

SBI Holdings, Inc. 2023 Information Meeting

May 29

Tokyo

June 1

Nagoya

June 5

Osaka

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.

The business collaboration with SBI Shinsei Bank described in this document only takes place when SBI Shinsei Bank determines that it is in the best interests of its minority shareholders to do so through measures adopted by SBI Shinsei Bank to prevent conflicts of interest.

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

The contents of this document are subject to revision or cancellation without notice.

Note: Fiscal Year (“FY”) ends on March 31 of the following year

Today's Program

Part 1: Explanation of Key Questions

Part 2: Question and Answer Session

Part 1: Key Questions

- 1. How were the financial results for FY2022?**
- 2. How is the progress towards realization of the Neo-securities initiative going?**
- 3. What is the future of the SBI Group's regional revitalization strategy?**
- 4. What are the core strategies and initiatives of SBI Group in the next 2-3 years?**

Q1. How were the financial results for FY2022?

[Consolidated performance overview]

- Revenue increased 30.8% year-on-year to JPY 998.6bn, which is a historical high for past full-year results, **largely due to significant increase in revenue from the Financial Services Business (78.2% year-on-year to JPY 886.7bn). Profit before income tax expense in the Financial Services Business was JPY 150.7bn (increased 42.0% year-on-year, excluding the impact of gain on negative goodwill of JPY 195.6bn, a one-time factor recorded when SBI Shinsei Bank became a consolidated subsidiary in the previous fiscal year.)**
- While the Financial Services Business performed well, **the Investment Business incurred a fair value loss of approximately JPY 42.7bn** this fiscal year due to decline in the share prices of certain overseas-listed stocks (includes approximately JPY 30.7bn in cumulative write-downs of **TPBank** through the end of January 2023). **Crypto-asset Business was significantly impacted by a loss of JPY 18.4bn** due to the sluggish crypto assets market and bankruptcies of certain business partners (mainly composed of approximately JPY 8.5bn in the mining business and approximately JPY 5.4bn in B2C2). As a result, consolidated profit before income tax expense decreased 75.6% year-on-year to JPY 100.8bn. (a decrease of 53.6% year-on-year, excluding the impact of the one-time factor of SBI Shinsei Bank becoming a consolidated subsidiary in the previous fiscal year)
- Profit attributable to owners of the Company decreased 90.5% year-on-year to JPY 35.0bn. Main reasons were **the fair value loss of JPY 30.7bn on TPBank stock in Vietnam recorded during FY2022**, in which the Company directly invested until the end of January 2023, and **a large loss at a Crypto-asset Business subsidiary**, in which the Company has a large stake

FY2022 Consolidated Performance (IFRS)

[Year-on-year comparison]

(Unit: JPY million)

	FY2021 (Apr. 2021 – Mar. 2022)	FY2022 (Apr. 2022 – Mar. 2023)	YoY % change
Revenue	763,618	Record high* 998,559	+30.8
Profit before income tax expense	412,724 (217,080)	100,753	-75.6 (-53.6)
Profit for the period	355,724 (160,080)	71,008	-80.0 (-55.6)
Profit attributable to owners of the Company	366,854 (135,586)	35,000	-90.5 (-74.2)
ROE (%)	49.4 (21.6)	3.6	-45.8p (-18.0p)

- Comparison with the past full-year results
- Figures in parentheses for FY2021 exclude one-time factors (gain on negative goodwill of JPY 195.6bn, etc.) recorded when SBI Shinsei Bank became a consolidated subsidiary

Comparison of Consolidated Profit Before Income Tax with Major Securities Companies

(Unit : JPY million)

	FY2021 (Apr.2021-Mar.2022)	FY2022 (Apr.2022-Mar.2023)	YoY% change
SBI Holdings (IFRS)	412,724 (217,080*)	100,753	-75.6 (-53.6)
Nomura Holdings (US-GAAP)	226,623	149,474	-34.0
Daiwa Securities Group (J-GAAP)	141,666	96,766	-31.7
SMBC Nikko Securities (J-GAAP)	64,624	-57,796	—
Mitsubishi UFJ Securities Holdings (J-GAAP)	46,805	82,985	+77.3
Mizuho Securities (J-GAAP)	64,509	-23,521	—

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

* Figures in parentheses for FY2021 exclude one-time factors (gain on negative goodwill of JPY 195.6bn) recorded when SBI Shinsei Bank became a consolidated subsidiary

SBI Holdings Uses International Financial Reporting Standards (IFRS), Which Are Highly Transparent, so the Financial Figures Accurately Incorporate Current Conditions

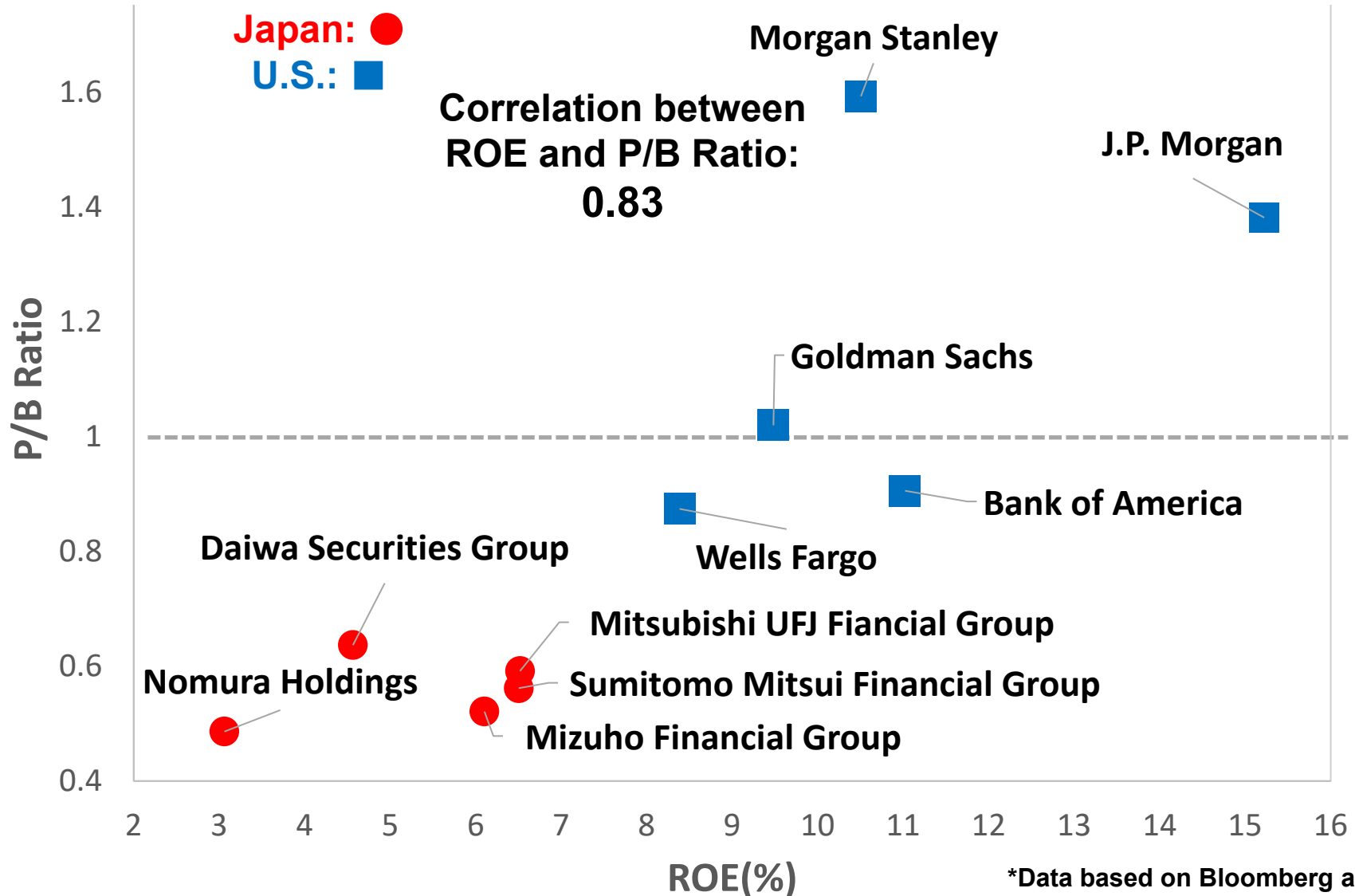
Under IFRS and US-GAAP, changes in the value of securities based on the purpose of holding are reflected as fair value gains/losses in each fiscal year's financial results, but not under Japanese GAAP, so different accounting standards will result in different financial results for the same fiscal year

(JPY million)

		MUFG FY2021	MUFG 1H FY2022	SMFG FY2021	SMFG 1H FY2022	Mizuho FG FY2021	Mizuho FG 1H FY2022
US-GAAP (MUFG, Mizuho FG)/ IFRS (SMFG)	Net income/ Net operating revenue	3,925,727	849,656	2,857,482	2,074,609	2,113,731	1,027,225
J-GAAP	Ordinary income	6,075,887	4,314,217	4,111,127	2,916,911	3,963,091	2,944,948
US-GAAP (MUFG, Mizuho FG)/ IFRS (SMFG)	Income (loss) before income tax expense (benefit)/Profit before income tax expense	-58,727	-1,291,685	676,464	1,024,552	-242,488	-562,612
J-GAAP	Profits before income taxes	1,489,857	533,744	929,588	724,674	603,872	445,057
US-GAAP (MUFG, Mizuho FG)/ IFRS (SMFG)	Net income attributable to shareholders	-83,320	-1,014,129	499,573	762,185	-104,722	-378,877
J-GAAP	Profits attributable to owners of parent	1,130,840	231,091	706,631	525,427	530,479	333,964

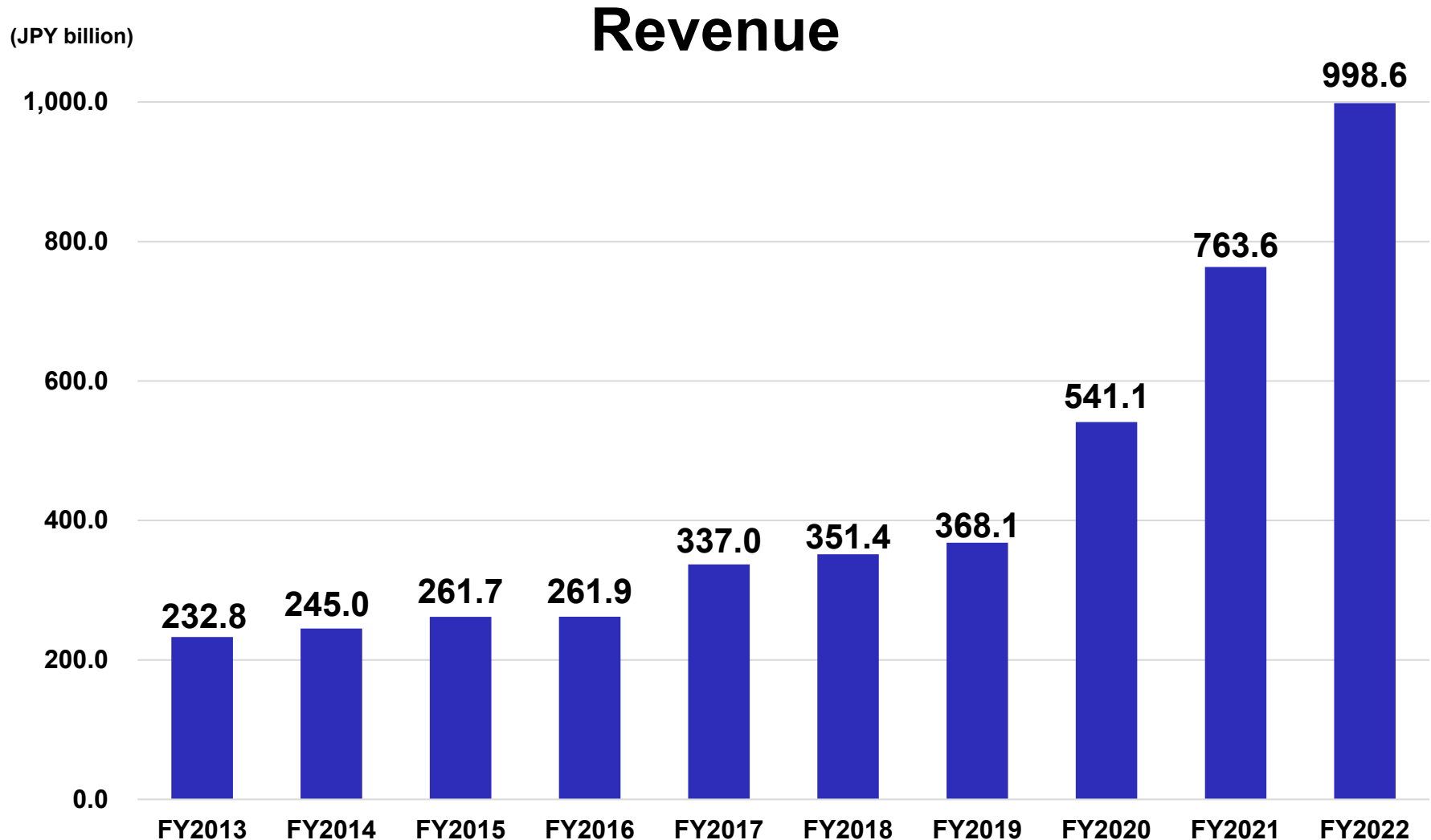
Distribution of P/B Ratio and ROE of Major Japanese and U.S. Financial Institutions

(As of March 2023)

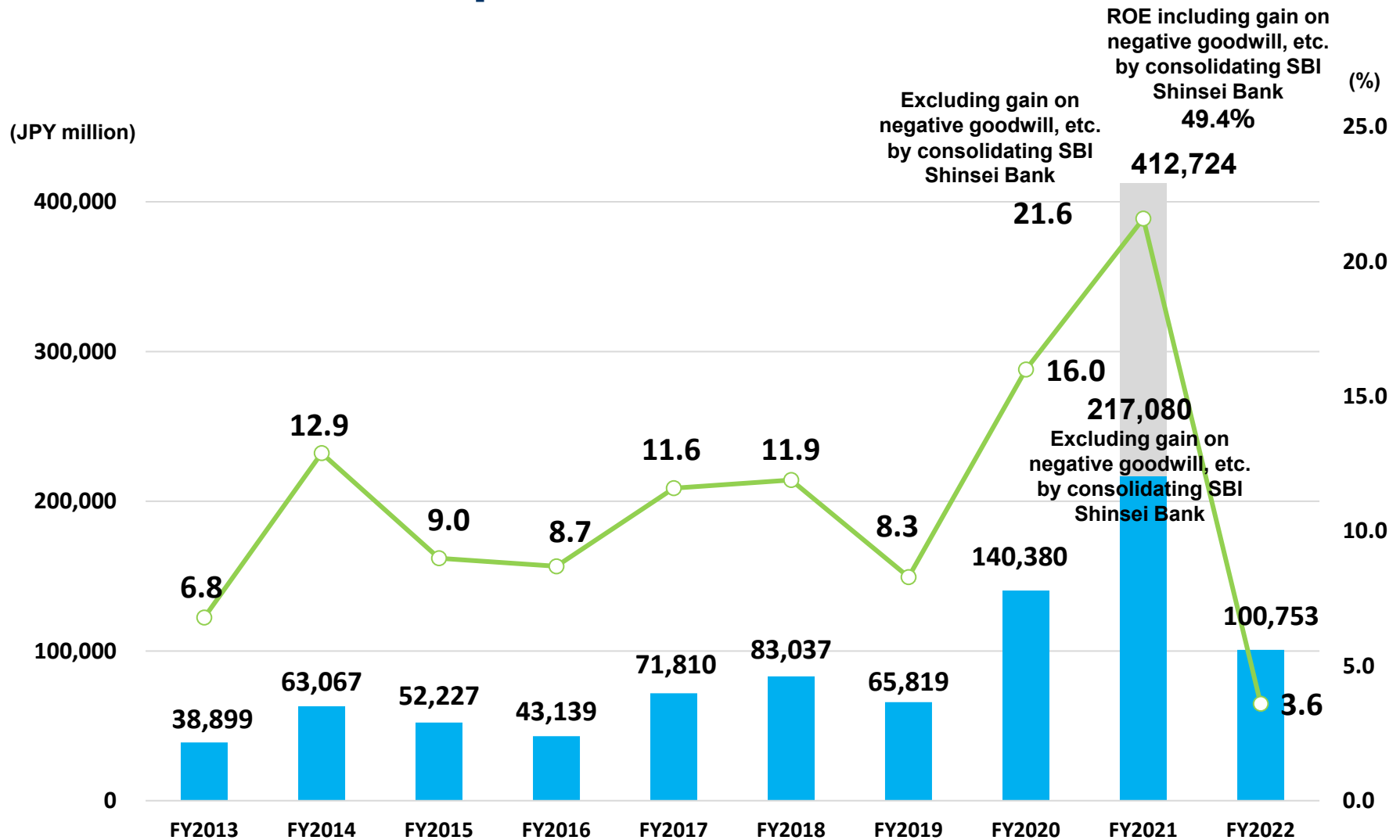


*Data based on Bloomberg and compiled by the Company

SBI Holdings' Revenues At Scale of JPY 1 Trillion



SBI Holdings' Profit before Income Tax Expense and ROE



Business Segment Change was Implemented from FY2022

Financial area				Non-financial area
Business segment that generates stable profit		Business segment with high volatility due to dependency on market environment		Innovative business segments, etc. that are expected to show rapid growth in the future
Financial Services Business	Asset Management Business	Investment Business	Crypto-asset Business	Non-financial Business

[Benefits of changing business segments]

- Clarify segments that generate stable cash flow to make it easier to forecast investor return measures such as dividends
- The change in business segments clarifies which segments are more and less sensitive to the market environment, enabling more agile management decisions
- Clarify the status of the Group's advanced initiatives, such as Web3 and new overseas markets

FY2022 Performance by Segment (IFRS)

[Year-on-year comparison]

(Unit: JPY million)

Revenue

	FY2021 (Apr. 2021– Mar. 2022)	FY2022 (Apr. 2022– Mar. 2023)	YoY % change
Financial Services Business	497,751	886,748	+78.2
Asset Management Business	16,883	27,966	+65.6
Investment Business	177,911	36,684	-79.4
Crypto-asset Business	55,106	30,320	-45.0
Non-financial Business ^{*2}	23,596	26,238	+11.2

Profit Before Income

Tax Expense

	FY2021 (Apr. 2021– Mar. 2022)	FY2022 (Apr. 2022– Mar. 2023)	YoY % change
Financial Services Business	301,725 (106,081) _{*1}	150,653	-50.1 (+42.0) _{*1}
Asset Management Business	3,810	10,123	+165.7
Investment Business	136,457	-16,661	—
Crypto-asset Business	3,518	-18,429	—
Non-financial Business ^{*2}	-20,308	-3,253	—

^{*1} Profit before income tax expense in the Financial Services Business segment FY2021 includes a one-time factor (gain on negative goodwill of JPY 195.6bn, etc.) recorded when SBI Shinsei Bank became a consolidated subsidiary. The year-on-year change amount in the parentheses below is the percentage change excluding the one-time factor.

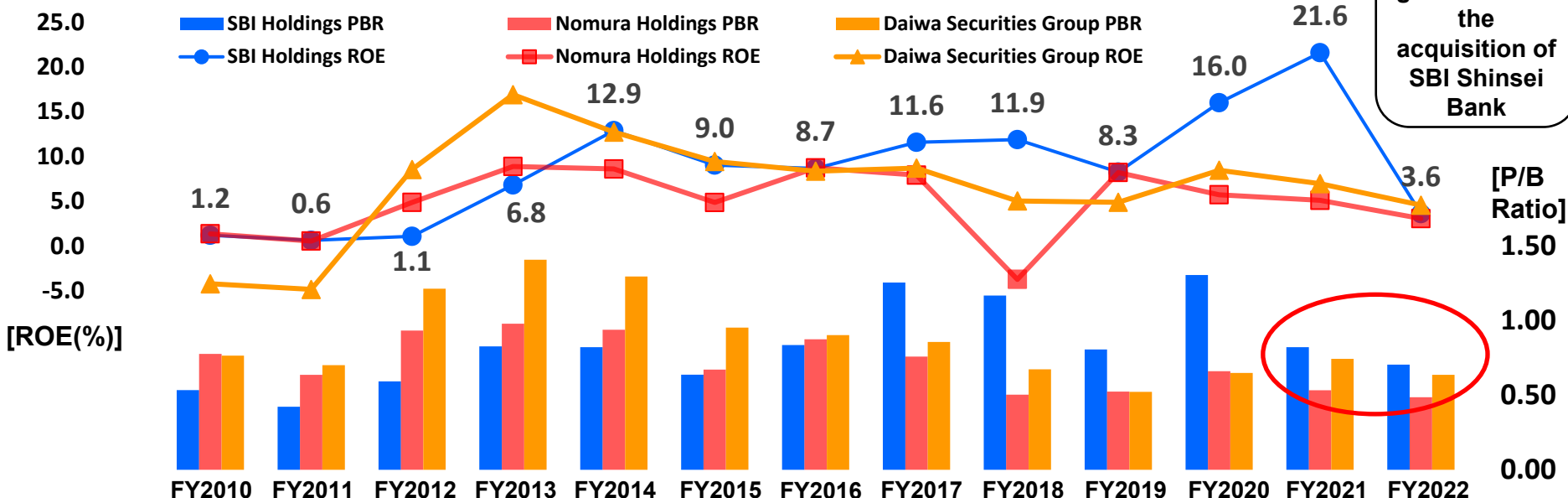
^{*2} Non-financial Business segment mainly includes Biotechnology, Healthcare & Medical Informatics Business, Web3 related businesses.

^{*3} Figures are before elimination of the inter-segment transactions.

^{*4} FY2021 results are restated to reflect the new segment category started from FY2022.

ROE and P/B Ratio of SBI Group and Its Competitors

Excluding the impact of negative goodwill from the acquisition of SBI Shinsei Bank



[ROE fluctuated due to special factors in FY2022]

Profit attributable to owners of the Company

Own capital

ROE

<FY2021>

JPY135.5bn

JPY627.7bn

21.6%

<FY2022>

JPY35.0bn

JPY969.2bn

3.6%

Decreased by **approx. 25%** due to fair value write-downs of about JPY 30.7bn at TPBank in Vietnam and losses at companies in which the Company has a high equity stake

Increased approx. **1.5 times** due to the addition of approx. JPY 200bn of negative goodwill from the acquisition of SBI Shinsei Bank and due to capital increase with SMFG as the allottee

SBI Group's P/B ratio appears to be undervalued recently, but the company will decisively implement various measures to expand earnings with the goal of achieving **ROE of 10% or more**, and **improve P/B ratio** that is in correlation with ROE

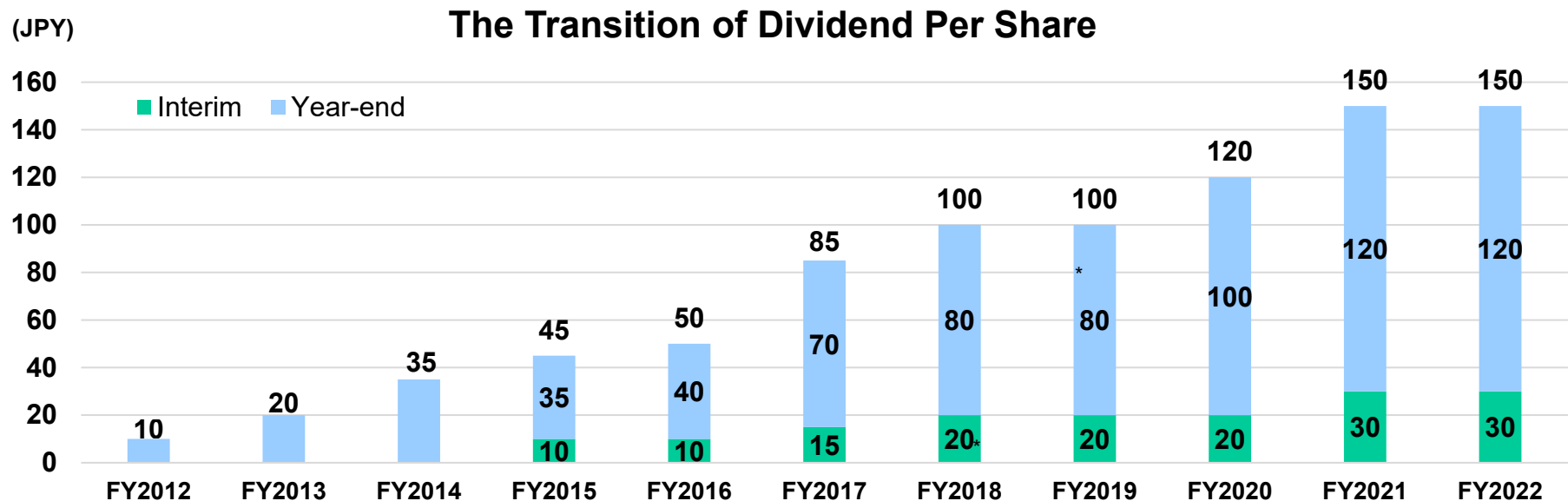
The Company's Basic Dividend Policy

- The Company's basic dividend policy is to pay a minimum annual dividend of JPY10 per share, and endeavors to increase the dividend when it has determined that a further return of profits is possible, after a comprehensive consideration of the appropriate level of internal reserves required for sustained growth, along with a consideration of the ongoing business performance
- Furthermore, the Company determine a total shareholder return ratio, which is the sum of dividend payouts and share buybacks, of approximately 30% of the profit before income tax expense attributable to Financial Services Business

■ Dividend Per Share

	Interim	Year-end	Full-year	Total payout ratio (%)
FY2022	<u>JPY 30</u>	<u>JPY 120</u>	<u>JPY 150</u>	<u>113.5</u>
FY2021	JPY 30	JPY 120	JPY 150	10.0

Dividend Per Share and Total Shareholder Return for FY2022



* Including a commemorative dividend of JPY 5 per share for the 20th anniversary of the Company's founding.

Amount of total return for FY2022:

JPY 40,847m (Total shareholder return ratio:116.7%)

[Reference]

Profit before income tax expense attributable to the normal business operations of the Financial Services Business in FY2022 : JPY 134,859m *

JPY 134,859m × 30% = JPY 40,458m

* Calculated after deducting the gain on sale (JPY 10,728 million) due to the partial sale of shares held in SBI Sumishin Net Bank, Ltd. and gain on sale (JPY 5,067 million) of shares held in ALBERT Inc. from the profit before income tax expense generated from the Financial Services Business (JPY 150,653m)

Following the Previous Fiscal Year, the Company will Provide Shareholder Benefits for FY2022

[Details of shareholder benefits] * Shareholders listed or recorded in the shareholder register as of Mar. 31, 2023 are eligible.

Details	Qualified shareholders	Shareholders who have <u>held shares for more than 1 year</u> and who hold <u>1,000 (10 units) or more shares</u> as of Mar. 31, 2023	For shareholders other than on the left column, those who hold <u>100 shares (1 unit) or more</u> , as of Mar. 31, 2023
Crypto-asset XRP		<u>Equivalent to JPY8,000</u> (*1)	<u>Equivalent to JPY2,000</u> (*1)

*1: XRP conversion is expected to be based on the exchange rate as of July 31, 2023

[Products distributed by SBI ALApromo can also be selected]



ALA PLUS GOLD EX (60 capsules)	<u>One</u>	<u>One</u>
“Hatsugagenmai no Sokojikara” (160g)	<u>Three</u>	<u>Three</u>
ALA PLUS NMN (60 capsules)	<u>One</u>	—
ALA PLUS Cosmetic Series 4 products *2	<u>One each</u>	—

*2 ALA PLUS Moisturizing Cream, ALA PLUS Essential Lotion, ALA PLUS Concentrate Serum, ALA PLUS Body Cream Alapi

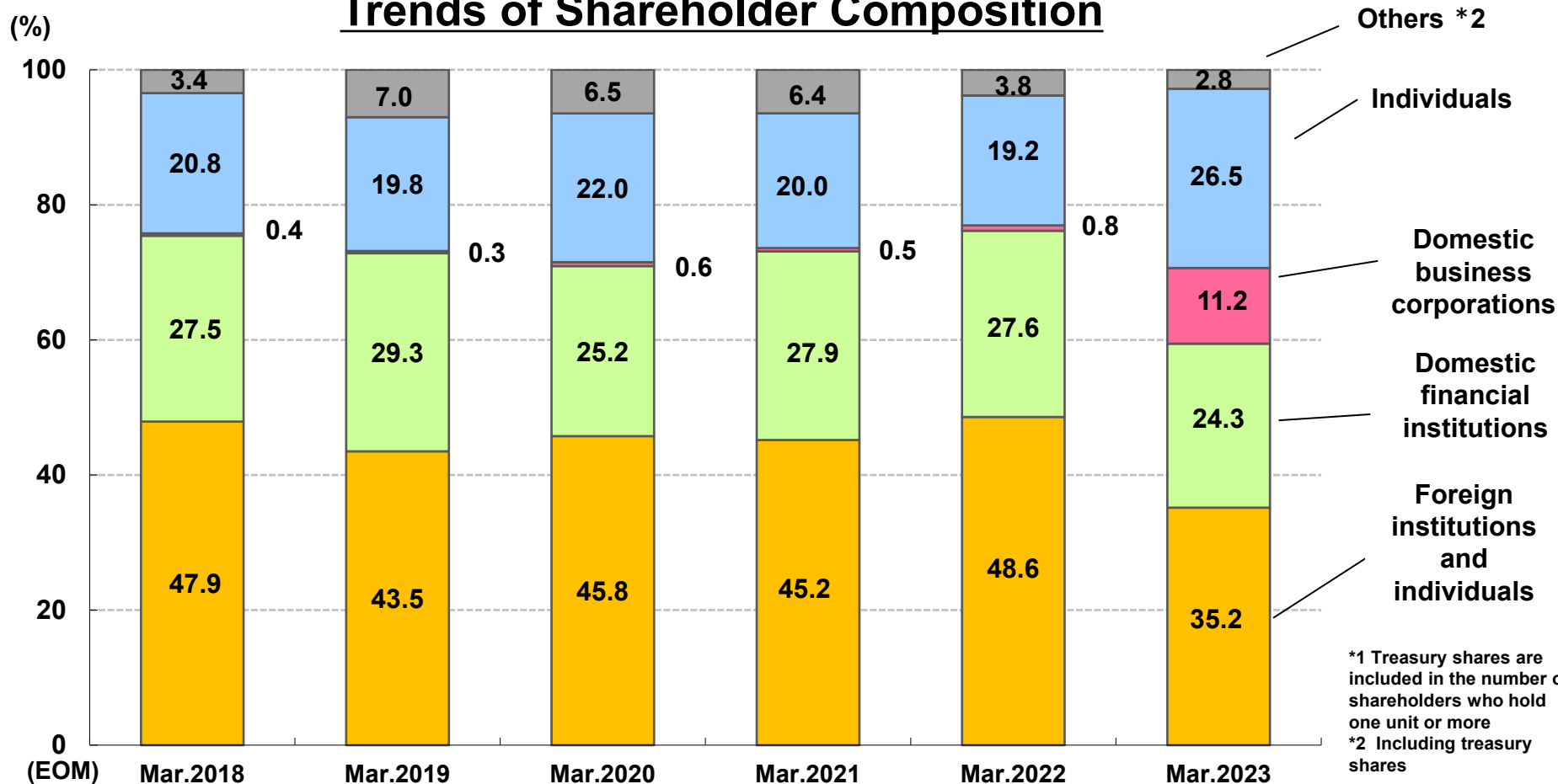
* In addition, all shareholders, including those who hold less than 1 unit (1–99 shares), will receive 1 discount coupon for a preferential discount of 50% from the regular prices of all SBI ALApromo dietary supplements and cosmetics.

