



*Strategic
Business
Innovator*

SBIH Group

Third Quarter Financial Results

(Fiscal Year Ending March 31, 2008)

January 30, 2008

The items in this document are provided as information related to the business strategy of SBIH Group companies and not as an invitation to invest in the stock or securities issued by each company.

None of the Group companies guarantees the completeness of this document in terms of information and future business strategy.

The content of this document is subject to revision or cancellation without warning.

Note: Fiscal Year (“FY”) ends March 31 of the following year

1. Consolidated Financial Performance

FY2007 3Q Consolidated Performance



(Unit: million yen)

	3Q FY2006 Consolidated	3Q FY2007 Consolidated	YoY change (%)
Operating revenues	104, 116	170, 113	+63. 4%
Operating income	16, 049	32, 892	+104. 9%
Ordinary income	83, 849 [*]	28, 000	-66. 6%
Income before income taxes	57, 055	30, 614	-46. 3%
Net income	46, 758	10, 523	-77. 5%

* Owing to the decision to start consolidating funds from FY2006 interim period, there was an extraordinary gain of 69,094 million yen from the amortization of negative goodwill. This gain represents the unrealized gains (negative goodwill) corresponding to the SBIH Group's interests in these funds at the high stock prices that prevailed on the fund consolidation record date (December 2005). All negative goodwill was amortized as stocks were sold during the fiscal year (transforming unrealized gains into actual gains).

Consolidated Quarterly Trend for FY06 and FY07

GROUP

FY2006

FY2007

(Unit: million yen)

	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Operating revenues	35,178	39,429	29,507	40,465	56,086	61,945	52,082
Operating income	10,746	-1,533	6,836	7,045	12,721	10,688	9,482
Ordinary income	71,136	6,880	5,831	6,847	12,190	8,747	7,062
Income before income taxes	44,408	7,205	5,441	4,986	16,242	8,832	5,538
Total income taxes	6,057	1,737	3,018	4,011	7,814	4,291	2,508
Minority interests in net income	▲269	-1,268	1,021	1,291	2,524	1,506	1,445
Net income	38,620	6,736	1,401	-316	5,903	3,034	1,584

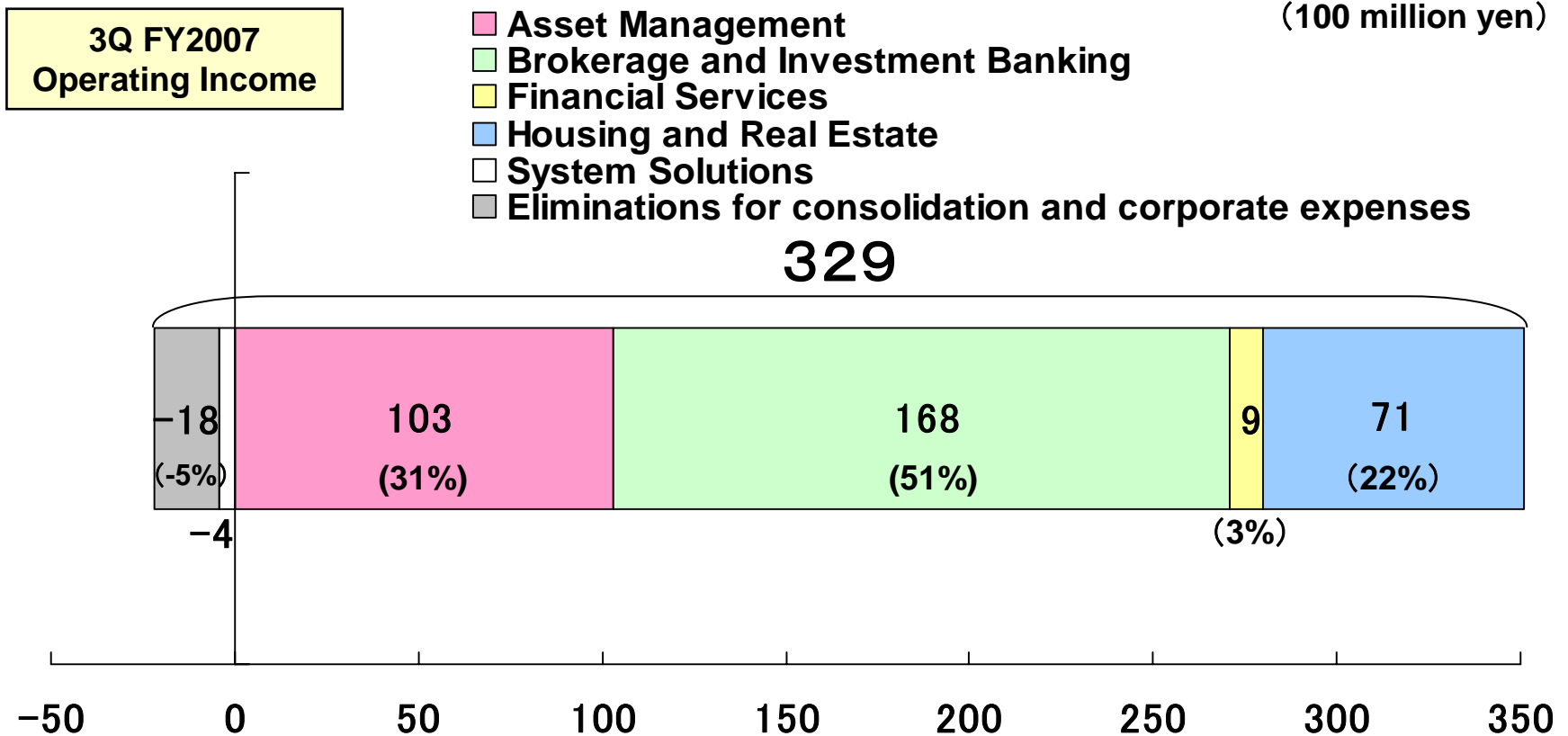
Note: Since SBI E*TRADE SECURITIES accounts for a large share of consolidated earnings, the large deduction of earnings for minority interests is one reason that net income is much lower than income before income taxes. In addition, the decision to start consolidating funds in FY3/07 had a further effect on minority interests, causing net income to be even smaller in relation to income before income taxes. However, since SBI E*TRADE SECURITIES is to become a wholly owned subsidiary of SBI Holdings, as was recently announced, minority interests at this company will no longer have an effect on net income. Inclusion of 100% of this company's earnings is expected to contribute to growth in consolidated net income.

Points of Concern for Consolidated Financial Performance



- ① Results of FY2006 include the amortization of **69.1 bil.** yen of negative goodwill associated with the start of fund consolidation, a loss on sales (extraordinary loss) of **31.9 bil.** yen associated with a book value adjustment of portfolio stocks of the newly consolidated funds, and other one-time items. This makes it difficult to compare these figures with the 3Q of FY2007.
- ② Beginning in FY2007, all funds classified as subsidiaries, irrespective of their importance, are included in the scope of consolidation. As a result, the consolidated financial statements include **18** consolidated funds as of the end of the Dec. 2007 (year-over-year decrease of **2** funds owing to redemption) .
- ③ Changed some business segments owing to growth and relativity with each business segment
 - Housing and Real Estate Business → Began reporting separately from the Asset Management Business
 - Lifestyle Networks Business → Transferred from the Financial Services Business to the Housing and Real Estate Business segment
 - System Solutions Business, a new business segment, was established

Comparison of Operating Income by Segment



*Operating results for the Housing and Real Estate Business are shown separately from the Asset Management Business beginning with FY2007.

*The Lifestyle Network Business has been transferred from the Financial Services Business to the Housing and Real Estate Business beginning with FY2007.

*SBI Robo was newly consolidated in 1H FY2007 and its operations are shown as the System Solutions Business.

*Amounts are rounded to the nearest ¥100 million.

Topics of 3Q FY2007 by Segment



(Asset Management Business)

- Substantial generation of earnings at New Horizon Fund
- Agreement to establish JV funds with Beijing University and Keio University
- Agreement to launch the Russia Fund in January 2008
- Regulatory approval received for Tsinghua University fund in China and India Fund in India (funds had been making investments using a Mauritius company)

(Brokerage & Investment Banking Business)

- Merger of SBI E*TRADE SECURITIES and SBI Securities
- Rapid growth of PTS business

(Financial Services Business)

- Full-scale launch of Internet bank and rapid growth in deposits
- Receipt of license for Internet non-life insurance company and application for preliminary examination for Internet life insurance company
- Establishment of a bricks-and-mortar network for insurance sales

(Housing and Real Estate Business)

- Rapid growth in earnings due to sales of development projects that have reached the stage of realizing gains
- Expansion of the real estate financial business

2. Summary of Major Business Lines

(1) Asset Management Business

First Three Quarters of FY2007

Operating revenues: 46.9 billion yen (+45% YoY)

Operating income: 10.3 billion yen (-3.4 bil. yen in 3Q of FY06)

Notes:

- 1. The above figures include the consolidation of funds.**
- 2. The above figures do not include eliminations for consolidation and the deduction of corporate expenses.**
- 3. Rounded to the nearest 100 million yen.**
- 4. Results of 3Q FY2006 were negative earnings due to the start of fund consolidation**

Highlights of Asset Management Business



- I. Even as other Japanese venture capital companies experienced a decline in earnings owing to adverse stock market conditions, SBI Holdings achieved earnings growth that was backed by the strong performance of its investments in Asia.**

- II. IPO/M&A deals in the first three quarters have already surpassed the number of deals completed for the entire previous fiscal year. However, weakness in the IPO market has caused some issues to be pushed back to FY3/09.**

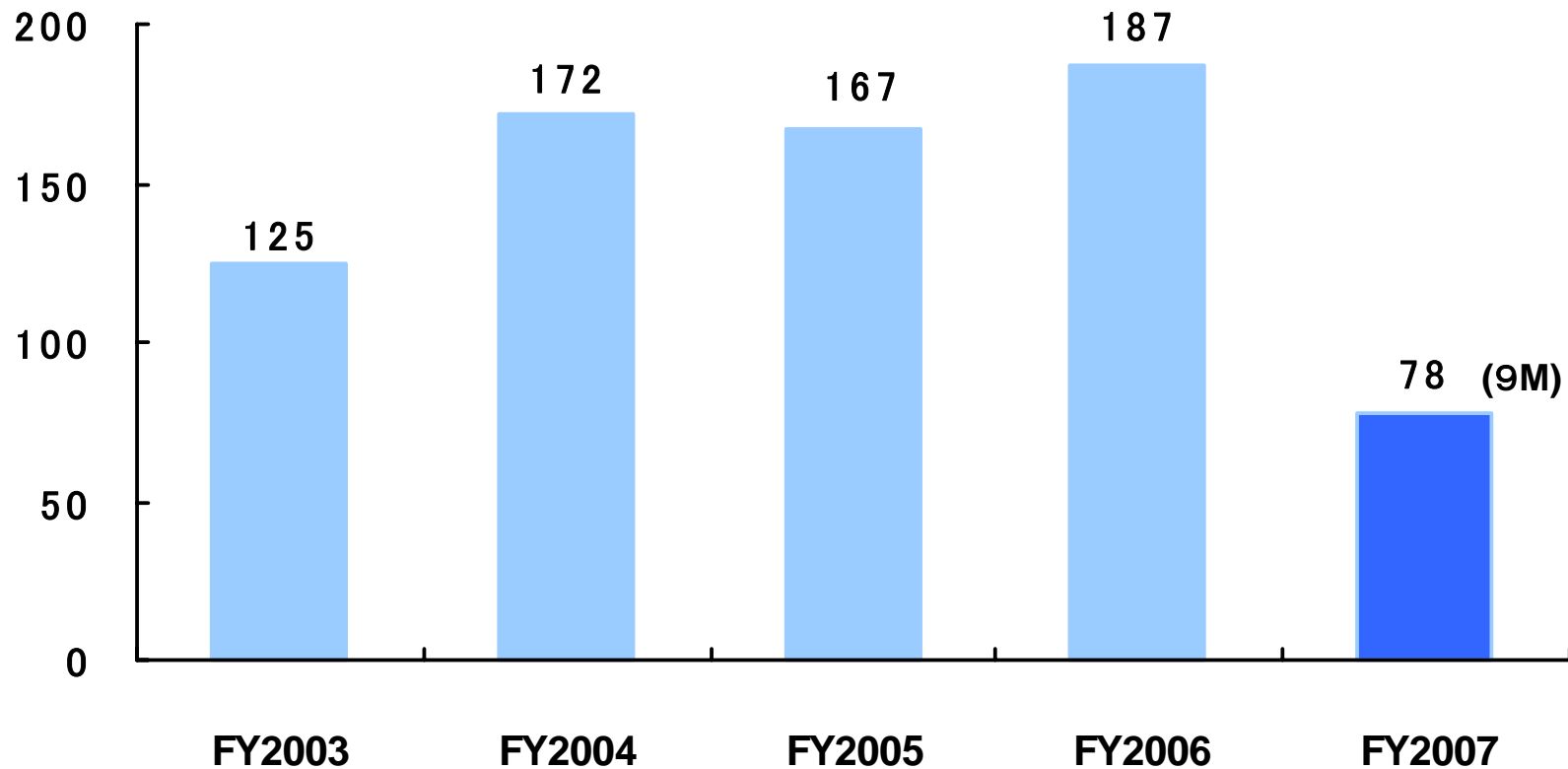
- III. Since bear markets present excellent opportunities to make investments, the company continued to make a substantial volume of new investments.**

Number of IPOs in Japan on a FY Basis



IPOs during FY2007 may be the lowest levels of the past 5 years

(Unit: companies)



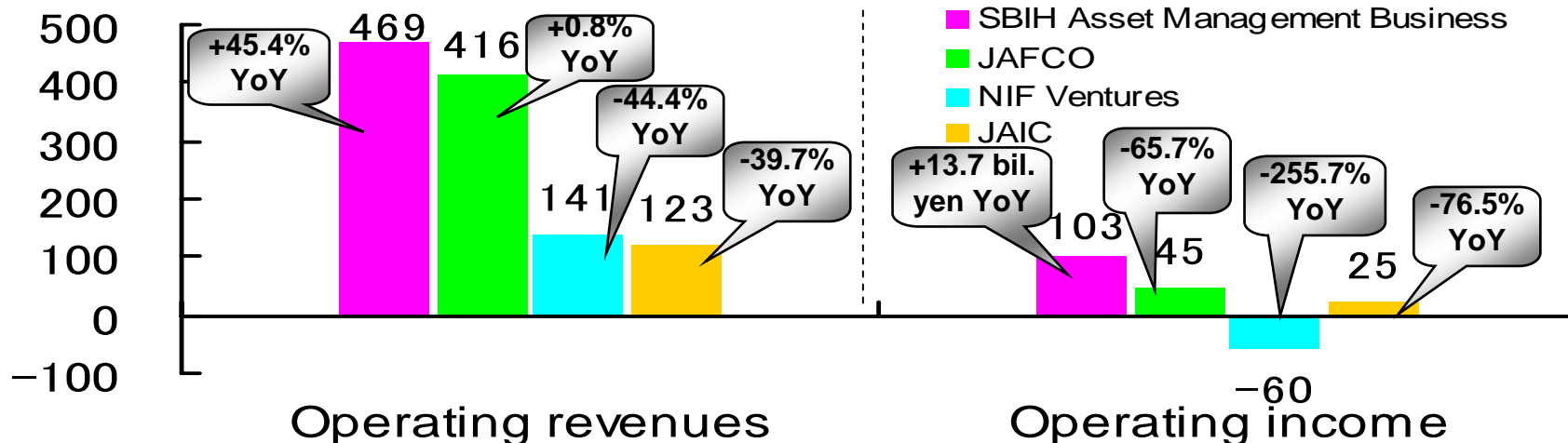
Source: Stock exchanges in Japan

Comparison of Major Venture Capital Company Performance

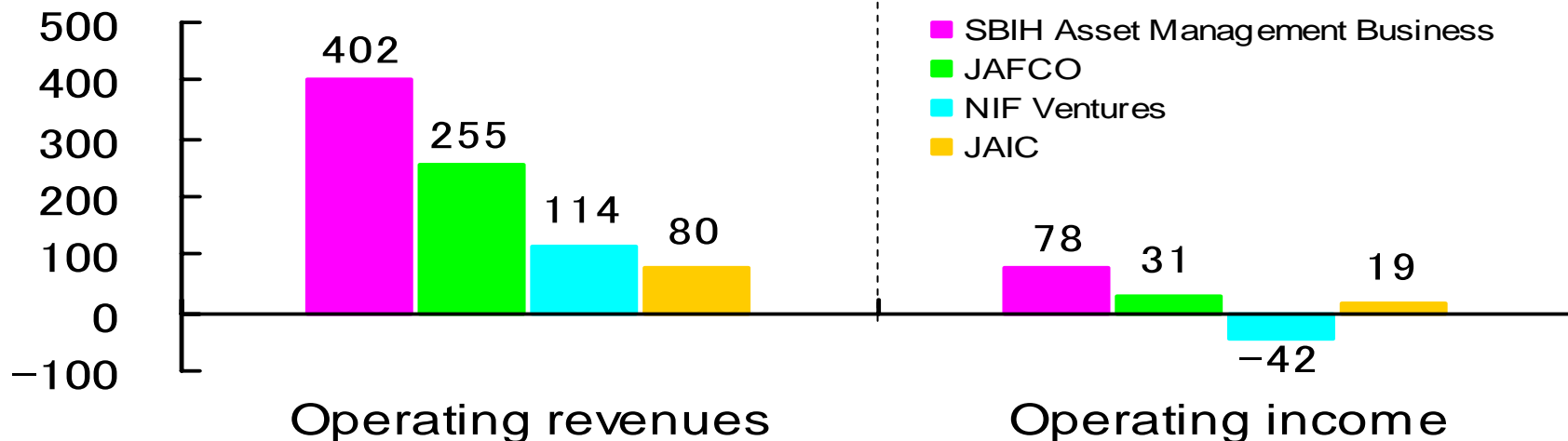


(100 million yen)

Comparison of FY2007/3Q (Apr. to Dec.)



Reference: FY2007/ 1H (Apr. to Sep.)



Note: Rounded to nearest 100 million yen

Source: Company materials

Performance of New Horizon Fund



Six of the 10 companies in the New Horizon Fund portfolio are now publicly owned companies since its launch in May 2005. Recorded a gain of **3.3 billion yen*** through sales of a portion of its portfolio.

*Gain reflects investment ratio of 50%, therefore the total gain for the fund is double the amount.

Also includes SBIH's parallel investment of its 400 million yen gain as a direct investment. (Unit: US\$ million)

Portfolio companies	Investment	Category	IPO (planned)	Projected earnings	
				End Mar.07	End Dec.07
Sichuan Meifeng Chemical Industry	14. 8	A-Class share		30. 5	65. 1
Changsha Zoomlion Heavy Industry Science & Technology Development	10. 2	A-Class share		35. 6	163. 6
China Printing &Dyeing Holding	3. 4	IPO		1. 0	1. 8
Yingli Green Energy Holding	1. 8	IPO		Pre-IPO	16. 3
Kingsoft	6. 6	IPO		Pre-IPO	11. 0
Goldwind Science and Technology	4. 1	IPO		Pre-IPO	168. 9
Cathay Industrial Biotech	12. 0	Pre-IPO	2008		(IRR 148%)
China Stem Cells Holdings	4. 1	Pre-IPO	2008		(IRR 57%)
Jiangsu Ealong Biotech	2. 5	Pre-IPO	2008		(IRR 84%)
Shineway Group	20. 4	Pre-IPO	2009		(IRR 34%)
TOTAL	79. 8				426. 7

[Estimated Dividend (tentative) :]

FY2008 US\$ 129 million (14.2 billion yen)

FY2009 US\$ 180 million (19.8 billion yen)

FY2010 US\$ 73 million (8.0 billion yen)

(Approx. 46.9 billion yen)

Total dividend US\$382 million (42.0 billion yen) (tentative)

IPOs and M&A Deals



10 portfolio companies have already completed an IPO or M&A as of the end of Dec. 2007, which surpassed the number of 10 IPOs for all of FY2006

	From start of operations to Mar. 2006	FY2006	First three quarters of FY2007 (Apr. to Dec.)
IPOs and M&A deals	89	10	11

At the start of FY2007, 22 portfolio companies were expected to be IPO'd during the fiscal year, but owing to current market conditions, seven of these companies now plan a FY2008 IPO.

- April 20: CareNet, Inc.
- May 22: Nippon Techno Lab., Inc.
- June 6: Trust Works Inc.
- June 8: Yingli Green Energy Holding Company Ltd.
- June 22: Infoteria Corporation
- Aug. 2: Full Speed Inc.
- Aug. 8: China Boqi Environmental Solutions Technology (Holding) Co., Ltd.
- Oct. 9: Kingsoft Corporation Ltd.
- Oct. 19: Naturum Corporation
- Dec. 6: WebMoney Corporation
- Dec. 26: Goldwind Science & Technology Co., Ltd

* The estimated number of IPOs represents companies in the highest of five categories used to evaluate portfolio companies by SBI's Investment Committee, which meets weekly. The IPO estimate represents the outlook of SBI based on its own evaluations and is not a guarantee of the number of future IPOs. Past performance represents sales that have been completed with regard to IPOs and M&A. 14

FY2007/3Q New Investment



Unit: million yen

(The number of investment companies)

	Amount of New Investment		
	3Q FY2007 (3M)	First three quarters of FY2007 (9M)	(Reference) FY2006 (full year)
[Funds' Investment]	21, 488 (35companies)	66, 672 (132 companies)	74, 517 (139 companies)
Breakdown: Stocks	7, 175 (26 companies)	29, 351 (77 companies)	46, 324 (79 companies)
Others (incl. bonds)	14, 313 (9 companies)	37, 321 (55 companies)	28, 192 (60 companies)
[Direct Investment]	—	3, 556 (29 companies)	42, 581 (13 companies)
Breakdown: Stocks	—	3, 556 (29 companies)	41, 231 (12 companies)
Others (incl. bonds)	—	—	1, 350 (1company)
[TOTAL]	^{*1} ^{*2} 21, 488 (35companies)	70, 228 (161companies)	117, 098 (152 companies)
[Reference: JAFCO]	6, 142 (30companies)	34, 635 (141companies)	60, 305 (316companies)

*1 Company disclosure materials

*2 Total amount of fund's investment and direct investment

Assets under Management of the SBIH Group

AUM of the SBIH Group amounted to 661.6 billion yen
(incl. Real estate and others)

Private equity total: 262.1 billion yen

[IT/Biotechnology] Total: 119.1

Internet	5.0
Broadband/Media	64.9
Mobile services	29.2
Biotech/Others	19.9

[Direct investment] 30.4

[Environment/Energy] 7.5

[Buyout/Mezzanine] Total: 34.8

Value Up	23.4
Mezzanine	11.4

[Overseas] Total: 70.3

China/ Hong Kong*1	59.3
India*2	11.0

[Investment trusts,others] Total: 365.5

Investment trusts	76.4
Investment advisory	285.9
Investment companies	3.3

[Real estate, others] Total: 34.0

Development	5.6
Completed properties	28.3

Figures for real estate investments and investment trusts and others are net assets at market value as of end Dec, 07. Figures for other funds are net assets at market value based on the most recent financial report for each fund as of end Dec, 07.

*1 Includes 3.3 billion yen (tentative) for Tsinghua Holdings fund now being established.

*2 Includes 11.5 billion yen (tentative) for India fund.

(2) Brokerage & Investment Banking Business

First three quarters of FY2007

Operating revenue 53.6 billion yen (+9% YoY)

Operating income 16.8 billion yen (-8% YoY)

Notes:

- 1. The above figures include the consolidation of funds.**
- 2. The above figures do not include eliminations for consolidation and the deduction of corporate expenses.**
- 3. Rounded to the nearest 100 million yen.**
- 4. Reduction of operating income was caused by 1.4 billion yen of amortization of goodwill in SBI Securities (before merger) and SBI E*TRADE Securities.**

Highlights of Brokerage & Investment Banking Business

For the first time in four quarters, daily retail trading value of the three major exchanges finished below one trillion yen at 949 billion yen (down 7% from the previous quarter). Despite the weakness of the stock market, SBI E*TRADE SECURITIES' consolidated operating income was reported at 18.6 billion yen (up 3.4% YoY), thanks in large part to the continued growth of its customer accounts, leading to its high market share even as a number of its competitors reported declining operating incomes on a YoY basis.

(1) Only SBI E*TRADE achieved YoY growth in stock brokerage trading value among the five major online securities companies

- Total number of customer accounts : Over 1.6 million accounts
- Retail trading value share was 37.1% in FY07 Q3 (three months), and retail margin trading value share was 41.5% in FY07 Q3 (three months); both shares are significantly higher than the previous period.

(2) Succeeded in diversifying sources of profits and stabilization of profits

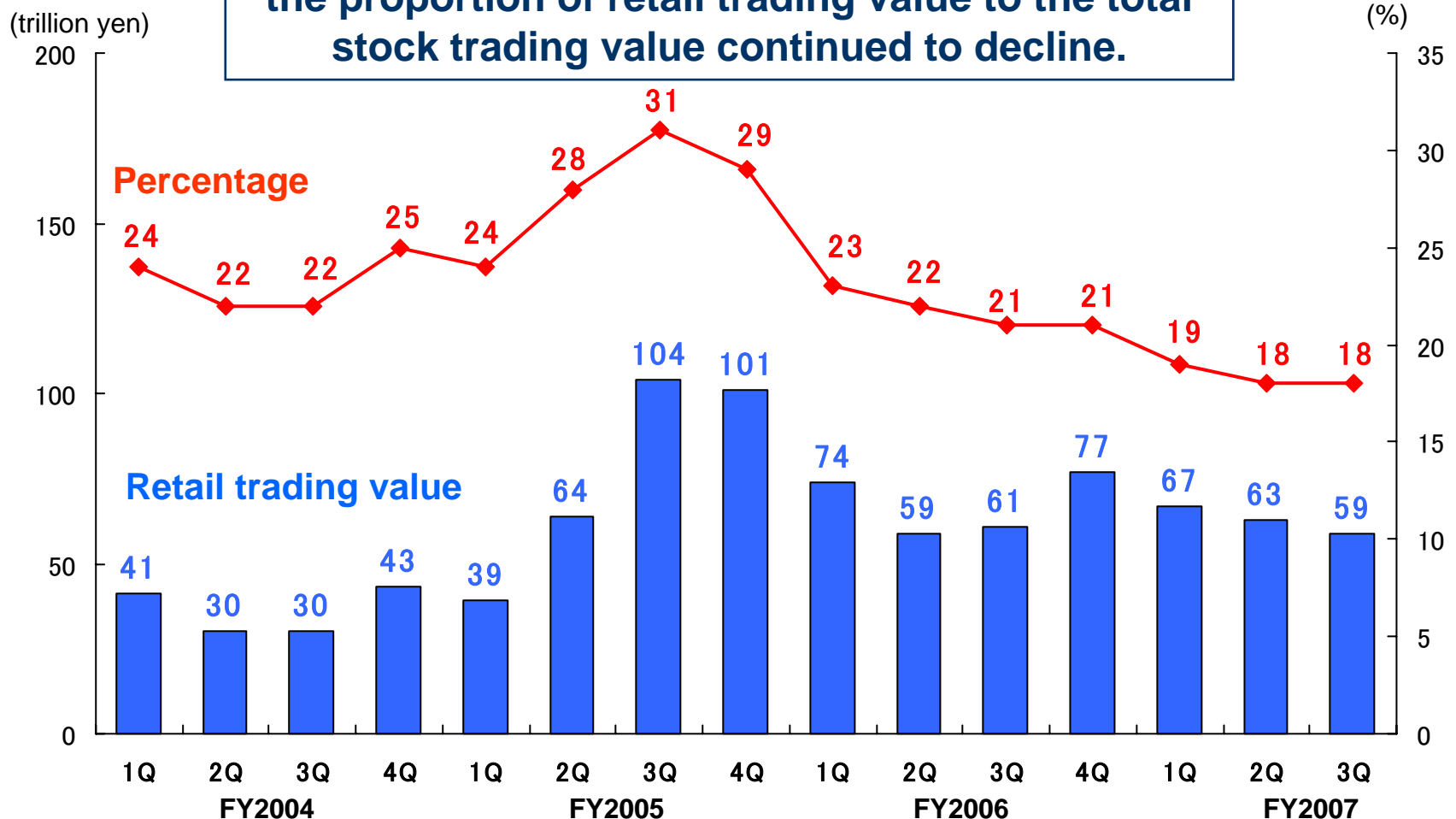
- Net financial revenues increased 31.3% YoY to 12.9 billion yen.
- The balance of investment trusts increased 56.0% to 328.3 billion yen from the previous quarter. Furthermore, quarterly trust fees of investment trusts increased.
- Number-one ranked among all Japanese securities companies in IPO underwriting with 45 issues.

