

Securities Code: 8473

June 6, 2024

Yoshitaka Kitao

Representative Director, Chairman, President &
CEO

SBI Holdings, Inc.

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

**CONVOCATION NOTICE
FOR THE 26TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

Notice is hereby given that the 26th 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 26, 2024.

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 27, 2024, 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 26th fiscal year (from April 1, 2023 to March 31, 2024)
2. Report on the Non-Consolidated Financial Statements for the 26th fiscal year

Matters for Resolution

First Item of Business Election of Fifteen (15) Directors

Second Item of Business Election of One (1) Substitute Statutory Auditor

— End of convocation notice —

- 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. You may exercise 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.
- The following are not included among the documents containing electronic provision measures matters because the following are 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 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. Audit & Supervisory Board members and the Accounting Auditors have audited the documents that are subject to audit and contain electronic provision measures matters.
- 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.

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 26, 2024 (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, 2023 to March 31, 2024)

SBI Group will, in light of conditions in the global economy and markets, realize rapid growth through business operations that maximize the superiority of our business ecosystem.

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, 2024

(1) Progress of Business and Results

The Japanese economy during the consolidated fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024) experienced a negative real GDP growth rate in the second half, but that rate for the full year was positive with a rate of increase of nearly 2%, which indicated a recovery trend. The stock market also did extremely well, as exemplified by the Nikkei Stock Average reaching an all-time high of 38,915 yen on February 22, 2024, and topping 40,000 yen in March. On the other hand, future trends, such as the long-term increase in interest rates due to the elimination of the zero-interest rate policy, the ongoing depreciation of the yen due to factors that include the interest rate differential between Japan and the US, and inflation caused by the increase in import prices that is associated with such ongoing depreciation of the yen, require close attention.

Under these circumstances, the Company's consolidated business performance in the consolidated fiscal year ended March 31, 2024 resulted in revenue of ¥1210.5 billion (a 26.5% year-on-year increase), which is a record high. This is mainly due to revenue in the Financial Services Business amounting to ¥1031.4 billion (a 22.0% year-on-year increase).

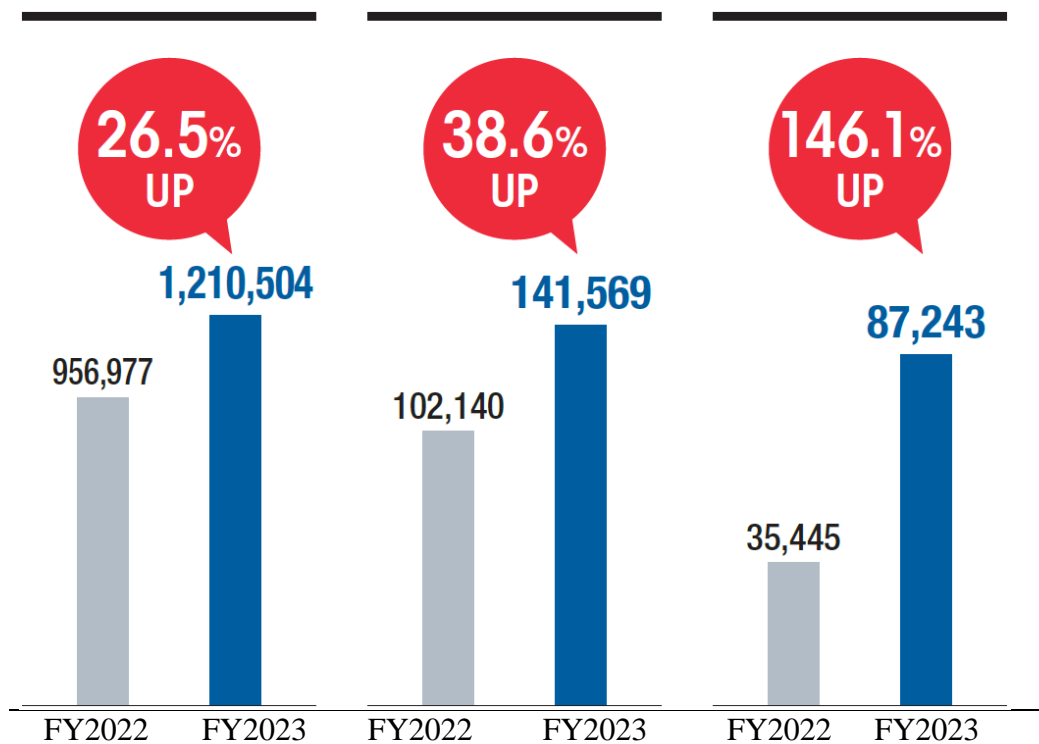
With respect to profit, in addition to the Financial Services Business remaining strong, the Crypto-asset Business, which had recorded an approximately ¥18.4 billion loss in profit before income tax expense due to the impact of bankruptcies among certain counterparties in the consolidated fiscal year ended March 31, 2023, achieved a turnaround with profit before income tax expense of approximately ¥8.4 billion. As a result, the consolidated profit before income tax expense was ¥141.6 billion (a 38.6% year-on-year increase) and profit attributable to owners of the Company was ¥87.2 billion (a 146.1% year-on-year increase).

With respect to the Financial Services Business, which has been reliably making the largest contribution in terms of both revenue and profit in the Group, the business performance of SBI SECURITIES achieved a year-on-year increase in revenue and profit for the consolidated fiscal year ended March 31, 2024, despite the commencement of the "ZERO Revolution" that eliminated stock brokerage commissions that are paid when conducting online trading of Japanese stocks and started with orders received on September 30, 2023. This is because of the success of diversifying revenue sources and various other measures that have been prepared over four years. The banking business, to which the allocation of management resources has been weighted in anticipation of rising interest rates, has already surpassed the securities business in terms of its contribution to consolidated business performance. SBI Shinsei Bank, which constitutes the core of the banking business, has already achieved a certain level of

success in various collaborative measures with the SBI Group—mainly a banking-securities collaboration—and the business performance of SBI Shinsei Bank achieved a significant year-on-year increase in revenue and profit for the consolidated fiscal year ended March 31, 2024, exemplified by ordinary business profit topping ¥100.0 billion for the first time in 13 years since fiscal year ended March 31, 2011.

From the second quarter of the consolidated fiscal year ended March 31, 2024, the segment previously referred to as the “Non-financial Business” has been renamed the “Next Gen Business.” This change was made to enable a closer reflection of actual circumstances with regard to the businesses in the digital asset area included in that segment, as that area will also be closely related to the financial area in the form of security tokens and the like.

Revenue (millions of yen)	Profit before income tax expense (millions of yen)	Profit attributable to owners of the Company (millions of yen)
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(2) POLICY ON DETERMINATION OF DIVIDENDS FROM SURPLUS

With respect to returns to our shareholders, the total amount of return for the dividend payout and share buyback will, for the time being, be approximately 30% of the profit before income tax expense that excludes extraordinary factors, such as gain on sales of stocks of subsidiaries, etc. in the Financial Services Business, and the relevant profit before income tax expense for the Financial Services Business for the consolidated fiscal year ended March 31, 2024 was ¥163.5 billion (deducting a ¥1.5 billion gain on the sale of stocks in an offering of over-allotment shares that was carried out in April 2023 upon the IPO for SBI Sumishin Net Bank, from profit before income tax expense of the Financial Services Business). A payout of a minimum of ¥10 per share will be made as an annual dividend payment, and the annual dividend payment will be determined after giving comprehensive consideration to the adequacy of retained earnings for sustainable growth and present business forecasts, etc.

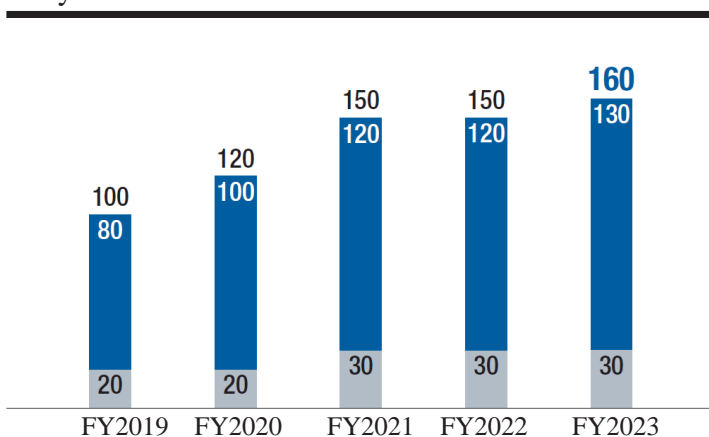
Based on the aforementioned basic policy and the consolidated business performance for the consolidated fiscal year ended March 31, 2024, the Company paid an interim dividend of ¥30 per share in the consolidated fiscal year ended March 31, 2024 and, in addition to that, decided to pay a year-end dividend of ¥130 per share, which includes a dividend of ¥10 to commemorate the 25th anniversary since the Company's founding. As a result, the total annual dividend for the consolidated fiscal year ended March 31, 2024 is ¥160 per share.

Shareholders are kindly requested to offer their ongoing understanding and support of the SBI Group as it continues to evolve through self-transformation in the future.

Dividend per Share (yen)

Blue: Year-end

Gray: Mid-term



(Note) The year-end dividend per share for FY2023 includes a dividend of ¥10 to commemorate the 25th anniversary since the Company's founding

(3) Outline of Each Business Segment

(i) Financial Services Business

Revenue: **¥1,031,439** million (a 22.0% year-on-year increase)

Profit before income tax expense: **¥164,981** million (an 8.5% year-on-year increase)

SBI SECURITIES (J-GAAP) has succeeded in diversifying revenue sources, which is an initiative that has been conducted over four years, and offset decreases in revenue despite the fact that lost profits of approximately ¥15.8 billion were incurred as a result of the commencement of Japan's first-ever "ZERO Revolution" for orders received on September 30, 2023 (the "ZERO Revolution" refers to the elimination of stock brokerage commissions that are paid when conducting online trading of Japanese stocks), which has resulted in both operating revenue and operating income reaching record highs.

Due to an increase in profit margin and commission revenue associated with an increase in the balance of loans in corporate operations, an increase in installment revenue from APLUS, and the like, SBI Shinsei Bank (J-GAAP) achieved a significant year-on-year increase in revenue and profit. While the mortgage loan business of the equity method associate SBI Sumishin Net Bank has steadily expanded, the Company's investment profits 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 and a decrease in the holding ratio. With respect to SBI SAVINGS BANK in South Korea, while its basic revenues remained strong, its profit decreased as a result of the increase in the burden of loan depreciation due to credit deterioration and increases in delinquency in connection with the continuous economic downturn in South Korea, among other causes.

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

As a result of the above, revenue for the Financial Services Business was ¥1031.4 billion (a 22.0% year-on-year increase) and profit before income tax expense was ¥165.0 billion (an 8.5% year-on-year increase).

