

For the Eternal Evolution of the SBI Group

The SBI Group in Society

SBI Group's primary goal is to contribute to society through its core business activities. The Group will continue to demonstrate how its growth contributes to the development of society and the realization of a sustainable society. We will strive for the eternal evolution of the SBI Group to exist as a going concern in solidarity with society.

The SBI Group's Vision for Sustainability

Stakeholders surrounding a business are more than just its customers, shareholders, and employees. They also consist of general consumers, business partners, and the community at large.

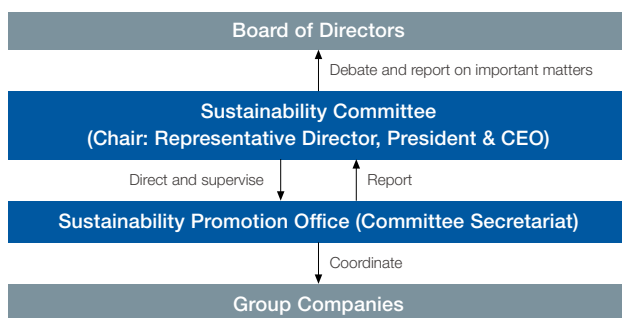
Indeed, the SBI Group, with a keen awareness of the social nature of companies, is obliged to contribute to the maintenance and development of society. Contribution to society through core business activities as the number one goal is a matter of course, and we believe that by developing and implementing strategies that contribute more directly to society, the social nature of the company can be sustainably enhanced. It is essential that standing on this awareness, we earn the social trust through the course of running our businesses. Since its founding, the SBI Group has been committed to the "Customer-centric Principle" and has thoroughly engaged in customer-oriented businesses. We have also been working to address various social issues that can be considered unfair inequalities, especially in the financial realm, and have been creating new value in the process.

The SBI Group will continue to promote sustainability and develop businesses that lead to the accumulation of social trust in order to remain as a going concern that exists within solid harmony with society.

Framework for Promoting Sustainability

SBI Holdings has established a Sustainability Committee under the Board of Directors, composed of Senior Managing Directors and chaired by the Representative Director, President & CEO. In principle, the committee meets at least twice a year, and as part of the SBI Group's management strategy, it deliberates and decides upon strategic initiatives related to sustainability. In addition, it verifies and examines the status of such efforts and reports on the details to the Board of Directors as needed.

In addition, with the cooperation of each Group company, the sustainability measures decided upon through discussions by the committee are implemented across the entire SBI Group through a Sustainability Promotion Office that serves



as the secretariat of the committee.

In this way, the Company has established an appropriate framework to balance the resolution of social issues with the realization of a sustainable society and the enhancement of sustainable corporate value, and has ensured the further effectiveness of its initiatives. The Sustainability Committee met twice in FY2022.

The SBI Group Materiality (Priority Issues for Improving Sustainable Corporate Value)

In order to achieve sustainable growth in coexistence with society and to identify the issues that the SBI Group should address through its business, we have organized our business opportunities and risks on the basis of two-axis: social and environmental issues that should be resolved, and the increase of the SBI Group's corporate value, in line with GRI Standards, the Sustainable Development Goals (SDGs) and other international frameworks and guidelines. This was formulated as "The SBI Group Materiality" (priority issues for improving sustainable corporate value).

This materiality will be continuously reviewed in consideration of changes and the renewal of the Group's medium- to long-term management strategies, changes in social conditions, and other trends.

Specified Process for Materiality

STEP 1 Identify the social issues

- Identify the social issue in light of medium- to long-term social trends, international frameworks and guidelines, and the course being taken by the SBI Group.

STEP 2 Evaluate priorities

- Based on the level of impact on society and opinions from stakeholders (shareholders, customers, business partners, employees, local communities/NPOs), evaluate the priority of the stakeholders from the viewpoint of demands from society and business requirements.
- Evaluate relevance (priority) for SBI Group business based on interviews with major internal departments and in consideration of the SBI Group's management philosophy, the Fundamental Business Building Concepts of the Group, the corporate vision, and the business viewpoint.

STEP 3 Formulate proposals on priority issues to be addressed first

- Based on the results of the evaluation in Step 2, the Sustainability Promotion Office formulates a materiality proposal that identifies priority issues and key areas to be addressed in light on the corresponding measures for each business from the viewpoint of validity given "what type of contributions are possible for the resolution of social issues" and "whether initiatives towards resolution of social issues align with Group strategy."

STEP 4 Deliberate and decide at the management level

- Make decisions through discussions of the Sustainability Committee chaired by the Representative Director, President & CEO. Report to the Board of Directors on matters that were decided upon by the Sustainability Committee.

