

# SBI HOLDINGS, INC.

(Incorporated in Japan with limited liability)

## INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2021

The board of directors (the “Directors”) of SBI HOLDINGS, INC. (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended September 30, 2021.

(Amounts are rounded to the nearest million Japanese yen)

### 1. Consolidated Financial Results

#### (1) Consolidated Operating Results

(Percentages represent year-on-year changes)

	Revenue		Profit before income tax expense		Profit for the period		Profit attributable to owners of the Company	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2021	334,283	46.5	109,276	100.5	88,938	133.0	76,765	131.9
Six months ended September 30, 2020	228,165	18.7	54,512	13.5	38,164	8.8	33,104	18.7

	Total comprehensive income		Basic earnings per share attributable to owners of the Company	Diluted earnings per share attributable to owners of the Company
	Millions of yen	%	Yen	Yen
Six months ended September 30, 2021	83,371	106.5	313.76	270.17
Six months ended September 30, 2020	40,381	156.6	141.43	125.52

#### (2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the Company	Ratio of equity attributable to owners of the Company to total assets
	Millions of yen	Millions of yen	Millions of yen	%
September 30, 2021	7,619,339	789,628	608,036	8.0
March 31, 2021	7,208,572	717,095	562,116	7.8

## 2. Dividends

(Declared date)	Dividend per share				
	End of 1 <sup>st</sup> Q	End of 2 <sup>nd</sup> Q	End of 3 <sup>rd</sup> Q	Year-end	Full year
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	—	20.00	—	100.00	120.00
Fiscal year ending March 31, 2022	—	30.00			
Fiscal Year ending March 31, 2022 (forecast) (Note)			—	—	—

(Note) Fiscal year ending March 31, 2022 forecast is to be determined.

## 3. Total number of shares outstanding (Common stock)

(1) Number of shares outstanding (including treasury stock)	: September 30, 2021	: 244,890,790shares
	March 31, 2021	: 244,639,390shares
(2) Number of treasury stock	: September 30, 2021	: 19,294shares
	March 31, 2021	: 15,084shares
(3) Average number of shares outstanding	: Six months ended September 30, 2021	: 244,661,537shares
	Six months ended September 30, 2020	: 234,056,774shares

The Group prepared the consolidated financial statements in accordance with IFRSs.

*This financial summary is exempt from quarterly review procedures required by Financial Instruments and Exchange Act.*

## 1. BUSINESS RESULTS

### (1) Results of Operations

The Group's consolidated results of operations for the six months ended September 30, 2021 were as follows. Revenue increased 46.5% year-on-year to ¥334,283 million, profit before income tax expense increased 100.5% to ¥109,276 million and profit attributable to owners of the Company increased 131.9% to ¥76,765 million.

The results of operations for each reporting segment of the Group for the six months ended September 30, 2021 were as follows.

SBI Estate Finance Co.,Ltd. and SBI Guarantee Co.,Ltd., which were included in the Asset Management Business until the previous reporting period, are now included in the Financial Services Business beginning with the six months ended September 30, 2021. Consequently, segment information for the six months ended September 30, 2020, is restated in accordance with the new basis of segmentation.

	Revenue			Profit before income tax expense		
	Six months ended September 30, 2020	Six months ended September 30, 2021		Six months ended September 30, 2020	Six months ended September 30, 2021	
	Millions of Yen	Millions of Yen	%	Millions of Yen	Millions of Yen	%
Financial Services Business	145,181	171,548	18.2	40,610	45,520	12.1
Asset Management Business	80,984	149,644	84.8	24,477	78,590	221.1
Biotechnology, Healthcare & Medical Informatics Business	1,945	4,545	133.7	(3,186)	(1,190)	—
Total	228,110	325,737	42.8	61,901	122,920	98.6
Others	3,341	10,596	217.2	(2,183)	(7,880)	—
Elimination or Corporate	(3,286)	(2,050)	—	(5,206)	(5,764)	—
Consolidated Total	228,165	334,283	46.5	54,512	109,276	100.5

(% represents year-on-year changes)

#### (Financial Services Business)

The Financial Services Business consists of a wide range of finance-related business, including securities brokerage business, banking services business, and life, property and casualty insurance business.

