



*Strategic  
Business  
Innovator*

# SBI Holdings, Inc.

**Financial Results for the Nine-month Period Ended  
December 31, 2021, before Consolidation of Shinsei Bank**

**January 31, 2022**

**The items in this document are provided as information related to the financial results and the business strategy of the SBI Group companies and not as an invitation to invest in the stock or securities issued by each company.**

**None of the Group companies guarantees the completeness of this document in terms of information and future business strategy.**

**The content of this document is subject to revision or cancellation without warning.**

**Note: Fiscal Year ("FY") ends March 31 of the following year**

- I. 9M FY2021 Consolidated Performance (IFRS) Before Shinsei Bank Consolidation**
- II. Analysis of the Elements Contributing to the SBI Group's Exponential Growth in Profit**
- III. Two Major Strategies for the Next Generation to Build a Business Foundation that Enables Sustainable Growth of the SBI Group**

# Matters to Note Regarding the Consolidation of Shinsei Bank

- Figures announced today (Jan. 31, 2022) are SBIH's 9M FY2021 consolidated financial performance before the consolidation of Shinsei Bank's financial statements, which are aligned and consistent with the Company's previous financial performances
- 9M FY2021 consolidated financial statements to be announced at a future date with consolidation of Shinsei Bank's B/S as of the end of Dec. 2021 is planned to include accrued negative goodwill from converting Shinsei Bank into a consolidated subsidiary
- Shinsei Bank's consolidated P/L will be incorporated into SBIH's consolidated financial statements beyond FY2021 (as for FY2021, only Jan.-Mar. 2022 financial results are planned to be incorporated)

## Past and upcoming events

Jan. 28, 2022	Announcement of Shinsei Bank's (TSE: 8303) 9M FY2021 consolidated financial results (J-GAAP)
Feb. 8, 2022	Shinsei Bank to hold an extraordinary general shareholders meeting to elect Directors

# I. 9M FY2021 Consolidated Performance (IFRS) Before Shinsei Bank Consolidation

## [Overview of Consolidated Performance Before Shinsei Bank Consolidation]

- Revenue increased 45.6% year-on-year to JPY 527.4bn, profit before income tax expense rose 82.9% year-on-year to JPY 171.4bn and profit attributable to owners of the Company increased 117.4% year-on-year to JPY 132.2bn, **which were historical highs for a 9M period**
- **In the Financial Services Business, the securities business** is diversifying its revenue sources and **continues to grow steadily**. In addition, **earnings based on equity in SBI Sumishin Net Bank**, based on IFR, **continues to increase**
- **In the Asset Management Business, record valuation gains** with large valuation gains owing to the rise in stock prices of certain listed investee companies and large valuation gains due to significant increase in valuation per share among unlisted investee companies that raised new funds. **South Korea's SBI SAVINGS BANK also posted record profits**
- **In the Biotechnology, Healthcare & Medical Informatics Business, the segment loss narrowed significantly** due to milestone income generated at SBI Biotech and the significant increase in revenue and profit at SBI ALA Promo

# 9M FY2021 Consolidated Performance (IFRS)

[Before Shinsei Bank consolidation]



[Year-on-year comparison]

(Unit: JPY million)

	9M FY2020 (Apr. 2020-Dec. 2020) Result	9M FY2021 (Apr. 2021-Dec. 2021) Reference	YoY % change
Revenue	362,218	527,440 <span style="border: 1px solid red; padding: 2px;">Record high*</span>	+45.6
Profit before income tax expense	93,738	171,440 <span style="border: 1px solid red; padding: 2px;">Record high*</span>	+82.9
Profit for the period	69,225	143,874 <span style="border: 1px solid red; padding: 2px;">Record high*</span>	+107.8
Profit attributable to owners of the Company	60,810	132,211 <span style="border: 1px solid red; padding: 2px;">Record high*</span>	+117.4

\* Comparison with past 9M results

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# Progress Toward the Mid-Term Vision, which the Group Endeavor to Achieve in the Next 3-5 Years

## The Mid-Term Vision (Formulated on April 28, 2021)

- Endeavor to achieve over JPY 300 billion consolidated profit before income tax expense in the next 3-5 years

New businesses will be developed so that the total amount of profit before income tax expense for new businesses accounts for approximately 20% of consolidated profit before tax

### Definition of new business:

- Any business that utilizes innovative technologies such as those related to digital assets or blockchain
- Any business that has become part of the Group through M&A since April 2018
- Consistently maintaining an ROE of 10% or more

- ◆ Depending on the level of amortized negative goodwill and the inclusion of profit in 4Q FY2021 due to the consolidation of Shinsei Bank, **consolidated profit before income tax expense could possibly exceed JPY 300bn in FY2021**
- ◆ **Annualized ROE 9M FY2021: 27.7%**  
**(As of 1H FY2021: 24.6%)**

Note 1: The abovementioned is a vision that the Company seeks to achieve in the medium-term, and since there will be changes in the business environment, there cannot be any guarantees on the achievement of the vision.

Note 2: The abovementioned is based on a premise that the world economic situation will not dramatically deteriorate within the next five years.

Note 3: The abovementioned differs from any medium-term management plans or performance targets.

Note 4: Annualized ROE was calculated by annualizing the 1H and 9M FY2020 of profit attributable to owners of the Company, respectively.

# Comparison of Consolidated Profit Attributable to Owners of the Company with Major Face-to-face Securities Companies



(Unit: JPY million)

	9M FY2020 (Apr. 2020 – Dec. 2020)	9M FY2021 (Apr. 2021 – Dec. 2021)	YoY % change
<b>SBI Holdings (IFRS)</b>	<b>60,810</b>	<b>132,211</b>	<b>+117.4</b>
<b>Nomura Holdings (US-GAAP)</b>	<b>308,524</b>	<b>112,033</b>	<b>-63.7</b>
<b>Daiwa Securities Group (J-GAAP)</b>	<b>57,789</b>	<b>76,902</b>	<b>+33.1</b>
<b>SMBC Nikko Securities (J-GAAP)</b>	<b>55,510</b>	<b>47,832</b>	<b>-13.8</b>

# 9M FY2021 Performance by Segment (IFRS) [Before Shinsei Bank consolidation]



## [Year-on-year comparison]

(Unit: JPY million)

### Revenue

	9M FY2020 (Apr. 2020– Dec. 2020) Results	9M FY2021 (Apr. 2021– Dec. 2021) Reference	YoY % change
Financial Services Business	225,127	255,637 <span style="border: 2px solid red; padding: 2px;">Record high*</span>	+13.6
Asset Management Business	128,802	243,097 <span style="border: 2px solid red; padding: 2px;">Record high*</span>	+88.7
Biotechnology, Healthcare & Medical Informatics Business	4,091	6,708 <span style="border: 2px solid red; padding: 2px;">Record high*</span>	+64.0

### Profit before Income Tax Expense

	9M FY2020 (Apr. 2020– Dec. 2020) Results	9M FY2021 (Apr. 2021– Dec. 2021) Reference	YoY % change / YoY change
	62,379	64,836 <span style="border: 2px solid red; padding: 2px;">Record high*</span>	+3.9
	43,261	127,322 <span style="border: 2px solid red; padding: 2px;">Record high*</span>	+194.3

Note: Owing to Group company segmentation realignments, 9M FY2020 results were restated in accordance with the segmentation realignments.

Note: Figures are before elimination of the inter-segment transactions.

\* Comparison with past 9M results

# Following the Previous Fiscal Year, will Conduct Shareholder Benefits for FY2021



[Details of shareholder benefits] \* Shareholders listed or recorded in the shareholder register as of Mar. 31, 2022 are eligible.

Details	Qualified shareholders	Shareholders who have <u>held shares for more than 1 year</u> and who hold <u>1,000 (10 units) or more shares</u> as of Mar. 31, 2022	For shareholders other than the left column, those who hold <u>100 shares (1 unit) or more</u> , as of Mar. 31, 2022
Crypto-asset XRP		<b>Equivalent to JPY 8,000 (*1)</b>	<b>Equivalent to JPY 2,000 (*1)</b>

\*1: XRP conversion is expected to be based on the exchange rate as of July 29, 2022

[Products distributed by SBI ALApromo can also be selected]



ALA PLUS Tou (Sugar) Down ALACIA (10 grains)	<u>One</u>	<u>One</u>
ALA PLUS Tou (Sugar) Down (10 capsules)	<u>One</u>	<u>One</u>
“Hatsugagenmai no Sokojikara” (160g)	<u>Three</u>	<u>Three</u>
ALA PLUS GOLD EX (60 capsules)	<u>Two</u>	—
Cosmetic ALA PLUS Concentrate Serum	<u>One</u>	<u>One</u>
ALA PLUS Cosmetic Series 5 products *2	<u>One each</u>	—

\*2 ALA PLUS Moisturizing Cream, ALA PLUS Essential Lotion, ALA PLUS Deep Cleansing Gel, ALA PLUS Pure Clay Wash, ALA PLUS Body Cream Alapi

\* In addition, all shareholders, including those who hold less than 1 unit (1-99 shares), will receive 1 discount coupon for a preferential discount of 50% from the regular prices of all SBI ALApromo dietary supplements and cosmetics.

## [Business Overview of Core Businesses]

### 1. Securities-related business (SBI SECURITIES)

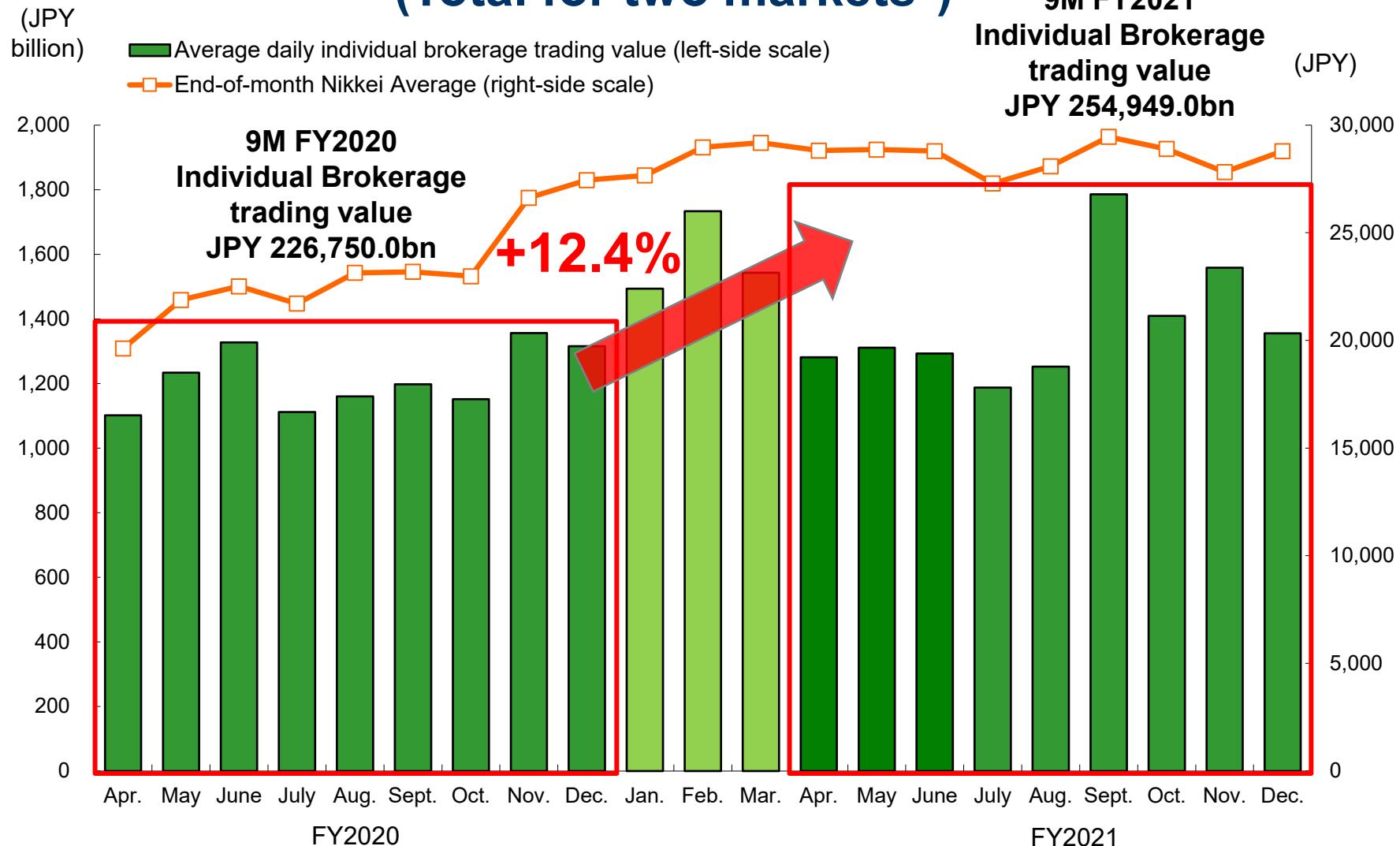
#### Business Overview for 9M FY2021

SBI SECURITIES' consolidated results for 9M FY2021 saw brokerage commissions down 7.6% Year-on-year due to gradual promotion of the Neo-securities Initiative, which is to eliminate trading commissions for online domestic stock transactions, and offset by contributions from businesses other than stock brokerage commissions, including underwriting and offering commissions and financial revenue, resulting in operating income up 1.7% year-on-year to JPY 45.5bn

## 1. Securities-related business:



# Average Daily Individual Brokerage Trading Value (Total for two markets\*)



**Average daily individual brokerage stock trading volume, including ETFs and REITs: 9M FY2021 +7.2% YoY**

\* Japanese stocks listed on Tokyo Stock Exchange and Nagoya Stock Exchange  
(Including TSE Mothers, JASDAQ and NSE Centrex)

Source: Complied by SBIH from disclosed data from TSE

# SBI SECURITIES 9M FY2021 Consolidated Results (J-GAAP)

[Year-on-year comparison]

(Unit: JPY million)

	9M FY2020 (Apr. 2020 – Dec. 2020)	9M FY2021 (Apr. 2021 – Dec. 2021)	YoY % change
Operating Revenue	<b>116,273</b>	<span style="border: 1px solid red; padding: 2px;">Record high*</span> <b>125,099</b>	<b>+7.6</b>
Net Operating Revenue	<b>108,251</b>	<span style="border: 1px solid red; padding: 2px;">Record high*</span> <b>118,013</b>	<b>+9.0</b>
Operating Income	<b>44,784</b>	<span style="border: 1px solid red; padding: 2px;">Record high*</span> <b>45,529</b>	<b>+1.7</b>
Ordinary Income	<b>44,795</b>	<span style="border: 1px solid red; padding: 2px;">Record high*</span> <b>45,642</b>	<b>+1.9</b>
Profit attributable to owners of the Company	<b>37,099</b>	<b>30,680</b>	<b>-17.3</b>

\* Comparison with past 9M results

# Comparison with Major Online Securities Companies

[9M FY2021 results]

	Share of individual stock trading value (%)	Deposit assets (JPY trillion)	Operating income (JPY million)
SBI *1 (cons.)	 <b>43.7</b>	 <b>22.1</b>	 <b>45,529</b>
Rakuten (cons.)	<b>29.9</b>	<b>15.4</b>	<b>9,954</b>
Matsui	<b>10.0</b>	<b>2.9</b>	<b>9,953</b>
au Kabucom	<b>8.0</b>	<b>2.7</b>	<b>4,160</b>
Monex *2 (cons.)	<b>4.6</b>	<b>5.5</b>	<b>16,630</b>

\*1 SBI's number of share of individual stock trading value include that of SBI NEOMOBILE SECURITIES, SBI Neotrade Securities and FOLIO.

\*2 The amount of "Operating income" shown above is "The amount equivalent to operating income" disclosed by Monex.

Operating income of Monex includes JPY 14,865 million from crypto-asset related business.

\*3 Deposit assets as of the end of Dec. 2021.

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

## 2. Banking-related business (SBI Sumishin Net Bank)

### 9M FY2021 Consolidated Results

- **SBI Holdings' equity method earnings of SBI Sumishin Net Bank, based on IFRS for 9M FY2021, reached a record high of JPY 6,285m (+13.4% year-on-year), owing to the steady progress in housing loans and other factors**
- **Applied on October 8, 2021, to be listed on the Tokyo Stock Exchange**

# SBI Sumishin Net Bank's 9M FY2021 Results (Equity in earnings / IFRS)

**SBI Holdings' equity in earnings of SBI Sumishin Net Bank based on IFRS for 9M FY2021 was JPY 6,285m, up 13.4% YoY**

(JPY million)

5,540



9M FY2020



+13.4%  
YoY

6,285

Record  
high

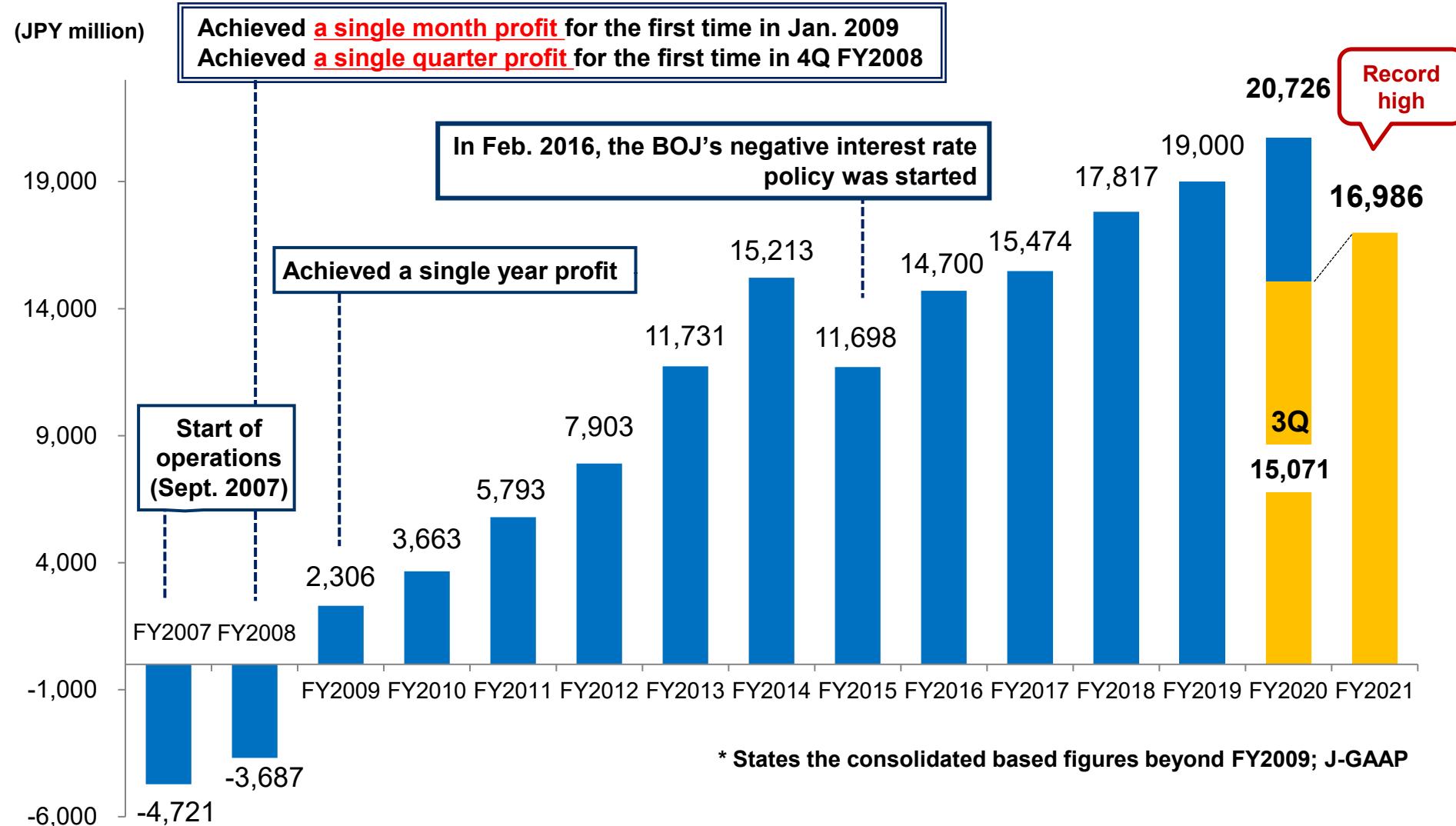


9M FY2021

Note: Owing to the difference in IFRS and J-GAAP for asset assessment criteria, the figures differ from that disclosed based on J-GAAP.

# Change in SBI Sumishin Net Bank's Ordinary Income (J-GAAP) after Start of Operations

-9M FY2021 has recorded a historical high for a 9-month period-



### **3. Insurance-related business (SBI Insurance Group) Results for 9M FY2021**

**SBI Insurance Group's consolidated ordinary revenue for 9M FY2021 (preliminary figures on a J-GAAP basis\*), increased 3.6% year-on-year to JPY 65,652m, and consolidated ordinary profit increased 47.1% year-on-year to JPY 4,522m, and profit attributable to parent of the Company increased 41.1% year-on-year to JPY 1,103m, reflecting a steady increase in the Group's total number of in-force contracts**

**\* Final consolidated figures for 9M FY2021 to be released on Feb. 8**

# SBI Insurance Group's Performance (Preliminary Figures)

\* Final consolidated figures for 9M FY2021 to be released on Feb. 8

## Consolidated results for 9M FY2021 (J-GAAP)

(Unit: JPY million)

	9M FY2020 (Results) (Apr. – Dec. 2020)	9M FY2021 (Preliminary) (Apr. – Dec. 2021)	YoY % change
Ordinary revenue	63,388	65,652 <span style="border: 1px solid red; padding: 2px;">Record high*1</span>	+3.6
Ordinary profit	3,073	4,522 <span style="border: 1px solid red; padding: 2px;">Record high*1</span>	+47.1
Profit attributable to parent of the Company	782	1,103 <span style="border: 1px solid red; padding: 2px;">Record high*1</span>	+41.1

\*1 Comparison with past 9M results

## 4. Asset Management Business

- Asset Management Business' revenue based on IFRS for 9M FY2021 increased 88.7% YoY to JPY 243.1bn and profit before income tax expense increased 194.3% to JPY 127.3bn, achieving record-high profit since adoption of IFRS
- Profit from sales and valuation profits of investees for 9M FY2021 achieved record-high profit of JPY 100.1bn, owing to the rise in stock prices of certain listed investee companies and large valuation gains due to significant increase in valuation per share among unlisted investee companies that raised new funds
- SBI SAVINGS BANK of South Korea's profit before income tax expense (based on incorporation of IFRS by SBI Holdings) for 9M FY2021 achieved record-high profit of JPY 25.3bn, up 22.6%YoY

# Asset Management Business' 9M FY2021 Performance Overview (IFRS)

(JPY billion)

	9M FY2020 <sup>*1</sup> (Apr.-Dec. 2020)	9M FY2021 (Apr.-Dec. 2021)	YoY % change
<b>Revenue</b>	128.8	243.1 <small>Record high*2</small>	+88.7
<b>Profit before income tax expense</b>	43.3	127.3 <small>Record high*2</small>	+194.3
<b>SBI SAVINGS BANK</b>	20.6	25.3 <small>Record high*2</small>	+22.6
<b>Profit/loss from the change in fair value and profit/loss on sales of investment securities</b>	29.3	100.1 <small>Record high*2</small>	+241.8
<b>Listed Securities</b>	31.2	27.7	-11.0
<b>Unlisted Securities</b>	-1.9	72.4	-

\*1 Owing to Group company segmentation realignments, 1H FY2020 results were restated in accordance with the segmentation realignment \*2 Comparison with past 9M results

## 5. Biotechnology, Healthcare & Medical Informatics Business

### 9M FY2021 performance overview:

- Revenue generated from milestone achievements at SBI Biotech, drastic reduction in costs for complete withdrawal from U.S. Quark and achievement of major increases in sales and profits at SBI ALApromo significantly reduced segment loss compared to the corresponding period of the previous fiscal year

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

(JPY million)

	9M FY2020 (Apr. 2020-Dec. 2020)	9M FY2021 (Apr. 2021-Dec. 2021)
<b>SBI Biotech</b>	-175	<b>466</b>
<b>Quark Pharmaceuticals ("Quark")</b>	-2,848	<b>-1,335</b>
<b>business related to 5-ALA-</b>		
<b>SBI Pharmaceuticals</b>	-1,369	<b>-761</b>
<b>SBI ALApromo</b>	176	<b>265</b>
<b>photonamic</b>	-26	<b>283</b>
<b>Medical Data Vision (Equity method company)</b>	/	<b>145</b>

\*The results of the previous quarter are recorded as SBI Holdings' equity method (Medical Data Vision's results for 9M of the fiscal year ending Dec. 2021 are recorded in SBI Holdings' 9M FY2021). Announcement of Medical Data Vision's fiscal year ending Dec. 2021 financial results (J-GAAP) is scheduled for Feb. 14, 2021

- At **SBI Biotech**, a **milestone payment was generated** from two licensed products, the anti-ILT7 antibody (HZN-7734) and anti-PLD4 antibody (SBI-3150), achieving their respective milestones
- Shares of **Quark** are **expected to be sold by the end of FY2021**
- **SBI ALApromo** achieved major increase in sales and profits due to strong sales of 5-ALA-related products

# SBI Biotech Achieves 2 milestones in its Drug Discovery Pipeline during FY2021

	Licensing partner (timing)	Adaptation disease	Progress	
<b>HZN-7734 (Anti-ILT7 antibody)</b>	Viela Bio* (Sept. 2008)	Systemic lupus erythematosus, Cutaneous lupus erythematosus	Phase II (recruiting subjects)	<p><u>Initiated a Phase II trial for Systemic lupus erythematosus (SLE) as the lead indication in June 2021</u></p> <p><b>A milestone payment was generated in Q1 FY2021</b></p>
		① Alopecia Areata (AA) ② Discoid lupus erythematosus (DLE) ③ Lupus nephritis (LN) ④ Dermatomyositis (DM)	Phase II (planned)	<ul style="list-style-type: none"> <li>Initiation of phase II trials for target diseases ① Alopecia Areata (AA) and ② Discoid lupus planned by June 2022</li> <li>Initiation of phase II trials for target diseases ③ Lupus nephritis (LN) and ④ Dermatomyositis (DM) planned by December 2022</li> </ul>
<b>SBI-9674</b>	Kyowa Kirin (Dec. 2016)	Autoimmune diseases	Pre-clinical	Development at Kyowa Kirin is under smooth progress
<b>SBI-3150</b>	ASAHI KASEI PHARMA (Mar. 2020)	Autoimmune diseases (Various diseases caused by pDC / activated B cells)	Pre-clinical	Development at ASAHI KASEI PHARMA progressed smoothly, and <b>a milestone payment was generated in Q3 FY2021</b>
<b>Cdc7 inhibitor</b>	Carna Biosciences (June 2014)	Solid cancers	Phase I (recruiting subjects)	<u>Dosing for a Phase I study in Japan for solid tumors began on June 14, 2021</u>

\*A new company specializing in inflammation and autoimmune disease, spun out from MedImmune, LLC., a subsidiary of AstraZeneca

## II. Analysis of the Elements Contributing to the SBI Group's Exponential Growth in Profit

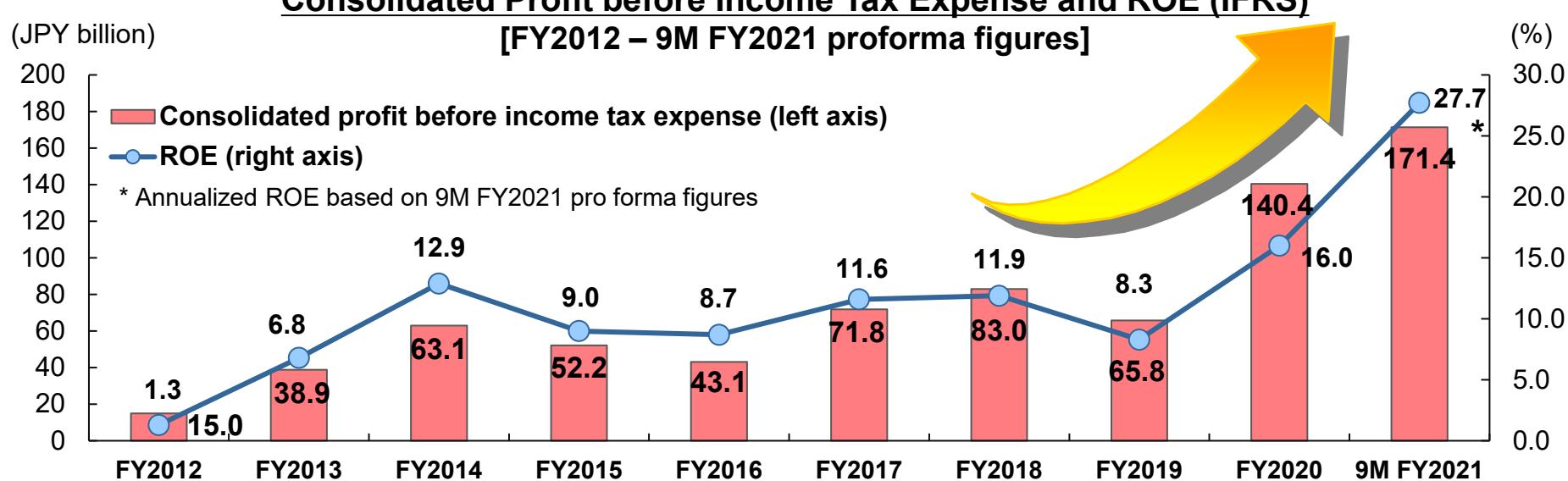
-Business strategies implemented so far endeavoring to create competitive advantage and enlarge the customer base has blossomed-

1. Asset Management Business rapidly growing as a result of its bold execution of shrewd investment strategies
2. The securities-related business has been diversifying its revenue sources in order to realize Neo-securities Initiative, which has led to synergies among the companies in this business and diversification of products and services (margin trading, foreign stocks, investment trusts, etc.) and has promoted business growth and increased the customer base
3. Open Alliance Strategy dramatically expands the Group's customer base
4. Aggressive promotion of M&A contributed to the expansion of the Group's overall performance
5. Optimization of business through the process of "Selection and Concentration" has significantly contributed to improvement of revenue

# SBI Group's Profit Growing at an Accelerating Pace



## Consolidated Profit before Income Tax Expense and ROE (IFRS)



Social landscape

- EU financial crisis
- Standstill and slowdown in the U.S. and Chinese economy
- Abenomics
- Rise of fintech
- COVID-19 pandemic

## [Profit before income tax expense by segment (IFRS; JPY billion)]

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	9M FY2021
Financial Services	18.7	37.3	67.3	50.5	48.9	63.9	66.6	53.4	85.8	64.8
Asset Management	6.3	9.0	8.1	18.0	13.9	56.5	51.1	35.2	84.9	127.3
Biotechnology, Healthcare & Medical Informatics	-3.9	-2.4	-7.3	-6.6	-9.6	-37.3	-19.2	-11.4	-8.6	-3.8

## **1. Asset Management Business rapidly growing as a result of its bold execution of shrewd investment strategies**

- (1) Concentrated investments in the advanced fields, which successfully captures the wave of technical innovation, hugely contributing to the increase in financial performance**
- (2) Early-stage investment into overseas financial services through appreciation of each country's economic development leading to success**
- (3) Focusing on investments conducive to solving social challenges**

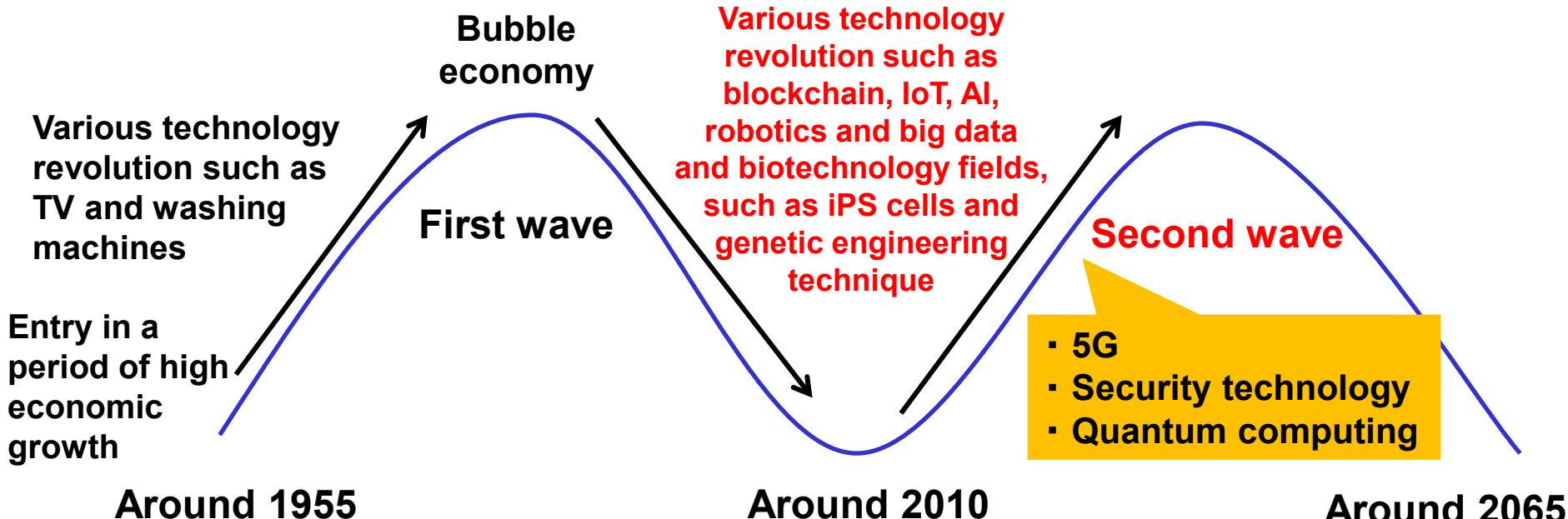
**(1) Concentrated investments in the advanced fields, which successfully captures the wave of technical innovation, hugely contributing to the increase in financial performance**

- ① Concentrated investments made in IT sectors centering on fintech areas as well as AI, big data and blockchain, along with biotechnology fields, such as iPS cells and genetic engineering technique, where new technology developments are accelerating**
- ② Entering the harvesting phase that enjoys the fruition from the investments in the advanced fields**
- ③ Focusing on new investments in order to achieve sustainable growth**

As the New Technology Developments in IT-related Areas, Including Fintech, IoT, AI and Big Data, and Biotechnology Fields, Such as iPS Cells and Genetic Engineering Technique, are Accelerating, by Foreseeing the Near Future, Launched the FinTech Fund (in Dec. 2015) and the SBI AI&Blockchain Fund (in Jan. 2018) and have Proactively Executed Investments that Seizes the Tide

Considering the Kondratieff cycle, each fund is regarded to be launched exactly during the blooming stage of the technology revolution

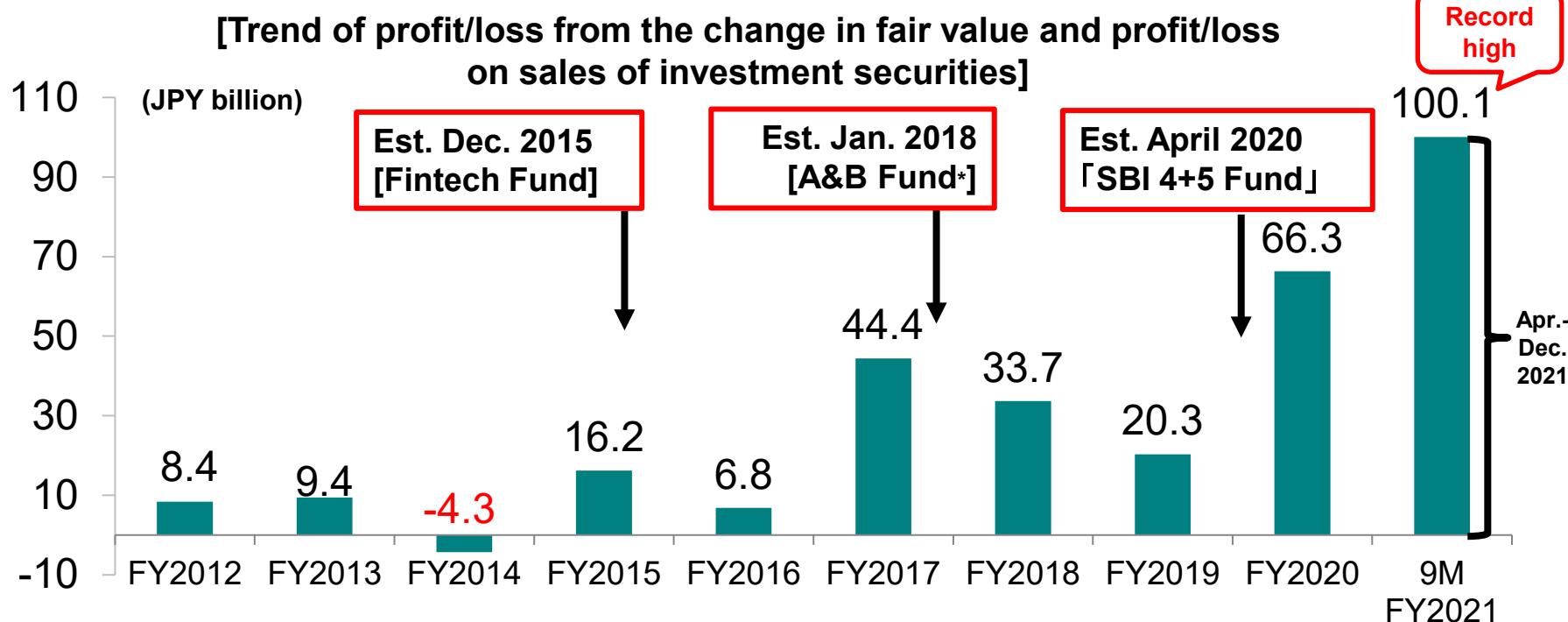
- Economic business cycle of 50-60 years primarily due to technology revolution



# Profit/loss from the Change in Fair Value and Profit/loss on Sales of Investment Securities in Asset Management Business (IFRS)

(JPY billion)

	FY2012	9M FY2021	% change
Profit/loss from the change in fair value and profit/loss on sales of investment securities	8.4	100.1 <span style="color: red; border: 1px solid red; padding: 2px;">Record high</span>	+1,091.7



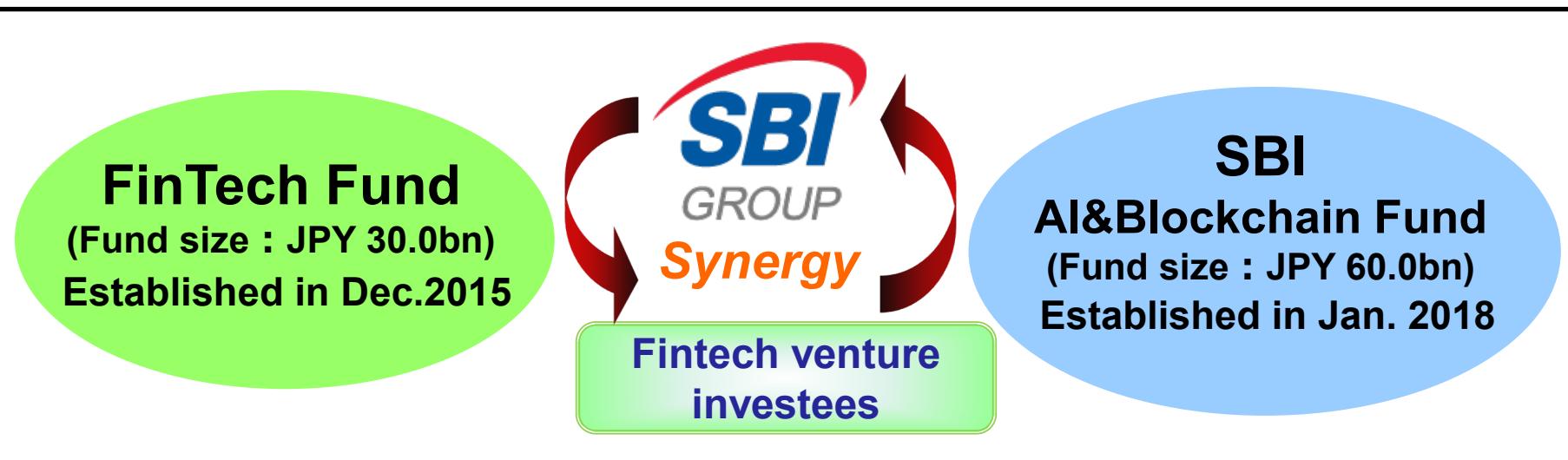
\*Official name : SBI AI&Blockchain Fund

# The SBI Group Has Concentrated Its Investment in the Fintech Sector Through the Following Two Funds Established by SBI Investment

To date, SBI Group has invested some JPY 127.0bn in 171 companies in the fintech sector

## <Investment results>

Investment of approx. JPY 78.0bn into 171 companies has been decided collectively from the two funds. Investment of approx. JPY 127.0bn has been decided, including the co-investment of SBI Holdings, etc. The FinTech Fund: approx. JPY 25.5bn SBI AI&Blockchain Fund: approx. JPY 52.5bn Co-investment from SBI Holdings, etc. : approx. JPY 49.0bn



① Concentrated investments made in sectors centering on fintech areas, as well as AI, big data and blockchain

# Focused Investment in Fintech, Which Are Expected to Grow Rapidly



Blockchain / Crypto-asset		Marketing / Media		Insurance		Digital Bank		Robotics / Autonomous		Real estate tech	
Accounting / PFM / Banking API		Inbound / Cross Border		Sharing Economy						Space	
Accounting / PFM / Banking API		Robo-Advisor etc.		AI / Bigdata		Lifescience / Healthcare / Bio					
Crowdfunding / M&A		AML / CFT ELLIPTIC		AI / Bigdata		Lifescience / Healthcare / Bio					
EC / Settlement		IoT / Security		IT / DX						Agritech	
Environmental Energy										Semiconductor	

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(As of Jan. 7, 2022) \*Include work in progress of disposal

## IPOs and M&As of the SBI Group Investee Companies

	Full-year FY2020	Full-year FY2021 prospects			
IPO·M&A deals	22	30			
EXIT Date	Company	Market	EXIT Date	Company	Market
April 22, 2021	Visional, Inc.	TSE Mothers	Sept. 29, 2021	SILICON2 Co., Ltd.	KOSDAQ
May 26, 2021	Jeju Beer Company, Limited	KOSDAQ	Sept. 29, 2021	Project Company, Inc.	TSE Mothers
June 1, 2021	SoFi Technologies Inc.	M&A (NASDAQ SPAC)	Sept. 30, 2021	Asterisk Inc.	TSE Mothers
June 22, 2021	Perseus Proteomics Inc.	TSE Mothers	Nov.5, 2021	Photosynth Inc.	TSE Mothers
June 28, 2021	Confidence Inc.	TSE Mothers	Nov.10, 2021	DEAR U Co.,Ltd.	KOSDAQ
June 29, 2021	Waqoo, Inc.	TSE Mothers	Dec.23, 2021	ExaWizards Inc.	TSE Mothers
July 13, 2021	Obigo, Inc.	KOSDAQ	Dec.24, 2021	SUSMED, Inc.	TSE Mothers
July 27, 2021	Hurum Co., Ltd.	M&A (KOSDAQ SPAC)	Dec.30, 2021	RaemongRaein Co., Ltd.	KOSDAQ
Aug. 18, 2021	AEye, Inc.	M&A (NASDAQ SPAC)			

During the fiscal year, 17 Companies were IPO'd

EXIT Date	Company	Market	EXIT Date	Company	Market
April 22, 2021	Visional, Inc.	TSE Mothers	Sept. 29, 2021	SILICON2 Co., Ltd.	KOSDAQ
May 26, 2021	Jeju Beer Company, Limited	KOSDAQ	Sept. 29, 2021	Project Company, Inc.	TSE Mothers
June 1, 2021	SoFi Technologies Inc.	M&A (NASDAQ SPAC)	Sept. 30, 2021	Asterisk Inc.	TSE Mothers
June 22, 2021	Perseus Proteomics Inc.	TSE Mothers	Nov.5, 2021	Photosynth Inc.	TSE Mothers
June 28, 2021	Confidence Inc.	TSE Mothers	Nov.10, 2021	DEAR U Co.,Ltd.	KOSDAQ
June 29, 2021	Waqoo, Inc.	TSE Mothers	Dec.23, 2021	ExaWizards Inc.	TSE Mothers
July 13, 2021	Obigo, Inc.	KOSDAQ	Dec.24, 2021	SUSMED, Inc.	TSE Mothers
July 27, 2021	Hurum Co., Ltd.	M&A (KOSDAQ SPAC)	Dec.30, 2021	RaemongRaein Co., Ltd.	KOSDAQ
Aug. 18, 2021	AEye, Inc.	M&A (NASDAQ SPAC)			

\* When an investee company conducts a share exchange or a merger with a public company, it is described as "M&A."

