

SBI GROUP PHILOSOPHY

SBI Group's Management Philosophy

Since our founding, it has been our constant desire to capture current trends to create innovative businesses that benefit people and society. At the same time, a company is a constituent of society and exists only because it belongs to society, and in adherence with this concept, we have sought to contribute to the maintenance and development of society.

We also think that a company has "Corporate Virtue" just as a person has "Human Virtue." Just as a virtuous person receives respect from the people around them, a company wins respect from society by heightening its virtue.

Furthermore, within our corporate culture, there are four

strands of DNA that we believe should be inherited. They are, to "Continuously maintain the entrepreneurial spirit," by continually taking on new challenges without fear of failure, "Emphasize speed," to always be quick to decide and act, "Facilitate innovation," by demonstrating a creative spirit that will not be unnecessarily attached to past successful experiences, and "Continuous self-evolution," which sensitively detects and flexibly adapts to environmental changes.

By establishing and inheriting corporate culture based on these four strands of DNA, we believe in the sustainability of a strong corporate group that will continue to grow without pause.

FIVE CORPORATE MISSIONS

01

Sound Ethical Values

We shall undertake judgments on actions based not only on whether they conform to the law or profit the Company, but also whether they are socially equitable.

02

Financial Innovator

We will transcend traditional methods, and bring financial innovations to the forefront of the financial industry, by utilizing opportunities provided by the powerful price-cutting forces of the Internet, and providing financial services that further enhance benefits for customers.

03

New Industry Creator

We will endeavor to become the leader in creating and cultivating the core industries of the 21st century.

04

Continual Self-Evolution

We will continue to be a company that evolves of its own volition, by forming an organization that flexibly adapts to changes in the operating environment, and incorporates corporate "Ingenuity" and "Self-transformation" as part of its organizational DNA.

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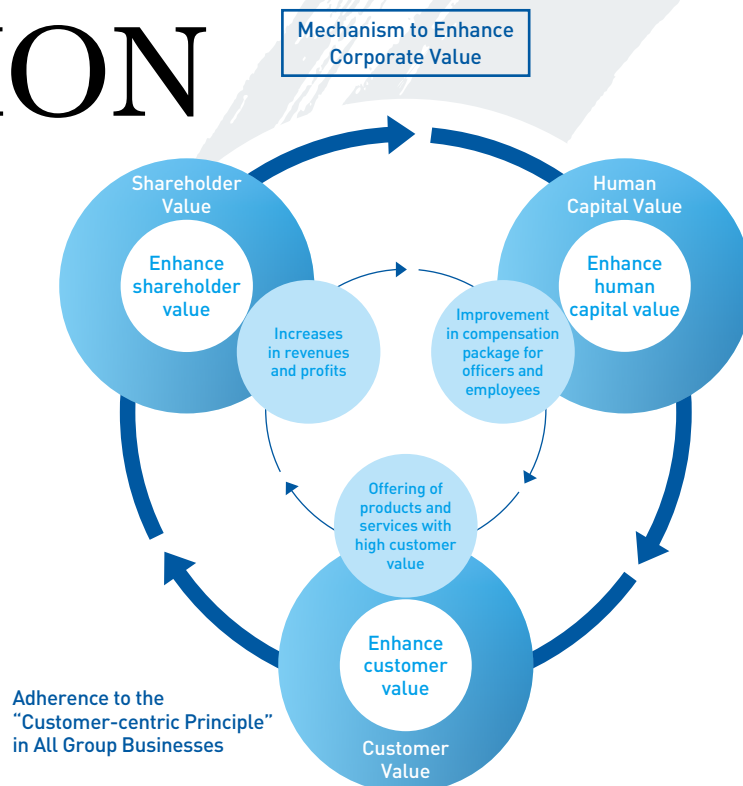
Fulfill Social Responsibility

We will ensure that each company in the SBI Group recognizes its social responsibilities as a member of society, while fulfilling the demands of its stakeholders, and contributing to the betterment of society.

VALUE CREATION

Definition of Corporate Value

The SBI Group believes that corporate value is built on a foundation of customer value, and that together with shareholder value and human capital value, when the three values are merged into a virtuous cycle, corporate value will consequently increase. By prioritizing the “Customer-centric Principle,” we expand customer value that leads to the improvement of financial performance, which in turn enhances shareholder value and allows us to attract talented individuals, resulting in an improvement in our human capital value. By maintaining this virtuous cycle, we will endeavor to improve our corporate value over the medium- to long-term.



Solving Social Challenges through Business Activities and Direct Social Contribution

The Sustainable Development Goals (SDGs), the core of the 2030 Agenda for Sustainable Development adopted by the United Nations in 2015, are attracting increasing interest in Japan and overseas as goals pursued by the global community.

