



*Strategic
Business
Innovator*

SBIH Group
FY2007 Financial Results
(Year Ended March 31, 2008)

April 25, 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 Consolidated Performance

(Unit: million yen)

	FY2006 Year ended Mar. 2007	FY2007 Year ended Mar. 2007	YoY change (%)
Operating revenues	144,581	222,567	+53.9
Operating income	23,095	42,606	+84.5
Ordinary income	90,696*	35,687	-60.7
Income before income taxes	62,041	28,819	-53.5
Net income	46,441	4,228	-90.9

* 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).

Highlights of FY07 Consolidated Performance

- (1) Since the process of consolidating investment funds started in the first half of FY06, consolidation of all applicable funds was not achieved until the beginning of FY07. Therefore, FY08 will be the first year in which “apples-to-apples” comparisons of YoY performance will be possible.**
- (2) SBIH recorded an extraordinary loss of 9.3 billion yen for stock investment valuation losses. This was primarily due to the amortization of all goodwill* resulting from asset impairment for the stock of affiliated companies based on market values at the end of March 2008. (*ZEPHYR: 6.6 bil. yen, Living Corporation: 2.0 bil. yen)**
- (3) The asset management business performed well in a difficult market, contributing to consolidated earnings despite posting an extraordinary loss. Earnings from overseas investments in Asia and other regions contributed significantly to earnings. Overseas investment earnings rose to 45% of total operating income.**
- (4) In June, SBIH forecasted operating income of 39 - 43 billion yen, or slightly more. Even though operating income from securities businesses was well below the forecast (20.5 billion yen versus forecast of 30 - 33 billion yen), the strong performance of asset management business resulted in total operating income that was in line with the June forecast.**

Meaningful Comparisons Possible From 1Q FY2008

One-time factors affecting FY06 1H performance:

- Sale of SBI E*TRADE SECURITIES stock by IT fund

- Posting of negative goodwill of 69.1 bil yen, due to start of fund consolidation and amortization of this goodwill (extraordinary gain), and extraordinary loss of 31.9 bil yen, due to adjustment of book value of stock held by consolidated funds



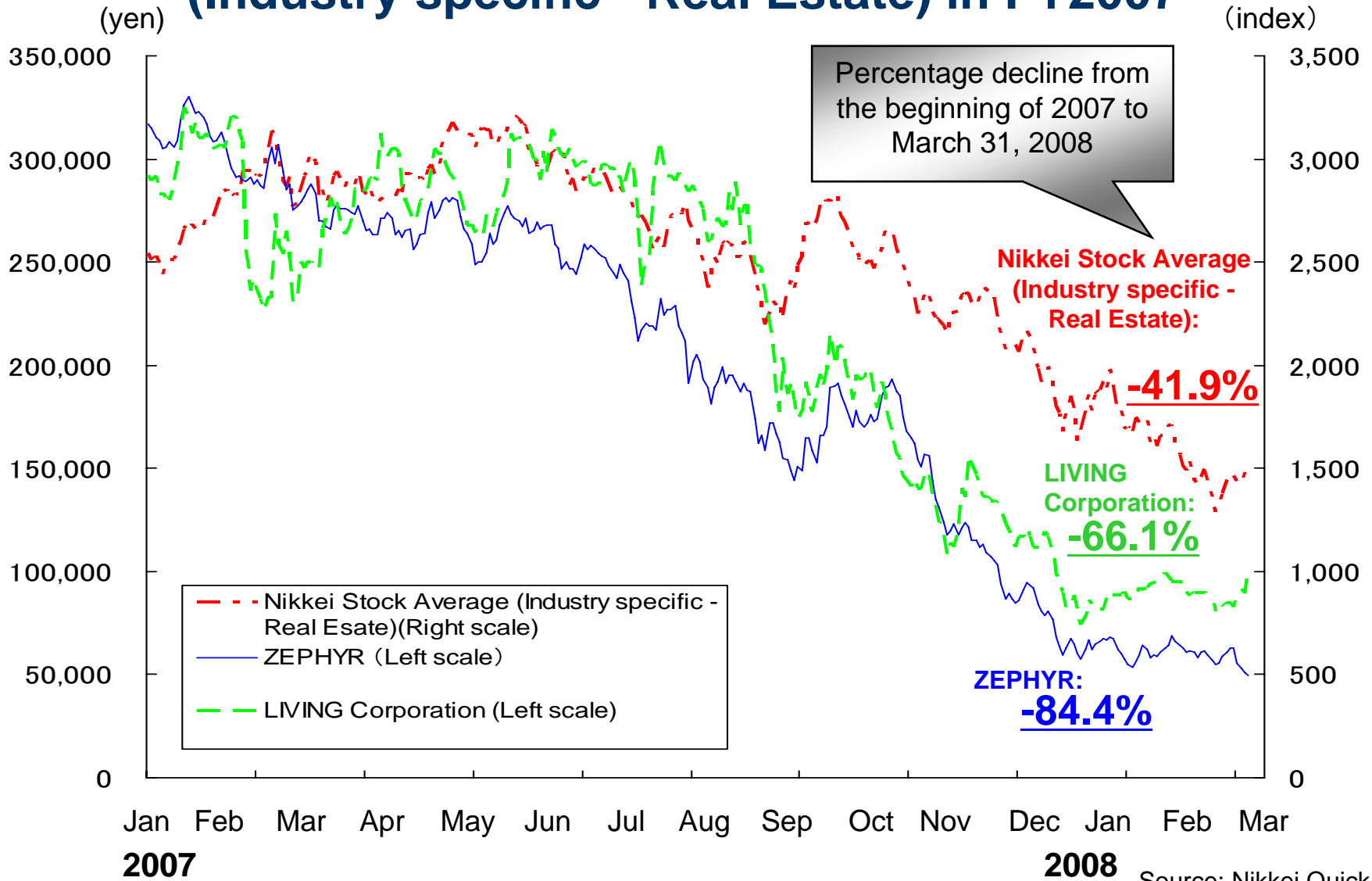
**Special items in 1H of
FY06 prevents year-
on-year comparisons**

**“apples-to-apples”
comparison of YoY
performances are
possible again**

**Start of fund
consolidation**

	FY2006 1H	FY2006	FY2007 1H	FY2007	FY2008 1H	FY2008
Consolidated funds	6	12	20	19	(in future)	(in future)

Stock Price Movement of ZEPHYR, LIVING Corporation and Nikkei Stock Average (Industry specific - Real Estate) in FY2007



Valuation Standard for SBIH Group Private Equity Investments

For investments by SBIH Group funds in securities with no market value, the valuation is determined through the strict application of “investment security valuation standards,” which are based on the Accounting Standards for Financial Instruments.

The valuation standards were officially approved by SBIH in June 2002 after a review by Tohmatsu and Chuo Aoyama, which was then SBIH’s independent accountant. The standards have since been revised and are now applied to all investments in privately owned companies.

<Valuation method>

- All privately owned companies in the investment portfolio undergo a quantitative and qualitative analysis based on performance, the ability to achieve business plan targets, cash flows, and acquisition cost. The result of the analysis is used to determine prospects for recovering the investment. The company is then assigned one of six ratings to determine the required investment loss allowance or impairment.
- Based on the rating, SBIH establishes an investment loss allowance or records an impairment charge anywhere from 0% to 100% of the value.

Twice a year, SBIH’s independent accountant examines the suitability of these ratings and the adequacy of the investment loss allowance.

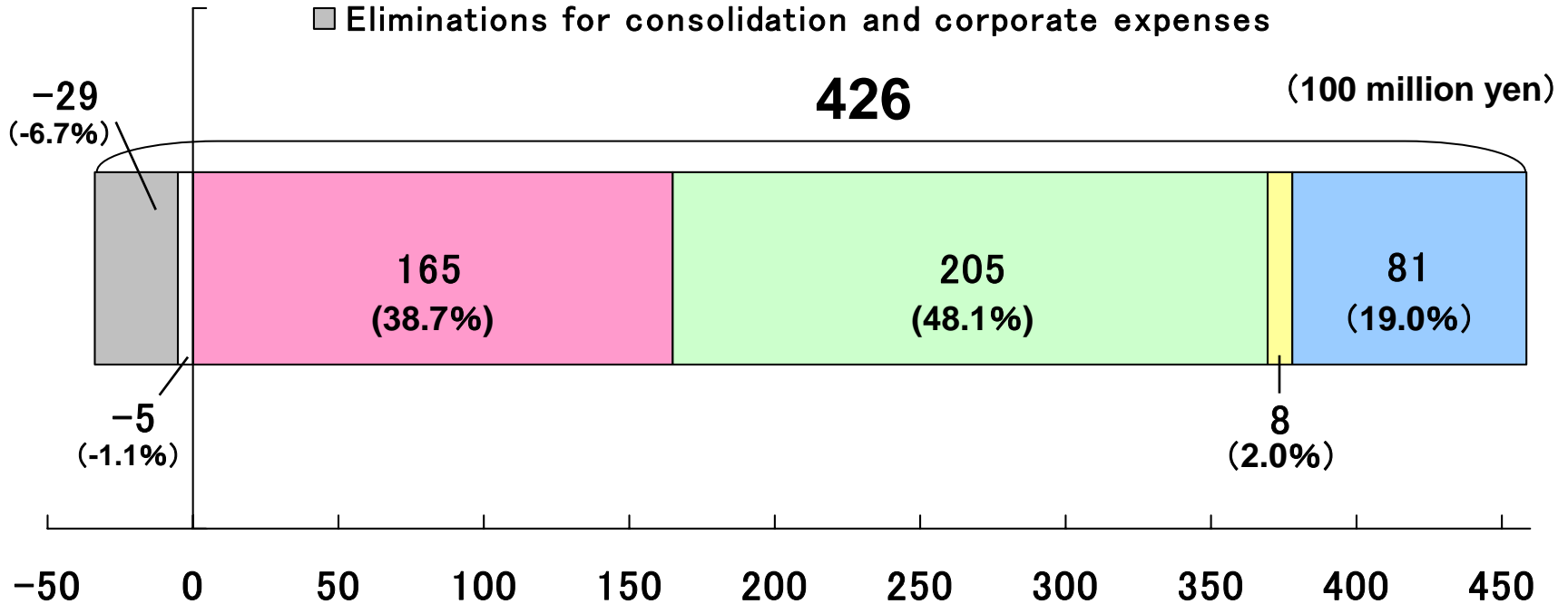
For the total investments of 120.5 billion* yen of funds managed by SBI Investment and other group companies, the investment loss allowance based on the above investment security valuation standards totaled 5.3 billion yen at the end of Mar. ’08, a net increase of 2.1 yen billion compared with a year earlier. (*Net assets at market value)

