

SBI Holdings, Inc.
FY2022 Financial Results
(Fiscal Year Ended March 31, 2023)

May 12, 2023

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 SBI Shinsei Bank described in this document only takes place when SBI Shinsei Bank determines that it is in the best interests of its minority shareholders to do so through measures adopted by SBI Shinsei Bank to prevent conflicts of interest.

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

The contents of this document are subject to revision or cancellation without notice.

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

- I. FY2022 consolidated performance**
- II. The global economy is in a state of chaos and uncertainty is increasing even more than at the time of Lehman's Collapse. Under this circumstance, the SBI Group will work to expand and develop revenue sources through detailed Group-wide efforts and implement of risk hedge to diversify in the three areas listed below:**
 - 1. Diversification of customers**
 - 2. Diversification of financial products and services**
 - 3. Diversification of business fields**

I. FY2022 Consolidated Performance

FY2022 Consolidated Performance (IFRS)

[Year-on-year comparison]

(Unit: JPY million)

	FY2021 (Apr. 2021 – Mar. 2022)	FY2022 (Apr. 2022 – Mar. 2023)	YoY % change
Revenue	763,618	Record high* 998,559	+30.8
Profit before income tax expense	412,724 (217,080)	100,753	-75.6 (-53.6)
Profit for the period	355,724 (160,080)	71,008	-80.0 (-55.6)
Profit attributable to owners of the Company	366,854 (135,586)	35,000	-90.5 (-74.2)
ROE (%)	49.4 (21.6)	3.6	-45.8p (-18.0p)

- Comparison with the past full-year results
- Figures in parentheses for FY2021 exclude one-time factors (gain on negative goodwill of JPY 195.6bn, etc.) recorded when SBI Shinsei Bank became a consolidated subsidiary

[Consolidated performance overview]

- Revenue increased 30.8% year-on-year to JPY 998.6bn, which is a historical high for past full-year results, **largely due to significant increase in revenue from the Financial Services Business (78.2% year-on-year to JPY 886.7bn). Profit before income tax expense in the Financial Services Business was JPY 150.7bn (increased 42.0% year-on-year, excluding the impact of gain on negative goodwill of JPY 195.6bn, a one-time factor recorded when SBI Shinsei Bank became a consolidated subsidiary in the previous fiscal year.)**
- While the Financial Services Business performed well, **the Investment Business incurred a fair value loss of approximately JPY 42.7bn** this fiscal year due to decline in the share prices of certain overseas-listed stocks (includes approximately JPY 30.7bn in cumulative write-downs of TP Bank through the end of January 2023). **Crypto-asset Business was significantly impacted by a loss of JPY 18.4bn** due to the sluggish crypto assets market and bankruptcies of certain business partners (mainly composed of approximately JPY 8.5bn in the mining business and approximately JPY 5.4bn in B2C2). As a result, consolidated profit before income tax expense decreased 75.6% year-on-year to JPY 100.8bn. (a decrease of 53.6% year-on-year, excluding the impact of the one-time factor of SBI Shinsei Bank becoming a consolidated subsidiary in the previous fiscal year)
- Profit attributable to owners of the Company decreased 90.5% year-on-year to JPY 35.0bn. Main reasons were **the fair value loss of JPY 30.7bn on TP Bank stock recorded during FY2022**, in which the Company directly invested until the end of January 2023, and **a large loss at a Crypto-asset Business subsidiary**, in which the Company has a large stake

Comparison of Consolidated Profit Before Income Tax with Major Securities Companies

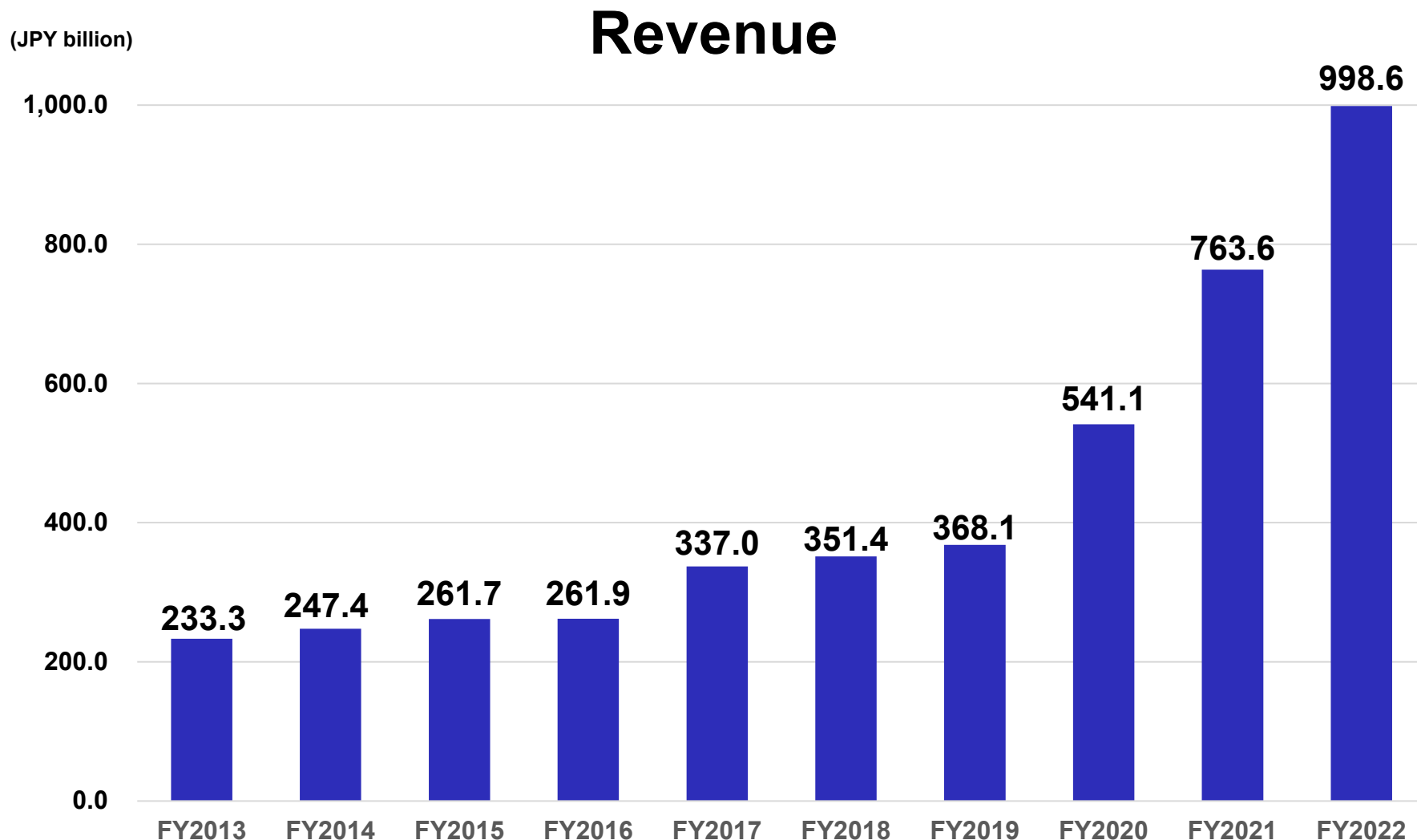
(Unit : JPY million)

	FY2021 (Apr.2021-Mar.2022)	FY2022 (Apr.2022-Mar.2023)	YoY% change
SBI Holdings (IFRS)	412,724 (217,080*)	100,753	-75.6 (-53.6)
Nomura Holdings (US-GAAP)	226,623	149,474	-34.0
Daiwa Securities Group (J-GAAP)	141,666	96,766	-31.7
SMBC Nikko Securities (J-GAAP)	64,624	-57,796	—
Mitsubishi UFJ Securities Holdings (J-GAAP)	46,805	82,985	+77.3
Mizuho Securities (J-GAAP)	64,509	-23,521	—

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

* Figures in parentheses for FY2021 exclude one-time factors (gain on negative goodwill of JPY 195.6bn) recorded when SBI Shinsei Bank became a consolidated subsidiary

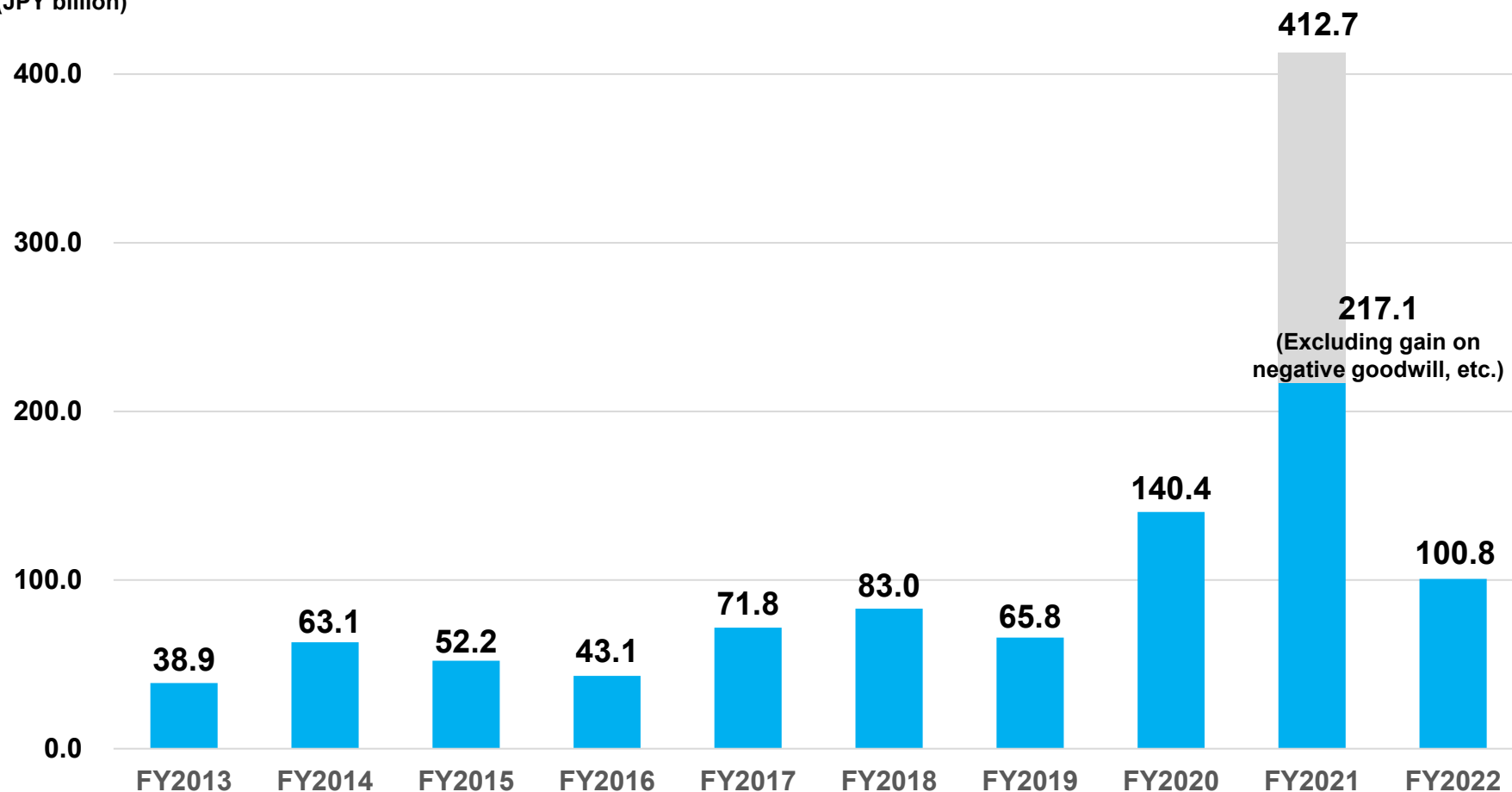
Revenues At Scale of JPY 1 Trillion



Although the Amount of Profit Fluctuates from Year to Year, the Financial Services Business, which Generates Relatively Stable Profit, is Growing Steadily, and the Level of Profit Before Income Tax Expense is in the JPY 100bn Range

Profit Before Income Tax Expense

(JPY billion)



FY2022 Performance by Segment (IFRS)

[Year-on-year comparison]

(Unit: JPY million)

Revenue

	FY2021 (Apr. 2021– Mar. 2022)	FY2022 (Apr. 2022– Mar. 2023)	YoY % change
Financial Services Business	497,751	886,748	+78.2
Asset Management Business	16,883	27,966	+65.6
Investment Business	177,911	36,684	-79.4
Crypto-asset Business	55,106	30,320	-45.0
Non-Financial Business ^{*2}	23,596	26,238	+11.2

Profit Before Income

Tax Expense

	FY2021 (Apr. 2021– Mar. 2022)	FY2022 (Apr. 2022– Mar. 2023)	YoY % change
Financial Services Business	301,725 (106,081) _{*1}	150,653	-50.1 (+42.0) _{*1}
Asset Management Business	3,810	10,123	+165.7
Investment Business	136,457	-16,661	—
Crypto-asset Business	3,518	-18,429	—
Non-Financial Business	-20,308	-3,253	—

^{*1} Profit before income tax expense in the Financial Services Business segment FY2021 includes a one-time factor (gain on negative goodwill of JPY 195.6bn, etc.) recorded when SBI Shinsei Bank became a consolidated subsidiary. The year-on-year change amount in the parentheses below is the percentage change excluding the one-time factor.

^{*2} Non-financial Business segment mainly includes Biotechnology, Healthcare & Medical Informatics Business, Web3 related businesses.

^{*3} Figures are before elimination of the inter-segment transactions.

^{*4} FY2021 results are restated to reflect the new segment category started from FY2022.

FY2022 Quarterly Revenue by Segment (IFRS)

Revenue

(Unit: JPY million)

	FY2022			
	1Q (Apr.- June 2022)	2Q (July- Sept. 2022)	3Q (Oct.- Dec. 2022)	4Q (Jan.- Mar. 2023)
Financial Services Business	190,094	213,017	234,495	249,142
Asset Management Business	4,109	4,246	5,253	14,358
Investment Business	21,606	8,276	-32,493	39,295
Crypto-asset Business	12,984	7,550	3,812	5,974
Non-Financial Business *1	7,006	7,373	5,723	6,136

*1 Non-financial Business segment mainly includes Biotechnology, Healthcare & Medical Informatics Business, Web3 related businesses.

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

FY2022 Quarterly Profit Before Income Tax Expense by Segment (IFRS)

Profit Before Income Tax Expense

(Unit: JPY million)

	FY2022			
	1Q (Apr.- June 2022)	2Q (July- Sept. 2022)	3Q (Oct.- Dec. 2022)	4Q (Jan.- Mar. 2023)
Financial Services Business	27,816	41,810	44,016	37,011
Asset Management Business	717	629	881	7,896
Investment Business	9,122	-4,328	-37,971	16,516
Crypto-asset Business	-9,688	-3,093	-4,542	-1,106
Non-Financial Business ^{*1}	2,018	-1,434	-1,666	-2,171

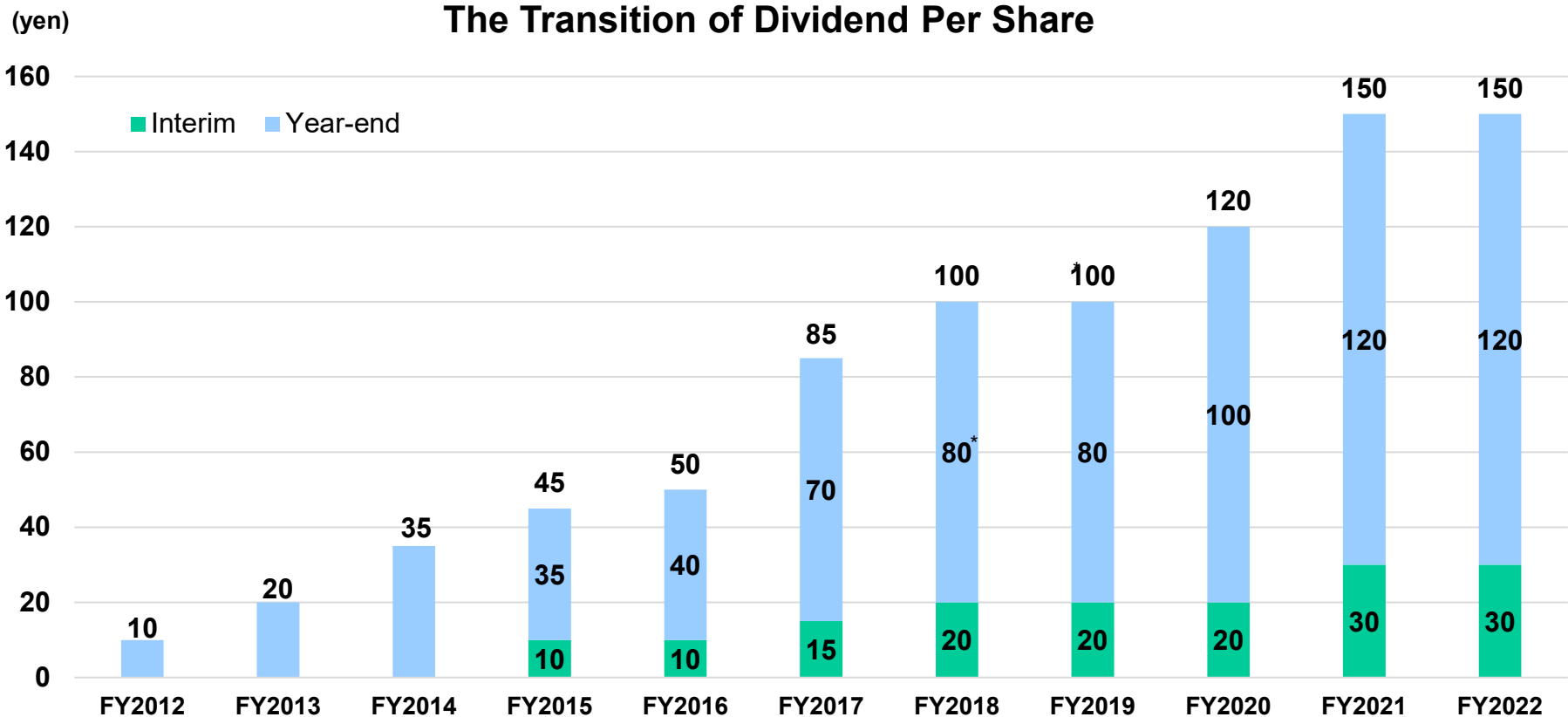
*1 Non-financial Business segment mainly includes the Biotechnology, Healthcare & Medical Informatics Business, Web3 related businesses.

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

FY2022 Dividends

■ Dividend Per Share

	Interim	Year-end	Full-year	Total payout ratio (%)
FY2022	<u>JPY 30</u>	<u>JPY 120</u>	<u>JPY 150</u>	<u>113.5</u>
FY2021	JPY 30	JPY 120	JPY 150	10.0



The Company's Basic Dividend Policy

- The Company's basic dividend policy is to pay a minimum annual dividend of JPY10 per share, and endeavors to increase the dividend when it has determined that a further return of profits is possible, after a comprehensive consideration of the appropriate level of internal reserves required for sustained growth, along with a consideration of the ongoing business performance
- Furthermore, the Company determine a total shareholder return ratio, which is the sum of dividend payouts and share buybacks, of approximately 30% of the profit before income tax expense attributable to Financial Services Business

Amount of total return for FY2022:

JPY 40,847m (Total shareholder return ratio:116.7%)

[reference]

Profit before income tax expense attributable to the normal business operations of the Financial Services Business in FY2022 : JPY 134,859m *

JPY 134,859m × 30% = JPY 40,458m

* Calculated after deducting the gain on sale (JPY 10,728 million) due to the partial sale of shares held in SBI Sumishin Net Bank, Ltd. and gain on sale (JPY 5,067 million) of shares held in ALBERT Inc. from the profit before income tax expense generated from the Financial Services Business (JPY 150,653m)

Following the Previous Fiscal Year, the Company will Conduct Shareholder Benefits for FY2022

[Details of shareholder benefits] * Shareholders listed or recorded in the shareholder register as of Mar. 31, 2023 are eligible.

Details	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, 2023	For shareholders other than on the left column, those who hold <u>100 shares (1 unit) or more</u> , as of Mar. 31, 2023
Crypto-asset XRP		<u>Equivalent to JPY8,000</u> (*1)	<u>Equivalent to JPY2,000</u> (*1)

*1: XRP conversion is expected to be based on the exchange rate as of July 31, 2023

[Products distributed by SBI ALApromo can also be selected]



ALA PLUS GOLD EX (60 capsules)	<u>One</u>	<u>One</u>
“Hatsugagenmai no Sokojikara” (160g)	<u>Three</u>	<u>Three</u>
ALA PLUS NMN (60 capsules)	<u>One</u>	—
ALA PLUS Cosmetic Series 4 products *2	<u>One each</u>	—

*2 ALA PLUS Moisturizing Cream, ALA PLUS Essential Lotion, ALA PLUS Concentrate Serum, 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.

[Business Overview of Each Business Segment]

1. Financial Services Business

[Financial Services Business Consolidated Results (IFRS)] (Unit: JPY million)

	FY2021 (Apr. 2021 – Mar. 2022)	FY2022 (Apr. 2022 – Mar. 2023)	YoY (%)
Revenue	497,751	886,748	+78.2
Profit before income tax expense	301,725 (106,081)	150,653	-50.1 (+42.0)

- Profit before income tax expense of Financial Services Business declined 50.1% YoY to JPY150.7bn. However, **excluding the impact of temporary factors (gain on negative goodwill, etc. of JPY 195.6bn) recorded when SBI Shinsei Bank became a consolidated subsidiary in 3Q FY2021, profit increased 42.0% YoY**

* Figures in parentheses for profit before income tax expense exclude the impact of temporary factors (gain on negative goodwill, etc. of 195.6 billion yen) recorded when SBI Shinsei Bank became a consolidated subsidiary of SBI Holdings

1. Financial Services Business:

(1) Securities business

[Major constituent companies]

SBI SECURITIES, SBI Liquidity Market, SBI FXTRADE, SBI MONEYPLAZA, PTS operating companies, overseas securities subsidiaries, etc.

[Business highlights]

- **SBI SECURITIES** recorded JPY 175.0bn in operating revenue (+5.1% YoY) and JPY 62.1bn in operating income (+0.3% YoY) for FY2022 on a J-GAAP basis, even under unstable market conditions
- **The ratio of commissions on online domestic stock transactions declined to 11.2% of total revenues** as SBI SECURITIES has successfully diversified its revenue sources to realize its Neo-securities initiative
- **SBI Liquidity Market**, which conducts foreign exchange-related business in the SBI Group, achieved its highest operating revenue of JPY 29,682m (+19.3% YoY), by the active foreign exchange market
- Business results of **overseas securities business** operating in Thailand and Cambodia remained strong

SBI SECURITIES FY2022

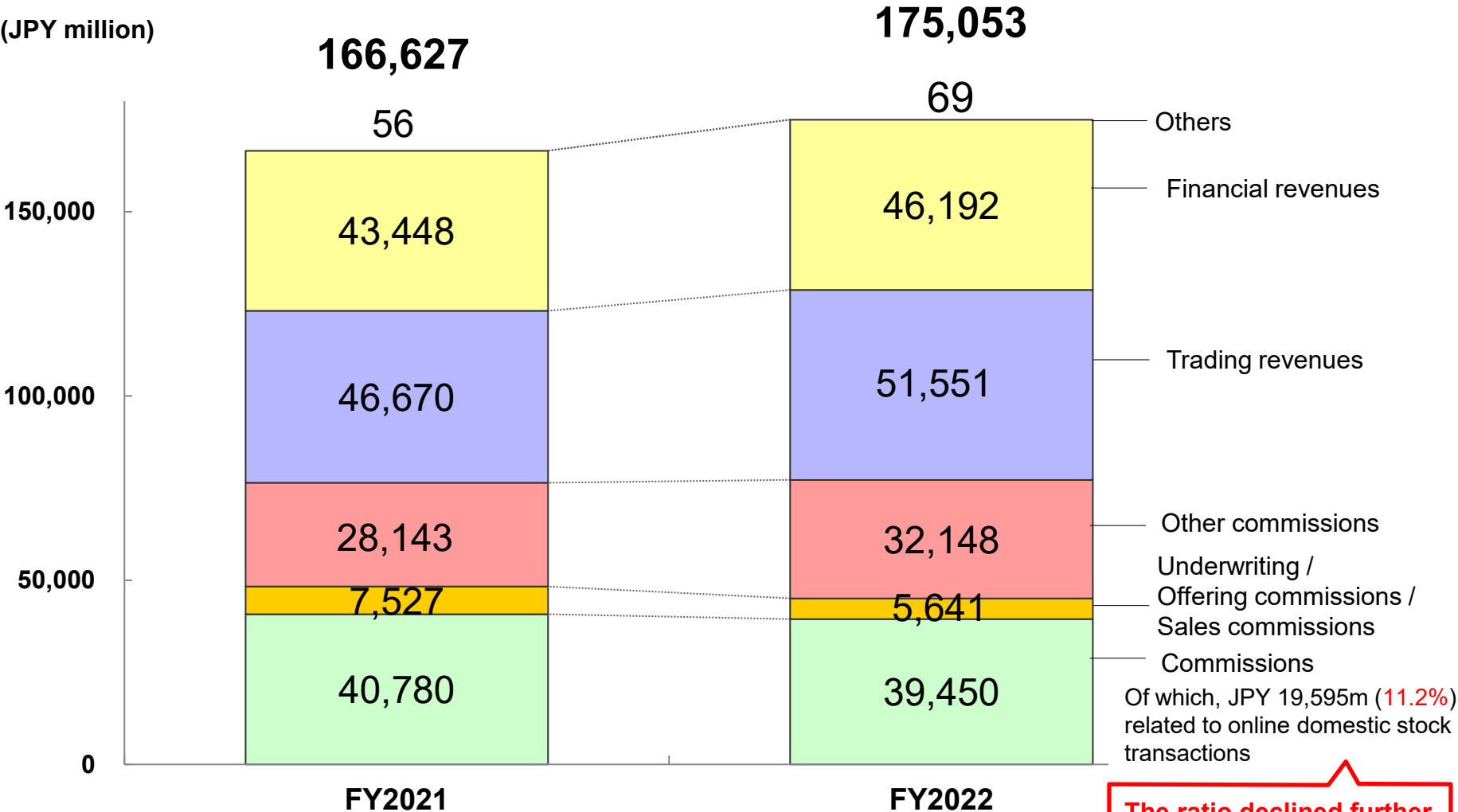
Consolidated Results (J-GAAP)

[Year-on-year comparison]

(Unit: JPY million)

	FY2021 (Apr. 2021 – Mar. 2022)	FY2022 (Apr. 2022 – Mar. 2023)	YoY % change
Operating Revenue	166,627	Record high 175,053	+5.1
Net Operating Revenue	157,027	Record high 161,570	+2.9
Operating Income	61,920	Record high 62,130	+0.3
Ordinary Income	62,057	60,951	-1.8
Profit attributable to owners of the Company	40,041	41,467	+3.6

SBI SECURITIES' Consolidated Operating Revenue (Net Sales) Structure for FY2022



The ratio declined further from 3Q FY2022 (11.7%)

(Based on J-GAAP)

1.(1) Securities business

Like-for-like Comparison of Financial Results Of Major Brokerage Companies for FY2022



(JPY billion)

		Operating profit	Ordinary profit	Profit attributable to owners of the Company
1	SBI SECURITIES (consolidated)	62.1	60.9	41.4
2	Nomura Securities (Non-consolidated)	44.3	44.3	33.5
3	Mitsubishi UFJ Morgan Stanley Securities (Non-consolidated)	44.2	46.9	36.3
4	Mizuho Securities (Non-consolidated)	21.6	24.3	24.2
5	Rakuten Securities *1 (consolidated)	19.5	19.2	11.3
6	Matsui Securities (Non-consolidated)	11.3	11.2	7.8
7	GMO Financial Holdings *1 (Consolidated)	9.5	8.0	1.0
8	Monex Group *2 (Consolidated)	4.8	4.6	3.3
9	Daiwa Securities (Non-consolidated)	4.7	5.9	7.1
10	IwaiCosmo Holdings (Consolidated)	4.7	5.1	3.5
11	au Kabukom Securities (Non-consolidated)	3.4	3.7	2.8
12	Tokai Tokyo Financial Holdings (Consolidated)	3.1	6.3	1.9
13	Ichiyoshi Securities (Consolidated)	1.1	1.2	0.7
14	Marusan Securities (Consolidated)	0.3	0.8	0.7
15	Mito Securities (Consolidated)	-0.2	0.1	0.7
16	Kyokuto Securities (Consolidated)	-0.3	0.4	1.1
17	OKASAN SECURITIES GROUP (Consolidated)	-1.0	0.4	0.5
18	TOYO SECURITIES (Consolidated)	-2.1	-1.6	-2.9
19	AIZAWA SECURITIES GROUP (Consolidated)	-2.7	-1.9	-2.3
20	SMBC Nikko Securities (Non-consolidated)	-42.0	-38.3	-32.3

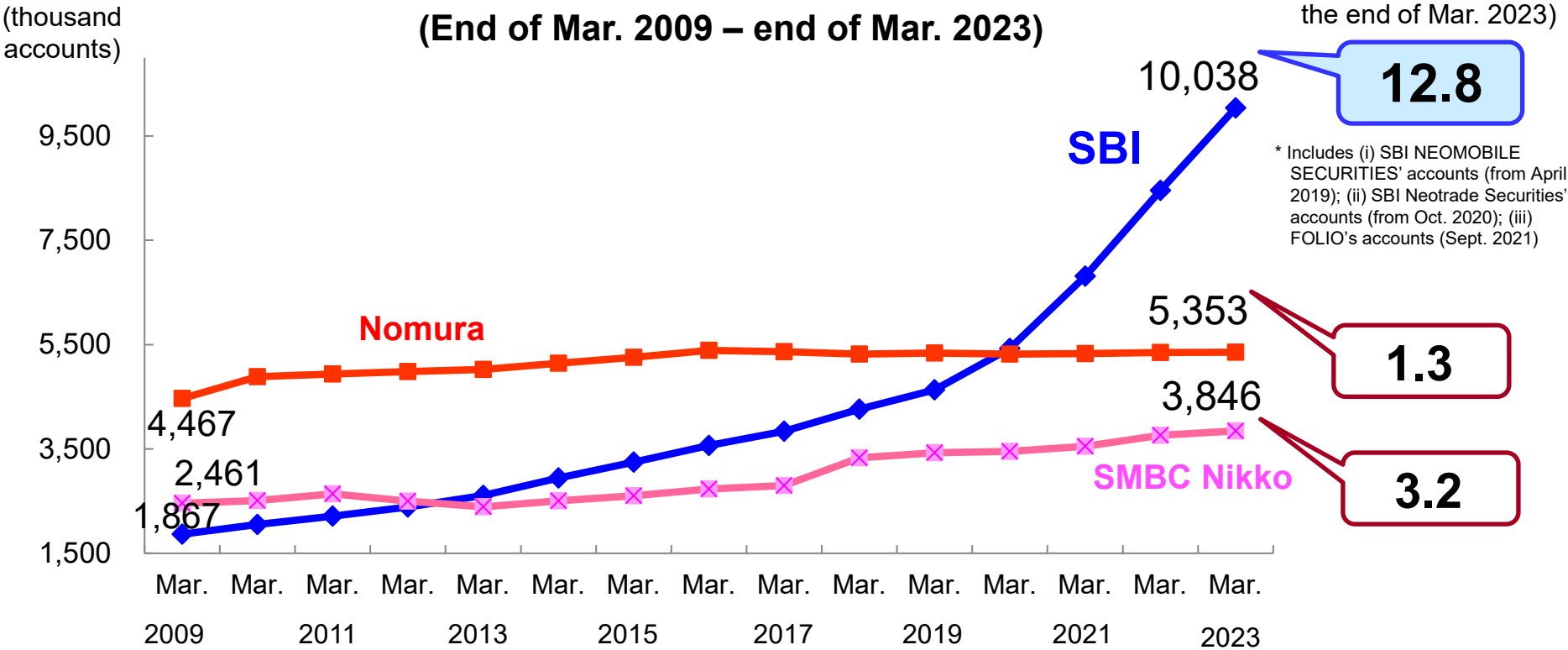
*1:Fiscal year of Rakuten Securities and GMO Financial Holdings ends in Dec., so figures for the period from Apr. 2022 to Mar. 2023 are used *2:Monex Group uses IFRS, so operating profit equivalent value is used *3:Listed in order of each company's operating profit *4:Compiled by SBIH from the information on websites of each company

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SBI Group Has the Largest Number of Accounts in the Industry

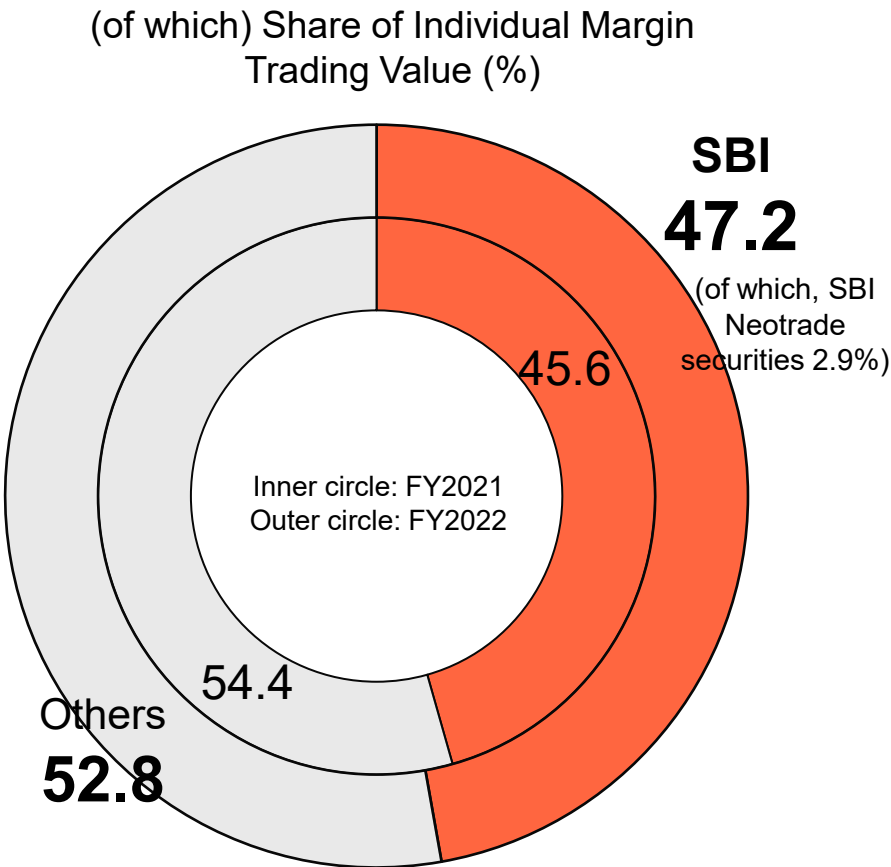
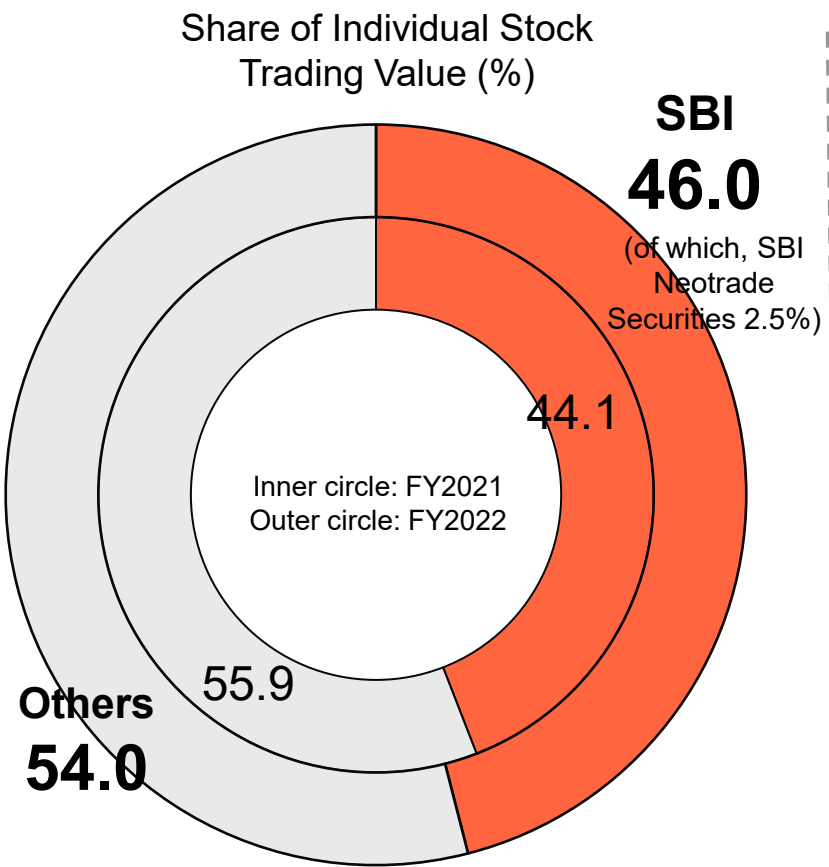
Number of Accounts of SBI Group and Major Face-to-face Securities Companies

(End of Mar. 2009 – end of Mar. 2023)



Further increase in the number of accounts is expected through the Neo-securities initiative

SBI Group's Share of Individual Stock Trading Value Exceeded 45% and is Further Expanding



<Share is calculated with the individual stock trading value and individual margin trading value of both the markets combined, including that of ETF and REIT trading value, respectively>

*Share is 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 Tokyo Stock Exchange etc., including that of ETF and REIT trading value, respectively
Source: Compiled by SBI SECURTIES based on statistical data by the Tokyo Stock Exchange and websites of each company.