(3) At E*TRADE Korea, operating revenue was up 67.0% YoY upon conversion to yen

Change in retail trading value and its percentage of the three major exchanges

(Apr. 2004 to Dec. 2007)

After FY2005 Q3 (“Livedoor shock” occurrence), the proportion of retail trading value to the total stock trading value continued to decline.



(Sources: Based on TSE)

SBI E*TRADE First Three Quarters Results (Consolidated)

SBI E*TRADE SECURITIES increased both revenues and earnings through expansion of sources of profits such as investment trusts and financial revenues

(million yen, %)

	First 3 quarters of FY06 (Apr. 2006 to Dec. 2006)	First 3 quarters of FY07 (Apr. 2007 to Dec. 2007)	YoY Change
Operating Revenues	42,311	49,784	+17.7
Net Operating Revenues	39,435	44,924	+13.9
Operating Income	18,015	18,624	+3.4
Ordinary Income	18,212	18,460	+1.4
Net Income	10,164	11,537	+13.5

Reserve of 0.91 billion yen for OHT shares was posted in first three quarters of FY2007.

SBI E*TRADE Quarterly Performance (Consolidated)



Achieved YoY revenue and earnings growth,
moreover revenue grew from previous quarter

(million yen, %)

	FY2006		FY2007			
	3Q (Oct. to Dec.)	4Q (Jan. to Mar.)	1Q (Apr. to Jun.)	2Q (Jul. to Sep.)	3Q (Oct. to Dec.)	YoY Change (%)
Operating Revenues	13,737	15,100	15,440	17,138	17,205	+25.3
Net Operating Revenues	12,642	13,861	14,115	15,133	15,675	+24.0
Operating Income	5,803	6,527	6,113	6,544	5,966	+2.8
Ordinary Income	5,744	6,358	6,112	6,426	5,921	+3.1
Net Income	3,191	3,646	3,221	4,113	4,202	+31.7

Reserve of 0.45 billion yen for OHT shares were posted in both Q3 and Q4 of FY2007. 21

Comparison of First Three Quarters of FY07 Consolidated Performance of Major Online Securities Companies

Owing to a substantially larger customer account base, high market share and favorable performance of E*TRADE Korea, YoY net income grew to expand its lead over its competitors.

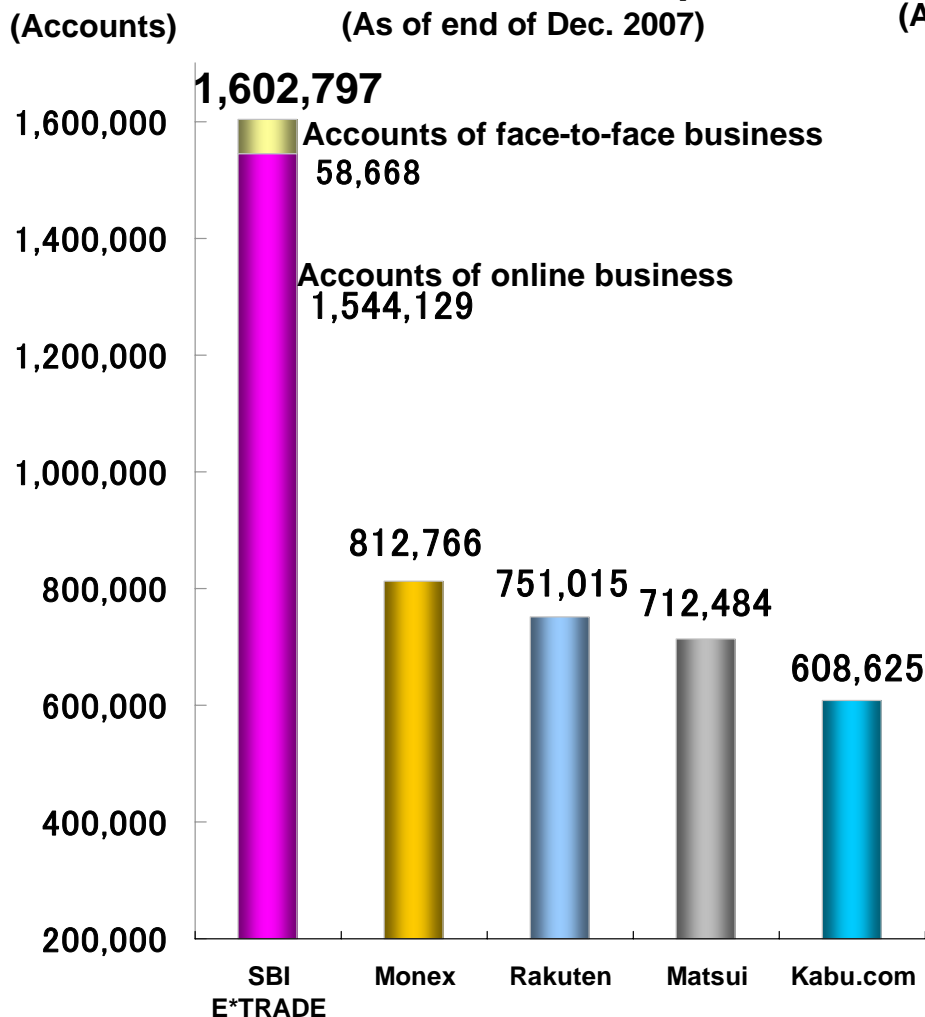
	First 3 quarters of FY07 Net Income (cons.) (million yen)	YoY (%)
SBI E*TRADE	11,537	+13.5
Rakuten	193	-96.1
Matsui	10,570	+11.9
Kabu.com (non-cons.)	4,794	+2.6
Monex	5,758	-19.2

(Source : Based on company materials)

Customer Account Comparison of Five Major Online Securities Companies

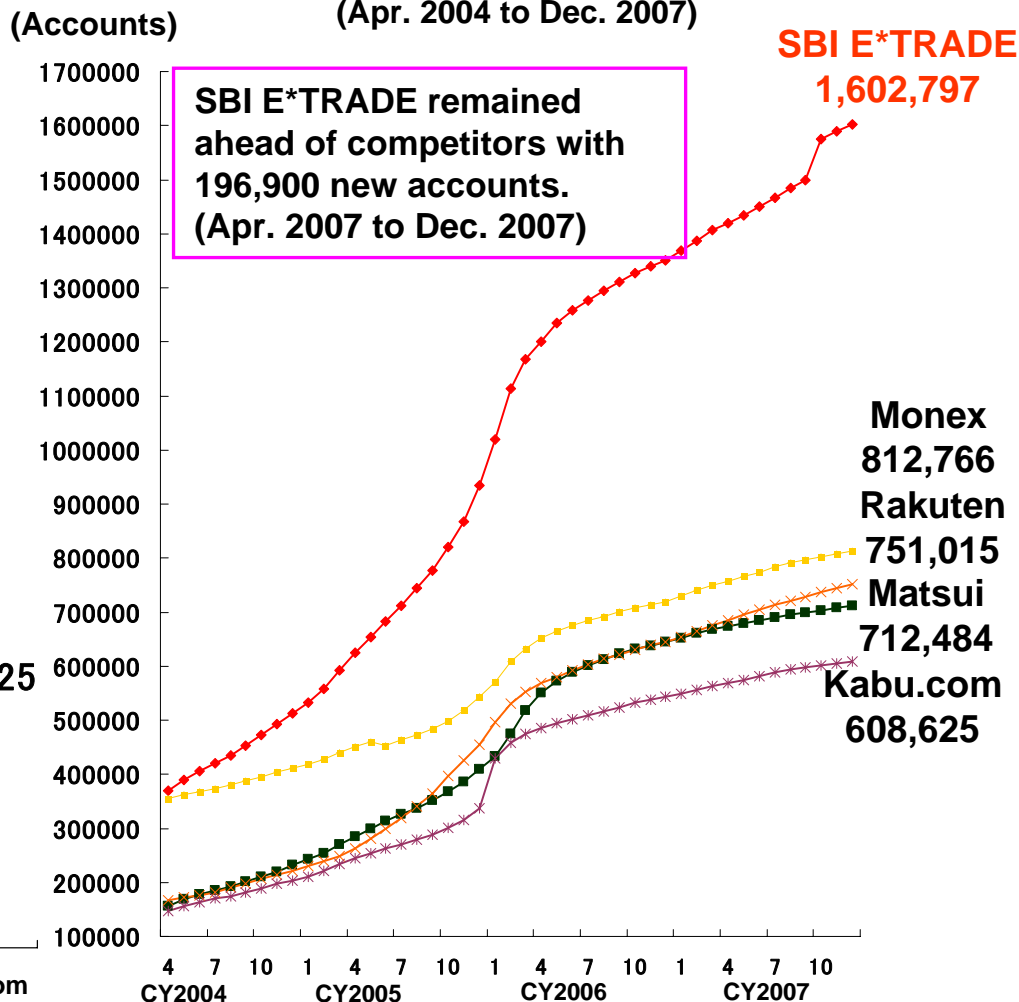
Customer accounts of 5 major online securities companies

(As of end of Dec. 2007)



Customer account trend of 5 major online securities companies

(Apr. 2004 to Dec. 2007)



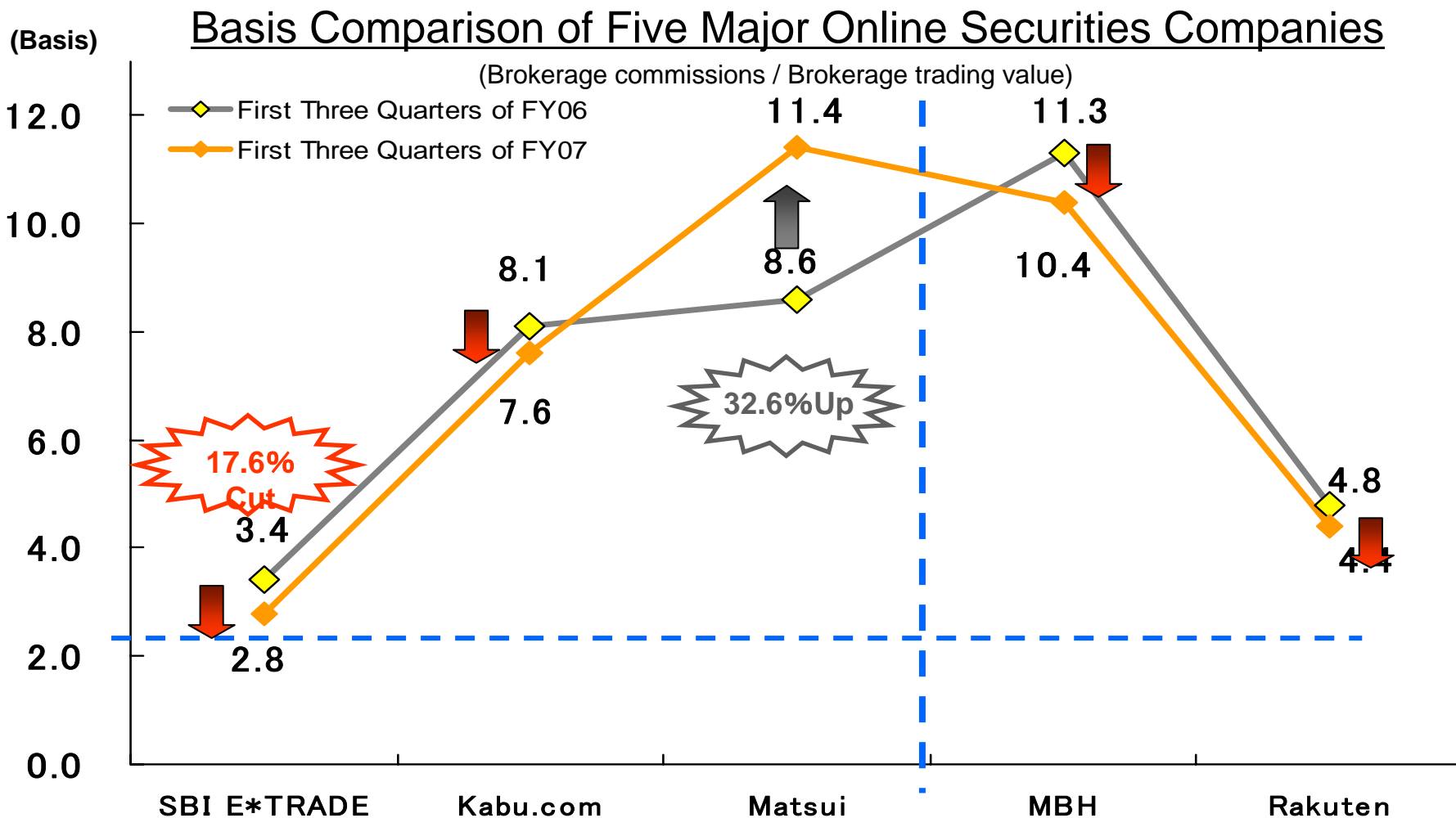
Note: Monex is the sum of Monex Securities and Nikko Beans.

Kabu.com Securities merged with MeNet Securities on January 1, 2006.

SBI E*TRADE Securities merged with SBI Securities on October 1, 2007.

Sources: Competitor figures based on available public information from sources such as various company home pages.

Basis Comparison of Major Online Securities Companies



Source: Based on company materials and monthly announcements.

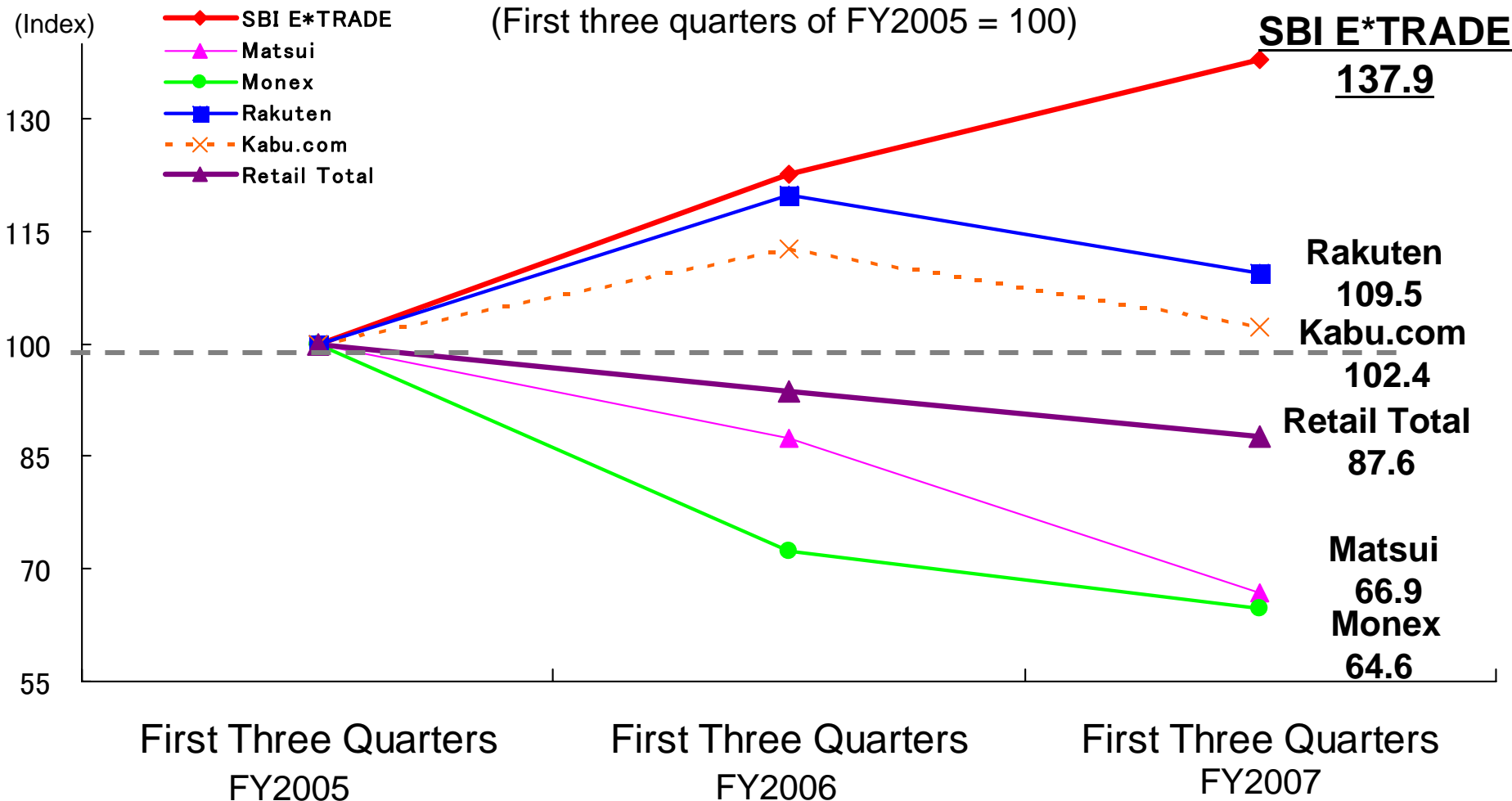
(Note) MBH is cumulative figures for April to December.

Cumulative figures for April to December Brokerage commissions use non-consolidated data.

Former SBI Securities' figures does not include in SBI E*TRADE.

Trend of Stock Brokerage Trading Value of Major Online Securities Companies

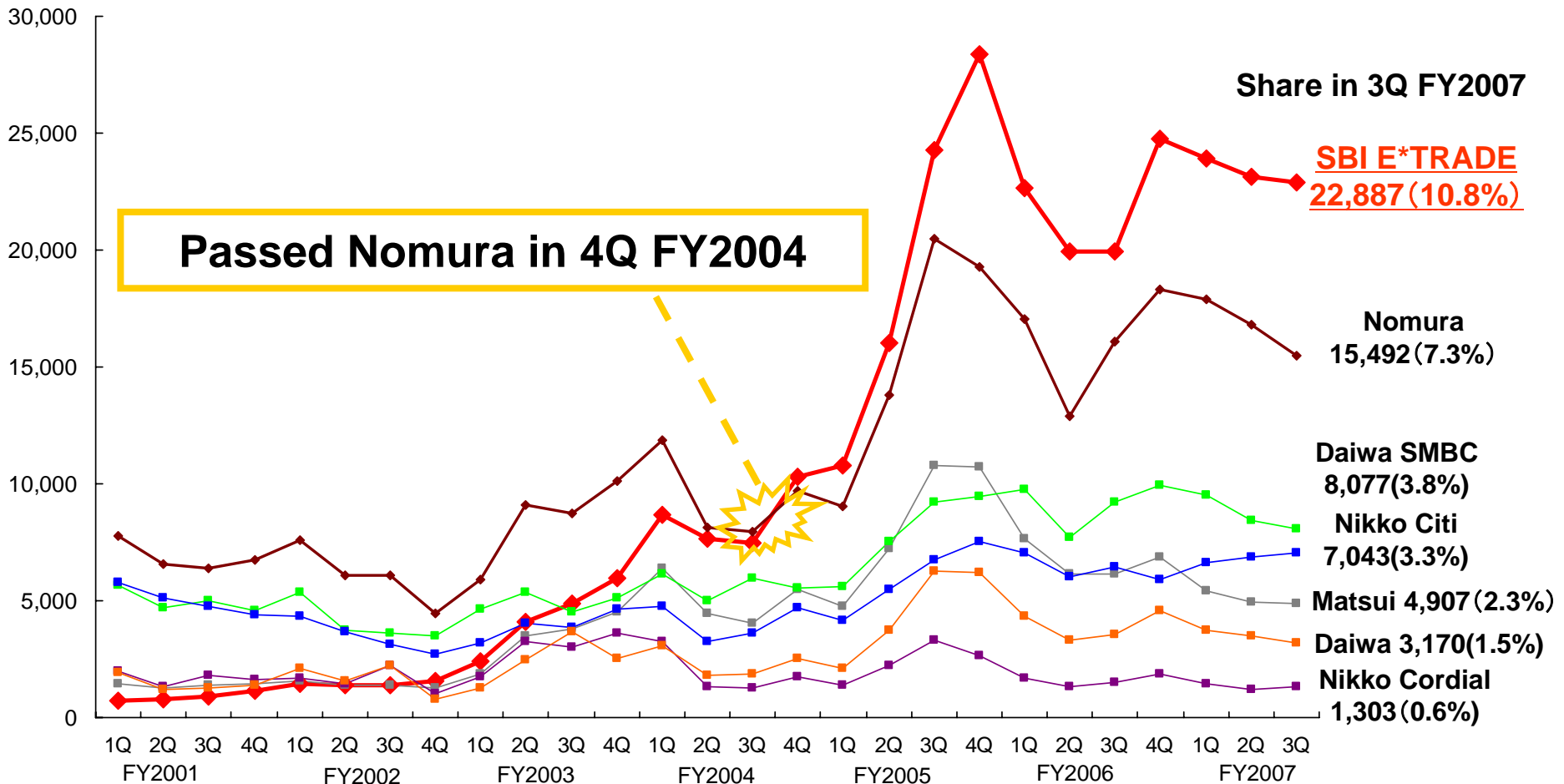
Trend of stock brokerage trading value of five major online securities companies



Source: Based on TSE, JASDAQ and company materials
 Individual brokerage trading value is the sum of trades on the three major exchanges and JASDAQ.
 Only online trading value is used at SBI E*TRADE's figure of FY2007.

Comparison of Stock Brokerage Trading Value with Big Three Securities Companies

Brokerage trading value for each company



Source: Based on TSE and company materials (E*TRADE includes orders from overseas investors)

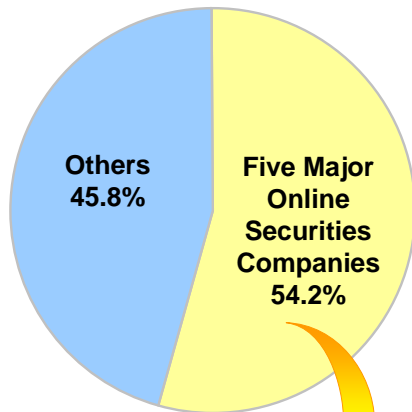
(Unit: billion yen; percentages based on brokerage trading value of three major exchanges)

Major Online Securities' Companies Market Share of Retail Trading Value

Share of SBI E*TRADE in 3Q FY07 surpassed total share of other four major online securities companies.

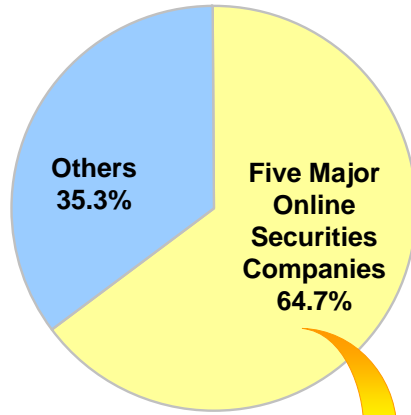
Change in share of retail trading value

3Q FY2005
(Oct. to Dec. 2005)



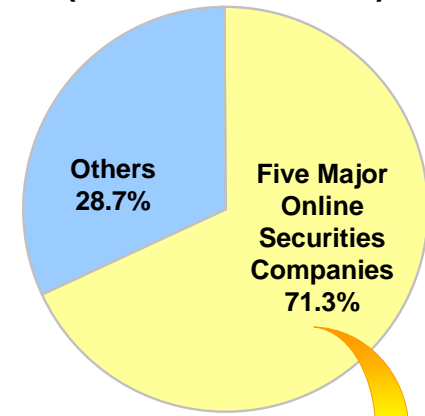
SBI E*TRADE	21.3%
Rakuten	10.3
Matsui	9.7
Monex	8.2
Kabu.com	4.8

3Q FY2006
(Oct. to Dec. 2006)



SBI E*TRADE	29.9%
Rakuten	13.4
Matsui	9.4
Monex	6.2
Kabu.com	5.8

3Q FY2007
(Oct. to Dec. 2007)



SBI E*TRADE	37.1%
Rakuten	13.7
Matsui	8.0
Monex	6.6
Kabu.com	5.9

Source: Based on TSE, JASDAQ and company materials

* Individual brokerage trading value is the sum of trades on the three major exchanges and JASDAQ.

Monex is the sum of Monex Securities and Nikko Beans.

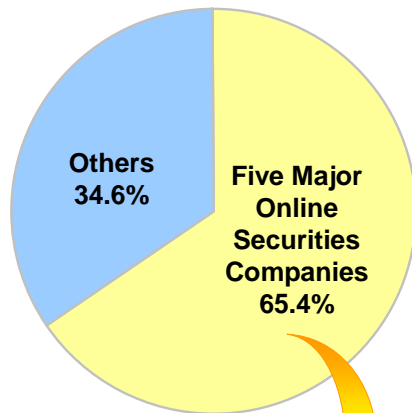
Kabu.com Securities merged with MeNet Securities on January 1, 2006.

SBI E*TRADE Securities merged with SBI Securities on October 1, 2007.