Implementing the SDGs requires government organizations, businesses and citizens to join together in addressing climate change, economic inequality and other issues facing the global community, promoting sustainable consumption and production, and working toward peace.

Ever since the SBI Group was founded, it has sought to contribute to the maintenance and development of society by solving social challenges through business activities, and with direct social contribution activities, in order to return the profits earned through its businesses to society.

One of the SBI Group’s direct social contribution activities is the SBI Children’s Hope Foundation, which was authorized by the Office of the Prime Minister of Japan as a public interest incorporated foundation in 2010. The Foundation undertakes activities to support abused or neglected children to become self-reliant, and to improve their welfare. Another direct social contribution comes from SBI Wellness Bank, which provides membership-based health management

support services, and is partnered with and supports the operation of Tokyo International Clinic. The Clinic provides safe, high-quality medical care services, such as comprehensive medical examinations.

While increasing corporate value by addressing the social challenges facing both citizens and businesses, the SBI Group will continue to embrace the SDGs and respect other international norms, and always engage in business activities from a global perspective.



SBI GROUP HISTORY

Continual Self-Evolution while Adapting Overall Strategy to the Times

Since its founding in 1999, the SBI Group has expanded into new areas of business, as well as increased its business scale in accordance with the basic management viewpoint of the business structure as expounded below. By quickly sensing the changes of the times, we have achieved growth through execution of an overall strategy compatible with such changes.

Basic Management Viewpoint of the Business Structure

Thorough Pursuit of the “Customer-centric Principle”

Since its founding, the SBI Group has been implementing the “Customer-centric Principle,” which places the highest priority on customer benefits. In addition to offering low commission fees on brokerage transactions, by providing deposit products with favorable interest rates and realizing the industry’s lowest insurance premiums, we harness the power of the Internet to offer products and services at competitive prices. In addition to this, we are focusing our efforts on enhancing our product offerings, and bringing together online and physical store outlets, in order to cater to customer needs.

Formation of a “Business Ecosystem”

A business ecosystem is an economic community based on mutual interaction that is supported by an organizational structure. Based upon the two major principles of complex systems “The whole should be geared towards the objective of being greater than the sum of the parts” and “The whole should have new qualities that an individual part cannot achieve,” the SBI Group has established a business ecosystem that realizes its high growth potential from synergy and mutual evolution, which cannot be achieved by a single company alone.

Thorough Pursuit of Group Synergy

The SBI Group has rigorously pursued synergy within the business ecosystem. Each of the three core businesses of the Financial Services Business, securities, banking and insurance, form a supportive group of affiliates that have realized their mutual synergies to achieve remarkable business development. Synergy is also realized through mutual customer referrals and service collaborations between the core businesses. Moreover, synergies that overcome business segment boundaries contributes to further growth of the Group.

Quickly Incorporating Technological Evolution

The SBI Group is proactively utilizing new technologies, such as AI, blockchain, big data and IoT. In the fintech sector, where revolutionary technologies are being developed and advancing globally, as well as in the AI and blockchain sectors, we are pursuing growth through the three processes of “investment” in promising startup companies, the “adoption” of the new technologies held by investee companies to the Group’s individual financial service businesses and the “diffusion” of these technologies across multiple industries.

Transitions in overall strategy

1 From Japan’s SBI to the World’s SBI

The SBI Group used the reversals of the trade balance and income balance in 2005 as an opportunity to accelerate the establishment of an investment framework in emerging markets with high growth potential, focusing on Asia, and to jointly establish funds with major local partners to make investments. We are now bolstering this global investment framework, and promoting the development of financial services businesses that focus on Asia.

(Billions of yen)

5,000

4,000

3,000

2,000

1,000

0

Birth of the SBI Group

The SBI Group was formed in March 1999 when SoftBank Finance was founded as a financial subsidiary of SoftBank (currently SoftBank Group). In July 1999, SOFTBANK INVESTMENT (currently SBI Holdings) was founded as an operator of a venture capital business.

Total assets (left axis)

Profit before income tax expense (right axis)

FY ending September FY ending March

Social trends

- The Financial Big Bang in Japan
- Internet revolution

- Japan’s trade/income balances reverse

2 Selection and concentration

During a deteriorating business environment originating from the BNP Paribas shock, the SBI Group fully instituted a “selection and concentration” approach to its businesses starting in FY2010, in order to transition into a profitability-focused business management. Specific steps included the sale of real estate and other non-core businesses that had weak synergy with the three core businesses of the Financial Services Business, and restructuring within the Group to a model that better facilitated the leveraging of synergy. As a result of such changes, Group resources, such as generated cash, were concentrated on the Group’s three core businesses, the Financial Services Business, the Asset Management Business and the Biotechnology-related Business, so that businesses in deficit could promptly return to profitability while businesses in surplus could further expand their profits, thereby realizing the strengthening of the Group’s overall profitability.

