

# SBI HOLDINGS, INC.

(Incorporated in Japan with limited liability)

## ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED MARCH 31, 2023

The board of directors (the “Directors”) of SBI HOLDINGS, INC. (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended March 31, 2023.

(Amounts are rounded to the nearest million Japanese yen)

### 1. Consolidated Financial Results

#### (1) Consolidated Operating Results

(Percentages represent year-on-year changes)

	Revenue		Profit before income tax expense		Profit for the year		Profit attributable to owners of the Company	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2023	998,559	30.8	100,753	(75.6)	71,008	(80.0)	35,000	(90.5)
Fiscal year ended March 31, 2022	763,618	41.1	412,724	194.0	355,724	264.8	366,854	352.4

	Total comprehensive income		Basic earnings per share attributable to owners of the Company	Diluted earnings per share attributable to owners of the Company
	Millions of yen	%	Yen	Yen
Fiscal year ended March 31, 2023	87,267	(77.1)	132.19	116.88
Fiscal year ended March 31, 2022	380,820	211.7	1,498.55	1,285.90

	Ratio of profit to equity attributable to owners of the Company	Ratio of profit before income tax expense to total assets	Ratio of operating income to operating revenue
	%	%	%
Fiscal year ended March 31, 2023	3.6	0.5	10.1
Fiscal year ended March 31, 2022	49.4	3.3	54.0

(Note) Share of results of associates      Fiscal year ended March 31, 2023: 6,376 million yen  
Fiscal year ended March 31, 2022: 6,822 million yen

## (2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the Company	Ratio of equity attributable to owners of the Company to total assets	Equity per share attributable to owners of the Company
	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2023	22,310,728	1,748,654	1,013,832	4.5	3,722.80
March 31, 2022	17,838,200	1,583,258	924,603	5.2	3,770.84

## (3) Consolidated Cash Flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of the year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2023	960,743	(1,075,054)	810,425	3,200,916
Fiscal year ended March 31, 2022	(314,046)	1,838,517	163,302	2,499,370

## 2. Dividends

(Declared date)	Dividend per share					Total dividend (annual)	Payout ratio (cons.)	Ratio of dividend to equity attributable to owners of the Company (cons.)
	End of 1 <sup>st</sup> Q	End of 2 <sup>nd</sup> Q	End of 3 <sup>rd</sup> Q	Year-end	Full year			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2022	—	30.00	—	120.00	150.00	36,770	10.0	4.9
Fiscal year ended March 31, 2023	—	30.00	—	120.00	150.00	40,847	113.5	4.0
Fiscal Year ending March 31, 2024 (forecast) (Note)	—	—	—	—	—		—	

(Note) Fiscal year ending March 31, 2024 forecast is to be determined.

## 3. Total number of shares outstanding (Common stock)

- (1) Number of shares outstanding (including treasury stock) : March 31, 2023 : 272,358,290 shares  
: March 31, 2022 : 245,220,890 shares
- (2) Number of treasury stock : March 31, 2023 : 27,451 shares  
: March 31, 2022 : 22,486 shares
- (3) Average number of shares outstanding : Year ended March 31, 2023 : 264,766,019 shares  
: Year ended March 31, 2022 : 244,805,985 shares

The Group prepared the consolidated financial statements in accordance with IFRSs.

**(Reference Information)**  
**Non-consolidated Financial Results**

(1) Non-consolidated Operating Results

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2023	71,943	(6.7)	40,247	(19.9)	27,867	(37.9)	50,732	38.3
Fiscal year ended March 31, 2022	77,081	(13.3)	50,226	(29.0)	44,871	(35.5)	36,694	56.2

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended March 31, 2023	191.61	164.70
Fiscal year ended March 31, 2022	149.89	127.18

(2) Non-consolidated Financial Position

	Total assets	Net assets	Ratio of shareholder's equity to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2023	1,521,734	476,547	31.0	1,734.68
March 31, 2022	1,278,754	387,238	30.1	1,571.37

(Note) Shareholders' equity

Fiscal year ended March 31, 2023: 472,407 million yen  
 Fiscal year ended March 31, 2022: 385,297 million yen

The non-consolidated financial results were prepared in accordance with JGAAP.

