



*Strategic
Business
Innovator*

SBI Holdings, Inc.

Financial Results

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

July 29, 2021

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

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

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

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

- I. 1Q FY2021 consolidated financial results (IFRS) and the feasibility of the new medium-term vision based on it**
- II. New efforts to attract an international financial center to Osaka in cooperation with local governments and various other stakeholders**
- III. SBI Group's future business activity guidelines for the "with COVID-19" era**

I. 1Q FY2021 consolidated financial results (IFRS) and the feasibility of the new medium-term vision based on it

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



-Define the next 3 to 5 years as a transitional period towards the Fintech 2.0 era and endeavor to realize the new medium-term vision during that period-

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

Definition of new business

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

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

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

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

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

1Q FY2021 Consolidated Performance (IFRS)

[Year-on-year comparison]

(Unit: JPY million)

	1Q FY2020 (Apr.-June 2020)	1Q FY2021 (Apr.-June 2021)	YoY % change
Revenue	111,101	Record high *1 137,474	+23.7
Profit before income tax expense	27,757	Record high *1 33,029	+19.0
Profit for the period	20,279	Record high *1 33,106	+63.3
Profit attributable to owners of the Company	16,284	Record high *1 28,958	+77.8

Annualized ROE based on 1Q FY2021 is 19.0% (*2)

*1 Comparison with past 1Q results

*2 Annualized ROE was calculated by annualizing the 1Q FY2021 of profit attributable to owners of the Company

[Consolidated Performance Overview]

- Revenue increased 23.7% year-on-year to JPY 137.5bn, profit before income tax expense rose 19.0% year-on-year to JPY 33.0bn and profit attributable to owners of the Company increased 77.8% YoY to JPY 29.0bn, which were historical highs for a 1Q period
- In the Financial Services Business, the securities business is diversifying its revenue sources and continues to perform favorably. Also, the equity in the earnings of SBI Sumishin Net Bank based on IFRS for 1Q FY2021 continues to increase
- In the Asset Management Business, although the valuation of certain listed stocks fell sharply in 1Q FY2021, valuation gains from unlisted stocks contributed significantly to business performance. In addition, SBI SAVINGS BANK of South Korea is growing at a pace higher than the previous year's record high profit, supporting segment performance
- In the Biotechnology, Healthcare & Medical Informatics Business, revenue increased 3.6 times YoY due to milestone income. Although expenses were recorded ahead of schedule due to the acceleration of the business withdrawal process of Quark, the deficit of the business segment improved by approx. JPY 1.0bn compared to the same period of the previous year

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



(Unit: JPY million)

	1Q FY2020 (Apr. 2020 – June 2020)	1Q FY2021 (Apr. 2021 – June 2021)	YoY % change
SBI Holdings (IFRS)	16,284	28,958	+77.8
Nomura Holdings (US-GAAP)	142,516	48,487	-66.0
Daiwa Securities Group (J-GAAP)	17,552	23,560	+34.2
SMBC Nikko Securities (J-GAAP)	6,472	14,697	+127.1

1Q FY2021 Performance by Segment (IFRS)

[Year-on-year comparison]

(Unit: JPY million)

	Revenue			Profit before Income Tax Expense		
	1Q FY2020 (Apr. 2020– June 2020)	1Q FY2021 (Apr. 2021– June 2021)	YoY % change	1Q FY2020 (Apr. 2020– June 2020)	1Q FY2021 (Apr. 2021– June 2021)	YoY % change / YoY change
Financial Services Business	70,690	86,664 Record high*	+22.6	20,978	25,377 Record high*	+21.0
Asset Management Business	39,749	47,687 Record high*	+20.0	11,990	15,712	+31.0
Biotechnology, Healthcare & Medical Informatics Business	771	2,799 Record high*	+263.0	-1,692	-700	+992

* Figures are before elimination of the inter-segment transactions.

* "Record high" is a comparison with past 1Q results

Summary of Progress Towards Achieving the New Medium-Term Vision (3–5 years) in View of 1Q FY2021 Consolidated Financial Results

- The CAGR (Compound Annual Growth Rate) envisioned when the new medium-term vision (3–5 years) was formulated for endeavoring to achieve over JPY 300 billion consolidated profit before income tax expense during this period, is 28.8% for the third year and 16.4% for the fifth year. 1Q FY2021 rose 19.0% YoY, exceeding the assumed CAGR for achieving the fifth year
- Regarding the situation in 2Q FY2021 that we are currently aware of, for the Asset Management Business, there are stocks that are expected to record valuation gains based on FVTPL, so there is a possibility that they will greatly exceed 1Q FY2021
- The following topics will also contribute, and it is expected that the CAGR for the first year (FY2021) will exceed the planned 16.4% to 28.8% of the established new medium-term vision (3–5 years):

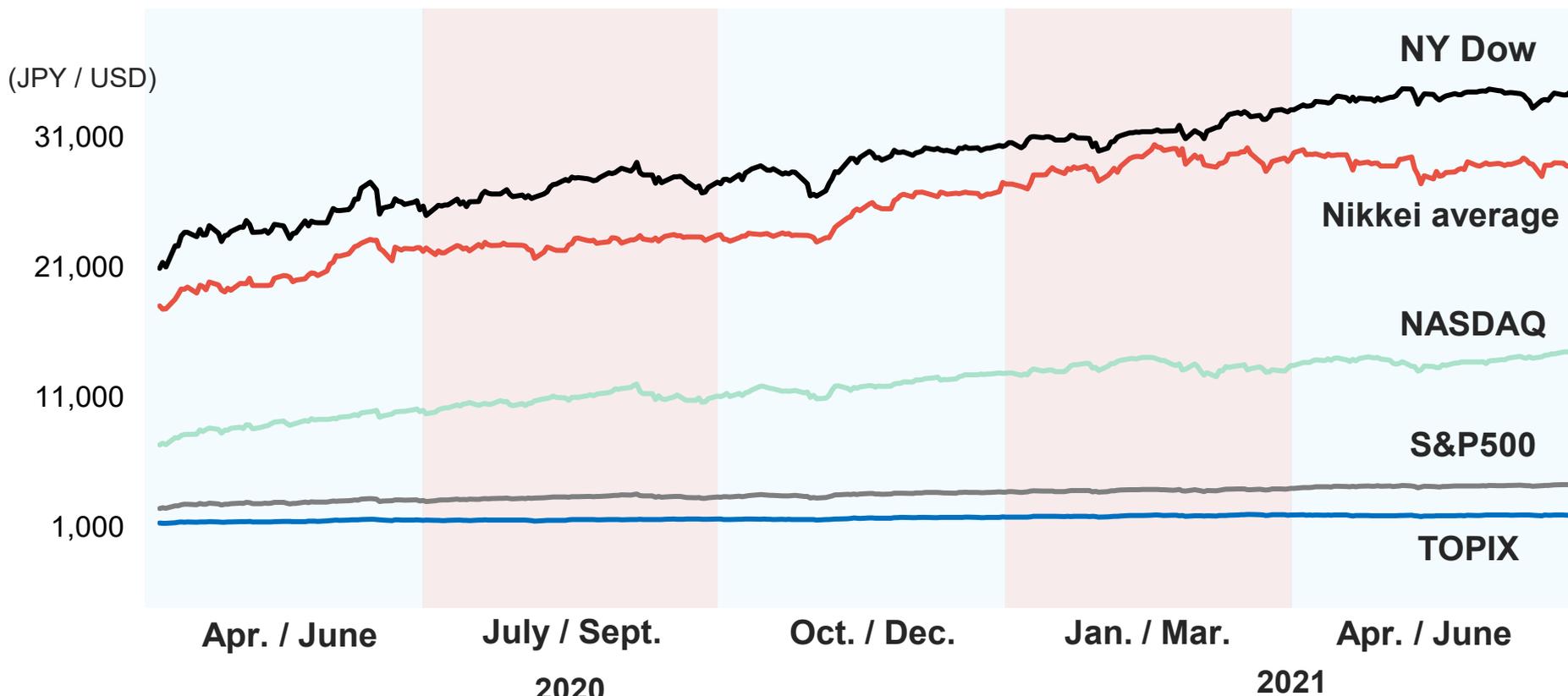
- ① Although the Japanese market is valued cheaper than the overseas market, it is expected that inoculation of the COVID-19 vaccine will progress and that the economy will gradually return to normal in the form of coexistence with COVID-19. Therefore, the Japanese market is expected to become relatively strong. In addition, the Financial Services Business is expected to perform better than 1Q FY2021 due to growth in the number of SBI SECURITIES's accounts and other indicators
- ② In the Asset Management Business, IPOs of investee stocks are scheduled one after another from 2Q FY2021 onward
- ③ In the Biotechnology, Healthcare & Medical Informatics Business, it is expected to contribute to each business performance, such as the final stage of negotiations to sell Quark Pharmaceuticals which had been in the red, SBI Biotech's profitability for the full year due to generation of milestone income, and further increase in sales of 5-ALA-related products as foods with functional claims continue to be released
- ④ Future M&A strategy is expected to secure new revenue sources

**[Overview of each core business to realize
the SBI Group's new medium-term vision]**

Changes in Each Economic Indicators that Affect the Group's Business (1)

(Apr. 2020 – June 2021)

Source: Bloomberg



Comparison of actual PER of each country's market

Source: Bloomberg

	Nikkei average	NY Dow average	NASDAQ100	FT100
As of June 30, 2021	19.83	22.19	37.93	50.48
Average over the past 3 years (July 1, 2019 – June 30, 2021)	25.53	21.14	31.60	67.30

Changes in Each Economic Indicators that Affect the Group's Business (2)

(Apr. 2020 – June 2021)

Individual brokerage trading value (quarterly total /JPY billion)

73,928	75,142	77,680	98,134	78,936
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Amount of over-the-counter FX trading (quarterly total /JPY billion)

1,490,941	1,521,384	1,611,589	1,550,503	1,472,657
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Source: The Financial Futures Association of Japan



Source: Bloomberg

2020

2021

1. Securities-related business (SBI SECURITIES)

(1) Backed by an overwhelming customer base and diversified sources of revenue, SBI SECURITIES' performance has been strong

(2) Focus on six Key Performance Indicators (KPIs) for the realization of Neo-securities initiatives and efforts to improve them

Neo-securities initiative

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

(1) Backed by an overwhelming customer base and diversified sources of revenue, SBI SECURITIES' performance has been strong

SBI SECURITIES 1Q FY2021

Consolidated Results (J-GAAP)

-Contribution from businesses other than stock brokerage commissions, such as financial revenue, underwriting and offering commissions, and trading revenue related to FX, crypto asset trading, and foreign bond sales-

[Year-on-year comparison]

(Unit: JPY million)

	1Q FY2020 (Apr. 2020 – June 2020)	1Q FY2021 (Apr. 2021 – June 2021)	YoY % change
Operating Revenue	35,375	40,431	+14.3
Net Operating Revenue	32,966	38,166	+15.8
Operating Income	12,678	13,734	+8.3
Ordinary Income	12,746	13,803	+8.3
Profit attributable to owners of the Company	9,106	9,441	+3.7

(2) Focus on six KPIs for the realization of Neo-securities initiative and efforts to improve them

[Six key performance indicators (KPIs)]

- ① Share of individual stock trading value**
- ② Deposit assets**
- ③ Profitability (Operating income)**
- ④ Trading revenue (as a % of total revenue)**
- ⑤ Stock trading commissions other than online trading (as a % of total revenue)**
- ⑥ Quantitative tolerance and stability of the trading system**

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

[1Q FY2021 results]

	Share of individual stock trading value (%)	Deposit assets (JPY trillion)	Operating income (JPY million)
SBI ^{*1} (cons.)	 43.6	 20.5	 13,734
Rakuten ^{*2} (cons.)	28.3	12.9	2,809
Matsui	10.4	2.9	3,060
au Kabucom	8.2	2.7	1,138
Monex ^{*3} (cons.)	4.8	5.2	10,920

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

*2 Since Rakuten changed the term of its fiscal year from FY2018, the figure above is for the corresponding period of Apr. 2021-June 2021.

*3 The amount of "Operating income" represented above is "The amount equivalent to operating income" disclosed by Monex.

*4 Deposit assets is as of the end of June 2021.

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

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

(Unit: JPY million)

	1Q FY2020 (Apr. 2020-June 2020)	1Q FY2021 (Apr. 2021-June 2021)
④ Trading revenue (as a % of total revenue)	12,112 (34.2%)	12,962 (32.1%)
⑤ Stock trading commissions other than online trading (as a % of total revenue)	3,818 (10.8%)	4,012 (9.9%)

⑥ Quantitative tolerance and stability of the trading system

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

Focus on Measures that Lead to Enhancement of Each Indicator

- ① **Share of individual stock trading value**
Establish a system to meet diverse customer needs through the acquisition of SBI Neotrade Securities as a subsidiary and the alliance with SMBC Group, in addition to having a formidable customer base
- ② **Deposit assets**
Strengthen non-flow businesses, such as financial revenue from expanding margin trade balance and investment trust fees from investment trust balance
- ③ **Profitability (Operating income)**
Strengthen the organization focused on expanding wholesale business, including underwriting of stocks and bonds, and institutional investors
- ④ **Trading revenue (as a % of total revenue)**
Steady growth in trading revenue and expansion as a percentage of total revenue due to **stronger FX business** since 2008 and **start of crypto asset business** in 2019
- ⑤ **Stock trading commissions other than online trading**
Strengthen commission businesses other than domestic stocks, including **foreign stocks** and **IFA business**, for which demand is growing, and **expand into the real estate finance field** by turning Ascot and Tozai Asset Management into subsidiaries
- ⑥ **Quantitative tolerance and stability of the trading system**
Build a system that can sufficiently handle transactions of 11 million accounts by the end of this fiscal year. Further enhancements will be made as needed as the number of accounts increases

Decisions on timing of realization of Neo-securities initiatives depend on the progress of each indicator

① Expand share of individual stock trading value

Established a Sales Structure That Can Respond to Diverse Customer Needs Through the Alliance With SMBC Group and the Acquisition of SBI Neotrade Securities

[Alliance with SMBC Group]



[Sumitomo Mitsui Bank] [Sumitomo Mitsui Card]

- Implement inheritance services at SMBC Bank for SBI SECURITIES customers
- Build a framework enabling inheritance consultations at SMBC branches for SBI SECURITIES customers
- Offer a credit card-based investment trust accumulation service as a new asset management service for individual customers
- Offer investment services using V points earned on investment trust balances

Services in which first-time investors to high-end experienced investors



- SMBC owns 20% of SBI NEOMOBILE SECURITIES
- Raise usefulness by linking balances with SMBC Bank
- Implement seamless deposit/withdrawal, including automatic fund transfers, with SMBC

Services in which first-time investors can easily participate

[SBI Neotrade Securities]



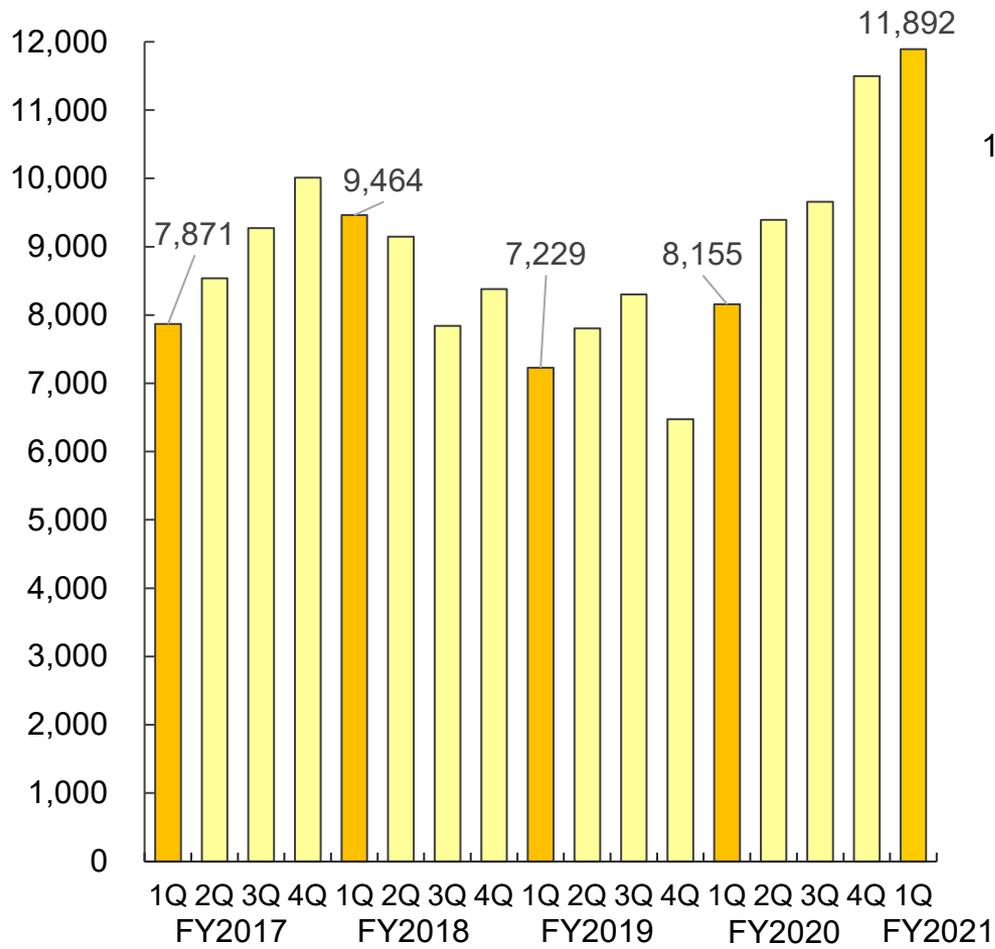
- Proactively reducing investment costs, including a waiver of margin trading fees, along with reducing margin trading rates, which has garnered widespread enthusiasm primarily from traders

Services satisfying experienced investors

SBI SECURITIES Interest Credit Balance and Financial Revenue / Net Financial Revenue has Increased

Open Interest Credit Balance (EOM)

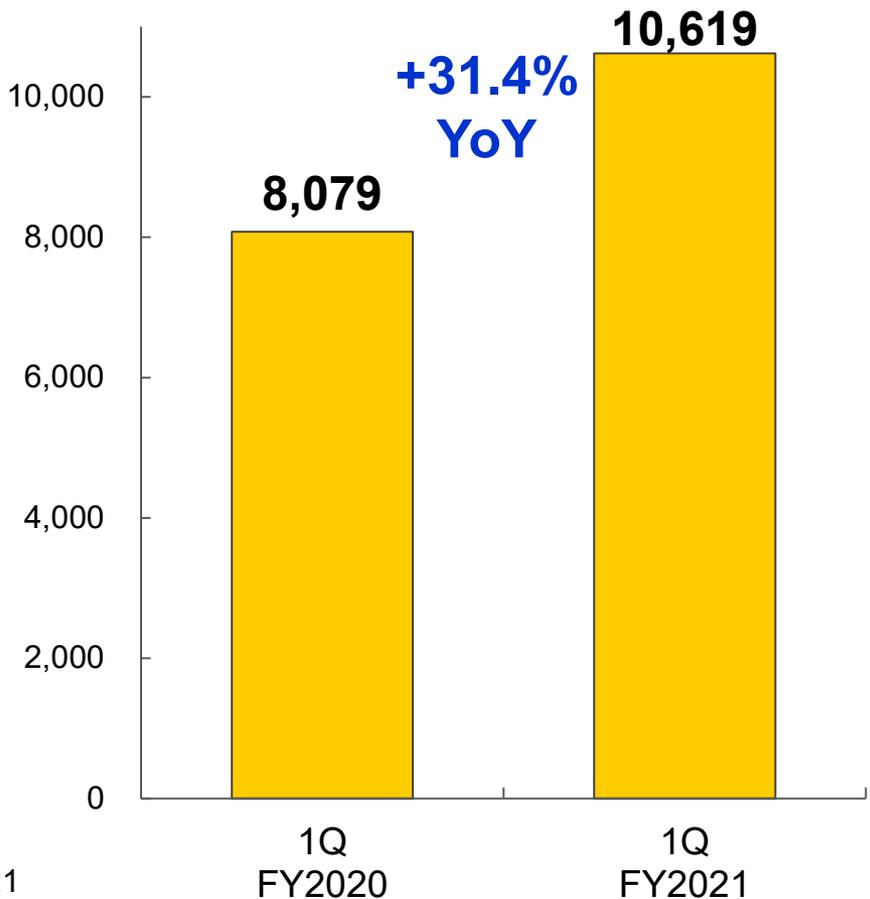
(JPY 100 million)



Financial Revenue /

(JPY million)

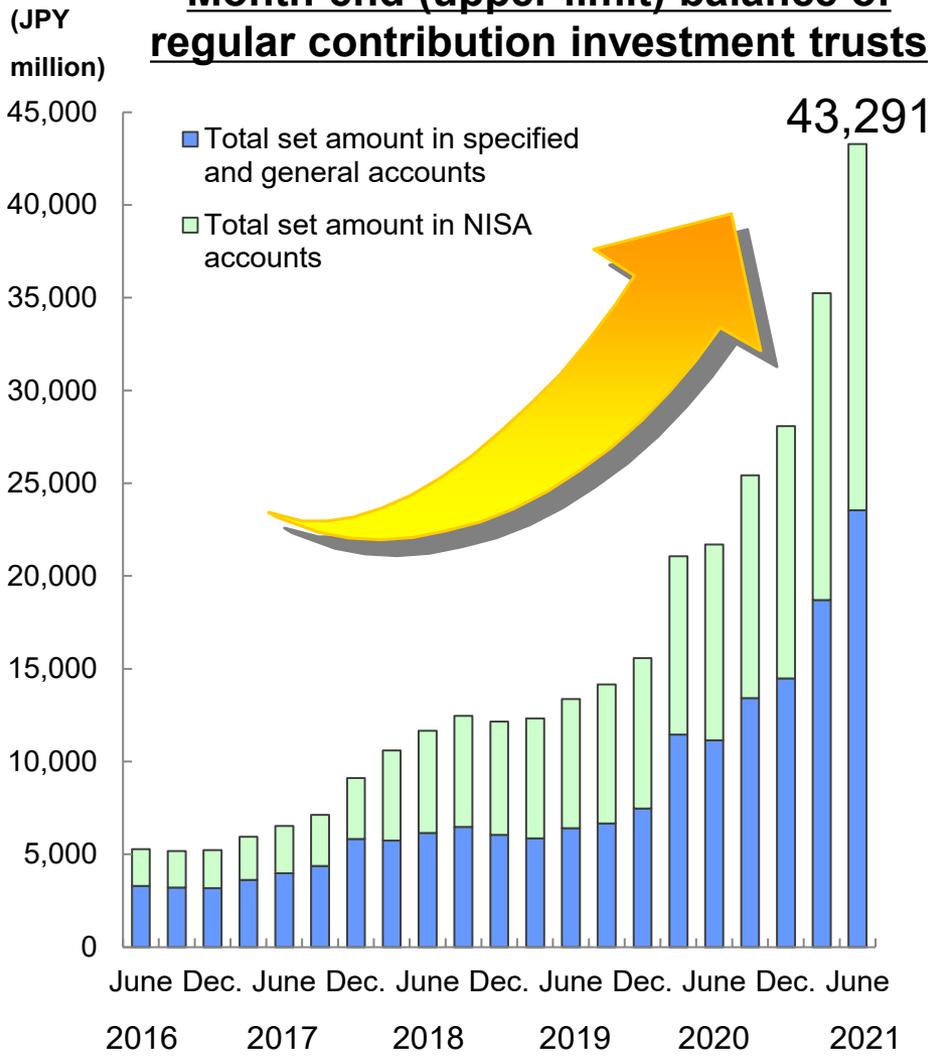
Net Financial Revenue



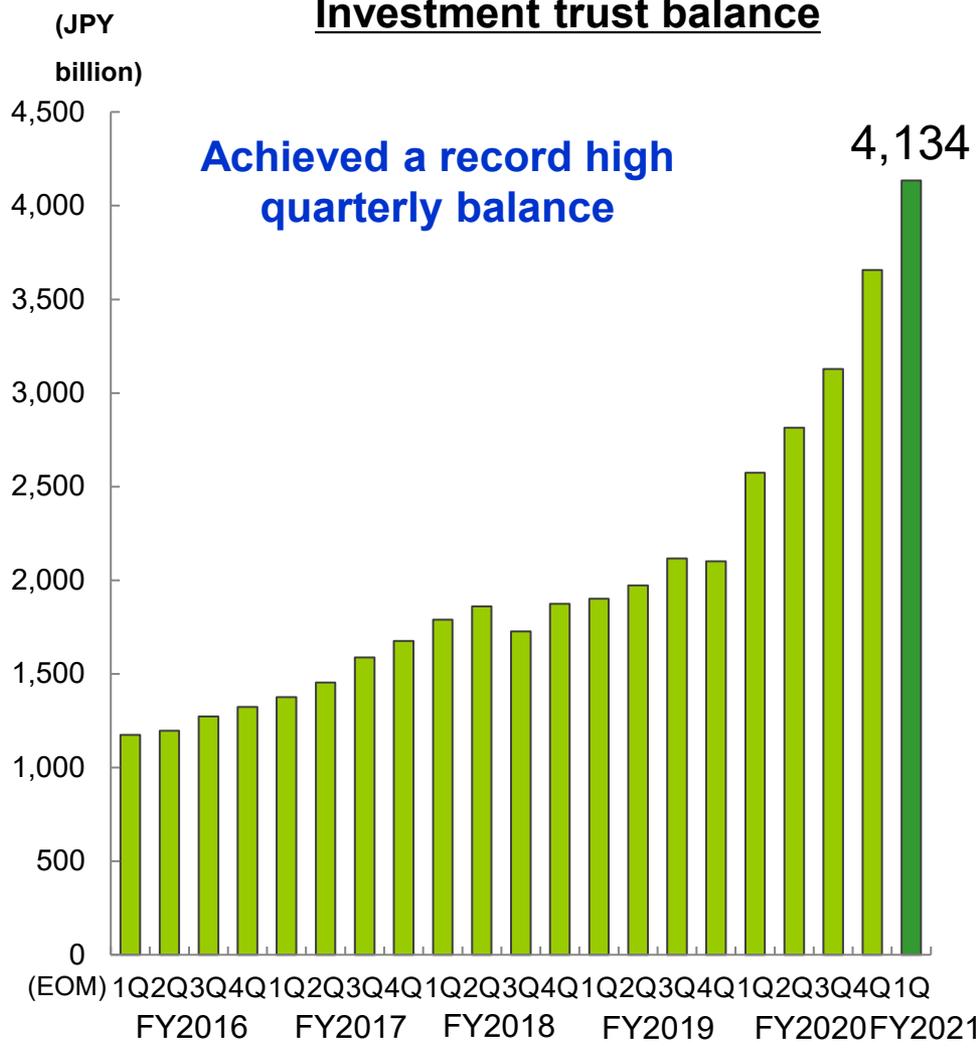
② Initiatives for non-flow business to expand deposit assets

Steady Growth in Non-flow Business, Such as Trust Fees, Due to Increase in the Balance of Investment Trusts

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



Investment trust balance



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

Strong Start for Investment Trust Accumulation Service Using Credit Cards in Alliance with Sumitomo Mitsui Card

- SBI SECURITIES and Sumitomo Mitsui Card launched "Sumitomo Mitsui Card Funded Investment," an investment trust savings service that allows customers to purchase investment trusts with credit cards issued by Sumitomo Mitsui Card
- The service started strongly, reaching 6% of the total amount set aside in just two weeks after June 30, 2021
- Also launched the "SBI SECURITIES' V-Point Service," which allows customers to earn points based on their trading status, exclusively for Sumitomo Mitsui Card intermediary customers. In addition, the following measures are also scheduled to be implemented:
 - Display of SBI SECURITIES general account information on the Sumitomo Mitsui Card Vpass application (scheduled for December 2021)
 - Application to open an SBI Securities account through automatic linkage of necessary information at the same time as enrollment in Sumitomo Mitsui Card (scheduled for January 2022)
 - "V-Point Investment," which allows users to use 1 V-Point = 1 yen to purchase SBI SECURITIES investment trusts (scheduled for May 2022)



③ Expand wholesale business to increase profitability

SBI SECURITIES' IPO Underwriting Involvement Share Reached 100%, the Top Share in the Industry, and the Number of Lead Managing Underwriters Progressed at a Pace Exceeding that of FY2020

Underwriting share of 100% is an industry leading figure

IPO Underwriting Ranking (Apr. 2021–June 2021)

33 companies were listed during the period

Company Name	No. of cases	Underwriting Share (%)
SBI	33	100
Nikko	24	72.7
Mizuho	23	69.7
Rakuten	21	63.6
Nomura	19	57.6
Monex	15	45.5
Ichiyoshi	11	33.3
Iwai Cosmo	11	33.3

- Between Apr. 2021 through July 29, 2021, SBI SECURITIES underwrote 6 companies (15 companies for FY2020)

PO underwriting business

The underwriting value in 1Q FY2021 increased **206 times** YoY, due to the significant weak performance in 1Q FY2020 due to COVID-19

Corporate bond underwriting business

Underwrote 7 corporate bonds in total, including that of Softbank

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

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

Establishing a Business Structure to Make Multifaceted Proposals, Including M&A, in Order to Enhance the Wholesale Business

[Strengthening of underwriting business]

- Will endeavor to strengthen the PO underwriting business by continuously focusing on acquiring lead underwriting mandates
- About corporate bond underwriting business, focus on underwriting new public bonds, including electric bonds

[Strengthen M&A Advisory Division]

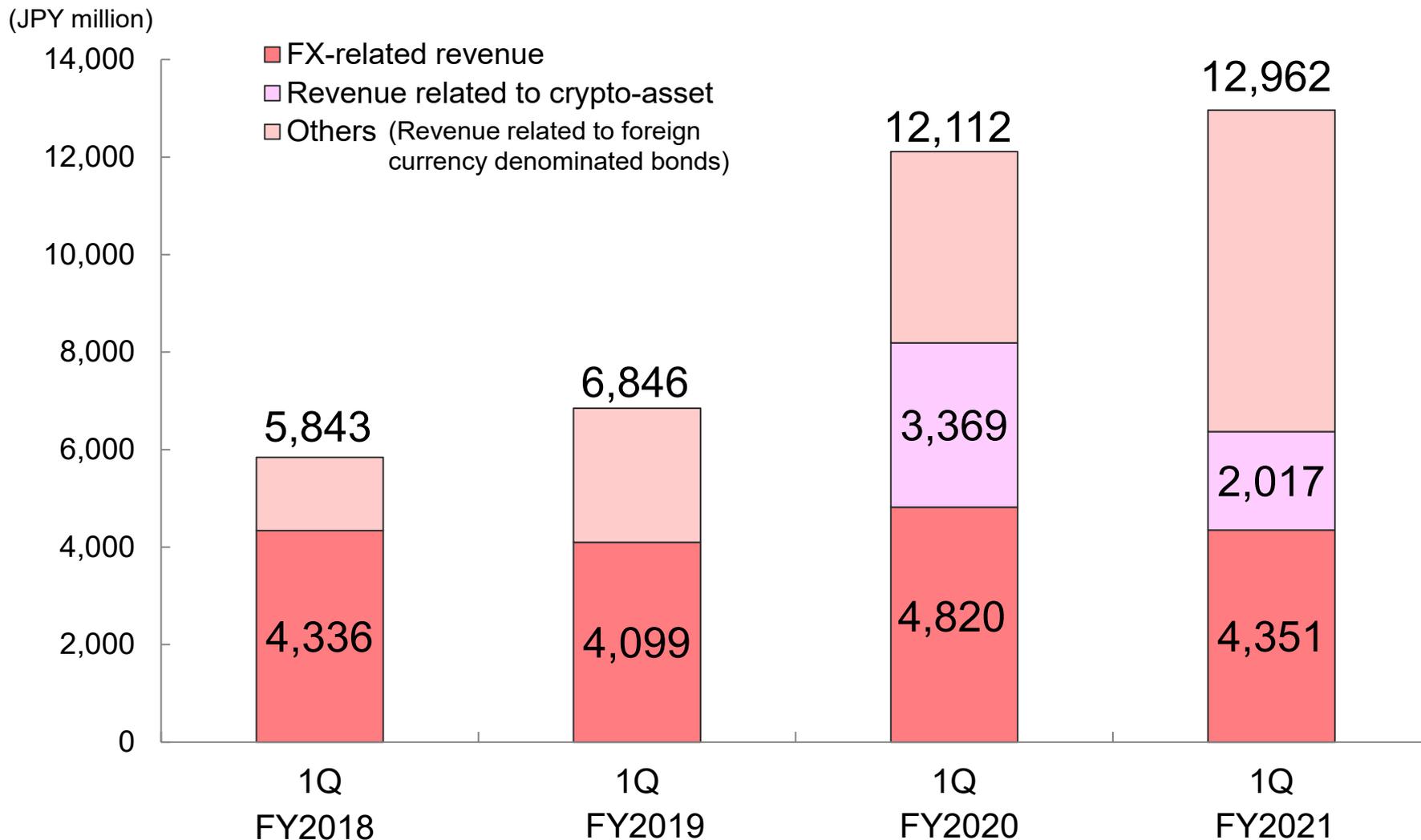
- Further strengthen the M&A advisory division to provide multifaceted proposal diplomacy to business companies and enhance the quality of M&A execution and management to provide better support to clients.

[Further expansion of the Financial Corporation Business]

- SBI SECURITIES is strengthening the distribution of structured bonds (self-origination and distributed a total amount of JPY 164.7bn*¹ from Dec. 2015 to June 2021), domestic and overseas investment trusts, as well as bond transactions
- Through SBI SECURITIES' financial institutional sales dept., expanded brokerage business as alliance with a total 491*² client regional financial institutions

SBI SECURITIES' Trading Revenue Trend

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



⑤ Strengthen commission business from other than domestic stocks in order to expand brokerage commissions aside from online trading

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

- In Dec. 2020, SBI Holdings acquired shares of Ascot Corp. (35.01% of voting rights), and as the first step of a business alliance in the real estate field, SBI MONEY PLAZA, in cooperation with SBI SECURITIES, started selling to investors a real estate small-lot trust beneficiary interest fund that incorporate properties developed by Ascot in April 2021
- In June 2021, concluded a share transfer agreement with Tozai Asset Management Co., Ltd. which manages and operates real estate assets (planning to acquire 55.91% of the total shares by the end of Sept. 2021). This acquisition of Tozai Asset Management, with its high level of expertise and excellent track record, has enabled the SBI Group to provide its customers with more high-quality products and services

The SBI Group's real estate finance business



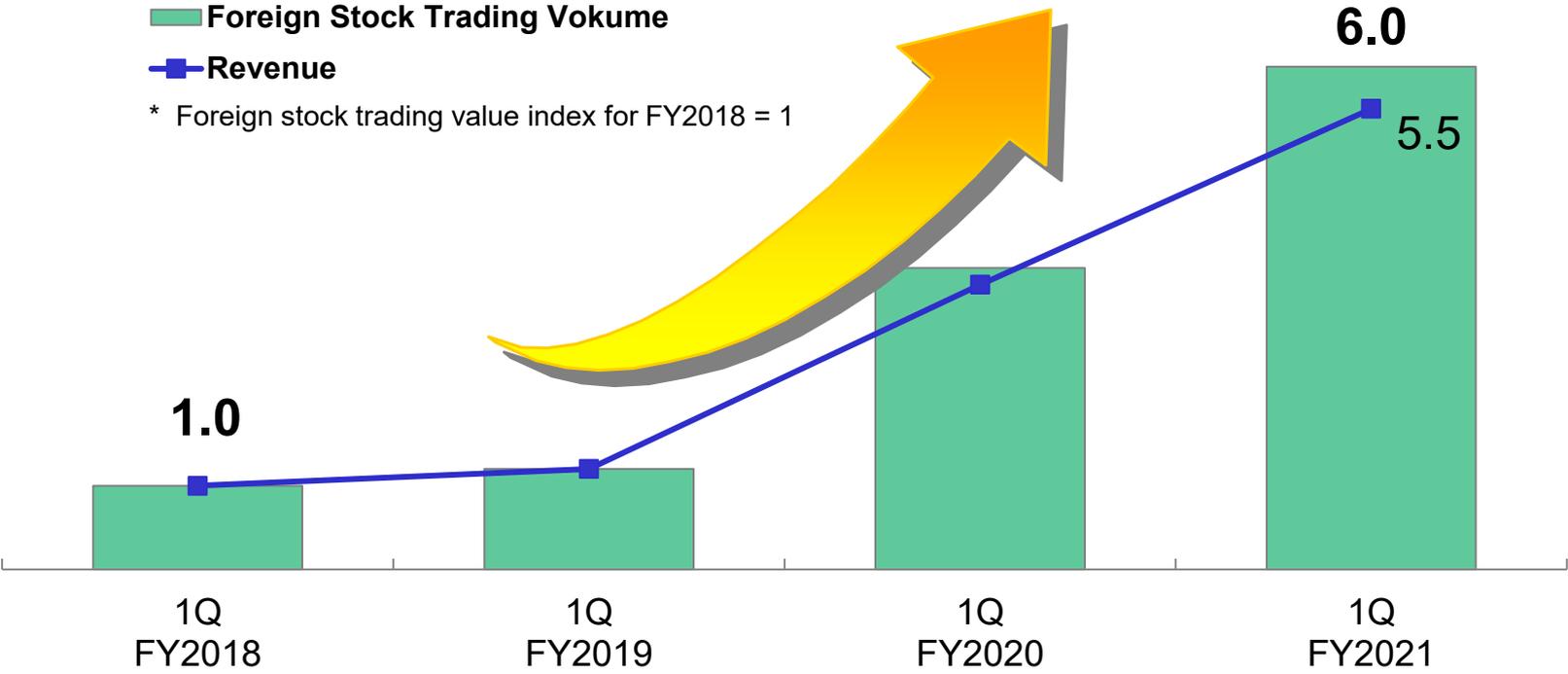
Endeavoring to increase AUM and pursue synergies within the SBI Group by expanding business into real estate funds such as private REITs

⑤ Strengthen commission business from other than domestic stocks in order to expand brokerage commissions aside from online trading



Foreign Stock Trading Volume of SBI SECURITIES Surges

SBI SECURITIES foreign stock trading value and revenue trend



Since the release of a U.S. stock trading app in Apr. 2021, trades via the app have increased. Also actively implementing campaigns to increase the number of young customers

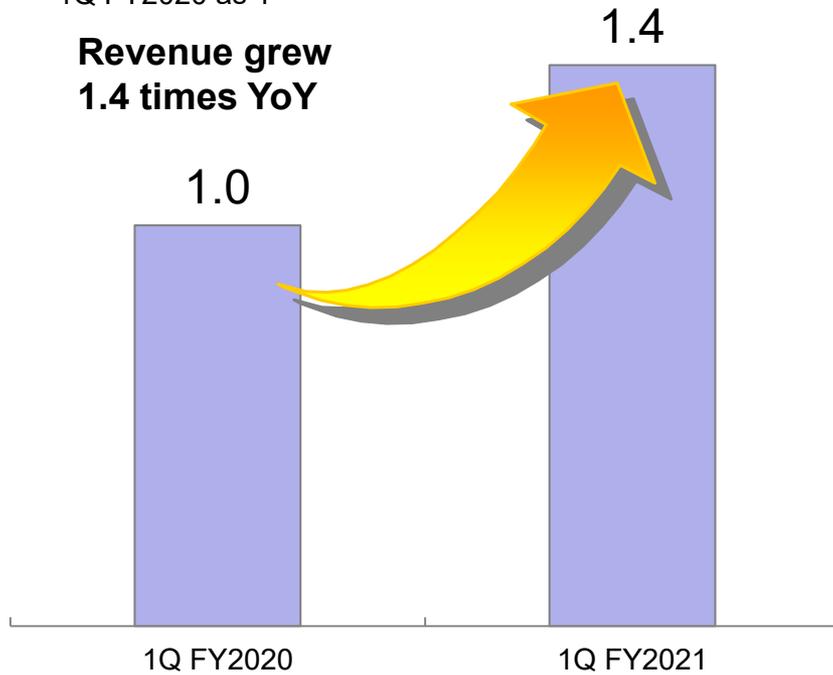
- ⑤ Strengthen commission business from other than domestic stocks in order to expand brokerage commissions aside from online trading