(ii) Asset Management Business

Revenue: **¥29,449** million (a 5.3% year-on-year increase)

Profit before income tax expense: **¥4,843** million (a 52.2% year-on-year decrease)

The Asset Management Business achieved a year-on-year increase in revenue that is an all-time high due to the contribution made throughout the year by the business performance of SBI Okasan Asset Management, which joined the SBI Group in November 2022. However, profit before income tax expense was ¥4.8 billion (a 52.2% year-on-year decrease) as there was a reactionary decline of ¥8.0 billion in profit derived from the fee received by SBI Global Asset Management in exchange for the return of the “Morningstar” brand in the consolidated fiscal year ended March 31, 2023.

(iii) Investment Business

Revenue: **¥88,353** million (a 140.8% year-on-year increase)

Profit before income tax expense: **¥8,288** million (loss) (¥16,661 million (loss) was recorded in the consolidated fiscal year ended March 31, 2023)

With respect to the fair value appraisal of investee companies, fair value profits and profits arising from sales were recorded for listed stocks, while fair value losses were recorded for some unlisted stocks in reaction to the results of the consolidated fiscal year ended March 31, 2023, and ¥7.9 billion in foreign exchange losses arising from foreign currency borrowings in silent partnerships (*tokumei kumiai*) operated by SBI Leasing Services were recorded. Consequently, although the loss in profit before income tax expense was ¥8.3 billion, this constituted a decrease in loss amount from the consolidated fiscal year ended March 31, 2023.

(iv) Crypto-asset Business

Revenue: **¥57,142** million (an 88.5% year-on-year increase)

Profit before income tax expense: **¥8,428** million (¥18,429 million (loss) was recorded in the consolidated fiscal year ended March 31, 2023)

The price of Bitcoin (BTC) reached a record high as a result of the approval of physical ETFs for BTC in January 2024, among other factors. In this environment, profit before income tax expense amounted to ¥8.4 billion, partly due to the contribution of B2C2, which incorporated the expansion of crypto-asset trading overseas.

(v) Next Gen Business

Revenue: **¥26,637** million (a 1.5% year-on-year increase)

Profit before income tax expense: **¥4,952** million (loss) (¥3,253 million (loss) was recorded in the consolidated fiscal year ended March 31, 2023)

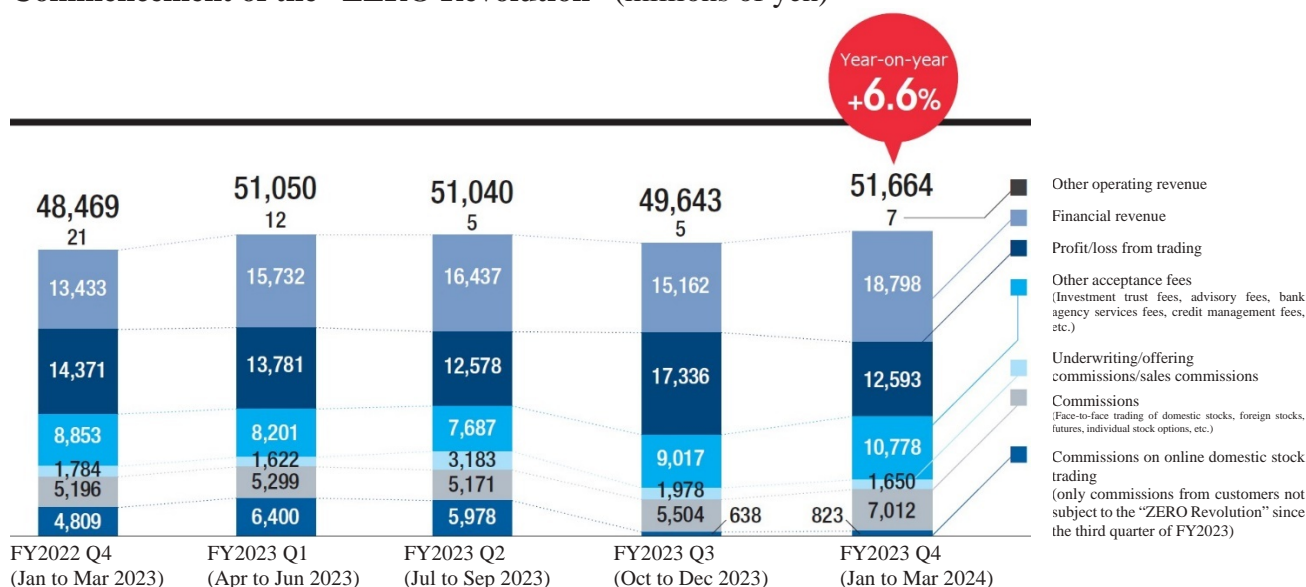
With respect to the Biotechnology, Healthcare & Medical Informatics Business, an extraordinary loss was recorded in the 5-ALA-related business due to the reappraisal of raw material inventories for the health food business. In the advanced technology areas, such as Web3 and digital assets, upfront investments have been increasing as the businesses continue to expand globally.

2. MANAGEMENT ISSUES

Since its founding in 1999, the SBI 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 SBI Group has also been involved in the incubation of venture companies with investments focused on next-generation growth fields in Japan and overseas and with active investment in Southeast Asian countries with high economic growth potential.

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, is proceeding rapidly in various industries including the financial industry. Against this background, the SBI Group believes it is important to continue actively investing in, and building alliances with, promising companies involved with such 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 SBI Group, and in doing so strive for rapid growth through the expansion of businesses that maximize the organizational advantage of the SBI Group's business ecosystem.

Comparison of Quarterly Consolidated Operating Revenue (Net Sales) Before and After the Commencement of the “ZERO Revolution” (millions of yen)



(based on JGAAP)

Areas of particular focus for the SBI Group in its expansion of businesses

1. Spreading the positive effects generated by the “ZERO Revolution” in SBI SECURITIES to the SBI Group’s entire financial ecosystem

SBI SECURITIES commenced the “ZERO Revolution” that eliminated stock brokerage commissions that are paid when conducting online trading of Japanese stocks and started with orders received on September 30, 2023. Although SBI SECURITIES lost an estimated ¥15.8 billion yen in revenue due to the “ZERO Revolution,” it successfully achieved a year-on-year increase in revenue and profit, owing to the success of various measures towards diversification of revenue sources, which have been implemented over more than four years.

This is particularly due to financial income and other trust fee amounts for investment trusts that are included within acceptance fees for the full consolidated fiscal year ended March 31, 2024 achieving record highs, as a result of each of the open interest credit balance and the investment trust balance as of the end of the consolidated fiscal year ended March 31, 2024 achieving record highs. In addition to that, FX revenue and sales of foreign bonds also made a significant contribution, while trading revenue was also a key factor, reaching a record high for the full consolidated fiscal year ended March 31, 2024.

In addition, SBI SECURITIES will further diversify revenue sources by expanding its trading of foreign stocks, futures, individual stock options, and other commodities and by further strengthening its wholesale-oriented business, including underwriting, offerings and sales, as well as brokerage for M&A.

Account acquisition speed has increased at an accelerated pace, with the number of new accounts opened with SBI SECURITIES reaching approximately 770,000 for the period from January to March 2024 because of the implementation of the “ZERO Revolution,” and the number of securities accounts with the SBI Group amounted to 12.45 million, which is the largest number of accounts in Japan, as of March 31, 2024. It is anticipated that not only will interest in other financial instruments within SBI SECURITIES broaden among customers who open an account with SBI SECURITIES but also that such interest will serve as a gateway to awareness of products and services provided by the SBI Group companies and will lead to the referral of customers toward the SBI Group companies. Accordingly, SBI SECURITIES will strive to further expand the SBI group-wide customer base, which exceeded 50 million as of the end of the consolidated fiscal year ended March 31, 2024.

2. Weighting the allocation of management resources toward the Banking business and promoting thorough strengthening of profitability, in anticipation of rising interest rates in Japan

At SBI Shinsei Bank, the growth in the number of deposit accounts has accelerated since the commencement of simultaneous opening of accounts with SBI SECURITIES in October 2022, and the net increase in retail accounts topped 40,000 accounts for the first time in the single month of December 2023. Of the new accounts opened, more than 70% were opened by customers referred from SBI SECURITIES, and the banking-securities collaboration with SBI SECURITIES has greatly contributed to the expansion of SBI Shinsei Bank’s base of individual customers. With respect to corporations, the network for business and financial corporations has expanded dramatically through revitalization of operating activities and strengthening of

collaboration with SBI Group business partners, among other causes.

Owing in part to the steady progress described above, the SBI Group's Banking business, with SBI Shinsei Bank at its core, has already surpassed the Securities business in terms of its contribution to consolidated business performance; however, with the Bank of Japan eliminating the negative interest rate policy and interest rates expected to rise over the medium to long term, SBI Shinsei Bank will (a) strive to further expand its asset scale through M&A as well as the organic growth of SBI Shinsei Bank, in order to further strengthen the profitability of the Banking business, which is expected to be positively affected by rising interest rates, and (b) also robustly promote the "Fourth Megabank" concept, including by further enhancing alliances with regional financial institutions with the pursue of creating a broad-based regional platform with SBI Shinsei Bank at its core.

The Company believes that the repayment of public funds by SBI Shinsei Bank is a great cause for the SBI Group and will be an opportunity for rapid growth in the future. At SBI Shinsei Bank, efforts such as those for strengthening profitability that have been pursued to realize the repayment of public funds have produced significant results in the short term, and as a result, actual net business profit topped ¥100.0 billion for the first time in 13 years in the consolidated business performance for the consolidated fiscal year ended March 31, 2024. We believe that we are making steady progress on the path toward repayment.

3. Investing management resources in countries with high economic growth potential and promoting integration of domestic and overseas operations

The SBI Group provides financial services, such as securities and banking services, mainly in Southeast Asia, and with the support of high economic growth, each SBI Group company has already reached a stage where it contributes to revenue. In the global south regions, such as the Middle East, Africa, and India, the SBI Group has been actively conducting investing activities and the like while collaborating with influential partners.

In order to further strengthen the profitability of the overseas businesses, the SBI Group will endeavor, for the time being, to have profits from the overseas businesses account for 20% to 30% of the consolidated profit before income tax expense for the Group as a whole, through the establishment of a new Overseas Business Management Division, the development of a system to centrally manage the SBI Group's overseas businesses over a period of about six months, and appropriate deployment of expert personnel in each business area drawn from across the Group under the concept of integration of domestic and overseas operations.

4. Actively expanding various new services and products to accelerate the rapid growth in the digital asset field

Crypto-asset trading companies, such as SBI VC Trade and BITPOINT, provide services that meet the various needs of customers, including staking services that allow customers to receive returns simply by depositing crypto-assets without the need for frequent trading.

Moreover, the SBI Group has formed an alliance with Circle Internet Financial Limited, which issues the USD-denominated stablecoin USDC, to promote businesses for distribution of USDC in Japan. Since stablecoin is a type of crypto-asset linked to movements in the value of legal tender, it mitigates sharp fluctuations in value, which has been a common issue in various crypto-assets, and its use is expected to expand in the future in the area of payments, both in the real

world and virtual world.

On December 2023, Osaka Digital Exchange Co., Ltd. established START, which is Japan's first secondary market for security tokens (STs). STs are "digitized securities" that use blockchain technology and are characterized by easy subdivision and trade, and START has proceeded with deliberations regarding the handling of corporate bond STs, etc. in addition to the real estate STs currently listed.