Materiality	Specific Initiatives	KPI	FY2022 Results
Create Added Value Reflecting the New Tide of Society and Customers' Needs	<ul style="list-style-type: none"> Provide opportunities for asset building in line with each individual's lifestyle Provide financial services that enhance customers' convenience Develop a business ecosystem based on digital assets 	<ul style="list-style-type: none"> Maintain high quality in customer service as measured by third-party evaluations, such as customer satisfaction ratings Endeavor to realize Neo-securities initiatives in SBI SECURITIES during the first half of FY2023 	<ul style="list-style-type: none"> Highly valued by outside evaluation organizations → P.08 SBI SECURITIES reduced the ratio of its commissions from online trading of domestic stocks to operating revenue (11.2% as of end of FY2022), as part of its efforts to realize Neo-securities initiatives early
Develop New Industries and Contribute to Technological Innovation	<ul style="list-style-type: none"> Create and incubate the 21st century's core industries Provide innovative financial services Spread technologies in a cross-industry manner 	<ul style="list-style-type: none"> Establish a new fund of approximately ¥100 billion in FY2023 to invest in cutting-edge services and technologies Create a distribution market for security tokens (ST) within 2023 to disseminate next generation financial products such as ST 	<ul style="list-style-type: none"> Osaka Digital Exchange (ODX), which strives to be the first domestic private trading system (PTS) to handle STs commenced operations on June 27, 2022
Resolve Social Issues and Revitalize the Economy in Cooperation with Stakeholders	<ul style="list-style-type: none"> Promote businesses to support regional revitalization Expand and deepen alliances with partner companies Encourage innovation through the co-creation of value 	<ul style="list-style-type: none"> Establish fund of approximately ¥100 billion in total by 2025 in order to support business succession throughout Japan Develop a next-generation banking system to reduce and equalize system costs for regional financial institutions, with the goal of introducing the system at ten regional financial institutions by FY2030 	<ul style="list-style-type: none"> Established funds with total investment of ¥40 billion in the SBI Regional Business Succession Investment program Two banks made tentative decisions to introduce a next-generation banking system
Achieve a Sustainable Society that is Abundant and Healthy	<ul style="list-style-type: none"> Provide sustainable finance Impact investments with focus on green innovation and ESG awareness as well as investments targeting promising ventures in life science and healthcare Support health through the 5-Aminolevulinic Acid (5-ALA) business as a response to the super-aged society Contribute to the sophistication of healthcare through digitalization of healthcare data and use of big data 	<ul style="list-style-type: none"> Originate a cumulative total of ¥5 trillion in sustainable finance by the end of FY2030 Towards realizing the national target of carbon neutrality by 2050, the SBI Group targets net zero GHG emissions (Scope 1 and Scope 2) by FY2050 with an interim target of a 33% reduction by FY2030, compared to FY2018 	<ul style="list-style-type: none"> In FY2022, SBI Shinsei Bank had originated ¥451.3 billion in sustainable finance GHG emissions of the SBI Group → P.39
Supporting the Generation that Bears the Future	<ul style="list-style-type: none"> Continuous contribution to the enhancement and improvement of child welfare through the SBI Children's Hope Foundation Contribute to foster individuals who will lead the next generation through SBI Graduate School 		<ul style="list-style-type: none"> Cumulative donations by the SBI Children's Hope Foundation totaled ¥1.17 billion SBI Graduate School has graduated a cumulative total of 479 students
Develop an Organizational Climate to Respect and Embrace Diverse Values	<ul style="list-style-type: none"> Promote diversity and inclusion Continue to enhance human capital value through the development of ability of employees Enable flexible work styles that respect individualities and differences among individuals 	<ul style="list-style-type: none"> SBI Holdings will maintain the ratio of female managers at 20% or higher continuously by 2025 SBI Group targets 40% or higher ratio of employees with foreign nationality by 2025 	<ul style="list-style-type: none"> Ratio of female managers at SBI Holdings at the end of FY2022 reaches 24.7% Ratio of employees with foreign nationality at the SBI Group at the end of FY2022 reaches 37.7% (Excluding SBI Shinsei Bank Group)
Strengthen and Improve Corporate Structure for Achieving Sustained Growth	<ul style="list-style-type: none"> Establish a decision-making process in which transparency and independence are secured Formulate management strategies on the assumption of business opportunities and risks and perform risk management Develop and effectively operate internal control systems 	<ul style="list-style-type: none"> Regularly hold meetings to establish a Group-wide compliance system and compliance training for officers and employees Conduct analysis and evaluation of the effectiveness of the Board of Directors at least once a year and disclose the results 	<ul style="list-style-type: none"> Compliance trainings held for FY2022: for new employees: 9, for all employees: 1 Self-assessment of the effectiveness of the Board of Directors conducted and released

For details on Basic Sustainability Principles & the SBI Group's Materiality, please visit the Company's website at the following URL:



<https://www.sbigroup.co.jp/english/sustainability/policy.html>

Sustainability Indicators: Highlights

Environment

The amount of sustainable finance executed at SBI Shinsei Bank

▼
¥451.3 billion

(FY2022)

The amount of sustainable finance executed at SBI Shinsei Bank is ¥451.3 billion.