3 Transition from fintech 1.5 to 2.0

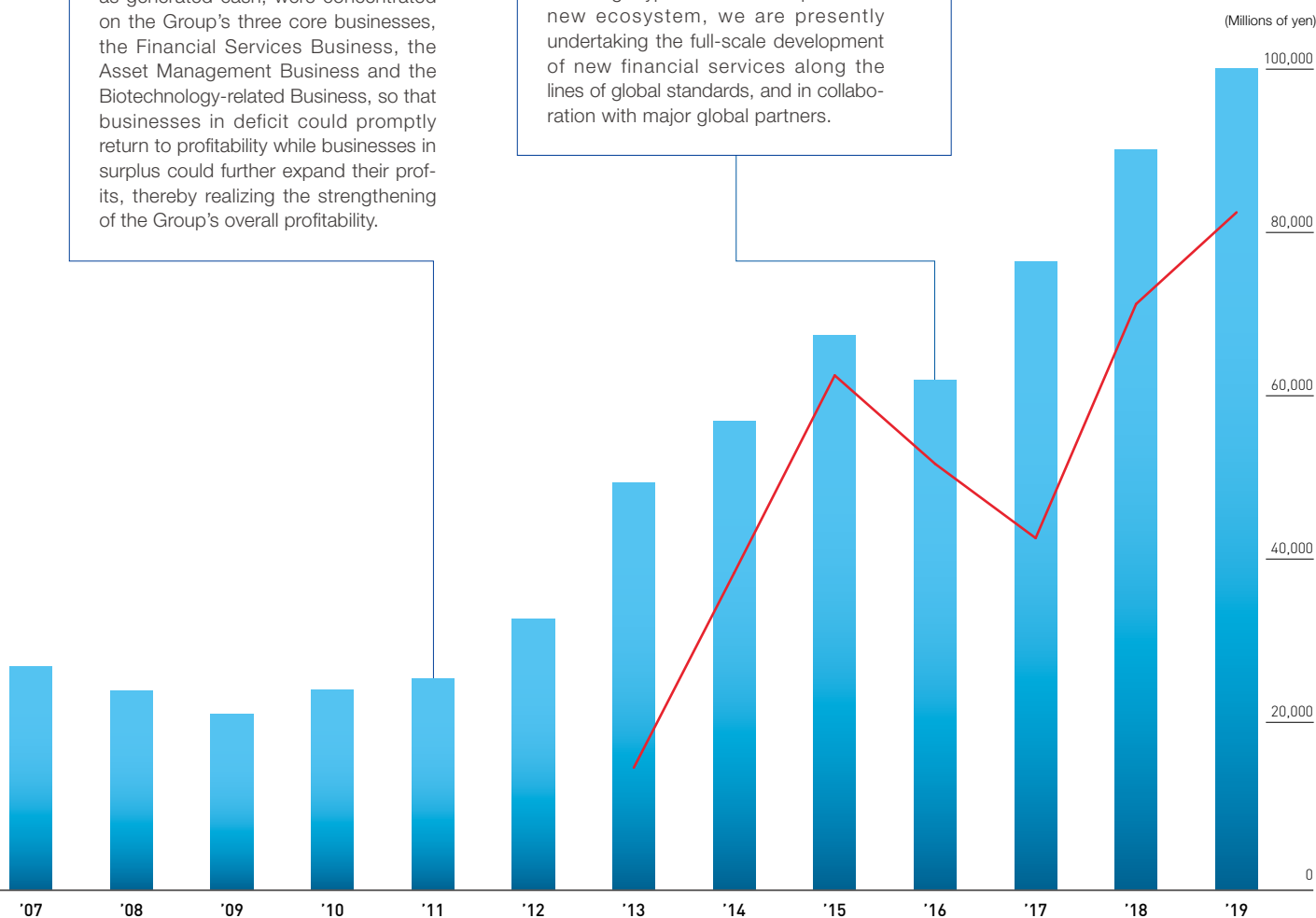
Until now, the SBI Group has achieved dramatic growth through the building of an online financial ecosystem. With this financial ecosystem of fintech 1.0 as the initial phase, and the revolutionary technology of blockchain as the core, we will evolve toward a new financial ecosystem of fintech 2.0.

4 Establishing a new ecosystem based on digital assets

In recent years, the expectations of institutional investors worldwide have risen regarding investments in crypto-assets, but before that rise, the SBI Group had worked to establish an ecosystem based on digital assets, including crypto-assets. To improve this new ecosystem, we are presently undertaking the full-scale development of new financial services along the lines of global standards, and in collaboration with major global partners.