SBI Group's Shareholder Composition as of March 31, 2023

- ◆ Total number of shareholders is 213,956, of which the number of shareholders who hold one unit or more is 130,185*1
- ◆ Shareholding ratio of domestic and foreign institutional investors is 59%

The ratio of individual investors have risen **significantly in FY2022** **leading to improvement in balance of shareholder composition**

Trends of Shareholder Composition



[Business Overview of Each Business Segment]

1. Financial Services Business

[Financial Services Business Consolidated Results (IFRS)] (JPY million)

	FY2021 (Apr. 2021 – Mar. 2022)	FY2022 (Apr. 2022 – Mar. 2023)	YoY (%)
Revenue	497,751	886,748	+78.2
Profit before income tax expense	301,725 (106,081)	150,653	-50.1 (+42.0)

- Profit before income tax expense of Financial Services Business declined 50.1% YoY to JPY150.7bn. However, **excluding the impact of temporary factors (gain on negative goodwill, etc. of JPY 195.6bn) recorded when current SBI Shinsei Bank became a consolidated subsidiary in 3Q FY2021, profit increased 42.0% YoY**

* Figures in parentheses for profit before income tax expense exclude the impact of temporary factors (gain on negative goodwill, etc. of 195.6 billion yen) recorded when current SBI Shinsei Bank became a consolidated subsidiary of SBI Holdings

1. Financial Services Business:

(1) Securities business

[Major constituent companies]

SBI SECURITIES, SBI Liquidity Market, SBI FXTRADE, SBI MONEYPLAZA, PTS operating companies, overseas securities subsidiaries, etc.

[Business highlights]

- **SBI SECURITIES** recorded JPY 175.0bn in operating revenue (+5.1% YoY) and JPY 62.1bn in operating income (+0.3% YoY) for FY2022 on a J-GAAP basis, **a record high**
- **The ratio of commissions on online domestic stock transactions declined to 11.2% of total revenues** as SBI SECURITIES has successfully diversified its revenue sources to realize its **Neo-securities initiative**
- **SBI Liquidity Market**, which conducts foreign exchange-related business in the SBI Group, achieved a **record high** operating revenue of JPY 29,682m (+19.3% YoY), on the backdrop of the active foreign exchange market
- Business results of **overseas securities business** operating in Thailand and Cambodia remained strong

SBI SECURITIES FY2022

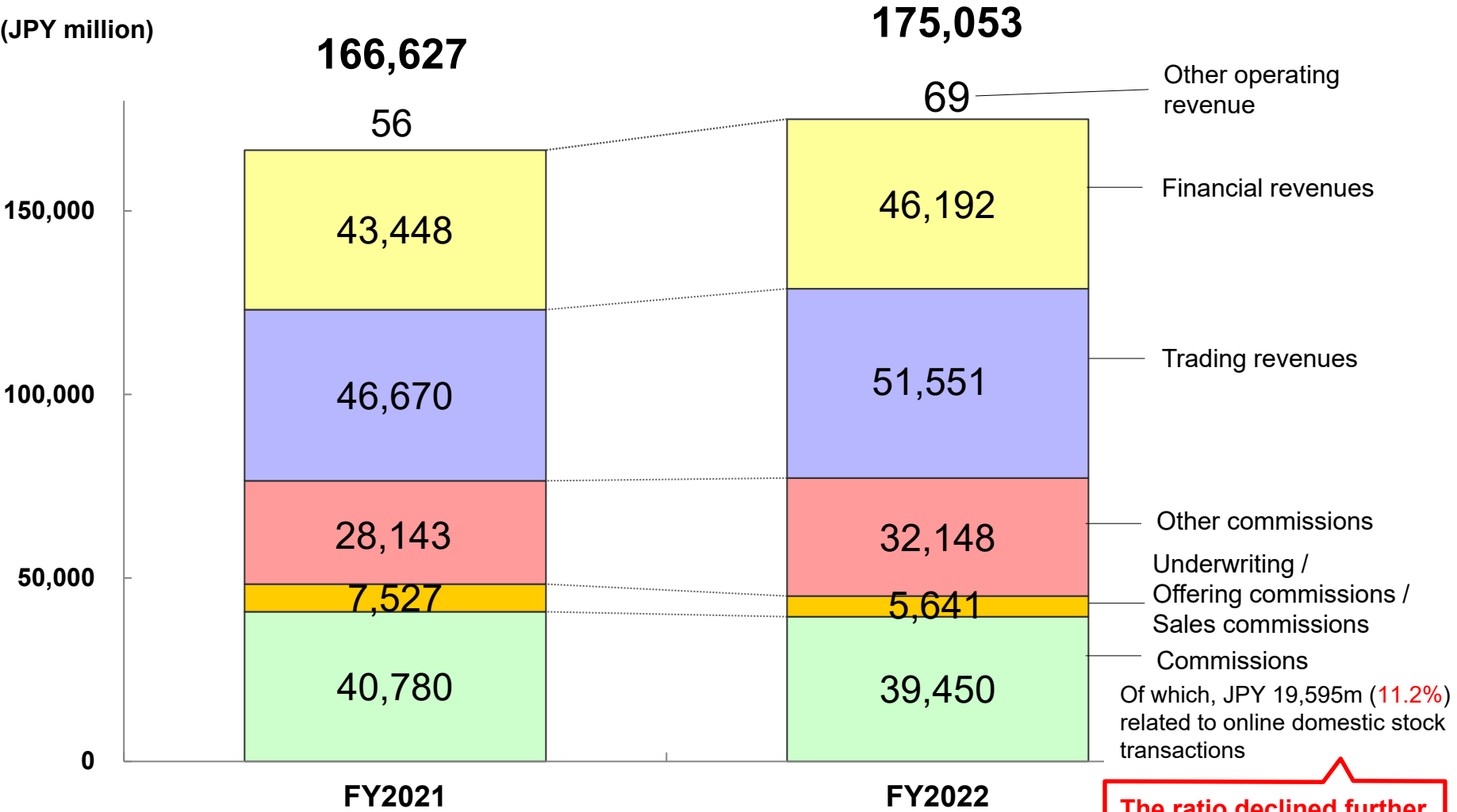
Consolidated Results (J-GAAP)

[Year-on-year comparison]

(Unit: JPY million)

	FY2021 (Apr. 2021 – Mar. 2022)	FY2022 (Apr. 2022 – Mar. 2023)	YoY % change
Operating Revenue	166,627	Record high 175,053	+5.1
Net Operating Revenue	157,027	Record high 161,570	+2.9
Operating Income	61,920	Record high 62,130	+0.3
Ordinary Income	62,057	60,951	-1.8
Profit attributable to owners of the Company	40,041	41,467	+3.6

SBI SECURITIES' Consolidated Operating Revenue (Net Sales) Structure for FY2022



(Based on J-GAAP)

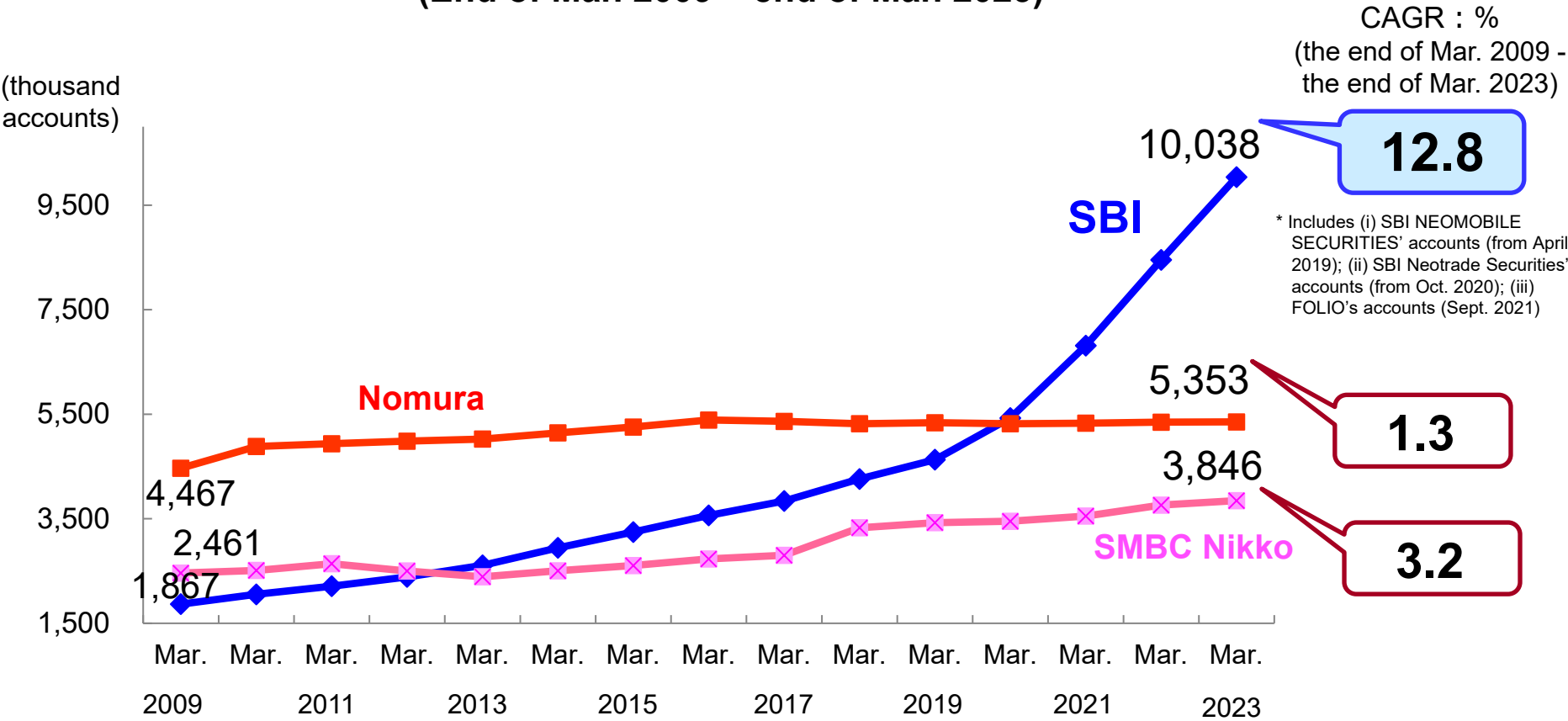
Like-for-like Comparison of Financial Results
Of Major Brokerage Companies for FY2022

		Operating profit	Ordinary profit	Profit attributable to owners of the Company
1	SBI SECURITIES (consolidated)	62.1	60.9	41.4
2	Nomura Securities (Non-consolidated)	44.3	44.3	33.5
3	Mitsubishi UFJ Morgan Stanley Securities (Non-consolidated)	44.2	46.9	36.3
4	Mizuho Securities (Non-consolidated)	21.6	24.3	24.2
5	Rakuten Securities *1 (consolidated)	19.5	19.2	11.3
6	Matsui Securities (Non-consolidated)	11.3	11.2	7.8
7	GMO Financial Holdings*1 (Consolidated)	9.5	8.0	1.0
8	Monex Group *2 (Consolidated)	4.8	4.6	3.3
9	Daiwa Securities (Non-consolidated)	4.7	5.9	7.1
10	IwaiCosmo Holdings (Consolidated)	4.7	5.1	3.5
11	au Kabukom Securities (Non-consolidated)	3.4	3.7	2.8
12	Tokai Tokyo Financial Holdings (Consolidated)	3.1	6.3	1.9
13	Ichiyoshi Securities (Consolidated)	1.1	1.2	0.7
14	Marusan Securities (Consolidated)	0.3	0.8	0.7
15	Mito Securities (Consolidated)	-0.2	0.1	0.7
16	Kyokuto Securities (Consolidated)	-0.3	0.4	1.1
17	OKASAN SECURITIES GROUP (Consolidated)	-1.0	0.4	0.5
18	TOYO SECURITIES (Consolidated)	-2.1	-1.6	-2.9
19	AIZAWA SECURITIES GROUP (Consolidated)	-2.7	-1.9	-2.3
20	SMBC Nikko Securities (Non-consolidated)	-42.0	-38.3	-32.3

*1:Fiscal year of Rakuten Securities and GMO Financial Holdings ends in Dec., so figures for the period from Apr. 2022 to Mar. 2023 are used *2:Monex Group uses IFRS, so operating profit equivalent value is used *3:Listed in order of each company's operating profit *4:Compiled by SBIH from the information on websites of each company
[Unauthorized reproduction is prohibited]

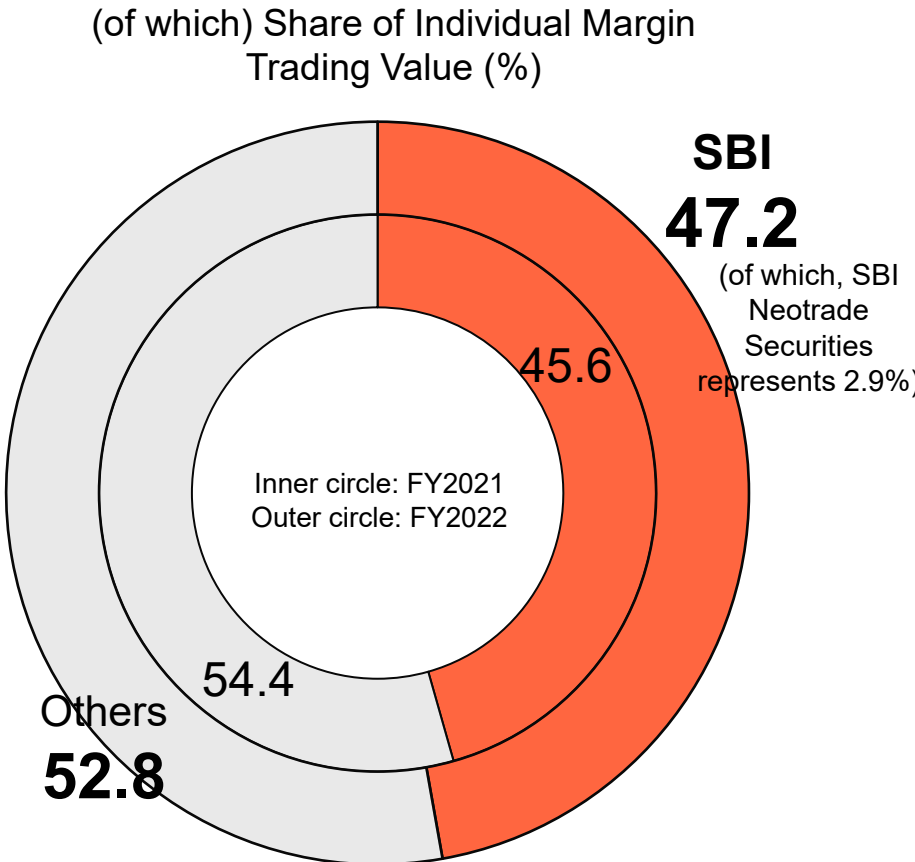
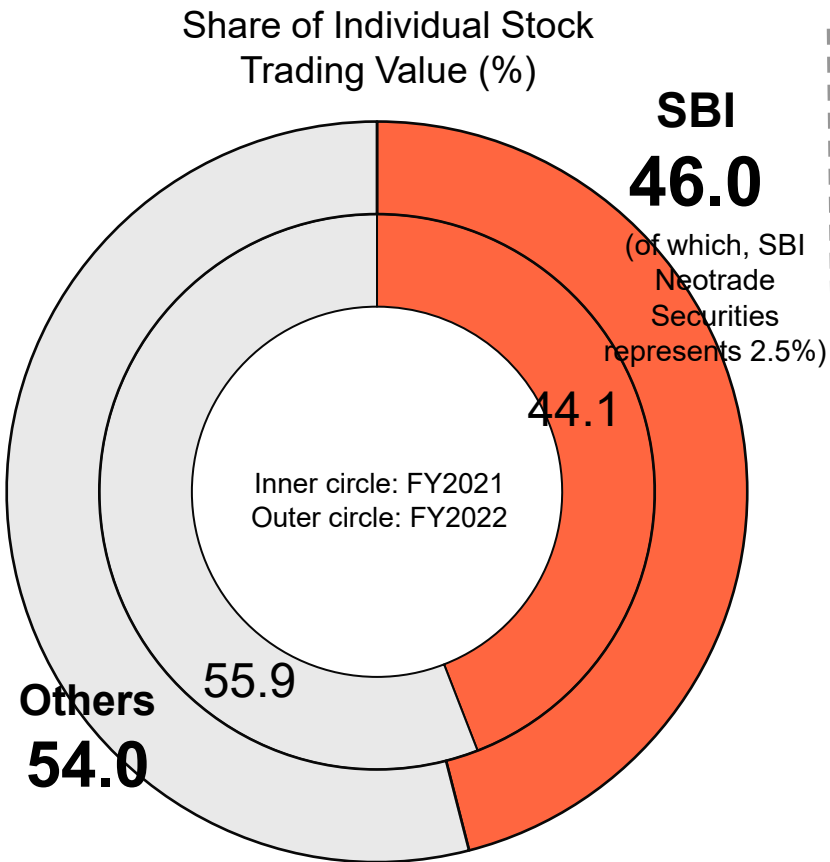
Number of Accounts of SBI SECURITIES Group and Major Face-to-face Securities Companies

(End of Mar. 2009 – end of Mar. 2023)



Significant increase in the number of accounts is expected through the Neo-securities initiative

SBI SECURITEIS Group's Share of Individual Stock Brokerage Trading Value



<Share is calculated with the individual stock trading value and individual margin trading value of both the markets combined, including that of ETF and REIT trading value, respectively>

*Share is 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 Tokyo Stock Exchange etc., including that of ETF and REIT trading value, respectively
Source: Compiled by SBI SECURITIES based on statistical data by the Tokyo Stock Exchange and websites of each company.

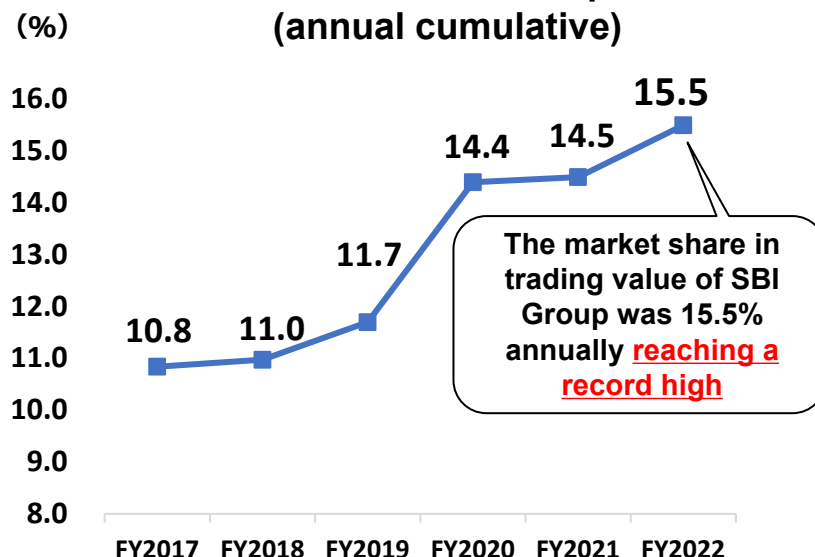
Operating Revenue of SBI Liquidity Market Marks a Record High

Operating revenue of SBI Liquidity Market (Non-consolidated, J-GAAP) (Unit: JPY million)

	FY2021 (Apr. 2021 – Mar. 2022)	FY2022 (Apr. 2022 – Mar. 2023)	YoY (%)
Operating revenue	24,875	Record high 29,682	+19.3

SBI FXTRADE achieved its highest operating revenue and operating profit for the full year

Trend in market share in trading value of SBI Group (annual cumulative)



* Compiled by SBI based on data from The Financial Futures Association of Japan

1. Financial Services Business:

(2) Banking business

[Major constituent companies]

SBI Shinsei Bank Group, SBI Sumishin Net Bank, ARUHI*, overseas banks including SBI SAVINGS BANK

*ARUHI was consolidated in November 2022

[Business highlights]

- **SBI Shinsei Bank** recorded profit attributable to shareholders of the parent company (J-GAAP) of JPY 42.7bn (+110.3% YoY), mainly due to increased commission income from higher loan balances in the corporate business and a large gain on reversal of loan loss provisions
Profit before income tax expense in SBI Holdings on an IFRS incorporation basis is approx. JPY 54.6bn
- **SBI Sumishin Net Bank was listed on the TSE Standard Market on March 29, 2023.** SBI Holdings participated as a seller in the secondary offering of SBI Sumishin Net Bank common shares and **recorded a profit before income tax expense of approx. JPY 10.7bn** in FY2022 consolidated financial statements. SBI Holdings' shareholding in SBI Sumishin Net Bank now stands at **36.25% (34.19% as of May 24, 2023)**, and **it remains an equity method affiliate**
SBI Holdings' investment gain on equity method on an IFRS basis was JPY 4,859m (-3.6%YoY)
- **SBI SAVINGS BANK** in South Korea recorded a profit before income tax (IFRS) of JPY 23,946m (-29.9% YoY) due to an increase in interest expenses in line with higher interest rates in South Korea and a corresponding increase in the burden of loan write-offs due to deteriorating credit and increased delinquencies, despite a steady increase in underlying income and expenditure due to asset growth

SBI Shinsei Bank Group

SBI Shinsei Bank FY2022 Consolidated Performance (J-GAAP)

(JPY billion)

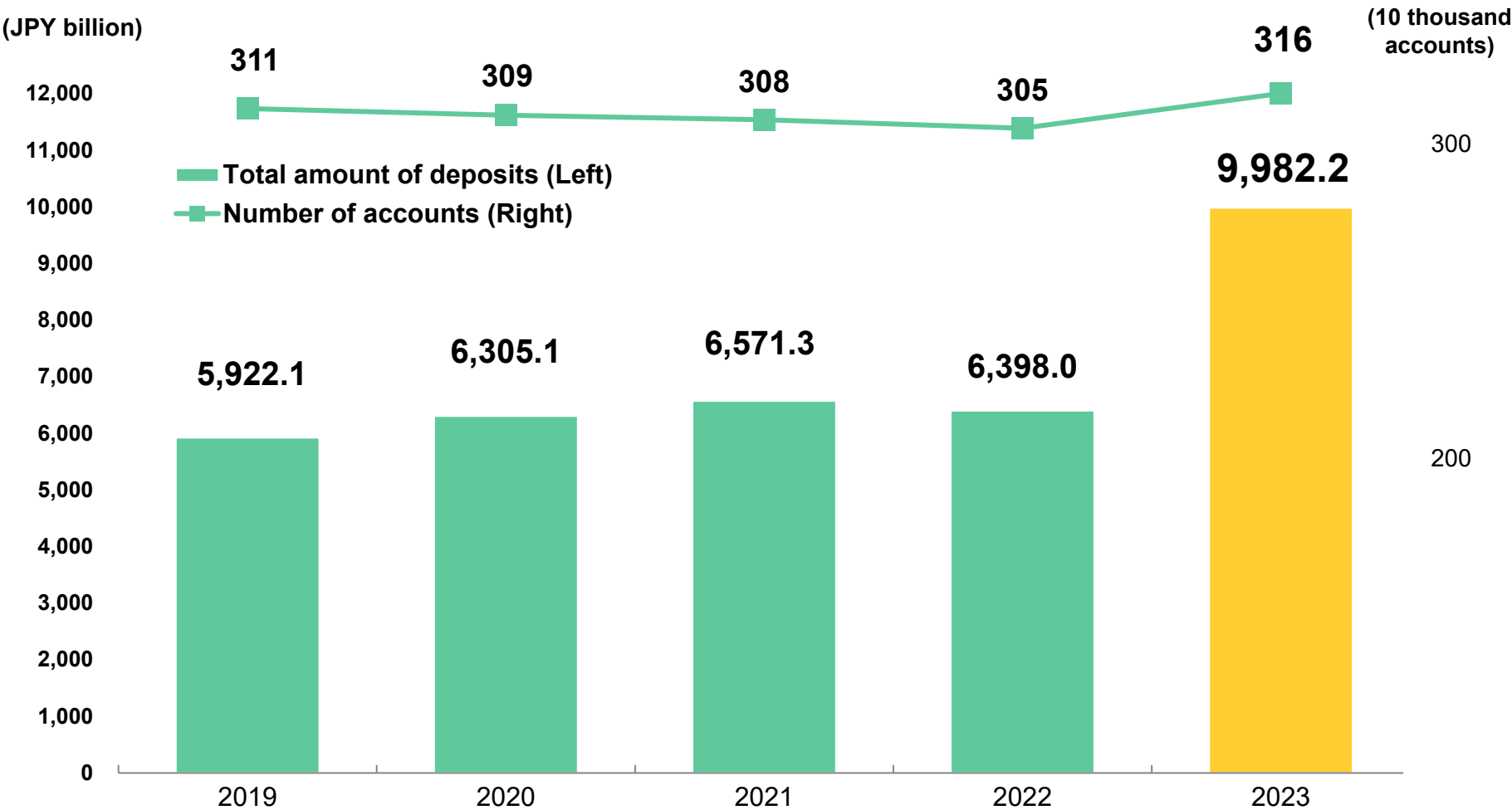
	FY2021	FY2022	YoY % change
Gross operating profit	217.5	240.2	+10.4
Ordinary Business Profit	62.1	78.6	+26.5
Profit before income tax expense	28.4	51.7	+82.0
Profit attributable to owners of the Company	20.3	42.7	+110.3

Profit before income tax expense in SBI Holdings on an IFRS incorporation basis is approx. JPY 54.6bn

* Units are rounded down to the two decimal places

* Calculation of IFRS-based SBI Shinsei Bank's consolidated P/L and incorporation into SBI Holdings' results began in 4Q FY2021

Number of Retail Accounts and Deposits at SBI Shinsei Bank



*Each figure is as of the end of March

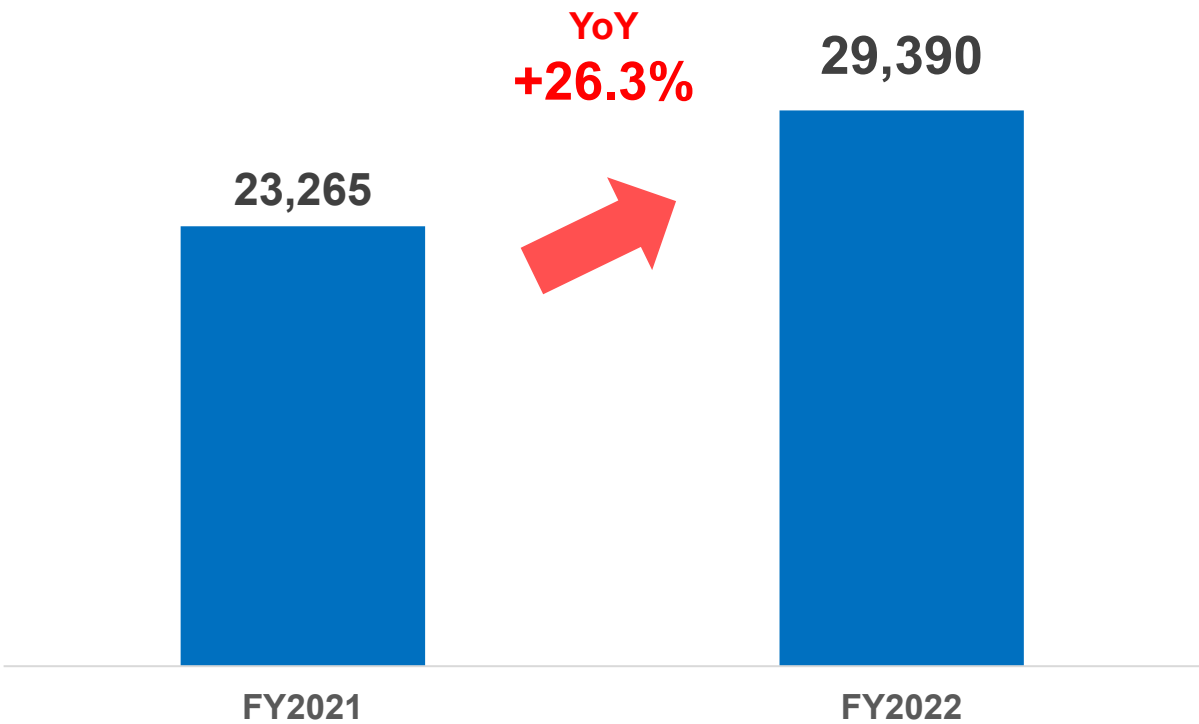
SBI Sumishin Net Bank

Performance of SBI Sumishin Net Bank

SBI Sumishin Net Bank recorded a **26.3% YoY increase** in J-GAAP recurring profit to **JPY 29,390m** (preliminary figures) on the back of steady loan growth in the housing loan business

(JPY million)