Number and amount of green bonds issuance supported by SBI SECURITIES

▼
42 issuances / ¥13.8 billion

(As of June 30, 2023)

SBI SECURITIES has supported a total of 42 issuances of SDG bonds, such as green bonds, in both yen and foreign currencies, with total issuance amount of ¥13.8 billion.

GHG emissions

▼
13,512 t-CO₂

(FY2022)

The total GHG emissions of Scope 1 and Scope 2 in the SBI Group* was 13,512 t-CO₂.

→ P.39

* Mainly covers domestic facilities of SBI Holdings and the Group companies (including SBI Shinsei Bank Group)

Social

Ratio of female managers

▼
24.7 %

(As of March 31, 2023)

The percentage of female managers at SBI Holdings is 24.7%. We will continue our efforts to maintain and improve the target figures of maintaining 20% or more through to 2025.

Ratio of employees with foreign nationality at the SBI Group

▼
37.7 %

(As of March 31, 2023)

The percentage of employees with foreign nationality at the SBI Group* is 37.7%. We will continue our efforts to achieve the target figure of 40% or more through to 2025.

Cumulative donations made by SBI Children's Hope Foundation

Approx. ▼
¥1,170 million

(As of March 31, 2023)

Through the SBI Children's Hope Foundation, the SBI Group actively pursues solutions to child welfare problems for the sake of children. The Foundation has made cumulative donations of approximately ¥1,170 million, up to FY2022.

* Excluding SBI Shinsei Bank Group.

Governance

Number and percentage of female Directors

▼
2 persons / 13.3 %

(As of June 30, 2023)

SBI Holdings has appointed two female Directors, accounting for 13.3% of the total 15 Directors.

Number and percentage of Independent Outside Directors

▼
7 persons / 46.7 %

(As of June 30, 2023)

SBI Holdings appointed seven Independent Outside Directors, accounting for 46.7% of the total 15 Directors.

Attendance rate at Board of Directors' meetings

▼
99.0 %

(FY2022)

The attendance rate at Board of Directors' meetings for Directors and Statutory Auditors of SBI Holdings is 99.0%.

Topic 01 Supporting Independence and Improving Welfare of Children

For the purpose of improving the welfare of children who suffer abuse and are placed in a severe environment, the SBI Group founded the SBI Children's Hope Foundation as an incorporated foundation in 2005 (changed to a public interest incorporated foundation in 2010) that carries out social contribution activities of the SBI Group.

The foundation implements the following activities under its “four pillars”: (1) donation to facilities to improve the environment at residential facilities for abused children, (2) provision training to improve the response capabilities of facility staffs, (3) enlightenment activities to prevent child abuse and assistance to activities of welfare organizations that strive to improve child welfare, and (4) support for the independence of children after leaving the facilities. It has also offered an “English Education Support Program” to eventually support children's independence through English skills, by helping children improve their communication skills, self-confidence, and willingness for self-discovery through English education.



Held an English camp for children in the facilities who have completed the “English Education Support Program” to interact with native English speakers.

Topic 02 Promoting DX for Resolving Social Issues

SBI Group is engaged in the promotion of digital transformation (DX), both within and outside the Group by spreading technologies across sectors and industries to outside the Group. Machi no Wa Co., Ltd., utilizes blockchain (distributed ledger technology) to provide an information platform for the electronic issuance and operation of digital product vouchers, benefit payments, etc. In addition, SBI Business Solutions provides various cloud systems to support back-office operations. By providing these services, we not only improve operational efficiency and reduce environmental impact by paperless operation at organizations where the systems have been introduced, but also contribute to the vitalization of regional economies via our partnered regional financial institutions and municipalities.



Screen of an app provided by Machi no Wa Co., Ltd.

Topic 03 SBI FXTRADE's Efforts to Contribute to SDGs

In 2022, many primary industry players received a major financial hit due to the sudden spike in the price of feed materials resulting from exchange rate movements. SBI FXTRADE, whose main business is the foreign exchange business, seeks to support producers who continue to work for the realization of sustainable primary industry in consideration of the environment and the other factors. Accordingly, it has approved of the “Tabé Choku Primary Industry SDG Project” implemented by vivid garden Inc., which operates “Tabé Choku,” a website for direct-to-consumer shopping. SBI FXTRADE runs campaigns and programs that utilize food materials from producers involved in contributing to SDGs, and it has developed a system that enables customers to participate in SDG activities through FX trading. Since March 2023, SBI FXTRADE has also been cooperating with the NPO Asaza Fund to carry out “SBI FXTRADE Rice Paddy Restoration Project, Connecting to the Future” to revitalize the increasingly devastated Yatsu-Da rice paddies in the Kasumigaura watershed.