\*Subsidiary IPOs and M&As are also included

**Among the Investee Companies, 17 Companies were Taken Public via an IPO through 9M FY2021; From 4Q Onward, Several Other Exits Planned for Other Investee Companies**

**-In the future, full-fledged listing of investee companies of the FinTech Fund and the SBI AI&Blockchain Fund, etc. expected to continue to contribute to favorable financial results-**

**[Planned IPOs and M&As of the SBI Group Investee Companies in FY2021]**

1Q FY2021	2Q FY2021	3Q FY2021	4Q FY2021	FY2021
6	6	5	13	30

**[Reference]**

**IPOs and M&As of the SBI Group Investee Companies in FY2020**

1Q FY2020	2Q FY2020	3Q FY2020	4Q FY2020	FY2020
3	3	9	7	22

- **Planned IPO schedule of investee companies of the FinTech Fund, SBI AI&Blockchain Fund and SBI 4+5 Fund: 40 between Apr.-Dec. 2022 period; 48 in 2023; 79 from 2024**

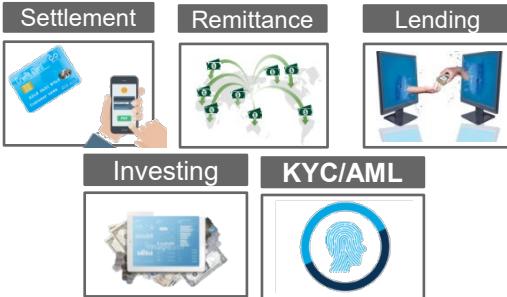
# In Apr. 2020, SBI Investment Established a JPY 100bn Venture Fund (Commonly Known as SBI 4+5 Fund), One of the Largest Funds in Japan, and Actively Invested in the Core Industries of the Next Generation

- Investment areas:** In addition to fintech, AI and blockchain, the investment focus will include core technologies such as 5G, IoT and big data that will advance the realization of "Society 5.0 for SDGs," and innovative technology and service fields which will propel "Industry 4.0" such as robotics, along with healthcare (medical and nursing care), infrastructure (transportation and energy) and foods and agriculture, etc.

## Society 5.0 for SDGs (Sustainable Development Goals)



### Fintech



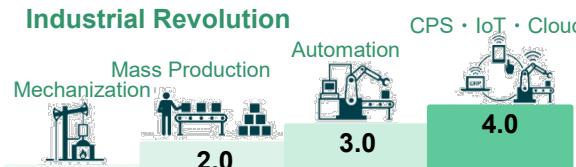
### Blockchain



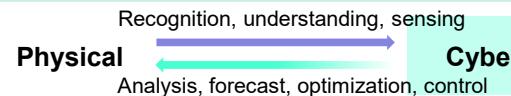
### X-Tech

- HR Tech
- Edu Tech
- RE Tech, etc

### Industry 4.0



### Cyber Physical System (CPS)



### Internet of Things (IoT)



### "Data-driven Society"



### Infrastructure



### Healthcare/Food/Bio/Agriculture



AI · 5G · Big Data



## (2) Early-stage investment into overseas financial services through appreciation of each country's economic development leading to success

- ① Successfully revitalized the near-bankrupt SBI SAVINGS BANK to make it a major source of revenue for the SBI Group
- ② Active investment has been successful in the financial services field in Southeast Asian countries, which are entering a period of high economic growth

- ① Successfully revitalized the near-bankrupt SBI SAVINGS BANK to make it a major source of revenue for the SBI Group

## Performance of SBI SAVINGS BANK in South Korea (IFRS)

**SBI SAVINGS BANK shows steady growth in performing loans, particularly to retail customers and is building a well-balanced portfolio, contributing significantly to sustainable growth and increased profits**

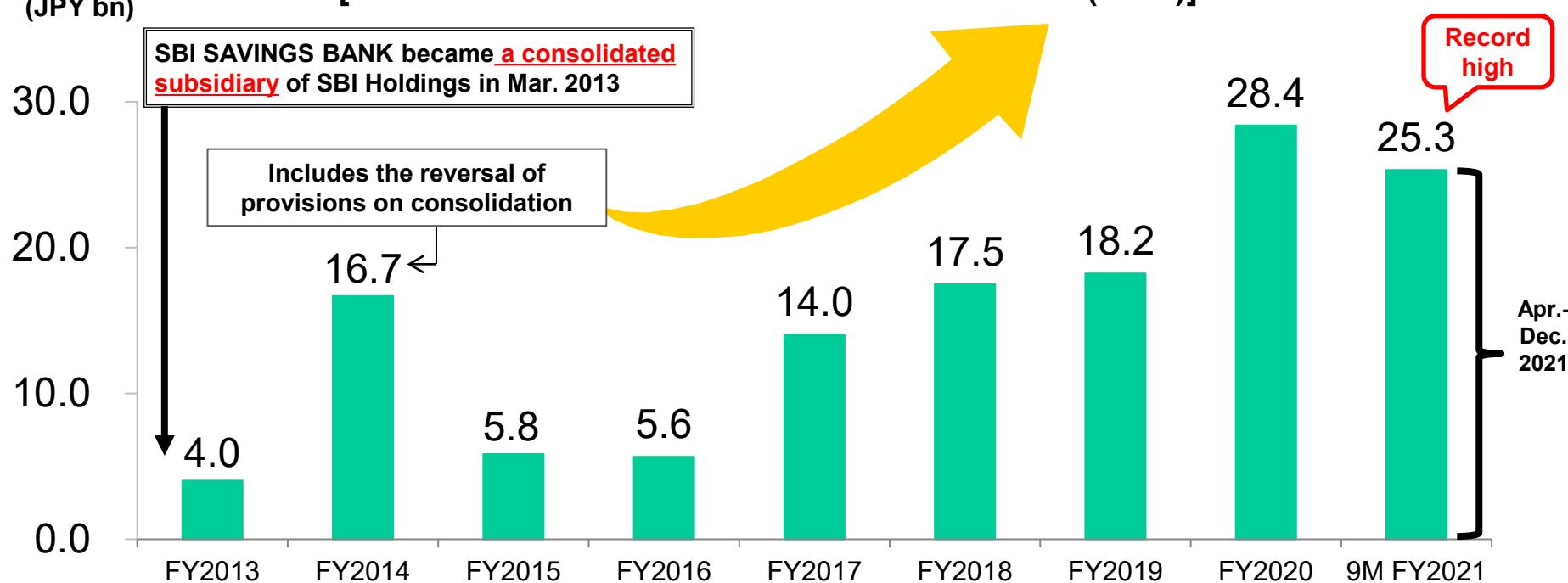
(JPY million)

**Profit before tax (IFRS)**

FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	9M FY2021
-	4,011	16,672	5,846	5,649	14,018	17,473	18,230	28,364	25,315 <span style="border: 2px solid red; padding: 2px;">Record high</span>

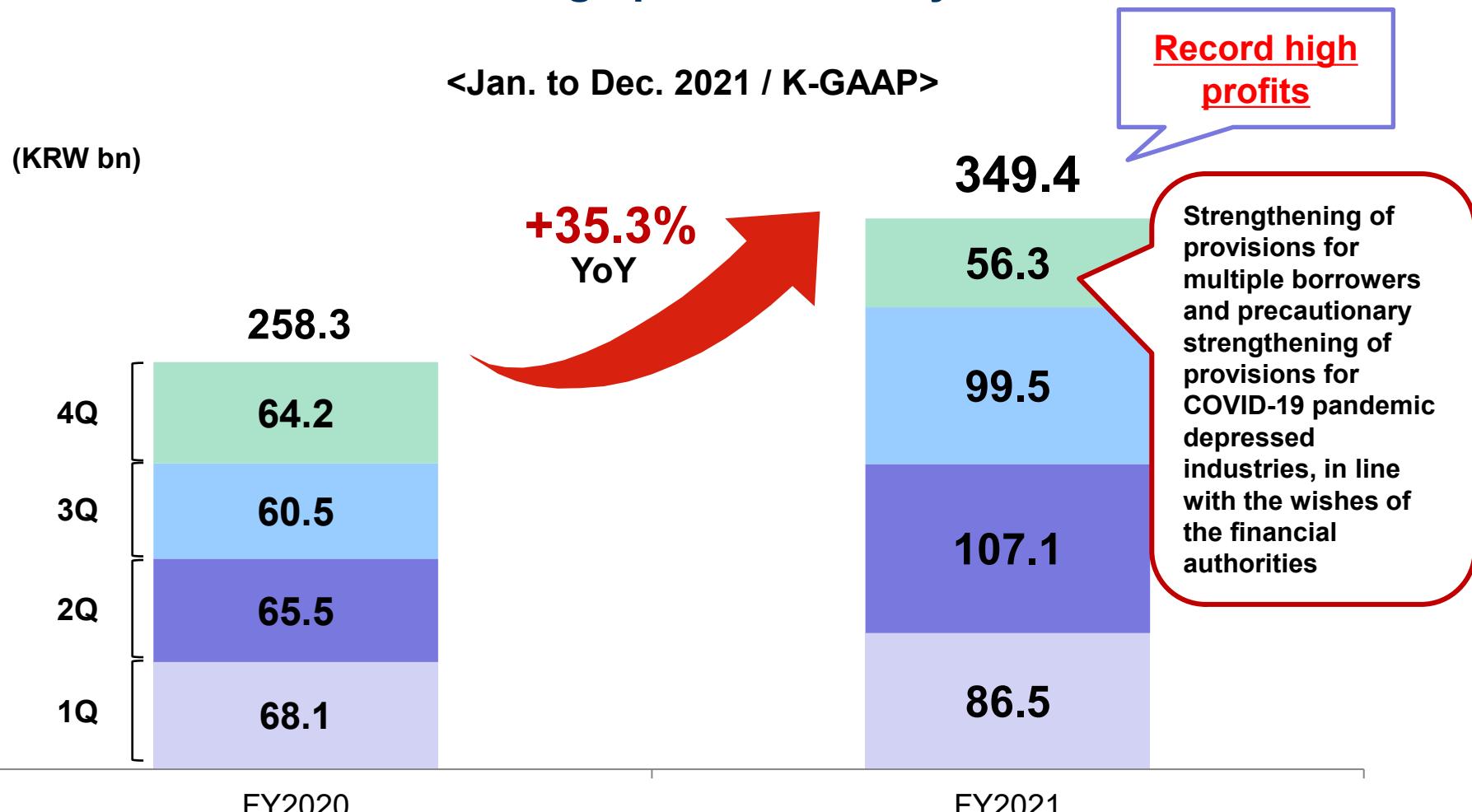
(JPY bn)

### [Performance of SBI SAVINGS BANK in Korea (IFRS)]



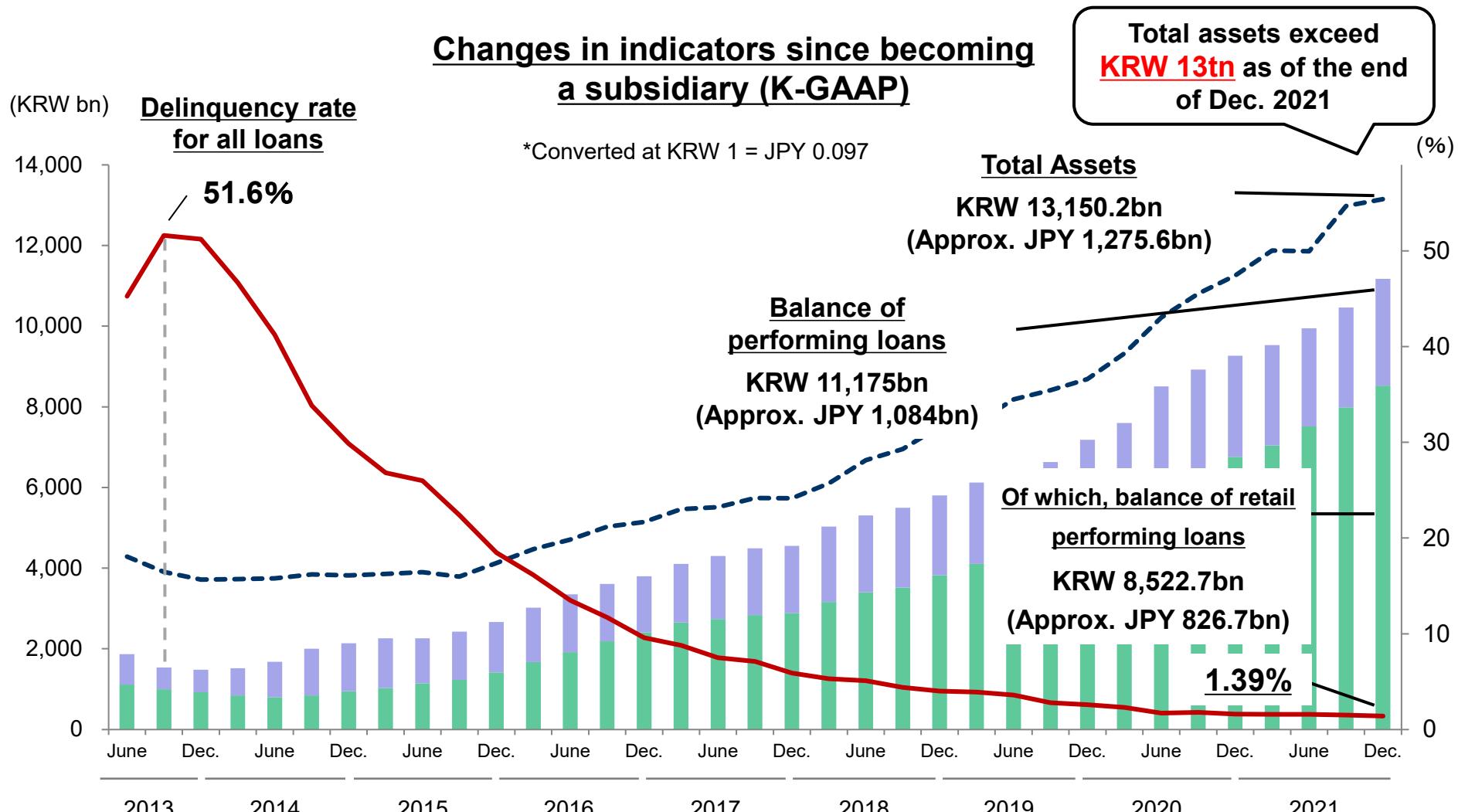
# Net Income of SBI SAVINGS BANK

-Record high profits for the year-



The rating of SBI SAVINGS BANK from 2 credit rating agencies in Korea (Korea Credit Rating and NICE Credit Rating) has been upgraded to **"A-" (Direction: "Positive")**

# SBI SAVINGS BANK's Underlying Earnings have Increased Steadily, as Its Prime Assets have Grown



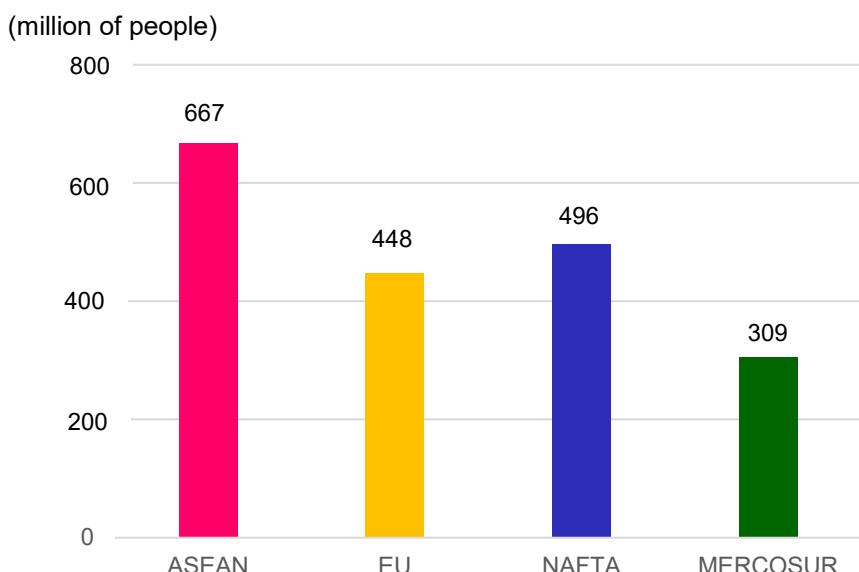
The total delinquency rate improved to a record low of 1.39%  
(1.5% for retail loans)

- ② **Active investment has been successful in the financial services field in Southeast Asian countries, which are entering a period of high economic growth**

# ASEAN Countries have Enhanced Their Presence in the Global Economy in Terms of Economic Scale and Market Potential as They Entered a Period of Rapid Economic Growth

## Population structure by region (2020)

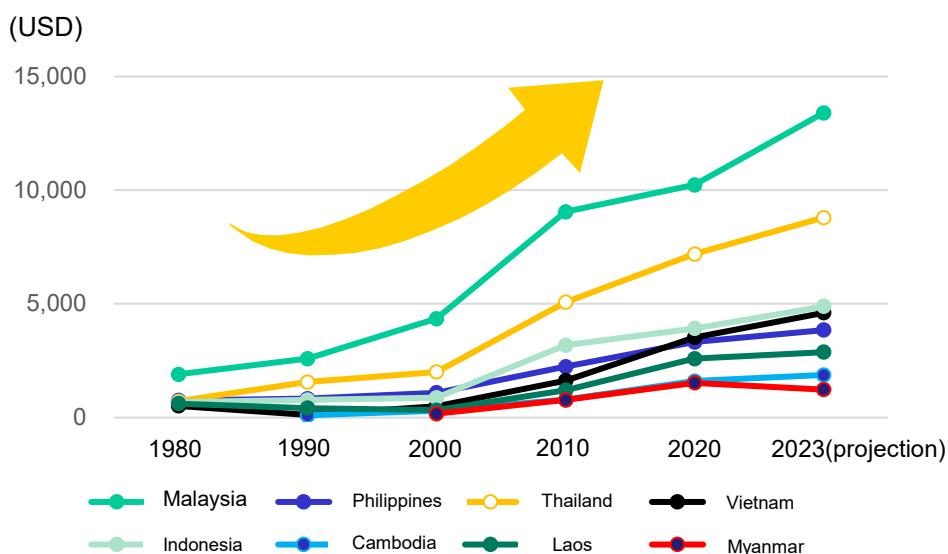
**ASEAN has a smaller economy than EU and NAFTA, but a larger population than the other integrated economic regions**



Source: Ministry of Foreign Affairs

## Trends of GDP per capita in ASEAN countries

**GDP per capita of ASEAN countries is expected to continue growing toward 2023**



Source: Complied by SBIH from disclosed data from IMF

## Market Capitalization of TP Bank and FPT Securities has Increased Dramatically Due to Rapid Development of Financial Businesses in Fast-growing Vietnam ①

-Both companies recorded historical high profit-



(Listed in Apr. 2018)

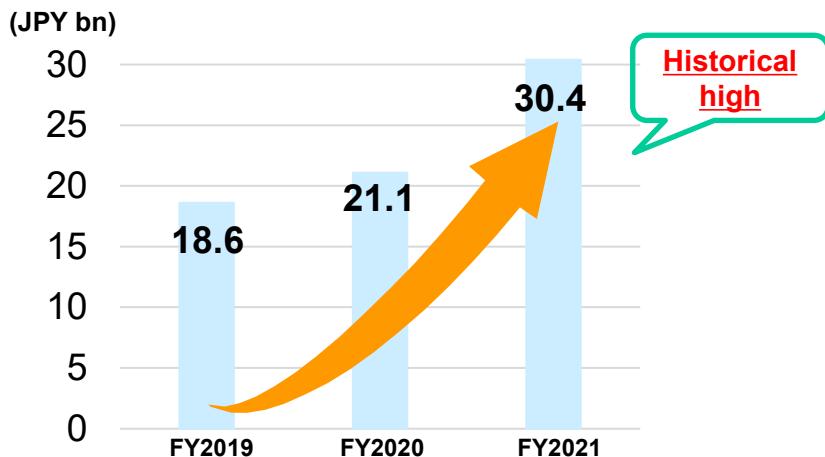
- Invested since Aug. 2009 (Investment ratio: 19.9%)
  - As of Feb. 1, 2021, the stock became included in the “VN30,” a major index of the top 30 stocks selected by the Ho Chi Minh Stock Exchange and based on market capitalization, liquidity, and other criteria
  - The profit before income tax expense was JPY 30.4bn in the fiscal year ended Dec. 2021 and achieved historical high
- Forecasted to achieve profit before income tax expense of JPY 40.3bn in FY2022

&lt;TP Bank Market Cap&gt;

FY2021	As end of Mar.	As end of June	As end of Sept.	As end of Dec.
Market cap (JPY bn)	137.9	190.0	219.3	327.4

\*Converted at VDN 1 = JPY 0.0050

&lt;Trends of profit before income tax expense&gt;



# Market Capitalization of TP Bank and FPT Securities has Increased Dramatically Due to Rapid Development of Financial Businesses in Fast-growing Vietnam ②

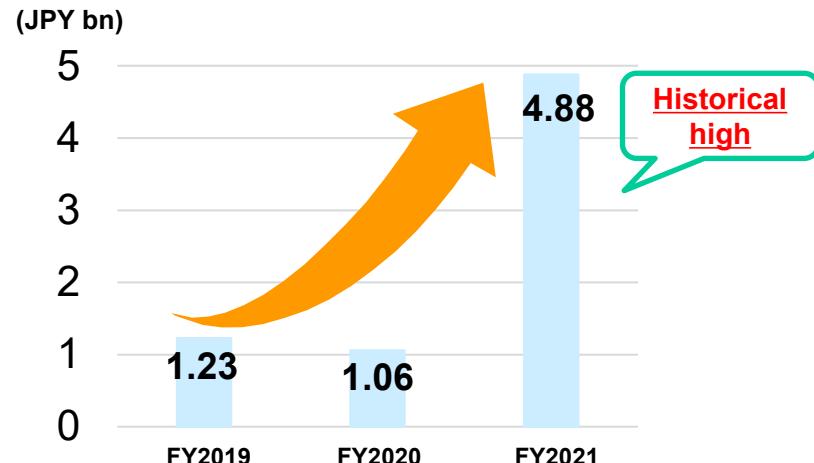
-Both companies recorded historical high profit-



(Listed in Jan. 2017)

- Invested since Apr. 2011 (Investment ratio: 19.9%)
- FPT, the largest IT company in Vietnam, is one of the top 10 medium-sized securities companies in Vietnam
- As of the end of Dec. 2021 (full-year results), profit before income tax expense was JPY 4.88 bn and achieved historical high
- Stock trading volume tripled from the previous year as stock markets became more active, and prices of securities stocks, including FPT Securities, soared. Brokerage business at a record high pace

<Trend of profit before income tax expense>



<FPT Securities Market Cap>

FY2021	As end of Mar.	As end of June	As end of Sept.	As end of Dec.
Market cap (JPY bn)	12.2	25.9	40.3	44.5

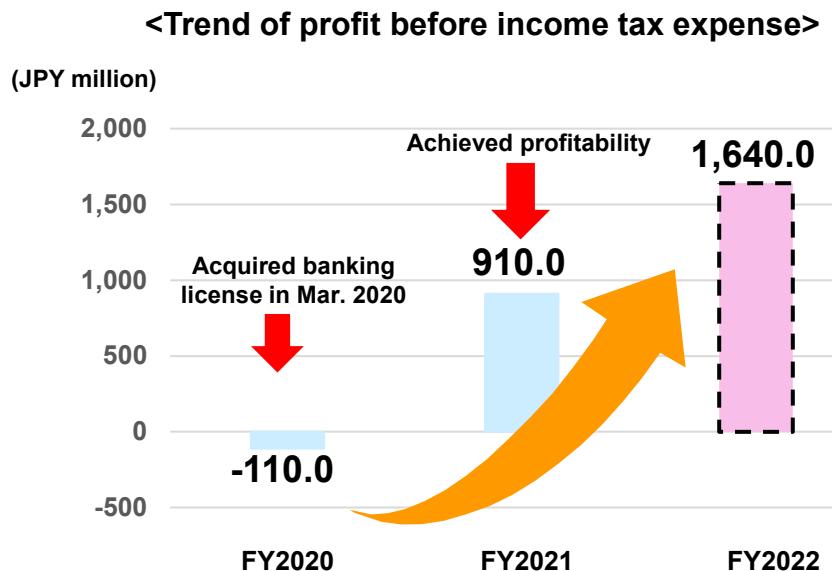
\*Converted at VDN 1 = JPY 0.0050

# Business Foundation for Financial Subsidiaries in Cambodia and Thailand Expands Rapidly

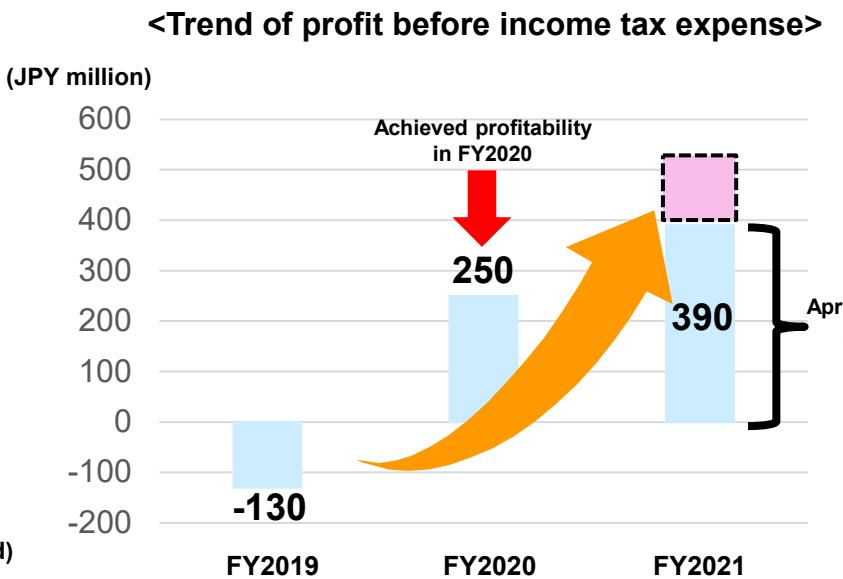


SBI LY HOUR Bank

- Acquired a medium-sized microfinance company in Cambodia and made it a commercial bank  
Obtained a full banking license in Mar. 2020
- Achieved profitability in FY2021, the first full-year result since the bank opened
- Forecasted to achieve profit before income tax expense of JPY 1.64bn in FY2022



- First pure-play Internet securities company in Thailand
- Providing stock and derivative trading services to local investors, including Japanese residents in Thailand
- Achieved profitability in FY2020 by expanding its share of trading value



### (3) Focusing on investments conducive to solving social challenges

- ① Strive to resolve social issues and to realize a sustainable society by making SDG-related investments and initiatives towards ESG
- ② The CVC\* fund, which also serves to complement R&D investments into business corporations, has steadily increased its investment commitments to become one of the largest in Japan
- ③ The Business Succession fund is now in the phase where it can enjoy the fruits of resolving business succession issues and improving the performance of some of its investees

\*Abbreviation for "Corporate Venture Capital"

# SBI Investment Invests in Many SDGs-Related Companies Worldwide

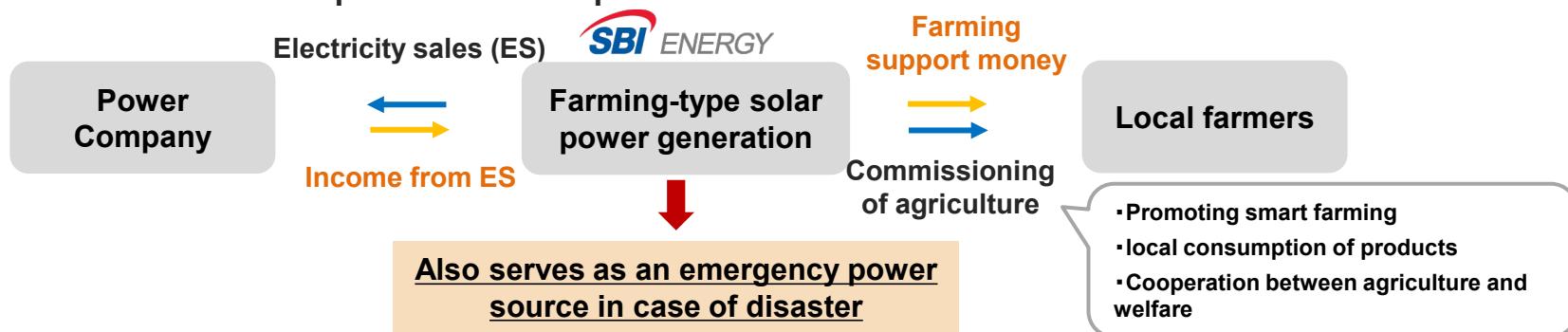
## ■ SDGs-related investment

Goal	SDGs	Investee companies	Goal	SDGs	Investee companies	
No Poverty	1 NO POVERTY 	 Gojo & Company, Inc.	PasarPolis 	Industry, Innovation and Infrastructure 	AXELSPACE  Synspective 	i space  rapuya robotics
Zero Hunger	2 ZERO HUNGER 		 IntegriCulture	Reduced Inequality 	kuda. 	
Good Health and Well-being	3 GOOD HEALTH AND WELL-BEING 	 Rakuten Medical 	MICIN  Sustainable Medicine  	11 SUSTAINABLE CITIES AND COMMUNITIES 	ENABLER   DYNAMIC MAP PLATFORM 	Rebase 
Quality Education	4 QUALITY EDUCATION 	 Holoeyes 	manebi 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 		
Gender Equality	5 GENDER EQUALITY 	 		13 CLIMATE ACTION 	 	
Affordable and Clean Energy	7 AFFORDABLE AND CLEAN ENERGY 	 (currently UPDATER KK)		14 LIFE BELOW WATER 		
Decent Work & Economic Growth	8 DECENT WORK AND ECONOMIC GROWTH 	  DataRobot  	  	15 LIFE ON LAND 		IZUMI - IZM GROUP

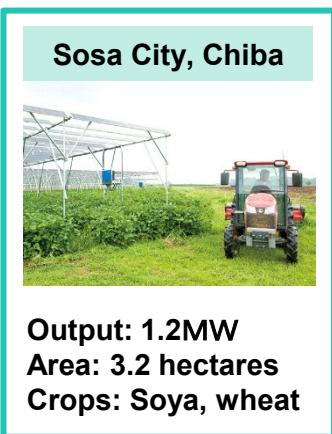
# SBI Energy, an SBI Holdings Subsidiary, is Directly Involved in and Boosting its Efforts in Renewable Energy-Related Businesses

## - Creating a virtuous circle between regional development and the environmental protection -

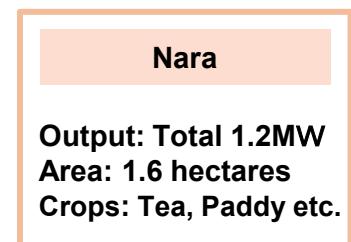
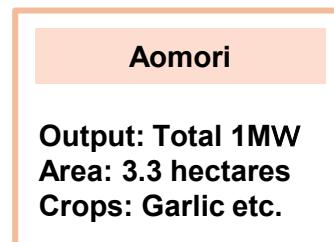
- SBI Energy promotes the development of farm-based solar power (solar-sharing) in various locations
- Not only does it contribute to the prevention of global warming by creating clean energy, but it also helps to protect the environment by eliminating abandoned farmland. It also contributes to the revitalization of the local community by establishing a sustainable agricultural system by returning part of the profits from power generation to the community
- SBI Energy intends to expand the introduction of this system nationwide by supplying electricity to consumers such as municipalities and companies



### Power stations in operation



### Projects in development



② Establishment of CVC funds that also complement the R&D investments of business corporations



## SBI Investment Meets the Needs of Business Through Supplemental CVC Investment, which has Become Increasingly Active in Recent Years, and has Steadily Accumulated Investment Commitments to Become One of the Largest in Japan

-Total investment commitment of CVC funds since 2016 is one of the largest in Japan\*, exceeding JPY 100bn-

### List of CVCs established by SBI Investment in collaboration with business corporations

#### Optical Instrument



Nikon-SBI  
Innovation Fund  
(JPY 10bn)  
July 2016~

#### Marketing



INTAGE Open  
Innovation  
Investment LPS  
(JPY 5bn)  
Oct. 2016~

#### Materials



MITSUI MINING &  
SMELTING CO., LTD  
Mitsui Kinzoku-  
SBI Material  
Innovation Fund  
(JPY 5bn)  
Sept. 2017~

#### Foods



HOUSE FOODS-SBI  
Open Innovation  
Investment LPS  
(JPY 5bn)  
Oct. 2017~

#### Automotive



SUBARU-SBI  
Innovation Fund  
(JPY 10bn)  
July 2018~

#### Water Infrastructure



FUSO-SBI  
Innovation Fund  
(JPY 5bn)  
Mar. 2020~

#### Security

Company A  
Private Fund  
(JPY 10bn)  
June 2016~

#### HR-related



DIP Labor Force  
Solution  
Investment LPS  
(JPY 9bn)  
Mar. 2020~

#### Financial Sector



SuMi TRUST  
Innovation  
Investment LPS  
(JPY 5bn)  
Sept. 2020~

#### Insurance



SUMITOMO LIFE  
INSURANCE COMPANY  
SUMISEI  
INNOVATION FUND  
(JPY 8bn)  
Nov. 2021~

#### Pharmaceutical Wholesale



MEDIPAL Innovation  
Investment LPS  
(10bn)  
Mar. 2021~

#### Electric Railway

阪急阪神ホールディングス

Hankyu Hanshin Holdings, Inc.  
Hankyu Hanshin  
Innovation Partners  
Investment LPS  
(JPY 3bn)  
Apr. 2021~

#### Real Estate

Company B  
Private Fund  
(JPY 5bn)  
Oct. 2017~

#### Telecom



KDDI Green  
Partners Fund  
(JPY 5bn)  
Oct. 2021~

#### Electronic Component wholesale



Restar-SBI Innovation  
Investment LPS  
(JPY 5bn)  
July 2021~

#### Elevator



FUJITEC-SBI  
Investment LPS  
(JPY 5bn)  
May 2021~

**“KDDI Green Partners Fund,” which SBI Investment Jointly Established with KDDI, Endeavors to Realize a Future Society Through Investment in Startups Working on not Only Energy Field Directly Linked to Reducing CO<sub>2</sub> Emissions but also Decarbonization Technologies and Circular Services that can be Deployed Across Industries.**

## **Example of a CVC fund established with business corporation:**

**Jointly established a new fund, “KDDI Green Partners Fund” (Oct. 26, 2021)**



**Investment track record and experience in the growth fields**



**Strive to create innovation that addresses climate change to lead to a bountiful future for the Earth**

**Management company: SBI Investment**

**Investment target: Overall climate change area for carbon neutralization**

**Fund size: Approx. JPY 5bn**

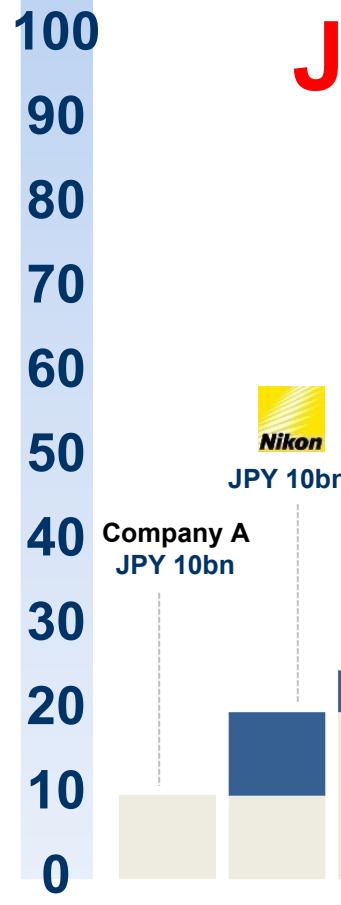
# Total Committed Amount of CVC funds Exceeded JPY 100bn