<Ordinary Profit>



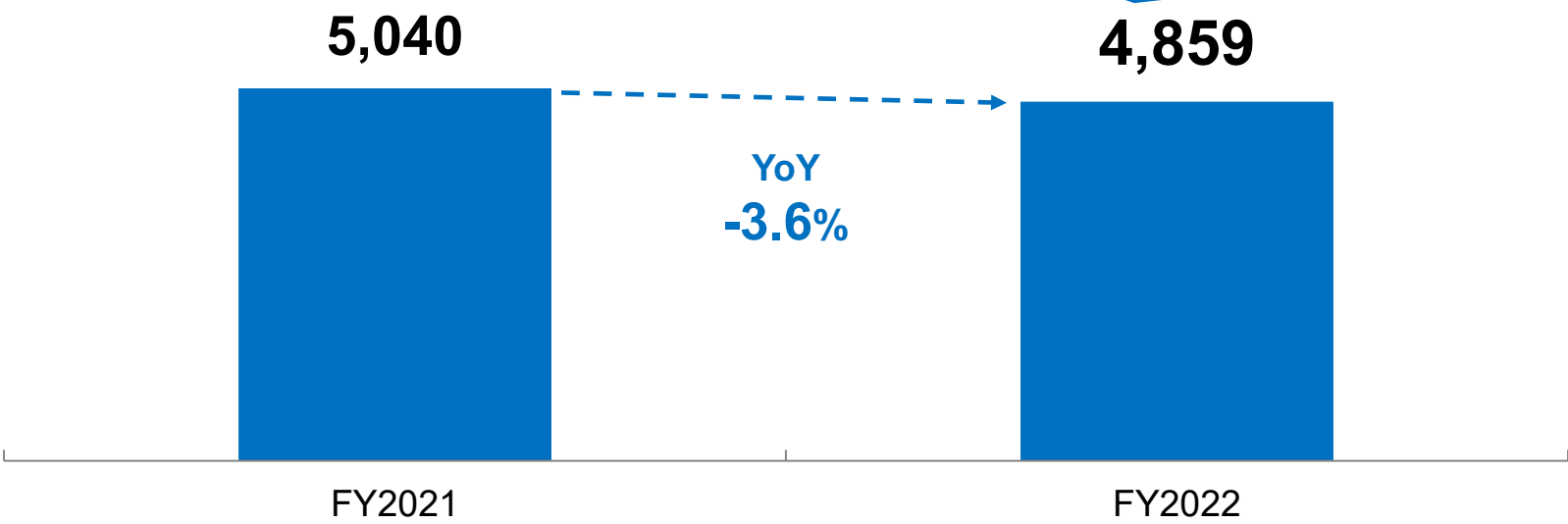
SBI Sumishin Net Bank's Financial Results

(Equity method earnings / IFRS)

SBI Holdings' equity method in earnings of SBI Sumishin Net Bank, based on IFRS for FY2022 was JPY 4,859m, down 3.6% YoY, mainly due to the sale of part of its interest in the company on its initial listing on the TSE Standard Market on March 29, 2023, which reduced its ownership share

(JPY million)

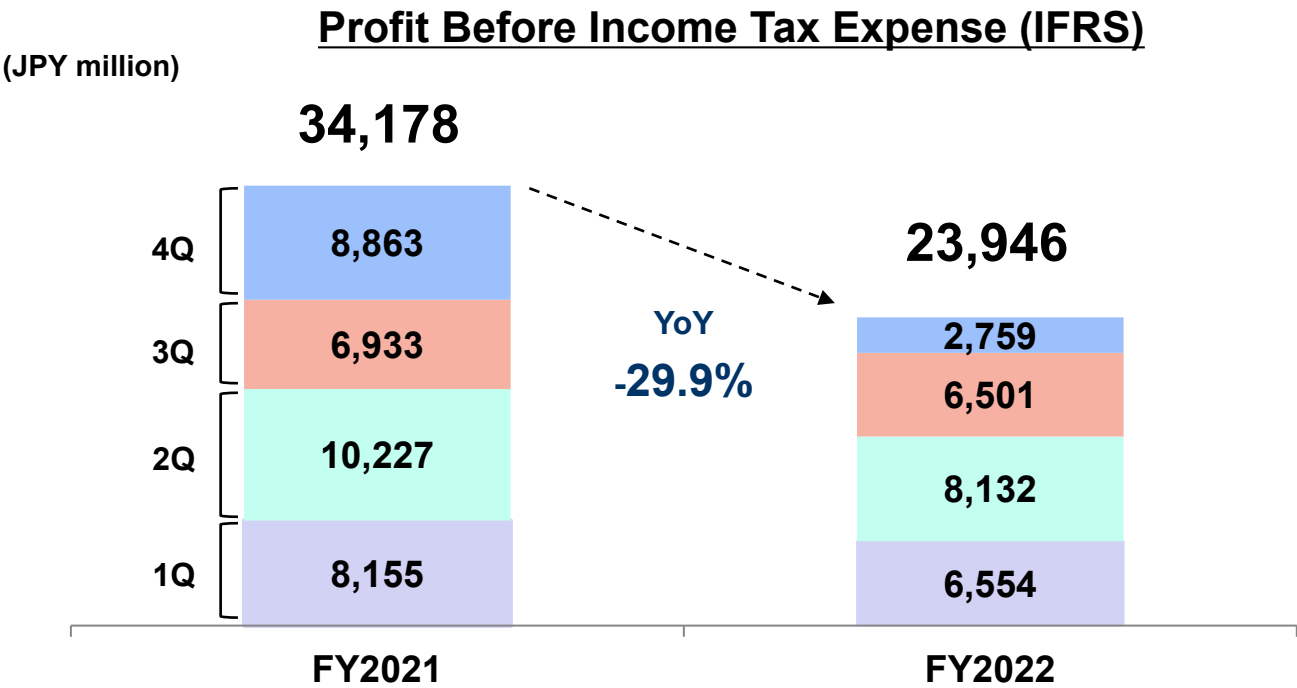
If shareholding ratio of SBI Sumishin Net Bank had remained at 50% until the end of March 2023, equity method earnings would have **increased by 14.6% year-on-year to JPY 5,777m**
(In this case, the Company's gain on sales of shares in the affiliate is reduced by the difference from the actual amount, resulting in **no change in the profit recorded on the Company's consolidated statements**)



*Owing to the difference in IFRS and J-GAAP for the criteria of assessing assets, the figures differ from that disclosed based on J-GAAP
*SBI Sumishin Net Bank has adopted J-GAAP

SBI SAVINGS BANK (South Korea)

Performance of SBI SAVINGS BANK



- Decline in soundness of personal credit claims and housing-backed loans in the context of deteriorating business conditions in South Korea **increased the burden of bad debt write-offs and put downward pressure on earnings**
- The rise in domestic interest rates has slowed** and signs of improvement in the business environment, such as **improved interest margins** and **a reduction in the rate of decline in property prices**, have been observed, which is expected to improve performance from 2H of fiscal year ending December 2023 onwards, although there is no basis in this optimism
- A (stable) rating** was obtained from the Korean credit rating agency “NICE Credit Rating” and “Korea Credit Rating”

SBI SAVINGS BANK has Built a Dominant Business Foundation in the Industry

[Business results for the fiscal year ended December 2022] (KRW bn)

	Total Assets		Net Revenue	Equity Ratio
		Operating Assets*		
SBI SAVINGS BANK	16,379.2	14,687.3	328.4	13.38%
OK Savings Bank	13,999.0	12,650.4	138.7	11.40%
Korea Investment Savings Bank	8,841.3	7,651.2	83.2	10.93%
Welcome Savings Bank	7,126.1	6,050.8	93.6	12.51%
Pepper Savings Bank	6,255.4	5,820.2	51.3	11.14%

*Sum of securities and loans

Source: Compiled by the Company based on the announcements made by each company

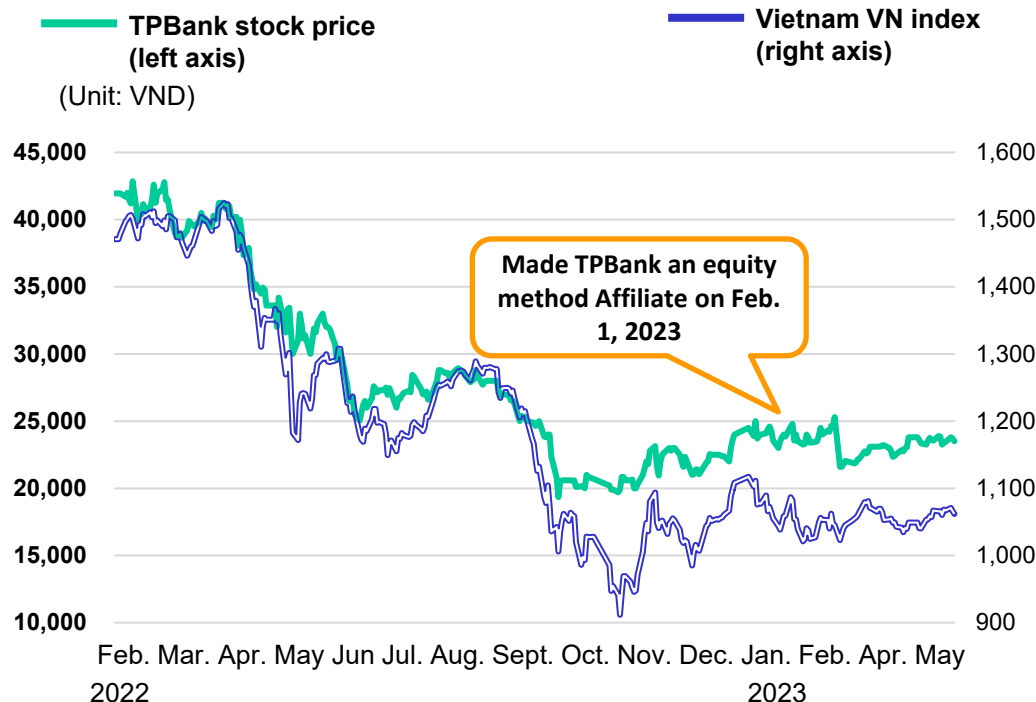
Other Foreign Banks

- ① **TPBank (Vietnam)**
- ② **SBI Bank (Russia)**
- ③ **SBI LY HOUR BANK (Cambodia)**

TPBank in Vietnam, Which Became an Equity-Method Affiliate in February 2023, is Incorporated in the Financial Services Business from 4Q FY2022

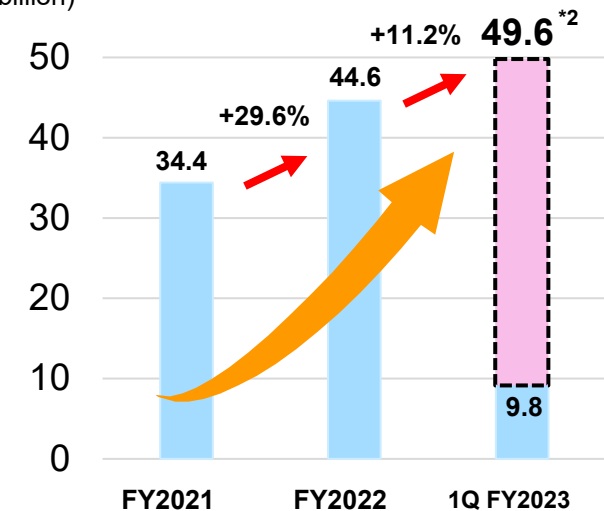
- By increasing the Company's share ownership to 20% and making it an equity-method affiliate, book value was replaced with the share price on February 1, 2023, the date of completion of the share acquisition, a fair value valuation gain of approximately JPY 4.7bn due to changes in the stock price from the end of December 2022 is recorded in the investment business segment in the fourth quarter of the fiscal year ended March 31, 2023
- After February 2023, instead of recording valuation gains and losses due to stock price fluctuations, the Company will incorporate the TPBank's performance into the financial services business segment
- Approximately JPY 1bn is recorded in the financial services business based on IFRS adoption in 4Q of the fiscal year ended March 31, 2023
- Implemented a cash dividend in March 2023 (Amount of cash dividend: VND2,500 per share; Amount received by SBIH Approx. JPY 4.5bn), and is waiting to receive approval for dividend on stock during June 2023

<Transition of Vietnam VN Index and TPBank Stock Price>



<Transition of Profit before income tax expense^{*1}>

(Unit: billion)



* 1 VND=JPY 0.0057

* 2 Earnings forecast for the full year ending December 2023 announced by TPBank

Bank Subsidiaries in Russia and Cambodia Focus on Prudent Business Management Based on the Market Environment and Local Conditions



SBI Bank (Investment ratio: 90.7%)

- Became a wholly owned subsidiary in August 2017
- A commercial bank in Russia that has a full banking license
- Reduced operations significantly and operating our business carefully to not substantially impact SBI Group's profit and loss, considering the market environment and local situation
- Even under these circumstances, it has sufficient paid-in capital and liquidity on hand, and maintains its role as a financial infrastructure between Japan and Russia (net income for the first quarter of the fiscal year ending December 2023: JPY 486m)

* RUB1 = JPY1.73



SBI LY HOUR BANK (Investment ratio: 70.0%)

- Acquired as a medium-sized microfinance company in Cambodia and converted it into a commercial bank
- The bank achieved profitability in its first full-year consolidated financial statements for the fiscal year ended in December 2021, after its establishment. It has continued to maintain profitability thereafter (with profit before income tax expense of JPY 921m for the cumulative fiscal year ended in December 2022, and JPY 169m for the first quarter of the fiscal year ending December 2023)
- In February 2023, the company raised USD 25m in capital as part of its efforts to comply with paid in capital regulations. While remaining mindful of market conditions, the company will continue to seek opportunities for business expansion.

*USD1=JPY133.54

Total Assets of the Banking Segment in the SBI Group

(Simple Aggregate) are Approx. JPY 26tn

(Units are in JPY billion)

(Percentage in parentheses is SBI Group's share)	Total Assets		Profit before income tax
	End of Mar. 2022	End of Mar. 2023	
SBI Shinsei Bank (Japan/50.04%)	10,311.5	13,694.5	51.7
SBI SAVINGS BANK (Korea/100%)	1,385.9	1,632.1	36.8
SBI LY HOUR Bank (Cambodia/70.0%)	91.1	107.0	0.9
SBI Bank (Russia/90.7%)	34.0	39.2	-1.8
SBI Sumishin Net Bank (Japan/34.19%)	8,534.0	8,667.0 (End of Dec. 2022)	29.4 (Ordinary Profit)
TPBank (Vietnam/20.0%)	1,603.6	1,958.1	44.6
Total (simple sum)	21,960.1	26,097.9	161.6

(Reference) Comparison between regional bank groups

Rank	Name of bank	Total Assets (consolidated)
1	Fukuoka FG	29,924.3
2	SBI Group	26,097.9
3	Concordia FG	25,729.6
4	Mebuki FG	21,387.5
5	Hokuhoku FG	16,172.7
6	Kansai Mirai FG	14,046.0
7	Kyushu FG	13,181.5
8	Yamaguchi FG	12,211.6

*Total assets of regional bank groups are based on the figures as of Dec. 31, 2022 from each company's announcement materials

*Figures in the table are rounded to one decimal place

*Figures of domestic banks are consolidated/J-GAAP, and figures of overseas banks are presented based on respective country's GAAP method

*Profit before income tax for domestic banks are figures for FY2022 while the figures for overseas banks are for the fiscal year ended Dec. 2022

*Figures in the table are rounded to one decimal place/ The conversion rates ⇒ End of Mar. 2023: USD1=JPY133.5, KRW1=JPY0.1031, VND1=JPY0.0057, RUB1=JPY 1.73 / End of Mar. 2022: USD1=JPY129.1, KRW1=JPY0.1, VND1=JPY0.0053, RUB1=JPY 1.46

1. Financial Services Business:

(3) Insurance business

[Major constituent companies]

SBI Insurance Group, SBI Insurance, SBI Life Insurance,
Small-amount short-term insurance companies

[Business highlights]

- SBI Insurance Group's **consolidated ordinary revenue** for FY2022 (J-GAAP) **increased 8.8% year-on-year to JPY 96,110m**
- In line with the increase in ordinary revenues, **ordinary profit increased 6.5% year-on-year** to JPY 6,308m, and **profit attributable to parent of the Company increased 39.1% year-on-year** to JPY 1,240m
- SBI Insurance Group decided to pay **a dividend of JPY10 per share for FY2022** as its first dividend from retained earnings

SBI Insurance Group's Performance

Consolidated results for FY2022 (J-GAAP)

(Unit: JPY million)

	FY2021 (Apr. 2021 – Mar. 2022)	FY2022 (Apr. 2022– Mar. 2023)	YoY % change
Ordinary revenue	88,365	96,110	+8.8
Ordinary profit	5,925	6,308	+6.5
Profit attributable to parent of the Company	891	1,240	+39.1

2. Asset Management Business

[Major constituent companies]

SBI Global Asset Management (subsidiaries: SBI Asset Management, Wealth Advisor), Rheos Capital Works, Okasan Asset Management (Company name change to “SBI Okasan Asset Management” planned in July 2023)

[Asset Management Business Consolidated Results (IFRS)]

(JPY million)

	FY2021 (Apr. 2021- Mar. 2022)	FY2022 (Apr. 2022- Mar. 2023)	YoY (%)
Revenue	16,883	27,966	+65.6
Profit Before Income Tax Expense	3,810	10,123	+165.7

[Business highlights]

- In the Asset Management Business segment, due to the returning of the “Morningstar” brand to U.S. Morningstar Inc., **SBI Global Asset Management** (former Morningstar Japan) **received a compensation of JPY 8bn.** As a result, the business segment saw **a substantial increase in revenue of JPY 27,966m (+65.6% YoY) and profit before income tax expense of JPY 10,123m (+165.7% YoY)**
- Excluding the one-time compensation due to returning of the “Morningstar” brand, the Asset Management Business segment’s profit before income tax expense decreased JPY 1.7bn year-on-year due to deterioration in the stock and bond markets, while revenue continues to increase
- **Rheos Capital Works** was **listed in the Growth Market of the Tokyo Stock Exchange** on April 25, 2023. The company will **continue to be a consolidated subsidiary of SBI Holdings** after listing (shareholding ratio: 48.89%)

3. Investment Business

[Major constituent companies/businesses]

Private Equity Business, SBI Leasing Service

[Investment Business Consolidated Results (IFRS)]

(Unit: JPY million)

	FY2021 (April 2021 to March 2022)	FY2022 (April 2022 to March 2023)	YoY (%) change
Revenue	177,911	36,684	-79.4
Profit before income tax expense	136,457	-16,661	—
Profit/loss from the change in fair value and profit/loss on sales of investment securities	131,285	-14,358	—
Listed Securities	30,246	-32,538	—
Unlisted Securities	101,039	18,181	-82.0

[Business highlights]

In FY2022, the Investment Business was impacted by the valuation loss of approximately JPY 42.7bn due to decline in the stock prices of certain overseas listed companies (including cumulative valuation losses of JPY 30.7bn for **TPBank** through the end of January 2023. Revenue decreased 79.4% year-on-year to JPY 36.7bn, and profit before income tax expense to JPY -16.7bn

IPOs and M&As of SBI Group Investee Companies

	FY2022 Full-year result	FY2023 Full-year forecast
IPO・M&A deals	22	40

During this Fiscal Year, 22 companies concluded either IPO or M&A

<u>EXIT Date</u>	<u>Investee Company</u>	<u>Market</u>	<u>EXIT Date</u>	<u>Investee Company</u>	<u>Market</u>
Apr. 11, 2022	PT GOTO Gojek Tokopedia Tbk	IDX	Dec.1, 2022	Cyfuse Biomedical K.K.	TSE Growth
Apr. 27, 2022	moi Corporation	TSE Growth	Dec.8, 2022	Finger Story CO., LTD.	M&A (KOSDAQ SPAC)
June 8, 2022	ANYCOLOR Inc.	TSE Growth	Dec.15, 2022	PT VENTENY FORTUNA INTERNATIONAL Tbk	IDX
June 22, 2022	Airoha Technology Corp.	TPEX	Dec.16, 2022	Foodison, Inc.	TSE Growth
June 24, 2022	Microwave Chemical Co., Ltd.	TSE Growth	Dec.16, 2022	Rebase, Inc.	TSE Growth
June 30, 2022	WON TECH Co., Ltd.	M&A (KOSDAQ SPAC)	Dec.20, 2022	monoAI technology Co., Ltd.	TSE Growth
July 14, 2022	Gorilla Technology Group Inc.	M&A (NASDAQ SPAC)	Dec.27, 2022	ELEMENTS, Inc.	TSE Growth
July 28, 2022	unerry Inc.	TSE Growth	Dec.29, 2022	Opticore, Inc.	M&A (KOSDAQ SPAC)
Oct. 19, 2022	SBI Leasing Services Co., Ltd.	TSE Growth	Jan. 19, 2023	Ayala Pharmaceuticals, Inc.	M&A (OTCQX)
Oct. 26, 2022	Linkers Corporation	TSE Growth	Mar. 28, 2023	Arent Inc.	TSE Growth
Nov. 2, 2022	Peak Bio Co., Ltd.	M&A (NASDAQ SPAC)	Mar. 29, 2023	SBI Sumishin Net Bank, Ltd.	TSE Standard

*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

Assets Under Management of the SBI Group

(As of the end of Mar. 2023)

Private equity, etc. JPY 682.4bn (*1) Excluding JPY 257.1 bn of both cash and commitment amount to be paid in(*2))

Breakdown of operating investment securities by Industry	Amount (JPY bn)
Internet/AI/IoT	170.6
Fintech services	109.2
Digital Asset/Blockchain	101.9
Finance	29.8
Biotechnology/Health/Medical	42.3
Environmental/Energy	10.1
Machine/Automobile	14.7
Services	40.2
Retail/Food	1.4
Materials/Chemicals	10.3
Construction/Real estate	1.1
Others	4.2
Equity interests in external and non-consolidated funds	45.5
Total	581.4

Breakdown of operating investment securities by region	Amount (JPY bn)
Japan	244.1
China	9.4
Korea	6.5
Southeast Asia	48.3
India	8.3
U.S.	124.0
Europe	65.5
Others	75.2
Total	581.4

Investment from non-consolidated Group management funds	Amount (JPY bn)
Corporate venture capital (CVC)	24.6
Others (Overseas JV fund, etc.)	76.4
Total	101.1

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

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

*3 Calculated using the exchange rate as of the end of Mar. 2023

*4 Amounts are rounded to the nearest JPY 100m

4. Crypto-asset Business

[Major constituent companies/business]

SBI VC Trade, B2C2, BITPoint Japan, crypto asset mining business, HashHub (joined SBI Group from April 2023)

[Crypto-asset Business Consolidated Performance (IFRS)]

(Unit: JPY million)

	FY2021 (Apr.2021-Mar. 2022)	FY2022 (Apr.2022-Mar. 2023)	YoY % change/ YoY change
Revenue	55,106	30,320	-45.0%
Profit before Income Tax Expense	3,518	-18,429	—

[Business highlights]

- B2C2 recorded a loss of approximately JPY 5.4bn due to the impact of the bankruptcy of some trading partners in 1Q and the provision for FTX Trading's bankruptcy in 3Q, etc. However, earnings in the core business have improved due to the recent recovery in the crypto asset market
- In the mining business, a loss of approx. JPY 8.5bn was recorded due to one-time impairments mainly in the first half of the year as a result of the downturn in the crypto asset market and the bankruptcy of certain business partners, as well as a decline in the profitability of mining due to the fall in crypto asset prices.
- In addition to the above losses, the downturn in the crypto asset market also affected the exchange business, resulting in a profit (loss) before income tax expense of JPY -18,429m for the crypto asset business segment

5. Non-financial Business

[Major constituent businesses]

Biotechnology, Healthcare & Medical Informatics businesses,
other businesses including Web3

[Non-financial Business segment consolidated performance(IFRS)] (JPY million)

	FY2021 (Apr. 2021 – Mar. 2022)	FY2022 (Apr. 2022 – Mar. 2023)	YoY % Change
Revenue	23,596	26,238	+11.2
Profit before Income Tax Expense	-20,308	-3,253	—

[Business highlights]

- In the **Biotechnology, Healthcare & Medical Informatics businesses**, the loss increased due to increased SG&A expenses and foreign exchange losses, although research and development has progressed steadily
- In the non-financial segment, a variety business planting seeds for the future including **Web3** are developed. Machi no Wa developing community currency business has extended its operations along with the steady increase in the number of introduction

SBI ALApromo Has Been Steadily Expanding Its Product Lineup

- More than 100 different products including OEM -

[Product examples]

Foods with functional claims / supplements



ALA PLUS TOH
(Sugar) DOWN



ALA PLUS
GOLD EX



ALA PLUS
GOLD
HIROKAN KEIGEN



ALA PLUS
FUKAI NEMURI



ALA PLUS
MENTAL CARE



ALA PLUS
TOH DOWN DRINK

Cosmetics



ALA PLUS
Deep Cleansing
Gel



ALA PLUS
Concentrated
Serum



ALA PLUS
Essential
Lotion



ALA PLUS
Moisturizing
Cream

Original equipment manufactures



Promote research and development, and sales of a wide variety of products through alliances with 14 companies

Products are sold through over 20,000 distributors

Q2. How is the progress towards realization of the Neo-securities initiative going?

Neo-securities initiative of SBI SECURITIES is progressing steadily for launch during the first half of FY 2023

Promotion of the Neo-securities initiative

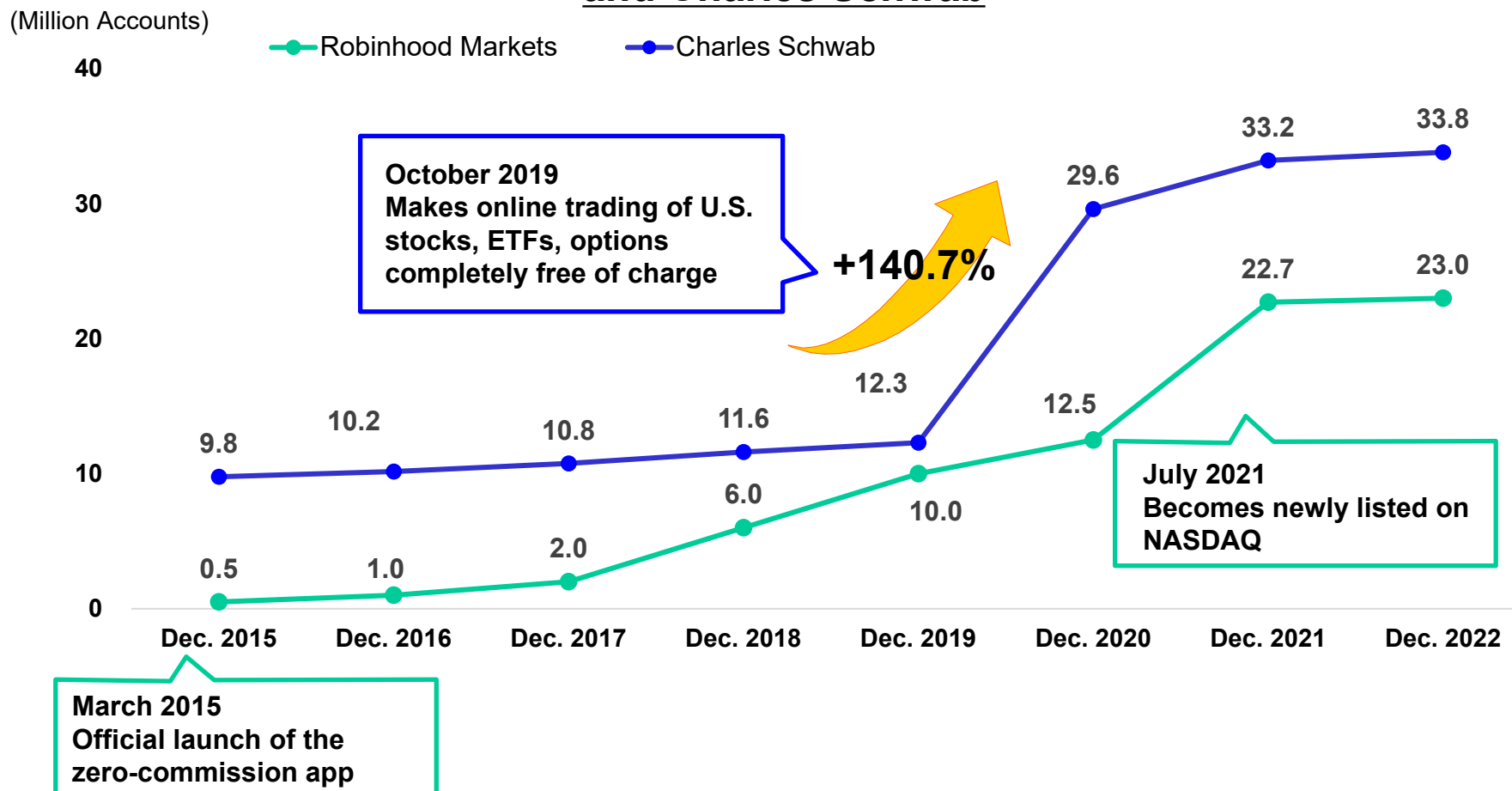
- (1) Steady growth in revenues other than commissions due to diversification of revenue sources**
- (2) Collaboration with SMBC Group is to move to next phase**
- (3) Strive to enhance profitability by strengthening wholesale business**
- (4) Accurately identify current trends and customer needs to further expand the customer base**
- (5) Focus on strengthening systems to support the rapidly growing customer base**

Neo-securities Initiative:

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

Significant Increase in the Number of Accounts at U.S. Brokerage Firms Was Seen as a Result of Zero Commissions

