

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

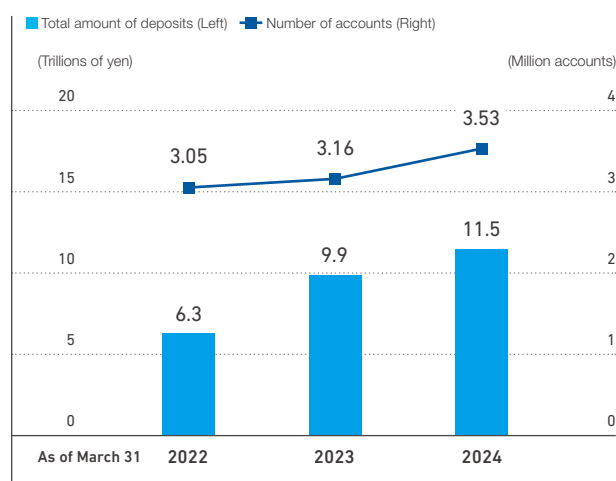
At the monetary policy meeting held on March 19, 2024, the Bank of Japan made the decision to move away from its negative interest rates policy for the first time in eight years. Given the prospect of a return to positive interest rates, as well as continuing dramatic fluctuations in stock markets and 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.

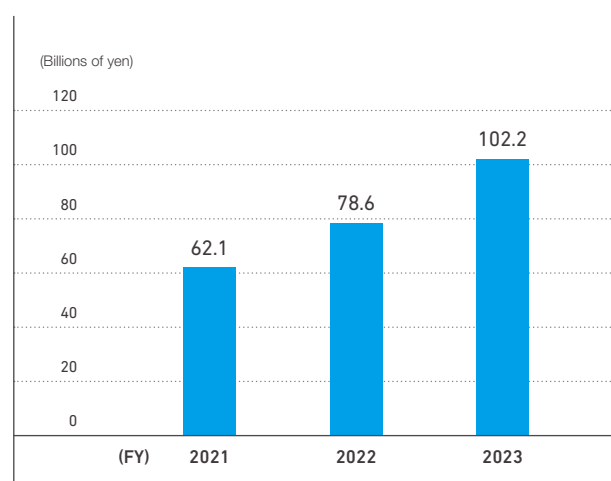
For this, we believe it is vital not only to expand our independent initiatives, but also to further deepen our efforts with SBI Group companies and partners outside the Group, as mentioned above, in order to increase profitability. In March 2024, we announced that all SBI Shinsei Bank branches excluding 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.

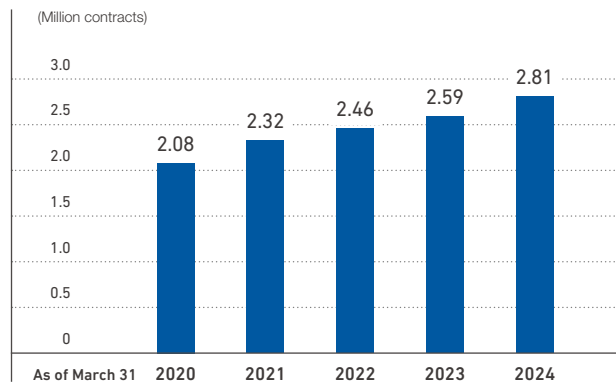
As of March 31, 2024, Group Credit Life Insurance was being sold by over 100 financial institutions, including the SBI Group companies SBI Shinsei Bank and SBI ARUHI.

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^{*1}, 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.

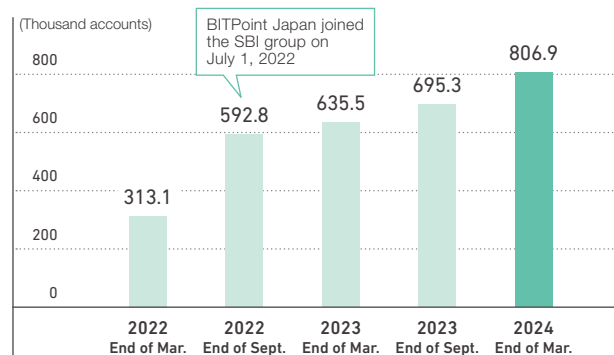
Crypto assets have traditionally been treated as speculative assets with the potential for price growth. However, SBI VC Trade has been working to create an environment that will allow crypto assets to be used for asset management, such as by launching a service^{*2} whereby customers will automatically 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.