As stated above, crypto-assets utilizing blockchain technology and derivative products thereof have a variety of potential applications, and the SBI Group will continue to strive to create innovative products in the future.

5. Entry into the semiconductor business, which is regarded a national industry by the Japanese government

Semiconductors, which are considered essential to industry, are regarded a national industry by the Japanese government and are indispensable to the realization of the digital society that the Japanese government is striving to create.

However, while global demand for semiconductors is expected to increase, the prevailing conditions in which semiconductor suppliers find themselves have become unstable, due to factors such as tensions between the U.S. and China in the semiconductor field and growing geopolitical risks associated with the concentration of semiconductor foundries in Taiwan. Thus, more now than ever, improvement in Japan's semiconductor self-sufficiency is a key issue.

In addition, Japan is an excellent location for the establishment of semiconductor foundries, due to the presence of numerous semiconductor-related companies with a high international market share for semiconductor manufacturing equipment, etc. and companies that require large quantities of semiconductors in the automobile manufacturing, biotechnology, AI, and other industries and is also amply supplied with water and land, as well as logistics and electric power infrastructure.

Under these circumstances, since the SBI Group has had fortunate ties with Powerchip Semiconductor Manufacturing Corporation (PSMC), which is a major Taiwanese semiconductor foundry that possesses semiconductor manufacturing expertise, and financial and investment functions that the SBI Group has built up offer a great advantage in the development of a semiconductor business, and mutual synergies between semiconductor businesses and financial companies in terms of acquiring new corporate customers can be expected, the SBI Group has determined that there is an excellent window of opportunity to enter the semiconductor field and announced the construction of a semiconductor foundry in Japan in July 2023.

In October 2023, we decided on Ohira Village, Miyagi Prefecture, as the planned construction site for the semiconductor foundry. Having Shimizu Corporation as the general contractor in charge of design and construction, we started a boring survey for the planned construction site in March 2024, and preparations for the construction of the foundry are progressing steadily with the goal of starting construction in 2025 and foundry operations in 2027.

3. Capital Expenditure

The amount of capital expenditure for the consolidated fiscal year ended March 31, 2024 was ¥83,027 million.

This amount mainly resulted from a capital expenditure made in the amount of ¥73,715 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, 2024, the Company issued the 34th unsecured bonds (three-year bonds) and the 35th unsecured bonds (five-year bonds) in June 2023 in the aggregate principal amount of ¥105,000 million for the issue of the 34th unsecured bonds and ¥45,000 million for the issue of the 35th unsecured bonds, the 36th unsecured bonds (four-year bonds) in September 2023 in the aggregate principal amount of ¥100,000 million, the 37th unsecured bonds (three-year bonds) and the 38th unsecured bonds (five-year bonds) in March 2024 in the aggregate principal amount of ¥53,000 million for the issue of the 37th unsecured bonds and ¥27,000 million for the issue of the 38th unsecured bonds, and unsecured bonds (two-year bonds) under the MTN Program in June 2023 in the aggregate principal amount of ¥40,000 million, in November 2023 in the aggregate principal amount of ¥50,000 million, and in March 2024 in the aggregate principal amount of US \$100 million.

5. TRENDS IN GROUP PROPERTY AND GAINS (LOSSES)

Classification	23rd consolidated fiscal year	24th consolidated fiscal year	25th consolidated fiscal year	26th consolidated fiscal year (consolidated fiscal year ended March 31, 2024)
	April 1, 2020 to March 31, 2021	April 1, 2021 to March 31, 2022	April 1, 2022 to March 31, 2023	April 1, 2023 to March 31, 2024
Revenue <i>(millions of yen)</i>	541,145	763,618	956,977	1,210,504
Profit before income tax expense <i>(millions of yen)</i>	140,380	412,724	102,140	141,569
Profit attributable to owners of the Company <i>(millions of yen)</i>	81,098	366,854	35,445	87,243
Basic earnings per share attributable to owners of the Company <i>(yen)</i>	339.78	1,498.55	133.87	316.43
Total assets <i>(millions of yen)</i>	7,208,572	17,838,200	22,301,975	27,139,391
Total equity <i>(millions of yen)</i>	717,095	1,583,258	1,751,982	1,907,346
Equity per share attributable to owners of the Company <i>(yen)</i>	2,297.87	3,770.84	3,731.17	4,181.45

(Note) Since the 26th fiscal year (the consolidated fiscal year ended March 31, 2024), IFRS 17 “Insurance Contracts” has been applicable, and the figures for the 25th fiscal year have been amended retroactively in accordance with the transition requirements under the accounting standard.

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.	59.7
	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	64.8 (64.8)
	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.	97.9 (97.9)
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)
	SBI ALApharma Co., Limited	100.0 (100.0)
Crypto-asset Business	SBI VC Trade Co., Ltd.	100.0 (100.0)
Next Gen Business	SBI Pharmaceuticals Co., Ltd.	100.0 (100.0)
	SBI ALApromo Co., Ltd.	100.0 (1.0)
	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, 2024, the segment name “Non-financial Business” has been changed to “Next Gen Business.”
3. SBI ALApharma Co., Limited, which was included in “Non-financial Business” (changed to “Next Gen Business”) until the fiscal year ended March 31, 2023 has been included in “Investment Business” since the fiscal year ended March 31, 2024.

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

7. PRINCIPAL BUSINESS DESCRIPTION OF THE GROUP

(as of March 31, 2024)

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 "Next Gen Business" (whose name was changed from "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, 2024)

- (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, 2024)

Business Segment	Number of Employees
Financial Services Business	16,614
Asset Management Business	357
Investment Business	1,149
Crypto-asset Business	242
Next Gen Business	472
Company-wide (Common)	263
Total	19,097

(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 341 from March 31, 2023 mainly due to the increase in the number of consolidated subsidiaries in the Investment Business.
4. Since the fiscal year ended March 31, 2024, the segment name "Non-financial Business" has been changed

to “Next Gen Business.”

10. PRINCIPAL LENDER (as of March 31, 2024)

(millions of yen)

Lender	Loan Balance
Mizuho Bank, Ltd.	131,555

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

II. COMPANY

1. SHARES (as of March 31, 2024)

- (1) Total Number of Shares Authorized for Issue 544,661,000 shares
- (2) Total Number of Issued Shares 301,889,807 shares
(including 30,696 shares of treasury stock)
- (3) Number of Shareholders 243,393 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)	43,146,400	14.3
Sumitomo Mitsui Financial Group, Inc.	27,000,000	8.9
Custody Bank of Japan, Ltd. (Trust account)	18,396,109	6.1
The Bank of New York Mellon 140042	6,768,251	2.2
The Bank of New York Mellon 140051	6,286,536	2.1
State Street Bank West Client Treaty 505234	4,761,417	1.6
State Street Bank and Trust Company 505223	4,634,545	1.5
Yoshitaka Kitao	4,327,960	1.4
State Street Bank and Trust Company 505001	4,309,219	1.4
JP Morgan Securities Japan Co., Ltd.	4,222,963	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 29,531,517 shares due to the conversion of convertible bonds and exercise of stock acquisition rights.

2. COMPANY OFFICERS

(1) Directors and Statutory Auditors (as of March 31, 2024)

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. Director & Chairman of SBI Asset Management Group Co., Ltd. Representative Director of SBI Hong Kong Holdings Co., Limited Director of SBI VEN HOLDINGS PTE. LTD. Representative Director of SBI ALAlpha 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 The Global Ltd. Outside Director of Ascot Corp. Representative Director and President of SBI FINANCIAL SERVICES Co., Ltd. Director of SBI Regional Revitalization Services 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. Representative Director, Chairman, and CEO of SBI Asset Management Co., Ltd. Director of SBI Insurance Group Co., Ltd. Director of SBI Alternative Investment Management Co., Ltd. Director of Carret Holdings, Inc. Director of SBI Sumishin Net Bank, Ltd. Director of SBI Okasan Asset Management Co., Ltd. Representative Director and President of SBI Asset Management Group Co., Ltd. Director of Rheos Capital Works Inc. Director of SBI Alternative 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 SBI Zodia Custody Co., 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	Shinji Matsui	Representative Director, President of SBI Benefit Systems Co., Ltd. Representative Director of SBI Auto Support Co., Ltd. Representative Director of SBI Africa Co., Ltd. Director of SS Trading Inc. Director of Benefit Solutions Co., Ltd.
Director	Motoaki Shiino	Head of Corporate Communications Dept. of the Company Director of SBI e-Sports Co., Ltd. Representative Director of SBI Non-Bank Holdings Co., Ltd. Director of SBI Digital Community Co., Ltd.
Director	Teruhide Sato	Director of BEENEXT PTE. LTD. Director of BEENEXT CAPITAL MANAGEMENT PTE. LTD.
Director	Heizo Takenaka	Director of XICA Co., Ltd. President of Academy Hills Emeritus Professor at Keio University 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 Outside Director of Vertex Co., Ltd. Professor at Tokyo City University, Gotoh Educational Corporation
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

Position	Name	Responsibilities and Other Significant Concurrent Offices Held
Standing Statutory Auditor	Toru Ichikawa	Outside Statutory Auditor of Shimane Bank, Ltd.
Standing Statutory Auditor	Takahiro Yoshida	Statutory Auditor of SBI SECURITIES Co., Ltd. Statutory Auditor of SBI Financial Services 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. Takashi Nakagawa is a Director who retired upon the expiration of his term of office as of the end of the 25th Ordinary General Meeting of Shareholders held on June 29, 2023, and Shinji Matsui and Motoaki Shiino are Directors who were newly elected and assumed office.
5. Minoru Tada is a Statutory Auditor who retired by resignation from office as of the end of the 25th Ordinary General Meeting of Shareholders held on June 29, 2023, and Takahiro Yoshida is a Statutory Auditor who was newly elected and assumed office.
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)	¥782 million (¥107 million)	¥782 million (¥107 million)	¥— million (—)	16 officers (7 officers)
Statutory Auditors (Outside Statutory Auditors included)	¥28 million (¥16 million)	¥28 million (¥16 million)	— (—)	4 officers (2 officers)
Total (Outside Directors and Outside Statutory Auditors included)	¥810 million (¥123 million)	¥810 million (¥123 million)	¥— million (—)	20 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 100 million yen to one Director who retired from office upon the expiration of his term of office as of the end of 25th Ordinary General Meeting of Shareholders held on June 29, 2023.
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, 2024)

Position	Name	Significant Concurrent Office
Director	Teruhide Sato	Director of BEENEXT PTE. LTD. Director of BEENEXT CAPITAL MANAGEMENT PTE. LTD.
Director	Heizo Takenaka	Director of XICA Co., Ltd. President of Academy Hills Emeritus Professor at Keio University 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 Outside Director of Vertex Co., Ltd. Professor at Tokyo City University, Gotoh Educational Corporation
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
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	11 / 12 times	91%	—	—
Director	Heizo Takenaka	10 / 12 times	83%	—	—
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%	14 / 14 times	100%
Statutory Auditor	Yasuo Sekiguchi	12 / 12 times	100%	14 / 14 times	100%

- 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, 2024)

- (1) Delivery of stock acquisition rights as consideration for the execution of duties and held by the Company officers as of March 31, 2024

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)	24	Common stock; 2,400 shares	¥1,563	July 29, 2019 to September 30, 2024	1
Directors (excluding Outside Directors)	2020 Second Series of Stock Acquisition Rights (July 1, 2020)	100	Common stock; 10,000 shares	¥2,308	July 3, 2023 to September 29, 2028	1

(Note) The stock acquisition rights held by two Directors above were granted before those persons assumed the office of Director.

