

The Purpose of the SBI Group

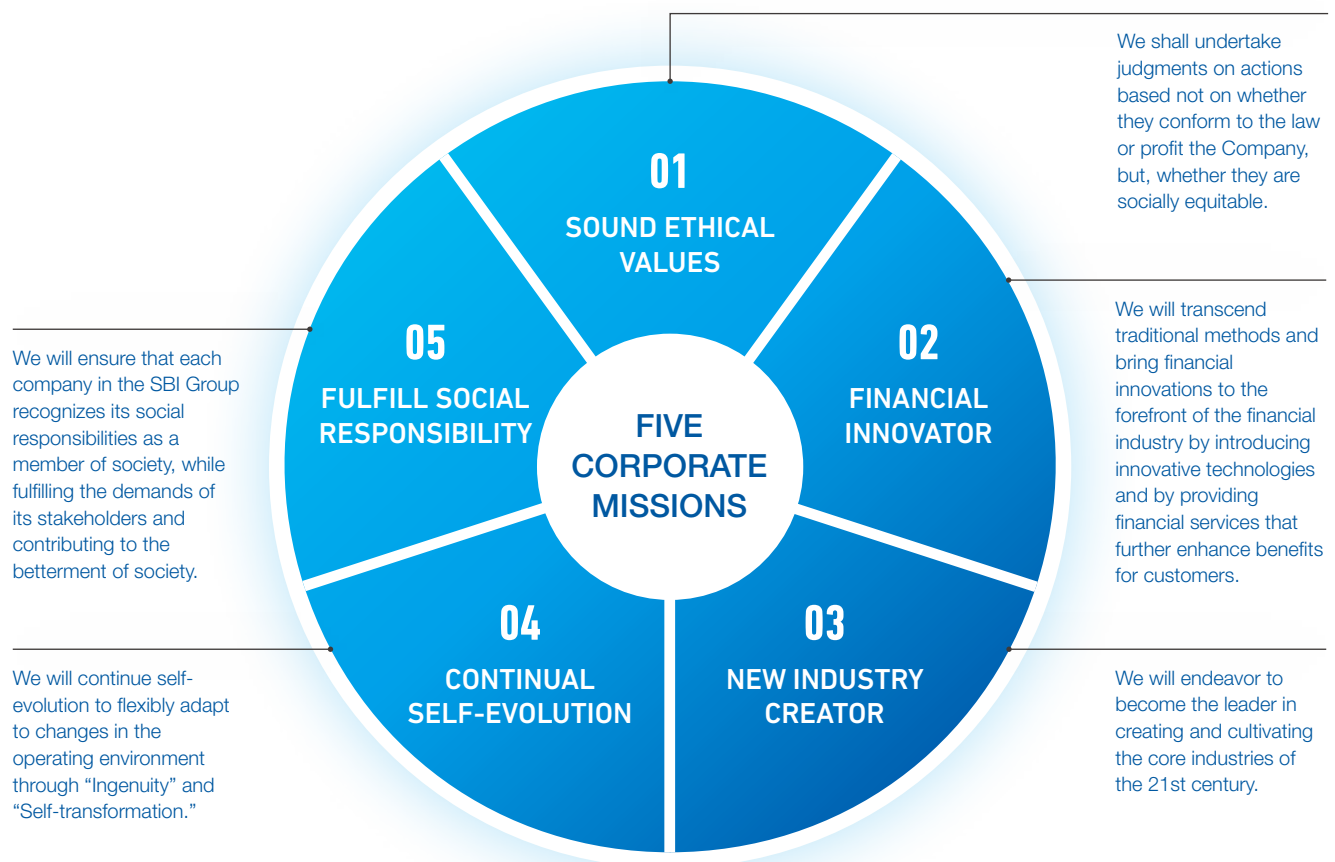
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Creating innovative businesses “for the good of society and for the good of people” and growing together with society

“Corporate mission” is another way of describing a company’s management philosophy or values and raison d’être that do not change easily because of top management shifts or market changes. In other words, a corporate mission serves as the foundation, allowing it to establish a clear long-term goal for the Company and provide a sense of purpose for its employees. Prior to the SBI Group’s establishment in 1999, it defined its management philosophy in terms of the “Five Corporate Missions” listed below.

In addition to these five corporate missions, we are also determined to contribute to the maintenance and development of society, in line with our belief that a company is a member of society and can only exist as an entity that belongs to society. Since our founding, it has been our desire to capture current trends to create innovative businesses that benefit people and society.

The SBI Group’s Corporate Missions



SBI Group's Value Creation

Unwavering commitment to the “Customer-centric Principle” is the fountainhead upon which the SBI Group creates and enhances its corporate value

The SBI Group believes that our corporate value is the sum of “customer value,” “shareholder value,” and “human capital value.” We recognize that our enterprise value is greatly tied to the cumulative sum of the creation of “customer value” arising from our “Customer-centric Principle” that expands “shareholder value” and the value of “human capital.”

