
Release Date	Detail of Measures	Impact on 1H FY2021
2020/9-	Large Margin Trading: Eased conditions for application of no transaction fees	822
2020/9-	No stock brokerage fees for Active Plan up to a total of 1 million yen in daily contract value	1,189
2021/3-	Expansion of the conditions and benefits of the large margin trading preferential program	392
2021/4-	Implemented a program of virtually eliminating commissions fee for those under 25 years old	178
2021/7-	Stock brokerage commissions for Active Plan reduced for both spot and margin transactions	100
2021/7-	Revised buying interest rates and stock lending fees for general margin trading "day-trading"	8
Total		2,689

Verification of Hypothesis ② (ii): SBI SECURITIES Operating Revenue Increased 10.8% YoY Despite a Decline in Brokerage Commission Income

SBI SECURITIES

Operating Revenue Structure 1H FY2021

(Unit: JPY million)



**Estimated brokerage commission income of JPY 22.3bn (+2.8% YoY)
had partial fee elimination measures not been implemented**

Verification of Hypothesis ② (iii): Increase in Income Through Diversification of Revenue Sources surpasses Decline in Brokerage Commission Income

- **Underwriting/Offering commissions/Sales commissions:**
JPY 3,955 million (+159.3% YoY)

Increased commissions from underwriting of stocks and bonds by strengthening wholesale business

- **Financial Revenues:**
JPY 21,458 million (+18.3% YoY)

Margin trading expanded rapidly as open interest reached record high

- **Other commission received:**
JPY 12,703 million (+58.3% YoY)

Contribution from increase in trust fees by expanding the balance of investment trusts

- **Stock trading commissions other than online trading:**
JPY 8,396 million (+13.8% YoY)

IFA business revenue grew 1.3 times YoY and foreign stock trading revenue grew 1.4 times YoY, resulting in an increase in commission revenue from online non-domestic stock trading

Verification of Hypothesis ③: Newly Registered Customers Through Measures that Eliminated Certain Trading Commissions use Various Services of the SBI Group

Individual
Customers



Opened an account at SBI SECURITIES and participated in investment, attracted by commission-free domestic stock trading and investment with shared point programs



No online domestic stock
brokerage commission
[Currently, some
transactions are covered]

Investing with
shared points

Investment trust

NISA

iDeCo

Experience investing and
broaden interest in a variety
of other financial products

Margin trades

IPO・PO

Domestic and
foreign bonds

Foreign stocks

FX

etc.

Sending customers to
other group companies
by utilizing big data, etc.



Further Measures to Strengthen the Realization of the Neo-securities initiative



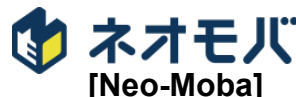




- ① **Expand products and services**
Build a system to meet diverse customer needs by expanding the product lineup and alliances with shared points programs
- ② **Strengthen non-flow businesses**
Strengthen non-flow businesses through **financing revenue** from expanded margin trading balances and **trust fees** from higher investment trust balances
- ③ **Strengthen the wholesale business**
Strengthen the organization to focus on expanding the wholesale business, including **underwriting of stocks and bonds** and business with institutional investors
- ④ **Expand trading revenue**
Steadily grow trading revenue and expand share as a percentage of total revenue through continued **strengthening of the FX business** since 2008 and the **start of digital asset business** in 2019
- ⑤ **Stock trading commissions other than online trading**
Strengthen commission businesses other than domestic stocks, including **foreign stocks** and **IFA business**, for which demand is growing, and **expand into real estate finance** by turning Ascot and Tozai Asset Management into subsidiaries

Expansion of Products and Services to Provide Diverse Trading Opportunities

Products/systems		Features of SBI SECURITIES
Products	Domestic stocks	Zero trading fees for up to 1 million yen per day
	Foreign stocks/ETF	Number of foreign stocks handled: 9 countries; No commission for purchasing overseas ETFs
	Investment trust	Number of investment trusts handled is 2,682, the largest in the industry; purchase through shared point programs and accumulation purchase via credit cards offered
	Bonds	Number of issues of corporate bonds handled is 35; in-house structuring of structured bonds possible
	IPO・PO	Number of IPOs handled since the SBI Group's establishment has reached 85, the largest number of any online securities company
	FX	28 currency pairs, the largest number of major online securities; Low transaction costs, strong in large transactions
	Futures / Options	J-NET Cross Trading and number of issues handled is 10, Providing API for Futures and Options
	CFD / e-Warrant	Lowest commission rate in the industry at 156 yen per trade, one way
	Gold / Silver / Platinum	Commission for purchase only; no commission for sale; accumulation purchase and conversion to cash offered
Systems	NISA	Number of accumulated NISA reaches 175, the highest level in the industry
	iDeCo	No. 1 in the number of iDeCo users; no operation and management fees; 2 plans selected with a focus on "low cost" and "diversity," and a select plan product lineup of 34 products

* The number of IPO issues is the actual number for 2020; the figures for foreign stocks, ETFs, FX, gold, silver, and platinum are as of the end of Sept. 2021; the number of investment trusts handled is as of Sept. 14, 2021; the number of bonds handled is the actual number for FY2020; the number of futures and options issues is as of Sept. 2021; CFD commissions are as of June 1, 2021; number of NISA savings accounts as of Aug. 1, 2021; number of iDeCo accounts as of Sept. 2021

Actively Promoting Open Alliances Through the use of Points

	Points Economy	Services provided by SBI
 <p>Points are awarded for money spent at affiliated stores in Japan, both online and bricks and mortar</p>	<p>Number of members utilized during the year: 70,610,000</p> <p>Affiliated stores: 172,059</p> <p>Annual sales: JPY 8.5 trillion</p>	  <ul style="list-style-type: none"> - Investment trusts can be purchased with T-points - With SBI NEOMOBILE SECURITIES, T-points can also be used for domestic stocks, FX, warrants - In addition to usage, points can also be accrued on purchases of domestic stocks and investment trusts
 <p>SMBC Group points system. Points awarded for using Sumitomo Mitsui Bank and Sumitomo Mitsui Card</p>	<p>Sumitomo Mitsui Card members: 47,540,000</p> <p>Sumitomo Mitsui Bank account holders: Approx. 27 million</p>	 <ul style="list-style-type: none"> - Investment trusts able to be purchased with a credit card issued by Sumitomo Mitsui Card with V-points to be awarded on 0.5% of settlement amount - For customers who open an account via Sumitomo Mitsui Card, V-points will be awarded on the balance of investment trusts and the purchase amount of domestic stocks, etc. at SBI SECURITIES
<div>NEW</div>  <p>Common points that can be "accumulated" and "used" in accordance with the amount spent at Ponta partner companies and online services nationwide</p>	<p>Number of members utilized during the year: 103,710,000</p> <p>Affiliated stores: Approx. 250,000</p> <p>Number of partner Companies, Brands: 140 Companies 198 Brands</p>	 <ul style="list-style-type: none"> - Scheduled to start the introduction of a common point service for "Ponta" in November 2021 - In addition to the ability to use Ponta points for the purchase price of investment trusts, Ponta points will be awarded for transactions involving trading of domestic stocks, investment trusts, gold and platinum, opening a new account, and entering domestic stocks <p>*For details, please refer to the SBI SECURITIES website</p>

1. Number of T-point members utilized during the year as of the end of July, 2021, Affiliated stores as of the end of Feb. 2021 and Annual sales as of the end of Sept. 2021/ Source: CCC Marketing website.

2. Number of Sumitomo Mitsui Card members as of the end of March 2020/ Source: Sumitomo Mitsui Card website

3. Number of Sumitomo Mitsui Bank account holders as of the end of March 2017/ Source: Sumitomo Mitsui Bank website

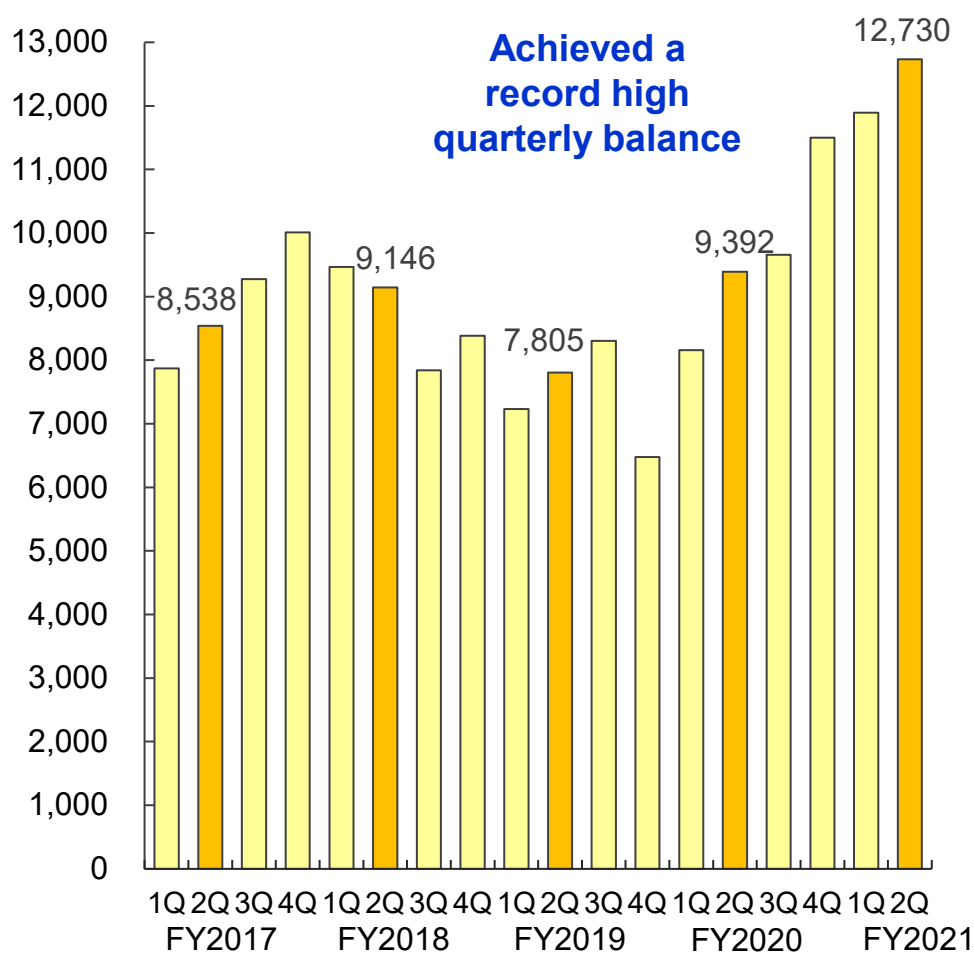
4. Number of annual users of Ponta points as of the end of September 2021, number of partner stores as of May 1, 2021, number of partner companies and brands as of October 1, 2021/ Source: Loyalty Marketing Inc.

② Strengthen non-flow businesses

Rapid increase in Interest Credit Balance due to Interest Rate Revisions (Revision of the Interest Rate for the Purchase of “Daily Margin” for General Margin Transactions in July 2021)

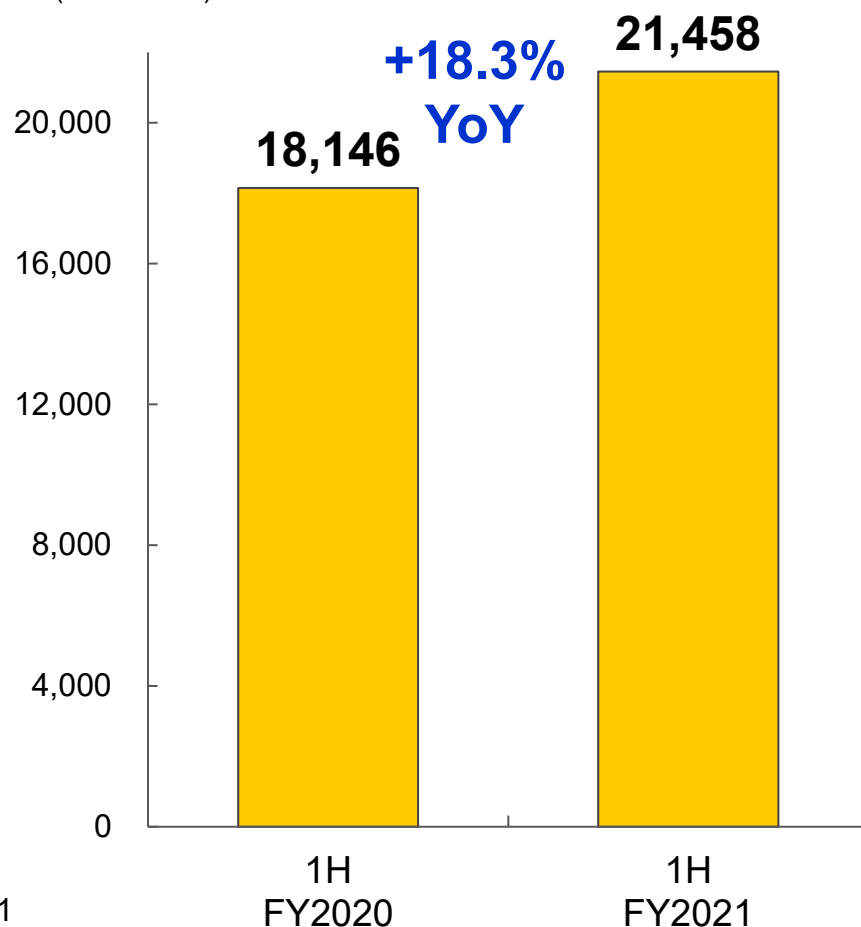
Open Interest Credit Balance

(JPY 100 million)



Financial Revenue / Net Financial Revenue

(JPY million)



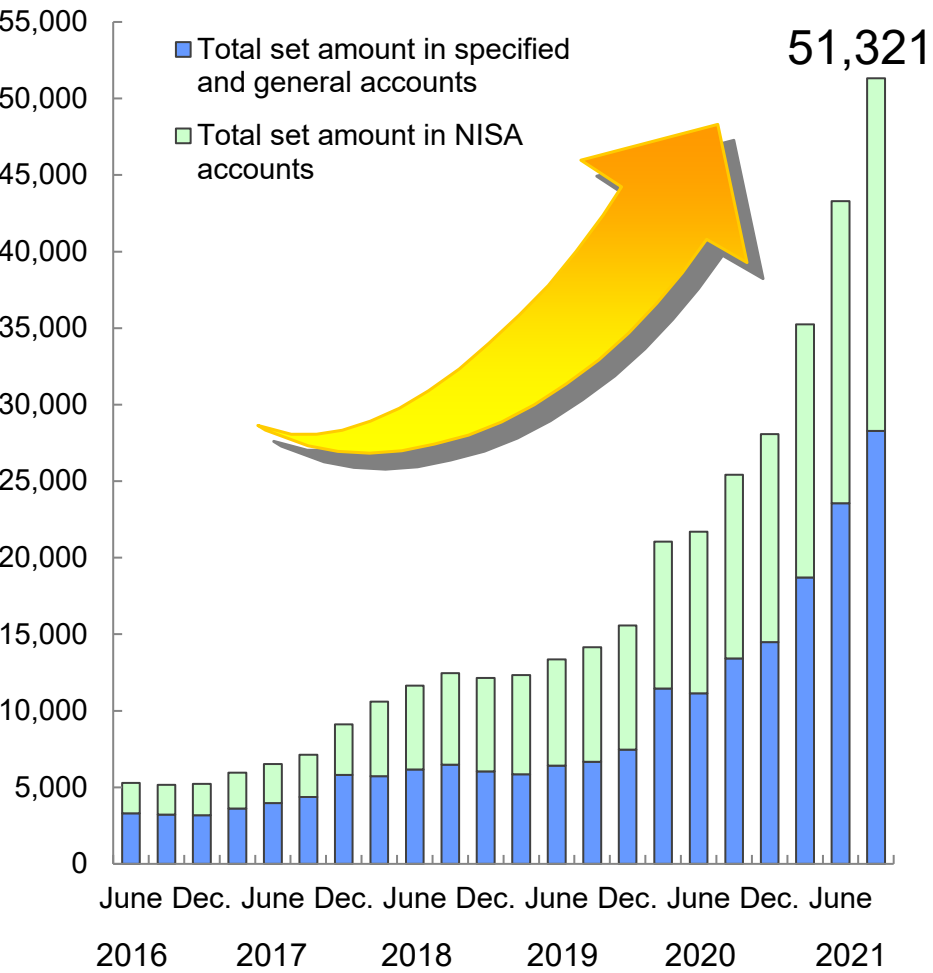
② Strengthen non-flow businesses



Further Increase the Balance of Investment Trusts through Purchases Using Shared Points and Accumulation services by Credit Card

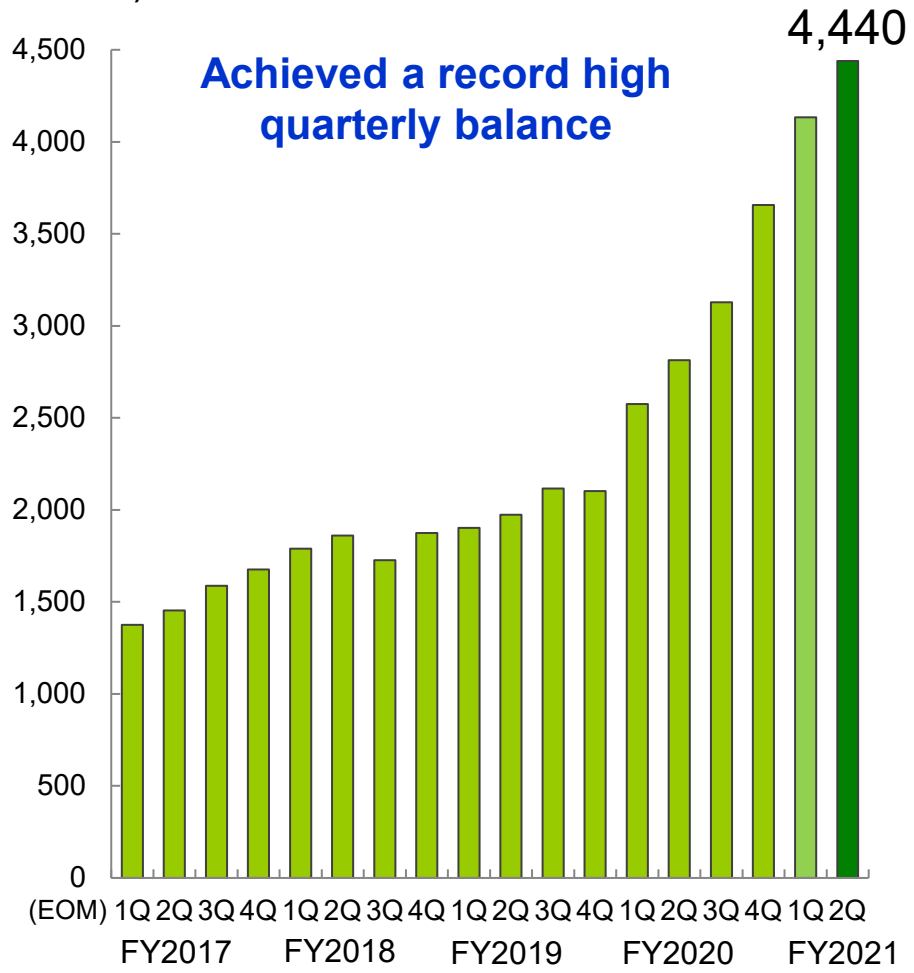
Month-end (upper limit) balance of
regular contribution investment trusts

(JPY
million)



Investment trust balance*

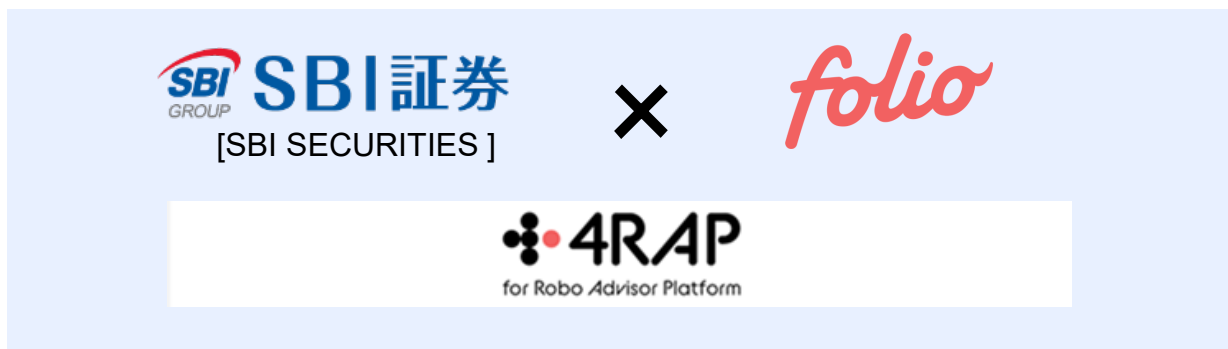
(JPY
billion)



*Figures for balance of investment trusts include domestic and overseas ETFs and foreign currency-denominated MMFs

Made FOLIO a Consolidated Subsidiary, a Provider of Infrastructure System for Thematic Investment and Wrap Management

- In Aug. 2021, SBI Group **acquired shares of FOLIO Holdings**, Inc. the parent company of FOLIO Corporation, which provides the discretionary management platform system "4RAP" for thematic investment and wrap management, etc., and made it a consolidated subsidiary of SBI Group (added under the Financial Service Business segment)
- In Sept. 2021, SBI SECURITIES introduced "4RAP" system and **plans to start offering "SBI Wrap (tentative name)"**, a fund wrap system that allows customers to purchase from small amounts, **in Mar. 2022**. Target further expansion customer base by expanding the products lineup
- In addition, currently considering the development of FOLIO's products and services to financial institutions and business corporation that the SBI Group is strengthening alliances with, as well as to foster an investment mindset with customers both inside and outside the SBI Group through the strengthen partnership with FOLIO



Strengthen Underwriting of Secondaries and Increase the Number of Lead Managers while Maintaining a High Share of Underwriting Involvement

Underwriting share of 100% is an industry leading figure

- Between Apr. 2021 through Sept. 30, 2021, SBI SECURITIES underwrote **9 companies**

IPO Underwriting Ranking (Apr. 2021–Sept. 2021)

60 companies were listed during the period

Company Name	No. of cases	Underwriting Share (%)
SBI	60	100
Nikko	42	70.0
Rakuten	38	63.3
Mizuho	37	61.7
Nomura	35	58.3
Iwai Cosmo	23	38.3
Matsui	23	38.3

PO underwriting business

The number of underwriting cases in 1H FY2021 increased **3 times** YoY

Corporate bond underwriting business

Underwrote **23** corporate bonds in 1H FY2021, including that of Softbank



Focus on underwriting new public bonds, including electric bonds

* The above IPOs represent issues underwritten in Japan only and do not include additional secondary offerings or overseas issues.

* The data was compiled by SBIH based on each company's published information.

FX and Digital Asset-Related Business in the First Half of FY 2021

FX Business Financial Results for 1H FY2021 (IFRS)

(Simple sum of figures for SBI Liquidity Market and SBIFXTRADE)

(JPY million)

	1H FY2020 (Apr. 2020~Sept. 2020)	1H FY2021 (Apr. 2021~Sept. 2021)	YoY (%)
Profit before income tax expense	5,192	6,689	+28.8

Digital asset-related business Financial Results for 1H FY2021 (IFRS)

(Simple sum of figures for SBI VC Trade, TaoTao, B2C2, etc. included in the Financial Services Business segment)

(JPY million)

	1H FY2020 (Apr. 2020~Sept. 2020)	1H FY2021 (Apr. 2021~Sept. 2021)	YoY (%)
Profit before income tax expense	4,913	4,986	+1.5

Initiatives to Strengthen the Digital Asset Business (i)

Expanding the Lineup of Digital Assets

- **Newly listed Polkadot (DOT) and Chainlink (LINK)** on the VCTRADE Pro exchange on September 16, 2021
- On the same day, **newly listed Bitcoin Cash (BCH) and Litecoin (LTC), in addition to the two currencies added to VCTRADE Pro mentioned above** at the OTC sales counter VC TRADE

Currencies that can be traded on VCTRADE and VC TRADE Pro



BTC



ETH



XRP



BCH



LTC



DOT



LINK

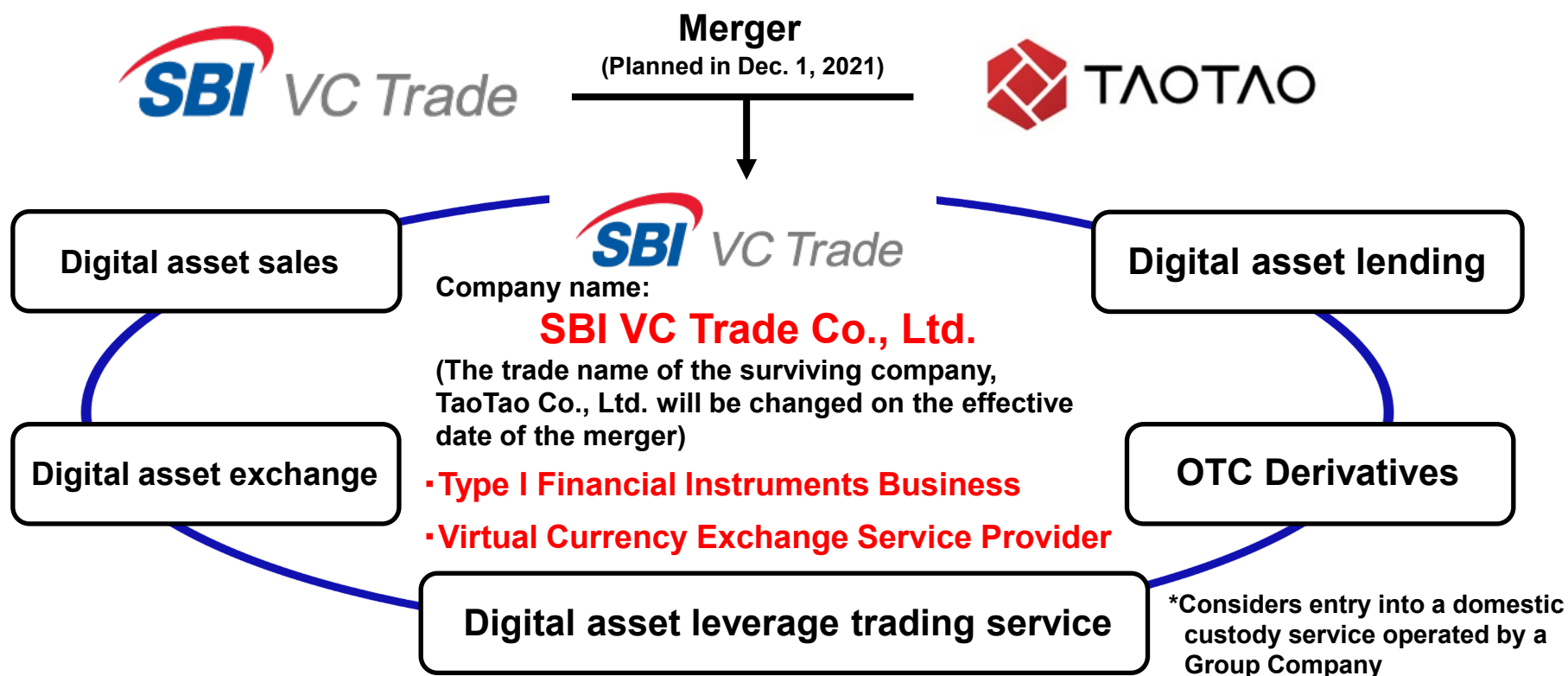
●What is Polkadot (DOT)

A token used in the Polkadot network that seeks to create a fully decentralized web by connecting different blockchains. The token has a role as a "Governance Token" in which holders can participate in the decision-making process of the overall Polygon network

●What is Chainlink (LINK)

The Chainlink network is a network that connects the blockchain to external data such as finance, remittance, company database, etc. The LINK token is used to facilitate the Chainlink network

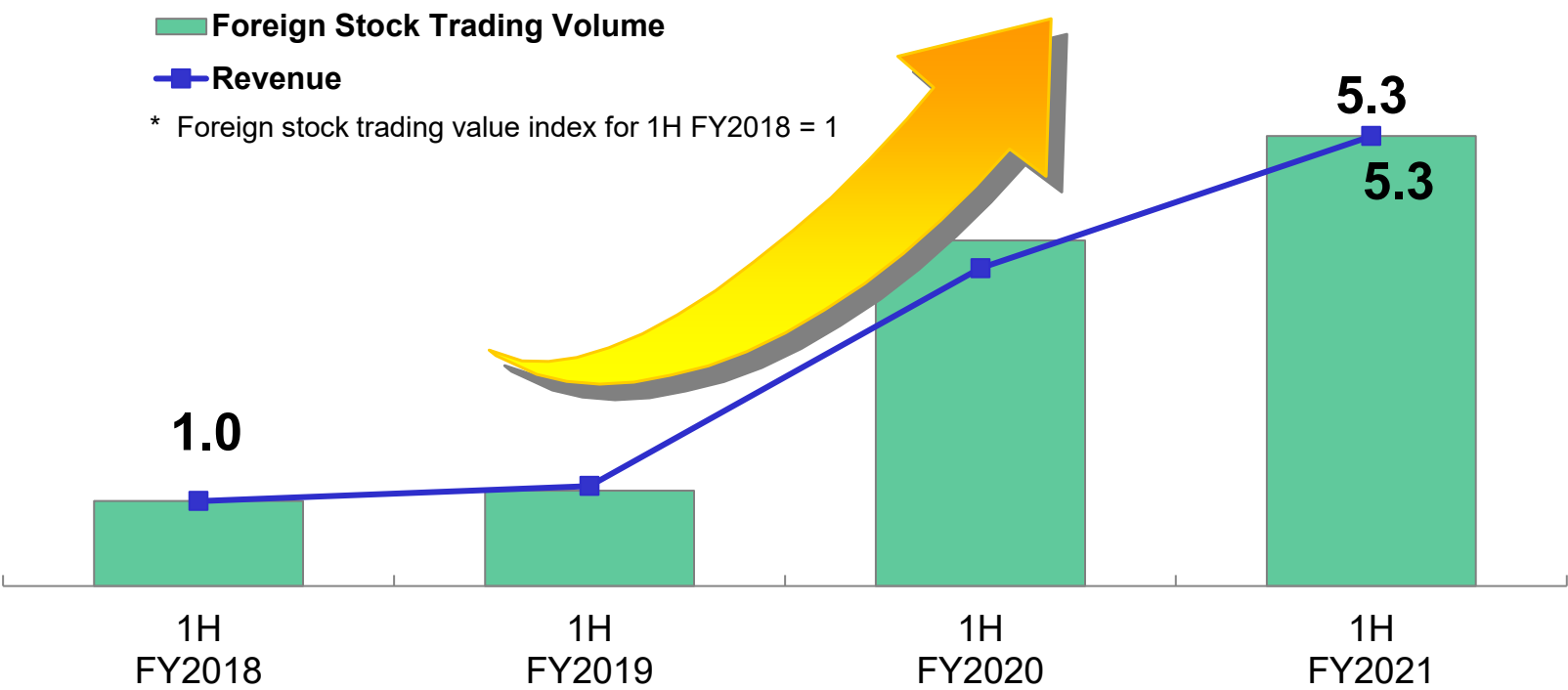
Initiatives to Strengthen the Digital Asset Business (ii) Merging SBI VC Trade and TaoTao to Improve Business Efficiency and Increase Revenue



The integration of the services provided by the two companies provides a full lineup of services, including physical trading of digital assets and OTC derivatives

New services planned for release after the merger

SBI SECURITIES Foreign Stock Trading Value and Revenue Trend



Expansion of Foreign Stock Trading, including the Launch of Margin Trading of U.S. Stocks Expected in 2022

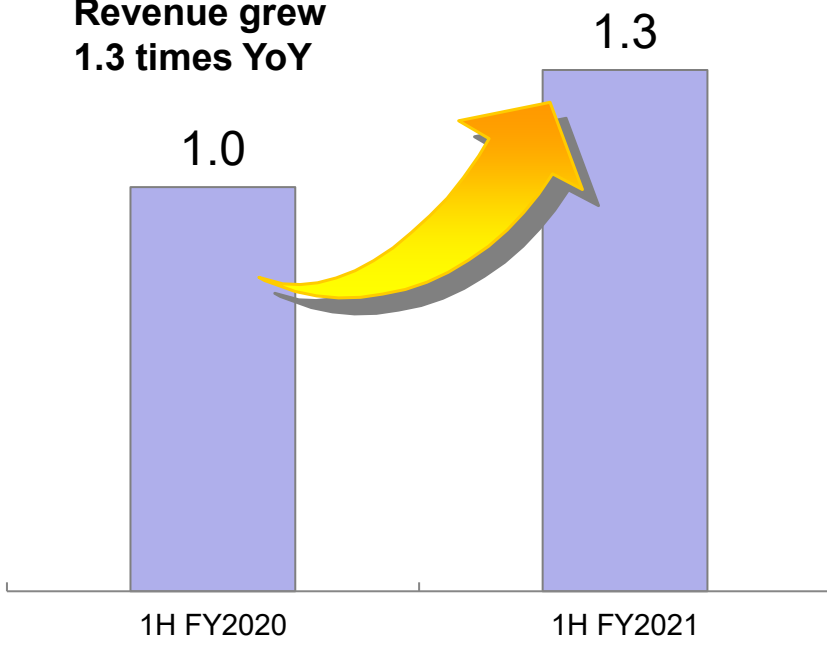
Strengthening SBI SECURITIES' IFA Business to Meet the Needs of Face-to-Face Customer Transactions

SBI SECURITIES' IFA Business Revenues

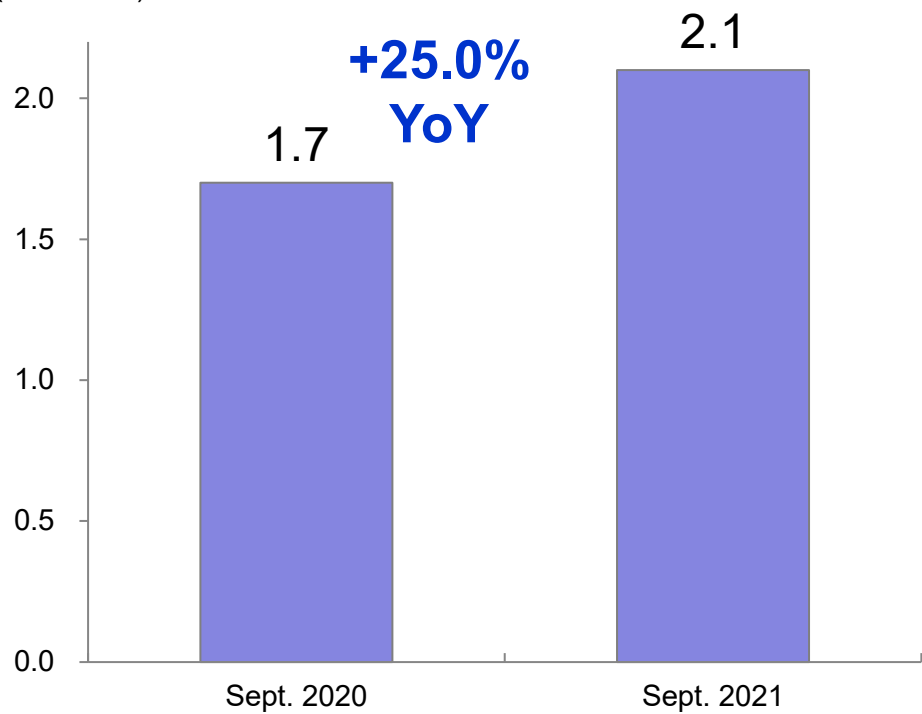
SBI SECURITIES' IFA Business' AUM Trend

* Revenue from IFA Business for 1H FY2020 as 1

Revenue grew 1.3 times YoY

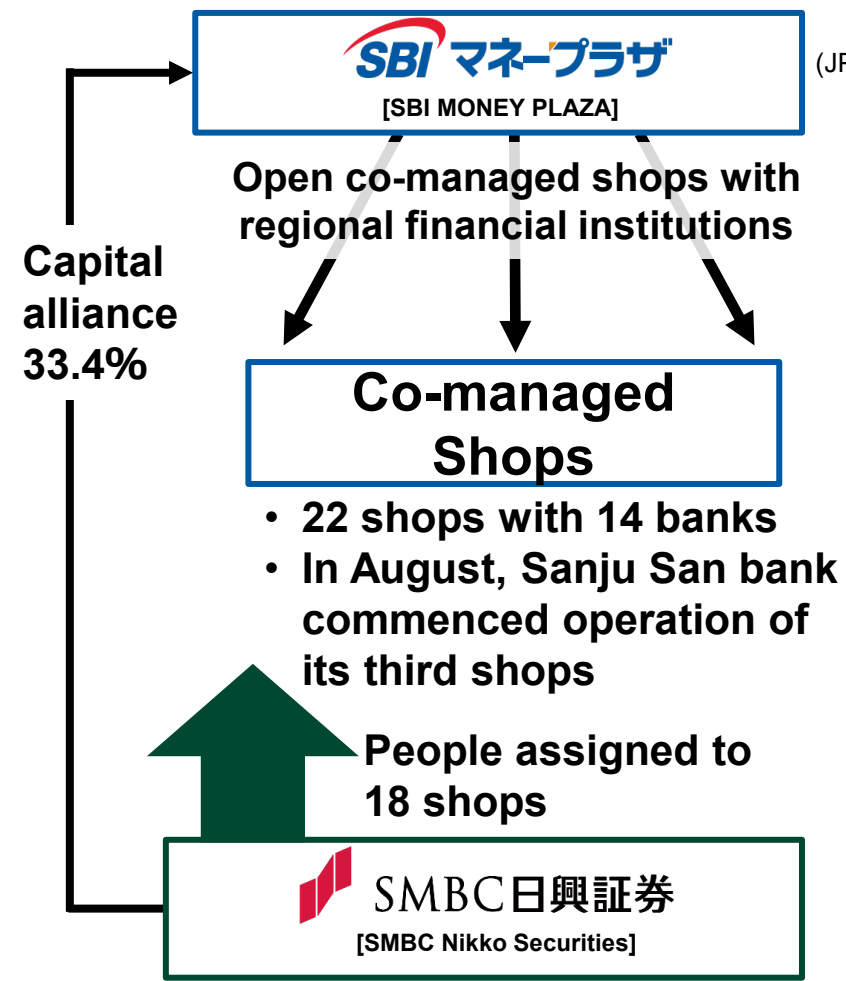


(JPY trillion)

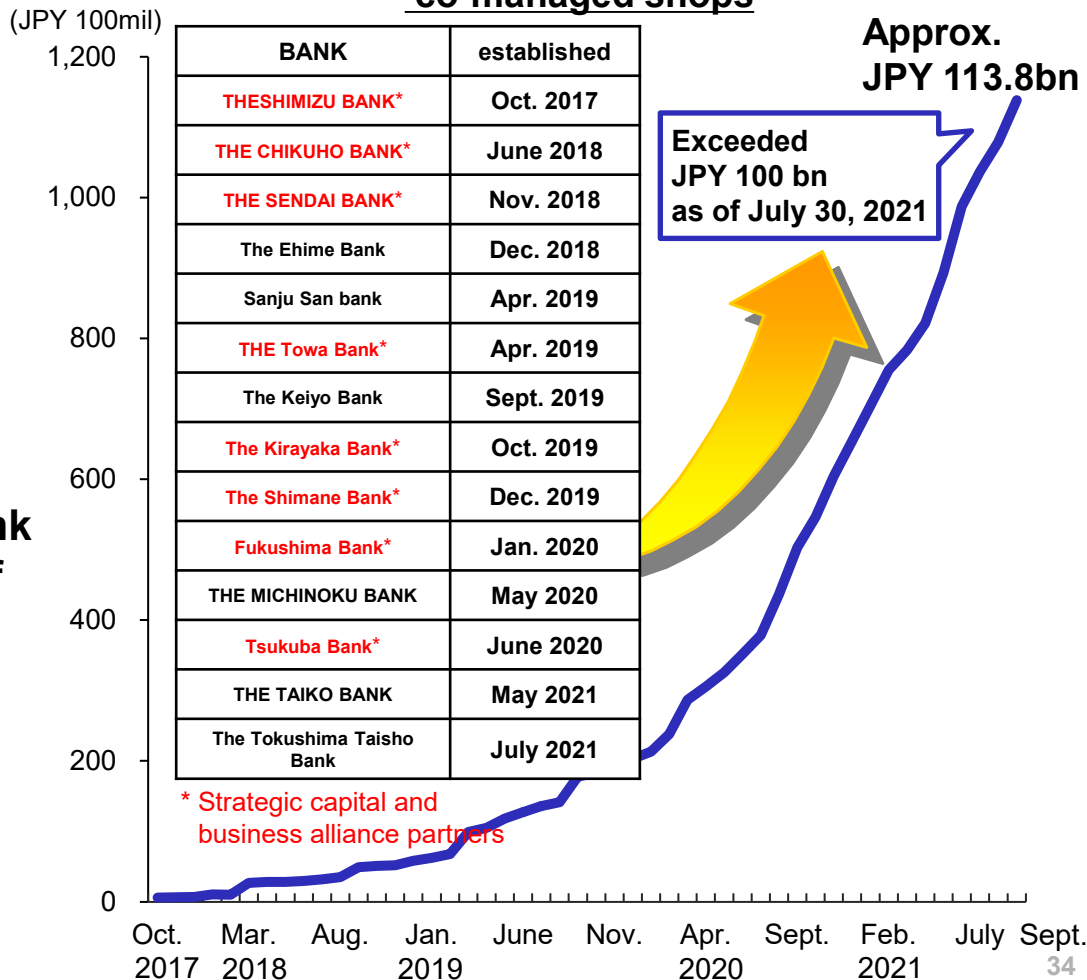


* SBI's IFA business includes SBI MONEY PLAZA

Number of Co-managed Shops, SBI MONEY PLAZA and Regional Financial Institutions Increased to 22 Shops with 14 Banks, and Human Resource Allocation, etc. was Made Through the Alliance with SMBC Nikko Securities



Changes in customers' Deposit assets at co-managed shops



Expanding Business into the Real Estate Finance Business Field to Diversify the Lineup of Financial Instruments

- In Dec. 2020, SBI Holdings acquired shares of **Ascot Corp.** (35.01% of voting rights), and as the first step of a business alliance in the real estate field, SBI MONEY PLAZA started selling to investors a real estate small-lot trust beneficiary interest fund that incorporate properties developed by Ascot in April 2021
- In June 2021, concluded a share transfer agreement (acquired 55.91% of total shares) with **Tozai Asset Management Co., Ltd.**, which manages and operates real estate assets. By acquiring Tozai Asset Management as a subsidiary, SBI Group endeavors to increase AUM and expand business into real estate funds such as private REITs

The SBI Group's real estate finance business

Development of high
quality real estate



ASCOT CORP.



