

SBI HOLDINGS, INC.

(Incorporated in Japan with limited liability)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2024

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, 2024.

(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, 2024	676,030	17.6	78,872	12.3	60,003	24.4	44,726	20.6
Six months ended September 30, 2023	574,825	28.3	70,241	31.8	48,241	26.5	37,088	360.8

	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, 2024	(506)	—	148.07	144.58
Six months ended September 30, 2023	109,829	47.7	136.00	119.93

(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, 2024	28,610,790	1,842,665	1,254,092	4.4
March 31, 2024	27,139,391	1,907,346	1,262,209	4.7

2. Dividends

(Declared date)	Dividend per share				
	End of 1 st Q	End of 2 nd Q	End of 3 rd Q	Year-end	Full year
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	30.00	—	130.00	160.00
Fiscal year ending March 31, 2025	—	30.00			
Fiscal Year ending March 31, 2025 (forecast) (Note)			—	—	—

(Note) Fiscal year ending March 31, 2025 forecast is to be determined

3. Total number of shares outstanding (Common stock)

- (1) Number of shares outstanding (including treasury stock) : September 30, 2024 : 302,736,607 shares
: March 31, 2024 : 301,889,807 shares
- (2) Number of treasury stock : September 30, 2024 : 32,074 shares
: March 31, 2024 : 30,696 shares
- (3) Average number of shares outstanding : Six months ended September 30, 2024 : 302,057,242 shares
: Six months ended September 30, 2023 : 272,710,099 shares

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

This financial summary is exempt from 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, 2024 were as follows. Revenue increased 17.6% year-on-year to ¥676,030 million, profit before income tax expense increased 12.3% to ¥78,872 million and profit attributable to owners of the Company increased 20.6% to ¥44,726 million.

The results of operations for each reporting segment of the Group for the six months ended September 30, 2024 were as follows.

SBI Leasing Services Co., Ltd., which was included in the Investment Business until the previous reporting period, is now included in the Financial Services Business beginning with this fiscal year. Consequently, segment information for the six months ended September 30, 2023, is restated in accordance with the new basis of segmentation.

	Revenue			Profit before income tax expense		
	Six months ended	Six months ended		Six months ended	Six months ended	
	September 30,	September 30, 2024		September 30,	September 30, 2024	
	Millions of Yen	Millions of Yen	%	Millions of Yen	Millions of Yen	%
Financial Services Business	517,389	621,683	20.2	74,437	104,426	40.3
Asset Management Business	14,050	17,051	21.4	2,151	3,209	49.2
Investment Business	27,011	12,224	(54.7)	5,361	(8,525)	—
Crypto-asset Business	16,066	30,321	88.7	674	1,425	111.4
Next Gen Business	12,200	12,287	0.7	(2,373)	(9,256)	—
Total	586,716	693,566	18.2	80,250	91,279	13.7
Elimination or Corporate	(11,891)	(17,536)	—	(10,009)	(12,407)	—
Consolidated Total	574,825	676,030	17.6	70,241	78,872	12.3

(% represents year-on-year changes)

(Financial Services Business)

The Financial Services Business consists of a wide range of finance-related business inside and outside Japan, 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, 2024 were as follows. Revenue increased 20.2% year-on-year to ¥621,683 million, and profit before income tax expense increased 40.3% year-on-year to ¥104,426 million.

(Asset Management Business)

The Asset Management Business primarily consists of setting, solicitation, and management of investment trust, investment advice, and provision of financial products information.

The results of operations of the Asset Management Business for the six months ended September 30, 2024 were as follows. Revenue increased 21.4% year-on-year to ¥17,051 million, and profit before income tax expense increased 49.2% year-on-year to ¥3,209 million.

(Investment Business)

The Investment Business primarily consists of fund management and investment in Internet technology, fintech, blockchain, finance, and biotechnology-related venture companies in Japan and overseas.

The results of operations of the Investment Business for the six months ended September 30, 2024 were as follows. Revenue decreased 54.7% year-on-year to ¥12,224 million, and loss before income tax expense

amounted to ¥8,525 million (¥5,361 million of profit before income tax expense for the six months ended September 30, 2023).

(Crypto-asset Business)

The Crypto-asset Business primarily consists of crypto-asset exchange business which provides crypto-asset exchange and trading services.