Major Online Securities Companies' Market Share of Retail Margin Trading Value

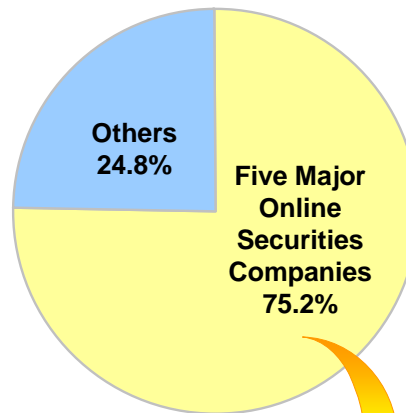
Change in share of retail margin trading value

3Q FY2005
(Oct. to Dec. 2005)



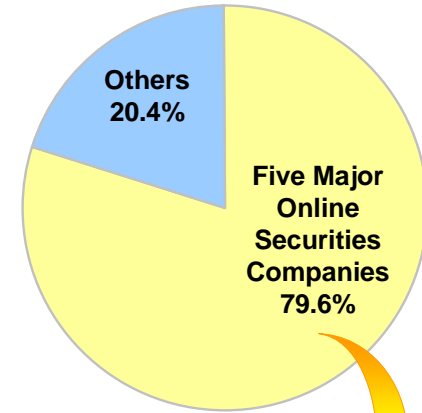
SBI E*TRADE	24.9%
Matsui	13.8
Rakuten	11.9
Monex	8.7
Kabu.com	6.1

3Q FY2006
(Oct. to Dec. 2006)



SBI E*TRADE	35.5%
Rakuten	14.9
Matsui	12.0
Kabu.com	7.0
Monex	5.9

3Q FY2007
(Oct. to Dec. 2007)



SBI E*TRADE	41.5%
Rakuten	15.7
Matsui	9.2
Monex	6.8
Kabu.com	6.5

Source: Based on TSE, JASDAQ and company materials

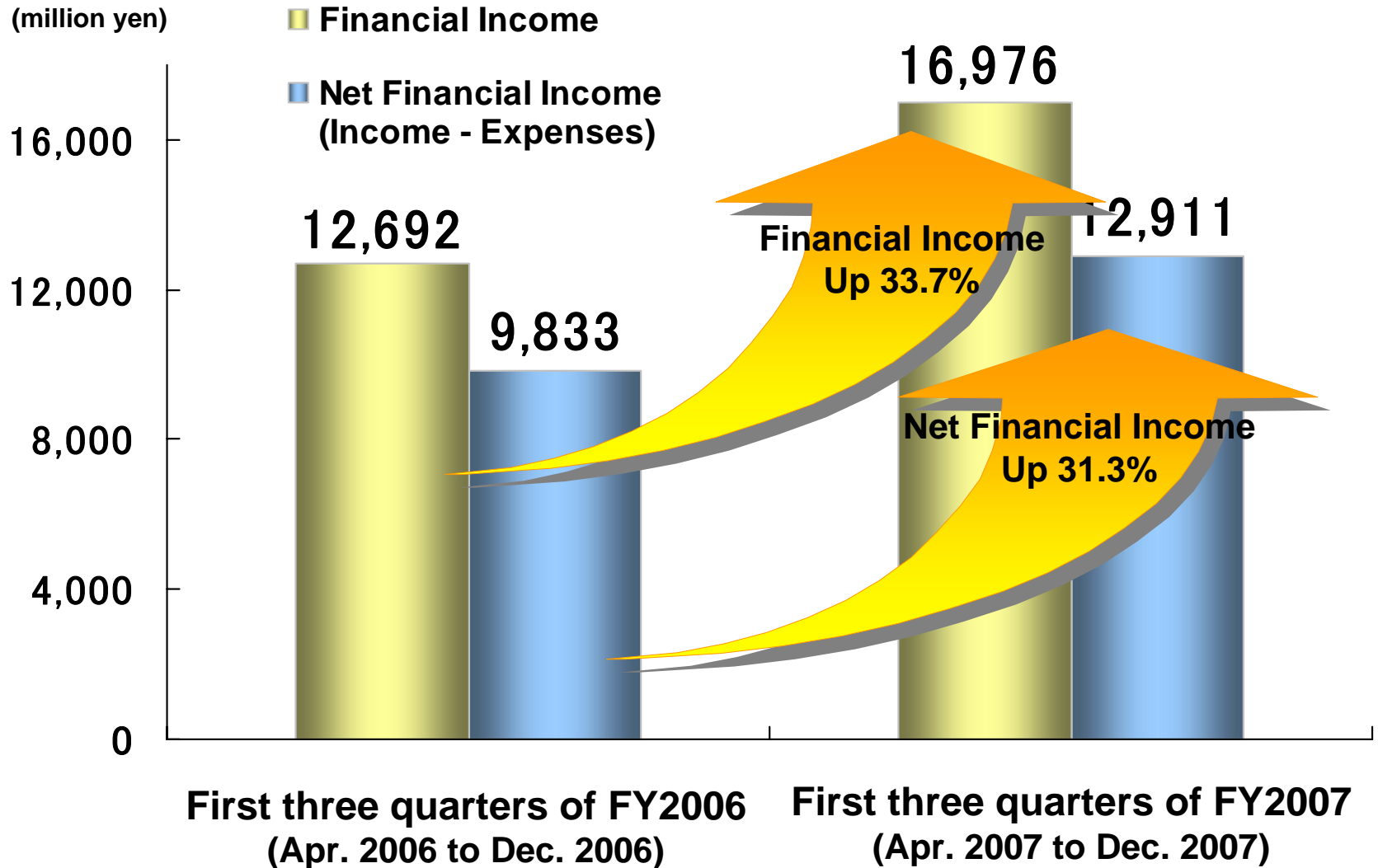
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Financial Income (Consolidated)

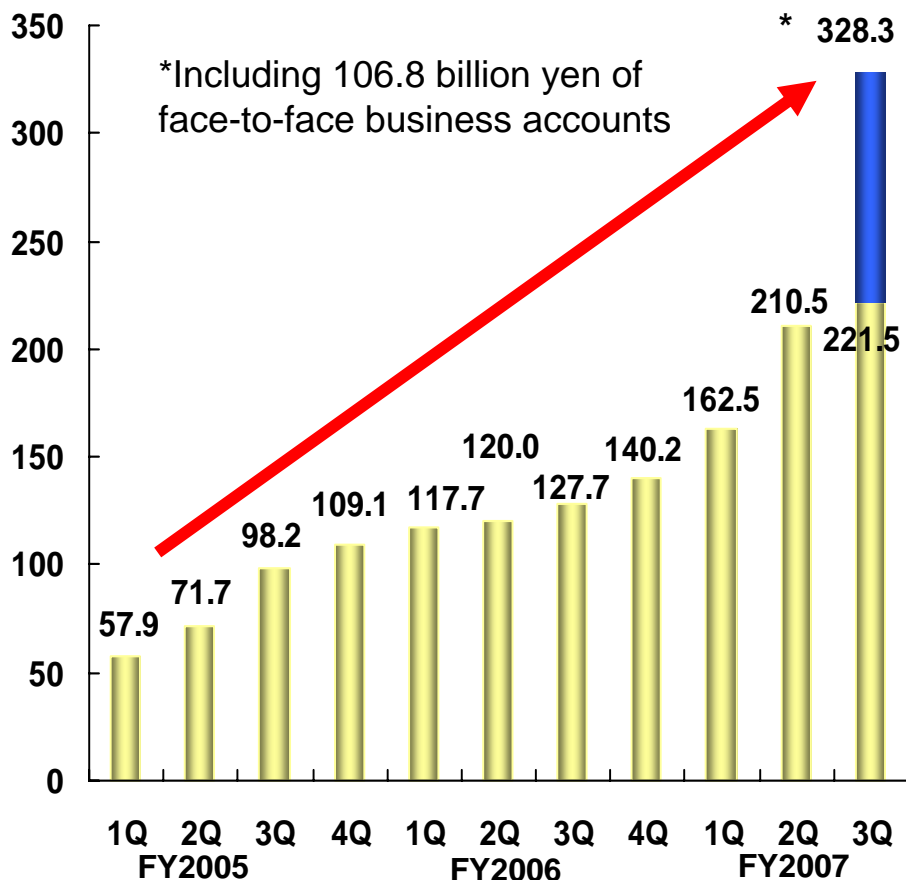


Balance of Investment Trusts and Quarterly Trust Fees of Investment Trusts

Balance of investment trusts and quarterly trust fees of investment trusts are increasing due to increase of products and merger with SBI Securities

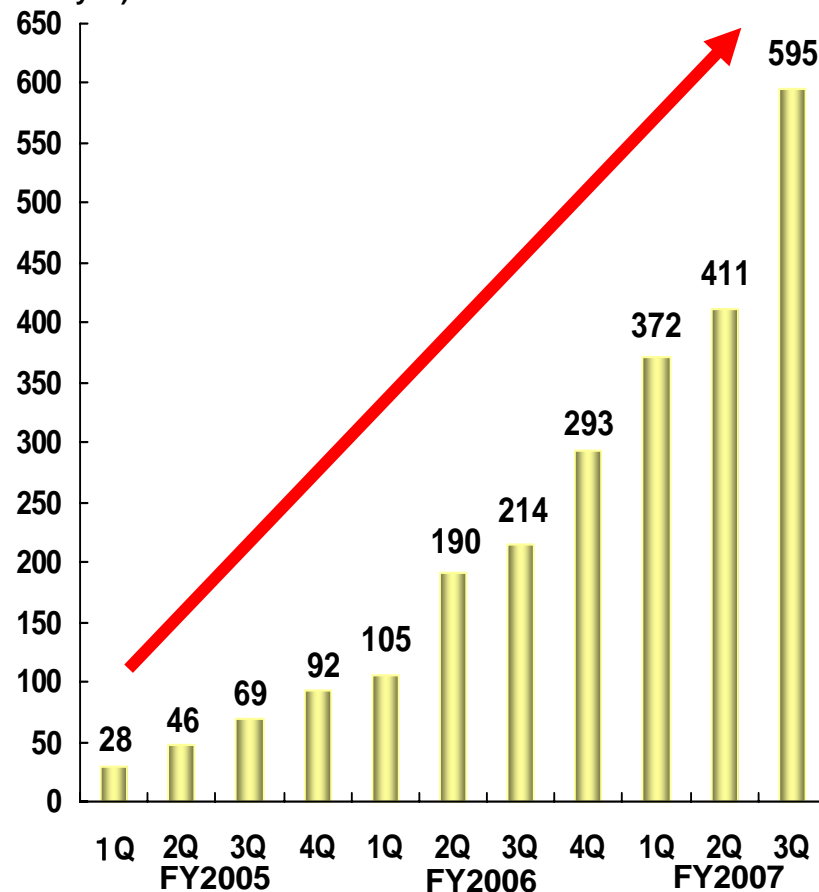
Change in balance of investment trusts as of each quarter end

(billion yen)



Growth of quarterly trust fees of investment trusts

(million yen)



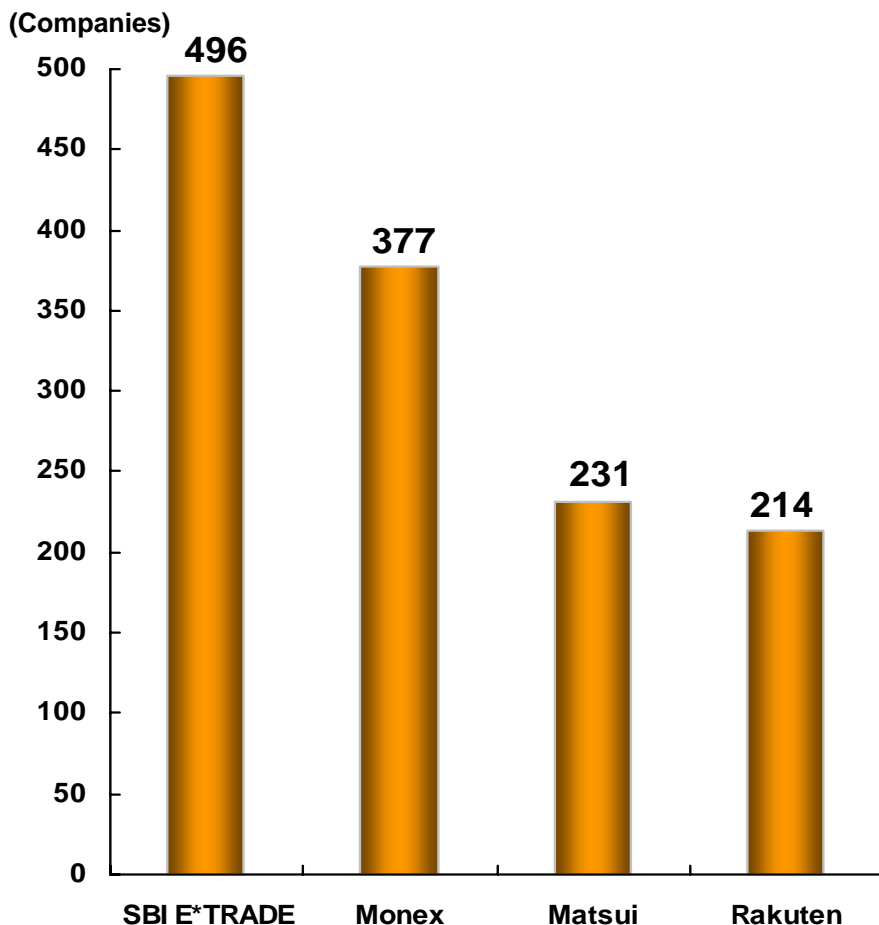
*Includes MMF, Medium-term Government Securities Fund and the balance of face-to-face business accounts

*Includes MMF, MRF, Medium-term Government Securities Fund and the balance of face-to-face business accounts

*Trust fees are included in "other commissions received".

IPO Underwriting

Four Major Online Securities Companies' Accumulated Underwriting Performance



Source: Based on company materials. From the start of trading operations of each of the online securities companies to the end of Sept. 2007. Figures do not include agency transaction and real estate investment trust.

IPO Underwriting Ranking

(Apr. 2007 to Dec. 2007)

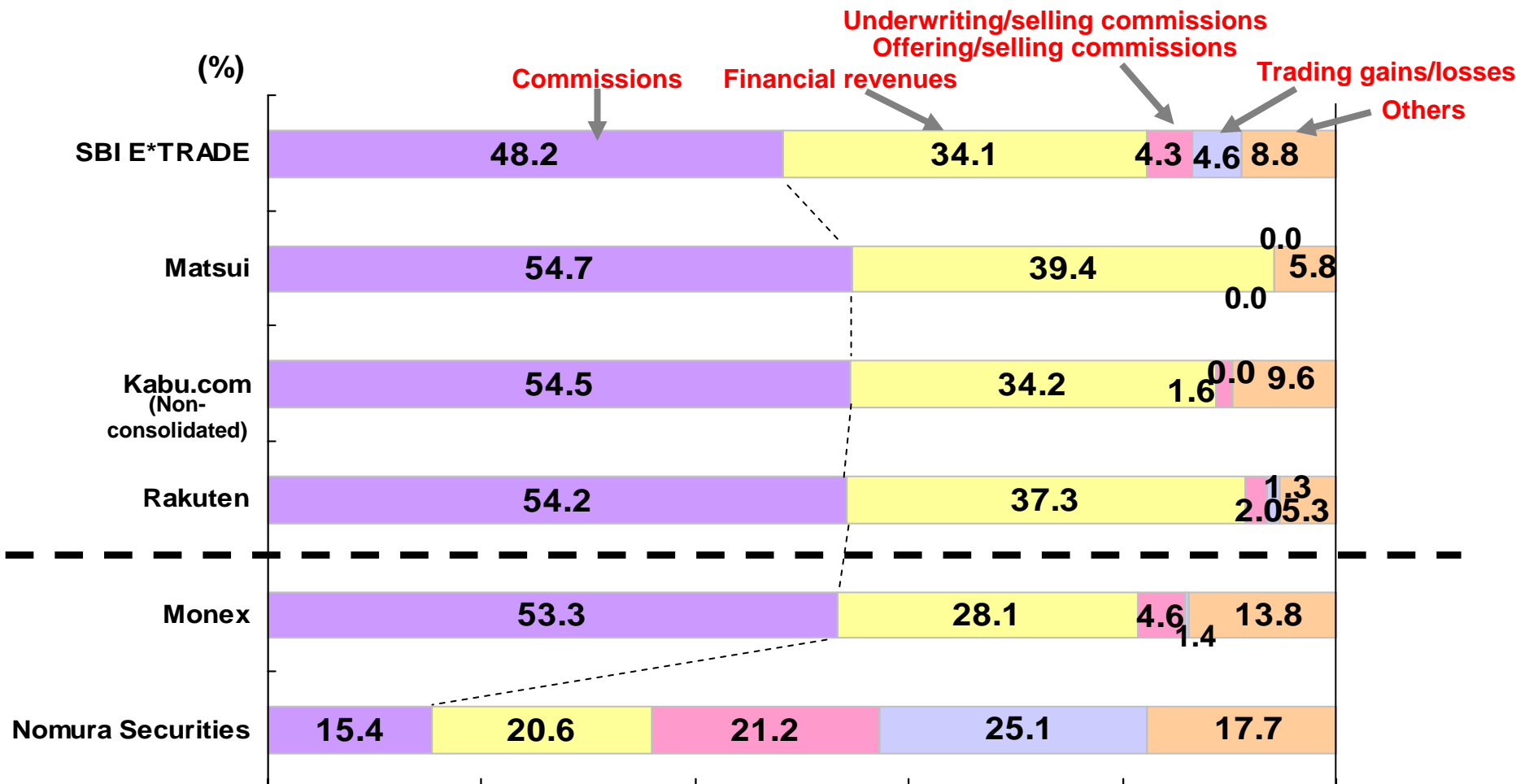
Number one ranked among all securities companies

Rank	Securities companies	Under-writings	Participation Ratio(%)
<u>1</u>	<u>SBI E*TRADE SECURITIES</u>	<u>45</u>	<u>57.7</u>
1	Nomura Securities	45	57.7
3	Mitsubishi UFJ Securities	44	56.4
4	Daiwa Securities SMBC	43	55.1
5	Shinko Securities	42	53.8
6	Mizuho Investors Securities	29	37.2
6	Monex Securities	29	37.2

Note: The data was obtained, to the extent possible, from public documents by SBI. Data was collected from Apr. 2007 until Sep. 2007 for domestic underwriting of 78 companies (listing date base) undergoing an IPO, not including secondary offerings

Establish a Consistently Profitable Operating Structure

Composition of consolidated operating revenues in 3Q FY2007



Note: Monex and Nomura Securities are figures for interim of FY2007

Source: Company web sites and earnings releases (Nomura Securities figures based on Japanese standards)

E*TRADE Korea Co.,Ltd.

First Three Quarters Results

<Yen Base>

(million yen, %)

	First 3 quarters of FY06 (Apr. 2006 to Dec. 2006)	First 3 quarters of FY07 (Apr. 2007 to Dec. 2007)	YoY Change
Operating Revenues	4,283	7,153	+67.0
Net Operating Revenues	4,030	6,504	+61.4
Operating Income	1,107	2,478	+123.8
Ordinary Income	1,114	2,487	+123.3
Net Income	776	1,717	+121.4

Note: Converted from won to yen using average exchange rate for operating results.

E*TRADE Korea Co.,Ltd.

First Three Quarters Results

<Korean Won Base>

(million won, %)

	First 3 quarters of FY06 (Apr. 2006 to Dec. 2006)	First 3 quarters of FY07 (Apr. 2007 to Dec. 2007)	YoY Change
Operating Revenues	34,711	56,211	+61.9
Net Operating Revenues	32,656	51,115	+56.5
Operating Income	8,970	19,437	+116.7
Ordinary Income	9,026	19,517	+116.2
Net Income	6,294	13,489	+114.3

[Progress Report of New Businesses Related to Brokerage and Investment Banking]

(1) SBI Japannext Securities (PTS)

(Started Operation on August 27, 2007)

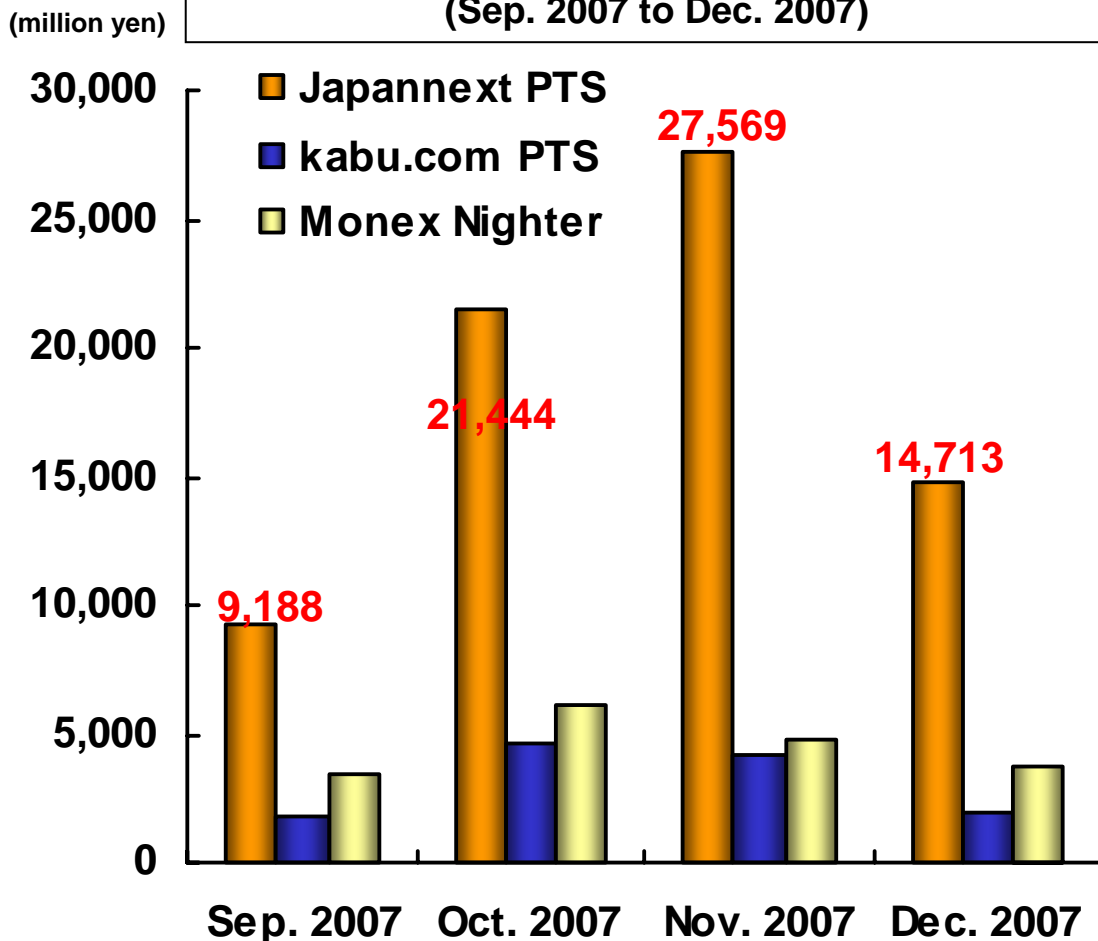
Japannext PTS : Change in Trading Value



Already has much higher volume than the two PTS markets that have been operating longer

(Started operation on Aug. 27, 2007)

Comparison of monthly trading value with others (Sep. 2007 to Dec. 2007)



Average daily trading value

Month	(million yen)
Sep. (18 business days)	510
Oct. (22 business days)	974
Nov. (21 business days)	1,312
Dec. (18 business days)	817
Jan. (to Jan. 28, 15 business days)	1,063

Trading value record high of 2.6 billion yen on Jan. 22

Source: Based on companies' materials

Note: Figures are single count (purchases and sales not counted separately)

Measures to Increase Volume for After-market Trading

<Upcoming initiatives>

Extended trading hours

Create investment opportunities by extending the overlap with U.S. market trading hours

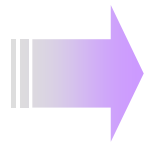
1st Session (19:00-23:59) ··· Current trading hours

2nd Session (24:30-26:00) ··· Preparing to extend trading hours by end of Mar. 2008

Furthermore, to extend daytime trading hours, detailed plans for systems and operations preparations are in place.

Increase participation among securities companies

- Rakuten Securities will start trading in Mar. 2008
- ORIX Securities is preparing to start trading in the first half of FY2008.



Tie-up with Technobahn, news agency specializing in financial information, to seek greater convenience for investors by offering market information of Japannext PTS in the website



SBI E*TRADE's PTS business is profitable owing to its substantial trading volume

(2) SBI Fund Bank (Started Operations on November 14, 2007)

Presentment based on Financial Instruments and Exchange Law requirement

Name: SBI Fund Bank, Financial Products Broker

Registration number: Kanto Regional Finance Bureau (Kinchu) No. 324

Affiliated Financial Products Trader

Name: SBI E*TRADE SECURITIES, Financial Products Trader

Registration number: Kanto Regional Finance Bureau (Kinsho) No. 44

Memberships: Japan Securities Dealers Association, The Financial Futures Association of Japan

<Fees and commissions of "SBI Asset Design Open Fund">

Application Fee: Nothing

Trust Asset Retention Amount: 0.15% of the unit price upon next business day of registration day of redemption

Trust Fee: 0.714% (0.68% after taxed) of the net assets

Other Fees: Audit fees, commissions regarding securities transactions, taxes, fees regarding futures and options transactions, custody fees for incorporated assets, taxes for investment trust assets, clerical costs for trusts and interests for advances by trustee will be charged. These fees will be changed regarding the condition of investment, rate or maximum amount of these fees are not subjected in advance.

<Risk information concerning investment trusts>

○Investment trusts purchase mainly stocks, corporate and government bonds and other securities with price volatility. Since the principal is not guaranteed, the price of each investment unit will fluctuate along with changes in market prices, exchange rates and other items on markets associated with trust assets. Consequently, the value of an investment trust investment may fall below a customer's initial investment.

○Investment trusts differ depending on the type of assets held, investment limits, markets and countries used for investments, and other factors. Since each trust has a different risk profile, investors are urged to read the prospectus and contract before signing.

Principal services provided by SBI Fund Bank

Distribute points to investors, thereby reducing sales commissions and trust fees

1. Distribute a meaningful number of points against “sales commissions” and “trust fees”

- Sales commissions: Distribute points worth 50% of sales commissions when making an investment
- Trust fees: Distribute points worth 20% of fees which sales companies receive (*1)



For customers who accumulate a significant number of points, expand products and services which can be exchanged

(For example, a travel service which accommodates reservations for inns at hot springs or major hotels in Japan)

2. Planning to offer a diversified worldwide fund covering six categories assets, with **Japan’s lowest level of fund expenses** (*2)

- Opening Project “SBI Asset Design Open Fund (Sugo 6)”
- Six index funds to be offered with Japan’s lowest level of fund expenses

3. Providing transparency for customers’ expenses by using original indices, “Zero-return principal” and “Cost ratio”

*1: Except below 0.9% for trust fees (before tax)

*2: Investigated by Sumishin Asset Management

A Diversified Worldwide Investment Fund with the Lowest Expense Ratio in Japan



募集手数料: 0円 信託報酬: 年率 0.68% (税込0.714%)

SBI資産設計オープン (愛称: スゴ6)

資産成長型 分配型 国内外の株式・債券・REITの6資産に分散投資

2008年1月9日 ~ 継続募集中

開業記念
企画商品

“SBI Asset Design Open Fund” (“Sugo 6”)

- A no-load fund that also has low trust fees
- Two types of funds: growth and income

- Diversifies investments worldwide over six categories that include bonds, stocks and REITs

NEW!

Six index funds will be offered from January 31, 2008

< Cost comparison of worldwide diversified funds investing mainly in stocks, bonds and REITs >

- “Sugo 6” zero-return principal (one year) is 99.14, the lowest cost level in the industry

Fund (Index)	Zero-return principal		Expense ratio		Sales commissions (incl. tax)	Trust fees (incl. tax)	Trust assets Amount withheld(%)	Net assets (million yen)
	1Y	5Y	1Y	5Y				
SBI Asset Design Open (“Sugo 6”)	99.14	96.35	0.86	0.74	0	0.714	0.15	N/A
Fund A	98.71	95.04	1.29	1.01	0	0.997	0.30	9,981
Fund B	97.45	94.66	2.55	1.09	1,575	0.724	0.30	438,069
Fund C	95.79	92.05	4.21	1.64	3,150	0.997	0.20	1,251,794

“Zero Return Principal” Attracts Growing Interest as a Metric for Comparing Investment Trust Expenses



Comparison of investment trust expenses using zero return principal

Quote from article:
Returns will change significantly because of market conditions, but there will be no change in expenses incurred by funds.