Fund formation



Guidance to customers



2. Banking-related business (SBI Sumishin Net Bank)

(1) 1H FY2021 Consolidated Results

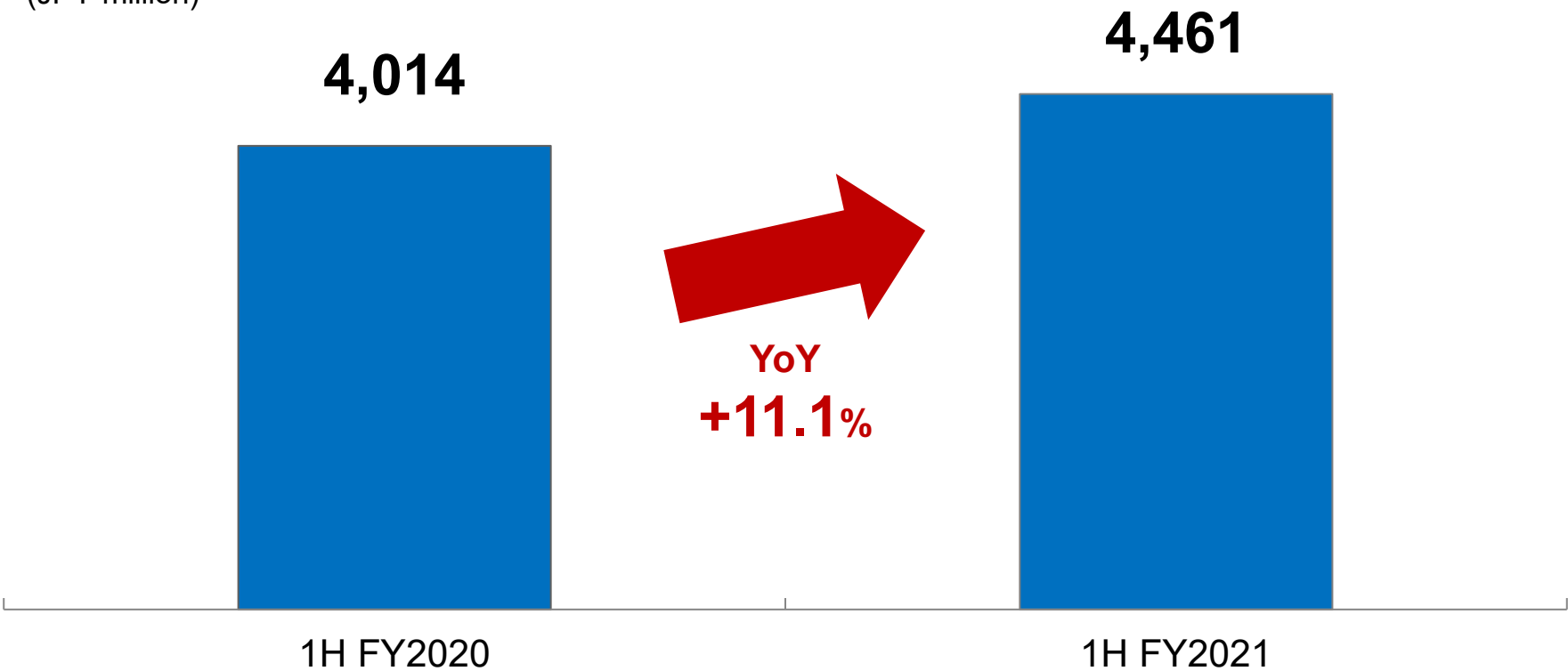
- **SBI Holdings' equity method earnings of SBI Sumishin Net Bank, based on IFRS for 1H FY2021, was JPY 4,461m, up 11.1% year-on-year, owing to the steady progress in housing loans and other factors**
- **Applied on October 8, 2021, to be listed on the Tokyo Stock Exchange**

After listing, SBI Sumishin Net Bank will operate their business with independence and strive for further growth

SBI Sumishin Net Bank's 1H FY2021 Results (Equity in earnings / IFRS)

SBI Holdings' equity in earnings of SBI Sumishin Net Bank based on IFRS for 1H FY2021 was JPY 4,461m, up 11.1% YoY

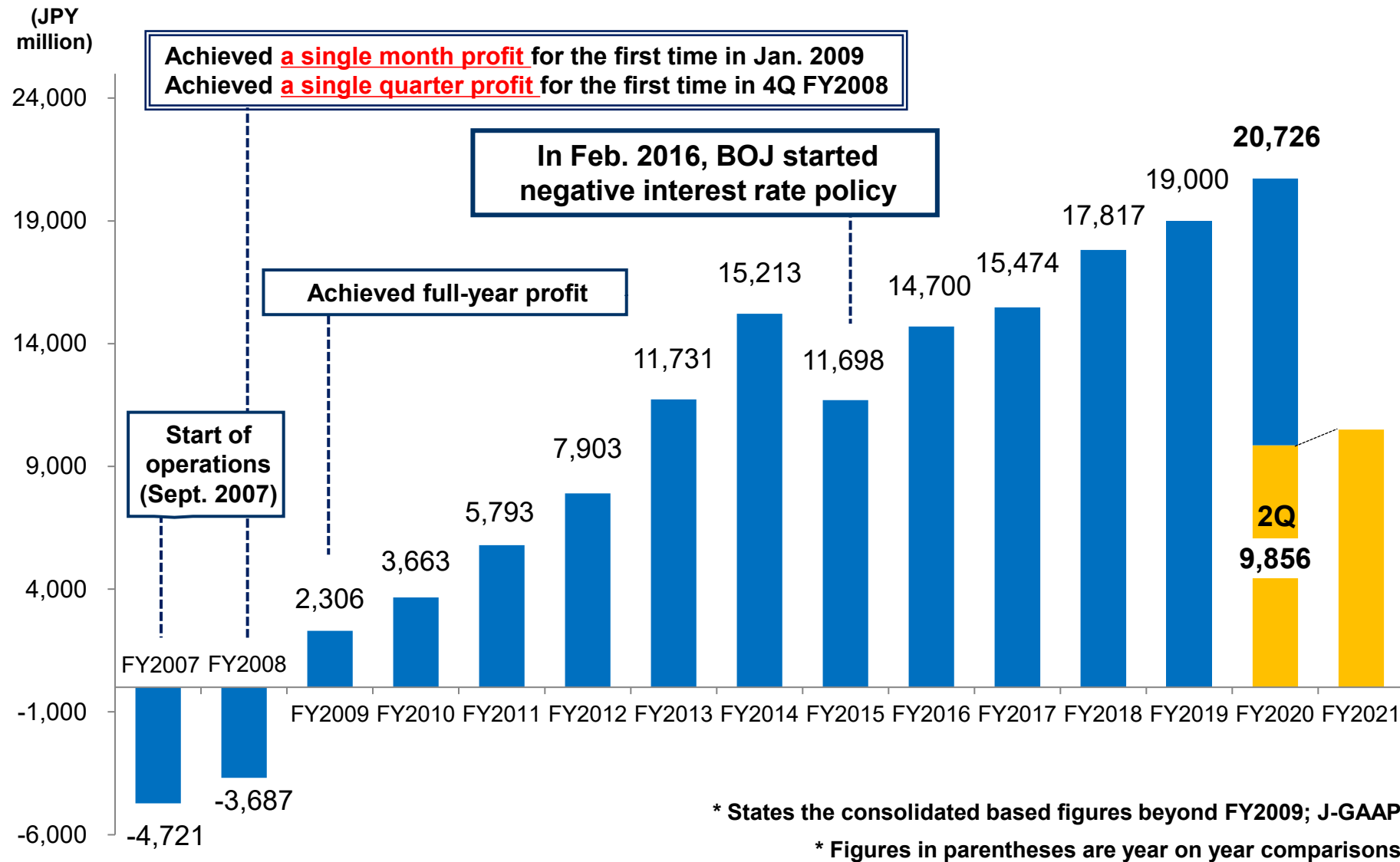
(JPY million)



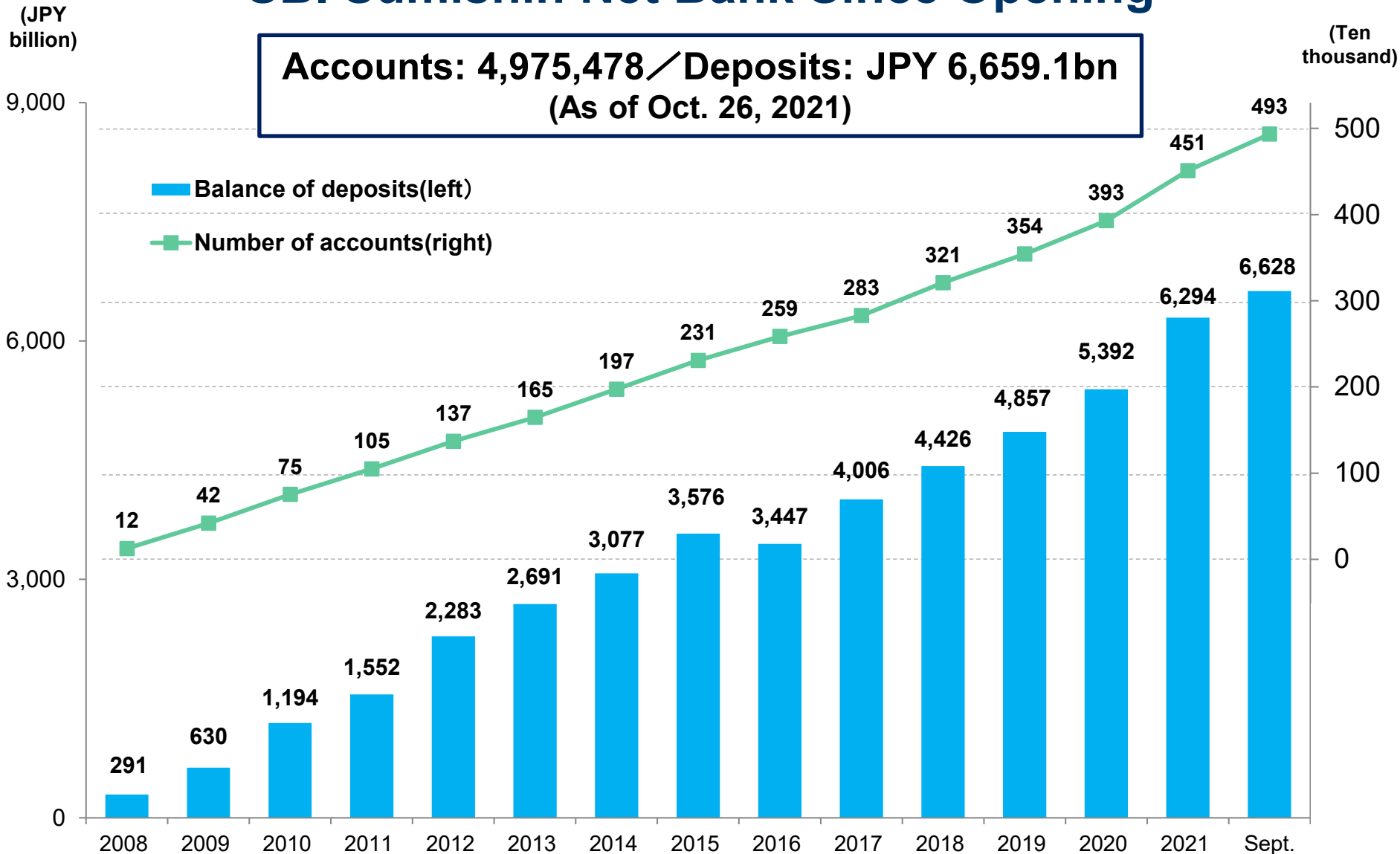
Note: Owing to the difference in IFRS and J-GAAP for asset assessment criteria, the figures differ from that disclosed based on J-GAAP. SSNB has adopted J-GAAP

Change in SBI Sumishin Net Bank's Ordinary Income (J-GAAP) After Start of Operations

-Financial results announcement for 1H FY2021 scheduled for Nov. 11-



Number of Accounts and Balance of Deposits at SBI Sumishin Net Bank Since Opening



* All figures are as at the end of March
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The Balance of Deposits of SBI Sumishin Net Bank Ranked 17th Among 74 Banks, which Includes Regional Banks and New Entrant Banks

Ranking by deposits
(Regional Banks, New Entrant Banks and Pure-play Internet Banks)

(JPY billion)
(*As of the end of Mar. 2021.
unconsolidated financial
results)

* Change in deposit balance from of the end of Mar. 2020

Rank	Bank name	Deposits	Change※
1	Bank of Yokohama	16,240.4	1,606.4
2	Chiba Bank	14,104.5	1,315.6
3	BANK OF FUKUOKA	12,420.8	1,493.1
4	Shizuoka Bank	11,152.0	1,096.8
5	Joyo Bank	9,705.6	732.4
6	Nishi-Nippon City Bank	9,075.5	783.9
7	Hiroshima Bank	8,368.4	826.8
8	77 Bank	8,327.2	740.7
9	Daishi Hokuetsu Bank	8,223.5	-
10	Bank of Kyoto	7,996.1	872.6
11	Gunma Bank	7,752.8	702.6
12	Hachijuni Bank	7,670.8	681.6
13	Chugoku Bank	7,511.4	799.7
14	Kansai Mirai Bank	7,412.4	383.3
15	Hokuriku Bank	7,277.1	627.8

Rank	Bank name	Deposits	Change
16	Ashikaga Bank	6,551.9	738.5
17	SBI Sumishin Net Bank	6,293.9	901.6
18	Shinsei Bank	6,212.8	217.8
19	Juroku Bank	6,089.8	464.1
20	Iyo Bank	5,983.2	717.5
21	Toho Bank	5,790.8	467.2
22	Rakuten Bank	5,765.5	2,189.9
23	Ogaki Kyoritsu Bank	5,543.1	396.2
24	Hokkaido Bank	5,465.1	542.1
25	Nanto Bank	5,452.7	410.5
26	Senshu Ikeda Bank	5,420.4	412.7
27	Shiga Bank	5,404.0	512.8
28	Hyakugo Bank	5,388.0	437.1
29	Yamaguchi Bank	5,350.1	364.4
30	The Juhachi-Shinwa Bank	5,255.8	-

Rank	Bank name	Deposits	Change
31	Higo Bank	5,050.6	470.5
32	Kiraboshi Bank	4,990.5	340.9
33	Musashino Bank	4,591.7	376.7
34	Kagoshima Bank	4,471.3	483.5
35	San-in Godo Bank	4,452.3	524.5
36	Hyakujushi Bank	4,447.7	376.0
37	Kiyo Bank	4,423.2	435.6
38	Daiwa Next Bank	4,410.3	448.0
39	Hokkoku Bank	3,976.5	335.0
40	Aozora Bank	3,821.1	542.4

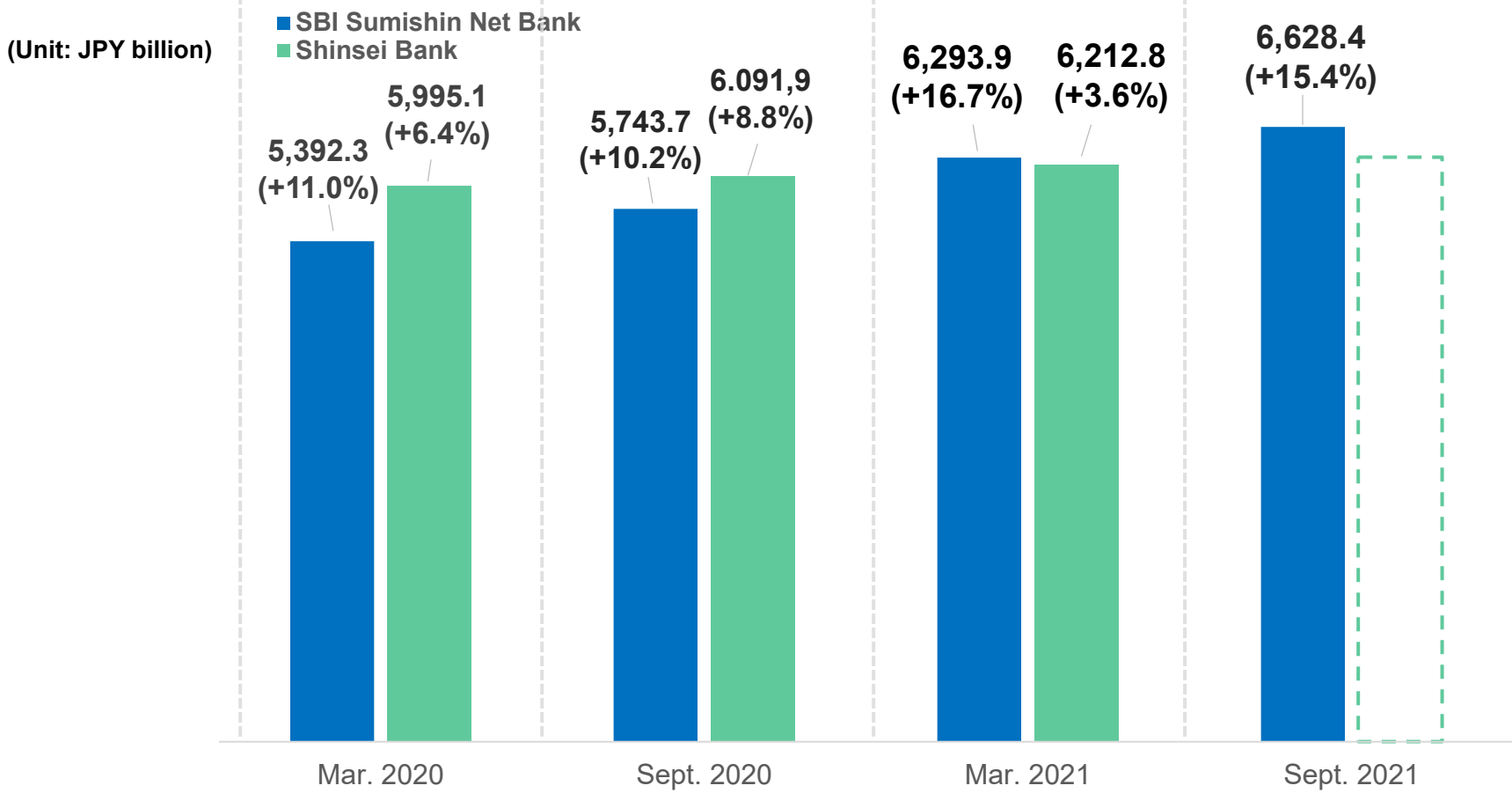
* Amounts are rounded to the nearest JPY 100 million
* Source: Compiled by SBIH from the presentation materials of the National Local Banks Association and websites of each company

**SBI Sumishin Net Bank has
JPY 6,628.4bn in deposits
as of Sept. 30, 2021**

[Reference] Comparison of Deposit Balances Between SBI Sumishin Net Bank and Shinsei Bank

Ranking by deposits (Regional Banks, New Entrant Banks and Pure-play Internet Banks)

SBI Sumishin Net Bank	18	18	17	-
Shinsei Bank	16	16	18	-



* Figures in brackets are growth rates from the same month last year

(2) SBI Sumishin Net Bank's Initiatives for the sustainable growth

- **Mortgage business**
- **The "Neo-bank Initiatives"**

About the Neo-bank Initiatives:

Customers using business services of partner companies also have access to ancillary banking functions from SBI Sumishin Net Bank. SBI Sumishin Net Bank works with partner companies to create a framework by which services can be used both smoothly and seamlessly

Change in Balance of Housing Loans (End of Mar. 2008 – End of Sept. 2021)

(JPY billion)



[Reference]Shinsei Bank
(The end of Mar. 2021)

1,135

SBI Sumishin Net Bank is seeking to grow further as a challenger bank, including the acquisition of Yuryo Loan on April 1, 2021, a company with a proven track record in handling "Flat 35 (purchase type)" loans

The "Neo-bank Initiatives":

The "Neo-bank Initiatives", Promoted in Partnership with Major Business Corporations, is Finally on a Growth Trajectory and Accelerating the Expansion of its Customer Base


<Concrete examples of the "Neo-bank Initiatives">



Establishment of a joint venture with JAL. Various banking services are available such as a multi-currency prepaid card "JAL Global WALLET" and banking service "JAL NEOBANK"

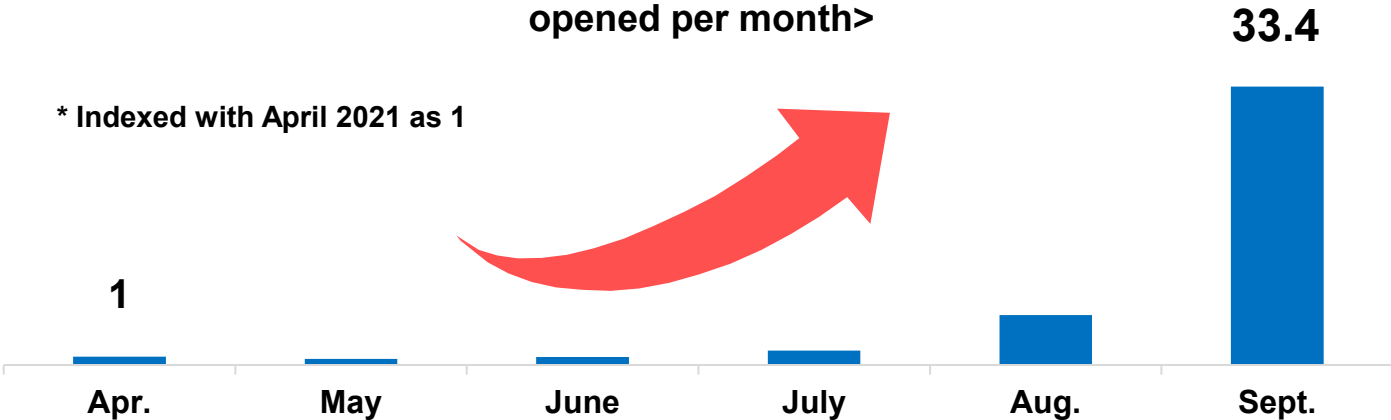


In partnership with T Money, we offer "T NEOBANK", a banking service with a highly convenient UI/UX and the ability to earn T Points for every transaction



In partnership with Yamada Finance Service Co., Ltd., we offer "Yamada NEOBANK", which is linked to the Yamada Point Service and has members-only mortgages

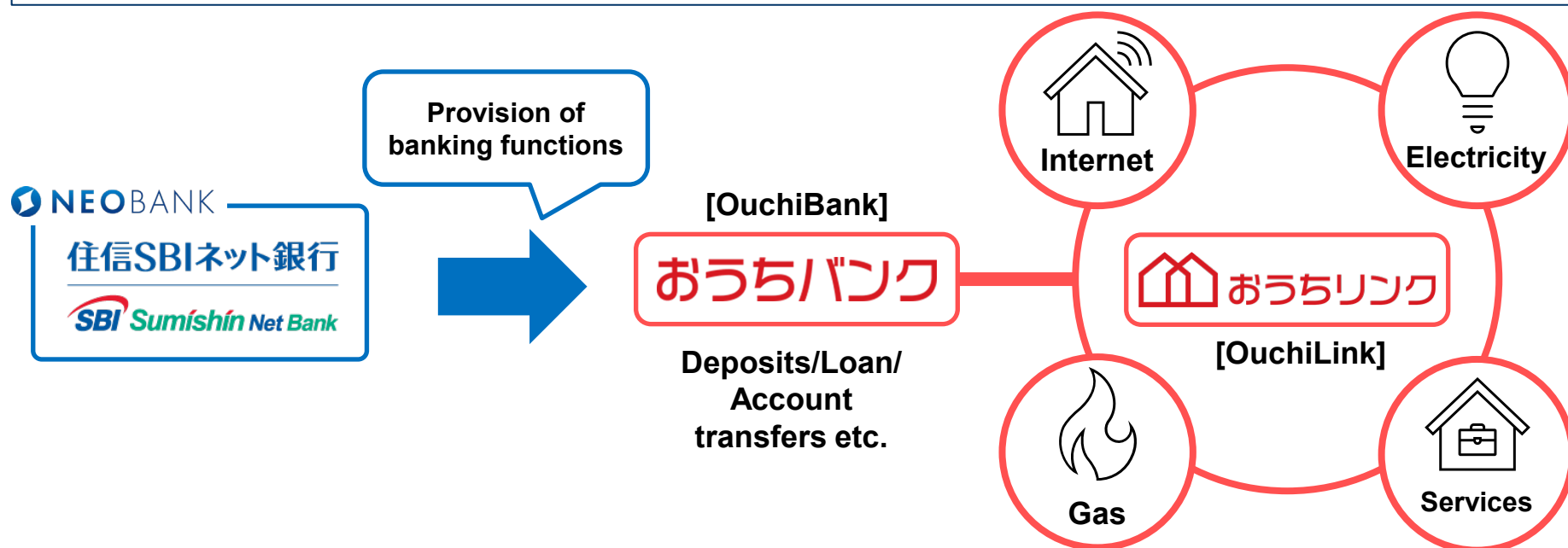
<Number of NEOBANK accounts opened per month>



The Fourth Project in the "Neo-bank Initiative": Support the Open House Group to Enter the Financial Business



- Banking service provided by OuchiLink Co., Ltd. utilizing cutting-edge IT technology of SBI Sumishin Net Bank
- In addition to being able to open an account on the "OuchiLink" app provided by OuchiLink, customers can **use convenient banking services provided by SBI Sumishin Net Bank**, such as foreign currency deposits and loan products
- In addition to an increase in the return-rate of "OuchiLink Points" that can be earned when using the "OuchiLink" service, customers can visualize their household finances by linking with a household budgeting application



3. Insurance-related business (SBI Insurance Group)

(1) Results for 1H FY2021

SBI Insurance Group's consolidated ordinary revenue for 1H FY2021 (preliminary figures on a J-GAAP basis*), increased 7.8% YoY to JPY43,806m, and consolidated ordinary profit increased 51.4% YoY to JPY 3,307m, and profit attributable to parent of the Company increased 49.3% YoY to JPY1,154m, reflecting a steady increase in the Group's total number of in-force contracts

*** Final consolidated figures for 1H FY2021 to be released on Nov. 10**

SBI Insurance Group's Performance (Preliminary Figures)

* Final consolidated figures for 1H FY2021 to be released on Nov. 10

Consolidated Results for 1H FY2021 (J-GAAP)

(Unit: JPY million)

	1H FY2020 (Result) (Apr. – Sept. 2020)	1H FY2021 (Preliminary) (Apr. – Sept. 2021)	YoY % change
Ordinary revenue	40,626	43,806	+7.8
Ordinary profit	2,184	3,307	+51.4
Profit attributable to parent of the Company	773	1,154	+49.3

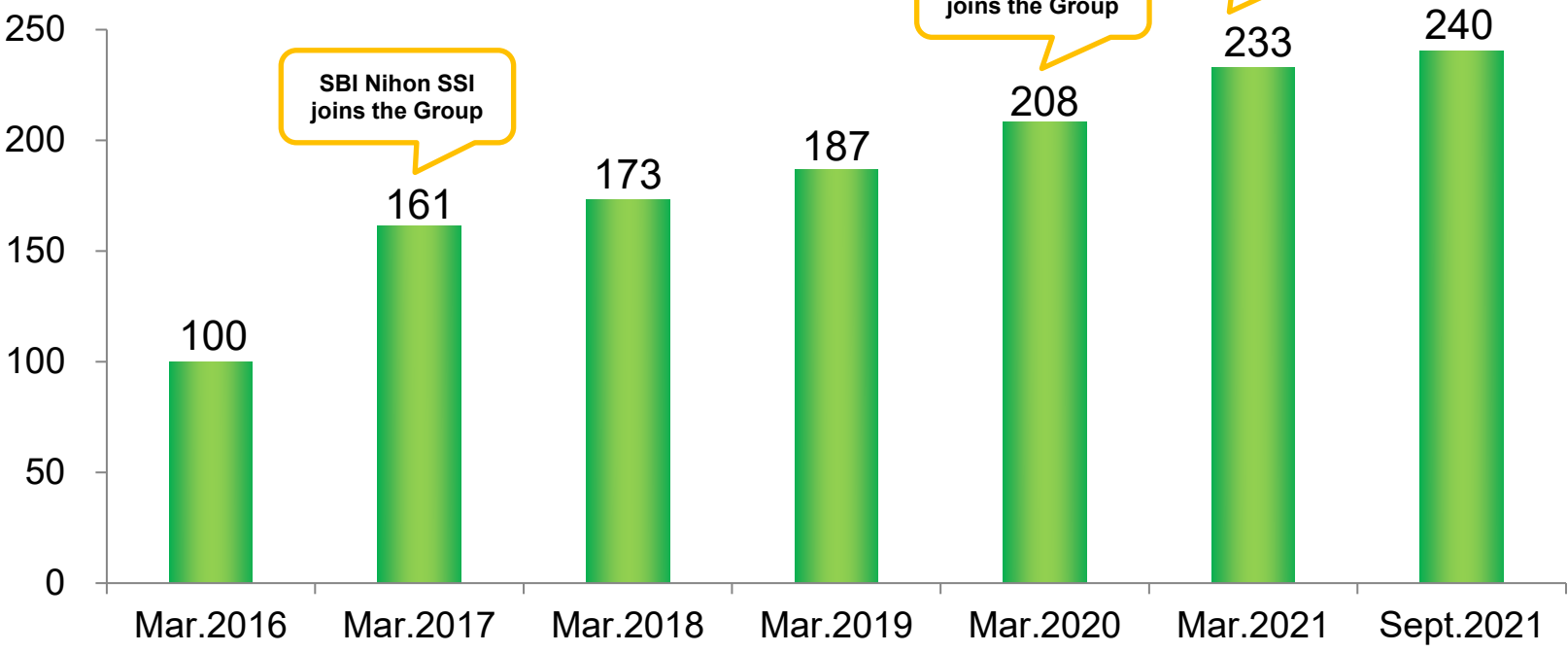
SBI Insurance Group's Total Number of In-Force Contracts Steadily Increased

SBI Insurance Group's total number of in-force contracts

CAGR **15.8%**

(Mar. 2016 to Sept. 2021)

(10 thousands)



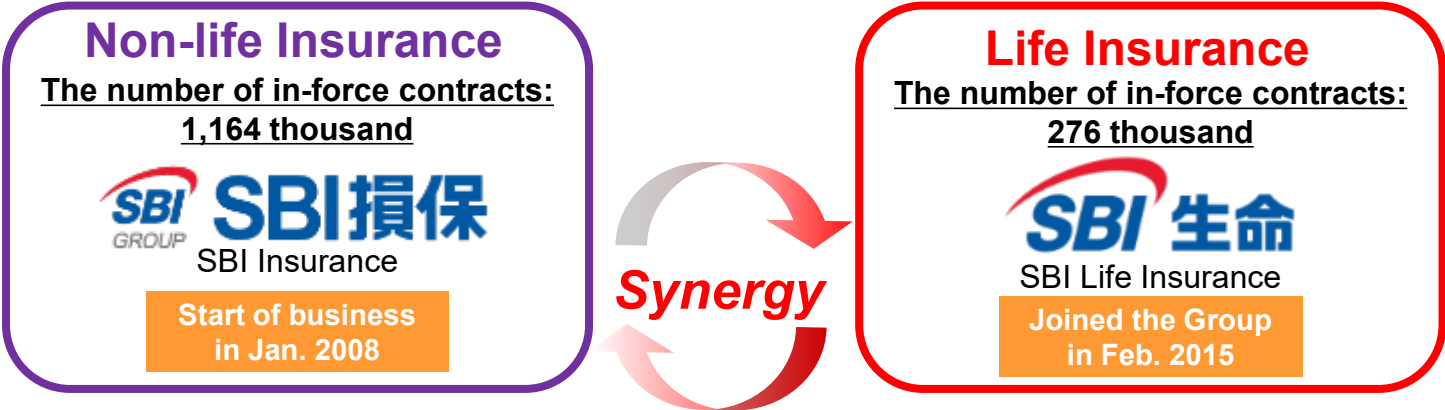
* In July 2020, the company name was changed from "JAPAN ANIMAL CLUB"

(2) Efforts to Achieve Sustainable Growth in Insurance-related Businesses

- ① Further expansion of small-amount short-term insurance business through an aggressive M&A strategy**
- ② Establishing a new system to improve operational efficiency and expand the customer base**
- ③ Further improve operational efficiency and customer convenience by promoting InsurTech**

- ① Further expansion of small-amount short-term insurance business through an aggressive M&A strategy**

Small-Amount Short-Term Insurance Providers Acquired Through M&A Have a Wide Range of Products from Life and Non-Life Insurance to Third Market, which Allows SBI Insurance Group to Have an Expansive Strategy



SBI Insurance Group's Small-Amount Short-Term Insurance Providers Have a Presence in Various Fields

“Ranking of companies with high premium revenue in small-amount short-term insurance 【By three main fields】 Overall strongest company is that group in internet finance” DIAMOND online (Oct. 20, 2021)

<u>Small-amount short-term insurance "home furnishings" premium revenue ranking</u>	<u>Small-amount short-term insurance "life and medical" premium revenue ranking</u>	<u>Small-amount short-term insurance "Expenses and others" premium revenue ranking</u>
<div>2nd place</div> <div> 日本少短 SBI Nihon SSI</div>	<div>1st place</div> <div> いきいき少短 SBI IKIIKI SSI</div>	<div>2nd place</div> <div> リスタ少短 SBI Resta SSI</div>

"NEW Good Insurance, Bad Insurance 2021 Edition" Tokuma Shoten (2020)

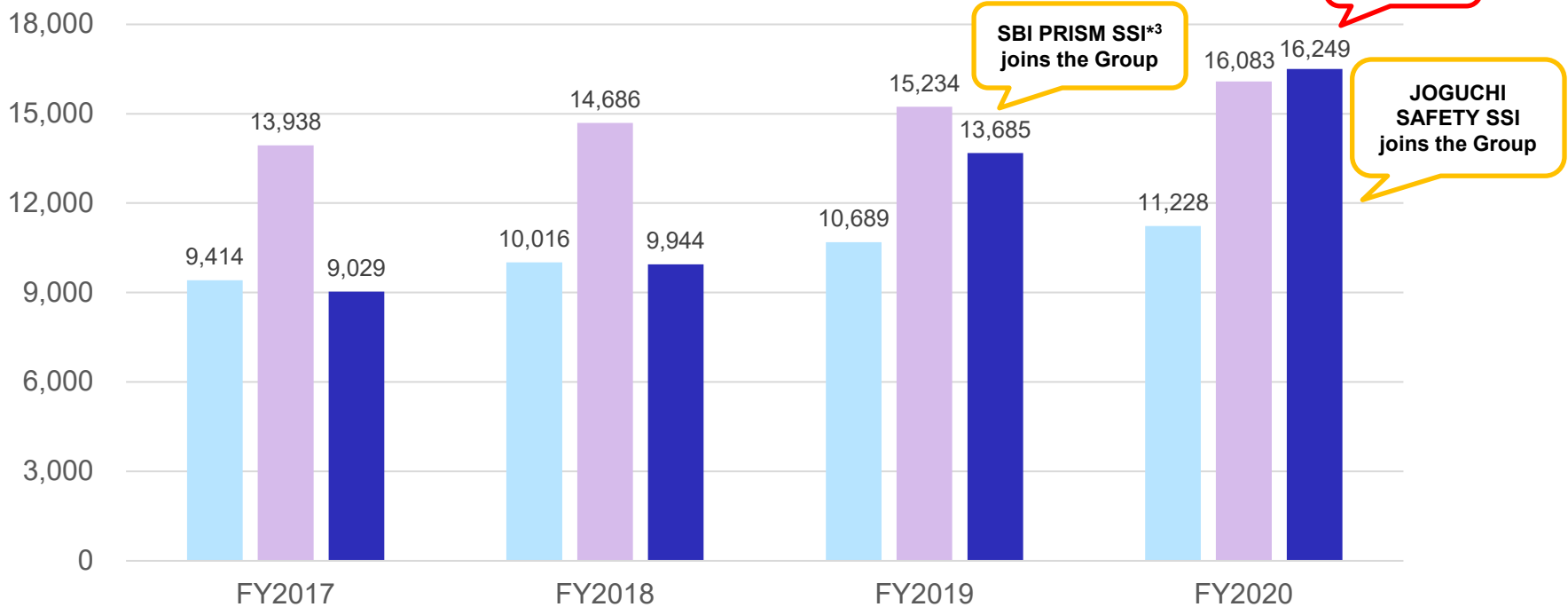
<u>Best small-amount short-term insurance ranking</u>	<u>Best pet insurance ranking</u>
<div>1st place</div> <div>SBI IKIIKI SSI Earthquake Insurance</div> <div> いきいき少短の地震の保険 地震被災からの再スタート費用保険</div>	<div>2nd place</div> <div>SBI IKIIKI SSI Pet Insurance</div> <div>ペットの病気やケガに備える保険</div> <div> いきいき少短のペット保険</div>



SBI Insurance Group's Small-Amount Short-Term Insurance Providers Achieves No. 1^{*2} Position in Total Premium Revenue^{*1}

Total premium revenue^{*1} trends by small-amount short-term insurance companies in the Group

(Unit: JPY million)



<div><div></div><div>SBI Insurance Group</div></div> <div>SBI IKIIKI SSI</div> <div>SBI Nihon SSI</div> <div>SBI Resta SSI</div>	<div><div></div><div>Zenkankyo Group</div></div> <div>SBI PRISM SSI</div> <div>JOGUCHI SAFETY SSI</div>	<div><div></div><div>Tokyo Marine Group</div></div> <div>Tokio Marine Millea SAST Insurance</div> <div>Tokio Marine West SAST Insurance</div>
	<div>Zenkankyo SSI</div> <div>Eternity SSI</div> <div>Net Life Fire SSI</div>	

^{*1} "Total premium revenue" for each corporate group is the simple sum of the premium revenue for each of the small-amount short-term insurance companies that comprise the corporate group as of the end of the fiscal year

^{*2} SBI Insurance Group survey

^{*3} In July 2020, company name was changed from "JAPAN ANIMAL CLUB"

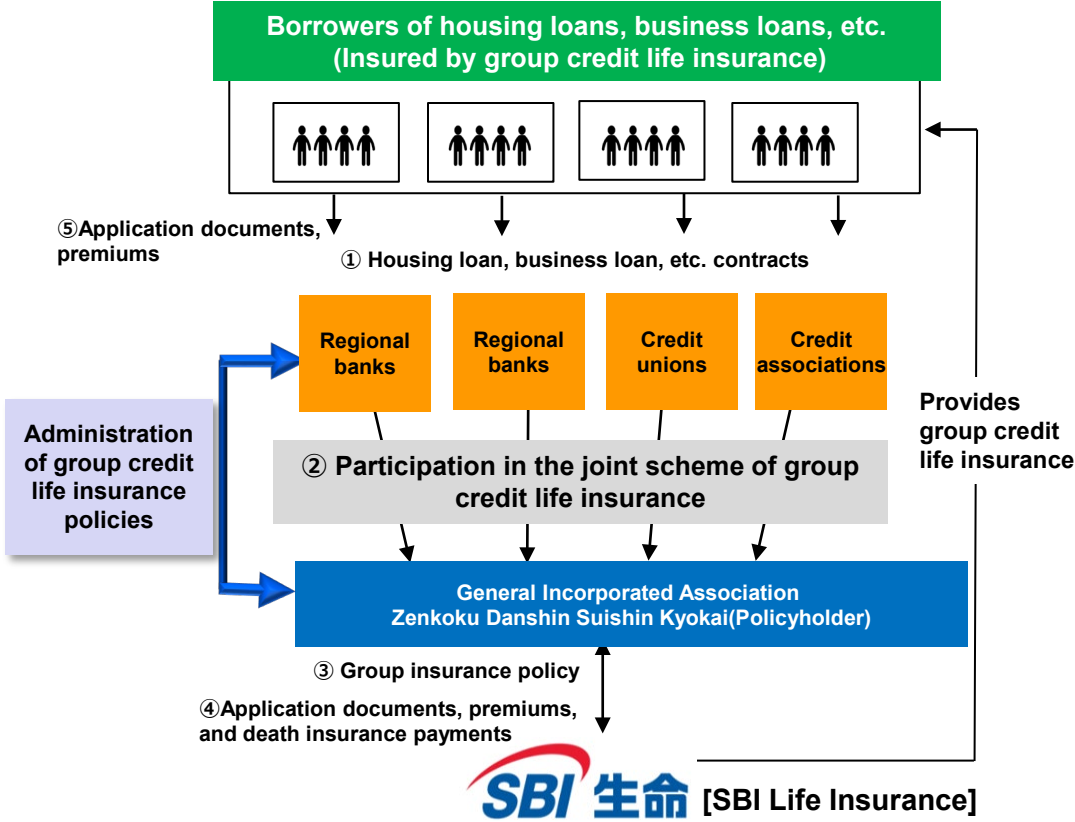
② Establishing a new system to improve operational efficiency and expand the customer base

SBI Life Insurance Endeavors for Efficient Business Operations Through Synergies by Providing Japan's First **Joint Scheme of Group Credit Life Insurance to Financial Institutions, Which Transcends the Boundaries of Business Categories and Regions**

- Provide regional financial institutions with **economies of scale on a nationwide scale regardless of business type**, by **maximizing the use of cloud and other technologies**
- Strive to **reduce the administrative burden on each financial institution** for a speedy, smooth, and low-cost administrative system

General Incorporated Association Zenkoku Danshin Suishin Kyokai, established by Shimane Bank and SBI Life Insurance, launched a joint group insurance business on January 1, 2021. Two banks, Fukushima Bank and THE SENDAI BANK, also participated.

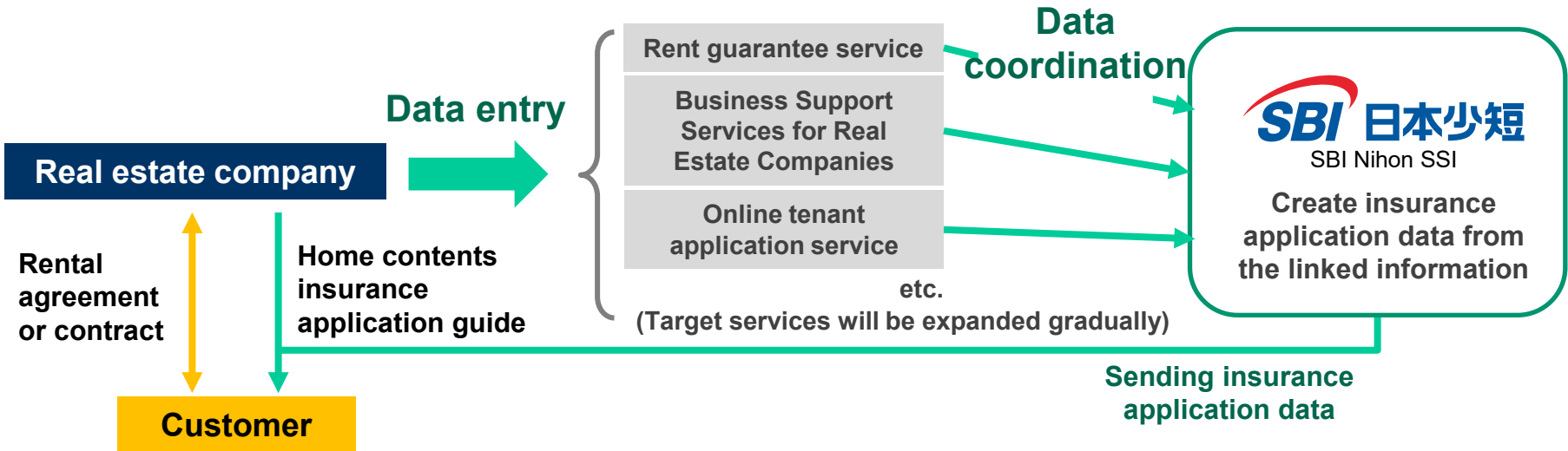
Diagram of the joint scheme of group credit life insurance



Six regional banks, 13 shinkin banks, and eight credit unions have joined the association, bringing the total number of member financial institutions to 27

Linking SBI Nihon SSI's Insurance Application System with a Real Estate Company's Application Management System

-Improving Customer Convenience and Real Estate Company Operational Efficiency, and Expanding the Customer Base-



① Improving customer convenience and real estate company business efficiency

→Of the information entered into each service, the information required for insurance applications is automatically linked*, enabling the creation of insurance application data **without having to separately enter duplicate information** *Only with the customer's consent

② Expansion of SBI Nihon SSI's customer base

→**Targeted services for system integration are gradually expanding**, and the customer base is also expanding

Simultaneous introduction of rent guarantee and insurance in cooperation with rent guarantee service for real estate management companies also started

**③ Further improve operational efficiency
and customer convenience by
promoting InsurTech**

SBI Insurance Group Companies Use DX to Further Improve Operational Efficiency and Customer Convenience



Major renewal of "Kashatto Speed Quote (Kashappi®)," a real-time quotation service for automobile insurance

- By taking a picture of the automobile insurance policy or renewal certificate with a smartphone or tablet, **Kashyappi can automatically read the information required for SBI Insurance's automobile insurance premium quotation and display the estimated premium**



- The number of insurers to be automatically read by AI has been **greatly expanded from four major domestic insurers to 15, including direct-type non-life insurers**
- It is now possible to estimate insurance premiums **by uploading PDFs or images of insurance policies**



Auto-response system for AI phone calls and RPA to **completely automate reissuance of life insurance premium deduction certificates**

- 24 hours a day, 7 days a week, with automatic voice reception**
- By using RPA for post-reception processing, **the entire process from reading the reception data to printing the certificate of deduction for life insurance premiums is completely automated**

Launched an audio premium forecasting service using Amazon Echo

- Launched a new service **to estimate insurance premiums by voice** using Alexa
- First in Japan** to use a voice recognition system to estimate life insurance premiums

4. Asset Management Business

(1) 1H FY2021 Performance Overview

- **Profit from sales and valuation profits of investees for 1H FY2021 achieved record-high profit of JPY 53.6bn**, owing to the rise in stock prices of certain the listed investee companies and large valuation gains due to significant increase in valuation per share among unlisted investee companies that raised new funds, in addition to sales profits arising from M&A conducted of investee companies, etc.
- SBI SAVINGS BANK of South Korea's profit before income tax expense (based on incorporation of IFRS by SBI Holdings) for 1H FY2021 achieved **record-high profit of JPY 18.4bn, up 32.3% year-on-year**
- Performance of the asset management business at Morningstar Japan has expanded steadily due to expanded amount of assets under management from local financial institutions

Asset Management Business'

1H FY2021 Performance Overview (IFRS)

(JPY billion)

	1H FY2020 ^{*1}	1H FY2021	YoY% change
Revenue	81.0	Record high^{*2} 149.6	+84.8
Profit before income tax expense	24.5	Record high^{*2} 78.6	+221.1
SBI SAVINGS BANK	13.9	Record high^{*2} 18.4	+32.3
Profit/loss from the change in fair value and profit/loss on sales of investment securities	15.4	Record high^{*2} 53.6	+248.1
<u>Listed Securities</u>	12.8	-7.2^{*3}	-
<u>Unlisted Securities</u>	2.6	60.8	+2,238.5

^{*1} Owing to Group company segmentation realignments, 1H FY2020 results were restated in accordance with the segmentation realignment

^{*2} Comparison with past 1H results ^{*3} Including valuation loss of JPY-14.2 billion by Shinsei Bank

[Reference: JAFCO's performance in 1H FY2021(J-GAAP)]

Revenue	9.5	18.4	+93.1
Operating profit	3.0	13.3	+345.2

【Profit/loss from the change in fair value and profit/loss on sales of investment securities in 2Q FY2021】

(IFRS, JPY billion)

	1H FY2020	1H FY2021	YoY% change
Profit/loss from the change in fair value and profit/loss on sales of investment securities	15.4	53.6	+248.1
<u>Listed Securities</u>	12.8	-7.2 (*1)	-
<u>Unlisted Securities</u>	2.6	60.8	+2238.5

	1Q	2Q
Profit/loss from the change in fair value and profit/loss on sales of investment securities	2.4	51.2
Listed Securities	-8.4 (*1)	1.2 (*2)
Unlisted Securities	10.8	50.0(*3)

*1: Including the valuation loss of JPY-14.2 billion by Shinsei Bank

*2: Shinsei Bank's fair value valuation is based, in accordance with international accounting, on the previous day's closing price to the day the takeover bid is decided. The financial impact in the second quarter was approximately JPY-0.2 billion

*3: The recording of valuation gains from Lancium and Drivewealth based in the United States and the gain on the sale of Paidy contributed significantly. On the other hand, while stock market volatility has also been amplified, unlisted stocks whose businesses have not progressed as expected recorded a conservative valuation loss of approximately JPY14 billion

① Private Equity (PE) Business

IPOs and M&As of the SBI Group Investee Companies

	Full-year FY2020	Full-year FY2021 prospects
IPO・M&A deals	22	34

During the fiscal year, 12 Companies were IPO'd

EXIT Date	Company	Market	EXIT Date	Company	Market
April 22, 2021	Visional, Inc.	TSE Mothers	July 13, 2021	Obigo, Inc.	KOSDAQ
May 26, 2021	Jeju Beer Company, Limited	KOSDAQ	July 27, 2021	Hurum Co., Ltd.	M&A (KOSDAQ SPAC)
June 1, 2021	SoFi Technologies Inc.	M&A (NASDAQ SPAC)	Aug. 18, 2021	AEye, Inc.	M&A (NASDAQ SPAC)
June 22, 2021	Perseus Proteomics Inc.	TSE Mothers	Sept. 29, 2021	SILICON2 Co., Ltd.	KOSDAQ
June 28, 2021	Confidence Inc.	TSE Mothers	Sept. 29, 2021	Project Company, Inc.	TSE Mothers
June 29, 2021	Waqoo, Inc.	TSE Mothers	Sept. 30, 2021	Asterisk Inc.	TSE Mothers

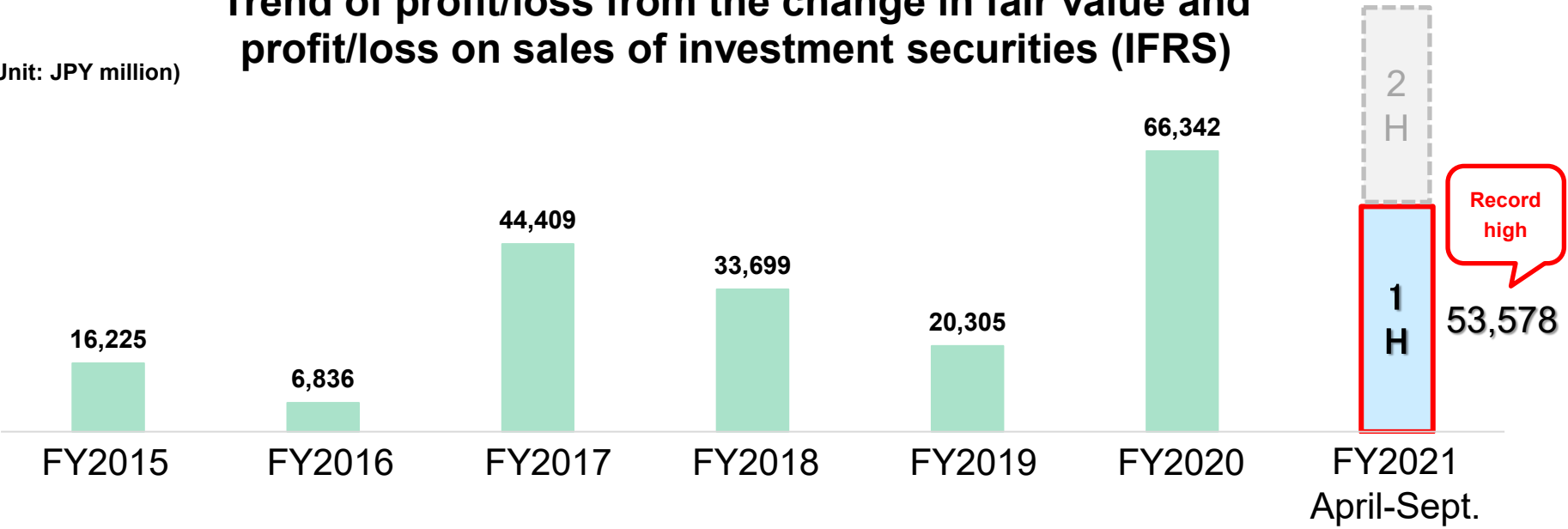
* When an investee company conducts a share exchange or a merger with a public company, it is described as "M&A."