Comparison of Operating Income by Segment

- Asset Management
- Brokerage and Investment Banking
- Financial Services
- Housing and Real Estate
- System Solutions
- Eliminations for consolidation and corporate expenses

Overseas earnings rose to 45% of total operating income

**FY2007
Operating Income**



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

*The Lifestyle Networks 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 yen.

*Figures of overseas ratio do not fully match with 42.6 billion yen.

Forecast and Actual Results of Financial Performance by Business Segment in FY07

(billion yen)

	FY07 (Forecast) (Announced Jun. 28, 2007)	FY07 (Actual)
Asset Management	(+ α)	16.5
Brokerage & Investment Banking	30.0 to 33.0	20.5
Financial Services (established businesses)	3.5 to 4.0	3.2
Financial Services (new businesses)	-1.5 to -1.0	-2.3
Housing and Real Estate	7.0	8.1
Operating Income	39.0 to 43.0 (+ α)	42.6

Consolidated Performance Trend

(FY2005 to FY2007)

(billion yen)

	FY05 (Apr. 2005-Mar. 2006)	FY06 (Apr. 2006-Mar. 2007)	FY07 (Apr. 2007-Mar. 2008)
Operating Revenues	137.2	144.5	222.5
Operating Income	49.5	23.0	42.6
Asset Management	10.4	-3.2	16.5
Brokerage & Investment Banking	38.5	24.4	20.5
Financial Services (established businesses)	2.2	3.3	3.2
Financial Services (new businesses)	-	-	-2.3
Housing and Real Estate	- (*)	1.2	8.1

- SBI Card -0.7
- SBI Card Processing -0.6
- SBI Insurance -0.3
- SBI AXA Life Insurance -0.6

*Note : Housing and Real Estate Business is included in Asset Management Business for FY05.

Topics of FY2007 by Segment

(Asset Management Business)

- Sept 2007: Sold all shares of Kyobo Life Insurance in Korea
- Nov 2007: Agreed to establish JV funds with Beijing University (Beida Jade Bird) and Keio University
- 3Q 2007: Substantial generation of earnings at New Horizon Fund
- Jan 2008: Agreed to establish JV funds with IFC METROPOL, and launched the Tsinghua University fund
- Mar 2008: Regulatory approval received for Vietnam Fund (established with FPT) and India Fund (established with State Bank of India, which had been making investments using a Mauritius company)

(Brokerage & Investment Banking Business)

- Oct 2007: Merger of SBI E*TRADE SECURITIES and SBI Securities
- Rapid growth of PTS business

(Financial Services Business)

- Sept 2007: Full-scale launch of Internet bank and rapid growth in deposits
- Jan 2008: Internet non-life insurance started operations, and Internet life insurance completed preliminary review (started operations in April)
- Establishment of 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 Segments

(1) Asset Management Business

Fiscal Year 2007 (Year ended March 31, 2008)

Operating revenues: 58.0 billion yen (+55% YoY)

Operating income: 16.5 billion yen (-3.2 bil. yen in FY06)

Notes:

- 1. The above figures were calculated using the new accounting standard (with fund consolidation) for each segment.**
- 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 FY2006 were negative earnings due to the start of fund consolidation.**

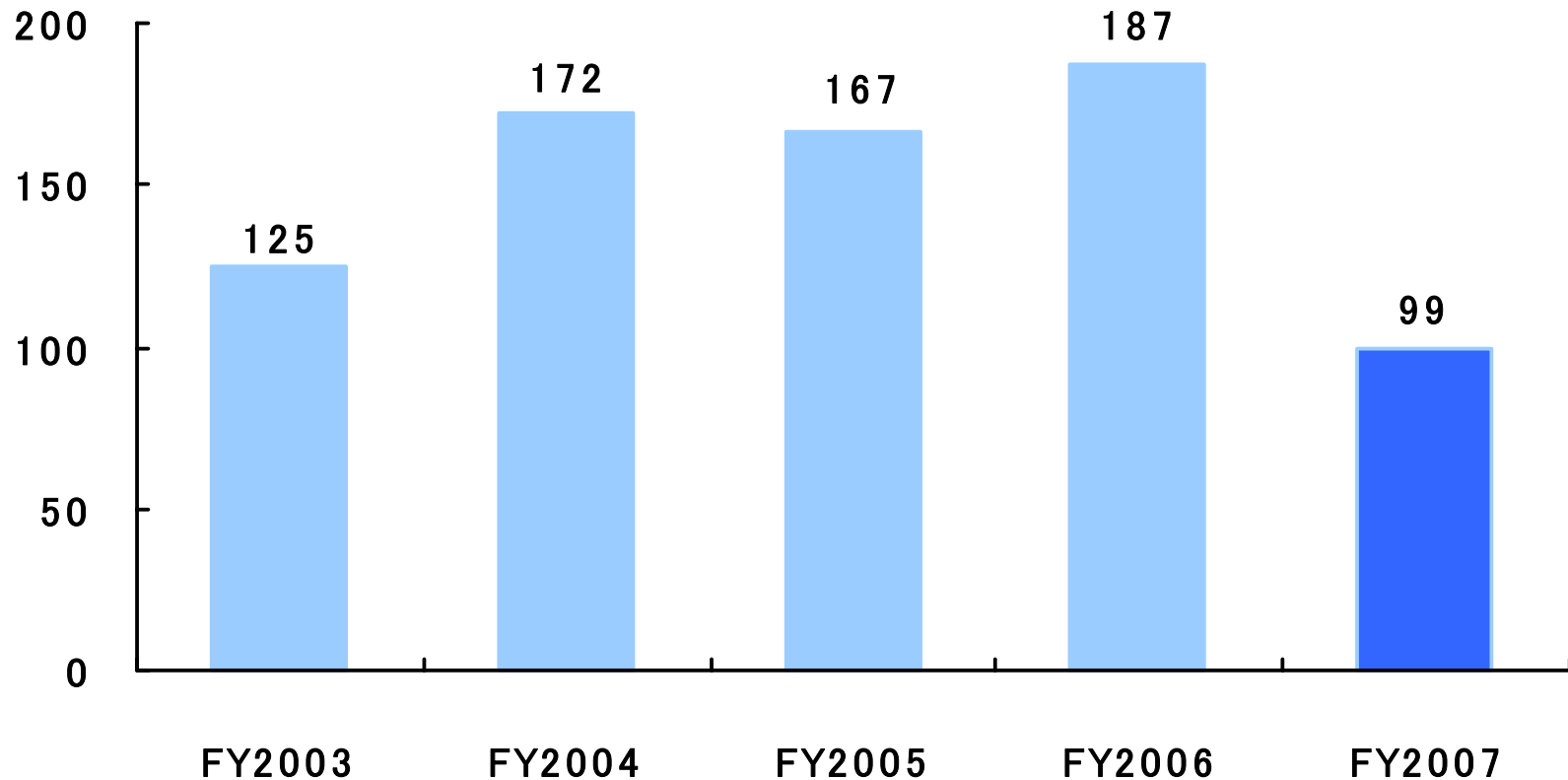
Highlights of Asset Management Business

- (1) 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 supported by the strong performance of its investments in Asia. With regard to the New Horizon Fund, six of the 10 companies in the fund portfolio are now publicly owned companies since the fund's launch in May 2005. It has recorded a gain of 3.6 billion yen through the sales of a portion of its portfolio.**
- (2) IPOs and M&A deals in FY2007 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 FY2008.**
- (3) Since bear markets present excellent investment opportunities, the company continued to make a substantial volume of new investments.**

Number of IPOs in Japan on a FY Basis

Less than 100 companies completed IPOs during FY2007, which is the lowest level of IPOs in the past 5 years

(Unit: companies)



Source: Stock exchanges in Japan

IPOs and M&A Deals

12 portfolio companies completed an IPO or M&A in FY2007, surpassing the 10 companies for all of FY2006

	From start of operations to FY 2005	FY2006	FY2007
IPOs and M&A deals	89	10	12

- 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.
- Mar. 25: Carna Biosciences, Inc.