5 Co-creation with regional financial institutions

Regional financial institutions are currently facing challenging conditions from the short-term, medium-term and long-term perspectives, owing to the continuation of the negative interest rate policy, accelerating financial innovation and the progression of an aging society with a population decline. In response, the SBI Group seeks to foster co-creation by assisting regional financial institutions in the adoption of products and services that utilize fintech and other new technologies, and through support in other aspects, such as asset management.



Note: Since IFRSs was adopted in FY2012, total assets prior to FY2011 is stated as the “total assets” amount under JGAAP.

• The global financial crisis

• Rise of fintech
• Abenomics

• Promotion of regional revitalization (see “Glossary” on p. 107).

SELF-EVOLUTION

Twenty Years of Business Expansion

Since its founding, the SBI Group has driven the development of Internet finance in Japan. Concurrently, we have also been involved in the investment in and incubation of startup companies, with investments focused in the Asia region and on growth fields of the 21st century, including IT and biotechnology. Today, the three core businesses are the Financial Services Business, the Asset Management Business, which includes venture investments and the overseas financial services business, and the Biotechnology-related Business, which has become an independent and major business segment. We continue to evolve our solid business foundation to a higher level, while creating synergies among the core businesses.

October
1999

SBI SECURITIES* starts Internet trading. As a pioneer in the full-service online securities business in Japan, rode the trend of bringing the Internet to the financial sector, and established itself as the No.1 company in the domestic retail business.

*Formerly E*TRADE SECURITIES

July
2000

Established the SOFTBANK INTERNET TECHNOLOGY FUND, a venture capital fund capitalized at ¥150.5 billion, which was the largest fund of its kind in Japan at that time. Endeavoring to become a "New Industry Creator" as stated in the corporate mission, we focused our investments on the Internet field, a growth field of the 21st century.

December
2003

Established a fund focused on investing in the biotechnology field, where significant growth was expected. Through this fund, we have supported R&D activities at promising startup companies, and established a global network by leveraging advanced know-how and expertise related to biotechnology that was accumulated within the Group.

September
2007

Start of operations of SBI Sumishin Net Bank, a pure-play Internet bank. As a result of a seamless service alliance with SBI SECURITIES, SBI Sumishin Net Bank experienced a significant customer inflow from SBI SECURITIES' customer base, which resulted in a rapid customer base expansion at SBI Sumishin Net Bank. Although a late comer to the business, it has grown to be No.1 in deposit balance among domestic pure-play Internet banks.

May
2005

Together with an investment company in Singapore, we established the New Horizon Fund that targets investments in promising Chinese companies. Starting with this fund, we established a global investment framework, by establishing a multiple number of funds in cooperation with major local partners. These funds focused on newly developing countries with high latent growth potential, and were established to achieve higher growth through a diversification of Group risk.

January
2007

Through SBI Biotech, a drug discovery bio-venture, we entered the biotechnology field on an operating basis. Upon encountering 5-Aminolevulinic Acid (5-ALA) while operating the Biotechnology-related Business, and taking note of its properties and potential, in April 2008, we established SBI Pharmaceuticals to conduct R&D and the manufacturing of products containing 5-ALA.

January
2008

February
2016

Following the start of business at SBI Insurance in January 2008, SBI Life Insurance, which became a consolidated subsidiary in February 2015, resumed the underwriting of insurance in February 2016. As a result, we are now engaged in all of the major financial services, with a primary focus on securities, banking and insurance, and have completed the financial ecosystem, a goal that we had sought to establish since our founding. In March 2017, we established the SBI Insurance Group and consolidated all of the insurance businesses within the SBI Group under its auspices.

March
2013

SBI SAVINGS BANK* of South Korea, which was one of our venture investments since 2002, was converted into a consolidated subsidiary. As a result of accumulating performing loans through the leveraging of the SBI Group's expertise in the financial industry and online business development, the SBI SAVINGS BANK is now a profit pillar in the Asset Management Business.

*Formerly Hyundai Swiss Savings Bank

April
2012

SBI ALApromo was established for the domestic sales of health foods and cosmetics containing 5-ALA. The company is a subsidiary that currently conducts 5-ALA-related business, under the auspices of SBI ALApharma, an intermediate holding company. In addition to its global business expansion, SBI ALApharma is now preparing for an IPO.

FINANCIAL SERVICES BUSINESS

Establish a financial ecosystem utilizing the Internet as its primary channel, which is unprecedented in the world

December
2015

January
2018

At the advent of the fintech era, and before other companies, we established the Fintech Fund in December 2015, which focuses investments in promising startup companies that possess elemental technology in this field, both in Japan and abroad. In addition, we established the SBI AI&Blockchain Fund as a successor fund to invest mainly in the fields of AI and blockchain in January 2018.

