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PRESENTATION

Yoshitaka Kitao - *SBI Holdings, Inc. - Chairman of the Board, President & CEO*

Ladies and gentlemen, thank you very much for your support. And let me extend my appreciation and thank you for coming to our financial results meeting despite your busy schedule. So again, I would like to extend my appreciation.

So let me start my presentation about our financial results. So the first half fiscal year 2018 consolidated performance under IFRS. Since we have adopted IFRS from fiscal year 2012, we have been able to achieve a historical high. In terms of revenue, this JPY 176.753 billion, it is plus 24.8% year-over-year. Before income tax, it is JPY 54.195 billion. This 95.4% increase. Profit for the period is JPY 40.062 billion and has been a 109.7% increase. So profit attributable to the owners of the company is JPY 33.588 billion and plus JPY 64.8 billion.

So in terms of the -- comparing to the first half and second half between the 2017, the previous year, and towards the first half of this year, you can see that in terms of the profit before income tax has gone up steadily. And as a result, we have been able to see a historical high level.

So because the performance has been very good, we have been -- for the interim dividends, we have increased the share by JPY 5. So it has been JPY 15. But right now, we are going to pay out JPY 20. For the full year or the year-end, we have not announced this yet. So because the -- if the business go forward steadily, I think we will be very proactive in terms of dividend. So we're not very specifically focused on 0% as a minimum.

So going to the business overview of each segment. In terms of the Financial Services businesses, it has 10.9% increase over the -- in terms of sales. It is JPY 113.976 billion. In terms of the profit before income tax expenses, it's JPY 35.176 billion plus JPY 18.7 billion. Asset Management Business is JPY 61.619 billion, plus 61.4%. Profit before income tax JPY 29.776 billion, plus 157.2%.

For Biotechnology-related Business, the sales has gone down by 5%. In terms of the profit, it's still loss-making, but it is minus JPY 4.802 billion. So in terms of the improvement, we saw about JPY 82.8 billion worth of improvement. So in terms of the details of this segment, I will go into this in detail later.

So this is the Financial Services businesses. And first of all, the securities related business. In terms of the -- all the profit items, including operating revenue, we have been able to see a record high operating revenue, which is sales of JPY 60.394 billion. This is plus 14.2%. Net operating revenue -- or excuse me, operating income JPY 27.942 billion, plus 21.8%. Ordinary Income JPY 27.885 billion, plus 21.4%. So profit attributable to owners of the company is 9 -- so it is plus 20.4%, JPY 19.222 billion. So comparing to the previous year, in terms of the actual trading volume, it's gone down by 3%. But you can see that we have been able to see this good result.

So compared to 5 fiscal years ago, in terms of the stockbrokers' commission, so we have been able to decrease our reliance on that. So 5 terms ago -- years ago, 43.3% was what we got through the trade commissions. But right now, it's gone down to 25.2%, meaning that, for instance, financial revenues, our trading gains and losses, underwriting and sales commissions, et cetera, has increased. Basically, in all of our businesses, we have been trying to reduce our reliance on the stock market, and we have been focusing on setting up our business that will not be swayed by the stock market, and each of the business units has put in initiatives. So as a result, we have been able to see this outcome.

In terms of Online Securities, I think major companies already announced their results. We -- for this first quarter, if you look at the quarter in terms of the change, in terms of the income, it's plus 20.4%; Rakuten has 14.8%; Matsui, minus 1.9%; kabu.com, plus 3.6%; Monex, minus 13.4%. So this is the comparison among our competitors. I think in terms of size of the business, I think, basically, we are by far the #1 in terms of the size.

In terms of face-to-face securities, Nomura, they're going to announce the results tomorrow. I think they'll be -- basically, it will be negative for them. So Nomura, Daiwa, SMBC Nikko, so I think basically on -- in terms of the year-over-year change, it's going to decline for all of the face-to-face securities.



So SBI SECURITIES, we're -- in terms of our -- by overwhelming #1 position in terms of the share of individual stock trading value. I think I'm going to show you a pie chart that highlights this. You can see that we have by far the #1 share. So in the number of accounts, it has been increasing steadily. Deposit assets is JPY 13.6 trillion. You can see that it has steadily increased as well. Operating income, I've already mentioned about this.

So this is the pie chart that I mentioned. So the inner circle is March -- the first quarter of the first -- March 2018. The outside is the first half of the March 2019. For instance, so in terms of the share of individual stock trading value, it has increased by 34.8% to 36.2%. In terms of share of individual margin trading value, it has increased by 35.9% to 37.3% and has seen a substantial increase in these shares.

So this -- going to the banking-related businesses. So the bank's equity gains coming from the equity method in the affiliates, it has grown by 2.4%. It is JPY 2.063 billion. It has increased very steadily. So this is on the J-GAAP basis. And if we look at the ordinary income, so -- because we have seen a negative interest rate and this has pushed down our profit, however, we have been able to overcome that. So March -- that was in March of 2018. So for March 2019, we still only have this second quarter, so it is going beyond the JPY 7.063 billion, you go beyond the JPY 7.063 billion. So in the macroeconomic asset market, there's a lot of changes, but we have been able to respond to this very steadily, and we have been able to put in measures.

So going to the insurance-related business. So SBI Insurance Group, we have gone public for this insurance group. So the first half, these are preliminary figures on our revenue. So profit, JPY 654 million. So this is -- I have people saying that this is unchanged from our initial forecast, but basically, I think things are going as planned. So in terms of the forecast, we have not changed. The reason why we're seeing a slight decline here is because we have typhoons and various natural disasters. And SBI Insurance and SBI Nihon SSI, which is home content insurance, they had a negative performance, and that has put a drag on the business. But overall, I think business is going smoothly for the insurance part of the business. This is the in-force number of contracts. You can see that it's steadily increasing.

Going to the Asset Management Business. It has grown very substantially. So JPY 61.6 billion revenue is plus 61.4%. Profit before income taxes has grown by 157.2%. If we look at the breakdown, SBI Savings Bank is JPY 9.1 billion, so it grew by 29.6%. And so in terms of the profit and loss from the change in the fair value and the profit and loss on the sales of investment securities has grown substantially and it has gone to JPY 19.5 billion. It's a plus of 296.2%. So if we look at the breakdown, the listed securities is JPY 3 billion, unlisted securities is JPY 16.5 billion.