^{*1} 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.

^{*2} 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.





FY2023: Evaluating the Results of Our Efforts Up to Now

My name is Yasuo Nishikawa, and I have been serving as Executive Officer & CFO since February 2024. Looking back at FY2023, business conditions continued to show a sustained recovery as Japanese economic activity followed a full-fledged normalization after COVID-19 was reclassified as a Class 5 infectious disease under the Infectious Diseases Control Law in May 2023. Meanwhile, wage increases resulting from the annual spring time wage negotiations cycle were at their highest level in 30 years and inbound spending by foreign visitors was also on the rise. On the other hand, in foreign exchange markets the yen fell to a historic low while geopolitical risk heightened as the Russian invasion of Ukraine continues and tensions in the Middle East have become even more strained. This has made the economic environment ever more difficult to predict. Amid this background, the Nikkei stock market surpassed ¥40,000 at the end of the fiscal year, accenting the positive mood that lasted throughout the year. I believe this has something to do with the launch of the new NISA program in January 2024, aided as well by SBI SECURITIES' bold step of eliminating all commissions on online trading of domestic stocks starting September 2023, in what has been named "ZERO Revolution." Also, in March, the Bank of Japan decided to lift its

negative interest rate policy, and I have the impression that we are approaching a great transition in the financial environment.

Under these circumstances, the Company's consolidated financial results for FY2023 (the year ended March 31, 2024) featured revenues that surpassed the one-trillion-yen mark for the first time at ¥1,210.5 billion (+26.5% year-over-year). On the profit side, profit before income tax expense increased 38.6% to ¥141.6 billion and profit attributable to owners of the Company increased 146.1% to ¥87.2 billion as the Group was able to capitalize on its high growth potential.

Taken together, the five business segments achieved record high revenues, and in particular, the Financial Services Business drove growth supported by a favorable financial market. At SBI SECURITIES, "ZERO Revolution" mentioned earlier was launched on order received after September 30, 2023. We estimate that this resulted in lost revenues of ¥15.8 billion in FY2023. However, through initiatives undertaken to diversify revenue sources, SBI SECURITIES was not only able to make up for the lost revenues, but also to show an increase in both revenue and profits in FY2023 to the extent that it achieved record-high earnings. Looking ahead, we will seek early realization of the revenue opportunities created by synergistic effects, namely, to make full use of the financial ecosystem cultivated by the Group, through cross-selling and up-selling to the customer base acquired as a result of "ZERO

Revolution,” which has had a ripple effect on the Group.

Another key point is the turnaround of the Crypto-asset Business, from a large reported loss in the previous fiscal year, to a profit in the fiscal year under review. Considering the bankruptcy of certain counterparties in the previous fiscal year, we have undertaken a review of our risk management system and implemented a more thorough set of risk controls. We also feel that the state of the booming crypto asset market since the second half of FY2023 has been the backdrop of the return to profitability. I believe we can achieve stable profits in the years to come if these conditions continue.

A Financial Strategy that Balances Stable Growth with Forward-looking Investments

When thinking about SBI Holdings’ financial strategy, amid today’s rising interest rates, it is important to always administer measures in advance. The situation today is that interest rates will rise on corporate bonds and other debt instruments, hence, given the active pursuit for investment activities envisioned by the Company, it is vital to carry out asset recombination and funds procurement from the early stages of the new economic environment.

To elaborate on the point about asset recombination, we invest in growing fields so that the Company can consistently create innovative businesses, and in order to conduct business in a sustainable manner, it is incumbent on us to secure stable sources of revenue. For this reason, we employ a policy in which, outside our priority fields, we plan to keep assets within

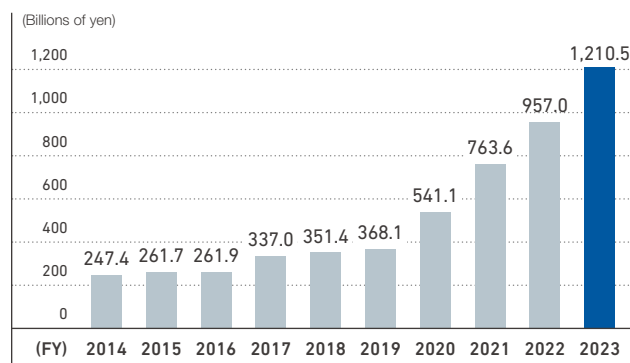
the Group, which are expected to provide stable returns, while for other assets, we look at such factors as their degree of contribution to financial results and their market value, and then make decisions on recombining such assets dynamically and flexibly. To be specific, in the past, as one of the ways of asset recombination, we have sought to unlock latent corporate value through the listing of Group subsidiaries while also recovering some of our investment through this process.