Achieved Significant Growth in Revenue and Profit in FX-Related Business Against a Backdrop of Rising Foreign Exchange Transactions due to Volatility in the Market

Operating revenue of SBI Liquidity Market (Non-consolidated, J-GAAP) (Unit: JPY million)

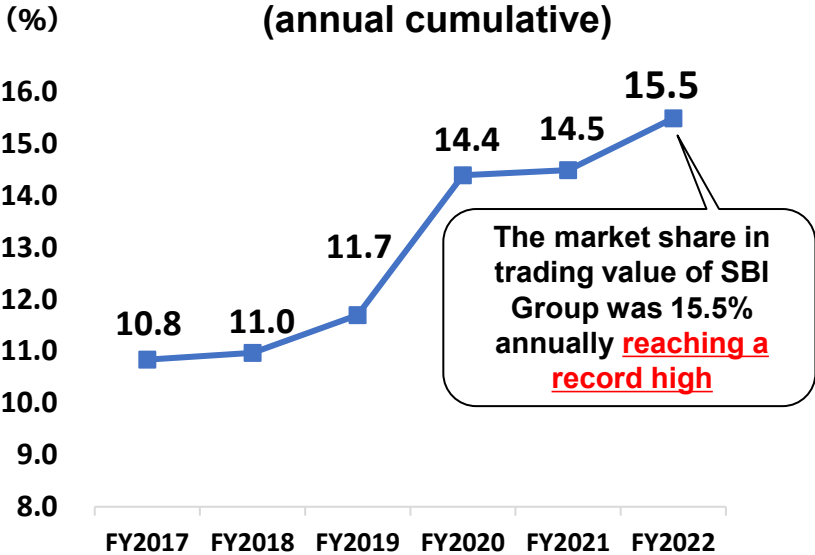
	FY2021 (Apr. 2021 – Mar. 2022)	FY2022 (Apr. 2022 – Mar. 2023)	YoY (%)
Operating revenue	24,875	<div>Record high</div> 29,682	+19.3

- SBI Liquidity Market achieved its highest operating revenue for the full year

A series of U.S. policy rate hikes, the Bank of Japan’s expansion of the long-term interest rate cap in December 2022, and financial instability triggered by the collapse of the Silicon Valley Bank in the U.S. led to high volatility in the foreign exchange market throughout the year. This led to increased trading activity in major currencies, particularly in the USD/JPY

- SBI FXTRADE achieved its highest operating revenue and operating profit for the full year due to increase in trading

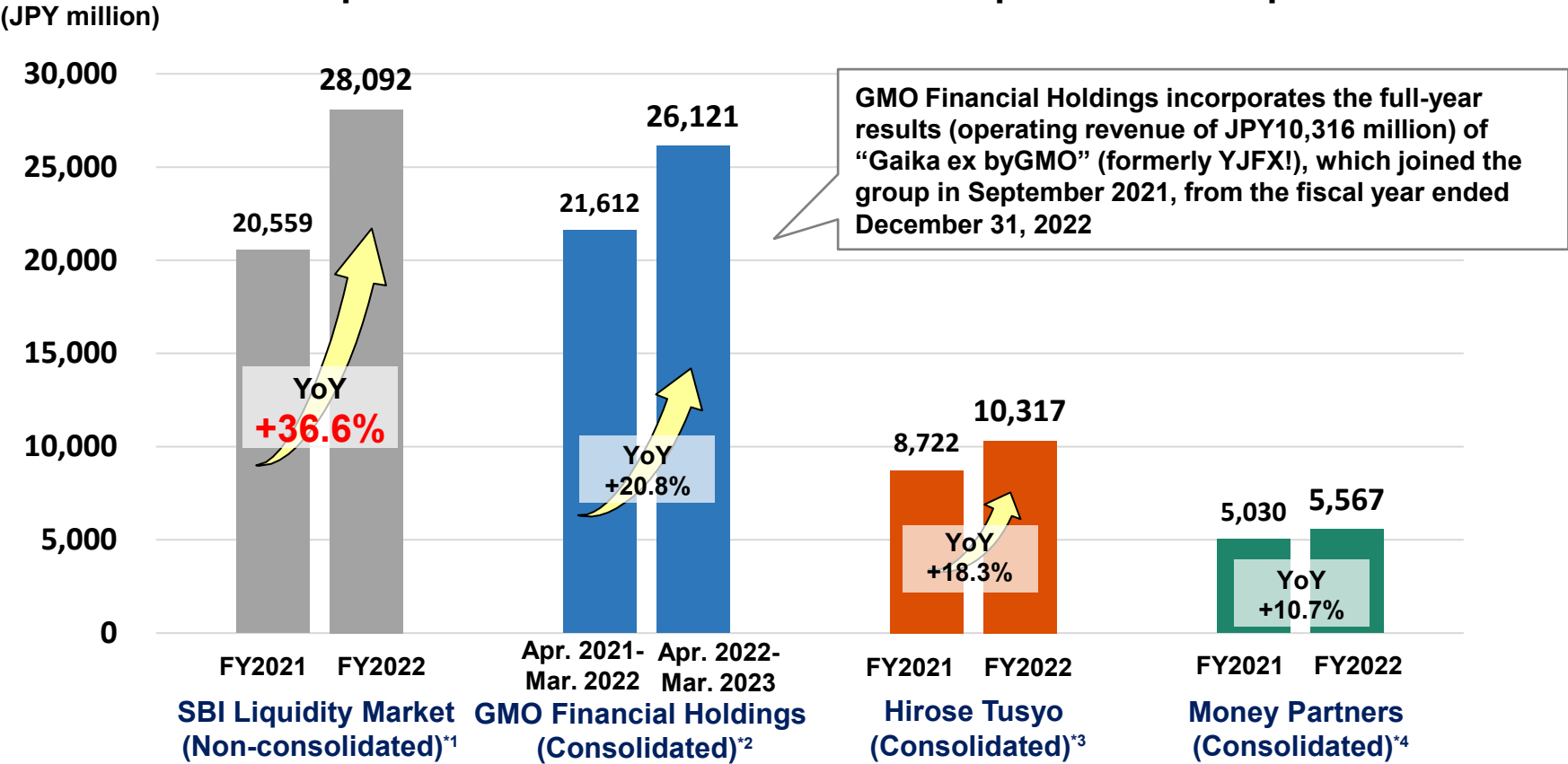
Trend in market share in trading value of SBI Group (annual cumulative)



* Compiled by SBI based on data from The Financial Futures Association of Japan

SBI Liquidity Market, which is Responsible for the FX-related Business of the SBI Group, Boasts Overwhelmingly Strong Compared to Other Companies Specializing in FX

Comparison of OTC FX revenues of FX specialized companies



*1 Figures for SBI Liquidity Market are non-consolidated. Revenue other than FX revenue is excluded

*2 GMO Financial Holdings' OTC FX revenue are the total revenues from “Currency-related derivatives” for 2Q-4Q FY ended December 2021 and 1Q FY ended December 2022 combined as well as 2Q-4Q FY ended December 2022 and 1Q FY ending December 2023 combined in the company's disclosure materials. Includes revenue from binary options, etc.

*3 Hirose Tusyo's operating revenue for the fiscal year ended March 31, 2022, and fiscal year ended March 31, 2023, is shown as OTC FX revenue.

*4 Money Partners' net operating revenue for the fiscal year ended March 31, 2022, and fiscal year ended March 31, 2023, is shown as OTC FX revenue

*5 Prepared by the Company based on figures disclosed by each company

Endeavor to Establish Industry Positioning and Further Expand Business Base at Securities Subsidiaries in Thailand and Cambodia



Thai Online

SBI Thai Online Securities

(Investment ratio 100.0%,
established in October 2014)

- First pure-play Internet securities company in Thailand
- Provides stock and derivative trading services to local investors, including Japanese residents in Thailand
- Lowest commissions in the industry to increase transactions by beginners and younger customers
- The company has made progress in solidifying its earnings base, since becoming profitable for the full year in the fiscal year ended March 31, 2021. In addition, profit before income tax expense for the fiscal year ended March 31, 2023, was JPY 304m
- Steady increase in customer base and share of retail brokerage trading

* Converted at THB 1 = JPY 3.9



Royal Securities

(Investment ratio 65.3%, established in February 2010)

- The only Japanese-affiliated comprehensive securities firm in Cambodia
- Positioned as a leading firm in the industry in IPOs and listed public bond underwriting
- Continue to underwrite corporate bond issuances of local companies, and promoting social contributions in Cambodia from the perspective of ESG investment, such as green bonds (Profit before income tax expense for the fiscal year ended December 31, 2022: JPY 100m)

* Converted at USD 1 = JPY 133.54

1. Financial Services Business:

(2) Banking business

[Major constituent companies]

SBI Shinsei Bank Group, SBI Sumishin Net Bank, ARUHI*, overseas banks including SBI SAVINGS BANK

*ARUHI was consolidated in November 2022

[Business highlights]

- **SBI Shinsei Bank** recorded net profit attributable to shareholders of the parent company (J-GAAP) of JPY 42.7bn (+110.3% YoY), mainly due to increased commission income from higher loan balances in the corporate business and a large gain on reversal of loan loss provisions
Profit before income tax expense in SBIHD on an IFRS incorporation basis is approx. JPY 54.6bn
- **SBI Sumishin Net Bank** expanded steadily, especially in the housing loan business. Despite the increase in recurring profit under J-GAAP, equity in earnings of SBIH on an IFRS basis was JPY 4,859m (-3.6% YoY), mainly due to the sale of part of its equity interest in the company when it was **first listed on the Tokyo Stock Exchange Standard Market on March 29 2023**, which reduced its ownership ratio. **SBIH also recorded a gain of approx. JPY 10.7bn on the sale of part of its SBI Sumishin Net Bank shares**
- **SBI SAVINGS BANK** in South Korea recorded a profit before income tax (IFRS) of JPY 23,946m (-29.9% YoY) due to an increase in interest expenses in line with higher interest rates in South Korea and a corresponding increase in the burden of loan write-offs due to deteriorating credit and increased delinquencies, despite a steady increase in underlying income and expenditure due to asset growth

SBI Shinsei Bank Group

SBI Shinsei Bank FY2022 Consolidated Performance (J-GAAP)

(JPY billion)

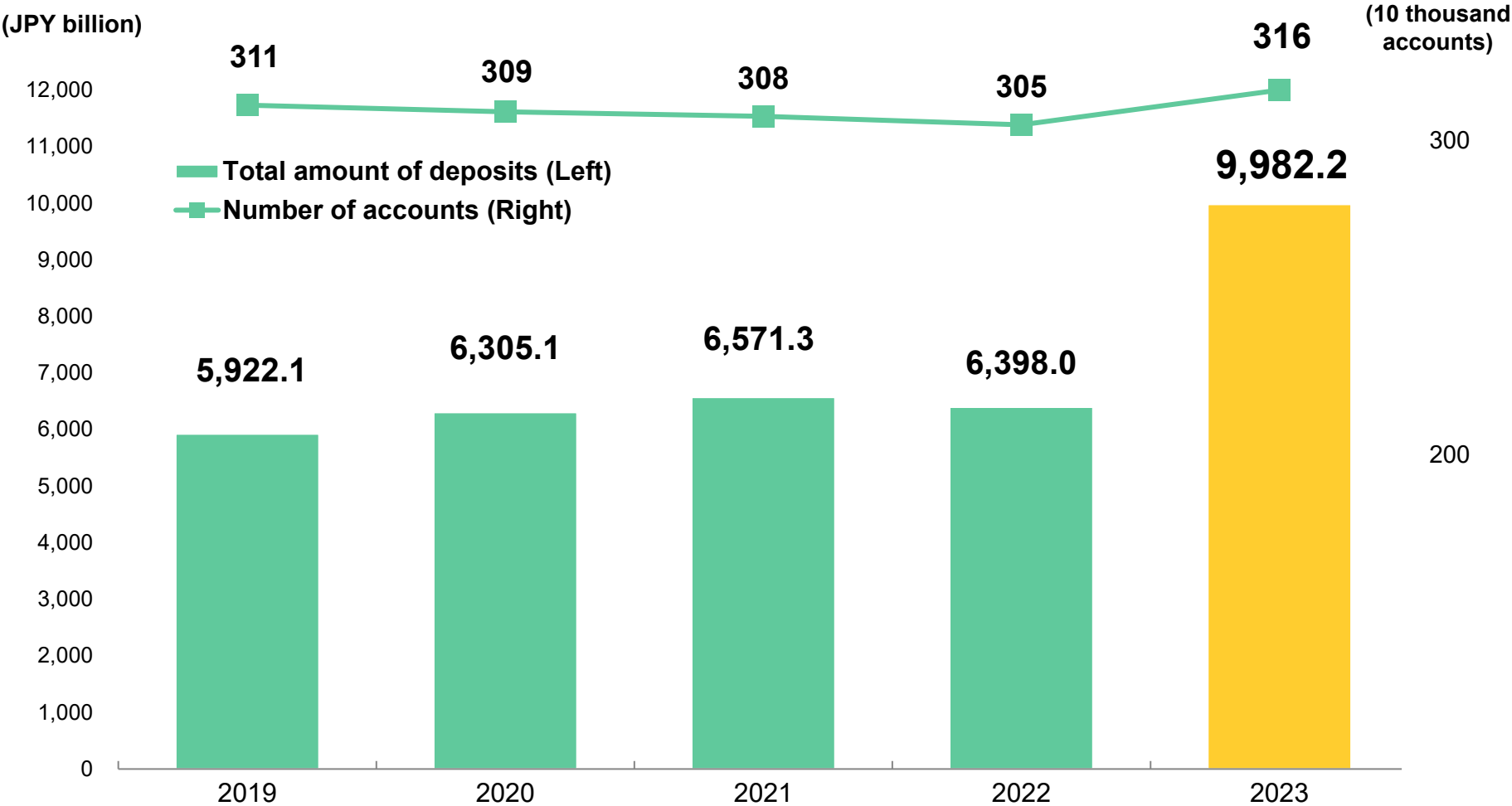
	FY2021	FY2022	YoY % change
Gross operating profit	217.5	240.2	+10.4
Ordinary Business Profit	62.1	78.6	+26.5
Profit before income tax expense	28.4	51.7	+82.0
Profit attributable to owners of the Company	20.3	42.7	+110.3

Profit before income tax expense in SBI Holdings on an IFRS incorporation basis is approx. JPY 54.6bn

* Units are rounded down to the two decimal places

* Calculation of IFRS-based SBI Shinsei Bank's consolidated P/L and incorporation into SBI Holdings' results began in 4Q FY2021

Number of Retail Accounts and Deposits at SBI Shinsei Bank



*Each figure is as of the end of March

SBI Sumishin Net Bank

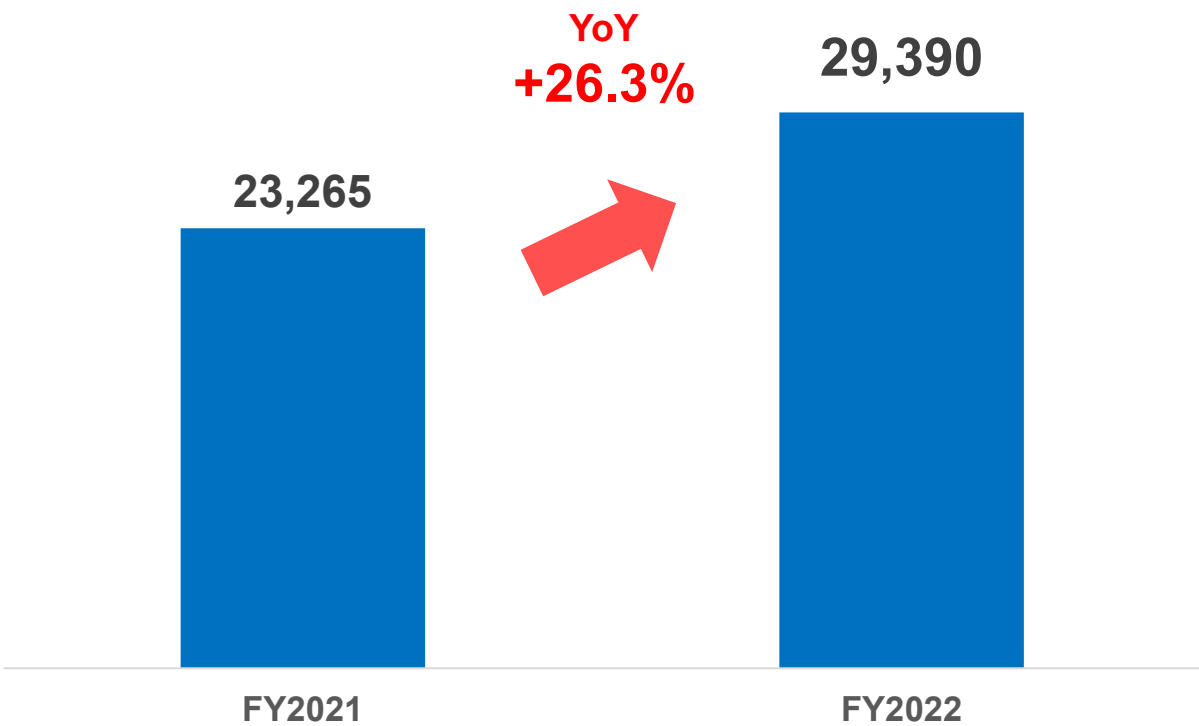
- ✓ SBI Sumishin Net Bank was **listed on the TSE Standard Market** on March 29, 2023
- ✓ **SBI Holdings** participated as a seller in the secondary offering of SBI Sumishin Net Bank common shares and recorded a profit before tax of **approx. JPY 10.7bn** in FY2022 consolidated financial statements
- ✓ SBI Holdings' shareholding in SBI Sumishin Net Bank now stands at **36.25%**, and it **remains an equity method affiliate**

Performance of SBI Sumishin Net Bank

- ✓ SBI Sumishin Net Bank recorded a **26.3% YoY increase** in J-GAAP recurring profit to **JPY 29,390m** (preliminary figures) on the back of steady loan growth in the housing loan business
- ✓ Full-year results for FY2022 are scheduled to be announced on May 15, 2023

(JPY million)

<Ordinary profit>



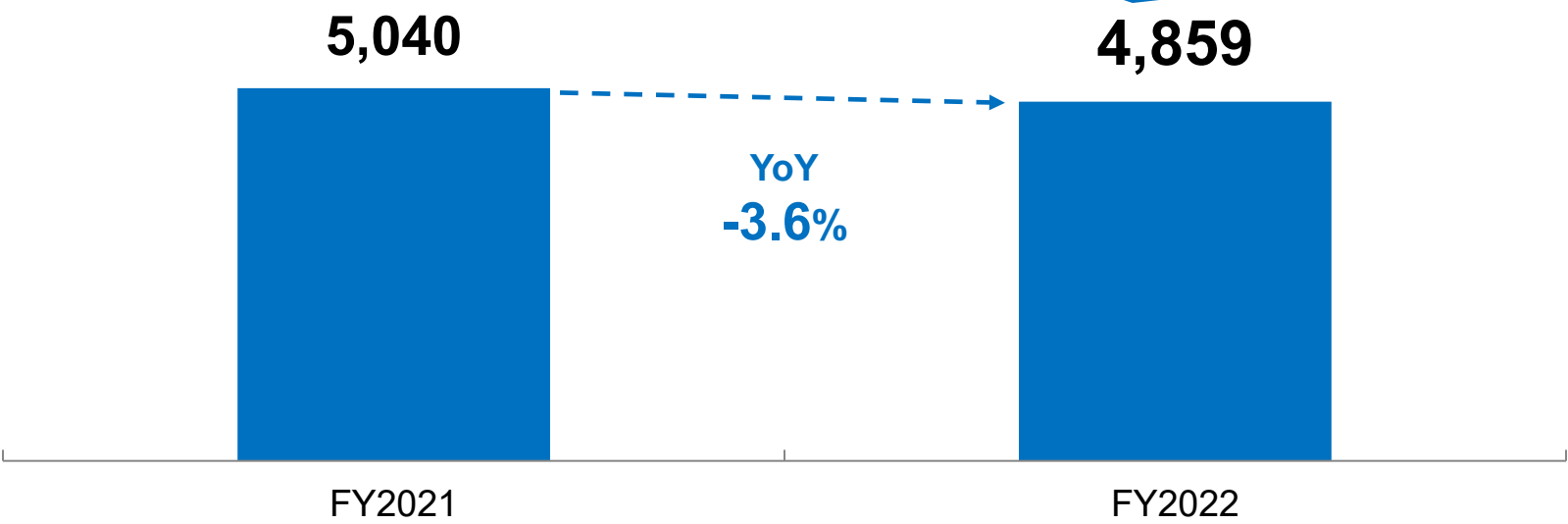
SBI Sumishin Net Bank's Financial Results

(Equity method earnings / IFRS)

SBI Holdings' equity method in earnings of SBI Sumishin Net Bank, based on IFRS for FY2022 was JPY 4,859m, down 3.6% YoY, mainly due to the sale of part of its interest in the company on its initial listing on the TSE Standard Market on March 29, 2023, which reduced its ownership share

(JPY million)

If shareholding ratio of SBI Sumishin Net Bank had remained at 50% until the end of March 2023, equity method earnings would have **increased by 14.6% year-on-year to JPY 5,777m**
(In this case, the Company's gain on sales of shares in the affiliate is reduced by the difference from the actual amount, resulting in **no change in the profit recorded on the Company's consolidated statements**)

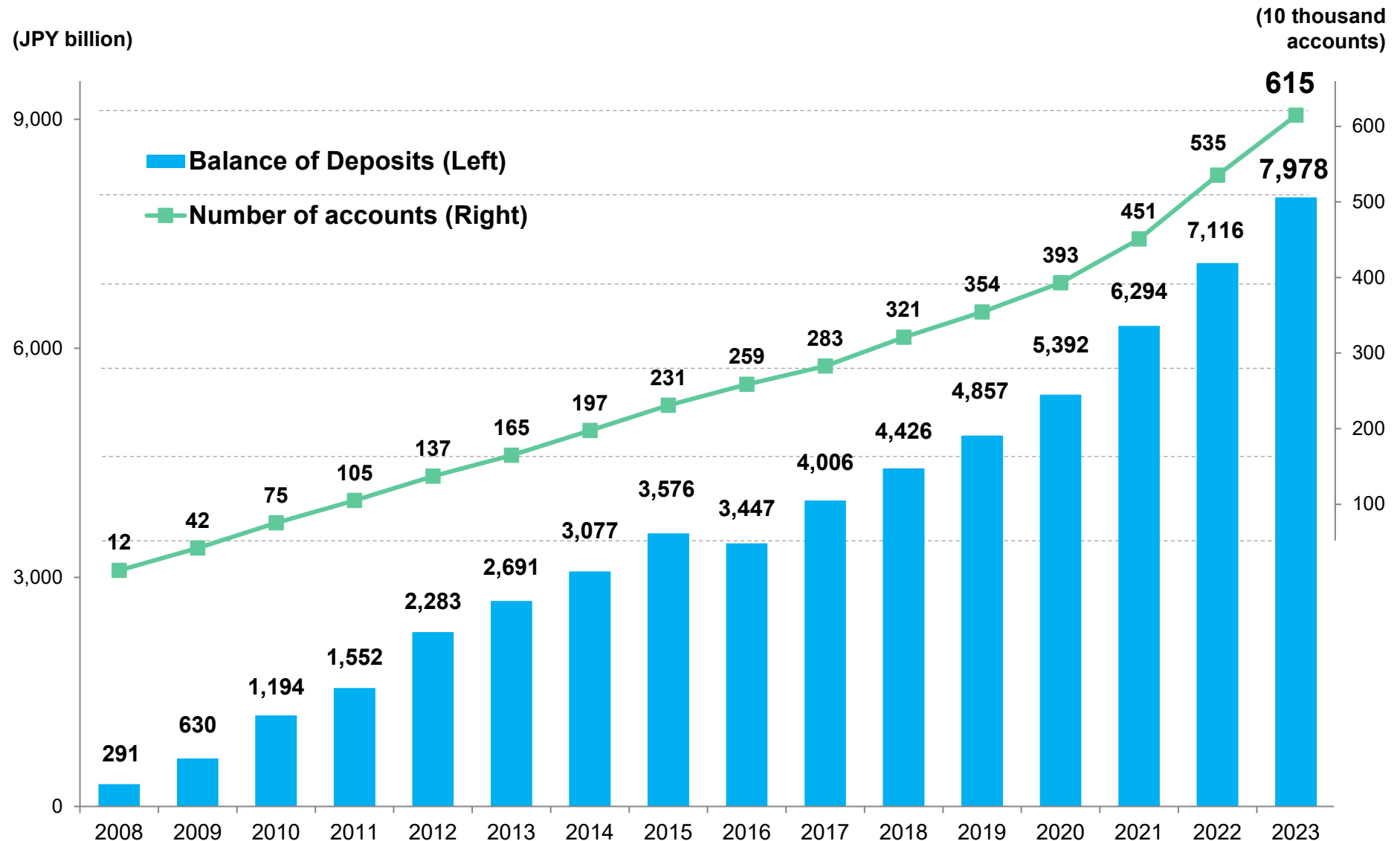


*Owing to the difference in IFRS and J-GAAP for the criteria of assessing assets, the figures differ from that disclosed based on J-GAAP

*SBI Sumishin Net Bank has adopted J-GAAP

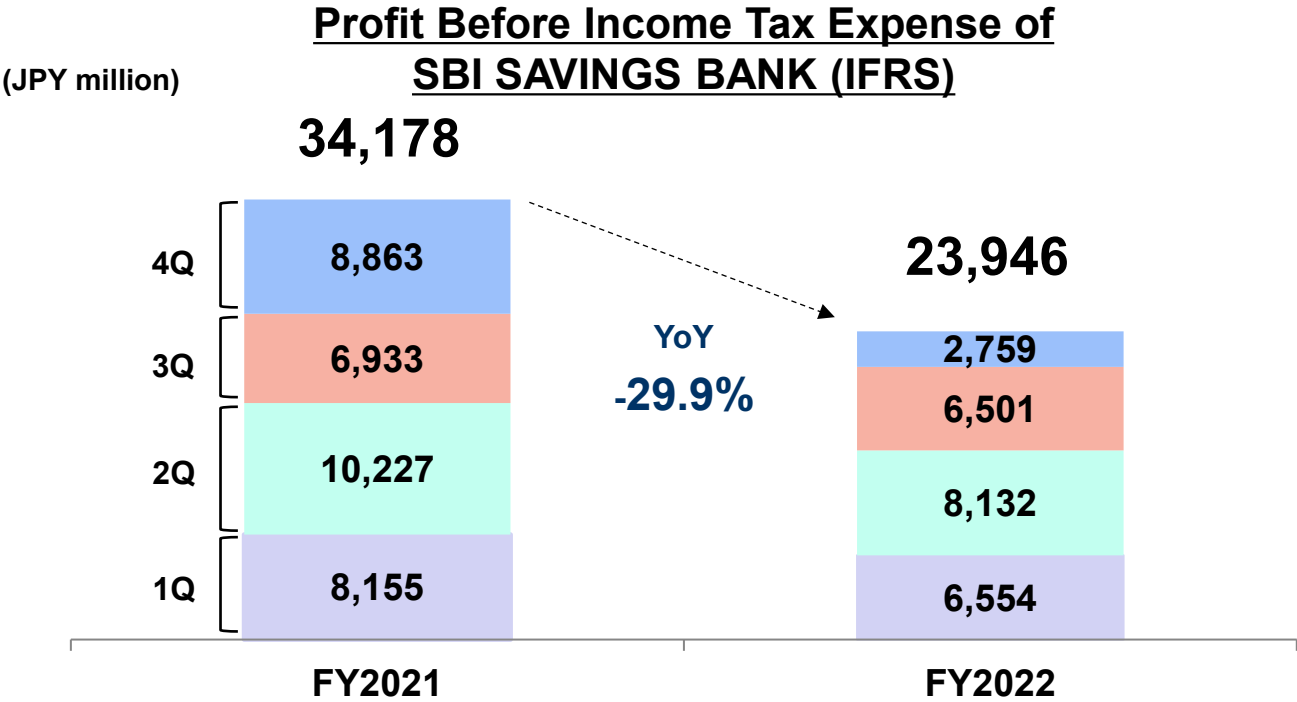


Number of Accounts and Balance of Deposits Since Commencement of Operation of SBI Sumishin Net Bank



SBI SAVINGS BANK (South Korea)

Performance of SBI SAVINGS BANK

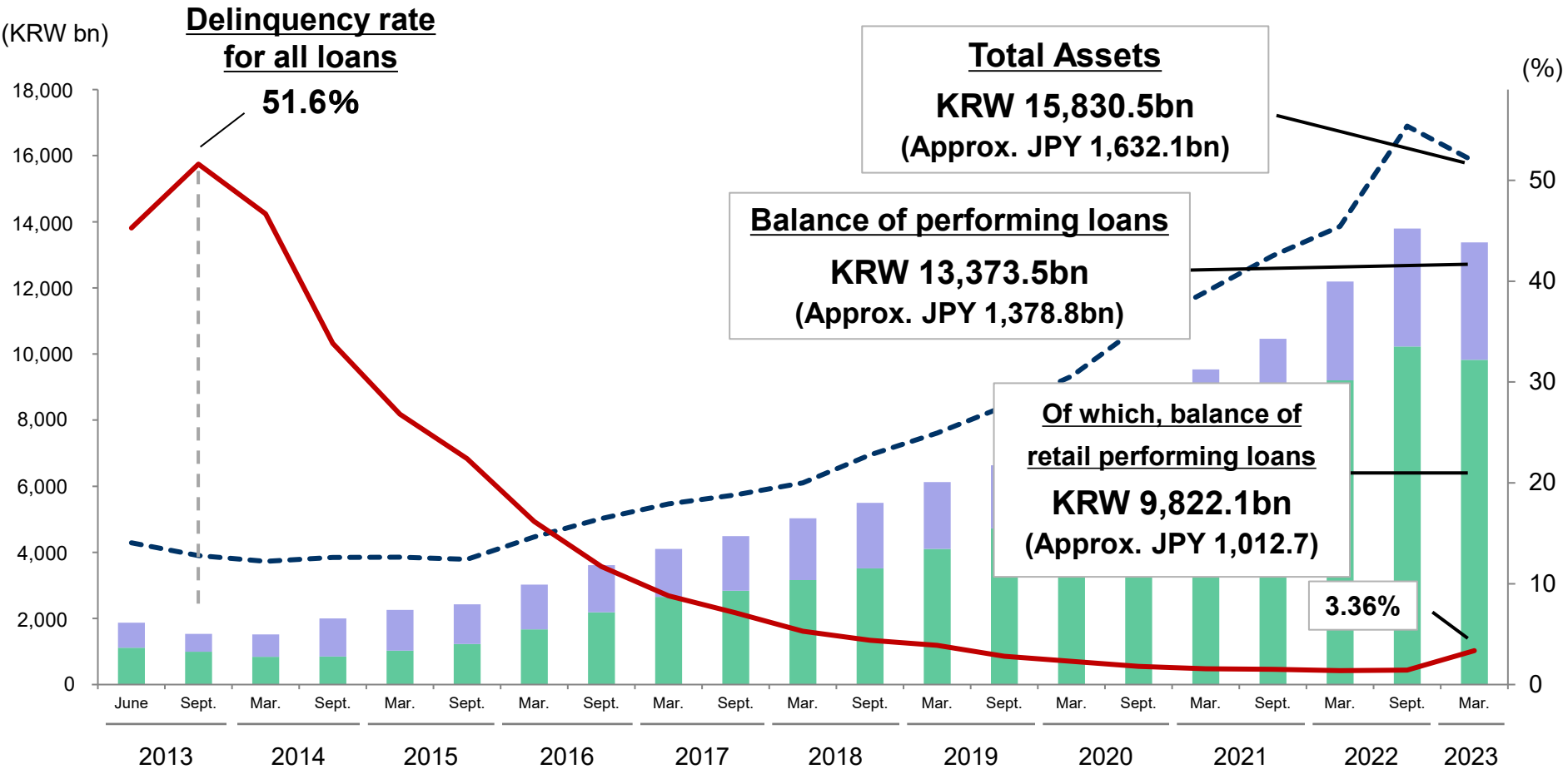


- Decline in soundness of personal credit claims and housing-backed loans in the context of deteriorating business conditions in South Korea **increased the burden of bad debt write-offs and put downward pressure on earnings**
- The rise in domestic interest rates has slowed** and signs of improvement in the business environment, such as **improved interest margins** and **a reduction in the rate of decline in property prices**, have been observed, which is expected to improve performance from 2H of fiscal year ending December 2023 onwards, although there is no basis in this optimism
- A (stable) rating** was obtained from the Korean credit rating agency “NICE Credit Rating” and “Korea Credit Rating”



Changes in Indicators since Becoming a Subsidiary (K-GAAP)

*Converted at KRW 1 = JPY 0.1031



The overall delinquency rate for loans was 3.36% (4.4% for retail loans), due to the weakening soundness of the loan portfolio as a result of deteriorating business conditions and restrictions on the sale of delinquent loans

Other Foreign Banks

- ① **TPBank (Vietnam)**
- ② **SBI Bank (Russia)**
- ③ **SBI LY HOUR BANK (Cambodia)**

1.(2) Banking Business: Other Foreign Banks ① TPBank (Vietnam)

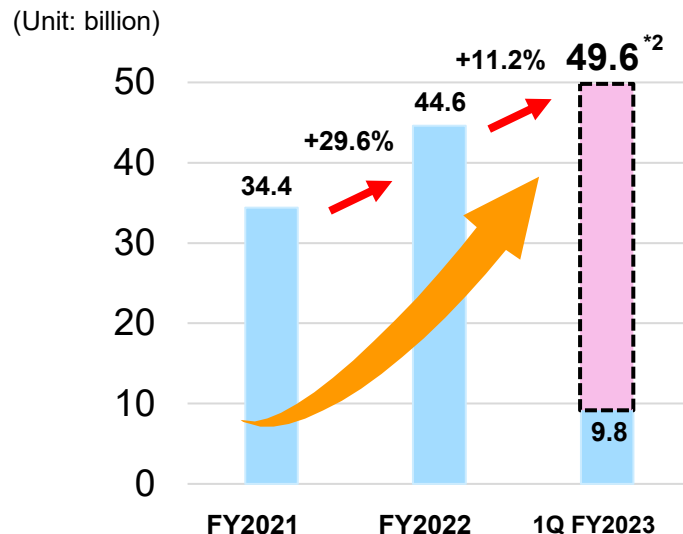
TPBank in Vietnam, Which Became **an Equity-Method Affiliate** in February 2023, is Incorporated in the Financial Services Business from 4Q FY2022

- By increasing the Company's share ownership to 20% and making it an equity-method affiliate, book value was replaced with the share price on February 1, 2023, the date of completion of the share acquisition, a fair value valuation gain of approximately JPY 4.7bn due to changes in the stock price from the end of December 2022 is recorded in the investment business segment in the fourth quarter of the fiscal year ended March 31, 2023
- After February 2023, instead of recording valuation gains and losses due to stock price fluctuations, the Company will incorporate the TPBank's performance into the financial services business segment
- Approximately JPY 1bn is recorded in the financial services business based on IFRS adoption in 4Q of the fiscal year ended March 31, 2023

<Transition of Vietnam VN Index and TPBank Stock Price>



<Transition of Profit before income tax expense">



* 1 VND=JPY 0.0057

* 2 Earnings forecast for the full year ended December 2023 announced by TP Bank

Bank Subsidiaries in Russia and Cambodia Focus on Prudent Business Management Based on the Market Environment and Local Conditions



SBI Bank (Investment ratio: 90.7%)

- Became a wholly owned subsidiary in August 2017
- A commercial bank in Russia that has a full banking license
- Reduced operations significantly and operating our business carefully to not substantially impact SBI Group's profit and loss, considering the market environment and local situation
- Even under these circumstances, it has sufficient paid-in capital and liquidity on hand, and maintains its role as a financial infrastructure between Japan and Russia (net income for the first quarter of the fiscal year ending December 2023: JPY 486m)

* RUB1 =JPY1.73



SBI LY HOUR BANK (Investment ratio: 70.0%)

- Acquired as a medium-sized microfinance company in Cambodia and converted it into a commercial bank
- The bank achieved profitability in its first full-year consolidated financial statements for the fiscal year ended in December 2021, after its establishment. It has continued to maintain profitability thereafter (with profit before income tax expense of JPY 921m for the cumulative fiscal year ended in December 2022, and JPY 169m for the first quarter of the fiscal year ending December 2023)
- In February 2023, the company raised USD 25m in capital as part of its efforts to comply with paid in capital regulations. While remaining mindful of market conditions, the company will continue to seek opportunities for business expansion.