So we are going -- planning to do a lot of IPOs. Over 20 of the IPOs for the FY 2018. So for the last year, it was 2 -- 13. I think it's going to see more numbers of this. For example, FinTech Fund has invested in 67 companies. And from FinTech Funds, we have got -- Funds has invested JPY 24 billion, SBI Holdings has invested JPY 18.5 billion. So that is the JPY 42.5 billion investment has been invested for FinTech. So FinTech is very promising. And so '18, 1; '19, 11; and from 2020, 18; from 2021 onwards, 19 is going to be listed. So this will be the companies that we have invested will go IPO, or in some cases, through -- they will be bought through M&A deals.

So Morningstar, they have already announced their financial results. So for 7 terms in a row, they have been able to increase their very good high levels results.

For Biotech business, SBI Biotech, it has been on the positive side for the first half. Quark is still in the negative territory, but basically, the Phase III -- they have 3 projects in Phase III pipeline. Two is going to -- at the very end these phases, so it won't take much of expenses. One is just going to Phase II, it's going AKA. And -- but then still there's still a lot of expense that has been accounted for.

SBI ALApromo. So in terms of profit -- income before profit, so for instance, it's grown. And photonamic, which we have in Germany. So they have been able to launch 2 products, Alacare and Gliolan. So this will be a diagnostic agent for cancer-driven malignant glioma has grown. And the U.S. first shipment for the first test started in -- so this is a big market for us. Because it's a big market, so the profit before income tax is 5.5x the previous year's first half.

So we want to -- they are the initiatives to further increase the market capitalization stocks. So we are focusing on the market cap. How are we going to expand this and what measures should be taken? So we have a sixfold that I have shown here. Because the first one, we are viewed as a stock brokerage company often. However, we shouldn't be categorized no longer as a securities company, and I hope investors have become aware about this point.



In the economic white paper, it was said we are no longer in the postwar phase, but we are no longer -- should be categorized as a security company, that is my recent motto. But people say that no, no, our securities business is still going to grow. But even if it continues to grow, we would like to be intentional in reducing the contribution of the securities company to the entire business of the company. Looking at P/E ratios, it is 9.1x right now and PBR is 1.4x, especially from 2015 to 2017. CAGR was 17% from fiscal 2014 through to fiscal 2016.

Looking at this by sector, P/E of 9.1x is very low when you compare against other industries. And the PBR is 1.4x but it should be higher if our growth rates are so high because CAGR is at 17%. 16.4% of CAGR is seen in information and communication, and we are higher than that, which means our market cap should be higher than the other sectors.

With regards to Bio, we have started to see some light at the end of the tunnel. So contingent upon the results of the clinical trials advanced by Quark, the Biotechnology-related Business may immediately transition into a profit case. So we do antibody drugs, nucleic acid medicine and ALA-related pharmaceutical businesses. For antibody drugs, thanks to Mr. Tasuku Honjo receiving the Nobel Prize, people have been focusing on this area. It is a way to attack cancer and also for people who have a strong immune system, the drugs can treat that condition. So immunotherapeutic drugs is where we started this business. Of course, we are working on drugs that target cancer as well.

For nucleic acid medicine, I think this is breakthrough. Especially in our case, we have Quark Pharmaceuticals, which is a leader in the area of short interfering RNA and it has 3 candidate drugs in Phase III. And when you look around, there are no other companies that have this kind of pipeline even when you look at NASDAQ on the listed companies. And even Quark has engaged in milestone agreements with companies, with Novartis Pharma as well as Pfizer.

For the ALA-related business, this is something that people cannot copy around the world because we have secured most of the patents associated to this. So establishing mass production in Japan, this is such a breakthrough substance. It is a source of life. Therefore, we are currently preparing to list these companies. Quark is the most eminent towards an IPO. DGF, AKI treating candidate drugs as well as NAION that is licensed to Biocon of India are the drugs that we're working on in the pipeline. So we're going to soon get the results for DGF, presumably around the first week of December or in the second week of December. We will probably get the results very soon. So we're in the final stages of the clinical trials. Furthermore, for the drug candidate licensed to Biocon, upon administration to the final subject, the final results will become known in October 2020 after a follow-up period of 1 year.

So this is where we are with Quark. I was thinking about listing Quark at earlier timing, even before the results of the clinical trials for DGF came out. So whether this is going to be good or not, with regards to DGF, currently it's on page -- Phase III. This is with Novartis as well, we have an agreement with them. Second phase results, when you refer to them, primary endpoints and secondary endpoints are already satisfied. Therefore, from my point of view, even if it doesn't work out, I think it will be promising. Whatever the case may be, we would like to bring it to market and list it on the NASDAQ. Citi and Goldman Sachs are being considered to be the lead manager. If it becomes successful, we believe we could become a unicorn company, which is a start-up with JPY 1 billion or more in valuation. And we want to stabilize earnings overall, that is our strong wish. And we believe the biopharmaceutical sector is a defensive sector, and therefore, by having this business, we believe that our earnings can be stabilized and we will be able to achieve our mission.

So when you look at sales and profitability, the profitability or operating profit margin is very high for pharmaceuticals as a sector. Therefore, bringing this business to success is something that we're waiting for, longing for.

So the next one is proactive implementation of IR activities to individual investors. When you look at the shareholder composition, foreign institutional -- foreign shareholders account for 51.1%, domestic finance institutions account for 28%, and this portion is increasing. So retail investors are decreasing to 17.8%, or close to 18%, at this moment in time. So close to 80% of investors are institutional investors, but I am not necessarily happy or satisfied with this shareholder composition. From my view, it would be better if we have 30% foreign investors and domestic financial institutions each and another 30% to be held by retail investors. However, this is where we stand.

So in order to change this composition, what we're currently doing is increasingly SBI Mobile Securities is what we announced today. In any case we would like to be closer to the consumer and offer our products and services so that the consumers can feel closer to us because then our consumers can turn into our shareholders, that will be the most ideal situation. Therefore, going forward, we would like to be more aggressive in



increasing the number of individual shareholders by being proactive in disclosure, by having timely distribution of presentation materials for results briefings and video streaming. And we already do this, but we would like to do this more. And we're going to revive the SBI channel so that all types of information can be posted on YouTube. And our executives as well as our people who are developing products, for example, ALApromo, the germinated brown rice, when we're going to launch that, we would like to post something on TV on the SBI channel. We would like to also pay out high dividends. We don't -- we want to break out of our shell. If our performance is good, we would like to be proactive on offering high dividends, and we would like to offer attractive special benefits for our shareholders. Even if you offer special benefits if 80% are domestic institutional investors and foreign investors, they say they don't want this kind of special benefit. So we have to think about a way to reward our shareholders, for example, FTZs. Maybe we can make a donation instead. But we are considering some options so that we can contribute to global issues in some sort of way through this framework. But we are still in the middle of consideration.

