

Four Key Measures to Further Increase Corporate Value

The environment surrounding the SBI Group is currently in a transitional phase, moving from the conventional Internet-based world to the digital asset space based on blockchain. To create a corporate ecosystem of the next era while preparing the Group to make a further leap forward into the digital asset space that is coming in the near future, we here highlight four key measures needed to achieve the new medium-term vision and sustainable growth.

- 1 Build a More Expansive Ecosystem through an Open Alliance Strategy**
- 2 Develop New Business Fields Based on Innovative Technologies**
- 3 Globally Expand in the Field of Digital Finance**
- 4 Expand Assets under Management of the Group**

1 Build a More Expansive Ecosystem through an Open Alliance Strategy

The SBI Group strives to create unprecedented value by embracing a range of ideas and technologies not only from the Group's own activities but also from other companies. The Group is developing collaborative activities that go beyond types of business and national borders as an "Open Alliance," which captures the concept of "open innovation" that seeks innovative research and development in a broader framework.

The Neo-securities and Neo-bank initiatives which our Group has been promoting for some time also embody this idea.

Neo-securities Initiative

The U.S. online securities industry has seen a fall in trading value due to the collapse of the IT bubble. More individual investors have moved away from stocks toward defined contribution pension plans, such as 401(k)s, and investment trusts. Moreover, Robinhood Markets, the groundbreaking U.S.-based commission-free trading platform, arrived on the scene in 2014. Against such a backdrop, it has become necessary to shift away from a business model that relies on trading commissions.

Looking at the situation in the U.S., Japan will likely see a similar trend toward commission-free trading happen in earnest as well. As such, the SBI Group set out its position ahead of its competitors in 2019 to strive toward commission-free trading. This is the Neo-securities initiative which is currently being promoted by the SBI Group. Looking ahead toward the next generation of the securities business, the Neo-securities initiative will strive to bring commission-free online stock trading in Japan and reduce some of the costs currently borne by investors.

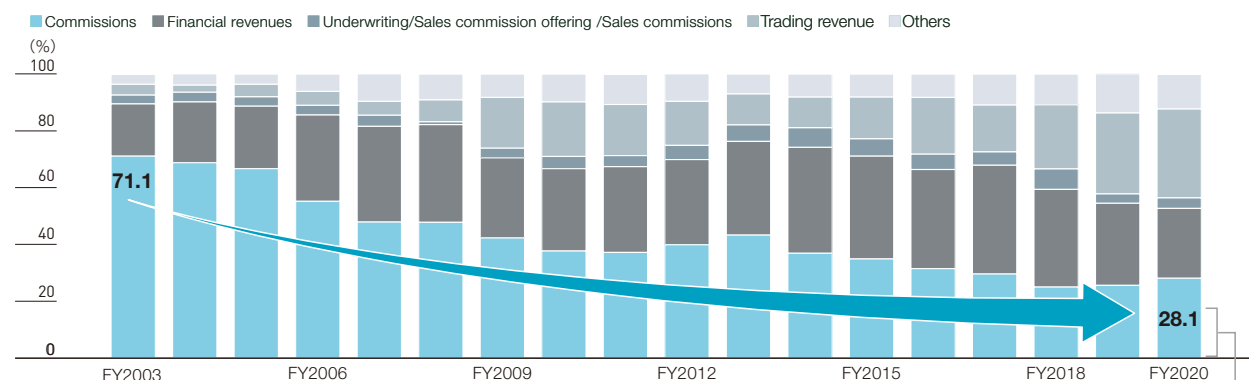
The SBI Group has gradually introduced measures that have a relatively low impact on its profits to make the Neo-securities initiative a reality. This includes making commissions on domestic equity transactions effectively free of charge from April 2021 for those aged 25 or under, and for underage customer accounts, in a bid to accelerate our drive to expand toward a younger customer base. We will also actively carry out other campaigns to strengthen our customer base of young people.

The smartphone trading platform SBI NEOMOBILE SECURITIES has a majority of customers in their 20s and 30s, which is also making a significant contribution to the expansion of the young customer base. We are also promoting initiatives that utilize reward points from other companies through the "Open Alliance" initiative, such as T-points from the Culture Convenience Club and the SMBC Group's V-points. As such, we anticipate further expansion of our customer base in the future.