*This financial summary is not subject to audit.*

## 1. BUSINESS RESULTS

### (1) Overview of Business Results for the Fiscal Year

The Group's consolidated results of operations for the fiscal year ended March 31, 2023, were as follows. Revenue increased 30.8% year-on-year to ¥998,559 million, profit before income tax expense decreased 75.6% to ¥100,753 million and profit attributable to owners of the Company decreased 90.5% to ¥35,000 million. The increase in income was mainly due to an increase in income arising from financial assets measured at amortized cost in the fiscal year ended March 31, 2023, resulting from the consolidation of SBI Shinsei Bank, Ltd. as a subsidiary in the 3<sup>rd</sup> Quarter ended December 31, 2021, despite a decrease in income arising from financial assets measured at FVTPL in the Investment Business. The decrease in profit before income tax expense was mainly due to a gain on bargain purchase of ¥263,847 million recorded in the 3<sup>rd</sup> Quarter ended December 31, 2021, resulting from the acquisition of SBI Shinsei Bank, Ltd. as a subsidiary, and a decrease in income from financial assets at FVTPL in the Investment Business in the fiscal year ended March 31, 2023.

The Group had been reported three business segments: Financial Services Business, Asset Management Business, and Biotechnology, Healthcare & Medical Informatics Business. However, the market environment such as the stock market had a significant impact on specific businesses within each business segment, and as the business in the non-financial field such as Web 3.0 is expected to expand in the future, it had become unclear which segment these businesses belong to. Therefore, the business segment was reorganized from the first quarter of this fiscal year.

From this fiscal year, the Group reports five new business segments, including Financial Services Business, Asset Management Business, Investment Business, Crypto-asset Business that is expected to continue to grow, and Non-Financial Business which includes Biotechnology, Healthcare & Medical Informatics Business and the business working on advanced fields related to Web 3.0.

The results of operations for each reporting segment of the Group for the fiscal year ended March 31, 2023, were as follows.

Segment information for the fiscal year ended March 31, 2022, is restated in accordance with the new basis of segmentation.

	Revenue			Profit before income tax expense		
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	
	Millions of Yen	Millions of Yen	%	Millions of Yen	Millions of Yen	%
Financial Services Business	497,751	<b>886,748</b>	<b>78.2</b>	301,725	<b>150,653</b>	<b>(50.1)</b>
Asset Management Business	16,883	<b>27,966</b>	<b>65.6</b>	3,810	<b>10,123</b>	<b>165.7</b>
Investment Business	177,911	<b>36,684</b>	<b>(79.4)</b>	136,457	<b>(16,661)</b>	—
Crypto-asset Business	55,106	<b>30,320</b>	<b>(45.0)</b>	3,518	<b>(18,429)</b>	—
Non-Financial Business	23,596	<b>26,238</b>	<b>11.2</b>	(20,308)	<b>(3,253)</b>	—
Total	771,247	<b>1,007,956</b>	<b>30.7</b>	425,202	<b>122,433</b>	<b>(71.2)</b>
Elimination or Corporate	(7,629)	<b>(9,397)</b>	—	(12,478)	<b>(21,680)</b>	—
Consolidated Total	763,618	<b>998,559</b>	<b>30.8</b>	412,724	<b>100,753</b>	<b>(75.6)</b>

(% represents year-on-year changes)

**(Financial Services Business)**

The Financial Services Business consists of a wide range of finance-related business inside and outside Japan, including securities brokerage business, banking services business, and life, property and casualty insurance business.

The results of operations of the Financial Services Business for the fiscal year ended March 31, 2023, were as follows. Revenue increased 78.2% year-on-year to ¥886,748 million, and profit before income tax expense decreased 50.1% year-on-year to ¥150,653 million. This was mainly due to a gain on bargain purchase of ¥263,847 million recorded in the 3<sup>rd</sup> Quarter ended December 31, 2021, resulting from the acquisition of SBI Shinsei Bank, Ltd. as a subsidiary.

**(Asset Management Business)**

The Asset Management Business primarily consists of setting, solicitation, and management of investment trust, investment advice, and provision of financial products information.

The results of operations of the Asset Management Business for the fiscal year ended March 31, 2023, were as follows. Revenue increased 65.6% year-on-year to ¥27,966 million, and profit before income tax expense increased 165.7% year-on-year to ¥10,123 million. This was mainly due to the recording of 8,000 million yen in revenue because of SBI Global Asset Management, Co., Ltd. (trade name changed from Morningstar Japan K.K.) terminating its license agreement with Morningstar, Inc. (Illinois, U.S.A.) and returning the "Morningstar" brand to them.