*Subsidiary IPOs and M&As are also included

New Funds Established One After Another, with Recovery Proceeding Smoothly and Expected to Continue to Contribute to Favorable Financial Results

Trend of profit/loss from the change in fair value and profit/loss on sales of investment securities (IFRS)

(Unit: JPY million)



Fintech Fund

- Est. Dec. 2015
- Fund size: JPY 30bn

SBI AI&Blockchain Fund

- Est. Jan. 2018
- Fund size: JPY 60bn

SBI 4+5 Fund

- Est. April 2020
- Fund size: JPY 100bn

② Overseas financial service business

- **In the overseas financial services business, owing to contributions from the SBI SAVINGS BANK of South Korea and the TP Bank of Vietnam, among others, contributed significantly to raising the segment's profit, driven by the promotion of efficient management and the expansion of assets**
- **Based on the settlement of accounts for the fiscal year ending in December 2022 (K-GAPP), SBI SAVINGS BANK is expected to pay a dividend for the first time since its acquisition**

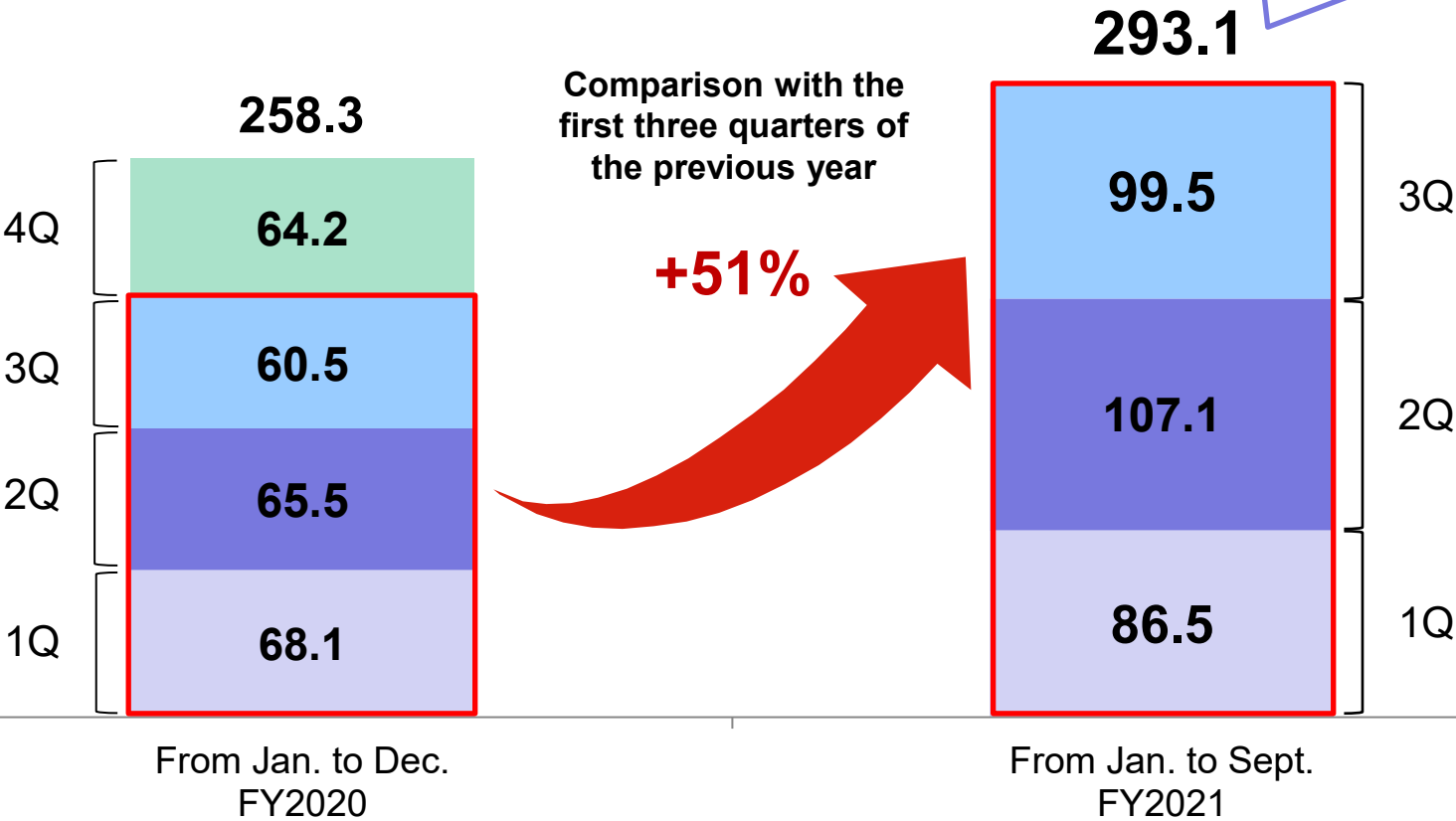
Net Income of SBI SAVINGS BANK

- Earnings are on track to surpass the previous year's record high -

<Jan. to Sept. 2021 / K-GAAP>

The 3Q (cumulative) was a record high, surpassing the previous full year's results

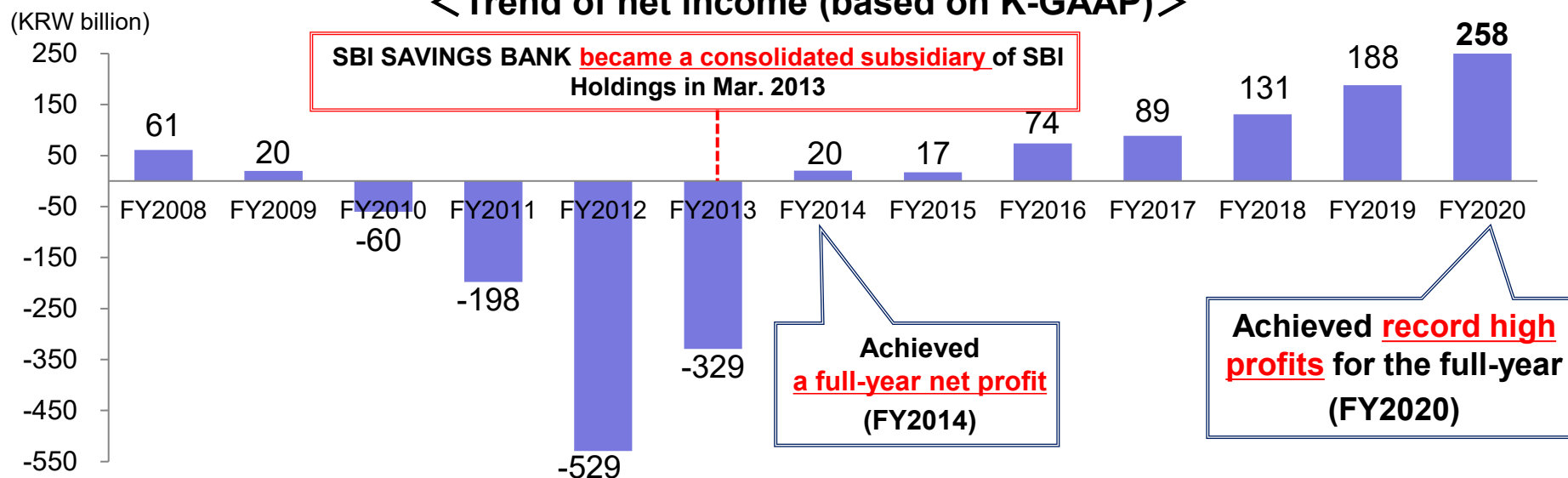
(KRW billion)



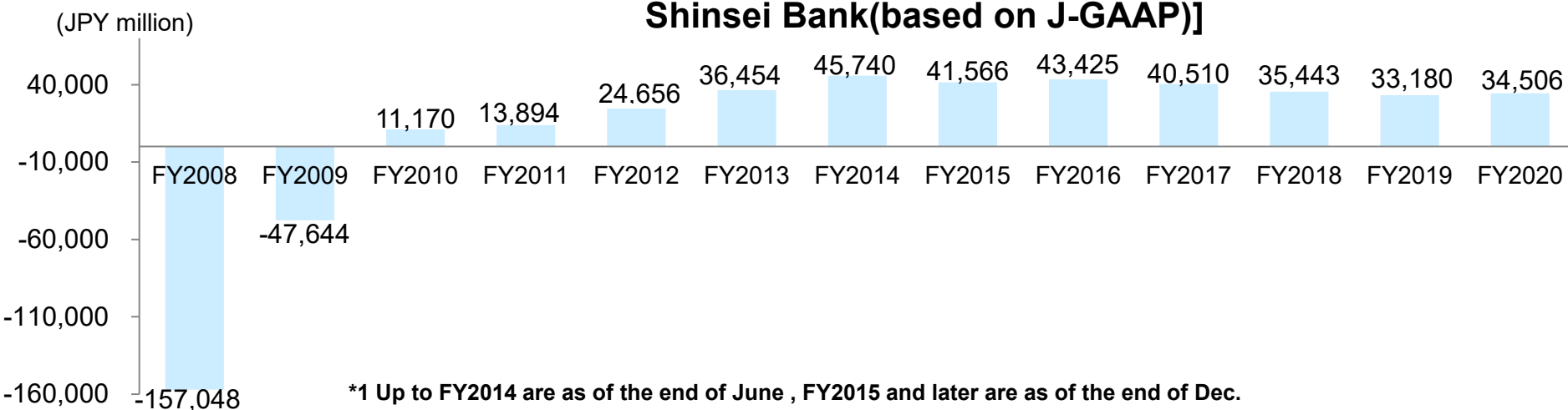
The rating of SBI SAVINGS BANK from 2 credit rating agencies in Korea (Korea Credit Rating and NICE Credit Rating) has been upgraded to **"A-" (Direction: "Positive")**

SBI SAVINGS BANK Achieved a V-shaped Recovery after Capital Investment

<Trend of net income (based on K-GAAP)>



[Reference : Trend of net income (non-consolidated basis) of Shinsei Bank(based on J-GAAP)]



*1 Up to FY2014 are as of the end of June , FY2015 and later are as of the end of Dec.

*2 As a result of the merger of SBI Group's savings banks at the end of Oct., figures before Oct. are assumed to have been merged

The Market Capitalization of TP Bank and FPT Securities has Increased Dramatically Due to the Rapid Development of Financial Businesses in Vietnam Under High Growth

~ Both companies recorded historical high profit ~



- Invested since Aug. 2009 (Investment ratio: 19.9%)
- Profit before tax at the end of Sept. 2021 (the third quarter) expected to exceed the JPY 28 bn plan for the current fiscal year
- As of Feb. 1, 2021, the stock became included in the "VN30," a major index of the top 30 stocks selected by the Ho Chi Minh Stock Exchange and based on market capitalization, liquidity, and other criteria

【TP Bank Market Cap】

FY2021	March	June	Sept.
Market Cap (JPY bn)	137.9	190.0	219.3



- Invested since April 2011 (Investment ratio : 19.9%)
- FPT, the largest IT company in Vietnam, is one of the top 10 medium-sized securities companies in Vietnam
- As of the end of Sept. 2021 (the third quarter), the profit before income tax expense was JPY 3.6 bn and achieved historical high
- Stock trading volume tripled from the previous year as stock markets became more active, and prices of securities stocks, including FPT Securities, soared. Brokerage business is at a record high pace

【Fpt Securities Market Cap】

FY2021	March	June	Sept.
Market Cap (JPY bn)	12.2	25.9	40.3

*1VND converted as JPY 0.004829

③ Asset Management Business

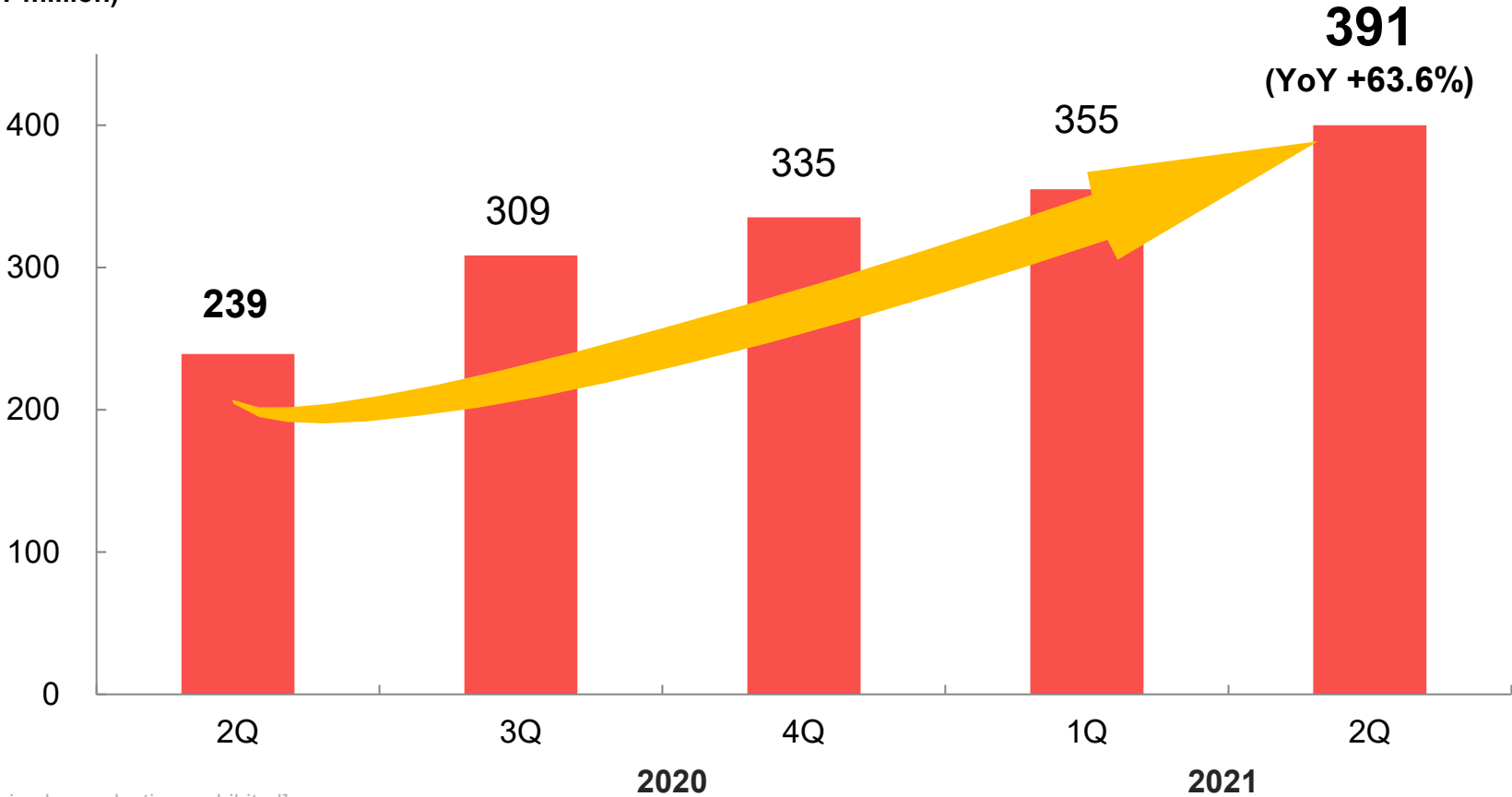
Performance of the asset management business at Morningstar Japan has expanded steadily due to expanded assets under management from regional financial institutions

Morningstar Japan's Asset Management Business has Expanded Steadily

- Significant contribution from expansion of investment contracts from regional financial institutions, etc.-

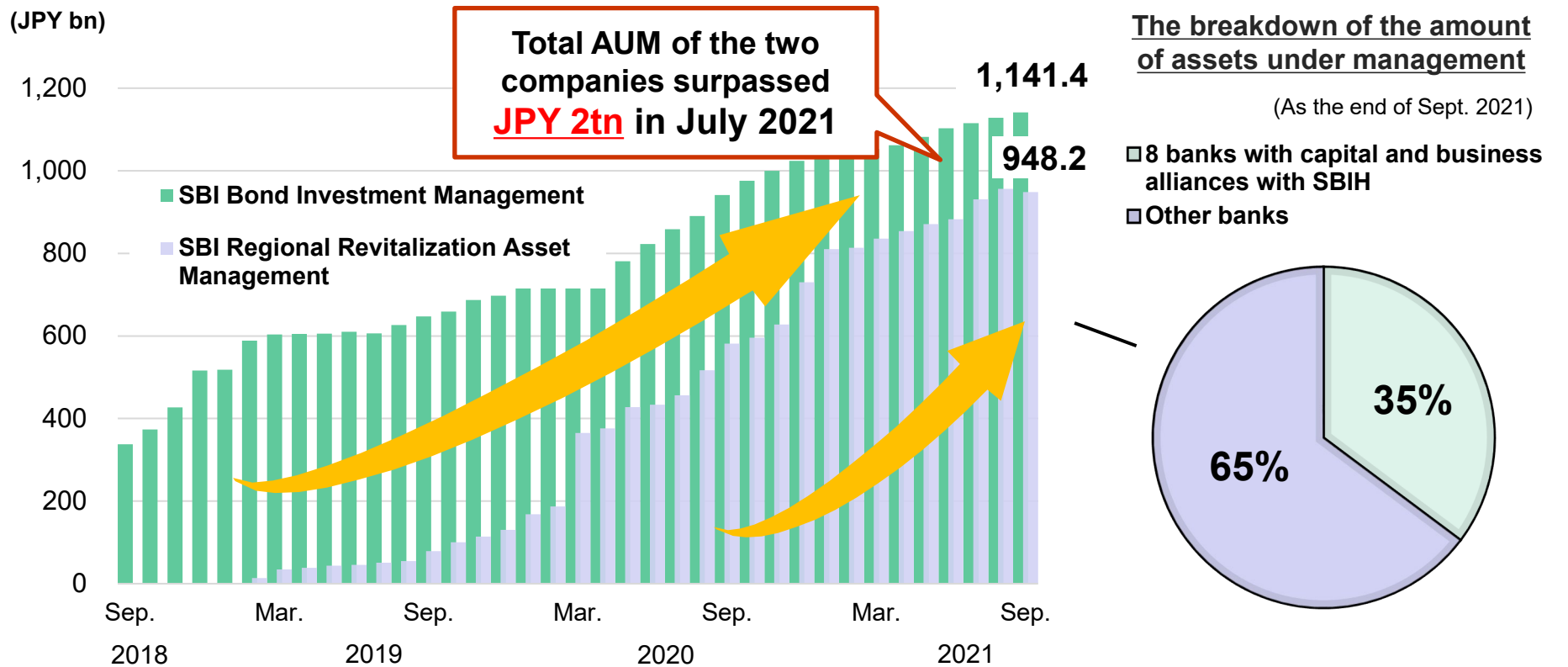
<Operating income in the AM business (Quarterly trends)>

(JPY million)



Balance of AUM from Regional Financial Institutions Surpassed JPY 2 Trillion

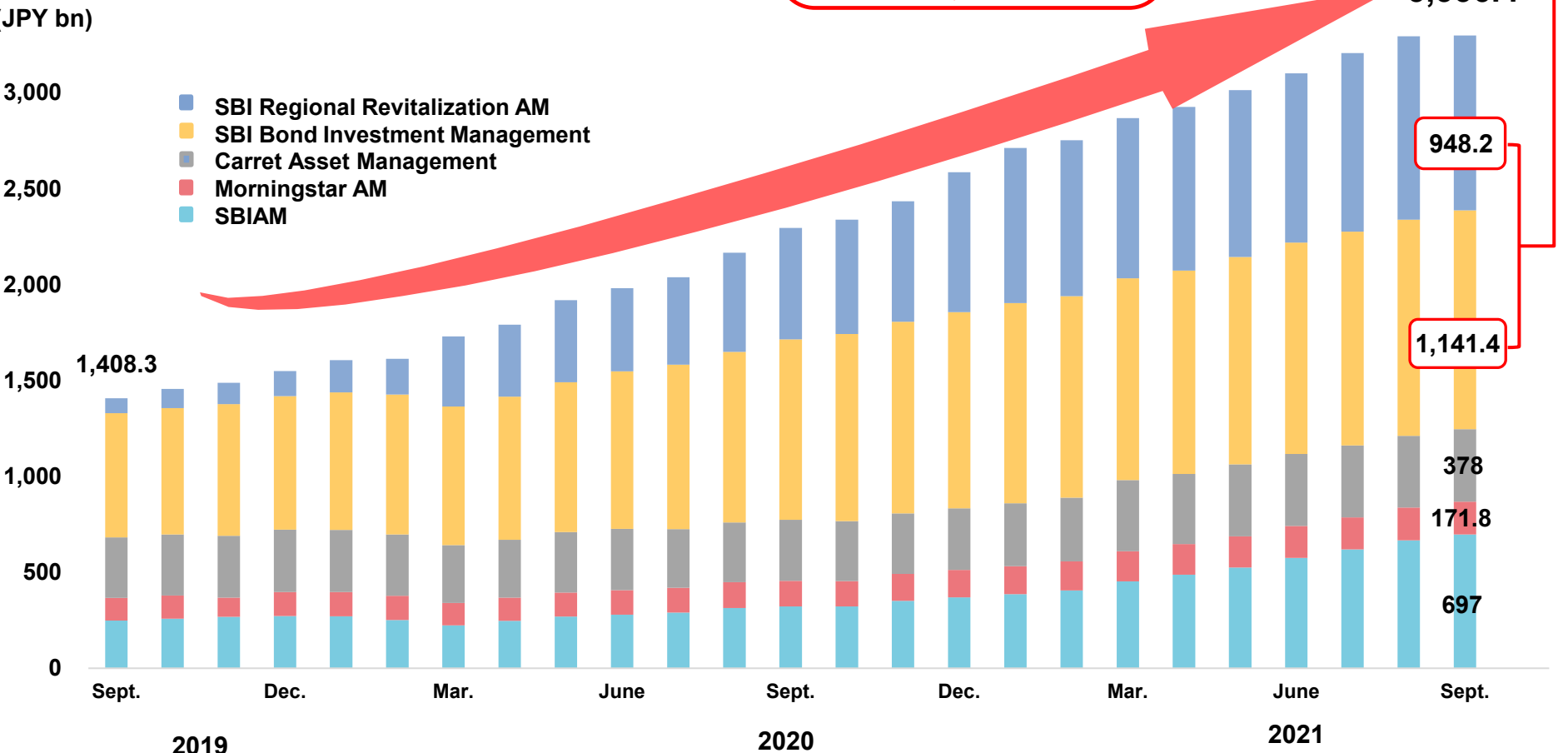
- **SBI Bond Investment Management** (co-founded with PIMCO, one of the world's largest bond investors) and **SBI Regional Revitalization Asset Management**, which is co-invested by 39 regional financial institutions, have consistently provided customized investment products for each client, mainly highly rated and highly liquid overseas bonds, at extremely low cost
- **SBI Regional Revitalization Asset Management** has been entrusted with managing JPY 948bn in assets. Real yields, which were previously negative, have improved substantially as a result of portfolio reevaluation



SBI Asset Management Group has Steadily Increased AUM

-Balance of investment assets exceeds JPY 3.3tn-

AUM from institutional investors, mainly regional financial institutions, is **JPY 2,089.6bn**



* Figures include investment advisory balance

(2) Efforts for sustainable growth in the Asset Management Business

- ① Private Equity (PE) business**
- ② Overseas financial services business**
- ③ Asset Management business**

① Private Equity (PE) business

- **Among the Investee companies, 12 companies were taken public via an IPO during the 1H FY2021; from 3Q onward, several other exits planned for other investee companies**
- **Active investment in emerging countries, including Asia, where potential growth is high, through joint fund management with leading overseas partners**

Among the Investee Companies, 12 Companies Were Taken Public via an IPO During the 1H FY2021; From 3Q Onward, Several Other Exits Planned for Other Investee Companies

~ In the future, large IPO stocks such as Ripple and R3 will be expected to continue to contribute to high levels of profits ~

[Planned IPOs and M&As of the SBI Group Investee Companies in FY2021]

1Q FY2021	2Q FY2021	3Q FY2021	4Q FY2021	FY2021
6	6	8	14	34

[Reference]

IPOs and M&As of the SBI Group Investee Companies in FY2020

1Q FY2020	2Q FY2020	3Q FY2020	4Q FY2020	FY2020
3	3	9	7	22

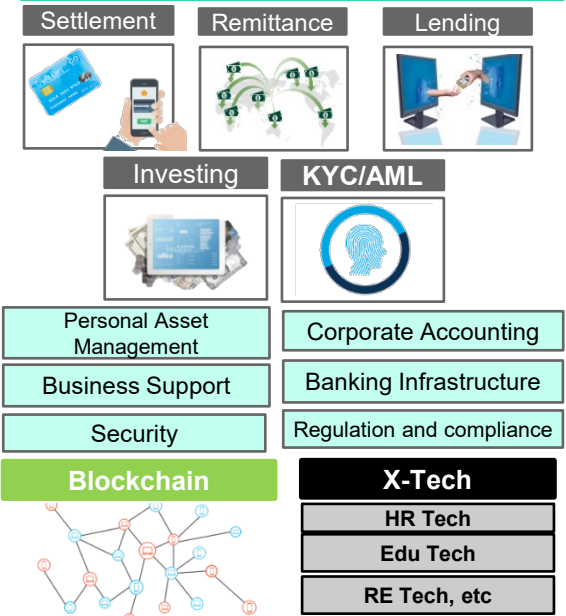
- **Planned IPO schedule of investee companies of the Fintech Fund, SBI AI&Blockchain Fund and SBI 4+5 Fund: 38 between April-Dec. 2022; 47 in 2023; 78 from 2024**

In April 2020, SBI Investment Established a JPY100bn Venture Fund (Commonly Known as SBI 4+5 Fund), One of the Largest Fund in Japan, and Actively Invested in the Core Industries of the Next Generation

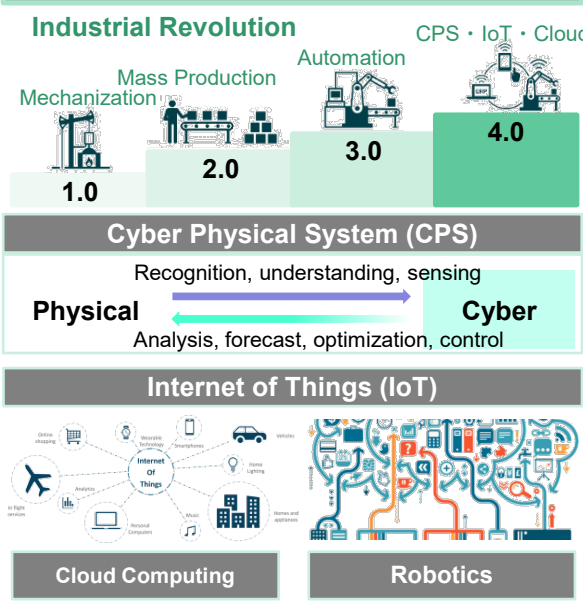
- Investment areas:** In addition to fintech, AI and blockchain, the investment focus will include core technologies such as 5G, IoT and big data that will advance the realization of "Society 5.0 for SDGs," and innovative technology and service fields which will propel "Industry 4.0" such as robotics, along with healthcare (medical and nursing care), infrastructure (transportation and energy) and foods and agriculture, etc.

Society 5.0 for SDGs (Sustainable Development Goals)

Fintech



Industry 4.0



"Data-driven Society"



AI • 5G • Big Data

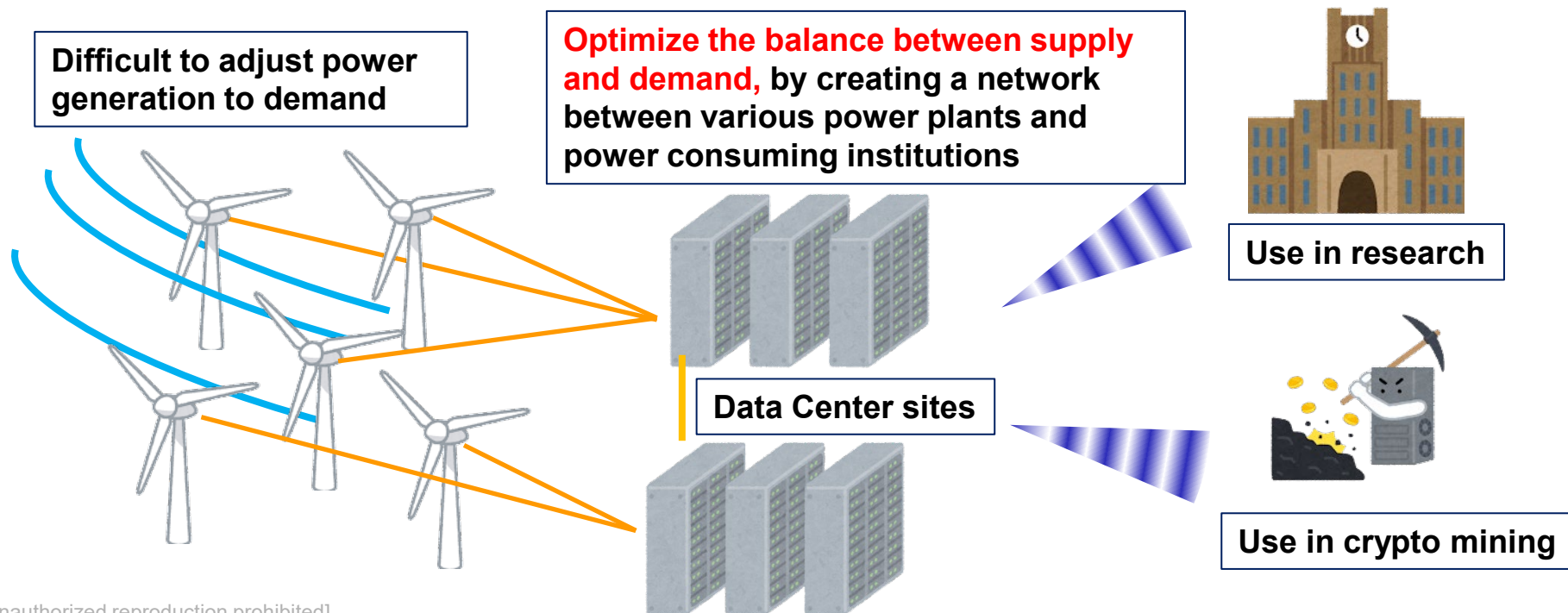
SBI Investment Invests in Many SDGs-Related Companies Worldwide

SDGs-related investment

Goal	SDG	Investee companies	Goal	SDG	Investee companies
No Poverty		 Global Mobility Service Gojo & Company, Inc. 	Industry, Innovation and Infra.		 i space
Zero Hunger		 	Reduced Inequality		
Good Health and Well-being		 	Sustainable Cities and Communities		
Quality Education		 	Responsible Consumption and Production		
Affordable and Clean Energy		 	Life below water / Life on Land		
Decent Work & Economic Growth		 			

A Focus on Investment in the Environmental Field: Example ① Investment in Lancium which Operate a Data Center Business in the United States Using Renewable Energy

- In the western part of the United States where there is tremendous wind power generation, Lancium purchases clean electricity directly from wind farms at extremely low cost, providing hosting services for crypto mining and AI-based computing at universities, etc.
- The company not only creates demand that serves as an outlet for surplus power, but also helps to stabilize the power supply by automatically optimizing usage when there is not enough power
- The SBI Group invested in Lancium as a major shareholder during the early stages of the project launch in 2018



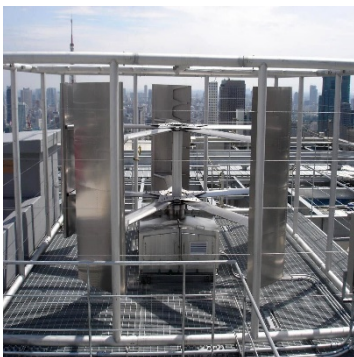
Focus on the Environment: Example ②

Investment into **WIND-SMILE**, Engaged in Renewable Energy Development-related Work

- WIND-SMILE has been involved in the development of renewable energy for more than 10 years, developing various types of power sources such as solar, wind, biomass, and geothermal
- The company has accumulated expertise in the development of renewable energy power sources and provides power sources at low cost with its all-round technical capabilities from development and installation to maintenance
- Employ specialists from 12 different countries and actively incorporates advanced technologies and ideas from overseas

Wind power

Japan's first high-rise building with installed wind-generated power equipment on the rooftop using in-house advanced construction technology



Solar power

Installed for a company listed on the first section of the Tokyo Stock Exchange and for Japan's first major trust bank



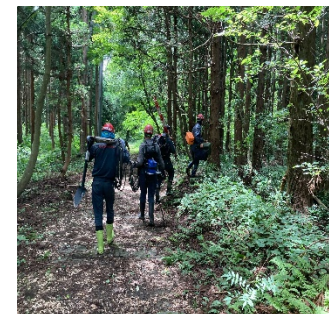
Biomass

First introduction to Japan of equipment from Germany, a leading renewable energy country



Geothermal

Planning geothermal power generation through deep drilling using technology originating from Germany, a country with advanced geothermal utilization



A Focus on Investment in the Environmental Field: Example ③ Development of a System to Manufacture Recycled Fuel in Partnership with the Eco Research Institute (ERI)

- The NECRES new energy creation system, in which ERI holds the intellectual property rights (patents, etc.), can produce biomass-derived fuel from municipal waste through pyrolysis of waste material and plastic mixed together. By installing the system in local government clean centers, it is expected to reduce waste disposal costs and contribute to regional revitalization, while benefiting the environment through the recycling of waste materials
- The plan is to establish a joint venture between the SBI Group and ERI to promote the project together with regional financial institutions and local companies to make the project a future success

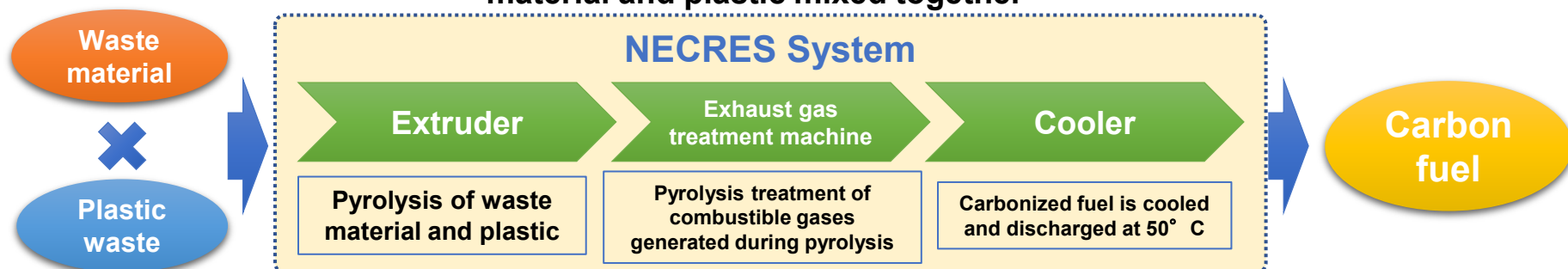
< Demo Plant
(Chiba Plant)>



< The calorific value of carbon fuel is equivalent to that of coal >

< System flow of NECRES >

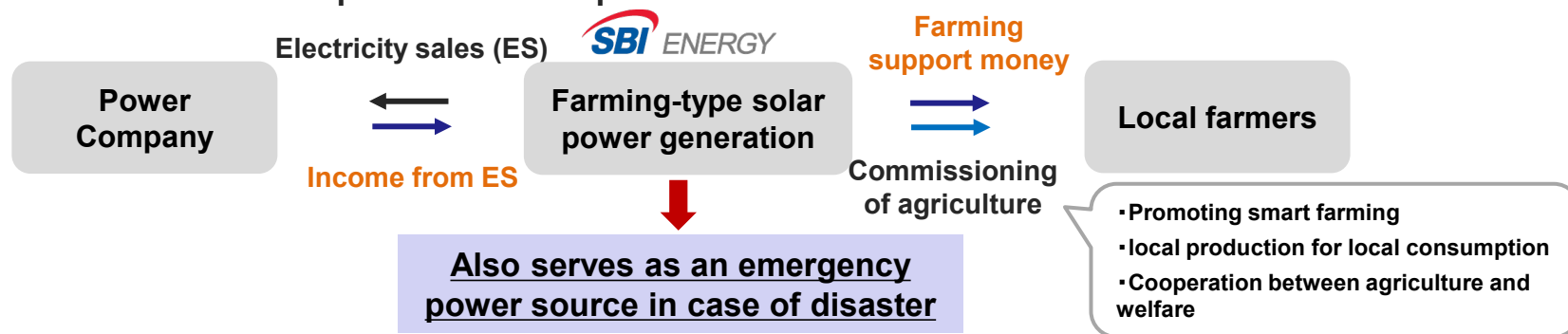
Carbon fuel is produced through the thermal decomposition of waste material and plastic mixed together






SBI Energy, an SBI Holdings Subsidiary, is Directly Involved in and Boosting its Efforts in Renewable Energy-Related Businesses

- Creating a virtuous circle between regional development, the economy and the environment -

- SBI Energy promotes the development of farm-based solar power (solar-sharing) in various locations
- Not only does it contribute to the prevention of global warming by creating clean energy, but it also helps to protect the environment by eliminating abandoned farmland. It also **contributes to the revitalization of the local community by establishing a sustainable agricultural system** by returning part of the profits from power generation to the community
- SBI Energy intends to expand the introduction of this system nationwide by supplying electricity to consumers such as municipalities and companies



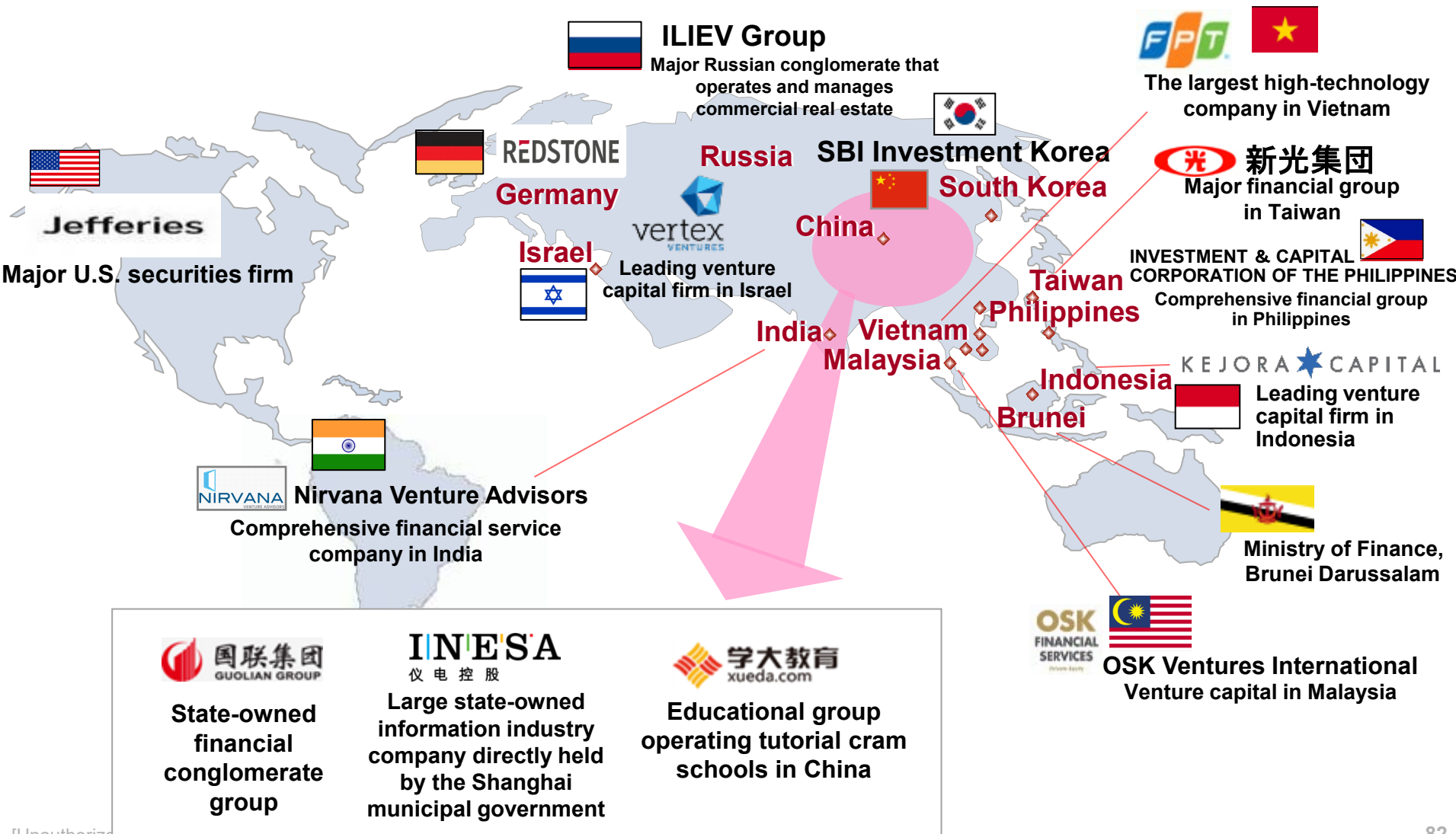
Power stations in operation

<p>Sosa City, Chiba</p>  <p>Output: 1.2MW Area: 3.2 hectares Crops: Soya, wheat</p>	<p>Tono City, Iwate</p>  <p>Output: 1.3MW Area: 1.9 hectares Crops: Field Wasabi</p>	<p>Shiwa town, Iwate</p>  <p>Output: 563kW Area: 1.9 hectares Crops: Field Wasabi</p>
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Projects in development

<p>Aomori, Iwate</p> <p>Output: Total 7.4MW Area: 15 hectares Crops: Garlic etc.</p>	<p>Miyagi, Fukushima, Ibaraki</p> <p>Output: Total 1.6MW Area: 3.2 hectares Crops: Soya, wheat</p>
<p>Oyodo-cho, Nara</p> <p>Output: 1.2MW</p>	<p>Joetsu City, Niigata etc.</p> <p>Output: tbd</p>

Actively Investing in Emerging Countries in Asia and Other Regions though Funds with Leading Local Partners Around the World



Established Joint Venture Fund with Swiss Sygnum Bank Group and Italian Azimut Group to Invest in Digital Property-Related Companies



Investment areas

Promising startups with innovative technologies related to financial market infrastructure and DLT, especially in Southeast Asia and Europe

■ Sygnum Bank Group

A digital asset specialist who started operations last year as the world's first digital asset bank licensed by Swiss financial authorities and also working as an authorized asset manager in Singapore

■ Azimut Group

Italy's largest independent resource management company

SBI Group Signed a Strategic Partnership with Verod-Kepple Africa Partners for Investment in Africa



(Signed on
Sept. 30, 2021)



Verod-Kepple
Africa Partners

Contents of strategic partnership

Utilize sourcing networks in Africa to stimulate investment activities throughout Africa, provide value-add support to investee companies in Japan and Asia, where the SBI Group has strengths, and expand its investment operations further in the fast-growing continent

■ Verod-Kepple Africa Partners

A joint venture between Nigerian private equity firm Verod Capital Management and Kepple Africa Ventures, a venture capital firm investing in African startups from Japan

■ Verod Capital Management

Nigeria's leading private equity

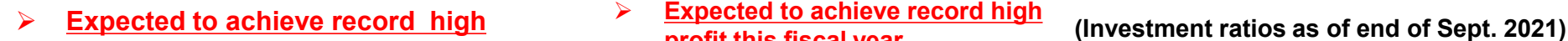
■ Kepple Africa Ventures

Japanese venture capital specializing in African startups

② Overseas financial service business

Overseas financial services subsidiaries will focus more on expanding their business bases

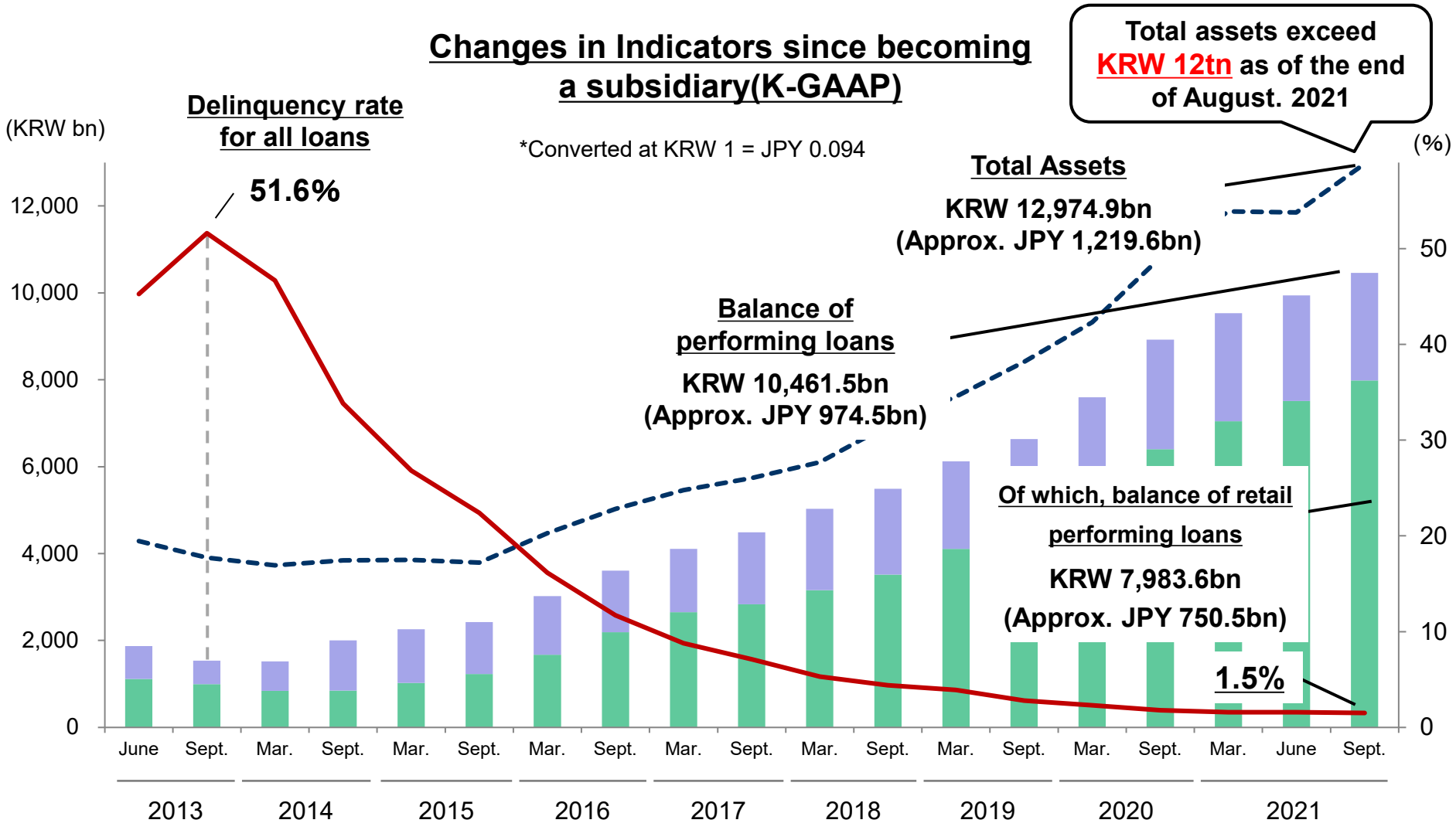
- Turned profitable in the 1H 2021 after becoming a wholly owned subsidiary in Aug. 2017



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SBI SAVINGS BANK's Underlying Earnings have Increased Steadily, as Its Prime Assets have Grown



The total delinquency rate remains low at **1.51%** (1.7% for retail loans)



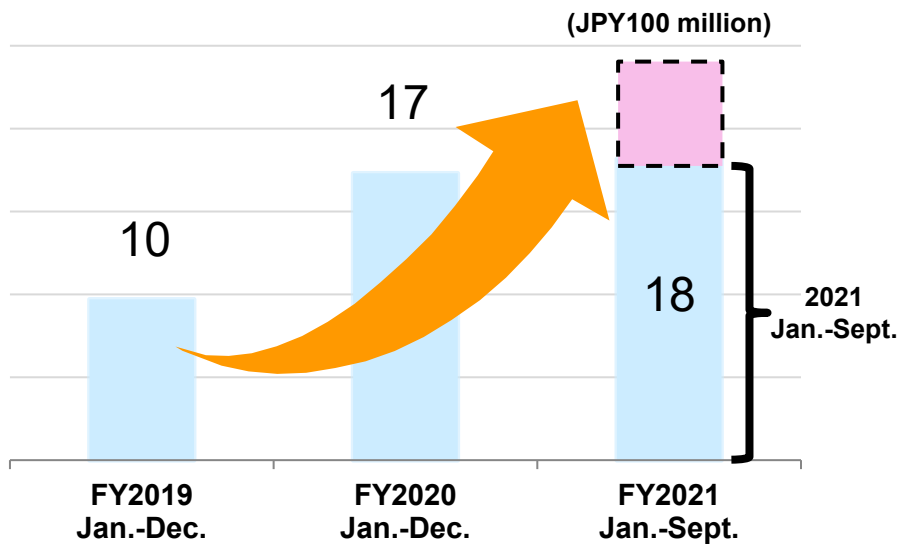
Russian Sovereign Wealth Fund RDIF*¹ and Japan's JBIC IG Partners*²
have Invested in Russia's SBI Bank to Promote Business Expansion
Between Japan and Russia with the Support of Both Companies



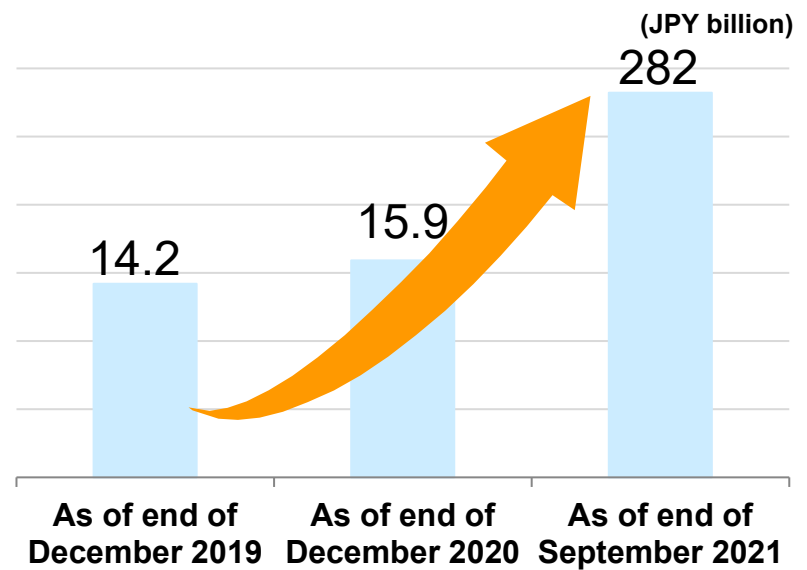
SBI Bank (Investment ratio 90.74%)

- A commercial bank in Russia that has a full banking license
- In Russia, SBI Holdings and the Russian Direct Investment Fund (RDIF) have established a joint fund and established a cooperative framework for a wide range of investment activities
- Achieved profitability in 1H FY2021

