

Securities Code: 8473

June 8, 2021

Yoshitaka Kitao

Representative Director, President & CEO

SBI Holdings, Inc.

1-6-1, Roppongi, Minato-ku, Tokyo, Japan

**CONVOCATION NOTICE
FOR THE 23RD ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

Notice is hereby given that the 23rd Ordinary General Meeting of Shareholders of SBI Holdings, Inc. (the “Company”) will be held as detailed hereinafter, and your attendance is cordially requested.

In the event that you are unable to attend the meeting, you may exercise your voting rights using one of the methods below. To do so, we kindly ask that you first examine “THE REFERENCE MATERIALS FOR THE GENERAL MEETING OF SHAREHOLDERS” set out later in this document, and then exercise your voting rights by the close of the Company’s business (5:45 p.m., Japan time) on Monday, June 28, 2021.

Exercise of Voting Rights in Writing

Please indicate on the Voting Rights Exercise Form enclosed herewith your approval or disapproval of the proposals and return the form. The form must reach the Company by the above-mentioned deadline.

Exercise of Voting Rights via the Internet

Please refer to “How to Exercise Voting Rights via the Internet” on pages 4 to 5 and exercise your voting rights by the above-mentioned deadline.

Particulars

- 1. Date and time: Tuesday, June 29, 2021, at 10 a.m., Japan time**
- 2. Location: Heian Room, 1st Floor, The Okura Prestige Tower of The Okura Tokyo, 2-10-4 Toranomom, Minato-ku, Tokyo, Japan**
- 3. Matters to be dealt with at the Meeting:**

Matters for Reporting

1. Report on the Business Report and the Consolidated Financial Statements, and report on results of the audit by the Accounting Auditor and the Board of Statutory Auditors

on the Consolidated Financial Statements for the 23rd fiscal year (from April 1, 2020 to March 31, 2021)

2. Report on the Non-Consolidated Financial Statements for the 23rd fiscal year

Matters for Resolution

First Item of Business Election of Fifteen (15) Directors

Second Item of Business Election of One (1) Substitute Statutory Auditor

— End of convocation notice —

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- * **Notice regarding measures to be taken to prevent novel coronavirus infections**
 - If you plan to attend the meeting, please monitor your physical condition up to and on the day of the meeting, and if you feel unwell, please refrain from attending the meeting.
 - If you are unable to attend the meeting, images of the meeting will be streamed live via the Internet so that you can view the proceedings of the meeting from your home instead of attending the meeting. Please also consider exercising your voting rights in writing or via the Internet before the day of the meeting.
 - At the entrance of the Meeting Room, your temperature may be taken using thermography or another method and you may be asked to wear a mask.
 - Entry to the Meeting Room will be accepted in the order of arrival, and we may limit the number of shareholders who can enter the Meeting Room in order to ensure distancing between seats in the Meeting Room.

 - * Attendees are kindly requested to submit the enclosed Voting Rights Exercise Form at the reception desk at the entrance of the meeting room.

 - * If a shareholder exercises voting rights by proxy, another shareholder who holds voting rights may attend the general meeting of shareholders as that proxy. However, please understand that submission of a written document certifying the proxy's authority is required.

 - * In the event of any changes being made to "THE REFERENCE MATERIALS FOR THE GENERAL MEETING OF SHAREHOLDERS," the "Business Report," "Consolidated Financial Statements," or to the "Financial Statements," matters as changed will be posted on the Company's website on the Internet.

 - * For the purpose of reducing resource consumption, we will not send notices of resolutions and other notices after the Ordinary General Meeting of Shareholders and will post such notices on the Company's website on the Internet for this meeting and future meetings. Thank you for your understanding.

The Company's website (<https://www.sbigroup.co.jp/investors/index.html>)

Information Regarding Debriefing Session on Recent Management News

We hereby inform you that, after the close of the Ordinary General Meeting of Shareholders, we will hold a debriefing session on recent developments in management at the same location.

In this session, held separately from the Ordinary General Meeting of Shareholders, we would like to provide our shareholders with details of the Group's business activities and explain our future prospects. We also hope to address questions or inquiries from our shareholders.

It is planned that images from the debriefing session on recent developments in management will be subsequently made available on the Company's website so that you can view the proceedings of the session. Please consider taking advantage of this service from the perspective of preventing novel coronavirus infections.

How to Exercise Voting Rights via the Internet

1. Exercising voting rights via the Internet

- (1) You may exercise voting rights at “the website for exercising voting rights” designated by the Company (the URL below) instead of exercising your voting rights in writing. If you wish to exercise your voting rights at this website, please log in to the website with the code and the password for exercising voting rights that are set out on the right-hand side of the Voting Rights Exercise Form enclosed herewith and enter the necessary matters by following the instructions that appear onscreen. In order to ensure security, you will need to change the password when you log in to the website for the first time.

<https://soukai.mizuho-tb.co.jp/>

- (2) The deadline for exercising voting rights is 5:45 p.m. on Monday, June 28, 2021 (JST), and you will need to have finished the voting process by that time. Please exercise your voting rights as soon as possible.
- (3) If you have exercised your voting rights both in writing and via the Internet, your vote via the Internet will be the effective vote. If you have exercised your voting rights multiple times via the Internet, your last vote will be the effective vote.
- (4) The password for exercising voting rights (including passwords changed by shareholders) is only effective for this Ordinary General Meeting of Shareholders. A new password for exercising voting rights will be issued to each shareholder for the next general meeting of shareholders.
- (5) You will bear all costs for your Internet connection.

(Note)

- The password for exercising voting rights is a means for confirming the identity of individual voters. Please note that the Company will not contact you to request information about your password.
- If you enter the wrong password a certain number of times, the website will become locked and you will be unable to use it. If the website is locked, please follow the instructions that appear onscreen.
- Although the compatibility of the website for exercising voting rights has been verified with devices commonly used for accessing the Internet, in some cases your device might not be able to access the website.

2. Inquiries

If you have any concerns, please contact the Stock Transfer Agent Department, Mizuho Trust & Banking Co., Ltd. (below), which is the shareholder registry administrator.

(1) Contact details for inquiries about operating instructions or the like regarding the website for exercising voting rights

Toll free number: 0120-768-524 (Weekdays from 9:00 a.m. to 9:00 p.m.)

(2) Contact details for any inquiries for handling of shares other than that set out in (1) above

Toll free number: 0120-288-324 (Weekdays from 9:00 a.m. to 5:00 p.m.)

(For your reference)

If you are an institutional investor, you may use the Electronic Voting Platform operated by ICJ, Inc.

Attachment

Business Report
(April 1, 2020 to March 31, 2021)

The SBI Group will capitalize on accelerating social changes for further sustainable growth.

Yoshitaka Kitao
Representative Director, President & CEO
SBI Holdings, Inc.

I. GROUP

1. BUSINESS IN THE CONSOLIDATED FISCAL YEAR ENDED MARCH 31, 2021

(1) Progress of Business and Results

The Japanese economy continued to weaken in terms of employment and income conditions during the consolidated fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021) due to the impact of novel coronavirus infections in Japan and overseas, but corporate profits have gradually improved. Japanese stock market conditions strengthened based on recovery trends in the Japanese economy and the strong U.S. stock market despite lingering caution regarding infections, and the combined individual stock trading value on two stock exchanges* increased by 52.2% when compared with that of the consolidated fiscal year ended March 31, 2020.

Under these economic circumstances, the Company's consolidated business performance in the consolidated fiscal year ended March 31, 2021 resulted in revenue of ¥541.1 billion (a 47.0% year-on-year increase), profit before income tax expense of ¥140.4 billion (a 113.3% year-on-year increase), and ¥81.1 billion in the profit for the year attributable to owners of the Company (a 116.3% year-on-year increase), all of which are record highs since the foundation of the Company.

While the preference of consumers and investors to deal online continues to strengthen with improvements in digital transformation (DX), in the Financial Services Business, stock market conditions have made strong progress and the securities business performed well. In the Asset Management Business, appraisal profits and profits arising from sale of companies in which existing funds, etc. have been invested contributed to the achievement of record-high profits, and the performance for the full fiscal year of SBI SAVINGS BANK of South Korea generated a record-high result. In the Biotechnology, Healthcare & Medical Informatics Business, while an impairment loss of about ¥2.7 billion was recorded with respect to the U.S.-based Quark Pharmaceuticals, the deficit in the same business segment saw an approximately ¥2.8 billion improvement when compared with that of the consolidated fiscal year ended March 31, 2020 following the end of relevant clinical trials.

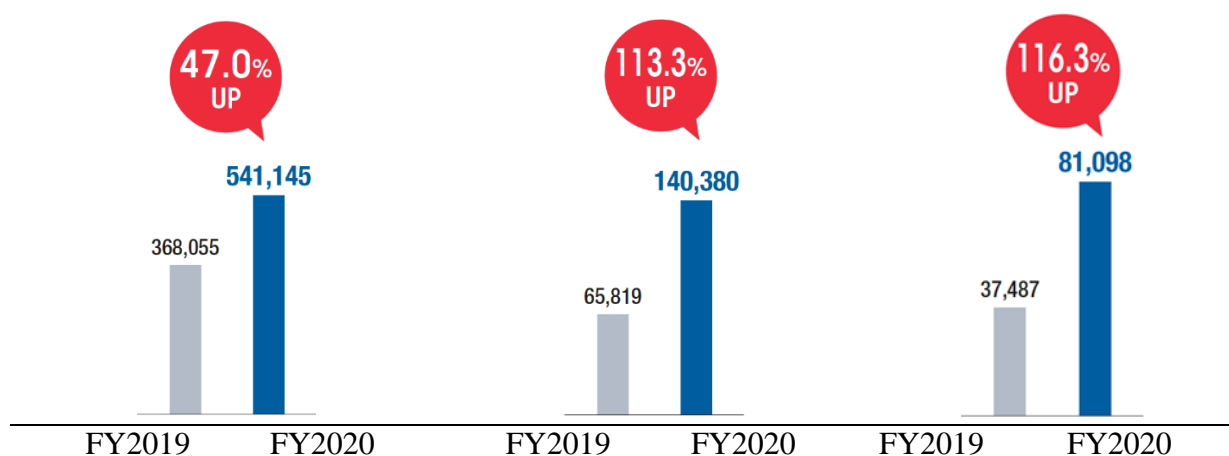
The consolidated business performance in the consolidated fiscal year ended March 31, 2021 includes a loss of about ¥14.5 billion that was recorded following the commencement of efforts towards redemption of an amount equivalent to the unredeemed principal in some funds that are handled by SBI Social Lending Co., Ltd.

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

Revenue (millions of yen)

Profit before income tax expense (millions of yen)

Profit for the year attributable to owners of the Company (millions of yen)



(2) POLICY ON DETERMINATION OF DIVIDENDS FROM SURPLUS

The Company believes that increasing distributions to shareholders is an important managerial measure that leads to the enhancement of shareholder value, so it makes decisions regarding distributions to shareholders based on a comprehensive view of consolidated business performance and other factors.

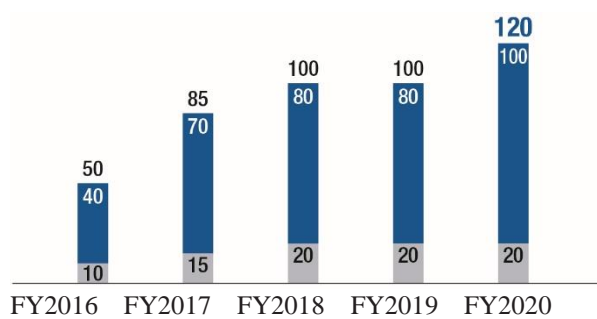
With respect to dividends from surplus, the basic profit distribution policy of the Company is to target a payout of a minimum of ¥10 per share on an annual dividend payment. Depending on the adequacy of retained earnings for sustainable growth and business forecasts, the Company strives to increase the payout amount in the future. With respect to levels for the total amount of return for the dividends and acquisition of own stock, the Company has, for the time being, declared its intention to achieve a return to shareholders of no less than 40% of the profit for the year attributable to owners of the Company. However, the Company decides the amount of return after deducting the total amount of fair value gain (loss) from the consolidated profit before income tax expense of the Company and making other similar adjustments, depending on the percentage of the total amount of fair value gain (loss) for operational investment securities without cash flow in the consolidated profit before income tax expense of the Company.

Based on the aforementioned basic policy and the consolidated business performance for the consolidated fiscal year ended March 31, 2021, the Company paid an interim dividend of ¥20 per share in the consolidated fiscal year ended March 31, 2021 and, in addition to that, decided to pay a year-end ordinary dividend of ¥100 per share, which constitutes an increase of ¥20 year-on-year. As a result, the total annual dividend for the consolidated fiscal year ended March 31, 2021 is ¥120 per share.

Dividend per Share (yen)

Blue: Year-end

Gray: Mid-term



(Note) The year-end dividend per share for FY2018 includes a dividend of ¥5 to commemorate the 20th anniversary since the Company's founding

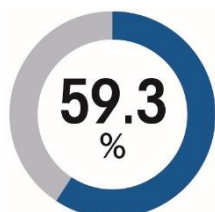
(3) Outline of Each Business Segment

(i) Financial Services Business

Revenue: **311,724** million yen (a 31.7% year-on-year increase)

Profit before income tax expense: **85,755** million yen (a 67.2% year-on-year increase)

Ratio of revenue breakdown*



While the preference of consumers and investors to deal online continues to strengthen with improvements in digital transformation (DX), SBI SECURITIES, which is the largest revenue source in the Group, achieved record-high results in all revenue items as brokerage commissions grew following lively Japanese and foreign stock market conditions and increased trading profits from FX, crypto assets trading, and sales of foreign bonds. Dependence on income from brokerage commissions of Japanese stocks generated by online trading has declined due to further diversification of revenue sources, and, to a certain degree, the Company anticipates that profits enabling the Company to eliminate such commissions in the future will be secured. The number of agreements held by SBI Insurance Group has increased strongly and the business scale of the equity method associate SBI Sumishin Net Bank has steadily increased, which led to an increase in income and revenue for both companies.

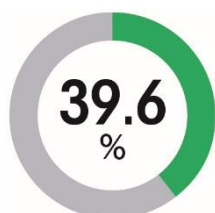
As a result, the performance of Financial Services Business for the consolidated fiscal year ended March 31, 2021 resulted in revenue of ¥311.7 billion (a 31.7% year-on-year increase) and profit before income tax expense of ¥85.8 billion (a 67.2% year-on-year increase), which are record highs.

(ii) Asset Management Business

Revenue: **208,332** million yen (a 64.6% year-on-year increase)

Profit before income tax expense: **84,853** million yen (a 127.9% year-on-year increase)

Ratio of revenue breakdown*



Appraisal profits and profits arising from sale of companies invested in by Fintech funds, SBI A&B fund, and other funds that have moved into the harvesting phase contributed to profits and

losses due to changes in fair value, and profits and losses arising from sale, for stocks held at the end of each fiscal year calculated in accordance with IFRS. Performance for the full fiscal year of SBI SAVINGS BANK of South Korea generated a record-high result and contributes a stable revenue source that continues to support business performance in this segment, as performing loans have steadily increased and delinquency rates for loans overall remained low (1.6%). As a result, operation of Asset Management Business for the consolidated fiscal year ended March 31, 2021 resulted in revenue of ¥208.3 billion (a 64.6% year-on-year increase) and profit before income tax expense of ¥84.9 billion (a 127.9% year-on-year increase), which are record-high results.

The Group will continue to expand its investments in business fields that meet the needs of the times, such as investments in venture companies with innovative technologies and services in a wide range of industries with a focus on industries related to DX (digital transformation), which is a pressing issue for society.

(iii) Biotechnology, Healthcare & Medical Informatics Business

Revenue: **5,627** million yen (a 43.5% year-on-year increase)

Profit before income tax expense: **8,630** million yen (loss) (a loss of 11,431 million yen was recorded in the consolidated fiscal year ended March 31, 2020)

Ratio of revenue breakdown*



Following rising health consciousness amid the coronavirus pandemic, there was steady expansion in sales of SBI ALApromo, which is expanding its product offerings containing 5-aminolevulinic acid (5-ALA), such as various types of foods with functional claims and health foods. On the other hand, while an impairment loss of about ¥2.7 billion was recorded with respect to the U.S.-based Quark Pharmaceuticals, the deficit in the same business segment saw an approximately ¥2.8 billion improvement when compared with that of the consolidated fiscal year ended March 31, 2020 following the end of relevant clinical trials. Negotiations related to U.S.-based Quark Pharmaceuticals commenced with multiple candidates and prioritized the sale of stock, and concurrent sales of intellectual properties, etc. held by Quark Pharmaceuticals have also proceeded. Although Quark Pharmaceuticals' loss before income tax expense was about ¥4.2 billion for the consolidated fiscal year ended March 31, 2021, that loss is expected to shrink to around ¥1 billion for the consolidated fiscal year ending March 31, 2022. The Company has also made Medical Data Vision Co., Ltd. an equity-method affiliate during the consolidated fiscal year ended March 31, 2021 and intends to develop the Medical Informatics Business as a new revenue source.

* The ratio of revenue breakdown by business segment is presented as the composite ratio of the total revenue of the Financial Services Business, the Asset Management Business, and the Biotechnology, Healthcare & Medical Informatics Business.

2. MANAGEMENT ISSUES

Since its founding in 1999, the Group has utilized the Internet as its primary channel in Japan and built up a business ecosystem for the Financial Services Business with securities, banking, and insurance as its core businesses. The Group completed the creation of this business ecosystem in 2016, and a globally unique comprehensive financial conglomerate was born. The Group has also been involved in the incubation of venture companies since its founding, with investments focused on next-generation growth fields in Japan and overseas and with active investment in Asian countries with remarkable growth.

As the introduction of advanced technologies, such as AI, blockchain/distributed ledger technology (DLT), as well as big data, IoT, and robotics that are compatible with those technologies, proceeds rapidly in various industries including the financial industry, the Group believes it is important to continue actively investing in, and building alliances with, promising companies involved with these advanced technologies, in addition to using these advanced technologies to develop new services and strengthening efforts towards the creation of new financial businesses in the financial services offered by the Group, and in doing so seek to increase our competitive strength and further distinguish ourselves from our competitors.

The Group establishes an SBI Group corporate vision that it endeavors to achieve in the medium term. In light of the status of achievement of the current corporate vision established in April 2018, changes in the business environment surrounding the Group, and other factors, the Group has formulated a new medium-term corporate vision starting from FY2021.

SBI Group's New Medium-Term Corporate Vision (for three to five years from April 2021)

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

(*) A new business is any business that utilizes innovative technologies, such as those related to crypto assets, blockchain, or other technologies, and any business that has become a part of the Group through M&A since April 2018

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

The Group has established the Sustainable Growth Goals (SGGs) listed on the next page and will promote key measures to realize the new medium-term corporate vision.

SBI Group's Sustainable Growth Goals (SGGs)	
1.	Thoroughly develop an open alliance strategy with every Group company to build an ecosystem that efficiently creates synergies with partners that have large customer bases
2.	Actively invest in venture companies with innovative technologies that develop new business frontiers, and introduce these technologies within the SBI Group so that the technology is diffused to alliance partners, resulting in maximized synergy that is organically integrated through technology
3.	Enter into the digital finance space aggressively and multidirectionally to expand new business; promote global expansion in the space, based on the policy of integrating internal and external operations
4.	Expand Group assets under management from the current ¥4.4 trillion level to more than ¥10 trillion

In order to achieve SGG 1, in the securities-related business, the Group will expand its customer base through realization of the Neo-securities initiatives and will endeavor to spread synergies across the SBI Group as a whole while efficiently utilizing big data. In the banking field, the Group will promote the Neo-bank initiative by means of alliances with various companies and will build a platform for creating efficient synergies for the Group as a whole in a manner similar to that employed in the securities field. Further, efforts to realize regional revitalization, which has become a social issue in Japan, will be promoted through collaboration with not only regional financial institutions but also various partners.

In order to achieve SGG 2, the Group will promote (a) investment in venture companies that have innovative technologies, (b) introduction into the SBI Group of superior technologies of the investee venture companies, and (c) diffusion of technologies to alliance partners and the like.

In order to achieve SGG 3, the Group will earnestly take on the challenge of developing new businesses related to digital assets that incorporate advanced technologies, such as blockchain. The Group will promote the establishment of a global distribution market for security tokens with a view to development of a primary market as well as cooperation with overseas exchanges including investee companies and alliance partners of the SBI Group. The Group has also commenced preparations to establish Japan's first digital asset bank by actively introducing technology and knowledge of investee companies through investment from venture funds to digital asset-related companies. As described above, the online financial ecosystem that the SBI Group has already built and new technologies, such as blockchain, will be organically linked by exhaustively seeking synergies with companies within the SBI Group as well as investee companies and alliance partners, and the Group will endeavor to build a digital financial ecosystem with blockchain and distributed ledger technology (DLT) as the core technologies.