- (2) Delivery of stock acquisition rights to employees as consideration for the execution of duties during the fiscal year ended March 31, 2024
Not Applicable

- (3) Other matters related to stock acquisition rights
A request to exercise stock acquisition rights attached to the euro-yen convertible bonds with stock acquisition rights due 2025, which were issued on July 27, 2020, was made for the amount of ¥69,990 million (face value) during the fiscal year ended March 31, 2024, and the amount of ¥10 million whose conversion was not requested was redeemed at face value on April 2, 2024, which was an early redemption date.

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, 2024

¥632 million

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

¥2,073 million

(Note)

1. 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.
2. 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, 2023.
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. Three 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, 2024 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, 2024 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 Joint 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, 2024
	Millions of Yen
Assets	
Cash and cash equivalents	4,580,335
Trade and other accounts receivable	11,606,228
Inventories	240,398
Assets related to securities business	6,165,370
Other financial assets	567,190
Operational investment securities	673,625
Other investment securities (includes ¥388,333 million pledged as collateral)	2,088,542
Reinsurance contracts assets	24,270
Investments accounted for using the equity method	222,010
Investment properties	79,665
Property and equipment	133,777
Intangible assets	415,699
Assets held for sale	184,001
Other assets	138,766
Deferred tax assets	19,515
Total assets	<u>27,139,391</u>
Liabilities	
Bonds and loans payable	4,477,079
Trade and other accounts payable	656,571
Liabilities related to securities business	5,527,306
Customer deposits for banking business	13,002,239
Insurance contract liabilities	155,046
Income tax payable	19,036
Other financial liabilities	871,305
Provisions	36,853
Liabilities directly associated with assets held for sale	138,506
Other liabilities	286,443
Deferred tax liabilities	61,661
Total liabilities	<u>25,232,045</u>
Equity	
Capital stock	180,400
Capital surplus	280,185
Treasury stock	(87)
Other components of equity	125,726
Retained earnings	675,985
Equity attributable to owners of the Company	<u>1,262,209</u>
Non-controlling interests	645,137
Total equity	<u>1,907,346</u>
Total liabilities and equity	<u>27,139,391</u>

(2) Consolidated Statement of Income

	Fiscal year ended March 31, 2024
	Millions of Yen
Revenue (includes ¥500,112 million of interest income and ¥87,665 million of insurance revenue)	1,210,504
Expense	
Financial cost associated with financial income	(167,940)
Provision for credit losses	(112,765)
Insurance service expenses	(79,173)
Operating cost	(265,861)
Selling, general and administrative expenses	(405,759)
Other financial cost	(41,713)
Other expenses	(13,060)
Total expense	(1,086,271)
Gain on bargain purchase	2,823
Share of the profit of associates and joint ventures accounted for using the equity method	14,513
Profit before income tax expense	141,569
Income tax expense	(27,953)
Profit for the year	113,616
Profit for the year attributable to	
Owners of the Company	87,243
Non-controlling interests	26,373
Profit for the year	113,616

(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, 2023	139,272	186,774	(76)	61,047	629,095	1,016,112	735,870	1,751,982
Profit for the year	—	—	—	—	87,243	87,243	26,373	113,616
Other comprehensive income	—	—	—	65,263	—	65,263	11,478	76,741
Total comprehensive income	—	—	—	65,263	87,243	152,506	37,851	190,357
Issuance of new shares	6,110	3,787	—	—	—	9,897	—	9,897
Conversion of convertible bonds	35,018	34,003	—	—	—	69,021	—	69,021
Change in scope of consolidation	—	—	—	—	—	—	(21,673)	(21,673)
Dividends paid	—	—	—	—	(40,937)	(40,937)	(14,098)	(55,035)
Treasury stock purchased	—	—	(12)	—	—	(12)	—	(12)
Treasury stock sold	—	0	1	—	—	1	—	1
Share-based payment transactions	—	170	—	—	—	170	(31)	139
Changes of interests in subsidiaries without losing control	—	55,451	—	—	—	55,451	(92,782)	(37,331)
Transfer	—	—	—	(584)	584	—	—	—
As at March 31, 2024	180,400	280,185	(87)	125,726	675,985	1,262,209	645,137	1,907,346

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MATERIAL 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 IFRS Accounting 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: 659

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: 62

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
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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

Contracts under which the Group accepts significant insurance risk are classified as insurance contracts. Contracts held by the Group under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance contracts.

(a) Aggregation

For the purpose of measurement, insurance contracts are aggregated into groups. The Group determines a group of insurance contracts by identifying portfolios of insurance contracts. Each portfolio of insurance contracts comprises contracts subject to similar risks and managed together, and each portfolio is divided into annual cohorts. The annual cohorts include contracts issued within twelve months, and they are divided into three groups based on contract profitability levels:

- a group of contracts that are onerous at initial recognition;
- a group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently; and
- a group of the remaining contracts in the portfolio.

(b) Initial recognition

The Group recognizes a group of insurance contracts it issued from the earliest of the following:

- the beginning of the coverage period of the group of contracts;
- the date when the first payment from a policyholder in the group becomes due; and
- for a group of onerous contracts, when the group becomes onerous.

(c) Measurement

The Group includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums or in which the Group has a substantive obligation to provide the policyholder with insurance contract services.

Insurance contracts — Contracts to which the premium allocation approach (“PAA”) is not applied

(Initial measurement)

On initial recognition, the Group measures a group of insurance contracts at the total of:

- Fulfilment cash flows

The fulfilment cash flows comprise estimates of future cash flows, an adjustment to reflect the time value of money and the financial risks related to the future cash flows, and a risk adjustment for non-financial risk (the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk).

- CSM

The CSM of a group of insurance contracts represents the unearned profit the Group will recognize as it provides services under the contracts.

The Group recognizes an onerous insurance contract on initial recognition if any cash flows arising from the contract at the date of initial recognition in total are a net outflow. In recognizing onerous contracts, the Group recognizes a loss in profit or loss for the net outflow described above and identifies the same amount as a loss component of the liability for remaining coverage.

(Subsequent measurement)

The carrying amount of a group of insurance contracts at the end of each reporting period is the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage comprises (a) the fulfilment cash flows related to services to be provided under the contracts in future periods, and (b) the remaining CSM at the reporting date. The liability for incurred claims includes the fulfilment cash flows relating to unpaid incurred claims and expenses, including claims that have been incurred but not yet reported.

The loss component is measured by allocating the subsequent changes in fulfilment cash flows on a systematic basis.

Insurance contracts — Contracts to which the PAA is applied

For insurance contracts with a coverage period of no more than one year at initial recognition, and certain insurance contracts that would not differ materially in the measurement of liability for remaining coverage from the one that would be produced when measured without applying the PAA, the Group applies the PAA for measuring a group of insurance contracts.

(Initial measurement)

The carrying amount of the liability for remaining coverage at initial recognition of each group of insurance contracts is measured at the premiums received at initial recognition less any insurance acquisition cash flows (cash flows arising from the activities of selling, underwriting and starting the group of insurance contracts that are directly attributable to the portfolio of insurance contracts to which the group belongs) allocated to the group of insurance contracts at that date.

(Subsequent measurement)

The carrying amount of the liability for remaining coverage increases through the amortization of insurance acquisition cash flows recognized as premiums received and expenses. It decreases through the recognition of insurance revenue related to services provided and the allocation of additional insurance acquisition cash flows after initial recognition.

If, at any time during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Group recognizes a loss in profit or loss and increases the liability for remaining coverage to the extent that current estimates of the fulfilment cash flows related to remaining coverage exceed the carrying amount of the liability for remaining coverage.

The Group recognizes the liability for incurred claims for the group of insurance contracts at the fulfilment cash flows relating to incurred claims.

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 CHANGE IN ACCOUNTING POLICIES

The Group adopted the following new and revised standards and interpretations from the beginning of the fiscal year ended March 31, 2024.

Statement of standards	Summary of new standards and amendments
IFRS 17 Insurance Contracts	Revision to the definition and accounting treatment of insurance contracts

The Group had applied IFRS 4 “Insurance Contracts” until the fiscal year ended March 31, 2023. However, it has applied IFRS 17 “Insurance Contracts” (“IFRS 17”) from the fiscal year ended March 31, 2024.

The date of transition to IFRS 17 was April 1, 2022 (the “date of transition”). The Group recognized the cumulative effect of applying this standard at the date of transition and retrospectively applied the standard to the consolidated financial statements for the previous period in accordance with the transitional treatment.

The Group does not present the quantitative information required by paragraph 28 (f) of IAS 8 in accordance with paragraph C3 (a) of IFRS 17. The impact of the application of IFRS 17 on retained earnings at the date of transition is presented in the consolidated statement of changes in equity as the cumulative effect of changes in accounting policies. In transitioning to IFRS 17, the Group applied the fair value approach to life insurance contracts, except for certain contracts, because it is impracticable for the Group to apply the fully retrospective approach due to a limitation in obtaining the necessary information, resulting from system development or other reasons. The Group applied the fully retrospective approach to other insurance contracts.

NOTES TO CHANGE IN PRESENTATION METHODS

“Inventories” (98,149 million yen as at March 31, 2023) and “Assets held for sale” (75,873 million yen as at March 31, 2023), which were included in “Other assets” as at March 31, 2023, and “Provisions” (43,811 million yen as at March 31, 2023) and “Liabilities directly associated with assets held for sale” (47,283 million yen as at March 31, 2023), which were included in “Other liabilities”, are presented separately from the current period due to their increased materiality.

In addition, “Accrued interest receivable” (45,492 million yen as at March 31, 2024), which was included in “Other financial assets” as at March 31, 2023, is included in “Trade and other accounts receivable” from the fiscal year ended March 31, 2024, due to more appropriate presentation.

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 “MATERIAL 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, 2024 was 673,625 million yen.

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

The details are described in “MATERIAL 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, 2024 was 11,606,228 million yen.

- Impairment on intangible assets

The details are described in “MATERIAL 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, 2024 was 415,699 million yen.

- Insurance contract liabilities

In the life insurance business, except for certain contracts, the Group records insurance contract liabilities by estimating the present value of all cash flows from insurance contracts using assumptions, such as discount rates (interest rates), mortality, morbidity, renewal rates, business expenses, and commissions.

Projected increases in mortality, morbidity, business expenses, and commissions are assumed to reduce future net income/loss and equity through increases in future cash outflows. The balance of insurance contract liabilities in the consolidated statement of financial position as at March 31, 2024 was 155,046 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, 2024 was 19,515 million yen.