*USD1=JPY133.54

Total Assets of the Banking Segment in the SBI Group (Simple Aggregate) are Approx. JPY 26tn



(Units are in JPY billion)

(Percentage in parentheses is SBI Group's share)	Total Assets		Profit before income tax
	End of Mar. 2022	End of Mar. 2023	
SBI Shinsei Bank (Japan/50.04%)	10,311.5	13,694.5	51.7
SBI SAVINGS BANK (Korea/100%)	1,385.9	1,632.1	36.8
SBI LY HOUR Bank (Cambodia/70.0%)	91.1	107.0	0.9
SBI Bank (Russia/90.7%)	34.0	39.2	-1.8
SBI Sumishin Net Bank (Japan/36.25%)	8,534.0	8,667.0 (End of Dec. 2022)	29.4 (Ordinary Profit)
TPBank (Vietnam/20.0%)	1,603.6	1,958.1	44.6
Total (simple sum)	21,960.1	26,097.9	161.6

(Reference) Comparison between regional bank groups

Rank	Name of bank	Total Assets (consolidated)
1	Fukuoka FG	28,850.3
2	SBI Group	26,097.9
3	Concordia FG	24,672.3
4	Mebuki FG	21,199.6
5	Hokuhoku FG	15,988.5
6	Kansai Mirai FG	13,564.6
7	Kyushu FG	13,000.6
8	Yamaguchi FG	12,004.6

*Total assets of regional bank groups are based on the figures as of Dec. 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, and figures of overseas banks are presented based on respective country's GAAP method

*Profit before income tax for domestic banks are figures for FY2022 while the figures for overseas banks are for the fiscal year ended Dec. 2022

*Figures in the table are rounded to one decimal place/ The conversion rates ⇒ End of Mar. 2023: USD1=JPY133.5, KRW1=JPY0.1031, VND1=JPY0.0057, RUB1=JPY 1.73 / End of Mar. 2022: USD1=JPY129.1, KRW1=JPY0.1, VND1=JPY0.0053, RUB1=JPY 1.46

1. Financial Services Business:

(3) Insurance business

[Major constituent companies]

SBI Insurance Group, SBI Insurance, SBI Life Insurance, Small-amount short-term insurance companies

[Business highlights]

- SBI Insurance Group's **consolidated ordinary revenue** for FY2022 (J-GAAP) **increased 8.8% year-on-year to JPY 96,110m**
- In line with the increase in ordinary revenues, **ordinary profit increased 6.5% year-on-year** to JPY 6,308m, and **profit attributable to parent of the Company increased 39.1% year-on-year** to JPY 1,240m
- SBI Insurance Group decided to pay **a dividend of JPY10 per share for FY2022** as its first dividend from retained earnings

SBI Insurance Group's Performance

Consolidated results for FY2022 (J-GAAP)

(Unit: JPY million)

	FY2021 (Apr. 2021 – Mar. 2022)	FY2022 (Apr. 2022– Mar. 2023)	YoY % change
Ordinary revenue	88,365	96,110	+8.8
Ordinary profit	5,925	6,308	+6.5
Profit attributable to parent of the Company	891	1,240	+39.1

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

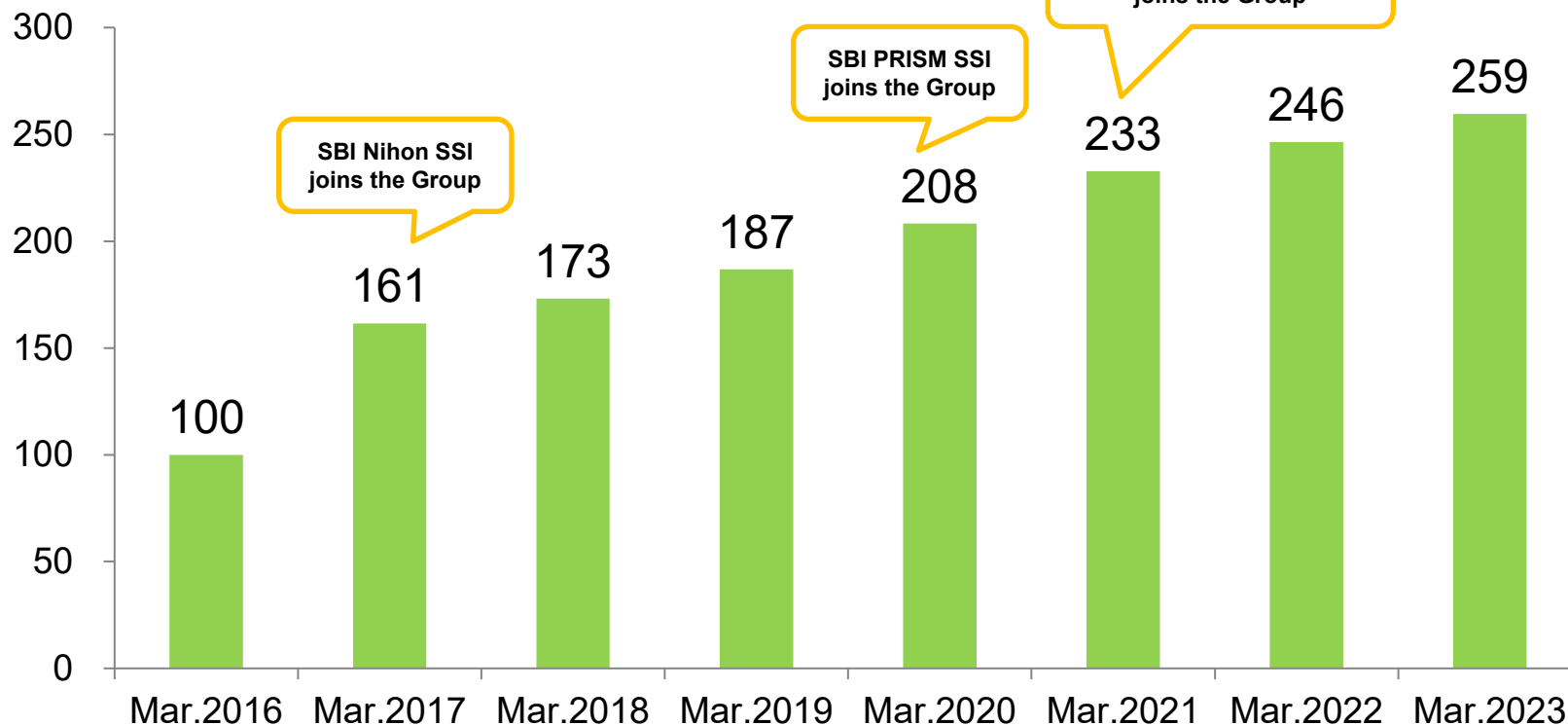
SBI Insurance Group's total number of in-force contracts

CAGR

(From end of Mar. 2016
to end of Mar. 2023)

14.6%

(ten thousand)



2. Asset Management Business

[Major constituent companies]

SBI Global Asset Management (subsidiaries: SBI Asset Management, Wealth Advisor), Rheos Capital Works, Okasan Asset Management (Company name change to “SBI Okasan Asset Management” planned in July 2023)

[Asset Management Business Consolidated Results (IFRS)]

(JPY million)

	FY2021 (Apr. 2021- Mar. 2022)	FY2022 (Apr. 2022- Mar. 2023)	YoY (%)
Revenue	16,883	27,966	+65.6
Profit Before Income Tax Expense	3,810	10,123	+165.7

[Business highlights]

- In the Asset Management Business segment, due to the returning of the “Morningstar” brand to U.S. Morningstar Inc., **SBI Global Asset Management** (former Morningstar Japan) **received a compensation of JPY 8bn.** As a result, the business segment saw **a substantial increase in revenue of JPY 27,966m (+65.6% YoY) and profit before income tax expense of JPY 10,123m (+165.7% YoY)**
- Excluding the one-time compensation due to returning of the “Morningstar” brand, the Asset Management Business segment’s profit before income tax expense decreased JPY 1.7bn year-on-year due to deterioration in the stock and bond markets, while revenue continues to increase
- **Rheos Capital Works** was **listed in the Growth Market of the Tokyo Stock Exchange** on April 25. The company will **continue to be a consolidated subsidiary of SBI Holdings** after listing (shareholding ratio: 48.89%)

SBI Global Asset Management (Formerly Morningstar Japan) Returns Its License to U.S. Morningstar and Transitions to a New Management Structure

Received JPY 8bn for returning the “Morningstar” brand to Morningstar, Inc.

► Increase shareholder returns and expand business scale, including M&A and system investments

In conjunction with the return of the brand, a strategic reorganization within the group was implemented and a new organizational structure was put in place

► Transition from the Morningstar brand of investment trust evaluation to a comprehensive asset management group, and expand business into overseas markets, especially Asia

[New organizational structure after April 2023]



*Shareholding ratio is as of end of March 2023

3. Investment Business

[Major constituent companies/businesses]

Private Equity Business, SBI Leasing Service

[Investment Business Consolidated Results (IFRS)]

(Unit: JPY million)

	FY2021 (April 2021 to March 2022)	FY2022 (April 2022 to March 2023)	YoY (%) change
Revenue	177,911	36,684	-79.4
Profit before income tax expense	136,457	-16,661	—
Profit/loss from the change in fair value and profit/loss on sales of investment securities	131,285	-14,358	—
Listed Securities	30,246	-32,538	—
Unlisted Securities	101,039	18,181	-82.0

[Business highlights]

In FY2022, the Investment Business was impacted by the valuation loss of approximately JPY 42.7bn due to decline in the stock prices of certain overseas listed companies (including cumulative valuation losses of JPY 30.7bn for TPBank through the end of January 2023. Revenue decreased 79.4% year-on-year to JPY 36.7bn, and profit before income tax expense to JPY -16.7bn

IPOs and M&As of SBI Group Investee Companies

	FY2022 Full-year result	FY2023 Full-year forecast
IPO・M&A deals	21	40

During this Fiscal Year, 21 companies concluded either IPO or M&A

<u>EXIT Date</u>	<u>Investee Company</u>	<u>Market</u>	<u>EXIT Date</u>	<u>Investee Company</u>	<u>Market</u>
Apr. 11, 2022	PT GOTO Gojek Tokopedia Tbk	IDX	Dec.1, 2022	Cyfuse Biomedical K.K.	TSE Growth
Apr. 27, 2022	moi Corporation	TSE Growth	Dec.8, 2022	Finger Story CO., LTD.	M&A (KOSDAQ SPAC)
June 8, 2022	ANYCOLOR Inc.	TSE Growth	Dec.15, 2022	PT VENTENY FORTUNA INTERNATIONAL Tbk	IDX
June 22, 2022	Airoha Technology Corp.	TPEX	Dec.16, 2022	Foodison, Inc.	TSE Growth
June 24, 2022	Microwave Chemical Co., Ltd.	TSE Growth	Dec.16, 2022	Rebase, Inc.	TSE Growth
June 30, 2022	WON TECH Co., Ltd.	M&A (KOSDAQ SPAC)	Dec.20, 2022	monoAI technology Co., Ltd.	TSE Growth
July 14, 2022	Gorilla Technology Group Inc.	M&A (NASDAQ SPAC)	Dec.27, 2022	ELEMENTS, Inc.	TSE Growth
July 28, 2022	unerry Inc.	TSE Growth	Dec.29, 2022	Opticore, Inc	M&A (KOSDAQ SPAC)
Oct. 19, 2022	SBI Leasing Services Co., Ltd.	TSE Growth	Mar. 28, 2023	Arent	TSE Growth
Oct. 26, 2022	Linkers Corporation	TSE Growth	Mar. 29, 2023	SBI Sumishin Net Bank, Ltd.	TSE Standard
Nov. 2, 2022	Peak Bio Co., Ltd.	M&A (NASDAQ SPAC)			

*When an investee company conducts a share exchange or a merger with a public company, it is described as “M&A”

*Subsidiary IPOs and M&As are also included

Assets Under Management of the SBI Group

(As of the end of Mar. 2023)

Private equity, etc. JPY 682.4bn (*1) Excluding JPY 257.1 bn of both cash and commitment amount to be paid in (*2)

Breakdown of operating investment securities by Industry	Amount (JPY bn)
Internet/AI/IoT	170.6
Fintech services	109.2
Digital Asset/Blockchain	101.9
Finance	29.8
Biotechnology/Health/Medical	42.3
Environmental/Energy	10.1
Machine/Automobile	14.7
Services	40.2
Retail/Food	1.4
Materials/Chemicals	10.3
Construction/Real estate	1.1
Others	4.2
Equity interests in external and non-consolidated funds	45.5
Total	581.4

Breakdown of operating investment securities by region	Amount (JPY bn)
Japan	244.1
China	9.4
Korea	6.5
Southeast Asia	48.3
India	8.3
U.S.	124.0
Europe	65.5
Others	75.2
Total	581.4

Investment from non-consolidated Group management funds	Amount (JPY bn)
Corporate venture capital (CVC)	24.6
Others (Overseas JV fund, etc.)	76.4
Total	101.1

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

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

*3 Calculated by the exchange rate as of the end of Mar. 2023

*4 Amounts are rounded to the nearest JPY 100m

SBI Leasing Services' Performance

FY2022 Consolidated Performance (J-GAAP)

(Unit: JPY million)

	FY2021 (Apr. 2021 to Mar. 2022)	FY2022 (Apr. 2022 to Mar. 2023)	YoY % change
Revenue	29,556	39,572	+33.9
Operating income	3,280	4,025	+22.7
Ordinary income	2,813	3,532	+25.5
Profit attributable to owners of the Company	10,363*	2,443	-76.4

*Since the company recorded a write-down of an aircraft that was leased to LATAM Airlines Group S.A. in FY2020, it sold the said aircraft in FY2021. Due to the extraordinary gains of JPY 7,820m from those factors, Profit attributable to owners of the Company temporarily surged in FY2021

4. Crypto-asset Business

[Major constituent companies/business]

SBI VC Trade, B2C2, BITPoint Japan, crypto asset mining business, HashHub (joined SBI Group from April 2023)

[Crypto-asset Business Consolidated Performance (IFRS)]

(Unit: JPY million)

	FY2021 (Apr.2021-Mar. 2022)	FY2022 (Apr.2022-Mar. 2023)	YoY % change/ YoY change
Revenue	55,106	30,320	-45.0%
Profit before Income Tax Expense	3,518	-18,429	—

[Business highlights]

- B2C2 recorded a loss of approximately JPY 5.4bn due to the impact of the bankruptcy of some trading partners in 1Q and the provision for FTX Trading's bankruptcy in 3Q, etc. However, earnings in the core business have improved due to the recent recovery in the crypto asset market
- In the mining business, a loss of approx. JPY 8.5bn was recorded due to one-time impairments mainly in the first half of the year as a result of the downturn in the crypto asset market and the bankruptcy of certain business partners, as well as a decline in the profitability of mining due to the fall in crypto asset prices. Withdrawal from the mining business in Russia has been completed
- In addition to the above losses, the downturn in the crypto asset market also affected the exchange business, resulting in a profit (loss) before income tax expense of JPY -18,429m for the crypto asset business segment

5. Non-financial Business

[Major constituent businesses]

Biotechnology, Healthcare & Medical Informatics businesses,
other businesses centered around Web3

[Non-financial Business segment consolidated performance(IFRS)] (JPY million)

	FY2021 (Apr. 2021 – Mar. 2022)	FY2022 (Apr. 2022 – Mar. 2023)	YoY % Change
Revenue	23,596	26,238	+11.2
Profit before Income Tax Expense	-20,308	-3,253	—

[Business highlights]

- In the **Biotechnology, Healthcare & Medical Informatics businesses**, the loss increased due to increased SG&A expenses and foreign exchange losses, although research and development has progressed steadily
- In the non-financial segment, a variety business planting seeds for the future including **Web3** are developed. Machi no Wa developing community currency business has extended its operations along with the steady increase in the number of introduction

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

(JPY million)

	FY2021 (Apr. 2021 – Mar. 2022)	FY2022 (Apr. 2022 – Mar. 2023)	YoY % Change
SBI Biotech	366	-205	—
5-ALA-related business	-287	-929	—
SBI Pharmaceuticals	-1,125	-1,245	—
SBI ALApromo	298	195	-34.6
photonamic	328	194	-40.9
NX Development Corp	41	48	+17.1
SBI ALApharma Canada	-287	-570	—
SBI ALApromo GmbH	-26	-77	—

- Profit(loss) before tax expense of **SBI Biotech** recorded JPY -205m reflecting lower milestone revenues from the pipeline out-licensed by the company
- Losses of **the 5-ALA-related business** increased due to higher SG&A expenses to strengthen business control functions and marketing efforts, and the impact of foreign exchange losses at some overseas subsidiaries. On the other hand, R&D in which the SBI group involved has made steady progress including the award of the clinical study project in India conducted by **SBI ALAromo GmbH**
- **SBI Biotech and SBI ALApromo is making good progress in preparing for listing**

SBI ALApromo Has Been Steadily Expanding Its Product Lineup

- More than 100 different products including OEM -

【product examples】

Foods with functional claims / supplements



ALA PLUS Toh
(Sugar) Down



ALA PLUS
Gold EX



ALA PLUS
Gold
Hirokan Keigen



ALA PLUS
FUKAI NEMURI



ALA PLUS
MENTAL CARE



ALA PLUS
TOH DOWN DRINK

Cosmetics



ALA PLUS
Deep Cleansing
Gel



ALA PLUS
Concentrated
Serum



ALA PLUS
Essential
Lotion



ALA PLUS
Moisturizing
Cream

Original equipment manufactures



Promote research and development, and sales of a wide variety of products through alliances with 14 companies

Products are sold through over 20,000 distributors, including drugstores and pharmacies

SBI ALApromo also Promotes the Development of New Products



(launched Nov. 15, 2022)

“ALA PLUS KARADA ACTIVE 5-ALA DRINK”

A powdered drink containing energy amino acid 5-ALA, with 1,000mg of BCAA and 2,000mg of citric acid as supportive ingredients



(scheduled for launch in Apr. 2024)

“ALA PLUS TOH DOWN / KOKORO CARE SOFT CANDY”

A soft, tasty candy that can be easily consumed to improve blood glucose and mental health with 5-ALA



(scheduled for launch in July 2023)

“ALA PLUS TOH-SHI DOWN”

Contains 5-ALA for those with high postprandial blood glucose levels and on an empty stomach, and black ginger, which supports higher metabolism in daily activities



(scheduled for launch in July 2023)

“ALA PLUS FUCOIDAN”

A combined agent of low molecular weight Fucoidan ingredients and 5-ALA, using our original technology



(launched Jan. 4, 2023)

“ALA PLUS NMN”

Contains 5-ALA and NMN, two major aging care components with high affinity that exist in mitochondria, which both metabolize energy



(scheduled for launch in June 2023)

“ALA LIFT CONCENTRATE Series”

A new 5-ALA cosmetics brand developed in the department store channel. Toners, creams, and serums scheduled for release in June 2023

“ALA PLUS OTOKO-NO KATSURYOKU”

(pending approval)

In a clinical trial conducted at Juntendo University, confirmed improved AMS scores, which is a health indicator for menopausal men

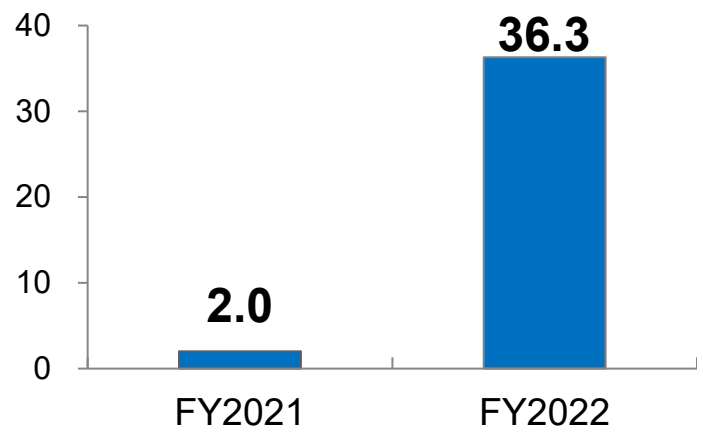
Machi no Wa Expands Local Currency Business Nationwide in Cooperation with Local Governments Economic Organizations



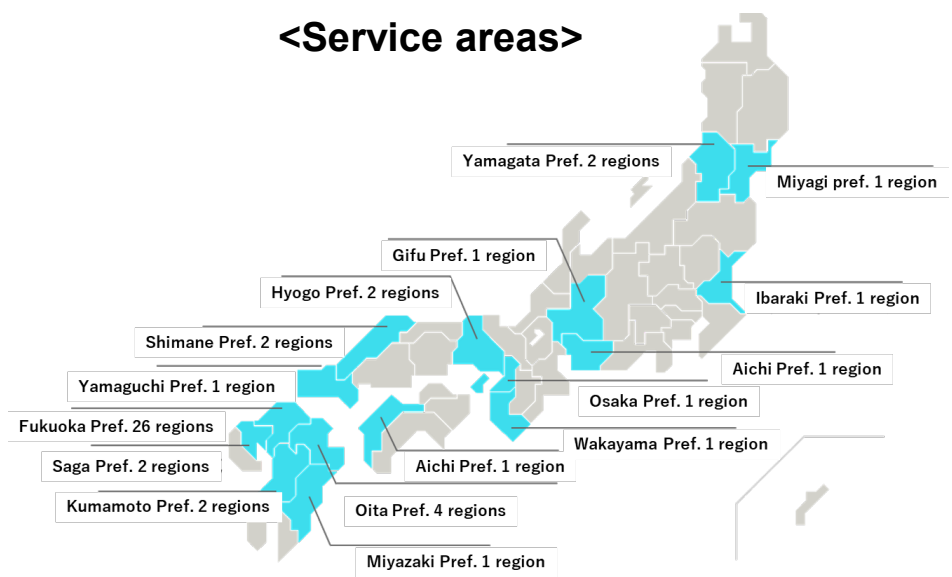
- Established with THE CHIKUHO BANK and Kyushu Electric Power on May 31, 2021 (SBI Group's share: 32%)
- Develops and operates a platform that contributes to regional revitalization and rejuvenating local economies, issues local currencies and premium e-coupons, and supports digitization of various benefit programs by local governments
- Started supporting My Number Card's public personal authentication service, expanding the service to 50 regions nationwide

<Equity method earnings>

(JPY million)



<Service areas>



SBI Holdings' equity method earnings (IFRS) for FY2022 increased more than 18 times year-on-year to JPY 36.3m, and has already progressed to the monetization phase

II. The global economy is in a state of chaos and uncertainty is increasing even more than at the time of Lehman's Collapse. Under this circumstance, the SBI Group will work to expand and develop revenue sources through detailed Group-wide efforts and implement of risk hedge to diversify in the three areas listed below:

- 1. Diversification of customers**
- 2. Diversification of financial products and services**
- 3. Diversification of business fields**

1. Diversification of customers

- (1) Promote Neo-securities initiative**
- (2) Collaboration with SMBC Group is to move to next phase**
- (3) Further expand the multipoint ecosystem**
- (4) Strive towards expanding business and financial corporate clients by leveraging the diverse management resources of the SBI Group companies**
- (5) Promote cooperation with regional financial institutions**
- (6) Expansion of the customer base both within and outside the financial business by promoting SBI Sumishin Net Bank's "Neo-bank Initiatives"**

SBI Group Has a Customer Base of Approximately 46 Million

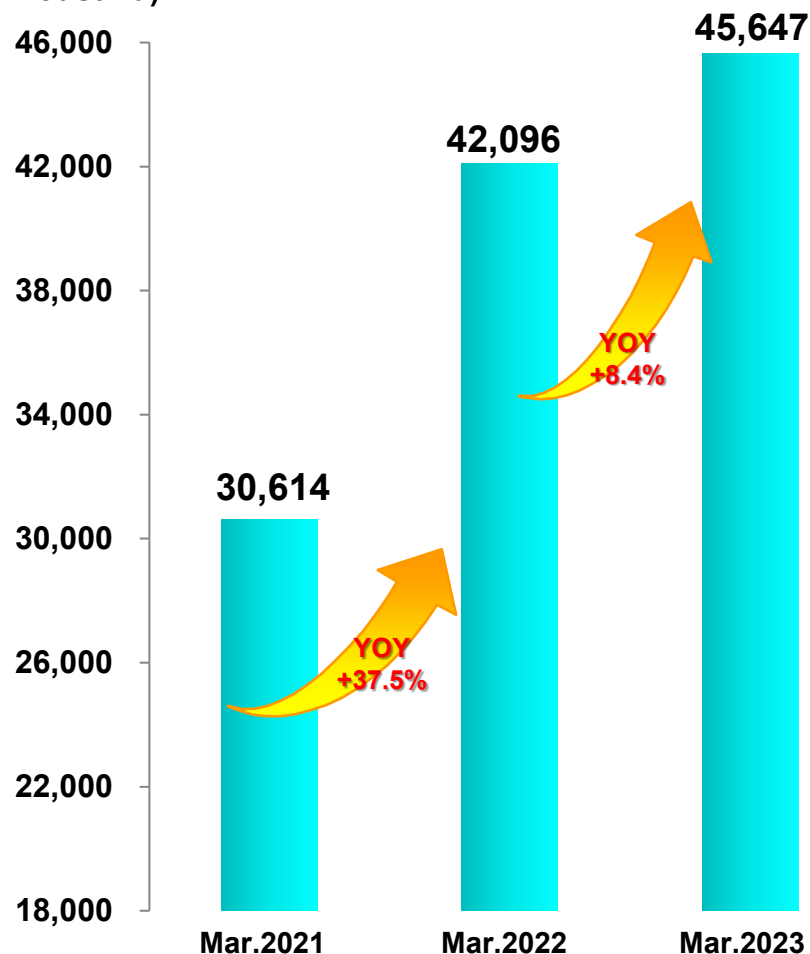
- Endeavor towards a Customer Base of 100 Million -



Breakdown of the Customer Base
(As of the end of March 2023)*1,2

(Thousand)

(Thousand)



SBI SECURITIES SBI NEOMOBILE SECURITIES SBI Neotrade Securities FOLIO	(No. of accounts)	10,038
SBIH InsWeb	(No. of customers)	10,776
E-LOAN	(No. of customers)	3,352
MoneyLook	(Total no. of customer registrations)	950
Wealth Advisor	(Total no. of service users) *3	1,327
SBI Sumishin Net Bank	(No. of accounts)	6,147
SBI Insurance	(Total no. of contracts)	1,199
SBI Life Insurance	(Total no. of contracts) *4	397
SBI Shinsei Bank	(No. of accounts)	3,161
Lake business	(No. of customers)	827
APLUS	(No. of active cardholders)	4,208
Showa Leasing	(No. of contracts)	288
Others (SBI VC Trade etc.)*5		2,976
Total	—	45,647

*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 SBI Global Asset Management

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

*5 Customers of "SBI Point" provided with SBI ID members have been removed because the service is no longer available

(1) Promoting Neo-securities initiative

- Under preparation to launch Neo-securities initiative during the first half of FY 2023 -

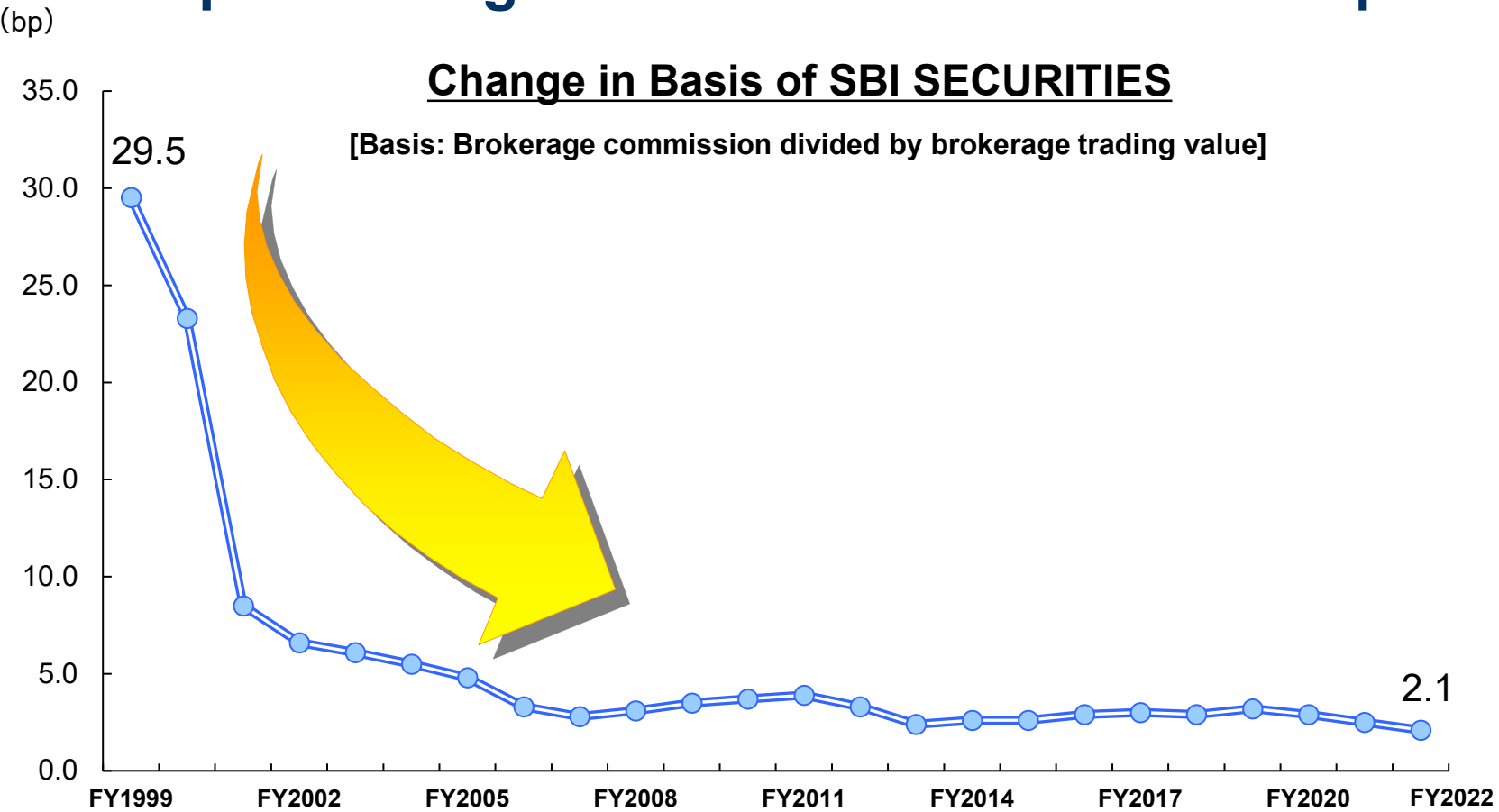
- ① **Steady growth in revenues other than commissions to diversify revenue sources**
- ② **Focus on strengthening system to support the expected rapid growth of customer base**
- ③ **Expansion of the customer base of SBI SECURITIES to spread over entire SBI Group**

Neo-securities Initiative:

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



SBI SECURITIES Has Achieved Overwhelmingly Low Trading Fees since its Establishment by Thoroughly Implementing the “Customer-centric Principle”



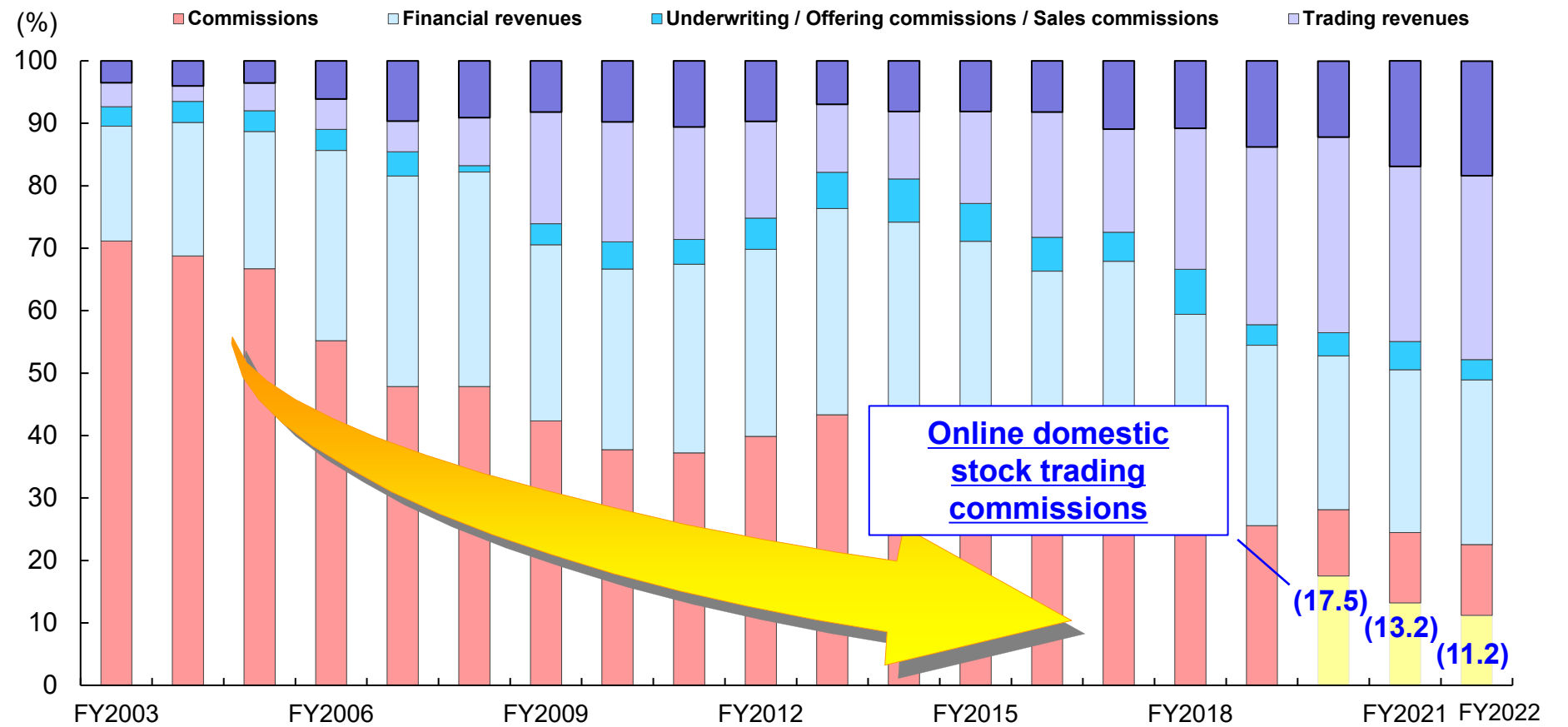
SBI SECURITIES has achieved a high level of customer satisfaction and maintained a top position in the industry by thoroughly pursuing services that are truly from the customer’s perspective

Continuous Implementation of Various Measures to Reduce Transaction Costs for Investors

Release Date	Detail of Measures
Dec. 2019	Commission-free margin trading for all domestic ETFs
Sept. 2020	Large Margin Trading: Eased conditions for application of no transaction fees
Sept. 2020	No stock brokerage fees for Active Plan up to a total of JPY 1m in daily contract value
Mar. 2021	Expansion of the conditions and benefits of the large margin trading preferential program
Apr. 2021	Implemented a program of virtually eliminating commissions fee for those under 25 years old
June 2021	Revision of gold, silver, and platinum transaction fees
July 2021	Stock brokerage commissions for Active Plan reduced for both spot and margin transactions
July 2021	Revised buying interest rates and stock lending fees for general margin trading “day-trading”
Oct. 2021	Purchase of less than one unit of shares becomes essentially commission-free
Feb. 2022	Waive interest rates and lending fees for “daily margin” in general margin trading
July 2022	Narrowing the spread for six specific currency pairs at FXα

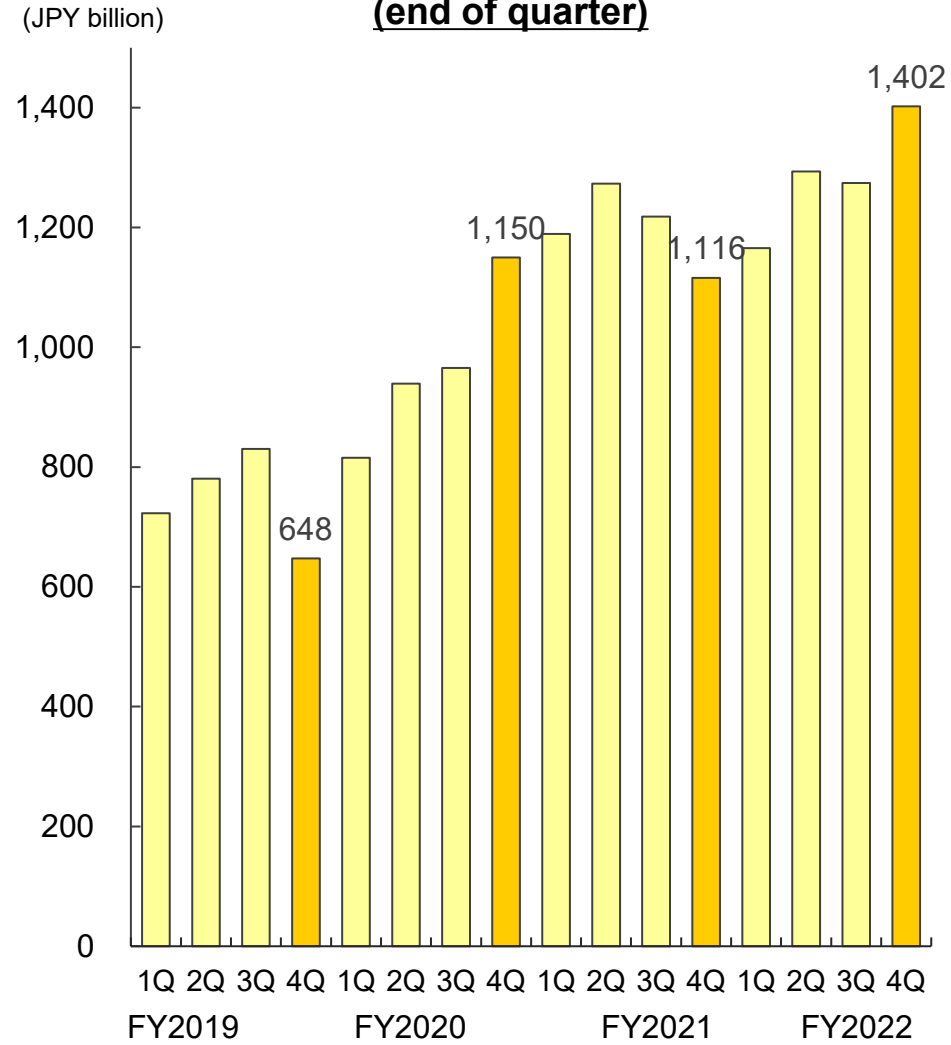
Trends in the Composition of Operating Revenue (Net Sales) of SBI SECURITIES

- Decreased the ratio of domestic stock brokerage commissions from online trading, which is subject to the commission-free system, to 11.2% of operating revenues-

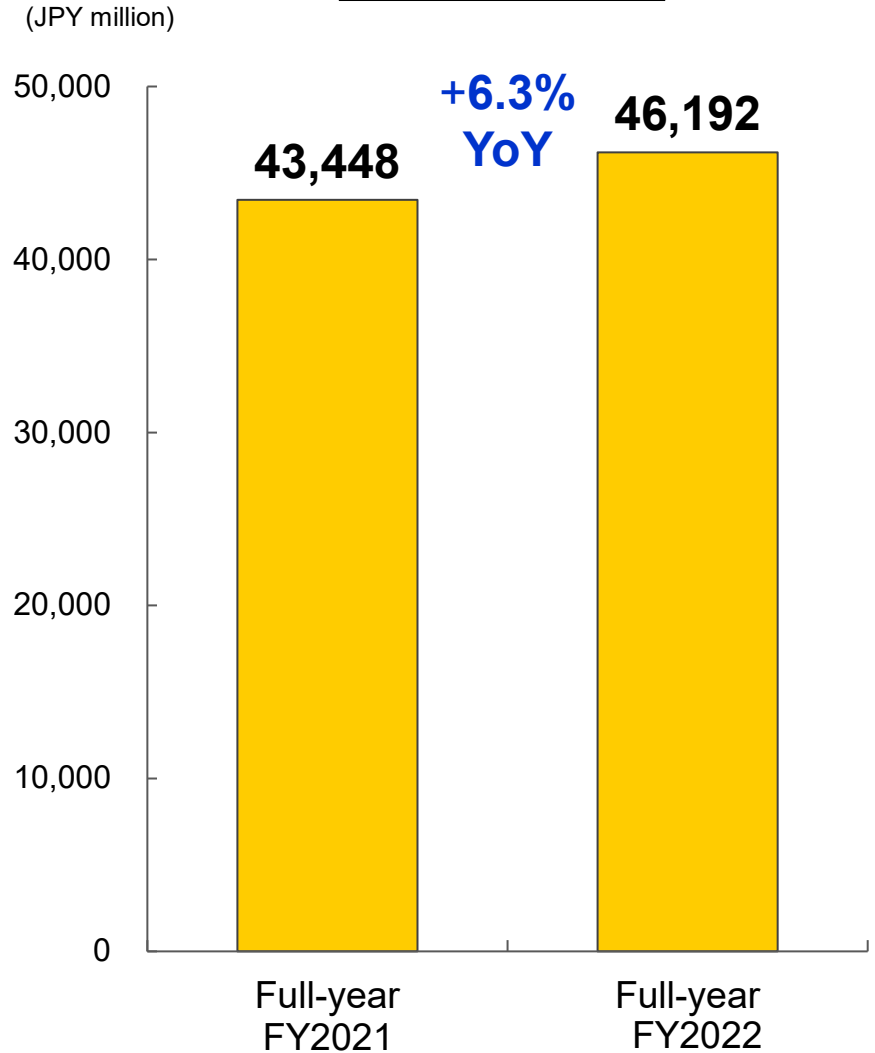


Open Interest Credit Balance and Financial Revenue at SBI SECURITIES Remain High

Trend of Open Interest Credit Balance
(end of quarter)



