

January 17, 2019

SBI Holdings, Inc.

(TOKYO: 8473)

**Notice on the Establishment of a New Company to Engage in Insurance Sales and
Consultation Business that Utilizes AI and Big Data Analytics
of wefox Germany GmbH, a German Insurtech Start up**

SBI Holdings, Inc. (Head office: Minato-ku, Tokyo; Representative Director, President & CEO: Yoshitaka Kitao; hereinafter the “Company”), hereby announces that the Company has established SBI wefox Asia Co., Ltd. (hereafter “SBI wefox Asia”) to engage in insurance sales and consultation business utilizing AI and big data analytics solutions of wefox Germany GmbH (Head office: Berlin, Germany; CEO: Tasos Chatzimichailidis; hereinafter “wefox Germany”).

In the meantime, wefox Germany is a subsidiary of FinanceAPP AG (Head Office: Zurich, Switzerland), which has been invested through the Fintech Fund managed by the Company's wholly owned subsidiary SBI Investment Co., Ltd. (Head office: Minato-ku, Tokyo; Representative Director and President: Katsuya Kawashima)

"wefox platform," developed and provided by wefox Germany, contains various functions that utilizes AI, big data analytics and cloud computing, for the use of customers, insurance brokers and insurance companies. The platform is already adopted by more than 1,000 leading insurance brokers in Germany, Switzerland and Austria, with more than 250,000 policyholders in the end.

The Company will sign an exclusive business alliance agreement for business development in East and Southeast Asia regions with wefox Germany, and initially localize “wefox platform” in order to develop insurance agency businesses in Japan through SBI wefox Asia.

Japan’s insurance market, which is the world’s third-largest insurance market with four out of five citizens subscribing life insurance policies, is assumed to be under an over-insured situation led by Advantageous Selection^{*}, where consumers with relatively lower risks tend to be more likely to purchase insurance policies from their cautiousness. It is considered that the facts, where consumers have difficulty in properly being aware of the risks due to issues referred to as “the asymmetry of information,” and the competition resulting from sales channels diversification has encouraged people to take out insurance policies, have strongly accelerated the situation.

SBI wefox Asia, therefore by utilizing technologies such as AI and big data analytics, will provide solutions to such social issues and construct new insurance distribution models.

^{*} Theoretical and empirical research proposed by de Meza and Webb (2001 works) and Finkelstein and McGarry (2006 works).

[Outline of the new company]

Name	SBI wefox Asia co., Ltd.
Company logo	
Head office	1-6-1 Roppongi, Minato-ku, Tokyo
Representative	Representative Director: Tomohito Wajima
Business	Non-life insurance agency business, insurance agency business based on the Automobile Liability Security Act, business related to life insurance solicitation and intermediation for conclusion of contracts, business related to insurance solicitation underwritten by small-amount, short-term insurers, etc.
Capital	JPY 150 million
Shareholders	The SBI Group 100%

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