New Investments during FY2007

The SBIH Group continued to make a substantial volume of new investments

Unit: million yen
(Number of investment companies)

	New Investment Amount		
	4Q FY2007 (3M)	FY2007 (full year)	(Reference) FY2006 (full year)
[Funds' Investment]	29,924 (35 companies)	96,596 (175 companies)	74,517 (139 companies)
Breakdown: Stocks	11,094 (28 companies)	40,444 (104 companies)	46,324 (79 companies)
Others (incl. bonds)	18,830 (16 companies)	56,151 (71 companies)	28,192 (60 companies)
[Direct Investment]	888 (4 companies)	4,444 (33 companies)	42,581 (13 companies)
Breakdown: Stocks	888 (4 companies)	4,444 (33 companies)	41,231 (12 companies)
Others (incl. bonds)	—	—	1,350 (1 company)
[TOTAL]	30,812 (39 companies)	101,040 (208 companies)	117,098 (152 companies)

Assets under Management of the SBIH Group

AUM of the SBIH Group amounted to 627.1 billion yen
(incl. Real estate and others)

Private equity total: 279.6 billion yen

[IT/Biotechnology] Total: 120.5

Internet	5.0
Broadband/Media	64.4
Mobile services	29.2
Biotech/Others	21.8

[Direct investment] 25.5

[Environment/Energy] 7.4

[Buyout/Mezzanine] Total: 34.8

Value Up	23.4
Mezzanine	11.3

[Overseas] Total: 91.5

China/ Hong Kong	71.6
Vietnam*1	9.9
India*2	10.0

[Investment trusts, others] Total: 301.5

Investment trusts	57.7
Investment advisory	240.8
Investment companies	3.0

[Real estate, others] Total: 46.0

Development	16.1
Completed properties	29.9

Figures for real estate investments and investment trusts and others are net assets at market value as of end Mar, 08. Figures for other funds are net assets at market value based on the most recent financial report for each fund as of end Mar, 08.

*1 Established on Apr. 3, 2008. *2 To be established in late April.

Track Record of Fund's Dividend Operated by SBIH Group

SBI Arsnova Capital Co., Ltd.

◆ Track record of Arsnova Anonymous Partnership <Index active>

(Parenthetic figures indicate investor's yields after deduction of fees, Unit: %)

Nov. 2007	Dec. 2007	Jan. 2008	Feb. 2008	Mar. 2008	Apr. 2008	Third Dividend
2.51 (1.88)	3.09 (2.19)	2.49 (1.89)	-1.94 (-1.64)	3.27 (2.52)	2.18 (1.62)	23.33 (16.92)

* First dividend: 17.37% (11.63%), Second dividend: 32.70% (24.70%)

Dividends are distributed once every half a year based on the financial results.

SBI Capital Solutions Co., Ltd.

◆ Performance of SBI Mezzanine Fund #2

(Investment yield. Parenthetic figures indicate dividend as Pct. of average investment amount during each period. Unit:%)

2007/1st	2007/7th	2007/11th	2008/1st
14.4 (8.9)	12.7 (7.7)	11.8 (7.1)	13.1 (8.6)

◆ Performance of Metropolitan Enterprise Revitalization Fund

2007/1st	2007/7th	2008/1st
22.4 (14.2)	13.1 (8.2)	12.2 (9.2)

(2) Brokerage & Investment Banking Business

Fiscal Year 2007 (Year ended March 31, 2008)

Operating revenues: 68.5 billion yen (+3% YoY)

Operating income: 20.5 billion yen (-16% YoY)

Notes:

- 1. The above figures were calculated using the new accounting standard (with fund consolidation) for each segment.**
- 2. The above figures do not include eliminations for consolidation and the deduction of corporate expenses.**
- 3. Rounded to the nearest 100 million yen.**

1. SBI E*TRADE SECURITIES continues to grow, supported by an enormous customer base and dominant market share

Progress in diversifying the profit structure allowed SBI E*TRADE SECURITIES to achieve 12.3% growth in operating revenues to 64.4 billion yen despite the downturn in the securities markets. Operating income was down 6.9% to 22.8 billion yen as the brokerage commission basis declined 0.5 point. Deferred tax liabilities of about 1.5 billion yen were recorded due to the agreement to sell stock of E*TRADE Korea. The result was a 13.7% decline in net income. (Net income was down only 2.8% after eliminating the effect of these deferred taxes.)

(1) The increase in customer accounts continues to greatly exceed its competitors, with increasing momentum

- Total number of customer accounts : Over 1.66 million accounts
- The number of accounts increased 60,866 in 4Q FY07 (Jan. to Mar. 2008), for the largest increase since 1Q FY06 (Apr. to Jun. 2006).

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

- Retail trading value share was at 36.0% in FY07 (twelve months), and retail margin trading value share was at 40.5% in FY07 (twelve months); both shares are significantly higher than the previous period.

(3) Succeeded in diversifying sources of profits as well as stabilization of profits

- Net financial revenues increased 23.0% YoY to 16.4 billion yen.
- Revenues associated with investment trusts increased 130.2% to 3.8 billion yen, due to the increased sales of investment trusts.
- Number-one ranked among all Japanese securities companies in IPO underwriting with 58 issues.

2. Japannext PTS started business successfully

(1) Experiencing much higher volume than the two PTS markets that have been operating longer

(2) To expand the trading volume, will extend the trading hours and increase the participation among the securities companies

SBI E*TRADE SECURITIES FY2007 Results (Consolidated)

(million yen, %)

	FY2006 (Apr. 2006 to Mar. 2007)	FY2007 (Apr. 2007 to Mar. 2008)	YoY Change
Operating Revenues	57,412	64,499	+12.3
Net Operating Revenues	53,296	58,017	+8.9
Operating Income	24,543	22,842 <small>(Note 1)</small>	-6.9
Ordinary Income	24,571	22,405	-8.8
Net Income	13,811	11,923 <small>(Note 2)</small>	-13.7

(Note 1) Reserve of 0.91 billion yen for OHT shares was posted in FY2007.

(Note 2) Deferred tax liability of 1.5 billion yen for selling shares of E*Trade Korea was posted.

Comparison of FY2007 Consolidated Performance of Major Online Securities Companies

Owing to expansion of sources of profits, YoY operating revenue of SBI E*TRADE SECURITIES grew to 12.3% whereas most competitors reported a decline in operating revenue.

FY2007 consolidated performance of five major online securities (million yen, %)

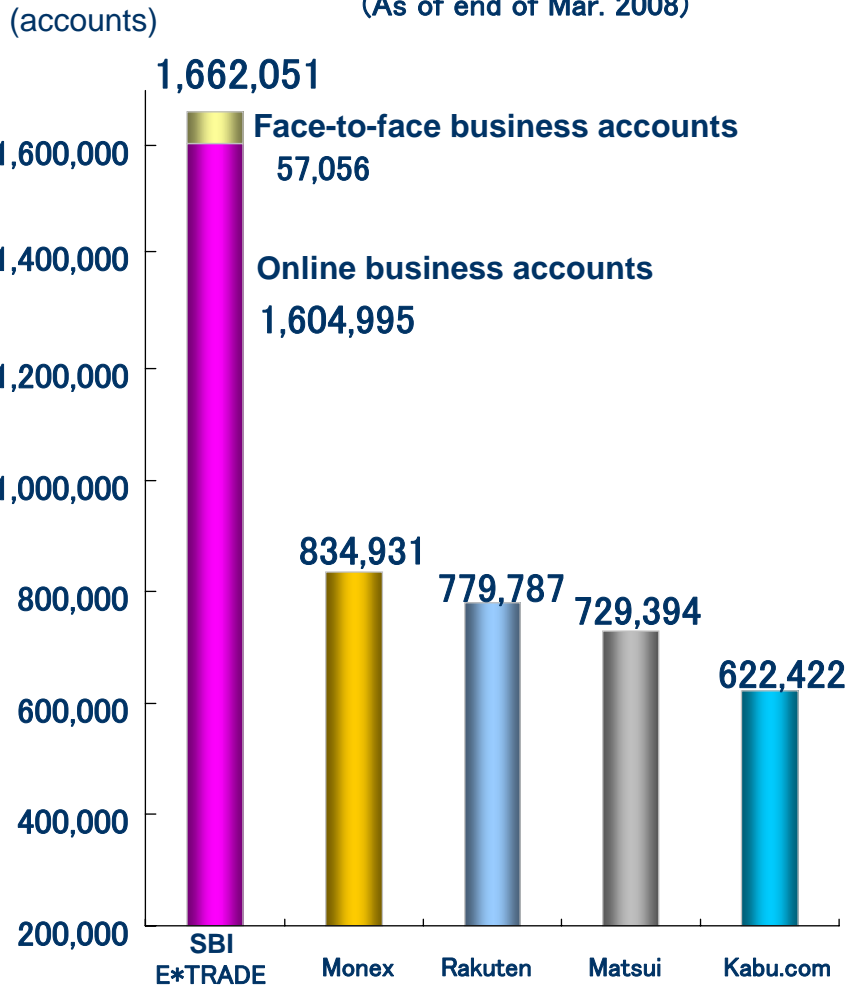
	Operating Revenues	YoY Change	Operating Income	YoY Change
SBI E*TRADE	64,499	+12.3	22,842	-6.9
Rakuten	28,691	-15.6	6,076	-43.2
Matsui	39,915	-8.6	20,660	-8.4
Kabu.com (non-cons.)	20,674	-1.3	9,940	-10.1
Monex	30,497	-8.3	13,016	-21.4

(Source : Based on company materials)