Next point is extending contact with individuals and improving name recognition of SBI Holdings. In various forms and ways, we would like to raise our awareness. With regards to TV, we started to support BS Fuji Kono Kuni No Yukusue, and it's going to be 1-year anniversary in April next year. We are contemplating whether we should continue this program or not, but whatever the case may be, in various forms and ways, we would like to be attractive from the individual shareholders' point of view as a company.

Next is endeavor the actualization of intrinsic corporate value. The SBI Insurance Group listed on the TSE Mothers market on September 27, 2018. So it used to be valued at 0. However, although it went down then after, the value went up upon listing at around JPY 50 billion. So SBI Biotech, Quark, ALApharma and Capital Management are subsidiaries that we would like to list going forward. Apart from this, there is potential for other companies apart from the ones that are listed here. So for those companies that are eligible that will fall under these conditions, we are thinking about listing those companies.

Progress of the SBI Group's vision. So for the Financial Service, Asset Management, Biotechnology-related Businesses, we would like to ensure that the profit before income tax expense composition by segment in 3 years will be 5:4:1. However, currently, it's 6:5:1. But what I mentioned earlier about biotechnology and the Bio-related Business, and if the things I mentioned happen, we believe we'll be closer to our vision in the future.

Apart from that, first of all, consolidated profit before income tax expense of over JPY 100 billion. This has been modified in April this year, and it has been JPY 54.2 billion in the first half this year. So in 1 or 2 years' time, we hope to reach JPY 100 billion when we believe we will need to revise up our targets one more time. We would like to maintain ROE above 10%. On annual calculation basis, we're already at 14.38%. With regards to this, a new target is something we would like to set forth.

For our dividends, JPY 100 per share is what we're striving for. For March '18 it was JPY 85, and it was JPY 15 for the interim period and was raised to JPY 20. So it's a matter of how you view this. So -- and the next point is we'll endeavor to achieve a market cap of 1 billion -- JPY 1 trillion by actualizing intrinsic corporate value. It currently stands at JPY 652.5 billion. It is definitely so low. What we have created, the value we've created should be valued far higher than this. If we go to market, we prove that we are worth more, and we -- I would like to accordingly approve that for the other businesses. At peak, we did receive a market cap of JPY 863.5 billion as of October 2. It was intraday high, and we are going to be striving for JPY 1 trillion. I would like to achieve this as soon as possible. Hopefully, we'll be able to enter that horizon in the not-too-distant future.

So what are the priority measures moving forward to achieve this kind of high growth? I would like to explain this in order. So for each Financial Service business, there are really various synergies amongst companies within the financial ecosystem to maintain and develop high growth that far exceeds its competitors. So first of all, I would like to look back at the various measures that we have implemented in the past. So in terms of number of accounts, SBI SECURITIES ranks 2nd in the industry following Nomura. However, the average CAGR when you look at this, it was 1.0% for Nomura from June 2012 to June 2018, but our CAGR was 10.3% when you look at the growth in number of accounts. For Daiwa, as of March 2017, in their announcement -- they have decided not to announce the number of accounts then after. However, at that point of time, their CAGR was 2.5%. For SMBC Friend and Nikko, which merged together, it looks like [they flagged] but they merged together basically and they stand here. So we have been able to grow our number of accounts in a steady, linear way.

So achieved high profit growth rate through diversifying revenue sources, including a focused approach to the corporate business. So 2013 March is it -- if we benchmark that as 1, on a J-GAAP basis, how much profit growth was preserved? As of March 2018, it went up by 5.5x and CAGR was



at 40.5%. So we have been seeing that kind of growth. As for Nomura, their CAGR was 15.4%, Daiwa Securities Group was 8.7% and SMBC Nikko was 6.8%.

So what about banks? We were late to start. In 2007 September, we commenced our business. But we were able to substantially grow our business and the amount of deposits grew substantially and the number of accounts grew as well. We currently stand at JPY 4.759 trillion in deposits, and we are overwhelmingly, dominantly the #1 company. Daiwa Next was -- except for Daiwa, Sony rocked in, as well as Jibun Bank -- or Jibun Bank started after us, but Japan Net Bank were earlier entrants, but they're still at this level.

Furthermore, when you look at this chart, including regional banks out of the 76 banks and look at where we stand from a deposit point of view, we rank 23rd. So we have quickly advanced to being #23. I think for banks, we are starting to see an environment that's going to be interesting for banks. So please focus and watch us because we will like to do something that's drastic going forward, and what we are targeting is to become #3 in the industry somewhere in the future.

So SBI Insurance. Maintain a high rate of increase in contracts of 8% to 10% per annum to record over JPY 1 million contracts. SBI Life Insurance. For this business as well, thanks to the start of Group Credit Life Insurance sales, the in force contracts have grown steadily. The applications for Group Credit Life Insurance sales, before September, we were at 26,960 applications and it went up by 17% year-on-year -- 17.1% year-on-year.

So measures of strengthening existing businesses to realize sustainable future high growth. So in terms of Securities business, so our strategic product is iDeCo and we have NISA, and we went to surely work on that. From May 19, 2017, we have decided to make iDeCo's handling completely free of charge in terms of administrative fees. And if you look at SBI Benefit Systems subscribers for DC, and if you look balance of investment trust for 401(k), you can see that it's growing very rapidly even for NISA.

In any case, I believe that we will be able to surpass Nomura in the very near future. And if you look at our new accounts, 59.2% of the new customers who are opening NISA accounts with us, among that, 68.2% are beginner investors. So people who want to open new accounts come to SBI SECURITIES. And this is the SBI SECURITIES monthly total periodic investment trust listing amount in September 2018 was JPY 12.5 billion, and we utilized robo-advisors in FinTech. We want to incorporate that into our businesses and promote it. So for example, WealthNavi for SBI SECURITIES just -- it won't just be in Securities business. But just with SBI SECURITIES itself, October 26, 2018, AUM was JPY 35.7 billion.

We're also doing banking as well. Actually if you add that together, this was JPY 49.7 billion and -- so altogether, you can say 50% approximately of what WealthNavi entire customers' assets.

And then we will strengthen our wholesale business as well. From 2018 April to September, 2018, you can see IPO underwriting ranking of 44 companies that were listed during this period. There were 43 which we participated as lead manager. That's all except for 1, and that's 97.7% in underwriting share in terms of corporate bond underwriting and PO underwriting. We see continuous increase. And also, in order to further strengthen our corporate business -- wholesale business and since we began to see a lot of global financing needs, in order to respond to that, we have decided to open an office in Hong Kong. In September this year, we opened an office in Singapore, and we are planning to open an office in Europe, whether it could be London, Frankfurt, or maybe another third place. We are still looking at the global situations to decide the appropriate place to open an office.

