

Securities Code: 8473

June 8, 2023

Yoshitaka Kitao

Representative Director, Chairman, President &
CEO

SBI Holdings, Inc.

1-6-1, Roppongi, Minato-ku, Tokyo, Japan

**CONVOCAATION NOTICE
FOR THE 25TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

Notice is hereby given that the 25th Ordinary General Meeting of Shareholders of SBI Holdings, Inc. (the “Company”) will be held as detailed hereinafter.

Upon the convocation of this General Meeting of Shareholders, measures for electronic provision have been taken in relation to information contained in “THE REFERENCE MATERIALS FOR THE GENERAL MEETING OF SHAREHOLDERS” and the like (“electronic provision measures matters”), and that information is posted on each of the following websites on the Internet. Please access either of these websites to confirm that information.

The Company’s website: <https://www.sbigroup.co.jp/investors/index.html>
(Please confirm the information by accessing the “General Meetings of Shareholders” page from the website above)

Website for General Meeting of Shareholders materials: <https://d.sokai.jp/8473/teiji/>

In the event that you are unable to attend the meeting, you may exercise your voting rights using one of the methods below. To do so, we kindly ask that you first examine “THE REFERENCE MATERIALS FOR THE GENERAL MEETING OF SHAREHOLDERS” set out later in this document, and then exercise your voting rights by the close of the Company’s business (5:45 p.m., Japan time) on Wednesday, June 28, 2023.

Exercise of Voting Rights via the Internet

Please refer to “**How to Exercise Voting Rights via the Internet**” on pages 5 to 6 and exercise your voting rights by the above-mentioned deadline.

Exercise of Voting Rights in Writing

Please indicate on the Voting Rights Exercise Form your approval or disapproval of the proposals and return the form. The form must reach the Company by the above-mentioned deadline.

Particulars

1. **Date and time:** **Thursday, June 29, 2023, at 10 a.m., Japan time**
2. **Location:** **Heian Room, 1st Floor, The Okura Prestige Tower of The Okura Tokyo, 2-10-4 Toranomom, Minato-ku, Tokyo, Japan**
3. **Matters to be dealt with at the Meeting:**

Matters for Reporting

1. Report on the Business Report and the Consolidated Financial Statements, and report on results of the audit by the Accounting Auditor and the Board of Statutory Auditors on the Consolidated Financial Statements for the 25th fiscal year (from April 1, 2022 to March 31, 2023)
2. Report on the Non-Consolidated Financial Statements for the 25th fiscal year

Matters for Resolution

First Item of Business	Partial Amendment of Articles of Incorporation
Second Item of Business	Election of Fifteen (15) Directors
Third Item of Business	Election of One (1) Statutory Auditor
Fourth Item of Business	Election of One (1) Substitute Statutory Auditor
Fifth Item of Business	Payment of Retirement Allowance to Retiring Directors

— End of convocation notice —

- If you plan to attend the meeting, please monitor your physical condition up to and on the day of the meeting, and if you feel unwell, please refrain from attending the meeting.
- Images of the meeting will be streamed live via the Internet so that you can view the proceedings of the meeting from your home instead of attending the meeting. Please also consider exercising your voting rights via the Internet or in writing before the day of the meeting.
- Attendees are kindly requested to submit the Voting Rights Exercise Form at the reception desk at the entrance of the meeting room.
- In the case where a shareholder exercises voting rights in writing, if approval or disapproval of any of the proposals is not indicated on the Voting Rights Exercise Form, it will be deemed that approval of that proposal has been indicated.
- If a shareholder exercises voting rights by proxy, another shareholder who holds voting rights may attend the general meeting of shareholders as that proxy. However, please understand that submission of a written document certifying the proxy's authority is required.
- Based on the amended Companies Act, shareholders are, in principle, to access the Company's website or the website for General Meeting of Shareholders materials to confirm "electronic provision measures matters," and documents are delivered in writing only to shareholders who make a request for the delivery of documents by the record date. However, for this General Meeting of Shareholders, regardless of whether any such request for the delivery of documents is made or not, documents in which "electronic provision measures matters" are stated will be delivered to all shareholders.
- Attachments to this convocation notice do not include the following as documents to be provided because that information is posted on the Internet on the Company's website and the website for General Meeting of Shareholders materials in accordance with laws and regulations and the provisions of Article 16 of the Company's Articles of Incorporation: "Matters concerning stock acquisition rights, etc.," "Matters concerning the Accounting Auditor," "System to ensure the appropriateness of corporate affairs," and "Operational status of system to ensure the appropriateness of corporate affairs," which are in the Business Report; "Consolidated statement of changes in net assets," and "Related notes," which are in the Consolidated Financial Statements; and "Non-Consolidated statement of changes in net assets" and "Related notes," which are in the Non-Consolidated Financial Statements. Therefore, the Business Report and the Consolidated and Non-Consolidated Financial Statements, which are documents to be provided for this convocation notice, form part of the Business Report and the Consolidated and Non-Consolidated Financial Statements audited by Audit & Supervisory Board members or by the Accounting Auditors upon preparing audit reports or accounting audit reports.
- In the event of any changes being made to "electronic provision measures matters," the fact that such changes are made, and those matters before and after such changes are made, will be posted on the Company's website and the website for General Meeting of Shareholders materials.
- For the purpose of reducing resource consumption, we will not send notices of resolutions and other notices after the Ordinary General Meeting of Shareholders and will post such notices on the Company's website for this meeting and future meetings. Thank you for your understanding.

The Company's website (<https://www.sbigroup.co.jp/investors/index.html>)

Information Regarding Debriefing Session on Recent Management News

We hereby inform you that, after the close of the Ordinary General Meeting of Shareholders, we will hold a debriefing session on recent developments in management at the same location.

In this session, held separately from the Ordinary General Meeting of Shareholders, we would like to provide our shareholders with details of the Group's business activities and explain our future prospects. We also hope to address questions or inquiries from our shareholders.

It is planned that images from the debriefing session on recent developments in management will be subsequently made available on the Company's website so that you can view the proceedings of the session. Please consider taking advantage of this service from the perspective of preventing novel coronavirus infections.

How to Exercise Voting Rights via the Internet

1. Exercising voting rights via the Internet

- (1) You may exercise voting rights at “the website for exercising voting rights” designated by the Company (the URL below) instead of exercising your voting rights in writing. If you wish to exercise your voting rights at this website, please log in to the website with the code and the password for exercising voting rights that are set out on the right-hand side of the Voting Rights Exercise Form and enter the necessary matters by following the instructions that appear onscreen.
- In order to ensure security, you will need to change the password when you log in to the website for the first time.

<https://soukai.mizuho-tb.co.jp/>

- (2) The deadline for exercising voting rights is 5:45 p.m. on Wednesday, June 28, 2023 (JST), and you will need to have finished the voting process by that time. Please exercise your voting rights as soon as possible.
- (3) If you have exercised your voting rights both via the Internet and in writing, your vote via the Internet will be the effective vote. If you have exercised your voting rights multiple times via the Internet, your last vote will be the effective vote.
- (4) The password for exercising voting rights (including passwords changed by shareholders) is only effective for this Ordinary General Meeting of Shareholders. A new password for exercising voting rights will be issued to each shareholder for the next general meeting of shareholders.
- (5) You will bear all costs for your Internet connection.

(Note)

- The password for exercising voting rights is a means for confirming the identity of individual voters. Please note that the Company will not contact you to request information about your password.
- If you enter the wrong password a certain number of times, the website will become locked and you will be unable to use it. If the website is locked, please follow the instructions that appear onscreen.
- Although the compatibility of the website for exercising voting rights has been verified with devices commonly used for accessing the Internet, in some cases your device might not be able to access the website.

2. Inquiries

If you have any concerns, please contact the Stock Transfer Agent Department, Mizuho Trust & Banking Co., Ltd. (below), which is the shareholder registry administrator.

(1) Contact details for inquiries about operating instructions or the like regarding the website for exercising voting rights

Toll free number: 0120-768-524 (from 9:00 a.m. to 9:00 p.m., except the year-end and new-year holidays)

(2) Contact details for any inquiries for handling of shares other than that set out in (1) above

Toll free number: 0120-288-324 (Weekdays from 9:00 a.m. to 5:00 p.m.)

(For your reference)

If you are an institutional investor, you may use the Electronic Voting Platform operated by ICJ, Inc.

Business Report
(April 1, 2022 to March 31, 2023)

The SBI Group will execute management strategies on a case-by-case basis in light of conditions in the global economy and markets and realize sustainable growth.

Yoshitaka Kitao
Representative Director, Chairman, President & CEO
SBI Holdings, Inc.

I. CURRENT STATUS OF THE COMPANY GROUP

1. BUSINESS IN THE CONSOLIDATED FISCAL YEAR ENDED MARCH 31, 2023

(1) Progress of Business and Results

Amid continuing monetary tightening and other measures, the Japanese economy during the consolidated fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023) faced the risk that economic downturns overseas would put downward pressure on the domestic economy, and future trends, such as the impacts of high raw material prices, price increases in the context of increasing energy costs, etc., and fluctuations in the financial and capital markets, require close attention.

In such an increasingly uncertain business environment, the Company's consolidated business performance in the consolidated fiscal year ended March 31, 2023 resulted in revenue of ¥998.6 billion (a 30.8% year-on-year increase), which is a record high. Revenue within the Company's consolidated business performance achieved sustainable growth and reached a scale of one trillion yen in the Fiscal Year ended March 31, 2023.

With respect to profit, a loss on valuation of approximately ¥42.7 billion was recorded in the Investment Business based on the appraised fair value of certain stocks listed overseas, such as stock in TP Bank, which is listed in Vietnam, and, in addition to that, loss before income tax expense for the Crypto-asset Business was approximately ¥18.4 billion, due to crypto-asset market downturns and bankruptcies among certain counterparties, among other causes. As a result, profit before income tax expense was ¥100.8 billion (a 75.6% year-on-year decrease) and profit for the year attributable to owners of the Company was ¥35.0 billion (a 90.5% year-on-year decrease; if the impact of a gain on negative goodwill or the like of ¥195.6 billion that was a temporary factor and recorded upon SBI Shinsei Bank becoming a consolidated subsidiary of the Company in the consolidated fiscal year ended March 31, 2022 is excluded, then profit before income tax expense is a 53.6% year-on-year decrease and profit for the year attributable to owners of the Company is a 74.2% year-on-year decrease).

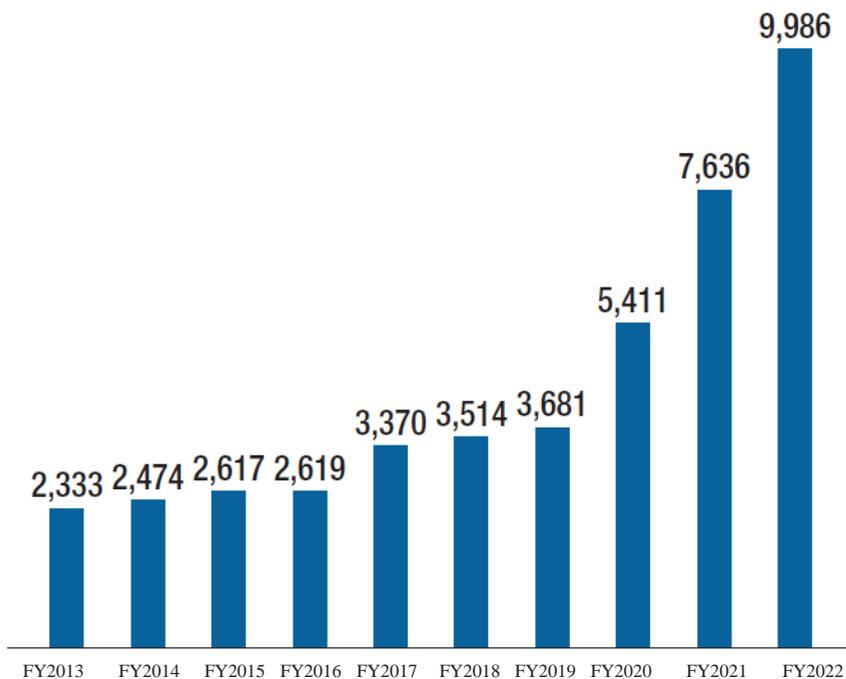
However, profit before income tax expense for the Financial Services Business, which is a major business of the Company, has been steadily growing, resulting in ¥150.7 billion (a 42.0% year-on-year increase) if the impact of the above gain on negative goodwill or the like is excluded. The level of profit before income tax expense for the Company's consolidated business performance has reached a scale of ¥100.0 billion, benefiting from the contribution of the Financial Services Business generating comparatively stable profits.

The Company Group has made changes to business segments used in management accounting

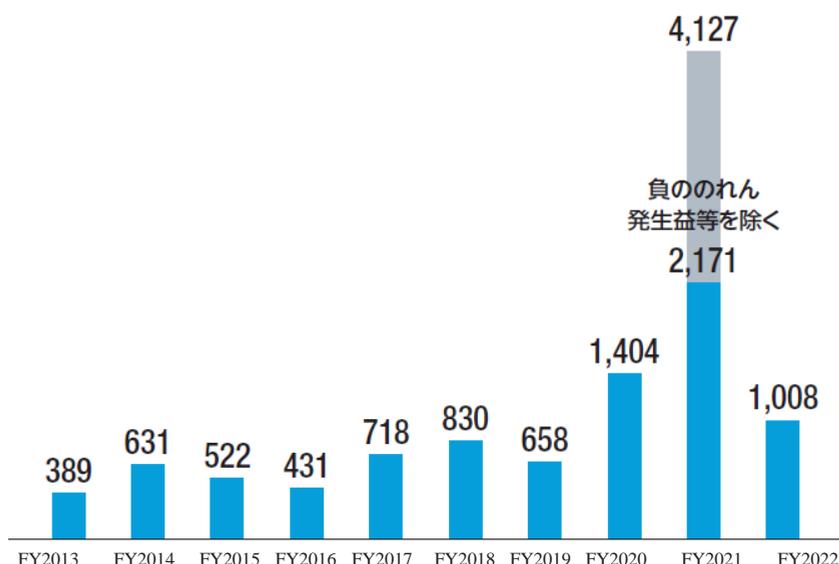
since the consolidated fiscal year ended March 31, 2023. In addition to business segments that generate stable cash flow, the Company Group has established business segments that have a high level of dependence on the market environment and that experience high volatility and advanced business segments for which future growth is expected and, in doing so, has ensured diversity within the businesses of the Group. As a result, the Company has equipped itself with a structure that allows it to make more flexible management decisions within an increasingly uncertain business environment.

TP Bank has become an equity method associate of the Company through the acquisition of shares as of February 1, 2023, and since then the Company has incorporated its equity in TP Bank's performance in the Financial Services Business segment, rather than recording a loss or gain on valuation arising from stock price fluctuations.

Revenue (hundreds of millions of yen)



Profit before income tax expense (hundreds of millions of yen)



(2) POLICY ON DETERMINATION OF DIVIDENDS FROM SURPLUS

In connection with changes to the business segment divisions, the basic policy regarding returns to shareholders has been changed from the consolidated fiscal year ended March 31, 2023. The Company will, for the time being, decide a total amount of returns that is approximately 30% of the profit before income tax expense that steadily arises in the Financial Services Business after the business segment divisions are changed, and the relevant profit for the consolidated fiscal year ended March 31, 2023 was ¥134.9 billion (deducting a gain on a partial sale of shares in SBI Sumishin Net Bank and a gain on the sale of all shares in ALBERT (¥15.8 billion in total) from profit before income tax expense of the Financial Services Business).

Based on the aforementioned basic policy and the consolidated business performance for the consolidated fiscal year ended March 31, 2023, the Company paid an interim dividend of ¥30 per share in the consolidated fiscal year ended March 31, 2023 and, in addition to that, decided to pay a year-end ordinary dividend of ¥120 per share. As a result, the total annual dividend for the consolidated fiscal year ended March 31, 2023 is ¥150 per share.

(3) Outline of Each Business Segment

(i) Financial Services Business

Revenue: **¥886,748** million (a 78.2% year-on-year increase)

Profit before income tax expense: **¥150,653** million (a 50.1% year-on-year decrease)

*If a gain on negative goodwill or the like of ¥195.6 billion that was recorded in the consolidated fiscal year ended March 31, 2022 upon SBI Shinsei Bank becoming a consolidated subsidiary of the Company is excluded, then a 42.0% year-on-year increase

SBI SECURITIES (JGAAP) has gradually proceeded with Neo-securities initiatives that involve the process of eliminating stock brokerage commissions that are currently paid when conducting online trading of Japanese stocks and succeeded in diversifying revenue sources, which has resulted in operating income reaching a record high.

Against a backdrop of an expansion in revenue caused by an increase in the balance of loans in corporate operations and the recording of a gain on reversal of allowance for loan losses, SBI Shinsei Bank (JGAAP) achieved a significant year-on-year increase in income and revenue. While businesses of the equity method associate SBI Sumishin Net Bank have remained strong, the Company's share of profit of associates and joint ventures accounted for using the equity method based on IFRS decreased as a result of a partial sale of equity upon listing of shares of SBI Sumishin Net Bank in March 2023, among other causes, which led to a decrease in the holding ratio; however, a gain on sales of approximately ¥10.7 billion was recorded in connection with the partial sale of shares of SBI Sumishin Net Bank held by the Company. With respect to SBI SAVINGS BANK of South Korea, although its basic balance expanded, which was influenced by the increase in interest costs and the like in connection with the increase in interest rates, income increased and revenue decreased.

The number of insurance contracts held by SBI Insurance Group (JGAAP) has increased steadily, which led to an increase in income and revenue.

As a result of the above, revenue for the Financial Services Business was ¥886.7 billion (a 78.2% year-on-year increase) and profit before income tax expense was ¥150.7 billion (a 50.1% year-on-year decrease; if a gain on negative goodwill or the like of ¥195.6 billion that was recorded in the consolidated fiscal year ended March 31, 2022 upon SBI Shinsei Bank becoming a consolidated subsidiary of the Company is excluded, then a 42.0% year-on-year increase).

(ii) Asset Management Business

Revenue: **¥27,966** million (a 65.6% year-on-year increase)

Profit before income tax expense: **¥10,123** million (a 165.7% year-on-year increase)

Despite being affected by a deterioration in market conditions in the stock and bond markets, profit before income tax expense was ¥10.1 billion (a 165.7% year-on-year increase) as a result of profit of approximately ¥8.0 billion being recorded in connection with the return of the “Morningstar” brand*.

*Morningstar changed its company name to SBI Global Asset Management in March 2023.

(iii) Investment Business

Revenue: **¥36,684** million (a 79.4% year-on-year decrease)

Profit before income tax expense: **¥16,661** million (loss) (¥136,457 million was recorded in the consolidated fiscal year ended March 31, 2022)

Affected heavily by the fair value loss of approximately ¥42.7 billion (including TP Bank's aggregate appraisal loss of approximately ¥30.7 billion by the end of January 2023) recorded in certain stocks listed overseas, revenue was ¥36.7 billion (a 79.4% year-on-year decrease), and a loss before income tax expense of ¥16.7 billion was recorded (a profit before income tax expense of ¥136.5 billion was recorded in the fiscal year ended March 31, 2022).

(iv) Crypto-asset Business

Revenue: **¥30,320** million (a 45.0% year-on-year decrease)

Profit before income tax expense: **¥18,429** million (loss) (¥3,518 million was recorded in the consolidated fiscal year ended March 31, 2022)

A loss before income tax expense of ¥18.4 billion was recorded as a result of a one-off loss due to a decline in the value of crypto-assets held and bankruptcies among certain counterparties in the B2C2 and crypto-asset mining businesses, as well as a decrease in the trading volume of the crypto-asset market overall. The Company acquired shares of BITPoint Japan, which is a consolidated subsidiary, in March 2023 and made that company a wholly owned consolidated subsidiary.

(v) Non-financial Business

Revenue: **¥26,238** million (a 11.2% year-on-year increase)

Profit before income tax expense: **¥3,253** million (loss) (¥20,308 million (loss) was recorded in the consolidated fiscal year ended March 31, 2022)

With respect to the Biotechnology, Healthcare & Medical Informatics Business, while research and development has steadily moved forward, business management and marketing were also strengthened, which led to an increase in selling, general, and administrative expenses. In this segment, a variety of businesses, focused on Web 3, have been deployed. For example, Machi no Wa, which deploys a regional digital currencies business and the like, has seen improved performance with an increase in the number of municipalities that have adopted its services.

2. MANAGEMENT ISSUES

Since its founding in 1999, the Group has utilized the Internet as its primary channel in Japan and built up a business ecosystem for the Financial Services Business with securities, banking, and insurance as its core businesses, currently forming a globally unique comprehensive financial conglomerate. From the time of its founding, the Group has also been involved in the incubation of venture companies in Japan and overseas with investments focused on next-generation growth fields in Japan and overseas and with active investment in Asian countries with remarkable growth.

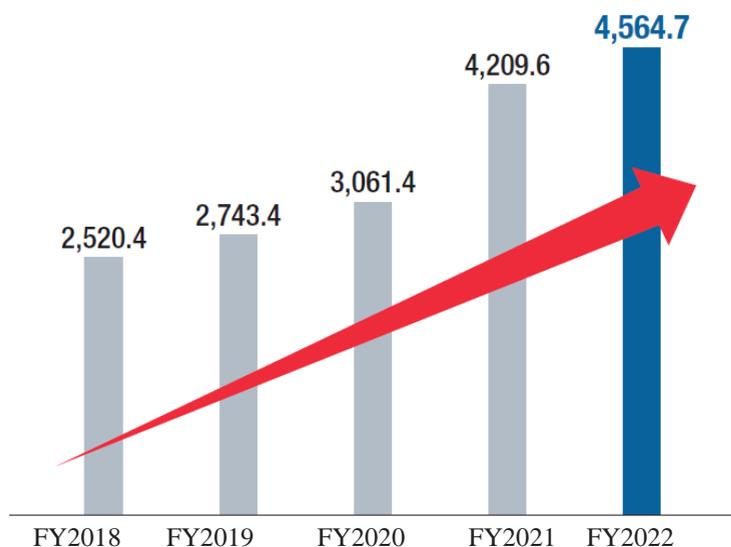
As the introduction of advanced technologies, such as AI, blockchain/distributed ledger technology (DLT), as well as big data, IoT, and robotics that are compatible with those technologies, proceeds rapidly in various industries including the financial industry, the Group believes it is important to continue actively investing in, and building alliances with, promising companies involved with these advanced technologies, in addition to using these advanced technologies to develop new services and strengthening efforts towards the creation of new financial businesses in the financial services offered by the Group, and in doing so seek to increase our competitive strength and further distinguish ourselves from our competitors.

Business outlook for FY 2023

To date, the SBI Group has achieved rapid growth by earning high customer satisfaction through commitment to the “Customer-centric Principle,” which places the highest priority on customer benefits. As a result, the Group has a customer base of approximately 46 million as of the end of March 31, 2023.

Customer Base (tens of thousands)

Targets for the first three years are over one hundred million



The Company believes that the current global economy is in a turbulent state, and uncertainty is growing at a more rapid rate than even that experienced at the time of the collapse of Lehman Brothers. In light of these circumstances, the SBI Group will, with the aim of achieving sustainable growth, carefully work on the following three modes of “diversification” and endeavor to diversify risks and enhance and develop revenue sources.

(1) Diversification of Customers

SBI SECURITIES endeavors to realize the Neo-securities initiatives that eliminate brokerage commissions for online trading of domestic stocks and the like during the first half of FY2023, which is expected to lead to a significant expansion in the base of individual customers.

Furthermore, the Company will, from now on, focus not only on its base of individual customers but also on the acquisition of customers that are business entities and financial entities. SBI SECURITIES will further bolster its corporate customer base through strengthening its M&A advisory business, commencement of foreign exchange services that target business entities and financial entities, focusing on combined private placement REIT businesses, and other measures. In the banking business, the Company not only expects that SBI Shinsei Bank's provision of financial functions to corporations will contribute to the expansion in the corporate customer base of group companies, such as SBI SECURITIES and SBI Investment, but also believes that such provision will lead to expansion in the corporate businesses of SBI Shinsei Bank.

In collaboration with regional financial institutions, which the Company has traditionally worked with in a proactive manner, the Company will, regardless of whether there are any capital relationships or not, promote improvements in operational alliances targeting all regional financial institutions.

Further, the Company has, based on the concept of open alliances, also promoted alliances in various fields with corporations engaging in different types of business as well as corporations engaging in financial services and has focused on provision of the Group's products and services to customers of alliance partner companies that possess various attributes.

(2) Diversification of Financial Products and Services

The Company will endeavor to diversify products and services that meet customers' needs boosted by the movement "from savings to asset building" promoted by the Japanese Government.