- Endeavor to Further Increase the Fund Size through Alliances with Business Corporations -

(JPY billion)

**Total commitment amount**

**JPY 105bn**



2017

2018

2019

2020

2021

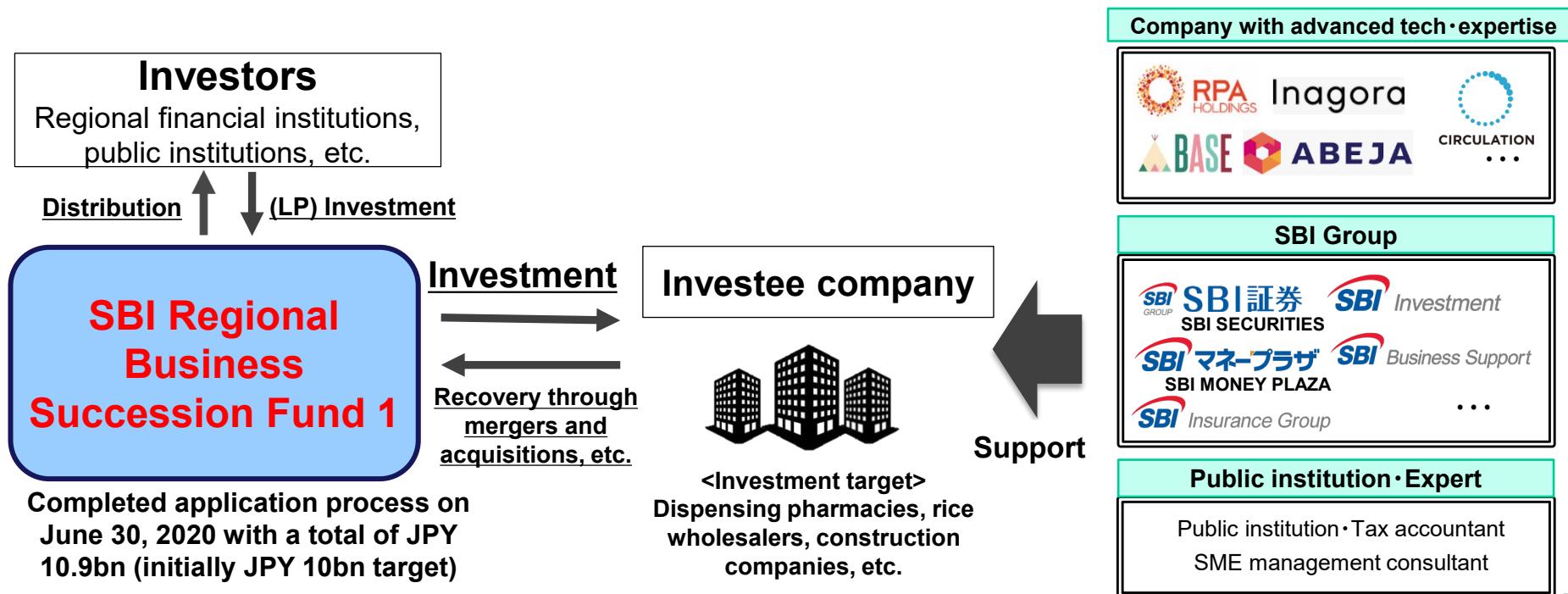
2016



## Business Succession Fund Completed Exit of HAMAMATSU BEIKOKU, the First Investment in the Rice Wholesaler Business

- Plans to establish a second fund of approx. JPY 30bn in the first half of 2022 -

- In Mar. 2020, made first investment into TOKUSHIMA KYOWA, which operates pharmaceutical dispensaries. To date, 9 acquisitions made (3 in Osaka, one in Chiba, Shizuoka, Ibaraki, Tokushima and Hokkaido,) as well as total sales have increased to about JPY 20bn. After performance improvement, 5 investment have already been exited
- In partnership with the largest rice wholesaler SHINMEI HOLDINGS, the fund undertook its first investment in Dec. 2020 to a rice wholesaler, HAMAMATSU BEIKOKU, a client of Shimizu Bank. Plans made to support business continuation and expansion, in addition to financial support by the bank. Sold it to Shinmei Co., Ltd. due to the possibility of resolving business succession issues and improving performance plans
- In Sept. 2020, invested in and improved performance of a sleeping equipment manufacturer in Nagano, and partial exit completed in June 2021
- Plans to establish a second fund of approx. JPY 30bn in the first half of 2022. The target is to build up the cumulative investment to around JPY 100bn



**2. The securities-related business has been diversifying its revenue sources in order to realize Neo-securities Initiative, which has led to synergies among the companies in this business and diversification of products and services (margin trading, foreign stocks, investment trusts, etc.) and has promoted business growth and increased the customer base**

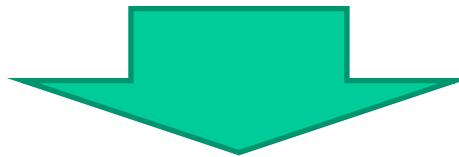
- (1) SBI SECURITIES steadily increase profits through diversification of revenue sources**
- (2) Expansion of various service channels based on customer characteristics, while the customer base grows with the progression of the Neo-securities Initiative**

## (1) SBI SECURITIES steadily increases profits through diversification of revenue sources

# Revolutionizing the Next Generation of Securities Business: Neo-securities Initiative

- Neo-securities Initiative : Endeavor to eliminate trading fees on domestic stock transactions and other various fees that are currently incurred by investors -

- In the U.S., financial platformers such as Robinhood Markets, which offers an app that allows users to easily trade stocks and virtual currencies without commissions, are making great strides.  
The company passes on customer orders to institutional market makers such as HFT (High Frequency Trading) firms, and in exchange receives rebates to cover the cost of commission-free trading (this system is prohibited under the Japanese legal system)
- The trend to eliminate commissions on stock transactions, etc. is rapidly accelerating, especially among major U.S. online brokerages such as Charles Schwab and E-Trade



SBI SECURITIES announced the concept of Neo-securities Initiative in Oct. 2019. Since then, the company has been pursuing synergies within the Group to diversify revenue sources and strengthen profitability

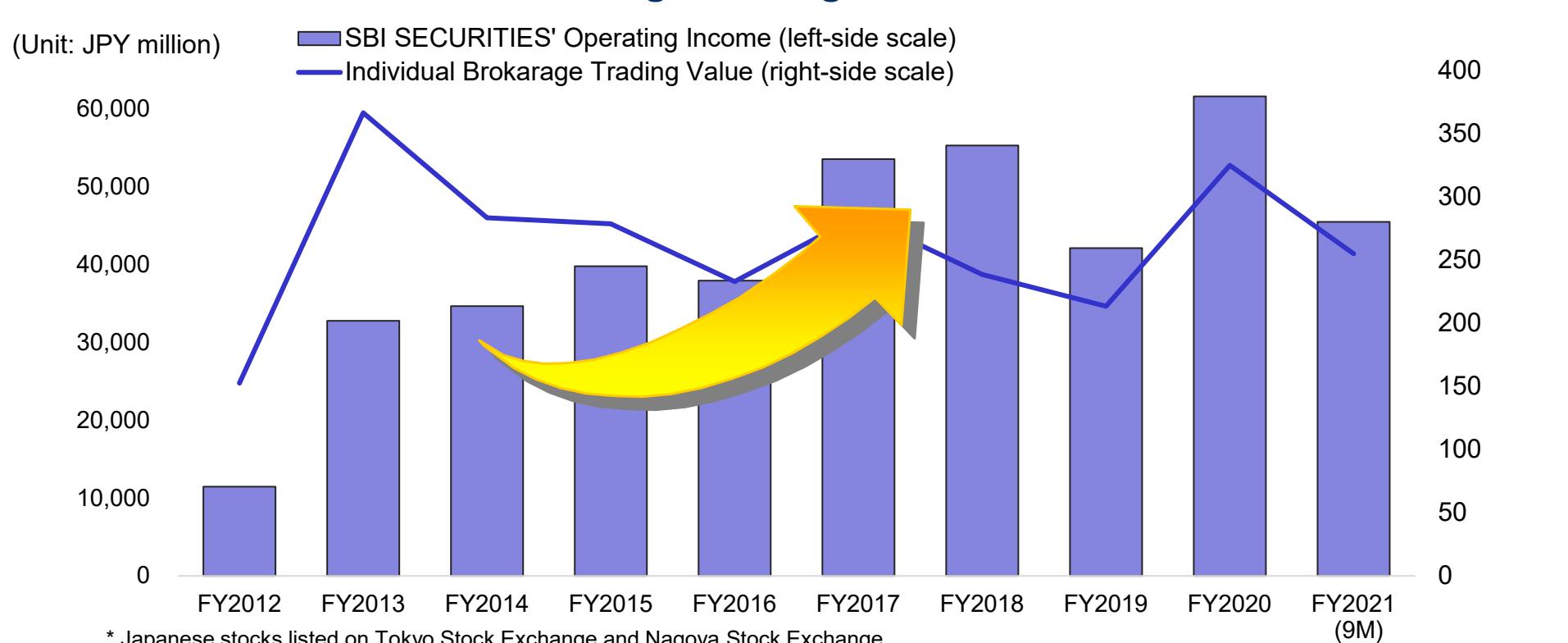
**Diversification of revenue sources has led to strong performance and contributed to the early realization of Neo-securities Initiative (= elimination of commissions)**

# SBI SECURITIES' Profits Have Continued to Grow Steadily ①

**SBI Securities has grown steadily in profits, becoming a company with overwhelming profitability among online securities companies and competing with major face-to-face securities companies**

## Changes in SBI SECURITIES' Operating Income and Individual Brokerage Trading Value (Total for two markets\*)

(Unit: JPY trillion)

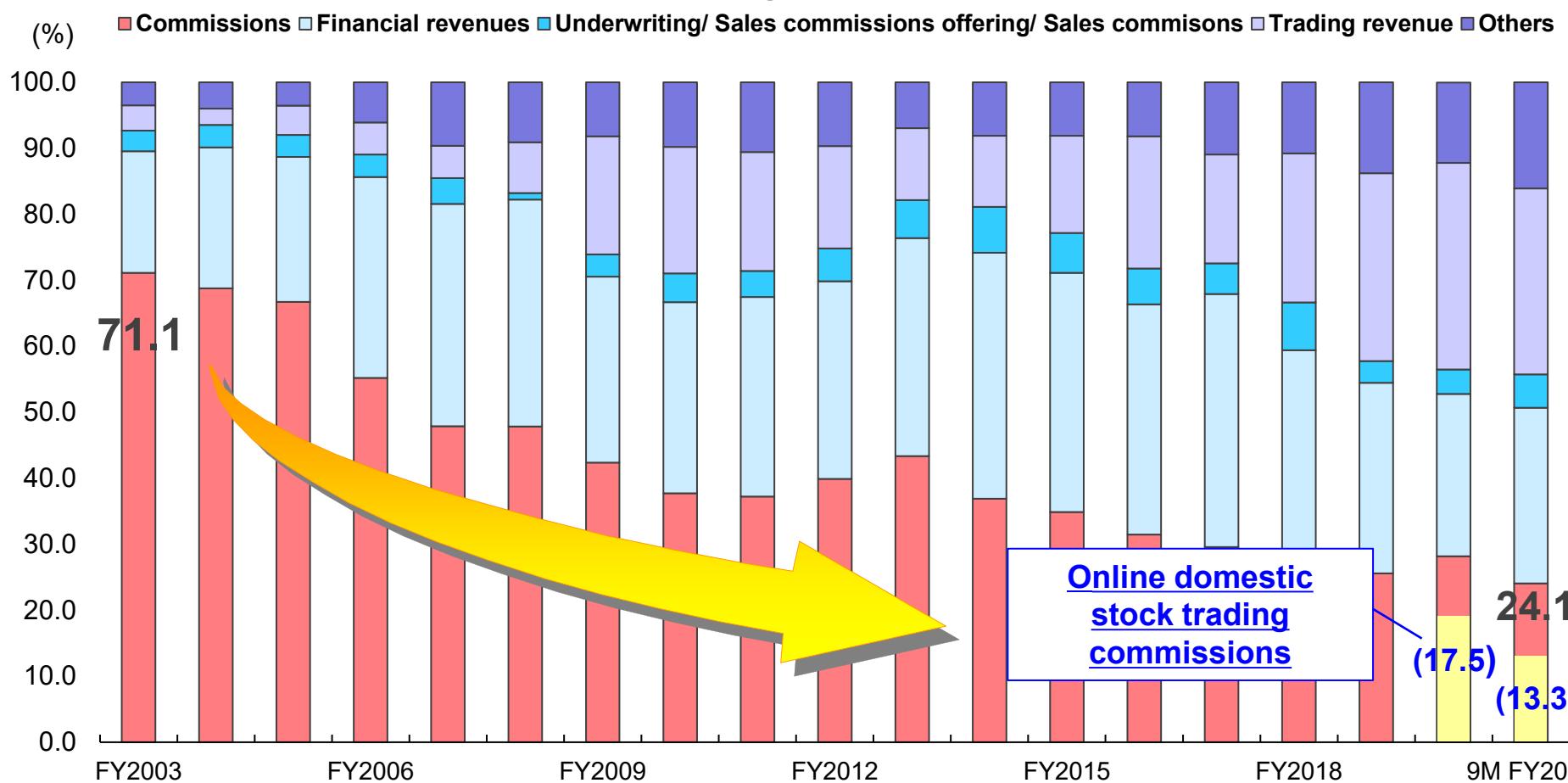


\* Japanese stocks listed on Tokyo Stock Exchange and Nagoya Stock Exchange  
(Including TSE Mothers, JASDAQ and NSE Centrex)

# SBI SECURITIES' Profits Have Continued to Grow Steadily ②

Diversification of revenue sources, including a significant increase in trading revenue, and a gradual decrease in dependence on domestic stock brokerage commission as revenue from online trading

## Trends in the Composition of Operating Revenue (Net Sales) of SBI SECURITIES



# SBI SECURITIES has Already been Gradually Implementing a Variety of Measures, Including Partial Fee Reductions, to Realize the Neo-securities Initiative



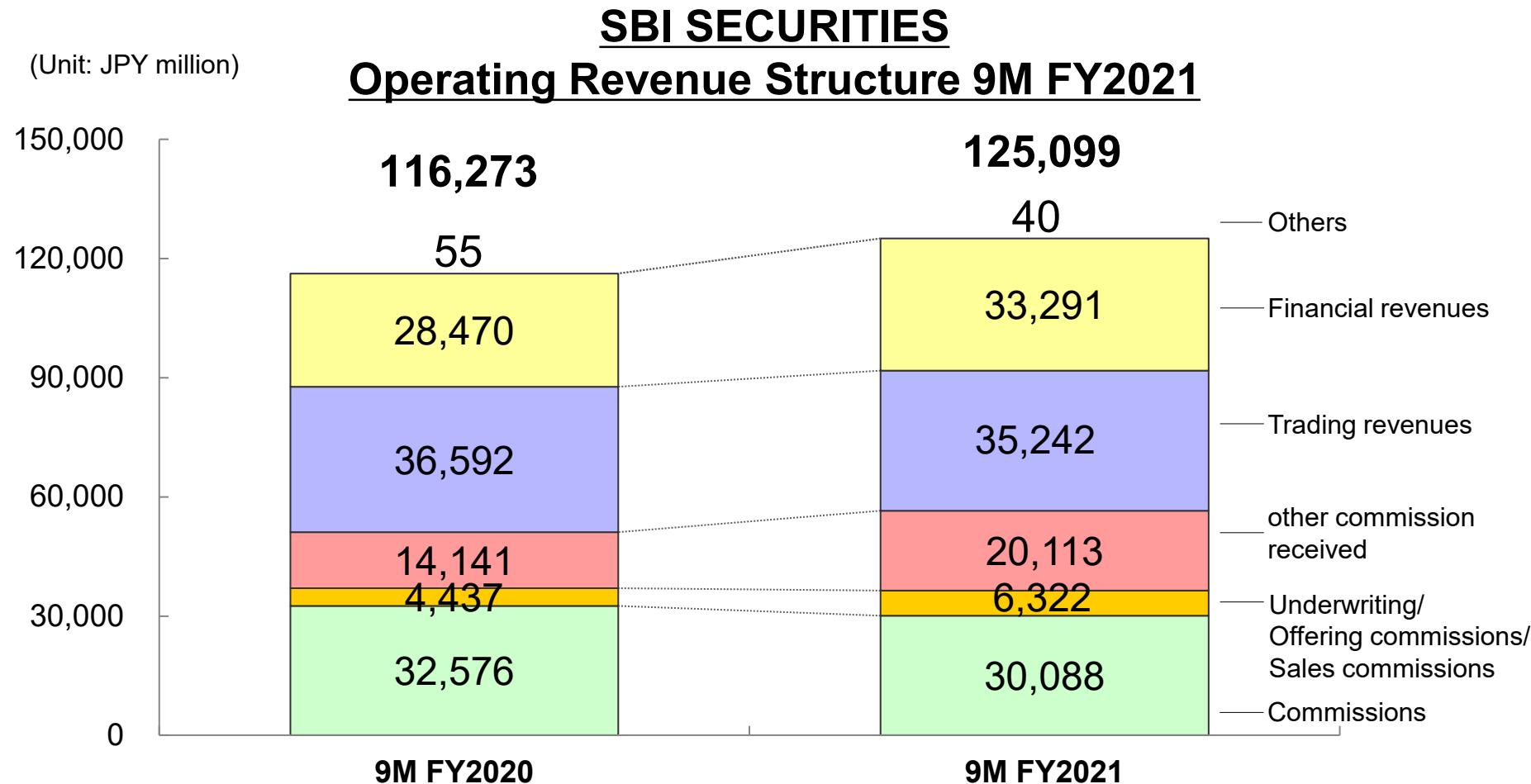
- Online trading of domestic stocks for people under 25 years old has already been eliminated -

Release Date	Detail of Measures
2017/9-	No stock brokerage fees for Active Plan up to a total of JPY 100,000 in daily contract value
2019/12-	Practically eliminate trading fees for nighttime PTS
2019/12-	No stock brokerage fees for Active Plan up to a total of JPY 500,000 in daily contract value
2019/12-	Transaction fees for daily margin transactions are practically eliminated and buy-side interest rates and stock lending fees are reduced to 1.80%.
2020/9-	Large Margin Trading: Eased conditions for application of no transaction fees
2020/9-	No stock brokerage fees for Active Plan up to a maximum total of JPY 3 million in daily contract value
2021/3-	Expansion of the conditions and benefits of the large margin trading preferential program
2021/4-	Implemented a program of virtually eliminating commissions fee for those under 25 years old
2021/7-	Stock brokerage commissions for Active Plan reduced for both spot and margin transactions
2021/7-	Revised buying interest rates and stock lending fees for general margin trading "day-trading"
2022/3-	Stock lending fees for systematic margin trading of domestic stocks is reduced to 1.10% (annual rate)

# SBI SECURITIES Operating Revenue Increased 7.6% YoY Despite a Decline in Brokerage Commission Income



(Unit: JPY million)



**Estimated brokerage commission income of JPY 34.0bn (+4.4% YoY),  
had partial fee elimination measures not been implemented**

(Based on J-GAAP)

# Increase in Income Through Diversification of Revenue Sources Surpasses Decline in Brokerage Commission Income

- **Underwriting/Offering commissions/Sales commissions:**  
JPY 6,322 million (+42.5% YoY)

Increased commissions from underwriting of stocks and bonds by strengthening wholesale business

- **Financial Revenues:**  
JPY 33,291 million (+16.9% YoY)  
Margin trading expanded rapidly as open interest reached record high
- **Other commission received:**  
JPY 20,113 million (+42.2% YoY)

Contribution from increase in trust fees by expanding the balance of investment trusts

- **Stock trading commissions other than online trading:**  
JPY 13,416 million (+10.7% YoY)  
Foreign stock trading revenue grew 1.4 times YoY, AUM of SBI MONEY PLAZA co-managed shops with regional financial institutions also grew steadily, resulting in an increase in commission revenue from online non-domestic stock trading

# Further Measures to Strengthen the Realization of the Neo-securities Initiative

## ① Expand products and services

Build a system to meet diverse customer needs by expanding the product offerings and alliances with shared points programs

## ② Strengthen non-flow businesses

Strengthen non-flow businesses through financial revenue from expanded margin trading balances and trust fees from higher investment trust balances

## ③ Strengthen the wholesale business

Strengthen the organization to focus on expanding the wholesale business, including underwriting of stocks and bonds and business with institutional investors

## ④ Expand trading revenue

Steadily grow trading revenue and expand share as a percentage of total revenue through continued strengthening of the FX business since 2008 and the start of digital asset business in 2019

## ⑤ Stock trading commissions other than online trading

Strengthen commission businesses other than domestic stocks, including foreign stocks and expand into real estate finance etc., by turning Ascot and Tozai Asset Management into subsidiaries

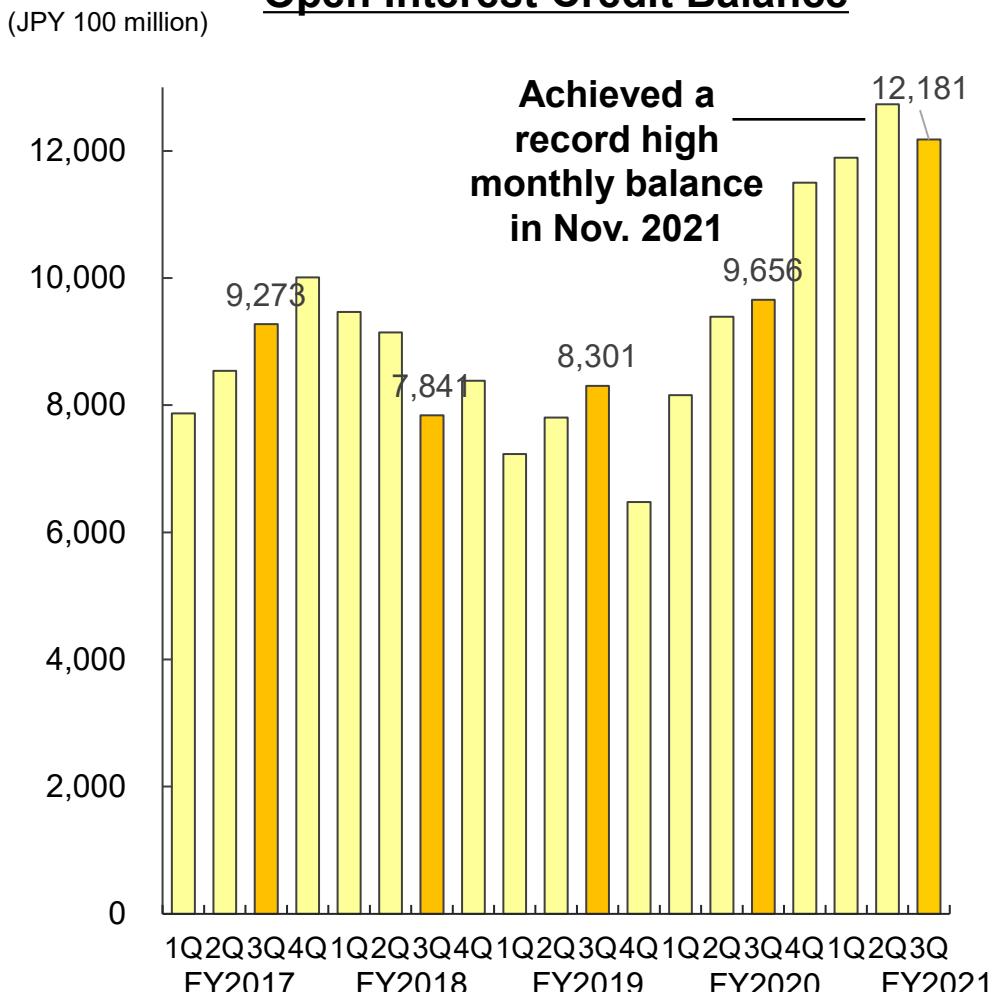
The timing of the specific implementation of the Neo-securities Initiative will be determined when the system that can handle 30 million accounts is constructed

## Rapid Increase in Interest Credit Balance

due to Interest Rate Revisions

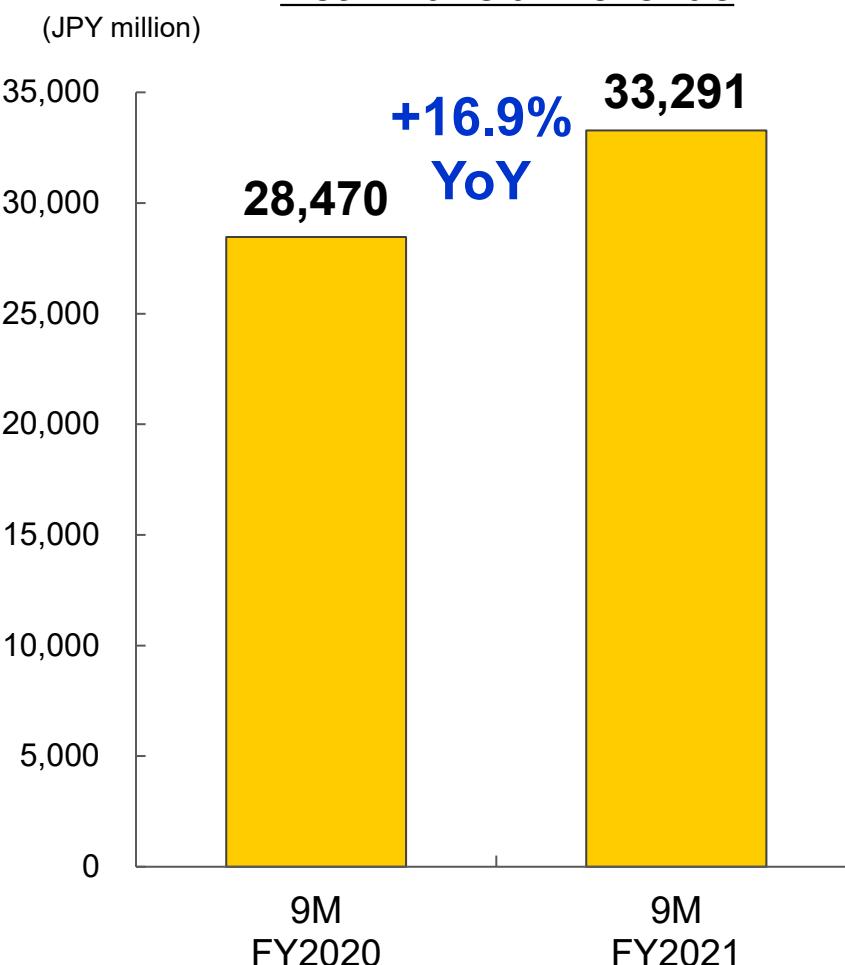
(Revision of the Interest Rate for the Purchase of  
“Daily Margin” for General Margin Transactions in July 2021)

### Open Interest Credit Balance

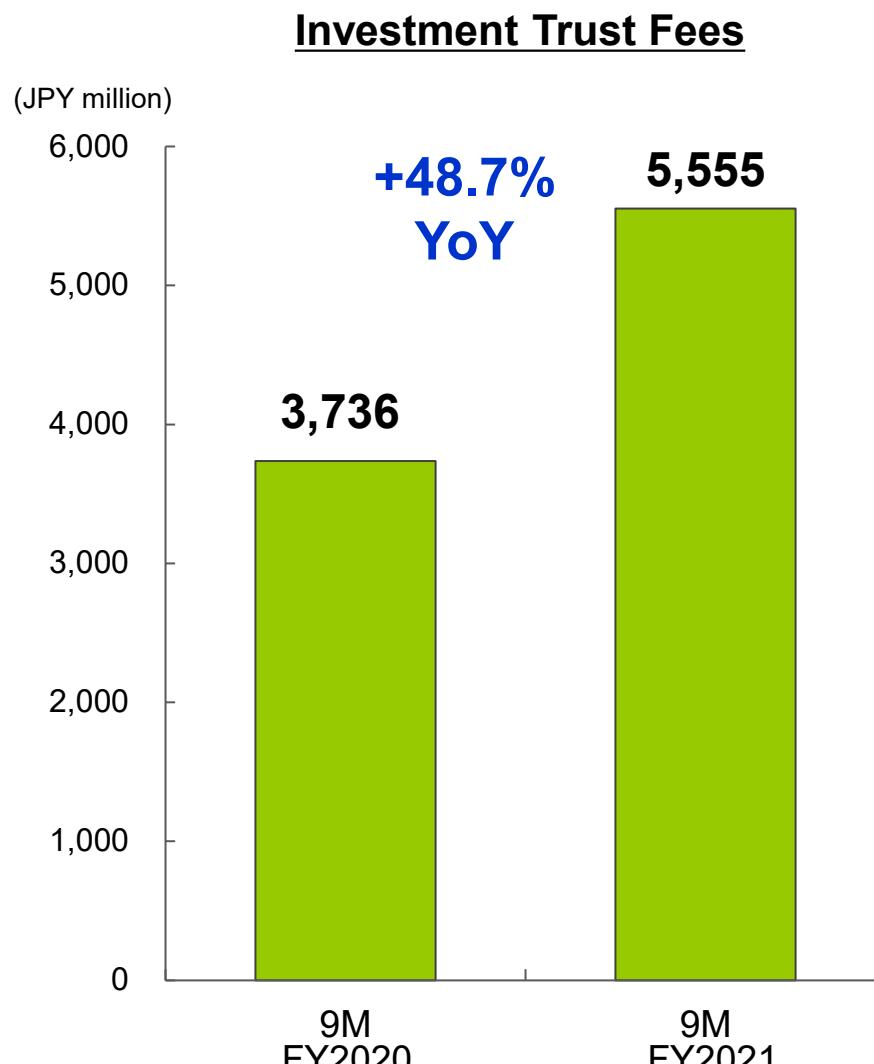
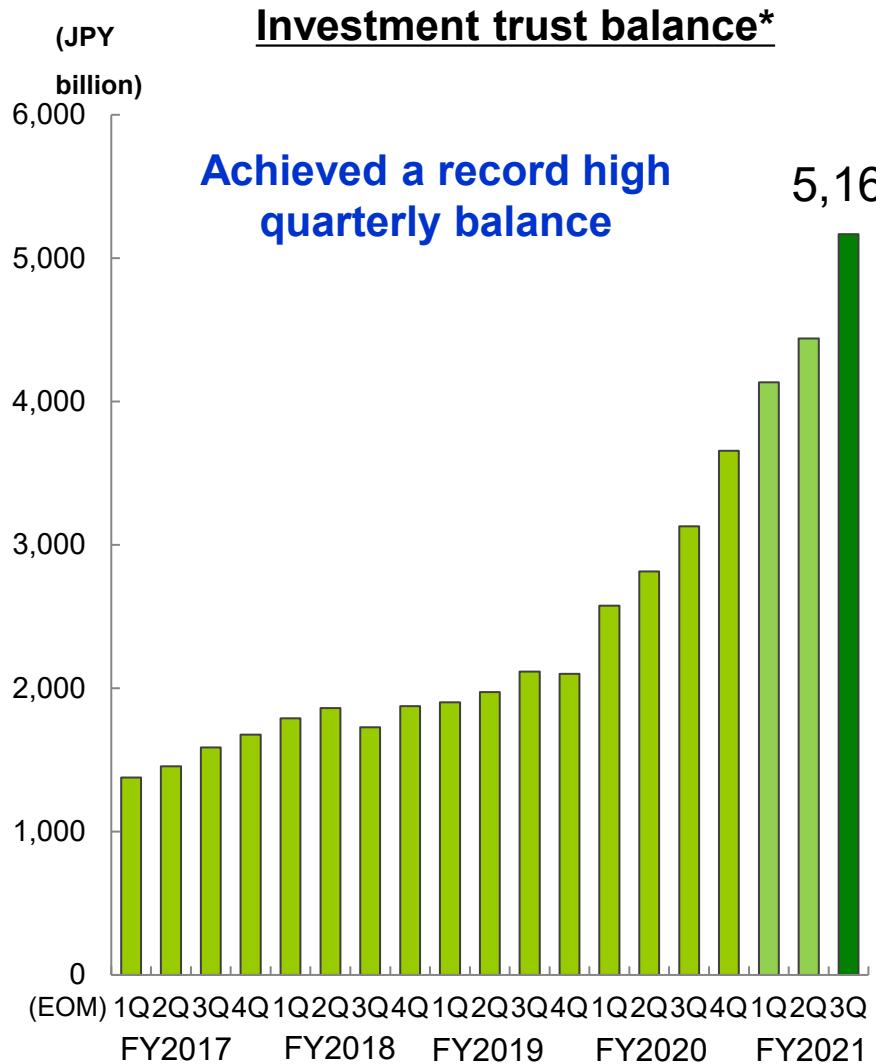


Achieved a record high monthly balance in Nov. 2021

### Financial Revenue / Net Financial Revenue



# Further Increase the Balance of Investment Trusts through Purchases Using Shared Points and Accumulation Services Utilizing Credit Cards



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

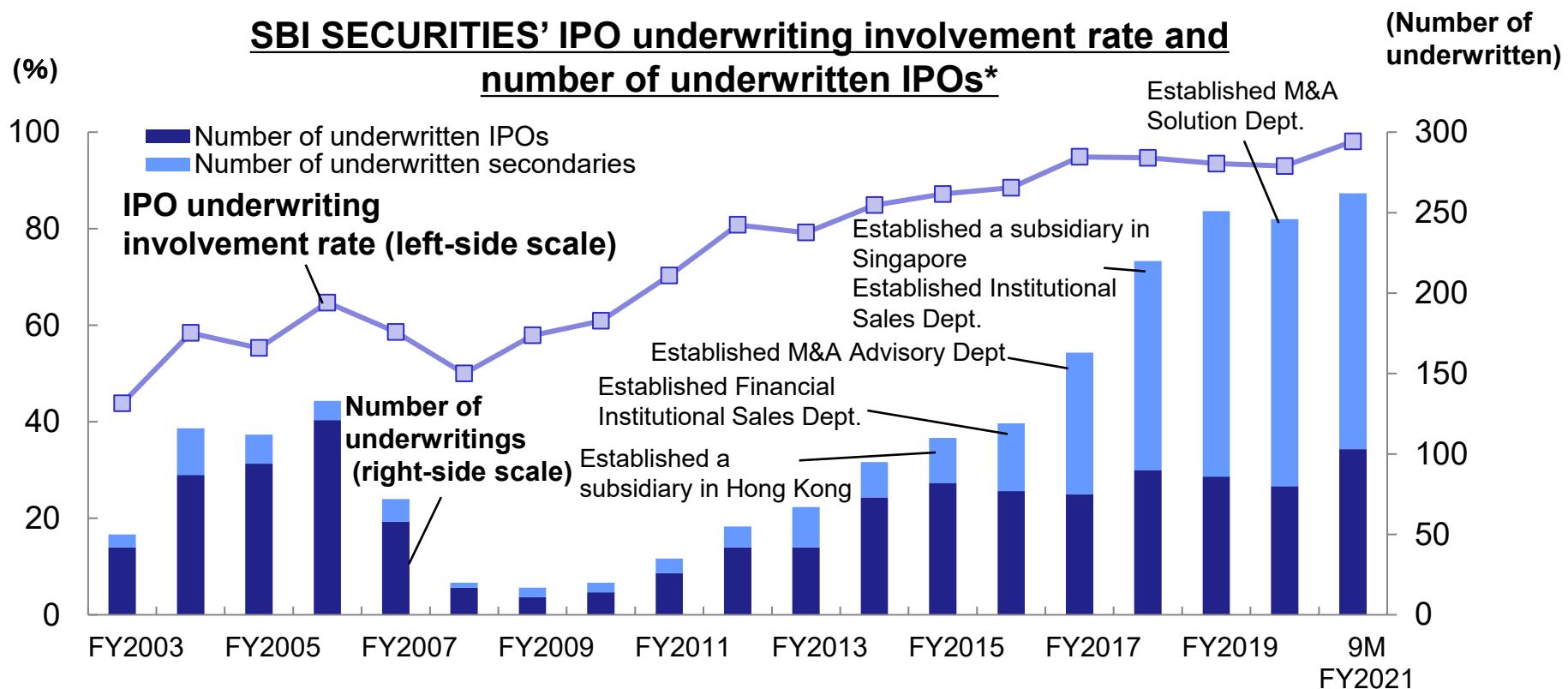
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# Made FOLIO a Consolidated Subsidiary, a Provider of Infrastructure System for Thematic Investment and Wrap Management

- In Aug. 2021, SBI Group acquired shares of FOLIO Holdings, Inc. the parent company of FOLIO Corporation, which provides the discretionary management platform system "4RAP" for thematic investment and wrap management, etc., and made it a consolidated subsidiary of the SBI Group (added under the Financial Service Business segment)
- In Sept. 2021, SBI SECURITIES introduced "4RAP" system and **plans to start offering "SBI Wrap (tentative name),"** a fund wrap system that allows customers to purchase from small amounts, **in Mar. 2022.** Target further expansion customer base by expanding the products offerings
- In addition, the development of FOLIO's products and services to financial institutions and business corporation that the SBI Group is strengthening alliances with, has already received some offers. SBI Group will continue to strengthen our collaboration with FOLIO to foster the investment mindset of a wide range of customers, both inside and outside the SBI Group



# Steady Expansion of Underwriting Business, Centered Around IPOs



We have maintained the No. 1 position in the industry in terms of IPO underwriting involvement since the FY2012. **The number of companies underwritten as lead managers and the number of underwritten IPOs have already surpassed those of the previous fiscal year**, and we plan to increase earnings by further increasing the number of companies underwritten as lead managers

\* Total number of IPOs, PO underwritten, corporate bonds, municipal bonds, etc.