And we have a solid financial institutions sales department. The performance is improving significantly. They are engaged in equity and bond transactions to a total of 224 companies. So you can see equity trading, the transaction volume was 1.69x; investment trust, 2.4x; newly issued and existing bond transactions, 2.4x. And also the structured bonds, which we started in 2015 December, in 2018 September, the total amount was JPY 52.9 billion in terms of distribution.

Forex. You can see in the -- in all items in first half, we booked record high. Operating profit was plus 37.7% -- excuse me, the operating profit grew by 70.5%. In year-on-year change, that was JPY 3.3 billion, and you can see that net income has also increased like this. And also, our SBI Group's domestic FX tradings has also improved significantly in terms of accounts and also in terms of AUM. You can see that we are overwhelmingly surpassing our competitors. So on the right-hand side, you can see AUM, the deposit asset ranking, we're at the top. So in order to further strengthen this, we are planning to deploy this globally on -- so that we can establish an OTC market with the world's #1 liquidity. So in Hong Kong, we started



in 2017 February, and then in Cayman Islands, September 2018 the businesses have commenced. In China, it could be in Hong Kong or somewhere else, but we want to be sure that we can take out RMB. And if we can do that, then our business will grow enormously.

Mobile First, which we announced today, and we want to materialize this. And we have established a new securities company called SBI Neo Mobile Securities, a pure smartphone security company. And we invest 95%, CCC Market invest 5%. We want to utilize T-Point as much as possible. T-Point is, I will show you here on this Slide, is involved in sales of over JPY 8 trillion. And the number of T members is 67.88 million. SoftBank, FamilyMart are part of this coalition at T-point. And the members under 20 is over 10 million. In LINE they have a 16 million and they want to do brokerage business. Now this is much more effective than that, which is the fact that we are able to collaborate with T-Point. And I think you'll begin to see the effect and because we will grow T-Point investment, T-Point award, SBI, whether it be SBI SECURITIES, could be anything else, there will T-Point investment, T-Point award. So we will truly target the 20s, younger generation, and capture them.

Naturally, even in cryptocurrencies, we want to do this. So you can see investment in SBI Virtual point. So with T-Point, you can actually buy cryptocurrencies. You have banking for exchange, remittance, social lending, in all elements T-Point can be used. And if you look at Rakuten economic zone, it actually surpasses that. It's T-Point -- SBI T-Point economic zone, that's what we want to build.

So banking-related business. So housing loan, this is growing steadily. Now we exceed JPY 4.5 trillion in terms of handling, and the outstanding is JPY 3.4 trillion. So again, you can see that it is growing very nicely. And with these 3 pillars, we want to make sure that short-term, long-term lending of the bank, that balance is maintained. So these are the things we will engage in. And recently, we are -- have been expanding our sales channel through face-to-face shops of partner companies. This is actually going well. Good Mortgage from January 2017; I.F.CREATE, March 2018; MONEY PLAZA, of course; MX Mobiling, October 2017; Yoshida Tsushin, September 2018; ARUHI, we have been working with them from before. And we are opening in Ikebukuro, Shinjuku. We are shops near the train terminal stations, and we have morning plaza opened recently as well. So we are using various methods to expand before the construction [rates] hike. I think the demand for housing loans will increase, so we are putting a lot of emphasis here.

And then next is the alliance with JAL, which we have announced already. Both of our customer bases have been increasing steadily. For SBI, it's 24.34 million. JAL has a customer base -- membership base of 31.7 million. We want to effectively utilize them so that SBI for us could link it to different financial businesses, and at the same time, for JAL, they can build new pillar of revenue and profitability, and they want to foster that. So we can support that initiative.

So API linkage. Again, with API linkage we have this new app, and we have now -- this is -- so the original was the automatic savings service app, now we have Money Tap, it's a money transfer service. So we have this consortium. So I believe that the role of consortium has really played out its role fully with inclusion of Money Tap. So now whatever we want to do, we will be very serious and full scale in rolling this out.

International remittance. And now as I have just described, we will continue to increase with ripple's DLT Technology. So international remittance will become even more efficient with these technologies. And also, we have XRP and ripple. Through their reconciliation, we will be able to let R3 use XRP on a full scale, and we need to really build this framework. So if the 2 collaborate, then they will be able to cover almost all the fields, not just international remittance. And in fact, XRP may be used in a wide array. So as we have developed that ripple, like SBI Ripple Asia, SBI R3 Asia is under discussion for further development.

Furthermore, it was a small Nikkei article, but I think this is quite innovative in pulp making. So in order to deal with increase the flow Chinese customers, in addition to Alipay, we have decided to add WeChat Pay. What is so different about this? The fact that we collaborate with CYUI. By including CYUI, there's great potential for all sorts of businesses. And we have been -- they have worked with hotels, trains, tourist companies, travel agencies and they have been expanding in this way. And for us to tie up with CYUI, it means that we will be able to jump start the increase of customers for us. In terms of the inbound numbers, JTA has announced that they would like to see a tourist vision of 40 million in 2020 and 60 million by 2030. And the total consumption by Chinese tourists in Japan account for about 40% of total domestic consumption by all inbound tourists. And Alipay and WeChat Pay, 90% of the Chinese use either or both of these payment forms. And if you treat this as a small matter, then you'll be certainly be surprised later on.



And then expanding services for corporate customers, such as corporate credit cards and business loan services, again, this is increasing. The transaction lending service, we are aggressive with this. In particular, we want to allow companies who are just establishing or opening their businesses to be able to open account with us.

Insurance-related business. Again, we alliance with different partners to engage in new initiatives. As for SBI Insurance, for the first time, they have implemented safety support card and SV discounts, which evaluate the risk reduction efforts of vehicles with advanced safety. And SBI Insurance accounts, insurance certified as an -- as doctor-confirmed product. And it has been certified for the first time in the insurance industry as a doctor-confirmed product. 87% of doctors replied that they would like to recommend this to others, so the doctors are responding to this.