**(Investment Business)**

The Investment Business primarily consists of fund management and investment in Internet technology, fintech, blockchain, finance, and biotechnology-related venture companies in Japan and overseas.

The results of operations of the Investment Business for the fiscal year ended March 31, 2023, were as follows. Revenue decreased 79.4% year-on-year to ¥36,684 million, and loss before income tax expense amounted to ¥16,661 million (¥136,457 million of profit before income tax expense for the fiscal year ended March 31, 2022). This was mainly due to a decrease in "Income arising from financial assets measured at FVTPL" recognized on investments in companies.

**(Crypto-asset Business)**

The Crypto-asset Business primarily consists of crypto-asset exchange business which provides crypto-asset exchange and trading services.

The results of operations of the Crypto-asset Business for the fiscal year ended March 31, 2023, were as follows. Revenue decreased 45.0% year-on-year to ¥30,320 million, and loss before income tax expense amounted to ¥18,429 million for the fiscal year ended March 31, 2023 (¥3,518 million of profit before income tax expense for the fiscal year ended March 31, 2022). This was mainly due to the downturn in the crypto asset market and the bankruptcy of counterparties.

**(Non-Financial Business)**

The Non-Financial Business primarily consists of Biotechnology, Healthcare & Medical Informatics Business which includes development and distribution of pharmaceutical products, health foods, and cosmetics with 5-aminolevulinic acid (5-ALA), a kind of amino acid which exists in vivo, research and development of antibody drugs and nucleic acid medicine in the field of cancer and immunology, the digitization of medical and health information, providing solutions and services that promote and the use of medical big data, and medical finance, business working on advanced fields related to Web 3.0, renewable energy business, and business developing in new overseas markets including Africa.

The results of operations of the Non-Financial Business for the fiscal year ended March 31, 2023, were as follows. Revenue increased 11.2% year-on-year to ¥26,238 million, and loss before income tax expense amounted to ¥3,253 million for the fiscal year ended March 31, 2023 (¥20,308 million of loss before income tax expense for the fiscal year ended March 31, 2022).

## **(2) Overview of Financial Conditions for the Fiscal Year**

As at March 31, 2023, total assets amounted to ¥22,310,728 million and increased by ¥17,838,200 million from total assets of ¥4,472,528 million as at March 31, 2022. The Group's equity increased by ¥165,396 million to ¥1,748,654 million from the fiscal year ended March 31, 2022. As at March 31, 2023, the Group's cash and cash equivalents amounted to ¥3,200,916 million and increased by ¥701,546 million from that of ¥2,499,370 million as at March 31, 2022. The changes of cash flows for each activity and the reasons for changes are as follows:

### **(Operating Cash Flows)**

Cash flows from operating activities amounted to ¥960,743 million in net cash inflows (¥314,046 million in net cash outflows for the year ended March 31, 2022). The net cash inflows were primarily due to a ¥3,776,127 million cash inflow from an increase in customer deposits for banking business, despite a ¥1,813,474 million cash outflow from an increase in trade and other accounts receivables, a ¥611,135 million cash outflow from a decrease in bonds and loans payable in banking business, and a ¥397,031 million cash outflow from a decrease in assets/liabilities related to securities business.

### **(Investing Cash Flows)**

Cash flows from investing activities amounted to ¥1,075,054 million in net cash outflows (¥1,838,517 million in net cash inflows for the year ended March 31, 2022). The net cash outflows were primarily due to a ¥3,026,500 million cash outflow from a purchase of investment securities, despite a ¥2,104,558 million cash inflow from proceeds from sales or redemption of investment securities.

### **(Financing Cash Flows)**

Cash flows from financing activities amounted to ¥810,425 million in net cash inflows (¥163,302 million in net cash inflows for the year ended March 31, 2022). The net cash inflows were primarily due to a ¥1,342,878 million cash inflow from proceeds from issuance of bonds payable, a ¥375,205 million cash inflow from an increase in short term loans payable and a ¥186,037 million cash inflow from proceeds from long-term loans payable, despite a ¥1,062,876 million cash outflow from a redemption of bonds payable.

## **2. THE BASIC CONCEPT REGARDING SELECTION OF ACCOUNTING STANDARDS**

The Group applied IFRS from the fiscal year ended March 31, 2013 in order to improve the international comparability of financial information in the capital markets.

