

Without Society, Companies Cannot Thrive Without Companies, Society Cannot Thrive

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

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 by providing financial services that further enhance benefits for customers.



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.

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.

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

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 believe that a company has "Corporate Virtue" just as a person has "Human Virtue," and 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.

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 even further. 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. It also contributes to the improvement of human capital value, and to better products and services. We believe it will lead to the creation of and an increase in customer value. By maintaining this virtuous cycle, we will endeavor to improve our corporate value over the medium to long term.

Components of Enhanced Corporate Value



Customer Value

Customer value is the value a company provides to its customers, and the primary value of goods and services provided by the SBI Group. Since its founding, the SBI Group has advocated the “Customer-centric Principle,” and has provided outstanding price competitiveness for products and services in the financial services businesses such as in the securities, banking and insurance businesses using the Internet. Currently, we are working to improve customer value by enhancing products and services that utilize advanced and innovative technologies such as AI and blockchain, promoting digital asset-related businesses such as crypto-asset exchanges to develop new financial services.



Shareholder Value

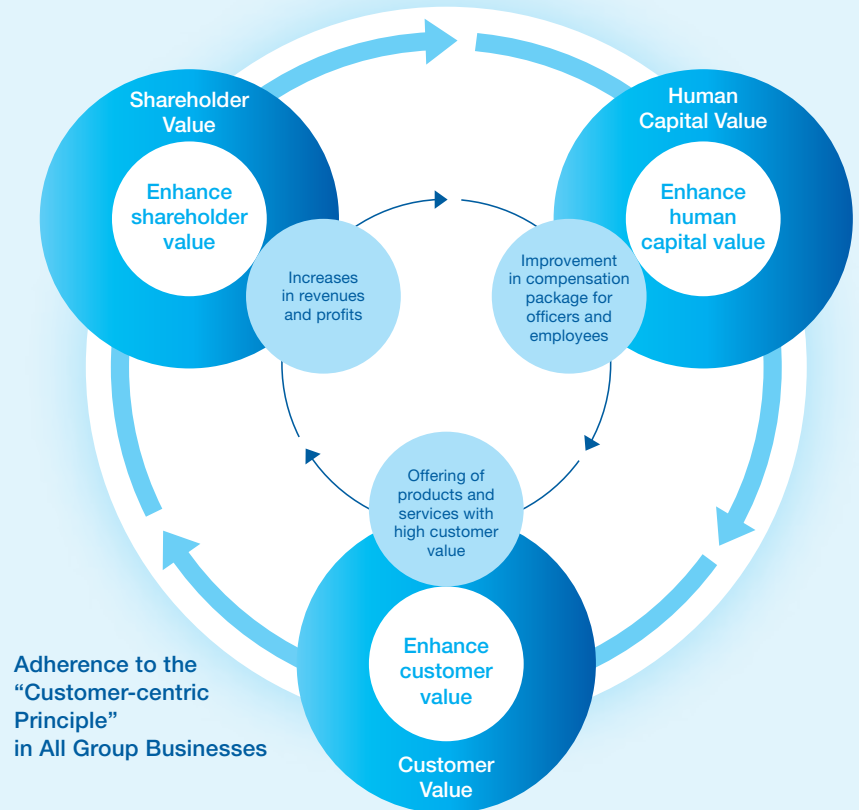
The SBI Group considers shareholder value to be the total present value of free cash flows expected to be received by shareholders and creditors in the future. We monitor return on equity (ROE) as one of the key business indicators associated with increasing shareholder value, and are committed to maintaining a level of 10% or higher. On the other hand, from the perspective of the sound growth of the company as a going concern, management focusing solely on ROE will only achieve short-term growth. Therefore, the SBI Group will not only allocate the profits and cash generated through improved business performance owing to an increase in customer value to shareholder returns, but will also distribute them in a well-balanced manner, for investment into further future growth, and to increase shareholder value.



Human Capital Value

The SBI Group considers people to be a source of competitiveness and differentiation, and have continuously recruited employees, to secure a large number of talented individuals both domestically and abroad. The SBI Group is also engaged in educational training through SBI Graduate University, which is fully supported by the SBI Group, and endeavors to select young qualified staffers to officer positions, as well as promoting women to managerial positions. We have also been focused on developing human resources by conducting evaluations based on their abilities, regardless of nationality, race, age, gender, or disability. In addition, we have created a work environment that is conducive to employees, and have raised employee engagement by giving consideration to maintaining and improving the health of employees, and supporting their desired career development.