Also, industry's first introduction of Apple Pay payment for auto insurance so that they don't have to enter credit card information. And aside from that, there is health management apps for all SBI Life Insurance policyholders so that they can continuously monitor the health status of its customers. This is the FiNC Technologies' technology. Also, we devised a system for presenting the optimal anti-cancer treatment to a patient based on cancer gene panel testing of Kindai University, which they're actually well known for. They will be able to find out what sort of cancer gene they will have, and we will also be -- provide advice. So if you leave it up to the doctor, they will just suggest to you. But we will say, why don't you talk to the doctor in this way or consult a doctor so we can extend personalized insurance? And that is why we're implementing different new technologies. So we're going to offer the alliance service so that the life insurances become more close to the -- across the younger generation. So the new technologies we have invested in German ELEMENT. So this is the state-of-the-art technology, so this one is to disseminate insurance. So this is interesting. So ELEMENT has a module-type design development platform, and this allows the insurance files to be developed very rapidly and they do not face the customers. So this is a B2B2C business. So the contact with the final customers is set up with insurance by the leveraging the branding and sales channels versus own customers' business. So the German company has a very excellent, interesting company. There's a lot of German companies like that. So in Berlin, we have set up a -- with IT or bio-related ventures in Berlin. There's a lot of those companies coming up, so we have decided to open our office in Berlin. So I'm now on German new technology we're going to start, and we want to utilize these new technology from Germany. So with TANITA, we have an agreement. So this is to utilize the AI technology. And in terms of the SSI companies, life insurance companies, also they have been growing and they have been doing a lot of cross selling.

So in the Venture Capital business, so our venture investment in Japan is about 30%. So for the Asian countries, we invest 42.2%, U.S. is 16.4%, European is 12.1%. We can see that our -- it is diversified internationally in terms of our Venture Capital business. So I think this the reason why we have been able to avoid various crises of the market, and I think this has worked well. So we wanted to diversify investment. Even with the venture investment, we diversified our risks. And in the Asia region, each of the countries is growing very rapidly, so that -- this macroeconomic positive element has been affected. So that's the reason why we have been investing.

So we move toward Russia. Yesterday a certain Russian company came and said that they wanted to collaborate with us in some of the business -- 8 businesses he said, and we're discussing about this. So in terms of the Japan/Russian relationship for Mr. Abe and President Putin, and with this relationship I think this will be a game changer. Of course, there are territorial issues and it's difficult, so maybe out of the 4 Northern territories island, maybe 2 will be recovered. But I think in Japan, if we want 4, it would be impossible. So I think the relationship between Russia will be better, and then the Japanese companies want to go into Russia. So we want to observe the situation, and we have set up a RDIF, Russian Direct Investment Fund. We have set up a fund, this is a Russian fund, a government fund. And SofCom Bank, which is a first step to joint investment, investment in SofCom Bank. So they are saying that this will go public. And so this is one of the major Russian conglomerate, this is EDF Group. We are going to collaborate and set up the fund with them.

And next is about these blockchain, AI, these various other technologies. This is -- depending -- due to the counteractive cycle, this new wave is bringing a lot of technologies. You can see that it's going to grow. And then we have 5G, various security technologies and quantum computer. So a lot of new technologies is going to show up.

So it means that technological innovation is facing a huge transformation. So to be prepared for this, we have set SBI AI&Blockchain Fund. So JPY 50 billion was a target, but we have been able to get that fund, so we can expand the amount to JPY 60 billion. 34 companies has invested JPY 14.5 billion but SBI Holdings' investment, the investment is JPY 22.5 billion.



So this is part of the investments that we have conducted. In terms of asset management-related business, we are going to expand this aggressively. So Morningstar, Mr. Asakura of Morningstar said that you should put all your energy into this initiative. So one is the SBI Regional Revitalization Asset Management. So the regional -- 26 regional banks are participating. I think by the end of this year, this will grow to 30 institutions. And we are going to support regional financial institutions and investors from both customer self-management and self-fund-management perspectives. And we will -- in terms of human resources, we will support that as well.

And organizationally, SBI Holdings -- under SBI Holdings, we have SBI Global Asset Management. So this will be an intermediate holding company for asset management-related services. So Mr. Asakura is going to lead this. We will put an intermediary holding company. And with all this, Morningstar Japan will be placed. So here is the organization and have already announced the acquisition. The current Asset Management, we have SBI Asset Management. This is under Morningstar currently and have SBI Bond Investment Management. And this is a joint venture with PIMCO, and we have SBI Regional Revitalization Asset Management. So in this area -- so we are going to conduct -- considering M&A at -- in Europe. So SBI Global Asset Management will be -- within 3 years, we're going to bring the asset under management JPY 5 trillion within 3 years, for M&A assessment.

So we said initially that we'll target JPY 1 trillion. We have already achieved that target, so the next target will be JPY 5 trillion within 3 years.

Going to the overseas financial business. So this is the SBI SAVINGS BANK in South Korea. In 2013, March, we acquired this bank. It was basically bankrupt. We have -- in a short period of time, we have been able to turn this around to a good quality bank. So there is the credit rating agency in Korea. It was A-, so outlook's stable.

So with the financial market, well, I went to a certain Korean high-level bureaucrat. So this is a very outstanding achievement that can be from the Korean financial history. So if we didn't buy this, there was -- had been invested JPY 300 or JPY 400 billion of tax money, and you don't know whether they'll be able to revitalize it, the Korean government. But we have been able to do this. So this SBI SAVINGS BANK's people were engaged in this initiative, they have put in a lot of efforts. And currently, there is one -- excluding one Japanese, all of the staff is Korean. All of the people running this business is Korean. So we have joint representatives, 2 people. They both are very excellent people.

In the third quarter of this year, KRW 138.6 billion is the performance. It means that it's over, the last year full, 12 months already. And if you looked at the balance of performing loans, steadily expanding, and the delinquency rate is 4.4% entirely -- for the entire loan, for the retail loan, it's 3.8%. Because the balance goes up, maybe the government will intervene. So we're trying to adjust this situation slightly.

So as a subsidiaries, we have 100% of Russian commercial bank, SBI bank. We have set up this Russian subsidiary. It was near bankruptcy. If we didn't invest then they would have gone bankrupt. But right now, this will be minus, a stable outlook of credit-rating. And we have been able to do this even shorter than the Korean bank. So if you look at the interest rate market and if you look at -- with a basically good interest-rate trade, and I think, basically, we could have been -- become profitable if putting new technology, new wisdom, for sure, this company will change.

So this telecom, this online bank, so they have a better technology, and we are trying to put in a better technology. So SBI Royal Securities -- so this is 65.3%. So this is only Japanese full-service external brokerage firm. And the brokerage business is -- in terms of the share, brokerage trading value, #1 in share. In terms of the underwriting of initial public offering, so out of 5, the IPO company's 2, companies we were served as lead manager for the Cambodian market.

So this was the -- our first bond listing in Cambodian, but we were the first lead manager. So the Thai Online business, basically, have close to 100% of equity. So because of various situations, we thought that we will be able to be profitable in this business in a very short period of time. The strategy is that to -- within Thailand, we have to set up a new ecosystem. And with this correlation, we want to accelerate the growth of this company.