### 3. CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

#### (1) Consolidated Statement of Financial Position

	As at March 31, 2022	As at March 31, 2023
	Millions of Yen	Millions of Yen
<b>Assets</b>		
Cash and cash equivalents	2,499,370	<b>3,200,916</b>
Trade and other accounts receivable	8,399,588	<b>10,447,026</b>
Assets related to securities business		
Cash segregated as deposits	2,361,620	<b>2,498,387</b>
Margin transaction assets	929,730	<b>1,267,684</b>
Other assets related to securities business	615,967	<b>751,211</b>
Total assets related to securities business	<u>3,907,317</u>	<u><b>4,517,282</b></u>
Other financial assets	471,607	<b>519,951</b>
Operational investment securities	607,802	<b>581,364</b>
Other investment securities (includes ¥247,299 million and <b>¥222,987</b> million pledged as collateral)	1,076,780	<b>1,997,856</b>
Investments accounted for using the equity method	129,141	<b>199,882</b>
Investment properties	34,868	<b>72,124</b>
Property and equipment	123,737	<b>124,655</b>
Intangible assets	293,086	<b>366,040</b>
Other assets	277,016	<b>267,845</b>
Deferred tax assets	17,888	<b>15,787</b>
Total assets	<u><u>17,838,200</u></u>	<u><u><b>22,310,728</b></u></u>
<b>Liabilities</b>		
Bonds and loans payable	3,364,860	<b>3,680,355</b>
Trade and other accounts payable	487,846	<b>486,028</b>
Liabilities related to securities business		
Margin transaction liabilities	254,345	<b>276,287</b>
Loans payable secured by securities	599,159	<b>605,382</b>
Deposits from customers	1,375,599	<b>1,400,607</b>
Guarantee deposits received	997,678	<b>1,104,363</b>
Other liabilities related to securities business	449,551	<b>501,610</b>
Total liabilities related to securities business	<u>3,676,332</u>	<u><b>3,888,249</b></u>
Customer deposits for banking business	7,673,324	<b>11,472,323</b>
Insurance contract liabilities	155,216	<b>157,381</b>
Income tax payable	13,351	<b>16,951</b>
Other financial liabilities	538,512	<b>595,150</b>
Other liabilities	287,577	<b>215,477</b>
Deferred tax liabilities	57,924	<b>50,160</b>
Total liabilities	<u><u>16,254,942</u></u>	<u><u><b>20,562,074</b></u></u>
<b>Equity</b>		
Capital stock	99,312	<b>139,272</b>
Capital surplus	151,390	<b>186,774</b>
Treasury stock	(62)	<b>(76)</b>
Other components of equity	42,865	<b>60,117</b>
Retained earnings	631,098	<b>627,745</b>
Equity attributable to owners of the Company	<u>924,603</u>	<u><b>1,013,832</b></u>
Non-controlling interests	658,655	<b>734,822</b>
Total equity	<u><u>1,583,258</u></u>	<u><u><b>1,748,654</b></u></u>
Total liabilities and equity	<u><u>17,838,200</u></u>	<u><u><b>22,310,728</b></u></u>

**(2) Consolidated Statements of Income and Comprehensive Income**  
**Consolidated Statement of Income**

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
	Millions of Yen	Millions of Yen
Revenue (includes ¥209,419 million and <b>¥404,412</b> million of interest income)	763,618	<b>998,559</b>
Expense		
Financial cost associated with financial income	(33,603)	<b>(102,473)</b>
Provision for credit losses	(99,489)	<b>(93,780)</b>
Operating cost	(221,822)	<b>(282,737)</b>
Selling, general and administrative expenses	(229,834)	<b>(384,612)</b>
Other financial cost	(8,555)	<b>(20,183)</b>
Other expenses	(28,260)	<b>(22,857)</b>
Total expense	(621,563)	<b>(906,642)</b>
Gain on bargain purchase	263,847	<b>2,460</b>
Share of the profit of associates and joint ventures accounted for using the equity method	6,822	<b>6,376</b>
Profit before income tax expense	412,724	<b>100,753</b>
Income tax expense	(57,000)	<b>(29,745)</b>
Profit for the year	355,724	<b>71,008</b>
Profit for the year attributable to		
Owners of the Company	366,854	<b>35,000</b>
Non-controlling interests	(11,130)	<b>36,008</b>
Profit for the year	355,724	<b>71,008</b>
Earnings per share attributable to owners of the Company		
Basic (Yen)	1,498.55	<b>132.19</b>
Diluted (Yen)	1,285.90	<b>116.88</b>