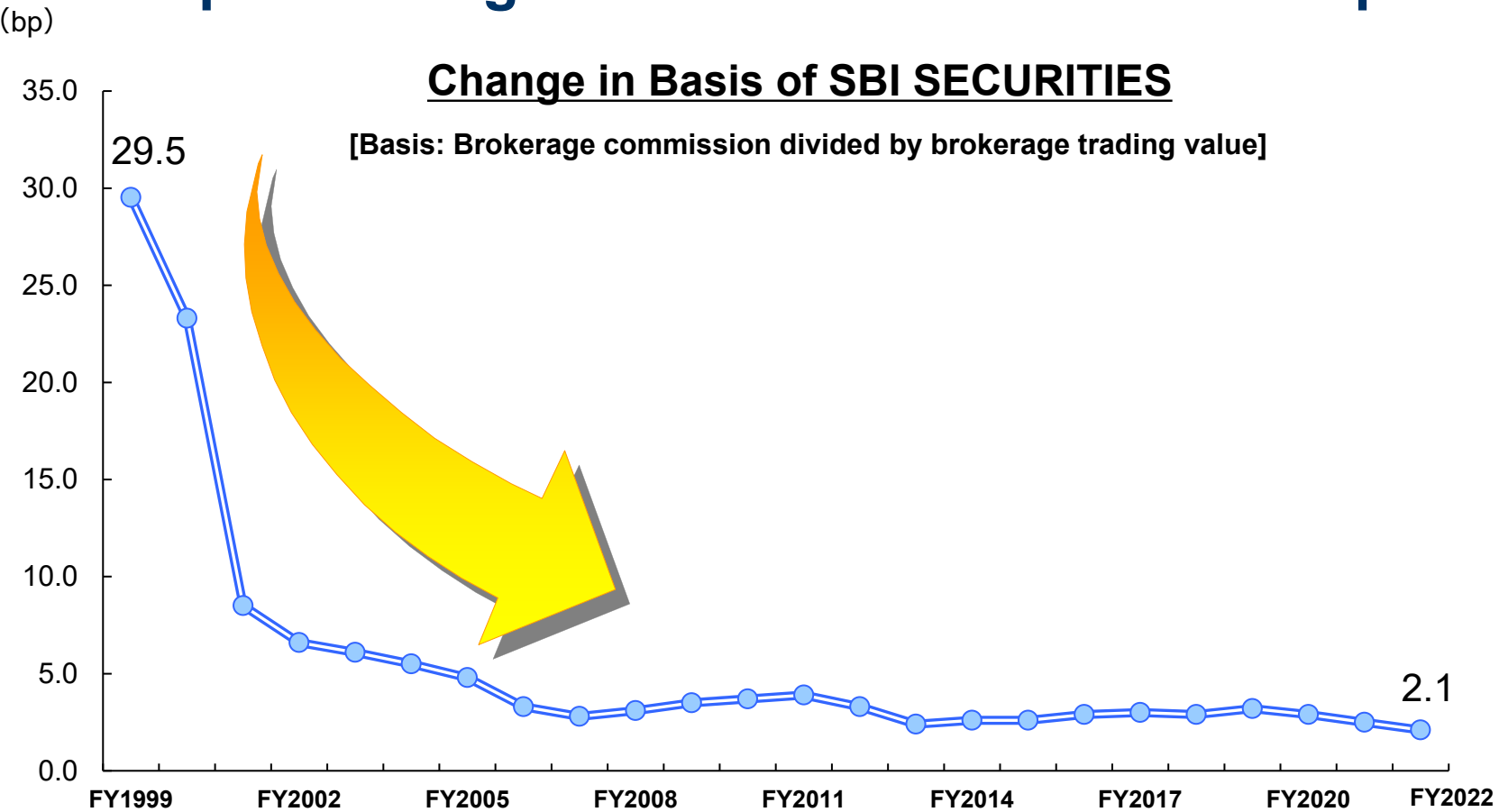
Number of accounts at Robinhood Markets and Charles Schwab



Source: Compiled by the Company based on materials provided by Robinhood Markets Inc. and Charles Schwab Corporation

(1) Steady growth in revenues other than commissions due to diversification of revenue sources

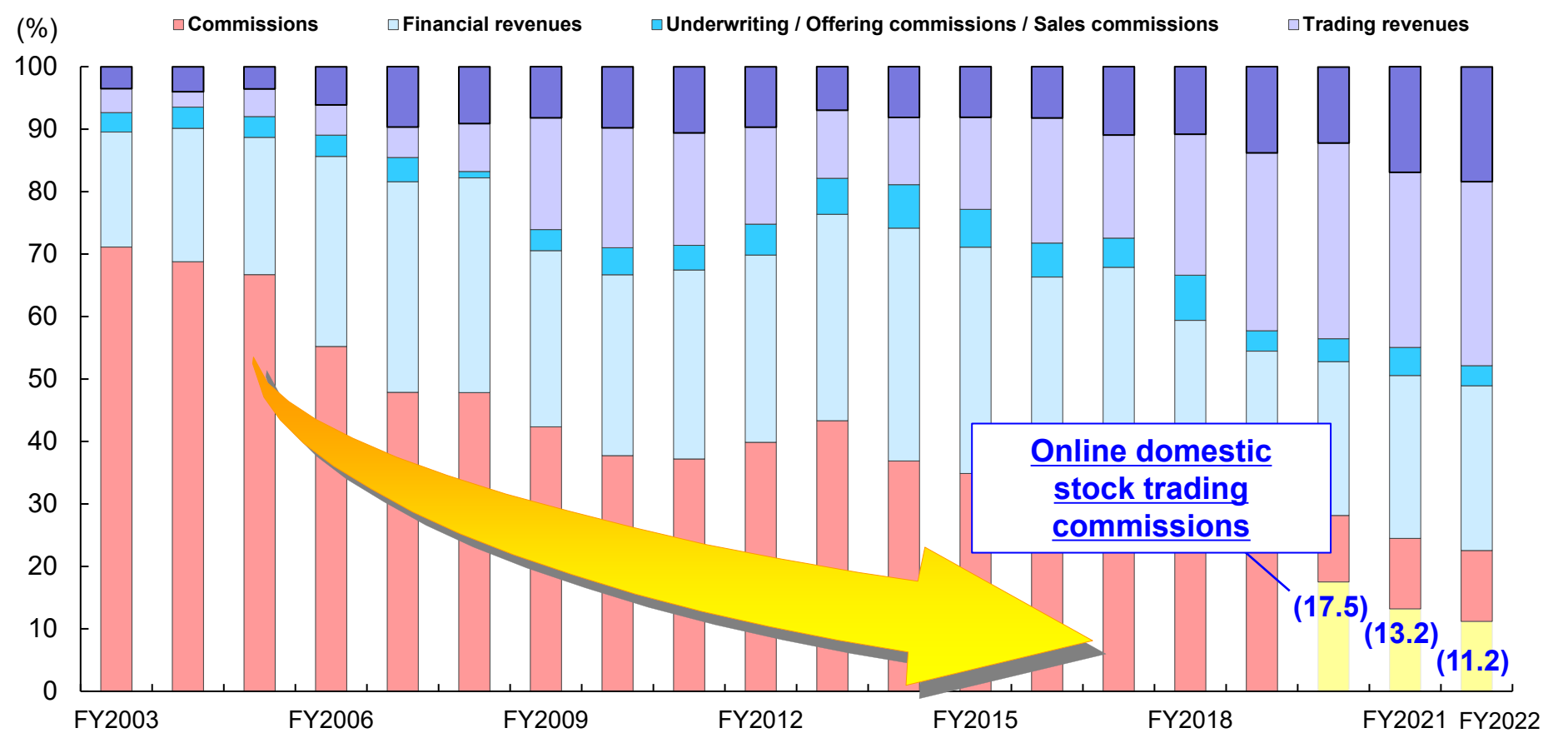
SBI SECURITIES Achieved Overwhelmingly Low Trading Fees since its Establishment by Thoroughly Implementing the “Customer-centric Principle”



SBI SECURITIES has achieved a high level of customer satisfaction and maintained a top position in the industry by thoroughly pursuing services that are truly from the customer’s perspective

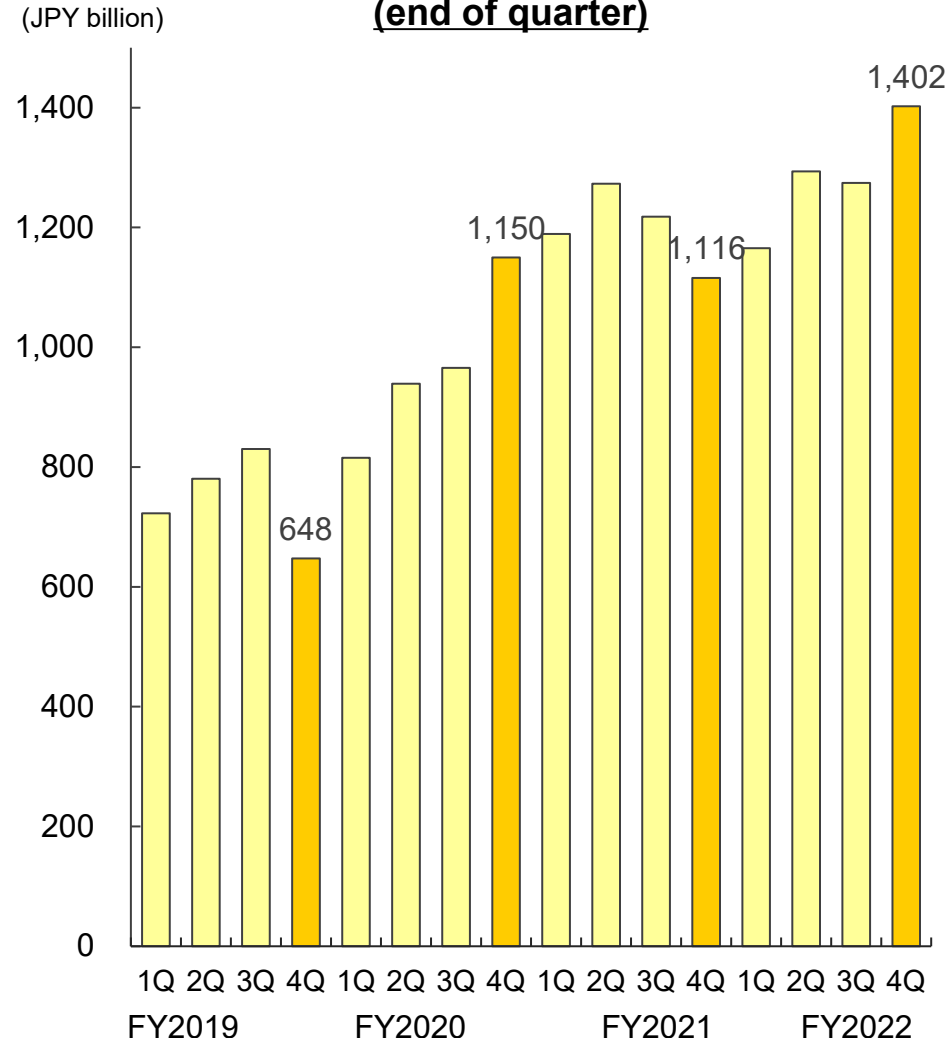
Trends in the Composition of Operating Revenue (Net Sales) of SBI SECURITIES

- Decreased the ratio of domestic stock brokerage commissions from online trading, which is subject to the commission-free system, to 11.2% of operating revenues-

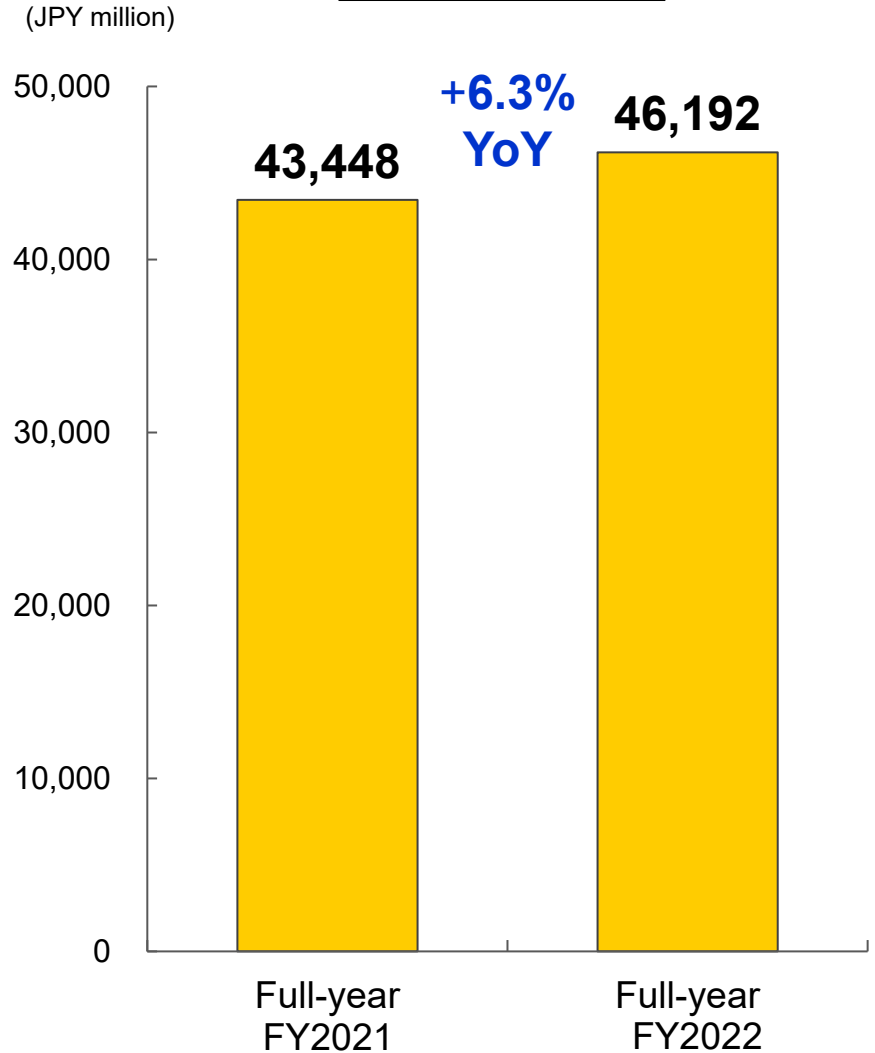


Open Interest Credit Balance and Financial Revenue at SBI SECURITIES Remain High

Trend of Open Interest Credit Balance
(end of quarter)



Financial Revenue



(1) Steady growth in revenues other than commissions to diversify revenue sources

Further Increase the **Balance of Investment Trusts** through Purchases Using Shared Points and Accumulation Services via Credit Cards

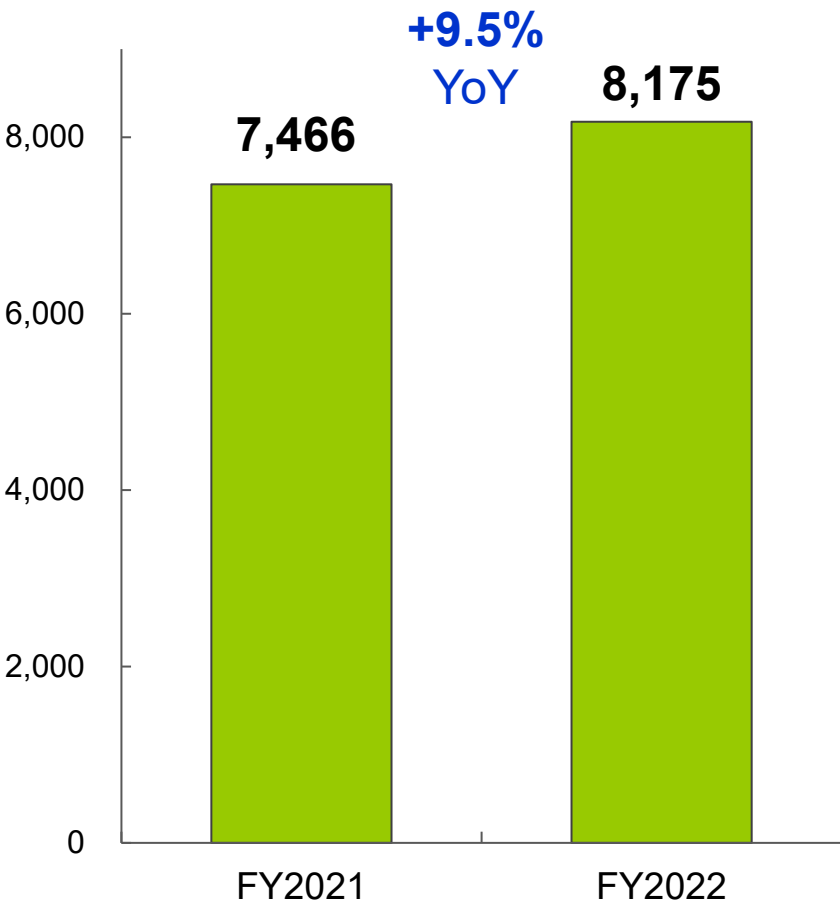
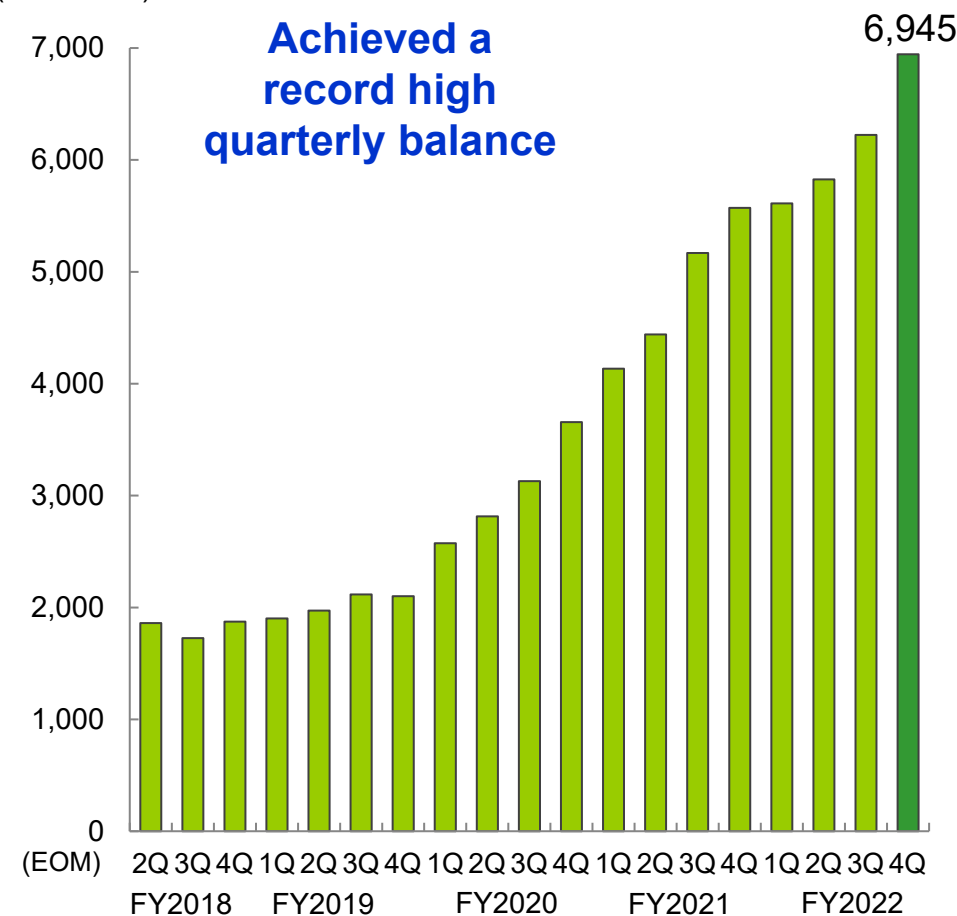
Investment Trust Balance*

(JPY million)

Investment Trust Fees

(JPY billion)

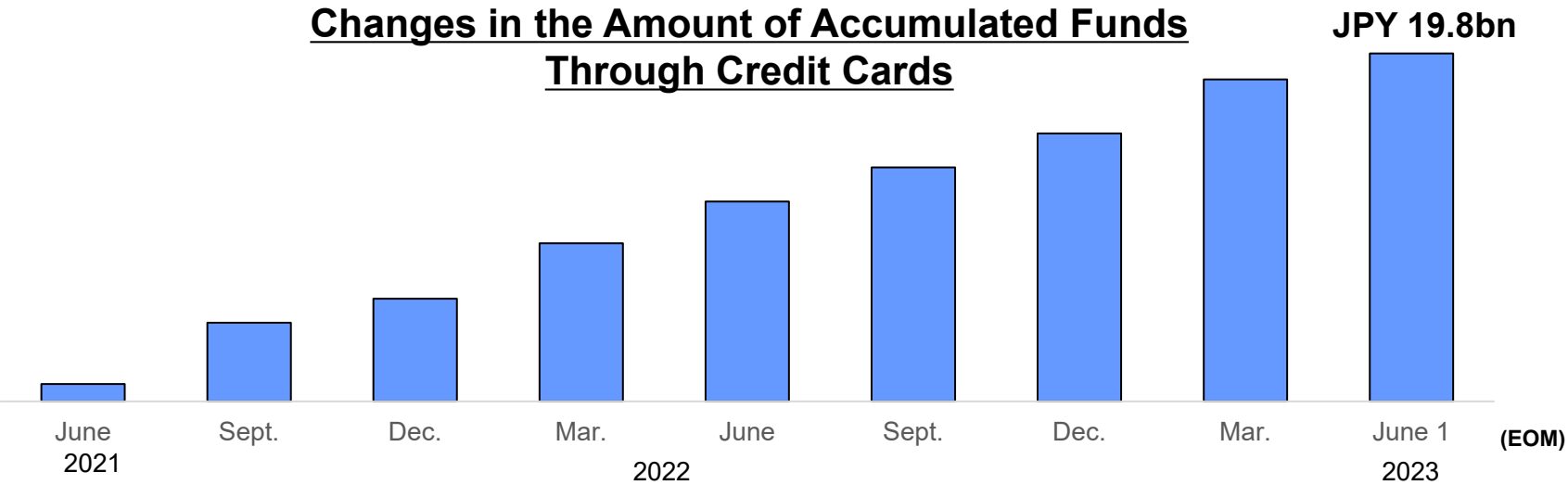
Achieved a record high quarterly balance



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

Expanding Accumulation Funds through Credit Cards with Multicard Strategy

- **SBI SECURITIES allows accumulation-type fund investment with seven credit cards:** Sumitomo Mitsui Card, Takashimaya Card, Tokyu Card, APLUS Card, UCS Card (Credit Cards of Pan Pacific International), JFR Card (Credit Card of Daimaru Matsuzakaya Department Store), and Orico Card
- Strong growth in credit card-based accumulation-type fund investment, with the **amount of accumulation exceeding JPY 19.8bn** as of June 1, 2023
- In response to the growing awareness of asset building among individual investors, continue to strengthen the provision of **credit card-based accumulation-type fund investment service for customer convenience needs**

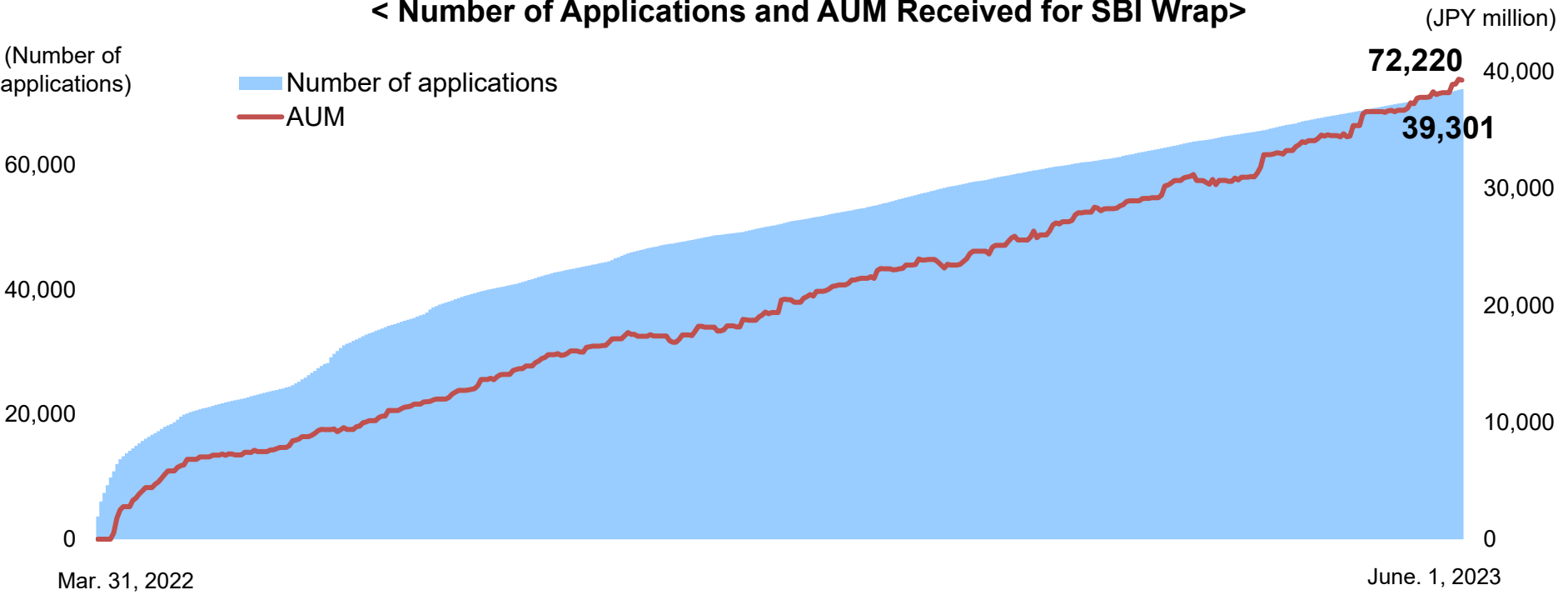


Launch of Fully Automated AI Investment “SBI Wrap”, Innovative Service Utilizing AI

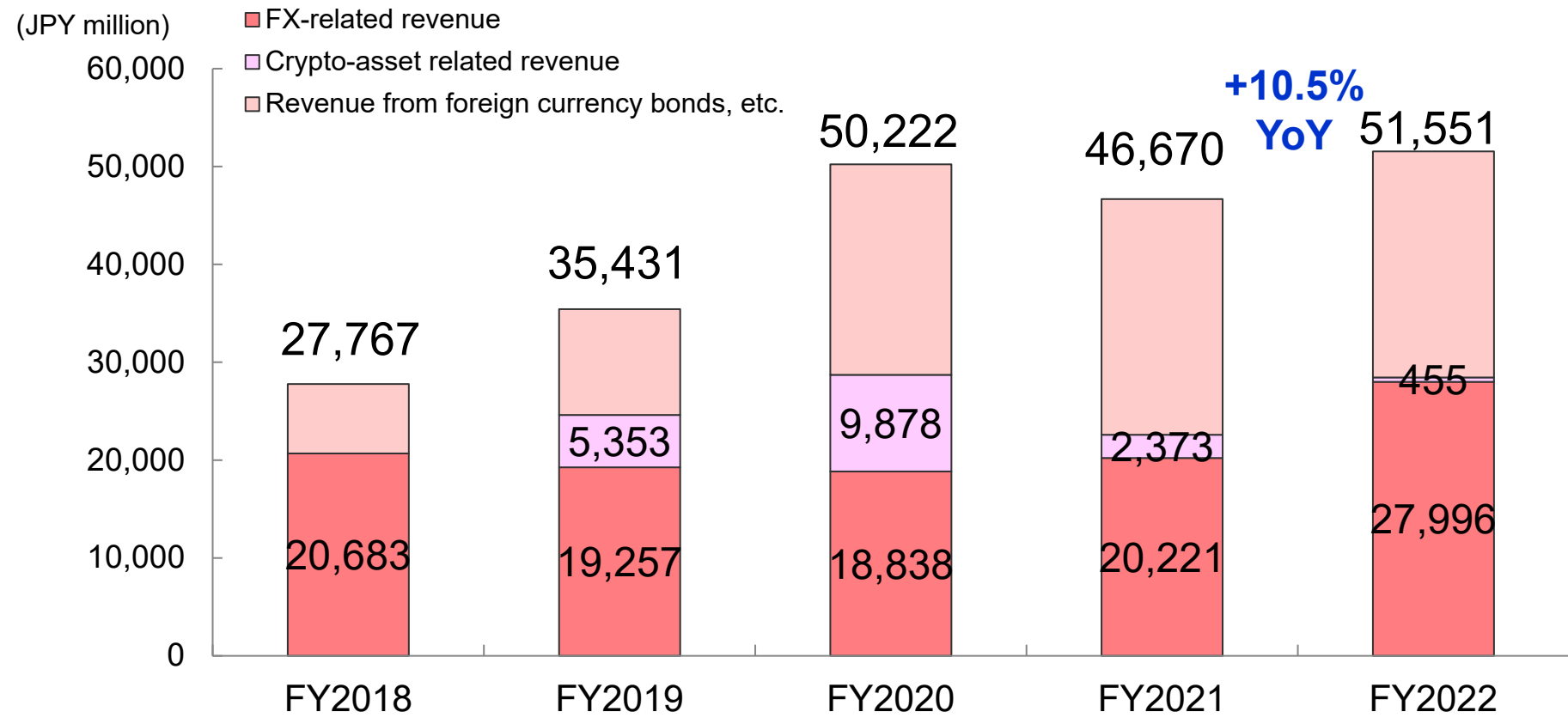
- AUM exceeded JPY 39.3bn and accounts surpassed 72 thousand in 14 months since the service was launched -

- SBI SECURITIES and FOLIO jointly developed “SBI Wrap” service using “4RAP”, a discretionary investment management system platform provided by FOLIO of the SBI Group, starting Mar. 31, 2022.
- In addition to SBI SECURITIES, “SBI Wrap” has already been introduced at SBI Shinsei Bank (since Oct. 20, 2022) and the Ehime Bank (since Apr. 24, 2023)

< Number of Applications and AUM Received for SBI Wrap >



Trading Revenue Becomes One of the Pillars of Revenue by Strengthening the FX Business