Traditionally, we have proactively sought inorganic growth through M&A and other strategies, particularly in the Banking Business and Asset Management Business. To this end, while continuing to pursue a policy of this sort, we will need to secure a variety of financing methods and maintain a financial position that will allow us to make flexible investments. At present, we continue to build relationships of trust with transacting banks and corporate bond investors and, have put in place a stable environment for procurement, in my opinion. Also, through March 2024, we had approximately ¥70 billion worth of conversions of yen-dominated convertible bonds that were issued in 2020 and scheduled to mature in 2025, in what was in effect a capital increase. The net effect was to strengthen our financial position. We will continue to assess the ever-changing economic environment and carry out financial strategies that are always ahead of the curve.

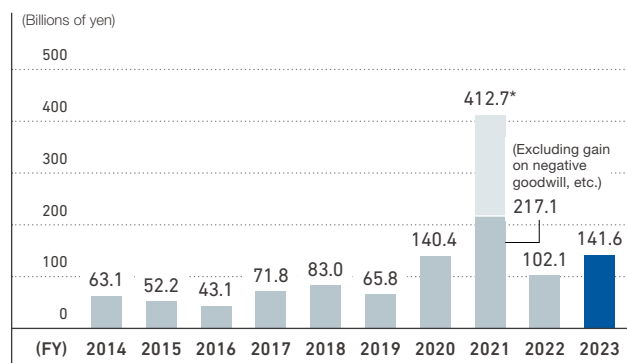
A Focus on Realizing Corporate Value Through Dialogue

A critical issue for the management of the SBI Holdings is to

Revenue



Profit Before Income Tax Expense



* Figures in parentheses for FY2021 include one-time factors (gain on negative goodwill etc., of ¥195.6 billion) recorded when SBI Shinsei Bank became a consolidated subsidiary

be reasonably valued by the market. Our results for the fiscal year under review show that the price-to-book ratio (P/B ratio) of the Company, which had been 0.70x on March 31, 2023, is now 0.91x as of March 31, 2024. Our analysis indicates that this is the result of the market's evaluation of such factors as the success by SBI SECURITES in securing alternative revenues following "ZERO Revolution" and the steady progress by SBI Shinsei Bank in improving profitability. Elsewhere, I believe that our efforts to disclose information in a way that investors find easy to understand, including the changes in our business segments starting in FY2022, have been a success.

In order to raise the P/B ratio of the Company to over 1.0x, I believe that the banking business, which continues to account for a larger portion of the Group's business, is taking on greater importance. The P/B ratio in Japan's banking businesses are now well below where they were over a decade ago, which is thought to have more than a little effect on the Company's valuation. On the other hand, rising interest rates are a tailwind for the banking business, leading to an upward-trending market valuation of these businesses. We are therefore hopeful about improvements in the Company's market valuation. On the earnings front, as a result of the recent end of negative interest rate policy, we are projecting a positive effect of approximately ¥2 billion per year at SBI Shinsei Bank and look forward to further improvement in profitability. In addition to increasing profitability of the whole Group, we intend to use active dialogue with investors to promote understanding of our Company, which I believe will raise our corporate value even more.