In order to make our Neo-securities initiative a reality, it is essential we build a business foundation that does not depend on equity trading commissions. To this end, we have been working to secure and expand various sources of income, including non-online income from the independent financial advisors (IFA) business, and stock-type businesses such as trust fees on investment trusts. This is in addition to strengthening products other than domestic equity such as foreign stocks and real estate finance, increasing trading income centered on our FX and crypto asset businesses, expanding our brokerage business with financial institutions through the Financial Institutional Sales Department, and further expansion of the wholesale business. As a result, trading revenue grew steadily and reached a record high in FY2020. Moreover, the underwriting business of primary and secondary equity and bonds has expanded steadily, and the number of underwritten companies as lead underwriters reached a record high, helping to firmly diversify revenue sources for the Group.

We also intend to actively utilize M&A to further expand our customer base and to make the Neo-securities initiative a reality as soon as possible. We will consider potential transactions based on whether they will be a stepping-stone for global expansion, whether results can be obtained from economies of scope, and whether it is possible to realize mutual evolution by demonstrating synergistic effects with existing businesses. Probable target areas for M&A activities would be those fields of business that would lead to lower reliance on online domestic equity trading commissions, such as FX companies, crypto asset-related companies, M&A intermediaries, and asset management companies.

Composition of SBI SECURITIES' Operating Revenue

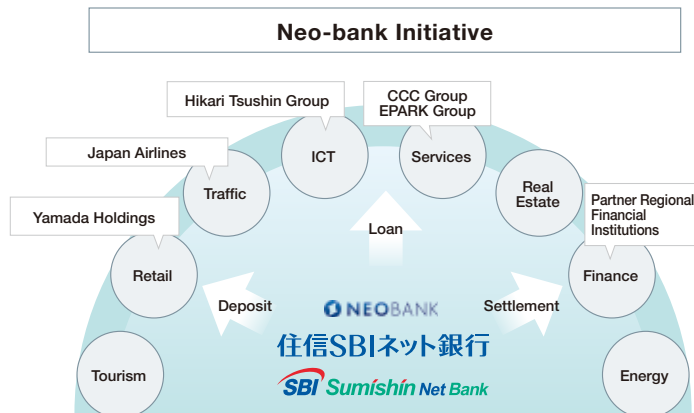


Note: For FY2003 and FY2014, non-consolidated results are shown. Consolidated results are shown for other years.

Composition of online domestic equity trading commissions to SBI SECURITIES' operating revenue was 17.5%

Neo-bank Initiative

In the domestic banking industry, open innovation has been accelerating due to deregulation. Amendments to the Banking Act came into effect in 2018 and imposed obligations on domestic financial institutions to make their best efforts in terms of open API*. Additionally, regulations on operations handling data were revised with the partial amendment of the Banking Act that came into effect in 2020. This revision includes the ability to provide information about customers to third parties with the consent of the individual.



Prior to this easing of restrictions, SBI Sumishin Net Bank was the first Japanese financial institution to release an API to external companies in 2016. Today, it has realized connections with more than 20 of the leading companies in Japan. This has enabled various new businesses and product developments, as well as the active development of what is known as Banking as a Service (BaaS), which allows companies other than banks to provide banking functions such as deposits, loans, and card settlement to businesses. SBI Sumishin Net Bank is promoting the Neo-bank initia-

tive to further expand its customer base and to create innovative banking services through BaaS by collaborating with companies outside the SBI Group and demonstrating synergistic effects. This allows SBI Sumishin Net Bank to provide ancillary banking functions as a platform provider from behind the scenes when customers use the business services of partner companies. SBI Sumishin Net Bank works with partner companies to create a framework by which these services can be used both smoothly and comfortably. Specific initiatives we have launched include JAL NEOBANK, a banking service exclusively for JAL Mileage Bank members launched in April 2020, and T NEOBANK, a banking service for T-point members launched in March 2021. Furthermore, in July 2021, we started providing a new financial service called "YAMADA NEOBANK" with YAMADA Holdings Co. In this way, the Neo-bank initiative is making steady progress.

Going forward, we will endeavor to transform financial services to make society more comfortable and convenient through the promoted use of the Neo-bank initiative.