SBI SECURITIES will focus on expanding services for foreign stock, utilizing the fully automated AI investment service SBI Wrap, and expanding offerings of real estate-related products, such as beneficial interests in small real estate trusts, as well as seizing on the opportunity provided by improvements in systems for NISA and iDeCo to acquire customers who use these systems.

The SBI Shinsei Bank Group will endeavor to strengthen alliances with SBI SECURITIES and SBI MONEYPLAZA in financial instruments intermediary services and banking agent services, and its alliance with ARUHI in the housing loan business.

In the Crypto-asset Business, the Company will endeavor to win customers from other companies through expansion of stock and product offerings that are handled by the SBI Group and expansion and strengthening of operational services, such as staking services. The Company also endeavors to expand business through M&A with the aim of increasing profitability in the future, and it made BITPoint Japan, which operates the crypto-asset exchange "BITPOINT," a wholly owned consolidated subsidiary in March 2023.

(3) Diversification of Business Areas

With an unstable economic environment anticipated in the future, asset management is expected to play an important role for both individuals and corporations. As such, the Company will aim to achieve assets under management of ¥20 trillion in the SBI Group by the end of March 2028 by positioning the Asset Management Business as a core business and providing investment products that meet customers' asset management needs through utilization of M&A, establishment of joint ventures, and the like (assets under management as of the end of March 2023 were ¥7.9 trillion).

Furthermore, the Company will develop new business areas, such as Web 3, that incorporate revolutionary technologies in Japan and overseas. In particular, the Company will attempt to appeal to a new customer base by contributing to the creation of a platform that incorporates blockchain, distributed ledger technology (DLT), etc. as a technological foundation and the creation of a market for various services relating to digital assets.

As stated above, since it became a consolidated subsidiary of the Company in December 2021, SBI Shinsei Bank has pursued synergies with the SBI Group through various measures and promoted enhancement of its customer base and revenue base among other initiatives.

However, it is difficult to swiftly and flexibly implement necessary measures from the perspective of medium to long term growth while maintaining the listing of stock in SBI Shinsei Bank, because, among other reasons, it is hard to conduct upfront investments whose significance is not readily comprehensible to minority shareholders in the short term or initiatives that lead to temporary increases in costs, and it is also difficult to make prompt determinations since a decision-making process that takes into consideration the interests of minority shareholders is required when conducting transactions with the SBI Group, so the Company has determined that, in order to further enhance the corporate value of both groups, it is necessary to do the following: further enhance alliances between both groups by taking SBI Shinsei Bank private; endeavor to optimize Group-wide allocations of management resources; and strategically combine and utilize the resource assets of each company in the SBI Group across the Group.

As such, on May 15, 2023, the Company commenced a tender offer for stock in SBI Shinsei Bank, placing SBI Regional Bank Holdings, a wholly owned subsidiary of the Company, as a tender offeror. Through the acquisition of target company shares through the tender offer and the subsequent squeeze out proceedings, SBI Shinsei Bank is expected to be delisted with only SBI Regional Bank Holdings, Deposit Insurance Corporation of Japan, and the Resolution and Collection Corporation being the shareholders.

The Company recognizes that a refund of public funds by SBI Shinsei Bank is one of its most important business challenges and believes that it is the Company's social responsibility to forge a path toward the swift refund of approximately ¥349.4 billion in public funds. The Company also believes that pushing further forward with measures concerning improvements in the profitability of SBI Shinsei Bank through the process of SBI Shinsei Bank going private will also contribute to the refunding of public funds.

In addition, upon this tender offer, the Company has consented to entering into an "agreement regarding handling of public funds" between Deposit Insurance Corporation of Japan, the Resolution and Collection Corporation, and SBI Shinsei Bank and an agreement between four parties on a specific mechanism regarding the refund of public funds by the end of June 2025, among other matters.

Three Modes of “Diversification” Targeted by SBI Group

- (1) Diversification of Customers
 - (i) Promotion of Neo-securities initiatives
 - (ii) Transition to the next level of collaboration with Sumitomo Mitsui Financial Group
 - (iii) Further expansion of multi-point economic zones
 - (iv) Commitment to increasing the number of customers that are business entities and financial entities, utilizing the various management resources of each company in the SBI Group
 - (v) Promotion of collaboration with regional financial institutions
 - (vi) Expansion of the customer base in and outside the financial services realm through Neo-bank initiatives promoted by SBI Sumishin Net Bank
- (2) Diversification of Financial Products and Services
 - (i) Ascertainment of trends in terms of the movement “from savings to asset building” in the securities business, and efforts to enhance customer satisfaction and acquire new customers through diversification of products and services
 - (ii) Furtherance of the SBI Shinsei Bank Group’s diversification of products and services through strengthening of alliances with the SBI Group
 - (iii) In the Crypto-asset Business, expansion of crypto-assets handled, as well as staking and other services, utilizing M&A and the like in order to ascertain customers’ needs in a broader manner
- (3) Diversification of Business Areas
 - (i) Aim to achieve assets under management of ¥20 trillion within FY2027 through M&A, establishment of joint ventures, and the like, by positioning the Asset Management Business as a core business
 - (ii) Development of new business areas, such as Web 3.0, that incorporate revolutionary technologies in Japan and overseas

3. Capital Expenditure

The amount of capital expenditure for the consolidated fiscal year ended March 31, 2023 was ¥81,972 million.

This amount mainly resulted from a capital expenditure made in the amount of ¥64,972 million focusing on enhancement of existing trading systems and software development to provide new services in order to smoothly respond to the increase in the number of orders caused by the increase in the number of customers as well as to provide the customers with expanded services in the Financial Services Business.

4. Financing

In the consolidated fiscal year ended March 31, 2023, the Company conducted in July 2022 an issuance of new stock of 27,000,000 shares (the issue price was ¥2,950 per share) as a capital increase by a third-party allotment through which shares were allotted to Sumitomo Mitsui Financial Group, Inc. and raised funds of ¥79,650 million.

The Company issued the 29th unsecured bonds (three-year bonds) and the 30th unsecured bonds (five-year bonds) in July 2022 in the aggregate principal amount of ¥52,000 million for the issue of the 29th unsecured bonds and ¥22,000 million for the issue of the 30th unsecured bonds, the 31st unsecured bonds (four-year bonds) in September 2022 in the aggregate principal amount of ¥100,000 million, the 32nd unsecured bonds (three-year bonds) and the 33rd unsecured bonds (five-year bonds) in December 2022 in the aggregate principal amount of ¥42,000 million for the issue of the 32nd unsecured bonds and ¥11,000 million for the issue of the 33rd unsecured bonds, and unsecured bonds (two-year bonds) under the MTN Program in March 2023 in the aggregate principal amount of ¥40,000 million.

Further, in August 2022, the Company's subsidiary SBI SECURITIES Co., Ltd. borrowed a total amount of ¥74,500 million through a syndicated loan with a subordination provision in which Mizuho Bank, Ltd. and Sumitomo Mitsui Trust Bank, Limited act as arrangers.

5. TRENDS IN GROUP PROPERTY AND GAINS (LOSSES)

Classification	22nd consolidated fiscal year	23rd consolidated fiscal year	24th consolidated fiscal year	25th consolidated fiscal year (consolidated fiscal year ended March 31, 2023)
	April 1, 2019 to March 31, 2020	April 1, 2020 to March 31, 2021	April 1, 2021 to March 31, 2022	April 1, 2022 to March 31, 2023
Revenue <i>(millions of yen)</i>	368,055	541,145	763,618	998,559
Profit before income tax expense <i>(millions of yen)</i>	65,819	140,380	412,724	100,753
Profit attributable to owners of the Company <i>(millions of yen)</i>	37,487	81,098	366,854	35,000
Basic earnings per share attributable to owners of the Company <i>(yen)</i>	163.18	339.78	1,498.55	132.19
Total assets <i>(millions of yen)</i>	5,513,227	7,208,572	17,838,200	22,310,728
Total equity <i>(millions of yen)</i>	593,699	717,095	1,583,258	1,748,654
Equity per share attributable to owners of the Company <i>(yen)</i>	1,955.91	2,297.87	3,770.84	3,722.80

6. IMPORTANT PARENT COMPANY AND SUBSIDIARIES

(1) Status of Parent Company

Not Applicable

(2) Important Subsidiaries

(i) Important subsidiaries

Business Segment	Name	Ownership Ratio of Voting Rights (%)
Financial Services Business	SBI FINANCIAL SERVICES Co., Ltd.	100.0
	SBI SECURITIES Co., Ltd.	100.0 (100.0)
	SBI Liquidity Market Co., Ltd.	100.0 (100.0)
	SBI FXTRADE Co., Ltd.	100.0 (100.0)
	SBI MONEY PLAZA Co., Ltd.	66.6 (66.6)
	SBI Insurance Group Co., Ltd.	68.9
	SBI Life Insurance Co., Ltd.	100.0 (100.0)
	SBI Insurance Co., Ltd.	99.2 (99.2)
	SBI FinTech Solutions Co., Ltd.	77.5
	SBI Estate Finance Co., Ltd.	100.0 (100.0)
	SBI Shinsei Bank, Limited	50.0 (50.0)
	Showa Leasing Co., Ltd.	100.0 (100.0)
	APLUS Co., Ltd.	100.0 (100.0)
	Shinsei Financial Co., Ltd.	100.0 (100.0)
	SBI SAVINGS BANK	100.0 (100.0)
SBI Regional Bank Holdings, Co., Ltd.	100.0	

Business Segment	Name	Ownership Ratio of Voting Rights (%)
Asset Management Business	SBI Asset Management Group Co., Ltd.	100.0
	SBI Global Asset Management Co., Ltd.	52.6 (52.6)
	SBI Asset Management Co., Ltd.	87.5 (87.5)
Investment Business	SBI Capital Management Co., Ltd.	100.0
	SBI Investment Co., Ltd.	100.0 (100.0)
	SBI Hong Kong Holdings Co., Limited	100.0
	SBI VENTURES ASSET PTE. LTD.	100.0 (100.0)
Crypto-asset Business	SBI VC Trade Co., Ltd.	100.0 (100.0)
Non-financial Business	SBI ALApharma Co., Limited	97.0 (97.0)
	SBI Pharmaceuticals Co., Ltd.	100.0 (100.0)
	SBI ALApromo Co., Ltd.	100.0 (100.0)
	SBI Biotech Co., Ltd.	95.8 (1.1)

(Note)

1. The numbers in brackets in the “Ownership Ratio of Voting Rights” column represent the indirect ownership ratio included.
2. Since the fiscal year ended March 31, 2023, segment divisions have been changed to five business segments: the “Financial Services Business,” the “Asset Management Business,” the “Investment Business,” the “Crypto-asset Business,” and the “Non-financial Business”.
3. SBI VEN HOLDINGS PTE. LTD. has been excluded from important subsidiaries since its importance has decreased.
4. SBI VENTURES ASSET PTE. LTD. and SBI VC Trade Co., Ltd. have become important subsidiaries since the consolidated fiscal year ended March 31, 2023.
5. Shinsei Bank, Limited changed its company name to SBI Shinsei Bank, Limited as of January 4, 2023.
6. SBI Global Asset Management Co., Ltd. changed its company name to SBI Asset Management Group Co., Ltd. as of March 8, 2023.
7. Morningstar Japan K.K. changed its company name to SBI Global Asset Management Co., Ltd. as of March 30, 2023.

(ii) Matters concerning specified wholly owned subsidiary companies
Not Applicable

7. PRINCIPAL BUSINESS DESCRIPTION OF THE GROUP

(as of March 31, 2023)

The Group's primary businesses are the following: the "Financial Service Business," which offers financial products and related services mainly in securities, banking, and insurance businesses inside and outside of Japan; the "Asset Management Business," which provides investment management and investment advice, such as creation, offering, and management of investment trusts, and information regarding financial products; the "Investment Business," which invests in IT, fintech, blockchain, finance, and biotechnology-related venture companies inside and outside of Japan; the "Crypto-asset Business," which conducts a crypto-asset exchange service where crypto-asset exchange and trading services are provided; and the "Non-financial Business," which includes the Biotechnology, Healthcare & Medical Informatics Business and businesses that work on advanced areas related to Web 3.

8. PRINCIPAL PLACE OF BUSINESS OF THE GROUP

(as of March 31, 2023)

- (1) Japan
Tokyo: The Company and headquarters of the principal subsidiaries in Japan
- (2) Overseas
Hong Kong: SBI Hong Kong Holdings Co., Limited

Singapore: SBI VEN CAPITAL PTE. LTD.

Shanghai: SBI (China) Co., Ltd.

9. EMPLOYEES OF THE GROUP (as of March 31, 2023)

Business Segment	Number of Employees
Financial Services Business	16,877
Asset Management Business	411
Investment Business	400
Crypto-asset Business	223
Non-financial Business	644
Company-wide (Common)	201
Total	18,756

(Note)

1. The number of employees represents the number of employed workers and is stated in relation to business segment.
2. The company-wide (common) employees belong to the administrative or other divisions of the Company.
3. The number of employees increased by 1,260 from March 31, 2022 mainly due to the increase in the number of consolidated subsidiaries in the Financial Services Business and the Asset Management Business (representing 80% of the increase in employees) and the increase in employees in the Financial Services Business.

10. PRINCIPAL LENDER (as of March 31, 2023)*(millions of yen)*

Lender	Loan Balance
Mizuho Bank, Ltd.	132,359
Syndicated loans arranged by Mizuho Bank, Ltd. and Sumitomo Mitsui Trust Bank, Limited	74,500
Sumitomo Mitsui Banking Corporation	71,538
Syndicated loans arranged by Mizuho Bank, Ltd.	55,000

Note: The table above states the principal loan balance, excluding call money.

II. COMPANY

1. SHARES (as of March 31, 2023)

- (1) Total Number of Shares Authorized for Issue 341,690,000 shares
- (2) Total Number of Issued Shares 272,358,290 shares
(including 27,451 shares of treasury stock)
- (3) Number of Shareholders 213,956 shareholders
- (4) Share Unit Number 100 shares

(5) Major Shareholders

Major Shareholder	Number of Shares Held shares	Percentage of Shares Held %
The Master Trust Bank of Japan, Ltd. (Trust account)	42,981,700	15.8
Sumitomo Mitsui Financial Group, Inc.	27,000,000	9.9
Custody Bank of Japan, Ltd. (Trust account)	12,629,785	4.6
The Bank of New York Mellon 140051	9,384,336	3.4
The Bank of New York Mellon 140042	6,511,263	2.4
Japan Securities Finance Co., Ltd.	4,615,600	1.7
State Street Bank West Client Treaty 505234	4,331,317	1.6
State Street Bank and Trust Company 505223	4,127,638	1.5
Yoshitaka Kitao	4,007,960	1.5
The Bank of New York Mellon 140044	3,739,779	1.4

(Note) The percentage of shares held is calculated upon deducting the treasury stock.

(6) Other Important Matters Regarding Shares

The total number of issued shares has increased by 27,137,400 shares due to the exercise of stock acquisition rights and issuance of new shares through the capital increase by third-party allotment, the payment date for which was July 11, 2022.

2. COMPANY OFFICERS

(1) Directors and Statutory Auditors (as of March 31, 2023)

Position	Name	Responsibilities and Other Significant Concurrent Offices Held
Representative Director, Chairman, President & CEO	Yoshitaka Kitao	Representative Director, Chairman, and President of SBI Investment Co., Ltd. Representative Director and Chairman of SBI SECURITIES Co., Ltd. Representative Director & President of SBI Pharmaceuticals Co., Ltd. Director and Chairman of SBI Liquidity Market Co., Ltd. Director of SBI Global Asset Management Co., Ltd. Director of Japannext Co., Ltd. Representative Director & President of Regional Revitalization Partners Co., Ltd. Director and Chairman of SBI FINANCIAL SERVICES Co., Ltd. Representative Director and President of SBI Capital Management Co., Ltd. Representative Director and Chairman of SBI Digital Asset Holdings Co., Ltd. Representative Director & President of SBI Asset Management Group Co., Ltd. Representative Director of SBI Hong Kong Holdings Co., Limited Director of SBI VEN HOLDINGS PTE. LTD. Director of SBI ALApharma Co., Limited
Representative Director, Senior Executive Vice President	Masato Takamura	Representative Director and President of SBI SECURITIES Co., Ltd. Director of SBI NEO FINANCIAL SERVICES Co., Ltd. Director of Rheos Capital Works Inc. Director of The Global Ltd. Outside Director of Ascot Corp. Representative Director and President of SBI FINANCIAL SERVICES Co., Ltd.
Director, Senior Executive Vice President	Takashi Nakagawa	Director of SBI Investment KOREA Co., Ltd.

Position	Name	Responsibilities and Other Significant Concurrent Offices Held
Director, Senior Executive Vice President	Tomoya Asakura	Representative Director and President of SBI Global Asset Management Co., Ltd. Representative Director and President of Wealth Advisor Co., Ltd. Director of SBI Asset Management Co., Ltd. Director of SBI Insurance Group Co., Ltd. Director of SBI Alternative Asset Management Co., Ltd. Director of Carret Holdings, Inc. Director of SBI Sumishin Net Bank, Ltd. Director of Shinsei Investment Management Co., Ltd. Director of Okasan Asset Management Co., Ltd.
Senior Managing Director & CFO	Shumpei Morita	Director of SBI Art Auction Co., Ltd. Director of SBI Point Co., Ltd. Representative Director of SBI Regional Bank Holdings Co., Ltd. Director of SBI Business Solutions Co., Ltd. Director of SBI Security Solutions Co., Ltd. Director of SBI Crypto Co., Ltd. Director of Shimane Bank, Ltd. Director of SBI Asset Management Group Co., Ltd. Director of SBI NEO FINANCIAL SERVICES Co., Ltd. Director of SBI Digital Asset Holdings Co., Ltd. Director of SBINFT Co., Ltd. Director of SBI SAVINGS BANK Representative Director of SBI Regional Revitalization Banking System Co., Ltd.
Managing Director	Satoe Kusakabe	Managing Director of SBI SECURITIES Co., Ltd. Director of Japannext Co., Ltd. Director of SBI VC Trade Co., Ltd. Director of SBI Remit Co., Ltd. Director of FXcoin Ltd.

Position	Name	Responsibilities and Other Significant Concurrent Offices Held
Director	Masayuki Yamada	General Counsel, Legal & Compliance Dept. of the Company Statutory Auditor of SBI Asset Management Group Co., Ltd. Director of SBI Ventures Two Co., Ltd. Director of SBI Incubation Co., Ltd. Director of SBI CAPITAL Co., Ltd. Director of SBI Capital Management Co., Ltd. Director of SBI Art Auction Co., Ltd.
Director	Teruhide Sato	Director of BEENEXT PTE. LTD. Director of BEENEXT CAPITAL MANAGEMENT PTE. LTD.
Director	Heizo Takenaka	Outside Director of MAYA SYSTEM Inc. Director of XICA Co., Ltd. President of Academy Hills Emeritus Professor at Keio University Director of 3DOM Alliance Inc. Non Executive Chairman of Investcorp Japan, LLC
Director	Yasuhiro Suzuki	Representative Director and President of digitalshiftwave Co., Ltd. President of Japan Omni Channel Association Visiting Professor at Joho Keiei Innovation Senmonshoku Daigaku
Director	Hiroshi Ito	Advisor of SBI Insurance Group Co., Ltd. Member of the Finance Committee of Tokyo American Club
Director	Kanae Takeuchi	Freelance announcer Outside Director of dip Corporation
Director	Junichi Fukuda	Commissioned Lecturer at SBI Graduate School Attorney-At-Law and Of Counsel at URYU & ITOGA
Director	Hiroyuki Suematsu	Project Professor at Research Institute of Tokyo University of Agriculture Outside Director (Audit & Supervisory Committee Member) of TRE HOLDINGS CORPORATION Outside Director (Audit & Supervisory Committee Member) of Nexyz.Group Corporation

Position	Name	Responsibilities and Other Significant Concurrent Offices Held
Standing Statutory Auditor	Toru Ichikawa	Outside Statutory Auditor of Shimane Bank, Ltd.
Statutory Auditor	Minoru Tada	Statutory Auditor of SBI SECURITIES Co., Ltd. Statutory Auditor of SBI NEOMOBILE SECURITIES Co., Ltd.
Statutory Auditor	Yasuo Sekiguchi	Managing Director of Global Partners Consulting, Inc.
Statutory Auditor	Akemi Mochizuki	Member of AKAHOSHI AUDIT CORPORATION Outside Director and Audit and Supervisory Committee Member of TSUMURA & CO. Outside Audit & Supervisory Board Member of Asahi Kasei Corp.

(Note)

1. Directors Teruhide Sato, Heizo Takenaka, Yasuhiro Suzuki, Hiroshi Ito, Kanae Takeuchi, Junichi Fukuda, and Hiroyuki Suematsu are Outside Directors.
2. Standing Statutory Auditor Toru Ichikawa and Statutory Auditor Yasuo Sekiguchi are Outside Statutory Auditors.
3. Statutory Auditor Akemi Mochizuki is qualified as a Certified Public Accountant, and Statutory Auditor Yasuo Sekiguchi is qualified as a Certified Public Accountant and Certified Tax Accountant. Both of these Statutory Auditors have a considerable degree of knowledge regarding finance and accounting.
4. Tomoya Asakura is a Director who was newly elected at the 24th Ordinary General Meeting of Shareholders held on June 29, 2022 and assumed office as of the end of the Adjourned Meeting of the 24th Ordinary General Meeting of Shareholders held on July 27, 2022.
5. Atsushi Fujii is a Standing Statutory Auditor who resigned upon the expiration of his term of office as of the end of the Adjourned Meeting of the 24th Ordinary General Meeting of Shareholders held on July 27, 2022, and Akemi Mochizuki is a Statutory Auditor who was newly elected at the 24th Ordinary General Meeting of Shareholders held on June 29, 2022 and assumed office as of the end of the Adjourned Meeting of the 24th Ordinary General Meeting of Shareholders held on July 27, 2022.
6. The Company designated Directors Teruhide Sato, Heizo Takenaka, Yasuhiro Suzuki, Hiroshi Ito, Kanae Takeuchi, Junichi Fukuda, and Hiroyuki Suematsu as independent directors under the provisions of the Tokyo Stock Exchange and has notified the Exchange.
7. The Company designated Standing Statutory Auditor Toru Ichikawa and Statutory Auditor Yasuo Sekiguchi as independent directors under the provisions of the Tokyo Stock Exchange and has notified the Exchange.
8. The Company has executed with an insurance company a directors' and officers' liability insurance contract provided for in Article 430-3(1) of the Companies Act and bears all of the insurance premiums. The officers, accounting advisors, executive officers, and management employees of the Company and subsidiaries of the Company are covered by the insurance. If a claim for damages attributable to an action (or inaction) committed by any of the insured (including directors of the Company) based on his or her status as a director or officer is made, the damages, court costs, and the like that are borne by the insured will be covered.

(2) Remuneration of Directors and Statutory Auditors

(i) Policy on Determination of Details of Executive Remuneration, etc.

The Company has established the Management Advisory Committee, the majority of which is composed of Independent Outside Directors, in order to secure fairness and clarity in the processes for determining executive remuneration, etc. The policy on determining the amount and calculation method of executive remuneration, etc. is to be decided by the Board of Directors after receiving feedback from the Management Advisory Committee. The policy on determining the amount and calculation method of remuneration for Directors for the fiscal year ended March 31, 2023 was decided by the Board of Directors after receiving a report and feedback from the Management Advisory Committee.

The amount of remuneration, which is made up of fixed basic remuneration as well as bonuses based on the Company's performance and restricted stock units, for each Director (excluding Outside Directors) is to be decided by the Board of Directors after receiving feedback from the Management Advisory Committee, and is to be within the total remuneration limits approved at the General Meeting of Shareholders. Similarly, the amount of remuneration for each Outside Director, which is made up of fixed basic remuneration and bonuses, is to be decided by the Board of Directors, and is to be within the total remuneration limit approved at the General Meeting of Shareholders. However, when these decisions have been entrusted to the Representative Directors by the Board of Directors, the Representative Directors will determine the above remuneration matters.

The basic remuneration is paid by monthly monetary remuneration and the amount of basic remuneration for each Director will be decided based on the following:

- The maximum amount of employee salary
- Remuneration paid to executives of the same rank in the past
- The Company's business performance outlook
- The prevailing rate of compensation for directors
- The degree of contribution to the Company's business performance
- The circumstances of assumption of office
- Other matters

Bonuses are paid annually in principle, restricted stock units are paid in a timely manner during the term of office of each Director, and the amounts paid to each Director as bonuses and restricted stock units will be decided based on an overall assessment of basic factors, such as their work duties and how they are conducting their work, as well as the business environment, and their overall contribution to the Company. Accordingly, no particular quantitative targets are set.