Mechanism to Enhance Corporate Value



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 the execution of the Group's overall strategy that is 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 have harnessed 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, as well as integrating the online and physical store outlets, in order to cater to our customers' 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 support the core businesses, which have realized their mutual synergies to have achieved remarkable business developments. 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.

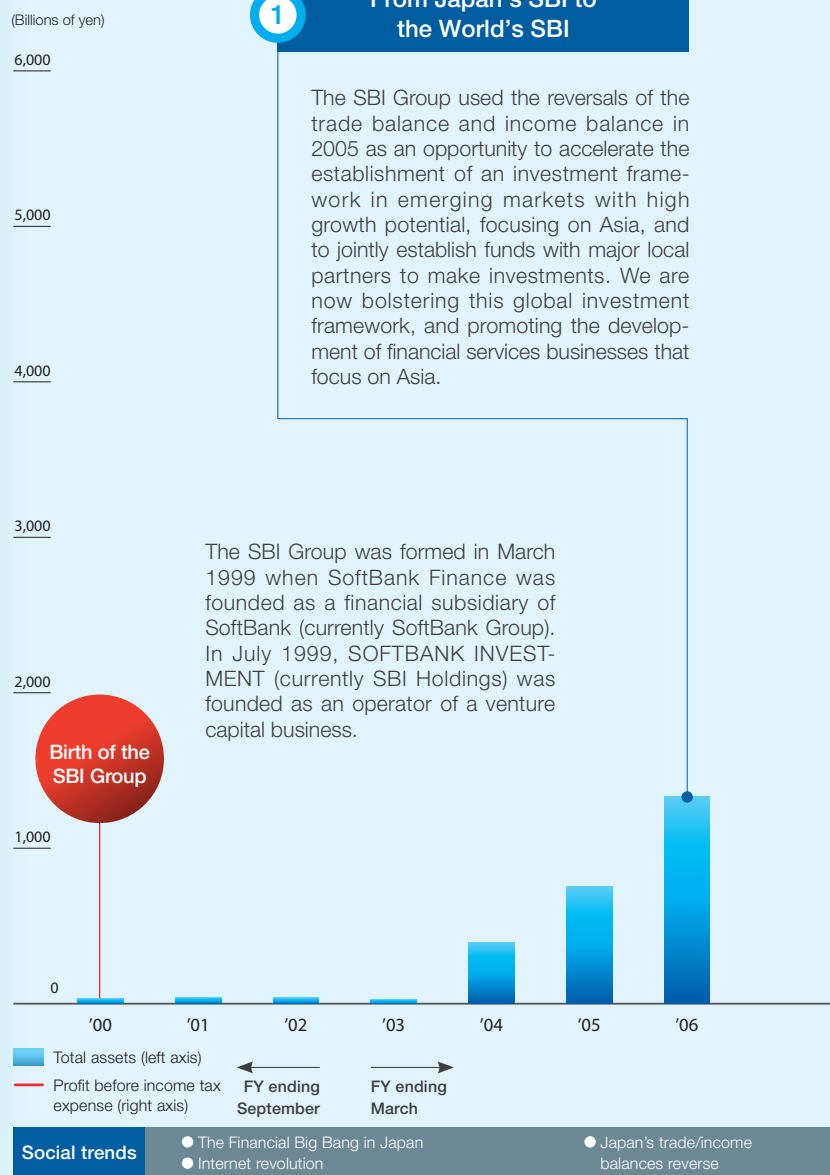
Transitions in overall strategy

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.

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.