Customer Value: The cornerstone for creating corporate value

For the SBI Group, creating customer value is the cornerstone of corporate value, which is generated and increased by intertwining shareholder value and human capital value.

Together with the adoption of the Internet, customer value has become a critically important value such that companies cannot survive without adhering to customer-centric principles. The SBI Group recognizes that maximizing customer value is the largest challenge facing management strategy and is thoroughly instilling our Customer-centric Principle in all of our businesses.

If products and services with high customer value are pro-

vided in all of our businesses through the pursuit of the Customer-centric Principle, sales and profits will increase, which will also lead to greater shareholder value. Such an increase in shareholder value will result in improved incentives. If remarkable talent can be hired through such improved incentives, the human capital value will also increase. Highly skilled human resources with a strong sense of ethics will contribute to a further increase in customer value, and amidst a virtuous cycle in which corporate value, shareholder value, and human capital value are intertwined, corporate value will expand exponentially.

Products and services with high customer value

Our unwavering commitment to the Customer-centric Principle at the SBI Group involves offering lower fees, favorable interest rates, attractive investment opportunities, easily comparable products and services, safe and highly reliable services, and a rich set of high-quality financial contents – all provided in a variety of formats. It is our belief that the unwavering commitment to the Customer-centric Principle in all of our businesses help support a “public benefit” that will lead to the SBI Group fulfilling its social responsibility.

In our drive of the Customer-centric Principle, we measure

our progress through key indicators such as customer satisfaction assessments of our products and services by third-party institutions. Going forward, we will endeavor to maintain the standards of our customer satisfaction assessments at a high level for the customer services we provide. [▶ P.08](#)

As a result of these initiatives by the SBI Group being well received, the SBI Group customer base exceeded 45 million as of March 31, 2023, an exponential leap since the Company's founding.

Strategic Value: The critically important factor in the composition of corporate value

In addition to customer value, shareholder value, and human capital value, there is also “strategic value” (management vision and long-term strategy), which we consider to be a critically important factor in the composition of corporate value at the SBI Group.

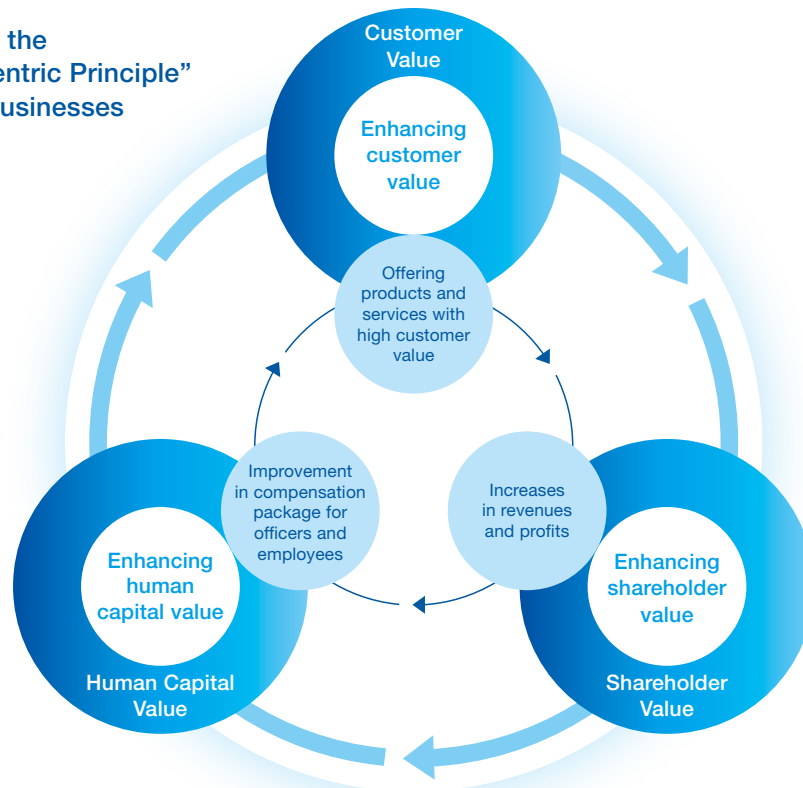
A major business mission of the Group is to address unfair inequalities within our society, especially in the financial front, and to create new added-value by utilizing technology. As stated in the management philosophy, as a “financial innovator”

and “new industry creator,” we will continue to be a company that keeps on self-evolving while responding flexibly to external changes.

Based on fundamental business-building concepts and through sharing our management philosophy throughout the whole Group, we will realize an overall strategy which captures the trends of the time and is based on implementing individual strategies that are realistic and appropriate for each corporate activity.

Mechanism to Enhance Corporate Value

Adherence to the
“Customer-centric Principle”
in all Group businesses



Corporate value: the sum of customer value, shareholder value, and human capital value

Customer Value

Customer value is the value that 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 increase customer value by developing products and services that utilize advanced and innovative technologies such as AI and blockchain to develop new financial services.

