

SBI Holdings, Inc. 2023 Information Meeting

November 27	Tokyo
November 29	Nagoya
December 1	Osaka

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.

The business collaboration with SBI Shinsei Bank described in this document only takes place when SBI Shinsei Bank determines that it is in the best interests of its minority shareholders to do so through measures adopted by SBI Shinsei Bank to prevent conflicts of interest.

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

The contents of this document are subject to revision or cancellation without notice.

Note: Fiscal Year (“FY”) ends on March 31 of the following year

Today's Program

Part 1: Explanation of Key Questions

Part 2: Question and Answer Session

Part 1: Key Questions

- 1. What are your views on the second half of the year and beyond, based on your performance in the 1H FY2023 and monetary policies in Europe, the US and Japan?**
- 2. Since “ZERO Revolution” has started, what is the current situation and strategy in the securities business?**
- 3. Have you made any progress in creating new markets such as the digital space field?**
- 4. With the announcement made about the establishment of semiconductor foundry in Japan, Why is the SBI Group establishing a semiconductor foundry?**
- 5. There have been a series of announcements related to the Middle East recently, what is the goal of these announcements?**

Q1. What are your views on the second half of the year and beyond, based on your performance in the 1H FY2023 and monetary policies in Europe , the US and Japan?

- I. 1H FY2023 Consolidated Financial Results**
- II. The second half of this fiscal year is expected to be a major turning point in macro and semi-macro economic terms**

I. 1H FY2023 Consolidated Financial Results

[Consolidated Performance Overview]

- **Revenue** increased 28.3% year-on-year to JPY 574.8bn, which is a record high for 1H, largely due to **significant increase in revenue from the Financial Services Business (28.0% increase year-on-year to JPY 487.8bn)**
- **Consolidated profit before income tax expense** increased 31.8% year-on-year to JPY 70.2bn. In the Financial Services Business, **profit before income tax expense increased 0.9% year-on-year to JPY 70.9bn**. Compared to the previous fiscal year, profits fell at **SBI SAVINGS BANK** due to a decline in the interest margins and an increased burden of bad debt write-offs. Nevertheless, this was offset by the growth in the securities business led by **SBI SECURITIES** amidst a favourable stock market. In light of the results for profit before income tax expense from this business, which is used to set the amount of shareholder returns, the **interim dividend** for FY2023 has been set to **JPY 30 per share**, the same as the previous fiscal year
- **After reporting a loss before income tax expense of JPY 12.8bn in 1H of the previous fiscal year** resulting from a slump in the crypto-asset market and the default of certain counterparties, **the Crypto-asset Business improved performance in this 1H**, returning to **profit of JPY 0.7bn**
- **Profit attributable to owners of the Company** for 2Q increased 360.8% year-on-year to JPY 37.1bn (compared to a loss of JPY 8.0bn in the same period of the previous year, mainly caused by the fair value loss of direct investees and a large loss at a Crypto-asset Business subsidiaries, in which the Company has a large stake in)

1H FY2023 Consolidated Performance (IFRS)

[Year-on-year comparison]

(Unit: JPY million)

	1H FY2022 (Apr.-Sept. 2022)*1	1H FY2023 (Apr.-Sept. 2023)	YoY % change
Revenue	448,155	Record high 574,825	+28.3
Profit before income tax expense	53,283	70,241	+31.8
Profit for the period	38,129	48,241	+26.5
Profit attributable to owners of the Company	8,050	37,088	+360.8

*1 The figures in 1H FY2023 have changed from the figures disclosed last year due to a change in accounting standards for certain companies in the Financial Services Business segment.

Comparison of Consolidated Profit Before Income Tax Expense with Major Securities Companies

(Unit: JPY million)

	1H FY2022 (Apr.-Sept. 2022)	1H FY2023 (Apr.-Sept. 2023)	YoY % change / YoY change
SBI Holdings (IFRS)	53,283	70,241	+31.8
Nomura Holdings (US-GAAP)	43,217	103,045	+138.4
Daiwa Securities Group (J-GAAP)	44,536	79,545	+78.6
SMBC Nikko Securities (J-GAAP)	-15,929	2,810	—
Mitsubishi UFJ Securities Holdings (J-GAAP)	34,182	41,822	+22.4

1H FY2023 Performance by Segment (IFRS)

[Year-on-year comparison]

(Unit: JPY million)

Revenue

	1H FY2022 ^{*1} (Apr. 2022– Sept. 2022)	1H FY2023 (Apr. 2023– Sept. 2023)	YoY % change
Financial Services Business	381,032	487,791 Record high^{*3}	+28.0
Asset Management Business	8,355	14,050 Record high^{*3}	+68.2
Investment Business	29,882	56,711	+89.8
Crypto-asset Business	20,534	16,066	-21.8
Next Gen Business ^{*2}	14,379	12,200	-15.2

Profit Before Income Tax Expense

	1H FY2022 ^{*1} (Apr. 2022– Sept. 2022)	1H FY2023 (Apr. 2023– Sept. 2023)	YoY % change
Financial Services Business	70,223	70,875 Record high^{*3}	+0.9
Asset Management Business	1,346	2,151 Record high^{*3}	+59.8
Investment Business	4,794	10,411	+117.2
Crypto-asset Business	-12,781	674	—
Next Gen Business	584	-2,373	—

*1The figures in 1H FY2022 have changed from the figures disclosed last year due to a change in accounting standards for certain companies in the Financial Services Business segment

*2 Non-financial Business have been renamed to Next Gen Business from the 2Q of the fiscal year ending March 31,2024. Next Gen Business include the Biotechnology, Healthcare & Medical Informatics Business, Web3-related businesses.

*3 This is a comparison with the 1H FY2021 and beyond, which disclose results in the same segment as the current one. Financial Service Business is also at a record high in comparison with the first half results since FY2012 when IFRS was adopted.

*4 Figures are before elimination of the inter-segment transactions.

Like-for-like Comparison of Financial Results of Major Brokerage Companies for 1H FY2023

(Unit: JPY million)

		Operating profit	Ordinary profit	Profit attributable to owners of the Company
1	Nomura Securities (Non-consolidated)	65,430	65,357	51,004
2	Daiwa Securities (Non-consolidated)	39,100	40,384	27,666
3	SBI SECURITIES (Consolidated)	37,045	37,568	25,631
4	Mitsubishi UFJ Morgan Stanley Securities (Non-consolidated)	27,859	29,137	20,743
5	Mizuho Securities (Non-consolidated)	20,282	20,759	37,837
6	Rakuten Securities *1 (Consolidated)	18,149	17,945	12,513
7	SMBC Nikko Securities (Non-consolidated)	10,373	19,089	16,120
8	OKASAN SECURITIES GROUP (Consolidated)	7,338	8,521	7,996
9	Matsui Securities (Non-consolidated)	7,276	7,243	4,752
10	Tokai Tokyo Financial Holdings (Consolidated)	7,242	8,256	4,625
11	GMO Financial Holdings*1 (Consolidated)	6,977	6,688	3,640
12	Monex Group *2 (Consolidated)	5,755	5,510	4,257
13	IwaiCosmo Holdings (Consolidated)	3,329	3,551	2,497
14	au Kabukom Securities (Non-consolidated)	2,036	2,030	1,040
15	Marusan Securities (Consolidated)	1,605	1,902	1,335
16	Kyokuto Securities (Consolidated)	1,548	2,070	2,385
17	Ichiyoshi Securities (Consolidated)	1,224	1,234	854
18	Mito Securities (Consolidated)	1,042	1,273	1,045
19	AIZAWA SECURITIES GROUP (Consolidated)	714	1,050	924
20	TOYO SECURITIES (Consolidated)	370	551	472

*1 Fiscal year of Rakuten Securities and GMO Financial Holdings ends in Dec., so figures for the period from Apr. 2023 to Sept. 2023 are used *2 Monex Group uses IFRS, so operating profit equivalent value is used *3 Presented in order of each company's operating profit *4 Complied by SBIH from the information on websites of each company

SBI Shinsei Bank 1H FY2023 Consolidated Performance (J-GAAP)

Note: Units are rounded down to the nearest decimal

(JPY billion)

	1H FY2022	1H FY2023	YoY % change
Gross operating profit	119.4	135.5	+13.4
Ordinary Business Profit	41.5	53.8	+29.6
Profit before income tax expense	30.5	30.9	+1.3
Profit attributable to owners of the Company	24.8	26.1	+5.2

Profit before income tax expense for SBI Holdings on an IFRS incorporation basis is approx. JPY 19.9bn

Interim Dividend of JPY 30 Per Share is Expected to be Implemented

[Basic policy for shareholder return]

The total amount of dividends for the time being will be approximately 30% of profit before income tax expense of **the Financial Services Business** excluding extraordinary factors such as gain on sales of subsidiaries' stocks

■ Dividend forecast (result) per share

	End of 2Q	Year-end	Full-year
FY2023 (forecast)	<u>JPY 30</u>	TBD	TBD
FY2022 (result)	JPY 30	JPY 120	JPY 150

I. The second half of this fiscal year is expected to be a major turning point in macro and semi-macro economic terms

**-Promoting business operations
with an eye on Japan and overseas monetary policy shifts-**

- (1) Japan and overseas macro environment**
- (2) Impact and response of SBI Group of shift in Japan and overseas monetary policy**
- (3) Creating a new business portfolio that will lead to lower performance volatility due to major changes in the business environment, such as financial market fluctuations**

(1) Japan and overseas macro environment

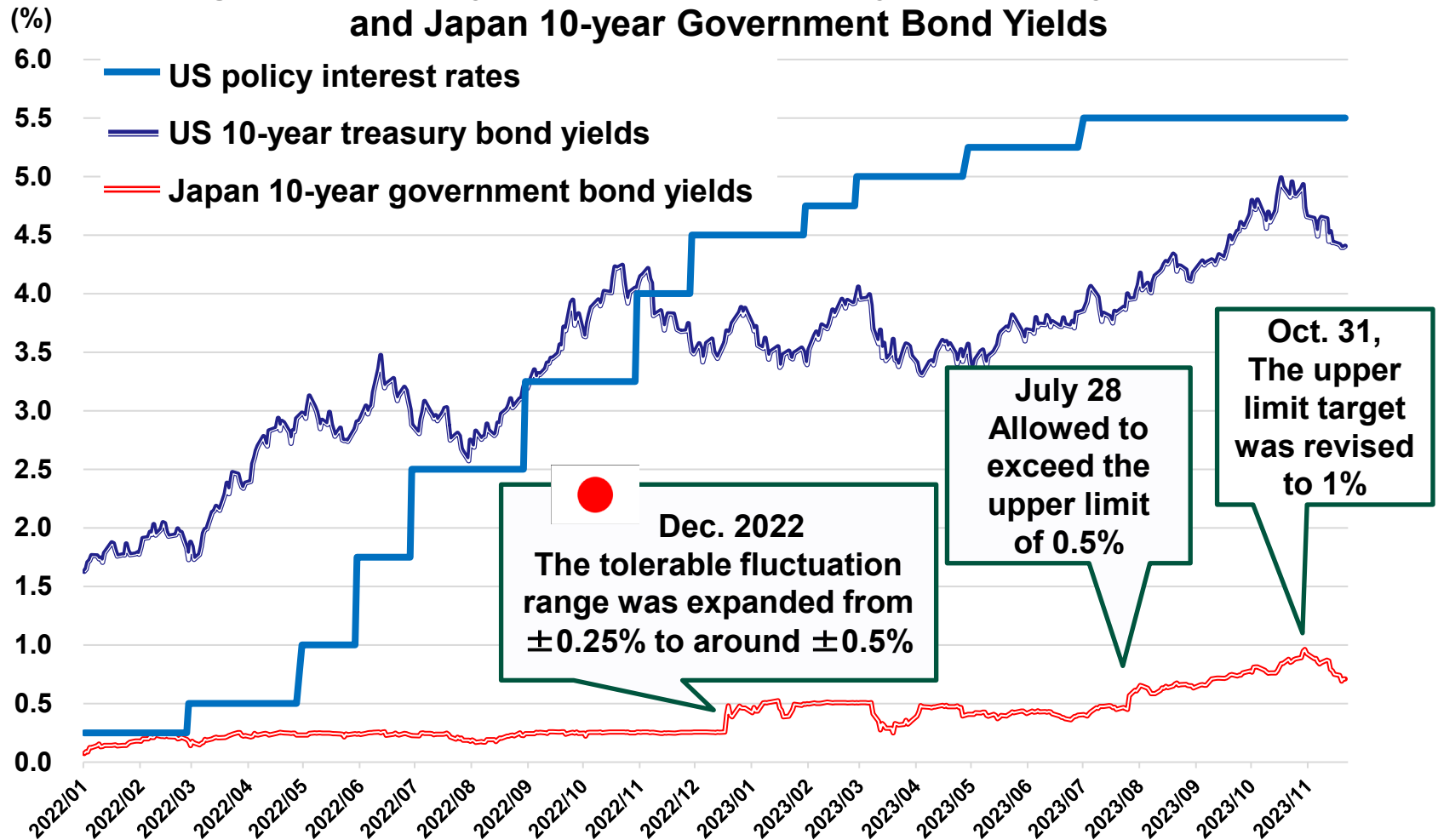
- ① Monetary policies in various countries around the world are entering a major turning point**
- ② Impact of the shift in Japan and overseas monetary policy on the real economy**

① Monetary policies in various countries around the world are entering a major turning point

Interest Rate Policies in Europe and the U.S. are Reaching a Turning Point and Japan's Ultra-low Interest Rate Policy is Coming to the End

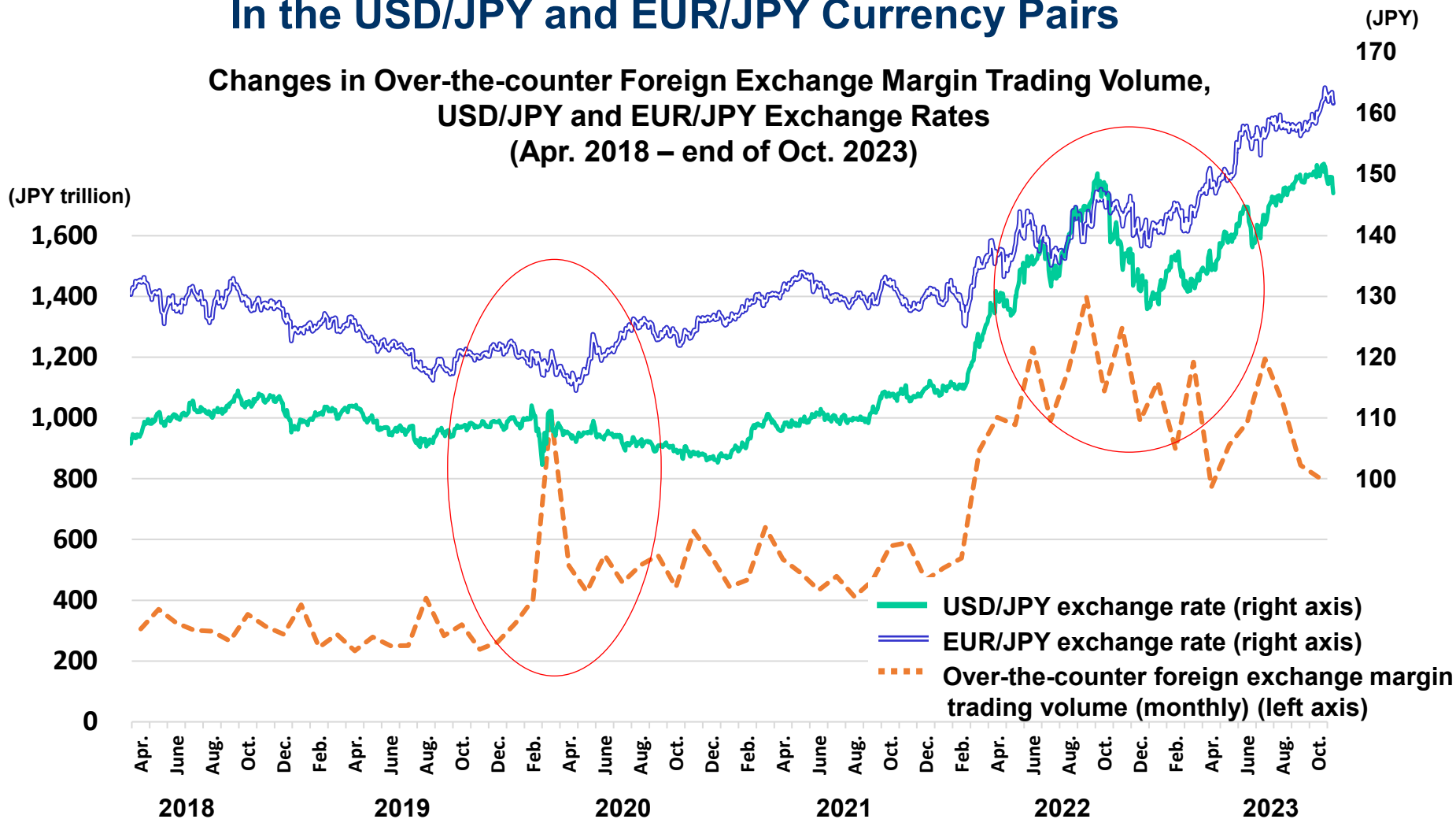
- Long-term interest rates in Japan temporarily reached **0.97%** on Nov. 1, the highest level since May 2013 -

Changes in US Policy Interest Rates, US 10-year Treasury Bond Yields, and Japan 10-year Government Bond Yields



Continued Monetary Tightening in Europe and the U.S. Has Widened the Interest Rate Gap With Japan, and Weakened the JPY In the USD/JPY and EUR/JPY Currency Pairs

Changes in Over-the-counter Foreign Exchange Margin Trading Volume, USD/JPY and EUR/JPY Exchange Rates (Apr. 2018 – end of Oct. 2023)



*Reference "Over-the-counter FX Monthly Report" by The Financial Futures Association of Japan and Bloomberg data

In FX business, trading activity increases during periods of increased volatility in the foreign exchange market

Rising Global Interest Rates and Japan's Monetary Easing Policies Are Now Reaching a Major Turning Point

[United States]

The Federal Reserve **signaled that a run-up in long-term Treasury yields reduces the impetus to raise interest rates again**, even as Chair Jerome Powell left the door open to another hike to tame inflation. (ellipsis) In his press conference, Powell said financial conditions have **“tightened significantly in recent months driven by higher, longer—term bond yields, among other factors.”**

Reference: Bloomberg “Fed Signals Yield Rise Reduces Need to Hike, But Door Still Open” (November 2, 2023)

[Japan]

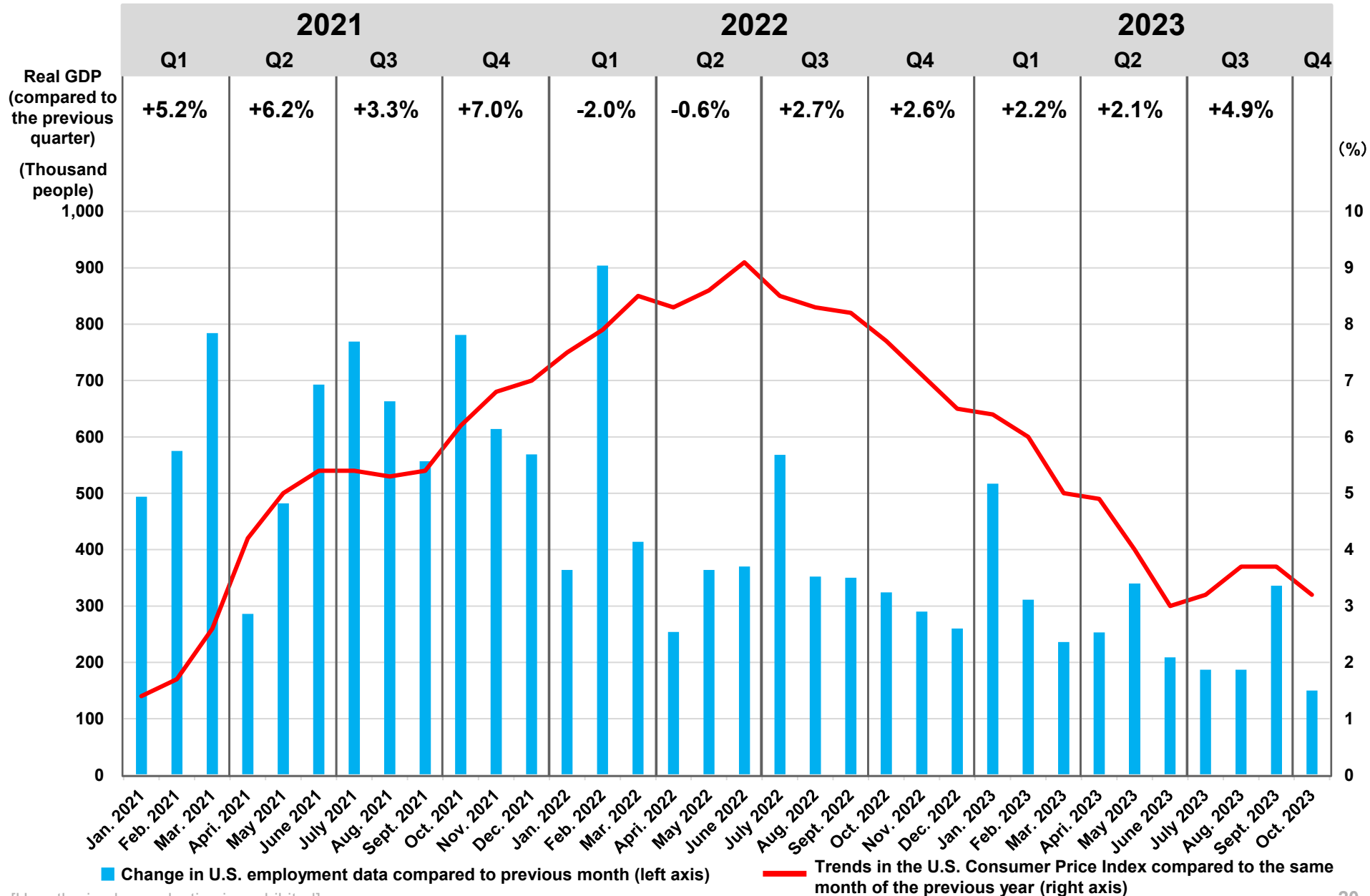
The Bank of Japan is beginning to feel **a positive response to the realization of its 2% price target**. In a speech and press conference held on the 6th, BOJ Governor Kazuo Ueda indicated that the Bank of Japan is increasingly confident of achieving its 2% price target. This is because corporate earnings have been strong and expectations for wage increases, which are a prerequisite for stable price hikes, are rising. However, **he avoided mentioning a specific timing for the normalization of monetary policy**, saying that the certainty of achieving the 2% target is still insufficient.

Reference: The Nikkei Electronic Edition (November 6, 2023)

Monetary policy may change in the near term if inflation is controlled in the U.S. and Europe, and if price targets and wage increases are achieved in Japan

② Impact of the shift in Japan and overseas monetary policy on the real economy

U.S. Employment Statistics, Consumer Price Index, and Quarterly Real GDP



U.S. Office Demand Slumps Even After Pandemic Is Over

-Vacancy rates in office buildings remain high throughout the U.S.-

- According to the National Association of REALTORS, the vacancy rate for April-June 2023 was 13.1%, up 3.7 points from the same period in 2019
- According to CBRE, a leading real estate services firm, **San Francisco's office vacancy rate as of the end of September 2023 was a record 34%**. New York is at 15.4% and Chicago is at 21.1%
- Preliminary data from U.S. research firm CoStar shows that **vacancy rates hit record highs** in New York and San Francisco in the third quarter of 2023

U.S. Commercial Real Estate Price Index



Due to sluggish demand for office space, **the commercial real estate price index in October 2023 was about 20% lower than in January 2022**



WeWork, a major U.S. shared office company, went bankrupt on November 6, 2023 due to a slump in demand for office space as well as high interest rates, which led to a deterioration in its cash flow

The U.S. Economy, which Has Remained Strong Since the Start of Sharp and Significant Interest Rate Rises in March 2022, is Turning a Corner

- **The U.S. employment statistics** for October 2023 grew 150,000 nonfarm payrolls, down half from September, and the labor market is beginning to show **signs of a retreat from overheated conditions**
- **The U.S. Consumer Price Index** rose 3.2% year in year in October 2023, **below market expectations**, it was the fifth consecutive month that the index stayed at 3%
- **US Retail sale** fell 0.1% in October from the previous month, **the first decline since March**
- **The U.S. credit card delinquency rate hit 8.01% in July to September 2023, the highest level in 12 years.** Total **U.S. credit card debt balances**(July-September) reached 1.079 trillion dollars, **the highest on record** since 1999 when the data was available
- According to S&P Global Market Intelligence , there were 516 **US corporate bankruptcies** from January to September 2023, **double the number** January to September 2022 (263 bankruptcies)



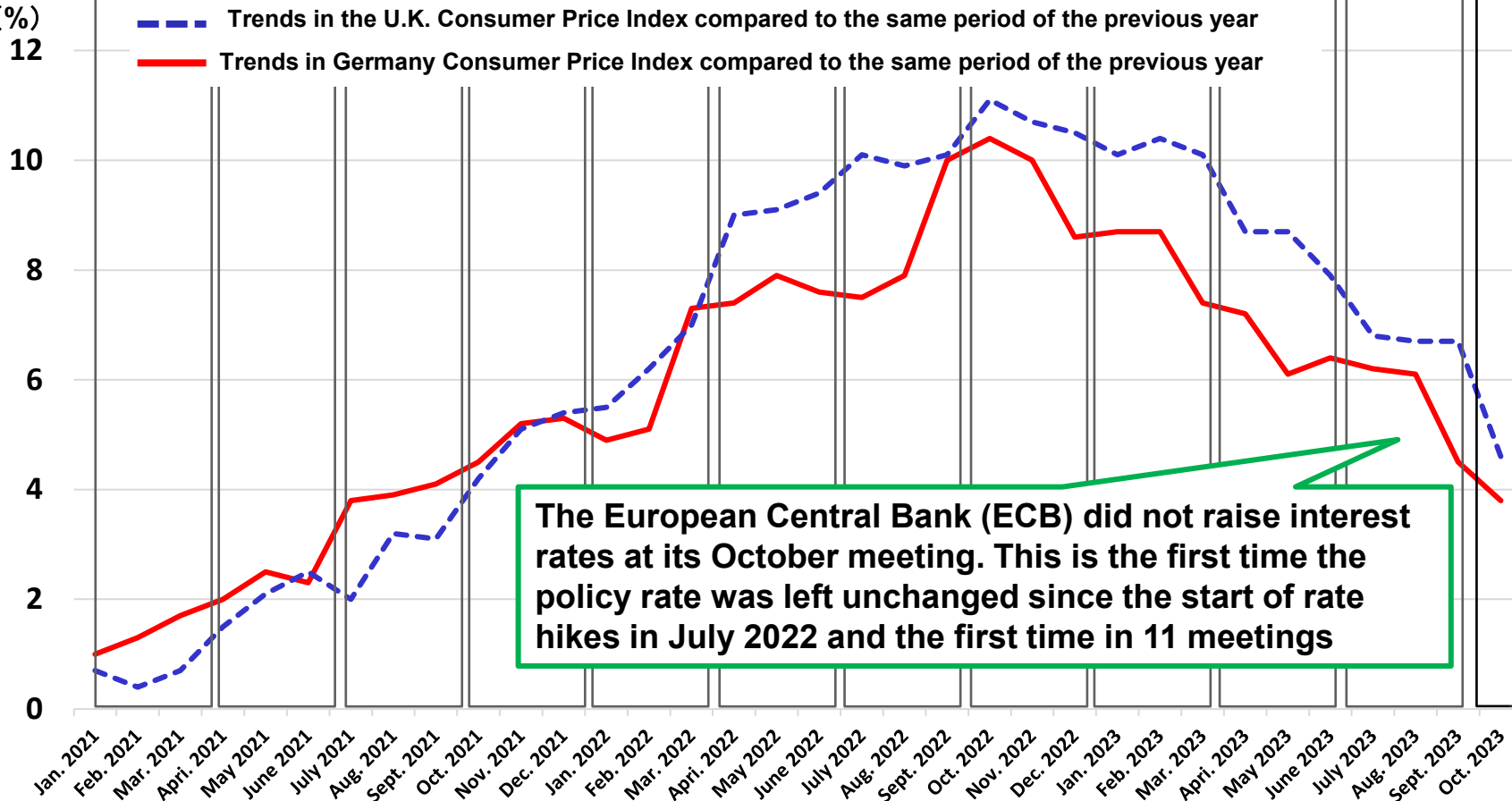
On November 29, the **Federal Reserve Board (FRB)** released the Beige Book, a report on economic trends in each of the Federal Reserve Banks' jurisdictions, summarizing **that U.S. economic activity has “slowed”** since October 2023

Consumer Price Index and Quarterly Real GDP in the U.K. and Germany

-Real GDP remains sluggish despite the recent effect of interest rate hikes to push down prices-

GDP (compared to the previous quarter) (%)

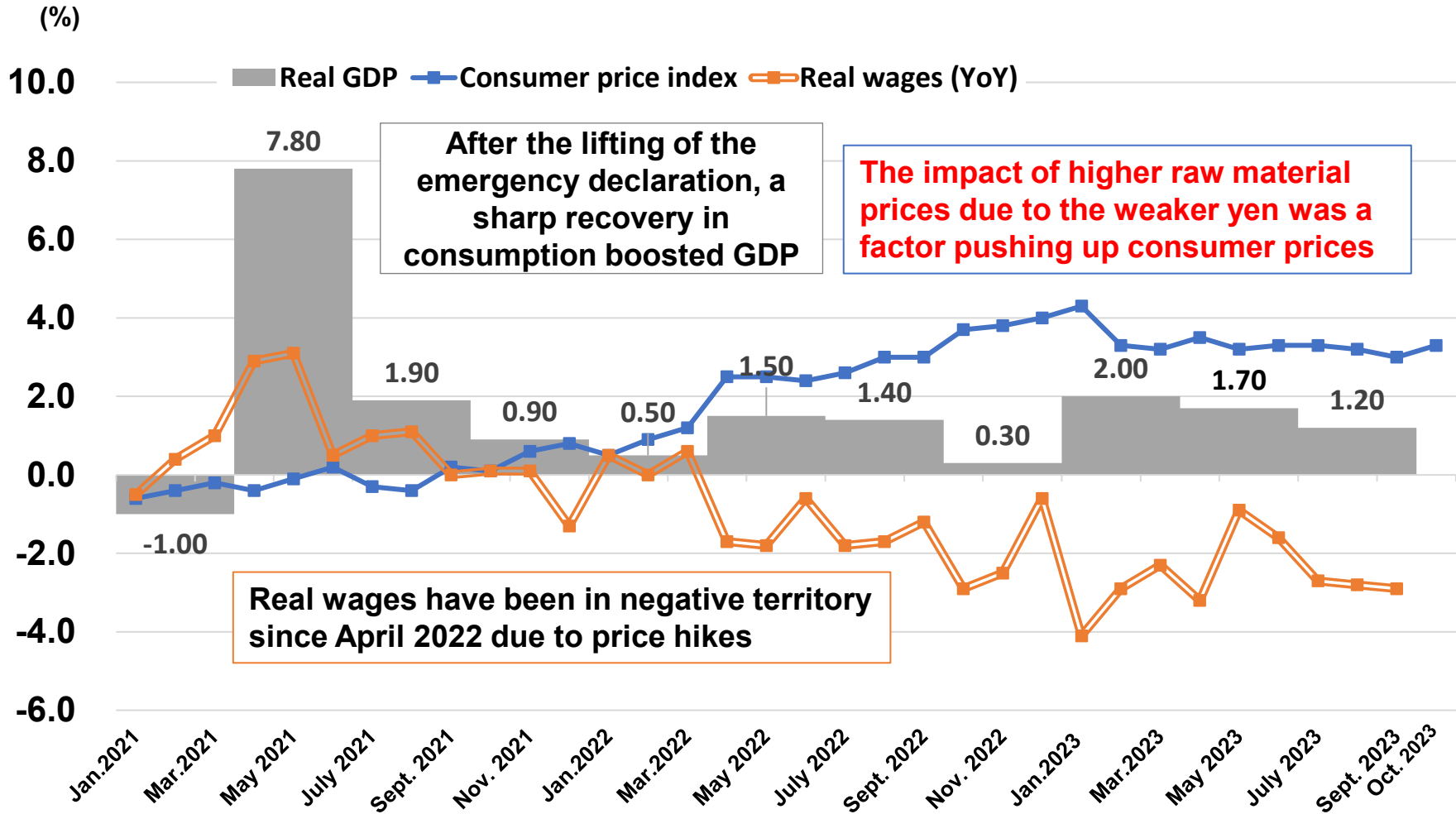
	2020 Q4	2021				2022				2023	
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
U.K.	+1.5%	-1.2%	+5.6%	+1.0%	+1.0%	+0.5%	+0.1%	-0.1%	+0.1%	+0.1%	+0.2%
Germany	+0.3%	-1.8%	+1.6%	+1.7%	-0.3%	+0.2%	+0.1%	+0.4%	-0.4%	-0.3%	0.0%