As a step to managing business with awareness of capital

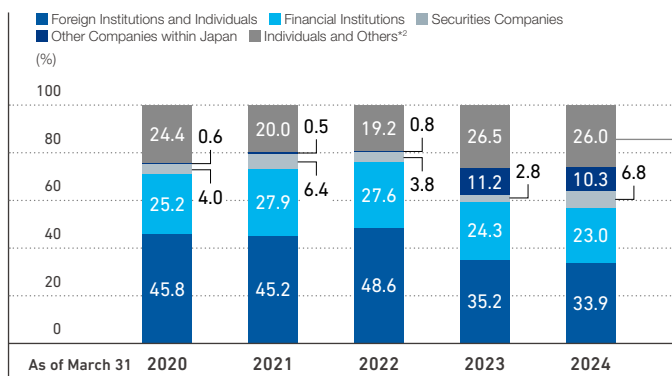
efficiency, SBI Holdings regularly requests estimates of the cost of capital at several securities companies. For FY2023, we determined cost of capital to be around 8% to 9%, about the same as for FY2022. In contrast, the Company's ROE increased by 4.0 points to 7.7% despite the effect from the increase in capital due to the conversion of convertible bonds as mentioned earlier. The Company will make efforts to improve profitability with attention to achieving ROE at 10% or greater, a figure above the cost of capital.

In the case of the SBI Group, because it is widely expanding multiple businesses beyond the financial sector, the time frames will vary by business, both for the investment execution and investment recovery. Moreover, the Group's positioning of active, up-front investment as a basic policy means that it recognizes financial health as a vital matter. Therefore, in order to persist as a company that grows sustainably; while also ensuring financial health, we must endeavor to increase capital efficiency even more.

One topic of high interest among today's investors is our entry into the semiconductor-related business. For this business, we are looking forward not only for a boost to revenue from the business, but also for a wide range of synergies for the entire Group created by collaborations with various companies in the semiconductor field. For funding, we recognize the high level of attention from investors in the total amount of investment and means of financing. It is my hope that the SBI Group can finalize the business plans as quickly as possible and explain the investment and funding plans from a financial perspective. Also, investment in the semiconductor-related business will not be made all at once, but will require financing

Shareholder Composition as of March 31, 2024

Trends of Shareholder Composition*1



*1 Rounded to the second decimal place
 *2 Includes shares of the SBI Holdings Employee Stockholding Association and treasury stock
 *3 Including treasury stock

- The total number of shareholders is **243,393**, of which the number of shareholders who hold one unit or more is **172,761**^{*3}
- Shareholding ratio of domestic and foreign institutional investors is **56.9%**

Attained 1st place in the J.D. Power "2024 Individual Shareholder Satisfaction StudySM" (Securities Segment)

A survey measuring individual shareholder satisfaction with each company based on seven factors: profitability and shareholder returns; lines of business and products/services; financial stability; ensuring shareholder rights and impartiality; ensuring proper disclosures and transparency; duties of the Board; appropriate cooperation with all stakeholders other than shareholders

to come in stages. We therefore plan to ensure a variety of financing methods, as discussed earlier, and to optimize procurement of funds by bringing these methods together.

Building Good Relationships with Shareholders and Investors over the Long Term

In FY2023, in order to engage in proactive communications with shareholders and investors, SBI Holdings held briefings and individual meetings with institutional investors and analysts, as well as briefings with individual shareholders, with the President & CEO and the executive director in charge of investor relations (IR). Up to now, the composition of the Company's shareholders has been trending towards a comparatively high percentage of foreign shareholders. In fact, at the end of FY2023 the ratios of individual shareholders, foreign shareholders, and domestic corporate shareholders were roughly equal, which is a healthy balance. While we continue to devote our attention to fostering a healthy, long-term relationship with all shareholders, I would like to make additional efforts to attract new shareholders.

Regarding the shareholder returns of SBI Holdings, in FY2022 we put forth a revised basic policy that sets the total payout ratio, supplementing total dividends with amount of treasury stock acquired, to 30% of profit before income tax expense, after excluding special factors such as the gain on sales of subsidiaries' stocks in the Financial Services Business. By setting the total returns to shareholders of the Financial Services Business, which has relatively stable profits within the

Group, as the standard, we have sought to build a clear understanding by shareholders and investors. The return rate based on the Company's shareholder return policy was 29.0% in FY2023.