Customer Account Comparison of Five Major Online Securities Companies

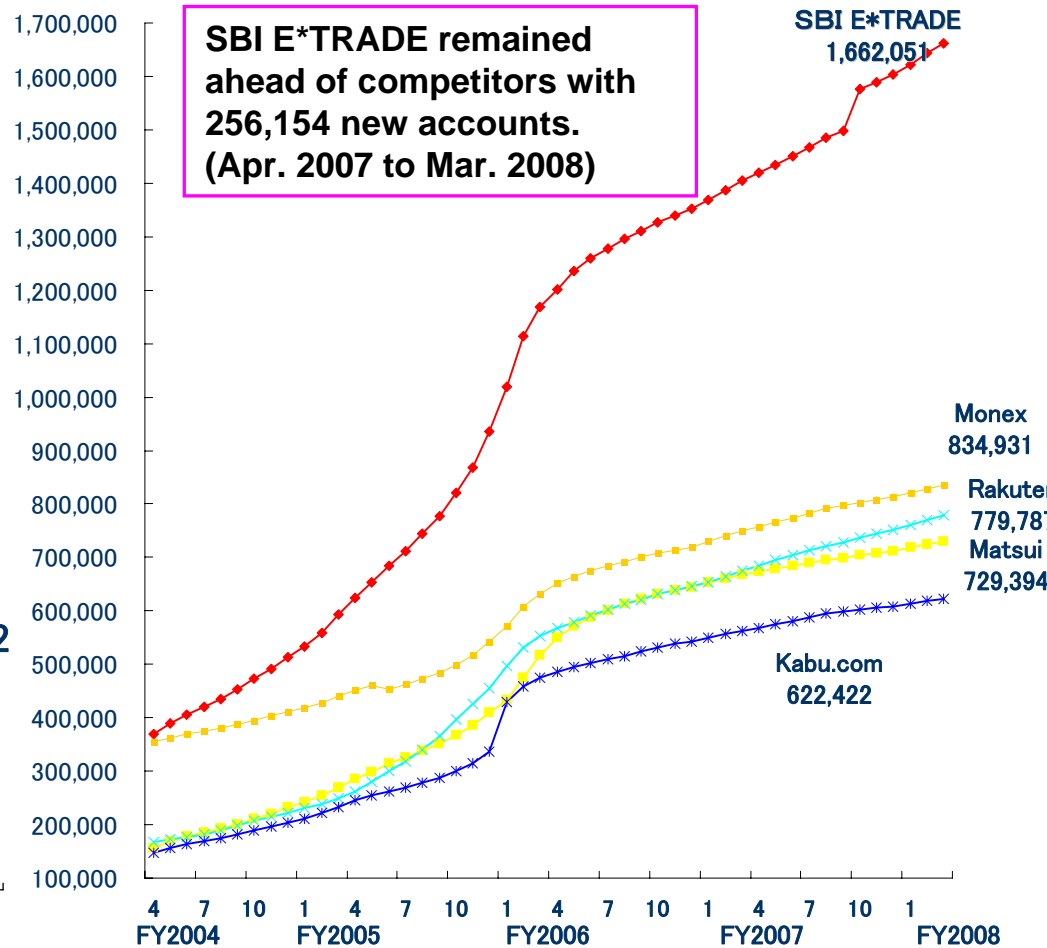
Customer accounts of 5 major online securities companies

(As of end of Mar. 2008)



Customer account trend of 5 major online securities companies

(Apr. 2004 to Mar. 2008)



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

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

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

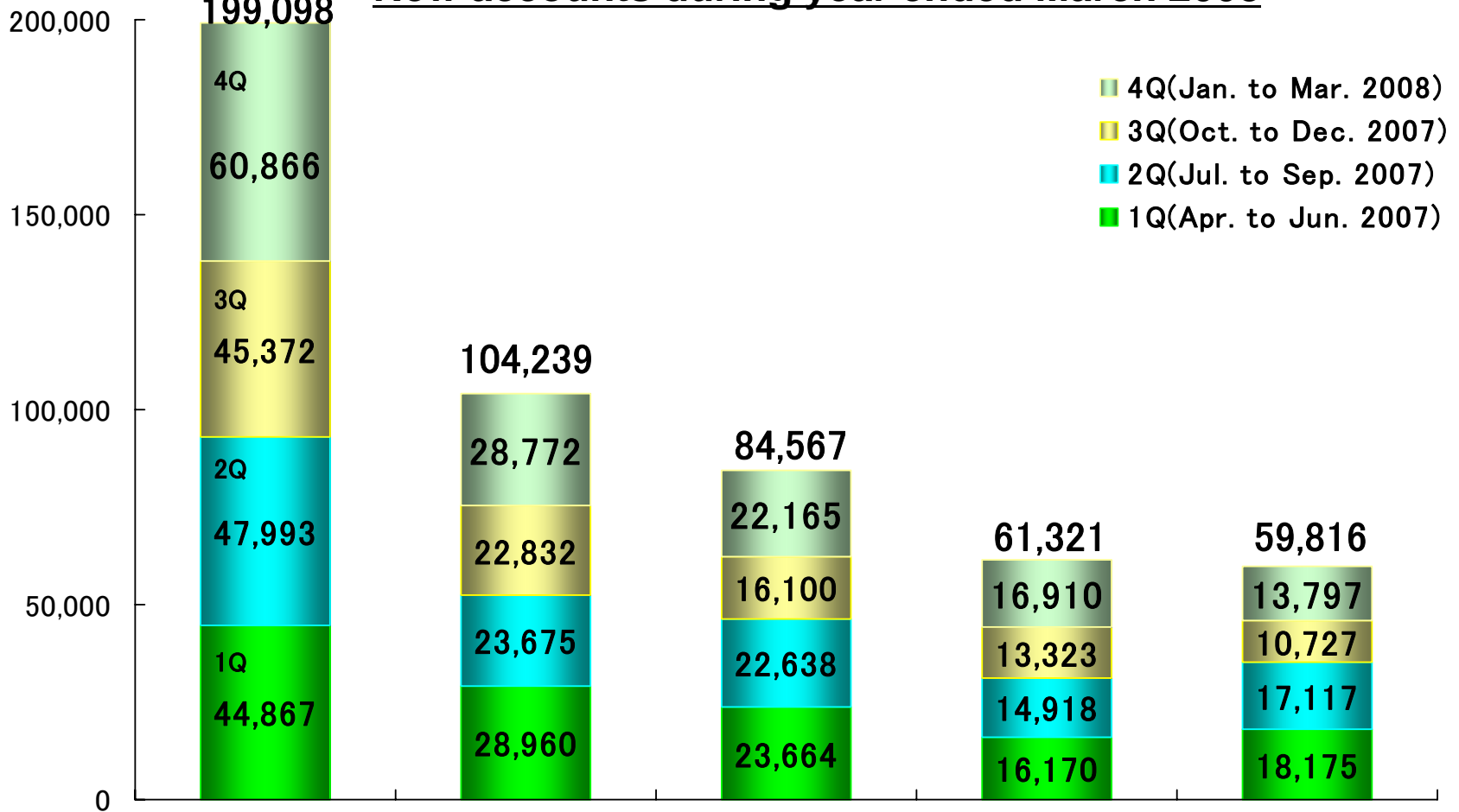
SBI E*TRADE Securities merged with SBI Securities on October 1, 2007.

New Accounts at Major Online Securities Companies

- Increase in new accounts accelerates again -

New accounts during year ended March 2008

(new accounts)



SBI E*TRADE
(Only online accounts)