Shareholder Value

The SBI Group considers shareholder value to be the total present value of future free cash flows expected to be received by shareholders and creditors. We monitor Return On Equity (ROE) as one of the key business ratios associated with increasing shareholder value and are committed to maintaining a level of 10% or higher. On the other hand, from the perspective of 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 return profits and cash generated through improved business performance owing to an increase in customer value to shareholders, but will also allocate them in a well-balanced manner for investment for further future growth and increased shareholder value.

Human Capital Value

The SBI Group considers people to be a source of competitiveness and differentiation and has 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 School, which the SBI Group fully supports, and endeavors to select young, qualified employees for officer positions, as well as to promote women to managerial positions. We also focus on developing human resources by conducting evaluations based on their abilities, regardless of nationality, ethnicity, age, gender, etc. In addition, we have created a work environment that is conducive to employees and have raised employee engagement by considering how to maintain and improve the health of employees and support their desired career development.

Transition of the SBI Group

Achieving sustainable growth through strategic business expansion and a Group-wide strategy in touch with the times

The SBI Group adopts basic business principles to promptly detect changes of the times, and has accomplished its growth by executing a strategy that responds to these changes. Looking ahead, by repeating the process of “self-denial,” “self-transformation,” and “self-evolution,” we will continue to be a company that constantly transforms itself and evolves.

Basic Business Principles

Thorough Pursuit of the “Customer-centric Principle”

Since its founding, the SBI Group has been pursuing a “Customer-centric Principle.” In addition to cutting commissions 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 innovative technologies to offer products and services at competitive prices. We are also focusing our efforts to enhance our product offerings in order to meet our customers’ needs.

Formation of a “Business Ecosystem” and Exhaustive Pursuit of Group Synergies

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 toward 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 Devotion to Innovative Technology

The SBI Group invests in promising domestic and overseas venture companies in the fields of the fintech sector, especially artificial intelligence (AI) and blockchain, where revolutionary technologies are being developed and advancing globally. We are promoting 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.

Formulate and Implement Strategies that Anticipate the Near Future

The SBI Group is working on its business by establishing “overall strategies” and “individual strategies” to align and mobilize the Group companies to create efficient synergies and strengthen the sense of unity among them. The overall strategy of the SBI Group is a Group-wide effort that is consistent with social issues, national goals, etc., while keeping an eye on the changing times. The overall strategy would efficiently propagated to each subsidiary and then would transform into an individual strategy to achieve a unified goal.

Public Goods Lead to Private Goods

Under the notion of “without society, there would be no businesses; without businesses, there would be no society,” if we engage in business activities that are instrumental for public benefits, i.e., ones “for the good of society and for the good of the people,” they would also lead to benefits for the Company. We believe that as a member of society, our efforts would mean nothing if a business succeeds but no public benefit is produced.

Going Beyond Finance with Finance as Its Core

The financial sector is an information sector in and of itself. When it comes to activities surrounding goods and services, finance is what brings it all together. For this very reason, as a comprehensive financial group, we propel financial businesses forward, but also go beyond the field of finance. As a “Strategic Business Innovator,” we are making advances into other fields of business, where we can provide indispensable goods, services, and information for a variety of lifestyles.

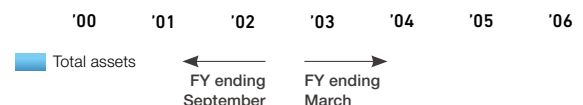
Transitions in Overall Strategy

Birth of the SBI Group

The SBI Group was formed in April 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.

From Japan's SBI to the World's SBI

The SBI Group used 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.



Social trends

- The Financial Big Bang in Japan
- Internet revolution
- Japan's trade/income balances reverse

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 in FY2010 to transition the focus of business management from expanding the Group's scale to one focused on profitability. Specific steps included the sale of 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 into 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.

* Starting in FY2022, we moved to a five-business segment structure, comprising the Financial Services Business, the Asset Management Business, the Investment Business, the Crypto-asset Business, and Non-financial Businesses.

Fintech Expansion and Blockchain Utilization

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

Contributing to Regional Revitalization

In order to contribute to Japan's national strategy of regional revitalization, the SBI Group has been expanding alliances with financial institutions nationwide. By doing so, we are advancing initiatives to encourage regional financial institutions to make qualitative changes, thereby improving their profitability and raising their corporate value. Looking ahead, towards the goal of making the "Forth Megabank" concept a reality, we will endeavor to create a broad-based regional platform with SBI Shinsei Bank at its core. ➡ P.22

