



*Strategic
Business
Innovator*

Current Management Information Briefing

June 29, 2022

Yoshitaka Kitao

Representative Director, President & CEO

SBI Holdings, Inc.

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

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

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

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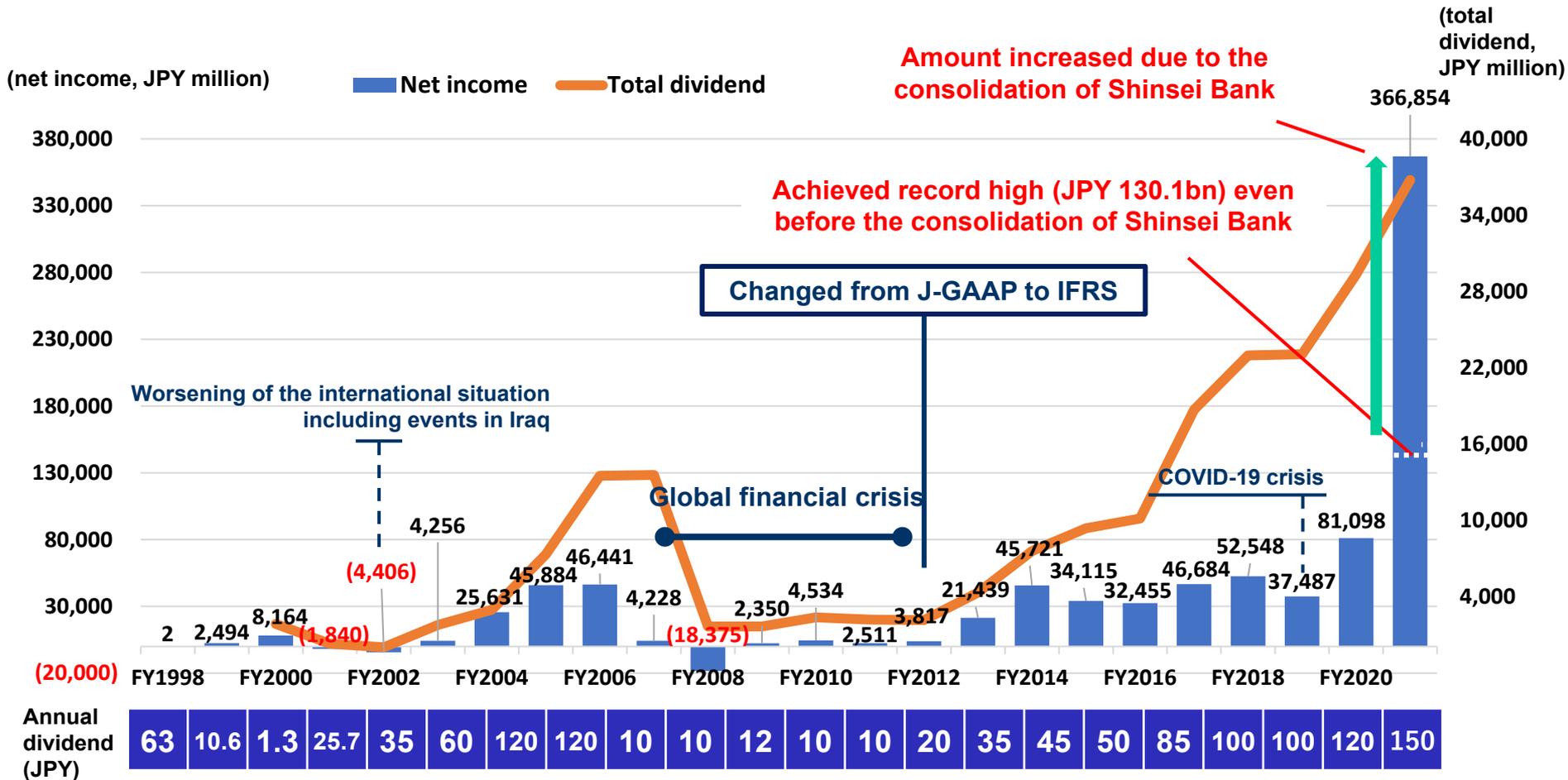
Note: Fiscal Year ("FY") ends March 31 of the following year

- I. SBI Group's rapid growth since its establishment in 1999 and its achievements**
- II. Approach towards the comprehensive capital and business alliance with the SMBC Group**
- III. The SBI Group's major strategies for the foreseeable future**
 - Taking into consideration cooperation with the SMBC Group-**

I. SBI Group's rapid growth since its establishment in 1999 and its achievements

SBI Holdings Net Income and Dividends Since Its Inception

-Consolidated financial results of FY2021 recorded the highest in all categories since the company was founded-



*Net income for J-GAAP is used for the period from FY1998 to FY2011, while the profit attributable to the owners of the company is used for the period after FY2012
 *FY1998 is a non-consolidated result
 *FY2002 is a half-year result owing to the change in the financial results period
 *Dividends are adjusted based on stock splits

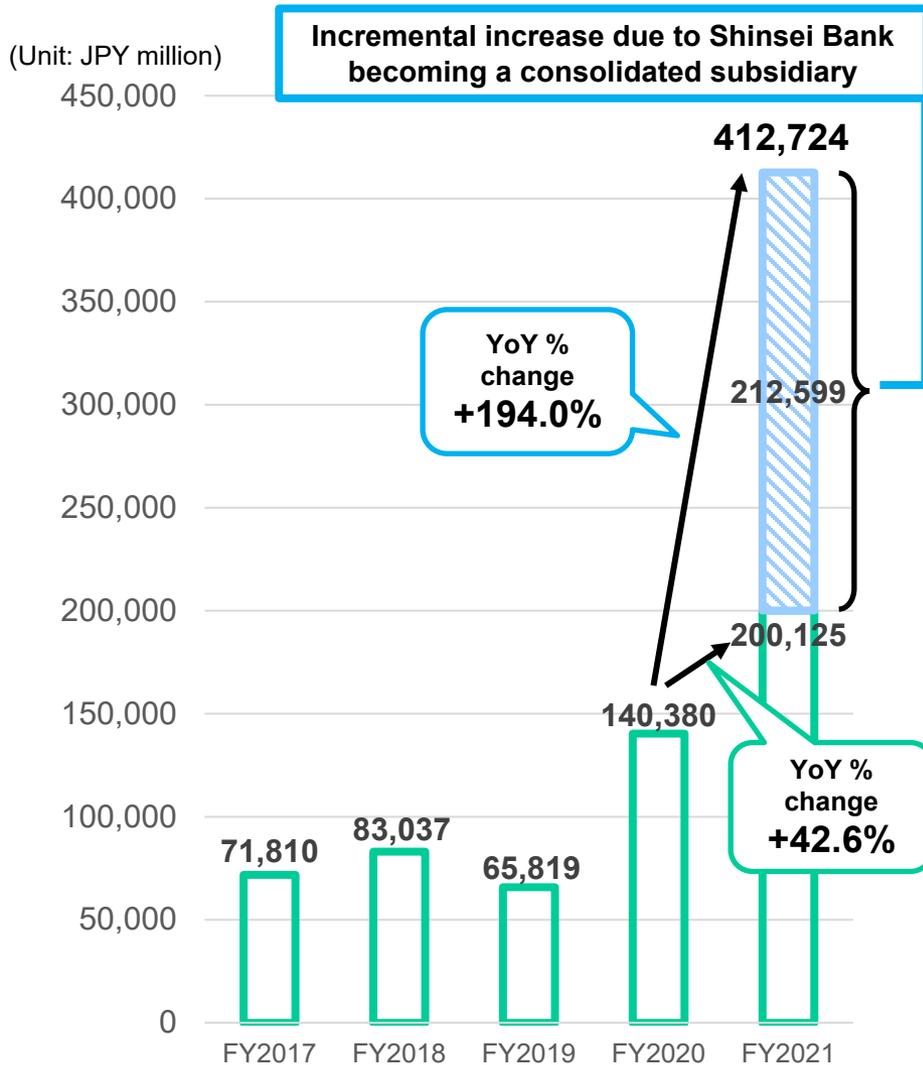
FY2021 Consolidated Performance (IFRS)

[Comparison after and before Shinsei Bank consolidation]

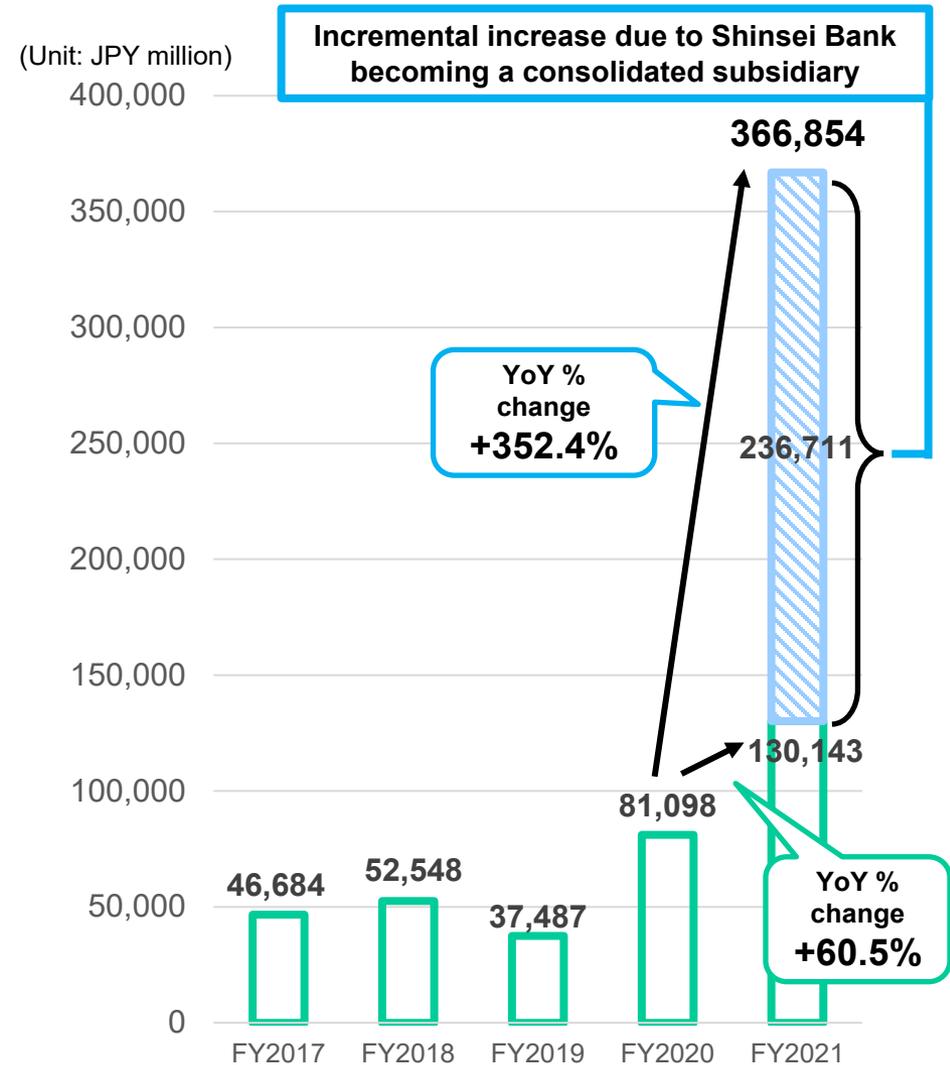
[Year-on-year comparison] (Unit: JPY million)		FY2021 (Apr. 2021 – Mar. 2022)	
		After Shinsei Bank consolidation (YoY % change / YoY change)	Before Shinsei Bank consolidation (YoY % change / YoY change)
	FY2020 (Apr. 2020 – Mar. 2021)		
Revenue	541,145	Record high* 763,618 (+41.1)	698,685 (+29.1)
Profit before income tax expense	140,380	Record high* 412,724 (+194.0)	200,125 (+42.6)
Profit for the period	97,512	Record high* 355,724 (+264.8)	148,516 (+52.3)
Profit attributable to owners of the Company	81,098	Record high* 366,854 (+352.4)	130,143 (+60.5)
ROE (%)	16.0	Record high* 49.4 (+33.4p)	20.8p (+4.8p)

Profit Before Income Tax Expense and Profit Attributable to Owners of the Company

Profit before income tax expense



Profit attributable to owners of the company



Consolidated Profit Comparison with Major Face-To-Face Securities Companies

(Unit: JPY million)

		FY2019 (Apr. 2019 – Mar. 2020)	FY2020 (Apr. 2020-Mar. 2021)	FY2021 (Apr. 2021-Mar. 2022)	YoY % change / YoY change
SBI Holdings (IFRS)	Profit for the period [*]	37,487	81,098	366,854	+352.4
	ROE (%)	8.3	16.0	49.4	+33.4p
Nomura Holdings (US-GAAP)	Profit for the period [*]	216,998	153,116	142,996	-6.6
	ROE (%)	8.2	5.7	5.1	-0.6p
Daiwa Securities Group (J-GAAP)	Profit for the period [*]	60,346	108,396	94,891	-12.5
	ROE (%)	4.9	8.5	7.0	-1.5p
SMBC Nikko Securities (J-GAAP)	Profit for the period [*]	39,282	71,739	49,798	-30.6
	ROE (%)	4.6	7.8	5.3	-2.5p

* Profit attributable to owners of the Company of SBI Holdings, Net income attributable to shareholders of Nomura Holdings and SMBC Nikko Securities, and Profit attributable to owners of parent of Daiwa Securities Group.

Adjustment of Shinsei Bank's Consolidated Balance Sheet in Accordance with IFRS Consolidation Process

Key points of IFRS consolidation treatment of Shinsei Bank consolidated balance sheet

- ▶ Valuation of assets and liabilities at fair value (provisional treatment)
- ▶ Adjustments for differences between J-GAAP and IFRS

B/S of Shinsei Bank as of end of December 2021 (J-GAAP)		B/S after IFRS adjustment	
Assets JPY 10,566.2bn	Liabilities JPY 9,610.2bn		Assets JPY 10,286.8bn (Adjusted amount -269.4)
	Net assets JPY 942.4bn		Liabilities JPY 9,300.4bn (Adjusted amount -309.8)
	Non-controlling interest JPY 3.6bn		Net assets JPY 982.8bn (Adjusted amount +40.4)
			Non-controlling interest JPY 3.6bn

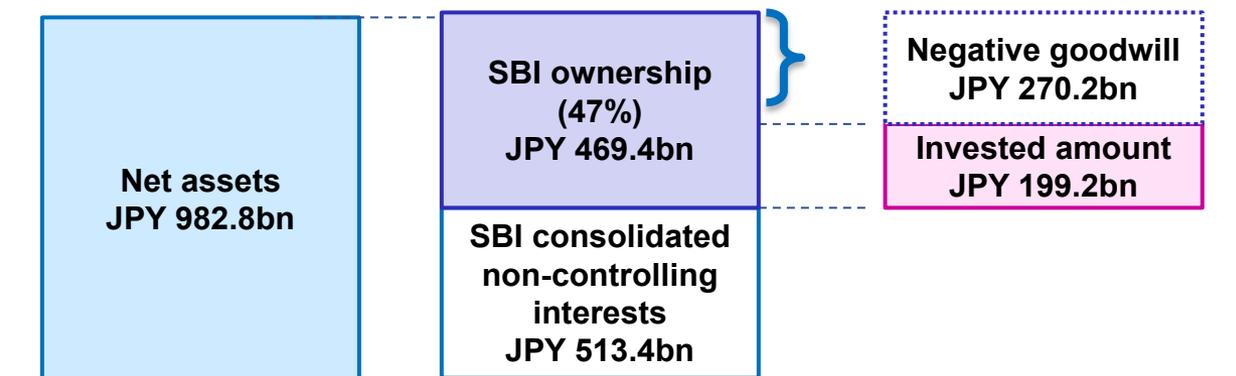
***Major IFRS adjustments**

◆ Cancellation of recording of both guarantees (acceptance of payment) and rights to indemnity (return of acceptance of payment) for guaranteed parties
(Assets) -579.8
(Liabilities) -579.8

◆ Consolidation of trust accounts that were outside the scope of consolidation under J-GAAP
(Assets) +215.3
(Liabilities) +215.3

Impact on P/L on Transition to IFRS due to Shinsei Bank Becoming a Consolidated Subsidiary

- ① As a result of adjusting the difference between IFRS and J-GAAP for the balance of B/S at the time of acquisition, net assets on a J-GAAP basis increased by JPY 942.4bn to JPY 982.8 bn (+JPY 40.4bn), and a gain on negative goodwill of JPY 270.2bn was recorded
- ② For loans and other receivables (IFRS: trade and other receivables), an allowance for credit losses of JPY 68.2 bn has been recorded on an IFRS basis, as IFRS requires that an allowance be made for performing loans at the time of acquisition



- ③ The difference between ① and ②, $\text{JPY } 270.2\text{bn} - \text{JPY } 68.2\text{bn} = \text{JPY } 202.0\text{bn}$, is the actual impact

Impact on the Consolidated Balance sheet due to the Consolidation of Shinsei Bank

Due to the consolidation of Shinsei Bank, the total assets of the SBI Group increased approx. JPY 10tn and total liabilities of JPY 9tn

B/S as of end of Mar. 2021 (IFRS)		B/S as of end of Mar. 2022 (IFRS)	
Total assets JPY 7,208.6bn	Total liabilities JPY 6491.5bn	Total assets JPY 17,838.2bn	Total liabilities JPY 16,254.9bn
	Total Capital JPY 717.1bn	Assets attributable to the SBI Group (before consolidation of Shinsei Bank) JPY 7874.8bn	Liabilities attributable to the SBI Group (before consolidation of Shinsei Bank) JPY 7,199.9bn
		Assets attributable to Shinsei Bank JPY 9,963.4bn Of which cash and deposits, etc. JPY 1.7tn Trade receivables, etc. JPY 6.8tn etc.	Liabilities attributable to Shinsei Bank JPY 9,055.0bn Of which loans payable, etc. JPY 1.8tn Customer deposits JPY 6.4tn etc.



The Company's Approach to its Capital Ratio

In terms of the balance sheet of SBI Holdings, assets and liabilities are enlarged by factors such as the increase in margin transactions in the securities business and the expansion of deposits in the banking business, making it meaningless to discuss financial soundness using a simple capital adequacy ratio

B/S as of end of Mar. 2022 (IFRS)

Total assets
JPY 17,838.2bn

Total liabilities
JPY 16,254.9bn

Assets attributable to Shinsei Bank

JPY 9,963.4bn

Of which
cash and deposits, etc.
JPY 1.7tn
Trade receivables, etc.
JPY 6.8tn
etc.

Liabilities attributable to Shinsei Bank

JPY 9,055.0bn

Of which
loans payable, etc.
JPY 1.8tn
Customer deposits
JPY 6.4tn
etc.

Assets attributable to the SBI Group
(before consolidation of Shinsei Bank)

JPY 7874.8bn

Liabilities attributable to the SBI Group
(before consolidation of Shinsei Bank)
JPY 7,199.9bn

Total capital
JPY 1,583.3bn

- Equity ratio calculated using 924.6 billion yen of total equity excluding noncontrolling interests is **5.2%**
- Average of **4.4%** when similar calculations are made for the three megabanks

Comparison with the Time of Founding of SBI Holdings

(Established July 8, 1999)

	At the time of founding 1999	As of the end of March 2022
Number of employees (Consolidated)	55	17,496
Net sales (Consolidated)	0	JPY 763.6billion (FY2021)
Number of consolidated subsidiaries	0	493 (including consolidated partnerships) (Including equity method affiliates: 554)
Number of listed group companies	0	10 (Including SBI Holdings) Peak: 11 (FY2007)
Paid in capital	JPY 50 million	JPY 99.3 billion
Net assets	JPY 50 million	JPY 1,583.3 billion

Considering Issues of the Current Business Segment and Future Business Development, Change Business Segments From FY2022 to Clarify Management Accounting



BEFORE

Financial Service

Asset Management

Biotechnology, Healthcare & Medical Informatics

«Challenges with the current business segment»

- Market conditions, such as the stock market, had a significant impact on a specific businesses within each segment
- As the Group's non-financial businesses are expected to expand in the course of its business development "beyond finance with finance at the core," there are cases where such businesses do not belong to any of these segments under the current business segmentation

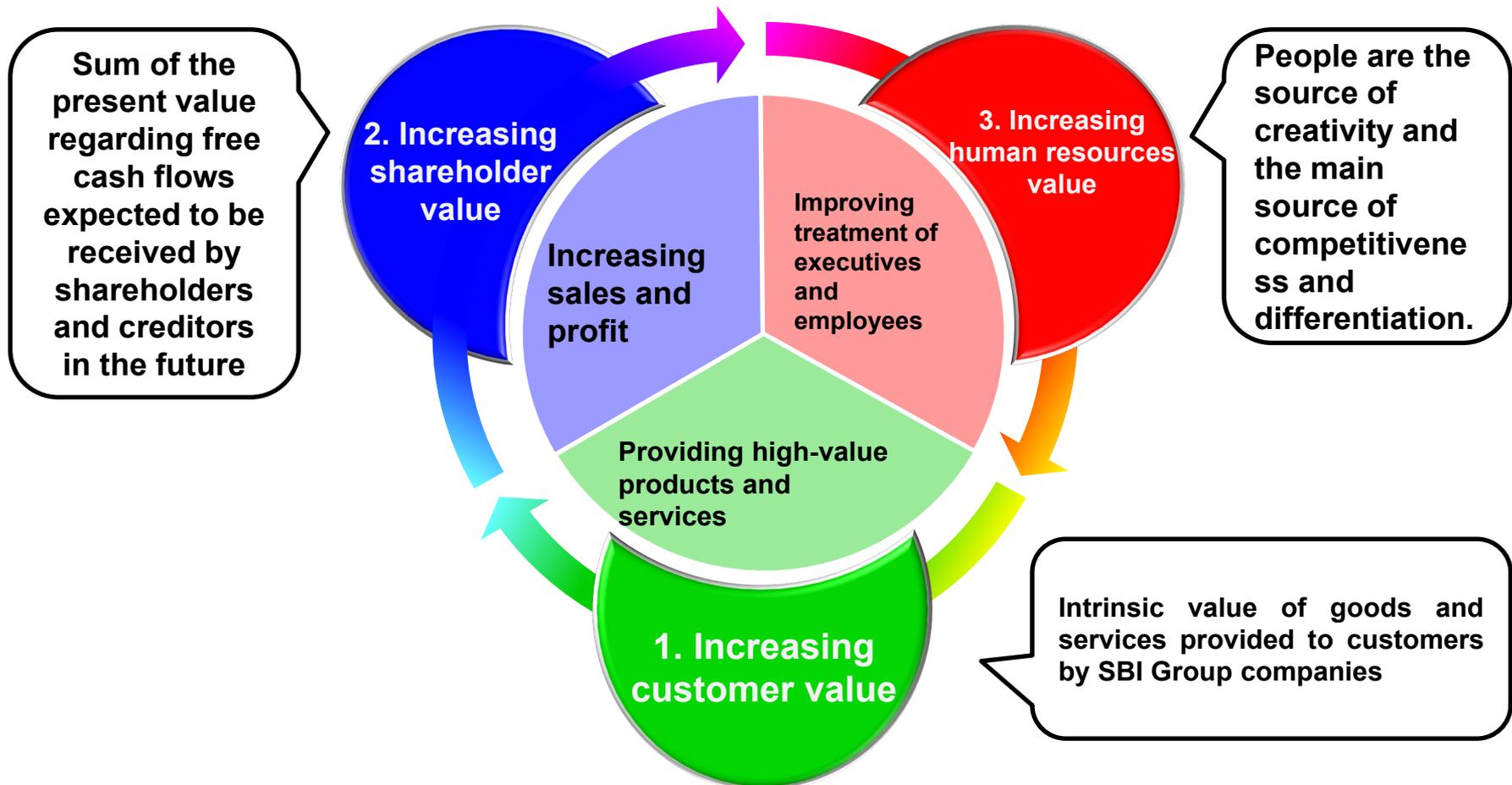
AFTER

Financial				Non-Financial
Financial Service Business	Asset Management Business	Investment Business	Crypto-asset Business	Non-Financial Business
<ul style="list-style-type: none"> • Securities related business (FX related business and overseas financial business, etc.) • Insurance related business • Banking related business (Shinsei Bank, Overseas banks such as SBI SAVINGS BANK, including non-banking businesses) 	<ul style="list-style-type: none"> • Asset management (Morningstar Japan and SBI Asset Management Group) 	<ul style="list-style-type: none"> • Private equity (PE) (Management of funds such as venture capital, LBO, and business succession) 	<ul style="list-style-type: none"> • Crypto-asset related (B2C2 and SBI VC Trade, etc.) 	<ul style="list-style-type: none"> • Biotechnology, Healthcare & Medical Informatics business • WEB 3.0 related • New overseas markets such as Africa, etc.

«Merit of reviewing business segment»

- The change of business segment will clarify which segments are more and less susceptible to the market environment, **therefore enabling more agile management decisions**
- Clarify segments that generate stable cash flow to **make investor return measures such as dividends easier to forecast**
- **Clarify the status of the Group's advanced initiatives** such as WEB 3.0 and new overseas markets

SBI Group's Mechanism for Improving Corporate Value is Created Based on the Creation of **Customer Value**, Interrelated with **Shareholder Value** and **Human Resource Value**, and Multiplied in a Virtuous Cycle



Mechanism for Improving the Corporate Value of SBI Group to Realize Constant Growth

Customer
value

1. Provide a variety of services that continuously satisfy customers' needs by thoroughly adhering to the "customer-centric" principle

Share-
holder
value

2. Promoting M&A strategies to tackle the discontinuous expansion and boost the business scale

3. Approach to return on equity (ROE)

4. Achieve a balanced shareholder composition

5. Value manifestation through group companies' initial public offerings and stock sales

Human
resource
value

6. Actively recruit young talent while promoting the recruitment of significant human resources in diverse fields

1. Provide a variety of services that continuously satisfy customers' needs by thoroughly adhering to the "customer-centric" principle

The SBI Group Has Thoroughly Adhered to the "Customer-Centric Principle" of Its Founding Since 1999

Thorough Customer-Centric Principle:

Truthfully pursue services from the customer's point of view

< Examples >

We provide

- Services with lower fees and more favorable interest rates
- Services that make it easy to compare financial products at a glance
- Services with transparent customer costs
- Safe and reliable services
- Abundant and high-quality financial products from a neutral standpoint
- Attractive trading opportunities... etc.

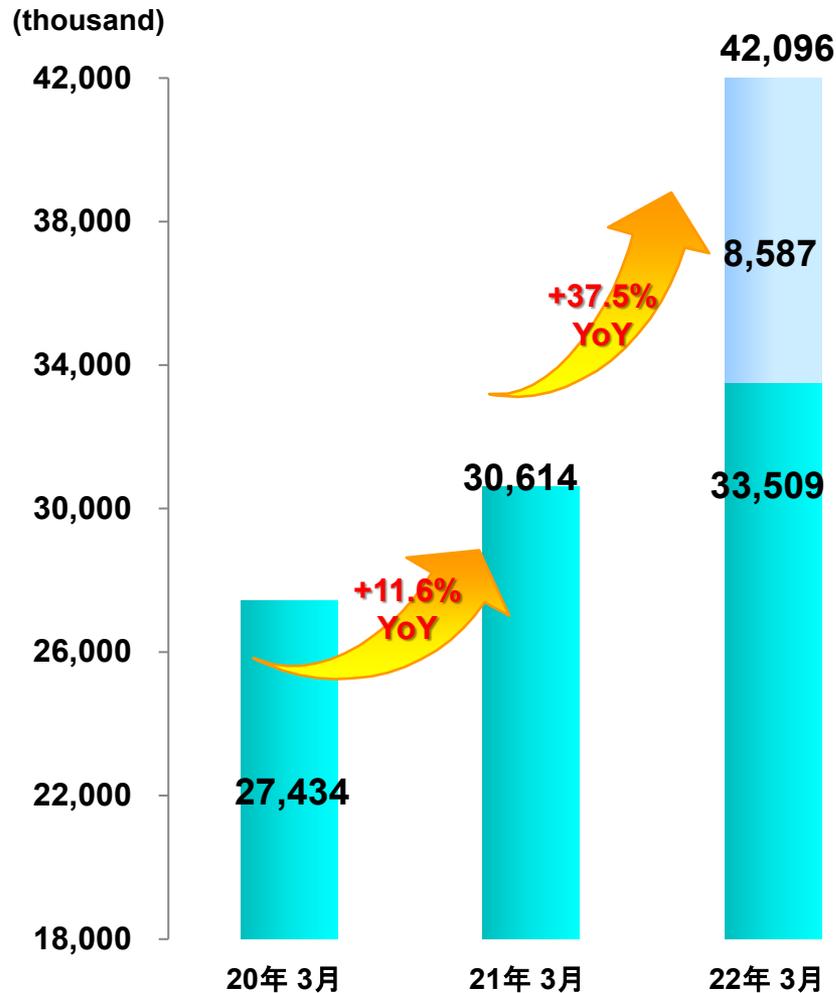
The "Customer-Centric Principle" will be implemented thoroughly in the Shinsei Bank Group in the same way



Services Provided by the SBI Group Continue to Receive High Customer Satisfaction Ratings

Securities		1st Place Overall	Minna-no Kabushiki (Everyone's Stock) 2022 "Annual Ranking of Online Securities"	Won 1st place for 8th straight year
		3-Star	2021 Rating Evaluation by HDI-Japan "Phone Support" "Web Support"	11th consecutive win of phone support 10th consecutive win of web support
Bank		1st Place	2022 "Oricon Customer Satisfaction Survey®" "Bank Card Loans"	Awarded for 3rd straight year
		1st Place	2022 "Oricon Customer Satisfaction Survey®" "Online Bank"	Ninth time in 2nd straight year
Insurance		1st Place Overall 1st Place	2022 "Oricon Customer Satisfaction Survey®" "Regular Cancer Insurance Plan" "Car insurance premium"	Second time for the 1st place overall of regular cancer insurance plan, and 1st place for the 10th time of Car insurance premium

The SBI Group's Customer Base has Grown through the Active Pursuit of Customer-centric Principles and Group Synergies



Breakdown of the Customer Base
(As of the end of Mar. 2022)*1,2

		(thousand)
SBI SECURITIES		
SBI NEOMOBILE Securities	(No. of accounts)	8,453
SBI Neotrade Securities		
FOLIO		
SBIH InsWeb	(No. of customers)	10,462
E-LOAN	(No. of customers)	3,134
MoneyLook	(Total no. of customer registrations)	950
Morningstar Japan	(Total no. of service users) *3	1,228
SBI Sumishin Net Bank	(No. of accounts)	5,353
SBI Insurance	(Total no. of contracts)	1,172
SBI Life Insurance	(Total no. of contracts) *4	316
Others (SBI VC Trade etc.)*5	—	2,439
Shinsei Group*6		
Shinsei Bank	(No. of accounts)	3,050
LAKE ALSA	(No. of customers)	831
Aplus	(No. of active cardholders)	4,434
Showa Leasing	(No. of contracts)	272
Total	—	42,096

*1 Customers who are not identified as the same person within each service website and overlapping customers among the Group companies may be double counted

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

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

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

*5 The number of customers of "SBI Point" provided for SBI iD members is not included in the customer base because the service is no longer available

*6 The items extracted as Shinsei Group's customer base are changed from Mar. 2022

2. Promoting M&A Strategies to Tackle the Discontinuous Expansion and Boost the Business Scale

- **Further increase corporate value by promoting M&A strategies**
 - **Aggressive M&A Strategies in The Mid-Term Vision (established in April 2021), which the company endeavors to realize in the next 3-5 years, to enhance its corporate value through increasing the value of the companies we acquire through M&A**

The Mid-Term Vision:

Endeavor to achieve over JPY 300 billion consolidated profit before income tax expense in the next 3-5 years

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 income tax expense**

Definition of new business:

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

- **The Company expects that synergies and mutual evolution between the company that joined the Group through M&A and our existing business will expand the economies of scope and contribute to our business performance, and these efforts will also lead to further enhancement of our corporate value**

2. Promoting M&A Strategies to Tackle the Discontinuous Expansion and Boost the Business Scale

[Examples of M&A results since April 2020]

Digital asset company



[B2C2]

Digital asset market maker



Operates crypto asset exchange

* Merged into SBI VC Trade Corporation in Dec. 2021



[BITPoint Japan]

Operates crypto asset exchange

* Scheduled to be consolidated in July 2022



RHEOS CAPITAL WORKS

[Rheos Capital Works]

Management of investment trusts



岡三アセットマネジメント

[Okasan Asset Management]

Management of investment trusts

* Scheduled to be consolidated by Mar. 2023

Real Estate Finance



Management and operation of real estate assets



ASCOT CORP.
Real estate developer



Crypto asset-related business



Banking



[JOGUCHI SAFETY SSI]
Home contents insurance



[SBI Neotrade Securities]
(Former: Live Star Securities)

Online Securities



[FOLIO Holdings]

Provision of infrastructure systems for theme investment management, wrap management, etc.