The results of operations of the Financial Services Business for the six months ended September 30, 2021 were as follows. Revenue increased 18.2% year-on-year to ¥171,548 million, and profit before income tax expense increased 12.1% to ¥45,520 million.

#### (Asset Management Business)

The Asset Management Business primarily consists of fund management and investment in Internet technology, fintech, blockchain, finance, and biotechnology-related venture companies in Japan and overseas, financial services business overseas, and asset management services business which provides financial products information.

The results of operations of the Asset Management Business for the six months ended September 30, 2021 were as follows. Revenue increased 84.8% year-on-year to ¥149,644 million, and profit before income tax expense increased 221.1% year-on-year to ¥78,590 million.

### **(Biotechnology, Healthcare & Medical Informatics Business)**

The Biotechnology, Healthcare & Medical Informatics Business represents development and distribution of pharmaceutical products, health foods, and cosmetics with 5-aminolevulinic acid (ALA\*), a kind of amino acid which exists in vivo, research and development of antibody drugs and nucleic acid medicine in the field of cancer and immunology, the digitization of medical and health information, providing solutions and services that promote and the use of medical big data, and medical finance.

The results of operations of the Biotechnology, Healthcare & Medical Informatics Business for the six months ended September 30, 2021 were as follows. Revenue increased 133.7% year-on-year to ¥4,545 million, and loss before income tax expense amounted to ¥1,190 million for the six months ended September 30, 2021 (¥3,186 million of loss before income tax expense for the six months ended September 30, 2020).

\* 5-aminolevulinic acid (ALA) is an amino acid generated by mitochondria in the human body and an important substance used to produce heme or cytochrome, proteins to generate energy. The production of ALA in the human body decreases with age. ALA is included in food products, including slops of distilled spirits, red wine, and Asian ginseng. ALA is also known as a chloroplastic substance in plants.

## **(2) Financial Conditions and Cash Flows**

As at September 30, 2021, total assets amounted to ¥7,619,339 million and increased by ¥410,767 million from total assets of ¥7,208,572 million as at March 31, 2021. The Group's equity increased by ¥72,533 million to ¥789,628 million from the fiscal year ended March 31, 2021. As at September 30, 2021, the Group's cash and cash equivalents amounted to ¥854,912 million and increased by ¥52,210 million from that of ¥802,702 million as at March 31, 2021. The changes of cash flows for each activity and the reasons for changes are as follows:

### **(Operating Cash Flows)**

Cash flows from operating activities amounted to ¥75,569 million in net cash inflows (¥100,932 million in net cash outflows for the six months ended September 30, 2020). The net cash inflows were primarily due to a ¥104,989 million cash inflow from an increase in trade and other accounts payable and a ¥102,745 million cash inflow from an increase in customer deposits in the banking business, despite a ¥110,102 million cash outflow from an increase in trade and other accounts receivables.

### **(Investing Cash Flows)**

Cash flows from investing activities amounted to ¥23,928 million in net cash outflows (¥28,501 million in net cash outflows for the six months ended September 30, 2020). The net cash outflows were primarily due to a ¥50,119 million cash outflow from purchases of investment securities, despite a ¥38,212 million cash inflow from collection of loans receivable.

### **(Financing Cash Flows)**

Cash flows from financing activities amounted to ¥5,689 million in net cash inflows (¥16,728 million in net cash outflows for the six months ended September 30, 2020). The net cash inflows were primarily due to a ¥172,908 million cash inflow from proceeds from issuance of bonds payable, despite a ¥155,938 million cash outflow from an increase in short term loans payable.