Lastly, with regard to SGG 4, the Group will endeavor to expand the Group's assets under management to over ¥10 trillion by March 2026 at the latest. Specifically, in the venture capital business, where the Group has concentrated its investment in fintech fields and venture companies with original technologies since 2015, the "special purpose acquisition company (SPAC)" method and the like will be utilized for harvesting, and the Group will also start full-fledged investment from new funds. In the asset management consignment business, the Group will promote collaboration with leading foreign asset managers with a view to strengthen optimization and enhancement of portfolios in line with current trends and seek to expand assets under management from regional financial institutions and the like. In the overseas financial business, the Group will further enhance the operating base focusing on banks and securities that

it has built overseas and also promote efficient arbitrage that uses differences between domestic and foreign interest rates and currency exchange fluctuations, by which the Group will improve operational performance.

In conclusion, the Group recognizes that continuous enhancement of human resources is an essential Group-wide initiative. It has become increasingly important to secure highly competent individuals that support our rapidly expanding businesses and to continue developing the skills of our employees. For this purpose, we have been exerting greater efforts in hiring excellent individuals who are willing to share the management philosophy of the Group and will immediately contribute to the Group irrespective of gender, nationality, race, or the like, as well as recruiting university graduates to secure human capital for passing on the Group's unique corporate culture from one generation of employees to the next. University graduates employed since April 2006 already contribute strongly in key positions of the organization as people who may advance to senior executive positions and decide the future of the Group as it rapidly expands. We will continue to secure highly competent and globally oriented human resources and promote career development of our staff in pursuing sustainable growth and development of the Group.

For your reference

Status of achievement of corporate vision established in April 2018

Develop the Financial Services, Asset Management, and Biotechnology, Healthcare & Medical Informatics Businesses, so that the profit before income tax expense composition by segment in three years will be 5:4:1, while that in five years will be 5:3:2, respectively

Status of consolidated profit before income tax expense (IFRS) for each business segment for the past three fiscal years

(hundreds of millions of yen)

	Financial Services Business	Asset Management Business	Biotechnology, Healthcare & Medical Informatics Business
FY2018	669 (composition: 68%)	511 (composition: 52%)	192 (loss) (composition: 20% (loss))
FY2019	534 (composition: 69%)	352 (composition: 46%)	114 (loss) (composition: 15% (loss))
FY2020	858 (composition: 53%)	849 (composition: 52%)	86 (loss) (composition: 5% (loss))

Targeting consolidated profit before income tax expense of over ¥100 billion within the next year or two		
<u>FY2018</u> ¥83.0 billion	<u>FY2019</u> ¥65.8 billion	<u>FY2020</u> ¥140.4 billion

Maintain ROE above 10%		
<u>FY2018</u> 11.9%	<u>FY2019</u> 8.3%	<u>FY2020</u> 16.0%

Annual dividends to the level of ¥100 per share		
<u>FY2018</u> ¥100 (including a dividend of ¥5 per share commemorative dividend)	<u>FY2019</u> ¥100	<u>FY2020</u> ¥120

Endeavor to achieve a market cap of ¥1 trillion , by actualizing intrinsic corporate value
At its peak: ¥812.6 billion (March 19, 2021, closing price: ¥3,335)

3. Capital Expenditure

The amount of capital expenditure for the consolidated fiscal year ended March 31, 2021 was ¥35,748 million.

This amount mainly resulted from a capital expenditure made in the amount of ¥18,960 million focusing on enhancement of existing trading systems and software development to provide new services in order to smoothly respond to the increase in the number of orders caused by the increase in the number of customers as well as to provide the customers with expanded services in Financial Services Business.

4. Financing

In the consolidated fiscal year ended March 31, 2021, the Company issued unsecured bonds (two-year bonds) under the MTN Program in April 2020 in the aggregate principal amount of ¥30,000 million, the 21st unsecured bonds (three-year bonds) and the 22nd unsecured bonds (five-year bonds) in June 2020, in the aggregate principal amount of ¥15,000 million for the issue of the 21st unsecured bonds and ¥10,000 million for the issue of the 22nd unsecured bonds, the 23rd unsecured bonds (three-year bonds) and the 24th unsecured bonds (five-year bonds) in December 2020, in the aggregate principal amount of ¥25,000 million for the issue of the 23rd unsecured bonds and ¥30,000 million for the issue of the 24th unsecured bonds, and euro-yen convertible bonds with stock acquisition rights due 2025 in July 2020 in the aggregate principal amount of ¥70,000 million. Further, the Company borrowed US\$300 million as a long-term loan payable from a financial institution in June 2020.

5. TRENDS IN GROUP PROPERTY AND GAINS (LOSSES)

Classification	20th consolidated fiscal year	21st consolidated fiscal year	22nd consolidated fiscal year	23rd consolidated fiscal year (consolidated fiscal year ended March 31, 2021)
	April 1, 2017 to March 31, 2018	April 1, 2018 to March 31, 2019	April 1, 2019 to March 31, 2020	April 1, 2020 to March 31, 2021
Revenue <i>(millions of yen)</i>	337,017	351,411	368,055	541,145
Profit before income tax expense <i>(millions of yen)</i>	71,810	83,037	65,819	140,380
Profit attributable to owners of the Company <i>(millions of yen)</i>	46,684	52,548	37,487	81,098
Basic earnings per share attributable to owners of the Company <i>(yen)</i>	220.54	231.43	163.18	339.78
Total assets <i>(millions of yen)</i>	4,535,964	5,034,124	5,513,227	7,208,572
Total equity <i>(millions of yen)</i>	493,824	562,557	593,699	717,095
Equity per share attributable to owners of the Company <i>(yen)</i>	1,937.72	2,000.82	1,955.91	2,297.87

6. IMPORTANT PARENT COMPANY AND SUBSIDIARIES

(1) Status of Parent Company

Not Applicable

(2) Important Subsidiaries

(i) Important subsidiaries

Business Segment	Name	Ownership Ratio of Voting Rights or Investment Ratio (%) (Note 1)
Financial Services Business	SBI FINANCIAL SERVICES Co., Ltd.	100.0
	SBI SECURITIES Co., Ltd.	100.0 (100.0)
	SBI Liquidity Market Co., Ltd.	100.0 (100.0)
	SBI FXTRADE Co., Ltd.	100.0 (100.0)
	SBI MONEY PLAZA Co., Ltd.	66.6 (66.6)
	SBI Insurance Group Co., Ltd.	68.9
	SBI Life Insurance Co., Ltd.	100.0 (100.0)
	SBI Insurance Co., Ltd.	99.2 (99.2)
	SBI FinTech Solutions Co., Ltd.	77.5
Asset Management Business	SBI Capital Management Co., Ltd.	100.0
	SBI Investment Co., Ltd.	100.0 (100.0)
	SBI GLOBAL ASSET MANAGEMENT Co., Ltd.	100.0
	Morningstar Japan K.K.	41.6 (41.6)
	SBI Asset Management Co., Ltd.	100.0 (100.0)
	SBI Estate Finance Co., Ltd.	100.0 (5.0)
	SBI Hong Kong Holdings Co., Limited	100.0
	SBI VEN HOLDINGS PTE. LTD.	100.0
	SBI SAVINGS BANK	99.0 (99.0)

Business Segment	Name	Ownership Ratio of Voting Rights or Investment Ratio (%) (Note 1)
Biotechnology, Healthcare & Medical Informatics Business	SBI ALApharma Co., Limited	97.0 (97.0)
	SBI Pharmaceuticals Co., Ltd.	86.2 (86.2)
	SBI ALApromo Co., Ltd.	100.0 (100.0)
	SBI Biotech Co., Ltd.	87.6 (1.1)

(Note)

1. The “Ownership Ratio of Voting Rights or Investment Ratio” column states the ownership ratio of voting rights. The numbers in brackets represent the indirect ownership ratio included.
2. Quark Pharmaceuticals, Inc. has been removed from the important subsidiaries since its importance decreased.

(ii) Matters concerning specified wholly owned subsidiary companies

Name	Address	Total book value	The Company’s total assets
SBI FINANCIAL SERVICES Co., Ltd.	1-6-1, Roppongi, Minato-ku, Tokyo, Japan	¥260,854 million	¥1,085,970 million

(Note) SBI FINANCIAL SERVICES Co., Ltd. is an intermediary holding company that has under its umbrella the Group companies operating the Financial Services Business.

7. PRINCIPAL BUSINESS DESCRIPTION OF THE GROUP
(as of March 31, 2021)

The Group's primary businesses are the "Financial Service Business," which offers financial products and related services mainly in securities, bank, and insurance businesses, the "Asset Management Business," which offers services related to investment in IT, fintech, blockchain, finance, and biotechnology-related venture companies inside and outside of Japan, a financial services business overseas, and asset management, and the "Biotechnology, Healthcare & Medical Informatics Business," which conducts development and distribution of pharmaceutical products, health foods, and cosmetics and a medical informatics business.

8. PRINCIPAL PLACE OF BUSINESS OF THE GROUP
(as of March 31, 2021)

- (1) Japan
Tokyo: The Company and headquarters of the principal subsidiaries in Japan
- (2) Overseas
Hong Kong: SBI Hong Kong Holdings Co., Limited
- Singapore: SBI VEN CAPITAL PTE. LTD.
- Shanghai: SBI (China) Co., Ltd.

9. EMPLOYEES OF THE GROUP (as of March 31, 2021)

Business Segment	Number of Employees
Financial Services Business	5,832
Asset Management Business	2,905
Biotechnology, Healthcare & Medical Informatics Business	172
Others	141
Company-wide (Common)	159
Total	9,209

(Note)

- The number of employees represents the number of employed workers and is stated in relation to business segment.
- The company-wide (common) employees belong to the administrative or other divisions of the Company.
- The number of employees increased by 1,206 from March 31, 2020 mainly due to Rheos Capital Works Inc becoming consolidated subsidiaries, and the increase in employees at SBI LY HOUR BANK PLC., SBI BITS Information Technology (Dalian) Co., Ltd. and SBI Business Innovator Co., Ltd..

10. PRINCIPAL LENDER (as of March 31, 2021)

(millions of yen)

Lender	Loan Balance
Mizuho Bank, Ltd.	136,422
Syndicated loans arranged by Mizuho Bank, Ltd.	55,000

Note: The table above states the principal loan balance, excluding call money.

II. COMPANY

1. SHARES (as of March 31, 2021)

- (1) Total Number of Shares Authorized for Issue 341,690,000 shares
- (2) Total Number of Issued Shares 244,639,390 shares
(including 15,084 shares of treasury stock)
- (3) Number of Shareholders 128,436 shareholders
- (4) Share Unit Number 100 shares

(5) Major Shareholders

Major Shareholder	Number of Shares Held shares	Percentage of Shares Held %
The Master Trust Bank of Japan, Ltd. (Trust account)	22,348,700	9.1
Custody Bank of Japan, Ltd. (Trust account)	14,754,600	6.0
The Bank of New York Mellon 140051	9,870,736	4.0
NORTHERN TRUST COPMPANY (AVFC) ACCOUNT NON-TREATY	9,620,054	3.9
The Bank of New York Mellon 140042	6,991,868	2.9
Custody Bank of Japan, Ltd. (Trust account 9)	5,510,039	2.3
JPMorgan Securities Japan Co., Ltd.	5,423,252	2.2
Yoshitaka Kitao	4,007,960	1.6
Custody Bank of Japan, Ltd. (Trust account 5)	3,702,700	1.5
State Street Bank West Client Treaty 505234	3,625,217	1.5

(Note) The percentage of shares held is calculated upon deducting the treasury stock.

(6) Other Important Matters Regarding Shares

The total number of issued shares has increased by 8,082,997 shares due to conversion of convertible bonds and exercise of stock acquisition rights. The disposal of 5,731,635 shares of treasury stock was conducted through conversion of convertible bonds and exercise of stock acquisition rights.

2. COMPANY OFFICERS

(1) Directors and Statutory Auditors (as of March 31, 2021)

Position	Name	Responsibilities and Other Significant Concurrent Offices Held
Representative Director, President & CEO	Yoshitaka Kitao	Representative Director and Chairman of SBI Investment Co., Ltd. Representative Director and Chairman of SBI SECURITIES Co., Ltd. Representative Director & President of SBI Pharmaceuticals Co., Ltd. Director and Chairman of SBI Liquidity Market Co., Ltd. Director of Morningstar Japan K.K. Director of Japannext Co., Ltd. Representative Director & CEO of SBI VC Trade Co., Ltd. Representative Director of SBI NEO FINANCIAL SERVICES Co., Ltd. Representative Director & President of Regional Revitalization Partners Co., Ltd. Representative Director and Chairman of SBI FINANCIAL SERVICES Co., Ltd. Director and Chairman of SBI Capital Management Co., Ltd. Representative Director and Chairman of SBI Digital Asset Holdings Co., Ltd. Representative Director & President of SBI GLOBAL ASSET MANAGEMENT Co., Ltd. Representative Director of SBI Hong Kong Holdings Co., Limited Director of SBI VEN HOLDINGS PTE. LTD. Director of SBI ALApharma Co., Limited
Representative Director, Senior Executive Vice President & COO	Katsuya Kawashima	Representative Director and President of SBI Investment Co., Ltd. Director of SBI SECURITIES Co., Ltd. Director of SBI Sumishin Net Bank, Ltd. Director of SBI SAVINGS BANK Representative Director and President of SBI Regional Business Investment Co., Ltd. Director of SBI NEO FINANCIAL SERVICES Co., Ltd. Representative Director and President of Money Tap Co., Ltd. Director of SBI Regional Bank Holdings Co., Ltd. Representative Director and President of SBI Capital Management Co., Ltd. Director of SBI FINANCIAL SERVICES Co., Ltd.
Representative Director, Senior Executive Vice President	Takashi Nakagawa	Director of SBI Investment KOREA Co., Ltd. Director of SBI Investment Co., Ltd.

Position	Name	Responsibilities and Other Significant Concurrent Offices Held
Representative Director, Senior Executive Vice President	Masato Takamura	Representative Director and President of SBI SECURITIES Co., Ltd. Director of Money Tap Co., Ltd. Director of SBI NEO FINANCIAL SERVICES Co., Ltd. Director of Rheos Capital Works Inc. Director of The Global Ltd. Outside Director of Ascot Corp. Representative Director and President of SBI FINANCIAL SERVICES Co., Ltd.
Senior Managing Director & CFO	Shumpei Morita	Representative Director of SBI Art Auction Co., Ltd. Representative Director of SBI Incubation Co., Ltd. Representative Director of SBI Point Co., Ltd. Representative Director of SBI EVERSPIN Co., Ltd. Representative Director of SBI Regional Bank Holdings Co., Ltd. Director of SBI Business Solutions Co., Ltd. Director of SBI Security Solutions Co., Ltd. Director of SBI Crypto Co., Ltd. Director of SBI Mining Chip Co., Ltd. Director of SBI FINANCIAL SERVICES Co., Ltd. Director of SBI Capital Management Co., Ltd. Director of Shimane Bank, Ltd.

Position	Name	Responsibilities and Other Significant Concurrent Offices Held
Director	Masayuki Yamada	General Counsel, Legal & Compliance Dept. of the Company Statutory Auditor of SBI GLOBAL ASSET MANAGEMENT Co., Ltd. Director of SBI Ventures Two Co., Ltd. Director of SBI Incubation Co., Ltd. Director of SBI CAPITAL Co., Ltd.
Director	Satoe Kusakabe	Managing Director of SBI SECURITIES Co., Ltd. Director of SBI VC Trade Co., Ltd. Director of Japannext Co., Ltd. Director of TaoTao Inc.
Director	Masaki Yoshida	Representative Director of YOSHIDAMASAKI INC. Representative Director and Chairman of Watanabe Entertainment Co., Ltd. Representative Director and Chairman of Biscuit Entertainment Co., Ltd. Director of MANIA MANIA Inc. Chairperson of Board of Trustees at WATANABE FOUNDATION FOR MUSIC & CULTURE A Member of The Rikkyo University Advisory Committee Advisor of KLab Inc.
Director	Teruhide Sato	Director of BEENEXT PTE. LTD. Director of Sen Do Technology Joint Stock Company Director of BEENEXT CAPITAL MANAGEMENT PTE. LTD.

Position	Name	Responsibilities and Other Significant Concurrent Offices Held
Director	Heizo Takenaka	Chairman & Director of Pasona Group Inc. Outside Director of ORIX Corporation Outside Director of MAYA SYSTEM Inc. Director of XICA Co., Ltd. President of Academy Hills Professor of Faculty of Global and Regional Studies at Toyo University Emeritus Professor at Keio University
Director	Yasuhiro Suzuki	Representative Director and President of digitalshiftwave Co., Ltd. President of Japan Omni Channel Association Visiting Professor at Joho Keiei Innovation Senmonshoku Daigaku
Director	Hiroshi Ito	Advisor of SBI Insurance Group Co., Ltd. Member of the Finance Committee of Tokyo American Club
Director	Kanae Takeuchi	Freelance announcer
Standing Statutory Auditor	Atsushi Fujii	Statutory Auditor of SBI Investment Co., Ltd. Statutory Auditor of SBI SECURITIES Co., Ltd. Statutory Auditor of SBI FINANCIAL SERVICES Co., Ltd. Statutory Auditor of SBI Capital Management Co., Ltd. Statutory Auditor of SBI Digital Asset Holdings Co., Ltd. Statutory Auditor of SBI NEO FINANCIAL SERVICES Co., Ltd.
Standing Statutory Auditor	Toru Ichikawa	Statutory Auditor of SBI FINANCIAL SERVICES Co., Ltd. Statutory Auditor of SBI Capital Management Co., Ltd. Statutory Auditor of SBI Digital Asset Holdings Co., Ltd. Statutory Auditor of SBI NEO FINANCIAL SERVICES Co., Ltd. Outside Statutory Auditor of Shimane Bank, Ltd.
Statutory Auditor	Minoru Tada	Statutory Auditor of SBI SECURITIES Co., Ltd. Statutory Auditor of SBI NEOMOBILE SECURITIES Co., Ltd.
Statutory Auditor	Yasuo Sekiguchi	Managing Director of Global Partners Consulting, Inc.

(Note)

1. Directors Teruhide Sato, Heizo Takenaka, Yasuhiro Suzuki, Hiroshi Ito, and Kanae Takeuchi are Outside Directors.
2. Standing Statutory Auditor Toru Ichikawa and Statutory Auditor Yasuo Sekiguchi are Outside Statutory Auditors.
3. Standing Statutory Auditor Atsushi Fujii is qualified as a Certified Public Accountant, and Statutory Auditor Yasuo Sekiguchi is qualified as a Certified Public Accountant and Certified Tax Accountant. Both of these Statutory Auditors have a considerable degree of knowledge regarding finance and accounting.
4. Directors who were newly elected and assumed office at the 22nd Ordinary General Meeting of

Shareholders held on June 26, 2020 are Hiroshi Ito and Kanae Takeuchi.

5. The Company designated Directors Teruhide Sato, Heizo Takenaka, Yasuhiro Suzuki, Hiroshi Ito, and Kanae Takeuchi as independent directors under the provisions of the Tokyo Stock Exchange and has notified the Exchange.
6. The Company designated Standing Statutory Auditor Toru Ichikawa and Statutory Auditor Yasuo Sekiguchi as independent directors under the provisions of the Tokyo Stock Exchange and has notified the Exchange.
7. As of March 31, 2021, Director Heizo Takenaka resigned from the position of Professor at the Faculty of Global and Regional Studies of Toyo University.

(2) Remuneration of Directors and Statutory Auditors

(i) Policy on Determination of Details of Executive Remuneration, etc.

The Company has established the Management Advisory Committee, the majority of which is composed of Independent Outside Directors, in order to secure fairness and clarity in the processes for determining executive remuneration, etc. The policy on determining the amount and calculation method of executive remuneration, etc. is to be decided by the Board of Directors after receiving feedback from the Management Advisory Committee. The policy on determining the amount and calculation method of remuneration for Directors for the fiscal year ended March 31, 2021 was decided by the Board of Directors after receiving a report and feedback from the Management Advisory Committee.

The amount of remuneration, which is made up of fixed basic remuneration as well as bonuses based on the Company's performance and restricted stock units, for each Director (excluding Outside Directors) is to be decided by the Board of Directors after receiving feedback from the Management Advisory Committee, and is to be within the total remuneration limits approved at the General Meeting of Shareholders. Similarly, the amount of remuneration for each Outside Director, which is made up of fixed basic remuneration and bonuses, is to be decided by the Board of Directors, and is to be within the total remuneration limit approved at the General Meeting of Shareholders. However, when these decisions have been entrusted to the Representative Directors by the Board of Directors, the Representative Directors will determine the above remuneration matters.

The basic remuneration is paid by monthly monetary remuneration and the amount of basic remuneration for each Director will be decided based on the following:

- The maximum amount of employee salary
- Remuneration paid to executives of the same rank in the past
- The Company's business performance outlook
- The prevailing rate of compensation for directors
- The degree of contribution to the Company's business performance
- The circumstances of assumption of office
- Other matters

Bonuses are paid annually in principle, restricted stock units are paid in a timely manner during the term of office of each Director, and the amounts paid to each Director as bonuses

and restricted stock units will be decided based on an overall assessment of basic factors, such as their work duties and how they are conducting their work, as well as the business environment, and their overall contribution to the Company. Accordingly, no particular quantitative targets are set.

The ratio of the basic remuneration, bonuses, and restricted stock units will be decided appropriately based on the business environment, level of remuneration in other companies, and other factors so that such remuneration acts as an incentive to enhance corporate value. Remuneration of Statutory Auditors is made up of only fixed basic remuneration, and the amount of remuneration for each Statutory Auditor is to be decided by consultation with the Statutory Auditors and is to be within the total remuneration limit approved at the General Meeting of Shareholders.