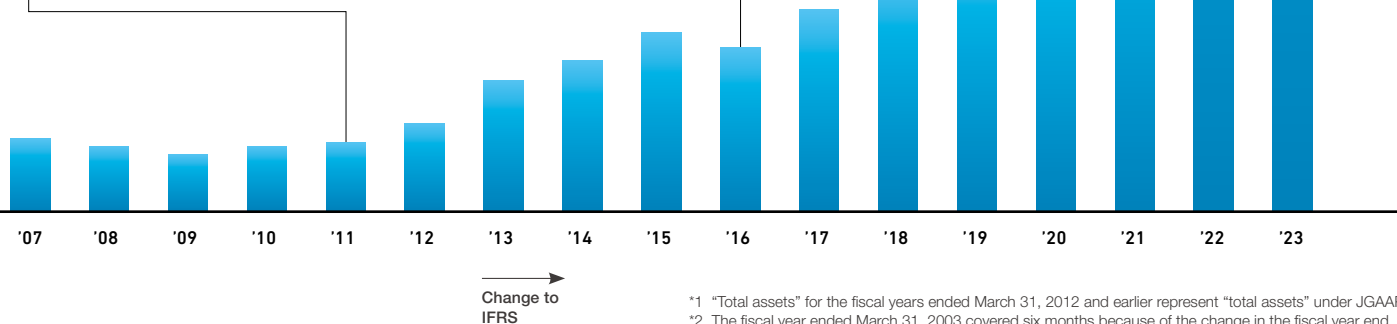
Building a Digital Space Ecosystem

Digitalization is accelerating in various areas of society, and we are entering the era of Web3. Sometimes described as the next iteration of the Internet, Web3 is based on blockchain and characterized by a decentralized and trustless system. In the era of Web3, the SBI Group's goal is to develop into a digital space ecosystem that transcends the financial business.

FY2022

Total assets

¥22,310.7
billion



*1 "Total assets" for the fiscal years ended March 31, 2012 and earlier represent "total assets" under JGAAP

*2 The fiscal year ended March 31, 2003 covered six months because of the change in the fiscal year end

● The global financial crisis

● Rise of fintech

● Abenomics

● Promotion of regional revitalization

● Spread of COVID-19

● The Russian invasion of Ukraine

Big Picture View of the SBI Group

A business portfolio enabling continued growth under an increasingly uncertain business environment

The SBI Group has achieved growth centered on the Financial Services Business, including securities, banking, and insurance as well as the venture capital business. At the same time, the SBI Group has advocated “going beyond finance with finance as its core” and holds a portfolio of diverse businesses. In FY2022, we restructured our business divisions and created a structure of five business segments.

In addition to the Financial Services Business and the Asset Management Business, which generate profits in a relatively stable manner, there are the Investment Business and the Crypto-asset Business – business divisions with volatile financial results that are highly dependent on the market environment; and finally, there is the Non-financial Business segment to include cutting-edge business lines with prospects for rapid growth. In this way, by ensuring diversity within the Group’s businesses, we are putting in place a system that fosters more dynamic decision-making under uncertain business environments.

Ensuring diversity within our businesses means more dynamic decision-making

Business divisions that generate relatively stable profits

- ▶ Financial Services Business
- ▶ Asset Management Business

Business divisions with volatile financial results that are highly dependent on the market environment

- ▶ Investment Business
- ▶ Crypto-asset Business

A business division with cutting-edge with prospects for rapid growth

- ▶ Non-financial Business

Advantages of the five-business segment structure

- Easy to forecast dividends and other shareholder return policies due to segments clearly laid out that generate stable cash flows
- A clear understanding of which segments are easily affected by the market environment and those that are not, enables more dynamic decision-making
- Clear explanation of the status of the Group’s forward-looking efforts, including those for new markets such as Web3 and those overseas

Asset Management Business

Provides asset management-related services

This segment contains Group companies providing asset management-related services, including SBI Asset Management and Wealth Advisor.