[Keystone Partners]

Management and operation of corporate revitalization and growth support funds



Analytical technology

Data Solution Business



(Former: SmartApp)

Blockchain-based platform business

2. Promoting M&A Strategies that Bring About Discontinuous Expansion in Business Scale

In Addition to Shinsei Bank, Companies that Have Joined the Group Through M&A Since April 2018 have Already Contributed to the Group's Overall Profit

Consolidated subsidiaries

Rheos Capital Works (June 2020: Became a consolidated subsidiary)

JOGUCHI SAFETY SSI (Sept. 2020: Became a consolidated subsidiary)

SBI Neotrade Securities (former livestar Securities)

(Oct. 2020: Became a consolidated subsidiary)

B2C2 (Dec. 2020: Became a consolidated subsidiary)

FOLIO Holdings (Aug. 2021: Became a consolidated subsidiary)

SBINFT (Sept. 2021: Became a consolidated subsidiary)

FXcoin (Oct. 2021: Became a consolidated subsidiary)

Tozai Asset Management (Sept. 2021: Became a consolidated subsidiary)

FY2021

Profit before income tax expense

Total of 8 companies

JPY 8,774m

Equity method affiliates

Ascot (Oct. 2020: Became an equity-method affiliate)

Keystone Partners (Oct. 2020: Became an equity-method affiliate)

ALBERT (June 2021: Became an equity-method affiliate)

FY2021

Profit before income tax expense

Total of 3 companies

JPY 160m

With the addition of Shinsei Bank's contribution, the Group's business portfolio is expected to diversify its revenue sources and expand its customer base to contribute to further enhancement of corporate value

2. Promoting M&A Strategies that Bring About Discontinuous Expansion in Business Scale



SBI Holdings was Rated A- (stable) by Rating and Investment Information, Inc. (R&I) on April 27, 2022 -Leads to reduction in financing costs for future M&A activities-



Rating Agency	Rating	Rating outlook	Date
Rating and Investment Information, Inc. (R&I)	BBB+ → A-	Stable	Apr. 27, 2022

In addition, group companies such as SBI SECURITIES and SBI Savings Bank in Korea also received A (stable) ratings from credit rating agencies



Rating Agency	Rating	Rating outlook	Date
Rating and Investment Information, Inc. (R&I)	A- → A	Stable	Apr. 27, 2022



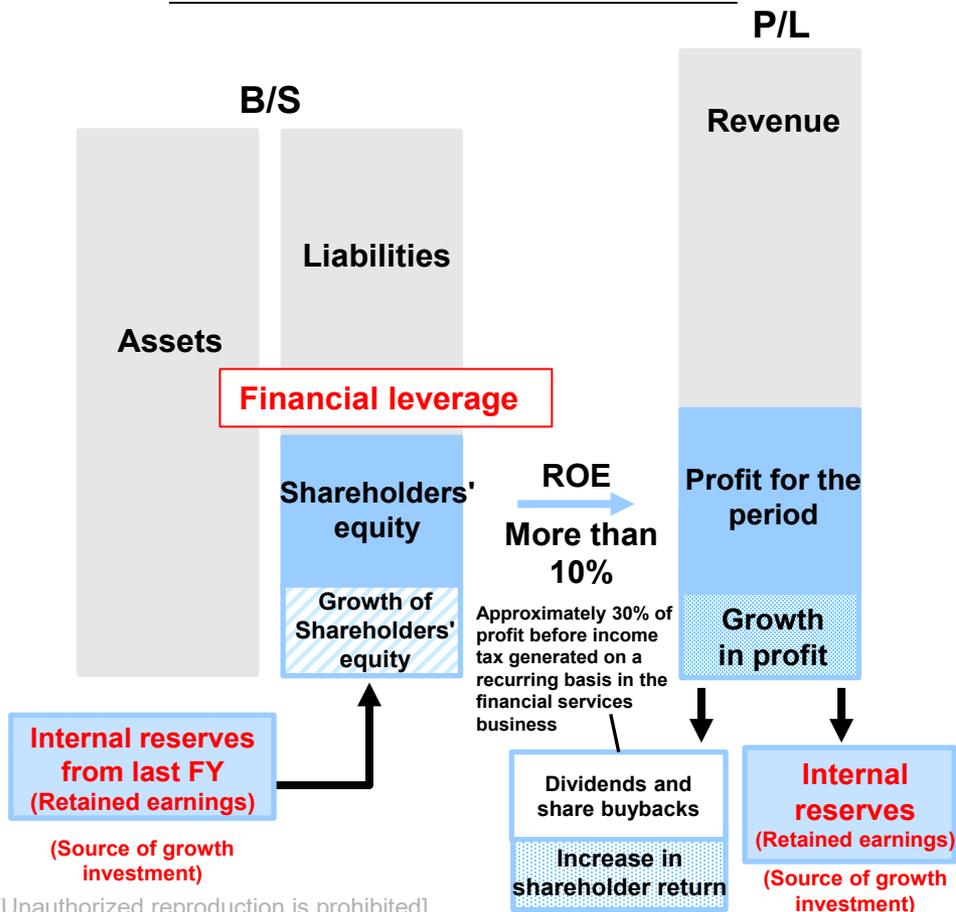
Rating Agency	Rating	Rating outlook	Date
NICE Credit Rating	A- → A	Stable	May 10, 2022
Korea Credit Rating	A- → A	Stable	May 17, 2022

2. Promoting M&A Strategies that Bring About Discontinuous Expansion in Business Scale

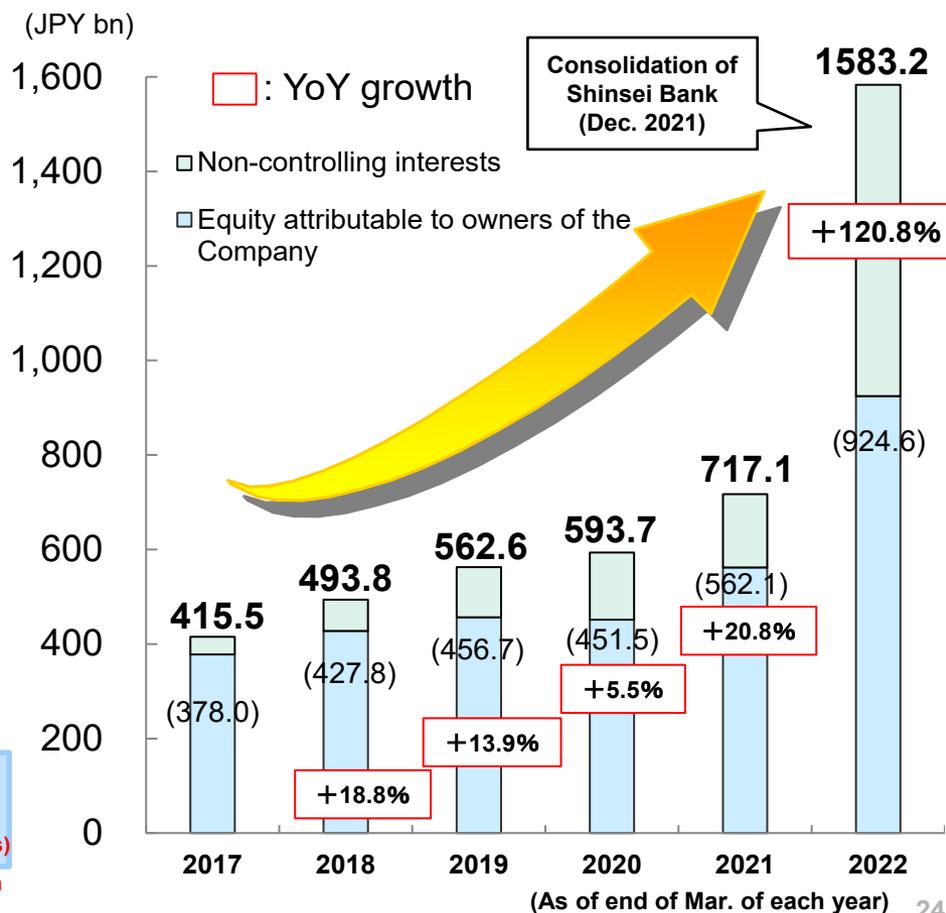
Financial Strength to Support Expansion Through M&As

- Secure stable funds through sustainable business growth and **return a portion to shareholders** while building up retained earnings and **investing in further growth areas**
- Link invested capital to ROE that exceeds shareholders' expected rate of return (cost of equity), **leading to profit growth and increased dividends**, as well as **increased capital for investment in the next stage of growth**

SBI Group's Approach to Shareholder Returns and Growth Investment



SBI Holdings' Consolidated Net Assets



3. Approach to return on equity (ROE)

A Key Management Indicator Related to an Increase in Shareholder Value; Striving to Consistently Sustain a Return on Equity (ROE) of 10% or More

Comparison with the average return on equity (ROE) of companies listed on the First Section of the Tokyo Stock Exchange (%)

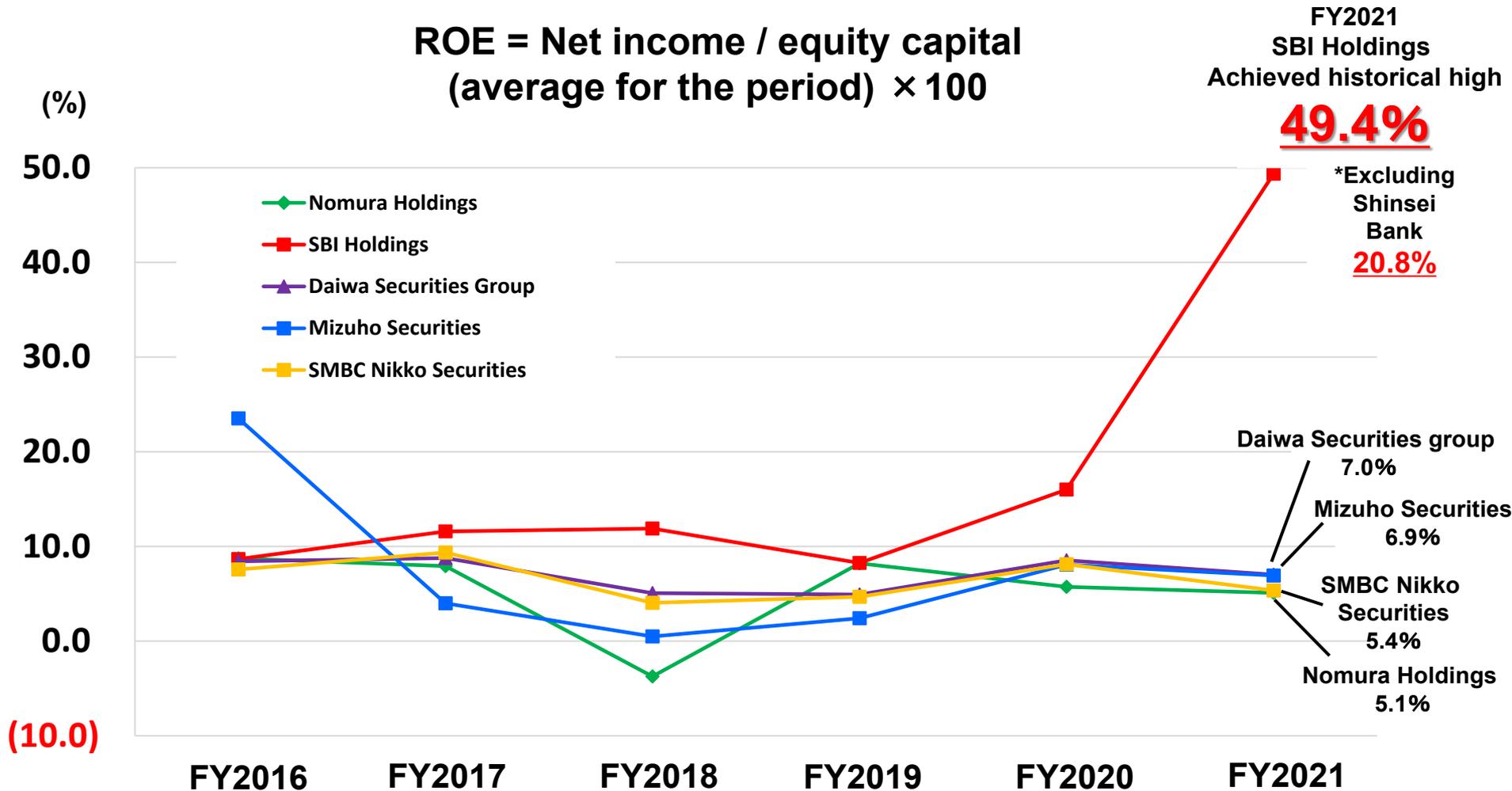
	FY2018 (April 2018 - March 2019)	FY2019 (April 2019 - March 2020)	FY2020 (April 2020 - March 2021)	FY2021 (April 2021 - March 2022)
SBI Holdings	<u>11.9</u>	<u>8.3</u>	<u>16.0</u>	<u>49.4</u> (Excluding Shinsei Bank 20.8)
All companies including financial business	8.3	5.8	6.9	
Manufacturing	8.9	5.3	6.8	
Non-manufacturing	10.0	7.1	8.2	
Banking business	4.4	4.3	4.1	
Securities, commodity derivatives business operators	0.9	6.6	7.9	
Insurance business	6.9	5.3	7.1	
Other financial business	10.5	10.0	8.5	

3. Approach to return on equity (ROE)



ROE Comparison of the SBI Group and Other Companies

$$\text{ROE} = \text{Net income} / \text{equity capital} \text{ (average for the period)} \times 100$$

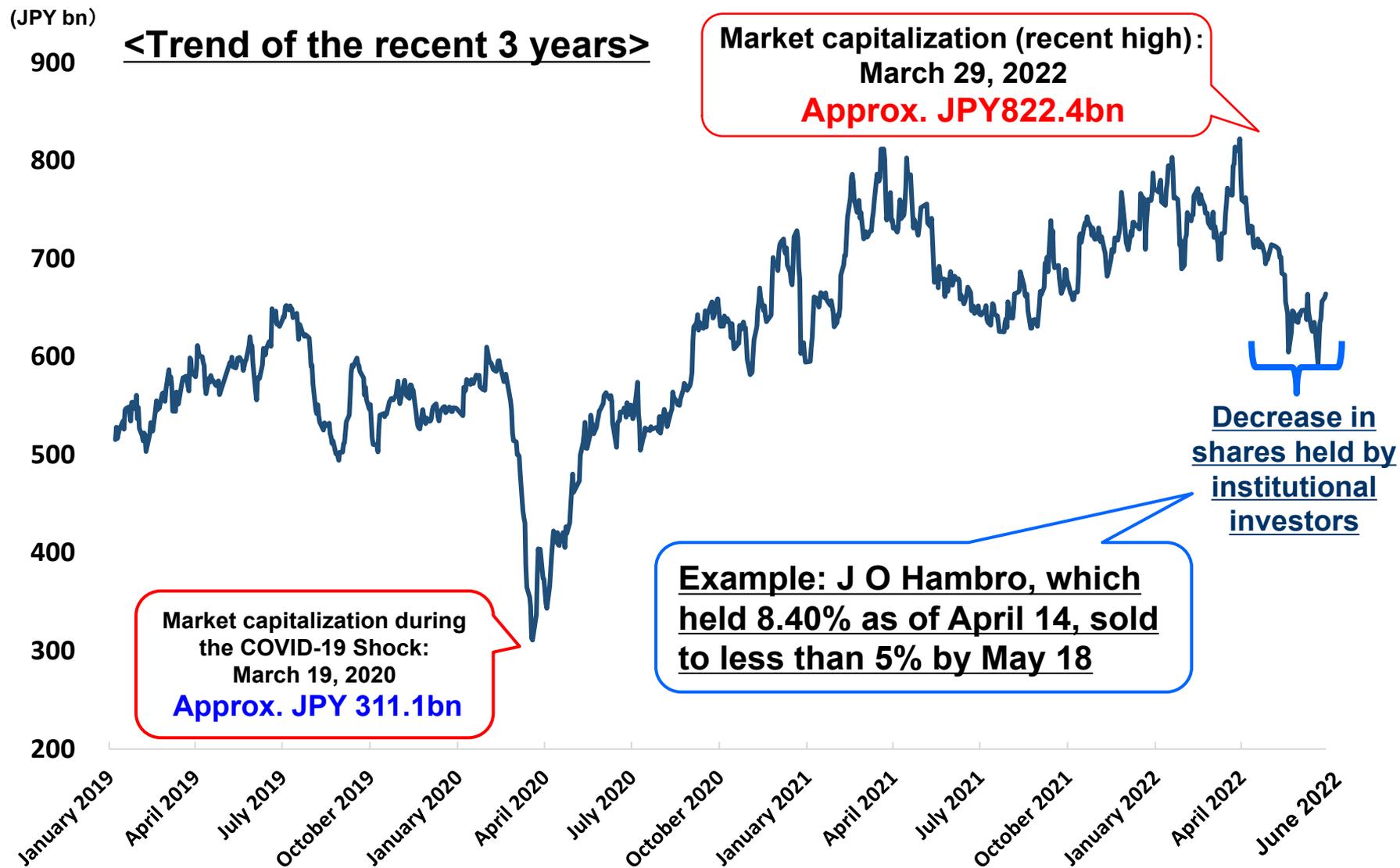


*As of the end of each FY

Source: prepared by the company based on each company's full-year financial results for FY 2021

Recent Trends of Market Capitalization

Market capitalization (Based on the closing price of June 28, 2022) **JPY 664.1 billion**



Each Analyst's Analysis Indicates that the SBI's Stock Price is Valued at a Considerably Lower Than the Actual Corporate Value

< Analyst Report Issued in May 2022 >

	Target price (JPY)	Market capitalization at target price*(JPY bn)	Difference between market capitalization at target price and current market capitalization of SBI Holdings
Company A	3,600	882.7	+33%
Company B	3,700	907.2	+37%
Company C	3,340	819.0	+23%
Company D	3,300	809.2	+22%
Company E	4,500	1,103.4	+66%
Company F	3,500	858.2	+29%
Company G	4,000	980.8	+48%

*Calculated by multiplying each company's target stock price, etc. by the total number of shares outstanding (excluding treasury stock)

Stock price of SBI Holdings (JPY)

2,708

Market capitalization (JPY bn)

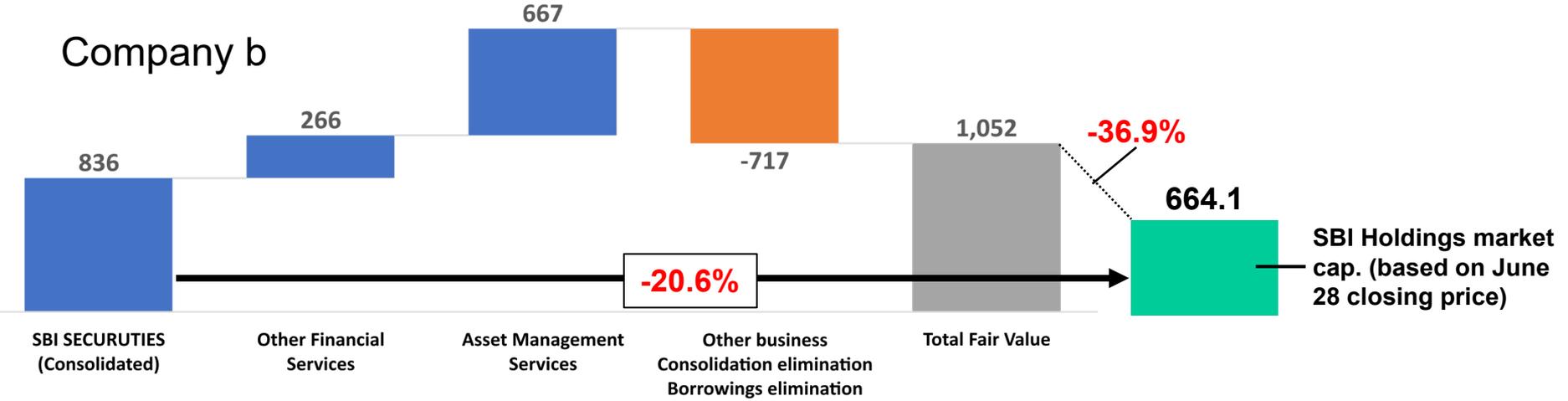
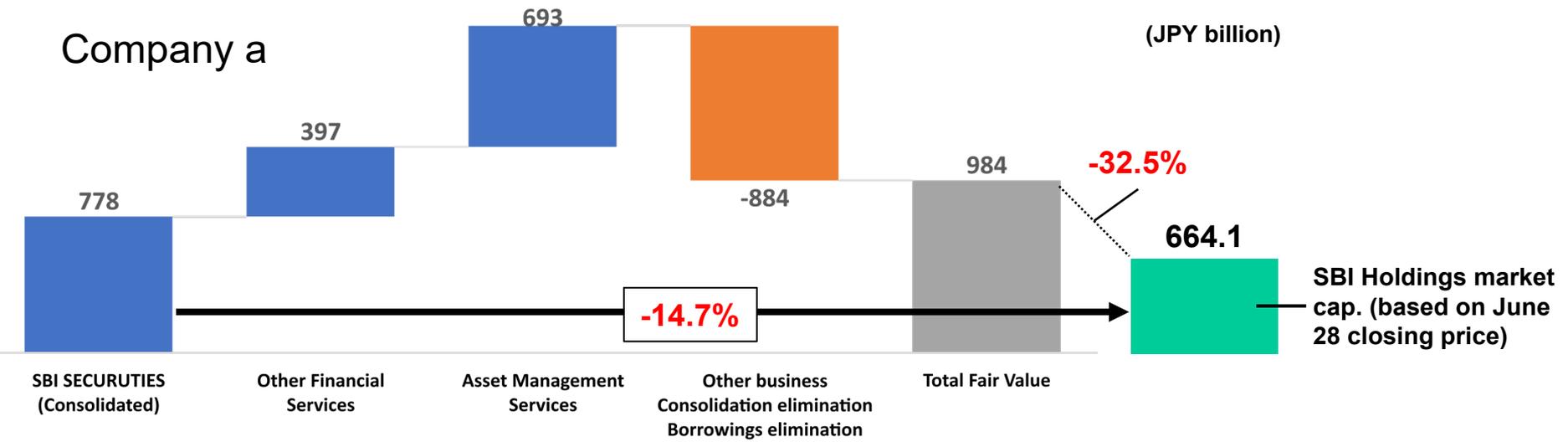
664.1

(based on closing price on June 28, 2022)

4. Achieve a balanced shareholder composition

Case Study - Analyst SOTP (Sum of the Parts) Analysis

-SBI Holdings market cap. undervalued even compared to SBI SECURITIES consolidated enterprise value-



*Calculated by SBI Holdings based on the analyst report

4. Achieve a balanced shareholder composition

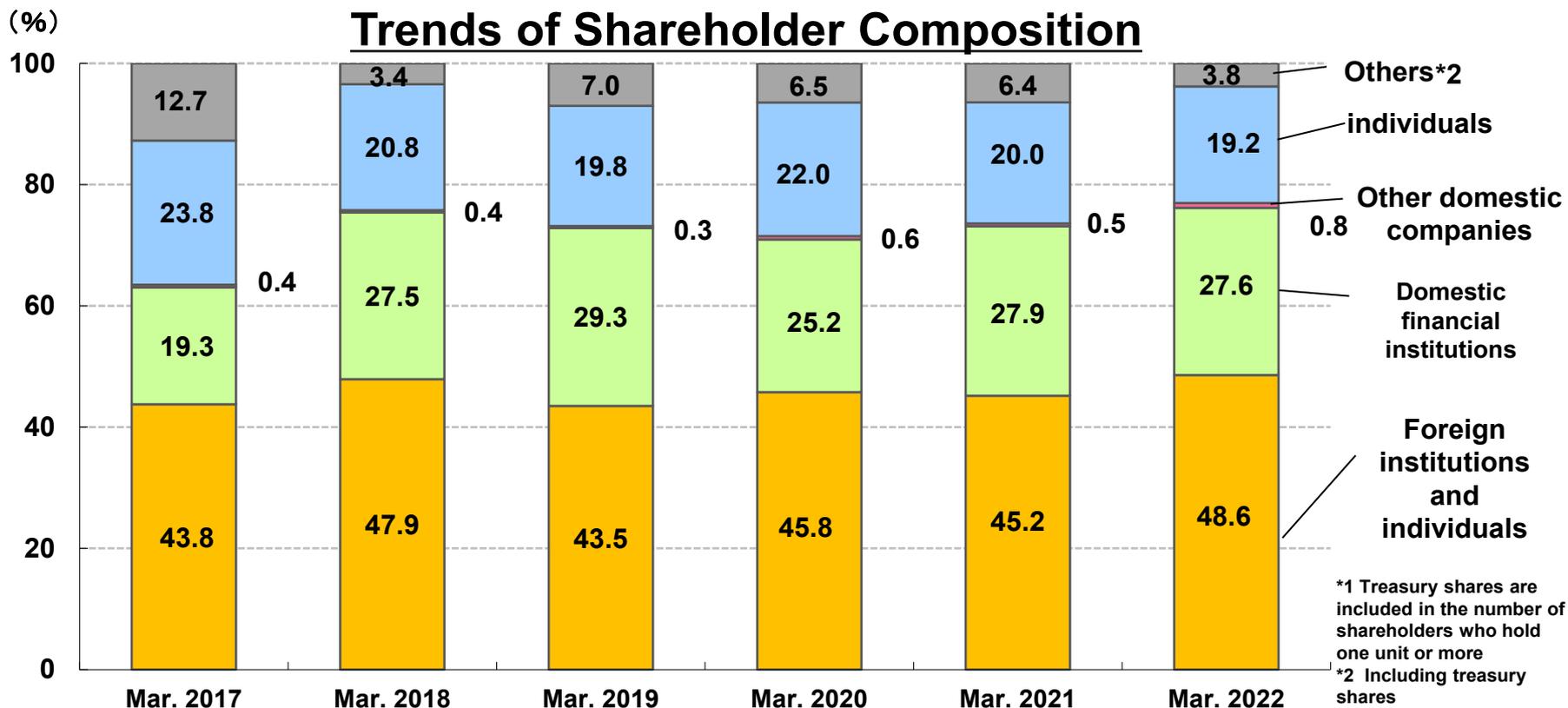
SBI Group's Consideration of Shareholder Composition

- ◆ The total number of shareholders is 134,576, of which the number of shareholders who hold one unit or more is 88,261*1
- ◆ Shareholding ratio of domestic and foreign institutional investors is 76.1%

According to the Foreign Exchange and Foreign Trade Act provisions, even a domestic company would be regarded as a foreign investor if the foreign shareholders or corporations come to hold a total of 50% or more of the voting rights. Moreover, the regulations would be implemented for inward direct investment in the "domestic company"



Actively promote initiatives for individual investors to raise the ratio of individual shareholders to achieve a balanced shareholder composition



4. Achieve a balanced shareholder composition

Further Strengthening Investor Relations and Increasing the Number of Individual Shareholders, in Addition to a Steady Track Record and Future Growth Expectations

1. Proactive disclosure of information

2. Offer high dividends

3. Attractive shareholder benefits

4. Improve recognition of SBI Holdings by expanding contact with individuals

A large, pink, downward-pointing arrow with a thin red outline, pointing from the four strategy boxes towards the concluding text.

Endeavor towards becoming more attractive to individual investors

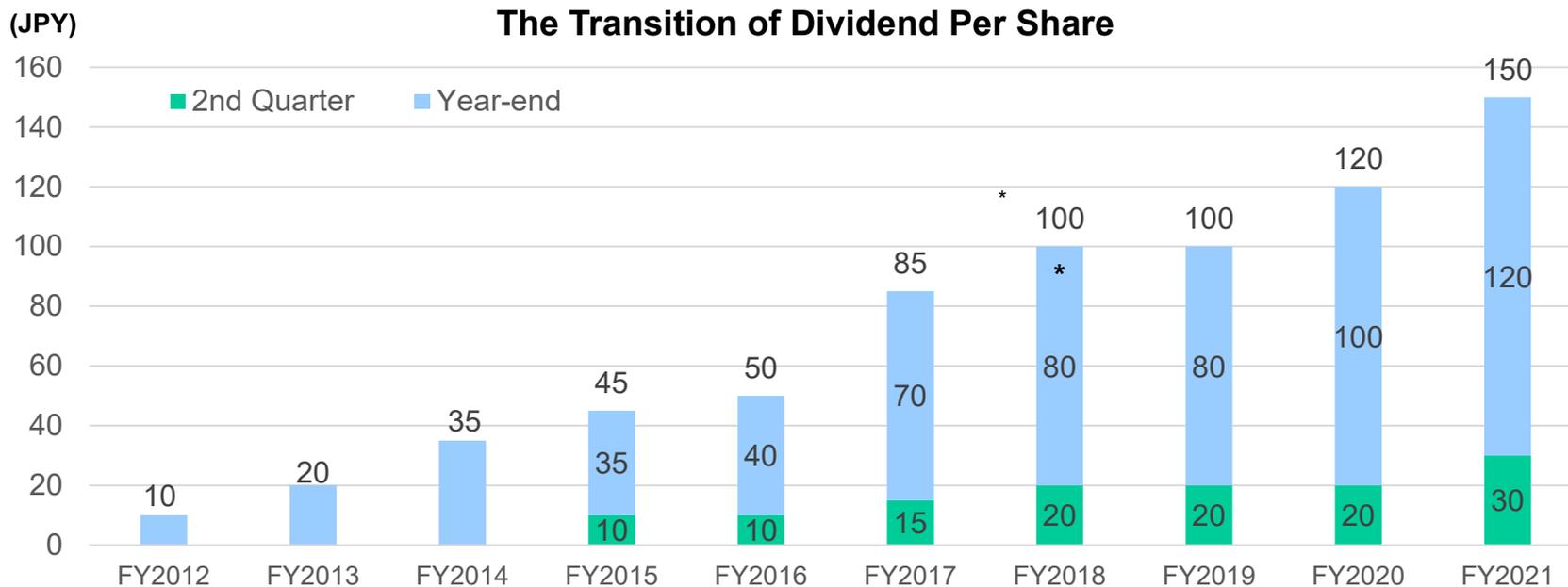
4. Achieve a balanced shareholder composition

Dividends for the FY 2021

■ Dividend Per Share

	Interim	Year-end	Full-year	Total payout ratio (%)
FY 2021	<u>JPY 30</u>	<u>JPY 120</u>	<u>JPY 150</u>	<u>10.0</u>
FY 2020	JPY 20	JPY 100	JPY 120	36.2

Gains/losses on the fair value of operating investment securities and gains on negative goodwill associated with making Shinsei Bank a consolidated subsidiary, so called the ratio of the total amount of **profits without cash flows account for 81%, an extremely high level** on making some adjustments when deciding the dividend forecast



4. Achieve a balanced shareholder composition

Shareholder Benefits to be Conducted in Continuation with the Previous Fiscal Year

[Details of shareholder benefits] * Shareholders listed or recorded in the shareholder register as of Mar. 31, 2022 are eligible

Qualified shareholders	Shareholders who have <u>held shares for more than 1 year</u> and who hold <u>1,000 (10 units) or more shares</u> as of Mar. 31, 2022	For shareholders other than the left column, those who hold <u>100 shares (1 unit) or more</u> , as of Mar. 31, 2022
Details		
Crypto asset XRP	<u>Equivalent to JPY 8,000</u> (*1)	<u>Equivalent to JPY 2,000</u> (*1)

*1: XRP conversion is expected to be based on the exchange rate as of July 29, 2022



[Products distributed by SBI ALApromo can also be selected]

ALA PLUS TOH DOWN ALACIA (10 capsules)	<u>One</u>	<u>One</u>
ALA PLUS TOH (Sugar) DOWN (10 capsules)	<u>One</u>	<u>One</u>
"Hatsugagenmai no Sokojikara" (160g)	<u>Three</u>	<u>Three</u>
ALA PLUS GOLD EX (60 capsules)	<u>Two</u>	—
Cosmetic ALA PLUS Concentrated Serum	<u>One</u>	<u>One</u>
ALA PLUS Cosmetic Series 5 products (*2)	<u>One of each</u>	—

*2 ALA PLUS Moisturizing Cream, ALA PLUS Essential Lotion, ALA PLUS Deep Cleansing Gel, ALA PLUS Pure Clay Wash, ALA PLUS Body Cream Alapi

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

5. Value Manifestation Through Group Companies' Initial Public Offerings and Stock Sales

Example of striving to go public ①: Specialized Internet bank, SBI Sumishin Net Bank

SBI Sumishin Net Bank announced on the 7th that it would postpone its initial public offering (IPO), which was scheduled for the 24th. The duration of the listing postponement has not yet been determined at this time. As stated, it comprehensively took into account the situation in Ukraine and recent market trends."

SBI Sumishin Net Bank received listing approval from the Tokyo Stock Exchange on February 15th and was scheduled to be listed on the First Section of the Tokyo Stock Exchange (TSE) on March 24th.

Based on the estimated issue price of JPY1,920 at the time of listing approval, the company's market capitalization was approximately JPY 300 billion, comparable to that of Aozora Bank and other banks.

Entering 2022, this is the fourth IPO to be missed by a company that has received listing approval. This is the first time since Russia's invasion of Ukraine that an IPO has been postponed.

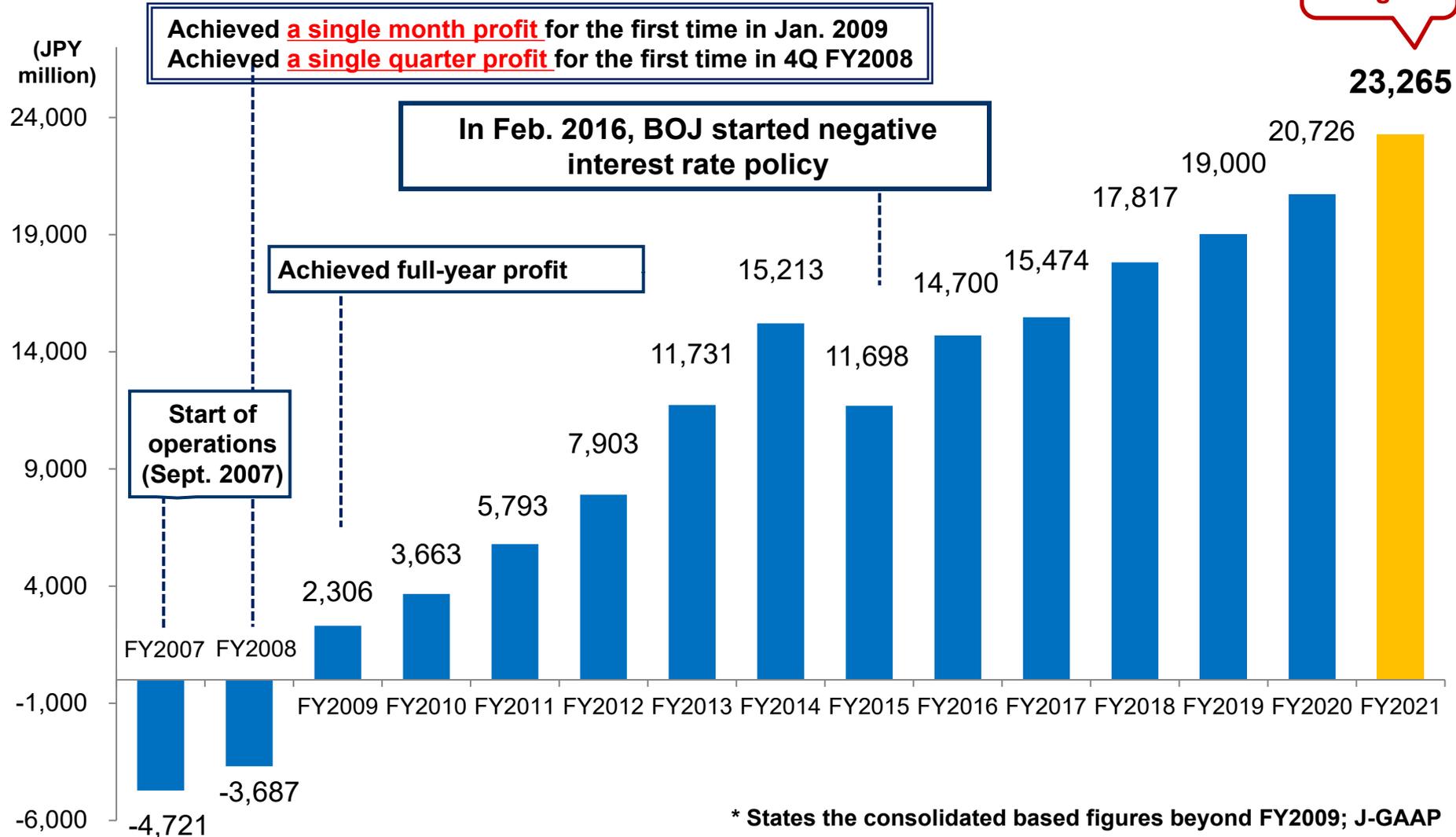
(March 8, 2022, Nikkei, Morning Edition)



Determine IPO timing by monitoring market conditions

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

-Record performance for the fiscal year ending March 31, 2022-



5. Value Manifestation Through Group Companies' Initial Public Offerings and Stock Sales

Example of striving to go public ②:

SBI Leasing Services, which engages in the operating lease business

[SBI Leasing Services' Financial Results for FY2021]

(J-GAAP, Unit: JPY million)

	FY2020 (Apr.2020-Mar.2021)	FY2021 (Apr.2021-Mar.2022)	YoY % change
Revenue	11,998	29,556	+146.3
Operating Income	396	3,280	+728.3

Exclusively limited to the origination of airline companies with high credit ratings and efforts for ship deals, and to achieve a significant year-on-year increase in sales and profit due to strengthened efforts in shipbuilding projects, etc.

Preparing to go public to enable autonomous growth

Promoting the Securing of Highly Skilled and Specialized Talent in Various Fields Including Finance and Technology

- (1) Expand the recruitment of outstanding global talent by **raising the pay table covering starting salary for new graduates and employees with up to three years' seniority to the highest level in the industry**, as well as by enhancing recruitment campaigns for new graduates as the core candidates who will carry the rapidly expanding SBI Group into the future

① Revise starting pay for new graduates

From Apr. 2022, implement **a 16.8% increase from JPY 250,000 per month to JPY 292,000**

② Revise pay table up to three years' seniority

In the pay table **covering up to three years' seniority as well, raise the three-year total by 16.7%—at the highest level in the industry. Move up the tenure for entry into management from five years or longer (currently) to four years or longer**, to realize a working environment with the awareness that outstanding talent would become management candidates earlier

- (2) To adequately compensate full-time employees for playing an active role, and not just officers, **a compensation system that reflects consolidated Group earnings is being prepared for introduction in June 2022**
- (3) Developing promising talent at the **SBI Graduate School**
- Implementing SBI Group Senior Manager Training Program
 - Obtaining an MBA using the company dispatch system

Example of Building New Business Through Active Promotion of Young Talent (i)



SBI e-Sports, offering e-Sports business that serves as a point of contact with the digital native generation

Established	June 2020
Representative	Masatoshi Kotani (5th year at SBIH, in his thirties)
Principal business	<ul style="list-style-type: none"> ➤ Management of professional esports teams ➤ Management of esports media ➤ Provision of services such as esports-related consulting

The younger digital generation (under 34 years old) spends more time on SNS, video distribution sites and other Internet media than on TV and other media, making it difficult to reach them with traditional advertising



SBI e-Sports was established in June 2020 and newly entered the e-sports field. Efforts to strengthen contact with the digital native generation are taking shape through the operation of a professional gaming team, etc.

Example of Building New Business Through Active Promotion of Young Talent (ii)



SBI Africa, an exporter of used automobiles and development of financial business

Established	August 2019
Representative	Tomoya Kitagawa (9th year at SBIH as a new graduate, in his thirties)
Principal business	<ul style="list-style-type: none"> ➤ Exports of Japanese used cars to overseas markets ➤ Provision of financial services in partnership with overseas financial institutions ➤ Venture capital investments in the Africa, etc.

According to the latest United Nations forecast, the population is expected to increase rapidly from 1.066 billion in 2019 to 2.118 billion in 50 years, and the economy is expected to expand accordingly. The company expands its business to **Africa which is also known as the "the Last Growing Frontier"**

Recent activities: Offering a financing scheme of Komatsu construction equipment in Africa

As Africa has abundant reserves of natural resources and **demands for mining rare metals and minerals are expected to continue**, SBI Africa in collaboration with Komatsu and Komatsu Europe, exports and sells **new construction equipment manufactured by Komatsu** to Kenya. **Real asset finance schemes** are also offered together with.

< Examples of construction equipment models >

Hydraulic excavator



Motor grader for road paving



Example of Building New Business Through Active Promotion of Young Talent (iii)

SBI Group and SOMPO Group jointly established **SS Trading**, a joint venture in the used auto parts sector



Established	May 2022
Representative	Takuma Shoda (7th year at SBIH as a new graduate, in his twenties)
Principal business	<ul style="list-style-type: none"> ➤ Export and sale of commercialized used auto parts ➤ Realization of traceability in used auto parts from Japan using blockchain ➤ Prediction of end-of-life vehicle purchase demand using machine learning, etc.