Rakuten

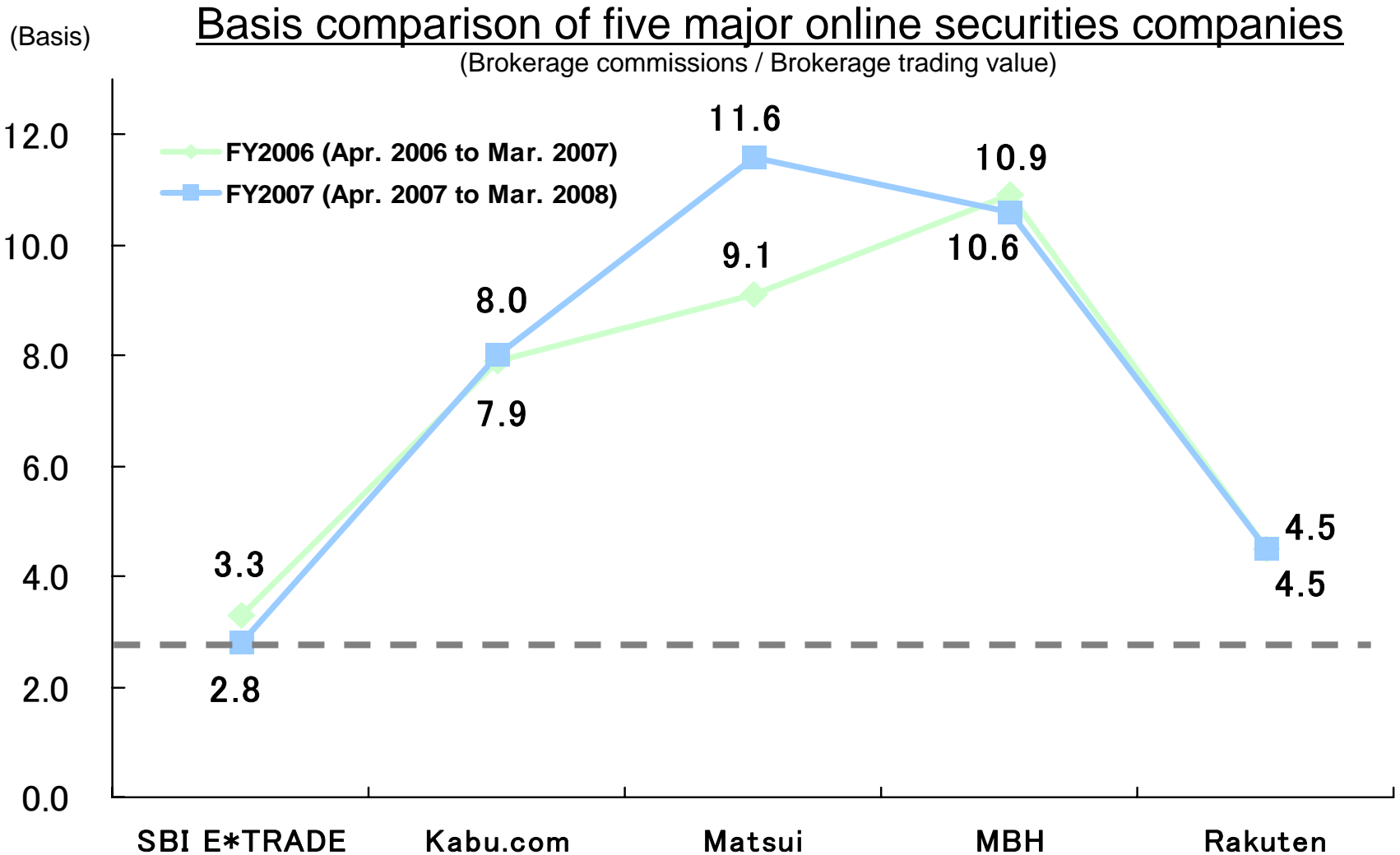
Monex

Matsui

Kabu.com

Source: Compiled by SBI E*TRADE SECURITIES based on Web sites and other public information for each company
SBI E*TRADE SECURITIES merged with SBI Securities in October 2007

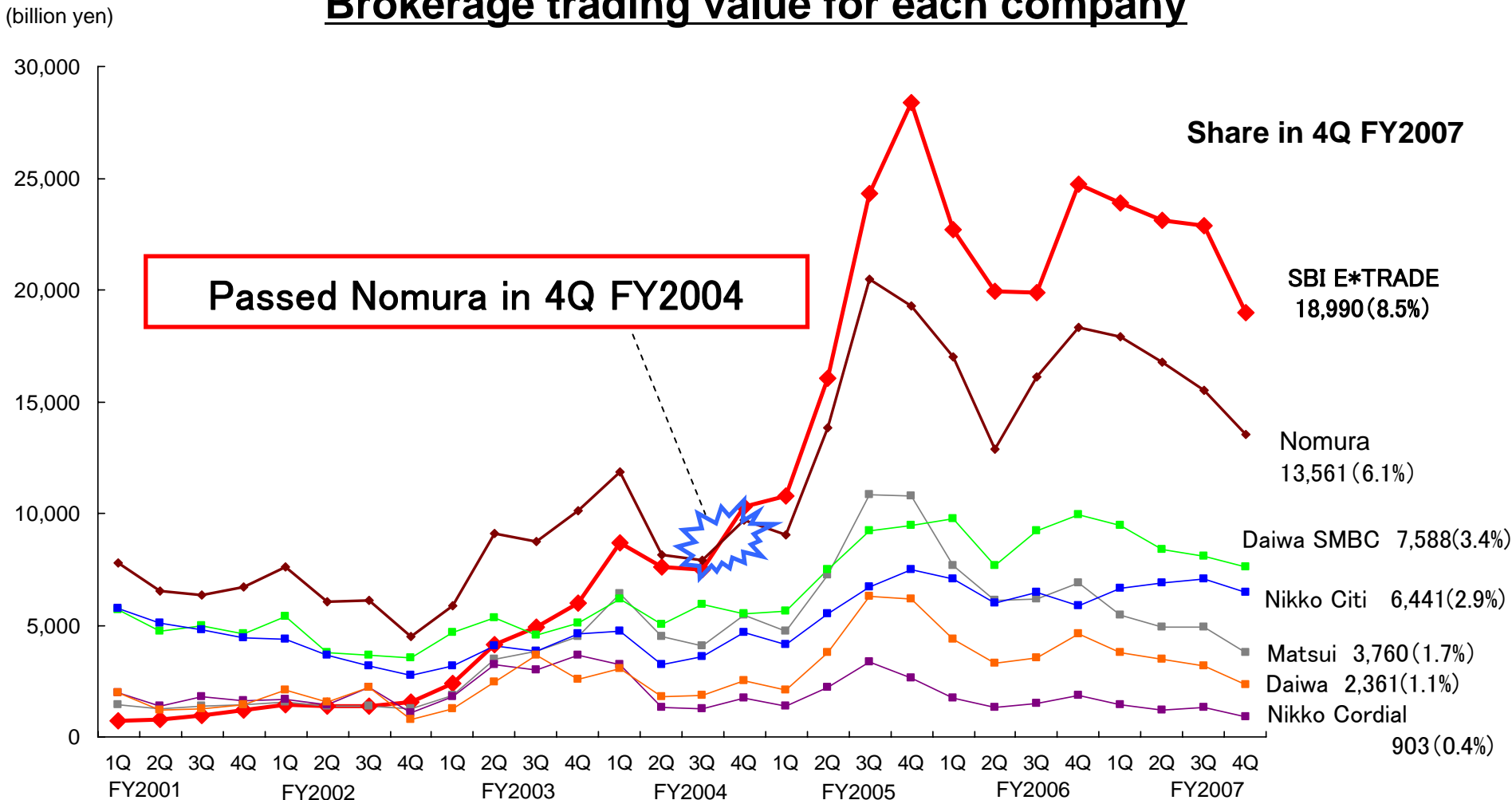
Basis Comparison of Major Online Securities Companies



Source: Based on company materials and monthly announcements.
 Cumulative figures for April 2007 to March 2008. Brokerage commissions use non-consolidated data.
 Former SBI Securities' figures does not include in SBI E*TRADE.

Comparison of Stock Brokerage Trading Value with Big Three Securities Companies

Brokerage trading value for each company

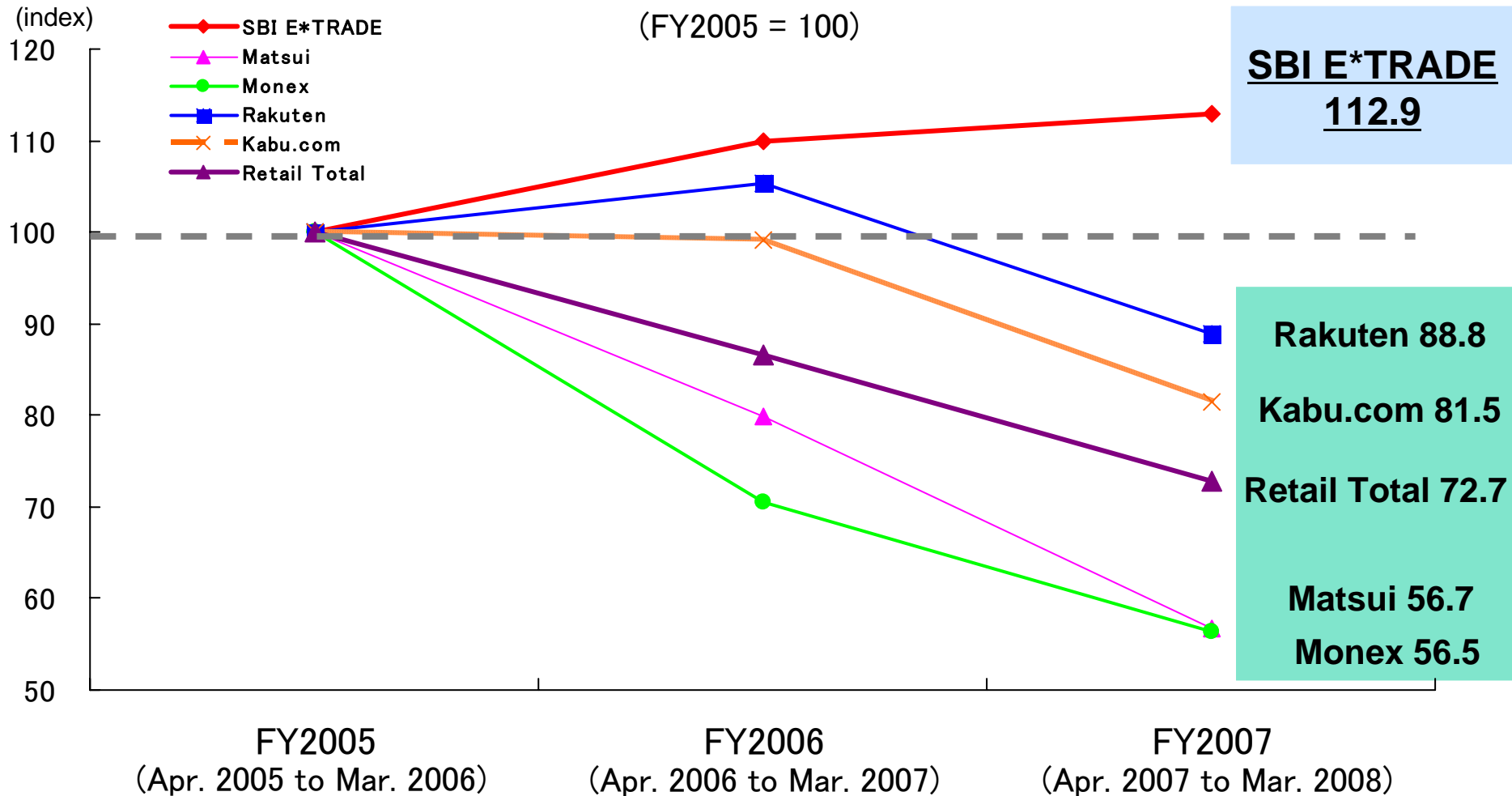


Source: Based on TSE and company materials (E*TRADE includes orders from overseas investors) (Unit: billion yen; percentages based on brokerage trading value of three major exchanges) 27

Trend of Stock Brokerage Trading Value of Major Online Securities Companies

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

Trend of stock brokerage trading value index 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.