ASSET MANAGEMENT BUSINESS

Promoting global business development focused on Asia

BIOTECHNOLOGY-RELATED BUSINESS

Developing new revenue sources that are less affected by the vagaries of the financial markets

FINANCIAL SERVICES BUSINESS

Customer Satisfaction Assessment of Financial Services Business Companies (As of June 30, 2019)



"Oricon customer satisfaction ranking" of 2019;
Online securities 1st place

SBI証券
[SBI SECURITIES]
Online securities
comprehensive
ranking
1st



Fiscal 2018 Japanese Customer Satisfaction Index
Banking 1st place

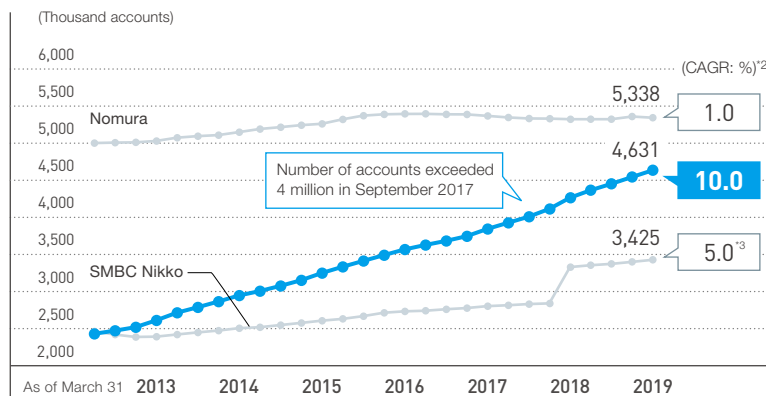
SBI Sumishin Net Bank
Bank (special survey)
industry customer
satisfaction ranking
1st



Kakaku.com; Auto Insurance Satisfaction Ranking
(2019) 1st place

SBI Insurance
Auto insurance
premium satisfaction
ranking
1st

Number of Accounts of SBI SECURITIES and Two Major Face-to-face Securities Companies*



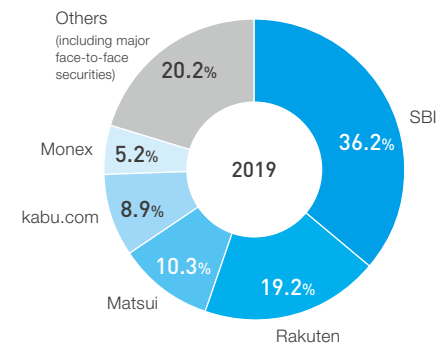
Sources: Each company's published information

*1 As of March 31, 2017, Daiwa Securities' number of accounts totaled 3,886 thousand accounts. Daiwa Securities has not disclosed its figures beyond March 31, 2017

*2 June 2012 to March 2019

*3 Merged with SMBC Friend Securities in January 2018

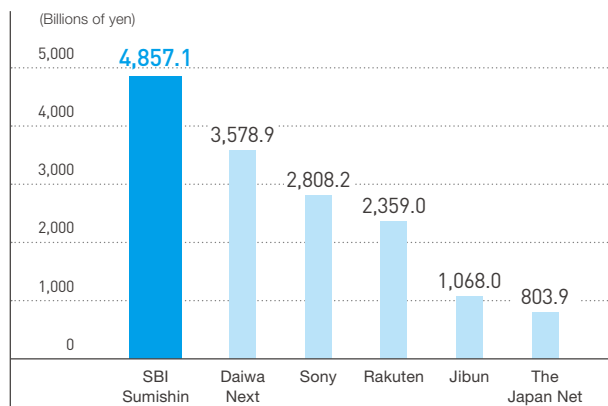
Share of Individual Stock Trading Value



Note: Shares are calculated by dividing each company's individual stock trading value with the whole individual stock trading value of the 1st and 2nd section of the Tokyo and Nagoya Stock Exchange, including that of ETF and REIT trading value, respectively

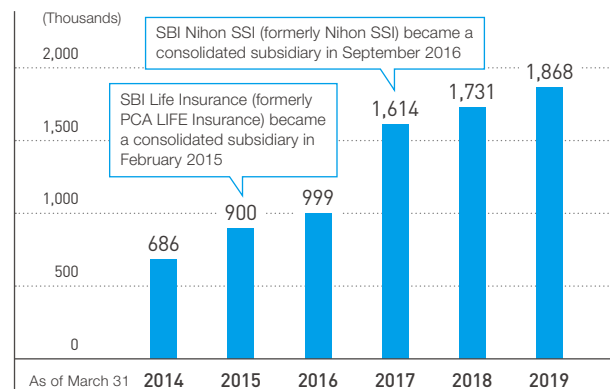
Sources: Tokyo Stock Exchange statistics; each company's published information

Deposit Assets at Six Pure-play Internet Banks (Non-consolidated)