The representative, Shoda, has been active in the IT field since joining the SBI Group. Two years ago, he **created the application for the cross-border EC "SBI Motor Japan"** at SBI Africa and has **carried out over 800 functional modifications** as a project manager and grew the number of registered members to 50,000, monthly PV to 300,000 and monthly sales to 500 units

II. Approach towards the comprehensive capital and business alliance with the SMBC Group

- 1. SBI Group has built a relationship and established a track record with SMBC Group in a wide range of fields, centered on the basic agreement signed in April 2020**
- 2. The essential concept of this alliance for the SBI Group**
 - With regards to the capital, business and financial industry perspectives-**

The SBI Group Has Built a Partnership with the SMBC Group in a Wide Range of Fields and Accumulated a Lot of Achievements, Centering on the Contents of the Basic Agreement Concluded in April 2020



April 2020, "Basic Agreement" on strategic capital and business alliance between SBI Group and SMBC Group

#	Items	Related companies (SMFG)	Related companies (SBI)	Overview
①	Smartphone securities and financial services intermediary businesses	 SMBC 三井住友フィナンシャルグループ [Sumitomo Mitsui Financial Group]	 SBI証券 [SBI SECURITIES]	<ul style="list-style-type: none"> SMFG invests 20% in SBI Neo Mobile Securities <div style="border: 1px solid black; padding: 5px; text-align: center;">November 2020</div>
②	Joint provision of securities business for regional financial institutions	 SMBC日興証券 [SMBC Nikko Securities]	 SBI Moneyplaza	<ul style="list-style-type: none"> SMBC Nikko Securities invests 33.4% in SBI MONEYPLAZA Secondment of salesman and internal control managers <div style="border: 1px solid black; padding: 5px; text-align: center;">December 2020</div> <ul style="list-style-type: none"> Collaboration toward the sale of real estate trust beneficiary rights is under consideration <div style="border: 1px solid black; padding: 5px; text-align: center;">January 2021</div>
③	Investing in new funds		 SBI Holdings SBI Investment	<ul style="list-style-type: none"> invested by Sumitomo Mitsui Banking Corporation to Japan's largest venture capital fund, "4 + 5 fund" <div style="border: 1px solid black; padding: 5px; text-align: center;">August 2020</div>
④	Providing services for regional revitalization	 SMBC日興証券 [SMBC Nikko Securities]	 SBI Holdings SBI NEO FINANCIAL SERVICES	<ul style="list-style-type: none"> Foster consideration of jointly providing a new financial system for regional financial institutions
⑤	Securities system and securities office work	 SMBC日興証券 [SMBC Nikko Securities]	 SBI証券 [SBI SECURITIES]	<ul style="list-style-type: none"> Transmitting and receiving information is restricted by legal firewall regulations, but we are considering fields where there is room for collaboration to improve efficiency based on mutual information exchange

Other business alliances

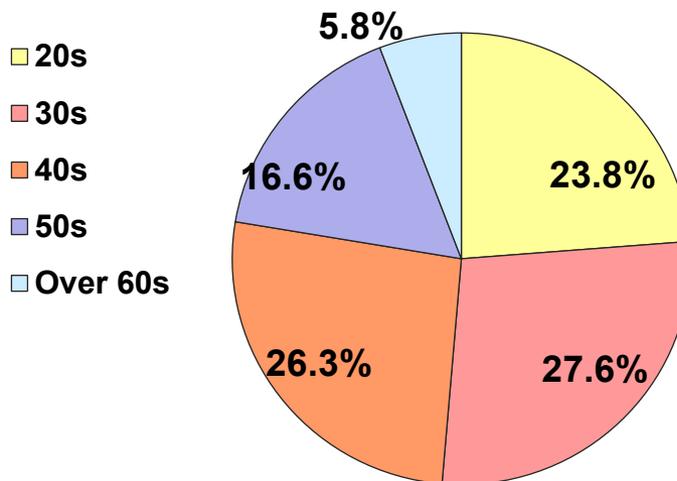
⑥ Cooperation between SBI SECURITIES and Sumitomo Mitsui Card (cumulative investment, V point related, account functionality, etc.)

⑦ Alliances in advanced fields

① SBI NEOMOBILE SECURITIES Which Targets Beginners of Investing and the Younger Customer Base

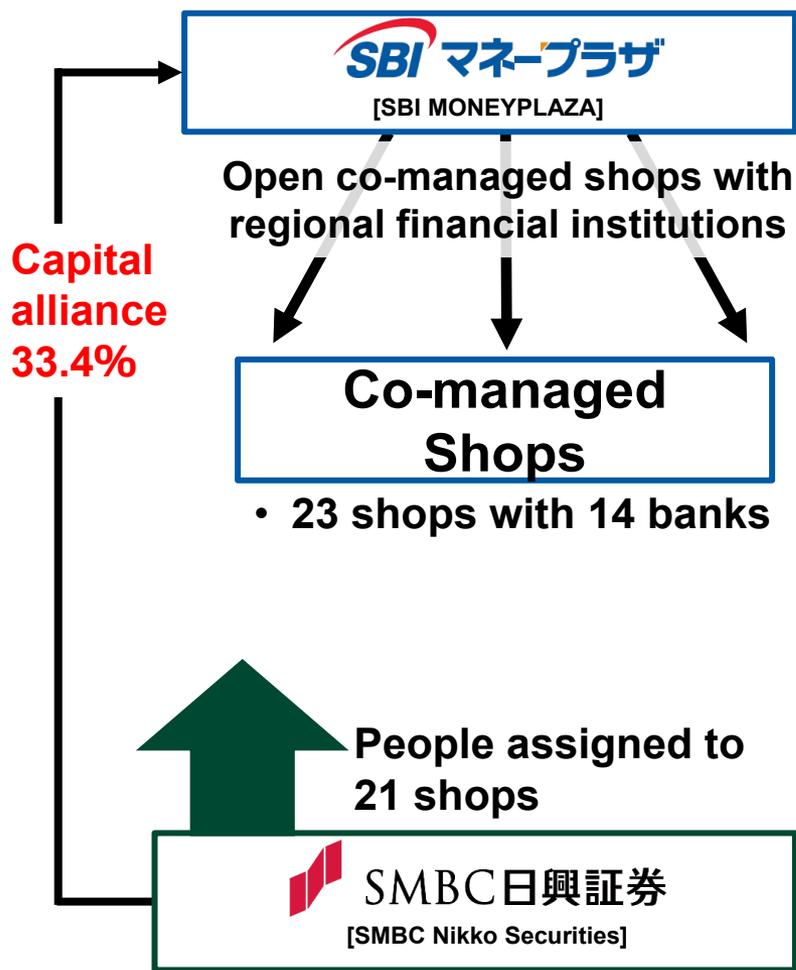


Breakdown of customer attributes (by age)

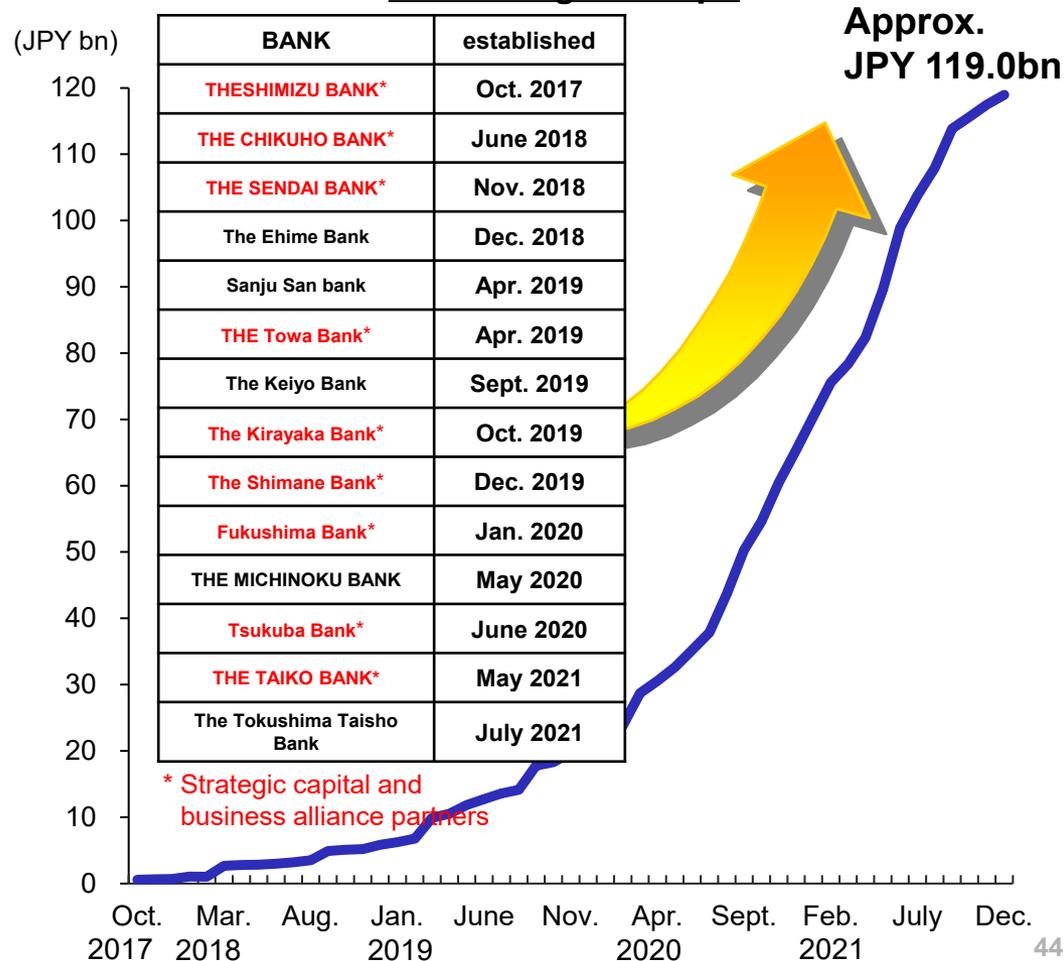


- 51% of SBI NEOMOBILE SECURITIES' customer base is in their 20s and 30s, contributing to the acquisition of younger customers who will form the foundation for the future
- In addition to domestic stocks, IPOs, iDeCo, etc., SBI NEOMOBILE SECURITIES has expanded its product lineup to include FX and warrants. The company will continue to strengthen its offerings of products in high demand

② In Co-Managed Shops between **SBI MONEYPLAZA** and Regional Financial Institutions, SMBC Nikko Securities, which has Capital Participation in SBI MONEYPLAZA, Also Deploys Its Personnel at the Co-Managed Shops



Changes in customers' Deposit assets at co-managed shops



③ Further Accelerate the Digital Strategy by Strengthening Collaboration with Venture Companies through Investment in the “SBI 4+5 Fund”

One of Japan's largest
venture capital



Mega bank group



Operation

Further accelerate digital
strategy, by collaborating with
investee startup companies

Agreement to
participate
as a strategic
investment

「Common Name: 4+5 Fund」

Total JPY
100bn

A venture capital fund that invests in fintech, AI, blockchain, Industry 4.0-related issues (IoT, robotics, etc.), Society 5.0-related issues (healthcare infrastructure, food and agriculture)

2. The essential significance of this capital and business alliance for the SBI Group

① Capital perspective

Contributes to the establishment of a solid funding structure to promote the major strategies that the SBI Group envision

② Business perspective

The alliance between the SBI Group and SMBC Group will evolve and deepen, contributing significantly to further expansion of each other's customer base

③ Financial industry perspective

Facilitating the restructuring of both the securities and banking industries and contributing to the expansion of the people's asset formation through the introduction of innovative technologies and products, etc.

① Capital perspective

For the SBI Group, the Essence of the Alliance is the **Expansion of the Funding System for the Further Dramatic Growth of the Group**

- **A solid funding system is essential to promote the major strategies toward the future vision drawn by the SBI Group**

<Funding through Indirect Financing>

In addition to the two megabanks, **the main bank; Mizuho Bank, and Sumitomo Mitsui Banking Corporation, which is newly positioned as a quasi-main bank, Sumitomo Mitsui Trust Bank, which promotes joint ventures, will support making the further leap of SBI Group,**

<Funding through Direct Financing>

In addition to **SBI SECURITIES, which has refined its procurement capacity, there are supports from Daiwa Securities, Nomura Securities, Mizuho Securities, and SMBC Nikko Securities**

Building a comprehensive funding system, ensuring management stability, and unflinchingly promoting M&A in Japan and overseas

① Capital perspective

Recent Fundraising through the CBs, Straight Bonds, and Other Schemes, as Well as through Subsidiary Listing Deals

-Through aggressive business development, the Group has built relationships with financial institutions and established its financing structure-

<Status of bonds and other financing (Apr. 2019~)>

	Underwriter	Par Value (JPY mn)	Term	Lead Underwriter
Straight bond	The 17th Unsecured Bonds	25,000	2019/5~2022/5	Daiwa Securities, SBI SECURITIES
	The 18th Unsecured Bonds	25,000	2019/5~2024/5	Daiwa Securities, SBI SECURITIES
	The 19th Unsecured Bonds	20,000	2019/12~2022/12	Daiwa Securities, SBI SECURITIES
	The 20th Unsecured Bonds	25,000	2019/12~2024/12	Daiwa Securities, SBI SECURITIES
	The 21st unsecured Bonds	15,000	2020/6~2023/6	Daiwa Securities, SBI SECURITIES
	The 22nd unsecured Bonds	10,000	2020/6~2025/6	Daiwa Securities, SBI SECURITIES
	The 23rd unsecured Bonds	25,000	2020/12~2023/12	Daiwa Securities, SBI SECURITIES, Mizuho Securities, SMBC Nikko Securities
	The 24th unsecured Bonds	30,000	2020/12~2025/12	Daiwa Securities, SBI SECURITIES, Mizuho Securities, SMBC Nikko Securities
	The 25th unsecured Bonds	40,000	2021/7~2024/7	Daiwa Securities, Nomura Securities, SBI SECURITIES, Mizuho Securities
	The 26th unsecured Bonds	40,000	2021/7~2026/7	Nomura Securities, Daiwa Securities, SBI SECURITIES, Mizuho Securities
	The 27th unsecured Bonds	70,000	2021/12~2024/12	Daiwa Securities, Nomura Securities, SBI SECURITIES, Mizuho Securities, SMBC Nikko Securities, Citigroup Inc.
	The 28th unsecured Bonds	50,000	2021/12~2026/12	Nomura Securities, Daiwa Securities, SBI SECURITIES, Mizuho Securities, SMBC Nikko Securities, Citigroup Inc.
MTN	SBI Bond No.39	25,000	2019/6~2021/6	Mizuho Securities Asia Limited, SBI Securities (Hong Kong) Limited
	SBI Bond No.40	30,000	2020/4~2022/4	Mizuho Securities Asia Limited, SBI Securities (Hong Kong) Limited
	SBI Bond No.41	40,000	2021/5~2023/5	Mizuho Securities Asia Limited, SBI Securities (Hong Kong) Limited
	SBI Bond No.42	30,000	2021/7~2023/7	Mizuho Securities Asia Limited, SBI Securities (Hong Kong) Limited
CB	Euro Yen Convertible Bonds due 2025	70,000	2020/7~2025/7	Nomura International plc, SBI Securities (Hong Kong) Limited, Daiwa Capital Markets Europe Limited

Example 1 of listing deals: **SBI Sumishin Net Bank, an online banking** (a joint venture with Sumitomo Mitsui Trust Bank)

- Joint lead underwriters

Domestic: **Nomura Securities, SMBC Nikko Securities, SBI SECURITIES, Daiwa Securities**

Overseas: 8 overseas securities companies

Example 2 of listing deals: **SBI Leasing Service**, which engages in the operating lease business

- Lead underwriter: **Daiwa Securities**
- Co-leading underwriter: **Mizuho Securities, SBI SECURITIES**

Outline of the Offering of New Shares to Be Issued by Means of Third-Party Allotment

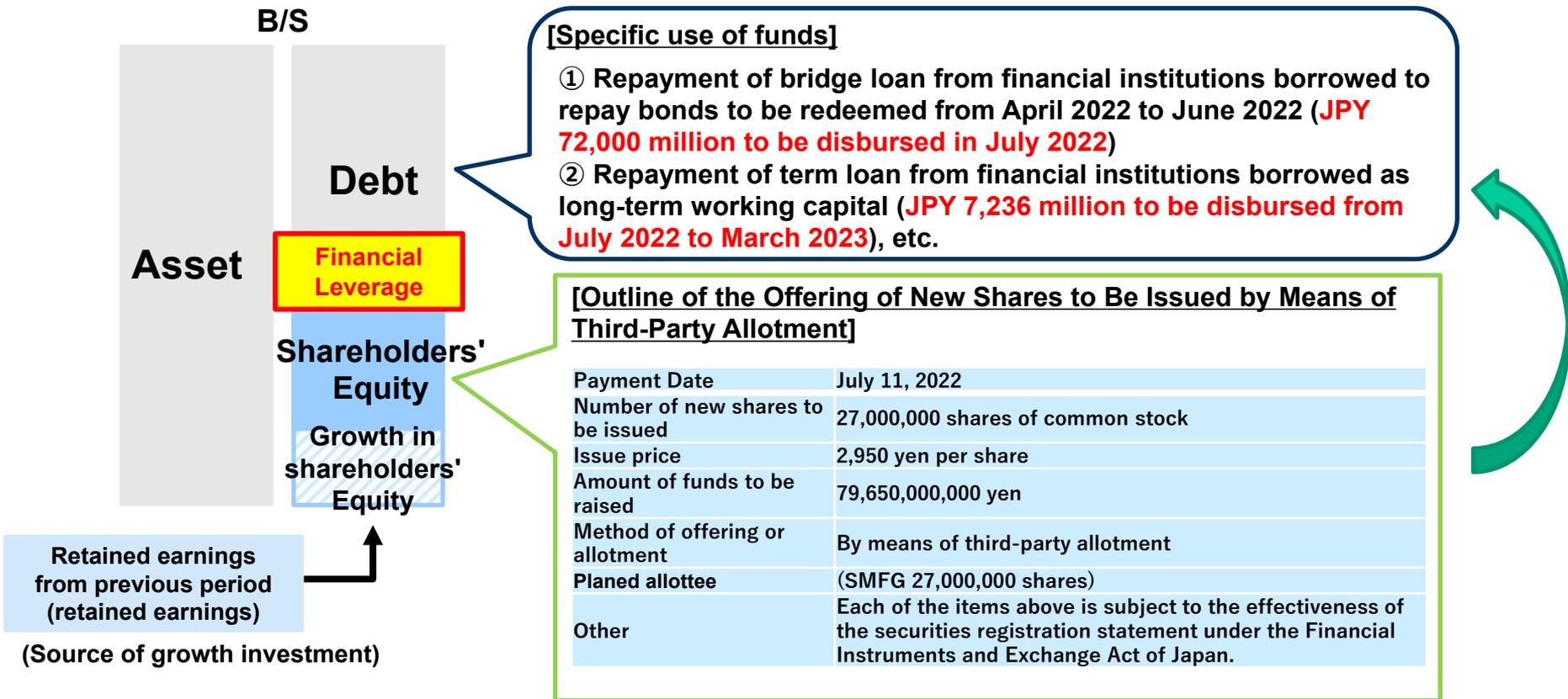
Payment Date	July 11, 2022
Number of new shares to be issued	27,000,000 shares of common stock
Issue price	JPY 2,950 per share (Decided in the discussions and negotiations with SMFG, taking into account the average share price over a certain period of time)
Amount of funds to be raised	JPY 79,650,000,000
Method of offering or allotment	By means of third-party allotment
Planned allottee	(SMFG 27,000,000 shares)
Other	Each of the items above is subject to the effectiveness of the securities registration statement under the Financial Instruments and Exchange Act of Japan.

SMFG will become the largest shareholder in Japan, but SBI will continue to operate the business completely independently

① Capital perspective

Use of Funds Raised at This Round

• Together with strengthening equity capital through the Third-Party Allotment, by appropriating it to the repayment of borrowings from financial institutions, the Company will be able to increase its capacity to raise debt financing and enhance its fundraising base to advance its business alliance with the SMBC Group to provide, etc. new digital financial services for individuals and ensure its capacity to invest in M&A deals that the Company believes could be implemented in the future to further expand its business base



Enhance the SBI Group's corporate value and shareholder value over the medium to long term by strengthening the fund-raising base, which will exceed the dilution of common stock

② Business operations

Providing Digital Financial Services for Individuals through the "SBI-SMBC Alliance" to Make SBI SECURITIES by Far the Best of All

Business alliance in digital financial services for individuals.

- **SBI SECURITIES becomes primarily online securities-related services on the SMBC Group's digital channels**
SBI SECURITIES will become the primary provider of online securities-related services in the SMBC Group's personal digital financial services. In addition, SBI SECURITIES' online securities provide service will be seamlessly provided for customers who are already using Sumitomo Mitsui Banking Corporation's "SMBC Direct" or Sumitomo Mitsui Card's "Vpass" and for those who newly make transactions with Sumitomo Mitsui Banking Corporation or Sumitomo Mitsui Card
- **Handling of Sumitomo Mitsui Card as a priority partner in the SBI Group's payment and card business**
Specifically, ① recruiting members such as credit cards, ② payment services such as credit cards for the purchase price of investment trusts, and ③ developing new products or services would be handled with Sumitomo Mitsui Card as a priority partner
- **Strongly promote V Point in the SBI Group**
SBI Group promotes "V Point," a point program operated by the SMBC Group, as a major benefit provided to customers in response to transactions with the SBI Group

Establishing a unique position in Japan by providing highly competitive products and services and creating innovative and advanced businesses that lead the market. Striving to contribute to the sound growth and development of financial markets and to have sustainable mutual growth as well

② Business operations

Providing Digital Financial Services for Individuals through the "SBI-SMBC Alliance" to Make SBI Securities by Far the Best of All!

<Service Image>

SMBC Group's new digital financial services for individuals

Banking

Solid customer base
Refined digital channel



三井住友銀行

[Sumitomo Mitsui Bank]

Card / Payment

Cashless
Leading company



三井住友カード

[Sumitomo Mitsui Card]

Online Securities

Internet
securities No.1



[SBI SECURITIES]

Providing a new financial experience

Customers of
the SMBC Group

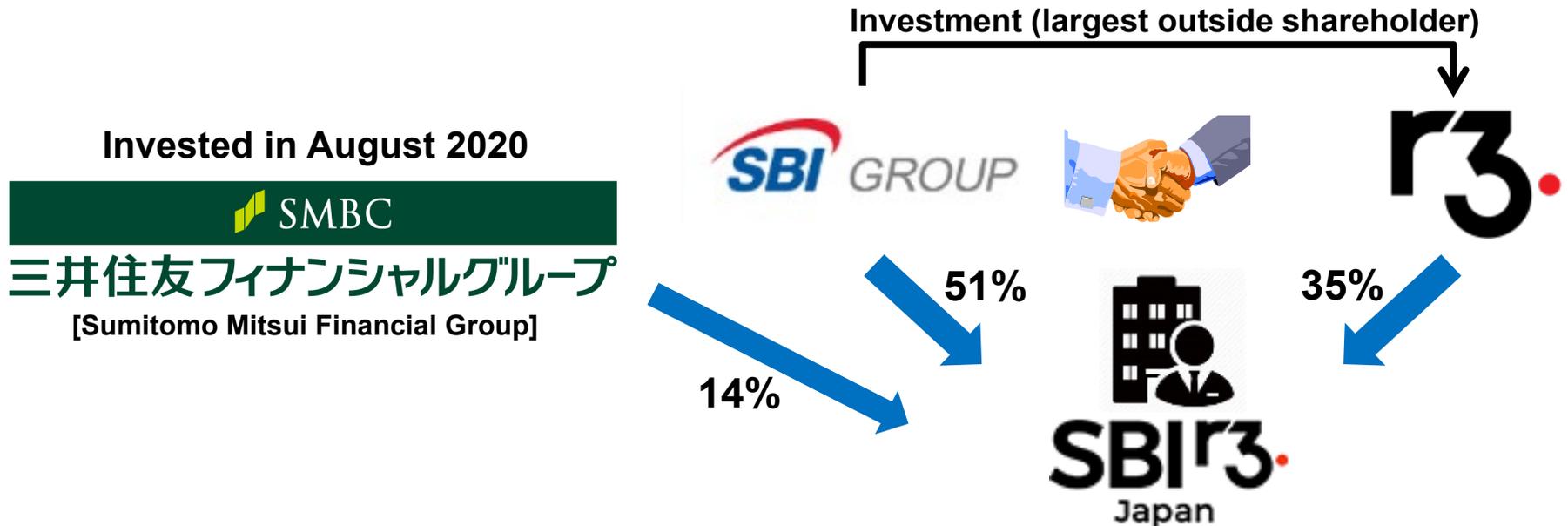


Customers of
SBI SECURITIES



③ From financial industry perspective

Accelerate the Provision of Services Utilizing Distributed Ledger Technology In Collaboration with Sumitomo Mitsui Financial Group



SMBC accelerates digitalization in the trade finance sector

- The only Japanese bank to participate in the **"Marco Polo" project**, a trade platform promoted by R3 and UK-based TradeIX using Corda, from the initial stages and to start providing services to customers in actual transactions in November 2020
- In December 2021, began handling **"Contour," a trade L/C digitization platform** provided by R3 and Singapore-based Contour using Corda. Enable to reduce the previous trade L/C issuance and notification process of 7-14 days to by the same day at the earliest

Collaboration Also Implemented in the Area of Advanced Finance

Money Tap

Creation of next-generation financial infrastructure using U.S. Ripple's technology

Investment by SMBC

Invested in Mar. 2020

 **ODX**
Osaka Digital Exchange Co.,Ltd.

Strive to create a secondary market for security tokens, a next-generation financial product

SMFG investment ratio of 20%

Co-established in Apr. 2021

Deep collaboration in cutting-edge fields beyond the existing financial framework has also been pursued

Operation of Exchanges in the Advanced Field

Osaka Dojima Exchange

Capital

SBI Holdings: 14.57%
 Japannext Securities: 19.42%
 Various other domestic and international brokers and traders

As an exchange that is descended from the Osaka Dojima Rice Exchange, the birthplace of futures trading, it endeavors to become a comprehensive derivatives exchange that ranks among the world's best

Started preparations for listing new commodity issues and willing to enter the field of financial and emissions trading.

Making Osaka to become Asia's derivatives cross-border hub

Osaka Digital Exchange

Capital

SBI Group: 70%
 Sumitomo Mitsui Financial Group: 20%
 Nomura Holdings: 5%
 Daiwa Securities Group: 5%

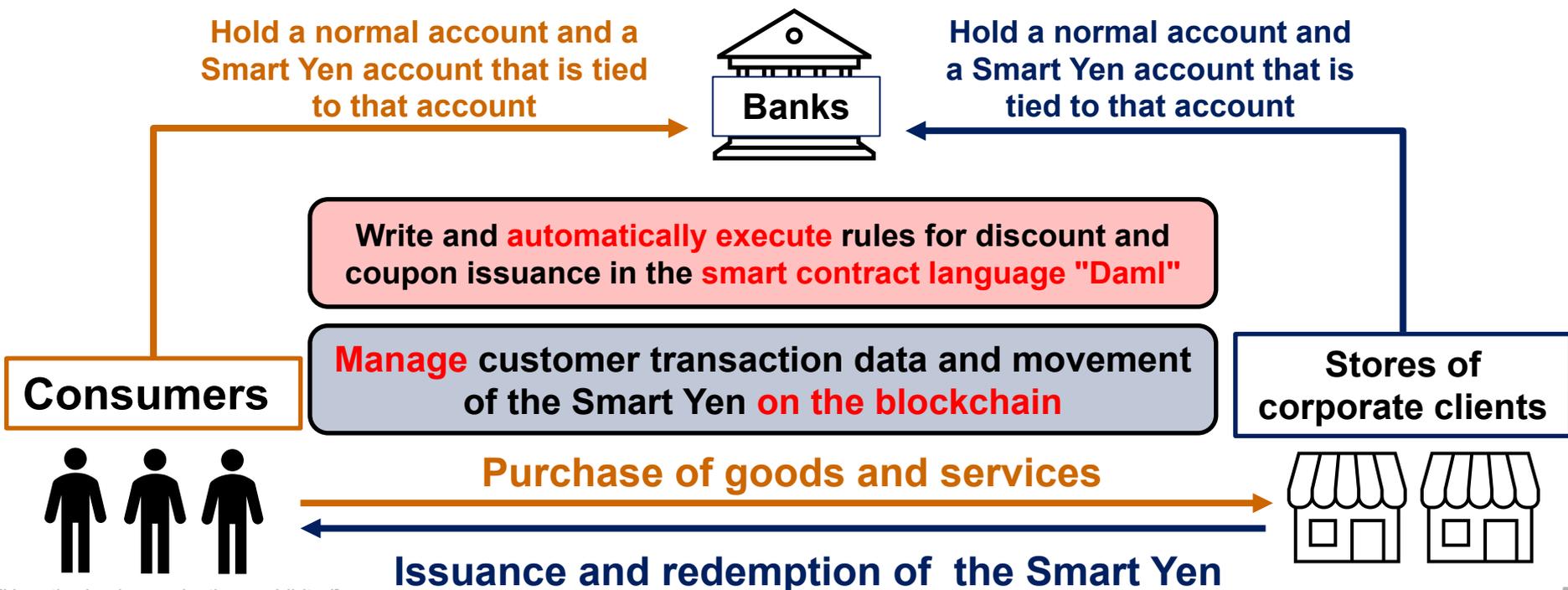
Following its registration as a Type 1 financial instruments trader on April 18, the company obtained authorization to operate a PTS on April 28

Operating an equity PTS since 27 June, and plan to handling STs in the future

Invested in U.S. Blockchain Company Digital Asset to Develop Business in Japan and East Asia Through a Joint Venture

Became the first Japanese company to invest in and plans to establish a joint venture with Digital Asset, a U.S. company that provides blockchain technology to many major financial institutions overseas, including stock exchanges in Australia, Germany, and Hong Kong, and Goldman Sachs in the United States. The core technology of Digital Asset is "Daml," a smart contract language that enables transactions to be executed across multiple blockchains. The joint venture will target the securities, banking, insurance, and emissions trading fields. As a first step, the joint venture plans to launch "Smart Yen (tentative name)," a service for corporate customers of banks, by the end of FY2023

< Overview of the "Smart Yen (tentative name)" project >



SBI SECURITIES and Sumitomo Mitsui Card have Launched Various Measures (Alliance started in July 2020)



Date	概要
Jun 30, 2021	<ul style="list-style-type: none"> Launch the service, "Sumitomo Mitsui Card Funded Investment", investment trust accumulation service by credit card of Sumitomo Mitsui Card ("SMCC"), and "SBI SECURITIES V Point Service", in which points are accumulated based on the status of transactions at SBI SECURITIES
Dec. 1, 2021	<ul style="list-style-type: none"> Added SBI SECURITIES account linkage function to SMCC's "Vpass" application for the members
Jan. 19, 2022	<ul style="list-style-type: none"> Launch of a service that allows SMCC card issuing and SBI SECURITIES account opening at the same time
Jan. 20, 2022	<ul style="list-style-type: none"> Promotion offering up to JPY 30,000 worth of XRP exchange coupons
May 30, 2022	<ul style="list-style-type: none"> Launched "V-Point Investment" service that allows purchase of investment trusts with V-Points

Amount of Accumulated Funds Through Investment Trust Accumulation Service by Credit Card Tie-up with Sumitomo Mitsui Card Exceeded JPY 10 Billion

- From June 30, 2021, SBI SECURITIES and Sumitomo Mitsui Card (SMCC) launched the **"Sumitomo Mitsui Card Funded Investment" service**, which purchases investment trust accumulation at SBI SECURITIES with a credit card issued by Sumitomo Mitsui Card
- In May 2022, **the total amount of accumulated funds through the service exceeded JPY 10bn and the number of accounts exceeded 260 thousand accounts** in just 10 months after the service was launched
- The "SBI SECURITIES V Point Service," which allows customers to earn points according to their transaction status exclusively for SMCC intermediary customers, and an application to open a SBI SECURITIES account through automatic linkage of necessary information upon enrollment in the SMCC program will also be launched. The "V Point Investment" service, which allows V Points to be used for the purchase of investment trusts, has started from May 30

Change in the amount of accumulated funds through "Sumitomo Mitsui Card Funded Investment" service **Achieved JPY 10bn in the first 10 months of service**



③ From financial industry perspective

Strengthen Measures to Promote "From Savings to Asset Building" for Contributing to Reducing the "Cash and Deposits" Ratio of Personal Financial Assets From 50% to 30%

- ✓ Japan has a massive JPY 2,023 trillion in personal financial assets.
- ✓ If "cash and deposits," which account for more than 50% of personal financial assets, were transferred to pensions, new investment funds would be created to attract money managers worldwide as pump-priming
- ✓ It is believed that fund transfers can be facilitated by designing incentives to transfer funds from "cash and deposits" to pension and improve the convenience of financial services

■ International comparison of household financial asset composition ■

Region	Personal financial assets	Cash and deposit ratio
Japan	JPY 2,023tn	54.0%
U.S.	JPY 9,355tn	13.7%
Euro area	JPY 3,165tn	34.9%
of which U.K.	JPY 1,020tn	25.4%
Singapore	JPY 105tn	35.0%

* Source: BOJ, FRB, ECB, UK Office for National Statistics, DOS

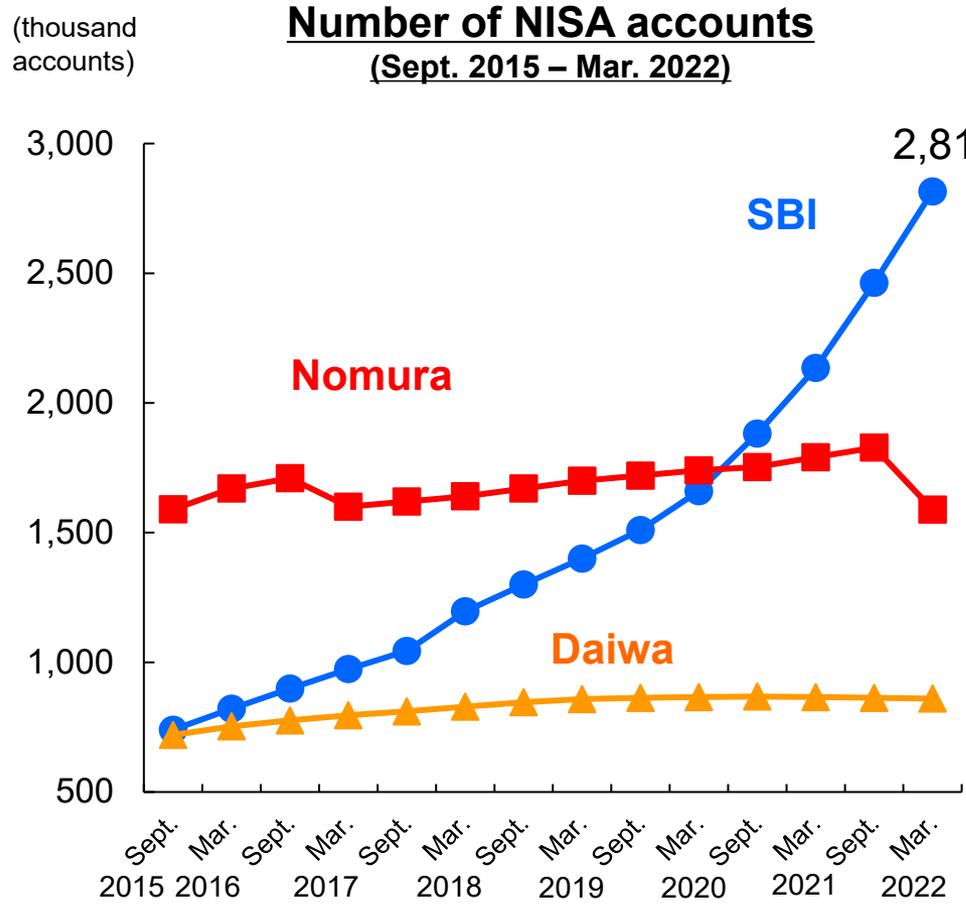
* As of the end of Dec. 2021 for Japan, Sept. 2020 for U.K. and Singapore, as of the end of mar. 2020 for U.S. and Europe

* Currencies are converted to JPY at the closing prices at the end of Dec. 2020: JPY 103.24/USD, JPY 126.09/ EUR, JPY 141.16/ GBP, JPY 78.16/ SGD