Expenses can be compared easily by using the “cost calculator”

The SBI Fund Bank service website provides a service called the “cost calculator” that allows determining the Zero Return Principal

Rapid growth in visits to this website for a specific purpose, such as comparing the expenses of different investment trusts

A. 主な資産分散型投信のゼロリターン元本(運用成果がなかった場合の元本)

名称	販売手数料(年6回)(%)	信託報酬(年率)(%)	信託報酬(年率)(%)	ゼロリターン元本	運用成果(%)
マイストリー分散型(年6回)(野村)	2.1	※1.5±0.15	0.25	98.24	過去1年 ▲7.6 過去3年 ▲6.9
制度3分法ファンド毎月分配型(日興)	1.575	※0.9975	0.3	97.18	過去1年 ▲19.4 過去3年 ▲2.8
日興スリープ(隔月分配型)(日興)	3.15	※1.3995	0	95.6	過去1年 ▲12.8 過去3年 ▲17.9
GW7つの卵(日興)	2.1	1.89	0	96.11	過去1年 ▲12.8 過去3年 ▲17.9
野村世界6資産分散投信(分配)(野村)	1.575	0.7245	0.3	97.45	過去1年 ▲4.3 過去3年 ▲1.7
LM-グローバル・プラス(レタスマイソ)	2.625	1.26	0	96.22	過去1年 ▲4.1 過去3年 ▲17.7
バランスインカムOP(毎月決算型)(三菱UFJ)	1.575	1.26	0	97.22	過去1年 ▲4.9 過去3年 ▲19.1
ノムラ・オールインワン・ファンド(野村)	3.15	※1.9±0.1	0.25	94.88	過去1年 ▲10.5 過去3年 ▲11.5

B. 主な新興国型投信のゼロリターン元本

名称	販売手数料(%)	信託報酬(年率)(%)	信託報酬(年率)(%)	ゼロリターン元本	運用成果(%)
アジア配当株投信(野村)	3.15	1.155	0.3	95.55	過去1年 ▲2.3 過去3年 ▲1.7
PCAインド株式オープン(PCA)	3.15	※1.88835	0.3	94.85	過去1年 ▲40.1 過去3年 ▲176.3
HSBCインドオープン(HSBC)	3.15	2.1	0	94.93	過去1年 ▲36.7 過去3年 ▲201.8
アジア配当株ファンド(大和証券)	3.15	1.428	0	95.57	過去1年 ▲90.27 過去3年 ▲1.7
野村インド株投資(野村)	3.15	2.1	0.5	94.46	過去1年 ▲59.3 過去3年 ▲1.7
日興BRICs株式ファンド(日興)	3.15	※1.9915	0.5	94.56	過去1年 ▲87.32 過去3年 ▲1.7

(注) ※はファンド・オブ・ファンズで投資先ファンドの信託報酬を念のため実質ベース(上乗率に輪がある場合は中心率)で計算。販売手数料は原則的に「社団法人投資信託協会ホームページ」の手数料一覧から最も安い販売会社を採用。購入金額に応じた額引など実際はこれより安く出く場合がある。騰落率は1月17日が基準。▲はマイナス。―は運用期間が短いので算出できず。

運用成績との比較が重要に

米国の信用力の低い個人向け住宅債(サブプライムローン)問題などで株式市場が急落。個々の一部は動きが小さくはるかに運用成績が低く、株価が比較的高い新興国投信の運用成績を比較している。また、こうした投信にはコストが高いものも多く、注意が必要。

下落率は小幅
「下落は残念だが...」と干渉係の男性(78)は複雑な表情。二〇〇六年の暮れ、友人の薦めで資産分散型投信を購入し、それ以降「割れ下落」だが、「日本株市場の急落度合いはさまじく」

実際、主な資産分散型投信は過去一年の下落率(A)はほぼ一割割れ、分散投資の結果、値動きが小さくなるから、同様に新興国投信も、足元は一新国投信が先週国株式に比べ高い取

相場急落時の投信選び
コストをどう判断?

下落率は小幅
「下落は残念だが...」と干渉係の男性(78)は複雑な表情。二〇〇六年の暮れ、友人の薦めで資産分散型投信を購入し、それ以降「割れ下落」だが、「日本株市場の急落度合いはさまじく」

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長期保有なら 信託報酬カギ

「コストが低ければいい」という考えは、運用成績が低く、コストが高い投信は、長期保有なら信託報酬カギ。運用成績が低く、コストが高い投信は、長期保有なら信託報酬カギ。

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Excerpt from Jan. 20 Nikkei Shimbun

(3) Financial Services Business

First Three Quarters of FY2007

Operating revenues: 16.1 billion yen (+18% YoY)

Operating income: 0.9 billion yen (-60% YoY)

Established business:

Operating revenues 15.9 bil. yen (+17% YoY)

Operating income 2.3 bil. Yen(+5% YoY)

New business:

Operating revenues 0.2 bil. yen

Operating income -1.4 bil. yen

• Internet life insurance / non-life insurance :

(-0.5 bil. yen)

• Credit cards business :

(-0.9 bil. Yen)

Notes:

1. The above figures include the consolidation of funds.
2. The above figures do not include eliminations for consolidation and the deduction of corporate expenses.
3. Rounded to the nearest 100 million yen.

Highlights of Financial Services Business



I. Publicly owned subsidiaries continued to grow by accurately targeting market trends

- ① **Morningstar Japan** posted YoY growth of 206.6% in consolidated revenues and 58.3% in operating income for the 4Q of FY2007*, reflecting the growing need for asset management services among investors.
- ② **Gomez Consulting** sets new records in operating revenues and ordinary income in the 4Q of FY2007*.
- ③ **SBI VeriTrans** continues to grow in proportion to the growth of the e-commerce market. Consolidated and non-consolidated revenues and earnings for FY2007 3Q recorded YoY growth of over 20%.

II. Companies offering highly distinctive financial services continue to post steady growth

- ① Japan's largest **financial comparison website business**, E-LOAN and InsWeb posted transactions of 630,000, up 11.3% YoY, owing to strong growth in transactions by mobile phone users.
- ② **SBI Equal Credit** recorded 189 mil yen in net income for the 3Q of FY07 from 3 mil yen for the previous 3Q, owing to opportunities created by the maximum lending rate issue.

III. New businesses get off to a good start

- ① **SBI Card** continues to increase the number of credit cards issued to more than 26,000 cards, after only a year since commencement of its operations.
- ② **SBI Sumishin Net Bank** raised its deposits to more than **200 billion yen**, after only 122 days since its Sept 2007 start of operations.
- ③ **SBI Insurance** obtained a business license in Dec. 2007 and started its operations on **January 16, 2008**. **SBI Life Insurance Planning** applied to the FSA for preliminary review of its business license in Dec. 2007

*Morningstar and Gomez changed from Dec to Mar fiscal year in 2007. The figures are for 12M period from Jan 07 through Sep 07 (current fiscal period will be the 15M period)

Performance of Publicly Owned Subsidiaries

Publicly owned subsidiaries Morningstar Japan, Gomez Consulting and SBI VeriTrans continue their business expansion

(Unit: million yen, Figures in parentheses are YoY change (%))

^{*1}	Operating revenues	Operating income	Ordinary income	Net income
Morningstar Japan (4Q FY07) ^{*3}	4,993 (+206.6)	682 (+58.3)	730 (+35.9)	380 (-43.4) ^{*2}
Gomez Consulting (4Q FY07) ^{*3}	634 (+23.6)	207 (+29.7)	210 (+31.6)	123 (+32.1)
SBI VeriTrans (3Q FY07)	2,545 (+22.7)	536 (+22.5)	546 (+25.4)	322 (+25.3)

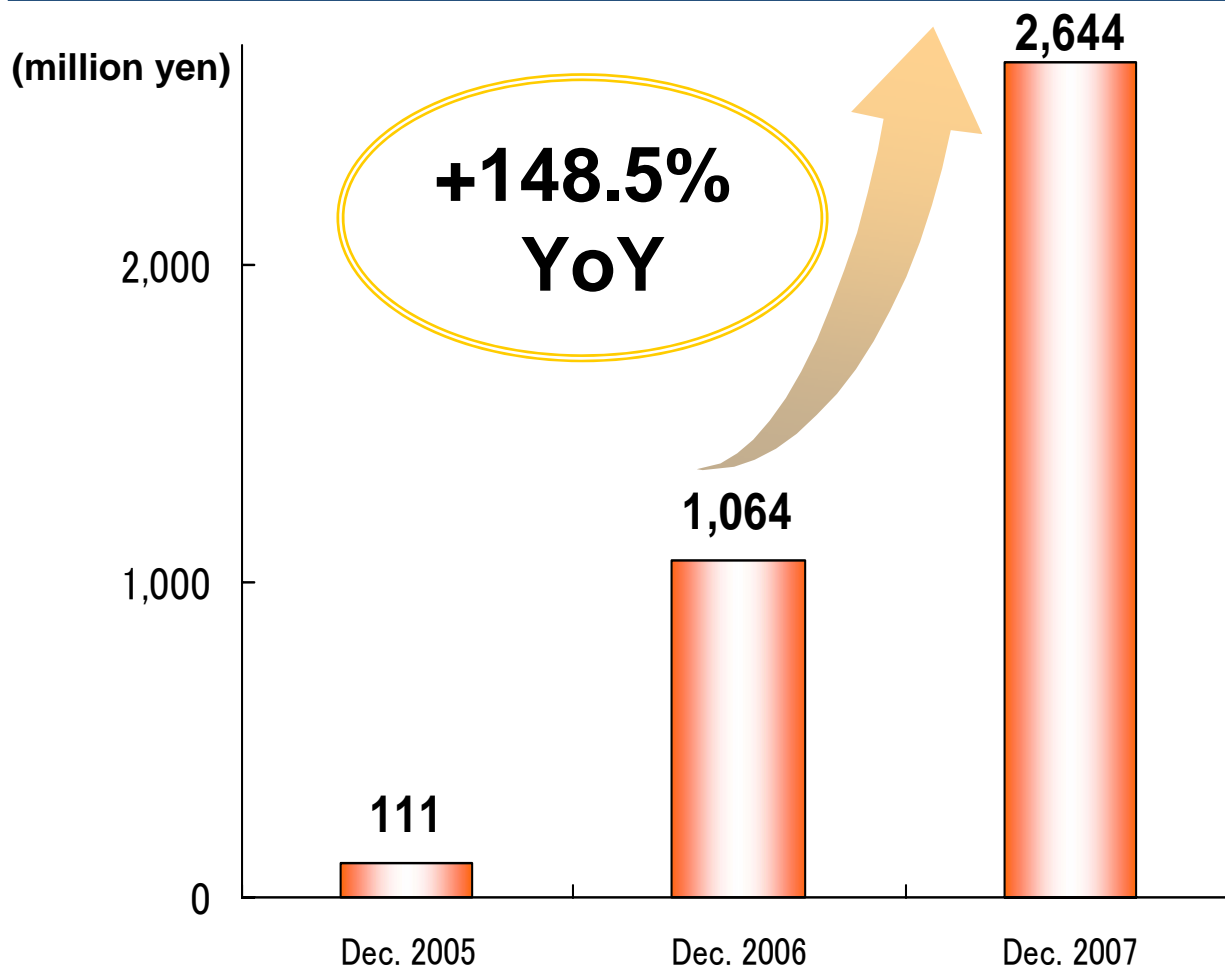
*1 Morningstar Japan figures are consolidated and Gomez Consulting and SBI VeriTrans figures are non-consolidated.

*2 Morningstar Japan merged with a subsidiary in FY06 and used accumulated losses at the subsidiary to reduce taxable income. This raised net income by lowering taxes as a pct. of income before income tax in the previous fiscal year, resulting in a YoY decline in 3Q FY07 net income.

*3 Morningstar Japan and Gomez Consulting changed from a December to March fiscal year in 2007. Therefore, the current fiscal period for these two companies is the 15-month period from January 2007 through March 2008.

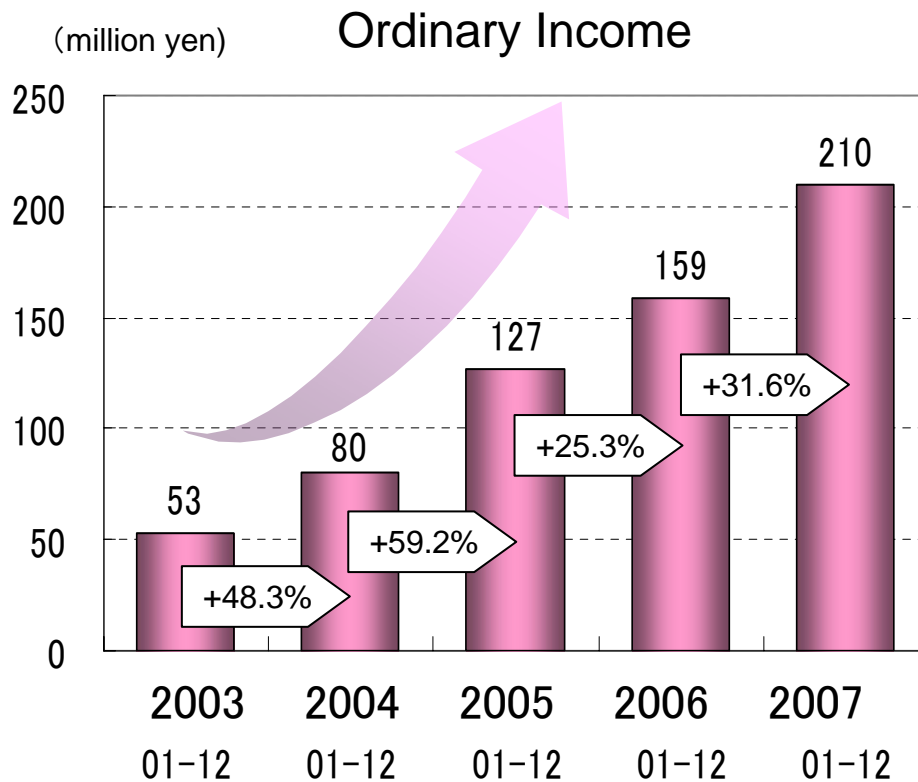
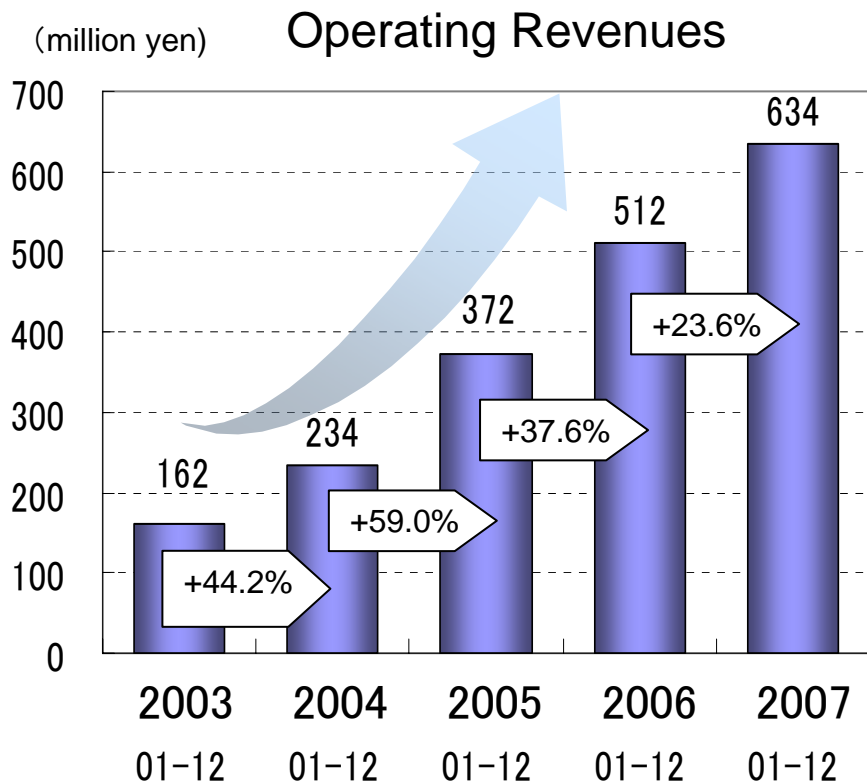
Growth in Fund of Funds AUM Where Morningstar Asset Management is an Advisor

AUM amounted to 264.4 bil yen as of Dec. 30 2007
from 106.4 bil yen as of Dec. 2006

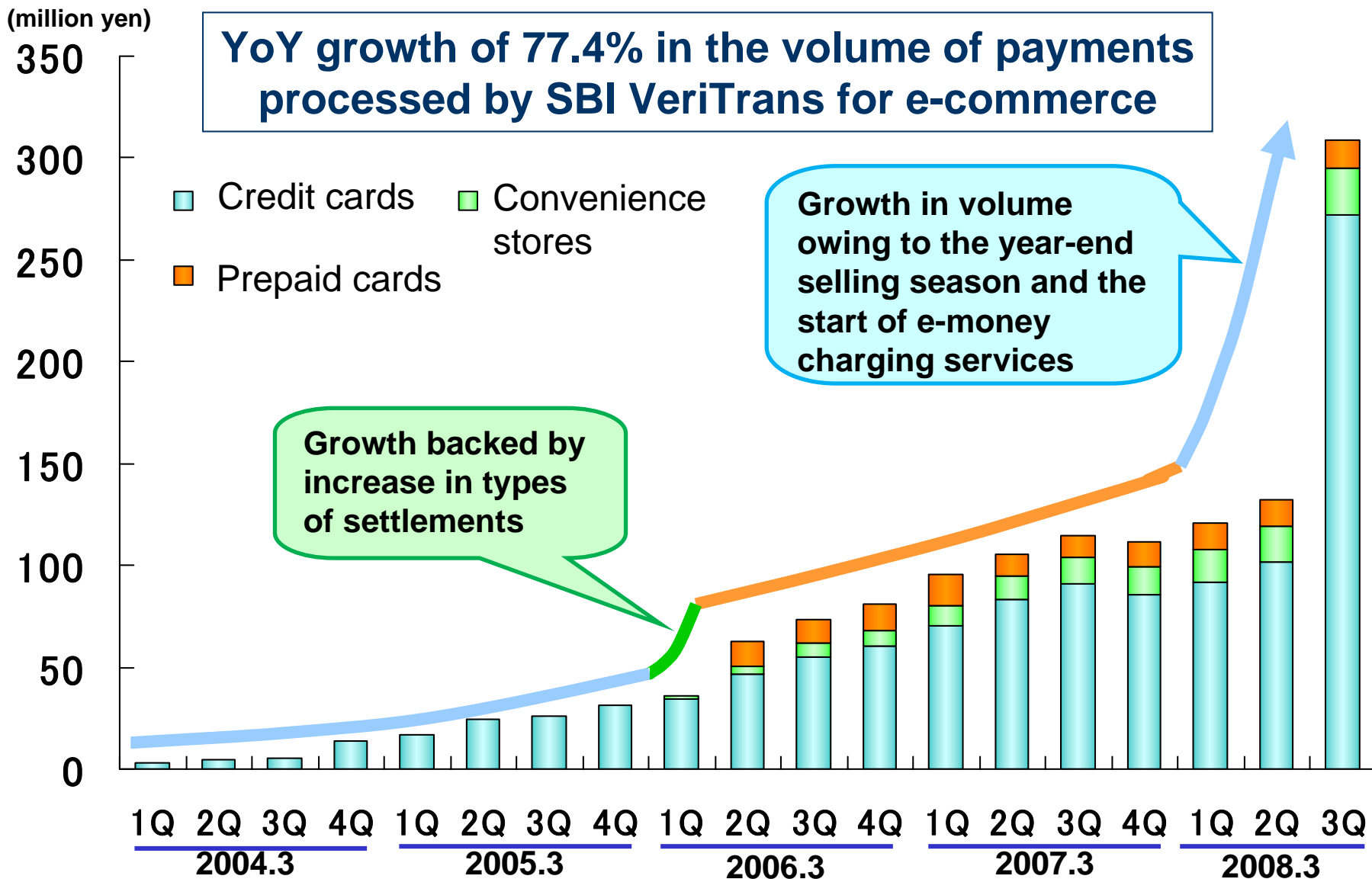


Performance Comparison of Past Five Fiscal Years

Operating revenues and ordinary income set new records in the 4Q of FY2007 due to steady growth of the website analysis services and design of websites for banks and securities companies



Growth in Volume of Business for Settlement Services



Japan's Largest Financial Comparison Websites Continue to Grow its Transactions



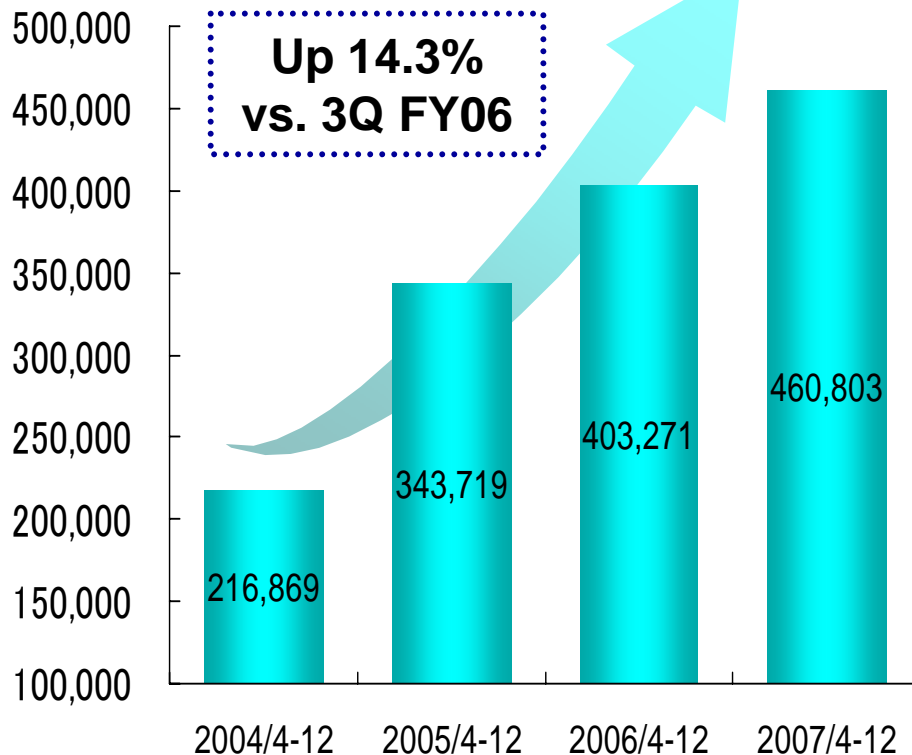
Market place businesses set new records for transactions, primarily through the financial comparison websites "E-LOAN" and "InsWeb



Growth in completed auto insurance estimates

Affiliated non-life insurance companies: 22
Affiliated life insurance companies, etc.: 22

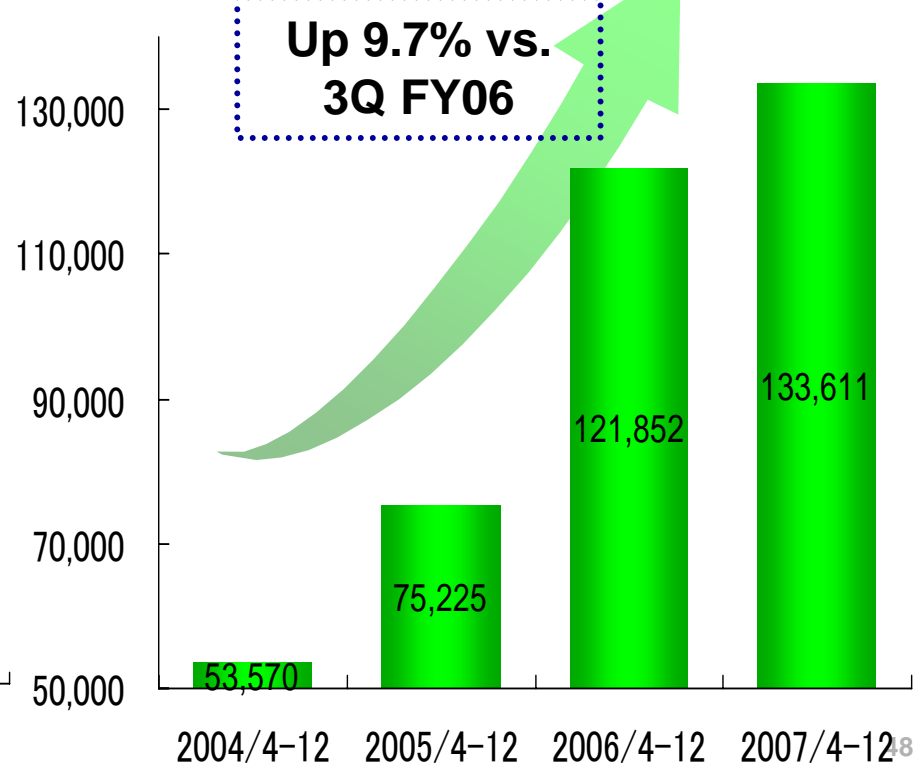
(Transactions)



Growth in provisional loan applications

Affiliated financial institutions: 69
Types of loan products : 555

(Transactions)



SBI Equal Credit's 3Q FY2007 net income equaled 150% of its net income for FY2006

Growth in Loans

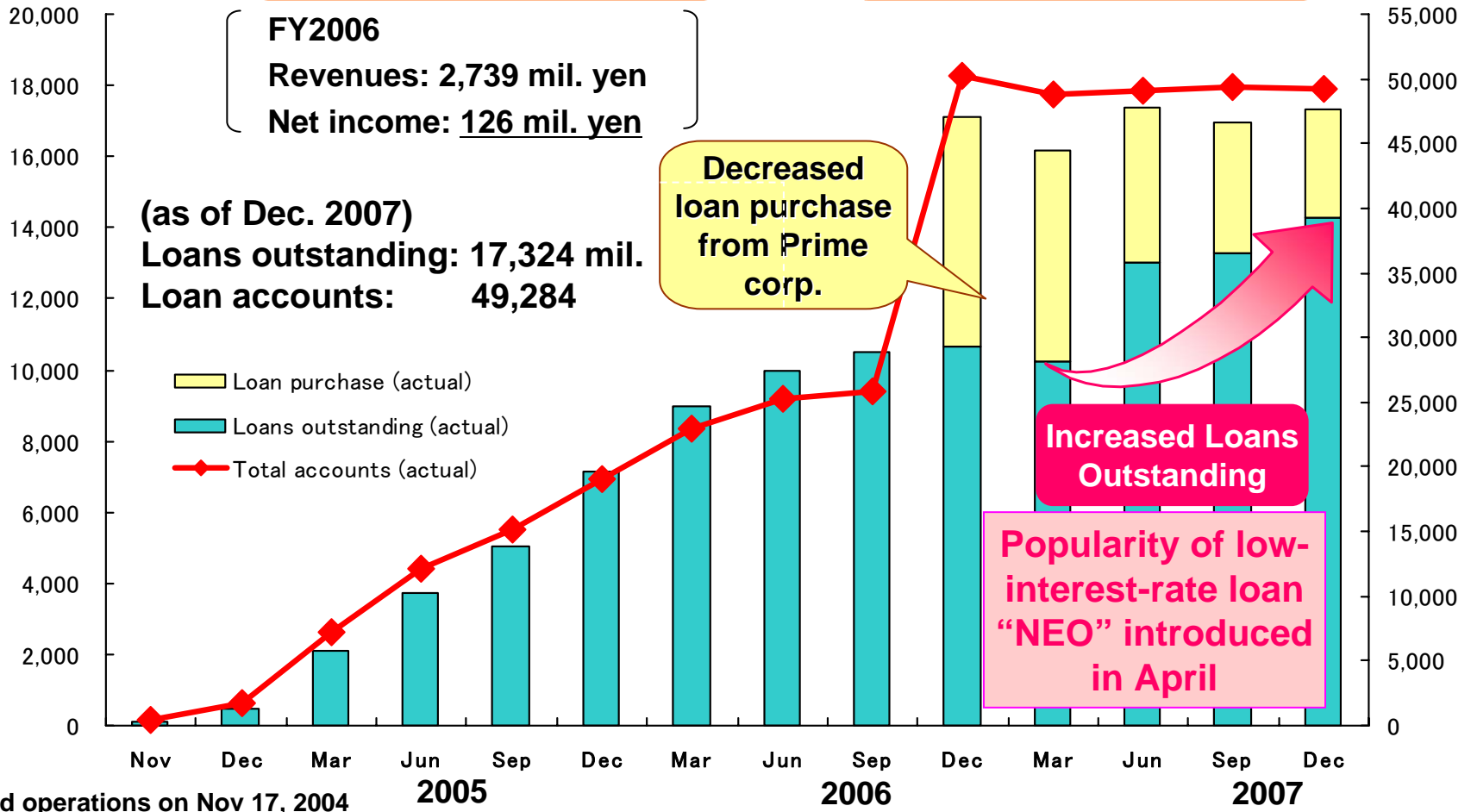
3Q FY2006 (9M)
Revenues: 1,694 mil. yen
Net income: 110 mil. yen



3Q FY2007 (9M)
Revenues: 2,876 mil. yen
Net income: 189 mil. yen

(million yen)

(accounts)



*Started operations on Nov 17, 2004

Opened New Community Website, “Funds Paradise” and “SBI Finance School”



Launch date: April 12, 2007, Registered members: 61,304

Total page views: Approx. 38.1 million PV (9M) , Monthly average PV: 4.2 million PV

*as of Jan. 27, 2008



Stocks/investments domain

SBI マネーワールド

株の長者村

“SBI Money World”

~Japan's Largest Comprehensive Financial Communities Website~

Internet bank domain

Internet bank Community site

Insurance domain

保険の賢者村

NEW !!