NOTES TO CONSOLIDATED STATEMENT OF FINANCIAL POSITION

1. Pledged assets and related liabilities

(1) Pledged assets consisted of the following:

Cash and cash equivalents	4,348 Millions of Yen
Trade and other accounts receivable	1,642,554 Millions of Yen
Inventories	78,556 Millions of Yen
Other investment securities	576,647 Millions of Yen
of which: financial instruments pledged as collateral (*1)	388,333 Millions of Yen

Investment properties	52,799 Millions of Yen
Property and equipment	20,474 Millions of Yen
Assets held for sale	136,026 Millions of Yen
Other assets	177 Millions of Yen
<u>Total</u>	<u>2,511,581 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	1,530,487 Millions of Yen
Customer deposits for banking business	932 Millions of Yen
Other financial liabilities	383,794 Millions of Yen
Liabilities directly associated with assets held for sale	136,284 Millions of Yen
Other liabilities	42,899 Millions of Yen
<u>Total</u>	<u>2,094,396 Millions of Yen</u>

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

78,023 Millions of Yen

NOTES TO CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

1. Number and class of issued shares as of March 31, 2024

Common shares	301,899,807 shares
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2. Dividends

(1) Dividend paid

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

Dividend approved at the Board of Directors meeting on November 10, 2023

- Dividend amount 8,257 Millions of Yen
- Amount per share 30 Yen
- Record date September 30, 2023
- Effective date December 18, 2023

(2) Dividend whose record date fell in the year ended March 31, 2024, and whose effective date will be in the year ending March 31, 2025

Dividend approved at the Board of Directors meeting on May 10, 2024

- Dividend amount 39,242 Millions of Yen
- Amount per share 130 Yen (including the 25th anniversary commemorative dividend of 10 yen)
- Record date March 31, 2024
- Effective date June 7, 2024

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, 2024

Common shares related to:

Stock options	3,923,600 shares
Convertible bonds	3,582 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 of receivables grouped by category 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 arm's-length transaction price. 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 the Group entities 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

those 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 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".

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	740,658	—	—	10,865,570	11,606,228	11,698,614
Assets related to securities business	430,912	—	—	5,734,458	6,165,370	6,165,370
Other financial assets	293,609	—	—	273,581	567,190	567,195
Operational investment securities	673,625	—	—	—	673,625	673,625
Other investment securities	875,239	33,103	603,959	576,241	2,088,542	2,012,716
Total	3,014,043	33,103	603,959	17,449,850	21,100,955	21,117,520

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	—	53,507	4,423,572	4,477,079	4,472,402
Trade and other accounts payable	2,342	—	654,229	656,571	656,571
Liabilities related to securities business	225,015	—	5,302,291	5,527,306	5,527,306
Customer deposits for banking business	—	479,859	12,522,380	13,002,239	12,996,423
Other financial liabilities	411,919	—	459,386	871,305	871,305
Total	639,276	533,366	23,361,858	24,534,500	24,524,007

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	—	73,445	667,213	740,658
Assets related to securities business	243,707	178,927	8,278	430,912
Other financial assets	15	278,545	15,049	293,609
Operational investment securities and other investment securities				
Financial assets measured at FVTPL	87,685	364,394	1,096,785	1,548,864
Equity instruments measured at FVTOCI	30,241	216	2,646	33,103
Debt instruments measured at FVTOCI	360,271	156,924	86,764	603,959
Total	<u>721,919</u>	<u>1,052,451</u>	<u>1,876,735</u>	<u>3,651,105</u>
Bonds and loans payable	—	—	53,507	53,507
Trade and other accounts payable	—	—	2,342	2,342
Liabilities related to securities business	127,952	92,570	4,493	225,015
Customer deposits for banking business	—	153,589	326,270	479,859
Other financial liabilities	1	350,365	61,553	411,919
Total	<u>127,953</u>	<u>596,524</u>	<u>448,165</u>	<u>1,172,642</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	—	6,110,992	4,846,964	10,957,956
Assets related to securities business	—	5,734,458	—	5,734,458
Other financial assets	—	236,306	37,280	273,586
Operational investment securities and other investment securities	121,777	47,677	330,961	500,415
Total	<u>121,777</u>	<u>12,129,433</u>	<u>5,215,205</u>	<u>17,466,415</u>
Bonds and loans payable	—	3,861,071	557,824	4,418,895
Trade and other accounts payable	—	654,229	—	654,229
Liabilities related to securities business	—	5,302,291	—	5,302,291
Customer deposits for banking business	—	8,417,598	4,098,966	12,516,564
Other financial liabilities	—	459,386	—	459,386
Total	<u>—</u>	<u>18,694,575</u>	<u>4,656,790</u>	<u>23,351,365</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	0.5% – 16.9%
		Recovery rate	80.0%
Assets related to securities business	Market approach	Stock volatility	14.7% – 90.4%
		Correlation (Foreign Exchange/Interest Rate)	(4.2%) – 9.0%
		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	1.2% – 1.2%
	Income approach	Prepayment rates	0.0% – 10.5%
		Probability of default	1.1%
		Recovery rate	0.0% – 74.0%
		Discount rate	0.4% – 65.0%
		P/E ratio	1.5 – 45.2
Operational investment securities and other investment securities	Market approach, cost approach and income approach	Price to sales ratio	7.7 – 10.6
		EBITDA ratio	10.6 – 40.0
		Minority discount	8.3%
		Illiquidity discount	20.0% – 25.0%
		Prepayment rates	2.4% – 20.0%
		Probability of default	0.0% – 3.7%
		Recovery rate	0.0% – 100.0%
Bonds and loans payable	Income approach	Discount rate	0.0% – 0.1%
Trade and other accounts payable	Income approach	Discount rate	1.1%
		Stock volatility	14.7% – 90.4%
Liabilities related to securities business	Market approach	Correlation (Foreign Exchange/Interest Rate)	(4.2%) – 9.0%
Customer deposits for banking business	Income approach	Discount rate	0.0% – 0.1%
		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	Recovery rate	35.0% – 74.0%

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 price to sales ratio increases (decreases), when the EBITDA ratio increases (decreases), when the minority discount decreases (increases), 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, 2023	942,774	2,603	73,123	1,018,500	596,760	5,578	17,122
Acquisitions through business combinations	37	0	—	37	—	—	—
Purchase and issuance	398,176	—	27,488	425,664	207,248	—	—
Comprehensive income							
Net profit (*1)	12,021	—	11,179	23,200	27,385	2,195	(1,525)
Other comprehensive income	—	60	1,243	1,303	—	—	—
Dividends	(18,407)	—	—	(18,407)	—	—	—
Sale or redemption	(245,936)	(48)	(26,269)	(272,253)	—	—	—
Settlements	—	—	—	—	(164,180)	513	(548)
Currency translation differences	18,762	31	—	18,793	—	—	—
Others	676	—	—	676	—	—	—
Transferred from Level 3 (*2)	(11,318)	—	—	(11,318)	—	(8)	—
Balance as at March 31, 2024	1,096,785	2,646	86,764	1,186,195	667,213	8,278	15,049

	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, 2023	52,020	5,482	4,369	145,940	41,997
Purchase and issuance	3,000	2,327	—	180,450	—
Comprehensive income					
Net profit (*1)	(1,005)	(582)	(734)	6	22,863
Other comprehensive income	(8)	—	—	(26)	—
Settlements	(500)	(2,490)	858	(100)	(3,307)
Currency translation differences	—	371	—	—	—
Others	—	(2,766)	—	—	—
Balance as at March 31, 2024	53,507	2,342	4,493	326,270	61,553

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, 2024 were ¥14,337 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
79,665 Millions of Yen	88,662 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	4,181.45 Yen
Basic earnings per share attributable to owners of the Company	316.43 Yen

NOTES TO REVENUE RECOGNITION

Revenue consisted of the following:

	Fiscal Year ended March 31, 2024
	<u>Millions of Yen</u>
Revenue	
Financial income	
Interest income	
Income arising from financial assets measured at	488,677
amortized cost (*1)	
Income arising from debt instruments measured at	11,435
FVTOCI (*2)	
Income arising from financial assets measured at FVTPL	41,497
Income arising from financial liabilities designated at FVTPL	(2,959)
Others	52,236
Total financial income	<u>590,886</u>
Insurance revenue	87,665
Revenue from contracts with customers	
Revenue from rendering of services	220,659
Revenue from sales of goods	108,311
Others	202,983
Total revenue	<u><u>1,210,504</u></u>

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	Next Gen 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	183,206	29,122	7,136	398	8,436	228,298	(7,639)	220,659
Revenue from sales of goods	47,487	—	48,066	—	13,111	108,664	(353)	108,311
Total	<u>230,693</u>	<u>29,122</u>	<u>55,202</u>	<u>398</u>	<u>21,547</u>	<u>336,962</u>	<u>(7,992)</u>	<u>328,970</u>

2. Contract balance

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

	Balance as at April 1, 2023	Balance as at March 31, 2024
	Millions of Yen	Millions of Yen
Trade receivables from contract with customers	10,247	16,493
Contract liabilities	5,136	5,326

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, 2024, ¥5,136 million was included in the balance of contract liabilities as at April 1, 2023.

NOTES TO SIGNIFICANT SUBSEQUENT EVENT

There was no significant event after the reporting period.

FINANCIAL STATEMENTS

(1) Balance Sheet

	As at March 31, 2024
	<u>Millions of</u>
Assets	
Current assets	
Cash and deposits	160,101
Accounts receivable-trade	1,514
Operational investment securities	110,413
Supplies	70
Prepaid expenses	1,489
Operational loans receivable	4,513
Short-term loans receivable	375,160
Others	20,123
Allowance for doubtful accounts	<u>(36,378)</u>
Total current assets	<u>637,005</u>
Non-current assets	
Property and equipment	
Buildings	587
Structures	7
Vehicles	4
Tools and fixtures	<u>193</u>
Total property and equipment	<u>791</u>
Intangible assets	
Patents	181
Trademark	1
Software	1,997
Telephone rights	<u>5</u>
Total intangible assets	<u>2,184</u>
Investments and other assets	
Investment securities	6,191
Stocks of subsidiaries and associates	1,233,357
Investments in other securities of subsidiaries	22,995
Bonds of subsidiaries and associates	201
Lease and guarantee deposits	2,921
Others	6,162
Allowance for doubtful accounts	<u>(757)</u>
Total investments and other assets	<u>1,271,070</u>
Total non-current assets	<u>1,274,045</u>
Deferred charges	
Bond issuance costs	<u>2,790</u>
Total deferred charges	<u>2,790</u>
Total assets	<u><u>1,913,840</u></u>

	As at March 31, 2024
	<u>Millions of</u>
Liabilities	
Current liabilities	
Short-term loans payable	169,061
Current portion of bonds payable	200,000
Current portion of long-term loans payable	80,080
Accounts payable	8,332
Accrued expenses	3,402
Income taxes payable	993
Deposits received	326
Provision for bonuses	308
Provision for bonuses for directors	488
Others	42,005
Total current liabilities	<u>504,994</u>
Non-current liabilities	
Bonds payable	799,150
Long-term loans payable	17,500
Loans payable of subsidiaries and associates	3,000
Deferred tax liabilities	17,744
Asset retirement obligation	145
Long-term deposits received	9,352
Total non-current liabilities	<u>846,891</u>
Total liabilities	<u>1,351,885</u>