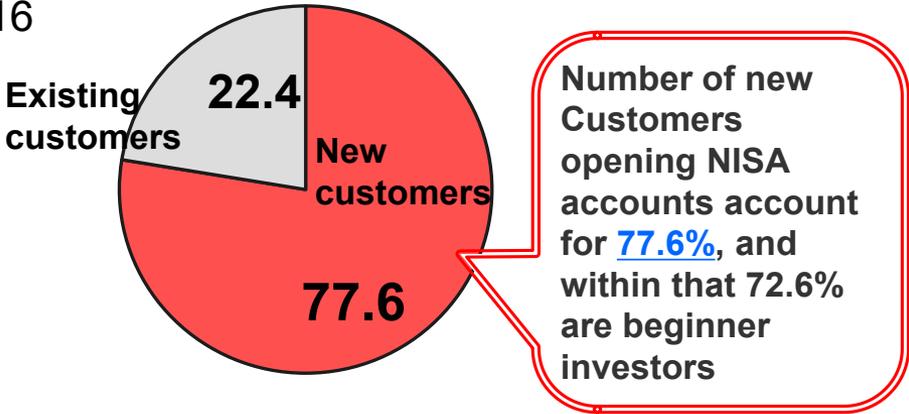
**SBI SECURITIES promotes "from savings to asset building"
through active provision of iDeCo and NISA**

SBI SECURITIES NISA Account Openings

③ From financial industry perspective



NISA's customer attribute of SBI SECURITIES (%)



SBI SECURITIES' number of Junior NISA accounts reached 222 thousand accounts, accounting for approx. 30% of the entire securities industry's Junior NISA accounts

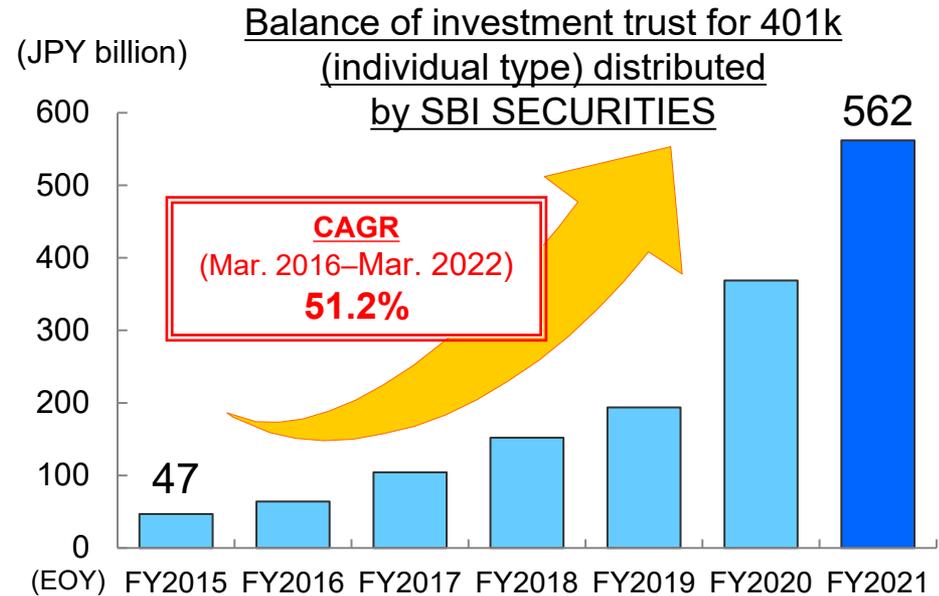
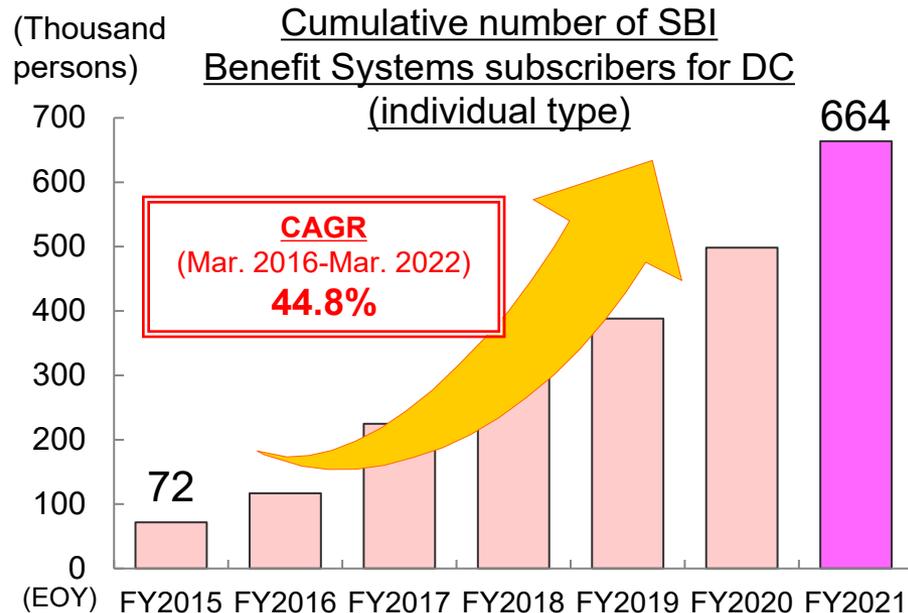
*1 Includes the number of Junior NISA accounts
 *2 Amounts are rounded to the nearest JPY thousand
 *3 The number of accounts are as of the end of Mar. 2022, compiled by SBIH from the information on website of each company

Attracted a large number of neophyte investors through newly opened NISA accounts

Further Strengthening of 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

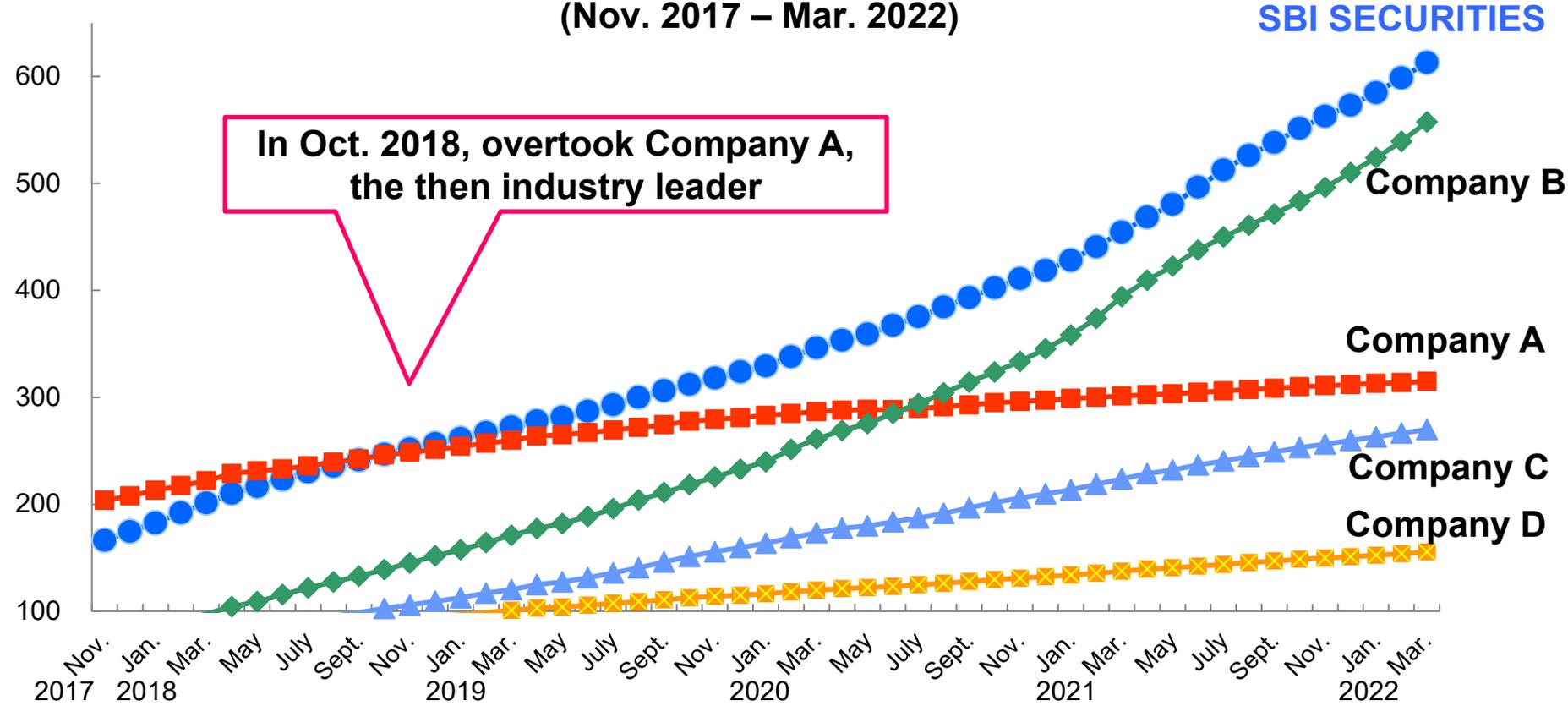
- **SBI SECURITIES administrative fees for iDeCo became completely free of charge on May 19, 2017, in order to further expand iDeCo business**
- **As of the end of March 2022, the number of iDeCo accounts totaled approx. 610 thousand**
- **The number of requests for application materials reached a record 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 – Mar. 2022)



* 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)

III. The SBI Group's major strategies for the foreseeable future

-Taking into consideration cooperation with the SMBC Group-

Major strategies promoted by the SBI Group

- 1. SBI Group will allocate a substantial portion of the management resources to non-bank fields at the moment and focus on the repayment of public funds of Shinsei Bank to strengthen profitability thoroughly**
- 2. Leading the reorganization of the securities industry on the back of the dramatic expansion of the customer base due to the realization of neo-securities to contribute to the position of the industry to sophisticate the securities markets, financial products, and services**
- 3. Promoting system and infrastructure construction in platform business, especially Web 3.0 including Metaverse**

Major strategies promoted by the SBI Group

- 1. SBI Group will allocate a substantial portion of the management resources to non-bank fields at the moment and focus on the repayment of public funds of Shinsei Bank to strengthen profitability thoroughly**
 - (1) Expanding the proportions of debt business in anticipation of a shift from Japan's zero interest rate policy in the future**
 - (2) Evaluation of the Shinsei Bank Group acquisition in terms of business strategy for the SBI Group**
 - (3) Further accelerate overseas business development to utilize arbitrage that takes advantage of differences in economic development stages**

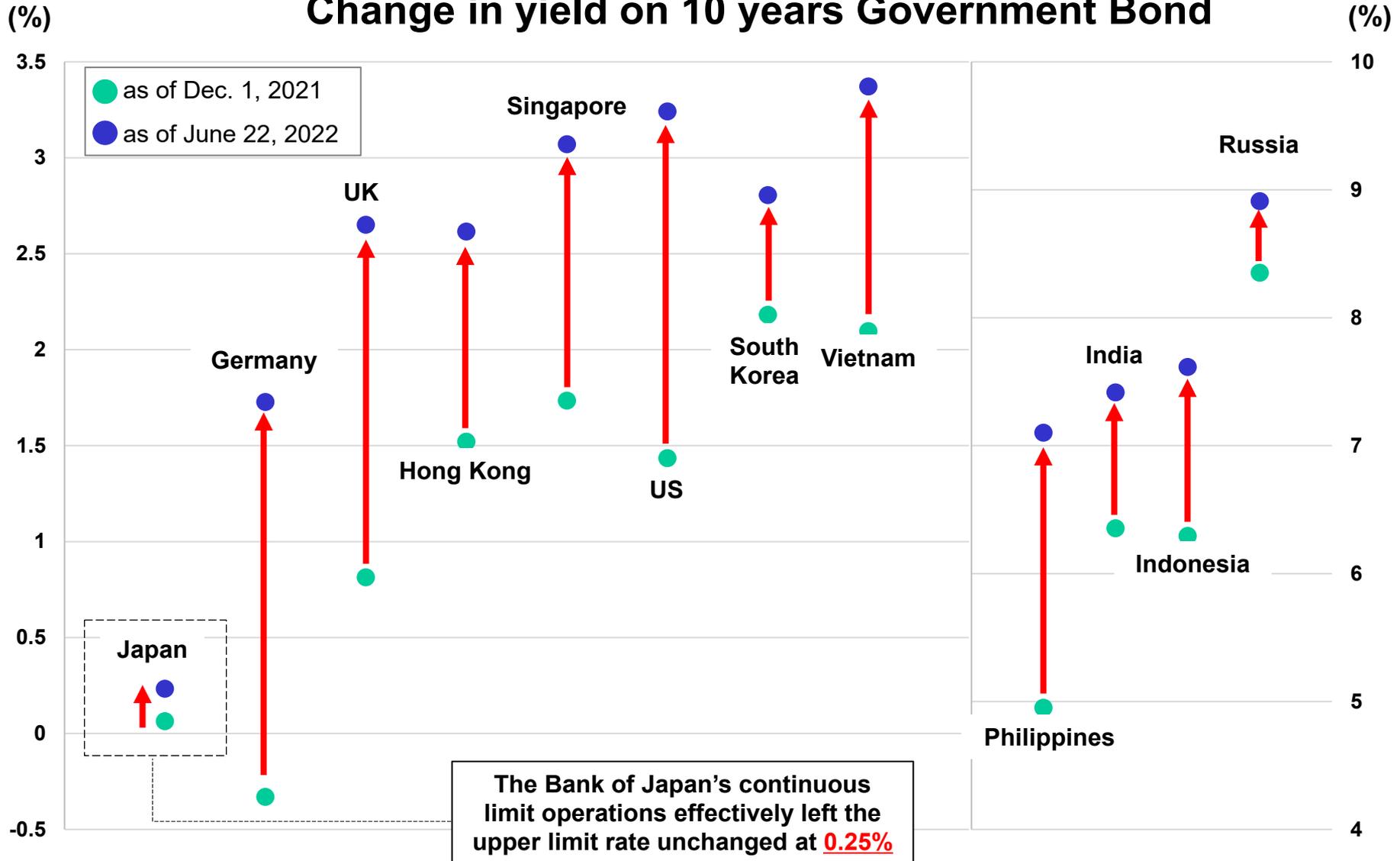
Stock Markets are Falling as U.S. Interest Rates were Raised

Market Trends from Jan. 2021



Trend of Rapidly Rising Long-term Interest Rates is Seen Globally

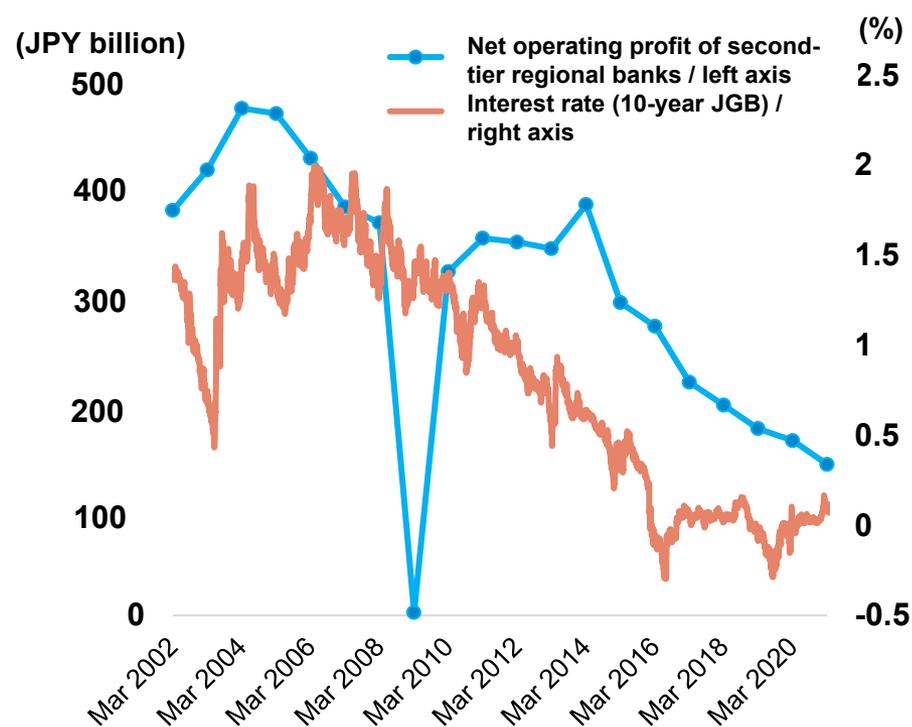
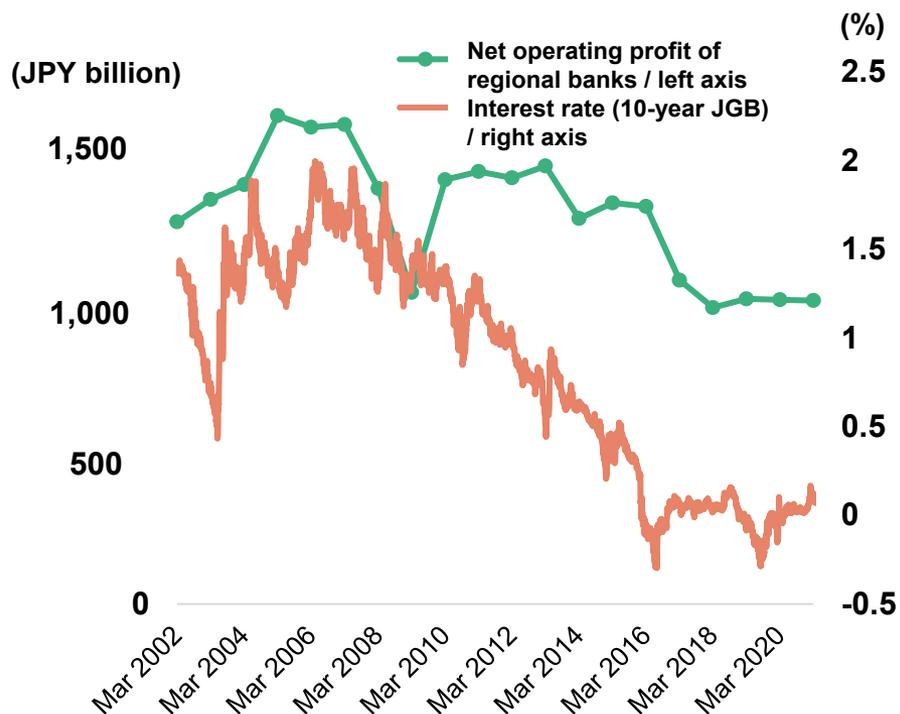
Change in yield on 10 years Government Bond



Comparison of Regional Bank's Performance and Government Bond Interest Rate

(Mar. 2002 – Mar. 2021)

- Trends in performance of banks change during rising and falling interest rates -



Source: compiled by the company based on "Ministry of Finance: Information on GB interest rates" and "Japanese Bankers Association : trends in profit-and-loss accounts"

Note; "Net operation profit" and "ordinary profit" are as of the end of each fiscal year

U.S.: FRB chairman Powell announced a 0.5% interest rate hike after 22 years in a press conference in May, and strongly suggested that **a series of interest rates hikes in the same range would be continued in June and July**

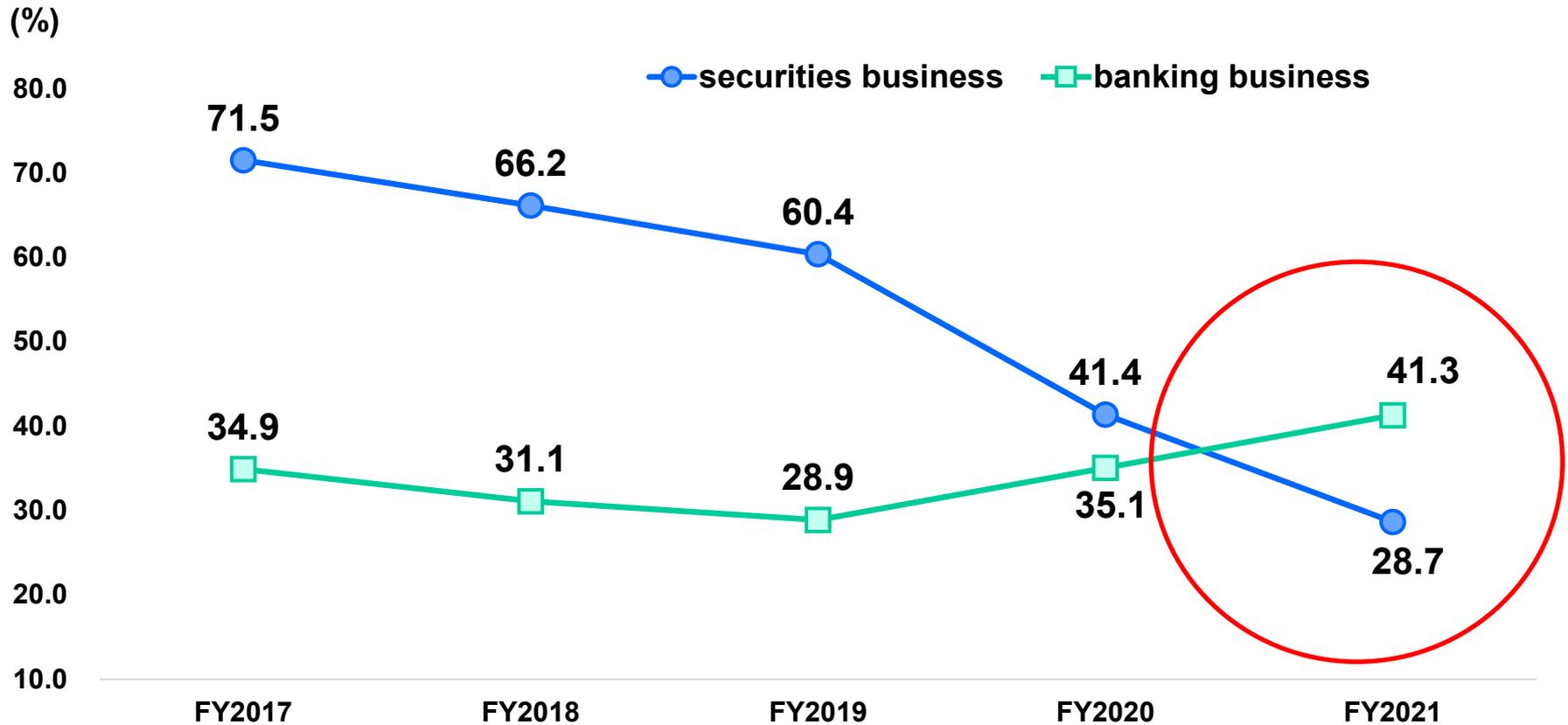
Europe: ECB president Lagarde announced in the blog in May that **interest rates hike would be possible in July**



Interest rates in Japan are expected to rise in near future as interest rates are being raised around the world

Composition of Securities Business*₁ and Banking Business*₂ as a Ratio of SBI Holdings' Consolidated Profit before Income Tax Expense (based on IFRS)

-Banking business outperformed securities business in full-year results for FY2021-



*1 Profit before income tax expense in securities business is the sum of SBI SECURITIES(non-consolidated), SBI Liquidity Market, and SBI FXTRADE.

*2 Profit before income tax expense in banking business is the sum of SBI Sumishin Net Bank, Shinsei Bank, SBI SAVINGS BANK, SBI LY HOUR Bank, and TPBank.

TPBank's figures are based on FVTPL's valuation gains/losses, Shinsei Bank's figures are based on the bank's full-year profit before income tax expenses (J-GAAP) for FY2021

*3 Profit before income tax expenses for FY2021 is the sum of profit before income tax expenses of SBI Holdings before consolidation of Shinsei Bank (IFRS) and Profit before income tax expenses of Shinsei Bank (J-GAAP) for FY 2021

**(1) Expanding the weight of debt business
in anticipation of a shift away from a
zero-interest-rate policy in the future**

**-Total assets of the SBI Group's banking business,
including overseas operations, have already reached
approximately JPY 22 trillion-**

Total Assets of the Banking Segment in the SBI Group (Simple Aggregate) are Approximately JPY 22 Trillion



(Units are in JPY bn)

(Percentage in parentheses is SBI Group's share)

	Total asset	Profit before income tax
Shinsei Bank (Japan/48.56%)	10,311.5	28.5
SBI SAVINGS BANK (Korea/99.64%)	1,385.9	38.9
SBI LY HOUR Bank (Cambodia/70%)	91.1	1.0
SBI Bank (Russia/90.74%)	34.0	-0.8
SBI Sumishin Net Bank (Japan/50%)	8,534.0	22.9
TP Bank (Vietnam/19.9%)	1,603.6	32.1
Total	21,960.1	-

The PBR at the time of the TOB was **0.33**

Forecasts a total dividend amount of over JPY 15 billion

(Reference) Comparison between regional bank groups

Rank	Name of Bank	Total asset (Consolidated)
1	Fukuoka Financial Group	29,171.9
2	Mebuki Financial Group	24,125.5
3	Concordia Financial Group	24,060.8
4	SBI Group	21,960.1
5	Hokuhoku Financial Group	17,280.1
6	Kyushu Financial Group	14,169.2
7	Kansai Mirai Financial Group	13,866.6
8	Yamaguchi Financial Group	12,182.7

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

*Figures in the table are rounded to one decimal place

*Figures of domestic banks are consolidated/J-GAAP, other overseas banks are based respectively on each GAAP of the country they are based

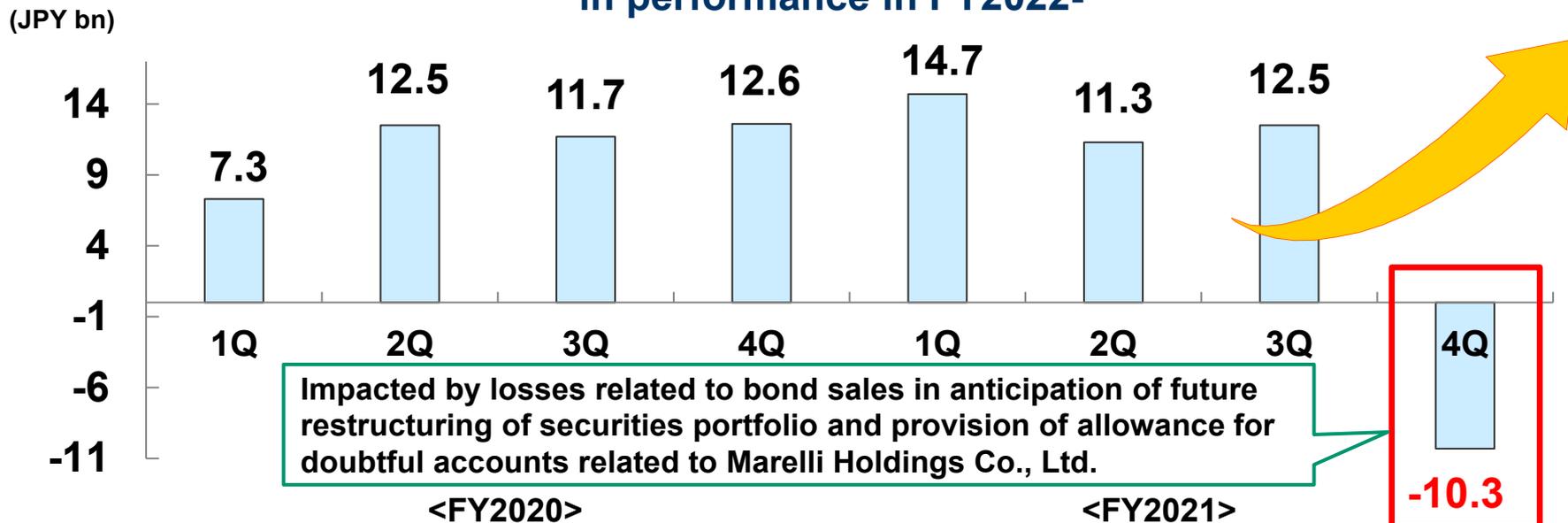
*Figures of total assets of each company are as of end of March 2022

*Profit before income tax for domestic banks are figures for FY 2021 while the figures for overseas banks are for the fiscal year ended Dec. 2021

*Figures in the table are rounded to one decimal place/ The conversion rates are 1USD=JPY129.1, 1KRW=JPY0.1, 1VND=JPY0.0053

Quarterly Ordinary Income of Shinsei Bank (J-GAAP)

-In Q4 FY2021, **various plus** that occurred under the previous management structure **were released**, and **losses were also cut** to ensure a rapid recovery in performance in FY2022-



【Shinsei Bank Consolidated Financial Results (J-GAAP)】

(JPY bn)

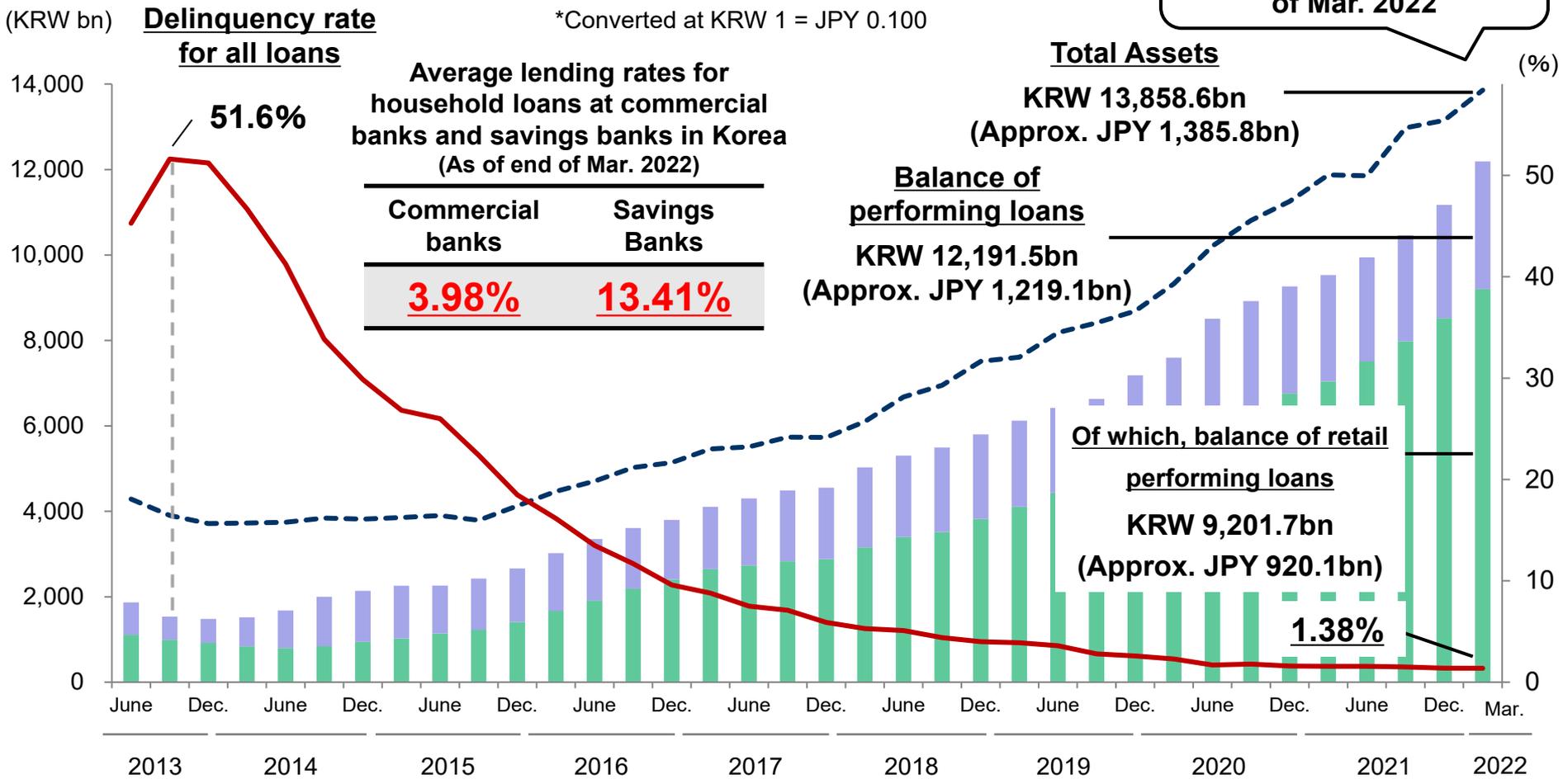
	FY2020				FY2021			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Ordinary Income	89.9	92.1	93.6	98.5	92.3	90.1	94.3	96.4
Ordinary Profit	7.3	12.5	11.7	12.6	14.7	11.3	12.5	-10.3
Profit attributable to owners of the Company	5.9	7.4	12.8	18.9	11.6	11.6	14.2	-17.0

SBI SAVINGS BANK's Prime Assets have Grown Steadily

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

*Converted at KRW 1 = JPY 0.100

Total assets exceeded **KRW 13tn** as of the end of Mar. 2022



The total delinquency rate improved to a record low of 1.38% (1.7% for retail loans)

TP Bank Recorded Historical High Profit due to Rapid Development of Financial Businesses in Fast-growing Vietnam

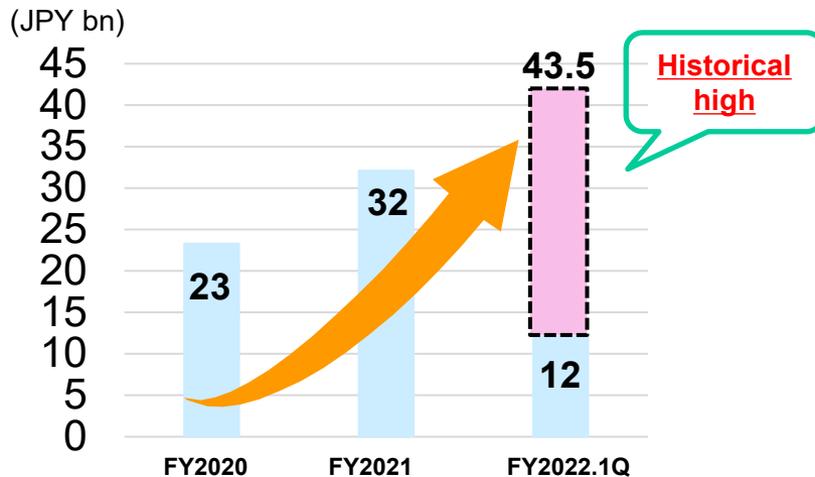
-Timing of decline in asset value is a good time to invest-



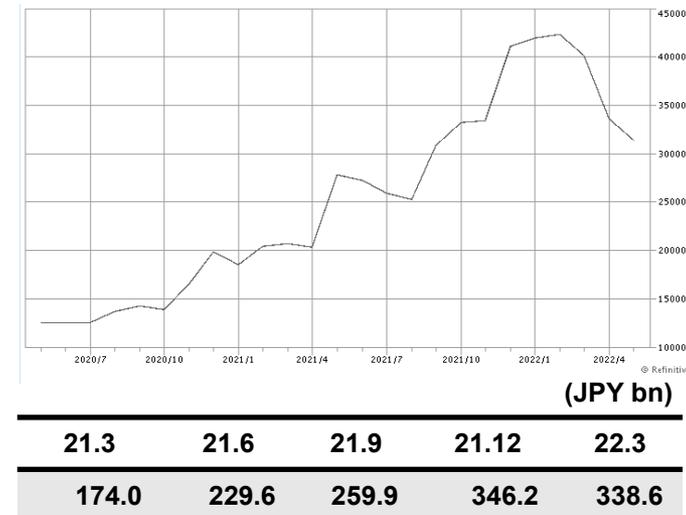
(Listed in Apr. 2018)

- Invested since Aug. 2009 (Investment ratio: 19.9%)
- As of Feb. 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
- The profit before income tax expense was JPY 32.1bn in the fiscal year ended Dec. 2021 and achieved historical high
Forecasted to achieve profit before income tax expense of JPY 43.5bn in FY2022

<Trend of profit before income tax expense>



<Market Cap of TP Bank >



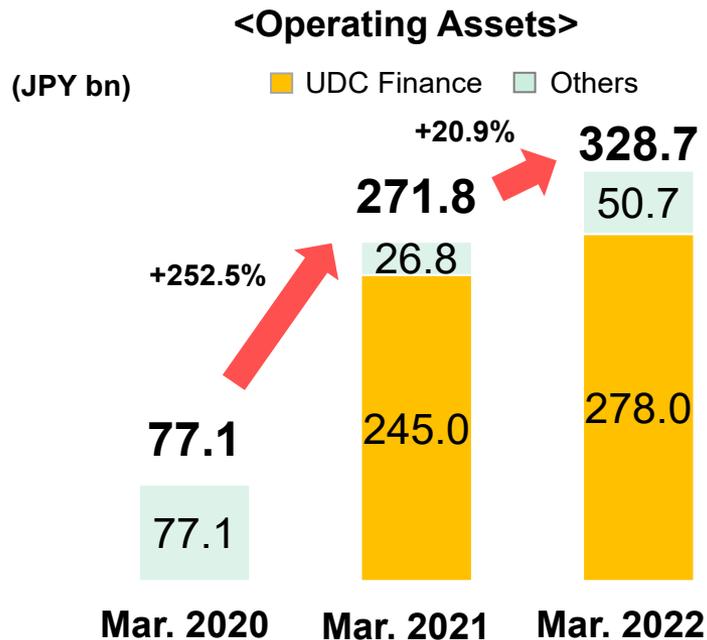
(Figures are as of end of each month)

*Converted at VDN 1 = JPY 0.0055

SBI Group and Shinsei Bank Group are Actively Pursuing Domestic and Overseas M&As Mainly in the Non-banking Sector in Close Collaboration with Each Other



Acquired 100% of outstanding shares by the Shinsei Bank Group in Sept. 2020, **UDC Finance Limited** (Auckland, NZ) boasts a robust operating foundation and system of individual and corporate clients plus strengths in auto loans for individuals, asset-backed financing for corporations (in transportation, forestry, and construction industries), and inventory finance for auto dealers, **making it the largest nonbank in New Zealand**



- Strive to leverage the SBI Group's knowledge and extensive network in overseas investments to expand non-organic growth opportunities **and grow the overseas business into a major business of Shinsei Bank Group**
- **Establish a presence as a banking group with strengths in non-banking** through investments and alliances with companies that possess superior technology and other assets, mainly in the Asia-Pacific region

By embodying a highly profitable structure through leverage of domestic and international investments by the SBI Group which includes M&A, Shinsei Bank will pave the way for its own repayment of approximately JPY 350bn in public funds.