Sources: Each company's published information
Note: As of March 31, 2019

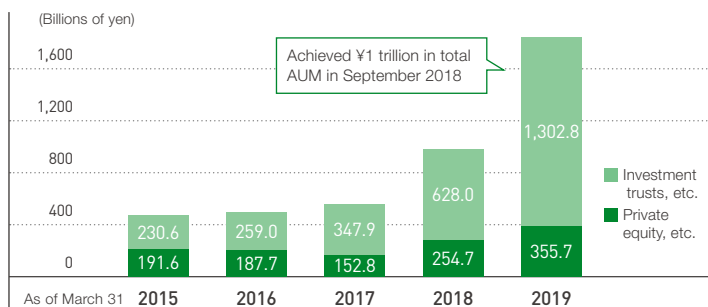
Number of Contracts in SBI Insurance Group



Note: Simple sum of the number of contracts of SBI Insurance, SBI Life Insurance, SBI IKIKI SSI, SBI Nihon SSI and SBI Renta SSI.

ASSET MANAGEMENT BUSINESS

The SBI Group's Assets Under Management



Note 1: Calculated by the exchange rate as of the end of March each year

Note 2: Amounts are rounded to the nearest ¥100 million

Note 3: "Private equity, etc." includes neither cash nor commitment amount to be paid in

Note 4: "Investment trusts, etc." are the sum of amounts of investment trusts and investment advisors. For funds that SBI Asset Management provides investment instruction to, if Morningstar Asset Management provides investment advisory services, assets are recorded in both Investment trusts and Investment advisory, respectively, so there are some overlapping amounts

Number of the SBI AI&Blockchain Fund Investors

Approx. **130** companies

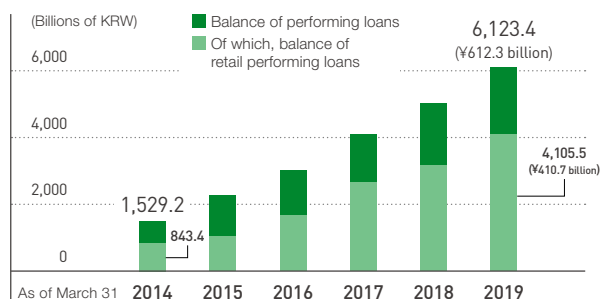
Including 56 regional financial institutions
(As of March 31, 2019)

Corporate Venture Capital (CVC) Funds Under Management

		(Billions of yen)	
CVC partners	Fund name	Total Investment Commitment	
NIKON CORPORATION	Nikon-SBI Innovation Fund	10.0	
INTAGE HOLDINGS	INTAGE Open Innovation Fund	5.0	
MITSUI MINING & SMELTING	Mitsui Kinzoku-SBI Material Innovation Fund	5.0	
HOUSE FOODS GROUP	House Foods Group-SBI Innovation Fund	5.0	
SUBARU CORPORATION	SUBARU-SBI Innovation Fund	10.0	

Note: In addition, there are two private funds (total investment commitment of ¥15 billion).