## 2. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

### (1) Interim Condensed Consolidated Statement of Financial Position

	As at March 31, 2021	As at September 30, 2021
	Millions of Yen	Millions of Yen
<b>Assets</b>		
Cash and cash equivalents	802,702	<b>854,912</b>
Trade and other accounts receivable	1,183,896	<b>1,252,297</b>
Assets related to securities business		
Cash segregated as deposits	2,292,743	<b>2,372,695</b>
Margin transaction assets	972,573	<b>1,063,543</b>
Other assets related to securities business	631,305	<b>543,233</b>
Total assets related to securities business	3,896,621	<b>3,979,471</b>
Other financial assets	58,715	<b>56,093</b>
Operational investment securities	528,154	<b>603,497</b>
Other investment securities	209,545	<b>223,016</b>
Investments accounted for using the equity method	103,807	<b>117,028</b>
Property and equipment	64,290	<b>42,769</b>
Intangible assets	225,607	<b>235,166</b>
Other assets	123,071	<b>242,763</b>
Deferred tax assets	12,164	<b>12,327</b>
<b>Total assets</b>	<b>7,208,572</b>	<b>7,619,339</b>
<b>Liabilities</b>		
Bonds and loans payable	1,394,137	<b>1,399,038</b>
Trade and other accounts payable	189,729	<b>296,131</b>
Liabilities related to securities business		
Margin transaction liabilities	269,152	<b>282,293</b>
Loans payable secured by securities	602,921	<b>589,231</b>
Deposits from customers	1,277,808	<b>1,342,882</b>
Guarantee deposits received	961,651	<b>986,517</b>
Other liabilities related to securities business	410,270	<b>377,523</b>
Total liabilities related to securities business	3,521,802	<b>3,578,446</b>
Customer deposits for banking business	1,042,132	<b>1,113,474</b>
Insurance contract liabilities	150,123	<b>152,174</b>
Income tax payable	20,125	<b>11,089</b>
Other financial liabilities	30,333	<b>28,365</b>
Other liabilities	107,301	<b>205,318</b>
Deferred tax liabilities	35,795	<b>45,676</b>
<b>Total liabilities</b>	<b>6,491,477</b>	<b>6,829,711</b>
<b>Equity</b>		
Capital stock	98,711	<b>98,929</b>
Capital surplus	147,753	<b>146,777</b>
Treasury stock	(40)	<b>(53)</b>
Other components of equity	18,197	<b>13,429</b>
Retained earnings	297,495	<b>348,954</b>
Equity attributable to owners of the Company	562,116	<b>608,036</b>
Non-controlling interests	154,979	<b>181,592</b>
<b>Total equity</b>	<b>717,095</b>	<b>789,628</b>
<b>Total liabilities and equity</b>	<b>7,208,572</b>	<b>7,619,339</b>

**(2) Interim Condensed Consolidated Statements of Income and Comprehensive Income**  
**Interim Condensed Consolidated Statement of Income**

	Six months ended September 30, 2020 Millions of Yen	Six months ended September 30, 2021 Millions of Yen
Revenue (Interest income of ¥66,438 million and ¥83,694 million included for the six months ended September 30, 2020 and 2021, respectively)	228,165	<b>334,283</b>
Expense		
Financial cost associated with financial income	(12,980)	<b>(13,826)</b>
Provision for credit losses	(18,725)	<b>(21,375)</b>
Operating cost	(62,755)	<b>(94,085)</b>
Selling, general and administrative expenses	(74,251)	<b>(92,968)</b>
Other financial cost	(2,857)	<b>(3,334)</b>
Other expenses	(6,479)	<b>(4,855)</b>
Total expense	<u>(178,047)</u>	<u><b>(230,443)</b></u>
Share of the profit of associates and joint ventures accounted for using the equity method	4,394	<b>5,436</b>
Profit before income tax expense	<u>54,512</u>	<u><b>109,276</b></u>
Income tax expense	(16,348)	<b>(20,338)</b>
Profit for the period	<u><u>38,164</u></u>	<u><u><b>88,938</b></u></u>
Profit for the period attributable to		
Owners of the Company	33,104	<b>76,765</b>
Non-controlling interests	5,060	<b>12,173</b>
Profit for the period	<u><u>38,164</u></u>	<u><u><b>88,938</b></u></u>
Earnings per share attributable to owners of the Company		
Basic (Yen)	141.43	<b>313.76</b>
Diluted (Yen)	125.52	<b>270.17</b>

## Interim Condensed Consolidated Statement of Comprehensive Income

	Six months ended September 30, 2020	<b>Six months ended September 30, 2021</b>
	Millions of Yen	<b>Millions of Yen</b>
Profit for the period	38,164	<b>88,938</b>
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Equity instruments measured at FVTOCI	(3)	<b>(268)</b>
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	89	<b>137</b>
	<u>86</u>	<u><b>(131)</b></u>
Items that may be reclassified subsequently to profit or loss		
Debt instruments measured at FVTOCI	434	<b>(18)</b>
Currency translation differences	1,540	<b>(5,398)</b>
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	157	<b>(20)</b>
	<u>2,131</u>	<u><b>(5,436)</b></u>
Other comprehensive income, net of tax	<u>2,217</u>	<u><b>(5,567)</b></u>
Total comprehensive income	<u>40,381</u>	<u><b>83,371</b></u>
Total comprehensive income attributable to		
Owners of the Company	35,262	<b>71,153</b>
Non-controlling interests	5,119	<b>12,218</b>
Total comprehensive income	<u>40,381</u>	<u><b>83,371</b></u>