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

SBI SECURITIES' IFA Business Revenues

* Revenue from IFA Business for 1Q FY2020 as 1

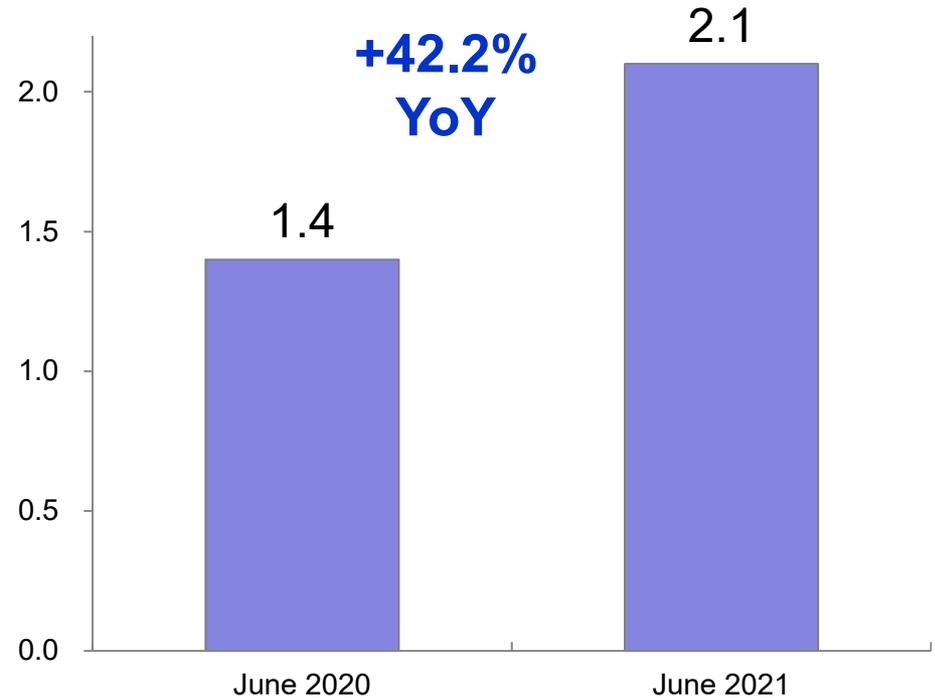
Revenue grew 1.4 times YoY



* SBI's IFA business includes SBI MONEY PLAZA

SBI SECURITIES' IFA Business' AUM Trend

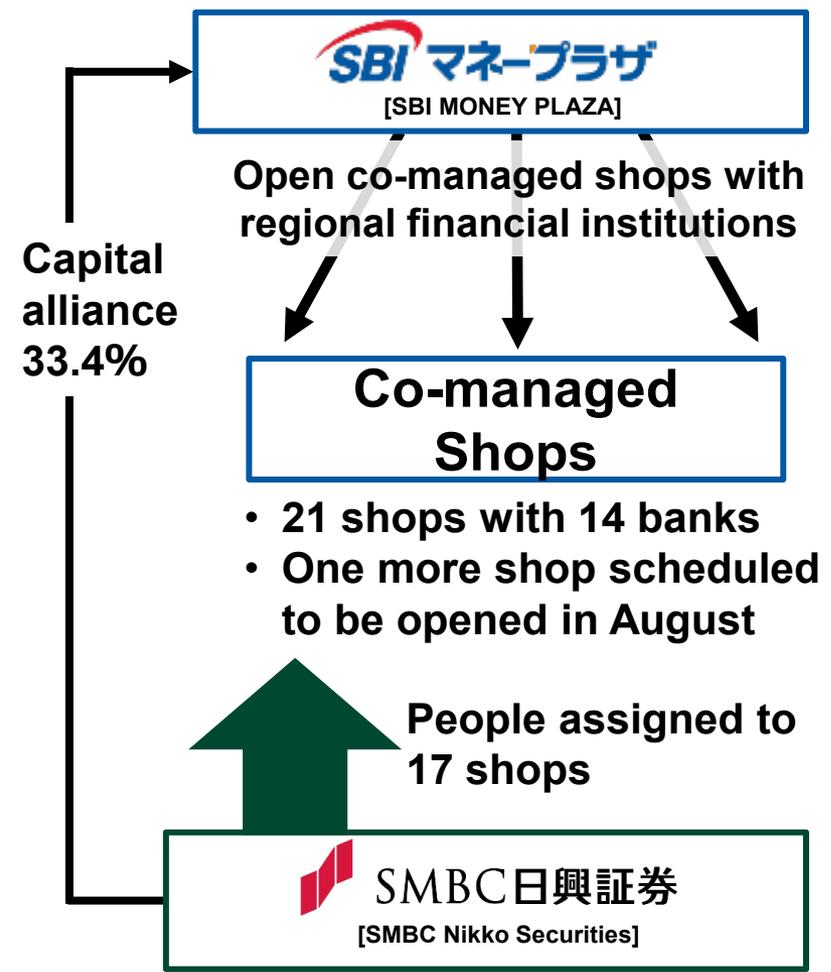
(JPY trillion)



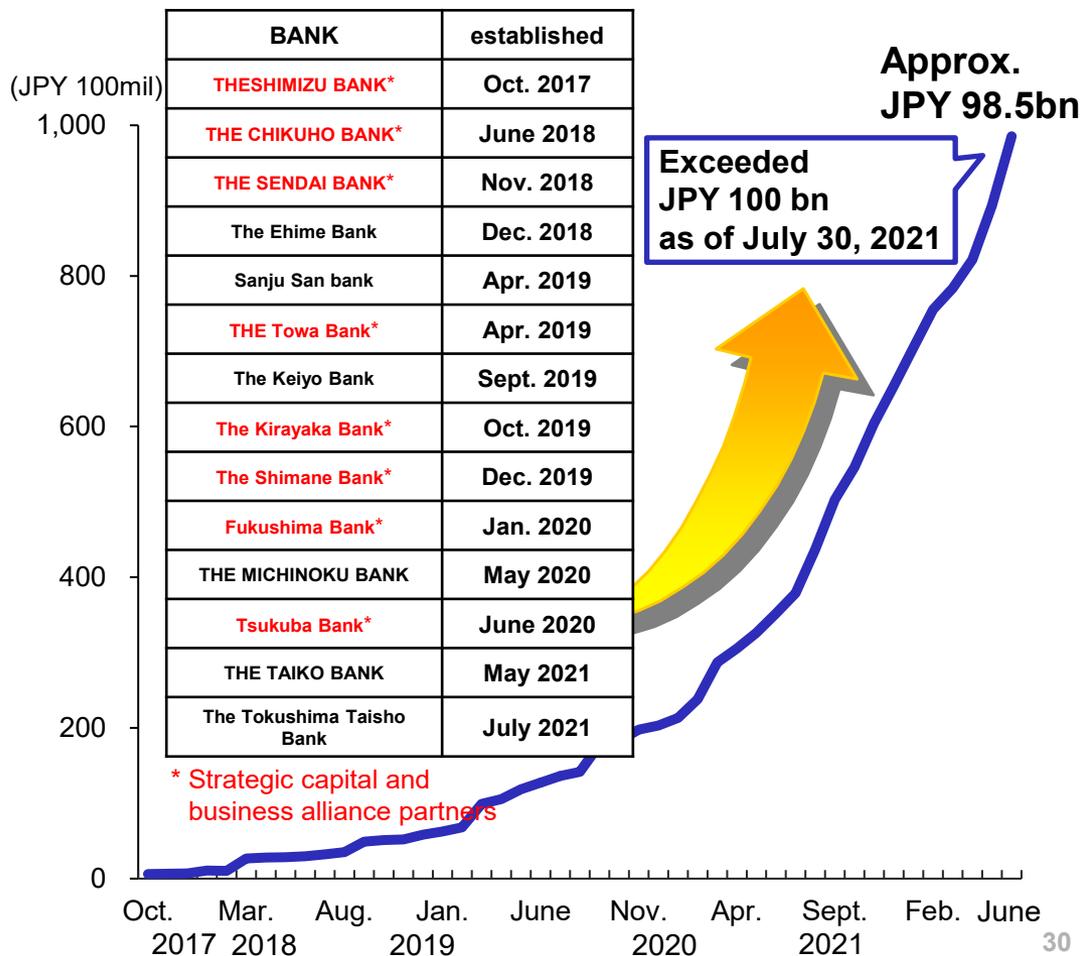
⑤ Strengthen commission business from other than domestic stocks in order to expand brokerage commissions aside from online trading

SBI MONEY PLAZA Has Been Able to Reach Out to Local Customers by Expanding Joint Branches Through Alliances With Regional Financial Institutions

-Number of co-managed shops with regional financial institutions increases to 21 shops with 14 Banks, and human resource allocation, etc. was made through the alliance with SMBC Nikko Securities-



Changes in customers' Deposit assets at co-managed shops



2. Bank related business (SBI Sumishin Net Bank)

- (1) SBI Sumishin Net Bank has been growing rapidly as a challenger bank**
- (2) SBI Sumishin Net Bank aspires to be a Neo bank platformer through the "Neo-bank Initiatives" toward further evolution**

Challenger Bank:

A bank that has obtained banking license and offers the same financial products and services as existing banks, such as checking accounts, savings accounts, and mortgages, but with a natively digital approach

Neo Bank:

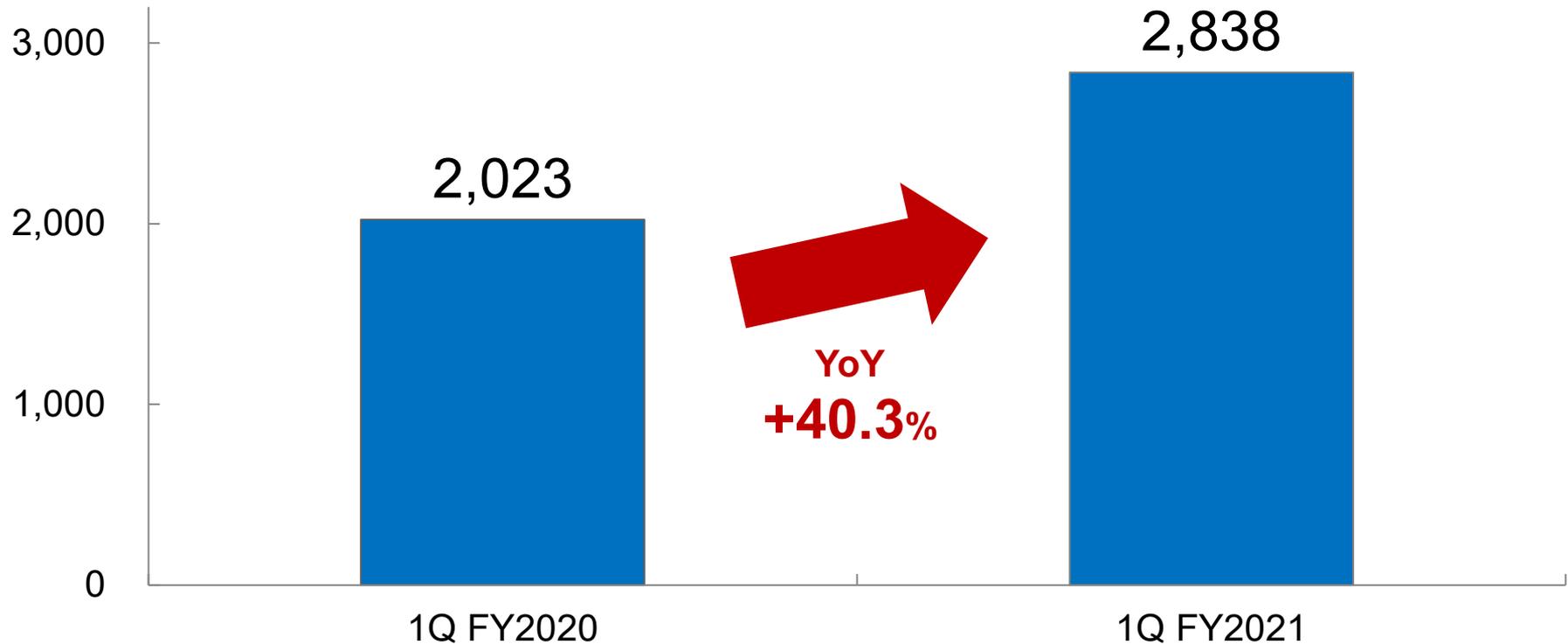
A bank that does not have a banking license and serves as a digital interface for existing banks, providing financial products and services with superior UI/UX online, primarily through mobile devices

(1) SBI Sumishin Net Bank has been growing rapidly as a challenger bank

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

SBI Holdings' equity in earnings of SBI Sumishin Net Bank based on IFRS for 1Q FY2021 was JPY 2,838m, up 40.3% YoY

(JPY million)

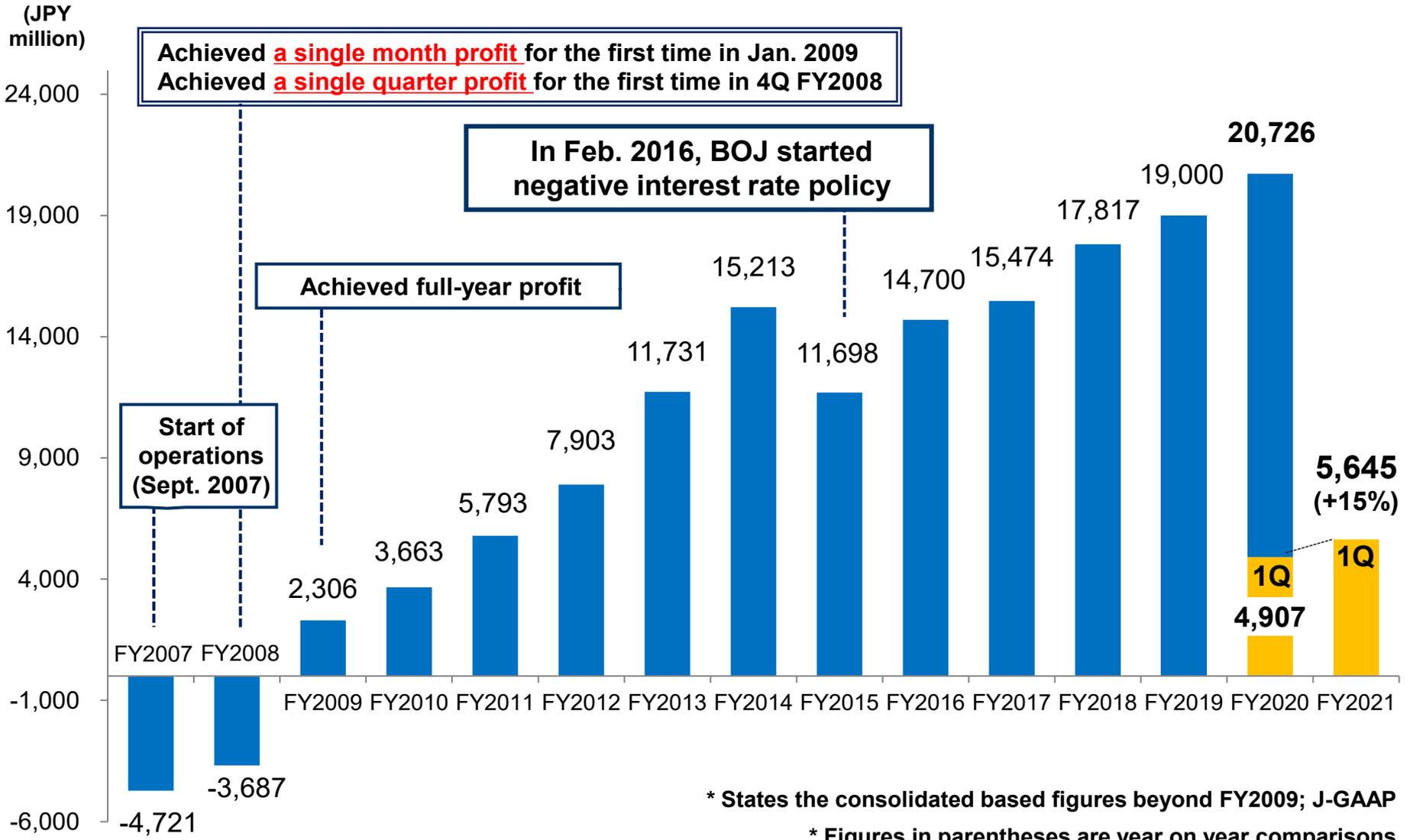


Note: Owing to the difference in IFRS and J-GAAP for asset assessment criteria, the figures differ from that disclosed based on J-GAAP. SSNB has adopted J-GAAP.



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

-Financial results for 1Q FY2021 to be announced today-



* States the consolidated based figures beyond FY2009; J-GAAP

* Figures in parentheses are year on year comparisons

SBI Sumishin Net Bank's Overwhelming Position at Internet Banking Industry

The annual amount of housing loans executed is now on par with megabanks

[Comparison of KPIs among internet banks]

Name	Deposits * (JPY trillion)	Outstanding loans (JPY trillion)	Ordinary income (JPY billion)
SBI Sumishin	 6.4	 4.6	20.7
Rakuten	6.1	1.9	27.6
Sony	2.8	2.4	11.3
au Jibun	1.9	1.4	3.1
PayPay	1.2	0.2	4.4

Source: Compiled by SBIH from information on websites of each company / "Deposits" and "Loans" are as of March 31, 2021;

"Ordinary profit" is for the full year ending March 31, 2021

* The figures of SSNB and Rakuten is as of the end of June 35

(1) SBI Sumishin Net Bank has been growing rapidly



The Balance of Deposits of SBI Sumishin Net Bank Ranked 17th among 74 Banks, which Includes Regional Banks and New Entrant Banks Ranking by deposits

(JPY billion)

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

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

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

Rank	Bank name	Deposits	Change
16	Ashikaga Bank	6,551.9	738.5
17	SBI Sumishin Net Bank	6,448	1,055.7
18	Shinsei Bank	6,212.8	217.8
19	Juroku Bank	6,089.8	464.1
20	Rakuten Bank	6,071.3	2,495.7
21	Iyo Bank	5,983.2	717.5
22	Toho Bank	5,790.8	467.2
23	Ogaki Kyoritsu Bank	5,543.1	396.2
24	Hokkaido Bank	5,465.1	542.1
25	Nanto Bank	5,452.7	410.5
26	Senshu Ikeda Bank	5,420.4	412.7
27	Shiga Bank	5,404.0	512.8
28	Hyakugo Bank	5,388.0	437.1
29	Yamaguchi Bank	5,350.1	364.4
30	The Juhachi-Shinwa Bank	5,255.8	-

Rank	Bank name	Deposits	Change
31	Higo Bank	5,050.6	470.5
32	Kiraboshi Bank	4,990.5	340.9
33	Musashino Bank	4,591.7	376.7
34	Kagoshima Bank	4,471.3	483.5
35	Hyakujushi Bank	4,447.7	376.0
36	San-in Godo Bank	4,432.5	504.6
37	Kiyo Bank	4,423.2	435.6
38	Daiwa Next Bank	4,410.3	448.0
39	Hokkoku Bank	3,976.5	335.0
40	Aozora Bank	3,821.1	542.4

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

*2 The figures of SSNB and Rakuten is as of the end of June 2021

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

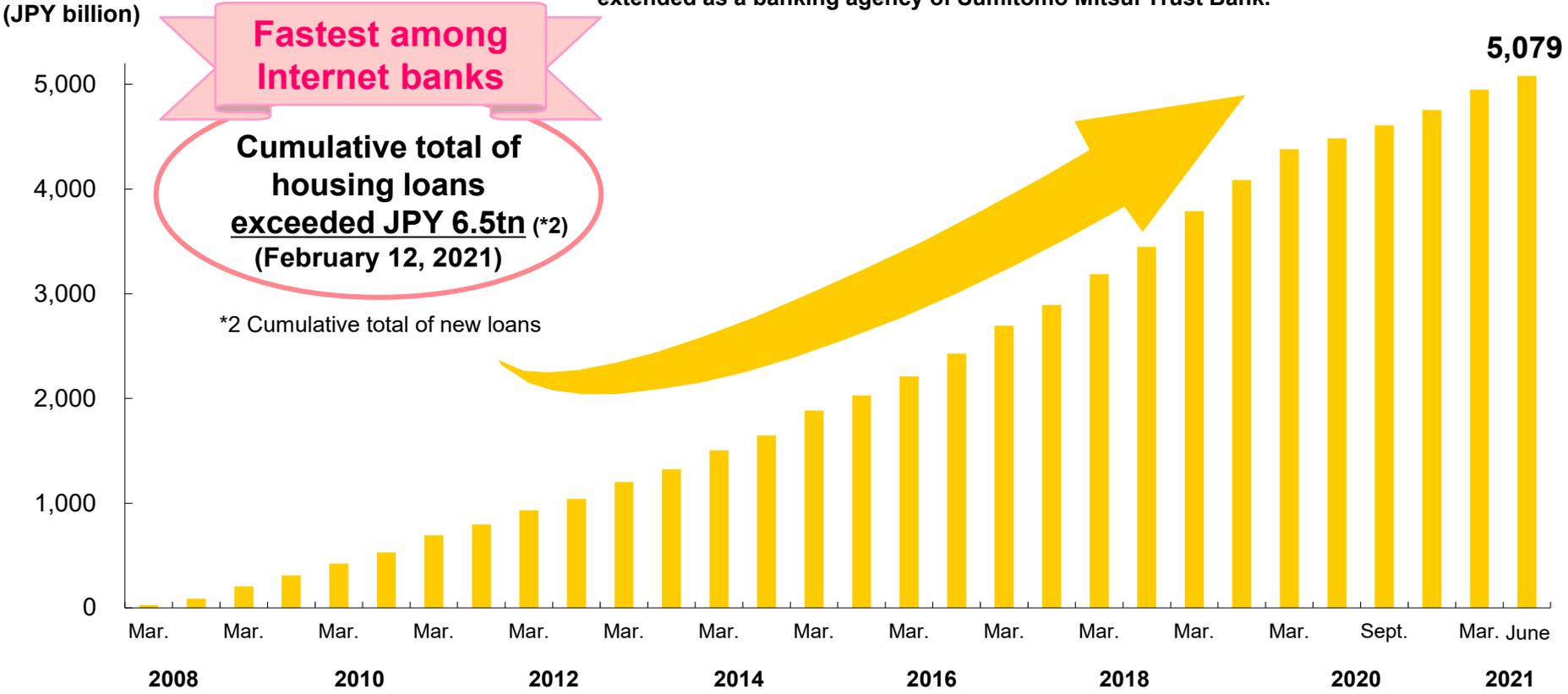
(1) SBI Sumishin Net Bank has been growing rapidly



Accelerating the Expansion of the Volume of Housing Loan Products with Attractive Interest Rates and High Customer Benefits

^{(*)1}
Change in Balance of Housing Loans (End of Mar. 2008 – End of June 2021)

*1 Repayments deducted from cumulative total of new loans. Includes housing loans extended as a banking agency of Sumitomo Mitsui Trust Bank.



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

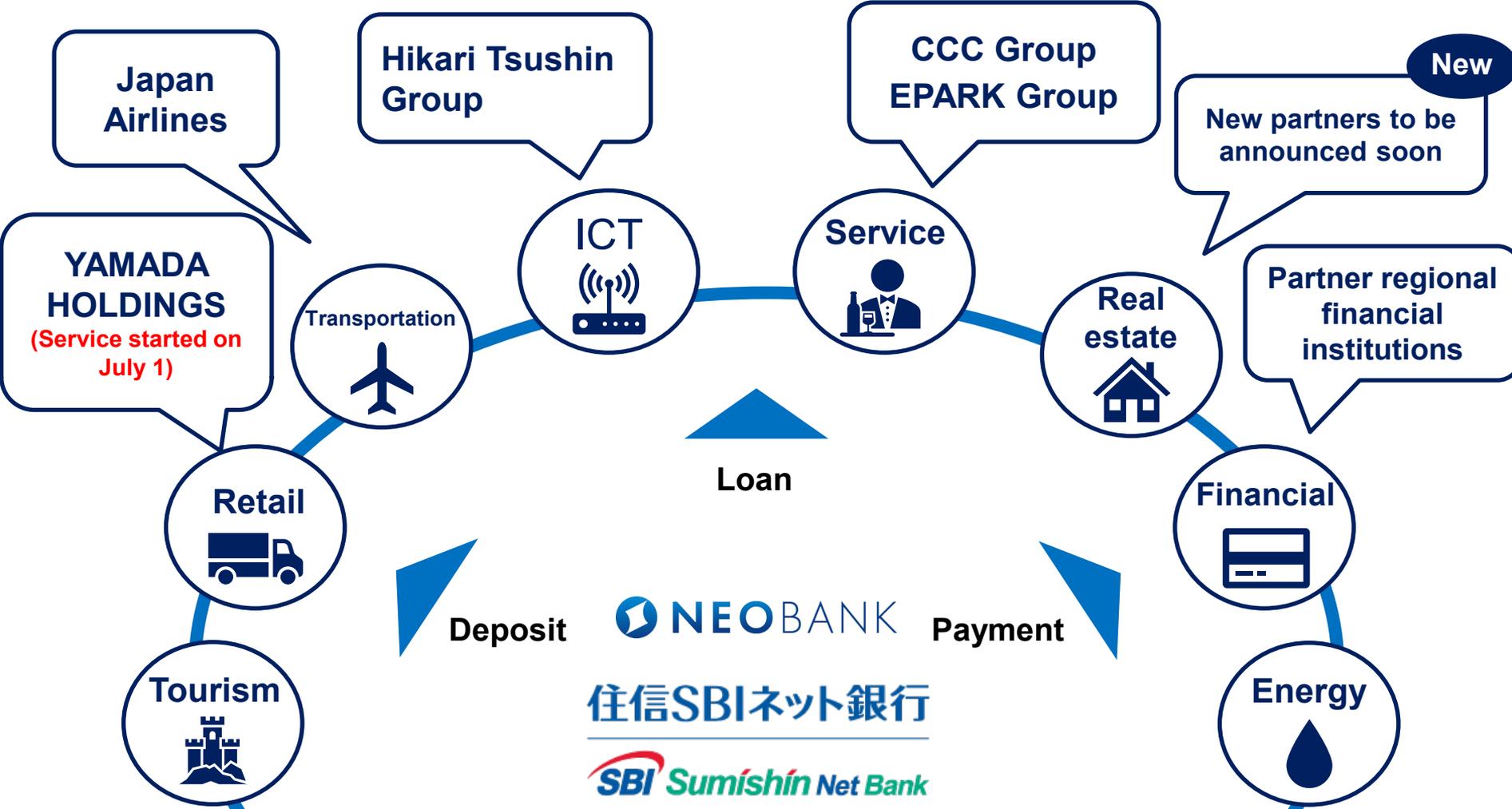
(2) Aspiring to become a platform for Neo Bank through the "Neo-bank Initiatives" for further evolution

About the Neo-bank Initiatives:

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

The "Neo-bank Initiatives" is Coming to Fruition

-Aspiring to become a platform for Neo Bank through alliances-



(2) the "Neo-bank Initiatives"

The First Project in the "Neo-bank Initiative," the "JAL NEOBANK," which is an Exclusive Banking Service for JAL MILEAGE BANK Members

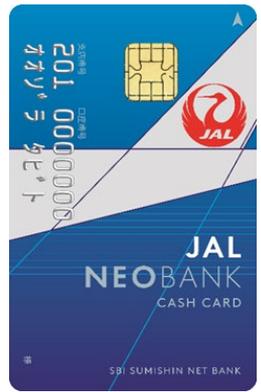
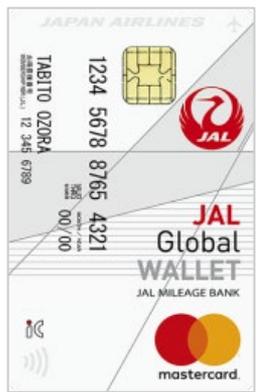
JAL NEOBANK

- Banking service provided by Japan Airlines Co., Ltd. utilizing cutting-edge IT technology of SBI Sumishin Net Bank
- By opening a dedicated account, users can use **various banking functions that meet the demands of JAL users** such as deposits, transfers to other banks and payments that can be completed on the app, as well as highly convenient services such as recharging the "JAL Global WALLET", which is a leading service, and earning miles based on payment amounts made and the balance of foreign currency deposits
- **A new housing loan product, "JAL Housing Loan",** was launched on July 9, 2021

<Image of JAL NEOBANK>

JAL Global WALLET

JAL NEOBANK



Refund

Charge

Campaign to provide "FLY ON STATUS" to "JAL Housing Loan" subscribers (first 600 subscribers)

JAL Miles awarded for use in and outside Japan

Deposits / foreign currency / housing loan, etc.

Provision of banking functions

Payments

Deposits · Payments

住信SBIネット銀行 SBI Sumishin Net Bank

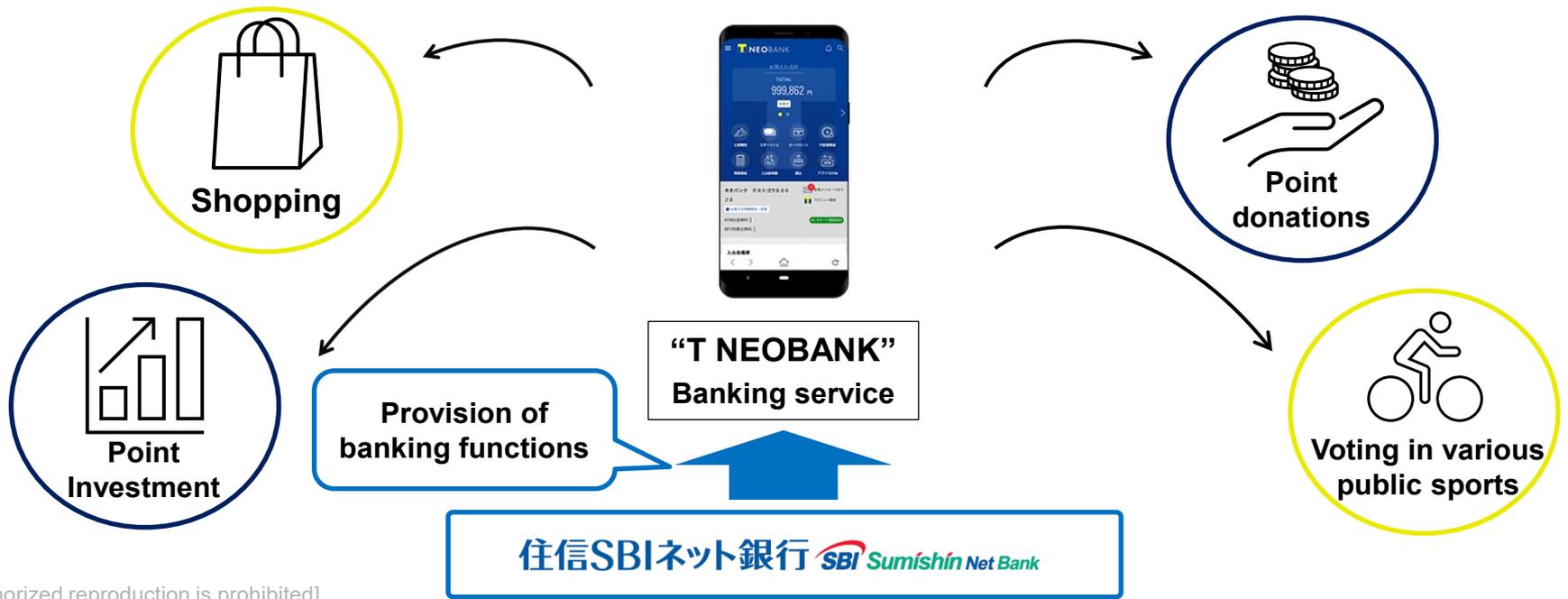
Start of the Second Project in the "Neo-bank Initiatives," "T NEOBANK," which is an Exclusive Banking Service for "T-Point Members"



- A banking service provided by SBI Sumishin Net Bank and CCC Group's T-MONEY exclusively for approximately **70 million T-members**
- The service offers functions with high customer convenience, such as multifactor/biometric authentication and the ability to use ATMs only with the app without using a cash card
- T-Points can be earned through various banking transactions such as salary receipt and account transfers, while accumulated T-Points can be used for various other services

(Examples of T-Point use)

Contributing to the convenience of T-members



The Third Project in the "Neo-bank Initiative," "YAMADA NEOBANK," which is a Banking Service for YAMADA HD Customers, Started July 1, 2021



- Banking services for **approx. 60 million YAMADA Group customers** provided by SBI Sumishin Net Bank and YAMADA HD subsidiary
- In addition to completing account opening in as little as three minutes, the company provides highly convenient services such as issuing debit cards with integrated cash cards and awarding YAMADA Points based on the use of banking functions
- Housing loan for exclusive use of "YAMADA NEOBANK" users with built-in furniture and home appliance loans is available

YAMADA NEOBANK 3つのメリット [Three merits]

[Merit 1]	[Merit 2]	[Merit 3]
メリット1 スマホ1つ で銀行取引が完結	メリット2 ヤマダポイント が貯まる ※1	メリット3 お申込完了から 最短3分 口座開設 ※2

[Complete banking transactions with a single smartphone]

[YAMADA Points can be accumulated *1]

[Account can be opened in as little as 3 minutes after application is completed *2]

*1 Depending on the campaign, benefits such as earning Yamada Points are applied

*2 This service is available to those who apply between 10:00 a.m. and 10:00 p.m. using the "Confirmation of Identity with Smartphone" service

(3) Insurance-related business (SBI Insurance Group)

- (1) SBI Insurance Group performance growing due to steady increase in the total number of in-force contracts and premiums**
- (2) Further strengthen profitability through measures to expand the business base and promote initiatives to improve business efficiency**

**(1) SBI Insurance Group performance
growing due to steady increase in the
total number of in-force contracts and
premiums**

3.(1) SBI Insurance Group performance growing due to steady increase in the total number of in-force contracts and premiums



SBI Insurance Group's Performance (Preliminary Figures)

* Final consolidated figures for 1Q FY2021 to be released on Aug. 10

Consolidated Results for 1Q FY2021 (J-GAAP)

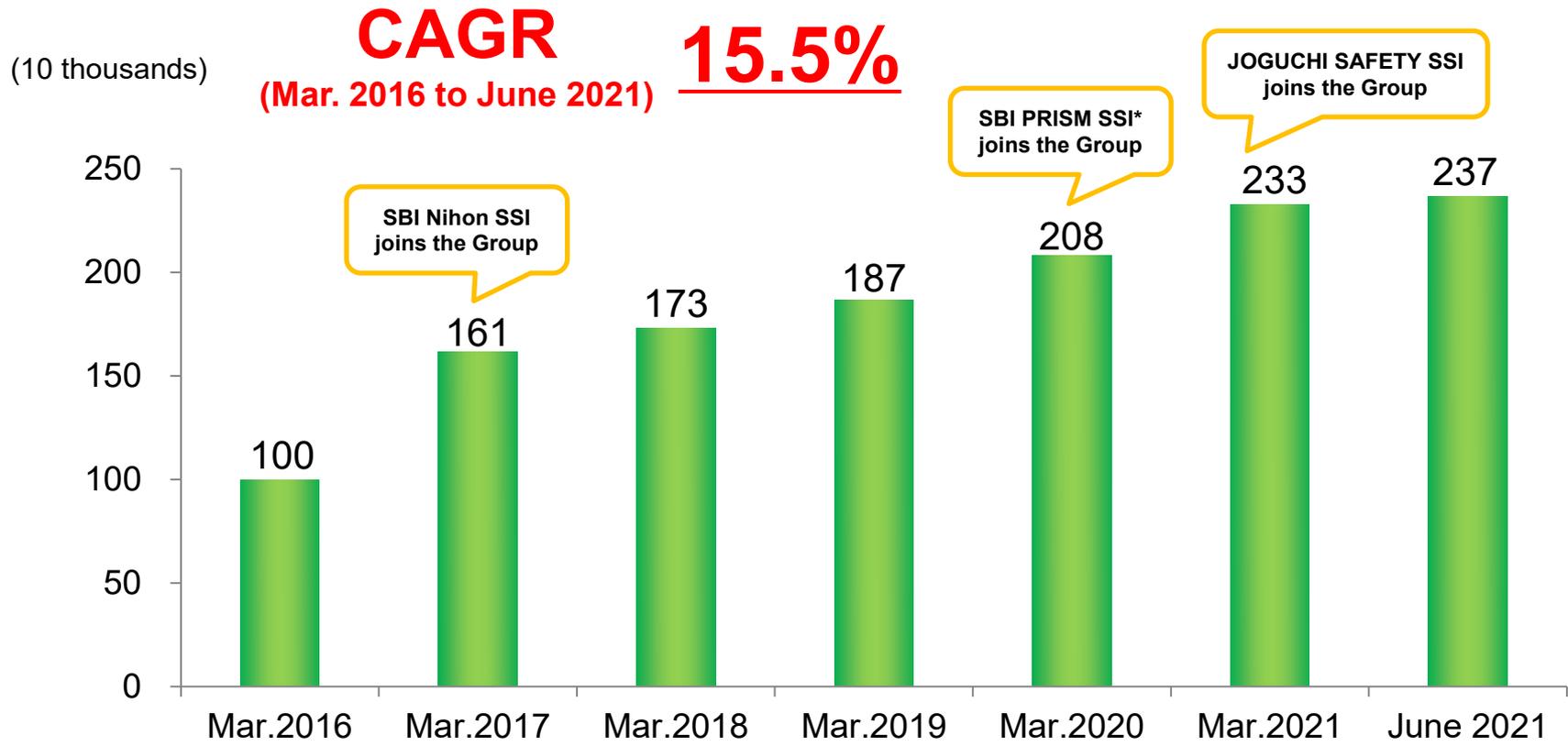
(Unit: JPY million)

	1Q FY2020 (Result)	1Q FY2021 (Preliminary)	YoY % change
Ordinary revenue	21,348	22,748	+6.6
Ordinary profit	1,855	2,468	+33.0
Profit attributable to parent of the Company	1,063	1,334	+25.4

3.(1) SBI Insurance Group performance growing due to steady increase in the total number of in-force contracts and premiums

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

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



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

Endeavoring for further growth, including M&A consideration

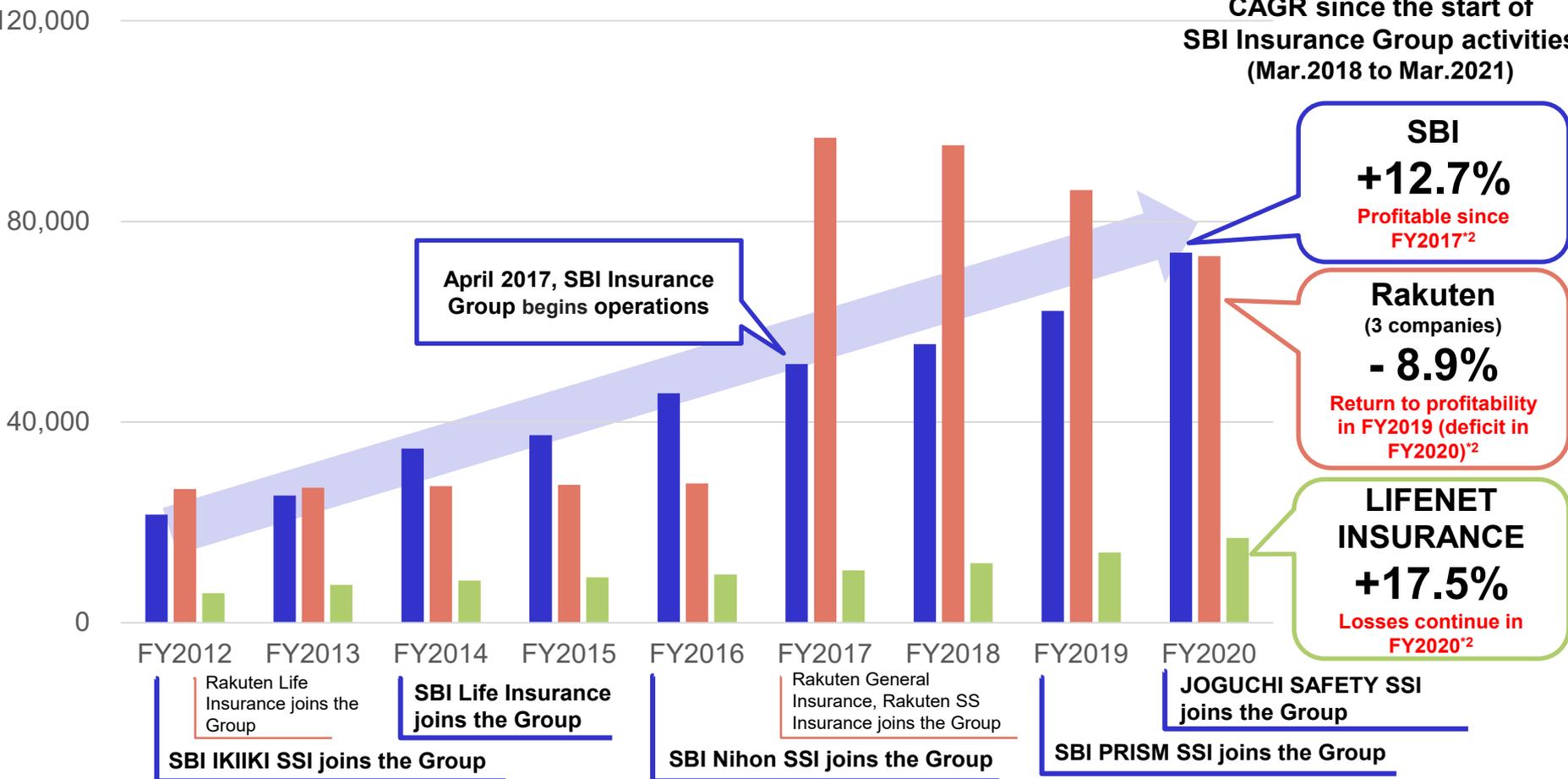
3.(1) SBI Insurance Group performance growing due to steady increase in the total number of in-force contracts and premiums

SBI Insurance Group's Premium Income Increases Steadily

Comparison of **premium revenue*1 trends** with competitors

(Unit: JPY million)

CAGR since the start of SBI Insurance Group activities (Mar.2018 to Mar.2021)



*1 Non-life insurance companies and small-amount short-term insurance companies use direct premiums received, while life insurance companies use premium income
 *2 Rakuten is the sum of Rakuten General Insurance, Rakuten Life Insurance and Rakuten SS Insurance's net income; SBI Insurance Group is net income attributable to shareholders of the parent company; and LIFENET INSURANCE is net income. Comparison after FY2017, when SBI Insurance Group started its activities and Rakuten General Insurance and Rakuten SS Insurance became subsidiaries

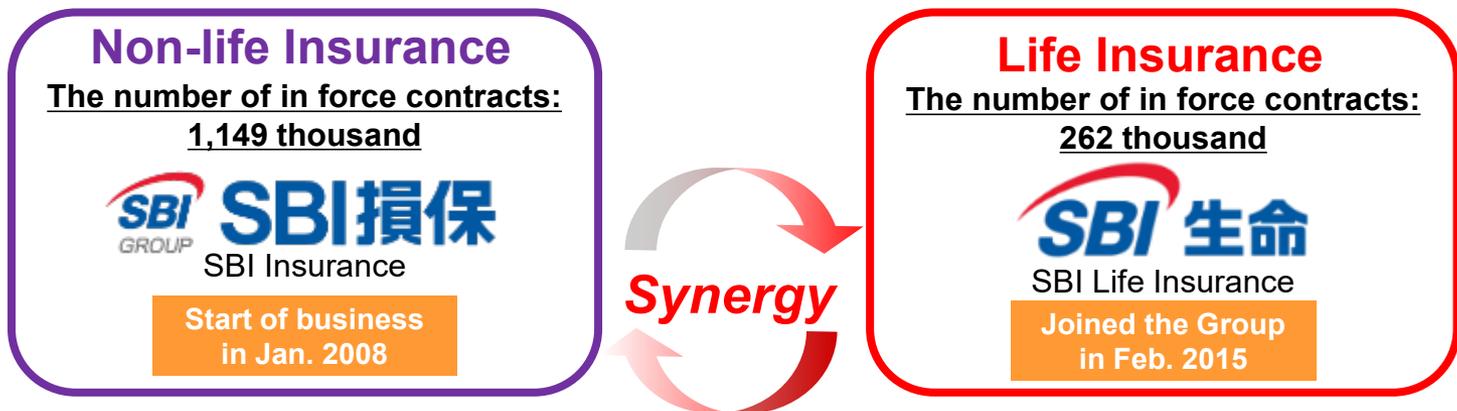
(2) Further strengthen profitability through measures to expand the business base and promoting initiatives to improve business efficiency