Financial Revenue



① Steady growth in revenues other than commissions to diversify revenue sources



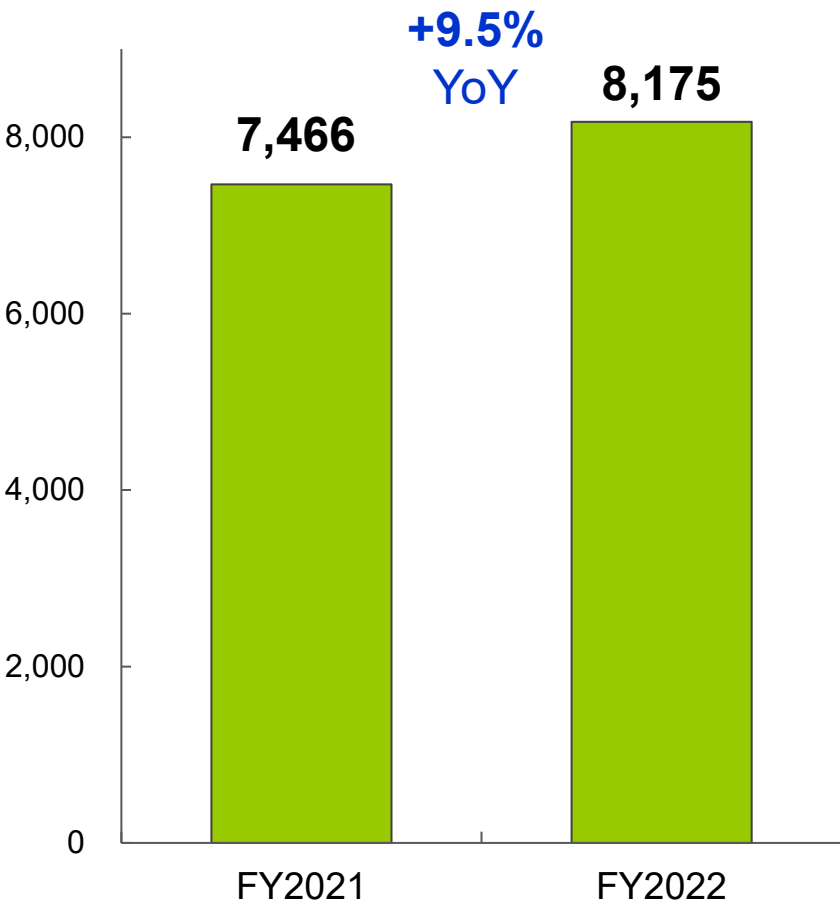
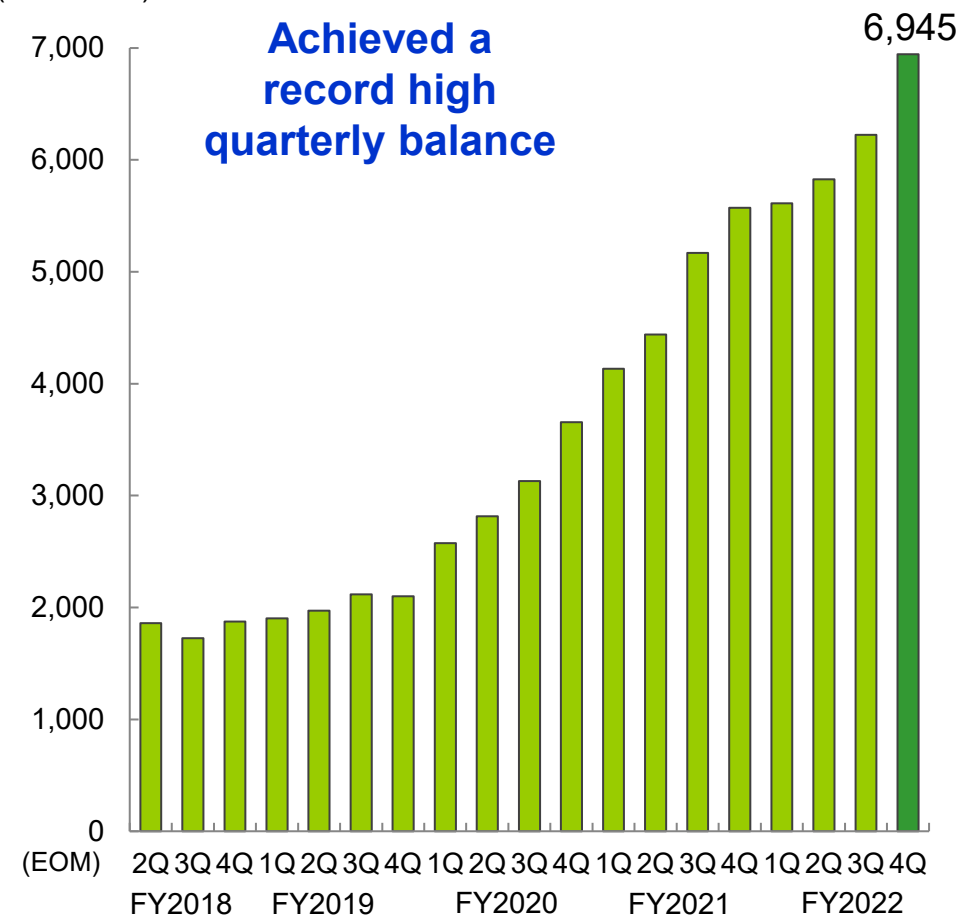
Further Increase the **Balance of Investment Trusts**
through Purchases Using Shared Points and
Accumulation Services via Credit Cards

Investment Trust Balance*

(JPY million)

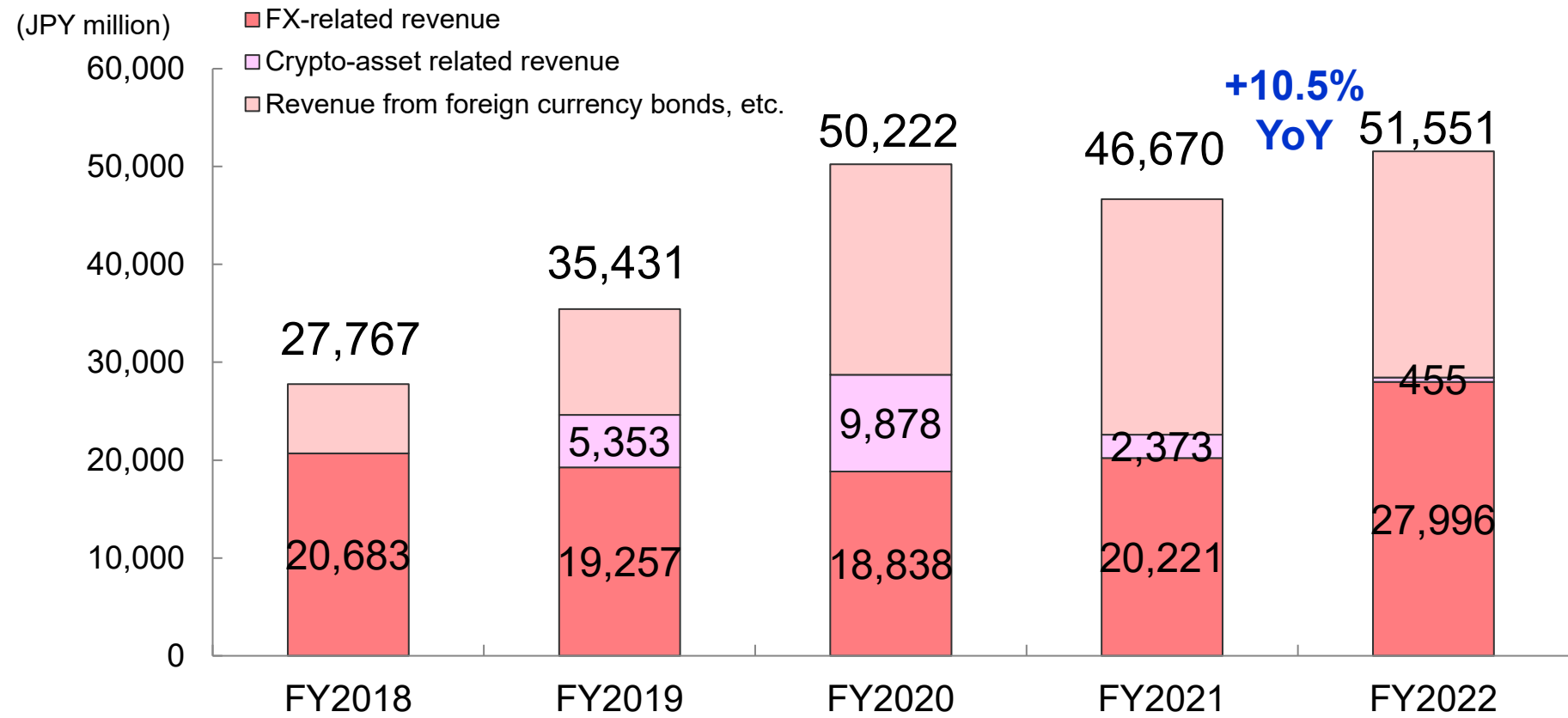
Investment Trust Fees

(JPY billion)



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

Trading Revenue Becomes One of the Pillars of Revenue by Strengthening the FX Business



SBI VC Trade was excluded from consolidation of SBI SECURITIES from 3Q FY2022

Build a Robust Systems Development and Operation Structure to Realize Neo-securities Initiative

- Concluded a capital and business alliance with
Simplex Holdings (Jan. 2023) -



- **SBI SECURITIES and Simplex established a joint venture to develop and operate systems for the SBI Group on Feb. 28, 2023**
- **This joint venture will enhance the system to handle the transactions that are expected to increase with the realization of Neo-securities initiative**

[Outline of Joint Venture]

- **Business:**
Systems development and operations for the SBI Group including SBI SECURITIES
- **Incorporation date:**
Feb. 28, 2023



51%



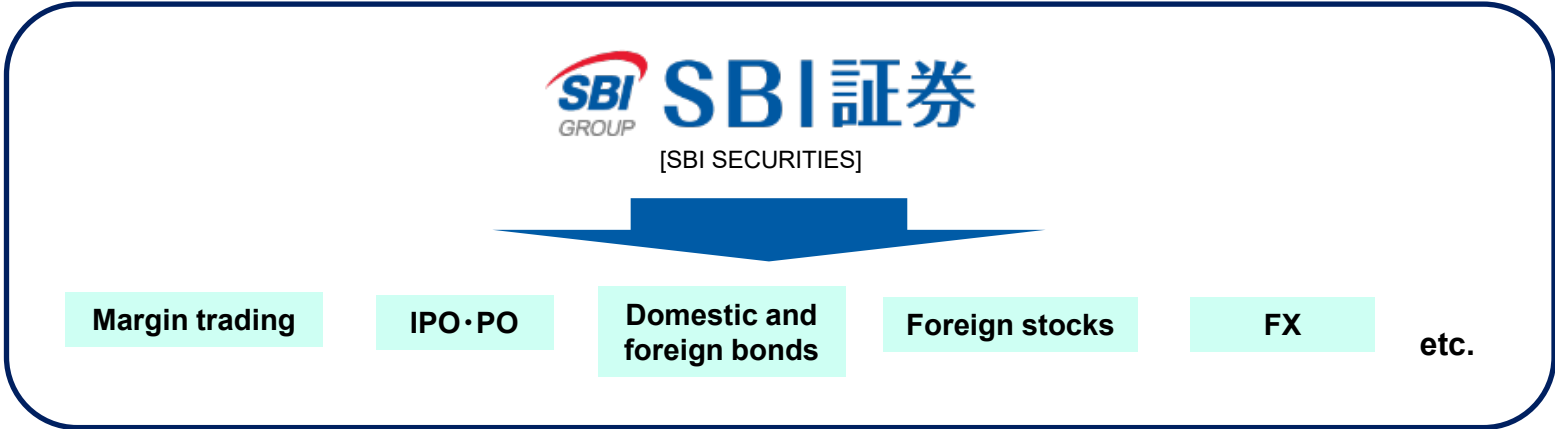
49%



SBI Simplex Solutions

Growing the Neo-Securities Initiative Customer Base Positively Affects the SBI Group

Free domestic stock brokerage fee is expected to increase retail customers interest in a variety of other financial products who open an account with SBI SECURITIES



(2) Collaboration with SMBC Group is to move to next phase

SBI SECURITIES Maximizes Marketing Channels Effectively through “Olive,” a Mobile Comprehensive Financial Service Provided by SMBC Group

SBI SECURITIES is the main provider of online securities for “Olive”, a comprehensive mobile financial service operated by Sumitomo Mitsui Banking Corporation (“SMBC”) and Sumitomo Mitsui Card (“SMCC”) and offers highly convenient securities-related services through SMBC and SMCC applications

[SBI SECURITIES’ services to be expanded through this alliance]

- **Open a general account at SBI SECURITIES simultaneously when applying for “Olive”**
When customers newly apply for “Olive,” they can open a SBI SECURITIES general account at the same time
- **Expansion of V point service**
Expanded to cover all customers so that other customers can also take advantage of the V Point service



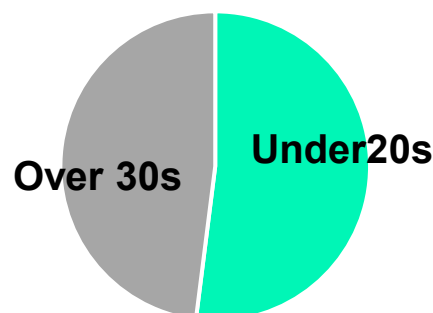
**Acquire 2 million securities accounts in the first five years,
JPY 50bn in amount of accumulated funds through credit card
in three years, as targets for SBI Group and SMBC Group**

Reach New Customer Bases through Alliance with SMBC Group

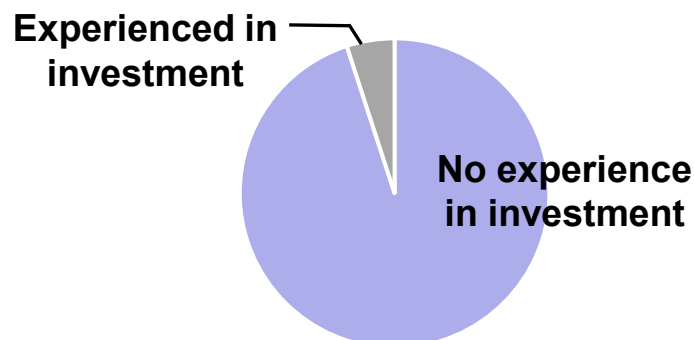
- The customers who flowed into SBI SECURITIES from “Olive” were mostly young people, **who will be the key to the customer base in the future, and more than 90% were inexperienced investors**

[Features of inflow customers from Olive]

More than 50% of customers inflow from Olive are under 20s



More than 90% of customers inflow from Olive are neophyte investors



- With this alliance, in addition to brokerage from Olive and Sumitomo Mitsui Card, brokerage account applications can also be made through Sumitomo Mitsui Banking Corporation.
Sumitomo Mitsui Banking's brokerage customers have relatively high income and financial asset base, with rich experience in investment

(3) Further expansion of a multipoint ecosystem

The SBI Group is Building a **Multipoint Ecosystem**
That Allows Customers to Choose Points Most
Convenient for Them

[Points that SBI SECURITIES currently partner with]

T Point



V Point



V POINT

Ponta
Point



d-Point

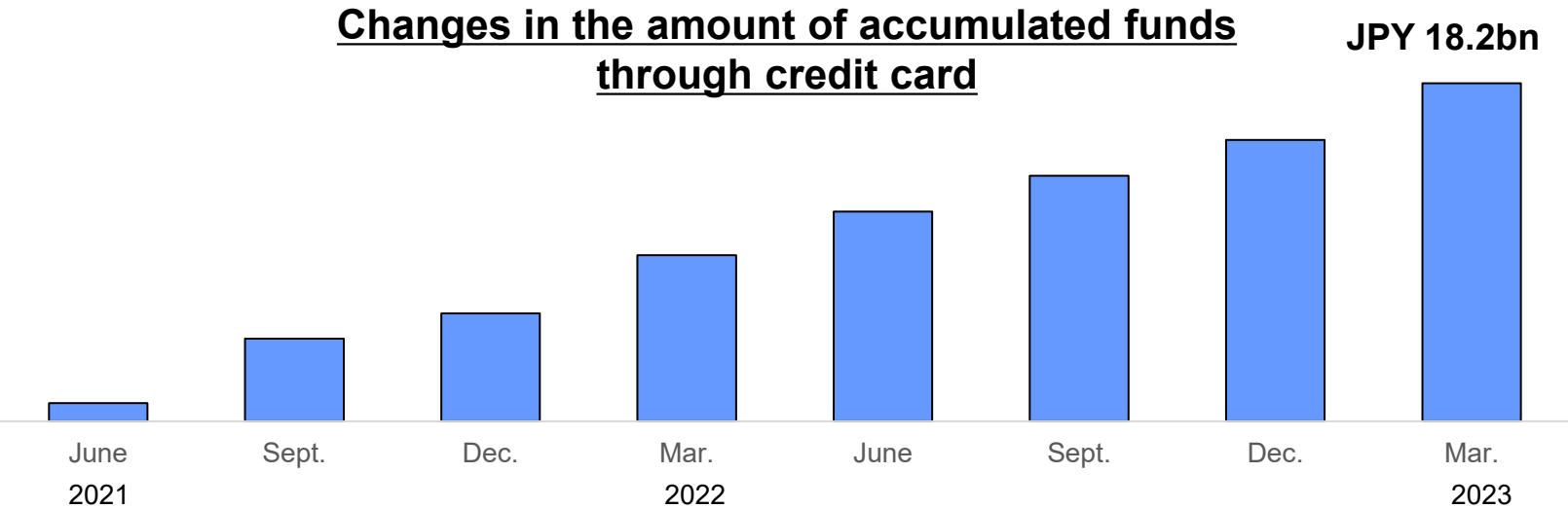


JAL Mileage



Expanding Accumulation Funds through Credit Cards with Multicard Strategy

- **SBI SECURITIES allows accumulation-type fund investment with six credit cards:** Sumitomo Mitsui Card, Takashimaya Card, Tokyu Card, APLUS, UCS Card(Credit Cards of Pan Pacific International), and JFR Card(Credit Card of Daimaru Matsuzakaya Department Store)
- Strong growth in credit card-based accumulation-type fund investment, with the **amount of accumulation exceeding JPY 18.2 billion** as of March 31, 2023
- In response to the growing awareness of asset building among individual investors, continue to strengthen the provision of **credit card-based accumulation-type fund investment service for customer convenience needs**



(4) Strive towards expanding **business and financial corporate clients by leveraging the diverse management resources of the SBI Group companies**

- ① In the securities business, expand the customer base and market share expeditiously by implementing the “Customer-centric Principle” in **corporate business**
- ② Increase **corporate and financial customers** through collaboration with the SBI Shinsei Bank Group
- ③ Insurance business continues to actively promote product development and provision of services that meet the needs **of corporate partners** to further expand the customer base
- ④ SBI Neo Corporate Services Provides Business **Matching Services for Corporate Clients**

- ① **In the securities business, expand the customer base and market share expeditiously by implementing the “Customer-centric Principle” in corporate business**

① In the securities business, expand the customer base and market share expeditiously by implementing a Customer-centric Principle in the corporate business

SBI SECURITIES' Underwriting Share is 98.9%, the Highest in the Industry

Steady Expansion of POs and Corporate Bonds Underwriting

Underwriting share of **98.9%** is
an industry-leading figure

IPO Underwriting Ranking (Apr.2022 – Mar.2023)
93 companies were listed during the period

Company Name	No. of cases	Underwriting share(%)
SBI	92	98.9
Rakuten	64	68.8
Matsui	59	63.4
Monex	54	58.1
Mizuho	51	54.8
SMBC Nikko	47	50.5
Daiwa	47	50.5
Okasan	42	45.2
IwaiCosmo	42	45.2
Nomura	41	44.1

- Between April 2022 and March 2023, SBI SECURITIES underwrote 15 companies as lead manager

PO underwriting business

During FY2022, SBI SECURITIES underwrote 22 POs



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

Corporate bond underwriting business

Underwrote a total of 50 bond offerings during FY2022 including Tohoku Electric Power Company bonds



Focus on underwriting of new public bonds, including electricity bonds

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

※The date was compiled by SBIH based on each company's published information.

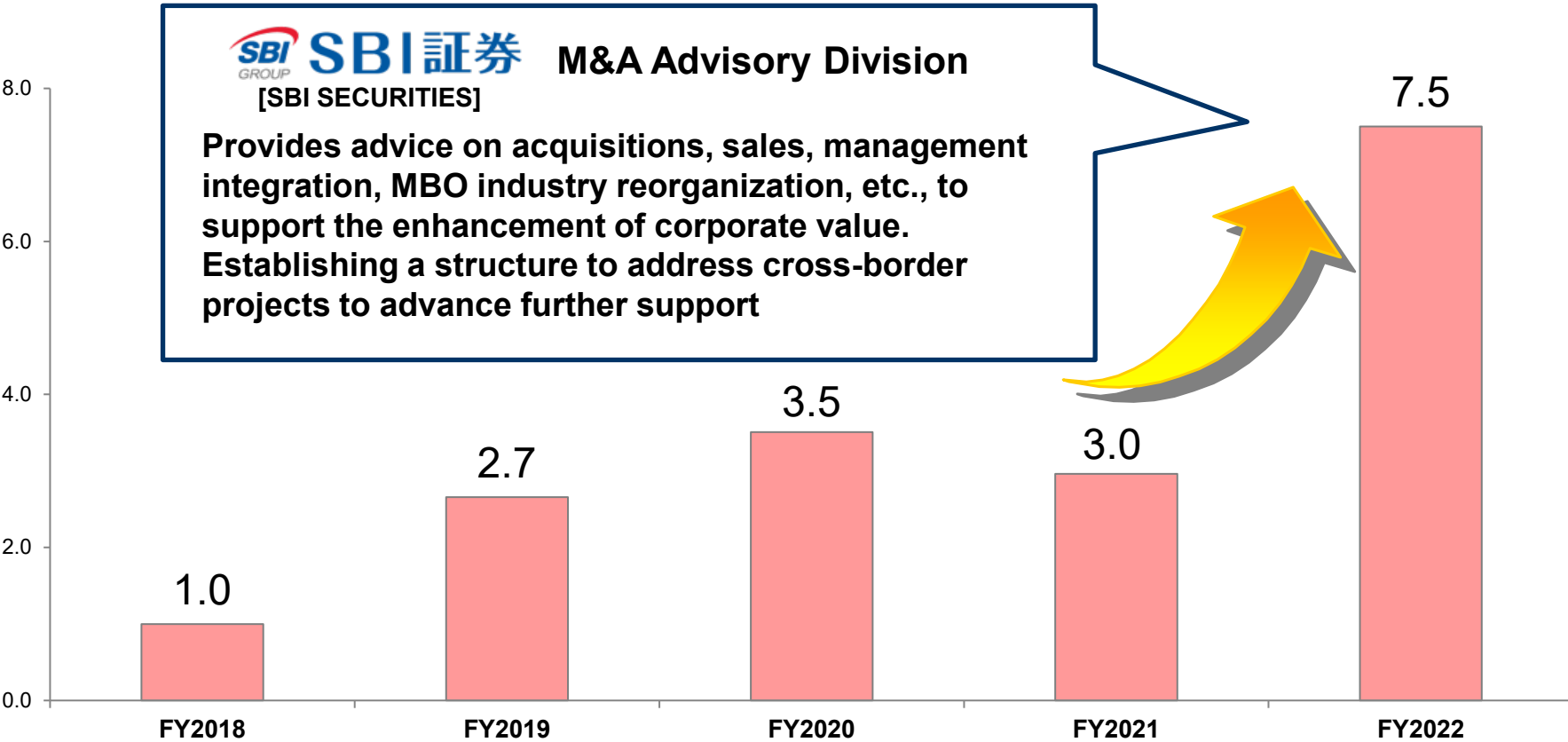
① In the securities business, expand the customer base and market share expeditiously by implementing a Customer-centric Principle in the corporate business



Establish an Integrated M&A System from Consulting, Sourcing, and Deal-making to Fund Raising

[Trend of Revenue from M&A Advisory]

*indexed with FY2018 value as 1



Enhance the quality of M&A execution and management, etc., to further enhance customer support

① In the securities business, expand the customer base and market share expeditiously by implementing a Customer-centric Principle in the corporate business



Strengthening M&A for Business Succession as one of the Concrete Measures for Regional Revitalization

- Began discussions of merger with HONGO TSUJI M&A SOLUTIONS -



[SBI M&A Solution]



[HONGO TSUJI M&A SOLUTION]

- Spun off from SBI SECURITIES in June 2022 with the purpose of strengthening M&A for business succession
- The company has strengths in alliances with regional institutions utilizing the SBI Group's network and proposal-based M&A advisory services
- Providing business succession-related service including M&A service for domestic SMEs
- In addition to M&A advisory services, consulting for future M&A and post-merger integration are offered



[Outline of the merging company (planned)]

Corporate name :	SBI HONGO TSUJI M&A
Time of merger :	Oct. 2023
Merger ratio :	SBI SECURITIES 51%, HONGO TSUJI Group company 49%

Considerations are underway of the system to support growth strategies of SMEs nationwide with problem related to local business succession solving and one-stop M&A consulting system by combining the complementary strengths and expertise of SBI M&A Solution and HONGO TSUJI M&A SOLUTION, and utilizing the management resources of the two companies

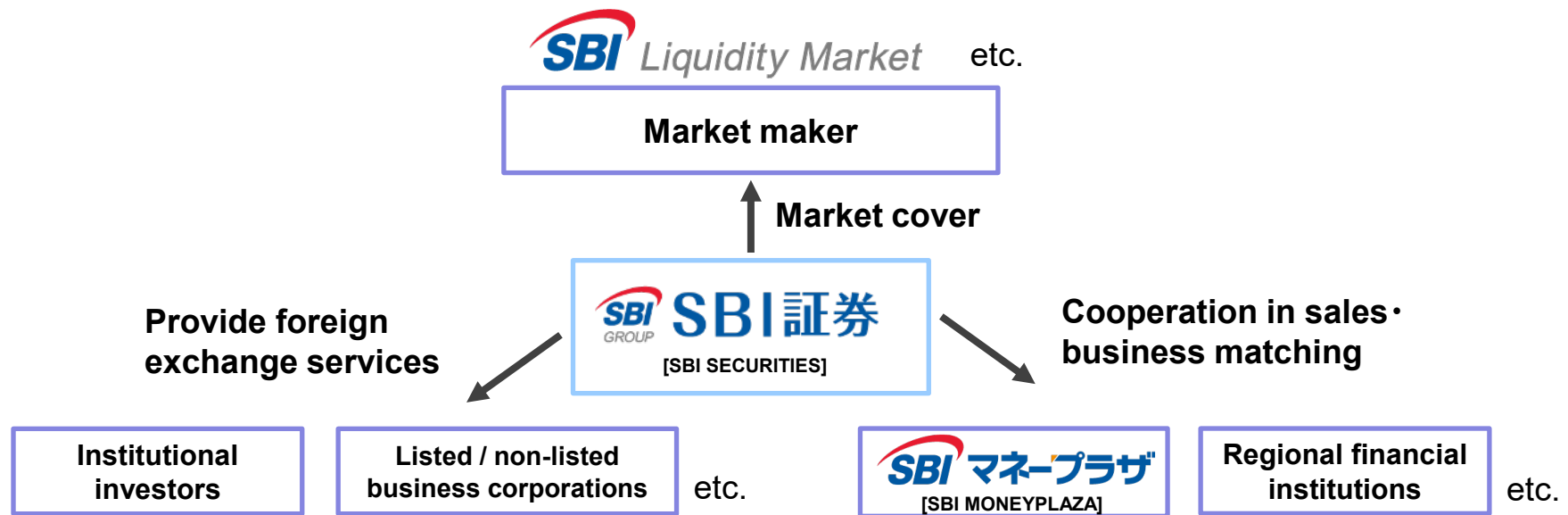
① In the securities business, expand the customer base and market share expeditiously by implementing a Customer-centric Principle in the corporate business



Starting Foreign Exchange Services for Corporate Customers

- SBI SECURITIES has set up a foreign exchange office in May 2022. Starting to expand services 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 substantial, totaling USD 500.1bn (JPY 74tn) in daily transaction value*. SBI SECURITIES will strengthen and diversify its earnings capability in the vast market

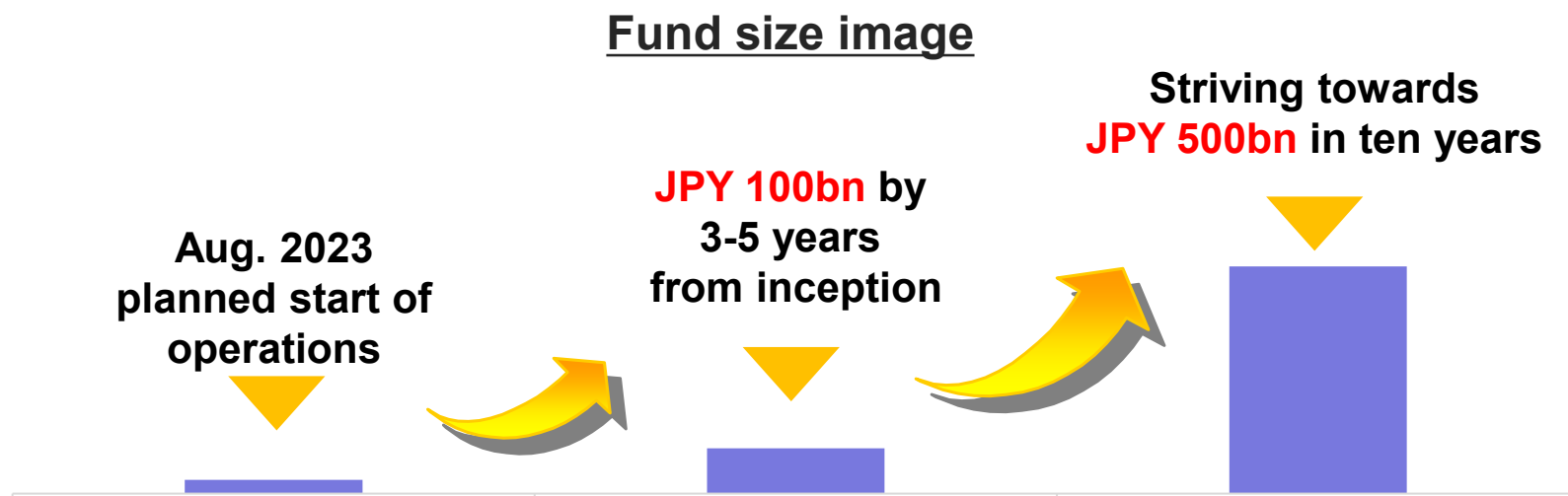
* From the Oct. 2022 "Volume Survey" by the Tokyo Foreign Exchange Market Committee



① In the securities business, expand the customer base and market share expeditiously by implementing a Customer-centric Principle in the corporate business

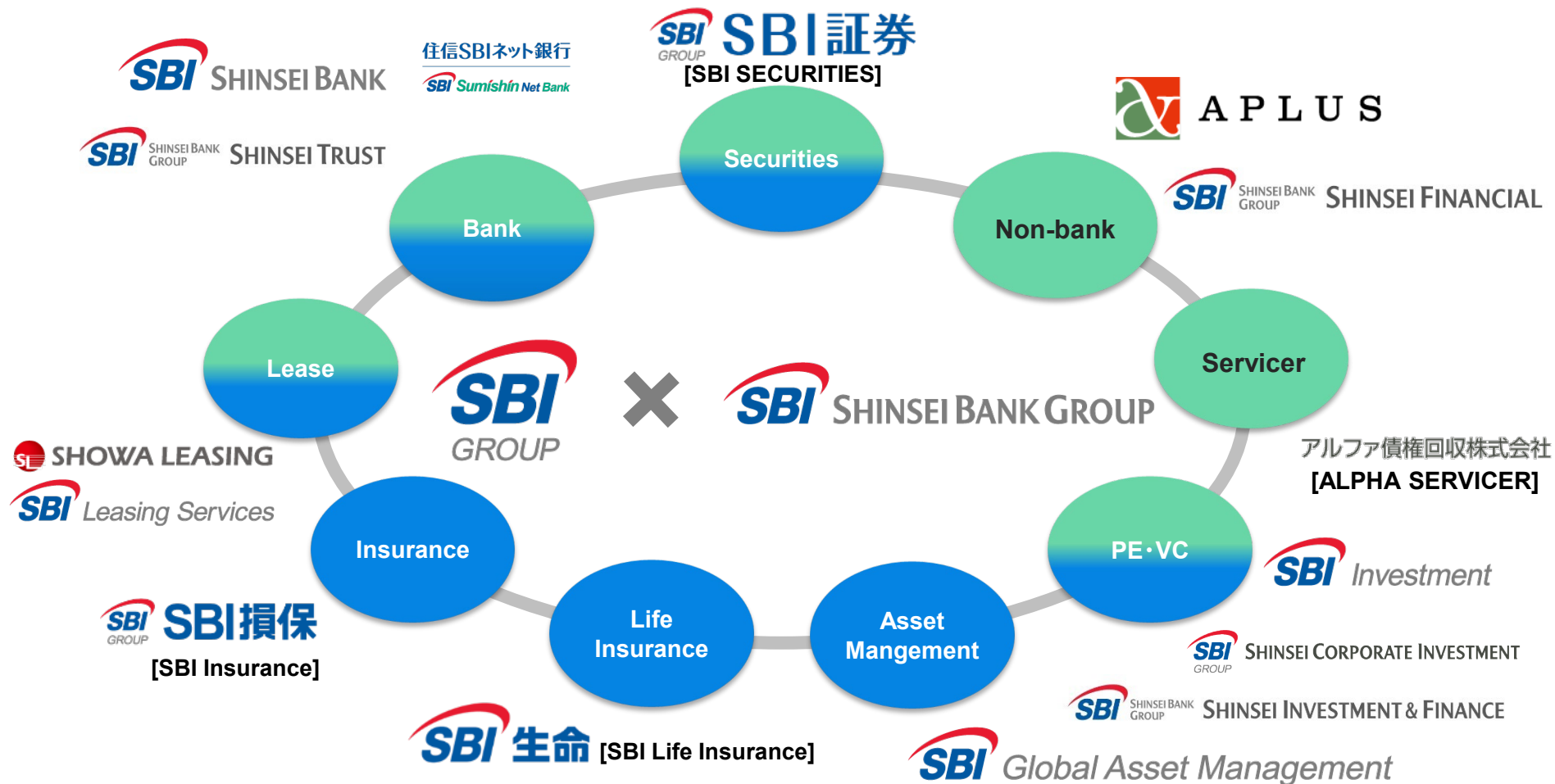
Establishment of the SBI Private REIT Investment Corporation, an Integrated Private REIT Investing in a Broad Array of Real Estate

- **SBI Private REIT Investment Corporation** established on May 8 by SBI Private REIT Advisors Co., Ltd., a consolidated subsidiary
- Using SBI Group's comprehensive capabilities in its Real Estate Finance Business, ranging from development to fund assembly and operation, as well as leveraging previously developed networks and resources outside the Group, we meet expectations for stable, long-term asset management by **offering high-quality investment opportunities to institutional investors**



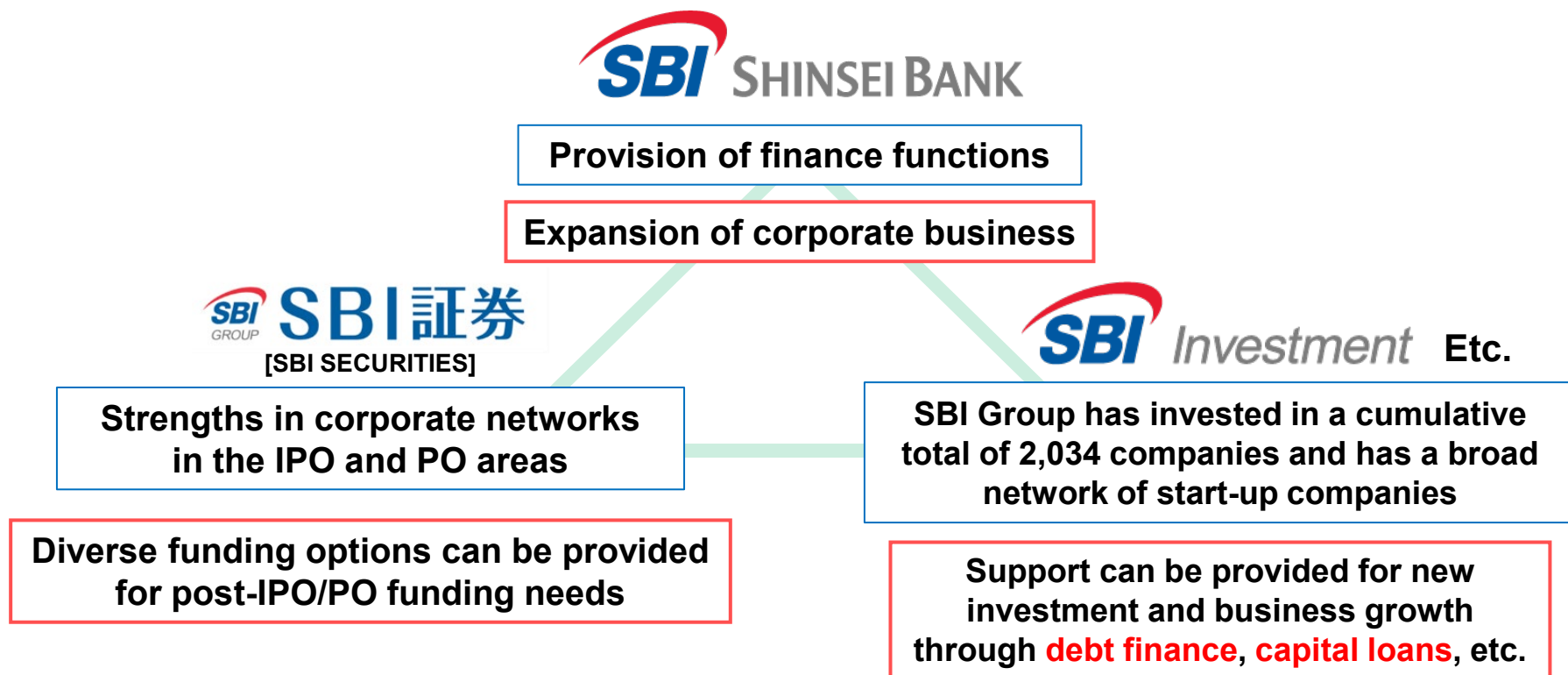
- ② Increase **corporate and financial customers** through collaboration with the SBI Shinsei Bank Group
 - (i) Strengthening corporate business by providing corporate finance functions
 - (ii) Expanding the customer base through APLUS' "BANKIT®"

The Addition of the SBI Shinsei Bank Group, with Strengths in Non-bank and Corporate Finance Areas, Further Evolves the Corporate Ecosystem of SBI Group



The organically combined management resources of
the two groups have resulted in an expansion in
the corporate and individual customer bases of both groups

(i) Strengthening the Corporate Business through the Provision of Corporate Finance Facilities