The ratio of the basic remuneration, bonuses, and restricted stock units will be decided appropriately based on the business environment, level of remuneration in other companies, and other factors so that such remuneration acts as an incentive to enhance corporate value.

Remuneration of Statutory Auditors is made up of only fixed basic remuneration, and the amount of remuneration for each Statutory Auditor is to be decided by consultation with the Statutory Auditors and is to be within the total remuneration limit approved at the General Meeting of Shareholders.

(ii) Total Amount, Etc. of Remuneration for the Fiscal Year ended March 31, 2023

Classification	Total Amount of Paid Remuneration	Total Amount of Remuneration by Category		Number of Officers Receiving Remuneration
		Basic Remuneration	Non-monetary Remuneration	
Directors (Outside Directors included)	¥805 million (¥114 million)	¥805 million (¥114 million)	¥— million (—)	15 officers (7 officers)
Statutory Auditors (Outside Statutory Auditors included)	¥22 million (¥15 million)	¥22 million (¥15 million)	— (—)	4 officers (2 officers)
Total (Outside Directors and Outside Statutory Auditors included)	¥827 million (¥129 million)	¥827 million (¥129 million)	¥— million (—)	19 officers (9 officers)

(Note)

1. The total amount of remuneration for Directors does not include employee remuneration for any director who concurrently serves as an employee.
2. One Statutory Auditor does not receive remuneration.
3. The amount stated in the table above includes remuneration for officers who retired from office during the fiscal year ended March 31, 2023.
4. Apart from the above, the Company pays a retirement allowance of 110 million yen to one Director who retired from office by resignation on February 7, 2022.
5. The annual amount of remuneration for Directors resolved at the General Meeting of Shareholders must not exceed ¥1.5 billion (by a resolution at the 2nd Ordinary General Meeting of Shareholders held on November 13, 2000; the number of Directors immediately after the closing of that meeting was eight), and the annual amount of remuneration for Statutory Auditors resolved at the General Meeting of Shareholders must not exceed ¥100 million (by a resolution at the 2nd Ordinary General Meeting of Shareholders held on November 13, 2000; the number of Statutory Auditors immediately after the closing of that meeting was three). In addition to the remuneration above, a compensation system including restricted stock units has been introduced for Directors (excluding Outside Directors), as an incentive to continue to grow corporate value of the Company, and to further share value between those Directors and shareholders. The annual amount of remuneration under the system must not exceed ¥500 million (by a resolution at the 21st Ordinary General Meeting of Shareholders held on June 27, 2019; the number of Directors (excluding Outside Directors) immediately after the closing of that meeting was eight). The number of Directors provided for in the Articles of Incorporation is no more than 22, and the number of Statutory Auditors is no less than three.
6. The Board of Directors entrusted Representative Director, Chairman, President & CEO Yoshitaka Kitao with the duty to decide the amount of fixed basic remuneration for each Director and rating distributions for bonuses based on the Company's performance, etc. for each Director

excluding Outside Directors. The reason for this entrustment is that the Board of Directors considered Representative Director, Chairman, President & CEO Yoshitaka Kitao an appropriate person to evaluate each Director upon taking into account the business performance and other factors of the Company as a whole. The amounts of such remuneration were decided after receiving feedback from the Management Advisory Committee, the majority of which is composed of Independent Outside Directors, and the Board of Directors has determined that the details of such amounts were in line with the policy decided by the Board of Directors.

(iii) Total Amount of Executive Remuneration, etc. Received by Outside Officers
from Subsidiaries

Not Applicable

(3) Matters Regarding Outside Officers

- (i) Relationship between the companies for which the Outside Officers hold significant concurrent offices and the Company (as of March 31, 2023)

Position	Name	Significant Concurrent Office
Director	Teruhide Sato	Director of BEENEXT PTE. LTD. Director of BEENEXT CAPITAL MANAGEMENT PTE. LTD.
Director	Heizo Takenaka	Outside Director of MAYA SYSTEM Inc. Director of XICA Co., Ltd. President of Academy Hills Emeritus Professor at Keio University Director of 3DOM Alliance Inc. Non Executive Chairman of Investcorp Japan, LLC
Director	Yasuhiro Suzuki	Representative Director and President of digitalshiftwave Co., Ltd. President of Japan Omni Channel Association Visiting Professor at Joho Keiei Innovation Senmonshoku Daigaku
Director	Hiroshi Ito	Advisor of SBI Insurance Group Co., Ltd. Member of the Finance Committee of Tokyo American Club
Director	Kanae Takeuchi	Freelance television announcer Outside Director of dip Corporation
Director	Junichi Fukuda	Commissioned Lecturer at SBI Graduate School Attorney-At-Law and Of Counsel at URYU & ITOGA
Director	Hiroyuki Suematsu	Project Professor at Research Institute of Tokyo University of Agriculture Outside Director (Audit & Supervisory Committee Member) of TRE HOLDINGS CORPORATION Outside Director (Audit & Supervisory Committee Member) of Nexyz.Group Corporation
Standing Statutory Auditor	Toru Ichikawa	Outside Statutory Auditor of Shimane Bank, Ltd.
Statutory Auditor	Yasuo Sekiguchi	Managing Director of Global Partners Consulting, Inc.

(Note)

1. SBI Insurance Group Co., Ltd. is a subsidiary of the Company.
2. There is no transaction or other relationship to be noted between other companies above in which concurrent offices are held and the Company.

(ii) Principal Activities in the Fiscal Year Ended March 31, 2023

- Attendance at the meetings of the Board of Directors and the Board of Statutory Auditors

		Meeting of Board of Directors		Meeting of Board of Statutory Auditors	
		Number of Times Attended	Attendance Rate	Number of Times Attended	Attendance Rate
Director	Teruhide Sato	12 / 12 times	100%	—	—
Director	Heizo Takenaka	12 / 12 times	100%	—	—
Director	Yasuhiro Suzuki	12 / 12 times	100%	—	—
Director	Hiroshi Ito	12 / 12 times	100%	—	—
Director	Kanae Takeuchi	12 / 12 times	100%	—	—
Director	Junichi Fukuda	12 / 12 times	100%	—	—
Director	Hiroyuki Suematsu	12 / 12 times	100%	—	—
Statutory Auditor	Toru Ichikawa	12 / 12 times	100%	17 / 17 times	100%
Statutory Auditor	Yasuo Sekiguchi	11 / 12 times	91%	16 / 17 times	94%

- Statements at meetings of the Board of Directors and the Board of Statutory Auditors and outline of duties performed with respect to expected roles as Outside Directors

Outside Directors Teruhide Sato, Heizo Takenaka, Yasuhiro Suzuki, Hiroshi Ito, Kanae Takeuchi, Junichi Fukuda, and Hiroyuki Suematsu have, as Outside Directors, fulfilled roles to ensure the validity and appropriateness of the decision-making of the Board of Directors by asking questions from time to time regarding matters to be reported or resolved, offering opinions as necessary from an external point of view, and giving advice based on previous experiences at the meetings of the Board of Directors they attended.

Outside Statutory Auditor Toru Ichikawa has, based on his abundant experience and broad-ranging insight in the area of finance, and Outside Statutory Auditor Yasuo Sekiguchi has, from his expert perspective based on his experience as a Certified Public Accountant and Certified Tax Accountant, offered necessary statements on a timely basis at the meetings of the Board of Directors and the meetings of the Board of Statutory Auditors they attended.

(iii) Outline of Contracts for Limitation of Liability

The Company has executed contracts for limitation of liability with Outside Directors Teruhide Sato, Heizo Takenaka, Yasuhiro Suzuki, Hiroshi Ito, Kanae Takeuchi, Junichi Fukuda, and Hiroyuki Suematsu to limit each of their liability under Article 423, Paragraph 1 of the Companies Act to the extent of the higher amount of either ¥1,000,000 or the minimum liability amount stipulated by laws and regulations under Article 427, Paragraph 1 of the Companies Act and Article 25, Paragraph 2 of the Company's Articles of Incorporation.

The Company has executed contracts for limitation of liability with Outside Statutory Auditors Toru Ichikawa and Yasuo Sekiguchi to limit each of their liability under Article 423, Paragraph 1 of the Companies Act to the extent of the higher amount of either ¥1,000,000 or the minimum liability amount stipulated by laws and regulations under Article 427, Paragraph 1 of the Companies Act and Article 32, Paragraph 2 of the Company's Articles of Incorporation.

3. “STOCK ACQUISITION RIGHTS” IN BUSINESS REPORT (As of March 31, 2023)

- (1) Delivery of stock acquisition rights as consideration for the execution of duties and held by the Company officers as of March 31, 2023

Classification	Name of stock acquisition rights (Date of issuance)	Number of stock acquisition rights	Class and number of shares subject to stock acquisition rights	Exercise price (per share)	Exercise period	Number of holders of stock acquisition rights
Directors (excluding Outside Directors)	2017 Second Series of Stock Acquisition Rights (September 1, 2017)	100	Common stock; 10,000 shares	¥1,563	July 29, 2019 to September 30, 2024	1

(Note) The stock acquisition rights held by one Director above were granted before that person assumed office as a Director.

- (2) Delivery of stock acquisition rights to employees as consideration for the execution of duties during the fiscal year ended March 31, 2023
Not Applicable
- (3) Other matters related to stock acquisition rights
Not Applicable

4. “ACCOUNTING AUDITOR” IN BUSINESS REPORT

- (1) Name Deloitte Touche Tohmatsu LLC
- (2) Amount of remuneration of Accounting Auditor for the Company’s fiscal year ended March 31, 2023

¥715 million

- (3) Total amount of money and other property benefits to be paid by the Company and subsidiaries to Accounting Auditor

¥2,122 million

(Note)

- Since the audit agreement between the Company and the Accounting Auditor does not clearly distinguish between the amount of remuneration for auditing under the Companies Act and the amount of remuneration for auditing under the Financial Instruments and Exchange Act and it is also not possible to substantially distinguish between them, the amount in (2) above represents the total amount.
- The Board of Statutory Auditors has consented, as provided for in Article 399, Paragraph 1 of the Companies Act, to the remuneration of the Accounting Auditor after deliberating the adequacy of the details of the audit plan, scheduled period of the audit, and the basis for

calculation of remuneration estimates that the Accounting Auditor explained to the Board of Statutory Auditors based on an evaluation of audit results for the fiscal year ended March 31,2022.

3. The Company has paid the Accounting Auditor consideration for the preparation of a comfort letter and other services other than those set out in Article 2, Paragraph 1 of the Certified Public Accountant Act.
4. Four important subsidiaries of the Company are audited by auditors other than the Accounting Auditor of the Company.

(4) Policy on Determination of Removal or Disapproval of Reappointment

If the Accounting Auditor is deemed to fall under any item of Article 340, Paragraph 1 of the Companies Act, the Board of Statutory Auditors will remove the Accounting Auditor by consent of all Statutory Auditors. In that case, the Statutory Auditors elected by the Board of Statutory Auditors shall report the removal of the Accounting Auditor and the reason therefore at the first general meeting of shareholders convened after the removal.

In addition, in light of the independence and specialization of the Accounting Auditor, as well as the status of conduct of the Accounting Auditor's duties, the Board of Statutory Auditors shall make the removal or disapproval of reappointment of the Accounting Auditor a purpose of the general meeting of shareholders if it is deemed difficult for the Accounting Auditor to properly conduct an audit.

5. "SYSTEMS FOR ENSURING PROPER EXECUTION OF BUSINESS OPERATIONS" IN BUSINESS REPORT

Details of effective resolutions by the Board of Directors concerning systems in place at the end of the fiscal year ended March 31, 2023 to ensure the execution of duties by Directors complies with laws, regulations, and the Articles of Incorporation and to ensure the properness of operations of the Company and operations of the group of enterprises consisting of the Company and its subsidiaries are set out below.

- (1) System for Ensuring Execution of Duties by Directors and Employees are in Compliance with Laws and Regulations and Articles of Incorporation
 - (i) The Representative Director of the Company is responsible for making all officers and employees aware of the importance of compliance with laws and regulations, as well as ethical standards. Compliance and ethics are both vital aspects of operating within the Company's Management Philosophy and Corporate Vision.
 - (ii) The Company facilitates close communication among the Directors, supervises the performance of the Representative Director, and prevents violations of laws, regulations, and the Articles of Incorporation by holding regular monthly meetings of the Board of Directors in accordance with the Rules for the Board of Directors and by holding other extraordinary meetings of the Board of Directors as necessary.
 - (iii) Following a resolution by the Board of Directors, the Company appoints an Officer in Charge of Compliance matters, establishes a compliance department that is directly managed by that Director, and causes that Director and department to identify compliance-related issues and problems relating to the Company. In addition, following

a resolution by the Board of Directors the Company establishes an Internal Auditing Department. The Internal Auditing Department is an organizational unit independent from all business administration divisions and administrative divisions that comprehensively and objectively evaluates the appropriateness of the Company's internal management structure, which involves compliance with laws and regulations, the appropriateness of operations and the proper management of internal controls, among other responsibilities. Also, recommendations are provided and follow-up measures are taken for the purpose of seeking improvement with respect to issues uncovered as a result of internal audits. Audits are conducted with the help of employees and, if necessary, external specialists.

The results of individual internal audits are reported promptly after completion of audits, and reports are provided to the Representative Director and the Board of Directors more than once every six months, in addition to regular reports to Statutory Auditors.

- (iv) The Company has established a Whistleblowing System for submitting reports directly to the Internal Auditing Department and the Statutory Auditors, allowing Directors and employees to provide information concerning violations at the Company of laws, regulations, and the Articles of Incorporation as well as important facts discovered involving compliance.
- (2) System for Data Storage and Management Relating to Execution of Duties by Directors
- (i) The Company has, following a resolution by the Board of Directors, established the Rules for Document Management and stores and manages data relating to the execution of duties by the Directors by entering or recording that data on written documents or electromagnetic recordings ("Documents").
 - (ii) Directors and Statutory Auditors may access Documents at any time.
- (3) Regulations for Managing Risk of Loss and Other Similar Systems
- (i) The Company appoints an Officer in Charge of Risk Management in accordance with the Rules for Risk Management and other regulations established by the Board of Directors. The Company has also established a risk management department to identify and properly evaluate and manage risks that may impede the execution of business operations or the attainment of our Management Philosophy and Corporate Vision.
 - (ii) If any management crisis comes to light, then the Company deals with that crisis in accordance with the Rules for Crisis Management by (a) establishing a task force led by the Officer in Charge of Risk Management and (b) facilitating a structure that enables timely and appropriate sharing of information relating to the management crisis among the Officer in Charge of Risk Management, the managers in charge of the risk management department, the General Affairs and Human Resources Department, the Corporate Communications Department, and the Legal and Compliance Departments, and other officers and employees who require that information.
- (4) System for Ensuring the Efficient Execution of Duties by Directors
- (i) The Company determines allocation of duties following a resolution by the Board of

Directors and clarifies the division of roles among the Directors.

- (ii) The Company facilitates a data system that enables appropriate and prompt decision-making.
 - (iii) In principle, the Company holds regular monthly meetings of the Board of Directors and other extraordinary meetings of the Board of Directors as necessary, and in addition to solving problems that arise in each division in a timely and appropriate manner, makes the Directors aware of know-how gained from the problems solved. Through this process, the Company seeks to streamline execution of duties that Directors are responsible for while also streamlining operations throughout the Company as a whole.
- (5) System to Ensure the Properness of Operations of the Group of Enterprises Consisting of the Company and its Subsidiaries
- (i) In order to ensure the properness of operations of the group of enterprises consisting of the Company and its subsidiaries (the “SBI Group”), the Company, in accordance with the Rules for Management of Affiliated Companies established by the Board of Directors, and out of respect for the management autonomy of each company, receives reports about matters relating to the execution of duties from directors and employees of companies belonging to the SBI Group and any person involved in the business of other corporate groups (the “SBI Group Officers and Employees”) and may conduct investigations within a necessary and reasonable extent.
 - (ii) The Company has established a Whistleblowing System for submitting reports directly to the Statutory Auditors, enabling the SBI Group Officers and Employees to provide information concerning violations of laws, regulations, or the Articles of Incorporation or any other important facts relating to compliance. The Company reports to the Statutory Auditors on the status and details of reporting. In addition, the Company shall not dismiss or treat disadvantageously any person who makes a report using the Whistleblowing System or any of the SBI Group Officers and Employees or any statutory auditor of subsidiaries who makes reports to the Statutory Auditor on matters relating to the execution of duties by the SBI Group Officers and Employees.
 - (iii) In order to ensure that the execution of duties by the SBI Group Officers and Employees conforms to laws, regulations, and the Articles of Incorporation, the Company shall, in accordance with the Compliance Rules established by the Board of Directors, hold compliance conferences to provide an opportunity to ascertain issues and matters and to exchange information about compliance for the entire SBI Group. The Officer in Charge of Compliance and a compliance department hold these conferences along with compliance officers from companies belonging to the SBI Group. These compliance conferences are to be promptly convened when a request for convocation is made from a company belonging to the SBI Group.
 - (iv) The Company, in accordance with the Rules for Internal Audit established by the Board of Directors, comprehensively and objectively evaluates the appropriateness of an internal management structure, which involves compliance with laws and regulations, the appropriateness of operations and the proper management of internal controls, among other responsibilities of companies belonging to the SBI Group. Also, in order to provide recommendations and to take follow-up measures for the purpose of seeking

improvement with respect to issues uncovered as a result of internal audits, audits are conducted on those companies by the Internal Auditing Department.

The results of individual internal audits are reported promptly after completion of audits, and reports are provided to the Representative Director and the Board of Directors more than once every six months, in addition to regular reports to Statutory Auditors.

- (v) If the Directors discover any violation of laws, regulations, or the Articles of Incorporation or any other important facts relating to compliance with regard to the execution of duties by the SBI Group Officers and Employees, they report this information to the Company's Statutory Auditors, and the Statutory Auditor who takes receipt of that report shall notify the statutory auditor of the company in relation to which those important facts were discovered.
 - (vi) In order to manage risk of loss in the SBI Group, the Company, in accordance with the Rules for Management of Affiliated Companies, risk management and other regulations established by the Board of Directors, receives from persons in charge of risk management of companies belonging to the SBI Group regular and timely reports about situations related to the risk of losses in companies belonging to the SBI Group. If necessary, the Company's Officer in Charge of Risk Management and the risk management department shall prevent the occurrence of risk by consulting with the persons in charge of risk management, as well as by themselves collecting and analyzing information regarding risk for the SBI Group subsidiaries and consulting with those subsidiaries and the like (the "Risk Inspection Council"). The Risk Inspection Council shall support processes for planning, evaluating, and making improvements in issues on risk management for those subsidiaries upon clarifying those issues in order to make regular improvements in those issues, and the results thereof shall be reported to the Board of Directors of the Company.
 - (vii) In order to ensure efficient execution of duties by the SBI Group Officers and Employees, the Company instructs companies belonging to the SBI Group to determine allocation of duties following a resolution by the board of directors and to clarify the division of roles among the directors. If necessary, the Company shall provide a data system that enables appropriate and prompt decision-making.
- (6) System Relating to Employees Assisting Duties of Statutory Auditors When Appointment of Those Employees is Requested by Statutory Auditors, and Matters Relating to Independence from Directors of Those Employees

When requested by a Statutory Auditor, the Company appoints, for a period determined in consultation with the Statutory Auditor, an employee who is nominated by the Internal Auditing Department as having knowledge that enables that employee to assist with the Statutory Auditor's duties independent of the Directors' chain of command. In this case, the Statutory Auditor is consulted with in advance and the opinions of the Statutory Auditor are respected with regard to personnel changes and evaluation in relation to that employee.

- (7) System for Reporting by Directors and Employees to Statutory Auditors and System for Other Types of Reporting to Statutory Auditors

The Directors and employees report to the Statutory Auditors in a timely and accurate

manner when the Directors and employees come to know of any of the following concerning the SBI Group; in addition, the Directors and employees shall promptly explain the details and may not refuse to explain without reasonable grounds when the Directors and employees are asked by the Statutory Auditors for explanations on any of the following concerning the SBI Group:

- (a) any matter likely to cause significant damage to the Company;
- (b) any important matter relating to management;
- (c) any important matter relating to internal auditing;
- (d) any material violation of laws, regulations, or the Articles of Incorporation; or
- (e) any other matter judged an important matter by the Directors and employees.

(8) Other Systems for Ensuring that Statutory Auditors Effectively Execute Audits

- (i) The Company will, at the request of the Statutory Auditors, cause the Company's Directors and employees to hold regular meetings with the Statutory Auditors for the purpose of sharing information regarding management-based issues and problems of the SBI Group and, as necessary, facilitates sharing of information between Statutory Auditors and the Internal Auditing Department with the Accounting Auditor.
- (ii) The Company shall make efforts to develop a system that enables the Statutory Auditors to hold regular meetings with statutory auditors of important subsidiaries and cooperate with each other to ensure the effectiveness of auditing of the SBI Group.
- (iii) Any ordinary expenses arising in relation to the performance of the duties of the Statutory Auditors must be included in the Company budget in advance, based on the audit plan of the Board of Statutory Auditors. In addition, the Company shall, at the request of the Statutory Auditors, pay in advance or redeem, or otherwise dispose of debts with respect to, any expenses arising in relation to the performance of the duties of the Statutory Auditors, including urgent or extraordinary audit expenses.

(9) System for Ensuring Reliability of Financial Reports

The Company maintains an effective and proper management system for its internal control reporting system with respect to financial reports pursuant to the applicable relevant laws and ordinances in order to ensure the reliability of financial reports and carries out continuous facilitation, management and evaluation of that system and promptly takes measures if any improvement is required.

(10) System for Exclusion of Anti-social Organizations

The SBI Group declares in its code of conduct its intent to resolutely defy anti-social organizations and facilitates an internal system for strengthening collaborative efforts by establishing a department for carrying out anti-social organization exclusion initiatives in the Company and by sharing knowledge with the police, centers for eliminating anti-social organizations, lawyers, and other external professional institutions. Efforts are also made to increase awareness of the requirement to cut off relationships with anti-social organizations, by carrying out training for the SBI Group Officers and Employees. In addition, the Company promotes awareness of this initiative by distributing to the SBI Group, and by posting on the SBI Group's intranet, manuals for dealing with anti-social organizations in accordance with the "Guidelines for Enterprises to Prevent Damage Caused by Antisocial Forces."

6. “OPERATIONAL STATUS OF SYSTEMS FOR ENSURING PROPER EXECUTION OF BUSINESS OPERATIONS” IN BUSINESS REPORT

A summary of the operational status of systems in place at the end of the fiscal year ended March 31, 2023 for ensuring proper execution of business operations is set out below.

- (1) System for Ensuring Execution of Duties by Directors and Employees are in Compliance with Laws and Regulations and Articles of Incorporation

The first point of the Company’s Management Philosophy is the concept of “Sound Ethical Values,” and the Company has clearly conveyed and ensured that its officers and employees are aware that legal compliance and sound ethical values are a fundamental tenet of the Company. The Company held twelve regular meetings of the Board of Directors, and in addition to endeavoring to achieve mutual understanding among our Directors, the Board of Directors has overseen the execution of duties by the Representative Director and actively prevented acts in breach of laws, regulations, or the Articles of Incorporation. The Company has also appointed an Officer in Charge of Compliance and established a compliance department to identify compliance-related issues and problems relating to the Company. In addition, the Company has established the Internal Auditing Department, which has evaluated the appropriateness of internal management and, after the completion of each audit, has reported to the Representative Director, the Board of Directors, and the Statutory Auditors. The Company has also established and operated a Whistleblowing System that enables direct reporting by officers and employees.

- (2) System for Data Storage and Management Relating to Execution of Duties by Directors

The Company has established the Rules for Document Management and appropriately recorded and stored data relating to the execution of duties by the Directors, and the Directors and the Statutory Auditors are able to access this data when necessary.

- (3) Regulations for Managing Risk of Loss and Other Similar Systems

The Company has appointed an Officer in Charge of Risk Management, established risk management department, and endeavored to appropriately manage risk. In cases when management crises have come to light, the Company has established and operated a system whereby a task force led by the Officer in Charge of Risk Management is established and other related measures are taken.

- (4) System for Ensuring the Efficient Execution of Duties by Directors

In addition to having determined regulations related to allocation of duties and work-related authority and clarified the division of roles among the Directors, the Company has established and operates a data system for decision-making. The Company has conducted problem solving and made the Directors aware of know-how gained from the problems solved at the meetings of the Board of Directors and sought to streamline operations throughout the Company as a whole.