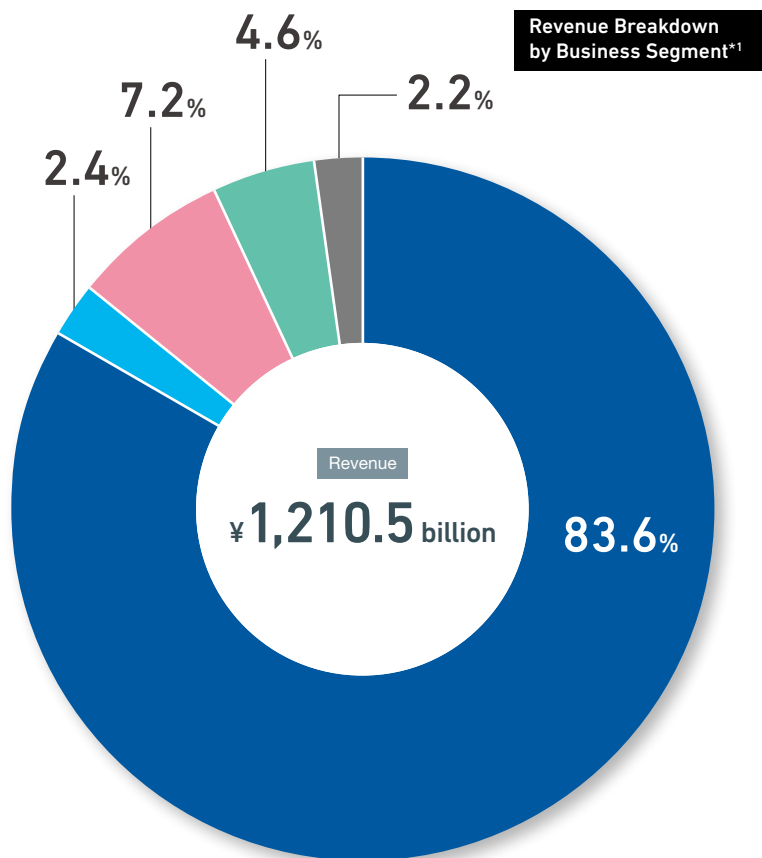
SBI Group, Attains Rapid Growth by Going Beyond Finance with Finance at Its Core

SBI Group puts forth "Financial Innovator" as one of its corporate missions, serving as an emblem for "ZERO Revolution" and other initiatives that constantly bring about a reformation of the way things should be in traditional finance. While running a traditional finance business comprising securities, banking, and insurance, we are also expanding the stages on which we play an active role by venturing into the field of digital assets such as Crypto-asset Business, as well as fields beyond finance, including Web3, and semiconductor-related businesses. Initiatives of this sort have resulted in the Group growing into a corporate group with market value over ¥1 trillion in the mere 25 years since its founding. I believe the fact that a corporate group engaged in the financial industry is achieving such significant growth is one of our key attractions and our essential purpose in society. To our esteemed stakeholders, it is our hope that you can look forward to our Group, as specialists in finance, establish a stable financial footing and improve capital efficiency together with the cost of capital, while also attaining growth that could not be achieved in a conventional financial company.

IR Activities (FY2023)

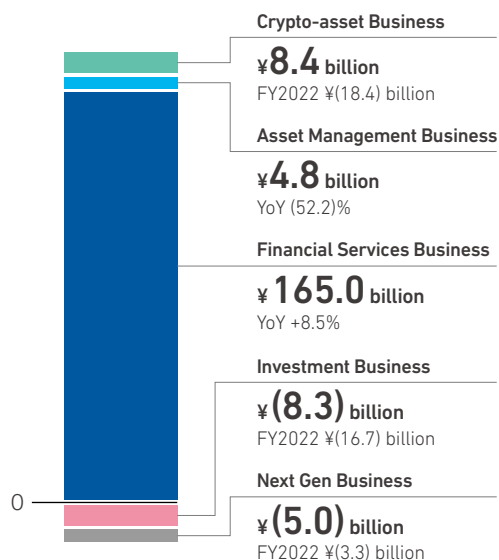
Activity	Number of times	Description
Financial results briefing for institutional investors and analysts	4	Financial results briefing held quarterly focusing on financial performance and outlook
IR conferences for overseas institutional investors	4	Held meetings with overseas institutional investors during IR conferences hosted by securities companies
Briefings with individual shareholders	6	Held every six months in Tokyo, Osaka, and Nagoya
Current Management Information Briefing for shareholders	1	Briefing held shortly after the General Meeting of Shareholders every June
Individual meetings for institutional investors and analysts	142 times (of which 65 times overseas related)	Meetings held as needed upon request from domestic and overseas institutional investors and analysts
Uploading of IR materials and videos to the Company website	As required	Posting of timely disclosure materials including financial results, press releases, videos, and information on initiatives related to sustainability

