

### Balancing “Financial Soundness” and “Growth Investment” amid rapid expansion

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#### Management Strategy Capturing the Trends of the Era Proves Successful

The business environment during FY2024 remained one of growth even amid uncertainty. In the global economy, inflationary pressures persisted and geopolitical risk was mounting in individual countries while actions from the newly formed Trump administration in the U.S. also had an effect. In the domestic economy, I believe that Japan maintained a moderate recovery trend overall, backed by continued strong inbound demand, a rebound in corporate performance, and an improving employment environment. In March 2024, the Bank of Japan raised interest rates for the first time in 17 years and decided upon an additional interest rate hike later that year in July, causing monetary policy to reach a major turning point in its efforts to get rid of deflation. The stock market has gone through a year in which it was greatly affected by the world economy and major policy moves. Due to expectations of strong earnings among Japanese companies and the anticipated easing of inflation in the U.S., the Nikkei Stock Average reached record highs in the ¥42,000 range in July 2024. However, U.S.-China frictions reignited soon thereafter in August, which combined with the aftermath of the Bank of Japan's rate hike decision caused a sharp fall in the Nikkei to ¥31,156. The market then trended downward overall in the second half of the fiscal year due to the Trump administration's tariff policy and the uncertain outlook for the U.S. economy. In the foreign exchange

markets, on the backdrop of U.S. and Japan Policies and development in interest rates, high volatility continued throughout the fiscal year based on the historically cheap yen in the dollar-yen market.

Under these circumstances, the Company's consolidated financial results for FY2024 consisted of revenues of ¥1,443.7 billion (+19.3% year on year), surpassing the previous record, while on the profit front, profit before income tax expense was ¥282.3 billion (+99.4% year on year) and profit attributable to owners of the Company was ¥162.1 billion (+85.8% year on year) for an overall increase in both revenue and profits. These results were mainly driven by steady expansion in the Financial Services Business centered on the banking and securities businesses. We also recorded large revenue contributions from the PE Investment Business and the Crypto-asset Business. The PE Investment Business had a sizable increase in valuations of several unlisted stocks related to AI, blockchain, and crypto assets. Meanwhile, the Crypto-asset Business achieved record highs in revenue and profits as profitability rose at the Group's crypto asset market-maker business and its crypto asset exchange due to the market revitalization and worldwide increase in crypto asset trading volumes sparked by the inauguration of President Trump in the U.S. The PE Investment Business and Crypto-asset Business are both high-volatility segments, yet we believe that our business activity, with the external environment providing a tailwind, has led to significant results after having made early-stage invest-

ments in growth industries, or developed businesses in such areas, while thoroughly managing risks.

### Developing a New Medium-term Vision with Ambitious Targets

In May 2025, the Company announced a new medium-term vision targeting the 30th anniversary of its founding in FY2028. Specifically, it established a set of rather ambitious targets to be achieved by FY2028: the Group's customer base of 100 million (FY2024: 54.42 million), consolidated profit before income tax expense of ¥500 billion (FY2024: ¥282.3 billion) with an overseas business ratio of 30%\* (FY2024: approximately 17%), and ROE of 15% (FY2024: 12.8%). If we look at

the five years between FY2019 and FY2024 for comparison, we see that the Group accomplished rapid growth for all indicators at exponential growth rates: approximately 3.9x in consolidated revenues (FY2019: ¥368.1 billion), approximately 4.3x in consolidated profit before income tax expense (FY2019: ¥65.8 billion), and approximately 2.0x in the customer base (FY2019: 27.43 million). While leveraging the customer base, business assets, and fundraising capabilities developed by the SBI Group up to now, and by further accelerating organic growth in our existing businesses as well as incorporating inorganic growth through M&A and other initiatives, I find the achievement of this new medium-term vision to be both reasonable and valid.

\*Reflects percentage of profit before income tax expense from overseas businesses in the Financial Services Business and Crypto-asset Business in the overall profit before income tax expense

### Breakdown of the 100 Million Group Customer Base Target in the New Medium-Term Vision

(Thousand)

Existing customer base (End of Mar. 2025)	SBI SECURITIES	Domestic and overseas banks, as well as non-banking financial institutions	Others (Including media related companies)	Forecast (End of Mar. 2029)
54,422	+16,000	+20,000	+10,000	100,422

At the same time, we recognize that building an efficient balance sheet capable of demonstrating high profitability is essential to achieving our new medium-term vision. ROE was 12.8% in FY2024, which is relatively high compared to major securities companies, indicating that we are efficiently deploying our capital even now. However, to achieve the new medium-term vision's target of 15%, we will make more distinct decisions pertaining to entering, continuing, or withdrawing from businesses, carefully considering their future potential and synergies within the Group. Furthermore, we regularly commission several other securities firms to estimate our cost of capital. For FY2024, our ROE exceeded our cost of capital, which was in the 8% to 9% range.