- (5) System to Ensure the Properness of Operations of the Group of Enterprises

Consisting of the Company and its Subsidiaries

The Company has formulated a compliance program and striven to ascertain and resolve compliance-related issues within the Group in accordance with that compliance program. The Company has also established the Rules for Whistleblowing and operated a Whistleblowing System. This Whistleblowing System is operated for the Group Officers and Employees, and the status of whistleblowing reports and their contents have been reported to the Statutory Auditors. The Company does not dismiss or treat disadvantageously any person who makes a report using the Whistleblowing System or any of the Group Officers and Employees who makes reports to the Statutory Auditors on matters relating to the execution of duties. The Company has also held SBI Group Compliance Liaison Conferences two times and ascertained issues and matters and exchanged information about compliance in the SBI Group. In addition, the Internal Auditing Department has formulated an annual internal auditing plan, conducted audits of companies belonging to the Group in accordance with that plan, and then reported to the Representative Director, the Directors, and the Statutory Auditors. The Directors have reported necessary matters to the Statutory Auditors through face-to-face meetings with the Statutory Auditors, and the Statutory Auditors are able to access important reports. Further, the Company has established a risk management program, ascertained the status of risk in the Group, and made efforts to conduct appropriate management of risk in accordance with that program. In addition, the Company has by itself collected and analyzed information regarding risk for the SBI Group subsidiaries, consulted with those subsidiaries and the like (the "Risk Inspection Council"), and reported the results thereof to the Board of Directors. The Company has, through its compliance department and Internal Auditing Department, also instructed its subsidiaries to clarify the division of roles among their directors and has provided, when necessary, a data system that enables decision-making.

- (6) System Relating to Employees Assisting Duties of Statutory Auditors When Appointment of Those Employees is Requested by Statutory Auditors, and Matters Relating to Independence from Directors of Those Employees

Corresponding to the request by the Statutory Auditor, the Company has appointed an employee in the Internal Auditing Department as an employee who assists with the Statutory Auditor's duties and caused that employee to provide assistance, and the opinions of the Statutory Auditor have been respected with regard to evaluation and the like in relation to that employee.

- (7) System for Reporting by Directors and Employees to Statutory Auditors and System for Other Types of Reporting to Statutory Auditors

The Statutory Auditors have received reports on necessary matters by attending meetings of the Board of Directors and other important meetings and by meeting with officers and employees. The Company has also established an environment in which the Statutory Auditors are able to access major approval request documents (*ringi-sho*) and other important documents related to execution of duties.

- (8) Other Systems for Ensuring that Statutory Auditors Effectively Execute Audits

The Statutory Auditors have held regular meetings with the Company's Executive

Directors, including the Representative Director, and department managers and shared information. The Statutory Auditors have also held regular auditor liaison meetings with statutory auditors of important subsidiaries and sought to develop mutual cooperation among the statutory auditors of the companies within the Group. Expenses arising in relation to the performance of the duties of the Statutory Auditors have been settled appropriately.

(9) System for Ensuring Reliability of Financial Reports

The Company has submitted an internal control report in accordance with Article 24-4-4 of the Financial Instruments and Exchange Act (Act No. 25 of 1948), maintained an effective and proper management system for its internal control reporting system with respect to financial reports, and conducted appropriate facilitation, management, and evaluation of that system.

(10) System for Exclusion of Anti-social Organizations

The Group has declared its intent to resolutely defy anti-social organizations both in and outside its companies, including through the formulation of a basic policy against anti-social organizations and publication of that policy on the SBI Group's corporate sites. Efforts have also been made to increase awareness of the requirement to cut off relationships with anti-social organizations, including through the establishment of a department for carrying out anti-social organization exclusion initiatives, SBI Group Compliance Liaison Conferences. The Company also has promoted awareness of these initiatives by publishing information in manuals that complies with the basic policy against anti-social organizations and posting those manuals on the SBI Group's intranet.

CONSOLIDATED FINANCIAL STATEMENTS
(1) Consolidated Statement of Financial Position

	As at March 31, 2023
	Millions of Yen
Assets	
Cash and cash equivalents	3,200,916
Trade and other accounts receivable	10,447,026
Assets related to securities business	
Cash segregated as deposits	2,498,387
Margin transaction assets	1,267,684
Other assets related to securities business	751,211
Total assets related to securities business	4,517,282
Other financial assets	519,951
Operational investment securities	581,364
Other investment securities (includes ¥222,987 million pledged as collateral)	1,997,856
Investments accounted for using the equity method	199,882
Investment properties	72,124
Property and equipment	124,655
Intangible assets	366,040
Other assets	267,845
Deferred tax assets	15,787
Total assets	22,310,728
Liabilities	
Bonds and loans payable	3,680,355
Trade and other accounts payable	486,028
Liabilities related to securities business	
Margin transaction liabilities	276,287
Loans payable secured by securities	605,382
Deposits from customers	1,400,607
Guarantee deposits received	1,104,363
Other liabilities related to securities business	501,610
Total liabilities related to securities business	3,888,249
Customer deposits for banking business	11,472,323
Insurance contract liabilities	157,381
Income tax payable	16,951
Other financial liabilities	595,150
Other liabilities	215,477
Deferred tax liabilities	50,160
Total liabilities	20,562,074
Equity	
Capital stock	139,272
Capital surplus	186,774
Treasury stock	(76)
Other components of equity	60,117
Retained earnings	627,745
Equity attributable to owners of the Company	1,013,832
Non-controlling interests	734,822
Total equity	1,748,654

Total liabilities and equity	22,310,728
(2) Consolidated Statement of Income	
	Fiscal year ended March 31, 2023
	Millions of Yen
Revenue (includes ¥404,412 million of interest income)	998,559
Expense	
Financial cost associated with financial income	(102,473)
Provision for credit losses	(93,780)
Operating cost	(282,737)
Selling, general and administrative expenses	(384,612)
Other financial cost	(20,183)
Other expenses	(22,857)
Total expense	(906,642)
Gain on bargain purchase	2,460
Share of the profit of associates and joint ventures accounted for using the equity method	6,376
Profit before income tax expense	100,753
Income tax expense	(29,745)
Profit for the year	71,008
Profit for the year attributable to	
Owners of the Company	35,000
Non-controlling interests	36,008
Profit for the year	71,008

(3) Consolidated Statement of Changes in Equity

	Attributable to owners of the Company						Non-controlling interests	Total equity
	Capital stock	Capital surplus	Treasury stock	Other components of equity	Retained earnings	Total		
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen		
As at April 1, 2022	99,312	151,390	(62)	42,865	631,098	924,603	658,655	1,583,258
Profit for the year	—	—	—	—	35,000	35,000	36,008	71,008
Other comprehensive income	—	—	—	16,489	—	16,489	(230)	16,259
Total comprehensive income	—	—	—	16,489	35,000	51,489	35,778	87,267
Issuance of new shares	39,960	39,905	—	—	—	79,865	—	79,865
Change in scope of consolidation	—	—	—	—	—	—	(8,496)	(8,496)
Dividends paid	—	—	—	—	(37,590)	(37,590)	(18,773)	(56,363)
Treasury shares purchased	—	—	(16)	—	—	(16)	—	(16)
Treasury shares sold	—	(0)	2	—	—	2	—	2
Share-based payment transactions	—	681	—	—	—	681	539	1,220
Changes of interests in subsidiaries without losing control	—	(5,202)	—	—	—	(5,202)	67,119	61,917
Transfer	—	—	—	763	(763)	—	—	—
As at March 31, 2023	139,272	186,774	(76)	60,117	627,745	1,013,832	734,822	1,748,654

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation

The consolidated financial statements of SBI Holdings, Inc. (the "Company") and its consolidated subsidiaries (collectively the "Group") were prepared in accordance with Designated International Financial Reporting Standards ("IFRSs") pursuant to the first paragraph of Article 120 of the Ordinance on Company Accounting. Certain disclosure items required under IFRSs were omitted pursuant to the latter part of the same paragraph.

2. Scope of consolidation

Number of consolidated subsidiaries: 580

Major consolidated subsidiaries are listed in "6. IMPORTANT PARENT COMPANY AND SUBSIDIARIES" in section "I. GROUP" of "Business Report."

3. Application of equity method

Number of investments in associates and joint ventures accounted for using the equity method: 63

Major investment accounted for using the equity method: SBI Sumishin Net Bank., Ltd.

4. Summary of accounting policies

(1) Valuation standards and methods of significant assets

① Valuation standards and methods of financial assets

(a) Classification and measurement of financial assets

Financial assets held by the Group are classified into the following designated categories when they are initially recognized on the basis of the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

- Financial assets measured at amortized cost
- Debt instruments measured at fair value through other comprehensive income (hereinafter "debt instruments measured at FVTOCI")
- Equity instruments measured at fair value through other comprehensive income (hereinafter "equity instruments measured at FVTOCI")
- Financial assets measured at fair value through profit or loss (hereinafter "financial assets measured at FVTPL")

(Financial assets measured at amortized cost)

Financial assets are subsequently measured using the effective interest method at amortized cost, adjusted for any loss allowance, if both of the following conditions are met: (i) the financial assets are held within the business model whose objective is to hold financial assets in order to collect contractual cash flows and (ii) the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(Debt instruments measured at FVTOCI)

Financial assets are measured at fair value and changes in the difference between the fair value and the amortized cost of financial assets, adjusted for any loss allowance, are recognized in other comprehensive income if both of the following conditions are met: (i) the financial assets are held within the business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and (ii) the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Upon derecognition of debt instruments measured at FVTOCI, the amount accumulated in other comprehensive income is reclassified to profit or loss.

(Equity instruments measured at FVTOCI)

Upon initial recognition, the Group designates an investment in an equity instrument that is held for a purpose other than trading as a financial asset measured at fair value through other comprehensive income. This is an irrevocable election and changes in the fair value of such financial instruments are recognized in other comprehensive income. Dividends from the above-mentioned equity instruments are recognized in profit or loss. At derecognition of equity instruments measured at FVTOCI or when a significant decline in fair value below the initial cost is other than temporary, the recognized amount of changes in fair value accumulated in other comprehensive income is reclassified to retained earnings.

(Financial assets measured at FVTPL)

Financial assets, other than those subsequently measured at amortized cost and those measured at fair value through other comprehensive income, are subsequently measured at fair value, and all changes in fair value are recognized in profit or loss.

(b) Impairment of financial assets

The Group estimates expected credit losses for financial assets measured at amortized cost, debt instruments measured at FVTOCI, lease receivables, certain loan commitments and financial guarantee contracts at the end of the reporting period and recognizes such expected credit losses as a loss allowance. If the Group determines that the credit risk of financial instruments has increased significantly since initial recognition, the loss allowance is measured at an amount equal to the lifetime expected credit losses. In the event that the Group determines that the credit risk of financial instruments has not increased significantly since initial recognition, the loss allowance is measured at an amount equal to the 12-month expected credit losses.

The assessment of whether there has been a significant increase in credit risk is based on changes in the probability of a default occurring.

Meanwhile, as for trade receivables that do not contain a significant financing component, lifetime expected credit losses are measured on the basis of historical credit losses and other relevant information regardless of whether there has been an increase or decrease in credit risk.

② Valuation standards and methods of non-financial assets

• Investment properties other than right-of-use assets

Investment properties are measured using the cost method and stated at cost less accumulated depreciation and accumulated impairment loss.

• Property and equipment other than right-of-use assets

Property and equipment are measured using the cost method and stated at cost less accumulated depreciation and accumulated impairment loss. Acquisition cost includes the costs incurred directly related to the acquisition of the assets.

• Intangible assets other than right-of-use assets and goodwill

Intangible assets are measured using the cost method and stated at cost less accumulated amortization and accumulated impairment loss.

• Impairment of non-financial assets

Other than deferred tax assets, the Group's non-financial assets are subject to impairment tests at year end. When an indication of impairment exists, the recoverable amounts of the assets are estimated in order to determine the extent of the impairment losses, if any. For a cash-generating unit ("CGU"), including allocated goodwill and intangible assets for which the useful life cannot be determined, or which is not available for use, the recoverable amount shall be estimated at the same time every year regardless of the indication of impairment. A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of cash inflows from other assets or group of assets.

③ Lease

• Lease as lessee

At inception of a contract, the Group determines whether the contract is, or contains, a lease. The right-of-use asset in a lease transaction is measured at cost, which is initially measured at the amount of lease liability adjusted by initial direct costs and prepaid lease payments. With regard to a lease that has a lease term of 12 months or less or a lease of low-value assets, right-of-use assets are not recognized and lease payments on such lease are recognized as an expense over the lease term.

• Lease as lessor

A finance lease receivable is initially recognized at the lease commencement date of the lease at the net investment in the lease, which is the sum of the lease payments received by the lessor and the unguaranteed residual value, discounted using an interest rate implicit in the lease. Income arising from finance leases is recognized by allocating the net investment in the lease over the lease term. Leases other than finance leases are classified as operating leases, and the operating lease income is recognized over the lease term on a straight-line basis.

(2) Depreciation method for significant non-current assets

• Investment properties

Depreciation is calculated based on the depreciable amount, which is calculated as the initial cost of items of investment properties or an amount equivalent to the initial cost less their residual values. Depreciation is recognized using the straight-line method to allocate their depreciable amounts based on the estimated useful life of each component and charged to profit or loss.

The estimated useful lives of major classes of property and equipment are as follows:

- Buildings 15 - 50 years

Investment property is derecognized at the time of disposal or when the investment property is no longer permanently used and no future economic benefits from the disposal are expected. Any gain or loss arising from derecognition of the investment property, which is calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss at the time of derecognition.

• Property and equipment

Depreciation is calculated based on the depreciable amount, which is calculated as the initial cost of items of property and equipment less their residual values. Depreciation is recognized using the straight-line method to allocate their depreciable amounts based on the estimated useful life of each component and charged to profit or loss. The right-of-use asset is depreciated on a systematic basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The estimated useful lives of major classes of property and equipment are as follows:

- Buildings 2 - 50 years
- Furniture and equipment 2 - 20 years

The depreciation method, estimated useful life and residual value are reviewed, and adjusted if appropriate, at the end of each reporting period.

• Intangible assets other than goodwill

Amortization of intangible assets with finite useful lives is recognized in profit or loss using the straight-line method over the expected useful life, which begins when the assets are available for use.

The estimated useful lives of major classes of intangible assets are as follows:

- Software 5 years
- Customer Relationship 6 - 23 years

The amortization method, estimated useful life and residual value are reviewed, and adjusted if appropriate, at the end of each reporting period.

(3) Recognition and measurement of significant provisions and allowances

Provisions are recognized when the Group has a present, legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation. Where the effect of the time value of money is material, provisions are measured at the present value of the expected future cash flow using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

(4) Recognition of significant revenue and expenses

• Financial income related to investment portfolio

Financial assets measured at FVTPL are initially measured at their fair value and changes in fair value are recognized through profit or loss. Gain and loss related to the sale of financial assets measured at FVTPL are determined as the difference between the fair value of the consideration received and the carrying amount.

• Revenue from contracts with customers

The Group recognizes revenue by applying the following 5-step approach.

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

• Income tax expense

Income tax expense consists of current and deferred tax expense, which are recognized in profit or loss, except for those arising from business combinations or recognized directly in equity and other comprehensive income. Current income tax expense is measured at the amount expected to be paid to or recovered from the taxation authorities using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

(5) Employee benefits

The present value of the defined benefit obligation and benefit cost are determined using the projected unit credit method. Changes in fair value, excluding actuarial gains and losses and interest income on plan assets, are recognized in other comprehensive income and transferred from other components of equity to retained earnings as incurred. The net present value of the defined benefit obligation less the fair value of plan assets is recognized as a liability or asset in the consolidated statement of financial position. If the calculation results in the possibility of the Group having an asset in excess of the funded status, the asset is recognized up to the present value of the future economic benefits available from the return of cash from the plan or the reduction of future contributions to the plan.

(6) Other significant policies for preparation of consolidated financial statements

① Accounting for insurance contracts

For insurance contracts and reinsurance contracts, the Group applies its accounting policy determined based on the Insurance Business Act, the Ordinance for Enforcement of the Insurance Business Act, and other Japanese accounting practices, while considering the requirements under IFRS 4 “Insurance Contracts.”

A liability adequacy test is performed in consideration of current estimates of all contractual cash flows and related cash flows such as claims handling costs at the end of each reporting period. If the test shows that the liability is inadequate, the entire deficiency is recognized in profit or loss.

② Translations of significant assets and liabilities denominated in foreign currencies

• Foreign currency translation

In preparing the financial statements of each individual Group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are translated into the respective functional currencies (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary assets and liabilities denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency shall be retranslated using the exchange rate at the date when the fair value was measured. The exchange differences arising from the retranslation were recognized in profit or loss, except for retranslation differences in financial instruments that are measured at fair value and changes in the fair value recognized in other comprehensive income and exchange differences arising from transactions for the purpose of hedging certain foreign exchange risks.

• Foreign operations

The assets and liabilities, including goodwill and fair value adjustments arising from business combinations, of all the Group entities that have a functional currency that is different from the presentation currency (foreign operations) are translated into the presentation currency using the rates of exchange prevailing at the end of each reporting period. Income and expenses of foreign operations are translated into the presentation currency at the average exchange rates. Exchange differences are recognized as other comprehensive income.

③ Financial liabilities designated at FVTPL

An irrevocable election to measure financial liabilities at FVTPL may be made at initial recognition if the contract contains one or more embedded derivatives and the host contract is a hybrid contract where the host contract is a financial liability, or if designation as FVTPL eliminates or significantly reduces an accounting mismatch that would otherwise arise. The amount of the change in the fair value of the financial liability attributable to changes in the credit risk of the liability is recognized in other comprehensive income and the remaining change in the fair value of the liability is recognized in profit or loss.

NOTES TO ACCOUNTING ESTIMATES

In the preparation of the Group's consolidated financial statements in accordance with IFRSs, management of the Company is required to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period of the change and subsequent future periods.

The following notes include information on accounting estimates and judgments that have a significant effect on the amounts recognized in the consolidated financial statements.

- Fair value measurements of operational investment securities

The details are described in "SIGNIFICANT ACCOUNTING POLICIES 4. Summary of accounting policies (1) Valuation standards and methods of significant assets ① Valuation standards and methods of financial assets (a) Classification and measurement of financial assets" and "NOTES TO FINANCIAL INSTRUMENTS 2. Fair value determination of financial instruments."

The balance of operational investment securities in the consolidated statement of financial position as at March 31, 2023 was 581,364 million yen.

- Fair value measurements and impairment on trade and other accounts receivable

The details are described in "SIGNIFICANT ACCOUNTING POLICIES 4. Summary of accounting policies (1) Valuation standards and methods of significant assets ① Valuation standards and methods of financial assets (b) Impairment of financial assets" and "NOTES TO FINANCIAL INSTRUMENTS 2. Fair value determination of financial instruments."

The balance of trade and other accounts receivable in the consolidated statement of financial position as at March 31, 2023 was 10,447,026 million yen.

- Impairment on intangible assets

The details are described in "SIGNIFICANT ACCOUNTING POLICIES 4. Summary of accounting policies (1) Valuation standards and methods of significant assets ② Valuation standards and methods of non-financial assets • Impairment of non-financial assets."

The balance of intangible assets in the consolidated statement of financial position as at March 31, 2023 was 366,040 million yen.

- Insurance contract liabilities

In the life insurance business, the Group records insurance contract liabilities by estimating the present value of all cash flows generated from insurance contracts using the assumptions at initial recognition.

The prerequisite conditions include discount rates (interest rates), mortality rates, morbidity rates, renewal rates, expense and commission, etc. In the case where increases in mortality rates, morbidity rates, expense and commission are expected, future net income and equity are expected to decrease due to the increase in future cash outflows. In the case where the liability adequacy test reveals that insurance contract liabilities are insufficient for the amount of reserves determined based on the prerequisite conditions at initial recognition, it may be necessary to recognize the effects for the period of increasing insurance contract liabilities at the end of each reporting period.

The balance of insurance contract liabilities in the consolidated statement of financial position as at March 31, 2023 was 157,381 million yen.

- Recoverability of deferred tax assets

A deferred tax asset is recognized for the unused carryforward tax losses, unused tax credits and expected deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the unused carryforward tax losses, unused tax credits and expected deductible temporary differences can be utilized. The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting period. The Group reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilized.

The balance of deferred tax assets in the consolidated statement of financial position as at March 31, 2023 was 15,787 million yen.

Although the impact of the new coronavirus infections on the economy and corporate activities has largely subsided, the Group assumes that the impact on the credit risk of trade and other accounts receivables will continue. Based on these assumptions and reasonable and supportable information available, the Group measures expected credit losses by grouping based on credit risk characteristics.

NOTES TO CONSOLIDATED STATEMENT OF FINANCIAL POSITION

1. Pledged assets and related liabilities

(1) Pledged assets consisted of the following:

Cash and cash equivalents	1,461 Millions of Yen
Trade and other accounts receivable	917,168 Millions of Yen
Other investment securities	274,486 Millions of Yen

of which: financial instruments pledged as collateral (*1)	222,987 Millions of Yen
Investment properties	67,476 Millions of Yen
Property and equipment	12,764 Millions of Yen
Other assets	33,264 Millions of Yen
<u>Total</u>	<u>1,306,619 Millions of Yen</u>

Note:

(*1) Collateral that the transferees are permitted to sell or repledge.

(2) The assets above were pledged as collateral for:

Bonds and loans payable	522,927 Millions of Yen
Customer deposits for banking business	1,249 Millions of Yen
Other financial liabilities	220,100 Millions of Yen
Other liabilities	10 Millions of Yen
<u>Total</u>	<u>744,286 Millions of Yen</u>

2. Accumulated depreciation and accumulated impairment loss of property and equipment:

63,197 Millions of Yen

NOTES TO CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

1. Number and class of issued shares as of March 31, 2023

Common shares	272,358,290 shares
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2. Dividends

(1) Dividend paid

Dividend approved at the Board of Directors meeting on June 29, 2022

• Dividend amount	29,424 Millions of Yen
• Amount per share	120 Yen
• Record date	March 31, 2022
• Effective date	June 30, 2022

Dividend approved at the Board of Directors meeting on November 30, 2022

• Dividend amount	8,167 Millions of Yen
• Amount per share	30 Yen
• Record date	September 30, 2022
• Effective date	December 19, 2022

(2) Dividend whose record date fell in the year ended March 31, 2023, and whose effective date will be in the year ending March 31, 2024

Dividend approved at the Board of Directors meeting on May 12, 2023

• Dividend amount	32,680 Millions of Yen
• Amount per share	120 Yen
• Record date	March 31, 2023
• Effective date	June 9, 2023

3. Number and class of shares for stock acquisition rights, for which the commencement date of the exercise period has arrived, as of March 31, 2023

Common shares related to:

Stock options	1,287,100 shares
Convertible bonds	39,567,668 shares

NOTES TO FINANCIAL INSTRUMENTS

1. Group policy and risk management system for financial instruments

The Group engages in a wide range of finance related businesses, such as financial services business (securities business, banking business, insurance business and other financial services business), asset management business, investment business and crypto asset business, to avoid excessive concentration of risk on specific entities or businesses. To operate these businesses, the Group raises funds through indirect financing such as bank borrowings, direct financing such as bond issuance and equity financing, transactions with securities financing companies, and receiving customer deposits for banking business. The Group also considers the market environment and maintains an appropriate strategy for short and long term financing.

The Group conducts trading of derivative instruments including foreign currency forward contracts, currency options, interest rate swaps, index futures and margin trading. The Group enters into foreign currency forward contracts, currency options and interest rate swap transactions primarily to provide products and services to customers and for hedge purposes. Index futures are entered into for the purpose of day trading. There are limits on the size of these transactions and the amount of risk held.

In order to maintain financial strength and appropriate operational procedures, it is the Group's basic policy of risk management to identify and analyze various risks relevant to the Group entities and strive to carry out integral risk management using appropriate methods.

2. Fair value determination of financial instruments

Fair values of financial assets and financial liabilities are determined as follows:

Cash and cash equivalents

Carrying amounts approximate the fair values due to their short-term maturities.

Trade and other accounts receivable

The fair values are determined based on the future cash inflows discounted using interest rates adjusted for the period to maturity and credit risk. The carrying amounts of those with short-term maturities are deemed to be fair values as the carrying amounts approximate fair values.

Assets and liabilities related to securities business

With respect to loans on margin transactions included in margin transaction assets, the carrying amounts approximate the fair values as the interest rates of the loans are floating rates and reflect the market interest rate within a short period. The carrying amounts of assets and liabilities related to the securities business, except for loans on margin transactions, approximate the fair values as those assets and liabilities are settled within a short period.

With respect to trading assets and trading liabilities, the fair values of listed securities and listed derivatives are estimated based on prices quoted on stock exchanges or prices quoted by correspondent financial institutions. The fair value of securities and derivatives with no quoted prices is estimated using valuation techniques such as the discounted present value method and the Black Scholes model, depending on the type of transaction and the period to maturity.