Shinsei Bank Group is already Promoting Entry into Expanding its Banking and Non-banking Business in Asia and Oceania

-SBI Group is also actively expanding its business in the region-

<Case Studies>



Latitude Group

(Capital and business alliance in March 2021 / Investment Ratio: 10%)

- ✓ **Leading shopping credit and consumer finance company in Australia with a customer base of over 2.8 million and strengths in deferred installment payments, credit cards, personal loans, and auto loans**
- ✓ **Similar business with APLUS and expected synergies**



MB Shinsei Finance

(Investment Ratio: 49%)

- ✓ **As part of the expansion of the Shinsei Bank Group's small-lot finance business, it took a stake in a local subsidiary established by Military Commercial Joint Stock Bank (MB) in 2017 and entered the Vietnam market**
- ✓ **Provide full support, including financing, as well as business expertise**

(2) Evaluation of the Shinsei Bank Group acquisition in terms of business strategy for the SBI Group

-Shinsei Bank Group, as a member of the SBI Group, will also consider an open alliance with SMBC Group-

- ① Creation of synergies through organic combination with the management resources of the SBI Group**
- ② Expectations of significant contributions from Shinsei Bank Group's banking and non-banking functions in the second act of the "Regional revitalization strategy" promoted by the SBI Group**

① **Creation of synergies through organic combination with the management resources of the SBI Group**

To Organically Combine the Management Resources of **Mutually Complementary** SBI and Shinsei Groups, Seeking to Become a Larger and More Competitive **Integrated Financial Group**



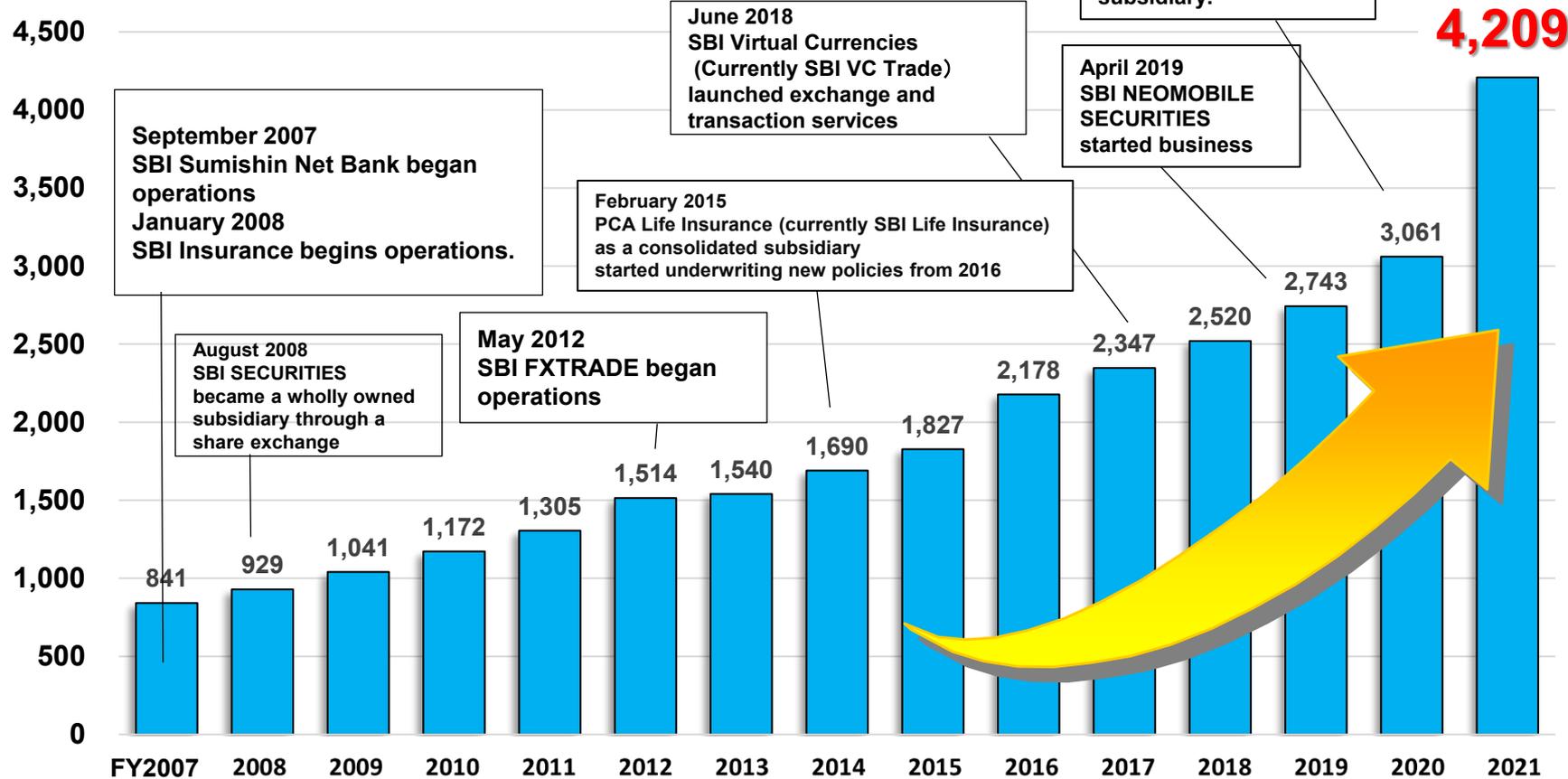
Securities	SBI SECURITIES SBI NEOMOBILE SECURITIES	Shinsei Securities
FX Trading	SBI FXTRADE	
Crypto Assets	SBI VCTrade	
Bank	SBI Sumishin Net Bank	Shinsei Bank
Insurance	SBI Insurance, SBI Life Insurance	
Asset Management	SBI Asset Management SBI Regional Revitalization Asset Management SBI Bond Investment Management	Shinsei Investment Management
Consumer Credit		Shinsei Financial (Lake ALSA)
Trust Bank		Shinsei Trust & Banking
Card/Cashless Payment	Money Tap	APLUS
Lease	SBI Leasing Services	Showa Leasing
PE・VC	SBI Investment	Shinsei Corporate Investment
Debt Collection		Alpha Servicer

SBI Group's Customer Base Expands Dramatically by Having Shinsei Bank Group as the Consolidated Subsidiary



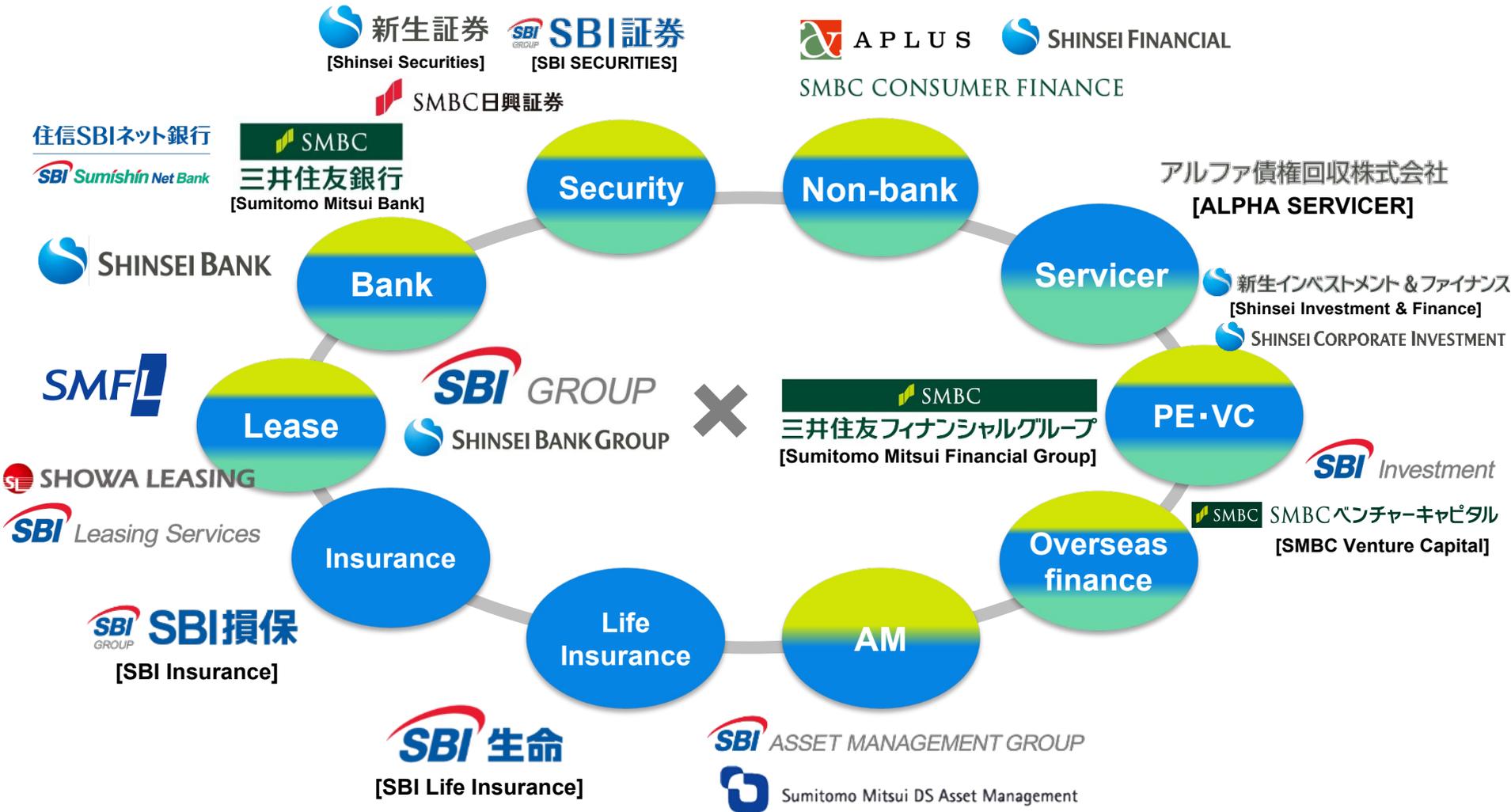
Compound Annual Growth Rate (CAGR) from FY2007 to FY2021
12.19%

(Ten thousand)



* 1 Figures are from March 2008, when the data was first collected. All figures are as of the end of March and rounded down to the nearest thousand.
 * 2 If not identified as the same customer within each service site in the aggregate, it would be a double counting of overlapping customers among group companies.
 * 3 The number of customers of companies that have been removed from the group due to organizational restructuring is partly included in the past figures.

Collaboration with SBI and SMBC Group to Create a Broader and Deeper Business Portfolio



By utilizing Sumitomo Mitsui FG's customer base and network, SBI Group intends to strengthen the competitiveness of the entire group, including the Shinsei Bank Group

Shinsei Bank Group has a Broad Customer Base, Particularly in the Retail Sector with a Broad Customer Base

Overview of Shinsei Bank Group's Customer Base (as of March 31, 2022)

(thousand)

Shinsei Bank	(Accounts)	3,050
Lake (ALSA)	(No. of customers)	831
APLUS	(No. of active cardholders)	4,434
Showa Leasing	(No. of contracts)	272
Total	—	8,587

Thoroughly scrutinize the Shinsei Bank Group's customer attributes by using big data analysis methods and match them with each business of the SBI Group in a sophisticated and effective manner

Customer Attribute Analysis of Shinsei Bank Group: The Case of APLUS



APLUS

- ✓ **APLUS has partnered with bitFlyer, Inc., operator of one of Japan's largest crypto asset exchanges, to offer the "bitFlyer Credit Card," the first credit card in Japan that rewards users with bitcoins based on the amount they spend**
- ✓ **Favorable response, with the number of applications surpassing 10,000 in just 3 days since the service was launched in December 2021**



- **This suggests a high level of interest in the crypto asset area by APLUS customers**
- **SBI Group is also focusing on the crypto asset business as a next-generation growth area, and high synergy is expected from the alliance measures**

SBI SECURITIES and Shinsei Bank Accelerates for Full Partnership in the **Financial Products Intermediary Business**



Cooperation in intermediary business of financial instruments
Cooperation in the banking agency business

< Original Service >

- Aplus Card Accumulation
- Point investment/granting
- Sweep account linkage
- Stock collateral loan



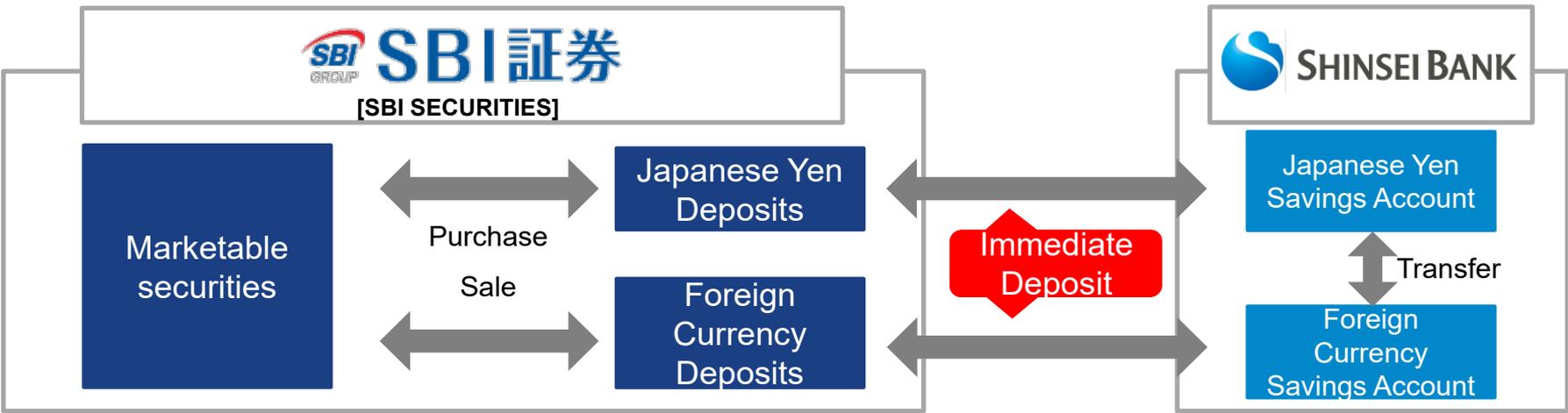
< Other collaborative services >

- Simultaneous account opening (SBI↔Shinsei)
- Other business collaboration such as structured bonds and iDeCo

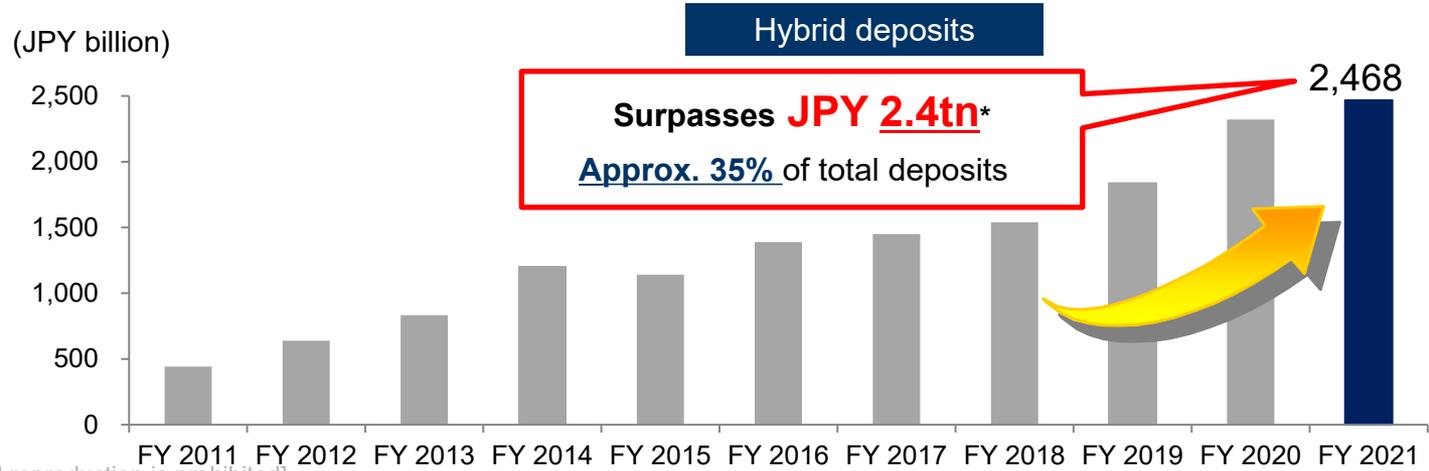
Providing a variety of products including SBI SECURITIES' **real estate-related finance** and "**SBI Wrap**" through intermediary business

SBI SECURITIES to Become a **Bank Agent** and Increase its Customer Base and Deposit Volume through a System of Deposits Exclusively for the Purchase of Securities that Link Seamlessly with Banks

<Example of a scheme for immediate deposit linkage>



<Reference: Example of bank agency business with SBI Sumishin Net Bank>



*As of Mar. 31, 2022

② Expectations of significant contributions from Shinsei Bank Group's banking and non-banking functions in the second act of the "Regional revitalization strategy" promoted by the SBI Group

-Thoroughly promote the "Triangle Strategy" in cooperation with Shinsei Bank Group in order to dramatically develop the regional revitalization initiatives promoted by the SBI Group-

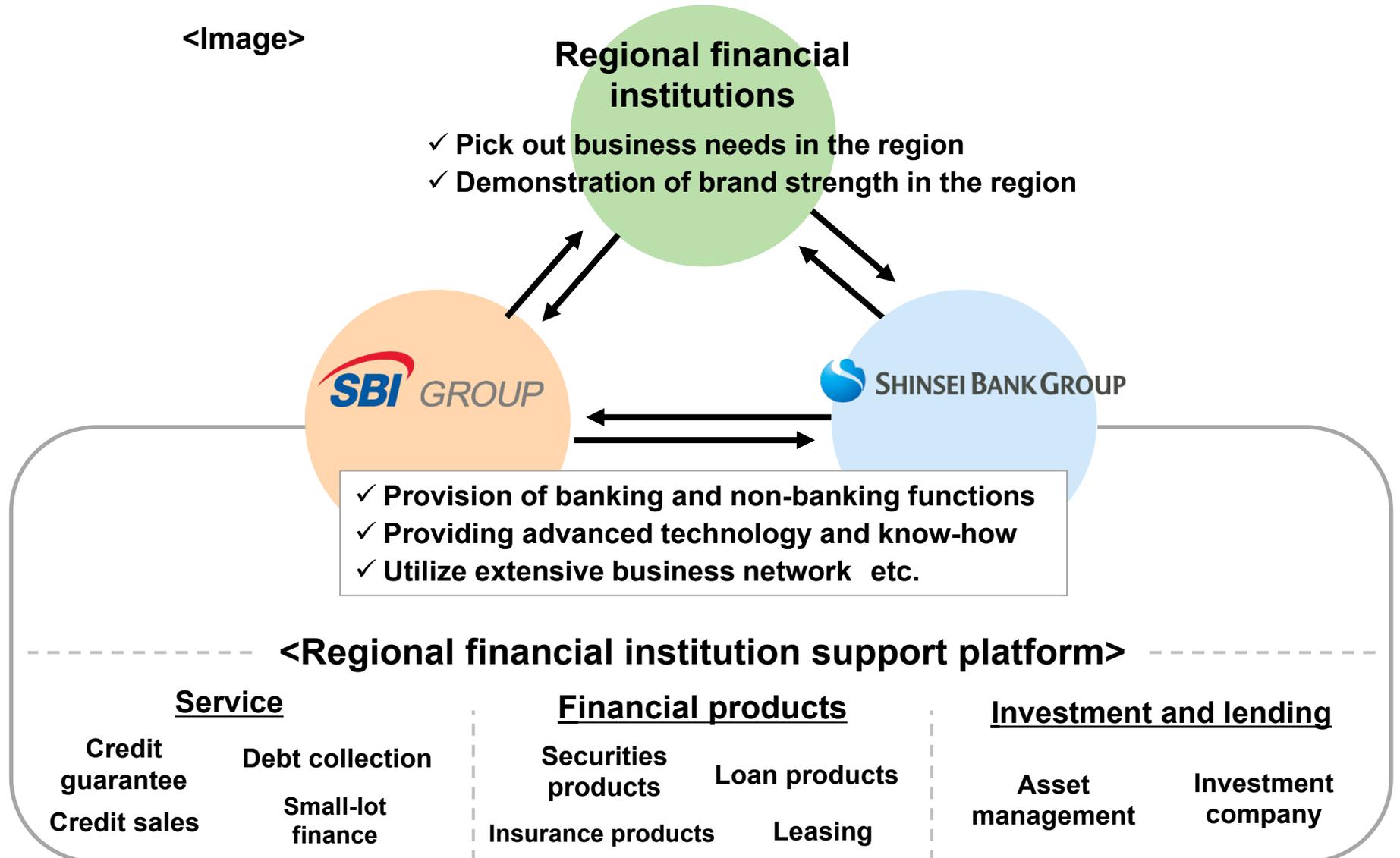
(i) Structured finance business

(ii) Financial platform "BANKIT"

(iii) Leasing business

"Triangle Strategy" Concept by the SBI Group, Shinsei Bank Group, and Regional Financial Institutions

<Image>



(i) Structured finance business

The Structured Finance Business, in which Shinsei Bank has Strengths, Expanded Steadily

-Social trend toward "sustainability" is driving the trend-

<Changes in Asset Balance>

(JPY bn)

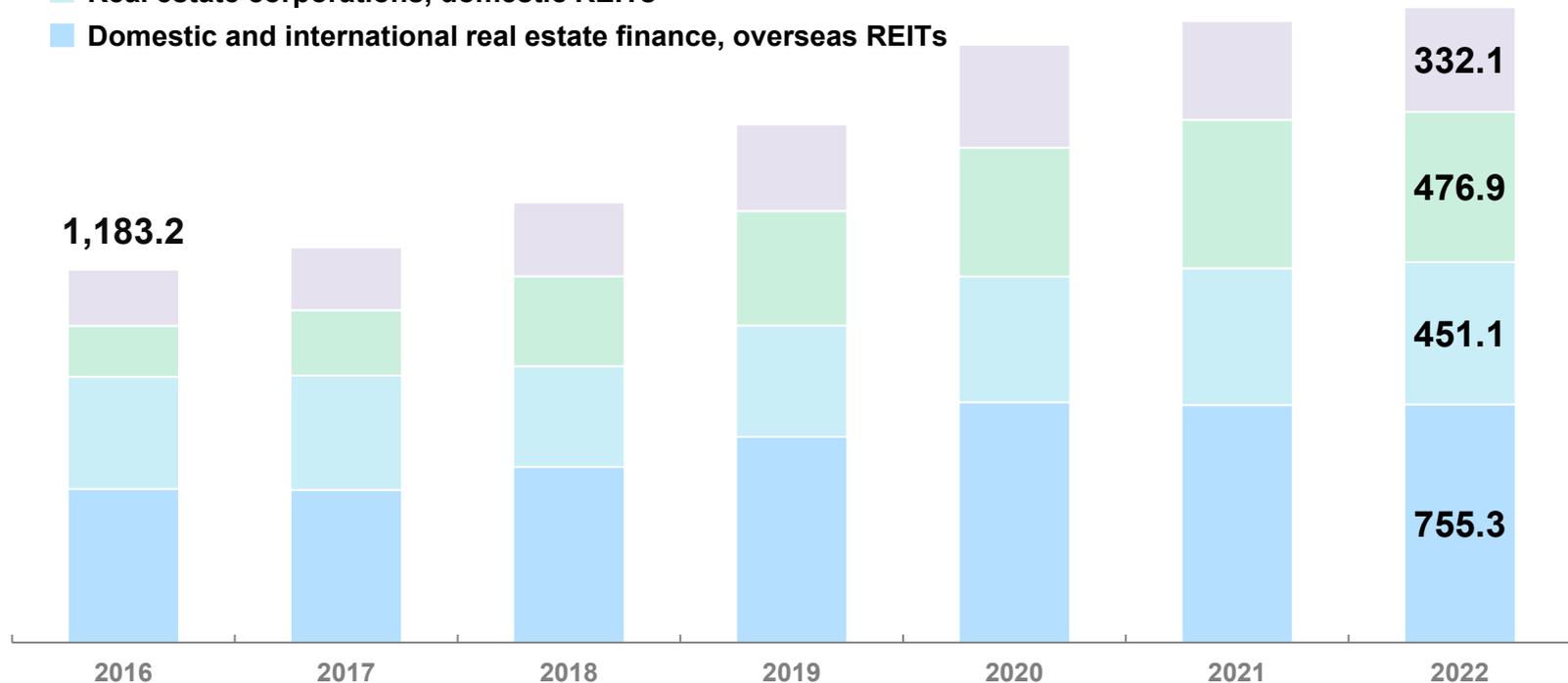
■ Specialty Finance (LBO, Ship, Aircraft)

■ Domestic and International Project Finance

■ Real estate corporations, domestic REITs

■ Domestic and international real estate finance, overseas REITs

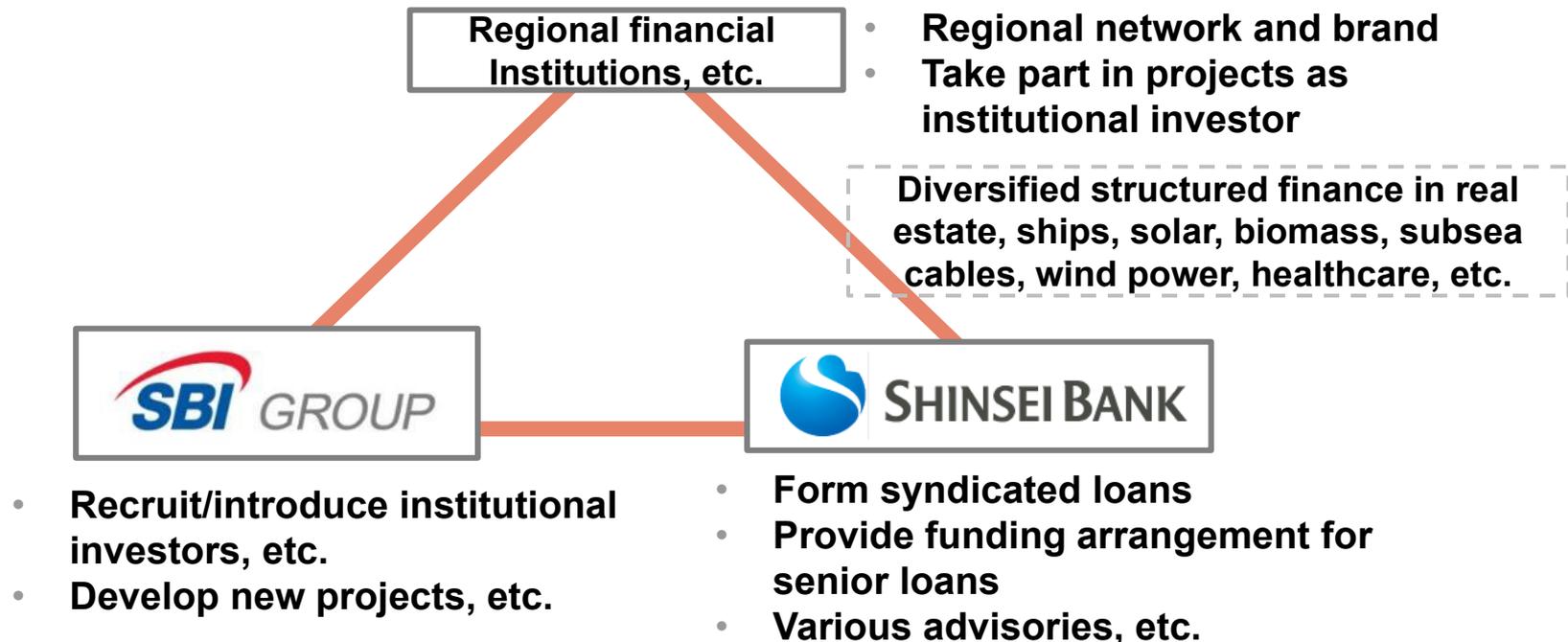
2,015.7



*All figures are as of the end of March

Promoting a "Triangle Strategy" in the Structured Finance Business

Co-create value by forming and running projects through collaboration among the three entities **through effective use of the SBI Group's network of regional financial institutions** while focusing on partnerships with regional financial institutions



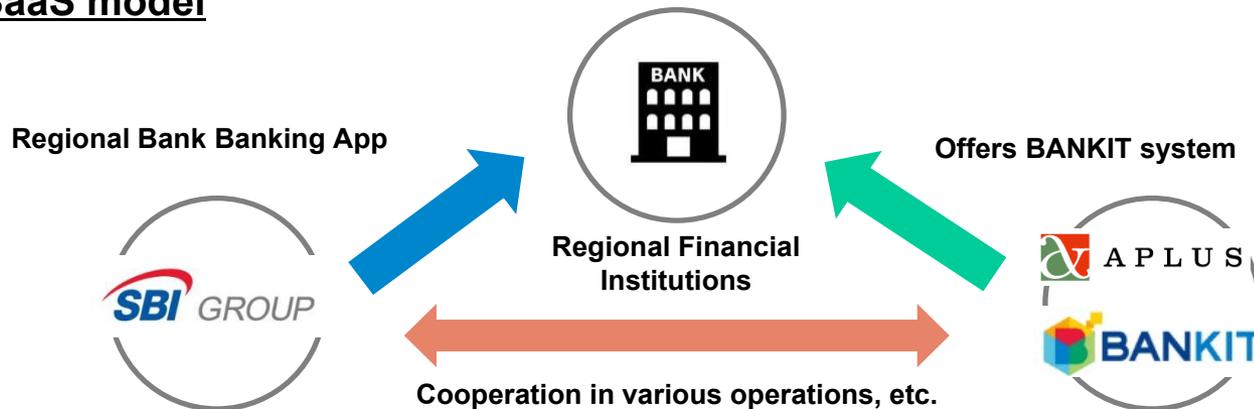
Strive to resolve issues in local communities and expand business, centered on regional financial institutions having a relationship with SBI & Shinsei Bank Group, by identifying needs in each region and undertaking new projects

(ii) Financial platform "BANKIT"

Promoting "BANKIT", Provided by **APLUS**, to Enhance the Sophistication of Regional Financial Institutions' Banking Applications

-Combined with white-label banking apps provided by SBI NEO FINANCIAL SERVICES, for promotion of the DX for regional financial institutions-

- ① Add banking functions to the BANKIT infrastructure, which is currently limited to wallet functions, and to use it as a hub for regional financial institutions to deploy the BaaS model



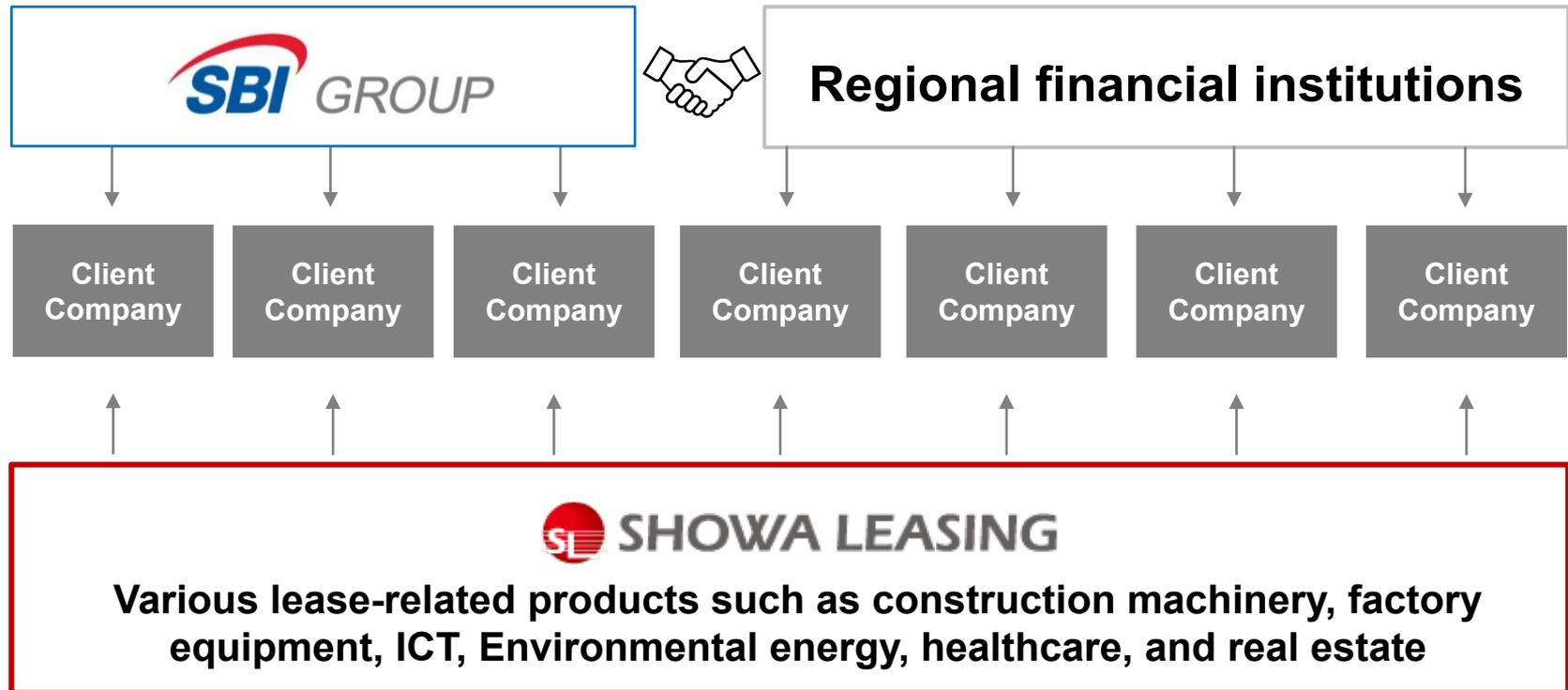
- ② Expanding the regional banking app function offered by the SBI Group

Issuance of virtual pre-paid cards	[Payment] Supports ApplePay & GooglePay	[Purpose savings] Use a sub-wallet to for different types of purpose savings	[Smartphone ATM] Cardless withdrawal at ATMs in convenience stores
------------------------------------	-----------------------------------------	------------------------------------------------------------------------------	--------------------------------------------------------------------

(iii) Enhance Leasing Business

[Promoting the "Triangle Strategy" in the leasing business]

Shinsei Bank Group can expand its operating base by providing **Showa Leasing's** lease-related products to SBI Group customers and customers of regional financial institutions which are SBI's capital and business alliance partners



[Provision of small-lot financial products such as aircraft leases]

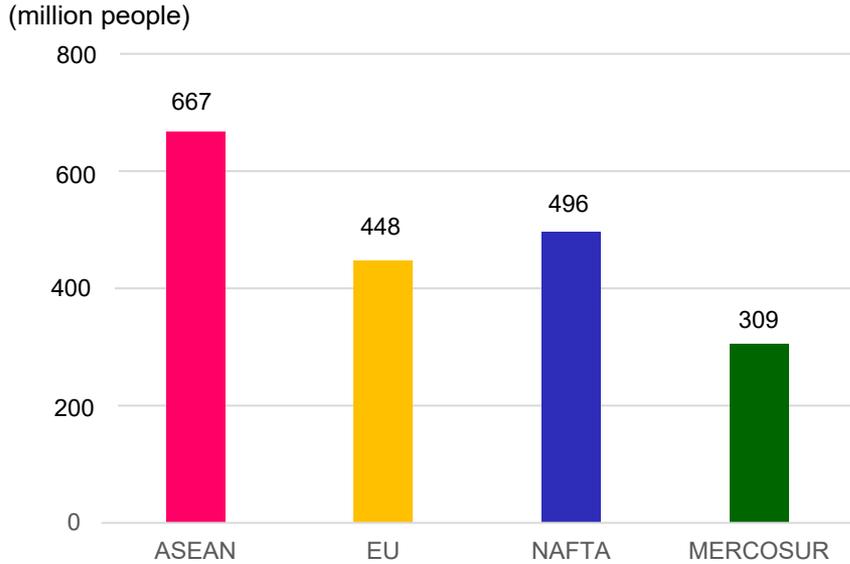
Providing Shinsei Bank customers with financial products backed by aircraft, ships, containers and other assets structured by **SBI Leasing Services**