2 Selection and concentration

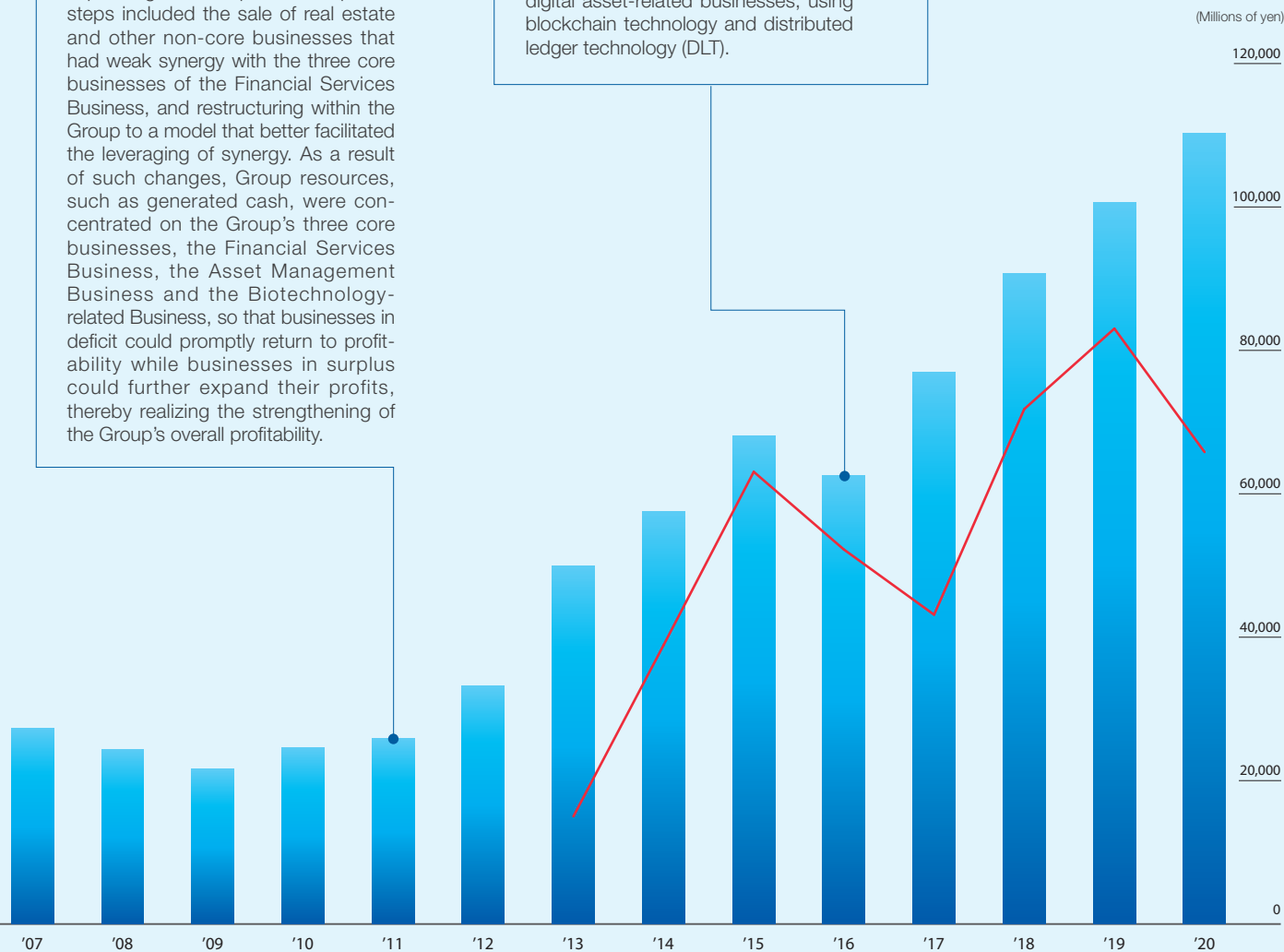
During a deteriorating business environment originating from the BNP Paribas shock, the SBI Group fully instituted a “selection and concentration” approach to its businesses starting in FY2010, in order to transition into a profitability focused business management, from that which was focused on expanding the Group’s scale. 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 Fintech expansion and blockchain utilization

Up until now, the SBI Group has realized dramatic Group growth through the building of an online financial ecosystem. As we move into the future, we are striving to evolve into a new financial ecosystem centered on the revolutionary blockchain technology, while introducing fintech into the financial services offered by the SBI Group. We are also accelerating the rollout of digital asset-related businesses, using blockchain technology and distributed ledger technology (DLT).

4 Contributing to regional revitalization

In order to contribute to the national strategy of regional revitalization, the SBI Group will expand alliances with financial institutions nationwide, and improve the profitability of regional financial institutions to advance initiatives that will raise corporate value. Furthermore, not only will we engage with regional financial institutions in these endeavors, but we will also become more directly involved in the revitalization of regional economies. To this end, we are consummating alliances with various companies as we move forward on initiatives for regional revitalization from a higher perspective.



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 page 109).

● Spread of COVID-19

FINANCIAL SERVICES BUSINESS

Customer Satisfaction Assessment of Financial Services Business Companies (As of June 30, 2020)



