

# 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

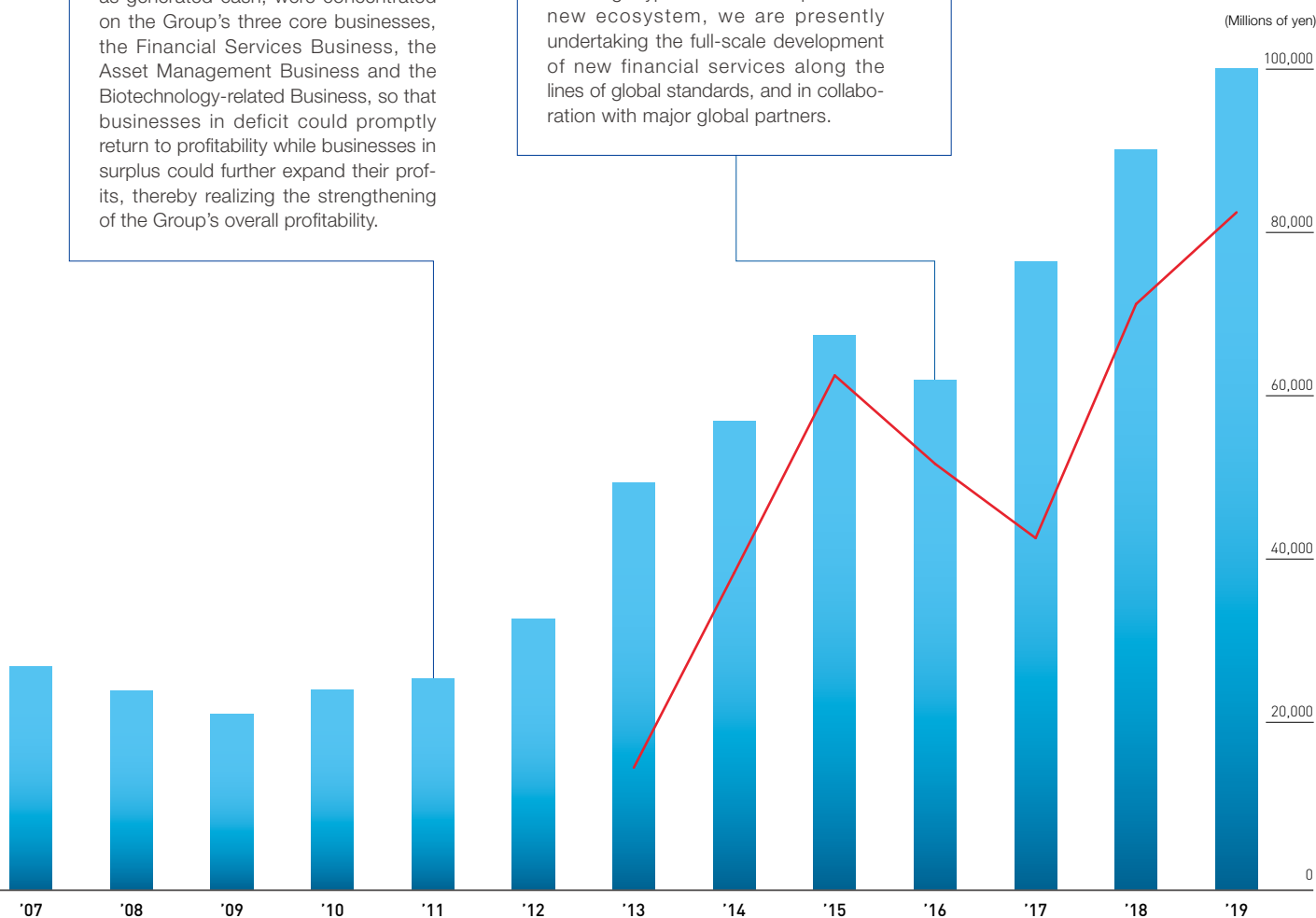
Until now, the SBI Group has achieved dramatic growth through the building of an online financial ecosystem. With this financial ecosystem of fintech 1.0 as the initial phase, and the revolutionary technology of blockchain as the core, we will evolve toward a new financial ecosystem of fintech 2.0.

## 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).