(ii) Total Amount, Etc. of Remuneration for the Fiscal Year ended March 31, 2021

Classification	Number of Officers Receiving Remuneration	Total Amount of Paid Remuneration
Directors (Outside Directors included)	14 officers (6 officers)	¥656 million (¥72 million)
Statutory Auditors (Outside Statutory Auditors included)	3 officers (2 officers)	¥24 million (¥11 million)
Total (Outside Directors and Outside Statutory Auditors included)	17 officers (8 officers)	¥680 million (¥83 million)

(Note)

1. The total amount of remuneration for Directors does not include employee remuneration for any director who concurrently serves as an employee.
2. One Statutory Auditor does not receive remuneration.
3. The amount stated in the table above includes remuneration for officers who retired from office during the fiscal year ended March 31, 2020.
4. The annual amount of remuneration for Directors resolved at the General Meeting of Shareholders must not exceed ¥1.5 billion (by a resolution at the 2nd Ordinary General Meeting of Shareholders held on November 13, 2000; the number of Directors immediately after the closing of that meeting was eight), and the annual amount of remuneration for Statutory Auditors resolved at the General Meeting of Shareholders must not exceed ¥100 million (by a resolution at the 2nd Ordinary General Meeting of Shareholders held on November 13, 2000; the number of Statutory Auditors immediately after the closing of that meeting was three). In addition to the remuneration above, a compensation system including restricted stock units has been introduced for Directors (excluding Outside Directors), as an incentive to continue to grow corporate value of the Company, and to further share value between that Directors and shareholders. The annual amount of remuneration under the system must not exceed ¥500 million (by a resolution at the 21st Ordinary General Meeting of Shareholders held on June 27, 2019; the number of Directors (excluding Outside Directors) immediately after the closing of that meeting was eight). The number of Directors provided for in the Articles of Incorporation is no more than 22, and the number of Statutory Auditors is no less than three.
5. The Board of Directors entrusted Representative Director, President & CEO Yoshitaka Kitao with the duty to decide the amount of fixed basic remuneration for each Director and rating distributions for bonuses based on the Company's performance, etc. for each Director excluding Outside Directors. The reason for this entrustment is that the Board of Directors considered Representative Director, President & CEO Yoshitaka Kitao an appropriate person to evaluate each Director upon taking into account the business performance and other factors of the Company as a whole. The amounts of such remuneration were decided after receiving feedback

from the Management Advisory Committee, the majority of which is composed of Independent Outside Directors, and the Board of Directors has determined that the details of such amounts were in line with the policy decided by the Board of Directors.

(iii) Total Amount of Executive Remuneration, etc. Received by Outside Officers from Subsidiaries

The total amount of remuneration, etc. received by outside statutory auditors as officers from the subsidiaries where they concurrently served as officers during the fiscal year ended March 31, 2020 was ¥3 million.

(3) Matters Regarding Outside Officers

(i) Relationship between the companies for which the Outside Officers hold significant concurrent offices and the Company (as of March 31, 2021)

Position	Name	Significant Concurrent Office
Director	Teruhide Sato	Director of BEENEXT PTE. LTD. Director of Sen Do Technology Joint Stock Company Director of BEENEXT CAPITAL MANAGEMENT PTE. LTD.
Director	Heizo Takenaka	Chairman & Director of Pasona Group Inc. Outside Director of ORIX Corporation Outside Director of MAYA SYSTEM Inc. Director of XICA Co., Ltd. President of Academy Hills Professor of Faculty of Global and Regional Studies at Toyo University Emeritus Professor at Keio University
Director	Yasuhiro Suzuki	Representative Director and President of digitalshiftwave Co., Ltd. President of Japan Omni Channel Association Visiting Professor at Joho Keiei Innovation Senmonshoku Daigaku
Director	Hiroshi Ito	Advisor of SBI Insurance Group Co., Ltd. Member of the Finance Committee of Tokyo American Club
Director	Kanae Takeuchi	Freelance television announcer
Statutory Auditor	Toru Ichikawa	Statutory Auditor of SBI FINANCIAL SERVICES Co., Ltd. Statutory Auditor of SBI Capital Management Co., Ltd. Statutory Auditor of SBI Digital Asset Holdings Co., Ltd. Statutory Auditor of SBI NEO FINANCIAL SERVICES Co., Ltd. Outside Statutory Auditor of Shimane Bank, Ltd.
Statutory Auditor	Yasuo Sekiguchi	Managing Director of Global Partners Consulting, Inc.

(Note)

1. SBI FINANCIAL SERVICES Co., Ltd., SBI Capital Management Co., Ltd., SBI Digital Asset Holdings Co., Ltd., SBI Insurance Group Co., Ltd., and SBI NEO FINANCIAL SERVICES Co., Ltd. are subsidiaries of the Company.
2. There is no transaction or other relationship to be noted between other companies above in which concurrent offices are held and the Company.
3. As of March 31, 2021, Director Heizo Takenaka resigned from the position of Professor at the Faculty of Global and Regional Studies of Toyo University.

(ii) Principal Activities in the Fiscal Year Ended March 31, 2020

- Attendance at the meetings of the Board of Directors and the Board of Statutory Auditors

		Meeting of Board of Directors		Meeting of Board of Statutory Auditors	
		Number of Times Attended	Attendance Rate	Number of Times Attended	Attendance Rate
Director	Teruhide Sato	12 / 12 times	100%	—	—
Director	Heizo Takenaka	12 / 12 times	100%	—	—
Director	Yasuhiro Suzuki	12 / 12 times	100%	—	—
Director	Hiroshi Ito	10 / 10 times	100%		
Director	Kanae Takeuchi	10 / 10 times	100%	—	—
Statutory Auditor	Toru Ichikawa	12 / 12 times	100%	15 / 15 times	100%
Statutory Auditor	Yasuo Sekiguchi	12 / 12 times	100%	15 / 15 times	100%

- Statements at meetings of the Board of Directors and the Board of Statutory Auditors and outline of duties performed with respect to expected roles as Outside Directors

Outside Directors Teruhide Sato, Heizo Takenaka, Yasuhiro Suzuki, Hiroshi Ito, and Kanae Takeuchi have, as Outside Directors, fulfilled roles to ensure the validity and appropriateness of the decision-making of the Board of Directors by asking questions from time to time regarding matters to be reported or resolved, offering opinions as necessary from an external point of view, and giving advice based on previous experiences at the meetings of the Board of Directors they attended.

Outside Statutory Auditor Toru Ichikawa has, based on his abundant experience and broad-ranging insight in the area of finance, and Outside Statutory Auditor Yasuo Sekiguchi has, from his expert perspective based on his experience as a Certified Public Accountant and Certified Tax Accountant, offered necessary statements on a timely basis at the meetings of the Board of Directors and the meetings of the Board of Statutory Auditors they attended.

(iii) Outline of Contracts for Limitation of Liability

The Company has executed contracts for limitation of liability with Outside Directors Teruhide Sato, Heizo Takenaka, Yasuhiro Suzuki, Hiroshi Ito, and Kanae Takeuchi to limit each of their liability under Article 423, Paragraph 1 of the Companies Act to the extent of the higher amount of either ¥1,000,000 or the minimum liability amount stipulated by laws and regulations under Article 427, Paragraph 1 of the Companies Act and Article 25, Paragraph 2 of the Company's Articles of Incorporation.

The Company has executed contracts for limitation of liability with Outside Statutory Auditors Toru Ichikawa and Yasuo Sekiguchi to limit each of their liability under Article 423, Paragraph 1 of the Companies Act to the extent of the higher amount of either ¥1,000,000 or the minimum liability amount stipulated by laws and regulations under

Article 427, Paragraph 1 of the Companies Act and Article 32, Paragraph 2 of the Company's Articles of Incorporation.

3. “STOCK ACQUISITION RIGHTS” IN BUSINESS REPORT (As of March 31, 2021)

- (1) Delivery of stock acquisition rights as consideration for the execution of duties and held by the Company officers as of March 31, 2021

Classification	Name of stock acquisition rights (Date of issuance)	Number of stock acquisition rights	Class and number of shares subject to stock acquisition rights	Exercise price (per share)	Exercise period	Number of holders of stock acquisition rights
Directors (excluding Outside Directors)	2017 Second Series of Stock Acquisition Rights (September 1, 2017)	100	Common stock; 10,000 shares	¥1,563	July 29, 2019 to September 30, 2024	1

(Note) The stock acquisition rights held by one Director above were granted before that person assumed office as a Director.

- (2) Delivery of stock acquisition rights to employees as consideration for the execution of duties during the fiscal year ended March 31, 2021

Classification	Name of stock acquisition rights (Date of issuance)	Number of stock acquisition rights	Class and number of shares subject to stock acquisition rights	Exercise price (per share)	Exercise period	Number of persons to whom stock acquisition rights were delivered
Employees of the Company	2020 Second Series of Stock Acquisition Rights (July 1, 2020)	5,687	Common stock; 568,700 shares	¥2,308	July 3, 2023 to September 29, 2028	120
Employees of subsidiaries	2020 Second Series of Stock Acquisition Rights (July 1, 2020)	32,277	Common stock; 3,227,700 shares	¥2,308	July 3, 2023 to September 29, 2028	1,051

(3) Other matters related to stock acquisition rights

- (i) The details of the 2020 First Series of Stock Acquisition Rights issued pursuant to the resolution of the meeting of the Board of Directors held on May 28, 2020 are as follows:

Classification	Name of stock acquisition rights	Class and number of shares subject to stock acquisition rights	Issue price (per stock acquisition right)	Exercise price (per share)	Exercise period	Number of persons to whom stock acquisition rights were delivered
Directors of the Company and subsidiaries	33,000	Common stock; 3,300,000 shares	¥5,500	¥2,280	July 3, 2023 to September 30, 2024	64

- (ii) The details of the stock acquisition rights attached to the euro-yen convertible bonds with stock acquisition rights due 2025 issued pursuant to the resolution of the meeting of the Board of Directors held on July 7, 2020 are as follows:

Number of stock acquisition rights	Class and number of shares subject to stock acquisition rights	Conversion price	Exercise period	Aggregate amount of the face value of the bonds
7,000	Common stock; number obtained by dividing the aggregate amount of the face value of the bonds by the conversion price	¥2,913	August 10, 2020 to July 11, 2025	¥70 billion

- (iii) All stock acquisition rights attached to the euro-yen convertible bonds with stock acquisition rights due 2022 issued pursuant to the resolution of the meeting of the Board of Directors held on August 29, 2017 were exercised during the fiscal year ended March 31, 2021.

4. “ACCOUNTING AUDITOR” IN BUSINESS REPORT

- (1) Name Deloitte Touche Tohmatsu LLC

- (2) Amount of remuneration of Accounting Auditor for the Company’s fiscal year ended March 31, 2021

¥374 million

- (3) Total amount of money and other property benefits to be paid by the Company and subsidiaries to Accounting Auditor

¥992 million

(Note)

1. Since the audit agreement between the Company and the Accounting Auditor does not clearly distinguish between the amount of remuneration for auditing under the Companies Act and the amount of remuneration for auditing under the Financial Instruments and Exchange Act and it is also not possible to substantially distinguish between them, the amount in (2) above represents the total amount.
2. The Board of Statutory Auditors has consented, as provided for in Article 399, Paragraph 1 of the Companies Act, to the remuneration of the Accounting Auditor after deliberating the adequacy of the details of the audit plan, scheduled period of the audit, and the basis for calculation of remuneration estimates that the Accounting Auditor explained to the Board of Statutory Auditors based on an evaluation of audit results for the fiscal year ended March 31, 2020.
3. The Company has paid the Accounting Auditor consideration for the preparation of a comfort letter and other services other than those set out in Article 2, Paragraph 1 of the Certified Public Accountant Act.
4. Four important subsidiaries of the Company are audited by auditors other than the Accounting Auditor of the Company.

(4) Policy on Determination of Removal or Disapproval of Reappointment

If the Accounting Auditor is deemed to fall under any item of Article 340, Paragraph 1 of the Companies Act, the Board of Statutory Auditors will remove the Accounting Auditor by consent of all Statutory Auditors. In that case, the Statutory Auditors elected by the Board of Statutory Auditors shall report the removal of the Accounting Auditor and the reason therefore at the first general meeting of shareholders convened after the removal.

In addition, in light of the independence and specialization of the Accounting Auditor, as well as the status of conduct of the Accounting Auditor's duties, the Board of Statutory Auditors shall make the removal or disapproval of reappointment of the Accounting Auditor a purpose of the general meeting of shareholders if it is deemed difficult for the Accounting Auditor to properly conduct an audit.

5. "SYSTEMS FOR ENSURING PROPER EXECUTION OF BUSINESS OPERATIONS" IN BUSINESS REPORT

Details of effective resolutions by the Board of Directors concerning systems in place at the end of the fiscal year ended March 31, 2021 to ensure the execution of duties by Directors complies with laws, regulations, and the Articles of Incorporation and to ensure the properness of operations of the Company and operations of the group of enterprises consisting of the Company and its subsidiaries are set out below.

- (1) System for Ensuring Execution of Duties by Directors and Employees are in Compliance with Laws and Regulations and Articles of Incorporation
 - (i) The Representative Director of the Company is responsible for making all officers and employees aware of the importance of compliance with laws and regulations, as well as ethical standards. Compliance and ethics are both vital aspects of operating within the Company's Management Philosophy and Corporate Vision.
 - (ii) The Company facilitates close communication among the Directors, supervises the performance of the Representative Director, and prevents violations of laws, regulations,

and the Articles of Incorporation by holding regular monthly meetings of the Board of Directors in accordance with the Rules for the Board of Directors and by holding other extraordinary meetings of the Board of Directors as necessary.

- (iii) Following a resolution by the Board of Directors, the Company appoints an Officer in Charge of Compliance matters, establishes a compliance department that is directly managed by that Director, and causes that Director and department to identify compliance-related issues and problems relating to the Company. In addition, following a resolution by the Board of Directors the Company establishes an Internal Auditing Department. The Internal Auditing Department is an organizational unit independent from all business administration divisions and administrative divisions that comprehensively and objectively evaluates the appropriateness of the Company's internal management structure, which involves compliance with laws and regulations, the appropriateness of operations and the proper management of internal controls, among other responsibilities. Also, recommendations are provided and follow-up measures are taken for the purpose of seeking improvement with respect to issues uncovered as a result of internal audits. Audits are conducted with the help of employees and, if necessary, external specialists.

The results of individual internal audits are reported promptly after completion of audits, and reports are provided to the Board of Directors through the Representative Director more than once every six months, in addition to regular reports to Statutory Auditors.

- (iv) The Company has established a Whistleblowing System for submitting reports directly to the Internal Auditing Department and the Statutory Auditors, allowing Directors and employees to provide information concerning violations at the Company of laws, regulations, and the Articles of Incorporation as well as important facts discovered involving compliance.

(2) System for Data Storage and Management Relating to Execution of Duties by Directors

- (i) The Company has, following a resolution by the Board of Directors, established the Rules for Document Management and stores and manages data relating to the execution of duties by the Directors by entering or recording that data on written documents or electromagnetic recordings ("Documents").
- (ii) Directors and Statutory Auditors may access Documents at any time.

(3) Regulations for Managing Risk of Loss and Other Similar Systems

- (i) The Company appoints an Officer in Charge of Risk Management in accordance with the Rules for Risk Management and other regulations established by the Board of Directors. The Company has also established risk management department to identify and properly evaluate and manage risks that may impede the execution of business operations or the attainment of our Management Philosophy and Corporate Vision.
- (ii) If any management crisis comes to light, then the Company deals with that crisis in accordance with the Rules for Crisis Management by (a) establishing a task force led by the Officer in Charge of Risk Management and (b) facilitating a structure that enables

timely and appropriate sharing of information relating to the management crisis among the Officer in Charge of Risk Management, the managers in charge of a risk management department, the General Affairs and Human Resources Department, the Corporate Communications Department, and the Legal and Compliance Departments, and other officers and employees who require that information.

(4) System for Ensuring the Efficient Execution of Duties by Directors

- (i) The Company determines allocation of duties following a resolution by the Board of Directors and clarifies the division of roles among the Directors.
- (ii) The Company facilitates a data system that enables appropriate and prompt decision-making.
- (iii) In principle, the Company holds regular monthly meetings of the Board of Directors and other extraordinary meetings of the Board of Directors as necessary, and in addition to solving problems that arise in each division in a timely and appropriate manner, makes the Directors aware of know-how gained from the problems solved. Through this process, the Company seeks to streamline execution of duties that Directors are responsible for while also streamlining operations throughout the Company as a whole.

(5) System to Ensure the Properness of Operations of the Group of Enterprises Consisting of the Company and its Subsidiaries

- (i) In order to ensure the properness of operations of the group of enterprises consisting of the Company and its subsidiaries (the “SBI Group”), the Company, in accordance with the Rules for Management of Affiliated Companies established by the Board of Directors, and out of respect for the management autonomy of each company, receives reports about matters relating to the execution of duties from directors and employees of companies belonging to the SBI Group and any person involved in the business of other corporate groups (the “SBI Group Officers and Employees”) and may conduct investigations within a necessary and reasonable extent.
- (ii) The Company has established a Whistleblowing System for submitting reports directly to the Statutory Auditors, enabling the SBI Group Officers and Employees to provide information concerning violations of laws, regulations, or the Articles of Incorporation or any other important facts relating to compliance. The Company reports to the Statutory Auditors on the status and details of reporting. In addition, the Company shall not dismiss or treat disadvantageously any person who makes a report using the Whistleblowing System or any of the SBI Group Officers and Employees or any statutory auditor of subsidiaries who makes reports to the Statutory Auditor on matters relating to the execution of duties by the SBI Group Officers and Employees.
- (iii) In order to ensure that the execution of duties by the SBI Group Officers and Employees conforms to laws, regulations, and the Articles of Incorporation, the Company shall, in accordance with the Compliance Rules established by the Board of Directors, hold compliance conferences to provide an opportunity to ascertain issues and matters and to exchange information about compliance for the entire SBI Group. The Officer in Charge of Compliance and a compliance department hold these conferences along with compliance officers from companies belonging to the SBI Group. These compliance

conferences are to be promptly convened when a request for convocation is made from a company belonging to the SBI Group.

- (iv) The Company, in accordance with the Rules for Internal Audit established by the Board of Directors, comprehensively and objectively evaluates the appropriateness of an internal management structure, which involves compliance with laws and regulations, the appropriateness of operations and the proper management of internal controls, among other responsibilities of companies belonging to the SBI Group. Also, in order to provide recommendations and to take follow-up measures for the purpose of seeking improvement with respect to issues uncovered as a result of internal audits, audits are conducted on those companies by the Internal Auditing Department. The results of individual internal audits are reported promptly after completion of audits, and reports are provided to the Board of Directors through the Representative Director more than once every six months, in addition to regular reports to Statutory Auditors.
 - (v) If the Directors discover any violation of laws, regulations, or the Articles of Incorporation or any other important facts relating to compliance with regard to the execution of duties by the SBI Group Officers and Employees, they report this information to the Company's Statutory Auditors, and the Statutory Auditor who takes receipt of that report shall notify the statutory auditor of the company in relation to which those important facts were discovered.
 - (vi) In order to manage risk of loss in the SBI Group, the Company, in accordance with the Rules for Management of Affiliated Companies, risk management and other regulations established by the Board of Directors, receives from persons in charge of risk management of companies belonging to the SBI Group regular and timely reports about situations related to the risk of losses in companies belonging to the SBI Group. If necessary, the Company's Officer in Charge of Risk Management and a risk management shall, upon consultation with the persons in charge of risk management, make preparations for cases where any loss arises.
 - (vii) In order to ensure efficient execution of duties by the SBI Group Officers and Employees, the Company instructs companies belonging to the SBI Group to determine allocation of duties following a resolution by the board of directors and to clarify the division of roles among the directors. If necessary, the Company shall provide a data system that enables appropriate and prompt decision-making.
- (6) System Relating to Employees Assisting Duties of Statutory Auditors When Appointment of Those Employees is Requested by Statutory Auditors, and Matters Relating to Independence from Directors of Those Employees

When requested by a Statutory Auditor, the Company appoints, for a period determined in consultation with the Statutory Auditor, an employee who is nominated by the Internal Auditing Department as having knowledge that enables that employee to assist with the Statutory Auditor's duties independent of the Directors' chain of command. In this case, the Statutory Auditor is consulted with in advance and the opinions of the Statutory Auditor are respected with regard to personnel changes and evaluation in relation to that employee.

- (7) System for Reporting by Directors and Employees to Statutory Auditors and System for

Other Types of Reporting to Statutory Auditors

The Directors and employees report to the Statutory Auditors in a timely and accurate manner when the Directors and employees come to know of any of the following concerning the SBI Group; in addition, the Directors and employees shall promptly explain the details and may not refuse to explain without reasonable grounds when the Directors and employees are asked by the Statutory Auditors for explanations on any of the following concerning the SBI Group:

- (a) any matter likely to cause significant damage to the Company;
- (b) any important matter relating to management;
- (c) any important matter relating to internal auditing;
- (d) any material violation of laws, regulations, or the Articles of Incorporation; or
- (e) any other matter judged an important matter by the Directors and employees.

