

SBI Holdings, Inc.

Financial Results

**For the Six-month Period Ended September 30, 2023
(Fiscal Year Ending March 31, 2024)**

November 10, 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. 1H FY2023 Consolidated Financial Results

II. 2H FY2023 is a time of major macro/semi-macro economic turning points, and SBI Group will implement various initiatives to achieve sustainable growth in this environment

I. 1H FY2023 Consolidated Financial Results

[Consolidated Performance Overview]

- **Revenue** increased 28.3% year-on-year to JPY 574.8bn, which is a record high for 1H, largely due to **significant increase in revenue from the Financial Services Business (28.0% increase year-on-year to JPY 487.8bn)**
- **Consolidated profit before income tax expense** increased 31.8% year-on-year to JPY 70.2bn. In the Financial Services Business, **profit before income tax expense increased 0.9% year-on-year to JPY 70.9bn**. Compared to the previous fiscal year, profits fell at **SBI SAVINGS BANK** due to a decline in the interest margins and an increased burden of bad debt write-offs. Nevertheless, this was offset by the growth in the securities business led by **SBI SECURITIES** amidst a favourable stock market. In light of the results for profit before income tax expense from this business, which is used to set the amount of shareholder returns, the **interim dividend** for FY2023 has been set to **JPY 30 per share**, the same as the previous fiscal year
- **After reporting a loss before income tax expense of JPY 12.8bn in 1H of the previous fiscal year** resulting from a slump in the crypto-asset market and the default of certain counterparties, **the Crypto-asset Business improved performance in this 1H, returning to profit of JPY 0.7bn**
- **Profit attributable to owners of the Company** for 2Q increased 360.8% year-on-year to JPY 37.1bn (compared to a loss of JPY 8.0bn in the same period of the previous year, mainly caused by the fair value loss of direct investees and a large loss at a Crypto-asset Business subsidiaries, in which the Company has a large stake in)

1H FY2023 Consolidated Performance (IFRS)

[Year-on-year comparison]

(Unit: JPY million)

	1H FY2022 (Apr.-Sept. 2022)*1	1H FY2023 (Apr.-Sept. 2023)	YoY % change
Revenue	448,155	Record high 574,825	+28.3
Profit before income tax expense	53,283	70,241	+31.8
Profit for the period	38,129	48,241	+26.5
Profit attributable to owners of the Company	8,050	37,088	+360.8

*1 The figures in 1H FY2023 have changed from the figures disclosed last year due to a change in accounting standards for certain companies in the Financial Services Business segment.

Comparison of Consolidated Profit Before Income Tax Expense with Major Securities Companies

(Unit: JPY million)

	1H FY2022 (Apr.-Sept. 2022)	1H FY2023 (Apr.-Sept. 2023)	YoY % change / YoY change
SBI Holdings (IFRS)	53,283	70,241	+31.8
Nomura Holdings (US-GAAP)	43,217	103,045	+138.4
Daiwa Securities Group (J-GAAP)	44,536	79,545	+78.6
SMBC Nikko Securities (J-GAAP)	-15,929	2,810	—
Mitsubishi UFJ Securities Holdings (J-GAAP)	34,182	41,822	+22.4

Source: Compiled by SBIH from the information on websites of each company 6

1H FY2023 Performance by Segment (IFRS)

[Year-on-year comparison]

(Unit: JPY million)

Revenue

	1H FY2022 ^{*1} (Apr. 2022– Sept. 2022)	1H FY2023 (Apr. 2023– Sept. 2023)	YoY % change
Financial Services Business	381,032	487,791 Record high^{*3}	+28.0
Asset Management Business	8,355	14,050 Record high^{*3}	+68.2
Investment Business	29,882	56,711	+89.8
Crypto-asset Business	20,534	16,066	-21.8
Next Gen ^{*2} Business	14,379	12,200	-15.2

Profit Before Income Tax Expense

	1H FY2022 ^{*1} (Apr. 2022– Sept. 2022)	1H FY2023 (Apr. 2023– Sept. 2023)	YoY % change
	70,223	70,875 Record high^{*3}	+0.9
	1,346	2,151 Record high^{*3}	+59.8
	4,794	10,411	+117.2
	-12,781	674	—
	584	-2,373	—

^{*1}The figures in 1H FY2022 have changed from the figures disclosed last year due to a change in accounting standards for certain companies in the Financial Services Business segment

^{*2} Non-financial Business have been renamed to Next Gen Business from the 2Q of the fiscal year ending March 31, 2024. Next Gen Business include the Biotechnology, Healthcare & Medical Informatics Business, Web3-related businesses.

^{*3} This is a comparison with the 1H FY2021 and beyond, which disclose results in the same segment as the current one. Financial Service Business is also at a record high in comparison with the first half results since FY2012 when IFRS was adopted.

^{*4} Figures are before elimination of the inter-segment transactions.

Interim Dividend of JPY 30 Per Share is Expected to be Implemented

[Basic policy for shareholder return]

The total amount of dividends will be approximately 30% of profit before income tax expense of **the Financial Services Business** excluding extraordinary factors such as gain on sales of subsidiaries' stocks, for the time being

■ Dividend forecast (result) per share

	End of 2Q	Year-end	Full-year
FY2023 (forecast)	<u>JPY 30</u>	TBD	TBD
FY2022 (result)	JPY 30	JPY 120	JPY 150

[Business Overview of Core Businesses]

1. Financial Service Business

[Financial Service Business Consolidated Results (IFRS)]

(Unit: JPY million)

	1H FY2022 (Apr. 2022 – Sept. 2022)	1H FY2023 (Apr. 2023 – Sept. 2023)	YoY (%)
Revenue	381,032	487,791	+28.0
Profit before income tax expense	70,223	70,875	+0.9

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 **a record high** JPY 102.0bn in **operating revenue** (+26.3% YoY) and JPY 37bn in **operating income** (+40.6% YoY) for 1H FY2023 on a J-GAAP basis reflecting market robustness
- **SBI SECURITIES** has **carried out “ZERO Revolution”, the first-ever in Japan to offer commission-free online trading of domestic stocks**, from orders placed on September 30, 2023

SBI SECURITIES 1H FY2023

Consolidated Results (J-GAAP)

[Year-on-year comparison]

(Unit: JPY million)

	1H FY2022 (Apr. 2022 – Sept. 2022)	1H FY2023 (Apr. 2023 – Sept. 2023)	YoY % change
Operating Revenue	80,839	Record high 102,091	+26.3
Net Operating Revenue	74,778	Record high 91,830	+22.8
Operating Income	26,347	Record high 37,045	+40.6
Ordinary Income	25,254	Record high 37,568	+48.8
Profit attributable to owners of the Company	17,284	Record high 25,631	+48.3

1.(1) Securities business Like-for-like Comparison of Financial Results of Major Brokerage Companies for 1H FY2023



(Unit: million)

		Operating profit	Ordinary profit	Profit attributable to owners of the Company
1	Nomura Securities (Non-consolidated)	65,430	65,357	51,004
2	Daiwa Securities (Non-consolidated)	39,100	40,384	27,666
3	SBI SECURITIES (Consolidated)	37,045	37,568	25,631
4	Mitsubishi UFJ Morgan Stanley Securities (Non-consolidated)	27,859	29,137	20,743
5	Mizuho Securities (Non-consolidated)	20,282	20,759	37,837
6	Rakuten Securities *1 (Consolidated)	18,149	17,945	12,513
7	SMBC Nikko Securities (Non-consolidated)	10,373	19,089	16,120
8	OKASAN SECURITIES GROUP (Consolidated)	7,338	8,521	7,996
9	Matsui Securities (Non-consolidated)	7,276	7,243	4,752
10	Tokai Tokyo Financial Holdings (Consolidated)	7,242	8,256	4,625
11	GMO Financial Holdings *1 (Consolidated)	6,977	6,688	3,640
12	Monex Group *2 (Consolidated)	5,755	5,510	4,257
13	IwaiCosmo Holdings (Consolidated)	3,329	3,551	2,497
14	au Kabukom Securities (Non-consolidated)	2,036	2,030	1,040
15	Marusan Securities (Consolidated)	1,605	1,902	1,335
16	Kyokuto Securities (Consolidated)	1,548	2,070	2,385
17	Ichiyoshi Securities (Consolidated)	1,224	1,234	854
18	Mito Securities (Consolidated)	1,042	1,273	1,045
19	AIZAWA SECURITIES GROUP (Consolidated)	714	1,050	924
20	TOYO SECURITIES (Consolidated)	370	551	472

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

Operating Revenue of SBI Liquidity Market, the Main Company in the FX-Related Business

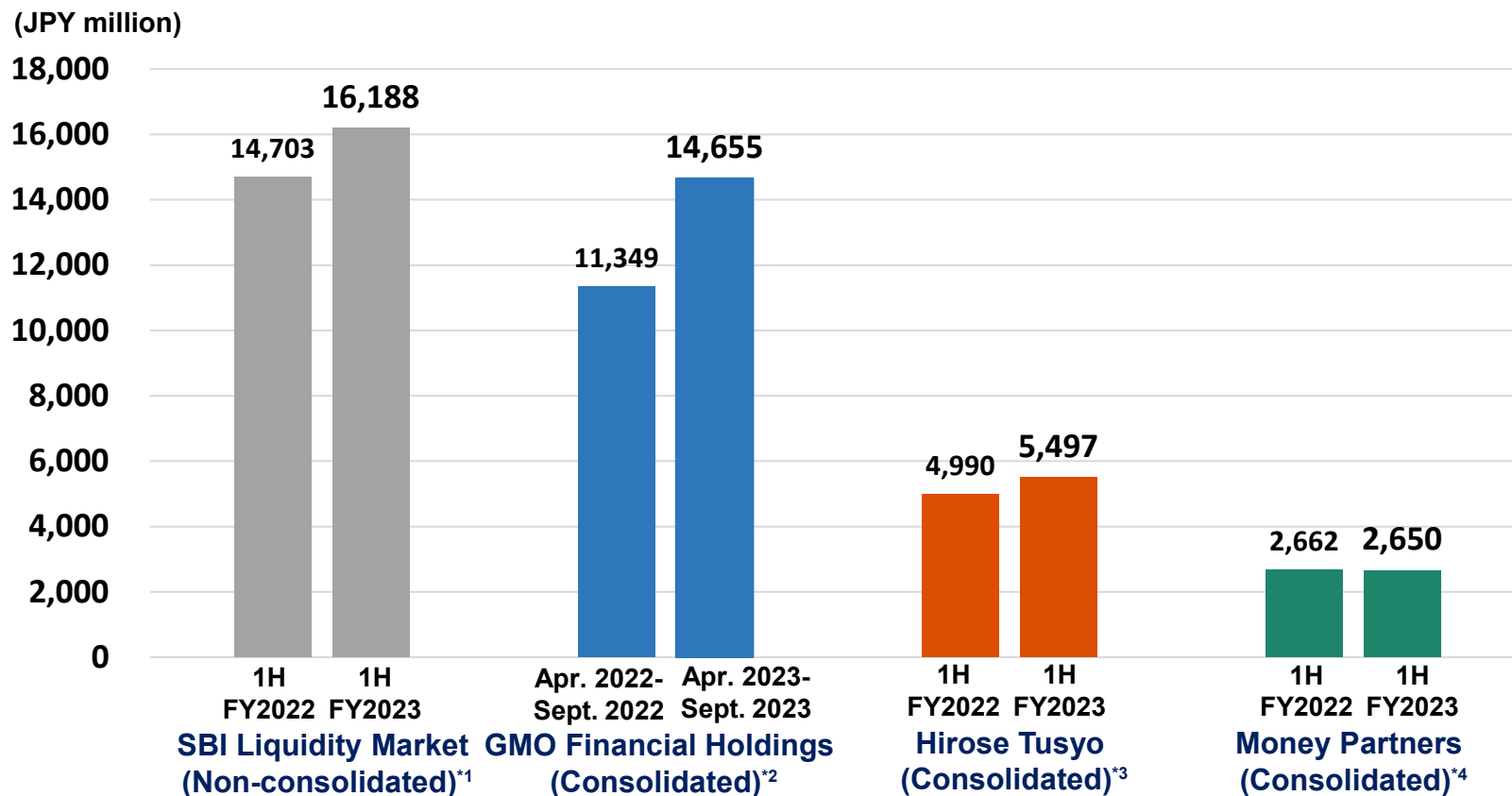
(Non-consolidated, J-GAAP)

(Unit: JPY million)

	1H FY2022 (Apr. 2022-Sept. 2022)	1H FY2023 (Apr. 2023-Sept. 2023)	YoY(%)
Operating Revenue	14,703	<div>Record High</div> 16,188	+10.1

- Although overall market trading volume declined year-on-year, swap revenues and revenues from corporate business grew substantially at **SBI Liquidity Market**. As a result, the company **achieved record-high operating revenue** for the first half of the fiscal year
- **SBI FXTRADE** also achieved the same level of operating revenue as in the same period of the previous year, backed by strong trading by individual investors

OTC FX Revenues of FX Specialized Companies (Year-On-Year Comparison)



*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-3Q FY ended December 2022 and 2Q-3Q FY ending December 2023 in the company's disclosure materials. Includes revenue from binary options, etc.

*3 Hirose Tusyo's operating revenue for 1H of the fiscal year ended March 31, 2023, and fiscal year ending March 31, 2024, is shown as OTC FX revenue.

*4 Money Partners' net operating revenue for 1H of the fiscal year ended March 31, 2023, and fiscal year ending March 31, 2024, is shown as OTC FX revenue

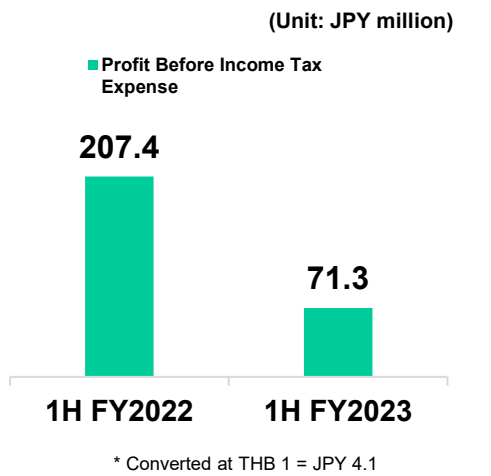
*5 Prepared by the Company based on figures disclosed by each company

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



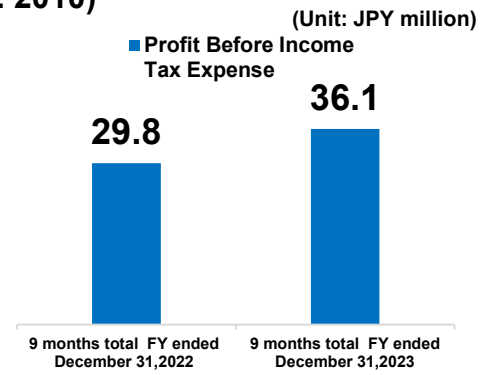
SBI Thai Online Securities (Investment ratio 100.0%, established in October 2014)

- First pure-play Internet securities company in Thailand
- Provides stock and derivative trading services to local investors, including Japanese residents in Thailand
- 1H FY2023, while the number of accounts grew steadily, brokerage commission income declined year on year due to a decrease in brokerage commission income caused by the contraction of trading in the securities market.
- Steady growth in margin lending balance and newly started handling of IPO underwriting (2 IPOs executed this quarter)



SBI Royal Securities (Investment ratio 65.3%, established in Feb. 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
- In June 2023, also served as the lead manager for the IPO of a major local telecommunications company (CamGSM Co., Ltd. (Cellcard)), the largest market capitalization of any publicly traded company



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

[Business highlights]

- **SBI Shinsei Bank** recorded net profit attributable to owners of the company (J-GAAP) of **approx. JPY 26.1bn**, mainly due to higher interest income from increased loan balances in the corporate business and dividend income from private investment trusts due to higher share prices in marketable investments. Profit before income tax expense in SBIH based on IFRS is **approx. JPY 19.9bn**
- SBI Holdings' equity method in earnings of **SBI Sumishin Net Bank**, based on IFRS for 1H FY2023, was **approx. JPY 1,625m**, on the back of steady loan growth in the housing loan business, despite reduced ownership share due to the sale of part of its interest in the company through its initial listing on the TSE Standard Market in March 2023
- **SBI SAVINGS BANK** in South Korea recorded a profit before income tax expense (IFRS) of **approx. JPY 4,206m** due to a corresponding increase in the burden of loan write-offs due to deteriorating credit and increased delinquencies in South Korea, despite steady underlying income and expenditure

① SBI Shinsei Bank Group

SBI Shinsei Bank 1H FY2023 Consolidated Performance(J-GAAP)

Note: Units are rounded down to the nearest decimal

(JPY billion)

	1H FY2022	1H FY2023	YoY % change
Gross operating profit	119.4	135.5	+13.4
Ordinary Business Profit	41.5	53.8	+29.6
Profit before income tax expense	30.5	30.9	+1.3
Profit attributable to owners of the Company	24.8	26.1	+5.2

Profit before income tax expense for SBI Holdings on an IFRS incorporation basis is approx. JPY 19.9bn

② SBI Sumishin Net Bank

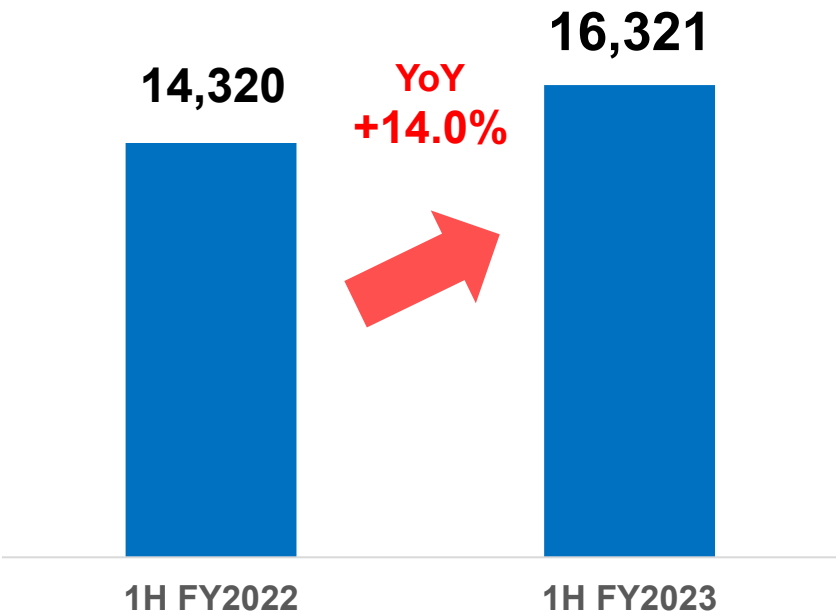
SBI Sumishin Net Bank was listed on the TSE Standard Market on March 29, 2023, and the Company's shareholding ratio is **34.19%** (equity method affiliate)

Performance of SBI Sumishin Net Bank

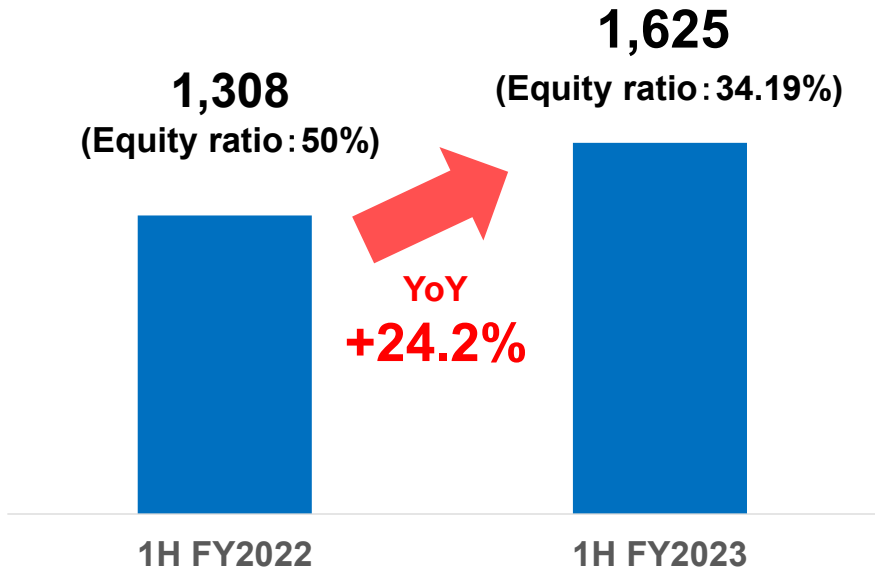
- ✓ SBI Sumishin Net Bank recorded a **14.0% YoY increase in J-GAAP recurring profit to JPY 16,321m** on the back of steady loan growth in the housing loan business
- ✓ SBI Holdings' equity method in earnings of SBI Sumishin Net Bank, based on IFRS for 1Q FY2023 was **JPY 1,625m, +24.2% YoY**, despite reduced ownership share due to the sale of part of its interest in the company through its initial listing on the TSE Standard Market

(JPY million)

< SSNB: Ordinary profit (J-GAAP) >



< SBIH: Equity method earnings (IFRS) >



* SBI Sumishin Net Bank has adopted J-GAAP

* 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

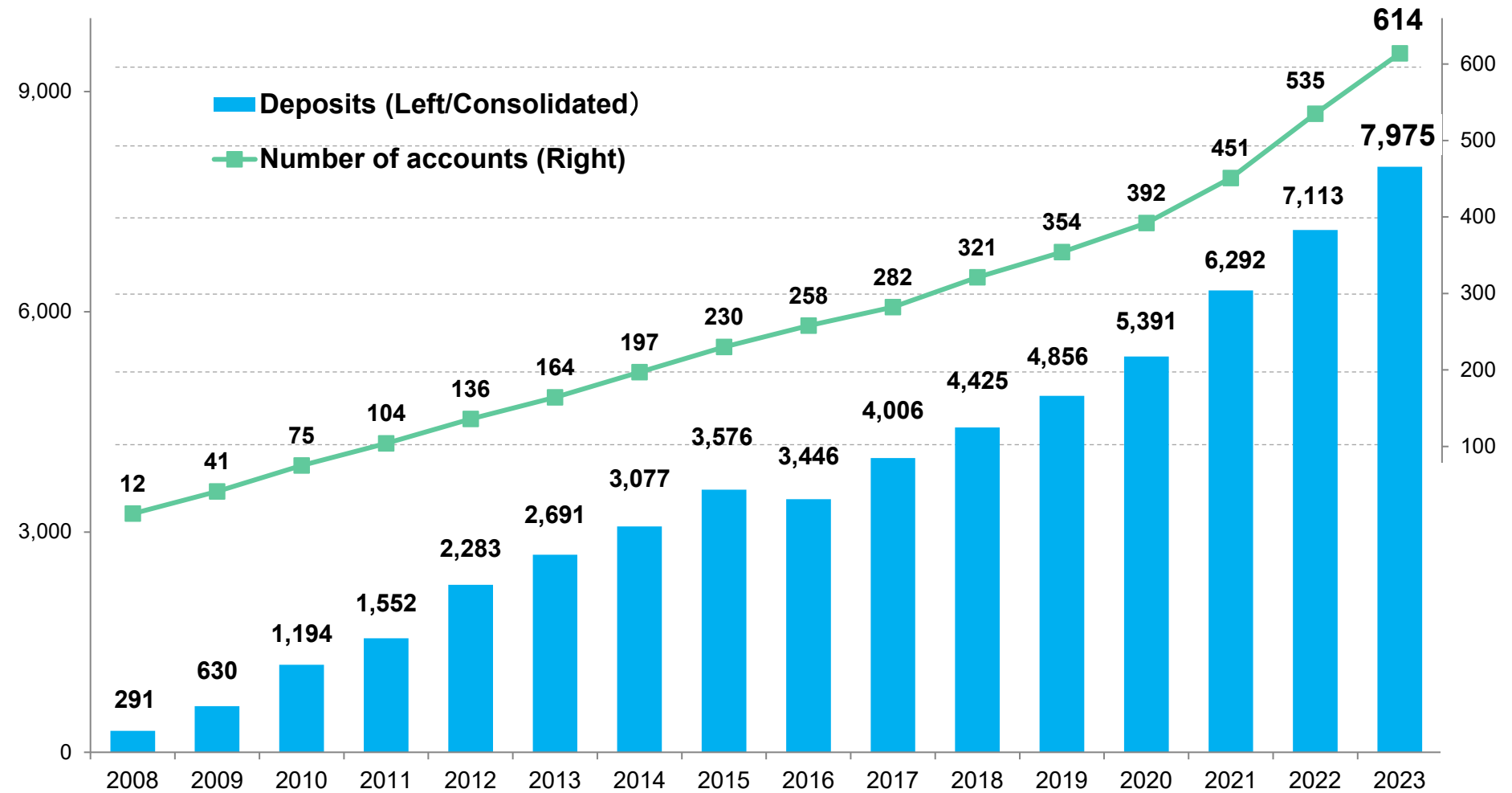


Number of Accounts and Balance of Deposits Since Commencement of Operation of SBI Sumishin Net Bank

Number of accounts: approx. 6.57m / Deposits: JPY 8,639.0bn
(As of the end of Sept. 2023)

(JPY billion)

(10 thousand accounts)

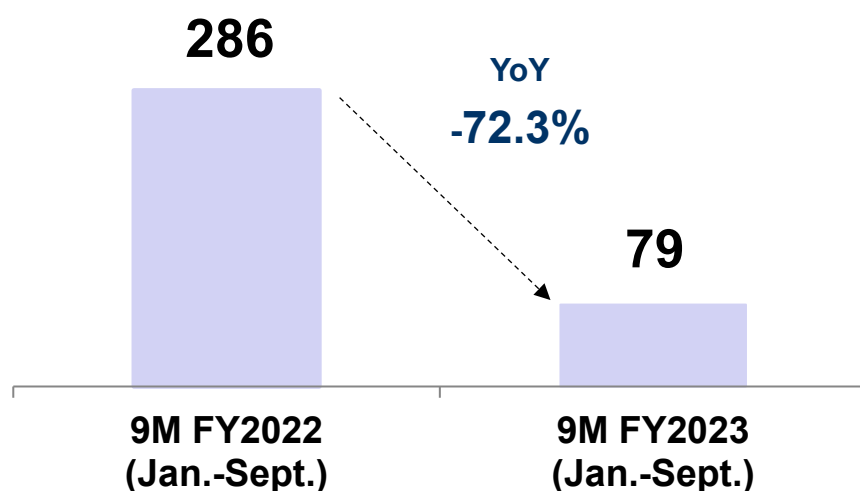


③ SBI SAVINGS BANK (South Korea)

Performance of SBI SAVINGS BANK

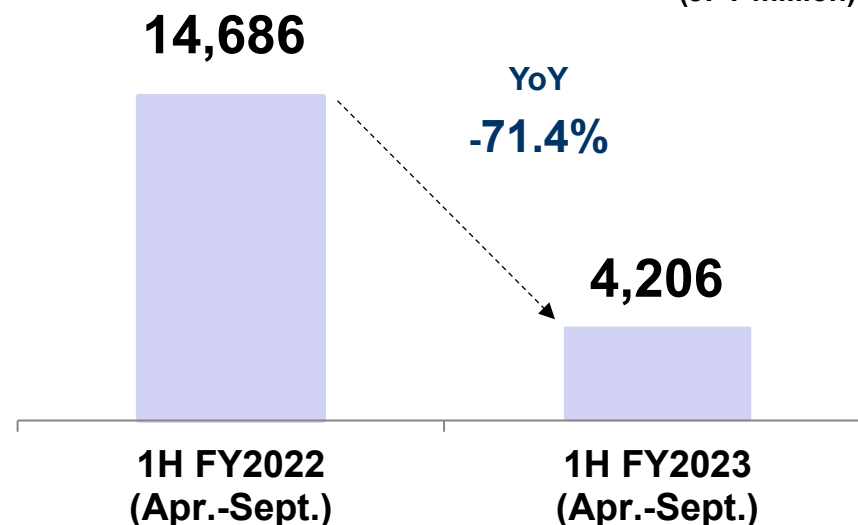
Profit Before Income Tax Expense (KGAAP)

(KRW bn)



Profit Before Income Tax Expense (IFRS)

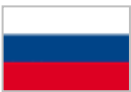
(JPY million)



- Following the previous quarter, 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 capital adequacy ratio improved from **13.4%** at end of March 2023 to **14.5%** (at end of September) due to a reduction in assets at risk owing to a prudent lending policy
- **A (stable) rating** was obtained from the Korean credit rating agency “NICE Credit Rating” and “Korea Credit Rating”, following on from April, in recognition of its business infrastructure and financial stability (Sept. 2023)

④ Other Foreign Banks

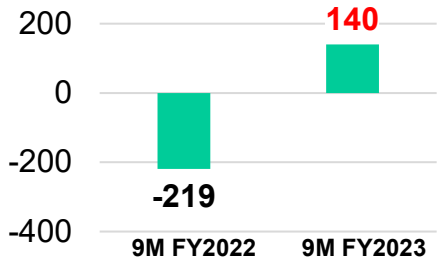
Bank Subsidiaries Focus on Prudent Business Management Based on Market Environment and Local Conditions



SBI Bank (Investment ratio: 90.7%) * RUB 1= JPY 1.55

- A commercial bank with a full banking license in Russia and became a wholly owned subsidiary in Aug. 2017
- Considering the market environment and local conditions, the bank maintains its role as a financial infrastructure for Japanese companies and students from Japan, while significantly downsizing and carefully managing operations so as not to have a serious impact on the SBI Group's profit and loss
- Even under these circumstances, it has sufficient equity capital and liquidity on hand and recorded profit before income tax expense of JPY 140m for 9M FY2023

< Changes in Profit Before Income Tax Expense of each Bank >
(Unit: JPY million)

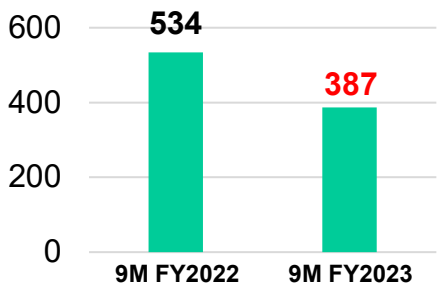


SBI LY HOUR BANK (Investment ratio: 70.0%)

* USD 1= JPY 149.82

- Acquired a medium-sized microfinance company in Cambodia and converted it into a commercial bank in Mar. 2020
- After achieving profitability in its first full-year consolidated financial statements for the fiscal year ended in Dec. 2021, the bank has continued to maintain profitability thereafter (with profit before income tax expense of JPY 387m for 9M FY2023)

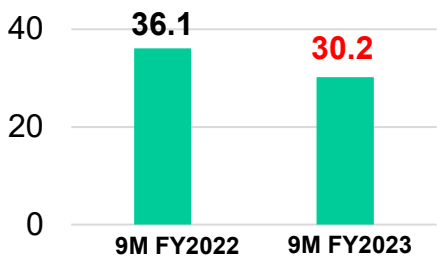
(Unit: JPY million)



TPBank (Investment ratio: 20.0%) * VND 1= JPY 0.0061

- In Feb. 2023, acquired additional share ownership to 20% and made the Company an equity-method affiliate
- Approx. JPY 3bn of profit before income tax expense is recorded in the financial services business based on IFRS adoption in 1H FY2023

(Unit: JPY bn)



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 1H FY2023 (on a J-GAAP basis), increased 9.6% year-on-year to JPY 52,507m
- Due to the contribution of increased premium income, **ordinary profit** increased 16.8% year-on-year to JPY 4,851m, and **profit attributable to parent of the Company** increased 11.6% year-on-year to JPY 1,667m

SBI Insurance Group's Performance

Consolidated results for 1H FY2023 (J-GAAP)

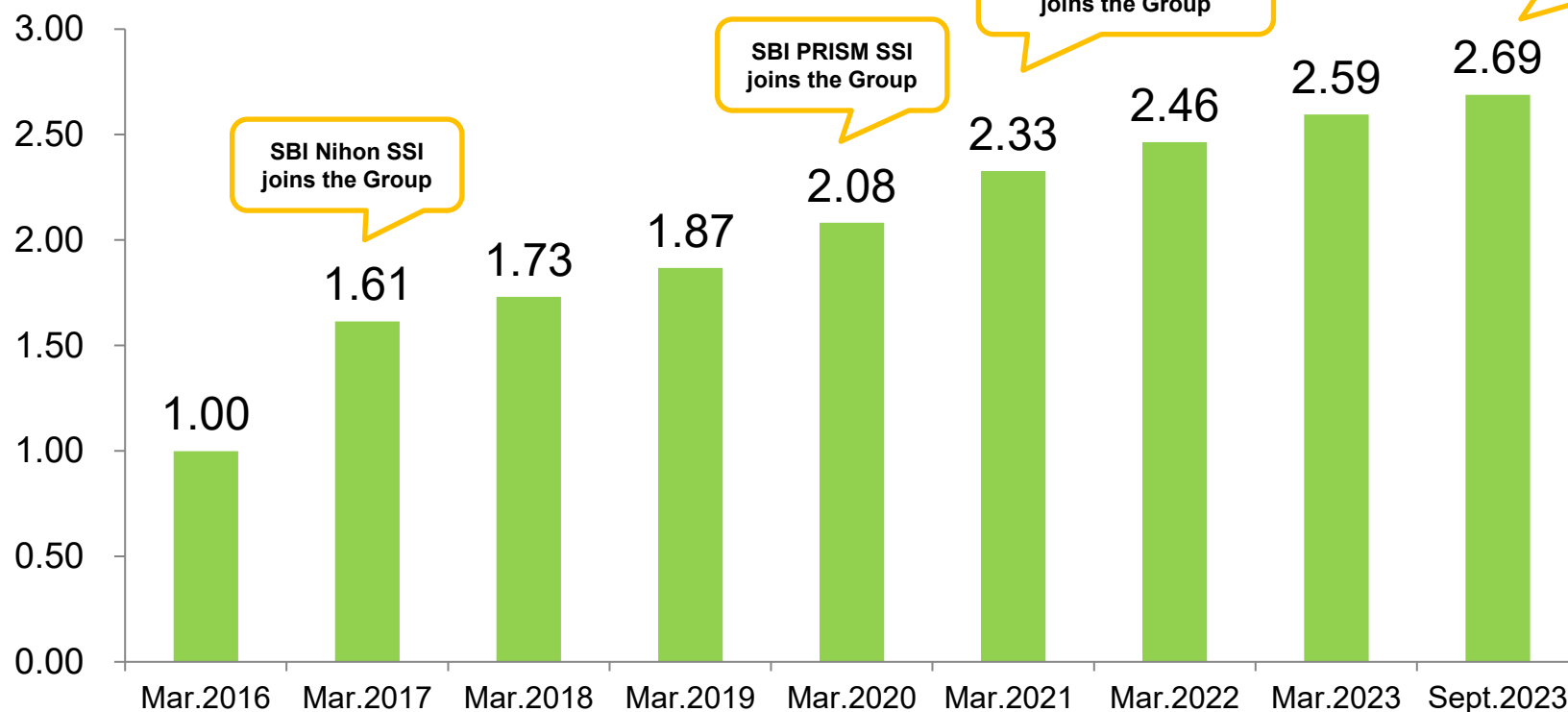
(Unit: JPY million)

	1H FY2022 (Apr. – Sept. 2022)	1H FY2023 (Apr. – Sept. 2023)	YoY % change
Ordinary revenue	47,897	52,507	+9.6
Ordinary profit	4,154	4,851	+16.8
Profit attributable to parent of the Company	1,493	1,667	+11.6

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

CAGR
(From end of Mar. 2016
to end of Sept. 2023) **14.1%**

(million contracts)



2. Asset Management Business

[Major constituent companies]

SBI Global Asset Management (SBIGAM), SBI Asset Management (SBIGAM subsidiary), Wealth Advisor (SBIGAM subsidiary), Rheos Capital Works, SBI Okasan Asset Management

[Asset Management Business Consolidated Results (IFRS)]

(JPY million)

	1H FY2022 (Apr. 2022 - Sept. 2022)	1H FY2023 (Apr. 2023 - Sept. 2023)	YoY (%)
Revenue	8,355	14,050	+68.2
Profit Before Income Tax Expense	1,346	2,151	+59.8

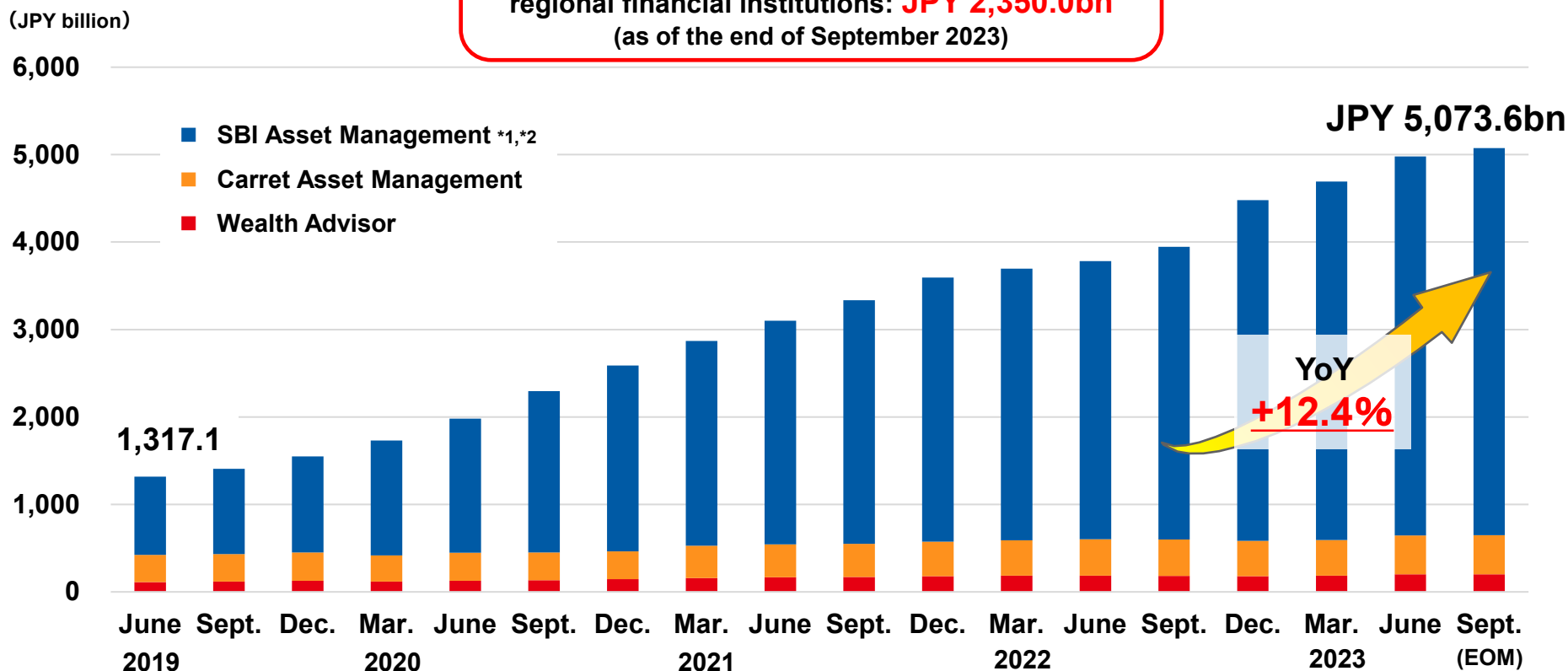
[Business highlights]

- The Asset Management Business achieved **year-on-year growth in both revenue and profit**, partly due to the contribution of **SBI Okasan Asset Management**, which joined the SBI Group in November 2022. Continue to endeavor towards improving profitability through expansion of assets under management
- **Rheos Capital Works** plans to shift to a holding company structure with “**SBI RHEOS HIFUMI Co., Ltd.**” as the wholly owning parent company from April 2024

SBI Global Asset Management Group Has Steadily Increased its AUM

- Balance of Asset Under Management surpasses JPY 5tn -

AUM from institutional investors, which are mainly regional financial institutions: **JPY 2,350.0bn**
(as of the end of September 2023)



*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.