Operational investment securities and Other investment securities

The fair values of listed equity securities are determined based on the quoted market prices in the stock exchange. The fair values of unlisted equity securities, bonds with share options and stock warrants are determined using valuation models appropriate in the circumstances including discounted cash flow analysis, pricing analysis with reference to comparable industry prices, analysis based on revenues, profits, net assets and the recent transaction price between independent third parties. The fair values of bonds are determined using reasonable valuation techniques based on available information such as Reference Statistical Prices and quoted price provided by the financing banks. The fair values of investments in funds are determined at the fair values of partnership net assets based on the Group's percentage share in the contributed capital, if such fair values are available.

Other financial assets and Other financial liabilities

With respect to other financial assets and other financial liabilities, the fair values of derivative instruments are based on the prices quoted on stock exchanges, discounted present value or option valuation models, etc. The carrying amounts of those with short-term maturities are deemed to be fair values as the carrying amounts approximate fair values.

Bonds and loans payable and Trade and other accounts payable

With respect to those with floating interest rates, carrying amounts are deemed to be fair values as the interest rates of the bonds and loans, and trade and other accounts payable reflect the market interest rate within a short period and as the credit condition of companies that obtained them are not expected to change significantly. With respect to those with fixed interest rates, the fair values are determined based on the future cash outflows discounted using interest rates adjusted for remaining periods and credit risk or discounted using interest rates with reference to similar types of new loans or lease transactions. For those for which a market price exists, the fair value is determined based on quoted market prices.

For the bonds payable and loans payable with short-term maturities, carrying amounts are deemed to be fair values because the carrying amounts approximate fair values.

For financial liabilities designated at FVTPL, fair value is estimated using primarily the same methods as in "Other financial assets and other financial liabilities".

Customer deposits for banking business

The fair values of demand deposits are determined at the carrying amounts which are the amounts paid on demand at the reporting date. The fair values of time deposits and certificates of deposit are determined based on the future cash outflows discounted using interest rates adjusted for the period to maturity and credit risk. However, for the deposits with short-term maturities, carrying values are deemed to be fair values because the carrying amounts approximate fair values.

For financial liabilities designated at FVTPL, fair value is estimated using primarily the same methods as in "Other financial assets and other financial liabilities".

3. Classification and fair value of financial instruments

Classification and fair value of financial assets were as follows:

	Carrying Amount				Total	Fair value
	Financial assets measured at FVTPL	Equity instruments measured at FVTOCI	Debt instruments measured at FVTOCI	Financial assets measured at amortized cost		
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen		
Trade and other accounts receivable	668,906	—	—	9,778,120	10,447,026	10,487,471
Assets related to securities business	270,741	—	—	4,246,541	4,517,282	4,517,282
Other financial assets	244,987	—	—	274,964	519,951	520,110
Operational investment securities	581,364	—	—	—	581,364	581,364
Other investment securities	696,957	29,896	817,621	453,382	1,997,856	1,997,859
Total	2,462,955	29,896	817,621	14,753,007	18,063,479	18,104,086

Classification and fair value of financial liabilities were as follows:

	Carrying Amount			Total	Fair value
	Financial liabilities measured at FVTPL	Financial liabilities designated at FVTPL	Financial liabilities measured at amortized cost		
	Millions of Yen	Millions of Yen	Millions of Yen		
Bonds and loans payable	—	52,020	3,628,335	3,680,355	3,671,109
Trade and other accounts payable	5,482	—	480,546	486,028	486,027
Liabilities related to securities business	85,025	—	3,803,224	3,888,249	3,888,249
Customer deposits for banking business	—	264,262	11,208,061	11,472,323	11,470,108
Other financial liabilities	322,116	—	273,034	595,150	595,150
Total	412,623	316,282	19,393,200	20,122,105	20,110,643

4. Categorization within the level of the fair value hierarchy

“IFRS 13 Fair Value Measurement” requires measurement of fair value to be categorized into three levels with reference to the fair value hierarchy that reflects the significance of the inputs used in making fair value measurements.

The fair value hierarchy is defined as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level of hierarchy used in fair value measurement is determined at the lowest level with relevant significant inputs to the measurement.

A transfer between levels of the hierarchy is recognized at the date when the cause of the transfer or change in circumstances occurs.

The table below presents the assets and liabilities measured at the fair values in the consolidated statement of financial position of the Group.

	Level 1	Level 2	Level 3	Total
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Trade and other accounts receivable	—	72,146	596,760	668,906
Assets related to securities business	173,066	92,097	5,578	270,741
Other financial assets	26	227,839	17,122	244,987
Operational investment securities and other investment securities				
Financial assets measured at FVTPL	74,775	260,772	942,774	1,278,321
Equity instruments measured at FVTOCI	27,045	248	2,603	29,896
Debt instruments measured at FVTOCI	580,166	164,332	73,123	817,621
Total	<u>855,078</u>	<u>817,434</u>	<u>1,637,960</u>	<u>3,310,472</u>
Bonds and loans payable	—	—	52,020	52,020
Trade and other accounts payable	—	—	5,482	5,482
Liabilities related to securities business	48,289	32,367	4,369	85,025
Customer deposits for banking business	—	118,322	145,940	264,262
Other financial liabilities	219	279,900	41,997	322,116
Total	<u>48,508</u>	<u>430,589</u>	<u>249,808</u>	<u>728,905</u>

The table below presents the assets and liabilities not measured at the fair values in the consolidated statement of financial position of the Group.

	Level 1	Level 2	Level 3	Total
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Trade and other accounts receivable	—	5,570,739	4,247,826	9,818,565
Assets related to securities business	—	4,246,541	—	4,246,541
Other financial assets	—	255,319	19,804	275,123
Operational investment securities and other investment securities	121,967	45,512	285,906	453,385
Total	<u>121,967</u>	<u>10,118,111</u>	<u>4,553,536</u>	<u>14,793,614</u>
Bonds and loans payable	—	2,856,192	762,897	3,619,089
Trade and other accounts payable	—	480,545	—	480,545
Liabilities related to securities business	—	3,803,224	—	3,803,224
Customer deposits for banking business	—	7,859,376	3,346,470	11,205,846
Other financial liabilities	—	273,034	—	273,034
Total	<u>—</u>	<u>15,272,371</u>	<u>4,109,367</u>	<u>19,381,738</u>

5. Assets and liabilities categorized as Level 3

Based on the valuation methods and policies as reported to the board of directors, external evaluating agencies and appropriate individuals of the Group measure and analyze the valuation of assets and liabilities categorized as Level 3 of

the fair value hierarchy. The valuation results are reviewed and approved by CFO and General Manager of the Accounting and Financial Division.

The valuation techniques and unobservable inputs used for recurring and non-recurring fair value measurements of assets and liabilities categorized as Level 3 are as follows:

	Valuation Technique	Unobservable Input	Range
Trade and other accounts receivable	Income approach	Discount rate	0.6% – 16.9%
		Recovery rate	0.0% – 100.0%
Assets related to securities business	Market approach	Stock volatility	12.2% – 71.4%
		Correlation (Foreign Exchange/Interest Rate)	(4.4%) – 4.7%
		Correlation (Interest Rate/Interest Rate)	29.0% – 85.0%
Other financial assets	Market approach	Correlation (Foreign Exchange/Interest Rate)	8.0% – 38.0%
		Discount rate	0.8% – 1.2%
	Income approach	Prepayment rates	0.1% – 14.2%
		Probability of default	0.4% – 0.7%
		Recovery rate	0.0% – 74.0%
		Discount rate	0.3% – 65.0%
Operational investment securities and other investment securities	Market approach, cost approach and income approach	P/E ratio	1.5 – 45.2
		EBITDA ratio	25.0 – 40.0
		Illiquidity discount	10.0% – 25.0%
		Prepayment rates	0.0% – 27.5%
		Probability of default	0.0% – 2.6%
		Recovery rate	0.0% – 100.0%
Bonds and loans payable	Income approach	Discount rate	0.0% – 0.2%
Trade and other accounts payable	Income approach	Discount rate	0.8%
		Stock volatility	
Liabilities related to securities business	Market approach	Correlation (Foreign Exchange/Interest Rate)	12.2% – 71.4%
			(4.4%) – 4.7%
Customer deposits for banking business	Income approach	Discount rate	0.0% – 0.2%
		Correlation (Interest Rate/Interest Rate)	29.0% – 85.0%
Other financial liabilities	Market approach	Correlation (Foreign Exchange/Interest Rate)	8.0% – 38.0%
		Recovery rate	35.0% – 74.0%
	Income approach		

The fair value of assets and liabilities categorized as Level 3 that is measured at fair value on a recurring basis increases (decreases) when the discount rate decreases (increases), when the recovery rate increases (decreases), when the stock volatility increases (decreases), depending on the nature of the underlying asset due to changes in the correlation coefficient, when the prepayment rate decreases (increases), when the probability of default decreases (increases), when the P/E ratio increases (decreases), when the EBITDA ratio increases (decreases), or when the illiquidity discount decreases (increases).

With respect to the assets and liabilities categorized as Level 3, no significant impact on the fair values is assumed even if one or more of the unobservable inputs were changed to reasonably possible alternative assumptions.

The movement of assets and liabilities categorized as Level 3 measured at fair value on a recurring basis is presented as follows:

	Assets						
	Operational investment securities and other investment securities			Total	Trade and other accounts receivable	Assets related to securities business	Other financial assets
	Financial assets measured at FVTPL	Equity instruments measured at FVTOCI	Debt instruments measured at FVTOCI				
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Balance as at April 1, 2022	848,015	2,555	73,325	923,895	497,355	10,874	10,806
Acquisitions through business combinations	366	—	—	366	6,269	—	6,447
Purchase and issuance	229,016	—	8,220	237,236	274,167	—	—
Comprehensive income							
Net profit (*1)	38,532	—	5,315	43,847	8,932	(1,156)	3,526
Other comprehensive income	—	123	(578)	(455)	—	—	—
Dividends	(13,332)	—	—	(13,332)	—	—	—
Sale or redemption	(140,570)	(79)	(13,159)	(153,808)	—	(3,800)	—
Settlements	—	—	—	—	(189,963)	(303)	(3,657)
Currency translation differences	6,926	4	—	6,930	—	—	—
Others	(736)	—	—	(736)	—	—	—
Transferred from Level 3 (*2)	(25,443)	—	—	(25,443)	—	(37)	—
Balance as at March 31, 2023	942,774	2,603	73,123	1,018,500	596,760	5,578	17,122

	Liabilities				
	Bonds and loans payable	Trade and other accounts payable	Liabilities related to securities business	Customer deposits for banking business	Other financial liabilities
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Balance as at April 1, 2022	53,369	21,277	3,669	138,493	15,952
Acquisitions through business combinations	—	—	—	—	6,269
Purchase and issuance	—	—	—	1,000	—
Comprehensive income					
Net profit (*1)	(870)	(6,540)	888	7,107	21,195
Other comprehensive income	21	—	—	40	—
Settlements	(500)	—	(188)	(700)	(1,419)
Currency translation differences	—	8	—	—	—
Others	—	(9,263)	—	—	—
Balance as at March 31, 2023	52,020	5,482	4,369	145,940	41,997

Note:

(*1) Gains and losses recognized as profit (loss) for the period are included in “Revenue” in the consolidated statement of income. Gains and losses recognized from assets measured at FVTPL held as at March 31, 2023 were ¥26,680 million of gains.

(*2) Transfer due to significant input used to measure the fair value becoming observable.

NOTES TO RENTAL PROPERTIES, ETC.

1. Status of rental properties, etc.

Certain consolidated subsidiaries have buildings, etc. (including land) for rent in Tokyo and other areas.

2. Fair value of rental properties, etc.

Amount recorded in the consolidated statement of financial position	Fair value
72,124 Millions of Yen	77,770 Millions of Yen

Note:

(*1) The amount recorded in the consolidated statement of financial position is the acquisition cost less accumulated depreciation.

(*2) The fair value as at the end of the reporting period is based on a valuation conducted by independent valuation appraisers with appropriate qualifications, who have had recent experience in local practice for relative categories of assets.

NOTES TO PER SHARE INFORMATION

Equity per share attributable to owners of the Company	3,722.80 Yen
Basic earnings per share attributable to owners of the Company	132.19 Yen

NOTES TO REVENUE RECOGNITION

Revenue consisted of the following:

Fiscal Year ended
March 31, 2023

	Millions of Yen
Revenue	
Financial income	
Interest income	
Income arising from financial assets measured at amortized cost (*1)	396,530
Income arising from debt instruments measured at FVTOCI (*2)	7,882
Income arising from financial assets measured at FVTPL	61,845
Income arising from financial liabilities designated at FVTPL	(244)
Others	24,029
Total financial income	490,042
Revenue arising on insurance contracts	122,119
Revenue from contracts with customers	
Revenue from rendering of services	185,461
Revenue from sales of goods	48,854
Others	152,083
Total revenue	998,559

Note:

(*1) The amount mainly consists of interest income arising from bonds held in the banking business and from loans in the banking and securities businesses.

(*2) The amount mainly consists of interest income arising from bonds in the banking and insurance businesses.

1. Disaggregation of revenue

Revenue from contracts with customers consisted of the following: Revenue from rendering of services mainly includes brokerage commission in the securities business. Brokerage commission relates to transactions in which the Group acts as an agent in the transaction rather than a principal. The revenue is recognized when the Group satisfies its performance obligations upon completion of services. Revenue from sales of goods includes revenue arising from the sale of aircraft, pharmaceutical products, supplements, and cosmetics. Revenue from sales of goods is recognized when a performance obligation is satisfied by transferring promised goods to a customer upon delivery, shipment or customer acceptance of goods depending upon the terms of the contract.

	Financial Services Business	Asset Management Business	Investment Business	Crypto-asset Business	Non- Financial Business	Total	Elimination or Corporate	Consolidated Total
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Revenue from contracts with customers								
Revenue from rendering of services	154,582	20,298	6,354	27	10,820	192,081	(6,620)	185,461
Revenue from sales of goods	5,583	—	31,369	—	12,204	49,156	(302)	48,854
Total	160,165	20,298	37,723	27	23,024	241,237	(6,922)	234,315

2. Contract balance

The balance of trade receivables from contract with customers and contract liabilities were as follows:

	Balance as at April 1, 2022	Balance as at March 31, 2023
	Millions of Yen	Millions of Yen
Trade receivables from contract with customers	10,385	10,247
Contract liabilities	5,876	5,136

Contract liabilities consist primarily of the balance of annual membership fee income in the card business for which the performance obligation has not been satisfied as of the end of the period.

Of the revenue recognized during the year ended March 31, 2023, ¥5,876 million was included in the balance of contract liabilities as at April 1, 2022.

NOTES TO SIGNIFICANT SUBSEQUENT EVENT

SBI Holdings, Inc. (“SBIHD”) and SBI Regional Bank Holdings Co., Ltd. (the “Tender Offeror”; together with SBIHD, the “SBIHD Parties”) each determined at their respective board of directors meetings held on May 12, 2023 to acquire the common shares of SBI Shinsei Bank, Limited (the “Target Company”, and the common shares thereof, the “Target Company Shares”) through a tender offer (the “Tender Offer”) pursuant to the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended).

1. Purpose of the Tender Offer

In order to further strengthen the strategies of the entire group as well as to promptly and flexibly implement the various initiatives and measures, the SBIHD Parties believe that it is necessary to further enhance the alliance of the Target Company Group and each company in the SBIHD Group, to optimize allocation of management resources in the entire group, and to utilize each company’s resource assets by strategically combining them across the group. The SBIHD Parties plan to do this by taking the Target Company private and believe that it is the optimum choice for continued enhancement of the corporate value of the SBIHD Group, including the Target Company Group, to promptly and flexibly implement decision-making by each company of the SBIHD Group, including the Target Company Group, concerning initiatives and measures across the group, and to continuously ensure the Target Company will not become an institutional bank and actively conduct transactions with the SBIHD Group that may lead to the mid- and long-term growth of the entire SBIHD Group, including the Target Company Group, for which conservative decisions tended to be made from the perspective of protecting the interests of the Target Company’s minority shareholders (such as finance to the SBIHD Parties’ investee companies, provision of services, co-financing, and assumption of joint financial advisors of M&A transactions by the SBIHD Group and the Target Company Group).

2. Outline of the Target Company

(1) Name	SBI Shinsei Bank, Limited
(2) Address	2-4-3, Nihonbashi-muromachi, Chuo-ku, Tokyo
(3) Name and position of representative	Katsuya Kawashima, Representative Director, President
(4) Stated capital	512,204 million yen (as of March 31, 2023)

3. Outline of the Tender Offer

The Tender Offeror is a stock company established on August 25, 2015 mainly for the purpose of increasing the profitability of regional financial institutions and thereby enhancing their corporate value by directly investing in regional financial institutions while utilizing the products, services, and know-how held by the companies belonging to the SBIHD Group and the SBIHD Group’s investee companies. As of the commencement date of the Tender Offer, the Tender Offeror’s issued shares are all owned by SBI Holdings, Inc. As of the commencement date of the Tender Offer, the Tender Offeror owns 102,159,999 shares (ownership ratio: 50.04%) of the Target Company’s common stock and has made the Target Company its consolidated subsidiary. In addition, as of the commencement date of the Tender Offer, SBIHD owns no Target Company Shares directly.

The SBIHD Parties decided that the Tender Offeror will implement the Tender Offer as part of the transaction whose purpose is privatization by which the Tender Offeror, the Deposit Insurance Corporation of Japan (the “DIC”) (number of shares owned: 26,912,888 shares; ownership ratio: 13.18%), and The Resolution and Collection Corporation (“RCC”) (number of shares owned: 20,000,000 shares; ownership ratio: 9.80%) will become the only shareholders of the Target Company through the acquisition of all of the Target Company Shares (excluding the Target Company Shares owned by the Tender Offeror, the treasury shares owned by the Target Company, and the Target Company Shares owned by the DIC and RCC).

- | | | |
|-----|---|--|
| (1) | Tender Offer Period at the Time of Filing | Monday, May 15, 2023 to Friday, June 23, 2023 (30 business days) |
| (2) | Price for Purchase, etc. | 2,800 yen per share of common shares |
| (3) | Purchase Price | 154,201,835,200 yen |
| (4) | Commencement Date of Settlement | Friday, June 30, 2023 |

4. Impact on consolidated financial statements

The effect on the consolidated financial statements for the current fiscal year, assuming that all of the number of shares of the Target Company to be purchased in the Tender Offer (55,072,084 shares) were acquired at the end of the current fiscal year, would be an increase of 101,612 million yen in capital surplus and a decrease of 255,814 million yen in noncontrolling interest.

FINANCIAL STATEMENTS
(1) Balance Sheet

	As at March 31, 2023
	<u>Millions of Yen</u>
Assets	
Current assets	
Cash and deposits	102,918
Accounts receivable-trade	1,396
Operational investment securities	50,488
Supplies	66
Prepaid expenses	795
Operational loans receivable	4,551
Short-term loans receivable	322,624
Others	17,595
Allowance for doubtful accounts	(30,851)
Total current assets	<u>469,582</u>
Non-current assets	
Property and equipment	
Buildings	477
Structures	7
Vehicles	7
Tools and fixtures	204
Total property and equipment	<u>695</u>
Intangible assets	
Patents	272
Trademark	1
Software	2,057
Telephone rights	5
Total intangible assets	<u>2,335</u>
Investments and other assets	
Investment securities	5,600
Stocks of subsidiaries and associates	1,016,647
Investments in other securities of subsidiaries and associates	16,492
Bonds of subsidiaries and associates	1,900
Lease and guarantee deposits	2,671
Others	4,738
Allowance for doubtful accounts	(668)
Total investments and other assets	<u>1,047,380</u>
Total non-current assets	<u>1,050,410</u>
Deferred charges	
Bond issuance costs	1,742
Total deferred charges	<u>1,742</u>
Total assets	<u>1,521,734</u>

	As at March 31, 2023
	<u>Millions of Yen</u>
Liabilities	
Current liabilities	
Short-term loans payable	40,000
Current portion of bonds payable	175,188
Current portion of long-term loans payable	21,500
Accounts payable	9,601
Accrued expenses	2,344
Advances received	4
Deposits received	51
Provision for bonuses	253
Provision for bonuses for directors	515
Others	53,989
Total current liabilities	<u>303,445</u>
Non-current liabilities	
Bonds payable	634,079
Long-term loans payable	89,862
Deferred tax liabilities	8,714
Asset retirement obligation	145
Long-term deposits received	8,942
Total non-current liabilities	<u>741,742</u>
Total liabilities	<u>1,045,187</u>

	As at March 31, 2023
	<u>Millions of Yen</u>
Net assets	
Shareholders' equity	
Capital stock	139,272
Capital surplus	
Legal capital surplus	184,384
Other capital surplus	97,017
Total capital surplus	<u>281,401</u>
Retained earnings	
Other retained earnings	
Retained earnings brought forward	50,620
Total retained earnings	<u>50,620</u>
Treasury stock	<u>(76)</u>
Total shareholders' equity	<u>471,217</u>
Valuation and translation adjustments	
Unrealized gains on available-for-sale securities	<u>1,190</u>
Total valuation and translation adjustments	<u>1,190</u>
Stock acquisition rights	<u>4,140</u>
Total net assets	<u>476,547</u>
Total liabilities and net assets	<u><u>1,521,734</u></u>

(2) Statement of Income

	Fiscal Year ended March 31, 2023
	Millions of Yen
Net sales	71,943
Cost of sales	14,605
Gross profit	57,338
Selling, general and administrative expenses	17,091
Operating income	40,247
Non-operating income	
Interest income	4,271
Dividend income	130
Others	213
Total non-operating income	4,614
Non-operating expense	
Interest expense	7,302
Amortization of bond issuance costs	661
Foreign exchange losses	2,379
Provision of allowance for doubtful accounts	5,591
Commission fee	779
Others	282
Total non-operating expense	16,994
Ordinary income	27,867
Extraordinary income	
Gain on sales of stocks of subsidiaries and associates	29,328
Others	0
Total extraordinary income	29,328
Extraordinary expense	
Loss on valuation of stocks of subsidiaries and associates	3,823
Others	68
Total extraordinary expense	3,891
Income before income taxes	53,304
Income taxes-current	1,983
Income taxes-deferred	589
Total income taxes	2,572
Net income	50,732

(3) Statement of Changes in Net Assets

	Shareholders' Equity							
	Capital stock	Capital surplus			Retained earnings		Treasury stock	Total
		Legal capital surplus	Other capital surplus	Total	Other retained earnings	Total		
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	
As at April 1, 2022	99,312	144,424	97,017	241,441	37,478	37,478	(62)	378,169
Issuance of new shares	39,960	39,960	—	39,960	—	—	—	79,920
Dividends paid	—	—	—	—	(37,590)	(37,590)	—	(37,590)
Net income	—	—	—	—	50,732	50,732	—	50,732
Treasury shares purchased	—	—	—	—	—	—	(16)	(16)
Treasury shares sold	—	—	0	0	—	—	2	2
Net changes other than shareholders' equity	—	—	—	—	—	—	—	—
Total changes during the year	39,960	39,960	0	39,960	13,142	13,142	(14)	93,048
As at March 31, 2023	139,272	184,384	97,017	281,401	50,620	50,620	(76)	471,217

	Valuation and Translation Adjustments		Stock Acquisition Rights	Total Net Assets
	Unrealized gains on available-for-sale securities	Total		
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
	As at April 1, 2022	7,128	7,128	1,941
Issuance of new shares	—	—	—	79,920
Dividends paid	—	—	—	(37,590)
Net income	—	—	—	50,732
Treasury shares purchased	—	—	—	(16)
Treasury shares sold	—	—	—	2
Net changes other than shareholders' equity	(5,938)	(5,938)	2,199	(3,739)
Total changes during the year	(5,938)	(5,938)	2,199	89,309
As at March 31, 2023	1,190	1,190	4,140	476,547

NOTES TO THE FINANCIAL STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES

1. Valuation standards and methods of assets

(1) Stocks of subsidiaries and associates

Cost determined by the moving-average cost method

(2) Available-for-sale securities (including operational investment securities)

- Securities other than stocks with no market prices, etc.

At fair value, with unrealized gains and losses, net of applicable taxes, reported as a separate component of net assets. The cost of securities sold is determined based on the moving-average cost method.

- Stocks with no market prices, etc.

At cost determined by the moving-average cost method

(3) Investment in funds

For the investments in funds which are categorized as subsidiaries, the Company's proportionate share in the net assets of those funds are calculated based on the provisional financial statements of the funds as at the Company's year end and are presented as "investments in other securities of subsidiaries and associates" (non-current assets). For the investments in funds which are not categorized as subsidiaries, the Company's proportionate share in the net assets of those funds is calculated based on the funds' annual financial statements or interim financial statements and is presented in "operational investment securities" (current assets).