ファンドの楽園
Funds Paradise

Investment trust domain

マネーワールド広場

Other communications domain

住信SBIネット銀行

SBI Sumishin Net Bank

Started operations on Sept. 24, 2007

Customer guided

FundBank

SBI Fund Bank

Started operations on Nov. 14, 2007

Link

東京0区

NEW !!

SBI損保

SBI Insurance started its business on Jan. 16, 2008

In preparation

Internet life insurer

SBI Finance School

NEW !!

A source of knowledge for finance



Currently under development at SBI Robo

(4) Housing and Real Estate Business

First Three Quarters of FY2007

Operating revenues: 54.8 billion yen (+403% YoY)

Operating income: 7.1 billion yen (+1,070% YoY)

Notes:

- 1. The above figures include the consolidation of funds.**
- 2. The above figures do not include eliminations for consolidation and the deduction of corporate expenses.**
- 3. Rounded to the nearest ¥100 million.**

Highlights of Housing and Real Estate Business

I. Housing and real estate business achieved growth of about five times its operating revenues and 11.7 times its operating income even as other real estate related companies started to see their earnings fall.

II. “Four-Leaf Clover” Fund investment units were up about 100% YoY. The fund has produced an actual return far higher than the projected returns for this FY of other J-REITs listed on the Tokyo Stock Exchange.

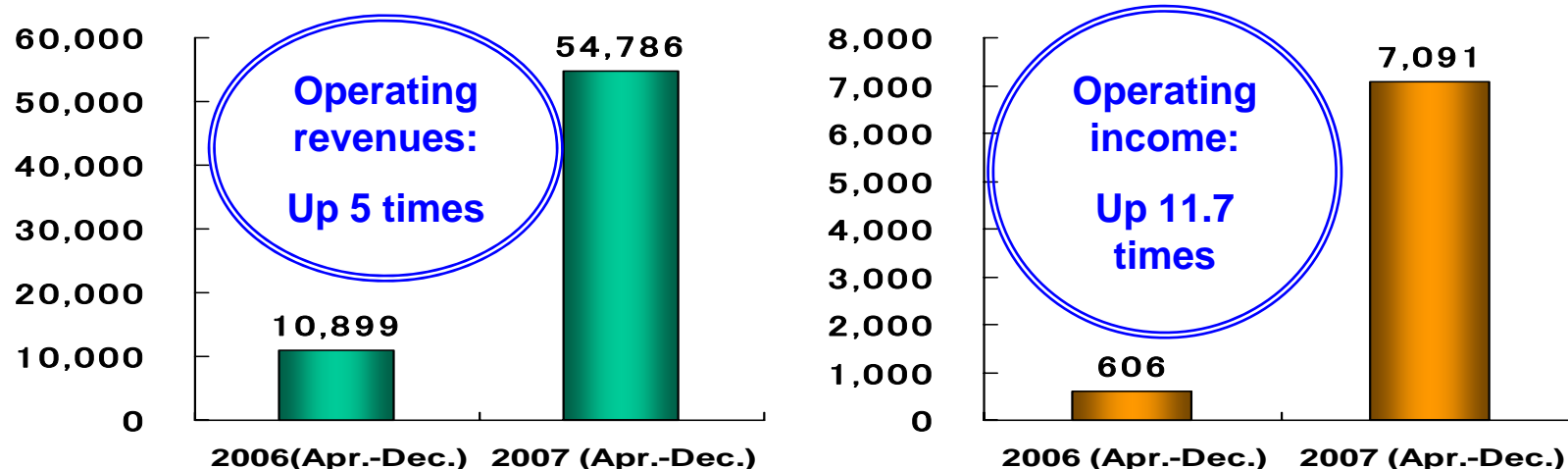
III. SBI Mortgage continues to offer the industry’s lowest level of interest rate for “Flat 35”, and is steadily expanding its loans outstanding to 339.9 billion yen as of Dec. 2007.

IV. Lifestyle Networks Business achieved consistent growth, and the Internet Media sector and Market Intermediary sector became profitable in 3Q FY2007.

Strong Performance at Housing and Real Estate Business



Operating revenues and operating income of FY2007 3Q (Apr. to Dec.) (million yen)



(Reference) Comparison with other companies' operating real estate related business (million yen)

	Operating revenues	YoY(%)	Operating income	YoY(%)
SBIH (Housing and Real Estate Business) FY07 3Q (Apr. to Dec. 2007)	54,786	+402.7	7,091	+1,070.1
Asset Managers Co., Ltd. FY07 3Q (Mar. to Nov. 2007)	62,886	+73.5	16,570	0.0
HARAKOSAN CO., LTD FY07 3Q (Mar. to Nov. 2007)	24,346	+30.9	4	-99.2

Note: Selected public companies operating real estate related business, which already disclosed 3Q of this FY as of Jan. 30, 2008

Favorable Track Record of “Four-Leaf Clover”, an Unlisted Stock Real Estate Fund



-Name: SBI Unlisted Stock Real Estate Fund
Anonymous Partnership #1 (Quarterly dividend)

-Informal name: Four-Leaf Clover

-Amount: 15-billion-yen upper limit

	First Stage (Jul. 1, 2006 – Oct. 31, 2006)	Second Stage (Nov. 1, 2006 – Oct. 31, 2007)
Performance per unit (annualized comparison)	6.93	12.51

(Unit: %)

**Increased
Doubled YoY**

*Performance per unit: (Partnership income) / (Total contributions)

*Annualized figures. Rounded to nearest hundredth.

Figures for the First Stage are calculated by converting to annual figures assuming that performance (123 days, 2.33%) will remain the same as in the First Stage



	“Four-Leaf Clover” (Second Stage: actual result)	Other listed real estate funds (forecast)
Return for this FY	12.51	8.6 (*)

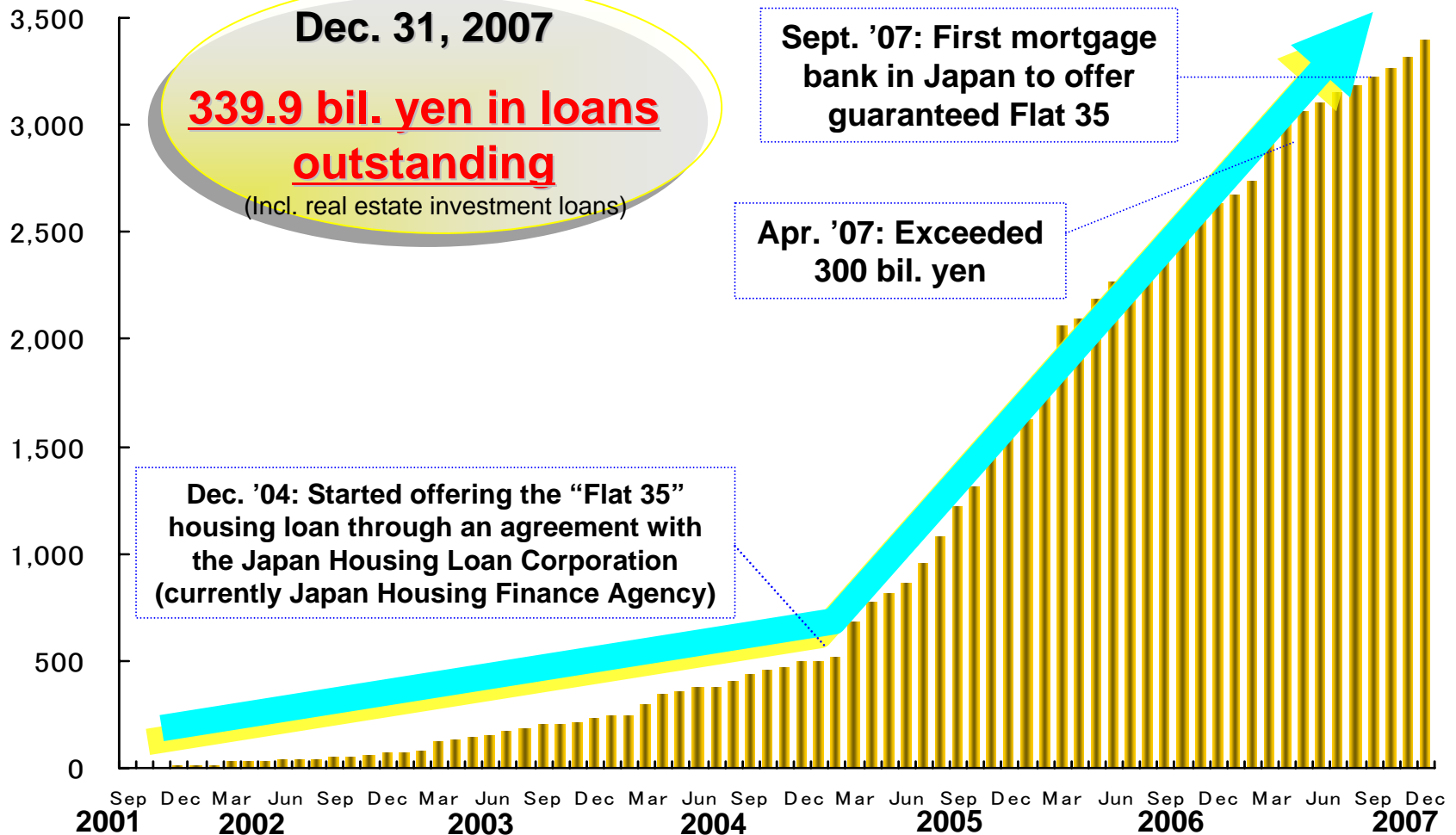
(Unit: %)

**Produced an actual return of 12.51% far higher than the
projected returns for this FY of other J-REITs**

Steady Growth of Housing Loans at SBI Mortgage

SBI Mortgage offers the lowest level of interest rate* (2.82%) for “Flat 35” (a securitized loan of Japan Housing Finance Agency). **Housing loans outstanding rise to 339.9 bil. yen as of the end of Dec. 2007 and continue to increase steadily.** (*Interest rate is the lending rate for Jan. '08 purchased loans.)

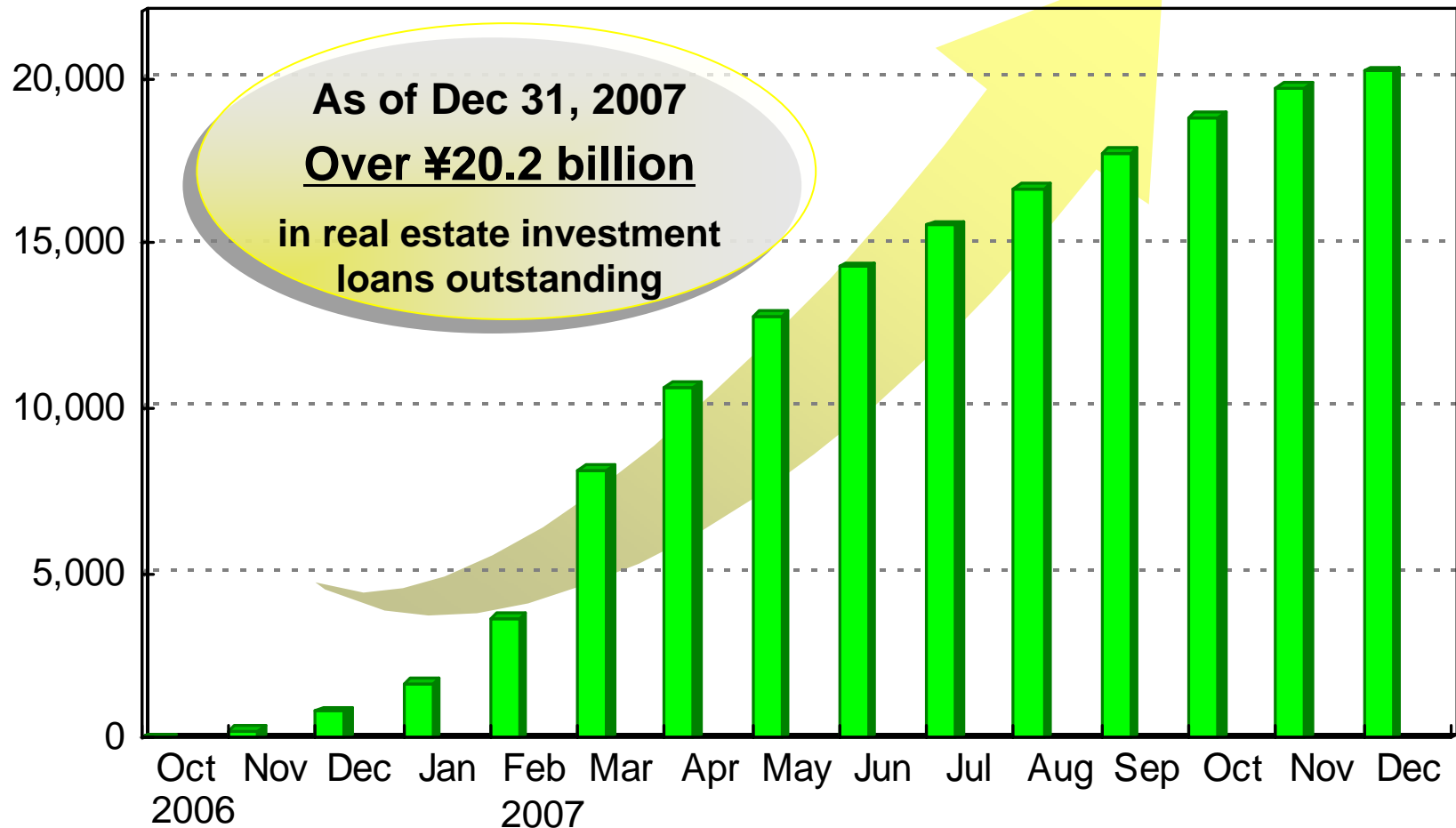
(100 million yen)



Utilized expertise gained from securitization operations to develop the “Real Estate Investment Loan”, which raised its loans outstanding to more than 20 bil yen after only a year and two months since commencement of the service

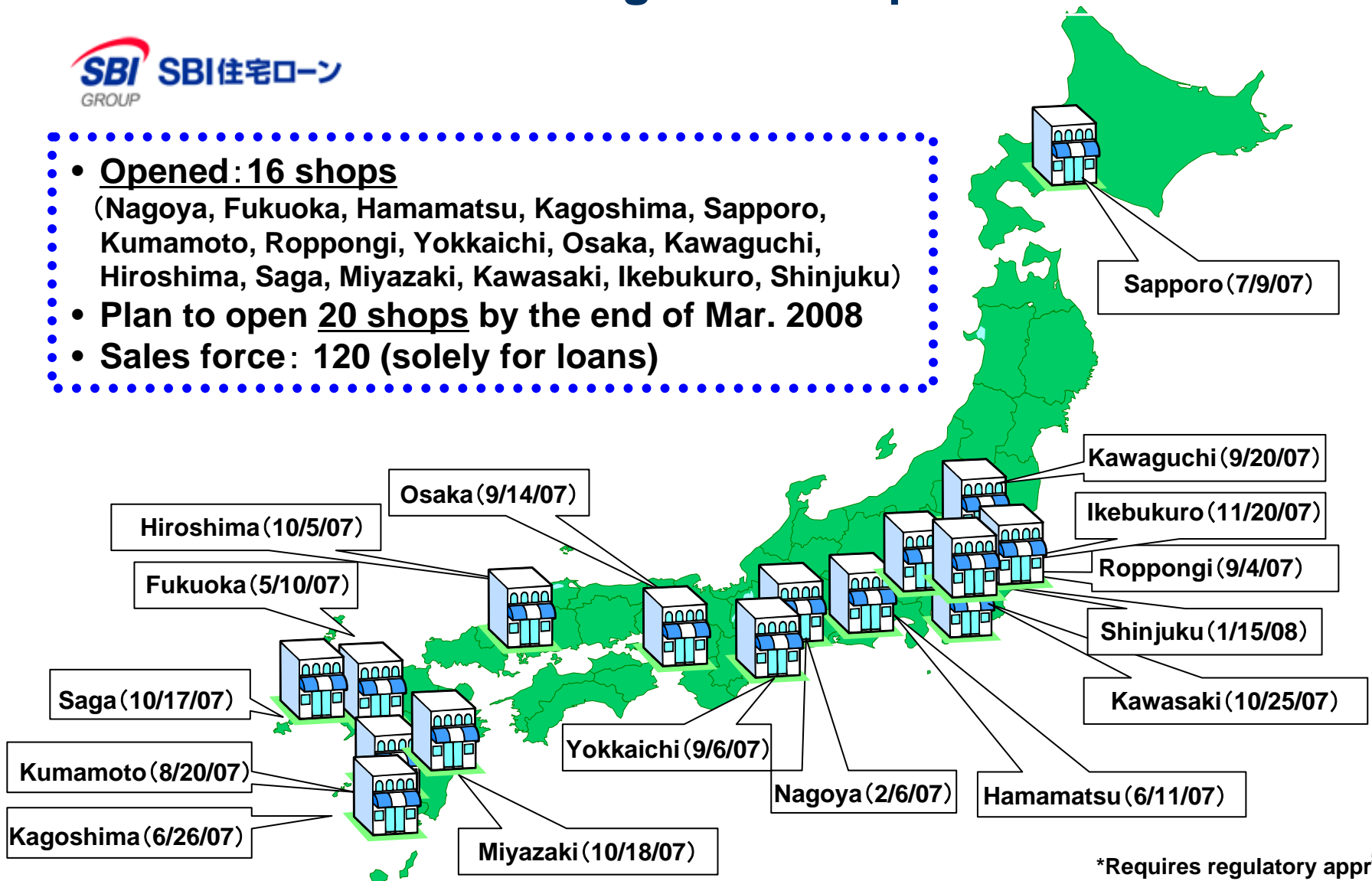


(million yen) Balance of Real Estate Investment Loans



SBI Mortgage Plans to Further Utilize the Housing Loan Agent System to Create a Nationwide Network of “SBI Housing Loan Shops”

- **Opened: 16 shops**
(Nagoya, Fukuoka, Hamamatsu, Kagoshima, Sapporo, Kumamoto, Roppongi, Yokkaichi, Osaka, Kawaguchi, Hiroshima, Saga, Miyazaki, Kawasaki, Ikebukuro, Shinjuku)
- **Plan to open 20 shops** by the end of Mar. 2008
- **Sales force: 120** (solely for loans)



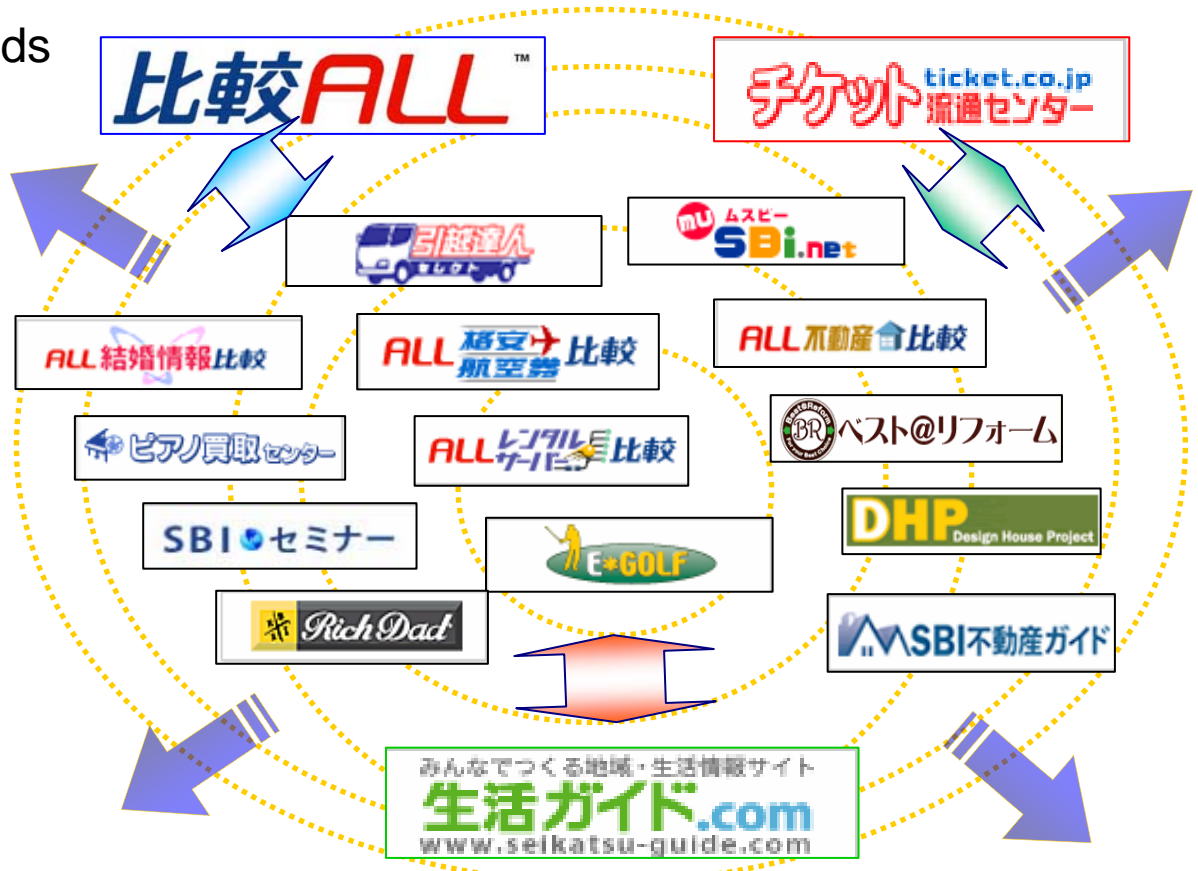
Steady Growth of Lifestyle Networks Business

In the Internet Media sector, which operates life related comparison websites, recorded 20 million yen in operating income for the first three quarters owing to favorable “Hikkoshi Tatsujin Mobile” transaction.

In the Market Intermediary sector, which increased transactions for “Musubi” websites, recorded 162 million yen in operating income for the first three quarters. Both sectors became profitable, and the combined operating income for 3Q/FY07 already reached 182 million yen.

Lifestyle events and needs

- Birth/ Child-raising
- Schools/ Education
- Residences
- Retirement Years
- Travel/ Leisure
- Money
- Health/ Medical care
- Food
- Hobbies /Sports



3. Merging with SBI E*TRADE SECURITIES (Released on January 15, 2008)

- (1) Historical Merger with SBI E*TRADE SECURITIES**
- (2) Background and Significance**
- (3) Share Exchange Ratio**
- (4) Financial Conditions after Share Exchange (Estimation)**

(1) Historical Merger with SBI E*TRADE SECURITIES

Historical Merger with SBI E*TRADE SECURITIES

Establishment of business model

(Sep. 8, 2000)

E*TRADE Japan listed
(Two-layer structure strategy)

(Jun. 2, 2003)

SOFTBANK INVESTMENT merged with E*TRADE Japan and converted E*TRADE SECURITIES into wholly owned subsidiary

Expansion of businesses as online securities company

(Nov. 30 2004)

E*TRADE SECURITIES listed

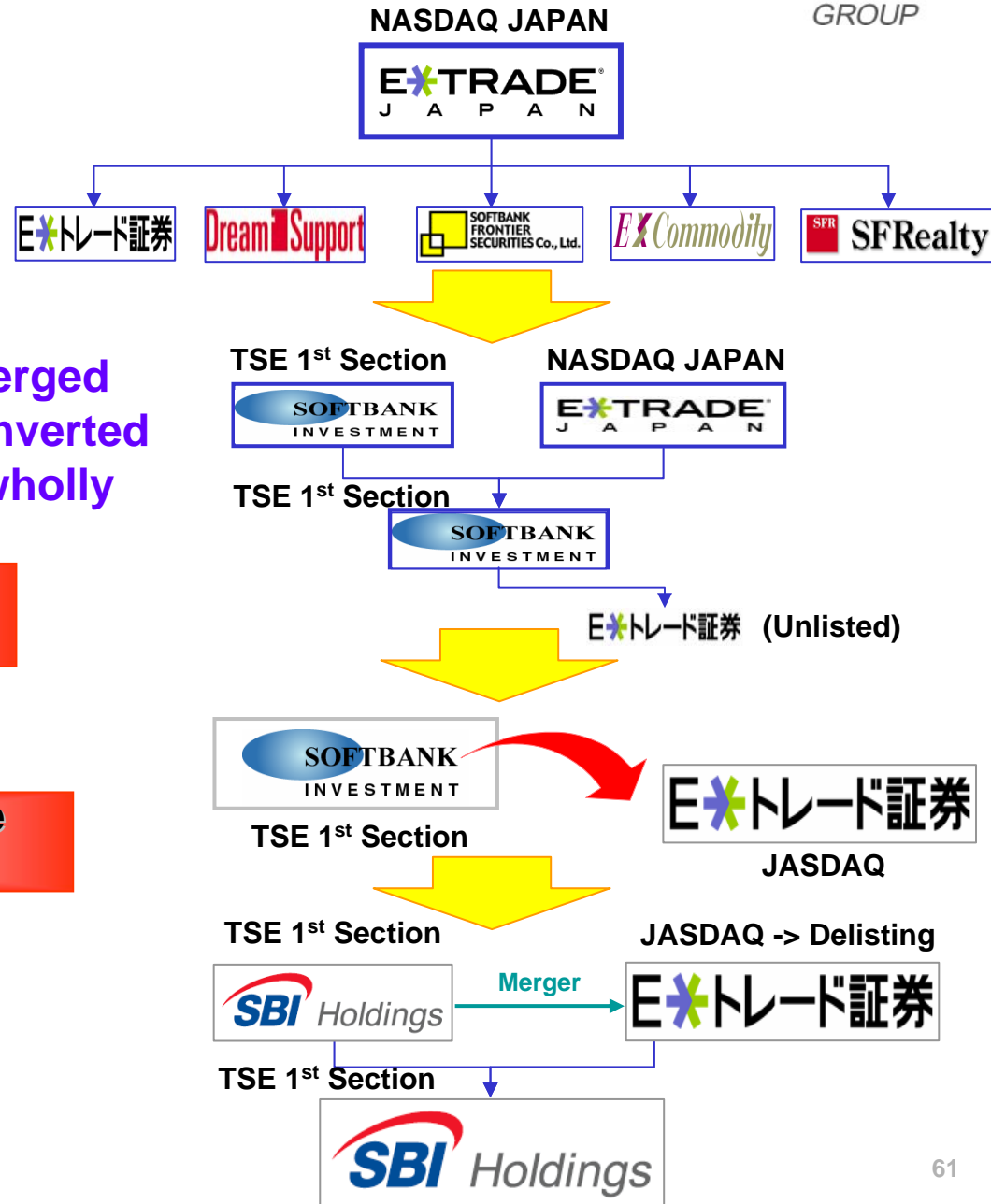
Leaping forward as a full-service securities company

(Oct. 1, 2007)

SBI E*TRADE SECURITIES merged with SBI Securities

(Aug. 1, 2008)