So TP Bank in Vietnam. So this is growing very steadily. Only 20% of foreign equities is allowed for -- under this law in Vietnam, so we can't go over 20% of shareholding. So you can't go over 20%, we have 19.9%. So in terms of market cap, it's JPY 78.4 billion. So it's not unlisted before, but it's going to JPY 78.4 billion.



In terms of profit, so for the third quarter, they have JPY 6.2 billion that is before income tax. The deposit balance is right now [JPY 336.8 billion]. So we have controlled this because it was growing too much. So even controlling this at this level.

So FPT Securities, this is the -- FPT's biggest internet company in Vietnam, so this is the collaboration with them. We have 20% of shareholding. And gradually, the performance has improved in Indonesia, BNI SEKURITAS. So we have 25% of equity. So the parent company that banks -- the parent company, BNI, were putting -- so for instance, they had to buy some stock names that they didn't want to buy, so they are complaining to the parent company, but now that's the situation for the bank right now.

So Sri Lanka, the First Guardian Equities, we have 40% of shares. So Wealth Trust Securities, we have 20%. So we have been able to get authorized to be a primary dealer of government bonds. So this Sri Lanka -- within Sri Lanka, we'd want to make inroads into this market.

So we have Sunshine, a business entity. So this is a kind of conglomerate. This is growing as well. We have hotel business, it will be our (inaudible) and I will sit as a director because they asked me to do so. But it's a very interesting company.

So Southeast Asia, we have engaged in e-commerce as well. E-commerce -- and we're going to link to e-commerce and finance. So Sendo, this is the Vietnam company; and Tokopedia, this is an Indonesian company. So we sold some of the shares, but we still have 1.96%, we have -- for Sendo, we have 20.8%. So as of September 2018, the fair value was 1.8x as much the investment's book value. For Tokopedia, we have sold our shares, and we sold half of what we held -- was holding. The fair value was 4.9x of the investment's book value. I think it's going to increase even more.

Biotechnology-related business, it's going from cost center to profit center. I've already mentioned about this. I'm going to skip this.

So one more thing about SBI Pharma, it's with regards to peritoneal dissemination of gastric cancer. Phase III is underway. In the not too distant future, it may be commercialized. For cisplatin nephropathy protection, it's in Phase II. Cisplatin is a common anticancer drug. When you administrate this, your kidney becomes injured. And that is why we're doing the clinical trials because we believe that ALA might work.

For number three, mitochondrial diseases, Phase III is underway. With regards to this disease, it's a genetic disease, and there aren't many patients. However, there are no drugs to treat it. Maybe, this might be the sole drug that treats this disease. So that's where we are.

It's a genetic disease. So after you're born, after 1 year and 7 months, you won't be able to stand any longer, and children will pass away. And this is something that we want to fix and change. That is why we are attempting to develop a drug that treats the disease.

The Phase II results were quite interesting. And also, at Oxford University and Birmingham University, it has been in the U.K., clinical testing is -- preparation for Phase II is underway for cardiac ischemia-reperfusion injury. For iPDT, we just do it as a PDD, but this is therapy. So if there is a solid tumor in your brain 3 centimeters wide, it would be hard to remove it through surgery. So you will make a hole and send light into the hole and use ALA to attack the tumor. Munich University in Germany, it seems that they were able to see great results. So Osaka University is also trying to engage in development.

So photonamic, finally, we acquired NX Development Corp in order to distribute our products in the U.S. And in Europe, photonamic covers most of the countries in Europe. And there are more than 40 countries where they sell Gliolan, a drug that treats malignant glioma. And it's sold in Japan as ALAGLIO. And with a joint venture in Abu Dhabi, NatuALA is the main health food that's being sold in many countries. We basically need to get permit. So after UAE, Berlin, Jordan and Oman, other countries that are -- have been registered in Southeast; the Cambodia; Myanmar; and in Africa, in Mauritius and Kenya. Sales are scheduled to start in the registered countries.

For ALApromo, sale -- revenue grew by 25.8% and profit before income tax expenses grew by 3.9x. And properly sprouted [Foreign Language], which means germinated brown rice. The underlying power of it.

The National Cerebral and Cardiovascular Center's working with us in this co-research. So basically, the brown rice is sufficiently germinated, and they have been able to develop this kind of rice that has ALA inside. So this is a functional food item that we would like to sell.



And with regards to the number of domestic stores that offer health-food containing 5-ALA, it is now over 16,000 stores. And with regards to Ginkgo biloba, this has also been launched as a functional food. And premium products utilizing high levels of 5-ALA from the original content, we would like to increase this to 25 grams. And this has been launched -- this will be launched from November 1. And also in improving the quality of sleep, we planned to launch it in February 2019 (sic) [March 2019]. And improving in the exercise capacity, we plan to launch the product in fiscal 2019. And also recovery from fatigue, indications and male menopause improvement is what we're planning to submit in 2018.

Menopause happens not just for women, but for men as well. So we would like to ensure that we're able to treat it. And we also plan to make a submission in 2019 for these 2 items: for salacinol, salacia-derived salacinol, if you mix it together with ALA, you can increase metabolism while suppressing sugar absorption.

Salacinol is already -- has been launched as a food with a functional health claim, but we would like to basically mix the 2 together. To ensure the continued dramatic growth of the SBI Group, we have established 2 new ecosystems. So they are, SBI, the old, Financial Services, for one; as well as SBI Digital Asset Holdings. These are the 2 new ecosystems.

Furthermore, these are the existing ecosystems, we would like to, basically, organically mix them together in order to generate synergies and also mutually evolve amongst -- between one another.

Our basic strategy is to first divest into startup companies and, after, introduce the technology within the SBI Group so that we could assess the technology and also evolve the technology. And then finally, we would defuse the technology across the industry.

As we go through this basic strategy, regional financial institutions are the institution we would like to change. We would like to change their business models. By changing their business models, we would like them to be revitalized. So that is our passion around this basic strategy. We have already, as Phase I, engaged in this area, which is strengthening the relations between regional financial institutions by contributing to the enhancement of the regional financial institutions corporate value through the utilization of existing management resources, including the products and services of SBI Group.

So that's Phase I, but we've already generated great results. For example, for SBI SECURITIES, until March 2019, we plan to form alliances with 36 banks in total. For 30, we have already announced the alliances. And we basically are going to offer financial instruments' intermediary services to them. And for MONEY PLAZA, we launched 2 co-managed shops with regional financial institutions already with Shimizu Bank and CHIKUHO BANK, and it has generated great results.