# Strengthen Underwriting of Secondaries and Increase the Number of Lead Managers while Maintaining a High Share of Underwriting Involvement

**Underwriting share of 98.1% is an industry-leading figure**

IPO Underwriting Ranking (Apr. 2021–Dec. 2021)

105 companies were listed during the period

Company Name	No. of cases	Underwriting Share (%)
<b>SBI</b>	<b>103</b>	<b>98.1</b>
Nikko	69	65.7
Mizuho	68	64.8
Rakuten	60	57.1
Nomura	54	51.4
Matsui	43	41.0
Okasan	42	40.0
Monex	42	40.0

- Between Apr. 2021 through Dec 31, 2021, SBI SECURITIES underwrote 18 companies (15 companies for FY2020)

## PO underwriting business

The number of underwriting cases in 9M FY2021 increased 1.5 times YoY

## Corporate bond underwriting business

Underwrote 36 corporate bonds in 9M FY2021, including that of Softbank

The underwriting value in 9M FY2021 increased 2.6 times YoY

→ Expanded underwriting new public bonds, including electricity bonds

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

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

# FX and Crypto-asset Related Business Results for 9M FY2021

## FX Business Financial Results for 9M FY2021 (IFRS)

(Simple sum of figures for SBI Liquidity Market and SBI FXTRADE)

(JPY million)

	9M FY2020 (Apr. 2020-Dec. 2020)	9M FY2021 (Apr. 2021-Dec. 2021)	YoY (%)
Profit before income tax expense	7,603	9,897 <small>Record high*</small>	+30.2

## Crypto asset-related business Financial Results for 9M FY2021 (IFRS)

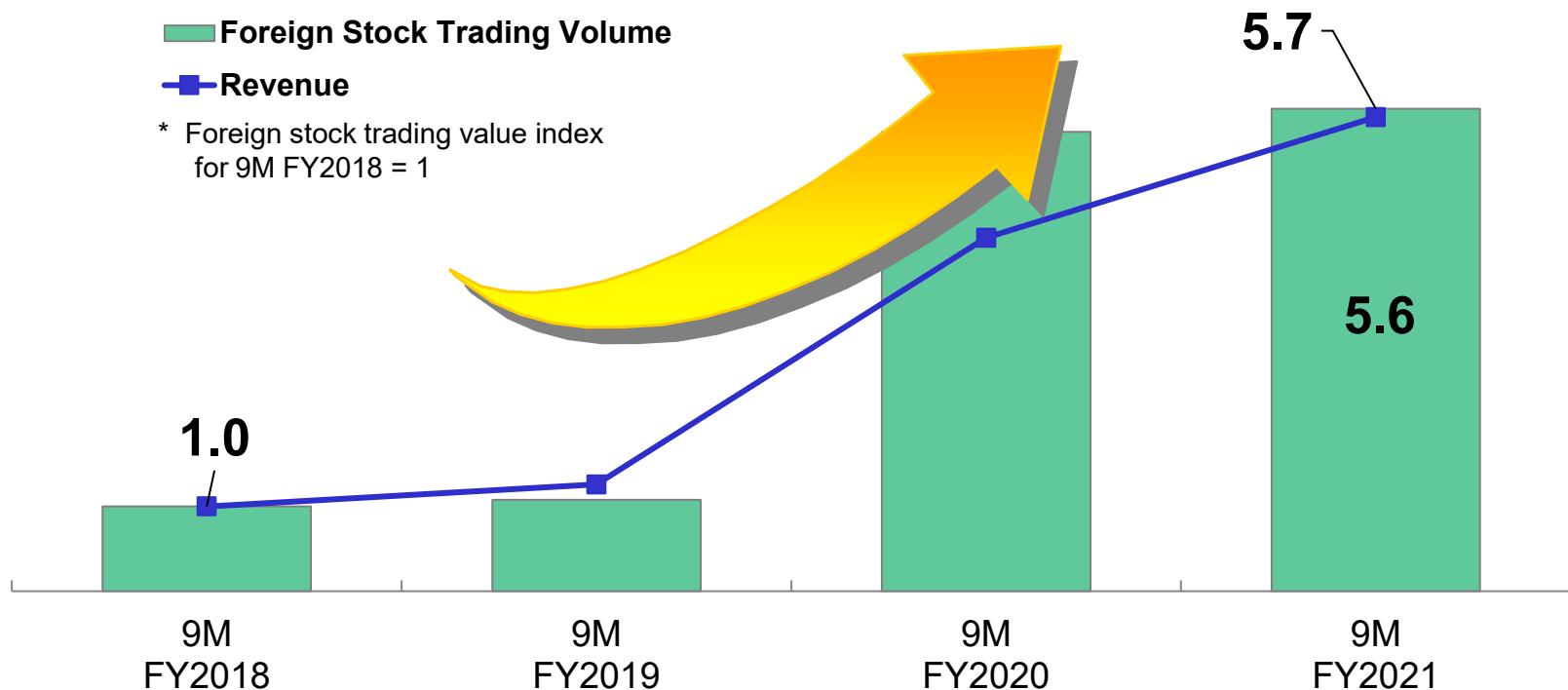
(Simple sum of figures for SBI VC Trade, TaoTao, B2C2, etc. included in the Financial Services Business segment)

(JPY million)

	9M FY2020 (Apr. 2020-Dec. 2020)	9M FY2021 (Apr. 2021-Dec. 2021)	YoY (%)
Profit before income tax expense	7,113	6,550	-7.9

\*Compared with the past 9M results

## SBI SECURITIES Foreign Stock Trading Value and Revenue Trend



**Services for U.S. stocks have continuously expanded since Jan. 2022. Further expansion of foreign stock trading, including the launch of margin trading of U.S. stocks expected in January 2022**

## Expanding into the Real Estate Finance Business

- SBI Group endeavors to increase the AUM and expand business into real estate funds such as private REITs -
- In Dec. 2020, SBI Holdings acquired shares of **Ascot Corp.** (35.01% of voting rights), and as the first step of a business alliance in the real estate field, SBI MONEY PLAZA started selling to investors a real estate small-lot trust beneficiary interest fund that incorporate properties developed by Ascot in Apr. 2021
- In June 2021, concluded a share transfer agreement (acquired 55.91% of total shares) with **Tozai Asset Management Co., Ltd.**, which manages and operates real estate assets

### The SBI Group's real estate finance business

Development of high quality real estate



ASCOT CORP.



Fund formation



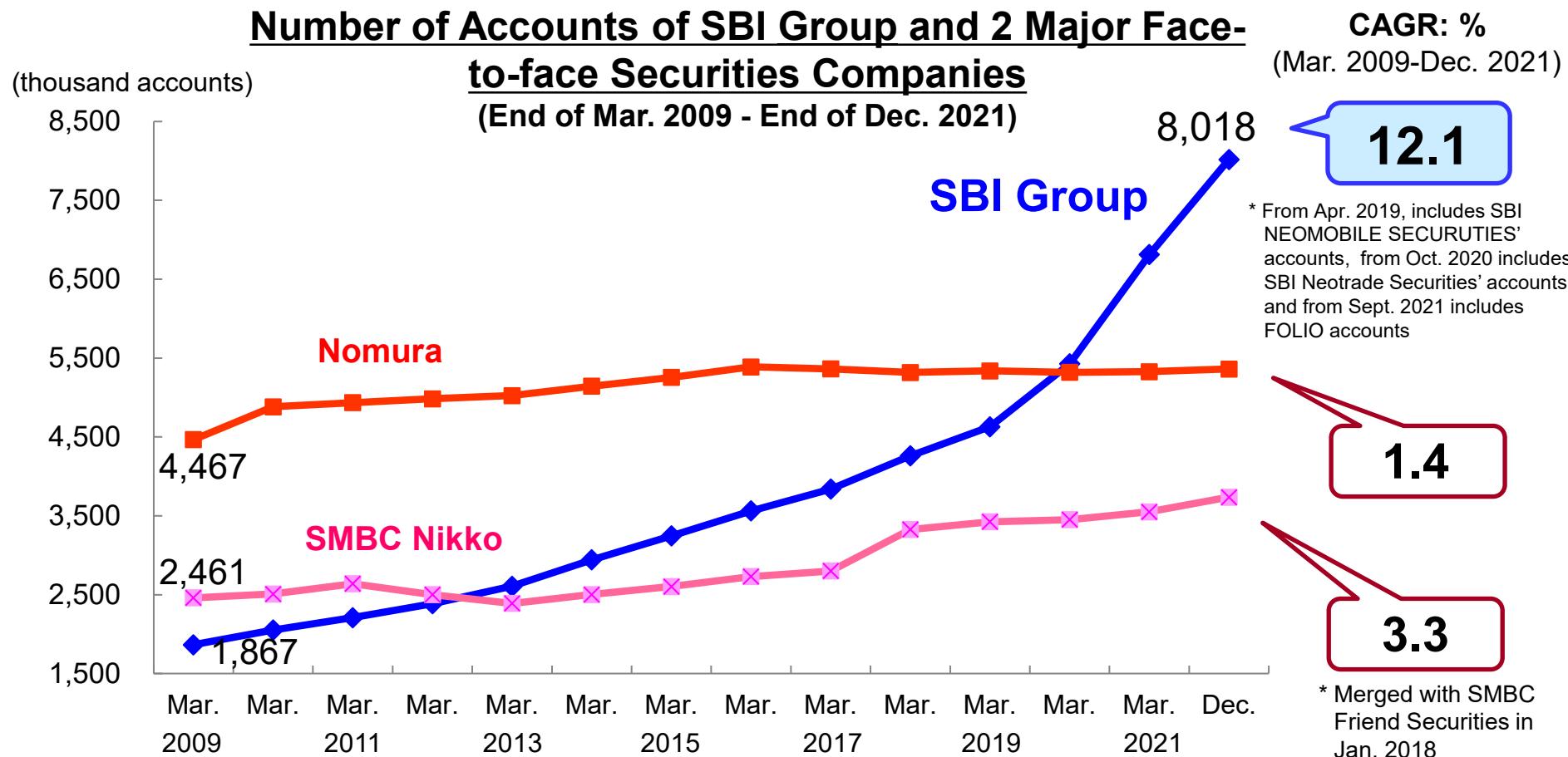
Guidance to customers



## **(2) Expansion of various service channels based on customer characteristics, while the customer base grows with the progression of the Neo-securities Initiative**

- ① Provide a wide variety of service channels by utilizing alliances with other companies**
- ② Focus on the provision of products and services that meet the needs of the younger population**

# SBI Group Holds an Established Position as the Securities Firm with Largest Number of Brokerage Accounts



Constructing a system that can sufficiently handle transactions of 11 million accounts is scheduled to be completed by the end of FY2021

- ① **Provide a wide variety of service channels by utilizing alliances with other companies**

# Established a Sales Structure That can Respond to Diverse Customer Needs Through an Alliance with the SMBC Group and the Acquisition of SBI Neotrade Securities

## [Alliance with the SMBC Group]



[Sumitomo Mitsui Bank]

- Implement inheritance services at SMBC Bank for SBI SECURITIES customers
- Build a framework enabling inheritance consultations at SMBC branches for SBI SECURITIES customers



[Sumitomo Mitsui Card]

- Offer a credit card-based investment trust accumulation service
- Offer investment services using V points earned on investment trust balances
- Launched a new service on Jan. 19, 2022, that allows customers to apply for an SBI SECURITIES general account and a Sumitomo Mitsui Card credit card at the same time. Obtained 300 applications on the first day of launch

Services for first-time investors through high-end experienced investors



- SMBC owns 20% of SBI NEOMOBILE SECURITIES
- Raise usefulness by linking balances with SMBC Bank
- Implement seamless deposit/withdrawal, including automatic fund transfers, with SMBC

Services in which first-time investors can easily participate

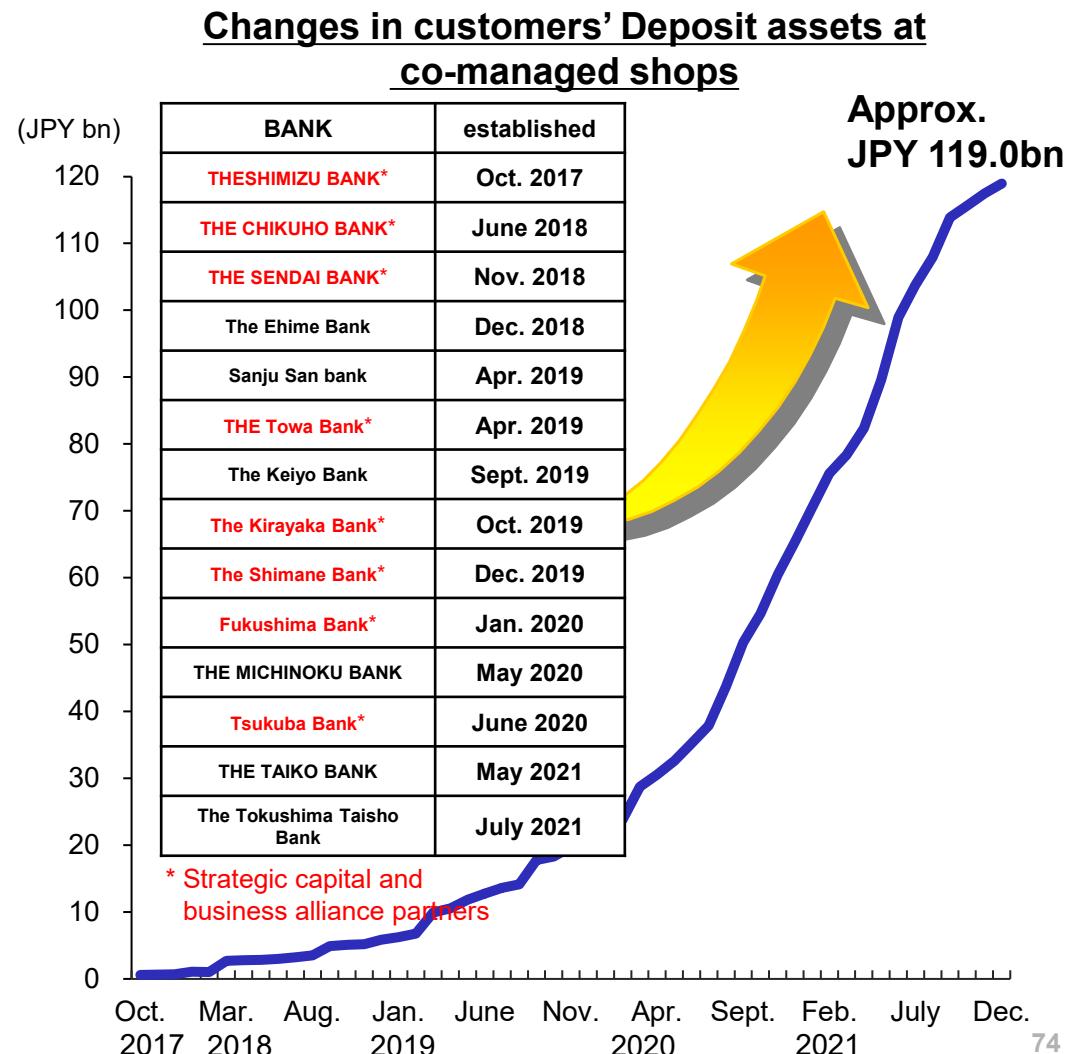
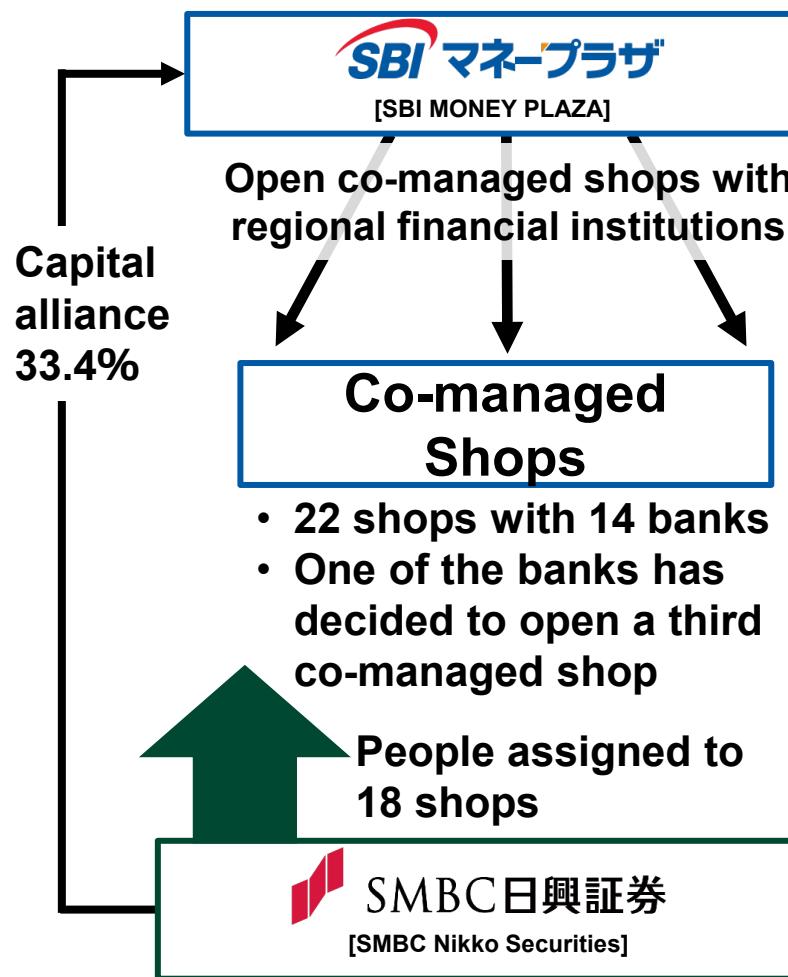


[former livestar Securities]

- Proactively reducing investment costs, including a waiver of margin trading fees, along with reducing margin trading rates, which has garnered widespread enthusiasm primarily from traders

Services for experienced investors

# Number of Co-managed Shops, SBI MONEY PLAZA and Regional Financial Institutions Increased to 22 Shops with 14 Banks, and Human Resource Allocation, etc. was Made Through the Alliance with SMBC Nikko Securities



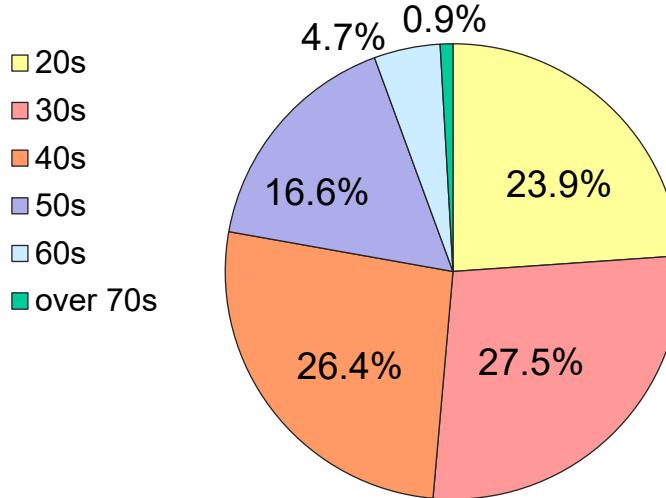
- ② Focus on the provision of products and services that meet the needs of the younger population

## SBI NEOMOBILE SECURITIES, which Targets Neophyte Investors and Millennials, is Rapidly Increasing Its Customer Base



**SBI ネオモバイル証券**  
[SBI NEOMOBILE SECURITIES]

SBI NEOMOBILE SECURITIES' customer demographics (by age)



- 51% of SBI NEOMOBILE SECURITIES customers are in their 20s and 30s, contributing to the acquisition of millennials who will be the next customer base
- SBI NEOMOBILE SECURITIES has expanded its product offerings to include FX and warrants, in addition to domestic stocks, IPOs, iDeCo, etc. Will continue to strengthen product offerings that are in high demand
- In Nov. 2020, Sumitomo Mitsui Financial Group Inc. invested in SBI NEOMOBILE SECURITIES, based on the capital and business alliance. SBI, in cooperation with the SMFG, endeavors to develop services that meet diversifying needs of the customers

## New Services to be Launched One After Another with the Completion of the Merger Between SBI VC Trade and TaoTao

-Expect to Expand the Group's Customer Base by Identifying Demands of New Customers-

### Periodic investment service for crypto-assets

Released Dec. 12, 2021

- Service started at SBI VC Trade (Former TaoTao)
- Customers are able to choose the frequency of investment from either daily, weekly, or monthly
- Customers can invest in Bitcoin (BTC), Ethereum (ETH), and XRP

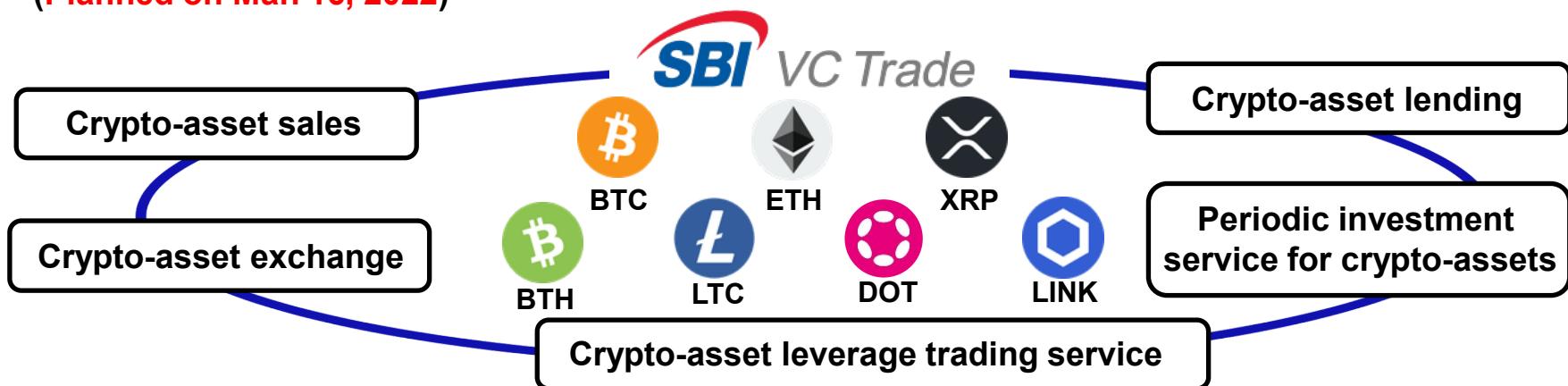
### Crypto-asset lending (*Kashi-coin*)

Released Jan. 26, 2022

- Customers can choose the lending period, amount and interest rate depending on the situation
- Customers can apply at any timing that they decide

All services will be applicable to all seven crypto-assets currently handled

(Planned on Mar. 16, 2022)



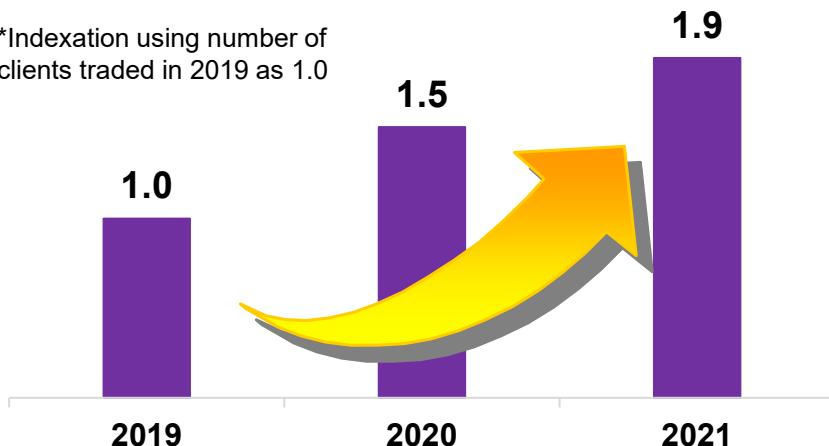
**Strive to continue expanding the customer base by proactively adding new currencies and introducing new services**

# Continued Expansion of Customer Base Contributed in Growing Volumes at B2C2

## Trends in B2C2's number of clients and volume

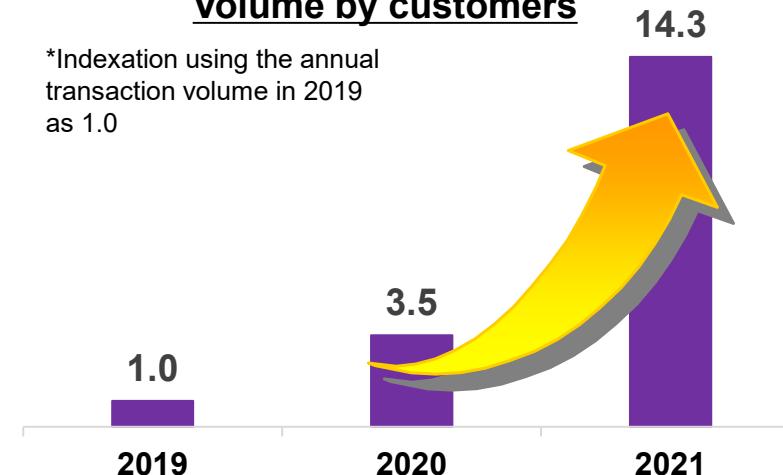
### Number of customers

\*Indexation using number of clients traded in 2019 as 1.0



### Volume by customers

\*Indexation using the annual transaction volume in 2019 as 1.0

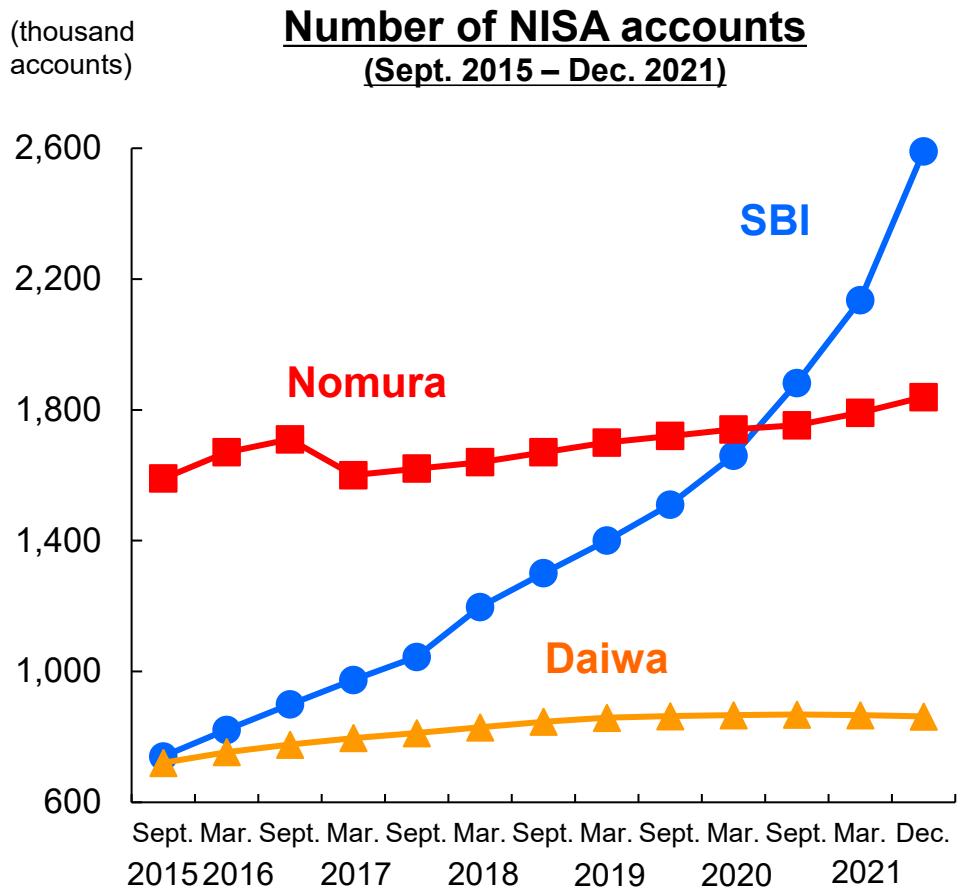


### [Factors behind B2C2 becoming the firm of choice as a Crypto-asset market maker]

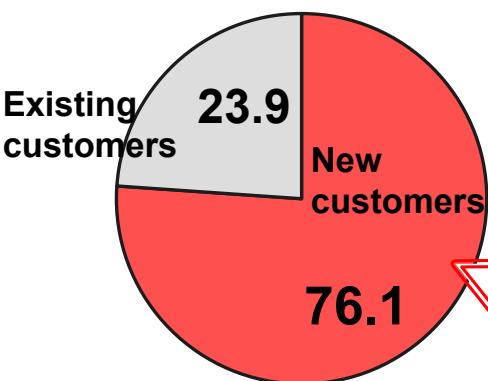
- ① Provides 24/7 pricing and execution, and seamless post trade settlement
- ② Provides liquidity at a competitive price with low latency, with its platform that is able to handle 33,000 orders per second
- ③ Provides not only spot trading for crypto assets, but also variety of products such as NDF, options, CFD and funding to customers

## Attracted a Large Number of Neophyte Investors Through Newly Opened NISA Accounts

(thousand accounts)



### NISA's customer attribute of SBI SECURITIES (%)



Number of new Customers opening NISA accounts account for 76.1%, and within that 71.8% are beginner investors

**SBI SECURITIES' number of Junior NISA accounts reached 192 thousand accounts, accounting for approx. 30% of the entire securities industry's Junior NISA accounts**

\*1 Includes the number of Junior NISA accounts

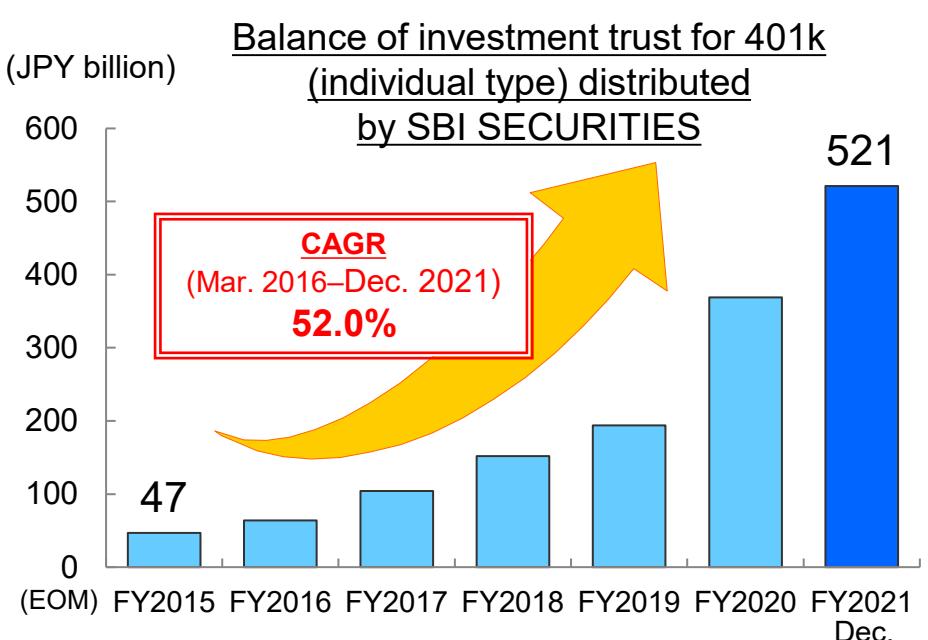
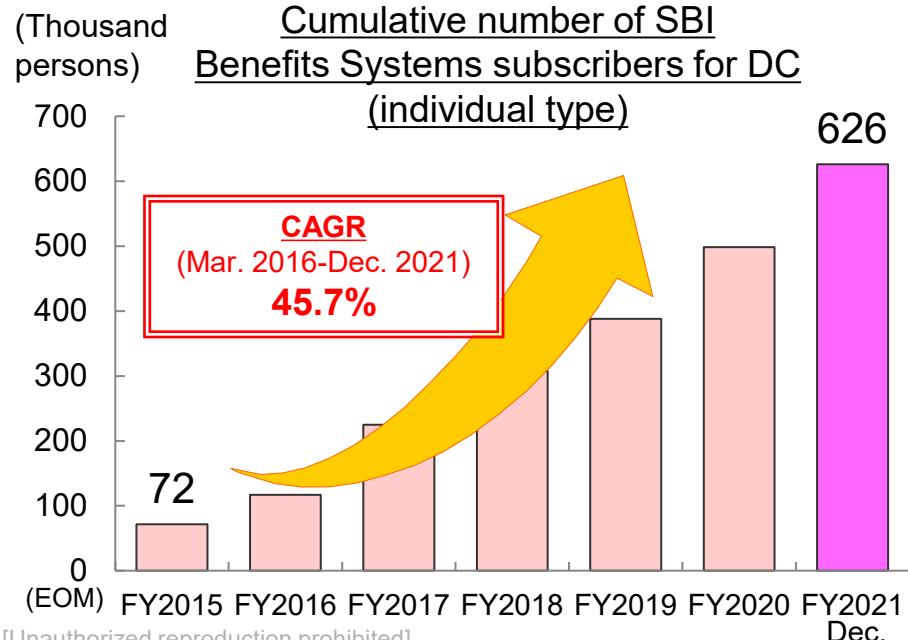
\*2 Amounts are rounded to the nearest JPY thousand

\*3 The number of accounts are as of the end of Dec. 2021, compiled by SBIH from the information on website of each company

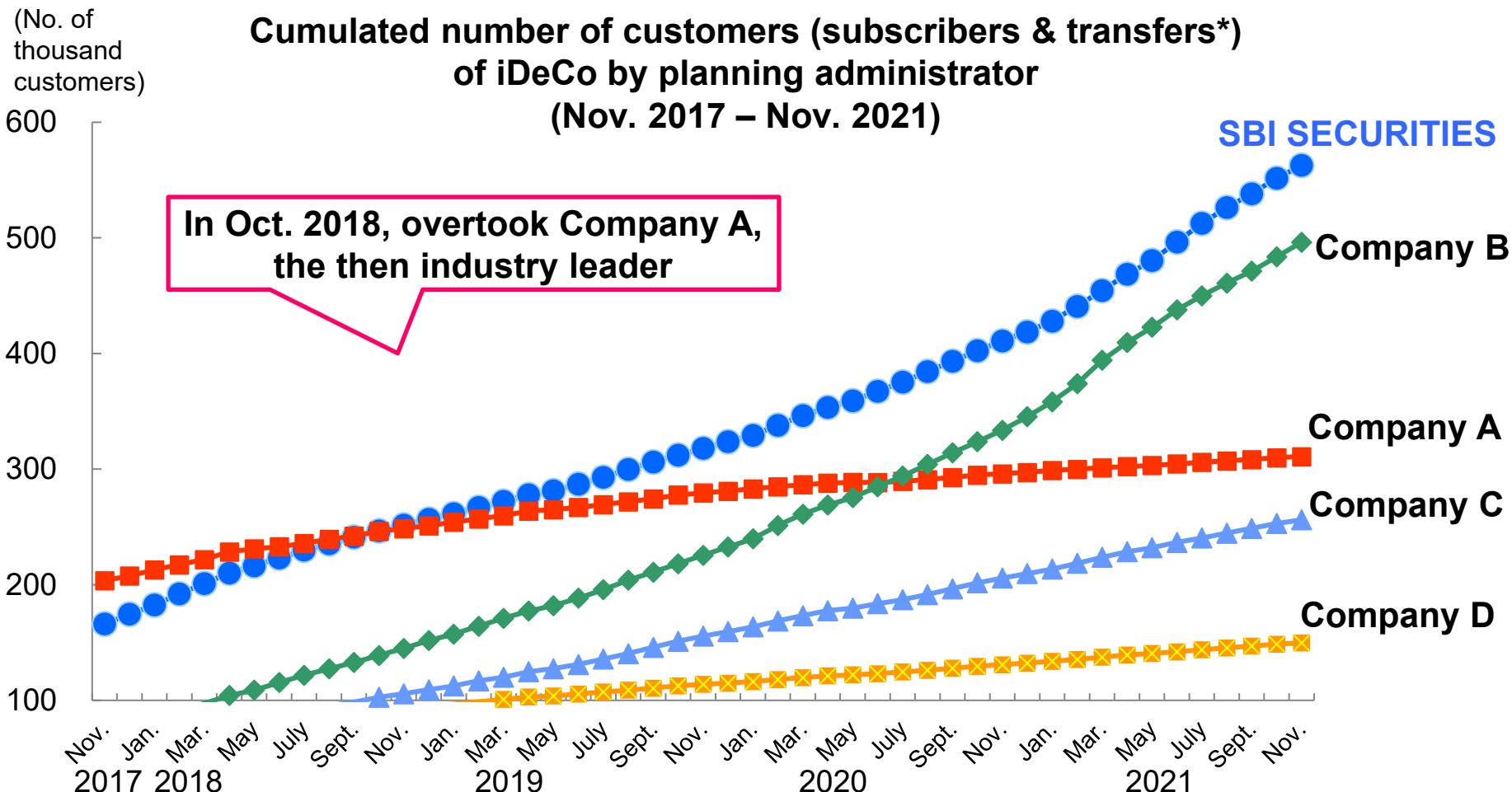
# Further Strengthening the Individual Defined Contribution (iDeCo) Pension Business

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

- SBI SECURITIES administrative fees for iDeCo became completely free of charge on May 19, 2017, in order to further expand iDeCo business**
- As of the end of November 2021, the number of iDeCo accounts totaled approx. 560 thousand**
- The number of requests for application materials reached a record high in June 2021**



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



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

### 3. Open Alliance Strategy dramatically expands the Group's customer base

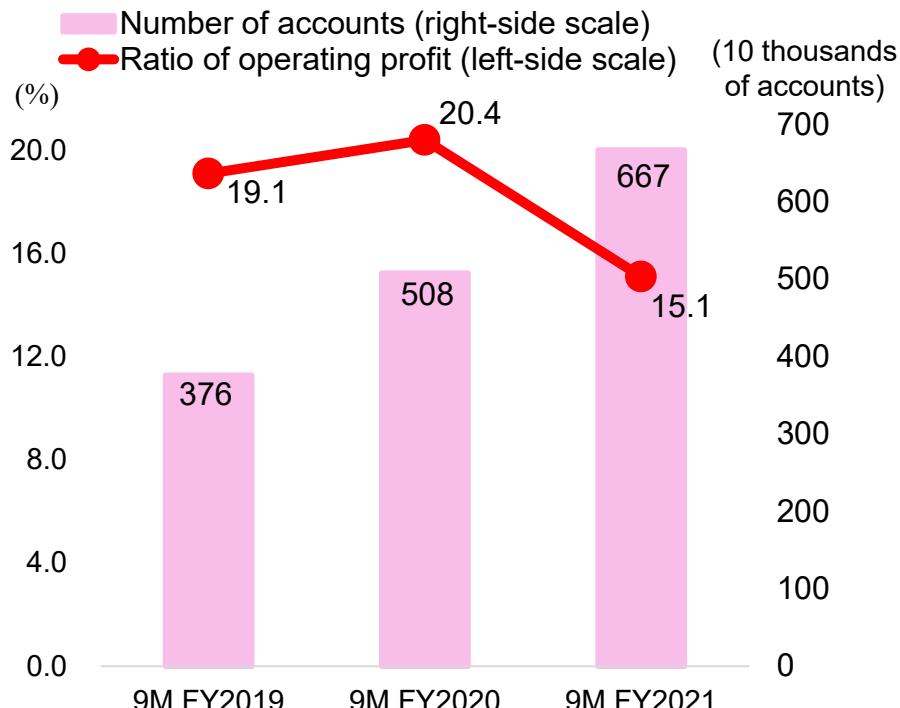
- (1) Structuring a multi-point ecosystem through open alliances
- (2) SBI Sumishin Net Bank promotes the expansion of its customer base through the “Neo-bank Initiatives”
- (3) Insurance-related business to expand customer base by strengthening alliances with internal and external parties
- (4) Promote an alliance strategy to expand the SBI Group's customer base and support regional financial institutions to address their various issues

## **(1) Structuring a multi-point ecosystem through open alliances**

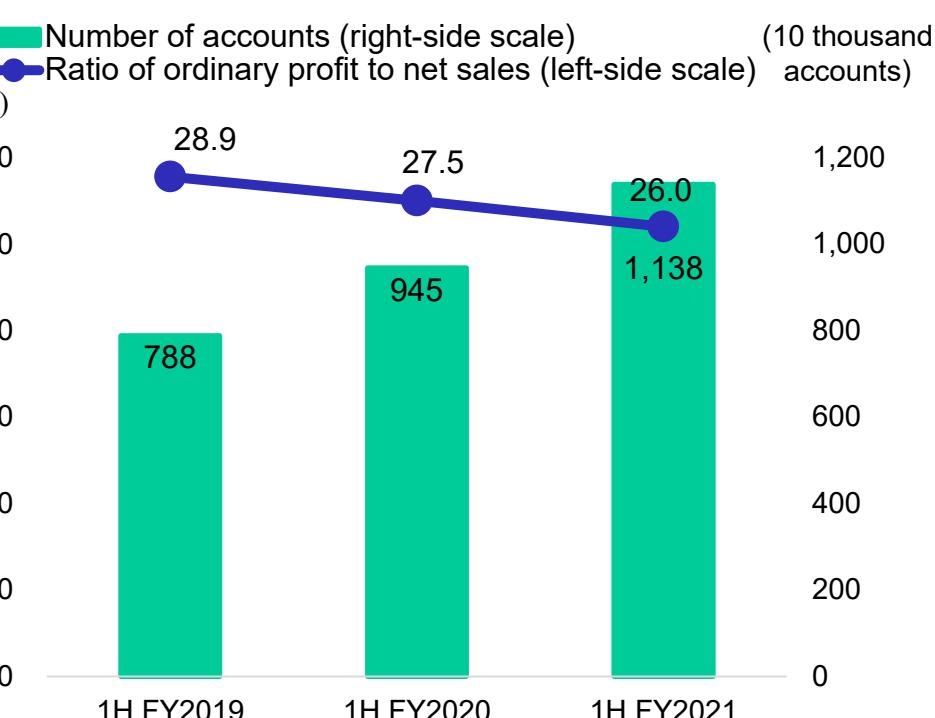
# In the Self-contained Point Ecosystem, Granting Points is a Cost and a Pressure on Profits

**Rakuten Securities and Rakuten Bank, which are promoting initiatives in the self-contained loyalty point ecosystem (i.e., Rakuten point ecosystem), decreased profit ratio despite an increase in the number of accounts**

Changes in Rakuten Securities' ratio of operating profit and number of accounts\*1



Changes in Rakuten Bank's ratio of ordinary profit to net sales and number of accounts\*1



\*1 Based on data disclosed by Rakuten Securities and Rakuten Bank. Fiscal year (FY) refers to from April of each year to March of next year

\*2 The number of accounts at Rakuten Securities and Rakuten Bank is as of September 30, 2021.