(3) Further accelerate overseas business development to utilize arbitrage based on differences in economic development stages

ASEAN Countries Have Enhanced Their Presence in the Global Economy in Terms of Economic Scale and Market Potential as They Entered a Period of Rapid Economic Growth

Population structure by region (2020)

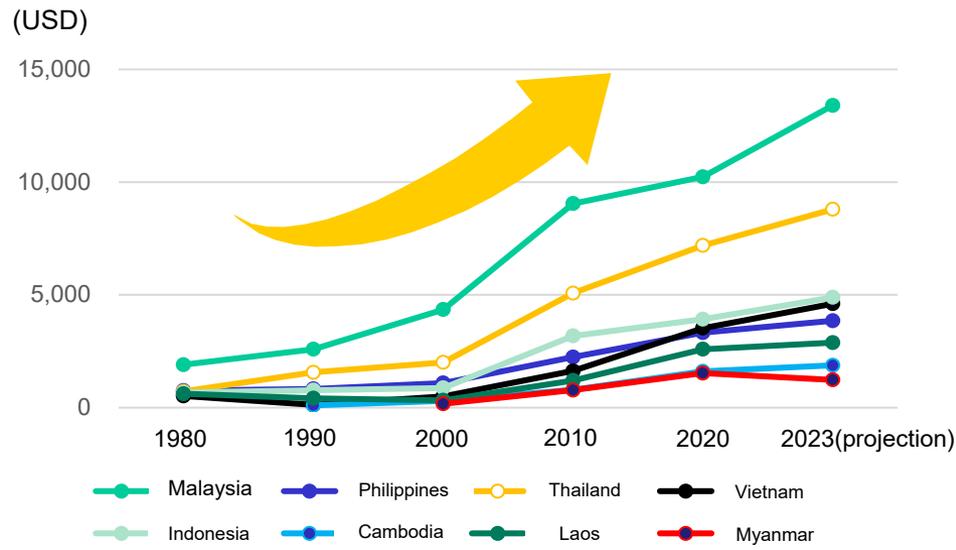
ASEAN has a smaller economy than EU and NAFTA, but a larger population than the other integrated economic regions



Source: Ministry of Foreign Affairs

Trends of GDP per capita in ASEAN countries

GDP per capita of ASEAN countries is expected to continue growing toward 2023



Source: Compiled by SBIH from disclosed data from IMF

Early Investment in the Financial Services Sector in Southeast Asian Countries Will Contribute to Improving the SBI Group's Medium- to Long-term Business Performance



SBI LY HOUR Bank

- Acquired a medium-sized microfinance company in Cambodia and made it a commercial bank
- Obtained a full banking license in Mar. 2020 (Investment ratio: 70.0%)
- Achieved profitability in FY2021, the first full-year result since the bank opened
Maintain profitable trend in FY2022

<Trend of profit before income tax expense>



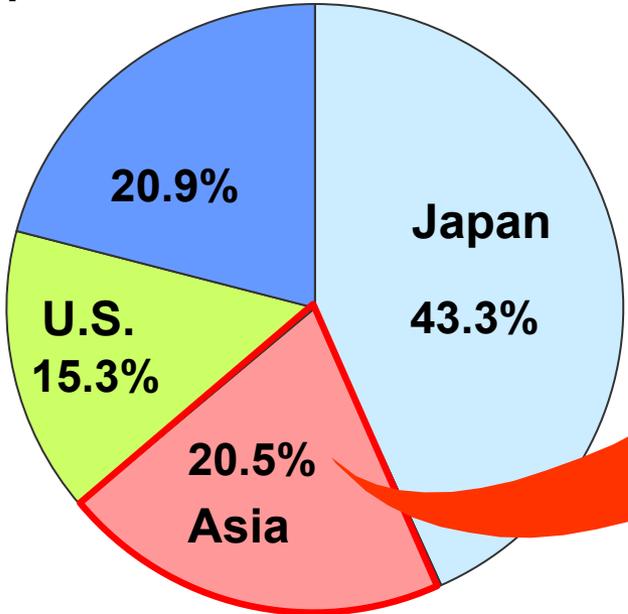
*Converted at USD 1= JPY 129.1

SBI Group's Utilization of International Arbitrage for the Investment and Financing Businesses

Revenue expansion through the implementation of investments and financing from mature markets to high economic growth potential markets

- (e.g.) ➤ Low-interest rate market ➔ High-interest rate markets
- Low-growth economy ➔ High-growth economies

Europe and others



The SBI Group's AUM is globally diversified in Asia, the U.S. and Europe, with overseas AUM in China and emerging Asian countries accounting for 20.5% of the total AUM

* The assets under management that is already invested as of the end of March 2022. (Excluding cash and uncalled capital)

Promote **global diversification of investments and financing**, by establishing a global investment and financing structure, centering on Asia, through the formation of JV funds with prominent local partners around the world

(3) Further accelerate overseas business



Introducing Various Services that Incorporate Arbitrage to Exploit Interest Rate Differentials between Japan and Abroad, to Partner Regional Institutions

Providing new revenue opportunities through the utilization of funds procured at low interest rates in Japan, for high growth and high interest rate countries in Southeast Asia

e.g. 1: Private placement bonds issued by SBI LY HOUR BANK to be purchased by SBI Group companies
Plans to offer the same to regional financial institutions



Lending currencies are mainly denominated in USD
Volume is increasing rapidly

USD denominated private placement bonds 1 year
"4.1%"



e.g. 2: Introducing overseas corporate bond investments that SBI Royal Securities plays a role as a lead underwriter



- Lead underwriter for Cambodia's first listed bond issuance
- In preparation for a number of bond deals, including ESG bonds



Local firm

High financing needs in high-growth countries

Intermediary



Regional financial institutions

Facing fund management challenges in a low interest rate environment

Issuance of high yield bonds

Major strategies promoted by the SBI Group

2. **Leading the restructuring of the securities industry, backed by the dramatic expansion of the customer base through the realization of Neo-securities Initiative, and contributing to the industry's position and the advancement of the securities market and financial products and services**
 - (1) **SBI SECURITIES diversifies its products and business fields by utilizing M&A to earlier realize the Neo-securities Initiative**
 - (2) **To improve the advancement and efficiency of the system in response to expected increase of customers due to the realization of the Neo-securities Initiative**

Neo-securities Initiative:

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

The Securities Industry, both Online and Face-to-face, is Undergoing Reorganization and Structural Changes are Gaining Momentum

- Domestic Securities Industry Enters a Time of Great Change -

Activity within the online securities sector

- In Aug. 2019, au Financial Holdings, a wholly owned subsidiary of KDDI, made a tender offer for the shares of kabu.com Securities (now au Kabucom Securities), making it a member of the KDDI Group
- In Apr. 2018, the Monex Group converted Coincheck, which runs a crypto asset trading exchange, into a subsidiary. During FY2021, 91.7% of operating income came from profits in the crypto asset-related company
- Rakuten Securities announced changes in services using Rakuten Points for 2022, while SBI SECURITIES has increased the inflow of customers from Rakuten. In May, announced the start of preparations for going public

Activity within the second-tier, mid-tier, and regional securities sectors

- In Mar. 2022, Ichiyoshi Securities announced withdrawal from the underwriting business for stocks and other securities
- Also in Mar. 2022, Marusan Securities announced that Marusan Trade, an online trading service, would be transferred to Okasan Securities
- Ace Securities became an equity method affiliate of Tokai Tokyo Financial Holdings (Tokai Tokyo FHD) through a TOB by Tokai Tokyo FHD in Apr. 2021. Merged into Tokai Tokyo FHD in May 2022

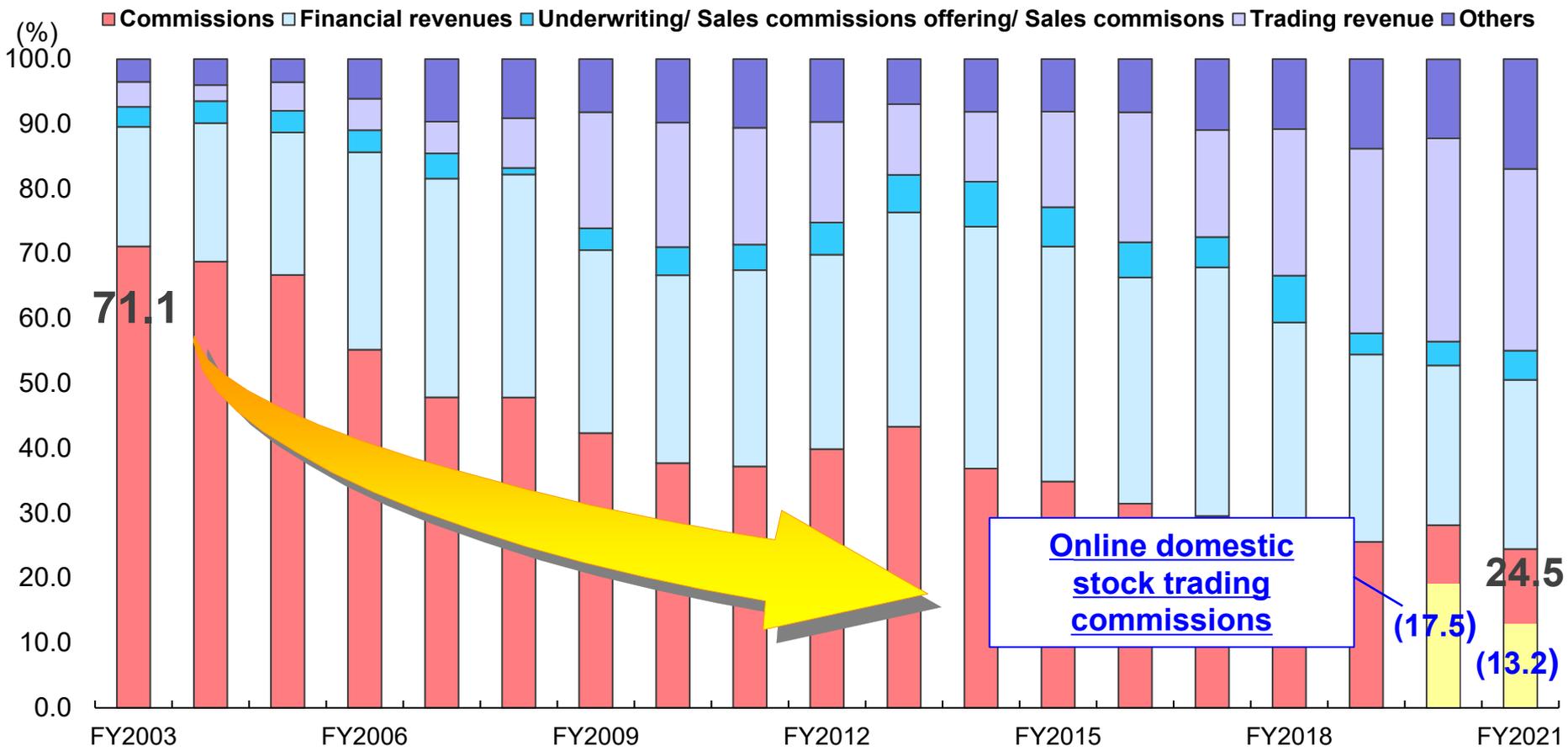
2. Restructuring of the Securities Industry through Neo-securities Initiative

The “Customer-centric Principle” Drives Shakeouts in the Industry ①

-Diversification of of SBI SECURITIES' 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-

SBI SECURITIES to realize the Neo-securities Initiative by the 1H FY2023 by the latest

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

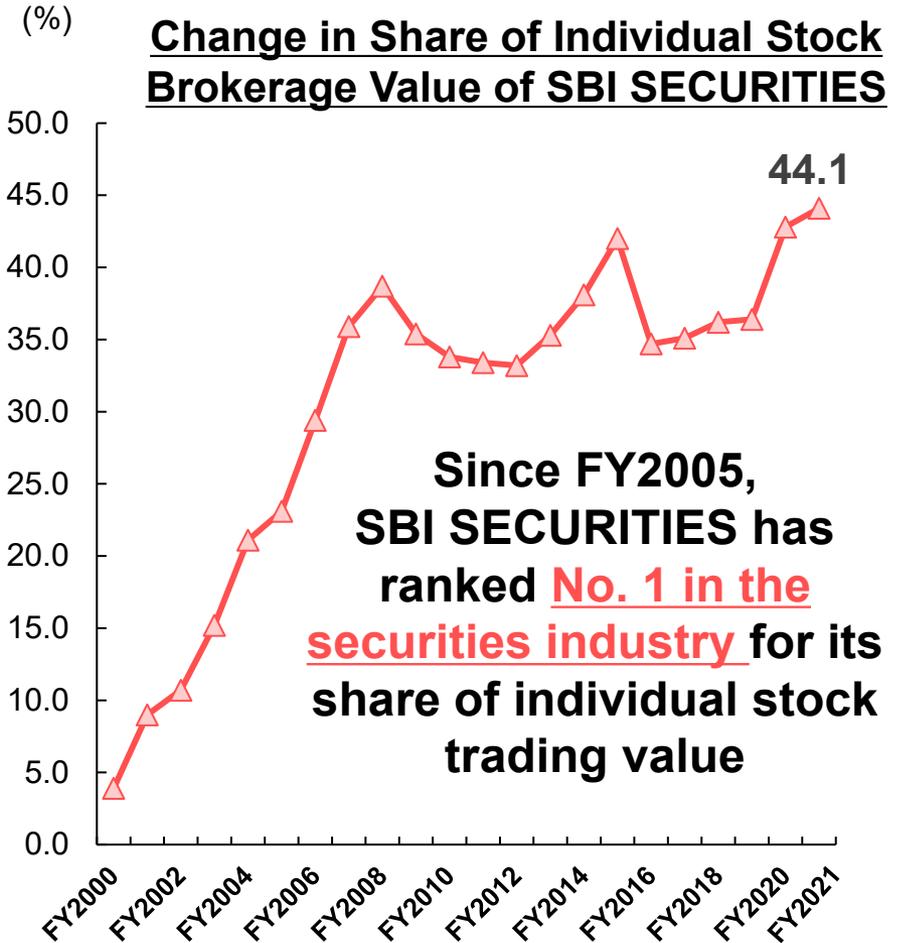
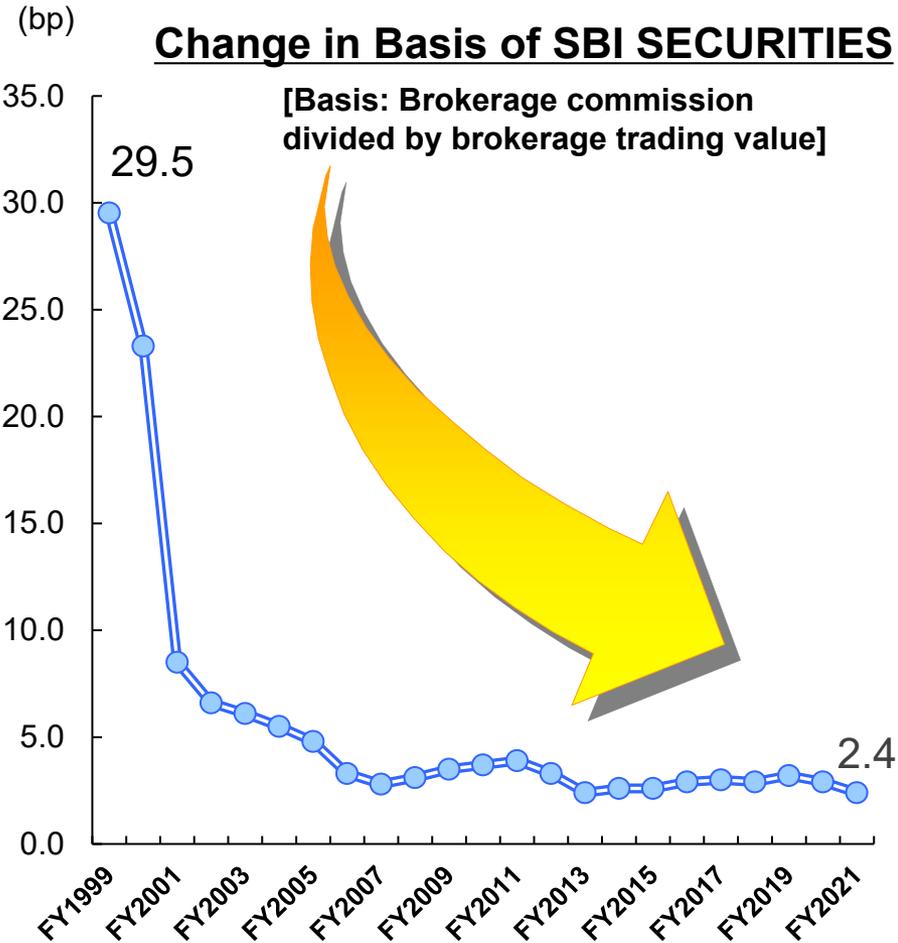


[Unauthorized reproduction and distribution prohibited] *Non-consolidated results for FY2003 and FY2014 are shown. Consolidated results are shown for other years.

The “Customer-centric Principle” Drives

Shakeouts in the Industry ②

-SBI SECURITIES Has Achieved Overwhelmingly Low Trading Fees since its Establishment to Ensure Customer-centric Principles-



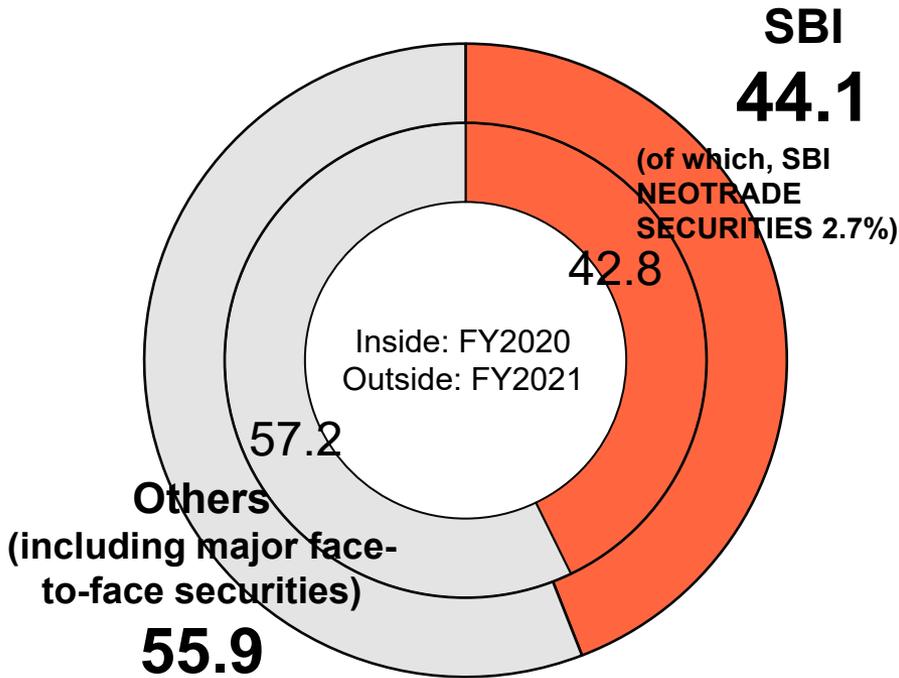
SBI SECURITIES has achieved a high level of customer satisfaction and maintained a top position in the industry by thoroughly pursuing services that are truly from the customer’s perspective services

2. Restructuring of the Securities Industry through Neo-securities Initiative

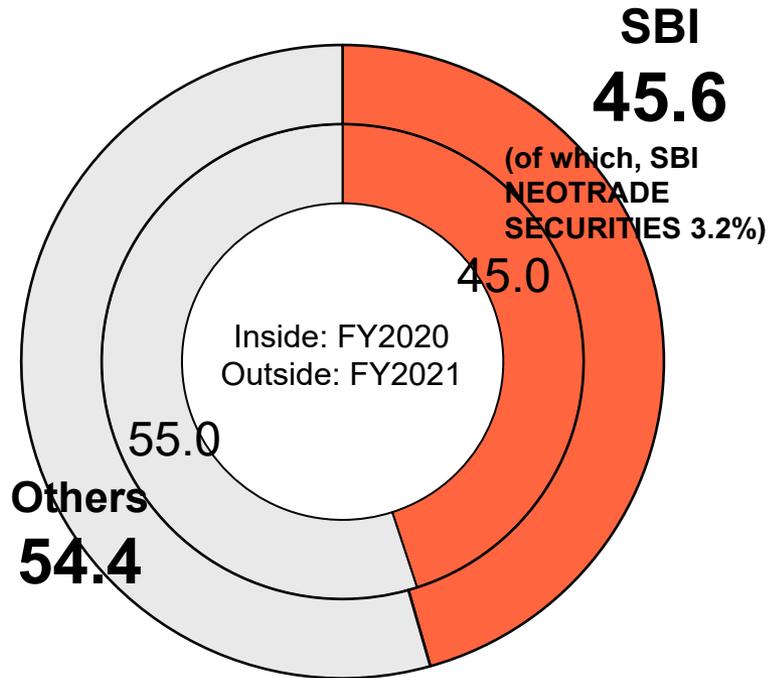
The “Customer-centric Principle” Drives Shakeouts in the Industry ③

Neo-securities Initiative is expected to further increase SBI SECURITIES' 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>

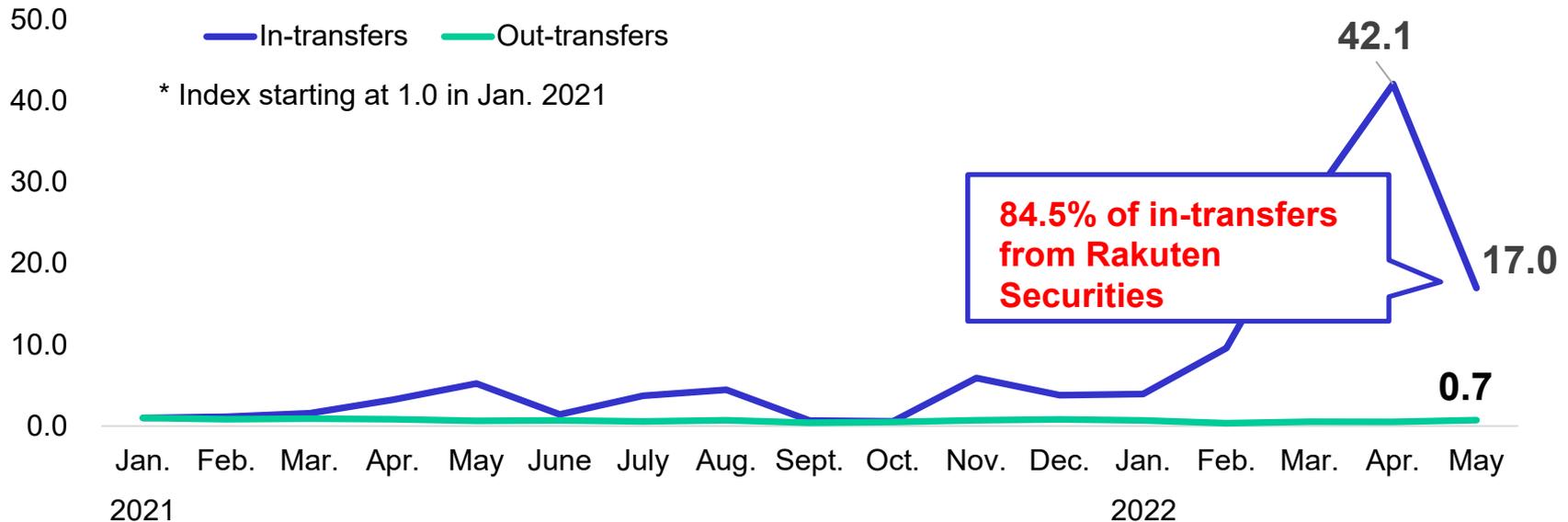
* Shares are calculated by dividing each company's individual stock trading value or individual margin trading value with the whole individual stock trading value and individual margin trading value of the 1st and 2nd section of the Tokyo and Nagoya Stock Exchange, including that of ETF and REIT trading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

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

The "Customer-centric Principle" Drives Shakeouts in the Industry ④

- Accelerated customer churn when customer benefits are compromised -

Number of account in- and out-transfers at SBI SECURITIES



- In Jan. 2022, SBI SECURITIES launched an "Investment Trust Transfer Program" in which SBI SECURITIES pays the full amount of fees paid by customers to other companies before the transfer of investment trusts, resulting in increased inflows
- Specifically, 90% of all in-transfers come from Rakuten Securities, indicating that the revised Rakuten Point program is being seen by its customers as a change for the worse

Shakeout and Restructuring of the Domestic Securities Industry may Occur

Comparison with net income

FY2021 financial results (consolidated)

(Unit: JPY billion)

		Net Operating Revenue	Ordinary Income	Net Income
Online securities	SBI SECURITIES (consolidated)	157.0	62.1	40.0
	Monex Group (consolidated)	83.6	20.8	13.0
	Matsui Securities (non-consolidated)	29.4	12.8	11.4
	GMO Financial Holdings (consolidated)	42.3	13.4	8.6
	Rakuten Securities (consolidated)	84.7	13.9	7.2
	au Kabucom Securities (non-consolidated)	17.7	5.1	3.6
Second-tier, mid-tier Securities	Tokai Tokyo Financial Holdings (consolidated)	78.2	13.0	13.2
	Okasan Securities (consolidated)	72.6	6.9	10.1
	IwaiCosmo Holdings (consolidated)	20.5	5.8	3.8
	Aizawa Securities (consolidated)	15.6	1.4	2.9
	Marusan Securities (consolidated)	18.6	3.6	2.8
	Ichiyoshi Securities (consolidated)	19.6	3.4	2.5

91.7% of operating income is from crypto asset-related business (74.6% of net income is from crypto asset-related business)

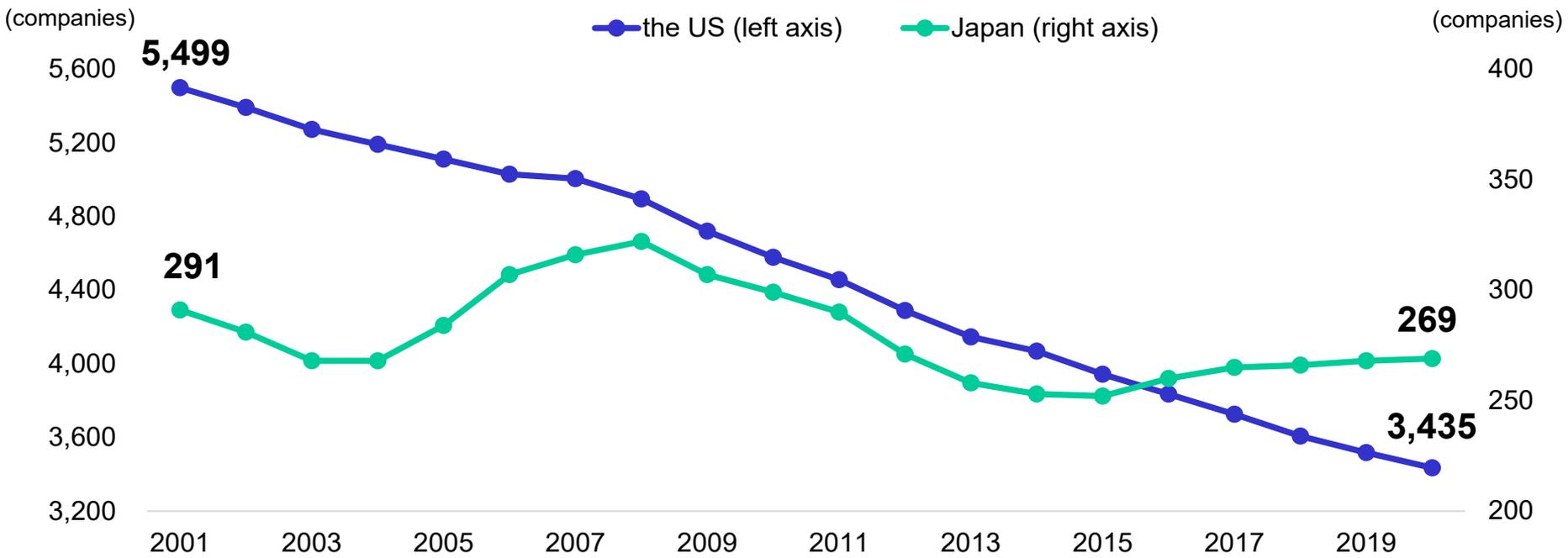
Note 1: Monex Group use IFRS, so the value of revenue is used for net operating revenue and the value of income before income taxes is used for ordinary income

Note 2: GMO Financial Holdings and Rakuten Securities has a fiscal year that ends in Dec., so figures for the period from Apr. 2021 to Mar. 2022 are used

Note 3: Complied by SBIH from the information on websites of each company

The Number of Securities Firms has Declined Significantly through Industry Shakeouts and Restructuring

Number of Securities Firms in U.S. and Japan



*1 The number of securities firms in Japan is the number of members of Japan Securities Dealers Association
 *2 The number of securities in the U.S. is based on publicly available data from the Japan Securities Research Institute and Financial Industry Regulatory Authority.

The decline of securities firms is not noticeable currently, but it is expected to intensify in the future in line with the U.S. trend

(1) SBI SECURITIES diversifies its products and business fields by utilizing M&A to realize Neo-securities Initiative earlier

[Examples of product and business fields diversification]

- ① Expansion of services through open alliances**
- ② Expanding into the Real Estate Finance Business**
- ③ Strengthen wholesale business**
- ④ Increase of trading revenue**
- ⑤ Expansion of foreign stock services**

Actively Utilizing M&A to Realize the Neo-securities Initiative as soon as Possible

Target areas for M&As

Conduct M&As targeting business areas that lead to a reduction in dependence on domestic stock brokerage commission as revenue from online trading*

* Deals that are expected to increase finance revenues, underwriting/sales commission offering/sales commissions, trading revenues, and other revenues

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

[M&A conducted for the Neo-securities Initiative]



[B2C2]
Digital asset market maker

Digital asset company



Operates crypto asset exchange
* Merged into SBI VC Trade Corporation in Dec. 2021



[BITPoint Japan]
Operates crypto asset exchange
* Scheduled to be consolidated in July 2022



岡三アセットマネジメント
[Okasan Asset Management]
Management of investment trusts

* Continuing discussions toward completion of investment by the end of March 2023 and becoming a consolidated subsidiary



RHEOS CAPITAL WORKS
[Rheos Capital Works]
Management of investment trusts



[SBI Neotrade Securities]
(Former: Live Star Securities)
Online Securities

Real Estate Finance



Management and operation of real estate assets



ASCOT CORP.
Real estate developer



Crypto asset-related business



[FOLIO Holdings]
Provision of infrastructure systems for theme investment management, wrap management, etc.

M&As Conducted for the Neo-Securities Initiative and their Contribution to Earnings

-B2C2 contributes to SBI Group's revenue growth on the back of increased crypto asset transactions-



- B2C2 is a leading global market maker in the crypto asset sector based in the U.K. As of March 31, 2021, B2C2 has more than 500 corporate clients worldwide, which are mainly crypto asset exchanges and institutional investors
- B2C2 selected as most popular counterparty by institutional investors and corporate clients, according to 2022 PwC survey*
- The company's average daily trading volume increased 4.5 times compared to FY2019. Profit before income tax expense also increased 13.9 times compared to FY2019 and is expected to continue to contribute profits to the SBI Group in the future

B2C2 Limited

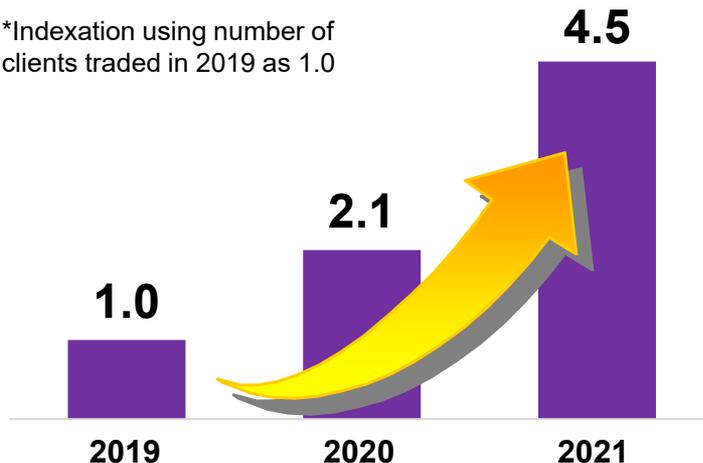
Made consolidated subsidiary in Dec. 2020

*PwC, Crypto Trading Report 2022, <https://www.pwc.ch/en/insights/crypto-trading-report-2022.html>

Trend of average daily trading volume and profit before income tax expense for B2C2 (FY2019-FY2021)

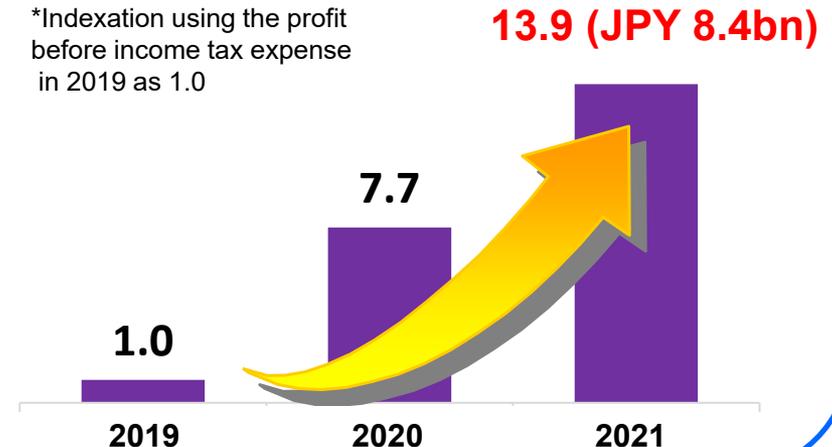
Average daily trading volume

*Indexation using number of clients traded in 2019 as 1.0



Profit before income tax expense

*Indexation using the profit before income tax expense in 2019 as 1.0



Recent Examples of Promotion of M&As

Crypto-asset field

BITPOINT BITPoint Japan Co., Ltd.

(Plan to acquire 51% of shares on July 1, 2022)

Net profit for FY2021: **JPY 5,780m**

<Cooperation in the crypto asset business>

- ① **Cross-marketing** with the SBI Group **which has a customer base of over 40 million**
- ② **Provide trading opportunities with competitive spread to customers** by taking on liquidity from B2C2 Limited, the world's top market maker in the crypto-asset industry

B 2
C 2

Provide liquidity

B2C2
(SBI Group Company)

BITPOINT

Increase sales and exchange revenues by strengthening liquidity

- ③ **BITPoint to handle tokens** that are carefully selected from crypto-asset-related projects around the world in which the SBI group is involved in, **for the first time in Japan**
Both Remixpoint and the SBI Group will manage the company with a view of listing BITPoint on domestic and overseas stock markets in the future

Asset management field

岡三アセットマネジメント

[Okasan Asset Management]

(Plan to acquire 51% of shares by the end of Mar. 2023)

AUM as of end of March* **JPY 1,391.0bn**

<Agreement in the Asset Management Business>

After the merger, **Okasan Asset Management will be one of the core subsidiaries of the SBI Group**, and we will thoroughly pursue **synergies through collaboration with SBI SECURITIES, Morningstar, and other Group companies**

SBI証券

[SBI SECURITIES]

No. of accounts as of end of Mar. 2022

Approx. 845m accounts

MORNINGSTAR

Evaluation of mutual funds and provision of various financial information

Synergy

岡三アセットマネジメント

[Okasan Asset Management]

Management of investment funds, etc.