Until March 2019, we will newly welcome Sendai Bank with which we will have a co-managed shop. This is already decided. We just need to go through an approval process, and then these 3 banks will join us. For Shimizu Bank, they started in October 2017. And when you look at their results, for July-September 2018, deposit assets went up by 7.8x; accounts, 3.9x, and revenue, 9.1x. For CHIKUHO BANK, they started from July 2018, and their deposit assets went up by 20.5x; accounts went up by 4.3x; and revenue, 4.4x. So it's amazing results.

If you stay with us, if you open a co-managed shop with us, this is the amount of results that you can generate. This is a good example, and the examples are happening one after the other. I'm sure that other regional financial institutions have no choice but to join us and take action as well. For -- inviting presidents of the regional banks, we will be having a seminar soon. We would like to give them a very strong impression about these things.

For MONEY PLAZA, for the regional financial institutions, we would like to offer them accounting measures and inheritance-preparation products that they have not offered before. For SBI Insurance, whether it be home content or cancer or automobile insurance, we would like to recommend this to the financial institutions. And for corporations, for example, Shikoku Electric Power has started to adopt our product. So including the 6 companies above, 11 companies total, of which 5 are financial institution, decided to adopt SBI Insurance products, and plans are for sales to start shortly.

For the Insurance group, the stock prices are down right now. But for those who own the shares, we would like to do our best so that we can offer good rewards for our shareholders.



So for Nonlife Insurance and also Life Insurance business, we would like to be aggressive in developing the businesses. For SBI Life and group credit life insurance adoptions are increasing steadily. Yamaguchi Financial Group, they are scheduled for this autumn to adopt this product in July. We have already reached to an agreement. For Yamaguchi Financial Group, they have Yamaguchi Bank, Momiji Bank and Kitakyushu Bank in their group. So for mortgage loans, they will be adopting our product: for City Shinkin, they will start from October 1; and Kanagawa Shinkin, from September 3, they started.

So 5 banks were mentioned above, but 7 banks, including the 5 banks mentioned above, have decided to adopt or have started sales of SBI Life Insurance's Group, credit life insurance. While SBI Life Insurance continues to proactively promote the sales of the group, credit life insurance, primarily to regional financial institutions nationwide, over 10 institutions are now considering adoption with 3 already having adopted. So you can see here that steadily we are deepening relationships. And as a result, a win-win relationship can be set.

So Morningstar, tablet app Investment Trust INDEX is being adopted as well at regional financial institutions, and we're seeing an increased number of them.

So let's look at Phase II. So relationship reinforcement is Phase I. And under Phase II, we would like to do more, meaning we would like to restructure the regional financial institutions business model so that they have more vitality. Basically, we would like to offer that support. So it's about supporting the restructuring of regional financial institutions business model.

And it's not just banks, we would like to promote technology and services owned by FinTech investee startups, to SMCs in order to revitalize regional industry as well. Support the restructuring of regional financial institution business model through the newly established SBI Neo Financial Services for this, with this at the core various ways are through which we are going to extend regional financial institutions.

So we are now well organized. And mainly with our young employees, we have 40 people who are going to be doing marketing for those people who want to be stationed in this department. As well as we have a next-generation financial group, it's a study group. And for those people who participated in that study group have been selected as well. And those people -- many people are coming from the outside as well who are passionate about engaging in these kinds of jobs. So we are selecting young employees, and we will appoint them as an executive if a joint venture sells soon after.

So it's a very unique way of doing things. But basically, we would like to develop our people as well at the same time. So looking at the FinTech-related investee companies, they are listed here. There is so many companies in which we invest. There is variety of technologies that are -- that can be used.

So FinTech platform, managed by SBI FinTech Incubation, is what we have to offer. We've set up SBI FinTech Incubation company. The ratio is, SBI, 60%; SoftBank owns 20%; IBM Japan, 10%; and Toppan, 10%. We could connect people with our investees so that our customers can implement FinTech technology. And if they have technical issues or system issues, IBM can cover that.

And promoting the establishment of joint ventures, the localized implement overseas FinTech's solutions. Some we can -- it can be adopted as it is. Some need to be localized. The SBI Group and this overseas FinTech companies performed a joint venture, and some of them will cover the entire Asia or maybe Japan could be collaboration. Ex Japan, Asia, it could be joint venture. So there could be potential different combinations.

And the different financial services and products that will be utilizing the FinTech solutions in and out of Japan, and we want to go across region, we want to be rolling this out nationwide so that the institutions that were competing in the small region can now roll the service out nationwide. And if they wish, they can utilize our overseas network so that we can -- and we can support them in their overseas lending as well.

Revitalizations of the regional industries. Base is a company that allows businesses to utilize easy sites free of charge. And they will also be utilizing in this base in service. They could be a pappa-mama shop. It could be an easy site. And this could be implemented in different regions so that the companies in the region can also go nationwide. And through that, the economic power of that region will be enhanced.



Revitalizing regional industry cannot be done by the regional banks alone, it has to be a collaboration of regional companies, regional banks and municipalities. They need to work together, and our group will be supporting that platform.

So Shimizu Bank is the basis, and they will promote the regional revitalization. And we have -- we'll be collaborating. And also, PayKey, all you need to do is read the product's barcode. And for example, a non-Japanese was looking at a product and wasn't sure what it was. Basically, read a barcode, they can read it in their own native language. It could be English. It could be Chinese. So this is PayKey's technology write up.

I am encouraging all our group companies to implement this. And in fact, they're all surprised, once we introduced this. This is giving good results. But they provide management support services for small and medium businesses. And this is a very interesting service. We had done really well because of the service.

And again, (inaudible) this is a fingerprint authentication. I think this is probably #1 in the world in terms of biometric authentication. Of course, technology continues to advance, and maybe there'll be other company's technologies. But I think this is an extremely effective technology.

And aside from that, I didn't -- I wasn't able to write about this, but we have a business succession company. We established business succession department in our securities company so that they will not go bankrupt because they don't want -- have anyone to succeed. And we will have also established funds and this fund may buy the companies out. And maybe, we can combine it with companies we already invest in, and they can re-develop, re-create a company. We can bring in resources, and they can completely create a new company. So this is a new model, which we will work with.

Now digital assets and blockchain. We can create more efficient and customer-beneficial future with this asset in blockchain. And the digital assets' financial ecosystem is approaching completion. And what we want to do with these digital assets? In order to develop this, these are the things we must do. And in the world of cryptocurrencies, we need to actually increase the actual demand. So for example, international remittance, trade finance, settlements, payments needs to be used as such. So the -- when you look at the Bitcoin value, what it is? It's -- if you look at it just as a cryptocurrency itself, the fundamental value is zero. You have to make it useful and create actual demand; otherwise, there is no value.

