

## Securities-related Business



**Masato Takamura**

Representative Director and  
President  
SBI SECURITIES

### Striving Towards Further Growth Through an Increased Commitment to Our “Customer-centric Principle” and “ZERO Revolution”

#### Solidifying Our Position in the Securities Industry Through a Consistent “Customer-centric Principle”

SBI SECURITIES launched its online trading service in October 1999. Today, the SBI Group holds over 13 million comprehensive securities accounts, which is higher than any other securities firm, including major face-to-face securities companies. We attribute this growth to the impetus provided by the thorough pursuit of the “Customer-centric Principle,” the core of the SBI Group’s fundamental concepts.

An excellent example of this approach was our decision to implement major reductions in brokerage commissions in 2001. This move earned us the support of many individual investors, and by 2003 we achieved the top position in the online securities business. As our customer base grew, we worked to expand our product offerings to meet the diverse needs of our customers, while strengthening our IT systems to withstand the

growing number of customers, and this has created a virtuous cycle of further customer growth, and therefore, accelerating our growth. I believe that this outcome serves as a perfect example of the Hegel’s “law of the transformation of quantity into quality.”

To continue gaining support for an online service subject to high levels of customer inflows and outflows, we must combine competitive prices with the timely provision of optimized trading environments, services, and products for which there is strong demand. Direct customer requests for improvements to our services are of particular importance to us. In fact, I personally read any such feedback and pay close attention to particularly user interfaces (UI) and user experiences (UX), and strive to make prompt improvements. I attribute our high scores in customer satisfaction surveys conducted by independent research firms to these efforts. [▶ P.64](#)

#### “ZERO Revolution” Realized in the Course of Sustainable Growth

Launched in September 2023, “ZERO Revolution,” which involves elimination of brokerage commissions for online trading of domestic stocks, can be seen as an extension of the SBI Group’s “Customer-centric Principle.” We anticipated the movement towards elimination of stock brokerage commissions, which started in the U.S., would eventually spread to Japan, and since the announcement of the concept in June 2019, SBI SECURITIES has taken various steps ahead of the industry to realize this concept.

In launching “ZERO Revolution,” we needed to diversify revenue sources to offset the loss of commission revenues. We, therefore, have been focusing on diversification of revenue sources, including trading revenues from FX transactions, stock-type revenues such as trust fees from investment trusts, expansion of non-online revenues such as IFA business, further strengthening of corporate business, and expansion of product lineups such as foreign stocks and real estate small lot beneficiary interests. As a result SBI SECURITIES made the decision to launch “ZERO Revolution” after reliance on brokerage commissions from domestic stocks for online trading had been reduced to around 10% of our operating revenues.

The impact of “ZERO Revolution” was even greater than we expected, and the speed of account acquisition has further accelerated, with number of securities comprehensive accounts held by the SBI Group increasing from 11 million in September 2023 to over 12 million in just four months. In terms of our financial performance, while we had estimated a loss in revenue of around ¥15.8 billion in FY2023 due to the launch of “ZERO Revolution,” we achieved a year-on-year growth in both revenue and profit.

#### The Securities Business as a Base for Leveraging Group Synergies

SBI Group has established a business ecosystem that realized its high growth potential from synergy and mutual evolution, which cannot be achieved by a single company alone. Over the

years, this ecosystem has generated various synergies that have fueled the growth of each of the SBI Group companies. An obvious example of this process is the way SBI Group companies have benefited from the ripple effects caused by the expansion of the customer base in securities business following the launch of “ZERO Revolution.” Specifically, these include a rapid increase in the number of accounts and margin deposits in the FX business, as well as increases in number of accounts and deposit balances, at SBI Shinsei Bank and SBI Sumishin Net Bank, both of which offer simultaneous account opening services.

In addition to “ZERO Revolution,” we are also working to create synergies in various other fields through initiatives that include the sale of investment trusts developed by SBI Asset Management, as well as the expansion of our corporate business through collaboration with SBI Shinsei Bank, and support for the listing of companies in which SBI Investment has invested.

### Further Steps of “ZERO Revolution”

Since the launch of “ZERO Revolution,” we have rolled out various other measures, including as the second step which was to eliminate the brokerage commissions for trading U.S. stocks

and overseas ETFs under the new NISA, and the third step of eliminating real-time USD/JPY exchange fees. We are currently considering further measures to follow.

In addition, as a platformer that gains support from many customers, we plan to steadily implement multi-device support for each website page and enhance the functions of the smartphone applications from July 2024 to 2025. We will continue to improve the UI/UX to provide a more comfortable trading environment.