- ① Expansion of customer base through active promotion of M&As**
- ② Differentiation through further strengthening of synergies within and outside the Group and new mechanisms**
- ③ Further improve operational efficiency by promoting InsurTech**

① Expansion of customer base through active promotion of M&As

3.(1)-① Expansion of customer base through active promotion of M&As

Small-amount Short-term Insurance Providers Acquired through M&A Have a Wide Range of Products from Life Insurance, Non-life Insurance to Third Market, which Allows SBI Insurance Group to Have an Expansive Strategy



Small-amount Short-term Insurance

The number of in-force contracts: 954 thousand

いきいき少短	リスタ少短	日本少短	プリズム少短	常口セーフティ少短
SBI IKI IKI SSI	SBI Resta SSI	SBI Nihon SSI	SBI PRISM SSI	JOGUCHI SAFETY SSI
[term insurance, medical insurance, earthquake compensation insurance, pet insurance]	[home contents insurance, vehicle insurance]	[pet insurance]	[rental housing insurance]	[rental housing insurance]
Life Insurance, Non-life Insurance, Third market	Non-life Insurance	Non-life Insurance	Non-life Insurance	Non-life Insurance
Joined the Group in Mar. 2013	Joined the Group in Mar. 2012	Joined the Group in Sept. 2016	Joined the Group in June 2019	Joined the Group in Sept. 2020

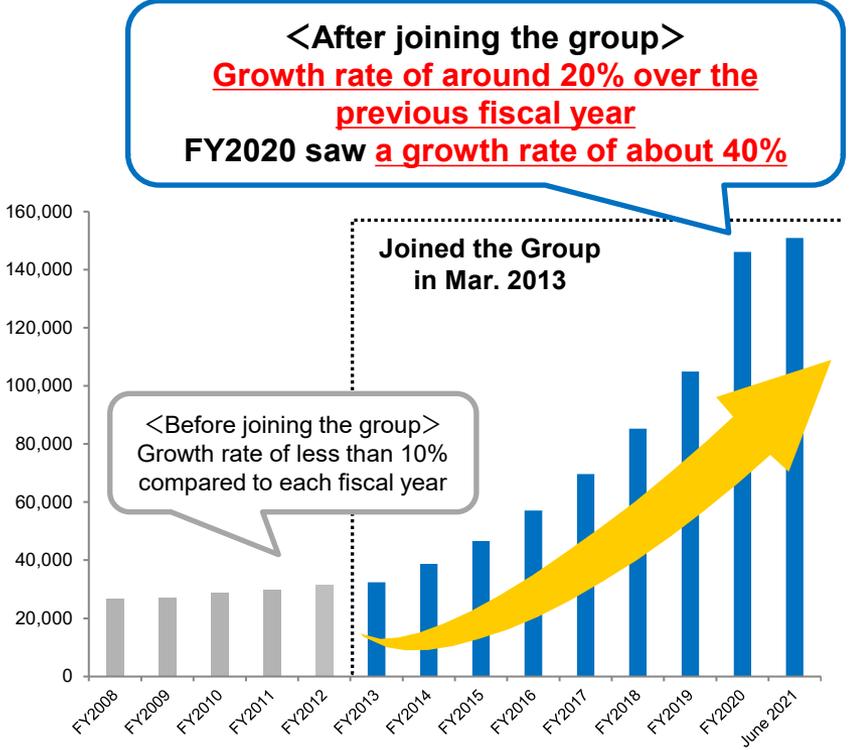
Considering further M&A

* The number of in force contracts as of the end of June 2021

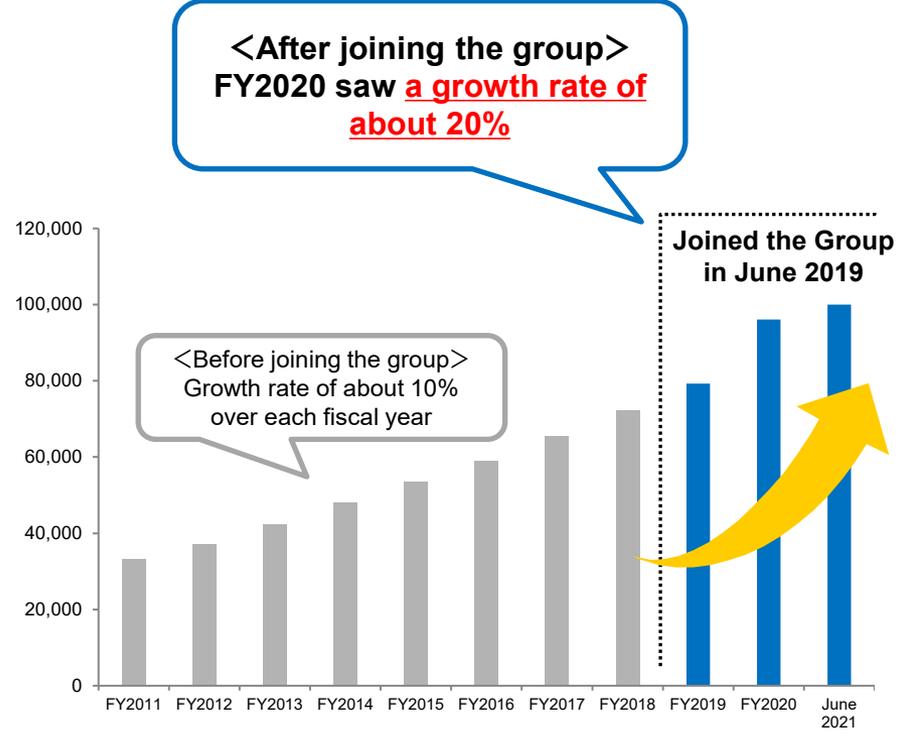
Small-amount Short-term Insurance Providers Acquired through M&As have Seen their Growth Accelerate Since Joining the Group



Number of in-force contracts exceeded 150,000 in June 2021



Number of in-force contracts exceeded 100,000 in July 2021



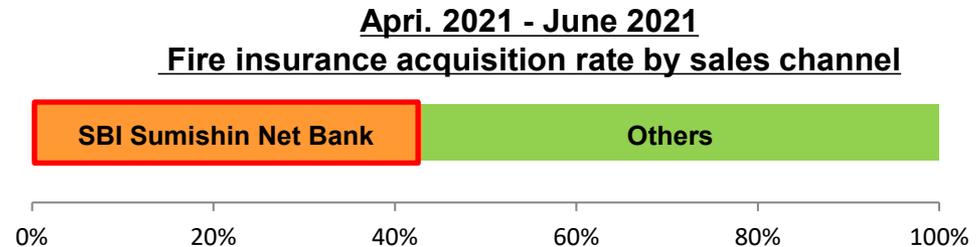
② Differentiation through further strengthening of synergies within and outside the Group and new mechanisms

Synergies within The SBI Group (1)

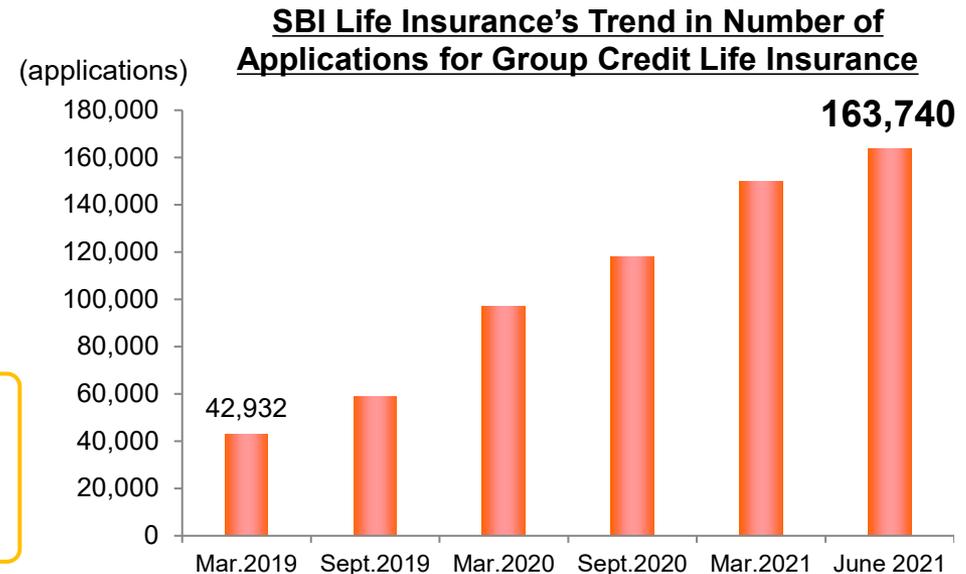
-Creating synergies with the insurance business through SBI Sumishin Net Bank's housing loan business-



More than 40% of fire insurance applications between April and June 2021 came from SBI Sumishin Net Bank



Group credit life Insurance attached to housing loans at SBI Sumishin Net Bank drives SBI Life Insurance sales

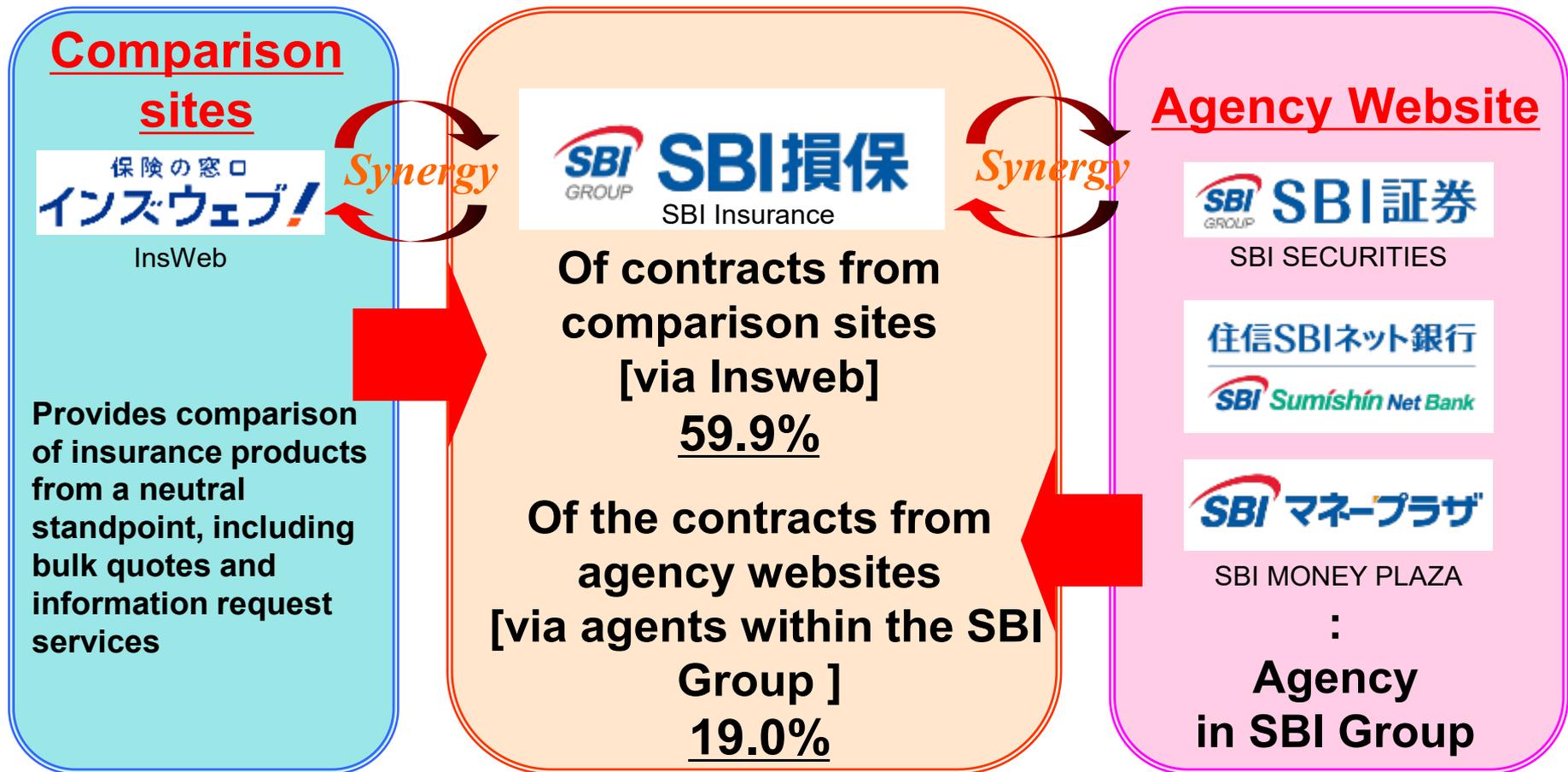


Total as of the end of June 2021
Total number:
163,740 applications

* Including sales to partner regional financial institutions, etc.

Synergies within the SBI Group (2)

-The SBI Group's Insurance Comparison Sites, SBI SECURITIES, and Other Group Companies Leverage Their Customer Bases to Create Synergies by Becoming Sales Channels for Each Other-



3.(1)-② Differentiation through further strengthening of synergies within and outside the Group and new mechanisms

SBI Insurance Group Companies Strengthen Their Customer Bases by Expanding Sales Channels and Services through Alliances Not Only with Group Companies, but also with Companies in Various Industries

SBI損保
SBI Insurance

73 companies including
25 financial corporations
(Insurance product handling)

CCC MARKETING
(Insurance premium payment)

SBI 生命
SBI Life Insurance

60 regional financial institutions, including
14 regional banks
(Handling of group credit life insurance)

PayPay
(Insurance premium payment)

SBI いきいき少短
SBI IKIIKI SSI

Comprehensive funeral service company
(Death insurance)

SBI プリズム少短
SBI PRISM SSI

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

Menicon
(pet insurance)

JOYFUL HONDA
(pet insurance)

SBI リスタ少短
SBI Resta SSI

Electricity service company
(Pet Liability Insurance)

Building materials sales company
(Earthquake compensation insurance)

SBI 日本少短
SBI Nihon SSI

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

NTTif
(Vehicle insurance for motorcycles and bicycles)

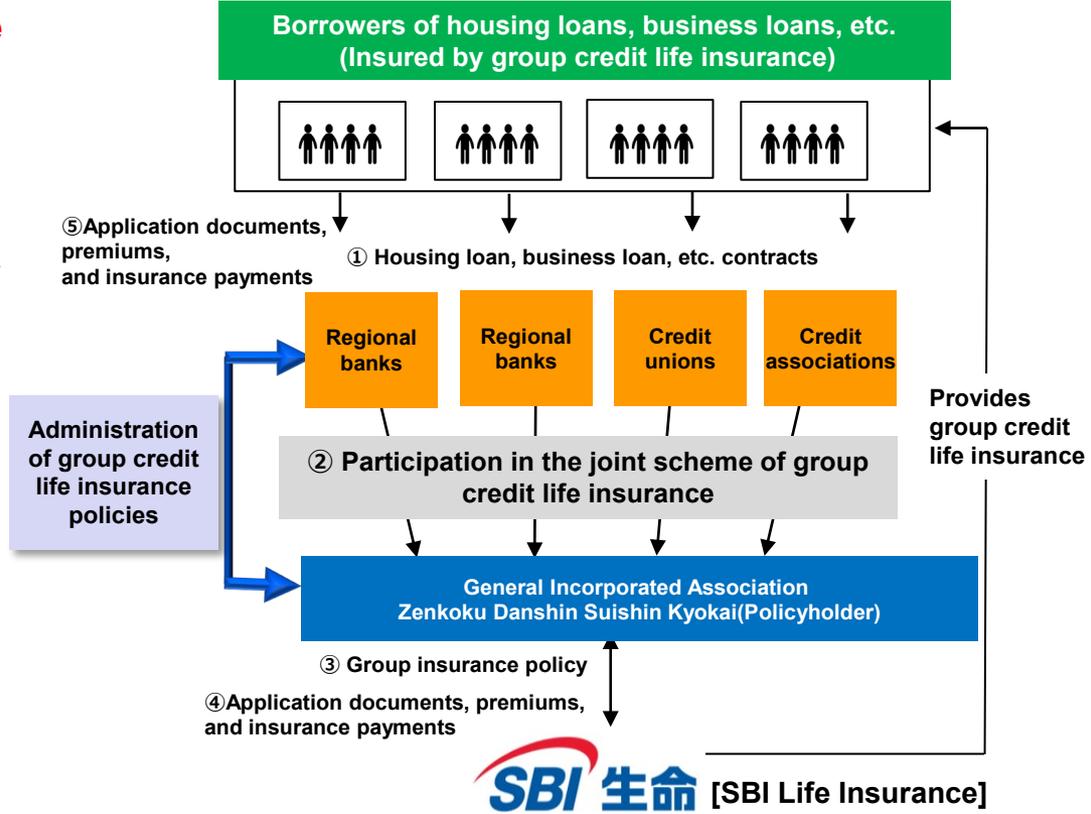
3.(1)-② Differentiation through further strengthening of synergies within and outside the Group and new mechanisms

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

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

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

Diagram of the joint scheme of group credit life insurance



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

**③ Further improve operational efficiency
by promoting InsurTech**

3. (1)-③ Further improve business efficiency by promoting InsurTech

The Group Promotes InsurTech and Targets to Improve Business Efficiency by Introducing Technologies from Our Investee Companies

Example: DataRobot, Inc.

Provide "AI Success Program," a support program for building an AI-driven organization, together with DataRobot, an enterprise that provides AI platform to automate entire processes from advanced AI models to operational management



Started using "DataRobot" tools within the SBI Group in 2017

Formed capital and business alliance with DataRobot, Inc. in Dec. 2020



SBI Insurance



Improve inbound call center rate

done

AI call center predicts call volume to achieve 100% call-in pick-up

Recommendation of insurance products

plan

By utilizing AI, propose customized insurance products for each customer

Automated contract administration

plan

Increase process speed through partial automation by AI of inspecting items for confirmation, notices, and items to notify

Fraudulent billing detection

plan

Automates the detection of fraudulent billing with AI to ensure prompt and appropriate payment of insurance claims to customers

SBI Group formed an alliance with ALBERT Inc. and plans to expand the utilization of AI across the Group

The SBI Insurance Group Has Started New DX-Based Initiatives



SBI Insurance

(Automobile insurance) launched apps for smartphones named "SBI Insurance policyholder app" and "SBI Insurance safe driving program"

- In addition to checking policy details, contact in trouble and arrangement for road service is possible on apps
- Monitor driving behavior through use of Bluetooth connection between a dedicated device and "SBI insurance safe driving program" app. This supports safe and secure driving of policyholders by providing driving diagnosis and impact detection functions

(Fire insurance) introduced first AI system for receiving calls regarding accidents

The policyholders can select "AI call receiving support" in addition to response by an operator when they make contact about fire accidents



The customers can complete the accident reception with a robot alone, allowing them to receive calls without being affected by telephone congestion



SBI Life Insurance

Completely renewed "the actuarial science system"

- Short development time of six months
- Increased computing power by **more than 70 times** compared to the current system

Started a web-based service for application to group credit insurance, jointly developed with SBI Sumishin Net Bank

- **No need to fill out, sign, and mail documents** by completing the procedure on the dedicated website
- **Shortens the time required to apply for a housing loan**, as the insurance process can start immediately after completion of the provisional screening of the housing loan

4. Asset Management Business

- (1) Valuation gain on unlisted stocks and the overseas financial services business contributed significantly to raising the segment's profits**
- (2) Expand assets smoothly in order to achieve future performance and medium-term vision for individual Asset Management businesses**

(1) Valuation gain on unlisted stocks and the overseas financial services business contributed significantly to raising segment profits

- Profit/loss from the change in fair value and profit/loss on the sale of investment securities for portfolio companies during April-June 2021 quarter decreased from the same period last year due to a sharp drop in certain listed security valuations. Valuation profit of unlisted stocks contributed significantly to performance, resulting in JPY 2.4bn valuation profits**
- In the overseas financial services business, owing to contributions from the SBI SAVINGS BANK of South Korea and the TP Bank of Vietnam, among others, contributed significantly to raising the segment's profit, driven by the expansion of assets and the promotion of efficient management**
- Performance of the asset management business at Morningstar Japan has expanded steadily due to the expanded assets under management from local financial institutions**

Asset Management Business'

1Q FY2021 Performance Overview (IFRS)

(IFRS, JPY billion)

	1Q FY2020 (Apr.-June 2020)	1Q FY2021 (Apr.-June 2021)	YoY % change
Revenue	39.7	47.7	+20.0
Profit before income tax expense	12.0	15.7	+31.0
SBI SAVINGS BANK	4.5	8.2	+79.6
Profit/loss from the change in fair value and profit/loss on sales of investment securities	8.1	2.4	- 70.3
<u>Listed Securities</u>	7.1	- 8.4 (*1)	-
<u>Unlisted Securities</u>	1.0	10.8	+987.9

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

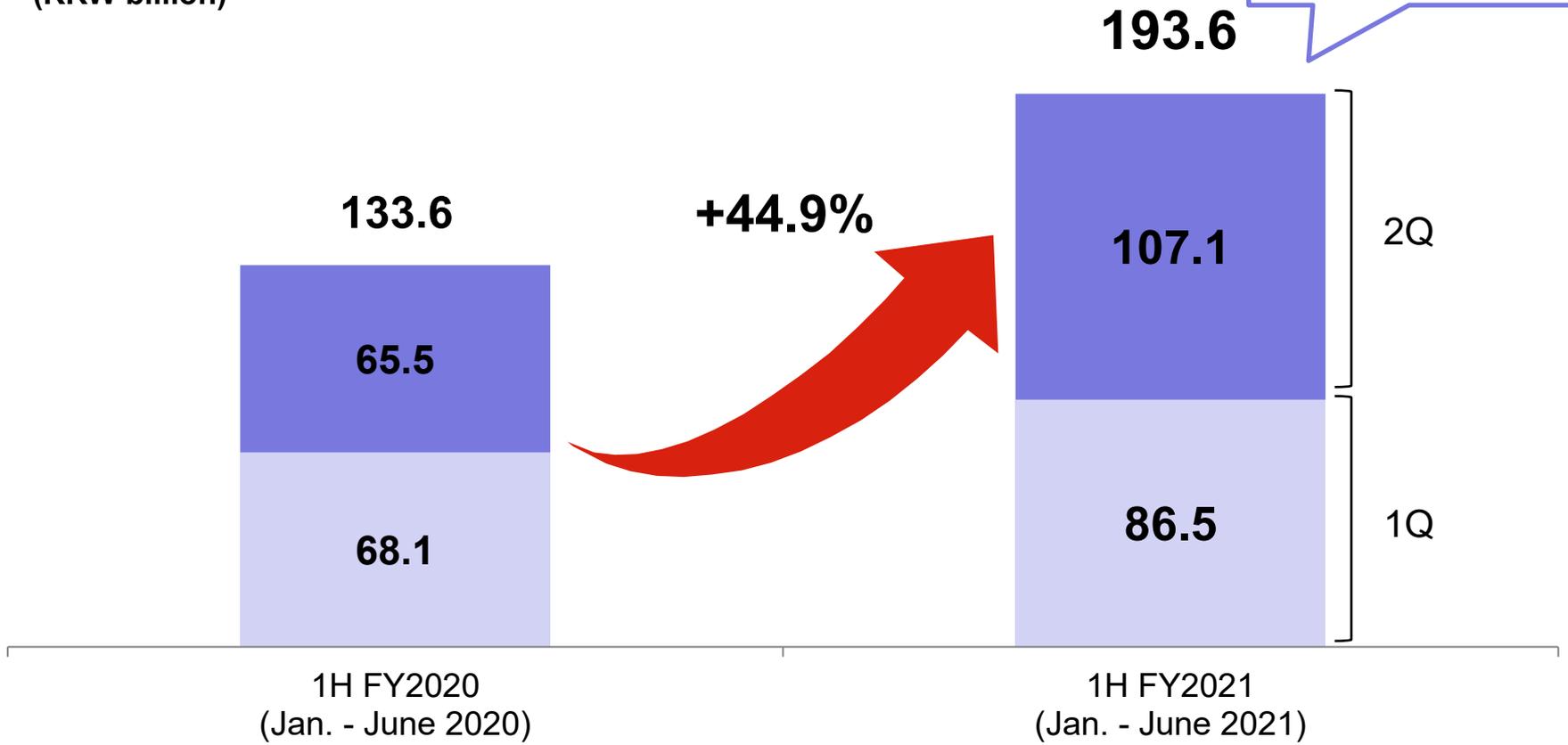
Net Income of SBI SAVINGS BANK

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

<Jan. to June 2021 / K-GAAP>

Net income for 2Q exceeded **KRW 100 bn** for the first time on a quarterly basis

(KRW billion)



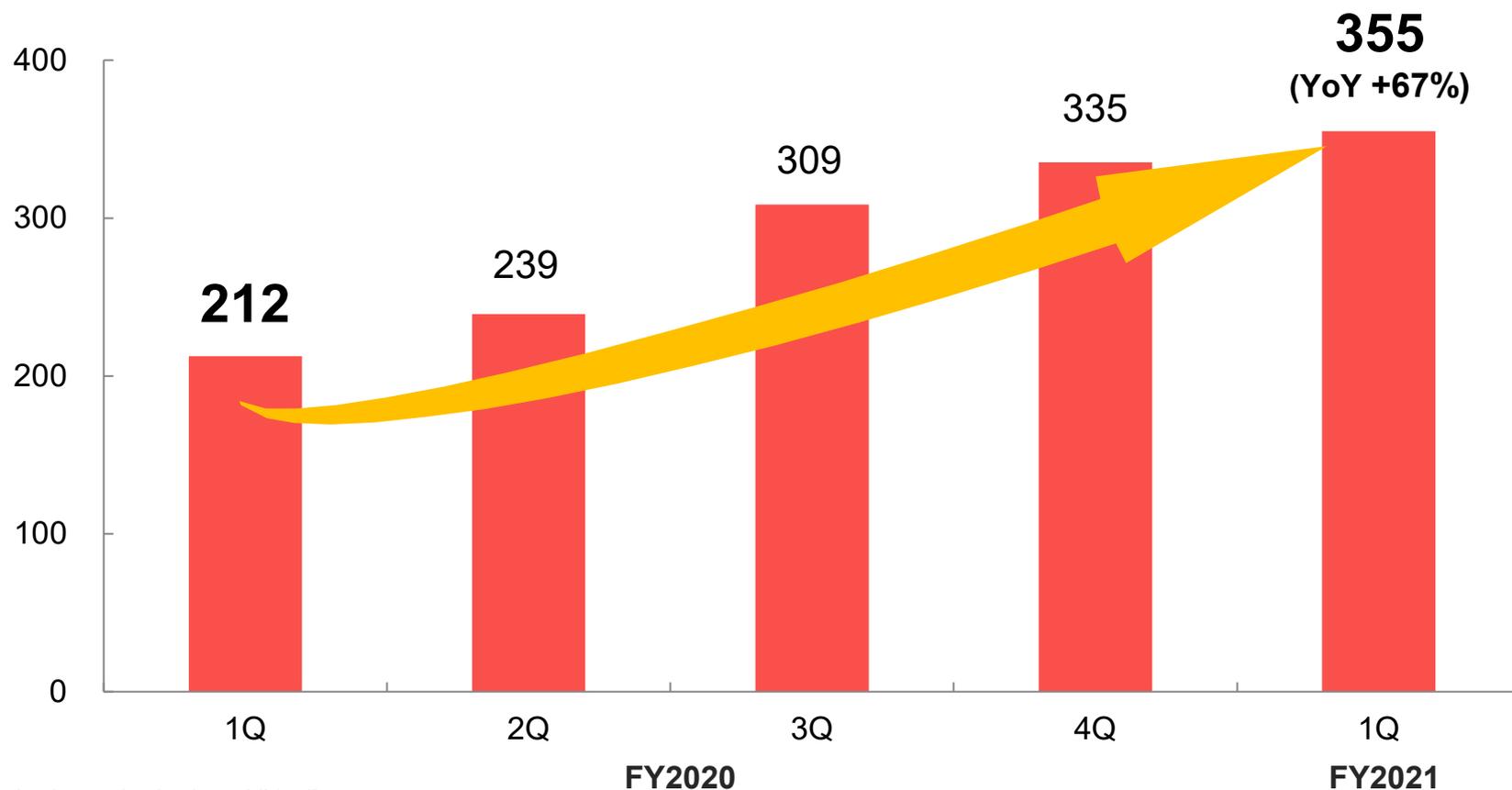
The rating of SBI SAVINGS BANK from 2 credit rating agencies in Korea (Korea Credit Rating and NICE Credit Rating) has been upgraded to **"A"** (Direction: **"Positive"**)

Morningstar's Asset Management Business has Expanded Steadily

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

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

(JPY million)



(2) Expand assets smoothly in order to achieve future performance and medium-term vision for individual AM business

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

① Private Equity (PE) Business

- **Between April and June 2021, among investee companies, 5 companies were taken public under an IPO and 1 company was subject to M&A, and from July 2021 onward, several other exits planned for other investee companies. High performance of management funds is expected due to planned investee company SPACs, which has been rapidly increasing in the US in recent years**

Major Funds Operated by SBI Investment Have Entered a Virtuous Cycle, and Investment Recovery Through IPO of Investee Companies and New Investment From New Funds have Expanded

Investors from many regional financial institutions, institutional investors, major financial institutions, major business companies, etc. participate



Regional financial institutions



Institutional investors



Leading financial institutions/
Leading operating companies



[List of major funds]

Fintech Fund
(Established in Dec. 2015)

- Fund size: JPY 30bn
- Investment ratio of the SBI Group : 20%

SBI AI&Blockchain Fund
(Established in Jan. 2018)

- Fund size: JPY 60bn
- Investment ratio of the SBI Group : 16.3%

SBI 4+5 Fund
(Established in Apr. 2020)

- Fund size: JPY 100bn
- Investment ratio of the SBI Group : 20%

Among the Investee Companies, 5 Companies Were Taken Public Under an IPO and 1 Company was Subject to M&A During the Quarter; From 2Q Onward, Several Other Exits Planned for Other Investee Companies

During the fiscal year, 5 IPOs and 1 M&A events for investee companies

EXIT Date	Company	Market	EXIT Date	Company	Market
April 2021	Visional, Inc.	TSE Mothers	June 2021	Perseus Proteomics Inc.	TSE Mothers
May 2021	Jeju Beer Company, Limited	KOSDAQ	June 2021	Confidence Inc.	TSE Mothers
June 2021	SoFi Technologies Inc	M&A (NASDAQ SPAC)	June 2021	Waqoo, Inc.	TSE Mothers

[Planned IPOs of the SBI Group Investee Companies in FY2021]

1Q FY2021	2Q FY2021	3Q FY2021	4Q FY2021	FY2021
6	9	17	7	39

[Reference]

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

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

※ Planned IPO schedule of investee companies of the Fintech Fund and SBI AI&Blockchain Fund: 35 between April – Dec. 2022; 45 in 2023; 36 from 2024

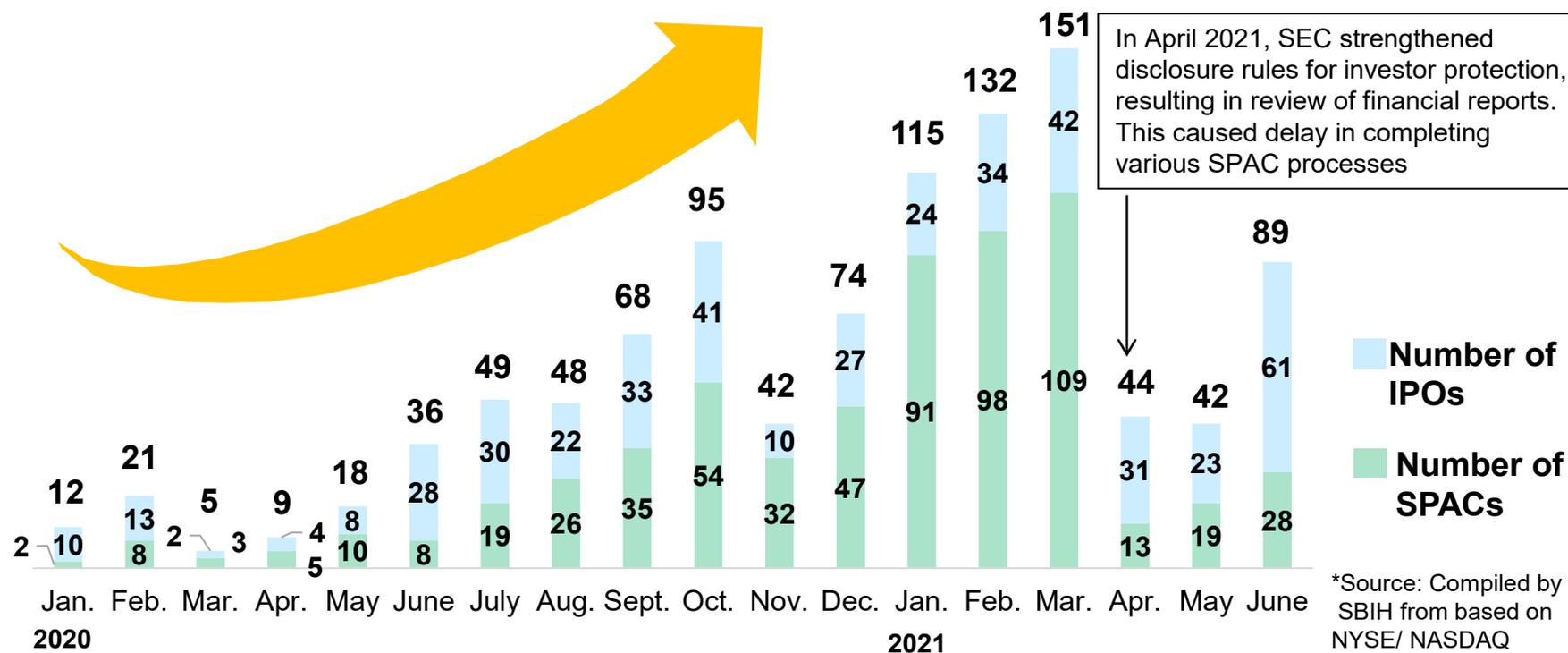
* In the case where an investee company conducts a share exchange or a merger with a public company, it is described as "M&A."

*Subsidiary IPOs and M&As are also included.

*We define SPAC as a M&A

High Performance of Managed Funds Expected Through the Use of SPACs, Which Has Been Rapidly Increasing in the US in Recent Years

<Trend of IPO and SPAC listings on the US stock market*>



<Estimated valuation of SBI Group Investee companies that announce SPAC listing>

Company Name	Service	SPAC Schedule	Value estimate
(U.S.) SoFi Technologies Inc	Student loans, personal loans, housing loans	Listed June 1, 2021	USD12.3B (As of 28 July)
(Israel) eToro Group Ltd.	Development and provision of online financial transaction platform	Sept. 2021	USD10.4B

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

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

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

*as of July 2021, compiled by SBIH

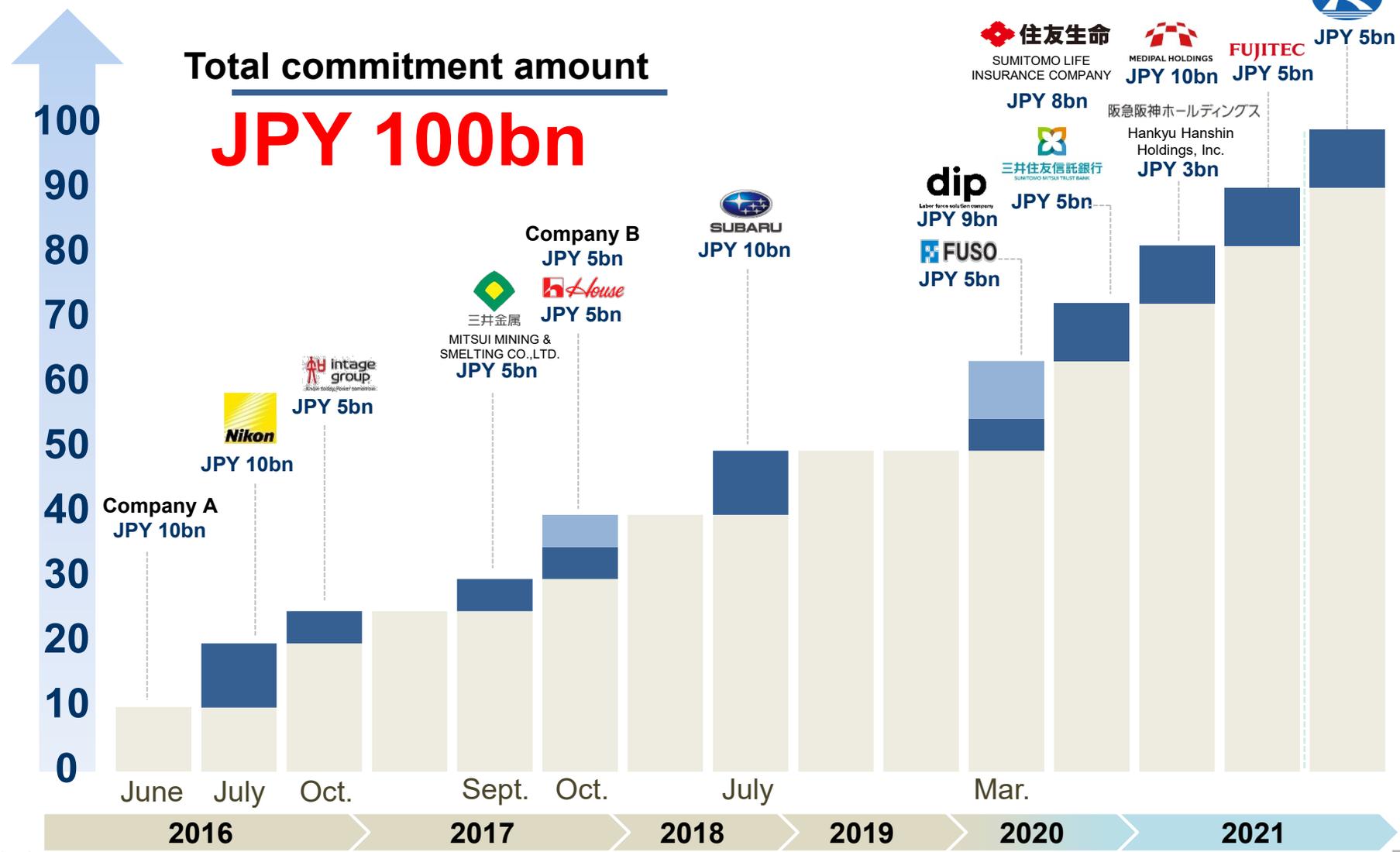
CVC Fund's Total Committed Amount to Reach JPY 100bn

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

Announced on July 15, 2021



(JPY billion)

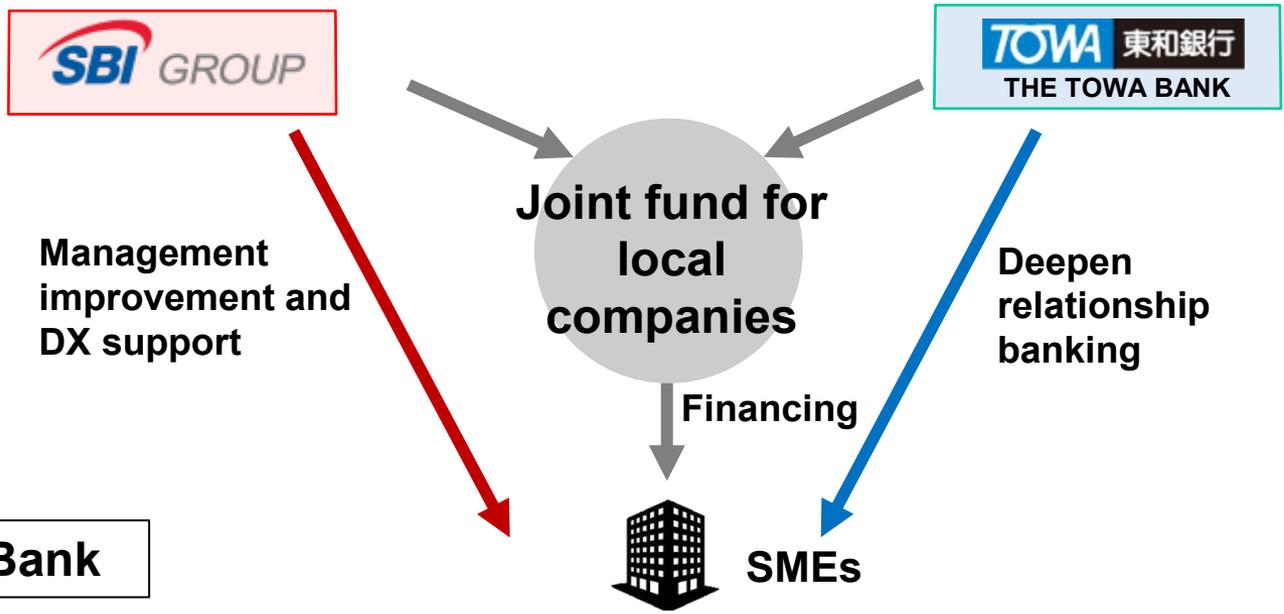


Establishment of a Joint Fund to Support Local Businesses

① Capital fund

THE TOWA BANK

- Promoting the revitalization of local companies by strengthening the financial intermediary function through the provision of capital through a joint fund, thereby minimizing the risk of bank lending becoming non-performing loans after the expiration of government interest subsidies in three years, and through hands-on corporate support from both companies
- Supporting local companies in reforming for the post-COVID-19 era by providing support to introduce the latest technology and expertise owned by the SBI Group and its portfolio companies



Tsukuba Bank

- Co-establishment of a fund for local companies that give hands-on support and development to business revitalization, business succession, and local start-up companies (announced on July 21, 2021)

Establishment of a Joint Fund to Support Local Businesses

② Invest into venture companies

Tsukuba Bank

- Tsukuba Bank and SBI Group companies have been working to commercialize various seeds and support company growth in the bank's area of business centered on Tsukuba City, known as the Tsukuba Science City, which has the largest concentration of commercial seeds in Japan. By making full use of each other's resources, we support the growth of local start-ups and contribute to the sustainable development of the local economy

Number of venture companies by university

Ranking (Previous fiscal year)	Name of university	FY2018	FY2019	FY2020
1 (1)	The University of Tokyo	271	268	323
2 (2)	Kyoto University	164	191	222
3 (3)	Osaka University	106	141	168
4 (6)	University of Tsukuba	111	114	146
5 (4)	Tohoku University	104	121	145
6 (5)	Kyushu University	90	117	124
7 (20)	Tokyo University of Science	10	30	111
8 (7)	Nagoya University	76	94	109
9 (10)	Tokyo Institute of Technology	66	75	98
10 (8)	Keio University	81	85	90
10 (8)	Waseda University	82	85	90

(Source: Ministry of Economy, Trade and Industry HP)

① PE Business

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

-Establishing subsequent funds to expand total fund size to approx. JPY 100bn at an early date-

- In March 2020, made first investment into TOKUSHIMA KYOWA, which operates pharmaceutical dispensaries. To date, seven acquisitions made (two in Osaka, one in Chiba, Shizuoka, Ibaraki and Tokushima). Total sales have increased to about JPY15bn. After performance improvement, three investment have already been exited.
- In partnership with the largest rice wholesaler SHINMEI HOLDINGS, the fund undertook its first investment in December 2020 to a rice wholesaler, HAMAMATSU BEIKOKU, a client of Shimizu Bank. Plans made to support business continuation and expansion, in addition to financial support by the bank.
- In September 2020, invested in and improved performance of sleeping equipment manufacturers in Nagano Prefecture, and partial exit completed in June 2021.