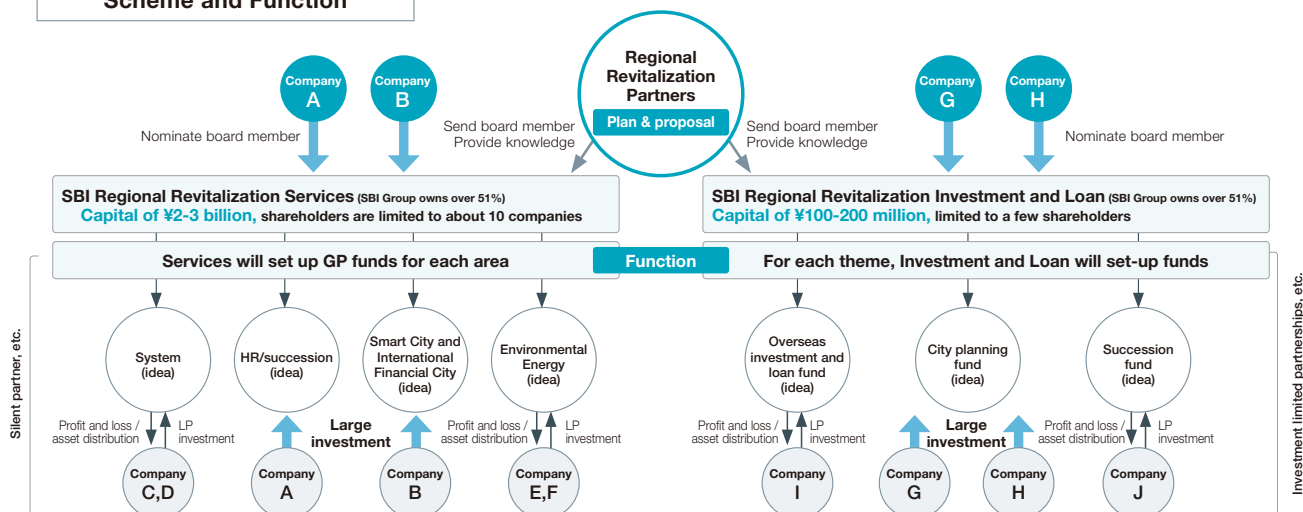
* An Application Programming Interface (API) is a protocol that enables the management of data and software functions from an outside program source.

Regional Revitalization

Regional Revitalization Partners will Contribute Directly to Regional Revitalization

Regional revitalization is now a national project, something that is indispensable for the sustainable growth of Japan. However, many of the regional financial institutions, which are the cornerstones of the local communities and economies that support this revitalization, are facing an extremely difficult business environment. Specific issues include long term changes in the macroeconomic environment such as the declining and aging population, progress in financial innovation in the medium term, and in the short term a decline in the loan-deposit ratio as well as the Bank of Japan's neg-

Scheme and Function



ative interest rate policy.

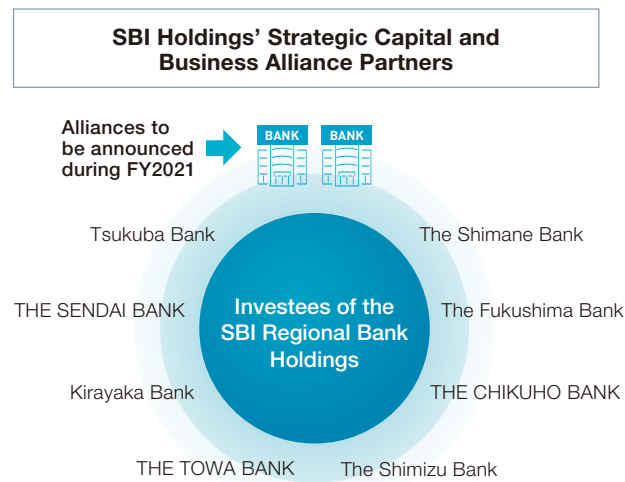
Based on the idea that public benefit leads to private benefit, the SBI Group has strived to achieve regional revitalization through initiatives that lead to improved profitability and corporate value for regional financial institutions by expanding and strengthening alliances with these organizations throughout the country. However, we have realized that this project alone has not been enough to sufficiently solve the problems for the local economy. We have therefore approached not only the regional financial institutions, but also residents, local industries, and local governments – the four economic entities that directly related to the revitalization of local economies. Consequently, we established Regional Revitalization Partners in collaboration with multiple partner companies that share the same desire to achieve regional revitalization. Regional Revitalization Partners is positioned as a controlling body that involves various partners to formulate and promote plans and strategies for regional revitalization. In addition to this, two companies have been established – SBI Regional Revitalization Services and SBI Regional Revitalization Investment and Loan – as entities that provide a range of functions contributing to regional revitalization. In April 2021, SBI Regional Revitalization Investment and Loan decided as its first project to invest in I&H Co., Ltd. (commonly known as HANSHIN Dispensing Group) in a bid to solve the business succession problem of regional small- and medium-sized pharmacies.