2. Depreciation method of depreciable assets

(1) Property and equipment

Depreciation is computed using the declining-balance method, while the straight-line method is applied to facilities attached to buildings and to structures acquired on and after April 1, 2016. The range of useful lives is principally from 3 to 18 years for buildings, 50 years for structures, from 3 to 20 years for tools and fixtures, and 6 years for vehicles.

(2) Intangible assets

Intangible assets are amortized using the straight-line method. Software used for internal purposes is amortized using the straight-line method over its estimated useful life (5 years).

3. Recognition and measurement of significant provisions and allowances

(1) Allowance for doubtful accounts

Allowance for doubtful accounts is provided based on the Company's past credit loss experience. Allowance for doubtful accounts for outstanding receivables deemed to be uncollectable is provided based on the estimated loss on an individual basis.

(2) Provision for bonuses

To prepare for the payment of bonuses to employees, the Company records the estimated amount of bonus payments deemed to have been incurred in the current fiscal year.

(3) Provision for bonuses for directors

To prepare for the payment of bonuses to directors, an allowance is provided based on the estimated amount to be paid in the current fiscal year.

4. Recognition of revenue and expenses

(1) Net sales and cost of sales

Net sales principally consist of revenue from operational investment securities and dividend income, and revenue from contracts with customers, etc. Cost of sales principally consists of the cost of operational investment securities.

(2) Revenue and cost of operational investment securities

Revenue from operational investment securities consists of proceeds from the sale of operational investment securities and securities held by funds and interest and dividend income from these securities. Cost of operational investment securities consists of the carrying value on the sale of operational investment securities and securities held by funds, fees related to securities transactions, and write-downs of operational investment securities and securities held by funds.

(3) Dividend income

Dividends from subsidiaries and associates are recorded as dividend income which is included in net sales in the statement of income.

(4) Revenue from contracts with customers

The Company recognizes revenue by applying the following 5-step approach.

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The Company earns commission income mainly from businesses that provide various services, such as financial services, on the websites it operates. The Company recognizes this revenue at the time the information on the products of the service providers is posted on the website and the performance obligation is fulfilled when a visitor to the website makes a request for a quote.

5. Other significant accounting policies for financial statements

(1) Deferred charges

Bond issuance costs

Bond issuance costs are amortized over the bond term using the straight-line method.

(2) Translations of significant assets and liabilities denominated in foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into Japanese yen using the exchange rates at the balance sheet date. The resulting translation gain or loss is recognized in income statement.

(3) Accounting for investments in funds

As for the investments in funds categorized as subsidiaries, the Company's proportionate share in the net assets and revenue/expenses of those funds are calculated based on the provisional financial statements of the funds as at the Company's year end and are presented as "Investment in other securities of subsidiaries and associates" (non-current assets) and revenue/expenses. For investments in funds which are not categorized as subsidiaries, the Company's proportionate share in the net assets and revenue/expenses of those funds are calculated based on the funds' annual financial statements or interim financial statements and are presented in "Operational investment securities" (current assets) and revenue/expenses.

(4) Accounting for consumption tax

Nondeductible consumption taxes are recorded as selling, general and administrative expenses.

NOTES TO CHANGES IN ACCOUNTING POLICIES

Adoption of Implementation Guidance on Accounting Standard for Fair Value Measurement

The Company has applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021; hereinafter referred to as the "Fair Value Measurement Implementation Guidance") from the beginning of the current fiscal year. In accordance with the transitional treatment prescribed in Paragraph 27-2 of the Fair Value Measurement Implementation Guidance, the Company decided to prospectively apply the new accounting policy prescribed in the Fair Value Measurement Implementation Guidance. This change has no impact on the financial statements.

NOTES TO REVENUE RECOGNITION

Information that provides a basis for understanding revenue from contracts with customers is described in “SIGNIFICANT ACCOUNTING POLICIES 4. Recognition of revenue and expenses”.

NOTES TO ACCOUNTING ESTIMATES

Valuation of shares of subsidiaries without market price

The Company, as a holding company, holds a large number of shares of subsidiaries, and recorded 1,016,647 million yen in stocks of subsidiaries and associates, which includes 892,269 million yen in shares of subsidiaries without market price. Losses on valuation of shares of subsidiaries without market price are recognized when the net asset value at the end of the fiscal year has declined by 50% or more compared to the acquisition cost. The net asset value is calculated based on the financial figures and business plans of each company. The loss on valuation of stocks of subsidiaries and affiliates of 3,823 million yen includes 3,670 million yen of loss on valuation of stocks of subsidiaries without market prices for the year ended March 31, 2023.

NOTES TO BALANCE SHEET

1. Accumulated depreciation:

	As at March 31, 2023
	<u>Millions of Yen</u>
Property and equipment	1,645

2. Guarantee obligation:

(1) Guarantees for bonds and loans payable of subsidiaries and associates 20,671 Millions of Yen

(2) Others

SBI Liquidity Market Co., Ltd., a consolidated subsidiary, enters into banking cover deals to ensure liquidity in foreign exchange margin trading. The Company entered into an agreement to provide credit and joint guarantees to the current and future obligation relating to this business which SBI Liquidity Market Co., Ltd. owes to counterparties. As at the end of the period, there was no obligation balance outstanding.

With respect to the currency margin transaction between SBI Liquidity Market Co., Ltd. and SBI SECURITIES Co., Ltd., a consolidated subsidiary of the Company, linked to the foreign exchange margin trading between SBI SECURITIES Co., Ltd., and its customers, the Company jointly guarantees limited to the amount equivalent to 70% of all obligations which SBI SECURITIES Co., Ltd. owes to SBI Liquidity Market Co., Ltd. As at the end of the period, there was no obligation balance outstanding.

3. Monetary receivables from and payables to subsidiaries and associates:

	As at March 31, 2023
	<u>Millions of Yen</u>
(1) Short-term receivables	336,311
(2) Long-term receivables	3,951
(3) Short-term payables	21,695
(4) Long-term payables	8,439

NOTES TO STATEMENT OF INCOME

Transactions with subsidiaries and associates:

	Fiscal Year ended March 31, 2023
	<u>Millions of Yen</u>
(1) Net sales	57,329
(2) Purchases	3,227
(3) Other transactions	12,365

NOTES TO STATEMENT OF CHANGES IN NET ASSETS

Class and number of treasury stock

	As at March 31, 2023
	<u>Shares</u>
Common shares	27,451

NOTES TO DEFERRED TAX ACCOUNTING

(1) Major factors resulting in deferred tax assets and liabilities

Deferred tax assets are mainly due to losses on valuation of investment securities and allowance for doubtful accounts.

Deferred tax liabilities are mainly due to deferred gains (losses) on transfer and unrealized gains on available-for-sale securities.

(2) Accounting for corporate and local income taxes or tax effect accounting related to these taxes

The Company has applied the group tax sharing system from the current fiscal year. In addition, the Company accounted for and disclosed corporate and local income taxes and tax effects related to these taxes in accordance with the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ Practical Solution No. 42, August 12, 2021).

RELATED PARTY TRANSACTIONS

Transactions with parent company and major corporate shareholders

Type	Company name	Voting rights holding ratio (%)	Relationship with related party	Transaction description	Amount (Millions of Yen)	Account name	Balance (Millions of Yen)
Major corporate shareholders	Sumitomo Mitsui Financial Group, Inc.	10	—	Issuance of new shares (*1)	79,650	—	—
Subsidiary of major corporate shareholder	Sumitomo Mitsui Banking Corporation	—	—	Borrowing (*2)	74,700	Short-term loans payable	28,000

Note:

(*1) The Company's shares were underwritten through a third-party allotment.

(*2) The interest rate for borrowing was determined based on the market interest rate.

Transactions with subsidiaries and associates

Type	Company name	Voting rights holding ratio (%)(*1)	Relationship with related party	Transaction description	Amount (Millions of Yen)	Account name	Balance (Millions of Yen)
Subsidiary	SBI FINANCIAL SERVICES Co., Ltd.	100	Interlocking directors	Finance (*2)	91,038	Short-term loans receivable	12,969
				Borrowing (*2)	35,000	Short-term loans payable	—
				Dividend in kind	30,800	—	—
Subsidiary	SBI Regional Bank Holdings Co., Ltd.	100	Interlocking directors	Finance (*2)	125,761	Short-term loans receivable	33,530
				Underwriting of capital increase	60,000	—	—
Subsidiary	SBIGK Co., Ltd.	100 (1.6)	—	Finance (*2)	19,000	Short-term loans receivable	19,000
				Return of capital	18,999	—	—
Subsidiary	SBI Nonbank Holdings Co., Ltd.	100	—	Finance (*2)	47,151	Short-term loans receivable	18,576
Subsidiary	ER17 Co., Ltd.	100	—	Finance (*2)	20,641	Short-term loans receivable	10,321
Subsidiary	SBIFS LLC	100 (100)	—	Finance (*2)	30,018	Short-term loans receivable	30,018
Subsidiary	SBI SECURITIES Co., Ltd.	100 (100)	Interlocking directors	Borrowing (*2)	110,000	Short-term loans payable	—
Subsidiary	SBI Shinsei Bank, Limited	50 (50)	—	Borrowing (*2)	30,000	Short-term loans payable	10,000
Subsidiary	SBI Capital Management Co., Ltd.	100	Interlocking directors	Finance (*2)	49,359	Short-term loans receivable	3,450
Subsidiary	SBI VEN HOLDINGS PTE. LTD.	100	Interlocking directors	Finance (*2)	20,555	Short-term loans receivable	9,241
Subsidiary	SBICM LLC	100 (100)	—	Finance (*2)	30,000	Short-term loans receivable	30,000
Subsidiary	SBI Ventures Two Co., Ltd.	100 (100)	Interlocking directors	Finance (*2)	43,480	Short-term loans receivable	18,600
Subsidiary	SBI VENTURES ASSET PTE. LTD.	100 (100)	—	Finance (*2)	23,790	Short-term loans receivable	5,545
Subsidiary	SBI Incubation Co., Ltd.	100 (79.8)	Interlocking directors	Finance (*2)	21,946	Short-term loans receivable	9,323
Subsidiary	SBI Crypto Asset Holdings Co., Ltd.	100	—	Finance (*2)	39,093	Short-term loans receivable	18,750

				Sale of investment in subsidiary and associate (*3) Proceeds from sale Gain on sale	6,775 5,369	—	—
Subsidiary	SBI ENERGY Co., Ltd.	100	—	Finance (*2, 4)	26,721	Short-term loans receivable	13,687
Subsidiary	SBI ALApharma Co., Limited	97 (97)	Interlocking directors	Finance (*2)	39,244	Short-term loans receivable	18,591
Associate	SBI Sumishin Net Bank, Ltd.	36.3	—	Receipt of dividend	15,000	—	—

Note:

(*1) The figures in parentheses represent the indirect holding ratio of voting rights.

(*2) The interest rate for finance and borrowing was determined based on the market interest rate.

(*3) The sales price of stocks of subsidiaries and associates was determined based on market price at the time of transaction.

(*4) An allowance for doubtful accounts of 11,721 million yen was provided for short-term loans receivable to SBI ENERGY Co., Ltd. In addition, a provision of allowance for doubtful accounts of 657 million yen was recorded for the current fiscal year.

NOTES TO PER SHARE INFORMATION

	Fiscal Year ended March 31, 2023
	Yen
Net assets per share	1,734.68
Net income per share	191.61
Diluted net income per share	164.70

(Note) The amounts in the financial statements are rounded to the nearest million Japanese yen.

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 25, 2023

To the Board of Directors of
SBI Holdings, Inc.:

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant:

Kunikazu Awashima

Designated Engagement Partner,
Certified Public Accountant:

Shigehiko Matsumoto

Designated Engagement Partner,
Certified Public Accountant:

Toru Harada

Opinion

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements of SBI Holdings, Inc. and its consolidated subsidiaries (the "Group"), namely, the consolidated statement of financial position as of March 31, 2023, and the consolidated statement of income and consolidated statement of changes in equity for the fiscal year from April 1, 2022 to March 31, 2023, and the related notes.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2023, and its consolidated financial performance for the year then ended in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under Designated International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for

the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under Designated International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under Designated International Financial Reporting Standards.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under Designated International Financial Reporting Standards, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader.

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 25, 2023

To the Board of Directors of
SBI Holdings, Inc.:

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant:

Kunikazu Awashima

Designated Engagement Partner,
Certified Public Accountant:

Shigehiko Matsumoto

Designated Engagement Partner,
Certified Public Accountant:

Toru Harada

Opinion

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the nonconsolidated financial statements of SBI Holdings, Inc. (the "Company"), namely, the nonconsolidated balance sheet as of March 31, 2023, and the nonconsolidated statement of income and nonconsolidated statement of changes in net assets for the 25th fiscal year from April 1, 2022 to March 31, 2023, and the related notes and the accompanying supplemental schedules.

In our opinion, the accompanying nonconsolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2023, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements section of our report. We are

independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information.

The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the nonconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the nonconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the nonconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Nonconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the nonconsolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of nonconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the nonconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the nonconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these nonconsolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the nonconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the nonconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the nonconsolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the nonconsolidated financial statements, including the disclosures, and whether the nonconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader.

Report by the Board of Statutory Auditors

AUDIT REPORT

With respect to the directors' performance of their duties during the 25th fiscal year (from April 1, 2022 to March 31, 2023), the Board of Statutory Auditors has prepared this audit report after deliberations based on the audit reports prepared by each Statutory Auditor, and hereby reports as follows.

1. Method and Contents of Audit by Each Statutory Auditor and Board of Statutory Auditors
 - (1) The Board of Statutory Auditors has established the audit policies, assignment of duties, etc. and received a report from each Statutory Auditor regarding the status of implementation of their audits and results thereof. In addition, the Board of Statutory Auditors has received reports from the Directors and the Accounting Auditor regarding the status of performance of their duties, and requested explanations as necessary.
 - (2) In conformity with the Statutory Auditors' auditing standards established by the Board of Statutory Auditors, and in accordance with the audit policies and assignment of duties, etc., each of the Statutory Auditors endeavored to facilitate a mutual understanding with the directors, the internal audit division, and other employees, etc., endeavored to collect information and maintain and improve the audit environment, and conducted the audit in the following manner.
 - (i) Each Statutory Auditor has attended the meetings of the Board of Directors and other important meetings, received reports on the status of performance of duties from the directors and other employees and requested explanations as necessary, examined important approval/decision documents, and inspected the status of the corporate affairs and assets at the Company's head office. With respect to subsidiaries, each Statutory Auditor endeavored to facilitate a mutual understanding and exchanged information with the directors and statutory auditors, etc. of each subsidiary and received from subsidiaries reports on their respective business as necessary.
 - (ii) In relation to (a) the contents of the Board of Directors' resolutions regarding the development and maintenance of the system to ensure that the Directors' performance of their duties described in the Business Report complied with all laws, regulations, and the Articles of Incorporation and other systems set out in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act of Japan as being necessary for ensuring the appropriateness of the corporate affairs of a joint stock company (*kabushiki kaisha*) and the corporate group consisting of its subsidiaries, and (b) the systems (internal control systems) based on those resolutions, each Statutory Auditor has regularly received reports on the structure of that system and status of operation from Directors and other employees, requested explanations as necessary, and expressed its opinion. With respect to internal controls over financial reporting, the Board of Statutory Auditors has received reports regarding assessments and the status of auditing of such internal controls from the Directors, etc. and Deloitte Touche Tohmatsu LLC and requested explanations as necessary.

- (iii) Each Statutory Auditor monitored and verified whether the Accounting Auditor maintained its independence and properly conducted its audit, received a report from the Accounting Auditor on the status of their performance of duties, and requested explanations as necessary. Each Statutory Auditor was notified by the Accounting Auditor that it had established a “system to ensure that the performance of the duties of the Accounting Auditor was properly conducted” (the matters listed in the items of Article 131 of the Ordinance of Companies Accounting) in accordance with the “Quality Control Standards for Audits” (Business Accounting Council on November 16, 2021), and requested explanations as necessary. With respect to Key Audit Matters, each Statutory Auditor consulted with Deloitte Touche Tohmatsu LLC and received reports regarding the status of performance of their audits, and requested explanations as necessary.

Based on the above-described methods, each Statutory Auditor examined the Business Report and the supplementary statements, the Non-Consolidated Financial Statements (the balance sheets, the statements of operations, the statements of changes in net assets, and the related notes) and the supplementary statements, and the Consolidated Financial Statements (the consolidated statement of financial position, the related consolidated statements of income and changes in net assets, and the related notes that were prepared in accordance with International Financial Reporting Standards with some omissions of disclosure items pursuant to the latter part of first paragraph of Article 120 of the Ordinance of Companies Accounting) for the fiscal year under consideration.

2. Results of Audit

(1) Results of Audit of Business Report, etc.

- (i) We acknowledge that the Business Report and the supplementary statements fairly present the status of the Company in conformity with the applicable laws, regulations, and the Articles of Incorporation.
- (ii) We acknowledge that no misconduct or material fact constituting a violation of laws, regulations, or the Articles of Incorporation was found with respect to the Directors' performance of their duties.
- (iii) We acknowledge that the Board of Directors' resolutions with respect to the internal control systems are appropriate. We did not find any matter in the Business Report or the Directors' performance of their duties concerning the internal control systems that required mentioning.

(2) Results of Audit of the Non-Consolidated Financial Statements and the Supplementary Statements

We acknowledge that the methods and results of audit performed by the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are appropriate.

(3) Results of Audit of the Consolidated Financial Statements

We acknowledge that the methods and results of audit performed by the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are appropriate.

May 29, 2023

The Board of Statutory Auditors of SBI Holdings, Inc.

Standing Outside Statutory Auditor:

Toru Ichikawa (seal)

Statutory Auditor:

Minoru Tada (seal)

Outside Statutory Auditor:

Yasuo Sekiguchi (seal)

Statutory Auditor:

Akemi Mochizuki (seal)

-End-

**THE REFERENCE MATERIALS FOR
THE GENERAL MEETING OF SHAREHOLDERS**

First Item of Business: Partial Amendment of Articles of Incorporation

1. Reason for the change

The Company proposes an increase in the total number of the Company’s shares authorized to be issued, provided for in Article 6 (Total Number of Shares Authorized to be Issued) of the current Articles of Incorporation, from 341,690,000 to 544,661,000 so that the Company may widen the options available for financing methods and flexibly implement its capital policy.

2. Details of the amendment

Details of the amendment are as follows:

(Underlining indicates amended text.)

Current Articles of Incorporation	Proposed Amendments
(Total Number of Shares Authorized to be Issued) Article 6 The total number of shares authorized to be issued by the Company shall be <u>341,690,000</u> .	(Total Number of Shares Authorized to be Issued) Article 6 The total number of shares authorized to be issued by the Company shall be <u>544,661,000</u> .

Second Item of Business: Election of Fifteen (15) Directors

The term of office of all fourteen (14) current Directors expires as of the end of this Ordinary General Meeting of Shareholders. The Company proposes that fifteen (15) Directors be elected, including two (2) candidates for new Director.

1. The candidates for Directors to be reelected upon expiry of the term of office are as described in pages 89 to 102:

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held
1	Yoshitaka Kitao (January 21, 1951) Number of Company's Shares Owned: 4,007,960 shares	April 1974 Entered Nomura Securities Co., Ltd.
		June 1995 Executive Vice President and CFO of SOFTBANK CORP. (Currently, SoftBank Group Corp.)
		March 1999 Representative Director of Softbank Finance Corp. (Currently, SoftBank Corp.)
		July 1999 Representative Director and President of the Company
		June 2003 Representative Director and CEO of the Company
		July 2004 Director and Chairman of E*TRADE SECURITIES Co., Ltd. (Currently, SBI SECURITIES Co., Ltd.)
		June 2005 Representative Director and CEO of SBI VENTURES K.K. (Currently, SBI Investment Co., Ltd.)
		June 2007 Director of SBI VEN HOLDINGS PTE. LTD. (present)
		April 2008 Representative Director & CEO of SBI ALApromo Co., Ltd. (Currently, SBI Pharmaceuticals Co., Ltd.)
		July 2008 Director and Chairman of SBI Liquidity Market Co., Ltd. (present)
		Oct. 2010 Representative Director and Chairman of SBI SECURITIES Co., Ltd. (present)
		Feb. 2011 Director of SBI Japannext Co., Ltd. (Currently, Japannext Co., Ltd.) (present)
		June 2012 Representative Director, President & CEO of the Company
		July 2012 Director of Morningstar Japan K.K. (Currently, SBI Global Asset Management Co., Ltd.) (present)
		July 2012 Representative Director of SBI Hong Kong Holdings Co., Limited (present)
		May 2013 Representative Director and Chairman of SBI Investment Co., Ltd.
		June 2014 Director and Chairman of SBI FINANCIAL SERVICES Co., Ltd.
		June 2014 Director and Chairman of SBI Capital Management Co., Ltd.
		Nov. 2015 Representative Director and Chairman of SBI Global Asset Management Co., Ltd. (Currently, SBI Asset Management Group Co., Ltd.)
		April 2016 Director of SBI ALA Hong Kong Co., Limited (Currently, SBI ALApharma Co., Limited) (present)
June 2016 Representative Director, President of SBI Pharmaceuticals Co., Ltd. (present)		
Nov. 2016 Representative Director of SBI Virtual Currencies Co., Ltd. (Currently, SBI VC Trade Co., Ltd.)		
October 2017 Representative Director and President of SBI Crypto Currency Holdings Co., Ltd. (Currently, SBI Digital Asset Holdings Co., Ltd.)		
June 2018 Representative Director and Chairman of SBI FINANCIAL SERVICES Co., Ltd.		
June 2018 Representative Director, President & CEO of the Company		
July 2018 Representative Director of SBI NEO FINANCIAL SERVICES Co., Ltd.		
June 2019 Representative Director & President of SBI Global Asset Management Co., Ltd. (Currently, SBI Asset Management Group Co., Ltd.) (present)		
June 2020 Representative Director and Chairman of SBI Digital Asset Holdings Co.,		

		<p>Ltd. (present)</p> <p>Aug. 2020 Representative Director & President of Regional Revitalization Partners Co., Ltd. (present)</p> <p>June 2021 Director and Chairman of SBI FINANCIAL SERVICES Co., Ltd. (present)</p> <p>Jan. 2022 Representative Director & President of SBI Capital Management Co., Ltd. (present)</p> <p>Feb. 2022 Representative Director, Chairman and President of SBI Investment Co., Ltd. (present)</p> <p>July 2022 Representative Director, Chairman, President & CEO of the Company (present)</p>
<p>Reason why the Company selected Mr. Yoshitaka Kitao as a candidate for Director</p> <p>Mr. Yoshitaka Kitao has demonstrated excellent management capabilities as Representative Director, President & CEO since the Company's establishment, establishing a strong business foundation for the Group, including building a financial conglomerate focused on Internet-based financial services for the Financial Services Business, which covers a broad range of business activities including securities brokerage business, banking services business, and property and casualty insurance business, in addition to leading the expansion of businesses in Japan and abroad. He has excellent knowledge and a wealth of experience in general managerial issues, and the Company has again selected him as a candidate for Director because the Company deems he will continue to be essential for the sustainable enhancement of the corporate value of the Group.</p>		