(8) Other Systems for Ensuring that Statutory Auditors Effectively Execute Audits

- (i) The Company will, at the request of the Statutory Auditors, cause the Company's Directors and employees to hold regular meetings with the Statutory Auditors for the purpose of sharing information regarding management-based issues and problems of the SBI Group and, as necessary, facilitates sharing of information between Statutory Auditors and the Internal Auditing Department with the Accounting Auditor.
- (ii) The Company shall make efforts to develop a system that enables the Statutory Auditors to hold regular meetings with statutory auditors of important subsidiaries and cooperate with each other to ensure the effectiveness of auditing of the SBI Group.
- (iii) Any ordinary expenses arising in relation to the performance of the duties of the Statutory Auditors must be included in the Company budget in advance, based on the audit plan of the Board of Statutory Auditors. In addition, the Company shall, at the request of the Statutory Auditors, pay in advance or redeem, or otherwise dispose of debts with respect to, any expenses arising in relation to the performance of the duties of the Statutory Auditors, including urgent or extraordinary audit expenses.

(9) System for Ensuring Reliability of Financial Reports

The Company maintains an effective and proper management system for its internal control reporting system with respect to financial reports pursuant to the applicable relevant laws and ordinances in order to ensure the reliability of financial reports and carries out continuous facilitation, management and evaluation of that system and promptly takes measures if any improvement is required.

(10) System for Exclusion of Anti-social Organizations

The SBI Group declares in its code of conduct its intent to resolutely defy anti-social organizations and facilitates an internal system for strengthening collaborative efforts by establishing a department for carrying out anti-social organization exclusion initiatives in the Company and by sharing knowledge with the police, centers for eliminating anti-social organizations, lawyers, and other external professional institutions. Efforts are also made to increase awareness of the requirement to cut off relationships with anti-social organizations, by carrying out training for the SBI Group Officers and Employees. In addition, the Company promotes awareness of this initiative by distributing to the SBI

Group, and by posting on the SBI Group’s intranet, manuals for dealing with anti-social organizations in accordance with the “Guidelines for Enterprises to Prevent Damage Caused by Antisocial Forces.”

6. “OPERATIONAL STATUS OF SYSTEMS FOR ENSURING PROPER EXECUTION OF BUSINESS OPERATIONS” IN BUSINESS REPORT

A summary of the operational status of systems in place at the end of the fiscal year ended March 31, 2021 for ensuring proper execution of business operations is set out below.

- (1) System for Ensuring Execution of Duties by Directors and Employees are in Compliance with Laws and Regulations and Articles of Incorporation

The first point of the Company’s Management Philosophy is the concept of “Sound Ethical Values,” and the Company has clearly conveyed and ensured that its officers and employees are aware that legal compliance and sound ethical values are a fundamental tenet of the Company. The Company held twelve regular meetings of the Board of Directors, and in addition to endeavoring to achieve mutual understanding among our Directors, the Board of Directors has overseen the execution of duties by the Representative Director and actively prevented acts in breach of laws, regulations, or the Articles of Incorporation. The Company has also appointed an Officer in Charge of Compliance and established a compliance department to identify compliance-related issues and problems relating to the Company. In addition, the Company has established the Internal Auditing Department, which has evaluated the appropriateness of internal management and, after the completion of each audit, has reported to the Representative Director, the Board of Directors, and the Statutory Auditors. The Company has also established and operated a Whistleblowing System that enables direct reporting by officers and employees.

- (2) System for Data Storage and Management Relating to Execution of Duties by Directors

The Company has established the Rules for Document Management and appropriately recorded and stored data relating to the execution of duties by the Directors, and the Directors and the Statutory Auditors are able to access this data when necessary.

- (3) Regulations for Managing Risk of Loss and Other Similar Systems

The Company has appointed an Officer in Charge of Risk Management, established risk management department, and endeavored to appropriately manage risk. In cases when management crises have come to light, the Company has established and operated a system whereby a task force led by the Officer in Charge of Risk Management is established and other related measures are taken.

- (4) System for Ensuring the Efficient Execution of Duties by Directors

In addition to having determined regulations related to allocation of duties and work-related authority and clarified the division of roles among the Directors, the Company has established and operates a data system for decision-making. The Company has conducted problem solving and made the Directors aware of know-how gained from the problems solved at the meetings of the Board of Directors and sought to streamline operations throughout the Company as a whole.

- (5) System to Ensure the Properness of Operations of the Group of Enterprises

Consisting of the Company and its Subsidiaries

The Company has formulated a compliance program and striven to ascertain and resolve compliance-related issues within the Group in accordance with that compliance program. The Company has also established the Rules for Whistleblowing and operated a Whistleblowing System. This Whistleblowing System is operated for the Group Officers and Employees, and the status of whistleblowing reports and their contents have been reported to the Statutory Auditors. The Company does not dismiss or treat disadvantageously any person who makes a report using the Whistleblowing System or any of the Group Officers and Employees who makes reports to the Statutory Auditors on matters relating to the execution of duties. The Company has also held SBI Group Compliance Liaison Conferences two times and ascertained issues and matters and exchanged information about compliance in the SBI Group. In addition, the Internal Auditing Department has formulated an annual internal auditing plan, conducted audits of companies belonging to the Group in accordance with that plan, and then reported to the Representative Director, the Directors, and the Statutory Auditors. The Directors have reported necessary matters to the Statutory Auditors through face-to-face meetings with the Statutory Auditors, and the Statutory Auditors are able to access important reports. Further, the Company has established a risk management program, ascertained the status of risk in the Group, and made efforts to conduct appropriate management of risk in accordance with that program. The Company has, through its compliance department and Internal Auditing Department, also instructed its subsidiaries to clarify the division of roles among their directors and has provided, when necessary, a data system that enables decision-making.

- (6) System Relating to Employees Assisting Duties of Statutory Auditors When Appointment of Those Employees is Requested by Statutory Auditors, and Matters Relating to Independence from Directors of Those Employees

Corresponding to the request by the Statutory Auditor, the Company has appointed an employee in the Internal Auditing Department as an employee who assists with the Statutory Auditor's duties and caused that employee to provide assistance, and the opinions of the Statutory Auditor have been respected with regard to evaluation and the like in relation to that employee.

- (7) System for Reporting by Directors and Employees to Statutory Auditors and System for Other Types of Reporting to Statutory Auditors

The Statutory Auditors have received reports on necessary matters by attending meetings of the Board of Directors and other important meetings and by meeting with officers and employees. The Company has also established an environment in which the Statutory Auditors are able to access major approval request documents (*ringi-sho*) and other important documents related to execution of duties.

- (8) Other Systems for Ensuring that Statutory Auditors Effectively Execute Audits

The Statutory Auditors have held regular meetings with the Company's Executive Directors, including the Representative Director, and department managers and shared information. The Statutory Auditors have also held regular auditor liaison meetings with statutory auditors of important subsidiaries and sought to develop mutual cooperation

among the statutory auditors of the companies within the Group. Expenses arising in relation to the performance of the duties of the Statutory Auditors have been settled appropriately.

(9) System for Ensuring Reliability of Financial Reports

The Company has submitted an internal control report in accordance with Article 24-4-4 of the Financial Instruments and Exchange Act (Act No. 25 of 1948), maintained an effective and proper management system for its internal control reporting system with respect to financial reports, and conducted appropriate facilitation, management, and evaluation of that system.

(10) System for Exclusion of Anti-social Organizations

The Group has declared its intent to resolutely defy anti-social organizations both in and outside its companies, including through the formulation of a basic policy against anti-social organizations and publication of that policy on the SBI Group's corporate sites. Efforts have also been made to increase awareness of the requirement to cut off relationships with anti-social organizations, including through the establishment of a department for carrying out anti-social organization exclusion initiatives, SBI Group Compliance Liaison Conferences. The Company also has promoted awareness of these initiatives by publishing information in manuals that complies with the basic policy against anti-social organizations and posting those manuals on the SBI Group's intranet.

CONSOLIDATED FINANCIAL STATEMENTS
(1) Consolidated Statement of Financial Position

	As at March 31, 2021
	Millions of Yen
Assets	
Cash and cash equivalents	802,702
Trade and other accounts receivable	1,183,896
Assets related to securities business	
Cash segregated as deposits	2,292,743
Margin transaction assets	972,573
Other assets related to securities business	631,305
Total assets related to securities business	3,896,621
Other financial assets	58,715
Operational investment securities	528,154
Other investment securities	209,545
Investments accounted for using the equity method	103,807
Property and equipment	64,290
Intangible assets	225,607
Other assets	123,071
Deferred tax assets	12,164
Total assets	7,208,572
Liabilities	
Bonds and loans payable	1,394,137
Trade and other accounts payable	189,729
Liabilities related to securities business	
Margin transaction liabilities	269,152
Loans payable secured by securities	602,921
Deposits from customers	1,277,808
Guarantee deposits received	961,651
Other liabilities related to securities business	410,270
Total liabilities related to securities business	3,521,802
Customer deposits for banking business	1,042,132
Insurance contract liabilities	150,123
Income tax payable	20,125
Other financial liabilities	30,333
Other liabilities	107,301
Deferred tax liabilities	35,795
Total liabilities	6,491,477
Equity	
Capital stock	98,711
Capital surplus	147,753
Treasury stock	(40)
Other components of equity	18,197
Retained earnings	297,495
Equity attributable to owners of the Company	562,116
Non-controlling interests	154,979
Total equity	717,095
Total liabilities and equity	7,208,572

(2) Consolidated Statement of Income

	Fiscal year ended March 31, 2021
	Millions of Yen
Revenue (Interest income of ¥143,364 million included)	541,145
Expense	
Financial cost associated with financial income	(26,773)
Provision for credit losses	(41,147)
Operating cost	(142,519)
Selling, general and administrative expenses	(163,326)
Other financial cost	(5,803)
Other expenses	(30,655)
Total expense	(410,223)
Share of the profit of associates and joint ventures accounted for using the equity method	9,458
Profit before income tax expense	140,380
Income tax expense	(42,868)
Profit for the year	97,512
Profit for the year attributable to	
Owners of the Company	81,098
Non-controlling interests	16,414
Profit for the year	97,512

(3) Consolidated Statement of Changes in Equity

	Attributable to owners of the Company						Non-controlling interests	Total equity
	Capital stock	Capital surplus	Treasury stock	Other components of equity	Retained earnings	Total		
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen		
As at March 31, 2020	92,018	139,993	(13,874)	(6,385)	239,724	451,476	142,223	593,699
Profit for the year	—	—	—	—	81,098	81,098	16,414	97,512
Other comprehensive income	—	—	—	24,582	—	24,582	93	24,675
Total comprehensive income	—	—	—	24,582	81,098	105,680	16,507	122,187
Issuance of new shares	2,652	2,271	—	—	—	4,923	—	4,923
Issuance of convertible bonds	—	2,756	—	—	—	2,756	—	2,756
Conversion of convertible bonds	4,041	(484)	12,805	—	—	16,362	—	16,362
Change in scope of consolidation	—	—	—	—	—	—	(9,788)	(9,788)
Dividends paid	—	—	—	—	(23,327)	(23,327)	(15,018)	(38,345)
Treasury shares purchased	—	—	(39)	—	—	(39)	—	(39)
Treasury shares sold	—	(378)	1,068	—	—	690	—	690
Share-based payment transactions	—	799	—	—	—	799	(5)	794
Changes of interests in subsidiaries without losing control	—	2,796	—	—	—	2,796	21,060	23,856
As at March 31, 2021	98,711	147,753	(40)	18,197	297,495	562,116	154,979	717,095

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation

The consolidated financial statements of SBI Holdings, Inc. (the "Company") and its consolidated subsidiaries (collectively the "Group") were prepared in accordance with International Financial Reporting Standards ("IFRSs") pursuant to the first paragraph of Article 120 of the Ordinance on Company Accounting. Certain disclosure items required under IFRSs were omitted pursuant to the latter part of the same paragraph.

2. Scope of consolidation

Number of consolidated subsidiaries: 299

Major consolidated subsidiaries are listed in "6. IMPORTANT PARENT COMPANY AND SUBSIDIARIES" in section "I. GROUP" of "Business Report."

3. Application of equity method

Number of investments in associates and joint ventures accounted for using the equity method: 40

Major investment accounted for using the equity method: SBI Sumishin Net Bank., Ltd.

4. Summary of accounting policies

(1) Valuation standards and methods of significant assets

① Valuation standards and methods of financial assets

(a) Classification and measurement of financial assets

Financial assets held by the Group are classified into the following designated categories when they are initially recognized on the basis of the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

- Financial assets measured at amortized cost
- Debt instruments measured at fair value through other comprehensive income (hereinafter "debt instruments measured at FVTOCI")
- Equity instruments measured at fair value through other comprehensive income (hereinafter "equity instruments measured at FVTOCI")
- Financial assets measured at fair value through profit or loss (hereinafter "financial assets measured at FVTPL")

(Financial assets measured at amortized cost)

Financial assets are subsequently measured using the effective interest method at amortized cost, adjusted for any loss allowance, if both of the following conditions are met: (i) the financial assets are held within the business model whose objective is to hold financial assets in order to collect contractual cash flows and (ii) the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(Debt instruments measured at FVTOCI)

Financial assets are measured at fair value and changes in the difference between the fair value and the amortized cost of financial assets, adjusted for any loss allowance, are recognized in other comprehensive income if both of the following conditions are met: (i) the financial assets are held within the business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and (ii) the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Upon derecognition of debt instruments measured at FVTOCI, the amount accumulated in other comprehensive income is reclassified to profit or loss.

(Equity instruments measured at FVTOCI)

Upon initial recognition, the Group designates an investment in an equity instrument that is held for a purpose other than trading as a financial asset measured at fair value through other comprehensive income. This is an irrevocable election and changes in the fair value of such financial instruments are recognized in other comprehensive income. Dividends from the above-mentioned equity instruments are recognized in profit or loss. At derecognition of equity instruments measured at FVTOCI or when a significant decline in fair value below the initial cost is other than temporary, the recognized amount of changes in fair value accumulated in other comprehensive income is reclassified to retained earnings.

(Financial assets measured at FVTPL)

Financial assets, other than those subsequently measured at amortized cost and those measured at fair value through other comprehensive income, are subsequently measured at fair value, and all changes in fair value are recognized in profit or loss.

(b) Impairment of financial assets

The Group estimates expected credit losses for financial assets other than financial assets measured at FVTPL and equity instruments measured at FVTOCI at the end of the reporting period and recognizes the amount of such expected credit losses as a loss allowance. If the Group determines that the credit risk of financial instruments has increased significantly since the initial recognition, the loss allowance is measured at an amount equal to the lifetime expected credit losses. In the event that the Group determines that the credit risk of financial instruments has not increased significantly since the initial recognition, the loss allowance is measured at an amount equal to the 12-month expected credit losses. The assessment of whether there has been a significant increase in credit risk is based on changes in the probability of a default occurring.

Meanwhile, as for trade receivables, etc. that do not contain a significant financing component, lifetime expected credit losses are measured on the basis of historical credit losses, etc. using a simplified approach, regardless of whether there has been an increase or decrease in credit risk.

② Valuation standards and methods of non-financial assets

• Property and equipment other than right-of-use assets

Property and equipment are measured using the cost method and stated at cost less accumulated depreciation and accumulated impairment loss. Acquisition cost includes the costs incurred directly related to the acquisition of the assets.

• Intangible assets other than goodwill and right-of-use assets

Intangible assets are measured using the cost method and stated at cost less accumulated amortization and accumulated impairment loss.

• Right-of-use assets

At inception of a contract, the Group determines whether the contract is, or contains, a lease. The right-of-use asset in a lease transaction is measured at cost, which is initially measured at the amount of lease liability adjusted by initial direct costs and prepaid lease payments. With regard to a lease that has a lease term of 12 months or less or a lease of low-value assets, right-of-use assets are not recognized and lease payments on such lease are recognized as an expense over the lease term.

• Impairment of non-financial assets

Other than deferred tax assets, the Group's non-financial assets are subject to impairment tests at year end. When an indication of impairment exists, the recoverable amounts of the assets are estimated in order to determine the extent of the impairment losses, if any. For a cash-generating unit ("CGU"), including allocated goodwill and intangible assets for which the useful life cannot be determined, or which is not available for use, the recoverable amount shall be estimated at the same time every year regardless of the indication of impairment. A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of cash inflows from other assets or group of assets.

(2) Depreciation method for significant non-current assets

• Property and equipment

Depreciation is calculated based on the depreciable amount, which is calculated as the initial cost of items of property and equipment less their residual values. Depreciation is recognized using the straight-line method to allocate their depreciable amounts based on the estimated useful life of each component and charged to profit or loss. The right-of-use asset is depreciated on a systematic basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The estimated useful lives of major classes of property and equipment are as follows:

- Buildings 2 - 47 years
- Furniture and equipment 2 - 20 years

The depreciation method, estimated useful life and residual value are reviewed, and adjusted if appropriate, at the end of each reporting period.

• Intangible assets other than goodwill

Amortization of intangible assets with finite useful lives is recognized in profit or loss using the straight-line method over the expected useful life, which begins when the assets are available for use.

The estimated useful lives of major classes of intangible assets are as follows:

- Software 5 years
- Customer Relationship 5 - 13 years

The amortization method, estimated useful life and residual value are reviewed, and adjusted if appropriate, at the end of each reporting period.

(3) Recognition and measurement of significant provisions and allowances

Provisions are recognized when the Group has a present, legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation. Provisions are measured at the

present value of the expected future cash flow using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

(4) Recognition of significant revenue and expenses

• Financial income related to investment portfolio

Financial assets measured at FVTPL are initially measured at their fair value and changes in fair value are recognized through profit or loss. Gain and loss related to the sale of financial assets measured at FVTPL are determined as the difference between the fair value of the consideration received and the carrying amount.

• Revenue from contracts with customers

The Group recognizes revenue by applying the following 5-step approach.

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

• Income tax expense

Income tax expense consists of current and deferred tax expense, which are recognized in profit or loss, except for those arising from business combinations or recognized directly in equity and other comprehensive income. Current income tax expense is measured at the amount expected to be paid to or recovered from the taxation authorities using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

(5) Other significant policies for preparation of consolidated financial statements

① Accounting for insurance contracts

For insurance contracts and reinsurance contracts, the Group applies its accounting policy determined based on the Insurance Business Act, the Ordinance for Enforcement of the Insurance Business Act, and other Japanese accounting practices, while considering the requirements under IFRS 4 “Insurance Contracts”.

A liability adequacy test is performed in consideration of current estimates of all contractual cash flows and related cash flows such as claims handling costs at the end of each reporting period. If the test shows that the liability is inadequate, the entire deficiency is recognized in profit or loss.

② Translations of significant assets and liabilities denominated in foreign currencies

• Foreign currency translation

In preparing the financial statements of each individual Group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are translated into the respective functional currencies (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary assets and liabilities denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency shall be retranslated using the exchange rate at the date when the fair value was measured. The exchange differences arising from the retranslation were recognized in profit or loss, except for retranslation differences in financial instruments that are measured at fair value and changes in the fair value recognized in other comprehensive income and exchange differences arising from transactions for the purpose of hedging certain foreign exchange risks.

• Foreign operations

The assets and liabilities, including goodwill and fair value adjustments arising from business combinations, of all the Group entities that have a functional currency that is different from the presentation currency (foreign operations) are translated into the presentation currency using the rates of exchange prevailing at the end of each reporting period. Income and expenses of foreign operations are translated into the presentation currency at the average exchange rates. Exchange differences are recognized as other comprehensive income.

NOTES TO CHANGE IN PRESENTATION METHODS

Following the promulgation of the "Ministerial Ordinance Partially Amending the Regulation on Corporate Accounting" (Ministry of Justice Ordinance No. 45, 2020), Articles 98 and 102-3-2 of the Regulation on Corporate Accounting were amended, and "NOTES TO ACCOUNTING ESTIMATES" is included in the Notes to Consolidated Financial Statements from the fiscal year ended March 31, 2021.

NOTES TO ACCOUNTING ESTIMATES

In the preparation of the Group's consolidated financial statements in accordance with IFRSs, management of the Company is required to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period of the change and subsequent future periods.

The following notes include information on accounting estimates and judgments that have a significant effect on the amounts recognized in the consolidated financial statements.

- Fair value measurements of operational investment securities

The details are described in "SIGNIFICANT ACCOUNTING POLICIES 4. Summary of accounting policies (1) Valuation standards and methods of significant assets ① Valuation standards and methods of financial assets (a) Classification and measurement of financial assets" and "NOTES TO FINANCIAL INSTRUMENTS 2. Fair value determination of financial instruments."

The balance of operational investment securities in the consolidated statement of financial position as at March 31, 2021 was 528,154 million yen.

- Impairment on financial assets at amortized cost

The details are described in "SIGNIFICANT ACCOUNTING POLICIES 4. Summary of accounting policies (1) Valuation standards and methods of significant assets ① Valuation standards and methods of financial assets (b) Impairment of financial assets."

The balance of trade and other accounts receivable in the consolidated statement of financial position as at March 31, 2021 was 1,183,896 million yen.

- Impairment on intangible assets

The details are described in "SIGNIFICANT ACCOUNTING POLICIES 4. Summary of accounting policies (1) Valuation standards and methods of significant assets ② Valuation standards and methods of non-financial assets • Impairment of non-financial assets."