We also plan to strengthen our overseas expansion efforts. SBI SECURITIES currently has three overseas offices in Hong Kong, Singapore, and London. While these offices primarily work with institutional investors, forward-looking efforts such as “ZERO Revolution” are raising our profile in overseas markets, resulting in the steady expansion of the range of business activities handled by our overseas offices.

One of our basic business principles forming the foundation of the SBI Group’s business activities is “going beyond finance with finance at its core.” SBI SECURITIES will continue to achieve growth by exploring concepts that are not limited by existing frameworks, while also fulfilling our role as the core of SBI Group’s financial services businesses by supporting not only our own growth, but also the growth of the entire SBI Group.



### FX-related Business

## Supporting the SBI Group in Foreign Exchange Transactions



**Fuminori Ozaki**

Representative Director and President  
SBI Liquidity Market

SBI Liquidity Market develops and provides market functions relating to foreign exchange (FX) transactions. In addition to our core retail FX business, we also provide the support for FX transactions needed for the SBI Group’s increasingly diverse and globalized business activities. Since our founding in 2008, we have achieved growth in partnership with the SBI Group as a team of FX professionals. Today, our customer base is among the biggest in the FX industry (with 2.22 million accounts and a margin deposit balance of ¥405 billion as of March 31, 2024).

Our FX business, which centers on retail trading, generates annual currency turnover of approximately ¥2,000 trillion. Our primary mission is to manage and utilize this vast amount of currency liquidity in ways that allow us to provide our customers with currency exchange services at dramatically lower costs compared with traditional financial institutions, thereby making the markets we create more accessible to even more customers.

Rapid growth the SBI Group’s customer base as a

result of “ZERO Revolution,” which was launched by SBI SECURITIES, has also had a positive effect on our FX business due to the resulting increase in the number of securities accounts. In addition, heightened public awareness towards investment due to the launch of Japan’s new NISA and other factors is expected to drive further growth in the number of customer transactions for our FX business. We are therefore moving forward with the biggest system upgrade program in our history. Our goal is to create a faster and more user-friendly trading system that will embody our collective expertise as currency professionals and satisfy the diversifying needs of our customers.

There is a possibility of dramatic changes in the environment for both businesses and society, including a transition to a “world with interest rates.” Nevertheless, SBI Liquidity Market will continue to base its operations on the “Customer-centric Principle” of the SBI Group, and strive to achieve further growth by ensuring that its FX business embodies the strengths of the SBI Group.

## Banking-related Business



### Our Role as the Core Bank of the SBI Group

#### Katsuya Kawashima

Representative Director,  
President and CEO  
SBI Shinsei Bank

### Business Base Expansion Through Synergy Creation

Since its founding in 1999, the SBI Group has worked to establish a business ecosystem based on online securities, banking, and insurance. Through these efforts, it has evolved into one of the world's most distinctive and comprehensive financial groups. Since joining the SBI Group in December 2021, SBI Shinsei Bank has expanded its customer base and improved its profitability by serving as the core bank for the Group's business ecosystem by thoroughly pursuing synergies with Group companies.

In the retail business, we have focused on enhancing our

products and services and improving our competitiveness amid an accelerating social trend “from savings to investments,” and have made achievements primarily through collaborative initiatives with SBI SECURITIES and SBI MONEYPLAZA. Specifically, we began to collaborate on the financial instruments intermediary and bank agency services in August 2022. Since then, we have launched a variety of collaborative initiatives, including operation of co-managed stores, provision of a discretionary investment service, simultaneous opening of accounts, and automated deposit and withdrawal services. These initiatives have produced dramatic growth over the past two years, resulting in both the number of retail accounts and retail deposits increasing from 3.05 million accounts and ¥4.7 trillion at the time of joining the SBI Group in the end of December 2021, to 3.53 million accounts and ¥5.9 trillion as of March 31, 2024. This growth became especially rapid after the start of “ZERO Revolution” by SBI SECURITIES in September 2023, and our retail accounts growth exceeded 40,000 for the first time in a single month in December 2023. Tailwinds behind the business environment continue to strengthen, including the introduction of Japan's new NISA (a tax-deferred system for small investments) in January 2024, we expect collaboration with other SBI Group companies to generate further growth in our customer base.

In the wholesale business, we have leveraged our expertise in the fields of structured finance and corporate sales to develop new clients and deepen business relationships. This approach has yielded significant benefits, including a steady improvement in our profitability due to significant growth in our operating assets. In particular, cooperation with regional financial institutions has been expanding through the “Triangle Strategy,” in which the SBI Group, the SBI Shinsei Bank Group, and regional financial institutions are working together to promote regional revitalization. Specific initiatives include the introduction of financing projects organized by the SBI Shinsei Bank to regional financial institutions, the participation in co-financing with regional financial institutions for local businesses, and the organization and provision of sustainability-related finance, which has become the focus of growing social demand in recent years. Through these initiatives, we are deepening our involvement with regional financial institutions in a wide range of fields, and are currently engaged in some form of collaboration with 93 of Japan's 99 regional financial institutions.

