

Along with Contributing to Society through Business-related Activities, Actively Engaging in Direct Social Contribution Activities

Contributing to the Preservation and Development of Society through Business Activities

Basic Approach

The SBI Group's approach to business is not guided solely by the profit motive, but by its belief in recognizing its social responsibilities as a member of society, while fulfilling the demands of its stakeholders, and contributing to the betterment of society.

Specifically with reference to the Financial Services Business, through the utilization of the Internet, for the many consumers of our financial services, we have continued to provide greater economic efficiency and usability, while adhering firmly to the "Customer-centric Principle."

Initiatives for the "Customer-oriented Business Operations"

In October 2016, the Financial Services Agency of Japan (JFSA) announced the 2016-2017 Strategic Directions and Priorities, and listed "customer-oriented business operations (as a fiduciary duty)" as one of the pillars of its policy. As a result, Japanese financial institutions are now required to make major changes, driven by the concept of "pursuing the best way to provide financial products and services that serve customer interests."

Under the previous policy, the financial institutions' main priority was to maintain financial soundness, with an emphasis on such indicators as the capital adequacy ratio and non-perform-

ing loan ratio. Such a policy change is the first since 1998, when the Financial Supervisory Agency, the predecessor of the JFSA was established.

Since the SBI Group's inception in 1999, we have thoroughly implemented the "Customer-centric Principle," which places first priority on the customer's interests, in order to thoroughly pursue the provision of services that are truly in the customers' interest. For example, we have been providing financial services at lower commission rates and offering more favorable interest rates, as well as attractive investment opportunities. As a result, our financial services companies such as SBI SECURITIES, SBI Sumishin Net Bank and SBI Insurance continue to receive high marks for customer satisfaction. Going forward, we will continue the integration of our online and face-to-face services, through enhanced alliances with companies inside and outside of the Group, to provide a wide range of products and services that are much more convenient for our customers. At Group companies that offer financial services, a "Business Operations Policy based on the Customer-centric Principle" has been published and issued, to regularly review and evaluate our initiatives and results, always from the customer's perspective.

COLUMN Initiatives of the Group Companies

Activities towards Sexual Minorities

Recipients of death benefits have until now been designated as kindred in principle, however, owing to social changes and the rise in society's perception and interest in same-sex partners*1, SBI Life Insurance in January 2017 started providing life insurance products in which same-sex partners can be designated as beneficiaries, as the company endeavors to offer services in response to social needs.

Towards the Widespread Adoption of Renewable Energy

In March 2017, SBI ENERGY, which operates a power generation business utilizing renewable energy, started commercial operation of the Sosa Mega Solar Sharing No. 1 Power Plant in the city of Sosa in Chiba Prefecture. Solar sharing (agricultural solar power generation) is a system in which a solar power generation business is operated while continuing to farm the land. As well as resulting in the stabilization of farm income and the resolution of abandoned fields, solar sharing is attracting attention as a model case that leads to greater energy self-sufficiency and rejuvenation of the local economy, through "local production for local consumption" in energy. The generating station meets the demand for electricity of about 288 general households*2 per year, and contributes to a reduction in CO₂ emissions at a rate of 718t-CO₂/kWh*3. Also, a portion of the proceeds from electric power sales will be returned to the local community for environmental protection and agricultural support. The project also aids the rejuvenation of the region through the production of high value-added farm produce.



Sosa Mega Solar Sharing No. 1 Power Plant

*1 The other party of a social living relationship that is between two people of the same sex stated on their family registration, and which offers actual qualities that are no different in extent than a marital relationship between a man and a woman.

*2 Calculated based on average annual electric power consumption of 4,936 kWh for a general household according to the Guidelines of the Japan Photovoltaic Energy Association (FY2016).

*3 CO₂ reduction effect of the solar power generation facilities is calculated based on a value of 504.5g-CO₂/kWh for a crystal silicon solar cell.

Direct Social Contribution

Supporting Abused or Neglected Children through the SBI Children's Hope Foundation

The SBI Group has been actively engaged in direct social contributions, in order to return the profits it earns through its businesses to society. In 2010, the SBI Children's Hope Foundation was authorized by the Office of the Prime Minister of Japan as a public interest incorporated foundation. The Foundation undertakes activities to support abused or neglected children to become self-reliant, and to improve their welfare. Its wide range of activities include the donation of funds to improve conditions at facilities that care for abused or neglected children, and the provision of practical training programs for care providers at the facilities. As for the fiscal year ended March 31, 2017, the cumulative donations amounted to approximately ¥990 million. The Foundation also supports the Orange Ribbon Campaign for prevention of child abuse, and officers and employees of the SBI Group are engaged in public awareness campaigns.



Orange Ribbon Campaign

Contributing to People's Health Management

SBI Wellness Bank, which provides membership-based health management support services, is partnered with and supports the operation of Tokyo International Clinic. The Clinic provides safe, high-quality medical care services, centering around premium comprehensive medical examinations across a wide range of medical fields, including internal medicine (cardiovascular department, digestive organs, respiratory disease, nephrology), cranial nerve surgery, gynecology, breast surgery, dentistry and plastic surgery. Furthermore, the Clinic has established a close medical collaboration with the University of Tokyo Hospital to jointly promote optimal medical care. SBI Wellness Bank cooperates with the Clinic to contribute to more proactive health management, by putting forward a total package covering the three areas of preventive care, medical treatment and age management.



Tokyo International Clinic

COLUMN Contributions to Advancing the Field of FinTech

Providing a Donated Lecture Series for Personnel Training in the Blockchain Field

The SBI Group is providing a donated series of lectures covering blockchain, offered at the Shonan Fujisawa Campus (SFC) of Keio University beginning in April 2017. The series covers blockchain and distributed ledger technology starting with the basic foundations, and includes discussions on a variety of applicable uses based on recent trends in technology. These lectures are directed at aiding the advancement of FinTech centering on blockchain, and are meant to facilitate the development of technology for building a new social foundation, and personnel training that will put this type of technology to use.



"FinTech Conference" in Commemoration of the Founding of the SBI Graduate School Financial Research Institute

The SBI Graduate School was founded by the SBI Group as a business school for working adults, for the purpose of nurturing the next generation of corporate managers. In October 2016, it established the SBI Graduate School Financial Research Institute, with the mission of investigating trends in FinTech and global financial markets, and contributing to the further advancement of financial markets through information and communications. Mr. Heizo Takenaka, the former Minister of State for Financial Services and former Minister of State for Economic and Fiscal Policy, and currently an outside director of SBI Holdings, is the chairman of the institute, while Mr. Tsutomu Fujita, a former director and vice chairman of Citigroup Global Markets Japan Inc., serves as the head of the institute. Numerous experts regularly hold seminars as research scholars.

In April 2017, the Institute and the Financial Strategy Program at the Hitotsubashi University Graduate School of International Corporate Strategy (ICS) jointly sponsored a FinTech conference to commemorate the start of the Institute. A total of 570 industry participants attended, coming from a variety of organizations including financial institutions and IT companies. The event opened with remarks by Mr. Akitoshi Ito, a professor at ICS, and also featured a keynote lecture by Mr. Motonobu Matsuo, Director of the Planning Division at the FSA, along with presentations of research results led by research scholars at the Institute, and a panel discussion by industry participants and other specialists.

In the future, the Institute will gather experts from a variety of fields, including academia, finance, law, and IT, for the purpose of creating the integration of finance and IT. The Institute will ensure that research results are widely disseminated through research workshops and academic papers, and will provide advice for policy-making and enhancing the legal system.