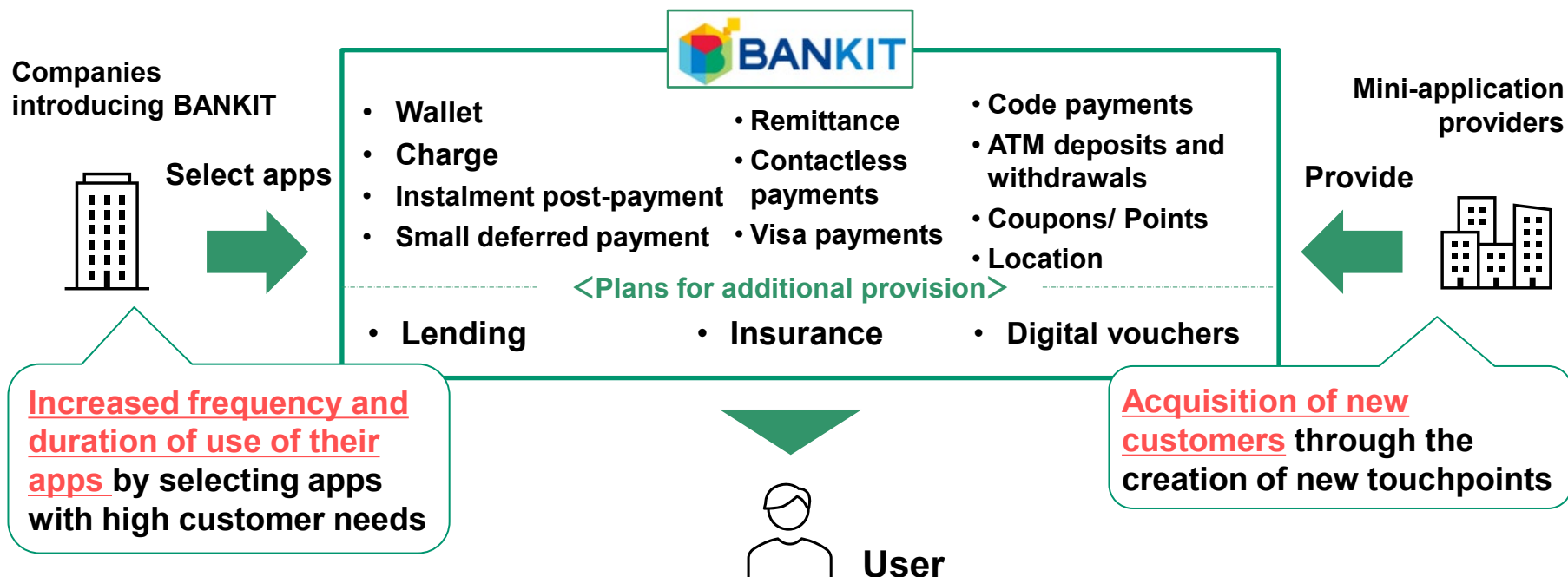


A total of JPY 109.2bn in 51 transactions was executed by SBI Shinsei Bank for venture debt and investments and loans to SBI Group investees and to parties introduced by SBI SECURITIES, etc. (At the end of Mar. 2023)

(ii) Expanding the Customer Base through APLUS' "BANKIT®"

About "BANKIT®":

- ✓ BaaS, which allows the company introducing it to **select and customize the applications they need** in a cafeteria-style format
- ✓ Two plans are offered: the "**White Label Plan**" for companies considering offering new apps, and the "**Embedded Plan**" for companies already offering apps
- ✓ Businesses can also list their apps on "BANKIT®"



Supporting all types of businesses, both financial and non-financial, to entry into the financial and payment businesses and to promote DX

③ Insurance business continues to actively promote product development and provision of services that meet the needs of corporate partners to further expand the customer base

SBI Insurance and SBI Life Insurance Cultivates a New Customer Base through Collaboration with Corporations that have an Extensive Customer Base, Both Inside and Outside the Group

- Launch of SBI Insurance and SBI Life insurance products at APLUS



- Commenced automobile insurance solicitation initiatives using Sumitomo Mitsui Card Company's data analysis support service "Custella"



- SBI Insurance started providing special automobile insurance for BYD, an electric vehicle (EV) car manufacturer, which is entering the Japanese passenger car market in earnest



BYD Group is expanding its EV business in more than 70 countries and regions worldwide, and has entered the Japanese passenger car market in earnest in January 2023

Small-amount, Short-term Insurance Companies Expand Sales Channels to Increase Customer Contact Points by Leveraging Product Diversity



Comprehensive funeral service company
(Providing preferential services for death insurance subscribers)

**The General Incorporated Association
Consultation Service for Household Goods
Consolidation**
(Providing preferential services for death and medical
insurance subscribers)



**Dog and cat transfer
organizations**
(Pet insurance)

**JOYFUL
HONDA**
(Pet insurance)



Escrit
(Bridal Insurance)

**Building materials
sales company**
(Earthquake insurance)

Apps for pet owners
(Pet insurance)

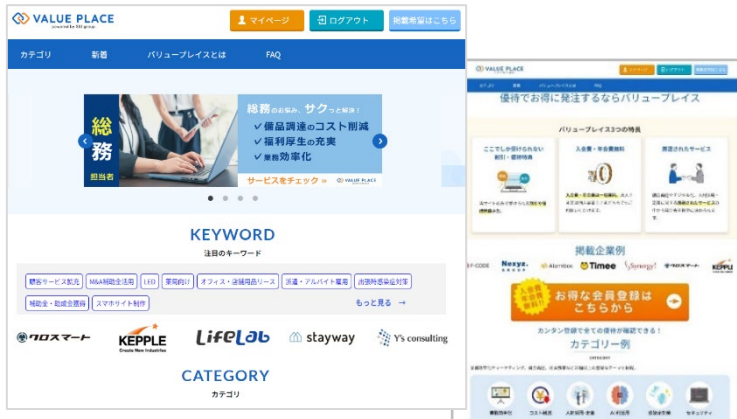


**Real estate management
system companies**
(Linkage with application
management system)

**Rent guarantee
companies**
(Linkage of application
management systems)

Motorcycle manufacturers and dealers
(Vehicle insurance for motorcycles)

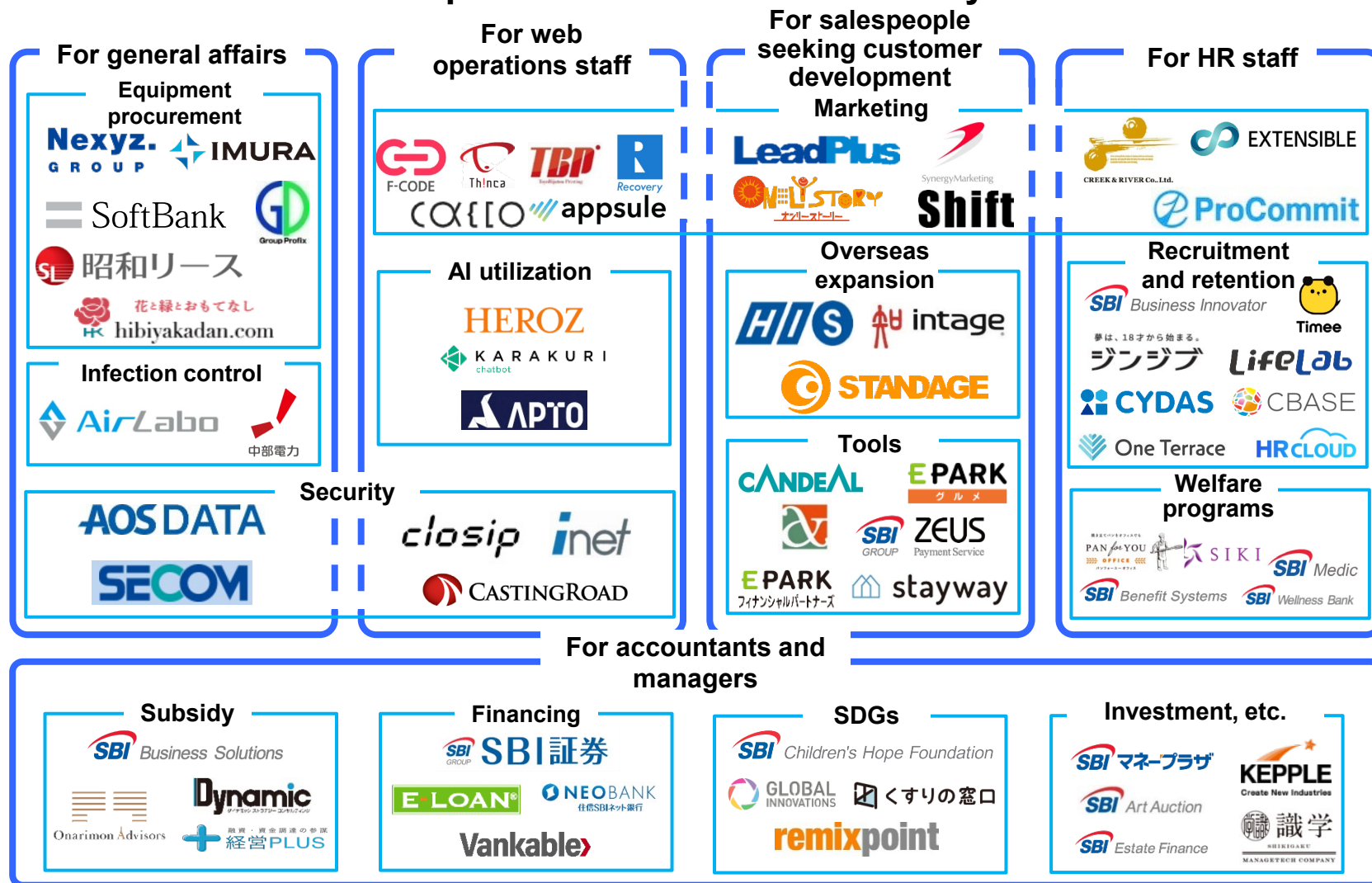
④ SBI Neo Corporate Services Provides **Business Matching Services for Corporate Clients (i)**



- SBI Neo Corporate Services started operating **“Value Place,” a business matching website** for corporate customers, in May 2022
- **Selected corporate services in more than 25 diverse categories**, including equipment procurement, recruitment, operational efficiency, and assistance in applying for subsidies and grants, provided by SBI Group companies and Group investee ventures, are listed with unique special offers
- Business customers **can implement a comprehensive range of services appropriate** to the challenges they face

④ SBI Neo Corporate Services Provides **Business Matching Services for Corporate Clients (ii)**

Nearly 200 services from around 100 companies already listed in a short period of time across a variety of areas



(5) Promote Cooperation with Regional Financial Institutions

- ① Track record of cooperating with regional financial institutions promoted by the SBI Group**
- ② Realizing regional revitalization by involving diverse stakeholders, not just regional financial institutions**

Expanding Business Alliances with Regional Financial Institutions

**SBI Group's capital and business alliance
with 9 banks**









Utilizing the experience of the above 9 banks with capital and business alliances, the Company's future strategy is to promote the strengthening of business alliances targeting all regional financial institutions regardless of whether a capital relationship exists

① Track record of cooperating with regional financial institutions promoted by the SBI Group





- (i) SBI Group has promoted business alliances regardless of whether or not there is a capital relationship**
- (ii) Actively propose innovative banking systems (core banking systems, shared ATMs, etc.) to regional financial institutions with no capital relationship**
- (iii) Expansion of corporate client base through thorough promotion of the “Triangle Strategy”**

(i) SBI Group has always promoted business alliances regardless of whether or not there is a capital relationship

SBI Group has Traditionally Expanded Cooperation with Regional Financial Institutions Throughout Japan, Regardless of Whether or not There is a Capital Relationship (a)

SBI Group Companies	Content of the Alliance	Total number of partners (No capital relationship)
 [SBI SECURITIES]	Formed alliances with regional financial institutions in the financial product intermediary business	49 (40)
 [SBI MONEYPLAZA]	Co-managing branches operations with regional financial institutions, providing one-stop securities-related products handled by SBI MONEYPLAZA	23 branches in 14 banks (9 branches in 5 banks)
 [SBI Life Insurance]	Sales of SBI Life Insurance's group credit life insurance being launched or already being sold	82 (75)
	Financial corporations have decided to handle SBI Insurance's insurance products and are slated to start sales of the product shortly	29 (21)
	Regional financial institutions have introduced a white-labeled banking app provided by SBI NEO FINANCIAL SECURITIES	14 (6)
	Regional financial institutions introduce the back-office cloud services such as "Approval Time", "Keihi Bank", and "Kintai Reco" to their customers, and to provide "Josekin Hojokin Sindan Navi" (subsidy management & navigation tool) and "Business documents, contract, and legal from support service"	42 (37)
	Regional financial institutions participate in "SEIKYUQUICK" partner program	19 (10)

SBI Group has Traditionally Expanded Cooperation with Regional Financial Institutions Throughout Japan, Regardless of Whether or not There is a Capital Relationship (b)

SBI Group Companies	Content of the Alliance	Total number of partners (No capital relationship)
 WEALTH ADVISOR	Regional financial institutions adopt the tablet app “Wealth Advisors” provided by SBI Global Asset Management	150 (142)
	Regional financial institutions handle international money transfer services provided by SBI Remit	12 (7)
	Regional financial institutions connect “Money Tap”, a next-generation financial service	9 (7)
 SBI Asset Management	Management of private investment trusts for proprietary fund management of regional financial institutions (*) Including discretionary investment, etc.	Approx. JPY2.1 trillion (Approx. JPY1.4 trillion)
 SBI Investment	Regional financial institutions have invested in venture capital funds currently managed by SBI Investment	79 (71)
 SBI Smile	Regional financial institutions, etc. decided to offer SBI Smile’s real estate purchasing and leasing services “Zutto Smile”	8 (4)
 住信SBIネット銀行 SBI Sumishin Net Bank	Regional financial institutions decided to adopt and have begun offering services such as AI screening and foreign currency related services in addition to the mortgage products offered by SBI Sumishin Net Bank	8 (5)

SBI SECURITIES Supports the Cultivation of New Customers through the Provision of Intermediary Services for Financial Instruments to 49 Regional Financial Institutions

- Launched financial instruments intermediary services with The Bank of Yokohama in March 2023 -



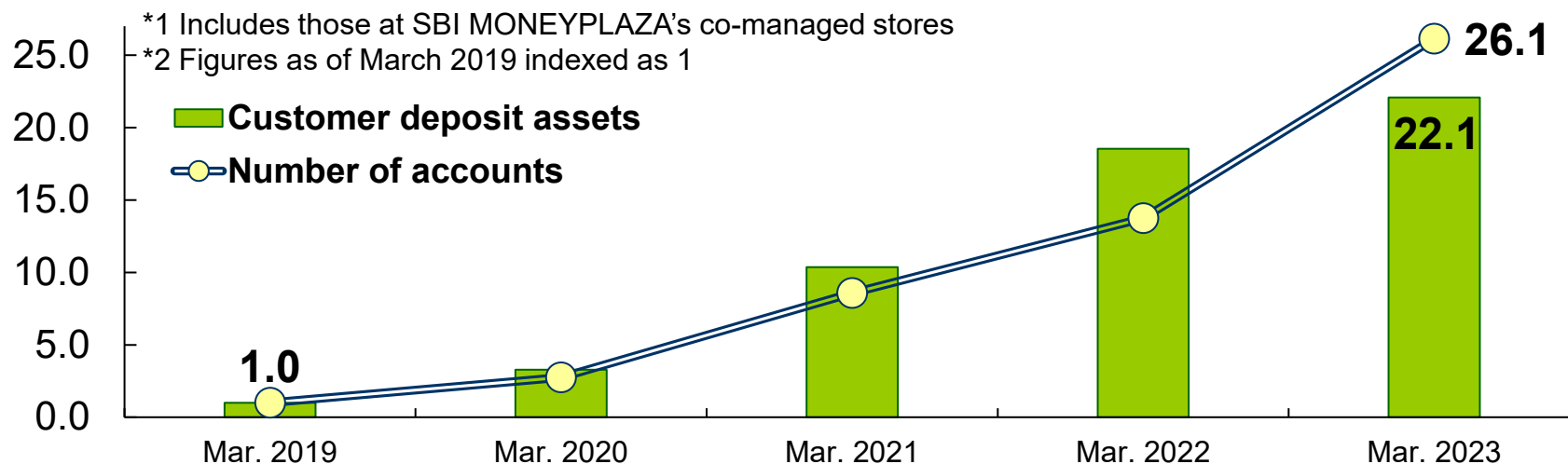
Financial instruments intermediary services

Regional financial institutions

Provides SBI Group products and services, with high customer benefits, to regional financial institutions' customers

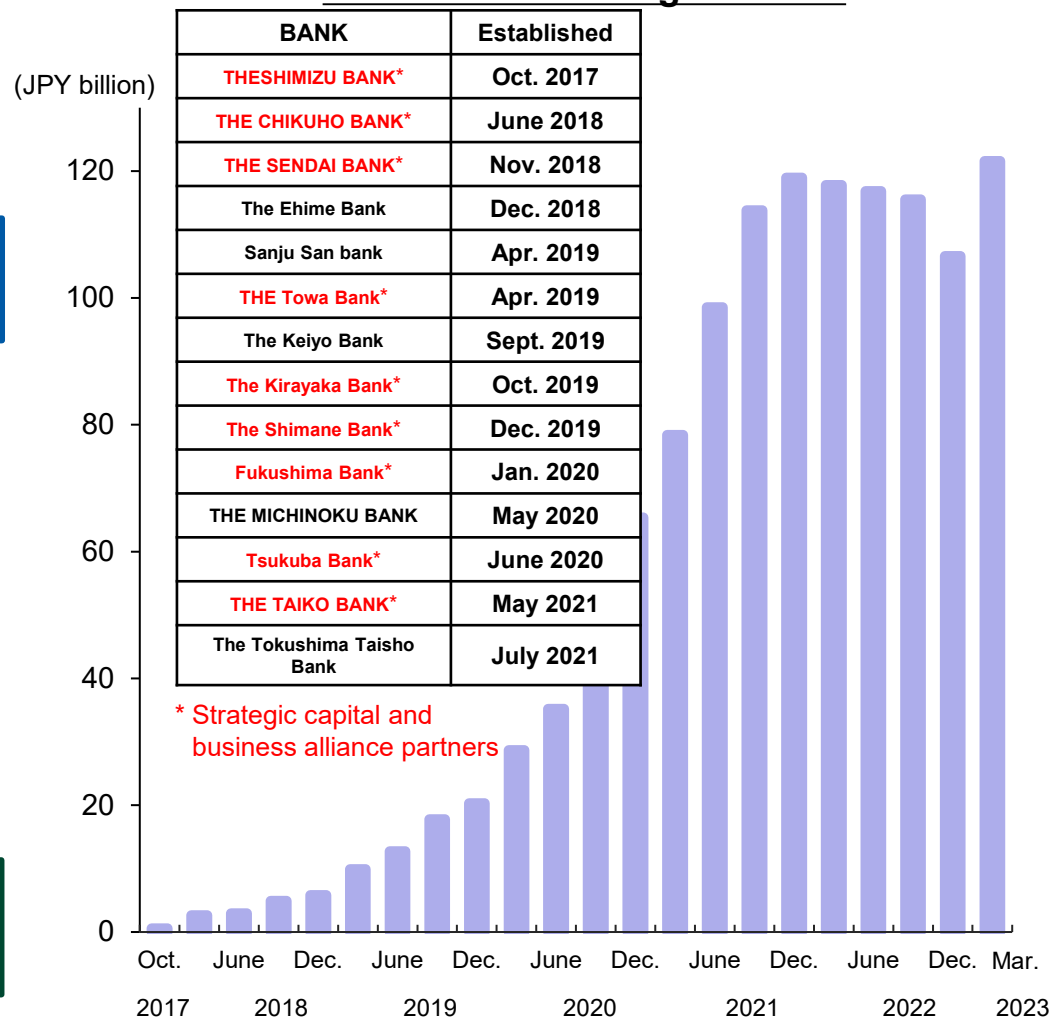
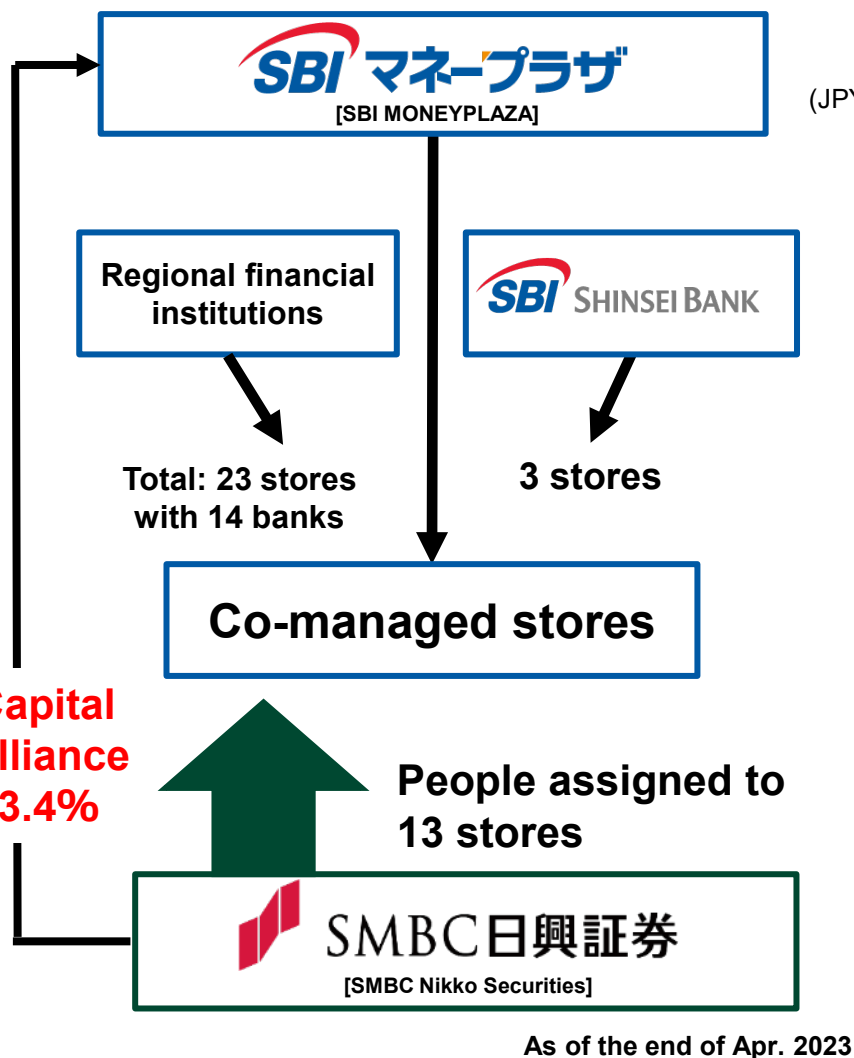


Change in the number of accounts and customer deposit assets through financial instruments intermediary services



Various Offerings of Financial Instruments at Face-to-face Stores Jointly Operated by SBI MONEYPLAZA and SBI Shinsei Bank / Regional Financial Institutions

Changes in Customers' Deposit Assets at Co-managed stores



SBI Insurance and SBI Life Insurance are Continuously Promoting Alliances with Regional Financial Institutions to Expand the Sales of Their Insurance Products

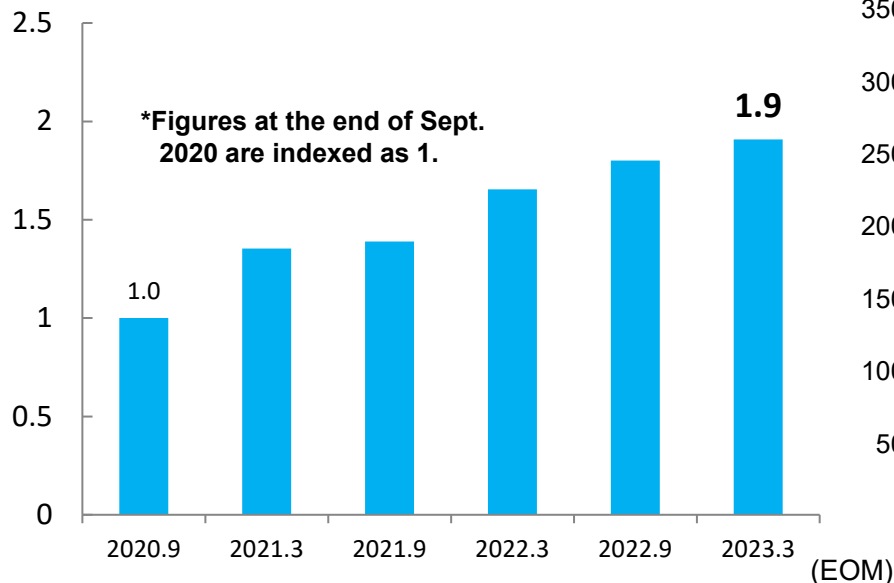


100 companies (of which 29 are financial institutions) decided to adopt SBI Insurance's products, and planning their sales shortly

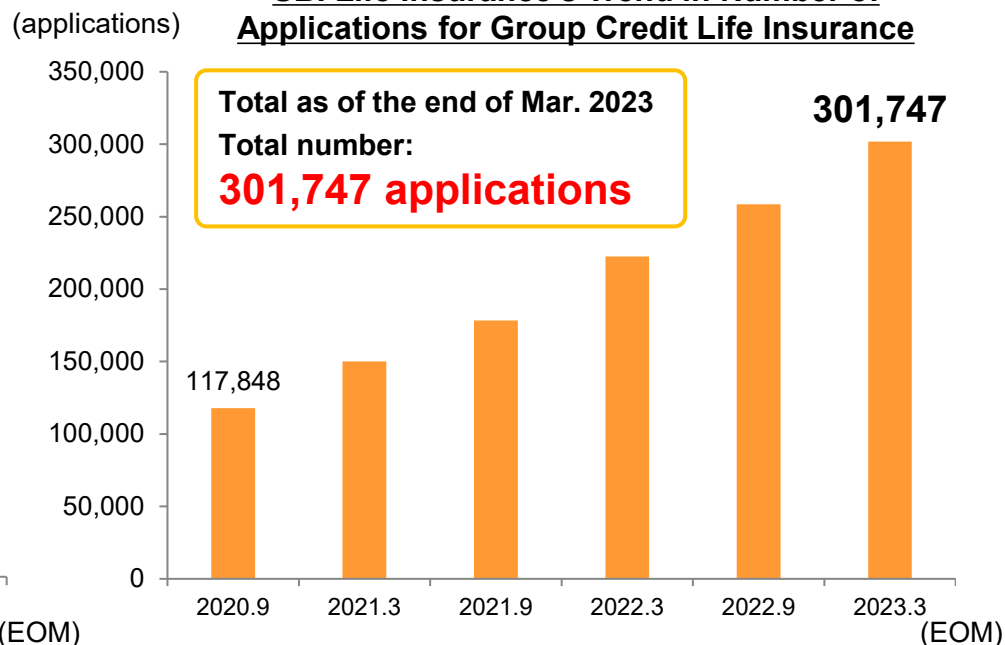


82 regional financial institutions (of which 19 are regional banks) have decided to adopt, or have started sales of SBI Life Insurance's Group Credit Life Insurance

Total Number of Contracts from Partners



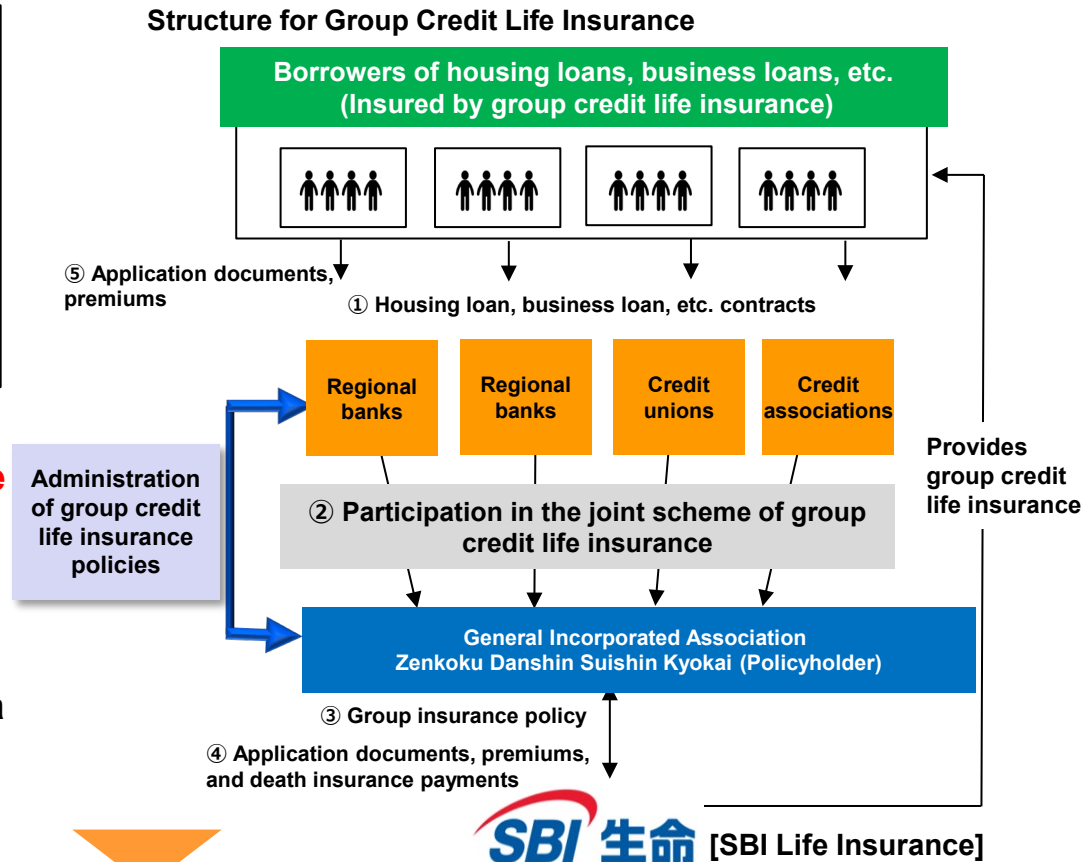
SBI Life Insurance's Trend in Number of Applications for Group Credit Life Insurance



SBI Life Insurance is Actively Involved in Providing Group Credit to the General Incorporated Association Zenkoku Danshin Suishin Kyokai

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

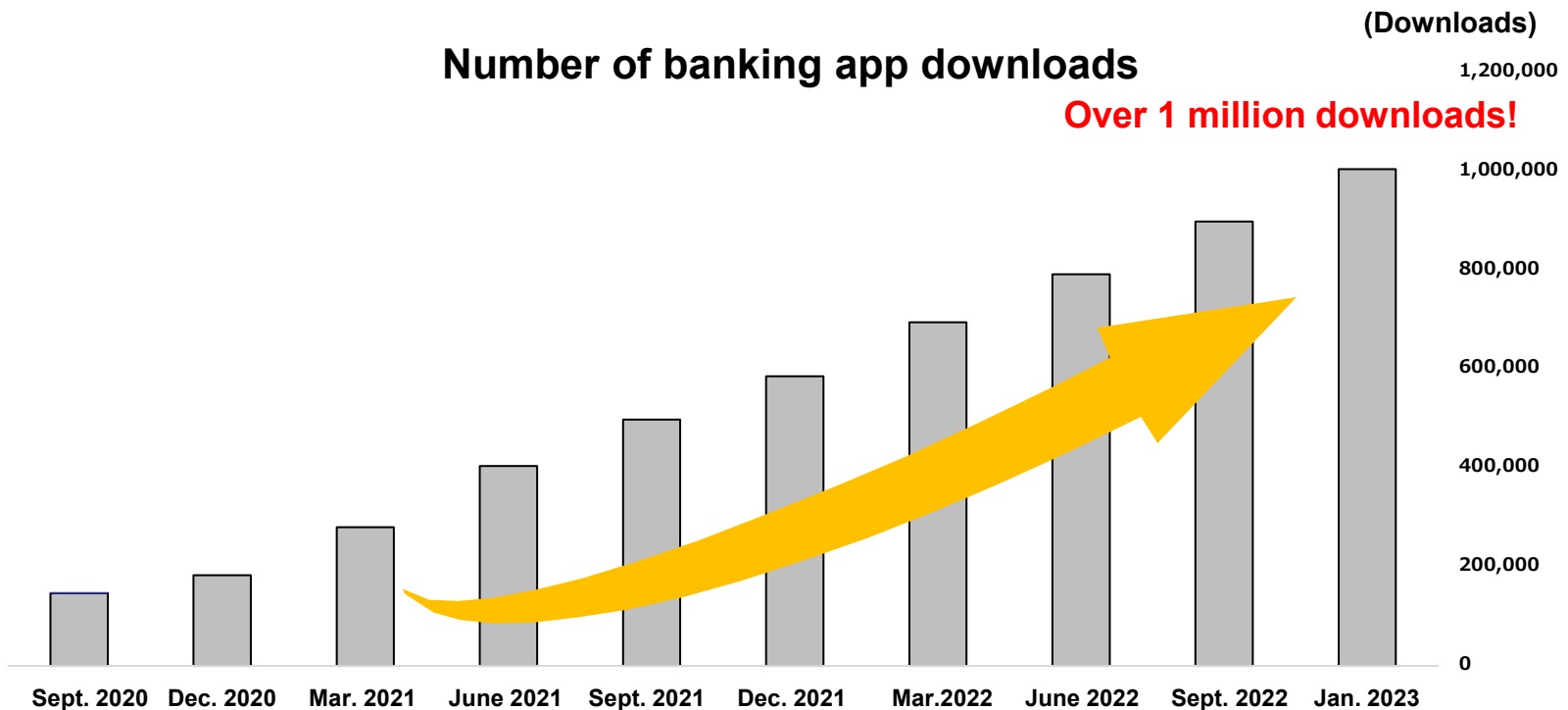
- Provide regional financial institutions with **economies of scale on a nationwide scale regardless of business type**, by **maximizing the use of cloud and other technologies**
- Strive to **reduce the administrative burden on each financial institution** for a speedy, smooth and low-cost administrative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



The number of member institutions of the association has increased to 60

Banking Apps Offered by SBI NEO FINANCIAL SERVICES Well-received

- ✓ Under the concept of “going mobile with the bank teller function,” started offering white label banking apps in 2019. **With high acclaim from regional financial institutions who are not capital and business alliance partners, the app is being provided to 17 financial institutions** (including currently scheduled implementations)
- ✓ Using FIDO authentication to achieve high security standards with a user-friendly UX, cumulative downloads **surpassed 1 million** in January 2023



(ii) Actively propose innovative banking systems (core banking systems, shared ATMs, etc.) to regional financial institutions with no capital relationship

Measures Promoted by the SBI Group to Substantially Reduce and Equalize System Costs for Regional Financial Institutions

- Switch huge system costs from fixed to variable -

Challenges of conventional systems

- ① Large investment required for large-scale system renewal once every few years
- ② Periodic system renewal costs for peripheral devices such as sales terminals
- ③ Large additional costs to vendors for functionality enhancements
- ④ Disparate customer data management in multiple systems
- ⑤ Human resources to deal with outdated systems languages "2025 digital cliff"



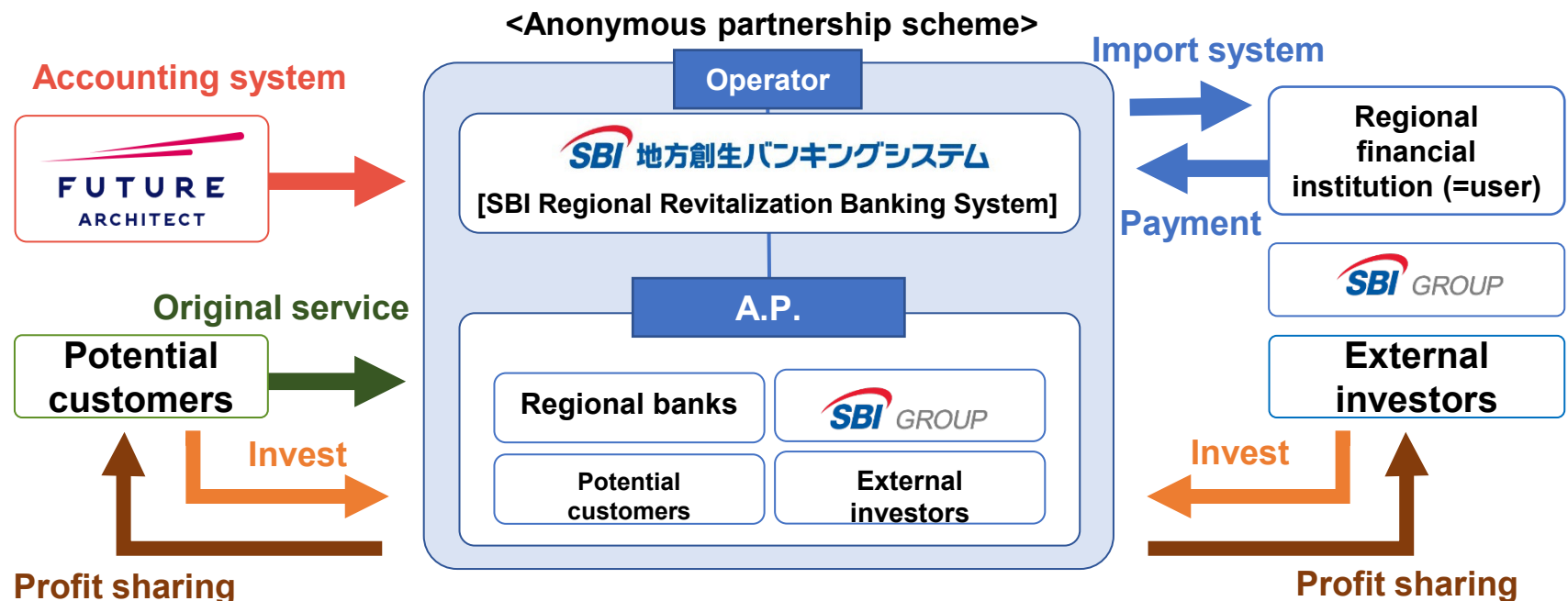
Solutions that the SBI Group can offer

- | |
|---|
| ① Annual fee model |
| ② Reduce system costs through joint operation on AWS |
| ③ Migrating to open technologies using the cloud environment |
| ④ Respond quickly and at low cost to diversify channels and payment services by shifting customer data management system common for all branches |
| ⑤ Real-time, centralized data management to speed up data analysis and collaboration with other industries |
| ⑥ Ensure scalability through APIs |