The results of operations of the Crypto-asset Business for the six months ended September 30, 2024 were as follows. Revenue increased 88.7% year-on-year to ¥30,321 million, and profit before income tax expense increased 111.4% year-on-year to ¥1,425 million.

(Next Gen Business)

The Next Gen Business primarily consists of the Biotechnology, Healthcare & Medical Informatics Business, which includes the development and distribution of pharmaceutical products, health foods, and cosmetics with the 5-aminolevulinic acid (5-ALA), a kind of amino acid which exists in vivo, the research and development of antibody drugs and nucleic acid medicine in the field of cancer and immunology, the digitization of medical and health information, the provision of solutions and services that promote the use of medical big data, and medical finance. The Next Gen Business also includes the business of working on advanced fields related to Web3, the renewable energy business, and the business of developing new overseas markets including Africa.

The results of operations of the Next Gen Business for the six months ended September 30, 2024 were as follows. Revenue increased 0.7% year-on-year to ¥12,287 million, and loss before income tax expense amounted to ¥9,256 million for the six months ended September 30, 2024 (¥2,373 million of loss before income tax expense for the six months ended September 30, 2023).

(2) Financial Conditions and Cash Flows

As at September 30, 2024, total assets amounted to ¥28,610,790 million and increased by ¥1,471,399 million from total assets of ¥27,139,391 million as at March 31, 2024. The Group's equity decreased by ¥64,681 million to ¥1,842,665 million from the fiscal year ended March 31, 2024.

As at September 30, 2024, the Group's cash and cash equivalents amounted to ¥4,874,158 million and increased by ¥293,823 million from that of ¥4,580,335 million as at March 31, 2024. 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 ¥635,944 million in net cash inflows (¥25,802 million in net cash inflows for the six months ended September 30, 2023). The net cash inflows were primarily due to a ¥967,502 million cash inflow from an increase in customer deposits in the banking business, a ¥323,064 million cash inflow from an increase in bonds and loans payable in banking business and ¥257,172 million cash inflow from an increase in payables under securities lending transactions, despite a ¥946,353 million cash outflow from an increase in trade and other accounts receivable.

(Investing Cash Flows)

Cash flows from investing activities amounted to ¥597,336 million in net cash outflows (¥152,605 million in net cash inflows for the six months ended September 30, 2023). The net cash outflows were primarily due to a ¥1,250,597 million cash outflow from purchases of investment securities, despite a ¥626,201 million cash inflow from proceeds from sales or redemption of investment securities.

(Financing Cash Flows)

Cash flows from financing activities amounted to ¥257,418 million in net cash inflows (¥62,066 million in net cash inflows for the six months ended September 30, 2023). The net cash inflows were primarily due to a ¥1,870,416 million cash inflow from proceeds from issuance of bonds payable and a ¥165,000 million cash inflow from proceeds from long-term loans payable, despite a ¥1,711,429 million cash outflow from redemption of bonds payable.

2. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

(1) Interim Condensed Consolidated Statement of Financial Position

	As at March 31, 2024	As at September 30, 2024
	Millions of Yen	Millions of Yen
Assets		
Cash and cash equivalents	4,580,335	4,874,158
Trade and other accounts receivable	11,606,228	12,491,927
Inventories	240,398	172,942
Assets related to securities business	6,165,370	6,047,294
Other financial assets	567,190	510,402
Operational investment securities	673,625	689,200
Other investment securities (includes ¥388,333 million and ¥647,300 million pledged as collateral as at March 31, 2024 and September 30, 2024, respectively)	2,088,542	2,646,687
Reinsurance contracts assets	24,270	24,693
Investments accounted for using the equity method	222,010	237,917
Investment properties	79,665	48,211
Property and equipment	133,777	129,502
Intangible assets	415,699	420,519
Assets held for sale	184,001	188,298
Other assets	138,766	111,788
Deferred tax assets	19,515	17,252
Total assets	27,139,391	28,610,790
Liabilities		
Bonds and loans payable	4,477,079	5,114,508
Trade and other accounts payable	656,571	758,850
Liabilities related to securities business	5,527,306	5,248,329
Customer deposits for banking business	13,002,239	13,926,654
Insurance contract liabilities	155,046	152,917
Income tax payable	19,036	19,303
Other financial liabilities	871,305	1,096,702
Provisions	36,853	34,812
Liabilities directly associated with assets held for sale	138,506	142,154
Other liabilities	286,443	214,690
Deferred tax liabilities	61,661	59,206
Total liabilities	25,232,045	26,768,125
Equity		
Capital stock	180,400	181,469
Capital surplus	280,185	312,202
Treasury stock	(87)	(93)
Other components of equity	125,726	78,211
Retained earnings	675,985	682,303
Equity attributable to owners of the Company	1,262,209	1,254,092
Non-controlling interests	645,137	588,573
Total equity	1,907,346	1,842,665
Total liabilities and equity	27,139,391	28,610,790