### (3) Condensed Interim Consolidated Statement of Changes in Equity

Six months ended September 30, 2020

	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 April 1, 2020	92,018	139,993	(13,874)	(6,385)	239,724	451,476	142,223	593,699
Profit for the period	-	-	-	-	33,104	33,104	5,060	38,164
Other comprehensive income	-	-	-	2,158	-	2,158	59	2,217
Total comprehensive income	-	-	-	2,158	33,104	35,262	5,119	40,381
Issuance of new shares	1,289	1,186	-	-	-	2,475	-	2,475
Issuance of convertible bonds	-	2,756	-	-	-	2,756	-	2,756
Conversion of convertible bonds	4,042	(484)	12,804	-	-	16,362	-	16,362
Change in scope of consolidation	-	-	-	-	-	-	888	888
Dividends paid	-	-	-	-	(18,466)	(18,466)	(6,110)	(24,576)
Treasury shares purchased	-	-	(11)	-	-	(11)	-	(11)
Treasury shares sold	-	(378)	1,067	-	-	689	-	689
Share-based payment transaction	-	352	-	-	-	352	90	442
Changes of interests in subsidiaries without losing control	-	(736)	-	-	-	(736)	6,334	5,598
As at September 30, 2020	<u>97,349</u>	<u>142,689</u>	<u>(14)</u>	<u>(4,227)</u>	<u>254,362</u>	<u>490,159</u>	<u>148,544</u>	<u>638,703</u>



Six months ended September 30, 2021

	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		
<b>As at April 1, 2021</b>	98,711	147,753	(40)	18,197	297,495	562,116	154,979	717,095
<b>Profit for the period</b>	-	-	-	-	76,765	76,765	12,173	88,938
<b>Other comprehensive income</b>	-	-	-	(5,612)	-	(5,612)	45	(5,567)
<b>Total comprehensive income</b>	-	-	-	(5,612)	76,765	71,153	12,218	83,371
<b>Issuance of new shares</b>	218	175	-	-	-	393	-	393
<b>Change in scope of consolidation</b>	-	-	-	-	-	-	(1,778)	(1,778)
<b>Dividends paid</b>	-	-	-	-	(24,462)	(24,462)	(5,780)	(30,242)
<b>Treasury shares purchased</b>	-	-	(13)	-	-	(13)	-	(13)
<b>Treasury shares sold</b>	-	(0)	0	-	-	0	-	0
<b>Share-based payment transaction</b>	-	340	-	-	-	340	3	343
<b>Changes of interests in subsidiaries without losing control</b>	-	(1,491)	-	-	-	(1,491)	21,950	20,459
<b>Transfer</b>	-	-	-	844	(844)	-	-	-
<b>As at September 30, 2021</b>	<u>98,929</u>	<u>146,777</u>	<u>(53)</u>	<u>13,429</u>	<u>348,954</u>	<u>608,036</u>	<u>181,592</u>	<u>789,628</u>