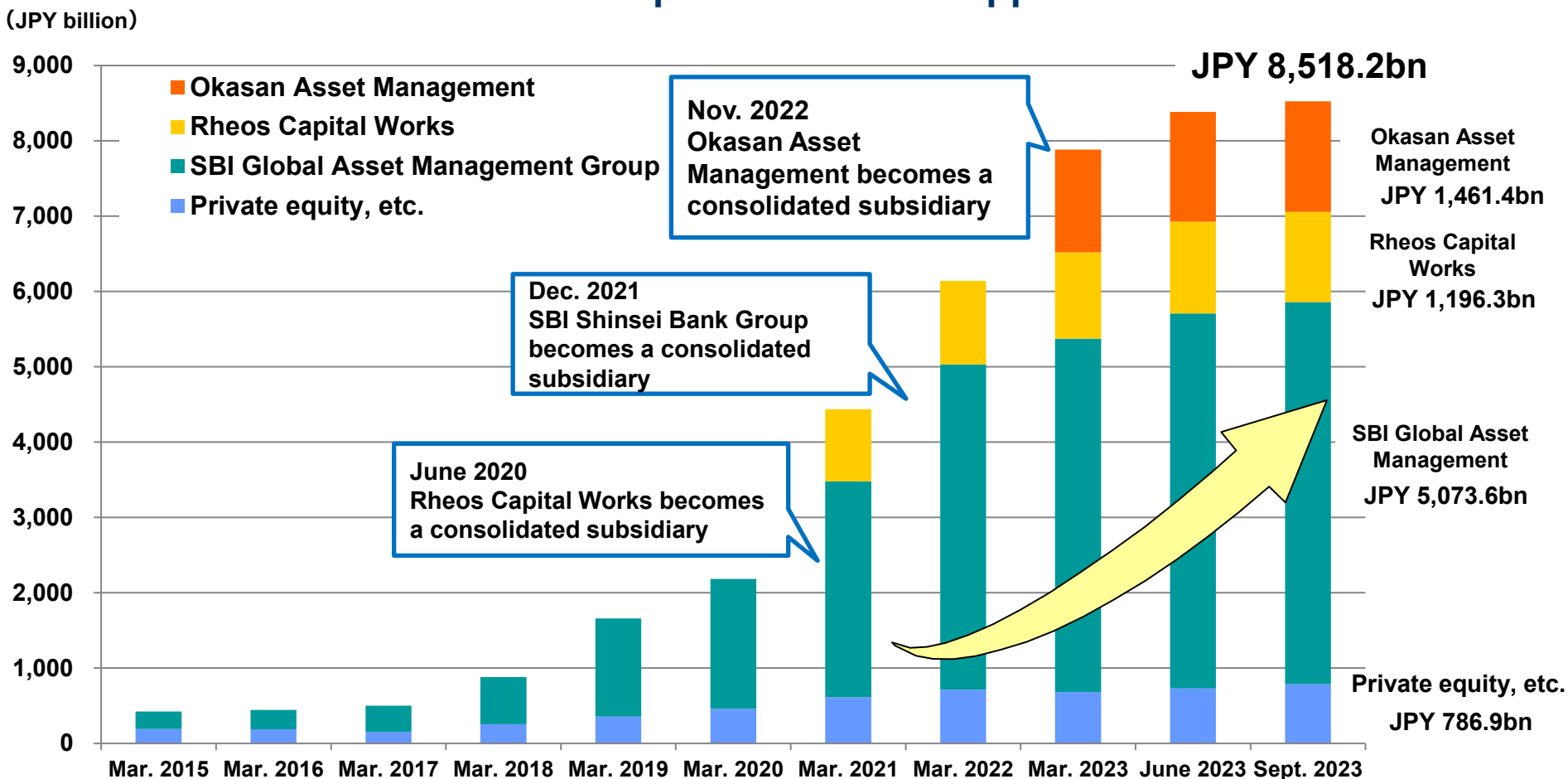
*2 Shinsei Investment Management was made a wholly owned subsidiary by SBI Global Asset Management (formerly, Morningstar Japan) on October 3, 2022.

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

- AUM as of end of September 2023 is approx. JPY 8.5tn -



*1 Calculated at the exchange rate at the end of each month.

*2 Amounts 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 that 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.

3. Investment Business

[Major constituent companies/businesses]

Private Equity Business, SBI Leasing Service

[Investment Business Consolidated Results (IFRS)]

(Unit: JPY million)

	1H FY2022 (Apr.-Sep. 2022)	1H FY2023 (Apr.-Sep. 2023)	YoY % change
Revenue	29,882	56,711	+89.8
Profit before income tax expense	4,794	10,411	+117.2

[Business highlights]

- While the environment for venture company fundraising, especially overseas, remained challenging due to increased uncertainty in the global economy, **Investment Business** achieved **year-on-year increases in both revenue and income**

Profit/Loss from the Change in Fair Value and Profit/Loss on Sales of Investment Business

(Unit: JPY million)

	1H FY2022 (Apr.-Sept. 2022)	1H FY2023 (Apr.-Sept. 2023)	YoY % change
Profit / loss from the change in fair value and profit / loss on sales of investment securities	6,654	15,096	+126.9
<u>Listed Securities</u>	-20,028	4,506	—
<u>Unlisted Securities</u>	26,682	10,590	-60.3

- In the same period of the previous year, the SBI group recorded a fair value loss of approximately JPY 31.4bn due to the decline in stock prices of some overseas listed stocks such as TPBank, a listed stock in Vietnam. (TPBank is an equity-method associate of the SBI group and is classified as Financial Services Business from February 2023.)
- Although the environment for venture capital financing, especially overseas, remains challenging due to increased uncertainty in the global economy, both listed and unlisted companies in the SBI Group's portfolio recorded profit from the change in fair value and profit on the sales of investment securities on sales in 1H FY2023

IPOs and M&As of SBI Group Investee Companies

	Full-year FY2022	Full-year FY2023 prospects
IPO・M&A deals	21	24

During the fiscal year, 12 Companies realized either IPO or M&A

<u>EXIT Date</u>	<u>Company</u>	<u>Market</u>	<u>EXIT Date</u>	<u>Company</u>	<u>Market</u>
Apr. 12, 2023	ispace, inc.	TSE Growth	June 28, 2023	Noile-Immune Biotech Inc.	TSE Growth
Apr. 25, 2023	Rheos Capital Works Inc.	TSE Growth	Aug. 1, 2023	Pixie Dust Technologies, Inc.	NASDAQ
Apr. 26, 2023	MICRO2NANO, Inc.	KOSDAQ	Oct. 4, 2023	kusurinomadoguchi, Inc.	TSE Growth
May 23, 2023	Pamtek Corporation	KOSDAQ	Oct. 13, 2023	MoneyHero Limited.	NASDAQ
June 13, 2023	ABEJA, Inc.	TSE Growth	Oct. 17, 2023	K Pharma, Inc.	TSE Growth
June 27, 2023	Cuorips Inc.	TSE Growth	Nov. 3, 2023	SANIGEN Co., Ltd.	KOSDAQ

* 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 September 2023)

Private equity, etc. JPY786.9bn (*1) Excluding JPY 322.4 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	182.7
Fintech services	119.5
Digital Asset/Blockchain	114.3
Finance	32.8
Biotechnology/Health/Medical	44.6
Environment and Energy related	8.5
Machine/Automobile	20.3
Services	67.2
Retail/Food-service	2.9
Materials/Chemicals	10.9
Construction/Real estate	1.1
Others	4.7
Equity interests in external and non-consolidated funds	49.3
Total	658.9

Breakdown of operating investment securities by region	Amount (JPY bn)
Japan	280.4
China	8
Korea	5.2
Southeast Asia	52.8
India	10.8
U.S.	143.1
Europe	78.2
Others	80.5
Total	658.9

Investment from non-consolidated Group management funds	Amount (JPY bn)
Corporate venture capital (CVC)	27.7
Others (Overseas JV fund, etc.)	100.3
Total	128

Investment trusts, etc.

JPY 7,695.5bn

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

*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 September 2023

*4 Amounts are rounded to the nearest JPY 100m

4. Crypto-asset Business

[Major constituent companies / business]

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

[Crypto-asset Business Consolidated Performance (IFRS)]

(Unit: JPY million)

	1H FY2022 (Apr. 2022-Sept. 2022)	1H FY2023 (Apr. 2023-Sept. 2023)	YoY(%)
Revenue	20,534	16,066	-21.8
Profit Before Income Tax Expense	-12,781	674	—

[Business highlights]

- In the same period of the previous year, temporary losses were recorded due to bankruptcy of some business partners in B2C2 and crypto asset mining businesses. However, in the this first half of the year, due to comparatively stable cryptocurrency market conditions, **the segment recorded a positive profit before income tax expense**
- Continuing efforts will be made to increase profitability through increase in balances of customer crypto assets

5. Next Gen Business (Renamed from Non-financial Business)

[Major constituent businesses]

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

[Next Gen Business Consolidated Performance(IFRS)]

(JPY million)

	1H FY2022 (Apr.- Sept. 2022)	1H FY2023 (Apr.- Sept. 2023)	YoY % change
Revenue	14,379	12,200	-15.2
Profit before Income Tax Expense	584	-2,373	—

[Business highlights]

- Upfront investments increased in cutting-edge technology areas such as Web3 and digital assets due to steady progress in the establishment of infrastructure for global business expansion
- In Biotechnology, Healthcare & Medical Informatics businesses, **5-ALA related business recorded an increase in profit**, mainly due to a narrowing of losses at SBI Pharmaceuticals

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

(JPY million)

	1H FY2022 (Apr.- Sept. 2022)	1H FY2023 (Apr.- Sept. 2023)	YoY % Change
SBI Biotech	80	-30	—
5-ALA-related business	234	257	+9.8
SBI Pharmaceuticals	-691	-444	—
SBI ALApromo	143	24	-83.2
Overseas Subsidiaries	782	677	-13.4

* Simple sum of figures for group companies manufacturing and selling in 5-ALA-related business domestic and overseas

- **SBI Biotech** recorded achieved milestone in SBI-3150, which was out-licensed to ASAHI KASEI PHARMA CORPORATION, in 2Q FY2023, reducing loss in 1Q (JPY -109m)
- In **5-ALA-related business**, **SBI Pharmaceuticals** narrowed its loss due to the expansion of sales of pharmaceuticals and medical devices, and a review of its development strategy. While IPO-related expenses and advertising expenses associated with the launch of new products increased, **SBI ALApromo** achieved YoY revenue growth thanks to sales expansion of OEM business acquired from SBI Pharmaceuticals in February 2023, as well as sales expansion of new and existing own-brand products
- **SBI ALApromo is preparing for listing in FY2025**

II. 2H FY2023 is a time of major macro/semi-macro economic turning points, and SBI Group will implement various initiatives to achieve sustainable growth in this environment

- 1. Promoting business operations with an eye on Japan and overseas monetary policy shifts**
- 2. In the securities business, supporting the “popularization of investment” through implementing “ZERO Revolution” (commission-free online trading of domestic stocks), which is being driven by policies that promote the shift from saving to asset management**
- 3. Actively promoting Investments and business development in the field of digital assets in preparation for the advent of the full-fledged digital world**
- 4. Creating a new business portfolio that will lead to lower performance volatility due to major changes in the business environment, such as financial market fluctuations**

1. Promoting business operations with an eye on Japan and overseas monetary policy shifts

(1) Japan and overseas macro environment

(2) Impact and response of SBI Group of shift in Japan and overseas monetary policy

(1) Japan and overseas macro environment

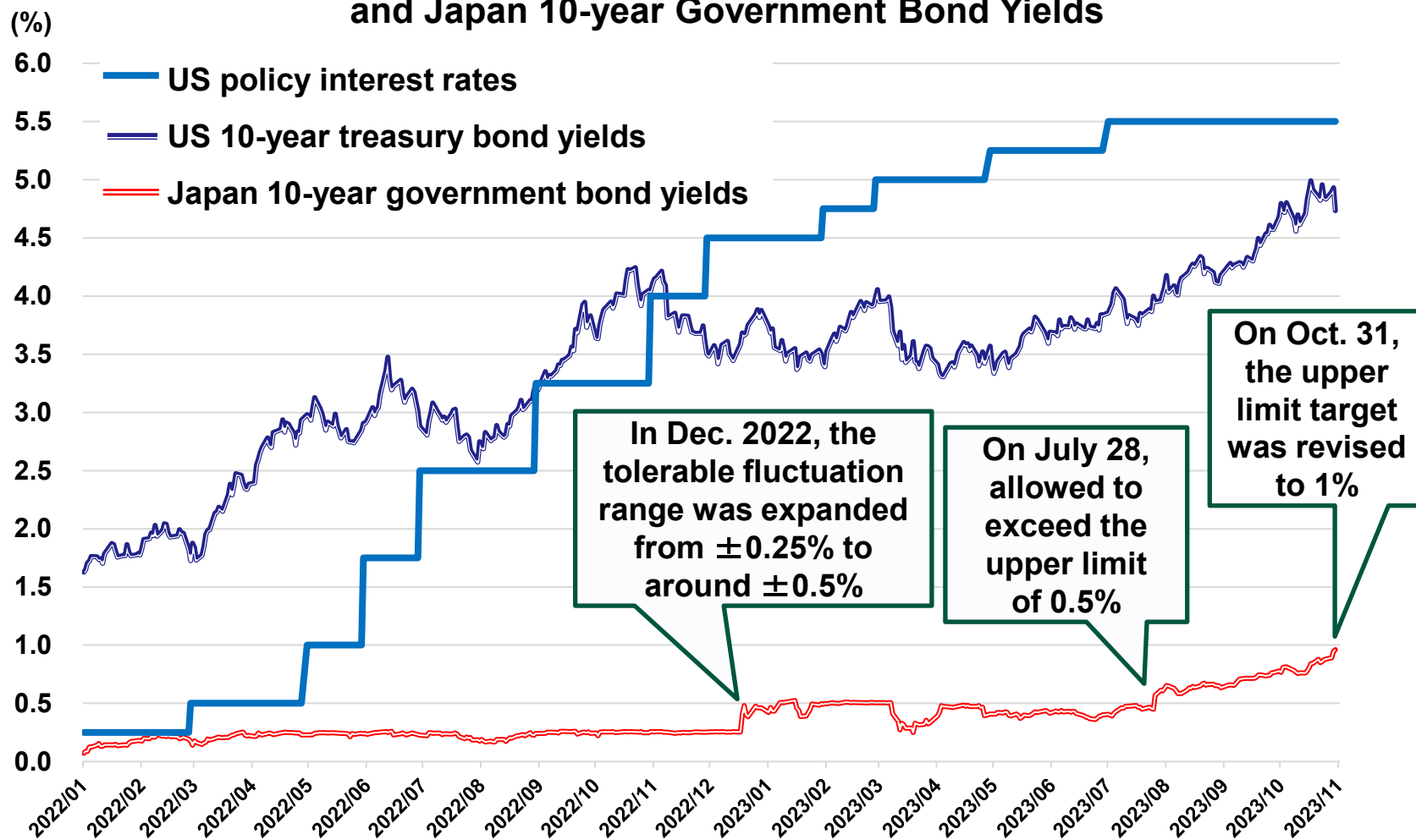
- ① Monetary policies in various countries around the world are entering a major turning point**
- ② Impact of the shift in domestic and foreign monetary policy on the real economy**

- ① **Monetary policies in various countries around the world are entering a major turning point**

Interest Rate Policies in Europe and the U.S. are Reaching a Turning Point and Long-term Interest Rates in Japan are also Begin to Rise

~ Long-term interest rates in Japan are close to 1%
for the first time since May 23, 2013 ~

Changes in US Policy Interest Rates, US 10-year Treasury Bond Yields,
and Japan 10-year Government Bond Yields



Impact of Continued Monetary Tightening in Europe and the U.S. on the Foreign Exchange Market

**Changes in Over-the-counter Foreign Exchange Margin Trading Volume,
USD/JPY and EUR/JPY Exchange Rates
(Apr. 2018 – end of Sept. 2023)**

(JPY)

170

160

150

140

130

120

110

100

(JPY trillion)

4,000

3,500

3,000

2,500

2,000

1,500

1,000

500

0

Continued monetary tightening in Europe and the U.S. has widened the interest rate gap with Japan, and weakened the JPY in the USD/JPY and EUR/JPY currency pairs

- USD/JPY exchange rate (right axis)
- EUR/JPY exchange rate (right axis)
- - - - Over-the-counter foreign exchange margin trading volume (quarterly) (left axis)

Apr. - July - Oct. - Jan. - Apr. - July - Oct. - Jan. - Apr. - July - Oct. - Jan. - Apr. - July - Oct. - Jan. - Apr. - July - Oct. - Jan. - Apr. - July -
June Sep. Dec. Mar. June Sept. Dec. Mar. June Sept. Dec. Mar. June Sept. Dec. Mar. June Sept. Dec. Mar. June Sept.

2018

2019

2020

2021

2022

2023

***Reference “Over-the-counter FX Monthly Report” by The Financial Futures Association of Japan and Bloomberg data**

In FX business, trading activity increases during periods of increased volatility in the foreign exchange market

Rising Global Interest Rates and Japan's Monetary Easing Policies Are Now Reaching a Major Turning Point

[United States]

The Federal Reserve signaled that a run-up in long-term Treasury yields reduces the impetus to raise interest rates again, even as Chair Jerome Powell left the door open to another hike to tame inflation. (ellipsis) In his press conference, Powell said financial conditions have “tightened significantly in recent months driven by higher, longer—term bond yields, among other factors.”

Reference: Bloomberg “Fed Signals Yield Rise Reduces Need to Hike, But Door Still Open” (November 2, 2023)

[Japan]

The Bank of Japan is beginning to feel a positive response to the realization of its 2% price target. In a speech and press conference held on the 6th, BOJ Governor Kazuo Ueda indicated that the Bank of Japan is increasingly confident of achieving its 2% price target. This is because corporate earnings have been strong and expectations for wage increases, which are a prerequisite for stable price hikes, are rising. However, he avoided mentioning a specific timing for the normalization of monetary policy, saying that the certainty of achieving the 2% target is still insufficient.

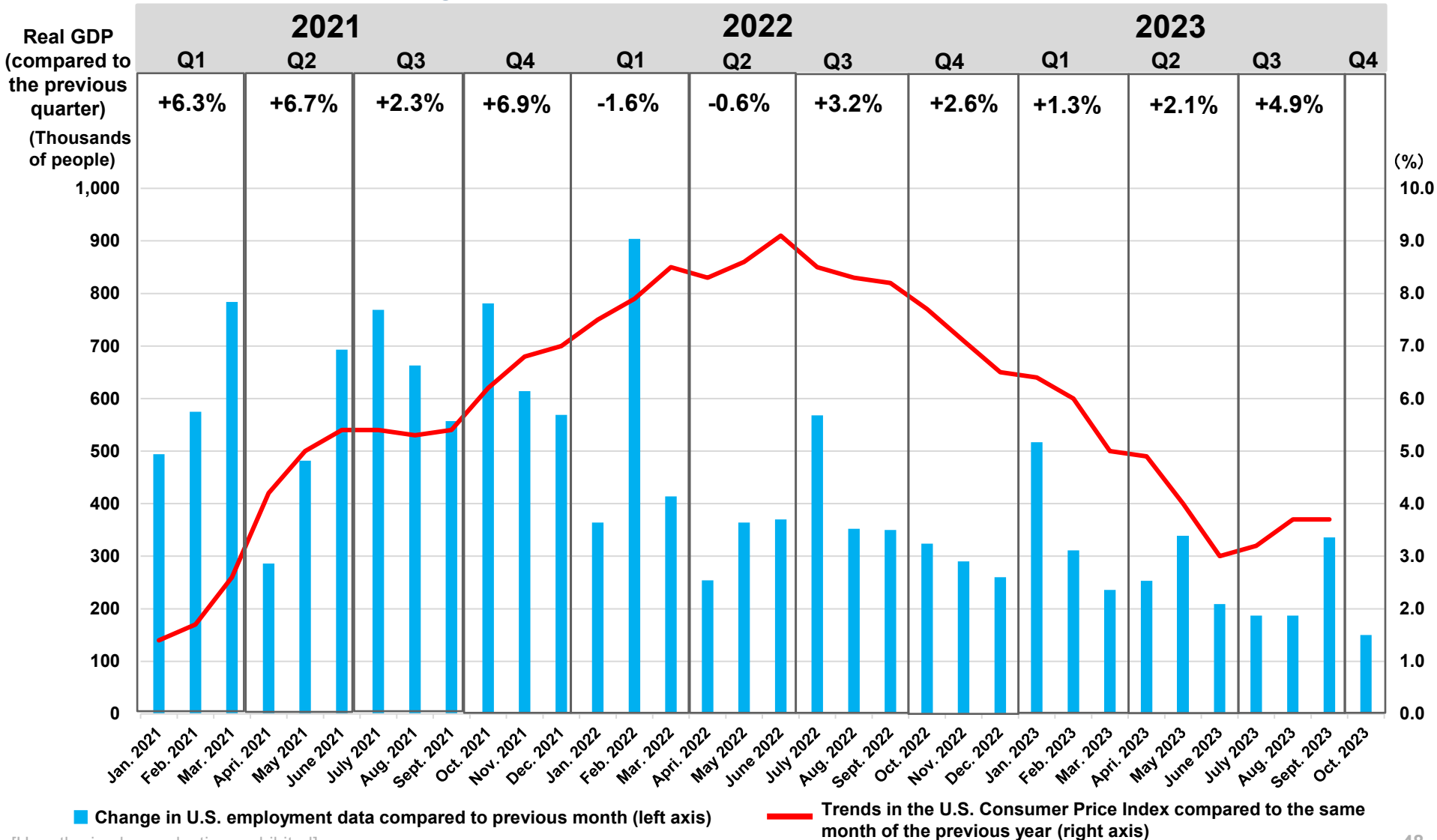
Reference: The Nikkei Electronic Edition (November 6, 2023)

Monetary policy may change in the near term if inflation is controlled in the U.S. and Europe, and if price targets and wage increases are achieved in Japan

② Impact of the shift in domestic and foreign monetary policy on the real economy

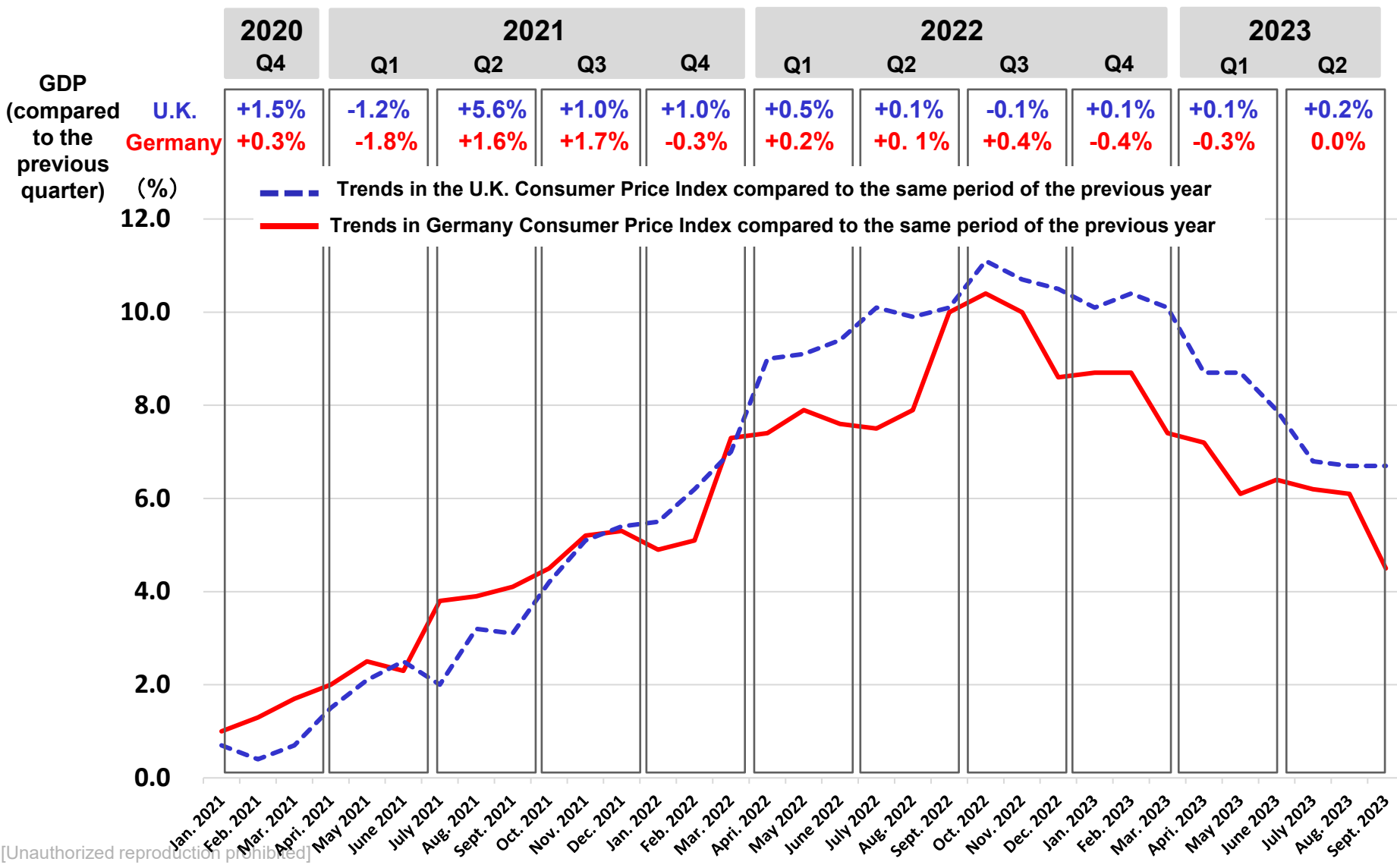
U.S. Employment Statistics, Consumer Price Index, and Quarterly Real GDP

-The U.S. jobs report for October showed that nonfarm payrolls grew by 150,000 month-over-month, down half from September, and the labor market is beginning to show signs of a retreat from overheated conditions-



Consumer Price Index and Quarterly Real GDP in the U.K. and Germany

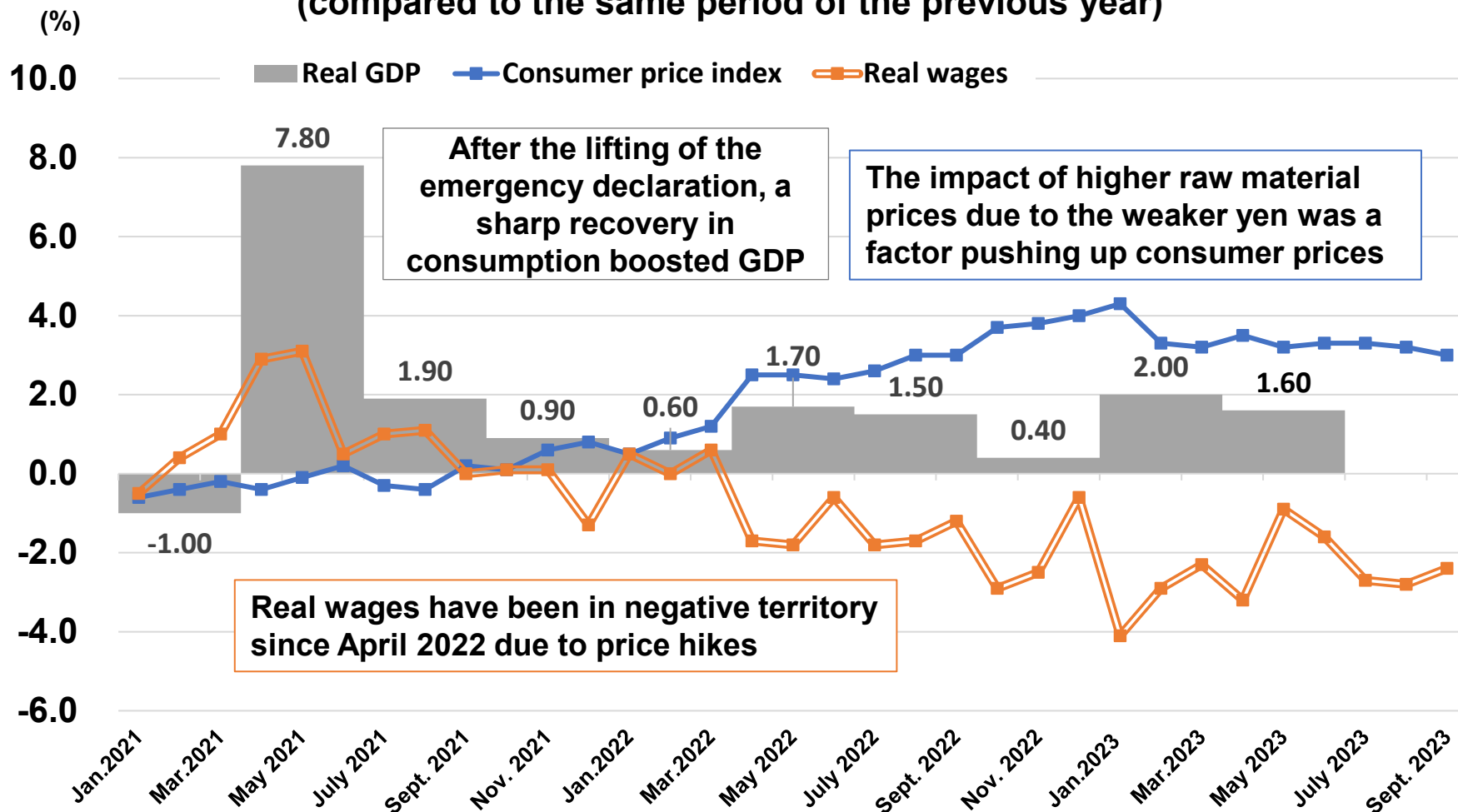
-Real GDP remains sluggish despite the recent effect of interest rate hikes to push down prices-



Trends in Consumer Prices, Real Wages, and Real GDP in Japan

-Real wages continue to decline as consumer prices rise-

**Consumer Price Index and Real Wage Index in Japan
(compared to the same period of the previous year)**



* Compiled by SBI Group based on "Monthly Labor Survey" by Ministry of Health, Labour and Welfare and "Consumer Price Index Based on Year 2020, National, September 2023" by Ministry of Internal Affairs and Communications

(2) Impact and response to SBI Group of shift in Japan and overseas monetary policy

- ① Thoroughly promote measures to strengthen both fund raising and investment in order to increase the profitability of the banking business after the change in monetary policy**
- ② In insurance business, in addition to changes in the interest rate environment, the old-style sales methods of major insurance companies, as seen in the scandals involving used car dealers, have been called into question, providing a tailwind for the Group's insurance companies**
- ③ Focusing on developing products that capture changes in the investment environment, such as interest rates, in the Asset Management Business**
- ④ Volatility in the foreign exchange market will increase due to changes in monetary policy, and trading revenues are expected to continue to grow in the securities business**

- ① Thoroughly promote measures to strengthen both fund raising and investment in order to increase the profitability of the banking business after the change in monetary policy**
- (i) The possible impact of rising interest rates on the business of SBI Shinsei Bank Group and the various initiatives being promoted in response**
- (ii) SBI Sumishin Net Bank's main products is on variable-rate mortgage products, which are expected to be positively affected by rising interest rates**
- (iii) At regional financial institutions in which SBI Group has a stake in, share prices have risen in line with expectations of increased profits from lending and market operations, among other factors, as they promote measures in anticipation of rising interest rates through collaboration with SBI Group**
- (iv) SBI SAVINGS BANK suffered a short-term negative impact on earnings due to a sharp rise in interest rates following monetary tightening in the US, but expects earnings to improve in 2H FY2023 and beyond as the macro environment improves**

(i) The possible impact of rising interest rates on the business of SBI Shinsei Bank Group and the various initiatives being promoted in response

Impact of Rising Interest Rates on SBI Shinsei Bank Group Business

Rises in short- and long-term rates can widen spreads and provide a direct boost to revenue expansion

✓ **Retail & corporate business:**

While cost increases on the fund procurement side are limited, on the lending side we expect increased income centered on corporate loans and housing loans businesses, for a positive effect overall

Corporate loans:

Due to central use of a variable interest rate model linked to short-term interest rates, effects are positive when these short-term rates rise

Housing loans:

Having variable interest rate products at the core has created a positive effect from rising rates, both short- and long-term

Unsecured loans:

A fixed ceiling of 18% limits positive effects from rising interest rates in both the short and long term

Leasing and shopping credit:

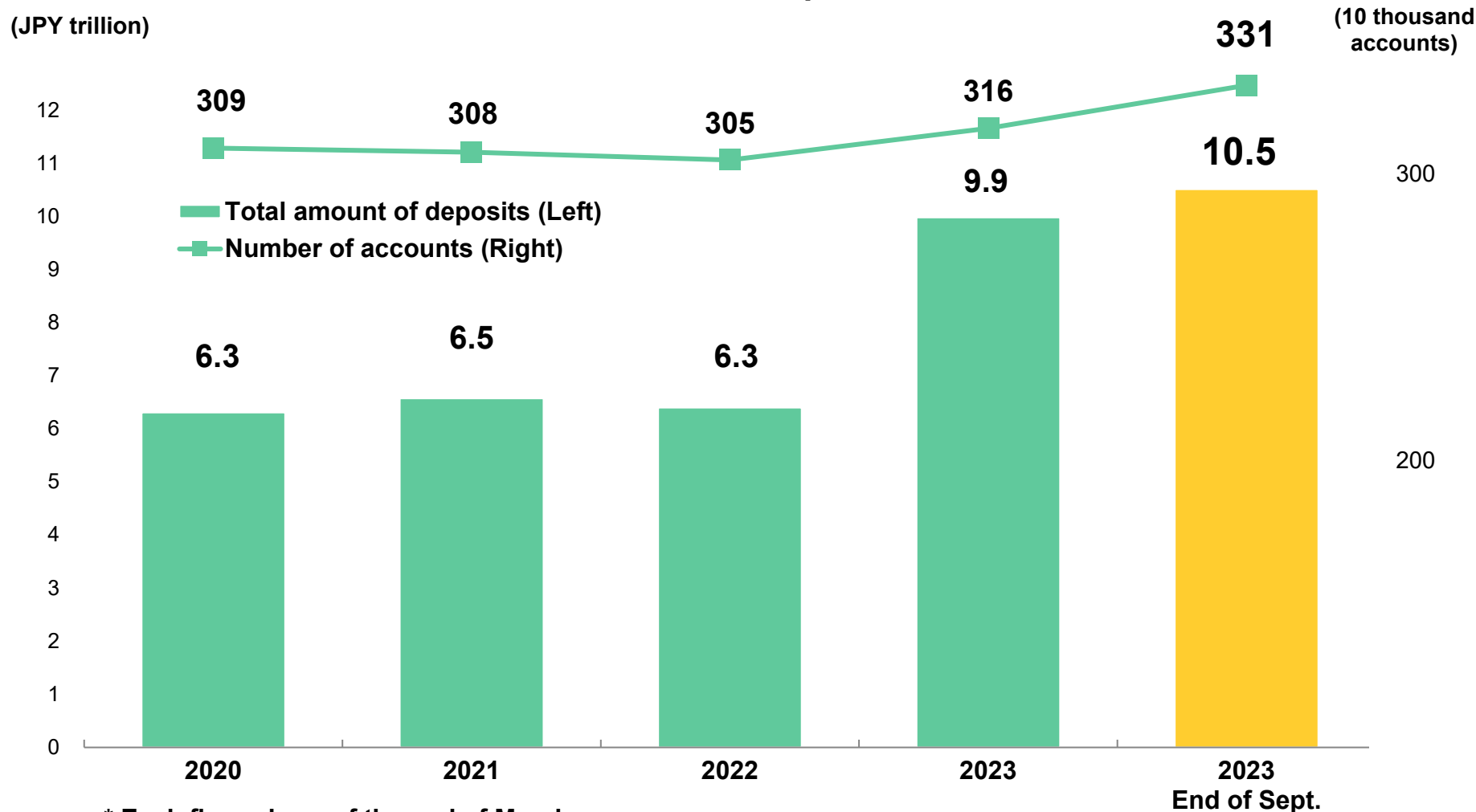
Predominance of fixed-rate contracts has limited the short- and long-term impacts, but positive effects are expected depending on future price transfers

✓ **Market business:**

Expecting a positive revenue effect from higher yields on reinvestment. At the same time, projecting expanded valuation losses on fixed-income domestic bonds held and higher costs for funds procured from the market

SBI Shinsei Bank is Expanding Its Customer Base and Building up Deposit Balances Ahead of Future Interest Rate Increases

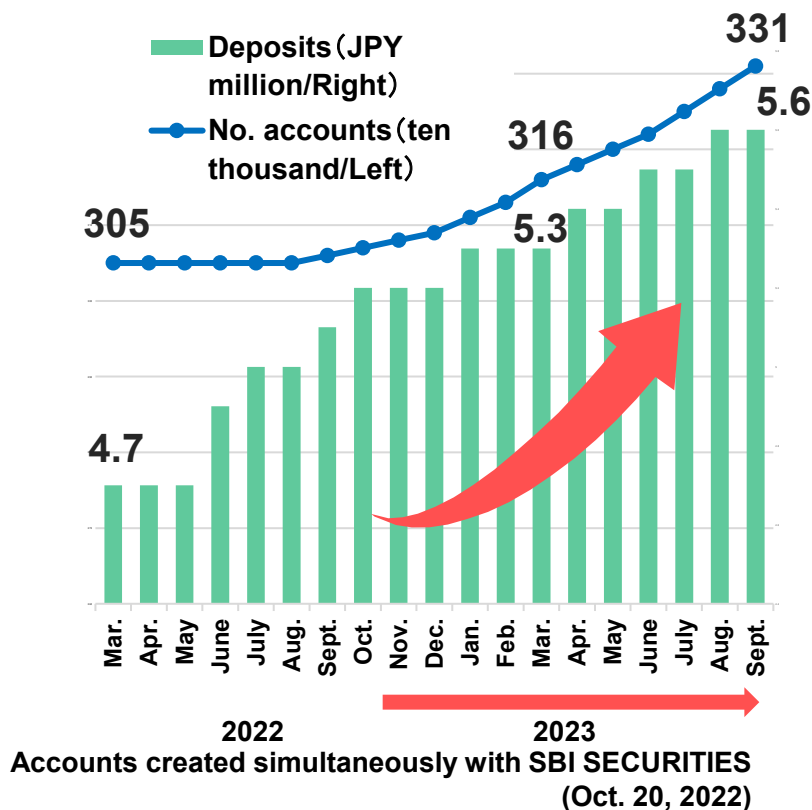
<Number of Retail Accounts and Deposits at SBI Shinsei Bank>



A Major Expansion of the Customer Base through a Bank-Securities Link with SBI SECURITIES

- ✓ For SBI Shinsei Bank, the simultaneous opening of accounts with SBI SECURITIES **has accelerated growth in deposit accounts** since October 2022
- ✓ New customers, including the **60% or so** coming over from SBI SECURITIES, have an average age of **39.8**. **Together with other factors, this steadily expands the capturing of younger age groups to form the core of the future customer base**

<Retail accounts & deposits>



Oct. 5 — another large increase in USD time deposit rates ahead of other banks
(5.3% per year → 6.0% per year)

Implemented a series of successful **reviews of products and services**, resulting in higher deposit interest rates and waiving all ATM fees at convenience stores, etc.