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

	Six months ended September 30, 2023	Six months ended September 30, 2024
	Millions of Yen	Millions of Yen
Revenue (Interest income of ¥241,517 million and ¥269,178 million and Insurance revenue ¥43,036 million and ¥47,098 million included for the six months ended September 30, 2023 and 2024, respectively)	574,825	676,030
Expense		
Financial cost associated with financial income	(81,934)	(92,949)
Provision for credit losses	(56,934)	(55,724)
Insurance service expenses	(38,242)	(43,076)
Operating cost	(112,854)	(135,656)
Selling, general and administrative expenses	(196,293)	(212,988)
Other financial cost	(18,845)	(24,481)
Other expenses	(5,830)	(39,252)
Total expense	(510,932)	(604,126)
Gain on bargain purchase	319	623
Share of the profit of associates and joint ventures accounted for using the equity method	6,029	6,345
Profit before income tax expense	70,241	78,872
Income tax expense	(22,000)	(18,869)
Profit for the period	48,241	60,003
Profit for the period attributable to		
Owners of the Company	37,088	44,726
Non-controlling interests	11,153	15,277
Profit for the period	48,241	60,003
Earnings per share attributable to owners of the Company		
Basic (Yen)	136.00	148.07
Diluted (Yen)	119.93	144.58

Interim Condensed Consolidated Statement of Comprehensive Income

	Six months ended September 30, 2023	Six months ended September 30, 2024
	Millions of Yen	Millions of Yen
Profit for the period	48,241	60,003
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Financial assets measured at FVTOCI	3,219	(1,109)
Changes in own credit risk on financial liabilities	(36)	(490)
Remeasurement of defined benefit plans	(305)	(318)
Share of other comprehensive income of investments accounted for using the equity method	346	1
	<u>3,224</u>	<u>(1,916)</u>
Items that may be reclassified subsequently to profit or loss		
Financial assets measured at FVTOCI	(6,689)	3,734
Currency translation differences	58,178	(63,748)
Fluctuations in discount rates of insurance contracts	1,464	1,046
Cash flow hedge	—	8
Share of other comprehensive income of investments accounted for using the equity method	5,411	367
	<u>58,364</u>	<u>(58,593)</u>
Other comprehensive income, net of tax	<u>61,588</u>	<u>(60,509)</u>
Total comprehensive income	<u>109,829</u>	<u>(506)</u>
Total comprehensive income attributable to		
Owners of the Company	89,801	(1,955)
Non-controlling interests	20,028	1,449
Total comprehensive income	<u>109,829</u>	<u>(506)</u>

(3) Interim Condensed Consolidated Statement of Changes in Equity

Six months ended September 30, 2023

	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, 2023	139,272	186,774	(76)	61,047	629,095	1,016,112	735,870	1,751,982
Profit for the period	-	-	-	-	37,088	37,088	11,153	48,241
Other comprehensive income	-	-	-	52,713	-	52,713	8,875	61,588
Total comprehensive income	-	-	-	52,713	37,088	89,801	20,028	109,829
Issuance of new shares	4,035	2,504	-	-	-	6,539	-	6,539
Change in scope of consolidation	-	-	-	-	-	-	(5,200)	(5,200)
Dividends paid	-	-	-	-	(32,680)	(32,680)	(9,423)	(42,103)
Treasury shares purchased	-	-	(4)	-	-	(4)	-	(4)
Treasury shares sold	-	(0)	0	-	-	0	-	0
Share-based payment transaction	-	170	-	-	-	170	28	198
Changes of interests in subsidiaries without losing control	-	14,398	-	-	-	14,398	(53,269)	(38,871)
Transfer from other components of equity to retained earnings	-	-	-	95	(95)	-	-	-
As at September 30, 2023	143,307	203,846	(80)	113,855	633,408	1,094,336	688,034	1,782,370