The European Central Bank (ECB) did not raise interest rates at its October meeting. This is the first time the policy rate was left unchanged since the start of rate hikes in July 2022 and the first time in 11 meetings

Trends in Consumer Prices, Real Wages, and Real GDP in Japan

-Real wages continue to decline as consumer prices rise-



* Compiled by SBI Group based on "Monthly Labor Survey" by Ministry of Health, Labour and Welfare and "Consumer Price Index Based on Year 2020, National, September 2023" by Ministry of Internal Affairs and Communications

(2) Impact and response to SBI Group of shift in Japan and overseas monetary policy

- ① Thoroughly promote measures to strengthen both fund raising and investment in order to increase the profitability of **the Banking Business** after the change in monetary policy
- ② In **the Insurance Business**, in addition to changes in the interest rate environment, the old-style sales methods of major insurance companies, as seen in the scandals involving used car dealers, have been called into question, providing a tailwind for the Group's insurance companies
- ③ Focusing on developing products that capture changes in the investment environment, such as interest rates, in **the Asset Management Business**
- ④ Volatility in the foreign exchange market will increase due to changes in monetary policy, and trading revenues are expected to continue to grow in **the Securities Business**

- ① **Thoroughly promote measures to strengthen both fund raising and investment in order to increase the profitability of the banking business after the change in monetary policy**
 - (i) **The possible impact of rising interest rates on the business of SBI Shinsei Bank Group and the various initiatives being promoted in response**
 - (ii) **SBI Sumishin Net Bank's main products is on variable-rate mortgage products, which are expected to be positively affected by rising interest rates**
 - (iii) **Regional financial institutions in which we have invested are promoting measures in anticipation of rising interest rates through cooperation with the SBI Group, and their share prices are rising in line with expectations for increased earnings in lending and market operations**
 - (iv) **SBI SAVINGS BANK suffered a short-term negative impact on earnings due to a sharp rise in interest rates following monetary tightening in the US, but expects earnings to recover in 2H FY2023 and beyond as the macro environment improves**

(i) The possible impact of rising interest rates on the business of SBI Shinsei Bank Group and the various initiatives being promoted in response

Impact of Rising Interest Rates on SBI Shinsei Bank Group Business

Rises in short- and long-term rates can widen spreads and provide a direct boost to revenue expansion

✓ **Retail & corporate business:**

While cost increases on the fund procurement side are limited, on the lending side we expect increased income centered on corporate loans and housing loans businesses, for a positive effect overall

Corporate loans:

Due to central use of a variable interest rate model linked to short-term interest rates, effects are positive when these short-term rates rise

Unsecured loans:

A fixed ceiling of 18% limits positive effects from rising interest rates in both the short and long term

Housing loans:

Having variable interest rate products at the core has created a positive effect from rising rates, both short- and long-term

Leasing and shopping credit:

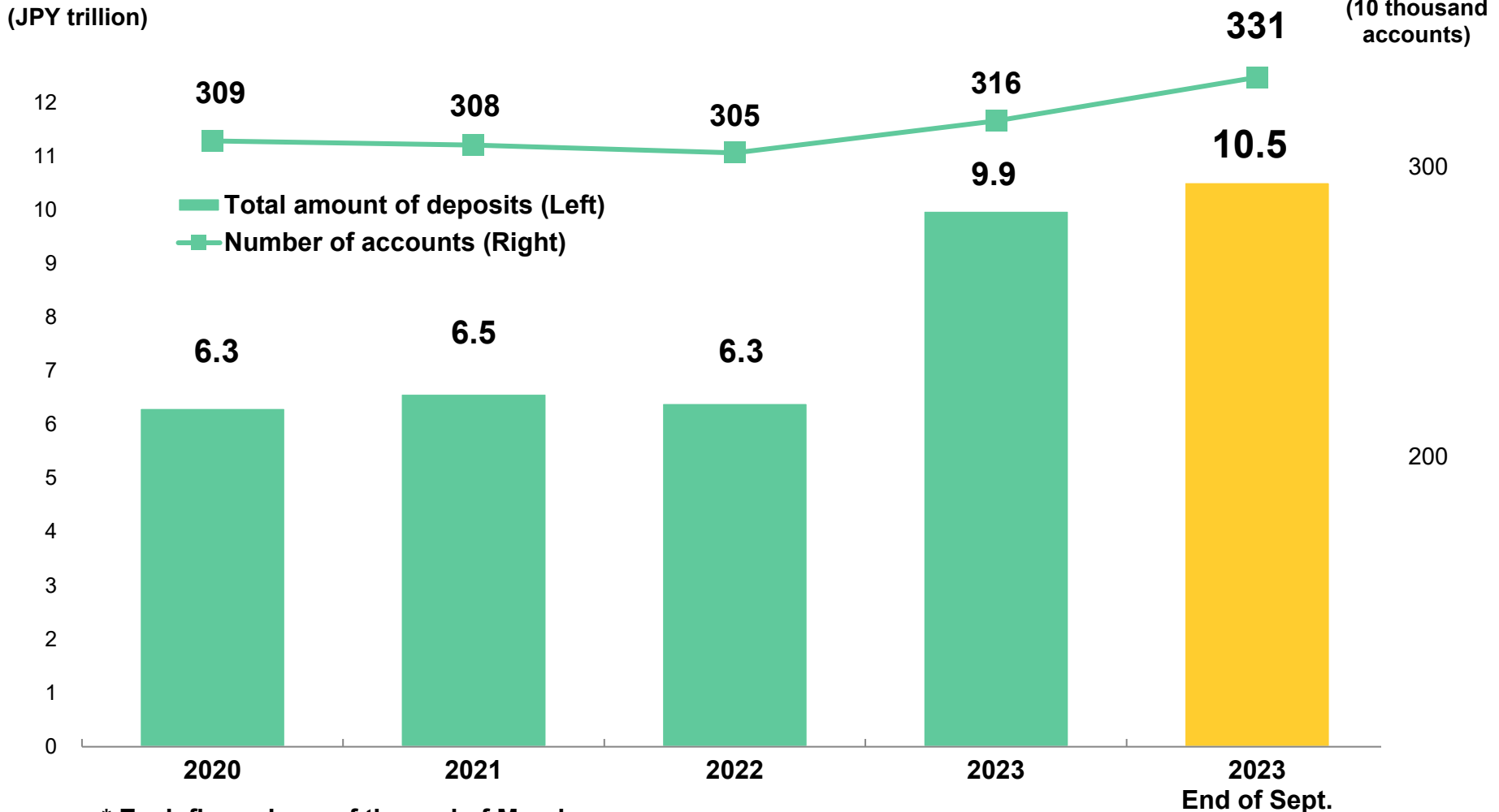
Predominance of fixed-rate contracts has limited the short- and long-term impacts, but positive effects are expected depending on future price transfers

✓ **Market business:**

Expecting a positive revenue effect from higher yields on reinvestment. At the same time, projecting expanded valuation losses on fixed-income domestic bonds held and higher costs for funds procured from the market

SBI Shinsei Bank is Expanding Its Customer Base and Building Deposit Balances Ahead of Future Interest Rate Increases

<Number of Retail Accounts and Deposits at SBI Shinsei Bank>

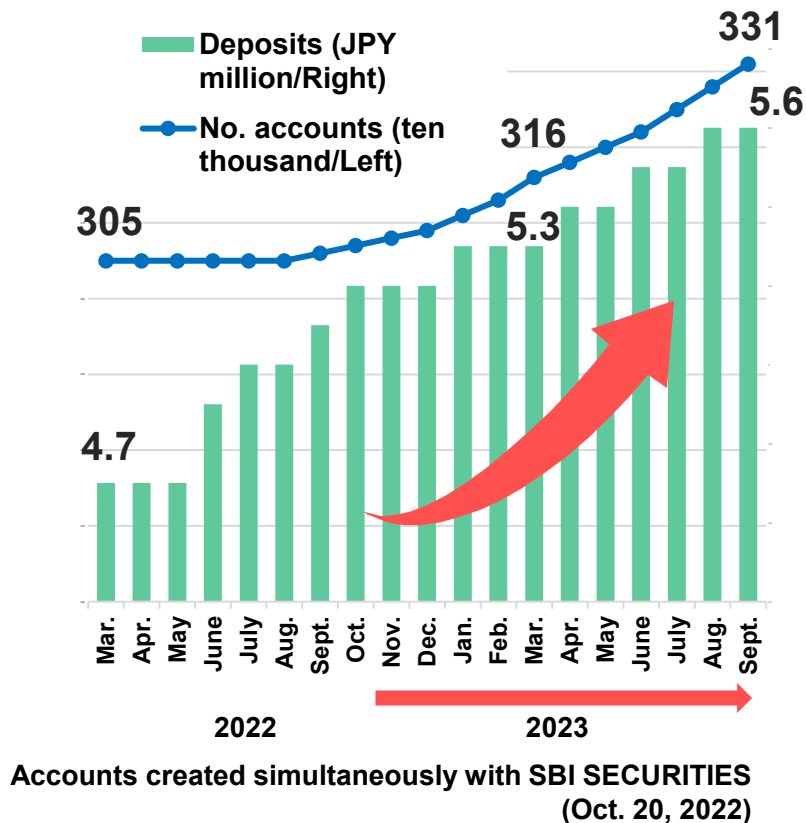


* Each figure is as of the end of March

A Major Expansion of the Customer Base through a Bank-Securities Link with SBI SECURITIES

- ✓ For SBI Shinsei Bank, the simultaneous opening of accounts with SBI SECURITIES **has accelerated growth in deposit accounts** since October 2022
- ✓ New customers, including the **60% or so** coming over from SBI SECURITIES, have an average age of **39.8**. Together with other factors, **this steadily expands the capturing of younger age groups to form the core of the future customer base**

<Retail accounts & deposits>





Oct. 5 - another large increase in USD time deposit rates ahead of other banks (5.3% per year → 6.0% per year)

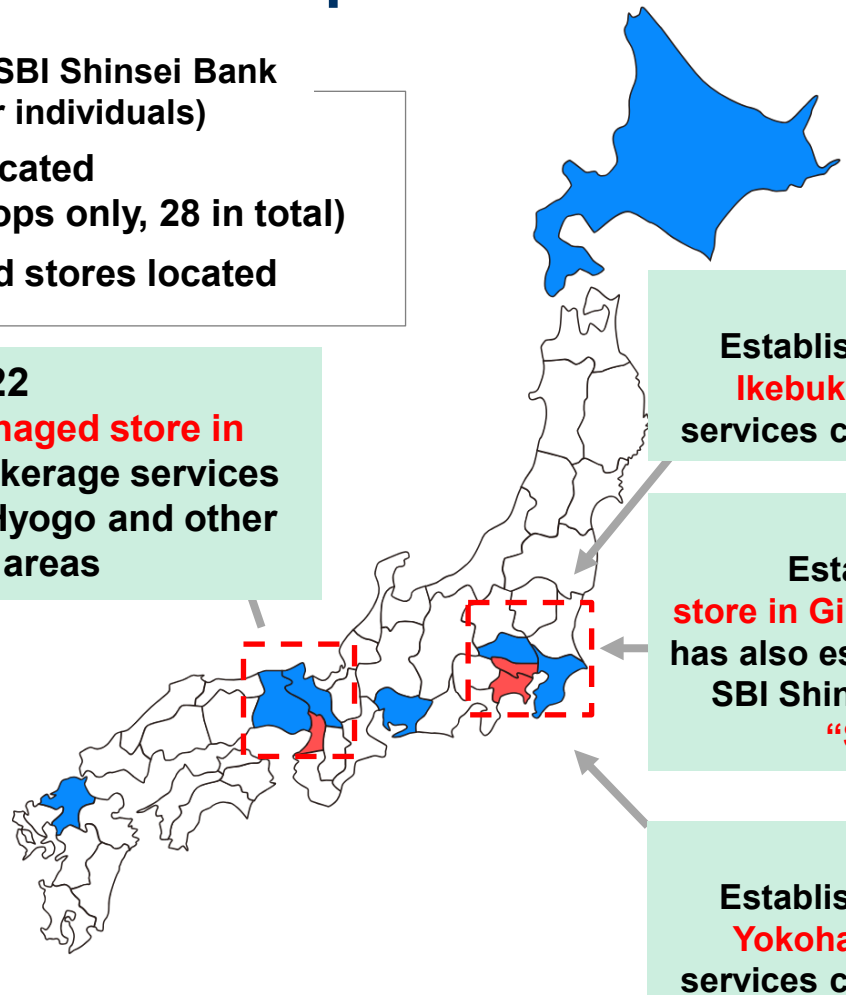
Implemented a series of successful **reviews of products and services**, resulting in higher deposit interest rates and waiving all ATM fees at convenience stores, etc.

- ✓ **Foreign currency deposit/withdrawal function between banks and securities companies were launched on November 17**
 - “Foreign Currency Deposit and Withdrawal Service”, which **allows real-time deposits of foreign currency in eight currencies**
 - “Automatic US dollar recurring deposit service”, which **automatically deposits a pre-set amount**
- ✓ **A future of increased linkage with SBI SECURITIES to respond to diverse requirements**

Steady Expansion of Cooperation between SBI Shinsei Bank and SBI MONEYPLAZA which Provides In-person Retail Stores

Prefectures with SBI Shinsei Bank branches (for individuals)

-  : Branches located (manned shops only, 28 in total)
-  : Co-managed stores located



Nov. 2022
Established a **co-managed store in Umeda** and started brokerage services covering from Kyoto, Hyogo and other surrounding areas

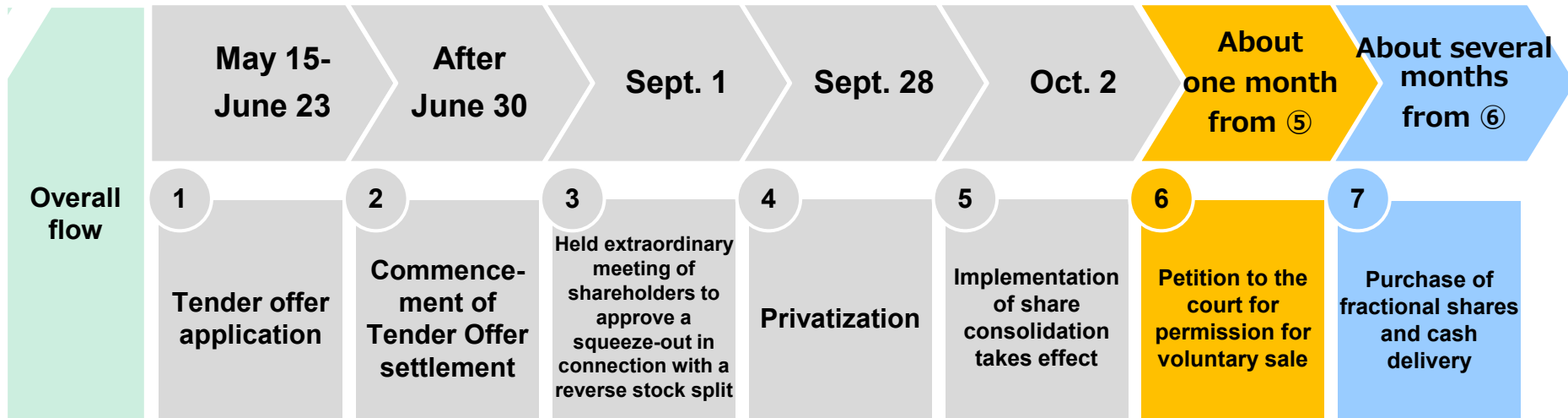
Aug. 2022
Established a **co-managed store in Ikebukuro** and started brokerage services covering the surrounding area

Feb. 2023
Established a **co-managed store in Ginza**, where SBI MONEYPLAZA has also established a store for handling SBI Shinsei Bank mortgages, called **“SBI Mortgage Ginza”**

July 2023
Established a **co-managed store in Yokohama** and started brokerage services covering the surrounding area

The amount of AUM at the joint branches have steadily expanded, increasing by approx. JPY 120bn in just over a year since its start

Increasing the Shareholding of SBI Shinsei Bank Shares to Increase Management Flexibility



- ✓ SBI Group plans to purchase fractional shares at an amount equivalent to the price at the time of the Tender Offer (**JPY 2,800 per share** before the reverse stock split)
- ✓ The purchase of fractional shares (worth approx. JPY 19.3bn) arising from the Deposit Insurance Corporation of Japan's share as a result of the squeeze-out **will be treated as a repayment of public funds**
- ✓ Regarding the purchase of fractional shares, from the viewpoint of maintaining a proper capital adequacy ratio, **There is a possibility that SBI Regional Bank Holdings may accept the bank's third party allotment of new shares** with a view to maintaining SBI Shinsei Bank's adequate capital base, in which case **the Group's voting rights ratio is expected to increase further from the current 62.5%**
 ⇒ **The management flexibility** of SBI Shinsei Bank will be **increased and the profit taken in** from SBI Shinsei Bank on a consolidated basis by the Company is expected to increase

Status of Cooperation between SBI Shinsei Bank and Regional Financial Institutions

 **SHINSEI BANK** (Case study in SBI Shinsei Bank)

*Each figure is the end of
Sept. 2023

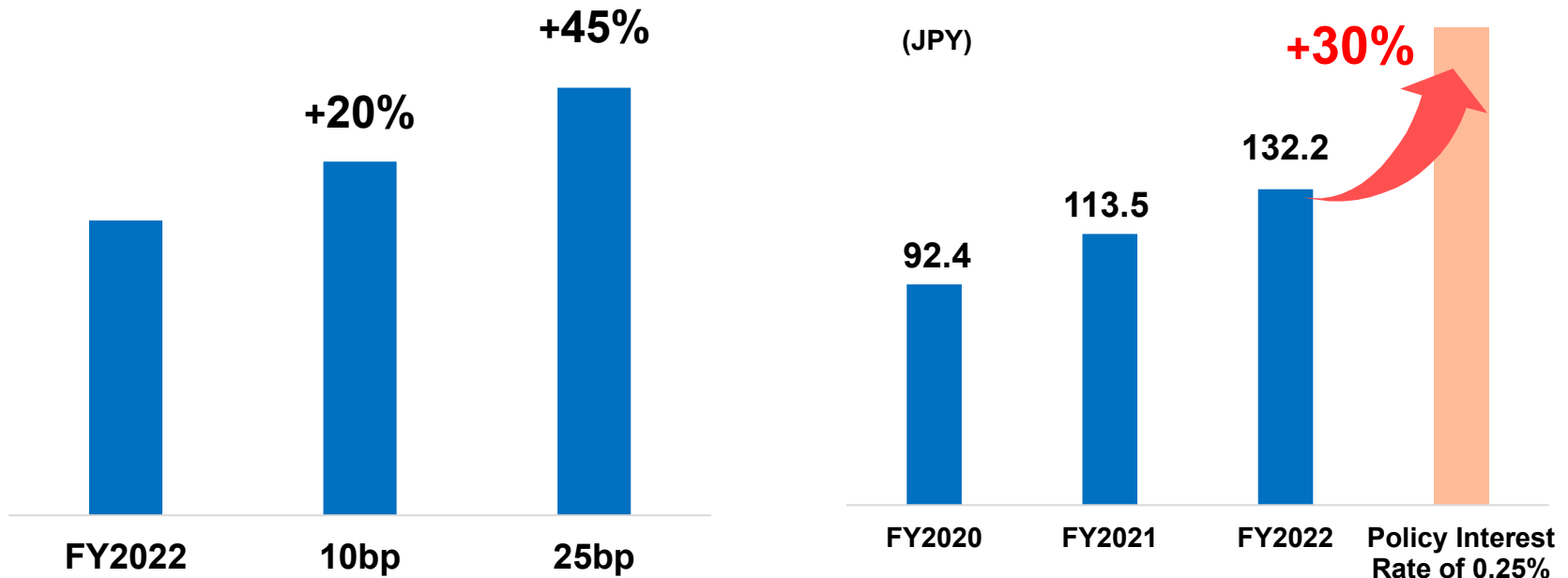
- ✓ **Co-financing for local companies arranged by regional banks**
 - ⇒ In cooperation with regional banks, Loans **totaled JPY 13.0bn** (including unused loans and contractual facilities) and extended to **24 companies**, who are the main clients of the banks
- ✓ **Regional bank participates in loan deals arranged by SBI Shinsei Bank**
 - ⇒ In 1H FY2023, the amount was approx. **JPY 180bn** for **67 banks**
The number of banks has increased to a cumulative total of **83**
- ✓ **Collaboration focusing on sustainable finance**
 - ⇒ Using the Sustainable Finance Framework, etc. developed by SBI Shinsei Bank, approx. **JPY 438.7bn** of finance was arranged in 1H FY2023
- ✓ **Contribution to regional development in collaboration with SBI Regional Business Succession Investment (SBI RBSI)**
 - ⇒ The initiative **supports regional revitalization from a financial perspective** through **the execution of LBO financing**, etc., for the regional business succession fund managed by SBI RBSI. In September, financing was provided to a building maintenance company in Miyagi Prefecture, and is planned for a building construction company in Kanagawa Prefecture and others in the future

(ii) SBI Sumishin Net Bank's Main Products is on Variable-Rate Mortgage Products, Which are Expected to be Positively Affected by Rising Interest Rates

- ✓ **Over 92% of mortgage loans**, which account for the majority of loans, are linked to the short-term prime rate
- ✓ If the zero-interest rate is lifted and the policy interest rate becomes 0.25%, **we assume no decline in demand or increase in defaults, EPS is estimated to rise 30% under certain assumptions**

<Estimated Impact on Earnings>

<EPS>



Note: Liabilities are estimated assuming a market interest rate tracking rate of 50%. Assets including short-term prime rate are estimated assuming a market interest rate tracking rate of 100%

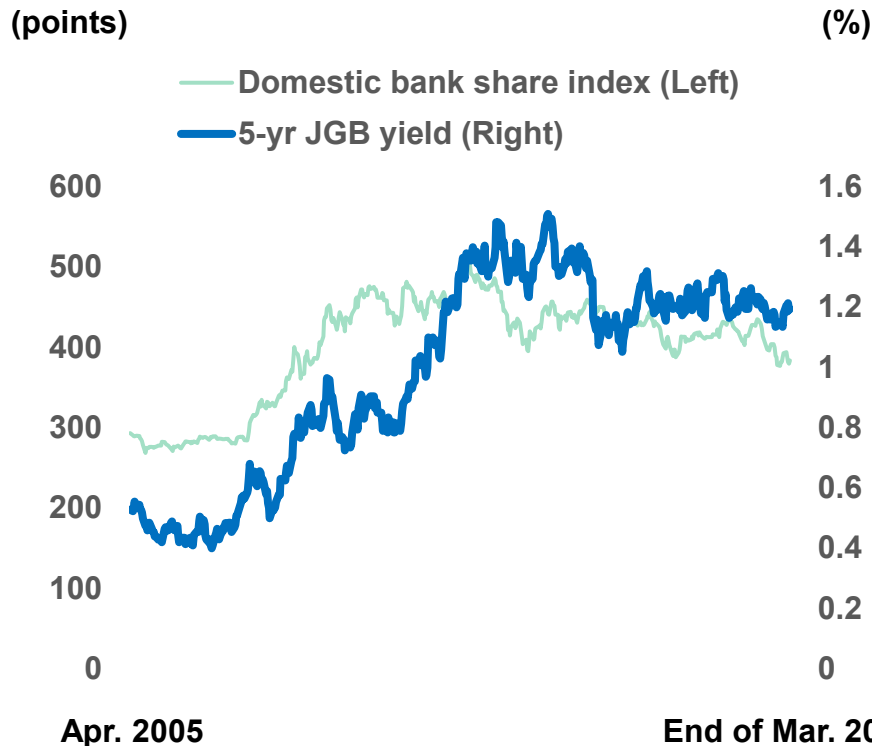
- (iii) Regional financial institutions in which we have invested are promoting measures in anticipation of rising interest rates through cooperation with the SBI Group, and their share prices are rising in line with expectations for increased earnings in lending and market operations**

Past Phases of Domestic Policy Rate Hikes and the Current Situation are Very Similar

<Changes in the domestic bank share index* and JGB yields>

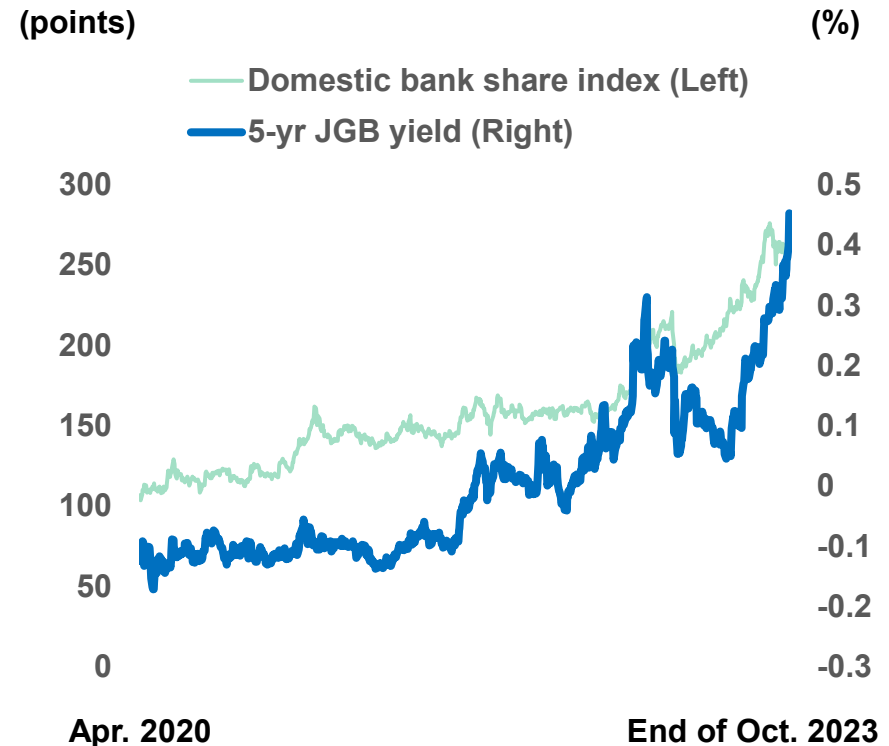
[April 2005 – end of Mar. 2007]

Correlation coefficient is **0.80**



[April 2020 – end of Oct. 2023]

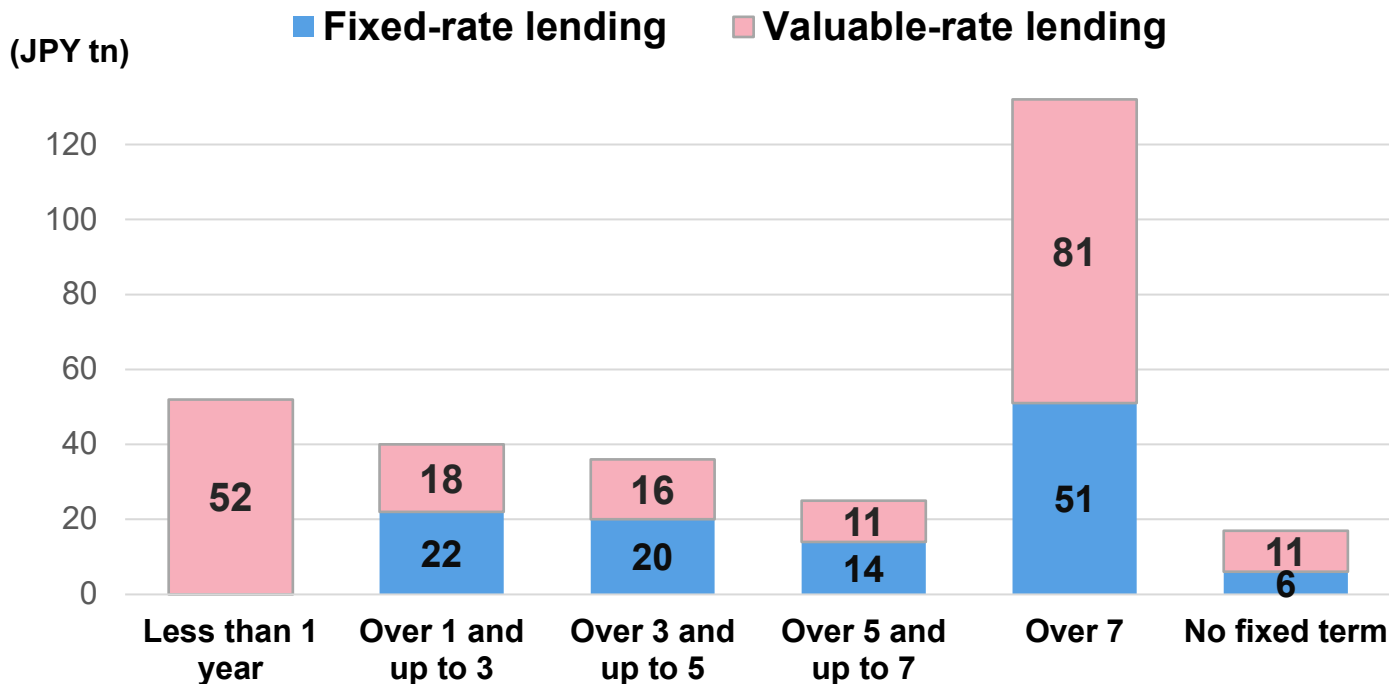
Correlation coefficient is **0.92**



(*) This indicator shows the share price trend in the banking sector of the TPX (Tokyo Stock Price Index)

The Variable Lending Ratio of Regional Financial Institutions, Including Loans with a Remaining Maturity of a Year or Less, has Reached 63%

<Outstanding Variable and Fixed Rate Loans of Regional Financial Institutions by Residual Maturity>




Note: All loans with a remaining term of a year or less are regarded as “variable-rate loans”

Source: Compiled by Triglav Research


Expected increase in interest income from funds as interest rates rise, in cases where the interest rate tracking rate on deposits is low

Comparison of P/B Ratio of Each of the SBI Group's Capital and Business Alliance Partners at the Time of the Alliance Announcement and at the Most Recent Date