	As at March 31, 2024
	<u>Millions of Yen</u>
Net assets	
Shareholders' equity	
Capital stock	180,400
Capital surplus	
Legal capital surplus	225,512
Other capital surplus	97,017
Total capital surplus	<u>322,529</u>
Retained earnings	
Other retained earnings	
Retained earnings brought forward	50,630
Total retained earnings	<u>50,630</u>
Treasury stock	<u>(87)</u>
Total shareholders' equity	<u>553,472</u>
Valuation and translation adjustments	
Unrealized gains on available-for-sale securities	6,495
Total valuation and translation adjustments	<u>6,495</u>
Stock acquisition rights	<u>1,988</u>
Total net assets	<u>561,955</u>
Total liabilities and net assets	<u><u>1,913,840</u></u>

(2) Statement of Income

	Fiscal Year <u>ended</u>
	Millions of Yen
Net sales	76,488
Cost of sales	16,118
Gross profit	<u>60,370</u>
Selling, general and administrative expenses	<u>15,887</u>
Operating income	<u>44,483</u>
Non-operating income	
Interest income	5,876
Dividend income	267
Others	206
Total non-operating income	<u>6,349</u>
Non-operating expense	
Interest expense	12,028
Amortization of bond issuance costs	1,071
Foreign exchange losses	588
Provision of allowance for doubtful accounts	4,688
Commission fee	1,553
Others	286
Total non-operating expense	<u>20,214</u>
Ordinary income	<u>30,618</u>
Extraordinary income	
Gain on sales of stocks of subsidiaries and associates	17,007
Others	30
Total extraordinary income	<u>17,037</u>
Extraordinary loss	
Loss on valuation of investment securities	1,699
Loss on valuation of stocks of subsidiaries and associates	1,898
Others	399
Total extraordinary loss	<u>3,996</u>
Income before income taxes	<u>43,659</u>
Income taxes-current	(3,810)
Income taxes-deferred	6,522
Total income taxes	<u>2,712</u>
Net income	<u><u>40,947</u></u>

(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, 2023	139,272	184,384	97,017	281,401	50,620	50,620	(76)	471,217
Issuance of new shares	41,128	41,128	—	41,128	—	—	—	82,256
Dividends paid	—	—	—	—	(40,937)	(40,397)	—	(40,937)
Net income	—	—	—	—	40,947	40,947	—	40,947
Treasury stock purchased	—	—	—	—	—	—	(12)	(12)
Treasury stock sold	—	—	0	0	—	—	1	1
Net changes other than shareholders' equity	—	—	—	—	—	—	—	—
Total changes during the year	41,128	41,128	0	41,128	10	10	(11)	82,255
As at March 31, 2024	180,400	225,512	97,017	322,529	50,630	50,630	(87)	553,472

	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, 2023	1,190	1,190	4,140	476,547
Issuance of new shares	—	—	—	82,256
Dividends paid	—	—	—	(40,937)
Net income	—	—	—	40,947
Treasury stock purchased	—	—	—	(12)
Treasury stock sold	—	—	—	1
Net changes other than shareholders' equity	5,305	5,305	(2,152)	3,153
Total changes during the year	5,305	5,305	(2,152)	85,408
As at March 31, 2024	6,495	6,495	1,988	561,955

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 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 1,233,357 million yen in stocks of subsidiaries and associates, which includes 1,114,329 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 1,898 million yen recorded for the year ended March 31, 2024 represents a loss on valuation of stocks of subsidiaries and affiliates that do not have market prices.

NOTES TO BALANCE SHEET

1. Accumulated depreciation:

	As at March 31, 2024
	<u>Millions of Yen</u>
Property and equipment	1,716

2. Guarantee obligation:

(1) Guarantees for bonds and loans payable of subsidiaries and associates **9,153 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, the obligation balance outstanding was 27,014 million yen.

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, the obligation balance outstanding was 17,347 million yen.

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

	As at March 31, 2024
	<u>Millions of Yen</u>
(1) Short-term receivables	394,049
(2) Long-term receivables	4,749
(3) Short-term payables	159,803
(4) Long-term payables	11,852

NOTES TO STATEMENT OF INCOME

Transactions with subsidiaries and associates:

	Fiscal Year ended March 31, 2024
	<u>Millions of Yen</u>
(1) Net sales	61,767
(2) Purchases	3,082
(3) Other transactions	23,987

NOTES TO STATEMENT OF CHANGES IN NET ASSETS

Class and number of treasury stock

	As at March 31, 2024
	<u>Shares</u>
Common shares	30,696

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 applies the group tax sharing system. In addition, the Company accounts for and discloses 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	Transaction amount (Millions of Yen)	Account name	Year-end balance (Millions of Yen)
Subsidiary of major corporate shareholder	Sumitomo Mitsui Banking Corporation	—	—	Borrowing (*2)	51,100	Short-term loans payable	61,100

Note:

- (*1) Sumitomo Mitsui Financial Group, Inc. ceased to be a major shareholder of the Company as of July 11, 2023 and is no longer a related party due to an increase in the total number of outstanding shares and a decrease in the ratio of voting rights as a result of the exercise of stock acquisition rights. Accordingly, the transaction amount represents the transaction amount during the period when it was a related party, and the year-end balance represents the balance at the time when it ceased to be a related party.
- (*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	Transaction amount (Millions of Yen)	Account name	Year-end balance (Millions of Yen)
Subsidiary	SBI FINANCIAL SERVICES Co., Ltd.	100	Interlocking directors	Finance (*2)	33,800	Short-term loans receivable	11,900
				Dividend receipt	52,900	—	—
Subsidiary	SBI Regional Bank Holdings Co., Ltd.	100	Interlocking directors	Finance (*2)	66,343	Short-term loans receivable	19,347
				Underwriting of capital increase	57,300	—	—
Subsidiary	SBI Nonbank Holdings Co., Ltd.	100	Interlocking directors	Finance (*2)	80,079	Short-term loans receivable	35,289
				Sale of stocks of subsidiaries and associates (*3) Proceeds from sale Gain on sale	17,713 10,164	—	—
Subsidiary	ER17 Co., Ltd.	100	—	Finance (*2)	29,543	Short-term loans receivable	14,772
Subsidiary	SBIGK Co., Ltd.	100 (1.6)	—	Finance (*2)	38,003	Short-term loans receivable	19,001
Subsidiary	SBIFS LLC	100 (100)	—	Finance (*2)	45,292	Short-term loans receivable	22,721
Subsidiary	SBI Shinsei Bank, Limited	64.8 (64.8)	—	Borrowing (*2)	40,000	Short-term loans payable	10,000
Subsidiary	SBI Capital Management Co., Ltd.	100	Interlocking directors	Finance (*2)	34,696	Short-term loans receivable	15,773
Subsidiary	SBI VEN HOLDINGS PTE. LTD.	100	Interlocking directors	Finance (*2)	25,273	Short-term loans receivable	10,971
Subsidiary	SBI VENTURES SINGAPORE PTE. LTD.	100	—	Borrowing (*2)	127,703	Short-term loans payable	58,889
				Underwriting of capital increase	101,493	—	—
				Return of capital	28,376	—	—
Subsidiary	SBI Ventures Two Co., Ltd.	100 (100)	Interlocking directors	Finance (*2)	36,627	Short-term loans receivable	16,737
Subsidiary	SBICM LLC	100 (100)	—	Finance (*2)	44,616	Short-term loans receivable	44,616
Subsidiary	SBI Ventures Three LLC	100 (100)	—	Finance (*2, 4)	45,456	Short-term loans receivable	22,029

Subsidiary	SBI VENTURES ASSET PTE. LTD.	100 (100)	—	Finance (*2)	24,339	Short-term loans receivable	10,030
Subsidiary	SBI ALApharma Co., Limited	100 (100)	—	Finance (*2)	21,029	Short-term loans receivable	—
				Borrowing (*2)	78,344	Short-term loans payable	78,344
				Purchase of stocks of subsidiaries and associates (*5)	50,536	—	—
Subsidiary	SBI Incubation Co., Ltd.	100 (79.8)	—	Finance (*2)	24,715	Short-term loans receivable	10,481
Subsidiary	SBI Crypto Asset Holdings Co., Ltd.	100	—	Finance (*2)	25,500	Short-term loans receivable	12,750
Subsidiary	SBI Mining Chip Co., Ltd.	100 (4.0)	Interlocking directors	Finance (*2, 6)	22,391	Short-term loans receivable	7,487
Subsidiary	SBI CAH LLC	100 (100)	—	Finance (*2)	27,600	Short-term loans receivable	10,800
Subsidiary	SBI ENERGY Co., Ltd.	100	—	Finance (*2, 7)	27,593	Short-term loans receivable	11,705
Subsidiary	SBI ALApharma Japan K.K.	100 (0.0)	Interlocking directors	Finance (*2)	36,150	Short-term loans receivable	18,075

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) Allowance for doubtful accounts of 569 million yen was provided for short-term loans receivable from SBI Ventures Three LLC. In addition, a provision of allowance for doubtful accounts of 569 million yen was recorded for the current fiscal year.

(*5) The purchase price of stocks of subsidiaries and associates was determined based on a stock price valuation report by an independent third party.

(*6) Allowance for doubtful accounts of 7,455 million yen was provided for short-term loans receivable from SBI Mining Chip Co., Ltd. In addition, a provision of allowance for doubtful accounts of 264 million yen was recorded for the current fiscal year.

(*7) Allowance for doubtful accounts of 11,340 million yen was provided for short-term loans receivable from SBI ENERGY Co., Ltd. In addition, a provision of allowance for doubtful accounts of 380 million yen was reversed for the current fiscal year.

Corporate officers and major individual shareholders

Type	Company name or Name	Ratio of voting rights held (%)	Relationship with related party	Transaction description	Amount (Millions of Yen)	Account name	Balance (Millions of Yen)
Corporate officer	Yoshitaka Kitao	1.4	Representative Director	Exercise of stock options (*1)	1,186	—	—
Corporate officer	Masato Takamura	0.1	Representative Director	Exercise of stock options (*1)	319	—	—
Corporate officer	Tomoya Asakura	0.1	Executive Director	Exercise of stock options (*1)	616	—	—
Corporate officer	Shumpei Morita	0.0	Executive Director	Exercise of stock options (*1)	463	—	—
Corporate officer	Satoe Kusakabe	0.0	Executive Director	Exercise of stock options (*2)	12	—	—
Corporate officer	Masayuki Yamada	0.0	Executive Director	Exercise of stock options (*1)	80	—	—
Corporate officer	Matsui Shinji	0.0	Executive Director	Exercise of stock options (*1)	125	—	—
Corporate officer	Motoaki Shiino	0.0	Executive Director	Exercise of stock options (*1)	12	—	—

Note:

- (*1) Exercise of stock options represents the exercise of stock acquisition rights which were issued based on the resolution by the Board of Directors meeting held on May 28, 2020, and June 26, 2020, pursuant to Article 236, 238 and 240 of the Companies Act.
- (*2) Exercise of stock options represents the exercise of stock acquisition rights which were issued based on the resolution by the Board of Directors meeting held on July 27, 2017, and August 19, 2017, pursuant to Article 236, 238 and 240 of the Companies Act.