The balance of intangible assets in the consolidated statement of financial position as at March 31, 2021 was 225,607 million yen.

- Insurance contract liabilities

In the life insurance business, the Group records insurance contract liabilities by estimating the present value of all cash flows generated from insurance contracts using the assumptions at initial recognition.

The prerequisite conditions include discount rates (interest rates), mortality rates, morbidity rates, renewal rates, expense and commission, etc. In the case where increases in mortality rates, morbidity rates, expense and commission are expected, future net income and equity are expected to decrease due to the increase in future cash outflows. In the case where the liability adequacy test reveals that insurance contract liabilities are insufficient for the amount of reserves determined based on the prerequisite conditions at initial recognition, it may be necessary to recognize the effects for the period of increasing insurance contract liabilities at the end of each reporting period.

The balance of Insurance contract liabilities in the consolidated statement of financial position as at March 31, 2021 was 150,123 million yen.

- Recoverability of deferred tax assets

A deferred tax asset is recognized for the unused carryforward tax losses, unused tax credits and expected deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the unused carryforward tax losses, unused tax credits and expected deductible temporary differences can be utilized. The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting period. The Group reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilized.

The balance of deferred tax assets in the consolidated statement of financial position as at March 31, 2021 was 12,164 million yen.

The impact of the new coronavirus infections on the economy and corporate activities still continues, and the future remains highly uncertain. In the consolidated financial statements for the year ended March 31, 2021, the Group estimated that the number of infected people would peak in the first half of the current fiscal year, but since the spread of the disease has continued since then, the Group has changed its assumptions and estimates to assume that the impact on the economy and corporate

activities will continue into the next fiscal year and beyond. This change in assumption had no significant impact on the business results of the Group.

NOTES TO CONSOLIDATED STATEMENT OF FINANCIAL POSITION

1. Pledged assets and related liabilities

(1) Pledged assets consisted of the following:

Cash and cash equivalents	24 Millions of Yen
Trade and other accounts receivable	10,678 Millions of Yen
Property and equipment	20,180 Millions of Yen
<u>Total</u>	<u>30,882 Millions of Yen</u>

(2) The assets above were pledged as collateral for:

Bonds and loans payable	22,180 Millions of Yen
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2. Accumulated depreciation and accumulated impairment loss of property and equipment:

34,183 Millions of Yen

NOTES TO CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

1. Number and class of issued shares as of March 31, 2021

Common shares	244,639,390 shares
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2. Dividends

(1) Dividend paid

Dividend approved at the Board of Directors meeting on April 28, 2020

• Dividend amount	18,466 Millions of Yen
• Amount per share	80 Yen
• Record date	March 31, 2020
• Effective date	June 8, 2020

Dividend approved at the Board of Directors meeting on October 28, 2020

• Dividend amount	4,861 Millions of Yen
• Amount per share	20 Yen
• Record date	September 30, 2020
• Effective date	December 11, 2020

(2) Dividend whose record date fell in the year ended March 31, 2021, and whose effective date will be in the year ending March 31, 2022

Dividend approved at the Board of Directors meeting on April 28, 2021

• Dividend amount	24,462 Millions of Yen
• Amount per share	100 Yen
• Record date	March 31, 2021
• Effective date	June 9, 2021

3. Number and class of shares for stock acquisition rights, for which the commencement date of the exercise period has arrived, as of March 31, 2021

Common shares related to:

Stock options	1,868,200 shares
Convertible bonds	38,471,059 shares

NOTES TO FINANCIAL INSTRUMENTS

1. Group policy and risk management system for financial instruments

The Group engages in a wide range of financial related businesses, such as the securities business, banking services business, insurance business, investment business and fund management business, to avoid excessive concentration of risk on specific entities or businesses. To operate its businesses, the Group raises funds through indirect financing such as bank borrowings, direct financing such as bond issuance and equity financing, and transactions with securities financing companies. The Group also considers the market environment and maintains an appropriate strategy for short- and long-term financing.

The Group conducts trading of derivative instruments including foreign currency forward contracts, interest rate swaps and index futures. The Group enters into foreign currency forward contracts and interest swap transactions primarily to hedge foreign exchange risk and to manage its interest rate exposures on borrowings, respectively. The Group does not hold or issue these instruments for speculative purposes. Index futures are entered into for the purpose of day trading with a cap placed on their trading volume.

In order to maintain financial strength and appropriate operational procedures, it is the Group's basic policy of risk management to identify and analyze various risks relevant to the Group entities and strive to carry out integral risk management using appropriate methods.

2. Fair value determination of financial instruments

Fair values of financial assets and financial liabilities are determined as follows:

Cash and cash equivalents, Other financial assets, and Other financial liabilities

Carrying values approximate the fair values due to their short-term maturities.

Trade and other accounts receivable

The fair values are determined based on the future cash inflows discounted using interest rates adjusted for the term to maturity and credit risk. The carrying values of those with short-term maturities are deemed to be fair values as the carrying values approximate fair values.

Assets and liabilities related to securities business

With respect to loans on margin transactions included in margin transaction assets, the carrying values approximate the fair values as the interest rates of the loans are floating rates and reflect the market interest rate within a short period. The carrying values of assets and liabilities related to the securities business, except for loans on margin transactions, approximate the fair values as those assets and liabilities are settled within a short period. With respect to trading assets and trading liabilities, the fair values are determined based on market closing price at the reporting date in principal stock exchanges.

Operational investment securities and other investment securities

The fair values of listed equity securities are determined based on the quoted market prices in the stock exchange. The fair values of unlisted equity securities, bonds with share options and stock warrants are determined using valuation models appropriate in the circumstances including discounted cash flow analysis, pricing analysis with reference to comparable industry prices, analysis based on revenues, profits and net assets and the recent transaction price between independent third parties. The fair values of bonds are determined using reasonable valuation techniques based on available information such as Reference Statistical Prices and quoted price provided by the financing banks. The fair values of investments in funds are determined at the fair values of partnership net assets based on the Group's percentage share in the contributed capital, if such fair values are available.

Bonds and loans payable and Trade and other accounts payable

With respect to those with floating interest rates, carrying values are deemed to be fair values as the interest rates of the bonds and loans, and trade and other accounts payable reflect the market interest rate within a short period and as the credit condition of companies that obtained them are not expected to change significantly. With respect to those with fixed interest rates, the fair values are determined based on the future cash outflows discounted considering remaining periods and using interest rates adjusted for credit risk or discounted using interest rates with reference to similar types of new loans or lease transactions. For the bonds payable and loans payable with short-term maturities, carrying values are deemed to be fair values, because the carrying values approximate fair values.

Customer deposits for banking business

The fair values of demand deposits are determined at the carrying values which are the amounts paid on demand at the reporting date. The fair values of time deposits are determined based on the future cash outflows discounted using interest rates adjusted for the term to maturity and credit risk. However, for the time deposits with short-term maturities, carrying values are deemed to be fair values, because the carrying values approximate fair values.

3. Fair value of financial instruments

(Millions of Yen)

	Carrying Amount	Fair Value
Financial assets		
Cash and cash equivalents	802,702	802,702
Trade and other accounts receivable	1,183,896	1,194,538
Assets related to securities business	3,896,621	3,896,621
Other financial assets	58,715	58,715
Operational investment securities	528,154	528,154
Other investment securities	209,545	209,545
Financial liabilities		
Bonds and loans payable	1,394,137	1,397,964
Trade and other accounts payable	189,729	189,729
Liabilities related to securities business	3,521,802	3,521,802
Customer deposits for banking business	1,042,132	1,042,889
Other financial liabilities	30,333	30,333

NOTES TO PER SHARE INFORMATION

Equity per share attributable to owners of the Company	2,297.87 Yen
Basic earnings per share attributable to owners of the Company	339.78 Yen

NOTES TO REVENUE RECOGNITION

1. Revenue from rendering of services

Revenue from rendering of services mainly includes brokerage commission in the securities business. Brokerage commission relates to transactions in which the Group acts as an agent in the transaction rather than a principal. The revenue is recognized when the Group satisfies its performance obligations upon completion of services.

2. Revenue from sales of goods

Revenue from sales of goods mainly includes revenue arising from the sale of aircraft, pharmaceutical products, supplements, and cosmetics. Revenue from sales of goods is recognized when a performance obligation is satisfied by transferring promised goods to a customer upon delivery, shipment or customer acceptance of goods depending upon the terms of the contract.

(Note) The amounts in the consolidated financial statements are rounded to the nearest million Japanese yen.

FINANCIAL STATEMENTS

(1) Balance Sheet

	As at March 31, 2021
	<u>Millions of Yen</u>
Assets	
Current assets	
Cash and deposits	50,935
Accounts receivable-trade	1,072
Operational investment securities	123,148
Supplies	60
Prepaid expenses	749
Operational loans receivable	6,641
Short-term loans receivable	110,541
Others	15,132
Allowance for doubtful accounts	(26,745)
Total current assets	<u>281,533</u>
Non-current assets	
Property and equipment	
Buildings	394
Structures	8
Vehicles	22
Tools and fixtures	187
Leased assets	1
Total property and equipment	<u>612</u>
Intangible assets	
Patents	454
Trademark	2
Software	1,743
Telephone rights	5
Total intangible assets	<u>2,204</u>
Investments and other assets	
Investment securities	625
Stocks of subsidiaries and associates	773,360
Investments in other securities of subsidiaries and associates	21,556
Bonds of subsidiaries and associates	1,900
Lease and guarantee deposits	2,633
Others	1,527
Allowance for doubtful accounts	(554)
Total investments and other assets	<u>801,047</u>
Total non-current assets	<u>803,863</u>
Deferred charges	
Bond issuance costs	574
Total deferred charges	<u>574</u>
Total assets	<u><u>1,085,970</u></u>

	As at March 31, 2021
	<u>Millions of Yen</u>
Liabilities	
Current liabilities	
Short-term loans payable	111,753
Current portion of bonds payable	56,000
Current portion of long-term loans payable	52,000
Current portion of lease obligations	0
Accounts payable	908
Accrued expenses	1,416
Accrued income tax	11,590
Deposits received	89
Provision for bonuses	167
Provision for bonuses for directors	413
Provision for loss on business of subsidiaries and associates	13,604
Total current liabilities	<u>247,940</u>
Non-current liabilities	
Bonds payable	376,236
Long-term loans payable	50,016
Deferred tax liabilities	8,916
Asset retirement obligation	142
Long-term deposits received	10,235
Total non-current liabilities	<u>445,545</u>
Total liabilities	<u>693,485</u>

	As at March 31, 2021
	<u>Millions of Yen</u>
Net assets	
Shareholders' equity	
Capital stock	98,711
Capital surplus	
Legal capital surplus	143,823
Other capital surplus	97,017
Total capital surplus	<u>240,840</u>
Retained earnings	
Other retained earnings	
Retained earnings brought forward	32,593
Total retained earnings	<u>32,593</u>
Treasury stock	<u>(40)</u>
Total shareholders' equity	<u>372,104</u>
Valuation and translation adjustments	
Unrealized gains on available-for-sale securities	<u>19,003</u>
Total valuation and translation adjustments	<u>19,003</u>
Stock acquisition rights	<u>1,378</u>
Total net assets	<u>392,485</u>
Total liabilities and net assets	<u><u>1,085,970</u></u>

(2) Statement of Income

	Fiscal Year ended March 31, 2021
	Millions of Yen
Net sales	88,901
Cost of sales	8,615
Gross profit	80,286
Selling, general and administrative expenses	9,500
Operating income	70,786
Non-operating income	
Interest income	2,868
Reversal of allowance for doubtful accounts	1,326
Others	121
Total non-operating income	4,315
Non-operating expense	
Interest expense	3,642
Amortization of bond issuance costs	345
Foreign exchange losses	693
Commission fee	807
Others	41
Total non-operating expense	5,528
Ordinary income	69,573
Extraordinary income	
Gain on sales of stocks of subsidiaries and associates	3,011
Others	134
Total extraordinary income	3,145
Extraordinary expense	
Loss on valuation of stocks of subsidiaries and affiliates	15,395
Provision of allowance for doubtful accounts	20,285
Provision for loss on business of subsidiaries and associates	13,604
Others	974
Total extraordinary expense	50,258
Income before income taxes	22,460
Income taxes-current	(1,023)
Income taxes-deferred	(16)
Total income taxes	(1,039)
Net income	23,499

(3) Statement of Changes in Net Assets

	Shareholders' Equity							
	Capital stock	Capital surplus			Retained earnings		Treasury stock	Total
		Legal capital surplus	Other capital surplus	Total	Other retained earnings	Total		
		Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen		
As at March 31, 2020	92,018	137,130	101,451	238,581	32,421	32,421	(13,874)	349,146
Issuance of new shares	6,693	6,693	—	6,693	—	—	—	13,386
Dividends paid	—	—	—	—	(23,327)	(23,327)	—	(23,327)
Net income	—	—	—	—	23,499	23,499	—	23,499
Treasury shares purchased	—	—	—	—	—	—	(39)	(39)
Treasury shares sold	—	—	(4,434)	(4,434)	—	—	13,873	9,439
Net changes other than shareholders' equity	—	—	—	—	—	—	—	—
Total changes during the year	6,693	6,693	(4,434)	2,259	172	172	13,834	22,958
As at March 31, 2021	98,711	143,823	97,017	240,840	32,593	32,593	(40)	372,104

	Valuation and Translation Adjustments		Stock Acquisition Rights	Total Net Assets
	Unrealized gains on available-for-sale securities	Total		
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
	As at March 31, 2020	781	781	1,147
Issuance of new shares	—	—	—	13,386
Dividends paid	—	—	—	(23,327)
Net income	—	—	—	23,499
Treasury shares purchased	—	—	—	(39)
Treasury shares sold	—	—	—	9,439
Net changes other than shareholders' equity	18,222	18,222	231	18,453
Total changes during the year	18,222	18,222	231	41,411
As at March 31, 2021	19,003	19,003	1,378	392,485

NOTES TO THE FINANCIAL STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES

1. Valuation standards and methods of assets

(1) Stocks of subsidiaries and associates

Cost determined by the moving-average cost method

(2) Available-for-sale securities (including operational investment securities)

· Listed securities

At fair value, with unrealized gains and losses, net of applicable taxes, reported as a separate component of net assets. The cost of securities sold is determined based on the moving-average cost method.

· Unlisted securities

At cost determined by the moving-average cost method

(3) Investment in funds

For the investments in funds which are categorized as subsidiaries, the Company's proportionate share in the net assets of those funds are calculated based on the provisional financial statements of the funds as at the Company's year end and are presented as "investments in other securities of subsidiaries and associates" (non-current assets). For the investments in funds which are not categorized as subsidiaries, the Company's proportionate share in the net assets of those funds is calculated based on the funds' annual financial statements or interim financial statements and is presented in "operational investment securities" (current assets).

2. Depreciation method of depreciable assets

(1) Property and equipment other than leased assets

Depreciation is computed using the declining-balance method, while the straight-line method is applied to facilities attached to buildings and to structures acquired on and after April 1, 2016. The range of useful lives is principally from 3 to 18 years for buildings, 50 years for structures, from 3 to 20 years for tools and fixtures, and 6 years for vehicles.

(2) Intangible assets other than leased assets

Intangible assets are amortized using the straight-line method. Software used for internal purposes is amortized using the straight-line method over its estimated useful life (5 years).

(3) Leased assets

Leased assets treated as finance leases without transfer of ownership are depreciated using the straight-line method over the lease term with a residual value of zero.

3. Recognition and measurement of significant provisions and allowances

(1) Allowance for doubtful accounts

Allowance for doubtful accounts is provided based on the Company's past credit loss experience.

Allowance for doubtful accounts for outstanding receivables deemed to be uncollectable is provided based on the estimated loss on an individual basis.

(2) Provision for bonuses

To prepare for the payment of bonuses to employees, the Company records the estimated amount of bonus payments deemed to have been incurred in the current fiscal year.

(3) Provision for bonuses for directors

To prepare for the payment of bonuses to directors, an allowance is provided based on the estimated amount to be paid in the current fiscal year.

(4) Provision for loss on business of subsidiaries and associates

To prepare for losses from the business of subsidiaries and associates, the estimated amount of losses is recorded, taking into consideration the financial position of the subsidiaries and associates.

4. Recognition of revenue and expenses

(1) Net sales and cost of sales

Net sales principally consist of revenue from operational investment securities and dividend income. Cost of sales principally consists of the cost of operational investment securities.

(2) Revenue and cost of operational investment securities

Revenue from operational investment securities consists of proceeds from the sale of operational investment securities and securities held by funds and interest and dividend income from these securities. Cost of operational investment securities consists of the carrying value on the sale of operational investment securities and securities held by funds, fees related to securities transactions, and write-downs of operational investment securities and securities held by funds.

(3) Dividend income

Dividends from subsidiaries and associates are recorded as dividend income which is included in net sales in the statement of income.

5. Other significant accounting policies for financial statements

(1) Deferred charges

Bond issuance costs

Bond issuance costs are amortized over the bond term using the straight-line method.

(2) Translations of significant assets and liabilities denominated in foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into Japanese yen using the exchange rates at the balance sheet date. The resulting translation gain or loss is recognized in income statement.

(3) Accounting for investments in funds

As for the investments in funds categorized as subsidiaries, the Company's proportionate share in the net assets and revenue/expenses of those funds are calculated based on the provisional financial statements of the funds as at the Company's year end and are presented as "Investment in other securities of subsidiaries and associates" (non-current assets) and revenue/expenses. For investments in funds which are not categorized as subsidiaries, the Company's proportionate share in the net assets and revenue/expenses of those funds are calculated based on the funds' annual financial statements or interim financial statements and are presented in "Operational investment securities" (current assets) and revenue/expenses.

(4) Accounting for consumption tax

The amounts in the financial statements are presented without consumption or local consumption taxes.

Nondeductible consumption taxes are recorded as selling, general and administrative expenses.

(5) Adoption of tax consolidation

The Company adopts tax consolidation.

(6) Adoption of tax effect accounting for the transition from the consolidated taxation system to the group tax sharing system

With regard to the transition to the group tax sharing system established under the "Act for Partial Amendment of the Income Tax Act, etc." (Act No.8 of 2020) and items of the non-consolidated taxation system revised in line with the transition to the group tax sharing system, in accordance with paragraph 3 of the "Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System" (ASBJ PITF No.39, March 31, 2020), the Company applied the provisions of the Income Tax Act before the revision in determining the amounts of deferred tax assets and deferred tax liabilities instead of applying the provisions of paragraph 44 of the "Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No. 28, February 16, 2018).

NOTES TO CHANGE IN PRESENTATION METHODS

The Company adopted "Accounting Standard for Disclosure of Accounting Estimates" (ASBJ Statement No. 31, March 31, 2020) from the fiscal year ended March 31, 2021 and "NOTES TO ACCOUNTING ESTIMATES" is included in the notes to the financial statements.

NOTES TO ACCOUNTING ESTIMATES

1. Valuation of shares of subsidiaries without market value

The Company, as a holding company, holds a large number of shares of subsidiaries and associates, and recorded 773,360 million yen in stocks of subsidiaries and associates, which includes 694,573 million yen in shares of subsidiaries without market value. Losses on valuation of shares of subsidiaries without market value are recognized when the net asset value at the end of the fiscal year has declined by 50% or more compared to the acquisition cost. The net asset value is calculated based on the financial figures and business plans of each company. The loss on valuation of stocks of subsidiaries and affiliates of 15,395 million yen includes 14,253 million yen of loss on valuation of stocks of subsidiaries without market prices for the year ended March 31, 2021.

Assumptions regarding the impact of the spread of the new coronavirus infection, such as when business plans are used to calculate the net asset value, are estimated based on the details described in the "NOTES TO ACCOUNTING ESTIMATES" in the "NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS".

2. Calculation of Provision for loss on business of subsidiaries and associates

In order to prepare for losses from the business of subsidiaries and associates, the Company has set aside an allowance for business losses of 13,604 million yen as the estimated amount of losses to be incurred, taking into consideration the financial position of the subsidiaries and associates. The estimated amount of loss is calculated by deducting the estimated recoverable amount from the estimated amount of loss incurred.

NOTES TO BALANCE SHEET

1. Accumulated depreciation:

	As at March 31, 2021
	<u>Millions of Yen</u>
Property and equipment	1,491

2. Contingent Liabilities:

(1) Guarantees for loans payable of subsidiaries and associates	8,736 Millions of Yen
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(2) Others

SBI Liquidity Market Co., Ltd., a consolidated subsidiary, enters into banking cover deals to ensure liquidity in foreign exchange margin trading. The Company entered into an agreement to provide credit and joint guarantees to the current and future obligation relating to this business which SBI Liquidity Market Co., Ltd. owes to counterparties. As at the end of the period, the obligation balance outstanding was 2,507 million yen.

With respect to the currency margin transaction between SBI Liquidity Market Co., Ltd. and SBI SECURITIES Co., Ltd., a consolidated subsidiary of the Company linked to the foreign exchange margin trading between SBI SECURITIES Co., Ltd., and its customers, the Company jointly guarantees limited to the amount equivalent to 70 % of all obligations which SBI SECURITIES Co., Ltd. owes to SBI Liquidity Market Co., Ltd. As at the end of the period, there was no obligation balance outstanding.