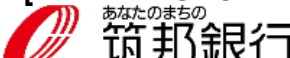


Major shareholder [The Shimane Bank]
 島根銀行
 (Sept. 6, 2019)
Voting rights-based shareholding ratio: 33.7%


when announced(*1)	Nov. 29 (*2)
0.19	0.42

Major shareholder [The Fukushima Bank]
 福島銀行
 (Nov. 11, 2019)
Voting rights-based shareholding ratio: 17.9%


when announced(*1)	Nov. 29 (*2)
0.20	0.29

[THE CHIKUHO BANK]
 あなたのまちの 筑邦銀行
 (Jan. 17, 2020)
Voting rights-based shareholding ratio: 2.9%


when announced(*1)	Nov. 29 (*2)
0.29	0.27

[The Shimizu Bank]
 清水銀行
 (Feb. 18, 2020)
Voting rights-based shareholding ratio: 2.4%


when announced(*1)	Nov. 29 (*2)
0.26	0.24

[THE TOWA BANK]
 ふれあいバンク TOWA 東和銀行
 (Oct. 23, 2020)
Voting rights-based shareholding ratio: 1.0%


when announced(*1)	Nov. 29 (*2)
0.22	0.23

Major shareholder [Jimoto Holdings]
 じもとホールディングス
 (Nov. 20, 2020)
Voting rights-based shareholding ratio: 17.0%

when announced(*1)	Nov. 29 (*2)
0.36	0.71

[Tsukuba Bank]
 筑波銀行
 (May. 14, 2021)
Voting rights-based shareholding ratio: 0.7%

when announced(*1)	Nov. 29 (*2)
0.18	0.38

[THE TAIKO BANK]
 大光銀行
 (May. 12, 2022)
Voting rights-based shareholding ratio: 2.8%

when announced(*1)	Nov. 29 (*2)
0.15	0.17

(*) The percentage of voting rights is as of the end of Mar. 2023

(): Date of partnership announcement

(*1) Calculated by SBI Group based on the latest net assets per share based on each bank's announcement prior to the date of the alliance announcement and the closing price of the stock on the day before the announcement

(*2) Calculated by SBI Group based on net assets per share at the end of FY2022 and the closing stock price on November 17, 2023

Share Prices Rose across the Board at Each of the SBI Group's Capital and Business Alliance Partner Banks, against a Backdrop of Changes in Interest Rate Policy, Combined with the Promotion of Digitalization



BOJ decided to make the operation of its yield curve control policy more flexible at the Monetary Policy Meeting on July 28, 2023



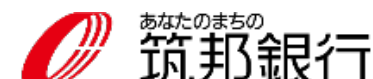
[The Shimane Bank]

July 28	Nov. 29
JPY 514	JPY 512



[The Fukushima Bank]

July 28	Nov. 29
JPY 225	JPY 251



[THE CHIKUHO BANK]

July 28	Nov. 29
JPY 1,385	JPY 1,424



[The Shimizu Bank]

July 28	Nov. 29
JPY 1,552	JPY 1,520



[THE TOWA BANK]

July 28	Nov. 29
JPY 581	JPY 621



[Jimoto Holdings]

July 28	Nov. 29
JPY 415	JPY 578



[Tsukuba Bank]

July 28	Nov. 29
JPY 217	JPY 260



[THE TAIKO BANK]

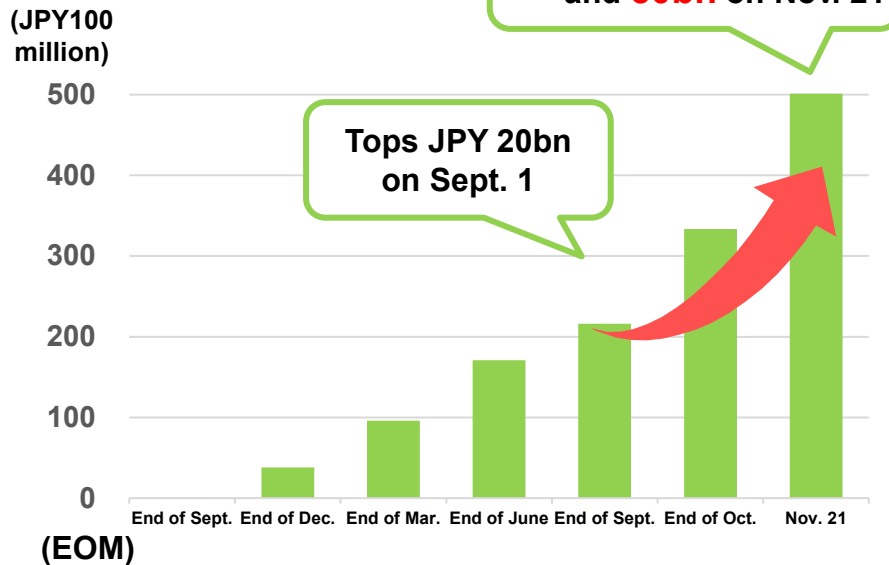
July 28	Nov. 29
JPY 1,158	JPY 1,311

Note: All share prices are closing prices

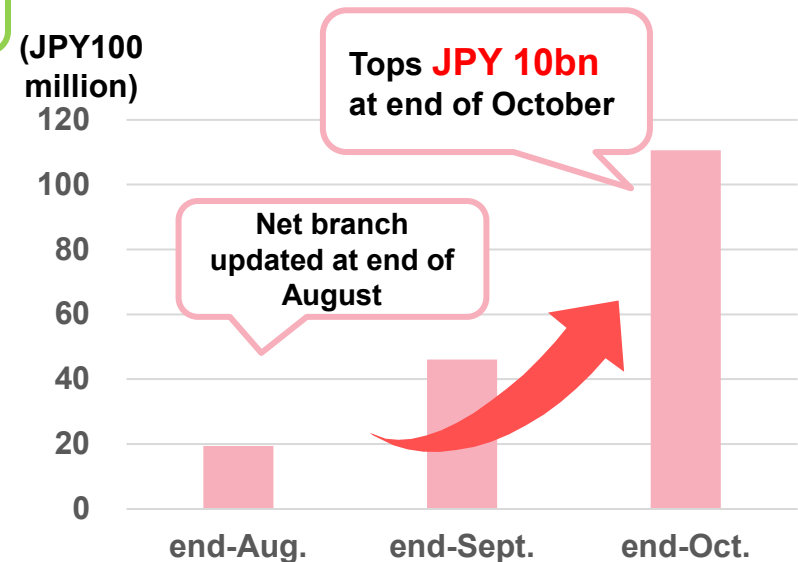
Aggressive Efforts to Acquire Deposits in Order to Further Strengthen Fund Management Based on Cooperation with the SBI Group

- ✓ Through such characteristic measures as paying the industry’s highest level of interest on ordinary deposits (0.25%) and **eliminating ATM fees**, deposit balances at the **“Shimaho!” smartphone branch** rolled out by The Shimane Bank under collaboration with the SBI Group, reached **JPY 20bn** by September 2023—just one year from opening—and topped **JPY 50bn** on November 21
- ✓ Under collaboration with the SBI Group, The Kirayaka Bank has rolled out its Net Kiryakasakuranbo Branch. After an update at the end of August, on September 1 the net branch started offering a **1.0% interest rate** on (limited period) time deposit products available only at its net branch. In only two months, deposit balances have surpassed **JPY 10bn**

<Shimaho! deposit balance>



<Net Kirayaka sakuranbo Branch deposit balance>



Significantly Reduce System Costs and Radically Reform Operations through the Provision of Next-Generation Banking Systems

- ✓ SBI Regional Revitalization Banking System 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 using cloud environment
- ✓ 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 fund raising, **endeavor to level out the system cost burden through an annual fee model**, and to return profits through dividends to investors



Full-scale operations at **The Fukushima Bank** as the first phase, **are planned for 2024**

Fukushima Bank president targets Japan's "fastest" bank through DX promotion with SBI

--I think there are benefits and risks to introducing a first-mover...

“There are obviously risks, but the benefits of being ahead of other banks are larger. The big established systems can be expected to operate reliably, but that would just be riding on the current system. If we compare this situation to track and field events, we will be lapped. We wanted to implement something advanced because we will be using this system for the next 7-8 years.”

“The biggest advantage is cost savings. The renewal of an accounts system once every 10 years at most costs between JPY 5-6bn, even for our size. In the future, we will not own the system and pay a fee to use it. Even if the annual cost increases by JPY 200mn, the total for 10 years is still JPY 2bn, so a simple calculation shows a reduction of JPY 3-4bn”

(The Nikkei Electronic Edition, November 17, 2023)

Launch of the SBI Common ATM Service to Contribute to the Reduction of System Costs for Regional Banks

About SBI common ATM services

- ✓ **Common specifications for ATM applications, monitoring and operation** minimize individual development for each bank and reduce operating costs
- ✓ **APIs will enable connection to other systems and the implementation of new services at low cost and speed**

Unification of ATMs with SBI systems

“**We are the first bank in Japan** to introduce this. We have been using separate equipment and systems since our business merger in 2012. We are unifying our ATMs to coincide with the issue of the new notes“

“**The two banks have about 300 ATMs** to be replaced. The replacement is to be completed by around July 2024, when the new notes will be issued“

“It is expected to **reduce operating costs** and offer other benefits such as easier connectivity with other systems provided by SBI Group”

“The two banks **expect to reduce costs by around JPY 800m over the next ten years**”

Newspaper article

(The Nikkei Morning Edition, November 2, 2023)

Research and Development of Generative AI to Improve the Operational Efficiency of Regional Banks

- SBI Group established the “SBI Generative AI Office”, an internal organization dedicated to generative AI, on July 1, 2023
- “The SBI Generative AI Office” shares knowledge and accompanies projects not only within the Group but also with partner regional financial institutions and others outside the Group, in order to accumulate expertise in the use of generative AI

Newspaper article

“The Fukushima Bank has started research and development of generative AI jointly with SBI Holdings, with whom it has a capital and business alliance, to improve the efficiency of its internal operations. An employee from Fukushima Bank **will be seconded to “the SBI Generation AI Office”, set up by SBIH in July, to acquire knowledge and skills, with the goal of completing a prototype model that can be used in specific operations at the bank by the end of March 2024”**

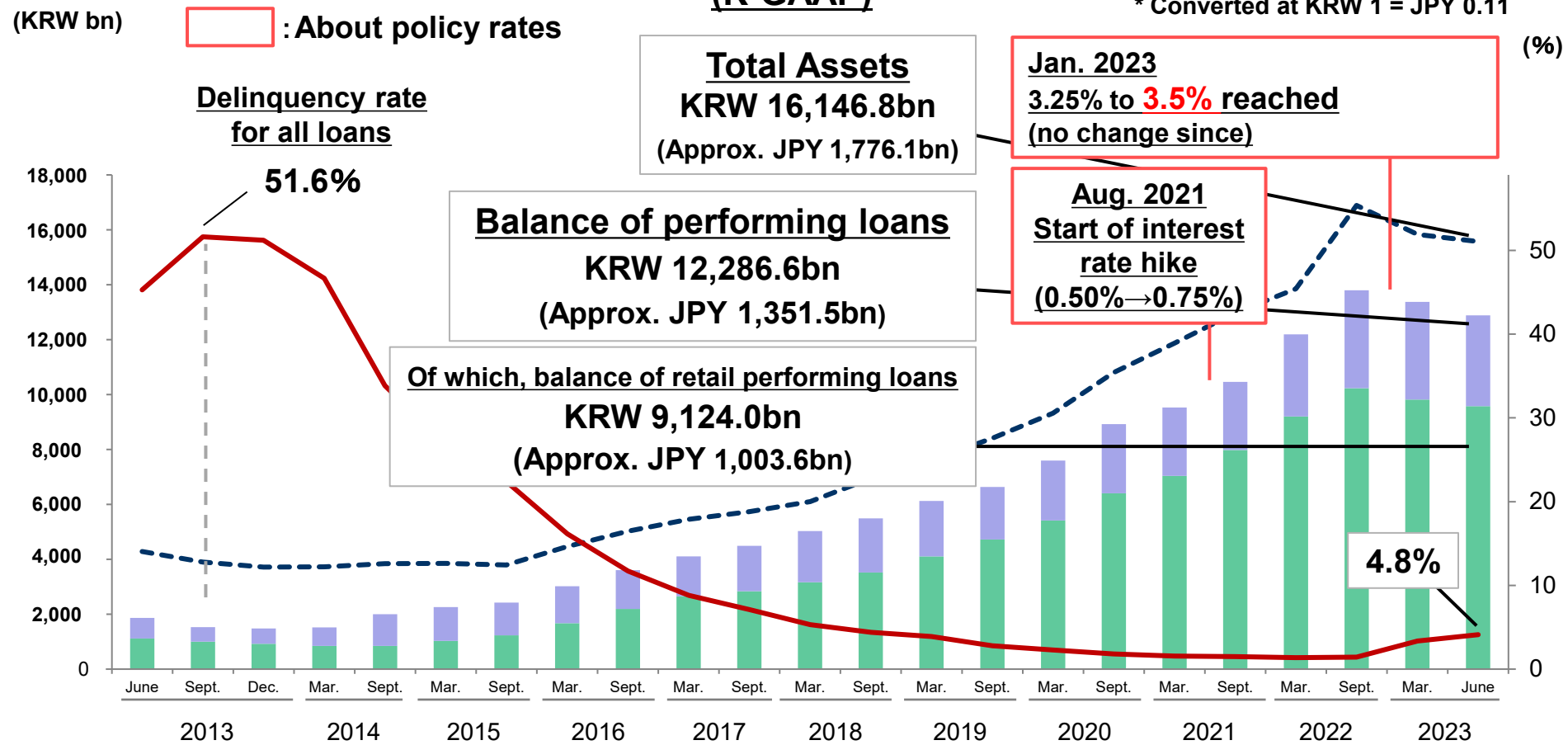
(The Nikkei Morning Edition, November 10, 2023)

(iv) SBI SAVINGS BANK suffered a short-term negative impact on earnings due to a sharp rise in interest rates following monetary tightening in the US, but expects earnings to recover from 2H FY2023 and beyond as the macro environment improves

Deterioration in Customer Credit and Collateral Property Prices Due to Continued Inflation and Sharp Rise in Policy Rates

Changes in Indicators since Becoming a Subsidiary (K-GAAP)

* Converted at KRW 1 = JPY 0.11

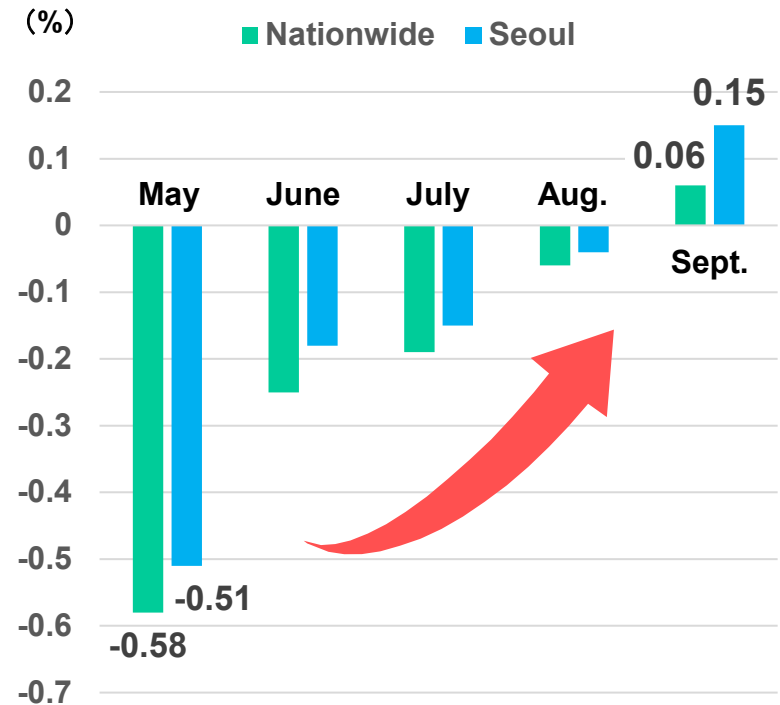


The overall delinquency rate for loans was 4.8% due to the weakening soundness of the loan portfolio as a result of deteriorating business conditions and restrictions on the sale of delinquent loans

Signs of Improvement in the Korean Economy are Beginning to Emerge

- ✓ The overall bankruptcy rate of domestic businesses in South Korea has continued to worsen since the end of 2022, but **the rate of increase has been slowing** since March 2023
- ✓ Signs of a positive turnaround in the business environment can be observed, for example, in the property market, where property prices, which had continued to fall, have **started to rise, albeit just slightly**

<Rate of Change in House Prices Compared to Previous Month>



Continue to maintain a prudent management stance through various measures, such as resuming the acquisition of prime assets and strengthening debt collection, while **seeking to maintain and strengthen revenue creation**

- ② In insurance business, in addition to changes in the interest rate environment, the old-style sales methods of major insurance companies, as seen in the scandals involving used car dealers, have been called into question, providing a tailwind for the Group's insurance companies**

SBI Life Insurance and SBI Insurance have Investment Policies that Anticipate a Future Phase of Rising Interest Rates



- Given the growing appeal of investing in yen bonds relative to other asset classes, expand buy-and-hold investments in yen bonds by utilizing accounting categories that can avoid the risk of price declines even when interest rates rise, with a focus on JGBs in the long-term zone, which have an appealing absolute level, and corporate bonds in the short-term zone, which have an appealing spread level
- Given that foreign exchange hedging costs are expected to remain high, we will limit investments in foreign bonds with foreign exchange hedges, and strive to increase further returns by including alternative assets such as private REITs and overseas infrastructure funds that provide high income and are resistant to rising interest rates



Assets under management of yen bonds and alternative assets at the end of 1H in FY2023 **increased 22.0% from the end of FY2022**



- Given the rising interest rates and persistently high foreign exchange hedging costs, we have increased the balance of assets under management, mainly short- to medium-term bonds, while also combining floating-rate bonds.
- Gradually expand investments in private REITs, private asset funds, etc., in order to increase long-term earnings



Total assets under management of bonds and private REIT funds at the end of 1H in FY2023 **increased 8.6% from the end of FY2022**

The investment results for 1H FY2023 under review are showing positive results, with yen bond investment income up **approx. 1.4 times** and private REIT fund investment income up **approx. 1.9 times** compared to the same period of the previous fiscal year

Improper Insurance Claims by BIGMOTOR and Other Used Car Dealers Have Exposed Not Only the Collapse of Business Ethics but Also Structural Problems in the Agency-type Non-life Insurance Business

Agency-type non-life insurance

- Used car dealers also play a role in acquiring insurance policies as insurance sales agents for agency-type non-life insurance
- In some cases, used car dealers allocate insurance policies to agent-type non-life insurers in exchange for the agent-type non-life insurers' introduction of accident cars to used car dealers



It is possible that agency-based non-life insurers may commit scandals like this one in order to increase the number of insurance policies

Independent direct non-life insurance

- Independent direct non-life insurers sell insurance products directly to customers mainly through the Internet
- Used car dealers are basically positioned as affiliated repair shops



Normally, for independent direct non-life insurers, the number of accident vehicles entering used car dealerships is not linked to the number of insurance policies

SBI Insurance is in an environment that could lead to a high evaluation because of its customer-centric approach and direct online sales

In the Insurance Business, where a String of Scandals has Shaken Confidence in the Industry as a Whole, the Key to Growth is a Thorough “Customer-centric Principles” Approach

-Based on the SBI Group’s “Customer-centric Principles,” SBI Insurance achieved a high level of customer satisfaction in external evaluations-



1st

**2023 ORICON Customer Satisfaction® Survey
Auto Insurance Premiums
(SBI Insurance Automobile Insurance)**

**11th time
in 3 consecutive years**



Three Stars

**Presented by HDI-Japan
HDI Ratings Benchmark for 2023**
•Inquiry Counter Rating
•Web Support Rating

**Sixth consecutive year
Inquiry counter section
7th time
Web support section
11 times**



Five Stars

**Presented by HDI-Japan
HDI Five-Star Certification Program for 2023**
•Inquiry Counter
•Web Support

**Second year
in a row**

- ③ Focusing on developing products that capture changes in the investment environment, such as interest rates, in the Asset Management Business**
 - (i) Plans to launch and manage a new JGB investment trust in anticipation of changes in the interest rate environment in Japan**
 - (ii) Establish joint venture with leading overseas asset management companies to provide alternative investment products**

- (i) Plans to launch and manage a new JGB investment trust in anticipation of changes in the interest rate environment in Japan**

Plan to Establish and Manage an Industry-Leading Low-Cost Domestic Bond Active Fund from November 28, Anticipating the Evolving Domestic Interest Rate Trends in Japan



Fund name: SBI JGB Fund (Quarterly settlement type)
Eligible for Growth Quota of the New NISA (Planned)

Trust fee: 0.099% (Incl. tax/annual) (the Lowest fee in Japan)

- Maximize returns for investors by offering **the lowest trust fee in the industry at 0.099%**, while the average trust fee for domestic bond-type active funds is 0.41%
- The Fund will invest primarily in Japanese government bonds with remaining maturities of up to 30 years, and will determine/adjust its allocation by remaining maturity in accordance with the interest rate environment
- Assumes **a yield of approximately 1.20%** for bonds to be included in the portfolio
- **First product of the “Smart Active Series,” a new series** of high value-added, low-cost active funds being considered for future development

Provide products that investors truly need in light of market trends and major turning points, such as the launch of the “New NISA”

- (ii) Established a joint venture with leading overseas asset management companies to provide alternative investment products**

The Environment Surrounding Asset Management is at a Major Turning Point

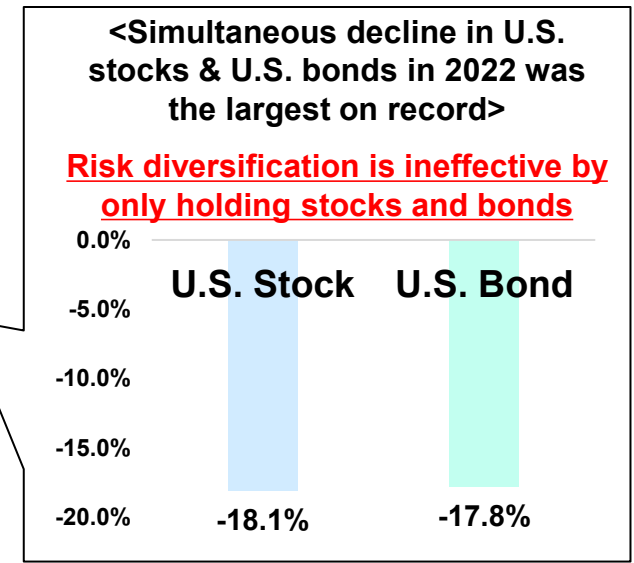
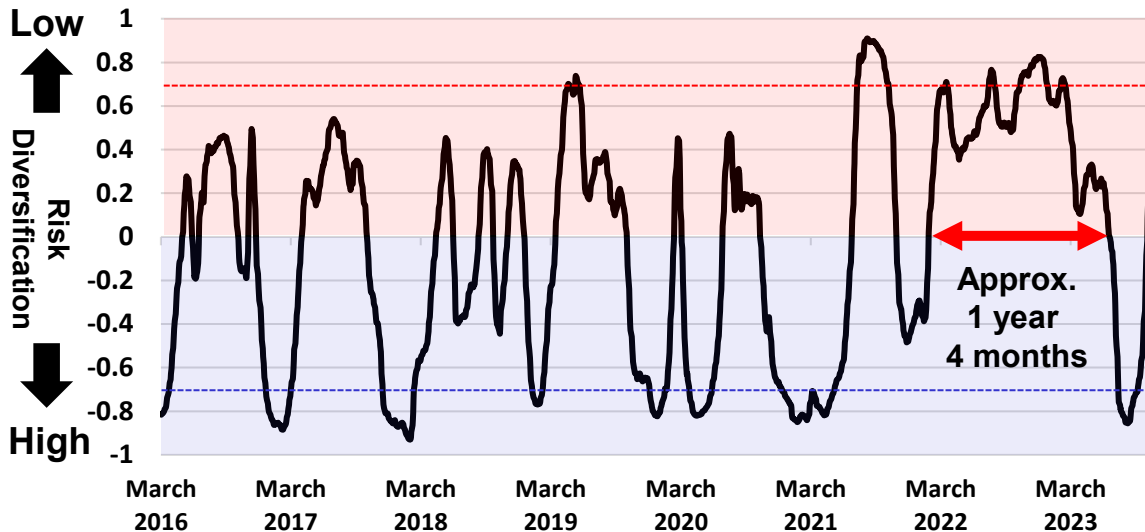
- Rising interest rates around the world have also brought about changes in the asset management environment -

BlackRock Inc. strategists are ditching the 60/40 portfolio in favor of **public and private investments as well as tactical holdings of bonds** to navigate higher interest rates. (ellipsis.) Investors should rethink fixed-income allocations given their returns are increasingly tied to equity performance and **no longer provide the portfolio balance they used to**, according to the strategists.

Reference: Bloomberg "BlackRock Ditches 60/40 Portfolio in New Regime of High Inflation" (April 18, 2023)

Correlation Trends between the S&P 500 Index and IEF (U.S. 7-10 year bond ETF)

(Correlations for the past 90 days from the base date)



*Based on data from Bloomberg

The Asset Management Business will implement initiatives that grasp the turning point of the industry

Acquire Quality Asset Management Companies and Promote Strategic Alliances in Order to Enhance Asset Management Sophistication and Build a Global Asset Allocation Structure

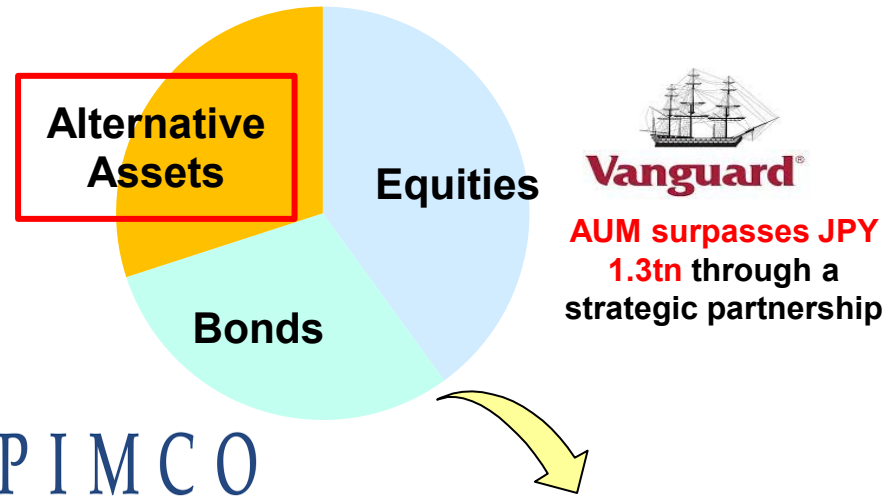
<To provide advanced asset allocation that can cope with an uncertain environment>

[Up to now]
Expansion of traditional asset classes such as fixed income and equities by partnering with global asset managers such as PIMCO and Vanguard

[Going forward]
 Seek to **offer alternative assets** such as private equity, real estate, infrastructure, etc. with high diversification effect in the future

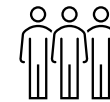


Endeavor to provide advanced management through acquisitions and strategic alliances with asset management firms specializing in their respective asset areas

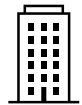


Achieved AUM of JPY 1.2tn through a joint venture

Offer products to the customer base of SBI Group



General investors



Financial institutions and business corporations
 Etc.

Develop around Two Alternative Investment Strategies: “Alternative Strategies” and “Alternative Assets”

SBI Group Agrees to Alliance with Two Leading Global Alternative Management Firms



① Man Group PLC “Man Group”

② KKR & Co. Inc “KKR”

Strength in “**alternative strategies**”

Strength in “**alternative assets**”

Trend follow

Private equity

Long/short strategy

Private debt

- Target to establish a joint venture with the above two companies **by the end of December 2023**



Work with SBI Global Asset Management to endeavor towards realization of **popularizing alternative investments** that aligns with the current economic environment

① Agreement with Man Group, a Leading U.K.-based Asset Management Firm, to Establish a Joint Venture to Manage Alternative Investments



Man Group

- ✓ One of the world's largest asset management companies founded in the UK in 1783
- ✓ Specializes in alternative asset management, with assets under management of USD 144.7bn (approximately JPY 20.3tn) as of March 31, 2023

Newspaper article

- ✓ Although the purchase of alternative asset funds has been limited to institutional investors, **it will be made easier for individual investors to invest** by increasing the cancellation frequency, etc.
- ✓ In addition to **allowing daily trading** of alternative asset funds like general investment trusts that invest in traditional assets, the fund will **disclose information such as portfolio assets and the timing of trading**
- ✓ Alternative assets are considered to have low correlation with traditional assets, and an **increasing number of investors are investing in these assets to diversify risk**

The Nikkei (July 19, 2023)

Target to start providing products in early 2024

② Agreement with KKR, a Leading U.S. Asset Management Firm, to Establish a Joint Venture to Manage Alternative Investments

KKR

- ✓ One of the world's largest comprehensive asset management firms, established in 1976 in the U.S., with 23 offices around the world including Japan
- ✓ As of June 30, 2023, it had USD 519bn (approximately JPY 74.9tn) in assets under management

Newspaper article

- ✓ **Offering Investment Trusts for Professionals to Japanese Individuals**
- ✓ **Create investment trusts for Japan** based on KKR's funds sold to wealthy individuals overseas
- ✓ The Japanese government is committed to making Japan an asset management powerhouse, and foreign investment firms are **increasingly interested in expanding their business in Japan**

The Nikkei (September 19, 2023)

Target to start providing products by 1H FY2024

Endeavor to Achieve the Total Group Assets Under Management of JPY 20tn by FY2027

[Current position]
As of end of September 2023
Approx. JPY 8.5tn



[New goal]
Endeavor to achieve
JPY 20tn by FY2027

Global Asset Management

<Index & multi-asset> <U.S. govt. bonds>

Approx. JPY5.0tn *

<Active>

[Okasan Asset Management]

Approx. JPY2.6tn *

<Private equity, etc.>

Approx. JPY 780bn *

<Alternative investment (planned)>
Build up assets under management through joint ventures with Man Group and KKR

(*)Asset under management as of the end of September 2023

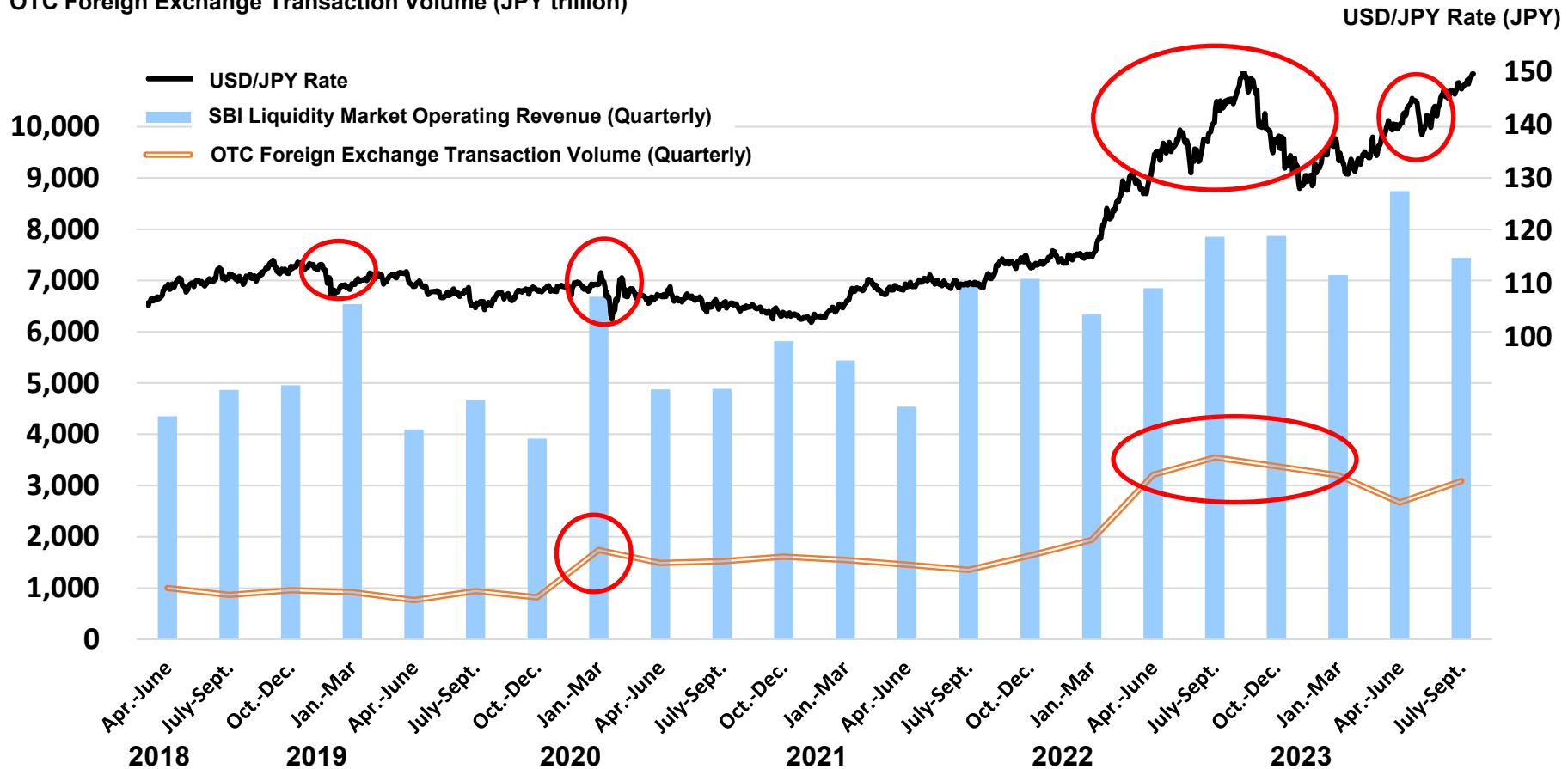
- ④ Volatility in the foreign exchange market will increase due to changes in monetary policy, and trading revenues are expected to continue to grow in the securities business**