<Trends in gross profit (IFRS)*³>



<Trends in outstanding balance of loans (IFRS)*³>



*¹ Russian Direct Investment Fund (Investment ratio 4.63%)
*² A subsidiary of Japan Bank for International Cooperation
*³ 1RUB converted at JPY1.47



Business Foundation for Financial Subsidiaries in Cambodia and Thailand Expands Rapidly

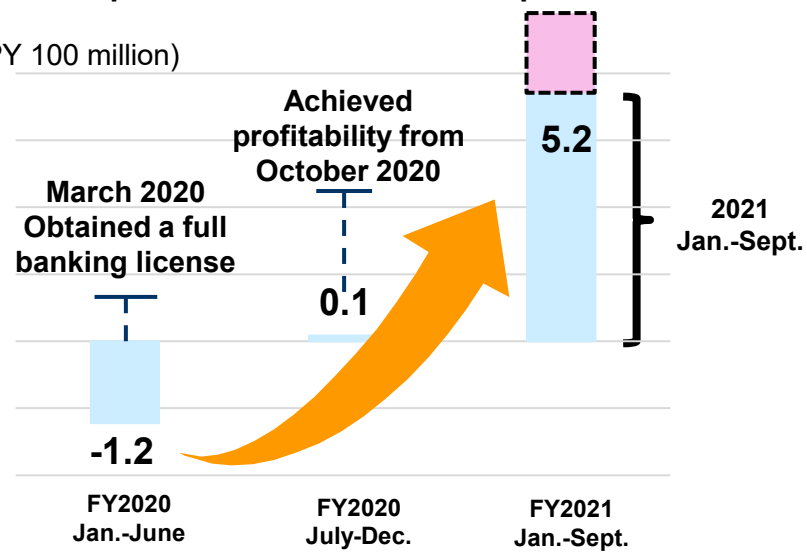


SBI LY HOUR Bank

- Acquired a medium-sized microfinance company in Cambodia and made it a commercial bank. Obtained a full banking license in Mar. 2020
- Achieved profitability from Oct. 2020
- Secured stable funding from the start of the deposit business, and has been accumulating quality loans, mainly to retail customers

<Trends in profit before Income tax expense>

(JPY 100 million)



*1USD converted at JPY 114.0

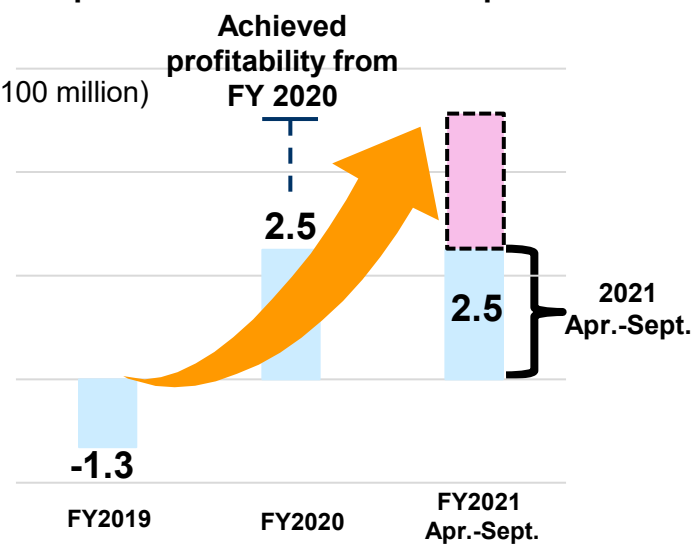


SBI Thai Online

- First pure-play Internet securities company in Thailand
- Providing stock and derivative trading services to local investors, including Japanese residents in Thailand
- Achieved profitability in FY2020 by expanding its share of trading value

<Trends in profit before Income tax expense>

(JPY 100 million)

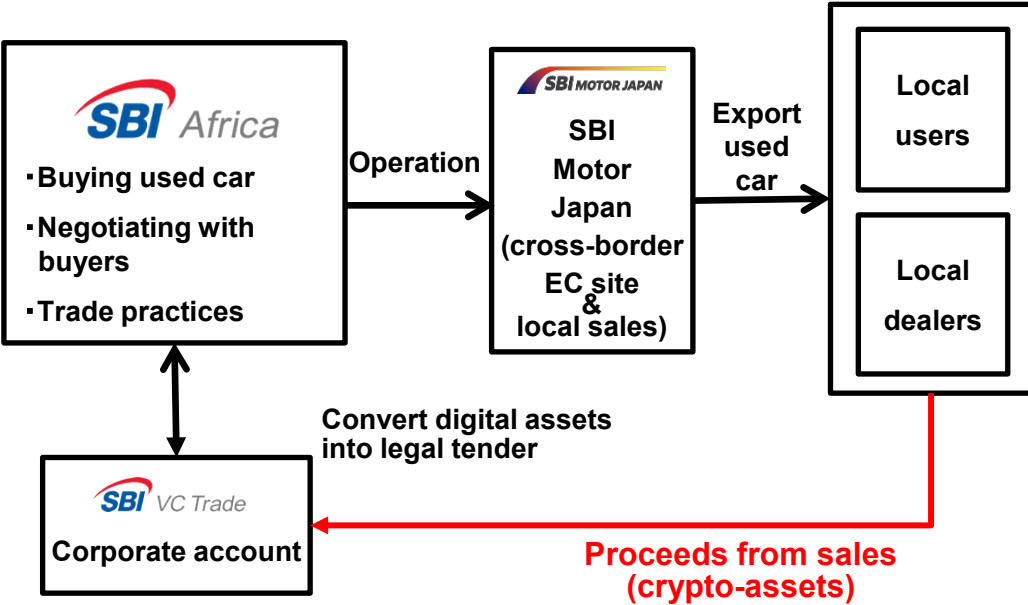


*1THB converted at JPY 3.4

Developing Business in the African Continent, Called the Last Growth Frontier (i)

- Through its own cross-border EC site "SBI Motor Japan," SBI Africa exported a cumulative total of more than 2,400 of used cars to emerging countries primarily in Africa, etc., in the first year since the launch of the service. In October 2021, they established a new local automotive sales base in Nairobi, Kenya, with the purpose of increasing its offline presence.
- They are also working on building a system that allows the use of the digital-asset XRP for payment with "SBI Motor Japan" for exported used vehicles

<Payment system using XRP>



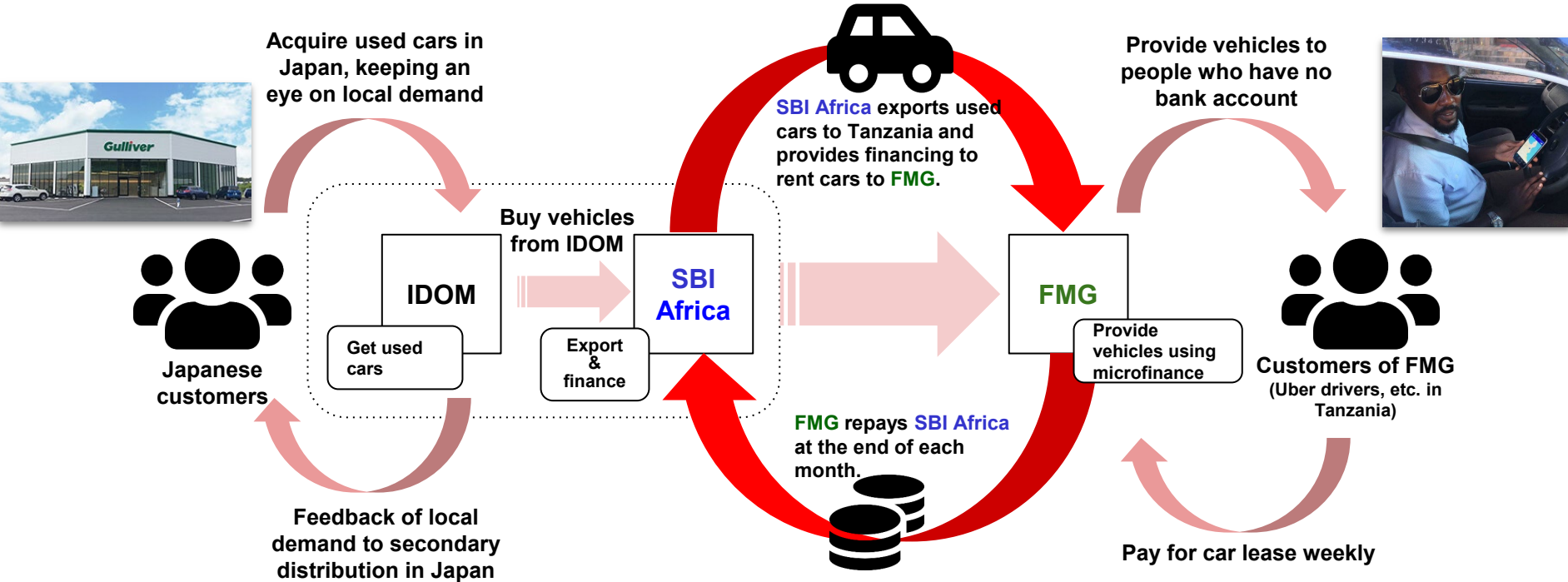
<Local automotive sales base in Nairobi>



Developing Business in the African Continent, Called the Last Growth Frontier (ii)

- SBI Africa is also expanding its financial services business, including automobile finance, in cooperation with domestic and overseas partners
- As the first project in the real asset finance business, launched a vehicle provision business using microfinance in cooperation with IDOM, the largest used car sales company, and its subsidiary FMG from Oct. 2021
- Provide vehicles on lease to local UBER drivers who do not have bank accounts and are unable to purchase vehicles in bulk by not only exporting vehicles but also providing financial services

< Export used car (capital) to Africa and return investment to Japan >



③ Asset Management Business

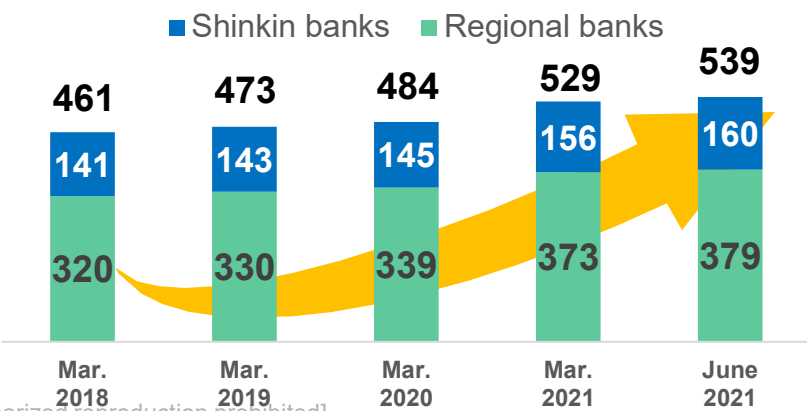
In response to the growing need for regional financial institutions to manage securities and to achieve the portfolio optimization and higher sophistication, we strive to further increase AUM from them

Demand is Growing from among Regional Financial Institutions for Outsourcing more Sophisticated and Diversified Securities Management

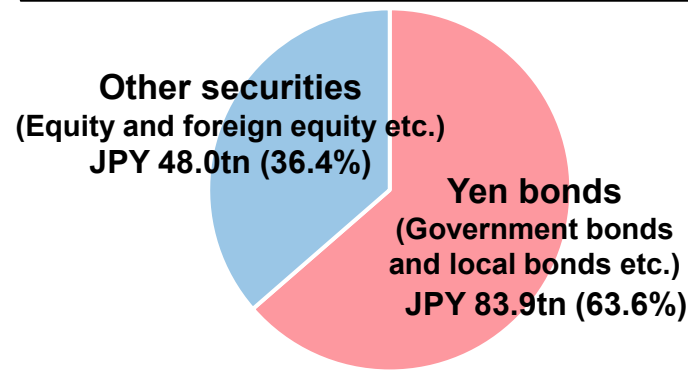
Factors that are increasing the need for outsourcing investment operations

- Decrease in core business earnings due to continuation of negative interest rate policy
- Balance of operating securities of regional financial institutions: **Approx. JPY 131.9tn**
(*As of the end of June 2021)
Of which the outstanding balance of low-yield yen bonds is **approx. JPY 84tn**
- About 40% (about JPY 15tn) of government bonds and local bonds held by regional financial institutions will be redeemed by around 2022, and profitability is declining year by year
- **Lack of human resources capable of dealing with global asset allocation**

Deposits of regional financial institutions (JPY trillion)

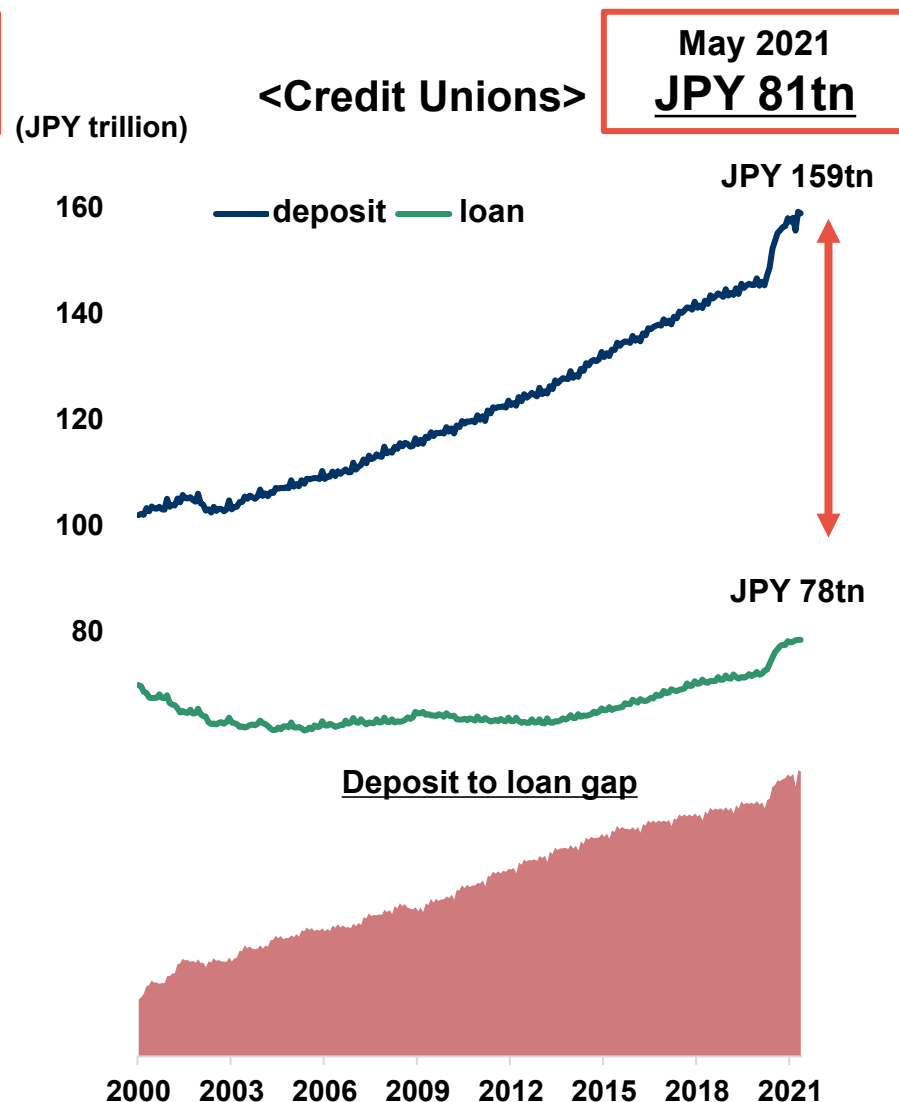
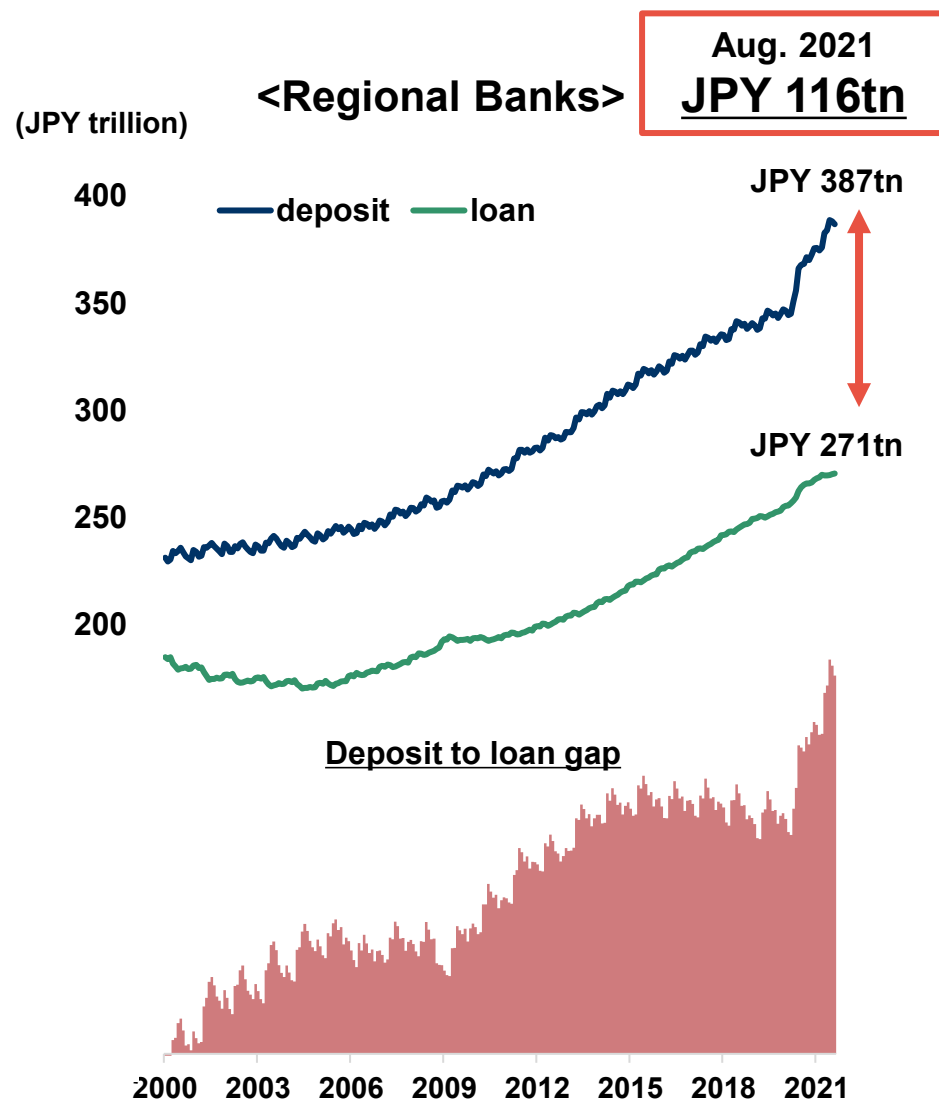


Balance of operating securities of regional financial institutions: JPY 131.9tn



The Deposit to Loan Gap is Widening at Regional Financial Institutions

~ Deposit to loan gap of regional financial institutions is approx. JPY 200tn ~

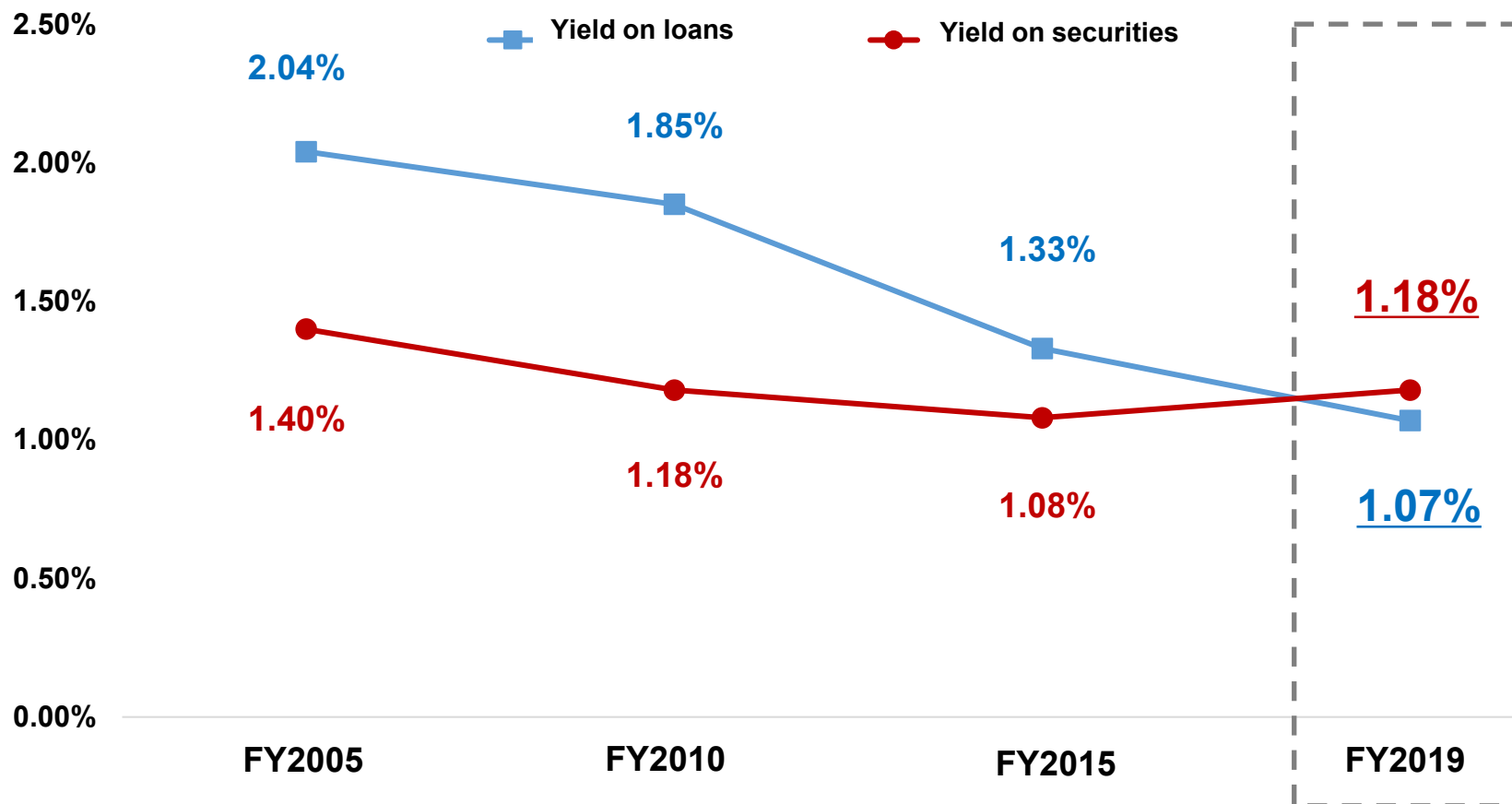


Source: Japanese bankers association "Analysis of Financial Statements of Japanese Banks"

*Deposit and loan gap = deposits - loan

Regional Banks Increasingly Depend on Income from Securities Operations

Transition of yield on loans and securities of regional banks



* Figures are average of yield for regional banks

* Yield on loans = interest on loans / loans outstanding

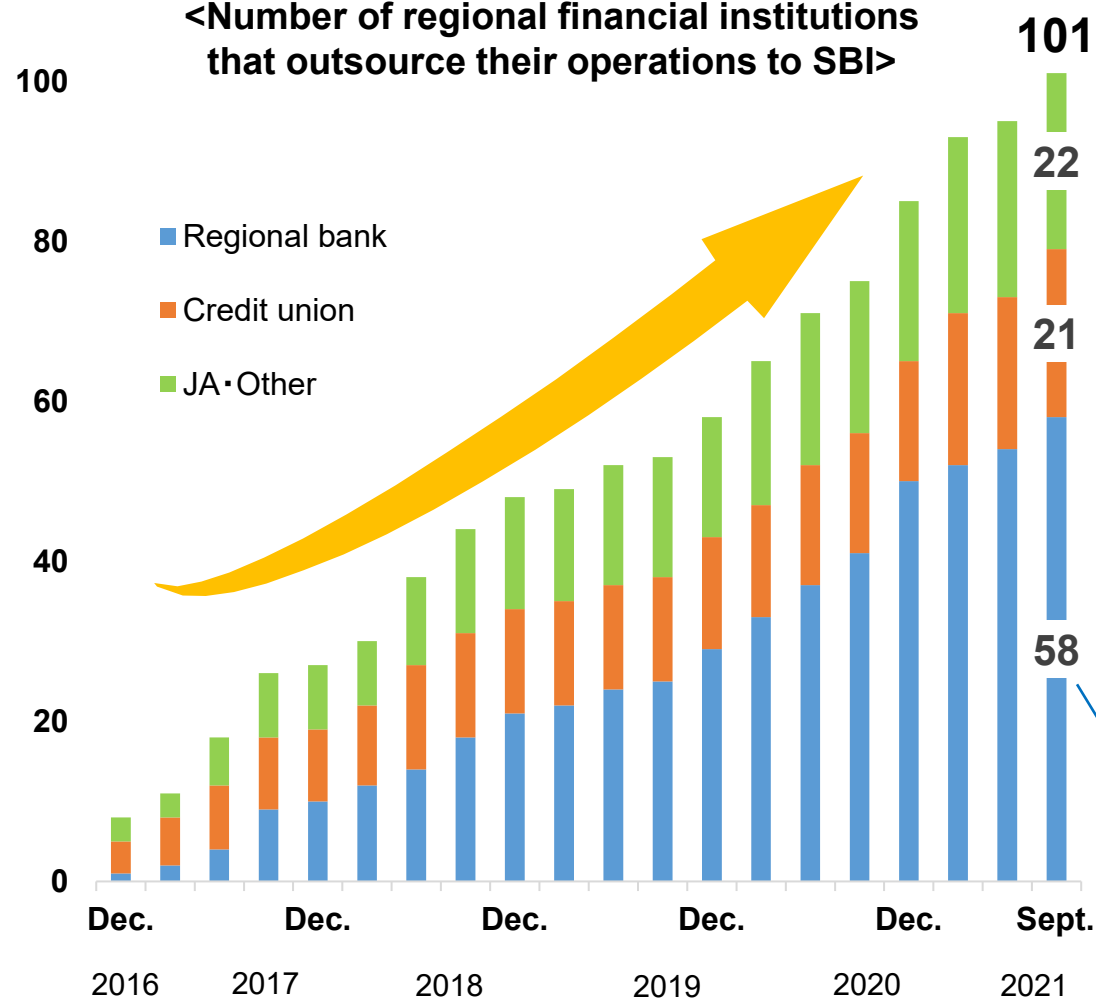
* Yield on securities = interest on securities / securities outstanding

Source: Japanese bankers association "Analysis of Financial Statements of Japanese Banks"

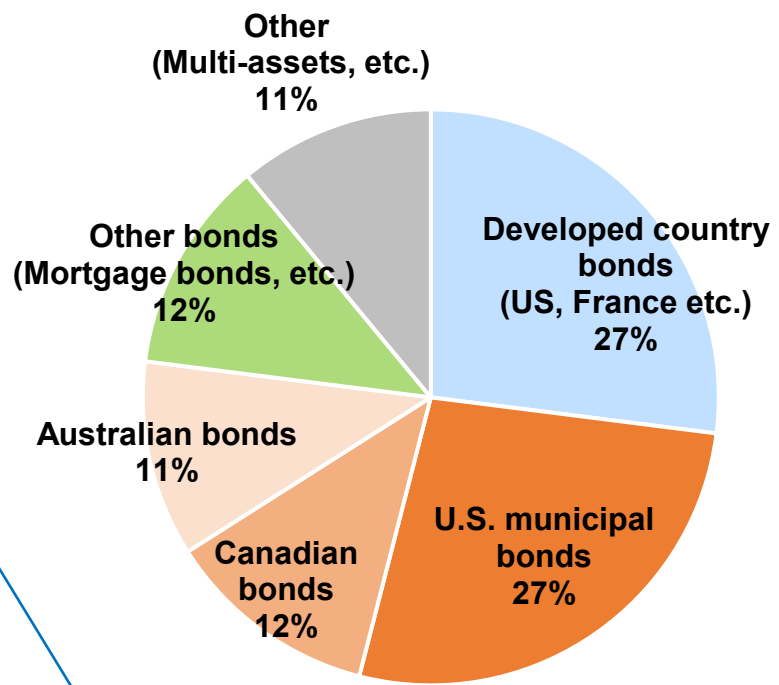
SBI Asset Management Group (SBIAMG) is Entrusted with Asset Management of 101 Regional Financial Institutions

- Providing investment products that leverage the strength of the Group's global network -

<Number of regional financial institutions that outsource their operations to SBI>



<Composition of investment products at SBIAMG for regional financial institutions by investment target>



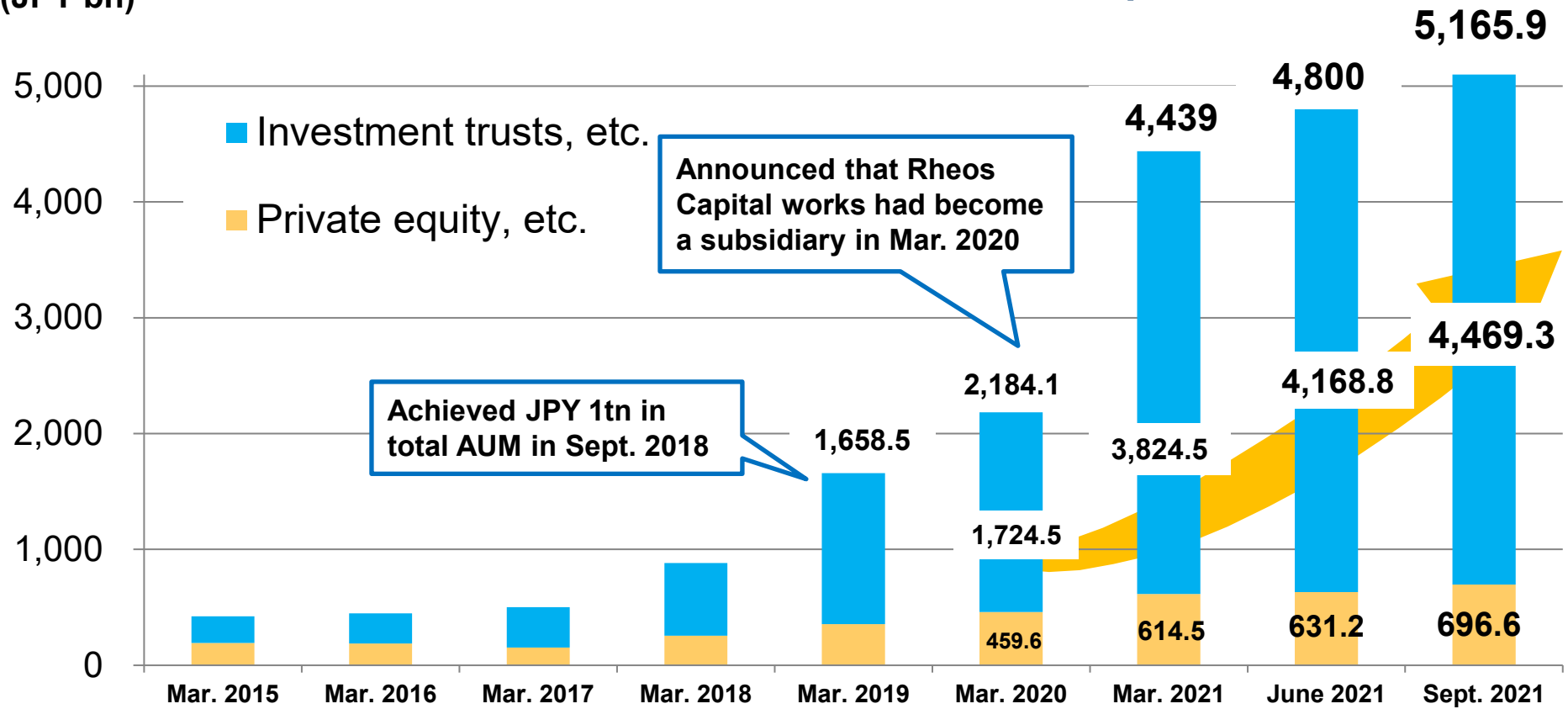
*Figures as of Oct. 22

58.6% of 99 regional banks

Steady Increase in the Balance of AUM of the Entire SBI Group, Including Private Equity, Toward a Level Exceeding JPY 10tn which is the Target Set in July 2020

- Balance exceeds JPY 5tn at the end of Sept. 2021 -

(JPY bn)



*1 Calculated by the exchange rate as of the end of each month *2 Amounts are rounded to the nearest JPY 100m
*3 "Private equity, etc." includes neither cash nor commitment amount to be paid in. Through Mar. 2017, unlisted stocks invested from investment partnerships and other entities, which had no market prices, were estimated at cost (impairment prices are applied for the stocks for which impairment losses have been recorded). After Mar. 2018, however, these stocks have been estimated at fair value.
*4 "Investment trusts, etc." are the sum of amounts of investment trusts and investment advisors. For funds that SBI Asset Management provides investment instruction to, if Morningstar Asset Management provides investment advisory services, assets are recorded in both Investment trusts and Investment advisory, respectively, so there are some overlapping amounts.

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5. Bio-healthcare & Medical Informatics Business

(1) 1H FY2021 performance overview:

- **Milestone revenues at SBI Biotech, strong sales of 5-ALA related products, and aggressive cost reduction by each company in the business segment resulted in a significant reduction in the overall business segment**

Profit before Income Tax Expense of the Biotechnology, Healthcare & Medical Informatics Business Companies (IFRS)

(JPY million)

		1H FY2020 (Apr. – Sept. 2020)	1H FY2021 (Apr. – Sept. 2021)
SBI Biotech		-82	359
Quark Pharmaceuticals ("Quark")		-1,854	-1,079
business related to 5-ALA-	SBI Pharmaceuticals	-944	-478
	SBI ALApromo	149	184
	photonamic	4	182
Medical Data Vision (Equity method company)			100

*The results of the previous quarter are recorded as SBI Holdings' equity method (Medical Data Vision's results for 2Q of the fiscal year ending December 2021 are recorded in SBI Holdings' 2Q FY2021). Announcement of Medical Data Vision's 3Q of the fiscal year ending December 2021 financial results (J-GAAP) scheduled for Nov. 8, 2021

- At **SBI Biotech**, a milestone payment generated with the start of Phase II trial for licensed product, an anti-ILT7 antibody (HZN-7734). **Expected to be profitable for the full year**
- Shares of **Quark** expected to be sold by the end of fiscal year 2021
- **SBI Pharmaceuticals** significantly **reduced its losses** due to reduction of development costs, etc.
- **SBI ALApromo** **achieved higher sales and profits** due to strong sales of 5-ALA-related products, in response to heightened health consciousness under the COVID-19 pandemic
- **photonamic** **improved probability** due to a review of the selling prices of its product

(2) Initiatives to realize early profitability and sustainable contribution to business performance in the Bio-healthcare & Medical Informatics Business

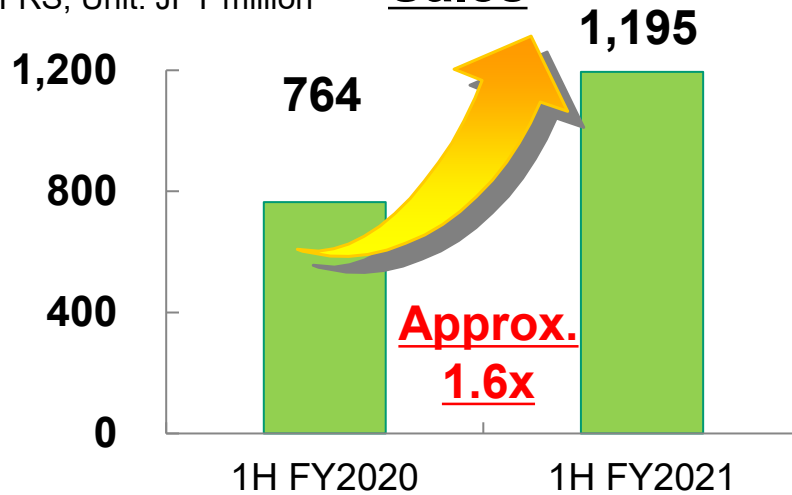
- ① SBI ALApromo expansion of its product lineup and strengthens its sales channels to meet diverse needs**
- ② The SBI Group's continued work on the development of drugs, including those for rare and intractable diseases, and contribute to the advancement of medicine**
- ③ Contributing to the efficiency of medical care in Japan by promoting the digitization of medical information and its utilization through the medical informatics business**

- ① **SBI ALA promo expansion of its product lineup and strengthens its sales channels to meet diverse needs**

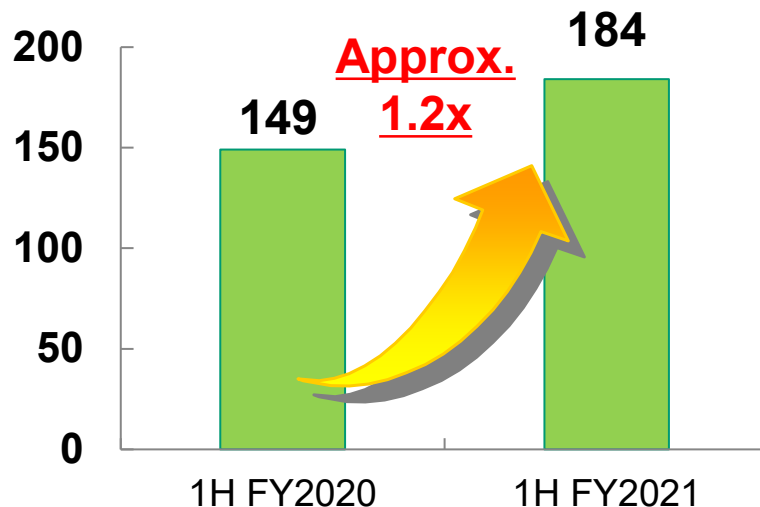
SBI ALApromo Achieves Significant Increase in Sales and Profits Through Expansion of Product Lineup and Establishment of Sales Channels

*IFRS, Unit: JPY million

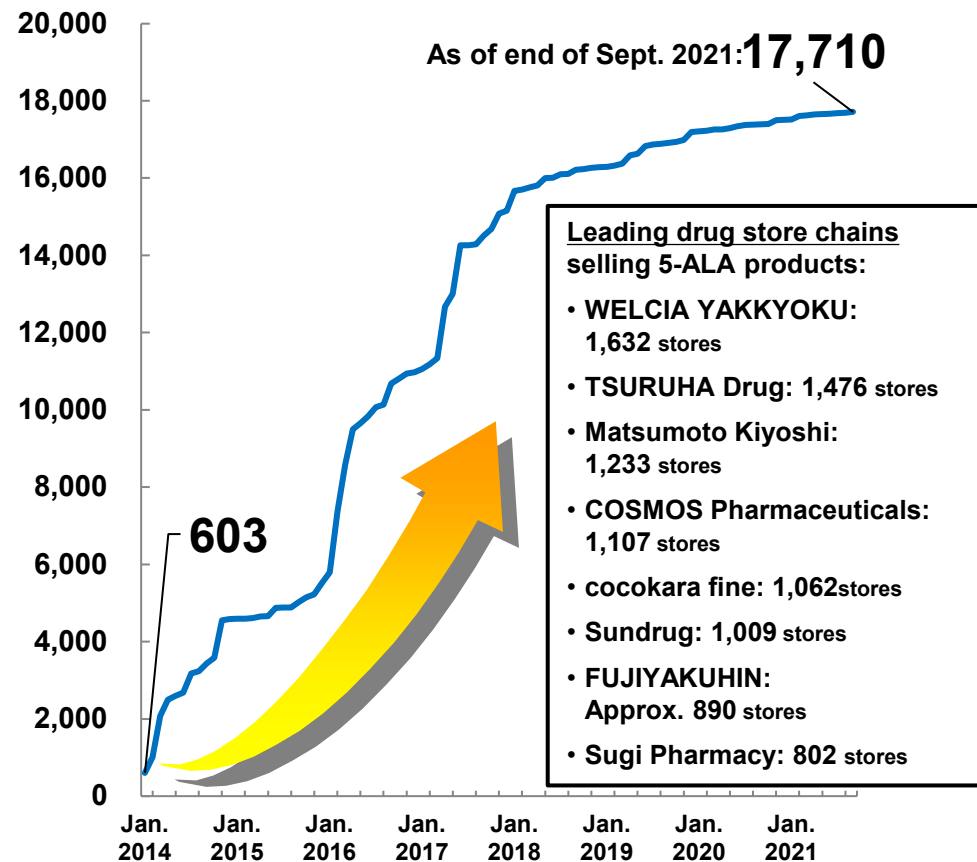
Sales



Profit Before Income Tax Expense



Number of Domestic Stores that Offer Health Foods Containing 5-ALA (Jan. 2014- End of Sept. 2021)



SBI ALApromo Launched a Series of Diverse Products to Meet the Growing Health-Consciousness Amidst the COVID-19 Pandemic

New release on July 6, 2021



"ALAPLUS Mental Care" (Foods with Functional Claims)

Functional Claims:

This product contains 5-aminolevulinic acid phosphate and has the function of relieving temporary depressed feelings of those who are experiencing temporary stress. It is suitable for people who are temporarily depressed.

New release on Aug. 2, 2021



"ALAPLUS 5-ALA20" (Supplement)

Limited sale through
distributors such as
drug stores

New release on Oct. 26, 2021

"SBI BEST NMN" (Supplement)

NMN (Nicotinamide Mononucleotide) is a substance that is converted to NAD⁺ in the body and is said to be involved in the energy metabolism of mitochondria, and longevity genes. "SBI BEST NMN" contains 9,000mg of NMN (per box)



<Product Image>

⇒ Preparation for future sales of products containing 5-ALA and NMN is underway

Future Lineup of Foods with Functional Claims and Notification Status

- **Products that have been notified and approved by the Consumer Affairs Agency based on "the system of Foods with Functional Claims"**

Increase metabolism while suppressing sugar absorption

"ALA PLUS Toh (Sugar) Down ALACIA"
Planned launch in Winter 2021



Functional Claims:

This product contains 5-aminolevulinic acid phosphate (5-ALA) and Salacia-derived salacinol. 5-ALA has been reported to help lower high fasting blood glucose to normal and moderate postprandial blood glucose levels. Salacia-derived salacinol has been reported to suppress the absorption of sugar ingested from foods and to moderate the rise in postprandial blood glucose levels. It is suitable for people with high blood sugar levels and those who tend to eat a high-sugar diet.

Recovery from fatigue

"ALA PLUS Gold Hirokan Keigen"
Planned launch in Spring 2022

Functional Claims:

This product contains 5-aminolevulinic acid phosphate (5-ALA) and has the function of reducing temporary fatigue caused by work in daily life. It is suitable for people who feel temporary fatigue in daily life.

7th product as foods with functional claims containing 5-ALA

➤ **Development status of other foods with functional claims**

Product concept	Implementation status of clinical trials	Progress
Male menopause improvement	Conducted clinical trials in collaboration with Juntendo University	Planning submission
Fatigue reduction after exercising	Conducted clinical trials in collaboration with Juntendo University	Planning submission

- ② **The SBI Group's continued work on the development of drugs, including those for rare and intractable diseases, and contribute to the advancement of medicine**

SBI Biotech's Drug Discovery Pipeline

	Licensing partner (timing)	Adaptation disease	Progress	
HZN-7734 (Anti-ILT7 antibody)	Viela Bio* (Sept. 2008)	Systemic lupus erythematosus, Cutaneous lupus erythematosus	Phase II (recruiting subjects)	<u>Initiated a Phase II trial for Systemic lupus erythematosus (SLE) as the lead indication in June 2021.</u> <u>A milestone payment was generated in 1Q FY2021 due to the start of the Phase II trial</u>
		① Alopecia Areata (AA) ② Discoid lupus erythematosus (DLE) ③ Lupus nephritis (LN) ④ Dermatomyositis (DM)	Phase II (planned)	Planned initiation of phase II trials for target diseases ① ~ ④ in 2022
SBI-9674	Kyowa Kirin (Dec. 2016)	Autoimmune diseases	Pre-clinical	Development at Kyowa Kirin progressing smoothly
SBI-3150	ASAHI KASEI PHARMA (Mar. 2020)	Autoimmune diseases (Various diseases caused by pDC / activated B cells)	Pre-clinical	Development at ASAHI KASEI PHARMA started and progressing smoothly
Cdc7 inhibitor	Carna Biosciences (June 2014)	Solid cancers	Phase I (recurring subjects)	<u>Dosing for a Phase I study in Japan for solid tumors began on June 14, 2021</u>

*A new company specializing in inflammation and autoimmune disease, spun out from MedImmune, LLC., a subsidiary of AstraZeneca

- ③ **Contributing to the efficiency of medical care in Japan by promoting the digitization of medical information and its utilization through the medical informatics business**

Strengthen the Medical Informatics Business, Considered to be a Future Growth Area, Thorough Collaboration with Medical Data Vision ("MDV") Which Became an Equity Method Company



(SBI Group's shareholding: 20.80%, as of the end of June 2021)

- With the spread of the new coronavirus, efforts to utilize health, medical, and nursing care data are in full swing, and the government's promotion of PHR(Personal Health Record) supports MDV's business. MDV's PHR service "Karteco" has already been used by about 30,000 people.
- The share of high-performance hospitals using DPC system (Diagnosis Procedure Combination; a bundled payment system) is about 45%, with 1,757 facilities nationwide, with a huge amount of medical data from hospitals and health insurance associations (actual number of patients: 37.42 million *as of the end of Sept. 2021)



Details of the business alliance between the SBI group and MDV:

- Development of new products and services in the fields of finance and healthcare
- Promotion of businesses that contribute to the revitalization of local economies and regional medical care
- Strengthening cooperation with SBI subsidiaries and companies invested by the SBI Group in the medical and healthcare business area

As the first business alliance with the SBI Group, plan **to develop factoring services for medical institutions** by utilizing MDV's network with medical institutions and SBI FinTech Solutions' financial expertise

The First "Health Account" Project, a New Initiative to Contribute to the Medical Care and Health of the Community will be Launched in Nov. 2021

~ Promote with Ogaki Kyoritsu Bank and Japan Medical Business Corporation ~

"Health account" is:

A service which to prepare for medical risks by providing members **with a dedicated account to accumulate future medical expenses, medical expense replacement payment service, dedicated medical insurance, etc.**, expected pressure on medical expenses due to the declining birthrate and aging population, declining working population.