In recent years, as an element of management that is aware of cost of capital, a growing number of businesses manage capital efficiency in each business segment, using indicators such as return on invested capital (ROIC). At SBI Holdings, on the other hand, we focus on capital efficiency for the Group as a whole. There are several reasons for this. Firstly, there are more than a few businesses in the Group that participate in markets that are in an early stage, assessing their future potentials. Secondly, based on the Fundamental Busi-

ness Building Concepts of Formation of a "Business Ecosystem" and Thorough Pursuit of Group Synergies, we are building business entities in which capital invested in a designated business segment has spillover effects to other business segments. To be specific, despite the persistent losses in the Next Gen Business, the Web3- and Digital asset-related businesses developed in this segment are making a large contribution to improving the usefulness of products and services in the Financial Services Business by incorporating their cutting-edge technologies and their expertise. Through such forward-looking initiatives, these businesses are raising the presence of the Company, both in Japan and abroad, contributing to the Group overall. Given this background, I believe that managing profitability at the segment level does not fit with the actual situation at the Group, thus instead we are managing capital profitability across the Group's entire business portfolio.

It is thought that ROE could fall temporarily as we expand our equity capital to maintain financial soundness. On the contrary, we seek to maintain a high ROE even amid volatility by continuously striving to maximize investment efficiency and appropriately managing capital profitability, while keeping an optimum capital level.

## Continuously Meeting Stakeholders' Growth Expectations

The Company's price-to-book ratio (P/B ratio) was 0.95x at the end of FY2024, demonstrating a trend of year-by-year improvement since the end of FY2022, when the P/B ratio was 0.70x. This does not just represent an improvement in profitability; rather, according to our analysis, it reflects the market's evaluation of such matters as the effects of "ZERO Revolution" at SBI SECURITIES and the accompanying expansion of the Group's total customer base, the growth potential from the lifting of interest rates at SBI Shinsei Bank which has also set a date for the repayment of public funds, and the growth prospects in the Crypto-asset Business given the global expectations for market expansion.

In order to keep the Company's P/B ratio steadily above 1.0x, the SBI Group will strive to maintain and improve capital profitability and run its businesses in such a way that shareholders and investors carry a sense of expectation for the future. From this perspective, we are sharpening our focus for our business portfolios. To this end, we decided in April 2025 to make Kyobo Life Insurance, one of the big three life insurance companies in South Korea, into an equity method associate of the Company and to transfer a portion of the Company's shareholdings in its consolidated subsidiary SBI SAVINGS BANK of Korea to Kyobo Life Insurance. These moves allow the Group to recover a portion (roughly ¥90 billion) of its investment (roughly ¥123 billion) in SBI SAVINGS BANK while taking in a portion of Kyobo Life Insurance's profits in the Group's financial reporting. Regarding SBI SAVINGS BANK, even after the final transfer of shares is executed (scheduled for October 30, 2026), it is planned to remain an equity method associate of SBI Holdings. Furthermore, by the Group holding 70% of the economic interest in SBI SAVINGS BANK per the agreement with Kyobo Life Insurance, SBI Holdings will be able to take in 70% of SBI SAVINGS BANK's profits in its financial reporting. On top of executing these management strategies, we intend to raise shareholders' and investors' expectations of the Group by uncovering potential value by listing the Group's subsidiaries.

To earn an appropriate valuation from the market, it is critical, in my view, to expand disclosures, including non-financial information, and to proactively engage in dialogue with shareholders and investors. Our CEO Mr. Kitao and senior management have been actively communicating with shareholders including having at least seven sessions per year in which they appear as speakers, either in briefings with individual shareholders or in current management information briefings for all shareholders. In particular, since many individual shareholders and investors are customers of the Group's services, these sessions focus not only on explaining the Group's overall management strategy but also on highlighting the value it provides. Moreover, the views gathered at these venues are reflected in the overall management of the Group. For institutional inves-

tors and rating agencies, we also hold individual IR meetings, where the CEO, along with others such as the Director in charge of Investor Relations (IR) as well as the Group CFO attend as speakers. Views gathered from these discussions are regularly shared with senior management and referred to in our operations management.