Financial Services Business

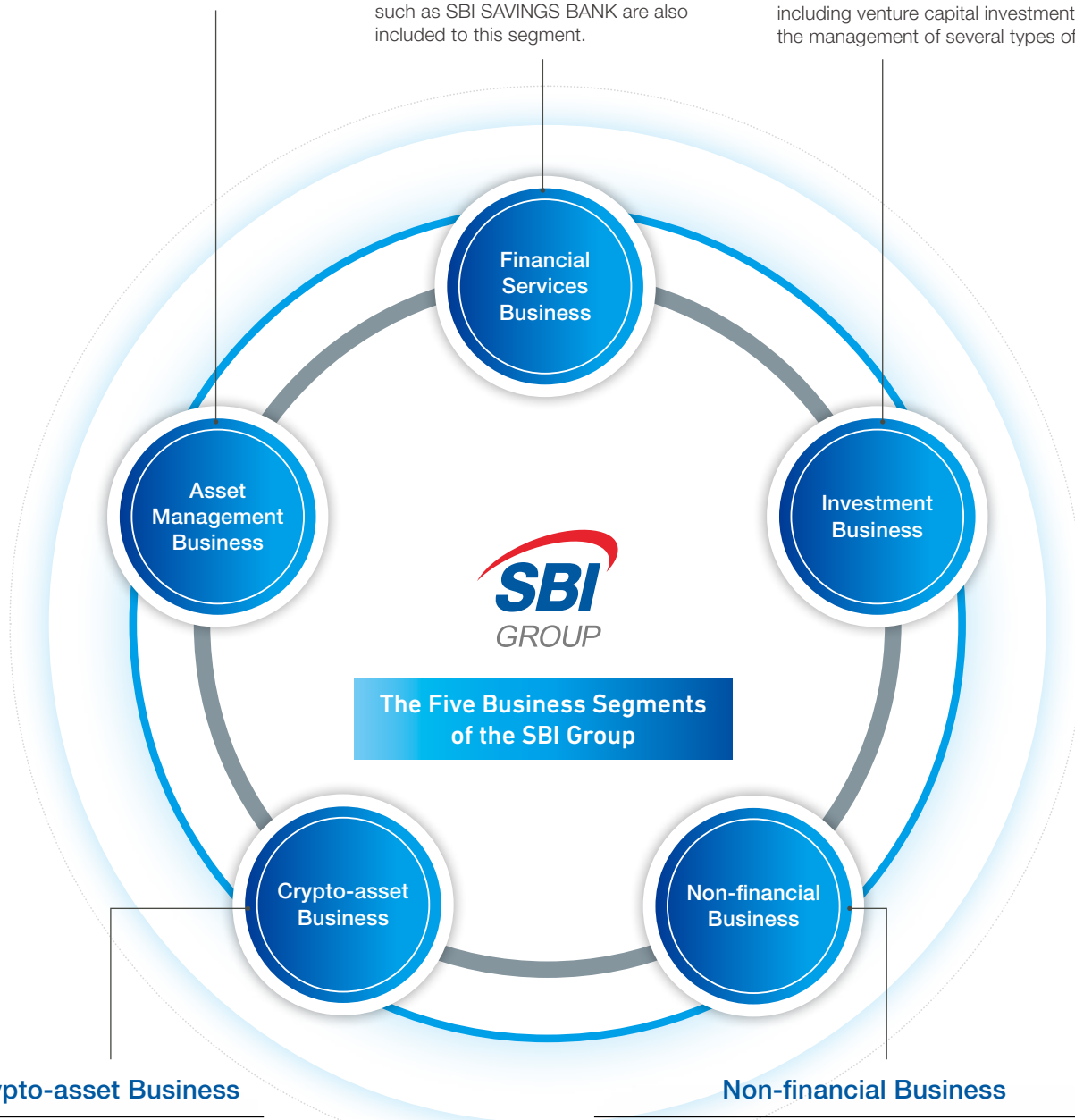
Securities, banking, and insurance businesses

This business segment is comprised of Group companies active in the fields of securities, banking, and insurance. Overseas financial services businesses such as SBI SAVINGS BANK are also included to this segment.

Investment Business

Fund management in multiple areas, including venture capital, leveraged buyout, and business succession

This segment consists of Group companies, such as SBI Investment, which are engaged in private equity investment, including venture capital investment and the management of several types of funds.



Crypto-asset Business

Crypto-asset market making and provision of exchange and trading services relating to digital assets

This segment consists of Group companies engaged in business activities relating to crypto-assets, which is seen as a growth area.

Non-financial Business

Business activities relating to the Biotechnology, Healthcare & Medical Informatics Business, Web3, and new overseas markets such as Africa, etc.

This segment is made up of Group companies involved in the Biotechnology, Healthcare & Medical Informatics Business, Web3 initiatives, and expansion into new overseas markets in Africa and other regions. When companies engaged in advanced initiatives join the SBI Group in the future, we anticipate these companies to be placed in this business segment.

SBI Group's Customer Value

Customer Satisfaction Assessment of Financial Services Business Companies (As of June 30, 2023)



2023 ORICON Customer Satisfaction® Survey
No.1 in Online Securities

SBI証券
[SBI SECURITIES]
Online Securities
Customer
Satisfaction Ranking
1st



The Second Report of 2022 JCSI
(Japanese Customer Satisfaction Index) Ranked 1st

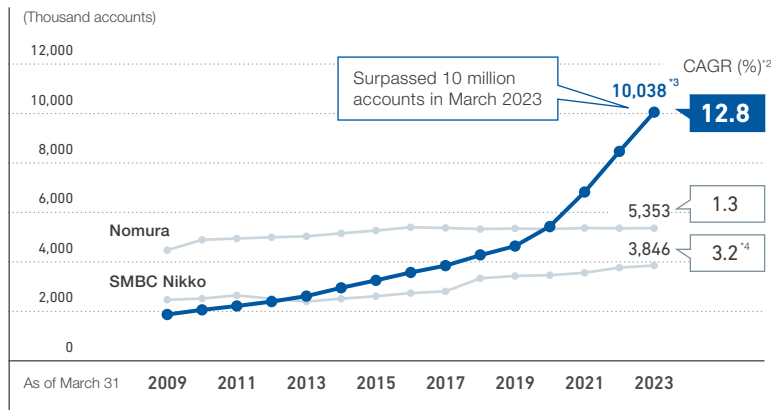
住信SBIネット銀行
SBI Sumishin Net Bank
Banking Industry
Customer
Satisfaction Ranking
1st



2023 ORICON Customer Satisfaction® Survey
No.1 in Auto Insurance Premiums

SBI損保
[SBI Insurance]
Auto Insurance
Premium
Satisfaction Ranking
1st

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



*1 As of March 31, 2017, Daiwa Securities' number of accounts totaled 3,886 thousand accounts. Daiwa Securities has not disclosed its figures beyond April 30, 2017