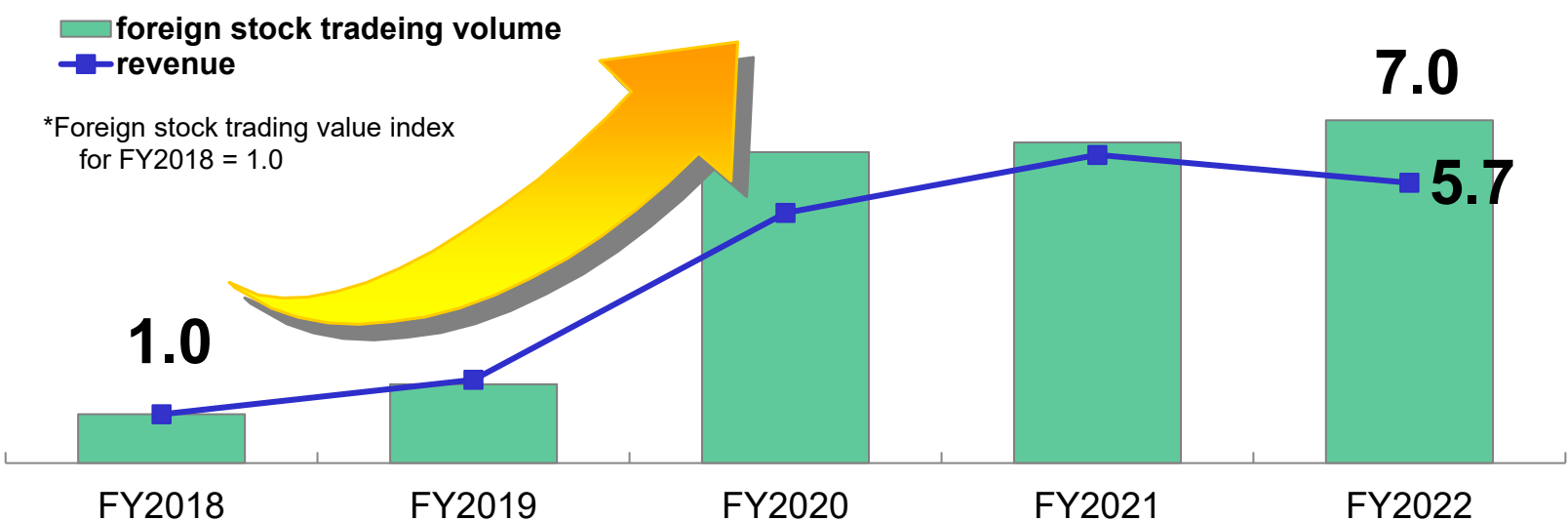


SBI VC Trade was excluded from consolidation of SBI SECURITIES from 3Q FY2022

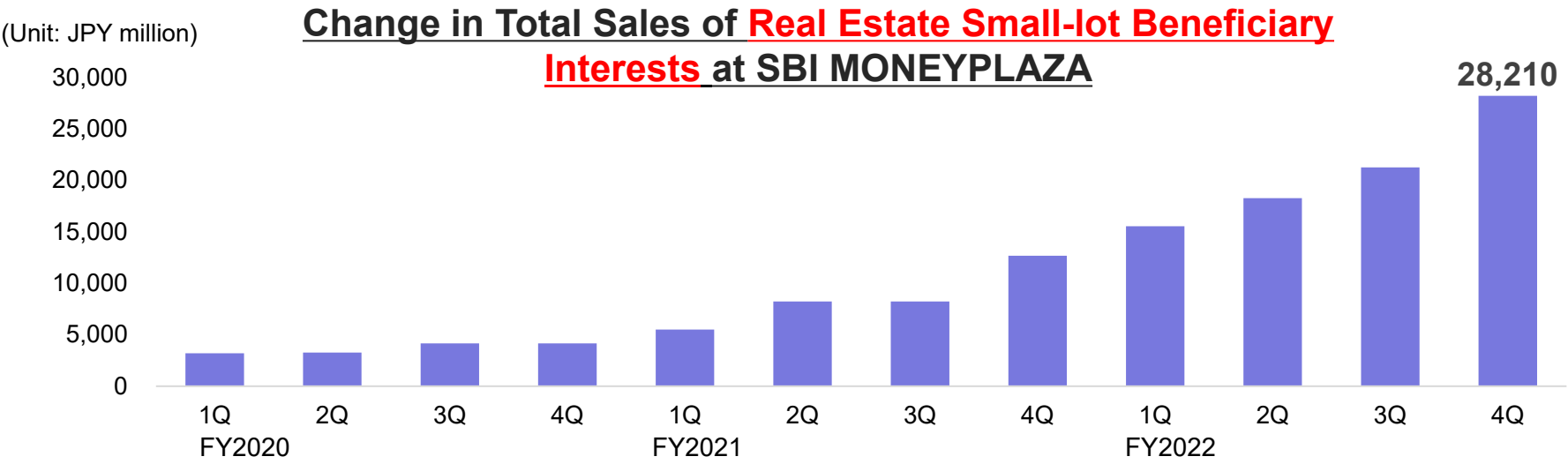
Strengthen Expansion of Foreign Stock Services to Lead Risk Diversify

- Expanded services such as the release of “Real-time U.S. Stock Prices,” which allows all customers with foreign stock accounts to view U.S. stock prices and indices in real time and at no charge by application since April 2023, and “Heatmap Plus,” which allows customers to check heatmaps even from a web browser
- Trading volume of foreign stock reached record high for FY2022, with revenue remaining strong as well

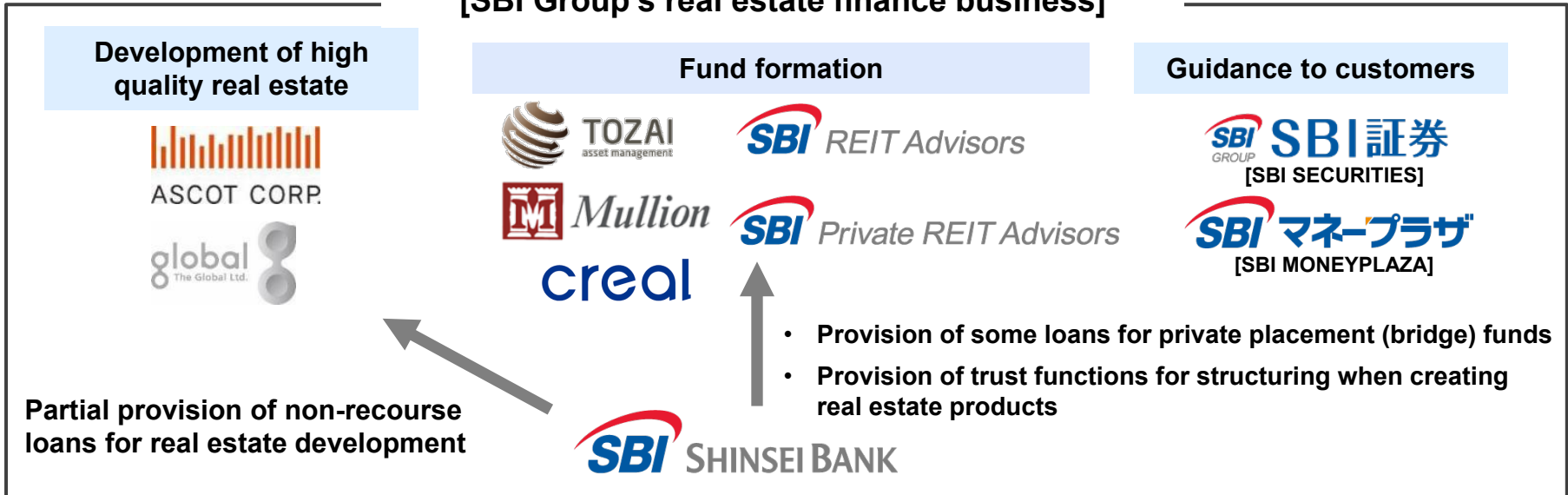
Changes in SBI SECURITIES’ foreign stock trading volume and revenue



Further Expand Lineup of Real Estate-related Products



[SBI Group's real estate finance business]



(2) Collaboration with SMBC Group Moves to Next Phase

- SBI SECURITIES maximizes effective use of Marketing Channels through **“Olive,” a mobile comprehensive financial service** provided by SMBC Group -

- ✓ **SBI SECURITIES became the main provider of online securities** for “Olive”, a comprehensive mobile financial service operated by Sumitomo Mitsui Banking Corporation (“SMBC”) and Sumitomo Mitsui Card (“SMCC”) and **offers highly convenient securities-related services through SMBC and SMCC applications**
- ✓ **Of all the customers that have flowed into SBI SECURITIES from “Olive,” more than half were the younger generation that will become the core customer base in the future, with 90% of them being first-time investors**

[SBI SECURITIES’ services to be expanded through this alliance]

- **Open a general account at SBI SECURITIES simultaneously when applying for “Olive”**
When customers newly apply for “Olive,” they can open a SBI SECURITIES general account at the same time
- **Expansion of V Point service**
Expanded to cover all customers so that other customers can also take advantage of the V Point service



**Acquire 2 million securities accounts in the first five years,
JPY 50bn in amount of accumulated funds through credit card
in three years, as targets for SBI Group and SMBC Group**

(3) Strive to enhance profitability by strengthening wholesale business

(3) Strive to enhance profitability by strengthening wholesale business

SBI SECURITIES' Underwriting Share is 98.9%, the Highest in the Industry

Steady Expansion of POs and Corporate Bonds Underwriting

Underwriting share of **98.9%** is an industry-leading figure

IPO Underwriting Ranking (Apr.2022 – Mar.2023)
93 companies were listed during the period

Company Name	No. of cases	Underwriting share(%)
SBI	92	98.9
Rakuten	64	68.8
Matsui	59	63.4
Monex	54	58.1
Mizuho	51	54.8
SMBC Nikko	47	50.5
Daiwa	47	50.5
Okasan	42	45.2
IwaiCosmo	42	45.2
Nomura	41	44.1

- Between April 2022 and March 2023, SBI SECURITIES underwrote 15 companies as lead manager

PO underwriting business

During FY2022, SBI SECURITIES underwrote 22 POs



Will endeavor to strengthen the PO underwriting business by continuously focusing on acquiring lead underwriting mandates

Corporate bond underwriting business

Underwrote a total of 50 bond offerings during FY2022 including Tohoku Electric Power Company bonds



Focus on underwriting of new public bonds, including electricity bonds

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

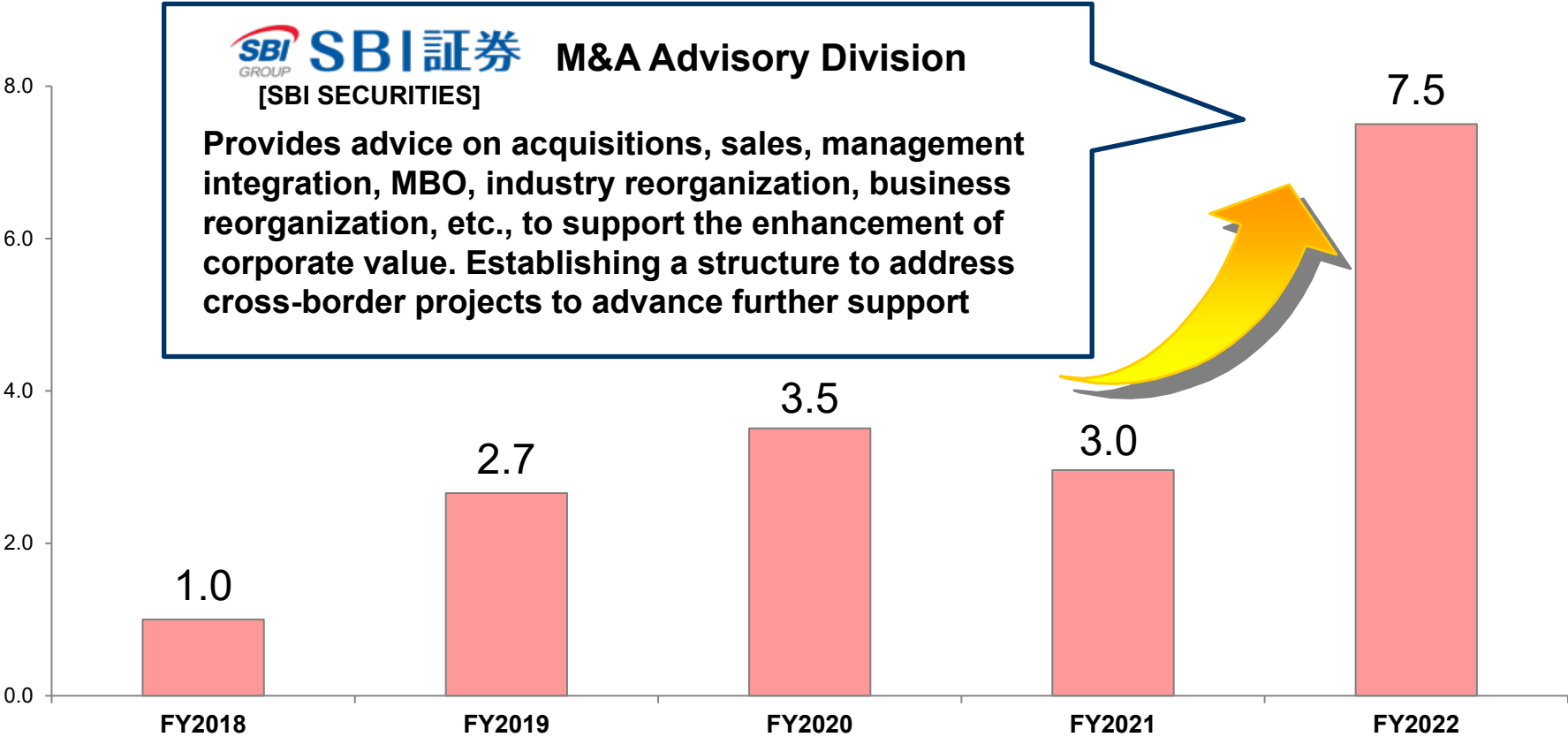
*The date was compiled by SBIH based on each company's published information.

(3) Strive to enhance profitability by strengthening wholesale business

Establish an **Integrated M&A System** from Consulting, Sourcing, and Deal-making to Fund Raising

[Trend of Revenue from M&A Advisory]

*indexed with FY2018 value as 1

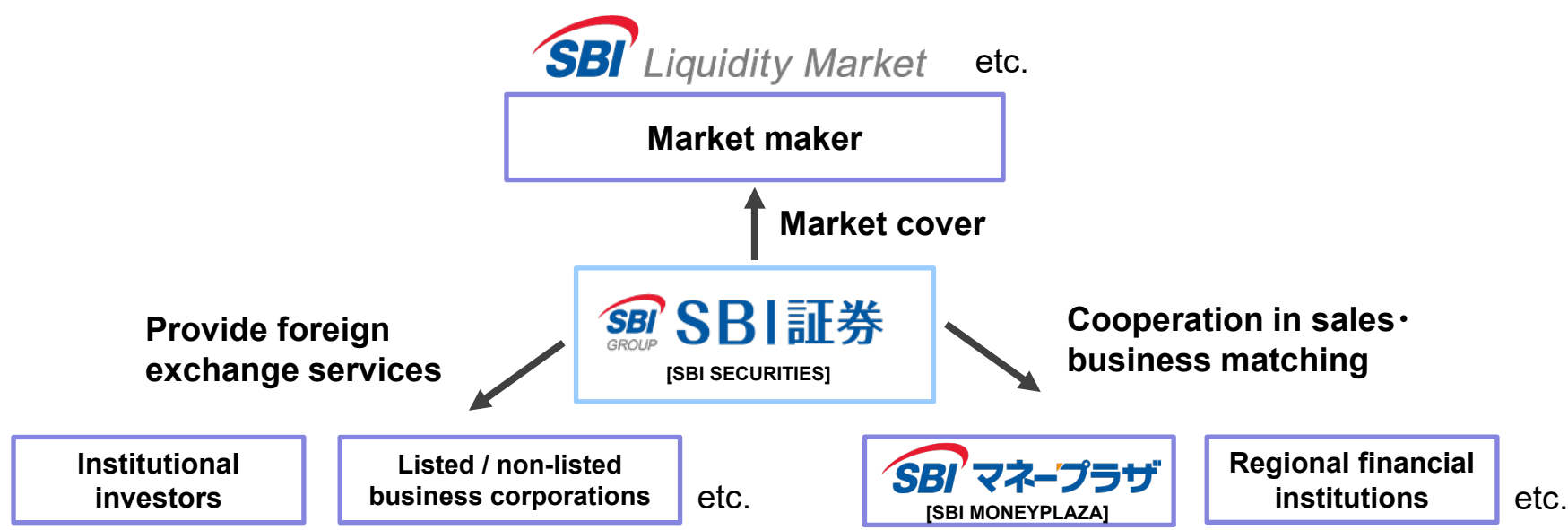


Enhance the quality of M&A execution and management, etc., to further enhance customer support

Starting Foreign Exchange Services for Corporate Customers

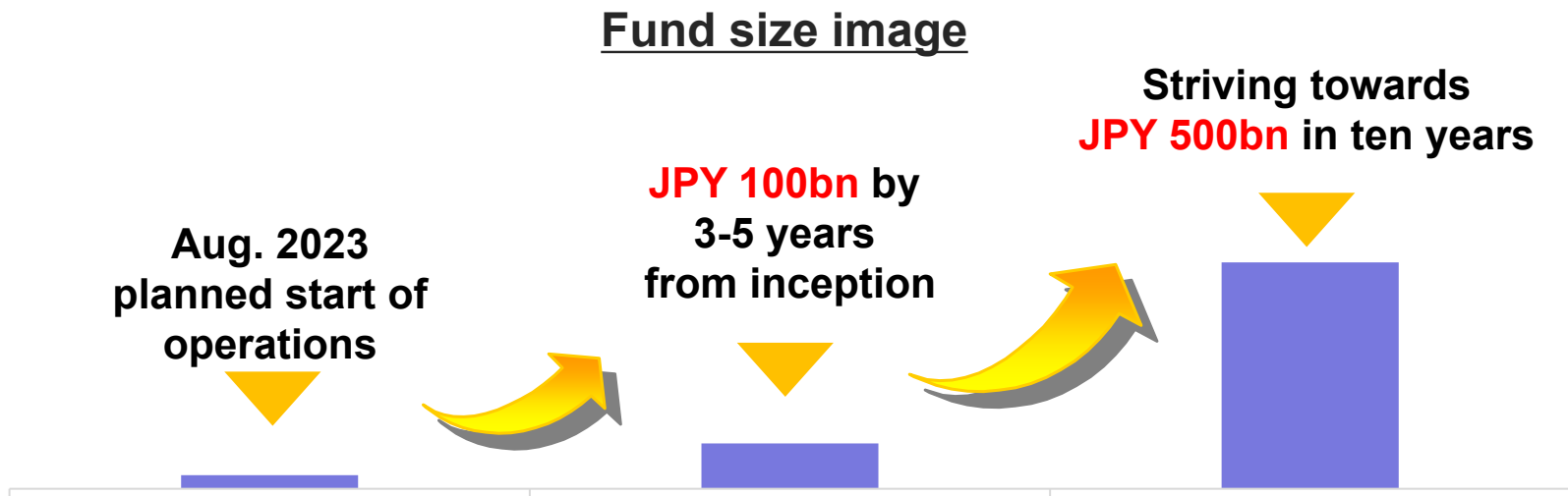
- SBI SECURITIES established a foreign exchange office in May 2022. Starting to expand services to cover corporate customers including institutional investors, business corporations, financial institutions, and (high net worth) asset management companies by offering **OTC trading of currency-related derivatives** (futures & options)
- The corporate market for foreign exchange trading in Japan is substantial, totaling USD 500.1bn (JPY 74tn) in daily transaction value*. SBI SECURITIES will continue to strengthen and diversify its earnings capability in this vast market

* From the Oct. 2022 “Volume Survey” by the Tokyo Foreign Exchange Market Committee



Establishment of the SBI Private REIT Investment Corporation, an Integrated Private REIT Investing in a Broad Array of Real Estate

- **SBI Private REIT Investment Corporation** established on May 8, 2023 by SBI Private REIT Advisors Co., Ltd., a consolidated subsidiary
- Using SBI Group’s comprehensive capabilities in its Real Estate Finance Business, ranging from development to fund assembly and operation, as well as leveraging previously developed networks and resources outside the Group, expect to meet expectations for stable, long-term asset management by **offering high-quality investment opportunities to institutional investors**



(4) Accurately identify customer needs to further expand the customer base

Government Enhances and Reforms NISA and iDeCo Plans under the “Doubling Asset-Based Income Plan”

[NISA (Nippon Individual Savings Account)]

NISA program to be launched in Jan. 2024

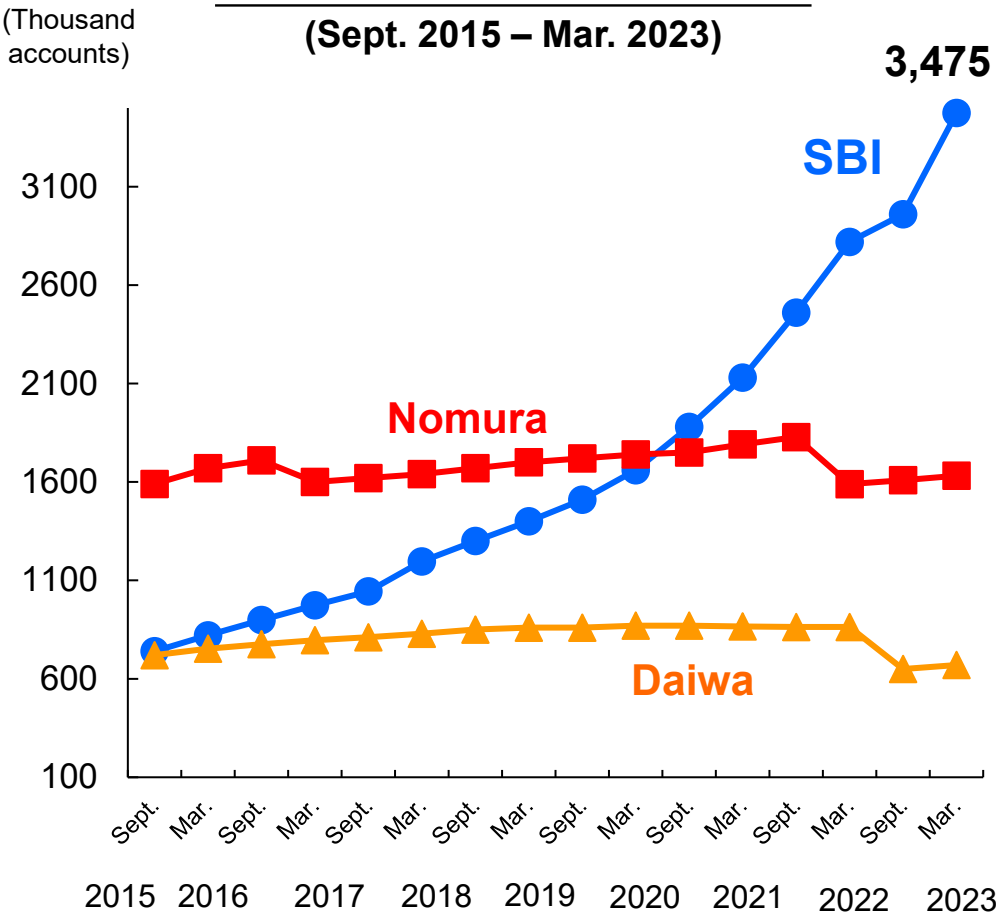
	Tsumitate investment slot (Former Tsumitate NISA)	Growth investment slot (Former General NISA)
Deadline of the program	Permanent system	
Annual investment limit	JPY 3.6m in total	
	JPY 1.2m	JPY 2.4m
Tax-exempt holding period	Indefinite	
Limit	JPY 18m in total	
		JPY 12m

[iDeCo (individual-type Defined Contribution pension plan)]

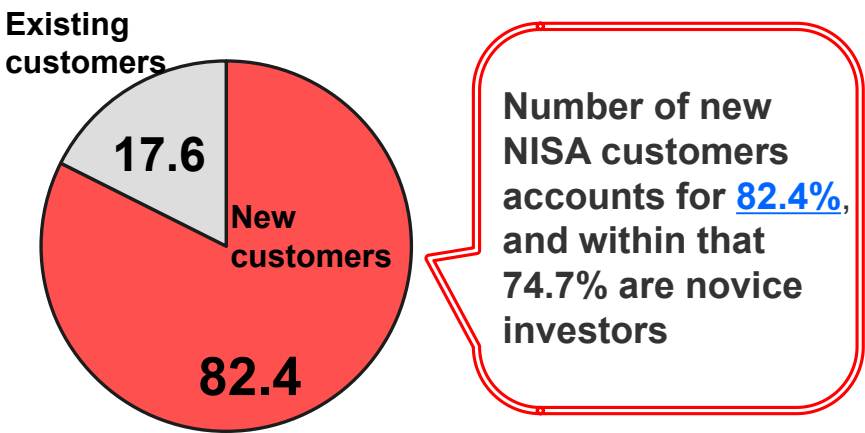
- From 2022, the maximum age at which participants can enroll and start receiving benefits will be extended, and the requirement to enroll in a defined contribution pension plan at the same time as a corporate defined contribution pension plan will be eased, allowing participants to enroll only at their own will
- From December 2024, the contribution limit for iDeCo will be further increased and the requirements for receiving lump-sum withdrawal benefits will be relaxed

SBI SECURITIES Focuses Its Efforts on NISA Initiatives as an Important Strategic Areas

Number of NISA Accounts
(Sept. 2015 – Mar. 2023)



NISA's Customer Attribute of SBI SECURITIES (%)



SBI SECURITIES' number of Junior NISA accounts reached about 314 thousand, 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 Mar. 2023, compiled by SBIH from the information on website of each company
*4 Accounts deemed discontinued have been excluded in Nomura Securities from Mar. 2022, and from SBI and Daiwa Securities since FY2022

[Unauthorized reproduction is prohibited]

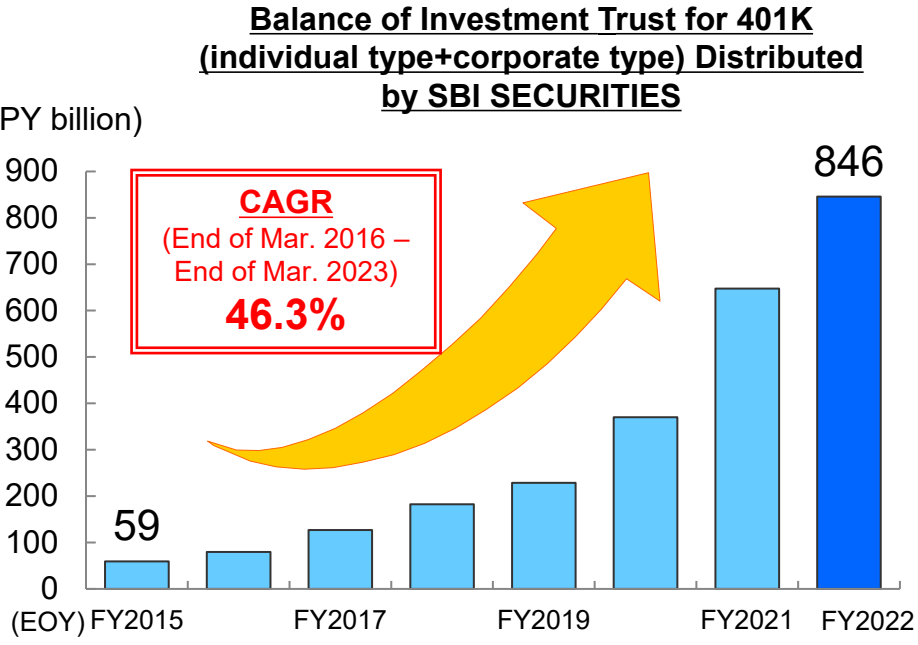
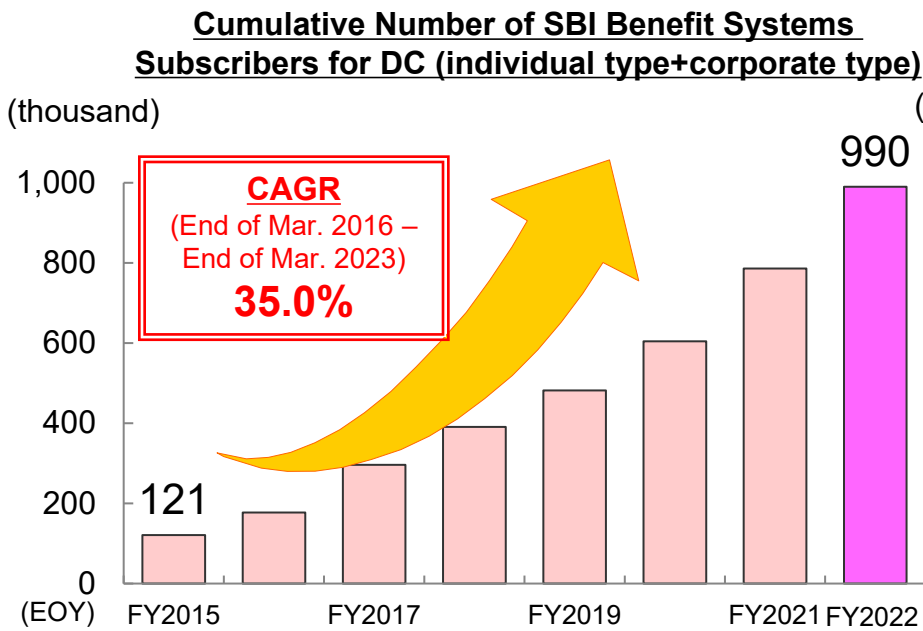
(4) Accurately identify customer needs to further expand the customer base



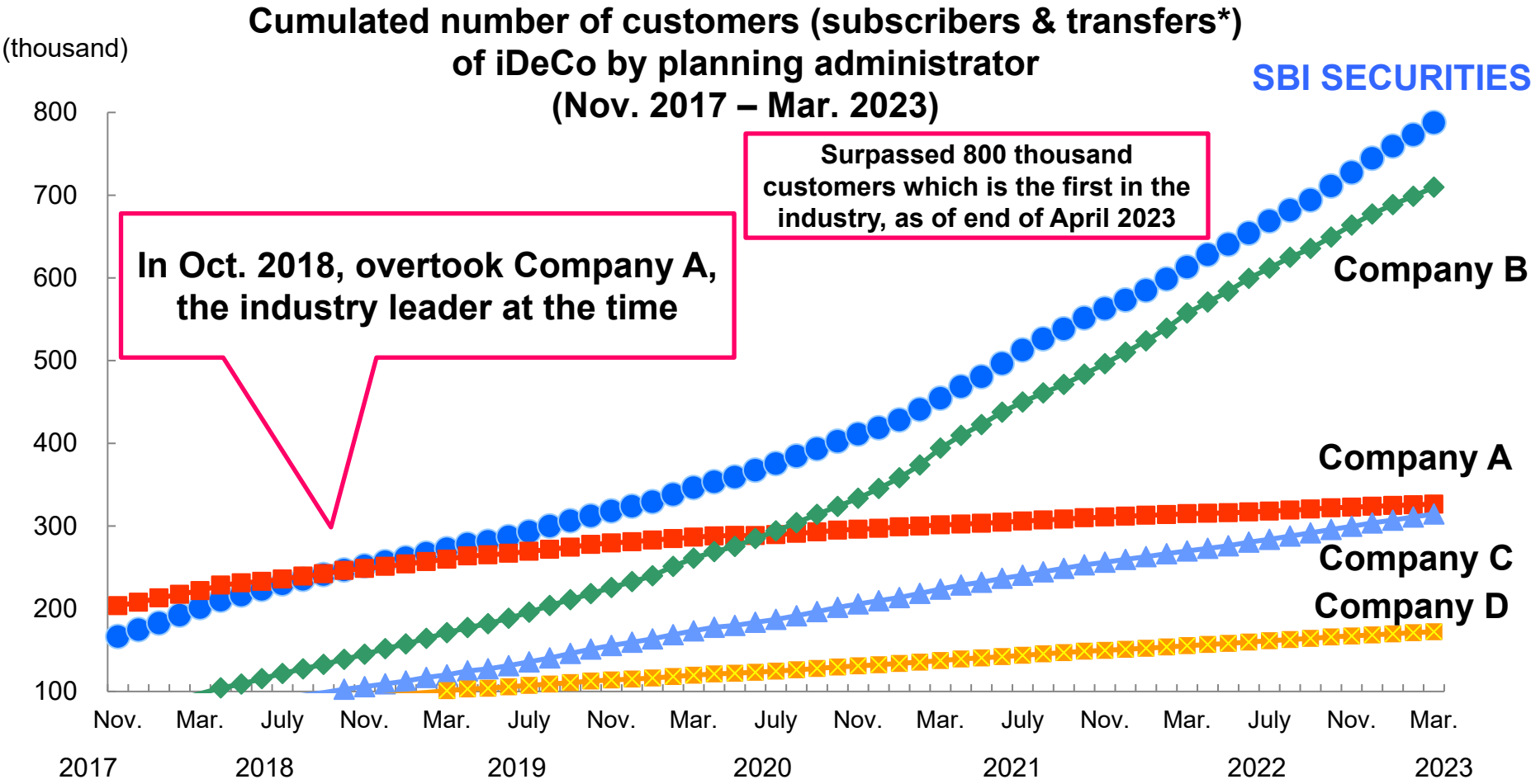
SBI Benefit Systems Initiated iDeCo Initiatives from Early Stage and Steadily Increasing the Number of Subscribers
- Number of subscribers exceeds 1 million as of the end of April 2023 -

The SBI Group **focused on the Individual Defined Contribution (iDeCo) pension business** through SBI Benefit Systems (est. 2001), well before expectations for the market size to expand as a result of revisions in the regulation in Jan. 2017

- SBI SECURITIES **administrative fees for iDeCo became completely free of charge** on May 19, 2017, in order to further expand iDeCo business
- As for iDeCo, **the number of business establishments subscribers exceeded 10,000 in March 2023, and the number of participants increased 15% YoY**



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



* 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)

(5) Focus on strengthening systems to support the rapidly growing customer base

- Concluded a capital and business alliance with Simplex Holdings (Jan. 2023) -



Simplex

- SBI SECURITIES and Simplex established “**SBI Simplex Solutions Co., Ltd.**”, a joint venture to develop and operate systems for the SBI Group on Feb. 28, 2023
- This joint venture will **enhance the system to handle the transactions that are expected to increase with the realization of Neo-securities initiative**

[Outline of Joint Venture]

- **Business:**
Systems development and operations for the SBI Group including SBI SECURITIES
- **Incorporation date:**
Feb. 28, 2023



51%

Simplex

49%

SBI Simplex Solutions

Growing the Neo-Securities Initiative Customer Base Positively Affects the SBI Group

Free domestic stock brokerage fee is expected to increase retail customers interest in a variety of other financial products who open an account with SBI SECURITIES



Q3. What is the future of the SBI Group's regional revitalization strategy?

