



FINANCIAL SERVICES BUSINESS

The Financial Services Business Environment

In the securities business, in response to the elimination of stock trading commissions in the U.S., some securities companies in Japan are also eliminating certain commissions. SBI SECURITIES has also implemented commission-free stock trading services in stages, necessitating an urgency to secure alternate revenue streams to maintain its high profitability levels. In the banking business, concerns about stagnation in the domestic housing loan market, owing to the COVID-19 pandemic,

is leading to a strengthening of partnerships with a variety of partner companies in other industries. The goal is to create new service offerings and to expand business foundations, in order to establish new main revenue sources. Meanwhile, even greater growth opportunities are anticipated in contactless forms of businesses, such as online finance and payment systems, since the COVID-19 pandemic is changing the traditional way of life.

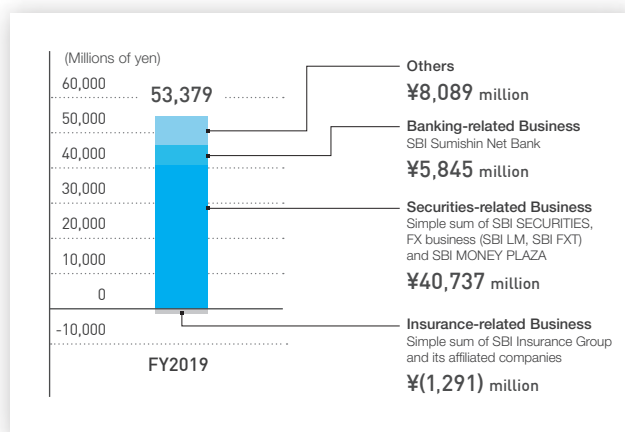
Principal Companies

Intermediate Holding Company: SBI FINANCIAL SERVICES

SBI SECURITIES	SBI Insurance Group (Insurance holding company)
SBI Liquidity Market (SBI LM)	SBI Insurance
SBI FXTRADE (SBI FXT)	SBI Life Insurance
SBI VC Trade	SBI IKIIKI SSI
SBI MONEY PLAZA	SBI Nihon SSI
SBI NEOMOBILE SECURITIES	SBI Resta SSI
Rheos Capital Works	SBI PRISM SSI*
SBI Benefit Systems	SBI FinTech Solutions
SBI Social Lending	SBI Remit
SBI BITS	SBI Business Solutions
Japannext	SBI Ripple Asia
SBI Sumishin Net Bank	Money Tap
SBI NEO FINANCIAL SERVICES	

* Formerly JAPAN ANIMAL CLUB

FY2019 Profit before Income Tax Expense of the Major Businesses by Business Area (Based on IFRSs)



Principal Initiatives in FY2019 and Future Priority Measures

> Securities-related Business

- SBI SECURITIES and SBI NEOMOBILE SECURITIES combined for a total of over 5.4 million accounts, surpassing NOMURA SECURITIES, to become No. 1 in the industry.
- Owing to an increase in FX trading and other transactions, the contribution of trading revenue to SBI SECURITIES' business performance rose.
- M&A advisory service revenue in the corporate business increased by roughly 18-fold over two fiscal years, to have developed into a solid profit source.
- It was announced that Rheos Capital Works, which manages investment trusts under the "Hifumi" brand, which has earned high evaluations from individual investors, will become a consolidated subsidiary in March 2020 (became a consolidated subsidiary in June 2020).

> Banking-related Business

- The AI screening service Dayta Consulting, jointly established with Hitachi, in May 2019, has been selected to be adopted by multiple regional financial institutions.
- In the housing loan business, Shimane Bank began offering housing loan products provided by SBI Sumishin Net Bank in January 2020, to further strengthen ties with regional financial institutions.
- As part of the Neo-bank initiatives, began accepting JAL NEOBANK in April 2020, which is a banking service for JAL Mileage Bank members, and is the second venture in the alliance with Japan Airlines.

> Insurance-related Business

- The acquisition in June 2019 of SBI PRISM SSI* contributed to a total of more than 2 million policies in force for all SBI Insurance Group companies.
- SBI Insurance has adopted and verified leading-edge fintech, and has begun offering real-time automobile insurance quote services using AI-equipped optical character recognition (OCR) technology.