SBI Group at a Glance (FY2023)

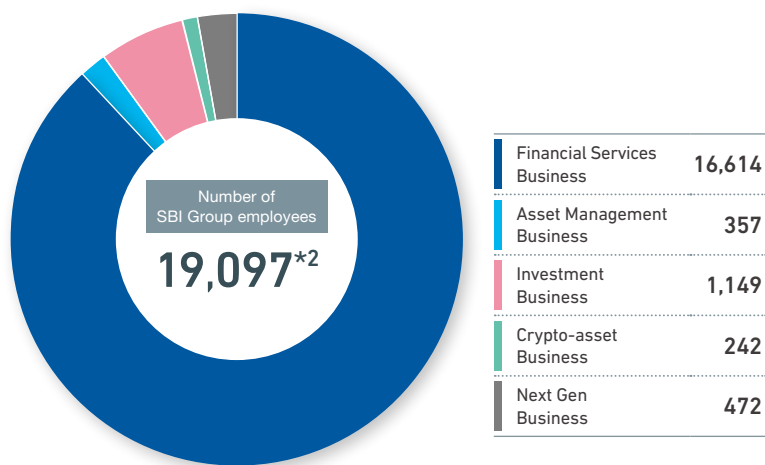


Financial Services Business
Revenue ¥1,031.4 billion YoY +22.0%
Asset Management Business
Revenue ¥29.4 billion YoY +5.3%
Investment Business
Revenue ¥88.4 billion YoY +140.8%
Crypto-asset Business
Revenue ¥57.1 billion YoY +88.5%
Next Gen Business
Revenue ¥26.6 billion YoY +1.5%

Profit Before Income Tax Expense



Ratio of Employees by Business



*1 Revenue breakdown percentages by business segment are presented as the composite ratio of the total revenue of each segment.
 *2 Includes 263 employees who are common across the entire company.

Financial Services Business

Revenue

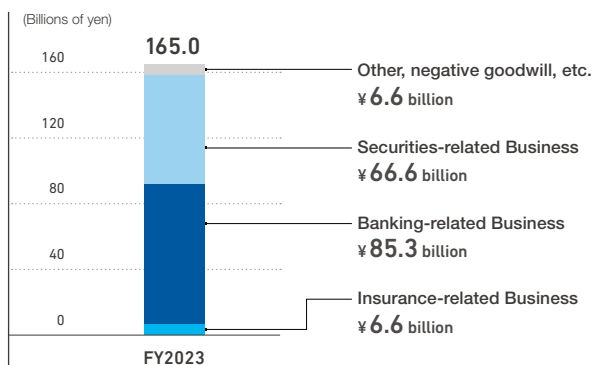
¥ **1,031.4** billion
YoY +22.0%

Profit before income tax expense

¥ **165.0** billion
YoY +8.5%*

* Includes, in FY2022, ¥5.1 billion in gain on the sale of ALBERT shares and ¥10.7 billion in gains from the sale of shares from the SBI Sumishin Net Bank IPO and in FY2023, ¥1.5 billion in gains from the sale of shares in SBI Sumishin Net Bank through an over-allotment of shares. Considering the impact of these special factors, profit increased by 20%.

Breakdown of Profit Before Income Tax Expense



* Rounded to the nearest 100 million yen

Principal Companies

Securities-related Business

SBI SECURITIES
SBI Liquidity Market
SBI FXTRADE
SBI MONEYPLAZA
SBI Neotrade Securities
FOLIO Holdings
SBI Benefit Systems
Japannext
Osaka Digital Exchange
FPT Securities Joint Stock Company
SBI Royal Securities
SBI Thai Online Securities
PT BNI SEKURITAS

Banking-related Business

SBI Shinsei Bank
Shinsei Financial
APLUS
Showa Leasing
DIAMOND ASSET FINANCE
SBI Sumishin Net Bank
SBI ARUHI
SBI SAVINGS BANK
SBI Bank

SBI LY HOUR BANK
TIEN PHONG COMMERCIAL
JOINT STOCK BANK (TPBank)
SBI Regional Bank Holdings

Insurance-related Business

SBI Insurance Group
SBI Insurance
SBI Life Insurance
SBI IKIUKI SSI
SBI Nihon SSI
SBI Resta SSI
SBI PRISM SSI
SBI JOGUCHI SAFETY SSI
SBI Pet SSI*
Ly Hour SBI Insurance