So how can you develop that? That is one of the main job of SBI Group. How can we -- what can we do to improve the society? And how can we utilize these digital assets to improve our society? And I think cryptocurrencies, it's not -- this has make it exchangeable. And it's just one of them using blockchain technology, but the book I'm writing will be published very soon, so I hope you read it, and it says it there. But it is my dream to have this uniform currency in the world. And when Bitcoin was developed, I thought this was much more than just OneCoin. And OneCoin was supposed to be developed by Central Bank, but cryptocurrency can go without Central Bank. I think it's uphold banking.

And I have engaged in different initiatives, and I think that without actual demand, it does not work. So that's why I'm transforming all these businesses with more actual demands. And we will offer new cryptocurrency-trading opportunities to institutional investors. So we will establish a fund assembled from cryptocurrencies. With FSA's approval, I think, we should be able to do this. So we have run DTI. I think whatever is necessary is probably all in this lineup now, which are in there in this ecosystem. If you look at all the companies we have invested in, you have covered a [presidential] exchange, derivatives, security, Asset Management, you can information service, platform, ICO's, mining and mining-related remittance platform, blockchain platform in various areas and domains we have invested.

And I think that blockchain and cryptocurrency is only one of them. And the reason why we say digital asset is because we're not just planning to do cryptocurrencies or exchange, that's not the reason why we do this business. We want to use DLT or blockchain technology or XRP, cryptocurrency, which is born as a result of DLT. By effectively utilizing them, we can improve the society around the world. And to materialize that we have this vast ecosystem. I'm not talking about a small thing like being profitable, making money, that's not what I'm talking about. That's not my aim.

So virtual currencies is one of them, one of our businesses. We had ups and downs, but we're now finally in this stage. Several things we need to decide, for example, ICO, what are we going to do? How will the audit firm assess ICO? I think there are still many outstanding issues. I also must say that licensing -- the authorized-registered vendors, you have to say that their platform is still vulnerable even though their owner is different. How much have they changed? If the similar incident occurs, there'll be a big problem. So we are still very, very cautious. We believe that the safety

needs to be enhanced. We have a team called SWAT, a Safety Wallet Team. That's what it stands for. So with the SWAT team, we can implement the world's most cutting-edge safest countermeasures.

In order to do this, we need to have resources and experts in this field. In Dalian, I think, it's about maybe 1,000 people already. But we have system engineers; AI experts, which have been hired in Dalian; and furthermore, we have cooperation of FT group and the graduates of FT University from Vietnam, they have been hired as our system vendors or software developers.

Also, in Taiwan, we have engineers with great expertise. So we are trying to acquire these experts. So we will create the world's most powerful, competitive team. Without resources, nothing is viable. That's why people can only create entrance and entry system.

Japan, they have to hire people. Even in Japan, whether a BI or AI or AI analysis or people who are building AI mechanism, how much are they really building it? Same thing with the IoT, in this era of 5G, you can see how few -- how little resource we have in Japan. SBI BITS, I would say 70% are non-Japanese. Their official language is English. That's the situation.

In December, Ethereum, with the permission from the FSA and since the self-regulating organization will be involved, they will begin to start the acceptance of cryptocurrency deposits and withdrawals. We're not in a rush. And maybe, in 2019 March, we should see some kind of conclusion.

And I think that's when a full-scale exchange will start. We are trying to do margin trading, maybe 4x. So we're not in any rush. We don't have to rush. Once we're serious, we are not spending any money on commercials. But every day, we see customers increasing.

Clear Markets, this -- we're planning to start up the crypto currency swap-trading service. We're trying to get institutional investors to be part of this market. And in order to get the participation in institutional investors, you need futures. Securities have SECOM Trust System, SBI's BITS. We are working with different parties to develop swap.

It's a Danish company, current market is 49% investment. And we're -- so that was Sepior, this is Danish company it's a crypto currency key management system specialized for cloud.

Everspin, South Korea, the dual-dynamic security system. So code keeps changing. So once they find a code, it's certainly a different code again. So that's the kind of company with the sort of source code.

And you have CoVenture Holding, it's a U.S. company. And it has now a company called U.S. asset management company, CoVenture Asset Management, basically, they do short-term U.S. bonds, securities index, gold ETF, et cetera.

And when this is realized, then securities -- or the mobile security companies, that I have mentioned earlier, will be able to distribute them. CoinDesk will collaborate with Morningstar to provide the information and also partial launch on new financial services, utilizing digital assets and blockchain, Money Tap. It will be available on Apple store and Google Play from 4th of October. You can charge -- we don't -- you don't have to charge, you can send money very, very easily. And through Money Tap, we will be able to provide environment that allows users to safely, remotely and comfortably brings that money between individuals. It will be connection of 3 banks, SBI Sumishin Net Bank, SURUGA Bank and Resona Bank.

And we are seeing more connections. So now it is in the final stage of the consortium.

S Coin Platform, again, this is -- will be offered by SBI Group, they will utilize Orb technology. This is again about digital coin issuance, including cryptocurrency. So different banks, local government and companies will be participating, and it will all be on S Coin Platform, and they can roll this out nationwide. UC Card has already started this POC in Daiba. And we will also from October do a POC with SBI employees and nearby stores. For the commercialization of S Coin, we will see whether they can actually use this S Coin, but it's a cashless purchase. So that is all from me.

And here's just appendix reference documents. As you can see even though it has declined by minus 3.1%, it says it's JPY 122 trillion. There is -- this impacted reductions, but we have been able to book a record high in online brokers. Zero issues, let's mention about that. This is investment trust. Bonds, you can see it increasing. This is the groups AUM situation. Just with the JPY 430-some billion.

This is group overview. The customer base is 24 million now, and this is group numbers -- well, number of group's consolidated is [193.16 million] and 209 consolidated companies altogether; equity method, 36. Altogether, we have a group company at 245 companies.

And in terms of consolidated numbers of employees, we're commemorating 20th anniversary, next year, in fact. We started out with 55, now we have 6,030 employees. And in 2019, as we welcome the 20th anniversary, so these companies that have been established 20 years ago compared to the same companies with the same history, we're #1 in terms of market cap.

And this is convertible bond, and we are now converting them one after another. Our capital has increased. This is the capital. It has now increase to JPY 92 billion. The money that I have received from Mr. (inaudible), has now turned out to be JPY 92 billion.

So that is all from me.

[Statements in English on this transcript were spoken by an interpreter present on the live call.]

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