Promotion of Strategic Capital and Business Alliances with Regional Financial Institutions

Concurrently with working for local economies through Regional Revitalization Partners, we will also continue to strengthen cooperation with regional financial institutions. As of the end of June 2021, the SBI Group has entered into strategic capital and business alliances with eight banks, including The Shimane Bank, The Fukushima Bank, THE CHIKUHO BANK, The Shimizu Bank, THE TOWA BANK, Jimoto Holdings (Kirayaka Bank and THE SENDAI BANK), and Tsukuba Bank. This is to fully support the self-transformation and self-evolution of the regional financial institutions we have invested in to achieve qualitative transformation. In response to various issues faced by regional financial institutions, such as the need for more sophisticated securities management, fintech support, and increasing system costs, we are working in tandem to solve and improve issues while utilizing the management resources of the SBI Group.

The SBI Group has formed business alliances with many regional financial institutions. That is because we believe we can contribute more to improve corporate value for regional financial institutions. The target is to accurately understand the issues facing such financial institutions and to offer our knowledge and expertise to solve the problems and verify the effects in a timely manner.

In light of the Group's management resources, we decide to have strategic capital and business alliances with as many as 10 banks, with the remaining two to be decided during the fiscal year ending March 2022.

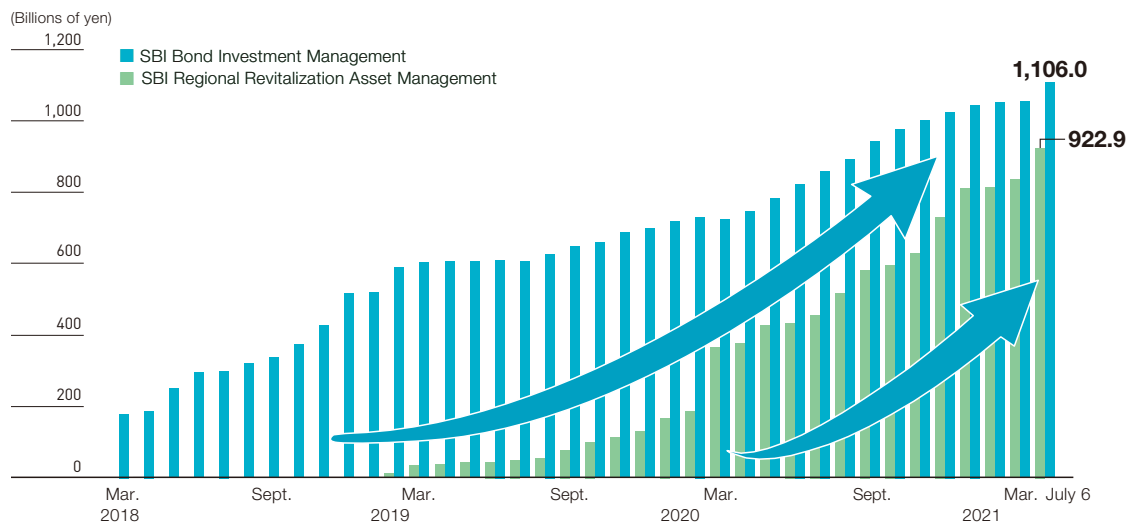


Public Benefit Leads to Private Benefit

We believe that various measures towards regional revitalization can bring various benefits not only to partner regional financial institutions but also to the SBI Group. For example, the business alliance between regional financial institutions and SBI Group companies has made it possible for regional financial institutions to offer customers a variety of financial products that were previously not available. This not only makes it more convenient for customers of the regional financial institutions, but also leads to greater sales channels in rural areas for the SBI Group.

In addition, the amount of assets under management by the SBI Group from regional financial institutions, etc. exceeded ¥3 trillion as of the end of June 2021. Of this amount, SBI Regional Revitalization Asset Management, which is jointly funded by 39 regional financial institutions, is entrusted with over ¥870 billion worth of assets under management. It is possible for regional financial institutions to achieve more sophisticated and diversified securities management through outsourcing, while for the SBI Group, this leads to an increase in management fees due to the expansion of assets under management. As mentioned above, strengthening the profitability of regional financial institutions helps benefit the public in terms of revitalizing regional economies. In other words, these achievements brought about by alliances with regional financial institutions encapsulate the Group's philosophy of "public benefit leads to private benefit."