3. Assets and liabilities of subsidiaries and associates:

	As at March 31, 2021
	<u>Millions of Yen</u>
(1) Short-term receivables	115,382
(2) Long-term receivables	320
(3) Short-term payables	13,008
(4) Long-term payables	9,723

NOTES TO STATEMENT OF INCOME

Transactions with subsidiaries and associates:

	Fiscal Year ended March 31, 2021
	<u>Millions of Yen</u>
Net sales	83,216
Purchases	1,952
Other transactions	7,518

NOTES TO STATEMENT OF CHANGES IN NET ASSETS

Class and number of treasury stock

	As at March 31, 2021
	<u>Shares</u>
Common shares	15,084

NOTES TO DEFERRED TAX ACCOUNTING

Major factors resulting in deferred tax assets and liabilities

Deferred tax assets are mainly due to losses on valuation of investment securities and allowance for doubtful accounts.

Deferred tax liabilities are mainly due to unrealized gains on available-for-sale securities.

RELATED PARTY TRANSACTIONS

Transactions with subsidiaries and associates

Type	Company name	Voting rights holding ratio (%)(*1)	Relationship with related party	Transaction description	Amount (Millions of Yen)	Account name	Balance (Millions of Yen)
Subsidiary	SBI FINANCIAL SERVICES Co., Ltd.	100	Interlocking directors	Borrowing (*2)	96,563	Short-term loans payable	6,563
				Underwriting of capital increase	65,000	—	—
				Dividend in kind	76,000	—	—
Subsidiary	SBI PTS Holdings Co., Ltd	100	Interlocking directors	Sale of investment in subsidiary and associate (*3)		—	—
				Proceeds from sale Gain on sale	3,351 2,421		
Subsidiary	SBI SECURITIES Co., Ltd.	100 (100)	Interlocking directors	Borrowing (*2)	75,000	Short-term loans payable	—
Subsidiary	SBI Capital Management Co., Ltd.	100	Interlocking directors	Finance (*2)	13,800	Short-term loans receivable	6,900
Subsidiary	SBI Regional Bank Holdings Co., Ltd.	100	Interlocking directors	Sale of investment in associate (*3, 4)		—	—
				Proceeds from sale Gain on sale	3,367 357		
Subsidiary	SBI VENTURES SINGAPORE PTE. LTD.	100	Interlocking directors	Finance (*2)	8,920	Short-term loans receivable	426
Subsidiary	SBI Ventures Two Co., Ltd.	100 (100)	Interlocking directors	Finance (*2)	44,943	Short-term loans receivable	16,400
Subsidiary	SBI Financial Support Co., Ltd.	100 (100)	—	Finance (*2)	25,640	Short-term loans receivable	6,551
Subsidiary	SBI Incubation Co., Ltd.	100 (79.8)	Interlocking directors	Finance (*2)	12,900	Short-term loans receivable	6,450
Subsidiary	SBI Leasing Service Co., Ltd.	97.7 (97.7)	Interlocking directors	Finance (*2)	15,294	Short-term loans receivable	—
Subsidiary	Quark Pharmaceuticals, Inc.	100 (100)	—	Finance (*2, 5)	44,370	Short-term loans receivable	15,112
Subsidiary	SBI ALApharma Co., Limited	97.0 (97.0)	Interlocking directors	Finance (*2)	26,565	Short-term loans receivable	13,929
Subsidiary	SBI Crypto Co., Ltd.	100	Interlocking directors	Finance (*2)	30,595	Short-term loans receivable	12,597
Subsidiary	SBI Mining Chip Co., Ltd.	96	Interlocking directors	Finance (*2)	13,950	Short-term loans receivable	6,983

Note:

- (*1) The figures in parentheses represent the indirect holding ratio of voting rights.
- (*2) The interest rate for finance and borrowing was determined based on the market interest rate.
- (*3) The sales price of investment in subsidiary and associate was determined based on stock price calculation by the third party independent from the company.
- (*4) The sales price of investment in subsidiary and associate was determined based on market price at the time of transaction.
- (*5) The Company recorded an allowance for doubtful accounts of ¥15,112 million for short-term loans receivable from Quark Pharmaceuticals, Inc. In addition, the Company recorded a provision for doubtful accounts of ¥15,112 million for the year ended March 31, 2021.

2. Corporate officers and major individual shareholders

Type	Company name or Name	Ratio of voting rights held (%)	Relationship with related party	Transaction description	Amount (Millions of Yen)	Account name	Balance (Millions of Yen)
Corporate officer	Yoshitaka Kitao	1.6	Representative Director	Issuance of stock options(*1)	29	Stock acquisition rights	29
				Exercise of stock options (*2)	782	—	—
Corporate officer	Katsuya Kawashima	0.3	Representative Director	Issuance of stock options(*1)	20	Stock acquisition rights	20
				Exercise of stock options (*2)	547	—	—
Corporate officer	Takashi Nakagawa	0.1	Representative Director	Issuance of stock options(*1)	14	Stock acquisition rights	14
				Exercise of stock options (*2)	391	—	—
Corporate officer	Masato Takamura	0.1	Representative Director	Issuance of stock options(*1)	18	Stock acquisition rights	18
				Exercise of stock options (*2)	391	—	—
Corporate officer	Shumpei Morita	0.0	Director	Issuance of stock options(*1)	11	Stock acquisition rights	11
				Exercise of stock options (*2)	313	—	—
Corporate officer	Masayuki Yamada	0.0	Director	Exercise of stock options (*2)	47	—	—

Note:

(*1) Issuance of stock options represents the issuance of stock acquisition rights which were issued based on the resolution by the Board of Directors meeting held on May 28, 2020, and June 26, 2020, pursuant to Article 236, 238 and 240 of the Companies Act.

(*2) Exercise of stock options represents the exercise of stock acquisition rights which were issued based on the resolution by the Board of Directors meeting held on July 27, 2017, and August 29, 2017, pursuant to Article 236, 238 and 240 of the Companies Act.

NOTES TO PER SHARE INFORMATION

	Fiscal Year ended March 31, 2021
	Yen
Net assets per share	1,598.81
Net income per share	98.46
Diluted net income per share	84.11

(Note) The amounts in the financial statements are rounded to the nearest million Japanese yen.

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 21, 2021

To the Board of Directors of
SBI Holdings, Inc.:

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant:

Kunikazu Awashima

Designated Engagement Partner,
Certified Public Accountant:

Shigehiko Matsumoto

Designated Engagement Partner,
Certified Public Accountant:

Toru Harada

Opinion

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements of SBI Holdings, Inc. and its consolidated subsidiaries (the "Group"), namely, the consolidated statement of financial position as of March 31, 2021, and the consolidated statement of income and consolidated statement of changes in equity for the fiscal year from April 1, 2020 to March 31, 2021, and the related notes.

In our opinion, the accompanying consolidated financial statements, prepared with the omission of a part of the disclosures required under International Financial Reporting Standards pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting, present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2021, and its consolidated financial performance for the year then ended.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting which allows companies to prepare consolidated financial statements with the omission of a part of the disclosures required under International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting which allows companies to prepare consolidated financial statements with the omission of a part of the disclosures required under International Financial Reporting Standards.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the

Ordinance on Company Accounting which allows companies to prepare consolidated financial statements with the omission of a part of the disclosures required under International Financial Reporting Standards, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader.

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 21, 2021

To the Board of Directors of
SBI Holdings, Inc.:

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant:

Kunikazu Awashima

Designated Engagement Partner,
Certified Public Accountant:

Shigehiko Matsumoto

Designated Engagement Partner,
Certified Public Accountant:

Toru Harada

Opinion

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the nonconsolidated financial statements of SBI Holdings, Inc. (the "Company"), namely, the nonconsolidated balance sheet as of March 31, 2021, and the nonconsolidated statement of income and nonconsolidated statement of changes in net assets for the 23rd fiscal year from April 1, 2020 to March 31, 2021, and the related notes and the accompanying supplemental schedules.

In our opinion, the accompanying nonconsolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2021, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Nonconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the nonconsolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal

control as management determines is necessary to enable the preparation of nonconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the nonconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the nonconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these nonconsolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the nonconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the nonconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the nonconsolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the nonconsolidated financial statements, including the disclosures, and whether the nonconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and

communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader.

Report by the Board of Statutory Auditors

AUDIT REPORT

With respect to the directors' performance of their duties during the 23rd fiscal year (from April 1, 2020 to March 31, 2021), the Board of Statutory Auditors has prepared this audit report after deliberations based on the audit reports prepared by each Statutory Auditor, and hereby reports as follows.

1. Method and Contents of Audit by Each Statutory Auditor and Board of Statutory Auditors
 - (1) The Board of Statutory Auditors has established the audit policies, assignment of duties, etc. and received a report from each Statutory Auditor regarding the status of implementation of their audits and results thereof. In addition, the Board of Statutory Auditors has received reports from the Directors and the Accounting Auditor regarding the status of performance of their duties, and requested explanations as necessary.
 - (2) In conformity with the Statutory Auditors' auditing standards established by the Board of Statutory Auditors, and in accordance with the audit policies and assignment of duties, etc., each of the Statutory Auditors endeavored to facilitate a mutual understanding with the directors, the internal audit division, and other employees, etc., endeavored to collect information and maintain and improve the audit environment, and conducted the audit in the following manner.
 - (i) Each Statutory Auditor has attended the meetings of the Board of Directors and other important meetings, received reports on the status of performance of duties from the directors and other employees and requested explanations as necessary, examined important approval/decision documents, and inspected the status of the corporate affairs and assets at the Company's head office. With respect to subsidiaries, each Statutory Auditor endeavored to facilitate a mutual understanding and exchanged information with the directors and statutory auditors, etc. of each subsidiary and received from subsidiaries reports on their respective business as necessary.
 - (ii) In relation to (a) the contents of the Board of Directors' resolutions regarding the development and maintenance of the system to ensure that the Directors' performance of their duties described in the Business Report complied with all laws, regulations, and the Articles of Incorporation and other systems set out in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act of Japan as being necessary for ensuring the appropriateness of the corporate affairs of a joint stock company (*kabushiki kaisha*) and the corporate group consisting of its subsidiaries, and (b) the systems (internal control systems) based on those resolutions, each Statutory Auditor has regularly received reports on the structure of that system and status of operation from Directors and other employees, requested explanations as necessary, and expressed its opinion. With respect to internal controls over financial reporting, the Board of Statutory Auditors has received reports regarding assessments and the status of auditing of such internal controls from the Directors, etc. and Deloitte Touche Tohmatsu LLC and requested explanations as necessary.

- (iii) Each Statutory Auditor monitored and verified whether the Accounting Auditor maintained its independence and properly conducted its audit, received a report from the Accounting Auditor on the status of their performance of duties, and requested explanations as necessary. Each Statutory Auditor was notified by the Accounting Auditor that it had established a “system to ensure that the performance of the duties of the Accounting Auditor was properly conducted” (the matters listed in the items of Article 131 of the Ordinance of Companies Accounting) in accordance with the “Quality Control Standards for Audits” (Business Accounting Council on October 28, 2005), and requested explanations as necessary. With respect to Key Audit Matters, each Statutory Auditor consulted with Deloitte Touche Tohmatsu LLC and received reports regarding the status of performance of their audits, and requested explanations as necessary.

Based on the above-described methods, each Statutory Auditor examined the Business Report and the supplementary statements, the Non-Consolidated Financial Statements (the balance sheets, the statements of operations, the statements of changes in net assets, and the related notes) and the supplementary statements, and the Consolidated Financial Statements (the consolidated statement of financial position, the related consolidated statements of income and changes in net assets, and the related notes that were prepared in accordance with International Financial Reporting Standards with some omissions of disclosure items pursuant to the latter part of first paragraph of Article 120 of the Ordinance of Companies Accounting) for the fiscal year under consideration.

2. Results of Audit

(1) Results of Audit of Business Report, etc.

- (i) We acknowledge that the Business Report and the supplementary statements fairly present the status of the Company in conformity with the applicable laws, regulations, and the Articles of Incorporation.
- (ii) We acknowledge that no misconduct or material fact constituting a violation of laws, regulations, or the Articles of Incorporation was found with respect to the Directors' performance of their duties.
- (iii) We acknowledge that the Board of Directors' resolutions with respect to the internal control systems are appropriate. We did not find any matter in the Business Report or the Directors' performance of their duties concerning the internal control systems that required mentioning.

(2) Results of Audit of the Non-Consolidated Financial Statements and the Supplementary Statements

We acknowledge that the methods and results of audit performed by the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are appropriate.

(3) Results of Audit of the Consolidated Financial Statements

We acknowledge that the methods and results of audit performed by the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are appropriate.

May 25, 2021

The Board of Statutory Auditors of SBI Holdings, Inc.

Standing Statutory Auditor:

Atsushi Fujii (seal)

Standing Outside Statutory Auditor:

Toru Ichikawa (seal)

Statutory Auditor:

Minoru Tada (seal)

Outside Statutory Auditor:

Yasuo Sekiguchi (seal)

-End-

**THE REFERENCE MATERIALS FOR
THE GENERAL MEETING OF SHAREHOLDERS**

First Item of Business: Election of Fifteen (15) Directors

The term of office of all thirteen (13) current Directors expires as of the end of this Ordinary General Meeting of Shareholders. The Company proposes that fifteen (15) Directors be elected, including two (2) candidates for new Directors.

1. The candidates for Directors to be reelected upon expiry of the term of office are as described in pages 72 to 85:

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held
1	Yoshitaka Kitao (January 21, 1951) Number of Company's Shares Owned: 4,007,960 shares	<p>April 1974 Entered Nomura Securities Co., Ltd.</p> <p>June 1995 Executive Vice President and CFO of SOFTBANK CORP. (Currently, SoftBank Group Corp.)</p> <p>March 1999 Representative Director of Softbank Finance Corp. (Currently, SoftBank Corp.)</p> <p>July 1999 Representative Director and President of the Company</p> <p>June 2003 Representative Director and CEO of the Company</p> <p>July 2004 Director and Chairman of E*TRADE SECURITIES Co., Ltd. (Currently, SBI SECURITIES Co., Ltd.)</p> <p>June 2005 Representative Director and CEO of SBI VENTURES K.K. (Currently, SBI Investment Co., Ltd.)</p> <p>June 2007 Director of SBI VEN HOLDINGS PTE. LTD. (present)</p> <p>April 2008 Representative Director & CEO of SBI ALApromo Co., Ltd. (Currently, SBI Pharmaceuticals Co., Ltd.)</p> <p>July 2008 Director and Chairman of SBI Liquidity Market Co., Ltd. (present)</p> <p>Oct. 2010 Representative Director and Chairman of SBI SECURITIES Co., Ltd. (present)</p> <p>Feb. 2011 Director of SBI Japannext Co., Ltd. (Currently, Japannext Co., Ltd.) (present)</p> <p>June 2012 Representative Director, President & CEO of the Company</p> <p>July 2012 Director of Morningstar Japan K.K. (present)</p> <p>July 2012 Representative Director of SBI Hong Kong Holdings Co., Limited (present)</p> <p>May 2013 Representative Director and Chairman of SBI Investment Co., Ltd. (present)</p> <p>June 2014 Director and Chairman of SBI FINANCIAL SERVICES Co., Ltd.</p> <p>June 2014 Director and Chairman of SBI Capital Management Co., Ltd. (present)</p> <p>Nov. 2015 Representative Director and Chairman of SBI GLOBAL ASSET MANAGEMENT Co., Ltd.</p> <p>April 2016 Director of SBI ALA Hong Kong Co., Limited (Currently, SBI ALApharma Co., Limited) (present)</p> <p>June 2016 Representative Director, President of SBI Pharmaceuticals Co., Ltd. (present)</p> <p>Nov. 2016 Representative Director of SBI Virtual Currencies Co., Ltd. (Currently, SBI VC Trade Co., Ltd.)</p> <p>October 2017 Representative Director and President of SBI Crypto Currency Holdings Co., Ltd. (Currently, SBI Digital Asset Holdings Co., Ltd.)</p> <p>June 2018 Representative Director and Chairman of SBI FINANCIAL SERVICES Co., Ltd. (present)</p> <p>June 2018 Representative Director, President & CEO of the Company (present)</p> <p>June 2018 Director and Chairman of SBI GLOBAL ASSET MANAGEMENT Co.,</p>

		<p>Ltd.</p> <p>July 2018 Representative Director of SBI NEO FINANCIAL SERVICES Co., Ltd. (present)</p> <p>June 2019 Representative Director & President of SBI GLOBAL ASSET MANAGEMENT Co., Ltd. (present)</p> <p>July 2019 Representative Director & CEO of SBI VC Trade Co., Ltd. (present)</p> <p>June 2020 Representative Director and Chairman of SBI Digital Asset Holdings Co., Ltd. (present)</p> <p>Aug. 2020 Representative Director & President of Regional Revitalization Partners Co., Ltd. (present)</p>
	<p>Reason why the Company selected Mr. Yoshitaka Kitao as a candidate for Director</p> <p>Mr. Yoshitaka Kitao has demonstrated excellent management capabilities as Representative Director, President & CEO since the Company's establishment, establishing a strong business foundation for the Group, including building a financial conglomerate focused on Internet-based financial services for the Financial Services Business, which covers a broad range of business activities including securities brokerage business, banking services business, and property and casualty insurance business, in addition to leading the Asset Management Business and the Biotechnology, Healthcare and Medical Informatics Business, which have expanded in Japan and abroad. He has excellent knowledge and a wealth of experience in general managerial issues, and the Company has again selected him as a candidate for Director because the Company deems he will continue to be essential for the sustainable enhancement of the corporate value of the Group.</p>	

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held
2	<p>Katsuya Kawashima (March 30, 1963)</p> <p>Number of Company's Shares Owned: 867,870 shares</p>	<p>April 1985 Entered Nomura Securities Co., Ltd.</p> <p>Aug. 1995 Entered SOFTBANK CORP. (Currently, SoftBank Group Corp.)</p> <p>July 1999 Director of the Company</p> <p>Oct. 1999 Representative Director and President of SOFTBANK FRONTIER SECURITIES CO., LTD. (Currently, SBI SECURITIES Co., Ltd.)</p> <p>Nov. 2000 Representative Director and President of Softbank Finance Corp. (Currently, SoftBank Corp.)</p> <p>March 2001 Representative Director and President of Morningstar Japan K.K.</p> <p>Dec. 2005 Director, Senior Executive Vice President & COO of E*TRADE SECURITIES Co., Ltd. (Currently, SBI SECURITIES Co., Ltd.)</p> <p>April 2006 Deputy President of Sumishin SBI Net Bank Research Co., Ltd. (Currently, SBI Sumishin Net Bank, Ltd.)</p> <p>Sep. 2007 Deputy President and COO of SBI Sumishin Net Bank, Ltd.</p> <p>Aug. 2011 President of SBI Sumishin Net Bank, Ltd.</p> <p>April 2014 Director of SBI Sumishin Net Bank, Ltd.</p> <p>April 2014 Representative Director and President of SBI MONEY PLAZA Co., Ltd.</p> <p>June 2014 Director of SBI SECURITIES Co., Ltd. (present)</p> <p>June 2014 Representative Director, Senior Executive Vice President & Co-COO of the Company</p> <p>April 2015 Director of SBI FINANCIAL SERVICES Co., Ltd. (present)</p> <p>April 2015 Representative Director and President of SBI Capital Management Co., Ltd. (present)</p> <p>April 2015 Representative Director and President of SBI Investment Co., Ltd. (present)</p> <p>Sep. 2015 Director of SBI SAVINGS BANK (present)</p> <p>May 2017 Director of SBI Sumishin Net Bank, Ltd. (present)</p> <p>June 2018 Representative Director, Senior Executive Vice President & COO of the Company (present)</p> <p>July 2018 Director of SBI NEO FINANCIAL SERVICES Co., Ltd. (present)</p> <p>Feb. 2019 Representative Director and President of SBI Regional Business Investment Co., Ltd. (present)</p> <p>March 2019 Representative Director and President of Money Tap Co., Ltd. (present)</p> <p>July 2020 Director of SBI Regional Bank Holdings Co., Ltd. (present)</p>
<p>Reason why the Company selected Mr. Katsuya Kawashima as a candidate for Director</p> <p>Mr. Katsuya Kawashima has served successively in important positions at SBI SECURITIES Co., Ltd., SBI Sumishin Net Bank, Ltd., and other companies that play a central role in the Financial Services Business, and from April 2015, he has led the venture capital business and overseas Financial Services Business as Representative Director and President of SBI Capital Management Co., Ltd. He has broad knowledge and a wealth of experience in general managerial issues, and the Company has again selected him as a candidate for Director because the Company deems it can be expected that he will continue to contribute to the sustainable enhancement of the corporate value of the Group.</p>		