## Seeking a Balance of Financial Soundness and Growth

SBI Group has continuously undertaken upfront investments to secure medium- to long-term growth opportunities and will continue to actively invest going forward. Under these circumstances, the Group's financial strategy must place the highest priority on balancing "financial soundness" and "sustained growth." In particular, as the Group expands and the size of investments per project increases, and given that domestic interest rates are in an upward trend, it is essential to forecast the Group's funding requirements and to take proactive measures ahead of time.

Diversification of funding sources has long been pursued, and recently retail bond issuance track record has grown. Since retail bonds are offered to individual investors, there is a general trend toward basing investment decisions on the coupon rate and the issuer's name value. However, after achieving notable successes – such as increased social recognition resulting from SBI Shinsei Bank joining the Group and the "ZERO Revolution" at SBI SECURITIES, we were able to issue ¥170 billion worth of retail bonds at competitive interest rates. On top of that, we continue to build relationships of trust with transacting banks and bond investors and recognize that we have put in place a stable environment for raising funds.

In terms of recent fundraising, the capital and business alliance with NTT, Inc., announced in May 2025, stands as an important undertaking for the Company. Based on this alliance, SBI Holdings decided to sell all its stake in SBI Sumishin Net Bank (amounting to 34.19% of voting rights as of March 31, 2025), which had been an equity method affiliate, to NTT DOCOMO, Inc., an NTT subsidiary. In exchange, SBI Holdings received funding from NTT, Inc., amounting to an 8.19% shareholding ratio approximately ¥110 billion. This transaction has enabled the Company to secure about ¥300 billion in funding, with about ¥230 billion utilized as the funding source for the complete repayment of public funds of SBI Shinsei Bank, by the Company which took place on July 31, 2025. We believe this will significantly contribute to maintaining our financial soundness as the Company continue make aggressive investments for future growth.

Furthermore, the two areas of growth investment and shareholder returns account for the bulk of cash allocation. For growth investments, we will continue to focus on accelerating the growth of our existing businesses, as well as to invest for the purpose of entering new domains having a high

affinity with the Group's core financial business. We have recently announced our entry into the media business, which the Company believes has particularly high affinity with finance and IT, and have positioned this as a priority field for investment. Meanwhile, for our shareholder return policy, we will continue to set our total shareholder returns, where we augment cash dividends with amount of treasury stock acquired, to 30% of profit before income tax expense excluding extraordinary factors such as the gain on sale of subsidiaries' stocks in the Financial Services Business. Based on this policy, the shareholder return ratio for FY2024 was 30.5%.

Accordingly, the Group's financial and capital policies serve to create a virtuous cycle in which ongoing business growth underpins enhanced shareholder returns, while the

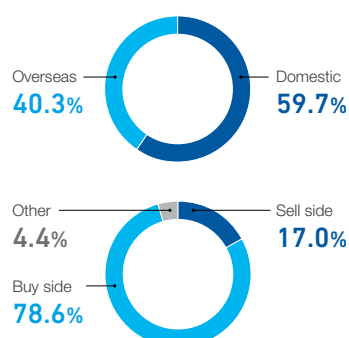
continual execution of growth investments sustains medium-to long-term business expansion. Realizing this virtuous cycle requires reinforcing equity to underpin financial soundness as a foundation, while balancing and upholding high standards in enhancing capital profitability, sustaining growth investments, and returning capital to shareholders.

Since the fiscal year ended in March 2019, which marked the Group's 20th anniversary, the Group has further accelerated its growth momentum. This achievement reflects the Group's ongoing commitment to "self-denial, self-transformation and self-evolution," while continually delivering products and services that stay ahead of trends in the financial industry. We hope that our shareholders and investors will look forward to the further growth of our Group in the future.

#### IR Activities (FY2024)

Activity	Number of times	Description of activity
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	2	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	206	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 needed	Posting of timely disclosure materials including financial results, press releases, videos, and information on initiatives related to sustainability

#### Summary of Discussions with Shareholders and Investors



#### Main Respondents

- Representative Director, Chairman and President (CEO), Group CFO, Director in charge of Public Relations & Investor Relations (IR), Corporate Communications Department

#### Major Themes and Related Items Covered

- Macro environment impact on businesses of the SBI Group (movements in the policy interest rate, establishing a framework for crypto assets, changes in the business environment due to the start of the second Trump administration, and more)
- Capital allocation policy (M&A, target domains shareholder return policy)
- Outlook for repaying public funds at SBI Shinsei Bank
- Approach to high-volatility businesses
- Succession plans

#### Implementation Status of Feedback to Management Team and Board of Directors

- Biannual report by the Director in charge of Public Relations & Investor Relations (IR) to the Board of Directors on items of concern from shareholders and investors