

SBI Group's Business Domains

Expanding Business Domains for 25 Years Through Challenges and Evolution

Since its founding, the SBI Group has led the development of Internet finance in Japan along with being a corporate group that is “going beyond finance with finance at its core.” It continues to take on challenges that grasp the trends of the era. The result is that we have now created a diverse business portfolio and put in place a system that enables flexible management decision-making.

Beginning of the Securities Business

In 1999, E*TRADE SECURITIES (now SBI SECURITIES) started Internet trading in Japan. Riding the trend of online transformation in the financial sector, the Company was the first-mover in comprehensive online securities in Japan and has now established itself as the No.1 in Japan.

Establishment of a Financial Ecosystem

In 2007, SBI Sumishin Net Bank started operations as an Internet-based full-service bank. This was followed in 2008 by SBI Insurance starting its operations. Then, after becoming a consolidated subsidiary in 2015, SBI Life Insurance restarted insurance underwriting in 2016. This all led to our engaging in businesses in primary financial sectors of securities, banking, and insurance, and in doing so, completing the vision of a “financial ecosystem,” which we have conceived of since our founding.

Starting the Asset Management Business and Expanding the Financial Services Business

To effectively carry out asset management within the Group, we established SBI Global Asset Management (now the SBI Asset Management Group) to oversee the Group's asset management functions in 2015.

Moreover, the government started the NISA program to facilitate the move of individual financial assets “from savings to investment” in 2014. Consideration of such trends have resulted in an expanded lineup of financial products at the SBI Group and a focus on bringing forth a diversity of new services that put to use technologies such as fintech from startup companies we have invested in.

Our Heritage, the Venture Capital Business

In 2000, we established the INTERNET TECHNOLOGY FUND, a venture capital fund of ¥150.5 billion, the largest fund commitment of its kind in Japan at the time. With the pursuit of being a “new industry creator” as put forth in the corporate missions, we focused our investments on the Internet field, a growth field of the 21st century. In 2005, we established the New Horizon Fund that targets investments in promising Chinese companies together with a governmental investment company in Singapore. Starting with this fund, we have built a global investment framework by establishing numerous funds in emerging countries with high potential, particularly in Asia, in collaboration with leading local partners.

Forming New Funds Targeting Leading Technologies One after Another

In 2015, we established the Fintech Fund with an investment focus on promising startup companies, both in Japan and abroad, possessing elemental technology in the fintech field. Then in 2018, we created the SBI AI&Blockchain Fund to invest mainly in the fields of AI and blockchain. In 2021, we started operation of the SBI 4+5 Fund, to invest primarily in innovative technologies and services in a wide range of industries, including “Society 5.0 for SDGs” and “Industry 4.0,” as a way of expanding investments in startup companies that are constantly implementing new technologies ahead of others.

Entering the Crypto-asset Business

With our attention on the future potential of blockchain technology, we have entered the business of operating a crypto asset exchange in response to the diverse needs of investors and to provide them opportunities for investment exposure to new value assets. After having registered as a crypto asset exchange in 2017, SBI Virtual Currencies (now SBI VC Trade) started offering crypto asset trading services in 2018. We also entered into the crypto asset market-maker business in 2020 by acquiring B2C2 of the U.K. as a subsidiary in 2020. This has advanced the formation of an ecosystem in the crypto asset field in the same way as what we previously did for the financial business.

Entry into the Biotechnology Field

We have entered the biotechnology field through SBI Biotech, a drug discovery bio-venture that started operations in 2007. Amid our involvement in the Biotechnology-related Business, we have turned our attention to 5-aminolevulinic acid (5-ALA), initiating R&D and manufacturing of products using 5-ALA. In 2012, we established SBI ALApromo, for the domestic sales of health foods and cosmetics that contain 5-ALA.