Six months ended September 30, 2024

	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, 2024	180,400	280,185	(87)	125,726	675,985	1,262,209	645,137	1,907,346
Profit for the period	-	-	-	-	44,726	44,726	15,277	60,003
Other comprehensive income	-	-	-	(46,681)	-	(46,681)	(13,828)	(60,509)
Total comprehensive income	-	-	-	(46,681)	44,726	(1,955)	1,449	(506)
Issuance of new shares	1,069	656	-	-	-	1,725	-	1,725
Issuance of convertible bonds	-	7,867	-	-	-	7,867	-	7,867
Change in scope of consolidation	-	-	-	-	-	-	(28,602)	(28,602)
Dividends paid	-	-	-	-	(39,242)	(39,242)	(10,179)	(49,421)
Treasury shares purchased	-	-	(6)	-	-	(6)	-	(6)
Treasury shares sold	-	1	0	-	-	1	-	1
Share-based payment transaction	-	178	-	-	-	178	(58)	120
Changes of interests in subsidiaries without losing control	-	23,315	-	-	-	23,315	(19,174)	4,141
Transfer from other components of equity to retained earnings	-	-	-	(834)	834	-	-	-
As at September 30, 2024	181,469	312,202	(93)	78,211	682,303	1,254,092	588,573	1,842,665

(4) Interim Condensed Consolidated Statement of Cash flows

	Six months ended September 30, 2023	Six months ended September 30, 2024
	Millions of Yen	Millions of Yen
Cash flows from operating activities		
Profit before income tax expense	70,241	78,872
Depreciation and amortization	28,398	28,844
Gain on bargain purchase	(319)	(623)
Share of profit of investments accounted for using the equity method	(6,029)	(6,345)
Interest and dividend income	(258,668)	(283,579)
Interest expense	99,603	118,190
Increase in operational investment securities	(62,712)	(24,470)
Increase in trade and other accounts receivable	(488,038)	(946,353)
Increase in trade and other accounts payable	107,532	110,728
Increase in assets/liabilities related to securities business	(163,324)	(161,475)
Increase in customer deposits in the banking business	553,745	967,502
Increase in bonds and loans payable in banking business	41,637	323,064
Increase in payables under securities lending transactions	25,708	257,172
Others	(80,975)	13,625
Subtotal	(133,201)	475,152
Interest and dividend income received	247,854	278,885
Interest paid	(75,484)	(102,708)
Income taxes paid	(13,367)	(15,385)
Net cash generated from operating activities	25,802	635,944
Cash flows from investing activities		
Purchase of investment property	(18,954)	(1,475)
Purchases of intangible assets	(20,519)	(24,660)
Purchases of investment securities	(1,109,216)	(1,250,597)
Proceeds from sales or redemption of investment securities	1,269,423	626,201
Acquisition of subsidiaries, net of cash and cash equivalents acquired	(2,670)	(444)
Proceeds from sales of subsidiaries	-	1,345
Payments of loans receivable	(65,379)	(57,201)
Collection of loans receivable	89,709	86,757
Others	10,211	22,738
Net cash generated from (used in) investing activities	152,605	(597,336)

	Six months ended September 30, 2023	Six months ended September 30, 2024
	Millions of Yen	Millions of Yen
Cash flows from financing activities		
(Decrease) increase in short term loans payable	(16,341)	151,176
Proceeds from long-term loans payable	57,390	165,000
Repayment of long-term loans payable	(73,807)	(139,387)
Proceeds from issuance of bonds payable	908,000	1,870,416
Redemption of bonds payable	(755,413)	(1,711,429)
Proceeds from issuance of shares	6,539	1,725
Proceeds from stock issuance to non-controlling interests	1,004	328
Contributions from non-controlling interests in consolidated investment funds	10,979	11,618
Cash dividends paid	(32,659)	(39,221)
Cash dividends paid to non-controlling interests	(3,222)	(3,487)
Distributions to non-controlling interests in consolidated investment funds	(6,254)	(7,250)
Purchase of treasury stock	(4)	(6)
Proceeds from sale of interests in subsidiaries to non-controlling interests	268	63
Payments for purchase of interests in subsidiaries from non-controlling interests	(24,590)	(32,039)
Others	(9,824)	(10,089)
Net cash generated from financing activities	<u>62,066</u>	<u>257,418</u>
Net increase in cash and cash equivalents	240,473	296,026
Cash and cash equivalents at the beginning of the period	3,200,916	4,580,335
Effect of changes in exchange rate on cash and cash equivalents	20,534	(2,203)
Cash and cash equivalents at the end of the period	<u><u>3,461,923</u></u>	<u><u>4,874,158</u></u>