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held
3	<p style="text-align: center;">Takashi Nakagawa (September 6, 1963)</p> <p style="text-align: center;">Number of Company's Shares Owned: 292,000 shares</p>	<p>April 1987 Entered The Fuji Bank, Limited (Currently, Mizuho Financial Group, Inc.)</p> <p>April 1999 Entered Softbank Finance Corp. (Currently, SoftBank Corp.)</p> <p>June 2000 Entered the Company</p> <p>Dec. 2002 Director of the Company</p> <p>June 2005 Director and Managing Executive Officer of SBI VENTURES K.K. (Currently, SBI Investment Co., Ltd.)</p> <p>July 2006 Representative Director and COO of SOFTBANK INVESTMENT CORPORATION (Currently, SBI Investment Co., Ltd.)</p> <p>June 2007 Director & Managing Executive Officer of the Company</p> <p>June 2008 Director & Senior Managing Executive Officer of the Company</p> <p>June 2012 Representative Director and President of SBI Capital Management Co., Ltd.</p> <p>June 2012 Director & Senior Managing Executive Officer, and Head of Fund Investments, Overseas Business Div. of the Company</p> <p>Feb. 2013 Director & Senior Managing Executive Officer of the Company</p> <p>June 2014 Chairman of the Board of Directors of SBI AXES Co., Ltd. (Currently, SBI FinTech Solutions Co., Ltd.)</p> <p>June 2014 Representative Director & Senior Managing Executive Officer of the Company</p> <p>March 2015 Representative Director, Senior Executive Vice President & Co-COO of the Company</p> <p>April 2015 Representative Director and President of SBI FINANCIAL SERVICES Co., Ltd.</p> <p>April 2015 Director of SBI Investment Co., Ltd.</p> <p>April 2015 Director and Chairman of SBI MONEY PLAZA Co., Ltd.</p> <p>June 2015 Director of SBI SECURITIES Co., Ltd.</p> <p>June 2015 Director of SBI Sumishin Net Bank, Ltd.</p> <p>March 2018 Director of SBI Investment KOREA Co., Ltd. (present)</p> <p>June 2018 Representative Director, Senior Executive Vice President of the Company (present)</p>
<p>Reason why the Company selected Mr. Takashi Nakagawa as a candidate for Director</p> <p>Mr. Takashi Nakagawa has served successively in important positions such as Representative Director of SBI Investment Co., Ltd. and Representative Director and President of SBI FINANCIAL SERVICES Co., Ltd. in the Asset Management Business and Financial Services Business, which are core businesses of the Group, and has broad knowledge and a wealth of experience in general managerial issues. In addition, he is responsible for operations focused on planning and promotion of personnel measures throughout the Group, as an officer in charge of the personnel and general affairs, and the Company has again selected him as a candidate for Director because the Company deems it can be expected that he will continue to contribute to the sustainable enhancement of the corporate value of the Group.</p>		

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held
4	<p data-bbox="363 562 467 685">Masato Takamura (Feb. 26, 1969)</p> <p data-bbox="336 723 507 846">Number of Company's Shares Owned: 310,000 shares</p>	<p data-bbox="533 277 1485 304">April 1992 Entered The Sanwa Bank, Limited (Currently, MUFG Bank, Ltd.)</p> <p data-bbox="533 309 1485 365">March 2005 Entered E*TRADE SECURITIES Co., Ltd. (Currently, SBI SECURITIES Co., Ltd.)</p> <p data-bbox="533 369 1485 425">Oct. 2005 General Manager of Corporate Dept. of E*TRADE SECURITIES Co., Ltd. (Currently, SBI SECURITIES Co., Ltd.)</p> <p data-bbox="533 430 1485 486">March 2006 Executive Officer and General Manager of Corporate Dept. of E*TRADE SECURITIES Co., Ltd. (Currently, SBI SECURITIES Co., Ltd.)</p> <p data-bbox="533 490 1485 591">June 2007 Director and Executive Officer, management of Corporate Dept. of SBI E*TRADE SECURITIES Co., Ltd. (Currently, SBI SECURITIES Co., Ltd.)</p> <p data-bbox="533 595 1485 651">April 2012 Managing Director, management of Corporate Dept. of SBI SECURITIES Co., Ltd.</p> <p data-bbox="533 656 1485 712">March 2013 Representative Director and President of SBI SECURITIES Co., Ltd. (present)</p> <p data-bbox="533 716 963 743">June 2013 Director of the Company</p> <p data-bbox="533 748 1302 775">June 2016 Director & Managing Executive Officer of the Company</p> <p data-bbox="533 779 1378 806">June 2017 Director & Senior Managing Executive Officer of the Company</p> <p data-bbox="533 810 1485 866">June 2018 Representative Director and President of SBI FINANCIAL SERVICES Co., Ltd. (present)</p> <p data-bbox="533 871 1321 898">June 2018 Director, Senior Executive Vice President of the Company</p> <p data-bbox="533 902 1406 929">July 2018 Director of SBI NEO FINANCIAL SERVICES Co., Ltd. (present)</p> <p data-bbox="533 934 1145 960">March 2019 Director of Money Tap Co., Ltd. (present)</p> <p data-bbox="533 965 1485 1021">June 2019 Representative Director, Senior Executive Vice President of the Company (present)</p> <p data-bbox="533 1025 1195 1052">June 2020 Director of Rheos Capital Works Inc. (present)</p> <p data-bbox="533 1057 1139 1084">Dec. 2020 Outside Director of Ascot Corp. (present)</p> <p data-bbox="533 1088 1091 1115">Jan. 2021 Director of The Global Ltd. (present)</p>
		<p data-bbox="323 1137 1485 1344">Reason why the Company selected Mr. Masato Takamura as a candidate for Director Mr. Masato Takamura has served as Representative Director and President of SBI SECURITIES Co., Ltd., has greatly contributed to the growth of the securities businesses, and has a wealth of experience and broad knowledge as a manager. In addition, he has been responsible for the Financial Services Business as Representative Director and President of SBI FINANCIAL SERVICES Co., Ltd. since June 2018, and the Company has again selected him as a candidate for Director because the Company deems it can be expected that he will continue to contribute to the sustainable enhancement of the corporate value of the Group.</p>

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held
5	Shumpei Morita (December 31, 1974) Number of Company's Shares Owned: 70,000 shares	April 1998 Entered SOFTBANK CORP. (Currently, SoftBank Group Corp.) April 1999 Entered Softbank Accounting Corp. (Currently, SoftBank Corp.) July 2000 Representative Director and President of Office Work Corporation (Currently, SBI Business Solutions Co., Ltd.) Oct. 2002 Representative Director and President of Office Work Systems Corporation. (Currently, SBI Business Solutions Co., Ltd.) Nov. 2005 Representative Director and President of JCN Land Co., Ltd (Currently, SBI Business Solutions Co., Ltd.) June 2009 Director and Executive Officer of the Company June 2011 Outside Statutory Auditor of Morningstar Japan K.K. Oct. 2011 Director and CFO of the Company May 2012 Representative Director of SBI Art Auction Co., Ltd. (present) June 2012 Director of SBI FINANCIAL SERVICES Co., Ltd. (present) June 2012 Director of SBI Capital Management Co., Ltd. (present) June 2012 Director & Managing Executive Officer of the Company Dec. 2014 Representative Director of SBI Point Co., Ltd. (present) June 2016 Representative Director of SBI Incubation Co., Ltd. (present) June 2017 Director of SBI Business Solutions Co., Ltd. (present) June 2017 Director & Senior Managing Executive Officer of the Company Aug. 2017 Director of SBI Crypto Co., Ltd. (present) June 2018 Senior Managing Director & CFO of the Company (present) Nov. 2018 Representative Director of SBI EVERSPIN Co., Ltd. (present) Nov. 2018 Director of SBI Security Solutions Co., Ltd. (present) Dec. 2019 Director of Shimane Bank, Ltd. (present) April 2020 Representative Director of SBI Regional Bank Holdings Co., Ltd. (present)
<p>Reason why the Company selected Mr. Shumpei Morita as a candidate for Director</p> <p>After assuming office as a Director of the Company, Mr. Shumpei Morita has provided support in relation to the accounting and financial aspects of the Group's management strategy as CFO since October 2011. In addition to a highly logical outlook, he possesses considerable professional knowledge regarding finance and accounting. Further, as Representative Director of SBI Regional Bank Holdings Co., Ltd., he works on regional revitalization and value enhancement for regional financial institutions in which SBI Regional Bank Holdings Co., Ltd. has invested. The Company has again selected him as a candidate for Director because the Company deems it can be expected that he will continue to contribute to the sustainable enhancement of the corporate value of the Group.</p>		

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held
6	<p data-bbox="331 546 499 640">Masayuki Yamada (Oct. 13, 1962)</p> <p data-bbox="331 674 499 797">Number of Company's Shares Owned: 14,030 shares</p>	<p data-bbox="531 277 1487 306">April 1987 Entered Sogo Horei Co., Ltd. (Currently, Sogo Horei Publishing Co., Ltd.)</p> <p data-bbox="531 309 1487 338">May 1999 Registered as Attorney at Law, Admitted to New York Bar (US.)</p> <p data-bbox="531 340 1487 369">Nov. 1999 Entered Softbank Finance Corp. (Currently, SoftBank Corp.)</p> <p data-bbox="531 371 1487 432">June 2001 Manager, Legal Dept. of Softbank Finance Corp. (Currently, SoftBank Corp.)</p> <p data-bbox="531 434 1487 495">June 2004 Statutory Auditor, Benefit Systems Co., Ltd. (Currently, SBI Benefit Systems Co., Ltd.)</p> <p data-bbox="531 497 1487 526">Nov. 2004 Entered the Company</p> <p data-bbox="531 528 1487 557">April 2007 Deputy General Counsel, Legal Dept. of the Company</p> <p data-bbox="531 560 1487 589">June 2009 Executive Officer, the Company</p> <p data-bbox="531 591 1487 651">July 2009 Executive Officer & General Counsel, International Legal Dept. of the Company</p> <p data-bbox="531 654 1487 714">June 2014 Executive Officer & General Counsel, Legal & Compliance Dept. of the Company</p> <p data-bbox="531 716 1487 745">April 2015 General Counsel, Legal Dept. of SBI Investment Co. Ltd.</p> <p data-bbox="531 748 1487 808">Nov. 2015 Statutory Auditor of SBI GLOBAL ASSET MANAGEMENT Co., Ltd. (present)</p> <p data-bbox="531 810 1487 871">June 2016 Director & Executive Officer & General Counsel, Legal & Compliance Dept. of the Company</p> <p data-bbox="531 873 1487 902">July 2016 Director of SBI Ventures Two Co., Ltd. (present)</p> <p data-bbox="531 904 1487 934">March 2017 Director of SBI Incubation Co., Ltd. (present)</p> <p data-bbox="531 936 1487 965">June 2017 Director of SBI Internet Capital Co., Ltd.</p> <p data-bbox="531 967 1487 1028">June 2018 Director & General Counsel, Legal & Compliance Dept. of the Company (present)</p> <p data-bbox="531 1030 1487 1059">Jan. 2019 Director of SBI CAPITAL Co., Ltd. (present)</p>
Reason why the Company selected Mr. Masayuki Yamada as a candidate for Director		<p data-bbox="323 1104 1487 1249">Mr. Masayuki Yamada has served as an officer in charge of legal affairs and compliance in the Group as an attorney at law admitted to the New York Bar (US) and has a wealth of practical experience and a highly logical outlook. The Company has again selected him as a candidate for Director because the Company deems it can be expected that he will continue to contribute to the sustainable enhancement of the corporate value of the Group.</p>

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held
7	<p style="text-align: center;">Satoe Kusakabe (November 11, 1970)</p> <p style="text-align: center;">Number of Company's Shares Owned: 2,000 shares</p>	<p>Oct. 1991 Entered Ota and Showa Audit Corporation (Currently, Ernst & Young ShinNihon LLC) (assistant certified public accountant)</p> <p>Feb. 1995 Registered as a certified public accountant</p> <p>May 2006 Director, Financial Services Section, Financial Audit Department of Shin Nihon & Co. (Currently, Ernst & Young ShinNihon LLC)</p> <p>July 2007 Entered the Company</p> <p>Aug. 2007 General Counsel, Internal Auditing Department of the Company</p> <p>June 2010 Director of SBI SECURITIES Co., Ltd.</p> <p>June 2013 Executive Director, management of Corporate Audit Department of SBI SECURITIES Co., Ltd.</p> <p>Aug. 2013 General Manager, Internal Audit Department of SBI Sumishin Net Bank, Ltd.</p> <p>June 2018 Director, General Manager of Risk Management Department of SBI SECURITIES Co., Ltd.</p> <p>Dec. 2018 Executive Officer of the Company</p> <p>June 2019 Director of the Company (present)</p> <p>Oct. 2019 Director and General Manager of Risk Management Department and management of Customer Management Department of SBI Securities Co., Ltd.</p> <p>Nov. 2019 Director of SBI VC Trade Co., Ltd. (present)</p> <p>June 2020 Managing Director and General Manager of Risk Management Department and management of Customer Management Department of SBI Securities Co., Ltd.</p> <p>Oct. 2020 Director of TaoTao Inc. (present)</p> <p>Nov. 2020 Director of Japannext Co., Ltd. (present)</p> <p>April 2021 Managing Director and General Manager of Risk Management Department of SBI Securities Co., Ltd. (present)</p>
<p>Reason why the Company selected Ms. Satoe Kusakabe as a candidate for Director</p> <p>Ms. Satoe Kusakabe has engaged in internal control and audit related tasks at companies as a certified public accountant and has a wealth of experience in that field. In addition, she has conducted duties mainly in the audit and risk management departments at the Company and at SBI SECURITIES, Co., Ltd., which plays a central role in the Financial Services Business. With the importance of AML/CFT (Anti-Money Laundering and Counter Financing of Terrorism) continuing to rise in recent times, the Company has again selected her as a candidate for Director because the Company deems it can be expected that she will utilize her wealth of experience in that field to contribute to further strengthening and enhancing the risk management system of the Group.</p>		

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held	
8	Masaki Yoshida (August 13, 1959) Number of Company's Shares Owned: 10,000 shares	<p>April 1983</p> <p>June 2006</p> <p>June 2006</p> <p>April 2007</p> <p>Jan. 2009</p> <p>Jan. 2009</p> <p>Jan. 2009</p> <p>June 2010</p> <p>Oct. 2011</p> <p>Oct. 2011</p> <p>Nov. 2012</p> <p>April 2018</p> <p>April 2019</p>	<p>Entered Fuji Television Network, Inc. (Currently, Fuji Media Holdings, Inc.)</p> <p>Senior Director of Music and Variety Center of Programming and Production Department of Fuji Television Network, Inc.</p> <p>Senior Director of Digital Content Development of Digital Content Department of Fuji Television Network, Inc.</p> <p>Outside Statutory Auditor of KLab Inc.</p> <p>Director of MANIA MANIA Inc. (present)</p> <p>Representative Director of YOSHIDAMASAKI INC. (present)</p> <p>Representative Director and Chairman of Watanabe Entertainment Co., Ltd. (present)</p> <p>Director of the Company (present)</p> <p>Chairperson of Board of Trustees at WATANABE FOUNDATION FOR MUSIC & CULTURE (present)</p> <p>Representative Director and Chairman of Biscuit Entertainment Co., Ltd. (present)</p> <p>Outside Director of KLab Inc.</p> <p>Member of The Rikkyo University Advisory Committee (present)</p> <p>Advisor of KLab Inc. (present)</p>
Reason why the Company selected Mr. Masaki Yoshida as a candidate for Director		<p>After serving in important positions in relation to management of common funds with the Group at Fuji Television Network, Inc. (Currently, Fuji Media Holdings, Inc.), Mr. Masaki Yoshida has served as Representative Director and Chairman of Watanabe Entertainment Co., Ltd. and has a wealth of experience and extensive knowledge, particularly in media-related fields. The Company has again selected him as a candidate for Director because the Company deems it can be expected that he will utilize his wealth of experience and extensive knowledge to continue contributing to the sustainable enhancement of the corporate value of the Group.</p>	

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held
9	<p>Teruhide Sato (Feb. 24, 1975)</p> <p>Number of Company's Shares Owned: 2,820 shares</p>	<p>Sep. 1997 Entered SOFTBANK CORP. (Currently, SoftBank Group Corp.) Seconded to CyberCash K.K. (Currently, DG Financial Technology, Inc.)</p> <p>April 1999 Moved to Softbank Finance Corp. (Currently SoftBank Corp.) from SOFTBANK CORP.</p> <p>March 2000 Retired Softbank Finance Corp. (Currently SoftBank Corp.) (Secondment to CyberCash K.K. (Currently, DG Financial Technology, Inc.) terminated)</p> <p>April 2000 Representative Director, President and CEO of netprice, Ltd. (Currently, BEENOS Inc.)</p> <p>Feb. 2007 President and Group CEO of netprice.com, Ltd. (Currently, BEENOS Inc.)</p> <p>Sep. 2011 Director of Open Network Lab, Inc.</p> <p>Jan. 2012 Komisararis of PT MIDTRANS</p> <p>May 2012 CEO and Managing Director of Netprice Partners Co., Ltd. (Currently, BEENOS Partners, Inc.)</p> <p>Jan. 2013 President of BEENOS Asia Pte. Ltd.</p> <p>June 2013 Outside Director of the Company (present)</p> <p>April 2014 President of BEENOS VN, Inc.</p> <p>May 2014 President of BEENOS Plaza Pte. Ltd.</p> <p>Nov. 2014 Komisararis of PT Tokopedia</p> <p>Dec. 2014 Director of BEENOS Inc.</p> <p>Feb. 2015 Founder and Adviser of BEENOS Inc.</p> <p>April 2015 Director of BEENEXT PTE. LTD. (present)</p> <p>July 2015 Director of Sen Do Technology Joint Stock Company (present)</p> <p>Nov. 2016 Director of BEENEXT CAPITAL MANAGEMENT PTE. LTD. (present)</p>
<p>Reason why the Company selected Mr. Teruhide Sato as a candidate for Outside Director and outline of expected role</p> <p>Mr. Teruhide Sato participated in launching the Japanese corporation CyberCash K.K. (currently, DG Financial Technology, Inc.) and has served as Representative Director, President and CEO of netprice, Ltd. (currently, BEENOS Inc.), and he has a wealth of experience and extensive knowledge, particularly in relation to Internet business in Asia. The Company has again selected him as a candidate for Outside Director because the Company deems that utilizing his wealth of experience and extensive knowledge, he can adequately continue to conduct duties as an Outside Director of the Company.</p>		

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held	
10	Heizo Takenaka (March 3, 1951) Number of Company's Shares Owned: —	April 1990 April 1996 April 2001 Sep. 2002 July 2004 Sep. 2004 Oct. 2005 Nov. 2006 Dec. 2006 Aug. 2009 April 2010 June 2015 April 2016 April 2016 June 2016 Feb. 2018 Feb. 2020	Assistant Professor, Faculty of Policy Management, Keio University Professor, Faculty of Policy Management, Keio University Minister of State for Economic and Fiscal Policy Minister of State for Financial Services, Minister of State for Economic and Fiscal Policy Member of the House of Councilors Minister of State for Economic and Fiscal Policy, Minister of State for Postal Privatization Minister of State for Internal Affairs and Communications, Minister of State for Postal Privatization The head of Global Security Research Institute, Keio University President of Academy Hills (present) Chairman & Director, Pasona Group Inc. (present) Professor, Faculty of Policy Management, Keio University Outside Director of ORIX Corporation (present) Professor, Faculty of Regional Development Studies (Currently, Faculty of Global and Regional Studies), Toyo University Emeritus Professor, Keio University (present) Outside Director of the Company (present) Outside Director of MAYA SYSTEM Inc. (present) Director of XICA Co., Ltd. (present)
		Reason why the Company selected Mr. Heizo Takenaka as a candidate for Outside Director and outline of expected role The Company again selected Mr. Heizo Takenaka as a candidate for Outside Director because the Company deems that he can adequately continue to conduct duties as an Outside Director of the Company utilizing his wealth of experience and broad knowledge, which includes having served successively as the Minister of State for Economic and Fiscal Policy, the Minister of State for Financial Services, the Minister of State for Internal Affairs and Communications, and in other posts and teaching at Keio University and Toyo University, while also serving as an outside director in private companies.	