① Deferred payment service for medical expense

- ✓ Medical expenses can be debited from a bank account another day
- ✓ Medical institutions can save time/effort to recover advance payments for medical expenses

When sick

② Medical insurance

- ✓ The insurance will cover the deductible for actual incurred hospitalization expenses
- ✓ JMB-affiliated company undertakes the troublesome process of claiming insurance payments from the insurance company

When sick

③ Apps for healthcare management

- ✓ Users need only measure weight and body fat percentage on occasion; no need record every meal
- ✓ A healthcare management apps makes all health data at the user's disposal

When healthy

④ Nurse call

- ✓ Users can easily consult with dedicated nurses on the phone wherever they are worried about their health or have sudden illness

When concerned



保険金の請求手続き 不要!
※立派払いサービス利用の場合



Plan to expand "health account" business in multiple prefectures in the future

II . SBI Group's New Overall Strategy

Further evolution of the regional revitalization strategy and significant expansion of the Group's corporate client base

- 1. Accomplishments and outlook of cooperation with financial businesses centered on regional financial institutions**
- 2. Group-wide promotion of a corporate business strategy to further strengthen the corporate ecosystem**

Background and Purpose to Promote the Overall Strategy①

- Since its establishment, the Group has been providing financial services mainly to individual customers using the Internet as its main channel
- With the promotion of the Neo-securities initiative at SBI Securities and the initial public offering of SBI Sumishin Net Bank, the core bank of the SBI Group, it is necessary to develop a new banking strategy that includes corporate customers and further strengthen the corporate ecosystem
- Relationships with regional financial institutions, which were the first step in the regional revitalization project, have been strengthened beyond expectations and have dramatically expanded our business field and customer base



In the future, the SBI Group will work together with regional financial institutions to revitalize the regional industrial foundation through measures such as providing support to regional companies through investment and supply chain finance, providing technology such as digital transformation (DX) and supply chain management (SCM), and helping regional companies expand their sales channels nationwide

Background and Purpose to Promote the Overall Strategy②

SBI Group companies have built relations with large, medium, and small sized business corporations through their individual business activities



- Strive to provide various product and services, including non-financial services, and commonizing Group customers by creating a big data based on the information of business corporations obtained above
- In particular, develop a variety of new businesses centered on the diffusion of high-level technologies of venture companies with which the SBI Group has relationships

1. Accomplishments and outlook of cooperation with financial businesses centered on regional financial institutions

- (1) Results and prospects of measures that the Group has promoted through alliance with regional financial institutions**
- (2) Measures to be promoted, provided the TOB for Shinsei Bank is approved**

(1) Results and prospects of measures that the Group has promoted through alliance with regional financial institutions

Initiatives of SBI and Its Partner Regional Banks

■ Initiatives to improve the financial situation of regional banks themselves

Sophistication of securities operations	Adaptation of fintech	Creation of new revenue streams	Revamp of the core system
Securing stable earnings	Improving customer convenience	Cooperation with SBI Group	Radical business reforms







■ Working with regional banks to support the local economy and their customers

Working with local businesses to develop new products	Developing overseas sales channels for local products	Creating a place for local people to gather	Consultation on new business expansion, business succession, etc.
Development of cloud products	Thematic business meetings	Food, drink and accommodation	Meetings with business partners

Developing unique strategies that take advantage of regional and banking characteristics, while thoroughly utilizing the SBI Group's management resources








(1) Results and prospects of measures that the Group has promoted through alliance with regional financial institutions

Cooperation with Regional Financial Institutions that the SBI Group has Promoted ①

SBI Group Companies	Content of the Alliance	Effect
 [SBI SECURITIES]	Announced alliances with a total of 45 regional financial institutions in the financial product intermediary business	Strengthening of profitability
 [SBI MONEY PLAZA]	Co-managing shop operations with 14 regional financial institutions at 22 shops , providing one-stop securities-related products handled by SBI MONEY PLAZA.	Strengthening of profitability
 [SBI Life Insurance]	Sales of SBI Life Insurance's group credit life insurance being launched or already being sold at 59 regional financial institutions	Cost reduction
	27 financial corporations have decided to handle SBI Insurance's insurance products and are slated to start sales of the product shortly	Strengthening of profitability
	12 banks have introduced a white-labeled banking app provided by SBI NEO FINANCIAL SECURITIES, with two other banks having decided as well	Improvement of convenience
	Signed agreement with 40 regional financial institutions to introduce the back-office aloud services such as "Approval Time", "Keihi Bank", and "Kintai Reco" to their customers, and to provide "Josekin Hojokin Sindan Nevi (subsidy management & navigation tool)" and "Business documents, contract, and legal from support service"	Local business support

(1) Results and prospects of measures that the Group has promoted through alliance with regional financial institutions

Cooperation with Regional Financial Institutions that the SBI Group has Promoted ②

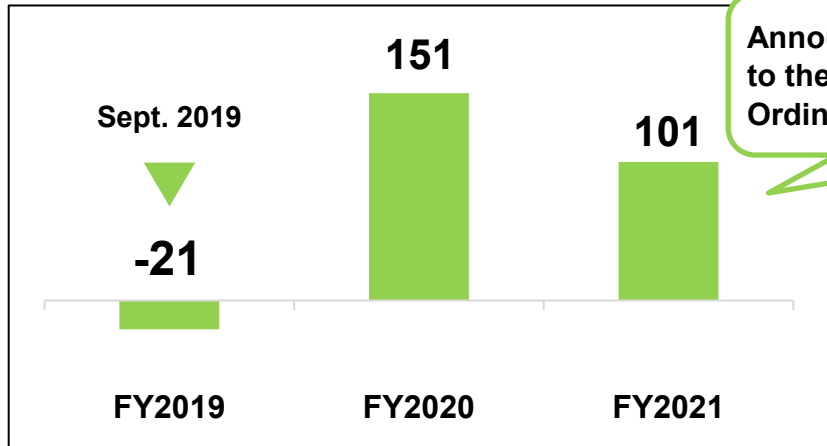
SBI Group Companies	Content of the Alliance	Effect
	The tablet app "Wealth Advisors" provided by Morningstar Japan has been adopted by <u>147 regional financial institutions</u>	Improvement of convenience
	<u>38 institutions</u> , including regional financial institutions have invested in Money Tap, which provides money transfers between individuals. <u>Seven banks</u> such as the SBI Sumishin Net Bank, The Ehime Bank and the Suruga Bank are already connected	Improvement of convenience
	Established through joint investments with regional financial institutions, the number of participating banks has <u>expanded to 39</u> , and AUM has <u>exceeded JPY 948bn</u>	Strengthening of profitability
	<u>79 regional financial institutions</u> have invested in venture capital funds currently managed by SBI Investment	Creating new business
	International remittance services provided by SBI Remit now available at <u>7 banks</u>	Improvement of convenience
	<u>5 regional financial institutions</u> have decided to offer the real estate purchasing and leasing services "Zutto Smile", <u>while another 2 regional financial institutions are in discussion</u>	Improvement of convenience
	<u>5 regional financial institutions</u> have decided to adopt and have begun offering services such as AI screening and foreign currency related services in addition to the mortgage products offered by SBI Sumishin Net Bank	Strengthening of profitability

Steady Progress in the Qualitative Transformation of the Banks in the Capital and Business Alliance

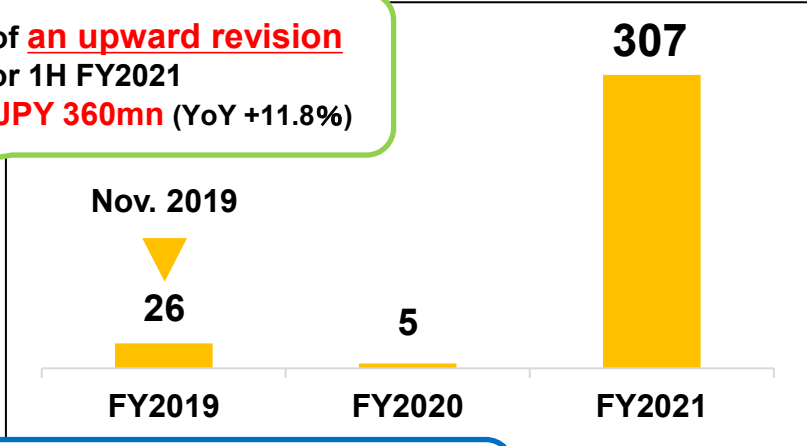
Core net business income comparison

(Excluding gains on cancellation of investment trusts / Q1 comparison) (JPY million, Non-consolidated basis)

Shimane Bank

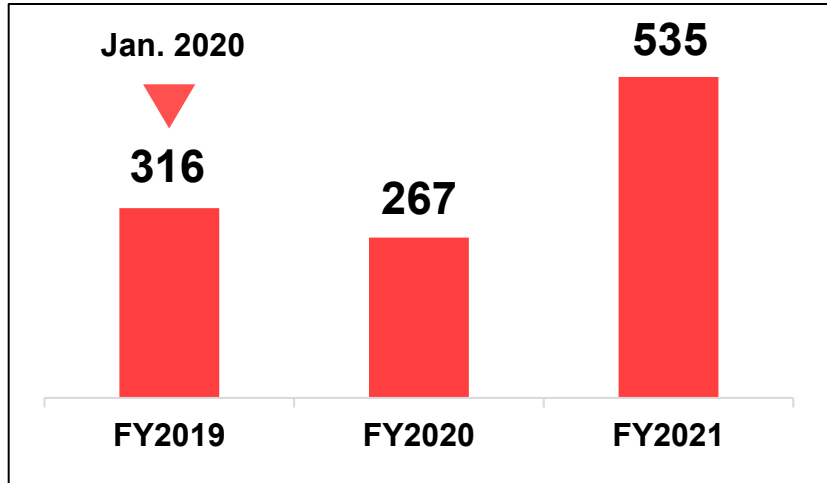


Fukushima Bank

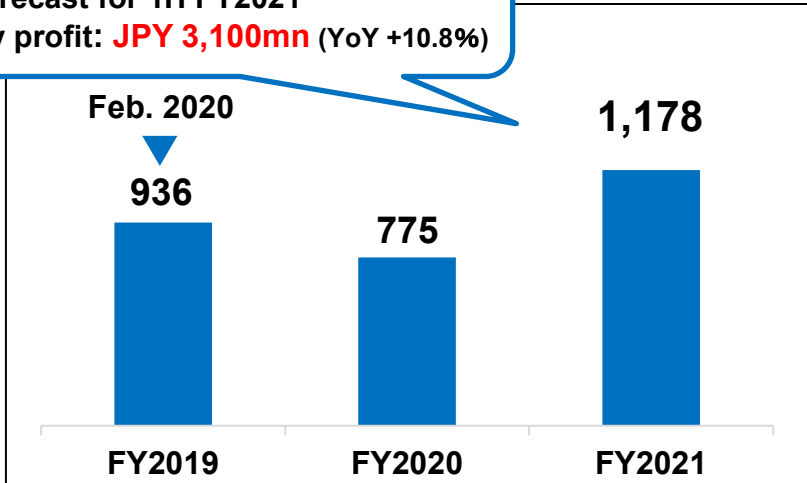


Announcement of **an upward revision** to the forecast for 1H FY2021
Ordinary profit: **JPY 360mn** (YoY +11.8%)

CHIKUHO BANK



Shimizu Bank



Announcement of **an upward revision** to the forecast for 1H FY2021
Ordinary profit: **JPY 3,100mn** (YoY +10.8%)

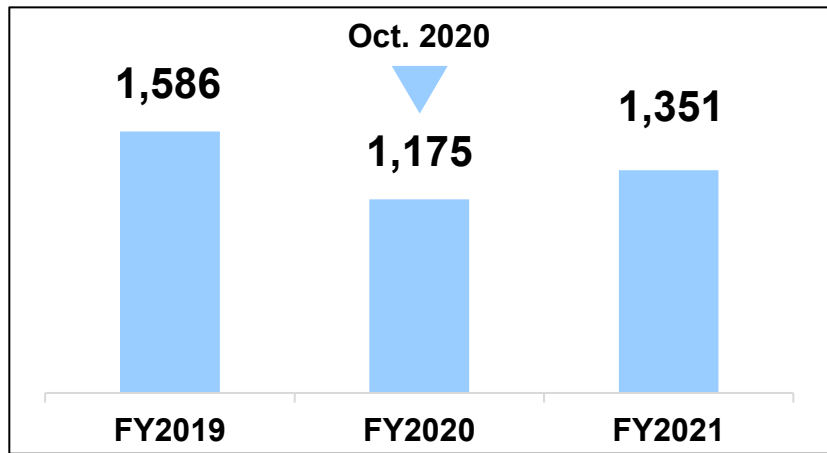


Steady Progress in the Qualitative Transformation of the Banks in the Capital and Business Alliance

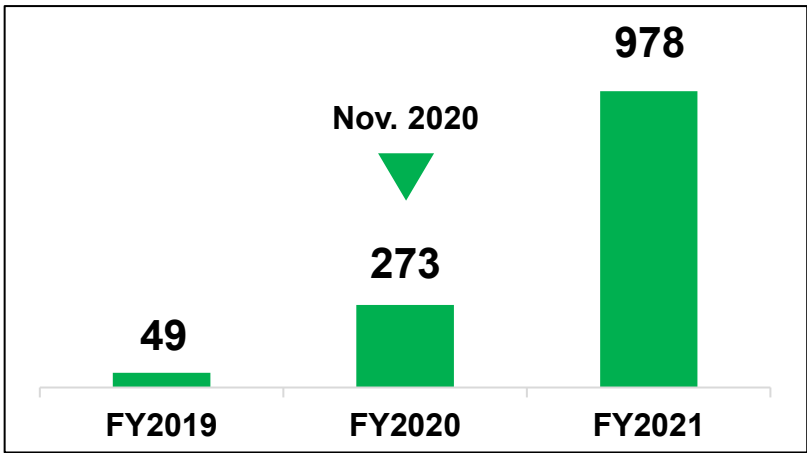
Core net business income comparison

(Excluding gains on cancellation of investment trusts / Q1 comparison) (JPY million, Non-consolidated basis)

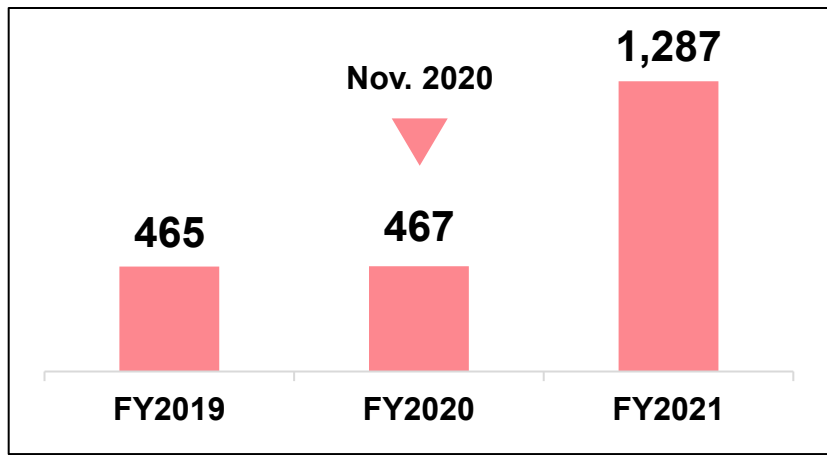
TOWA BANK



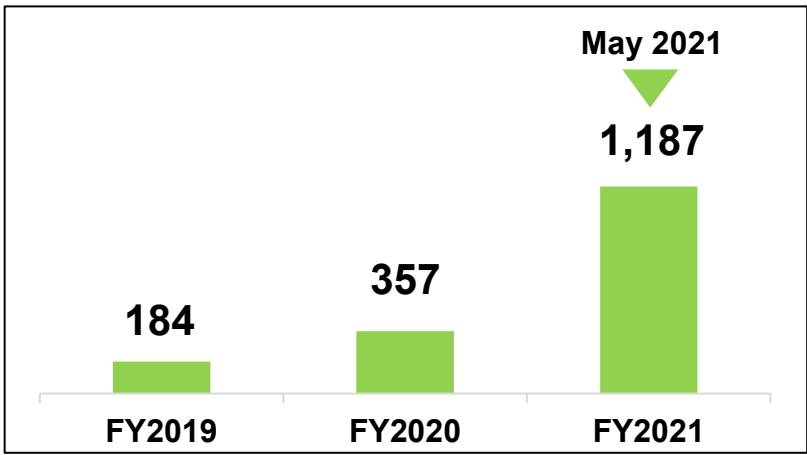
Sendai Bank



Kirayaka Bank



Tsukuba Bank



(2) Measures to be promoted, provided the TOB for Shinsei Bank is approved

- ① Examples of initiatives in the retail business**
- ② Examples of initiatives towards regional financial institutions**
- ③ Examples of initiatives towards financial corporations**

Collaboration in Retail Accounts and Securities Sector

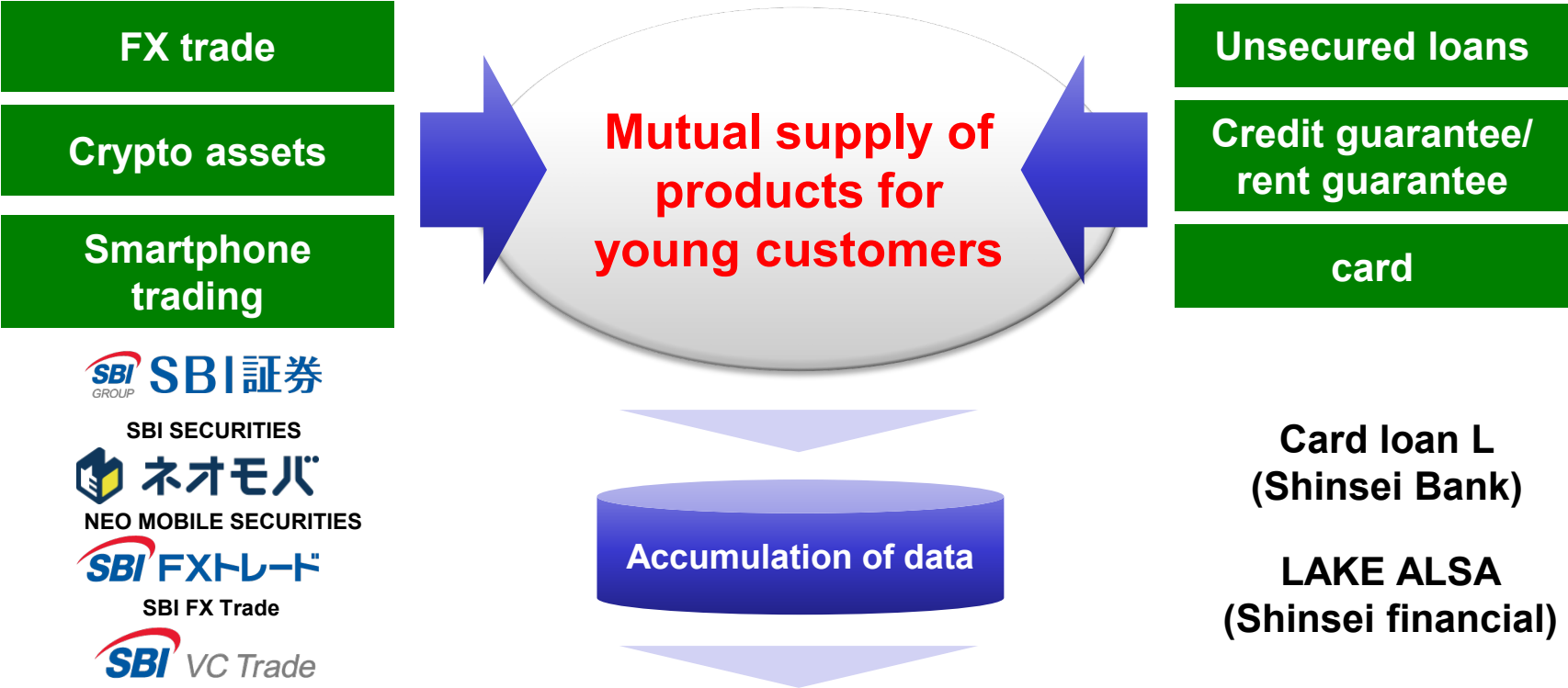
- If **Shinsei Bank's accounts and SBI SECURITIES' accounts can be opened at the same time and linked**, it will further improve convenience for customers of Shinsei Bank, and it is also expected that SBI SECURITIES' customers will be customers of Shinsei Bank.
- Expected to **increase in retail customers for Shinsei Bank**, and could be a starting point for strengthening revenue from retail customers.



Note: Such business collaboration will only take place if Shinsei Bank determines that it is in the best interests of its minority shareholders to do so through the measures adopted by Shinsei Bank to prevent conflicts of interest.

Collaboration in Small Amount Finance

- Increasing the customer base by mutually attracting younger customers creates revenue opportunities in the future life events of customers, and contributes to long-term profitability.
- The accumulation of data from both companies through cross-selling will increase the accuracy of credit decisions and marketing, contributing to cost reduction.



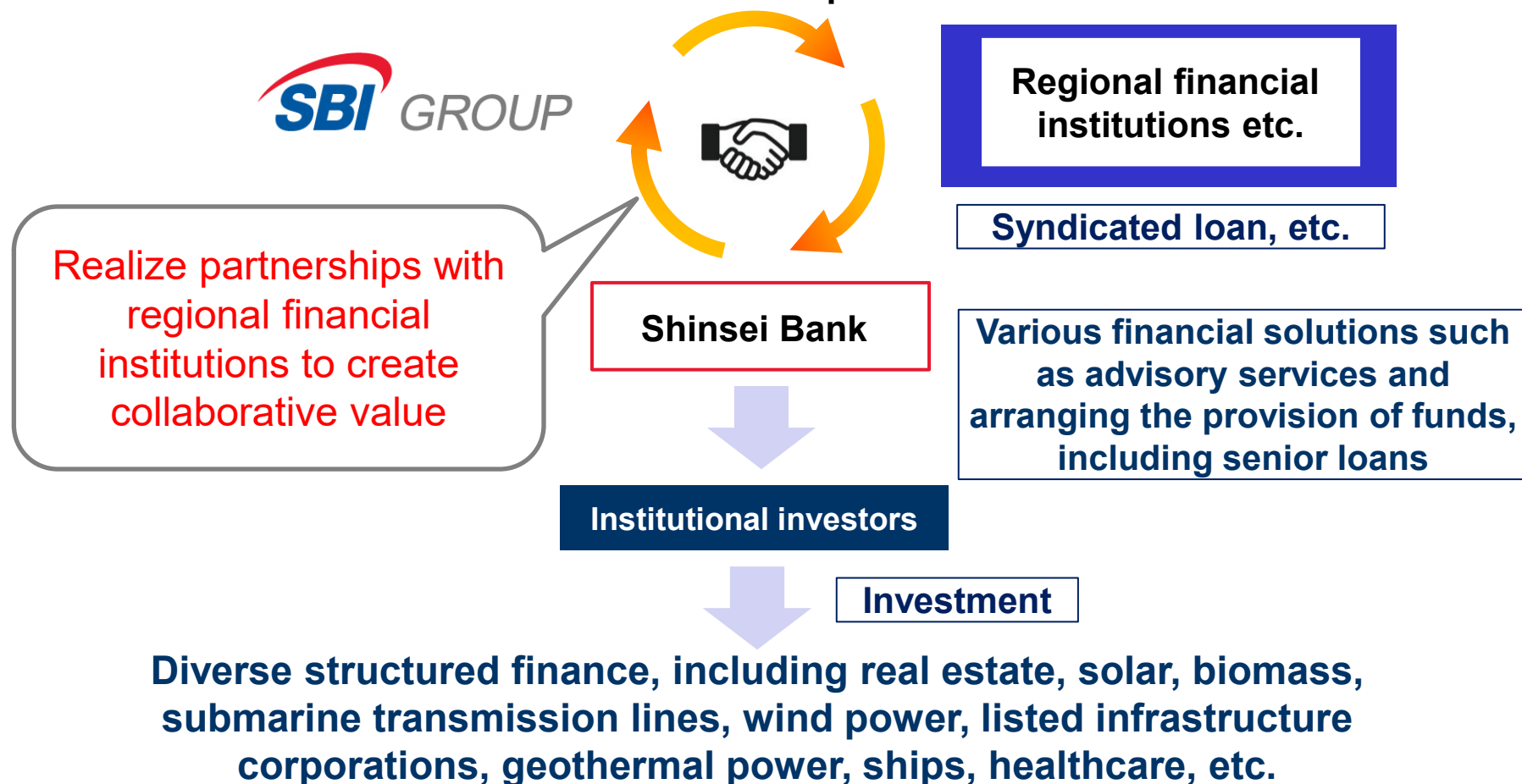
Improvement the accuracy of credit decisions and marketing

Note: Such business collaboration will only take place if Shinsei Bank determines that it is in the best interests of its minority shareholders to do so through the measures adopted by Shinsei Bank to prevent conflicts of interest.

② Examples of initiatives towards regional financial institutions

Collaboration in Structured Finance

- Shinsei Bank has expertise in structured finance for wide range of assets
- As the medium-term management plan focuses on partnerships with regional financial institutions for collaborative value creation, **Shinsei Bank can effectively utilize its network of regional financial institutions**, etc., with which it has capital and business alliance or business alliance with the SBI Group



Note: Such business collaboration will only take place if Shinsei Bank determines that it is in the best interests of its minority shareholders to do so through the measures adopted by Shinsei Bank to prevent conflicts of interest.

④ Collaboration in Market Sales and Treasury

- SBI Liquidity Market has counterparties from **31 major financial institution in Europe, the U.S. and Japan**, and handles a wide variety of foreign exchange flows. Based on its abundant trading liquidity, it can **provide foreign exchange trading opportunities with competitive spreads**.
- More opportunities for comparison among Shinsei Bank's FX trade counterparties, thereby reducing FX trade costs compared to the past.

Abundant trading liquidity in foreign exchange

(total annual FX trade value will **exceed \$10tn** in FY2020)



Note: Such business collaboration will only take place if Shinsei Bank determines that it is in the best interests of its minority shareholders to do so through the measures adopted by Shinsei Bank to prevent conflicts of interest.

2. Group-wide promotion of a corporate business strategy to further strengthen the corporate ecosystem

- (1) Expansion of business for corporate customers with partner regional financial institutions**
- (2) Strengthening cooperation with corporations in each business area of the SBI Group**
- (3) Promote the conversion of corporate clients into common customers for the Group through the integration and analysis of corporate client information**
- (4) Example of initiatives to promote for business corporations if the TOB offer for Shinsei Bank succeeds**

(1) Expansion of business for corporate customers with partner regional financial institutions

- ① Regional financial institutions with which SBI Group has a capital and business alliance that have a strong corporate client base**
- ② Support for DX and other activities**
- ③ Matching support for business corporations**
- ④ Local businesses support fund**
- ⑤ Osaka-Kansai Expo revitalization fund**
- ⑥ Business succession funds**

① The Regional Banks with which the SBI Group has Capital and Business Alliances have a Strong Corporate Customer Base in their Respective Regions

<Number of main bank clients in the prefecture>

* Based on a survey by Tokyo Shoko Research,
"Main Banks of Companies in 2021"

Company	Number
Shimane Bank	800
Fukushima Bank	2,181
CHIKUHO Bank	1,975
Shimizu Bank	2,978
TOWA Bank	1,678
Sendai Bank	3,505
Kirayaka Bank	3,974
Tsukuba Bank	5,785

8 banks have a combined customer base of **26,824 companies**. This is the next highest figure after the three megabanks and RESONA Bank

Regional currency business expanding nationwide through promotion and cooperation with local governments



Service provider: Machi no Wa
(Joint venture invested from SBI Holdings, THE CHIKUHO BANK, and Kyushu Electric Power)

~ Achievements of regional currency (premium coupons) ~



Ukiha City mobile shopping ticket (Ukiha City, Fukuoka)



Dazaifu pay (Dazaifu City, Fukuoka)



Higura Pay (Fukuoka City, Fukuoka)



Cashless hako-poppo (Fukuoka City, Fukuoka)



Hita Pay (Hita city, Oita)



Miyama Smile Pay (Miyama city, Fukuoka)



Paycha (Kita-Kyushu City, Fukuoka)



Miyako-Pay (Miyako Town, Fukuoka)



Itoshima pay (Itoshima City, Fukuoka)



Yame Pay (Yame City, Fukuoka)



Arao PAY (Arao City, Kumamoto)



Ukuhashi Pay (Yukuhashi City, Fukuoka)



Digital ishizuchi-hansatsu (Saizyo city, Ehime)



Asakura Pay (Asakura City, Fukuoka)



Muunakata Pay (Munakata City, Fukuoka)



Izuka Pay (Izuka City, Fukuoka)



Nisshin Pay (Nisshin City, Ehime)



Kappa Pay (Kurume City, Fukuoka)



Yanagikawa-Han Pay (Tanagikawa City, Fukuoka)



Shogun-Fuji Pay (Ogori City, Fukuoka)



On Pay (Onga Town, Fukuoka)



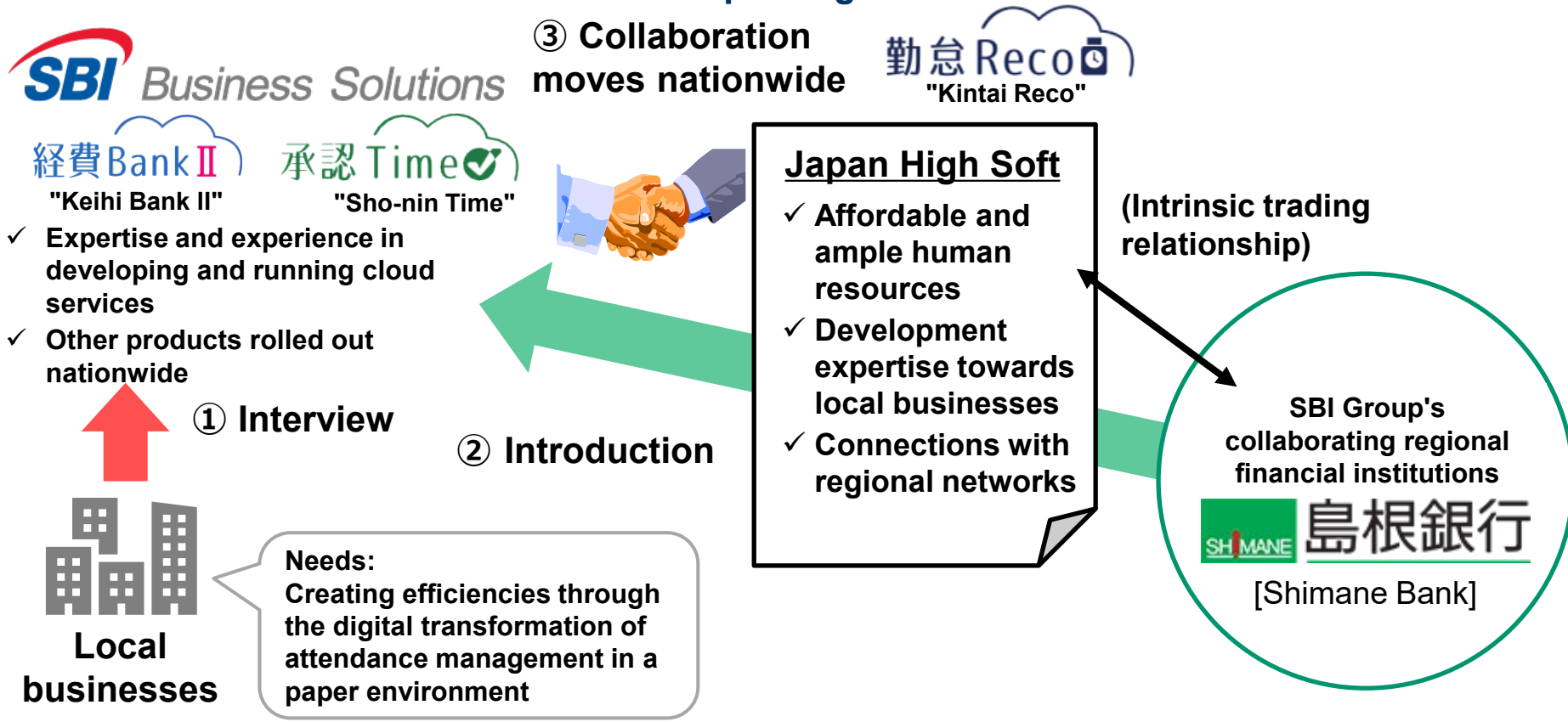
Takamiya Pay (Fukuoka City, Fukuoka)

Platform introduced in 22 regions

Concluded comprehensive business alliances with Kirayaka Bank and THE SENDAI BANK in July 2021 and Introduce the platform to Saijo Chamber of Commerce and Industry with the cooperation of The Ehime Bank in Sept. 2021. The SBI Group is expanding initiatives nationwide, utilizing its network with regional financial institutions.

Collaboration Between Corporate Clients of Regional Financial Institutions and SBI Group Through Introductions by Regional Financial Institutions

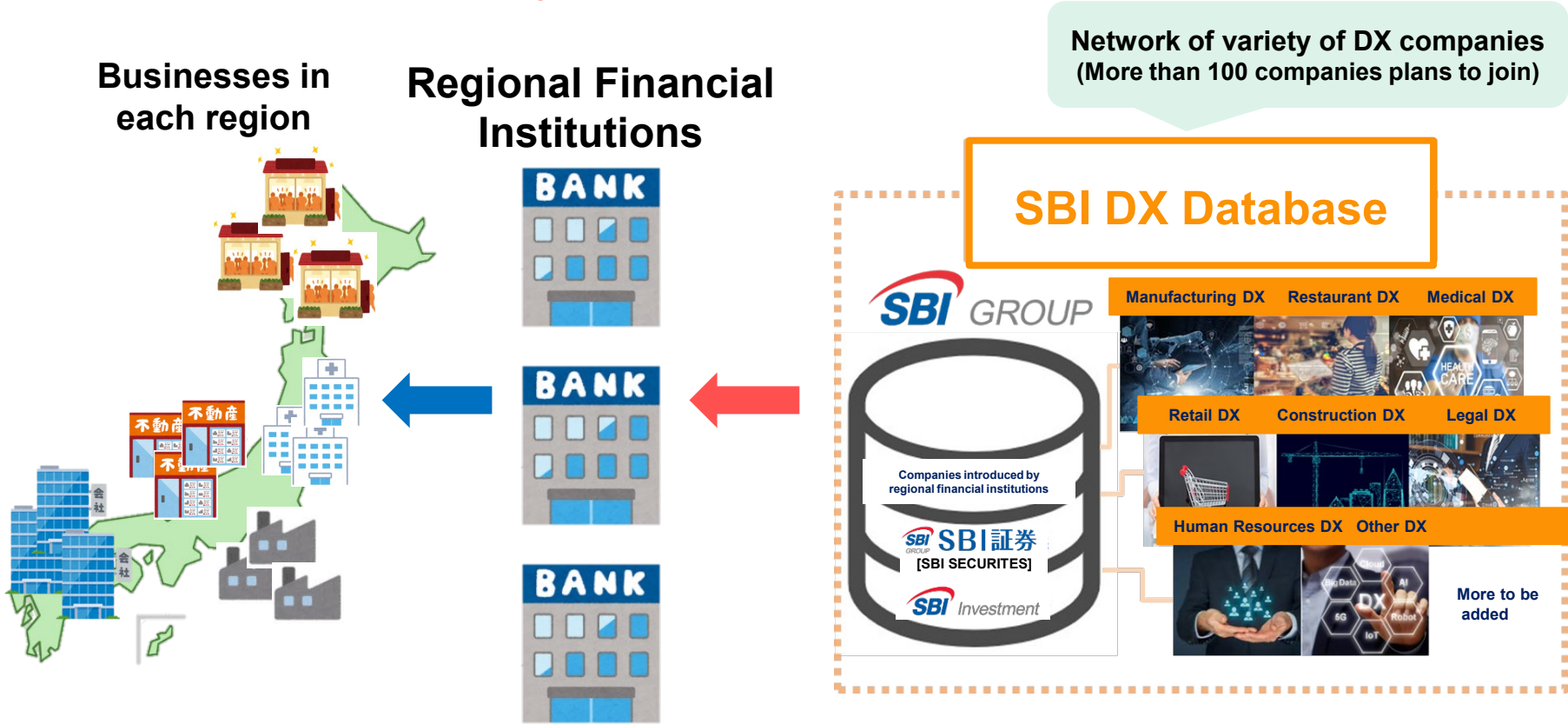
- Case study on the joint development of a cloud-based attendance management solution "Kintai Reco" with Japan High Soft in Shimane Prefecture -



Listen to challenges in the region, develop solutions with local businesses, and use the SBI network to expand nationwide

Realisation of the "SBI DX Database" Concept

- Compile a database of solutions that will contribute to the digital transformation (DX) of SMEs by fully utilizing the network of the SBI Group acquired through its investment in venture companies
- By using this database, regional financial institutions will be able to establish an efficient client support system and expansion of menu lineup



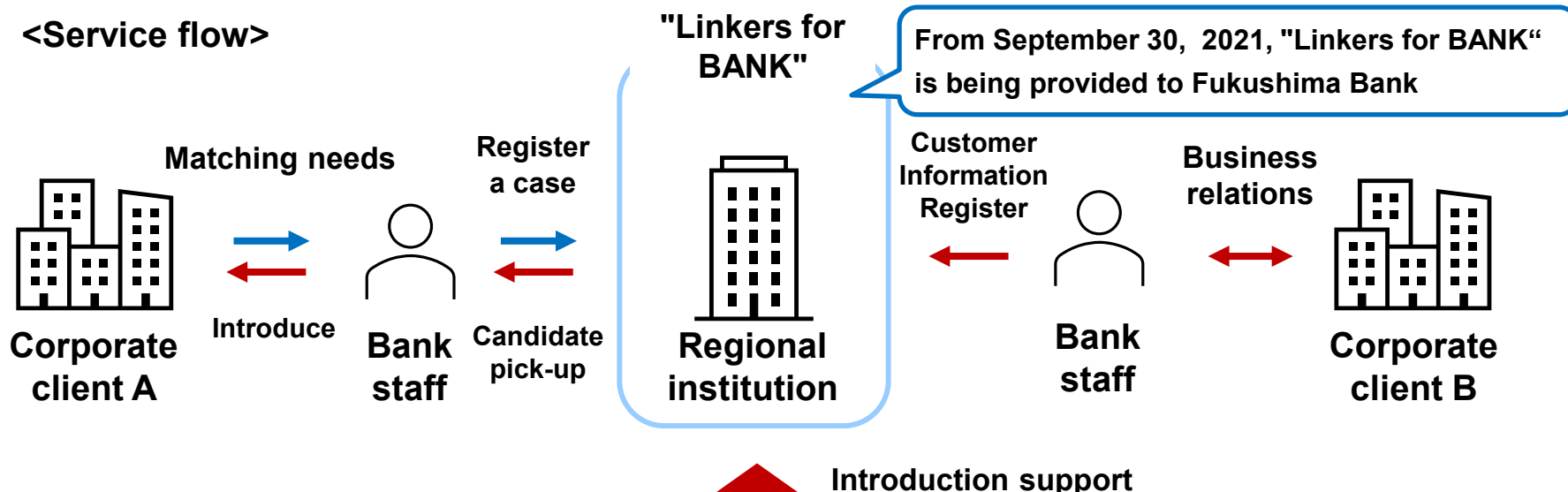
Expected to improve customer convenience and contribute to the revitalization of the local economy as local businesses accelerate their DX shift

③ Creating New Business Opportunities for Local Corporations Through Business-Matching Support

Linkers (SBI Group Capital and Business Partners)

- Operation of "Linkers for BANK", a system for financial institutions to provide business matching support for local companies
- In addition to a wide range of expertise in matching, Linkers has a nationwide network of business corporations and regional financial institutions

<Service flow>



SBI NEO FINANCIAL SERVICES

Contribute to the revitalization of the local economy through the creation of business-matching opportunities, as well as improving the profitability of local financial institutions

③ Promoting Matching Support for University-Launched Ventures in which SBI Group has Invested through SBI Translational Support

Business Matching



- Providing matching expertise
- Collaboration with local governments and financial institutions nationwide
- Network of small- and medium-sized businesses nationwide



Talent matching



- Possesses database of new businesses, new technologies, new products, and investment information in 80 countries around the world
- Additionally possesses a wealth of data on human resources (researchers)



[University-launched seed matching: Development of regenerative medicine pipeline for internal tissue and organ regeneration]

Shizuka Akieda
Koichi Nakayama
×
SHIBUYA CORPORATION



Shizuka Akieda (currently CEO of Cyfuse Biomedical K.K.) and Koichi Nakayama (currently a professor at Saga University) researched and developed a proprietary Bio-3D Printing Technology at Kyushu University Hospital

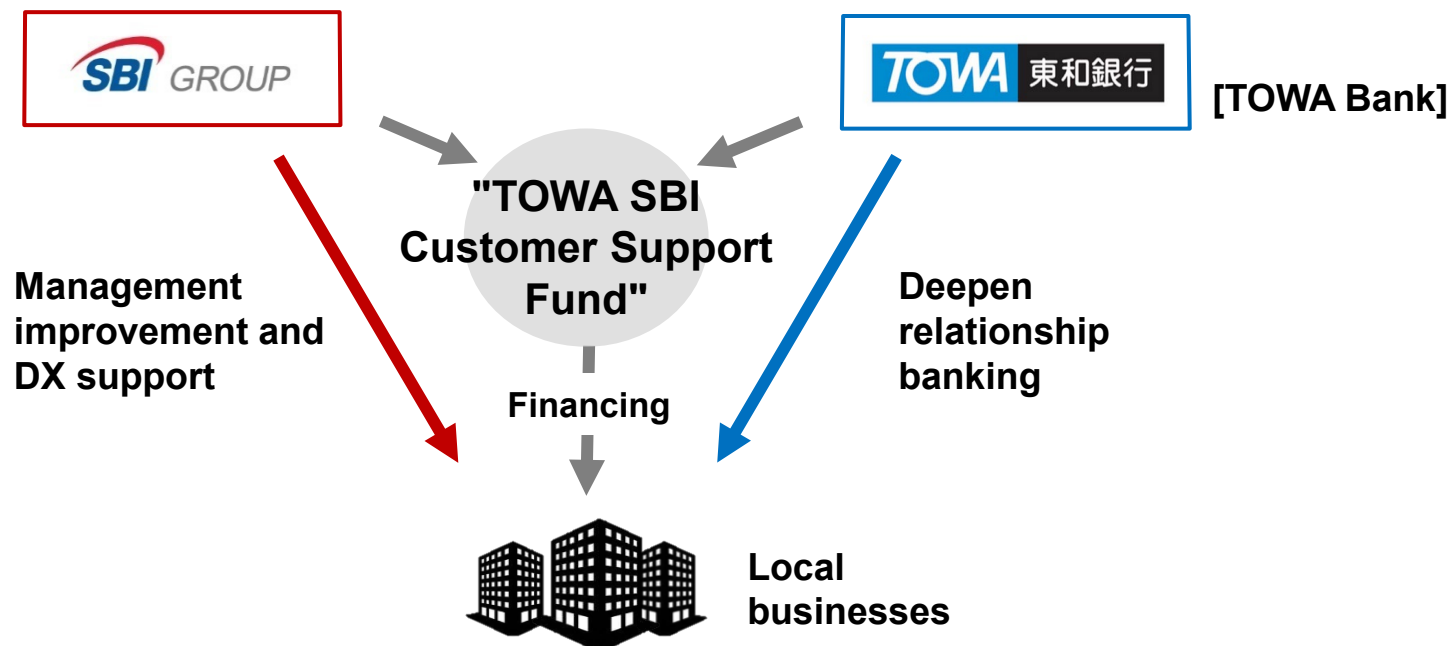
SHIBUYA CORPORATION
(Kanazawa City, Ishikawa Prefecture)

Cyfuse Biomedical K.K.
(Development of regenerative medicine pipeline utilizing bio-3D printer)

④ Establishment of a Joint Fund with Regional Institutions to Support Local Businesses: TOWA Bank

「TOWA SBI Customer Support Fund」

- Strengthen financial intermediary functions by providing capital through the fund. By providing hands-on corporate support, we intend to contribute to the revitalization of local businesses, the enhancement of their corporate value, and the sustainable development of the local economy
- Supporting the transformation of local companies for the post COVID-19 era by introducing cutting-edge technology and expertise of the SBI Group and our group companies



④ Establishment of a Joint Fund with Regional Institutions to Support Local Businesses: Tsukuba Bank



筑波銀行 [Tsukuba Bank]

Contributing to the revitalization and sustainable development of the local economy by utilizing the SBI Group's management resources and supporting Tsukuba Bank's local businesses

"Tsukuba SBI Regional Revitalization Fund"

(Est. July 2021)

Hands-on development and support of local start-ups

"Tsukuba SBI Regional Development Fund"

(Est. July 2021)

Support local businesses facing challenges in business succession and future growth strategies

Invest

WARPSPACE Inc.

(Invested)

A venture company from the University of Tsukuba seeking to realize the world's first inter-satellite optical communication network service for low earth orbit satellites

Veneno Technologies Co. Ltd.

(Planned investment)

A drug discovery venture based in Tsukuba that promotes the development of pharmaceuticals, etc. through its unique technologies that are traditionally difficult to develop

⑤ SBI Regional Revitalization Support Plans to Establish the Osaka-Kansai Expo Revitalization Fund together with Bio-Sight Capital in December 2021

-Contributing to the success of the Osaka-Kansai Expo by investing in domestic venture companies that fit with the expo's theme of "designing future society for our lives"-



Announced on
October 27, 2021

- With the theme of "Designing Future Society for Our Lives," the 2025 Osaka-Kansai Expo plans to showcase new technologies and services to the world as an experimental site for future society
- In an effort to form an ecosystem and revitalize Osaka and other areas in the Kansai region to create a global financial city, we will make use of the Osaka-Kansai Expo and contribute to its success by fostering investment in startups, ventures, and SMEs that seek to commercialize and industrialize the very best technologies in line with the expo's theme

⑥ Established the SBI Regional Business Succession Fund and Began Full-scale Investing Activities in Order to Support Business Succession Nationwide

- In March 2020, made first investment into TOKUSHIMA KYOWA, which operates pharmaceutical dispensaries. To date, 8 acquisitions made (3 in Osaka, one in Chiba, Shizuoka, Ibaraki and Tokushima). Total sales have increased to about JPY17bn. After performance improvement, 5 investment have already been exited.
- In partnership with the largest rice wholesaler SHINMEI HOLDINGS, the fund undertook its first investment in Dec. 2020 to a rice wholesaler, HAMAMATSU BEIKOKU, a client of Shimizu Bank. Plans made to support business continuation and expansion, in addition to financial support by the bank.
- In Sept. 2020, invested in and improved performance of sleeping equipment manufacturers in Nagano Prefecture, and partial exit completed in June 2021.
- After the completion of the investment in the first fund, new funds will be established in due course. The target is to build up the cumulative investment to around **JPY 100bn**

Investors

Regional financial institutions,
public institutions, etc.

Distribution

(LP) Investment

SBI Regional Business Succession Fund 1

Completed application process on
June 30, 2020 with a total of JPY
10.9bn (initially JPY 10bn target)

Investment



Recovery through
mergers and
acquisitions, etc.

Investee company



<Investment target>
Dispensing pharmacies, rice
wholesalers, construction
companies, etc.