Balance of Performing Loans at SBI SAVINGS BANK of South Korea

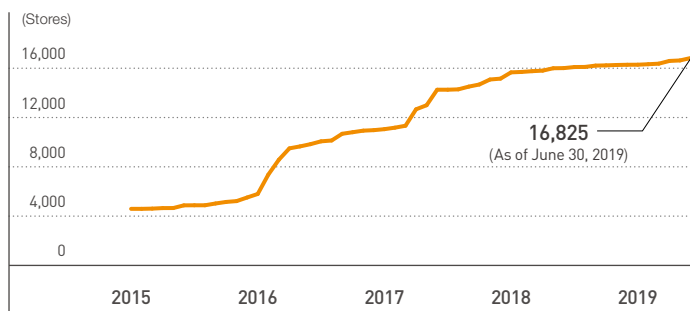


Note 1: Based on K-GAAP

Note 2: Conversion rate of 1 KRW = ¥0.10

BIOTECHNOLOGY-RELATED BUSINESS

Number of Domestic Stores that Offer Health Foods Containing 5-ALA



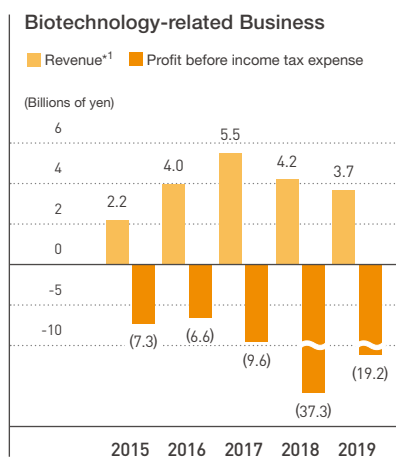
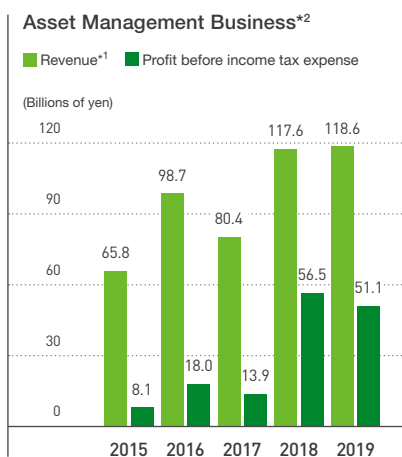
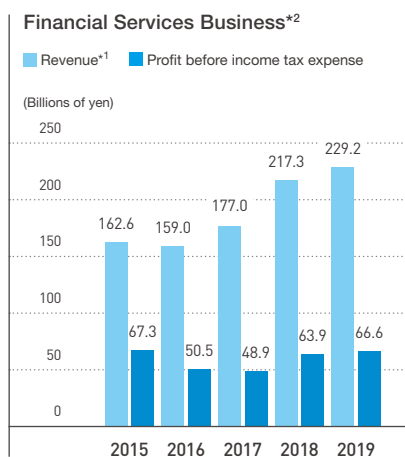
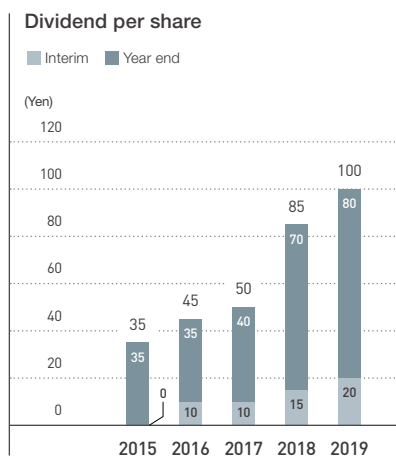
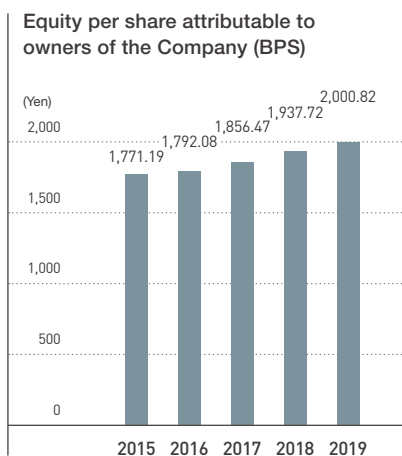
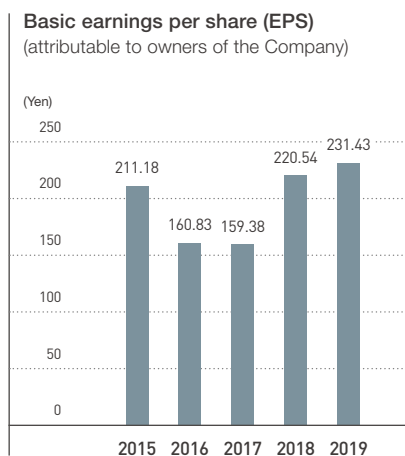
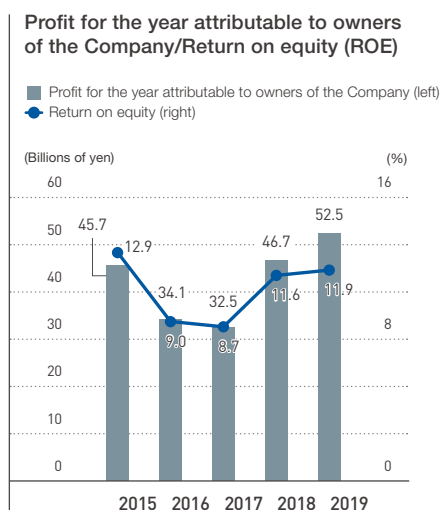
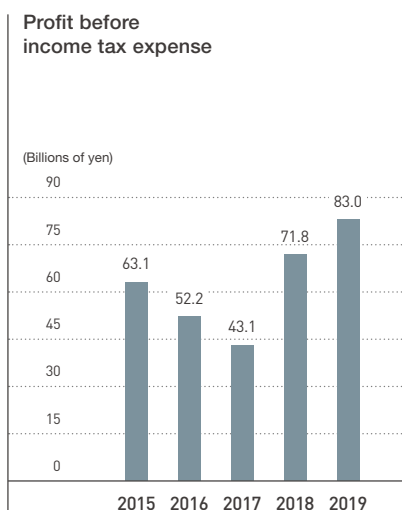
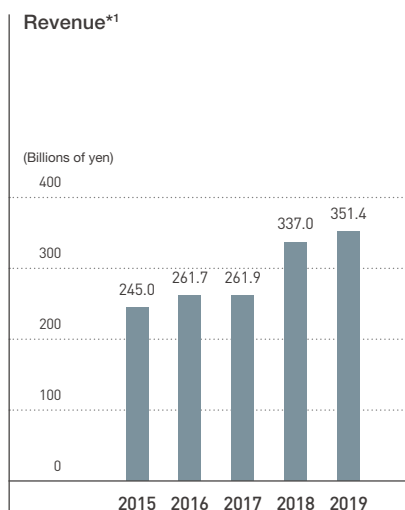
Number of Countries in which 5-ALA Cancer Diagnostic Agent is Sold