Assets Under Management by SBI Bond Investment Management and SBI Regional Revitalization Asset Management from Regional Financial Institutions has Surpassed ¥2 trillion



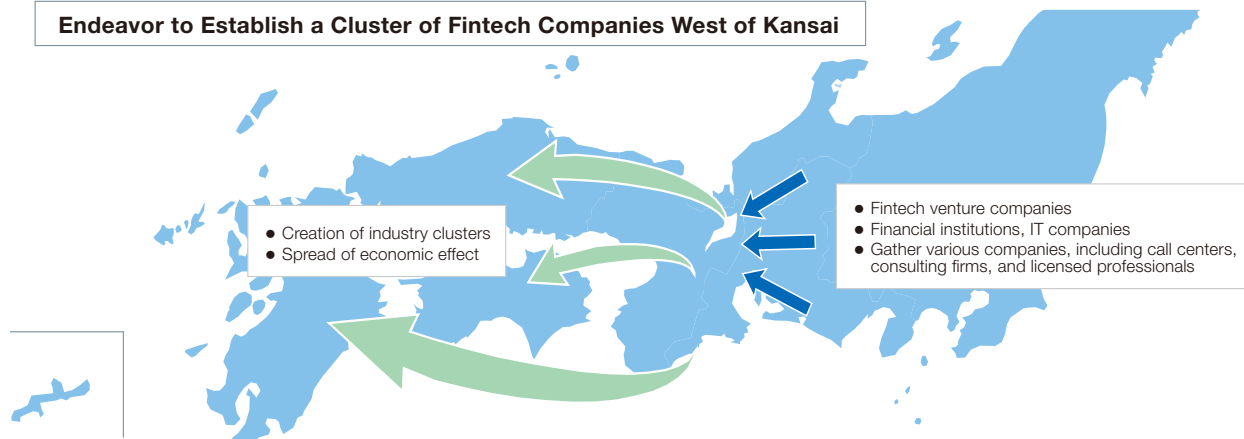
The Concept of the International Financial Center as a Part of Regional Revitalization

As part of its regional revitalization efforts, the SBI Group is promoting the concept of a next-generation international financial center in the Osaka-Kobe area to develop the economy in the regions west to Kansai. A specific initiative includes the SBI Group's participation as an observer through committee members and affiliated organizations in the "Global Financial City OSAKA Promotion Committee". This committee was established by bringing together the collective strengths of the public and private sectors such as local governments, economic organizations, securities companies, and banks including foreign-owned banks to promote the realization of a global financial city that leverages Osaka's strengths and potential. Furthermore, in the summer of 2021, the SBI Holdings Osaka Headquarters will be established in Nakanoshima, Osaka, a business area where major companies in the Kansai region are located. The base in Osaka of newly established operating companies and SBI Group companies will be consolidated step by step to build a major base for the Group in the Kansai region.

At the heart of this next generation international financial

center are the two organizations of the Osaka Digital Exchange (ODX), a company operating a proprietary trading system (PTS), established in April 2021 jointly by the SBI Group and the SMBC Group, and the Osaka Dojima Exchange, Inc. which became incorporated in the same month. The PTS that ODX plans to operate initially handle stocks and then endeavor to become a global, next generation exchange that also handles security tokens. In addition, the Osaka Dojima Exchange is currently Japan's only rice futures market, which dates back to it being the Osaka Dojima Exchange, the world's first futures exchange. Taking advantage of the world-famous "Dojima" brand, the SBI Group endeavors to build a global integrated exchange group in the future. As a shareholder in the Osaka Dojima Exchange, the SBI Group will support the formation of a global integrated exchange by utilizing its connections with domestic and overseas investment and partner companies as well as its capital reserves as backing. In addition, by actively attracting fintech companies to the Osaka-Kobe area to make it a center for fintech ventures will help realize the next generation international financial center concept.

Endeavor to Establish a Cluster of Fintech Companies West of Kansai



2 Develop New Business Fields Based on Innovative Technologies

In developing new business fields, the SBI Group quickly incorporates innovative technologies into the Group to expand its business by actively “investing” in venture companies with innovative cutting-edge technology and “adopting” that technology within the Group. By taking the step of “diffusing” not only the technologies but also the expertise built up within the Company to our alliance partners, we believe that we can bring benefits to more companies and consumers.