Support

Company with advanced tech・expertise



SBI Group



Public institution・Expert

Public institution・Tax accountant
SME management consultant

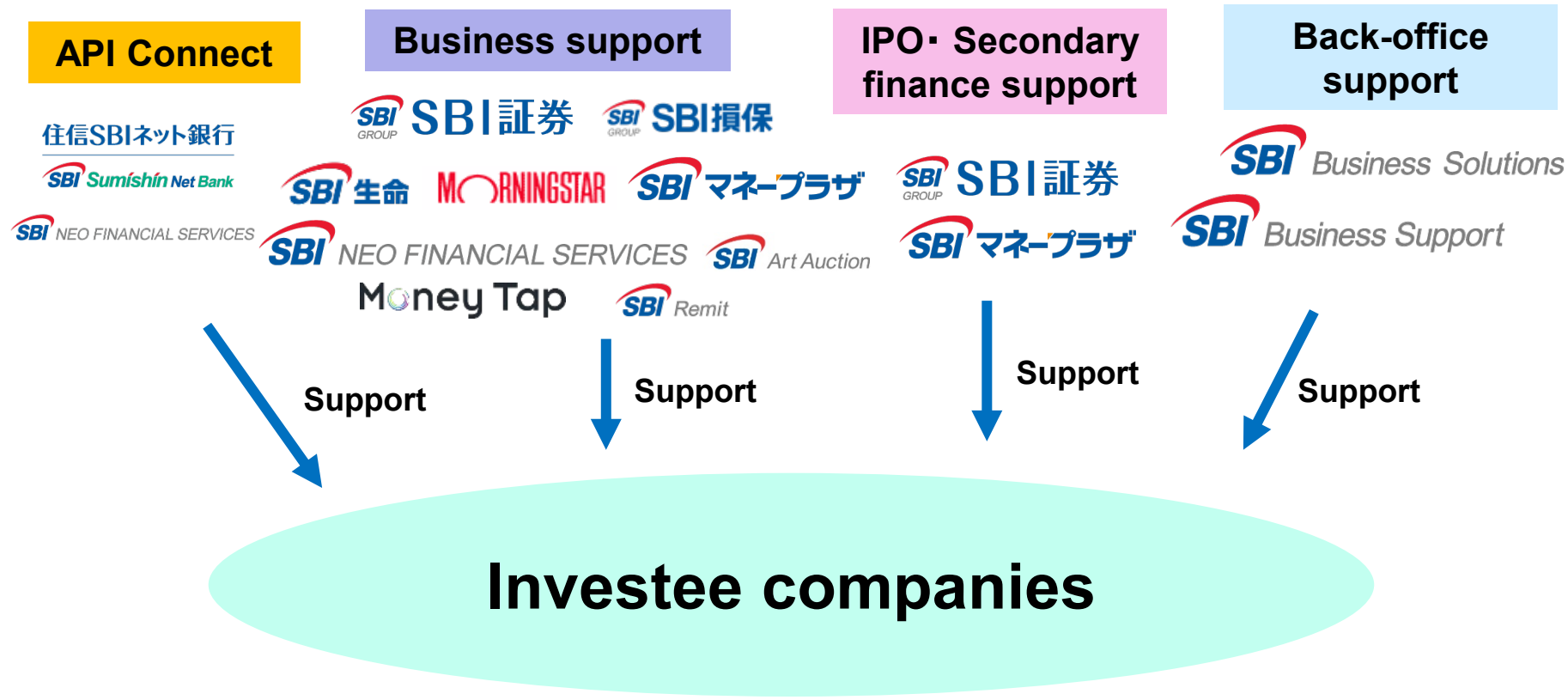
(2) Strengthening cooperation with corporations in each business area of the SBI Group

- ① Venture capital sector**
- ② Securities sector**
- ③ Banking sector**
- ④ Insurance sector**

Expand Connections With Group Companies Through Incubation Activities Using Group Resources for Investee Companies of SBI Investment

Cumulative number of investee companies	Cumulative number of investee companies		Cumulative number of investee companies			
	Domestic		Overseas		Domestic	
	IPO		M&A		IPO	
1,023	823		200		100	17
					33	27

(As of September 30; Unit: Companies)



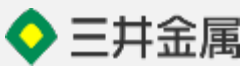



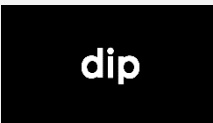



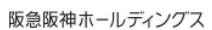




① Venture capital sector

SBI Investment's CVC Fund, Which Commenced Operations in 2016, Has Steadily Accumulated Investment Commitments and Now Has Total Commitment of JPY 100bn, Making It One of the Largest CVC Funds* in Japan



List of CVCs established by SBI Investment in collaboration with business corporations

Optical Instrument  Nikon-SBI Innovation Fund(JPY 10bn) July 2016~	Marketing  INTAGE-Open Innovation Investment LPS (JPY 5bn) Oct. 2016~	Material  Mitsui Kinzoku SBI Innovation Fund (JPY 5bn) Sept. 2017~	Foods  HOUSE FOODS-SBI Open Innovation Investment LPS (JPY 5bn) Oct. 2017~	Automobile  SUBARU-SBI Innovation Fund (JPY 10bn) July 2018~	Water Infrastructure  FUSO-SBI Innovation Fund (JPY 5bn) March 2020~
Security Company A Private Fund (JPY 10bn) June 2016~	HR-related  DIP Labor Force Solution Investment LPS (JPY 9bn) March 2020~	Financial Sector  SuMi TRUST Innovation Investment LPS (JPY 5bn) Sept. 2020~	Insurance  SUMITOMO LIFE INSURANCE COMPANY SUMISEI INNOVATION FUND (JPY 8bn) Nov. 2020~	Pharmaceutical Wholesale  MEDIPAL HOLDINGS MEDIPAL Innovation Investment LPS (JPY 10bn) Mar. 2021~	Electric Railway  Hankyu Hanshin Holdings, Inc. Hankyu Hanshin Innovation Partners Investment LPS (JPY 3bn) April 2021~
Real-estate Company B Private Fund (JPY 5bn) Oct. 2017~				Electronic Component wholesale  Restar-SBI Innovation Investment LPS (JPY 5bn) July 2021~	Elevator  FUJITEC-SBI Investment LPS (JPY 5bn) May 2021~

Jointly Established a CVC* Fund with KDDI (Announced on Oct. 27, 2021)

Jointly Established a new fund, "KDDI Green Partners Fund"



Investment track record and
experience in the growth fields



Strive to create innovation that addresses
climate change to lead to a bountiful
future for the Earth

- Management company : SBI Investment
- Investment target : Overall climate change area for carbon neutralization
- Fund size : Approx. JPY 5bn

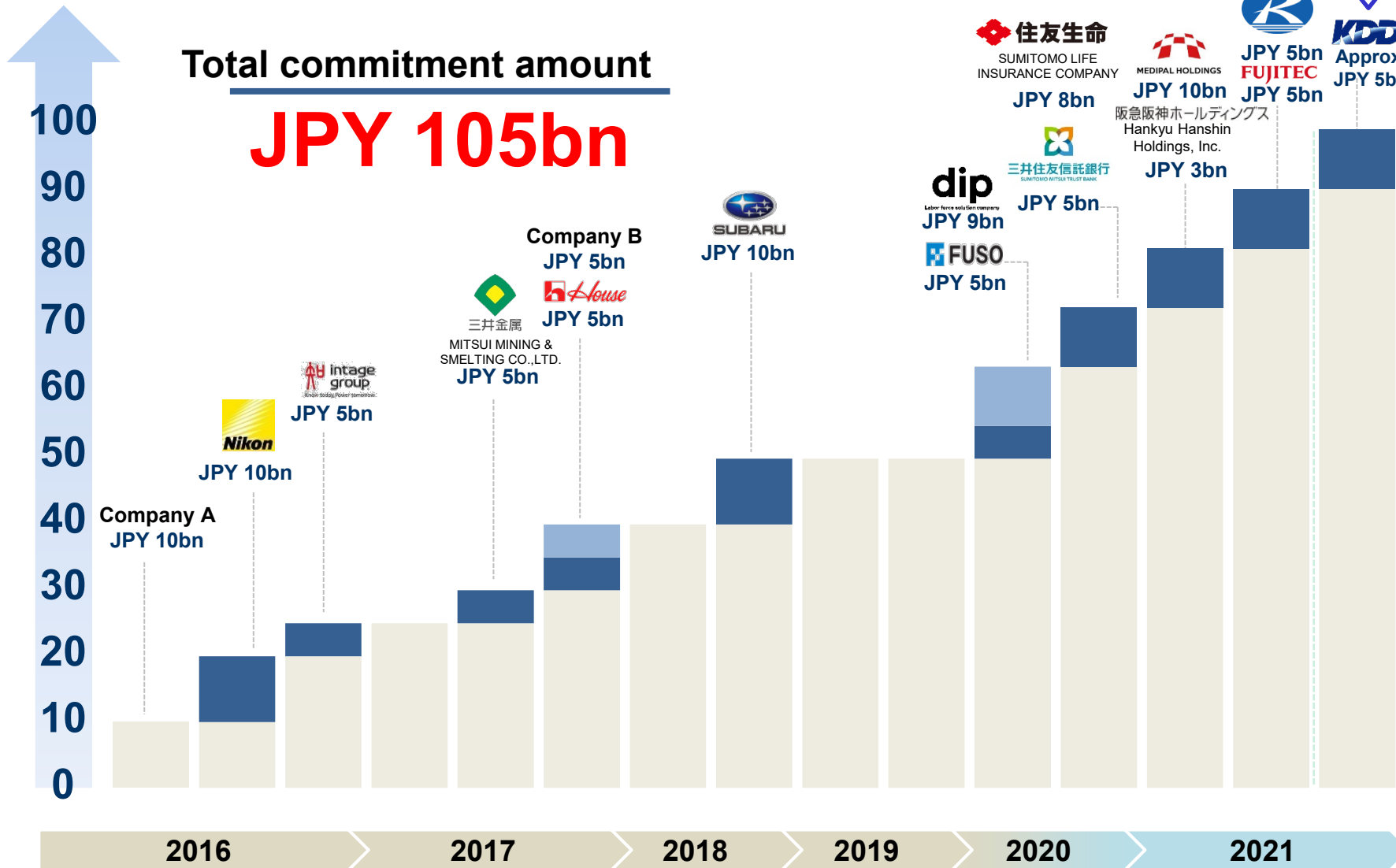
CVC Fund's Total Committed Amount to Exceed JPY 100bn



- Endeavor to Further Increase the Fund Size through Alliances with Business Corporations -

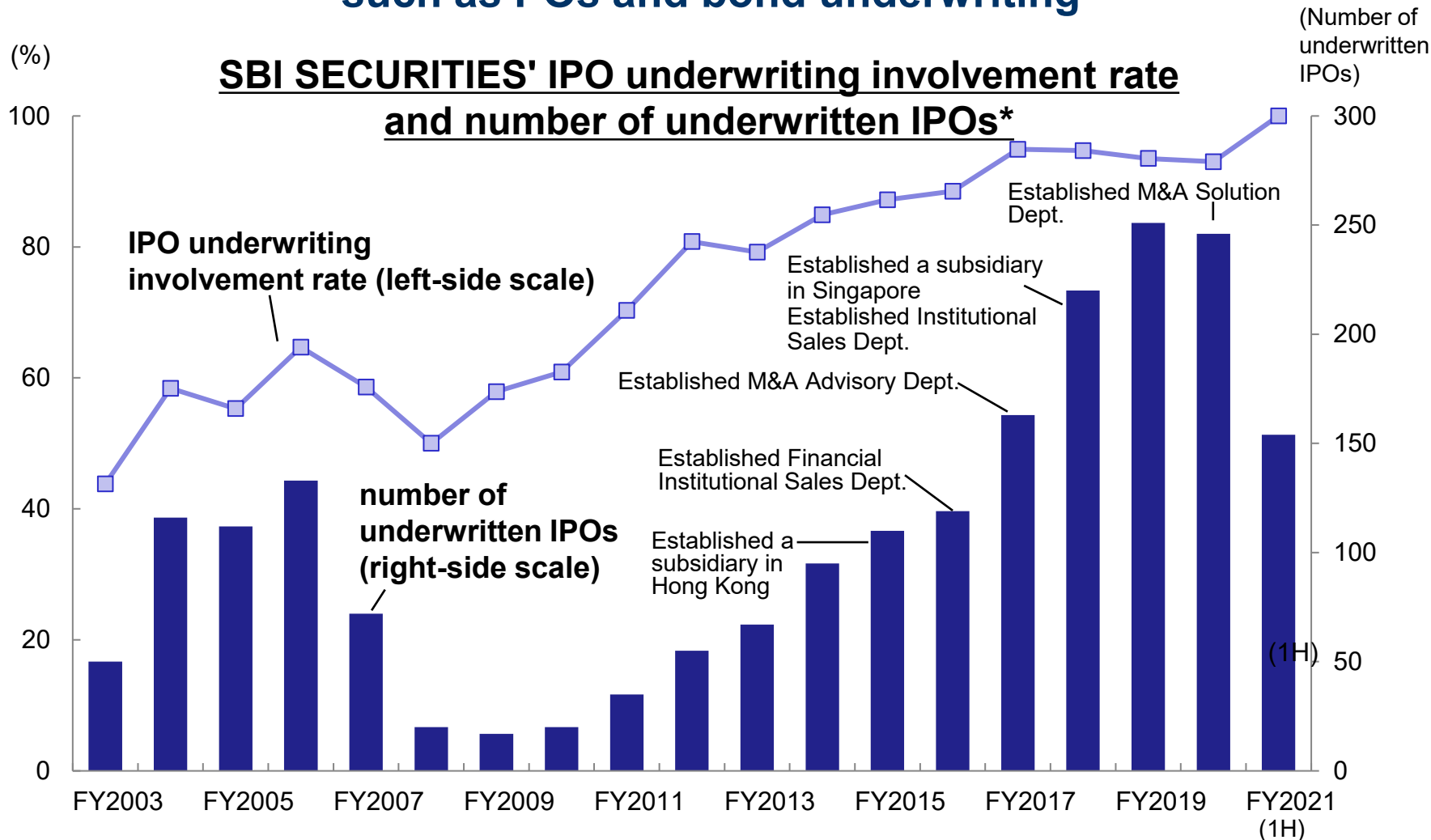
Announced on Oct. 27, 2021

(JPY billion)



SBI SECURITIES Strengthens Relationships with Business Corporations Through its Underwriting Business

- Focusing not only on IPOs but also on secondary markets such as POs and bond underwriting -



Establish an Organization to Strengthen Approach to Corporate Businesses by Proposing Multifaceted Solutions, Including M&A

Strengthen M&A Advisory Division

Further strengthen M&A advisory division to **provide multifaceted proposal diplomacy** to businesses, improve the quality of M&A execution and management, and enhance support for clients

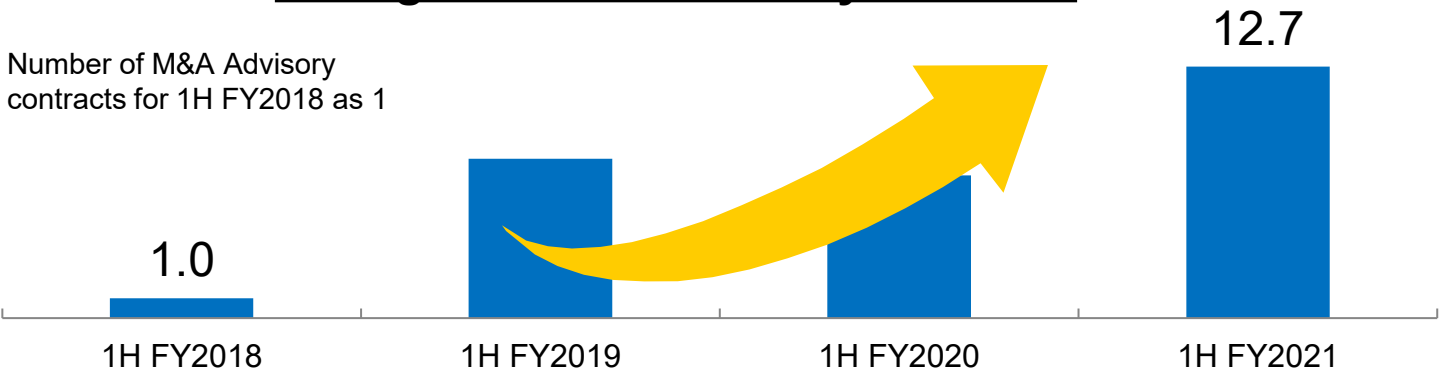


M&A Solutions Dept.
M&A Advisory Dept.

Provides advice on corporate acquisitions, divestitures, management integration, MBO, industry restructuring, business reorganization, etc., and supports increased corporate value.
Also, building a system to handle cross-border transactions to support clients

Changes in M&A advisory Revenue

* Number of M&A Advisory contracts for 1H FY2018 as 1



Expanding Initiatives with Corporations by Providing Financial Services and Tie-ups with Shared Points Programs

【Provide Financial Services】



- SBI Securities and Takashimaya Co., Ltd. jointly operate Takashimaya's exclusive website to support the asset management of Takashimaya Group customers through a business alliance. Takashimaya Financial Partners opened a new face-to-face consultation counter "Takashimaya Financial Counter" in June 2020 to provide asset management consultancy. The third financial counter will open in Sept. 2021.
- Providing investment trust accumulation services that can be settled with the Takashimaya Card and introduced a point program to earn Takashimaya points by accumulating investment trusts with the card

【Alliance with Points Programs】



T-point

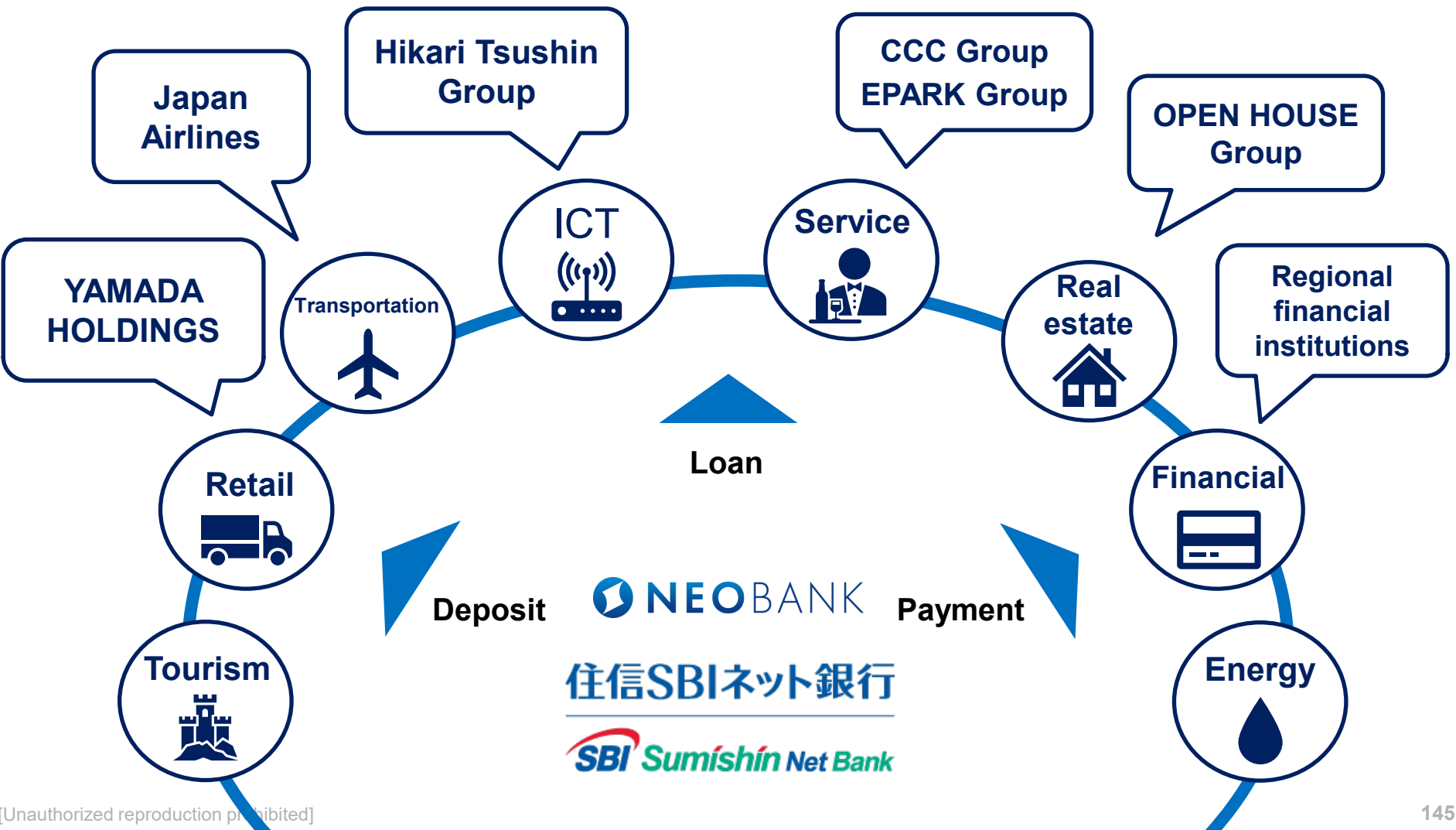


Ponta-point

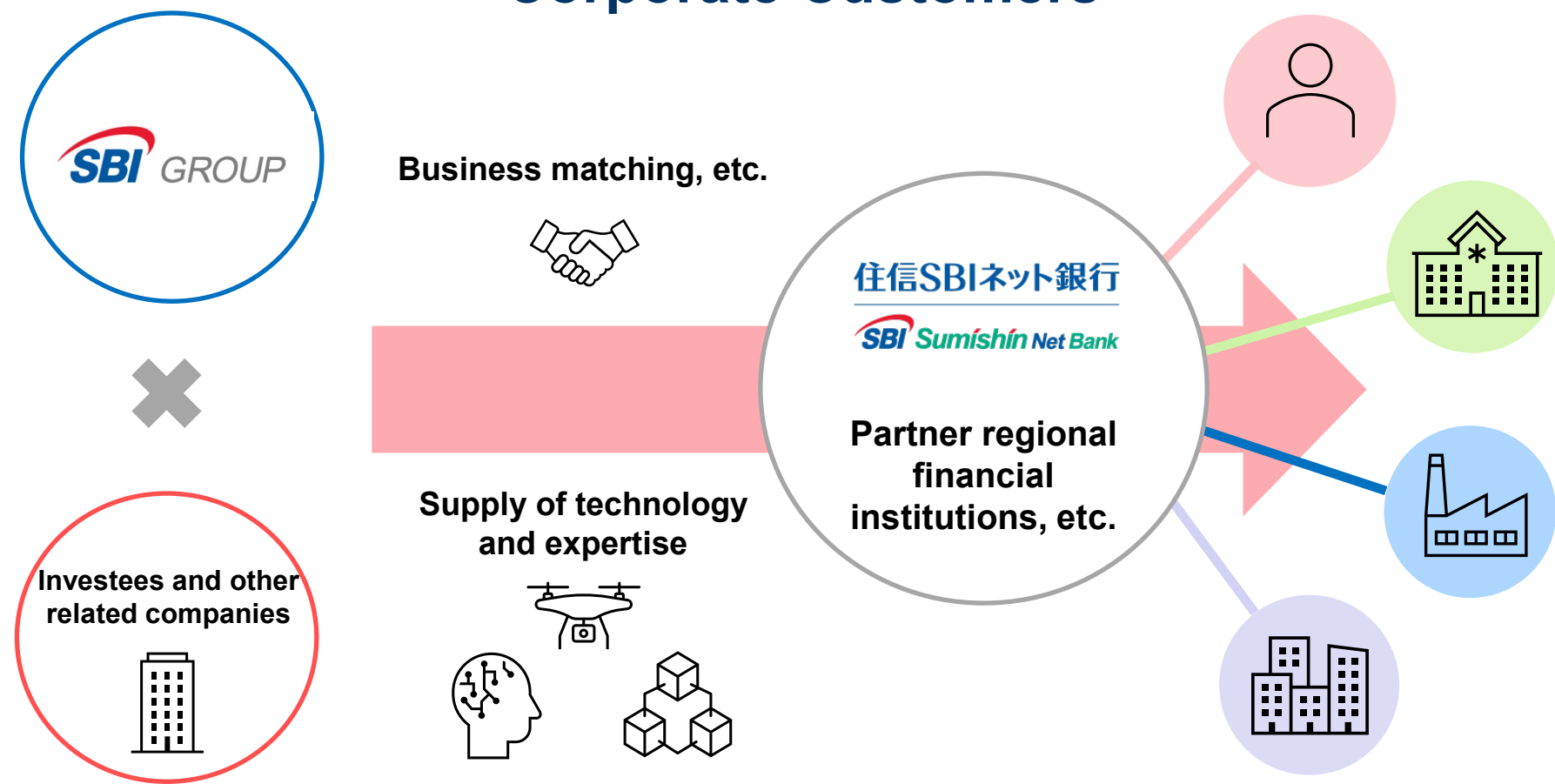
- Using the points developed by CCC Marketing Inc. and Loyalty Marketing Inc., both of which develop common points, it is possible to use and accumulate points when investing in SBI Securities and SBI Neo Mobile Securities
- Continue to actively promote open alliances in terms of the use of shared points

Promotion of Cooperation with Major Corporations and expansion of the Customer Base Through the "Neo-bank Initiatives"

Improving customer convenience for our partners by providing them with "banking facilities"



In the Banking Sector, Aggressively Promoting the Initiatives to Further Strengthen Links with Corporate Customers



SBI Insurance Group Companies Strengthen Their Customer Bases by Expanding Sales Channels and Services Through Alliances with Business in a Variety of Industries



82 companies including
27 financial corporations
(Insurance product handling)



Comprehensive funeral
service company
(Term insurance)

Pet stores, breeders,
dog and cat transfer
organizations
(pet insurance)



Apps for pet owners
(pet insurance)



Electricity service
company
(pet liability Insurance)

Building materials
sales company
(earthquake insurance)

Apps for pet owners
(pet insurance)



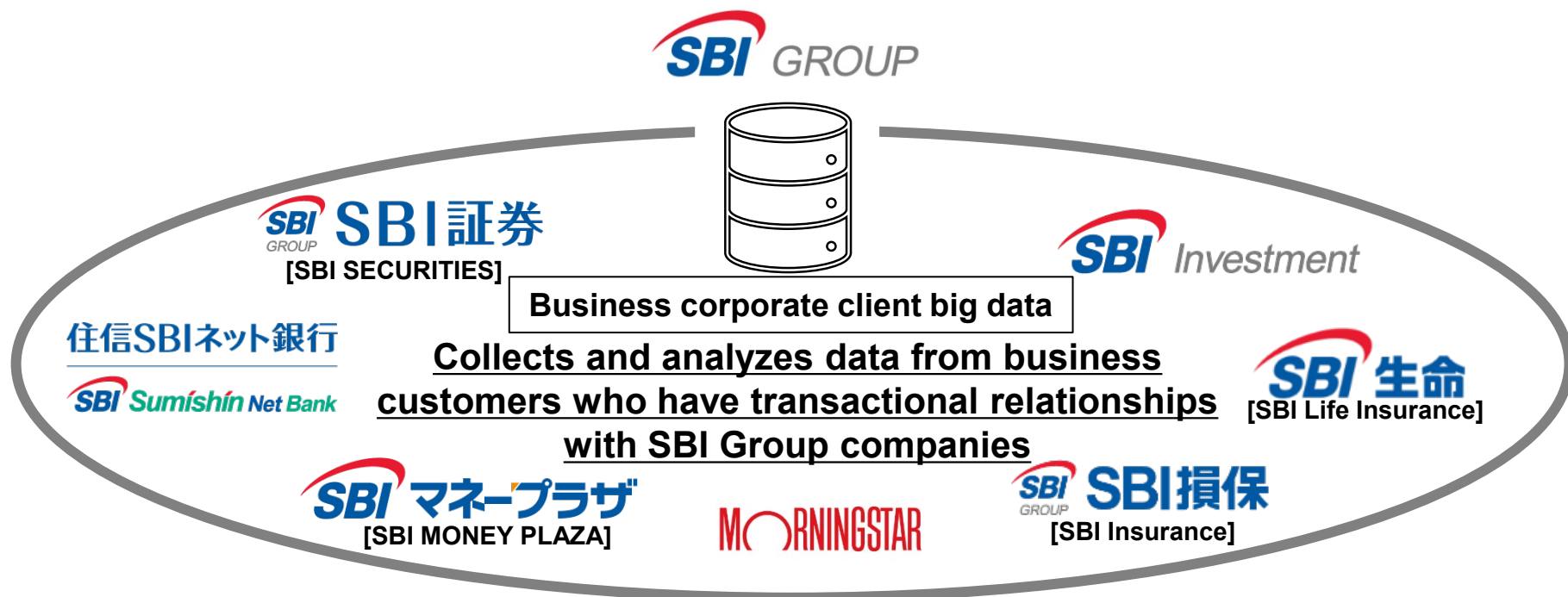
Motorcycle manufacturers
and dealers
(vehicle insurance for motorcycles
and bicycles)



Rent guarantee company
(Simultaneous guidance on insurance and rent guarantee
for rental housing)

(3) Promote the Conversion of Corporate Clients into Common Customers for the Group Through the Integration and Analysis of Corporate Client Information

- Promote aggressive cross-selling by utilizing intragroup information collected as big data -



[Example of utilization of business corporate client big data]

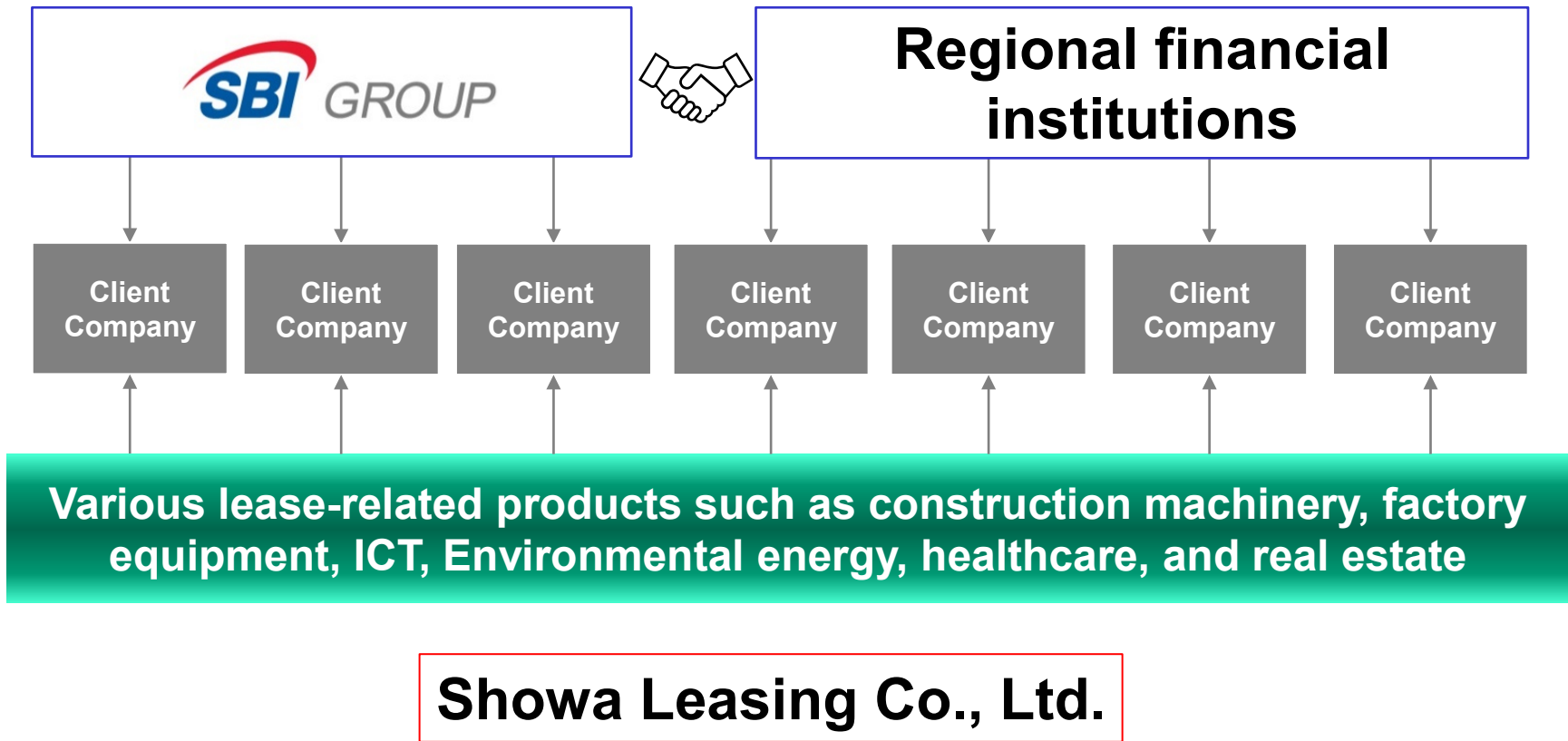
When a client of SBI MONEY PLAZA wants to promote digital transformation

- SBI MONEY PLAZA could introduce an investee company of SBI Investment that provides a digital transformation platform through big data on corporate customers

(4) Example of initiatives to promote for business corporations if the TOB offer for Shinsei Bank succeeds

① Cooperation in Leasing

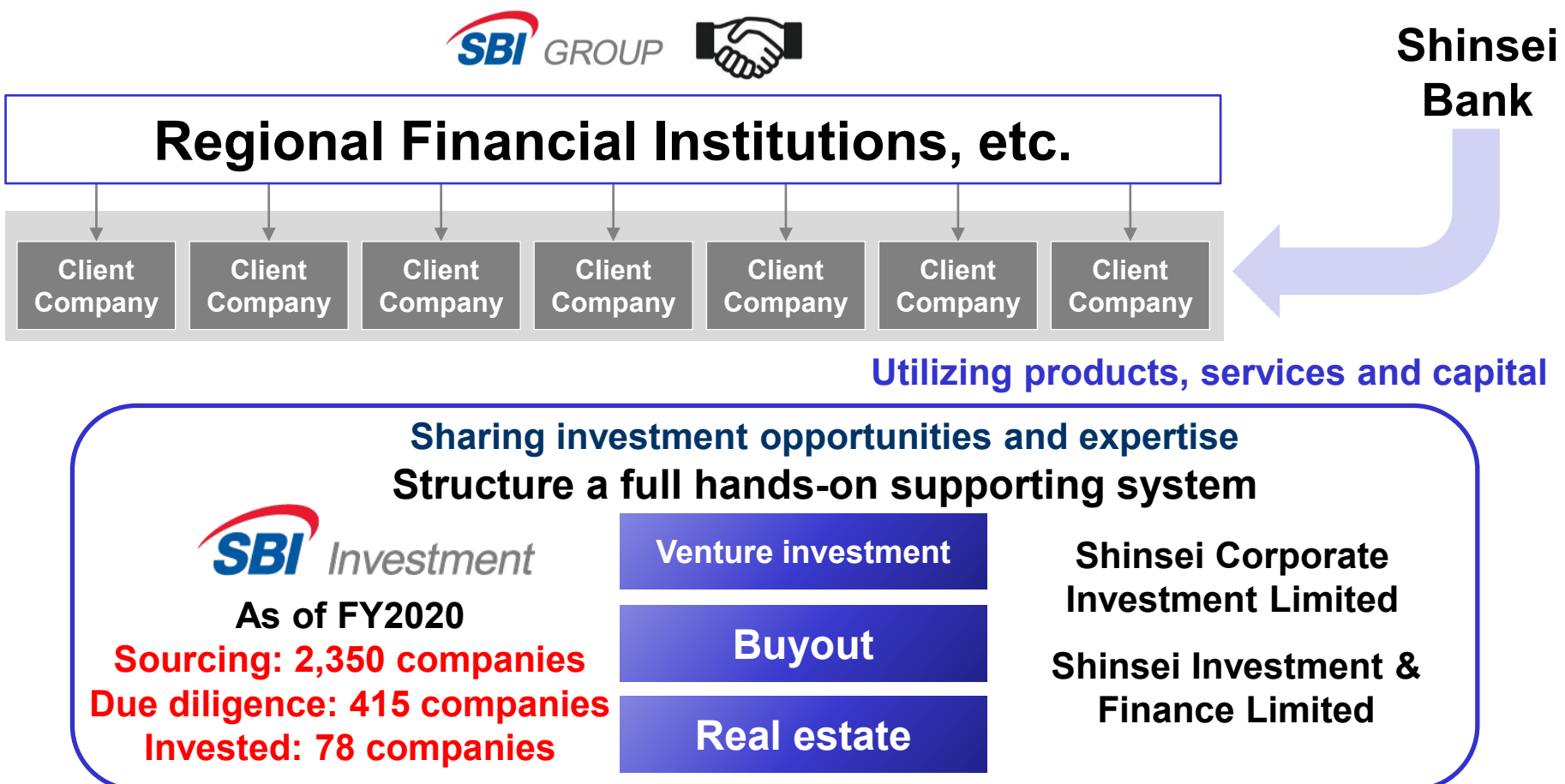
- The Shinsei Bank Group could expand its operating base by providing Showa Leasing's lease-related products to SBI Group customers and customers of regional financial institutions which are SBI Holdings' capital and business alliance partners



Note: Such business collaboration will only take place if Shinsei Bank determines that it is in the best interests of its minority shareholders to do so through the measures adopted by Shinsei Bank to prevent conflicts of interest.

② Cooperation of Principal Transaction

- The SBI Group has a track record of co-investment with more than **30 other regional financial institutions excluding those of the SBI Group's capital and business alliance partners**
- Mutually improve productivity by **sharing investment opportunities with clients of the SBI Group's partner regional financial institutions**, as well as **sharing the abundant investment expertise** of SBI Investment, etc.



Note: Such business collaboration will only take place if Shinsei Bank determines that it is in the best interests of its minority shareholders to do so through the measures adopted by Shinsei Bank to prevent conflicts of interest.

III. SBI Group's progress towards establishing its business in the digital asset field

- Completing the PoC stage and entering the commercialization stage -

- 1. Initiatives in the Digital Assets Area**
- 2. Entry into eSports-related Business**

1. Initiatives in the Digital Assets Area

- Business utilizing DLT and Blockchain moves on from the concept stage to the specific service stage -

- (1) Non-fungible token (NFT)**
- (2) Security Token (ST)**
- (3) Digital asset integrated funds**
- (4) Decentralized Finance (DeFi)**
- (5) International money transfer using XRP**

(1) Non-fungible token (NFT)

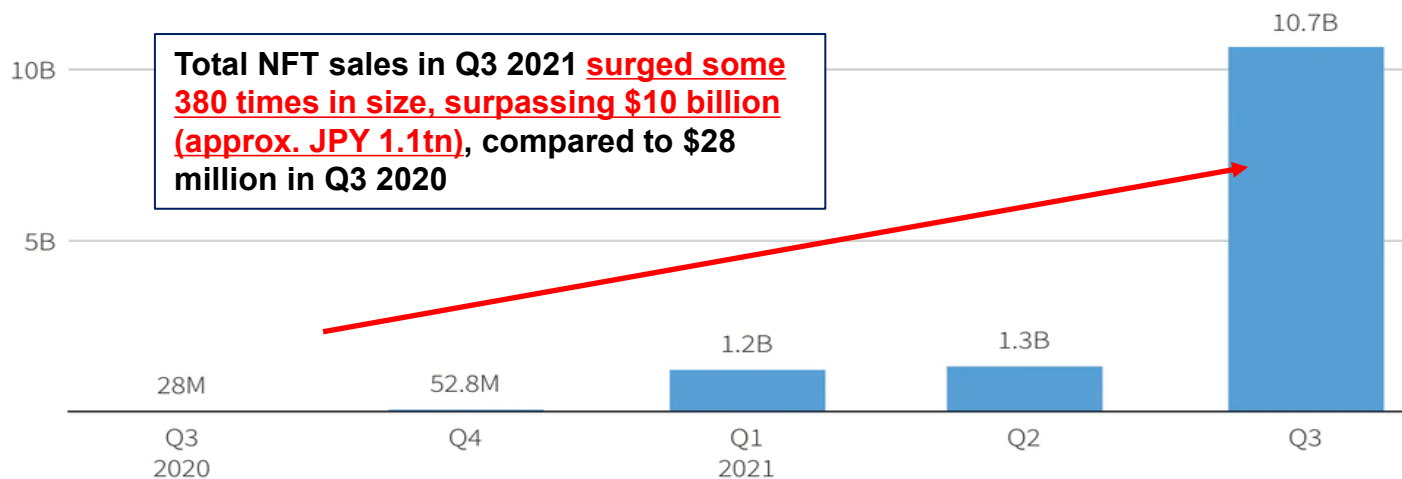
- Full-scale entry into the rapidly growing NFT market -**

As a Global Trend, the Market for NFTs is Rapidly Expanding ①

< The NFT market size grew rapidly in 2021 >

NFT sales surge to \$10.7 billion in Q3 - DappRadar

Quarterly non-fungible token sales volumes across multiple blockchains, in U.S. dollars



Note: DappRadar is a company which tracks on-chain NFT sales across multiple blockchains including Ethereum, Flow, Wax, and BSC.
Source: DappRadar

(According to DappRadar)

- Non-fungible tokens (NFT) are tokens that are unique and one-of-a-kind. A certain NFT is like no other in the world
- By using a blockchain, a level of **uniqueness** can be given to digital data that would have been easy to copy or tamper with
- NFTs are being issued for such things as art, game items, and tickets, gaining much popularity around the world

As a Global Trend, the Market for NFTs is Rapidly Expanding ②

<Examples of NFTs>



■ Games

A blockchain game with NFT-ized characters and items



■ Art

Adding information such as authenticity and ownership history to digital art



■ Ticketing

Promotion of distribution and event promotion by converting electronic tickets to NFT



SBI Group Makes Full-Scale Entry into NFT Marketplace Business

- In Sep. 2021, **Smartapp**, a company developing Japan's first integrated NFT trading platform business, **became a consolidated subsidiary** of the SBI Group and changed its name to **SBINFT**
- **Focused on the NFT marketplace business that supports public chains (Ethereum)**, and aiming to become **a global leader** in the distribution market of valuable NFTs such as domestic and overseas art / entertainment / tickets



Brands and companies offer their works in the marketplace



Provide comprehensive services such as community-build, metaverse business, etc.

Promoting the Integration of Contemporary Art and NFT Business, Striving to Become a Pioneer in the Industry

- ✓ SBI Art Auction has partnered with Startbahn, Inc. to issue blockchain certificates "Cert." to those who have made successful bids for artworks
- ✓ In addition to being able to record and browse information about works and artists online, use history information and distribution channels after secondary distribution are automatically recorded
- ✓ The first-in-Japan NFT sale is scheduled to be held on Oct. 30

<Examples of work exhibited>



Sputniko!
《The Moonwalk Machine –
Selena's Step》



David OREILLY
《POTATO》



UuDam Tran NGUYEN
《Waltz of The Machine
Equestrians》



TAKAKURA Kazuki
《Goodbye Meaning》

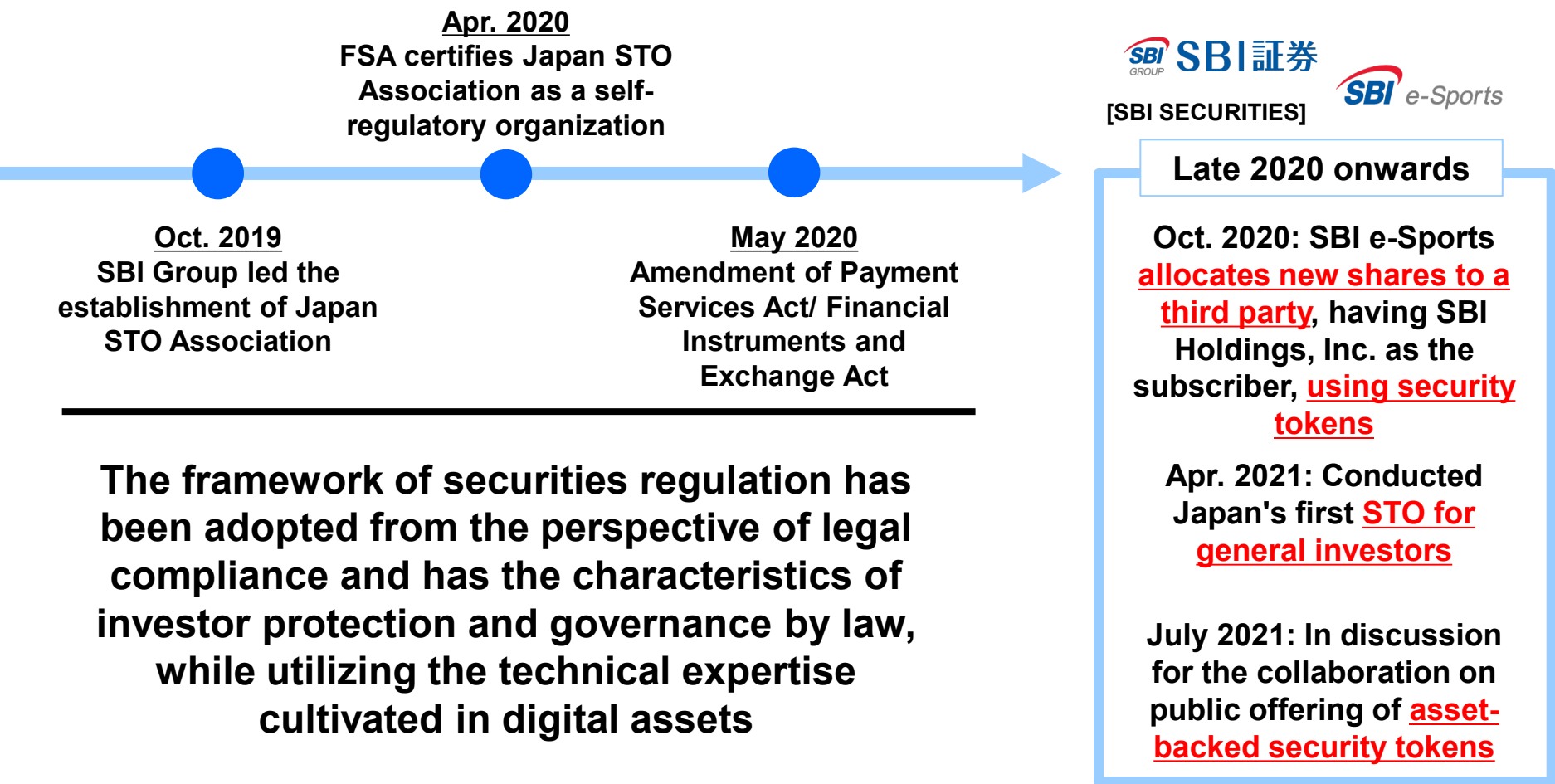
(2) Security Token (ST)

- ① Specific examples of practical application of ST, a next-generation financial product**
 - (i) Digital stocks (SBI eSports)**
 - (ii) Bond ST (SBI Securities)**
 - (iii) Asset-backed ST**

- ② SBI Group's moves to build various infrastructures for digital assets in Japan and overseas**
 - (i) Osaka Digital Exchange (ODX)**
 - (ii) Established a digital asset exchange in collaboration with SIX Digital Exchange (SDX) of Switzerland**
 - (iii) Singapore subsidiary builds ST trading infrastructure for institutional investors**

Initiatives of the SBI Group on Security Tokens (ST)

Initial Coin Offering (ICO), which spread rapidly from 2017 to 2018, is now at the stage of practical use as an STO after legal changes



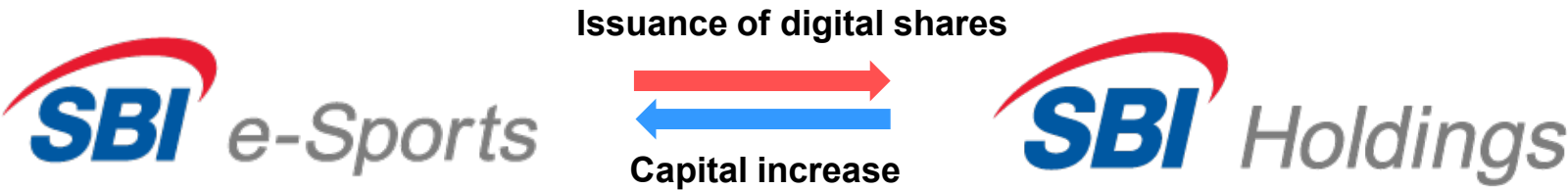
Promote application for a wide range of financial instruments, from stocks and bonds to real estate, etc.

(i) Third-party Allocation of New Shares by SBI e-Sports Via an STO (Oct. 30, 2020)

~ Capital raise through digital shares ~

✓ Issuer

✓ Underwriter



BOOSTRY

Managed on "ibet", a blockchain platform developed by BOOSTRY of Nomura Group

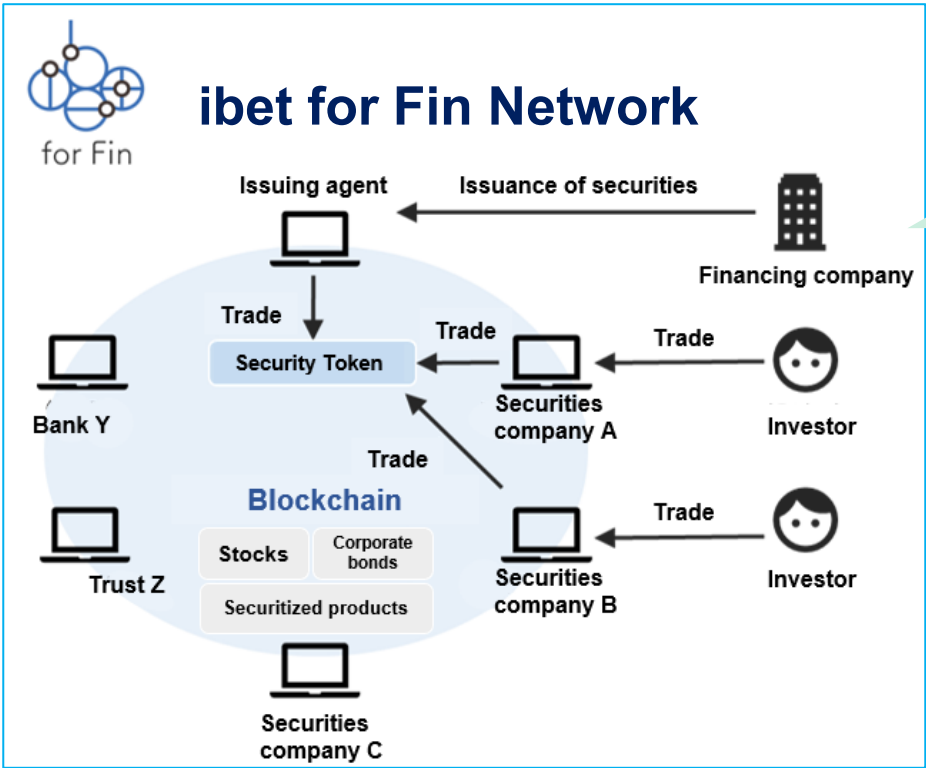
The transfer of tokens, rights, and updating of the shareholder registration are handled as a series of processes and can be managed electronically

*SBI Group acquired a 10% stake in BOOSTRY which was established by the Nomura Group

① ST: the next-generation financial product

(ii) SBI SECURITIES Conducted the First STO in Japan for General Investors in Collaboration with BOOSTRY, etc.