Net profit for FY 2021: **JPY 347m**

SBI SECURITIES and SMBC Group to Further Deepen from Existing Alliance

SBI SECURITIES and SMBC Group to form more in-depth alliance through a capital and business alliance in June 2022

① SBI SECURITIES to provide securities services as a digital channel for the SMBC Group



Annual issuance amount JPY 50 (JPY 100 billion in 2025 in view)

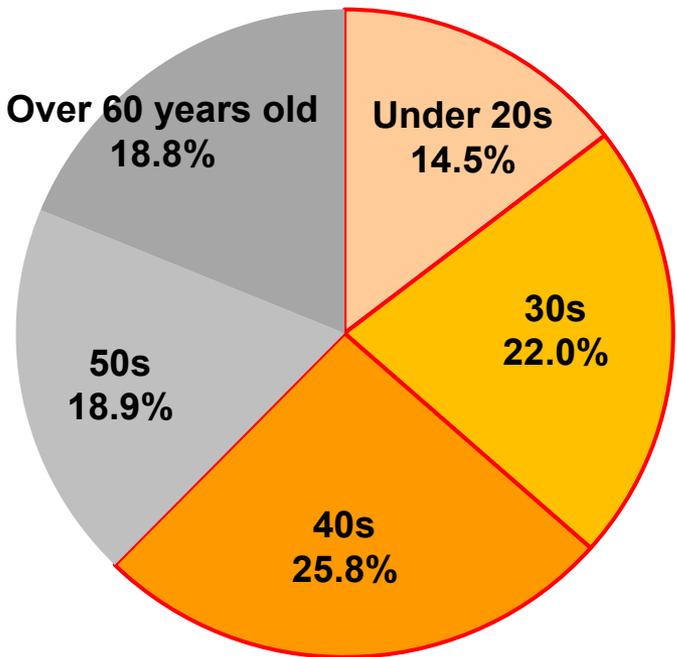
③ strong promotion of V POINT in the SBI Group

SBI SECURITIES and SMFG Have a Complementary Relationship in Terms of Customer Base and Strive to Build a Win-win Relationship for Both Parties

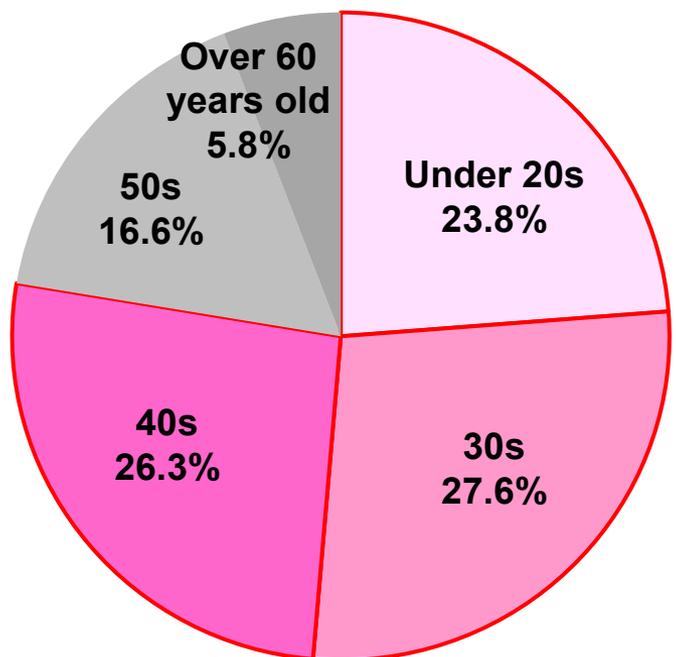
Compared to SMBC Nikko Securities, whose clients are mainly face-to-face customers, SBI SECURITIES’s clientele consists mainly of customers in their 20s to 40s who are engaged in full-fledged asset building over time. Since there is little overlap in customer demographics between the two companies, a mutually complementary relationship can be expected.

Customer Base by Age Group of SBI SECURITIES and SBI NEOMOBILE SECURITIES
(as of the end of Mar. 2022)

SBI SECURITIES



SBI NEOMOBILE SECURITIES



The SBI Group Develops **Multipoint Ecosystem** Allowing Customers to Choose Convenient Common Points

- SBI Group has decided to abolish its in-house "SBI Point" point system. The strategy for points is, while vigorously promoting V-Point, to establish a multipoint ecosystem by collaborating with various points that companies outside the Group offer through open alliances
- Multipoint strategy that allows customers to choose convenient common points is also consistent with the company mission "customer-centric principle"

[Points that SBI SECURITIES currently partner with]

T Point



V Point



V POINT

Ponta
Point



Tokyu
Point



TOKYU POINT

d-Point



d POINT

Promoting Investment Trust Accumulation by Credit Cards Through Open Alliance

- **SBI SECURITIES** actively promotes mutual fund savings services by credit card through Open Alliance. Enable customers to earn points offered by each card company based on the amount of monthly card accumulation
- Continue to strengthen the provision of credit card-based investment fund accumulation services that meet customer convenience needs in response to the growing awareness of individual investors regarding asset building

[SBI SECURITIES Offers Investment Fund Accumulation with Cards Offered by the Following Credit Card Companies]



[Sumitomo Mitsui Card]



Takashimaya Card

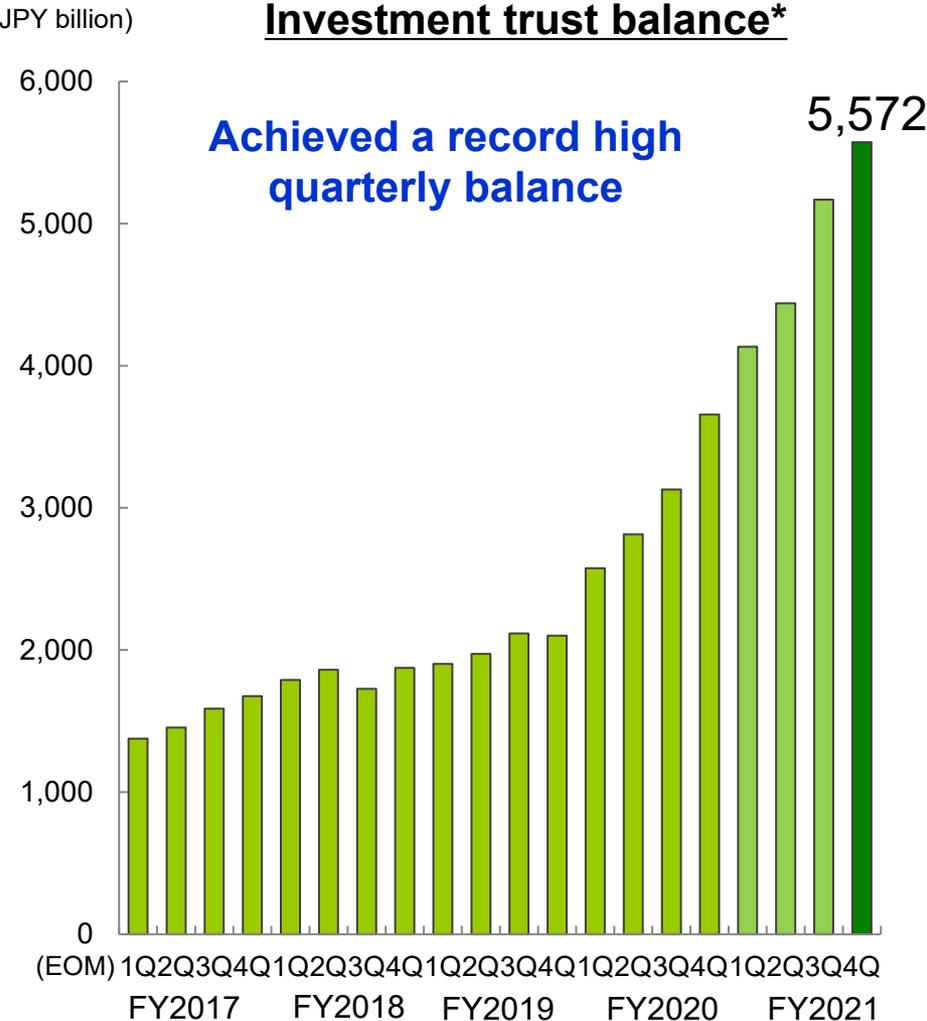


(Under Consideration)

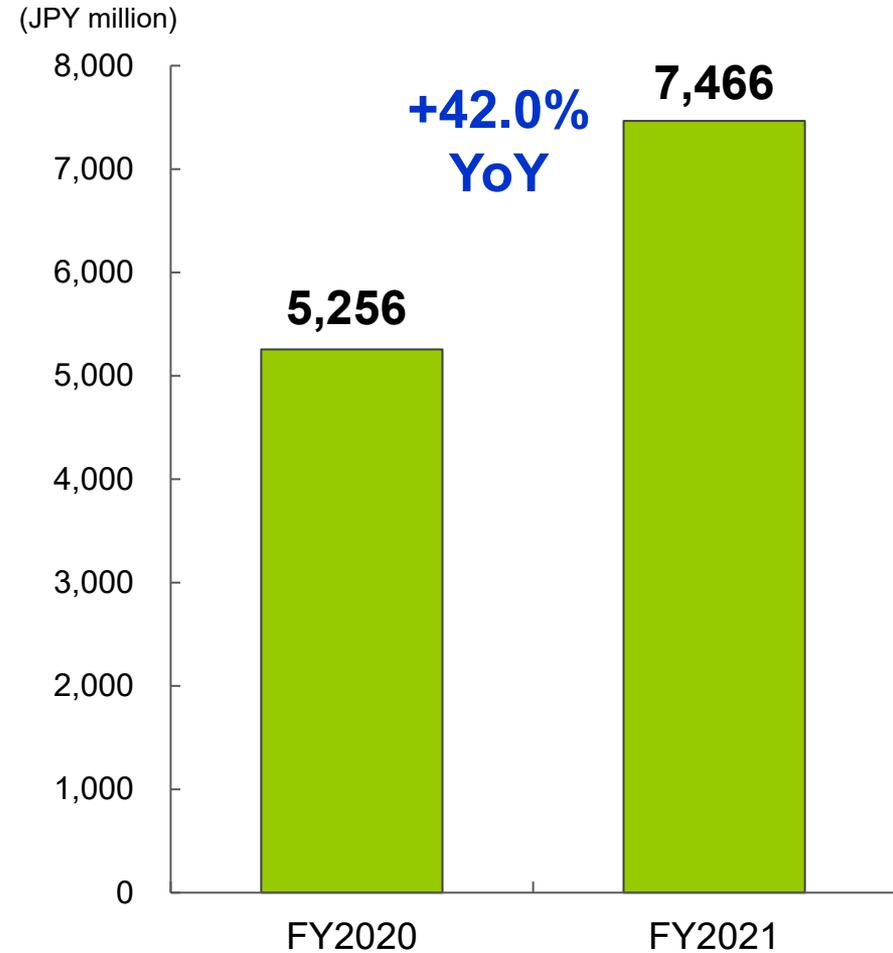
① Expansion of services through open alliances

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

Investment trust balance*



Investment Trust Fees



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

Fully Automated AI Investment "SBI Wrap" is a Major Favorite ①

- In Aug. 2021, SBI Group acquired shares of **FOLIO Holdings, Inc.** (60.76% of total shares) the parent company of FOLIO Corporation, which provides the discretionary management platform system "4RAP" for thematic investment and wrap management, etc., and made it a consolidated subsidiary of the SBI Group (added under the Financial Service Business segment)
- SBI SECURITIES and FOLIO jointly developed "SBI Wrap" service using "4RAP", a discretionary investment management system platform provided by FOLIO of the SBI Group, starting on Mar. 31, 2022.
"SBI Wrap" **surpassed JPY 5bn in assets on deposits in just 15 business days since service launch**
- In addition, the development of FOLIO's products and services to financial institutions and business corporation that the SBI Group is strengthening alliances with, has already received some offers

[Four key points of SBI Wrap]

- Automatic "Global Diversified Investment" from small amounts
- An "Easy-to-Continue Structure" for asset building
- Efficient asset building with AI! Asset Management by AI continues to evolve
- AI analysis enables asset allocation tailored to the situation



SBI証券

[SBI SECURITIES]



folio

① Expansion of services through open alliances

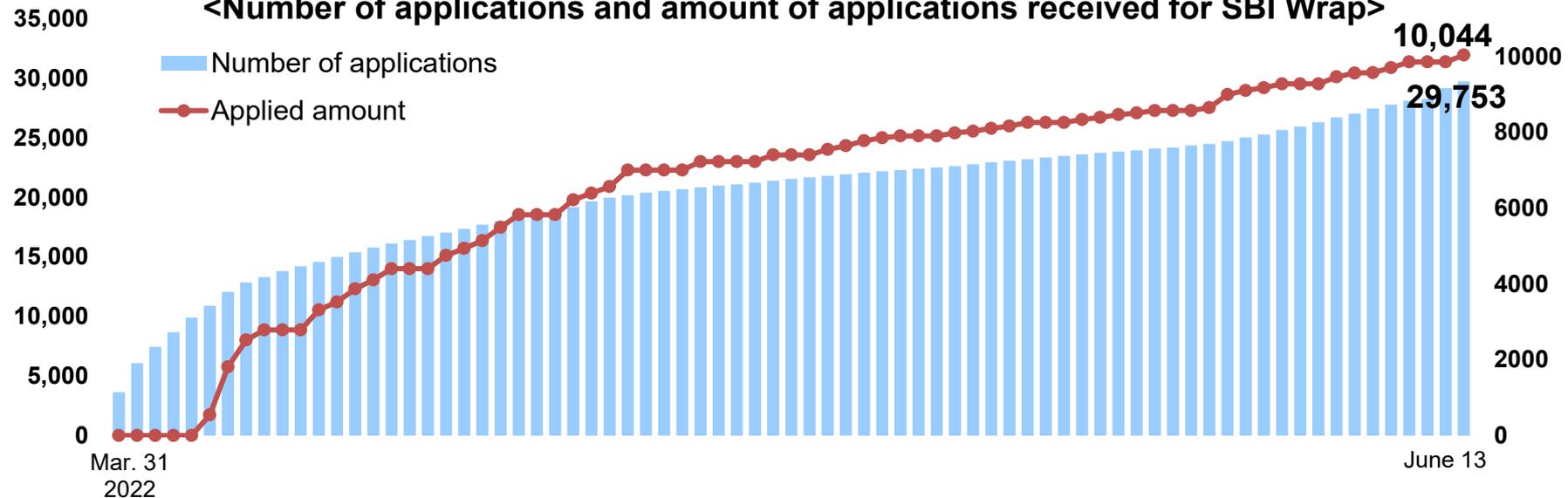
Fully Automated AI Investment "SBI Wrap" is a Major Favorite ②

- Applied amount exceeded JPY10 billion in just two months since the service launched-

(No. of applications)

(JPY million)

<Number of applications and amount of applications received for SBI Wrap>



Funds managed by SBI Asset Management are also included in the investment target funds of SBI Wrap

Fund name	Incorporated ETF	Ticker
(Wrap exclusive) SBI-US Equity	Vanguard Total Stock Market Index Fund ETF	VTI
(Wrap exclusive) SBI-Developed Market Equity	Vanguard Developed Markets Index Fund ETF	VEA
(Wrap exclusive) SBI-Emerging Market Equity	Vanguard Emerging Markets Stock Index Fund ETF	VWO
(Wrap exclusive) SBI-US Bonds	Vanguard Total Bond Market Index Fund ETF	BND
(Wrap exclusive) SBI-US High Yield Bonds	iShares iBoxx \$ High Yield Corporate Bond ETF	HYG
(Wrap exclusive) SBI-US Emerging Market Bonds	iShares JPMorgan USD Emerging Markets Bond ETF	EMB
(Wrap exclusive) SBI-US Real Estate	Vanguard Real Estate Index Fund ETF	VNQ
(Wrap exclusive) SBI-Gold	SPDR Gold Shares ETF	GLD

Expanding Into the Real Estate Finance Business ①

- SBI MONEY PLAZA Enhances Sales of Real Estate Small-lot Beneficiary Interests -

- SBI MONEY PLAZA has been handling real estate small-lot beneficiary interests since 2020 and has sold JPY 12,555m in eight projects
- Real estate small-lot beneficiary interests are products for receiving income from real estate for rental income and proceeds from sales in proportion to the number of units held. They can be invested in starting at JPY 10m (in JPY 5m units) for prime sites within greater Tokyo
- In response to the high demand for real estate small-lot beneficiary interests, we will continue to prepare new product sales



[SBI MONEY PLAZA]

Real estate small-lot beneficiary interests (examples of past sales)

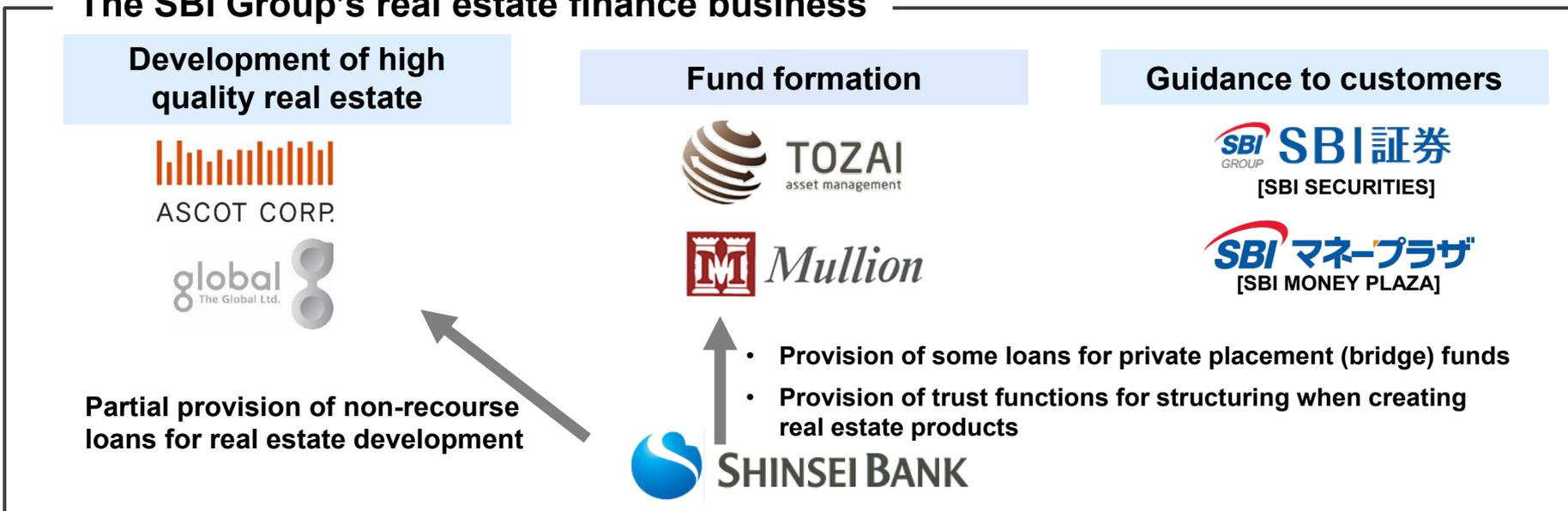


Expanding Into the Real Estate Finance Business ②

-SBI Group endeavors to increase the AUM and expand business into real estate funds such as private REIT-

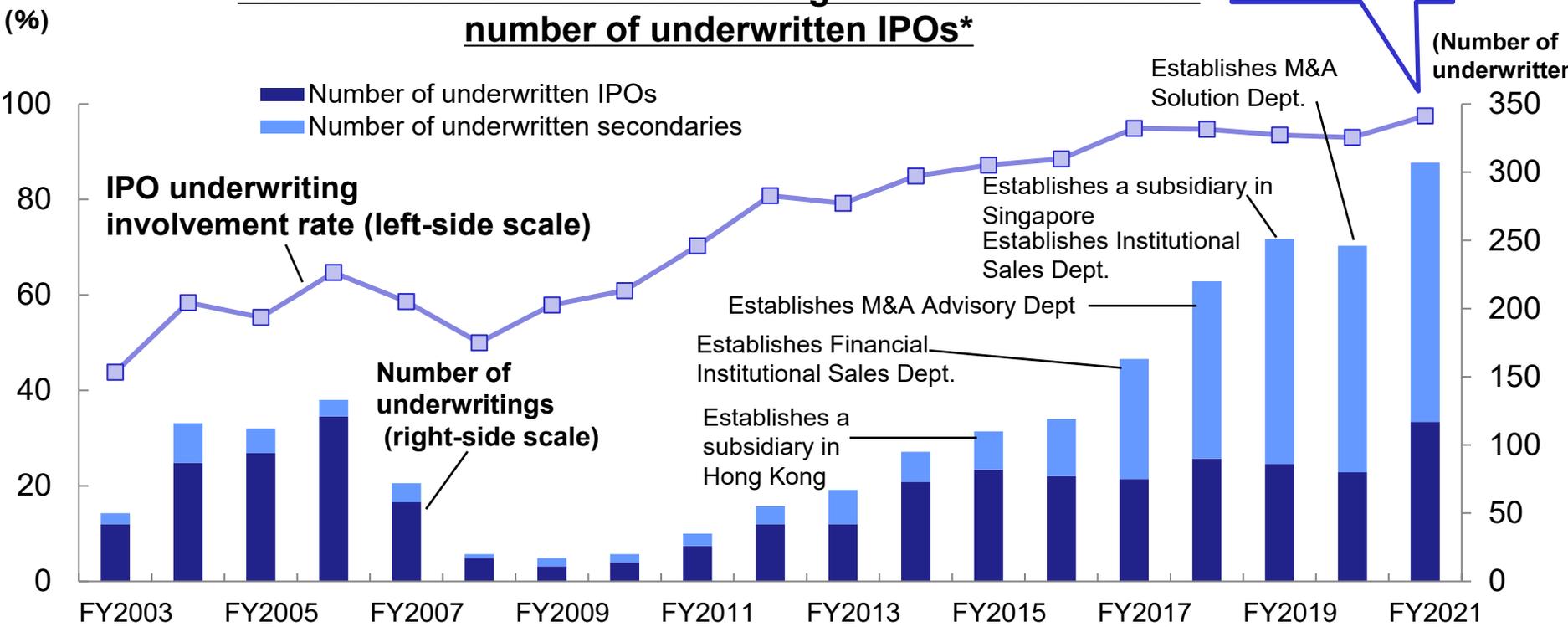
- In Dec. 2020, SBI Holdings acquired shares of **Ascot Corp.** (35.01% of voting rights), entered into a business alliance in the real estate field. Launch private REIT in Apr. 2022
- In June 2021, concluded a share transfer agreement (currently acquired 65.14% of total shares) with **Tozai Asset Management Co., Ltd.**, which manages and operates real estate assets.
Currently acquiring seed assets for preparing launch private REITs
- Considering for collaboration with **Shinsei Bank**, which joined the SBI Group in Dec. 2021, in each phase of the real estate finance business

The SBI Group's real estate finance business



Rapid Growth in Underwriting Business, Especially for IPOs, Due to Strengthened Corporate Sales

SBI SECURITIES' IPO underwriting involvement rate and number of underwritten IPOs*

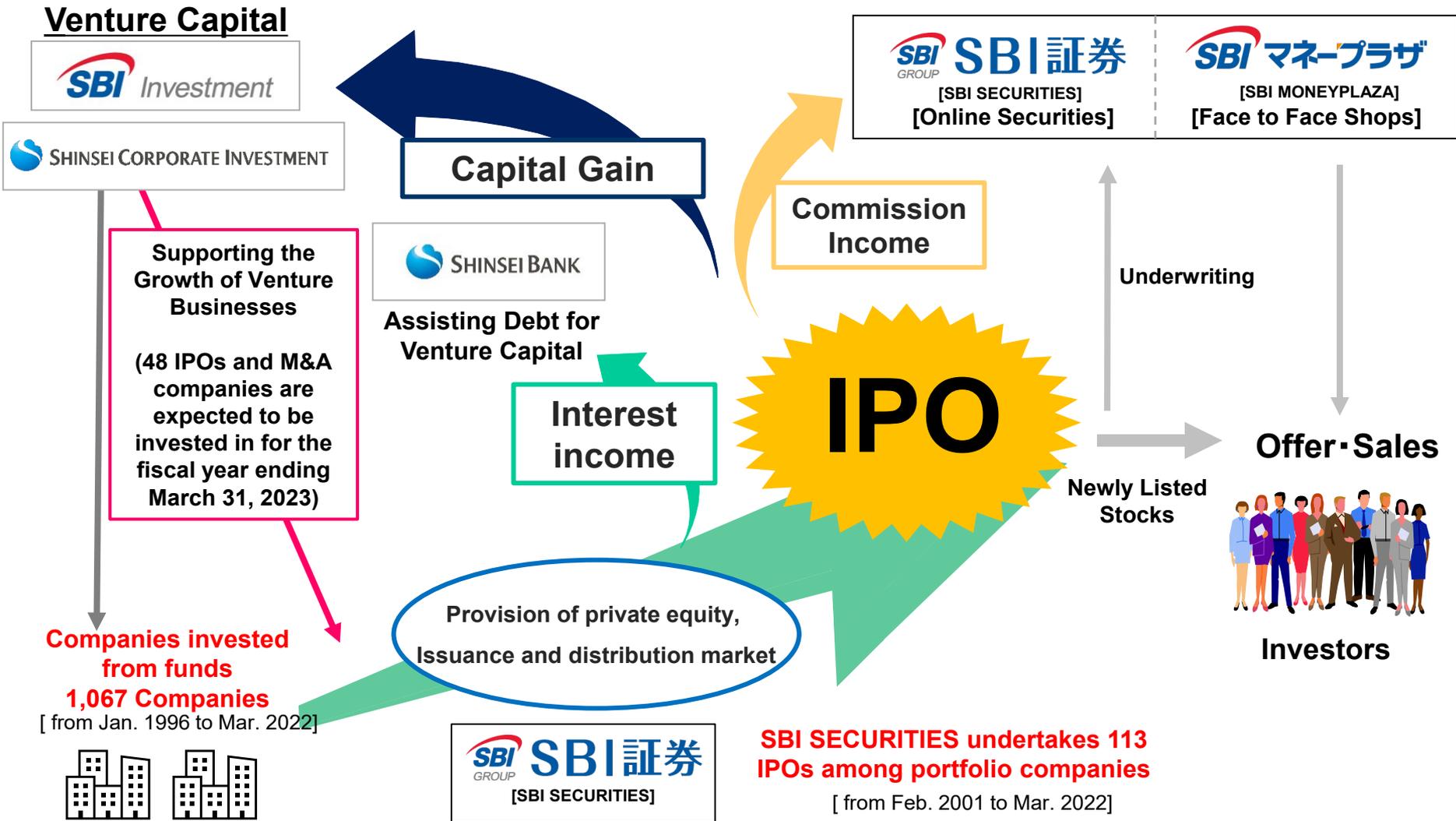


SBI SECURITIES has maintained the No. 1 position in the industry in terms of IPO underwriting involvement since the FY2012. The number of companies underwritten as lead managers and the number of underwritten IPOs have surpassed those of the previous fiscal year, and the Company plan to increase earnings by further increasing the number of companies underwritten as lead managers

* Total number of IPOs, PO underwritten, corporate bonds, municipal bonds, etc.

③ Strengthen wholesale business

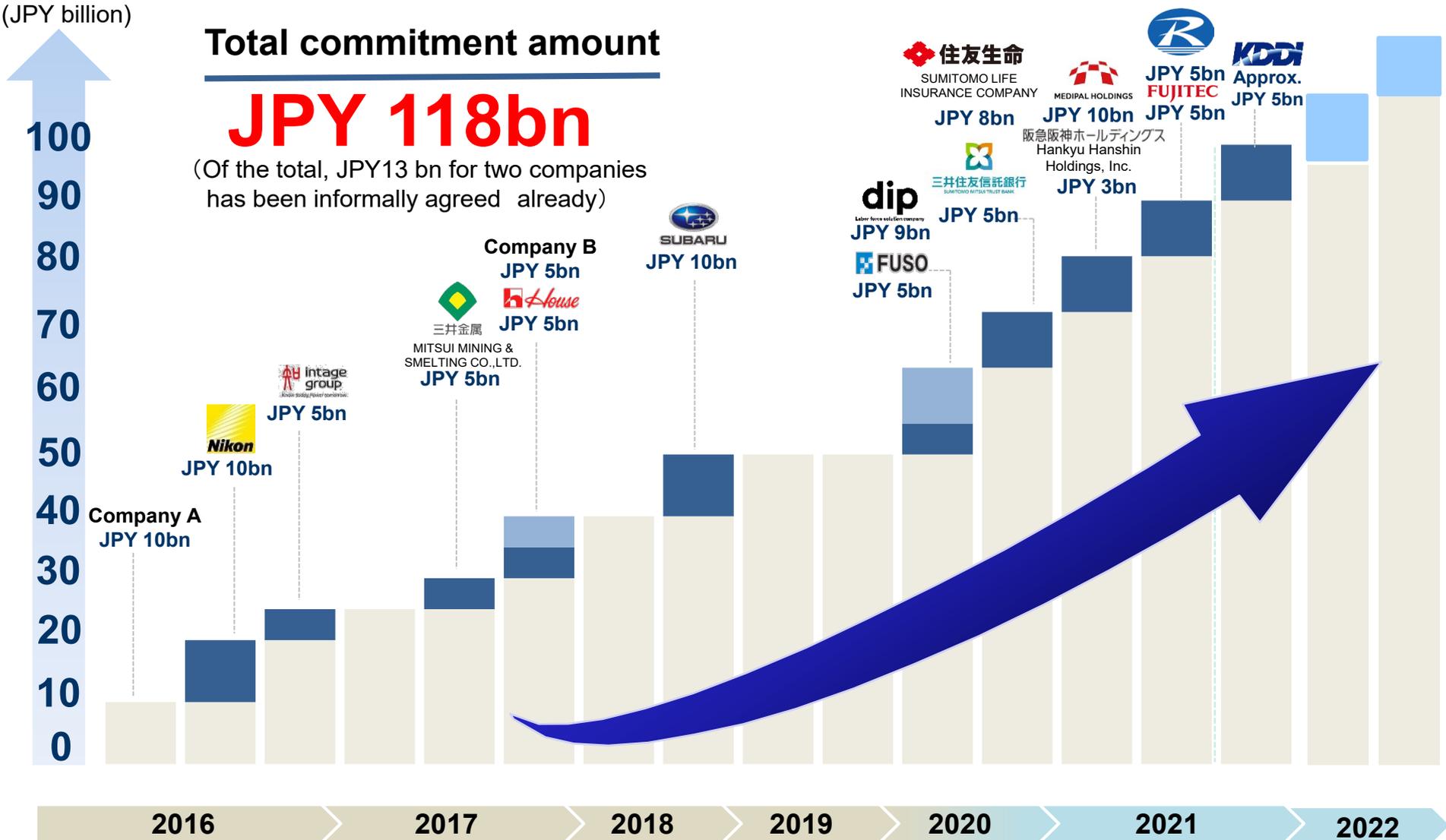
Providing a Virtuous Cycle of Profit Improvement and Sustainable Growth in Addition to the Synergetic Effect of IPO Underwriting System Through Collaboration Between Venture Capital Business and Securities and Banking Business



③ Strengthen wholesale business

Strengthening Business with Business Corporations in Alliances through CVC Funds Managed by SBI Investment

-Total Committed Amount of CVC funds Exceeded JPY 100bn-



③ Strengthen wholesale business

Strengthen Underwriting of Primary and Secondaries and Increase the Number of Lead Managers while Maintaining a High Share of Underwriting Involvement

Underwriting share of **97.5%** is an **industry-leading figure**

- Between Apr. 2021 through Mar. 31, 2022, SBI SECURITIES underwrote **20 companies** as lead manager, **a record high**

IPO Underwriting Ranking (Apr. 2021–Mar. 2022)

120 companies were listed during the period

Company Name	No. of cases	Underwriting Share (%)
SBI	117	97.5
Nikko	76	63.3
Mizuho	75	62.5
Rakuten	70	58.3
Nomura	62	51.7
Monex	51	42.5
Matsui	50	41.7
Okasan	47	39.2

PO underwriting business

During FY2021, SBI SECURITIES **underwrote 25** POs, reached record high



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

Corporate bond underwriting business

Underwrote **43** corporate bonds in FY2021, including that of Softbank
The underwritten amount in FY2021 increased **2.5 times** YoY



Expanded underwriting new public bonds, including electricity bonds

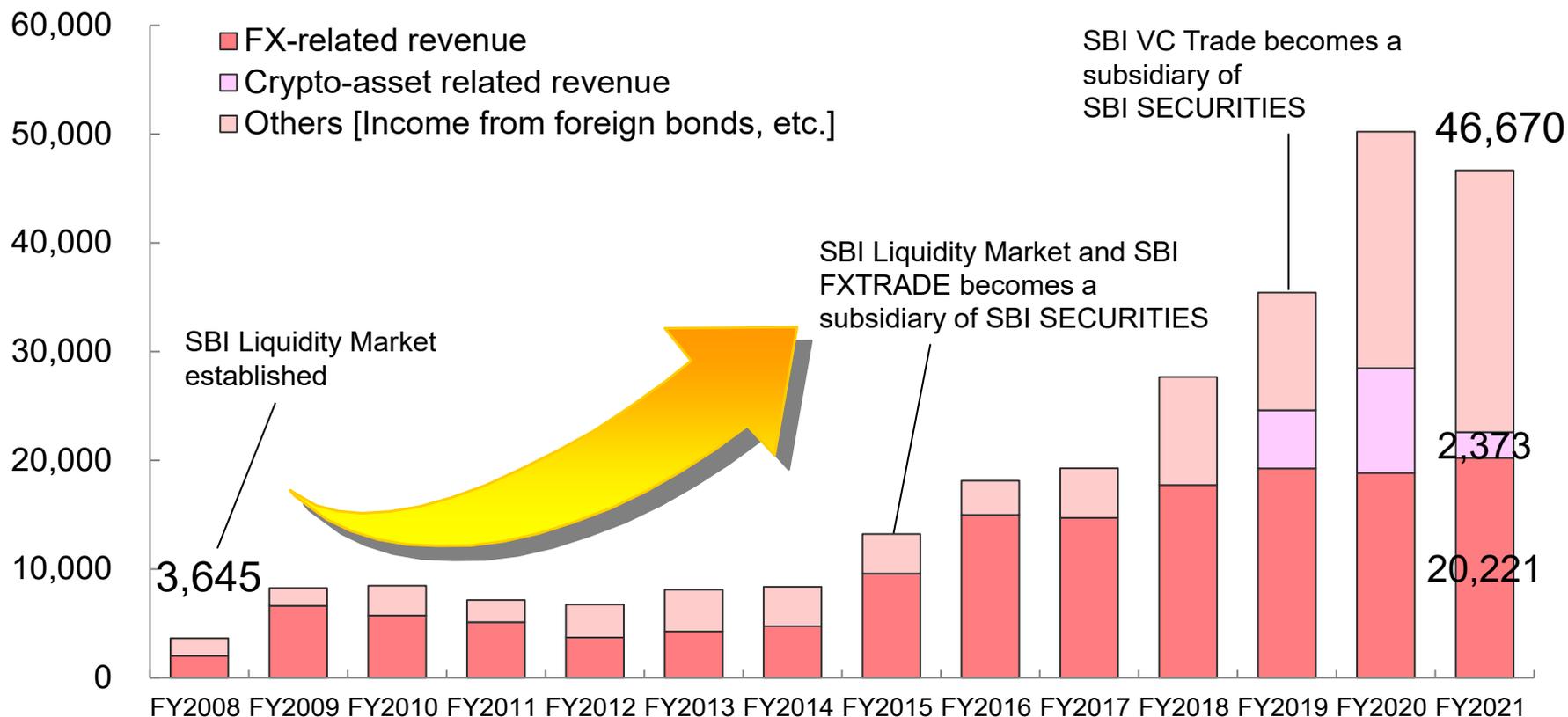
*The above IPOs represent issues underwritten in Japan only and do not include additional secondary offerings or overseas issues.