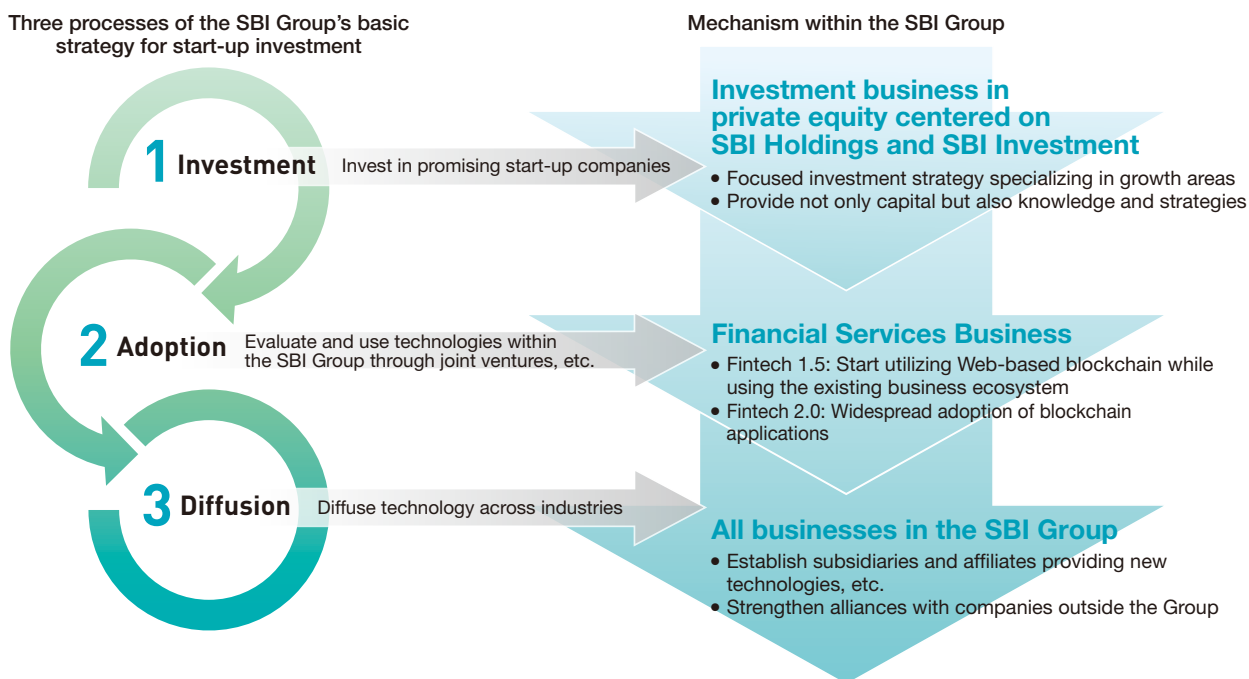
A good example of this measure is Money Tap, a company in the SBI Group in which 38 regional financial institutions have invested (as of June 2021). The next generation financial infrastructure provided by Money Tap is based on the distributed ledger technology (DLT) of U.S. Ripple, an investee company of the Group, and the number of connected banks is expected to reach 20 by the end of year (6 banks connected as of June 2021). The Money Tap app, one of the services offered, is the first in Japan to enable free direct money transfers between bank accounts 24 hours a day, 365 days a year, both within the bank itself and to other banks. By providing such next generation payment services, we will be able to firmly compete on price with existing payment services with less flexibility such as CAFIS, which in turn will lead to more benefits for the end users.

Similarly, we are also developing business by utilizing the Corda platform, a DLT for companies and corporations developed by the U.S.-based R3, another company in which the SBI Group has invested. In April 2021, we established a new company called SBI Traceability. The purpose of this company is to build a supply chain that contributes to the SDGs by achieving transparency and accountability in the supply chain. Taking advantage of the SBI Group’s track record in supporting the issuance of digital currencies and digital premium vouchers in multiple regions, “Machi no Wa Co., Ltd.” was established in May 2021 jointly with SBI Holdings, THE CHIKUHO BANK, and KYUSHU ELECTRIC POWER. The soon to be released “Machi no En” information platform, not only supports the issuance and operation of regional digital currencies and premium digital vouchers, but also uses data to visualize or digitize activities in the region. This platform will further help to revive local economies and promote regional revitalization.

We are also preparing to achieve further growth in the coming era of the digital world (digital asset space) by “investing” in innovative technologies and service areas that will be the core in the era of Fintech 2.0 to come in the near future.