Also, in terms of cooperation with SBI Group companies, we have generated synergies in a cumulative total of 128 projects worth ¥558.7 billion (end of March 2024) through the provision of debt financing to investees of SBI Investment, as well as various investments and securitization projects, including non-recourse loans for STO transactions for which SBI SECURITIES is the lead underwriter. In addition, APLUS, Shinsei Financial, and Showa Leasing are also working to create synergies with SBI Group companies, primarily through collaboration with regional financial institutions.

We have also worked with the SBI Group on reorganization, which is designed to drive further evolution and deepening of our strengths as well as on the creation of an ecosystem through the integration and convergence of functions within the Group. Starting with the merger of Shinsei Investment

Management, then a subsidiary of the SBI Shinsei Bank, with SBI Asset Management, the business operations of Shinsei Bridge (now SBI Healthcare) were transferred to the SBI Group, and the securities business of Shinsei Securities was transferred to SBI SECURITIES. As a result, we have reached levels where the integration of duplicated business operations and efficiency improvements are expected to yield cost savings of around ¥1.5 billion per year.

The initiatives I have mentioned above have been implemented in about two years since we joined the SBI Group in 2021. I feel that positive changes resulting from these initiatives are becoming increasingly apparent.

### Commitment to Further Growth in Step with Change in the Business Environment

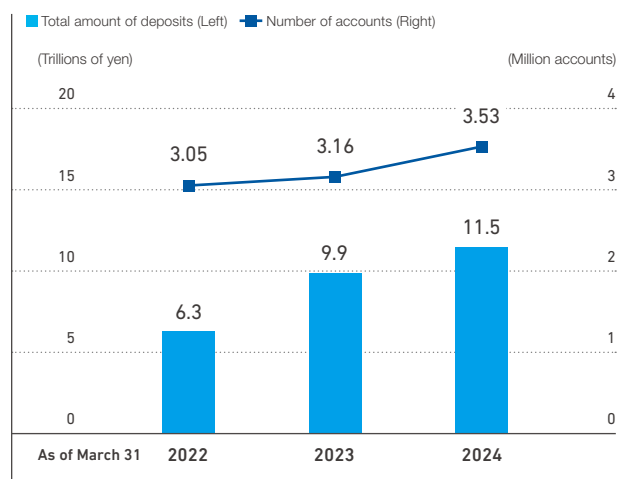
At the monetary policy meeting held on March 19, 2024, the Bank of Japan made the decision to move away from its negative interest rates policy for the first time in eight years. Given the prospect of a return to positive interest rates, as well as continuing dramatic fluctuations in stock markets and foreign exchange rates, I believe 2024 will prove to be a major turning point in terms of the financial environment. We need to be constantly aware of the potential for previously hidden risks to emerge or for new risks to become apparent in this environment. As a banking business, we need to consider the risk of credit-related expenses increasing due to rising interest rates, as well as that the value of securities holdings will decline. However, even after taking these risk factors into account, we believe that rises in long- and short-term interest rates would represent a major growth opportunity for SBI Shinsei Bank. We anticipate growth in earnings, led by our corporate loans and housing loans businesses, and an overall positive impact on our revenue.

Taking advantage of this business environment, I believe that our first priority must be to ensure the achievement of consolidated net income of ¥70 billion, which is the target set under our medium-term vision, which will end in FY2024. In addition, under the Four Party Agreement established between SBI Shinsei Bank, SBI Holdings, the Deposit Insurance Corporation of Japan, and the Resolution and Collection Corporation, we need to reach an agreement by June 2025 on a scheme to repay public funds held by SBI Shinsei Bank and must prepare ourselves to promote such a scheme.