- ✓ **Foreign currency deposit/withdrawal function between banks and securities companies scheduled for release in November**
- ✓ **A future of increased linkage with SBI SECURITIES to respond to diverse requirements**

Steady Expansion of Cooperation between SBI Shinsei Bank and SBI MONEYPLAZA which Provides In-person Retail Stores

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

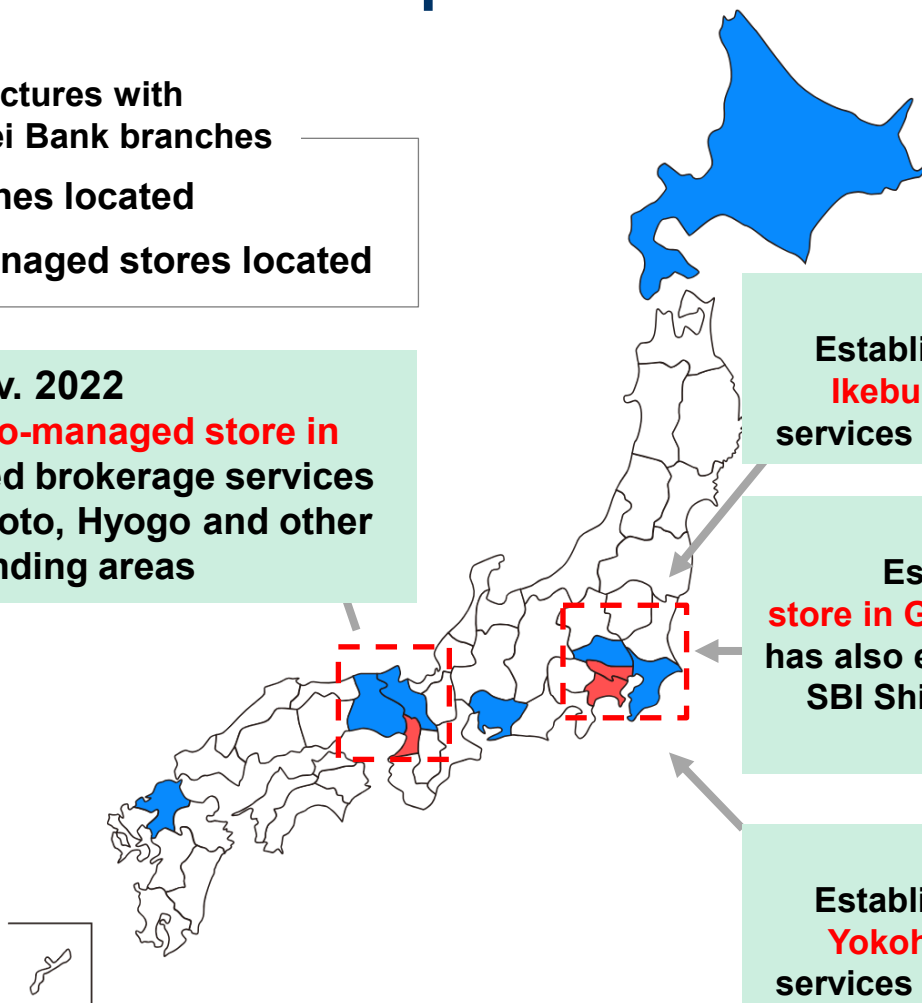
Established **a co-managed store in Ikebukuro** and started brokerage services covering the surrounding area

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”**

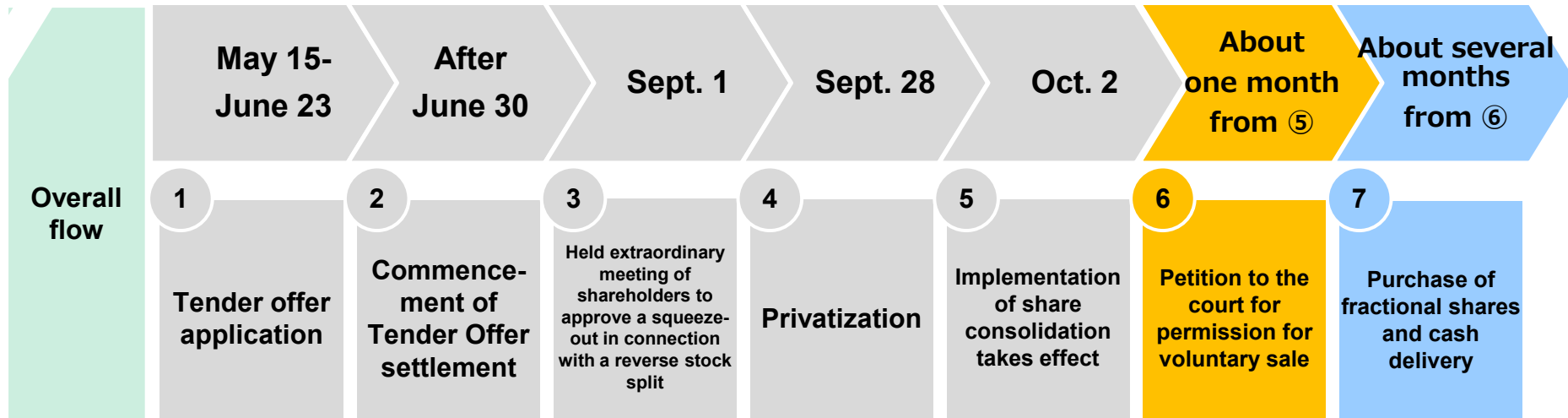
July 2023

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



The amount of AUM at the joint branches have steadily expanded, **increasing by approx. JPY 120bn in just over a year since its start**

Increasing the Shareholding of SBI Shinsei Bank Shares to Increase Management Flexibility



- ✓ SBI Group plans to purchase fractional shares at an amount equivalent to the price at the time of the Tender Offer (**JPY 2,800 per share** before the reverse stock split)
- ✓ The purchase of fractional shares (worth approx. JPY 19.3bn) arising from the Deposit Insurance Corporation of Japan's share as a result of the squeeze-out **will be treated as a repayment of public funds**
- ✓ Regarding the purchase of fractional shares, from the viewpoint of maintaining a proper capital adequacy ratio, **There is a possibility that SBI Regional Bank Holdings may accept the bank's third party allotment of new shares** with a view to maintaining SBI Shinsei Bank's adequate capital base, in which case **the Group's voting rights ratio is expected to increase further from the current 62.5%**
 ⇒ **The management flexibility** of SBI Shinsei Bank will be **increased** and the profit taken in from SBI Shinsei Bank on a consolidated basis by the Company is expected to increase

Seeking to further Expand the Corporate Customer Base through the SBI Group's "Fourth Megabank concept"

"Fourth Megabank concept"

Pursue the benefits of **improvements in efficiency and the expansion of our business scope through wide-ranging collaboration** between SBI Group and regional financial institutions nationwide. Regardless of whether there is a capital relationship, the SBI Group seeks to **become a wide-area regional platform** with the SBI Shinsei Bank as its core

- Contribute to sustainable growth in each region through regional financial institutions-

- ✓ The SBI Group already has various alliances with **over 100 regional financial institutions nationwide**
- ✓ Steady expansion of **cooperation with regional financial institutions, particularly in corporate lending**, which is SBI Shinsei Bank's strengths

Expand SBI Shinsei Bank's corporate network to regional financial institutions and regional companies

SBI Shinsei Bank's Achievements as a Platformer Steadily Materialize



SHINSEI BANK (Case study in SBI Shinsei Bank)

*Each figure is the end of
Sept. 2023

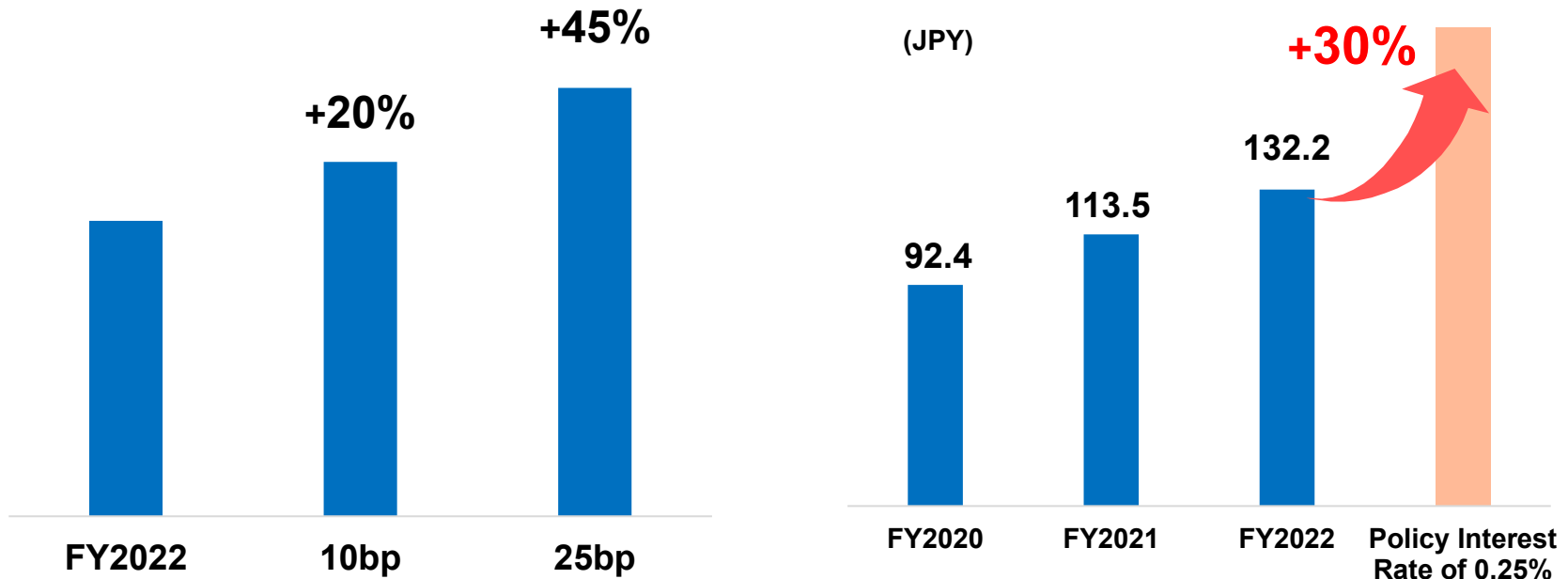
- ✓ **Co-financing for local companies arranged by regional banks**
⇒ In cooperation with regional banks, Loans **totaled JPY 13.0bn** (including unused loans and contractual facilities) and extended to **24 companies**, who are the main clients of the banks
- ✓ **Regional bank participates in loan deals arranged by SBI Shinsei Bank**
⇒ In 1H FY2023, the amount was approx. **JPY 180bn** for **67 banks**
The number of banks has increased to a cumulative total of **83**
- ✓ **Collaboration focusing on sustainable finance**
⇒ Using the Sustainable Finance Framework, etc. developed by SBI Shinsei Bank, approx. **JPY 438.7bn** of finance was arranged in 1H FY2023
- ✓ **Contribution to regional development in collaboration with SBI Regional Business Succession Investment (SBI RBSI)**
⇒ The initiative **supports regional revitalization from a financial perspective** through **the execution of LBO financing**, etc., for the regional business succession fund managed by SBI RBSI. In September, financing was provided to a building maintenance company in Miyagi Prefecture, and is planned for a building construction company in Kanagawa Prefecture and others in the future

(ii) SBI Sumishin Net Bank's Main Products is on Variable-Rate Mortgage Products, Which are Expected to be Positively Affected by Rising Interest Rates

- ✓ **Over 92% of mortgage loans**, which account for the majority of loans, are linked to the short-term prime rate
- ✓ If the zero-interest rate is lifted and the policy interest rate becomes 0.25%, **we assume no decline in demand or increase in defaults**, EPS is estimated to **rise 30%** under certain assumptions

<Estimated Impact on Earnings>

<EPS>



Note: Liabilities are estimated assuming a market interest rate tracking rate of 50%. Assets including short-term prime rate are estimated assuming a market interest rate tracking rate of 100%

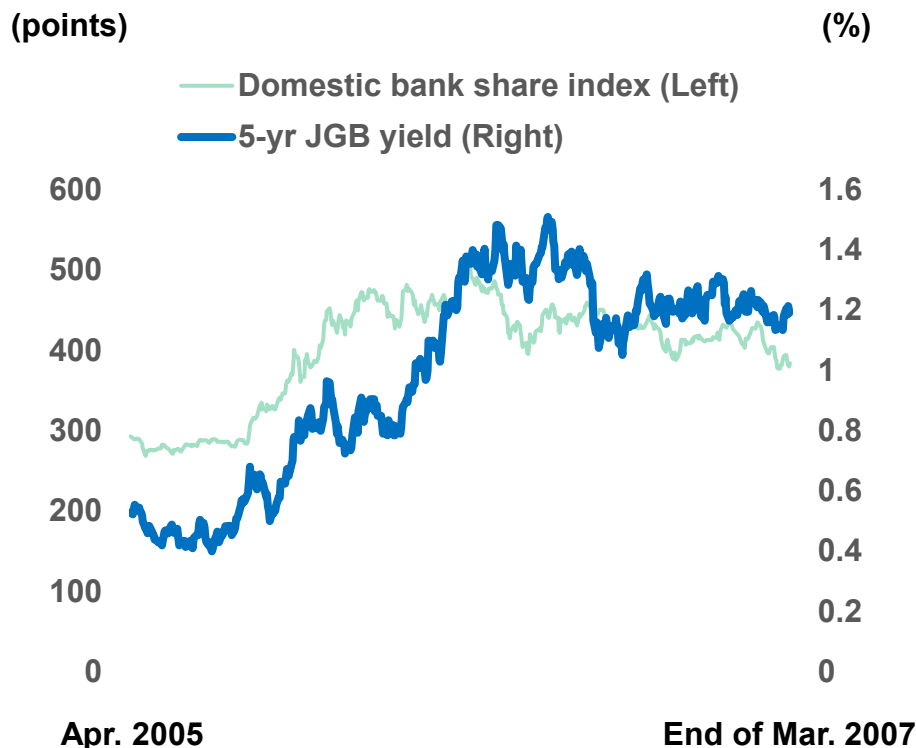
- (iii) At regional financial institutions in which SBI Group has a stake in, share prices have risen in line with expectations of increased profits from lending and market operations, among other factors, as they promote measures in anticipation of rising interest rates through collaboration with SBI Group**

Past Phases of Domestic Policy Rate Hikes and the Current Situation are Very Similar

<Changes in the domestic bank share index* and JGB yields>

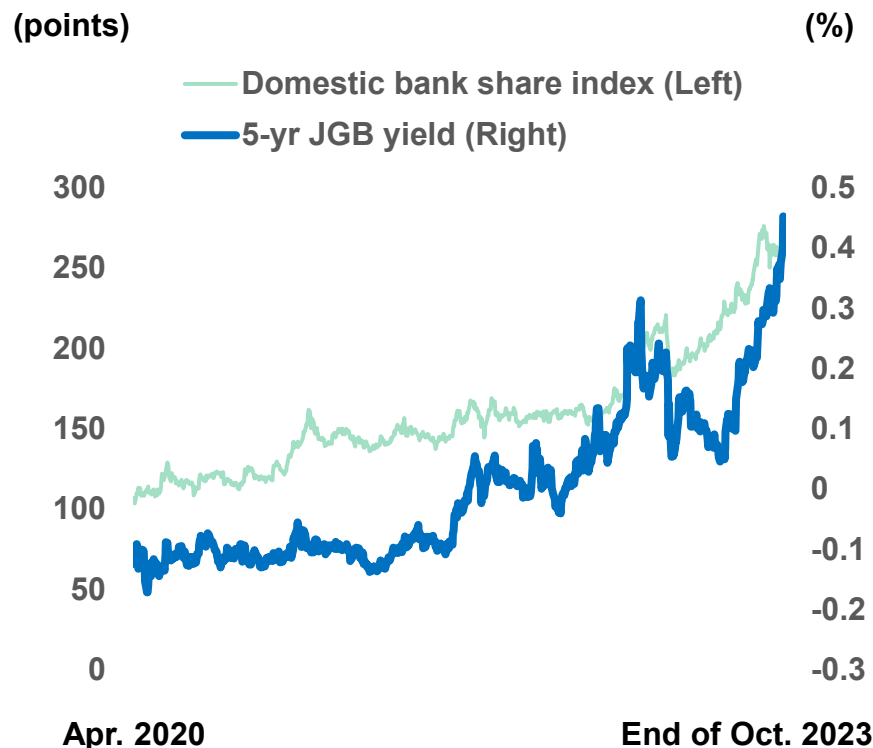
[April 2005 – end of Mar. 2007]

Correlation coefficient is **0.80**



[April 2020 – end of Oct. 2023]

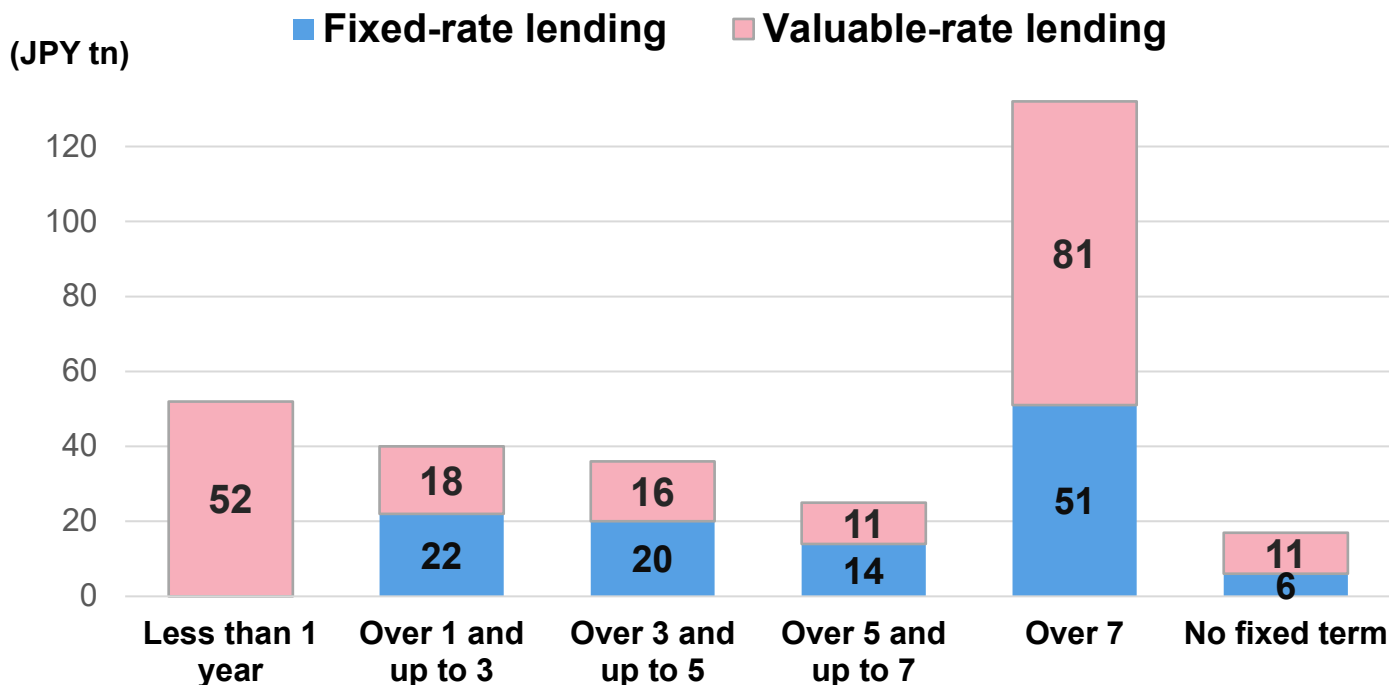
Correlation coefficient is **0.92**



(*) This indicator shows the share price trend in the banking sector of the TPX (Tokyo Stock Price Index)

The Variable Lending Ratio of Regional Financial Institutions, Including Loans with a Remaining Maturity of a Year or Less, has Reached **63%**

<Outstanding Variable and Fixed Rate Loans of Regional Financial Institutions by Residual Maturity>



Note: All loans with a remaining term of a year or less are regarded as “variable-rate loans”

Source: Compiled by Triglav Research

Expected increase in interest income from funds as interest rates rise, in cases where the interest rate tracking rate on deposits is low

Comparison of P/B Ratio of Each of the SBI Group's Capital and Business Alliance Partners at the Time of the Alliance Announcement and at the Most Recent Date

Major share-holder 【The Shimane Bank】
 島根銀行
 (Sept. 6, 2019)
 Voting rights-based shareholding ratio: 33.7%

when announced(*1)	Nov. 8 (*2)
0.19	0.43

Major share-holder 【The Fukushima Bank】
 福島銀行
 (Nov. 11, 2019)
 Voting rights-based shareholding ratio: 17.9%

when announced(*1)	Nov. 8 (*2)
0.20	0.30

【THE CHIKUHO BANK】
 あなたのまちの 筑邦銀行
 (Jan. 17, 2020)
 Voting rights-based shareholding ratio: 2.9%

when announced(*1)	Nov. 8 (*2)
0.29	0.27

【The Shimizu Bank】
 清水銀行
 (Feb. 18, 2020)
 Voting rights-based shareholding ratio: 2.4%

when announced(*1)	Nov. 8 (*2)
0.26	0.25

【THE TOWA BANK】
 ふれあいバンク TOWA 東和銀行
 (Oct. 23, 2020)
 Voting rights-based shareholding ratio: 1.0%

when announced(*1)	Nov. 8 (*2)
0.22	0.23

Major share-holder 【Jimoto Holdings】
 じもとホールディングス
 (Nov. 20, 2020)
 Voting rights-based shareholding ratio: 17.0%

when announced(*1)	Nov. 8 (*2)
0.36	0.60

【Tsukuba Bank】
 筑波銀行
 (May. 14, 2021)
 Voting rights-based shareholding ratio: 0.7%

when announced(*1)	Nov. 8 (*2)
0.18	0.41

【THE TAIKO BANK】
 大光銀行
 (May. 12, 2022)
 Voting rights-based shareholding ratio: 2.8%

when announced(*1)	Nov. 8 (*2)
0.15	0.19

(): Date of partnership announced

(*1) Calculated by SBI Group based on the latest net assets per share based on each bank's announcement prior to the date of the alliance announcement and the closing price of the stock on the day before the announcement

(*2) Calculated by SBI Group based on net assets per share at the end of the fiscal year ending March 31, 2023 and the closing stock price on November 8, 2023

(*) The percentage of voting rights is as of the end of March 2023

Share Prices Rose across the Board at Each of SBI Group's Capital and Business Alliance Partner Banks, against a Backdrop of Changes in Interest Rate Policy, Combined with the Promotion of Digitalization

BOJ decided to make the operation of its yield curve control policy more flexible at the Monetary Policy Meeting on July 28, 2023



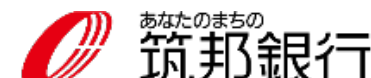
【The Shimane Bank】

July 28	Nov. 2
JPY 514	JPY 549



【The Fukushima Bank】

July 28	Nov. 2
JPY 225	JPY 272



【THE CHIKUHO BANK】

July 28	Nov. 2
JPY 1,385	JPY 1,442



【The Shimizu Bank】

July 28	Nov. 2
JPY 1,552	JPY 1,705



【THE TOWA BANK】

July 28	Nov. 2
JPY 581	JPY 703



【Jimoto Holdings】

July 28	Nov. 2
JPY 415	JPY 497



【Tsukuba Bank】

July 28	Nov. 2
JPY 217	JPY 306



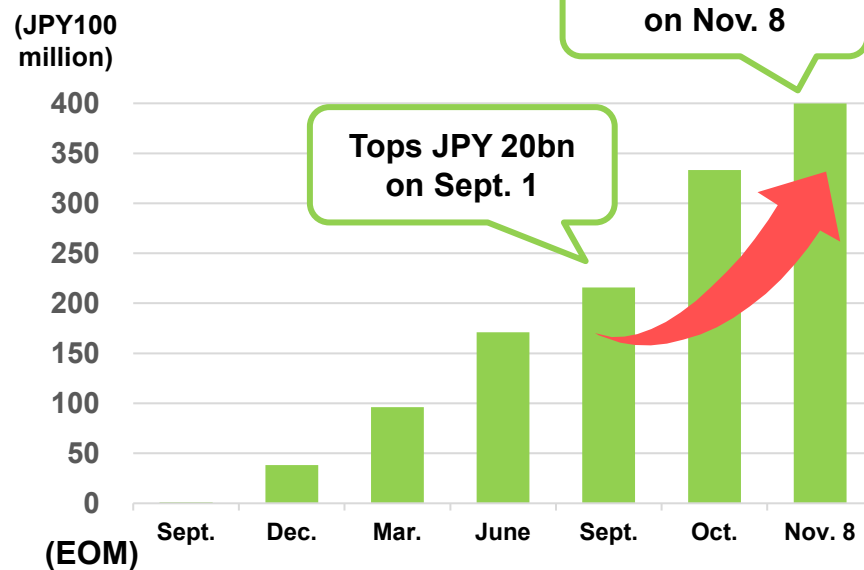
【THE TAIKO BANK】

July 28	Nov. 2
JPY 1,158	JPY 1,492

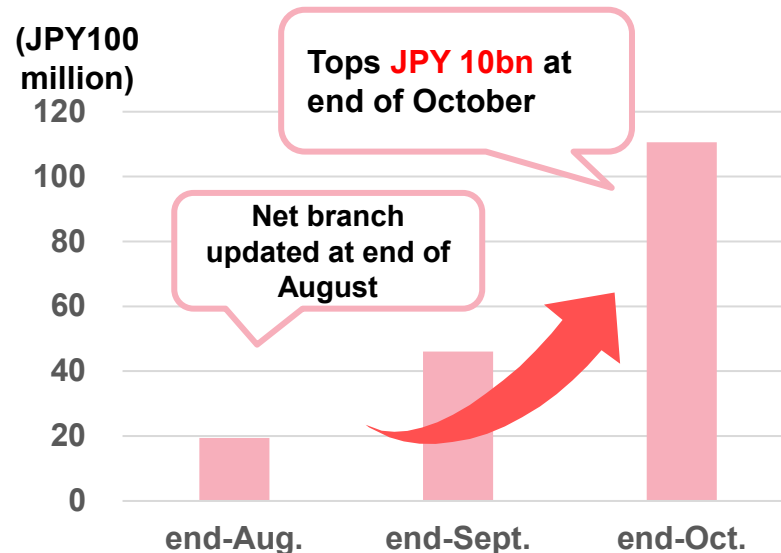
Aggressive Efforts to Acquire Deposits in Order to Further Strengthen Fund Management Based on Cooperation with SBI Group

- ✓ Through such characteristic measures as paying the industry's highest level of interest on ordinary deposits (0.25%) and **eliminating ATM fees**, deposit balances at the **"Shimaho!" smartphone branch** rolled out by The Shimane Bank under collaboration with the SBI Group, reached **JPY 20bn** by September 2023—just one year from opening—and topped **JPY 40bn** on November 8
- ✓ Under collaboration with the SBI Group, The Kirayaka Bank has rolled out its Net Kiryakasakuranbo Branch. After an update at the end of August, on September 1 the net branch started offering a **1.0% interest rate** on (limited period) time deposit products available only at its net branch. In only two months, deposit balances have surpassed **JPY 10bn**

<Shimaho! deposit balances>

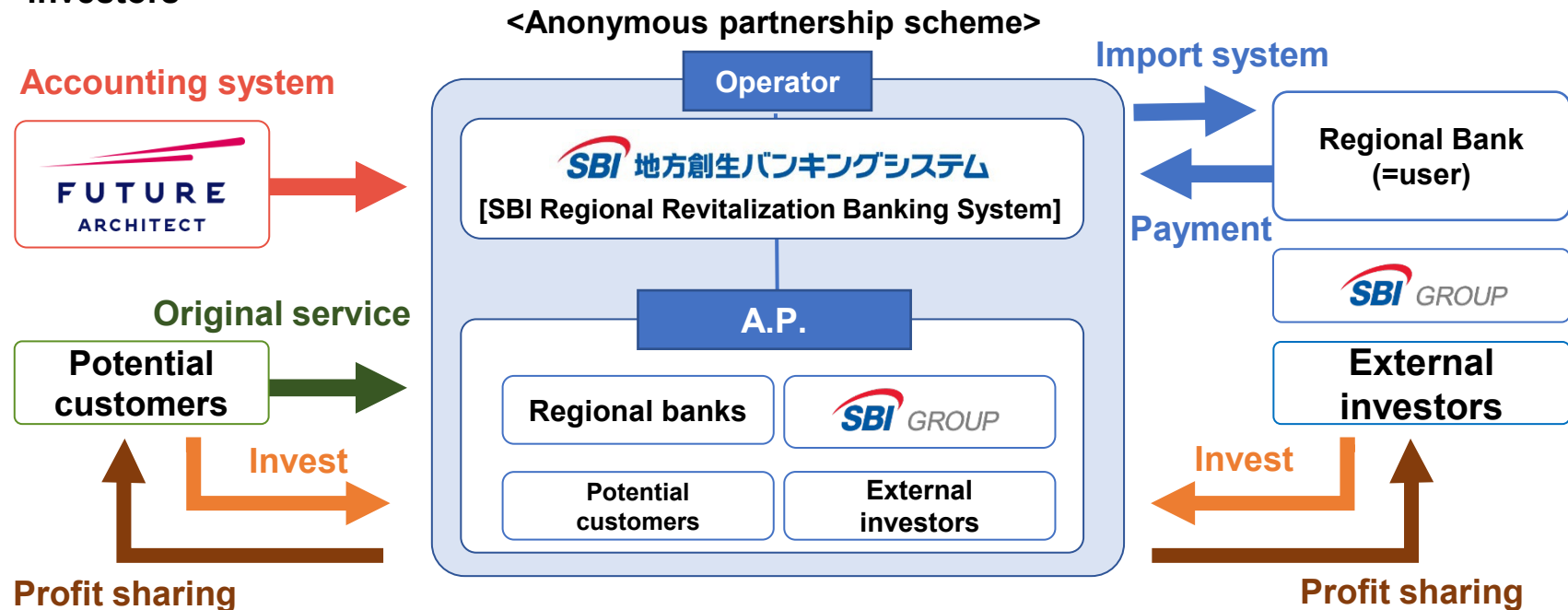


<Net Kirayaka sakuranbo Branch deposit balance>



Significantly Reduce System Costs and Radically Reform Operations through the Provision of **Next-Generation Banking Systems**

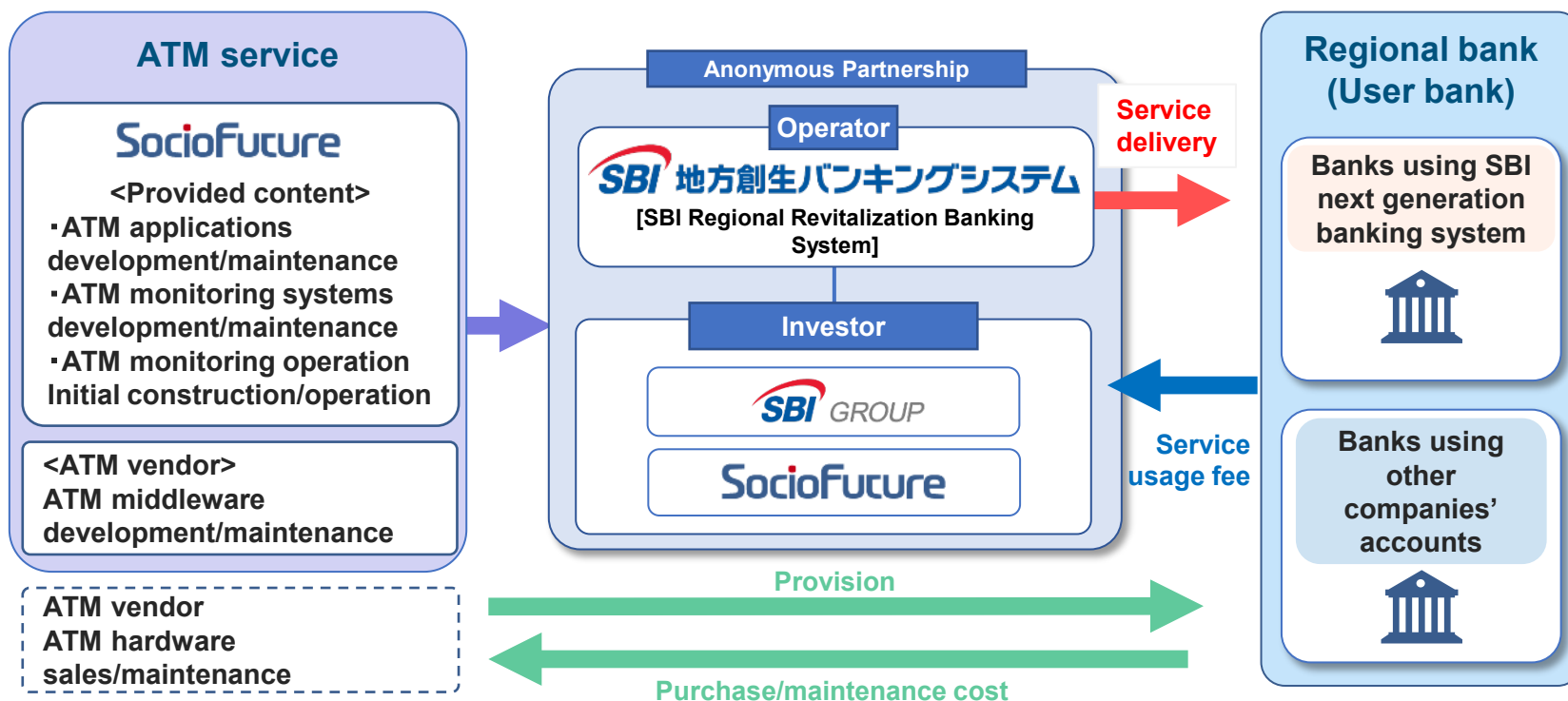
- ✓ SBI Regional Revitalization Banking System and Future Architect have formed a business alliance to promote the development of a next-generation banking system, including an account system that can be operated on using cloud environment
- ✓ The system will be **designed and built on AWS to achieve 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 fund raising, **endeavor to level out the system cost burden through an annual fee model**, and to return profits through dividends to investors



Full-scale operations at Fukushima Bank as the first phase, **are planned for 2024**

Launch of the **SBI Common ATM Service** to Contribute to the Reduction of System Costs for Regional Banks

- ✓ **Common specifications for ATM applications, monitoring and operation** minimize individual development for each bank and reduce operating costs
- ✓ **THE SENDAI BANK and Kirayaka Bank started operation** on Nov. 1, 2023; all ATMs will be replaced in turn over the course of Mar. 2024
- ✓ Cost savings from the introduction of the system are expected to be around **JPY 800m over 10 years in total** for the two banks combined