SBI証券
[SBI SECURITIES]
Online securities
comprehensive
ranking

1st

*Oricon customer satisfaction ranking[®] of 2020;
Online securities 1st place



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

1st

Fiscal 2019 Japanese Customer Satisfaction Index
Banking 1st place

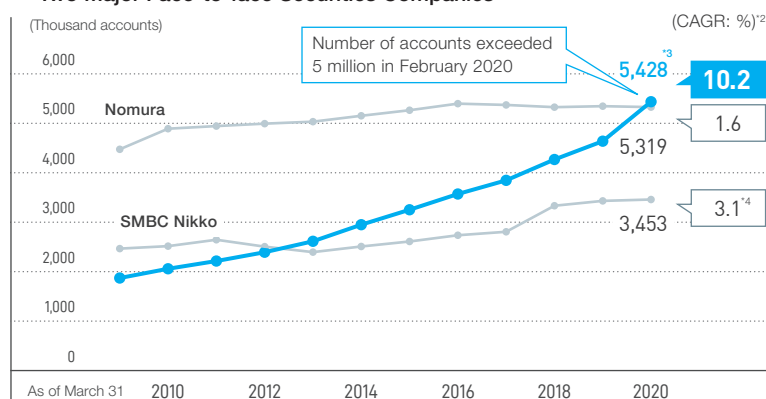


SBI Insurance
Auto insurance
premium satisfaction
ranking

1st

Kakaku.com; Auto Insurance Satisfaction Ranking (2020)
1st place

Number of Accounts of SBI SECURITIES and Two Major Face-to-face Securities Companies*1



Sources: Each company's published information

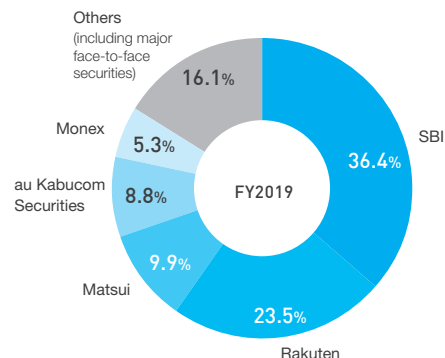
*1 As of March 31, 2017, Daiwa Securities' number of accounts totaled 3,886 thousand accounts. Daiwa Securities has not disclosed its figures beyond March 31, 2017

*2 June 2009 to March 2020

*3 Includes assets at SBI Neomobile Securities since June 2019

*4 Merged with SMBC Friend Securities in January 2018

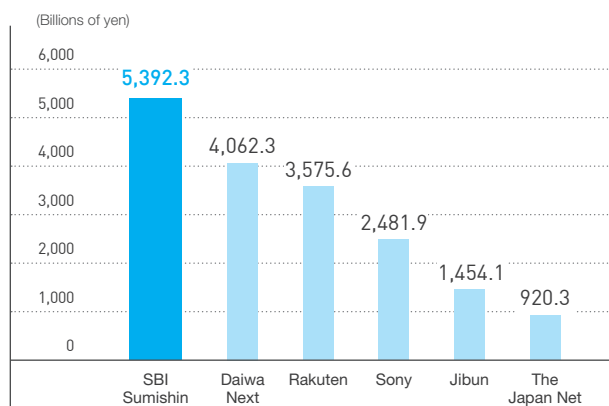
Share of Individual Stock Trading Value



Note: Shares are calculated by dividing each company's individual stock trading value or individual margin trading value by the total individual stock trading value or individual margin trading value of the 1st and 2nd sections of the Tokyo and Nagoya Stock Exchange, including the ETF and REIT trading values, respectively

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

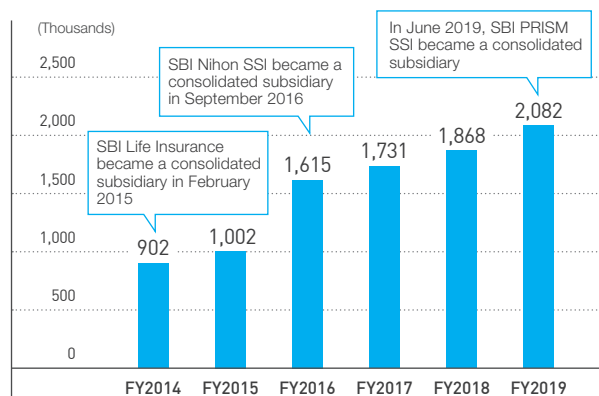
Deposit Assets at Six Pure-play Internet Banks (Non-consolidated)



Sources: Each company's published information

Note: As of March 31, 2020

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, SBI Resta SSI and SBI PRISM SSI (formerly, JAPAN ANIMAL CLUB)

Number of Providers of the White Label Banking App

9 banks

(As of June 30, 2020)

FUKUSHIMA-BANK	Momiji Bank	Shimane Bank
THE CHIKUHO BANK	The Ehime Bank	The Kitakyushu Bank
The Shimizu Bank	THE TOWA BANK	The Yamaguchi Bank