# SBI Group has a Competitive Edge in the Field of Asset Management in Terms of Fee Rates

<Comparison of costs between SBI·V Series and Rakuten Index Investment trust>

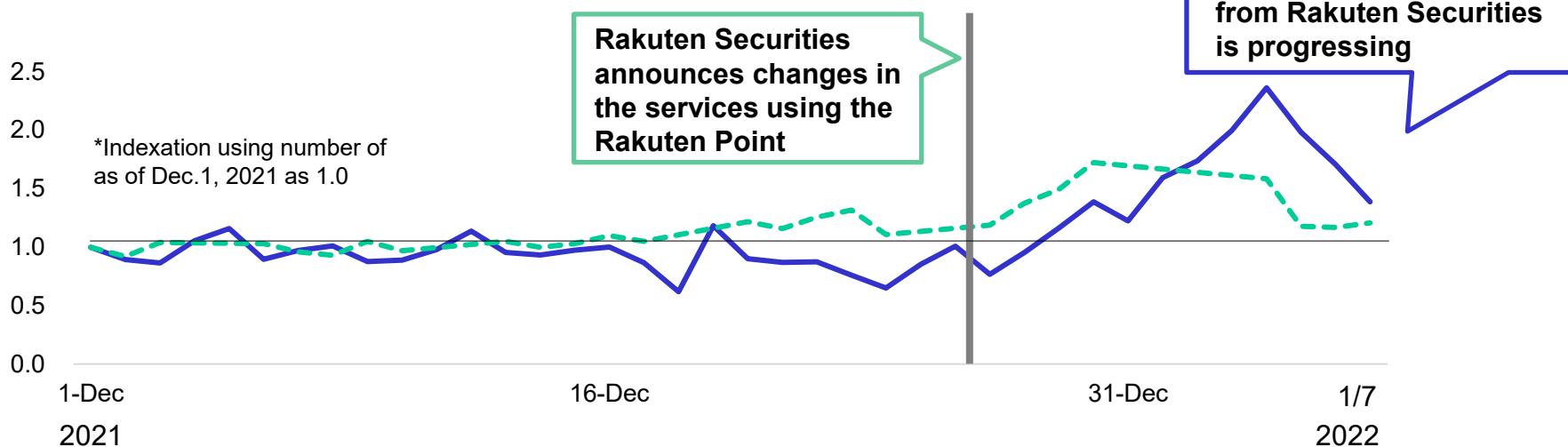
	SBI·V Series	Rakuten Index Investment trust	SBI·V Series	SBI·V Series	Rakuten Index Investment trust	SBI·V Series	Rakuten Index Investment trust
Fund name	SBI·V·All World Fund	Rakuten Vanguard Fund (Global equity)	SBI·V·S&P500 Index Fund	SBI·V·US All Cap Fund	Rakuten Vanguard Fund (US All Cap)	SBI·V·US High Yield Fund	Rakuten Vanguard Fund (US High Yield )
Benchmark	FTSE All Cap Index (converted JPY base)	FTSE All Cap Index (converted JPY base)	S&P500 Index (converted JPY base)	CRSP US Total Market Index (converted JPY base)	CRSP US Total Market Index (converted JPY base)	FTSE High Dividend Yield Index (converted JPY base)	FTSE High Dividend Yield Index (converted JPY base)
Investment target	Vanguard ETF (VT)		Vanguard ETF (VOO)	Vanguard ETF (VTI)		Vanguard ETF (VYM)	
Actual trust fee rates (Annual rate/tax included)	0.1438%	0.212%	0.0938%	0.0938%	0.162%	0.1238%	0.192%
	-0.0682			-0.0682		-0.0682	

Note: Numbers of the funds of Rakuten are deprived from the Rakuten Investment Management home page

# SBI SECURITIES has Seen an Increase in Account Transfers from Rakuten Securities Since a Change in Rakuten Securities' Point System

Trends in number of applications of new general accounts at SBI SECURITIES and the percentage of which choose Rakuten Bank as a withdrawal destination

— Number of applications of new general accounts  
--- Percentage of which choose Rakuten Bank as a withdrawal destination



- In Jan. 2022, SBI SECURITIES launched an "**Investment Trust Transfer Program**" in which SBI SECURITIES pays the full amount of fees paid by customers to other companies before the transfer of investment trusts
- In addition, SBI SECURITIES has launched "**SBI Premium Choice**," an active fund carefully selected by SBI SECURITIES to support long-term asset building. In order to reduce the burden on customers when holding funds for a long period of time, the rate of points awarded will be permanently increased according to the balance held in the funds

## The SBI Group will Leave the Self-Contained Point Ecosystem to Develop a Multi-point Ecosystem

- SBI Group has decided to abolish its in-house "SBI Point" point system
- The future strategy for points is to establish a multi-point ecosystem by collaborating with various points that companies outside the Group offer through open alliances

[Points that SBI SECURITES currently partner with]

T-POINT



V POINT



Ponta Point



Continue to expand collaboration of points with other companies in the future

## (1) Structuring a multi-point ecosystem through open alliances

# The Multi-point Ecosystem Currently Being Developed at SBI SECURITIES



	Points Economy	Services provided by SBI
<b>T-Point</b>  Points are awarded for money spent at affiliated stores in Japan, both online and bricks and mortar shops	<b>Number of members utilized during the year:</b> 70,610,000 <b>Affiliated stores:</b> 172,059 <b>Annual sales:</b> JPY 8.5 trillion	 <b>SBI証券 [SBI SECURITIES ]</b>  <b>ネオモバ [Neo-Moba]</b> <ul style="list-style-type: none"> <li>- Investment trusts can be purchased with T-points</li> <li>- With SBI NEOMOBILE SECURITIES, T-points can also be used for domestic stocks, FX, warrants</li> <li>- In addition to usage, points can also be accrued on purchases of domestic stocks and investment trusts</li> </ul>
<b>V-Point</b>  SMBC Group point system. Points are awarded for using Sumitomo Mitsui Bank and Sumitomo Mitsui Card	<b>Sumitomo Mitsui Card members:</b> 49,860,000 <b>Sumitomo Mitsui Bank account holders:</b> Approx. 27 million	 <b>SBI証券 [SBI SECURITIES ]</b> <ul style="list-style-type: none"> <li>- Investment trusts able to be purchased with a credit card issued by Sumitomo Mitsui Card with V-points to be awarded on 0.5%-2.0% of settlement amount</li> <li>- For customers who open an account via Sumitomo Mitsui Card, V-points will be awarded on the balance of investment trusts and the purchase amount of domestic stocks, etc. at SBI SECURITIES</li> <li>- <b>May 2022, plan to launch a service that enables users to purchase investment trusts using V-Points</b></li> </ul>
<b>Ponta-Point</b>  Common points that can be "accumulated" and "used" in accordance with the amount spent at Ponta partner companies and online services nationwide	<b>Number of members utilized during the year:</b> 103,710,000 <b>Affiliated stores:</b> Approx. 250,000 <b>Number of partner Companies, Brands:</b> 140 Companies, 198 Brands	 <b>SBI証券 [SBI SECURITIES ]</b> <ul style="list-style-type: none"> <li>- Scheduled to start the introduction of a common point service for "Ponta" in November 2021</li> <li>- In addition to the ability to use Ponta points for the purchase price of investment trusts, Ponta points will be awarded for transactions involving trading of domestic stocks, investment trusts, gold and platinum, opening a new account, and entering domestic stocks</li> </ul> <p>*For details, please refer to the SBI SECURITIES website</p>

1. Number of T-point members utilized during the year as of the end of July. 2021, Affiliated stores as of the end of Feb. 2021 and Annual sales as of the end of Sept. 2021/ Source: CCC Marketing website.

2. Number of Sumitomo Mitsui Card members as of the end of March 2021/ Source: Sumitomo Mitsui Card website

3. Number of Sumitomo Mitsui Bank account holders as of the end of March 2017/ Source: Sumitomo Mitsui Bank website

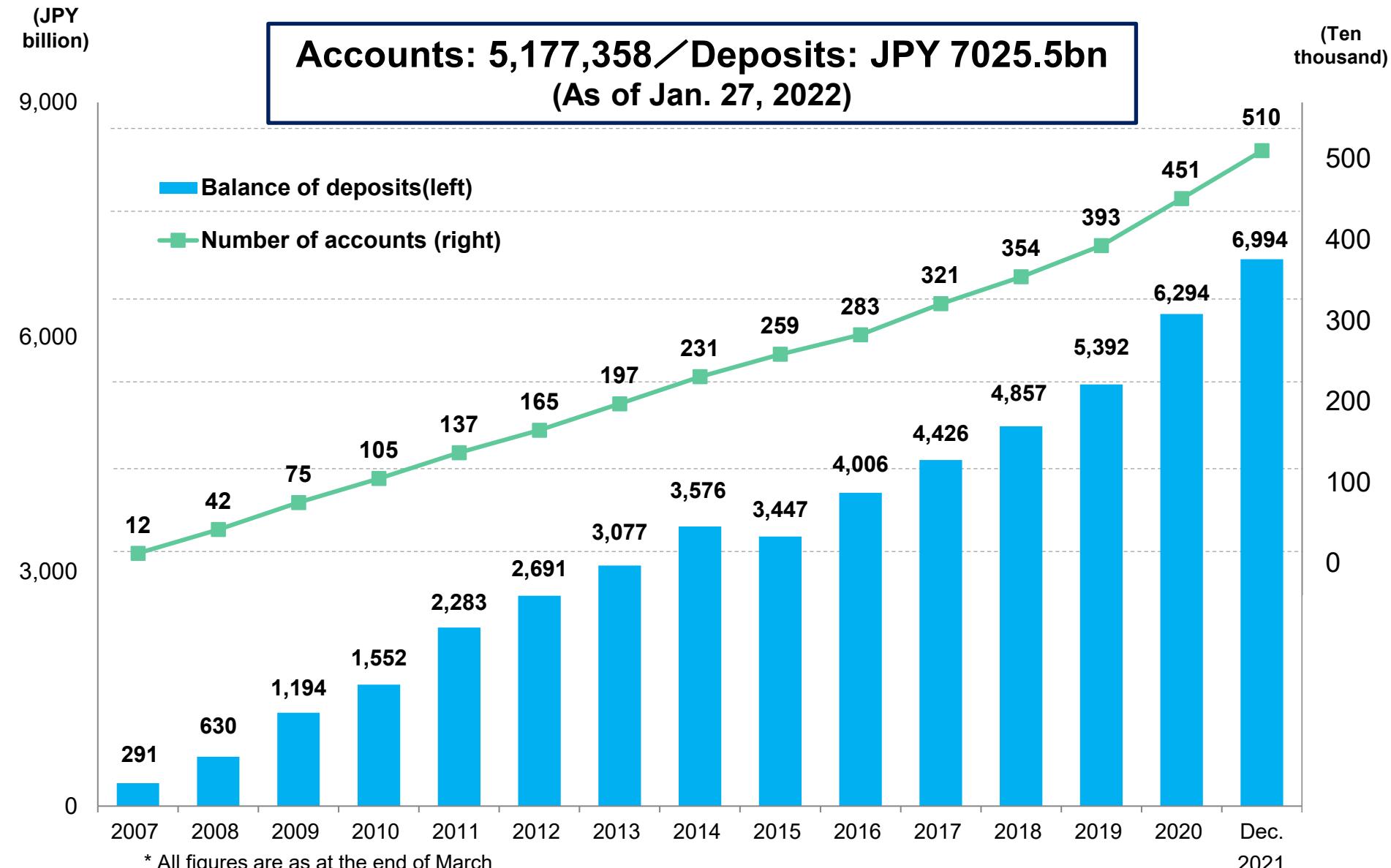
4. Number of annual users of Ponta points as of the end of September 2021, number of partner stores as of May 1, 2021, number of partner companies and brands as of October 1, 2021/ Source: Loyalty Marketing Inc.

## (2) SBI Sumishin Net Bank promotes the expansion of its customer base through the "Neo-bank Initiatives"

### About the Neo-bank Initiatives:

Customers using business services of partner companies also have access to ancillary banking functions from SBI Sumishin Net Bank. SBI Sumishin Net Bank works with partner companies to create a framework by which services can be used both smoothly and seamlessly

# Number of Accounts and Balance of Deposits at SBI Sumishin Net Bank Since Opening



# By Leveraging Technology, SBI Sumishin Net Bank has Expanded Its Customer Base to 16th Out of 74 Regional Banks and New Entrants

## Ranking by deposits

(Regional Banks, New Entrant Banks and Pure-play Internet Banks)

(JPY billion/ As of the end of Sept. 2021./ Unconsolidated financial results) \* Change in deposit balance from the end of Mar. 2021

Rank	Bank name	Deposits	Change*
1	Bank of Yokohama	16,111.5	-128.9
2	Chiba Bank	14,138.9	34.4
3	BANK OF FUKUOKA	12,274.6	-146.2
4	Shizuoka Bank	11,308.4	156.4
5	Joyo Bank	9,722.1	16.6
6	Nishi-Nippon City Bank	9,271.9	196.4
7	Hiroshima Bank	8,360.4	-8
8	77 Bank	8,244.8	-82.4
9	Bank of Kyoto	8,074.4	78.3
10	Daishi Hokuetsu Bank	8,004.4	-109.1
11	Hachijuni Bank	7,765.3	94.5
12	Gunma Bank	7,722.1	-30.6
13	Kansai Mirai Bank	7,520.8	108.5
14	Chugoku Bank	7,479.2	-32.2
15	Hokuriku Bank	7,293.9	16.9

Rank	Bank name	Deposits	Change
16	SBI Sumishin Net Bank	6,628.4	334.6
17	Rakuten Bank	6,498.8	733.3
18	Ashikaga Bank	6,482.8	-69.1
19	Juroku Bank	6,197.5	107.7
20	Shinsei Bank	6,177.3	-35.5
21	Iyo Bank	5,956.2	-26.9
22	Senshu Ikeda Bank	5,566.2	145.9
23	Hokkaido Bank	5,560.1	95
24	Ogaki Kyoritsu Bank	5,549.1	6
25	Nanto Bank	5,533.1	80.5
26	Toho Bank	5,518.9	-271.9
27	Hyakugo Bank	5,450.1	62.1
28	Shiga Bank	5,436.1	32.2
29	Yamaguchi Bank	5,329.3	-20.8
30	The Juhachi-Shinwa Bank	5,261.6	5.8

## (Reference) Comparison of regional bank groups

Rank	Bank name	Deposits
1	Fukuoka FG	19,150
2	Concordia FG	17,967
3	Mebuki FG	16,204.9
4	Hokuhoku FG	12,854
5	SBI Group	12,805.7
6	Kansai Mirai FG	11,329.4
7	Yamaguchi FG	9,741.6
8	Kyushu FG	9,543.3

\* Amounts are rounded to the nearest JPY 100 million

\* Source: Complied by SBIH from the presentation materials of the National Local Banks Association and websites of each company

- Deposit balances in the regional bank group comparison are the sum of the non-consolidated figures for each bank

- “SBI Group” refers to SBI Sumishin Net Bank and Shinsei Bank

**The total deposit balance of SBI Sumishin Net Bank and Shinsei Bank reaches **JPY 12.8tn****

# The "Neo-bank Initiatives", Promoted in Collaboration with Major Business Corporations, Accelerates the Expansion of the Customer Base

<Precedent for the "Neo-bank Initiatives">



Establishment of a joint venture with JAL. Various banking services are available such as a multi-currency prepaid card "JAL Global WALLET" and banking service "JAL NEOBANK"



In partnership with T Money, we offer "T NEOBANK," a banking service with a highly convenient UI/UX and the ability to earn T Points for every transaction



In partnership with Yamada Finance Service Co., Ltd., we offer "Yamada NEOBANK," which is linked to the Yamada Point Service and has members-only mortgages



Open House Group and SBI Sumishin Net Bank offers "Ouchibank," which enables users of the Housing-related services "OuchiLink" to use the banking services of SBI Sumishin Net Bank

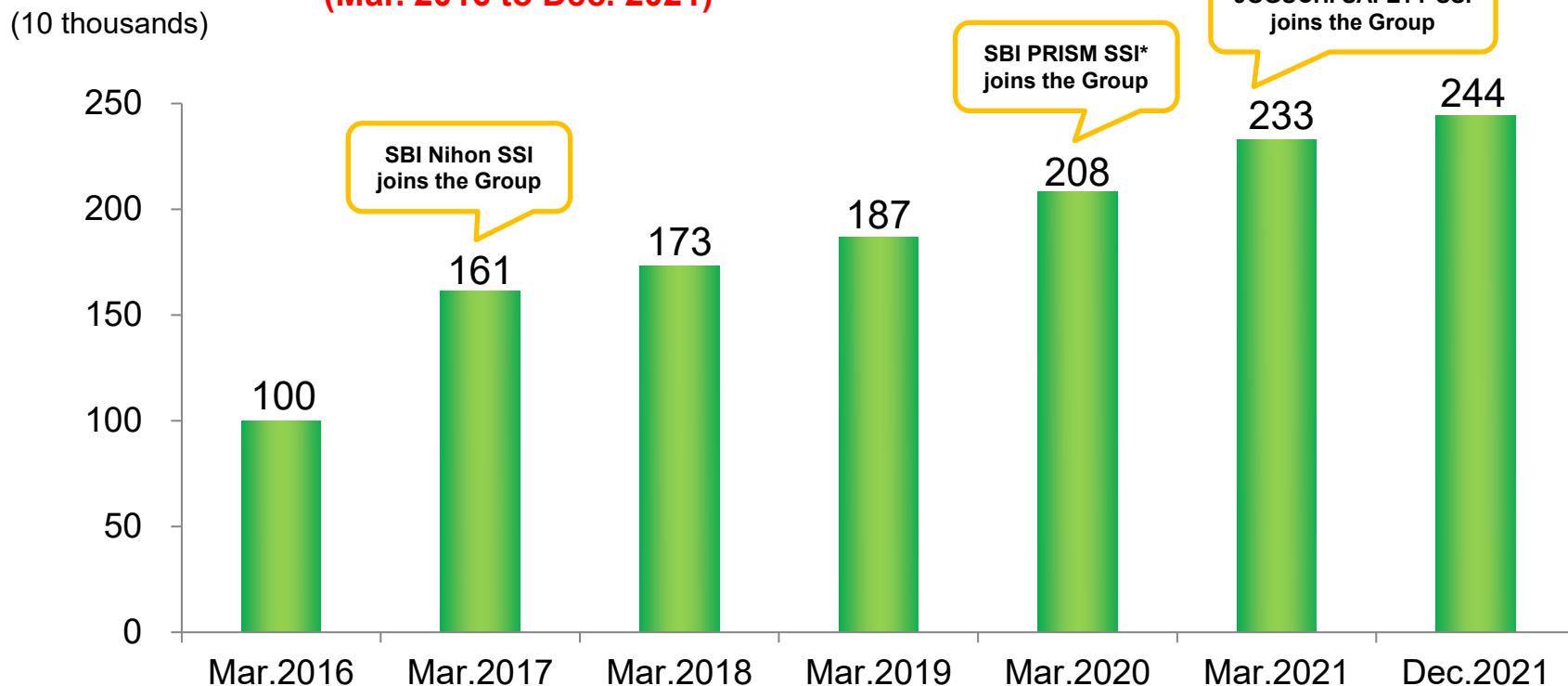
Discussions are underway with number of major operators, including Takashimaya and Dai-ichi Life Insurance, and the "Neo-bank Initiatives" is expected to expand further

### **(3) Insurance-related business to expand customer base by strengthening alliances with internal and external parties**

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

**SBI Insurance Group's total number of in-force contracts**

**CAGR**  
(Mar. 2016 to Dec. 2021) 16.1%



\* In July 2020, the company name was changed from "JAPAN ANIMAL CLUB"

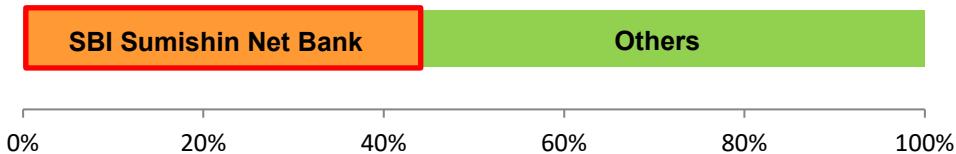
# Strengthen the Customer Base by Leveraging Synergies within the SBI Group to Expand Sales Channels and Enhance Services



More than 40% of fire insurance applications between April and June 2021 came from SBI Sumishin Net Bank

Apr. 2021 – Dec. 2021

Fire insurance acquisition rate by sales channel



Group credit life Insurance attached to housing loans and other products at SBI Sumishin Net Bank drives SBI Life Insurance sales

Total as of the end of Dec. 2021

Total number\*:

**204,603 applications**



[SBI IKIIKI SSI]



[SBI Nihon SSI]



[Neo-Moba]

**SBI NEOMOBILE SECURITIES**, the first financial services intermediary in Japan, launched three insurance products

- In order to create a new service model that enables one-stop intermediation of financial services (banking, securities, and insurance) with a single license, the relevant laws and regulations were amended on Nov. 1, 2021. Registration and operation of "Financial Service Intermediary Business" started
- SBI NEOMOBILE SECURITIES launched three insurance products that can be applied for online and are expected to have affinity with the younger generation, main customer segment of SBI NEOMOBILE SECURITIES



Pet insurance



Bicycle insurance



Motorcycle insurance

\* Including sales to partner regional financial institutions, etc.

# Strengthening Alliances with Companies in Diverse Industries Outside the SBI Group



**89 companies including  
28 financial corporations**  
(Insurance product handling)



(Insurance premium payment)



SBI Life Insurance



(Amazon Echo allows customers to estimate premiums, receive messages, and more with their voice)



**Comprehensive funeral service company**  
(Term insurance)

**Pet stores, breeders, dog and cat transfer organizations**  
(Pet insurance)



SBI PRISM SSI



(pet insurance)



(pet insurance)

**Apps for pet owners**  
(Pet insurance)



**Electricity service company**  
(Pet liability Insurance)

**Building materials sales company**  
(Earthquake insurance)

**Apps for pet owners**  
(Pet insurance)

**Motorcycle manufacturers and dealers**  
(Vehicle insurance for motorcycles and bicycles)



SBI Nihon SSI

**Rent guarantee companies**  
(Simultaneous guidance on insurance and rent guarantee for rental housing)



(Vehicle insurance for motorcycles and bicycles)

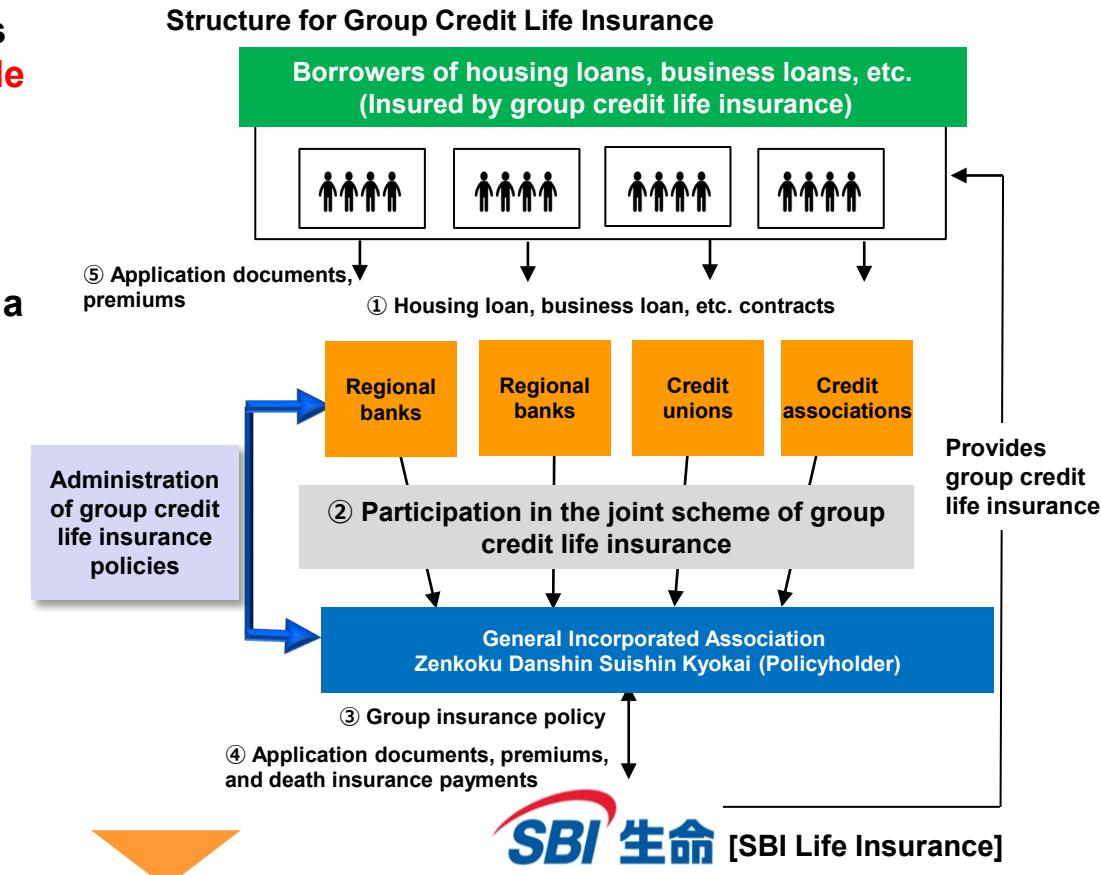
**Real estate management system companies**  
(Linkage with application management system)

# Focus on Building New Systems in Cooperation with Companies Outside the Group

## (i) SBI Life Insurance Endeavors for Efficient Business Operations Through Synergies by Providing Japan's First **Scheme of Group Credit Life Insurance to Financial Institutions**, Which Transcends the Boundaries of Business Categories and Regions

- Provide regional financial institutions with **economies of scale on a nationwide scale regardless of business type**, by maximizing the use of cloud and other technologies
- Strive to **reduce the administrative burden on each financial institution** for a speedy, smooth and low-cost administrative system

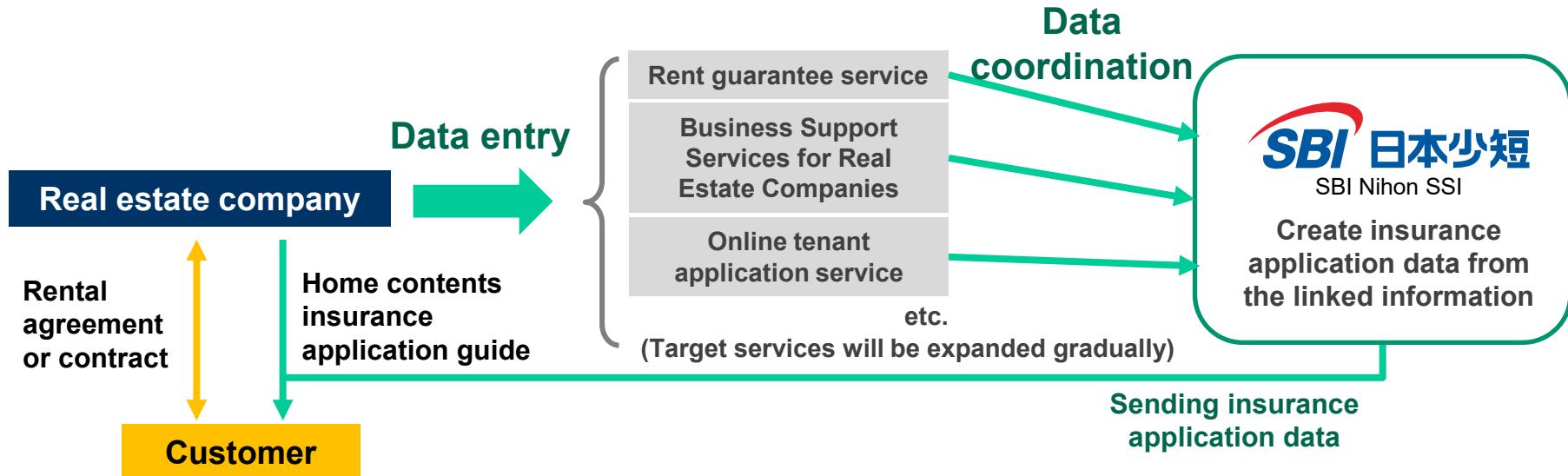
**General Incorporated Association Zenkoku Danshin Suishin Kyokai**, established by Shimane Bank and SBI Life Insurance, launched a joint group insurance business on Jan. 1, 2021. Two banks, Fukushima Bank and THE SENDAI BANK, also participated.



**The number of member institutions of the association has increased to 36**

## (ii) Data Link Between SBI Nihon SSI's Insurance Application System and a Real Estate Company's Application Management System

- Improving Customer Convenience and Real Estate Company Operational Efficiency, and Expanding the Customer Base -



### ① Improving customer convenience and real estate company business efficiency

→ Information entered into each service required for insurance applications is automatically linked\*, enabling the creation of insurance application data **without having to separately enter duplicate information**

\*Only with the customer's consent

### ② Expansion of SBI Nihon SSI's customer base

→ **Targeted services for system integration are gradually expanding**, and the customer base is also expanding.

Simultaneous introduction of rent guarantee and insurance in cooperation with rent guarantee service for real estate management companies also started

**(4) Promote an alliance strategy to expand the SBI Group's customer base and support regional financial institutions to address their various issues**

# Initiatives of SBI and Its Partner Regional Banks

## ■ Initiatives to improve the financial situation of regional banks themselves

Sophistication of securities operations

Securing stable earnings

Adaptation of fintech

Improving customer convenience

Creation of new revenue streams

Cooperation with the SBI Group companies

Revamp of the core system

Radical business improvement

## ■ Working with regional banks to support the local economy and their customers

Working with local businesses to develop new products

Development of cloud products

Developing overseas sales channels for local products

Thematic business meetings

Creating a place for local people to gather

Restaurants, cafés and accommodation

Consultation on new business expansion, business succession, etc.

Consultancy for business partners

**Developing unique strategies that take advantage of regional and banking characteristics, while thoroughly utilizing the SBI Group's management resources**

# Cooperation with Regional Financial Institutions that the SBI Group has Promoted (i)

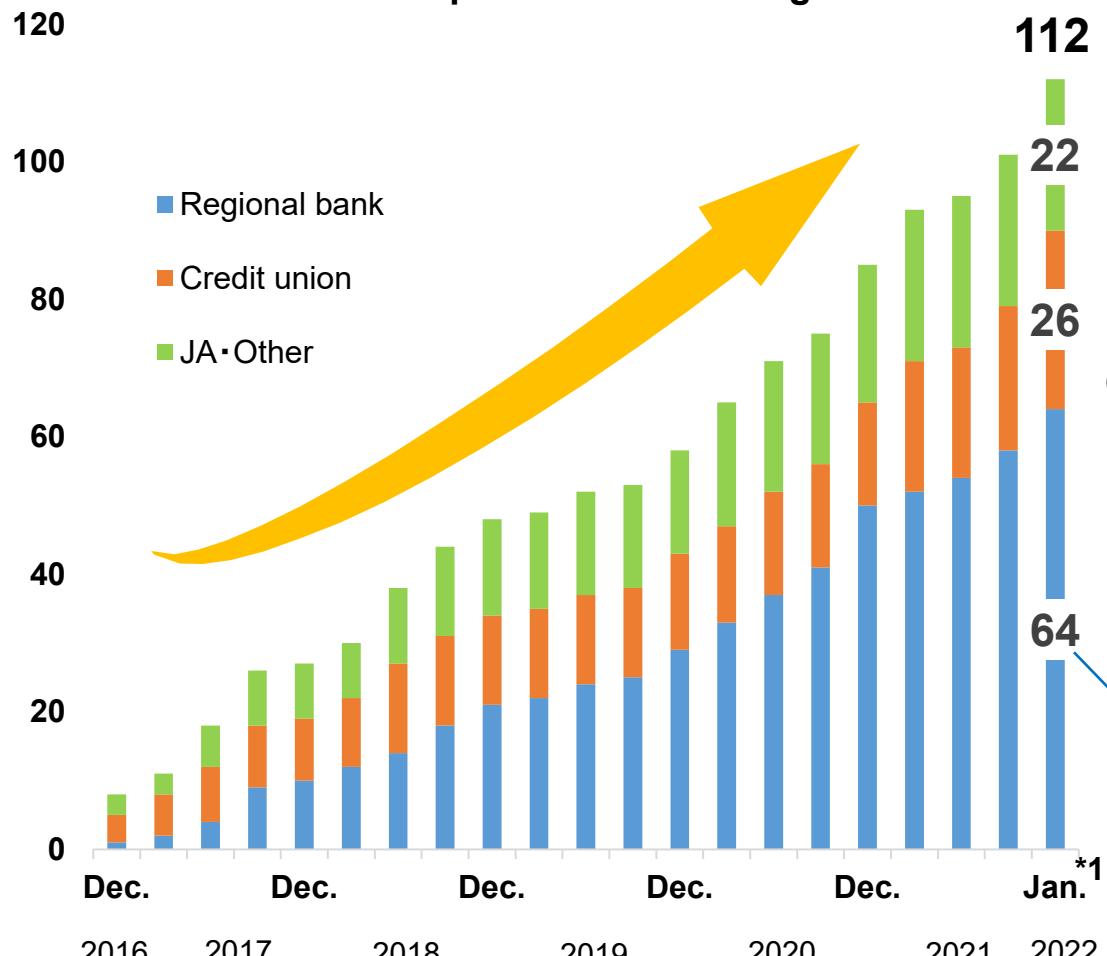
SBI Group Companies	Content of the Alliance
 [SBI SECURITIES]	Announced alliances with a total of <b>45 regional financial institutions</b> in the financial product intermediary business
 [SBI MONEY PLAZA]	Co-managing shop operations with <b>14 regional financial institutions</b> at <b>22 shops</b> , providing one-stop securities-related products handled by SBI MONEY PLAZA. Of these, one bank has agreed to open a third branch
 [SBI Life Insurance]	Sales of SBI Life Insurance's group credit life insurance being launched or already being sold at <b>59 regional financial institutions</b>
	<b>28 financial corporations</b> have decided to handle SBI Insurance's insurance products and are slated to start sales of the product shortly
	<b>12 banks</b> have introduced a white-labeled banking app provided by SBI NEO FINANCIAL SECURITIES, <b>with two other banks</b> having decided as well
	Signed agreement with <b>40 regional financial institutions</b> to introduce the back-office cloud services such as "Approval Time", "Keihi Bank", and "Kintai Reco" to their customers, and to provide "Josekin Hojokin Sindan Nevi (subsidy management & navigation tool") and "Business documents, contract, and legal form support service"

# Cooperation with Regional Financial Institutions that the SBI Group has Promoted (ii)

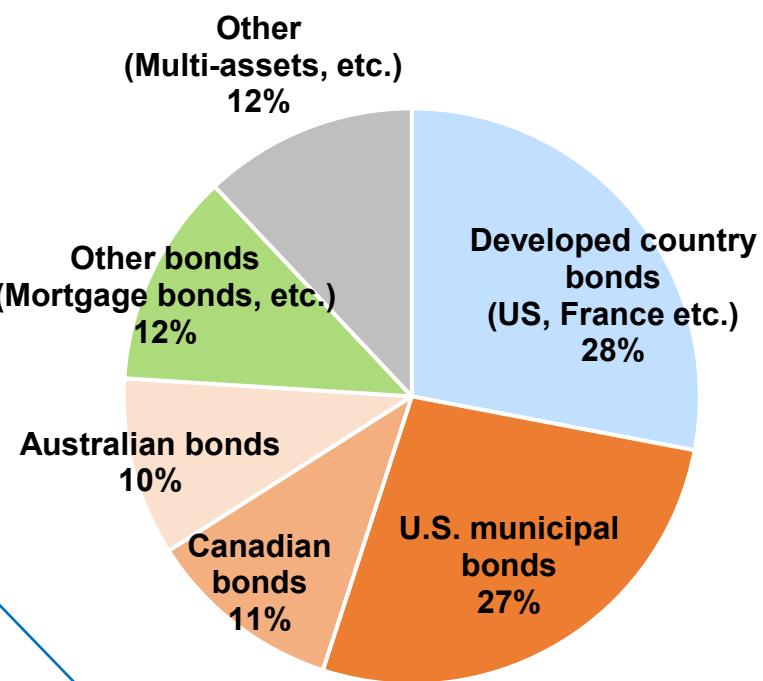
SBI Group Companies	Content of the Alliance
	The tablet app "Wealth Advisors" provided by Morningstar Japan has been adopted by <u>147 regional financial institutions</u>
	<u>38 institutions</u> , including regional financial institutions have invested in Money Tap, which provides money transfers between individuals. <u>Seven banks</u> such as the SBI Sumishin Net Bank, The Ehime Bank, and the Suruga Bank are already connected
	Established through joint investments with regional financial institutions, the number of participating banks has <u>expanded to 39</u> , and AUM has <u>exceeded JPY 960bn</u>
	<u>79 regional financial institutions</u> have invested in venture capital funds currently managed by SBI Investment
	International remittance services provided by SBI Remit now available at <u>7 banks</u>
	<u>5 regional financial institutions</u> have decided to offer the real estate purchasing and leasing services "Zutto Smile", <u>while another 3 regional financial institutions are in discussion</u>
	<u>5 regional financial institutions</u> have decided to adopt and have begun offering services such as AI screening and foreign currency related services in addition to the mortgage products offered by SBI Sumishin Net Bank

# SBI Asset Management Group (SBIAMG) is Entrusted with Asset Management of 112 Regional Financial Institutions etc.

<Number of companies under management>



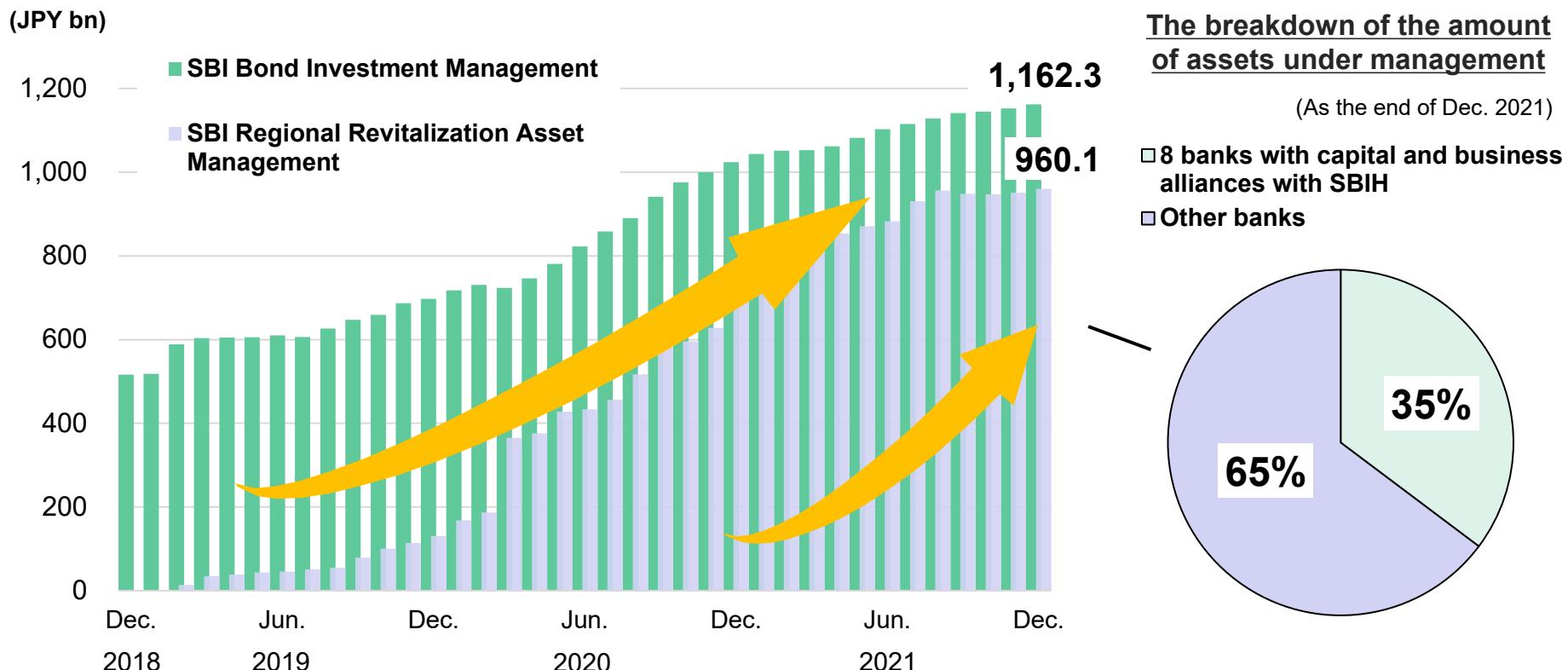
<Composition of investment products at SBIAMG for regional financial institutions by investment target \*2>