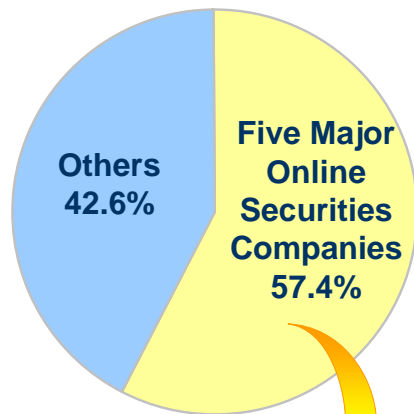
Major Online Securities Companies' Market Share of Retail Trading Value

Only SBI E*TRADE SECURITIES achieved a significant increase in the share among the five major online securities companies, achieving a record high level.

Change in share of retail trading value

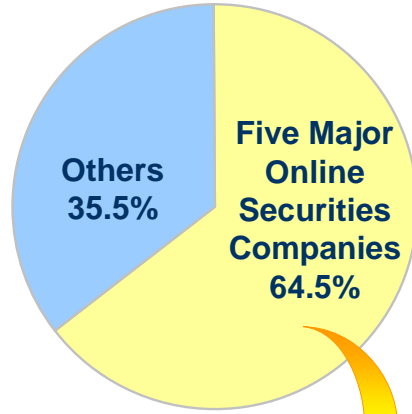
FY2005

(Apr. 2005 to Mar. 2006)



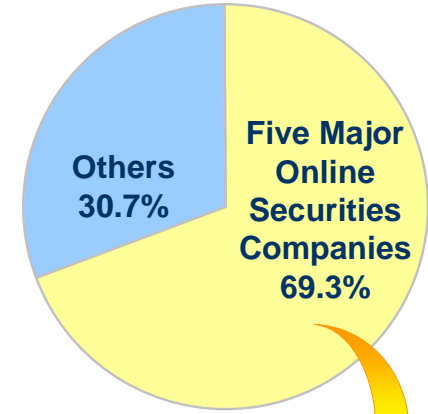
FY2006

(Apr. 2006 to Mar. 2007)



FY2007

(Apr. 2007 to Mar. 2008)



SBI E*TRADE	23.1%
Rakute	11.1
Matsui	10.0
Monex	8.0
Kabu.com	5.2

SBI E*TRADE	29.4%
Rakuten	13.5
Matsui	9.2
Monex	6.5
Kabu.com	5.9

SBI E*TRADE	36.0%
Rakuten	13.5
Matsui	7.8
Monex	6.2
Kabu.com	5.8

Source: Based on TSE, JASDAQ and company materials

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

Kabu.com Securities merged with MeNet Securities on January 1, 2006.
SBI E*TRADE Securities merged with SBI Securities on October 1, 2007.

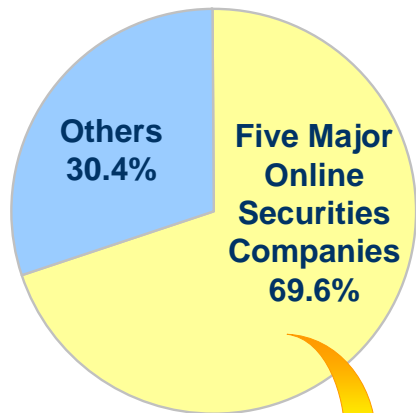
Major Online Securities Companies' Market Share of Retail Margin Trading Value

SBI E*TRADE SECURITIES' share exceeded its targeted 40% level.

Change in share of retail margin trading value

FY2005

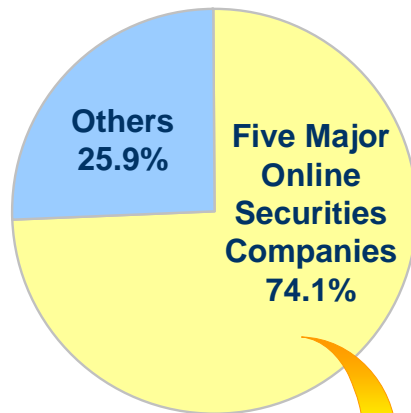
(Apr. 2005 to Mar. 2006)



SBI E*TRADE	27.5%
Matsui	14.4
Rakuten	12.6
Monex	8.4
Kabu.com	6.7

FY2006

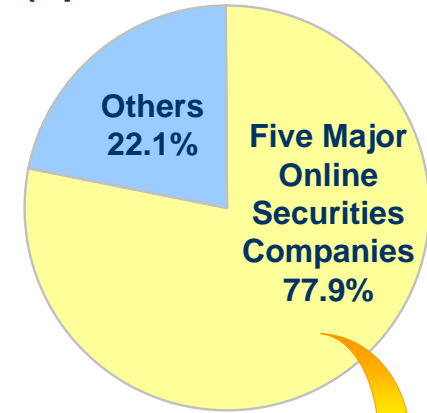
(Apr. 2006 to Mar. 2007)



SBI E*TRADE	34.4%
Rakuten	14.9
Matsui	11.6
Kabu.com	7.1
Monex	6.3

FY2007

(Apr. 2007 to Mar. 2008)



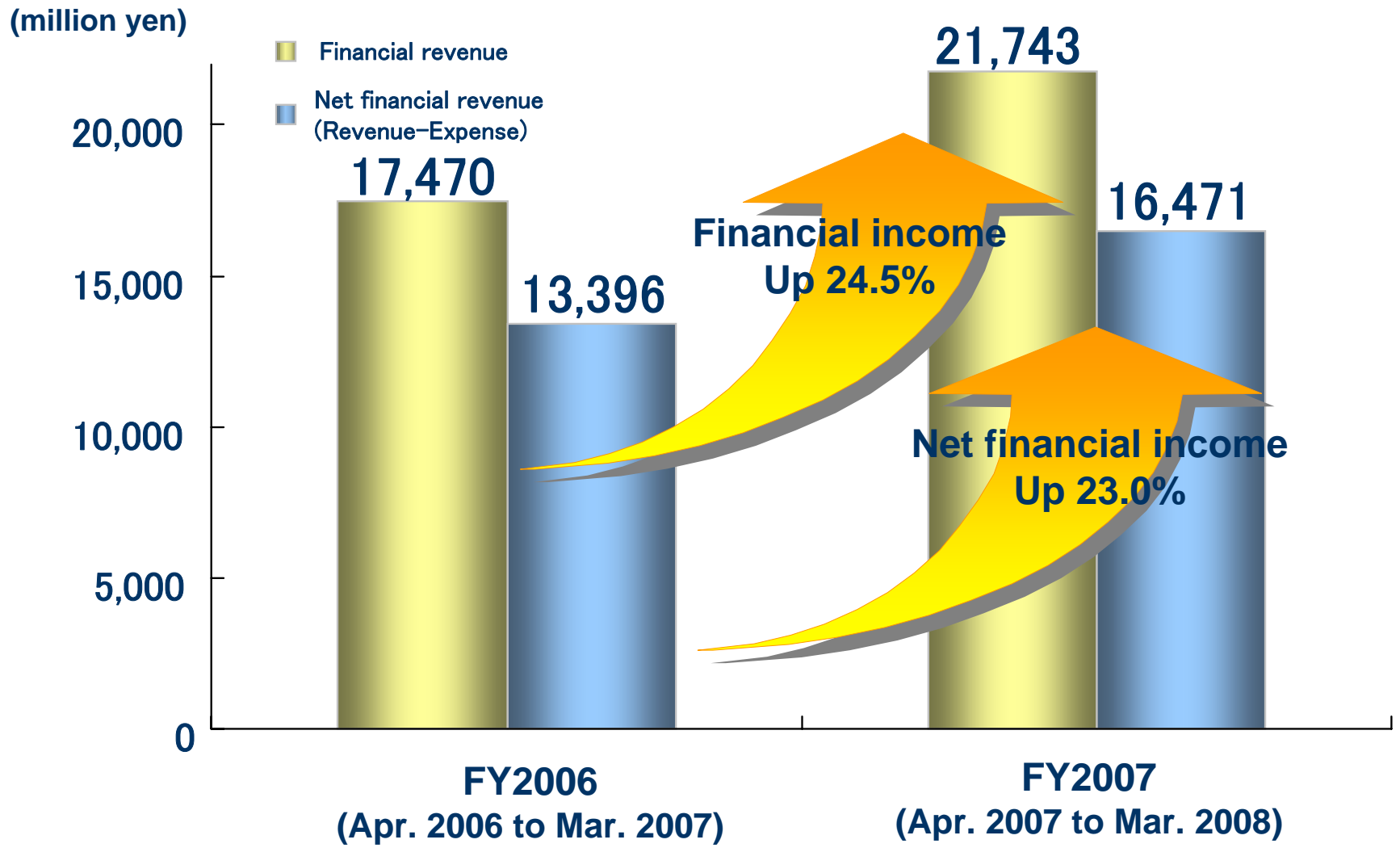
SBI E*TRADE	40.5%
Rakuten	15.6
Matsui	9.0
Kabu.com	6.6
Monex	6.1