SBI Group will strengthen its relationships through business alliances with regional banks which it does not have capital alliances with

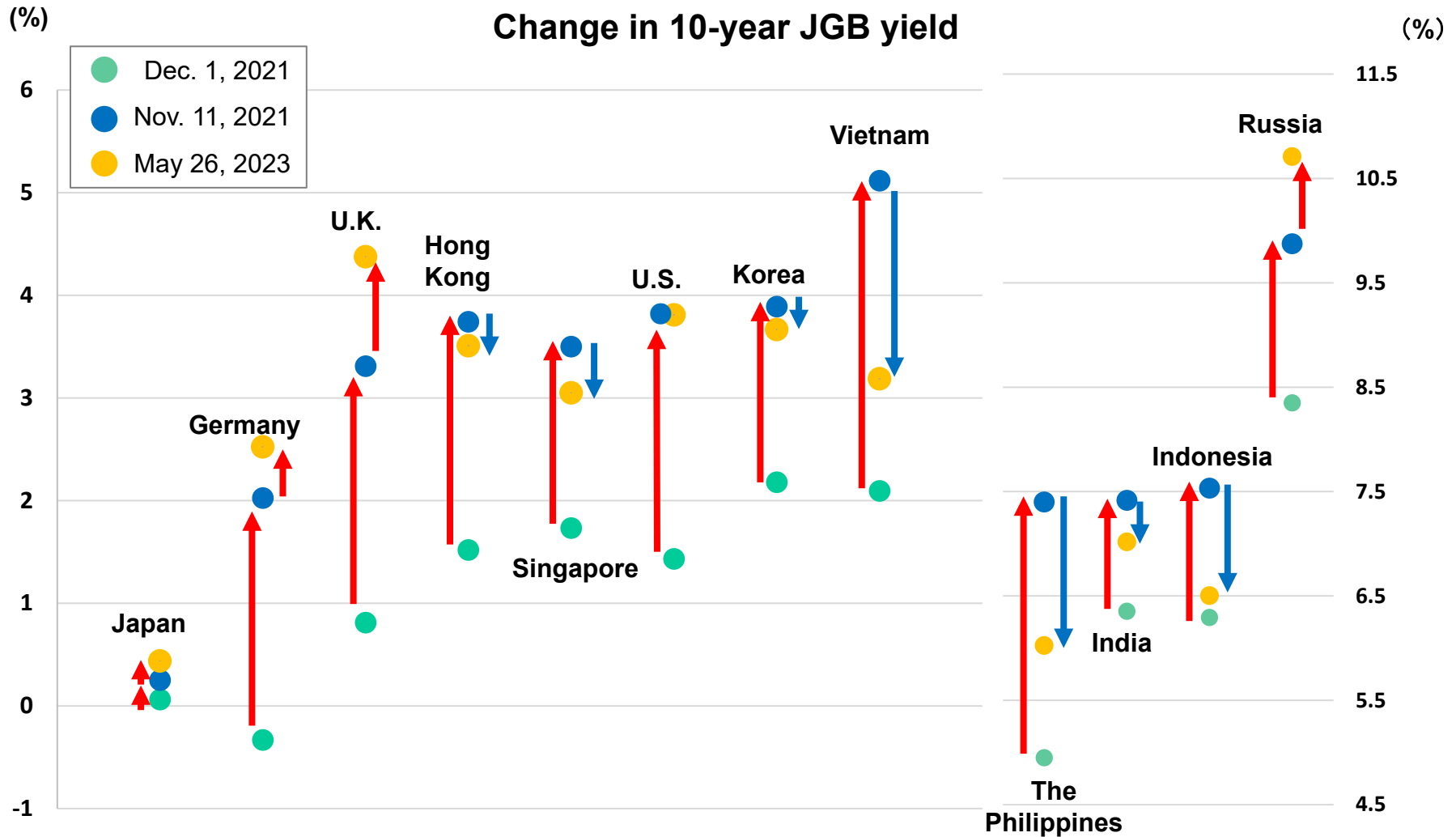
- (1) The environment surrounding the financial industry around the world is in a state of disruption with a possibility of many banks falling into bankruptcy**
- (2) Significance of the Second SBI Shinsei Bank Stock Tender Offer**

(1) The environment surrounding the financial industry around the world is in a state of disruption with a possibility of many banks falling into bankruptcy

- ① Financial industry in Europe & the US**
- ② Financial industry in Japan**

① Financial industry in Europe & the US

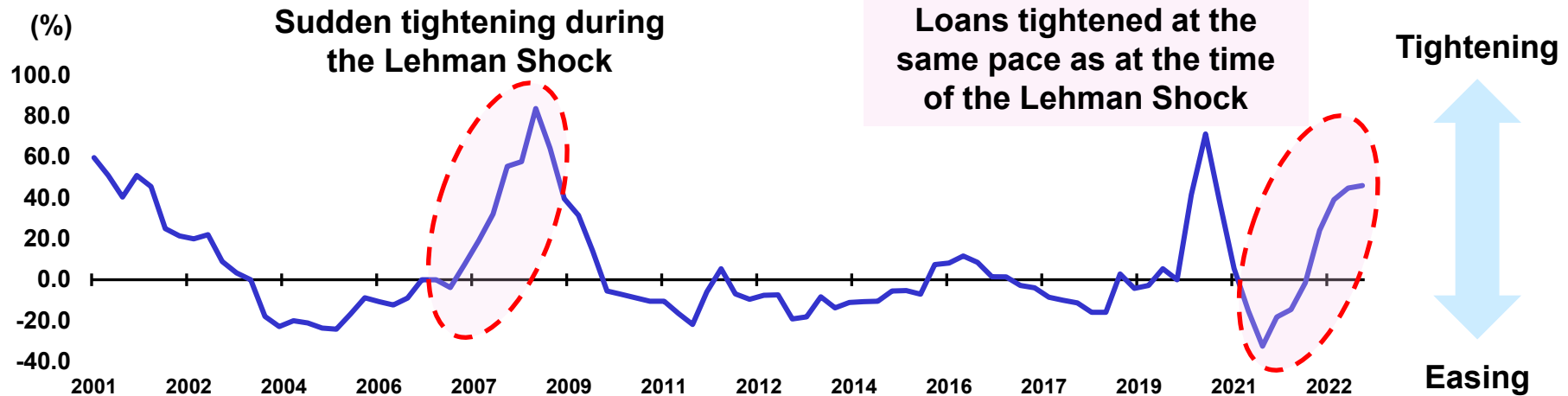
Japan is the Only Country Maintaining Monetary Easing Amid Sharp Rise of Global Interest Rates



* Source: MarketWatch

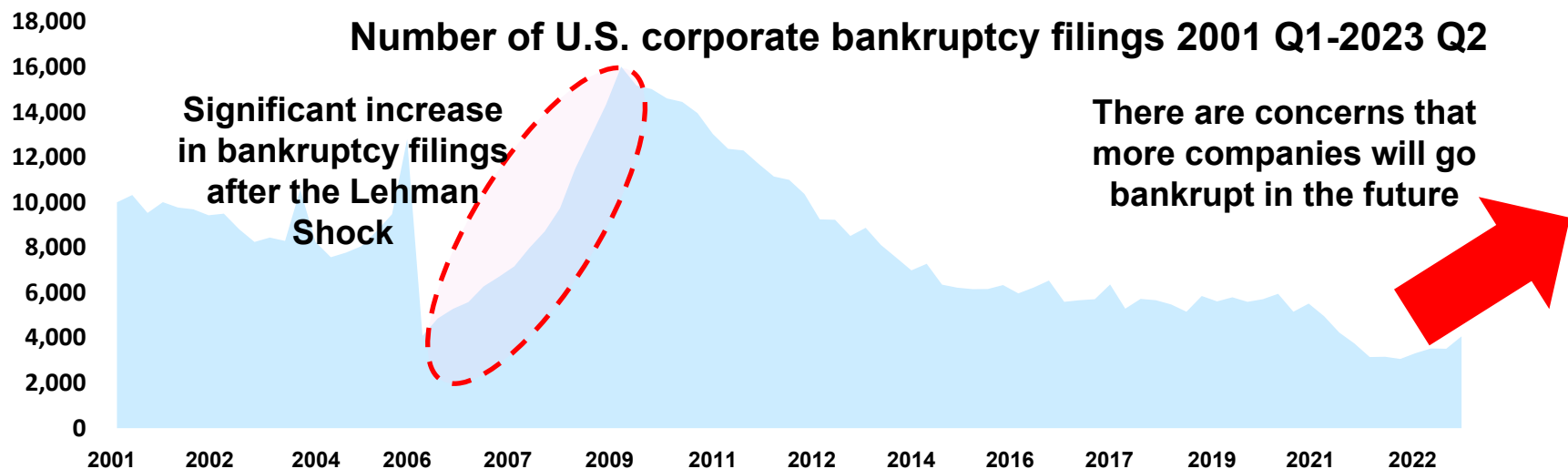
U.S. Financial Institutions Are Tightening Their Lending Stance, Which Could Negatively Impact the Real Economy and Increase the Number of Bankruptcies

Net Percentage of U.S. Banks Tightening Corporate Loan Standards



Source: St. Louis Fed

Number of U.S. corporate bankruptcy filings 2001 Q1-2023 Q2



Some Financial Institutions in Europe and the U.S., Where Interest Rates Continue to Rise Sharply Went Bankrupt

■ Silicon Valley Bank (SVB) of the United States failed on March 10, 2023

Gregory Becker, former CEO of Silicon Valley Bank (SVB), a U.S. regional bank that collapsed in March, defended the bank at a hearing held by the U.S. Congressional Senate Banking Committee and others on March 16, saying, “I don't believe any bank can survive **a mounting crisis of unprecedented speed and scale.**”

(May 17, 2023. Nikkei Electronic Edition)

■ Credit Suisse Group, Switzerland, March 19, 2023, acquired by UBS in the midst of a financial crisis

Credit Suisse's financial indicators exceeded the strict standards required of G-SIBs. Although the financial crisis led to stricter regulations with financial institutions supposedly becoming more financially sound, **they came to a standstill due to the rapid loss of liquidity**

(March 20, 2023. Nikkei Electronic Edition)

■ First Republic Bank of the United States failed on May 1, 2023.

When SVB collapsed on March 10, financial instability spread to FRC (First Republic Bank), resulting in the attachment of deposits. In mid-March, the company accepted \$30 billion in deposits from 11 major banks, including JP Morgan Chase, the largest U.S. bank. The bailout was a public-private partnership to prevent the spread of credit instability, but FRC **continued to experience management difficulties, including asset deterioration and declining profitability.**

(May 1, 2023. Nikkei Electronic Edition)

In addition to the above, **Silvergate Bank went into voluntary liquidation in March 2023, while Signature Bank and others faced bankruptcies**

The U.S. Banking Industry is in a Dire Situation Due to Continuous Bankruptcies of Banks

- People anticipate a long-lasting financial crisis-

Man Group Chief Executive Officer Luke Ellis sees “**a significant number of banks that will not exist 12, 24 months from now that exist today**” as he says the banking crisis is not yet over.

Bloomberg “Man Group CEO Ellis Says Banking Crisis Is Not Over Yet” (March 22, 2023)

“As I write this letter, **the current crisis is not yet over, and even when it is behind us, there will be repercussions from it for years to come,**” the longtime CEO (Jamie Dimon) said in his annual letter to shareholders Tuesday.

CNBC “Jamie Dimon says the banking crisis is not over and will cause ‘repercussions for years to come’” (April 4, 2023)

② Financial industry in Japan

Discussions on Interest Rate Normalization Have Begun in Japan

■ Japan effectively raised interest rates in December 2022

The Bank of Japan decided to modify its large-scale easing policy at the Monetary Policy Meeting held on December 19-20(, 2022). **The BOJ will expand the allowable range of fluctuation in long-term interest rates from around 0.25% to 0.5%, effective from January 20 on. The long-term interest rate has been hovering near the upper limit of the fluctuation range, which means that the Bank will effectively raise interest rates.**

(December 20, 2022 Nikkei Electronic Edition)

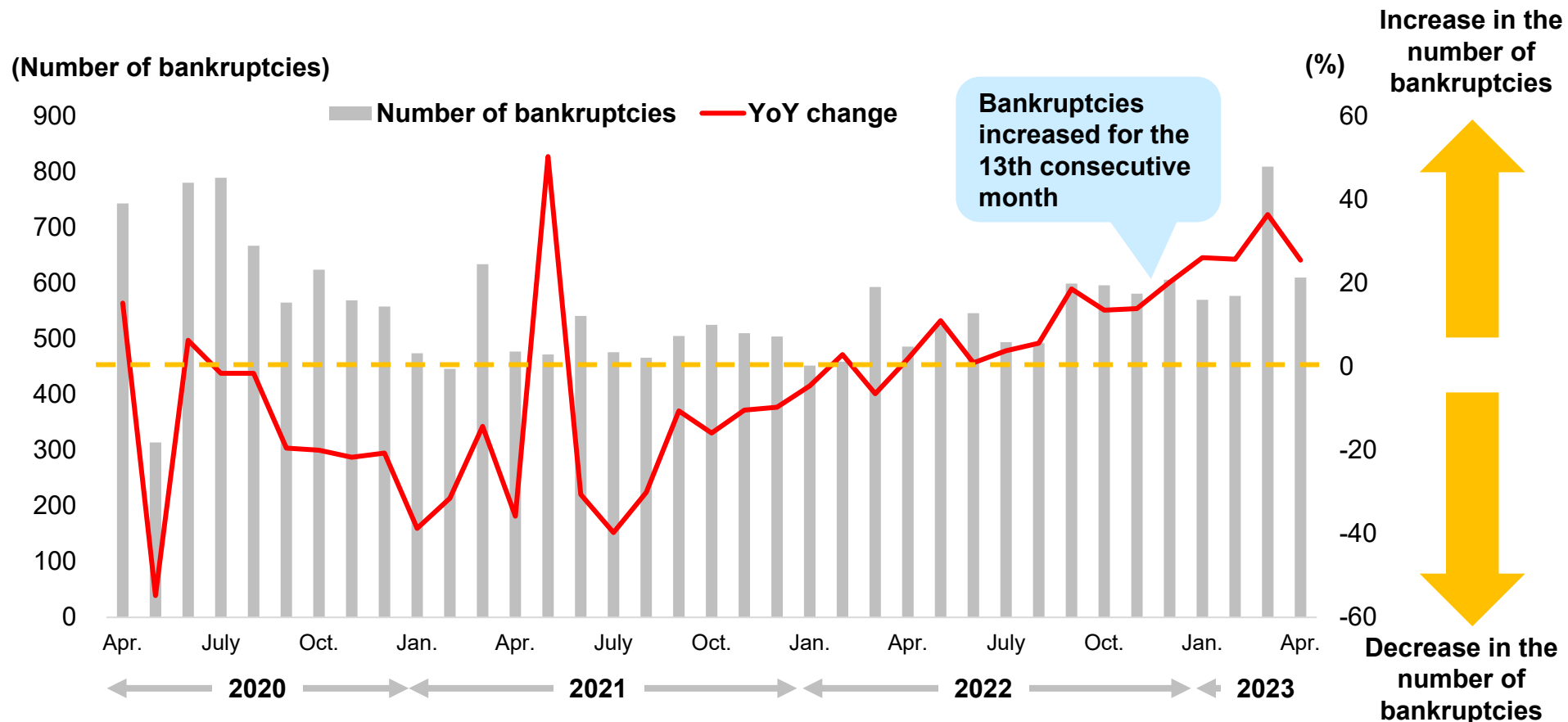
■ Economist Ueda appointed Governor of the Bank of Japan on April 9, 2023.

Mr. Ueda stated, “We must determine whether the situation is such that we can reach 2% in a stable and sustainable manner, **and if we are going to normalize at the appropriate time, we must do so.**” On the other hand, he also said, “If it is difficult to do so, **we will explore a more sustainable framework for monetary easing while taking into account side effects.**”

(April 10, 2023 Nikkei Electronic Edition)

Bankruptcies Have Already Started to Increase in Japan from Last Year

- ✓ The number of bankruptcies has never decreased since April 2022 and **the rate of increase has been gradually increasing, when it turned positive year-on-year change**
- ✓ When breaking down the reason of bankruptcies, the primary cause is **“recession-type bankruptcy”**



The Impact of Interest Rate Normalization on Regional Financial Institutions

- ✓ The normalization of interest rates would **normally be a positive factor** for regional financial institutions in terms of their business performance, as it would improve their interest margins by raising interest for loans. However, due to the **aftereffects of zero-zero lending, a number of financial institutions are expected to be left with a large number of non-performing loans**

10 Year Japanese Government Bond Yield

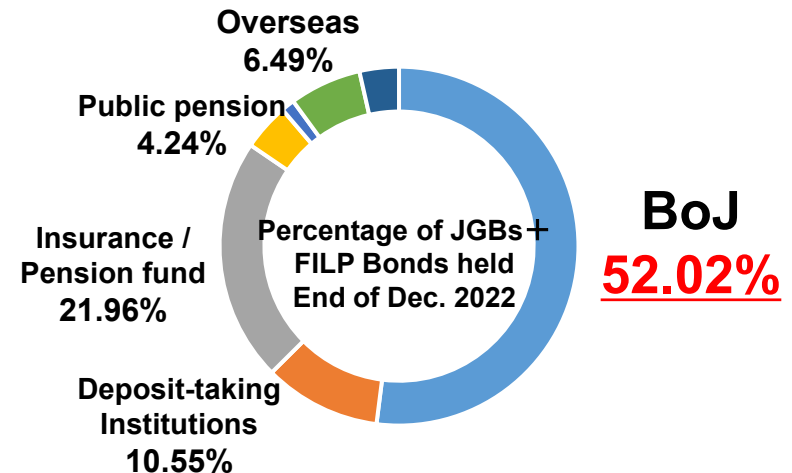
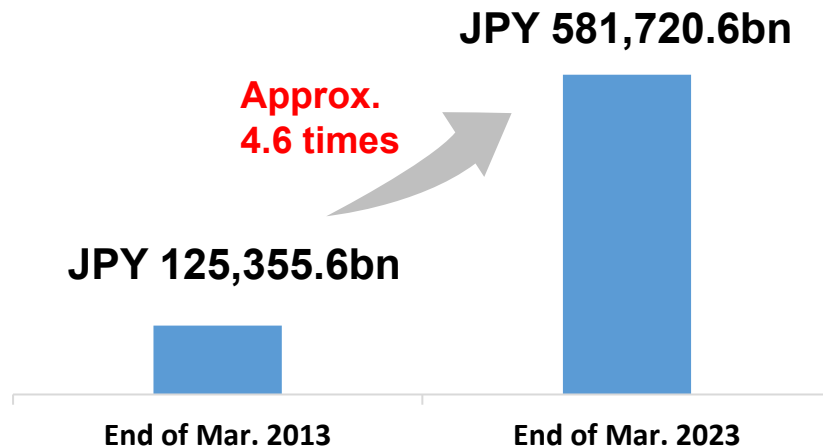


* Based on data announced by the Ministry of Finance Japan

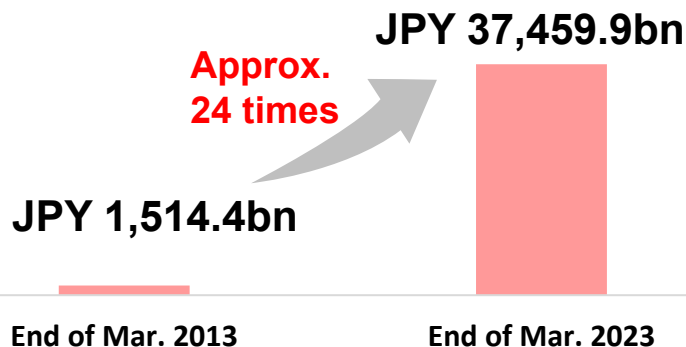
As a Result of the Unprecedented Monetary Easing, Bank of Japan's Total Assets Have Expanded to Approx. JPY 740tn

JGBs held by the BoJ

Percentage of Ordinary JGBs Held by Institutions



Balance of indexed Exchange Traded Funds (ETF) held by BoJ (book value valuation)



As of End of Mar. 2022, BoJ held Approx. 7.3% (JPY 53.1tn*) of the total market capital (JPY 730.3tn) of the Tokyo Stock Exchange

*Based on estimations by NLI Research Institute

(2) Significance of the Second SBI Shinsei Bank Stock Tender Offer

- ① Significance of this TOB and its details**
- ② Privatization of SBI Shinsei Bank Further Strengthens Ties with Regional Financial Institutions**

① Significance of this TOB and its details

Intent of the SBI Group has been Upheld Since the Initial Tender Offer (announced September 9, 2021) of SBI Shinsei Bank

The intent upheld since the initial tender offer

SBI Group will endeavor to help SBI Shinsei Bank **repay its approximately JPY 350bn of public funds** by improving SBI Shinsei Banks' profitability through business cooperations

Hurdles toward the repayment of injected public funds

The share price of JPY7,450, which links to the approximately JPY 350bn of public funds, **has a large divergence compared to the current share price** of SBI Shinsei Bank



TOB and subsequent squeeze-out* to delist SBI Shinsei Bank and to **decouple public fund repayment from the stock price**

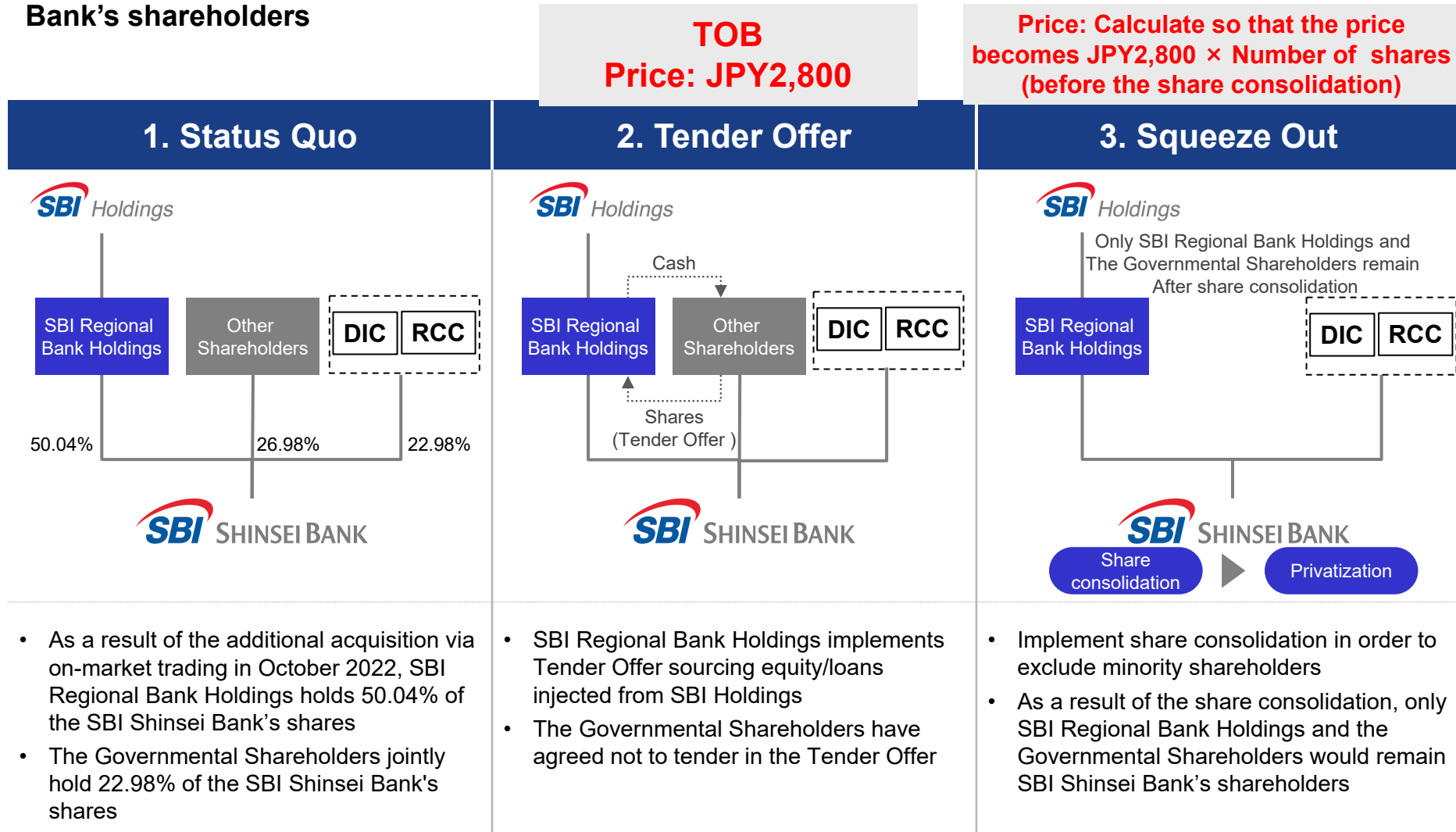
(*The Company plans to implement a reverse stock split so that interests other than those held by SBI Regional Bank Holdings and government shareholders will become fractional shares by **a special resolution** requiring the approval of two-thirds or more of the voting rights of shareholders present at the shareholders' meeting where shareholders holding at least a majority of the voting rights exercisable at the meeting are present. Thereby acquiring fractional shares held by minority shareholders)

Outline of the Tender Offer

Tender Offeror	SBI Regional Bank Holdings Co., Ltd. (100% subsidiary of SBI Holdings, Inc.)
Target	SBI Shinsei Bank, Limited. (Ticker Code: 8303, Tokyo Stock Exchange Standard Market)
Tender Offer Period	May 15 th , 2023 (Monday) - June 23 rd , 2023(Friday) (30 business days)
Settlement Commencement Date	June 30 th , (Friday)
Tender Offer Price	2,800 yen per share
Premiums	May 11 th Closing Price: 12.63% 1 month average: 14.66% 3 months average: 16.81% 6 months average: 19.97% (Based on the business day immediately preceding the date of the announcement (May 11 th))
Number of Shares to be Purchased	Maximum 55,072,084 shares*(The ownership ratio of SBI Regional Bank HD after the Tender Offer: Maximum 77.02%) *SBI Shinsei Bank's total number of shares outstanding excluding the shares owned by SBI Regional Bank Holdings, SBI Shinsei Bank, Deposit Insurance Corporation of Japan ("DIC") and The Resolution and Collection Corporation ("RCC") as of March 31 st , 2023
Maximum and Minimum Number of Shares to be Purchased	Not set
Purchase Price	154,201,835,200 yen
Support to Tender Offer	Yes
Recommendation for Application	Yes
Tender Offer Agent	SBI SECURITIES Co., Ltd.
Financial and Legal Advisor	Citigroup Global Markets Japan Inc. (Financial Advisor) Nishimura & Asahi (Legal Advisor)

Transaction Scheme

The transaction scheme entails the acquisition of SBI Shinsei Bank's shares through Tender Offer and the privatization of SBI Shinsei Bank through the subsequent squeeze out. After this transaction, only SBI Regional Bank Holdings and the Governmental Share-holders ^{*1} would remain as SBI Shinsei Bank's shareholders



*1 Deposit Insurance Corporation of Japan and The Resolution and Collection Corporation

Further integration of SBI Group and SBI Shinsei Bank Group Through De-listing

Current situation

If SBI Shinsei Bank remains listed, it would be difficult for minority shareholders to understand the significance of various one-time outlays in the short term or to implement initiatives that would temporarily increase costs. In addition, when implementing transactions with the SBI Group, a decision-making process that takes into consideration the interests of minority shareholders is required, making it difficult to reach quick decisions



Upon the completion of the transaction that SBI Regional Bank Holdings has conducted since May 15, 2023, to take SBI Shinsei Bank private with only the company, along with the Deposit Insurance Corporation and the Resolution and Collection Corporation, **it will be possible to make decisions more flexibly and agilely, further integrate the bank with the SBI Group, and establish and execute a medium- to long-term management strategy**

② Privatization of SBI Shinsei Bank Further Strengthens Ties with Regional Financial Institutions

SBI Shinsei Bank Group is also Steadily Achieving Results as a Platformer that Works Integrally with SBI Group

- ✓ **Co-financing for local companies arranged by regional banks**
 ⇒ In cooperation with the regional bank, Loan in the total of **JPY 8.0bn** (including unused loans and contractual facilities) to **a total of 15 companies** which are the main clients of the bank
- ✓ **Regional bank participates in loan deals arranged by SBI Shinsei Bank**
 ⇒ Reached **347.9 billion yen**
 Number of regional banks increased to **74, up 14** year-on-year
- ✓ **Collaboration focusing on sustainable finance**
 ⇒ Active participation in projects led by **31 banks (69 projects, JPY 52.5bn)**
- ✓ **Providing functions of each SBI Shinsei Bank Group company**
 ⇒ ① Two regional banks decided to introduce BANKIT, ② Shinsei Financial decided to provide guarantee services to Chikuho Bank and another bank, ③ Showa Leasing sold **JPY 16bn** of operating assets to **32 regional bank** leasing subsidiaries, ④ providing debt collection services to two regional banks
- ✓ **Holding various seminars for regional banks (3 times in total)**
 ⇒ **A total of 370 participants from 86 banks** participated on the themes of business succession, sustainable finance, and renewable energy finance

Further Strengthening of Cooperation with Regional Financial Institutions will be Possible After the Privatization of SBI Shinsei Bank

Examples of initiatives expected to be strengthened through SBI Shinsei Bank going private

- ✓ **Provide fast and flexible tailor-made financing**, which is one of SBI Shinsei Bank's strengths, including loans to companies introduced by regional financial institutions
- ✓ **Enables both groups to promote joint investments and capital alliances, and then provide products and services in which they have strengths**



SBI Group companies are going to strengthen business alliances with all regional financial institutions, regardless of whether they have capital relationships or not, based on the experience they have gained with the nine banks in which the Company has capital and business alliances so far, and further strengthen collaboration strategies

The Environment Surrounding the Financial Industry Is Severe and the Possibility of Industry Restructuring Is Increasing Both Domestically and Internationally

During Thursday's meeting with the CEOs of large banks, Treasury Secretary Janet Yellen told executives that more bank mergers may be necessary as the industry continues to navigate through a crisis, two people familiar with the matter told CNN.