Over **40**

(As of March 31, 2019)

Financial and Non-financial Highlights

Consolidated Financial Highlights (IFRSs)



*¹ Beginning with the fiscal year ended March 31, 2016, the income categories "Operating revenue" and "Other financial income" have been eliminated, and the amounts have been combined and presented as "Revenue." Figures for the year ended March 31, 2015 are "Operating revenue."

*² For the fiscal years ended March 31, 2015 to 2018, whereas there are Group companies that were transferred from one segment to another, the abovementioned figures reflect disclosed figures for each fiscal year, so there may be some discrepancies.

Non-financial Highlights

Countries and regions with overseas offices

21 countries and regions

(As of March 31, 2019)

The SBI Group has established overseas offices, primarily in the growth markets of emerging countries in Asia, and is pursuing global business expansion in various fields.

Percentage of employees at overseas offices (consolidated)

26.2 %

(As of March 31, 2019)

As the SBI Group continues its global development, transitioning "from Japan's SBI to the World's SBI," the percent of employees at overseas offices is increasing.

Number of Group companies that have made initial public offerings

15 companies

(As of March 31, 2019)

Currently, the Company is promoting initial public offering of Group companies to actualize the Company's intrinsic corporate value.

Number and percentage of female Directors

2 persons/ **16.7** %

(As of June 30, 2019)

SBI Holdings has appointed two female Directors, accounting for 16.7% of the total 12 Directors.

Number and percentage of Independent Outside Directors

4 persons/ **33.3** %

(As of June 30, 2019)

SBI Holdings has appointed four Independent Outside Directors, accounting for 33.3% of total of 12 Directors.

Attendance rate at Board of Directors meetings

99.2 %

(FY 2018)

The attendance rate at Board of Directors meetings for Directors and Statutory Auditors is 99.2%.

Rating for long-term issued bonds

BBB+

(As of September 3, 2018)

SBI Holdings has acquired a long-term issued bond rating of BBB+ (Stable) from Rating and Investment Information.

Institutional investor ratio in shareholder composition

72.8 %

(As of March 31, 2019)

The ownership ratio of domestic and foreign institutional investors is rising, and foreign ownership alone accounts for a high 43.5% of all shareholders.

Cumulative donations made by the SBI Children's Hope Foundation

Approx. **¥1,040** million

(As of March 31, 2019)

Through the SBI Children's Hopes Foundation, the SBI Group actively pursues solutions to child welfare problems for the sake of children. The Foundation has made cumulative donations of approximately ¥1,040 million, up to the fiscal year ended March 31, 2019.

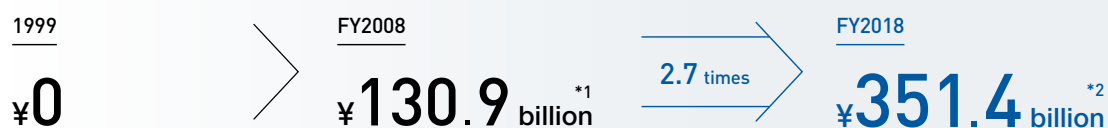
Growth since SBI's Founding

DAY 1

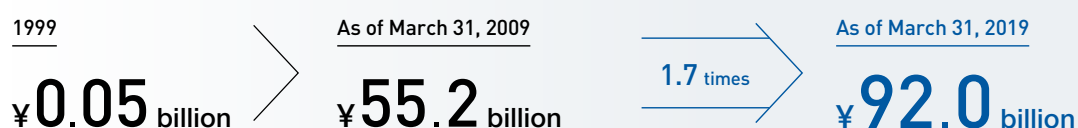
10 YEARS

20 YEARS

Operating revenue/Revenue



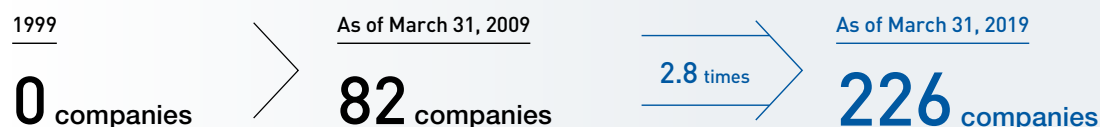
Capital



Number of Group employees



Number of consolidated subsidiaries



The Group's customer base



^{*1} JGAAP figures ^{*2} IFRSs figures