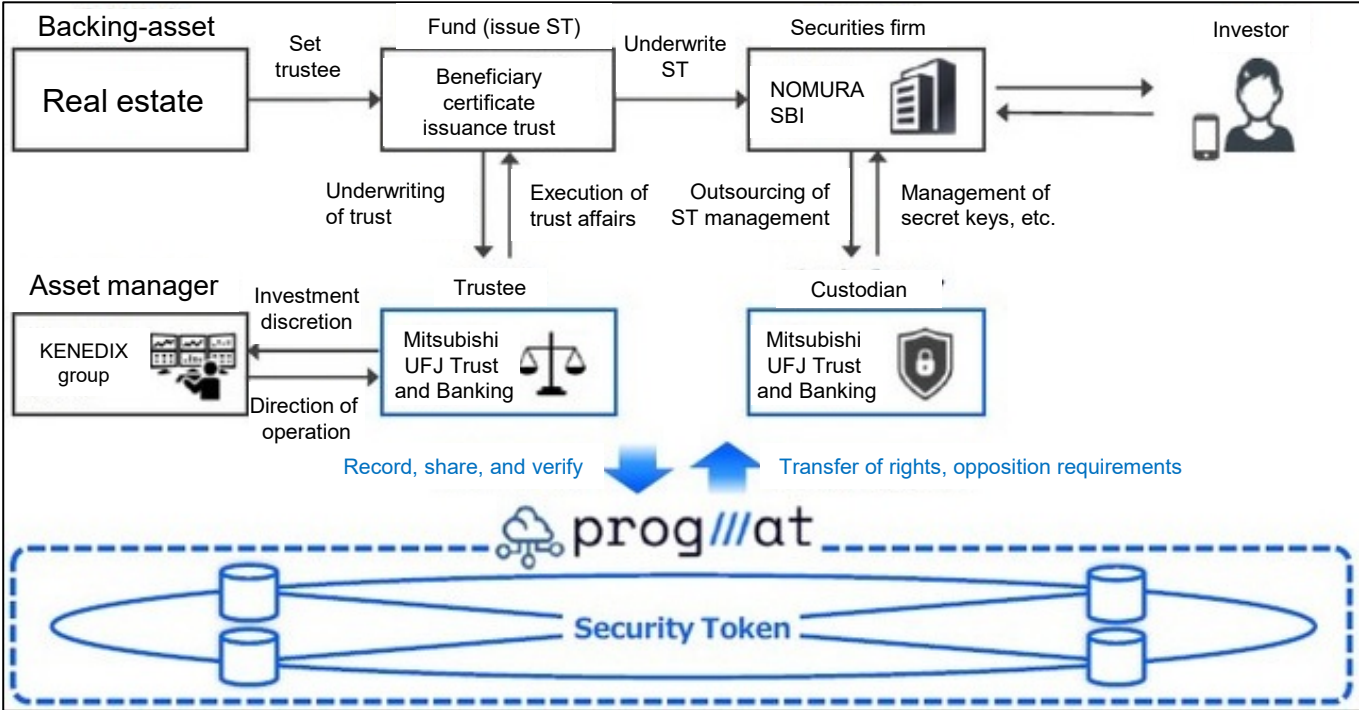
- SBI SECURITIES announced the first security token offering (STO) for general investors in Japan on Apr. 19, 2021.
- The issuance and management of digital stocks will be carried out using "ibet for Fin" led by BOOSTRY. The process of primary issuance to interim management and redemption is all executed electronically
- In an effort to develop and provide a decentralized financial platform, SBI SECURITIES, SMBC Nikko Securities, Nomura Securities, and BOOSTRY started the ibet for Fin blockchain consortium in Apr. 2021 to handle security tokens (ST)



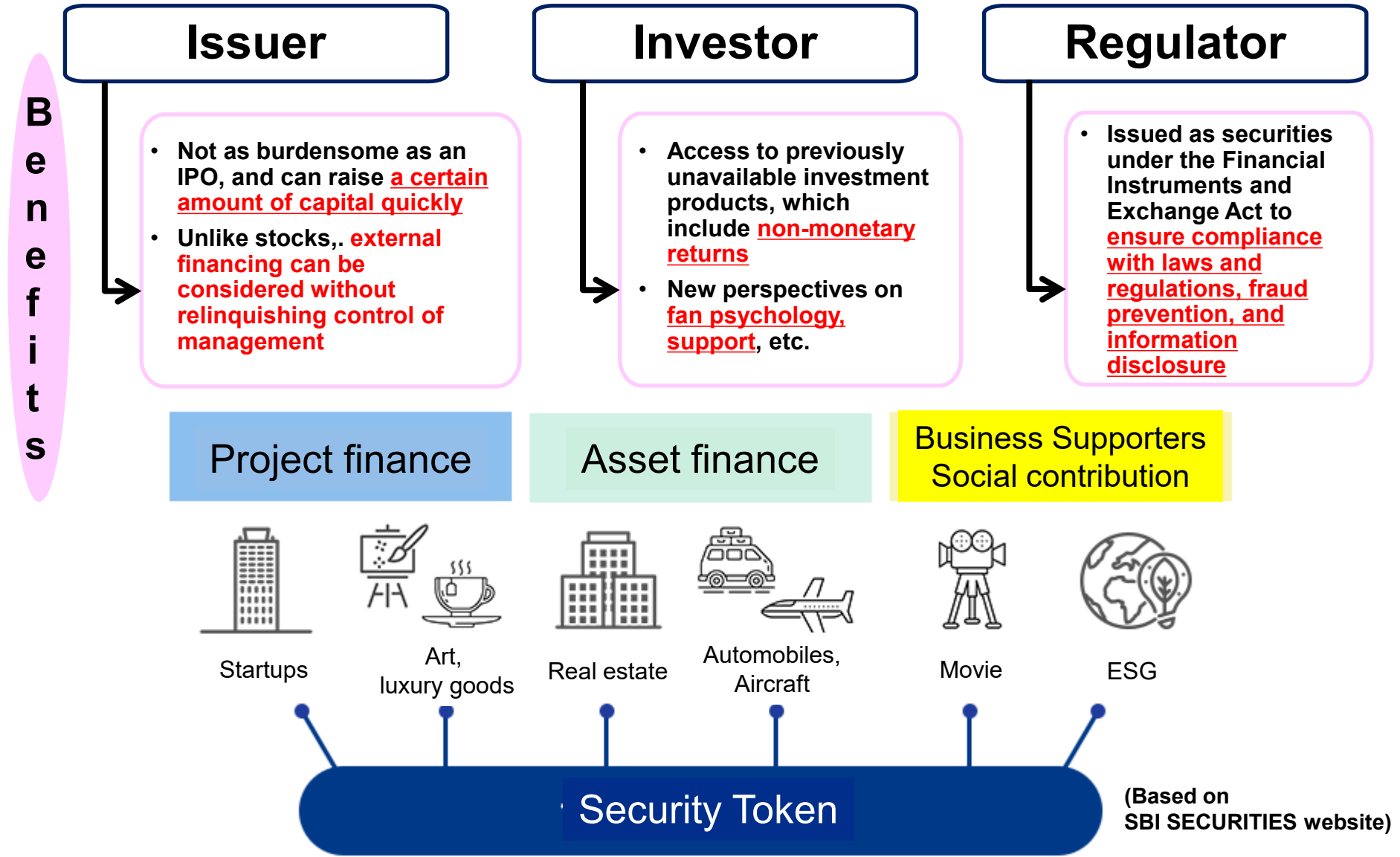
ibet for Fin is a consortium-type blockchain network jointly run by participating companies to handle the securitization of security tokens issued with blockchain technology

(iii) SBI SECURITIES Conducts the First Public Offering of Asset-backed ST in Japan

- **Public offering of asset-backed ST, with real estate as the underlying asset**, in collaboration with Mitsubishi UFJ Trust and Banking, KENEDIX, and NOMURA SECURITIES
- Use of "Progmata," a platform provided by Mitsubishi UFJ Trust and Banking, has the following features:
 - ① Legal transaction stability can be easily ensured through digital completion (no need to obtain a fixed date)
 - ② Flexibility to design long-term or indefinite investment products (no legal restrictions on asset replacement)
 - ③ Asset-backed ST can be issued using a wide range of asset types, provided it is backed by property that can be entrusted as entrusted assets



STO is Expected to Benefit All Stakeholders, Including Issuers, Investors, and Regulators



- ② SBI Group's moves to build various infrastructures for digital assets in Japan and overseas**
- (i) Osaka Digital Exchange (ODX)**
 - (ii) Established a digital asset exchange in collaboration with SIX Digital Exchange (SDX) of Switzerland**
 - (iii) Singapore subsidiary builds ST trading infrastructure for institutional investors**

Nomura Holdings and Daiwa Securities Group to Newly Invest into ODX

- Accelerate the development of the distribution market for the ST industry, the next generation of financial products -



Apr. 2021 ➤ ODX was established jointly by SBI and SMBC Group to operate **Japan's first PTS handling STs**, intending to improve convenience for investors and support flexible financing for companies by providing distribution and exchange opportunities

Spring 2022 ➤ **Planning to begin handling stocks first prior to the STs**

Share holders

SBI PTS Holdings: 70%
Sumitomo Mitsui Financial Group: 20%
Nomura Holdings: 5%
Daiwa Securities Group: 5%

Many requests for participation into the stake by overseas financial companies.
Consideration in progress about collaboration with overseas ST exchanges

"Proposal on Digital Securities PTS" Formulated at the ST Research Consortium*1

In response to two unresolved issues of digital securities as a whole, "**the absence of a secondary market**" and "**the lack of efficiency gains**," a cross-industry vision and roadmap were presented. Targeting a FY2023 launch of the secondary market through the linkage of the ODX and Progmatt*2, and achieving efficiency gains in inter-company collaboration through the opening of Progmatt DLT

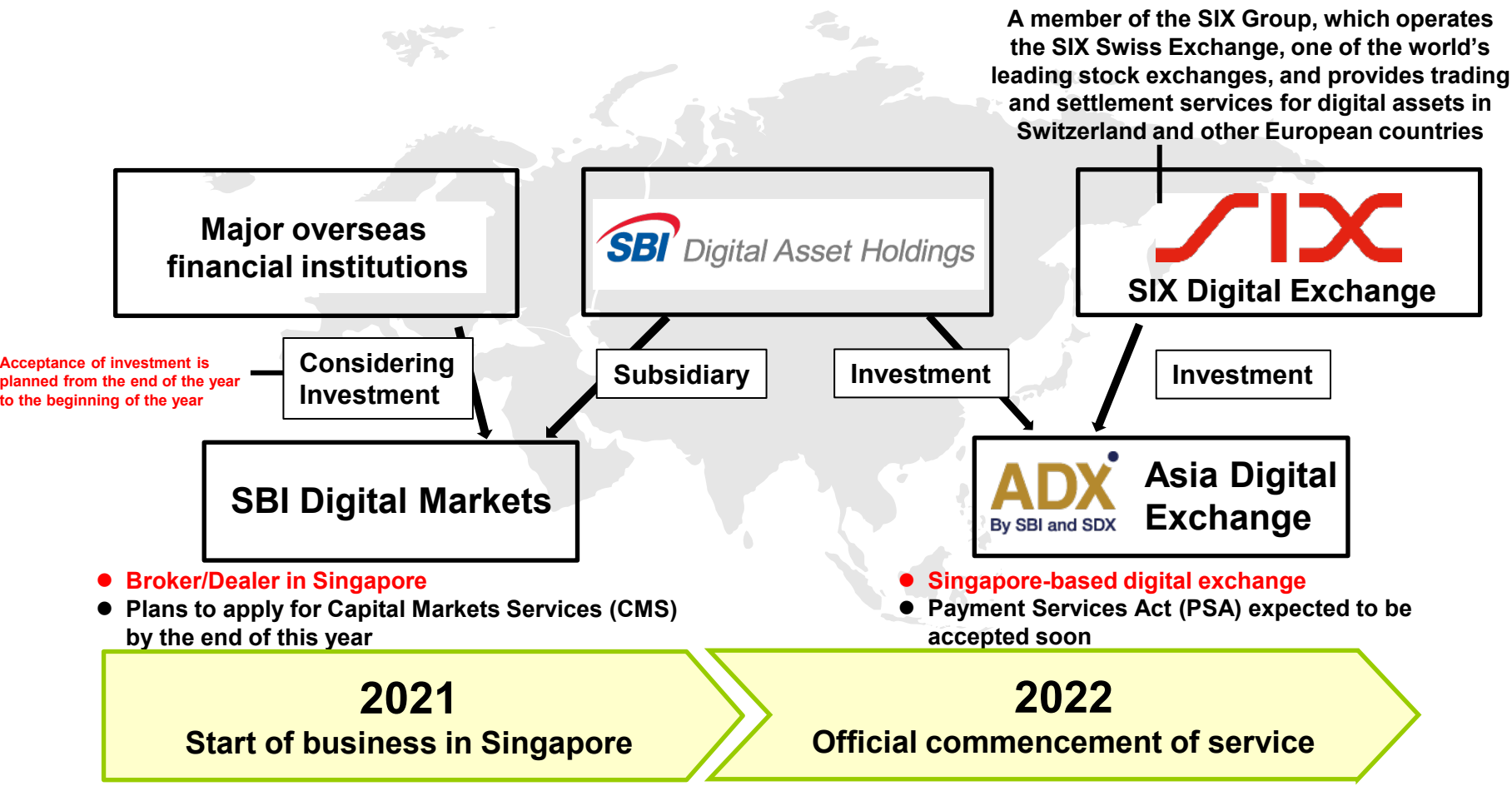
*1 Established in Nov. 2019, hosted by Mitsubishi UFJ Trust & Banking Corporation, with 62 member companies

*2 A platform for issuing and managing digital securities, developed and provided by Mitsubishi UFJ Trust & Banking Corporation



In the second phase of the working group, to build a consensus with a broader range of stakeholders to realize the vision of FY2023, the detail on the value chain between ODX and Progmatt and securities companies, and the governance design when multiple entities operate Progmatt will be defined, and acceptability to be confirmed

Establishing a Singapore-Based Digital Asset Exchange with SIX Digital Exchange (SDX) of Switzerland



Increase liquidity of digital assets and expand services for institutional investors through collaboration with the SIX Group, which has notable expertise in serving high net worth individuals and institutional investors

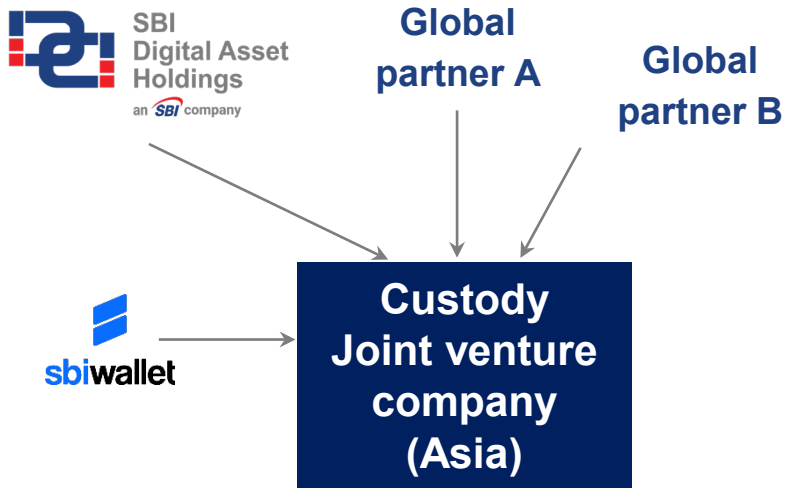
SBI Group Plans to Build an End-to-End Global Ecosystem with SIX Group



&



SBI Digital Asset Holdings is considering the establishment of a new joint venture company to handle custody operations jointly with SIX Group and others, and expects various global partners to join in the future



Future collaboration plans

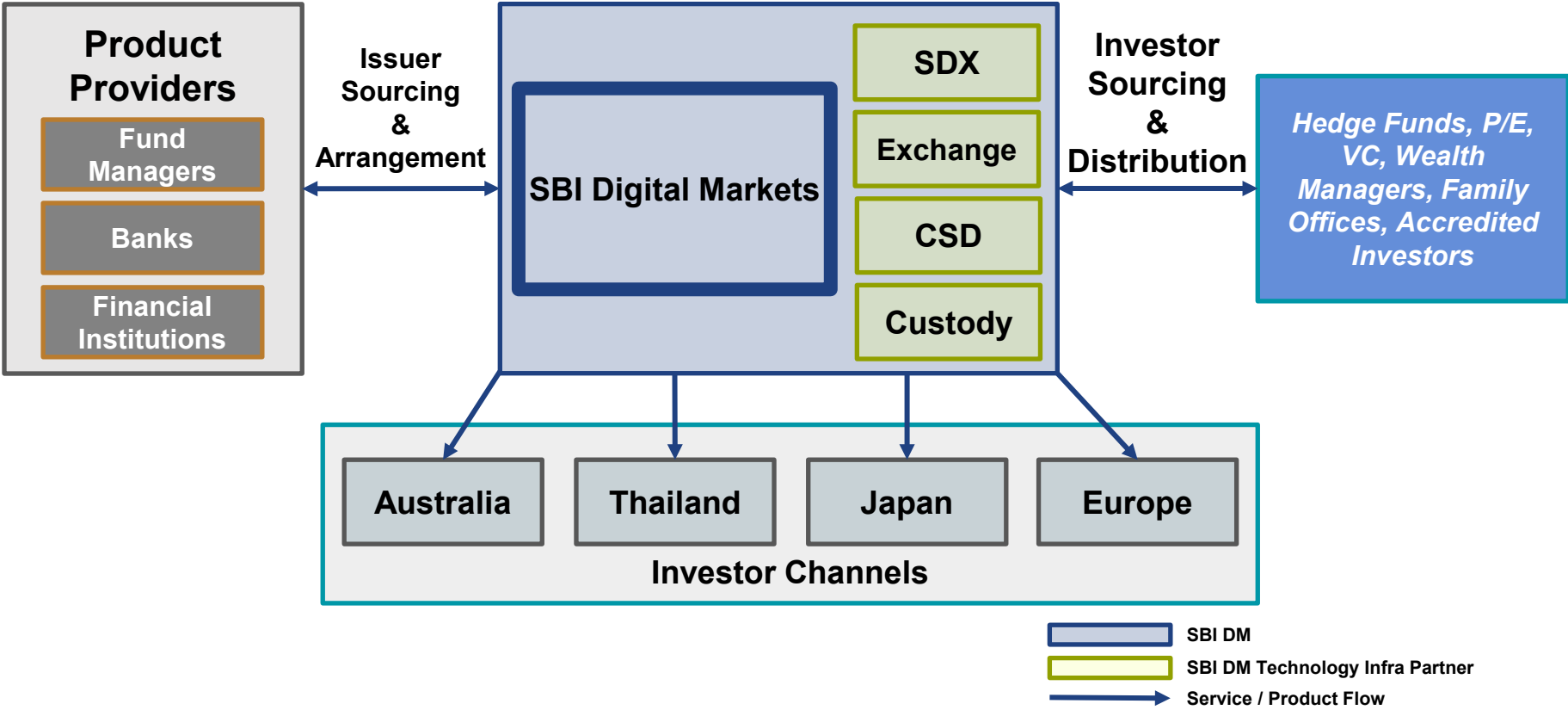
- Considering partnerships with SIX Group operating companies for settlement and clearing
- Development of cross-border products such as STs created in Singapore and sold in Europe
- SBI & SIX Building a digital network from Asia to Europe



* The image diagram is an example under consideration, and we do not guarantee specific details of future efforts

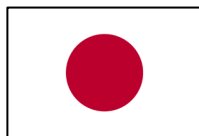
Providing integrated functions related to global ST issuance and distribution

SBI Digital Markets, a Singapore-based Subsidiary of SBI Digital Asset Holdings, Plans to Offer Securities Facility for Security Tokens



➤ Providing digital assets trading infrastructure for institutional investors

The SBI Group Invested in the Boerse Stuttgart Stock Exchange Group of Germany



SBI GROUP



Börse Stuttgart

Operates the second largest securities exchange in Germany

Digital Exchange

Börse Stuttgart

Germany's first digital asset exchange in compliance with German banking law



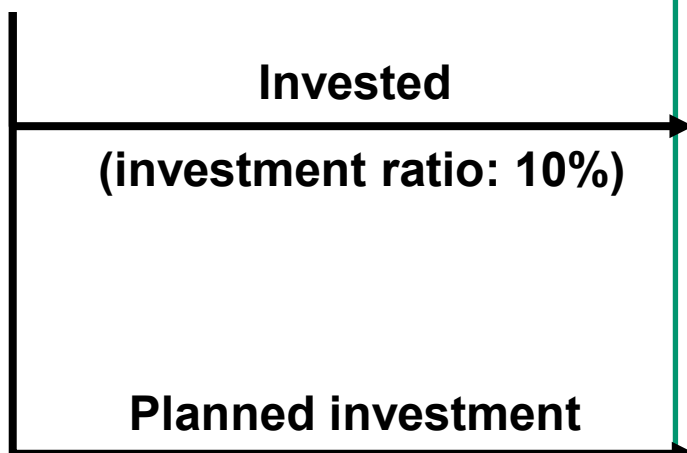
**BOERSE
Stuttgart**

Digital Ventures GmbH

**Börse
Stuttgart**

blocknox

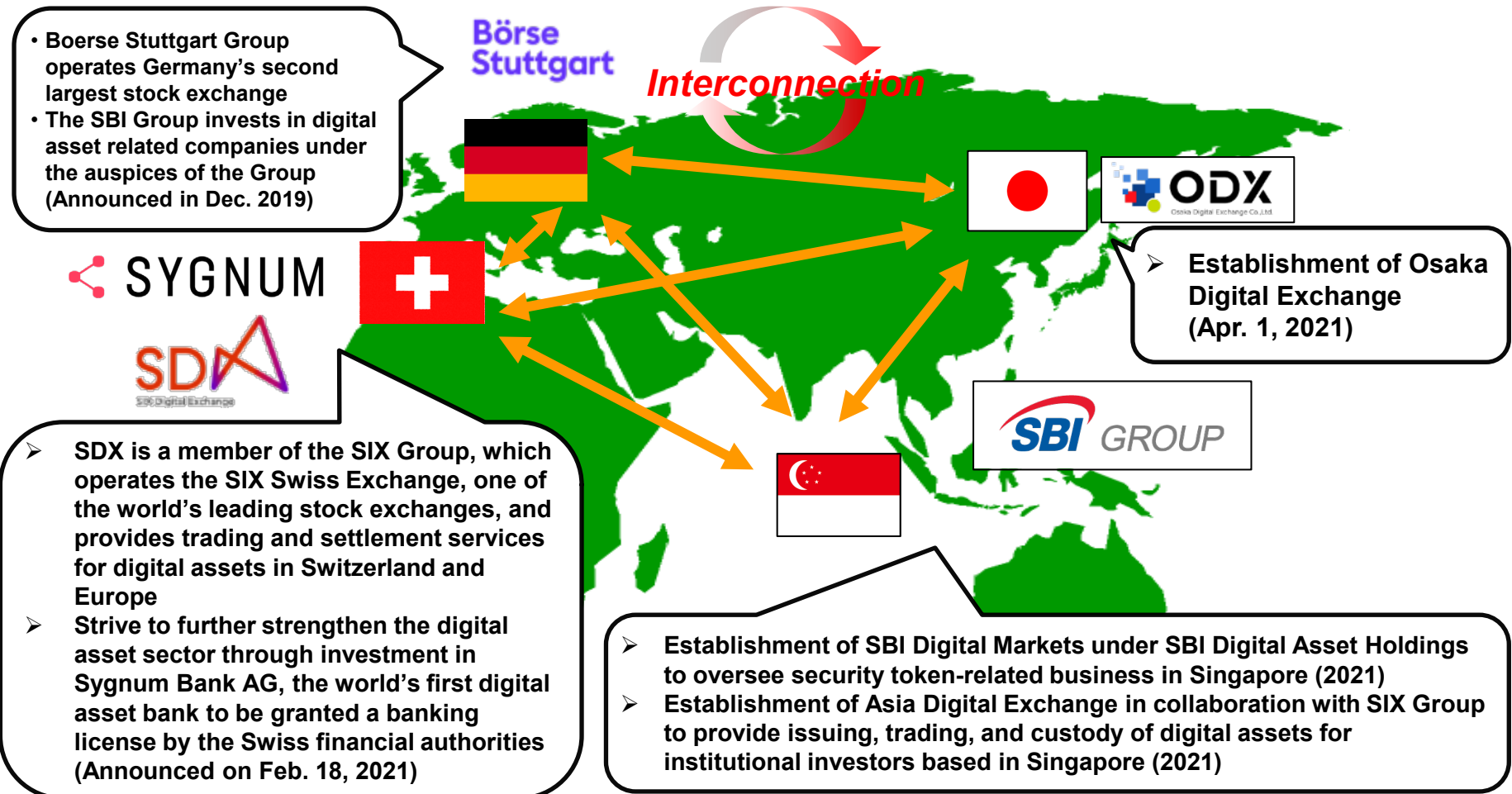
Digital investment company of the Boerse Stuttgart Group. Its portfolio includes **blocknox, a digital asset custodian**



Endeavoring to create tangible demand for digital assets worldwide through mutual issuance and handling of digital assets in Japan and Germany, and brokering international custody

Endeavour Towards Creating the World's Largest Global Corridors

- **Endeavor to create one of the world's largest digital asset exchange** by interconnecting ODX with the Boerse Stuttgart Group, Swiss SIX Group, and the digital exchange that will be established in Singapore with the SIX Group, etc.



(3) Digital Asset Integrated Fund

Establishment of Japan's first “Digital Asset Fund” (Anonymous Association)

- Planning Solicitation Soon -

- Providing individual investors with a Digital Asset Fund that brings together the resources of the SBI Group
- Crypto assets maintain low correlation to traditional asset classes such as stocks and bonds, making for a more diversified investment portfolio

SBI Alternative Asset Management

Setup and operation

**“SBI Digital Asset Fund”
(Anonymous Association)**

SBI SECURITIES

SBI MONEY
PLAZA



SBI証券

SBI マネープラザ

Face-to-face and online

**Investment
and
storage**



VC Trade

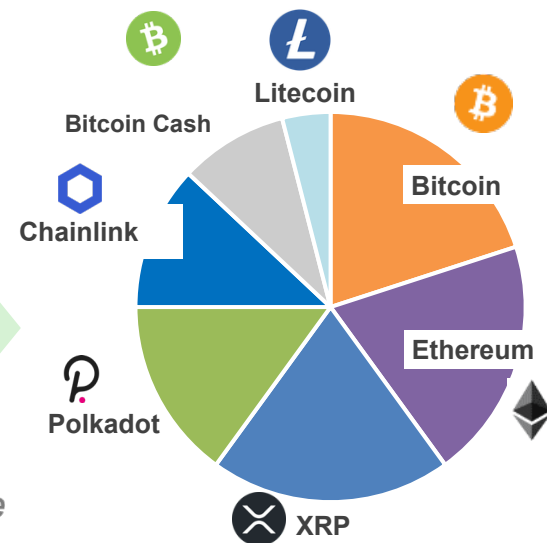
(Digital asset exchange)

Sales



Individual investors

**Presumed primary
customer segment: High
net worth individuals**



Digital Asset Markets are on an Upward Trend despite the Impact of Regulatory Changes in Various Countries



Korekara kasoutsu-ka no Daiyakushin ga hajimaru!
 "Virtual currencies will make a huge leap forward!"
 (Published on Nov. 7, 2018)

Market Cap:
JPY 23tn

Approx. 12.6 times

Point

Oct. 20, 2021

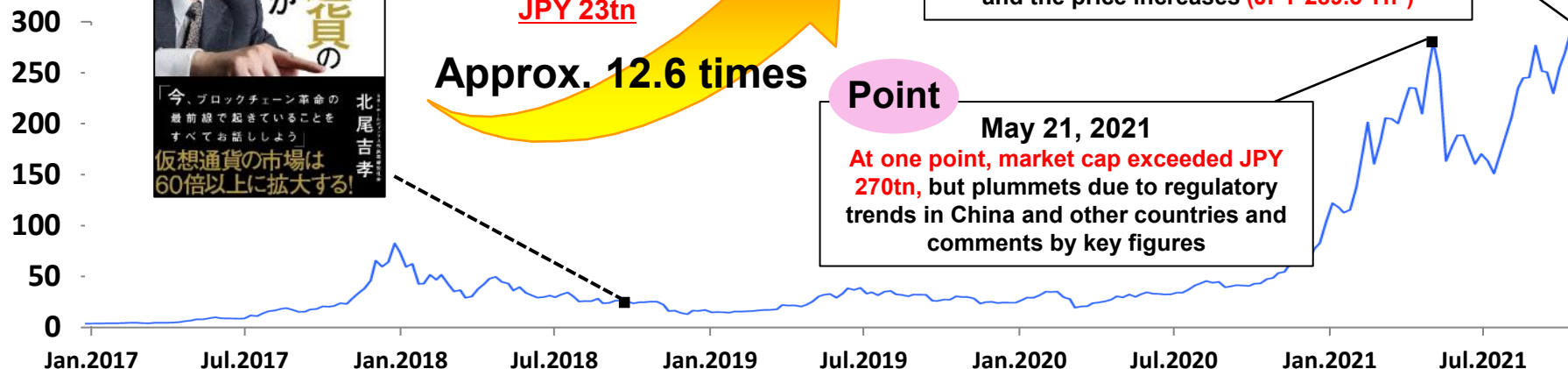
The U.S. Securities and Exchange Commission (SEC) approves the handling of Bitcoin futures ETFs (exchange-traded funds), and the price increases (**JPY 289.3 Tn***)

Point

May 21, 2021

At one point, market cap exceeded **JPY 270tn**, but plummets due to regulatory trends in China and other countries and comments by key figures

(JPY trillion)



*coinmarketcap

U.S. SEC Approves Bitcoin Futures ETF, Opening the Door to Digital Asset Investment

SEC Approves Bitcoin Futures ETF, Opening Digital to Wider Investor Base

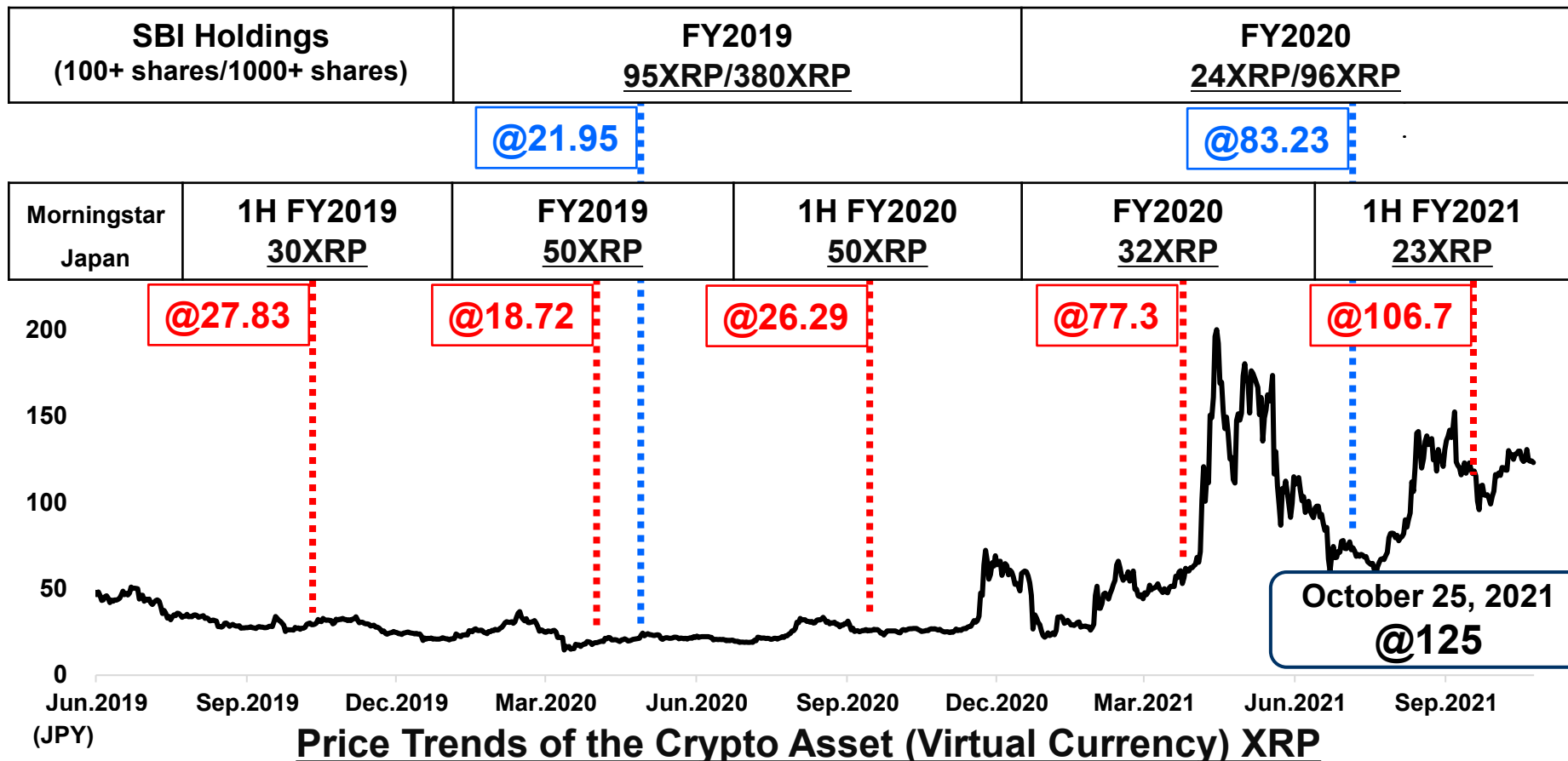
- The first exchange traded fund (ETF) linked to the futures price of Bitcoin (BTC) has been approved in the United States. Instead of buying and holding digital assets directly, retail investors will be able to invest in the growth potential of digital assets through ETFs.

(2021/10/20、coindesk <https://www.coindesk.com/policy/2021/10/15/sec-approves-bitcoin-etf-opening-crypto-to-wider-investor-base/>)

Approval and implementation of Bitcoin futures ETFs is expected to further revitalize the market by attracting a wider range of investors

The Price of XRP has Risen Significantly since It was Given as Shareholder benefits

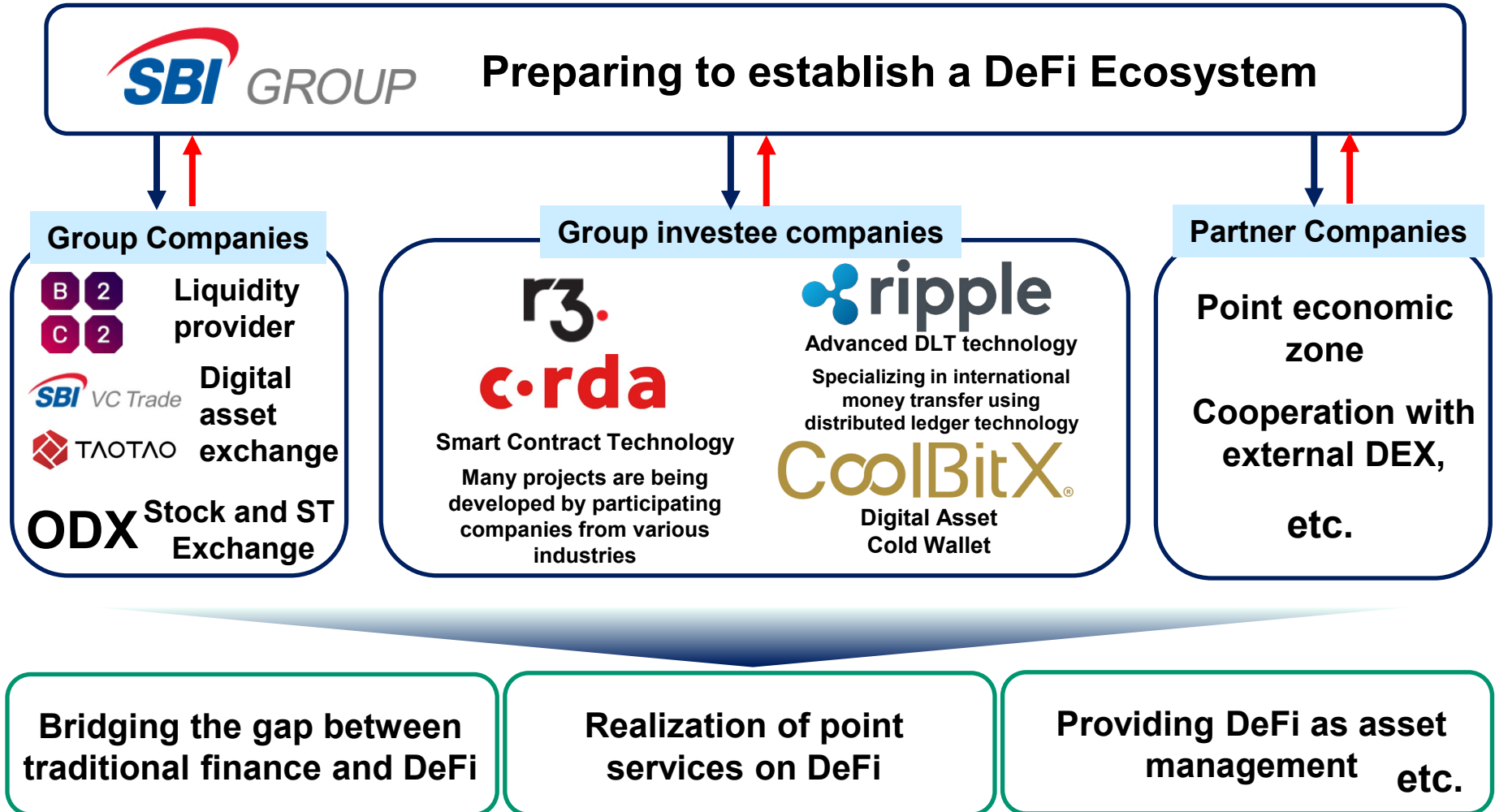
- In the SBI Group, SBI Holdings and Morningstar Japan offer XRP as shareholder benefits. If the XRP offered as a special benefit at the end of FY2019 were to be sold on October 25, shareholders of SBI Holdings would have earned approx. 5.7 times the amount compared to the initial value of the special benefit and Morningstar Japan of approx. 6.7 times respectively



(4) Decentralized Finance (DeFi)

The Potential of DeFi Business in the SBI Group

- Under the concept of open alliances, seek to develop various DeFi businesses not only through Group synergies, but also through collaboration with investees, partners, etc. -



SBI Group's DeFi project team, increased from 10 to 30 employees, is currently developing an application for smartphones that enables easy and secure trading

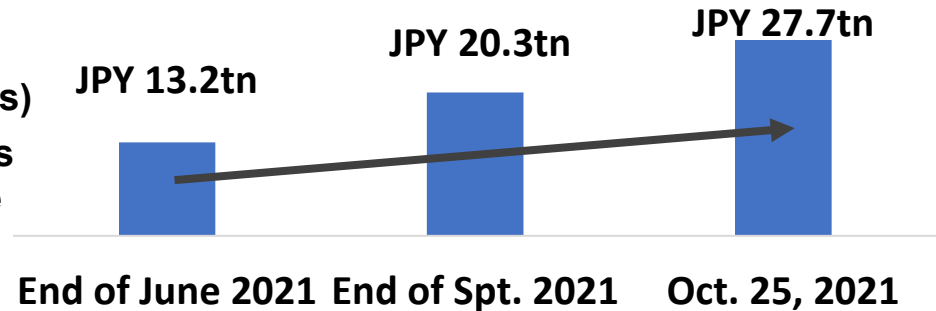
As the Global Market Continues to Expand, Regulators and the Bank of Japan are Keeping a Close Eye on the Future of DeFi

Total Value Locked* at DeFi

(*TVL: Total value of deposited digital assets)

As of Oct. 25, the total size of the fund has more than doubled since the end of June to **approx. JPY 27 Tn**

(Reference source: DeFi Llama)
(Converted at the exchange rate on Oct. 25)



- The Bank of Japan's Payment and Settlement Systems Department discloses a review on potential benefits, regulatory issues, and risks for DeFi (April 2021)

Potential benefits

- Possibility to encourage competition
- Possibility to create new services
- Possibility to improve accessibility

Issues and risks

- User protection
- Increased impact and malfunction of smart contracts

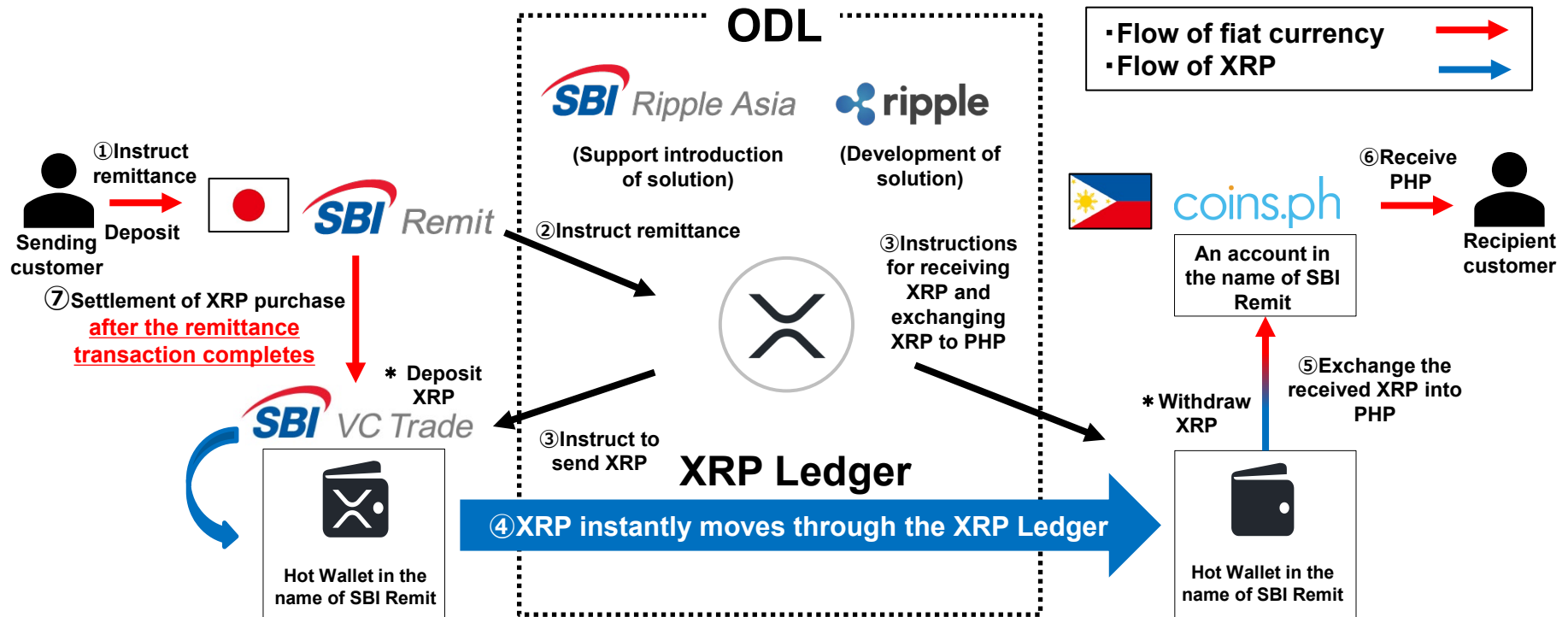
- The Financial Services Agency (FSA) published FinTech Innovation Hub activity report on DeFi, etc. and established the Working Group on Dealing with Digital and Decentralized Finance (both in July 2021)

The SBI Institute for Monetary and Economic Studies, established by the Group, invited Ms. Takako Masai, a former advisor to the Bank of Japan's Policy Board, as its representative director, and plans to promote research and policy proposals on the theme of next-generation digital finance, including DeFi

(5) Remittance utilizing XRP

SBI Remit Deploys Japan's First International Money Transfer Service Using Digital Assets

- Launched a new service using Ripple's payment infrastructure and the digital asset XRP for international remittances from Japan to the Philippines in collaboration with SBI VC Trade and SBI Ripple Asia on July 28
- Using XRP as a bridge currency reduces credit risk and pre-funding costs, as well as enhances competitiveness



2. Entry into eSports related business

Incorporating flexible ideas of digital natives through ideas from new graduate employee ideas and business plan proposals

Strengthen Touch Points with the Digital Generation through the "eSports" Business ①

<About eSports>

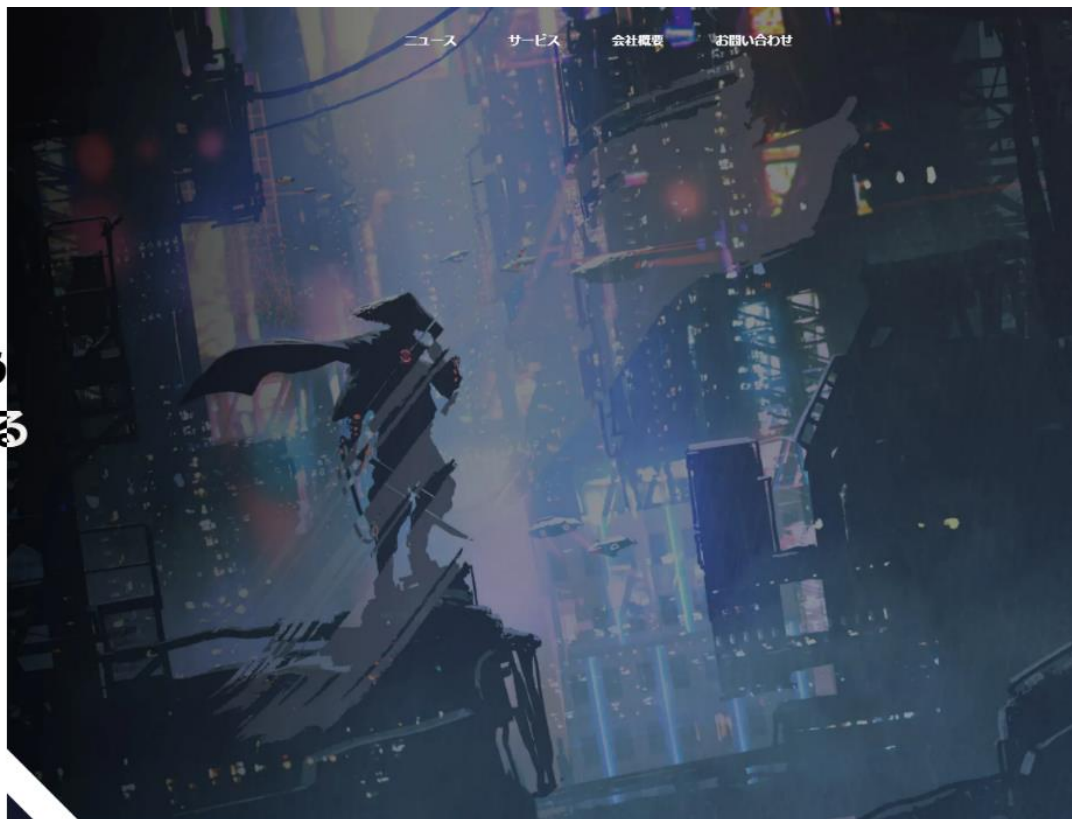
- Matches by computer/video games considered as a new sports competition culture
- In Japan, it is expected to be one of the measures for regional development and has been adopted as a cultural program for the National Sports Festival of Japan. It is also attracting attention as a market that continues to grow under the COVID-19 pandemic
- Since its establishment in June 2020, **SBI e-Sports has contracted with 13 players in four game titles** (as of Oct. 2021)



CREATE A NEXT-GEN OF ESPORTS AS A CULTURE.

eスポーツという
新しい文化を創る

人生を彩り、地域を豊かに

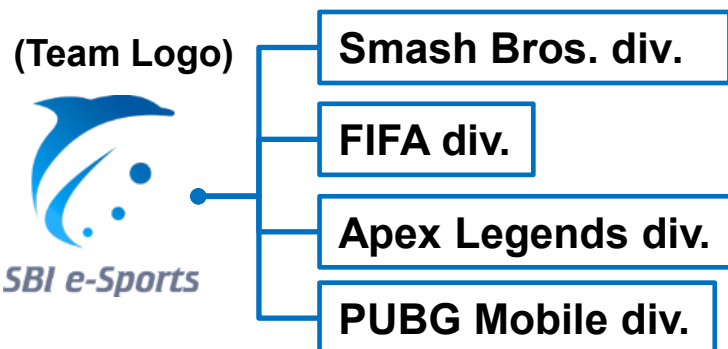


[Website of SBI e-Sports]

Strengthen Touch Points with the Digital Generation through the "eSports" Business ②

Management of "SBI e-Sports," the professional gaming team

Organization: 4 titles, 13 players



An SBI e-Sports player participating in international games (LA, U.S.)



TSM FTX (NA)
Smash Bros. Div.: Tweek

SBI e-Sports (JP)
Smash Bros. Div.: KEN

The SBI e-Sports VTuber Project






Character name: Shunsui Rei / 春水レイ

*** Two more additional members to come, taking into account their affinity with NFT and the metaverse**

[Reference materials for each business]

The Six KPIs to Focus On for Promoting the Neo-securities Initiatives ①

[1H FY2021 results]

	Share of individual stock trading value (%)	Deposit assets (JPY trillion)	Operating income (JPY million)
SBI ^{*1} (cons.)	 43.2	 21.5	 27,584
Rakuten (cons.)	29.0	14.0	6,142
Matsui	10.2	3.0	6,624
au Kabucom	8.0	2.7	2,464
Monex ^{*2} (cons.)	4.6	5.4	16,129

*1 SBI's number of share of individual stock trading value include that of SBI NEOMOBILE SECURITIES, SBI Neotrade Securities and FOLIO.

*2 The amount of "Operating income" represented above is "The amount equivalent to operating income" disclosed by Monex. Operating income of Monex includes JPY 13,748 million from crypto-asset related business.

*3 Deposit assets is as of the end of Sept. 2021.