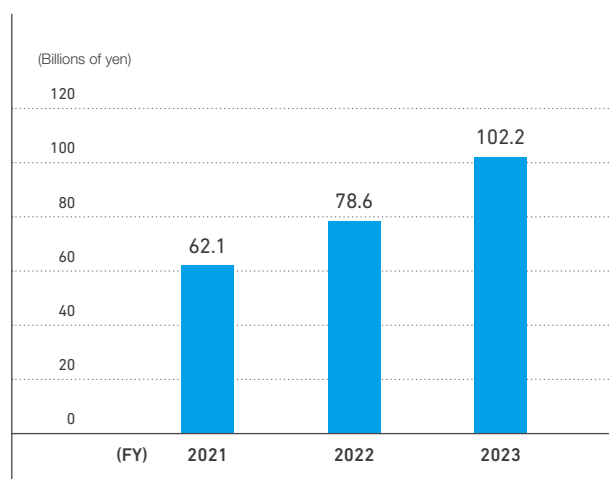
For this, we believe it is vital not only to expand our independent initiatives, but also to further deepen our efforts with SBI Group companies and partners outside the Group, as mentioned above, in order to increase profitability. In March 2024, we announced that all SBI Shinsei Bank branches excluding sub-branches would be co-managed with SBI MON-EYPLAZA by the end of FY2024. We are also committed to further expanding our operating assets, which have already grown to ¥11.4 trillion under the SBI Group's "Fourth Megabank concept," through both organic growth and M&A. In addition, we believe that as the core bank of the SBI Group, we also need to create new growth opportunities by engaging with the semiconductor-related business in line with the SBI Group's philosophy of "going beyond finance with finance as its core."

In February 2024, we repaid ¥19.3 billion out of a total of ¥350 billion of public funds through the purchase of non-voting fractional shares held by the Deposit Insurance Corporation of Japan. While the amount repaid represents only a small part of the total, we see this as a significant event in that it represents our first such repayment in 18 years. We have been a member of the SBI Group for a little over two years, yet the changes discussed earlier are already starting to take shape. We will continue to assimilate the SBI Group's entrepreneurial spirit and sense of speed, as well as promote growth in partnership with other SBI Group companies.

### Number of Retail Accounts and Total Deposits at the SBI Shinsei Bank



### Ordinary Business Profit at the SBI Shinsei Bank



## Insurance-related Business

### Tatsuyoshi Otobe

Representative Director, Chairman & CEO  
SBI Insurance Group

## Delivering Accelerated Growth for the Insurance Business Through Utilization of Technology and Group Synergies



### Insurance Business Focused on Inorganic Growth

Like the securities and banking businesses, the insurance business forms an integral part of the SBI Group's financial ecosystem. Starting with the establishment of SBI Insurance in 2008, the insurance business has evolved into a comprehensive insurance group comprised of insurance, life insurance, and six small-amount, short-term insurance companies. With the exception of SBI Insurance, all of these companies joined the SBI Group through M&A as part of a growth strategy designed to accelerate the growth of the insurance business customer base.

SBI Insurance began as a direct provider of automobile insurance. The need for automobile insurance emerges from the opportunity of purchasing a car. The number of contracts in force has grown steadily owing to ease of comparing prices and coverages, and high affinity with the Internet. On the other hand, the need for life insurance, such as death coverage, tends to be less obvious, and it takes a long time for a company to establish itself in this field from scratch. For these reasons, the SBI Group has focused on acquiring companies with existing customer bases through M&A and has leveraged its unique strengths to accelerate the growth.

To achieve growth, a new insurance company needs to offer better products at lower prices than its established competitors. Therefore, we have provided our customers with attractive insurance by actively using new technologies to improve work efficiency and reduce operating expenses. Of course, we are not the only insurance company to use new technologies in this way. However, the SBI Group has certain key advantages, including a strong interest in technology at all levels, from top management to employees, as well as early access to new technologies developed by venture companies in which the Group has invested in.

We have also leveraged the comprehensive strengths of the SBI Group to improve the market penetration of our products. A specific example is the expansion of our Group Credit Life Insurance, which borrowers are required to use when taking out a housing loan. SBI Life Insurance began offering this product to SBI Sumishin Net Bank customers in 2017. It has proven to be very popular given its low premiums and excellent coverage and has since been adopted by many regional financial institutions.

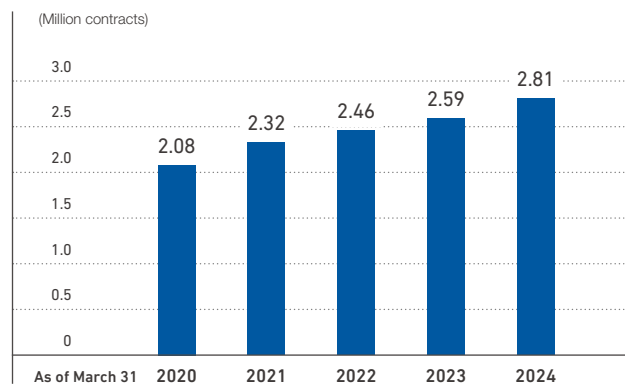
As of March 31, 2024, Group Credit Life Insurance was being sold by over 100 financial institutions, including the SBI Group companies SBI Shinsei Bank and SBI ARUHI.