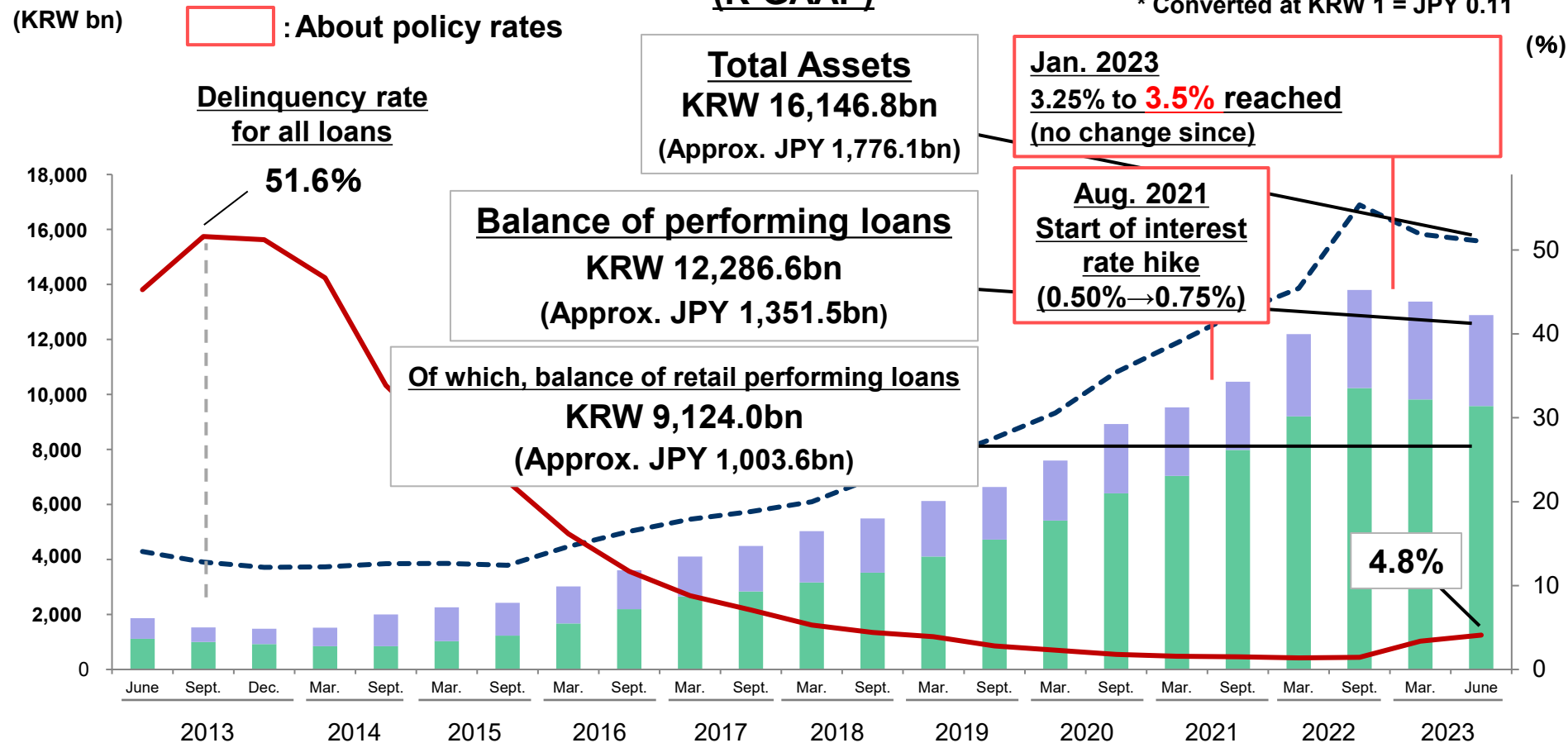
APIs will enable connection to other systems and the implementation of new services at low cost and speed

- (iv) SBI SAVINGS BANK suffered a short-term negative impact on earnings due to a sharp rise in interest rates following monetary tightening in the US, but expects earnings to improve from 2H FY2023 and beyond as the macro environment improves**

Deterioration in Customer Credit and Collateral Property Prices Due to Continued Inflation and Sharp Rise in Policy Rates

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

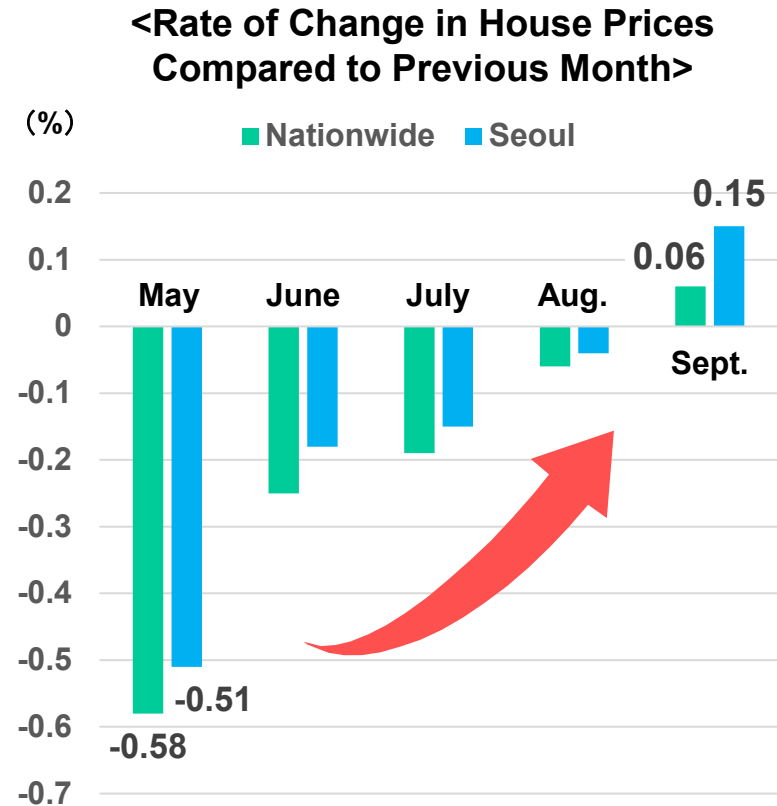
* Converted at KRW 1 = JPY 0.11



The overall delinquency rate for loans was 4.8% due to the weakening soundness of the loan portfolio as a result of deteriorating business conditions and restrictions on the sale of delinquent loans

Signs of Improvement in the Korean Economy are Beginning to Emerge

- ✓ The overall bankruptcy rate of domestic businesses in South Korea has continued to worsen since the end of 2022, but **the rate of increase has been slowing** since March 2023
- ✓ Signs of a positive turnaround in the business environment can be observed, for example, in the property market, where property prices, which had continued to fall, have **started to rise, albeit just slightly**



Continue to maintain a prudent management stance through various measures, such as resuming the acquisition of prime assets and strengthening debt collection, while **seeking to maintain and strengthen revenue creation**

- ② In insurance business, in addition to changes in the interest rate environment, the old-style sales methods of major insurance companies, as seen in the scandals involving used car dealers, have been called into question, providing a tailwind for the Group's insurance companies**

SBI Life Insurance and SBI Insurance have Investment Policies that Anticipate a Future Phase of Rising Interest Rates



[SBI Life Insurance]

- Given the growing appeal of investing in yen bonds relative to other asset classes, expand buy-and-hold investments in yen bonds by utilizing accounting categories that can avoid the risk of price declines even when interest rates rise, with a focus on JGBs in the long-term zone, which have an appealing absolute level, and corporate bonds in the short-term zone, which have an appealing spread level
- Given that foreign exchange hedging costs are expected to remain high, we will limit investments in foreign bonds with foreign exchange hedges, and strive to increase further returns by including alternative assets such as private REITs and overseas infrastructure funds that provide high income and are resistant to rising interest rates



Assets under management of yen bonds and alternative assets at the end of 1H in FY2023 **increased 22.0% from the end of FY2022**



[SBI Insurance]

- Given the rising interest rates and persistently high foreign exchange hedging costs, we have increased the balance of assets under management, mainly short- to medium-term bonds, while also combining floating-rate bonds.
- Gradually expand investments in private REITs, private asset funds, etc., in order to increase long-term earnings



Total assets under management of bonds and private REIT funds at the end of 1H in FY2023 **increased 8.6% from the end of FY2022**

The investment income and expenditure in 1H are showing results, with yen bonds and private REIT funds increasing approximately **1.4 times** and **1.9 times**, respectively, YoY

Improper Insurance Claims by BIGMOTOR and Other Used Car Dealers Have Exposed Not Only the Collapse of Business Ethics but Also Structural Problems in the Agency-type Non-life Insurance Business

Agency-type non-life insurance

- Used car dealers also play a role in acquiring insurance policies as insurance sales agents for agency-type non-life insurance
- In some cases, used car dealers allocate insurance policies to agent-type non-life insurers in exchange for the agent-type non-life insurers' introduction of accident cars to used car dealers



It is possible that agency-based non-life insurers may commit scandals like this one in order to increase the number of insurance policies

Independent direct non-life insurance

- Independent direct non-life insurers sell insurance products directly to customers mainly through the Internet
- Used car dealers are basically positioned as affiliated repair shops



Normally, for independent direct non-life insurers, the number of accident vehicles entering used car dealerships is not linked to the number of insurance policies

SBI Insurance is in an environment that could lead to a high evaluation because of its customer-centric approach and direct online sales

In the Insurance Business, where a String of Scandals has Shaken Confidence in the Industry as a Whole, the Key to Growth is a Thorough “Customer-centric Principles” Approach

-based on the SBI Group’s “Customer-centric Principles,” SBI Insurance achieved a high level of customer satisfaction in external evaluations-



1st

2023 ORICON Customer Satisfaction® Survey
Auto Insurance Premiums
(SBI Insurance Automobile Insurance)

11th time
in 3 consecutive years



Three Stars

Presented by HDI-Japan
HDI Ratings Benchmark for 2023
•Inquiry Counter Rating
•Web Support Rating

Sixth consecutive year
Inquiry counter section
7th time
Web support section
11 times



Five Stars

Presented by HDI-Japan
HDI Five-Star Certification Program for 2023
•Inquiry Counter
•Web Support

Second year
in a row

- ③ Focusing on developing products that capture changes in the investment environment, such as interest rates, in the Asset Management Business**
 - (i) Plans to launch and manage a new JGB investment trust in anticipation of changes in the interest rate environment in Japan**
 - (ii) Establish joint venture with leading overseas asset management companies to provide alternative investment products**

- (i) Plans to launch and manage a new JGB investment trust in anticipation of changes in the interest rate environment in Japan**

Plan to Establish and Operate an Industry-Leading Low-Cost Domestic Bond Active Fund, Anticipating the Evolving Domestic Interest Rate Trends in Japan

- SBI Asset Management will offer a JGB Fund amid expectation of return of “World with Interest Rates”



Fund name: **SBI JGB Fund (Quarterly settlement type)**

Eligible for Growth Quota of the New NISA (Planned)

Trust fee: **0.099% (Incl. tax/annual) (Lowest fee in Japan)**

- Maximize returns for investors by offering **the lowest trust fee in the industry at 0.099%**, while the average trust fee for domestic bond-type active funds is 0.41%
- The Fund will invest primarily in Japanese government bonds with remaining maturities of up to 30 years, and will determine/adjust its allocation by remaining maturity in accordance with the interest rate environment
- Assumes **a yield of approximately 1.20%** for bonds to be included in the portfolio
- **First product of the “Smart Active Series,” a new series** of high value-added, low-cost active funds being considered for future development

Provide products that investors truly need in light of market trends and major turning points, such as the launch of the “New NISA”

- (ii) Established a joint venture with leading overseas asset management companies to provide alternative investment products**

The Environment Surrounding Asset Management is at a Major Turning Point

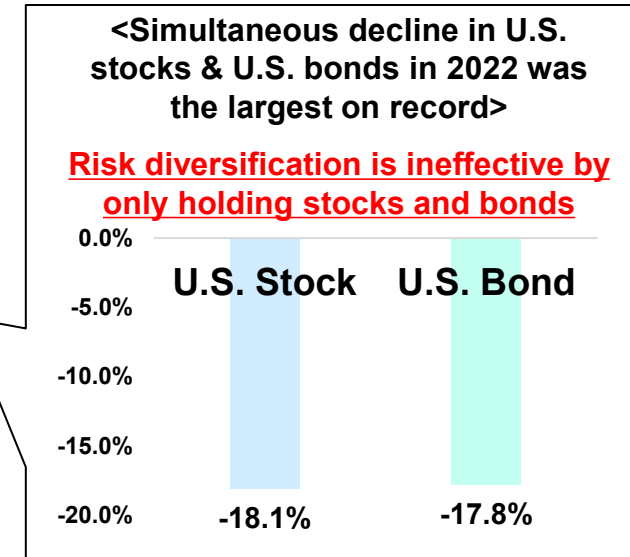
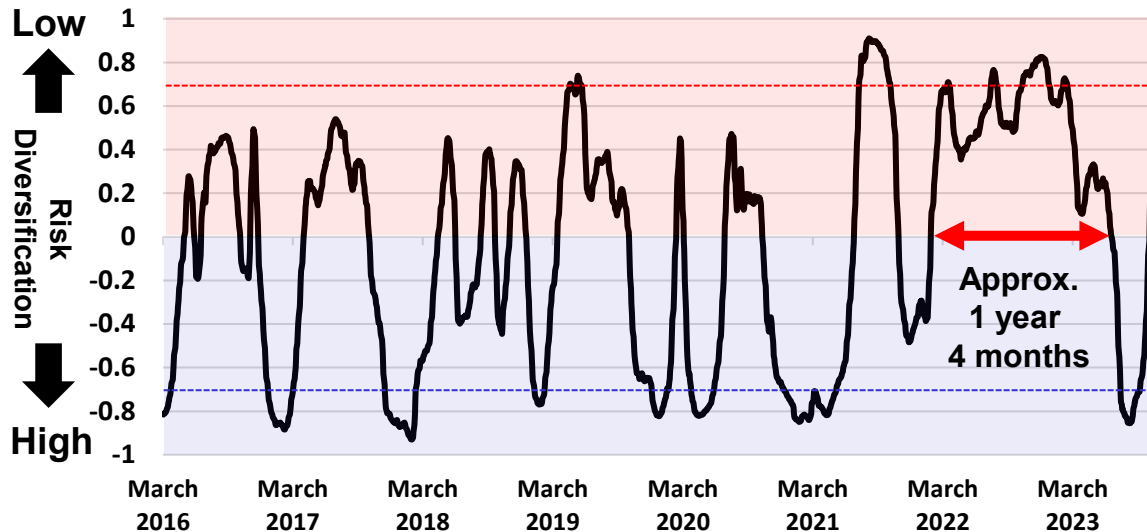
- Rising interest rates around the world have also brought about changes in the asset management environment -

BlackRock Inc. strategists are ditching the 60/40 portfolio in favor of public and private investments as well as tactical holdings of bonds to navigate higher interest rates. (ellipsis.) Investors should rethink fixed-income allocations given their returns are increasingly tied to equity performance and no longer provide the portfolio balance they used to, according to the strategists.

Reference: Bloomberg "BlackRock Ditches 60/40 Portfolio in New Regime of High Inflation" (April 18, 2023)

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)



*Based on data from Bloomberg

The Asset Management Business will implement initiatives that grasp the turning point of the industry

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>

[Up to now]

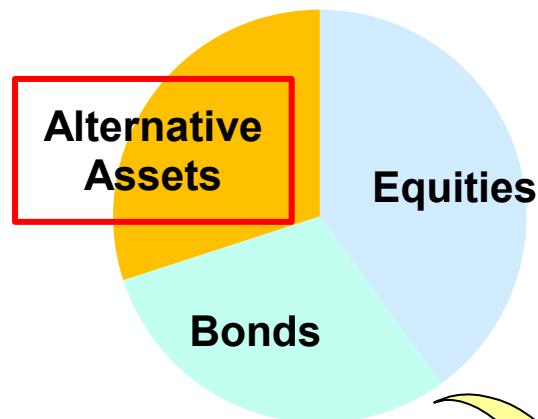
Expansion of traditional asset classes such as fixed income and equities by partnering with global asset managers such as PIMCO and Vanguard

[Going forward]

Seek 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



PIMCO

Achieved AUM of JPY 1.2tn
through a joint venture



AUM surpasses JPY 1.3tn
through a strategic partnership



Offer products to the customer base of SBI Group



General investors



Financial institutions and business corporations
Etc.

Develop around Two Alternative Investment Strategies: “Alternative Strategies” and “Alternative Assets”

SBI Group Agrees to Alliance with Two Leading Global Alternative Management Firms

U.K. Man Group, which has strength in **“alternative strategies”**

U.S. KKR, which has strength in **“alternative assets”**



① Man Group PLC “Man Group”

② KKR & Co. Inc “KKR”

Trend follow

Private equity

Long/short strategy

Private debt

➤ Target to establish a joint venture with the above two companies **by the end of December 2023**

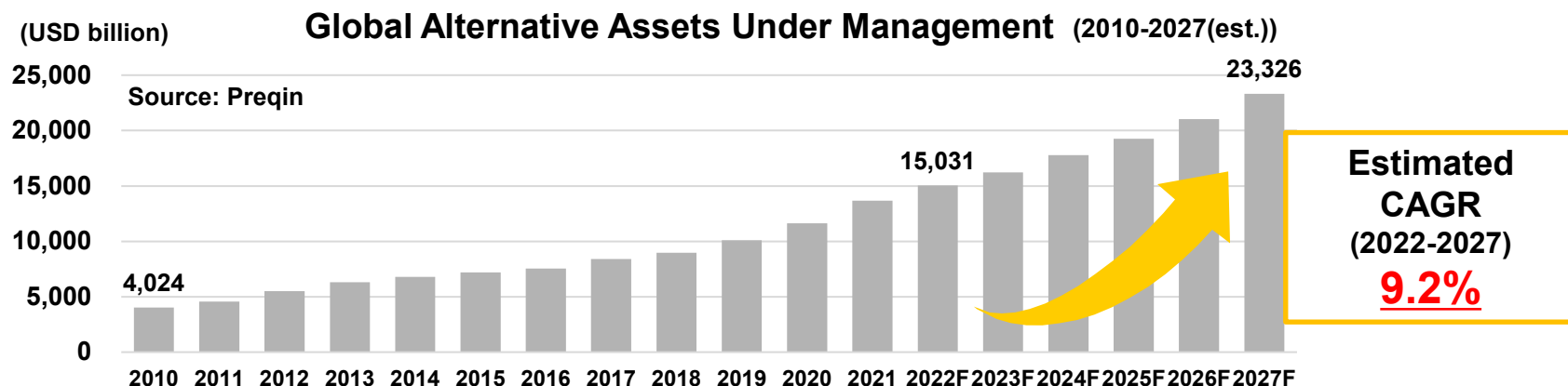


Work with SBI Global Asset Management to endeavor towards realization of **popularizing alternative investments** that aligns with the current economic environment

① Agreement with Man Group, a Leading U.K.-based Asset Management Firm, to Establish a Joint Venture to Manage Alternative Investments



- ✓ Man Group, founded in the UK in 1783, is one of the world's largest asset management companies specializing in alternative asset management, with assets under management of USD 144.7bn (approximately JPY 20.3tn) as of March 31, 2023
- ✓ The new joint venture will establish and manage funds that **target alternative investments (hedge fund strategies) and alternative assets** that have low correlation with traditional financial assets such as stocks and bonds
- ✓ While the minimum investment amount for a typical alternative fund is around JPY 5m, the company plans to launch a fund for individual investors **that can be purchased for as little as JPY10,000**
- ✓ While it is difficult to cancel a regular alternative fund mid-term, **the fund will be able to calculate the base price and trade on a daily basis**, just like an ordinary investment fund



Plan to start providing products in early 2024

② Agreement with KKR, a Leading U.S. Asset Management Firm, to Establish a Joint Venture to Manage Alternative Investments



Basic Agreement
(Sept. 12, 2023)

KKR

- ✓ KKR is one of the world's largest comprehensive asset management firms, established in 1976 in the U.S., with 23 offices around the world including Japan. KKR has strengths in managing a variety of alternative assets including private equity and private debt, infrastructure and natural resources, and real estate. As of June 30, 2023, it had USD 519bn (approximately JPY 74.9tn) in assets under management
- ✓ First, **the company will begin offering “private debt” products that provide stable periodic income,** and will gradually consider expanding to other assets
- ✓ Provide opportunity to trade monthly or quarterly, targeting a minimum investment amount of JPY 3-5m
(usually non-cancellable in most cases, and minimum investment of tens to hundreds of millions of yen or more)

[Examples of assets]

Private equity

Unlisted equity
(Not only investment but also hands-on support to investees)

Real estate

Real estate and real estate-related debt (mortgage-backed securities) worldwide

Infrastructure

Energy supply chains, public transportation such as roads, railroads, and airports, and telecommunications

Natural resources

Crude oil and natural gas working interests and natural resource-related financing

Private debt

Secured bonds, direct loans, subordinated debt, leveraged loans, etc.

Plan to start providing products by 1H FY2024

Endeavor to Achieve the Total Group Assets Under Management of JPY 20tn by FY2027

[Current position]
As of end of September 2023

JPY 8.5tn



[New goal]

Endeavor to achieve

JPY 20tn by FY2027

 *Global Asset Management*

<Index & multi-asset>

 *Asset Management*

<U.S. govt. bonds>

CARRET
Asset Management 

Approx. JPY5.0tn *

<Active>

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

 **RHEOS CAPITAL WORKS**

Approx. JPY2.6tn *

<Private equity, etc.>

Approx. JPY 780bn *

<Alternative investment (planned)>

Build up assets under management through joint ventures with Man Group and KKR

(*)Asset under management as of end of September 2023

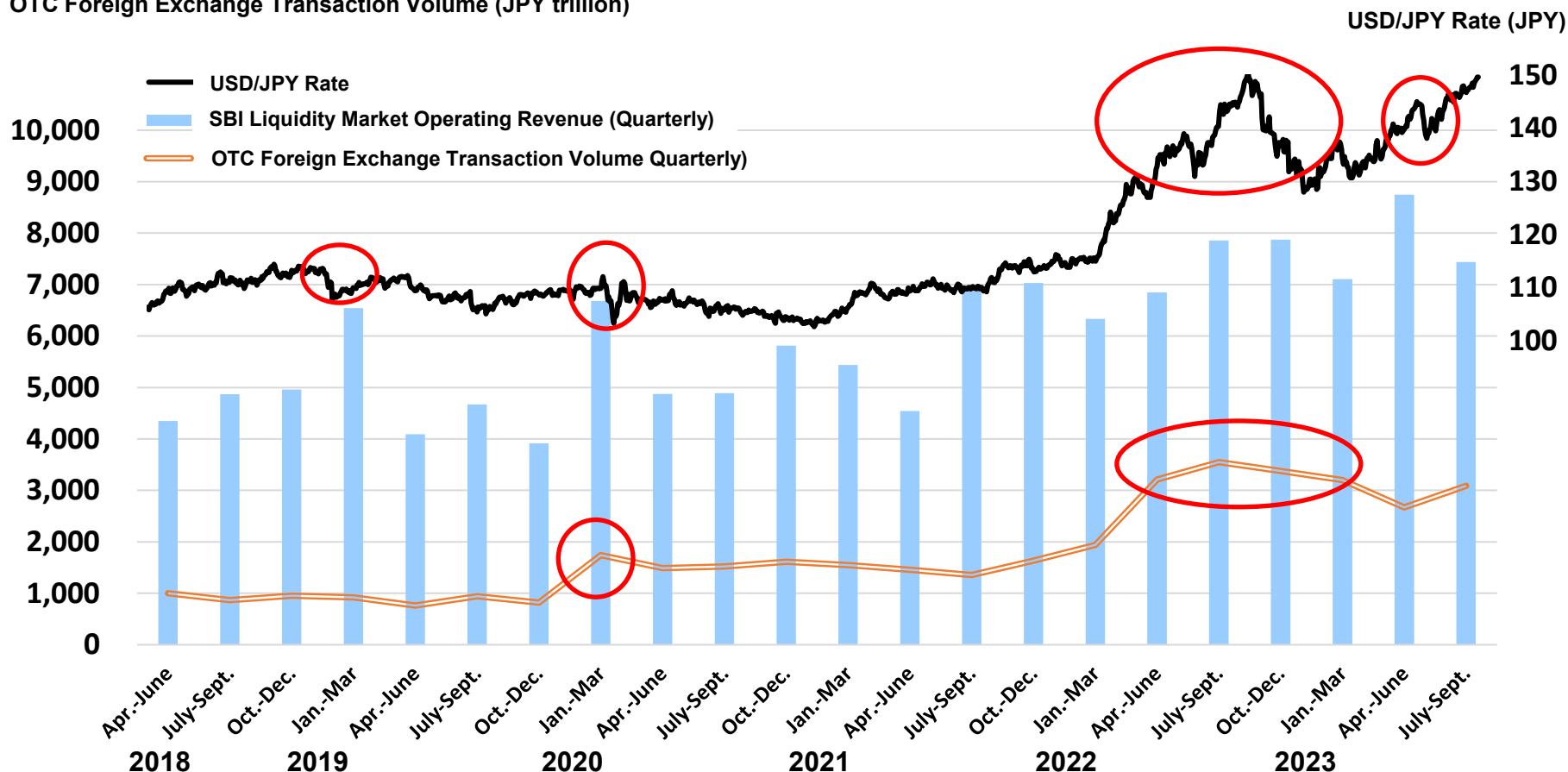
- ④ Volatility in the foreign exchange market will increase due to changes in monetary policy, and trading revenues are expected to continue to grow in the securities business**

Higher Volatility in the Foreign Exchange Market Leads to Increase in Revenue of the FX Business

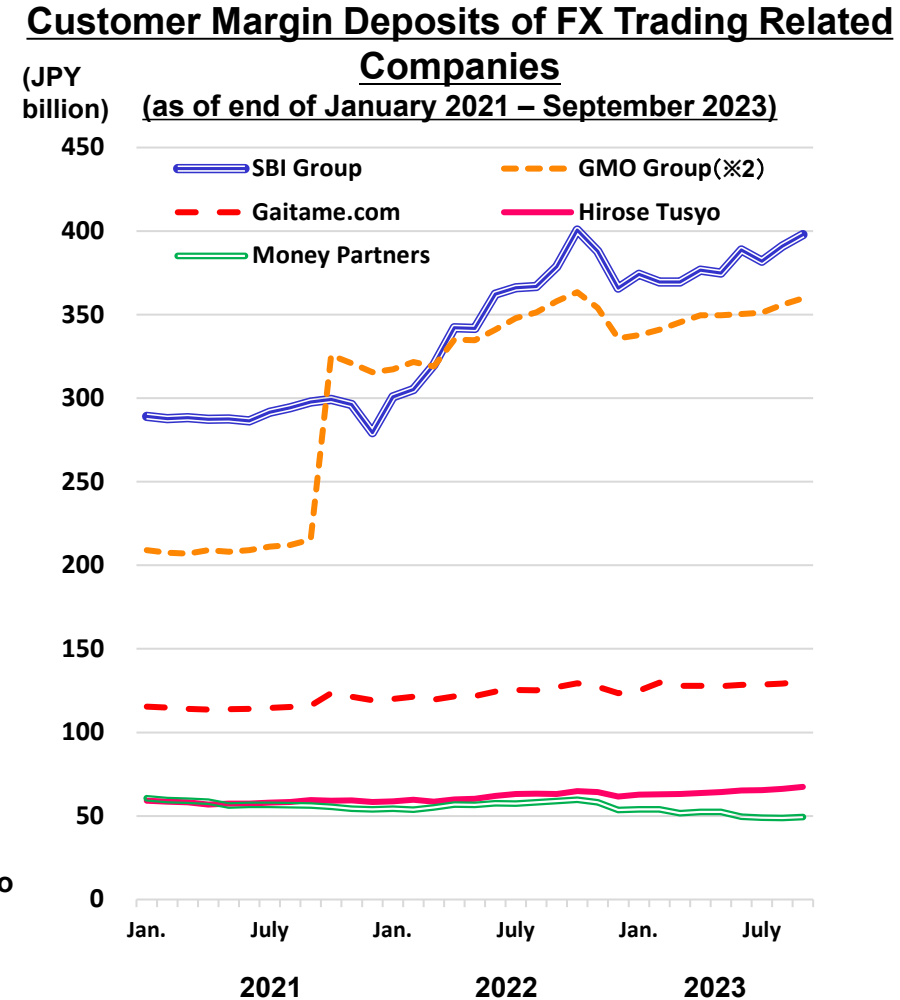
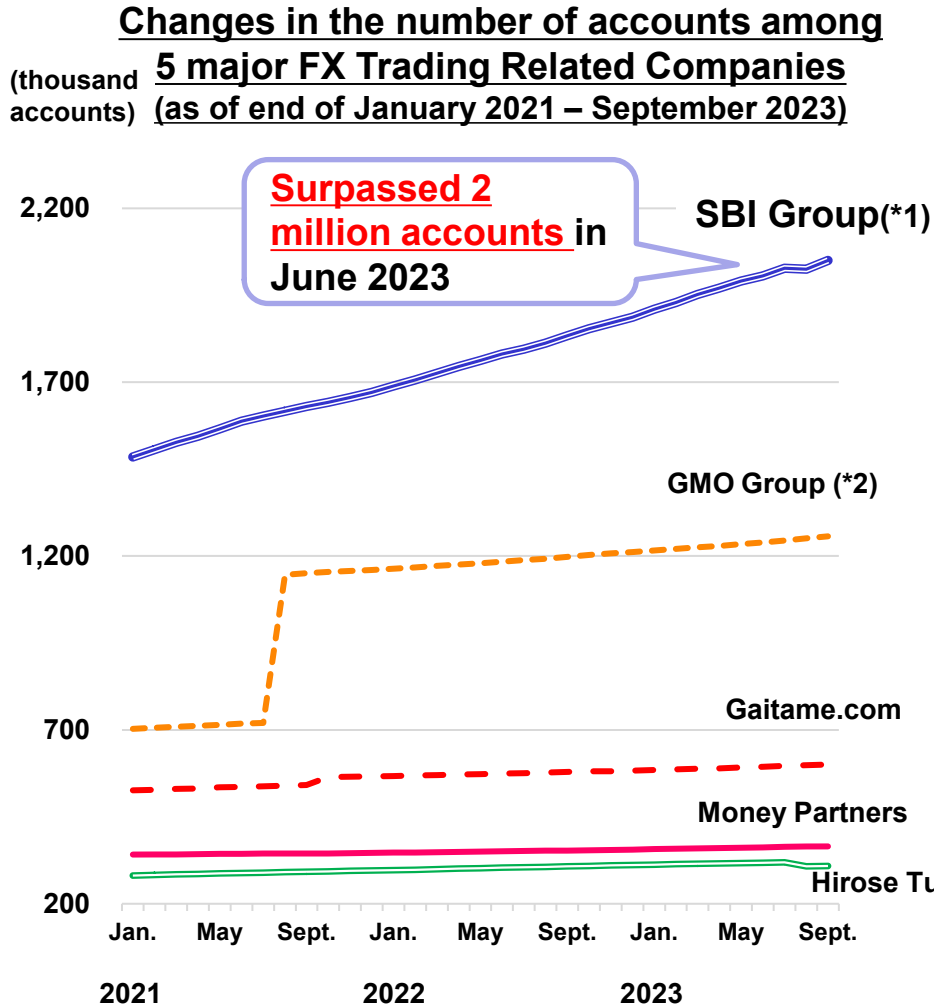
SBI Liquidity Market Operating Revenue,
OTC Foreign Exchange Transaction Volume, and USD/JPY Rate
(April 2018 – End of September 2023)

Operating revenue (JPY million)

OTC Foreign Exchange Transaction Volume (JPY trillion)



Comparison of the Number of Accounts and Margin Balance on Deposit of Five FX Companies



(*1) SBI Group includes SBI SECURITIES, SBI FXTRADE and SBI Sumishin Net Bank. SBI NEOMOBILE Securities terminated its FX service on July 1, 2023, so the company's account numbers the company's customer margin deposits are excluded since August 2023

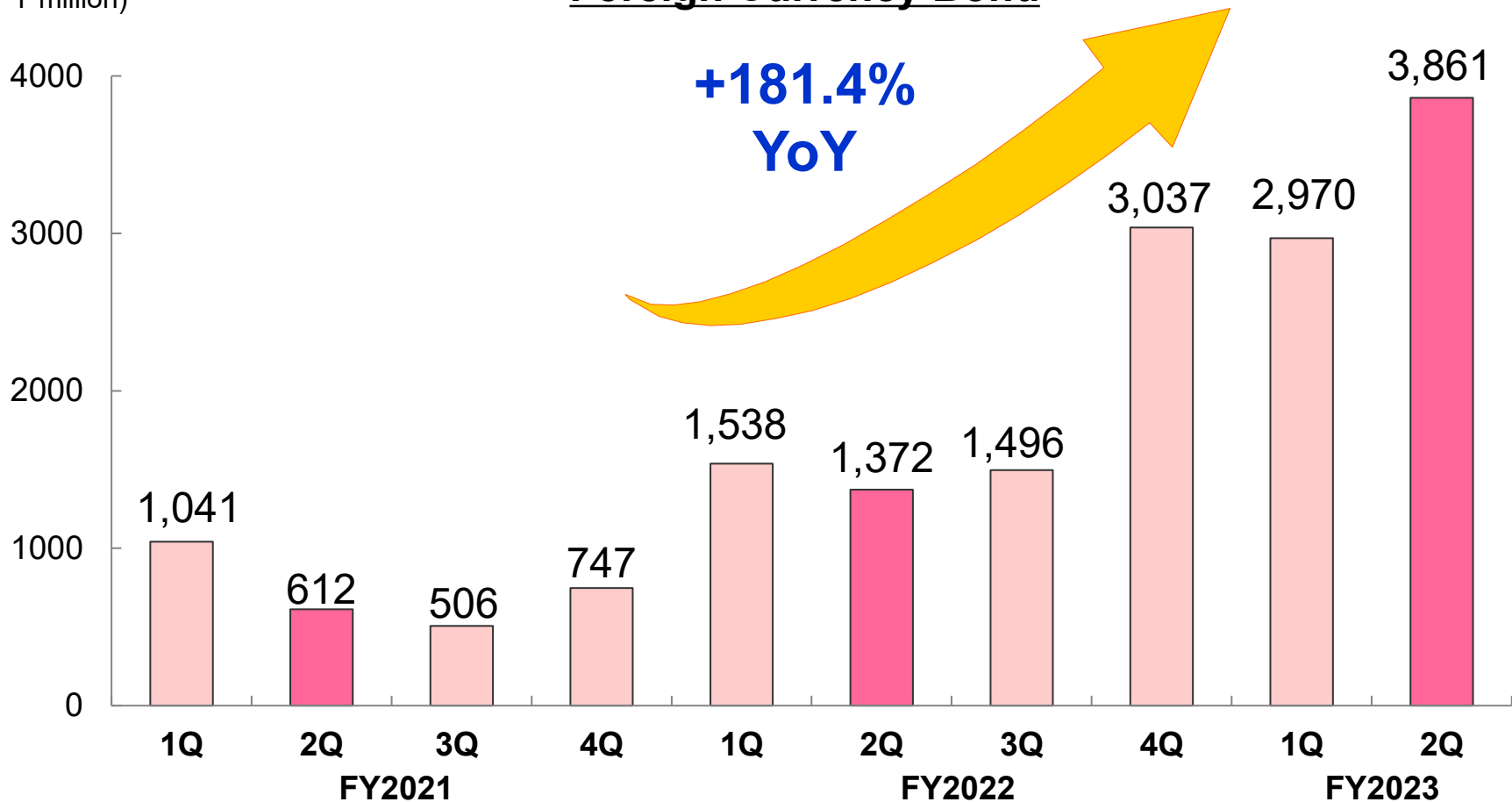
(*2) Figures of GMO CLICK Securities and GMO Gaika (Formerly GaikaEX by GMO which joined the GMO Group in Sept. 2021) are combined and listed as "GMO Group" for reference

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

Focusing on Sales of Foreign Bonds as Part of Efforts to Strengthen Customer's Global Asset Allocation

Trend of Revenues through Foreign Currency Bond

(JPY million)



- 2. In the securities business, supporting the “popularization of investment” through implementing “ZERO Revolution” (commission-free online trading of domestic stocks), which is being driven by policies that promote the shift from saving to asset management**
 - (1) The effects of “ZERO Revolution” on SBI SECURITIES’ customer base**
 - (2) SBI SECURITIES will continue to focus on NISA and iDeCo, and strive to further expand its customer base by taking advantage of the systemic reforms**
 - (3) SBI SECURITIES thoroughly promote the strengthening of alternative revenue to mitigate the impact of the decrease in revenue caused by “ZERO Revolution”**

(1) The effects of “ZERO Revolution” on SBI SECURITIES’ customer base

The Pace of Account Opening at SBI Group accelerated by “ZERO Revolution,” and Became the First Company in Japan to Reach 11 Million Securities Comprehensive Accounts