Source: Based on TSE, JASDAQ and company materials

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

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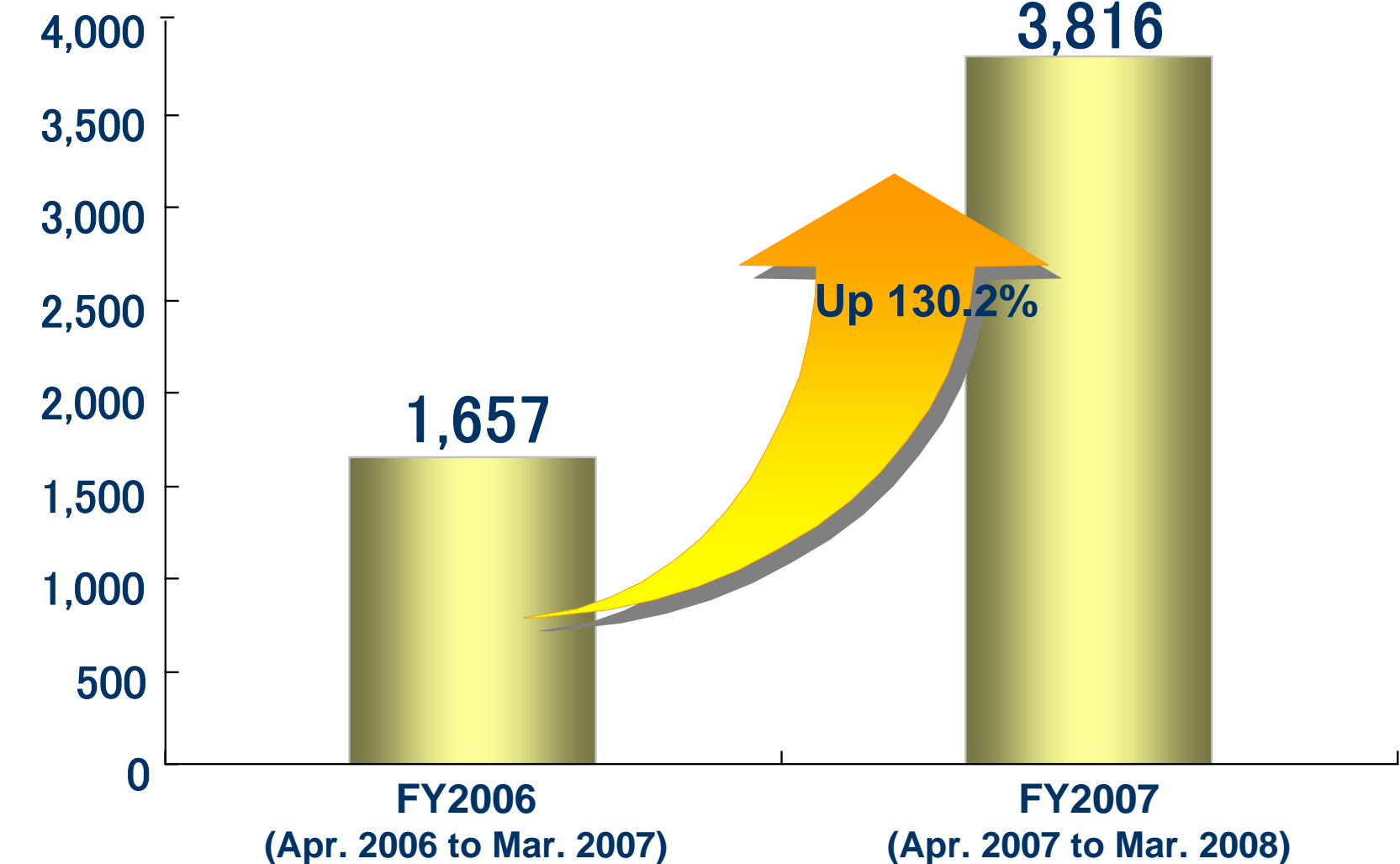
Net Financial Revenue Increased in Spite of Flagging Equity Market



Significantly Increased Revenues from Sales of Investment Trusts

Revenues from sales of investment trusts

(million yen)

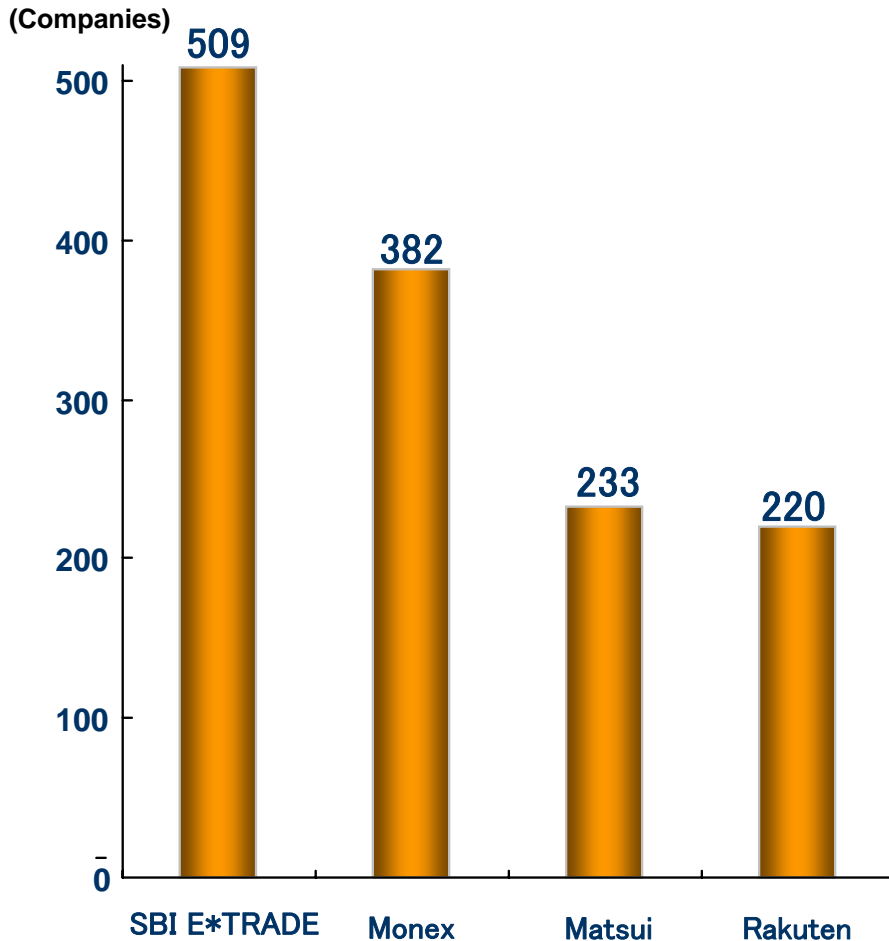


(Note 1) Sum of selling commissions and trust fees (trust fees include MRF)

(Note 2) 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 Mar. 2008. Figures do not include agency transaction and real estate investment trust.

IPO Underwriting Ranking

(Apr. 2007 to Mar. 2008)

Number one ranked among all securities companies

rank	Securities companies	Under-writings	Participation Ratio (%)
1	<u>SBI E*TRADE</u>	<u>58</u>	<u>58.6</u>
1	Mitsubishi UFJ Sec.	58	58.6
3	Daiwa SMBC	54	54.5
4	Nomura Sec.	53	53.5
5	Shinko Sec.	52	52.5
6	Mizuho Investors Sec.	40	40.4
7	Nikko Citigroup	36	36.4

Note: The data was obtained, to the extent possible, from public documents by SBI. Data was collected from Apr. 2007 until Mar. 2008 for domestic underwriting of 99 companies (listing date base) undergoing an IPO, not including secondary offerings

SOFTBANK MOBILE Corp. Releases “Stock Mobile Phone” which Enables Users to Trade Stocks on SBI E*TRADE SECURITIES

- For the coming mobile era, this phone will display vital stock trading information on its screen, with nighttime trading capabilities -

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

株ケータイ
(Kabukeitai)
SoftBank 920SH YK

Contains as much information as a PC screen can display



Released on Mar. 22, 2008
Accepting purchase application at special website
(<http://www.kabukeitai.jp>)

Stock button

※ This picture is the image of the product

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

(Note) “株ケータイ(Kabukeitai)” is the trademark of SOFTBANK MOBILE Corp..