Investor
Regional financial institution,
Public institution etc.

Distribution ↑ (LP) Investment ↓

SBI Regional Business Succession Fund 1

Investment
→
Recovery through mergers and acquisitions, etc.
←

Investee company



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

Support ←

Company with advanced tech·know-how



SBI Group



Public institution·Expert

Public institution·Tax accountant
SME management consultant

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

② Overseas financial service business

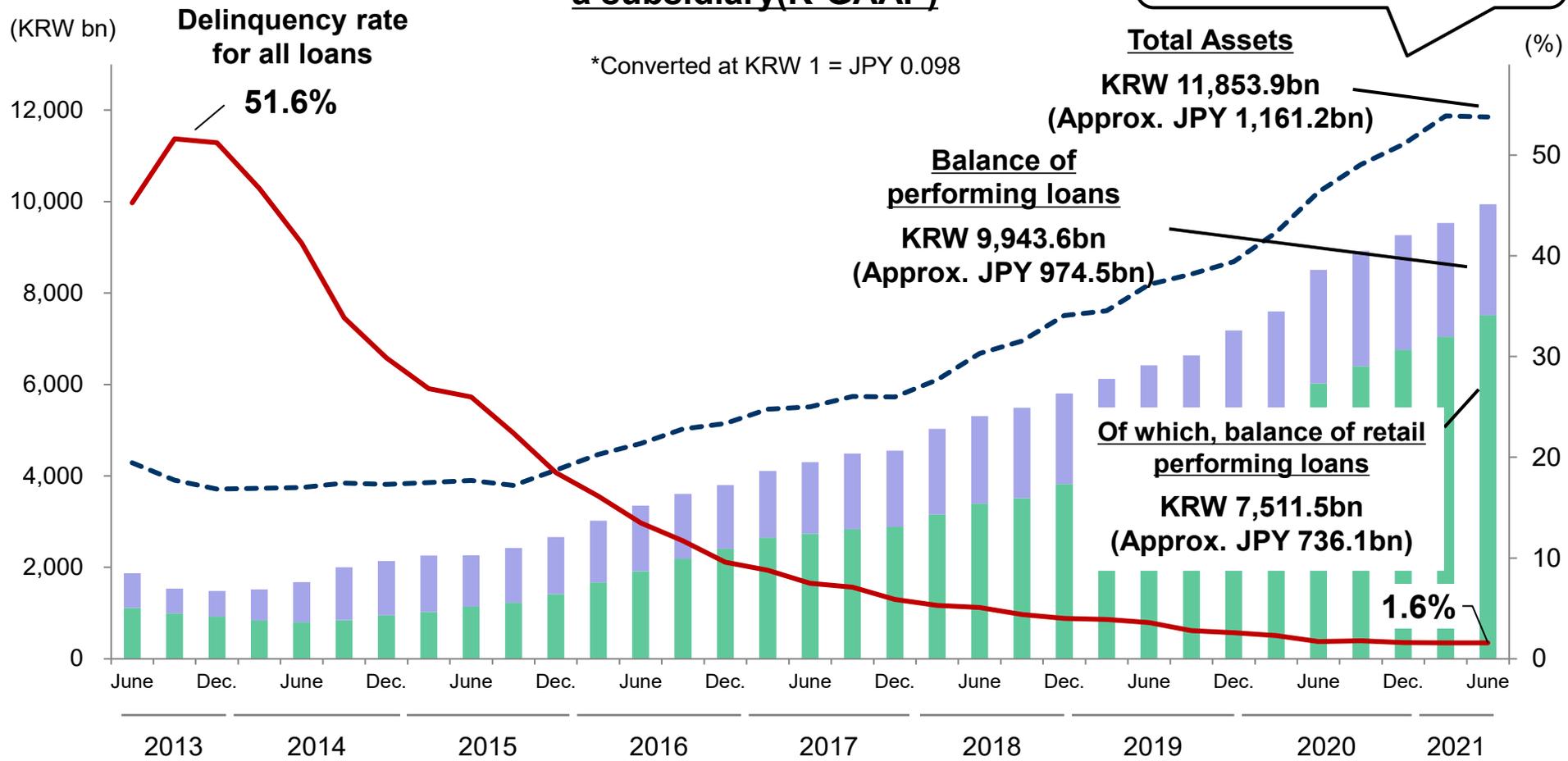
- **In the overseas financial services business, owing to contributions from the SBI SAVINGS BANK of South Korea and the TP Bank of Vietnam, among others, contributed significantly to raising the segment's profit**
- **Based on the settlement of accounts for the fiscal year ending in December 2022 (K-GAPP),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



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

Changes in Indicators since becoming a subsidiary(K-GAAP)

Total assets exceed **KRW 11tn** as of the end of Dec. 2020

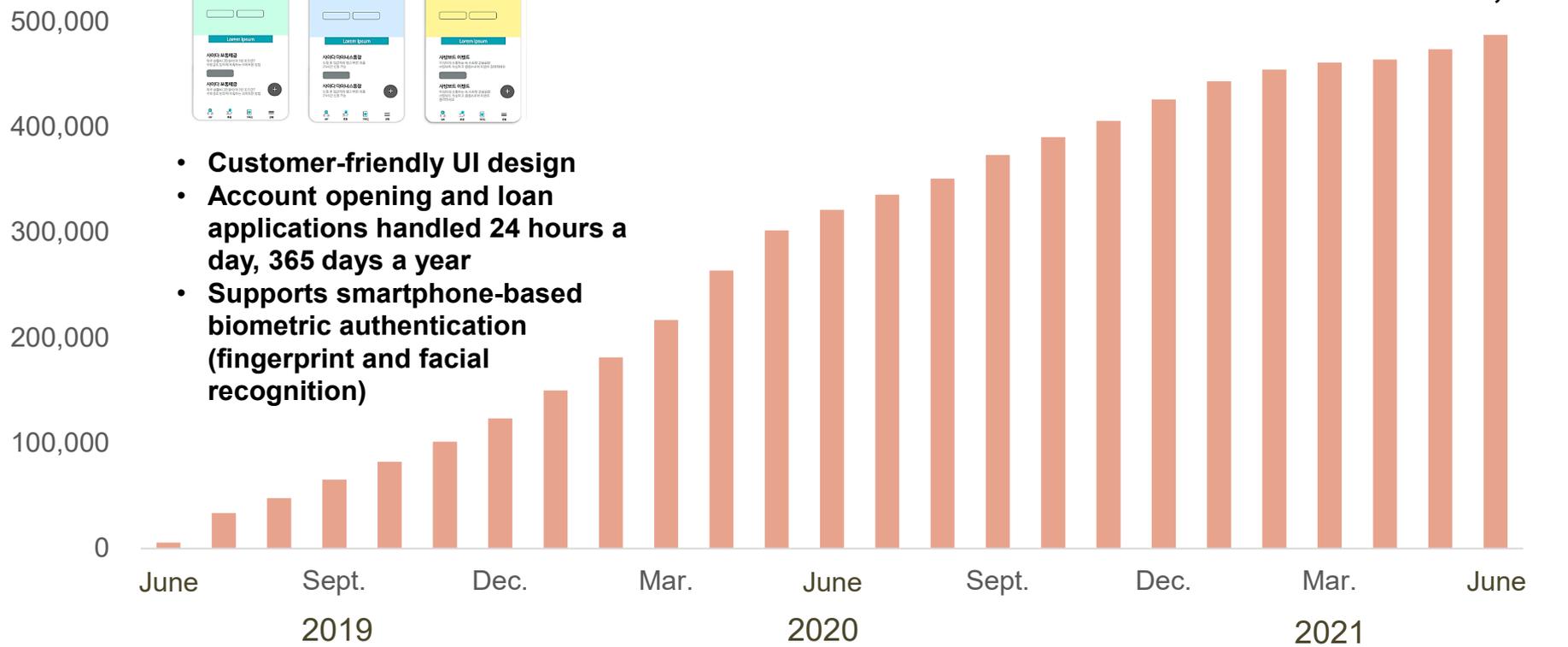


The total delinquency rate remains low at 1.57% (1.7% for retail loans)

"Cider Bank," a Mobile Financial Service Launched in June 2019, has Contributed Significantly to the Expansion of the Customer Base

Changes in the number of accounts

시이디 (Cider Bank)



- Customer-friendly UI design
- Account opening and loan applications handled 24 hours a day, 365 days a year
- Supports smartphone-based biometric authentication (fingerprint and facial recognition)

Functions as a channel to acquire new customers, especially young people, and leads to cross-sales of financing products

Vietnam's FPT Securities and TP Bank Continue to Post Valuation Gains as Earnings Expand Steadily

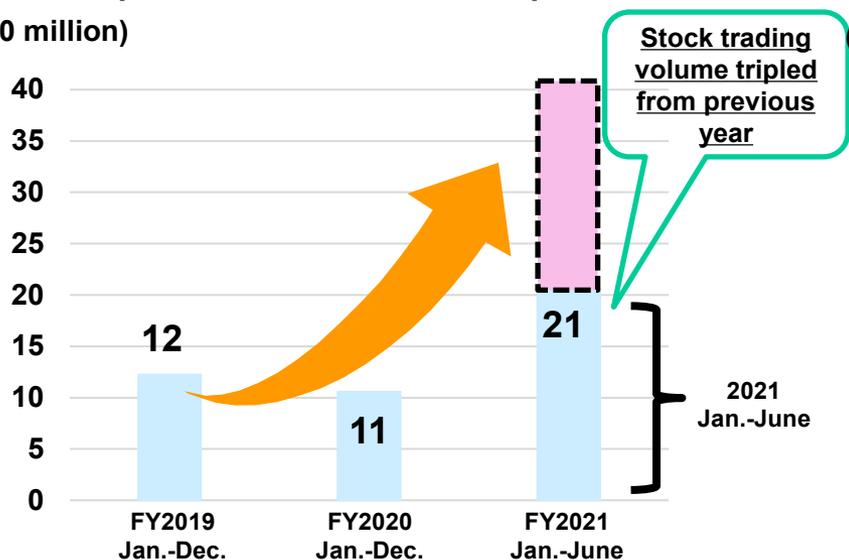


- Invested since April 2011 (Investment ratio: 20%)
- FPT, the largest IT company in Vietnam, is one of the top 10 medium-sized securities companies in Vietnam
- Operates brokerage and advisory businesses
- Stock trading volume tripled from the previous year as stock markets became more active, and prices of securities stocks, including FPT Securities, soared. Brokerage business is at a record high pace.

- Invested since August 2009 (Investment ratio by the SBI Group: 19.9%)
- Market cap. of approx. 190.2 billion yen (as of July 20, 2021)
- The company is aggressively adopting cutting-edge technologies and rapidly expanding its business, especially in its retail operations
- As of February 1, 2021, the stock became included in the "VN30," a major index of the top 30 stocks selected by the Ho Chi Minh Stock Exchange and based on market capitalization, liquidity, and other criteria

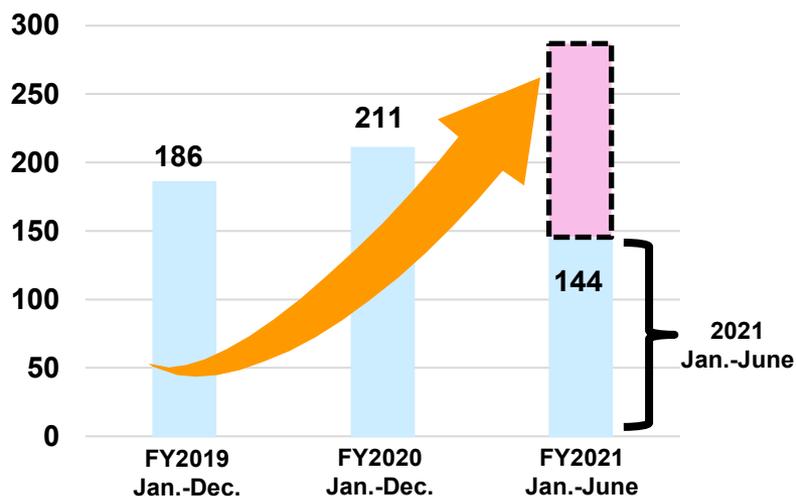
<Trends in profit before Income tax expense>

(JPY 100 million)



<Trends in profit before Income tax expense>

(JPY 100 million)



*1VND is converted as JPY 0.0048

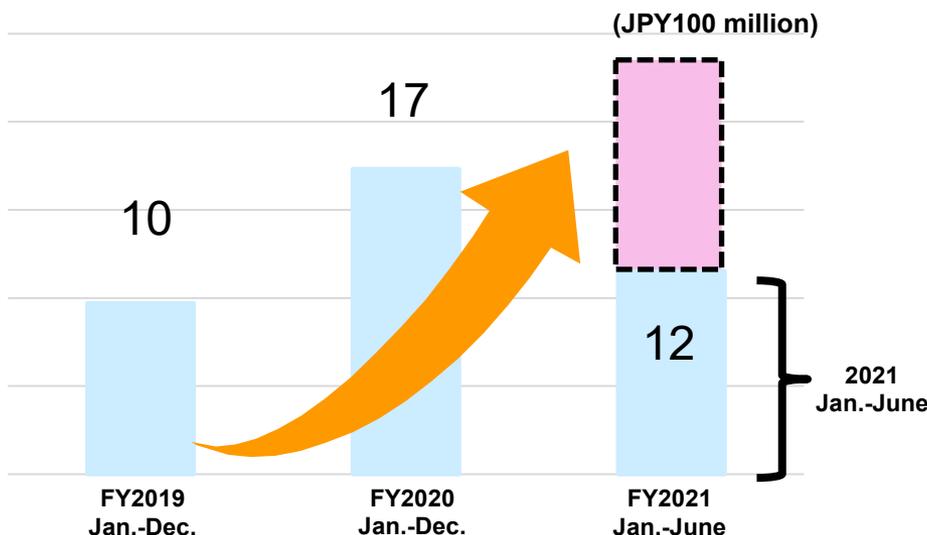
Russian Sovereign Wealth Fund RDIF*¹ and Japan's JBIC IG Partners*² have Invested in Russia's SBI Bank to Promote Business Expansion Between Japan and Russia with the Support of Both Companies



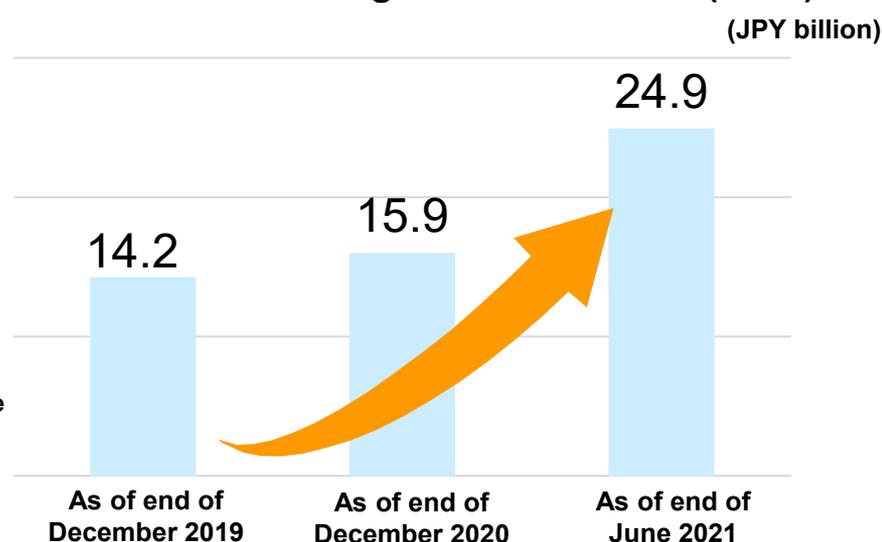
SBI Bank (Investment ratio 90.74%)

- Made it a wholly owned subsidiary in August 2017
- A commercial bank in Russia that has a full banking license
- In Russia, SBI Holdings and the Russian Direct Investment Fund (RDIF) have established a joint fund and established a cooperative framework for a wide range of investment activities
- Achieved profitability in the January-March period of 2021

<Trends in gross profit (IFRS)^{*3}>



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



*¹ Russian Direct Investment Fund (Investment ratio 4.63%)

*² A subsidiary of Japan Bank for International Cooperation

*³ 1RUB is converted at JPY1.47

Business Foundation for Financial Subsidiaries in Thailand and Cambodia Expands Rapidly

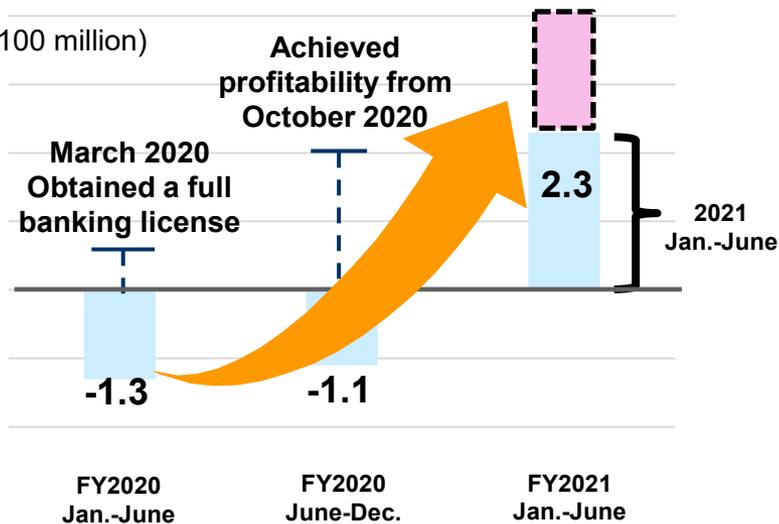


SBI LY HOUR Bank

- Made a subsidiary in December 2019 (Investment ratio 70.0%)
- Acquired a medium-sized microfinance company in Cambodia and increased its capital to make it a commercial bank. Obtained a full banking license in March 2020
- Achieved profitability from October 2020, after a quick business conversion
- Secured stable funding from the start of the deposit business, and has been accumulating quality loans, mainly to retail customers

<Trends in profit before Income tax expense>

(JPY 100 million)

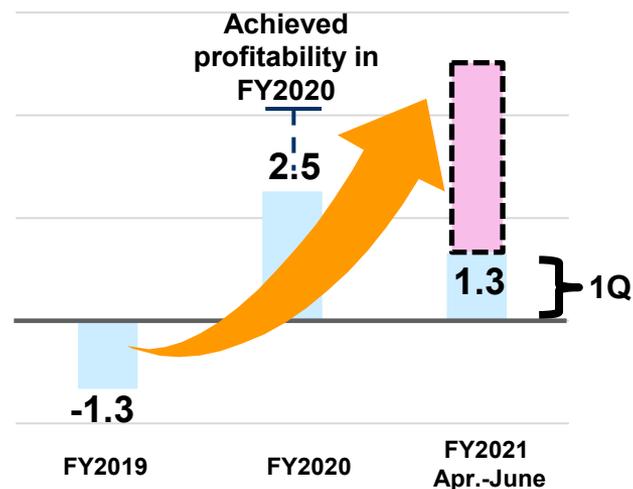


SBI Thai Online

- Established in October 2014 (Investment ratio 99.9%)
- First pure-play Internet securities company in Thailand
- Providing stock and derivative trading services to local investors, including Japanese residents in Thailand
- Achieved profitability in FY2020 by expanding its share of trading value

<Trends in profit before Income tax expense>

(JPY 100 million)



③ Asset management business

- In response to the growing need for regional financial institutions to manage securities through portfolio optimization and higher sophistication, we aim to increase AUM from them and further increase the overall AUM by the Group**

Japanese Market Attractive to Money Managers Around the World

- ✓ Japan has an **enormous amount of personal financial assets valued at JPY 1,946tn**
- ✓ **If 20% of the "cash and deposits," which account for more than 54% of personal financial assets, were transferred to pension funds,** etc., new investment funds would be created, which will **attract money managers from around the world**
- ✓ The design of incentives to move funds from "cash and deposits" to pensions and other assets may promote the movement of funds

Household financial asset composition (by region)

Region	Household financial assets	Cash and deposit ratio
Japan	JPY 1,946tn	54.3%
U.S.	JPY 11,696tn	18.3%
EU	JPY 3,165tn	34.9%
(Britain)	JPY 1,138tn	25.5%
Singapore	JPY 121tn	35.2%

*Source: Bank of Japan, FRB, ECB, UK Office for National Statistics, Singapore Bureau of Statistics

*As of end of March 2021 for Japan, US and Singapore, end of December 2020 for UK, and end of March 2020 for the Euro area

*Currencies are converted into yen as of June 25, 2021 with prices of JPY 110.86/USD, JPY126.09/EUR, JPY 154.34/GBP, JPY 82.58/SGD

③ Asset management business

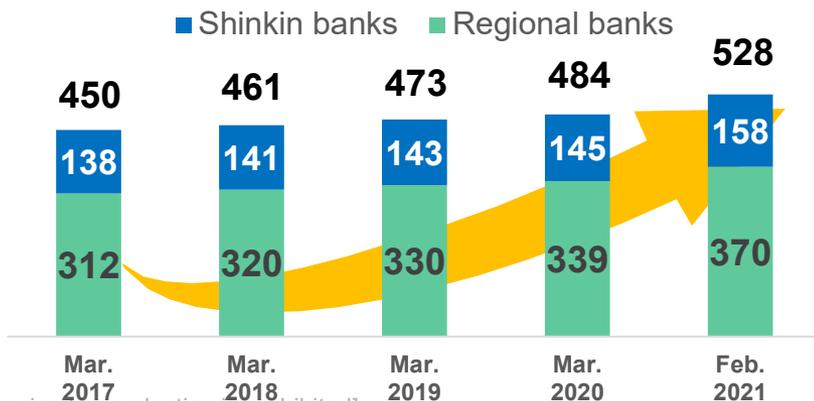
Tremendous Opportunity to Expand Investment Management Contracts from Regional Financial Institutions

-Demand among regional financial institutions for outsourcing of more sophisticated and diversified securities management is growing-

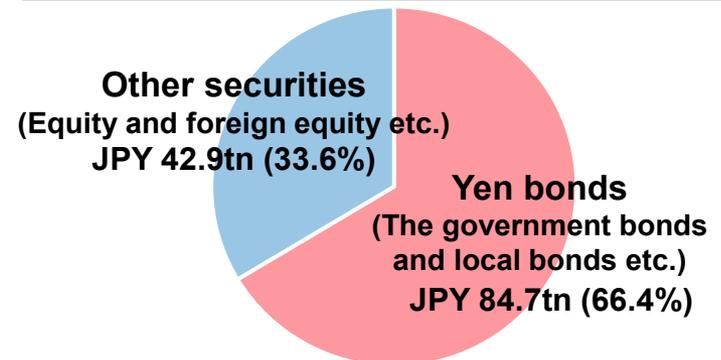
Factors that are increasing the need for outsourcing of investment operations

- Decrease in core business earnings due to continuation of negative interest rate policy
- Balance of operating securities of regional financial institutions: **Approx. JPY 127.6tn** (*As of the end of Feb. 2021)
Of which the outstanding balance of low-yielding yen bonds is **approx. JPY 85tn**
- About 40% (about JPY 15tn) of the government bonds and local bonds held by regional financial institutions will be redeemed by around 2022, and profitability is declining year by year
- **Lack of human resources capable of dealing with global asset allocation**

Deposits of regional financial institutions (JPY trillion)



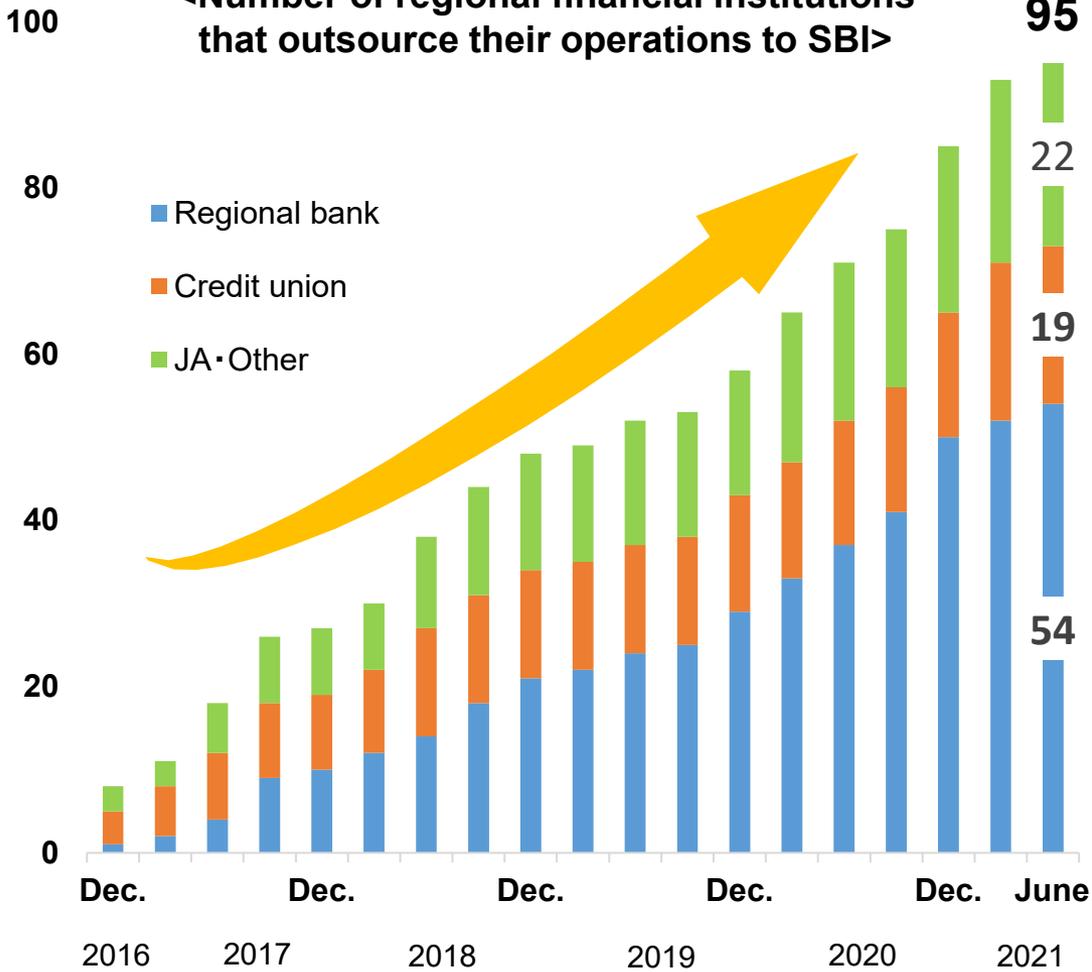
Balance of operating securities of regional financial institutions: JPY 127.6tn



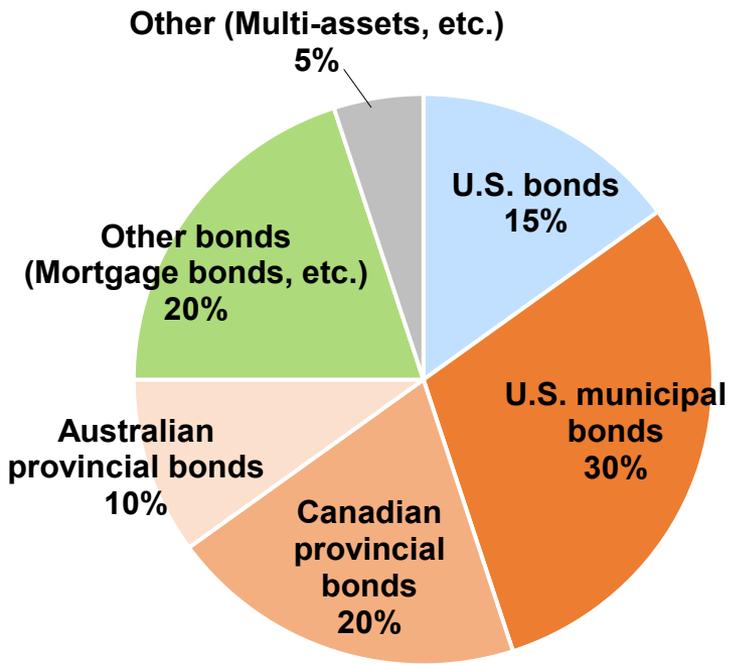
SBI Asset Management Group (SBIAMG) is Entrusted with Asset Management of 95 Regional Financial Institutions

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

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

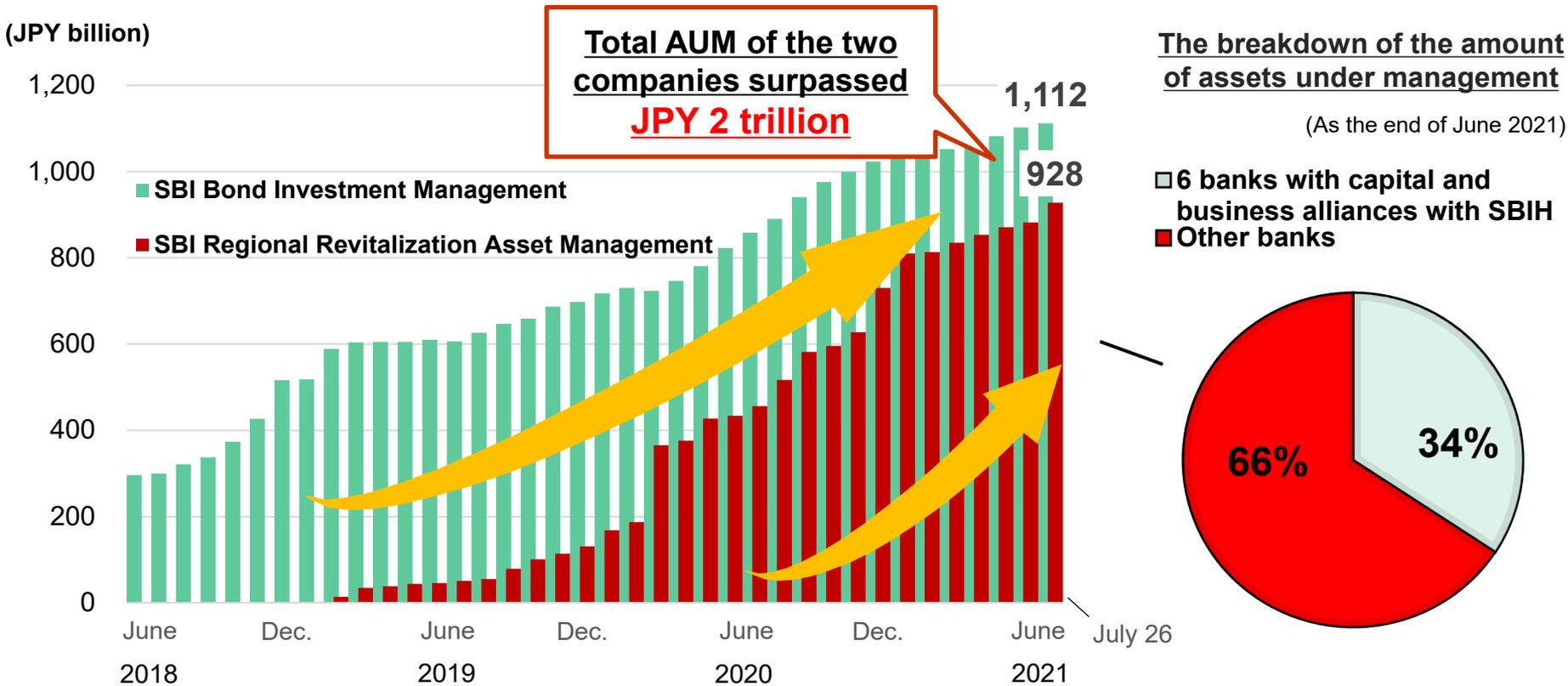


<Composition of investment products at SBIAMG for regional financial institutions by investment target>



Balance of AUM from Regional Financial Institutions Surpassed JPY 2 trillion

- SBI Bond Investment Management (co-founded with PIMCO, one of the world's largest bond investors) and SBI Regional Revitalization Asset Management, which is co-invested by 39 regional financial institutions, have consistently provided **customized investment products for each client, mainly highly rated and highly liquid overseas bonds, at extremely low cost**
- SBI Regional Revitalization Asset Management has been entrusted with managing JPY 920bn in assets. Real yields, which were previously negative, **have improved substantially** as a result of portfolio reevaluation



SBI Asset Management Group Ranked Fourth in terms of Cumulative Inflows of Privately Placed Investment Trusts over the Past Year, ahead of Major Foreign and Japanese Firms

Cumulative inflows of privately placed investment trusts (July 2020 – June 2021)

(JPY billion)

Rank	Investment trust company	Amount of inflow
1	Mitsui Sumitomo TA	1,536.9
2	Invesco AM	1,323.8
3	BlackRock・Japan	924.6
4	SBI Asset Management Group	710.1
5	SOMPO AM	581.0
6	JP Morgan AM	566.9
7	PIMCO Japan	562.8
8	Mitsubishi UFJ Kokusai AM	372.8
9	BlueBay AM	260.4
10	Shinsei IM	249.7
11	Daiwa AM	206.1
12	Barclays Funds and Advisory Japan	157.5
13	Meji Yasuda AM	147.9
14	AXA IM	147.2
15	Amundi Japan	136.2

*The table was prepared based on statistical data from The Investment Trusts Association, Japan, and changes in assets of privately placed investment trust management companies

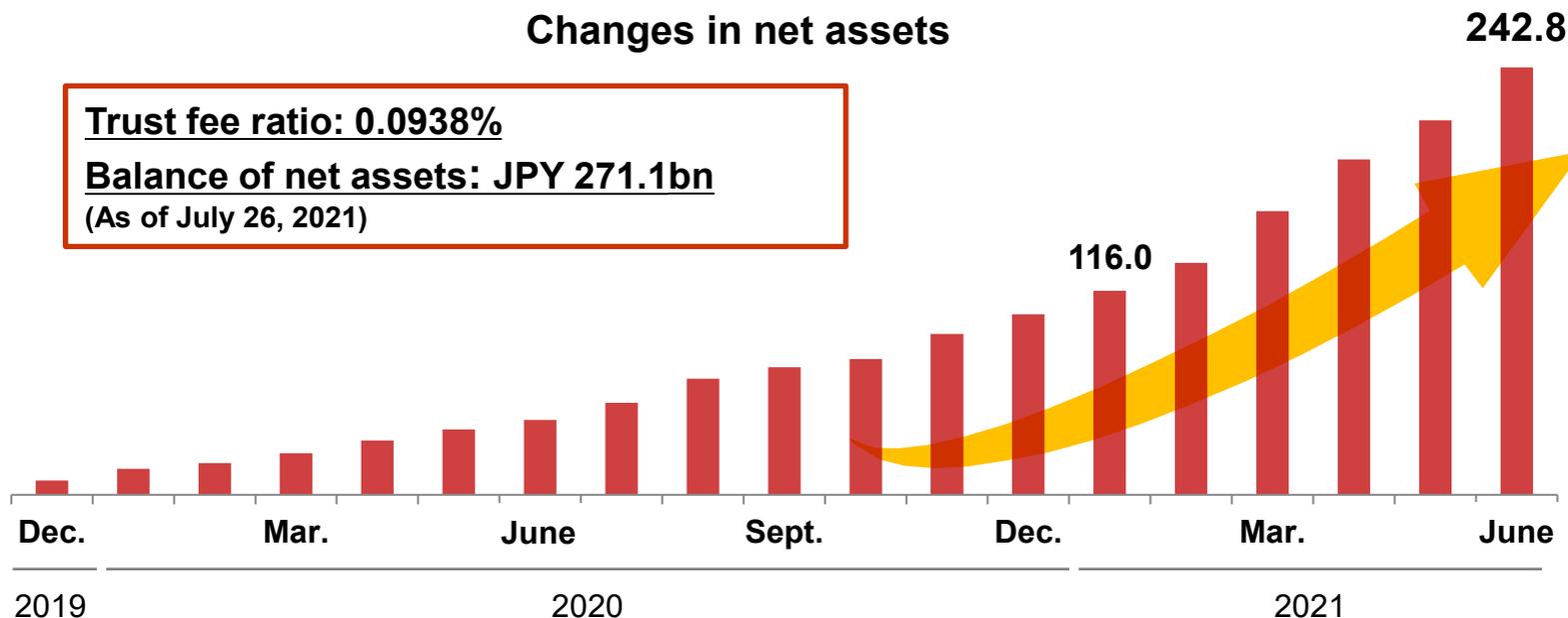
* SBIAMG's figure is the total of SBI Asset Management, SBI Regional Revitalization Asset Management and SBI Bond Investment Management

③ Asset management business

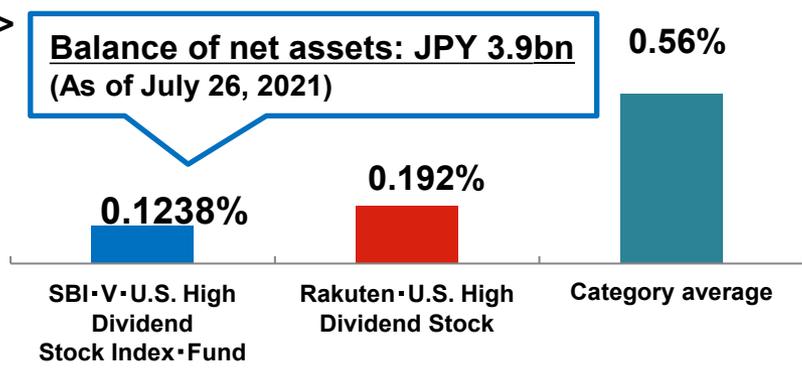
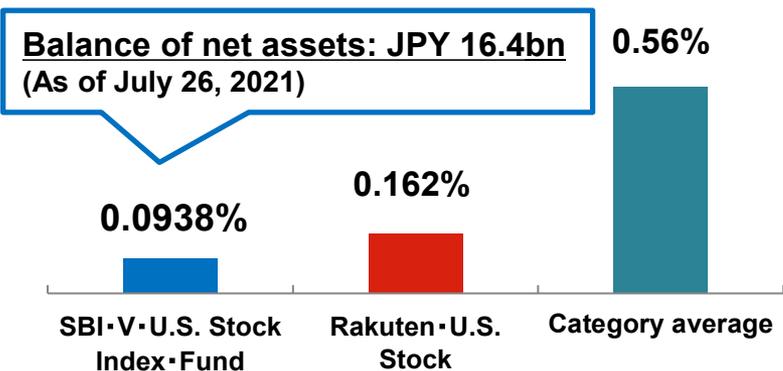
SBI·V·S&P500 Index Fund, which was Co-founded with Vanguard Inc. of the United States in September 2019, is a Big Leap Forward

(USD billion)