### Expanding Group Collaborations to Make Strides in the Medium to Long Term

In its five-year medium-term management plan, which started in FY2023, SBI Insurance Group has set targets of an increase of roughly 1.6 times in ordinary revenue and 3.2 times in profit attributable to owners of the Company (compared to FY2022). Greater use of technology is essential for the realization of these goals, thus we are planning to enhance our use of AI and big data in order to strengthen our ability to provide efficient and effective product proposals that match the unique needs of each customer. We will also expand our customer base by broadening the scope of collaboration to include SBI Group customers.

While we have set ourselves ambitious targets, there is ample room for growth, since the SBI Insurance Group currently controls just 0.5% of the insurance and 0.05% of the life insurance markets in Japan. We will achieve our goals and realize further growth with technologies at the core.

### Number of Contracts in SBI Insurance Group



Note: Represents simple sum of the number of contracts of SBI Insurance, SBI Life Insurance, SBI IKIKI SSI, SBI Nihon SSI, SBI Resta SSI, SBI PRISM SSI, SBI JOGUCHI SAFETY SSI, and SBI Pet SSI

## Asset Management Business

### Tomoya Asakura

Representative Director and President  
SBI Global Asset Management

## Cultivating the Asset Management Field as New Keys to the SBI Group's Growth



### Rapidly Expanding Asset Management Business

Following a restructuring within the SBI Group in April 2023, SBI Global Asset Management (SBI GAM) is now positioned as the core of the SBI Group's Asset Management Business. As an intermediate holding company, we are responsible for two fields: the Financial Services Business, which primarily carries out investment information and education; and the Asset Management Business, which offers investment management and advisory services.

The origins of SBI GAM predate the founding of the SBI Group. We were originally established in 1998 as Morningstar Japan K.K., a joint venture between SoftBank Corp. (currently SoftBank Group Corp.) and U.S.-based Morningstar, Inc. As Morningstar Japan K.K., we provided investment information and education to raise awareness towards investment for many years. These activities not only form the basis of our customer services, but are also core for persuading people from all walks of life to switch “from savings to investment.” This business is now handled by Wealth Advisor, which had changed its trade name in March 2023.

In the Asset Management Business of SBI GAM, SBI Asset Management and Carret Asset Management are responsible for asset management business in Japan and the U.S., respectively, and SBI GAM group's assets under management (AUM) have been rising rapidly since around 2020, when the SBI Group started to strengthen its asset management business. While SBI Group's AUM exceeded ¥10 trillion in May 2024, SBI GAM group manages approximately ¥6 trillion of these assets (as of May 2024).

### Creating Synergies with the Financial Services Business

The strengths of the SBI GAM group, including our commitment to the “Customer-centric Principle,” ability to act quickly, and innovativeness, are also part of the SBI Group's DNA. Just as we pioneered “ZERO Revolution” in the securities business, we are also working in the Asset Management Business to develop and provide products that minimize costs incurred by investors. One such product is the SBI Japan High Dividend Equity Fund

(quarterly distribution type), with its net assets exceeding ¥80 billion in just 138 business days from its launch in December 2023, despite being available exclusively through SBI SECURITIES. Under similar conditions, the SBI iShares India Equity Index Fund took just 196 business days from its launch in September 2023 for its net assets to exceed ¥70 billion.

Our business activities, which include the provision of investment information and the development and provision of investment products, are very closely linked to those of the SBI Group's Financial Services Business. For example, the rapid expansion of the customer base due to initiatives such as “ZERO Revolution” has led to increased demand for our other highly accessible and low-cost products, resulting in diversification of revenue sources for SBI SECURITIES. We have also achieved synergies with the SBI Group's strategy for regional revitalization, such as providing investment products to regional financial institutions among others.

### Global Alliances to Achieve Further Growth

Government incentives, including the expansion of NISA and iDeCo, are now driving increased interest in Japan for asset building. However, I have long believed that we lag far behind the U.S. and Europe in this field. The SBI Group has been focusing on asset management for over a decade, and our efforts since then have helped strengthen these systems throughout the entire Group. In recent years, we have seen products such as security tokens (ST) [P.129](#), crypto assets, and private equity attract growing interest as alternatives to more traditional investment products, such as stocks and bonds. We are responding to this trend by starting to expand our collaboration with leading overseas companies. For example, alliances with U.K.-based Man Group plc and U.S.-based KKR & Co. Inc., which have strengths in alternative investment are already underway.

We recognize that SBI GAM has a vital role to play in the SBI Group's efforts to realize its goal of doubling its AUM, from exceeding ¥10 trillion as of May 2024 to ¥20 trillion by the end of FY2027. Going forward, we will continue working to expand our AUM by achieving organic growth, including the development and provision of cutting-edge investment products, as well as M&A activities.