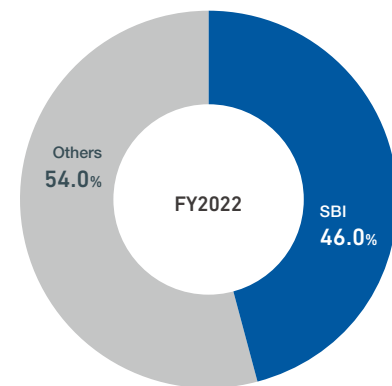
*2 March 2009 to March 2023

*3 Includes (1) SBI NEOMOBILE SECURITIES' accounts (from April 2019); (2) SBI Neotrade Securities' accounts (from October 2020); (3) FOLIO's accounts (from September 2021).

*4 Merged with SMBC Friend Securities in January 2018

Sources: Each company's published information

Share of Individual Stock Trading Value

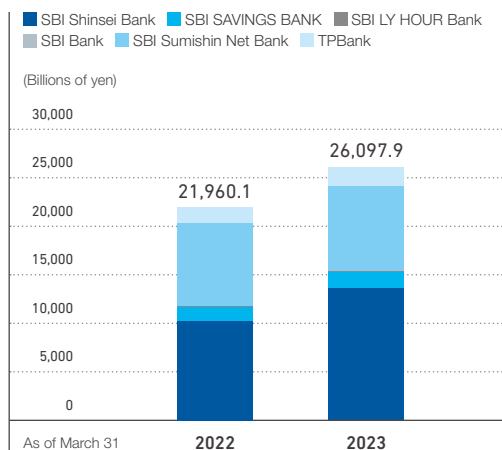


Note 1: Includes SBI Neotrade Securities' values

Note 2: 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 TSE and NSE, including the ETF and REIT trading values, respectively

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

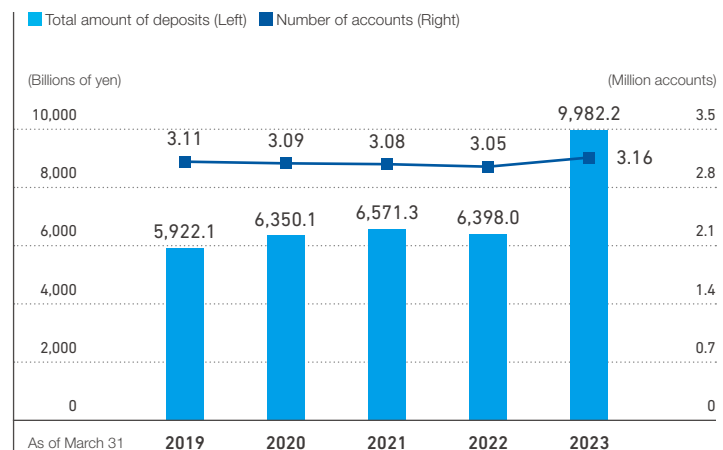
Total Assets of the Banking Segment in the SBI Group



Note 1: Figures of domestic banks are consolidated/JGAAP, other overseas banks are based on each respective country's GAAP accounting

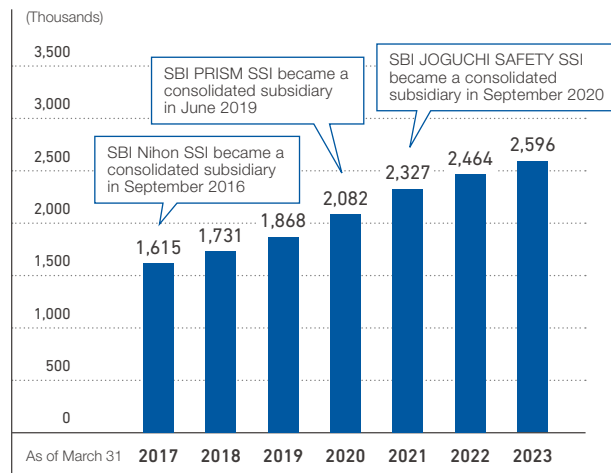
Note 2: The conversion rate is calculated at the end of March each year

Number of Accounts and Deposits at SBI Shinsei Bank



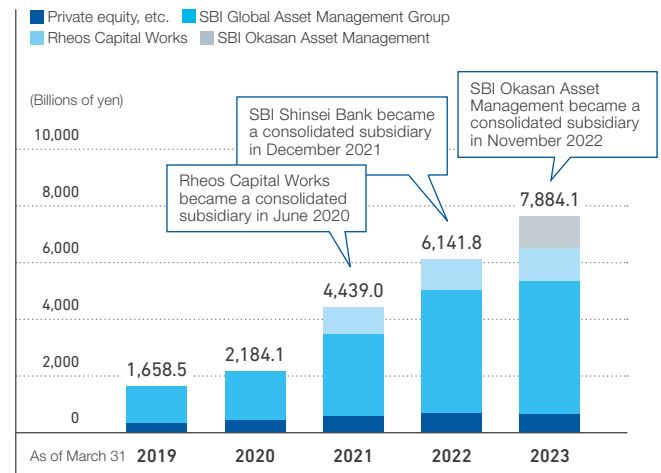
Note: Number of accounts excludes corporate accounts

