



ASSET MANAGEMENT BUSINESS

The Asset Management Business Environment

Owing to the prolonged low interest rate policies in developed countries, along with the slowing global economic growth due to the spread of COVID-19 infections, geopolitical risks are increasing. On the other hand, technological innovations continue to accelerate globally, attracting much attention to the nurturing of advanced technologies. The SBI Group is proactively establishing financial subsidiaries in regions such as Southeast Asia, where future growth is anticipated, and will

endeavor to further expand profits of overseas businesses, in order to diversify various risks, including country risk. Furthermore, owing to the heightened requirements in recent years for the thorough fulfillment of fiduciary duties, the SBI Group will contribute to improving the operational capabilities of regional financial institutions, by providing advanced know-hows of asset management.

Principal Companies

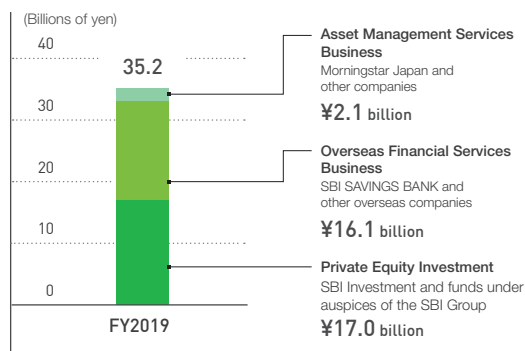
Intermediate Holding Company: SBI Capital Management

SBI Investment	SBI SAVINGS BANK
SBI FinTech Incubation	SBI Investment KOREA
SBI VEN CAPITAL	SBI Royal Securities
SBI Hong Kong Holdings	SBI Thai Online Securities
SBI (China)	SBI Bank
SBI & TH (Beijing) Venture Capital Management	BNI SEKURITAS
SBI Ventures Malaysia	SBI LY HOUR BANK

Intermediate Holding Company: SBI GLOBAL ASSET MANAGEMENT

Morningstar Japan	SBI Regional Revitalization Asset Management
SBI ASSET MANAGEMENT GROUP	SBI ENERGY
SBI Asset Management	SBI Regional Bank Holdings
Carret Asset Management	SBI Estate Finance
SBI Alternative Investments	
SBI Bond Investment Management	

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



Principal Initiatives in FY2019 and Future Priority Measures

➤ Venture Capital Business

- Both the Fintech Fund, established in December 2015, and the SBI AI&Blockchain Fund, established in January 2018, entered their monetization phases, having already accomplished 11 initial public offerings (IPOs).
- A corporate venture capital (CVC) fund was established with FUSO with a ¥5 billion commitment, along with another ¥9 billion fund.
- A fundraising has begun for the establishment of a fund commonly known as the "4+5 Fund," which is intended to invest in existing investment focus areas such as fintech, AI and blockchain, as well as core technologies such as 5G, IoT and big data that help realize "Society 5.0 for SDGs," and innovative technology and service fields which will propel "Industry 4.0" such as robotics, along with healthcare, foods and agriculture and infrastructure (transportation and energy).

➤ Overseas Financial Services Business

- Even during the COVID-19 pandemic, SBI SAVINGS BANK of South Korea has steadily accumulated performing loans, managing to make a profit contribution second to that of SBI SECURITIES.
- Upon acquiring the Cambodian microfinance institution Ly Hour Microfinance Institution, a banking license was obtained under the name of SBI LY HOUR BANK.
- Established a local subsidiary in Germany to expand overseas business.

➤ Asset Management Service Business

- Entrusted with asset management by regional financial institutions, the SBI Group's total assets under management as of the end of March 2020 exceeded ¥1 trillion.
- SBI Asset Management Group's (SBI Regional Revitalization Asset Management & SBI Bond Investment Management) net asset inflow from privately placed investment trusts in March 2020 ranked first among the 90 companies.
- SBI Regional Revitalization Asset Management was entrusted by Shimane Bank, with assets under management equivalent to ¥64.2 billion (as of May 2020), where the actual yield was previously negative, but was improved to a positive yield through a portfolio revision.