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

Trading Revenue becomes One of the Pillars of Revenue by the Strengthening of **FX Business** and Start of **Crypto Asset Trading Business**

Changes in Trading Revenue of SBI SECURITIES

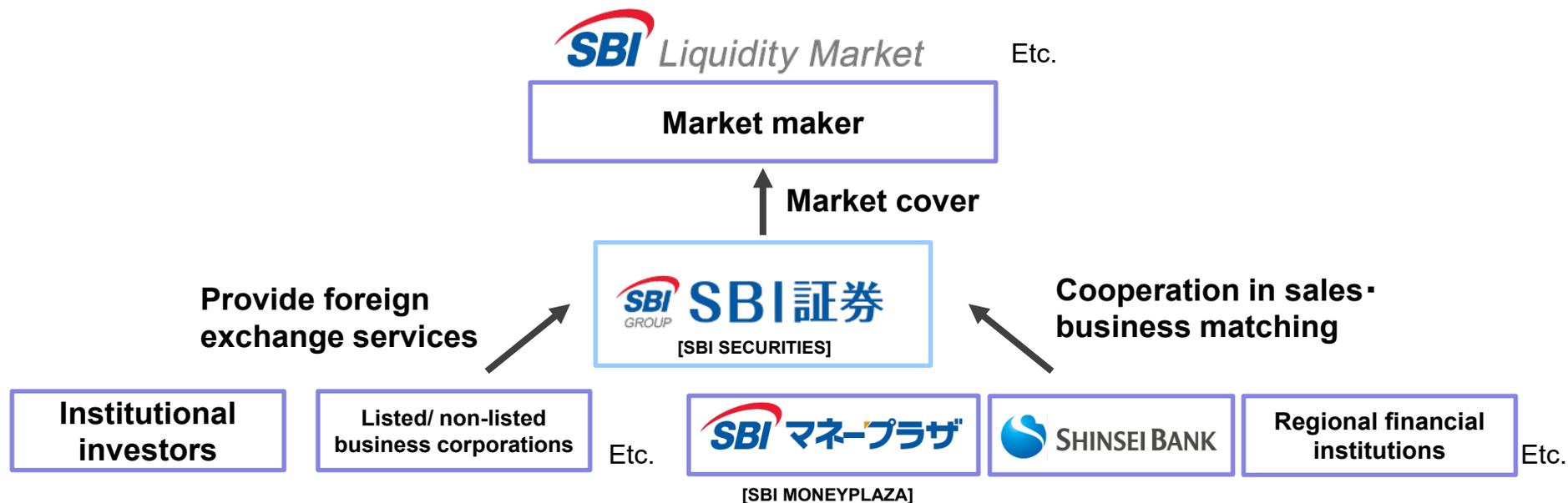
(JPY million)



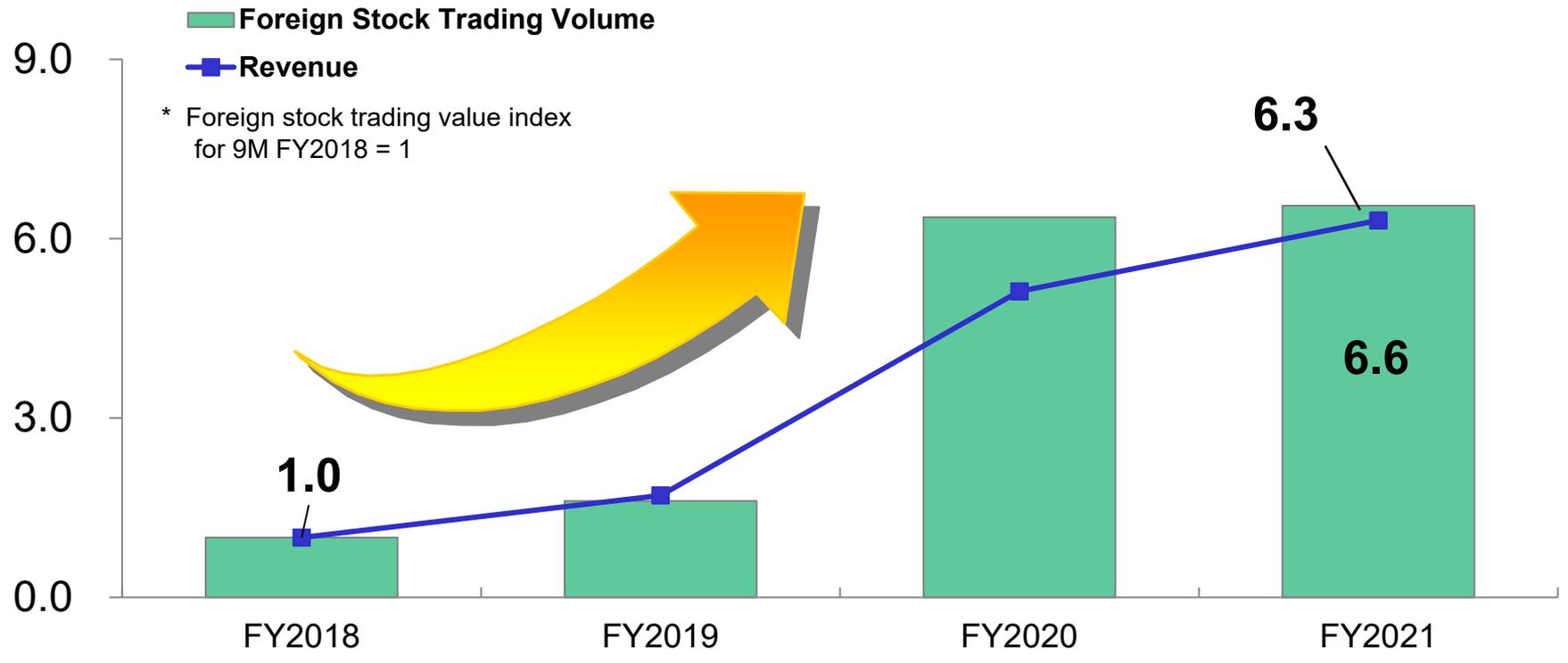
Starting Foreign Exchange Services for Corporate Customers

- SBI SECURITIES set up a foreign exchange office on May 23, 2022. Starting to expand services such as FX (foreign exchange trading with security deposit), which had mainly been provided to retail customers, **to cover corporate customers** including institutional investors, business corporations, financial institutions, and (high net worth) asset management companies by offering **OTC trading of currency-related derivatives** (futures & options)
- The corporate market for foreign exchange trading in Japan is huge, totaling USD 444.3bn (JPY 57tn) in daily transaction value.* By offering OTC trading of currency-related derivatives to corporate customers, we will strengthen and diversify our earnings capability in this vast market

* From the Oct. 2021 "Volume Survey" by the Tokyo Foreign Exchange Market Committee



SBI SECURITIES Foreign Stock Trading Value and Revenue Trend

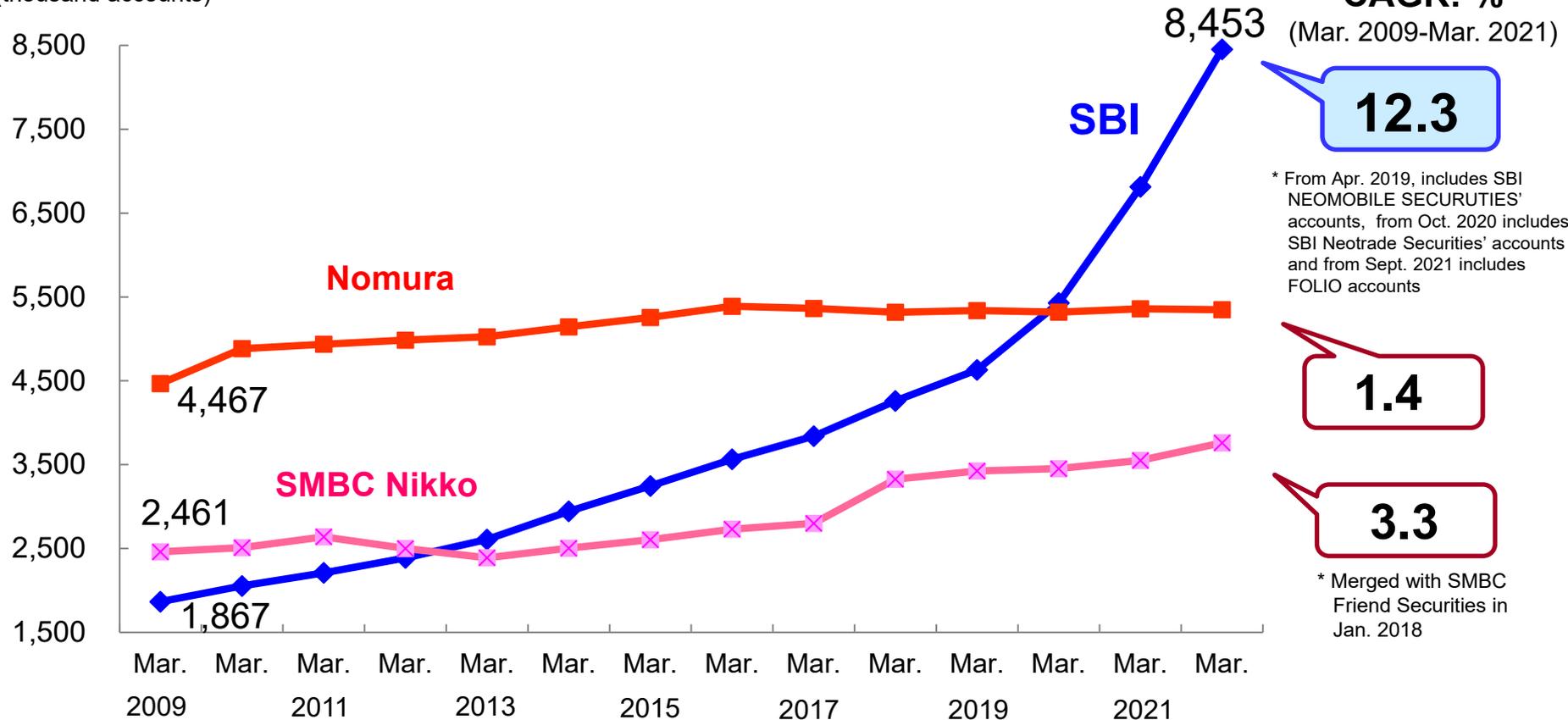


- US stock trading continued to boom during FY2021, setting **record highs in foreign stock trading value and profit**
- Services for U.S. stocks have continuously expanded since Jan. 2022. Further expansion of foreign stock trading, including the **launch of margin trading of U.S. stocks expected in this summer**

(2) Improving the Advancement and Efficiency of the System in Response to Expected Increase of Customers due to the Realization of Neo-securities Initiative

Number of Accounts of SBI SECURITIES and 2 Major Face-to-face Securities Companies
(End of March 2009 - End of March 2022)

(thousand accounts)



Constructing a system that can sufficiently handle transactions of 11 million accounts has been completed. Achieve 30 million accounts based on discontinuous growth such as M&A in the future

3. Contribute to the rule and infrastructure establishment in the platform business, especially in Web 3.0, including the Metaverse

- (1) Contribute to the establishment of various governance in the Digital Space
-Strive towards development of the whole industry through the improvement of the business environment-**
- (2) Promoting the development of ST infrastructure (issuance and distribution market)**
- (3) Domestic and international remittance and settlement infrastructure through the Money Tap business**
- (4) Business development that captures the trend in the African region, where P2P crypto asset transactions, which are considered important in the Web 3.0 world, are rapidly increasing**
- (5) Creating an ecosystem in the digital asset field and other areas through a global alliance with SC Ventures, which has strengths in South Asia, the Middle East, and Africa**
- (6) Leveraging blockchain/DLT to strengthen the connection between consumers and producers**
- (7) Full-scale entry into the NFT marketplace business**
- (8) Initiate branding strategy to gain recognition as a pioneer in the age of Digital Space**

Growth Expectations toward Crypto-Assets and Digital Space on Regulation and Taxation.

"If more cryptocurrencies are used, it will threaten individual Russian investors and financial stability for encouraging antisocial activities." The Central Bank of Russia proposes a report on cryptocurrencies on March 20. It emphasizes the dangers and proposes legislation to ban payments, mining, and investment.

2022/01/24 Excerpt from the abstract of Nihon Keizai Shimbun Electronic Edition, "Bitcoin down 20% in 2 days, regulation spreads, selective selling - Russia proposes a regulation, Singapore bans ads".

US Treasury Secretary Yellen in Senate Banking Committee mentioned the stable coins on Wednesday "I think that this simply illustrates that this is a rapidly growing product and there are rapidly growing risks to the financial stability, and We really need a consistent federal framework. (Abbreviation) According to the Coin Market Cap, Terra's market value is about 1.4 trillion yen, which is only 4th place in the stablecoin market. However, the overall market capitalization of stablecoins, including Tether and USDC issued by U.S. Circle, is 22 trillion yen, and their influence on the financial market is increasing.

2022/05/12 Excerpt from Nihon Keizai Shimbun electronic version, "Cryptocurrency tera plunge, doubts about "stability," the argument toward regulatory.

The movement to tighten regulations on crypto assets in each country is the flip side of the fact that its activities have expanded to the extent that their activities have a **non-negligible effect on the real economy**

Currently, crypto assets have a maximum tax rate of 55% in Japan, which is significantly higher than in other countries. (Significantly disadvantageous compared to about 20% of stock / FX separate taxation)

On March 30, the Liberal Democratic Party (LDP) proposed to reduce the tax burden on crypto assets (cryptocurrencies). Starving to reflect in tax reform in 2023 and to revise the law

As a new digital economic zone, **Web3.0 is attracting attention and is clearly stated in the government's "Basic Policies,"** and the momentum for digital space in Japan is increasing

(1) Contributing to the establishment of various rules in the Digital Space

Establishment and participation in self-regulatory and industry organizations

Japan STO Association

The Japan STO Association, established in Oct. 2019 under the leadership of SBI Group, has already been accredited as a self-regulatory organization by the Financial Services Agency. A total of 67 companies are participating in the association as regular members, including 13 securities companies, and supporting members. The Association will **seek and realize business opportunities for STO with thorough compliance with laws and regulations and investor protection in Japan** by gathering various knowledge

Digital Asset Co-creation Consortium (ex ST Research Consortium)

Contributed to the formulation of the "Proposal on Digital Securities PTS" at the Digital Asset Co-creation Consortium organized by Mitsubishi UFJ Trust and Banking Corporation. Endeavoring to **establish a secondary market through collaboration between "Osaka Digital Exchange" (ODX) and "Progmart"** to address the absence of a secondary market, which is an issue for digital securities as a whole

Japan Digital Space Economy Federation

Since various economic activities will be generated in the metaverse as in the real world, we **established an industry organization that will contribute to the development of the digital space through policy proposals, information dissemination, and dialogues with various related organizations.** Major cross-industry companies participated as the founding members. (SCSK, Z Holdings, Softbank, Dentsu Group, Toppan Printing, Tradeworks, Microsoft Japan, Nomura Research Institute, Nomura Holdings, Project Company, Minkabu the Infonoid, Loyalty Marketing). As of June 2022, there are 33 general members and 7 supporting members

[Examples of Challenges in the Digital Space]

- If the system is equipped with a mechanism to be redeemable for legal tender, **various financial regulations must be considered to prevent money laundering, fraud, gambling, real money trade, etc.**
- **In order to promote healthy economic growth in the content business,** the use of blockchain and other technologies should be included in the scope **to prevent illegal content theft and piracy**

The SBI Financial and Economic Research Institute Actively Disseminates Information through its **Publications and Seminars**

SBI Financial and Economic Research Institute (SBI FERI), established on April 1, 2021, has invited Ms. Takako Masai, former Councilor of the Bank of Japan's Policy Board, to serve as its Representative Director. **Promoting surveys, research, and policy proposals on themes such as next-generation digital finance**

< Official pamphlet vol. 1, published at the end of February 2022, discusses various possibilities of DLT >



Iwamura, Mitsuru	Waseda University Professor Emeritus	What will happen with the return of interest rates and the practical application of DLT - new currency issuance race-
Shiratsuka Shigenori	Keio University Professor, Faculty of Economics	Central Bank Digital Currency and Monetary Policy
Doi Takero	Keio University Professor, Faculty of Economics	An Economic Study on the Income Taxation of Crypto Asset Transactions
Harada Kimie	Chuo University Professor, Faculty of Commerce	The Potential of Wine Funds as an Alternative Investment
Hiromi Yamaoka Tatsuo Yamazaki	Director of Future Co. Director SBI Institute for Financial and Economic Research	Discussion at the end of the book: The Next Generation of Digital Finance

Download available from official website https://sbiferi.co.jp/review/report_review_2022Feb.html

(2) Developing ST infrastructure (issuance and distribution market)

- ① SBI Group's ST issuance track record
- ② Beginning of PTS at Osaka Digital Exchange
- ③ SBI Group has establishing an end-to-end global ecosystem to **provide a full range of functions from ST issuance to distribution and custody**
- ④ SBI Group will strengthen its investment and alliance strategy to create one of the **world's largest global corridors for the distribution of digital assets** through alliances with domestic and overseas

① SBI Group's ST Issuance Track Record

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

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

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

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



▲ Exterior of Rokko Island Distribution Center and automated warehouse which backed the ST of "d." above

- **Through real estate backed STOs, real estate investment is possible in small lots, and the properties to be invested in are better defined with higher growth expectations than J-REITs**

② Opening of PTS at the Osaka Digital Exchange

PTS operator Osaka Digital Exchange (ODX), in which **SBI Holdings** and **Sumitomo Mitsui Financial Group (SMFG)** have invested, opened on June 27. It is the first PTS to open for business in about 12 years. And it is the third PTS in Japan. At a ceremony on the same day, President Mikazuki Kimio stated that: “We wanted to visibly demonstrate that PTSs are beneficial to investors”. The company aims to handle digital securities using the blockchain (distributed ledger) by 2023

Extract from 2022/06/27 Nihon Keizai Shimbun, “ODX opens for private stock trading, funded by SBI and others”

(Omission) This exchange handles the trading of stocks and ETFs (exchange-traded funds) from 8:20 am to 4:00 pm on weekdays, a longer time compared to the TSE and other exchanges. (Omission) President Mikazuki Kimio says: “We want to make the market attractive and create a big flow from savings to investment.” The share of PTS is only around 9%, but it will be interesting to see whether the opening of a new exchange with the participation of financial giants will help to revitalize the securities market

2022/06/27 NHK “New private exchange opens, financial giants invest, aiming to trade digital securities”

Various other national and local media outlets have also picked up the story, indicating the high expectations for the new PTS

③ SBI Group Has Establishing an End-To-End Global Ecosystem to Provide a Full Range of Functions from ST Issuance to Distribution and Custody

ODX under establishment as Japan's first PTS to handle STs; PTS approval obtained on Apr. 28 2022 and opened a stock PTS on 27 June.

Issuance



ibet
for
Fin

prog//at

Distribution



(Capital ratio: SBI 70%, SMFG 20%)

Asia
Digital
Exchange

Digital
Exchange

Börse Stuttgart

Custody



Investment,
provision of
technology, etc.

Global company
located in the U.K.

Custody joint
venture (domestic)

Preparing to launch domestic custody business within the SBI Group, including partnerships with global firms

The image is an example under consideration and does not guarantee any specific initiatives in the future

④ SBI Group Endeavors to Form One of the World's Largest Global Corridors for the Distribution of Digital Assets



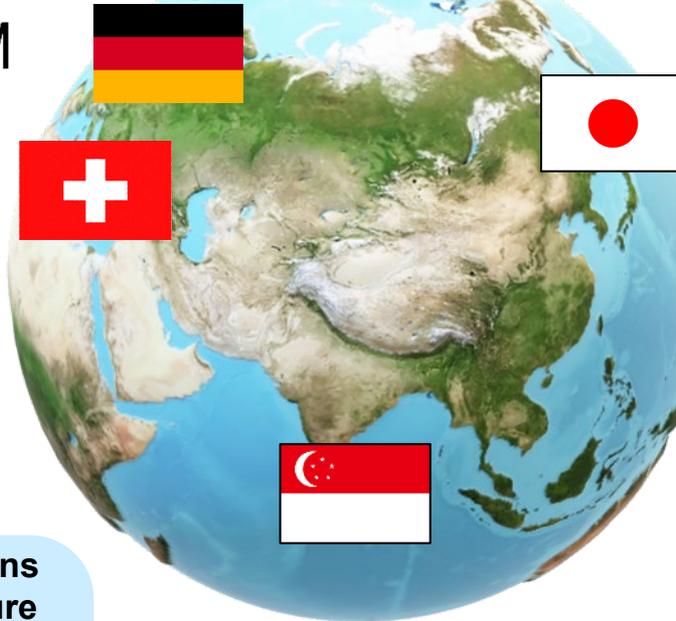
Investment in the Digital Asset Exchange, part of the Boerse Stuttgart Group, which operates Germany's second largest stock exchange (announced December 2019)

Digital Exchange
Börse Stuttgart



 SYGNUM

Invested in Sygnum Bank AG, the world's first digital asset bank granted a banking license by the Swiss financial authorities (announced February 2021)



Osaka Digital Exchange strives to become the first PTS operator in Japan to handle ST (established April 1, 2021) Firstly, an equity PTS is opened on June 27

Asia Digital Exchange

- SBI Digital Markets, which plans to provide trading infrastructure for institutional investors, is funded by SCB10X, a subsidiary of Siam Commercial Bank, a major Thai bank
- Acquired in-principle approval of CMS license by Singapore MAS (May 2022)

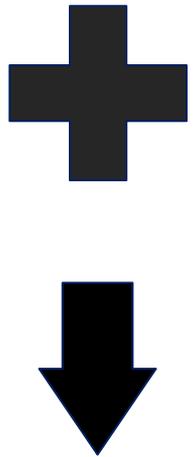
 SBI Digital Markets

Establishment of Asia Digital Exchange, a Singapore-based digital exchange with the Swiss SIX Group, to be officially launched in 2022

SBI Remit and Money Tap Are Combined to Create a Secure, Low-Cost, Next-Generation Financial Infrastructure That Can Compete Globally



- ✓ Providing an inexpensive and fast international money transfer service that incorporates **Ripple's distributed ledger technology**
- ✓ Since its establishment in 2010, the company has been one of the **most successful in Japan** in terms of the total amount of money transferred and the total number of transfers



- ✓ Provides high-performance and low-cost remittance and settlement services **utilizing Ripple Net of Ripple Inc. Already connected to more than 10 financial institutions via API**
- ✓ In addition to 38 regional financial institutions, Ripple also participates as a shareholder

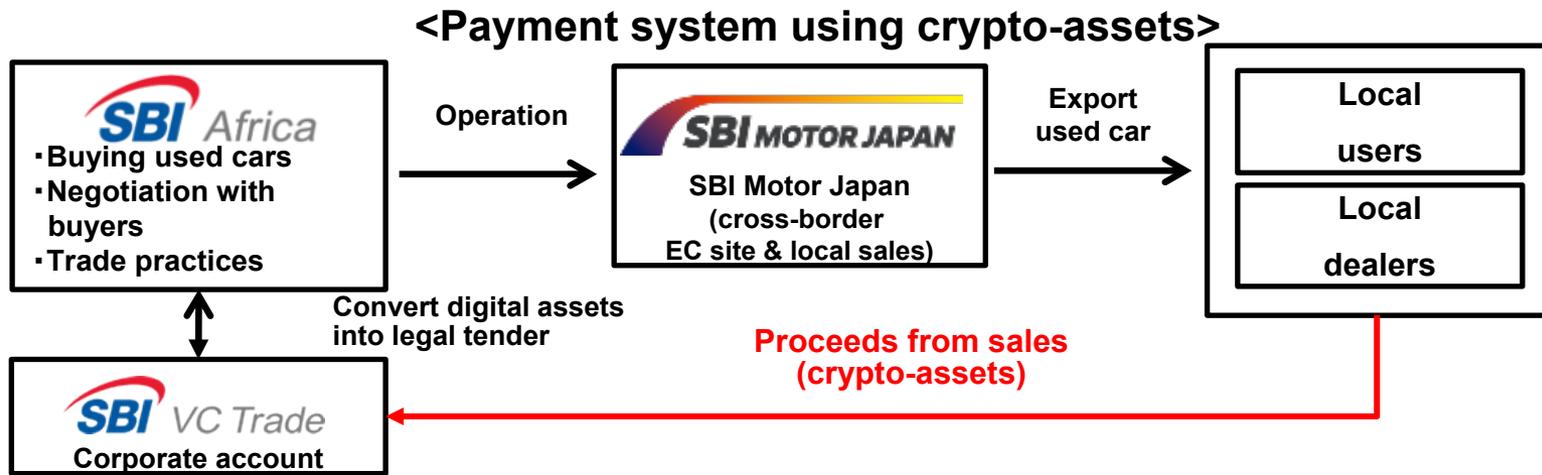
The two companies signed a merger agreement on June 22, 2022, and **plan to merge in September 2022**, with SBI Remit as the surviving company

Pursue synergies by leveraging the strengths of both companies in their business areas, accelerate business development through an increase in the number of connected financial institutions and the provision of new services, and **provide financial institutions and users with superior international money transfer services using Ripple Net**

(4) In Web 3.0, Business Expansion Compatible with Major African Trend: Rapidly Expanding P2P Crypto Asset Transactions

According to the Singapore-based KuCoin exchange, **the number of transactions and users of virtual currencies, including Bitcoin, surged in Africa by about 15-fold and 25-fold** in the year lasting through Jan. 2022. For trading of physical goods, about 90% of transactions are less than USD 10,000. Growth is especially strong in **peer-to-peer (P2P) transactions carried out directly between individuals and companies** without exchanges or financial institutions acting as intermediaries. According to the market research company, Useful Tulip, P2P transactions in sub-Saharan Africa amounted to JPY 78m in March, exceeding the JPY 74m in North America

To serve emerging countries around the world, including those in Africa, SBI Africa—a company **that exports about 5,000 cars each year** using its cross-border e-commerce site, SBI Motor Japan—has built **a system where payments can be made with Bitcoin and XRP crypto assets (Japan's first cross-border e-commerce site to support XRP payments)**



Consider using ODL once Ripple's U.S. court case is settled in a favorable way for Ripple

(5) Creating an Ecosystem in the Digital Asset Sector etc., Areas Through a Global Alliance with SC Ventures, which has Strengths in the South Asia, Middle East and Africa Regions



(Announced
May 6, 2022)

scventures



Details of business cooperation

- ✓ In southeast Asia and South Asia, consider investing in group companies of both and promoting collaboration with existing investee companies of both groups. Also consider establishing joint venture funds in South Asia, the Middle East, Africa, and other countries in which to invest
- ✓ Mutually support business development in regions where both groups have strengths
- ✓ **Consider and implement cooperation and ecosystem building in specific themes, such as BaaS-related projects, the digital asset sector (DeFi, Metaverse, Web 3.0, etc.), the Sustainability and Financial Inclusion sectors** in South-East Asia, the Middle East and Africa

■ Standard Chartered Bank

The UK-based diversified financial group with more than 1,000 offices in 59 countries. Particular strength in South Asia, the Middle East, and Africa

■ SC Ventures

Venture Investment & Incubation Unit of Standard Chartered Bank. Based in Singapore, with offices in San Francisco, Kenya, Shanghai, London, and Hong Kong

(6) Using Blockchain/DLT to Strengthen Ties between Consumer and Producer ①

SHIMENAWA, a traceability service offered by **SBI Traceability, Co., Ltd.** using the blockchain platform Corda, captures tracing data at the point of production in the business of exporting Hokkaido-grown rice

Cooperating with Matsubara Beikoku Co., Ltd., which has strengths in "Dream Rice" in support of export to China

Dream Rice is sold throughout Japan as "rice that you can see the face of the producer," featuring unpolished rice purchased directly from Hokkaido's leading regions and top producers. The rice is then carefully stored and polished in a temperature-controlled warehouse at the company's own rice-polishing facilities



By setting SHIMENAWA onto carefully selected Japanese rice, overseas consumers, including those in China, are given a sense of reassurance through direct provision of information regarding safety and authenticity of rice, guaranteed through traceability recorded on the blockchain

(6) Using Blockchain/DLT to Strengthen Ties between Consumer and Producer ②

- Preventing unauthorized distribution of Japanese sake by pairing blockchain and NFC/RFID technologies -

- While overseas markets have a major problem with the distribution of counterfeit products made from empty bottles for high-grade Western spirits, Japanese sake is facing the same issue after having been the highest value exported for 12 straight years
- In SHIMENAWA, provided by **SBI Traceability**, blockchain technology is combined with NFC/RFID technologies from Sato Corporation to construct a traceable distribution process from digital pairing technology, offering a solution that prevents product counterfeiting and improves user experience
- Katokichibee Shoten's "BORN" label, which has been in business for 162 years, is exported to 105 countries as a representative of Japanese sake culture, and used frequently at international events, will be implemented in Japan for the first time

(7) Full-Scale Entry into NFT Marketplace Business

- In Sept. 2021, **SmartApp (CEO: J. Ko)**, a company developing Japan's first integrated NFT trading platform business (nanakusa), **became a consolidated subsidiary** (shareholding: approx. 84%) of the SBI Group and changed its name to **SBINFT**
- **Focused on the NFT marketplace business that supports public chains (Ethereum, Polygon)**, and strives to become **a global leader** in the distribution of valuable NFTs such as domestic and overseas art / entertainment / tickets



Documentary Video

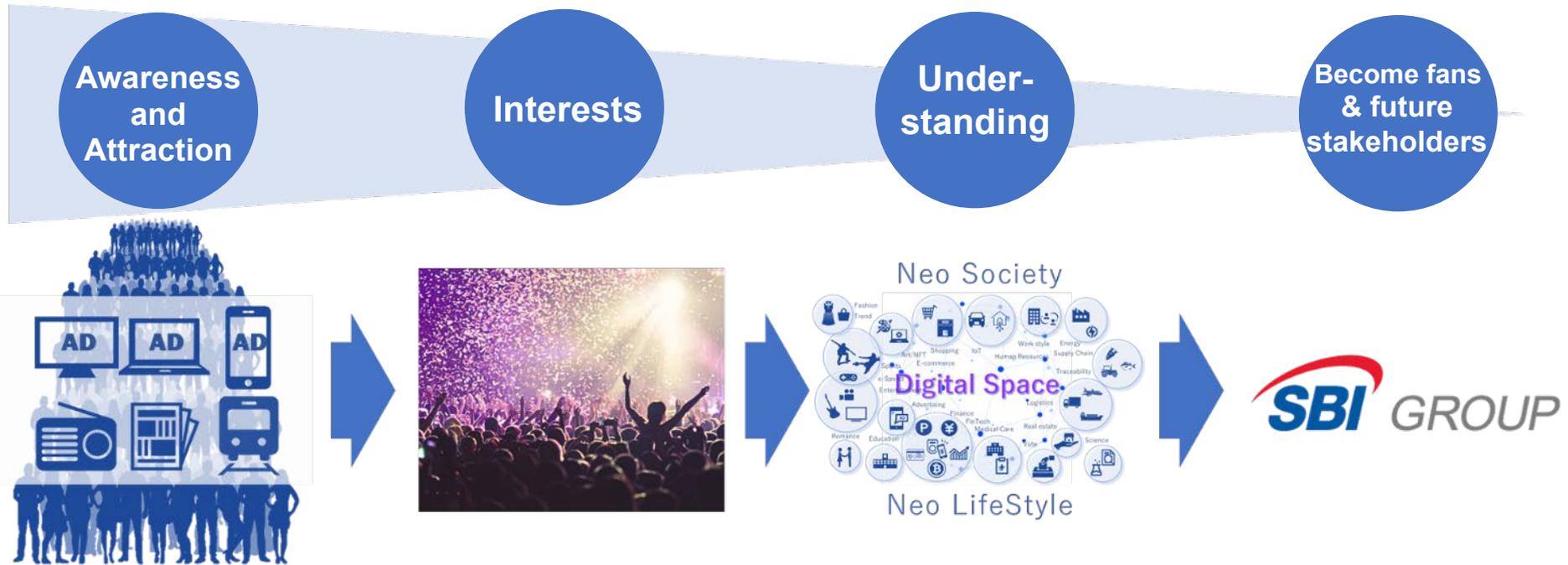
- Focusing on five crypto artists, the documentary video depicts the "past," "present," and "future" of NFT and crypto
- Highlighted video footage was shown on TOKYU OOH Q'S EYE, one of the largest outdoor visions in front of Shibuya Hachiko.
- Permanent art galleries and crypto art exhibits at restaurants in Tokyo, etc.

In partnership with Lawson Entertainment, as one of the NFT services, a service to sell tickets for concerts, sports, plays, and other events sold through Lawson Ticket as storable **commemorative ticket NFTs** will be offered from spring 2022



(8) SBI Group is Planning to Launch a New Branding Strategy to Gain Recognition as a Pioneer in the Age of Digital Space

- It will consist of a combination of measures and events based on the interests of the target audience, with Neo Culture and Neo Sports as the core, and measures to promote awareness and attract customers, as well as measures to promote understanding of Neo Life-Style and Neo Society created by SBI
- The ultimate goals are to encourage empathy with SBI and gaining fans and to develop future stakeholders



<Reference Materials related to each business segment >

FY2021 Performance by Segment (IFRS)

[Year-on-year comparison]

(Unit: JPY million)

Revenue

Profit before Income

Tax Expense

	FY2020 (Apr. 2020– Mar. 2021)	FY2021 (Apr. 2021– Mar. 2022)	YoY % change	FY2020 (Apr. 2020– Mar. 2021)	FY2021 (Apr. 2021– Mar. 2022)	YoY % change / YoY change
Financial Services Business	314,159	396,179 Record high*	+26.1	86,386	282,924 Record high*	+227.5
Asset Management Business	205,871	317,831 Record high*	+54.4	84,188	165,962 Record high*	+97.1
Biotechnology, Healthcare & Medical Informatics Business	5,627	9,920 Record high*	+76.3	-8,630	-11,845	-3,215

Note: Owing to Group company segmentation realignments, FY2020 results were restated in accordance with segmentation realignment

Note: Figures are before elimination of the inter-segment transactions

* Comparison with past full-year results

[FY2021 Business overview of each major business]

**1. Securities related business
(SBI SECURITIES)**

SBI SECURITIES FY2021

Consolidated Results (J-GAAP)

[Year-on-year comparison]

(Unit: JPY million)

	FY2020 (Apr. 2020 – Mar. 2021)	FY2021 (Apr. 2021 – Mar. 2022)	YoY % change
Operating Revenue	160,356	Record high 166,627	+3.9
Net Operating Revenue	149,124	Record high 157,027	+5.3
Operating Income	61,641	Record high 61,920	+0.5
Ordinary Income	61,896	Record high 62,057	+0.3
Profit Attributable to Owners of the Company	46,106	40,041	-13.2

FX and Crypto-asset Related Business Results for FY2021

FX Business Financial Results for FY2021 (IFRS)

(Simple sum of figures for SBI Liquidity Market and SBI FXTRADE)

(Unit: JPY million)	FY2020 (Apr. 2020 –Mar. 2021)	FY2021 (Apr. 2021 –Mar. 2022)	YoY change (%)
Profit before income tax expense	10,684	Record High 14,328	+34.1%

- **Increased trading volume** in the FX-related business **due to higher volatility** in the Turkish lira in the middle of the fiscal year and in the dollar/yen and Euro/yen in the second half of the fiscal year
- Profitability improved by **deepening the hybrid dealer/algorithm structure** in dealing

Crypto Asset-related Business Financial Results for FY2021 (IFRS)

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

(Unit: JPY million)	FY2020 (Apr. 2020 –Mar. 2021)	FY2021 (Apr. 2021 –Mar. 2022)	YoY change (%)
Profit before income tax expense	10,602	6,399	-39.6%

Decreased overall profit in the crypto asset-related business mainly due to increased expenses related to the integration of the former SBI VC Trade and the former TaoTao.

2. Banking-related business

Shinsei Bank FY2021 Consolidated Performance (J-GAAP)

(JPY billion)

	FY2021	Q1	Q2	Q3	Q4
Ordinary Income	373.3	92.3	90.1	94.3	96.4
Ordinary Profit	28.3	14.7	11.3	12.5	-10.3
Profit attributable to owners of the Company	20.4	11.6	11.6	14.2	-17.0

Impacted by losses related to bond sales in anticipation of future restructuring of securities portfolio and provision of allowance for doubtful accounts related to Marelli Holdings Co., Ltd.

3. Insurance-related business (SBI Insurance Group)

SBI Insurance Group's Performance

Consolidated results for FY2021 (J-GAAP)

(Unit: JPY million)

	FY2020 (Apr. 2020 – Mar. 2021)	FY2021 (Apr. 2021 – Mar. 2022)	YoY % change
Ordinary revenue	86,657	Record high*1 88,365	+2.0
Ordinary profit	3,852	Record high*1 5,925	+53.8
Profit attributable to parent of the Company	763	Record high*1 891	+16.8

*1 Comparison with the past full-year results

4. Asset management business

Asset Management Business Financial Results for FY2021

-Achieved historical highs since adoption of IFRS in FY2012-

(IFRS, JPY billion)

	FY2020 * (Apr.2020-Mar.2021)		FY2021 (Apr.2021-Mar.2022)	YoY % change
Revenue	205.9	Record high	317.8	+54.4
Profit before income tax expense	84.2	Record high	166.0	+97.1
SBI SAVINGS BANK	28.4	Record high	34.2	+20.4
Profit/loss from the change in fair value and profit/loss on sales of investment securities	66.3	Record high	133.0	+100.6
<u>Listed Securities</u>	53.7		29.0	-46.0
<u>Unlisted Securities</u>	12.6		104.0	+725.4

* Owing to Group company segmentation realignments, 1H FY2020 results were restated in accordance with the segmentation realignment

5. Biotechnology, Healthcare & Medical Informatics Business

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

(JPY million))

		FY2020 (Apr. 2020 – Mar. 2021)	FY2021 (Apr. 2021 – Mar. 2022)
SBI Biotech		-278	366
Quark Pharmaceuticals (“Quark”)		-4,234	-68
5-ALA- related business	SBI Pharmaceuticals	-1,726	-1,103
	SBI ALApromo	348	298
	photonamic	71	328
Medical Data Vision (Equity method affiliate)*		36	239

*the results of the previous quarter are recorded as SBI Holdings’ equity method, FY 2020 includes only the results December after the acquisition of its shares. The SBI Holdings’ equity interest in Medical Data Vision’s fiscal year ending Dec. 2021 is included in SBI Holdings’ results for FY2021.

- **At SBI Biotech, a milestone payment was recorded** from two licensed products, the anti0ILT7 antibody (HZN-7734) and anti-PLD4 antibody (SBI-3150), achieving their respective milestones, and **returned to profitability for the full year**
- Shares of **Quark** were **completely sold on Feb. 10, 2022**
- **SBI ALApromo achieved a record high sales** due to strong sales of 5-ALA related products
- Reflecting the decline in the stock price of Medical Data Vision, a valuation loss of approximately JPY 9.4 bn on its share was recorded as a loss in this segment

<Reference materials> the Group's overview

Number of Companies and Consolidated Employees of the SBI Group

Number of Group companies

	March 2021	March 2022
Consolidated subsidiaries (companies)	264	442
Consolidated partnerships (partnerships)	35	51
Total consolidated subsidiaries (companies)	299	493
Equity method companies (companies)	40	61
Total Group companies (companies)	339	554

Number of consolidated employees

	March 2021	March 2022
Total employees (persons)	9,209	17,496

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