64.6% of 99 regional banks

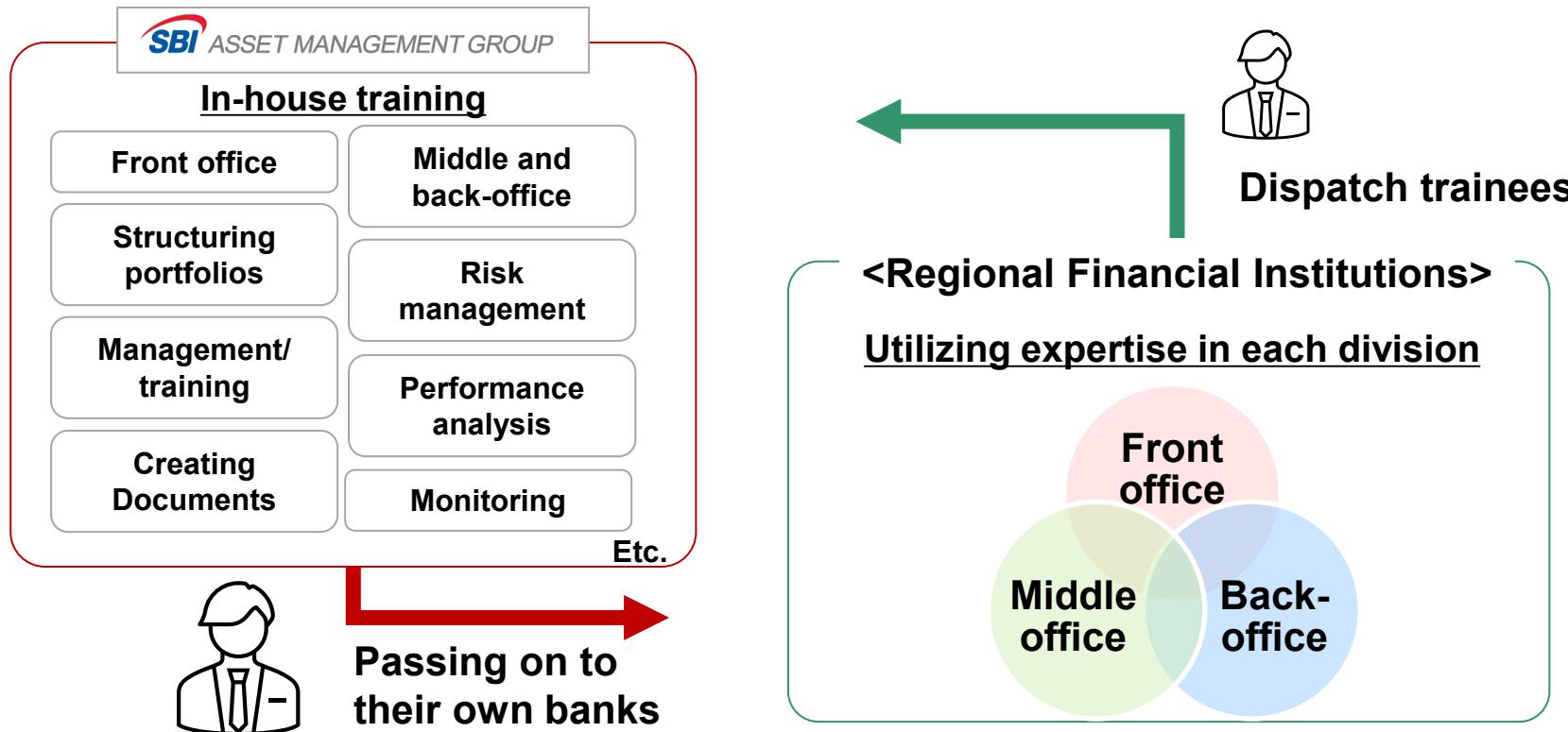
# Balance of AUM from Regional Financial Institutions Surpassed JPY 2.1 Trillion

- **SBI Bond Investment Management** (co-founded with PIMCO, one of the world's largest bond investors) and **SBI Regional Revitalization Asset Management**, which is co-invested by 39 regional financial institutions, have consistently provided customized investment products for each client, mainly highly rated and highly liquid overseas bonds, at extremely low cost
- **SBI Regional Revitalization Asset Management** has been entrusted with managing JPY 960bn in assets. Real yields, which were previously negative, have improved substantially as a result of portfolio reevaluation



# SBI Asset Management Group Supports Human Resources Development for Managing Securities at Regional Financial Institutions

**SBI Asset Management Group**, which has an excellent track record and expertise in managing assets, welcomes human resources from regional financial institutions to give training on asset management



**Trainees will contribute to strengthen the asset management systems of their own banks by soaking up expertise of asset management**

## **4. Aggressive promotion of M&A contributed to the expansion of the Group's overall performance**

# In the Securities-related Business, Actively Utilizing M&A to Realize the Neo-securities Initiative as Soon as Possible and to Further Expand Our Customer Base and Enhance Profitability

## ● The SBI Group's approach for M&A activities

In the Securities-related business, M&A targets for future-focused objectives include strengthening competitiveness through synergistic effects with existing businesses and cross-evolution, expanding the economic range of activity, rapidly increasing industry share, and forming a steppingstone toward global development

## ● Target areas for M&As

Conducted M&As targeting business areas that lead to a reduction in dependence on domestic stock brokerage commission as revenue from online trading\*

\* Deals that are expected to increase finance revenues, underwriting/sales commission offering/sales commissions, trading revenues, and other revenues

e.g.

FX company

Digital asset  
company

M&A specialist

Asset management  
company

Etc.

## [M&A results since 2020]



[Rheos Capital Works]

Management of  
investment trusts



Real estate  
developer



Operates crypto asset  
exchange



[SBI Neotrade Securities]  
(former: Live Star Securities)

Online Securities



Management and  
operation of real estate  
assets



[FOLIO Holdings]

Provision of infrastructure systems  
for theme investment management,  
wrap management, etc.



[B2C2]  
Digital asset  
market maker

In the Insurance-Related Business, SBI Insurance Group Is Actively Engaged in M&A of Small-Amount Short-Term Insurance Providers. Small-Amount Short-Term Insurance Providers Acquired through M&A Have a Wide Range of Products from Life and Non-life Insurance to Third Market, Which Allows SBI Insurance Group to Have an Expansive Strategy



### Non-life Insurance

The number of in-force contracts:  
1,173 thousand



SBI Insurance

Start of business  
in Jan. 2008



### Life Insurance

The number of in-force contracts:  
297 thousand



SBI Life Insurance

Joined the Group  
in Feb. 2015

### Small-amount Short-term Insurance

The number of in-force contracts: 971 thousand



SBI IKIIKI SSI

[term insurance, medical insurance, earthquake compensation insurance, pet insurance]  
Life Insurance, Non-life Insurance, Third market

Joined the Group  
in Mar. 2013



SBI Resta SSI

[pet insurance]  
Non-life Insurance

Joined the Group  
in Mar. 2012



SBI Nihon SSI

[home contents insurance, vehicle insurance]  
Non-life Insurance

Joined the Group  
in Sept. 2016



SBI PRISM SSI

[pet insurance]  
Non-life Insurance

Joined the Group  
in June 2019



JOGUCHI SAFETY SSI

[home contents insurance]  
Non-life Insurance

Joined the Group  
in Sept. 2020

Segment income (ordinary income basis) for the small-amount short-term insurance business is JPY 220mn for 1H FY2021 (J-GAAP)

### Considering further M&As

\* The number of in force contracts as of the end of Dec. 2021

# Companies that have Joined the Group through M&A since April 2018 have Already Contributed to the Group's Overall Profit

## Consolidated subsidiaries

**Rheos Capital Works** (June 2020: Became a consolidated subsidiary)

**SBI Neotrade Securities** (former livestar Securities)

(Oct. 2020: Became a consolidated subsidiary)

**TaoTao** (Oct. 2020: Became a consolidated subsidiary)

**B2C2** (Dec. 2020: Became a consolidated subsidiary)

**FOLIO Holdings** (Aug. 2021: Became a consolidated subsidiary)

**Tozai Asset Management** (Sept. 2021: Became a consolidated subsidiary)



9M FY2021  
Profit before  
income tax expense

Total of six companies  
**JPY 6,956mn**

## Equity method associate

**Ascot** (Oct. 2020: Became an equity method affiliate)

**Keystone Partners** (Oct. 2020: Became an equity-method affiliate)

**Medical Data Vision** (Nov. 2020: Became an equity method affiliate)

**ALBERT** (June 2021: Became an equity-method affiliate)

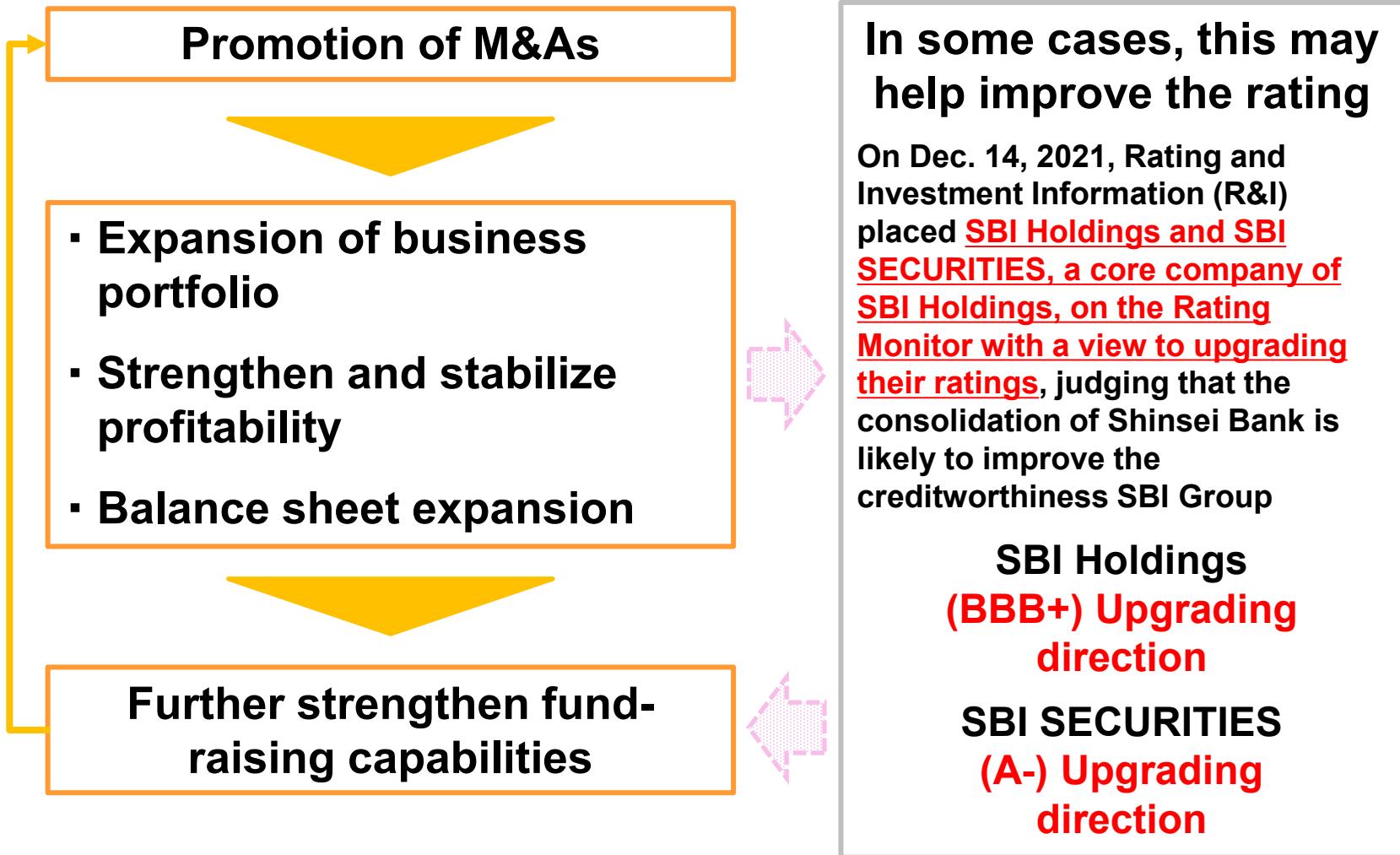


9M FY2021  
Profit before  
income tax expense

Total of four companies  
**JPY166mn**

With the addition of Shinsei Bank's contribution, the Group's business portfolio is expected to further reduce its dependency on the securities market as it continues to diversify its revenue sources and expand its customer base

# Expanded Scale and Strengthened Profitability from M&A Creates a Virtuous Cycle that Leads to Further M&A



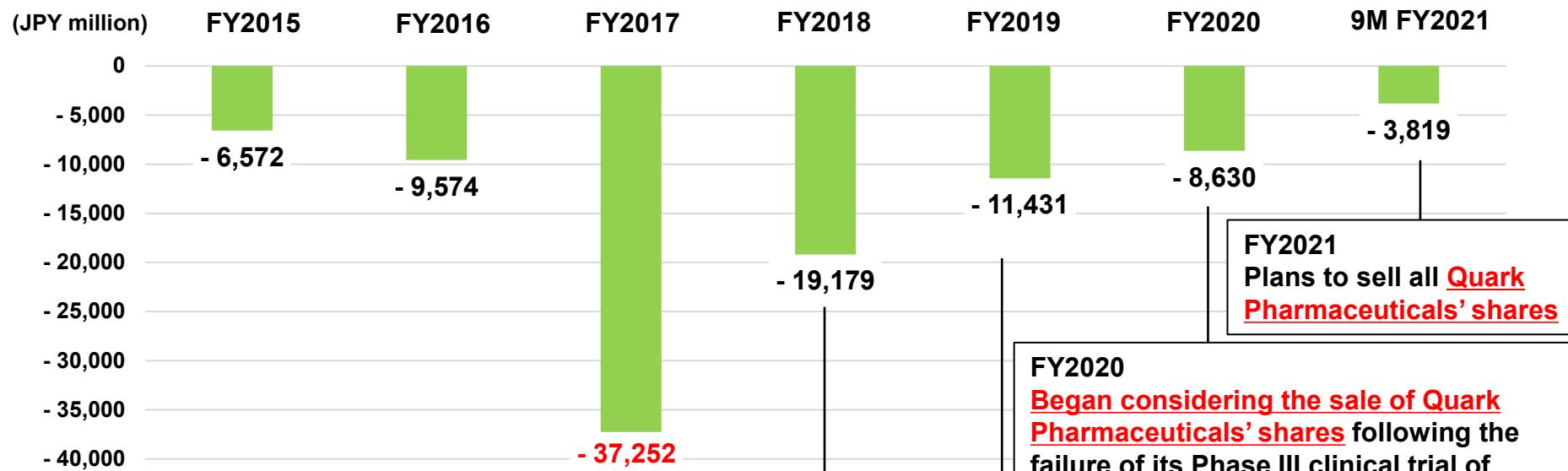
## **5. Optimization of business through the process of "Selection and Concentration" has significantly contributed to improvement of revenue**

**In the Biotechnology, Healthcare & Medical Informatics Business, business performance improved significantly due to the concentration of the business on the development of pharmaceuticals and the sales and development of health foods using 5-ALA (5-aminolevulinic acid), also known as the "root substance of life"**

# The Strategy of "Selection and Concentration" has Brought Major Improvement to the Biotechnology, Healthcare & Medical Informatics Business



Trends in the profit before income tax expense (IFRS) of the Biotechnology, Healthcare & Medical Informatics Business Segment (FY2015-9M FY2021)



## FY2017

- In order to reduce potential future business risks, an impairment loss was recorded due to a review of the pipeline held by Kubota Pharmaceutical Holdings, a then equity-method affiliate, and the partial revaluation of intangible assets of Quark Pharmaceuticals
- SBI ALPromo and SBI Biotech achieves full-year profitability for the first time since its inception
- SBI Pharmaceuticals launches the Photodynamic Diagnostic Agent "ALAGLIO® Divided Granules 1.5g"

**FY2021**  
Plans to sell all Quark Pharmaceuticals' shares

**FY2020**  
Began considering the sale of Quark Pharmaceuticals' shares following the failure of its Phase III clinical trial of acute kidney injury (AKI) prevention drug

## FY2019

Completes sale of all Kubota Pharmaceutical Holdings' shares from the viewpoint of "Selection and Concentration"

## FY2018

To seek future improvement of revenue, an additional impairment loss was recorded for the two companies that had recorded an impairment loss in FY2017

- (1) **SBI Pharmaceuticals aggressively promotes the development and use of drugs using 5-ALA**

# Progress in the Main Pipeline of Pharmaceutical Products Utilizing 5-ALA<sup>\*1</sup>

Fields	Pipeline projects	Current status		
		Phase I	Phase II	Phase III
Photodynamic diagnostic agent (PDD)	<b>Bladder cancer</b> Usage change of intraoperative diagnostic agent (Extension of dosing time) (by SBI Pharmaceuticals)	<b>Phase III started (Nov. 2021)</b>		• Conducted domestically
	<b>Breast tumor</b> (by SBI ALApharma Canada)	<b>Phase III underway</b>		• Conducted in the U.S. and Canada
	<b>Meningioma</b> Expansion of Indication for Intraoperative Diagnostics for Malignant Glioma (by NXDC)	<b>Phase III underway</b>		• Obtained orphan drug designation from the FDA • Conducting in the U.S., Germany, and Austria
Interstitial photodynamic therapy(iPDT)	<b>Malignant glioma (second primary)<sup>*2</sup></b> (by photonamic)	<b>Phase IIb underway</b>		• Conducted in University of Münster (Germany) and 2 other institutions
	<b>Malignant glioma (primary)</b> (by photonamic)	<b>Phase II underway</b>		• Conducted in LMU Munich (Germany) and 2 other institutions
Therapeutic agent	<b>Cardiac ischemia-reperfusion injury<sup>*2</sup></b> (by SBI Pharmaceuticals)	<b>Phase II underway</b>		• Conducted at Oxford University (UK)

\*1 5-ALA (5-Aminolevulinic Acid Hydrochloride)

\*2 Investigator-led trial

# With the Easing of Restrictions on its Use, Further Utilization Expected of the Photodynamic Diagnostic Agent "ALAGLIO® Divided Granules 1.5g"



## "ALAGLIO® Divided Granules 1.5g"

Domestic sales company: Nippon Kayaku Co., Ltd.

By visualizing the bladder tumor during transurethral resection of bladder tumor (TURBT), a type of operation for removing bladder cancer, the drug facilitates of the resection of cancer that has not reached the muscle layer (non-muscle layer invasive bladder cancer), which is an indication for this drug

- **Usage change: 3 hours (2-4 hours) before cystoscope insertion**  
 ⇒ Clinical trials are initiated for use 2-8 hours before cystoscope insertion (See previous page)

It is expected that the extension of the time available for administration will improve convenience and lead to wider use of the drug

- **Drugs and foods that may cause photosensitivity were removed from the "Contraindications for Co-administration"**

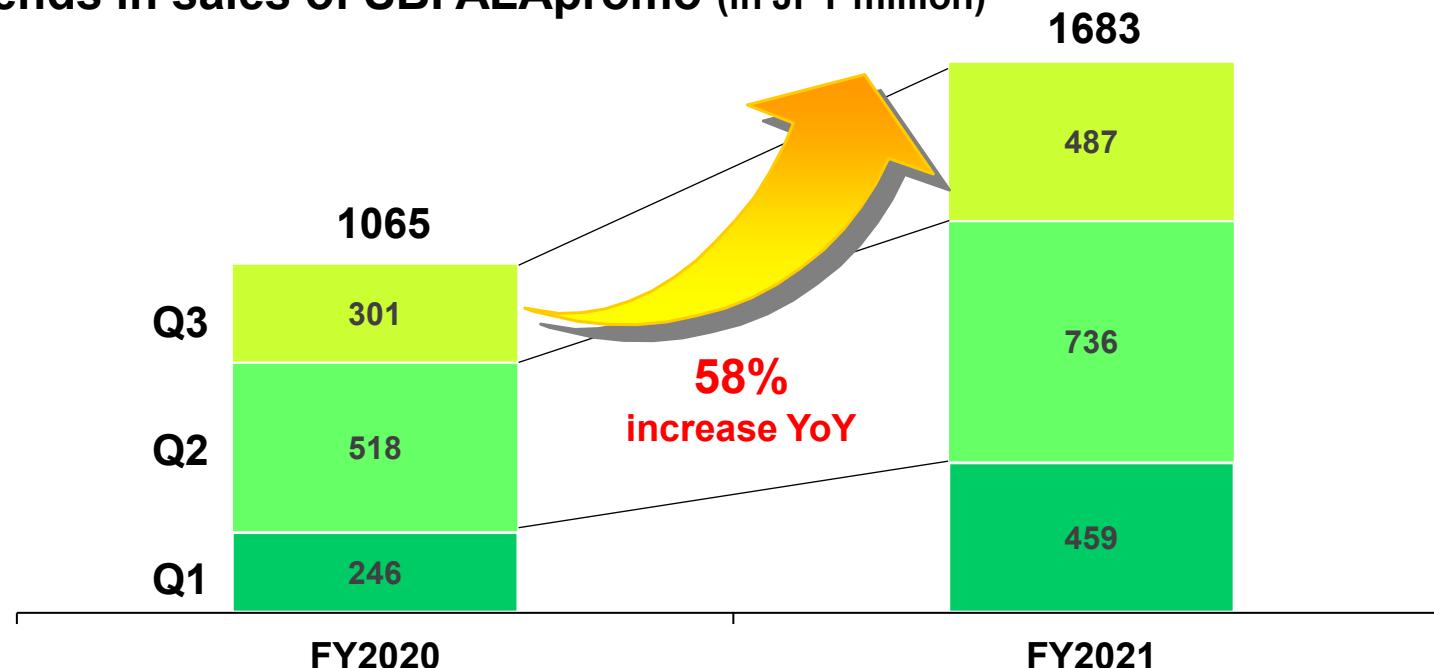
With the deletion of "Contraindications for Co-administration" and the addition of "Precautions for Co-administration" in the Directions for Use, it is expected that the number of patients applicable for TURBT will increase due to the enabling of treatment of comorbidities and TURBT under the administration of this drug, which was previously restricted

- (2) **By expanding the product offerings for Foods with Functional Claims using 5-ALA, SBI ALA Promo has achieved a significant increase in profitability by responding to the various needs of customers**

# SBI ALApromo's Sales Grew Substantially Due to the Successful Launch of Various 5-ALA-related Products



Trends in sales of SBI ALApromo (in JPY million)



## Factors behind increase of sales in FY2021

- Launch of various products including two foods with functional claims, "ALA PLUS Mental Care" and "ALA PLUS Toh (Sugar) Down ALACIA" has boosted its introduction in shops such as drug stores, etc.
- Publicity of 5-ALA has increased significantly through increased health awareness and media coverage

# SBI ALA Promo has Launched Various 5-ALA Related Products Centered on Foods with Functional Claims in Accordance with Rising Health Awareness



## ■ Support mental health

Launched in July 2021



Foods with Functional Claims

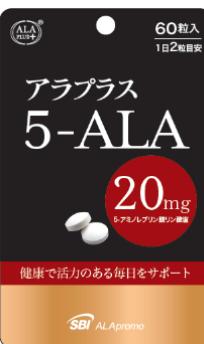
### "ALA PLUS Mental Care"

#### Functional Claims:

This product contains 5-aminolevulinic acid phosphate and has the function of relieving temporary depressed feelings of those who are experiencing temporary stress. It is suitable for people who are temporarily depressed.

## ■ Dietary supplement

Launched in Aug. 2021



### "ALA PLUS 5-ALA20" (Supplement)

Sold at drug stores, etc.

## ■ Support blood sugar levels

Launched in Dec. 2021



Foods with Functional Claims

### "ALA PLUS Toh (Sugar) Down ALACIA"

#### Functional Claims:

This product contains 5-aminolevulinic acid phosphate (5-ALA) and Salacia-derived salacinol. 5-ALA has been reported to help lower high fasting blood glucose to normal and moderate postprandial blood glucose levels. Salacia-derived salacinol has been reported to suppress the absorption of sugar ingested from foods and to moderate the rise in postprandial blood glucose levels. It is suitable for people with high blood sugar levels and those who tend to eat a high-sugar diet.

# Strive to Meet the Various Health Demands of Customers by Expanding the Product Offerings for Foods with Functional Claims

- Products that have been notified and approved by the Consumer Affairs Agency based on "the system of Foods with Functional Claims"

**Recovery from fatigue**

**"ALA PLUS Gold Hirokan Keigen"**  
Planned launch in Spring 2022

**Functional Claims:**

This product contains 5-aminolevulinic acid phosphate (5-ALA) and has the function of reducing temporary fatigue caused by work in daily life. It is suitable for people who feel temporary fatigue in daily life.



- Development status of other foods with functional claims

Product concept	Implementation status of clinical trials	Progress
Male menopause improvement	Conducted clinical trials in collaboration with Juntendo University	Under submission
Fatigue reduction after exercising	Conducted clinical trials in collaboration with Juntendo University	Planning submission

**Continue to develop new Foods with Functional Claims using 5-ALA**

### (3) Developing a new growth business that utilize medical statistics and medical information

# Strengthening Business Alliance with Medical Data Vision (MDV) to Promote the Medical Informatics Business

## - SBI Insurance Concluded a Basic Agreement with MDV -



SBI Group's shareholding:22.48%  
\*As of Dec. 23. 2021



- MDV has extensive experience and deep knowledge of the utilization of medical big data, with a huge amount of medical data from hospitals and health insurance associations (actual number of patients: approx. 38.49 million, as of end of December 2021)
- MDV's PHR (Personal Health record) service "Karteco" which facilitates the management of vaccine passports, is used by approx. 31,000 people

- ①  **SBI FinTech Solutions**  
Plan to develop factoring services for medical institutions
- ②  **SBI損保 SBI Insurance**  
Started the development of insurance products that utilize medical data

### SBI Holdings plans to acquire additional shares to accelerate the business alliance

- Development of new products and services in the fields of finance and healthcare
- Promotion of businesses that contribute to the revitalization of the local economies and regional medical care
- Strengthening cooperation with SBI subsidiaries and companies invested by the SBI Group in the medical and healthcare business area

### III. Two Major Strategies for the Next Generation to Build a Business Foundation that Enables Sustainable Growth of the SBI Group

1. New dimensional initiatives for the early realization of regional revitalization
2. Endeavoring to establish a digital ecosystem with overwhelmingly advanced capabilities in the vast business domain of the digital space in order to respond to accelerating social changes

# **1. New dimensional initiatives for the early realization of regional revitalization**

- (1) Measures to be taken to address the problems of regional financial institutions**
- (2) Measures to be promoted in cooperation with local governments**

## (1) Measures to be taken to address the problems of regional financial institutions

### ① Next-generation banking account system

-Shift the heavily cost weight of the regional financial institutions, from fixed costs to variable costs with next-generation accounting system-

### ② DX Database

-Construction of a large-scale database to be used by regional financial institutions to promote DX that increases the customer base and convenience-

# Resolving Various Systemic Issues Faced by Regional Financial Institutions

-Shift from fixed costs to variable costs with next-generation accounting system-

## Current status of regional financial institutions

- ✓ Many regional financial institutions have large and heavy core systems, which incur large costs when upgraded every few years → **Heavy pressure on profits od regional financial institutions**
- ✓ Difficult to flexibly expand or change systems (i.e., vendor lock-in)
- ✓ Lack of a centralized customer data management system and lack of system personnel, etc.

## Challenges of conventional systems

- ① Large investment for large-scale system renewal once every few years
- ② Periodic system renewal costs for peripheral devices such as sales terminals
- ③ Large additional costs to vendors for functional enhancements
- ④ Disparate customer data management in multiple systems
- ⑤ Human resources to deal with old development languages "2025 digital cliff"



## Solutions that the SBI Group can offer

- ① **Annual fee model**
- ② **Reduce system costs through joint operation on AWS**
- ③ **Migrating to open technologies using the cloud**
- ④ Respond quickly and at low cost to diversify channels and payment services by **shifting to CIF (Customer Information File)** for all branches
- ⑤ **Real-time, centralized data management** to speed up data analysis and collaboration with other industries
- ⑥ **Ensure scalability through APIs**

## Steady Progress in Development of Next-Generation Banking System -Fukushima Bank agreed to become the first user-

- ✓ SBI Regional Revitalization Services and Future Architect have formed a business alliance to promote the development of a next-generation banking system, including an account system that can be operated on a cloud basis
- ✓ The system will be designed and built on AWS to achieve high scalability, and will be able to connect to any system through open APIs, enabling new functionality and additional development at low cost and in a short period of time
- ✓ By adopting an anonymous partnership structure for fundraising, endeavor to level out the system cost burden through an annual fee model, and to return profits through dividends to investors

<Anonymous partnership scheme>

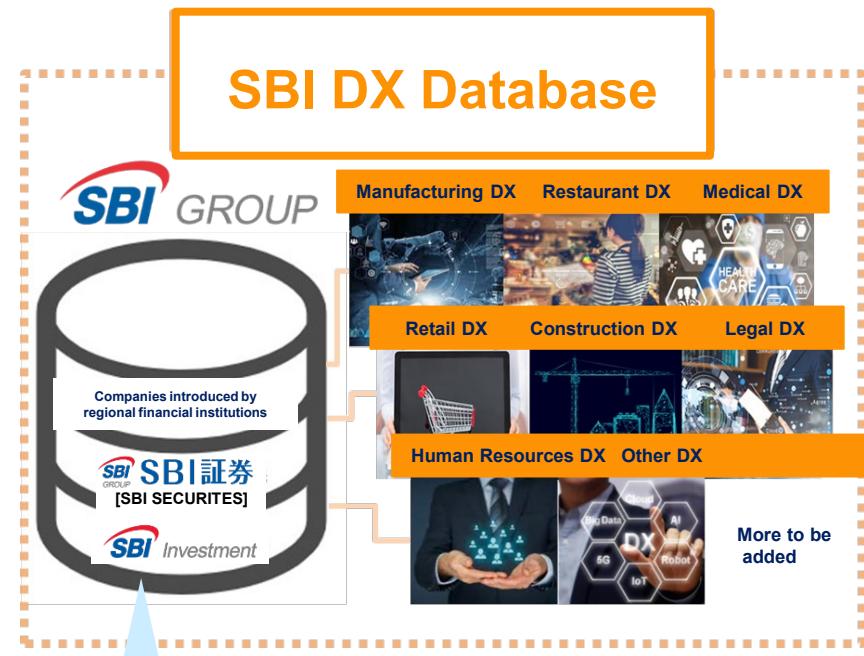
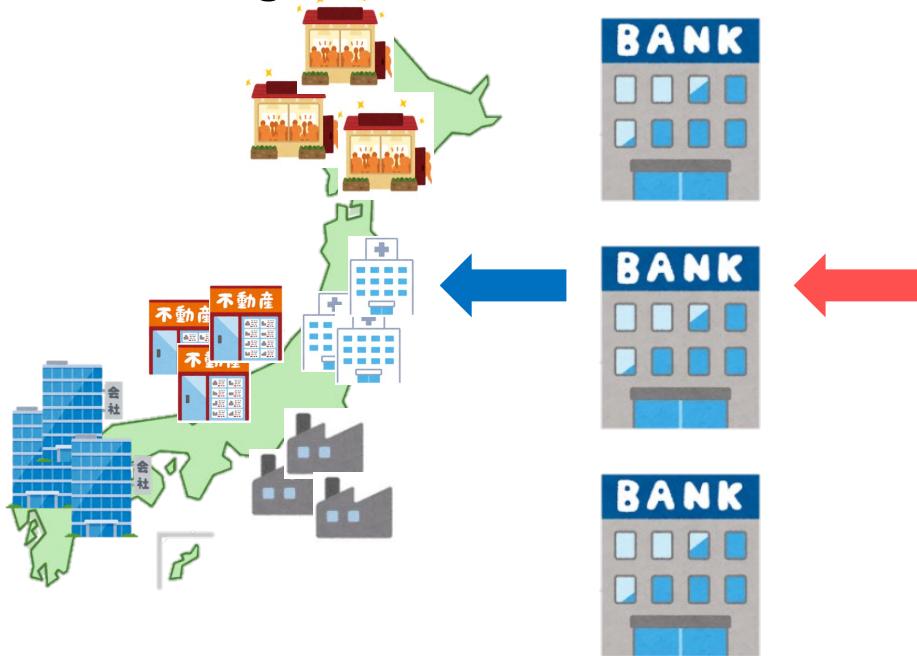


The Anonymous partnership will endeavor towards adoption of 10 banks by FY2030, and achieve profitability by FY2031

# Realization of the “SBI DX Database” Concept (i)

- Compile a database of solutions that will contribute to the digital transformation (DX) of SMEs by fully utilizing the network of the SBI Group acquired through its investment in startup companies and processing analyzation of the SMEs
- By using this database, regional financial institutions will be able to establish an efficient client support system and expansion of menu lineup

## Businesses in each region      Regional Financial Institutions



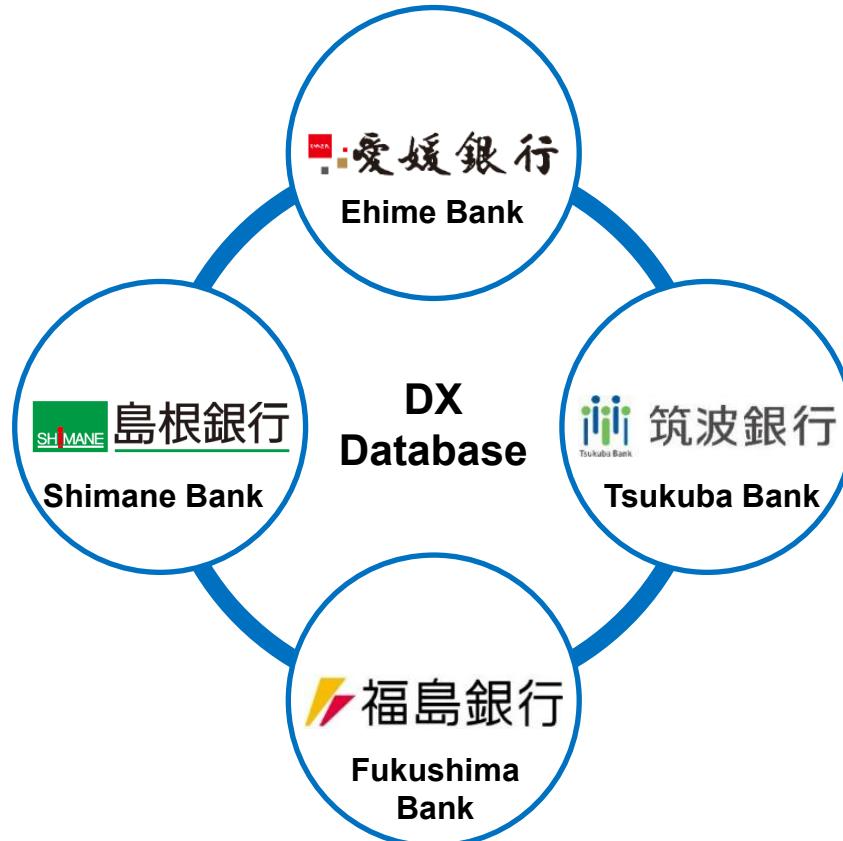
By analyzing SMEs by categories, expected to improve customer convenience and contribute to the revitalization of the local economy as local businesses accelerate their DX shift

# Realization of the “SBI DX Database” Concept (ii)



-Began cooperation with the initial partners:

Ehime Bank, Shimane Bank, Tsukuba Bank, and Fukushima Bank-



## Support for DX of local companies

- Making restaurant operations more efficient and smarter
- Reduce the contact and workload of medical institutions
- Smoothly handle everything from opening EC stores to shipping to accounting processing
- Efficient back-office quotation, billing, and accounting processing

etc.

**26,824 companies use the eight SBI partnership banks as their main bank\***

\*According to the TOKYO SHOKO RESEARCH

Contribute to the sustainable development of local communities together with regional financial institutions by supporting their efforts to strengthen their consulting functions and enhance SME's corporate value

## (2) Measures to be promoted in cooperation with local governments

- ① Regional currency business
- ② "Health Account" project
- ③ "Michi-no-Eki" (Roadside station) project
- ④ Corporate version of "Furusato Taxation"

# ① Regional Currency Business Expanding Nationwide through Promotion and Cooperation with Local Governments



## Platform development & management: Machi no Wa

(Joint venture invested from SBI Holdings, THE CHIKUHO BANK, and Kyushu Electric Power)

### -Achievements of regional currency (premium coupons)-



Ukiha City  
mobile shopping ticket  
(Ukiha City, Fukuoka)



Dazaifu pay  
(Dazaifu City, Fukuoka)



Higura Pay  
(Fukuoka City, Fukuoka)



Cashless hako-  
popoppo  
(Fukuoka City, Fukuoka)



Hita Pay  
(Hita city, Oita)



Miyama Smile Pay  
(Miyama city, Fukuoka)



Paycha  
(Kita-Kyushu City, Fukuoka)



Miyako-Pay  
(Miyako Town, Fukuoka)



Itoshima pay  
(Itoshima City, Fukuoka)



Yame Pay  
(Yame City, Fukuoka)



Arao PAY  
(Arao City, Kumamoto)



Ukuhashi Pay  
(Yukuhashi City, Fukuoka)



Digital ishizuchi-  
hansatsu  
(Saizyo city, Ehime)



Asakura Pay  
(Asakura City, Fukuoka)



Muunakata Pay  
(Munakata City, Fukuoka)



Izuka Pay  
(Izuka City, Fukuoka)



Nisshin Pay  
(Nisshin City, Ehime)



Kappa Pay  
(Kurume City, Fukuoka)



Yanagikawa-Han Pay  
(Tanagikawa City, Fukuoka)



Shogun-Fuji Pay  
(Ogori City, Fukuoka)



On Pay  
(Onga Town, Fukuoka)



Takamiya Pay  
(Fukuoka City, Fukuoka)



Omuta Mirai Pay  
(Omuta City, Fukuoka)



Platform  
introduced  
in  
23 regions

- Started in Sept. 2021, SBI provides a payment platform using the "Corda Enterprise" blockchain distributed ledger platform
- Expanding initiatives nationwide by leveraging the SBI Group's network of regional financial institutions

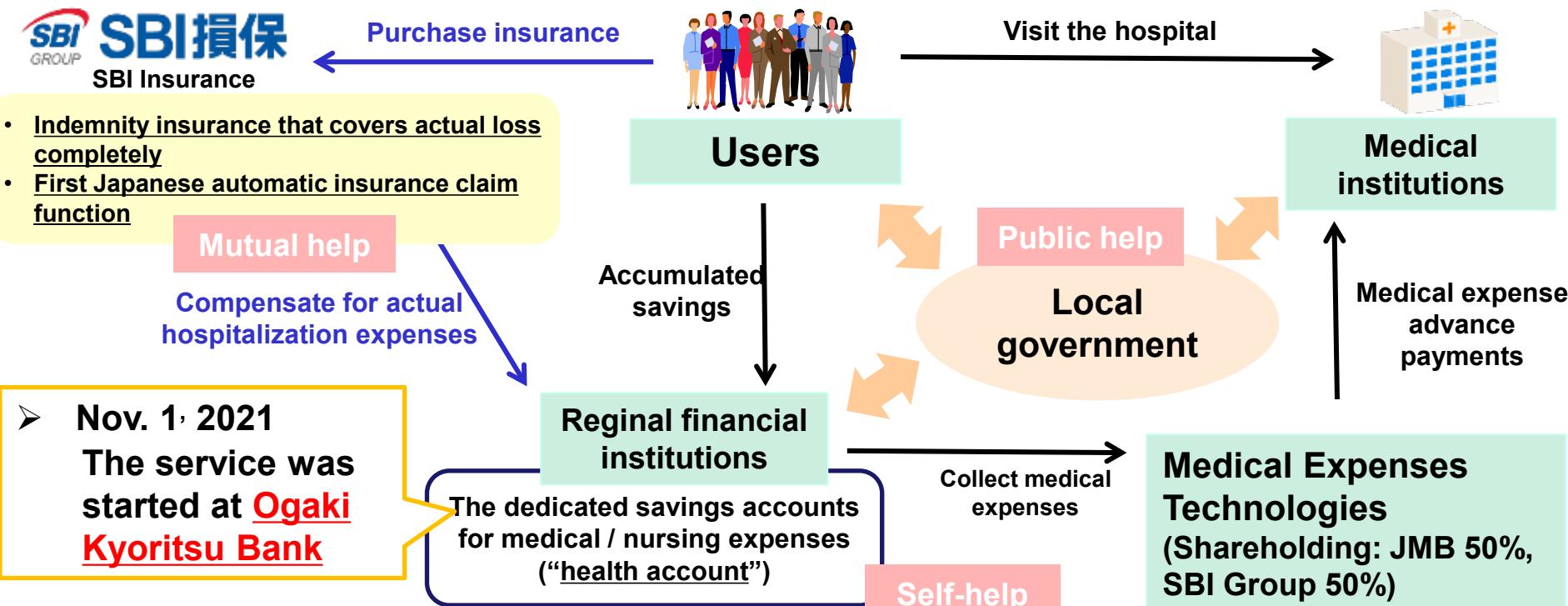
## “Health Account” Business Officially Started by SBI Group and Local Communities to Improve Local Medical Services in conjunction with Regional Revitalization

- Service launched at Ogaki Kyoritsu Bank in Nov. 2021 -

Under discussion with several regional financial institutions and regional medical institutions

### “Health Account”:

A new service consistent with the realization of “self-help”, “mutual help”, and “public help” as medical costs are expected to come under pressure due to the declining birthrate, aging population, and declining working population. The service includes a deferred payment service for medical expense, medical insurance, dedicated savings accounts for medical/nursing expenses, apps for healthcare management, etc., in order to support preparation for future medical expenses of the customers, establishment of a new source of revenue for local institutions, DX at medical institutions, and to contribute creation of a livable city.