#### (4) Interim Condensed Consolidated Statement of Cash flows

	Six months ended September 30, 2020	<b>Six months ended September 30, 2021</b>
	Millions of Yen	<b>Millions of Yen</b>
Cash flows from operating activities		
Profit before income tax expense	54,512	<b>109,276</b>
Depreciation and amortization	12,043	<b>12,266</b>
Share of profits of associates and joint ventures accounted for using the equity method	(4,394)	<b>(5,436)</b>
Interest and dividend income	(69,120)	<b>(90,574)</b>
Interest expense	15,830	<b>17,150</b>
Increase in operational investment securities	(35,402)	<b>(73,845)</b>
Increase in trade and other accounts receivables	(116,775)	<b>(110,102)</b>
Increase in trade and other accounts payable	48,745	<b>104,989</b>
Increase in assets/liabilities related to securities business	(160,710)	<b>(25,957)</b>
Increase in customer deposits in the banking business	120,650	<b>102,745</b>
Others	(6,756)	<b>(16,836)</b>
Subtotal	(141,377)	<b>23,676</b>
Interest and dividend income received	66,501	<b>88,315</b>
Interest paid	(14,506)	<b>(16,525)</b>
Income taxes paid	(11,550)	<b>(19,897)</b>
Net cash (used in) generated from operating activities	(100,932)	<b>75,569</b>
Cash flows from investing activities		
Purchases of intangible assets	(6,955)	<b>(10,427)</b>
Purchases of investment securities	(20,820)	<b>(50,119)</b>
Proceeds from sales or redemption of investment securities	14,196	<b>30,929</b>
Acquisition of subsidiaries, net of cash and cash equivalents acquired	(6,474)	<b>(5,830)</b>
Proceeds from sales of subsidiaries, net of cash and cash equivalents disposed of	(87)	<b>1,610</b>
Payments of loans receivable	(27,903)	<b>(23,945)</b>
Collection of loans receivable	25,914	<b>38,212</b>
Others	(6,372)	<b>(4,358)</b>
Net cash used in investing activities	(28,501)	<b>(23,928)</b>

	Six months ended September 30, 2020	<b>Six months ended September 30, 2021</b>
	Millions of Yen	<b>Millions of Yen</b>
Cash flows from financing activities		
Decrease in short term loans payable	(127,003)	<b>(155,938)</b>
Proceeds from long-term loans payable	42,420	<b>96,205</b>
Repayment of long-term loans payable	(13,344)	<b>(44,543)</b>
Proceeds from issuance of bonds payable	144,011	<b>172,908</b>
Redemption of bonds payable	(46,001)	<b>(50,372)</b>
Proceeds from issuance of shares	2,475	<b>393</b>
Proceeds from stock issuance to non-controlling interests	33	<b>1,682</b>
Contributions from non-controlling interests in consolidated investment funds	6,886	<b>20,637</b>
Cash dividends paid	(18,442)	<b>(24,436)</b>
Cash dividends paid to non-controlling interests	(450)	<b>(667)</b>
Distributions to non-controlling interests in consolidated investment funds	(5,663)	<b>(5,066)</b>
Purchase of treasury stock	(11)	<b>(13)</b>
Proceeds from sale of interests in subsidiaries to non-controlling interests	429	<b>2,507</b>
Payments for purchase of interests in subsidiaries from non-controlling interests	(111)	<b>(3,093)</b>
Others	(1,957)	<b>(4,515)</b>
Net cash (used in) generated from financing activities	<u>(16,728)</u>	<u><b>5,689</b></u>
Net (decrease) increase in cash and cash equivalents	(146,161)	<b>57,330</b>
Cash and cash equivalents at the beginning of the period	843,755	<b>802,702</b>
Effect of changes in exchange rate on cash and cash equivalents	(1,085)	<b>(5,120)</b>
Cash and cash equivalents at the end of the period	<u><u>696,509</u></u>	<u><u><b>854,912</b></u></u>

## (5) Notes to Condensed Interim Consolidated Financial Statements

### Assumptions for Going Concern

None

### Revenue

	Six months ended September 30, 2020	<b>Six months ended September 30, 2021</b>
	Millions of yen	<b>Millions of yen</b>
Financial income		
Interest income		
Income arising from financial assets measured at amortized cost (Note 1)	66,069	<b>83,259</b>
Income arising from debt instruments measured at FVTOCI (Note 2)	369	<b>435</b>
Income arising from financial assets measured at FVTPL	49,804	<b>94,676</b>
Others	300	<b>504</b>
Total financial income	<u>116,542</u>	<u><b>178,874</b></u>
Revenue arising on insurance contracts	46,065	<b>54,019</b>
Revenue from contracts with customers		
Revenue from rendering of services	47,320	<b>56,800</b>
Revenue from sales of goods	2,851	<b>22,002</b>
Others	15,387	<b>22,588</b>
Total revenue	<u><u>228,165</u></u>	<u><u><b>334,283</b></u></u>

(Note 1) Interest income arising from loans in the banking and securities businesses.

(Note 2) Interest income arising from bonds in the insurance business.

### Events after the Reporting Period

There was no significant event after the reporting period.