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held	
11	<p data-bbox="328 434 499 528">Yasuhiro Suzuki (February 28, 1965)</p> <p data-bbox="328 562 499 680">Number of Company's Shares Owned: —</p>	<p data-bbox="531 277 651 300">April 1987</p> <p data-bbox="531 311 651 333">Sep. 1996</p> <p data-bbox="531 344 651 367">April 1999</p> <p data-bbox="531 400 651 423">Aug. 1999</p> <p data-bbox="531 456 651 479">June 2000</p> <p data-bbox="531 512 651 535">July 2008</p> <p data-bbox="531 546 651 568">March 2014</p> <p data-bbox="531 580 651 602">March 2014</p> <p data-bbox="531 613 651 636">May 2015</p> <p data-bbox="531 647 651 669">March 2017</p> <p data-bbox="531 703 651 725">June 2017</p> <p data-bbox="531 736 651 759">April 2020</p> <p data-bbox="531 770 651 792">April 2020</p>	<p data-bbox="699 277 951 300">Entered Fujitsu Limited</p> <p data-bbox="699 311 1386 333">Entered SOFTBANK CORP. (Currently, SoftBank Group Corp.)</p> <p data-bbox="699 344 1484 400">Executive officer of SoftBank Commerce Corp. (Currently, SOFTBANK CORP.)</p> <p data-bbox="699 400 1484 456">Director of e-Shopping! Books Corp. (Currently, Seven Net Shopping Co., Ltd.)</p> <p data-bbox="699 456 1484 512">Representative Director and President of e-Shopping! Books Corp. (Currently, Seven Net Shopping Co., Ltd.)</p> <p data-bbox="699 512 1139 535">Director of Seven & i Netmedia Co., Ltd.</p> <p data-bbox="699 546 1453 568">Representative Director and President of Seven & i Netmedia Co., Ltd.</p> <p data-bbox="699 580 1289 602">Executive Officer, CIO of Seven & i Holdings Co., Ltd.</p> <p data-bbox="699 613 1414 636">Director & Executive Officer, CIO of Seven & i Holdings Co., Ltd.</p> <p data-bbox="699 647 1484 703">Representative Director and President of digitalshiftwave Co., Ltd. (present)</p> <p data-bbox="699 703 1150 725">Outside Director of the Company (present)</p> <p data-bbox="699 736 1286 759">President of Japan Omni Channel Association (present)</p> <p data-bbox="699 770 1484 826">Visiting Professor at Joho Keiei Innovation Senmonshoku Daigaku (present)</p>
<p data-bbox="328 853 1414 909">Reason why the Company selected Mr. Yasuhiro Suzuki as a candidate for Outside Director and outline of expected role</p> <p data-bbox="328 909 1484 1079">Mr. Yasuhiro Suzuki has served successively as Representative Director and President of Seven & i Netmedia Co., Ltd., Director & Executive Officer, CIO of Seven & i Holdings Co., Ltd., and in other posts, and has a wealth of experience in a wide range of fields, including Internet business. The Company again selected Mr. Yasuhiro Suzuki as a candidate for Outside Director because the Company deems that he can adequately continue to conduct duties as an Outside Director of the Company utilizing his wealth of experience and broad knowledge.</p>			

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held
12	Hiroshi Ito (July 20, 1955) Number of Company's Shares Owned: —	Jan. 1980 Entered US Marsh & McLennan International, Inc. (Currently, Marsh, Inc.) July 1983 Entered Marsh & McLennan K.K. (Currently, Marsh Japan, Inc.) April 1999 Assigned to SOFTBANK CORP. (Currently, SoftBank Group Corp.) April 2000 Director of InsWeb Inc. (Currently, the Company) Dec. 2001 Retired from the position of Director of InsWeb Inc. Nov. 2004 Director of Marsh Japan, Inc. April 2005 Managing Director of US Marsh, Inc. April 2005 Managing Director of Marsh Japan, Inc. Jan. 2010 Representative Director (COO) of Marsh Japan, Inc. Aug. 2013 Member of the Finance Committee of Tokyo American Club (present) June 2020 Outside Director of the Company (present) July 2020 Advisor of SBI Insurance Group Co., Ltd. (present)
Reason why the Company selected Mr. Hiroshi Ito as a candidate for Outside Director and outline of expected role Mr. Hiroshi Ito has served successively in important positions, such as Representative Director of Marsh Japan, Inc., which is a global leading company providing services related to insurance and risk management, and has expert knowledge in insurance fields that the Group will focus on. The Company again selected Mr. Hiroshi Ito as a candidate for Outside Director because the Company deems that he can adequately conduct duties as an Outside Director of the Company utilizing his wealth of experience and broad knowledge.		

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held
	<p>Kanae Takeuchi</p> <p>Name Entered in Family Register: Kanae Kusakari (September 14, 1978)</p> <p>Number of Company's Shares Owned: —</p>	<p>April 2001 Entered Tokyo Broadcasting System, Inc. (Currently, Tokyo Broadcasting System Television, Inc.)</p> <p>Oct. 2012 Resigned from Tokyo Broadcasting System Television, Inc.</p> <p>Nov. 2012 Freelance announcer (present)</p> <p>June 2020 Outside Director of the Company (present)</p>
13		<p>Reason why the Company selected Ms. Kanae Takeuchi as a candidate for Outside Director and outline of expected role</p> <p>Ms. Kanae Takeuchi has exceptional expertise in the field of “management strategies incorporating women’s perspectives,” which the Company values deeply. As women continue to increasingly gain substantial authority in the selection of financial services for household finances, it has become important to conduct product development from the perspective of women, and one of the Company’s most important challenges is to ensure the Board of Directors heeds “women’s perspectives” and strengthens its approach in this regard.</p> <p>In addition, in light of the fact that she has been and is active in a broad range of areas and particularly in the media, it is anticipated that she will bring fresh viewpoints in relation to her supervision of the Company’s management, differing from Directors whose expertise lies within the Group business and industrial issues, and that she will reflect the opinions of the stakeholders of the Company, including many individual shareholders, at meetings of the Board of Directors, so the Company deems that she is an appropriate choice and has again selected her as a candidate for Outside Director.</p>

2. The candidates for new Directors are as follows:

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held
14	<p>Junichi Fukuda</p> <p>(October 18, 1959)</p> <p>Number of Company's Shares Owned: —</p>	<p>April 1982 Entered the Ministry of Finance (<i>Okura-sho</i>) (Currently, the Ministry of Finance (<i>Zaimu-sho</i>))</p> <p>July 1997 Director of the Planning and Co-ordination Office of the Overall Co-ordination Division of the Minister's Secretariat of the Ministry of Finance (<i>Okura-sho</i>) (Currently, the Ministry of Finance (<i>Zaimu-sho</i>))</p> <p>June 1998 First Secretary of Japanese Embassy in Canada of the Ministry of Foreign Affairs (<i>Gaimu-sho</i>)</p> <p>Jan. 1999 Counsellor of Japanese Embassy in Canada of the Ministry of Foreign Affairs (<i>Gaimu-sho</i>)</p> <p>July 2001 Director for Fiscal Investment and Loan Program System of the Fiscal Investment and Loan Program Division of the Financial Bureau of the Ministry of Finance (<i>Zaimu-sho</i>)</p> <p>July 2003 Director for Policy Planning of the Minister's Secretariat of the Ministry of Finance (<i>Zaimu-sho</i>)</p> <p>July 2004 Budget Examiner for Health, Labour, and Welfare Unit of the Budget Bureau of the Ministry of Finance (<i>Zaimu-sho</i>)</p> <p>July 2006 Director of the Legal Division of the Budget Bureau of the Ministry of Finance (<i>Zaimu-sho</i>)</p> <p>July 2008 Director of the Policy Planning and Research Division of the Minister's Secretariat of the Ministry of Finance (<i>Zaimu-sho</i>)</p> <p>July 2009 Director for the Minister's Secretariat of the Minister's Secretariat of the Ministry of Finance (<i>Zaimu-sho</i>)</p> <p>Dec. 2009 Deputy Director-General of the Secretariat of the Office of Promotion of System for National Public Officers</p> <p>Aug. 2011 Deputy Director-General of the Budget Bureau of the Ministry of Finance (<i>Zaimu-sho</i>)</p> <p>July 2014 Deputy Vice-Minister of the Ministry of Finance (<i>Zaimu-sho</i>)</p> <p>July 2015 Director-General of the Budget Bureau of the Ministry of Finance (<i>Zaimu-sho</i>)</p> <p>July 2017 Administrative Vice Minister of the Ministry of Finance (<i>Zaimu-sho</i>)</p> <p>April 2018 Resigned from the Ministry of Finance (<i>Zaimu-sho</i>)</p> <p>Oct. 2018 Commissioned Lecturer at SBI Graduate School (present)</p>
<p>Reason why the Company selected Mr. Junichi Fukuda as a candidate for Outside Director and outline of expected role</p> <p>Mr. Junichi Fukuda has served successively as the Administrative Vice Minister of the Ministry of Finance and in other posts and has a wealth of experience in general financial issues. The Company newly selected Mr. Junichi Fukuda as a candidate for Outside Director because the Company deems that he can adequately conduct duties as an Outside Director of the Company offering constructive opinions on all aspects of the Group's financial business, especially in fields such as enhancement of cooperation with regional financial institutions and regional revitalization.</p>		

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held
15	Hiroyuki Suematsu (May 28, 1959) Number of Company's Shares Owned: —	April 1983 Entered the Ministry of Agriculture, Forestry, and Fisheries (<i>Norin-Suisan-sho</i>) March 2002 Counsellor, Cabinet Secretariat of the Prime Minister's Official Residence Oct. 2006 Director of the Environmental Policy Division of the Minister's Secretariat of the Ministry of Agriculture, Forestry, and Fisheries (<i>Norin-Suisan-sho</i>) July 2007 Director of the Policy Planning and Evaluation Division of the Minister's Secretariat of the Ministry of Agriculture, Forestry, and Fisheries (<i>Norin-Suisan-sho</i>) April 2008 Director of the Food Security Division of the Minister's Secretariat of the Ministry of Agriculture, Forestry, and Fisheries (<i>Norin-Suisan-sho</i>) April 2009 Director of the Policy Planning Division of the Minister's Secretariat of the Ministry of Agriculture, Forestry, and Fisheries (<i>Norin-Suisan-sho</i>) July 2010 Director-General of the Forest Policy Planning Department of the Forestry Agency of the Ministry of Agriculture, Forestry, and Fisheries (<i>Norin-Suisan-sho</i>) April 2014 Director-General of the Kanto Regional Agricultural Administration Office of the Ministry of Agriculture, Forestry, and Fisheries (<i>Norin-Suisan-sho</i>) Aug. 2015 Director-General of the Rural Development Bureau of the Ministry of Agriculture, Forestry, and Fisheries (<i>Norin-Suisan-sho</i>) June 2016 Director-General of the Industrial Science and Technology Policy and Environment Bureau of the Ministry of Economy, Trade, and Industry (<i>Keizai-Sangyo-sho</i>) July 2018 Vice-Minister of Agriculture, Forestry and Fisheries of the Ministry of Agriculture, Forestry, and Fisheries (<i>Norin-Suisan-sho</i>) Aug. 2020 Resigned from the Ministry of Agriculture, Forestry, and Fisheries (<i>Norin-Suisan-sho</i>) Jan. 2021 Professor at Research Institute for Agricultural and Life Sciences of Tokyo University of Agriculture (present)
Reason why the Company selected Mr. Hiroyuki Suematsu as a candidate for Outside Director and outline of expected role Mr. Hiroyuki Suematsu has served successively as the Vice-Minister of Agriculture, Forestry, and Fisheries and in other posts and has a wealth of experience in all aspects of the agriculture, forestry, and fisheries industry and food industry. The Company newly selected Mr. Hiroyuki Suematsu as a candidate for Outside Director because the Company deems that he can adequately conduct duties as an Outside Director of the Company by enhancing business fields of the Group, such as participating in management of Osaka Dojima Commodity Exchange, Inc., which deals with commodity futures, and utilizing blockchain in supply chain management, and by offering constructive opinions in such fields.		

(Notes)

1. None of the candidates have any special interest in the Company.
2. Mr. Teruhide Sato, Mr. Heizo Takenaka, Mr. Yasuhiro Suzuki, Mr. Hiroshi Ito, Ms. Kanae Takeuchi, Mr. Junichi Fukuda, and Mr. Hiroyuki Suematsu are candidates for Outside Director.
3. The Company designated Mr. Teruhide Sato, Mr. Heizo Takenaka, Mr. Yasuhiro Suzuki, Mr. Hiroshi Ito, and Ms. Kanae Takeuchi as independent directors under the provisions of the Tokyo Stock Exchange and has notified the Exchange. If the reelections of Mr. Sato, Mr. Takenaka, Mr. Suzuki, Mr. Ito, and Ms. Takeuchi are approved, the Company will again designate them as independent directors.
4. If Mr. Junichi Fukuda and Mr. Hiroyuki Suematsu are elected as proposed, the Company will designate Mr. Fukuda and Mr. Suematsu as independent directors under the provisions of the Tokyo Stock Exchange and notify the Exchange.
5. Although Ms. Kanae Takeuchi, Mr. Junichi Fukuda, and Mr. Hiroyuki Suematsu have not been directly involved in company management, the Company has judged that they can properly perform their duties as Outside Directors in accordance with the reasons why the Company selected Ms. Takeuchi, Mr. Fukuda, and Mr. Suematsu as candidates for Outside Director.
6. Mr. Teruhide Sato is currently an Outside Director of the Company, and he will have served for eight (8) years as an Outside Director as of the end of this Ordinary General Meeting of Shareholders. Mr. Heizo Takenaka is currently an Outside Director of the Company, and he will have served for five (5) years as an Outside Director as of the end of this Ordinary General Meeting of Shareholders. Mr. Yasuhiro Suzuki is currently an Outside Director of the Company, and he will have served for four (4) years as an Outside Director as of the end of this Ordinary General Meeting of Shareholders. Mr. Hiroshi Ito and Ms. Kanae Takeuchi are currently Outside Directors of the Company, and they will each have served for one (1) year as Outside Directors as of the end of this Ordinary General Meeting of Shareholders.
7. The Company maintains individual agreements with each of Mr. Teruhide Sato, Mr. Heizo Takenaka, Mr. Yasuhiro Suzuki, Mr. Hiroshi Ito, and Ms. Kanae Takeuchi to limit each of their liability for compensation under Article 423, Paragraph 1 of the Companies Act. The limit of that liability is the higher amount of either 1,000,000 yen or the minimum liability amount under laws and regulations in accordance with Article 427, Paragraph 1 of the Companies Act and the provision of Article 25, Paragraph 2 of the Company's Articles of Incorporation. The Company will continue those individual agreements with each of Mr. Sato, Mr. Takenaka, Mr. Suzuki, Mr. Ito, and Ms. Takeuchi if their respective reelections are approved.
8. If the elections of Mr. Junichi Fukuda and Mr. Hiroyuki Suematsu are approved, the Company will execute with each of Mr. Fukuda and Mr. Suematsu the same individual agreement to limit the liability for compensation as those described in 7 above.
9. The Company has executed with an insurance company a directors' and officers' liability insurance contract provided for in Article 430-3(1) of the Companies Act. If a claim for damages attributable to an action (or inaction) committed by the insured (including directors of the Company) based on his or her status as a director or officer is made, the damages, court costs, and the like that are borne by the insured will be covered. If each candidate is elected as, and assumes the office of, a Director, the candidate will be the insured under that insurance contract. The Company intends to renew that insurance contract with similar contents upon the next renewal.

Second Item of Business: Election of One (1) Substitute Statutory Auditor

In order to maintain the continuity of auditing even when the number of Statutory Auditors required under laws and regulations is lacking, the Company proposes that Mr. Tetsutaro Wakatsuki be elected as a substitute Outside Statutory Auditor.

The effect of election of Mr. Tetsutaro Wakatsuki as a substitute Outside Statutory Auditor may be revoked, only before his assumption of office, by a resolution of the Board of Directors with the consent of the Board of Statutory Auditors.

The Board of Statutory Auditors consents to this Second Item of Business.

Name (Date of Birth)	Career Summary, Position and Other Significant Concurrent Offices Held
Tetsutaro Wakatsuki (October 22, 1974) Number of Company's Shares Owned: —	April 2000 Registered as Attorney at Law (Tokyo Bar Association) Entered Mori Sogo (Currently, Mori Hamada & Matsumoto)
	April 2004 Representative Partner of Murata & Wakatsuki Law Offices (present)
	April 2008 Lecturer in the Law School of Hosei University (while concurrently serving in other positions)
	April 2010 Professor in the Law School of Hosei University (while concurrently serving in other positions)
	Dec. 2012 Outside Auditor of Do House Inc.
	March 2015 Outside Auditor of Otsuka Corporation
	June 2015 Outside Statutory Auditor of SBI MONEY PLAZA Co., Ltd.
	June 2019 Outside Director of The Michinoku Bank, Ltd.
	Nov. 2019 Supervisory Officer of Dream Hospitality REIT Inc. (present)
	June 2020 Director of THE MICHINOKU BANK, LTD. (Audit and Supervisory Committee Member) (outside and a part-time position) (present)
Reason why the Company selected Mr. Tetsutaro Wakatsuki as a candidate for Substitute Outside Statutory Auditor Mr. Tetsutaro Wakatsuki has a wealth of experience as an attorney and has expertise in general legal matters. The Company again selected him as a candidate for substitute Outside Statutory Auditor because the Company deems that he can utilize his expertise to adequately conduct duties as an Outside Statutory Auditor of the Company.	

(Note)

1. Mr. Tetsutaro Wakatsuki has no special interest in the Company.
2. Mr. Tetsutaro Wakatsuki is a candidate for Substitute Outside Statutory Auditor.
3. If Mr. Tetsutaro Wakatsuki assumes the office of a Statutory Auditor, the Company will designate him as an independent auditor under the provisions of the Tokyo Stock Exchange and notify the Exchange.
4. Although Mr. Tetsutaro Wakatsuki has not been directly involved in company management in a way other than being Outside Director or Outside Statutory Auditor, the Company has judged that he can properly perform his duties as an Outside Statutory Auditor in accordance with the reason why the Company selected him as a candidate for Substitute Outside Statutory Auditor.
5. If Mr. Tetsutaro Wakatsuki assumes the office of a Statutory Auditor, the Company will enter into an individual agreement with Mr. Tetsutaro Wakatsuki to limit his liability for compensation under Article 423, Paragraph 1 of the Companies Act. The limit of that liability is the higher amount of either 1,000,000 yen or the minimum liability amount under laws and regulations in accordance with Article 427, Paragraph 1 of the Companies Act and the provision of Article 32, Paragraph 2 of the Company's Articles of Incorporation.
6. The Company has executed with an insurance company a directors' and officers' liability insurance contract provided for in Article 430-3(1) of the Companies Act. If a claim for damages attributable to an action (or inaction) committed by the insured (including Statutory Auditors of the Company) based on his or her status as a director or officer is made, the damages, court costs, and the like that are borne by the insured will be covered. If a candidate assumes the office of a Statutory Auditor, the

candidate will be the insured under that insurance contract. The Company intends to renew that insurance contract with similar contents upon the next renewal.

— End —

Access to the Meeting Room of the 22nd Ordinary General Meeting of Shareholders

Location Heian Room, 1st Floor, The Okura Prestige Tower of The Okura Tokyo
2-10-4 Toranomom, Minato-ku, Tokyo

Access

- Toranomon Station, Tokyo Metro/Ginza Line** About ten minutes' walk from Exit 3
- Tameike-Sanno Station, Tokyo Metro/Ginza Line or Namboku Line** About ten minutes' walk from Exit 14
- Toranomon Hills Station, Tokyo Metro/Hibiya Line** About five minutes' walk from Exit A2
- Kamiyacho Station, Tokyo Metro/Hibiya Line** About six minutes' walk from Exit 4b



We recommend that you use public transportation when traveling to the venue.

- * If you walk from Toranomom Station, Toranomom Hills Station, or Tameike-Sanno Station, please enter the venue at the Banquet Entrance (1st floor).
- * If you come from Kamiyacho Station, please enter at the Main Entrance (5th floor) and use an elevator to proceed to the 1st floor.



Japanese	English
Map (Overall view)	
虎ノ門駅	Toranomon Station
銀座線「虎ノ門」駅3番出口	Toranomon Sta (Tokyo Metro Ginza Line) Exit 3
文部科学省	MEXT
霞が関ビル	Kasumigaseki Bldg.

特許庁	Japan Patent Office
特許庁前	“Japan Patent Office” (traffic lights)
溜池山王駅	Tameike-Sanno Station
住友不動産虎ノ門タワー	Sumitomo Fudosan Toranomom Tower
虎ノ門病院	Toranomom Hospital
赤坂インターシティAIR	Akasaka Intercity AIR
銀座線／南北線「溜池山王」駅14番出口	Tameike-Sanno Sta (Tokyo Metro Ginza Line/Namboku Line) Exit14
アメリカ合衆国大使館	Embassy of U.S.A.
虎ノ門二丁目	Toranomom 2 (traffic lights)
虎ノ門ヒルズ駅	Toranomom Hills Station
虎ノ門三丁目	Toranomom 3 (traffic lights)
日比谷線「虎ノ門ヒルズ」駅A2出口	Toranomom Hills Sta (Tokyo Metro Hibiya Line) Exit A2
虎ノ門ヒルズ森タワー	Toranomom Hills Mori Tower
虎ノ門ツインビル	Toranomom Twin Bldg.
The Okura Tokyoオークラプレステージタワー1階	1st Floor, The Okura Prestige Tower of The Okura Tokyo
大倉集古館	Okura Museum of Art
ホテルオークラ東京別館	Hotel Okura Tokyo South Wing
気象庁虎ノ門庁舎	Toranomom Office Building of the Japan Meteorological Agency
東京ワールドゲート	Tokyo World Gate
虎ノ門タワーズ	Toranomom Towers
駐日スペイン大使館	Embassy of Spain
神谷町駅	Kamiyacho Station
日比谷線「神谷町」駅4b出口	Kamiyacho Sta (Tokyo Metro Hibiya Line) Exit 4b
ANAインターコンチネンタルホテル東京	ANA InterContinental Tokyo
アークヒルズ	Ark Hills
Map (Enlarged map of the entrance)	
入口拡大図	Enlarged Map of the Entrance
溜池山王駅より	From Tameike-Sanno Station

虎ノ門駅より	From Toranomom Station
宴会場入口（1階）	Banquet Entrance (1st floor)
オークラヘリテージウィング	The Okura Heritage Wing
正面エントランス（5階）	Main Entrance (5th floor)
神谷町駅より	From Kamiyacho Station
虎ノ門ヒルズ駅より	From Toranomom Hills Station

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End of translation