Higher Volatility in the Foreign Exchange Market Leads to Increase in Revenue of the FX Business

SBI Liquidity Market Operating Revenue,
OTC Foreign Exchange Transaction Volume, and USD/JPY Rate
(April 2018 – End of September 2023)

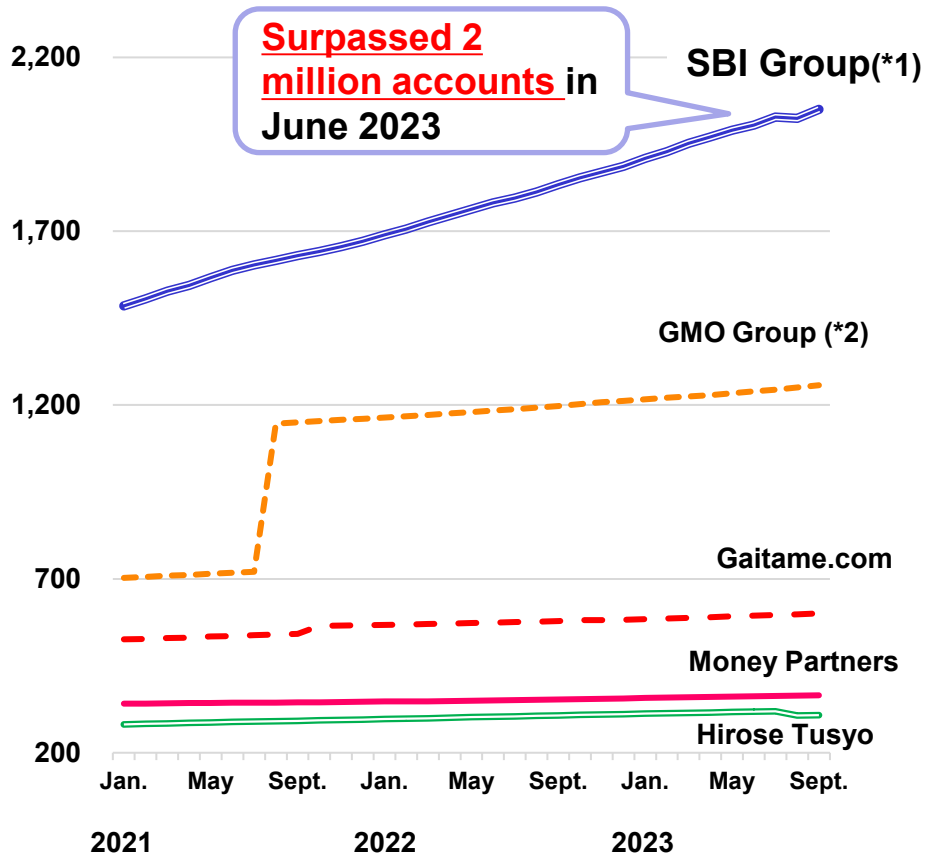
Operating revenue (JPY million)

OTC Foreign Exchange Transaction Volume (JPY trillion)

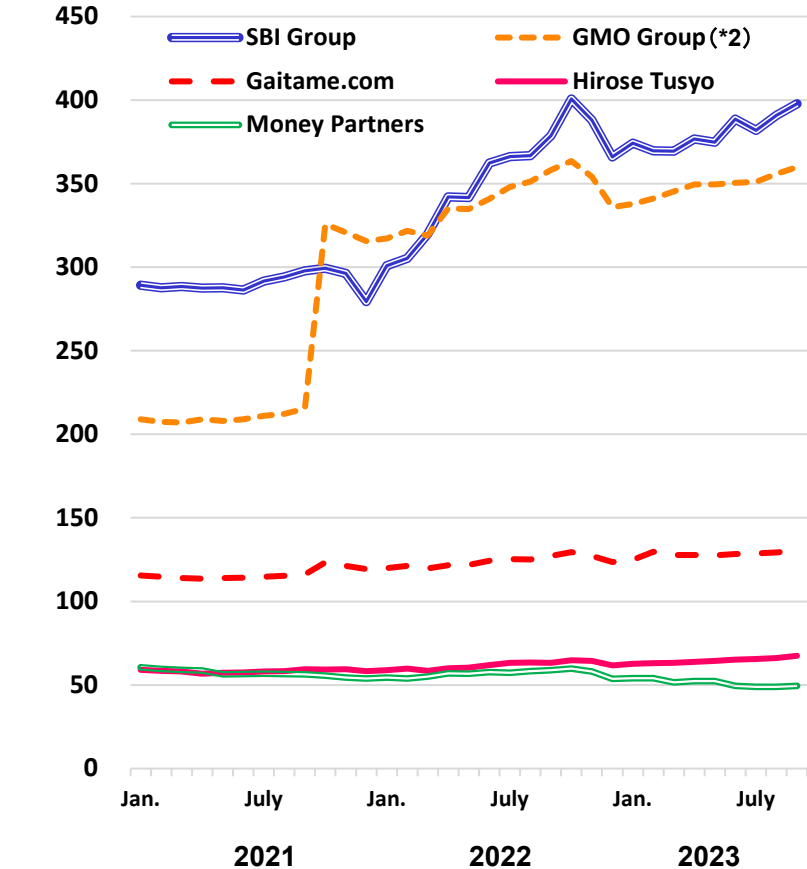


Comparison of the Number of Accounts and Margin Balance on Deposit of Five FX Companies

Changes in the number of accounts among 5 major FX Trading Related Companies
(thousand accounts) (as of end of January 2021 – September 2023)



Customer Margin Deposits of FX Trading Related Companies
(JPY billion) (as of end of January 2021 – September 2023)



(*1) SBI Group includes SBI SECURITIES, SBI FXTRADE and SBI Sumishin Net Bank. SBI NEOMOBILE Securities terminated its FX service on July 1, 2023, hence the company's account numbers as well as customer margin deposits are excluded since August 2023

(*2) Figures of GMO CLICK Securities and GMO Gaika (Formerly GaikaEX by GMO which joined the GMO Group in Sept. 2021) are combined and listed as "GMO Group" for reference

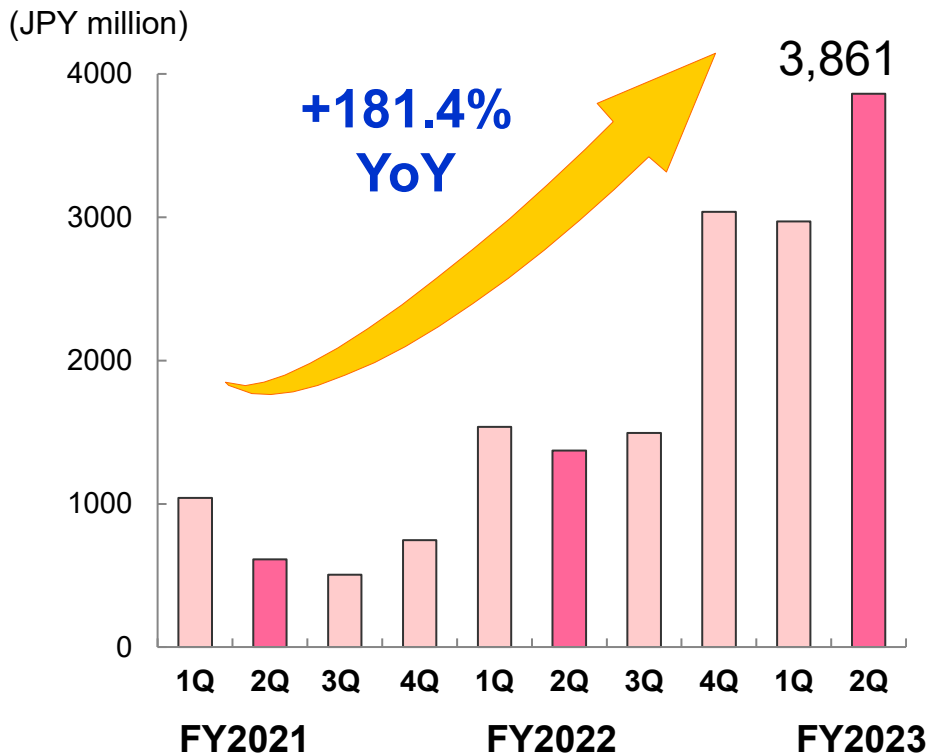
Source: Compiled by SBIH from the information on websites of each company

SBI Securities Focuses on Strengthening Clients' Global Asset Allocation

Sales of foreign currency-denominated bonds that are expected to receive relatively high interest rates compared to Japan

No foreign exchange commissions for “USD/JPY” in foreign exchange (real-time foreign exchange) transactions **from December 1, 2023**
- ZERO Revolution Part3-

[Trend of Quarterly Revenues through Foreign Currency Bond]



- **“ZERO Revolution Part 1”**: No online domestic stock trading commissions
- **“ZERO Revolution Part 2”**: No trading fees for individual U.S. stocks (including ADRs) and trading fees for overseas ETFs (U.S., China, Korea, Singapore) in the New NISA

Expand the range of transactions for customers by lowering the hurdles to investing in U.S. dollar-denominated products

(3) Build a business portfolio that is less vulnerable to major changes in the business environment such as fluctuations in the financial market

Ex.1: 5-ALA related business

Ex.2: Capital and Business Alliance with Mynavi

Diverse Business Utilizing 5-ALA, a Type of Amino Acid

5-aminolevulinic acid (5-ALA) is a type of amino acid that is universally produced by plants and animals. Although it is a natural substance, **it is believed to have the potential to meet diversified medical and health needs** because it has various functions depending on the amount of the compound and the substances to which it is linked



Development, manufacturing and sales of pharmaceuticals and medical devices using 5-ALA

◆ Ethical pharmaceuticals

ALAGRIO® Granules packet 1.5g (intraoperative diagnostic agent that facilitates the identification of normal cells and cancer cells during cancer surgery)



Manufacturing and sales of health foods and cosmetics using 5-ALA

◆ Foods with function claims



ALA PLUS
TOH DOWN Series

◆ Cosmetics

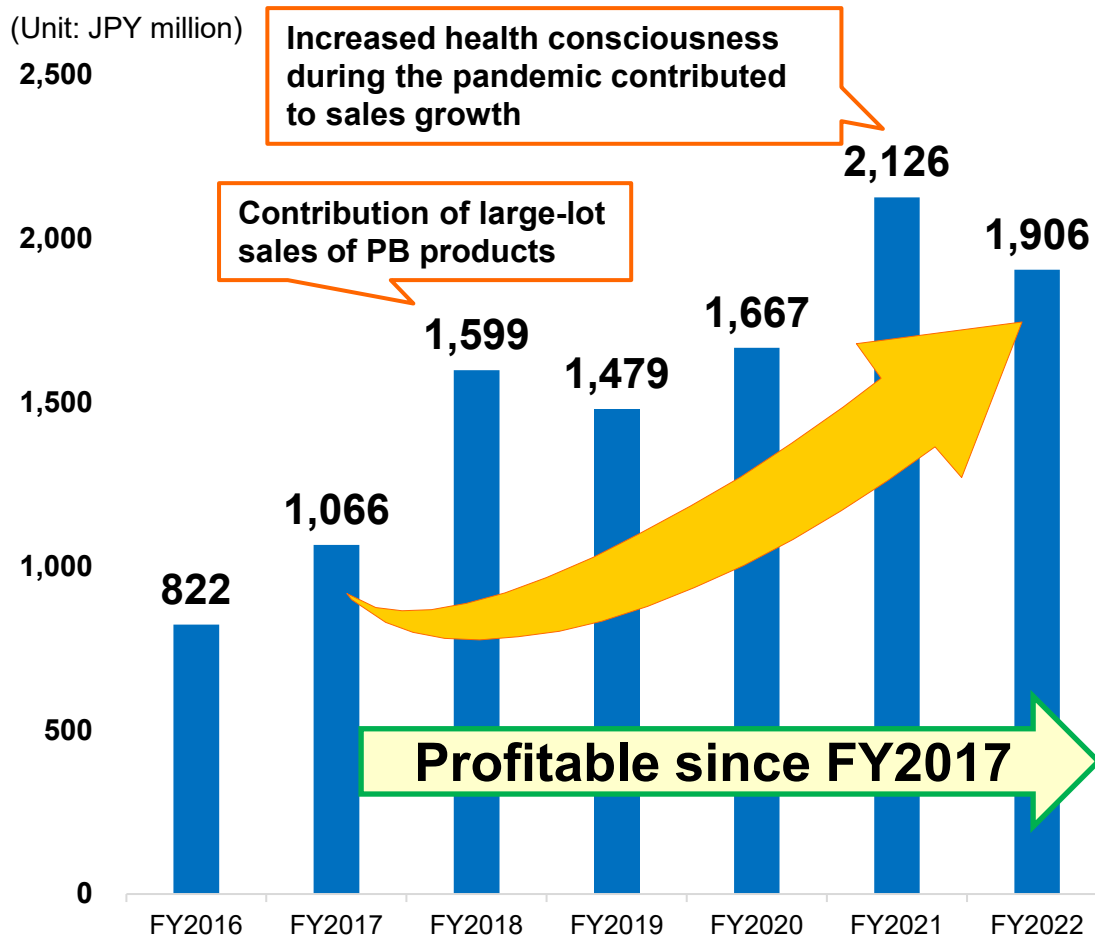


ALA PLUS
Skin Care

Global business development, promoting sales of intraoperative diagnostic reagents in the U.S. and Europe and expansion of sales channels for health foods and cosmetics

SBI Alapromo's Sales are on an Upward Trend along with The Expansion of its Product Lineup -Preparing towards listing in FY2025-

SBI ALApromo's Revenue Trends



Example of sales results:

Foods with function claims
“ALA PLUS TOH DOWN DRINK”

(Launched in September 2022)



- ✓ Unit sales in September 2023:
4.4 times compared to January 2023
- ✓ Number of stores handled in October 2023:
2.0 times compared to January 2023

SBI Pharmaceuticals and Shinshu University Published a Research Paper on the Effects of 5-ALA and Iron Intake on Increasing Exercise Efficiency in an American Journal in 2016



- ✓ Interval gait training* for at least 12 months. Ten women, 65 ± 3 years old, who were still performing the same training at the time of the study, were given a test diet containing 5-ALA and sodium ferrous citrate or a placebo, each for 7 days before and after a 2-week no intake period, in a cross-over fashion
- ✓ The results showed that **oxygen consumption and carbon dioxide emissions during the graded cycling test were significantly reduced by 12% and 11%, respectively, and plasma lactate was significantly reduced by 16%** during the test meal period, but all were unchanged during the placebo period. **The number of training days and the intensity and duration of brisk walking increased 42%, 102%, and 69%, respectively, during the test food intake period**
- ✓ These results indicate that consumption of **the test diet increases exercise efficiency**, thereby improving interval walking training performance in elderly women

*Training method of alternating "brisk walking" and "slow walking" for several minutes at a time

[Published Journals]

Journal Title : Journal of Applied Physiology

Paper Title : Impact of 5-aminolevulinic acid with iron supplementation on exercise efficiency and home-based walking training achievement in older women

Author : Shizue Masuki, Atsumi Morita, Yoshi-ichiro Kamijo, Shigeki Ikegawa, Yufuko Kataoka, Yu Ogawa, Eri Sumiyoshi, Kiwamu Takahashi, Tohru Tanaka, Motowo Nakajima, and Hiroshi Nose

Vol. no., DOI : Vol. 120 no. 1, 87-96 DOI: 10.1152/jappphysiol.00582.2015.

Abstract URL : <http://jap.physiology.org/content/120/1/87>

SBI ALApromo Has Signed a Sponsorship Agreement with Daito Bunka Gakuen to Supporting Daito Bunka University Track & Field Men's Long-Distance Block - 5-ALA backs up performance with the power of 5-ALA-



[Daito Bunka University]



- ✓ SBI ALApromo has experience in the development and marketing of functional food products based on clinical trial data on the improvement of exercise efficiency of its proprietary ingredient 5-ALA. Providing strong support to the Ekiden (relay race) team by offering 5-ALA products to the athletes, etc.
- ✓ Sponsor logo of SBI ALApromo will be on the uniforms in the 100th Tokyo Hakone University Ekiden (relay race) scheduled on January 2 (Tue.) and 3 (Wed.), 2024

Ex.2: Capital and Business Alliance with Mynavi (announced November 10, 2023)



Advancing “Open Alliance
Strategy”

SBI Group’s customer base:
over 47.71 million
(As of end of Sept. 2023)



Acquired 10.59%



Mynavi 2024 (Employment preparation website for students who are going to graduate in 2024)

Number of registered users : approx. 820,000

Number of companies listed : approx. 28,200

*as of March 1, 2023

Mynavi Tenshoku (for career change) (Oct. 2023)

Number of member users: approx. 7,940,000

Monthly average number of companies listed :
approx. 12,500

Details of the business alliance:

- Expansion of profit opportunities by **leveraging the networks of both groups**
- Accelerating growth through **collaboration and complementarity among subsidiary companies** shared by both groups
- Creating business opportunities through **collaboration in new fields** such as data utilization, service integration, and Web3 areas

Through the Capital and Business Alliance with Mynavi,
Further Enhancing the Corporate Value of Both Groups

Example of Business Alliance with Mynavi (1)

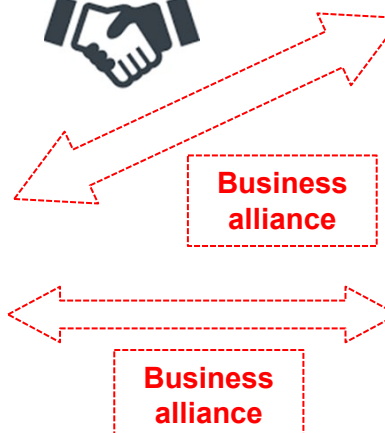
Leveraging SBI Group's Network of Affiliated Regional Financial Institutions

-Further strengthen Mynavi's partners (34 regional banks, 42 shinkin banks and credit cooperatives) and contributing to regional revitalization through employment promotion by identifying job needs in rural areas-



Overwhelming number of registrants and abundant recruitment channels

- マイナビ 転職** [Mynavi Tenshoku]
 - マイナビ AGENT**
 - マイナビ 看護師** [Mynavi Kangoshi]
 - マイナビ 薬剤師** [Mynavi Yakuzaishi]
 - マイナビ 顧問** [Mynavi Komon]
 - マイナビ バイト** [Mynavi Baito]
- etc.



Regional financial institutions with which the SBI Group has capital and business alliances have strong corporate customer bases in their respective regions

Regional financial institutions



Referral

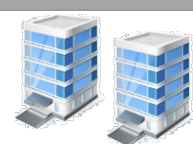
Recruiting needs, succession needs, etc.

User Registration



Client company of Bank A

Business partner of Company B



Example of Business Alliance with Mynavi (2)

Collaboration and Complementarity among Subsidiary Companies Shared by Both Groups



Examples of business areas shared by the SBI Group and the Mynavi Group

	SBI Group	Mynavi Group
Auction	<p>Total number of exhibits: 2,320 items. Total amount of successful bids: JPY 6.93 bn</p>	<p>Around 30 auctions per year</p>
M&A	<p>SBI HONGO TSUJI M&A SBI Regional Business Succession Investment</p>	<p>株式会社 マイナビM&A [Mynavi M&A]</p> <p>株式会社 マイナビ顧問 [Mynavi Komon]</p>
Real estate		<p>株式会社 マイナビ不動産 [Mynavi Fudosan]</p>
BPO (Shipping agent, contact center, etc.)		<p>株式会社 マイナビBX [Mynavi BX]</p> <p>株式会社 マイナビサポート [Mynavi Support]</p>
Regional revitalization	<p>地方創生パートナーズ [Regional Revitalization Partners]</p>	<p>[Mynavi]</p>
Finance services (factoring)	<p>Providing financing solutions</p>	<p>株式会社 マイナビブリッジ [Mynavi Bridge]</p>

Discussions between both groups on expanding scale through business collaboration, thoroughly pursuing business synergies between both groups, and collaborating on regional revitalization projects, etc.

Q2. In the securities business, supporting the “popularization of investment” through implementing “ZERO Revolution” (commission-free online trading of domestic stocks), which is being driven by policies that promote the shift from saving to asset management

- 1. The effects of “ZERO Revolution” on SBI SECURITIES’ customer base**
- 2. Recent events in the securities industry**
- 3. SBI SECURITIES will continue to focus on NISA and iDeCo, and strive to further expand its customer base by taking advantage of the systemic reforms**
- 4. SBI SECURITIES thoroughly promote the strengthening of alternative revenue to mitigate the impact of the decrease in revenue caused by “ZERO Revolution”**

“ZERO Revolution” = **Part 1:** Permanent no online domestic stock trading commissions regardless of contract value and regardless of whether the transaction is cash or margin
Part 2: No trading fees for U.S. stocks and foreign ETFs under the new NISA
Part 3: No foreign exchange commissions for “USD/JPY” in foreign exchange (real-time foreign exchange) transactions

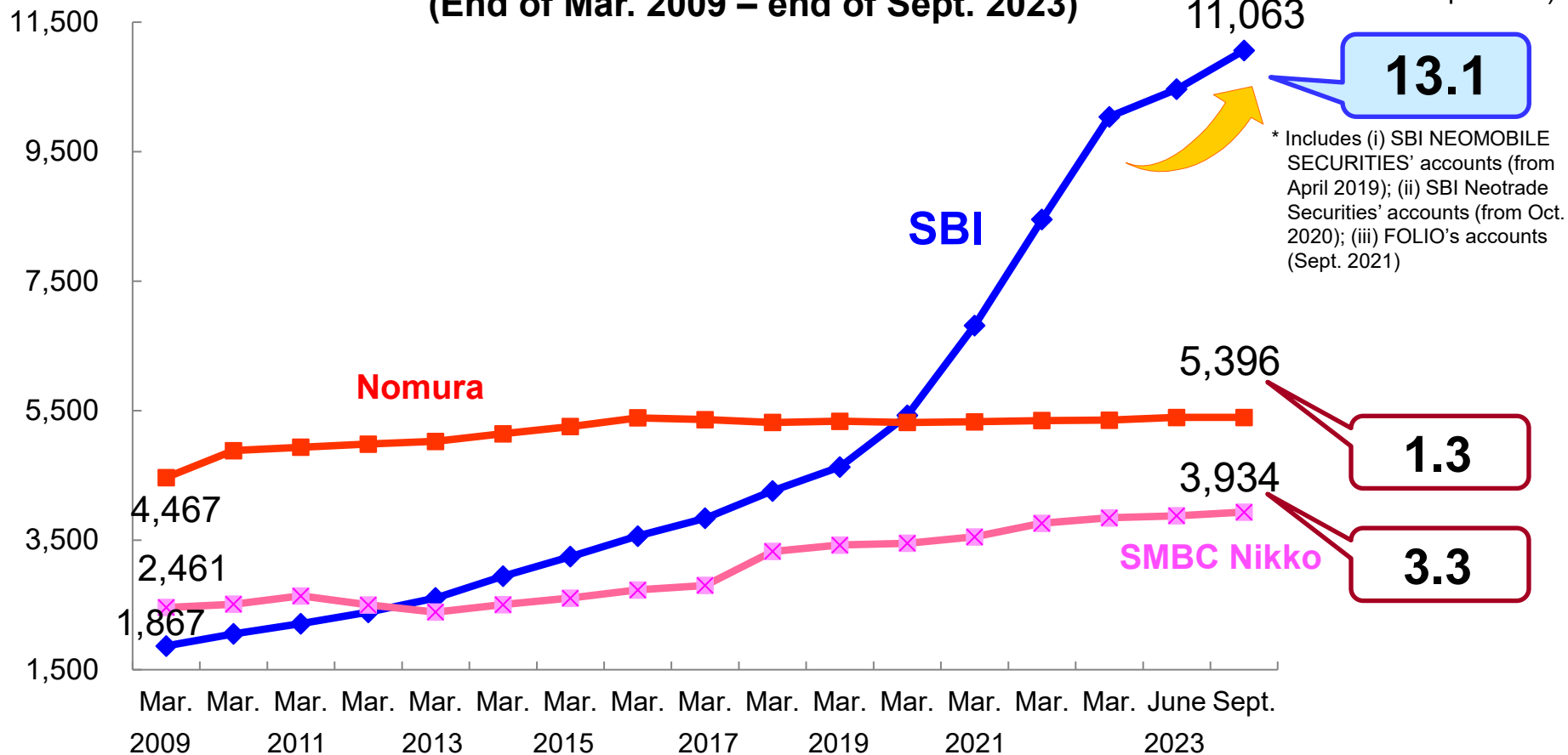
1. The effects of “ZERO Revolution” on SBI SECURITIES’ customer base

The Speed of Account Opening at SBI Group accelerated by “ZERO Revolution,” and Became the First Company in Japan to Reach 11 Million Securities Comprehensive Accounts



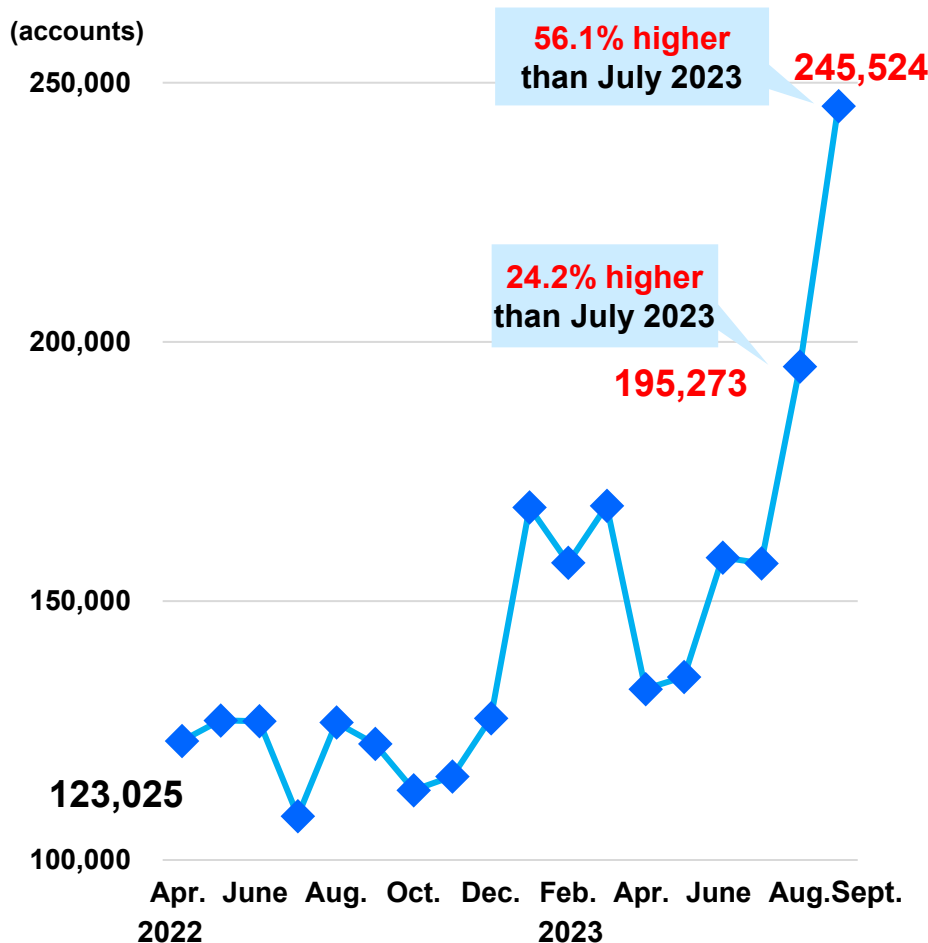
Number of Accounts of SBI SECURITIES Group and Major Face-to-face Securities Companies (End of Mar. 2009 – end of Sept. 2023)

(thousand accounts)



Both the number of Newly Opened Accounts and Margin Trading Accounts Opened Reached Record Highs after the Announcement of ZERO Revolution

Number of New Accounts Opened *1
(Apr. 2022 – Sept. 2023)



Number of margin Accounts Opened *2
(Apr. 2022 – Sept. 2023)



*1 Includes SBI NEOMOBILE SECURITIES' accounts,

SBI Neotrade Securities' accounts, and FOLIO's accounts

*2 Includes SBI Neotrade Securities' accounts

Transfers from Other Securities Companies such as Rakuten Securities Have Increased Significantly after the Announcement of “ZERO Revolution”

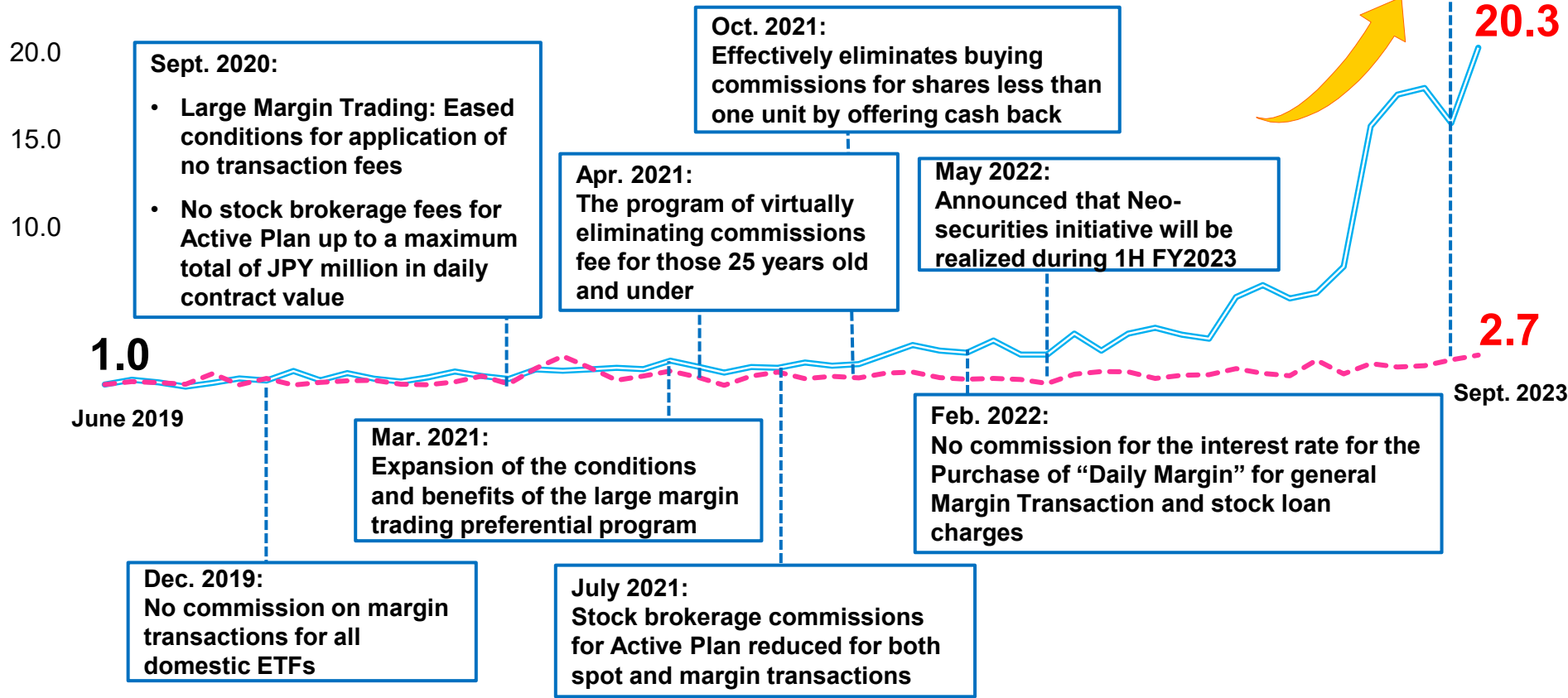
- Securities industry may be facing a shakeout -