Steady Progress in Development of Next-Generation Banking System

- **Fukushima Bank and Shimane Bank** decided to adopt this system -

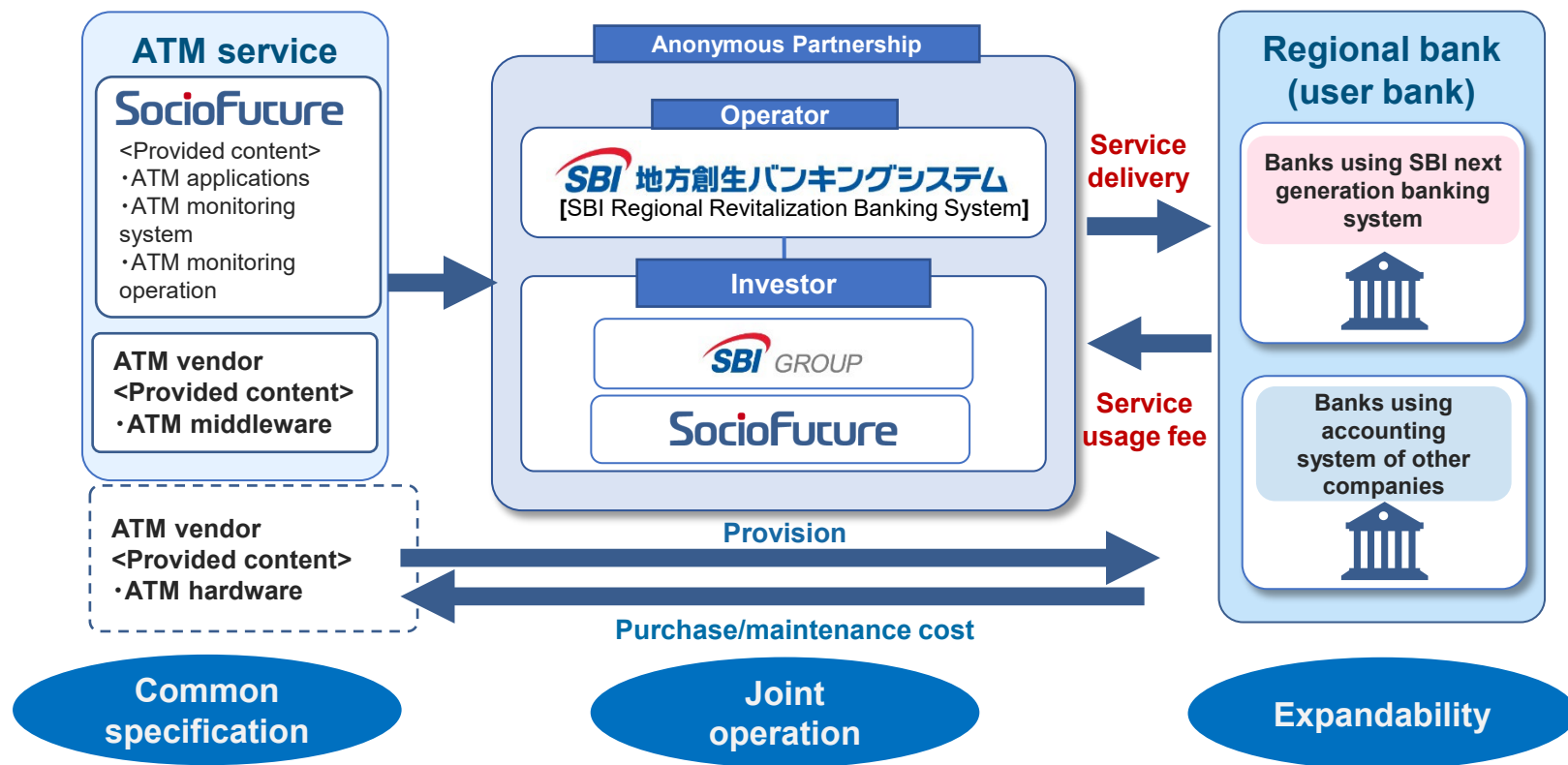
- ✓ **SBI Regional Revitalization Services** and **Future Architect** have formed a business alliance to promote the development of a **next-generation banking system**, including an account system that can be **operated on using cloud environment**
- ✓ The system will be designed and built on **AWS** to achieve high scalability, and will be able to connect to any system through **open APIs**, enabling new functionality and additional development at low cost and in a short period of time
- ✓ By adopting an Anonymous Partnership structure for fundraising, **endeavor to level out the system cost burden through an annual fee model**, and to return profits through dividends to investors



Endeavor toward adoption **by 10 regional banks by FY2030, regardless of whether or not there is a capital relationship**

Promoting the Development and Provision of **SBI Common ATM Services** to Reduce System Costs

- By making the ATM under development for the next-generation banking system into a common specification that **other companies' accounting systems can use**, we plan to release it as an **SBI common ATM service (scheduled for FY2023)**
- Similar to the accounting system, the initial cost is borne by the Anonymous Partnership, and it is provided **with a monthly usage fee model for each ATM**



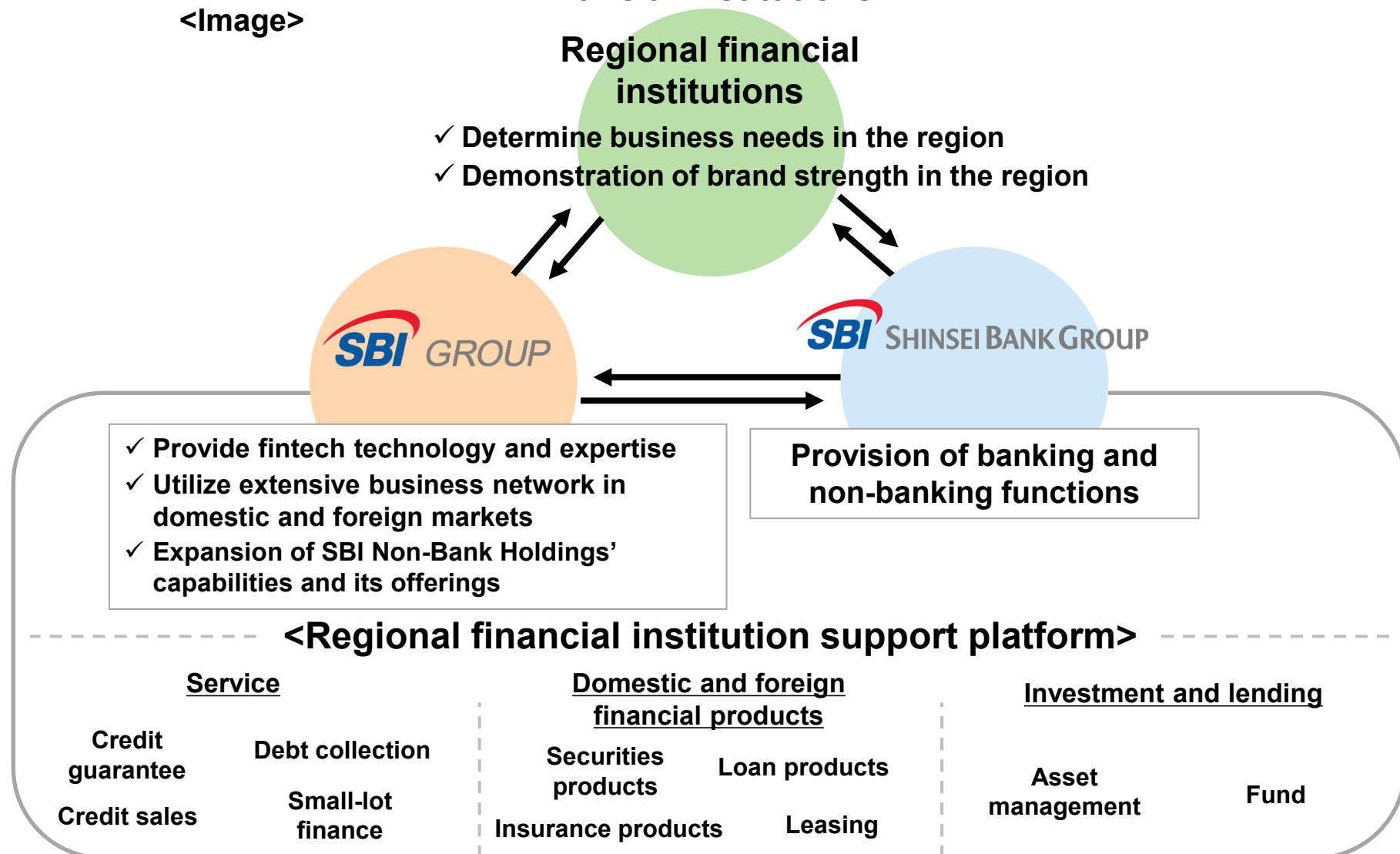
Four banks have already made informal offers to deploy. **Actively seeking out potential needs**

(iii) Expansion of the corporate client base through thorough promotion of the “Triangle Strategy”

“Triangle Strategy” by the SBI Group, SBI Shinsei Bank Group, and Regional Financial Institutions

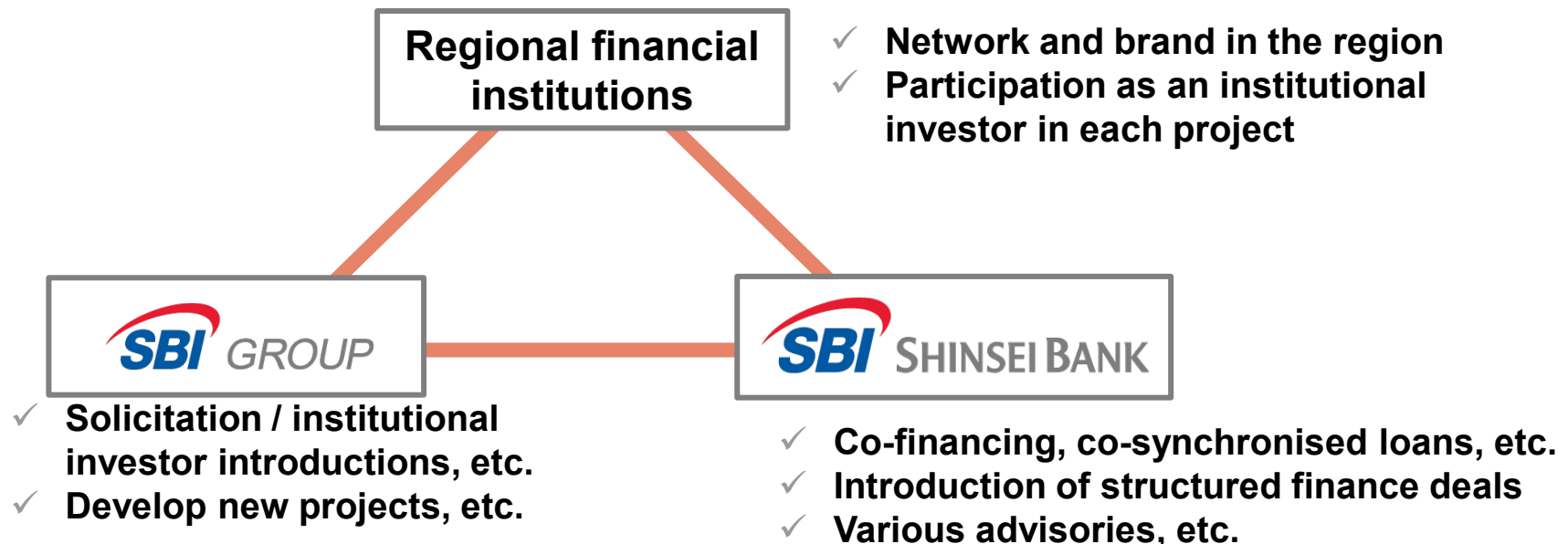
-Thoroughly promote expansion of partnerships with regional financial institutions-

<Image>



Expanding the Corporate Client Base through “Triangle Strategy”: Structured Finance Cases

- ✓ In addition to the introduction of structured finance deals originated by SBI Shinsei Bank to regional financial institutions, the bank **promotes the deepening of its corporate client base and the development of new ones** by strengthening relative financing, co-financing and jointly organizing of syndicated loans through the introduction of local companies and local projects by regional financial institutions
- ✓ Loan collaboration with SBI Group capital and business partners such as **TOWA BANK, SHIMANE BANK, FUKUSHIMA BANK, SENDAI BANK and CHIKUHO BANK** is increasing, while collaboration with regional financial institutions across the country **other than those in which SBI has a stake** is also expanding

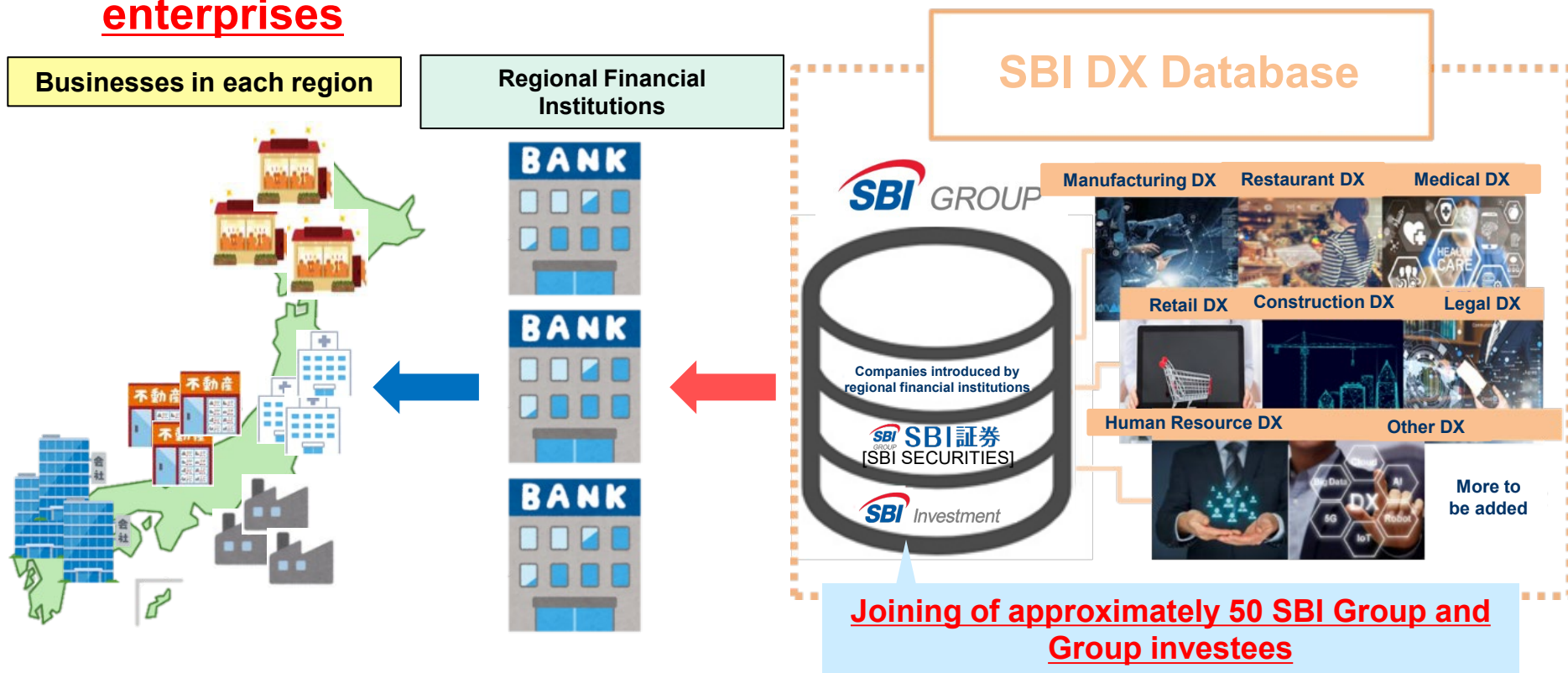


- ② Realizing regional revitalization by involving diverse stakeholders, not just regional financial institutions**
 - (i) Accelerate approach to regional companies in collaboration with regional financial institutions based on DX**
 - (ii) Strategies of realizing regional revitalization have moved to a phase where local governments and local residents are also involved in promoting projects**

**(i) Accelerate approach to regional companies
in collaboration with regional financial
institutions based on DX**

Using the SBI DX Database, the SBI Group Approaches Regional Companies in Collaboration with Regional Financial Institutions

SBI Group has created a database of a broad lineup of optimal solutions that contribute to the DX of small and medium-sized enterprises



By analyzing SMEs by categories, expected to improve customer convenience and contribute to the revitalization of the local economy as local businesses accelerate their DX shift

SBI DX Database Contributes to Strengthening Consulting Services at Regional Financial Institutions

Collaborating banks (9)



SHIGA BANK

 denotes banks with capital and business alliances

- Restaurants: operations made smarter and more efficient
- Medical institutions: lightens contact and task burdens
- E-commerce stores: enables smooth processing of tasks from setup to shipping to management
- Back office: brings greater efficiency to preparing quotes, invoicing, and business management

Support bringing DX to local businesses through such measures

⇒ Already over 400 projects brought to business discussion stage, reaching fruition in dozens of cases

SBI Business Solutions' Services that Boosts the Efficiency of Local Businesses by Collaborating with Regional Financial Institutions

請求QUICK [Seikyu (billing)]

Cloud-based invoicing system for both the issuing and receiving sides compliant with the Electronic Books Preservation Act that enables the work to be concluded on a web browser

Partnerships created with 19 banks including regional financial institutions with which there is no capital relationship. In the first year since its launch, 2,100 companies have applied, the highest level in the industry

経費BANK [Keihi (expense)]

Cloud service, compatible with multiple devices, for streamlining expense settlement and invoice payment.

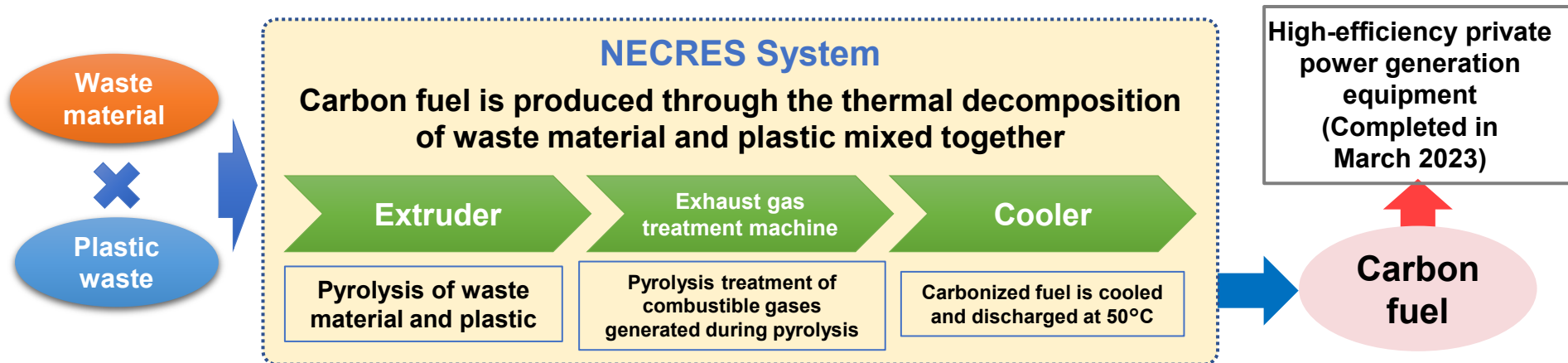
承認TIME [Sho-nin (approval)]

Cloud service, compatible with multiple devices, that enables concluding submission and approval workflow and document retention of full set of internal documents

(ii) Strategies of realizing regional revitalization have moved to a phase where local governments and local residents are also involved in promoting projects

Involvement of Local Businesses and Local Governments to Solve Problems such as the Regional Environment and High Electricity Prices

- ERI's NECRES system, a new energy production facility, **produces biomass fuel from municipal waste**. By installing this system in each municipality, **the company expects to reduce waste disposal costs while contributing to the environment through recycling**.
- **SBI Group and ERI established a joint venture company, Community Energy Development Co.,Ltd, on July 26, 2022** to accelerate the promotion of the project in concert with regional financial institutions and local companies
- In April 2023, SBI Shinsei Bank established **“Shinsei Green Loan” with a limit of JPY 5bn** for working capital for manufacturing and sales of “NECRES”

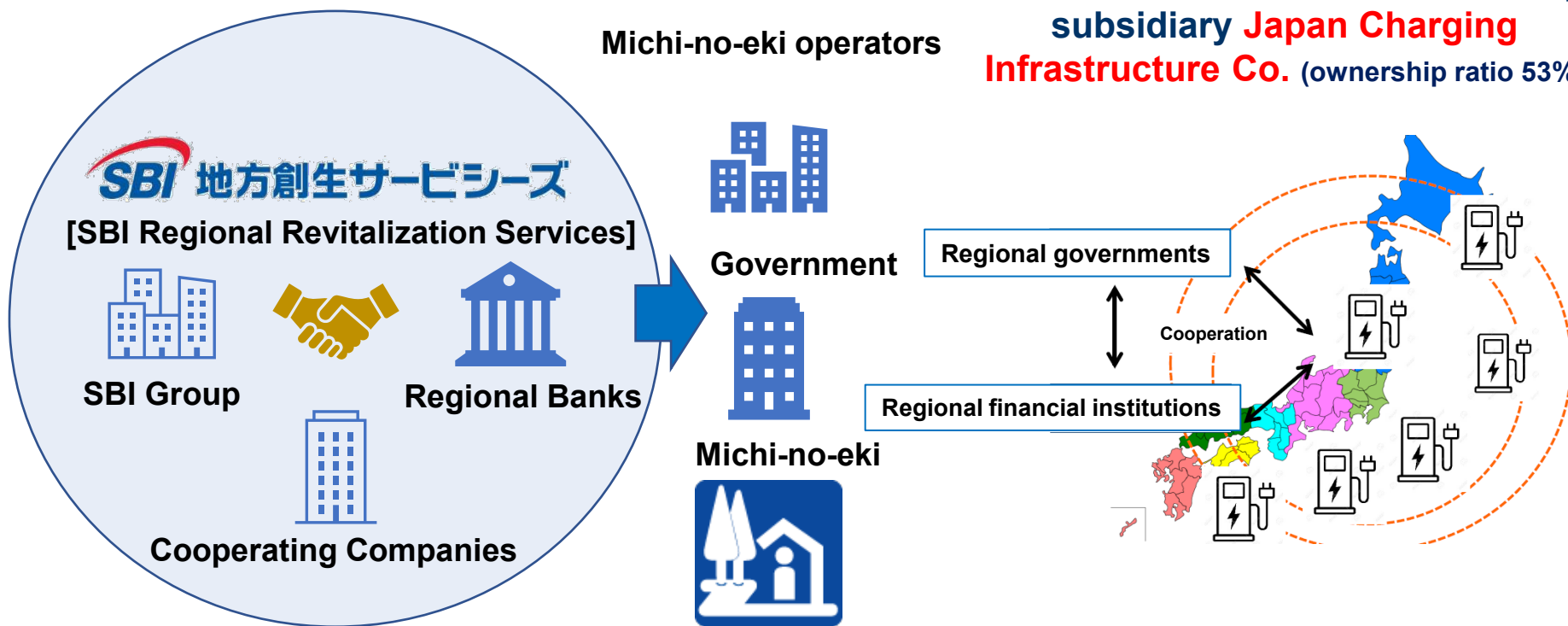


Initiatives toward Rejuvenation of Local Economies Centered on Roadside Stations

SBI Regional Revitalization Services and the SBI Group will collaborate with regional governments through roadside stations that spread across Japan

Contributing to regional revitalization by promoting regional rejuvenation through roadside stations

Utilization of network of SBI Group subsidiary **Japan Charging Infrastructure Co. (ownership ratio 53%)**



Promote Installation of Charging Infrastructure and Using NECRES to Build Power Plants at Roadside Stations and Public Facilities throughout Japan

- Studying the design of roadside stations equipped with disaster prevention functions and NECRES system in cooperation with investee companies and external partner companies
- While promoting charging infrastructure, we will examine the installation of power generation facilities

Status of EV charging infrastructure from Nippon Charge Infrastructure

	Michi-no-eki	Public facilities	Total
No. of locations	230	18	248
Number installed (Rapid chargers)	281	18	299
Number installed (standard chargers)	38	0	38

(Including the number scheduled to be installed during FY2023)

Promoting Regional Development and Local Economic Revitalization through Land Development and Building Construction through the Alliance with BALNIBARBI Co., Ltd.

- “WINDY FARM ATMOSPHERE” complex opened on May 1 -



Opened
in May 2023



SBI Group’s partner regional financial institutions, etc., can arrange finance for similar projects and provide a one-stop service from fundraising to development.

- **SBI Group** will consider **actively engaging in other businesses outside of Shimane** -

(6) Expansion of the customer base both within and beyond the financial businesses by promoting SBI Sumishin Net Bank's "Neo-bank Initiatives"

About the Neo-bank Initiatives:

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

Cooperation with Large Corporations Through the 'Neo-bank Initiative' is Growing Steadily ①

Company	Industry	Service launch	Customer base
Japan Airlines	Aviation	Apr. 2020	Approx. 30m (JAL Mileage Bank members)
CCC Marketing HD	Data base marketing	Mar. 2021	Approx. 70m (T-members)
YAMADA HD	Retail	July 2021	Approx. 60m (Yamada members)
Open House	Real estate	Aug. 2021	---
SBI SECURITIES	Online securities	Jan. 2022	Approx. 104m (Total num. of accounts at SBI SECURITIES and brokerage firms)
Takashimaya Company	Retail	June 2022	Approx. 5.7m (Takashimaya members)
SBI Remit	Remittance	Oct. 2022	Approx. 650,000 (No. of members)

(*) Compiled from publicly available data of each company

Cooperation with Large Corporations Through the ‘Neo-bank Initiative’ is Growing Steadily ②

Company	Industry	Service launch	Customer base
The Dai-ichi Life Insurance	Insurance	Jan. 2023	Approx. 10m (individual customers)
Fighters Sports & Entertainment	Entertainment (Sports)	Mar. 2023	Approx. 1.29m (Number of visitors in 2022)
GA technologies	Real estate IT services	Mar. 2023	Approx. 340,000 (RENOSY members)
Nomura Real Estate Solutions	Real estate	Apr. 2023	Approx. 7m (NomCom annual visitors)
MILIZE	Financial IT services	Apr. 2023	---
Keio Corporation	Passenger railway	Autumn 2023	Approx. 1.66m (Keio Passport Card members)

(*) Compiled from publicly available data of each company

The “Neo-bank Initiative” is also under discussion with several major operators, including Sumitomo Mitsui Trust Bank and Matsui Securities, and is expected to expand further

2. Diversification of financial products and services

- (1) In the securities business, making efforts to increase customer satisfaction and to acquire new customers by diversifying products and services, capturing the trend of “from savings to asset building”**
- (2) SBI Shinsei Bank Group promotes diversification of products and services by strengthening cooperation with the SBI Group, etc.**
- (3) In the Crypto-asset Business, expand services, including crypto assets and staking by utilizing M&A to meet a wide range of customer needs**

(1) In the securities business, making efforts to increase customer satisfaction and to acquire new customers by diversifying products and services, capturing the trend of “from savings to asset building”

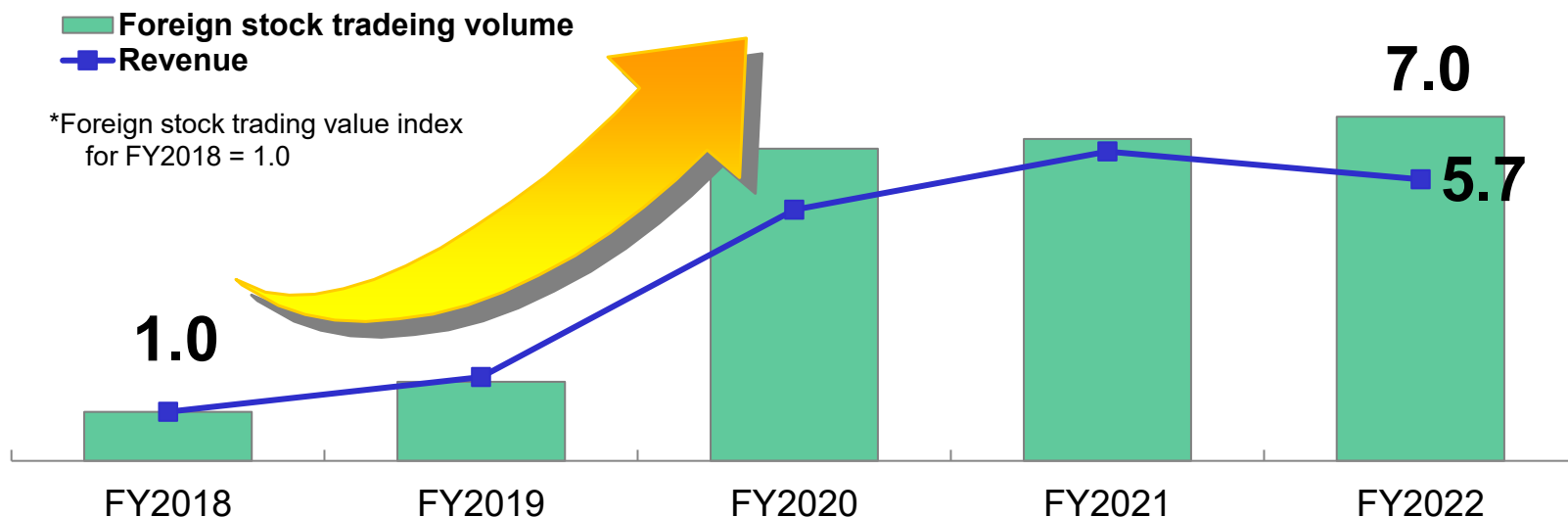
- ① Diversification of products and services to meet customer needs**
- ② Focusing group-wide efforts to acquire customers using NISA and iDeCo to benefit from the expansion of these programs**

① Diversification of products and services to meet customer needs

Strengthen Expansion of Foreign Stock Services which Leads to Risk Diversification

- **Expanded services** such as the release of “Real-time U.S. Stock Prices,” which allows all customers with foreign stock accounts to view U.S. stock prices and indices in real time and at no charge by application since April 2023, and “Heatmap Plus,” which allows customers to check heatmaps even from a web browser
- Trading **volume of foreign stock reached record high for FY2022, with revenue remaining strong as well**

Changes in SBI SECURITIES' foreign stock trading volume and revenue



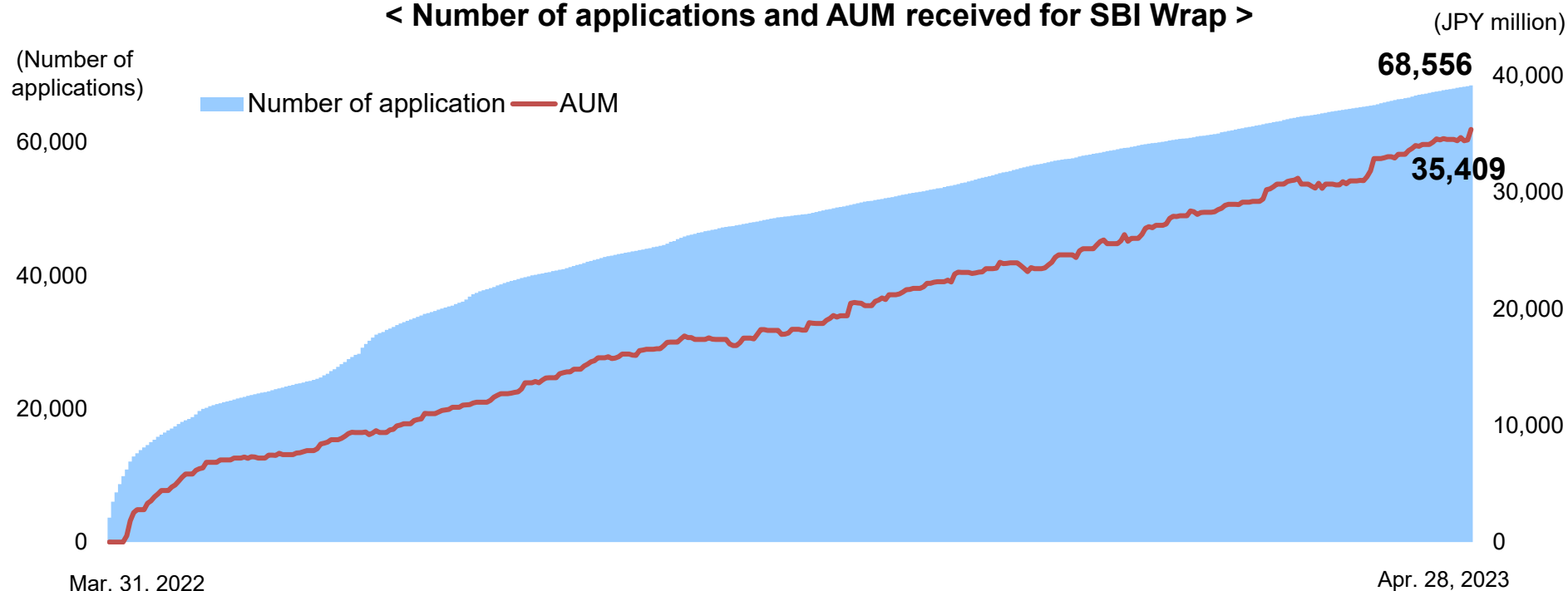
① Diversification of products and services to meet customer needs

Launch of Fully Automated AI Investment “SBI Wrap”, Innovative Service Utilizing AI

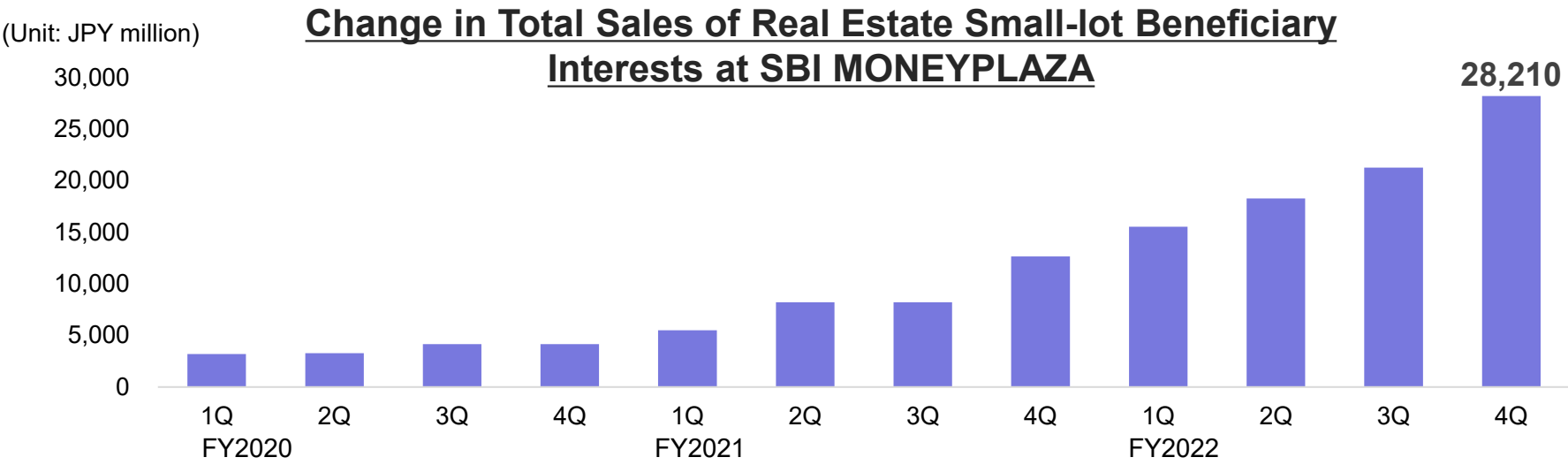
- AUM exceeded JPY 35.0 billion and accounts surpassed 68 thousand in 13 months since the service was launched -

- 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 Mar. 31, 2022.
- In addition to SBI SECURITIES, “SBI Wrap” has already been introduced at SBI Shinsei Bank (since Oct. 20, 2022) and the Ehime Bank (since Apr. 23, 2023)

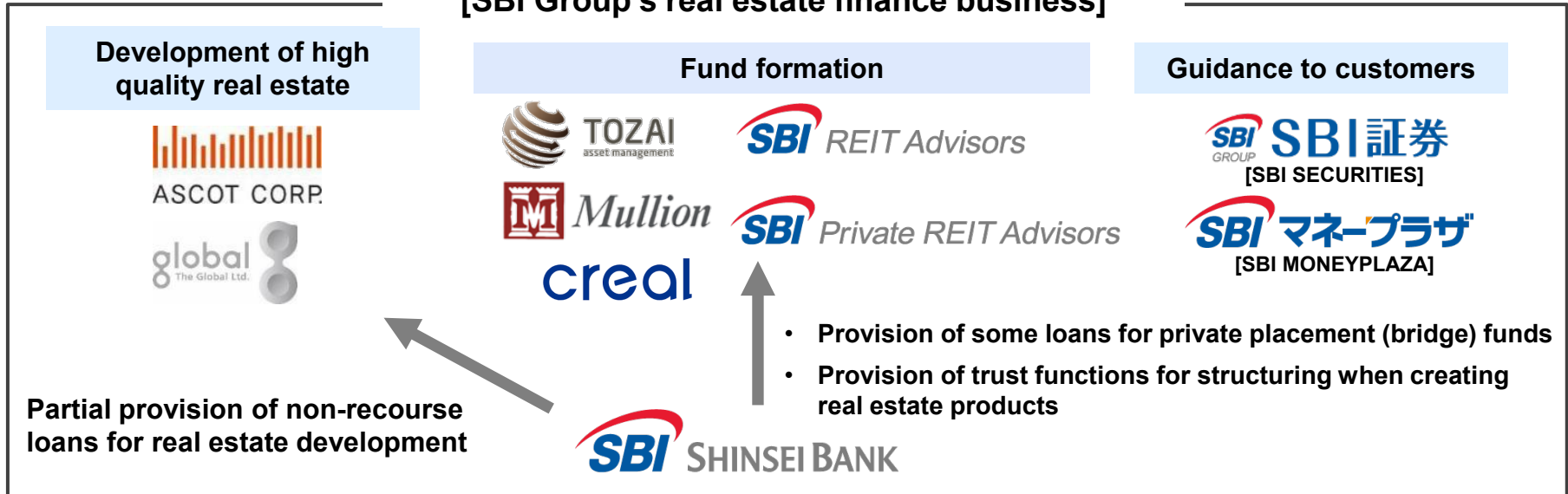
< Number of applications and AUM received for SBI Wrap >



Further Expand Lineup of Real Estate-related Products such as Real Estate Small-lot Beneficiary Interests



[SBI Group's real estate finance business]



② Focusing group-wide efforts to acquire customers using NISA and iDeCo to benefit from the expansion of these programs

② **Focusing group-wide efforts to acquire customers using NISA and iDeCo to benefit from the expansion of these programs**



Government Enhances and Reforms NISA and iDeCo Plans under the “Doubling Asset-based Income Plan”

【NISA (Nippon Individual Savings Account) 】

NISA program to be launched in Jan. 2024

	Tsumitate investment slot (Former Tsumitate NISA)	Growth investment slot (Former General NISA)
Deadline of the program	Permanent system	
Annual investment limit	JPY 3.6m in total	
	JPY 1.2m	JPY 2.4m
Tax-exempt holding period	Indefinite	
Limit	JPY 18m in total	
		JPY 12m

【iDeCo (individual-type Defined Contribution pension plan) 】

- **From 2022, the maximum age at which participants can enroll and start receiving benefits will be extended, and the requirement to enroll in a defined contribution pension plan at the same time as a corporate defined contribution pension plan will be eased, allowing participants to enroll only at their own will**
- **From December 2024, the contribution limit for iDeCo will be further increased and the requirements for receiving lump-sum withdrawal benefits will be relaxed**