(5) Notes to Condensed Interim Consolidated Financial Statements

Segment Information

The Group reports five business segments, including Financial Services Business, Asset Management Business, Investment Business, Crypto-asset Business that is expected to continue to grow, and Next Gen Business which includes Biotechnology, Healthcare & Medical Informatics Business and the business working on advanced fields related to Web3.

The reportable segments of the Group represent businesses activities for which separate financial information of the Group's components is available and reviewed regularly by the board of directors for the purpose of allocating financial resources and performance evaluation.

The following is a description of business activities for the reporting segments.

"Financial Services Business"

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

"Asset Management Business"

The Asset Management Business primarily consists of setting, solicitation, and management of investment trust, investment advice, and provision of financial products information.

"Investment Business"

The Investment Business primarily consists of fund management and investment in Internet technology, fintech, blockchain, finance, and biotechnology-related venture companies in Japan and overseas.

"Crypto-asset Business"

The Crypto-asset Business primarily consists of crypto-asset exchange business which provides crypto-asset exchange and trading services.

"Next Gen Business"

The Next Gen Business primarily consists of Biotechnology, Healthcare & Medical Informatics Business which includes development and distribution of pharmaceutical products, health foods, and cosmetics with 5-aminolevulinic acid (5-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, business working on advanced fields related to Web3, renewable energy business, and business developing in new overseas markets including Africa.

The results of operations for each reporting segment of the Group for the six months ended September 30, 2024, were as follows.

"Elimination or Corporate" includes profit or loss that is not allocated to certain business segments and the elimination of the inter-company transactions within the Group, at a price based on the actual market price.

SBI Leasing Services Co., Ltd., which was included in the Investment Business until the previous reporting period, is now included in the Financial Services Business beginning with this fiscal year. Consequently, segment information for the six months ended September 30, 2023, is restated in accordance with the

new basis of segmentation.

Six months ended September 30, 2023

	Financial Services Business	Asset Management Business	Investment Business	Crypto-asset Business	Next Gen Business	Total	Elimination	Consolidated Total
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Revenue	517,389	14,050	27,011	16,066	12,200	586,716	(11,891)	574,825
Profit (loss) before income tax expense	74,437	2,151	5,361	674	(2,373)	80,250	(10,009)	70,241

Six months ended September 30, 2024

	Financial Services Business	Asset Management Business	Investment Business	Crypto-asset Business	Next Gen Business	Total	Elimination	Consolidated Total
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Revenue	621,683	17,051	12,224	30,321	12,287	693,566	(17,536)	676,030
Profit (loss) before income tax expense	104,426	3,209	(8,525)	1,425	(9,256)	91,279	(12,407)	78,872

Assumptions for Going Concern

None

Revenue

	Six months ended September 30, 2023	Six months ended September 30, 2024
	Millions of yen	Millions of yen
Revenue		
Financial income		
Interest income		
Income arising from financial assets measured at amortized cost (Note 1)	235,956	260,686
Income arising from debt instruments measured at FVTOCI (Note 2)	5,561	8,492
Income arising from financial assets measured at FVTPL	3,049	73,181
Income arising from financial liabilities designated at FVTPL	3,944	(822)
Others	24,894	27,299
Total financial income	273,404	368,836
Insurance Revenue	43,036	47,098
Revenue from contracts with customers		
Revenue from rendering of services	111,728	107,673
Revenue from sales of goods	41,332	49,750
Others	105,325	102,673
Total revenue	574,825	676,030

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

(Note 2) Interest income arising from bonds in the banking and insurance businesses.