## Consolidated Statement of Comprehensive Income

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
	Millions of Yen	Millions of Yen
Profit for the year	355,724	<b>71,008</b>
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Equity instruments measured at FVTOCI	(493)	<b>(7,173)</b>
Changes in own credit risk on financial liabilities	234	<b>389</b>
Remeasurement of defined benefit plans	(1,091)	<b>(1,374)</b>
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	130	<b>(3)</b>
	<u>(1,220)</u>	<u><b>(8,161)</b></u>
Items that may be reclassified subsequently to profit or loss		
Debt instruments measured at FVTOCI	(4,692)	<b>(7,823)</b>
Currency translation differences	30,241	<b>30,240</b>
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	767	<b>2,003</b>
	<u>26,316</u>	<u><b>24,420</b></u>
Other comprehensive income, net of tax	25,096	<b>16,259</b>
Total comprehensive income	<u>380,820</u>	<u><b>87,267</b></u>
Total comprehensive income attributable to		
Owners of the Company	390,080	<b>51,489</b>
Non-controlling interests	(9,260)	<b>35,778</b>
Total comprehensive income	<u>380,820</u>	<u><b>87,267</b></u>

### (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, 2021	98,711	147,753	(40)	18,197	297,495	562,116	154,979	717,095
Profit for the year	-	-	-	-	366,854	366,854	(11,130)	355,724
Other comprehensive income	-	-	-	23,226	-	23,226	1,870	25,096
<b>Total comprehensive income</b>	-	-	-	23,226	366,854	390,080	(9,260)	380,820
Issuance of new shares	601	482	-	-	-	1,083	-	1,083
Change in scope of consolidation	-	-	-	-	-	-	496,303	496,303
Dividends paid	-	-	-	-	(31,809)	(31,809)	(15,001)	(46,810)
Treasury shares purchased	-	-	(23)	-	-	(23)	-	(23)
Treasury shares sold	-	0	1	-	-	1	-	1
Share-based payment transactions	-	682	-	-	-	682	(731)	(49)
Changes of interests in subsidiaries without losing control	-	2,473	-	-	-	2,473	32,365	34,838
Transfer	-	-	-	1,442	(1,442)	-	-	-
As at March 31, 2022	99,312	151,390	(62)	42,865	631,098	924,603	658,655	1,583,258
<b>Profit for the year</b>	-	-	-	-	<b>35,000</b>	<b>35,000</b>	<b>36,008</b>	<b>71,008</b>
<b>Other comprehensive income</b>	-	-	-	<b>16,489</b>	-	<b>16,489</b>	<b>(230)</b>	<b>16,259</b>
<b>Total comprehensive income</b>	-	-	-	<b>16,489</b>	<b>35,000</b>	<b>51,489</b>	<b>35,778</b>	<b>87,267</b>
Issuance of new shares	39,960	39,905	-	-	-	79,865	-	79,865
Change in scope of consolidation	-	-	-	-	-	-	(8,496)	(8,496)
Dividends paid	-	-	-	-	(37,590)	(37,590)	(18,773)	(56,363)
Treasury shares purchased	-	-	(16)	-	-	(16)	-	(16)
Treasury shares sold	-	(0)	2	-	-	2	-	2
Share-based payment transactions	-	681	-	-	-	681	539	1,220
Changes of interests in subsidiaries without losing control	-	(5,202)	-	-	-	(5,202)	67,119	61,917
Transfer	-	-	-	763	(763)	-	-	-
As at March 31, 2023	139,272	186,774	(76)	60,117	627,745	1,013,832	734,822	1,748,654