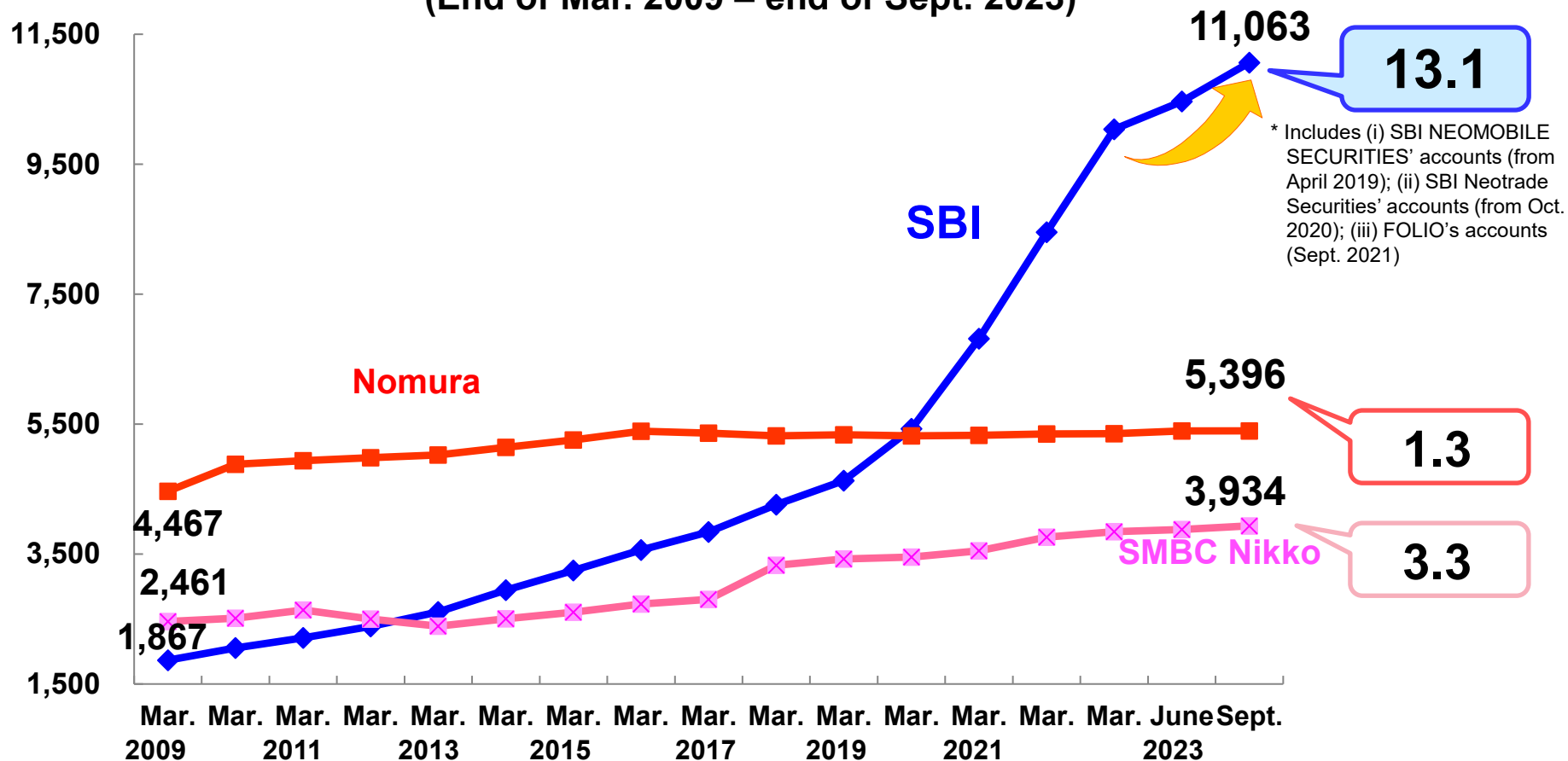


Number of Accounts of SBI SECURITIES Group and Major Face-to-face Securities Companies

(End of Mar. 2009 – end of Sept. 2023)

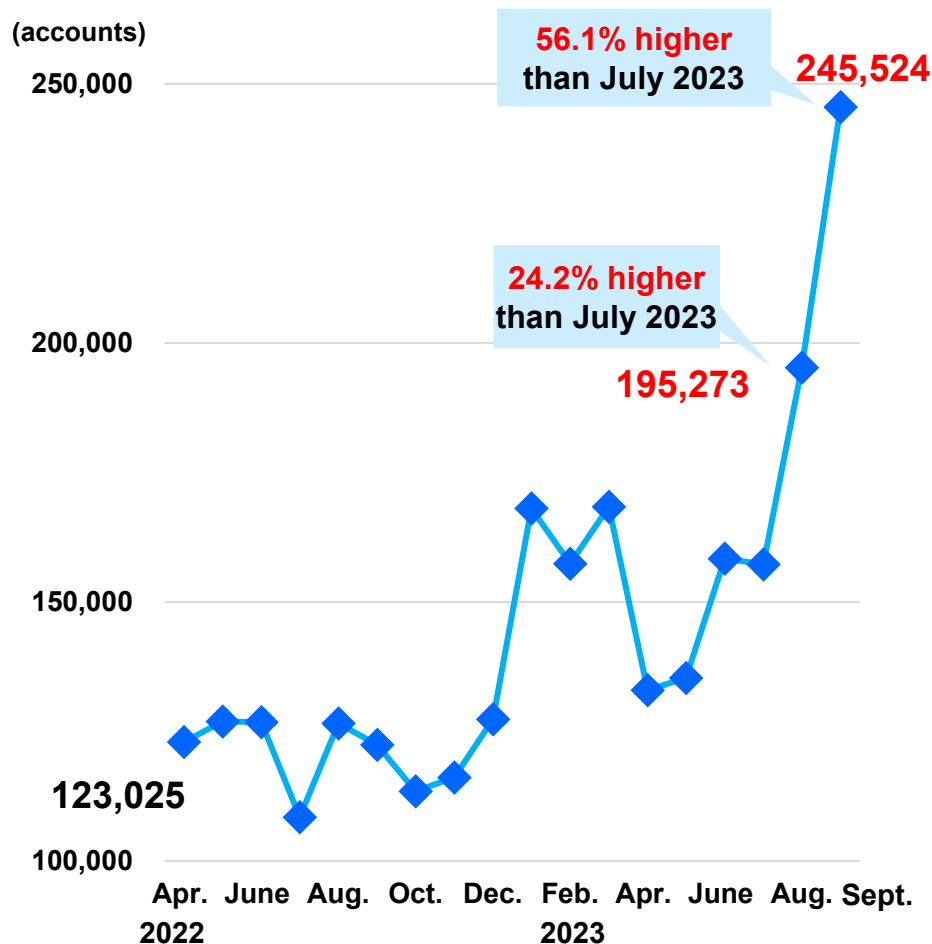
CAGR: %
(end of Mar. 2009 - end of Sept. 2023)

(thousand accounts)

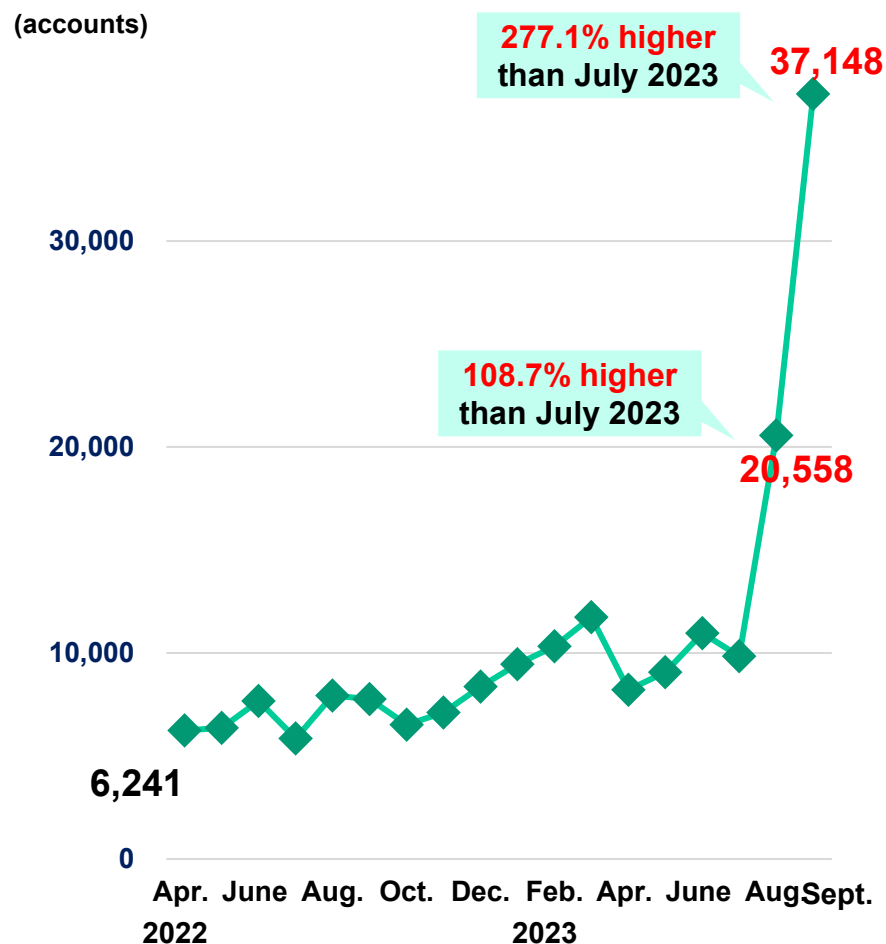


Both the number of **Newly Opened Accounts** and **Margin Trading Accounts Opened** Reached **Record Highs** after the Announcement of ZERO Revolution

Number of New Accounts Opened ^{*1}
(Apr. 2022 – Sept. 2023)



Number of margin Accounts Opened ^{*2}
(Apr. 2022 – Sept. 2023)



^{*1} Includes SBI NEOMOBILE SECURITIES' accounts,

SBI Neotrade Securities' accounts, and FOLIO's accounts

^{*2} Includes SBI Neotrade Securities' accounts

Transfers from Other Securities Companies such as Rakuten Securities Have Increased Significantly after the Announcement of “ZERO Revolution”

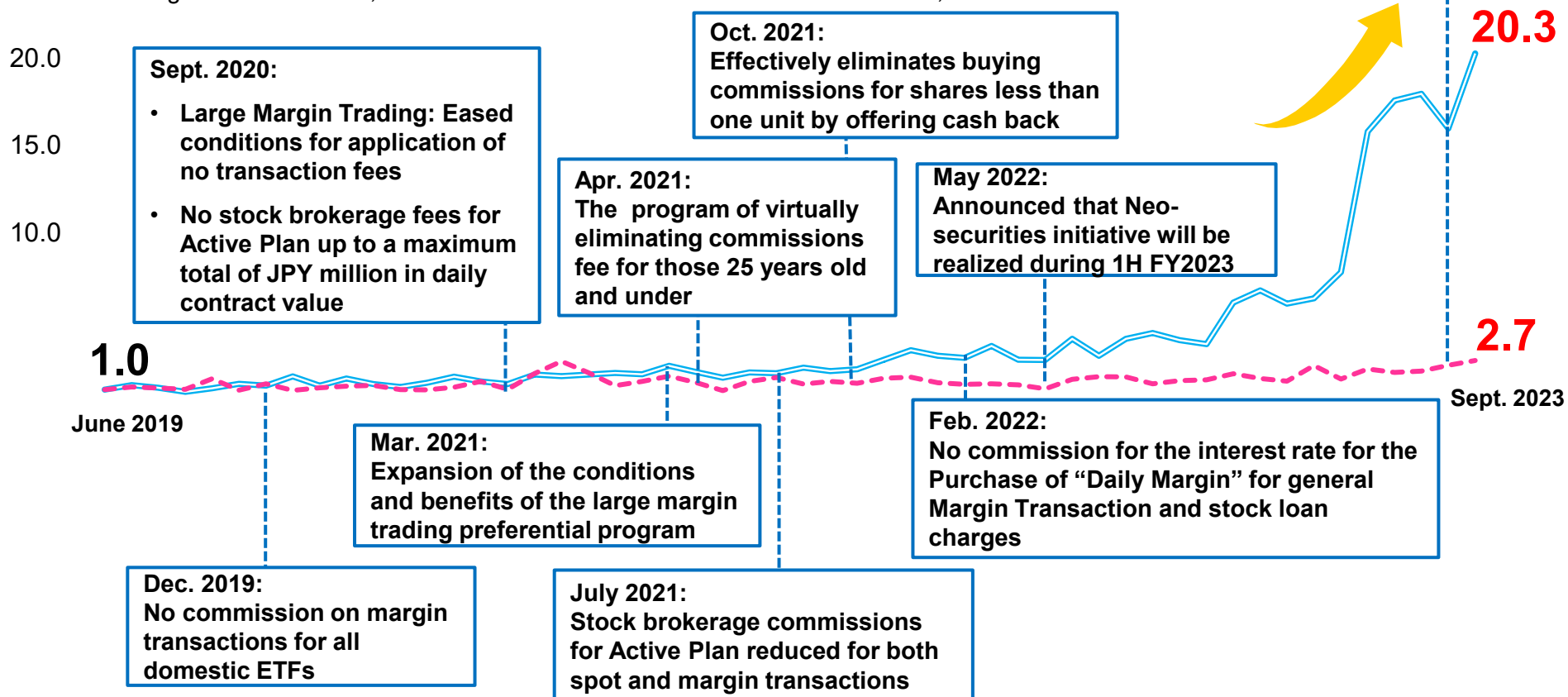
- Securities industry may be facing a shakeout -

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

— in-transfers - - - out-transfers

* The figure for June 2019, when the commission-free initiative was announced, is indexed as 1.0

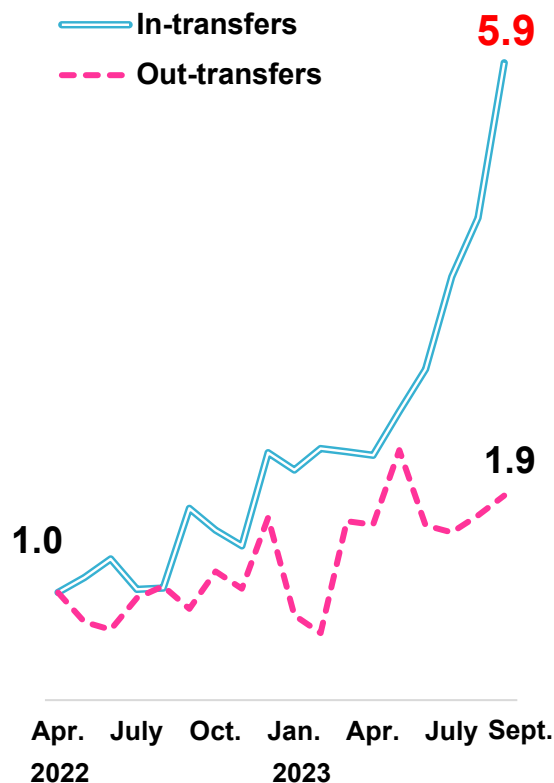
Aug. 31, 2023:
Announced
“ZERO Revolution”



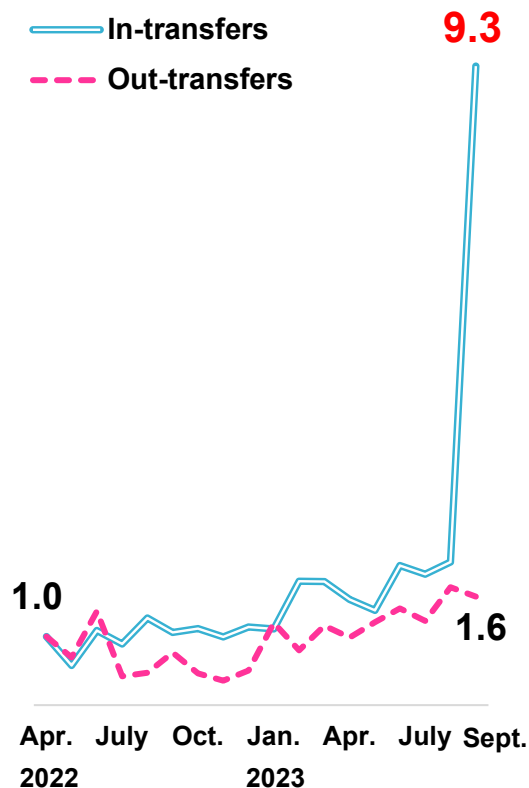
Expect more in-transfers with the announcement of the second phase of ZERO Revolution

SBI SECURITIES' Customer-centric Principle Which has Been in Place since its Founding, Has Been Successful, and the Number of Transfers from Other Securities Companies Has Increased

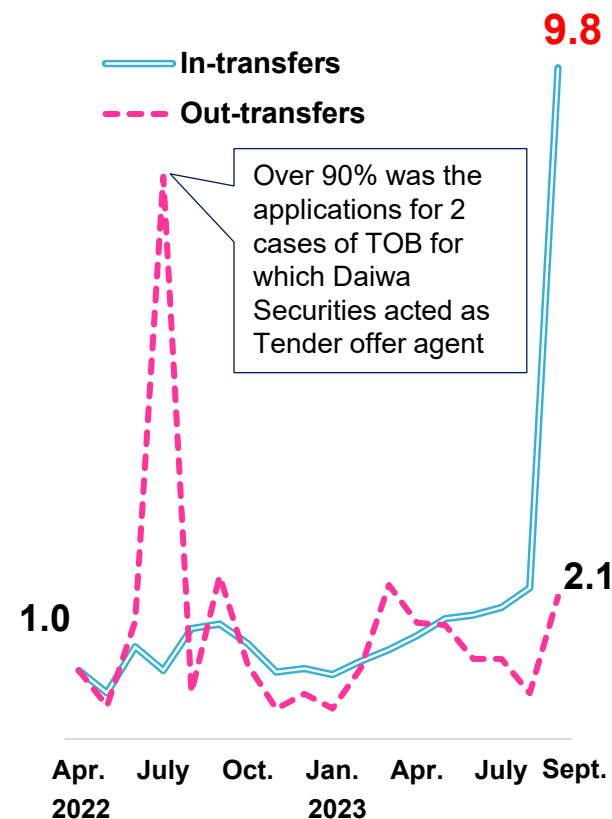
Number of domestic stocks account in- and out- transfers
(Rakuten Securities)



Number of domestic stocks account in- and out- transfers
(Nomura Securities)



Number of domestic stocks account in- and out- transfers
(Daiwa Securities)



Effects of the “ZERO Revolution” Spills Over to Customer Acquisition through Alliances

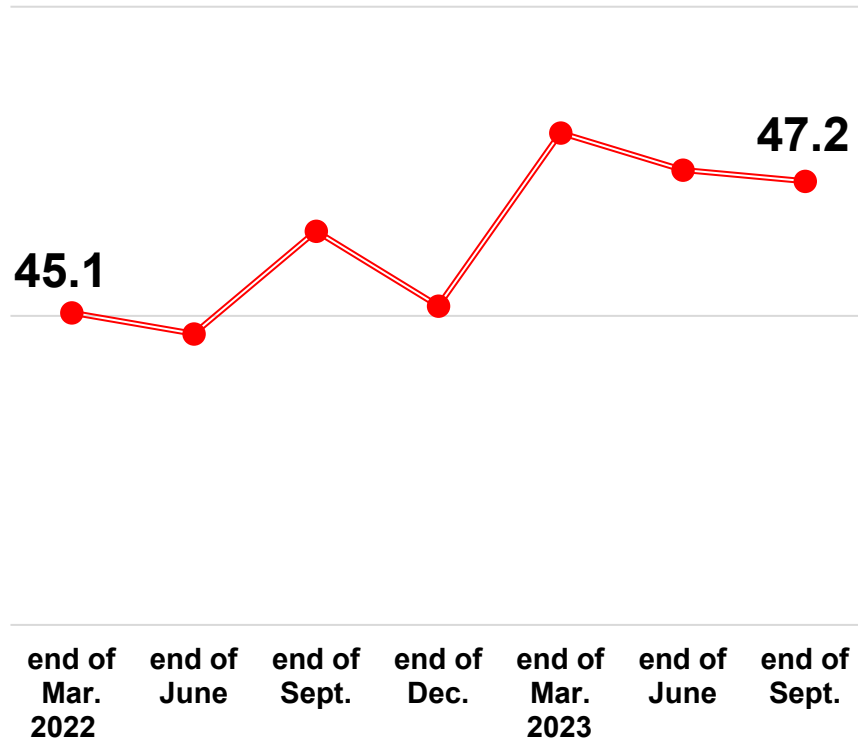
- Following the announcement of ZERO Revolution, **the number of new account applications through the alliance with Sumitomo Mitsui Banking Corporation (SMBC) Group from Sept. 2023 increased by 122% from Sept. 2023**
- The following are all going well: the balance of deposit assets, profits from the alliance, the number of accounts for accumulation-type investment with credit card, and the accumulation of V Point rewards and V Point investment

[Measures to date]

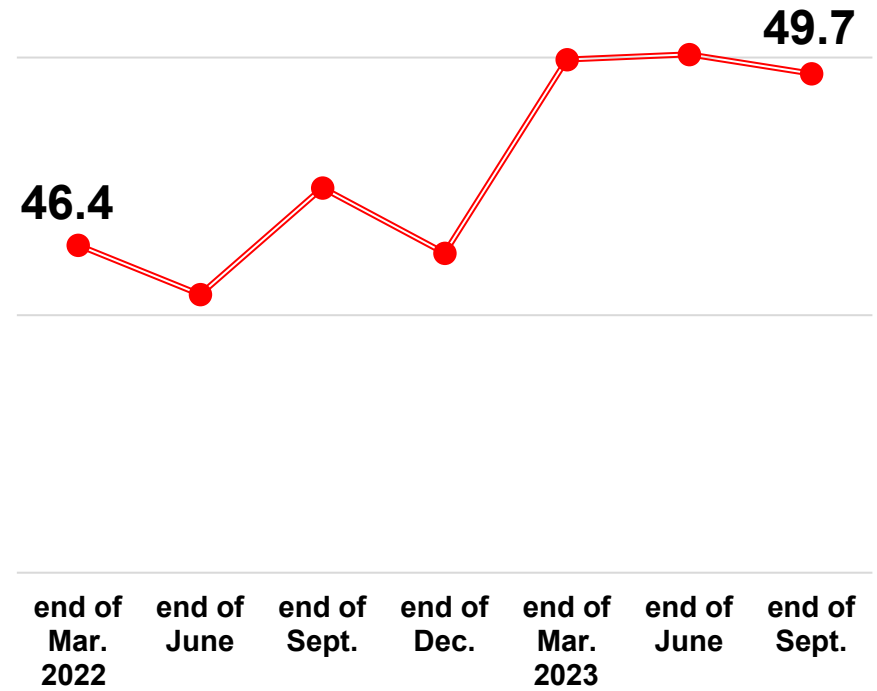
- Ability to check balances held in securities accounts and trade in mutual funds handled by SBI SECURITIES on the SMBC app and Sumitomo Mitsui Card (SMCC) “Vpass app”
- Open a general account at SBI SECURITIES simultaneously when applying for credit card of SMCC and “Olive”, a comprehensive financial service operated by SMBC Group, account application at SBI SECURITIES through SMBC
⇒ **Approximately 600,000 accounts was brokered by SMBC Group***
- “Sumitomo Mitsui Card Funded Investment” service , which purchases investment trust accumulation at SBI SECURITIES with credit card issued by SMCC
⇒ **Monthly accumulation amount through SMCC exceeds JPY 24bn***
- V Point-related services such as “SBI SECURITIES V Point Service” where points can be earned according to trading conditions and “V Point Investment” where V Points can be used to purchase investment trust

SBI Group has Taken the ZERO Revolution as a Boost, Further Increasing its Share of Trading Value

Trend of Share of Individual Stock Trading Value* (as end of Quarter)
(end of Mar. 2022 – end of Sept. 2023)



(of which) Share of Individual Margin Trading Value* (as of end of each quarter)
(end of Mar. 2022 – end of Sept. 2023)



Dramatic Expansion of SBI SECURITIES' Customer Base Has a Positive Impact on the Entire 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



Margin trading

IPO・PO

Domestic and
foreign bonds

Foreign stocks

FX

etc.

Sending customers to
other groups through
various channels



住信SBIネット銀行



etc.

Examples of how the increase in SBI SECURITIES' Customer Spills over into the Expansion of the SBI Group's Customer Base



A significant expansion of customer base can be confirmed among the Group companies that offer services in cooperation with SBI SECURITIES, compared to June 2019 when initiative to eliminate online trading commissions for domestic stocks was announced (for SBI Shinsei Bank, compared to Dec. 2021 when the Company became a consolidated subsidiary)

Number of SBI Group's Securities Accounts

Number of SBI Group's FX Accounts*

Number of Accounts of SBI Sumishin Net Bank

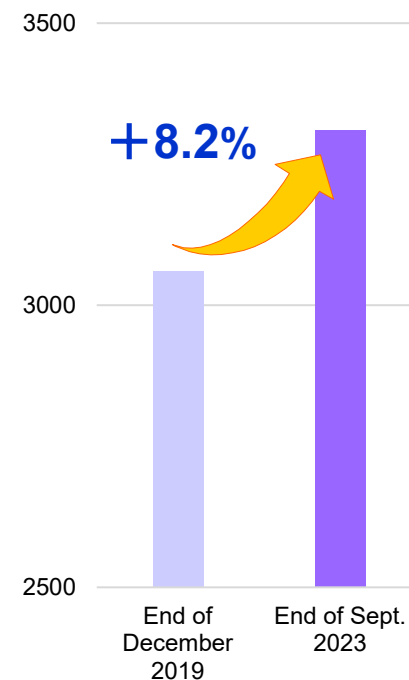
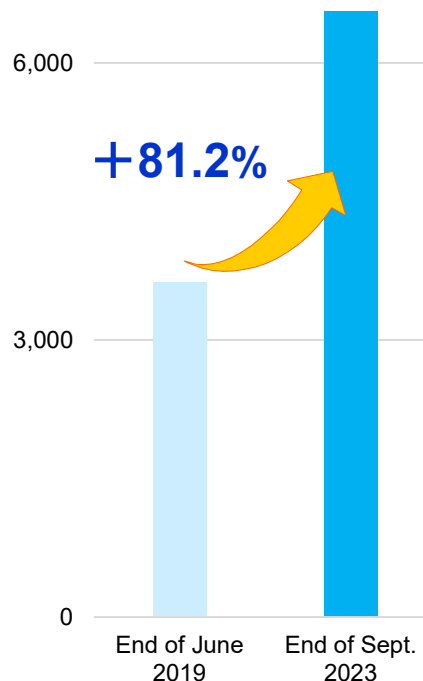
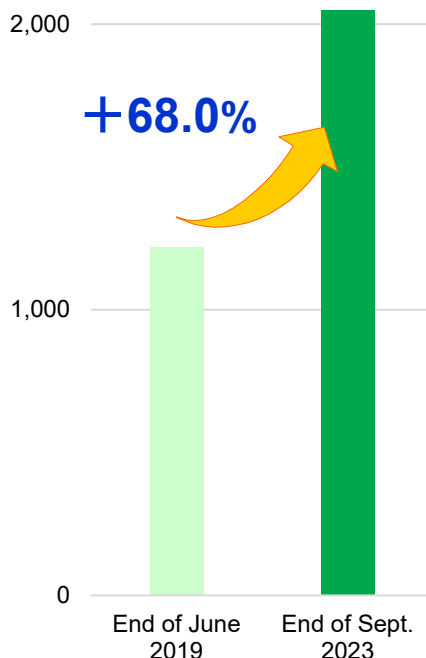
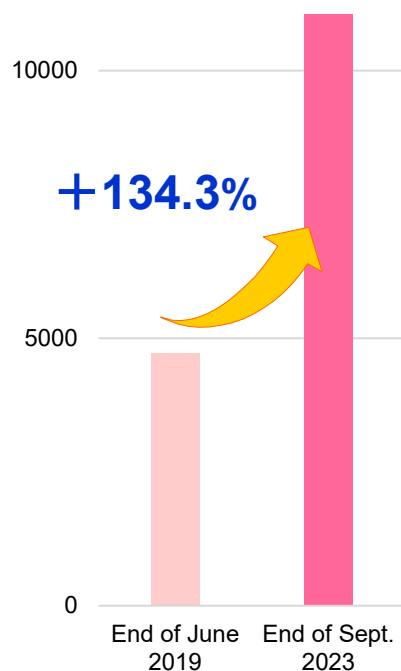
Number of Accounts of SBI Shinsei Bank

(thousand accounts)

(thousand accounts)

(thousand accounts)

(thousand accounts)



* SBI Group includes SBI SECURITIES, SBI FXTRADE and SBI Sumishin Net Bank.

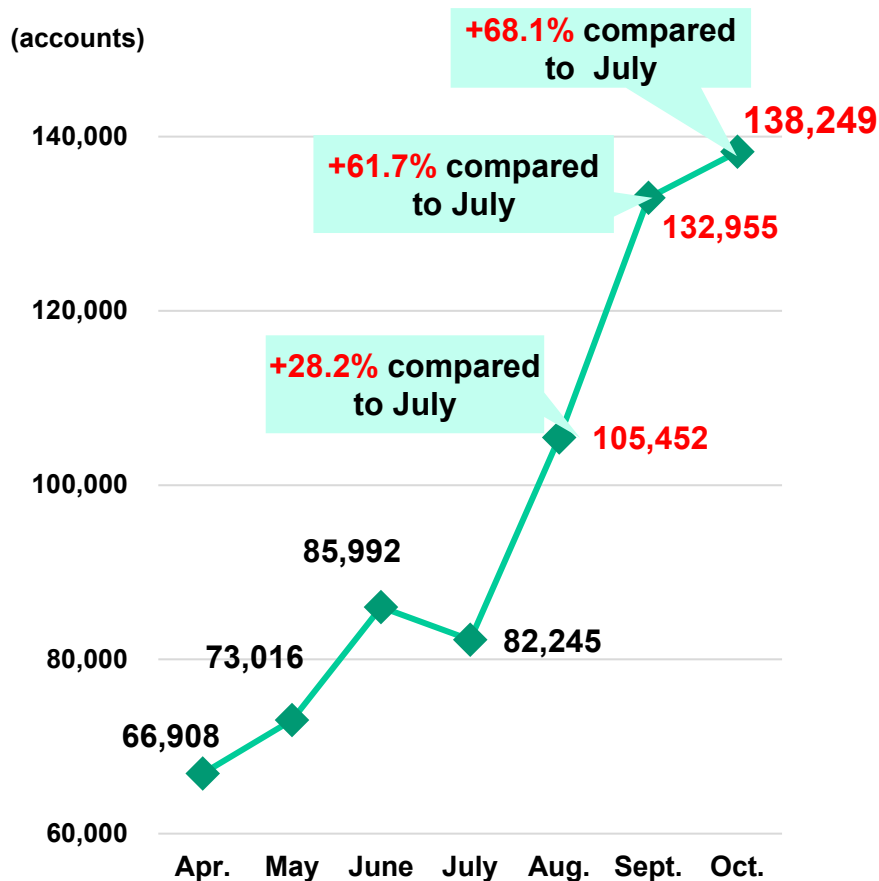
(2) SBI SECURITIES will continue to focus on NISA and iDeCo, and strive to further expand its customer base by taking advantage of the systemic reforms

- ① SBI SECURITIES has established a dominant position in the securities industry for NISA**
- ② In anticipation of the launch of the New NISA, provide products that contribute to long-term asset building for individual investors, including investment beginners, in the Asset Management Business**
- ③ SBI Group's early efforts in iDeCo have worked, and its customer base is growing steadily**

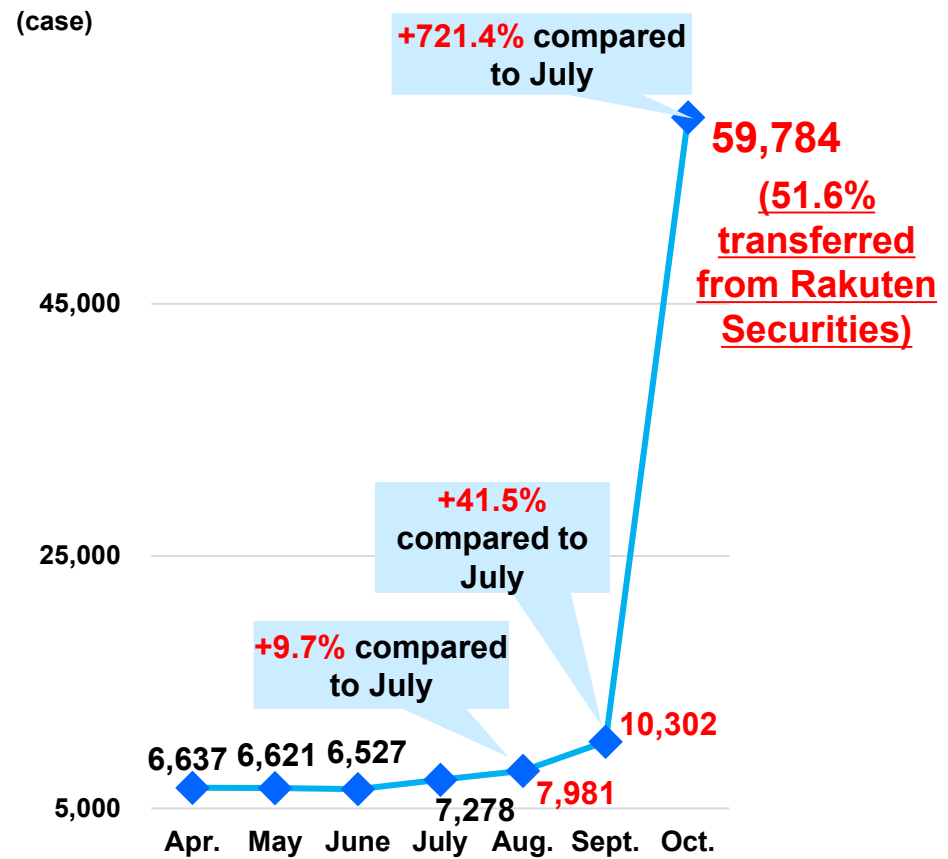
① SBI SECURITIES has established a dominant position in the securities industry for NISA

The Number of Newly Opened NISA Accounts and NISA Account Transfers from Other Securities Companies increased Sharply due to ZERO Revolutions and New NISA Initiatives

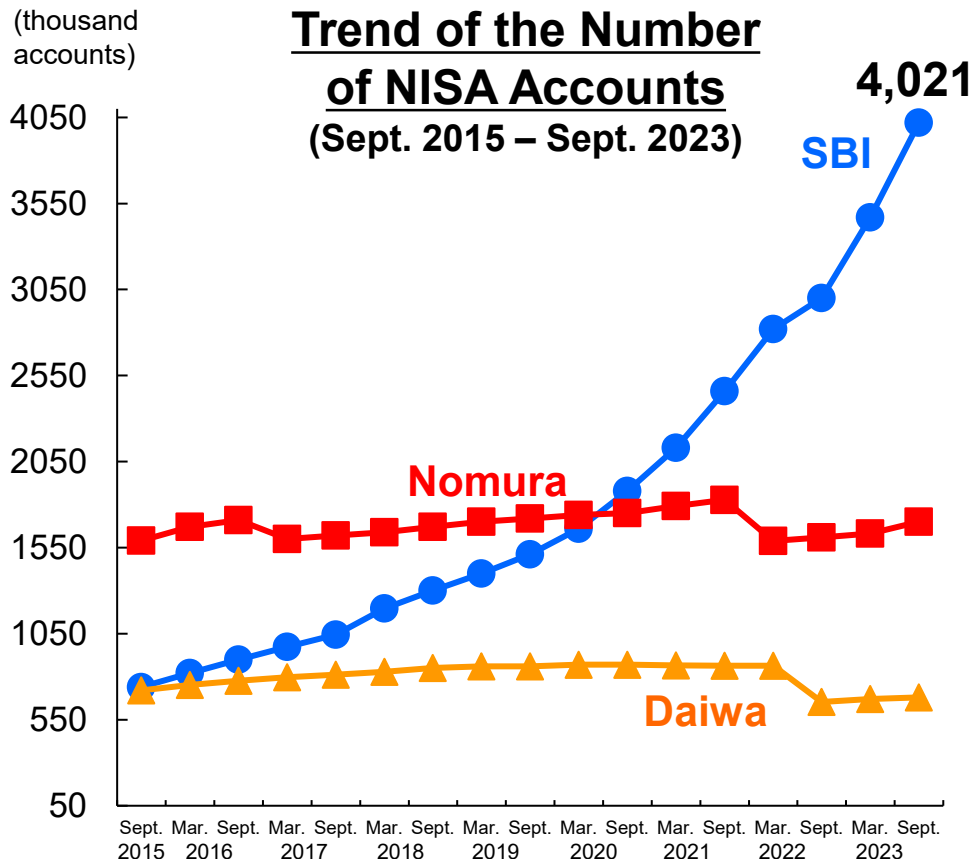
Trend of the Number of Newly Opened NISA Accounts
(Apr. 2023 – Oct. 2023)



Trend of the Number of NISA Account Transfers from Other Securities Companies
(Apr. 2023 – Oct. 2023)



SBI SECURITIES Has Focused on **NISA** Initiatives as an Important Strategic Area and Leads the Industry



Announced the second part of the ZERO Revolution on Sept. 22, 2023, with target to expand the customer base

[Contents of the second part of ZERO Revolution]

No commission for individual U.S. stocks (including ADRs) and overseas ETFs (U.S., China, Korea, Singapore) in new NISA

Further expansion of NISA Accounts is expected, as the NISA system will be drastically expanded and made permanent from 2024 onward

*1 Includes the number of Junior NISA accounts

*2 The number of accounts are as of the end of March 2023, compiled by SBIH from the information on website of each company

*3 Nomura Securities **excluded deemed discontinued accounts** from Mar. 2022, SBI and Daiwa Securities **excluded** them from FY 2022

- ② In anticipation of the launch of the New NISA, provide products that contribute to long-term asset building for individual investors, including investment beginners, in the Asset Management Business**

Aggressively Expand Product Lineup in Anticipation of the Launch of the New NISA in the Asset Management Business

Funds of SBI Group's Asset Management Businesses eligible for the Growth Quota of the New NISA for General Investors

SBI Asset Management:

Products selected for NISA growth investment: **47**

(Of which selected for Tsumitate Quota: **9**)

[Names of funds]

SBI-V-S&P500 Index Fund, SBI-All Country Index Fund, SBI Emerging Country Index Fund, EXE-I Global Middle & Small Cap Fund

SBI Okasan Asset Management:

Products selected for NISA growth investment: **44**

(Of which selected for Tsumitate Quota: **1**)

[Names of funds]

Japan Equities-J-REIT Balance Fund, Japanese High yield Balance Open, Chinese Yuan Sovereign Open, World REIT Selection (Asia)

Rheos Capital Works (name change to "SBI RHEOS HIFUMI" planned in April 2024):

Products selected for NISA growth investment: **8**

(Of which selected for Tsumitate Quota: **2**)

[Names of funds]

Hifumi, Hifumi Plus, Hifumi World, Marugoto Hifumi 100

*Number of applicable products are as of October 31, 2023

SBI Asset Management Launches and Manages Investment Funds Investing in Countries and Regions that have Recently Attracted Attention



[India Equities] Eligible for Growth Quota of the New NISA

Fund name: **SBI iShares India Equity Index Fund “Nickname: Sakutto Indo-kabushiki”**