The number of cases where investee companies have

The Process of SBI Group’s Basic Strategy



diffused or shared their advanced technologies with alliance partners has also increased. There have been collaborations with numerous companies including DataRobot, a U.S. company with cutting-edge technology in AI-related fields, an area that the SBI Group is jointly supporting to utilize AI and to improve AI literacy at regional financial institutions. In addition, we have collaborated with several companies including The Bank of Yokohama on “Wealth-

Navi,” a robo-advisor provided by WealthNavi Inc. and BASE, Inc., in which clients of regional financial institutions are able to easily open an online shop with minimal cost. These have helped bolster profitability for regional financial institutions and local companies, which has led to advances in the SBI Group’s regional revitalization strategy.

3 Globally Expand in the Field of Digital Finance

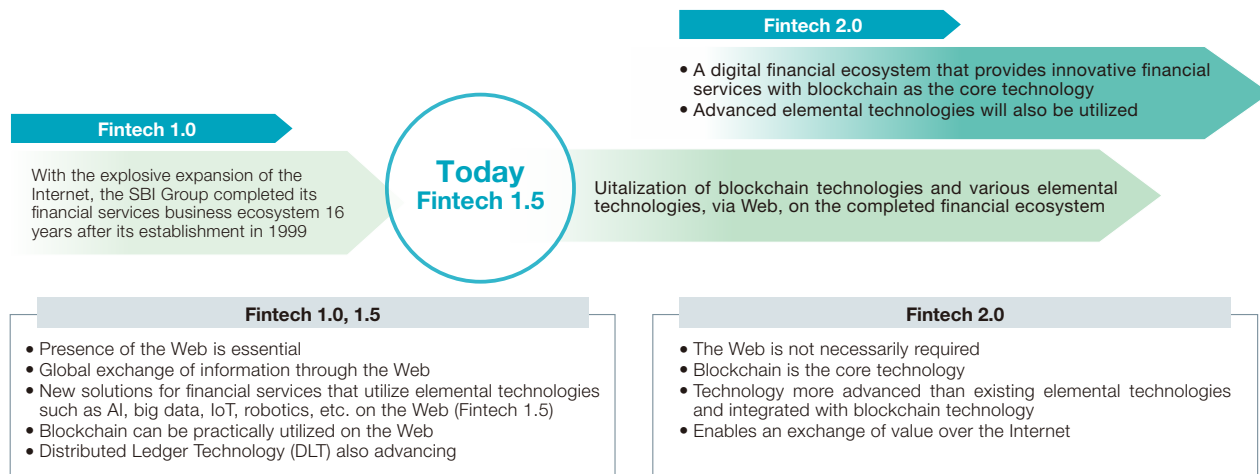
Since the SBI Group was first founded, it has grown with the rapid rise of the Internet and, with a financial ecosystem created from the Web, the Group has navigated from the first stage of financial technology, the so-called Fintech 1.0 stage. Following this is Fintech 1.5, which is defined by its use of blockchain and elemental technologies such as AI, big data, IoT, and robotics, etc. on a fully Web-based Internet financial ecosystem. The SBI Group is currently at this stage. In the next three to five years or so, we will see the expansion of the “Fintech 2.0” world, which will not necessarily require the Web and is based on blockchain, bringing a dramatic evolution to the digital asset space. The SBI Group is already making the necessary preparations in various businesses to grab hold of this trend and achieve further growth.

Security tokens (ST) are one example of this Fintech 2.0 domain. The SBI Group is focused on creating a primary and secondary market for STs. Security tokens are tied to tangible assets such as real estate and securities like equity and bonds that have been tokenized and are managed on a

blockchain. With amendments to the Financial Instruments and Exchange Act and the Payment Services Act enacted in May 2019, these regulations also became applicable to STs. Through the Japan Security Token Offering Association, a self-regulatory organization established in October 2019, the SBI Group is making efforts to develop a healthy primary ST market with the establishment of industry rules in Japan. Furthermore, in order to create a secondary ST market, in addition to plans to handle STs at the PTS operated by ODX (as mentioned above), we will set out to create one of the world’s largest global corridor that handles STs by interconnecting ODX with the Börse Stuttgart Group in Germany, the SIX Group in Switzerland, and with a digital exchange in Singapore that will be a joint venture between the SIX Group and the SBI Group.

We are also preparing for the establishment of Japan’s first digital asset bank through a capital and business alliance with Sygnum Bank of Switzerland, which operates the world’s first digital asset bank.

How the SBI Group Views the Revolution of Fintech



4 Expand Assets under Management of the Group

The SBI Group's balance of assets under management, including private equity, exceeded ¥4.4 trillion as of the end of March 2021. We strive to expand this to over ¥10 trillion by March 2026 at the latest.