Note: Companies are listed in alphabetical order

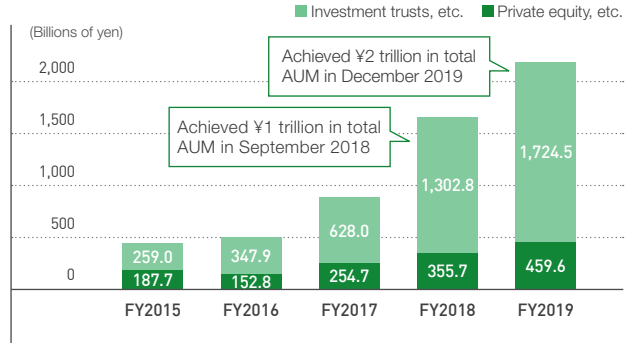
Corporate Venture Capital (CVC) Funds Under Management

CVC partners	Fund name	Total Investment Commitment (Billions of yen)
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
FUSO Corporation	FUSO-SBI Innovation Fund	5.0

Note: In addition, there are three private funds (total investment commitment of ¥24 billion)

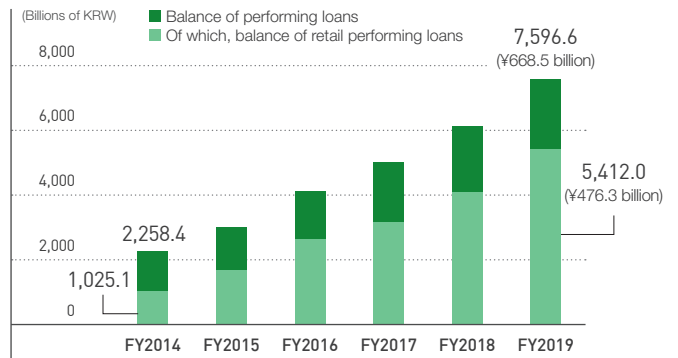
ASSET MANAGEMENT BUSINESS

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. If Morningstar Asset Management provides investment advisory services, for funds that SBI Asset Management provides investment instruction to, assets are recorded in both Investment trusts and Investment advisory, respectively, so there are some overlapping amounts