## SBI Group Developed “Health Account [Entry Model]” that Can Be Used for General Accounts to Further Grow the “Health Account” Business

- Service was launched at **CHIKUHO BANK** on Jan. 4, 2022 -

Under discussion with several regional financial institutions and regional medical institutions

- ◆ “Health account [Entry model]” expands the options for regional financial institutions and users and is designed to allow users to use a general account with no usage restrictions and to choose between a one-time or monthly fee for medical expense advance payment services

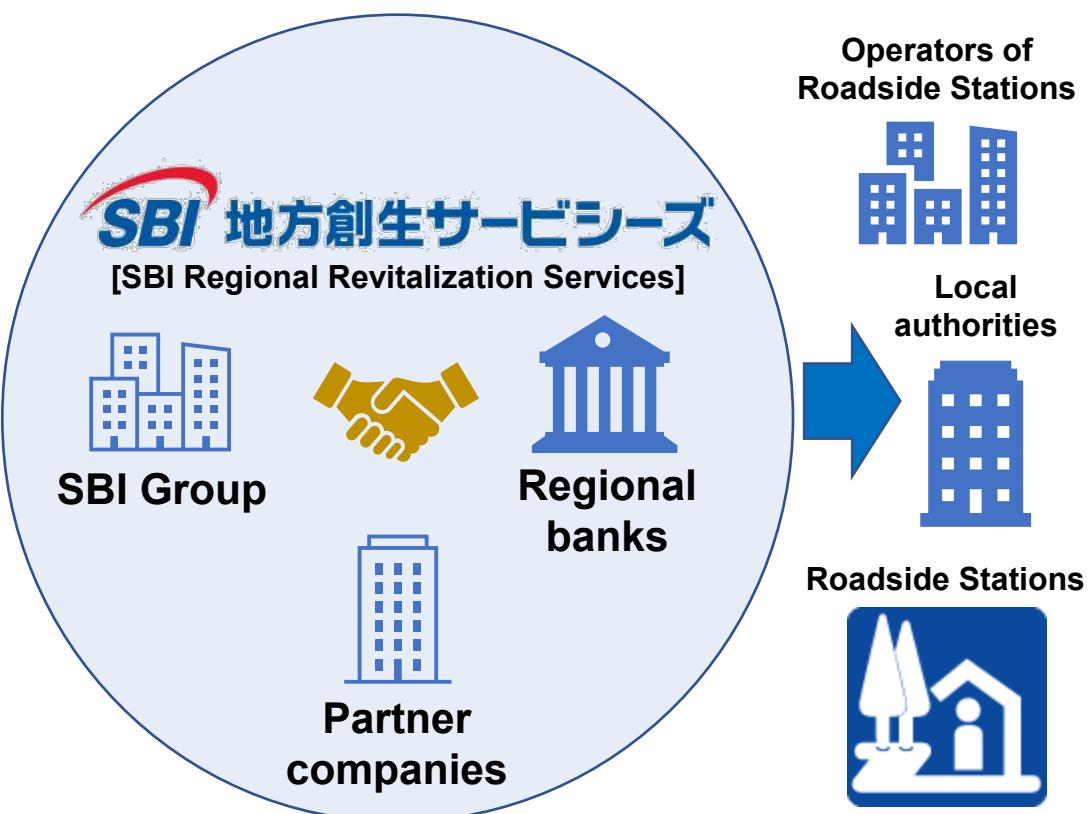
Details of “health account” and “Health account [Entry model]”		
<b>① Deferred payment service for medical expense</b>	<b>When sick</b>	<b>② Medical insurance</b>
<ul style="list-style-type: none"> <li>✓ Open “health account” (savings account) which is a dedicated account for payment of medical expenses at a regional financial institution</li> <li>✓ By simply producing “health account” card at the counter, payment of medical expenses on the same day will not required and the amount will be deducted from health account at later date</li> <li>✓ In the service of “health account [Entry model],” the amount will be deducted from general account</li> </ul>		<ul style="list-style-type: none"> <li>✓ Insurance covers the deductible for actual incurred hospitalization expenses</li> <li>✓ MEX (SBI Group shareholding: 50%) undertakes the troublesome process of claiming insurance payments from the insurance company</li> </ul>
<b>③ Apps for healthcare management</b>	<b>When healthy</b>	<b>④ Nurse call</b>
<ul style="list-style-type: none"> <li>✓ Users need only measure weight and body fat percentage on occasion; no need to record every meal</li> <li>✓ A healthcare management apps avails all health data to the user</li> </ul>		<ul style="list-style-type: none"> <li>✓ Users can easily consult with dedicated nurses on the phone wherever they are worried about their health or have sudden illness (In principle, this is an optional service for “health account [Entry model]”)</li> </ul>

**Continue to work with local communities to improve healthcare finances and the health and wellbeing of residents by further promoting the “health account” business**

# Regional Revitalization through the SBI Group's "Michi-no Eki" (Roadside Station) Project

- SBI Regional Revitalization Services and the SBI Group will continue to help improve local economies by promoting regional revitalization in cooperation with local governments and businesses through the network of roadside stations across the country
- The SBI Group will approach partner companies and roadside station operators to try and develop business using SBI's resources (charging infrastructure, renewable energy, regional financial institutions, etc.)

Contribute to regional revitalization by helping to improve local economies through roadside stations



## 22 Roadside Stations

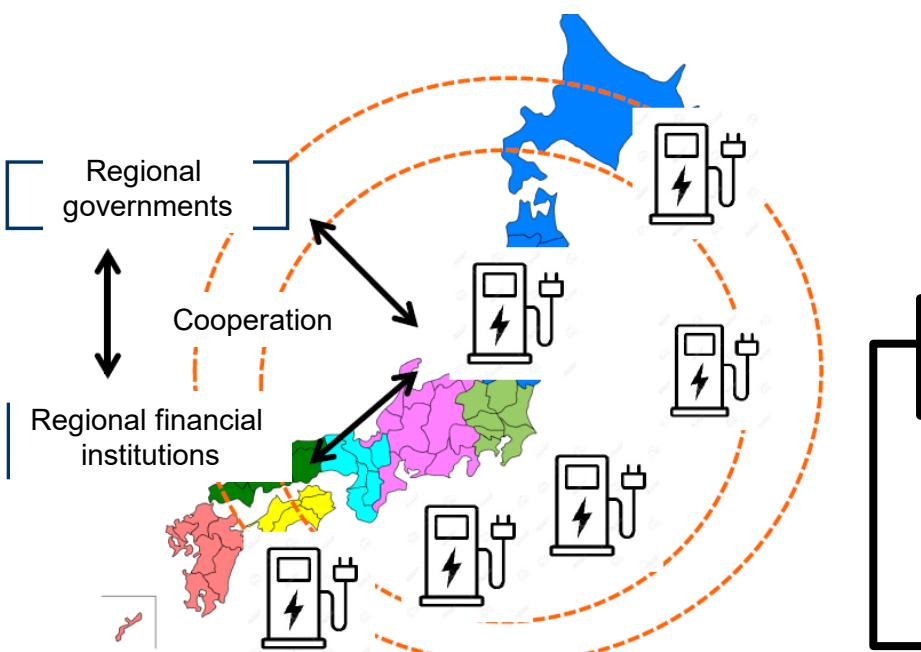
### Annual Sales Over JPY 1bn

The roadside station rest areas for drivers have evolved into places that can stimulate local economies. The number of roadside stations in Japan has nearly doubled in 20 years to about 1,200. More than 20 of these rest areas earn over JPY 1bn annually. As well as selling fresh local produce, more places are attracting customers with unique products that have been made right through from the processing stage. Roadside stations that pull in large numbers of customers have begun to attract private investment, for example, with the building of hotels nearby

Complete with public toilets and free access to 24-hour parking, roadside stations are required to have the facilities for local cooperation and sharing information. The first roadside station was opened in 1993. There are now 1,193 facilities as of June 2021, an increase of about 550 since fiscal 2001. According to a survey conducted in fiscal 2015 by the Ministry of Land, Infrastructure, Transport and Tourism, a total of 200 million people visit these nationwide roadside stations annually, generating total sales of about JPY 250bn

## Utilization of the Network of Nippon Charge Infra Co.,Ltd, A Subsidiary of the SBI Group (Investment Ratio: 53%)

- Promote the installation of charging infrastructure at roadside stations and public facilities throughout Japan -



List of charging infrastructure for EVs  
installed by the Company

	Michi-no-Eki	Public facilities	Total
Location	227	17	244
Installed (quick charger)	274	17	291
Installed (normal charger)	39	0	39

Currently mainly developing quick chargers

\*includes stations to be installed this FY

- Studying the design of roadside stations equipped with disaster prevention functions in cooperation with investee companies and external partner companies
- Promote the revitalization of roadside stations and the local economy in response to a full-scale spread of electric vehicles (EVs)

## ④ Initiatives on Corporate Version of "Furusato Taxation"

- Promoting the use of "Corporate Furusato Taxation" to provide tax benefits to companies that donate to local development projects -

### Benefits for tax-paying companies

- Tax deduction of up to 90% of the donation amount
- May purchase employee benefit services at a discount of up to 90%
- Employee welfare and retention

Enjoy benefits while contributing to local development

Introduce regional revitalization plans

Local government

Regional revitalization plan

Companies with ties to the region, such as those with business partners or factories in the region, or those seeking a unique range of welfare services

Matching

Introduce plan

Find potential taxpayer

Taxpaying corporations

Corporation

Employees

Corporation

Employees

RCG (Regional Company Group)

To support local companies in developing sustainable business models, especially in developing overseas sales channels



Reginal financial institutions, etc.



Welfare services

Support for matching in collaboration with RCG, an SBIH investee partner

## 2. The SBI Group endeavor to establish an overwhelmingly advanced digital ecosystem in a vast range of business domains beyond finance to respond to the accelerating changes in society in the digital space

**-From ripples to a big tidal wave-**

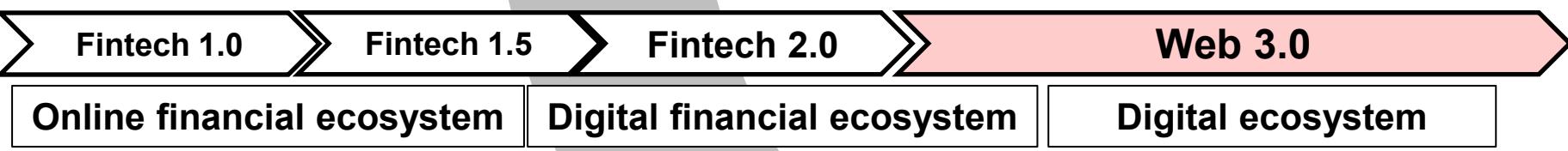
- (1) Actively invest in companies with leading-edge technologies in the digital space to become the next generation platformers in various fields**
- (2) The SBI Group strengthen contact with the digital generation by developing eSports-related business**
- (3) SBI Group will launch a full-fledged branding strategy in the next fiscal year to gain recognition over other companies as a pioneer in the digital space era**

## Realization of Digital Space

- Accelerated digitalization in all areas of society -

- Digital finance
- Neo-culture
- eSports
- Metaverse etc.

### Evolution of the SBI Group's business ecosystem



In the **Web 3.0 era**, which will be the next generation of the Web with decentralized transaction functions based on blockchain technology, SBI Group will further expand the digital financial ecosystem it has established and **leap beyond the realm of finance into the Digital Space ecosystem**

- (1) Actively invest in companies with leading-edge technologies in the digital space to become the next generation platformers in various fields**
- ① Security Token Offering (STO)**
  - ② Non-fungible token (NFT)**
  - ③ Metaverse**
  - ④ Central Bank Digital Currency (CBDC)**

# SBI Group Endeavors to Become a Next-Generation Platformer While Also Contributing to the Creation of Various Systems in Various Fields



Security Token Offerings are expanding globally and across multiple industries, **with at least 123 projects established worldwide between 2017 and 2019.**

The market is expected to grow at a **CAGR of 56.9%** from 2020 to 2025

STO

It can be created in a computer or computer network, or by making virtual objects appear in reality, as in augmented reality (AR). All activities in the "**virtual space**" are rapidly expanding

Meta  
verse

Non-Fungible Tokens prove the **uniqueness (authenticity)** of a digital artifact, game, etc. using blockchain DLT. On Mar. 11, 2021, NFT digital art by a relatively unknown artist fetched **USD 69mn at an auction**

NFT

CBDC

Interest in issuing CBDCs (Central Bank Digital Currency) is growing globally, **with 86% of 65 central banks** conducting some kind of research or study on CBDC as of 2020, and **14% at the pilot project stage**

## **① Security Token Offering (STO)**

- (i) Group-wide initiative of security token issuance & liquidity**
- (ii) Endeavor to create world's largest global corridors through alliances with the Group's domestic and overseas investees**

## (i) Group-wide initiative of security token issuance & liquidity

# STs Issued by the SBI Group

## (i) Third-party allocation of new shares by SBI e-Sports via an STO (Oct. 2020)

The company raised funds by issuing digital shares using “ibet”, a blockchain platform developed by BOOSTRY. The transfer of tokens and rights and the updating of the share register are handled as a series of processes and can be managed electronically

## (ii) First STO for general investors in Japan by SBI SECURITIES (Apr. 2021)

SBI Securities, SMBC Nikko Securities, Nomura Securities, and BOOSTRY launched “ibet for Fin,” a blockchain consortium that handles security tokens (ST). Endeavor to develop as a platform for decentralized finance

## (iii) First public offering of asset-backed STs in Japan by SBI SECURITIES (July 2021)

Successfully conducted a public offering of asset-backed STs with real estate as the underlying asset in collaboration with Mitsubishi UFJ Trust and Banking Corporation, Kenedix and Nomura Securities using “Progmat,” a platform provided by Mitsubishi UFJ Trust and Banking Corporation

# (iv) Latest Asset (Real Estate) Backed ST (Dec. 2021)

## Digital Securities of Real Estate -Kobe Rokko Island DC- (Restricted Transfer)

Issuer	Estee Fund One, LLC
Trust beneficiary	Mitsubishi UFJ Trust and Banking Corporation
AM	Mitsui & Co. Digital Asset Management
Number of units issued, price	1,572 units, JPY 503,000 per unit
Underwriting securities company	SBI SECURITIES (Sole lead manager)
Expected Distribution*	July 2022: 3.19% p.a. (before tax), Jan. 2023: 3.18% p.a. (before tax)
Schedule	Nov.30, 2021 11am~Dec. 8 11am Determine demand, Dec. 9 Drawing, Dec. 13 11am~Dec. 20 12pm Intent to Purchase, Dec. 22 Issue, Dec. 23 Transfer
Scheduled redemption date	Jan. 29, 2027 (Operation period: about 5 years)

\* The above figures include dividends in excess of earnings. The expected dividend yield is based on the business plan as of November 29, 2021. It is not a guarantee of future investment results



> Exterior of Rokko Island DC and automated warehouse

# Characteristics of Real Estate STO

## Physical Real Estate

Single property investment

Large investment

Self-managed

## Real Estate Security Tokens

Single property Investment

Small investment (securities)

Managed by experts

## J-REIT

Multiple property investment

Small investment (securities)

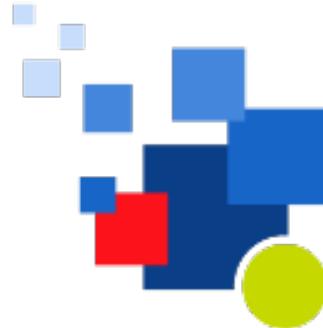
Managed by experts

**Real estate investment is possible in small lots, and the properties to be invested in are better defined than J-REITs**

# Nomura Holdings and Daiwa Securities Group to Newly Invest into ODX



- Accelerate the development of the distribution market for the ST industry, the next generation of financial products -



Osaka Digital Exchange Co.,Ltd.

- Apr. 2021 ➤ ODX was established jointly by SBI and SMBC Group to operate Japan's first PTS handling STs, intending to improve convenience for investors and support flexible financing for companies by providing distribution and exchange opportunities
- Spring 2022 ➤ Planning to begin handling stocks first prior to the STs

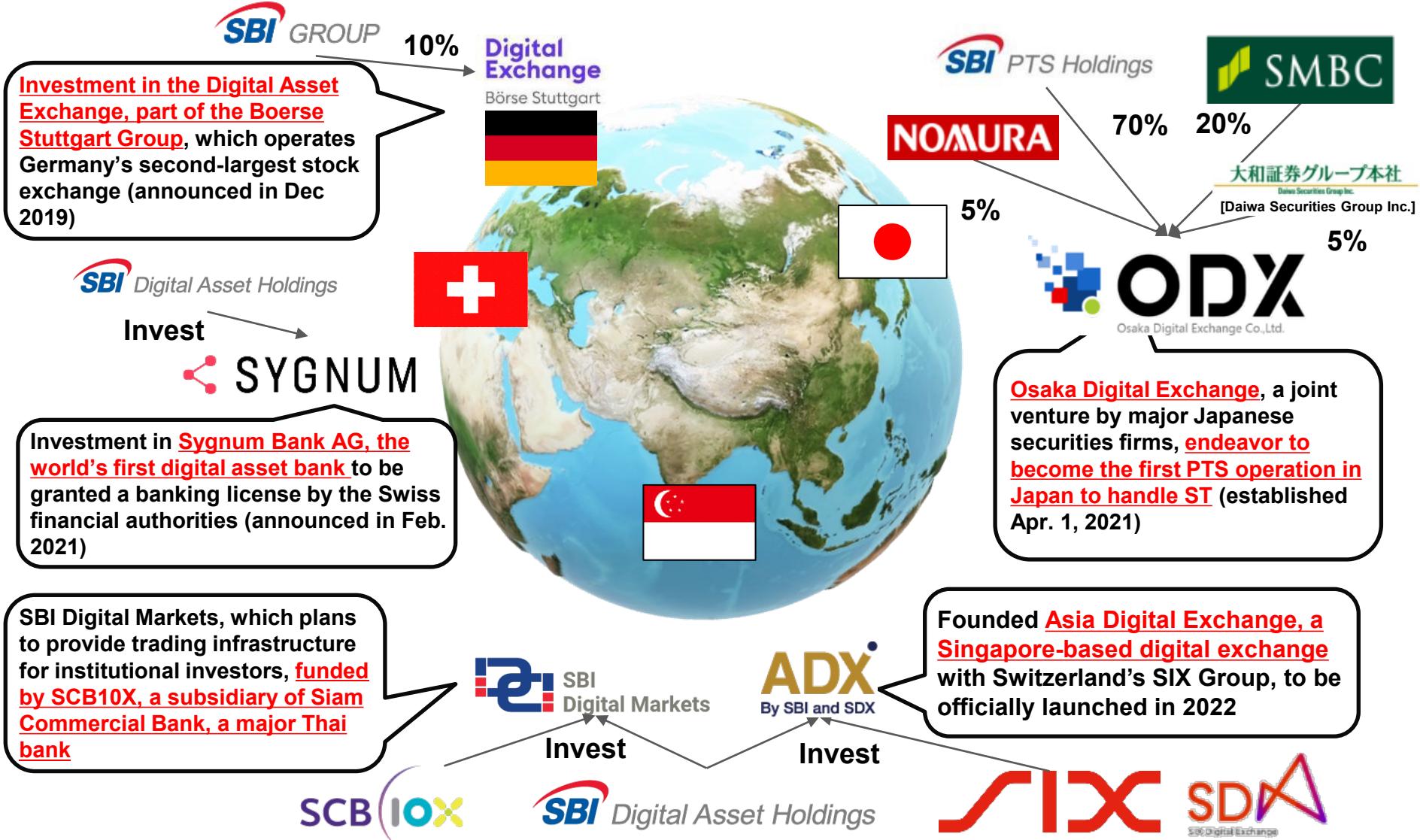
Share  
holders

SBI PTS Holdings: 70%  
Sumitomo Mitsui Financial Group: 20%  
Nomura Holdings: 5%  
Daiwa Securities Group: 5%

Many requests for participation into the stake by overseas financial companies.  
Consideration in progress about collaboration with overseas ST exchanges

**(ii) Endeavor to create world's largest global corridors through alliances with Group's domestic and overseas investees**

# Endeavor to Create the World's Largest Global Corridors through Alliances with Group's Domestic and Overseas Investees



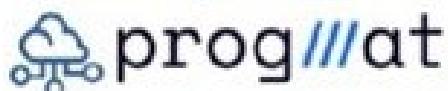
# SBI Group Building an End-to-end Global Ecosystem to Provide SBI GROUP Integrated Functions from ST Issuance to Distribution and Custody

- Planning to develop borderless business, such as selling STs originated in Asia in Europe, by utilizing the SBI-established network in collaboration with our partners -

## Issuance



**BOOSTRY**



## Distribution



**ADX**  
By SBI and SDX

**Digital Exchange**  
Börse Stuttgart



## Custody



SBI Digital Asset Holdings is considering the establishment of a new joint venture company to handle custody operations jointly with SIX Group and others, and expects various global partners to join in the future

Joint venture custody company (Asia)

\* The image diagram is an example under consideration, and we do not guarantee specific details of future efforts

## ② Non-fungible token, NFT

**SBI Group makes full-scale entry into the rapidly growing non-fungible token (NFT) market through the acquisition of SmartApp, Inc.**

# Millennials Show Strong Interest in NFT Market

< NFT market size is rapidly expanding >

(2021)

(2020)

USD 94.9mn

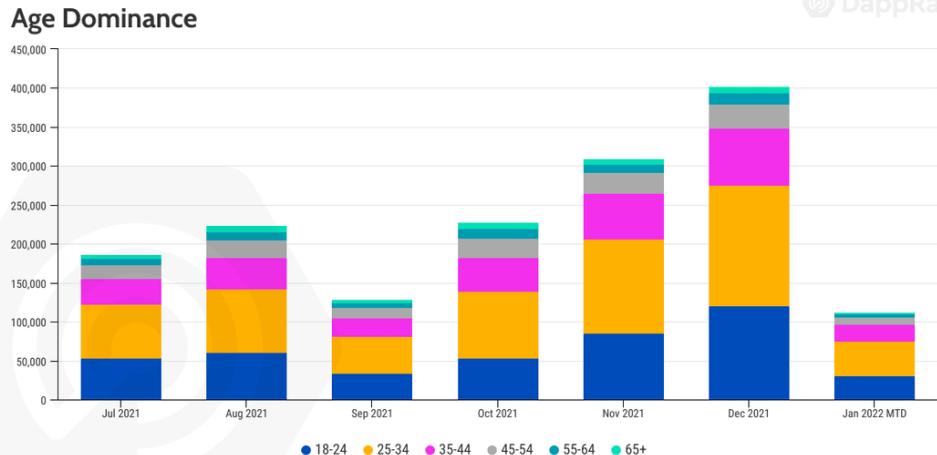
**The total amount of NFTs sold in 2021 was USD 23.9bn, more than 250 times the USD 94.9mn sold in 2020**

USD  
23.9bn

(Source: CoinGecko)

< Conspicuous participation by young people >

DappRadar



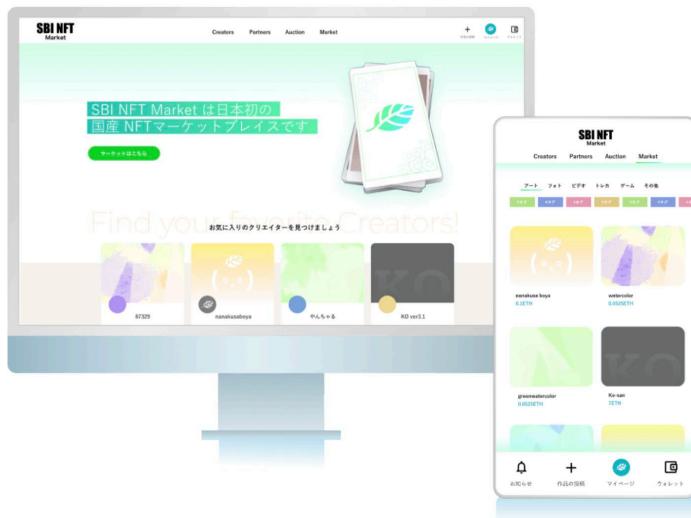
**Young people under 34 years old accounted for more than 60% of the NFT traffic in 2021. In particular, the millennial generation between the ages of 25 and 34 (yellow band in the graph) is expected to have a strong interest**

(Source: DappRadar)

# SBI Group Makes Full-Scale Entry into NFT Marketplace Business



- In Sept. 2021, **SmartApp (CEO: J. Ko)**, a company developing Japan's first integrated NFT trading platform business (nanakusa), became a consolidated subsidiary of the SBI Group and changed its name to **SBINFT**
- Focused on the NFT marketplace business that supports public chains (Ethereum, Polygon), and strives to become a global leader in the distribution of valuable NFTs such as domestic and overseas art / entertainment / tickets



Brands and companies offer their works in the marketplace



Provide comprehensive services such as community-build, metaverse business, etc.

# Promoting the Integration of Contemporary Art and NFT Business and Strive to Become a Pioneer in the Digital Arts Industry



- ✓ **SBI Art Auction** has partnered with Startbahn, Inc. (SBI Group investment ratio: 4.18%) to issue blockchain certificates “Cert.” to those who have made successful bids for artworks
- ✓ In addition to being able to record and browse information about works and artists online, use history information and distribution channels after secondary distribution are automatically recorded
- ✓ Japan's first NFT art auction, “NFT in the History of Contemporary Art,” held on Oct. 30, 2021

< Sold results of all 8 lots of NFT artworks >

Creator	Title of artwork	Price sold
“Serwah ATTAFUAH”	《TERRA 2021》	JPY 2.13mn
“LU Yang”	《1. DOKU Hello World／2. DOKU HUMAN》	JPY 5.75mn
“Sputniko!”	《The Moonwalk Machine – Selena's Step》	JPY 8.4mn
“David OREILLY”	《POTATO》	JPY1.38mn
“UuDam Tra NGUYEN”	《Waltz of The Machine Equestrians》	JPY 3.68mn
“Yu-KI YUKI”	《For you》	JPY 0.58mn
“Kenny Schacter”	《Money, Money, Money》	JPY 2.3mn
“KazukiTakarakura”	《Goodbye Meaning》	JPY 0.84mn

\*The "winning bid price" is the amount including the commission fee

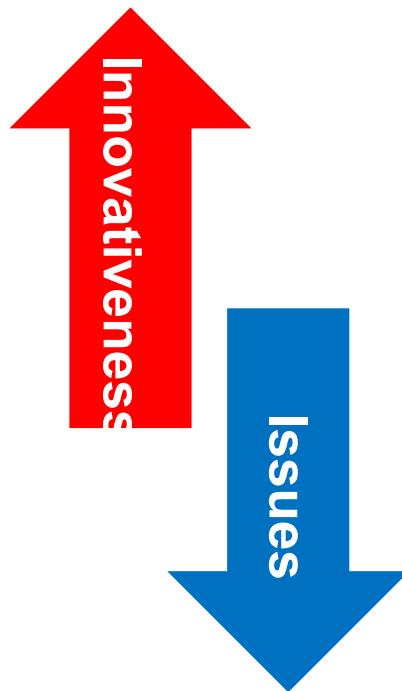
\*Rounded to the nearest whole number

## ③ Metaverse

**Renewed interest in the metaverse and related technologies**

# The Dawn of the Metaverse

The revolutionary online world known as Second Life, which was released 18 years ago on June 23, 2003 by Linden Lab, headquartered in San Francisco, USA, lays claim to being the first “metaverse”



- Users live as avatars, effectively living another life
- An economy similar to the real world is played out in a virtual sphere using a unique currency called the Linden Dollar
- Users can freely come up with ideas and build their own world that includes buildings and islands
- Poor device processing power and 3DCG technology make the graphics look cheap and less immersive
- Limited number of users that can play at the same time due to restricted server capacity
- Not enough content to draw users' interest and make them spend more time in the game

Although Second Life already had most of the basic functions common to the metaverses of 2022, not enough could be done to combat the game's problems. It saw a drop in active users after peaking in 2007, never to gain a firm foothold

# Is All the Metaverse Hype for Real?



## ① The popularization of device infrastructure

- Easier access to the virtual world with wider use and more sophisticated PCs, mobile devices, and internet communications
- More activity in the virtual world using virtual identities via online games and social media

## ② Development of VR·AR technology

- The development of technologies and devices related to virtual reality and augmented reality allow for a more immersive virtual world experience

## ③ Appearance of the blockchain technology

- Blockchain technology, including NFTs that can give a uniqueness to objects in the virtual world as and when needed, is entering the fray
- Economic activity in the virtual world is becoming more of a "real world" than "virtual," and blockchain and crypto assets have the possibilities to integrate the "virtual" to the "real"

**"It (blockchain technology) is the only technology that can "uniquely identify any virtual object independent of a central authority," and this ability to identify and track ownership will be crucial to the functioning of the metaverse"**

Goldman Sachs analysts led by Rod Hall, Dec. 14, 2021

**It is a matter of time when partial time for living in the "real world" transfers to virtual space and economic activities in virtual space**

# Examples of Metaverse Recently Expanding around the World



## Game: Epic Games / Fortnite

- Is considered a masterpiece of metaverses with more than 350 million players from all around the world
- Since its launch, has recorded more than USD 5bn (approx. JPY 547bn) annual sales
- As well as the battle royale gameplay with in-game avatars, it has been developed as a platform where huge numbers of people can come together and interact to collaborate on live events and movies in the game

## City-linked metaverse “Virtual Osaka”

- Osaka Prefecture and Osaka City have created “Virtual Osaka”, a city-linked metaverse where both the city and the metaverse are linked together. Virtual Osaka went live from December 16, 2021
- Virtual Osaka is a city-linked metaverse built with the intention to not only help create a new culture and form new communities in Osaka by bringing together all sorts of people with their fresh experiences and expressions unique to them under the theme of “City of Emergence,” but it is also built in preparation for Expo 2025 Osaka to promote the city's attractions both domestically and internationally in an effort to raise expectations for the Expo

<https://www.pref.osaka.lg.jp/hodo/index.php?site=fumin&pageId=43087>

# Regional Revitalization x Metaverse Initiatives

- Pursuing further possibilities for regional revitalization through art by fusing the physical and virtual -

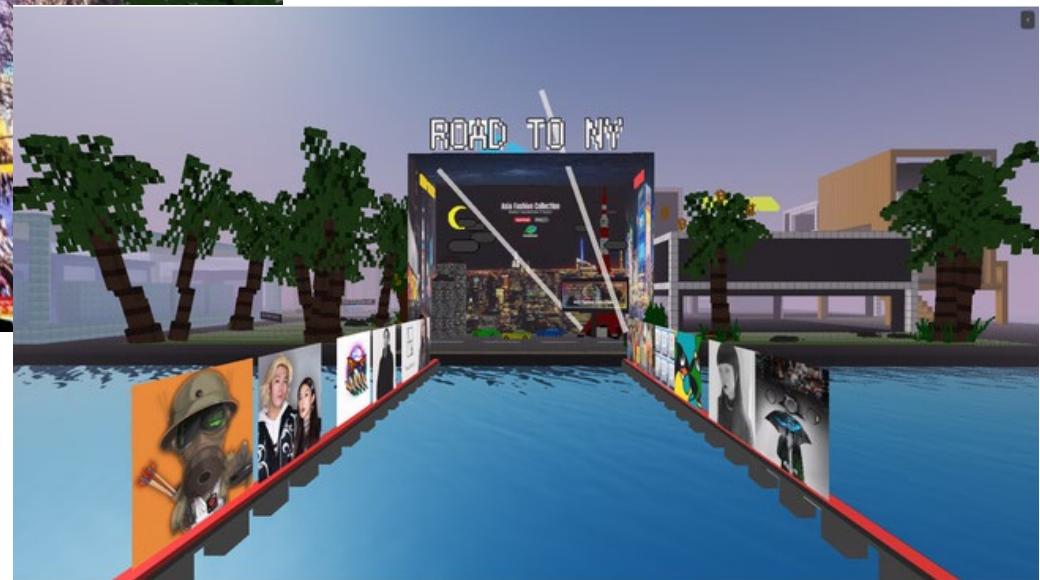
- SBINFT hosted a metaverse project called “Virtual Shirahama” in conjunction with an event held in Shirahama, Wakayama Prefecture
- Spreading local attractions and events through virtual space
- Realizing economic activities in the virtual space by combining NFT



# Fashion x Metaverse Initiatives

- A new approach by combining six young, up-and-coming brands that can become the latest brands with NFT art -

- SBINFT is collaborating with “ASIA FASHION COLLECTION”, a project jointly organized by VANTAN and PARCO to support young fashion designers in Japan and Asia
- NFT art will be created and exhibited using selected brands as motifs
- Utilizing Metaverse as a new promotion



## When companies develop the metaverse

Only the developmental costs for software and programs related to the virtual world, such as games, avatars, and conference rooms, are recorded as intangible assets in the same way as ordinary software and content. It is difficult to measure the value in growth potential brought about by the metaverse under the current accounting standards that were laid down at a time when manufacturing was the main industry

E.g: Microsoft acquired Activision Blizzard, developer of the famous World of Warcraft online game series, for JPY 7.8tn, but its net worth as of the end of September 2021 was only JPY 1.9tn.

The goodwill portion of just under JPY 6tn is considered to be intangible value that cannot be clearly apprehended under current accounting standards

## When companies hold assets in the metaverse

Accounting for when a company owns assets whose authenticity is guaranteed using blockchain (distributed ledger) technology such as cryptocurrencies, game items, digital art, virtual real estate, etc. that exist in the virtual world

E.g: There is no land register for real estate in the virtual world as there is for the real world. It is generally expected that land prices will go up in line with demand for land, as is the case in the real world, but accounting uncertainties arise if the virtual landowner is a listed company.

Ambiguity includes such things as "when should market value and impairment be properly accounted for," "should real estate be recorded as an intangible asset or an inventory asset," etc.

[Reference] Atsushi Nakayama "The invisible value of the metaverse: Microsoft hoarding intangible assets" The Nikkei, January 26,2022  
<https://www.nikkei.com/article/DGXZQOCD2408Q0U2A120C2000000/>

## ④ Central Bank Digital Currency, CBDC

# China's Central Bank Moving Quickly on Digital Currency (e-CNY)



- The People's Bank of China began research on the e-CNY in 2014 and officially started development in 2017
- Through a series of demonstrations, **261 million individual users, or about one-fifth of the Chinese population, have already experienced the e-CNY, and more than CNY 87.5bn (about JPY 1.6tn) has been transacted**
- A trial version of the e-CNY wallet app was launched on Jan. 4, 2022, one month prior to the XXIV Olympic Winter Games in Beijing

## e-CNY trial wallet app

Period	Jan. 4, 2022-
Available areas	11 regions across the country, including venues for the XXIV Olympic Winter Games
Supported Banks	Total of 9 banks, including 4 major state-owned banks and banks affiliated with private electronic payment giants
Types and usage limits	Classified into four ranks based on certification requirements, with transaction limits ranging from about 2,000 CNY to unlimited.
Preliminary PoC *as of Dec. 31, 2021	Wallets: 261 million (individuals) Locations: 8.08 million locations Total payment: CNY 87.5bn (about JPY 1.6tn)

# SBI Group has also contributed to the creation of various institutions in the Digital Space



## Japan STO Association

The Japan STO Association, established in Oct. 2019 under the leadership of SBI Group, has already been accredited as a self-regulatory organization by the Financial Services Agency. A total of 65 companies are participating in the association as regular members, including 13 securities companies, and supporting members. The Association will seek and realize business opportunities for STO with thorough compliance with laws and regulations and investor protection in Japan by gathering various knowledge

## ST Research Consortium

Contributed to the formulation of the “Proposal on Digital Securities PTS” at the ST Research Consortium organized by Mitsubishi UFJ Trust and Banking Corporation. Endeavoring to establish a secondary market through collaboration between “Osaka Digital Exchange” (ODX) and “Progrmat” to address the absence of a secondary market, which is an issue for digital securities as a whole

## SBI Financial and Economic Research Institute

On Apr. 1, 2021, the SBI Financial and Economic Research Institute was established to conduct surveys, research, and make policy proposals mainly in the field of digital assets. With Ms. Takako Masai, a former advisor to the Bank of Japan's Policy Board, invited as its representative director, the institute plans to promote research and policy proposals on the theme of next-generation digital finance

## **(2) The SBI Group Strengthen contact with the digital generation by developing eSports-related business**

# Expanding Touch Points with the Digital Generation through the e-Sports Business

Traditional advertising has difficulty reaching the younger digital generation (under 34 years old) who spends more time on Internet media, including SNS/video sharing sites than on media such as TV



SBI Group newly entered the e-Sports field with the establishment of SBI e-Sports in June 2020. Initiatives to strengthen contact with the digital generation through the formation of a professional gaming team are starting to bear fruit.