Trust fee: **0.463%** (Incl. tax/annual) (Lowest fee in Japan)

- Incorporates iShares Core S&P BSE SENSEX India ETF managed by U.S. BlackRock Group
- **Achieved the largest initial set-up amount of JPY 5.07bn** among the 39 index funds set up since the beginning of the year during the initial solicitation period (Sept. 7 to Sept. 21, 2023) prior to the start of management
- On Oct 31, 2023, **the fund’s net asset value exceeded JPY 10bn**, and **achieved third place** in the monthly accumulation set-up amount ranking at SBI SECURITIES (*October 2023 results)

[Global South Equities] Eligible for Growth Quota of the New NISA (Planned)

Fund name: **EXE-i Global South Equity Fund**

Trust fee: **0.582%** (Incl. tax/annual) (Typical trust fees for similar emerging markets funds are 1-2%)

- **Japan’s first investment fund** to invest in the Global South
- ETFs for India and Brazil, which are also members of the BRICs, as well as ETFs for Southeast Asia, Latin America, and Africa are included in the portfolio, **enabling collective investment in the Global South countries**
- **Does not include China, Russia, South Korea, etc.,** which are often included in general emerging market equity funds
- **Achieved fourth place** in the monthly accumulation set-up amount ranking at SBI SECURITIES (*October 2023 results)

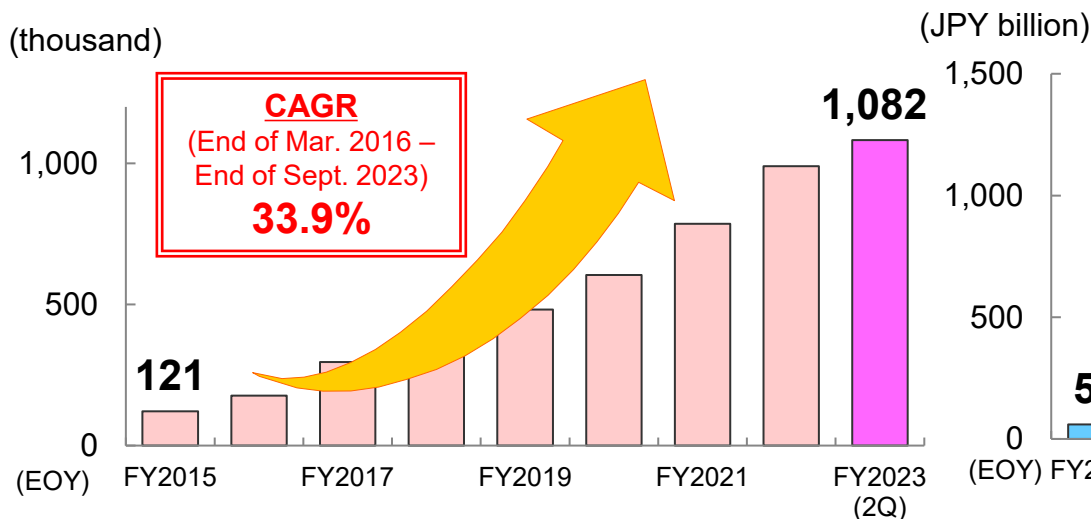
- ③ **SBI Group's early efforts in iDeCo have worked, and its customer base is growing steadily**

SBI Benefit Systems Initiated **the Individual Defined Contribution (iDeCo)** Initiatives from Early Stage and is Steadily Increasing the Number of Subscribers

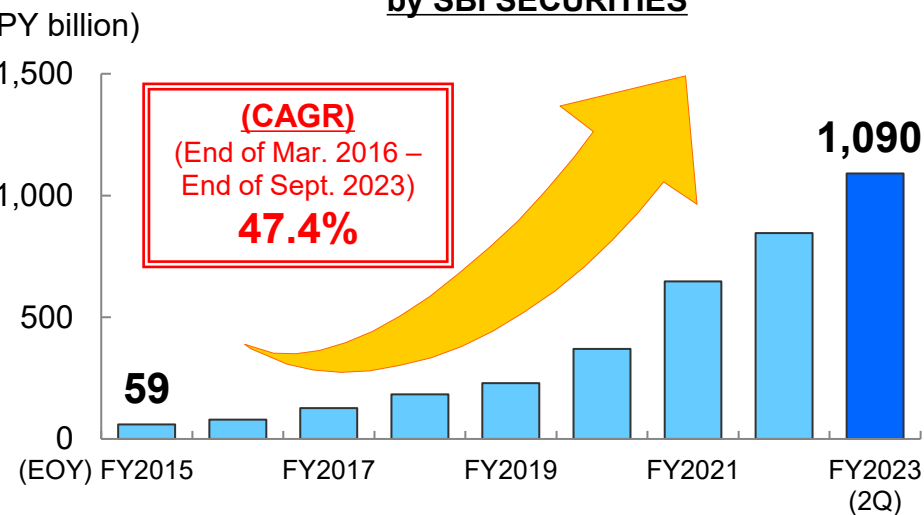
SBI Group **focused on the Individual Defined Contribution (iDeCo) pension business** through SBI Benefit Systems (est. 2001), well before expectations for the market size to expand as a result of revisions in the regulation in Jan. 2017

- SBI SECURITIES **administrative fees for iDeCo became completely free of charge** on May 19, 2017, in order to further expand iDeCo business
- As for iDeCo, **the number of subscribers for business establishments exceeded 10,000 in Feb. 2023, and the number of participants increased to approximately 157 thousand as the end of Sept, 2023, +18% YoY**

Cumulative Number of SBI Benefit Systems Subscribers for DC (individual type + corporate type)



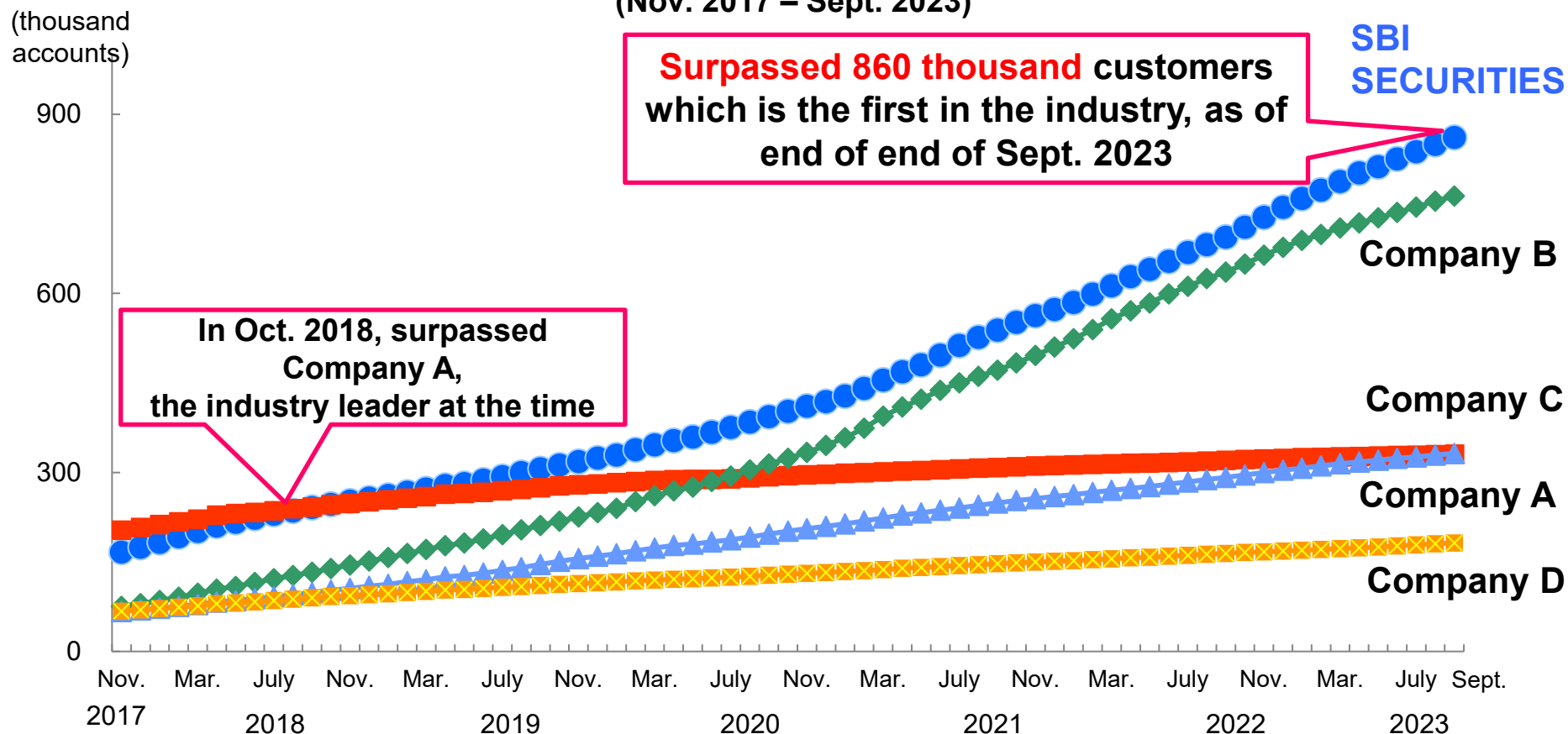
Balance of Investment Trust for 401K (individual type + corporate type) Distributed by SBI SECURITIES



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

- Gap between the number of accumulated customers of the second largest company in the industry (Company B) continues to be widened-

Cumulative Number of Customers (subscribers & transfers*)
of iDeCo by Planning Administrator
(Nov. 2017 – Sept. 2023)

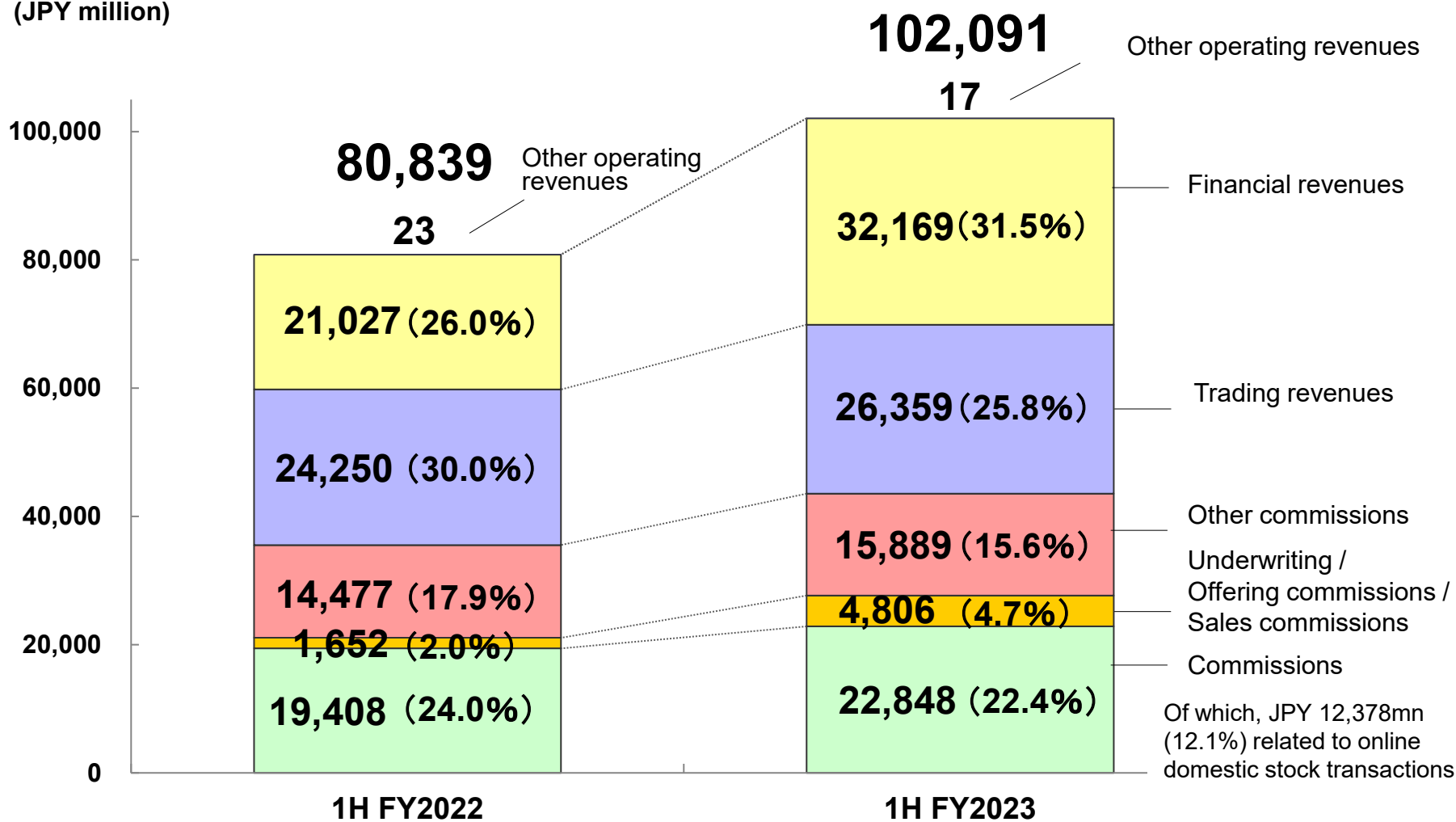


* Cumulative total number of subscribers and transfers announced by the National Pension Fund Association
Source: Briefing paper of the National Pension Fund Association (partially includes estimates by SBI)

(3) SBI SECURITIES thoroughly promote the strengthening of alternative revenue to mitigate the impact of the decrease in revenue caused by “ZERO Revolution”

SBI SECURITIES' Consolidated Operating Revenue (Net Sales) Structure for 1H FY2023

(JPY million)

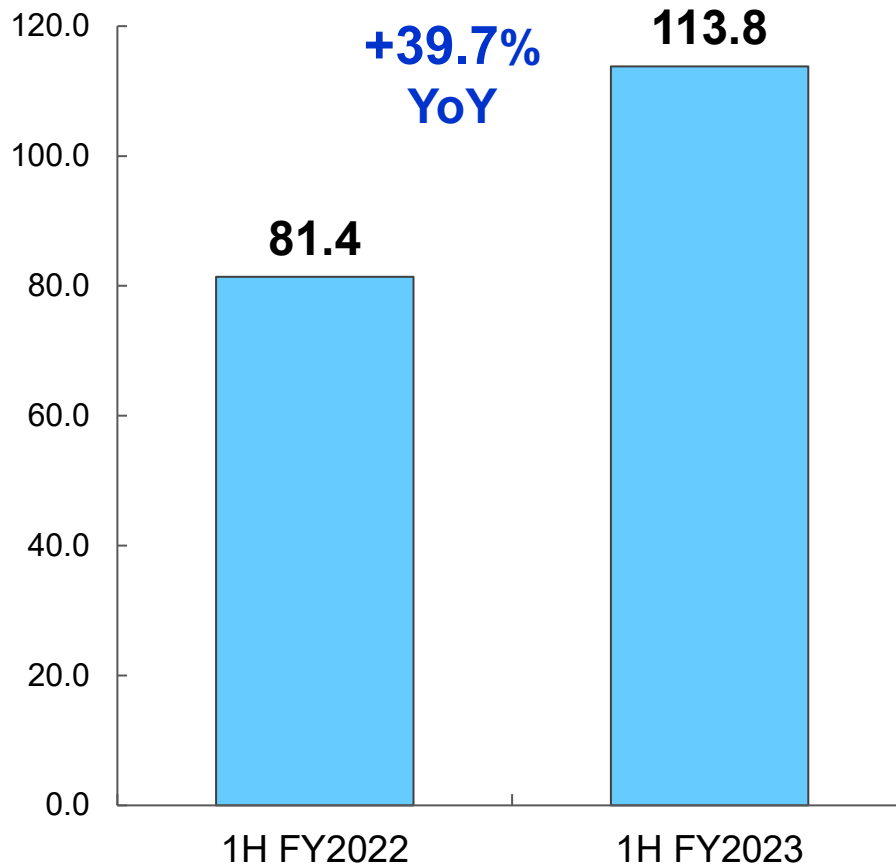


(Based on J-GAAP)

Commission Revenues Not Subject to ZERO Revolution Has Continued to Increase

Domestic Stock Brokerage
Trading Value

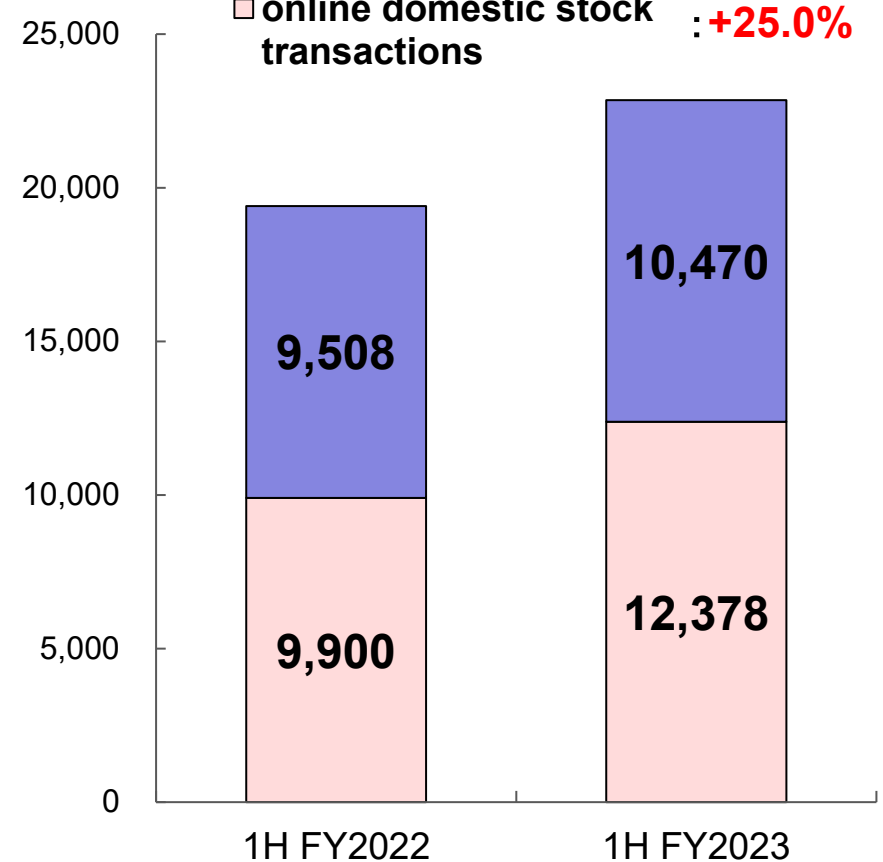
(JPY trillion)



Commissions*

(JPY million)

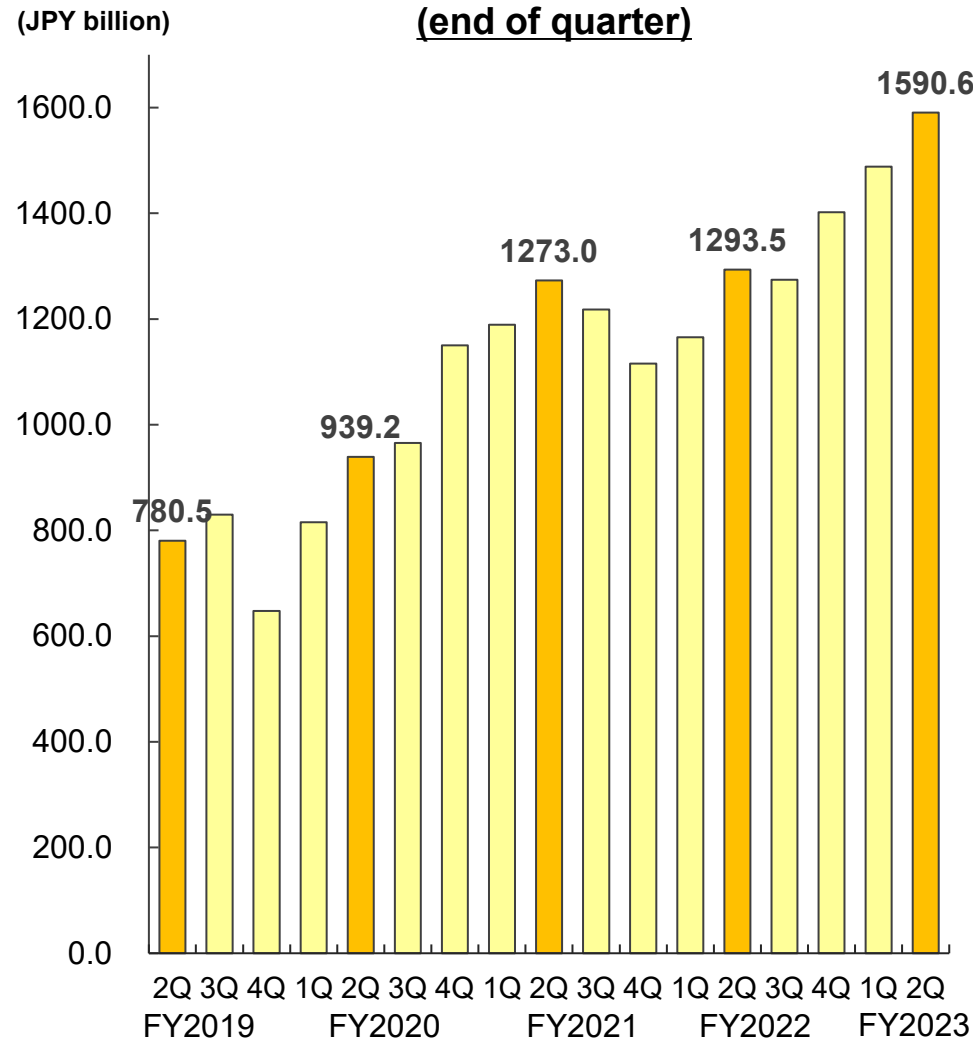
- transactions excluding online domestic stock : **+10.1%**
- online domestic stock transactions : **+25.0%**



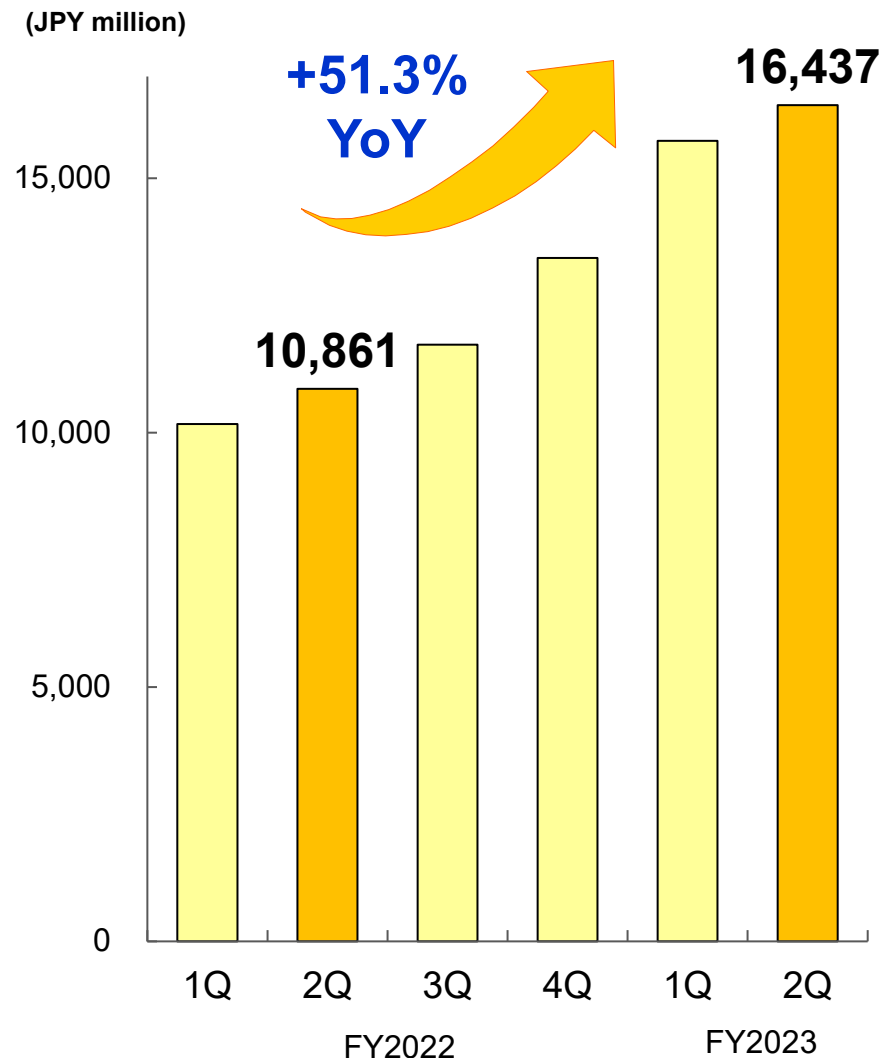
* Commissions include those for futures, options foreign stocks, etc.

Open Interest Credit balance is on an Increasing Trend, Which is Expected to Further Increase Financial Revenue in the Second Half of FY2023 and beyond

Trend of Open Interest Credit Balance
(end of quarter)

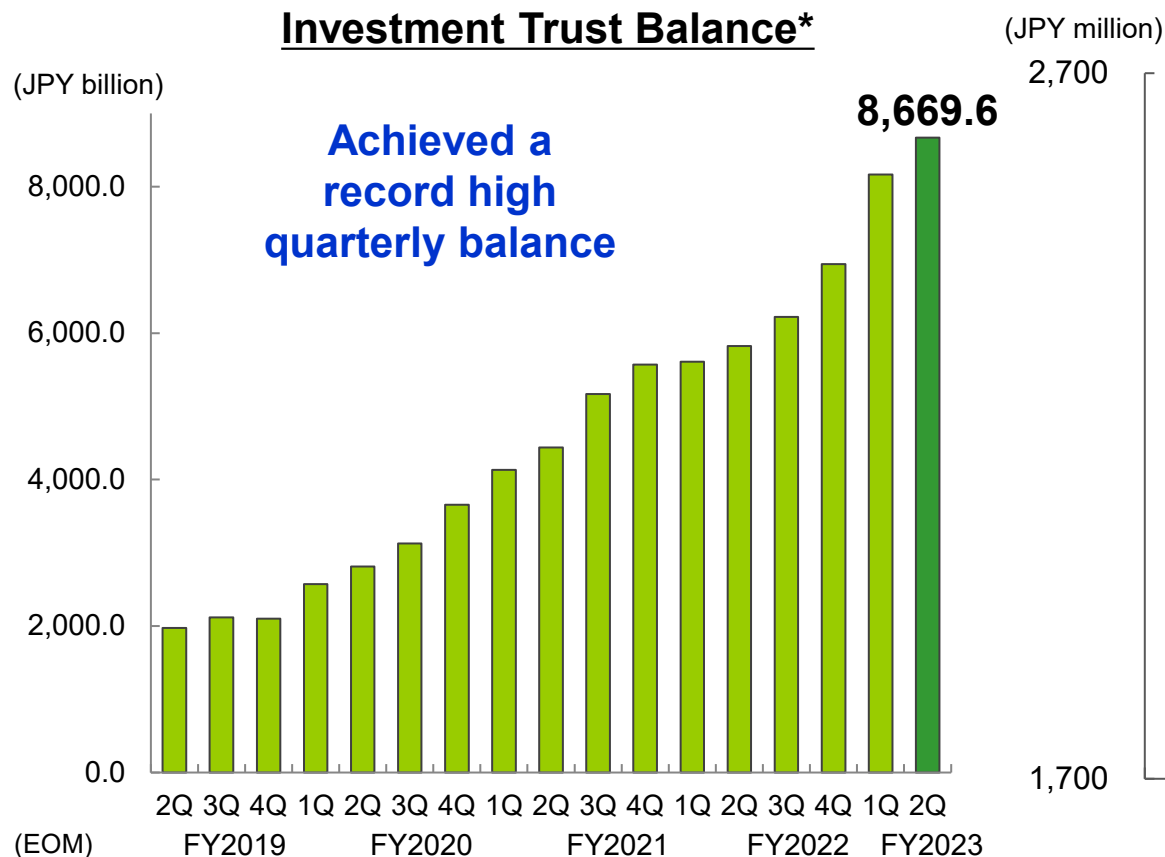


Financial Revenue

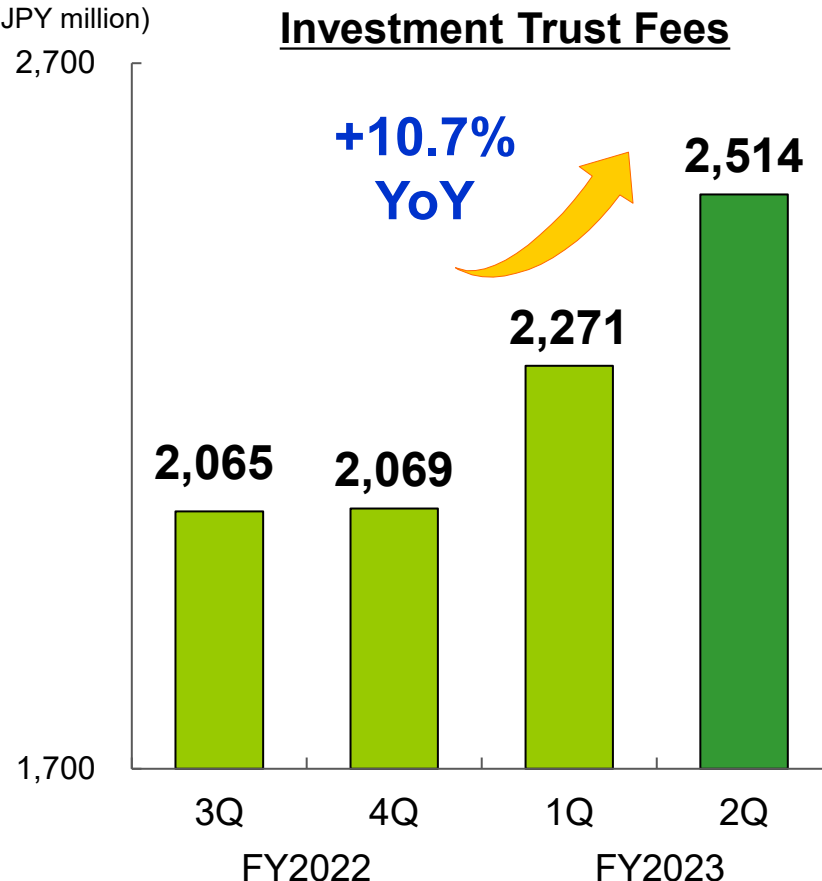


ZERO Revolution Announcement Led to an Increase in Investment Trust Balance, Accelerating the Pace of Increase in Investment Trust Fees

Investment Trust Balance*



Investment Trust Fees



Steady growth in investment trust balance is expected to continue to lead to a steady increase in investment trust fees

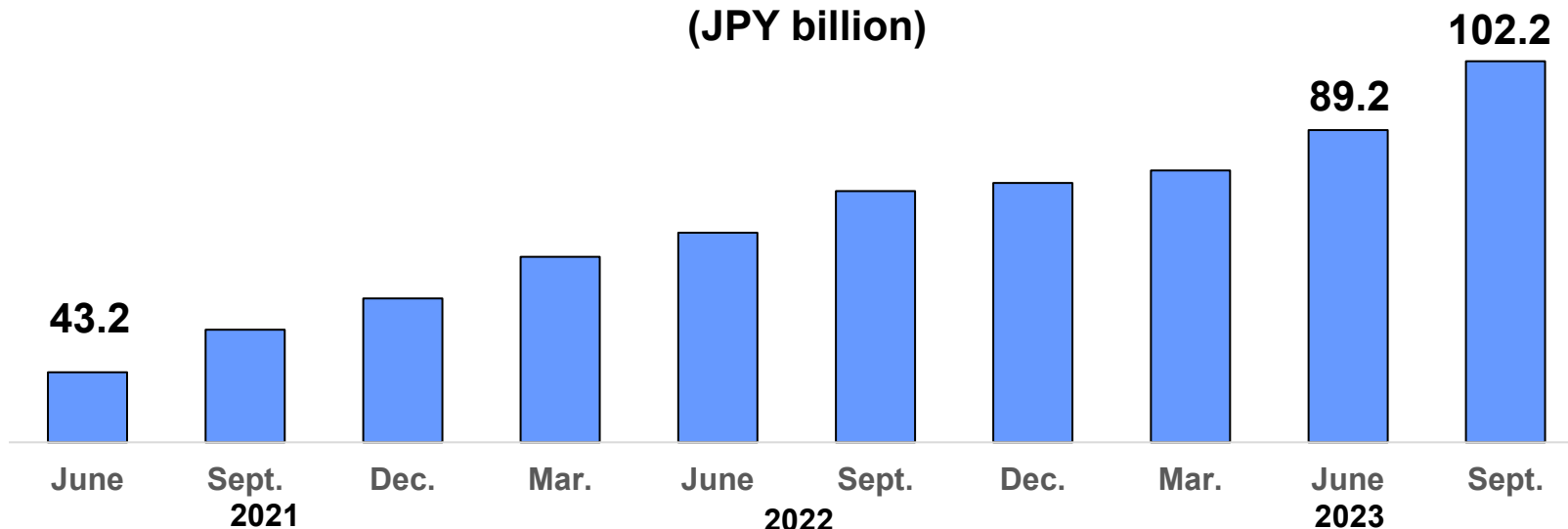
* Figures for balance of investment trusts includes domestic and overseas ETFs and foreign currency-denominated MMFs

Monthly accumulation amount of Investment Trust Fund Has Already Exceeded JPY 100 billion

- Accumulation of investment trust balance of **more than JPY 1.2 trillion in one year** -

- Strong growth in credit card-based accumulation-type fund Investment, with the amount of accumulation **exceeding JPY 100 bn** as of the end of Sept 2023
- The growth has been supported **by multi-card strategy which allows accumulation-type fund investment with a total of seven credit cards**: Sumitomo Mitsui Card, Takashimaya Card, Tokyu Card, APLUS Card, UCS Card (Credit Cards of Pan Pacific International), JFR Card (Credit Card of Daimaru Matsuzakaya Department Store), and Orico Card. Monthly accumulation amount through those credit cards exceeding JPY 23.6 billion as of the end of Sept. 2023

Trend of Accumulation Amount
(JPY billion)



SBI SECURITIES Has been Maintaining the Highest IPO Underwriting Share in the Industry since FY2012

- Steady growth in POs and Corporate bond underwriting -

Underwriting share of **95.9%** is an industry-leading figure

IPO Underwriting Ranking (Apr. 2023 – Sept. 2023)
49 companies were listed during the period

Company name	Number of cases	Underwriting share (%)
SBI	47	95.9
Matsui	36	73.5
Monex	32	65.3
Rakuten	32	65.3
SMBC Nikko	30	61.2
Nomura	24	49.0
Mizuho	24	49.0
Okasan	23	46.9
Daiwa	22	44.9

- Between Apr. 2023 and Sept. 2023, SBI SECURITIES underwrote 7 companies as lead manager

PO underwriting business

During 1H FY2023, SBI SECURITIES underwrote 14 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 32 bond offerings during 1H FY2023 including Tokyo Electric Power Company bonds



Focus on underwriting of new public bonds, including electric companies' bonds

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

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

SBI SECURITIES is the Only Online Securities in the Top 10 in the Equity Underwriting Ranking

[Equity and equity-related underwriting ranking (July – Sept. 2023)]

Rank (previous year)	Company name	Underwriting amount (JPY billion)	Number of cases
1(3)	Nomura	446.6	22
2(5)	SMBC Nikko	91.1	15
3(4)	Mizuho	88.2	12
4(2)	Daiwa	74.3	15
5(-)	Goldman Sachs	64.7	3
6(1)	Mitsubishi UFJ Morgan Stanley	63.9	6
7(-)	JPMorgan	60.6	2
8(-)	SBI	30.8	6
9(-)	UBS	16.1	1
10(-)	BofA (Bank of America)	10.4	2

Source: Nikkei, Nov.2, 2023

As expansion of the customer base through ZERO Revolution will create advantages for issuers to increase the underwriting rate of SBI SECURITIES, further expansion of the underwriting business is expected in the future

3. Actively Promoting Investments and Business Development in the Field of Digital assets in Preparation for the Advent of the Full-fledged Digital World