Special Feature

## Messages from Key Individuals

INVESTMENT  
BUSINESS

## Investment Business

### Takeshi Goto

Executive Vice President and Director  
SBI Investment

## Strengthening Investment in Promising Domestic and Overseas Startups and Establishing a Support System for Growth



### An Investment Business Supporting the Growth of the SBI Group

SBI Investment is the first company that was established within the SBI Group, and the venture capital business was started as the heritage business of the Group. Since its founding in 1999, the SBI Group has greatly expanded its business fields and scale of business. During this time, we have contributed to the creation and cultivation of a core industry of the 21st century through startup investments while also supporting the growth of the Group by leveraging the advanced technologies and services of our investee companies. This brings us to today, where SBI Investment has grown to rank among the largest venture capital players in Japan, investing in over 2,500 companies to date, covering promising domestic and overseas startups.

As a special feature of the SBI Group's Investment Business, we point to the diverse set of financial business companies including SBI SECURITIES and SBI Shinsei Bank, which presents a startup infrastructure that not only facilitates the growth of our investee venture companies by setting them up with loans and customer referrals but also guides them in going public and obtaining post-IPO financing—a truly one-stop operation with a variety of functions. Given this type of background, the presence of diverse people within the Group endows us with major strengths in such fields as technology appraisal and operations support, when selecting and evaluating investee companies.

Under the corporate mission of being a “new industry creator,” we started investing in the fields of IT and biotechnology/life sciences, then took on AI and blockchain as well as fintech, while in recent years, turning our attention to the growth fields of digital space, deep tech (including semiconductors), and fields connected to the circular economy. Our track record in establishing funds includes the ¥30 billion Fintech Fund in 2015, the ¥60 billion SBI AI&Blockchain Fund in 2018, the ¥100 billion SBI 4+5 Fund in 2020, and the ¥100 billion SBI Digital Space Fund in 2023. We continue to put together large funds with a total value invested to date of ¥800 billion.

### Contributing to the SBI Group's Strategy for Regional Revitalization

Looking ahead, we will continue to implement investments aligned with the SBI Group's growth strategy through support for the growth of startups and introduce their technologies to the Group. We will then spread their technologies and services, thereby contributing to the growth of the entire Group, which is considered to be a role placed upon the Investment Business.

As a future field of focus, we point to the fields related to regional revitalization, which the SBI Group has been focusing on. Through such entities as SBI NEO FINANCIAL SERVICES, which serves as a contact point for the Group, we provide regional financial institutions and local companies with the advanced technologies as well as superior products and services owned by our investee companies, all attempting to spur innovation in the region through the power of technology. We have also established joint funds with regional financial institutions or linked with the local universities where we provide development support to startups emerging from these universities. If such measures lead to the birth of companies that can drive growth in these regions, then I believe this will lead to revitalization of the entire region. Our funds, discussed previously, are receiving investment from many regional financial institutions and regional operating companies. In this way, we uphold their vision of returning some of these benefits to the local community and will continue to focus on such businesses.

In recent years, the SBI Group's investment business has been riding a tailwind in what's been called the “fourth venture boom.” The number of entrepreneurs is definitely on the rise, and from looking at past booms, this one feels like the upswing has only just started. By strengthening collaboration with SBI Shinsei Bank, we have enhanced the support we can provide to startups. By quickly identifying startups with advanced technologies, services, and business models, and developing them to flourish on the global stage, SBI Investment will contribute to the growth of the SBI Group.

## Crypto-asset Business

### Tomohiko Kondo

Representative Director and President  
SBI VC Trade

## Utilizing the SBI Group's Comprehensive Strengths and Customer Base to Build Social Confidence in Crypto Assets



### The Significance of the Crypto-asset Business for a Comprehensive Financial Group

The development of the SBI Group's Crypto-asset Business began with the establishment of our predecessor, SBI Virtual Currencies, in 2016. SBI Virtual Currencies completed its registration as a virtual currency exchange service provider in the following year and launched a crypto asset spot trading service in 2018. We adopted our present name, SBI VC Trade, in 2019.

In 2020, U.K.'s global crypto asset market maker B2C2 joined the Group and has brought various benefits to our Crypto-asset Business. For example, as the only group in Japan with both crypto asset currency exchange and market making capabilities, we are able to build deeper partnerships with companies and organizations related to crypto assets.