Others

SBI NEO FINANCIAL SERVICES
SBI FinTech Solutions
SBI Remit
SBI Business Solutions
SBI Ripple Asia

* Formerly Living SAST Insurance

Business overview for FY2023

Securities-related Business

- SBI SECURITIES managed to achieve higher year-over-year revenues and profits despite starting “ZERO Revolution” (which eliminated all commissions on online trading of domestic stocks from orders received on September 30, 2023.)
- Number of comprehensive securities accounts within the SBI Group picked up their accelerating pace with accounts surpassing 12 million in the first time in Japan. On top of this, given the tailwinds for the new NISA generated by “ZERO Revolution,” the number of new accounts opened in the fourth quarter of FY2023 reached 770,000, a new single-quarter record.
- Financial revenue, trading revenue, and investment trust balances all achieved record highs, as securities-related business made steady progress in enhancing its alternative revenue sources.
- Towards creating new revenue opportunities, SBI SECURITIES launched a wealth management business department, which thoroughly carries out an array of integrated operations from sales to operational management for corporate and affluent customers.

Banking-related Business

- SBI Shinsei Bank grew revenues by increasing loan balances in the institutional business and higher installment income from APLUS to achieve significantly higher revenues and profits under JGAAP, as its ordinary business profit topped ¥100 billion for the first time in 13 years.
- At SBI Sumishin Net Bank, the Group reduced its Company share of common stocks (from 50% to 34.19%) in conjunction with the Bank’s listing on the TSE Standard Market in March 2023. Its equity method earnings, based on IFRS, was ¥4.5 billion, reflecting steady growth in the housing loan business.
- At overseas bank subsidiaries, including SBI LY HOUR BANK of Cambodia and TPBank of Vietnam, our focus lies on having prudent business management and maintaining stable profitability based on market conditions and individual company circumstances.
- Although SBI SAVINGS BANK of South Korea remains fundamentally solid in terms of revenues and expenditure, it has faced a decline in profits due to an increase in burden of loan write-offs and other conditions due to deteriorating credit and increased delinquencies among borrowers, which come in the face of worsening local economic conditions in South Korea.

Insurance-related Business

- At the SBI Insurance Group, both ordinary income and profit attributable to owners of the Company are at record highs due to the steady increase in the total number of contracts held across the group.
- In FY2023, the Company paid a year end dividend of ¥18 per share, after supplementing ordinary dividends of ¥15 per share with a dividend of ¥3 to commemorate the fifth anniversary of the Company’s stock exchange listing.

Asset Management Business

Revenue

¥ **29.4** billion

YoY +5.3%

Profit before income tax expense

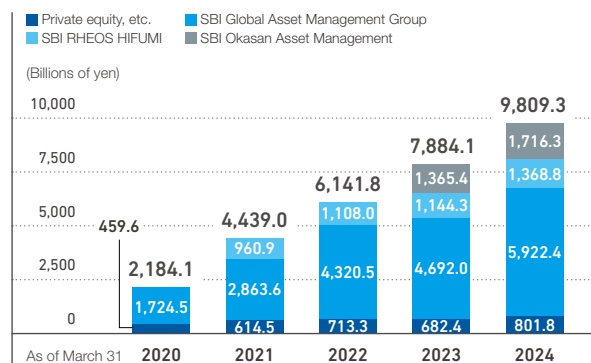
¥ **4.8** billion

YoY (52.2)%

Principal Companies

SBI Global Asset Management
 SBI Asset Management
 Wealth Advisor
 Carret Asset Management
 SBI RHEOS HIFUMI
 Rheos Capital Works
 SBI Okasan Asset Management
 SBI Alternative Asset Management
 SBI-Man Asset Management

SBI Group's assets under management



Business overview for FY2023

- Due to factors such as having a full year of earnings contribution from SBI Okasan Asset Management, which joined the SBI Group in FY2022, the Asset Management Business achieved record performance.
- Profit before income tax expense decreased from the previous fiscal year due to the non-recurring profits of ¥8.0 billion as received in FY2022 for returning the “Morningstar” brand.
- Rheos Capital Works moved to a holding company structure in which it became a wholly-owned parent company of SBI RHEOS HIFUMI Inc. from April 1, 2024.