「SBI·V·S&P500 Index Fund」
Changes in net assets

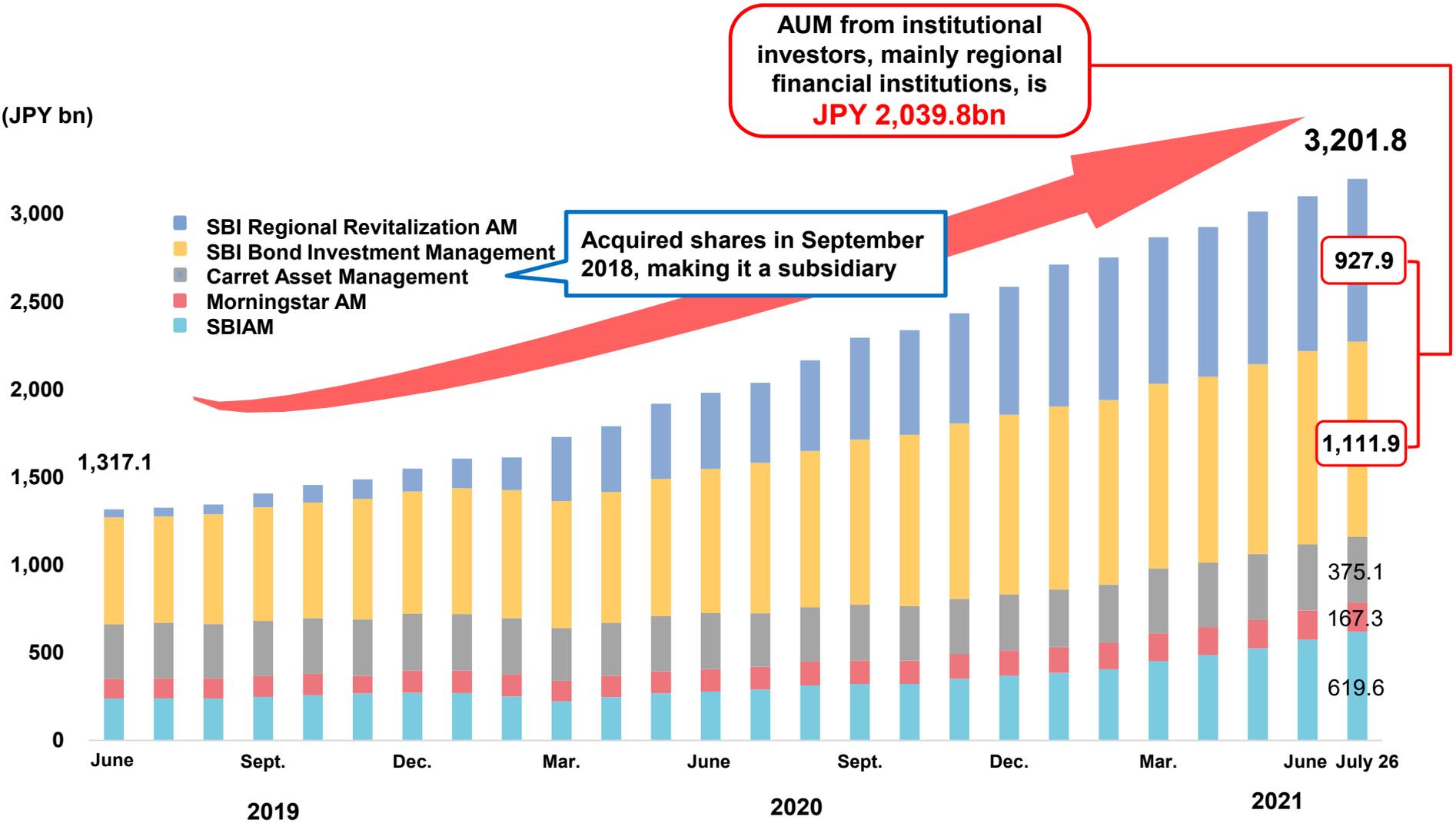


Trust fee ratio: 0.0938%
Balance of net assets: JPY 271.1bn
(As of July 26, 2021)



SBI Asset Management Group has Steadily Increased AUM in Both Public and Private Placements

-Balance of investment assets exceeds JPY 3.2tn-

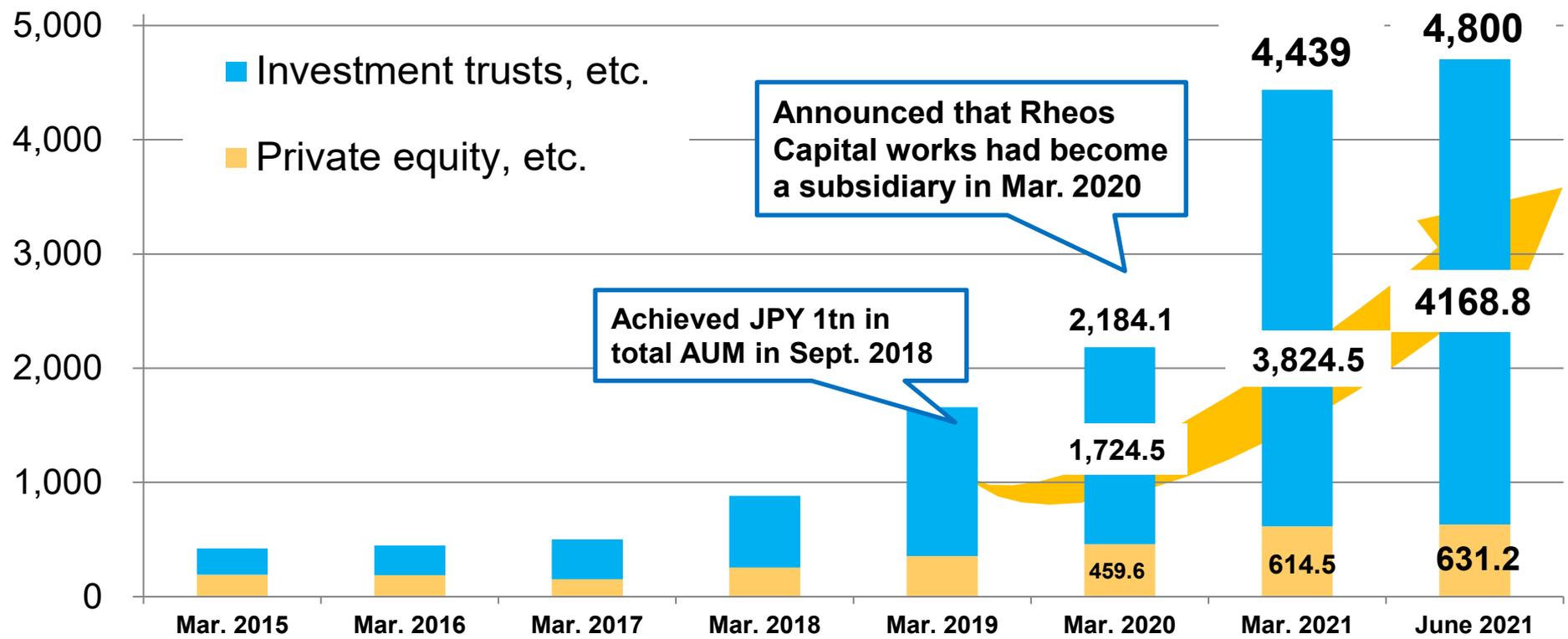


* Figures include investment advisory balance



Steady Increase in the Balance of AUM of the Entire SBI Group, Including Private Equity, toward the Level of More than JPY 10tn

(JPY bn)



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

5. Biotechnology, Healthcare & Medical Informatics Business

- (1) Milestone revenues and strong sales of 5-ALA-related products contributed significantly to the narrowing of the segment's operating loss**
- (2) Accelerate development of new businesses such as research and products for the "with COVID-19" era**

(1) Milestone revenues and strong sales of 5-ALA-related products contributed significantly to the narrowing of the segment's operating loss

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

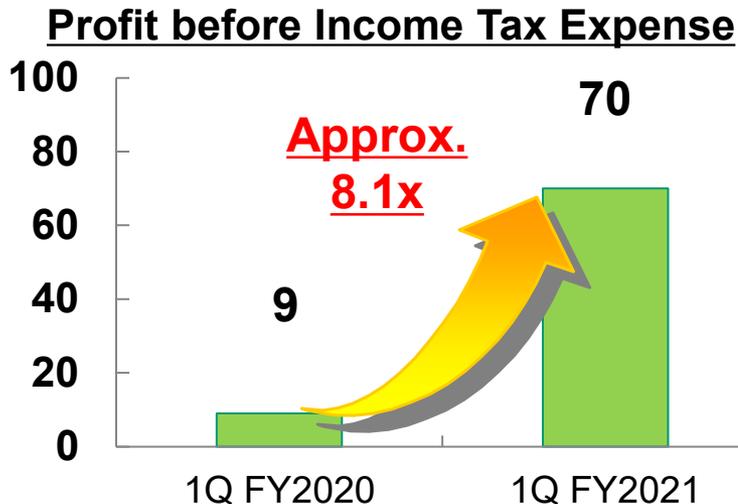
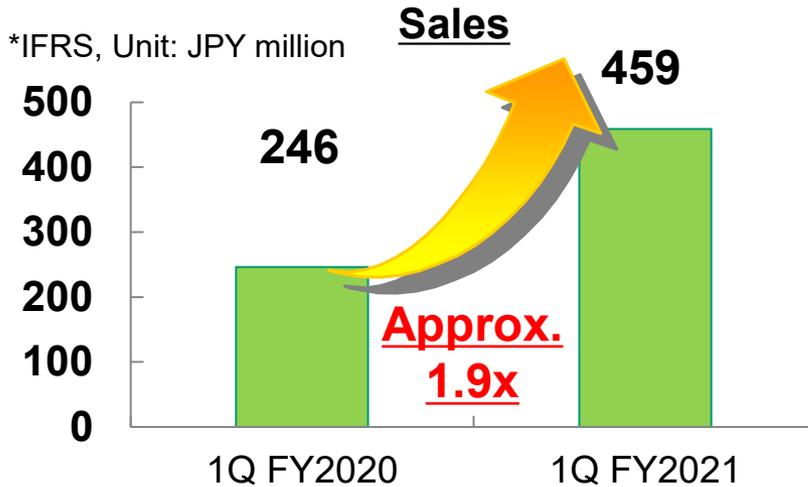
(JPY million)

		1Q FY2020 (Apr. - June 2020)	1Q FY2021 (Apr. - June 2021)
SBI Biotech		-86	458
Quark Pharmaceuticals (“Quark”)		-945	-749
5-ALA-related business	SBI Pharmaceuticals	-456	-198
	SBI ALApromo	9	70
	photonamic	-38	-36
Medical Data Vision (Equity method company)			64*

*The results of the previous quarter are recorded as SBI Holdings' equity method (Medical Data Vision's results for 1Q of the fiscal year ending December 2021 are recorded in SBI Holdings' 1Q FY2021). Announcement of Medical Data Vision's 2Q of the fiscal year ending December 2021 financial results (J-GAAP) scheduled for Aug. 10, 2021

- **At SBI Biotech**, a milestone payment generated with the start of Phase II trial for licensed product, an anti-ILT7 antibody (HZN-7734). **Expected to be profitable for the full year**
- **Quark** recorded forward expenses related to accelerated business withdrawal
- **SBI ALApromo** **achieved higher sales and profits** due to strong sales of 5-ALA-related products, in response to heightened health consciousness under the COVID-19 pandemic

SBI ALApromo Achieved Significant Increase in Sales and Profits



SBI ALApromo's products containing 5-ALA

- "ALA PLUS" products such as "ALA PLUS Toh (Sugar) Down" and "ALA PLUS GOLD" contain an amino acid called 5-aminolevulinic acid phosphate ("5-ALA") and we manufacture and sell under the exclusive license for the substance patent of 5-aminolevulinic acid phosphate.
- Currently, SBI ALApromo's products are the only products containing 5-ALA, which have been approved by the Consumer Affairs Agency as foods with functional claims.
- The "ALAPLUS +" mark ® (see the figure below) is used on the packaging of SBI ALApromo's products containing 5-ALA to distinguish them from similar products sold by non-certified companies.

Figure : "ALAPLUS +" mark



(2) Accelerate development of new businesses such as research and products for the "with COVID-19" era

Published Papers on COVID-19 and 5-ALA

- A paper on the infection-suppressing effect of 5-ALA on the new coronavirus by cell culture experiments was submitted by the Institute of Tropical Medicine, Nagasaki University, and the pre-print became available on the *bioRxiv* site (Oct. 28, 2020) (Reference <https://doi.org/10.1101/2020.10.28.355305>)
- Nagasaki University announced the start of specific clinical research using 5-ALA phosphate for patients with new coronavirus infection (COVID-19) (Oct. 29, 2020)
- A paper on the infection-suppressing effect of 5-ALA on the new coronavirus by cell culture experiments was submitted by the Institute of Tropical Medicine, Nagasaki University, and was officially published in the international academic journal "Biochemical and Biophysical Research Communications" (Feb. 8, 2021) (Reference <https://www.sciencedirect.com/science/article/pii/S0006291X2100156X>)
- SBI Pharmaceuticals announced the case reports on treatment research using a supplement containing 5-ALA phosphate for patients with new coronavirus infection (COVID-19) (Jan. 14, 2021)



The research article was published in the international academic journal "The Open COVID Journal" specialized in the research and therapy of COVID-19 (July 16, 2021) (Reference <https://benthamopen.com/FULLTEXT/TOCOVIDJ-1-52>)

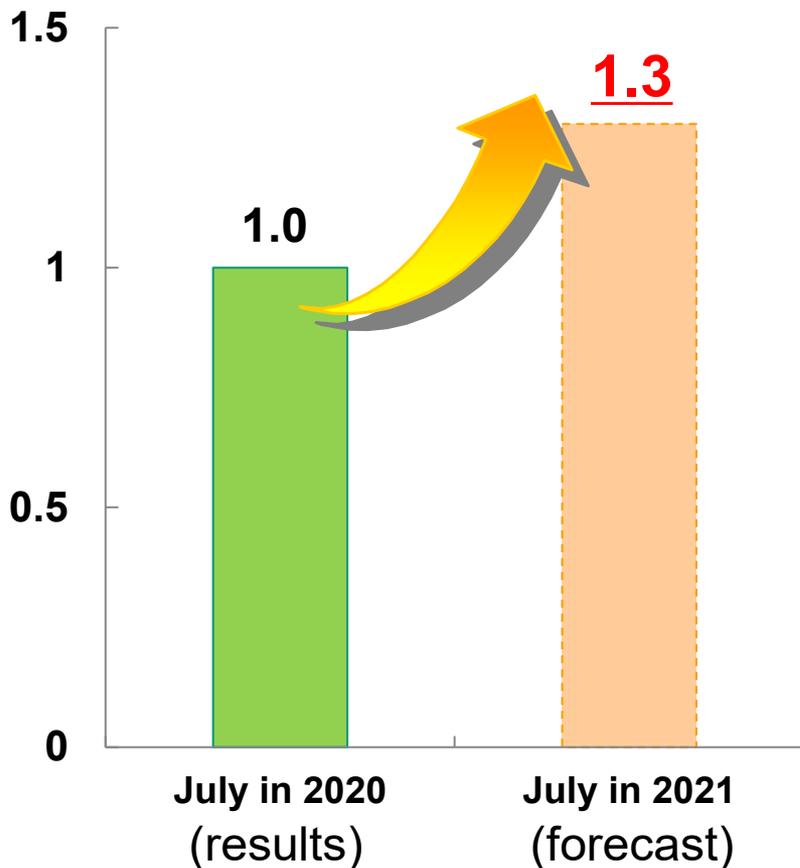
*The information above does not support the efficacy and safety of 5-aminolevulinic acid phosphate and SFC against the new coronavirus infection (COVID-19). In addition, this is not a recommendation for the purchase or intake of products handled by the Group.

① 5-ALA-related business

SBI ALApromo Saw Strong Sales of Each Product in July due to Heightened Health Consciousness Under COVID-19 Pandemic

SBI ALApromo's monthly sales forecast for July 2021 (compared to results in July 2020)

*July in 2020 indexed as 1.0



Expand product lineup from the second quarter onward

New release on July 6, 2021



"ALAPLUS Mental Care" (Foods with Functional Claims)

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

New release on Aug. 2, 2021



"ALAPLUS 5-ALA20" (Supplement)

Limited sale through distributors such as drug stores

Future Lineup of Foods with Functional Claims and Notification Status

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

Increase metabolism while suppressing sugar absorption

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

Functional Claims:

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

Recovery from fatigue

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

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

Functional Claims:

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

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

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

② Toward the development of promising business fields
(Expanding investment in areas centered on healthcare)

The SBI Group is Expanding Investment in Venture Companies that are expected to Innovate the Medical Field

= IPO'd

Areas centered on health care



Health management app / PHR / treatment app

Development / sales of Japan's first medical application that diagnoses and treats diseases in the same way as pharmaceuticals and medical devices

Development of insomnia treatment application and development of blockchain system for clinical use

Detecting and developing trends in new treatment methods

Long-term care service & products for Consumers

Health promotion / lifestyle-related disease prevention products / services

Utilization of digitized medical information

Online network of medical institutions, etc.

いつでもどこでも、高品質な画像診断を。

② Toward the development of promising business fields
(Newly Entire into Medical Informatics Business)

**Strengthen the Medical Informatics Business,
Considered to be a Future Growth Area, by making Medical Data
Vision ("MDV") an Affiliated company under the Equity Method**



System development related to
medical data

(SBI Group's shareholding: 20.69%,
as of the end of December 2020)

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

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

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

② Toward the development of promising business fields
(Promoting the “Health Account” business)

New Service "Health Account" to Prepare for Future Medical and Nursing Expenses

-Expanding the solution to regional financial institutions-

① Deferred payment service for medical expense

When sick

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



② Medical insurance

When sick

- ✓ The insurance will cover the deductible for actual incurred hospitalization expenses
- ✓ An affiliated company of Japan Medical Business Corporation undertakes the troublesome process of claiming insurance payments from the insurance company



③ Apps for healthcare management

When healthy

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



④ Nurse call

When concerned

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

In principle, the initiation period for each region will be one regional bank per one prefecture

Under discussion with several regional financial institutions

Expanding Collaboration With MEDIPAL HOLDINGS CORPORATION, the Largest Pharmaceutical Wholesaler, Which Co-founded a CVC Fund With SBI Investment



MEDIPAL HOLDINGS

Largest
Pharmaceutical
Wholesaler

- **MEDIPAL Innovation Investment Limited Partnership (JPY10 billion) was jointly established in March 2021**
- **Invest in domestic and overseas venture companies that are expected to generate business synergies mainly in MEDIPAL's existing and new business fields**

Utilize the pharmaceutical distribution networks of invested venture companies, etc. as sales channels

6. Digital asset-related businesses

-Development of various services utilizing blockchain and distributed ledger technology (DLT) in the SBI Group and progress in monetizing these services-

- (1) Overview of crypto asset-related business**
- (2) Initiatives for next-generation financial products and services**
- (3) SBI Group focus on providing DLT-based services that contribute to improving operational efficiency in various fields, including supply chain management**

(1) Overview of crypto asset-related business

Measures Taken to Strengthen Business Structure and Profitability Through Aggressive M&A Activities in the Crypto-Asset-Related Business

-Leverage group synergies centered on B2C2 which became a consolidated subsidiary in December 2020-

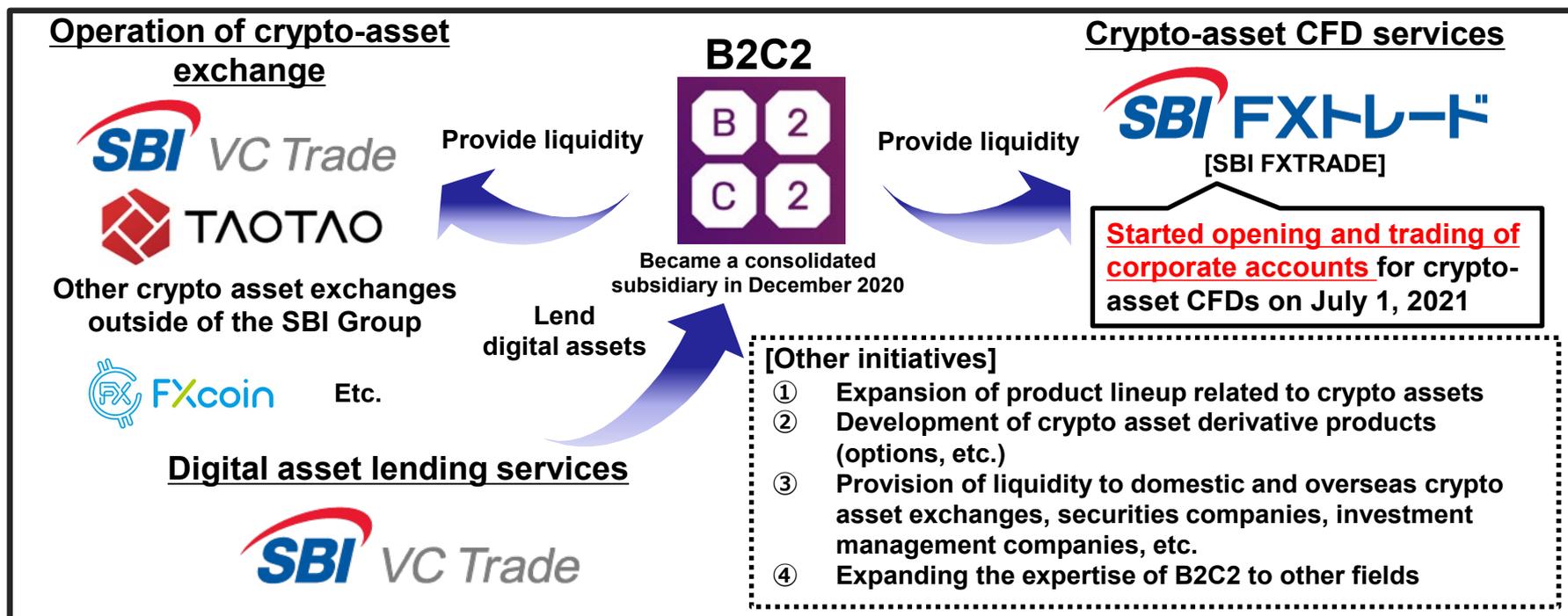
Crypto asset-related business

-Financial Results for 1Q FY2021 (IFRS)-

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

(JPY million)

	1Q FY2020 (Apr. 2020~June. 2020)	1Q FY2021 (Apr. 2021~June. 2021)	YoY (%)
Profit before income tax expense	2,923	4,570	+56.3



In the SBI Group's Crypto Asset-related Business, Promote Expansion and Enhancement of Services Provided

SBI VC Trade



Newly listed Bitcoin Cash (BCH) and Litecoin (LTC) on the VCTRADE Pro exchange on May 27, 2021. Considering adding more cryptocurrencies

Currencies that can be traded on VCTRADE Pro



NEW

To be added



TaoTao



- **Registered for Type 1 financial instruments business** on May 10, 2021
- **Considering the offer of industry-first products that meet customer needs**

SBI Crypto

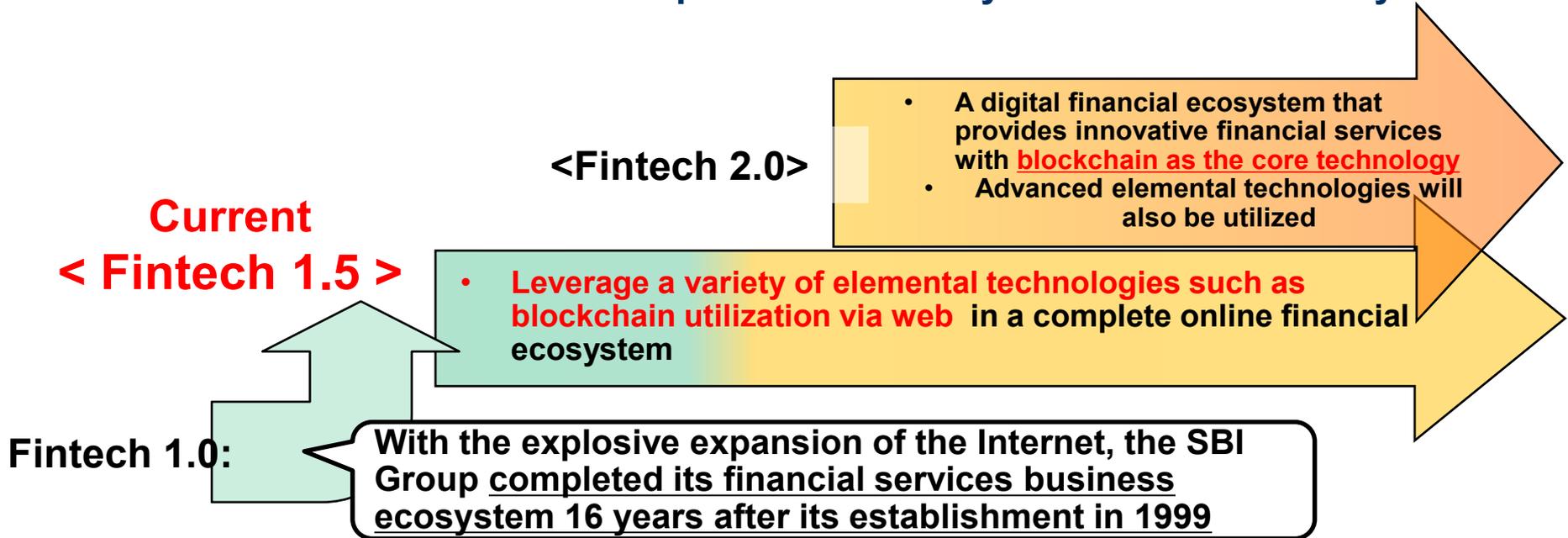
- In order to minimize CO2 emissions, operations at some locations has been stopped. **In addition to the relocation cost, as an initiative to establish a framework where more than 90% of total power consumption is covered by renewable energy, due to the decline in the price of Bitcoin, a valuation loss on assets held was recorded in the 1Q FY2021**

(2) Initiatives for next-generation financial products and services

- ① Security token (ST)**
- ② Non-fungible token (NFT)**
- ③ Decentralized Finance (DeFi)**
- ④ Central Bank Digital Currency (CBDC)**
- ⑤ Crypto asset inclusion funds**
- ⑥ SBI Financial and Economic Research Institute**

How the SBI Group Views the Revolution of Fintech

-The world of Fintech 2.0 will expand dramatically over the next 3 to 5 years-



Fintech 1.0, 1.5

- **Presence of the Web is essential**
- **Exchange of information** worldwide through the Web
- New solutions for financial services that utilize elemental technologies such as AI, big data, IoT, robotics, etc. on the Web (fintech 1.5)
- Blockchain can be practically utilized on the web
- Distributed Ledger Technology (DLT) is also advancing

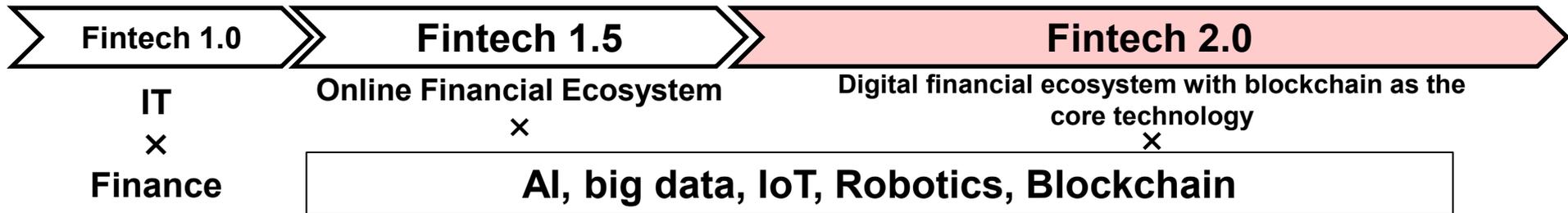
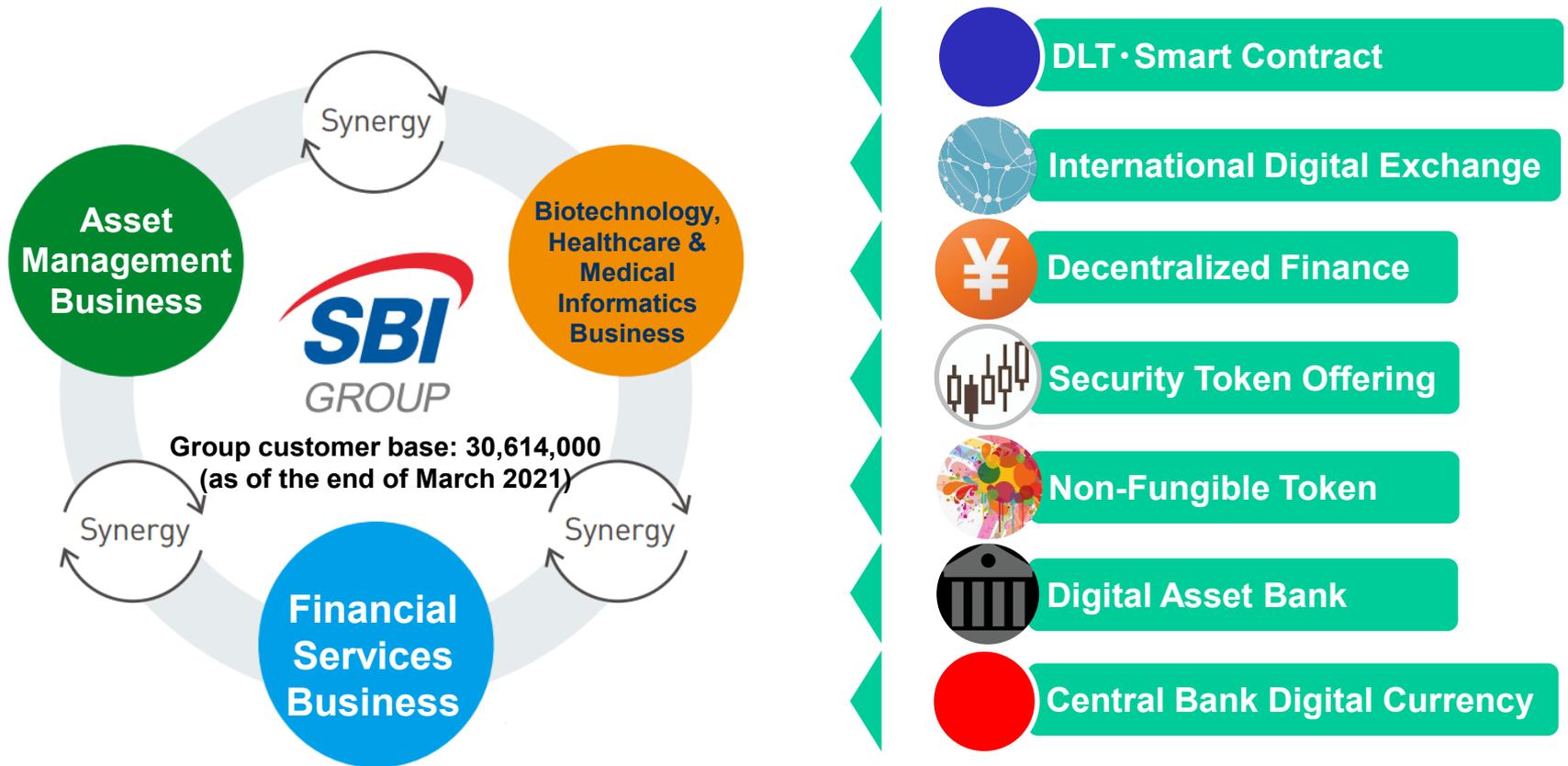
Fintech 2.0

- The Web is not necessarily required
- **Blockchain is the core technology**
- **Existing elemental technologies utilized** in a more evolved and integrated way with blockchain technology
- Enables an **exchange of value** over the Internet

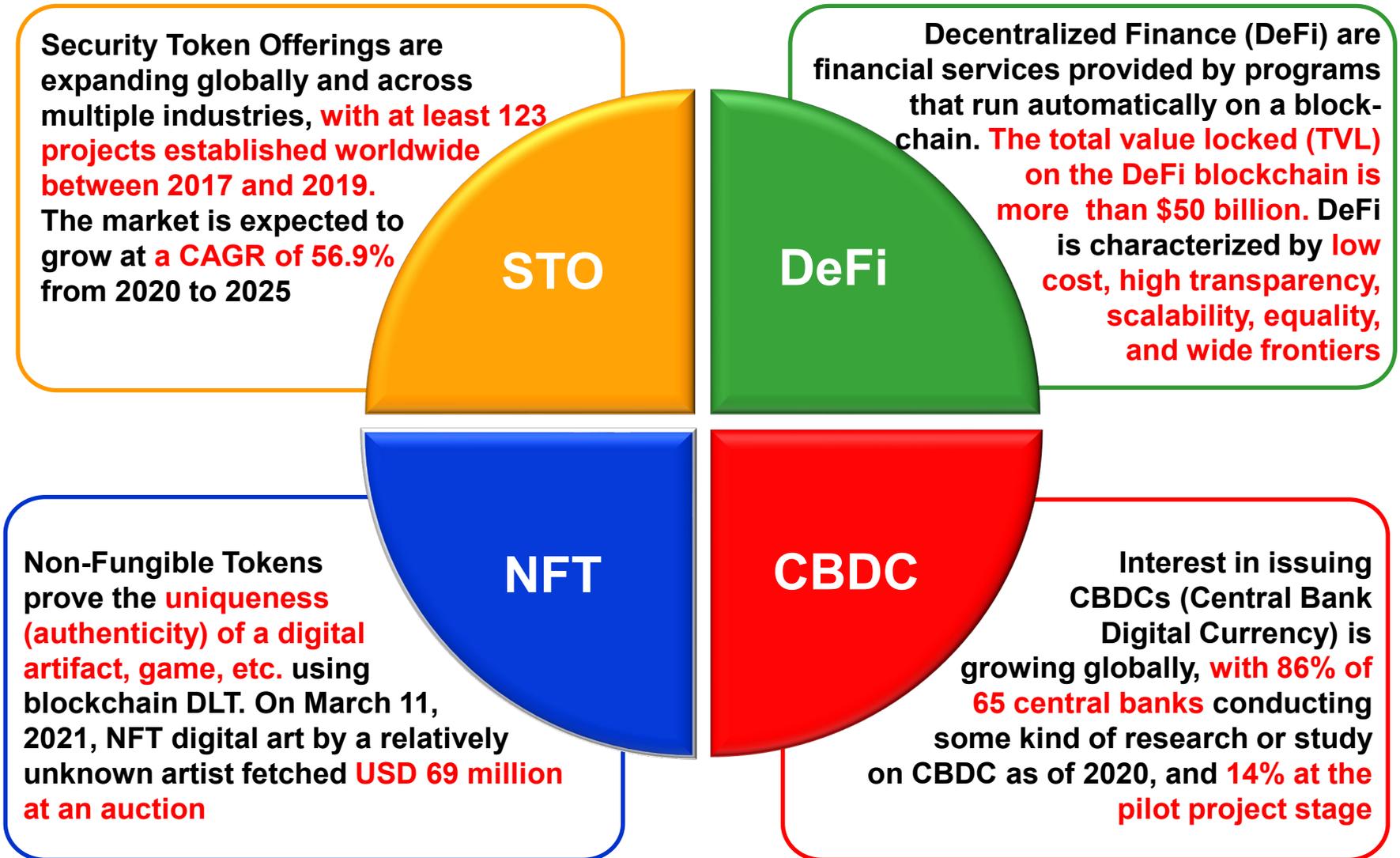
SBI Group's Vision of the Near Future in the Fintech 2.0 Era



-The SBI Group will transform itself into a new digital financial ecosystem by organically combining new technologies with the online financial ecosystem that it has cultivated since its founding in 1999-



New Financial Products and Services - At a Glance

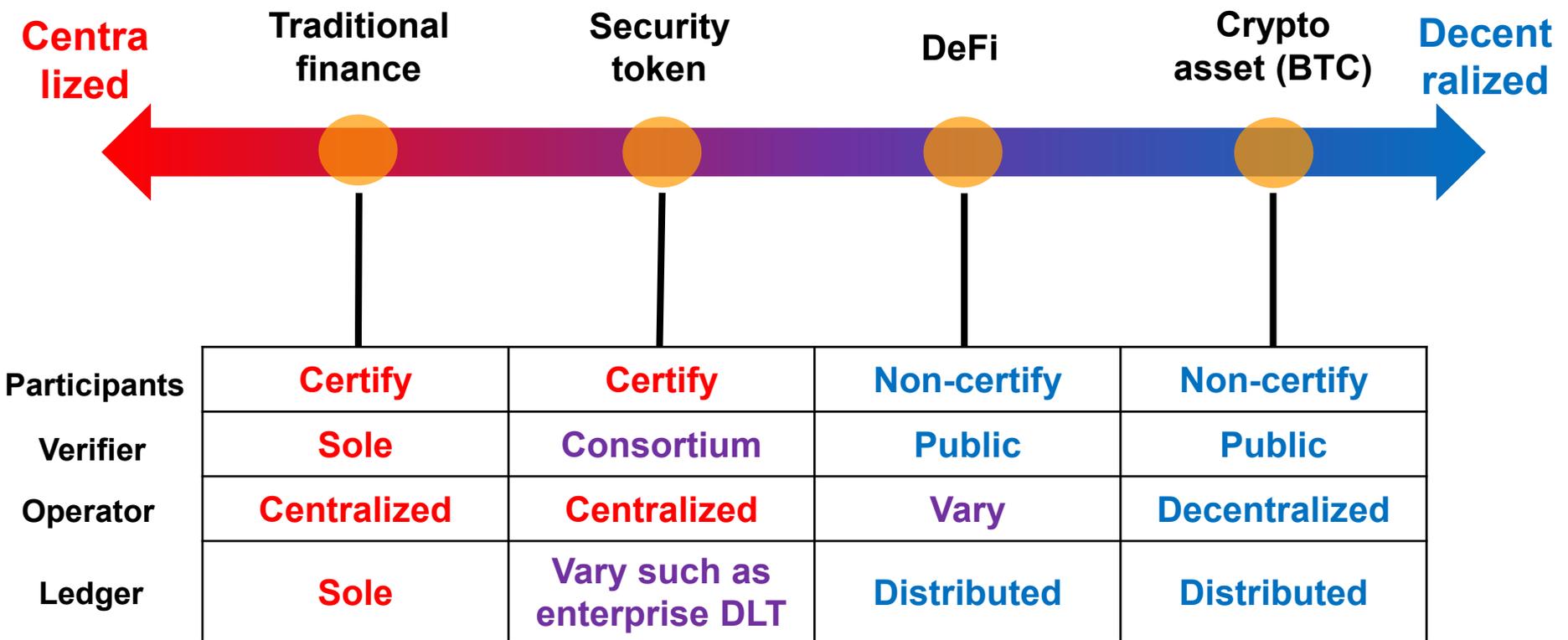


① Security Token (ST)

- (i) The nature of ST as next-generation financial product and examples of its practical application**
- (ii) SBI Group's initiatives towards the establishment of a global secondary market for STs**

Security Tokens (ST) - Definition and Form

- Security tokens, also known as digital securities, are tokens issued on DLT that have the requirements of securities and allow for the transfer of rights through the transfer of said tokens. It is characterized by the fact that it does not have a single administrative body, such as the Japan Securities Depository Center (JASDEC), but uses a unique infrastructure platform that utilizes blockchain technology to electronically record, certify, and transfer rights
- The position of traditional finance and emerging decentralized finance can be summarized as shown in the figure below. STO is a model that incorporates a decentralized system into a part of traditional finance



* Summarized by SBI, based on the report by BoJ Payment and Settlement Systems Department

Security Tokens (ST) - Transition

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



Late 2020 onwards

Oct. 2020: SBI e-Sports allocates new shares to a third party, having SBI Holdings, Inc. as the subscriber, using security tokens

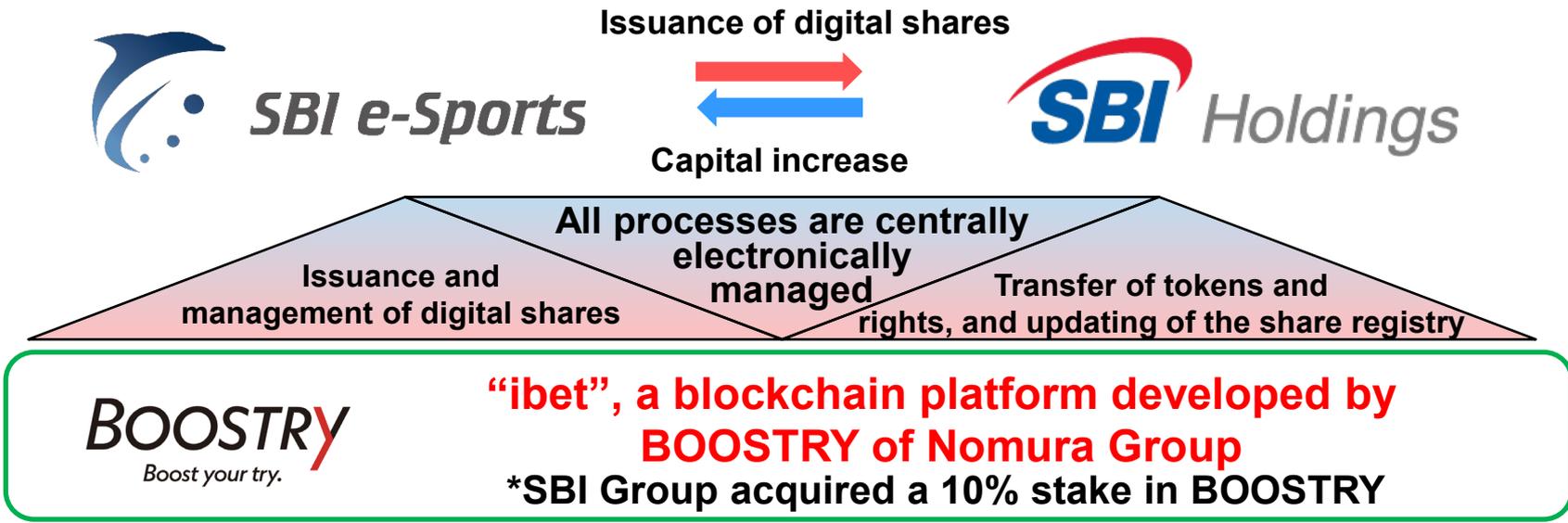
Apr. 2021: Conducted Japan's first STO for general investors

July 2021: In discussion for the collaboration on public offering of asset-backed security tokens

The framework of securities regulation has been adopted from the perspective of legal compliance and has the characteristics of investor protection and governance by law, while utilizing the technical know-how cultivated in crypto assets

Case ①: Third-party Allocation of New Shares by SBI e-Sports Via an STO (October 30, 2020)

- The issuance of security tokens in full compliance with the Financial Instruments and Exchange Act with securities appearing on the tokens -



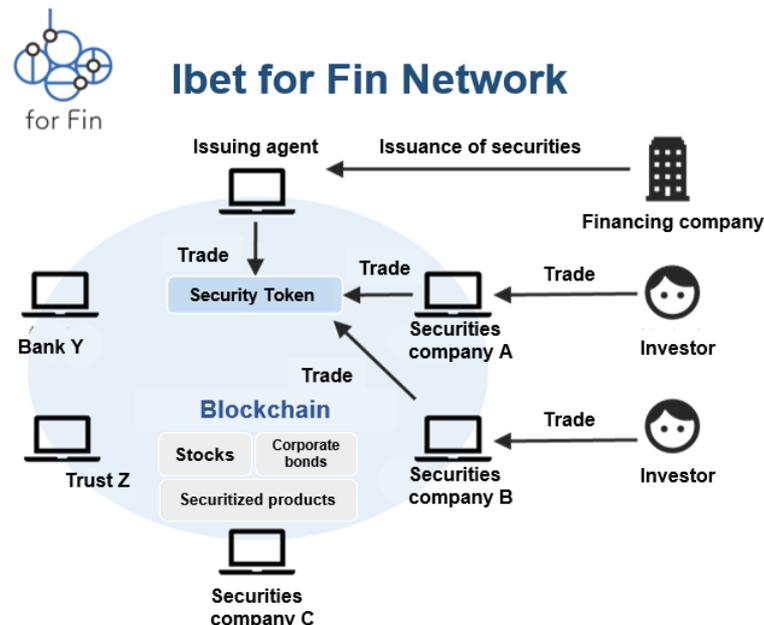
Providing opportunities for general investors to invest in security tokens

Case ②: SBI SECURITIES Announced the First STO in Japan for General Investors in Collaboration with BOOSTRY, etc. GROUP

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

[Overview of ibet for Fin]

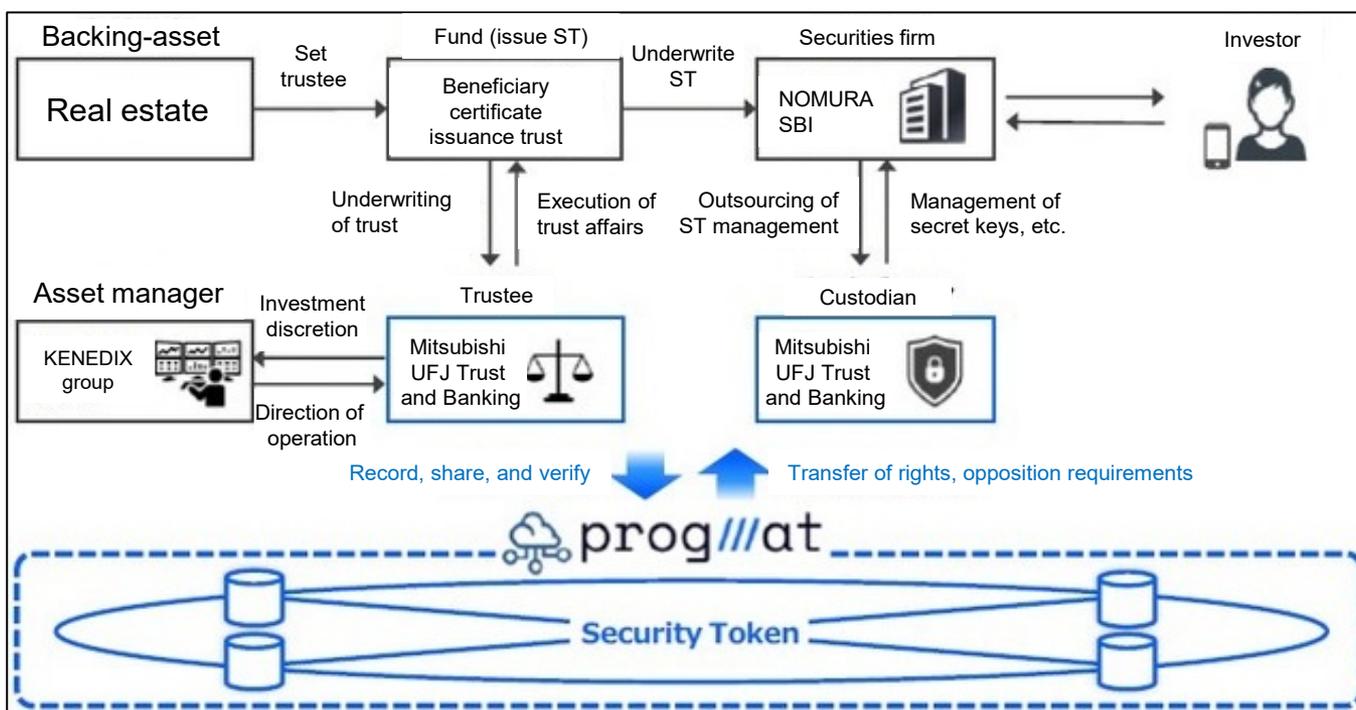
- ✓ ibet for Fin is a consortium-type blockchain network jointly run by participating companies to handle the securitization of security tokens issued with blockchain technology
- ✓ Tokens and trading methods are standardized within the network and participants can use ibet for Fin by combining data with smart contracts on the blockchain according to certain rules
- ✓ BOOSTRY has developed the basic system and standard functions of the ibet for Fin network and released it as open source software. This has allowed different financial groups to freely improve and redistribute the software



Case ③: SBI SECURITIES Conducts the First Public Offering of Asset-backed ST in Japan

- Public offering of asset-backed ST, with real estate as the underlying asset, in collaboration with Mitsubishi UFJ Trust and Banking, KENEDIX, and NOMURA SECURITIES
- Use of "Progmat," a platform provided by Mitsubishi UFJ Trust and Banking, has the following features:

- ① Legal transaction stability can be easily ensured through digital completion (no need to obtain a fixed date)
- ② Flexibility to design long-term or indefinite investment products (no legal restrictions on asset replacement)
- ③ Asset-backed ST can be issued using a wide range of asset types, provided it is backed by property that can be entrusted as entrusted assets



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

Benefit

Issuer

- Not as burdensome as an IPO, and can raise a certain amount of capital quickly
- Unlike stocks, external financing can be considered without relinquishing control of management.