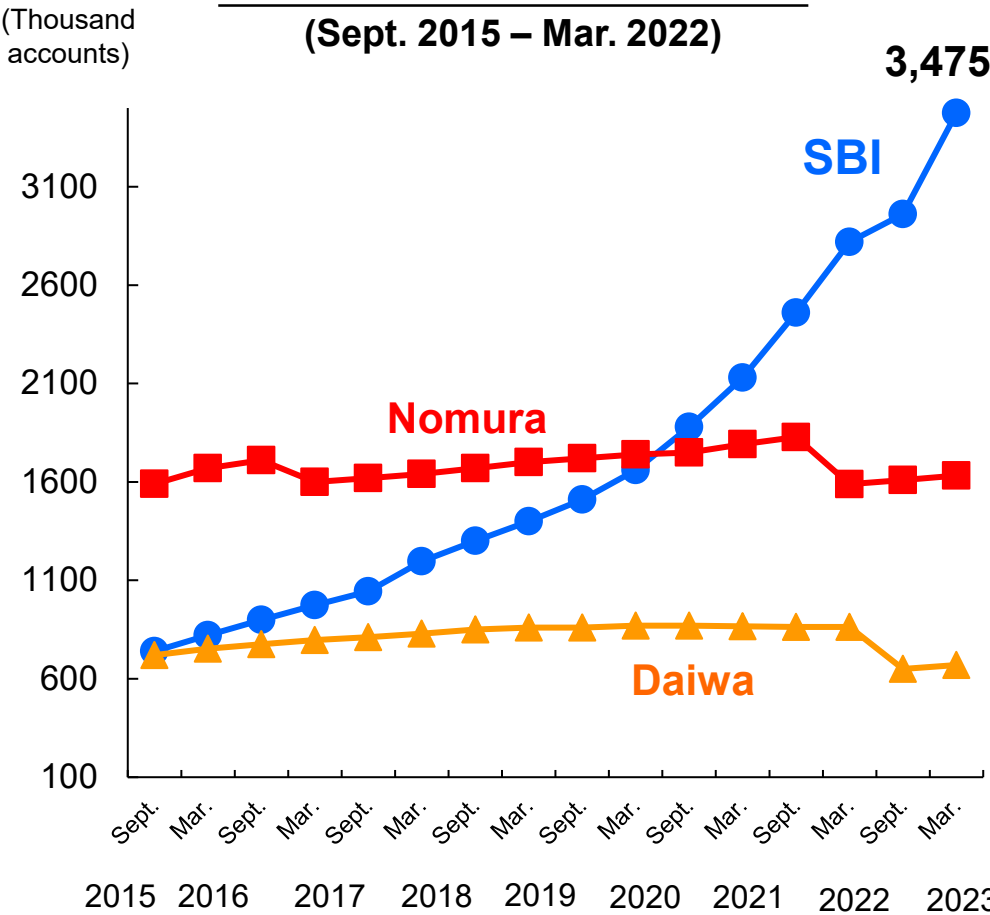
② Focusing group-wide efforts to acquire customers using NISA and iDeCo to benefit from the expansion of these programs



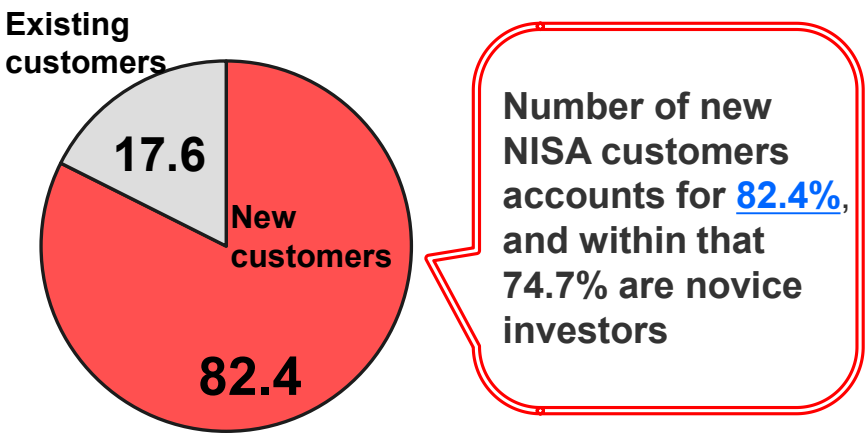
SBI SECURITIES Focuses Its Efforts on NISA Initiatives as an Important Strategic Areas

Number of NISA accounts

(Sept. 2015 – Mar. 2022)



NISA's customer attribute of SBI SECURITIES



SBI SECURITIES' number of Junior NISA accounts reached about 314 thousand, 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. 2023, compiled by SBIH from the information on website of each company
*4 Accounts deemed discounted have been excluded in Nomura Securities from Mar. 2022, and from SBI and Daiwa Securities since FY2022

[Unauthorized reproduction is prohibited]

② Focusing group-wide efforts to acquire customers using NISA and iDeCo to benefit from the expansion of these programs

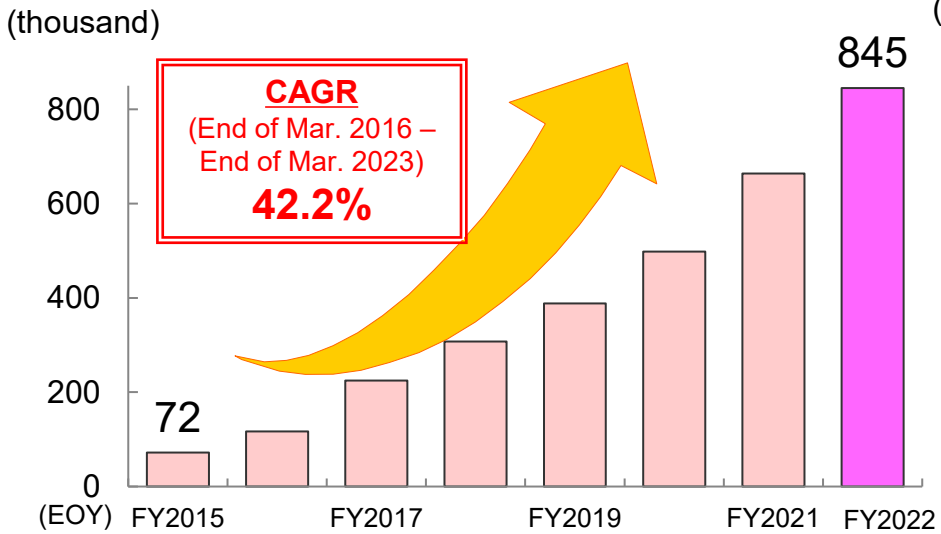


SBI Benefit Systems Initiated iDeCo Initiatives from Early Stage and Steadily Increasing the Number of Subscribers

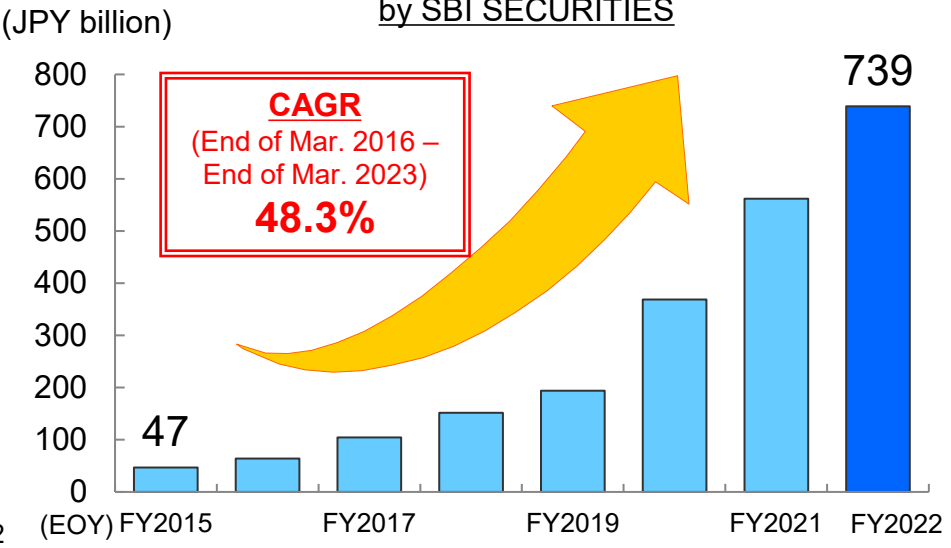
The SBI Group **focused on the Individual Defined Contribution (iDeCo) pension business** through SBI Benefit Systems (est. 2001), well before expectations for the market size to expand as a result of revisions in the regulation in Jan. 2017

- SBI SECURITIES **administrative fees for iDeCo became completely free of charge** on May 19, 2017, in order to further expand iDeCo business
- Number of requests for iDeCo information materials also remains high

Cumulative number of SBI Benefit Systems subscribers for DC (individual type)



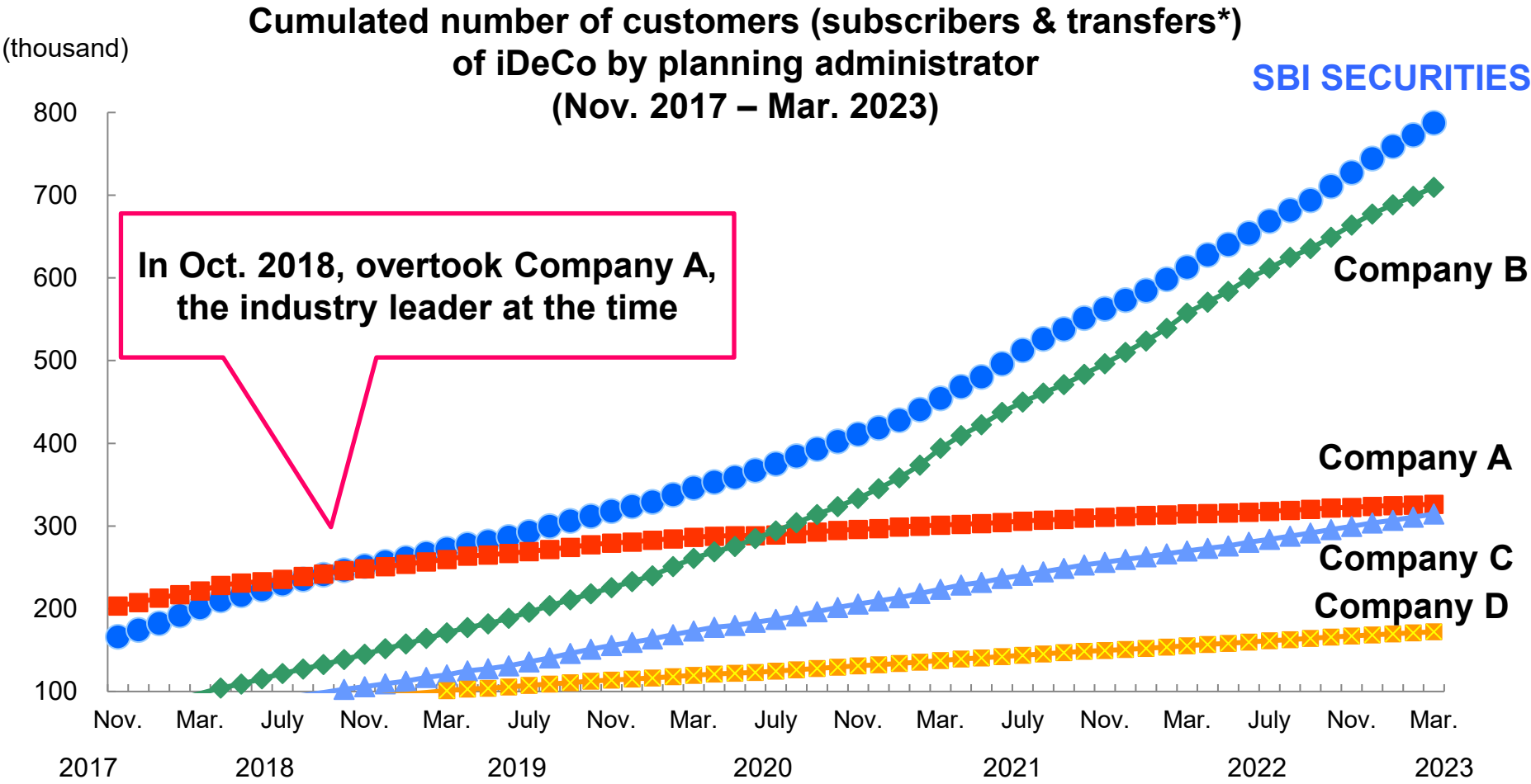
Balance of investment trust for 401K (individual type) distributed by SBI SECURITIES



② Focusing group-wide efforts to acquire customers using NISA and iDeCo to benefit from the expansion of these programs



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



* 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)

Expansion of Customer Base by NISA and iDeCo Brings a Positive Effect to SBI Group Companies, Especially in the Asset Management Business

- “SBI・V Series,” a low-cost index fund launched in September 2019 by SBI Asset Management in partnership with U.S. Vanguard, surpassed JPY 1tn in net assets at the end of March 2023

Tsumitate NISA

- “SBI Global Equity Index Fund,” launched by SBI Asset Management in December 2017, surpassed JPY 100bn in net assets at the end of April 2023

Tsumitate NISA

iDeCo

- “Hifumi Series,” which Rheos Capital Works began offering in October 2008, surpassed a cumulative total of over one million holders* in August 2022

Tsumitate NISA

iDeCo

*Includes estimated number of holders at sales companies (Securities firm, banks, etc.) by Rheos Capital Works as of March 31, 2022.

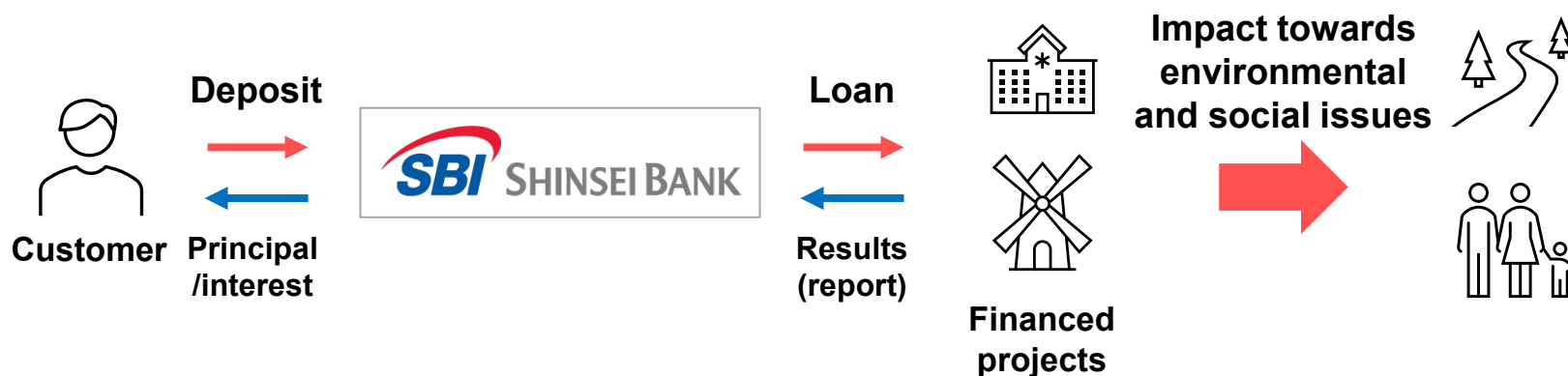
(2) SBI Shinsei Bank Group promotes diversification of products and services by strengthening cooperation with the SBI Group, etc.

- ① Providing products that contribute to solving social problems**
- ② Cooperation in the financial intermediary and banking agency sectors**
- ③ Strengthening cooperation with ARUHI in the mortgage business**

① Providing Products that Contribute to Solving Social Problems

- Launched “Sustainability Deposits” -

SBI Shinsei Bank Group started offering “Sustainability Deposits” on May 10, 2023, to finance eligible projects in the green and social sectors in accordance with the bank’s own Sustainability Finance Framework (maximum of six months, amount offered: JPY 10bn)



Realize compatibility of both expansion of customer base and contribution to society through the provision of products that meet the needs of customers

② Cooperation in the financial intermediary and banking agency sectors

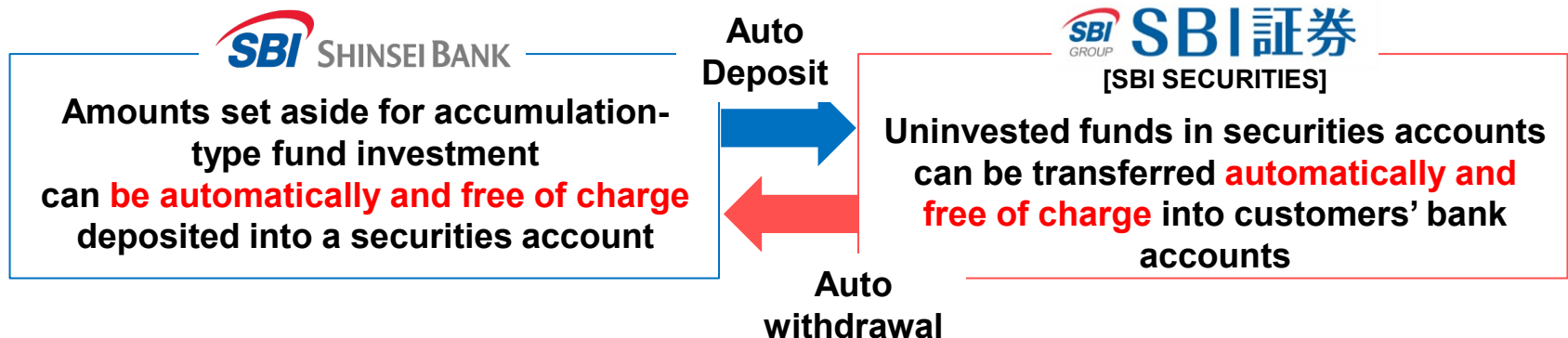
Cooperation in the Financial Intermediary and Banking Agency Sectors (i)

- ◆ Aug. 2022 Financial instruments intermediary and banking agency services launched

In Mar. 2023, the volume of customers sent from SBI Shinsei Bank to SBI SECURITIES is **approx. 2.6 times** higher than in Aug. 2022 from SBI SECURITIES to SBI Shinsei Bank is **approx. 21.6 times** higher than in Aug. 2022

➡ **Positive effects of increased and expanded cooperation are steadily manifested**

- ◆ Apr. 2023 Launched the automatic deposit and withdrawal service “SBI Shinsei Connect”



Automatic deposit functions for other products will be added in due course

Cooperation in the Financial Intermediary and Banking Agency Sectors (ii)

- Cooperation between SBI Shinsei Bank and SBI MONEYPLAZA -

Prefectures with
SBI Shinsei Bank branches

 : Branches located

 : Co-managed stores located

Nov. 2022

Established **a co-managed store in Umeda** and started brokerage services covering from Kyoto, Hyogo and other surrounding areas

Aug. 2022

Established **a co-managed store in Ikebukuro** and started brokerage services covering the surrounding area

Feb. 2023

Established **a co-managed store in Ginza**, where SBI MONEYPLAZA has also established a store for handling SBI Shinsei Bank mortgages, called **“SBI Mortgage Ginza”**



The amount of AUM at joint branches of SBI Shinsei Bank and SBI MONEYPLAZA has steadily expanded, surpassing JPY 10bn in just over seven months since the start of operations

③ Strengthening Cooperation with ARUHI in the Mortgage Business



- ✓ **The products are highly competitive**, with attractive interest rate levels for both fixed and variable rates
- ✓ However, has weakness in face-to-face sales channel with 24 branches in eight prefectures

A R U H I

- ✓ No.1 share of the domestic market for 12 consecutive years for Flat 35, a fixed-rate mortgage for the entire term of the loan*
- ✓ Mainly face-to-face sales in stores, with **136 stores in 41 prefectures**

*According to ARUHI research

As the first phase of collaboration, SBI Shinsei Bank and ARUHI Homebuying Concierge signed a business cooperation contract on mutual customer transfers (May 11, 2023)

[Areas of possible collaboration]

- ① Collaboration in the mortgage area: Joint development of variable interest rate products / Provision of SBI Shinsei Bank loan products to ARUHI
- ② Cooperation in peripheral loan areas: Development of products to meet various financing needs, such as loans for various expenses, through collaboration with APLUS, etc.

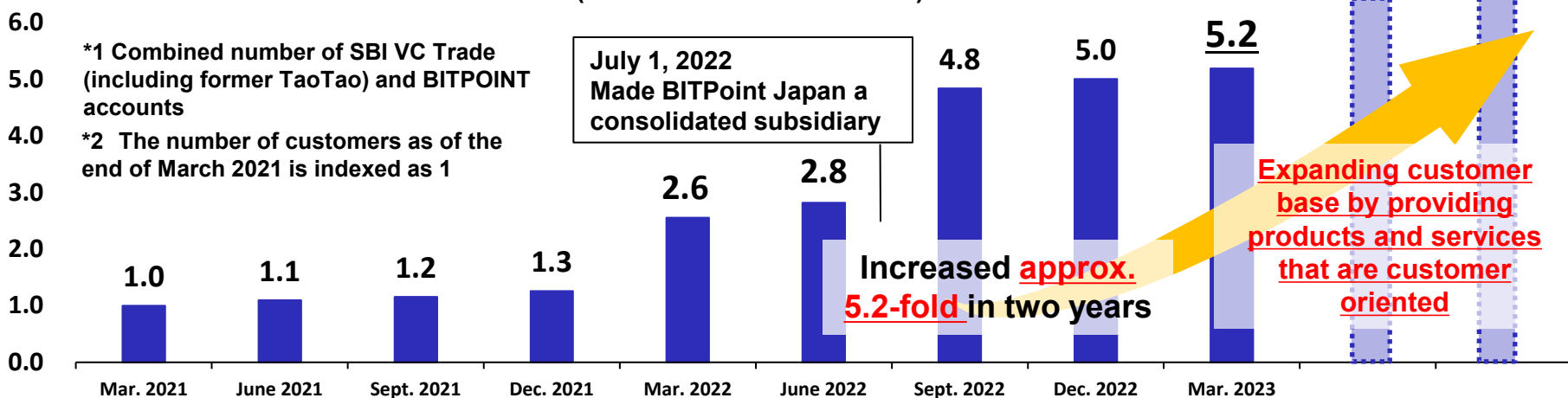
(3) In the Crypto-asset Business, expand services including crypto assets and staking by utilizing M&A to meet a wide range of customer needs

Crypto-asset Business of the SBI Group Strengthen Its Crypto Asset Lineup and Management Services

[Initiatives to focus on in the future based on the “customer-centric principle”]

- ① Customer acquisition through expansion of crypto assets handled and product lineup that are unique to the SBI Group
- ② Expansion of customer base through provision of easy-to-understand products and services
- ③ Promotion of customer movement from other services by strengthening crypto asset management services such as expansion of staking services, etc.

Number of customers in the SBI Group’s Crypto-asset business^{*1}
(End of March 2021 - 2023)



SBI VC Trade and BITPOINT has Greatly Expanded its Services and Handling of Crypto Assets During FY2022

[Expanding the number of services provided]

Provide services that meet the various investment needs at SBI VC Trade and BITPOINT

SBI VC Trade

Spot	Leveraged	Lending	Accumulation	Staking	FLR wrap & delegate
SBI Web3 Wallet		SBIVC for Prime (Service for wholesale transactions)			

BITPOINT

Spot	Lending	Large OTC transactions	Staking	FLR wrap & delegate
Accumulation (Packaged accumulation・Individual accumulation)				

Service = Service started from FY2022

[Expanding the number of crypto assets handled]

Both SBI VC Trade and BITPOINT plan to handle different new crypto assets, with the overall number of crypto assets handled increasing to **24** in total. The two exchanges will continue to increase the number of crypto assets handled

SBI VC Trade

(16 types planned)

BITPOINT

(18 types planned)



★ = Crypto assets added at SBI VC Trade during FY2022/ ★ = Crypto assets added at BITPOINT during FY2022

SBI VC Trade and BITPOINT has Actively Expanded and Improved Its Services to Meet the Various Needs of Customers

SBI VC Trade

- ① Added AVAX (Avalanche), DOT (Polkadot) and XTZ (Tezos) to its staking service lineup starting from Jan. 1, 2023. Of which, DOT achieved a yield of 18.0% the highest in Japan. In addition, staking service for ETH (Ethereum) and SOL (Solana) has commenced on May 1, 2023
- ② Announced the launch of FLR (Flare Token) wrap and delegate services, ahead of other companies in the industry. In addition, spot trading of FLR began on April 19, 2023

BITPOINT

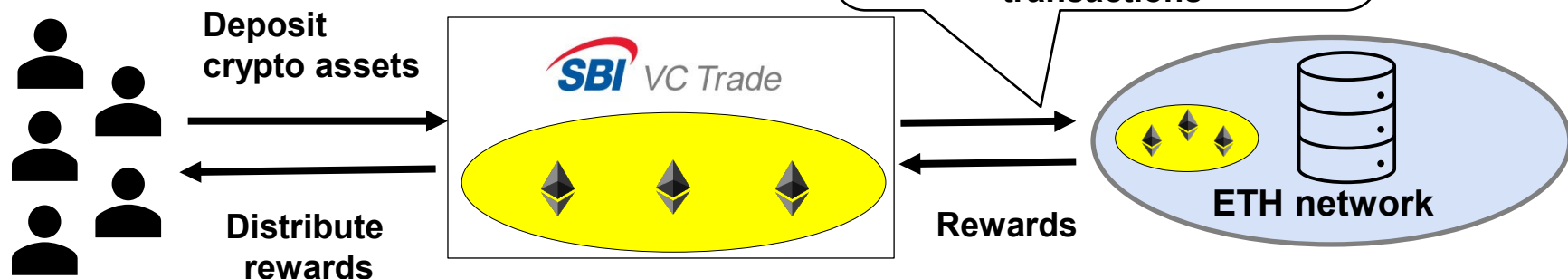
- ① Ranked No. 1 in customer satisfaction in a survey by an external evaluation organization (Domestic crypto asset exchange: campaign category)
- ② The only company in Japan to offer commission-free wrap and delegate services for staking and FLR. Achieved the highest reward rate in Japan for ADA and FLR (for March 2023)
- ③ Plans to start offering ETH staking service (the only plan with commission-free and highest reward rate in Japan)
- ④ Packaged crypto asset accumulation service (Pack Tsumitate Service) launched on April 25, 2023, allowing beginners to purchase multiple crypto assets at once without hesitation (The first such in Japan)

Expansion of Staking Service as a New Service in the Crypto-asset Business

Staking is a way of receiving rewards for depositing crypto assets (such as ETH, DOT, and ADA) on blockchain that adopts the mechanism called proof of stake

[Example of ETH staking service offered by SBI VC Trade]

Customers



[Advantages of staking at SBI VC Trade and BITPOINT]

- While normally, in order to earn rewards for staking, customers need to deposit large amounts of crypto assets (at least 32 ETH, about JPY 8m required in the case of ETH) and constantly operate a system that requires a high level of expertise, which is a very high hurdle, the customers who deposit crypto assets on SBI VC Trade and BITPOINT can easily earn staking rewards
- Despite crypto assets typically have specific lock-in period (which deposited crypto assets cannot be withdrawn) after staking, customers using SBI VC Trade and BITPOINT can freely sell and withdraw crypto assets even during the lock-in period

Increase Profitability of the Crypto-asset Business in the Future by Expanding through such Means as M&As

HashHub

HashHub, which provides “HashHub Research,” a specialized research service for crypto assets and Web3, and “HashHub Lending,” a crypto asset lending service, joined the SBI Group in April 2023. The company **seeks to expand the profitability of the segment as a whole** by creating synergies between the services it provides and the crypto asset businesses of the SBI Group

BITPOINT

The Company acquired additional shares of **BITPoint Japan** (existing Group shareholding ratio: 51%), which operates the crypto asset exchange “BITPOINT”, thereby making the company a wholly owned subsidiary. **Expected to further accelerate the realization of synergies among the SBI Group, as it will allow for more flexible management**

3. Diversifying business fields

- (1) By placing the Asset Management Business as the core business, endeavor towards achieving an asset under management of JPY20 trillion and through M&As and establishment of joint ventures**
- (2) Pioneer new business fields such as Web3 that introduce innovative technologies domestically and abroad to “go beyond finance with finance at its core”**

(1) By placing the Asset Management Business as the core business, endeavor towards achieving an asset under management of JPY20 trillion and through M&As and establishment of joint ventures

- ① By accurately understanding the business environment surrounding asset management, SBI Group is making steady progress toward achieving its initial target of JPY10 trillion in AUM by FY2024 (currently approximately JPY7.8 trillion)**
- ② Asset management is approaching a major turning point, and the company has set a new goal of achieving JPY20 trillion in AUM by FY2027, promoting M&A activity and the establishment of JVs to expand its earnings base**

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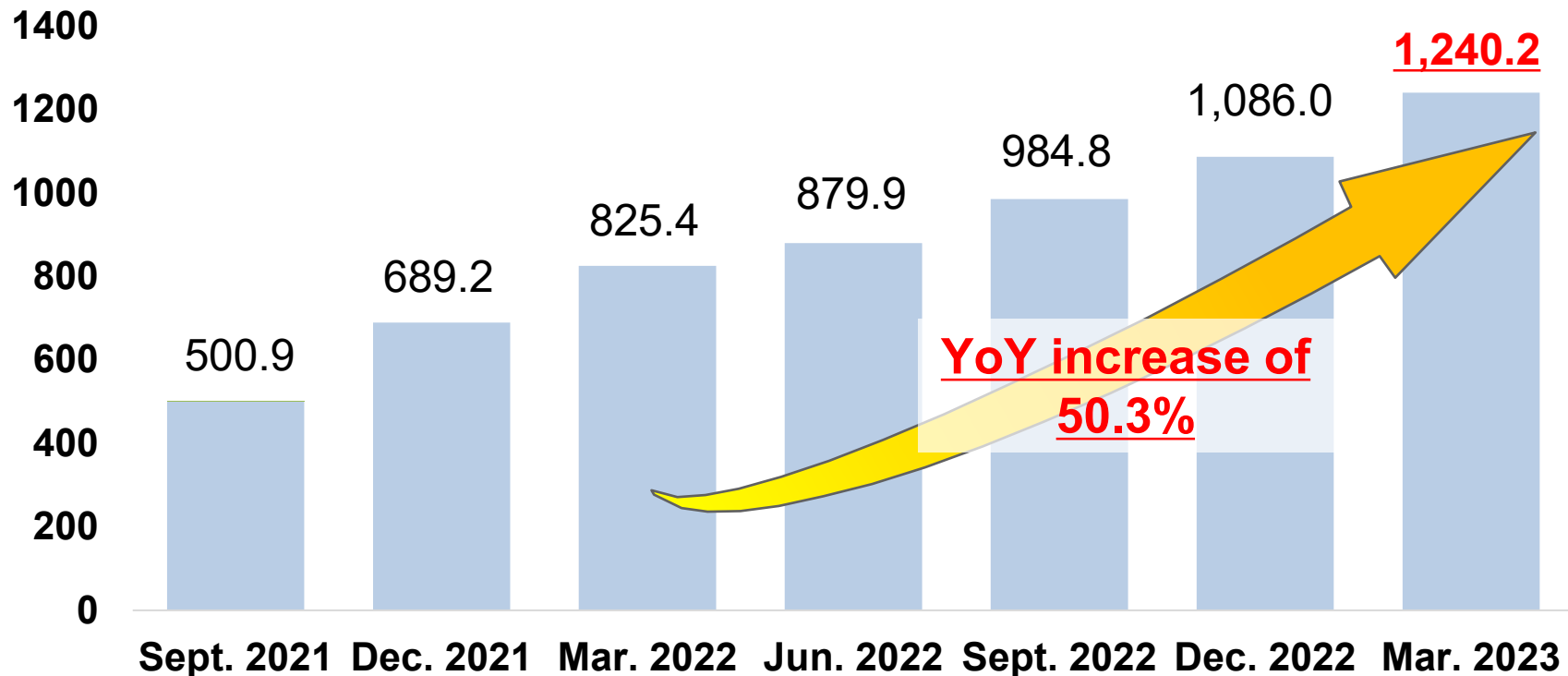
AUM of SBI Asset Management's Index Funds

Has Steadily Increased

- The public's attitude towards investment has changed, driven by recognition of various tax preferential measures such as NISA and an increase in anxiety caused by inflation -

(JPY billion)

AUM for index funds at SBI Asset Management

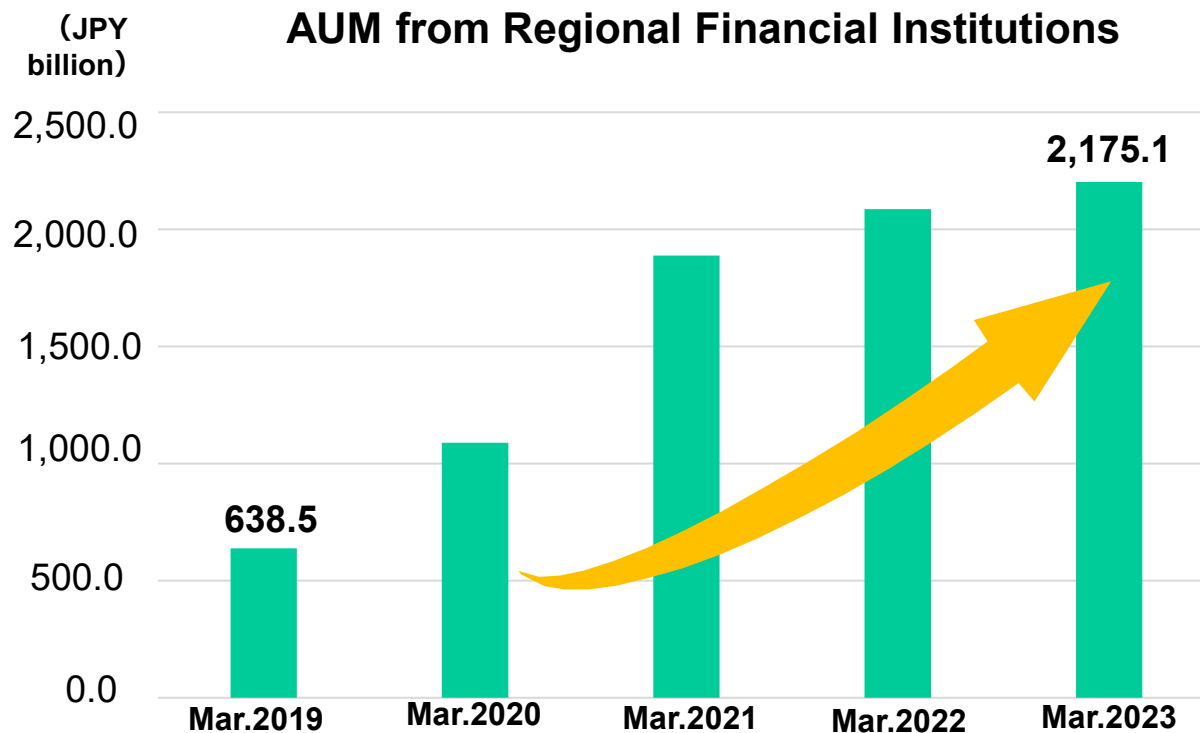


Index fund investment has increased, as it is relatively easy to start with and their product characteristics are easy to understand

Achieving Investment Management which Captures the Needs for Diversification of Regional Financial Institutions in Securities Investment

- The entrusted AUM from regional financial institutions, etc. are approximately JPY 2.2tn -

- **SBI Asset Management** provides customized investment products for each client at extremely low cost, focusing on highly rated and highly liquid overseas bonds
- Through review of portfolios, SBI Asset Management expects to diversify its investments in order to establish a system that can flexibly respond to challenging environments such as inflation and rising long-term interest rates both domestically and internationally

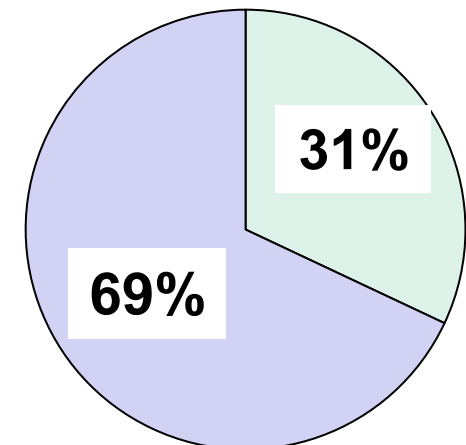


* Includes duplication of investment advice, etc.