The Six KPIs to Focus On for Promoting Neo-securities Initiatives ②

(Unit: JPY million)

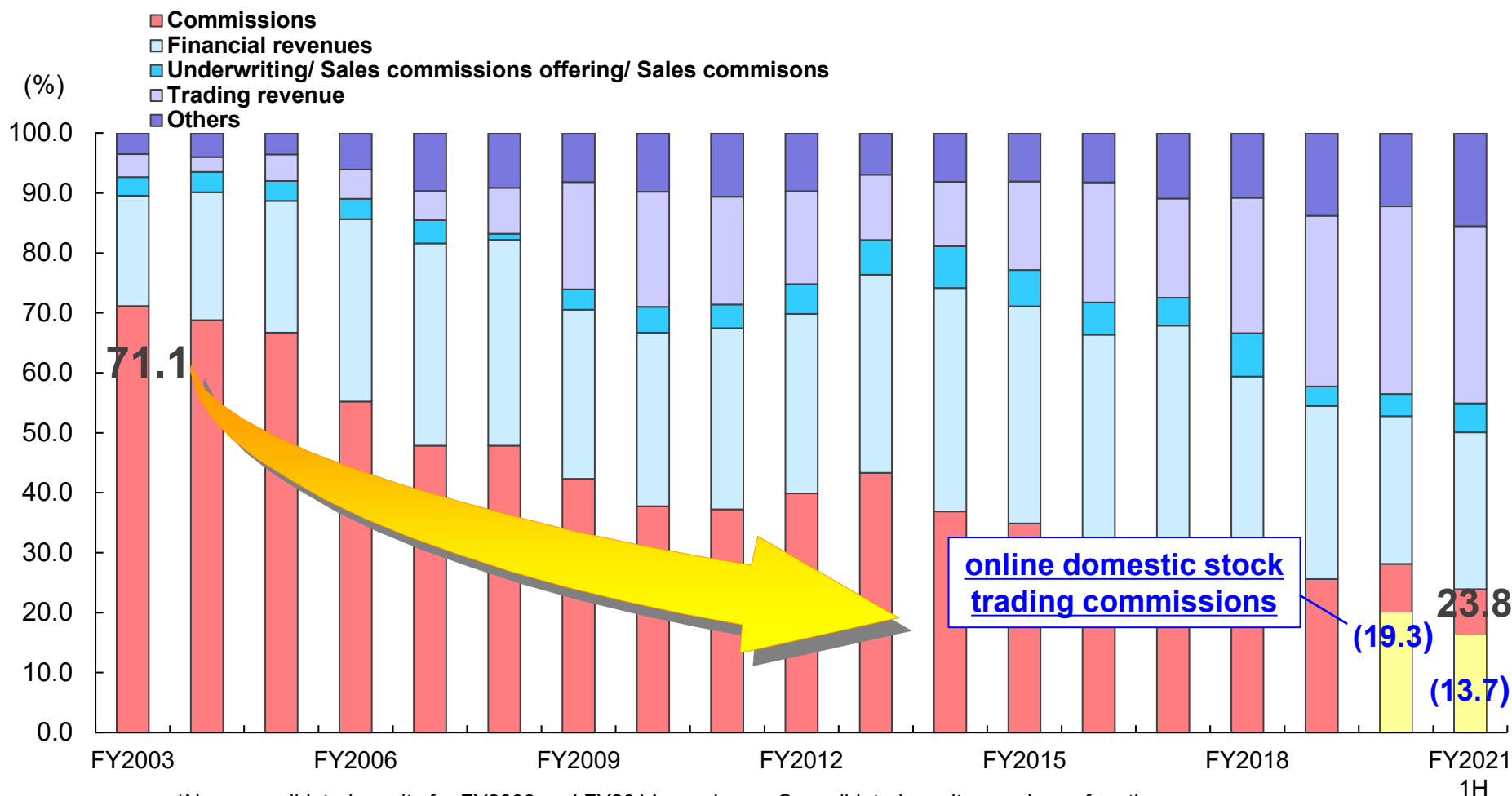
	1H FY2020 (Apr. 2020-Sept. 2020)	1H FY2021 (Apr. 2021-Sept. 2021)
④ Trading revenue (as a % of total revenue)	24,605 (33.2%)	24,263 (29.6%)
⑤ Stock trading commissions other than online trading (as a % of total revenue)	7,381 (10.0%)	8,396 (10.2%)

⑥ Quantitative tolerance and stability of the trading system

Constructing a system that can sufficiently handle transactions of 11 million accounts by the end of this fiscal year

Trends in the Composition of Operating Revenue (Net Sales) of SBI SECURITIES

Diversification of revenue sources, including a significant increase in trading revenue, and a gradual decrease in dependence on domestic stock brokerage commission as revenue from online trading

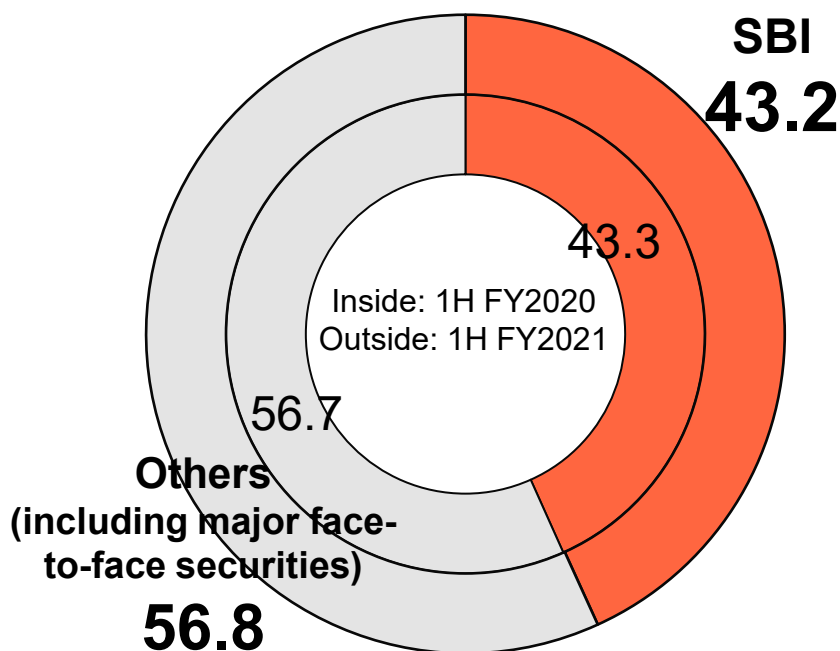


*Non-consolidated results for FY2003 and FY2014 are shown. Consolidated results are shown for other years..

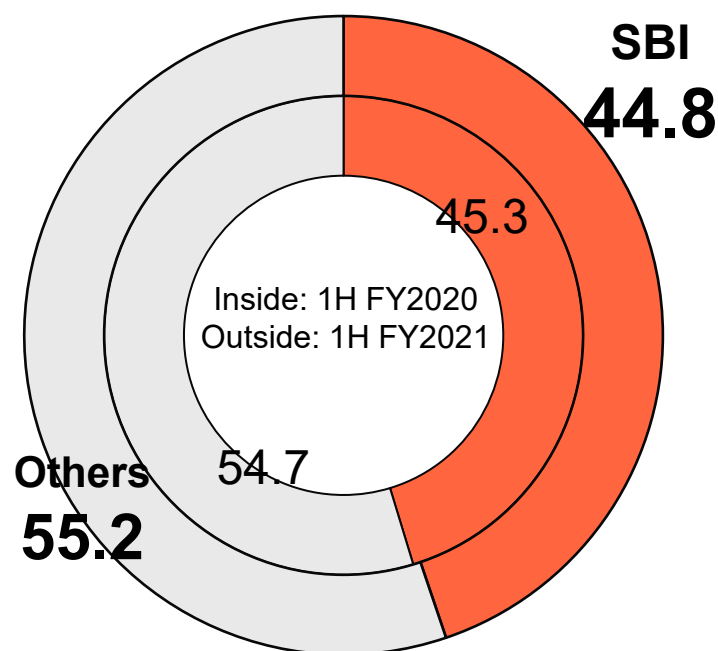
SBI Group's Share of Individual Stock Trading

- Near-term target of 50% for margin trading market share -

Share of Individual Stock Trading Value (%)



(of which) Share of Individual Margin Trading Value (%)



<Shares are calculated with the individual stock trading value and individual margin trading value of both the 1st and 2nd sections of the Tokyo and Nagoya Stock Exchanges, including that of ETF and REIT trading value, respectively>

* Shares are calculated by dividing each company's individual stock trading value or individual margin trading value with the whole individual stock trading value and individual margin trading value of the 1st and 2nd section of the Tokyo and Nagoya Stock Exchange, including that of ETF and REIT trading value, respectively

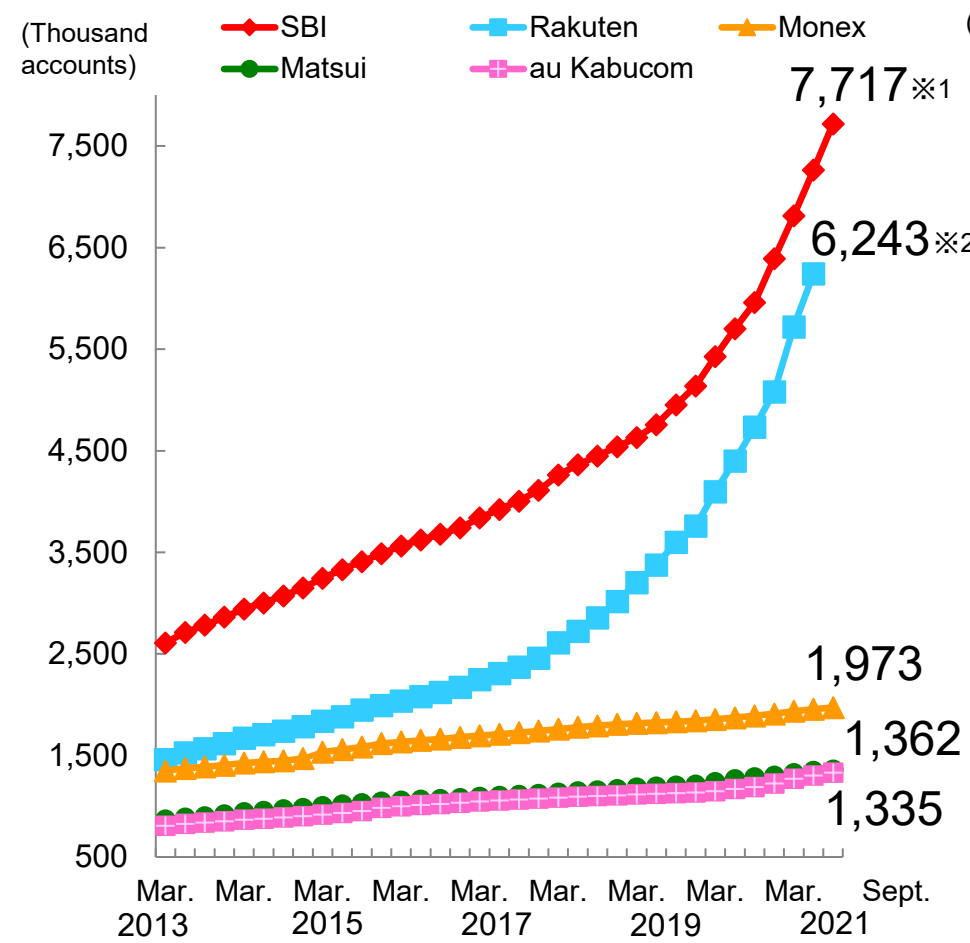
Source: Compiled by SBI SECURITIES based on Tokyo Stock Exchange and JASDAQ materials and websites of each company.

SBI SECURITIES Attains an Overwhelming Customer Base

[Number of Accounts and Amount of Customer Assets]

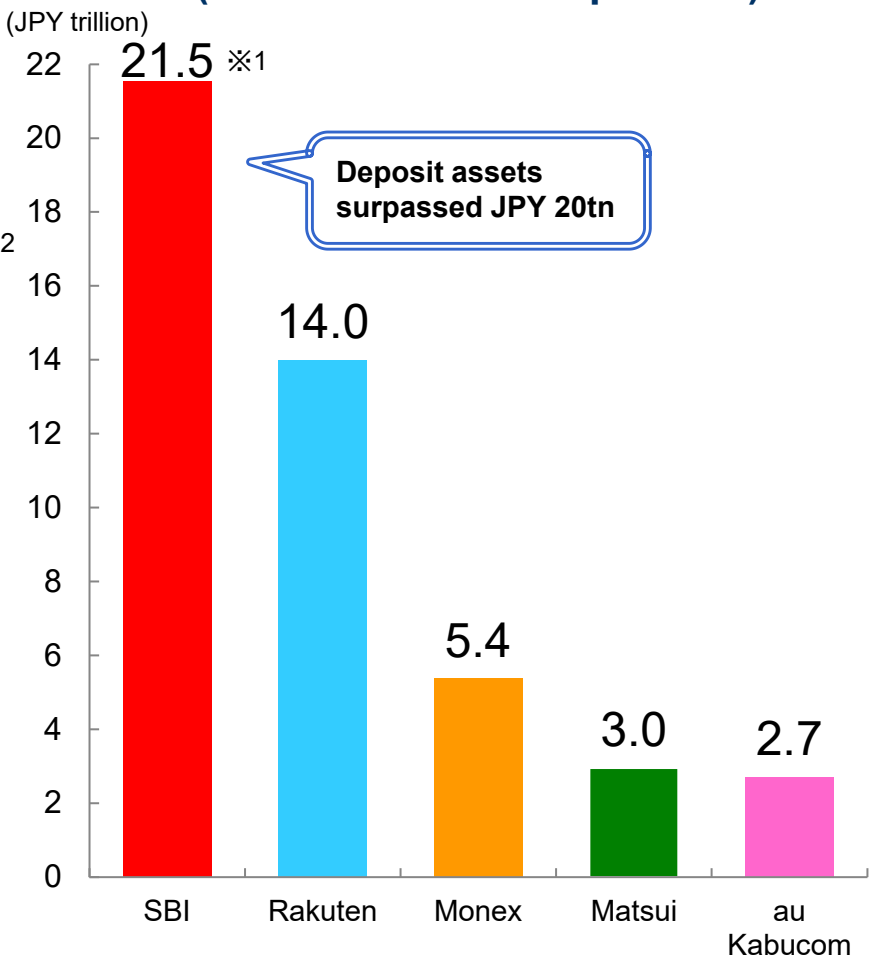
Customer Accounts of 5 Major Online Securities Companies

(As of end of Mar. 2013- as of end of Sept. 2021)



Customer Deposit Assets of 5 Major Online Securities Companies

(as of the end of Sept. 2021)



*1 As for SBI, includes SBI NEOMOBILE SECURITIES' number of accounts from June 2019, SBI Neotrade Securities' number of accounts from Oct. 2020 and FOLIO's number of accounts from Sept. 2021

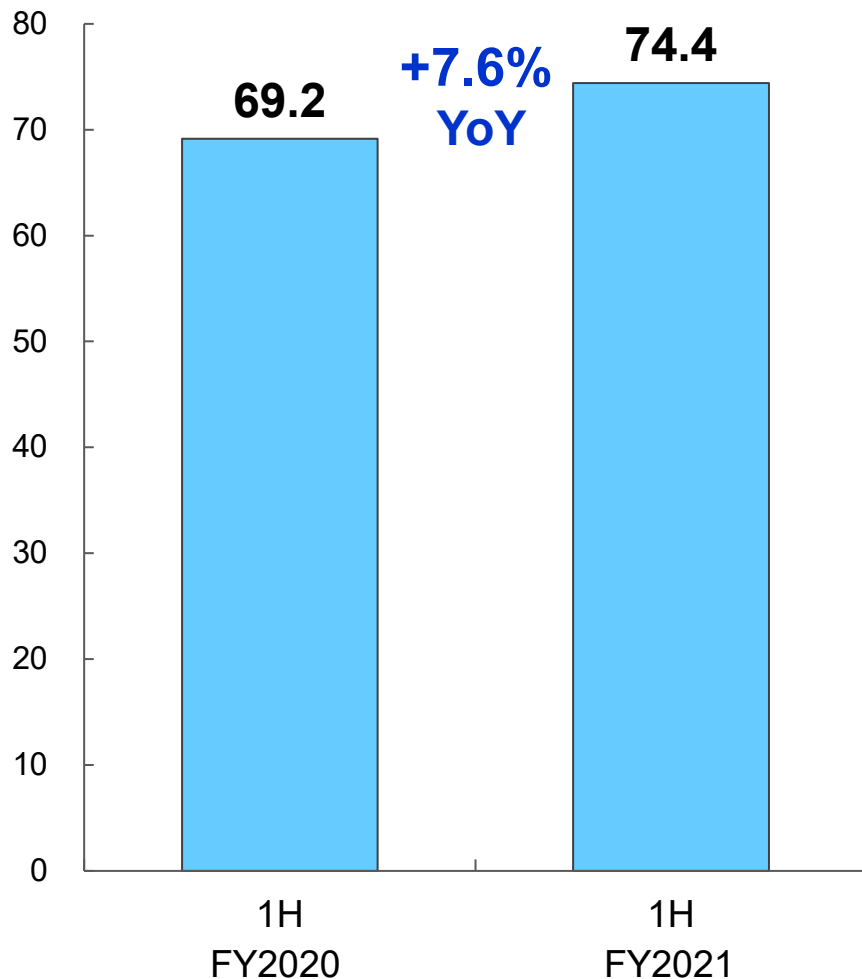
*2 Rakuten's number of accounts is as of June 30, 2021

Source: Compiled by SBIH from the information on websites of each company

SBI SECURITIES' Stock Brokerage Trading Value and Commissions

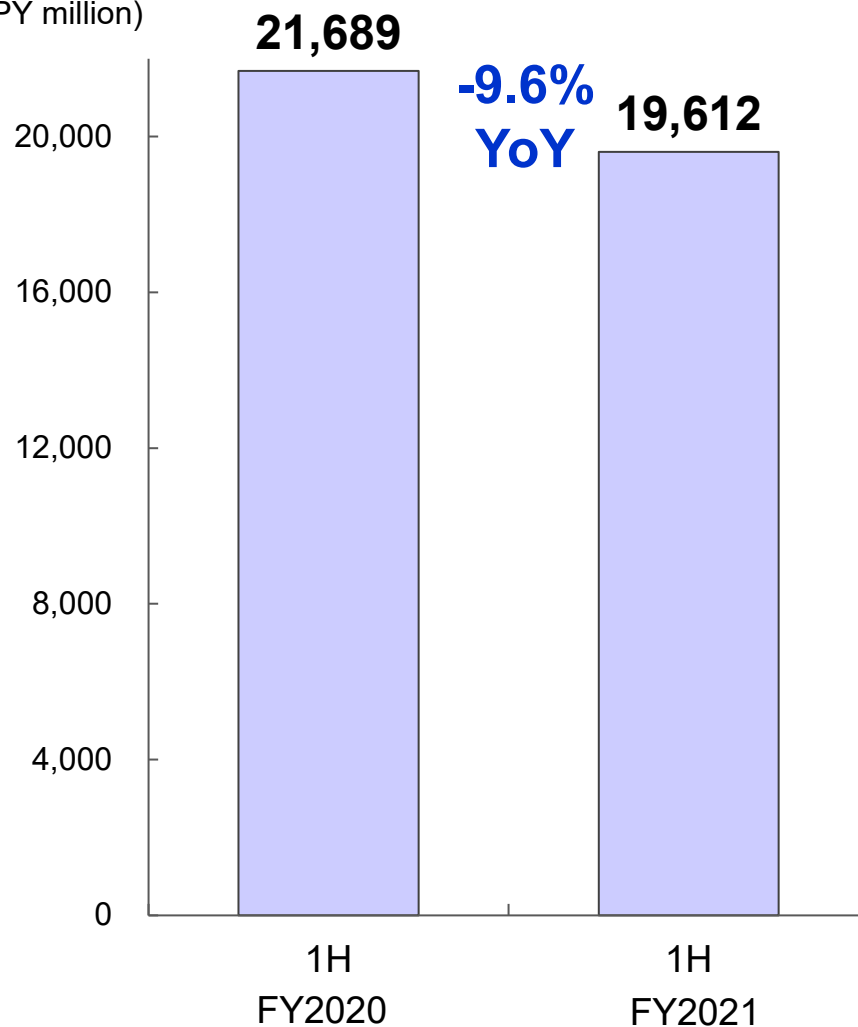
Stock Brokerage Trading Value

(JPY trillion)



Commissions

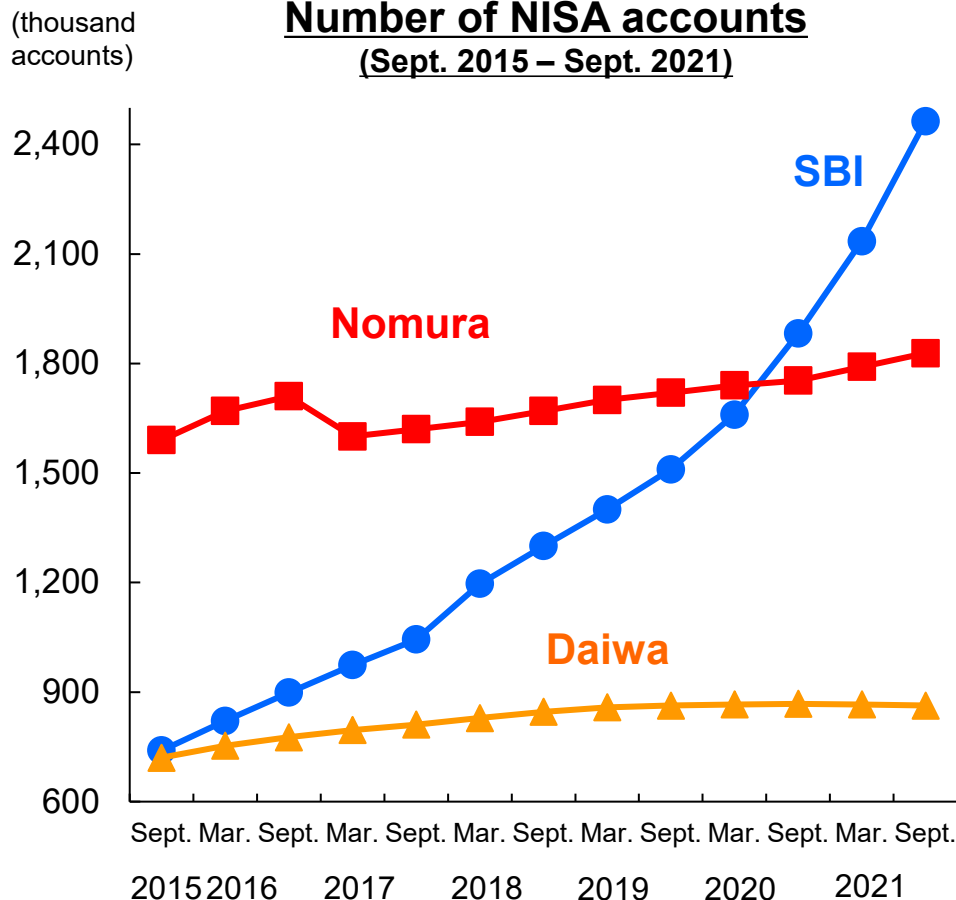
(JPY million)



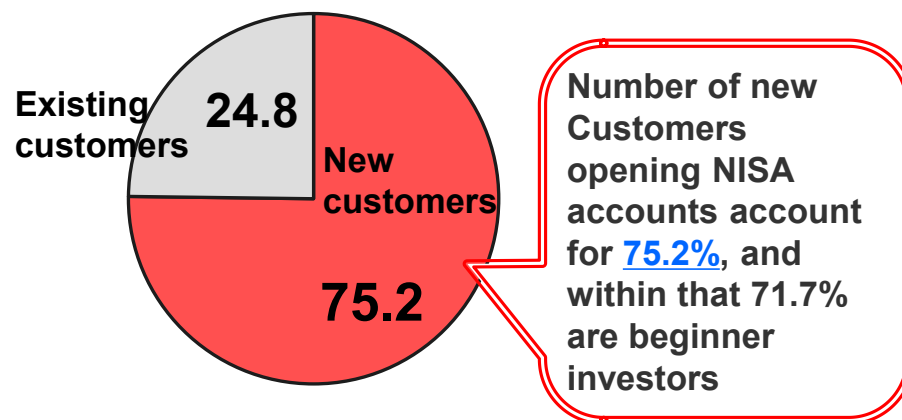
SBI SECURITIES Holds No. 1 NISA Accounts

- Attracting a large number of neophyte investors -

Number of NISA accounts
(Sept. 2015 – Sept. 2021)



NISA's customer attribute of SBI SECURITIES (%)



SBI SECURITIES' number of Junior NISA accounts reached 170 thousand accounts, accounting for approx. 30% of the entire securities industry's Junior NISA accounts

*1 Includes the number of Junior NISA accounts

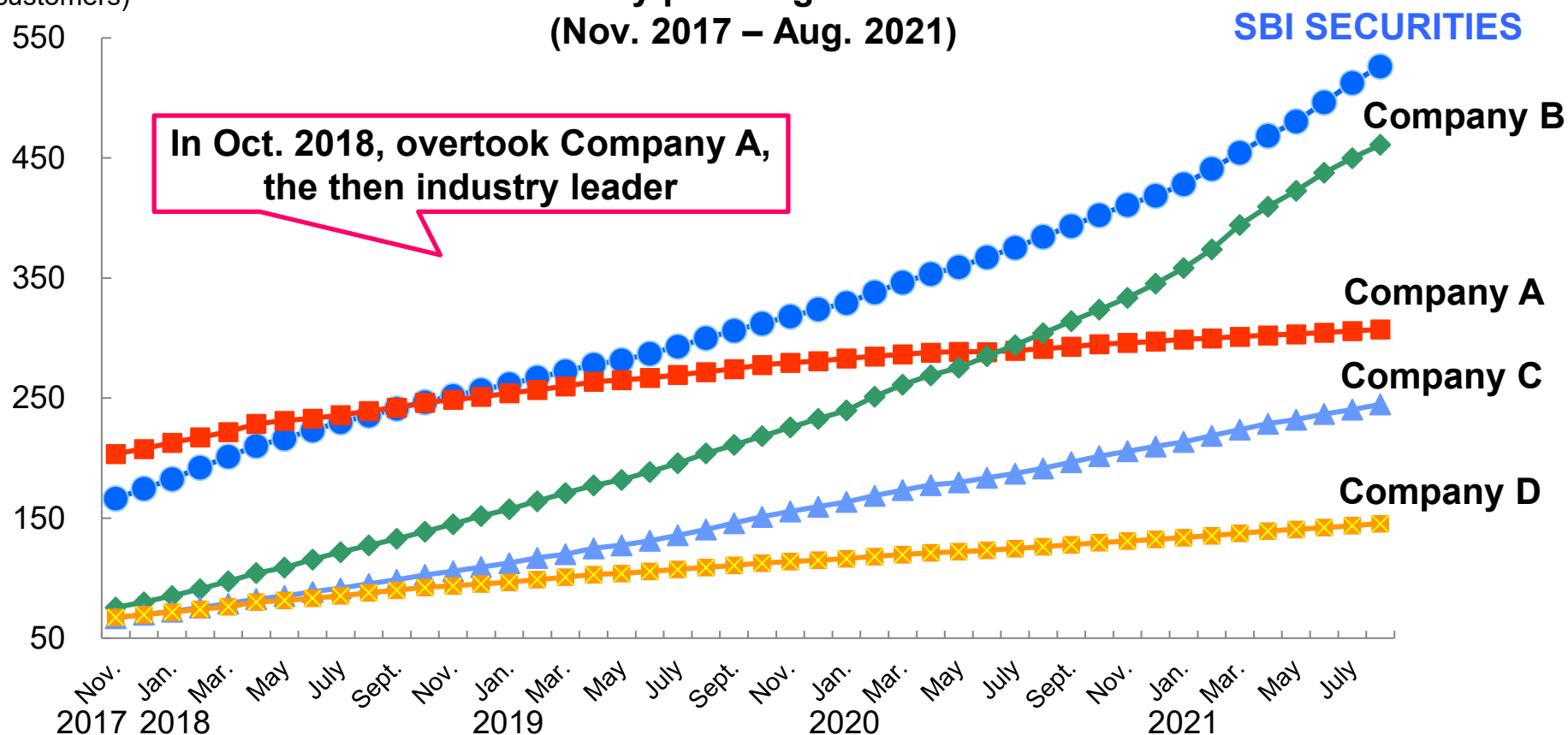
*2 Amounts are rounded to the nearest JPY thousand

*3 The number of accounts are as of the end of Sept. 2021, compiled by SBIH from the information on website of each company

SBI SECURITIES is the Industry Leader in the Cumulative Number of Individual Defined Contribution Plan (iDeCo) Customers

(No. of thousand customers)

Cumulated number of customers (subscribers & transfers*) of iDeCo by planning administrator (Nov. 2017 – Aug. 2021)

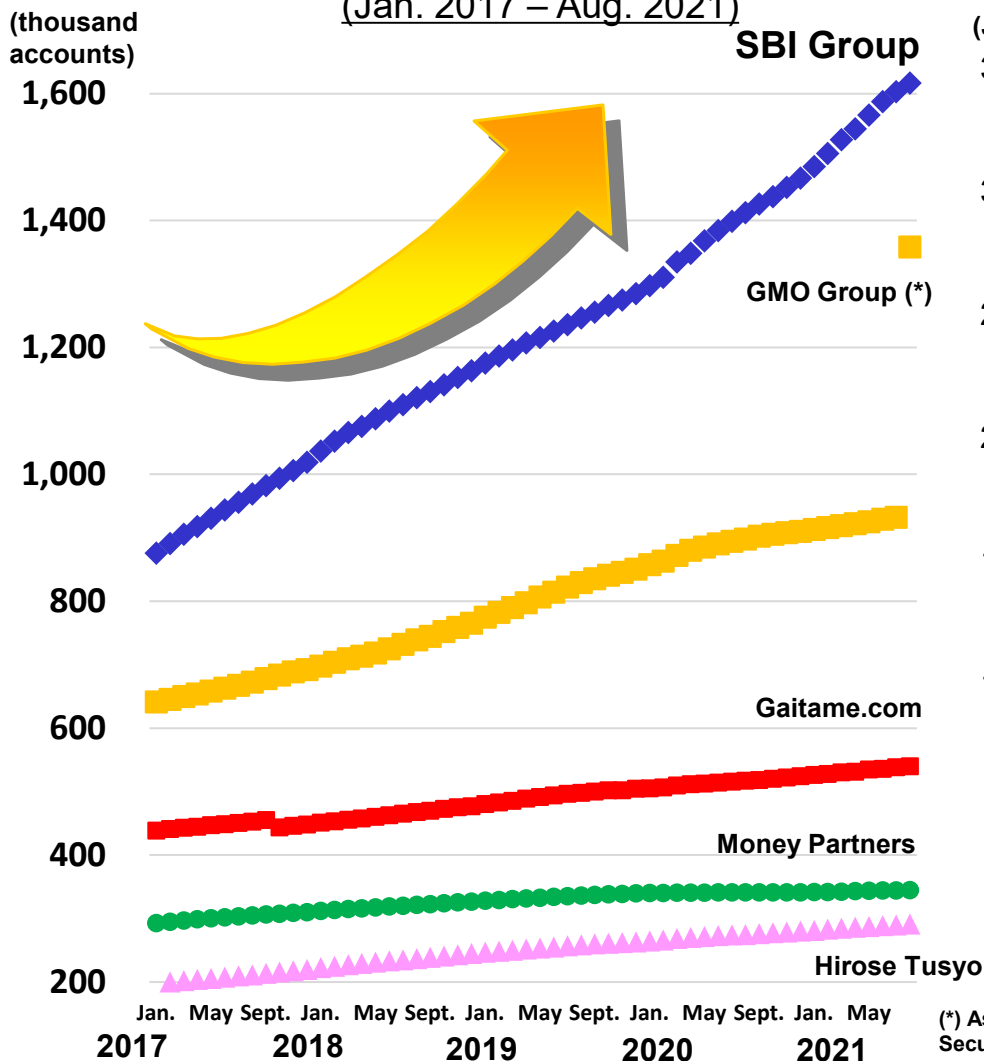


* Cumulative total number of subscribers and transfers announced by the National Pension Fund Association
Source: Briefing paper of the National Pension Fund Association (partially includes estimates by SBI)

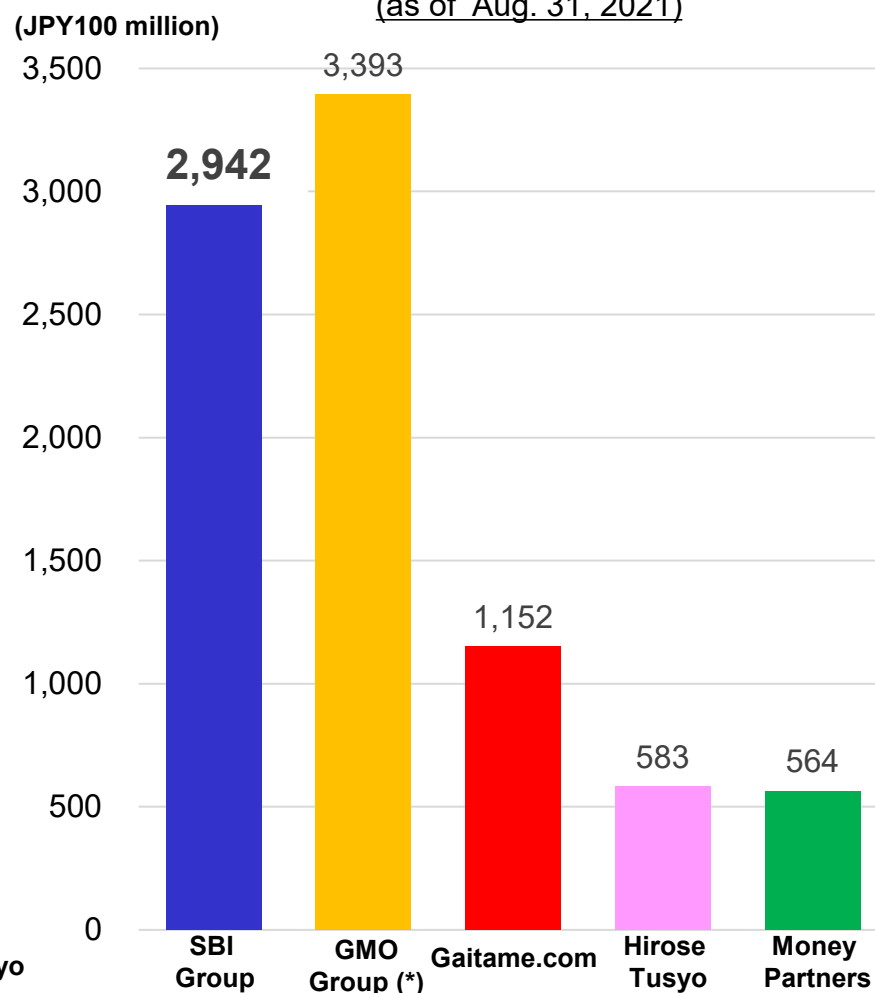
The SBI Group (SBI SECURITIES, SBI FXTRADE and SBI Sumishin Net Bank, SBI NEOMOBILE Securities) has Top Levels in Total Number of Accounts and Customer Deposit Assets in the Industry



Changes in the number of accounts among
4 major FX Trading Companies
(Jan. 2017 – Aug. 2021)



Customers' Deposit Assets Ranking
(as of Aug. 31, 2021)

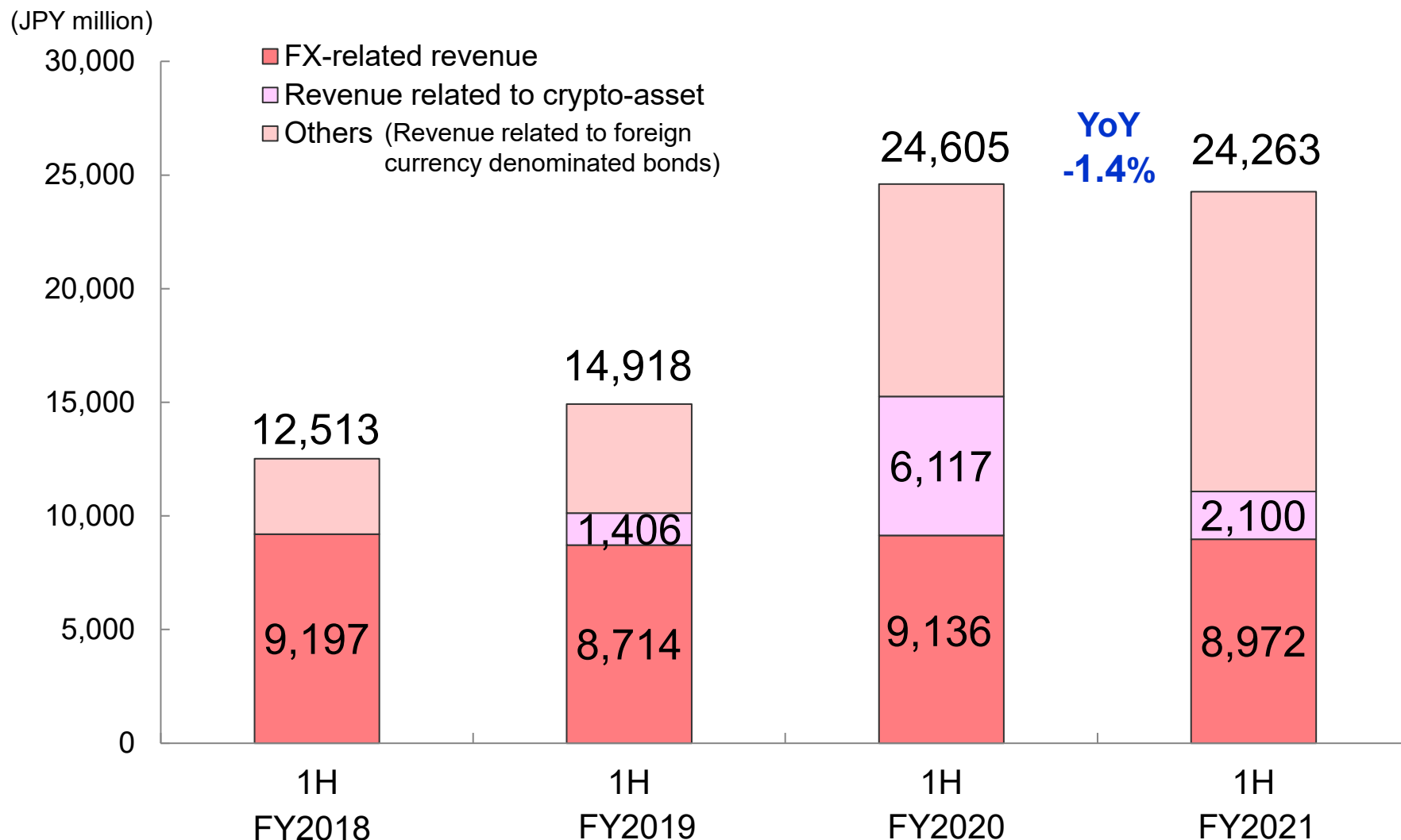


(*) As YJFX! became a member of GMO Group in late September, the figures of GMO CLICK Securities, FX PRIME byGMO and YJFX! (currently GaikaEX byGMO) as of the end of August are combined and listed as "GMO Group" for reference

Source: Compiled by SBIH from information on the websites of each company

SBI SECURITIES' Trading Revenue Trend

Trading revenue significantly increased, leading to an increased contribution to earnings



Assets Under Management of the SBI Group

(As of the end of September 2021)

Private equity, etc. JPY 696.6 bn^(*) (Excluding JPY 212.4 bn of both cash and commitment amount to be paid in)^(*)

Breakdown of operating investment securities by Industry	Amount
Internet/AI/IoT	140.7
Fintech services	125.4
Digital Asset/Blockchain	64.6
Finance	141.4
Biotechnology/Health/Medical	40.1
Environmental/Energy	6.7
Machine/Automobile	12.0
Services	26.7
Retail/Food	2.1
Materials/Chemicals	6.9
Construction/Real estate	1.0
Others	3.7
Equity interests in external and non-consolidated funds	32.1
Total	603.5

Breakdown of operating investment securities by region	Amount
Japan	311.4
China	9.0
Korea	5.4
Southeast Asia	82.8
India	6.0
U.S.	83.8
Europe	47.7
Others	57.5
Total	603.5

Investment from non-consolidated Group management funds	Amount
Corporate venture capital (CVC)	20.1
Others (Oversea JV fund, etc.)	73.0
Total	93.1

Investment trusts, etc. JPY 4,469.3 bn

*1 Private equity investment balance comes from the balance for operating investment securities included in consolidated reporting plus the investment balance from funds (such as CVC funds) removed from consolidation due to the SBI Group's low investment ratios in the corresponding funds, which the SBI Group run as the GP.

*2 Composed of cash in funds and unpaid capital which is to be paid on a capital call.

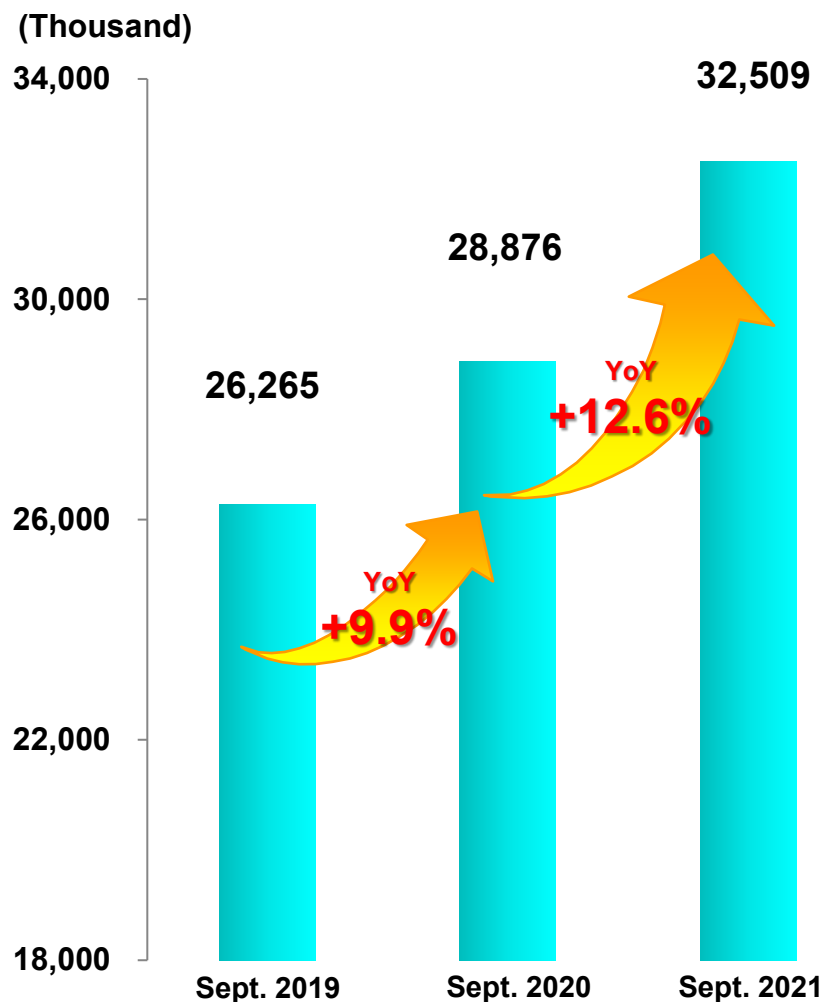
*3 Calculated by the exchange rate as of the end of September 2021

*4 Amounts are rounded to the nearest JPY 100m

The SBI Group's Customer Base, which was Expanded through the Thorough Pursuit of the Customer-centric Principle and Group Synergies

Breakdown of the Customer Base

(As of the end of Sept. 2021)*1,2



SBI SECURITIES SBI NEOMOBILE Securities SBI Neotrade Securities FOLIO	(No. of accounts)	7,717
SBIH InsWeb	(No. of customers)	10,299
E-LOAN	(No. of customers)	3,040
MoneyLook	(Total no. of customer registrations)	950
Morningstar Japan	(Total no. of service users) *3	1,178
SBI Sumishin Net Bank	(No. of accounts)	4,935
SBI Insurance	(Total no. of contracts)	1,164
SBI Life Insurance	(Total no. of contracts) *4	276
Others (SBI Point etc.)	—	2,951
Total	—	32,509

*1 Customers who are not identified as the same person within each service website and overlapping customers among the Group companies may be double counted.

*2 Owing to the reorganization, customer numbers of the Group companies, which were excluded from consolidation, are not included in the figures for the past customer bases

*3 Includes the number of smartphone app downloads, as provided by Morningstar

*4 The total number of contracts of SBI Life Insurance includes number of insured persons with group credit life insurance

Number of Companies and Consolidated Employees of the SBI Group

Number of Group companies

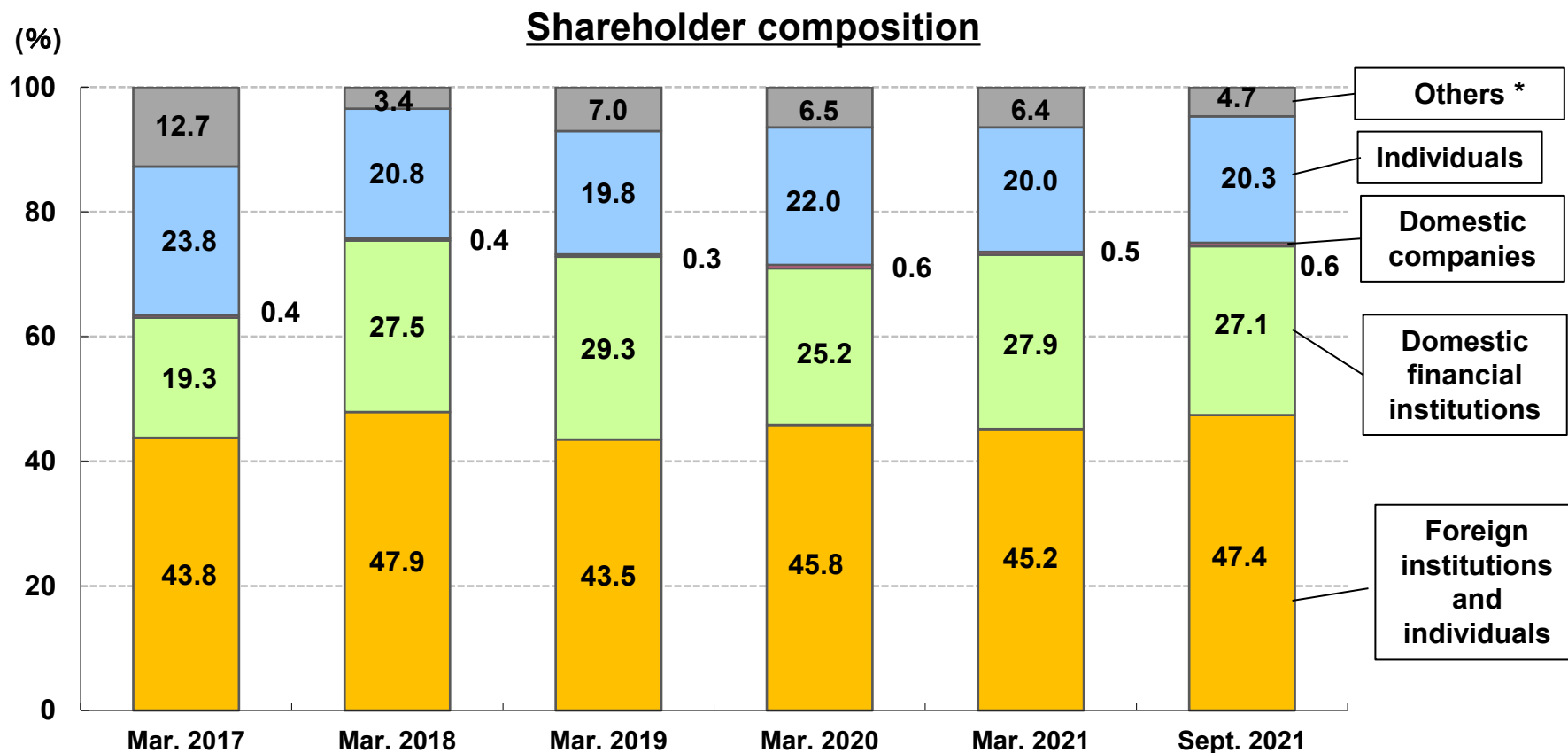
	March 2021	September 2021
Consolidated subsidiaries (companies)	264	296
Consolidated partnerships (partnerships)	35	36
Total consolidated subsidiaries (companies)	299	332
Equity method companies (companies)	40	41
Total Group companies (companies)	339	373

Number of consolidated employees

	March 2021	September 2021
Total employees (persons)	9,209	9,657

SBI Holdings' Shareholder Composition

- ◆ The total number of shareholder is 135,894, of which the number of shareholders who hold 1 unit or more is 89,569*
- ◆ Shareholding ratio of domestic and foreign institutional investors is 74.5%



*including treasury shares

<https://www.sbigroup.co.jp>