Balance of Performing Loans at SBI SAVINGS BANK of South Korea



Note 1: Based on K-GAAP
 Note 2: Conversion rate of 1 KRW = ¥0.088

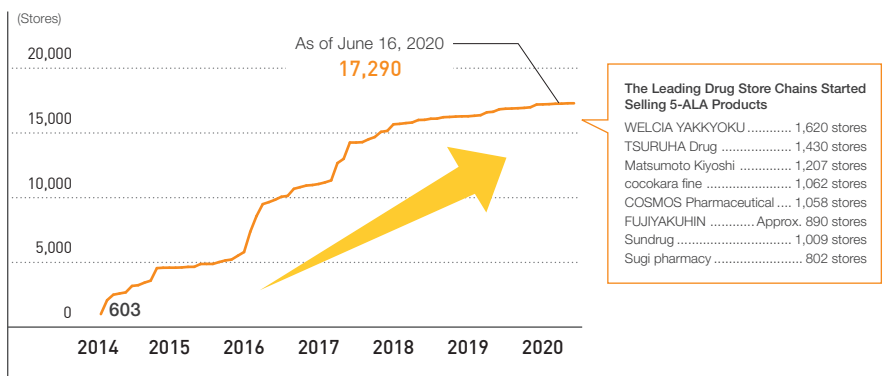
BIOTECHNOLOGY-RELATED BUSINESS

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

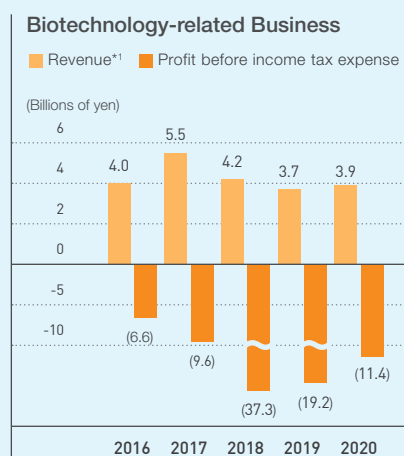
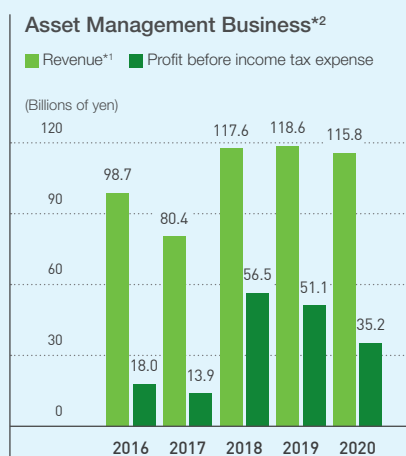
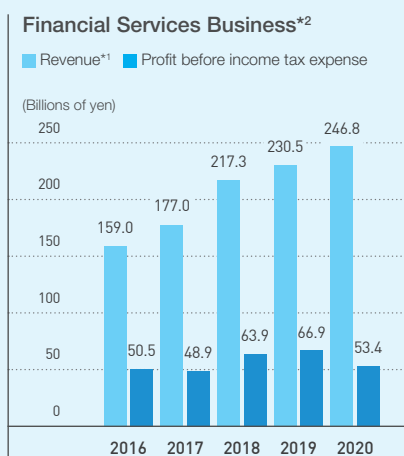
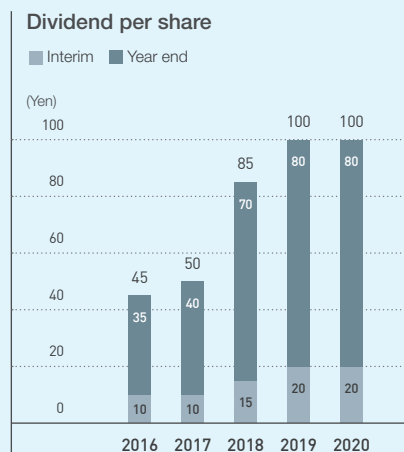
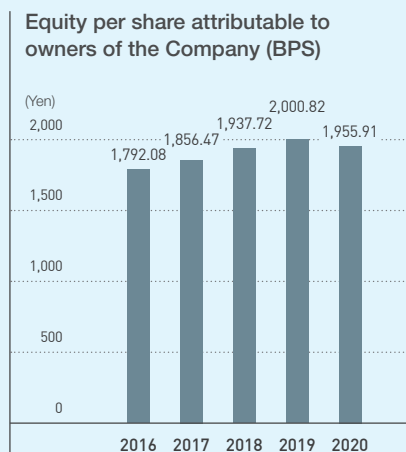
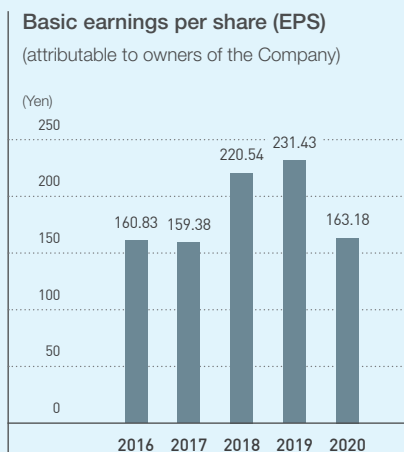
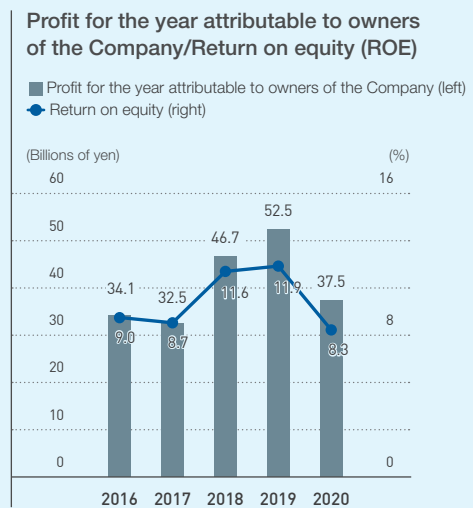
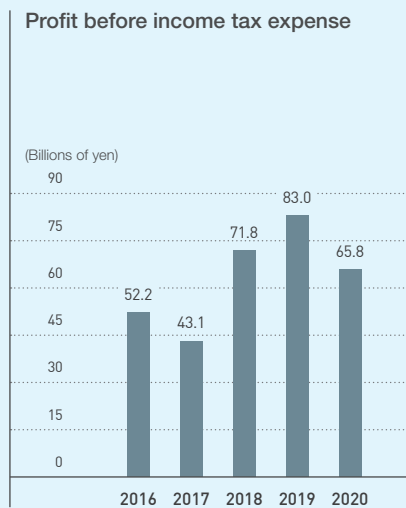
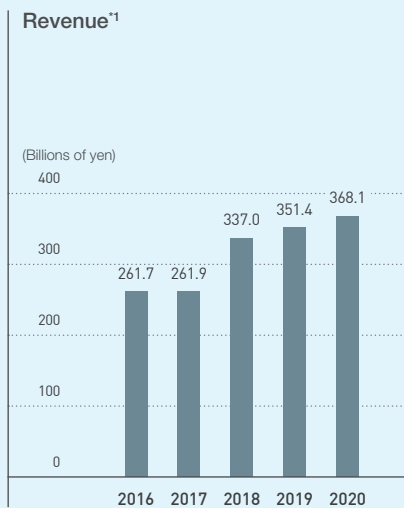
Over 40

(As of March 31, 2020)

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



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"

*2 For the fiscal years ended March 31, 2016 to 2020, 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

22 countries and regions

(As of March 31, 2020)

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)

35.4%

(As of March 31, 2020)

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

Number of Group companies that have made initial public offerings

15 companies

(As of March 31, 2020)

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 / **15.4%**

(As of June 30, 2020)

SBI Holdings has appointed two female Directors, accounting for 15.4% of the total 13 Directors.