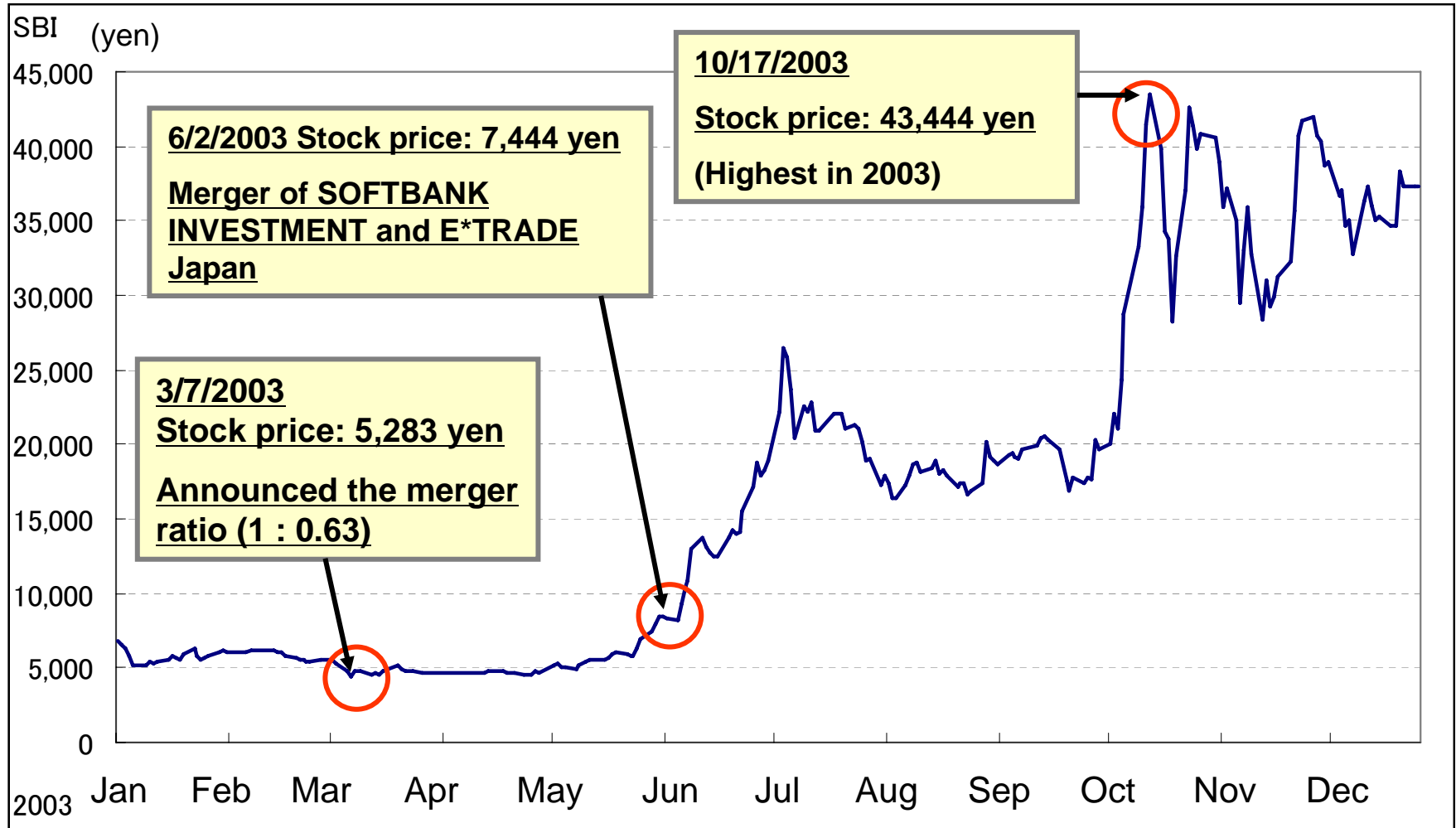
SBI Holdings merger with SBI E*TRADE SECURITIES



SBI Holdings Stock Price Following the June 2003 E*TRADE SECURITIES Merger



When SBIH (formerly SOFTBANK INVESTMENT) merged with E*TRADE Japan, **the number of shares issued increased 124%** from about 337 thousand to about 756 thousand. But the SBIH **stock price rose from 5,283 yen** (when merger ratio was announced) to 43,444 yen (high for month of Oct. 2003), **an increase of 722%**.



*Closing price adjusted by modifying the figures before the stock split into those after the stock split

(2) Background and Significance of Merger with SBI E*TRADE SECURITIES

- 1. Within the trend toward universal banking, establish an infrastructure as a financial conglomerate capable of fully pursuing synergies within the group**
- 2. New demands concerning stock listing of a parent and a subsidiary company**

Background and Significance of Merger with SBI E*TRADE SECURITIES(1)



1. Within the trend toward universal banking, establish an infrastructure as a financial conglomerate capable of fully pursuing synergies within the group

-Establish a financial conglomerate infrastructure

Securities

(SBI E*TRADE SECURITIES)

Banking

(SBI Sumishin Net Bank started operations on Sept. 24, 2007)

Non-life Insurance

(SBI Insurance started operations on Jan. 16, 2007)

Life Insurance

(plan to start operations by the end of March 2008)

-Fully exploit the trend toward universal banking to break down barriers separating different types of financial services

-Sales of investment trusts and insurance policies at banks

-Bank agency services, intermediary sales of financial products (investment trusts, securities, others)...

Background and Significance of Merger with SBI E*TRADE SECURITIES(2)



-Merging with SBI E*TRADE SECURITIES will allow the capture of further synergies and growth within the group

Internet-based one-stop financial service

SBI E*TRADE SECURITIES will work more closely with other SBIH Group companies, particularly SBI Sumishin Net Bank. The goal is to create an Internet service base that provides customers with seamless access to settlement services, asset management products, loans, insurance policies and other types of financial services.

Efficient use of cash and other group assets

Realization of flexibility of collaborative financial policies between SBIH and SBI E*TRADE SECURITIES involving dividends and other items, which will allow the efficient use of capital.

Overseas expansion at SBI E*TRADE SECURITIES

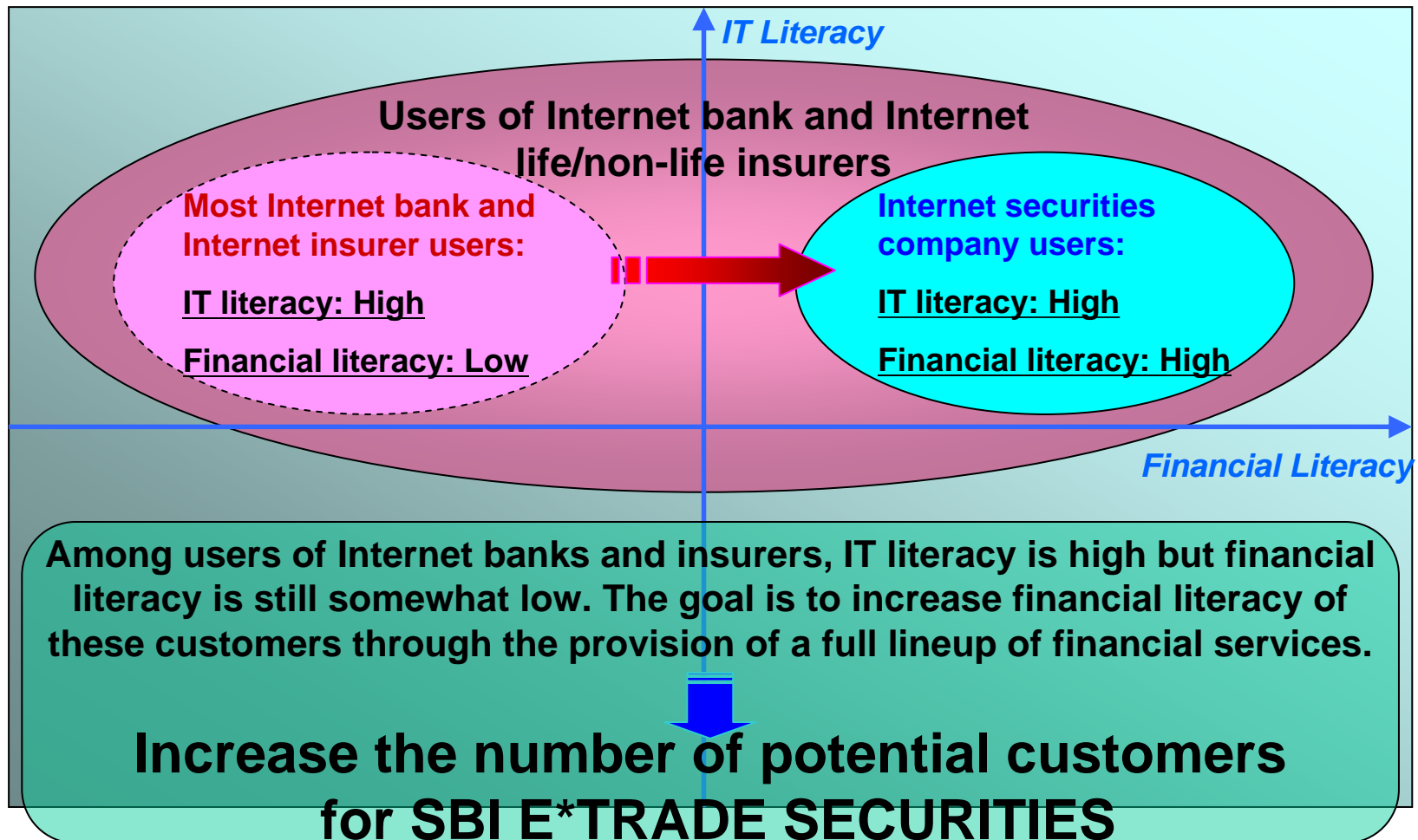
SBI E*TRADE SECURITIES will change its name to SBI Securities on July 1, 2008. This will enable the company to operate outside of Japan. Owing to the trademark agreement with E*TRADE FINANCIAL Corporation which will soon expire, this was not possible until now.

SBIH plans to expand its online securities business in emerging markets, primarily by utilizing existing relationships with prominent companies in those countries which were cultivated through SBIH's asset management business.

Background and Significance of Merger with SBI E*TRADE SECURITIES(3)



The number of targeted customers for the banking and insurance businesses is much larger than the number of customers targeted by the securities business. Further collaboration among banking, securities and insurance businesses will drive rapid growth at SBI E*TRADE SECURITIES.



Background and Significance of Merger with SBI E*TRADE SECURITIES (4)



2. New demands concerning stock listing of a parent and a subsidiary company

Stock exchanges and securities companies are increasingly urging listed companies to refrain from conducting IPOs for subsidiaries that make a large contribution to consolidated earnings, that have operations closely linked to the parent company's operations, and that are not autonomous from the parent company.

(Example: Seven & i Holdings)

-In September 2005, Ito-Yokado, Seven-Eleven Japan and Denny's Japan integrated their operations and transferred stock to create a holding company called Seven & I Holdings.

-SBI Holdings Market Cap as Pct. of SBI E*TRADE Market Cap

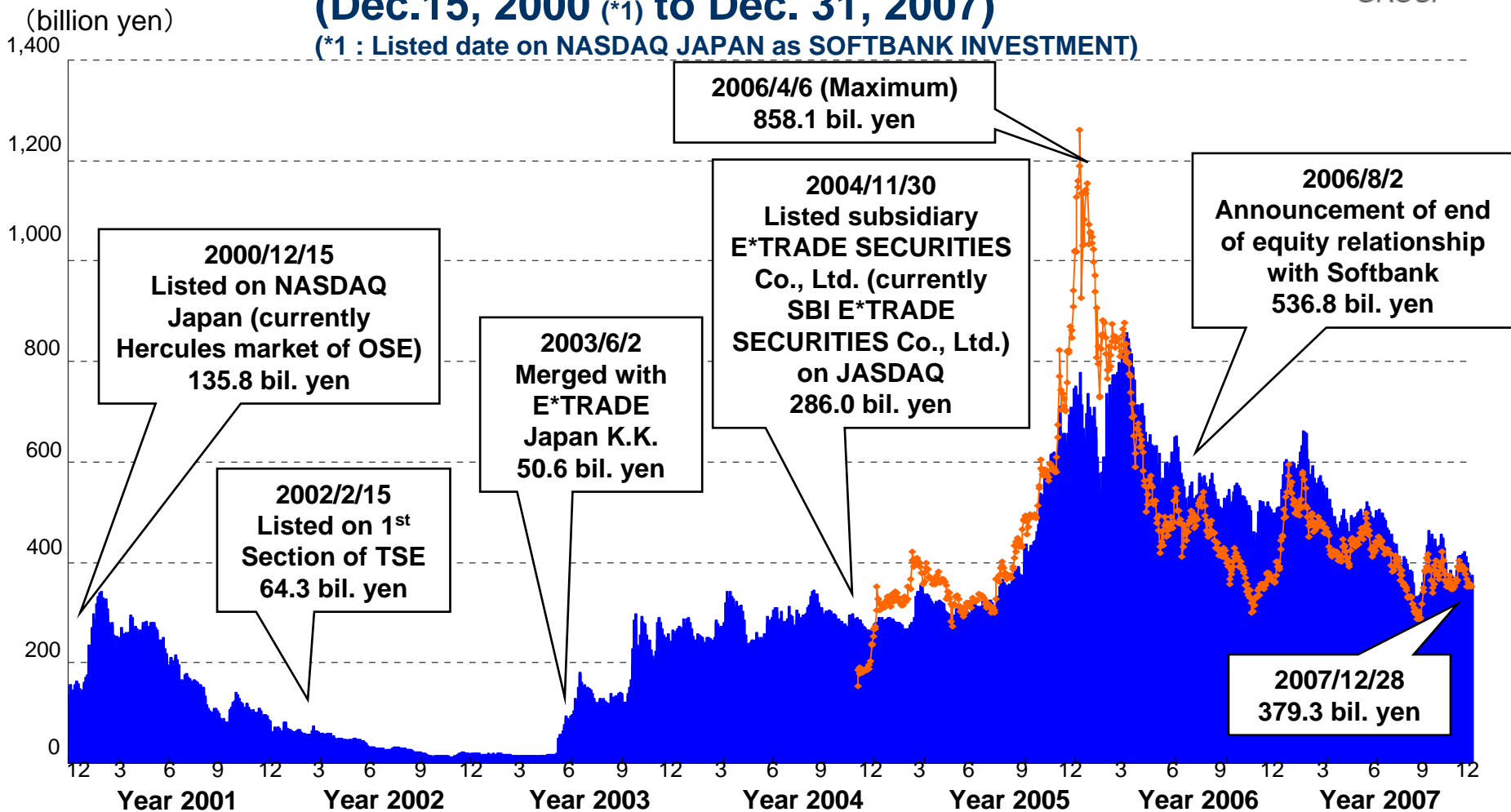
FY2004	FY2005	FY2006	End of Dec. '07
0.95	0.96	1.16	1.05

Market Cap of SBIH and SBI E*TRADE SECURITIES



(Dec.15, 2000 (*1) to Dec. 31, 2007)

(*1 : Listed date on NASDAQ JAPAN as SOFTBANK INVESTMENT)



Softbank's ownership of SBI Holdings (%) (end of March)

2001	2002	2003	2004	2005	2006	August 2, 2006
83.1	66.3	66.2	47.2	38.3	26.4	0

Background and Significance of Merger with SBI E*TRADE SECURITIES (5)

【Criteria that should be satisfied by the companies wishing to be publicly held】

- ① It is necessary for the company to improve its IT infrastructure and other large-scale capital investments on an ongoing basis, or to increase its capital due to a business that requires a large amount of working capital, or as a result of business expansion.
- ② The company is required to maintain a neutral position in the business that it conducts. (Ex. Morningstar, Gomez Consulting)
- ③ The company creates little synergies between itself and other group companies, and from the perspective of the group's overall business portfolio, it would be beneficial for the company to publicly offer its shares so that its shareholder value could be actualized, or if the company's significance in the overall group strategy has deteriorated.

Excerpt from “The SBI Group Vision and Strategy” page 152
(published by TOYO KEIZAI Inc. Nov. 2005)



【SBIH's ongoing policy for group companies to go public】

- Basically subsidiaries that manage a core business of SBIH Group will not be brought to the public markets.
- SBI Mortgage which offers long-term fixed-rate housing loans through securitization, is planning to go public to maintain its independence, as it is starting to compete with SBI Sumishin Net Bank which is expanding its housing loan business very rapidly. (Example of other companies: Seven Bank)

(3) Share Exchange Ratio

Share Exchange Ratio

	SBI Holdings (parent company)	SBI E*TRADE (wholly owned subsidiary)
Share exchange ratio	1	3.55

Calculation by Third-party Institutions

-Ernst & Young Transaction Advisory Services Co., Ltd.

	SBI Holdings	SBI E*TRADE
Range of share exchange ratio (Basic)	1	3.269 - 3.441
Range of share exchange ratio (Diluted)	1	3.305 - 3.474

-KPMG FAS Co., Ltd

	SBI Holdings	SBI E*TRADE
Range of share exchange ratio	1	3.33 - 3.42

As a result of subsequent negotiations and discussion between SBIH and SBI E*TRADE, which took into account the third-party calculations, as well as the fact that SBI E*TRADE would become a wholly owned subsidiary of SBIH through the share exchange, the management of both companies decided upon and agree to the share exchange ratio and subsequently signed the merger agreement.

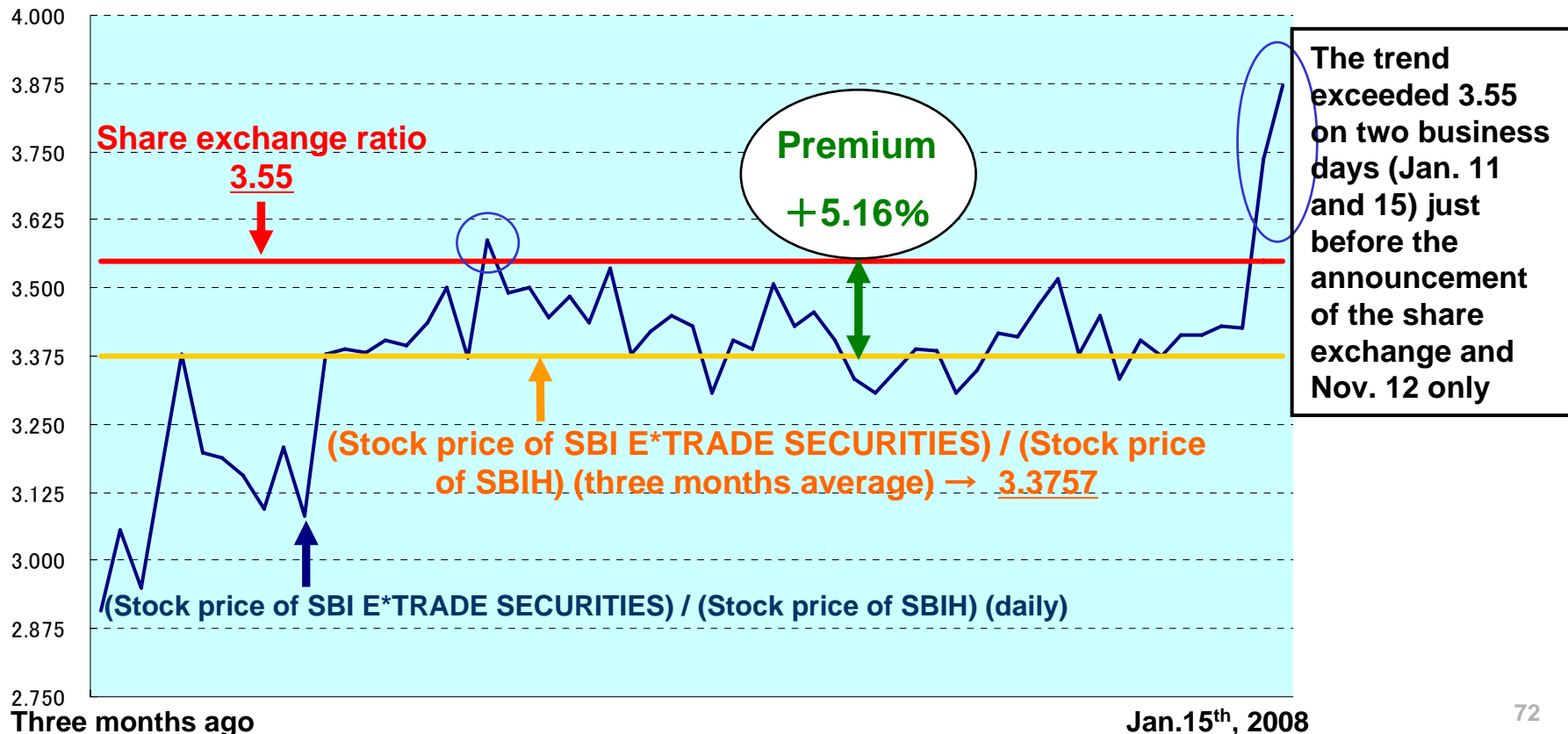
Premium on the Share Exchange Ratio



(1) Comparison with the median calculated by third-party institutions

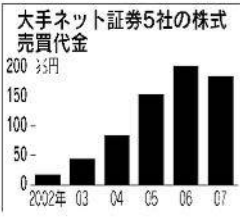
- Median (after dilution) calculated by Ernst & Young Transaction Advisory Services : 3.3895 → **+4.74% premium**
- Median calculated by KPMG FAS: 3.375 → **+5.19% premium**

(2) Comparison with the past three months trend



Nikkei Shimbun's Article on the Last Year's Brokerage Trading Value of the Five Major Internet Securities Companies (Jan. 10, 2008)

ネット証券初の減少



五社はSBIイー・トレード証券、楽天証券、松井証券、カブドットコム証券、マネックス証券。年明け以降も、原油高や円高で株式相場の先行きに不透明感が強まっていた。個人投資家の売買回復には時間がかかるとの見方が多い。

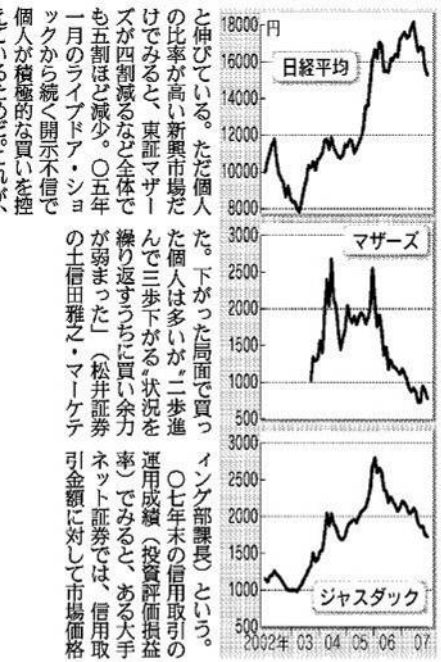
○七年の市場全体の売買（東京・大阪証券取引所一・二部、ジャスダック、マザーズ、ヘラクレスの合計、取引成立額ベース）は七百九十四兆円、○六年比九・五％増

昨年の売買代金

インターネット証券大手五社の二〇〇七年の株式売買代金が売り買い合計ベースで○六年と比べて八・三％減り、百八十五兆円となった。減少は、ネット取引が本格的に普及し始めた○二年以降初めて。新興市場の長引く取引不振に加え、夏以降、米国の信用力の低い個人向け住宅融資（サブプライムローン）問題をきっかけに株価が大きく下がったことが響いた。

大手5社8.3% 株価低迷、個人及び腰

収益環境の悪化も売
減少の背景にある。○
七年は二、三月の上海発
の世界株安と、八月以降
のサブプライム問題で断
続的に国内株も下がっ



と伸びている。ただ個人
の比率が高い新興市場だ
けでみると、東証マザー
ズが四割減るなど全体で
も五割ほど減少。○五年
一月のライブドア・ショ
ックから続く開示不信で
個人が積極的な買いを控
えているためだ。これが、
利用者の大半が個人であ
るネット証券の売買にも
影響し始めた。

インテグレーションとい
う。個人は多いが、二歩進
んで三歩下がる。状況を
運用成績（投資評価損益
率）でみると、ある大手
が弱まった」（松井証券
の土田雅之・マーケティング
引金額に対して市場価格

In response to the Nikkei Shimbun's article of Jan. 10, SBI E*TRADE SECURITIES announced on the same day that its brokerage trading value increased on a YoY basis.

*announced 14:47 on Jan. 10, 2008

[Change in stock brokerage trading value](Unit: million yen, %)

	2005 Jan. - Dec.	2006 Jan. - Dec.	2007 (*1) Jan. - Dec.
SBI E*TRADE SECURITIES (YoY)	59,827,920	88,985,639 (48.7%)	93,006,913 (4.5%)
Total of the five major Internet securities companies(*2) (YoY)	153,243,806	202,062,138 (31.9%)	185,458,049 (Δ8.2%)

*1 The above figure is based on online accounts though SBI E*TRADE SECURITIES merged with SBI Securities in Nov. 2007 and holds face-to-face accounts.

*2 The five major Internet securities companies are SBI E*TRADE SECURITIES, Kabu.com, Matsui, Rakuten and Monex (Figures are based on companies materials from their websites and etc.)

Comparison Between SBIH and SBI E*TRADE SECURITIES by PER and PBR

·PER (Price Earnings Ratio)

	FY2004	FY2005	FY2006
SBI Holdings	11.1	13.4	11.1
E*TRADE SECURITIES	51.4	48.0	34.4

·PBR (Price Book-value Ratio)

	FY2004	FY2005	FY2006
SBI Holdings	2.6	3.0	2.0
E*TRADE SECURITIES	7.1	7.2	3.7

*PER= (Closing price of each fiscal year on TSE) / (EPS)

*PBR= (Closing price of each fiscal year on TSE) / (EBS)

PER Comparison of SBIH and SBI E*TRADE SECURITIES vs. Major Venture Capital Companies and Internet Securities Companies



PER Comparison (*1)

Company name	PER
SBI Holdings	10.67
NIF Ventures	56.39
JAIC	24.25
JAFCO	23.63
Whole TSE (*2)	19.50

Company name	PER
SBI E*TRADE SECURITIES	18.81
Monex Beans Holdings	17.27
Kabu.com Securities (non-consolidated)	16.45
Matsui Securites	14.14
Whole securities industry (*2)	17.90

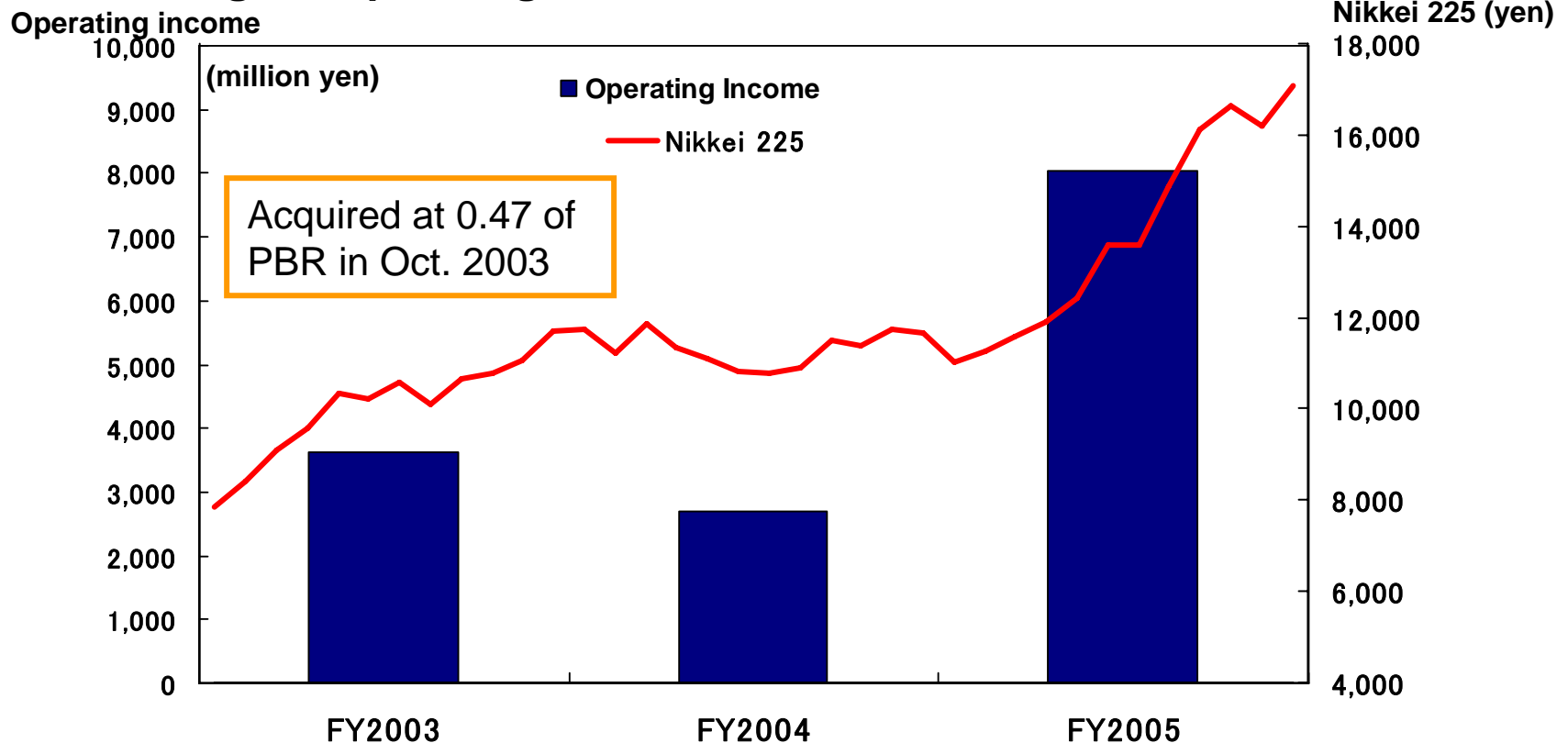
*1 Expected PER (FY07). The figures are based on the closing prices on Jan. 29. The data is provided for SBI E*TRADE SECURITIES by TOYO KEIZAI. The figures of the major securities companies and venture capital companies are arranged from larger to smaller.