Number of domestic stocks account in- and out- transfers at SBI SECURITIES

— in-transfers - - - out-transfers

* The figure for June 2019, when the commission-free initiative was announced, is indexed as 1.0

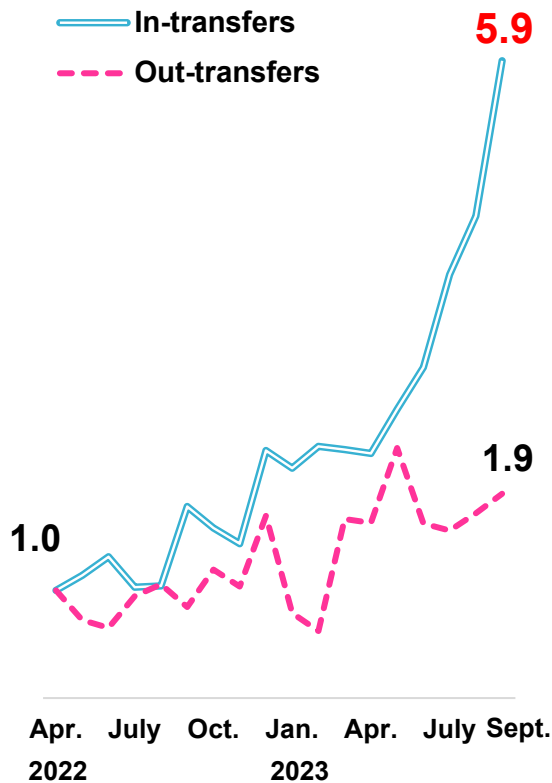
Aug. 31, 2023:
Announced
“ZERO Revolution”



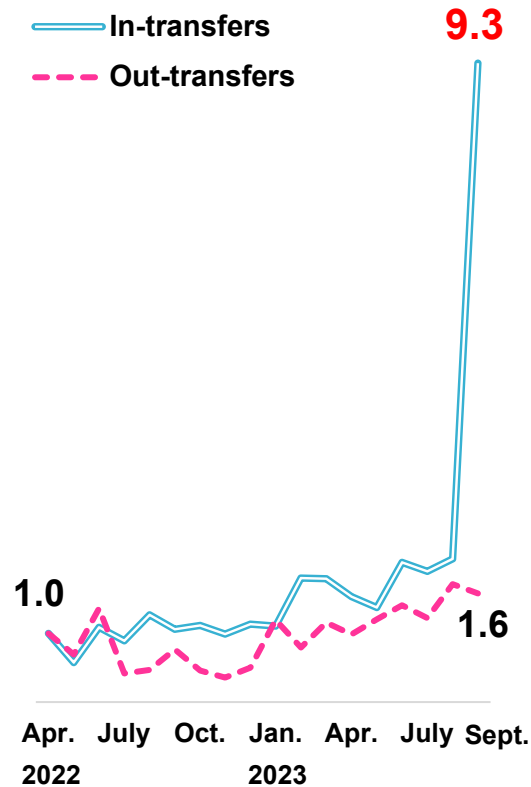
Expect more in-transfers with the announcement of the second phase of ZERO Revolution

SBI SECURITIES' Customer-centric Principle Which has Been in Place since its Founding, Has Been Successful, and the Number of Transfers from Other Securities Companies Has Increased

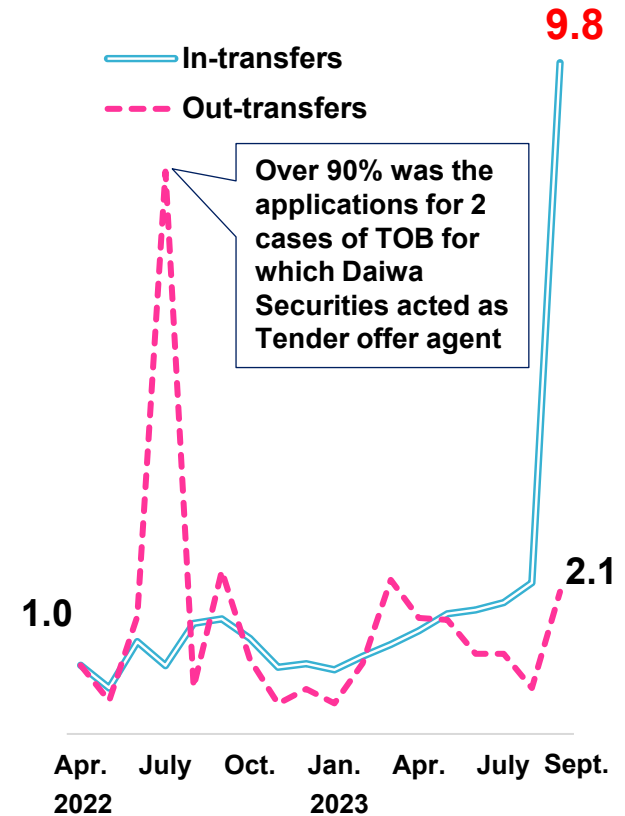
Number of domestic stocks account in- and out- transfers
(Rakuten Securities)



Number of domestic stocks account in- and out- transfers
(Nomura Securities)



Number of domestic stocks account in- and out- transfers
(Daiwa Securities)



Effects of the “ZERO Revolution” Spills Over to Customer Acquisition through Alliances

- Following the announcement of ZERO Revolution, **the number of new account applications through the alliance with Sumitomo Mitsui Banking Corporation (SMBC) Group from Sept. 2023 increased by 122% from Sept. 2023**
- All following indicators going well: the balance of deposit assets, profits from the alliance, the number of accounts for accumulation-type investment with credit card, and the accumulation of V Point rewards and V Point investment

[Measures to date]

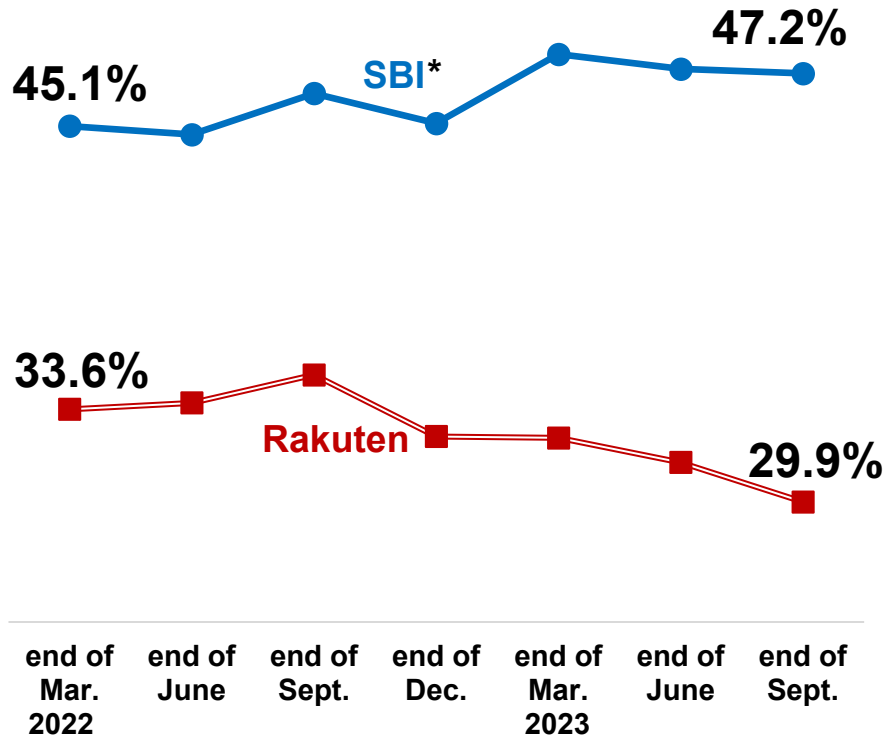
- Ability to check balances held in securities accounts and trade in mutual funds handled by SBI SECURITIES on the SMBC app and Sumitomo Mitsui Card (SMCC) “Vpass app”
- Open a general account at SBI SECURITIES simultaneously when applying for credit card of SMCC and “Olive”, a comprehensive financial service operated by SMBC Group, account application at SBI SECURITIES through SMBC
⇒ **Approximately 600,000 accounts were brokered by SMBC Group***
- “Sumitomo Mitsui Card Funded Investment” service, which purchases investment trust accumulation at SBI SECURITIES with credit card issued by SMCC
⇒ **Monthly accumulation amount through SMCC exceeds JPY 24bn***
- V Point-related services such as “SBI SECURITIES V Point Service” where points can be earned according to trading conditions and “V Point Investment” where V Points can be used to purchase investment trust

*Each figures are as of the end of Oct. 2023

SBI Group has Taken the ZERO Revolution as a Boost, Further Increasing its Share of Trading Value

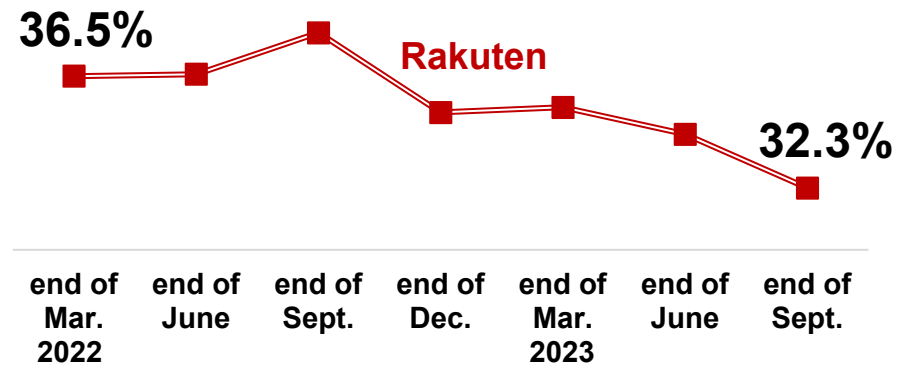
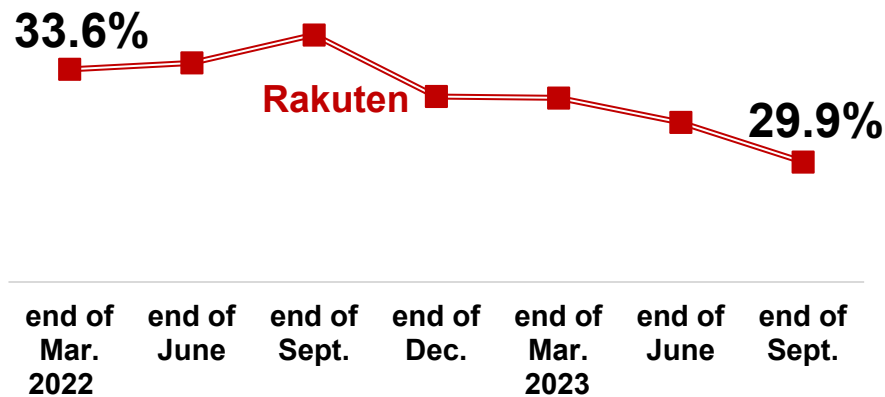
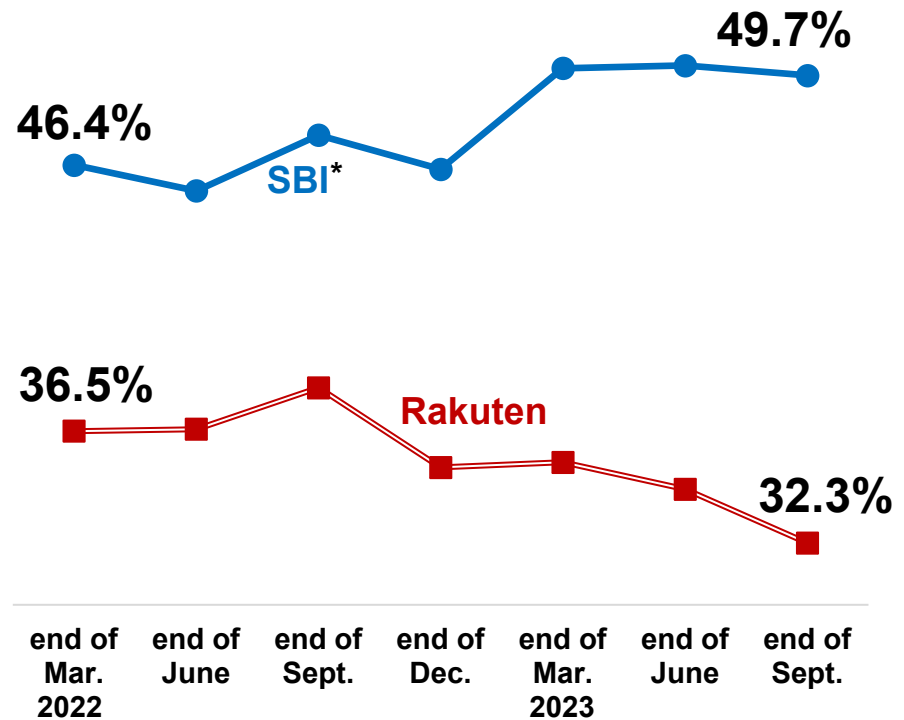
Trend of Share of Individual Stock Trading Value* (as end of each quarter)

(end of Mar. 2022 – end of Sept. 2023)



(of which) Share of Individual Margin Trading Value* (as of end of each quarter)

(end of Mar. 2022 – end of Sept. 2023)



Dramatic Expansion of SBI SECURITIES' Customer Base Has a Positive Impact on the Entire SBI Group

Free domestic stock brokerage fee is expected to increase retail customers interest in a variety of other financial products who open an account with SBI SECURITIES



Introducing customers to other groups through various channels

[SBI FXTRADE]

住信SBIネット銀行

[SBI MONEYPLAZA]

[SBI Insurance]

[SBI Life Insurance]

etc.

Examples of how the increase in SBI SECURITIES' Customer Spills over into the Expansion of the SBI Group's Customer Base



A significant expansion of customer base can be confirmed among the Group companies that offer services in cooperation with SBI SECURITIES, compared to June 2019 when initiative to eliminate online trading commissions for domestic stocks was announced (for SBI Shinsei Bank, compared to Dec. 2021 when the Company became a consolidated subsidiary)

Number of SBI Group's Securities Accounts

Number of SBI Group's FX Accounts*

Number of Accounts of SBI Sumishin Net Bank

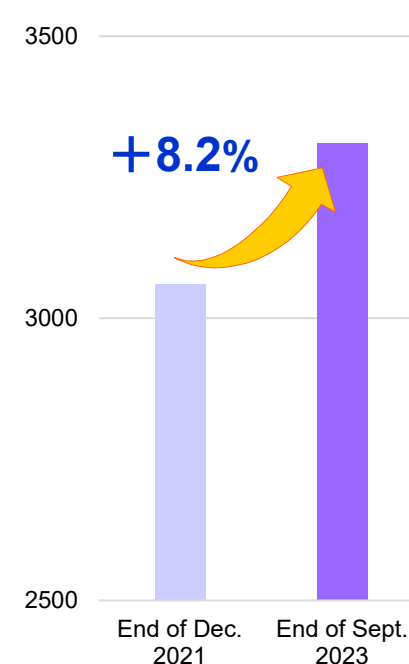
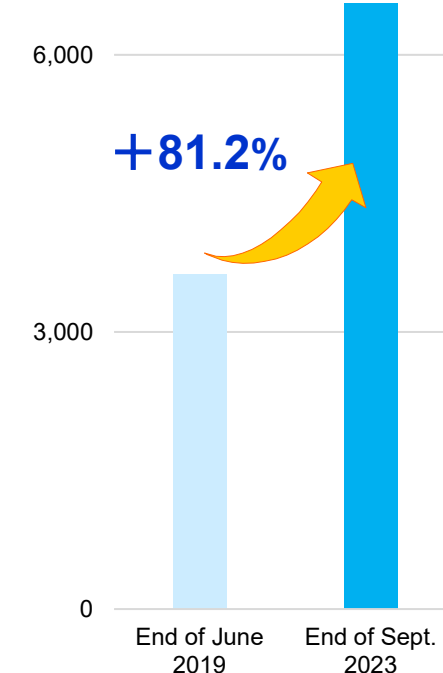
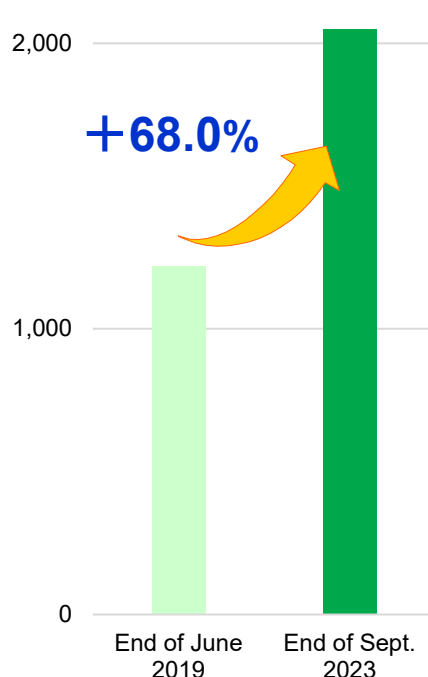
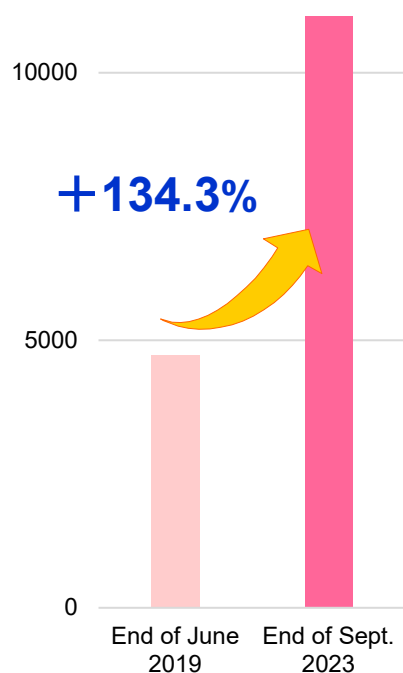
Number of Accounts of SBI Shinsei Bank

(thousand accounts)

(thousand accounts)

(thousand accounts)

(thousand accounts)

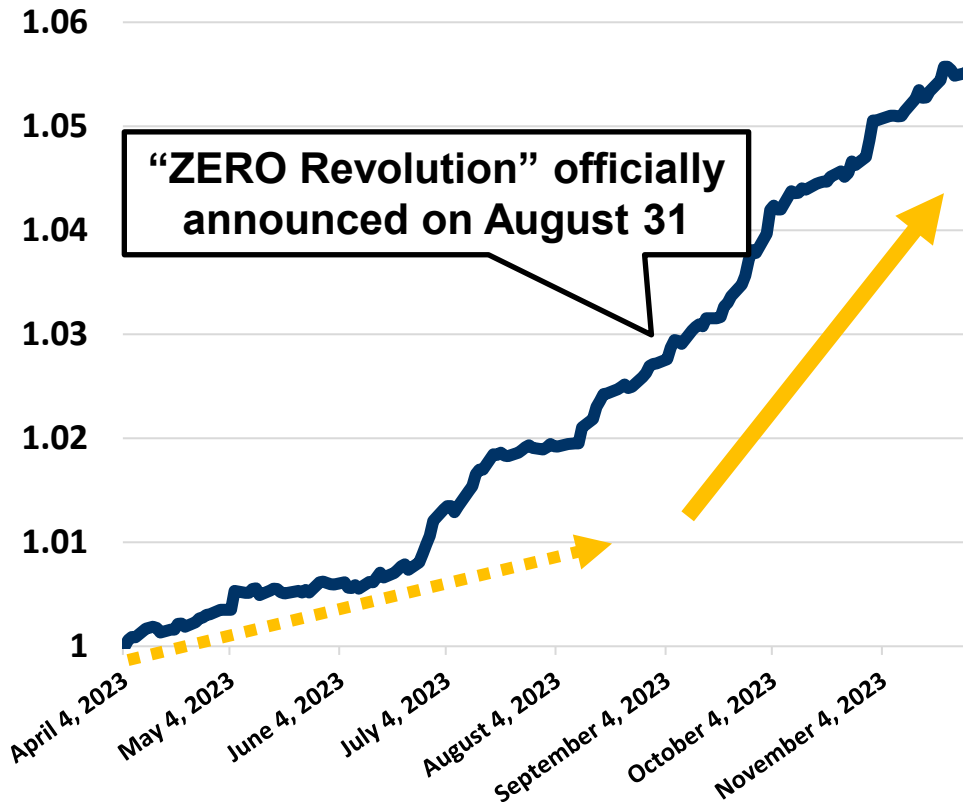


*SBI Neo Mobile Securities was excluded, SBI Group includes SBI SECURITIES, SBI FXTRADE and SBI Sumishin Net Bank. from the number of accounts from August 2023 because it terminated its FX service on July 1, 2023. The company's assets under custody are not included in the figures as of September 30, 2023

FX Account Growth at SBI SECURITIES Accelerates after “ZERO Revolution“ Announcement

Number of FX Accounts at SBI SECURITIES

(Number of accounts as of April 4, 2023, indexed as 1)



Growth in number of accounts:

April 4 – August 30, 2023
6.65%



August 31 – November 28, 2023
11.27%

* “Number of FX accounts” refers to the number of accounts with balances

**Deposits to FX accounts at SBI SECURITIES
have also been expanding recently**

2. Recent events in the securities industry

Monex Became a Consolidated Subsidiary of NTT DOCOMO

- NTT DOCOMO announced its entry into the securities business (Oct. 4, 2023) -

Newspaper articles

(Nikkei October 5, 2023)

“NTT DOCOMO and Monex Group will establish a joint venture, and Monex will be affiliated with the company. NTT DOCOMO investments approximately JPY 50bn and makes Monex into a subsidiary company”

“Consider linking NTT DOCOMO’s account and Monex’s account, introducing NTT DOCOMO’s point services and payment methods for transactions at Monex, and offering investment service within smartphone payment service of NTT DOCOMO”

“In addition to service collaboration, work together to develop and offer next-gen financial products such as funding with blockchain-based securities, and investment education service”

Mizuho Financial Group Additionally Invests in Rakuten Securities



- Rakuten Securities sells off a part of its stocks with JPY 87bn to Mizuho Financial Group -

Linking accounts to cultivate younger customers
Mizuho announced additional investment
Rakuten Securities withdraws its listing application

“The postponement of the listing of Rakuten Securities was triggered by SBI SECURITIES’ announcement at the end of August that it would waive trading commissions. *snip*

In fall of 2022 when Mizuho invested in Rakuten Securities for the first time, Mizuho spent about JPY 80bn to acquire 20% of shares. This means Mizuho estimated the value of Rakuten Securities to be approximately JPY 400bn. With this additional investment, Mizuho spends about JPY 87bn to acquire 29% of shares. This means Mizuho has devalued the enterprise value of Rakuten Securities to approximately JPY 300bn”

Newspaper article

[Investment ratio in Rakuten Securities]

Oct. 2022: Rakuten Securities 80.01%,
Mizuho Securities 19.99%



Nov. 2023: Rakuten Securities 51%
Mizuho Securities 49%

If Rakuten Securities Holdings becomes listed, Mizuho will possibly become the largest shareholder of Rakuten Securities

(Nikkei, November 10, 2023)

3. SBI SECURITIES will continue to focus on NISA and iDeCo, and strive to further expand its customer base by taking advantage of the systemic reforms

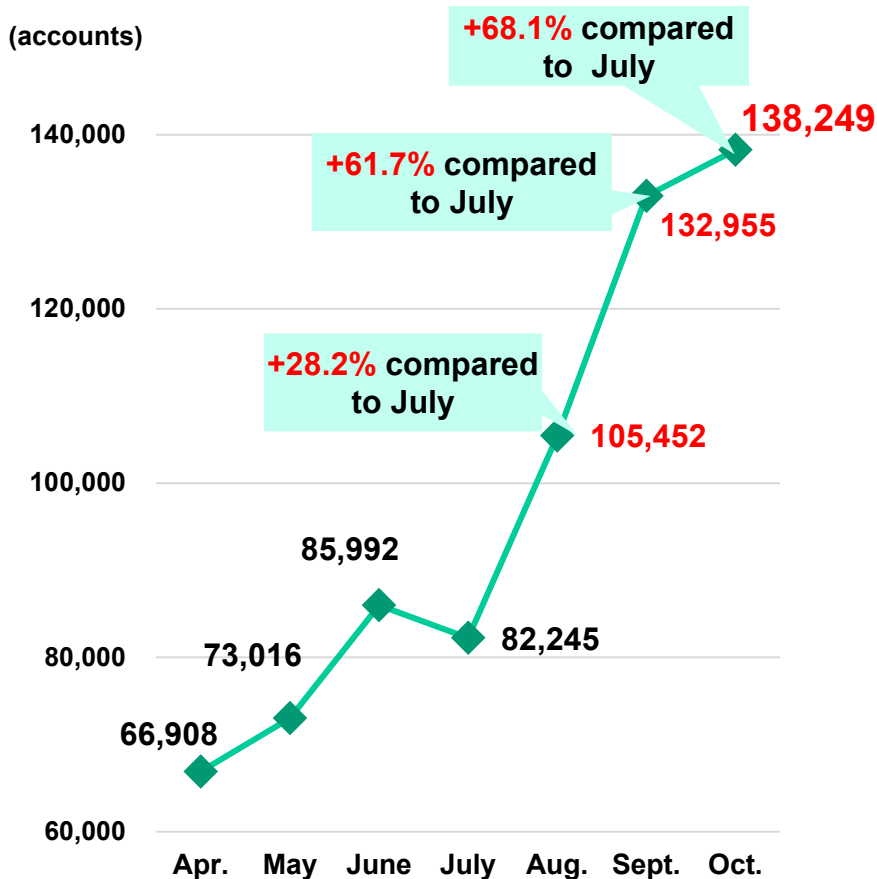
- (1) SBI SECURITIES has established a dominant position in the securities industry for NISA**
- (2) In anticipation of the launch of the New NISA, provide products that contribute to long-term asset building for individual investors, including investment beginners, in the Asset Management Business**
- (3) SBI Group's early efforts in iDeCo have worked, and its customer base is growing steadily**

(1) SBI SECURITIES has established a dominant position in the securities industry for NISA

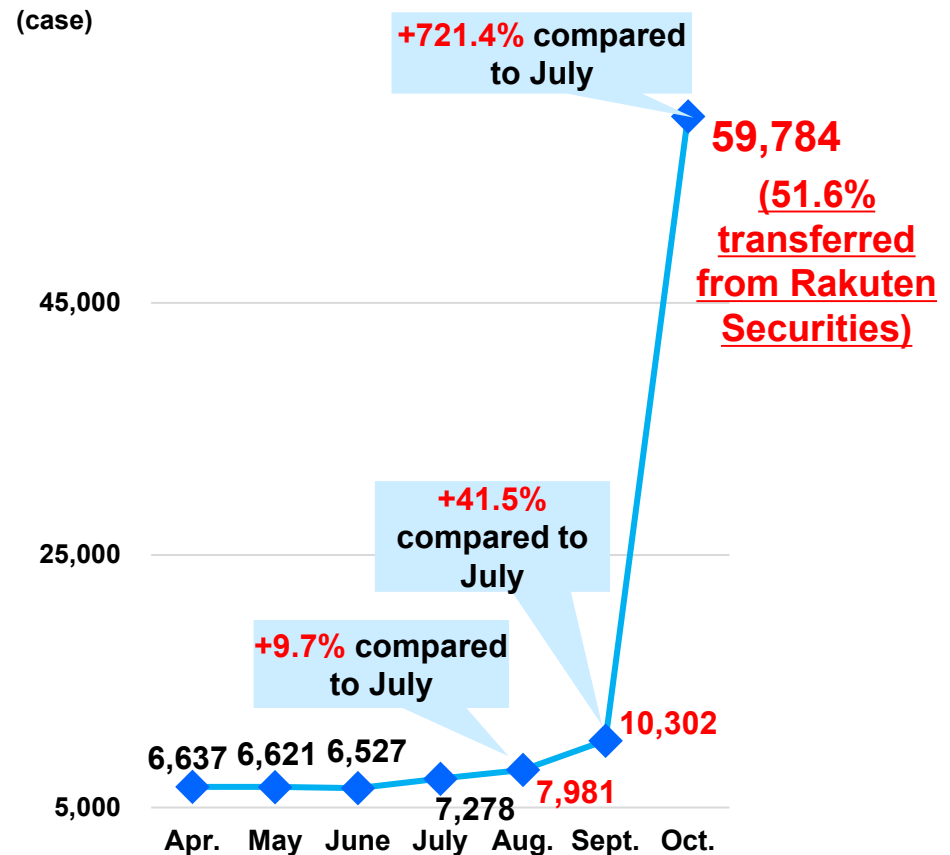
The Number of Newly Opened NISA Accounts and NISA Account Transfers from Other Securities Companies increased Sharply due to ZERO Revolutions and New NISA Initiatives



Trend of the Number of Newly Opened NISA Accounts
(Apr. 2023 – Oct. 2023)



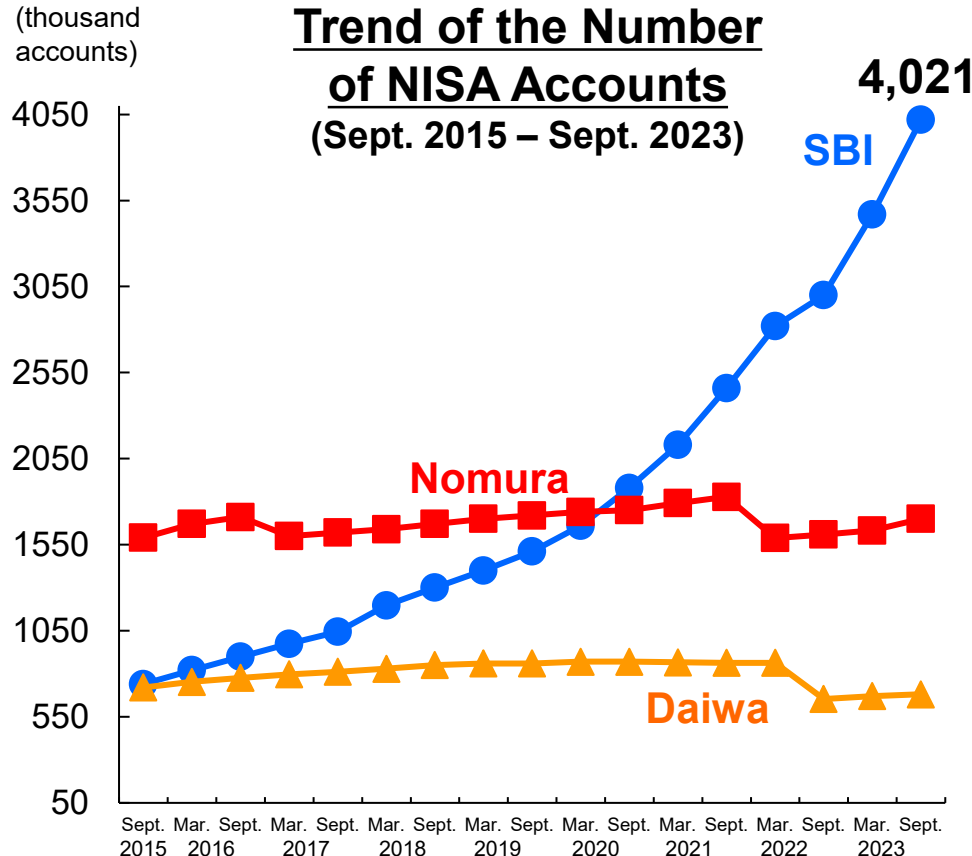
Trend of the Number of NISA Account Transfers from Other Securities Companies
(Apr. 2023 – Oct. 2023)