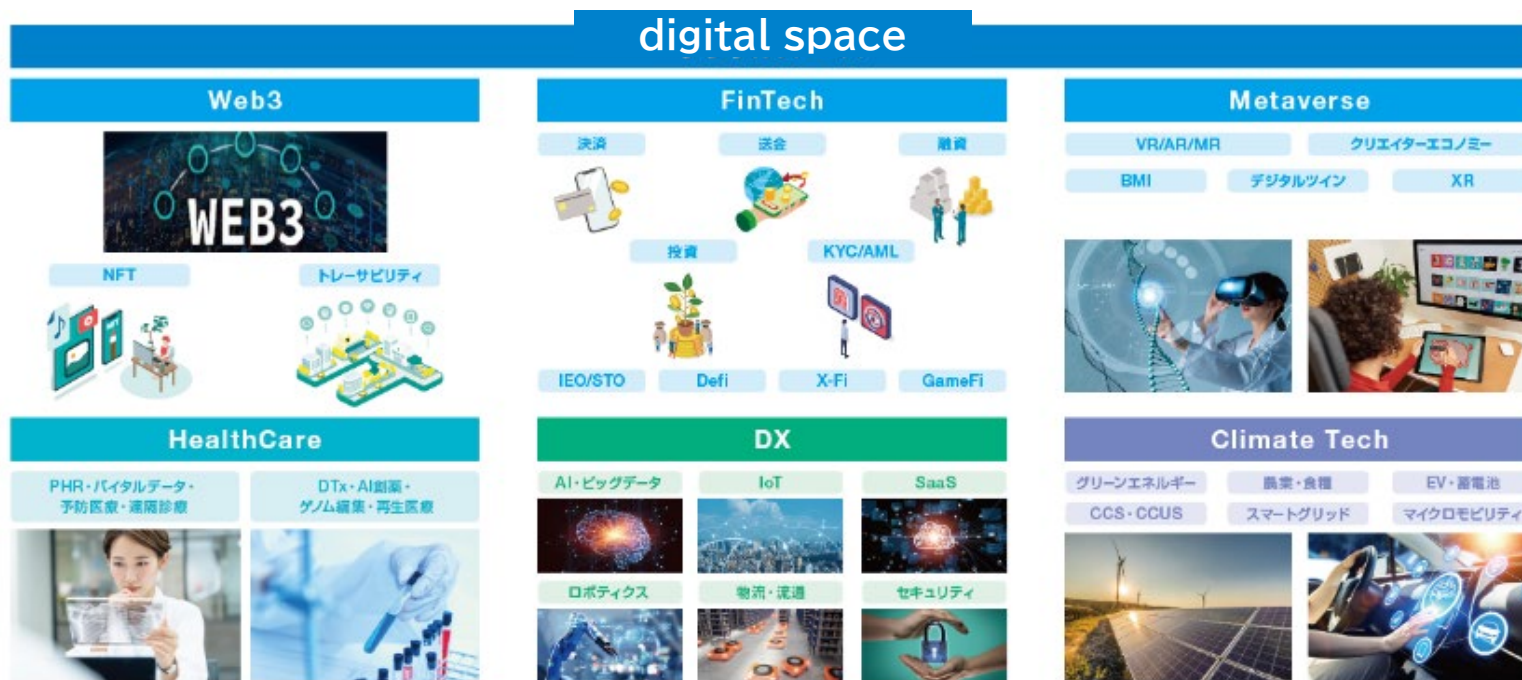
- (1) Establish a new fund called “SBI Digital Space Fund,” with a maximum size of JPY 100 bn, focused on investing in cutting-edge services/technologies in the digital space. The fund was established in September 2023**
- (2) Expand the crypto asset ecosystem and maximize profitability, driven by the recent recovery of the crypto asset market**
- (3) SBI Group endeavors to establish the world’s largest global corridor for the distribution of digital assets**
- (4) Developing business related to NFT, the use of which is expected to expand rapidly with the spread of digital assets**

(1) Establish a New Fund Called “SBI Digital Space Fund,” With a Maximum Size of JPY 100bn, Focused On Investing in Cutting-Edge Services/Technologies in the Digital Space. The Fund was Established in September 2023

■ Investment target areas:

Not only “digital space” segments such as Web3 and the metaverse, but also a wide range of innovative technologies and services in growth industries expected in the future, such as AI, fintech, healthcare, DX (digital transformation), and climate tech

As of November, already solicited approx. JPY 55bn



SBI Group’s Investment Track Record has been Recognized, and a Total of 43 Companies, Including Major Players in Various Industries, are Participating in the Fund

- The recent valuation of our FinTech fund, established in 2015, **has exceeded three times the initial committed amount**, receiving high praise from domestic and international investors for our previous investment activities. As a result, not only existing investors but also **new institutional investors and major business corporations have decided to invest in this fund**

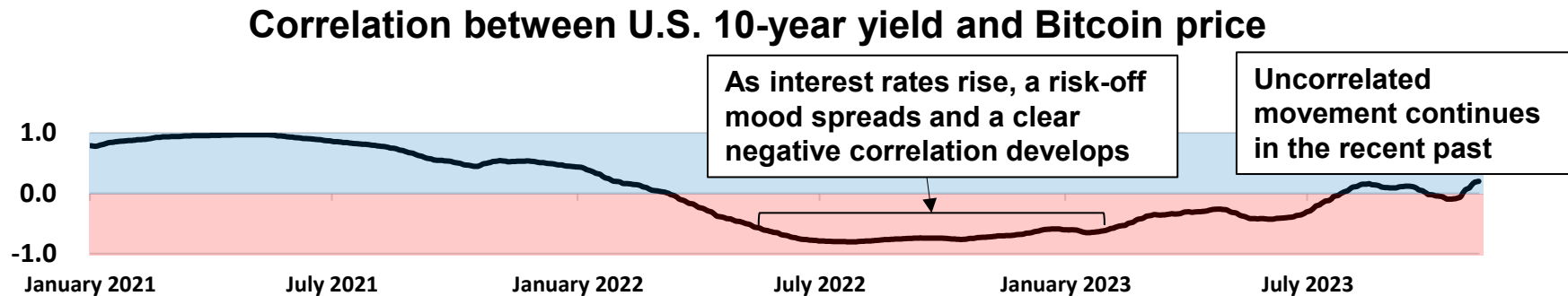
Major investors in this Fund

メガバンク			証券			
<div>SMBC 三井住友銀行</div> <div>MIZUHO みずほ銀行</div> <div>三井住友信託銀行</div> <div>SBI 新生銀行</div>			<div>大和証券グループ本社</div> <div>岩井コスモ証券</div> <div>岡三証券グループ</div> <div>極東証券</div> <div>むさし証券</div>			
地域金融機関			保険		ネット銀行	
<div>福岡銀行</div> <div>足利銀行</div> <div>広島銀行</div> <div>仙台銀行</div> <div>大光銀行</div> <div>筑波銀行</div>			<div>第一生命</div> <div>日本生命</div>		<div>NEOBANK</div> <div>住信SBIネット銀行</div>	
ITサービス	エレクトロニクス		オフィス家具	化学・素材	化粧品	財団
<div>SOLXYZ</div>	<div>Kitac</div>	<div>THine</div>	<div>ITOKI</div>	<div>TAIYO</div>	<div>mandom</div>	<div>一般財団法人 公益財団 文化財団</div>
サービス	食品	製造	ディスクロージャービジネス	不動産	モビリティ	流通小売・建設
<div>NAC</div>	<div>サントリー食品</div>	<div>TOPPAN</div>	<div>PRONEXUS</div>	<div>一般社団法人 住友不動産</div>	<div>MOBILIX</div>	<div>秀 会秀グループ</div>

- (2) Expand the crypto asset ecosystem and maximize profitability, driven by the recent recovery of the crypto asset market**
 - ① Market environment for crypto assets over the past few years**
 - ② Initiatives in the Crypto Assets Business for the Future**

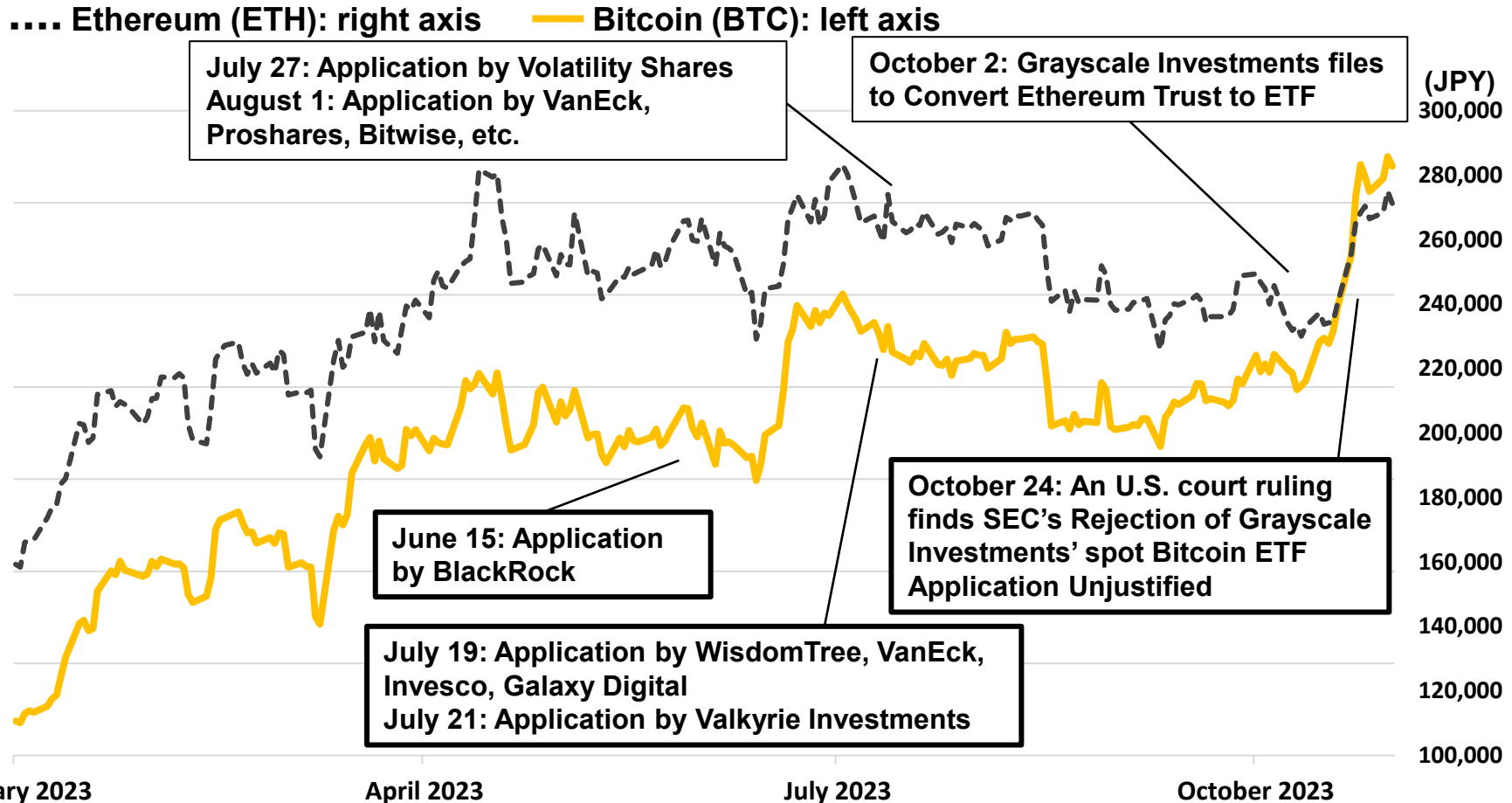
① Market environment for crypto assets over the past few years

The Crypto Asset Markets Often Inversely Correlated to U.S. Interest Rates



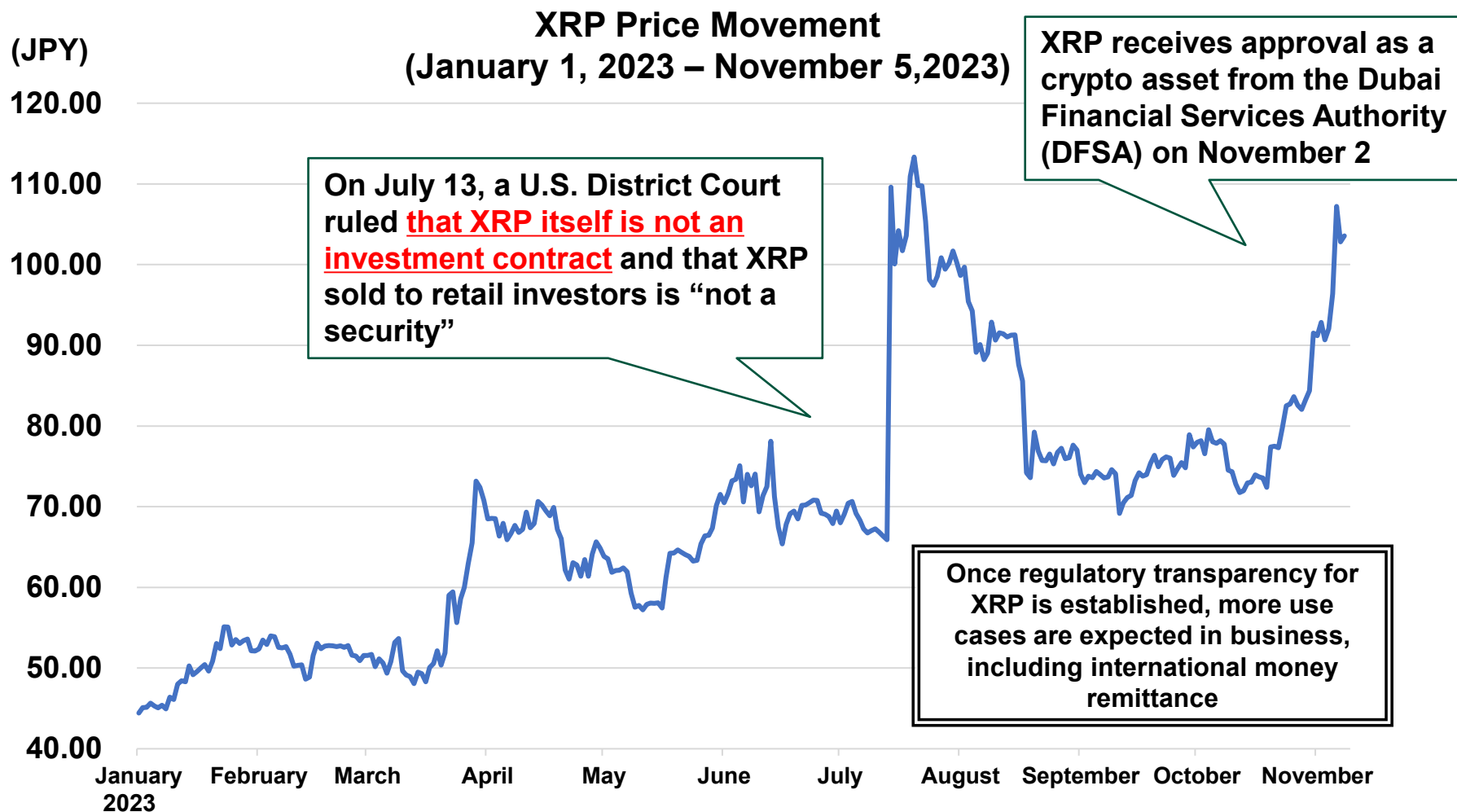
With interest rates expected to fall in the U.S., it remains to be seen how Bitcoin and other crypto asset prices will react

Prices of Major Crypto Assets Are Currently on an Upward Trend Due to the Anticipation of Crypto Asset ETFs Being Applied for Approval in the U.S.



With Bitcoin's halving, a major event, coming up next year, if the ETF is approved by the SEC in the future, the price of major crypto assets such as BTC and ETH is expected to rise followed by a rise in trading volume

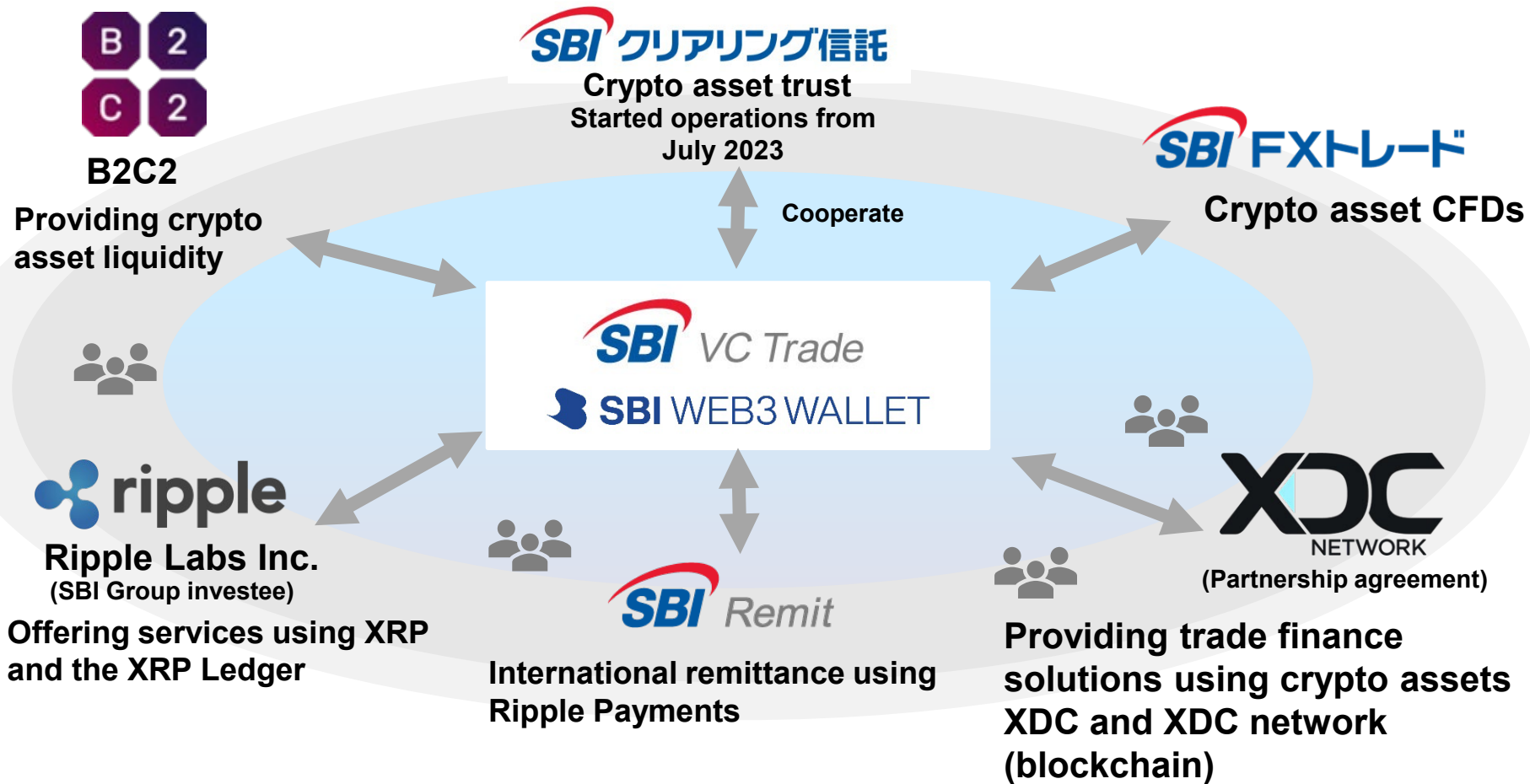
XRP Price Continues to Rise into 2023 on Positive News, Including Ruling of Litigation made by SEC Against Ripple Labs Inc. (Ripple)



While the majority of transfers for Ripple’s XRP-based international money transfer service are made via Singapore, **Ripple’s Singapore subsidiary received a Major Payment Institution (MPI) license from MAS** on October 3, 2023, and Ripple is also expanding its international money transfer service

② Initiatives in the Crypto Assets Business for the Future

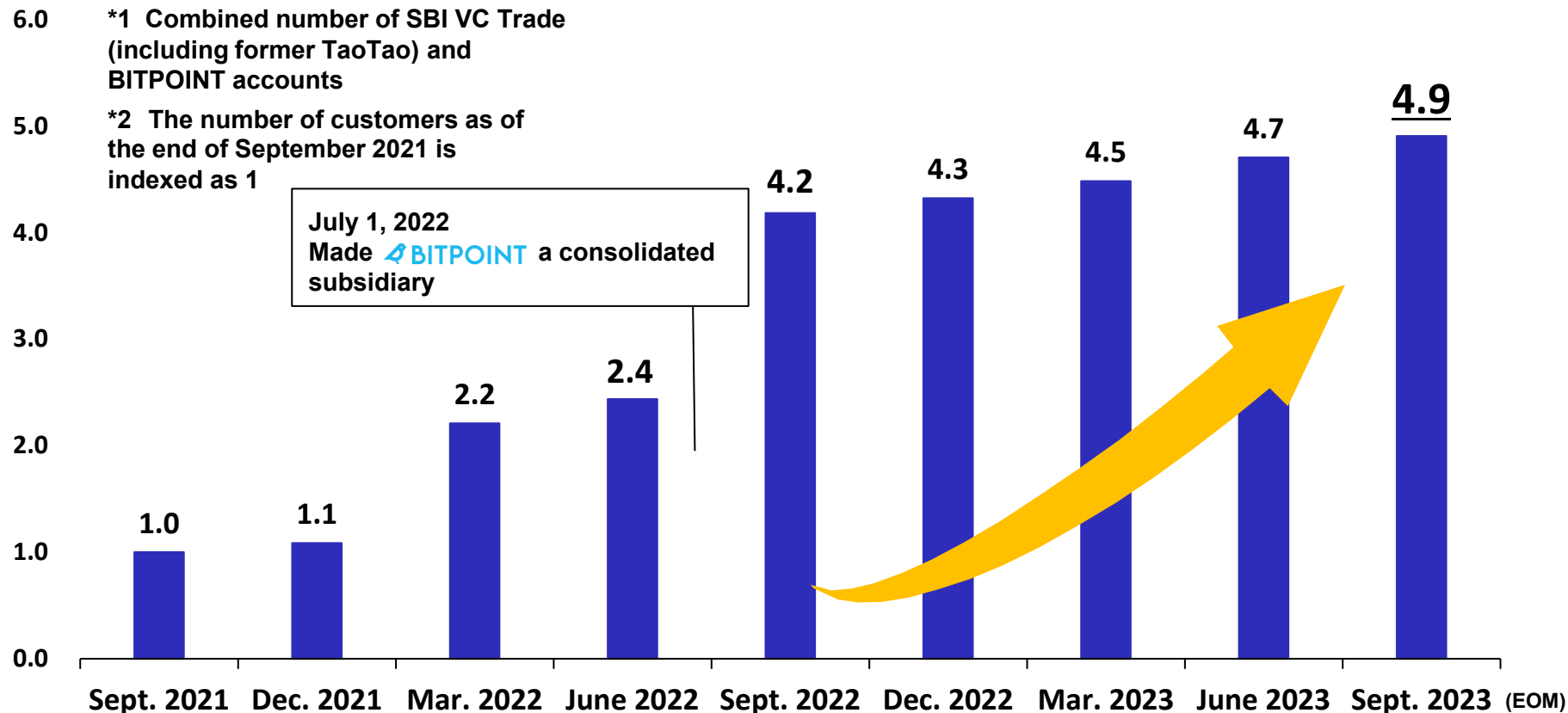
SBI Group Has Established an Ecosystem that Can Generate Synergies Through a Group of Companies With Various Supporting Functions Centered on the Crypto Asset Exchange



When the crypto asset market enters an expansion phase, the SBI Group will work together to provide crypto asset trading and related services

Steady Growth in Our Customer Base while Continuing to Build an Ecosystem of the Crypto Asset Business

Number of customers in the SBI Group's Crypto Asset business (End of Sept. 2021 - 2023)

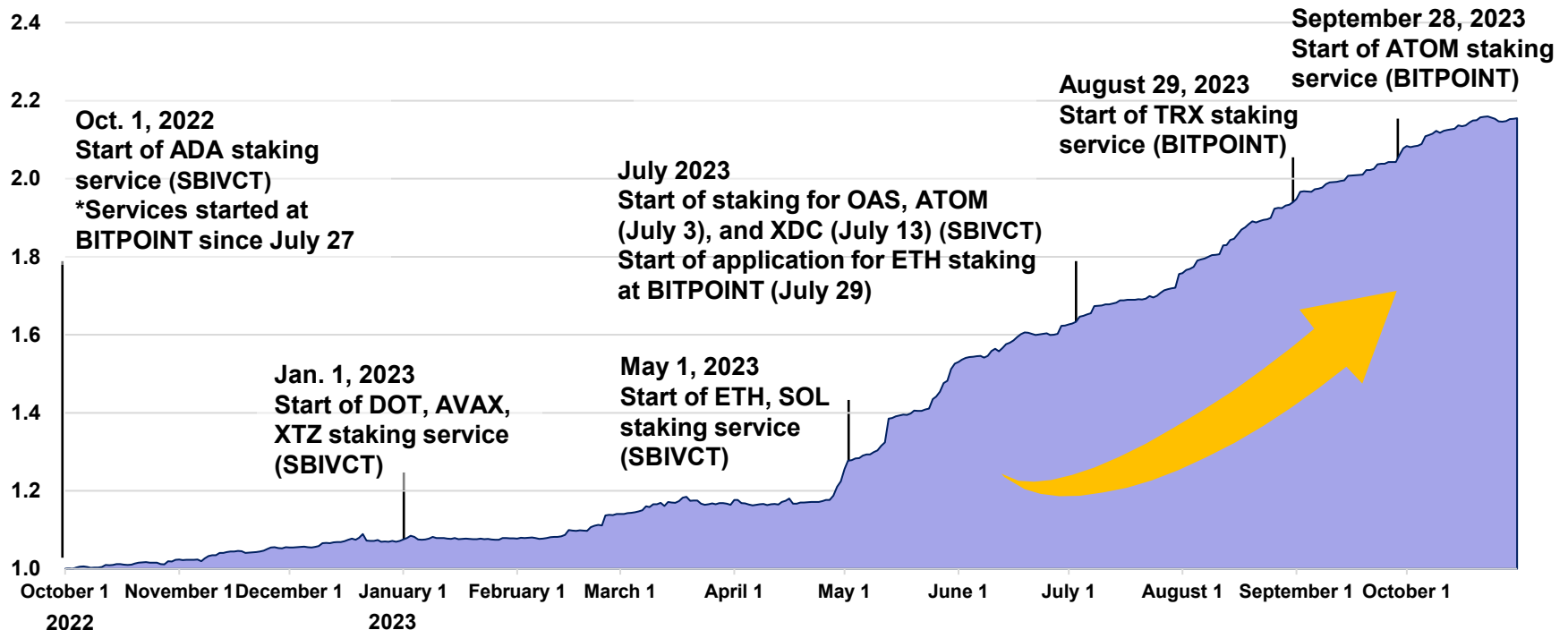


Customer base continues to grow due to the increase in crypto assets handled, expansion of staking services, and shareholder benefits offered by the SBI Group

Staking Services Provided by the SBI Group (SBI VC Trade, BITPOINT) is Performing Well

Staking is the process of earning rewards by participating in generation and approval of blocks and supporting the operation of the blockchain network, which adopts a proof-of-stake mechanism, in accordance with the amount of crypto assets (such as ETH handled by SBI VC Trade and BITPOINT) held in the blockchain

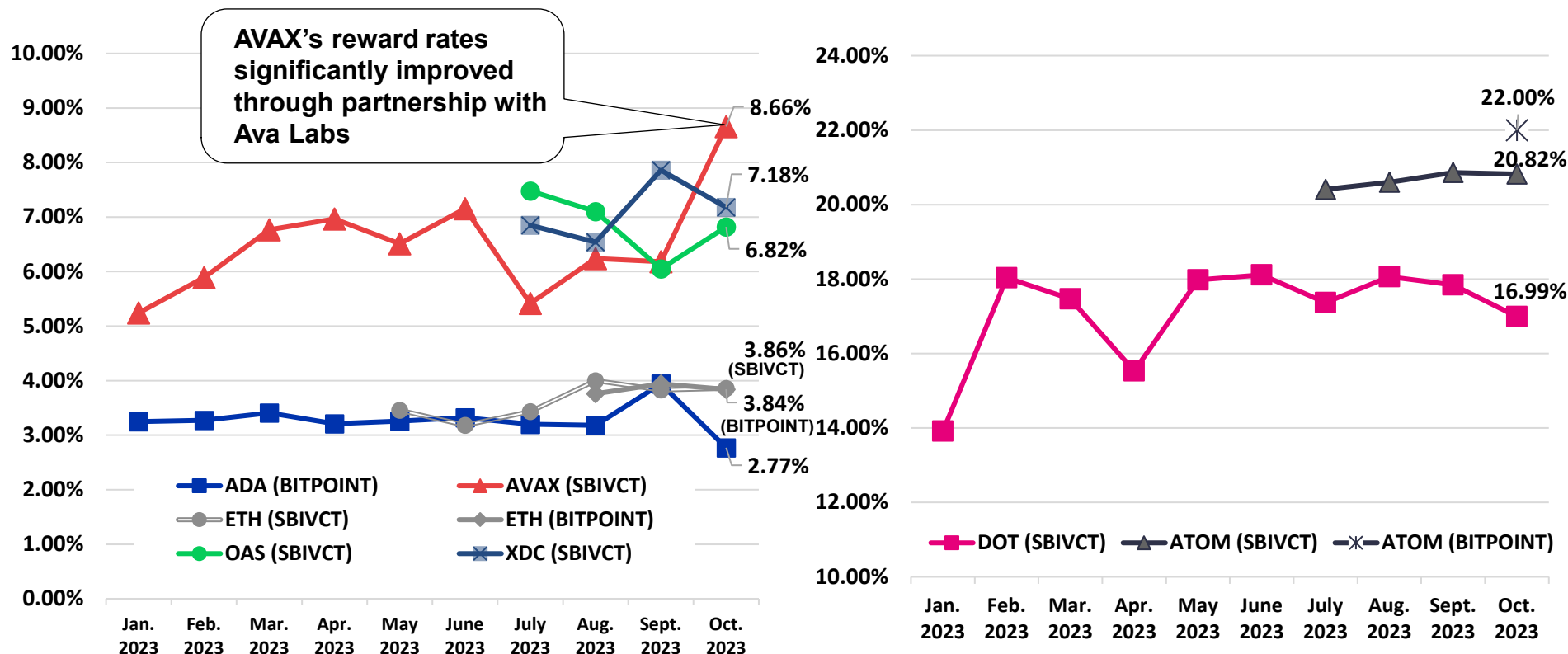
Balance of staked crypto assets at the two SBI Group crypto asset exchanges
(Indexed with the balance as of October 1, 2022 as 1)



Ensure the capture of transaction flows when the crypto asset market becomes active, by accumulating customer balance of crypto assets held through the provision of staking services

SBI Group Offers High Staking Reward Rates Compared to the Industry

Staking reward rates offered in SBI Group's Crypto Asset Business (January - October 2023)



*Reward rates for SBI VC Trade are before deducting commissions (except for some campaigns), and reward rates for BITPOINT is the actual received amount

Maintain a high level of staking reward ratio to increase customer satisfaction and generate stable stock revenues

As Part of Expanding the Crypto-asset Ecosystem, Entered into a Basic Agreement to Establish a Japan-based Joint Venture with TradeFinex Tech, which is Expanding the XDC Network—A Blockchain Designed to Add Efficiency to **Trade Finance**



Basic agreement announced
(9/29/2023)



May 11, 2023: Partnership agreement concluded
between SBI VC Trade and XDC Network

What is XDC Network?

- An open source system, in which anybody can develop on the network, that is an enterprise-grade blockchain specializing in trade finance
- Although it has its own blockchain, by adopting Ethereum virtual machine (EVM) it is compatible with the Ethereum network to open up a wide range of applications

As a joint venture between the SBI Group and TradeFinex Tech, “**SBI XDC Network APAC, Co., Ltd. (provisional name)**” (investment: SBI Group 60%, TradeFinex Tech 40%) **is planned to be established** to undertake the following activities:

- Support to operators of domestic crypto-asset exchanges that wish to handle XDC
- Support for expanding partnerships with subnets/layer-2 companies that contribute to XDC Network expansion
- Expansion to the APAC region of trade finance solutions provided by XDC Trade Network Pte. Ltd., an XDC Network affiliate

**Working toward future collaboration with SBI Group companies to
Expand its use in Japan and overseas**

(3) SBI Group endeavors to establish the world's largest global corridor for the distribution of digital assets

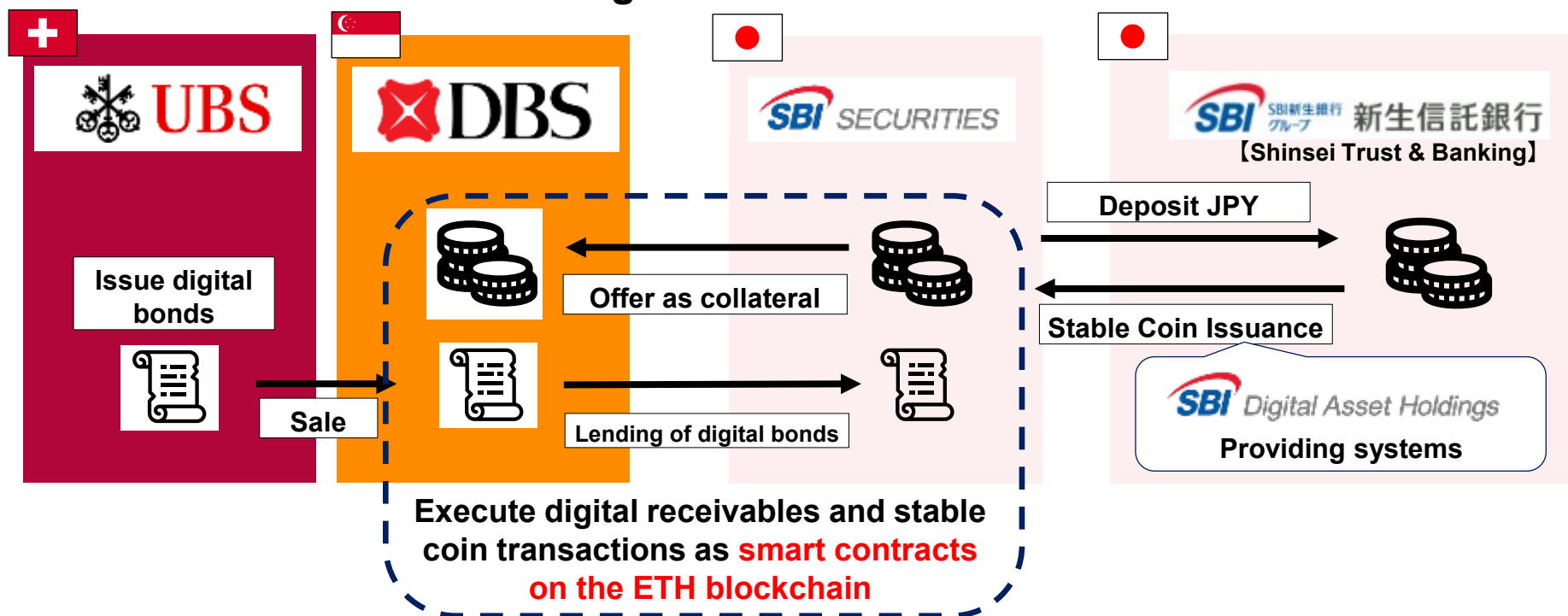
- ① SBI Digital Asset Holdings is playing a central role in contribution to “Project Guardian”**
- ② Accelerating the development of digital asset-related businesses based in Singapore under alliances with global partners**
- ③ SBI Group operates multiple Proprietary Trading System (PTS)**

① SBI Digital Asset Holdings is Playing a Central Role in Contribution to “Project Guardian”

Project Guardian is a project initiated by the Monetary Authority of Singapore (MAS) in collaboration with international financial institutions and regulatory authorities from various countries to explore the tokenization of assets and its use cases. **The Financial Services Agency of Japan** is also involved in this project.