*2 Based on the figures as of the end of Dec. 2007 obtained from TSE materials. "Whole TSE" is the total of 2,179 companies except for Mothers. "Whole securities industry" is the total of 21 companies including commodity future brokers.

Previous Case: Acquisition of SBI Securities (Oct. 2003)



Change in operating income of SBI Securities and Nikkei 225



Performance grew rapidly because of the improvement of the market environment after the merger with SBI Securities, as its EPS increased.

	FY2003	FY2004	FY2005
EPS (yen)	8,195.16	3,750.62	6,506.71

*SBI Securities made a 1-for-100 reverse split on Aug. 2, 2005. The data shown on the graph above are retroactively adjusted for the reverse stock split.

(4) Financial Conditions after Share Exchange (Estimation)

Shares to be Issued in the Share Exchange



Total Shares to be issued in the Share Exchange:

About 5.4 million shares
(about 44% of shares outstanding)

- Issuing of new shares:

About 4.3 million shares
(about 35% of shares outstanding)

- Using treasury stock:

About 1.1 million shares
(about 9% of shares outstanding)

[Assumption]

All figures are calculated based on the current share prices of both SBI Holdings and SBI E*TRADE SECURITIES

Note: All figures are calculated based on current share prices and are subject to change owing to market conditions

Current Estimate of FY08 Earnings Per Share (1)

- Annualized FY07 net income based on first three quarters is about 14 billion yen (10.5 billion yen / 9 months X 12), which gives an EPS of 1,249.66 yen
- This EPS is equivalent to net income of about 18.5 billion yen for FY08.

⇒ **Reaching this figure will require additional earnings of 4.5 billion yen (18.5 billion yen – 14.0 billion yen) -----(1)**

- Goodwill amortization (8 months) -----(2)
 - About 2.6 billion yen (an operating expense with a negative impact on earnings)
- Inclusion of all SBI E*TRADE SECURITIES earnings by making this company a wholly owned subsidiary (8 months) -----(3)
 - About 4.2 billion yen (contribution to earnings)
- Net required increase in net income ----- (1) – ((3) – (2))
 - **About 2.9 billion yen**
(Assuming no changes in other items, an earnings increase of this amount will prevent a decline in EPS)

[Assumptions for this estimate]

- Average shares issued of about 14.85 million for FY08
- SBI E*TRADE SECURITIES FY08 net income of 14.4 billion yen (about twice this company's first half net income) and year-end dividend unchanged from FY06

*The above figures are based on currently available information and may be changed in the future. 79

Current Estimate of FY08 Earnings Per Share (2)

<Positive factors for net income>

- **Growth in overseas earnings for the Asset Management Business**
Example: Earnings from New Horizon Fund

FY07: 3.3 billion yen (actual) ⇔ FY08: 14.2 billion yen

- **Larger contribution to consolidated earnings by SBI E*TRADE SECURITIES due mainly to higher earnings at E*TRADE Korea**

Estimate of Required Net Income Growth at SBI E*TRADE SECURITIES

	Current assumption	+10%	+20%	+30%
FY net income (billion yen)	144	158	173	187
Required growth in net income (billion yen)	29	15	0	-14

[Assumptions for this estimate]

- Average shares issued of about 14.85 million for FY08
- SBI E*TRADE SECURITIES FY08 net income of 14.4 billion yen (about twice this company's first half net income) and year-end dividend unchanged from FY06

*The above figures are based on currently available information and may be changed in the future.⁸⁰

Current Estimate of FY09 Earnings Per Share (1)

- Annualized FY07 net income based on first three quarters is about 14 billion yen (10.5 billion yen / 9 months X 12), which gives an EPS of 1,249.66 yen
- This EPS is equivalent to net income of about 20.8 billion yen for FY09.

➔ **Reaching this figure will require additional earnings of 6.8 billion yen (20.8 billion yen – 14.0 billion yen) -----(1)**

– **Goodwill amortization -----(2)**

- About 3.9 billion yen (an operating expense with a negative impact on earnings)

– **Inclusion of all SBI E*TRADE SECURITIES earnings by making this company a wholly owned subsidiary -----(3)**

- About 6.4 billion yen (contribution to earnings)

– **Net required increase in net income ----- (1) – ((3) – (2))**

- **About 4.3 billion yen**
(Assuming no changes in other items, an earnings increase of this amount will prevent a decline in EPS)

[Assumptions for this estimate]

- Average shares issued of about 16.66 million for FY09
- SBI E*TRADE SECURITIES FY09 net income of 14.4 billion yen (about twice this company's first half net income) and year-end dividend unchanged from FY06

*The above figures are based on currently available information and may be changed in the future.

Current Estimate of FY09 Earnings Per Share (2)

<Positive factors for net income>

- **Growth in overseas earnings for the Asset Management Business**
Example: Earnings from New Horizon Fund
FY07: 3.3 billion yen (actual) \longleftrightarrow FY09: 19.8 billion yen
- **Larger contribution to consolidated earnings by SBI E*TRADE SECURITIES** due mainly to higher earnings at E*TRADE Korea

Estimate of Required Net Income Growth at SBI E*TRADE SECURITIES

	Current assumption	+10%	+20%	+30%
FY net income (billion yen)	144	158	173	187
Required growth in net income (billion yen)	43	29	14	0

[Assumptions for this estimate]

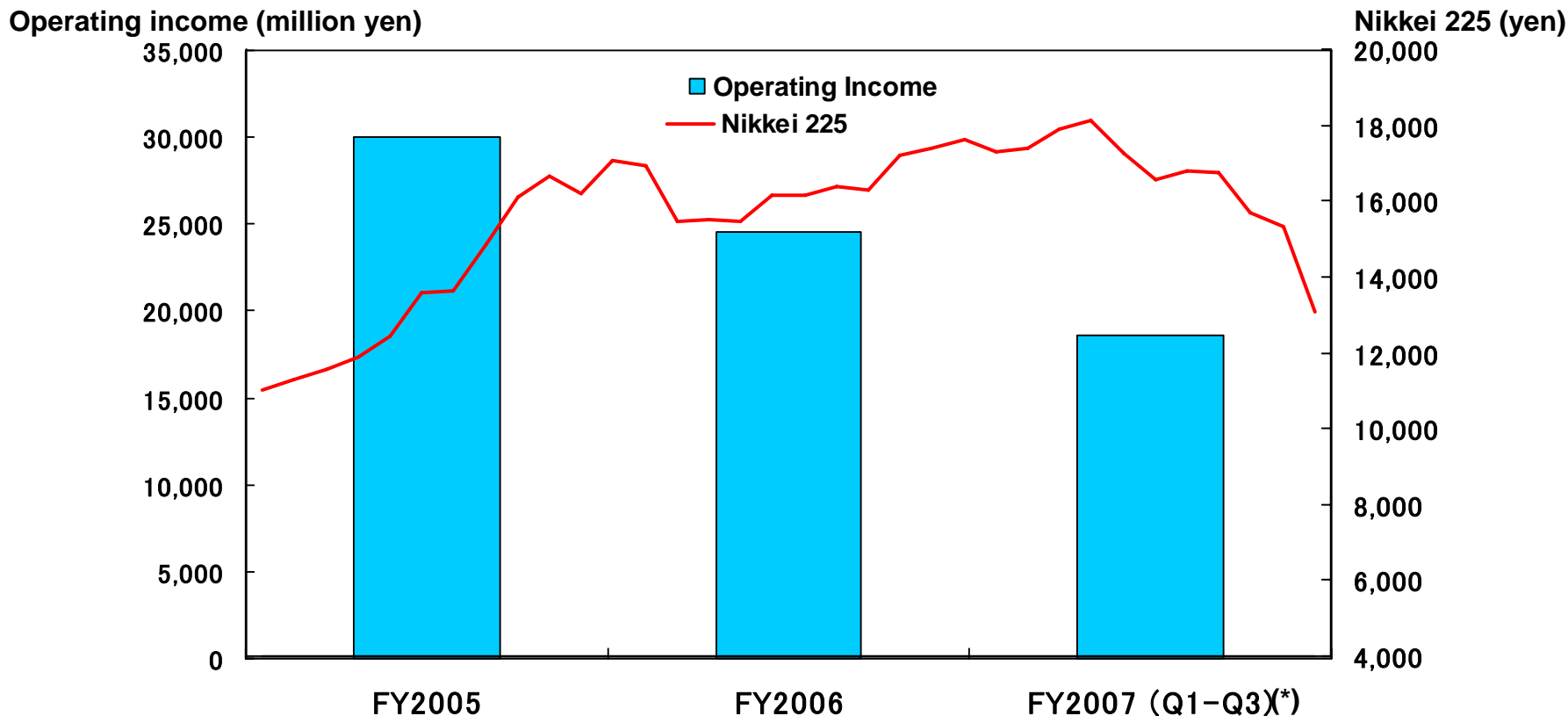
- Average shares issued of about 16.66 million for FY09
- SBI E*TRADE SECURITIES FY09 net income of 14.4 billion yen (about twice this company's first half net income) and year-end dividend unchanged from FY06

*The above figures are based on currently available information and may be changed in the future.⁸²

As the customer base of SBI E*TRADE SECURITIES continues to expand, its revenues are also expected to increase as the market environment improves



Change in operating income of SBI E*TRADE SECURITIES and Nikkei 225



SBI E*TRADE SECURITIES' customer accounts, which is the source of its revenues continues to increase in spite of the adverse market conditions

	FY2005	FY2006	FY2007 Q3
Accounts	1,167,778	1,405,897	1,602,797

* The figures are the total of SBI E*TRADE SECURITIES and SBI Securities accounts since they merged on Oct. 1, 2007 83

Effect of Share Exchange on SBI Holdings Consolidated Financial Indicators



Estimate that the share exchange will have a positive effect on indicators even in the short term

	Changes	Effect on financial indicators
Balance sheet	Issuance of shares will increase equity by 149.4 billion yen (including 50.3 billion due to use of treasury stock) but there will be a 71.4 billion yen decline in minority interests. For assets, there will be 78.0 billion yen of goodwill (estimate based on information as of Dec. 31, '07).	Based on the standard used at end of FY07, equity will increase from 240.5 billion yen to 390.0 billion yen and the equity ratio will increase about 9 points from 18.1% to 27.5%.
Net income	Amortization of goodwill (3.9 billion yen annually over a 20-year period) will increase operating expenses, but net income will now include the 44% of earnings at SBI E*TRADE SECURITIES that had been eliminated through a deduction for minority interests.	Assuming full year net income of 14.4 billion yen at SBI E*TRADE SECURITIES, SBI Holdings will contribute 2.5 billion yen to growth in consolidated net income even after amortization of goodwill.
Cash	SBI Holdings will now receive 100% of dividends paid by SBI E*TRADE SECURITIES.	By adopting a flexible dividend policy at SBI E*TRADE SECURITIES, SBI Holdings will be able to more efficiently use available funds at SBI E*TRADE SECURITIES, after this subsidiary meets its requirements for working capital and debt repayments.

Examination of SBIH's Shareholder Value after Merger with SBI E*TRADE SECURITIES (1)



<Assumptions >

- The number of shares issued used for calculation of the theoretical stock price is 16.66 million, the number of shares outstanding after making SBI E*TRADE SECURITIES a wholly owned subsidiary.
- Market capitalization based on closing prices on Jan. 25, 2008.
- Asset Management Business: Product of average market cap multiples for peer companies (JAFCO, NIF, JAIC) versus FY2006 operating income (previous accounting standard) and FY2006 operating income (previous accounting standard) for this SBIH business unit.
- Brokerage & Investment Banking Business: Also includes 100% of the market cap of SBI E*TRADE SECURITIES and that of SBI Futures in proportion to the equity interest of SBIH (including indirect holdings).
- Financial Services Business: Also includes the market cap of SBI VeriTrans and Morningstar Japan, in proportion to the equity interest of SBIH.
- Housing and Real Estate Business: Product of average market cap multiples for peer companies (Joint Corporation, ZEPHYR, CREED and Raysum (former RECRM RESERCH)) versus the FY2007 operating income forecast and the FY2007 operating income forecast for this SBIH business unit.

Examination of SBIH's Shareholder Value after Merger with SBI E*TRADE SECURITIES (2)



(Unit: million yen)

	Market cap by segment (Theoretical value)
Asset Management	301,701
Brokerage & Investment Banking	293,210
Financial Services (listed subsidiaries)	10,287
Financial Services (new and other businesses)	(+)
Housing and Real Estate	15,792
Total	620,989(+)



Theoretical stock price (yen)

37,268(+)

There are also profitable businesses not included in this theoretical value calculation, such as SBIH's comparison website businesses, SBI Lease and SBI Equal Credit.

4. SBIH Group in Five Years

(1) SBIH Group in Five Years and the Performance Objective

(2) Prerequisite Conditions and the Basis for Our Future Outlook

(1)SBIH Group in Five Years and the Performance Objective

The SBIH Group in Five Years



1. Internet-based Full-fledged Financial Conglomerate

Plan to make the three new core businesses (Internet bank, life insurance and non-life insurance) profitable with earnings totaling 5 billion yen in three years

2. Expand such Ecosystems as Housing and Real Estate, Lifestyle Networks and System Solution Business

Expand ecosystems that are closely related to the financial area

3. From Japan's SBIH to a Global SBIH

Become a global company that earns half its operating income overseas in five years

4. Realize a minimum of 100 billion yen in operating income in FY 2012

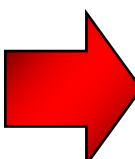
Continuously achieve a steady growth of over 15% in operating income after 2012

Continuous Growth of Operating Income

Estimates of operating income of each business segment

(billion yen)

	FY2008 (E)	FY2009 (F)	FY2010 (F)	FY2012 (F)
Asset Management	15.0	20.0	20.0	66.6
Brokerage & Investment Banking	28.0	35.0	40.0	
Financial Services	0	1.0	5.0	
Housing and Real Estate	8.0	9.0	10.0	33.4
Total	51.0	65.0	75.0	100.0

15-20% Growth 

Note: All figures are estimate (E) or focus (F) by the company.

Minimum operating income target of FY2012

➔ 100.0 billion yen (around \$1 bil.)

Target Breakdown of Future Operating Income

[Comparison of Operating Income by Segment]

	Asset Management	Brokerage and Investment Banking	Financial Services, Housing and Real Estate, System Solution
FY2007 3Q (%)	29.8	48.4	21.8
Within 5 years	$\frac{2}{3}$		$\frac{1}{3}$

[Comparison of Operating Income by Region]

	Domestic	Overseas
FY2007 3Q (%)	69.0	31.0
Within 3 Years	$\frac{2}{3}$	$\frac{1}{3}$
Within 5 Years	$\frac{1}{2}$	$\frac{1}{2}$

(2) Prerequisite Conditions and the Basis for Our Future Outlook

- I. Realizing Profitability for the Three New Core Businesses in a Relatively Short Period of Time**
- II. Favorable Profit Prospects in the Asset Management Business**
- III. Online Securities Brokerage is Still Expected to Grow Steadily**
- IV. Continuous Growth of Both Financial Services Business (existing operations) and Housing and Real Estate Business**

The Favorable Business Environment that Surrounds SBIH's Internet-based Financial Conglomerate Business



1. Broadband Penetration

=>Broadband household coverage increased from 7.4% in 2002 to 50.9% in 2007, and a corresponding increase in online trading of products and services may be anticipated.

2. Mobile Internet Penetration

=>Mobile internet users increased from 25 mil. in 2001 to 70 mil. in 2006.

3. Commercial Internet usage began in Japan in 1992

=>By 2010, many younger generation Internet users, who were exposed to the Internet at an early age, will now be reaching the age where they will become consumers of financial products and services.

4. From savings to investments

=>Stocks and investment trusts as a percentage of individual financial assets in Japan as of the end of 2006 was recorded at 16.2%, as compared to 47% in the United States as of the end of June 2006. As the trend from savings to investments accelerates, this percentage is expected to increase substantially.

5. Half of SBI E*TRADE' 1.6 million customers are under the age of 40

=>Given their familiarity with the Internet, most of them are expected to continue to trade online even after they become older and the trade volume is expected to continue to increase as well

The Growing SBIH Group Customer Base



The SBIH Group's customer base has expanded to a total of about 6.4 million served (E*TRADE FINANCIAL has 4.7 million accounts)

SBIH Group Company and division		Mar. 2005	End of Dec. 2007
SBI E*TRADE	(Accounts)	590,000	1.6 mil.
InsWeb	(Total no. of customers with transactions)	690,000	2.3 mil.
E-LOAN	(Total no. of customers with transactions)	140,000	540,000
SBI Mortgage	(Balance of transactions executed)	68.1 bil. yen	339.9 bil. yen
SBI Sumishin Net Bank	(Deposits)	0	200 bil. yen (as of Jan. 23, '08)
SBI VeriTrans	(Branches used)	1,010	2,530
SBI Card	(Cards issued)	(Started Nov.06)	26,000
Morningstar Japan	(New portfolio customer registrations)	(Since fall of 06)	28,000
Lifestyle related comparison websites*	(Total no. of customers with transactions)	50,000	630,000
MoneyLook	(Total no. of customers with transactions)	300,000	600,000
Autobytel Japan	(Total no. of service users)		2.03 mil.(FY06)

*Total of seven web sites, mainly "Ticket Ryutsu Center" and "Hikkoshi Tatsujin Select".

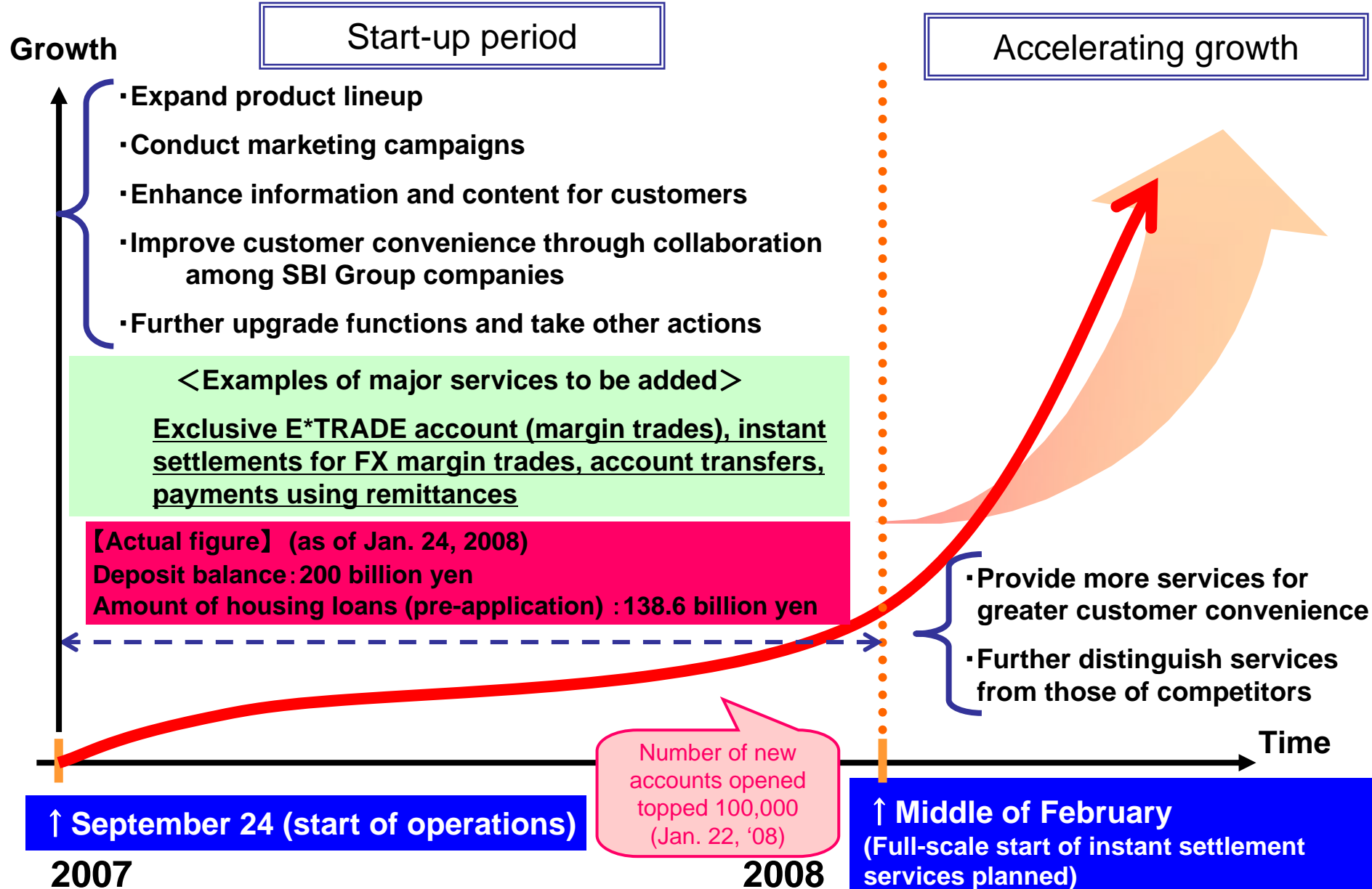
I. Realizing Profitability for the Three New Core Businesses in a Relatively Short Period of Time

- **SBI Sumishin Net Bank, Ltd.**
(started operations on Sept. 24, 2007)

Projected Growth of SBI Sumishin Net Bank

SBI Holdings

The goal is to accelerate growth upon full-scale launch of the complete lineup of banking services



Use High Interest Rate for Exclusive E*TRADE Deposits to Attract Transfers of Funds from Money Reserved Fund (MRF)(*1) in Brokerage Accounts



*1 Currently outsourced to Nomura Asset



Special rate campaign! ^(*2)

Deposit balance:
Over 92.4 billion yen

1 Year	6 months	3 months
1.2%	1.0%	0.9%

Yen time deposits

Annual interest 0.55%

Exclusive for E*TRADE deposits

Withdrawals of sales proceeds are possible even on the settlement date(*3) for sales of stocks, etc. (*3 Third business day after the trade date)

254.3 billion yen retained in MRF account in one month (Dec. '07)

MRF balance is 461 billion yen (end of Dec. '07)



1.6 million accounts (end of Dec. '07)

Annualized return of 0.409% (*4)

SBI E*TRADE SECURITIES MRF rate

***Interest rate for past week (as of December 25)**

Withdrawals of MRF redemptions are possible one or two business days after the receipt of proceeds.

*Based on receipt of agreement of customers and approvals from regulatory agencies.

*Each figure is based on data as of Jan. 23, '08.

*2 Campaign rates are effective until Feb. 3 for yen one year time deposits or Mar. 31 for six and three months deposits.

*4 Based on receipt of agreement of customers and approvals from regulatory agencies.

SBI Sumishin Net Bank Deposits Topped 200 Billion Yen After Only 122 Days Since Start of Operations



Offering competitive interest rates, free ATM transactions for individual customers and several sales campaigns, SBI Sumishin Net Bank Deposits topped 200 billion yen after only 122 days since its start of operations on Sept. 24.

Days required by major Internet banks to reach 200 billion yen in deposits:

	Start of operations	Time needed to reach 100 billion yen (*1)	Days after start of operations	Time needed to reach 200 billion yen (*1)	Days after start of operations	Deposits (yen) (*2)
eBANK	2001/07/23	2003/10/01 ~2004/03/31	801- 983 days	2004/10/20	<u>1185 days</u>	652.2 bil.
Japan Net Bank	2000/10/12	2002/10/01 ~2003/03/31	720- 901 days	2004/10/01 ~ 2005/3/31	<u>1451- 1632 days</u>	373.9 bil.
Sony Bank	2001/06/11	2002/03/01 ~2002/03/31	264- 294 days	2002/12/01 ~ 2002/12/31	<u>538- 569 days</u>	888.4 bil.
SBI Sumishin Net Bank	2007/09/24	2007/11/19	57 days	2008/01/23	<u>122 days</u>	200 bil.

*1 Time needed for deposits to reach target amount based on information announced by each bank.

*2 All balances as of September 30, 2007 except for SBI Sumishin Net Bank.