Investor

- Access to previously unavailable investment products, which include non-monetary returns
- New perspectives on fan psychology, support, etc.

Regulator

- Issued as securities under the Financial Instruments and Exchange Act to ensure compliance with laws and regulations, fraud prevention, and information disclosure

Project finance

Asset finance

Business Supporters
Social contribution



Startups



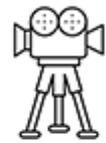
Art,
luxury goods



Real estate



Automobiles,
Aircraft



Movie



ESG

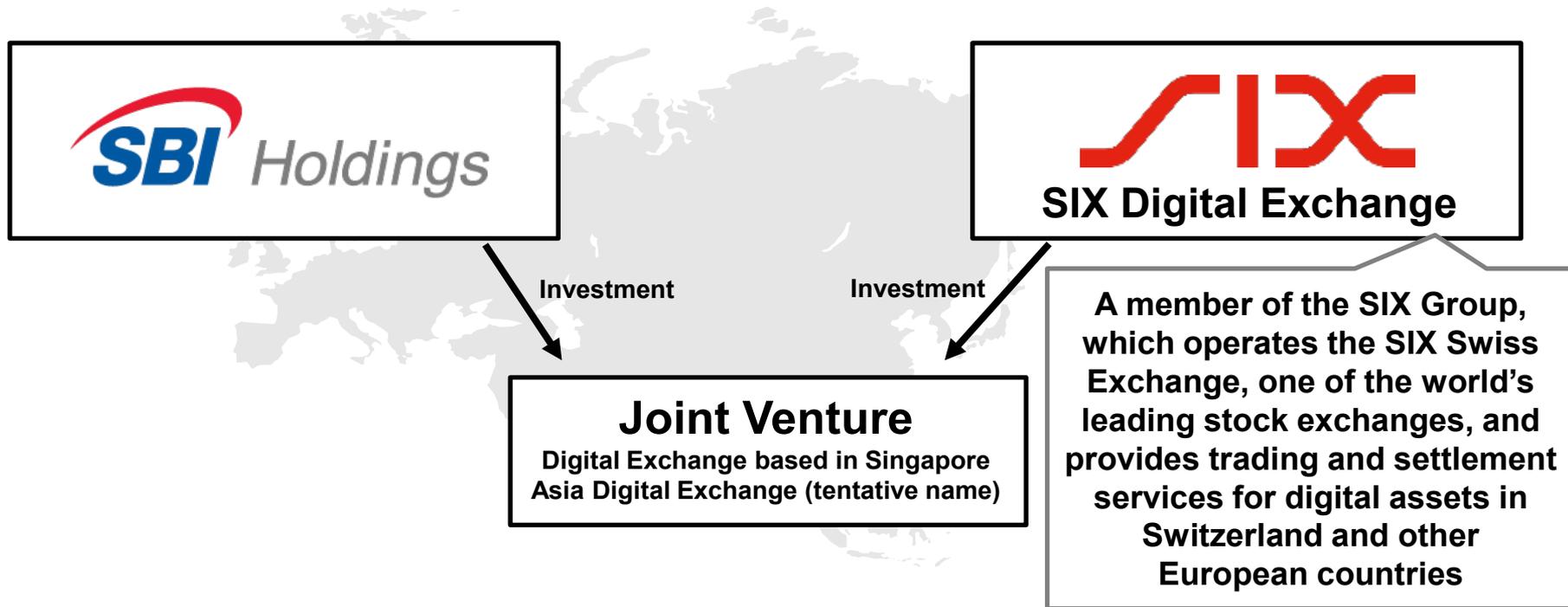


Security token

(Based on SBI SECURITIES website)

(ii) SBI Group's initiatives towards the establishment of a global secondary market for STs

Endeavor Towards Establishing a Singapore-Based Digital Asset Exchange with SIX Digital Exchange of Switzerland



- Provide functions for issuing, trading, and storing digital assets for institutional investors



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

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



Börse Stuttgart

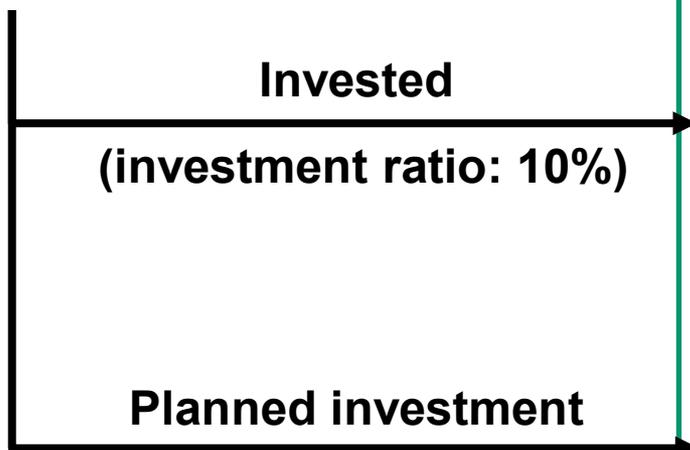
Operates the second largest securities exchange in Germany

Digital Exchange

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



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



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

SBI Group's Global Organizational Response to Next-Generation Finance



-Established SBI Digital Asset Holdings, Inc. as a core company to achieve dramatic growth in digital asset-related businesses-



Exchange (Distribution)

(Europe, Singapore, etc.)

SBI Digital Markets

Asia Digital Exchange*

(*Tentative name)

Osaka Digital Exchange

System

SBI Security Solutions

SBI DigiTrust

Investment

SBI Crypto Investment

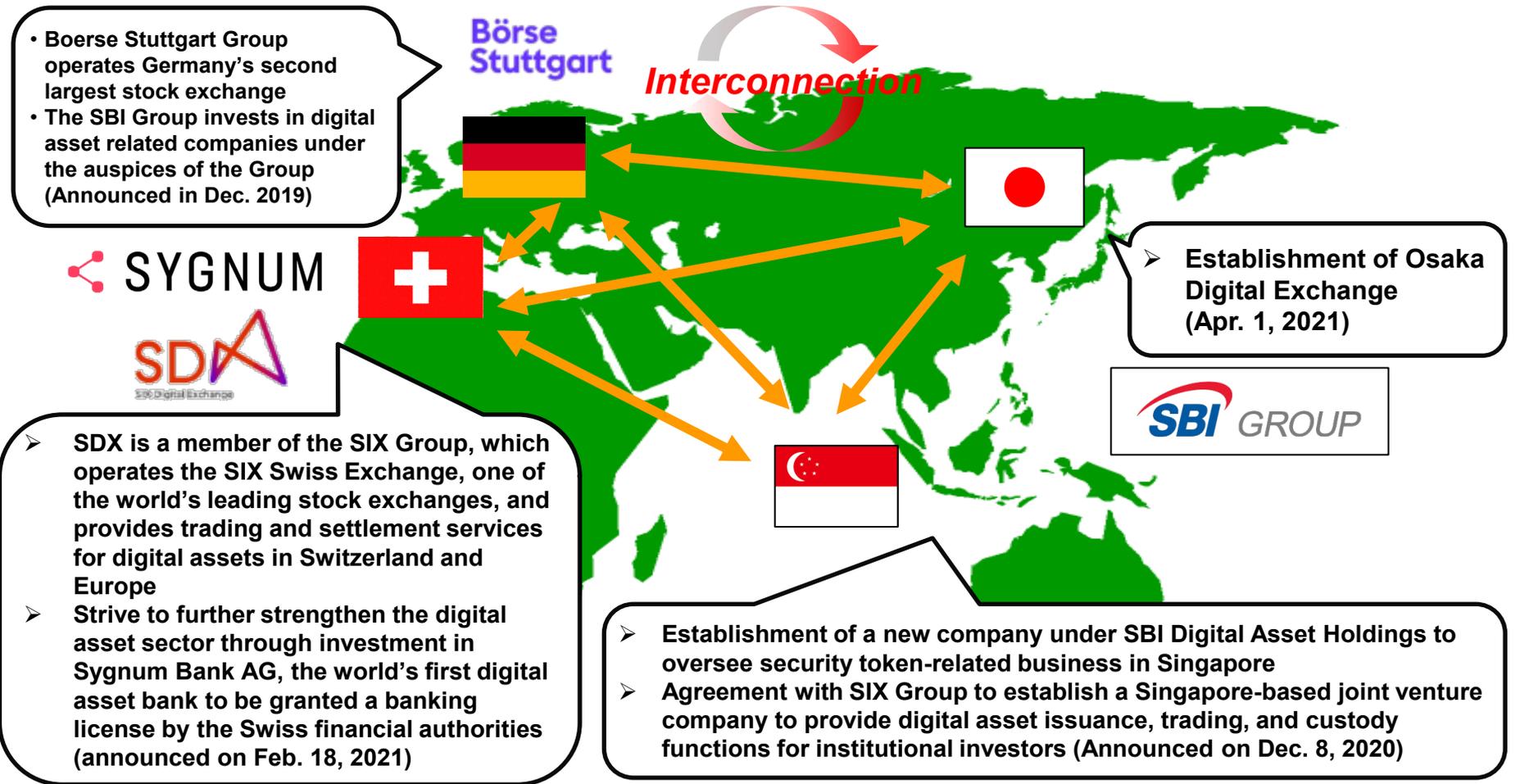
SBI Digital Investment

Global business in cooperation with SIX Group in Switzerland, Boerse Stuttgart in Germany, etc.

- Prime brokerage
- Services for institutional investors
- Custody
- Advisory
- Wallet
- E-KYC/AML

Endeavour Towards Creating the World's Largest Global Corridors

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



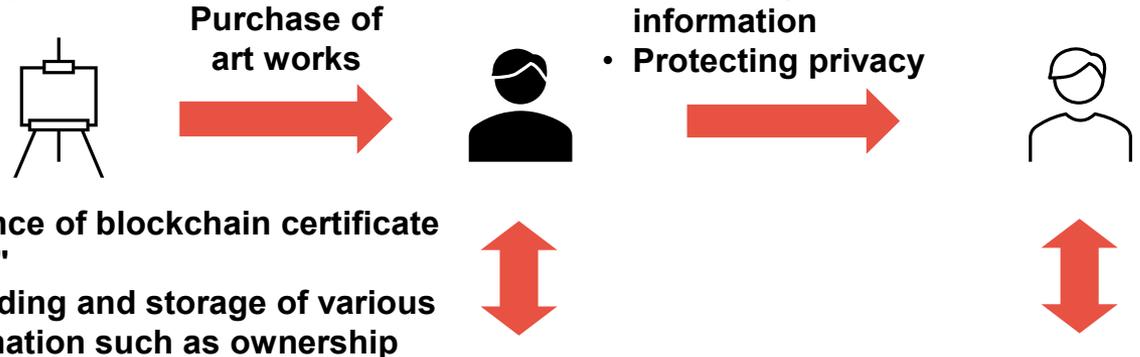
② Non-fungible token (NFT)

SBI Art Auction Promotes the Use of NFT, the New Financial Asset

What is NFT:
Tokens that use blockchain and distributed ledger technology (DLT) to give uniqueness, authenticity, and permanence to digital works of art and in-game items

- ✓ SBI Art Auction has partnered with Startbahn, Inc. to issue blockchain certificates "Cert." to those who have made successful bids for artworks
- ✓ In addition to being able to record and browse information about works and artists online, use history information and distribution channels after secondary distribution are automatically recorded

< Image >



Since the introduction in Apr. 2019
 The number of users : **250**
 Number of certificates issued : exceeded **500**

Blockchain "Startrail"

The creation of an NFT marketplace and the distribution of tokens on ODX are also under consideration

② NFT

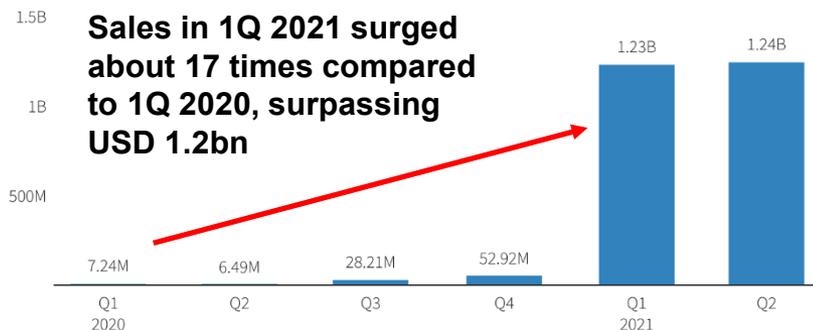
As a Global Trend, NFT Has Already Begun to Be Used in Various Fields Despite the Challenges, and Market Scale Is Rapidly Expanding

Domain	Object to be tokenized	Advantages of using NFT	Service examples
Artwork	Images, video, audio	Protects the right to distribute the work	<ul style="list-style-type: none"> • Hashmasks (digital art) • OpenSea (NFT general distribution market)
Collectibles	Digital contents (trading cards)	Certificate of authenticity (proof of authenticity)	<ul style="list-style-type: none"> • NBA Top Shots (basketball player cards) • Topps MLB (baseball cards)
Media	Media contents	Creating a sense of premiere (Publisher's signature)	<ul style="list-style-type: none"> • Tokenization of blogs, SNS and other posts • NFT tokenization of music albums
Game	Characters/items of the game	Capitalization of characters and items (and possible conversion to other games)	<ul style="list-style-type: none"> • CryptoKitties (cat training game) • Sorare (soccer game) • AlienWorld (space exploration game)
Virtual space	Land, rights, and domain names in virtual space	Vesting rights in virtual space	<ul style="list-style-type: none"> • Decentraland (land parcel in virtual space) • ENSDomains (Ethereum address names)
Real asset linkage	Title deeds for objects	Allows for simple verification of ownership	<ul style="list-style-type: none"> • Artwork (Startbahn)

The market for NFTs expanded rapidly in 2021

NFT sales volume hits record high in Q2 - DappRadar

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



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

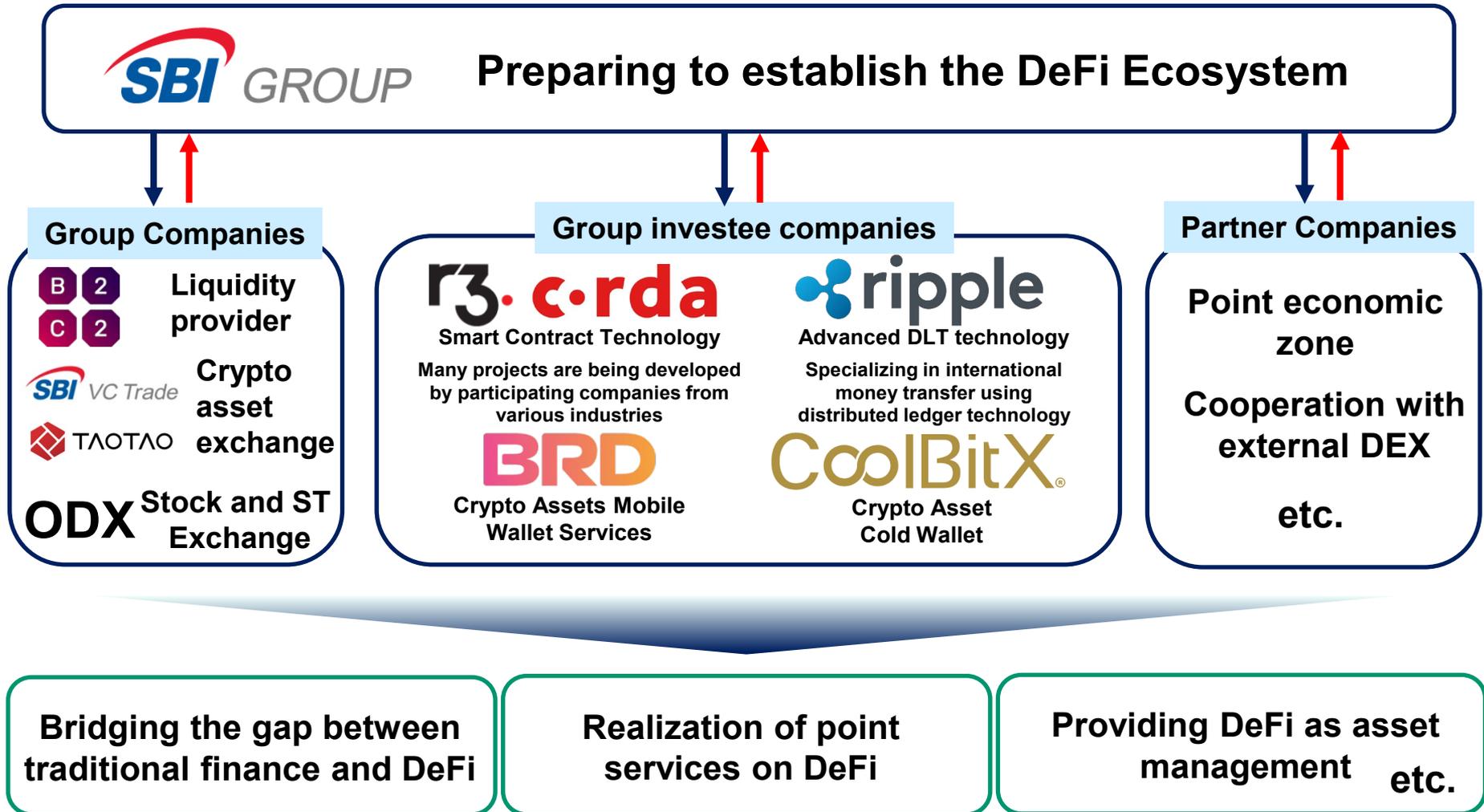
Various issues that have become apparent

- Ensuring authenticity and continuity with existing rules for copyright and ownership transfer
- Establishing a reliable secondary use and secondary distribution market environment
- Responding to legal and tax regulations

③ Decentralized Finance (DeFi)

The Potential of DeFi Business in the SBI Group

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



SBI Group's DeFi project team is currently developing an application for smartphones that enables easy and secure trading

Regulators and the Bank of Japan are Also Keeping a Close Eye on the Future of DeFi

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

Potential benefits

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

Issues and risks

- User protection
- Increased impact and malfunction of smart contracts

- **The Financial Services Agency (FSA)'s FinTech Innovation Hub publishes activity report on DeFi, etc. (July 2021)**
- **The FSA newly established the Working Group on Dealing with Digital and Decentralized Finance (July 2021)**

***FinTech Innovation Hub**

An organization established by the FSA in 2018 with the aim of understanding the latest businesses and trends in fintech, such as blockchain, for the future benefit of the financial administration.

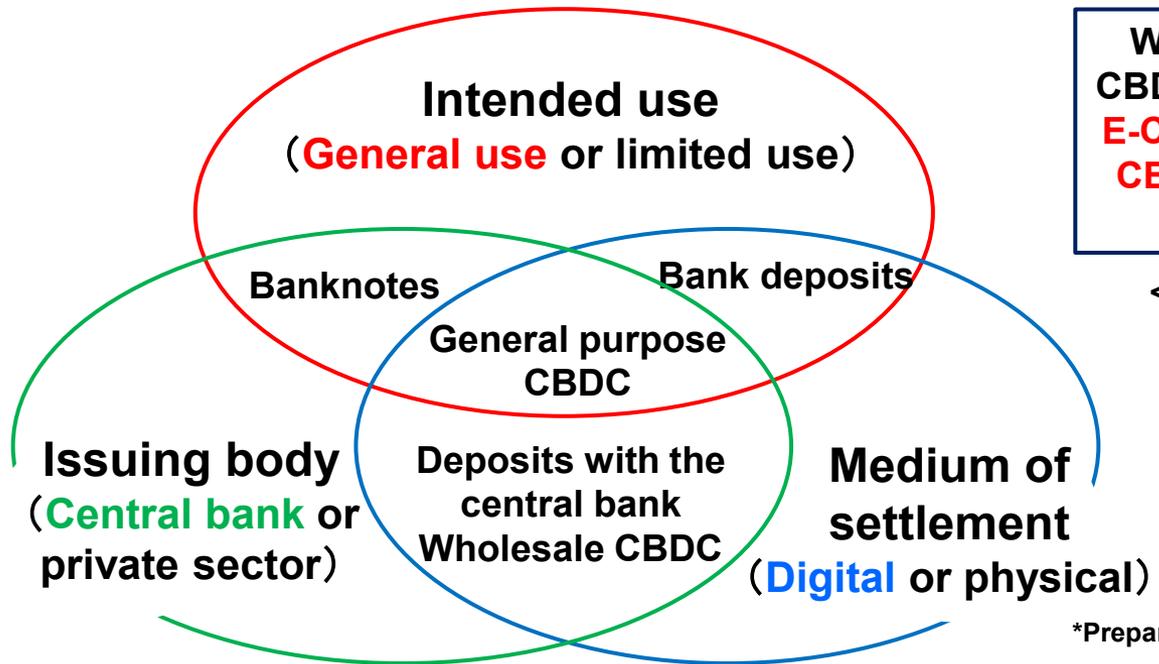
④ Central Bank Digital Currency (CBDC)

Characteristics of the Leading Central Bank Digital Currency in China, the Digital Chinese Yuan (E-CNY)

<The proof-of-concept is proceeding at a rapid pace across China>

The People's Bank of China started research on the E-CNY in 2014 and started official development on 2017. As of Jun 2021, there are ongoing PoC's in 14 provinces and 28 cities in which the general public and stores participate

Total amount of settlement	Number of settlement	Wallet for individuals	Wallet for enterprises
approx. CNY 34.5 billion (approx. JPY 580 billion)	More than 70.8 million	More than 20.8 million	More than 3.5 million



While experiments for the wholesale CBDC are conducted in many countries, **E-CNY introduces the "general purpose CBDC" which targets both individuals and enterprises**

<Characteristics of "general purpose CBDC">

- Introduction of means for settlement along with cash
- Support of settlement services in the private sector
- Structuring a settlement system that is suitable for the digital society

*Prepared by SBI based on excerpts from the Bank of Japan's "What is a Central Bank Digital Currency?"

In the U.S. and Europe, the Attitude Toward CBDCs has Changed Significantly due to Various Considerations

- Although the euro has the second largest market share after the U.S. dollar in terms of trading volume and foreign exchange reserves, **Europe's finance, economy and sovereignty itself are being threatened** by the emergence of CBDCs of other countries (e.g., E-CNY) and private sector stablecoins (e.g., Diem issued by Facebook (formerly Libra))
- The European Central Bank (ECB), which released a report on the Digital Euro in October last year and has been conducting basic verification work,. The two-year survey involving citizens and payment companies will aim to **announced on July 14 this year that its Policy Board has decided to enter an investigation stage into the Digital Euro** address key issues regarding design and distribution among citizens, etc.
- Fed Chair Jerome Powell told a hearing on the U.S. House of Representatives Financial Services Committee on July 14 that **a report on digital was expects to release around the beginning of September**

<Approaches to CBDC in the U.S. and Europe>

Jan. 2020	EU: ECB published a study report on the impact of CBDC on the financial system
June 2020	US: The FRB chairman announced that CBDC needs to be seriously studied and deeply understood
Oct. 2020	EU: ECB published a report on a digital euro and suggested the possibility of a full-scale study US: FRB Chair says "It's more important to get it right than to get it right the first time"
Nov. 2020	EU: ECB president solicited pubic comments on a digital euro via Twitter EU: ECB published a report on the spillover effects of the introduction of CBDC on finance
Jan. 2021	EU: ECB's call for public comments received more than 8,000 comments. The top issues include privacy protection
Feb. 2021	US: TS suggested that the Biden administration would support research on digital dollars US: The Fed chairman announced that they are "closely examining the possibility of issuing digital dollars."
July 2021	EU: ECB announces that the European Commission has decided to enter the "research phase" of the digital euro



Source: ECB

As the Bank of Japan has Started a PoC and Interest Towards CBDC (Central Bank Digital Currency) is Rising in Japan, Financial Service Providers will also be Required to Make Changes

Japanese Government

In the “Framework Policy,” a guideline for economic and fiscal management approved by the Cabinet on July 17, 2020, it is clearly stated that **“the Bank of Japan will conduct demonstration tests for technical verification and other studies in cooperation with other countries”**

Bank of Japan

- On July 20, 2020, a new **“Digital Currency Group,”** a specialized organization to explore issues related to the issuance of digital currencies by central banks, has been established in the Payment and Settlement Systems Department
- In October 2020, the Bank of Japan released **“The Bank of Japan's Approach to Central Bank Digital Currency”**

The future policy of the BoJ on CBDC

In addition to research-based studies, the bank will verify the technical feasibility of the basic functions and characteristics of CBDCs through the Proof of Concept (PoC) process in order to conduct more concrete and practical studies through the implementation of demonstration experiments. If it is judged to be necessary, the necessity of a pilot experiment will be considered

[1] First phase of the PoC (Began on April 5,2021)

Testing basic functions of CBDC as a payment method such as issuance, distribution, withdrawal, by constructing a systematic testing environment

[2] Second phase of the PoC

Testing the possibility of realization by adding functions surrounding CBDC in addition to the testing environment created in the first phase

[3] Pilot experiment

If it is deemed necessary through the PoC, considerations will be made for a pilot experiment with actual participation of private companies and consumers

⑤ Establishment of Japan's first "Crypto Asset Fund" (Anonymous Association)

- Scheduled to begin in the fall of 2021 -

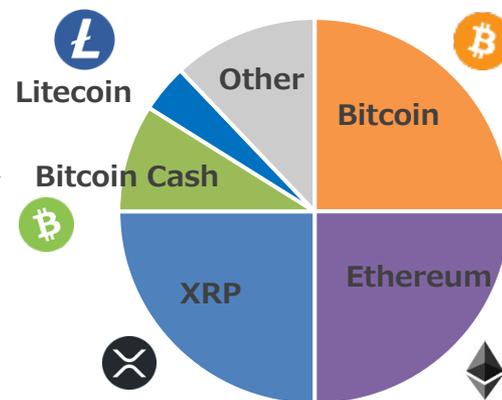
- Providing individual investors with a Crypto Asset Fund that brings together the resources of the SBI Group
- Crypto assets maintain low correlation to traditional asset classes such as stocks and bonds making for a more diversified investment portfolio

Alternative Asset Management

Setup and operation

"SBI Crypto Asset Fund"
(Anonymous Association)

Investment
and
storage



(Image of the investment portfolio)

SBI SECURITIES

SBI MONEY
PLAZA

Crypto asset exchange

SBI証券

マネープラザ

VC Trade

Sales



Individual investor

⑥ SBI Financial and Economic Research Institute

Established SBI Financial and Economic Research Institute to Conduct Surveys, Research, and Policy Proposals Centering on Digital Assets

Reconstructed SBI Graduate School Financial Research Institute
(Opened on Oct. 1, 2016) to SBI Financial Research Institute on Apr. 1, 2021



In light of the recent rapid development, growth, and evolution of the digital asset field, the SBI Group will strengthen its research and study activities in the following fields and aim to develop businesses that capture the current trends in cutting-edge fields

1. Research and study (including commissioned work) **on DeFi, including ST**
2. Research and consulting on **digital asset banking and digital asset exchanges**
3. Research and development of **digital asset operations and related services**
4. Research and development of **CBDC for business use and collection of information on the situation in each country**
5. Research and study **the creation of a global digital market**, and undertaking of such research and study
6. Research and study on **the next generation international financial center using technology**, and commissioned research

◁ The Institute will also actively make policy proposals to government agencies for the development of new legal systems and environments ▷

Structure of the SBI Financial and Economic Research Institute

SBI Financial and Economic Research Institute

BoD
Organizing office

Takako Masai, a former member of the Bank of Japan's Policy Board, was invited as a director in June 2021

1. Digital Finance Research Group
2. Digital Financial Infrastructure Research Group
3. Crypto Asset Research Group
4. International Digital Market Research Group

*1

Global Financial Markets Research Group
Fintech Research Group

*2

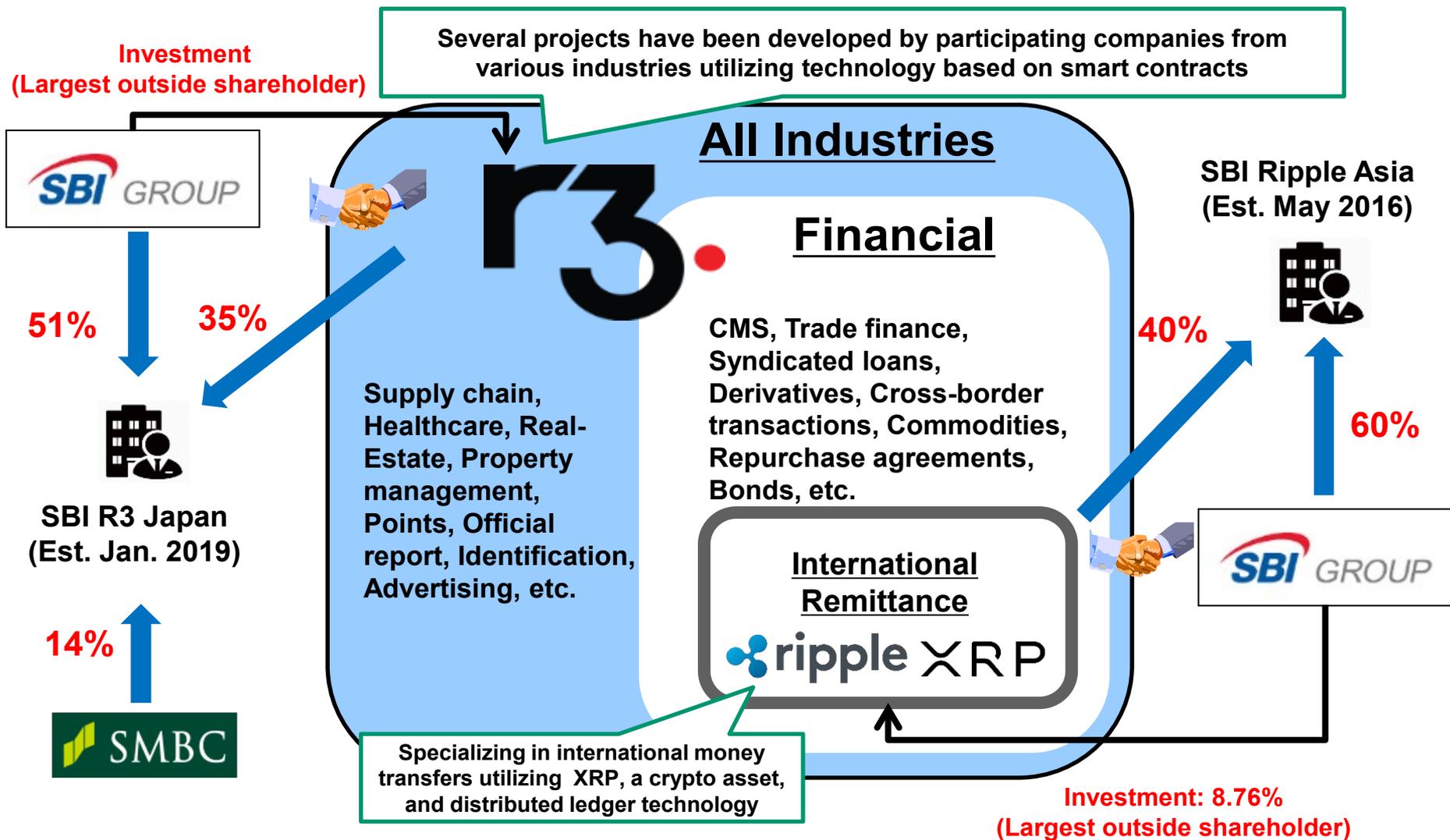
1 Tentative name, research group to be established in the future

2 Study group established at the SBI Graduate School Financial Research Institute

(3) SBI Group focus on providing DLT-based services that contribute to improving operational efficiency in various fields, including supply chain management

- ① Use of U.S. R3's Corda and domestic expansion through JV**
- ② U.S. Ripple's DLT**
- ③ Next-generation financial products and services, with R3 and Ripple**

The SBI Group has Cooperated with 2 U.S. Companies (R3·Ripple) to Promote Practical use of Cutting-Edge Technologies such as Blockchain and Distributed Ledger Technology (DLT)



① Use of U.S. R3's Corda and domestic expansion through JV

- (i) Trials and commercialization of Corda inside and outside the Group**
- (ii) Activities of SBI R3 Japan, a JV with R3**

Expanding Use Cases of Corda Globally

<p>Marco Polo : Trade Finance (Open Account Transactions)</p>	<p>CONTOUR Trade finance (LC transactions)</p>	<p>Trade and Supply Chain</p>
<p>35 major financial institutions including SMBS, BNP Paribas, and Commerzbank (as of Mar. 2020)</p>	<p>27 major financial institutions including HSBC, Standard Chartered Bank, Citi, Bangkok Bank, etc. are participating (as of Dec. 2020)</p>	
<p>BunkerNote : Order management of fuel and lubricant for ships</p>	<p>Security Matters : Traceability by molecular marking</p>	<p>Manufacturing and Traceability</p>
<p>Developed by Toyota Tsusho Corporation and provided to domestic shipping companies, fuel suppliers, and fuel distribution companies</p>	<p>General chemical manufacturer in Germany, The Perth Mint, etc.</p>	
<p>NDAS (NASDAQ Digital Assets Suite) STO, Securities settlement</p>	<p> Reconcile of interbank payments</p>	<p>Capital market</p>
<p>In the future, it will include over 150 exchanges and clearinghouses in 50 countries around the world in addition to NASDAQ's existing customers</p>	<p>All banks in Italy</p>	
<p>RiskStream : Efficient processing and sharing of accident information</p>		<p>Insurance</p>
<p>More than 40 insurance companies including Prudential, AXA, American Family, etc.</p>		

Corda Improves the Operational Efficiency within the SBI Group's Financial Business and Supply Chain Business

Liquidity Market

SBI Liquidity Market commercialize Japan's first practical application of an FX confirmation system "BCPostTrade" based on Corda. Improves operational efficiency while ensuring tamper-resistance

日本少短

SBI Nihon SSI developed the industry's first agent and insurance solicitor management platform system for Small-amount Short-term Insurance Companies based on Corda. Standardizes and simplifies operations and reduce costs

Traceability

Established SBI Traceability on April 22, a new company to achieve transparency and accountability in the supply chain

BYFIN (the SBI Group's local subsidiary in Hong Kong)

BYFIN and RootAnt developed joint businesses to launch the "SBI-Banco Platform," a platform that utilize R3's Corda blockchain technology. This enables the transfer of bonds in installments based on the high creditworthiness of the buyer company as "Digital Banking as a Service"

SBI Group Supports Digital Currency Issuance in Multiple Regions



"TOKOWAKA Coin"
(Munakata City, Fukuoka Prefecture)



Premium electronic regional coupons
(Ukiha City, Fukuoka Prefecture)



"Dazaifu Pay"
(Dazaifu City, Fukuoka Prefecture)



"Hita Pay" (Hita City, Oita Prefecture)



"Hiragura Pay"
"Cashless hako-poppo"
(Hirao association of Commerce and Industry & Hakozaki shopping district association Fukuoka City, Fukuoka Prefecture)



"Miyama Smile Pay"
(Miyama City Fukuoka Prefecture)



Paycha
(Kita-Kyushu City Fukuoka Prefecture)



Miyako-Pay
(Miyako Town, Kyoto county Fukuoka Prefecture)

(i) Trials and commercialization of Corda inside and outside the Group

"Machi no Wa Co., Ltd." Jointly Established with The Chikuho Bank and Kyushu Electric Power, Provides a Nationwide Information Platform for Issuing and Operating Digital Gift Certificates and Local Points Utilizing R3's DLT in Cooperation with Regional Financial Institutions.

< Outline of the information platform "Machi no En" provided by "Machi no Wa" >

- Premium coupons
- Regional digital currencies
- Regional points
- Coupons for regional shopping centers etc.