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held
2	<p data-bbox="339 577 491 701">Masato Takamura (February 26, 1969)</p> <p data-bbox="339 734 507 857">Number of Company's Shares Owned: 310,000 shares</p>	<p data-bbox="531 275 1487 297">April 1992 Entered The Sanwa Bank, Limited (Currently, MUFG Bank, Ltd.)</p> <p data-bbox="531 309 1487 365">March 2005 Entered E*TRADE SECURITIES Co., Ltd. (Currently, SBI SECURITIES Co., Ltd.)</p> <p data-bbox="531 376 1487 432">Oct. 2005 General Manager of Corporate Dept. of E*TRADE SECURITIES Co., Ltd. (Currently, SBI SECURITIES Co., Ltd.)</p> <p data-bbox="531 443 1487 499">March 2006 Executive Officer and General Manager of Corporate Dept. of E*TRADE SECURITIES Co., Ltd. (Currently, SBI SECURITIES Co., Ltd.)</p> <p data-bbox="531 510 1487 589">June 2007 Director and Executive Officer, management of Corporate Dept. of SBI E*TRADE SECURITIES Co., Ltd. (Currently, SBI SECURITIES Co., Ltd.)</p> <p data-bbox="531 600 1487 656">April 2012 Managing Director, management of Corporate Dept. of SBI SECURITIES Co., Ltd.</p> <p data-bbox="531 667 1487 723">March 2013 Representative Director and President of SBI SECURITIES Co., Ltd. (present)</p> <p data-bbox="531 734 962 757">June 2013 Director of the Company</p> <p data-bbox="531 768 1305 790">June 2016 Director & Managing Executive Officer of the Company</p> <p data-bbox="531 801 1377 824">June 2017 Director & Senior Managing Executive Officer of the Company</p> <p data-bbox="531 835 1487 891">June 2018 Representative Director and President of SBI FINANCIAL SERVICES Co., Ltd. (present)</p> <p data-bbox="531 902 1321 925">June 2018 Director, Senior Executive Vice President of the Company</p> <p data-bbox="531 936 1409 958">July 2018 Director of SBI NEO FINANCIAL SERVICES Co., Ltd. (present)</p> <p data-bbox="531 969 1401 992">March 2019 Director of Money Tap Co., Ltd. (Currently, SBI Remit Co., Ltd.)</p> <p data-bbox="531 1003 1487 1059">June 2019 Representative Director, Senior Executive Vice President of the Company (present)</p> <p data-bbox="531 1070 1193 1093">June 2020 Director of Rheos Capital Works Inc. (present)</p> <p data-bbox="531 1104 1137 1126">Dec. 2020 Outside Director of Ascot Corp. (present)</p> <p data-bbox="531 1137 1090 1160">Jan. 2021 Director of The Global Ltd. (present)</p> <p data-bbox="531 1171 1058 1193">Aug. 2021 Outside Director of ALBERT Inc.</p>
<p data-bbox="323 1171 1487 1375">Reason why the Company selected Mr. Masato Takamura as a candidate for Director Mr. Masato Takamura has served as Representative Director and President of SBI SECURITIES Co., Ltd., has greatly contributed to the growth of the securities businesses, and has a wealth of experience and broad knowledge as a manager. In addition, he has been responsible for the Financial Services Business as Representative Director and President of SBI FINANCIAL SERVICES Co., Ltd. since June 2018, and the Company has again selected him as a candidate for Director because the Company deems it can be expected that he will continue to contribute to the sustainable enhancement of the corporate value of the Group.</p>		

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held
3	<p>Tomoya Asakura (March 16, 1966)</p> <p>Number of Company's Shares Owned: 285,000 shares</p>	<p>April 1989 Entered The Hokkaido Takushoku Bank, Ltd. June 1995 Entered SOFTBANK CORP. (Currently, SoftBank Group Corp.) Nov. 1998 Entered Morningstar Japan K.K. (Currently, SBI Global Asset Management Co., Ltd.) July 2004 Representative Director and President of Morningstar Japan K.K. (Currently, SBI Global Asset Management Co., Ltd.) June 2007 Director & Executive Officer of the Company May 2009 Representative Director and President of Morningstar Asset Management Co., Ltd. (Currently, Wealth Advisor Co., Ltd.) (present) April 2011 Director of SBI Asset Management Co., Ltd. (present) June 2012 Director & Managing Executive Officer of the Company July 2012 Representative Director, President & CEO of Morningstar Japan K.K. (Currently, SBI Global Asset Management Co., Ltd.) (present) June 2013 Director & Senior Managing Executive Officer of the Company June 2017 Director of SBI Insurance Group Co., Ltd. (present) March 2018 Director of SBI CoVenture Asset Management Co., Ltd. (Currently, SBI Alternative Asset Management Co., Ltd.) (present) March 2018 Director of SBI Regional Revitalization Asset Management Co., Ltd. June 2018 Senior Managing Director of the Company Feb. 2019 Director of Carret Holdings, Inc. (present) March 2019 Director of Money Tap Co., Ltd. (Currently, SBI Remit Co., Ltd.) June 2019 Director of SBI Bond Investment Management Co., Ltd. Sep. 2019 Representative Director of SBI Asset Management Group Co., Ltd. Dec. 2021 Director of SBI Sumishin Net Bank, Ltd. (present) July 2022 Director, Senior Executive Vice President of the Company (present) Dec. 2022 Director of Shinsei Investment Management Co., Ltd. (Currently, SBI Asset Management Co., Ltd.) Jan. 2023 Director of Okasan Asset Management Co., Ltd. (present)</p>
Reason why the Company selected Mr. Tomoya Asakura as a candidate for Director		<p>Mr. Tomoya Asakura has served as Representative Director, President & CEO of SBI Global Asset Management Co., Ltd., has greatly contributed to growth in all aspects of asset management, including the Information Service business and the Investment Management business, and has a wealth of experience and broad knowledge as a manager. The Company has again selected him as a candidate for Director because the Company deems it can be expected that he will continue to contribute to the sustainable enhancement of the corporate value of the Group.</p>

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held
4	Shumpei Morita (December 31, 1974) Number of Company's Shares Owned: 70,000 shares	April 1998 Entered SOFTBANK CORP. (Currently, SoftBank Group Corp.) April 1999 Entered Softbank Accounting Corp. (Currently, SoftBank Corp.) July 2000 Representative Director and President of Office Work Corporation (Currently, SBI Business Solutions Co., Ltd.) Nov. 2005 Representative Director and President of JCN Land Co., Ltd (Currently, SBI Business Solutions Co., Ltd.) June 2009 Director and Executive Officer of the Company June 2011 Outside Statutory Auditor of Morningstar Japan K.K. (Currently, SBI Global Asset Management Co., Ltd.) Oct. 2011 Director and CFO of the Company May 2012 Representative Director of SBI Art Auction Co., Ltd. June 2012 Director & Managing Executive Officer of the Company Dec. 2014 Representative Director of SBI Point Co., Ltd. June 2017 Director of SBI Business Solutions Co., Ltd. (present) June 2017 Director & Senior Managing Executive Officer of the Company Aug. 2017 Director of SBI Crypto Co., Ltd. (present) June 2018 Senior Managing Director of the Company (present) Nov. 2018 Director of SBI Security Solutions Co., Ltd. (present) Dec. 2019 Director of Shimane Bank, Ltd. (present) April 2020 Representative Director of SBI Regional Bank Holdings Co., Ltd. (present) June 2021 Director of SBI Global Asset Management Co., Ltd. (Currently, SBI Asset Management Group Co., Ltd.) (present) June 2021 Director of SBI NEO FINANCIAL SERVICES Co., Ltd. (present) June 2021 Director of SBI Digital Asset Holdings Co., Ltd. (present) Sep. 2021 Director of SBINFT Co., Ltd. (present) Feb. 2022 Director of SBI SAVINGS BANK (present) June 2022 Director of SBI Art Auction Co., Ltd. (present) June 2022 Director of SBI Point Co., Ltd. (present) Sep. 2022 Representative Director of SBI Regional Revitalization Banking System Co., Ltd. (present)
<p>Reason why the Company selected Mr. Shumpei Morita as a candidate for Director</p> <p>After assuming office as a Director of the Company, Mr. Shumpei Morita has provided support in relation to the accounting and financial aspects of the Group's management strategy as CFO since October 2011. In addition to a highly logical outlook, he possesses considerable professional knowledge regarding finance and accounting. Further, since April 2020, as Representative Director of SBI Regional Bank Holdings Co., Ltd., he has worked on regional revitalization and value enhancement for regional financial institutions in which SBI Regional Bank Holdings Co., Ltd. has invested. The Company has again selected him as a candidate for Director because the Company deems it can be expected that he will continue to contribute to the sustainable enhancement of the corporate value of the Group.</p>		

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held
5	<p>Satoe Kusakabe (November 11, 1970)</p> <p>Number of Company's Shares Owned: 2,000 shares</p>	<p>Oct. 1991 Entered Ota and Showa Audit Corporation (Currently, Ernst & Young ShinNihon LLC) (assistant certified public accountant)</p> <p>April. 1995 Registered as a certified public accountant</p> <p>May 2006 Director, Financial Services Section, Financial Audit Department of Shin Nihon & Co. (Currently, Ernst & Young ShinNihon LLC)</p> <p>July 2007 Entered the Company</p> <p>Aug. 2007 General Counsel, Internal Auditing Department of the Company</p> <p>June 2010 Director of SBI SECURITIES Co., Ltd.</p> <p>June 2013 Executive Director, management of Corporate Audit Department of SBI SECURITIES Co., Ltd.</p> <p>Aug. 2013 General Manager, Internal Audit Department of SBI Sumishin Net Bank, Ltd.</p> <p>June 2018 Director, General Manager of Risk Management Department of SBI SECURITIES Co., Ltd.</p> <p>Dec. 2018 Executive Officer of the Company</p> <p>June 2019 Director of the Company</p> <p>Oct. 2019 Director and General Manager of Risk Management Department and management of Customer Management Department of SBI Securities Co., Ltd.</p> <p>Nov. 2019 Director of SBI VC Trade Co., Ltd. (present)</p> <p>June 2020 Managing Director and General Manager of Risk Management Department and management of Customer Management Department of SBI Securities Co., Ltd.</p> <p>Nov. 2020 Director of Japannext Co., Ltd. (present)</p> <p>April 2021 Managing Director and General Manager of Risk Management Department of SBI Securities Co., Ltd.</p> <p>Oct. 2021 Managing Director and management of Risk Management Department of SBI Securities Co., Ltd. (present)</p> <p>June 2022 Director of SBI Remit Co., Ltd. (present)</p> <p>June 2022 Director of FXcoin Ltd. (present)</p> <p>July 2022 Managing Director of the Company (present)</p> <p>April 2023 Director of SBI Zodia Custody Co., Ltd. (present)</p>
Reason why the Company selected Ms. Satoe Kusakabe as a candidate for Director		<p>Ms. Satoe Kusakabe has engaged in internal control and audit related tasks at companies as a certified public accountant and has a wealth of experience in that field. In addition, she has conducted duties mainly in the audit and risk management departments at the Company and at SBI SECURITIES, Co., Ltd., which plays a central role in the Financial Services Business. With the importance of AML/CFT (Anti-Money Laundering and Counter Financing of Terrorism) continuing to rise in recent times, the Company has again selected her as a candidate for Director because the Company deems it can be expected that she will utilize her wealth of experience in that field to contribute to further strengthening and enhancing the risk management system of the Group.</p>

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held
6	<p data-bbox="347 566 483 689">Masayuki Yamada (October 13, 1962)</p> <p data-bbox="347 723 499 846">Number of Company's Shares Owned: 14,030 shares</p>	<p data-bbox="531 282 1487 309">April 1987 Entered Sogo Horei Co., Ltd. (Currently, Sogo Horei Publishing Co., Ltd.)</p> <p data-bbox="531 315 1382 342">May 1999 Registered as Attorney at Law, Admitted to New York Bar (US.)</p> <p data-bbox="531 349 1347 376">Nov. 1999 Entered Softbank Finance Corp. (Currently, SoftBank Corp.)</p> <p data-bbox="531 383 1487 439">June 2001 Manager, Legal Dept. of Softbank Finance Corp. (Currently, SoftBank Corp.)</p> <p data-bbox="531 445 1487 501">June 2004 Statutory Auditor, Benefit Systems Co., Ltd. (Currently, SBI Benefit Systems Co., Ltd.)</p> <p data-bbox="531 508 927 535">Nov. 2004 Entered the Company</p> <p data-bbox="531 542 1278 568">April 2007 Deputy General Counsel, Legal Dept. of the Company</p> <p data-bbox="531 575 1038 602">June 2009 Executive Officer, the Company</p> <p data-bbox="531 609 1487 665">July 2009 Executive Officer & General Counsel, International Legal Dept. of the Company</p> <p data-bbox="531 672 1487 728">June 2014 Executive Officer & General Counsel, Legal & Compliance Dept. of the Company</p> <p data-bbox="531 734 1310 761">April 2015 General Counsel, Legal Dept. of SBI Investment Co. Ltd.</p> <p data-bbox="531 768 1487 824">Nov. 2015 Statutory Auditor of SBI Global Asset Management Co., Ltd. (Currently, SBI Asset Management Group Co., Ltd.) (present)</p> <p data-bbox="531 831 1487 887">June 2016 Director & Executive Officer & General Counsel, Legal & Compliance Dept. of the Company</p> <p data-bbox="531 893 1214 920">July 2016 Director of SBI Ventures Two Co., Ltd. (present)</p> <p data-bbox="531 927 1182 954">March 2017 Director of SBI Incubation Co., Ltd. (present)</p> <p data-bbox="531 960 1134 987">June 2017 Director of SBI Internet Capital Co., Ltd.</p> <p data-bbox="531 994 1487 1050">June 2018 Director & General Counsel, Legal & Compliance Dept. of the Company (present)</p> <p data-bbox="531 1057 1182 1084">Jan. 2019 Director of SBI CAPITAL Co., Ltd. (present)</p> <p data-bbox="531 1090 1198 1117">Oct. 2021 Director of SBI Art Auction Co., Ltd. (present)</p> <p data-bbox="531 1124 1294 1151">Jan. 2022 Director of SBI Capital Management Co., Ltd. (present)</p>
<p data-bbox="323 1144 1487 1312">Reason why the Company selected Mr. Masayuki Yamada as a candidate for Director Mr. Masayuki Yamada has served as an officer in charge of legal affairs and compliance in the Group as an attorney at law admitted to the New York Bar (US) and has a wealth of practical experience and a highly logical outlook. The Company has again selected him as a candidate for Director because the Company deems it can be expected that he will continue to contribute to the sustainable enhancement of the corporate value of the Group.</p>		

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held
7	<p>Teruhide Sato (February 24, 1975)</p> <p>Number of Company's Shares Owned: 2,820 shares</p>	<p>Sep. 1997 Entered SOFTBANK CORP. (Currently, SoftBank Group Corp.) Seconded to CyberCash K.K. (Currently, DG Financial Technology, Inc.)</p> <p>April 1999 Moved to Softbank Finance Corp. (Currently SoftBank Corp.) from SOFTBANK CORP.</p> <p>March 2000 Retired Softbank Finance Corp. (Currently SoftBank Corp.) (Secondment to CyberCash K.K. (Currently, DG Financial Technology, Inc.) terminated)</p> <p>April 2000 Representative Director, President and CEO of netprice, Ltd. (Currently, BEENOS Inc.)</p> <p>Feb. 2007 President and Group CEO of netprice.com, Ltd. (Currently, BEENOS Inc.)</p> <p>Sep. 2011 Director of Open Network Lab, Inc.</p> <p>Jan. 2012 Komisararis of PT MIDTRANS</p> <p>May 2012 CEO and Managing Director of Netprice Partners Co., Ltd. (Currently, BEENOS Partners, Inc.)</p> <p>Jan. 2013 President of BEENOS Asia Pte. Ltd.</p> <p>June 2013 Outside Director of the Company (present)</p> <p>April 2014 President of BEENOS VN, Inc.</p> <p>May 2014 President of BEENOS Plaza Pte. Ltd.</p> <p>Nov. 2014 Komisararis of PT Tokopedia</p> <p>Dec. 2014 Director of BEENOS Inc.</p> <p>Feb. 2015 Founder and Adviser of BEENOS Inc.</p> <p>April 2015 Director of BEENEXT PTE. LTD. (present)</p> <p>Nov. 2016 Director of BEENEXT CAPITAL MANAGEMENT PTE. LTD. (present)</p>
<p>Reason why the Company selected Mr. Teruhide Sato as a candidate for Outside Director and outline of expected role</p> <p>Mr. Teruhide Sato participated in launching the Japanese corporation CyberCash K.K. (currently, DG Financial Technology, Inc.) and has served as Representative Director, President and CEO of netprice, Ltd. (currently, BEENOS Inc.), and he has a wealth of experience and extensive knowledge, particularly in relation to Internet business in Asia. The Company has again selected him as a candidate for Outside Director because the Company deems that utilizing his wealth of experience and extensive knowledge, he can adequately continue to conduct duties as an Outside Director of the Company.</p>		

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held	
8	Heizo Takenaka (March 3, 1951) Number of Company's Shares Owned: —	April 1990	Assistant Professor, Faculty of Policy Management, Keio University
		April 1996	Professor, Faculty of Policy Management, Keio University
		April 2001	Minister of State for Economic and Fiscal Policy
		Sep. 2002	Minister of State for Financial Services, Minister of State for Economic and Fiscal Policy
		July 2004	Member of the House of Councilors
		Sep. 2004	Minister of State for Economic and Fiscal Policy, Minister of State for Postal Privatization
		Oct. 2005	Minister of State for Internal Affairs and Communications, Minister of State for Postal Privatization
		Nov. 2006	The head of Global Security Research Institute, Keio University
		Dec. 2006	President of Academy Hills (present)
		Aug. 2009	Chairman & Director, Pasona Group Inc.
		April 2010	Professor, Faculty of Policy Management, Keio University
		June 2015	Outside Director of ORIX Corporation
		April 2016	Professor, Faculty of Regional Development Studies (Currently, Faculty of Global and Regional Studies), Toyo University
		April 2016	Emeritus Professor, Keio University (present)
		June 2016	Outside Director of the Company (present)
		Feb. 2018	Outside Director of MAYA SYSTEM Inc. (present)
Feb. 2020	Director of XICA Co., Ltd. (present)		
June 2022	Director of 3DOM Alliance Inc. (present)		
March 2023	Non Executive Chairman of Investcorp Japan, LLC (present)		
<p>Reason why the Company selected Mr. Heizo Takenaka as a candidate for Outside Director and outline of expected role</p> <p>The Company again selected Mr. Heizo Takenaka as a candidate for Outside Director because the Company deems that he can adequately continue to conduct duties as an Outside Director of the Company utilizing his wealth of experience and broad knowledge, which includes having served successively as the Minister of State for Economic and Fiscal Policy, the Minister of State for Financial Services, the Minister of State for Internal Affairs and Communications, and in other posts and teaching at Keio University and Toyo University, while also serving as an outside director in private companies.</p>			

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held	
9	Yasuhiro Suzuki (February 28, 1965) Number of Company's Shares Owned: —	April 1987 Sep. 1996 April 1999 Aug. 1999 June 2000 July 2008 March 2014 March 2014 May 2015 March 2017 June 2017 April 2020 April 2020	Entered Fujitsu Limited Entered SOFTBANK CORP. (Currently, SoftBank Group Corp.) Executive officer of SoftBank Commerce Corp. (Currently, SOFTBANK CORP.) Director of e-Shopping! Books Corp. (Currently, Seven Net Shopping Co., Ltd.) Representative Director and President of e-Shopping! Books Corp. (Currently, Seven Net Shopping Co., Ltd.) Director of Seven & i Netmedia Co., Ltd. Representative Director and President of Seven & i Netmedia Co., Ltd. Executive Officer, CIO of Seven & i Holdings Co., Ltd. Director & Executive Officer, CIO of Seven & i Holdings Co., Ltd. Representative Director and President of digitalshiftwave Co., Ltd. (present) Outside Director of the Company (present) President of Japan Omni Channel Association (present) Visiting Professor at Joho Keiei Innovation Senmonshoku Daigaku (present)
Reason why the Company selected Mr. Yasuhiro Suzuki as a candidate for Outside Director and outline of expected role Mr. Yasuhiro Suzuki has served successively as Representative Director and President of Seven & i Netmedia Co., Ltd., Director & Executive Officer, CIO of Seven & i Holdings Co., Ltd., and in other posts, and has a wealth of experience in a wide range of fields, including Internet business. The Company again selected Mr. Yasuhiro Suzuki as a candidate for Outside Director because the Company deems that he can adequately continue to conduct duties as an Outside Director of the Company utilizing his wealth of experience and broad knowledge.			

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held	
10	Hiroshi Ito (July 20, 1955) Number of Company's Shares Owned: —	Jan. 1980 July 1983 April 1999 April 2000 Dec. 2001 Nov. 2004 April 2005 April 2005 Jan. 2010 Aug. 2013 June 2020 July 2020	Entered US Marsh & McLennan International, Inc. (Currently, Marsh, Inc.) Entered Marsh & McLennan K.K. (Currently, Marsh Japan, Inc.) Assigned to SOFTBANK CORP. (Currently, SoftBank Group Corp.) Director of InsWeb Inc. (Currently, the Company) Retired from the position of Director of InsWeb Inc. Director of Marsh Japan, Inc. Managing Director of US Marsh, Inc. Managing Director of Marsh Japan, Inc. Representative Director (COO) of Marsh Japan, Inc. Member of the Finance Committee of Tokyo American Club (present) Outside Director of the Company (present) Advisor of SBI Insurance Group Co., Ltd. (present)
	Reason why the Company selected Mr. Hiroshi Ito as a candidate for Outside Director and outline of expected role Mr. Hiroshi Ito has served successively in important positions, such as Representative Director of Marsh Japan, Inc., which is a global leading company providing services related to insurance and risk management, and has expert knowledge in insurance fields that the Group will focus on. The Company again selected Mr. Hiroshi Ito as a candidate for Outside Director because the Company deems that he can adequately conduct duties as an Outside Director of the Company utilizing his wealth of experience and broad knowledge.		

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held
	Kanae Takeuchi Name Entered in Family Register: Kanae Kusakari (September 14, 1978) Number of Company's Shares Owned: —	April 2001 Entered Tokyo Broadcasting System, Inc. (Currently, Tokyo Broadcasting System Television, Inc.) Oct. 2012 Resigned from Tokyo Broadcasting System Television, Inc. Nov. 2012 Freelance announcer (present) June 2020 Outside Director of the Company (present) May 2022 Outside Director of dip Corporation (present)
11		<p>Reason why the Company selected Ms. Kanae Takeuchi as a candidate for Outside Director and outline of expected role</p> <p>Ms. Kanae Takeuchi has exceptional expertise in the field of “management strategies incorporating women’s perspectives,” which the Company values deeply. As women continue to increasingly gain substantial authority in the selection of financial services for household finances, it has become important to conduct product development from the perspective of women, and one of the Company’s most important challenges is to ensure the Board of Directors heeds “women’s perspectives” and strengthens its approach in this regard.</p> <p>In addition, in light of the fact that she has been and is active in a broad range of areas and particularly in the media, it is anticipated that she will bring fresh viewpoints in relation to her supervision of the Company’s management, differing from Directors whose expertise lies within the Group business and industrial issues, and that she will reflect the opinions of the stakeholders of the Company, including many individual shareholders, at meetings of the Board of Directors, so the Company deems that she is an appropriate choice and has again selected her as a candidate for Outside Director.</p>

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held
12	Junichi Fukuda (October 18, 1959) Number of Company's Shares Owned: —	April 1982 Entered the Ministry of Finance (<i>Okura-sho</i>) (Currently, the Ministry of Finance (<i>Zaimu-sho</i>)) July 1997 Director of the Planning and Co-ordination Office of the Overall Co-ordination Division of the Minister's Secretariat of the Ministry of Finance (<i>Okura-sho</i>) (Currently, the Ministry of Finance (<i>Zaimu-sho</i>)) June 1998 First Secretary of Japanese Embassy in Canada of the Ministry of Foreign Affairs (<i>Gaimu-sho</i>) Jan. 1999 Counsellor of Japanese Embassy in Canada of the Ministry of Foreign Affairs (<i>Gaimu-sho</i>) July 2001 Director for Fiscal Investment and Loan Program System of the Fiscal Investment and Loan Program Division of the Financial Bureau of the Ministry of Finance (<i>Zaimu-sho</i>) July 2003 Director for Policy Planning of the Minister's Secretariat of the Ministry of Finance (<i>Zaimu-sho</i>) July 2004 Budget Examiner for Health, Labour, and Welfare Unit of the Budget Bureau of the Ministry of Finance (<i>Zaimu-sho</i>) July 2006 Director of the Legal Division of the Budget Bureau of the Ministry of Finance (<i>Zaimu-sho</i>) July 2008 Director of the Policy Planning and Research Division of the Minister's Secretariat of the Ministry of Finance (<i>Zaimu-sho</i>) July 2009 Director for the Minister's Secretariat of the Minister's Secretariat of the Ministry of Finance (<i>Zaimu-sho</i>) Dec. 2009 Deputy Director-General of the Secretariat of the Office of Promotion of System for National Public Officers Aug. 2011 Deputy Director-General of the Budget Bureau of the Ministry of Finance (<i>Zaimu-sho</i>) July 2014 Deputy Vice-Minister of the Ministry of Finance (<i>Zaimu-sho</i>) July 2015 Director-General of the Budget Bureau of the Ministry of Finance (<i>Zaimu-sho</i>) July 2017 Administrative Vice Minister of the Ministry of Finance (<i>Zaimu-sho</i>) April 2018 Resigned from the Ministry of Finance (<i>Zaimu-sho</i>) Oct. 2018 Commissioned Lecturer at SBI Graduate School (present) June 2021 Outside Director of the Company (present) June 2021 Attorney-At-Law and Of Counsel at URYU & ITOGA (present)
<p>Reason why the Company selected Mr. Junichi Fukuda as a candidate for Outside Director and outline of expected role</p> <p>Mr. Junichi Fukuda has served successively as the Administrative Vice Minister of the Ministry of Finance and in other posts and has a wealth of experience in general financial issues. The Company has again selected Mr. Junichi Fukuda as a candidate for Outside Director because the Company deems that he can adequately conduct duties as an Outside Director of the Company offering constructive opinions on all aspects of the Group's financial business, especially in fields such as enhancement of cooperation with regional financial institutions and regional revitalization.</p>		

