

## 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.

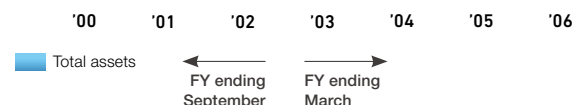
### Transitions in Overall Strategy

#### 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

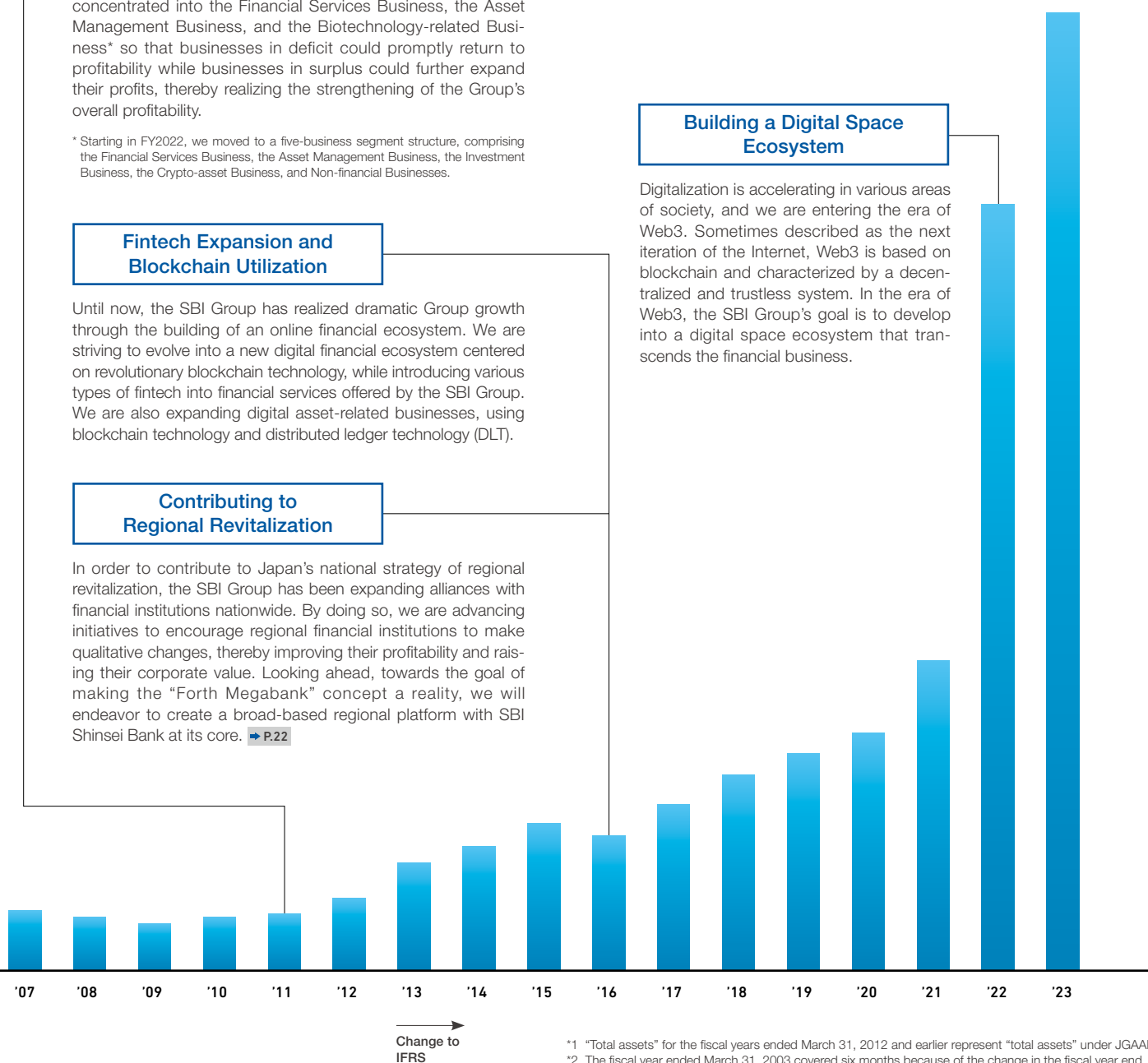
## Building a Digital Space Ecosystem

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