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, SBI PRISM SSI and SBI JOGUCHI SAFETY SSI

SBI Group's Assets Under Management



Note 1: Calculated using 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

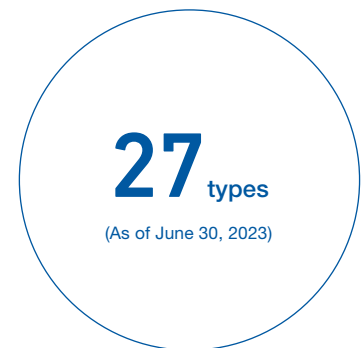
Note 4: Assets of each asset management company (SBI Global Asset Management Group, Rheos Capital Works and SBI Okasan Asset Management) are recorded in both investment trusts and investment advisory, respectively, so there are some overlapping amounts

Note 5: Figures of each asset management company include publicly offered investment trusts, publicly offered bond investment trusts and privately offered investment trusts

Investment Performance by SBI Investment



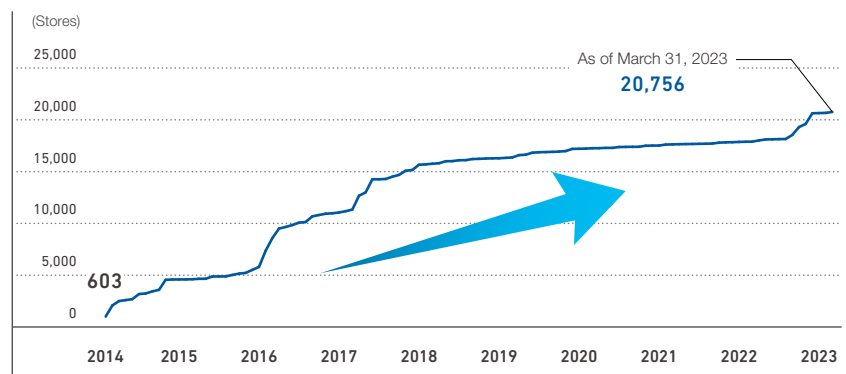
Overall Number of Crypto-assets Handled in Crypto-asset Business



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



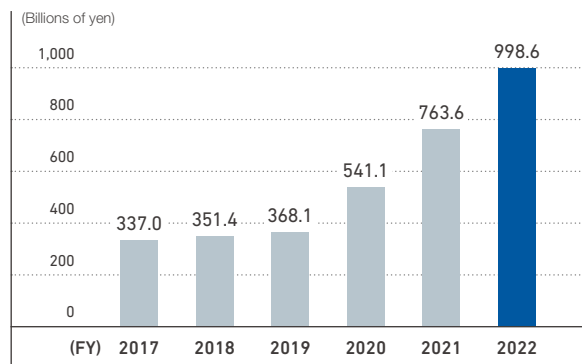
Number of Domestic Stores that Offer Health Foods Containing 5-ALA



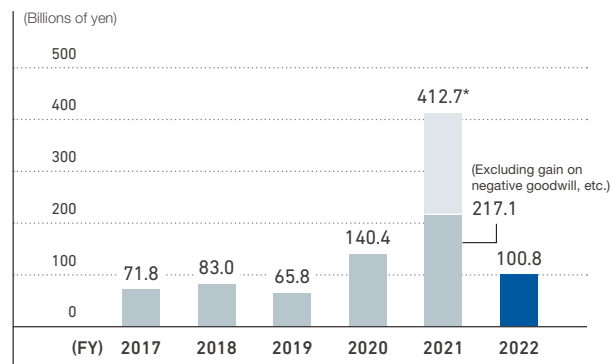
SBI Group's Overview

Financial Highlights

▶ Revenue



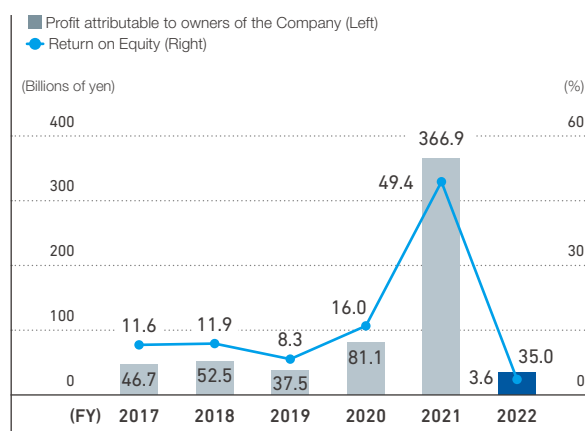
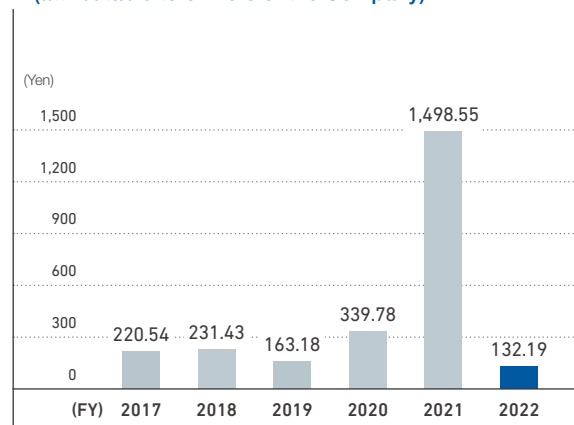
▶ Profit before income tax expense