- Living information
- Event information
- Sightseeing / industrial information
- Local shop information
- Employment information
- Disaster information

Digitize local activities, utilize data for verification of facilities and effective guidance

A platform connecting people with community



**Sendai Bank
Kirayaka Bank**

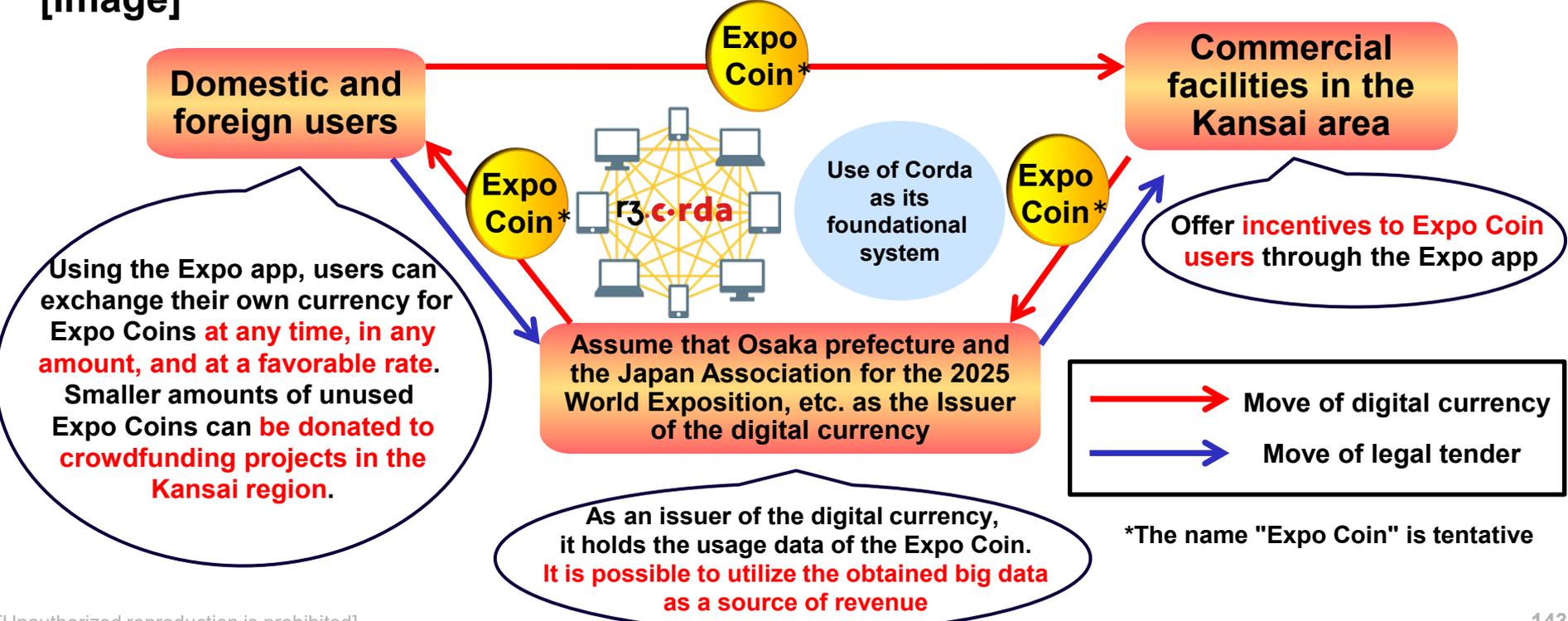
Contributing to local development and regional revitalization in Miyazaki and Yamagata prefectures using information platforms in cooperation with Sendai Bank and Kirayaka Bank

Use of Digital Currency at Osaka-Kansai World Exposition

-At the Osaka-Kansai World Exposition to be held on Yumeshima (Osaka City, Osaka Prefecture) from April 13, 2025 to October 13, 2025, plans are underway to propose a payment-type digital currency that can be used by foreign visitors to Japan-

According to the "Questionnaire on the Improvement of the Domestic Environment for Foreign Visitors to Japan" released by the Japan Tourism Agency, **one out of every six foreign visitors to Japan answered that there was a "lack of places to exchange money"** during their trip. The use of digital currency is expected to improve convenience for foreign visitors to Japan

[Image]

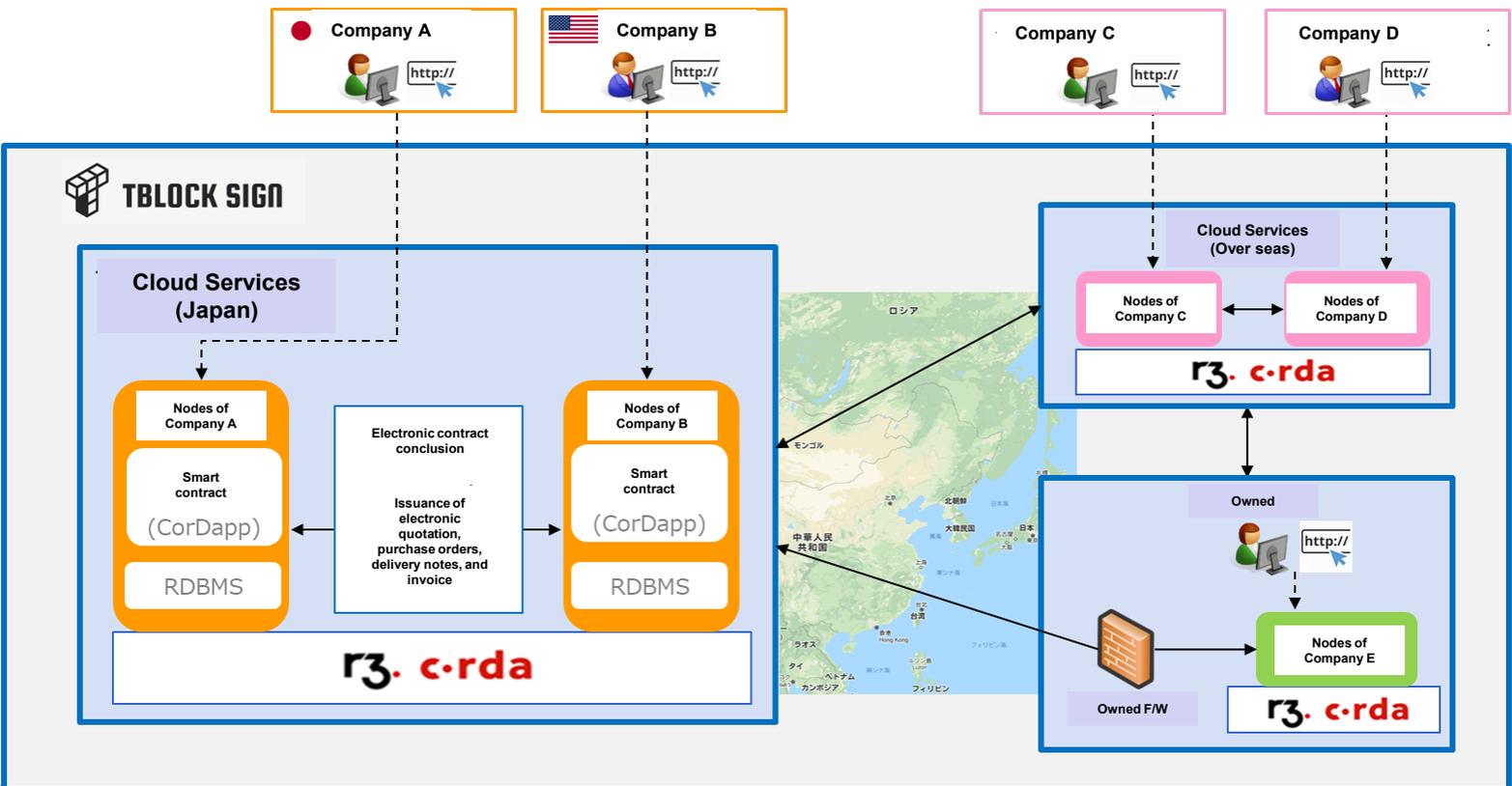


*The name "Expo Coin" is tentative

SBI R3 Japan Provides Corda Enterprise to Toyota Tsusho Systems' Electronic Contract Service TBLOCK SIGN

Problems to be solved

- ① Required to take measures to enable e-commerce even in data-regulated countries (global support)
- ② Support required for electronic invoices (compatible with the new commercial transaction specifications, Peppol)
- ③ Required to comply with the Act on Book and Record Keeping through Electronic Methods to completely cut out paper from transactions
- ④ Required to be compatible with traceability including recording carbon emissions (compatible with the SDGs)



② U.S. Ripple's DLT

- (i) Money Tap offers next-generation financial infrastructure**
- (ii) SBI Remit leverages Ripple's solutions for international money remittance**

Ripple in the U.S. has Developed and Provides Next-Generation International Remittance Infrastructure using Digital Assets



May 2016
Establishment of SBI Ripple Asia
(investment share of SBI Group: 60%)

January 2019
Number of participating financial institutions in RippleNet exceeds 200



Established in Sept. 2012

Commencement of the Interledger Protocol (ILP)

2018
Commercialization of the On-Demand Liquidity (ODL)

October 2017
Number of participating financial institutions in RippleNet exceeds 100

November 2019
Number of participating financial institutions in RippleNet exceeds 300

Investment
(external lead)



RippleNet: **5-fold** increase in no. of remittances year on year by 2020

ODL: **12-fold** increase in no. of remittances year on year by 2020

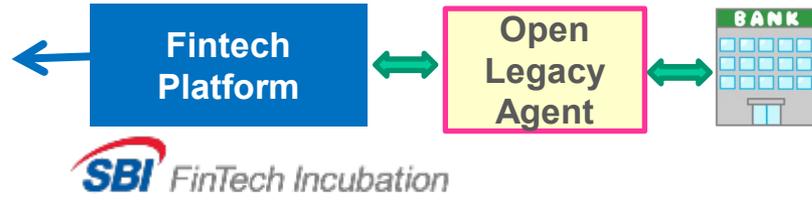
- Ripple is a fintech company that provides DLT-based international money transfer solutions worldwide
- The solution, which can significantly reduce the cost of international remittances, is now being used by major financial institutions in Europe and Asia, and more than 90% of the customers are non-US companies
- XRP, which Ripple is leading the development of, is not a "security" in Japan but a "digital asset" and is handled by registered crypto asset exchanges

(i) Money Tap

Investment from Ripple Accelerates the Introduction of Service to Regional Financial Institutions, as well as the Development of New Services



The Ashikaga Bank, The Awa Bank, EHIME BANK, Kita-Nippon Bank, Kiraboshi Bank, The Gunma Bank, The Keiyo Bank, THE SAN-IN GODO BANK, Shizuoka Bank, SHIGA BANK, Shimane Bank, The Shimizu Bank, Shinsei Bank, SBI Sumishin Net Bank, SURUGA bank, Seven Bank, THE SENDAI BANK, THE DAISAN BANK, Daiwa Securities Group, CHIKUHO BANK, THE TOHO BANK, THE TOWA BANK, THE TOCHIGI BANK, The Hiroshima Bank, The Fukui Bank, THE FUKUOKA CHUO BANK, The Fukushima Bank, THE HOKURIKU BANK, THE MICHINOKU BANK, Sumitomo Mitsui Bank, Sumitomo Mitsui Trust Bank, Yamaguchi Financial Group (Yamaguchi Bank, Momiji Bank, The Kitakyushu Bank), and 1 other bank



Other than the banks above, **6** API platform (by SBI FinTech Incubation) **connected companies** may easily get connected

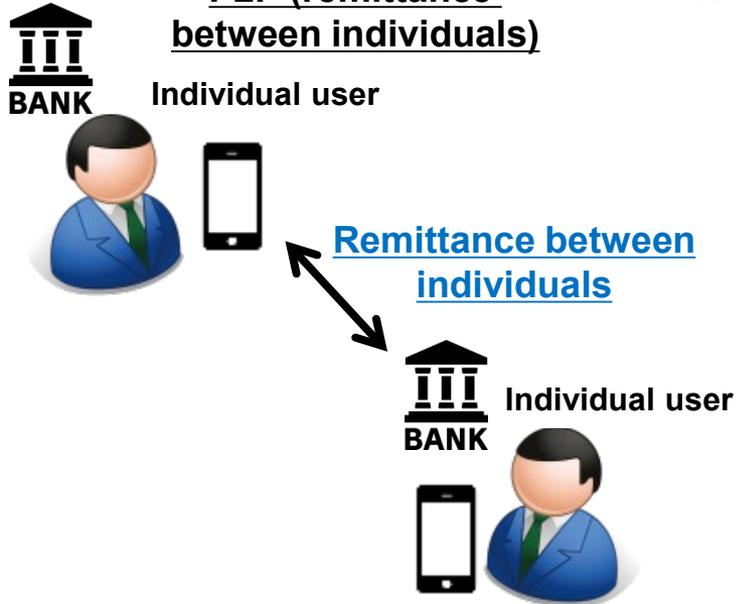


Money Tap accepted an investment and two directors from U.S. Ripple, in order to strengthen technical cooperation, as well as to advance initiatives related to international remittances. Ripple became the largest external shareholder with a 33% shareholding

Money Tap Collaborating with Financial Institutions for a Win-Win Service Offering

-Provide a variety of financial services connected by Money Tap to financial institutions connected to Money Tap's API-

P2P (remittance between individuals)



Instant settlement between bank accounts is possible, unlike charge-type wallet apps that require deposit and withdrawal time, as well as fees

(As of June 2021, 4 connected banks)

connected to Money Tap's API-

P2B

Money Tap

38 financial institutions and Ripple are participating as shareholders in the operating company Money Tap

6 banks connected as of Apr. 2021

Service provision

Remittance / payment fees, etc.

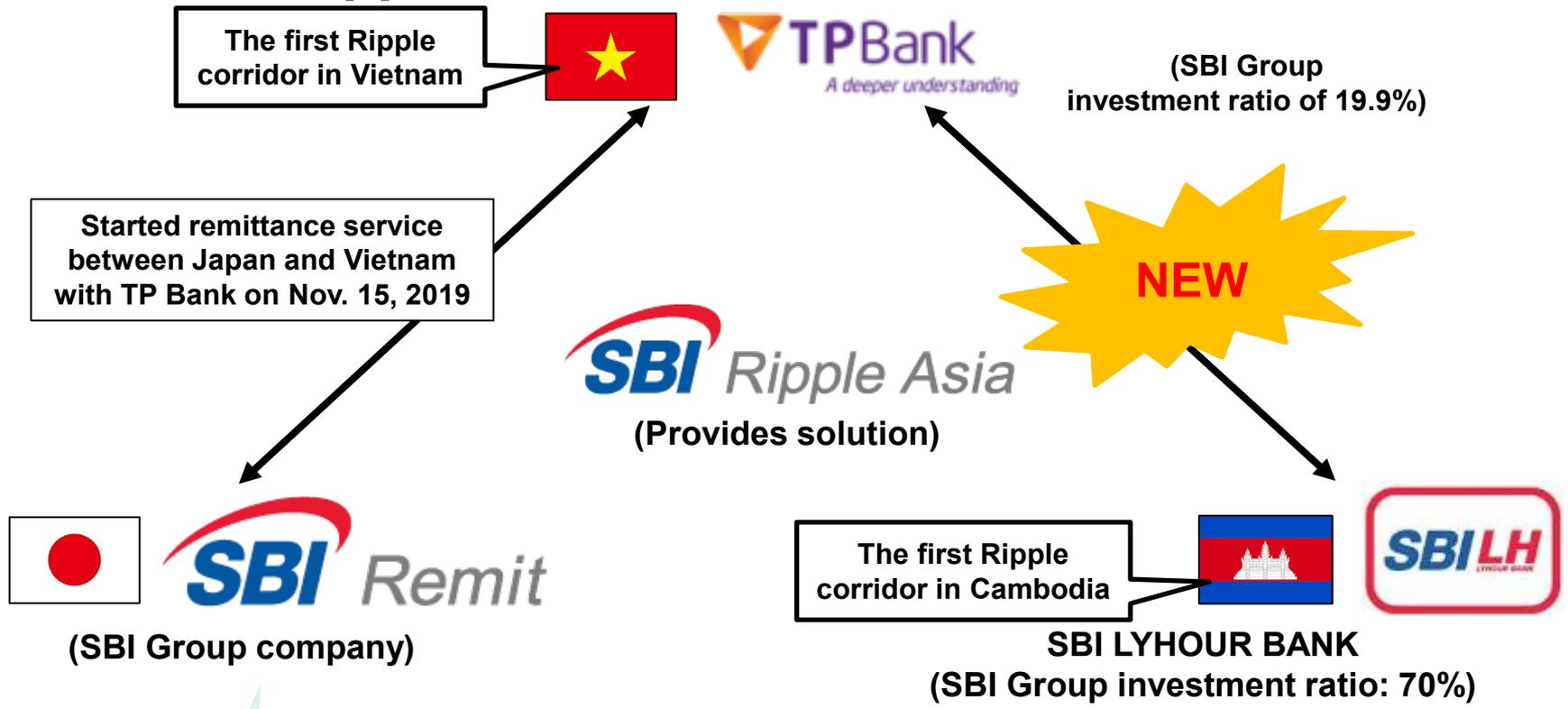


In response to the recent fraudulent charge case, will implement eKYC by the end of the year to eliminate security concerns of connected users (banks, prepaid charge operators)

Number of connected banks is expected to reach 20 by the end of this year (currently 6 banks are connected)

External economic effects will bring significant benefits to users

SBI Remit Develops International Remittance Utilizing Ripple Solution in Southeast Asia

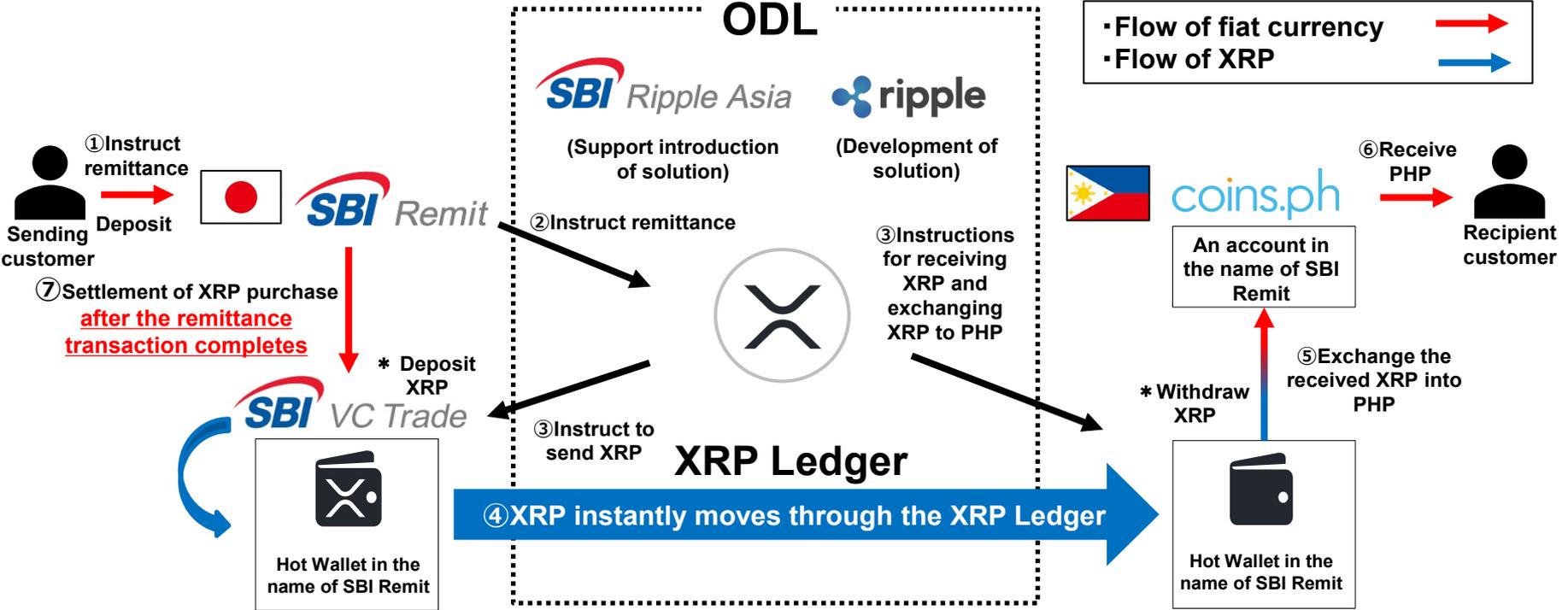


- ✓ Utilizing MoneyGram's network since its inception in 2010, overseas remittances can be sent to **approximately 350,000 locations in over 220 countries and regions worldwide**
- ✓ Total amount of international remittances handled exceeds **JPY 1 trillion** (as of July 2020)

Services begun with final approval from the National Bank of Cambodia

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

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



③ Next-generation financial products and services, with R3 and Ripple

R3

- R3 launched the CBDC working group, bringing together central banks, private banks, exchanges, technology companies, and payments companies to understand the technology, policies, and implications for issuing a central bank digital currency (CBDC)
- Conducted extensive research on the capabilities, use cases, and strategies needed to implement and use digital currencies

"More than 80% of central banks are actively considering a central bank digital currency (CBDC), which is a positive development for the industry. As countries do not use each other's CBDCs, mutual availability and cross-border transactions will be important. There is a need for a digital asset that can act as a neutral bridge, such as XRP, when exchanging CBDCs. CBDCs and virtual currencies like XRP are not competitors, but complementary to each other."

(Ripple CEO Brad Garlinghouse, March 10, 2021. Abridged translation of NIKKEI Financial)

Ripple

- The blockchain XRP Ledger has the ability to tokenize not only XRP but also a variety of other assets and has extremely low transaction fees that can be settled instantly with a very low environmental impact because it does not use mining and has decentralized trading capabilities. Tokenization could be an opportunity for the XRP Ledger
- For issuing NFTs on the XRP Ledger, XRP community members have already proposed a basic standard, but Ripple's RippleX team proposed a model for NFTs in May that can provide richer functionality. The model will be formally adopted after community review and voting

Deprived from the RippleX Blog (May 24, 2021)

<https://blog.ripple.x.io/building-a-more-sustainable-scalable-and-accessible-future-for-nfts-with-xrp/>

CBDC

NFT

7. Proactively Utilize M&A to Further Expand the Business Base

Part of the funds raised through the latest issuance of corporate bonds (straight corporate bonds of JPY 80bn, MTN bonds of JPY 30bn) will be used for future growth investment, including M&A

Selecting M&A Targets to Create Discontinuous Growth for the SBI Group

- The SBI Group's current approach for M&A activities
 - M&A targets for future-focused objectives such as strengthening competitiveness through synergistic effects with existing businesses and cross-evolution, expanding economic range of activity, and forming a steppingstone toward global development
 - M&A activities will in principle be carried out by SBI Holdings or an intermediate holding company

- Target areas for M&A

e.g. FX company Digital asset company M&A specialist Asset management company Etc.

[M&A results since April 2020]

 <p>[Rheos Capital Works] Management of investment trusts</p>	 <p>Operates crypto asset exchange</p>	 <p>[SBI Neotrade Securities] (former: Live Star Securities) Online Securities</p>	 <p>Digital asset market maker</p>	 <p>ASCOT CORP. Real estate developer</p>
 <p>Operates crypto asset exchange</p>	 <p>[Keystone Partners] Management and operation of corporate revitalization / growth support fund</p>	 <p>Development and sales of medical information integration system, etc.</p>	 <p>Management and operation of real estate assets</p>	 <p>Albert Analytical technology Data solution business</p>

II. New efforts to attract the international financial center to Osaka in cooperation with local governments and various other stakeholder

- 1. As the core of the next generation international financial center, two exchanges are making steady progress in their efforts under the support of SBI and joint investment from domestic and foreign financial institutions**
- 2. Launching the creation of an "API Mart (tentative name)" to link domestic and foreign fintech companies with domestic and foreign financial institutions as a new weapon to attract international financial centers**

SBI Group's provision for Creating the Next-Generation International Financial Center and Efforts to Achieve them

- New global financial markets
- New global financial products
- Proactive use of new technologies

Full support for Dojima Exchange to become a comprehensive exchange

- Product diversity
- Globalization
- Financial commoditization

Establishment of the Osaka Digital Exchange (PTS)

- Next-generation
- Global
- Digital

Formation of a cluster of fintech companies and creation of an API mart (Tentative name)

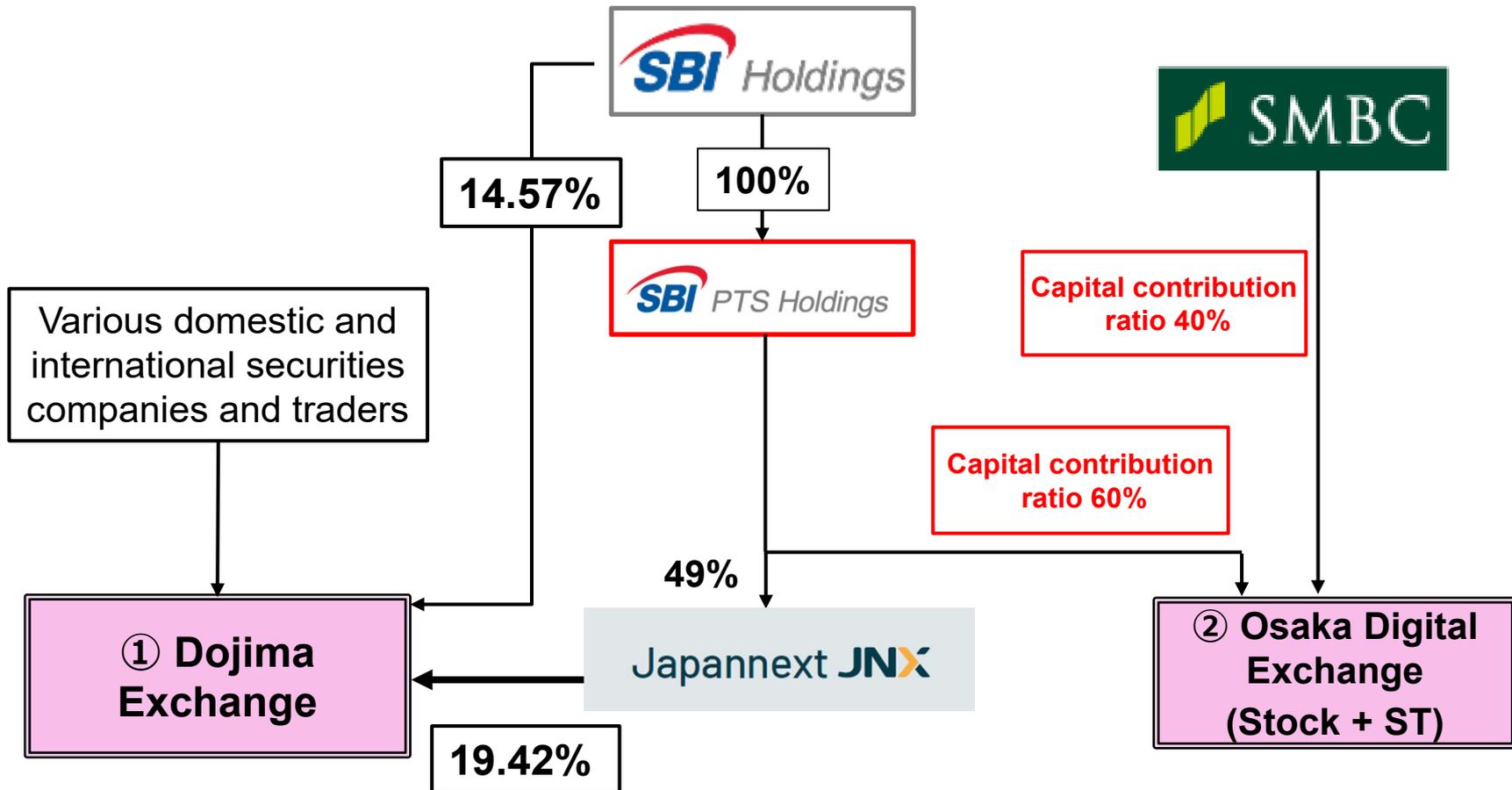
- Introduction of Fintech
- Attracting Fintech companies
- Investment into Fintech companies
- Creation of an API market

- 1. As the core of the next generation international financial center, two exchanges are making steady progress in their efforts under the support of SBI and joint investment from domestic and foreign financial institutions**

SBI Group Provides Capital and Business Support for Dojima Exchange and Osaka Digital Exchange

-Accelerate globalization of the Dojima Exchange and the Osaka Digital Exchange by attracting funds and human resources through the participation of overseas firms, through capital support by the SBI Group-

[Organizational structure]



Accept Investments from Leading Financial Institutions in Japan and Overseas for the Two Exchanges Below

Dojima Exchange

Osaka Digital Exchange

Consider handling various next-generation financial products, including NFTs

Company	Investor composition (%)
Japannext	19.42
SBI Holdings	14.57
YUTAKA TRUSTY SECURITIES *1	12.17
OKAYASU SHOJI *1	11.89
KOREA INVESTMENT & SECURITIES CO. LTD.	9.94
Optiver *2	7.47
SUNWARD TRADING *1	2.26
HOXSINBUSSAN *1	1.89
Jiji Press	1.49



SBI Group: 60%



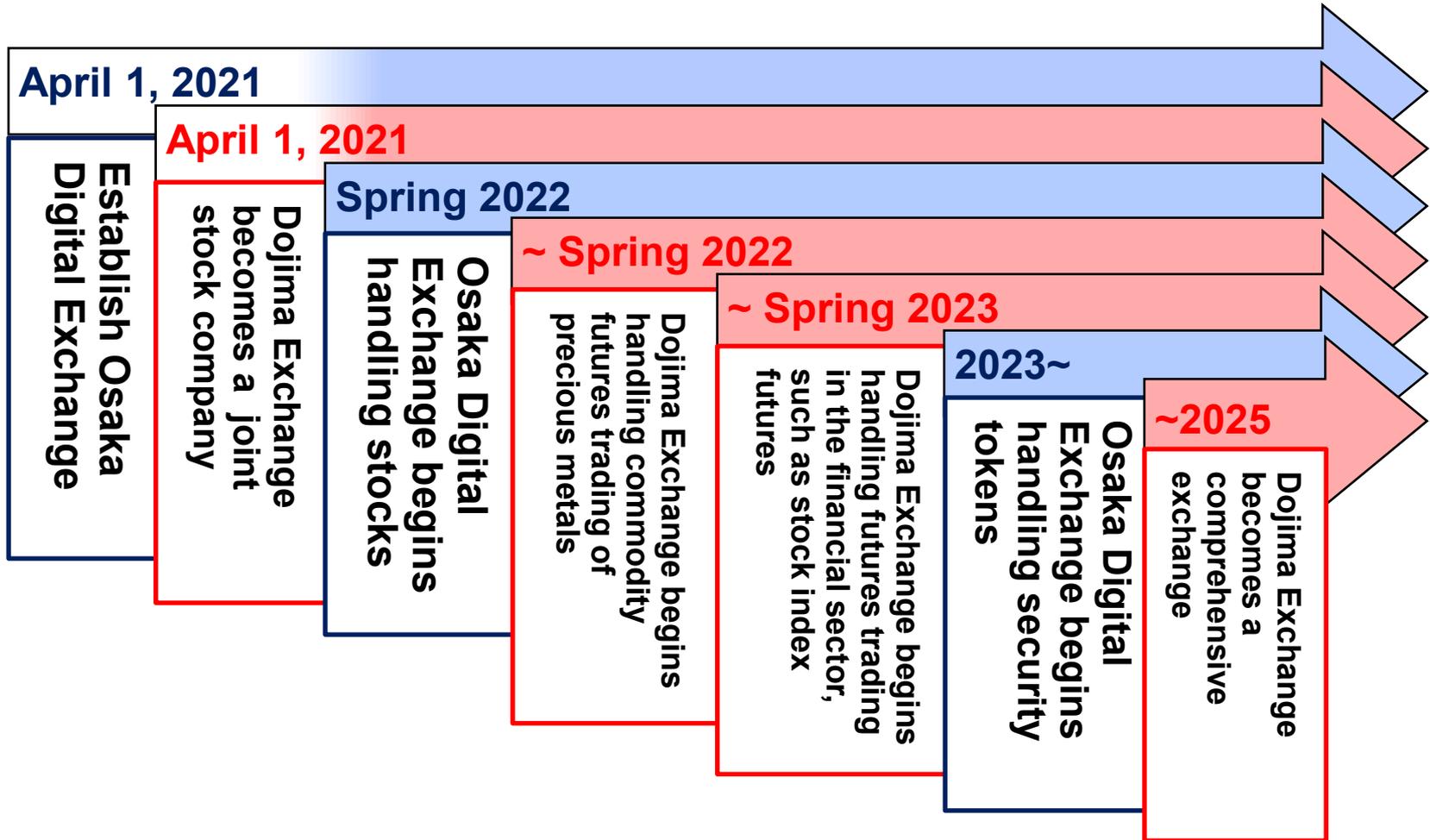
SMBC Group: 40%

Considering investments in the future from leading financial institutions, exchanges, and market makers in Japan and overseas

*1 Commodity futures trader

*2 High speed traders based in the Netherlands

Timeline of Two Exchanges as the Core of the Next Generation Global Financial Center



Dojima Exchange, the Only Exchange in Japan for Rice Futures, Applied for Permanent Listing of Rice Futures on July 16

- Rice futures are priced and traded up to a year before the product is actually delivered. Even if the price fluctuates greatly due to good or bad harvests, the rice can be bought and sold at a predetermined price, so if used properly, **farmers and wholesalers can reduce the risk of price fluctuations.**
- **The Ministry of Agriculture, Forestry and Fisheries** will examine whether or not the listing is to be approved. A **decision is due to be made by August 7** after investigating whether there will be sufficient trading volumes and whether the listing is appropriate for the smooth distribution of rice.

Translated from "Rice Futures—The Osaka Dojima Commodity Exchange Applies for Permanent Listing,"
Asahi Shimbun Digital July 16, 2021

- The listing **must meet certain requirements such as sufficient trading volumes. Average daily trading volume** from August 2019 to May 2021). **increased more than 2.5 times from the previous trial listing period (August 2017 to July 2019).**
- The exchange's rice futures market was launched in August 2011 for a two-year trial. However, the trial was repeatedly extended due to insufficient trading volumes and producers' participation in the market, and other factors. **The Osaka Dojima Commodity Exchange underwent full-scale reforms from 2020, transforming itself from a membership system to a stock company in April 2021.**

Translated from "Dojima Exchange Files for Permanent Listing of Rice Futures,"
Nikkei Digital July 16, 2021

2. Launching the creation of an "API Mart (Tentative name)" to link domestic and foreign fintech companies with domestic and foreign financial institutions as a new weapon to attract international financial centers

Endeavor to Establish a Cluster of Fintech Companies in the Kansai Region

Create an "Osaka FinTech Center" by investing in fintech companies that use advanced technology and attracting them to Osaka and other cities

In addition, in consultation with local governments, **engaging in public projects such as financial education to further promote the concept of a next-generation international financial center**

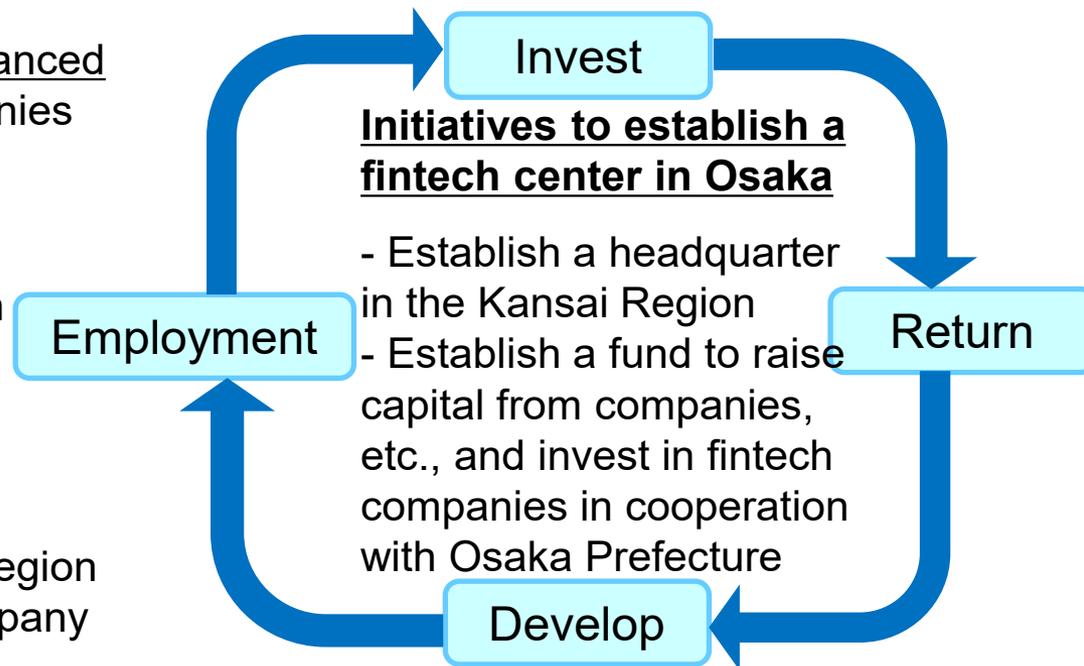
Global investment in companies with advanced technologies focusing on fintech companies



Build and strengthen relationships with portfolio companies

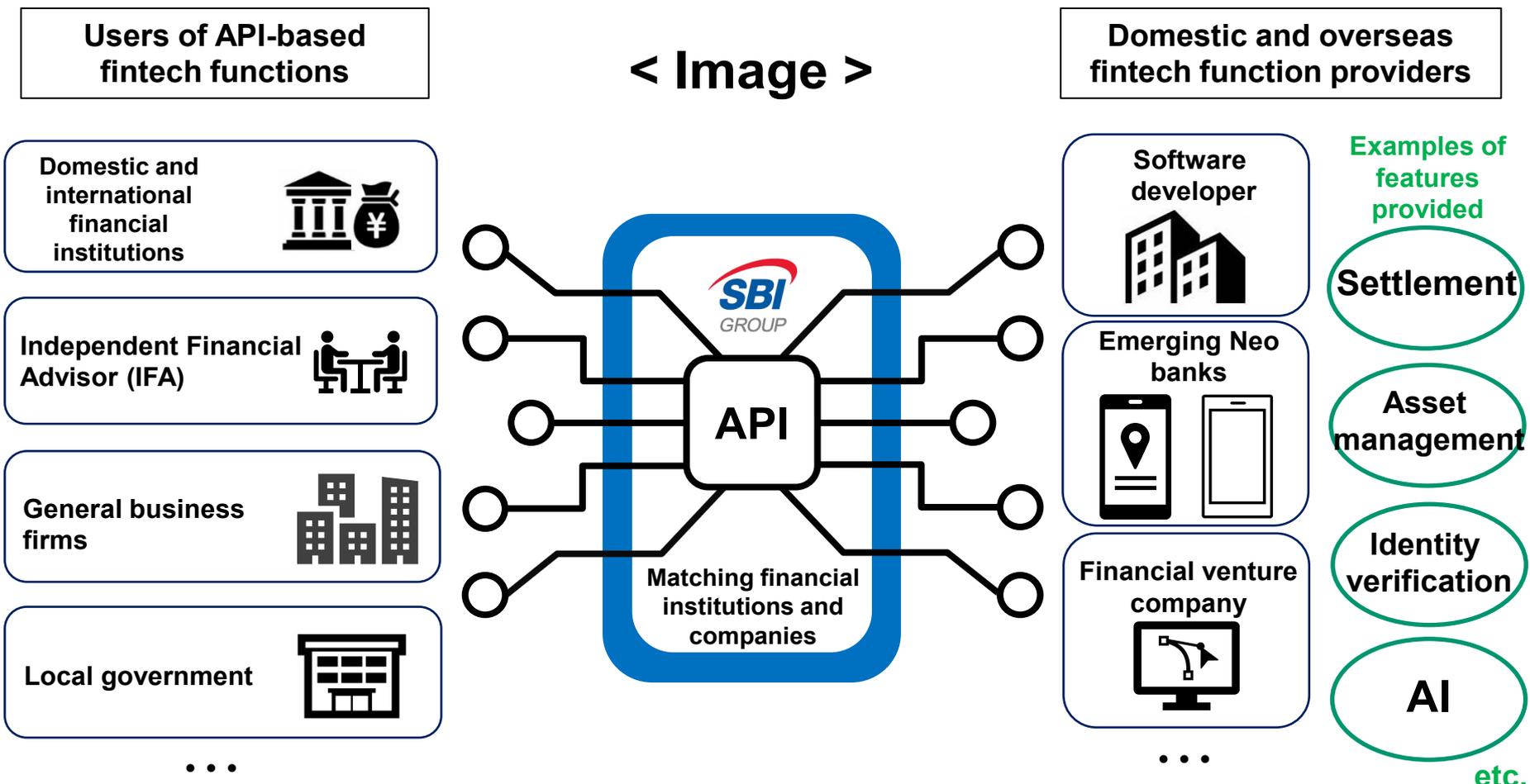


Attract portfolio companies to the Kansai region to make the region become a fintech-company accumulated area



Realization of the next-generation international financial center concept in Osaka and Kobe

SBI leading the Creation of an "API Mart" (Tentative Name) at Osaka FinTech Center



Operate a platform where a diverse lineup of APIs are available for use by both domestic and overseas financial institutions, general business firms, municipality and fintech companies wishing to use them. This supports the building of win-win relationship

III. SBI Group's Future Business Activity Guidelines for the "with COVID-19" Era

Our View on the Future Business Environment with the Progress of Measures against COVID-19

Current market environment:

- Stock prices are on an upward trend as economic activity resumes in major countries due to the spread of the COVID-19 vaccine while caution against the Delta variant continues
- The Fed chair is cautious about early rate hikes, saying that accelerated inflation in the United States and the accompanying Fed's rate hike observations are a temporary factor
- Japanese market's recovery is lagging due to delay in vaccination
→ Rapid progress, with 37.4% of the total population inoculated the first time and 26.3% inoculated the second time (announced on July 28)

Situation in each country of the world:

U.K.	On the premise that Prime Minister Boris Johnson will actively promote vaccination, a new policy to completely lift legal regulations indoors and outdoors was announced on July 5, and implemented from July 19
Singapore	Three ministers who participated in the Singapore government's COVID-19 countermeasure team said, "The COVID-19 will not disappear, but coexistence is possible," and proposed a way to return to normal life by treating COVID-19 in the same way as influenza, hand-foot-and-mouth disease, chickenpox, etc.
Israel	According to the Ministry of Health of Israel, where nearly 70% of people have been vaccinated at least once, effectiveness in preventing the onset of COVID-19 is reduced to 64% due to the influence of variants; however, effectiveness in preventing severe symptoms by someone who has been inoculated is 93%, which is almost the same as before.