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held
13	Hiroyuki Suematsu (May 28, 1959) Number of Company's Shares Owned: —	April 1983 Entered the Ministry of Agriculture, Forestry, and Fisheries (<i>Norin-Suisan-sho</i>) March 2002 Counsellor, Cabinet Secretariat of the Prime Minister's Official Residence Oct. 2006 Director of the Environmental Policy Division of the Minister's Secretariat of the Ministry of Agriculture, Forestry, and Fisheries (<i>Norin-Suisan-sho</i>) July 2007 Director of the Policy Planning and Evaluation Division of the Minister's Secretariat of the Ministry of Agriculture, Forestry, and Fisheries (<i>Norin-Suisan-sho</i>) April 2008 Director of the Food Security Division of the Minister's Secretariat of the Ministry of Agriculture, Forestry, and Fisheries (<i>Norin-Suisan-sho</i>) April 2009 Director of the Policy Planning Division of the Minister's Secretariat of the Ministry of Agriculture, Forestry, and Fisheries (<i>Norin-Suisan-sho</i>) July 2010 Director-General of the Forest Policy Planning Department of the Forestry Agency of the Ministry of Agriculture, Forestry, and Fisheries (<i>Norin-Suisan-sho</i>) April 2014 Director-General of the Kanto Regional Agricultural Administration Office of the Ministry of Agriculture, Forestry, and Fisheries (<i>Norin-Suisan-sho</i>) Aug. 2015 Director-General of the Rural Development Bureau of the Ministry of Agriculture, Forestry, and Fisheries (<i>Norin-Suisan-sho</i>) June 2016 Director-General of the Industrial Science and Technology Policy and Environment Bureau of the Ministry of Economy, Trade, and Industry (<i>Keizai-Sangyo-sho</i>) July 2018 Vice-Minister of Agriculture, Forestry and Fisheries of the Ministry of Agriculture, Forestry, and Fisheries (<i>Norin-Suisan-sho</i>) Aug. 2020 Resigned from the Ministry of Agriculture, Forestry, and Fisheries (<i>Norin-Suisan-sho</i>) Jan. 2021 Professor at Research Institute for Agricultural and Life Sciences of Tokyo University of Agriculture June 2021 Outside Director of the Company (present) Oct. 2021 Outside Director (Audit & Supervisory Committee Member) of TRE HOLDINGS CORPORATION (present) Dec. 2021 Outside Director (Audit & Supervisory Committee Member) of Nexyz.Group Corporation (present) April 2022 Project Professor at Research Institute of Tokyo University of Agriculture (present)
<p>Reason why the Company selected Mr. Hiroyuki Suematsu as a candidate for Outside Director and outline of expected role</p> <p>Mr. Hiroyuki Suematsu has served successively as the Vice-Minister of Agriculture, Forestry, and Fisheries and in other posts and has a wealth of experience in all aspects of the agriculture, forestry, and fisheries industry and food industry. The Company has again selected Mr. Hiroyuki Suematsu as a candidate for Outside Director because the Company deems that he can adequately conduct duties as an Outside Director of the Company by enhancing business fields of the Group, such as participating in management of Osaka Dojima Commodity Exchange, Inc., which deals with commodity futures, and utilizing blockchain in supply chain management, and by offering constructive opinions in such fields.</p>		

2. The candidates for new Director are as follows:

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held	
14	Shinji Matsui (April 4, 1958) Number of Company's Shares Owned: 103,350 shares	April 1981	Entered Mitsui & Co., Ltd.
		Sep. 1999	Director of CyberCash K.K. (Currently, DG Financial Technology, Inc.)
		Sep. 2000	Representative Director and COO of CyberCash K.K. (Currently, DG Financial Technology, Inc.)
		Nov. 2000	Entered Softbank Finance Corp. (Currently, SoftBank Corp.)
		March 2001	Director of Finance All Co., Ltd. (Currently, the Company)
		June 2005	Representative Director and CEO of VeriTrans Inc. (Currently, DG Financial Technology, Inc.)
		June 2005	Representative Director and CEO of Benefit Systems, Inc. (Currently, SBI Benefit Systems Co., Ltd.)
		June 2006	Director of the Company
		June 2006	Representative Director and President of SBI Nonlife Insurance Planning Co., Ltd (Currently, SBI Insurance Co., Ltd)
		June 2008	Representative Director and COO of SBI Benefit Systems Co., Ltd.
		June 2008	Director & Executive Officer of the Company
		March 2009	Representative Director of SBI AutoSupport Co., Ltd (present)
		June 2009	Representative Director, President of SBI Benefit Systems Co., Ltd. (present)
		June 2014	Representative Director of SBI DC Support Co., Ltd. (present)
March 2023	Representative Director of SBI Africa Co., Ltd. (present)		
Reason why the Company selected Mr. Shinji Matsui as a candidate for Director Mr. Shinji Matsui has served as Representative Director, President of SBI Benefit Systems Co., Ltd. and Representative Director of SBI AutoSupport Co., Ltd over the years and has a wealth of experience and broad knowledge as a manager of financial service businesses. Furthermore, he assumed office as a Representative Director of SBI Africa Co., Ltd. from March 2023 and has lead business expansion in new overseas markets. The Company has newly selected him as a candidate for Director because the Company deems it can be expected that he will contribute to the sustainable enhancement of the corporate value of the Group.			

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held	
15	Motoaki Shiino (March 12, 1974) Number of Company's Shares Owned: 5,000 shares	April 1996	Entered Nikko Securities (Currently, SMBC Nikko Securities Inc.)
		Jan. 1999	Entered Oracle Corporation Japan
		July 2007	Entered the Company
		Oct. 2011	Head of Corporate Communications Dept. of the Company
		Oct. 2011	Head of Corporate Communications Dept. of SBI Investment Co., Ltd. (present)
		June 2015	Executive Officer & Head of Corporate Communications Dept. of the Company
		June 2020	Director of SBI e-Sports Co., Ltd. (present)
		April 2022	Managing Executive Officer & Head of Corporate Communications Dept. of the Company (present)
		Aug. 2022	Representative Director of SBI Non-Bank Holdings Co., Ltd. (present)
		Reason why the Company selected Mr. Motoaki Shiino as a candidate for Director	
Mr. Motoaki Shiino has served as the Head of Corporate Communications Dept. in charge of PR/IR strategy of the Group over the years and is well versed in group strategy. He also has a wealth of practical experience and a high degree of expertise through his efforts in these areas. The Company has newly selected him as a candidate for Director because the Company deems it can be expected that he will contribute to the sustainable enhancement of the corporate value of the Group.			

(Notes)

1. None of the candidates have any special interest in the Company.
2. Mr. Teruhide Sato, Mr. Heizo Takenaka, Mr. Yasuhiro Suzuki, Mr. Hiroshi Ito, Ms. Kanae Takeuchi, Mr. Junichi Fukuda, and Mr. Hiroyuki Suematsu are candidates for Outside Director.
3. The Company designated Mr. Teruhide Sato, Mr. Heizo Takenaka, Mr. Yasuhiro Suzuki, Mr. Hiroshi Ito, Ms. Kanae Takeuchi, Mr. Junichi Fukuda, and Mr. Hiroyuki Suematsu as independent directors under the provisions of the Tokyo Stock Exchange and has notified the Exchange. If the reelections of Mr. Sato, Mr. Takenaka, Mr. Suzuki, Mr. Ito, Ms. Takeuchi, Mr. Fukuda, and Mr. Suematsu are approved, the Company will again designate them as independent directors.
4. Although Ms. Kanae Takeuchi, Mr. Junichi Fukuda, and Mr. Hiroyuki Suematsu have not been directly involved in company management, the Company has judged that they can properly perform their duties as Outside Directors in accordance with the reasons why the Company selected Ms. Takeuchi, Mr. Fukuda, and Mr. Suematsu as candidates for Outside Director.
5. Mr. Junichi Fukuda serves as a Commissioned Lecturer at SBI Graduate School, and Educational Corporation of SBI Graduate School, which established SBI Graduate School, is not a subsidiary or an affiliated company of the Company. Mr. Junichi Fukuda is not employed by that corporation, does not execute the business of that corporation, and does not receive any compensation from that corporation.
6. Mr. Teruhide Sato is currently an Outside Director of the Company, and he will have served for ten (10) years as an Outside Director as of the end of this Ordinary General Meeting of Shareholders. Mr. Heizo Takenaka is currently an Outside Director of the Company, and he will have served for seven (7) years as an Outside Director as of the end of this Ordinary General Meeting of Shareholders. Mr. Yasuhiro Suzuki is currently an Outside Director of the Company, and he will have served for six (6) years as an Outside Director as of the end of this Ordinary General Meeting of Shareholders. Mr. Hiroshi Ito and Ms. Kanae Takeuchi are currently Outside Directors of the Company, and they will each have served for three (3) years as Outside Directors as of the end of this Ordinary General Meeting of Shareholders. Mr. Junichi Fukuda and Mr. Hiroyuki Suematsu are currently Outside Directors of the Company, and they will each have served for two (2) years as Outside Directors as of the end of this Ordinary General Meeting of Shareholders.
7. The Company maintains individual agreements with each of Mr. Teruhide Sato, Mr. Heizo Takenaka, Mr. Yasuhiro Suzuki, Mr. Hiroshi Ito, Ms. Kanae Takeuchi, Mr. Junichi Fukuda, and Mr. Hiroyuki Suematsu to limit each of their liability for compensation under Article 423, Paragraph 1 of the

Companies Act. The limit of that liability is the higher amount of either 1,000,000 yen or the minimum liability amount under laws and regulations in accordance with Article 427, Paragraph 1 of the Companies Act and the provision of Article 25, Paragraph 2 of the Company's Articles of Incorporation. The Company will continue those individual agreements with each of Mr. Sato, Mr. Takenaka, Mr. Suzuki, Mr. Ito, Ms. Takeuchi, Mr. Fukuda, and Mr. Suematsu if their respective reelections are approved.

8. The Company has executed with an insurance company a directors' and officers' liability insurance contract provided for in Article 430-3(1) of the Companies Act. If a claim for damages attributable to an action (or inaction) committed by the insured (including directors of the Company) based on his or her status as a director or officer is made, the damages, court costs, and the like that are borne by the insured will be covered. If each candidate is elected as, and assumes the office of, a Director, the candidate will be the insured under that insurance contract. The Company intends to renew that insurance contract with similar contents upon the next renewal.
9. The Company was originally planning to submit a proposal for election of fifteen (15) Directors (including eight (8) Inside Directors and seven (7) Outside Directors) at the 24th Ordinary General Meeting of Shareholders (held on June 29, 2022). However, since Director Masaki Yoshida retired from his office by resignation as of June 24, 2022, which was immediately before that meeting, the Company unavoidably conducted a partial withdrawal of the proposal. Thus, the total number of Directors became fourteen (14), but the Company proposes, as stated above, that fifteen (15) Directors be elected (including eight (8) Inside Directors and seven (7) Outside Directors) at this Ordinary General Meeting of Shareholders.
10. Attendance at meetings of the Board of Directors held in the fiscal year ended March 31, 2022 by candidates for Outside Directors to be reelected is as follows:

	Number of Times Attended	Attendance Rate
Teruhide Sato	12 / 12 times	100%
Heizo Takenaka	12 / 12 times	100%
Yasuhiro Suzuki	12 / 12 times	100%
Hiroshi Ito	12 / 12 times	100%
Kanae Takeuchi	12 / 12 times	100%
Junichi Fukuda	12 / 12 times	100%
Hiroyuki Suematsu	12 / 12 times	100%

Skills Matrix for Director Candidates

Number	Name	Management/ Business strategy	Industry experience in key businesses	Global experience	Technology	Academic background	Finance/ Accounting	Legal affairs/ Compliance	Sustainability (ESG/Risk management)
1	Yoshitaka Kitao	✓	✓	✓		✓	✓		
2	Masato Takamura	✓	✓						
3	Tomoya Asakura	✓	✓	✓					
4	Shumpei Morita	✓	✓				✓		
5	Satoe Kusakabe		✓				✓		✓
6	Masayuki Yamada			✓				✓	
7	Teruhide Sato	✓	✓	✓	✓				
8	Heizo Takenaka	✓	✓	✓		✓			✓
9	Yasuhiro Suzuki	✓			✓				
10	Hiroshi Ito	✓	✓	✓					✓
11	Kanae Takeuchi			✓					✓
12	Junichi Fukuda		✓	✓		✓	✓	✓	
13	Hiroyuki Suematsu		✓			✓			✓
14	Shinji Matsui	✓	✓	✓	✓				
15	Motoaki Shiino		✓				✓		✓

Third Item of Business: Election of One (1) Statutory Auditor

Statutory Auditor Minoru Tada will retire from his office by resignation as of the end of this Ordinary General Meeting of Shareholders, so the Company proposes that one (1) Statutory Auditor be elected as a substitute.

The term of office of the Statutory Auditor to be elected as a substitute will expire at the expiration of the remaining term of office of the Statutory Auditor who retires from office in accordance with the Company's Articles of Incorporation, and the Board of Statutory Auditors consents to this Third Item of Business.

1. The candidate for Statutory Auditor is as follows:

Name (Date of Birth)	Career Summary, Position and Other Significant Concurrent Offices Held
Takahiro Yoshida (September 2, 1961) Number of Company's Shares Owned: —	March 1985 Entered The Dai-Ichi Kangyo Bank, Ltd. (Currently, Mizuho Bank, Ltd.)
	April 2002 Senior Manager of Trading Department of Mizuho Corporate Bank, Ltd. (Currently, Mizuho Bank, Ltd.)
	April 2005 Deputy General Manager of Treasury Department of Mizuho Bank, Ltd.
	Aug. 2012 Entered Shinsei Bank, Limited (Currently, SBI Shinsei Bank, Limited) GM/ALM Division
	Oct. 2014 Sub Group Head/Treasury Sub-Group, GM/ALM Division of Shinsei Bank, Limited (Currently, SBI Shinsei Bank, Limited)
	April 2016 Executive Officer, GM/Treasury Division of Shinsei Bank, Limited (Currently, SBI Shinsei Bank, Limited)
	April 2017 Senior Officer/Group Planning and Financial Accounting, GM/Group Treasury Division, Executive Officer, GM/Treasury Division of Shinsei Bank, Limited (Currently, SBI Shinsei Bank, Limited)
	Nov. 2017 Senior Officer/Group Planning and Financial Accounting, GM/Group Treasury Division of Shinsei Bank, Limited (Currently, SBI Shinsei Bank, Limited)
	April 2020 Senior Officer/Group Planning and Financial Accounting of Shinsei Bank, Limited (Currently, SBI Shinsei Bank, Limited)
	April 2022 Executive Officer, in charge of Group Treasury of Shinsei Bank, Limited (Currently, SBI Shinsei Bank, Limited)
April 2023 Executive Advisor, in charge of Group Treasury of SBI Shinsei Bank, Limited (present)	
Reason why the Company selected Mr. Takahiro Yoshida as a candidate for Statutory Auditor Mr. Takahiro Yoshida has worked for multiple financial institutions over the years, has served as Executive Officer in charge of Group Treasury of SBI Shinsei Bank, Limited, and has a wealth of practical experience and a highly logical outlook. The Company has newly selected Mr. Takahiro Yoshida as a candidate for Statutory Auditor because the Company deems that he can adequately conduct duties as a Statutory Auditor of the Company by leveraging the wealth of experience and broad knowledge.	

(Notes)

- The candidate does not have any special interest in the Company.
- The Company has executed with an insurance company a directors' and officers' liability insurance contract provided for in Article 430-3(1) of the Companies Act. If a claim for damages attributable to an action (or inaction) committed by the insured (including Statutory Auditors of the Company) based on his or her status as a director or officer is made, the damages, court costs, and the like that are borne by the insured will be covered. If the candidate is elected as, and assumes the office of, a Statutory Auditor, the candidate will be the insured under that insurance contract. The Company intends to renew that insurance contract with similar contents upon the next renewal.

Fourth Item of Business: Election of One (1) Substitute Statutory Auditor

In order to maintain the continuity of auditing even when the number of Statutory Auditors required under laws and regulations is lacking, the Company proposes that Mr. Tetsutaro Wakatsuki be elected as a substitute Outside Statutory Auditor.

The effect of election of Mr. Tetsutaro Wakatsuki as a substitute Outside Statutory Auditor may be revoked, only before his assumption of office, by a resolution of the Board of Directors with the consent of the Board of Statutory Auditors.

The Board of Statutory Auditors consents to this Fourth Item of Business.

Name (Date of Birth)	Career Summary, Position and Other Significant Concurrent Offices Held
<p>Tetsutaro Wakatsuki (October 22, 1974)</p> <p>Number of Company's Shares Owned: —</p>	<p>April 2000 Registered as Attorney at Law (Tokyo Bar Association) Entered Mori Sogo (Currently, Mori Hamada & Matsumoto)</p> <p>April 2004 Representative Partner of Murata & Wakatsuki Law Offices (present)</p> <p>April 2008 Lecturer in the Law School of Hosei University (while concurrently serving in other positions)</p> <p>April 2010 Professor in the Law School of Hosei University (while concurrently serving in other positions)</p> <p>Dec. 2012 Outside Auditor of Do House Inc.</p> <p>March 2015 Outside Auditor of Otsuka Corporation</p> <p>June 2015 Outside Statutory Auditor of SBI MONEY PLAZA Co., Ltd.</p> <p>June 2019 Outside Director of The Michinoku Bank, Ltd.</p> <p>Nov. 2019 Supervisory Officer of Dream Hospitality REIT Inc. (present)</p> <p>June 2020 Outside Director of THE MICHINOKU BANK, LTD. (Audit and Supervisory Committee Member) (a part-time position)</p> <p>April 2022 Outside Director of Procrea Holdings, Inc. (Audit and Supervisory Committee Member) (present)</p>
<p>Reason why the Company selected Mr. Tetsutaro Wakatsuki as a candidate for Substitute Outside Statutory Auditor</p> <p>Mr. Tetsutaro Wakatsuki has a wealth of experience as an attorney and has expertise in general legal matters. The Company selected him as a candidate for substitute Outside Statutory Auditor because the Company deems that he can utilize his expertise to adequately conduct duties as an Outside Statutory Auditor of the Company.</p>	

(Notes)

1. Mr. Tetsutaro Wakatsuki has no special interest in the Company.
2. Mr. Tetsutaro Wakatsuki is a candidate for Substitute Outside Statutory Auditor.
3. If Mr. Tetsutaro Wakatsuki assumes the office of a Statutory Auditor, the Company will designate him as an independent auditor under the provisions of the Tokyo Stock Exchange and notify the Exchange.
4. Although Mr. Tetsutaro Wakatsuki has not been directly involved in company management in a way other than being Outside Director or Outside Statutory Auditor, the Company has judged that he can properly perform his duties as an Outside Statutory Auditor in accordance with the reason why the Company selected him as a candidate for Substitute Outside Statutory Auditor.
5. If Mr. Tetsutaro Wakatsuki assumes the office of a Statutory Auditor, the Company will enter into an individual agreement with Mr. Tetsutaro Wakatsuki to limit his liability for compensation under Article 423, Paragraph 1 of the Companies Act. The limit of that liability is the higher amount of either 1,000,000 yen or the minimum liability amount under laws and regulations in accordance with Article 427, Paragraph 1 of the Companies Act and the provision of Article 32, Paragraph 2 of the Company's Articles of Incorporation.
6. The Company has executed with an insurance company a directors' and officers' liability insurance

contract provided for in Article 430-3(1) of the Companies Act. If a claim for damages attributable to an action (or inaction) committed by the insured (including Statutory Auditors of the Company) based on his or her status as a director or officer is made, the damages, court costs, and the like that are borne by the insured will be covered. If a candidate assumes the office of a Statutory Auditor, the candidate will be the insured under that insurance contract. The Company intends to renew that insurance contract with similar contents upon the next renewal.

Fifth Item of Business: Payment of Retirement Allowance to Retiring Director

Mr. Takashi Nakagawa, who served as the Director, Senior Executive Vice President of the Company, will retire from his office upon the expiration of his term of office at the end of this Ordinary General Meeting of Shareholders. Accordingly, the Company intends to pay a retirement allowance of 100 million yen to reward him for his service during the term of the office. The payment of this retirement allowance was decided upon deliberation at, and receipt of feedback from, the Management Advisory Committee, the majority of which is composed of Independent Outside Directors, and the Company has determined that this payment was reasonable in light of the retiring Director's years of contribution to the Group.

The Company will ask our shareholders to entrust the timing, method, and the like of that payment to the Board of Directors.

The career summary of the retiring Director is as follows:

Name	Career Summary	
Takashi Nakagawa	Dec. 2002	Director of the Company
	June 2014	Representative Director & Senior Managing Executive Officer of the Company
	March 2015	Representative Director, Senior Executive Vice President & Co-COO of the Company
	June 2018	Representative Director, Senior Executive Vice President of the Company
	July 2022	Director, Senior Executive Vice President of the Company (present)

— End —

Access to the Meeting Room of the 25th Ordinary General Meeting of Shareholders

Location Heian Room, 1st Floor, The Okura Prestige Tower of The Okura Tokyo
2-10-4 Toranomom, Minato-ku, Tokyo

Access	Toranomon Station, Tokyo Metro/Ginza Line	About ten minutes' walk from Exit 3
	Tameike-Sanno Station, Tokyo Metro/Ginza Line or Namboku Line	About ten minutes' walk from Exit 14
	Toranomon Hills Station, Tokyo Metro/Hibiya Line	About six minutes' walk from Exit A1 and A2
	Kamiyacho Station, Tokyo Metro/Hibiya Line	About six minutes' walk from Exit 4b



We recommend that you use public transportation when traveling to the venue.

- * If you walk from Toranomom Station, Toranomom Hills Station, or Tameike-Sanno Station, please enter the venue at the Banquet Entrance (1st floor).
- * If you come from Kamiyacho Station, please enter at the Main Entrance (5th floor) and use an elevator to proceed to the 1st floor.



Japanese	English
Map (Overall view)	
虎ノ門駅	Toranomon Station
銀座線「虎ノ門」駅3番出口	Toranomon Sta (Tokyo Metro Ginza Line) Exit 3
文部科学省	MEXT

霞が関ビル	Kasumigaseki Bldg.
特許庁	Japan Patent Office
特許庁前	“Japan Patent Office” (traffic lights)
溜池山王駅	Tameike-Sanno Station
住友不動産虎ノ門タワー	Sumitomo Fudosan Toranomom Tower
虎ノ門病院	Toranomom Hospital
赤坂インターシティAIR	Akasaka Intercity AIR
銀座線／南北線「溜池山王」駅14番出口	Tameike-Sanno Sta (Tokyo Metro Ginza Line/Namboku Line) Exit 14
アメリカ合衆国大使館	Embassy of U.S.A.
虎ノ門二丁目	Toranomom 2 (traffic lights)
虎ノ門ヒルズ駅	Toranomom Hills Station
虎ノ門三丁目	Toranomom 3 (traffic lights)
日比谷線「虎ノ門ヒルズ」駅A2出口	Toranomom Hills Sta (Tokyo Metro Hibiya Line) Exit A2
日比谷線「虎ノ門ヒルズ」駅A1出口	Toranomom Hills Sta (Tokyo Metro Hibiya Line) Exit A1
虎ノ門ヒルズ森タワー	Toranomom Hills Mori Tower
虎ノ門ツインビル	Toranomom Twin Bldg.
The Okura Tokyoオークラプレステージタワー1階	1st Floor, The Okura Prestige Tower of The Okura Tokyo
大倉集古館	Okura Museum of Art
気象庁虎ノ門庁舎	Toranomom Office Building of the Japan Meteorological Agency
東京ワールドゲート	Tokyo World Gate
虎ノ門タワーズ	Toranomom Towers
駐日スペイン大使館	Embassy of Spain
神谷町駅	Kamiyacho Station
日比谷線「神谷町」駅4b出口	Kamiyacho Sta (Tokyo Metro Hibiya Line) Exit 4b
ANAインターコンチネンタルホテル東京	ANA InterContinental Tokyo
アークヒルズ	Ark Hills
Map (Enlarged map of the entrance)	

入口拡大図	Enlarged Map of the Entrance
溜池山王駅より	From Tameike-Sanno Station
虎ノ門駅より	From Toranomom Station
宴会場入口（1階）	Banquet Entrance (1st floor)
オークラヘリテージウィング	The Okura Heritage Wing
正面エントランス（5階）	Main Entrance (5th floor)
神谷町駅より	From Kamiyacho Station
虎ノ門ヒルズ駅より	From Toranomom Hills Station

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End of translation