Our greatest advantage in relation to the development of the Crypto-asset Business within the SBI Group is our status as a member of a comprehensive financial group with an established reputation based on the SBI brand. The Group's acquisition of SBI Shinsei Bank in 2021 was also an important turning point. One of the obstacles to the expansion of the crypto asset business in Japan and overseas has been that banks, traditionally in the financial sector, have a strong conservative attitude towards this business field. The addition of SBI Shinsei Bank to the SBI Group means that we now have an ally in the financial sector that shares our philosophy. This is expected to pave the way for collaboration in the future.

### Anticipating an Expansion in Crypto Asset Use in the Future

The presence of SBI Shinsei Bank was a major factor in reaching a basic agreement and forming a comprehensive business alliance with the U.S. company Circle Internet Financial ("Circle"), which we announced in 2023. Circle is the issuer of USDC, one of the world's largest stablecoins<sup>\*1</sup>, and is now working together with the SBI Group to promote the circulation of the USDC in Japan. Due to the entry of the SBI Shinsei Bank Group, the SBI Group holds banking and trust banking licenses, and SBI VC Trade has already applied for

an electronic payment instruments license. When that license is obtained, the SBI Group will be the only business entity in Japan with all three of the important license types. One of the benefits of being a member of the SBI Group is our ability to leverage the Group's comprehensive strengths to launch new initiatives like this.

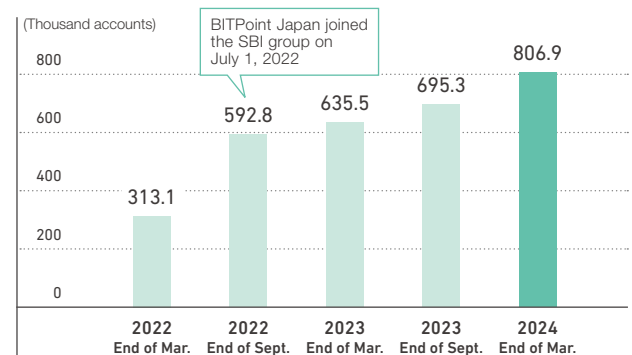
Crypto assets have traditionally been treated as speculative assets with the potential for price growth. However, SBI VC Trade has been working to create an environment that will allow crypto assets to be used for asset management, such as by launching a service<sup>\*2</sup> whereby customers will automatically earn returns simply by holding crypto assets in their accounts.

With the approval of Bitcoin ETFs in the U.S. and several other major countries, the price of Bitcoin surpassed ¥10 million for the first time in 2024. At a time when crypto assets are gaining greater recognition as an option for asset management, our goal is to achieve further growth by leveraging the comprehensive strengths of the SBI Group and its customer base of approximately 50 million to make SBI VC Trade as familiar to customers as SBI SECURITIES and SBI Shinsei Bank.

<sup>\*1</sup> A type of crypto assets linked to the movements in the values of specific legal tender, such as the United States Dollar or Japanese Yen.

<sup>\*2</sup> A staking service [▶ P.129](#)

### Crypto Asset Customers Have Increased Approximately 2.5 Times in Two Years



\* Combined total of SBI VC Trade and BITPOINT accounts



## Endeavoring to Become Listed as a Top Company in 5-ALA



### 5-ALA-related Business

#### Yasushi Takezaki

Representative Director and President  
SBI ALApromo

#### Establishing a Solid Position as a Leading 5-ALA Company

Under the corporate mission of being a “new industry creator,” the SBI Group has been focusing on the usefulness of 5-aminolevulinic acid (5-ALA), a type of amino acid, and, therefore, been launching initiatives to utilize it in pharmaceuticals, health foods, and cosmetics since 2008. As an amino acid existing in our body, 5-ALA is indispensable for human life and plays an important role in daily energy metabolic processes. With the development of mass production technology for 5-ALA raw materials, R&D on 5-ALA has progressed as an ingredient instrumental in promoting human health. This has led to rapid expansion of the health-related market centered around 5-ALA, which did not previously exist.

By making use of the system of “Foods with Function Claims” launched by the Consumer Affairs Agency in 2015 to promote the concrete benefits as well as usefulness of 5-ALA to consumers, SBI ALApromo has achieved substantial business growth. In 2015, we started sales of a food with function claims “ALA PLUS TOH DOWN,” a kind of supplement. Its appeal is the double benefits from lowering fasting blood sugar levels and after-eating blood sugar levels based on data from clinical trials and has gained great support from consumers as a revolutionary product not seen until that time. Today, the product has been extended to represent the market of supplements for blood sugar level improvement. In addition, we have a track record of acceptance for 16 items that are foods with function claims related to 5-ALA, all while constructing a system in which 5-ALA by itself offers solutions to major health issues such as fatigue and quality of sleep.