#### (4) Consolidated Statement of Cash flows

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
	Millions of Yen	Millions of Yen
Cash flows from operating activities		
Profit before income tax expense	412,724	<b>100,753</b>
Depreciation and amortization	32,207	<b>56,129</b>
Gain on bargain purchase	(263,847)	<b>(2,460)</b>
Share of profits of associates and joint ventures accounted for using the equity method	(6,822)	<b>(6,376)</b>
Interest and dividend income	(222,612)	<b>(424,950)</b>
Interest expense	42,553	<b>123,818</b>
Increase in operational investment securities	(164,644)	<b>(50,286)</b>
Increase in trade and other accounts receivables	(373,371)	<b>(1,813,474)</b>
Increase (decrease) in trade and other accounts payable	25,653	<b>(42,502)</b>
(Increase) decrease in assets/liabilities related to securities business	145,057	<b>(397,031)</b>
Increase in customer deposits for banking business	184,308	<b>3,776,127</b>
Decrease in bonds and loans payable in banking business	(26,148)	<b>(611,135)</b>
Decrease in payables under securities lending transactions	(165,985)	<b>(17,430)</b>
Others	(69,182)	<b>(10,211)</b>
Subtotal	(450,109)	<b>680,972</b>
Interest and dividend income received	218,586	<b>422,429</b>
Interest paid	(37,551)	<b>(103,160)</b>
Income taxes paid	(44,972)	<b>(39,498)</b>
Net cash (used in) generated from operating activities	(314,046)	<b>960,743</b>
Cash flows from investing activities		
Purchase of investment property	(30,158)	<b>(44,076)</b>
Purchase of intangible assets	(25,965)	<b>(37,568)</b>
Purchase of investment securities	(321,150)	<b>(3,026,500)</b>
Proceeds from sales or redemption of investment securities	512,343	<b>2,104,558</b>
Acquisition of subsidiaries, net of cash and cash equivalents acquired	1,734,730	<b>(6,597)</b>
Proceeds from sales of subsidiaries, net of cash and cash equivalents disposed of	718	<b>16</b>
Payments of loans receivable	(95,491)	<b>(141,533)</b>
Collection of loans receivable	65,181	<b>115,954</b>
Others	(1,691)	<b>(39,308)</b>
Net cash generated from (used in) investing activities	1,838,517	<b>(1,075,054)</b>

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
	Millions of Yen	Millions of Yen
Cash flows from financing activities		
(Decrease) increase in short term loans payable	(257,418)	<b>375,205</b>
Proceeds from long-term loans payable	154,290	<b>186,037</b>
Repayment of long-term loans payable	(84,387)	<b>(71,266)</b>
Proceeds from issuance of bonds payable	541,125	<b>1,342,878</b>
Redemption of bonds payable	(158,994)	<b>(1,062,876)</b>
Proceeds from issuance of shares	693	<b>79,865</b>
Proceeds from stock issuance to non-controlling interests	5,008	<b>18,305</b>
Contributions from non-controlling interests in consolidated investment funds	27,262	<b>39,877</b>
Cash dividends paid	(31,795)	<b>(37,580)</b>
Cash dividends paid to non-controlling interests	(1,372)	<b>(512)</b>
Distributions to non-controlling interests in consolidated investment funds	(13,610)	<b>(16,355)</b>
Purchase of treasury stock	(23)	<b>(16)</b>
Proceeds from sale of interests in subsidiaries to non-controlling interests	3,182	<b>5,087</b>
Payments for purchase of interests in subsidiaries from non-controlling interests	(11,507)	<b>(32,503)</b>
Others	(9,152)	<b>(15,721)</b>
Net cash generated from financing activities	<u>163,302</u>	<u><b>810,425</b></u>
Net increase in cash and cash equivalents	1,687,773	<b>696,114</b>
Cash and cash equivalents at the beginning of the year	802,702	<b>2,499,370</b>
Effect of changes in exchange rate on cash and cash equivalents	8,895	<b>5,432</b>
Cash and cash equivalents at the end of the year	<u><u>2,499,370</u></u>	<u><u><b>3,200,916</b></u></u>

## **(5) Notes to Consolidated Financial Statements**

### **1. Segment Information**

The Group reports five new business segments, including Financial Services Business, Asset Management Business, Investment Business, Crypto-asset Business that is expected to continue to grow, and Non-Financial Business which includes Biotechnology, Healthcare & Medical Informatics Business and the business working on advanced fields related to Web 3.0.

The reportable segments of the Group represent businesses activities for which separate financial information of the Group's components is available and reviewed regularly by the board of directors for the purpose of allocation of financial resources and performance evaluation.

The following is a description of business activities for the reporting segments.

"Financial Services Business"

The Financial Services Business consists of a wide range of finance-related business inside and outside Japan, including securities brokerage business, banking services business, and life, property and casualty insurance business.

"Asset Management Business"

The Asset Management Business primarily consists of setting, solicitation, and management of investment trust, investment advice, and provision of financial products information.