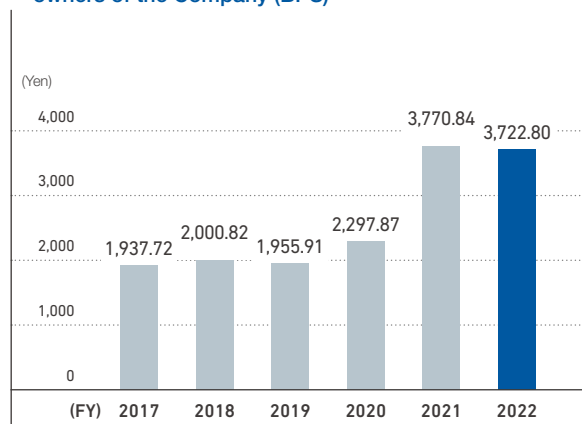
* Figures for FY2021 include one-time factors (gain on negative goodwill, etc., of ¥195.6 billion) recorded when SBI Shinsei Bank became a consolidated subsidiary

▶ Profit attributable to owners of the Company

▶ Return on Equity (ROE)

▶ Basic earnings per share (EPS)
(attributable to owners of the Company)

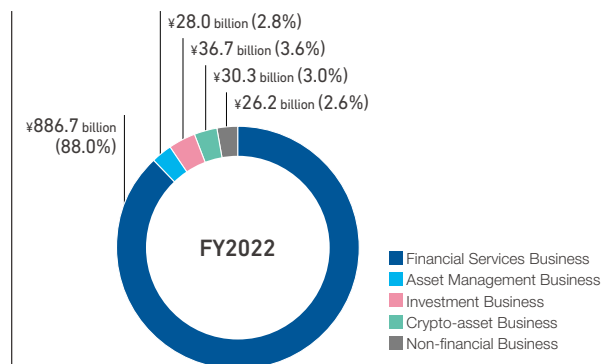
▶ Equity per share attributable to owners of the Company (BPS)



▶ Dividend per share

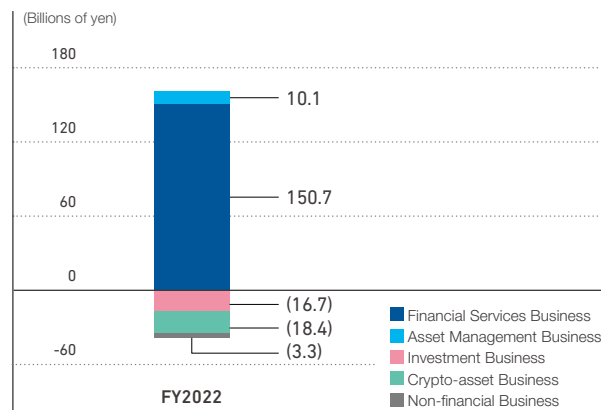


► Revenue breakdown by business segment*



* Revenue breakdown percentages by business segment are presented as the composite ratio of the total revenue of each segment.

► Profit before income tax expense



Corporate Highlights

Countries and regions with overseas offices

25 countries and regions

(As of June 30, 2023)

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.

Rating for long-term issued bonds

A-

(As of April 26, 2023)

In April 2022, SBI Holdings acquired a long-term issued bond rating of A- (Stable) from the Rating and Investment Information, Inc., a one notch upgrade from BBB+.

Number of Group companies that have made initial public offerings

18 companies

(As of June 30, 2023)

The Company is promoting initial public offerings of Group companies to actualize the Company's intrinsic corporate value.

Institutional investor ratio in shareholder composition

59.5 %

(As of March 31, 2023)

In FY2022, the ownership ratio of individual shareholders has increased significantly, and the ratio of foreign ownership, which had previously been growing, has fallen to 35.2% from 48.6% as of March 31, 2022. We will strive to maintain a well-balanced shareholder composition.

Customer base

45.65 million

(As of March 31, 2023)

The customer base of each of the SBI Group companies is steadily increasing, and our goal is to achieve a Group customer base of over 100 million in the next three years.

Consolidated number of employees

18,756

(As of March 31, 2023)

The consolidated number of employees of the SBI Group, both in Japan and overseas, increased by 7.2% from the end of FY2021 due to an increase in the number of consolidated subsidiaries resulting from proactive M&A activity.