SBI SECURITIES Has Focused on NISA Initiatives as an Important Strategic Area and Leads the Industry



Trend of the Number of NISA Accounts
(Sept. 2015 – Sept. 2023)



Announced the second part of the ZERO Revolution on Sept. 22, 2023, with target to expand the customer base

[Contents of the second part of ZERO Revolution]

No commission for individual U.S. stocks (including ADRs) and overseas ETFs (U.S., China, Korea, Singapore) in new NISA

Further expansion of NISA Accounts is expected, as the NISA system will be drastically expanded and made permanent from 2024 onward

*1 Includes the number of Junior NISA accounts

*2 The number of accounts are as of the end of March 2023, compiled by SBIH from the information on website of each company

*3 Nomura Securities **excluded deemed discontinued accounts** from Mar. 2022, SBI and Daiwa Securities **excluded** them from FY 2022

(2) In anticipation of the launch of the New NISA, provide products that contribute to long-term asset building for individual investors, including investment beginners, in the Asset Management Business

Aggressively Expand Product Lineup in Anticipation of the Launch of the New NISA in the Asset Management Business

Funds of SBI Group's Asset Management Businesses eligible for the Growth Quota of the New NISA for General Investors

SBI Asset Management:

Products selected for NISA growth investment: **47**

(Of which selected for Tsumitate Quota: **9**)

[Names of funds]

SBI-V-S&P500 Index Fund, SBI-All Country Index Fund, SBI Emerging Country Index Fund, EXE-I Global Middle & Small Cap Fund

SBI Okasan Asset Management:

Products selected for NISA growth investment: **44**

(Of which selected for Tsumitate Quota: **1**)

[Names of funds]

Japan Equities-J-REIT Balance Fund, Japanese High yield Balance Open, Chinese Yuan Sovereign Open, World REIT Selection (Asia)

Rheos Capital Works (name change to "SBI RHEOS HIFUMI" planned in April 2024):

Products selected for NISA growth investment: **8**

(Of which selected for Tsumitate Quota: **2**)

[Names of funds]

Hifumi, Hifumi Plus, Hifumi World, Marugoto Hifumi 100

*Number of applicable products are as of October 31, 2023 (Including products planned for application)

SBI Asset Management Launches and Manages Investment Funds Investing in Countries and Regions that have Recently Attracted Attention



[India Equities] Eligible for Growth Quota of the New NISA

Fund name: **SBI iShares India Equity Index Fund** “Nickname: *Sakutto Indo-kabushiki*”

Trust fee: **0.463%** (Incl. tax/annual) (Lowest fee in Japan)

- Incorporates iShares Core S&P BSE SENSEX India ETF managed by U.S. BlackRock Group
- **Achieved the largest initial set-up amount of JPY 5.07bn** among the 39 index funds set up since the beginning of the year during the initial solicitation period (Sept. 7 to Sept. 21, 2023) prior to the start of management
- On Oct 31, 2023, **the fund’s net asset value exceeded JPY 10bn**, and **achieved third place** in the monthly accumulation set-up amount ranking at SBI SECURITIES (*October 2023 results)

[Global South Equities] Eligible for Growth Quota of the New NISA (Planned)

Fund name: **EXE-i Global South Equity Fund**

Trust fee: **0.582%** (Incl. tax/annual) (Typical trust fees for similar emerging markets funds are 1-2%)

- **Japan’s first investment fund** to invest in the Global South
- ETFs for India and Brazil, which are also members of the BRICs, as well as ETFs for Southeast Asia, Latin America, and Africa are included in the portfolio, **enabling collective investment in the Global South countries**
- **Does not include China, Russia, South Korea, etc.,** which are often included in general emerging market equity funds
- **Achieved fourth place** in the monthly accumulation set-up amount ranking at SBI SECURITIES (*October 2023 results)

Plans to Establish and Manage a Japanese High Dividend Stock Fund That Combines Growth Investment Through Accumulation and Stable Investment Through Distributions



Fund name: **SBI Japan High Dividend Equity Fund (Quarterly settlement type)**

Eligible for Growth Quota of the New NISA (Planned)

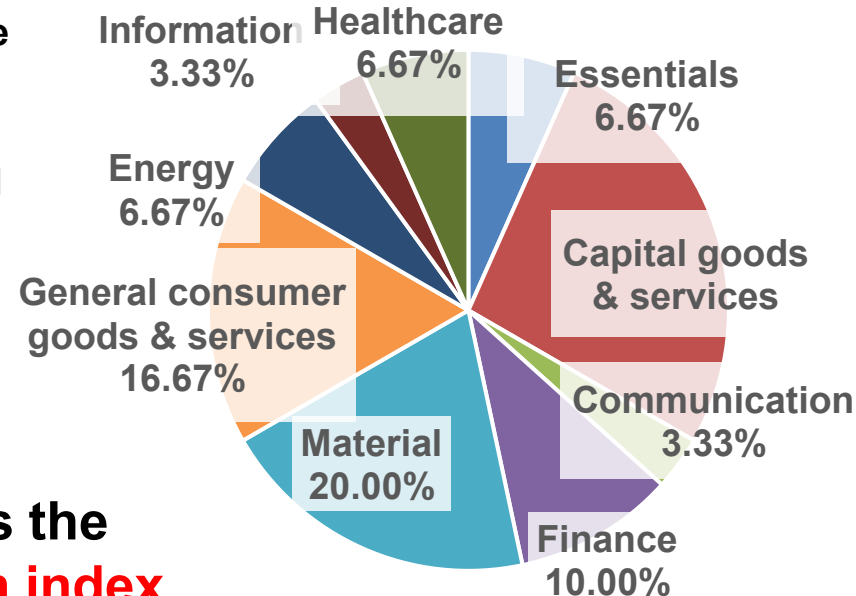
Trust fee: **0.099% (Incl. tax/annual) (Lowest fee in Japan)**

- Established and launched on Tuesday, December 12, 2023
- Offered at 0.099%, the lowest in the industry**, while the average trust fee rate for similar fund categories is 1.52% (minimum 0.14%) (*1)
- Invests in stocks whose portfolio's expected dividend yield exceeds the market average. The fund's **expected dividend yield is 4.72%** (*2)

(*1) For public investment trusts. According to Wealth Advisor Website (As of November 14, 2023)

(*2) Model portfolio as of November 13, 2023

Model portfolio by sector



SBI Asset Management offers the industry's lowest costs for both index and active Japanese equity funds

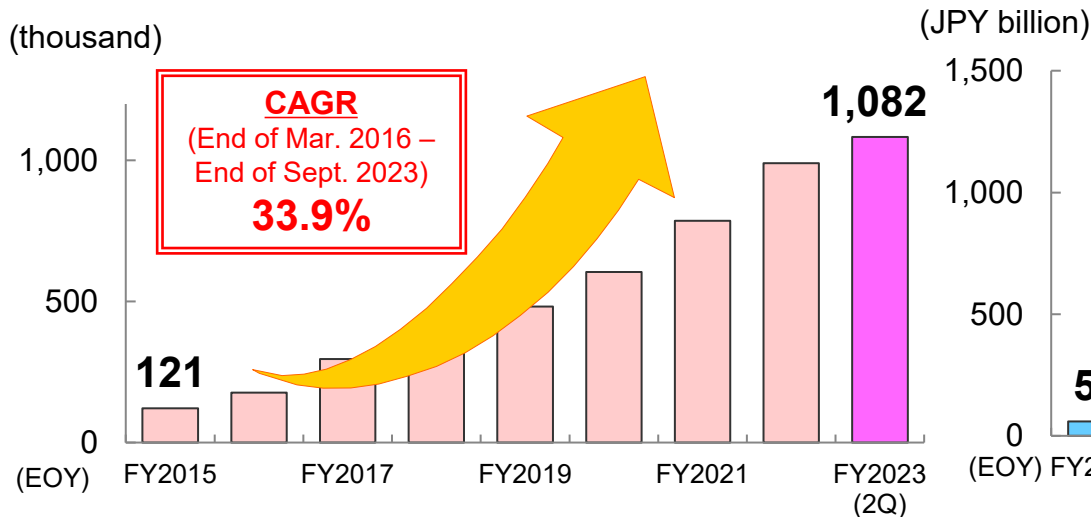
(3) SBI Group's early efforts in iDeCo have worked, and its customer base is growing steadily

SBI Benefit Systems Initiated **the Individual Defined Contribution (iDeCo)** Initiatives from Early Stage and is Steadily Increasing the Number of Subscribers

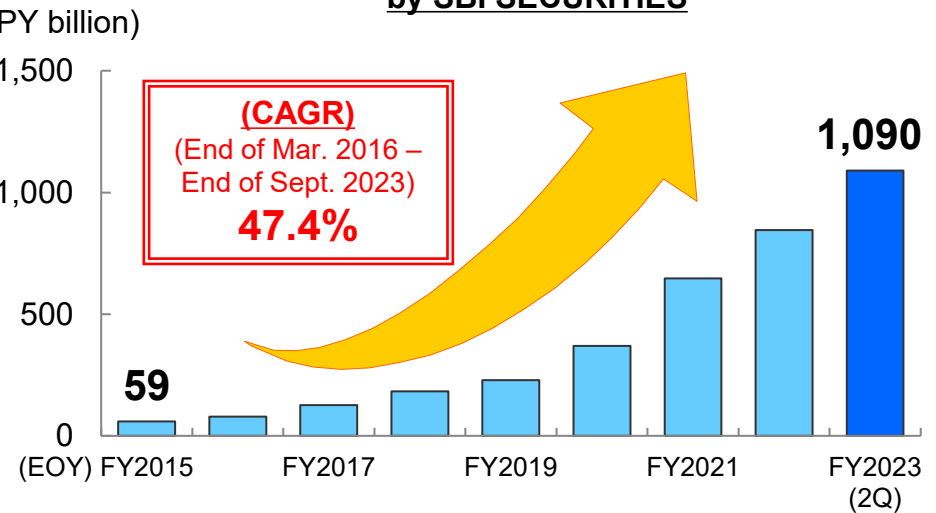
The SBI Group **focused on the Individual Defined Contribution (iDeCo) pension business** through SBI Benefit Systems (est. 2001), well before expectations for the market size to expand as a result of revisions in the regulation in Jan. 2017

- SBI SECURITIES **administrative fees for iDeCo became completely free of charge** on May 19, 2017, in order to further expand iDeCo business
- As for iDeCo, **the number of subscribers for business establishments exceeded 10,000 in Feb. 2023, and the number of participants increased to approximately 157 thousand as the end of Sept, 2023, +18% YoY**

Cumulative Number of SBI Benefit Systems Subscribers for DC (individual type + corporate type)



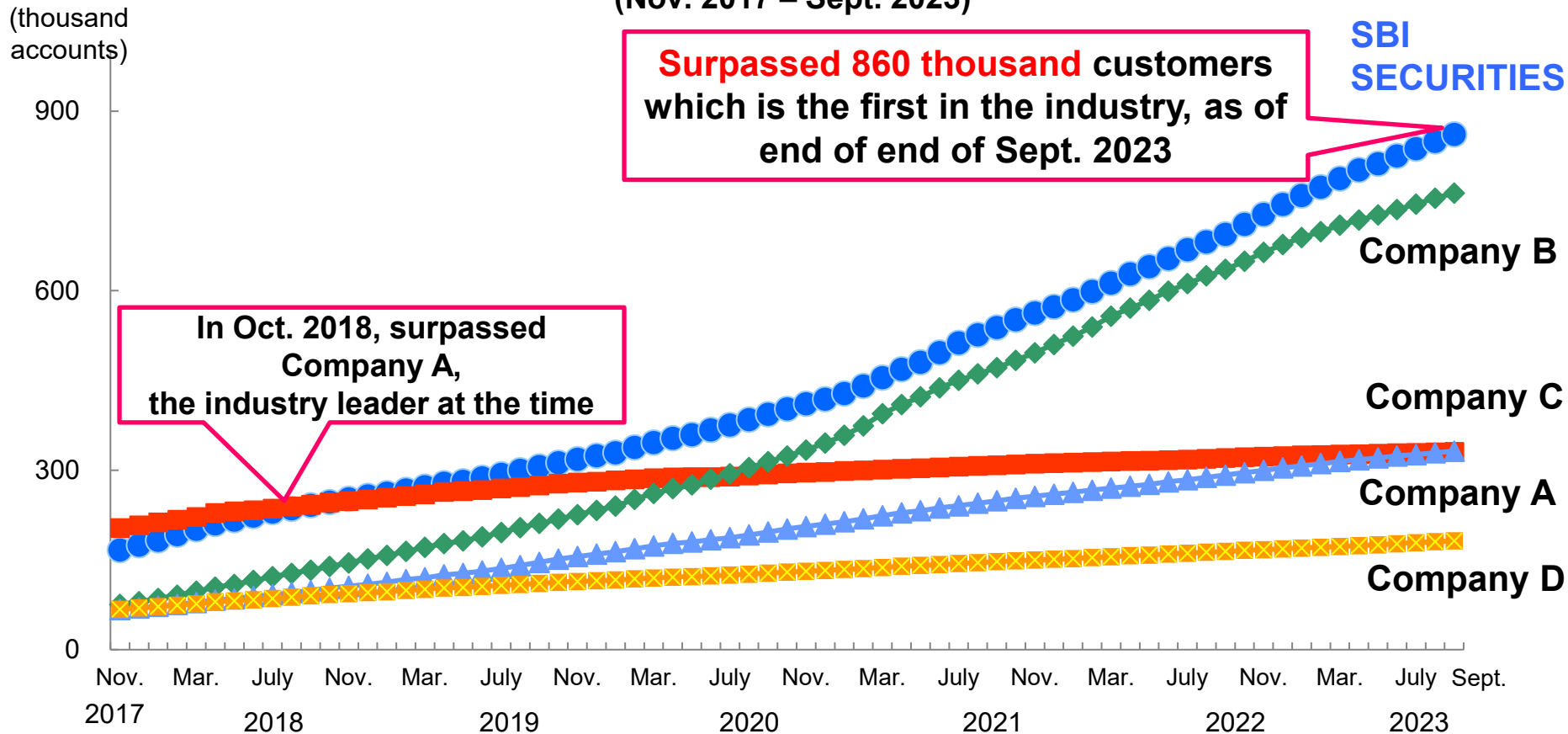
Balance of Investment Trust for 401K (individual type + corporate type) Distributed by SBI SECURITIES



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

- Gap between the number of accumulated customers of the second largest company in the industry (Company B) continues to be widened-

**Cumulative Number of Customers (subscribers & transfers*)
of iDeCo by Planning Administrator
(Nov. 2017 – Sept. 2023)**



Surpassed 860 thousand customers which is the first in the industry, as of end of end of Sept. 2023

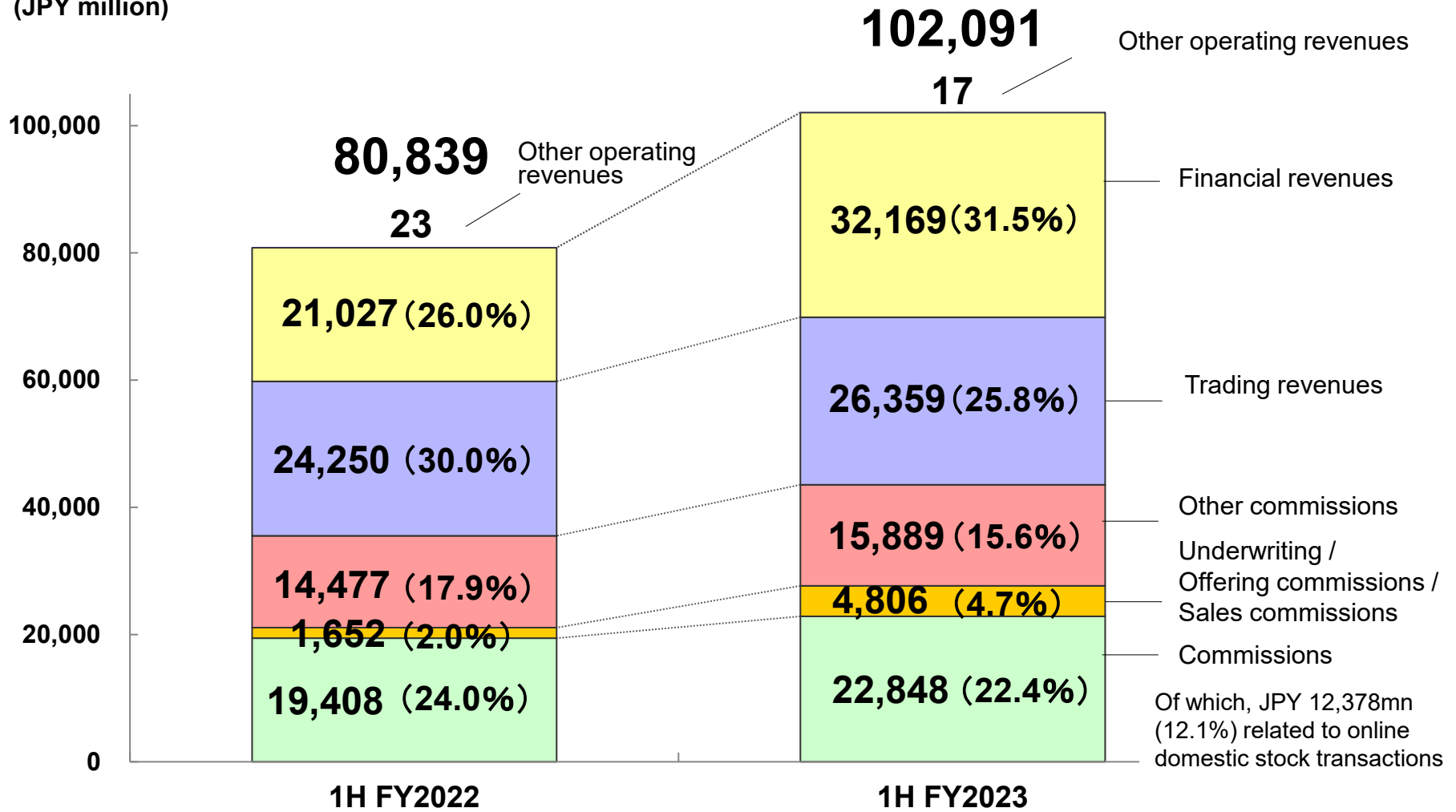
In Oct. 2018, surpassed Company A, the industry leader at the time

* 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)

4. SBI SECURITIES thoroughly promote the strengthening of alternative revenue to mitigate the impact of the decrease in revenue caused by “ZERO Revolution”

SBI SECURITIES' Consolidated Operating Revenue (Net Sales) Structure for 1H FY2023

(JPY million)

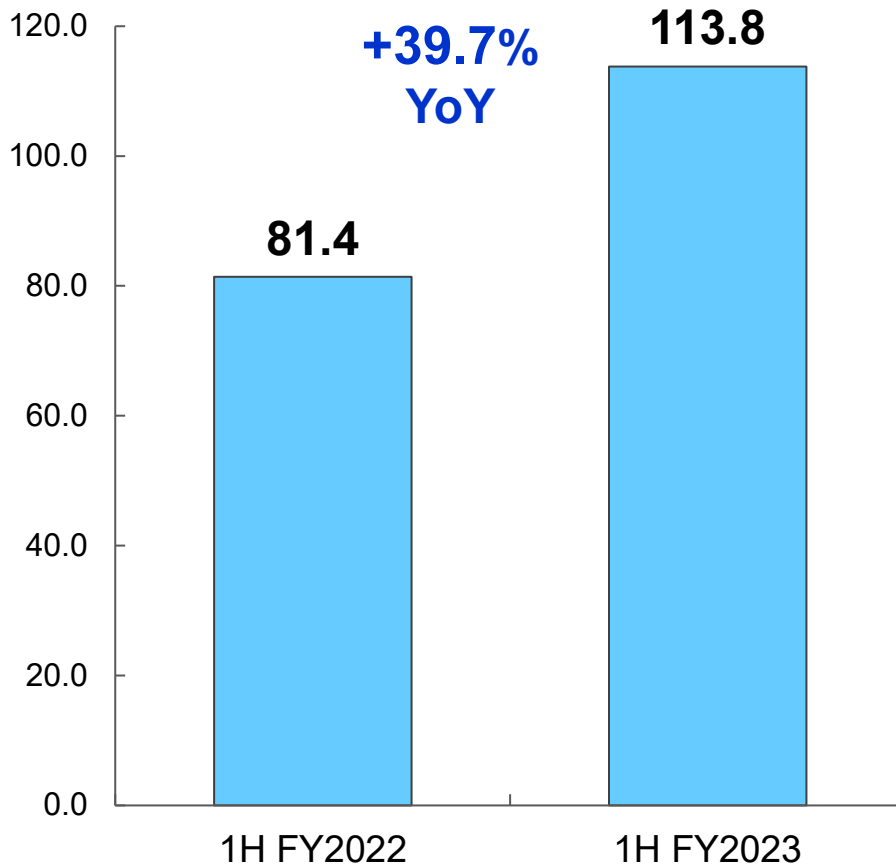


(Based on J-GAAP)

Commission Revenues Not Subject to ZERO Revolution Has Continued to Increase

Domestic Stock Brokerage
Trading Value

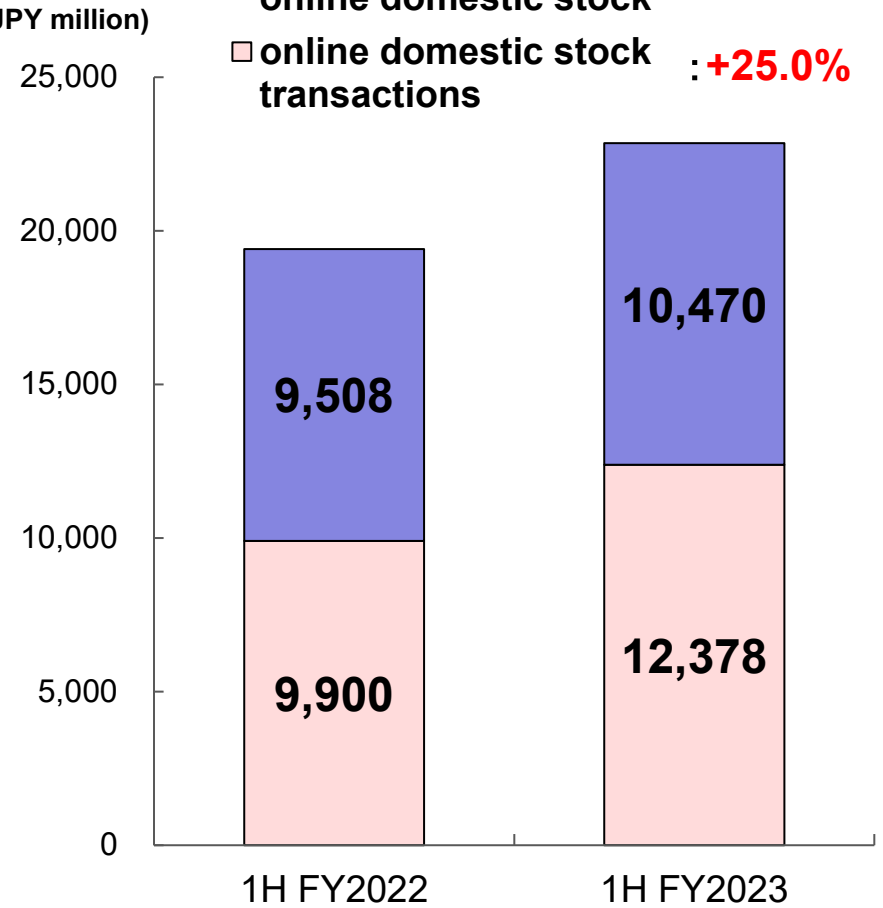
(JPY trillion)



Commissions*

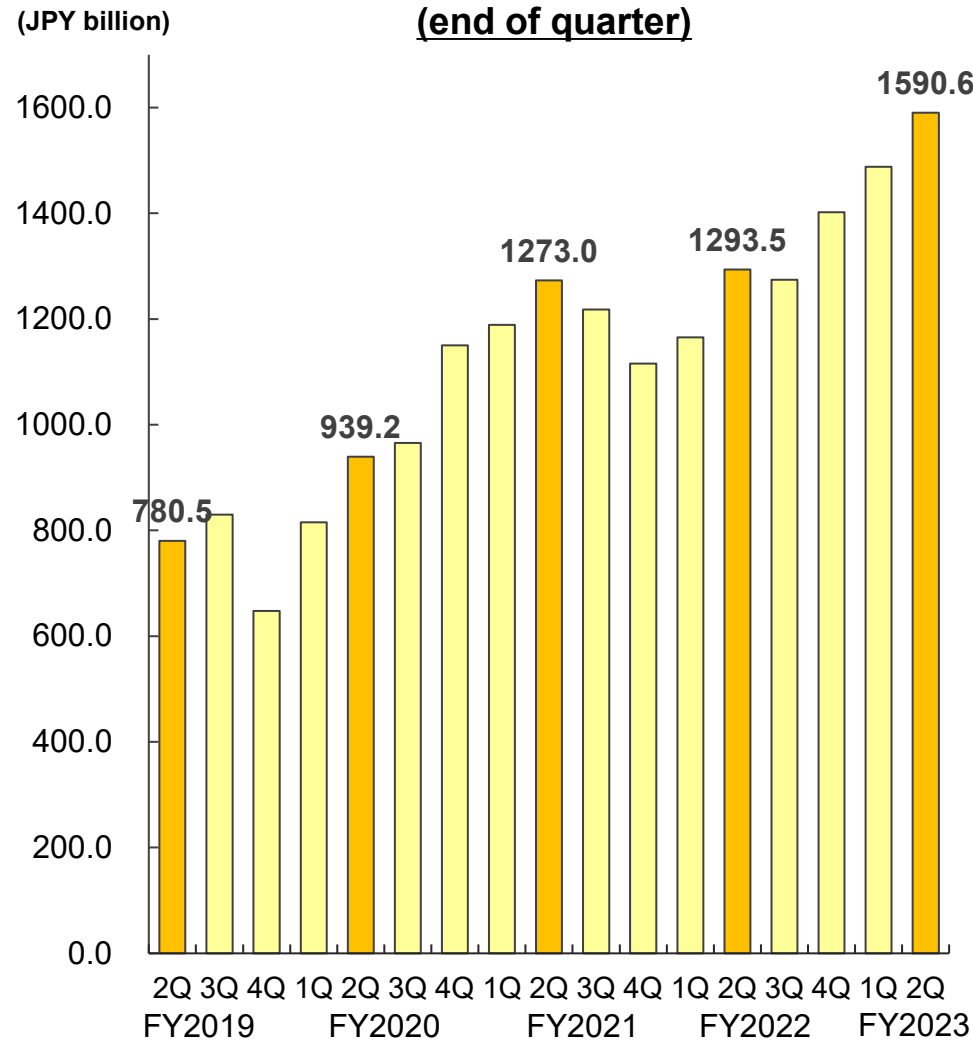
(JPY million)

- transactions excluding online domestic stock : **+10.1%**
- online domestic stock transactions : **+25.0%**

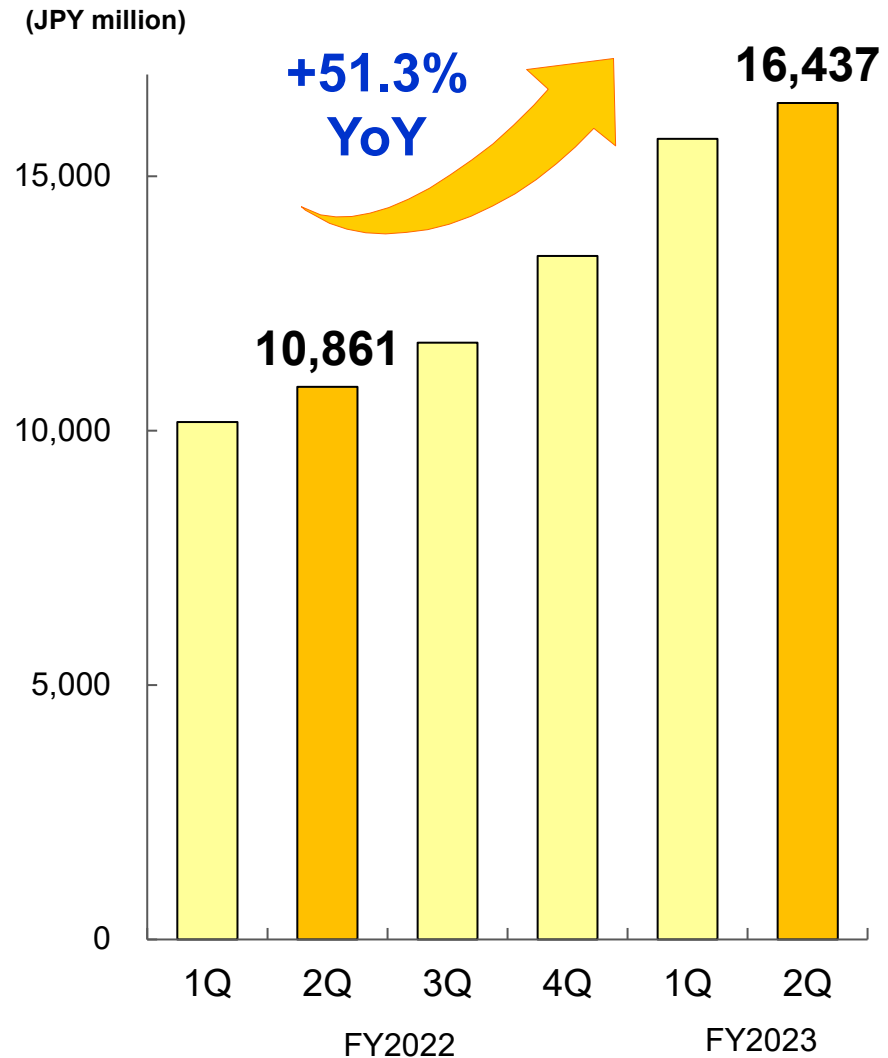


Open Interest Credit balance is on an Increasing Trend, Which is Expected to Further Increase Financial Revenue in the Second Half of FY2023 and beyond

Trend of Open Interest Credit Balance
(end of quarter)