"Investment Business"

The Investment Business primarily consists of fund management and investment in Internet technology, fintech, blockchain, finance, and biotechnology-related venture companies in Japan and overseas.

"Crypto-asset Business"

The Crypto-asset Business primarily consists of crypto-asset exchange business which provides crypto-asset exchange and trading services

"Non-Financial Business"

The Non-Financial Business primarily consists of Biotechnology, Healthcare & Medical Informatics Business which includes development and distribution of pharmaceutical products, health foods, and cosmetics with 5-aminolevulinic acid (5-ALA), a kind of amino acid which exists in vivo, research and development of antibody drugs and nucleic acid medicine in the field of cancer and immunology, the digitization of medical and health information, providing solutions and services that promote and the use of medical big data, and medical finance, business working on advanced fields related to Web 3.0, renewable energy business, and business developing in new overseas markets including Africa.

"Elimination or Corporate" includes profit or loss that is not allocated to certain business segments and the elimination of the inter-company transactions within the Group, at a price based on the actual market price.

From this fiscal year, the Group reports five new business segments, including Financial Services Business, Asset Management Business, Investment Business, Crypto-asset Business that is expected to continue to grow, and Non-Financial Business which includes Biotechnology, Healthcare & Medical Informatics Business and the business working on advanced fields related to Web 3.0.

The results of operations for each reporting segment of the Group for the fiscal year ended March 31, 2023, were as follows.

Segment information for the fiscal year ended March 31, 2022, is restated in accordance with the new basis of segmentation.

For the year ended March 31, 2022

	Financial Services Business	Asset Management Business	Investment Business	Crypto-asset Business	Non-Financial Business	Total	Elimination	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	497,751	16,883	177,911	55,106	23,596	771,247	(7,629)	763,618
Profit (loss) before income tax expense	301,725	3,810	136,457	3,518	(20,308)	425,202	(12,478)	412,724

For the year ended March 31, 2023

	Financial Services Business	Asset Management Business	Investment Business	Crypto-asset Business	Non-Financial Business	Total	Elimination	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	886,748	27,966	36,684	30,320	26,238	1,007,956	(9,397)	998,559
Profit (loss) before income tax expense	150,653	10,123	(16,661)	(18,429)	(3,253)	122,433	(21,680)	100,753

## 2. Revenue

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
	Millions of yen	Millions of yen
Financial income		
Interest income		
Income arising from financial assets measured at amortized cost (Note 1)	208,079	<b>396,530</b>
Income arising from debt instruments measured at FVTOCI (Note 2)	1,340	<b>7,882</b>
Income arising from financial assets measured at FVTPL	173,744	<b>61,845</b>
Income arising from financial liabilities designated at FVTPL	5,475	<b>(244)</b>
Others	8,331	<b>24,029</b>
Total financial income	396,969	<b>490,042</b>
Revenue arising on insurance contracts	112,630	<b>122,119</b>
Revenue from contracts with customers		
Revenue from rendering of services	130,403	<b>185,461</b>
Revenue from sales of goods	37,939	<b>48,854</b>
Others	85,677	<b>152,083</b>
Total revenue	763,618	<b>998,559</b>

(Note 1) Interest income arising from loans and bonds in the banking and securities businesses.

(Note 2) Interest income arising from bonds in the banking and insurance businesses.

## 3. Earnings per Share

The basic and diluted earnings per share attributable to owners of the Company are calculated based on the following information.

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
	Millions of yen	Millions of yen
Earnings		
Profit attributable to owners of the Company	366,854	<b>35,000</b>
Dilutive effect: Convertible bonds	757	<b>764</b>
Profit attributable to owners of the Company after dilutive effect	367,611	<b>35,764</b>
Shares	Shares	Shares
Basic weighted average number of ordinary shares	244,805,985	<b>264,766,019</b>
Dilutive effect: Stock options	2,256,409	<b>1,651,841</b>
Dilutive effect: Convertible bonds	38,816,665	<b>39,567,668</b>
Weighted average number of ordinary shares after the dilutive effect	285,879,059	<b>305,985,528</b>
Earnings per share attributable to owners of the Company	Yen	Yen
Basic	1,498.55	<b>132.19</b>
Diluted	1,285.90	<b>116.88</b>

#### **4. Events after the Reporting Period**

There was no significant event after the reporting period.