While the usefulness of 5-ALA in health has attracted significant attention for its ability to improve lifestyle diseases and the aging phenomenon, which become more severe as a person grows older, we are enhancing initiatives for promoting the use of 5-ALA across a wide variety of age groups. In 2022, we started sales of “ALA PLUS TOH DOWN DRINK” as a more accessible health drink and expanded its sales channels to convenience stores nationwide. This increased convenience and availability options for consumers. In 2024, we launched two types of soft candies, which dramatically increased the penetration of 5-ALA into everyday life.

We see great potential in uncovering the latent demand for 5-ALA, and feel confident in business expansion.

#### Focusing on a Public Listing Amid Rising Prospects for Rapid Market Expansion

As a result of the Company’s forward-looking initiatives up to now, we take pride in having built the 5-ALA brand and developing a sense of trust that links 5-ALA with the name SBI. Looking ahead, as the 5-ALA market expands, we foresee more and more companies entering the market that are focusing on 5-ALA. Nevertheless, we see this type of market change as a strong tailwind behind the rising familiarity of 5-ALA and its further market expansion.

Going forward, in order to build upon our success story in Japan to facilitate better health throughout the world, we are anticipating a full-scale expansion of business overseas in places such as Asia and the Middle East. Meanwhile, we are striving for listing in FY2025 to further solidify the business foundation in the domestic market.

As a manufacturer of this single substance called 5-ALA, we are making a challenge like no other as we spread the adoption of this valuable material. We will achieve our listing while valuing our unique IPO story, and continue to make progress towards improving people’s health and contributing to growth of the SBI Group.

#### About 5-ALA

- A natural amino acid, said to be the fundamental substance of life
- Present in various living organisms, from humans to plants, and converted into substances essential for survival  
Used for energy production and respiration inside animals, while inside plants it is used for photosynthesis
- Reported involvement in various age-related physical phenomenon
- Succeeded in mass production by the “fermentation method” after years of research



## Becoming a Platform Covering the Entire Value Chain, from Issuance to Distribution of Digital Assets

### Web3-related Business

#### Fernando Luis Vázquez Cao

Chief Executive Officer  
SBI Digital Asset Holdings

#### Endeavoring to Become a Leading Company in the Next-generation Web3 Era

The SBI Group has achieved rapid growth by investing in cutting-edge technologies and then implementing and utilizing those technologies within the Group. When crypto assets and distributed ledger technology began emerging with the launch of Bitcoin in 2009, the SBI Group was quick to recognize the potential of these new concepts and began to invest in, utilize, and develop practical applications for them. SBI Digital Asset Holdings, which was established as the core company in the SBI Group to focus on the digital assets field, is working to transform the financial sector by creating a value chain encompassing everything from issuance to distribution of digital assets.

Global business expansion has been a focus for SBI Digital Asset Holdings from the outset. This was reflected in the establishment of two subsidiaries in Singapore, which is the ideal location for our global hub functions. One of these subsidiaries is SBI DIGITAL MARKETS, which has obtained the Capital Markets Services (CMS) License and other credentials from the Monetary Authority of Singapore (MAS) in preparation for its role as a platform for issuing and distributing digital assets. It is now helping its stakeholders, including end customers, to achieve digital transformation (DX), while also using a variety of technology, including tokenization when appropriate, to provide products ranging from various types of bonds to investment trusts and REITs. Our other subsidiary is a joint venture with SIX Digital Exchange, a subsidiary of the SIX Group, which operates the SIX Swiss Exchange. The company began offering crypto asset derivative services in January 2024 on AsiaNext, a global digital asset exchange that combines the reliability of traditional exchange for institutional investors, with the unique accessibility and product innovation capabilities of crypto asset exchanges, and is now developing both a crypto asset spot trading and an ST platform.

In 2022, SBI Digital Asset Holdings became a founding member of the Project Guardian initiative spearheaded by MAS. Through this initiative, MAS is working with global financial institutions and regulatory authorities in various countries to explore the potential of asset tokenization and DeFi [P.129](#). Japan's Financial Services Agency (FSA), which evaluated Pro-

ject Guardian, has also joined the initiative in its second year. During the pilot project, which lasted until October 2023, we engaged in cross-border transactions involving tokenized financial products in collaboration with UBS Group in Switzerland and J.P. Morgan in the U.S. We are now identifying challenges in preparation for commercialization.

The SBI Digital Asset Holdings Group is working on various initiatives with leading business corporations and financial institutions around the world to create new financial products for the digital age. We are confident that these efforts will lead to the expansion and enhancement of the product offerings and services of SBI Group companies, which will, in turn, strengthen the Group's financial ecosystem. As a first step towards that future, we will strive to become an international platform for the distribution and settlement of digital assets, as a leading company in the next-generation era of Web3 based on blockchain technology.