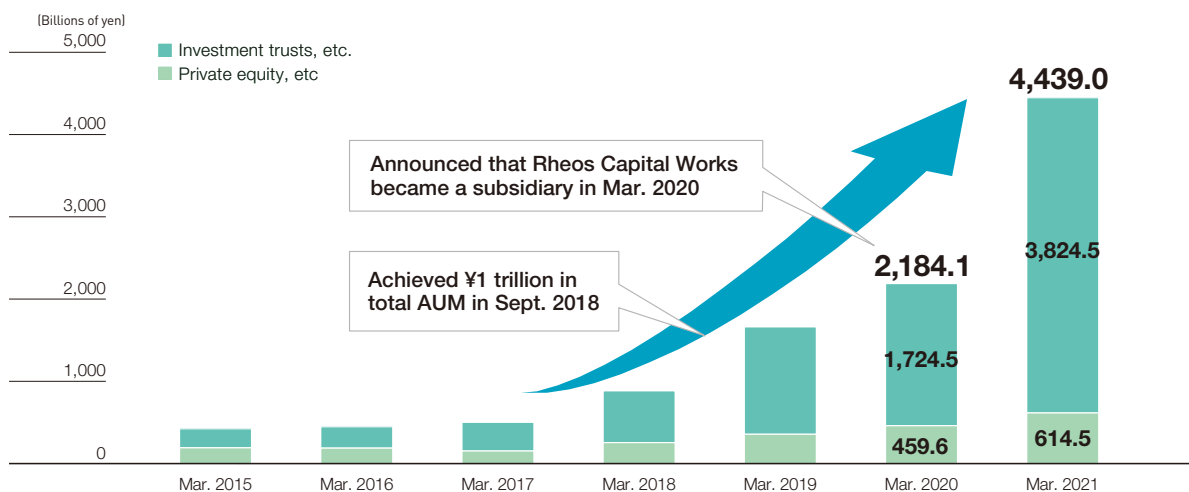
In the venture capital business, we have invested in 171 fintech companies to the tune of approximately ¥119.5 billion (as of the end of April 2021) through the Fintech Fund established by SBI Investment in December 2015, the SBI AI&Blockchain Fund set up in January 2018 and SBI Holdings. In April 2021, SBI Investment announced it would manage a new fund, commonly known as the SBI 4+5 Fund, with assets of ¥100 billion which make it one of the largest funds in Japan. The fund invests in existing investment focus areas such as fintech, AI, and blockchain, as well as such core technologies as 5G, IoT, and big data to help realize the Society 5.0 for SDGs initiative, as well as in robotics to help propel the Industry 4.0 initiative. The fund will also invest in innovative technologies and services covering a wide range of industries from healthcare (medical and nursing care) and infrastructure (transport and energy) to foods and agriculture. In the fiscal year ended March 31, 2021, 19 companies in which the SBI Group invested in went public with initial public offerings with (three other companies were acquired) and several other IPOs are planned in the future for investee com-

panies from major funds. We can therefore expect to see this translate into a high level of profit over the medium- to long-term. Furthermore, the U.S. investee company Social Finance was listed in June 2021 with the help of a special purpose acquisition company (SPAC). The use of SPAC has been increasing rapidly in recent years in the U.S., and as such, we are looking at listing several other investee companies in this way, which should lead to strong performance of our management funds.

In the Asset Management Business, as mentioned before, the assets under management from regional financial institutions is steadily increasing. With the growing demand among regional financial institutions for outsourcing to achieve more sophisticated and diversified securities management, we believe there is plenty of scope to expand the amount of assets under management from regional financial institutions in the future.

In addition, we will further enhance our business foundation centered on securities and banks built overseas and promote efficient arbitrage that utilizes domestic and foreign interest rate differentials and exchange rate fluctuations that will lead to improved returns.

SBI Group's Assets Under Management Including Private Equity



Note 1: Calculated by the exchange rate as of the end of each month

Note 2: Amounts are rounded to the nearest ¥100 million.

Note 3: "Private equity, etc." includes neither cash nor commitment amount to be paid in. Through Mar. 2017, unlisted stocks invested from investment partnerships and other entities that had no market prices were estimated at cost (impairment cost is applied to shares for which impairment losses have been recorded). After Mar. 2018, however, these stocks have been estimated at fair value.

Note 4: "Investment trusts, etc." are the sum of amounts of investment trusts and investment advisors. For funds that SBI Asset Management provides investment instruction to, if Morningstar Asset Management provides investment advisory services, assets are recorded in both investment trusts and investment advisory, respectively, so there are some overlapping amounts.