- As a pilot case, starting from the end of October 2023, SBI Group, **UBS Bank** from Switzerland, and **DBS Bank** from Singapore will conduct cross-border transactions of innovative **tokenized financial products**. The purpose of this pilot is to identify challenges for future business development

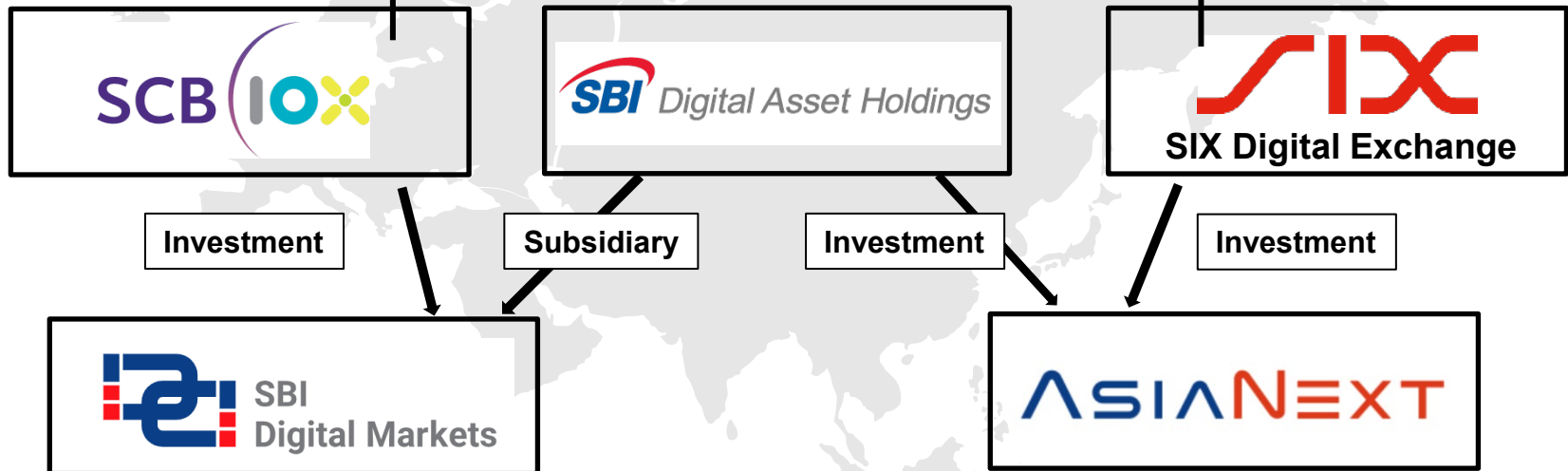
< Diagram of the scheme >



② Accelerating the Development of Digital Asset-Related Businesses Based in Singapore Under Alliances With Global Partners

SCB10X is a subsidiary of Siam Commercial Bank, one of Thailand's leading banks, actively pursuing investment activities in the fintech, blockchain and decentralized finance (DeFi) sectors in Southeast Asia

A member of the SIX Group, which operates the SIX Swiss Exchange, one of the world's leading stock exchanges, and provides trading and settlement services for digital assets in Switzerland and other European countries



- SBI DIGITAL MARKETS is a **digital asset issuance and distribution platform** for institutional investors, providing issuance, advisory, dealing, custody and other functions
- Acquired Capital Markets Services (CMS) from the Monetary Authority of Singapore in September 2022

- AsiaNext Endeavor to Launch an **institutional digital asset exchange**
- Received in-principle approval for CMS license from the Monetary Authority of Singapore in June 2023 and Recognized Market Operator (RMO) license in September 2023

③ SBI Group Operates Multiple Proprietary Trading System (PTS)

Japannext



Start of operation: August 2007

Operates Japannext PTS, **a trading system partnered with NASDAQ**, providing investors with a world-class trading environment

Osaka Digital Exchange



Start of operation: June 2022

Osaka Digital Exchange, which operates a stock PTS, is preparing to open **Japan's first PTS to handle STs** (by the end of this year)

Cboe, Virtu, and Optiver joined as shareholders in November 2023, gaining access to cutting-edge technology and expertise

Considering establishing a **new PTS with screening function** in Saudi Arabia, leveraging the experience and track record accumulated through PTS operation in Japan

(4) Developing business related to NFT, the use of which is expected to expand rapidly with the spread of digital assets

- ① SBINFT announces new business strategy to capture rapidly growing NFT market for gaming**
- ② Equity-method affiliate gumi released a new game in August and is developing a blockchain game**
- ③ Strengthening relations with Oasys, a gaming-specific blockchain**
- ④ Endeavor to promote new technologies, including NFTs, that are expected to grow in the future, by supporting the Expo 2025 Osaka, Kansai and sharing them with the world**

① SBINFT Announces New Business Strategy to Capture Rapidly Growing NFT Market for Gaming

- According to a report by Global Information, the blockchain gaming market size will reach US\$104.5 billion by 2028, **growing at a CAGR of 68.2% between 2022 and 2028**
- In Japan, major companies such as Sega, Namco Bandai Entertainment, and Square Enix Holdings have **announced their entry into the blockchain gaming market**, and the number of users and transaction volume of NFTs for games are expected to increase



To cover the gaming domain, SBINFT Market, which had been operated on the premise of trading NFTs for art works, was transformed into **a marketplace suitable for handling NFTs for games**

Granting of
points and
point
settlements

Credit card
payment for
user-to-user
transactions

Multiple batch
listings of the
same type of NFT,
such as items

Bulk purchase
of multiple
NFTs of
different types

Offer to
negotiate the
sale of
unlisted NFTs

② Equity-method Affiliate gumi Released a New Game in August and is Developing a Blockchain Game

Aster Tatarix

- A simulation RPG project by gumi and Aniplex
- Distributed on August 28, 2023. Endeavor to increase sales by implementing appropriate promotions
- Plans to distribute foreign language versions by the end of the year



Phantom of the Kill - alternative imitation -

- A blockchain game with GameFi elements based on gumi's original IP "Phantom of the Kill"
- "OSHI" token, which allows users to purchase in-game currency, has already been listed on several crypto exchanges and is in development for early delivery

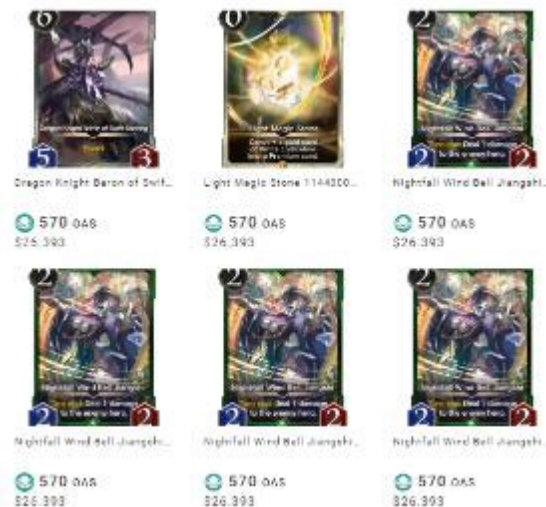
③ Strengthening Relations with Oasys, a Gaming-specific Blockchain



[Crypto assets: Oasys (OAS) 

- SBI VC Trade signed a partnership agreement with Oasys Pte. Ltd, operator of Oasys, a gaming-specific blockchain, on March 24, 2023
- OAS sales and savings services was available from May 31, 2023, and staking services from July 3, 2023. Endeavor to also support the Oasys Network with the SBI Web3 Wallet, which allows customers to purchase NFTs in Japanese yen only
- SBINFT, which operates the NFT Marketplace, entered into a strategic partnership with Oasys on June 26, 2023. From September 6, NFTs in collaboration with OASYX, the first NFT project on the Oasys blockchain, and the CryptoSpells card game, will be available within the SBINFT Market
- Endeavor to develop a blockchain game (BCG) using the Oasys blockchain in the future

Image of “CryptoSpells” NFT for sale on the SBINFT market” ▶



Expanding real demand for crypto assets through demand creation

④ Endeavor to Promote new Technologies, including NFTs, that are Expected to Grow in the Future, by Supporting the Expo 2025 Osaka, Kansai and Sharing them with the World

- (i) **The official wallet service, "EXPO2025 Digital Wallet,"** operated by a consortium consisting of SBI Group, SMBC Group, Resona Group, and Mitsubishi UFJ Financial Group, will offer a service where users can acquire and view the Expo-original NFT, "Myakun!"

To be issued by SBINFT on the decentralized public blockchain XRP Ledger

Stored and viewed on a dedicated website to be developed and provided by SBI VC Trade

Considering NFTs that can be made individually



Press Conference



- (ii) **Participated in the OSAKA Healthcare Pavilion as a co-sponsor and exhibitor,** and developed content that brings together the technologies of venture companies and others in the "City of Mirai" zone on the theme of advanced medical care

4. Creating a new business portfolio that will lead to lower performance volatility due to major changes in the business environment, such as financial market fluctuations

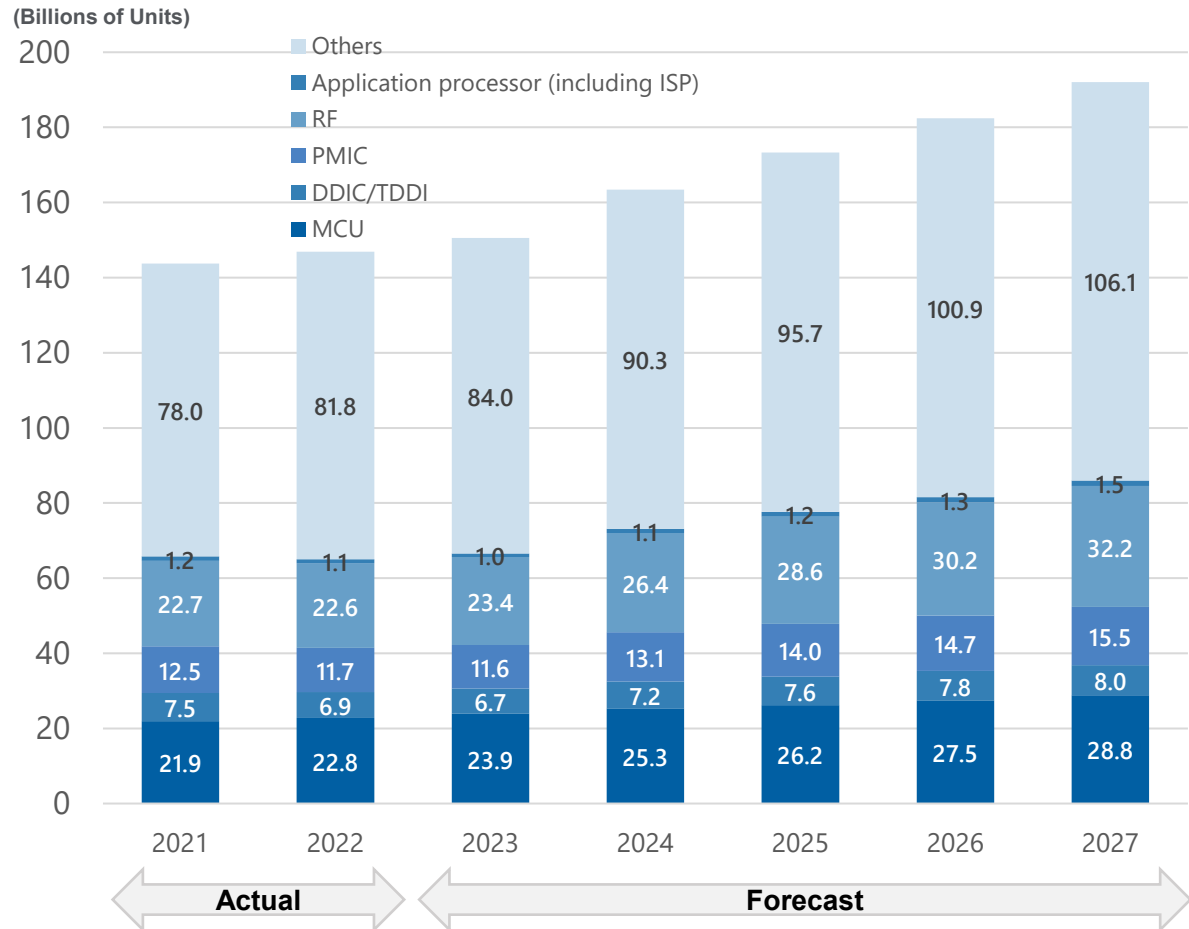
- (1) Amidst the anticipation of full-scale demand expansion for AI and electric vehicles (EV), etc., entered into the semiconductor-related business in partnership with PSMC, a major foundry in Taiwan**
- (2) Strengthening our global alliance structure by leveraging our experience in the field of cutting-edge technology**
- (3) Through the capital and business alliance with Mynavi, we will thoroughly pursue business synergies to further enhance the corporate value of both groups**

(1) Amidst the anticipation of full-scale demand expansion for AI and electric vehicles (EV), etc., entered the semiconductor-related business in partnership with PSMC, a major foundry in Taiwan

- ① Demand for semiconductors for AI, EV, and telecom infrastructure is expected to grow over the medium to long term**
- ② Plan to establish JSMC Holdings as the foundry operations company**
- ③ SBI Group is striving to build a semiconductor foundry ecosystem**
- ④ The location for the construction of the semiconductor foundry has been determined**
- ⑤ Plans for manufacturing of semiconductor wafers at the foundry**

① Demand for Semiconductors for AI, EV, and Telecom Infrastructure is Expected to Grow over the Medium to Long Term

Logic Semiconductor* Market Size Forecast (Devices)



Data Source: Gartner, Semiconductors and Electronics Forecast Database, Worldwide

ISP

Image Signal Processor

Communication RF

Wireless transmitter and receiver
for 5G/6G communications

PMIC

Power management IC.
Mainly for automotive use

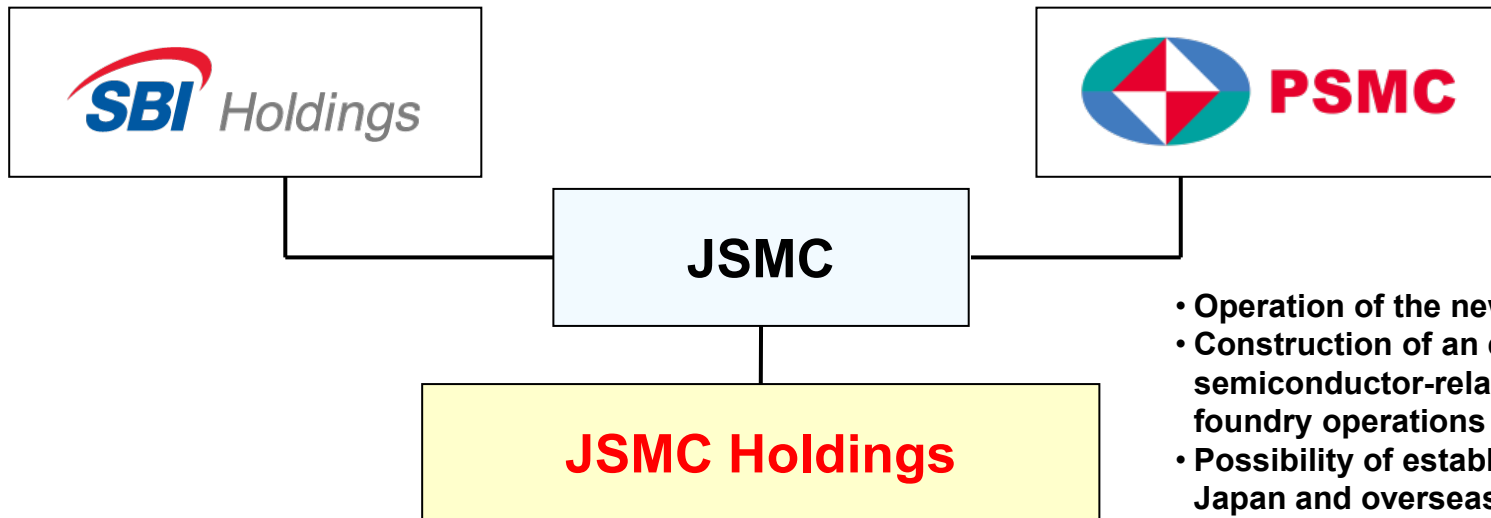
DDIC/TDDI
(Display Driver IC / Touch and Display
Driver Integration)

Version with display IC/touch
controller for panel

MCU

**Automotive
microcontroller**

② Plan to Establish JSMC Holdings as the Foundry Operations Company



- Operation of the newly established foundry
- Construction of an ecosystem including semiconductor-related businesses beyond foundry operations
- Possibility of establishing new locations in Japan and overseas in the future

< Executive team of JSMC Holdings (Plan) >

Director, Chairman : Yoshitaka Kitao (Representative Director, Chairman, President & CEO of SBI Holdings)

Director, Vice Chairman : Frank C. Huang (Chairman of Powerchip Group / Chairman of PSMC)

Representative Director & CEO : Joe Wu (Representative Director, and President of PSMC Japan)

Representative Director & CFO : Koji Nakano (Executive officer of SBI Holdings)

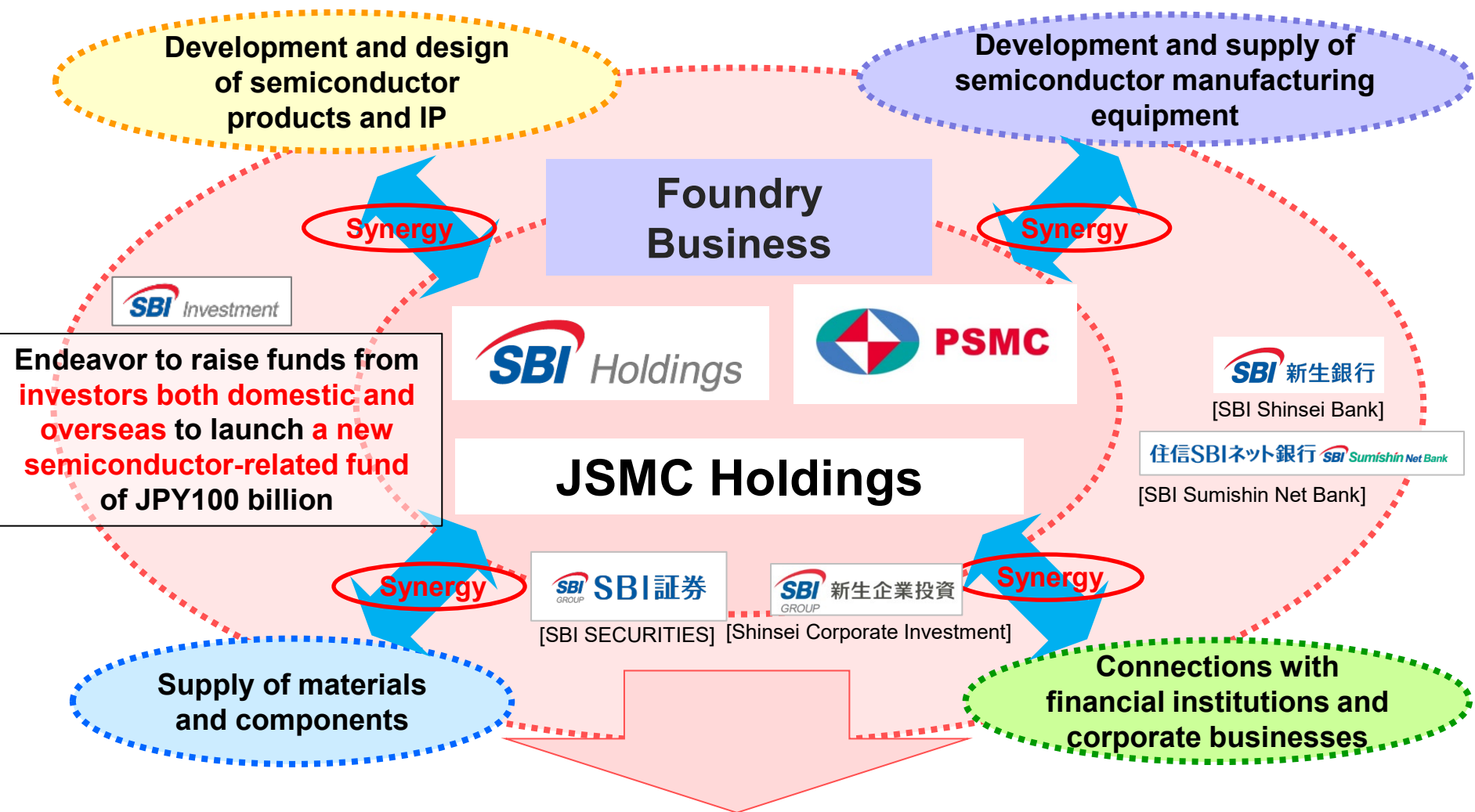
Director : Genki Oda (Managing Executive Officer of SBI Holdings)

Director : Martin Chu (Executive Vice President of Powerchip Group)

③ SBI Group is striving to build a semiconductor foundry ecosystem

Strengthening Competitiveness through Synergy Effects and Mutual Evolution between Related Companies Forming an Ecosystem of Semiconductor Foundry

- SBI Group's approach of incorporating domestic and overseas affiliated companies that perform supporting functions for core businesses which is cultivated in the financial industry **is also applicable to the semiconductor industry** -



Considering **expansion overseas by relocating the entire ecosystem** when its success is determined in Japan

③ SBI Group is striving to build a semiconductor foundry ecosystem

SBI Group has already Conducted Investment Activities, etc. in Domestic and Overseas Semiconductor-related Companies Based on the Concept of Investment, Introduction, and Diffusion **[Development and design of semiconductor products and IP]**

The following companies develop and design semiconductor products and circuit design data (IP: Intellectual property). Their products are often manufactured by foundry companies like JSMC

Architek (JP) EdgeCortix (JP) Floadia (JP) FLOSFIA (JP)
Siglead (JP) LeapMind (JP) MetisX (KR) Macro Image Technology (KR)
Chips&Media (KR) CONNECTEC JAPAN (JP) TopoLogic* (JP) *Investment planned

[Development and Supplying of Manufacturing Equipment]

Companies that develop and supply equipment used in various manufacturing processes such as film deposition, etching, lithography, packaging, and testing

TMH (JP) Forge Nano (US) Atonarp (JP) Sawmics (KR)
Nanojet Korea (KR) Green Optics (KR) CMITECH (KR)
SEALINK (KR) YOUNG KWANG YKMC (KR) YIK (KR)
CLEAN SOLUTIONS (KR) PHARMATRON (KR) PAMTEK (KR)
Accuracy (CN) HUMINTECH (KR) JINSUNG ENG (KR)
KONASOL (KR) EML (KR) KOMOTECH (KR) TRI-N (KR)
HB SOLUTION (KR) J.E.T.* (JP)

[Process Informatics]

Companies that leverage AI to optimize semiconductor processes

RTM (KR) AIXtal* (JP)
*Investment planned

[Material Supply]

Companies that manufacture and sell silicon wafers and semiconductor-related consumable materials

A-PRO SEMICON (KR)
RS Technologies* (JP)
*SBI SECURTIES became the lead underwriter

④ The Location for the Construction of the Semiconductor Foundry has been Determined

The construction of a semiconductor foundry is an initiative expected to greatly contribute to regional revitalization by promoting income growth and creating employment opportunities of the region

Following the notice of the establishment of a semiconductor factory in Japan, extremely constructive proposals from **31 municipalities from Hokkaido to Kyushu** were presented, encompassing various aspects, including infrastructure development, site selection, and diverse economic conditions



While we have decided on the location to **Miyagi Prefecture** by putting various factors into perspective, we would like to **express our sincerest gratitude** to all the officials from these municipalities for their voluntary participation in the bid and for their extensive support and consideration

⑤ Plans for Manufacturing of Semiconductor Wafers at the Foundry

PSMC's expertise will be utilized at the foundry to be built to mass produce high-quality, low-cost wafers 28nm and above in size, which are estimated to account for more than 90% of the demand for automotive semiconductors

- For Phase1, **complete the building, facilities, automation equipment**, etc. and produce 10,000 units of 40nm and 55nm semiconductor wafers per month, which are currently in most demand for automotive applications
- In Phase2, the **foundry will be in full operation**, with a mass production capacity of 40,000 semiconductor wafers per month, including 28nm and those using WoW technology

* WoW (Wafer-on-Wafer): Unique 3D Stacking Technology of PSMC

Period	Investment	Types of semiconductor wafers		Monthly production volume	Performance at full capacity (annualized, J-GAAP)
Ph. 1	2027 (planned)	Building and facilities	Production facilities	10,000 wafers in total	Sales: Approx. JPY 40 bn
			Automation / Lab		
Ph. 2	2029 ~2031 (planned)	Production facilities	55nm	40,000 wafers in total	Sales approx. JPY 190 bn
			40nm		
			28nm		Operating income approx. JPY 50 bn
			WoW		

(2) Strengthening our global alliance structure by leveraging our experience in the field of digital assets and other advanced technologies

- ① Middle East: Saudi Arabia is investing aggressively to realize its national transformation plan, and the SBI Group is working with Saudi companies in the area of digital assets and semiconductors**

SBI Middle East to be established in Riyadh, Saudi Arabia, as a base to oversee the SBI Group's businesses in order to further expand business alliances

- ② Africa: Signed a strategic capital alliance agreement with a UK venture capital firm with extensive experience investing in Africa**

Memorandum of Understanding for Business Alliance with King Abdulaziz City for Science and Technology



KACST

[Considering business alliances in the following areas in the future]

- ✓ Cooperation and investment in the field of semiconductors in Japan and Saudi Arabia
- ✓ Development of biotechnological solutions and ethical drugs centered around products using 5-Aminolevulinic Acid (5-ALA)
- ✓ Promotion of innovative banking solutions utilizing digital technology and fintech
- ✓ Development of human resources exchange programs targeted to nurture talent in the field of semiconductor, fintech, and biotechnology
- ✓ Support of startups and entrepreneurs with cutting-edge technology and entrepreneurs in the fields such as semiconductor, fintech, and biotechnology

[About KACST]

- ✓ KACST is a prominent national research institute in Saudi Arabia, with several laboratories, research and development centers
- ✓ Focusing on R&D and promoting innovation in a wide range of fields, including environment, energy, and medicine, in collaboration with organizations inside and outside of Saudi Arabia

UK-based Venture Capital Firm Novastar Invests in Africa Signed a Strategic Capital Alliance Agreement (November 2, 2023)



Novastar

[Details of Capital Alliance]

- ✓ The SBI group invested USD40 million in a fund managed by Novastar
- ✓ Support Novastar raise the equivalent of the SBI Group's investment from Japanese investors
- ✓ Partial shareholding in Novastar and dispatch of non-executive directors
- ✓ Novastar will leverage its longstanding investment experience and presence in Africa to promote co-investment opportunities with The SBI Group and provide insight into African markets

[About Novastar]

- ✓ Novastar is a UK-based venture capital firm founded in 2014. The oldest venture capital firm to invest in Africa, raising and investing over USD200 million from investors around the world
- ✓ Invest in technologies that have the potential to transform core sectors based on the concept of financial return and social impact

(3) Through the capital and business alliance with Mynavi, the SBI Group will thoroughly pursue business synergies to further enhance the corporate value of both groups

Through the Capital and Business Alliance with Mynavi, Further Enhancing the Corporate Value of Both Groups



Advancing “Open Alliance Strategy”

SBI Group’s customer base: **Acquired 10.59%**
47.71 million over
(As the end of Sept. 2023)



マイナビ [Mynavi]

Mynavi 2024 (Employment preparation website for students who are going to graduate in 2024)

Number of registered users : approx. 820,000

Number of companies listed : approx. 28,200

*as of March 1, 2023

Mynavi Tenshoku (for career change) (Oct. 2023)

Number of member users: approx. 7,940,000

Number of companies listed : approx. 12,500

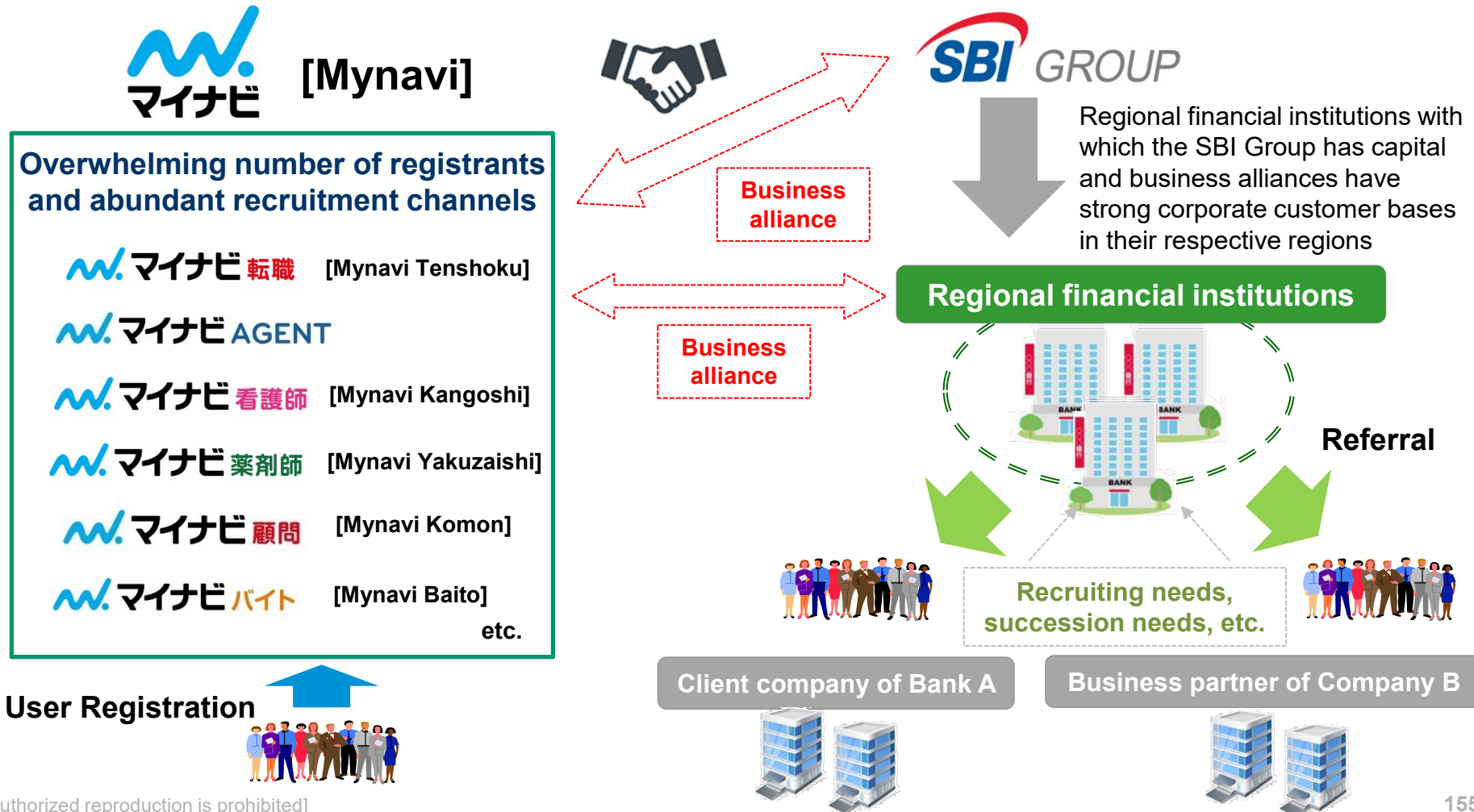
Details of the business alliance:

- Expansion of profit opportunities by **leveraging the networks of both groups** (such as supporting Mynavi Group’s human resources business by leveraging SBI Group’s network of affiliated regional financial institutions and utilizing SBI Group’s financial and corporate networks)
- Accelerating growth through **collaboration and complementarity among subsidiary companies** shared by both groups (such as the finance related and BPO (Business Process Outsourcing) areas, etc.)
- Creating business opportunities through **collaboration in new fields** (collaboration in areas such as data utilization, service integration, and Web3, in order to provide customers with higher value-added services. This includes utilizing SBI Group’s overseas network to support the realization of Mynavi Group’s overseas strategy)

Example of Business Alliance with Mynavi (1)

Leveraging SBI Group's Network of Affiliated Regional Financial Institutions




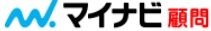











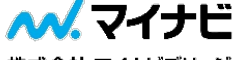
- Further strengthen Mynavi's **partners (34 regional banks, 42 shinkin banks and credit cooperatives)** and contributing to regional revitalization through employment promotion by identifying job needs in rural areas-



Example of Business Alliance with Mynavi (2)

Collaboration and Complementarity among Subsidiary Companies Shared by Both Groups

Examples of business areas shared by the SBI Group and the Mynavi Group

	SBI Group	Mynavi Group
Auction	 <p>Total number of exhibits: 2,320 items. Total amount of successful bids: JPY 6.93 bn</p>	 <p>Around 30 auctions per year</p>
M&A	<p>SBI HONGO TSUJI M&A SBI Regional Business Succession Investment</p>	 株式会社 マイナビ M&A [Mynavi M&A]  マイナビ 顧問 [Mynavi Komon]
Real estate	  	 マイナビ 株式会社 マイナビ不動産 [Mynavi Fudosan]
BPO (Shipping agent, contact center, etc.)	 	 マイナビ 株式会社 マイナビBX [Mynavi BX]  マイナビ 株式会社 マイナビサポート [Mynavi Support]
Regional revitalization	<p>地方創生パートナーズ [Regional Revitalization Partners]</p>	 マイナビ [Mynavi]
Finance services (factoring)	  Providing financing solutions	 マイナビ 株式会社 マイナビブリッジ [Mynavi Bridge]

Discussions between both groups on expanding scale through business collaboration, thoroughly pursuing business synergies between both groups, and collaborating on regional revitalization projects, etc.

[Reference material]

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

Number of Group Companies

	End of Mar. 2023	End of Sept. 2023
Consolidated subsidiaries (companies)	518	559
Consolidated partnerships (partnerships)	62	63
Total consolidated subsidiaries (companies)	580	622
Equity-method companies (companies)	63	63
Total Group companies	643	685

Number of Employees (Consolidated)

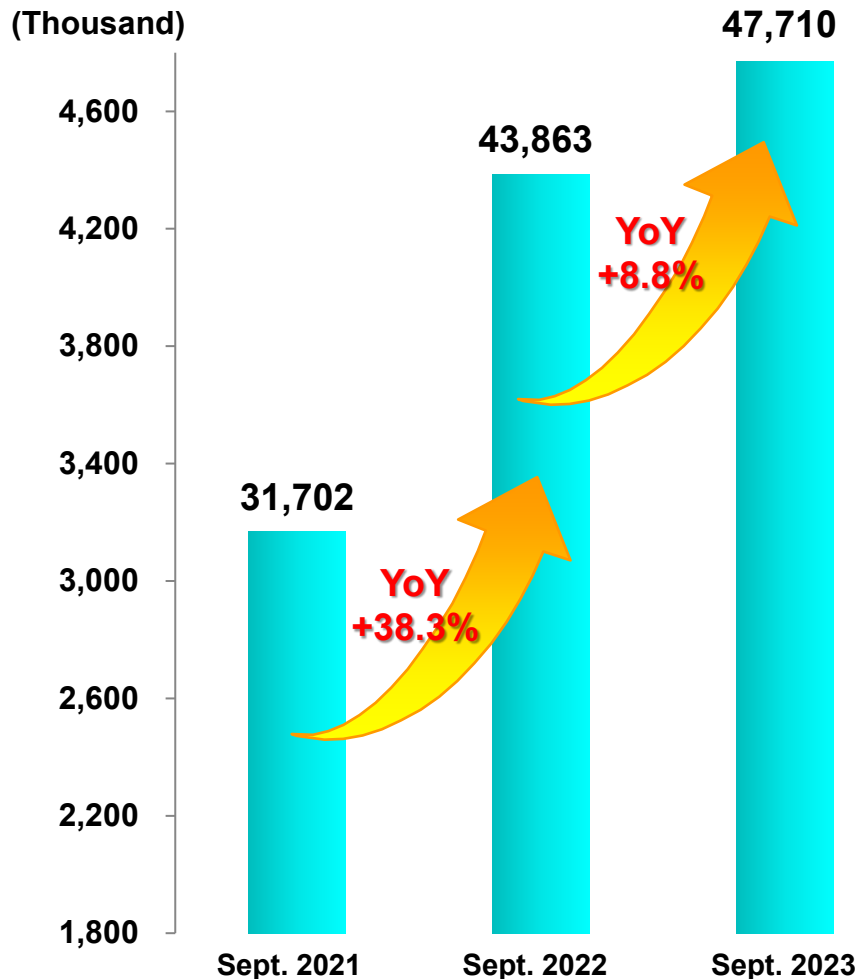
	End of Mar. 2023	End of Sept. 2023
Total Employees	18,756	18,937

SBI Group Has a Customer Base of Approximately 48 Million

- Endeavor towards a Customer Base of 100 Million -

Breakdown of the Customer Base

(As of the end of Sep. 2023) *1,2 (Thousand)



SBI SECURITIES SBI NEOMOBILE SECURITIES SBI Neotrade Securities FOLIO	(No. of accounts)	11,063
SBIH InsWeb	(No. of customers)	10,928
E-LOAN	(No. of customers)	3,463
MoneyLook	(Total no. of customer registrations)	951
Wealth Advisor	(Total no. of service users) *3	1,431
SBI Sumishin Net Bank	(No. of accounts)	6,562
SBI Insurance	(Total no. of contracts)	1,233
SBI Life Insurance	(Total no. of contracts) *4	440
SBI Shinsei Bank	(No. of accounts)	3,310
Lake business	(No. of customers)	834
APLUS	(No. of active cardholders)	4,039
Showa Leasing	(No. of contracts)	298
Others (SBI VC Trade etc.) *5		3,155
Total	-	47,710

*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 Wealth Advisor

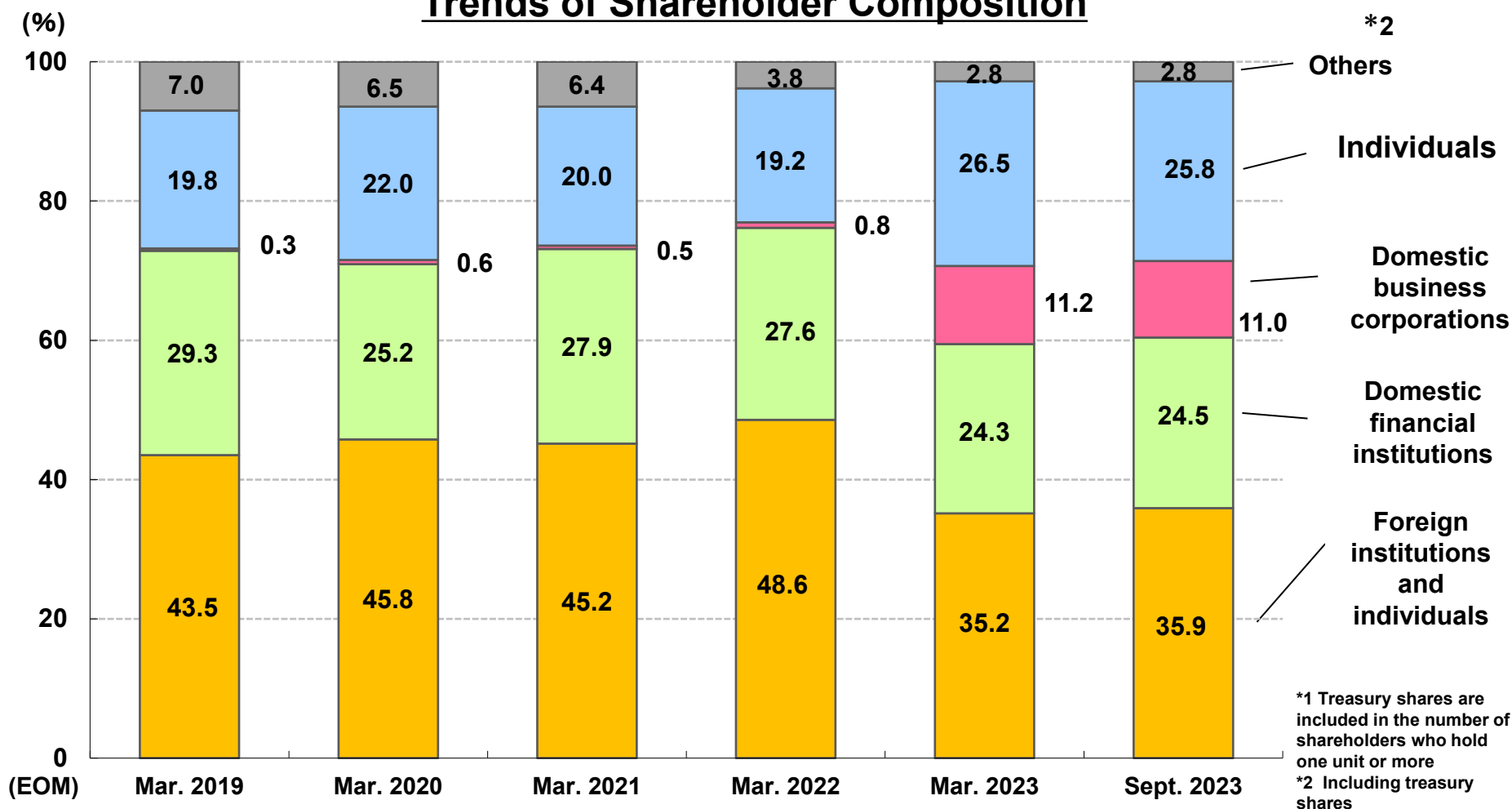
*4 The total number of contracts of SBI Life Insurance includes number of insured persons with group credit life insurance

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

SBI Group's Sholder Composition as of September 30, 2023

- ◆ Total number of shareholders is 220,670, of which the number of shareholders who hold one unit or more is 154,608 *1
- ◆ Shareholding ratio of domestic and foreign institutional investors is 60%

Trends of Shareholder Composition



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