CNN "Janet Yellen told bank CEOs more mergers may be necessary, sources say" (May 19, 2023)

Edward Yardeni, president of Yardeni Research, a U.S. research firm, predicted that after the collapse of SVB, the profitability of small and mid-size banks would decline and **"mergers and acquisitions (M&A) aimed at reducing costs through consolidation would flourish."** After the collapse of FRC, the footsteps of restructuring and shakeout of regional banks are getting louder and louder.

Translation of the THE NIKKEI electronic edition (May 3, 2023)

As similar trends may emerge in the Japanese financial industry, SBI Group **will contribute to improving the profitability of regional financial institutions**, which in turn will lead to the stabilization of the financial system.

Cooperation with Regional Financial Institutions is to Move to a New Phase

Phase 1

Focus on strengthening the profitability of regional financial institutions, in particular capital alliance partners, by thoroughly utilizing the management resources of the SBI Group

Phase 2

Taking the opportunity of Shinsei Bank joining the SBI Group, **promote cooperation with various regional financial institutions regardless of capital relationship** with the SBI Group

Phase 3

Pursuing the concept of a wide-area regional platformer that “supports sustainable regional growth throughout Japan” with SBI Shinsei Bank at its core, **pursuing the benefits of increased efficiency and expanded business scope through extensive collaboration**

This phase will lead to the “Fourth Megabank” concept with SBI Shinsei Bank in the center

[Reference] The Resona Group's Case Study of Becoming a Japanese Version of a Super Regional Bank Based on Mergers and Integration of Regional Financial Institutions

<Main movements until public funds were fully repaid>

Dec. 2001	The Daiwa Bank, The Kinki Osaka Bank, and The Nara Bank establish “Daiwa Bank Holdings” to build a management structure as a super regional bank based in the Kansai region
March. 2002	Asahi Bank (Kyowa Bank and Saitama Bank merged in 1991) becomes a wholly owned subsidiary
Apr. 2002	Changed the name to “Resona Group” In October of the same year, the company name is changed to Resona Holdings Inc Decided to reorganize its subsidiaries Daiwa Bank and Asahi Bank, into “ Saitama Resona Bank ”(Aug. 2002) and “ Resona Bank ”(Mar. 2003)
July 2003	Injection of public funds totaling JPY 1.96tn to Resona Bank
June 2015	Resona Groups' public funds paid off

(FY2000)	Daiwa Bank	Kinki Osaka Bank	Nara Bank	Asahi Bank
Total Assets	15,518.5	15,518.5	187.2	30,264.7
Deposits	9,458.7	4,036.2	168.6	20,444.8
Gross operating Profit	276.6	81.2	4.2	424.2

Resona Holdings

As of FY2000

Total Assets : Approx. 50 trillion yen
Deposits : Approx. 34 trillion yen

(Unit: JPY billion)

[Reference] The Resona Group's Case Study of Becoming a Japanese Version of a Super Regional Bank Based on Mergers and Integration of Regional Financial Institutions

<Main movements after public funds were fully repaid>

Nov. 2017	Resona HD establishes “ Kansai Mirai Financial Group ” (Kansai Mirai FG)
Dec. 2017	Kinki Osaka Bank became a subsidiary of Kansai Mirai FG through a share transfer from Resona HD
Apr. 2018	Minato Bank and Kansai Urban Bank became subsidiaries of Kansai Mirai FG through a tender offer and share exchange by Resona HD
Apr. 2019	Kansai Urban Bank and Kinki Osaka Bank merged to form Kansai Mirai Bank
Apr. 2021	Resona Holdings made Kansai Mirai FG a wholly owned subsidiary

(FY2016)	Total assets	Deposits	Ordinary profit	P/B Ratio (As of March 3, 2017*)
Kinki Osaka Bank	3,545.7	3,294.5	6.5	--
Minato Bank	3,506.6	3,149.8	11.0	0.69
Kansai Urban Bank	4,603.7	4,168.5	18.9	0.97

Funds invested in making Kansai Mirai FG a wholly owned subsidiary are estimated to be in excess of **JPY 200bn**

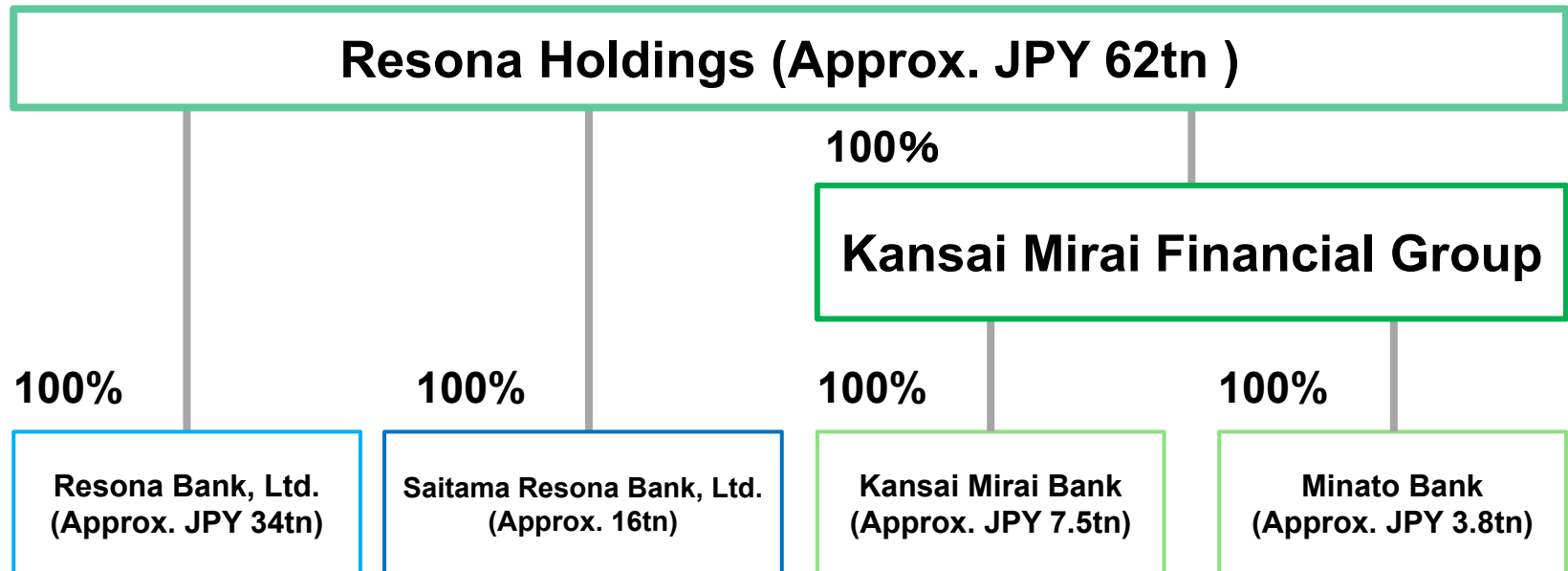
(Unit: JPY billion)

(*) Date of announcement of business merger

[Reference] The Resona Group's Case Study of Becoming a Japanese Version of a Super Regional Bank Based on Mergers and Integration of Regional Financial Institutions

<Corporate Structure of Resona Group>

*Figures in parentheses are deposits (including consolidated/negotiable certificates of deposit)



(Other Major Group Companies)

Resona Guarantee	Resona Digital Eye	Metropolitan Area Leasing	Custody Bank of Japan
Kansai General Credit	NTT Data Sofia	Kansai Mirai Leasing	Resona Prudharia Bank
Resona Payment Service	Resona Capital	Resona Research Institute	Resona Indonesia Finance
Resona Card	Resona Asset Management	Regional Design Laboratory of Saitama	Resona Merchant Bank Asia
Resona Bank	Resona Corporate Investment		

4. What are the core strategies and initiatives of SBI Group in the next 2-3 years?

SBI Group will work to expand and develop revenue sources through detailed Group-wide efforts and implement risk hedge to diversify in the three areas listed below

- (1) Diversification of customers**
- (2) Diversification of financial products and services**
- (3) Diversification of business fields**

(1) Diversification of customers

- ① Strive towards expanding business and financial corporate clients by leveraging the diverse management resources of the SBI Group companies**
- ② Expansion of the customer base both within and outside the financial business by promoting SBI Sumishin Net Bank's "Neo-bank Initiatives"**

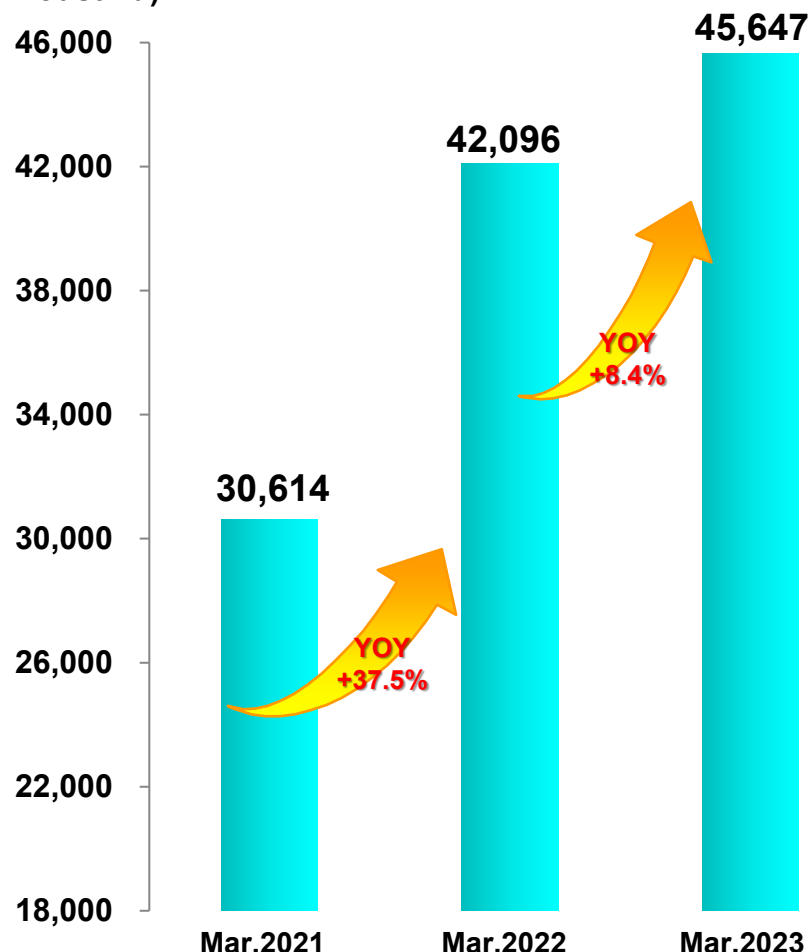
SBI Group Has a Customer Base of Approximately 46 Million

- Endeavor towards a Customer Base of 100 Million -

Breakdown of the Customer Base (As of the end of March 2023)*1,2

(Thousand)

(Thousand)



SBI SECURITIES SBI NEOMOBILE SECURITIES SBI Neotrade Securities FOLIO	(No. of accounts)	10,038
SBIH InsWeb	(No. of customers)	10,776
E-LOAN	(No. of customers)	3,352
MoneyLook	(Total no. of customer registrations)	950
Wealth Advisor	(Total no. of service users) *3	1,327
SBI Sumishin Net Bank	(No. of accounts)	6,147
SBI Insurance	(Total no. of contracts)	1,199
SBI Life Insurance	(Total no. of contracts) *4	397
SBI Shinsei Bank	(No. of accounts)	3,161
Lake business	(No. of customers)	827
APLUS	(No. of active cardholders)	4,208
Showa Leasing	(No. of contracts)	288
Others (SBI VC Trade etc.)*5		2,976
Total	—	45,647

*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 SBI Global Asset Management

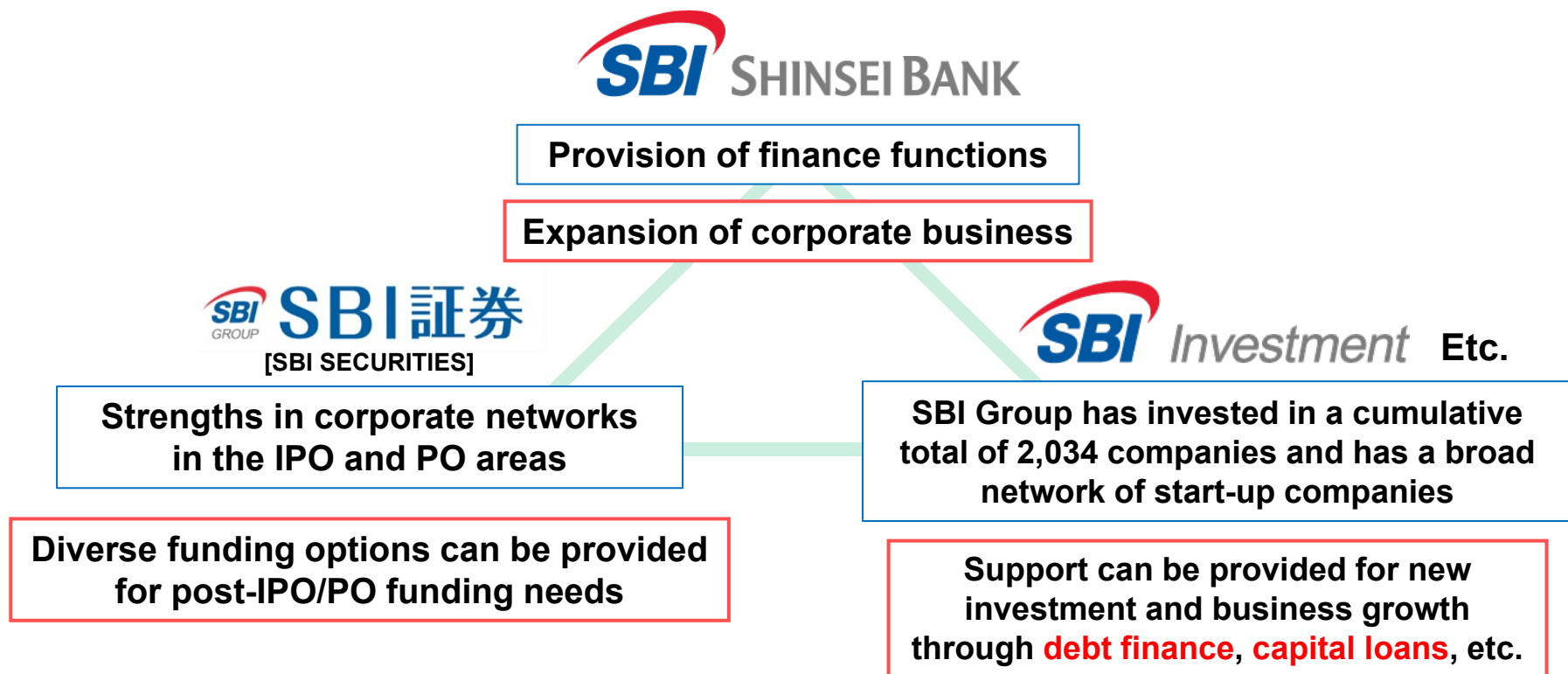
*4 The total number of contracts of SBI Life Insurance includes number of insured persons with group credit life insurance

*5 Customers of "SBI Point" provided with SBI ID members have been removed because the service is no longer available

- ① **Strive towards expanding business and financial corporate clients by leveraging the diverse management resources of the SBI Group companies**
 - (i) Increase corporate and financial customers through collaboration with the SBI Shinsei Bank Group in the banking business
 - (ii) Insurance business continues to actively promote product development and provision of services that meet the needs of corporate partners to further expand the customer base
 - (iii) SBI Neo Corporate Services Provides Business Matching Services for Corporate Clients

(i) Increase **Corporate and Financial Customers** Through Collaboration with the SBI Shinsei Bank Group

- Strengthening the Corporate Business through the Provision of Corporate Finance Facilities -



A total of JPY 109.2bn in 51 transactions was executed by SBI Shinsei Bank for venture debt and investments and loans to SBI Group investees and to parties introduced by SBI SECURITIES, etc. (At the end of Mar. 2023)

(ii) The Insurance Business Will Seek to Cultivate a New Customer Base through Promotion of Development of Products and Provision of Services That Meets the Needs of **Collaborating Corporates**

- Launch of SBI Insurance and SBI Life insurance products at APLUS



- Commenced automobile insurance solicitation initiatives using Sumitomo Mitsui Card Company's data analysis support service "Custella"

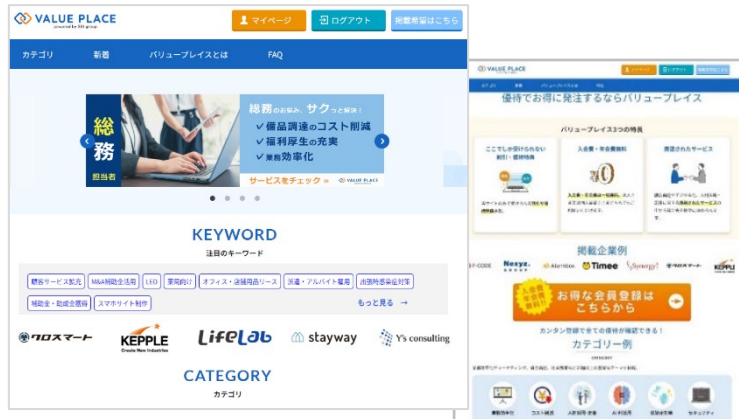


- SBI Insurance started providing special automobile insurance for BYD, an electric vehicle (EV) car manufacturer, which is entering the Japanese passenger car market in earnest



BYD Group is expanding its EV business in more than 70 countries and regions worldwide, and has entered the Japanese passenger car market in earnest in January 2023

(iii) SBI Neo Corporate Services Provides Business Matching Services for Corporate Clients



- SBI Neo Corporate Services started operating **“Value Place,” a business matching website** for corporate customers, in May 2022
- **Selected corporate services in more than 25 diverse categories**, including equipment procurement, recruitment, operational efficiency, and assistance in applying for subsidies and grants, provided by SBI Group companies and Group investee ventures, are listed with unique special offers
- Corporate customers **can implement a comprehensive range of services appropriate** to the challenges they face

② Expansion of the customer base both within and beyond the financial businesses by promoting SBI Sumishin Net Bank’s “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

Cooperation with Large Corporations Through the 'Neo-bank Initiative' is Growing Steadily ①

Company	Industry	Service launch	Customer base
Japan Airlines	Aviation	Apr. 2020	Approx. 30m (JAL Mileage Bank members)
CCC Marketing Holdings	Data base marketing	Mar. 2021	Approx. 70m (T-members)
YAMADA Holdings	Retail	July 2021	Approx. 60m (Yamada members)
Open House	Real estate	Aug. 2021	---
SBI SECURITIES	Online securities	Jan. 2022	Approx. 10.04m (Total number of accounts at SBI SECURITIES and brokerage firms)
Takashimaya Company	Retail	June 2022	Approx. 5.7m (Takashimaya members)
SBI Remit	Remittance	Oct. 2022	Approx. 650 thousand (No. of members)

(*) Compiled from publicly available data of each company

Cooperation with Large Corporations Through the ‘Neo-bank Initiative’ is Growing Steadily ②

Company	Industry	Service launch	Customer base
The Dai-ichi Life Insurance	Insurance	Jan. 2023	Approx. 10m (Individual customers)
Fighters Sports & Entertainment	Entertainment (Sports)	Mar. 2023	Approx. 1.29m (Number of visitors in 2022)
GA technologies	Real estate IT services	Mar. 2023	Approx. 340,000 (RENOSY members)
Nomura Real Estate Solutions	Real estate	Apr. 2023	Approx. 7m (NomCom annual visitors)
MILIZE	Financial IT services	Apr. 2023	---
Keio Corporation	Passenger railway	Autumn 2023	Approx. 1.66m (Keio Passport Card members)

(*) Compiled from publicly available data of each company

The “Neo-bank Initiative” is also under discussion with several major operators, including Sumitomo Mitsui Trust Bank and Matsui Securities, and is expected to expand further

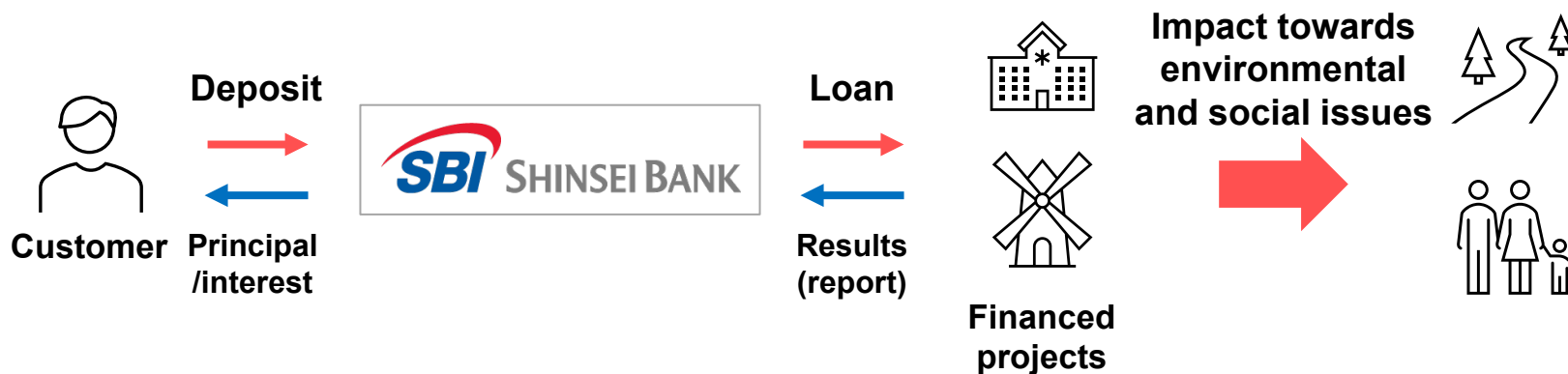
(2) Diversification of financial products and services

- SBI Shinsei Bank Group promotes diversification of products and services by strengthening cooperation with the SBI Group, etc. -**
 - ① Providing Products that Contribute to Solving Social Issues**
 - ② Cooperation in the financial intermediary and banking agency sectors**

① Providing Products that Contribute to Solving Social Issues

- Launched “Sustainability Deposits” -

SBI Shinsei Bank Group started offering “Sustainability Deposits” on May 10, 2023, to finance eligible projects in the green and social sectors in accordance with the bank’s own Sustainability Finance Framework (maximum of six months, amount offered: JPY 10bn)



Realize compatibility of both expansion of customer base and contribution to society through the provision of products that meet the needs of customers

② **Cooperation in the financial intermediary and banking agency sectors**

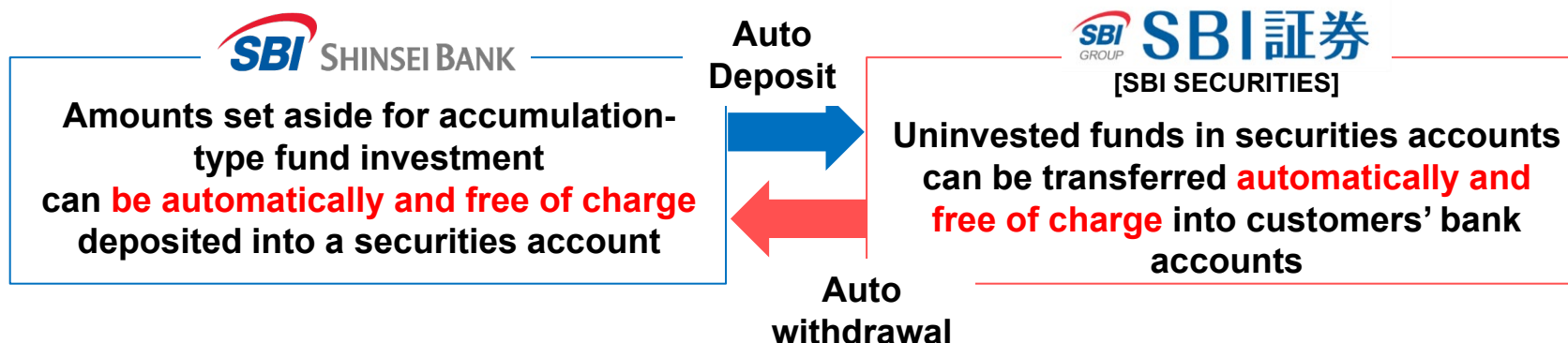
Cooperation in the Financial Intermediary and Banking Agency Sectors (i)

- ◆ Aug. 2022 Financial instruments intermediary and banking agency services launched

In Mar. 2023, the volume of customers introduced from SBI Shinsei Bank to SBI SECURITIES is **approx. 2.6 times** higher than in Aug. 2022 from SBI SECURITIES to SBI Shinsei Bank is **approx. 21.6 times** higher than in Aug. 2022

➡ **Positive effects of increased and expanded cooperation are steadily manifested**