Number and percentage of Independent Outside Directors

5 persons / **38.5%**

(As of June 30, 2020)

SBI Holdings has appointed five Independent Outside Directors, accounting for 38.5% of total of 13 Directors.

Attendance rate at Board of Directors meetings

99.5%

(FY 2019)

The attendance rate at Board of Directors meetings for Directors and Statutory Auditors is 99.5%.

Rating for long-term issued bonds

BBB+

(As of September 5, 2019)

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

Institutional investor ratio in shareholder composition

70.9%

(As of March 31, 2020)

The ownership ratio of domestic and foreign institutional investors is rising, and foreign ownership alone accounts for a high 45.8% of all shareholders.

Cumulative donations made by the SBI Children's Hope Foundation

Approx. **¥1,060** million

(As of March 31, 2020)

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 ¥1,060 million, up to the fiscal year ended March 31, 2020.

Efforts for Sustainable Coexistence with Society

Basic Approach

The SBI Group has contributed in the maintenance and development of society, while seeking harmony with various stakeholders as a constituent member of society. The basis for this approach is not the profit motive, but rather a belief in contributing to a society that is fair, comfortable, environmentally friendly and safe. In keeping with this belief, the Group aspires to be a strong and respected company, that not only pursues commercialization opportunities and practices that uphold the principle of social justice, but also actively engages in direct social contribution activities. This page introduces the main points of the SBI Group's efforts in contributing to the solving of social challenges under such policies.

Toward the Achievement of the Sustainable Development Goals

The Sustainable Development Goals (SDGs), which form the core of the 2030 Agenda for Sustainable Development, adopted by the United Nations in 2015, are attracting increasing interest in Japan and abroad as goals to be pursued by the global community. SDGs require government agencies, companies and citizens to join together to address issues that the global

community faces, such as climate change, economic inequality, sustainable consumption/production, peace, etc.

Since its establishment, the SBI Group has sought to fulfill its corporate social responsibility, and contribute to the maintenance and development of society through the active pursuit of CSR activities, which subscribes to the goals set forth in the SDGs. The Group will continue to embrace the SDGs and respect other international norms, and always engage in business activities from a global perspective.



Main Areas	Example Efforts	Social Challenges (SDGs)
<p>Contributing to society through main business activities:</p> <p>By conscientiously recognizing the challenges facing the global society, we will contribute to the realization of a sustainable society through our businesses.</p>	<ul style="list-style-type: none"> Contributing directly to regional revitalization by promoting local economic stimulation (➔ page 20) Contributing to the fostering of new industries and technological innovation Contributing to the medical and healthcare needs of people through the Biotechnology-related Business Efforts toward solving poverty in emerging nations Propagation of renewable energy and regional development 	
<p>Direct social contribution:</p> <p>We will contribute to the maintenance and development of society through direct social contribution activities, by returning profits gained through our businesses to society.</p>	<ul style="list-style-type: none"> Contributing to health management Through its partnership with and support of the Tokyo International Clinic, SBI Wellness Bank contributes proactively to health management in the three areas of prevention, treatment and age management. Support for abused children (SBI Children's Hope Foundation) <p>For details, please visit our website: https://www.sbigroup.co.jp/csr/childwelfare.html</p> <ul style="list-style-type: none"> Nurturing talented individuals through the SBI Graduate School, so they may energize the economy and society in Japan, and around the world 	
<p>Enhancement of management foundation:</p> <p>We aspire to become a company with "Corporate Virtue," through the appropriate and effective execution of our businesses.</p>	<ul style="list-style-type: none"> Strengthening corporate governance (➔ page 38) Risk management (➔ page 44) Securing and nurturing talented individuals (➔ page 46) Environmental conservation initiatives (➔ page 49) 	

Examples of Contributing to Society through Business

Contributing to Regional Economies through Solving the Challenges Facing Regional Financial Institutions