NOTES TO PER SHARE INFORMATION

	Fiscal Year ended March 31, 2024
	<u>Yen</u>
Net assets per share	1,855.06
Net income per share	148.51
Diluted net income per share	132.68

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

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 27, 2024

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:

Atsuki Sasagawa

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, 2024, and the consolidated statement of income and consolidated statement of changes in equity for the fiscal year from April 1, 2023 to March 31, 2024, 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, 2024, 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 IFRS Accounting 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 IFRS Accounting 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 IFRS Accounting 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 IFRS Accounting 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, actions taken to eliminate threats or safeguards applied.

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. The other information in “the accompanying supplemental schedules” referred to in the “Other Information” section of this English translation is not translated.

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 27, 2024

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:

Atsuki Sasagawa

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, 2024, and the nonconsolidated statement of income and nonconsolidated statement of changes in net assets for the 26th fiscal year from April 1, 2023 to March 31, 2024, 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, 2024, 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, actions taken to eliminate threats or safeguards applied.

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. "The accompanying supplemental schedules" referred to in the "Opinion" section of this English translation are not included in the attached financial documents. In addition, the other information in "the accompanying supplemental schedules" referred to in the "Other Information" section of this English translation is not translated.

Report by the Board of Statutory Auditors

AUDIT REPORT

With respect to the directors' performance of their duties during the 26th fiscal year (from April 1, 2023 to March 31, 2024), 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), 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, 2024

The Board of Statutory Auditors of SBI Holdings, Inc.

Standing Outside Statutory Auditor:

Toru Ichikawa (seal)

Standing Statutory Auditor:

Takahiro Yoshida (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: Election of Fifteen (15) Directors

The term of office of all fifteen (15) current Directors expires as of the end of this Ordinary General Meeting of Shareholders. Therefore, the Company proposes that fifteen (15) Directors be elected.

1. The candidates for Directors to be reelected upon expiry of the term of office are as described in pages 92 to 107:

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: 4,327,960 shares	<p>April 1974 Entered Nomura Securities Co., Ltd.</p> <p>June 1995 Executive Vice President and CFO of SOFTBANK CORP. (Currently, SoftBank Group Corp.)</p> <p>March 1999 Representative Director of Softbank Finance Corp. (Currently, SoftBank Corp.)</p> <p>July 1999 Representative Director and President of the Company</p> <p>June 2003 Representative Director and CEO of the Company</p> <p>July 2004 Director and Chairman of E*TRADE SECURITIES Co., Ltd. (Currently, SBI SECURITIES Co., Ltd.)</p> <p>June 2005 Representative Director and CEO of SBI VENTURES K.K. (Currently, SBI Investment Co., Ltd.)</p> <p>June 2007 Director of SBI VEN HOLDINGS PTE. LTD. (present)</p> <p>April 2008 Representative Director & CEO of SBI ALApromo Co., Ltd. (Currently, SBI Pharmaceuticals Co., Ltd.)</p> <p>July 2008 Director and Chairman of SBI Liquidity Market Co., Ltd. (present)</p> <p>Oct. 2010 Representative Director and Chairman of SBI SECURITIES Co., Ltd. (present)</p> <p>Feb. 2011 Director of SBI Japannext Co., Ltd. (Currently, Japannext Co., Ltd.) (present)</p> <p>June 2012 Representative Director, President & CEO of the Company</p> <p>July 2012 Director of Morningstar Japan K.K. (Currently, SBI Global Asset Management Co., Ltd.) (present)</p> <p>July 2012 Representative Director of SBI Hong Kong Holdings Co., Limited (present)</p> <p>May 2013 Representative Director and Chairman of SBI Investment Co., Ltd.</p> <p>June 2014 Director and Chairman of SBI FINANCIAL SERVICES Co., Ltd.</p> <p>June 2014 Director and Chairman of SBI Capital Management Co., Ltd.</p> <p>Nov. 2015 Representative Director and Chairman of SBI Global Asset Management Co., Ltd. (Currently, SBI Asset Management Group Co., Ltd.)</p> <p>April 2016 Director of SBI ALA Hong Kong Co., Limited (Currently, SBI ALApharma Co., Limited)</p> <p>June 2016 Representative Director, President of SBI Pharmaceuticals Co., Ltd. (present)</p> <p>Nov. 2016 Representative Director of SBI Virtual Currencies Co., Ltd. (Currently, SBI VC Trade Co., Ltd.)</p> <p>October 2017 Representative Director and President of SBI Crypto Currency Holdings Co., Ltd. (Currently, SBI Digital Asset Holdings Co., Ltd.)</p> <p>June 2018 Representative Director and Chairman of SBI FINANCIAL SERVICES Co., Ltd.</p>

	<p>June 2018 Representative Director, President & CEO of the Company</p> <p>July 2018 Representative Director of SBI NEO FINANCIAL SERVICES Co., Ltd.</p> <p>June 2019 Representative Director & President of SBI Global Asset Management Co., Ltd. (Currently, SBI Asset Management Group Co., Ltd.)</p> <p>June 2020 Representative Director and Chairman of SBI Digital Asset Holdings Co., 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>June 2023 Director & Chairman of SBI Asset Management Group Co., Ltd. (present)</p> <p>Sep. 2023 Representative Director of SBI ALApharma Co., Limited (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	Masato Takamura (February 26, 1969) Number of Company's Shares Owned: 450,000 shares	April 1992 Entered The Sanwa Bank, Limited (Currently, MUFG Bank, Ltd.)
		March 2005 Entered E*TRADE SECURITIES Co., Ltd. (Currently, SBI SECURITIES Co., Ltd.)
		Oct. 2005 General Manager of Corporate Dept. of E*TRADE SECURITIES Co., Ltd. (Currently, SBI SECURITIES Co., Ltd.)
		March 2006 Executive Officer and General Manager of Corporate Dept. of E*TRADE SECURITIES Co., Ltd. (Currently, SBI SECURITIES Co., Ltd.)
		June 2007 Director and Executive Officer, management of Corporate Dept. of SBI E*TRADE SECURITIES Co., Ltd. (Currently, SBI SECURITIES Co., Ltd.)
		April 2012 Managing Director, management of Corporate Dept. of SBI SECURITIES Co., Ltd.
		March 2013 Representative Director and President of SBI SECURITIES Co., Ltd. (present)
		June 2013 Director of the Company
		June 2016 Director & Managing Executive Officer of the Company
		June 2017 Director & Senior Managing Executive Officer of the Company
		June 2018 Representative Director and President of SBI FINANCIAL SERVICES Co., Ltd. (present)
		June 2018 Director, Senior Executive Vice President of the Company
		July 2018 Director of SBI NEO FINANCIAL SERVICES Co., Ltd. (present)
		March 2019 Director of Money Tap Co., Ltd. (Currently, SBI Remit Co., Ltd.)
		June 2019 Representative Director, Senior Executive Vice President of the Company (present)
June 2020 Director of Rheos Capital Works Inc.		
Dec. 2020 Outside Director of Ascot Corp. (present)		
Jan. 2021 Director of The Global Ltd. (present)		
Aug. 2021 Outside Director of ALBERT Inc.		
June 2023 Director of SBI Regional Revitalization Services Co., Ltd. (present)		
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.		

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held
3	Tomoya Asakura (March 16, 1966) Number of Company's Shares Owned: 355,000 shares	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.) (present)
		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.
		June 2012 Director & Managing Executive Officer of the Company
		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 Investment 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)
		June 2019 Director of SBI Bond Investment Management Co., Ltd.
		Sep. 2019 Representative Director of SBI Asset Management Group Co., Ltd. (Currently, SBI Global Asset Management 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. (Currently, SBI Okasan Asset Management Co., Ltd.) (present)
June 2023 Representative Director & President of SBI Asset Management Group Co., Ltd. (present)		
June 2023 Representative Director, Chairman, and CEO of SBI Asset Management Co., Ltd. (present)		
June 2023 Director of Rheos Capital Works Inc. (present)		
Feb. 2024 Director of SBI Alternative Asset Management Co., Ltd. (present)		
April 2024 Director of SBI Rheos Hifumi Inc. (present)		
Reason why the Company selected Mr. Tomoya Asakura as a candidate for Director 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.		