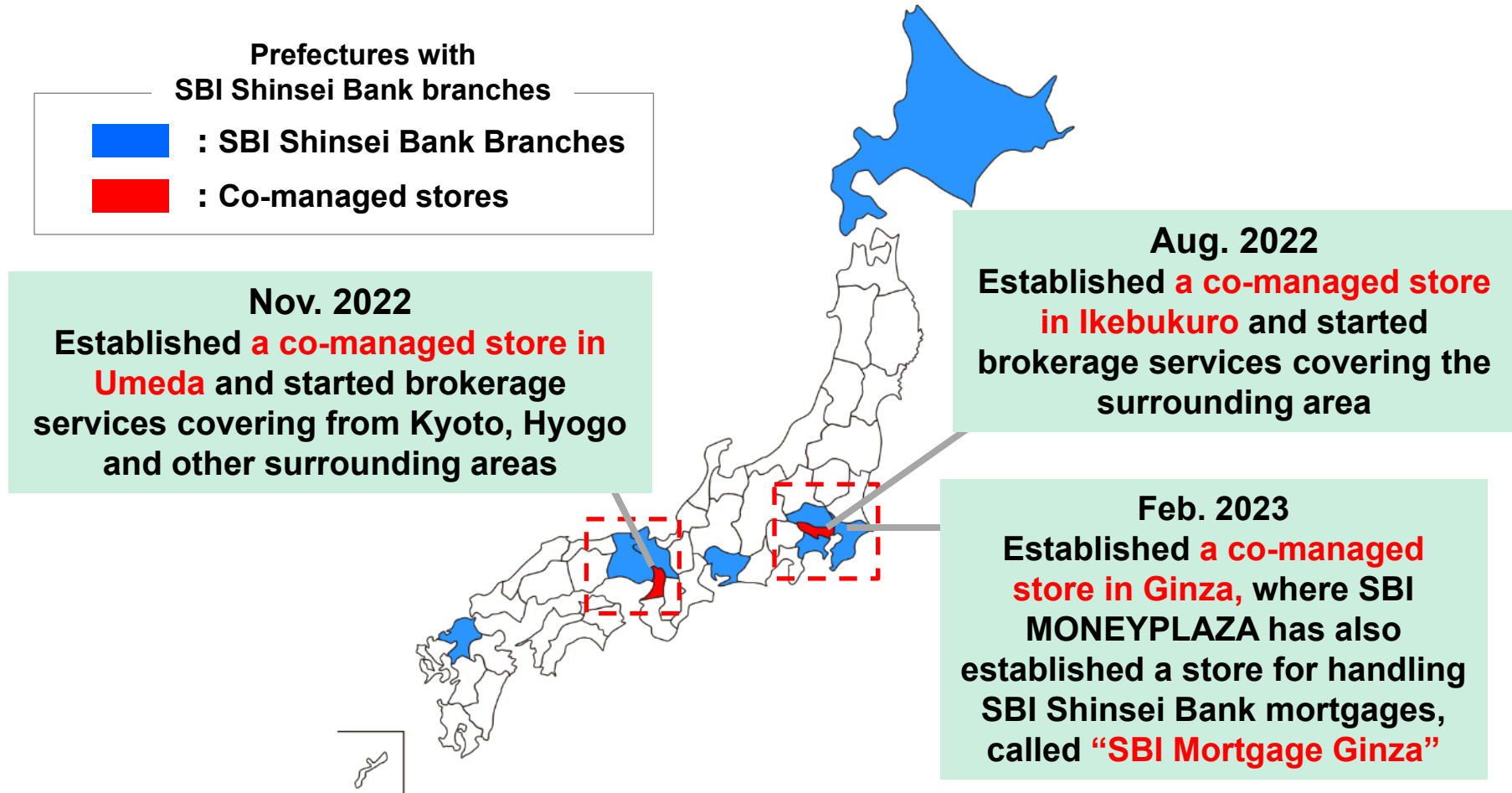
- ◆ Apr. 2023 Launched the automatic deposit and withdrawal service “SBI Shinsei Connect”



Automatic deposit functions for other products will be added

Cooperation in the Financial Intermediary and Banking Agency Sectors (ii)

- Cooperation between SBI Shinsei Bank and SBI MONEYPLAZA -



The amount of AUM at joint branches of SBI Shinsei Bank and SBI MONEYPLAZA has steadily expanded, surpassing JPY 10bn in just over seven months since the start of operations

(3) Diversifying business fields

- ① By placing the Asset Management Business as the core business, endeavor towards achieving an asset under management of JPY20 trillion and through M&As and establishment of joint ventures**
- ② Pioneer new business fields such as Web3 that introduce innovative technologies domestically and abroad**

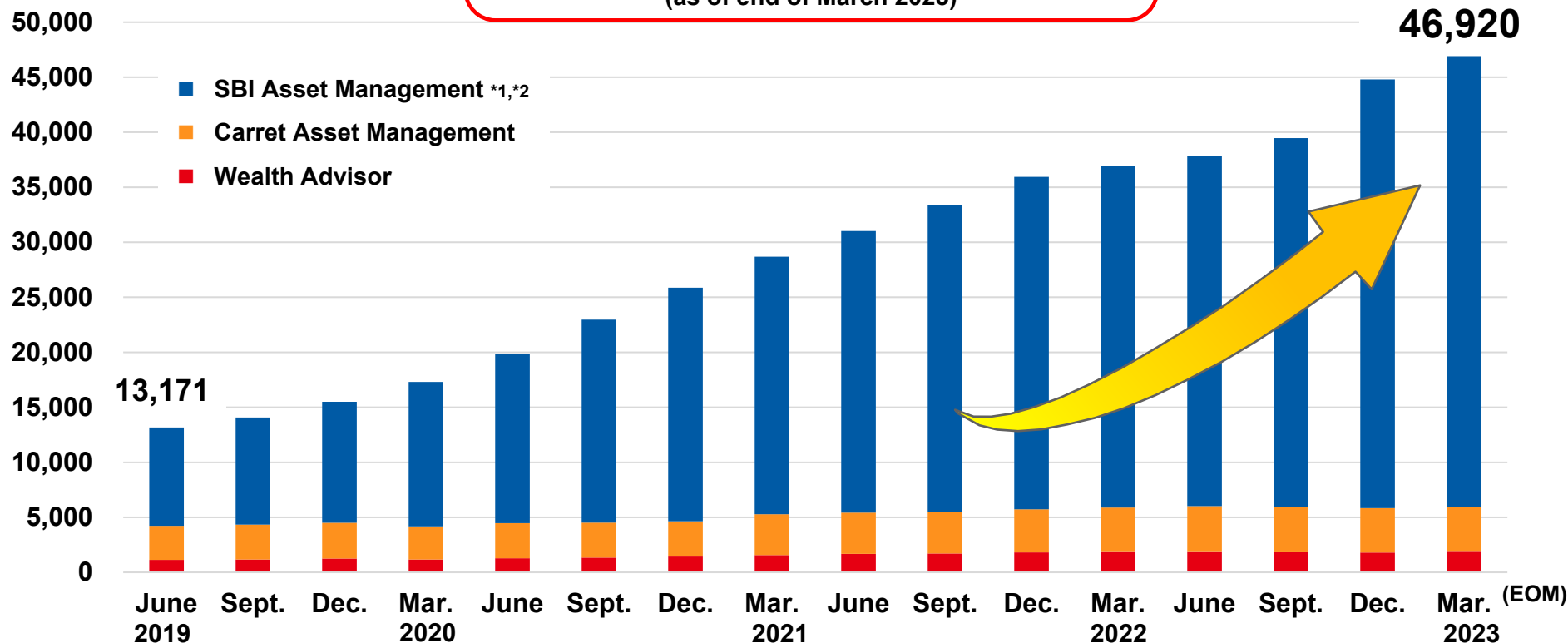
- ① **By placing the Asset Management Business as the core business, endeavor towards achieving an asset under management of JPY20 trillion and through M&As and establishment of joint ventures**

SBI Global Asset Management Group Has Steadily Increased its AUM

- Balance of investment assets nears JPY 4.7tn -

AUM from institutional investors, which are mainly regional financial institutions: **JPY 2,175,1bn**
(as of end of March 2023)

(JPY 100 million)



*1 Following the merger of SBI Bond Investment Management and SBI Regional Revitalization Asset Management on August 1, 2022, with SBI Asset Management as the surviving company, total AUM of the three merged companies are retroactively presented as SBI Asset Management. In addition, since the numbers of the three merged companies above are compiled individually, there are some overlapping amounts.

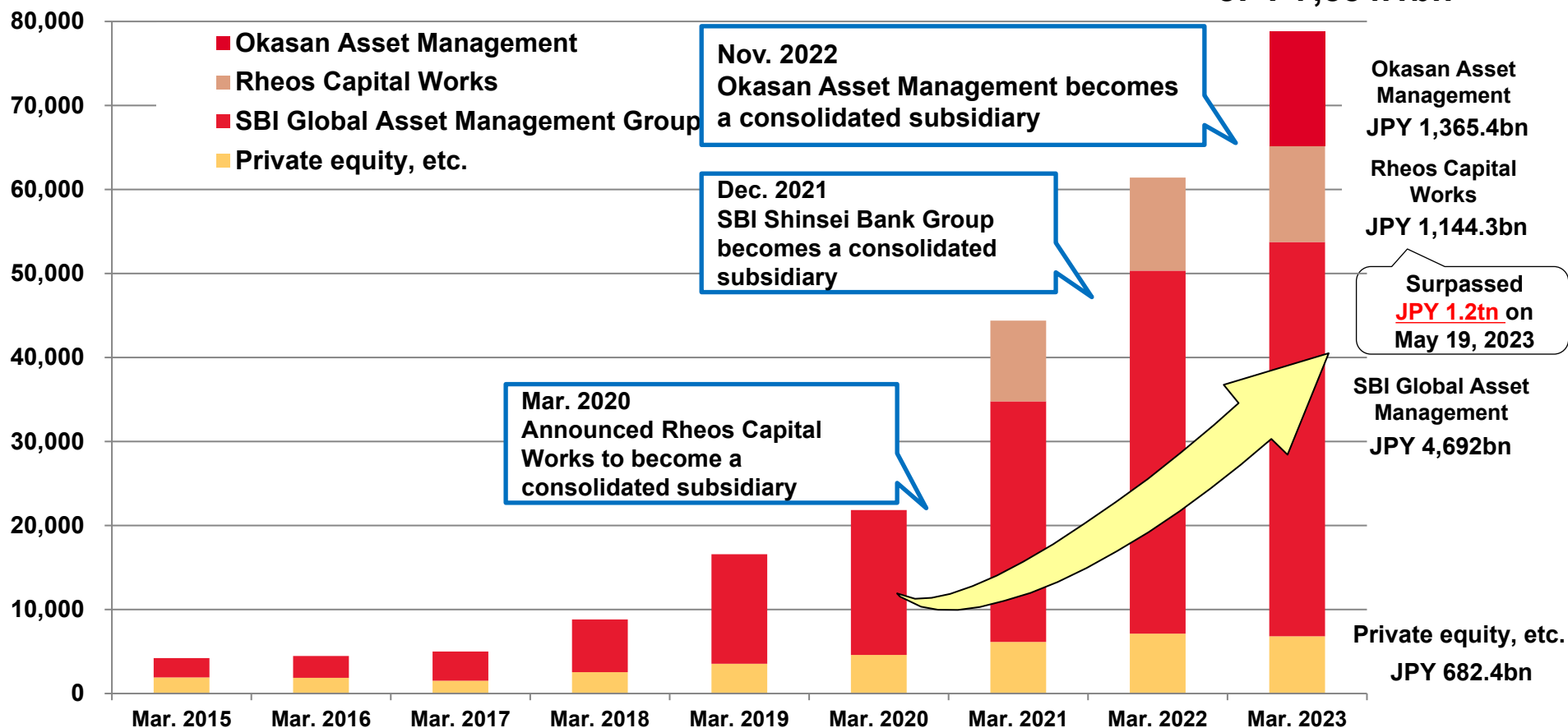
*2 Shinsei Investment Management was made a wholly owned subsidiary by SBI Global Asset Management (formerly, Morningstar Japan) on October 3, 2022.

After completing a merger by absorption with SBI Asset Management as the surviving company on April 1, 2023, the figures of the company have been included in the balance of SBI Asset Management since the end of December 2022.

*3 Figures include balance of investment advisory

SBI Group Sustainably Expands Its Assets Under Management Through Organic Growth and Use of M&As

(JPY 100 million)



*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." does not include cash or commitment amounts to be paid. 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 Figures of SBI Global Asset Management Group, Rheos Capital works and Okasan Asset Management ("each asset management company") represent the sum of the balance of investment trusts and investment advisory, so there are some overlapping amounts

*5 Includes publicly offered investment trusts, publicly offered bond investment trusts, and privately offered investment trusts from each asset management company

Acquire Quality Asset Management Companies and Promote Strategic Alliances in Order to Enhance Asset Management Sophistication and Build a Global Asset Allocation Structure

<To provide advanced asset allocation that can cope with an uncertain environment>

Expand traditional asset classes such as fixed income and equities by partnering with global asset managers Pimco and Vanguard

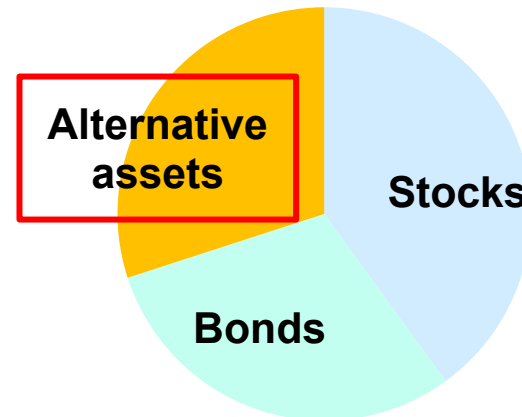
Look to offer alternative assets such as private equity, real estate, infrastructure, etc. with high diversification effect in the future



Endeavor to provide advanced management through acquisitions and strategic alliances with asset management firms specializing in their respective asset areas



E.g. Asset management companies specialized in alternative assets



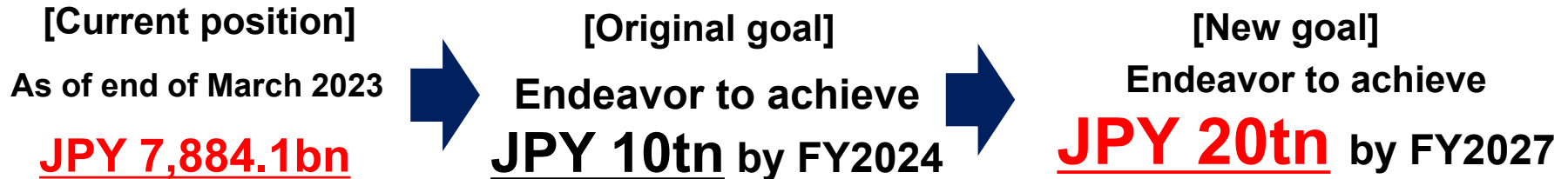
PIMCO

AUM surpasses JPY 1.2tn
through a joint venture



AUM surpasses JPY 1tn
through a strategic partnership

Endeavor to Achieve the Total Group Assets Under Management of JPY 20tn by FY2027



 *Global Asset Management*

<Index & multi-asset>

<U.S. govt. bonds>

 *Asset Management*

 *Asset Management*

Approx. JPY 4.7tn

<Active>

 岡三アセットマネジメント

[Okasan Asset Management]

 RHEOS CAPITAL WORKS

Approx. JPY 2.5tn

<Private equity, etc.>

Approx. JPY 682.4bn

- ② Pioneer new business fields such as Web3 that introduce innovative technologies domestically and abroad**
 - (i) Dedicated to creating a market of ST, a next generation of financial products**
 - (ii) Endeavor towards growth of institutional client base by strengthening Web3 related business in the Crypto-asset business**
 - (iii) SBINFT brings the world of Web3 closer by supporting corporate clients develop their NFT business**
 - (iv) SBI Traceability contributes to expansion of food export with brand protection technology**
 - (v) Various measures to increase brand recognition in the digital space through events targeting the younger generation**

(i) Dedicated to creating a market of ST, a next generation of financial products

i. Contribute to Developing the Regulatory Framework as Well as Issuing STs

Contributing to institutional development through establishing and participating self-regulatory organization and industry organization

Japan STO Association

Japan STO Association, a self-regulatory organization established in Oct. 2019 led by SBI Group, currently has **72 members** (14 regular members, 55 guest members, and 3 supporting members)

Digital Asset Co-Creation Consortium

Contributed to the formulation of “Proposal on Digital Securities PTS” at Consortium. Striving to establish secondary market through **collaboration between “Osaka Digital Exchange” (ODX)**

Track record of ST issuance mainly by SBI SECURITIES

a. Third-party allocation of new shares by SBI e-Sports via an STO (Oct. 2020)

b. First bond STO for general investors in Japan by SBI SECURITIES (Apr. 2021)

c. First public offering of asset-backed STs in Japan by SBI SECURITIES (July 2021)

d. Public offering of asset (real estate)-backed ST by SBI SECURITIES (Dec. 2021, May 2022)

e. Public offering of STs with residential properties in central Tokyo as investment assets by SBI SECURITIES (Nov. 2022)

f. Public offering by SBI SECURITIES of STs investing in residences along the Yamanote Line (May 2023)

➤ Public offering and operation of ST backed by assets (real estate) under a beneficiary certificate issuing trust scheme together with Marubeni Asset Management and Mitsubishi UFJ Trust and Banking Corporation. **SBI SECURITIES acted as the lead manager**

ii. Osaka Digital Exchange, which Operates the Stock PTS, is Making Progress in Preparing for the Establishment of a PTS for STs

- The creation of Japan's first trading market for STs would promote the revitalization of the issuance market -



Capital relationship

SBI Group: 70%

Sumitomo Mitsui Financial Group: 20%

Nomura Holdings: 5%

Daiwa Securities Group: 5 %

Trading platform for both equity and ST (PTS)

ODX started operating its stock PTS on June 27, 2022. Trading volume has been around JPY 30bn to 35bn per day (around 1% market share), and the number of connected securities companies has also increased

Daily
maximum
trading value

JPY 53.2bn

Daily
maximum
market share

1.23%

(ii) Endeavor towards growth of institutional client base by diversifying services in the Crypto-asset business

SBI VC Trade and BITPOINT have Diversified its Service Offerings and handling of Crypto Assets

[Expanding the number of services provided]

Provide services that meet the various investment needs at SBI VC Trade and BITPOINT



Spot	Leveraged	Lending	Accumulation	Staking	FLR wrap & delegate
SBI Web3 Wallet		SBIVC for Prime (Service for wholesale transactions)			



Spot	Lending	Large OTC transactions	Staking	FLR wrap & delegate
Accumulation (Packaged accumulation・Individual accumulation)				

Service = Service started from FY2022

[Expanding the number of crypto assets handled]

In the crypto asset business, **three types of crypto assets were introduced after entering into FY2023**, bringing the total number of crypto asset handled to **25**.

Continuously endeavor to expand the types of crypto assets to be handled



SBI VC Trade (17 types)				BITPOINT (18 types)								
★SOL	★DOGE	★XTZ	★AVAX	BTC	ETH	XRP	BCH	★FLR	TRX	★SHIB	★IOST	BAT
★XLM	OAS	XDC		LTC	DOT	LINK	★ADA	★MATIC	JMY	DEAP Coin DEP	★KLAY	GXE
Started from May 31										Started from May 31		

★=Crypto assets added at SBI VC Trade during FY2022/ ★= Crypto assets added at BITPOINT during FY2022

SBI VC Trade Expands its Service Lineup that Large and Institutional Clients Can Utilize in its Businesses

- **Release of “SBI Web3 Wallet”** Japan’s first custodial wallet that supports NFT (January 2023)

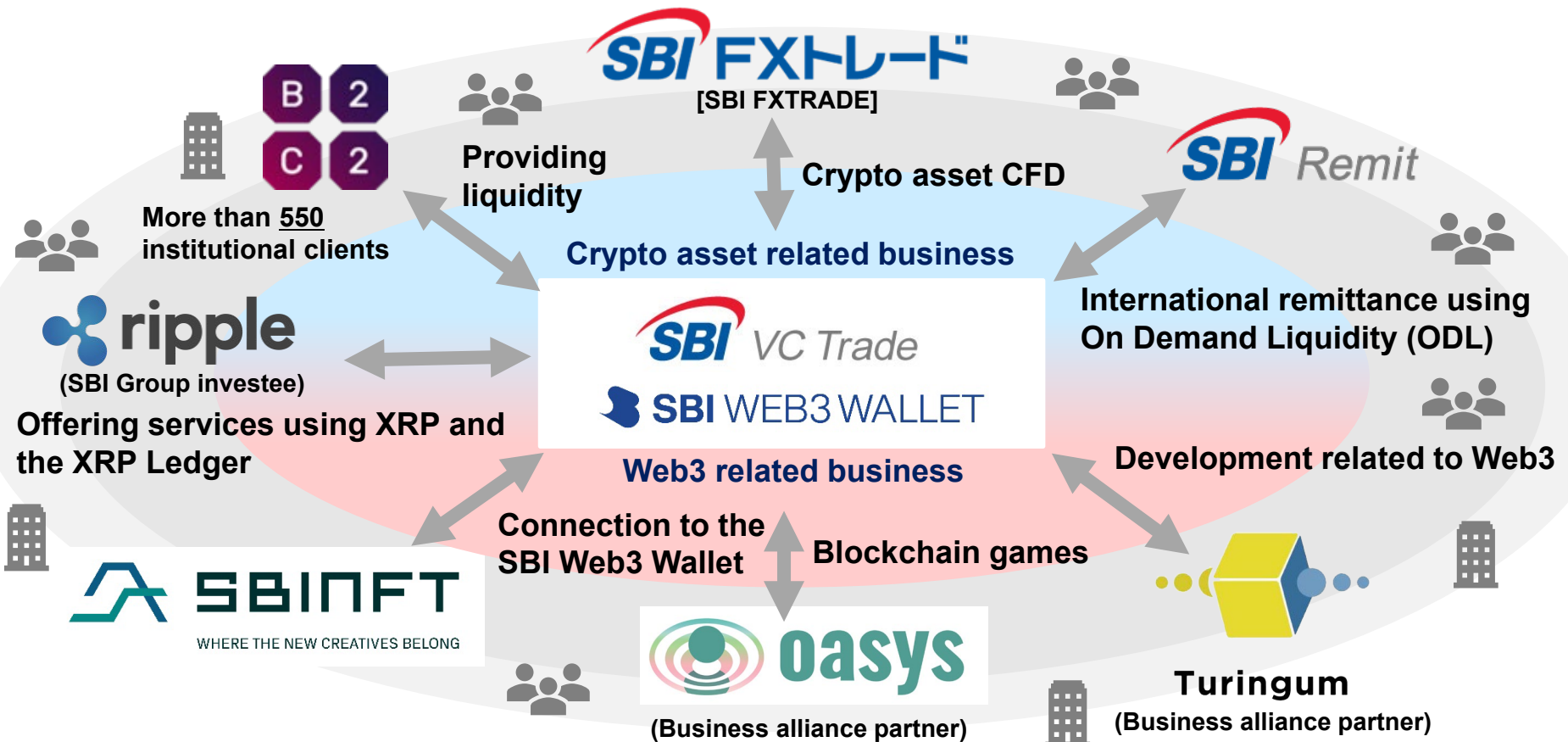


- **No need to manage wallets or buy and send crypto assets to purchase NFTs** which were requirements for NFT transactions in the past
- **Reduce user’s risks for holding crypto assets** (risk of theft, risk of price volatility)

Inquiries from **more than 100 companies** about the “SBI Web3 Wallet”

- Started provision of **“SBIVC for Prime,”** a service for large and institutional clients (Feb. 2023)
 - Provide various services of SBI VC Trade at preferential pricing to clients and corporations who wish to trade large lots through a dedicated staff in charge
 - Offer a wide range of recommendations for institutional clients including the **use of “SBI Web3 Wallet,”** which enables trading of on-chain NFTs using only Japanese yen, and **procurement of crypto assets** for use in the Web3 business (such as issuance and trading of NFTs, etc.)

SBI VC Trade Will Increase its Customer and Revenue Base by the Crypto Asset Exchange Business but also by Strengthening Web3 Related Business

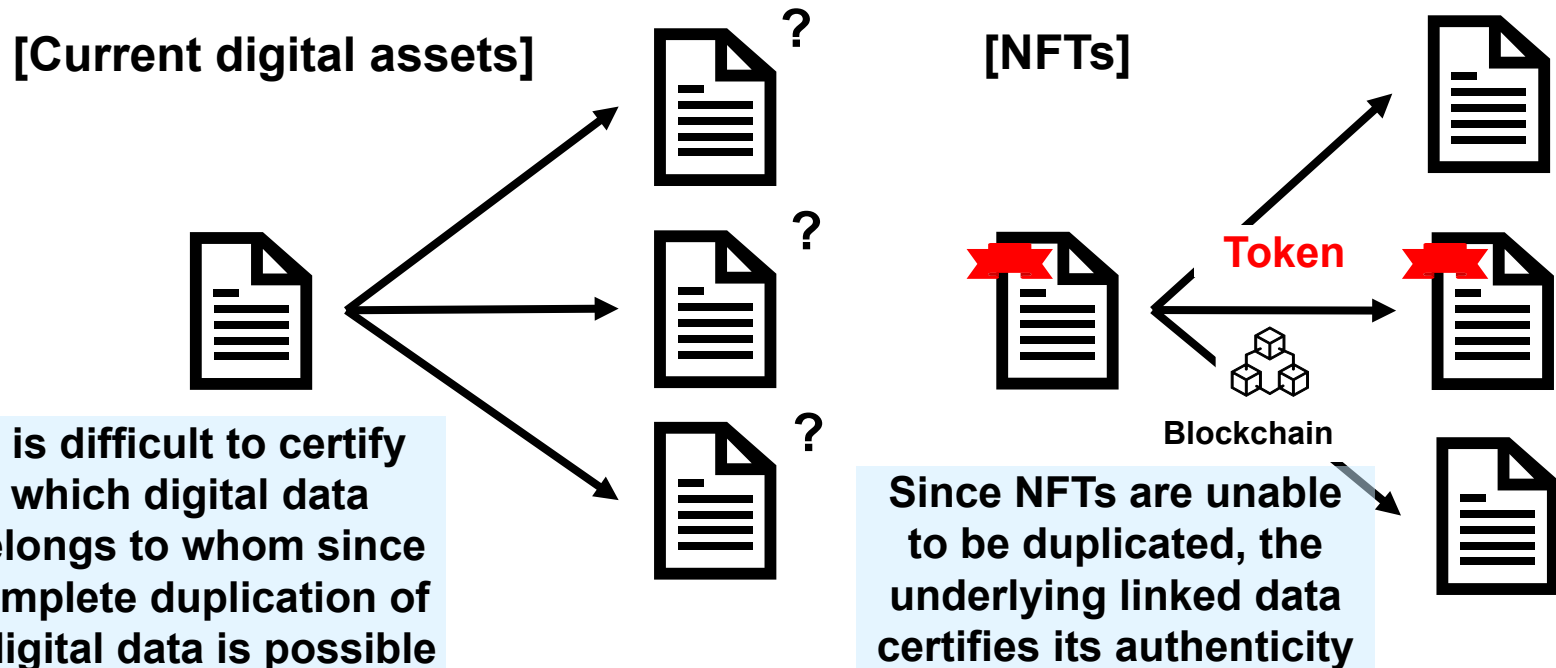


(iii) SBINFT brings the world of Web3 closer by supporting corporate clients develop their NFT business

What are NFTs?

NFT (Non-fungible Token) :

Unique tokens issued on a blockchain that are **irreplaceable** (cannot be duplicated). They are expected to play a role as a **statement of appraisal and certificate of possession**.



In addition to their role as a certificate, it is said to have a variety of features that are advantageous for transactions, such as **easy transferability**, **visualization of value**, and the **ability to program additional functions into the data itself**

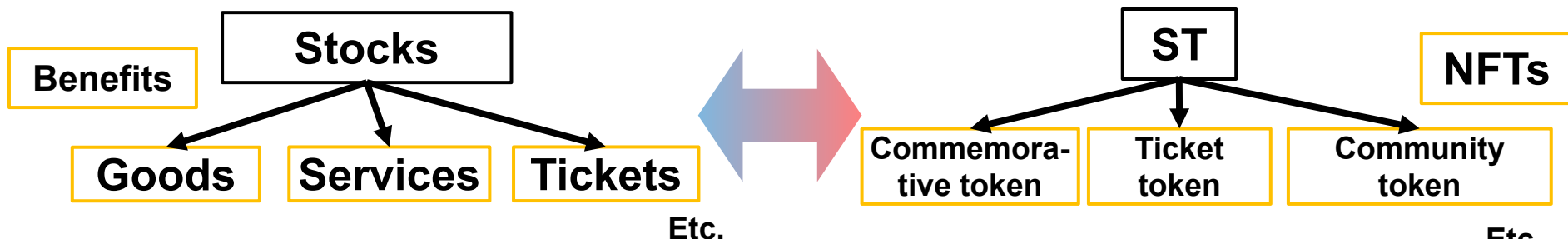
SBINFT Makes the World of WEB3 More Accessible by Helping Corporate Clients Develop Their NFT Business

[Example of NFT related business]

- Support “Doodle Punch!”, a marketplace where doodles drawn by Japanese celebrities such as cultural figures, entertainers are sold as NFTs



- Provides the ability to **issue and manage “STs with benefit NFTs”** by linking SBINFT’s NFT platform with Securitize’s ST platform. NFTs are granted as various digital benefits in the image of shareholder benefits



(iv) SBI Traceability contributes to expansion of food export with brand protection technology

“SHIMENAWA” service uses blockchain technology (Corda) **contributes to expanding exports of attractive Japanese agricultural, forestry, fishery and food products**. It also contributes to the improvement of food self-sufficiency from the viewpoint of food security

< The case of sake (Nihonshu) >

Launched “SHIMENAWA for SAKE” as a technology to protect sake brands through digital pairing with RFID technology that incorporates IC chips into sake bottle packages. It provides functions such as “proof of authenticity” and “detection of opening”

Leading sake breweries in Japan are introducing “SHIMENAWA” one after another

**Katoukichibee
Shouten
“BORN”**

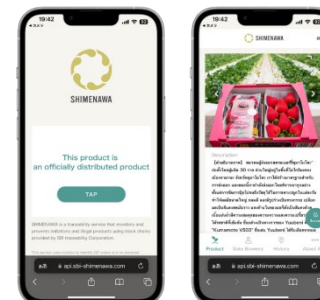
**Niizawa Brewery
“Premium Line”**

**The TOKISAKE
ASSOCIATION**

< The Case of Agricultural Products >

Introduced SHIMENAWA to sell Kumamoto prefecture strawberries at Pan Pacific International Holdings Corporation’s “DON DON DONKI Thailand” store in central Bangkok

<App screen>



<Storefront>



(v) Various Measures to Increase Brand Recognition in the Digital Space Through Events Targeting the Younger Generation

Hosted “**SBI Neo festival NEXUM 2023**,” a combined e-sports and urban sports competitions in the Metaverse, which was held on March 4-5



Streamed simultaneously on YouTube and elsewhere, with over 260k participants viewing on the official stream alone. More than 80% were members of the digital generation aged 34 or under

Over 3m participants if individual streams by competitors are also counted

Hosted “**SBI Gaming Kids Day with Pokémon UNITE**,” an e-Sports Event for Children

- ✓ The event is targeted at elementary school students and is intended to increase awareness of the SBI brand among customer segments that the SBI Group does not normally reach
- ✓ The video of the event has already achieved a certain level of success, with the number of views surpassing 150,000 in the first month after its release and the percentage of female viewers exceeding 30%



[Reference] Group Overview

Number of Companies and Employees of the SBI Group (Consolidated)

Number of Group companies

	End of Mar. 2022	End of Mar. 2023
Consolidated subsidiaries (companies)	442	518
Consolidated partnerships (partnerships)	51	62
Total consolidated subsidiaries (companies)	493	580
Equity method affiliated companies (companies)	62	63
Total Group companies (companies)	555	643

Number of employees (Consolidated)

	End of Mar. 2022	End of Mar. 2023
Total employees	17,496	18,756

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