Investment Business

Revenue

¥ **88.4** billion

YoY +140.8%

Profit before income tax expense

¥ **(8.3)** billion

FY2022 ¥(16.7) billion

Principal Companies

SBI Investment
 Shinsei Corporate Investment
 SBI VENTURES SINGAPORE
 SBI Ven Capital
 SBI Investment KOREA
 SBI (China)
 SBI (Beijing) Investment Management

SBI FinTech Incubation
 SBI Digital Strategic Investment
 SBI Leasing Services*

* SBI Leasing Services moves to the Financial Services Business in FY2024

Breakdown of profit/loss from the change in fair value and profit/loss on sales of investment securities

(Millions of yen)

	FY2022	FY2023
Profit/loss from the change in fair value and profit/loss on sales of investment securities	(14,358)	(4,930)
Listed Securities	(32,538)	7,929
Unlisted Securities	18,181	(12,859)

Business overview for FY2023

- Although the Investment Business reported valuation losses on certain unlisted stocks due to a reactive price movement vs. the previous fiscal year, a recovery in listed stocks resulted in a year-over-year improvement in profit/loss from the change in fair value and profit/loss on sales of investment securities.
- Foreign exchange loss of ¥7.9 billion arising from foreign currency borrowings incurred in silent partnerships operated by SBI Leasing Services.

Crypto-asset Business

Revenue

¥ **57.1** billion

YoY 88.5%

Profit before income tax expense

¥ **8.4** billion

FY2022 ¥(18.4) billion

Principal Companies

SBI VC Trade
BITPoint Japan
B2C2
SBI Alpha Trading
HashHub

Crypto assets handled in Crypto-asset Business

(As of June 30, 2024)

Overall number of crypto assets handled: 33 types

 SBI VC Trade (23 types)

 BITPOINT (24 types)

★=Crypto assets handled by SBI VC Trade ★=Crypto assets handled by BITPOINT

★ XTZ	★ APT	★★ BTC	★★ LINK	★ TRX	★ TSUGT
★ AVAX	★ ZPG	★★ ETH	★★ ADA	★ IOST	★ TON
★ XLM		★★ XRP	★★ MATIC	★ BAT	★ OSHI
★ OAS		★★ BCH	★★ SHIB	★ JMY	
★ XDC		★★ FLR	★★ SOL	★ DEP	
★ DAI		★★ LTC	★★ ATOM	★ KLAY	
★ HBAR		★★ DOT	★★ DOGE	★ GXE	

Business overview for FY2023

- Against the backdrop of the strong crypto asset market, the Crypto-asset Business achieved a significant growth in revenue due to contributions such as from B2C2 which took in overseas transaction flows of crypto assets.
- In FY2023, the Crypto-asset Business made good progress in diversifying its products within its crypto asset trading businesses, with new handling of six new crypto assets starting on SBI VC Trade and five on BITPOINT, while the staking service also trended strong.
- The combined asset deposit balance of SBI VC Trade and BITPOINT stood over ¥260 billion at the end of FY2023.

Next Gen Business

Revenue

¥ **26.6** billion

YoY +1.5%

Profit before income tax expense

¥ **(5.0)** billion

FY2022 ¥(3.3) billion

Principal Companies

SBI Pharmaceuticals
SBI ALApromo
SBI Biotech
Medical Data Vision
SBI Digital Asset Holdings
SBI Security Solutions
SBI DIGITAL MARKETS
ASIA DIGITAL EXCHANGE HOLDINGS

SBI R3 Japan
SBINFT
SBI Wellness Bank
SBI Smart Energy
SBI Traceability
Machi no Wa

Profit before income tax expense of the biotechnology, healthcare & medical informatics business companies (IFRS)

(Millions of yen)

	FY2022	FY2023
SBI Biotech	(205)	(271)
5-ALA-related business	(929)	(1,977)
SBI Pharmaceuticals	(1,245)	(2,919)
SBI ALApromo	195	55
Overseas Subsidiaries	121	887

Business overview for FY2023

- The Biotechnology, Healthcare & Medical Informatics Business recorded an extraordinary loss as a result of a revaluation of raw material inventory for the health food segment of the 5-ALA-related business.
- SBI ALApromo is preparing for IPO with a target listing in FY2025.