

The SBI Group's CSR Activities

CSR Initiatives

As a constituent component of society, each company owes its own existence to society. Consequently, no company can function as a going concern without contributing to the sustained development of society. The SBI Group has a strong awareness of the "social nature of companies" and the need to be a "strong and respected company." With this in mind, the SBI Group is actively conducting various corporate social responsibility (CSR) programs.

Strengthening CSR Activities Through the SBI Children's Hope Foundation

In order to make a direct contribution to society, the SBI Group donates a reasonable portion of its earnings to support child welfare facilities. The SBI Children's Hope Foundation received authorization from the Ministry of Health, Labour and Welfare and was established in October 2005 to administer such donations. As our core CSR activities, the foundation has been actively involved in child welfare issues in Japan.

In addition, it acquired accreditation as a public interest incorporated foundation from the Prime Minister in February 2010 and changed its name to "The SBI Children's Hope Foundation, Public Interest Incorporated Foundation." With this accreditation, the Foundation aims not only to maintain society's trust through the name "Public Interest Incorporated Foundation," but also to place more focus on CSR activities such as child abuse prevention by obtaining preferential treatment under the tax code as a "designated public interest promotion corporation."

Activities

1. Donations to Child Welfare Facilities

To improve conditions at facilities that care for abused children, the SBI Group companies donated ¥4 million to three facilities in FY2009. As a result, total cumulated contributions since FY2004 amount to ¥845 million.



2. Training for Child Care Personnel

The Foundation sponsors training for about 50 specially selected care workers at child care facilities, conducting separate programs in eastern and western Japan. The objective is to provide on-the-job training programs that give personnel at facilities the knowledge and skills required to help abused children heal their emotional scars. In FY2009, there were four seminars in eastern Japan and two in western Japan, for a total of six.

3. Support for Self-Reliance

The foundation donated ¥21 million to four facilities and three foundations for programs that assist children to mature and become independent before leaving a care facility.

4. Public Awareness Activities to Prevent Child Abuse

In addition to supporting foundations involved in child abuse prevention awareness activities (3 foundations, ¥2 million), the foundation has supported the Orange Ribbon Campaign, which implements a nationwide child abuse prevention network to raise public awareness of this social problem. Every November, which is Child Abuse Prevention Month, SBI Holdings CEO Yoshitaka Kitao and other SBI Group executives and employees wear orange ribbons, raising awareness of this issue within and outside the SBI Group. As a result, in FY2009, the SBI Group collected donations totaling ¥611,705 by distributing 1,500 orange ribbons, 507 orange ribbon badges, 345 name stickers, 49 magnets and 187 mobile phone straps.

SBI Group CSR Activities Associated with Business Operations

Operation of the Biotechnology, Environment and Energy Fund

The SBI Group manages an Environment and Energy Fund which, as of the end of March 2010, has commitments for contributions amount totaling approximately ¥8.4 billion. The fund invests in Japanese and foreign companies that are associated with the environment and energy.

As one of Japan's largest venture capitalists, the SBI Group has an abundance of experience in investing in and nurturing venture companies in important fields such as information technology and biotechnology. The siRNA compound "QPI-1002," developed by Quark Pharmaceuticals, Inc., an American development-stage pharmaceutical company and SBI Group managed fund investee company, was designated as an orphan medicinal product in February 2010 by the U.S. Food and Drug Administration and in June by the European Commission. As the prophylaxis of delayed graft function in kidney transplant patients, this medicinal product is expected to contribute greatly to the advancement of medical treatment.

Morningstar Japan SRI Index

As of the end of June 2010, the net assets of the three SRI ("Socially Responsible Investment"; publicly offered investment trusts) funds utilizing Morningstar Japan data totaled approximately ¥4.4 billion. Through the disclosure of a formula for computation of Morningstar Japan's SRI index, we encourage companies to promote their CSR activities and also create an environment conducive to socially responsible investment by providing a benchmark for SRI funds and supplying information for investors.

CSR at SBI SECURITIES

In May 2010, SBI SECURITIES was the first major online securities company to sell "World Bank Green Bonds" (worth USD\$700,000). Funds raised by issuing Green Bonds are used to support World Bank projects in developing countries dealing with global warming issues. Main projects include introduction of alternative energies, development of new technologies to reduce greenhouse gas emissions, reforestation, watershed management and flood prevention measures, among others. These provide investors with opportunities to indirectly contribute to solving these problems.