Economic recovery is expected to continue globally due to normalization of economic activities accompanying the progress of COVID-19 vaccination in each country

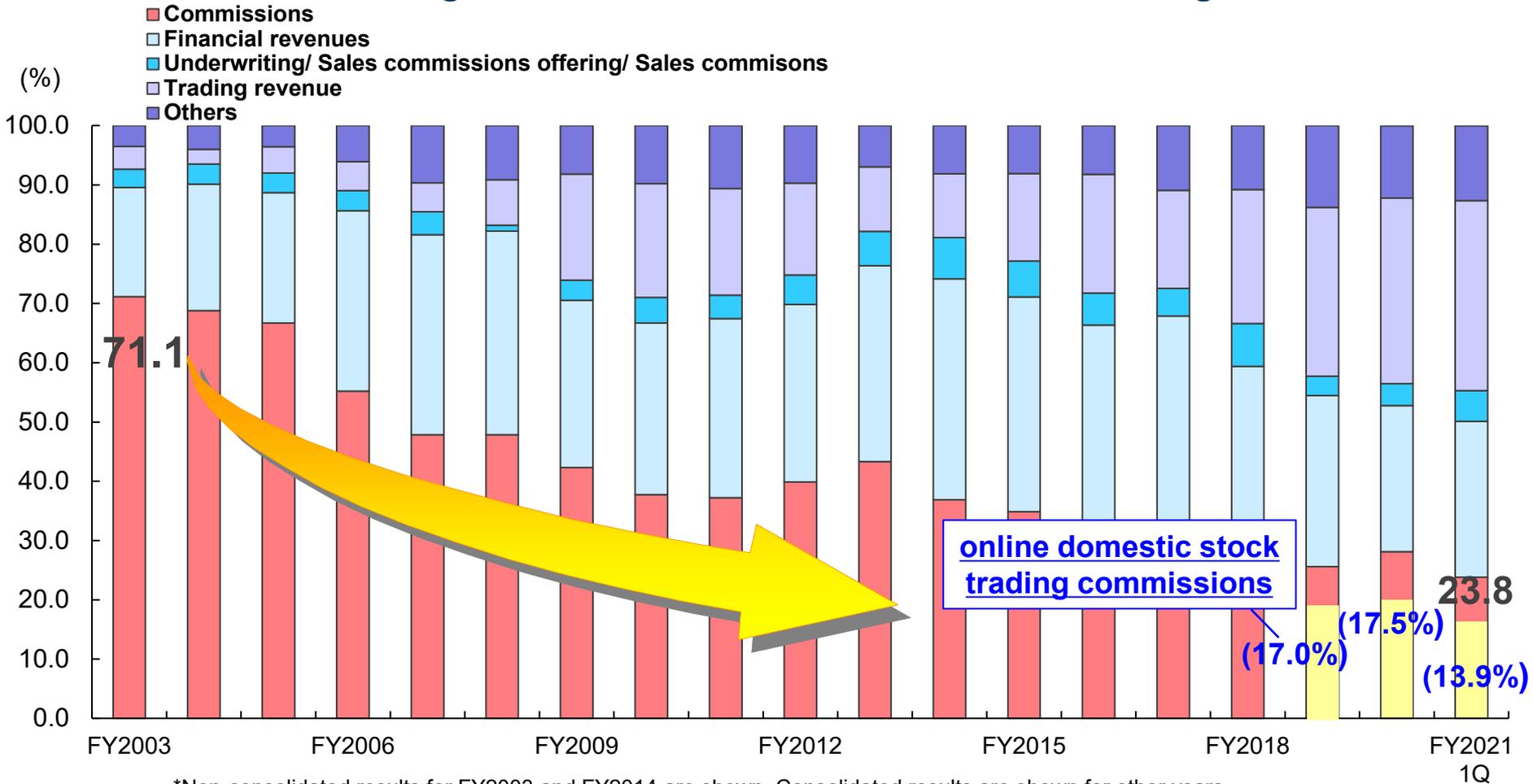
SBI Group's Future Business Activity Guidelines for the "with COVID-19" Era

- ① **The COVID-19 vaccine workplace inoculations** for about 12,000 people, which started on June 21, will soon complete the second inoculation of all employees who wish to be vaccinated
- ② Antibody tests will be conducted on all group employees who have completed the second vaccination after about two weeks
- ③ Understand the relationship between vaccination and COVID-19 antibody as much as possible, and rebuild the infection prevention system
 - Those who have antibodies and those who do not
 - Analyzing antibody strength after vaccination in people who have been infected with the COVID-19 in the past (The strength of the antibody at the time of the first inoculation vs. the second inoculation, etc.)
- ④ Conduct PCR tests in a timely and appropriate manner to identify infected persons at an early stage, clearly distinguish between infected and non-infected persons, and continue the system to prevent the spread of COVID-19

[Reference materials for each business]

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

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

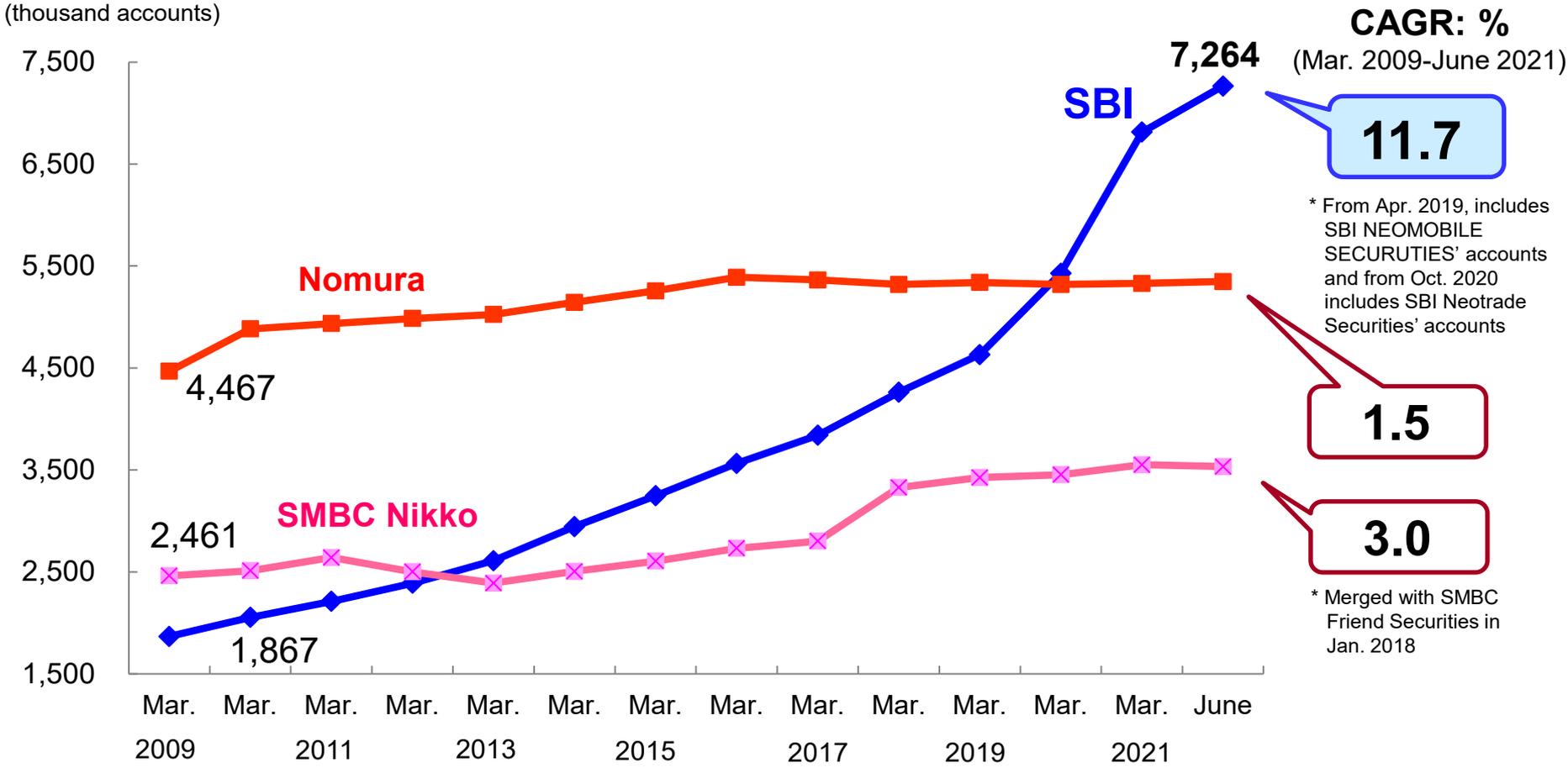


*Non-consolidated results for FY2003 and FY2014 are shown. Consolidated results are shown for other years..



SBI Holds an Established Position as the Securities Firm with Largest Number of Brokerage Accounts

Number of Accounts of SBI SECURITIES and 2 Major Face-to-face Securities Companies
(End of March 2009 - End of June 2021)

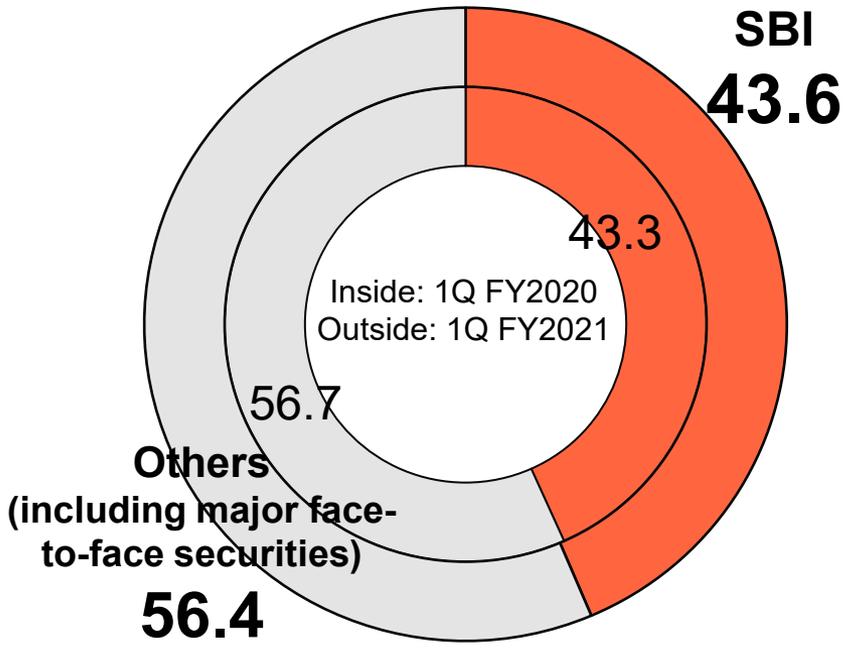


As of the end of Mar. 2017, Daiwa Securities' number of accounts totaled 3,886 thousand accounts, with no further disclosure

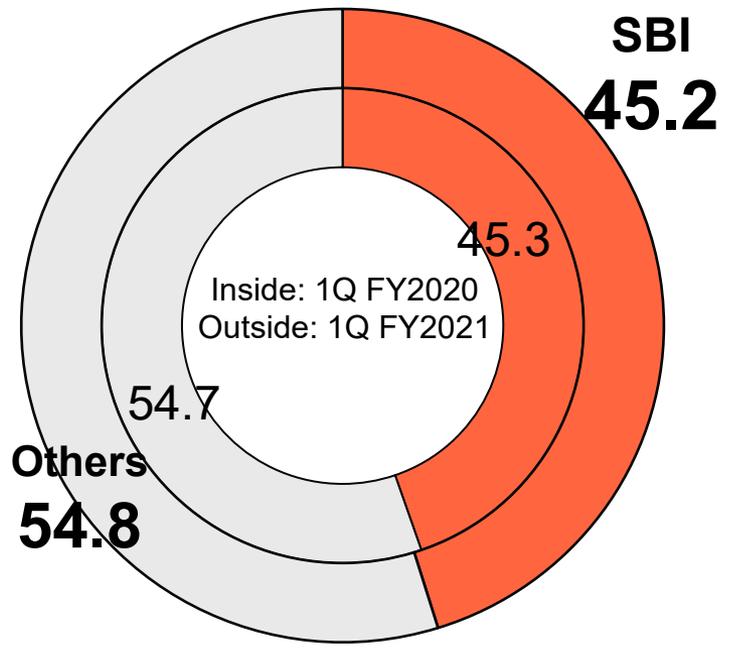
SBI Group's Share of Individual Stock Trading

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

Share of Individual Stock Trading Value (%)



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



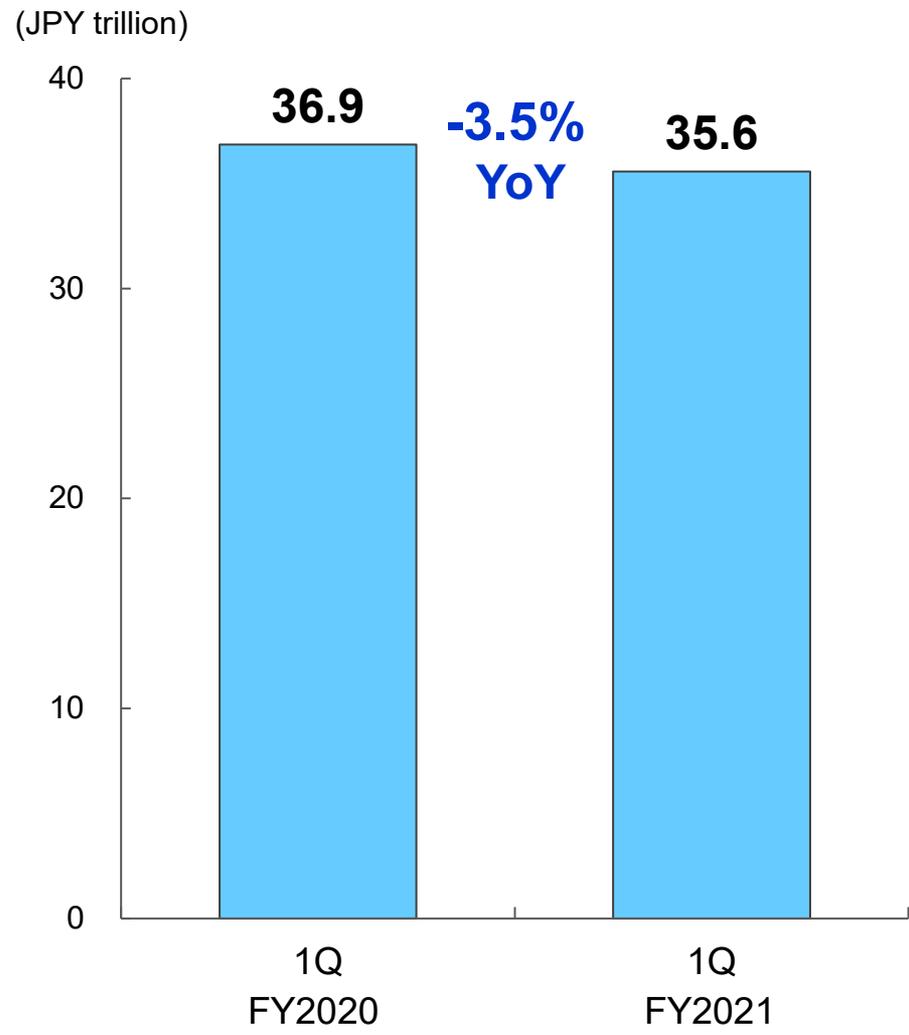
<Shares are calculated with the individual stock trading value and individual margin trading value of both the 1st and 2nd sections of the Tokyo and Nagoya Stock Exchanges, including that of ETF and REIT trading value, respectively>

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

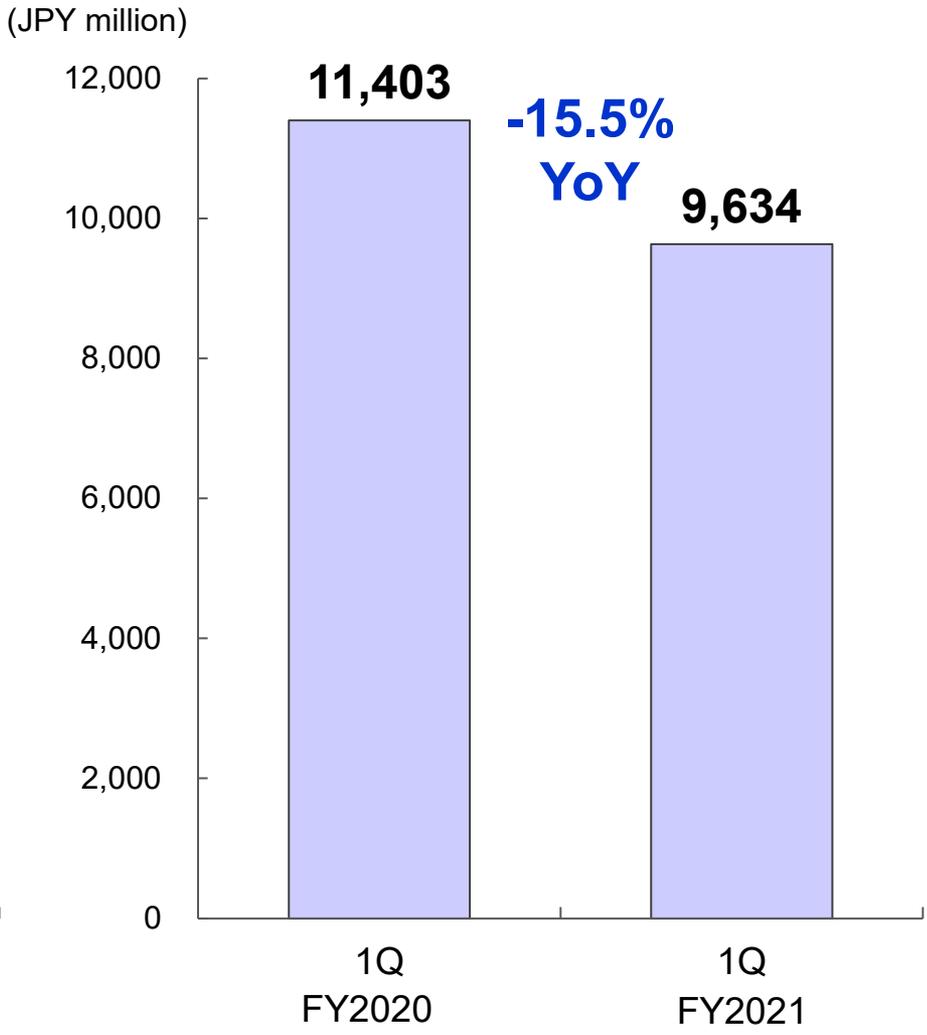
Source: Compiled by SBI SECURITIES based on Tokyo Stock Exchange and JASDAQ materials and websites of each company.

SBI SECURITIES' Stock Brokerage Trading Value and Commissions

Stock Brokerage Trading Value



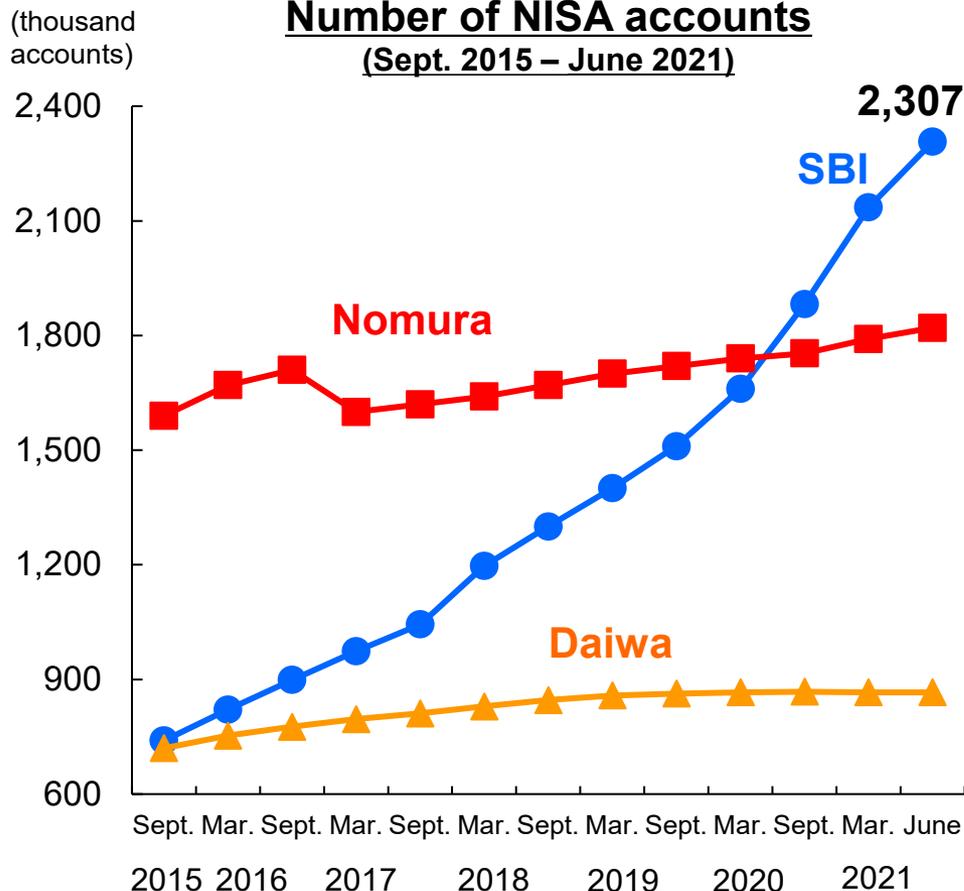
Commissions



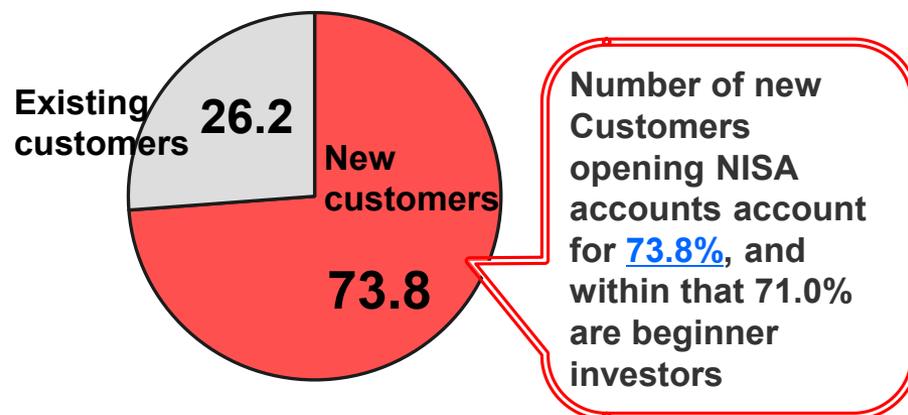
SBI SECURITIES Holds No.1 NISA Accounts

- Attracting a large number of neophyte investors -

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



NISA's customer attribute of SBI SECURITIES (%)



SBI SECURITIES' number of Junior NISA accounts reached 148 thousand accounts, accounting for approx. 30% of the entire securities industry's Junior NISA accounts

*1 Includes the number of Junior NISA accounts

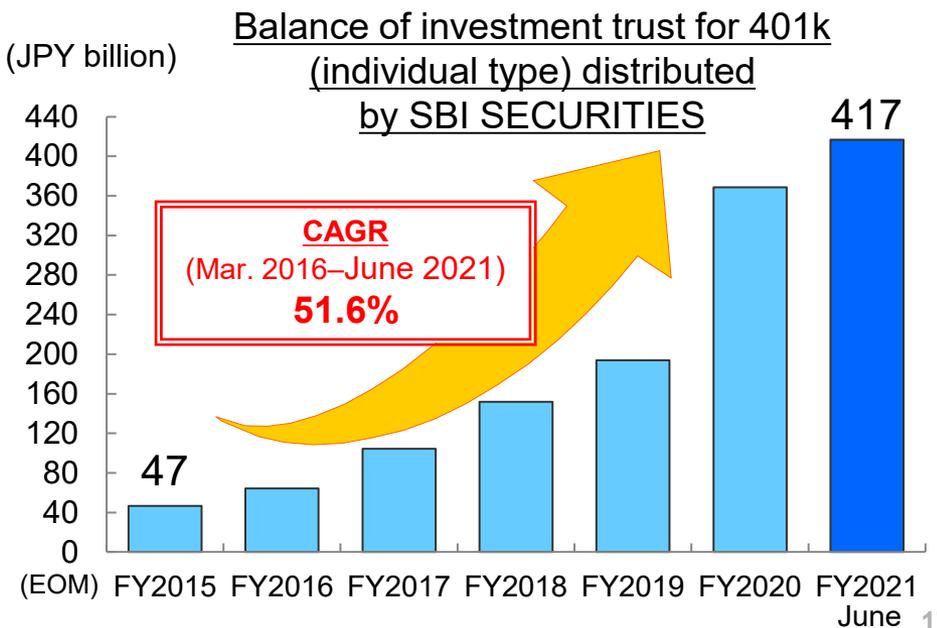
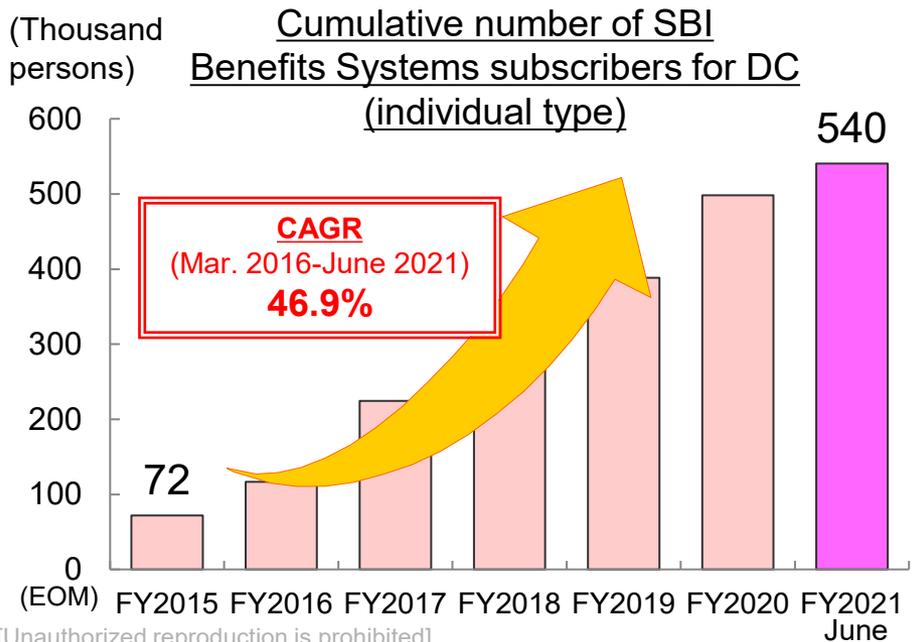
*2 Amounts are rounded to the nearest JPY thousand.

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

Further Strengthening the Individual Defined Contribution (iDeCo) Pension Business

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

- **SBI SECURITIES administrative fees for iDeCo became completely free of charge on May 19, 2017** in order to further expand iDeCo business
- **As of the end of June 2021, the number of iDeCo accounts totaled approx. 490 thousand**
- **The number of requests for application materials reached a record high in June 2021**

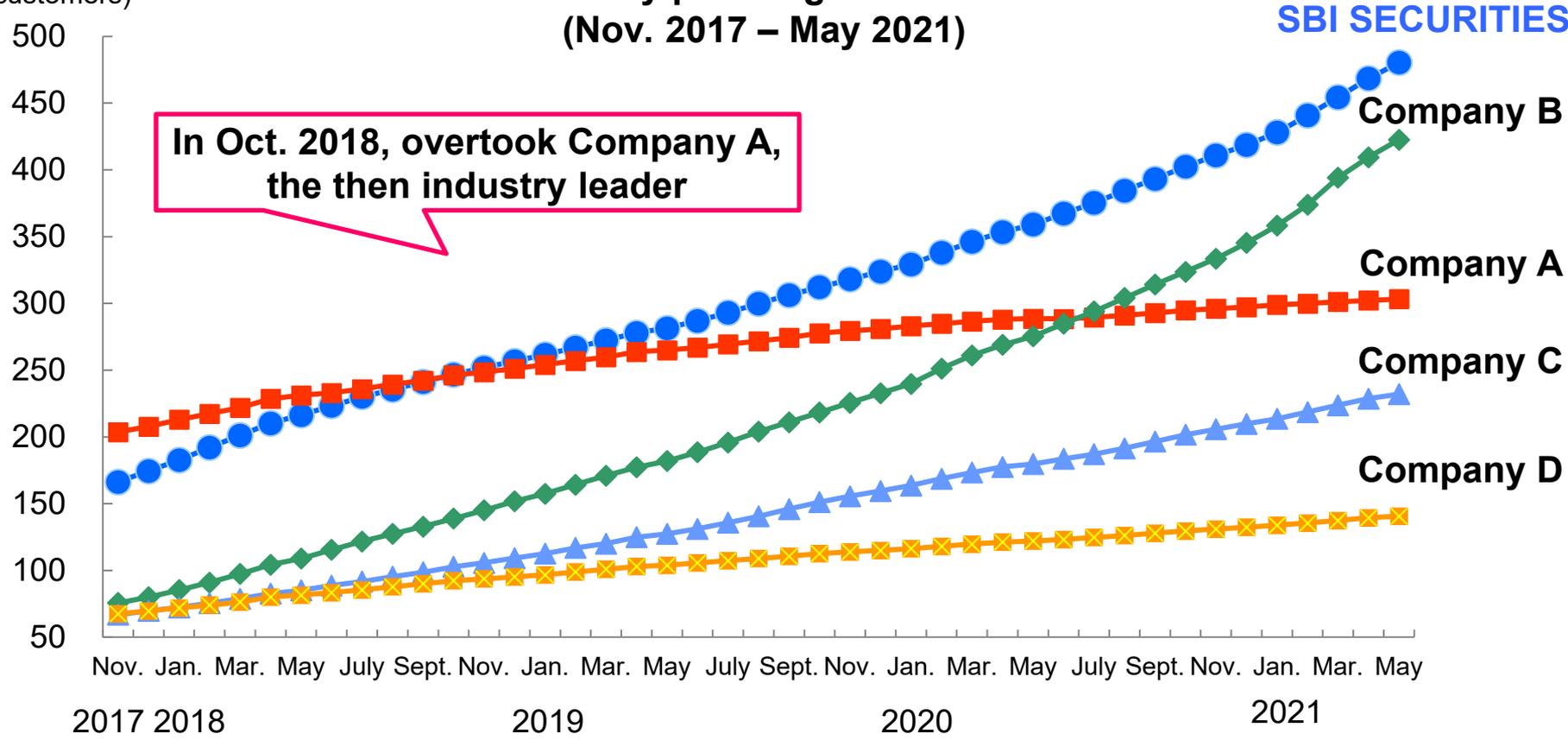




SBI SECURITIES is the Industry Leader in the Cumulative Number of Individual Defined Contribution Plan (iDeCo) Customers

(No. of thousand customers)

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

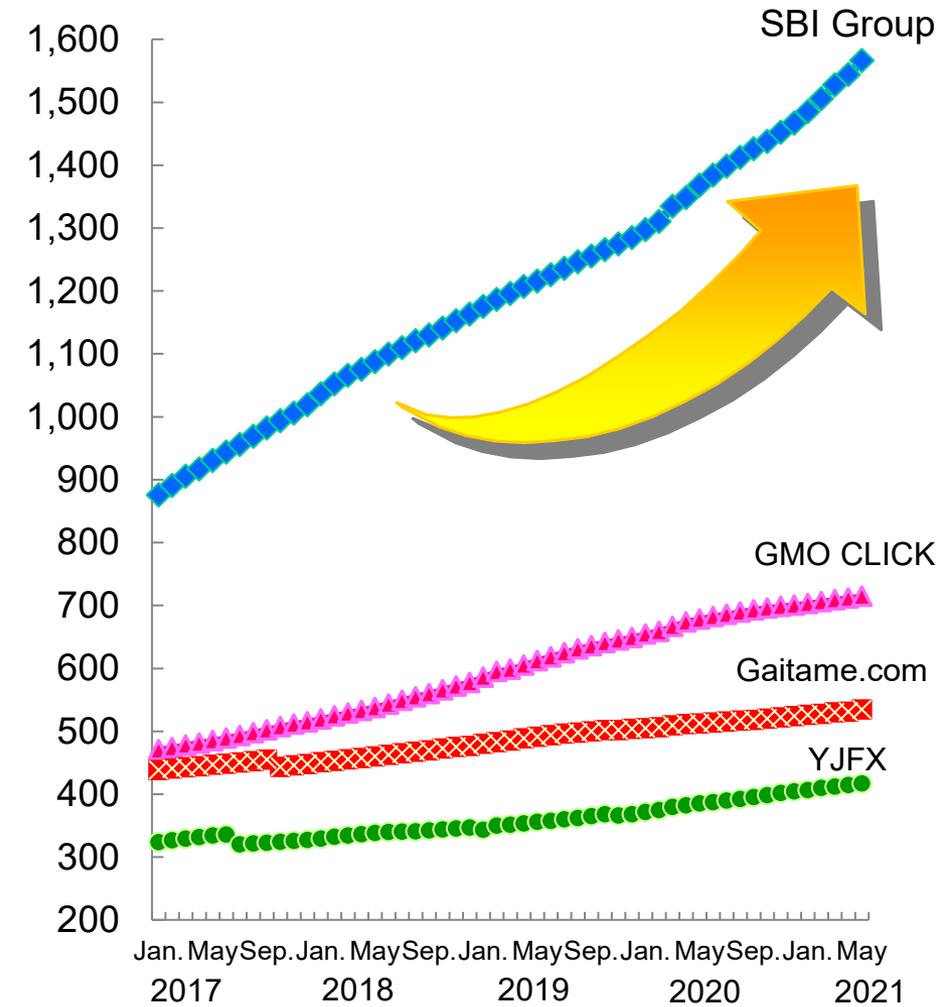


* Cumulative total number of subscribers and transfers announced by the National Pension Fund Association
 Source: Briefing paper of the National Pension Fund Association (partially includes estimates by SBI)

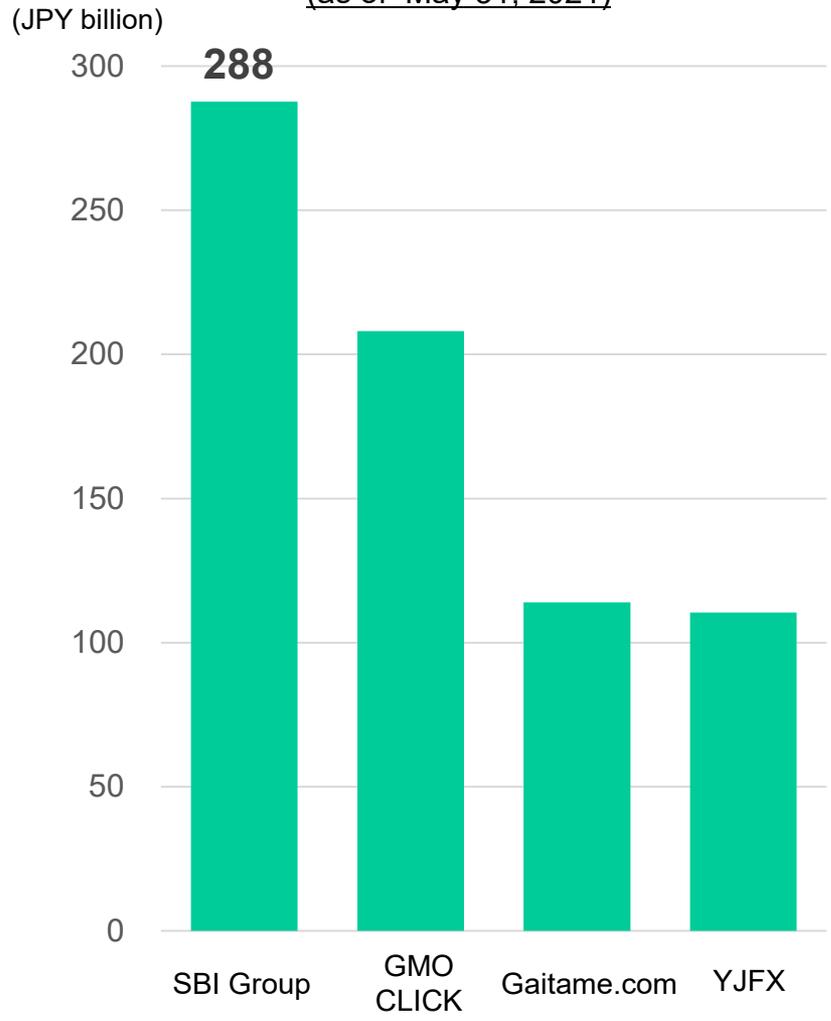
1. Securities-related business: FX business

The SBI Group's (SBI SECURITIES, SBI FXTRADE and SBI Sumishin Net Bank) Total Number of Accounts and Customer Deposit Assets have Overwhelmingly Surpassed that of Its Competitors in the OTC FX Industry

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



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



Assets Under Management of the SBI Group

(As of the end of June 2021)

Private equity, etc. JPY 631.2 bn^(*1) (Excluding JPY 207.9 bn of both cash and commitment amount to be paid in)^(*2)

Breakdown of operating investment securities by Industry	Amount
Internet/AI/IoT	129.8
Fintech services	93.5
Digital Asset/Blockchain	60.7
Finance	140.4
Biotechnology/Health/Medical	31.3
Environmental/Energy	4.0
Machine/Automobile	10.6
Services	26.4
Retail/Food	3.4
Materials/Chemicals	6.7
Construction/Real estate	1.0
Others	2.2
Equity interests in external and non-consolidated funds	30.9
Total	540.8

Breakdown of operating investment securities by region	Amount
Japan	306.0
China	12.8
Korea	5.4
Southeast Asia	77.9
India	3.1
U.S.	51.8
Europe	41.8
Others	42.1
Total	540.8

Investment from non-consolidated Group management funds	Amount
Corporate venture capital (CVC)	18.3
Others (Oversea JV fund, etc.)	72.1
Total	90.4

Investment trusts, etc. JPY 4,168.8 bn

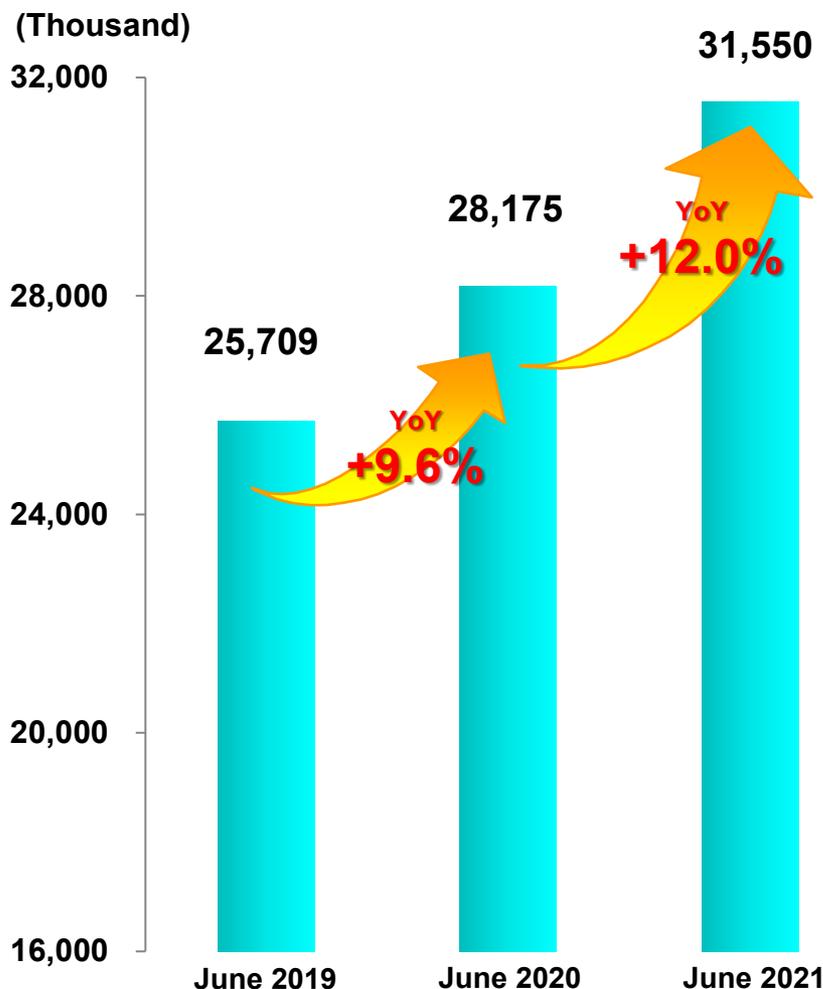
*1 Private equity investment balance comes from the balance for operating investment securities included in consolidated reporting plus the investment balance from funds (such as CVC funds) removed from consolidation due to the SBI Group's low investment ratios in the corresponding funds, which the SBI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

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

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

*4 Amounts are rounded to the nearest JPY 100m

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



Breakdown of the Customer Base

(As of the end of June 2021)*1,2

(Thousand)

SBI SECURITIES		
SBI NEOMOBILE Securities	(No. of accounts)	7,264
SBI Neotrade Securities		
SBIH InsWeb	(No. of customers)	10,200
E-LOAN	(No. of customers)	2,992
MoneyLook	(Total no. of customer registrations)	950
Morningstar Japan	(Total no. of service users) *3	1,152
SBI Sumishin Net Bank	(No. of accounts)	4,704
SBI Insurance	(Total no. of contracts)	1,149
SBI Life Insurance	(Total no. of contracts) *4	262
Others (SBI Point etc.)	—	2,876
Total	—	31,550

*1 The cases that customers who are not identified as the same person within each service website and overlapping customers among the Group companies are double counted.

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

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

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

Number of Companies and Consolidated Employees of the SBI Group

Number of Group companies

	March 2021	June 2021
Consolidated subsidiaries (companies)	264	275
Consolidated partnerships (partnerships)	35	36
Total consolidated subsidiaries (companies)	299	311
Equity method companies (companies)	40	42
Total Group companies (companies)	339	353

Number of consolidated employees

	June 2020	June 2021
Total employees (persons)	9,209	9,444

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