Regional financial institutions are expected to continue facing challenging circumstances in the business environment, owing to the prolongation of a negative interest rate policy, the emergence of new financial services as a result of technological innovation, and the acceleration of a declining population owing to demographic aging. The SBI Group has established close relationships with regional financial institutions over the past three years, and will further advance the co-creation of value with these institutions moving forward. In addition to shared use of various systems and ATMs, projects that support regional financial institutions in order to contribute to regional revitalization, including backing for nationwide implementation of business operations through the use of fintech, and the pursuit of other efforts that strengthen the earning capacity of regional financial institutions will be implemented. If the asset management capabilities and product development capabilities of regional financial institutions improve as a result of the utilization of the SBI Group's wide-ranging operational resources, these institutions will be able to contribute to a steady asset formation by local residents. If this in turn stimulates consumption and investment by local residents, it will lead to a revitalization of the regional economies. In this way, through its support for regional financial institutions, the SBI Group will contribute to the creation of a virtuous cycle that will contribute to regional revitalization.

Contributing to the Fostering of New Industries and Technological Innovation



One of the SBI Group's corporate missions is to become a "New Industry Creator," therefore we are engaged in the investment business to achieve this mission. Ever since the Group was founded, we have made focused investments in growth sectors that will become the next-generation core industries, such as IT, biotechnology, environment and energy, fintech, AI and blockchain. In particular, in the IT sector, where technological advancements are rapid, we have set up funds that target key investment sectors in response to changes in the times and technology. We started in the 1990s with investments in U.S. Internet-related companies, and in 2000 we set up a venture capital fund that was the largest in Japan at the time (¥150.5 billion in total commitment amount), contributing to the development of many domestic Internet-related companies. Since then, we have continued to invest in and support companies involved in businesses such as communications infrastructure, mobile communications, smartphones, fintech, AI and blockchain. On the other hand, we entered the biotechnology sector in 2003, investing in a drug discovery startup company, as well as engaging in support activities, and have since set up multiple funds that support companies involved in the life science, healthcare and biotechnology fields.

In this way, we are actively assisting companies that will shape the society of the future, and contribute to the fostering of new industries and technological innovations.

Helping to Meet Medical and Healthcare Needs through the Biotechnology-related Business



Since worldwide interest in medicine and healthcare has grown, the SBI Group established its presence in the biotechnology sector in

2003 by investing in and supporting companies in this sector, and have since established multiple funds to invest in and nurture promising startup companies that will meet the needs of the life science, healthcare and biotechnology fields. We will continue to actively invest in this field, as interest is further heightened, owing to the COVID-19 pandemic.

The SBI Group is also involved in bio-related business operations. In addition to having supported the creation of pioneering medical and pharmaceutical products at the forefront of biotechnology, we contribute to people's health and beauty through the development and sale of medical, health and cosmetic products containing 5-Aminolevulinic Acid (5-ALA).

Solving Poverty in Emerging Countries



SBI Social Lending uses crowdfunding to help solve poverty in emerging nations. For instance, through the SBISL Cambodia Micro-finance Loan Fund operated by SBI Social Lending, financing is made available to businesses that provide small loans and other microfinance services to the poor and low-income segments of the population in Cambodia. Many of Cambodia's poor earn income through occupations such as farming, raising livestock or selling produce. Even when they want to obtain financing to expand their businesses, they are unable to access the financial services of banks or insurance companies, so we are assisting people like this to boost their income by providing them with small-sum financial services.

In addition, the SBISL Cambodia Mobility Loan Fund implements financing for IoT-enabled automotive sales business operations of the borrower, and its Cambodian subsidiary. By installing an IoT terminal in the vehicle, it becomes possible to manage engine operations through remote control, which is an effective deterrent that leads to reduced loan recovery risk. Demand for used vehicles is rapidly expanding in Cambodia, in line with its economic growth, but the distribution of improperly maintained vehicles has been a cause of traffic accidents. In order to solve this issue, the borrower and its Cambodian subsidiary are contributing to the development of a healthy mobility market for Cambodia, by promoting the expansion of high-quality vehicle inspections and maintenance.

Propagation of Renewable Energy and Regional Development



As power generation from renewable energy sources increases worldwide, the effective implementation of regional resources such as solar, wind, geothermal, small-scale hydropower and biomass is attracting interest in Japan, as a crucial presence for future regional economies. In addition to solar power, SBI Energy is developing solar sharing operations (farming-type solar power generation) that generates solar power on farmland, while agricultural activities continue, as well as small-scale hydropower and biomass power generation. Through power generation business operations like these, we are engaging in regional economic revitalization by promoting the use of local resources and natural energy. This helps increase energy self-sufficiency rates, contributing to regional sustainability through local production for local consumption.