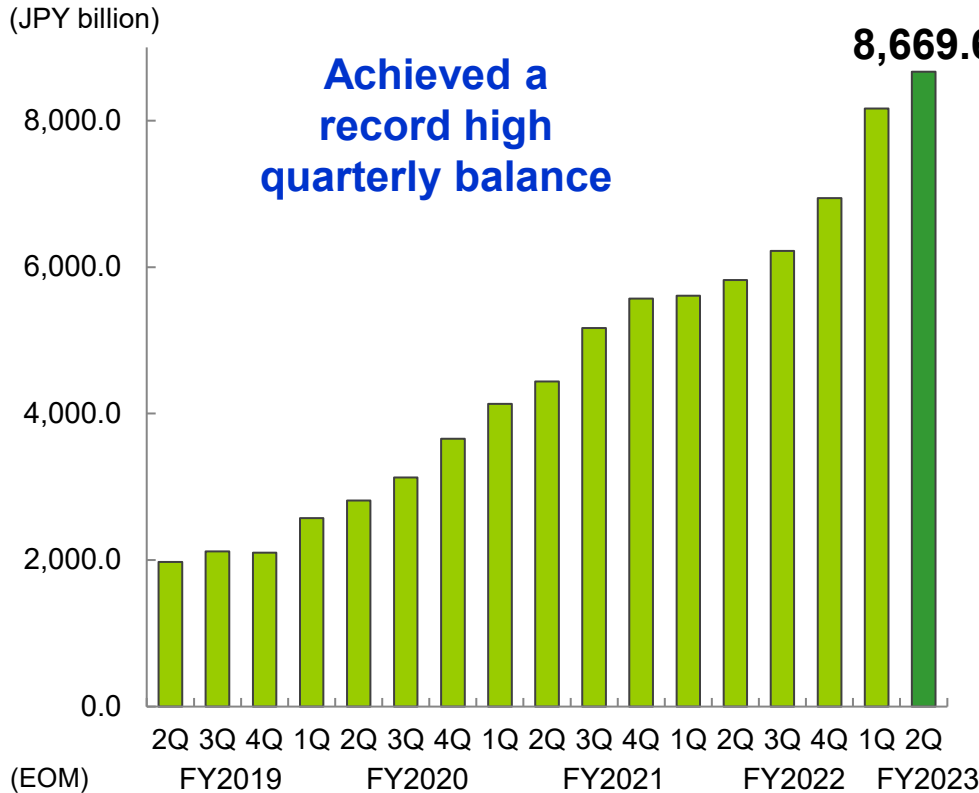
Financial Revenue



ZERO Revolution Announcement Led to an Increase in Investment Trust Balance, Accelerating the Pace of Increase in Investment Trust Fees

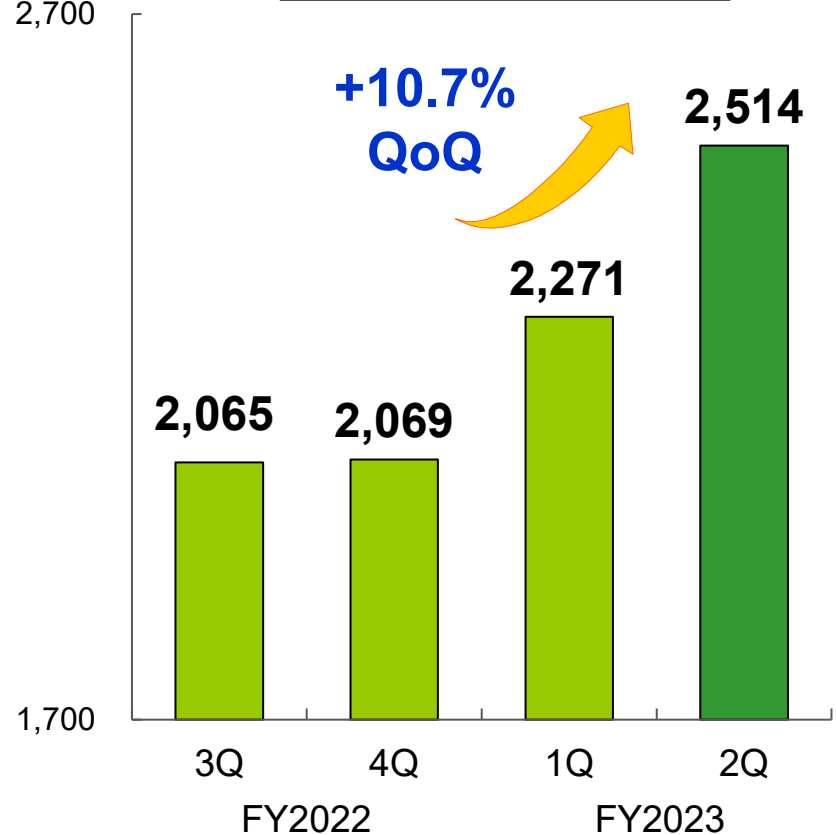
Investment Trust Balance*

(JPY million)



Investment Trust Fees

(JPY million)



Steady growth in investment trust balance is expected to continue to lead to a steady increase in investment trust fees

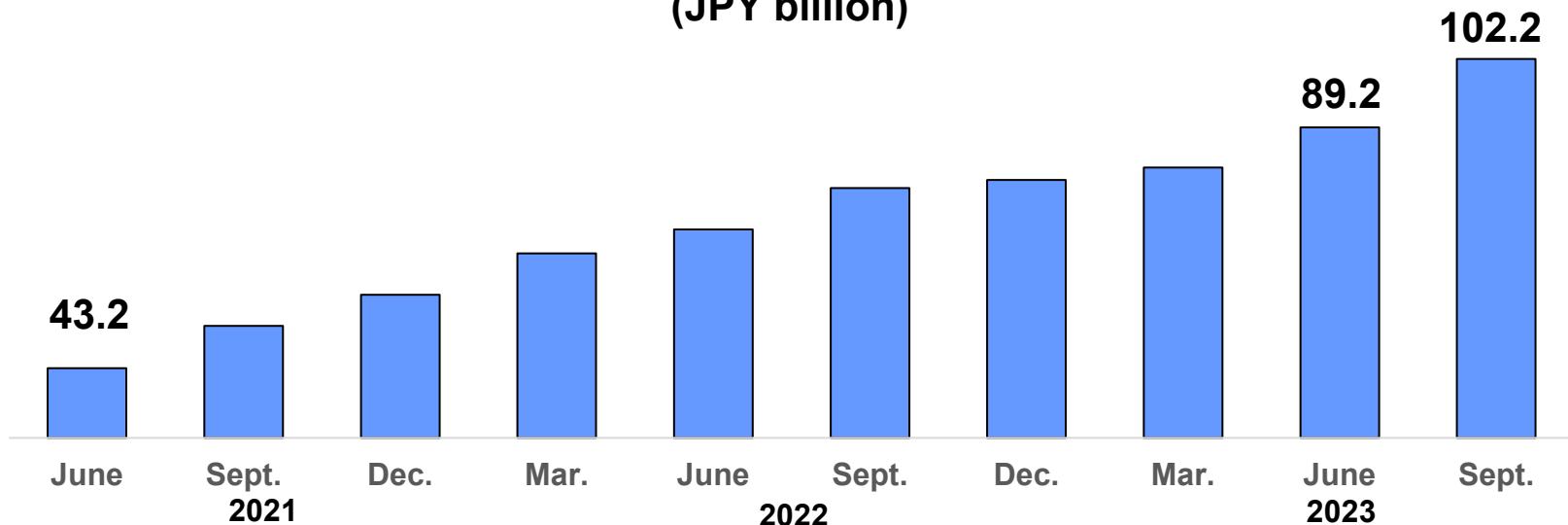
* Figures for balance of investment trusts includes Japan and overseas ETFs and foreign currency-denominated MMFs

Monthly accumulation amount of Investment Trust Fund Has Already Exceeded JPY 100 billion

- Accumulation of investment trust balance of **more than JPY 1.2 trillion in one year** -

- Strong growth in credit card-based accumulation-type fund Investment, with the amount of accumulation **exceeding JPY 100bn** as of the end of Sept 2023
- The growth has been supported **by multi-card strategy which allows accumulation-type fund investment with a total of seven credit cards**: Sumitomo Mitsui Card, Takashimaya Card, Tokyu Card, APLUS Card, UCS Card (Credit Cards of Pan Pacific International), JFR Card (Credit Card of Daimaru Matsuzakaya Department Store), and Orico Card. Monthly accumulation amount through those credit cards exceeding JPY 23.6bn as of the end of Sept. 2023

Trend of Accumulation Amount
(JPY billion)

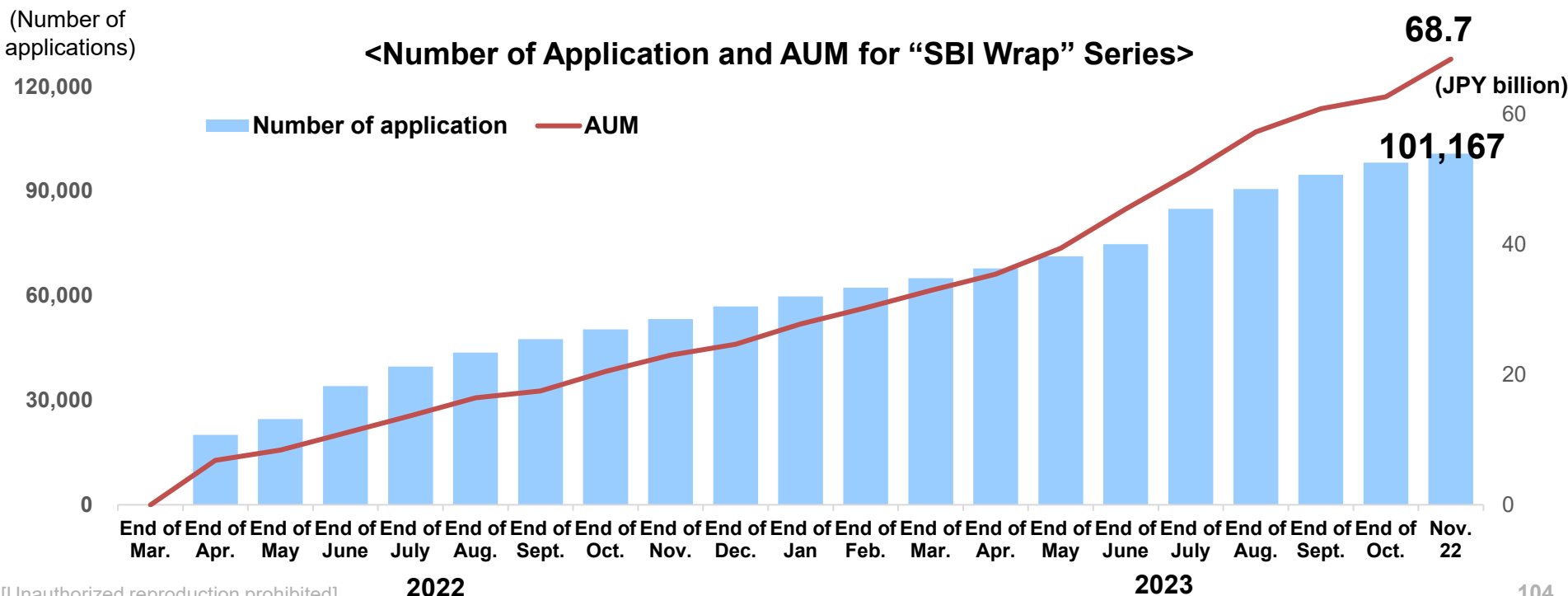


Providing “SBI Wrap”, a fully automated asset management service



- In just over 20 month since the service was launched, AUM exceeded JPY 68.7 bn and the number of application exceeded 100,000 for the entire series -

- SBI SECURITIES and FOLIO jointly developed “**SBI Wrap**” service using “4RAP”, a discretionary investment management system platform provided by FOLIO, starting Mar. 31, 2022.
- “**SBI Wrap × SBI Shinsei Bank**” was began offering from Oct. 2022 for face-to-face branches of SBI Shinsei Bank. AUM reached **approximately JPY 23.9bn** in one year since(as of the end of Oct. 2023)
- “**SBI Wrap Master Course**” launched in July 2023, in which Nomura Asset Management provide investment advice, got off to a good start with AUM of over JPY 3 bn as the end of Oct. 2023. The face-to-face channel “**SBI Wrap x TOUSHIN SOUDAN PLAZA**” has also been opened to meet diversifying needs



Growing Interest in Robo-advisor Investment

-“SBI Wrap” ranked 17th in “Top 30 Hit Products of 2023”-

Top 30 Hit Products of 2023 published by Nikkei TRENDY

1	Chat GPT	11	Bread containing fresh cream
2	chocoZAP	12	Oshi no Ko (anime)
3	THE FIRST SLAM DUNK	13	Revival boom of Harry Potter
4	The Legend of Zelda	14	Sun umbrella for men
5	Biore UV Instantaneous Mist (anti ultraviolet spray)	15	LAMDASH PALM IN (shaver)
6	HOKKAIDO BALLPARK F VILLAGE	16	Pokémon Sleep
7	Kodawari Sakaba no Tako-Hi	17	SBI Wrap
8	Lenor Citric Acid in Super Deodorizing	18	Tamagotchi Uni
9	Pakit (pasta sauce)	19	The Super Mario Bros. Movie
10	WBC 2023	20	Ghibli Park

Excerpts from the Nikkei TRENDY:

- “Customer base has expanded rapidly as a means of resolving uncertainty about the future due to inflation and other factors, and has provided a breath of fresh air to the asset management industry”
- “Investment performance of SBI Wrap has been favorable even in recent years when the market has been unstable, and it has captured the demand of those who expect improved investment performance”
- “The face-to-face service “SBI Wrap × SBI Shinsei Bank” contributed greatly to the expansion of the customer base. It has been able to tap into the asset management needs of bank customers who were not familiar with robo-advisor investment, and the AUM exceeded JPY 20bn in about 10 months since its launch”

“Robo-advisory investment trusts for new NISA” ranked 15th in the “Hit prediction Ranking of 2024”

SBI SECURITIES Has Been Maintaining the Highest IPO Underwriting Share in the Industry since FY2012

- Steady growth in POs and Corporate bond underwriting -

Underwriting share of **95.9%** is an industry-leading figure

IPO Underwriting Ranking (Apr. 2023 – Sept. 2023)
49 companies were listed during the period

Company name	Number of cases	Underwriting share (%)
SBI	47	95.9
Matsui	36	73.5
Monex	32	65.3
Rakuten	32	65.3
SMBC Nikko	30	61.2
Nomura	24	49.0
Mizuho	24	49.0
Okasan	23	46.9
Daiwa	22	44.9

- Between Apr. 2023 and Sept. 2023, SBI SECURITIES underwrote for 7 companies as lead manager

PO underwriting business

During 1H FY2023, SBI SECURITIES underwrote 14 POs



Will endeavor to strengthen the PO underwriting business by continuously focusing on acquiring lead underwriting mandates

Corporate bond underwriting business

Underwrote a total of 32 bond offerings during 1H FY2023 including Tokyo Electric Power Company bonds



Focus on underwriting of new public bonds, including electric companies' bonds

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

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

SBI SECURITIES is the Only Online Securities in the Top 10 in the Equity Underwriting Ranking

[Equity and equity-related underwriting ranking (July – Sept. 2023)]

Rank (previous year)	Company name	Underwriting amount (JPY billion)	Number of cases
1(3)	Nomura	446.6	22
2(5)	SMBC Nikko	91.1	15
3(4)	Mizuho	88.2	12
4(2)	Daiwa	74.3	15
5(-)	Goldman Sachs	64.7	3
6(1)	Mitsubishi UFJ Morgan Stanley	63.9	6
7(-)	JPMorgan	60.6	2
8(-)	SBI	30.8	6
9(-)	UBS	16.1	1
10(-)	BofA (Bank of America)	10.4	2

Source: Nikkei, Nov.2, 2023

As expansion of the customer base through ZERO Revolution will create advantages for issuers to increase the underwriting rate of SBI SECURITIES, further expansion of the underwriting business is expected in the future

Q3. What progress has been made in creating new markets in the digital space sector and other areas?

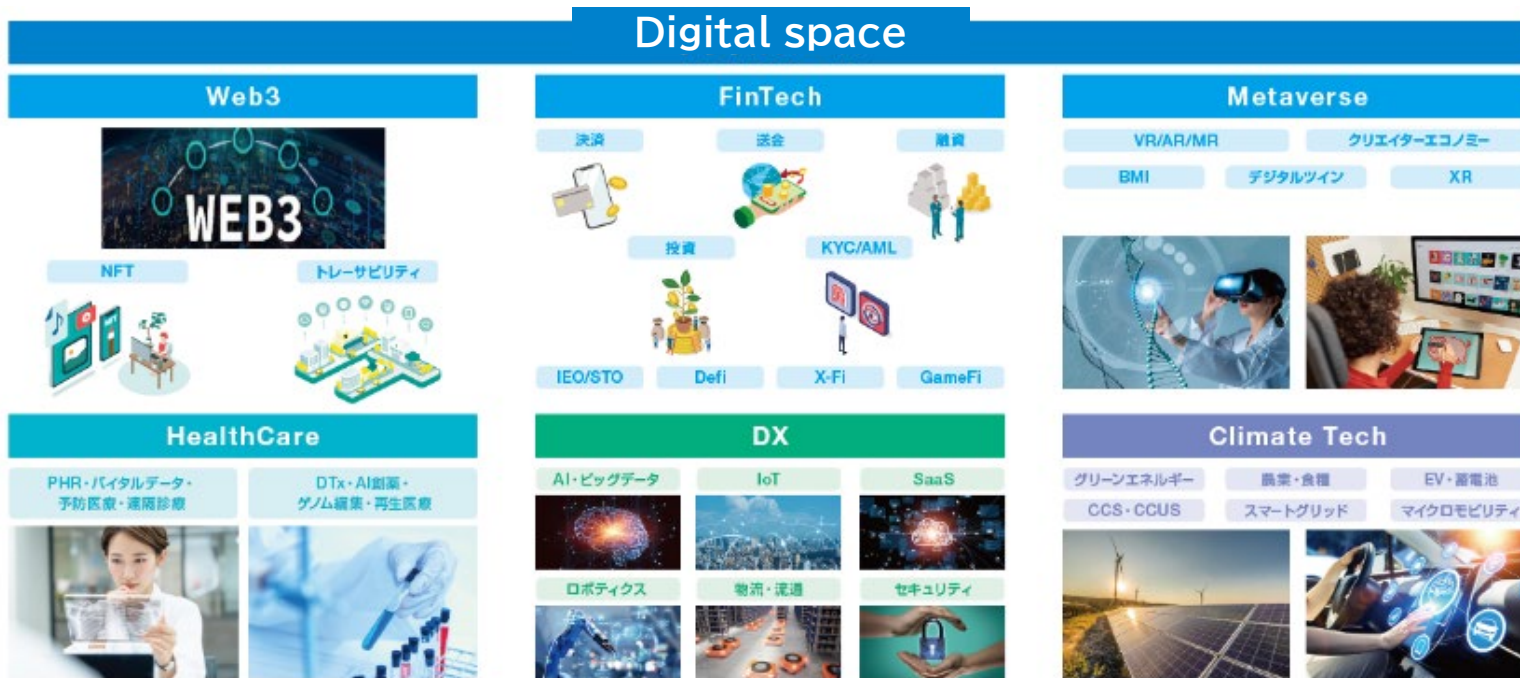
- 1. Establish a New Fund Called “SBI Digital Space Fund,” in September 2023**
- 2. Endeavor to Promote new Technologies, including NFTs, that are Expected to Grow in the Future, by Supporting the Expo 2025 Osaka, Kansai and Sharing them with the World**
- 3. SBINFT is creating a variety of use cases for NFTs in various fields**
- 4. Osaka Digital Exchange is set to launch Japan’s first secondary market for Security Tokens (ST) called “START” starting from December 25, 2023**
- 5. Supporting the development of the Osaka Dojima Exchange, which also contributes to the Global Financial City OSAKA concept**
- 6. Promoting the development of regulations and other systems through the establishment of and participation in self-regulatory organizations and industry associations**
- 7. Signed Basic Agreement with U.S.-Based Company Circle to Establish Comprehensive Business Collaboration for Promoting Circulation of Stablecoins Within Japan**

1. Establish a New Fund Called “SBI Digital Space Fund,” With a Maximum Size of JPY 100bn, Focused On Investing in Cutting-Edge Services/Technologies in the Digital Space. The Fund was Established in September 2023

■ Investment target areas:

Not only “digital space” segments such as Web3 and the metaverse, but also a wide range of innovative technologies and services in growth industries expected in the future, such as AI, fintech, healthcare, DX (digital transformation), and climate tech

As of November, already **solicited approx. JPY 55bn**



SBI Group's Investment Track Record has been Recognized, and a Total of 43 Companies, Including Major Players in Various Industries, are Participating in the Fund

- The recent valuation of our FinTech fund, established in 2015, **has exceeded three times the initial committed amount**, receiving high praise from Japan and overseas investors for our previous investment activities. As a result, not only existing investors but also **new institutional investors and major business corporations have decided to invest in this fund**

Major investors in this Fund

Megabank		Brokerage				
三井住友銀行 【Sumitomo Mitsui Banking Corporation】	みずほ銀行 【Mizuho Bank】	大和証券グループ本社 【Daiwa Securities Group】	岩井コスモ証券 【Iwai Cosmo Securities】			
三井住友信託銀行 【Sumitomo Mitsui Trust Bank】	SBI 新生銀行 【SBI Shinsei Bank】	岡三証券グループ 【OKASAN SECURITIES GROUP】	極東証券 【KYOKUTO SECURITIES】	むさし証券 【Musashi Securities】		
Regional financial institutions			Insurance	Net bank		
福岡銀行 【THE BANK OF FUKUOKA】	足利銀行 【The Ashikaga Banks】	広島銀行 【THE HIROSHIMA BANK】	第一生命 【Dai-ichi Life Holdings】	日本生命 【Nippon Life Insurance Company】	NEOBANK 住信SBIネット銀行 【SBI Sumishin Net Bank】	
仙台銀行 【THE SENDAI BANK】	大光銀行 【THE TAIKO BANK】	筑波銀行 【Tsukuba Bank】				
IT Services	Electronics		Office furniture	Chemicals & Materials	Cosmetics	Foundation
SOLXYZ 【SOLXYZ】	Kitac 【KITA DENSHI CORPORATION】	THine 【THine Electronics】	ITOKI 【ITOKI CORPORATION】	TAIYO 【TAIYO HOLDINGS】	mandom 【Mandom Corporation】	一般財団法人 広島国際文化財団 【Hiroshima International Cultural Foundation】
Services	Food	Manufacturing	Disclosure Business	Real estate	Mobility	Distribution Retail & Construction
NAC 【NAC】	サントリー食品 【SANYO FOODS】	TOPPAN 【TOPPAN Holdings】	PRONEXUS 【PRONEXUS】	住友不動産 【Sumitomo Realty & Development】	MOBILIX 【MOBILIX HOLDINGS】	秀 会秀グループ 【Kanehide Holdings】

2. Endeavor to Promote new Technologies, including NFTs, that are Expected to Grow in the Future, by Supporting the Expo 2025 Osaka, Kansai and Sharing them with the World

- (i) **The official wallet service, “EXPO2025 Digital Wallet,”** operated by a consortium consisting of SBI Group, SMBC Group, Resona Group, and Mitsubishi UFJ Financial Group, will offer a service where users can acquire and view the Expo-original NFT, “Myakun!”

To be issued by SBINFT on the decentralized public blockchain XRP Ledger

Stored and viewed on a dedicated website to be developed and provided by SBI VC Trade

Considering NFTs that can be made individually



Press Conference (on Oct. 23, 2023)



- (ii) **Participated in the OSAKA Healthcare Pavilion as a co-sponsor and exhibitor,** and developed content that brings together the technologies of venture companies and others in the “City of Mirai” zone on the theme of advanced medical care

3. SBINFT is Creating a Variety of Use Cases for NFTs in Various Fields

Case: 30 commemorative NFTs which consists of a combination of the image (voxel art) of a shinkansen train and the station signboard of the “Nozomi” stop, created by JR Tokai Group’s JR Tokai Agency is available for purchase on the NFT marketplace “SBINFT Market” operated by SBINFT from October 14, 2023



Price: 65 MATIC per piece (approx. JPY 5,300 at the conversion rate as of Oct. 12th)

Voxel art: A form of art where images are created by combining cubes or voxels to create a sense of depth

4. Osaka Digital Exchange is Set to Launch Japan's First Secondary Market for Security Tokens (ST) Called "START" Starting from December 25th, 2023



- The necessary registration changes for the establishment of PTS were completed on November 7th, 2023, and the approval for the changes was obtained from the Financial Services Agency on November 15th, 2023
- On December 25th, Japan's first secondary market for Security Tokens (ST) called "**START**" will be launched

Under the collaboration between Ichigo, Mitsubishi UFJ Trust and Banking, and SBI SECURITIES, the **real estate Security Token (ST) "Ichigo Residence Token"** issued by Ichigo Owners, a 100% consolidated subsidiary of Ichigo, is scheduled to be the first project to be handed on START

- The digital asset issuance and management platform "**Progmatt**" provided by Progmatt Inc., in which SBI Group also has an investment, will be utilized for this purpose
- The investment targets is rental residential properties in the center of Tokyo, with a total issuance amount of approx. JPY 3bn

Contribute to the revitalization of both the issuance market and the secondary market for STs

5. Supporting the Development of the Osaka Dojima Exchange, which also Contributes to the Global Financial City OSAKA Concept



Osaka Dojima Exchange, inheriting the DNA of derivatives originating from Osaka's "Dojima," endeavor to be **a comprehensive exchange** that handles financial products as well

- ◆ Precious metals (gold, silver, platinum) market started operation in March 2023
 - ✓ Enabling **small-lot investment** at one-tenth the price of other exchanges: 10g for gold and platinum, 1kg for silver
 - ✓ **SBI SECURITIES** has **connected to this market and handling services** in April
- ◆ Invested in MIRAI RICE-MARKET, a spot rice market, in October 2023
 - ✓ If the spot market works, **future market can reference prices**
- ◆ Considering opening a financial instruments exchange specializing in **derivatives in the future**
 - ✓ In addition to **Japan and overseas stock indices**, consider handling **greenhouse gas emission credits** (in collaboration with Carbon EX, an emission credit exchange jointly established by SBI Holdings and Asuene) and **crypto assets**

Carbon Ex, a Carbon Credit and Emission Rights Exchange on a Marketplace Platform, was Launched in Oct. 2023



50%

Carbon EX Inc.
Established: June 2, 2023

50%



Credit Generators



Credit Sales →

← Fee Payment

← Creation Consulting

Forestry, renewable energy, energy-saving businesses, etc.



Credit Sales →

← Fee Payment



Asuene Procurement consultancy / automated system integration (planned)

Customers



A broad spectrum of carbon credits and ESG products, including voluntary carbon credit, J-Credit Scheme, and non-fossil certificates

Payment of usage fees ↓ ↑ Credit Evaluation/Rating

Assessment company
(BeZero Carbon, UK.)

Provides useful information for credit comparisons

- Over 1.3 million tons and 35 types of credit and non-fossil certificates handled
- Carbon EX has a track record of off-exchange transactions, including voluntary carbon credits from overseas to Japanese customers

- Oriented towards expansion into exchange-traded and derivatives trading in the future -

6. Promoting the development of regulations and other systems through the establishment of and participation in self-regulatory organizations and industry associations



- Launched on October 1, 2019, Endeavor for sound development of the security token field and accredited as a **“self-regulatory organization”** by the Financial Services Agency in May 2022
- **As of November 1, 2023, 73 organizations** (15 regular members, 55 supporting members, and 3 associations member) have joined



- **As a cross-industry comprehensive economic organization**, launched on April 15, 2022, to realize the healthy development of the digital space economy
- **As of November 14, 2023, 114 organizations** (99 general members and 15 supporting members) have joined, with a total market capitalization of about **one-tenth that of the TSE**

7. Signed Basic Agreement with U.S.-Based Company Circle to Establish Comprehensive Business Collaboration for Promoting Circulation of Stablecoins Within Japan



Announcement of the Basic Agreement
(November 27, 2023)



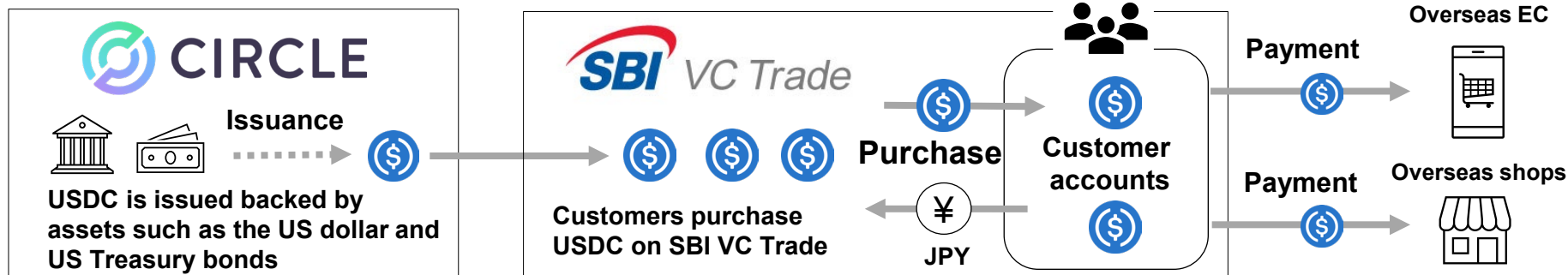
Circle issues a US dollar denominated collateralized stablecoin called USDC, with a market capitalization of USD 26.2bn (approx. JPY 3.8tn), making it the second largest stablecoin in the world

- Content of the basic agreement with Circle -

➤ Circulation of USDC issued by Circle within Japan

Under the partnership with Circle, SBI VC Trade will handle the trading of USDC, with the prerequisite of obtaining approval from the authorities to register as an electronic payment instruments services

[Image]



➤ Various initiatives to expand the use cases of stablecoins in Japan

Efforts are being made to expand the use cases of stablecoins in Japan, including communication with regulatory authorities, compliance with relevant regulations, collaboration in the Web3 sector, establishment of a joint venture, and consideration of future issuance of stablecoins within Japan

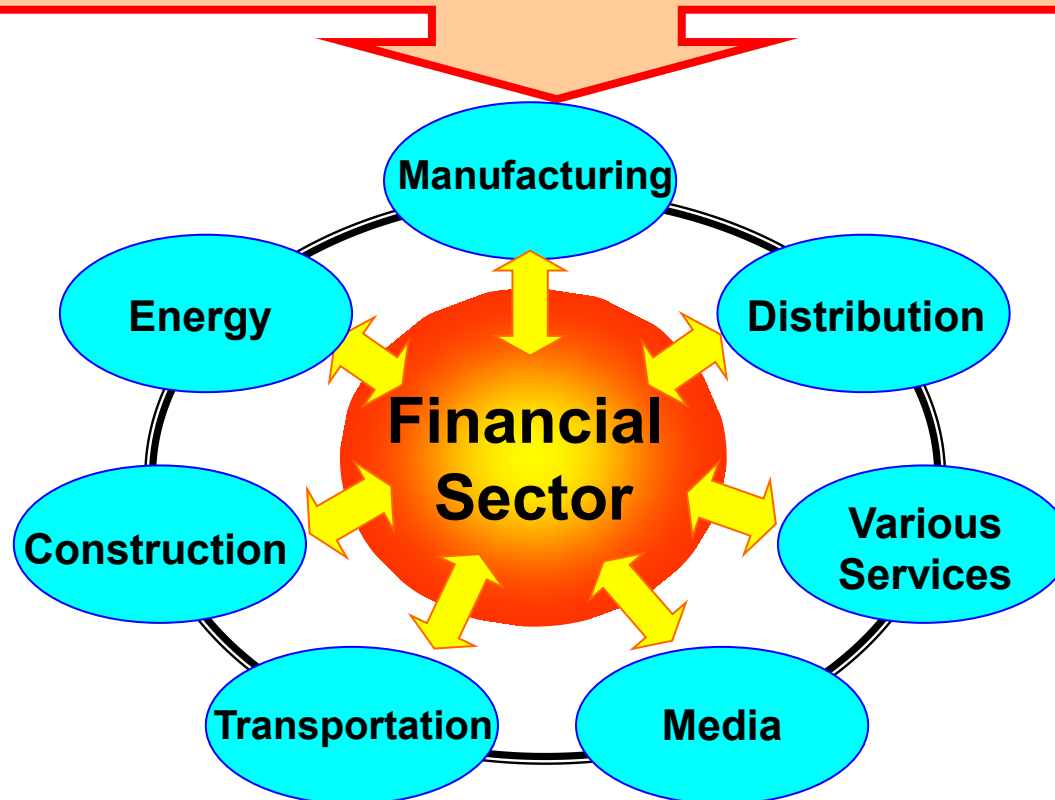
Q4. With the announcement was made about the establishment of Semiconductor Foundry in Japan, Why is the SBI Group establishing a semiconductor foundry?