Total number of subscribers to SNS of professional athletes and VTubers who belong to the company

Twitter followers



Approx. 0.15mn people

Total number of viewers of video sharing unique of professional athletes and VTubers who belong to the company



Approx. 0.83mn/90 days (longest)



Of which men of younger digital generation (18-34 years old)

YouTube subscribers



Approx. 0.13mn people



Approx. 0.63mn/90 days (longest)

\* Estimated to be viewed by approx. 6% of males aged 18-34 years old in Japan (from the latest population data from Ministry of Internal Affairs and Communications)

# Initiatives of e-Sports × Regional Revitalization

**Support SBI Group partners such as regional financial institutions with their initiatives towards e-sports**

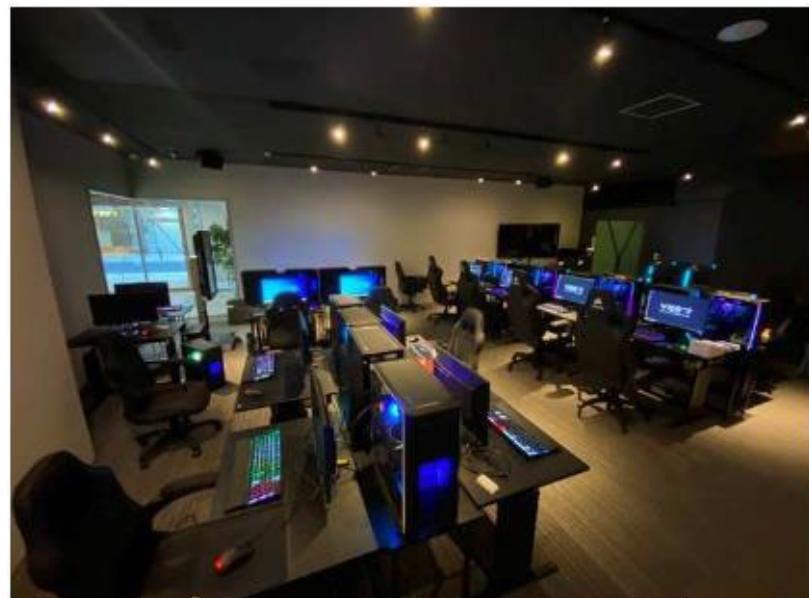
## < "Shima-gin e-Sports Day" >

- Held on 3<sup>rd</sup> floor of the head office of Shimane Bank in Aug. 2021
- Organized by the Shimane e-Sports Union
- Approx. 100 players enjoyed playing and watching games



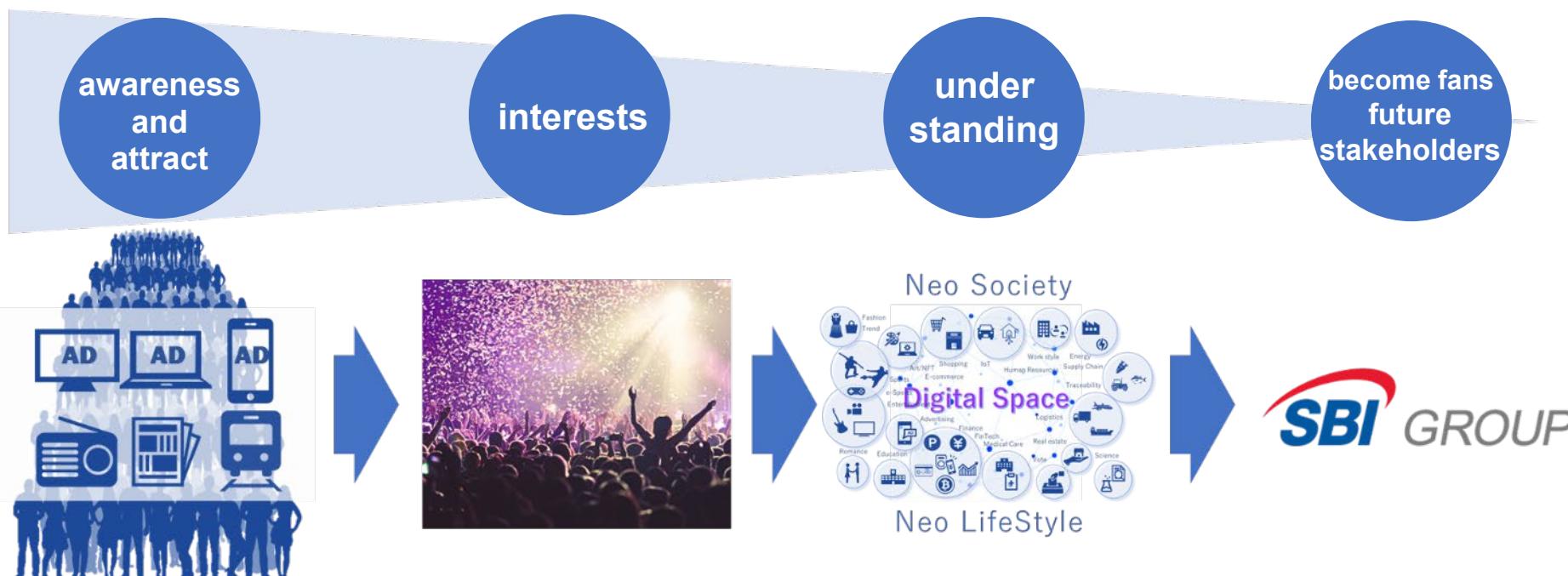
## < First official SEGA "Puyo Puyo Programming" Course in Yamagata Prefecture >

- Held a SEGA official course for employees and its families at Kirayaka Bank by cooperating with Sega Corporation
- Promote understanding towards programming by using "Puyo Puyo," an action game sold by SEGA



### (3) SBI Group is Planning to Launch a New Branding Strategy to Gain Recognition as a Pioneer in the Age of Digital Spaces from the Next Fiscal Year

- It will consist of a combination of measures and events based on the interests of the target audience, with Neo Culture and Neo Sports as the core, and measures to promote awareness and attract customers, as well as measures to promote understanding of Neo Life-Style and Neo Society created by SBI
- The ultimate GOALS are to encourage empathy with SBI and gaining fans and to develop future stakeholders



# [Reference materials for each business]

# The Six KPIs to Focus On for Promoting the Neo-securities Initiatives ①

[9M FY2021 results (Figures in parentheses are results for the 9M FY2020)]

	Share of individual stock trading value (%)	Deposit assets (JPY trillion)	Operating income (JPY million)
<b>SBI *1 (cons.)</b>	<b>43.7</b>	<b>22.1 (17.6)</b>	<b>45,529 (44,784)</b>
<b>Rakuten (cons.)</b>	<b>29.9</b>	<b>15.4 (10.0)</b>	<b>9,954 (11,202)</b>
<b>Matsui</b>	<b>10.0</b>	<b>2.9 (2.6)</b>	<b>9,953 (9,101)</b>
<b>au Kabucom</b>	<b>8.0</b>	<b>2.7 (2.4)</b>	<b>4,160 (1,708)</b>
<b>Monex *2(cons.)</b>	<b>4.6</b>	<b>5.5 (4.7)</b>	<b>16,630 (9,257)</b>

\*1 SBI's number of share of individual stock trading value include that of SBI NEOMOBILE SECURITIES, SBI Neotrade Securities and FOLIO.

\*2 The amount of "Operating income" represented above is "The amount equivalent to operating income" disclosed by Monex.

Operating income of Monex includes JPY 14,865 million from crypto-asset related business.

\*3 Deposit assets is as of the end of Sept. 2021.

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

# The Six KPIs to Focus On for Promoting Neo-securities Initiatives ②

(Unit: JPY million)

	9M FY2020 (Apr. 2020-Dec. 2020)	9M FY2021 (Apr. 2021-Dec. 2021)
④ Trading revenue (as a % of total revenue)	36,592 (31.5%)	35,242 (28.2%)
⑤ Stock trading commissions other than online trading (as a % of total revenue)	11,969 (10.3%)	13,416 (10.7%)

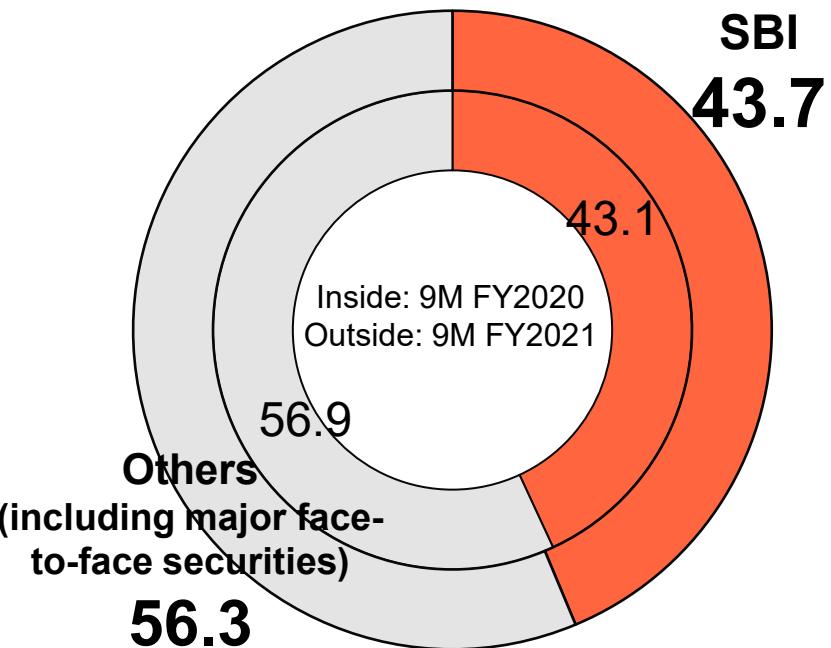
## ⑥ Quantitative tolerance and stability of the trading system

Constructing a system that can sufficiently handle transactions of 11 million accounts by the end of this fiscal year

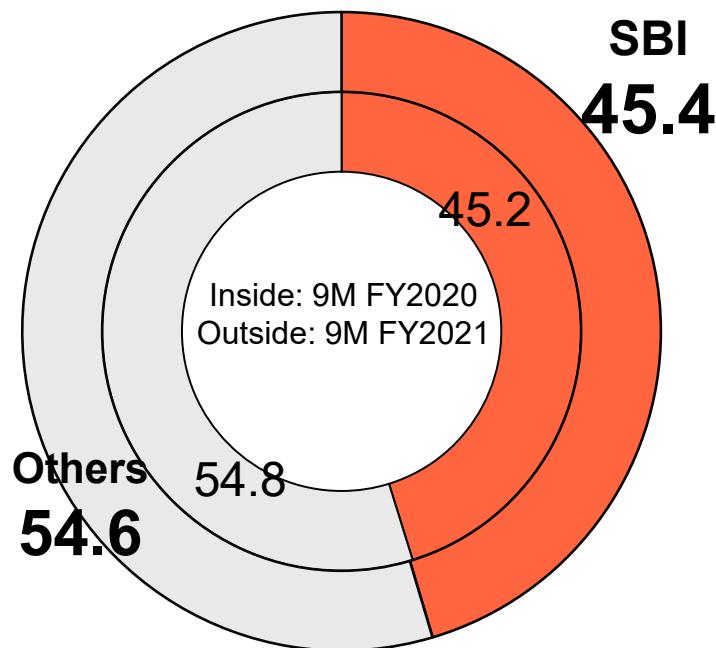
# SBI Group's Share of Individual Stock Trading

- Near-term target of 50% for margin trading market share -

**Share of Individual Stock  
Trading Value (%)**



**(of which) Share of Individual Margin Trading Value (%)**



<Shares are calculated with the individual stock trading value and individual margin trading value of both the 1st and 2nd sections of the Tokyo and Nagoya Stock Exchanges, including that of ETF and REIT trading value, respectively>

\* Shares are calculated by dividing each company's individual stock trading value or individual margin trading value with the whole individual stock trading value and individual margin trading value of the 1st and 2nd section of the Tokyo and Nagoya Stock Exchange, including that of ETF and REIT trading value, respectively

Source: Compiled by SBI SECURITIES based on Tokyo Stock Exchange and JASDAQ materials and websites of each company.  
[Unauthorized reproduction prohibited]

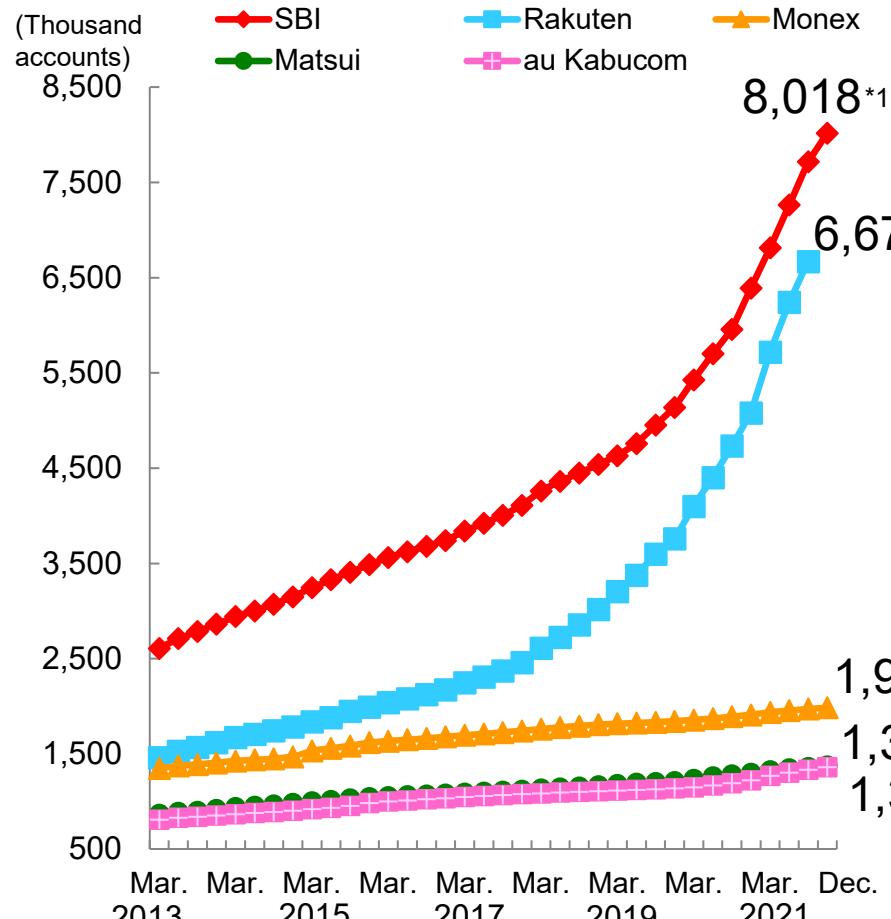
# 1. Securities-related business:

## SBI SECURITIES Attains an Overwhelming Customer Base [Number of Accounts and Amount of Customer Assets]

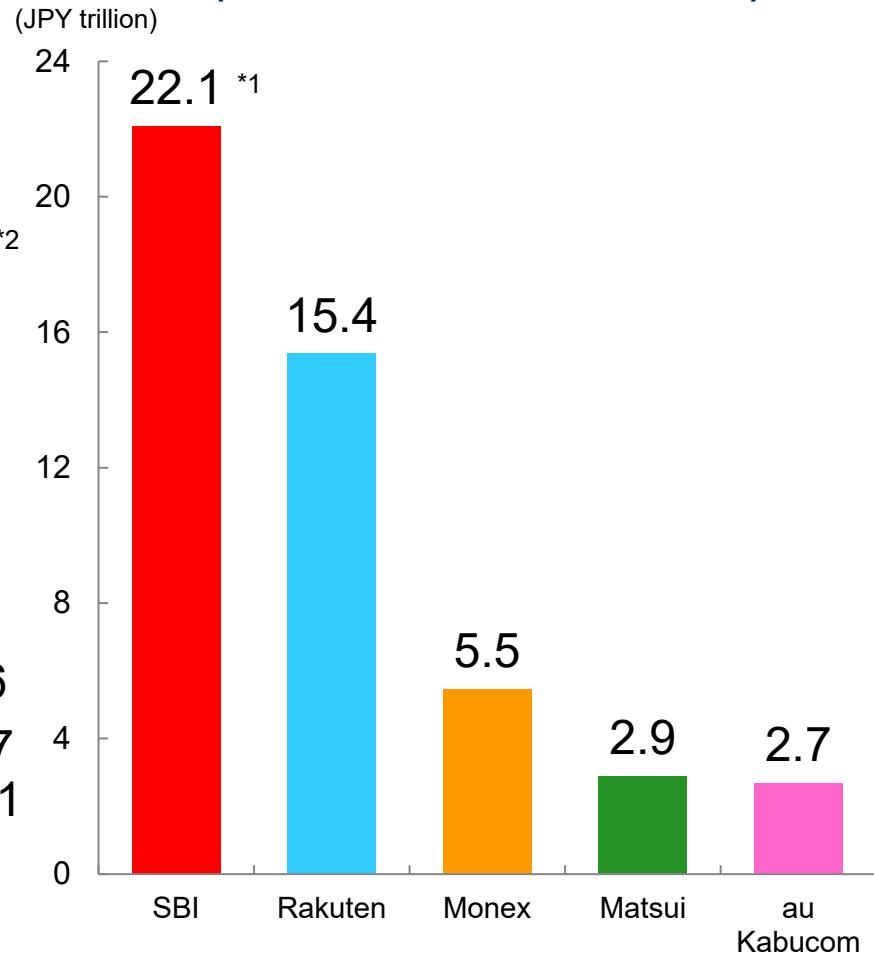


### Customer Accounts of 5 Major Online Securities Companies

(As of end of Mar. 2013- as of end of Dec. 2021)



### Customer Deposit Assets of 5 Major Online Securities Companies (as of the end of Dec. 2021)

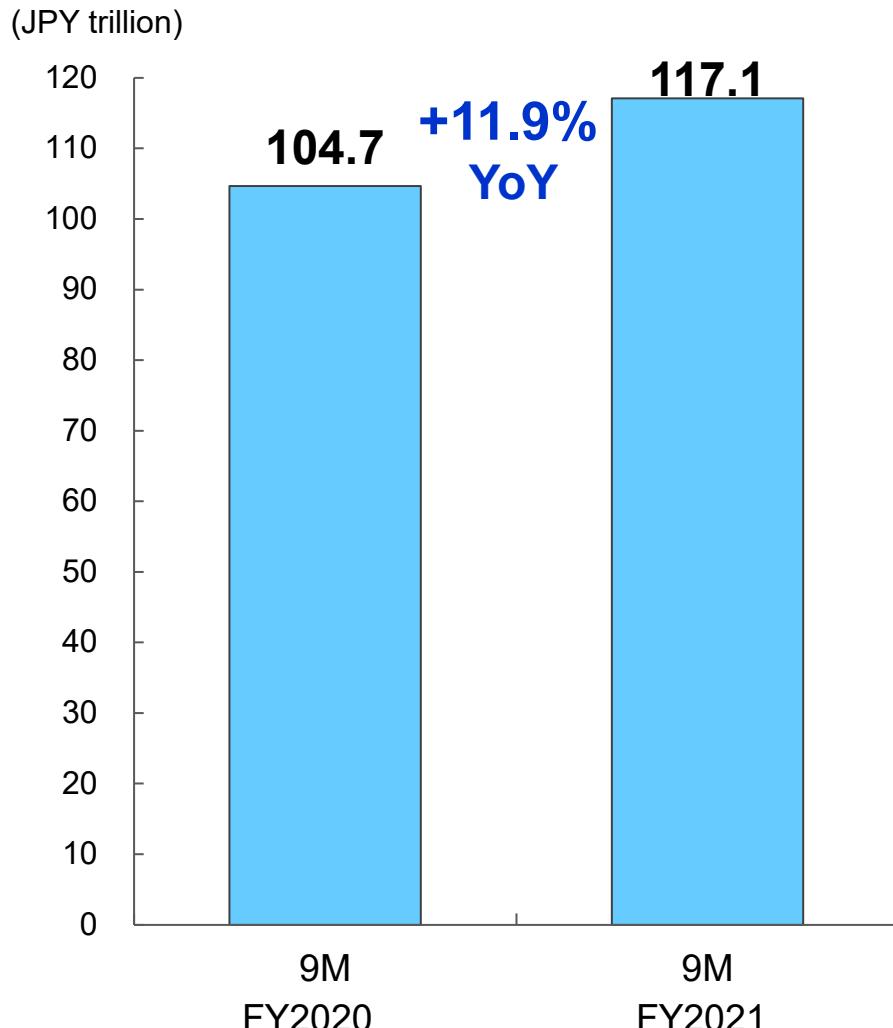


<sup>\*1</sup> As for SBI, includes SBI NEOMOBILE SECURITIES' number of accounts from June 2019, SBI Neotrade Securities' number of accounts from Oct. 2020 and FOLIO's number of accounts from Sept. 2021

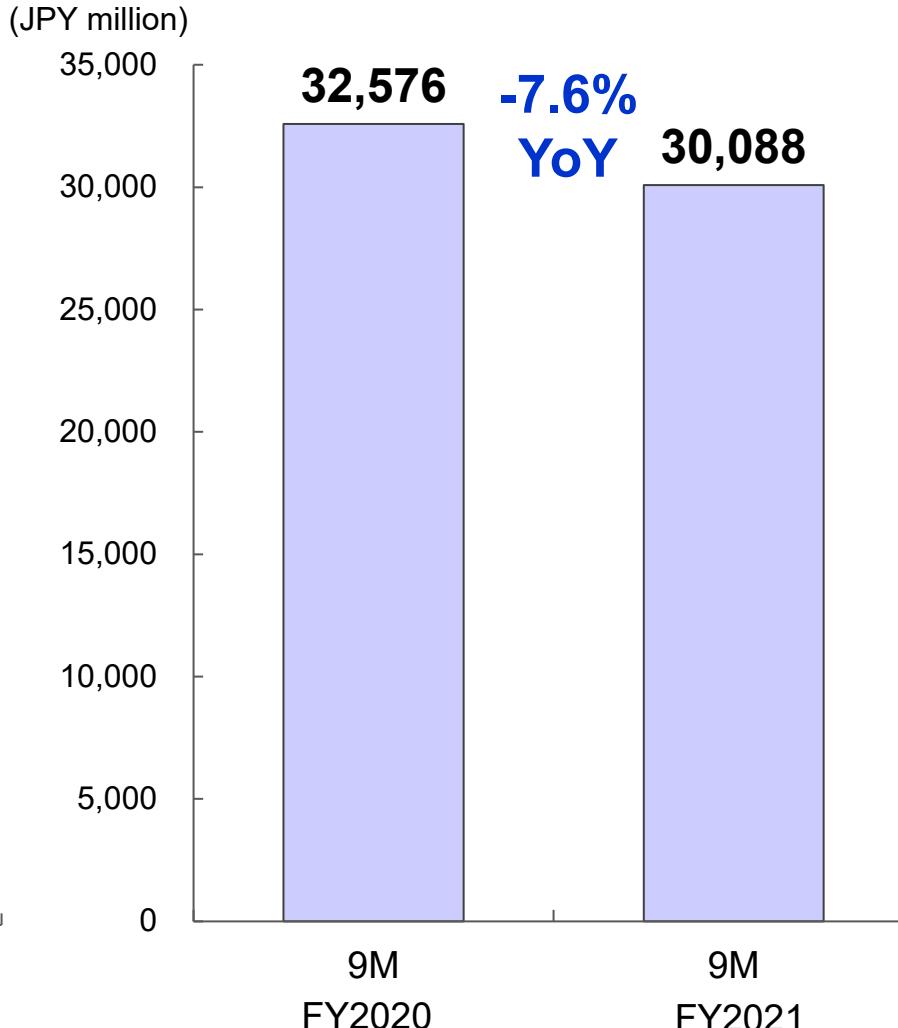
<sup>\*2</sup> Rakuten's number of accounts is as of Sept. 30, 2021

# SBI SECURITIES' Stock Brokerage Trading Value and Commissions

## Stock Brokerage Trading Value



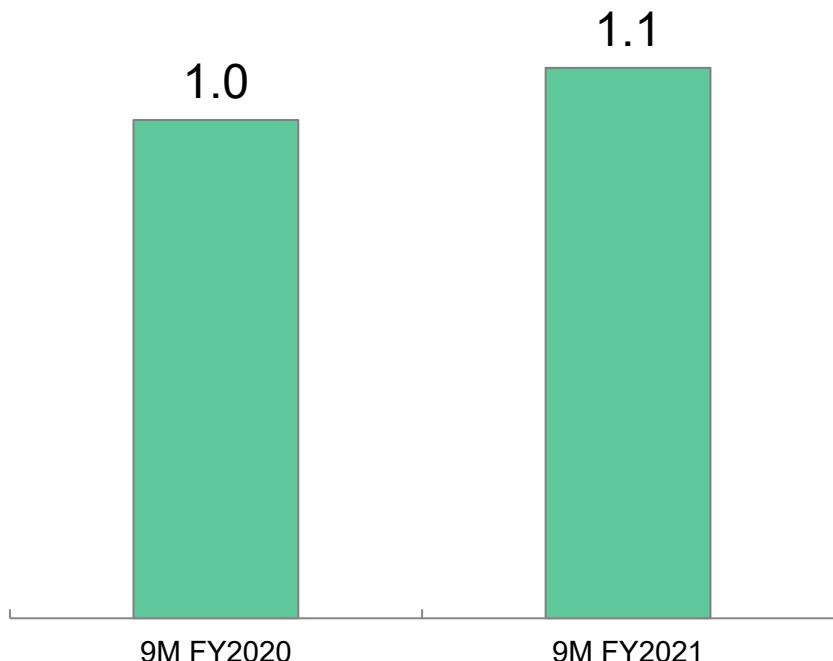
## Commissions



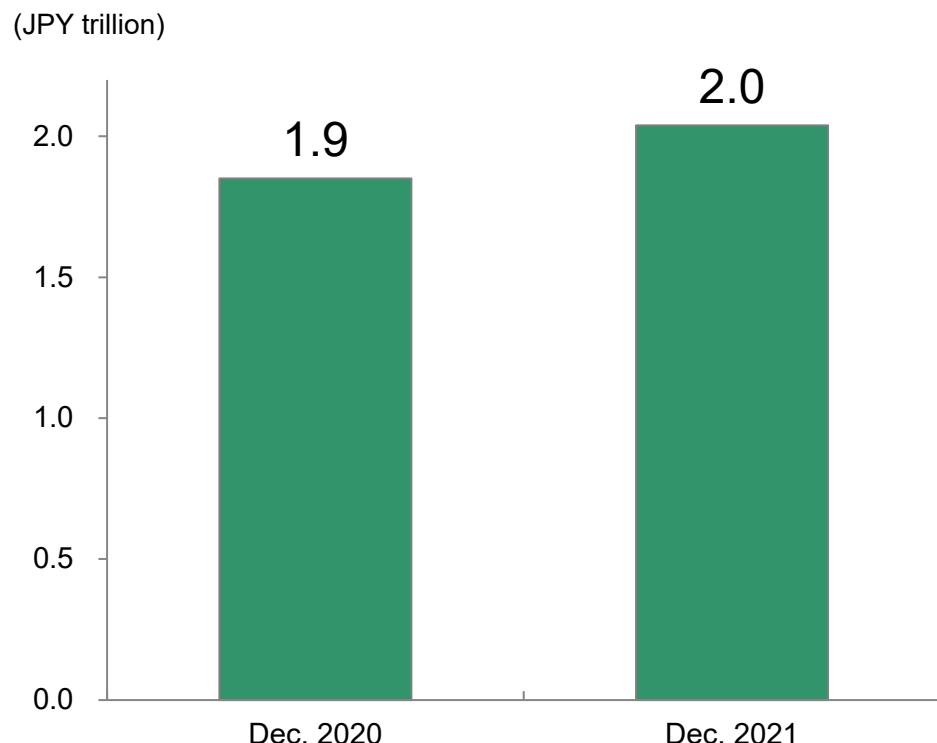
# Strengthening SBI SECURITIES' IFA Business to Meet the Needs of Face-to-Face Customer Transactions

## SBI SECURITIES' IFA Business Revenues

\* Revenue from IFA Business for  
9M FY2020 as 1



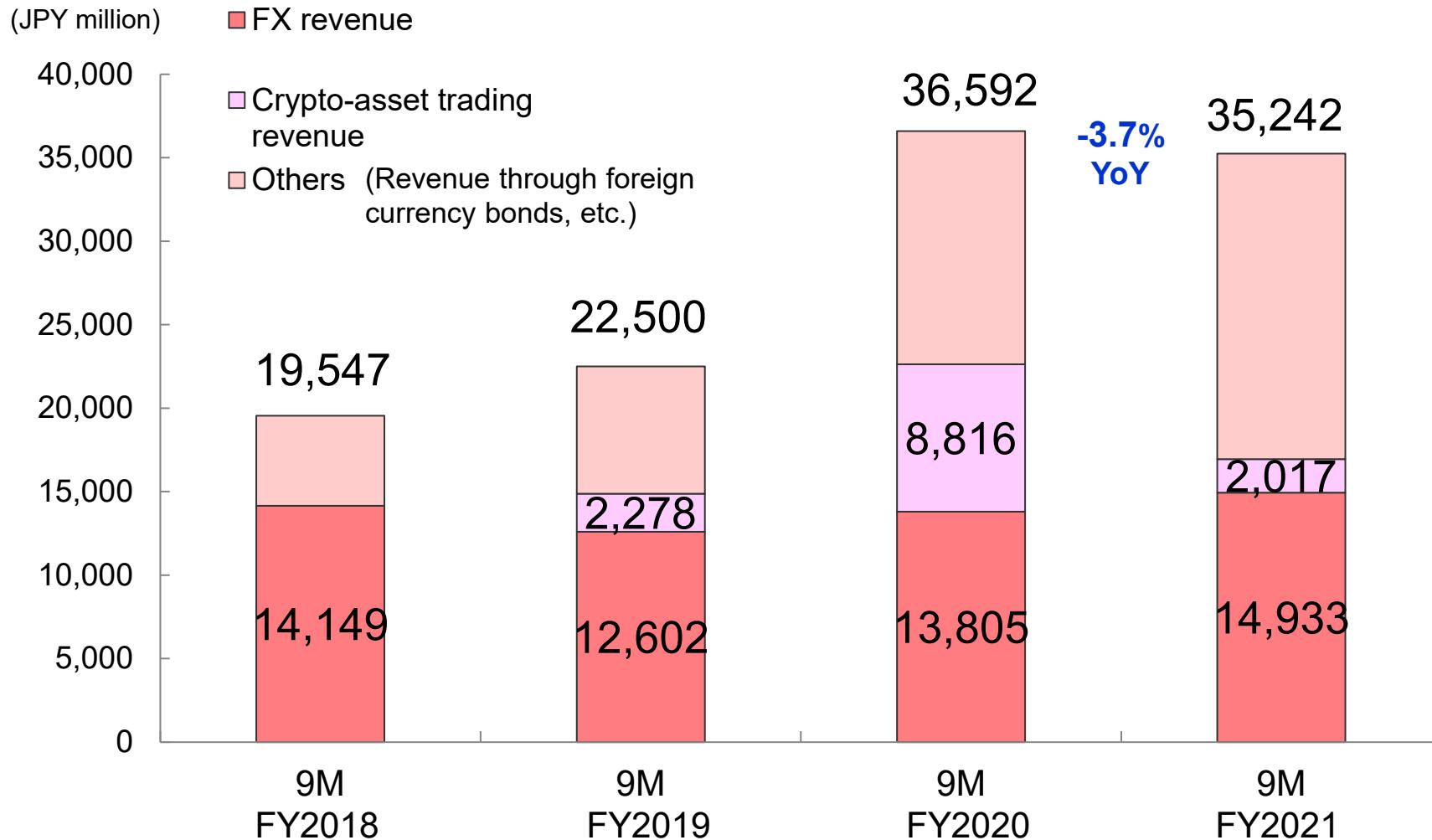
## SBI SECURITIES' IFA Business' AUM Trend



\* SBI's IFA business includes SBI MONEY PLAZA

# Trends in Trading Revenue of SBI SECURITIES

Contribution towards revenue of trading revenue is increasing



# Assets Under Management of the SBI Group

(As of the end of December 2021)



**Private equity, etc. JPY 653.9 bn**

(<sup>(\*)1</sup>) (Excluding JPY 217.4 bn of both cash and commitment amount to be paid in)

Breakdown of operating investment securities by Industry	Amount
Internet/AI/IoT	144.6
Fintech services	97.4
Digital Asset/Blockchain	64.3
Finance	105.6
Biotechnology/Health/Medical	42.3
Environmental/Energy	7.2
Machine/Automobile	13.5
Services	27.6
Retail/Food	1.9
Materials/Chemicals	8.2
Construction/Real estate	0.9
Others	4.2
Equity interests in external and non-consolidated funds	32.9
Total	550.7

Breakdown of operating investment securities by region	Amount
Japan	230.7
China	8.8
Korea	5.6
Southeast Asia	109.6
India	5.6
U.S.	75.1
Europe	55.9
Others	59.3
Total	550.7

Investment from non-consolidated Group management funds	Amount
Corporate venture capital (CVC)	21.1
Others (Oversea JV fund, etc.)	82.2
Total	103.2

**Investment trusts, etc. JPY 4,762.0 bn**

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

\*2 Composed of cash in funds and unpaid capital which is to be paid on a capital call.

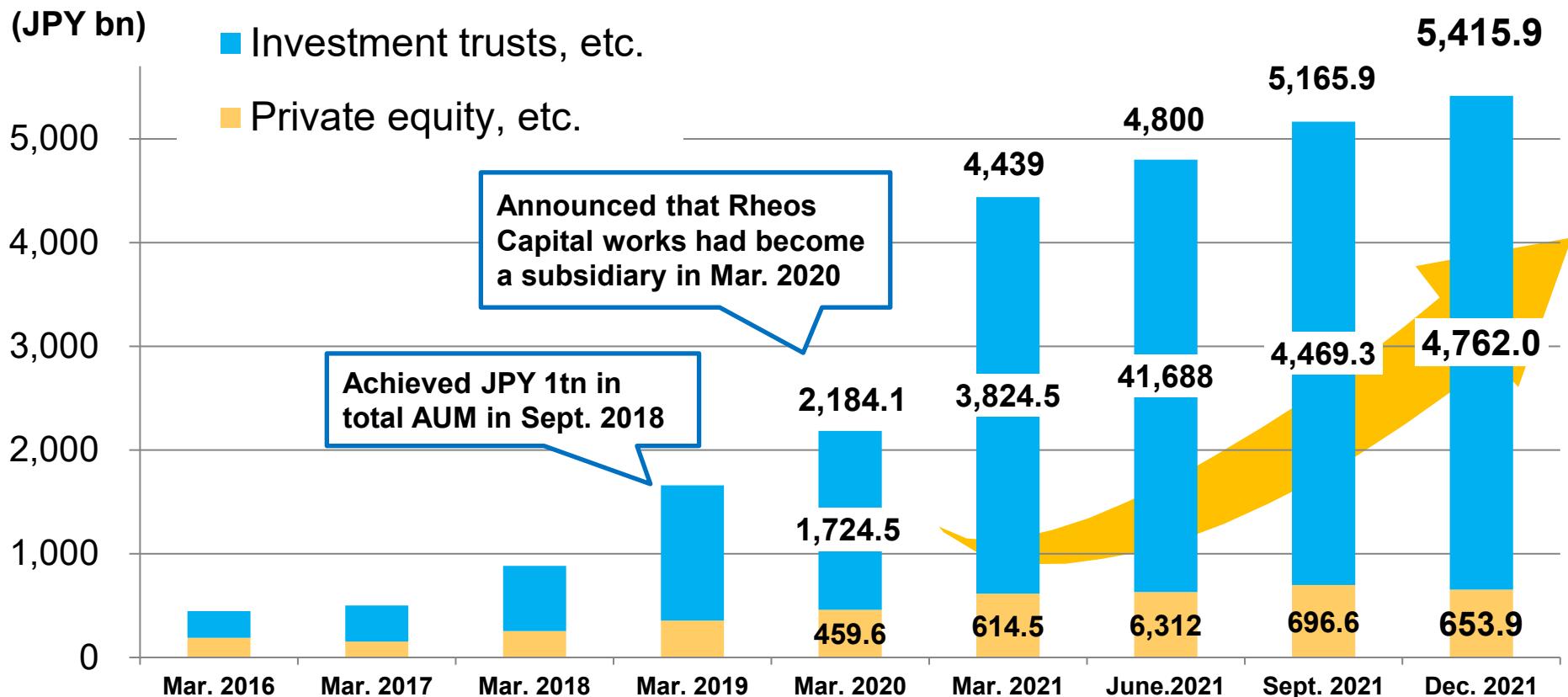
\*3 Calculated by the exchange rate as of the end of December 2021

\*4 Amounts are rounded to the nearest JPY 100m

\*5 The numbers in the chart is formulated based on the scope of the consolidated numbers of the company up until 1H FY2021, a number before the consolidation of Shinsei Bank

# Steady Increase in the Balance of AUM of the Entire SBI Group, Including Private Equity, Toward a Level Exceeding JPY 10tn which is the Target Set in July 2020

- Balance exceeds JPY 5.4tn at the end of Dec. 2021 -

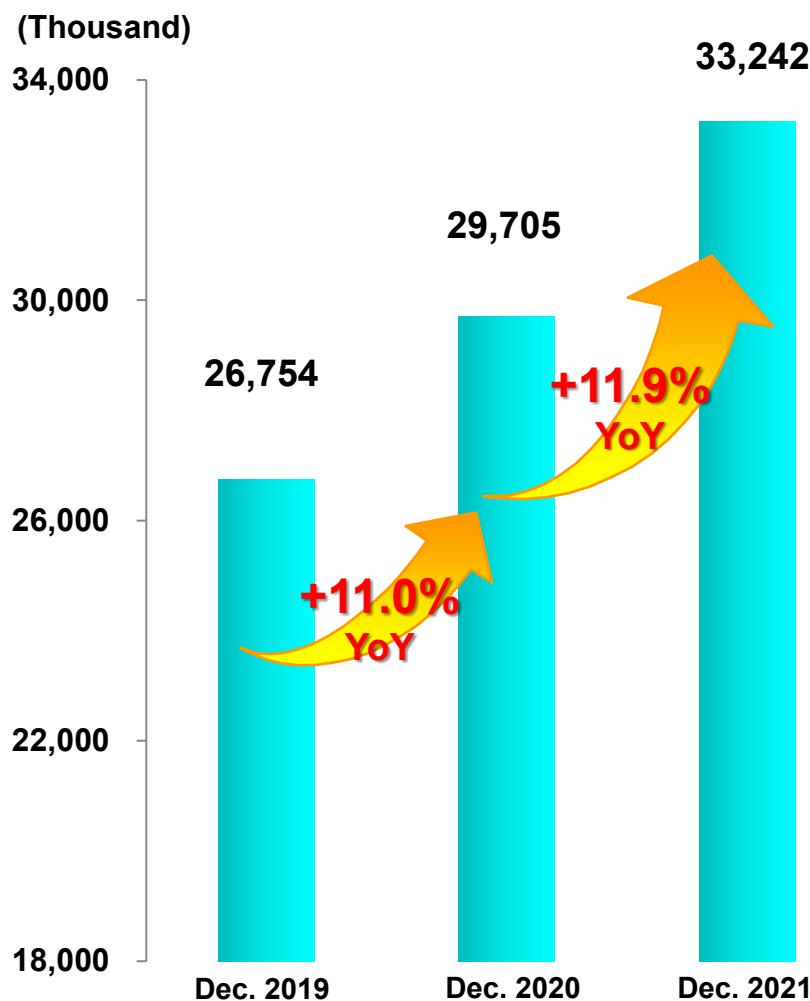


\*1 Calculated by the exchange rate as of the end of each month \*2 Amounts are rounded to the nearest JPY 100m

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

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

# The SBI Group's Customer Base, which was Expanded through the Thorough Pursuit of the Customer-centric Principle and Group Synergies



## Breakdown of the Customer Base

(As of the end of December 2021)\*1,2 (Thousands)

SBI SECURITIES	(No. of accounts)	8,018
SBI NEOMOBILE Securities		
SBI Neotrade Securities		
FOLIO		
SBIH InsWeb	(No. of customers)	10,375
E-LOAN	(No. of customers)	3,084
MoneyLook	(Total no. of customer registrations)	950
Morningstar Japan	(Total no. of service users ) *3	1,203
SBI Sumishin Net Bank	(No. of accounts)	5,103
SBI Insurance	(Total no. of contracts)	1,173
SBI Life Insurance	(Total no. of contracts) *4	297
Others (SBI Point etc.)	—	3,037
<b>Total</b>	—	<b>33,242</b>

\*1 The cases that customers who are not identified as the same person within each service website and overlapping customers among the Group companies are double counted.

\*2 Owing to the reorganization, customer numbers of the Group companies, which were excluded from consolidation, are not included in the figures for the past customer bases.

\*3 Includes the number of smartphone app downloads, as provided by Morningstar

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

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