- **SBI Insurance Co., Ltd.**
(started operations on Jan. 16, 2008)

- **SBI Life Insurance Planning Co., Ltd.**
(plan to start operations in the latter half of FY207)

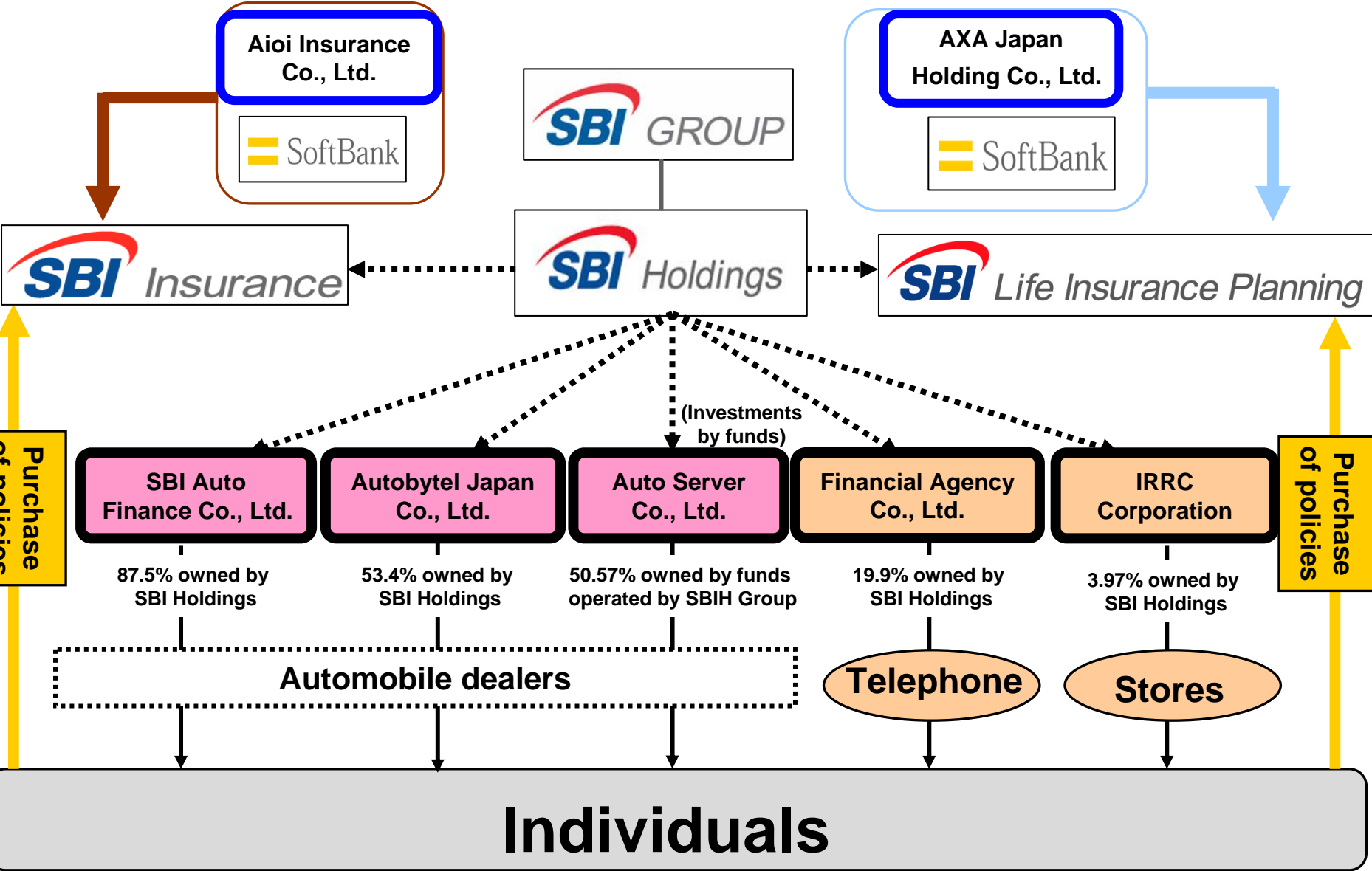
① Internet Non-life Insurance: *Insurance*

- **Dec. 26, 2007** Received a license for the non-life insurance business from Financial Services Agency
- **Jan. 16, 2008** SBI Insurance Co., Ltd. started operations
 - Paid-in Capital... 1.55 billion yen
 - Shareholders... SBIH 61.6%, Aioi Insurance 33.4%, Softbank 5.0%

② Internet Life Insurance: *Life Insurance Planning*

- **Dec. 7, 2007** Applied for a preliminary review to receive an insurance business license from Financial Services Agency
- **Dec. 21, 2007** Increased its capital by 5.0 billion yen through a shareholder allocation
 - Paid-in Capital... 3.75 billion yen
 - Shareholders... SBIH 55.0%, AXA Japan 40.0%, Softbank 5.0%
- **Plan to start operations in the latter half of FY2007**

A Diversified Ownership Structure to Support the New Insurance Businesses



Optimize Each Sales Channel to Make New Insurance Businesses Profitable at an Early Stage

SBI Auto Finance Co., Ltd.

Activities: Short-term loan guarantees and payment processing service for purchases at automobile auctions by registered members

Member auto dealers: About 350 companies

Affiliated used car auction sites: 29 sites

Autobytel Japan Co., Ltd.

Activities: Internet auto purchasing service

Affiliated dealers: 900 (as of September 30, 2007)

New car estimate service users: 2.03 million (FY06)

IRRC Corporation

Operates **90 Insurance Clinic Shops (consulting and sales)** nationwide and plans to continue expanding its operations

Financial Agency Co., Ltd.

Operates a **Call Center** that conducts marketing through an exclusive “direct telemarketing” sales method

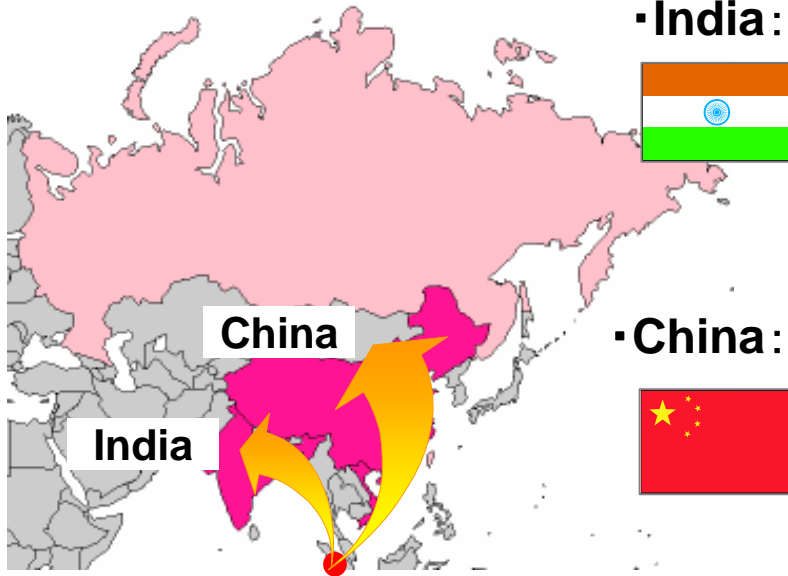
Auto Server Co., Ltd.

Activities: Used car auction bidding agency service using the Internet

No. of vehicles: Covers about 70% of all vehicles submitted at used car auctions in Japan

II. Favorable Profit Prospects in the Asset Management Business

Start of Full-scale Launch of New Funds through Alliances with Prominent Overseas Companies (1)



• India:



Signed contract to jointly establish an investment fund with “[State Bank of India](#)”, India’s largest commercial bank. Fund is now conducting due diligence to select investments, and preparing for 3-5 investments through a local subsidiary in Mauritius

• China:



▪ Signed contract to jointly establish an RMB based investment fund with “[Tsinghua Holdings](#)”, which is affiliated with Tsinghua University, one of China’s most prestigious universities. Jointly established fund management company. Receive the final approval from Ministry of Commerce to establish a fund which is the first case in Beijing as a fund which is jointly established with foreign-affiliated company.

▪ Reached an agreement in principle to jointly establish a new investment fund in the Cayman Islands with “[Beida Jade Bird](#)”, a subsidiary of Beida Jade bird Group which is affiliated with Peking University, one of the most prestigious universities in China. The new fund is targeting promising companies in China. Investment amount of approximately 100 million US\$



SBI VEN CAPITAL PTE. LTD

Start of Full-scale Launch of New Funds through Alliances with Prominent Overseas Companies (2)

Formed a new alliance with a prominent Russian company in December



SBI VEN CAPITAL PTE. LTD

▪ **Vietnam:** Signed contract to jointly establish a VND based investment fund and fund management company with “[The Corporation for Financing and Promoting Technology \(FPT\)](#)”, Vietnam’s largest information technology group at the end of Nov.



▪ **Russia:** In December 2007, reached an agreement in principal to jointly establish an investment fund with “[IFC METROPOL](#)”, a Russian leading financial company.



The commitment will be USD 100 million, primarily targeting prospective unlisted companies in Russia. Planning to increase the investment amount up to a maximum of USD 500 million after evaluating the performance of the first fund and the investment environment in Russia.

Two investee companies are preparing to list their shares on the Singapore market and a new market in England

Establishing a Human Network is Valuable for Forming Prominent Partnerships



**With Mikhail V. SLIPENCHUK, CEO
of the METROPOL Group (Russia)**



**Nguyen Minh Triet,
President of Vietnam**

**Signed contract with FPT in front of
Nguyen Minh Triet, President of Vietnam**



**With Ratan N. Tata, the Chairman of Tata Sons,
holding company of the Tata Group (India)**

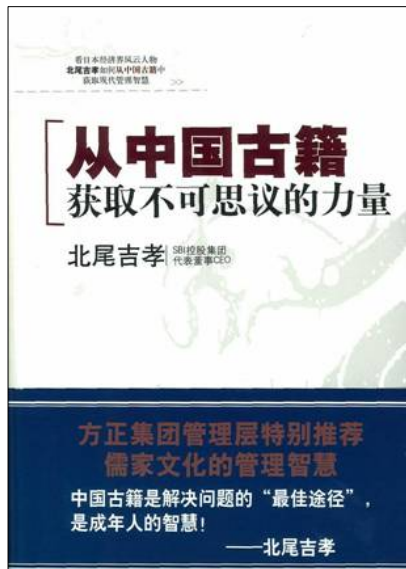


**Signed contract with Jun Song, Chairman
of Tsinghua Holdings Co., Ltd. (China)**

Yoshitaka Kitao, CEO of SBIH, has published several books that have been translated, and have been beneficial in establishing a human network (1)

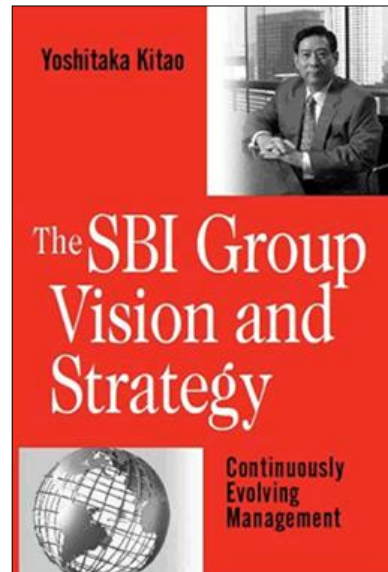
“Mysterious Powers” Gained from Chinese Classics

Chinese translation published by Peking University Press in August 2006



The SBI Group Vision and Strategy : Continuously Evolving Management

English translation published by John Wiley & Sons, Inc. in April 2007



Chinese translation published by Tsinghua University Press in November 2007



Yoshitaka Kitao, CEO of SBIH, has published several books that have been translated, and have been beneficial in establishing a human network (2)



Why Do We Work?

Korean translation published by Joongang Books in August 2007

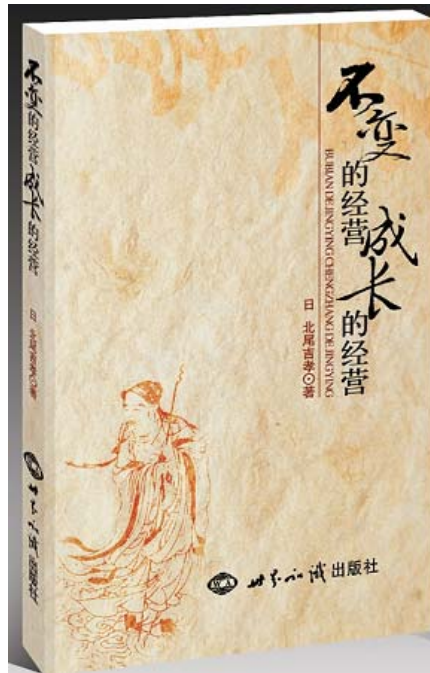


기타오 요시다카 著
2005년 후지TV 경영진 특집 '백의의 기사'로 등장해 라디오, 도어의 저널리스트, MBA에 재봉을 걸어 더욱 유명해진 그는, 노무라 증권에서 스포츠경영을 거쳐 현재의 SBI 홀딩스를 창립한 사업가로, 인물에 매우 뛰어난 인물로 평가이 나왔다.
프리미엄을 제공해, '오늘 그들의 호러'의 희망 등 장대한 문체가 있던 신중 경영자들이 있어서 나타났다. 그들이 말하는 것은: 경제계의 거인 해도, 속에서 살아온 그는 무엇보다도 인간학의 가치를 역설한다.
1951년에도 후기의 유학자 기타오, 가문의 괴물 이야현은 유학자 집안에서 태어나, 어린 시절부터 할아버지와 아버지로부터 중국 고전의 명문장을 읽기 시작했다. 이 책에서도 논어와 사서오경을 배웠고, 일본의 국사학으로 알려진 창명학자 야스오카 사치지로, 경영의 신이라 불린 야스오카 고노스케, 야나오의 가즈오, 나아가 일본 자본주의의 원형인 야사다 야이간까지 인격과 도덕적으로 조화를 이룬 유교주의 경영철학을 활용한다.
1974년 게이오기우주대학을 졸업하고 노무라증권에 입사했으며, 1976년 제법인의지대학 경제학부를 졸업했다. 1993년 노무라증권 사립법인부장을 지냈으며, 1995년 은행과의 합병으로 스포츠경영에 들어가 '백의의 기사'로 불렸다. 스포츠경영의 실무에서, 스포츠경영인 네트워크 대표이자 CEO를 거쳐 현재는 SBI 홀딩스 CEO로 있으며, SBI 어린이재단을 운영하고 있다.

이정환 著
경제학하고 경영학과의 인턴쉽, 일본시립고를 졸업했다. 야이카로 불려야학을 익혔고, 현재 일본 대학으로 활동하고 있다.
주요 역서는 <손오공 21세기 경영전략> <노무라와 야이카의 인간경영> <오다 노부나리의 카리스마 경영> <미국 경영학의 CEO의 생애는 비평가 되었다> <한국의 20년 동-비즈니스 혁명과 닮아 왔다> <금융업> <이타가 되기 위한 55가지 원칙> 등이 있다.

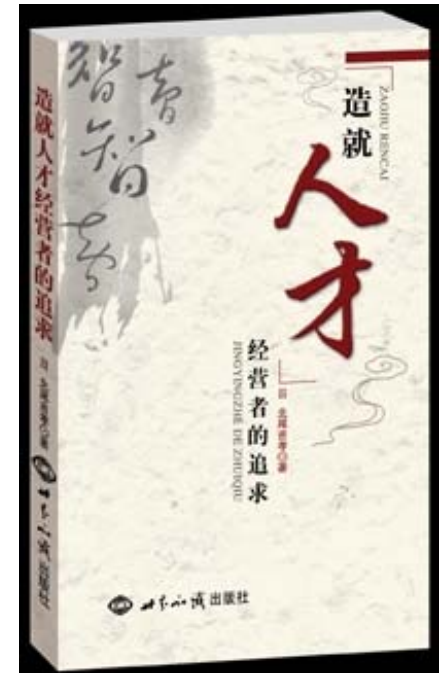
Continuous Management, Growth Management

Chinese translation published by World Affairs Press in January 2008



Cultivating Character

Chinese translation published by World Affairs Press in January 2008



Upcoming Funds of the SBIH Group



Planning to establish several new funds that total 1.3-1.9 bil. USD

Fund name	Asia Growth Fund	SBI-NEO Technology Fund <small>(tentative name)</small>	SBI Value Up Fund #2	SBI-METROPOL Investment Fund
Amount	USD 400M	USD 400-500M	USD 400-500M	USD100-500M
Term	5 years with possible 2 year extension	Undecided	7 years 11months with possible 2 year and a month extension	7 years with possible 2 year extension
Investment Object	China 60% India, Vietnam 30% Other Asian countries 10%	Non-listed companies in Japan and Asian countries	Buyout•PIPEs investment in Japan (incl. listed / non listed companies) (*1)	Russia and former republics of the Soviet Union (incl. listed / non listed companies)
General Partner	SBI Ven Capital Pte. Ltd.	SBI Investment	SBI Capital	SBIH: 50% METROPOL: 50%
Establishment Fee	None	Undecided	Undecided	Undecided
Management Fee	2.0% of commitment amount	Undecided	2.0% of commitment amount	2.0% of commitment amount
Success Fee	20% of capital gain	Undecided	20% of capital gain	20% of capital gain

*1 PIPEs (Private Investment in Public Equities) are investments made by investors such as through buyout funds that aim to improve corporate values of publicly listed companies.

Direct Investment Potential IPOs

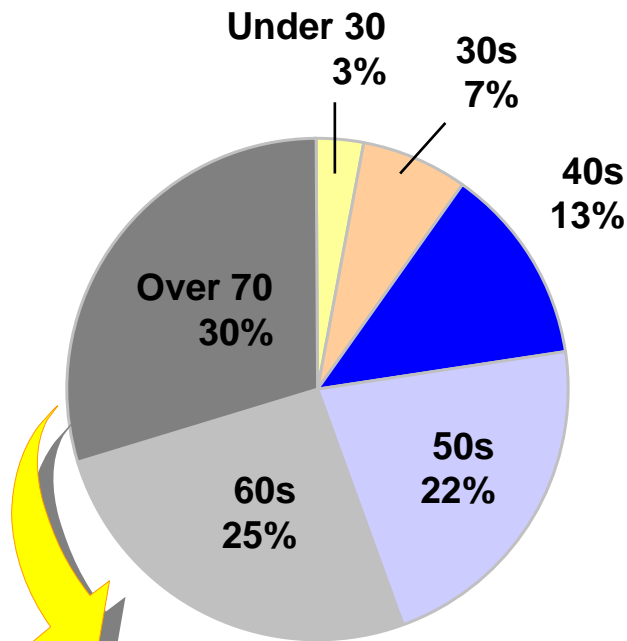
(Unit: million yen)

Year	Area of Industry	Investment Amount
2008	Mobile Contents Bio-technology Medical	1,679
2009	Online-betting	18,380
After 2009	B2B Platform Bank Life Insurance	1,011

III. Online Securities Brokerage is Expected to Grow Steadily

Comparison of Customer Accounts by Age Between Online Securities Companies and Conventional Securities Companies

Conventional securities company (Example)



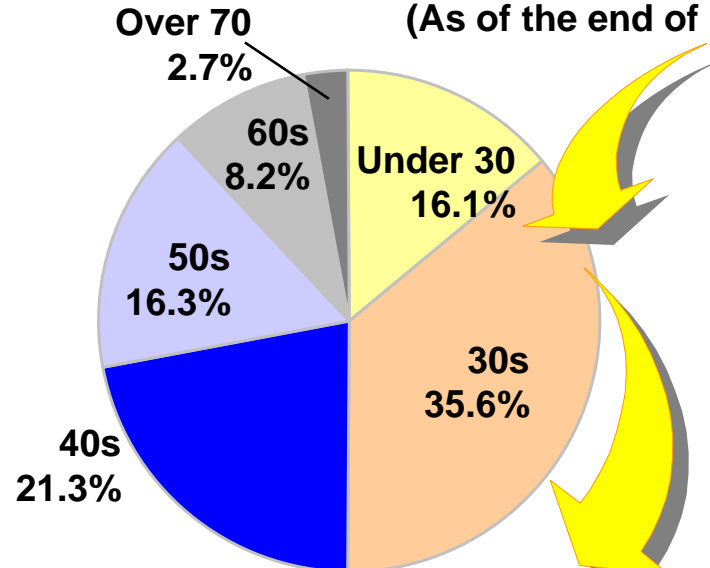
The older generation as a percentage of customers of conventional securities companies is generally higher

SBI E*TRADE SECURITIES

Commercial Internet usage began in Japan in 1992

By 2010, many younger generation Internet users, who were exposed to the Internet at an early age, will now be reaching the age where they will become consumers of financial products and services

(As of the end of Mar. 2007)



Assets of customers who are now in their 20s and 30s will increase steadily. Most of them are expected to continue to trade online, and therefore **per capita fee is expected to increase**

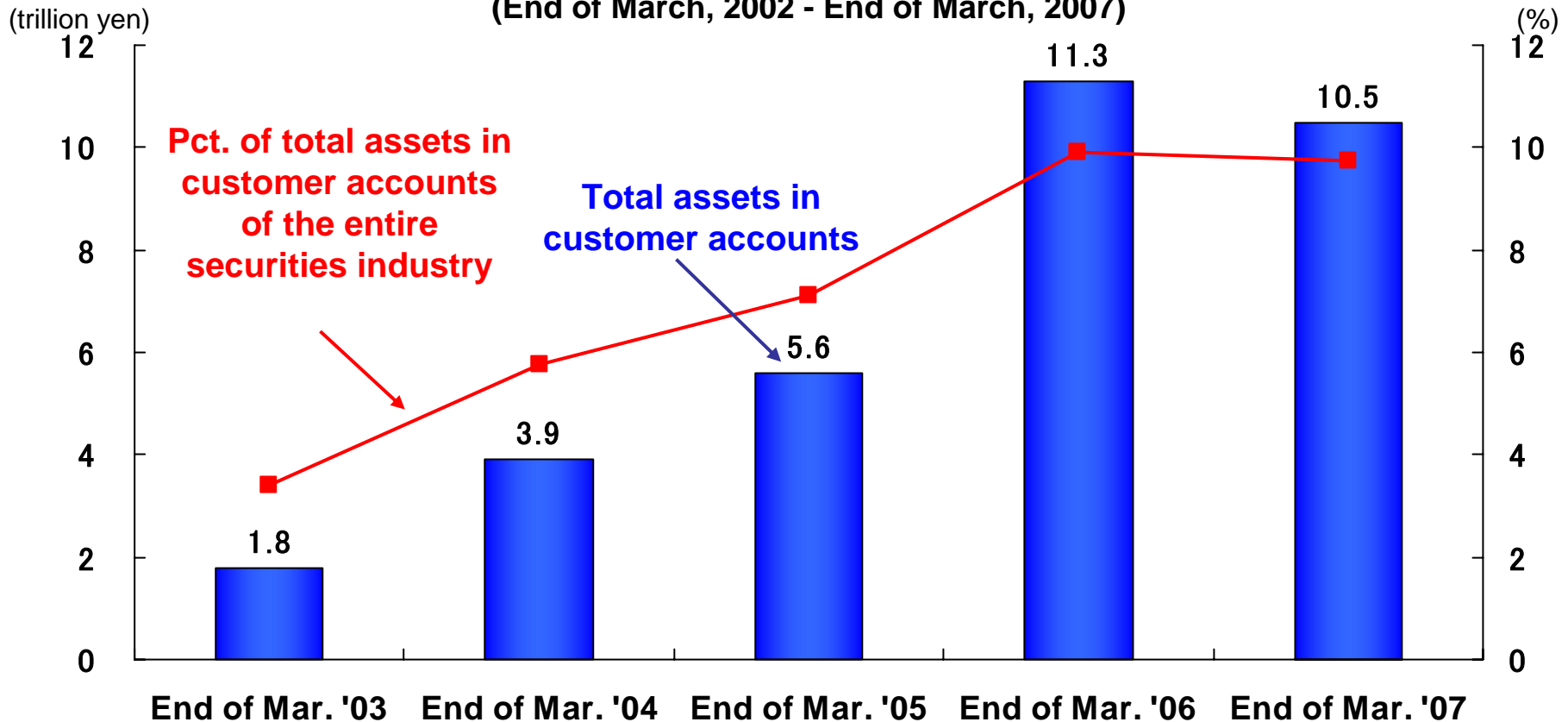
Online Securities Brokerage is Expected to Grow Steadily

Assets of customer accounts at the five major online securities companies(*) as a percentage of the total assets of customer accounts of the entire securities industry is increasing, but currently stands at only 10%

*SBI E*TRADE, Monex, Rakuten, Matsui, Kabu.com

Assets of customer accounts at the five major online securities companies as a percentage of the total assets of customer accounts of the entire securities industry in Japan

(End of March, 2002 - End of March, 2007)

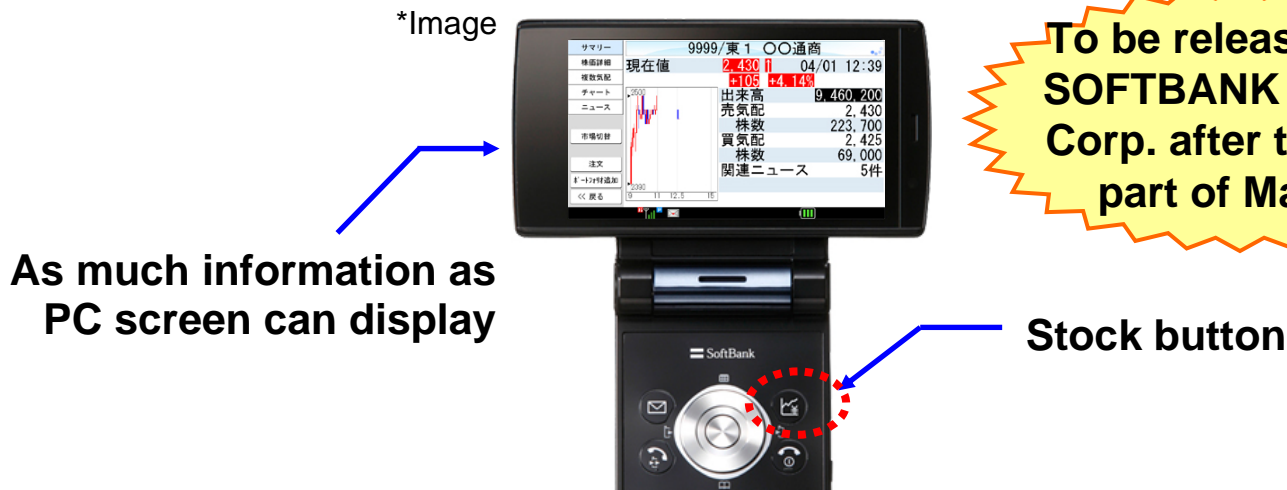


SOFTBANK MOBILE Corp. releases “Stock Mobile Phone” which enables users to trade stocks on SBI E*TRADE SECURITIES



- Display necessary information for stock trading on one screen, with night-time trading availability -

“Stock Mobile Phone” is equipped with stock-trading oriented application software that facilitates users to trade online



To be released from SOFTBANK MOBILE Corp. after the latter part of Mar. '08

Available overseas with no settings



Expand the customer base by improving customer convenience, along with introducing new customers to the availability of stock trading on mobile phones

IV. Continuous Growth of Both Financial Services Business (existing operations) and Housing and Real Estate Business

The Growth of Financial Services Business and Housing and Real Estate Business



Change in full-term operating income of Financial Services Business (two public companies)

(Unit: million yen)

	FY2005	YoY(%)	FY2006	YoY(%)	FY2007 (*)	YoY(%)
Morningstar (consolidated)	252	+47.4	431	+71.0	682	+58.3

*The figure is based on 12 months out of 15 months because of the change of fiscal year.

	FY2004	YoY(%)	FY2005	YoY(%)	FY2006	YoY(%)
SBI VeriTrans (non-consolidated)	221	+68.7	400	+80.9	592	+47.8

Change in operating income of Housing and Real Estate Business (nine months from Apr. to Dec.)

(Unit: million yen)

	FY2006 3Q	YoY(%)	FY2007 3Q	YoY(%)
SBI Holdings (Housing and Real Estate Business)	606	(—)	7,091	+1,070

< SBI Graduate School >

Received approval to establish SBI Graduate School from the Ministry of Education, Culture, Sports, Science and Technology



Preparing to start operations in FY2008

as a correspondence program to train business professionals

SBI Graduate School

Moral Education

Acquire humanities which is essential to business leaders



Practical Science

Nurture business professionals who possess practical skills

Endeavor to cultivate individuals with high ethics as well as scientific business acumen

Summary of SBI Graduate School:

E-learning through the Internet*



Students may attend class without restrictions to time or place

*Conventional face-to-face courses will also be offered when such programs are deemed more conducive

< Schedule >

Latter part of Jan. : Commence official website operations
Feb. 1 : Start recruiting

Name	SBI Graduate School
President	Yoshitaka Kitao
Subjects	Business Management Research / Entrepreneur
School Type	Professional Graduate School (Correspondence)
Degree	Master of Business Management
Management Corporation	Academic Corporation SBI University
Fixed number of students	80 regular students (Two classes of 40 students each to be recruited in Spring and Autumn)
Period	Two years
Requirement for Completion	More than 40 credits

<http://www.sbigroup.co.jp>