SBI Group has Been “Going Beyond Finance with Finance at its Core”

(One of the SBI Group’s Fundamental Business Building Concepts)

Advantages of entry into other industries by the financial sector

1. The movement of goods and services and finance are two sides of the same coin
2. The financial industry is the information industry itself.



Now is the Perfect Timing to Enter the Semiconductor Field

- The timing vouchsafed by heaven, the advantage of land, and the harmony of people -

Timing
Vouchsafed by
Heaven

- The Japanese government has positioned the **semiconductor industry as a national industry**
- **U.S.-China struggle for supremacy** in the semiconductor field
- Increased geopolitical risk due to **unipolarity in Taiwan**
- Semiconductor miniaturization processes are reaching their limits

Advantage of
the Land

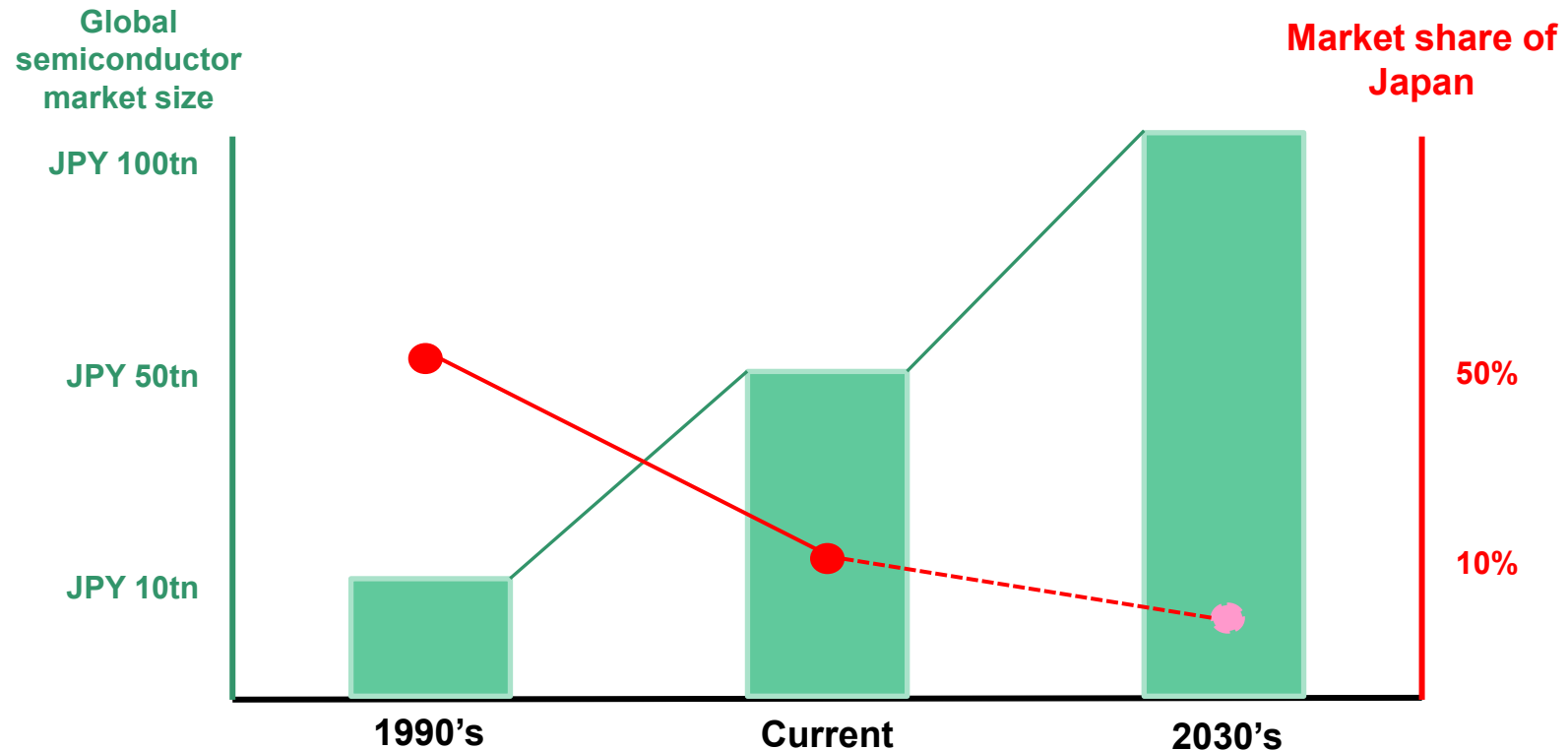
- **Increase in global semiconductor demand** due to advances in AI, DX, IoT, EVs, etc.
- Japan has **many semiconductor-related companies with high international market share**
- Japan has **many demanders in automotive, biotech, AI, etc.**
- Abundant water, land, logistics, electricity and other infrastructure

Harmony of
People

- JV with PSMC, **Taiwan's 3rd largest and the world's 6th largest semiconductor foundry**
- Abundant semiconductor engineers in Taiwan, enabling **human resource development in Taiwan and dispatch of high-level human resources** from Taiwan
- SBI Group can **provide investment and financing opportunities to many regional financial institutions** through this project

Current situation surrounding the semiconductor industry in Japan

Japan's share in the global semiconductor market was 50% in the past however, decreased to the current 10%



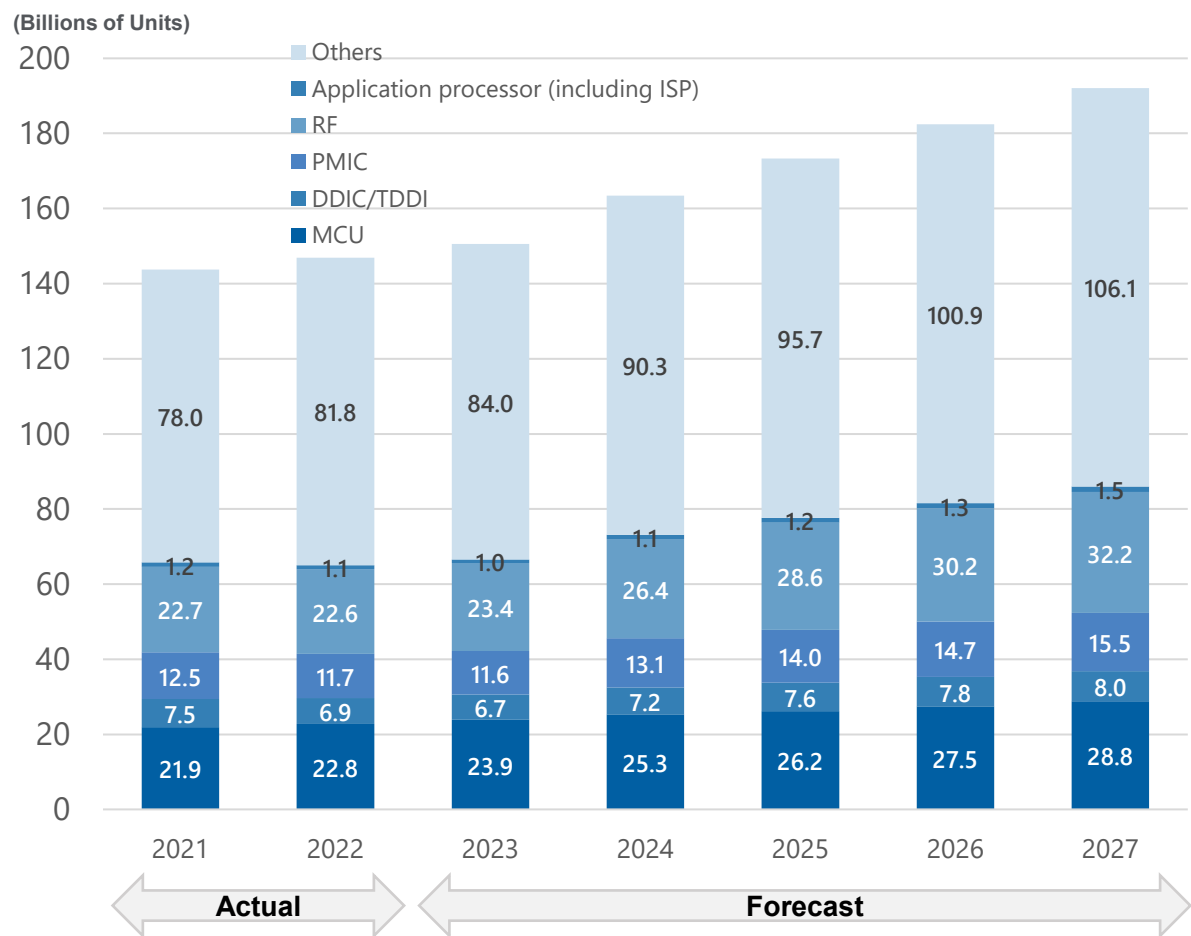
(Reference: Ministry of Economy, Trade and Industry "Strategy for Semiconductors and the Digital Industry")

The semiconductor market size is expected to surpass JPY 100tn in the next 10 years

Demand for Semiconductors for AI, EV, and Telecom Infrastructure is Expected to Grow over the Medium to Long Term

Logic Semiconductor* Market Size Forecast (Devices)

- ISP**
Image Signal Processor
- Communication RF**
Wireless transmitter and receiver for 5G/6G communications
- PMIC**
Power management IC. Mainly for automotive use
- DDIC/TDDI**
(Display Driver IC / Touch and Display Driver Integration)
Version with display IC/touch controller for panel
- MCU**
Automotive microcontroller



Data Source: Gartner, Semiconductors and Electronics Forecast Database, Worldwide

*Analog, discrete, and memory markets are excluded

SBI Group's Contribution in the Financial Field

Financial functions of SBI Group

- ✓ Contributing to fundraising from Japan and overseas capital markets, mainly through SBI SECURITIES, which has a customer base of over 10m
- ✓ Total deposit balance of SBI Shinsei Bank and SBI Sumishin Net Bank is **approx. JPY 18tn** (Simple aggregate)
- ✓ One of the largest venture capital businesses in Japan

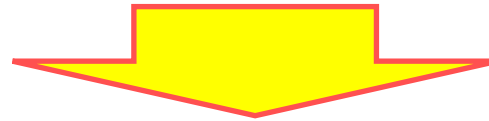


Broad network with regional financial institutions throughout Japan

- ✓ In addition to Mizuho Bank, the Company's main bank, SBI Holdings has **established good relationships with megabank groups**, including a comprehensive capital and business alliance with the SMBC Group
- ✓ **Extensive network with regional financial institutions throughout Japan** through the "Regional Revitalization Strategy" promoted by the SBI Group as a whole

Strong fundraising functions and networks inside and outside enables the group to support **stable and long-term fundraising**

SBI Group has formed an alliance with PSMC, a major Taiwanese foundry, to enter the semiconductor-related business amid the anticipated full-scale expansion of demand for AI, electric vehicles (EV), etc.



- ① **SBI Group and PSMC Sign MOU on Preparatory Company for Establish of a Semiconductor Foundry in July 2023**
- ② **Promoted establishment of semiconductor foundry at JSMC Holdings**
- ③ **SBI Group is striving to build a semiconductor foundry ecosystem**
- ④ **The Location for the construction of the semiconductor foundry has been determined in Miyagi prefecture**
- ⑤ **Plans for manufacturing of semiconductor wafers at the foundry**

① SBI Group and PSMC Sign MOU on Preparatory Company for Establish of a Semiconductor Foundry in July 2023



Strategic investor



- PSMC is Taiwan's 3rd largest and the world's 6th largest semiconductor foundry
- A rare company in the world capable of producing memory and logic semiconductors

Preparatory company for establishment of a semiconductor foundry (JSMC)

- ① Consider market research, product configuration and construction site of the foundry
- ② Decide on the equity structure and financing policy
- ③ Establish organizational structure and personnel structure, and recruit staff and engineers

JSMC is scheduled to change its name to JSMC Holdings

② Promoted establishment of semiconductor foundry at JSMC Holdings

< Executive team of JSMC Holdings (Plan) >

Director, Chairman: Yoshitaka Kitao (Representative Director, Chairman, President & CEO of SBI Holdings)


Director, Vice Chairman: Frank C. Huang (Chairman of Powerchip Group / Chairman of PSMC)

Representative Director & CEO: Joe Wu (Representative Director, and President of PSMC Japan)

Representative Director & CFO: Koji Nakano (Executive officer of SBI Holdings)

Director: Genki Oda (Managing Executive Officer of SBI Holdings)

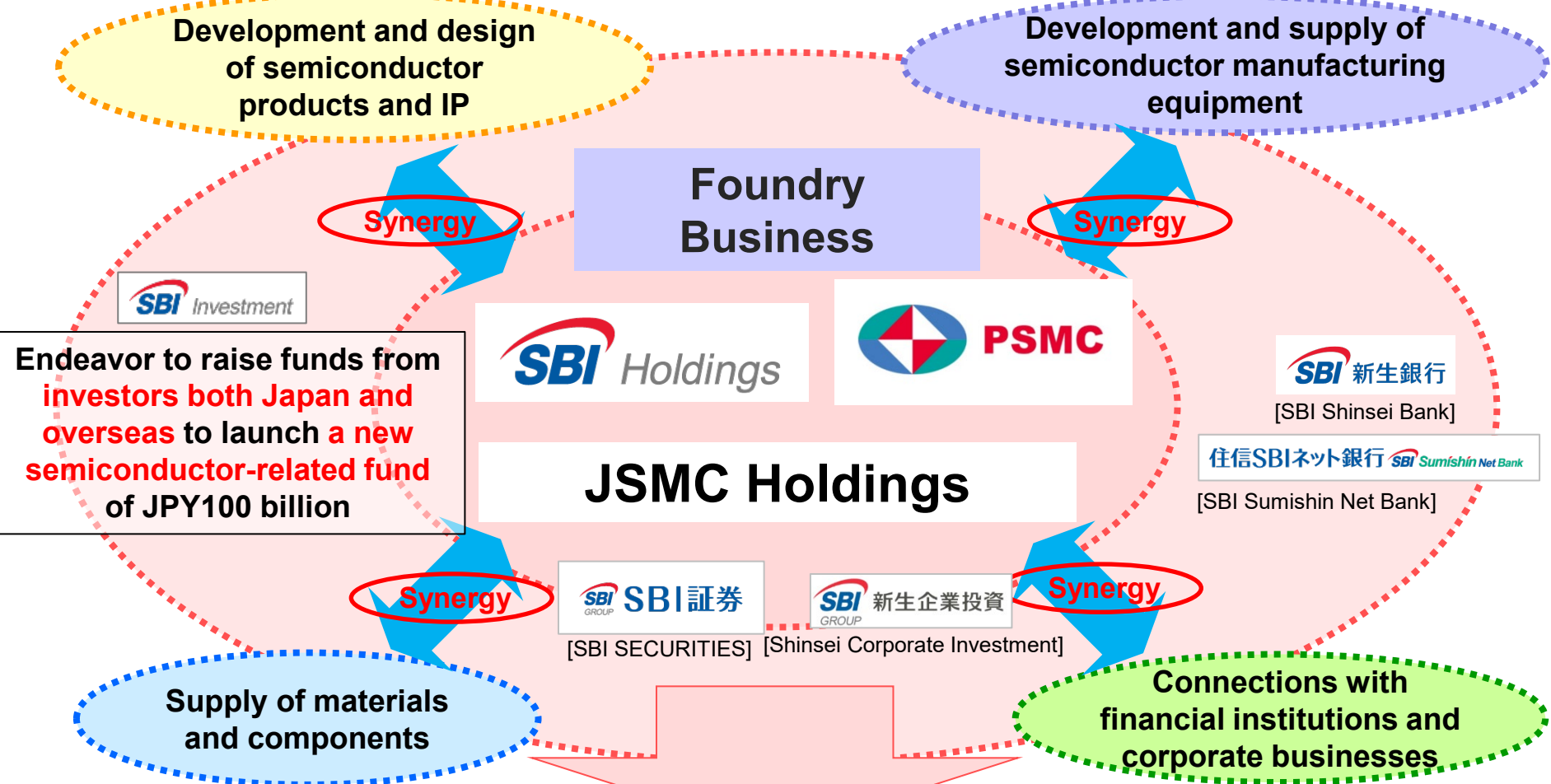
Director: Martin Chu (Executive Vice President of Powerchip Group)

- 
- **Operation of the newly established foundry**
 - **Construction of an ecosystem including semiconductor-related businesses beyond foundry operations**
 - **Possibility of establishing new locations in Japan and overseas in the future**

③ SBI Group is striving to build a semiconductor foundry ecosystem

Strengthening Competitiveness through Synergy Effects and Mutual Evolution between Related Companies Forming an Ecosystem of Semiconductor Foundry

- SBI Group's approach of incorporating Japan and overseas affiliated companies that perform supporting functions for core businesses which is cultivated in the financial industry **is also applicable to the semiconductor industry** -



Considering expansion overseas by relocating the entire ecosystem when its success is determined in Japan

③ SBI Group is striving to build a semiconductor foundry ecosystem

SBI Group has already Conducted Investment Activities, etc. in Japan and Overseas Semiconductor-related Companies Based on the Concept of Investment, Introduction, and Diffusion
[Development and design of semiconductor products and IP]

The following companies develop and design semiconductor products and circuit design data (IP: Intellectual property). Their products are often manufactured by foundry companies like JSMC

- Architek (JP) EdgeCortix (JP) Floadia (JP) FLOSFIA (JP)
 Siglead (JP) LeapMind (JP) MetisX (KR) Macro Image Technology (KR)
 Chips&Media (KR) CONNECTEC JAPAN (JP) TopoLogic* (JP) *Investment planned

[Development and Supplying of Manufacturing Equipment]

Companies that develop and supply equipment used in various manufacturing processes such as film deposition, etching, lithography, packaging, and testing

- TMH (JP) Forge Nano (US) Atonarp (JP) Sawmics (KR)
 Nanojet Korea (KR) Green Optics (KR) CMITECH (KR)
 SEALINK (KR) YOUNG KWANG YKMC (KR) YIK (KR)
 CLEAN SOLUTIONS (KR) PHARMATRON (KR) PAMTEK (KR)
 Accuracy (CN) HUMINTECH (KR) JINSUNG ENG (KR)
 KONASOL (KR) EML (KR) KOMOTECH (KR) TRI-N (KR)
 HB SOLUTION (KR) JET* (JP)

[Process Informatics]

Companies that leverage AI to optimize semiconductor processes

- RTM (KR) AIXtal* (JP)
 *Investment planned

[Material Supply]

Companies that manufacture and sell silicon wafers and semiconductor-related consumable materials

- A-PRO SEMICON (KR)
 RS Technologies* (JP)
 *SBI SECURTIES became the lead underwriter

④ The Location for the Construction of the Semiconductor Foundry has been Determined

The construction of a semiconductor foundry is an initiative expected to greatly contribute to regional revitalization by promoting income growth and creating employment opportunities of the region

Following the notice of the establishment of a semiconductor factory in Japan, extremely constructive proposals from **31 municipalities from Hokkaido to Kyushu** were presented, encompassing various aspects, including infrastructure development, site selection, and diverse economic conditions



While we have decided on the location in **Miyagi Prefecture** by putting various factors into perspective, we would like to **express our sincerest gratitude** to all the officials from these municipalities for their voluntary participation in the bid and for their extensive support and consideration

JSMC Signed a Location Agreement with Ohira Village in Miyagi Prefecture for the Construction of Semiconductor Foundry

(November 14, 2023)

Miyagi Prefecture will **assist in securing human resource and various permitting procedures** and will also serve as an **intermediary between JSMC and infrastructure providers** such as electricity, gas and water utilities in preparation for the start of semiconductor foundry operations. The plan also includes a joint effort between the prefecture and the village **to improve living environment**

News paper article

Various projects are moving forward in the same area

- **Miyagi Prefecture** established “**the Semiconductor Industry Promotion Office**” in the Department of Economy, Commerce, Industry and Tourism as of December 1, 2012, which is responsible for the promotion of the semiconductor industry.
- **SENDAI BANK**, a subsidiary of Jimoto Holdings, has established “**Miyagi Semiconductor project team**”

etc.

(KAHOKU SHINPO November 15, 2023)

⑤ Plans for Manufacturing of Semiconductor Wafers at the Foundry

PSMC's expertise will be utilized at the foundry to be built to mass produce high-quality, low-cost wafers 28nm and above in size, which are estimated to account for more than 90% of the demand for automotive semiconductors

- For Phase1, **complete the building, facilities, automation equipment**, etc. and produce 10,000 units of 40nm and 55nm semiconductor wafers per month, which are currently in most demand for automotive applications
- In Phase2, the **foundry will be in full operation**, with a mass production capacity of 40,000 semiconductor wafers per month, including 28nm and those using WoW technology

* WoW (Wafer-on-Wafer): Unique 3D Stacking Technology of PSMC

Period	Investment	Types of semiconductor wafers	Monthly production volume	Performance at full capacity (annualized, J-GAAP)
Ph. 1 2027 (planned)	Building and facilities Production facilities Automation / Lab	55nm 40nm	10,000 wafers in total	Sales: Approx. JPY 40bn
Ph. 2 2029 ~2031 (planned)	Production facilities	55nm 28nm 40nm WoW	40,000 wafers in total	Sales approx. JPY 190bn Operating income approx. JPY 50bn

Q5. There have been a series of announcements related to the Middle East recently, but what is the goal of these announcements?

Saudi Arabia is Promoting Economic and Social Reforms under The Initiative of Crown Prince Mohammed Bin Salman with The “Saudi Vision 2030”

Long-term policy “Saudi Vision 2030” (announced April 2016)

The main goals are **to break away from an oil-dependent economy, which accounts for 70-80% of national revenue, and to strengthen services to improve people's lives, including housing, medical care and welfare, and education**

Goal 1: A non-oil-dependent economy/growth strategy	<ul style="list-style-type: none"> • Diversification of industries • Revitalization of cultural, sports and entertainment industries • Improvement of business and investment environment 	<ul style="list-style-type: none"> • Non-oil revenues 163 bn Saudi Riyals (SR) (approx. JPY 4.5 tn) -> 1 trillion SR (approx. JPY 27tn) / share of non-oil exports 16% → 50% • Household spending on culture and entertainment 2.9% → 6% • Foreign direct investment (FDI) as % of GDP 3.8% → 5.7%; construction of new SEZs
Goal 2: Job creation	<ul style="list-style-type: none"> • Vocational education, employment promotion for youth and women • Promotion of small and medium-sized enterprises, support for entrepreneurship 	<ul style="list-style-type: none"> • Unemployment rate 11.6% → 7%, Percentage of women in employment 22% → 30% • Percentage of small and medium enterprises in GDP 20% → 35%
Goal 3: Efficient administration	<ul style="list-style-type: none"> • Reform of state-owned enterprises (including conversion of the Public Investment Fund PIF into a SWF and Aramco IPO) • Privatization of healthcare, education, etc., and introduction of private capital • Deregulation and streamlining of government spending 	<ul style="list-style-type: none"> • Initial public offering of shares (approx. 5%) in Aramco, using the proceeds to make PIF the world's largest SWF (\$2 trillion in assets) • Improved medical services, increasing life expectancy from 74 to 80 years • Private sector's share of GDP to increase from 40% → 65% <p><small>(Reference: Ministry of Economy, Trade and Industry, “Trends in the Middle East Economy and Overview of Japanese Companies' Expansion into the Middle East” document)</small></p>

In April 2018, **a movie theater opened** for the first time in more than 30 years, and in June the ban on **women driving cars was lifted** (women driving has not been allowed as a social practice strictly following Islamic teachings, rather than prohibited by law)

In recent Years, Countries in the Middle East have been Promoting Various Measures Related to Cutting-edge Technologies Such as Digital Assets ①



Saudi Arabia

- August 2018: the Saudi Arabian Federation for Cyber Security (SAFCSP) held the **largest hackathon event (programming technology competition) in the Middle East** for the first time with the theme “**Hajj (Grand Pilgrimage)***” *About 2 million pilgrims visit the country every year
- January 2023: Saudi Arabia's Central Bank (SAMA) announces that it is working with local banks and fintech companies on a phase of the project focused on **use cases for wholesale CBDC* in Saudi Arabia** *Digital currency issued by the Central Bank
- February 2023: Saudi Ministry of Information and Communication Technology hosts **LEAP2023, a large-scale tech event**. More than 300,000 visitors attended the event, surpassing the 170,000 visitors in 2022 when it was first held
- Saudi Arabia's Central Bank (SAMA) announced that **the percentage of electronic payments in the retail sector in 2022 reached 62% of all payments, including cash**. This level exceeds the 60% target for 2022 set in the Financial Sector Development Program, one of the main programs of Vision 2030
- October 2023: Announced that the **eSports World Cup** will be held annually in the capital city of Riyadh beginning in the summer of 2024. Saudi Arabia Endeavor to **increase GDP in this sector to more than SAR 50bn** (about JPY 2tn; 1 riyal = about 40 yen) by 2030 and **create 39,000 new job opportunities**

In recent Years, Countries in the Middle East have been Promoting Various Measures Related to Cutting-edge Technologies Such as Digital Assets ②



United Arab Emirates (UAE)

Dubai: In July 2022, “**the Dubai Metaverse Strategy** (Dubai Metaverse Strategy)” was announced. Prince Hamdan posted on X (formerly Twitter) that the strategy will “increase the number of companies related to blockchain and metaverse **fivefold** in five years, **create 40,000 jobs** related to metaverse, and **generate \$4bn** in economic impact” (July 18, 2022)

Abu Dhabi: **Abu Dhabi Global Market (ADGM)**, an international financial free zone, announced formal regulatory framework DLT Foundations Regulations for distributed autonomous organizations (DAOs), distributed ledger technology (DLT), etc. in November 2023. ADGM Chairman Mr. Ahmad emphasized **Abu Dhabi's rapid transformation into a hub for digital asset innovation**



Qatar

Establishment of the **Digital Asset Lab** at the Qatar Financial Center, sponsored by the Central Bank of Qatar in October 2023 to attract financial services companies to Qatar

5-ALA-related Business has been Carrying out Various Projects in Middle Eastern Countries since 2012

- ✓ **2012:** Obtained product marketing approval for health food "NatuALA ONE" in **Bahrain** (SBI Pharmaceuticals)
- ✓ **2014:** Successful removal of bladder cancer using ALA as an intraoperative diagnostic agent for the first time in the Middle East at the University Medical Center under Arabian Gulf University, a Gulf state university in **Bahrain** (SBI Pharmaceuticals)
- ✓ **From 2016:** supply of 5-ALA for photodynamic diagnostics in brain tumor surgery at the request of physicians in several countries in the Middle East region (photonamic)
- ✓ **2021/2022:** Joint trial sponsored by the **Bahrain** Medical School of the Royal College of Surgeons in Ireland using a dietary supplement containing 5-aminolevulinic acid phosphate and sodium ferrous citrate for patients with novel coronavirus infection (photonamic, SBI Pharmaceuticals)
- ✓ **2023:** Submitted an application for approval of 5-ALA as a pharmaceutical drug for brain tumor surgery (PDD) in **Jordan** (photonamic)
- ✓ **2023:** Filed for approval of SBI brand "Kiyomi Skin" series as a cosmetic in **Saudi Arabia**

Plans to consider co-founding a venture fund with Saudi ICT giant NTG for fintech, digital space, etc.



National Technology Group

Basic agreement for business alliance signed on July 18, 2023

[About NTG (National Technology Group)]

- ✓ **A major ICT company with sales of 1 billion Saudi riyals (approximately JPY 37.5bn) and over 2,000 employees, was founded in Saudi Arabia in 1984**
- ✓ **Under its umbrella, NTG currently operates more than 20 specialized ICT subsidiaries in Saudi Arabia, the Gulf Cooperation Council (GCC), Egypt, Pakistan, Sri Lanka, and Turkey. Moreover, the company is expanding its presence in the fintech sector**

Recent Initiatives ②:

As Part of Expanding the Crypto-asset Ecosystem, Entered into a Basic Agreement to Establish a Japan-based Joint Venture with TradeFinex Tech, which is Expanding the XDC Network—A Blockchain Designed to Add Efficiency to **Trade Finance**



Basic agreement announced
(9/29/2023)



May 11, 2023: Partnership agreement concluded
between SBI VC Trade and XDC Network

What is XDC Network?

- An open source system, in which anybody can develop on the network, that is an enterprise-grade blockchain specializing in trade finance
- Although it has its own blockchain, by adopting Ethereum virtual machine (EVM) it is compatible with the Ethereum network to open up a wide range of applications

As a joint venture between the SBI Group and TradeFinex Tech, “**SBI XDC Network APAC, Co., Ltd. (provisional name)**” (investment: SBI Group 60%, TradeFinex Tech 40%) **is planned to be established by the end of the year** to undertake the following activities:

- Support to operators of domestic crypto-asset exchanges that wish to handle XDC
- Support for expanding partnerships with subnets/layer-2 companies that contribute to XDC Network expansion
- Expansion to the APAC region of trade finance solutions provided by XDC Trade Network Pte. Ltd., an XDC Network affiliate

**Working toward future collaboration with SBI Group companies to
Expand its use in Japan and overseas**

Memorandum of Understanding for Business Alliance with King Abdulaziz City for Science and Technology

(November 2, 2023)



KACST

[Considering business alliances in the following areas in the future]

- ✓ Cooperation and investment in the field of semiconductors in Japan and Saudi Arabia
- ✓ Development of biotechnological solutions and ethical drugs centered around products using 5-Aminolevulinic Acid (5-ALA)
- ✓ Promotion of innovative banking solutions utilizing digital technology and fintech
- ✓ Development of human resources exchange programs targeted to nurture talent in the field of semiconductor, fintech, and biotechnology
- ✓ Support of startups and entrepreneurs with cutting-edge technology and entrepreneurs in the fields such as semiconductor, fintech, and biotechnology

[About KACST]

- ✓ KACST is a prominent national research institute in Saudi Arabia, with several laboratories, research and development centers
- ✓ Focusing on R&D and promoting innovation in a wide range of fields, including environment, energy, and medicine, in collaboration with organizations inside and outside of Saudi Arabia

Plans to Establish an Investment company in the digital asset sector in the United Arab Emirates (UAE) with SC Ventures

- Part of a business alliance with SC Ventures -



scventures



- Plans to establish a joint venture to invest in the digital asset sector **in the near future**
- **Invest in companies across the digital asset spectrum**, including digital assets, Defi (decentralized finance), cashless payments, metaverse, etc.
- Plans to execute investments in companies from seed to Series C round funding, with an emphasis on global investments

- SC Ventures is the venture investment and incubation unit of Standard Chartered Bank, a global diversified financial group
- Standard Chartered Bank is a large financial conglomerate with over 160 years of history and more than 1,000 offices in 59 countries. Among its strengths, it is particularly **strong in South Asia, the Middle East, and Africa**
- Signed a basic agreement with SC Ventures for a business alliance in May 2022

Considering **Establishing a new PTS with Screening Function** in Saudi Arabia, Leveraging the Experience and Track Record Accumulated through PTS Operation in Japan

Proprietary Trading System (PTS) operated by SBI Group

Japannext

Japannext JNX

Start of operation: August 2007

Operates Japannext PTS, with a **trading system affiliated with NASDAQ**, providing investors with a world-class trading environment

Osaka Digital Exchange



Start of operation: June 2022

- Osaka Digital Exchange, a stock PTS operator, plans to open **Japan's first secondary market (name: START) handling ST** on December 25, 2023



- **Cboe, Virtu, and Optiver join as shareholders** in November 2023, acquiring cutting-edge technology and expertise

SBI Middle East to be Established in Riyadh, Saudi Arabia as a Business Base in the Middle East



- Saudi Arabia has the **largest population of approx. 35 million people** among Gulf countries
 - **GDP growth rate in 2022 is the highest among the G20 countries**
- *Source: IMF - World Economic Outlook Databases (October 2023 edition)

Local subsidiary (SBI Middle East) is being prepared to be established by the end of FY2022

Further expand business alliances in the Middle East region, including neighboring countries such as Bahrain, through SBI Middle East

*Population data from UN, World Urbanization Prospects: The 2018 Revision

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