

# 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.

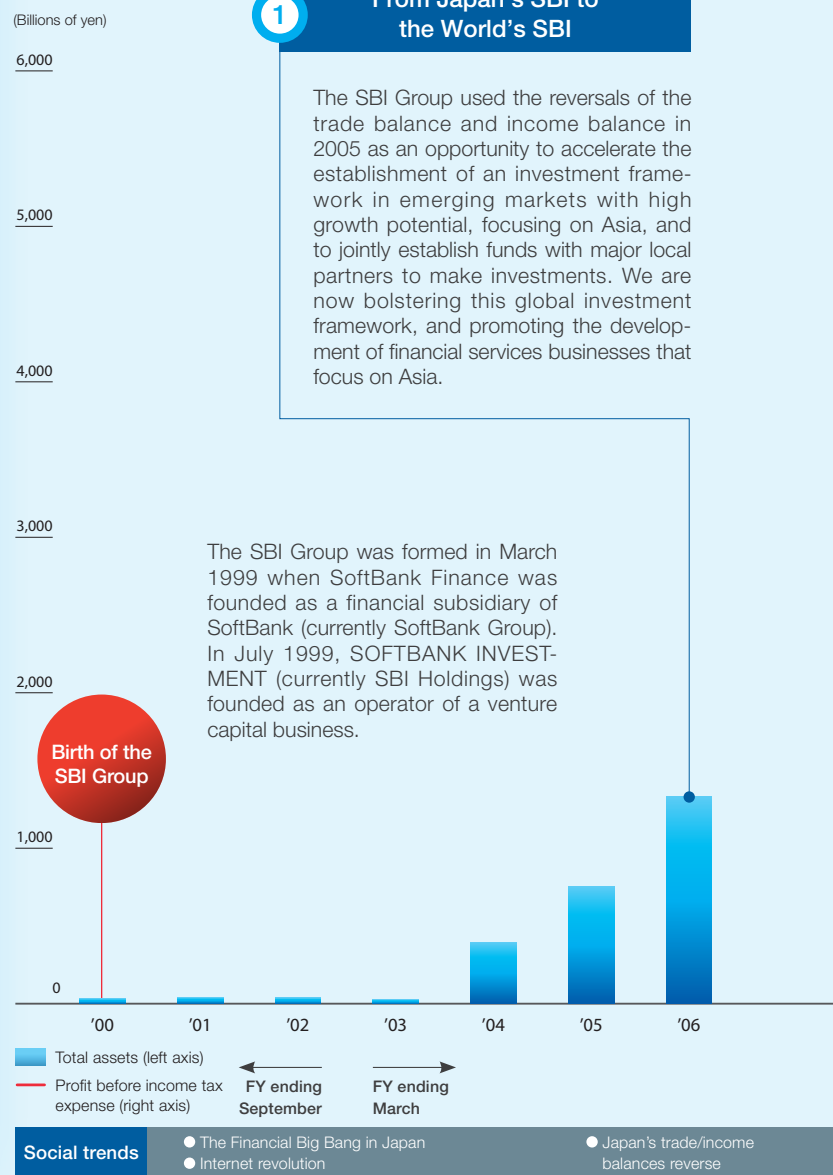
## Transitions in overall strategy

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### 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

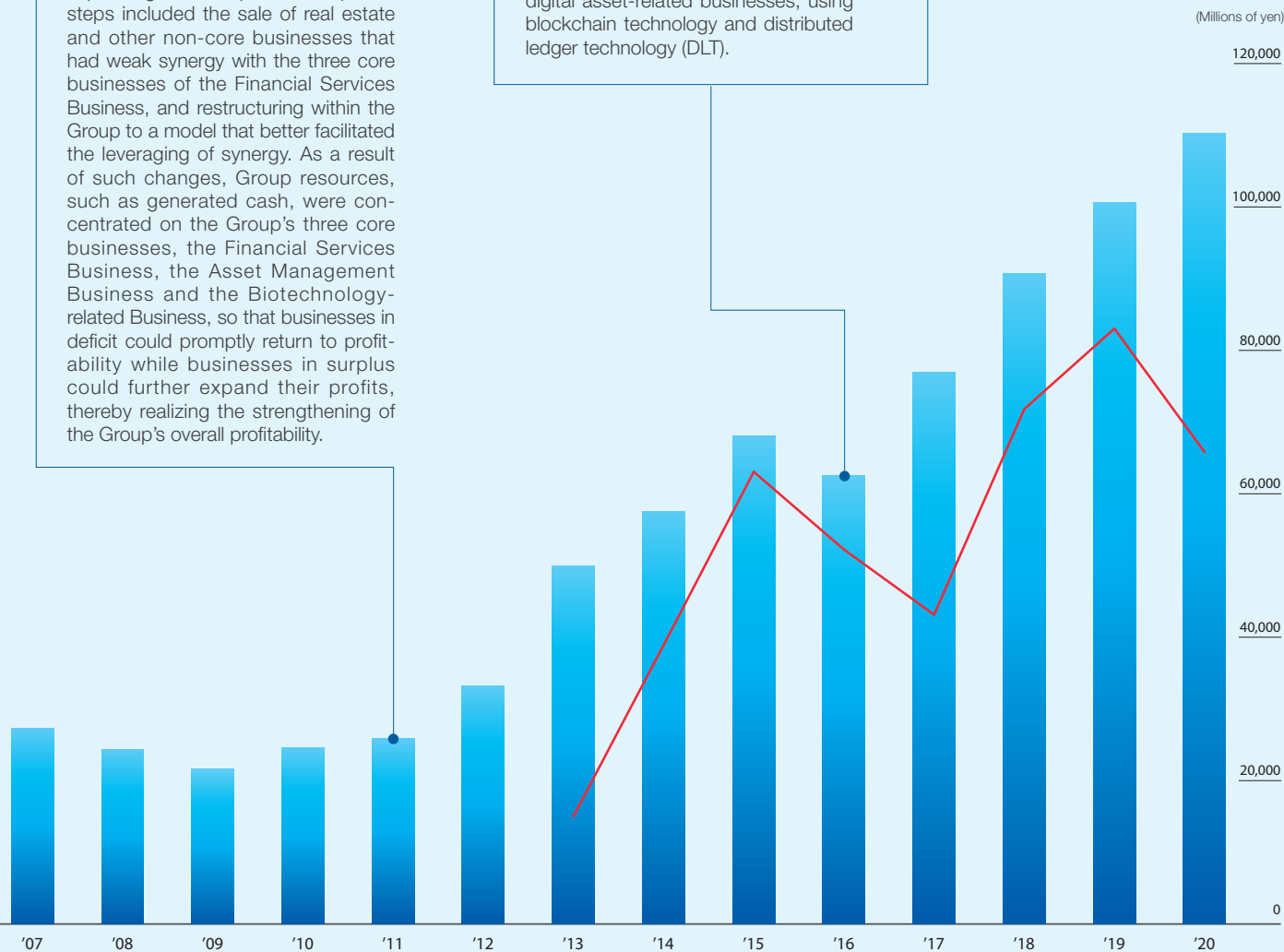
During a deteriorating business environment originating from the BNP Paribas shock, the SBI Group fully instituted a “selection and concentration” approach to its businesses starting in FY2010, in order to transition into a profitability focused business management, from that which was focused on expanding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