The breakdown of the amount of assets under management

(As of the end of Mar. 2023)

- 9 banks with capital and business alliances with SBIH
- Other banks

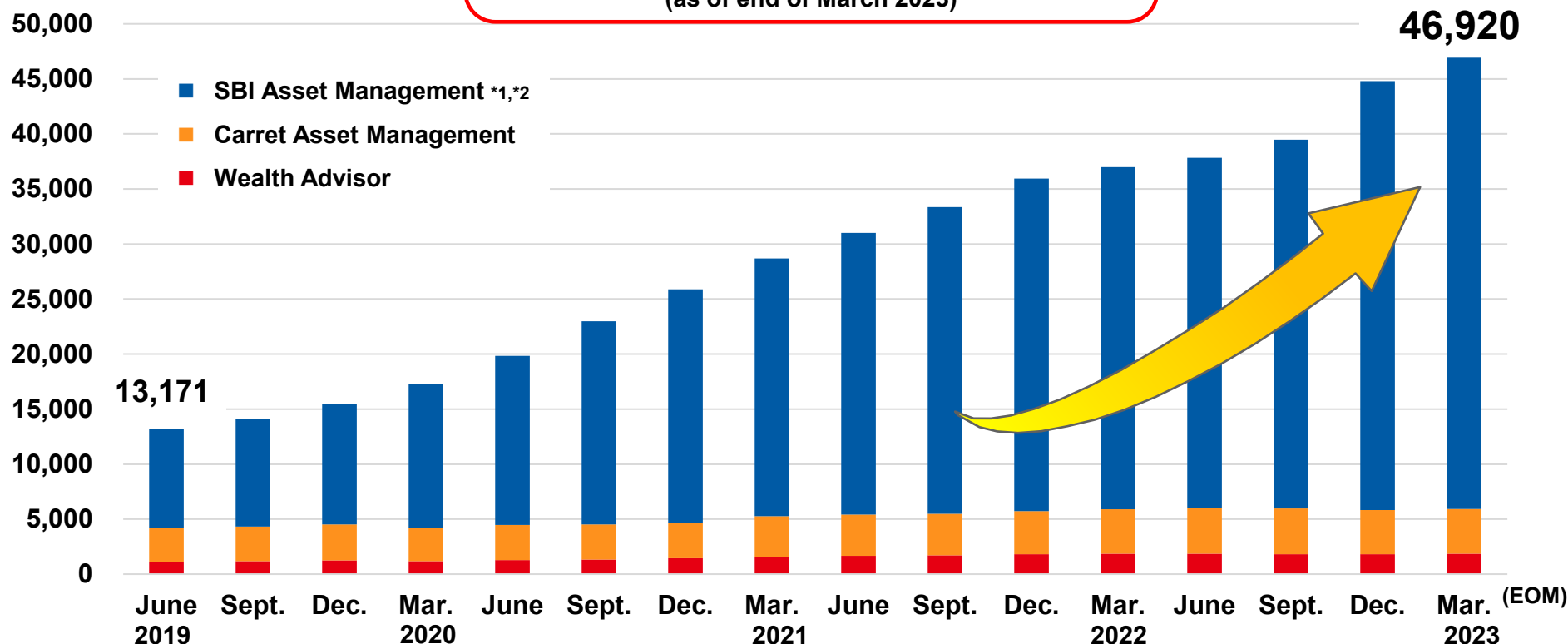


SBI Global Asset Management Group Has Steadily Increased its AUM

- Balance of investment assets nears JPY 4.7tn -

AUM from institutional investors, which are mainly regional financial institutions: **JPY 2,175,1bn**
(as of end of March 2023)

(JPY 100 million)



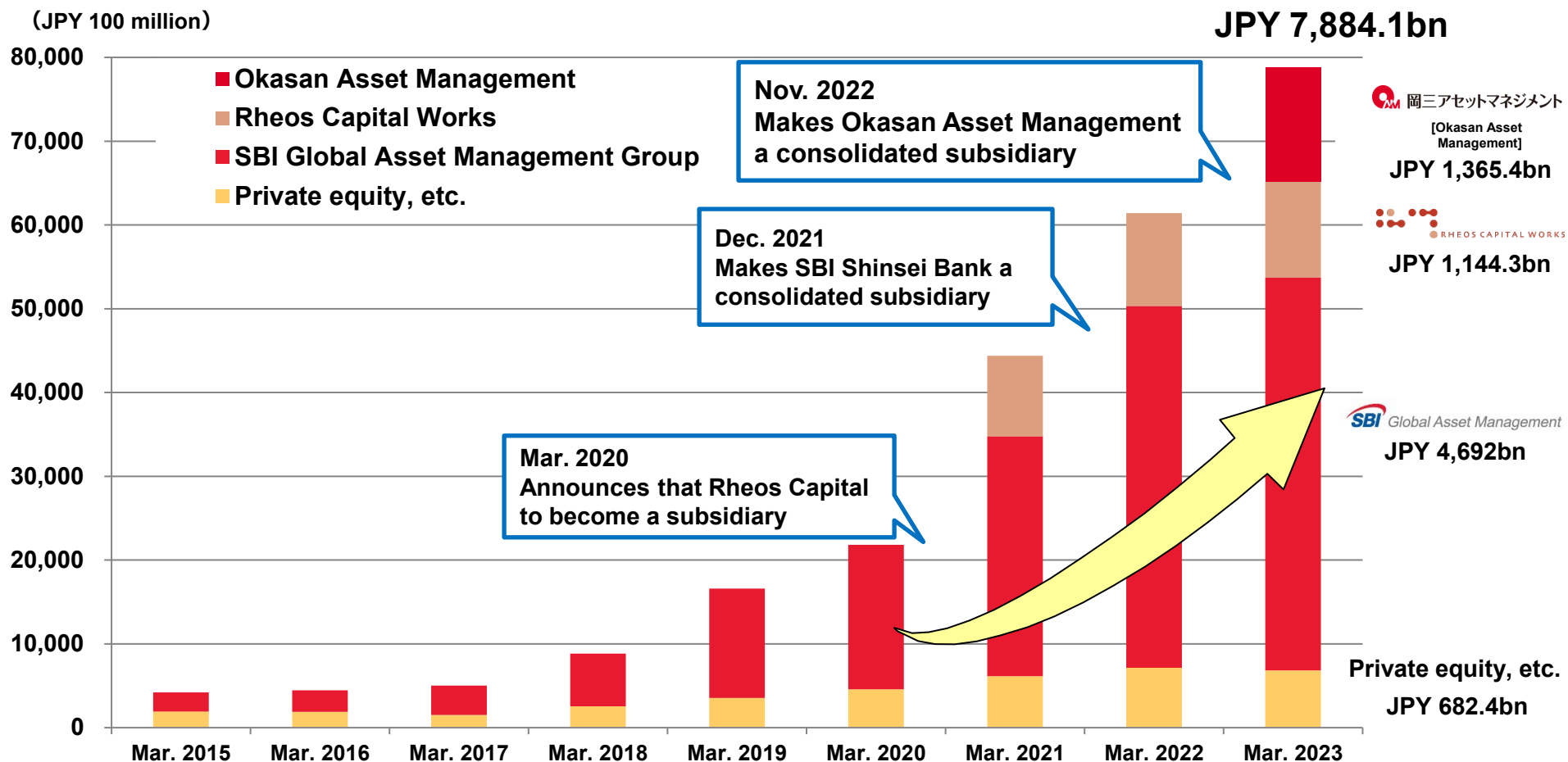
*1 Following the merger of SBI Bond Investment Management and SBI Regional Revitalization Asset Management on August 1, 2022, with SBI Asset Management as the surviving company, total AUM of the three merged companies are retroactively presented as SBI Asset Management. In addition, since the numbers of the three merged companies above are compiled individually, there are some overlapping amounts.

*2 Shinsei Investment Management was made a wholly owned subsidiary by SBI Global Asset Management (formerly, Morningstar Japan) on October 3, 2022.

After completing a merger by absorption with SBI Asset Management as the surviving company on April 1, 2023, the figures of the company have been included in the balance of SBI Asset Management since the end of December 2022.

*3 Figures include balance of investment advisory

SBI Group Sustainably Expands Its Assets Under Management Through Organic Growth and Use of M&As



*1 Calculated by the exchange rate as of the end of each month

*2 Amounts are rounded to the nearest JPY 100m

*3 "Private equity, etc." does not include cash or commitment amounts to be paid. Through Mar. 2017, unlisted stocks invested from investment partnerships and other entities, which had no market prices, were estimated at cost (impairment prices are applied for the stocks for which impairment losses have been recorded). After Mar. 2018, however, these stocks have been estimated at fair value

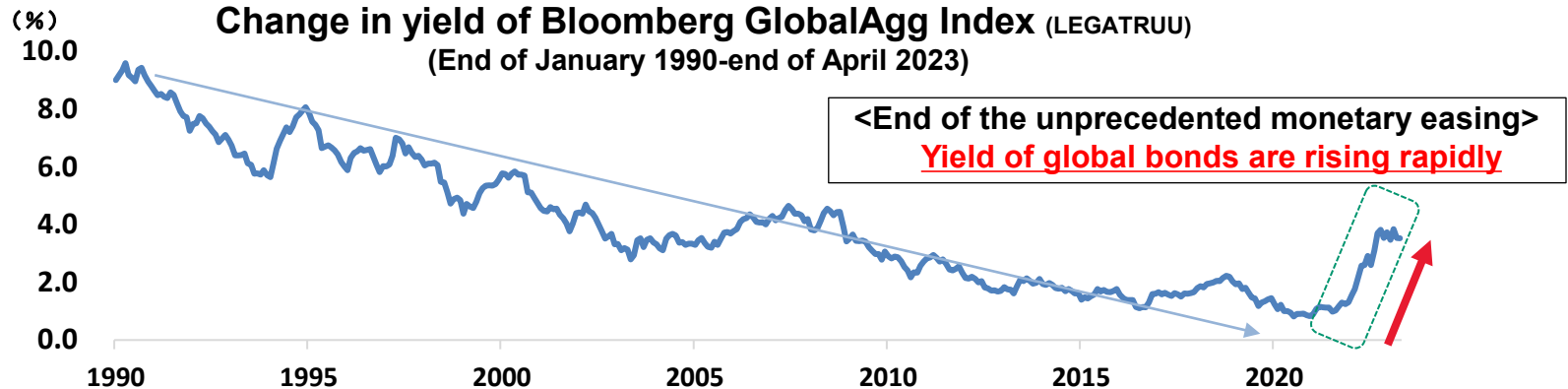
*4 Figures of SBI Global Asset Management Group, Rheos Capital works and Okasan Asset Management ("each asset management company") represent the sum of the balance of investment trusts and investment advisory, so there are some overlapping amounts

*5 Includes publicly offered investment trusts, publicly offered bond investment trusts, and privately offered investment trusts from each asset management company

- ② **Asset management is approaching a major turning point, and the company has set a new goal of achieving JPY20 trillion in AUM by FY2027 , promoting M&A activity and the establishment of JVs to expand its earnings base**

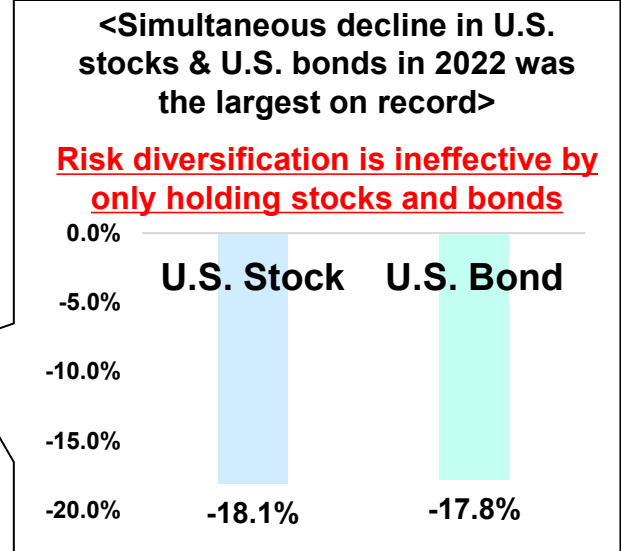
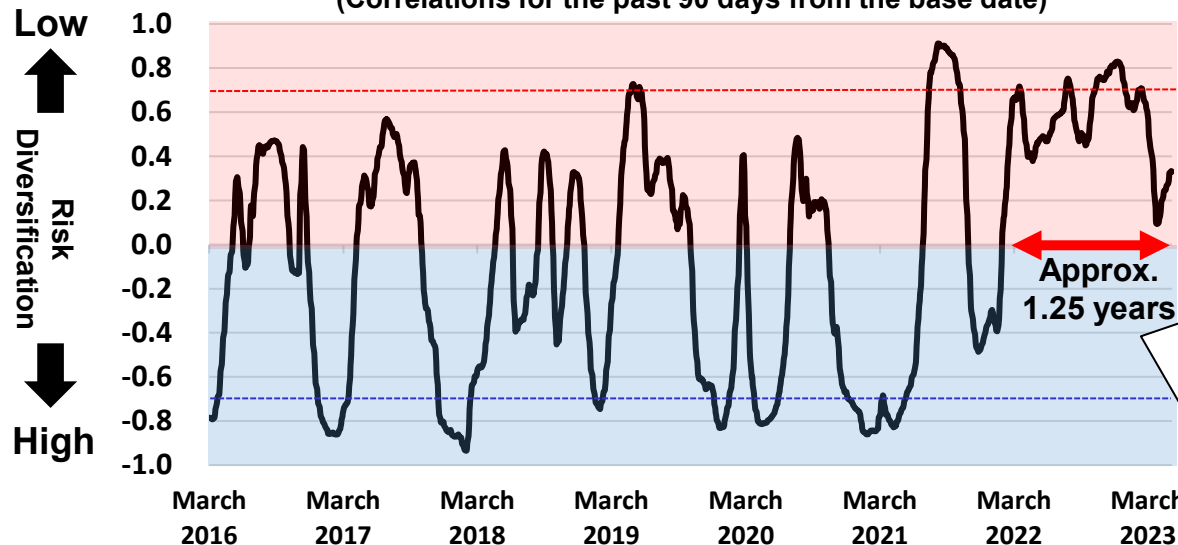
The Environment Surrounding Asset Management, Both for Individuals and Corporations, is at a Major Turning Point

[Change in bond yield]



[Change in relation among traditional asset class]

Correlation Trends between the S&P 500 Index and IEF (U.S. 7-10 year bond ETF)
(Correlations for the past 90 days from the base date)



In the asset management business, it is necessary to achieve further sophistication in asset management and global asset allocation to withstand an unstable macro environment

To Acquire Quality Asset Management Companies and Promote Strategic Alliances in Order to Enhance Asset Management Sophistication and Build a Global Asset Allocation Structure

<To provide advanced asset allocation that can cope with an uncertain environment>

Expand traditional asset classes such as fixed income and equities by partnering with global asset managers Pimco and Vanguard

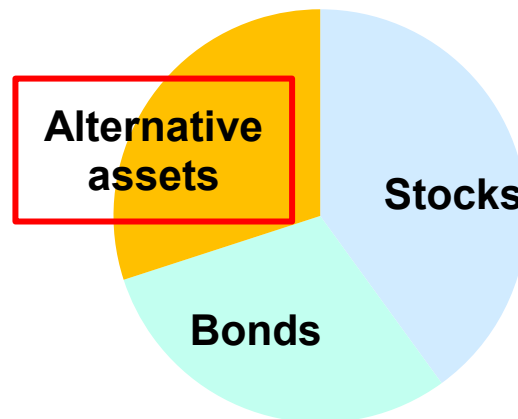
Look to offer alternative assets such as private equity, real estate, infrastructure, etc. with high diversification effect in the future



Endeavor to provide advanced management through acquisitions and strategic alliances with asset management firms specializing in their respective asset areas.



E.g. Asset management companies specialized in alternative assets



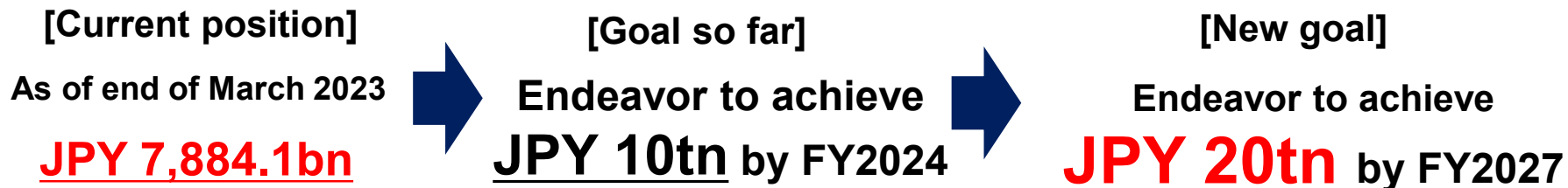
PIMCO

AUM surpasses JPY 1.2tn
through a joint venture



AUM surpasses JPY 1tn
through a strategic partnership

Endeavor to Achieve the Total Group Assets Under Management of JPY20 Trillion in FY2027



Global Asset Management

<Index & multi-asset>

<U.S. govt. bonds>

Asset Management

Asset Management

Approx. JPY 4.7tn

<Active>

岡三アセットマネジメント

[Okasan Asset Management]

RHEOS CAPITAL WORKS

Approx. JPY 2.5tn

<Private equity, etc.>

Approx. JPY 682.4bn

- (2) Pioneer new business fields such as Web3 that introduce innovative technologies domestically and abroad to “go beyond finance with finance at its core”**
- ① Dedicated to creating a market of ST, a next generation of financial products**
 - ② SBI VC Trade will endeavor towards growth of institutional client base by strengthening its Web3 related business**
 - ③ SBINFT brings the world of Web3 closer by enhancing corporate clients develop their NFT business**
 - ④ Endeavor to establish a system to trade digital assets globally in cooperation with partners**
 - ⑤ SBI Traceability contributes to food export expansion with brand protection technology**
 - ⑥ Various measures to increase awareness among the digital generation through games, etc.**

① Dedicated to creating a market of ST, a next generation of financial products

- i. Contribute to developing the regulatory framework as well as issuing STs**
- ii. Osaka Digital Exchange, which Operates an equity private trading system (PTS), is Making Progress in Preparing for the Establishment of a PTS for STs**

i. Contribute to Developing the Regulatory Framework as Well as Issuing STs

Contributing to institutional development through establishing and participating self-regulatory organization and industry organization

Japan STO Association

Japan STO Association, a self-regulatory organization established in Oct. 2019 led by SBI Group, currently has **72 members** (14 regular members, 55 guest members, and 3 supporting members)

Digital Asset Co-Creation Consortium

Contributed to the formulation of “Proposal on Digital Securities PTS” at Consortium. Striving to establish secondary market through collaboration between “Osaka Digital Exchange” (ODX)

Track record of ST issuance mainly by SBI SECURITIES

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, May 2022)

e. Public offering of STs with residential properties in central Tokyo as investment assets by SBI SECURITIES (Nov. 2022)

ii. Osaka Digital Exchange, which Operates the Stock PTS, is Making Progress in Preparing for the Establishment of a PTS for STs

- The creation of Japan's first trading market for STs would promote the revitalization of the issuance market -



Capital relationship

Trading platform for both equity and ST (PTS)

SBI Group: 70%

Sumitomo Mitsui Financial Group: 20%

Nomura Holdings: 5%

Daiwa Securities Group: 5%

ODX started operating its stock PTS on June 27, 2022. Trading volume has been around JPY 30bn to 35bn per day (around 1% market share), and the number of connected securities companies has also increased

Daily
maximum
trading value

JPY 53.2bn

Daily
maximum
market share

1.23%

- ② **SBI VC Trade will endeavor towards growth of institutional client base by strengthening its Web3 related business**

SBI VC Trade Expands its Service Lineup that Large and Institutional Clients Can Utilize in its Businesses

- **Release of “SBI Web3 Wallet”** Japan’s first custodial wallet that supports NFT (January 2023)



- **No need to manage wallets or buy and send crypto assets to purchase NFTs** which were requirements for NFT transactions in the past
- **Reduce user’s risks for holding crypto assets** (risk of theft, risk of price volatility)

Inquiries from **more than 100 companies** about the “SBI Web3 Wallet”

- Started provision of **“SBIVC for Prime,”** a service for large and institutional clients (Feb. 2023)
 - Provide various services of SBI VC Trade at preferential pricing to clients and corporations who wish to trade large lots through a dedicated staff in charge
 - Offer a wide range of recommendations for institutional clients including the **use of “SBI Web3 Wallet,”** which enables trading of on-chain NFTs using only Japanese yen, and **procurement of crypto assets** for use in the Web3 business (such as issuance and trading of NFTs, etc.)

SBI VC Trade Concludes Business Alliances with Companies with Strengths in Web3-related Technology to Boost its Web3 Business

[Business alliance with Oasys which develops and operates its unique game-specific blockchain]



- Oasys is expected to become an important network for supporting the use of Web3 in society, with leading gaming companies and major communications companies joining the network
- Plans are underway for the SBI Web3 Wallet to support the Oasys network, through the business alliance. This is expected to enable a one-stop shop for purchasing crypto assets for NFT transactions within blockchain games and for storing NFTs

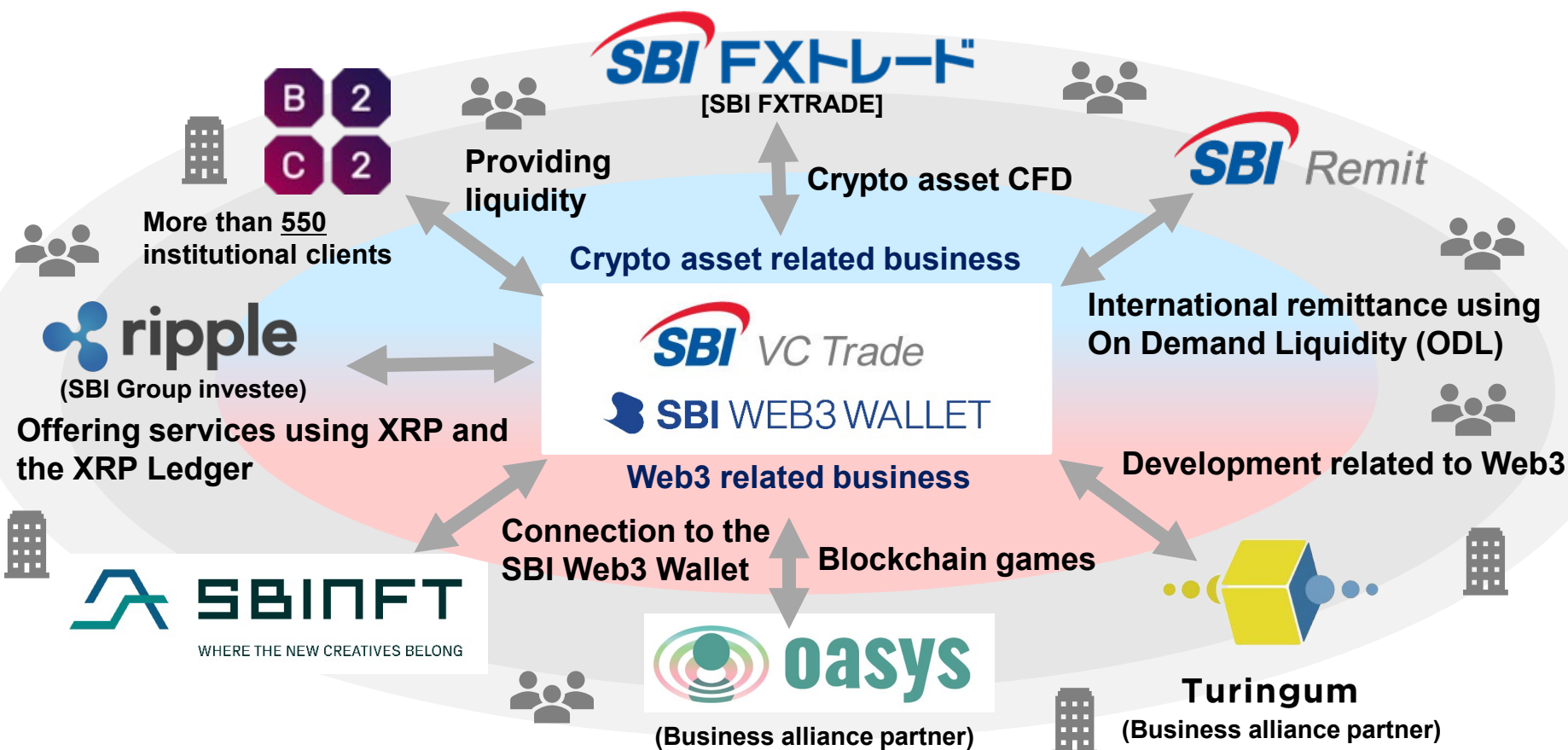
[Business alliance with Turingum which has advanced expertise in the Web3 field]



Turingum

- Turingum offers services such as Web3 business consulting, blockchain system development, NFT and SBT (SoulBound Token) issuance
- By combining the SBI Web3 Wallet service and expertise of Turingum in the field of Web3 and GameFi, will endeavor to support businesses and IPs entering the Web3 space

SBI VC Trade Will Increase its Customer and Revenue Base Not Only by the Crypto Asset Exchange Business but also by Strengthening Web3 Related Business



- ③ SBINFT brings the world of Web3 closer by enhancing corporate clients develop their NFT business**
 - i. SBINFT Develops Consulting Services for Corporate Clients**
 - ii. Endeavor to offer “ST with Privilege NFT” as a new digital securities service in the Web3 era in partnership with Securitize Japan**

i. SBINFT Develops Consulting Services for Corporate Clients

< Supporting NFT Marketplace Management >

“TOKEN CONNECT” is a service that provides all functions, such as NFT issuance, listing, purchase, and management, via WebAPI, utilizing SBINFT’s NFT marketplace management expertise



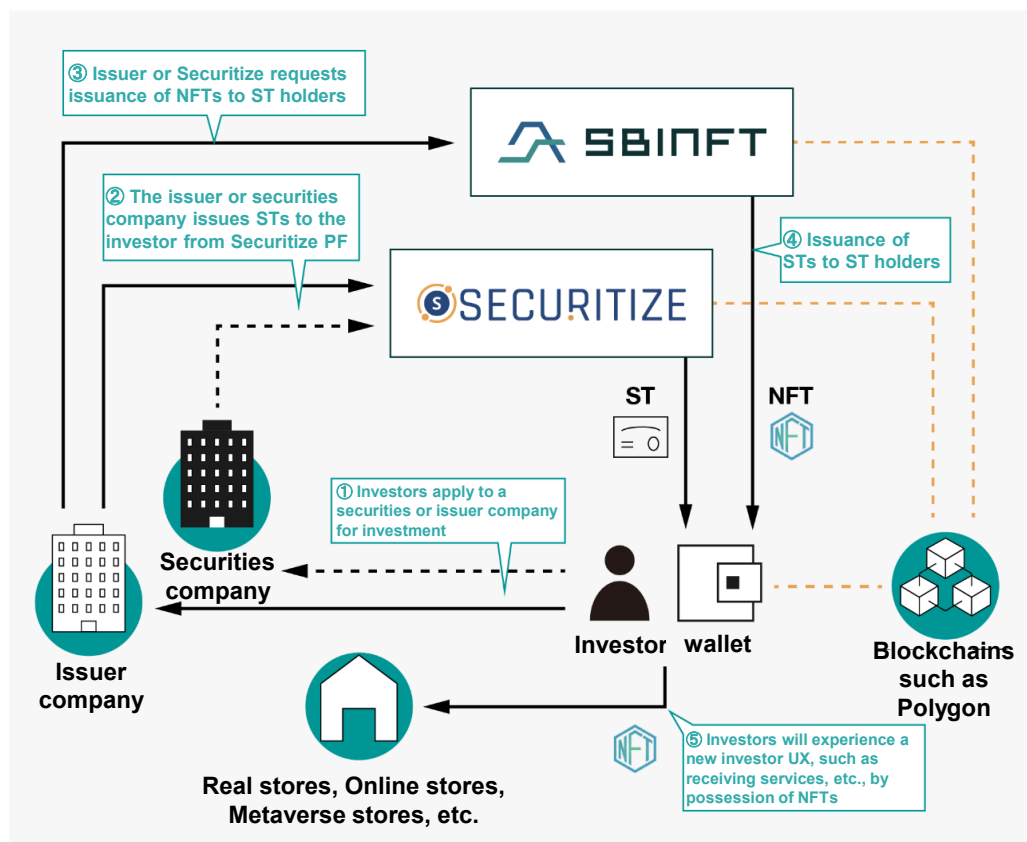
Example of NFT issuance support:

Support the opening of “Doodle Punch!” a marketplace by Jazzfilm, where doodles drawn by Japanese cultural figures, entertainers, and other celebrities are sold as NFT



ii. Endeavors to Offer “ST with Privilege NFT” as a New Digital Securities Service in the Web3 era in Partnership with Securitize Japan

Provides ST issuing companies with a service that enable the issuance and management of “STs with Privileged NFTs,” a new investment product by linking Securitize’s ST platform with SBINFT’s NFT platform. Enables ST issuers to engage investors not only with financial returns, but also with digital rewards in the form of NFTs



④ Endeavor to establish a system to trade digital assets globally in cooperation with partners

- i. SBI Group develops various new businesses in the field of digital assets with global financial institutions, primarily in Singapore**
- ii. Plan to offer Custody Services for Digital Assets in Japan with Zodia**

i. SBI Group Develops Various New Businesses in the Field of Digital Assets with Global Financial Institutions, Primarily in Singapore

Project Guardian

Asset tokenization initiative led by the Monetary Authority of Singapore (MAS). Examining the feasibility of asset tokenization and DeFi (decentralized finance) to improve the efficiency and liquidity of the wholesale funding market



Monetary Authority of Singapore



SBI Digital Asset Holdings
an SBI company

J.P.Morgan



SBI Digital Markets

Investment has already been made by SCB10X, a subsidiary of Siam Commercial Bank, one of Thailand's leading banks, which operates an investment business. Endeavor to handle tokenized products such as bonds and mutual funds as an issuance and distribution platform for digital assets



SBI Digital Markets
an SBI company



SBI Digital Asset Holdings
an SBI company



Asia Next

Jointly established with SIX Digital Exchange, a member of the SIX Group, which operates the SIX Swiss Exchange, a leading exchange. Endeavor to handle crypto asset derivatives and STOs

ASIANEXT



SBI Digital Asset Holdings
an SBI company

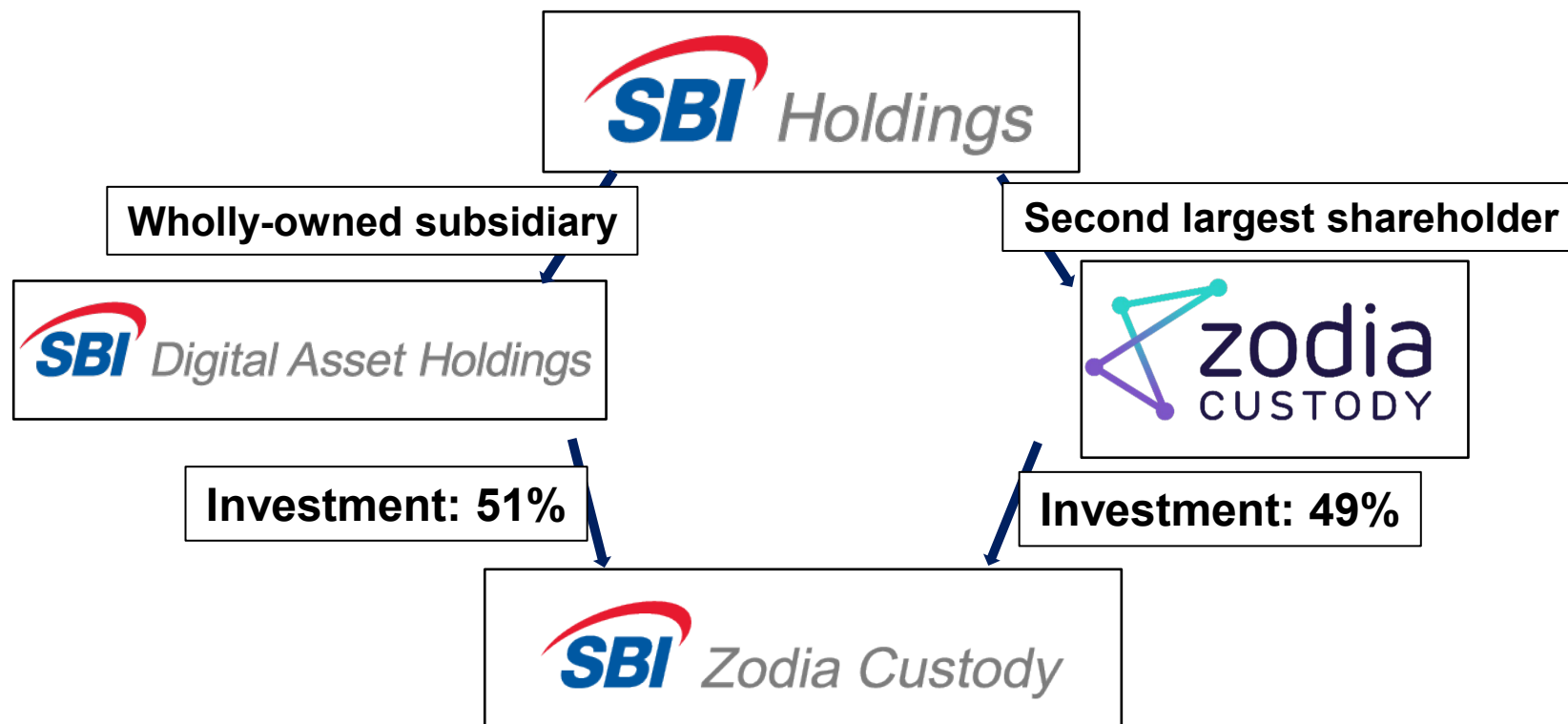


SIX Digital Exchange

Endeavor to form one of the world's largest global corridors for the distribution of digital assets through alliances with SBI Group investees in the U.S. and Europe

ii. Offer Custody Services for Digital Assets in Japan with Zodia

- SBI Holdings invested in Zodia Custody, a subsidiary of Standard Chartered Bank, a leading UK banking group and a UK-based provider of digital asset services for institutional investors (April 26)
- SBI Digital Asset Holdings and Zodia Custody established SBI Zodia Custody as a joint venture (April 24). Plans to offer digital asset custody services to institutional investors in Japan, subject to compliance with relevant laws and regulations as well as approval and authorization by the FSA



⑤ SBI Traceability Contributes to Food Export Expansion with Brand Protection Technology

“SHIMENAWA” service uses blockchain technology (Corda) contributes to expanding exports of attractive Japanese agricultural, forestry, fishery and food products. It also contributes to the improvement of food self-sufficiency from the viewpoint of food security

< The case of sake (Nihonshu) >

Launched “SHIMENAWA for SAKE” as a technology to protect sake brands through digital pairing with RFID technology that incorporates IC chips into sake bottle packages. It provides functions such as “proof of authenticity” and “detection of opening”

Leading sake breweries in Japan are introducing “SHIMENAWA” one after another

**Katoukichibee
Shouten
“BORN”**

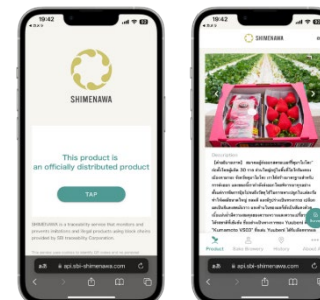
**Niizawa Brewery
“Premium Line”**

**The TOKISAKE
ASSOCIATION**

< The Case of Agricultural Products >

Introduced SHIMENAWA to sell Kumamoto prefecture strawberries at Pan Pacific International Holdings Corporation’s “DON DON DONKI Thailand” store in central Bangkok

<App screen>



<Storefront>



⑥ Various measures to increase awareness among the digital generation through games, etc.

- i. Hosted “SBI Neo festival NEXUM 2023”**
- ii. Hosted “SBI Gaming Kids Day with Pokémon UNITE”**
- iii. Expanding reach to younger generation through e-Sports business**
- iv. Promoting the development of games and other activities utilizing the blockchain, which has recently become popular and is expected to see an explosive increase in users in the future**

i. Hosted “SBI Neo festival NEXUM 2023”

As a pioneer in the era of digital space and as the first phase of branding to gain familiarity, an event in the Metaverse World was held on March 4-5

Spectators could view combined e-sports (FPS) and urban sports (breaking and skateboarding) competitions in the Metaverse. At the same time, participants could experience SBI Group’s various initiatives in fintech, digital, and regional revitalization



Streamed simultaneously on YouTube and elsewhere, with over 260k participants viewing on the official stream alone. At least 80% were members of the digital generation aged 34 or under

Over 3m participants if individual streams by competitors are also counted

ii. Hosted “SBI Gaming Kids Day with Pokémon UNITE,” an e-Sports Event for Children



- ✓ Hosted “SBI Gaming Kids Day with Pokémon UNITE,” a Pokémon-approved event for children, supported by subsidiary SBI e-Sports
- ✓ The event is targeted at elementary school students and is supported by a TV program and an online school, and is **intended to increase awareness of the SBI brand among customer segments that the SBI Group does not normally reach**
- ✓ The video of the event has already achieved a certain level of success, with the number of views **surpassing 150,000** in the first month after its release. The video has already achieved a certain level of success, with the **percentage of female viewers exceeding 30%**

iii. Expanding Reach to Younger Generation through e-Sports Business



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

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



The KNIVES OUT division winning the pro-league



Number of unique viewers (maximum) in personal video streaming of affiliated players

Approx. 2.93 million/90 days



Development of original projects tied up with popular affiliated players



Support for players affiliated with “SBI e-Sports” and activities for the healthy development of the e-Sports field

iv. Promoting the Development of Games and Other Activities Utilizing the Blockchain, which has Recently Become Popular and is Expected to See an Explosive Increase in Users in the Future

[Reached a basic agreement on capital and business alliance with gumi to promote new business development in the Web3 field]



Endeavor to develop a one-stop business from the development and distribution of blockchain games to the sale and distribution of tokens and NFTs

- Considering listing the tokens used in the game on crypto asset exchanges such as SBI VC Trade and BITPOINT

[Reached a basic agreement with Jungle X to establish a JV to promote new business development in the Web3 field]



Invested in Jungle X, which holds various business model patents based on blockchain technology, and established a new joint venture company “Neo Champion Pte.” in Singapore

- Development and operation of a unique content platform as the first challenge to create neo-culture and neo-sports in the digital space field in the Web3 era

[Reference material]

Number of Companies and Employees of the SBI Group (Consolidated)

Number of Group companies

	End of Mar. 2022	End of Mar. 2023
Consolidated subsidiaries (companies)	442	518
Consolidated partnerships (partnerships)	51	62
Total consolidated subsidiaries (companies)	493	580
Equity method companies (companies)	62	63
Total Group companies (companies)	555	643

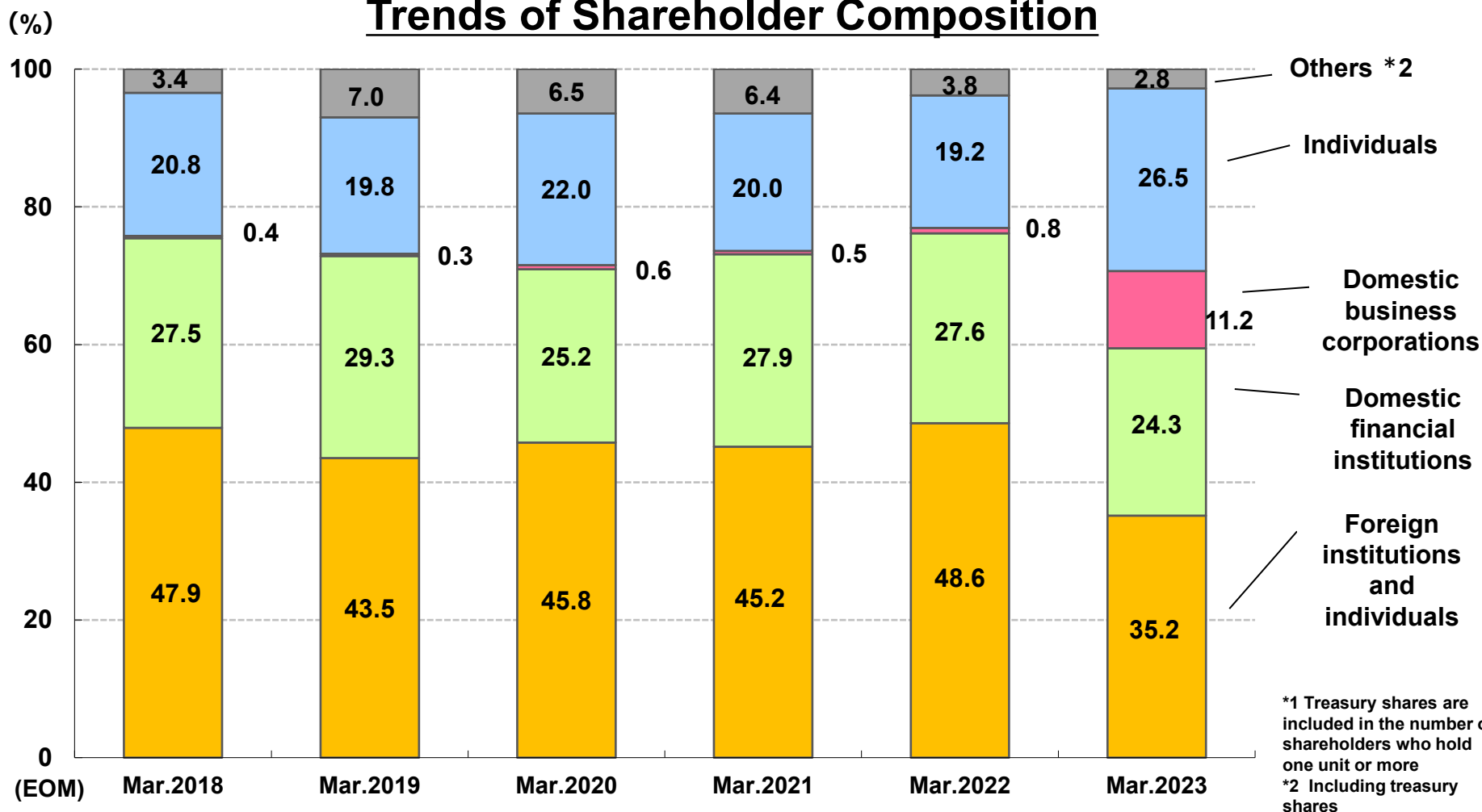
Number of employees (Consolidated)

	End of Mar. 2022	End of Mar. 2023
Total employees	17,496	18,756

SBI Group's Shareholder Composition as of March 31, 2023

- ◆ Total number of shareholders is 213,956, of which the number of shareholders who hold one unit or more is 130,185*1
- ◆ Shareholding ratio of domestic and foreign institutional investors is 59%

Trends of Shareholder Composition



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