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: 150,000 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	Satoe Kusakabe (November 11, 1970) Number of Company's Shares Owned: 9,600 shares	<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.</p> <p>June 2022 Director of SBI Remit Co., Ltd. (present)</p> <p>June 2022 Director of FXcoin Ltd.</p> <p>July 2022 Managing Director of the Company (present)</p> <p>Oct. 2022 Managing Director and General Manager of Risk Management Department and management of IT Risk Management Department of SBI Securities Co., Ltd.</p> <p>April 2023 Director of SBI Zodia Custody Co., Ltd. (present)</p> <p>April 2024 Managing Director and management of Risk Management Department of SBI Securities Co., Ltd. (present)</p>
<p>Reason why the Company selected Ms. Satoe Kusakabe as a candidate for Director</p> <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="347 566 485 689">Masayuki Yamada (October 13, 1962)</p> <p data-bbox="347 725 501 848">Number of Company's Shares Owned: 39,030 shares</p>	<p data-bbox="533 277 1490 309">April 1987 Entered Sogo Horei Co., Ltd. (Currently, Sogo Horei Publishing Co., Ltd.)</p> <p data-bbox="533 309 1390 340">May 1999 Registered as Attorney at Law, Admitted to New York Bar (US.)</p> <p data-bbox="533 340 1353 371">Nov. 1999 Entered Softbank Finance Corp. (Currently, SoftBank Corp.)</p> <p data-bbox="533 371 1490 434">June 2001 Manager, Legal Dept. of Softbank Finance Corp. (Currently, SoftBank Corp.)</p> <p data-bbox="533 434 1490 497">June 2004 Statutory Auditor, Benefit Systems Co., Ltd. (Currently, SBI Benefit Systems Co., Ltd.)</p> <p data-bbox="533 497 932 528">Nov. 2004 Entered the Company</p> <p data-bbox="533 528 1283 560">April 2007 Deputy General Counsel, Legal Dept. of the Company</p> <p data-bbox="533 560 1043 591">June 2009 Executive Officer, the Company</p> <p data-bbox="533 591 1490 654">July 2009 Executive Officer & General Counsel, International Legal Dept. of the Company</p> <p data-bbox="533 654 1490 716">June 2014 Executive Officer & General Counsel, Legal & Compliance Dept. of the Company</p> <p data-bbox="533 716 1315 748">April 2015 General Counsel, Legal Dept. of SBI Investment Co. Ltd.</p> <p data-bbox="533 748 1490 810">Nov. 2015 Statutory Auditor of SBI Global Asset Management Co., Ltd. (Currently, SBI Asset Management Group Co., Ltd.) (present)</p> <p data-bbox="533 810 1490 873">June 2016 Director & Executive Officer & General Counsel, Legal & Compliance Dept. of the Company</p> <p data-bbox="533 873 1219 904">July 2016 Director of SBI Ventures Two Co., Ltd. (present)</p> <p data-bbox="533 904 1187 936">March 2017 Director of SBI Incubation Co., Ltd. (present)</p> <p data-bbox="533 936 1139 967">June 2017 Director of SBI Internet Capital Co., Ltd.</p> <p data-bbox="533 967 1490 999">June 2018 Director & General Counsel, Legal & Compliance Dept. of the Company</p> <p data-bbox="533 999 1187 1030">Jan. 2019 Director of SBI CAPITAL Co., Ltd. (present)</p> <p data-bbox="533 1030 1091 1061">Oct. 2021 Director of SBI Art Auction Co., Ltd.</p> <p data-bbox="533 1061 1299 1093">Jan. 2022 Director of SBI Capital Management Co., Ltd. (present)</p> <p data-bbox="533 1093 1490 1124">May 2024 Director & General Counsel, Legal Department of the Company (present)</p>
<p data-bbox="325 1144 1251 1176">Reason why the Company selected Mr. Masayuki Yamada as a candidate for Director</p> <p data-bbox="325 1176 1490 1317">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	Shinji Matsui (April 4, 1958) Number of Company's Shares Owned: 115,050 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) March 2023 Representative Director of SBI Africa Co., Ltd. (present) June 2023 Director of SS Trading Inc. (present) June 2023 Director of the Company (present) Nov. 2023 Director of Benefit Solutions 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 a number of 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 again 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	
8	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.
		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
		Aug. 2022	Representative Director of SBI Non-Bank Holdings Co., Ltd. (present)
		June 2023	Director & Head of Corporate Communications Dept. of the Company (present)
Feb. 2024	Director of SBI Digital Community 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 a number of 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 again 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
9	<p data-bbox="331 510 485 607">Teruhide Sato (February 24, 1975)</p> <p data-bbox="331 640 485 763">Number of Company's Shares Owned: 2,820 shares</p>	<p data-bbox="523 277 1453 333">Sep. 1997 Entered SOFTBANK CORP. (Currently, SoftBank Group Corp.) Seconded to CyberCash K.K. (Currently, DG Financial Technology, Inc.)</p> <p data-bbox="523 338 1453 394">April 1999 Moved to Softbank Finance Corp. (Currently SoftBank Corp.) from SOFTBANK CORP.</p> <p data-bbox="523 398 1453 495">March 2000 Retired Softbank Finance Corp. (Currently SoftBank Corp.) (Secondment to CyberCash K.K. (Currently, DG Financial Technology, Inc.) terminated)</p> <p data-bbox="523 499 1453 555">April 2000 Representative Director, President and CEO of netprice, Ltd. (Currently, BEENOS Inc.)</p> <p data-bbox="523 560 1453 616">Feb. 2007 President and Group CEO of netprice.com, Ltd. (Currently, BEENOS Inc.)</p> <p data-bbox="523 620 1070 654">Sep. 2011 Director of Open Network Lab, Inc.</p> <p data-bbox="523 658 1011 692">Jan. 2012 Komisararis of PT MIDTRANS</p> <p data-bbox="523 696 1145 730">June 2013 Outside Director of the Company (present)</p> <p data-bbox="523 734 983 768">Nov. 2014 Komisararis of PT Tokopedia</p> <p data-bbox="523 772 963 806">Dec. 2014 Director of BEENOS Inc.</p> <p data-bbox="523 810 1158 844">April 2015 Director of BEENEXT PTE. LTD. (present)</p> <p data-bbox="523 848 1453 904">Nov. 2016 Director of BEENEXT CAPITAL MANAGEMENT PTE. LTD. (present)</p>
<p data-bbox="320 1005 1437 1061">Reason why the Company selected Mr. Teruhide Sato as a candidate for Outside Director and outline of expected role</p> <p data-bbox="320 1066 1453 1265">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
10	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. Feb. 2020 Director of XICA Co., Ltd. (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
11	<p data-bbox="328 483 507 577">Yasuhiro Suzuki (February 28, 1965)</p> <p data-bbox="328 611 507 705">Number of Company's Shares Owned: —</p>	<p data-bbox="539 282 1495 931"> April 1987 Entered Fujitsu Limited Sep. 1996 Entered SOFTBANK CORP. (Currently, SoftBank Group Corp.) April 1999 Executive officer of SoftBank Commerce Corp. (Currently, SOFTBANK CORP.) Aug. 1999 Director of e-Shopping! Books Corp. (Currently, Seven Net Shopping Co., Ltd.) June 2000 Representative Director and President of e-Shopping! Books Corp. (Currently, Seven Net Shopping Co., Ltd.) July 2008 Director of Seven & i Netmedia Co., Ltd. March 2014 Representative Director and President of Seven & i Netmedia Co., Ltd. March 2014 Executive Officer, CIO of Seven & i Holdings Co., Ltd. May 2015 Director & Executive Officer, CIO of Seven & i Holdings Co., Ltd. March 2017 Representative Director and President of digitalshiftwave Co., Ltd. (present) June 2017 Outside Director of the Company (present) April 2020 President of Japan Omni Channel Association (present) April 2020 Visiting Professor at Joho Keiei Innovation Senmonshoku Daigaku (present) Aug. 2023 Outside Director of Vertex Co., Ltd. (present) Dec. 2023 Professor at Tokyo City University, Gotoh Educational Corporation (present) </p>
<p data-bbox="328 954 1495 1178"> 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. </p>		

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held	
12	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 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. 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 Oct. 2012 Nov. 2012 June 2020 May 2022	Entered Tokyo Broadcasting System, Inc. (Currently, Tokyo Broadcasting System Television, Inc.) Resigned from Tokyo Broadcasting System Television, Inc. Freelance announcer (present) Outside Director of the Company (present) Outside Director of dip Corporation (present)
13	<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
14	<p data-bbox="363 667 456 723">Junichi Fukuda</p> <p data-bbox="336 757 483 813">(October 18, 1959)</p> <p data-bbox="323 846 496 936">Number of Company's Shares Owned: —</p>	<p data-bbox="523 282 1461 338">April 1982 Entered the Ministry of Finance (<i>Okura-sho</i>) (Currently, the Ministry of Finance (<i>Zaimu-sho</i>))</p> <p data-bbox="523 349 1461 427">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>))</p> <p data-bbox="523 439 1461 495">June 1998 First Secretary of Japanese Embassy in Canada of the Ministry of Foreign Affairs (<i>Gaimu-sho</i>)</p> <p data-bbox="523 506 1461 562">Jan. 1999 Counsellor of Japanese Embassy in Canada of the Ministry of Foreign Affairs (<i>Gaimu-sho</i>)</p> <p data-bbox="523 573 1461 651">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>)</p> <p data-bbox="523 663 1461 719">July 2003 Director for Policy Planning of the Minister's Secretariat of the Ministry of Finance (<i>Zaimu-sho</i>)</p> <p data-bbox="523 730 1461 786">July 2004 Budget Examiner for Health, Labour, and Welfare Unit of the Budget Bureau of the Ministry of Finance (<i>Zaimu-sho</i>)</p> <p data-bbox="523 797 1461 853">July 2006 Director of the Legal Division of the Budget Bureau of the Ministry of Finance (<i>Zaimu-sho</i>)</p> <p data-bbox="523 864 1461 920">July 2008 Director of the Policy Planning and Research Division of the Minister's Secretariat of the Ministry of Finance (<i>Zaimu-sho</i>)</p> <p data-bbox="523 931 1461 987">July 2009 Director for the Minister's Secretariat of the Minister's Secretariat of the Ministry of Finance (<i>Zaimu-sho</i>)</p> <p data-bbox="523 999 1461 1055">Dec. 2009 Deputy Director-General of the Secretariat of the Office of Promotion of System for National Public Officers</p> <p data-bbox="523 1066 1461 1122">Aug. 2011 Deputy Director-General of the Budget Bureau of the Ministry of Finance (<i>Zaimu-sho</i>)</p> <p data-bbox="523 1133 1461 1167">July 2014 Deputy Vice-Minister of the Ministry of Finance (<i>Zaimu-sho</i>)</p> <p data-bbox="523 1178 1461 1234">July 2015 Director-General of the Budget Bureau of the Ministry of Finance (<i>Zaimu-sho</i>)</p> <p data-bbox="523 1245 1461 1279">July 2017 Administrative Vice Minister of the Ministry of Finance (<i>Zaimu-sho</i>)</p> <p data-bbox="523 1290 1461 1323">April 2018 Resigned from the Ministry of Finance (<i>Zaimu-sho</i>)</p> <p data-bbox="523 1335 1461 1368">Oct. 2018 Commissioned Lecturer at SBI Graduate School (present)</p> <p data-bbox="523 1379 1461 1413">June 2021 Outside Director of the Company (present)</p> <p data-bbox="523 1424 1461 1458">June 2021 Attorney-At-Law and Of Counsel at URYU & ITOGA (present)</p>
<p data-bbox="323 1373 1461 1429">Reason why the Company selected Mr. Junichi Fukuda as a candidate for Outside Director and outline of expected role</p> <p data-bbox="323 1440 1461 1601">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
15	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 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>		

(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 eleven (11) 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 eight (8) 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 seven (7) 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 four (4) 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 three (3) 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.

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	Shinji Matsui	✓	✓	✓	✓				
8	Motoaki Shiino		✓				✓		✓
9	Teruhide Sato	✓	✓	✓	✓				
10	Heizo Takenaka	✓	✓	✓		✓			✓
11	Yasuhiro Suzuki	✓			✓				
12	Hiroshi Ito	✓	✓	✓					✓
13	Kanae Takeuchi			✓					✓
14	Junichi Fukuda		✓	✓		✓	✓	✓	
15	Hiroyuki Suematsu		✓			✓			✓

Second 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	
Tetsutaro Wakatsuki (October 22, 1974) Number of Company's Shares Owned: —	April 2000	Registered as Attorney at Law (Tokyo Bar Association) Entered Mori Sogo (Currently, Mori Hamada & Matsumoto)
	April 2004	Representative Partner of Murata & Wakatsuki Law Offices (present)
	April 2008	Lecturer in the Law School of Hosei University (while concurrently serving in other positions)
	April 2010	Professor in the Law School of Hosei University (while concurrently serving in other positions)
	Dec. 2012	Outside Auditor of Do House Inc.
	March 2015	Outside Auditor of Otsuka Corporation
	June 2015	Outside Statutory Auditor of SBI MONEY PLAZA Co., Ltd.
	June 2019	Outside Director of The Michinoku Bank, Ltd.
	Nov. 2019	Supervisory Officer of Dream Hospitality REIT Inc. (present)
	June 2020	Outside Director of THE MICHINOKU BANK, LTD. (Audit and Supervisory Committee Member) (a part-time position)
	April 2022	Outside Director of Procrea Holdings, Inc. (Audit and Supervisory Committee Member) (present)
Reason why the Company selected Mr. Tetsutaro Wakatsuki as a candidate for Substitute Outside Statutory Auditor 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.		

(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.

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.

— End —

NOTES

Access to the Meeting Room of the 26th 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