Entry into the Digital Space Field

After setting up the Blockchain Promotion Department at SBI Holdings in 2016, we established the joint ventures of SBI Ripple Asia in 2016 and SBI R3 Japan in 2019 with Ripple and R3, respectively, both based in the U.S. Through these steps and others, we are promoting businesses related to Web3 which is built upon a blockchain foundation. We also entered the NFT business in 2021 by making

Smartapp (now SBINFIT) a consolidated subsidiary. SBI Digital Hub was established in 2022 to support the creation of Web3-related projects in Japan through consulting to companies using digital technology.

The Five Business Segments of the SBI Group

The Rapid Growth of the Financial Services Business Keeps Going

In 2021, Shinsei Bank (now SBI Shinsei Bank) became a consolidated subsidiary and positioned as the core bank of the SBI Group, which led to the expansion of the banking business.

In 2019, SBI SECURITIES announced its vision of commission-free online trading of domestic stocks, which it started implementing in 2023 as "ZERO Revolution." The total number of comprehensive securities accounts at the SBI Group is now growing at an accelerating pace, which is exerting a ripple effect across the entire Group, especially making a major contribution to expanding the customer base of the core Financial Services Business.

Overseas, the Hyundai Swiss Savings Bank of Korea (now SBI SAVINGS BANK), which used to be one of our venture investments since 2002, was converted into a consolidated subsidiary in 2013. In addition to this, we have made local banks in Vietnam, Cambodia, and Russia into subsidiaries to expand overseas financial services businesses mainly in Southeast Asia.

Endeavor to Reach ¥20 Trillion in Assets Under Management

In the Asset Management Business, after making consolidated subsidiaries of Rheos Capital Works in 2020 and Okasan Asset Management (now SBI Okasan Asset Management) in 2022, the SBI Group's AUM surpassed ¥10 trillion in May 2024. We are carrying out a variety of measures endeavoring to reach ¥20 trillion in AUM by FY2027 including M&A. As one of the measures, a wide range of investment products are offered that meet the diversifying needs of individual investors both inside and outside the Group, with SBI Asset Management achieving the highest growth rate in Japan in terms of AUM of publicly offered investment trusts in FY2023.* Another one of these measures is to partner with leading asset management players such as the Man Group of the U.K. and KKR of the U.S. with the goal of spreading the adoption of alternative investments in place of traditional investment products.

* Out of the top 15 companies in terms of AUM

Financial Services Business

Asset Management Business

Business divisions that generate relatively stable profits

Promoting Business Expansion in Growth Industries and Promising Sectors

In the Investment Business, we continue to focus investments on growth industries and on sectors with solid expectations. In addition to fields such as AI and fintech, which are already positioned as growth sectors, we formed the ¥100-billion SBI Digital Space Fund, which invests primarily in the "digital space" segments such as Web3 and the metaverse in November 2023. Through accelerated efforts such as this, the total amount of funds set up to date exceeds ¥800 billion. We are also forming alliances with various promising companies to promote overseas investments such as in Africa and the Middle East.

In the Crypto-asset Business, we are constantly expanding the number of distinct crypto assets handled on SBI VC Trade and BITPOINT in addition to providing staking services with one of the highest reward rates in the industry. Our goal here is to grow the customer base through an expanded lineup of products and services. To aid the distribution in Japan of stablecoin USDC, a type of crypto asset linked to the price movements of fiat currency, we have formed a partnership with Circle of the U.S. which is the issuer of USDC.

Investment Business

Crypto-asset Business

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

Entering the Semiconductor-related Business

SBI Group believes that the revitalization of Japanese manufacturing is crucial to achieve regional revitalization, which the Group has been actively working on. In July 2023, the Group entered the semiconductor field. Leveraging our strong funding capabilities and network both domestically and internationally, we endeavor to contribute to the establishment of stable and long-term funding support, which is

essential for ensuring the sustainability of the business. Our goal is to integrate the financial ecosystem of the SBI Group with the semiconductor-related business by involving Group companies, investee companies, partners, government, local authorities, and academic institutions, thereby creating a "semiconductor ecosystem."

Next Gen Business

A forward-looking business segment that promises rapid future growth