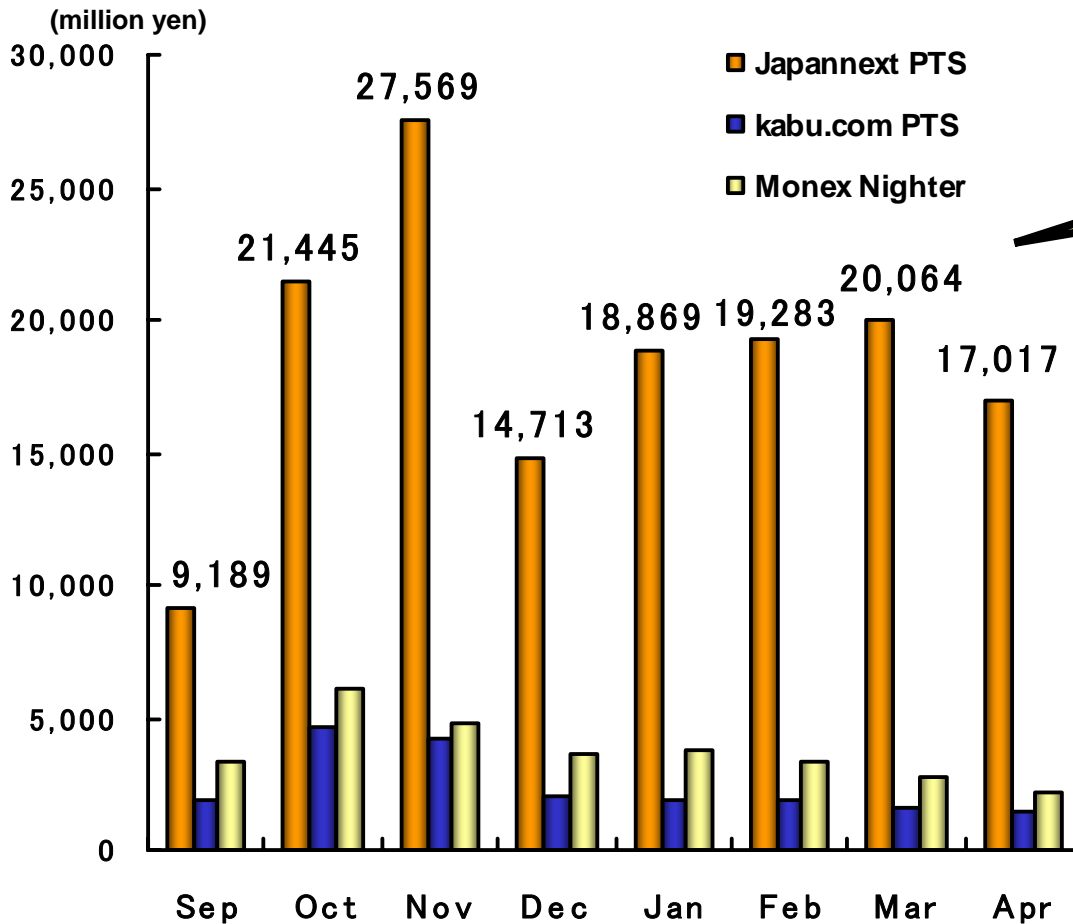
【SBI Japannext Securities (PTS)】
(Started Operation on August 27, 2007)

Japannext PTS : Change in Trading Value

Maintains significantly higher trading volume than the two PTS markets that have been operating longer

Comparison of monthly trading value with others
(Sep.1, 2007 to Apr.23, 2008)

(Started Aug. 27, 2007)



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

Overseas stock market activity, such as at the NYSE and NASDAQ, are meaningful indicators for nighttime trading

(Ex.) on Jan. 22nd 2008:
The U.S. Federal Reserve Board announced that it lowered its federal funds rate

Almost all of the stock prices went up on Japannext PTS, as the announcement was released before the N.Y. markets opened

Source: Based on companies' materials
Note: Figures are single count (purchases and sales not counted separately)

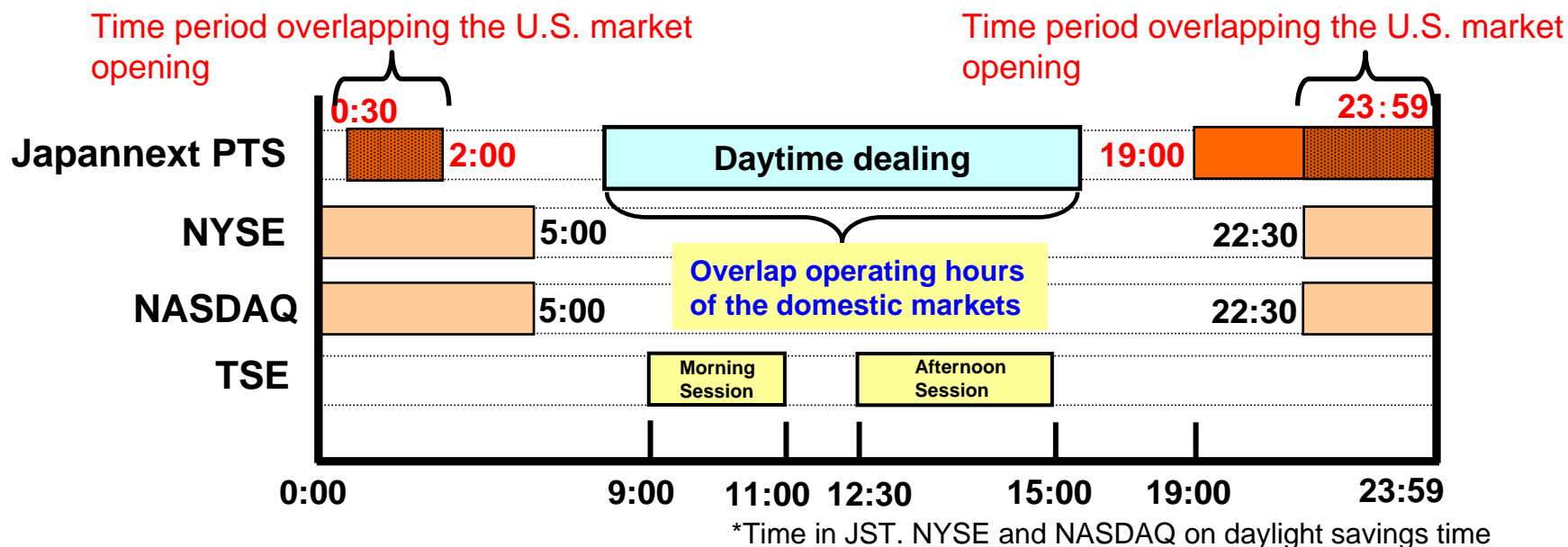
Measures to Increase Trading Opportunities (1)

<Actual steps>

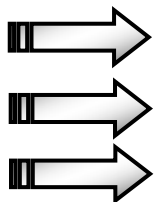
Extension of dealing period

Increase investment opportunities by extending the time overlap with the U.S. market.

(Extended dealing time from the end of Mar. 2008)



Various systems and operational projects for daytime trading are underway, negotiating with FSA



Plan to make a capital increase of 3 bill. yen

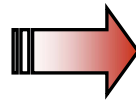
Expect continuous dealing period from 8:10 to 16:30

In preparations for a targeted operation commencement of Oct.-Dec. 2008

Measures to Increase Trading Opportunities (2)

Increase securities companies' participation

Rakuten Securities started trading on Apr. 21th



Besides approx. 1,700,000 accounts (as of Mar. 31, '08) of two currently participating online securities companies, approx. 780,000 accounts (as of Mar. 31, '08) of Rakuten Securities added

-Much broader base of individual investors-

Securities companies that are currently connected to Japannext PTS

■ SBI E*TRADE SECURITIES →

■ Goldman Sachs Japan →

■ CLICK Securities →

■ Rakuten Securities →

(*Connected as of 4/21)



ORIX Securities expects to be connected by Jun.-Jul. 2008

(3) Financial Services Business

Fiscal Year 2007 (Year ended March 31, 2008)

Operating revenues: 22.5 billion yen (+19% YoY)

Operating income: 0.8 billion yen (-74% YoY)

Established business:

Operating revenues 22.4 bil. yen (+19% YoY)

Operating income 3.2 bil. Yen(-3% YoY)

New business:

Operating revenues 0.3 bil. yen

Operating income -2.3 bil. yen

- SBI Card: (-0.7 bil. yen)
- SBI Card Processing: (-0.6 bil. Yen)
- Internet non-life insurance: (-0.3 bil. yen)
- Internet life insurance: (-0.6 bil. Yen)

Notes:

1. The above figures were calculated using the new accounting standard (with fund consolidation) for each segment.
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 correctly targeting market trends

- ① **Morningstar Japan*** achieved **substantial growth in consolidated revenues and earnings** even though net assets in investment trusts in Japan decreased 2.8% during FY07 to 59,422.6 bil. yen at the end of Mar.'08, the first YoY decline in seven years.
- ② **Gomez Consulting*** **sets new records** in operating revenues and ordinary income in FY07.
- 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 **sets new records** of YoY growth of over 20%.

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

- ① **Financial comparison website business** continues to set new records, with transactions growing to **888,000, up 9.7% YoY**, owing to steady growth in transactions by Insweb users. However, **the Marketplace business declined with YoY profits down in FY07** owing to the recent downturn in the consumer loan business which had a significant adverse impact on E-LOAN's business.
- ② **SBI Equal Credit** recorded 3,803 mil. yen in operating income, up 38.8% YoY, and 207 mil. yen in net income, up 64.2% YoY for FY07.

III. New businesses get off to a good start

- ① **SBI Card**'s issuance of credit cards increased to more than 32,000 cards, after only a year and a half since the start of its operations.
- ② **SBI Sumishin Net Bank** raised its deposits to more than **300 bil. yen**, after only 191 days since its Sept. 2007 start of operations.
- ③ **SBI Insurance** started its operations on **Jan. 16, 2008**, and **SBI AXA Life Insurance** started its operations on Apr. 7, 2008. Finally, the financial ecosystem is completed.

*Morningstar and Gomez changed from Dec. to Mar. fiscal year in 2007. The figures are for 15M period from Jan. '07 through Mar. '08.

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 (%))

	Operating revenues	Operating income	Ordinary income	Net income
※2 Morningstar Japan (FY2007)	6,933 (-)	824 (-)	891 (-)	447 (-)
※2 Gomez Consulting (FY2007)	778 (-)	241 (-)	247 (-)	145 (-)
SBI VeriTrans (FY2007)	3,622 (+28.8)	733 (+23.8)	744 (+26.4)	438 (+30.2)

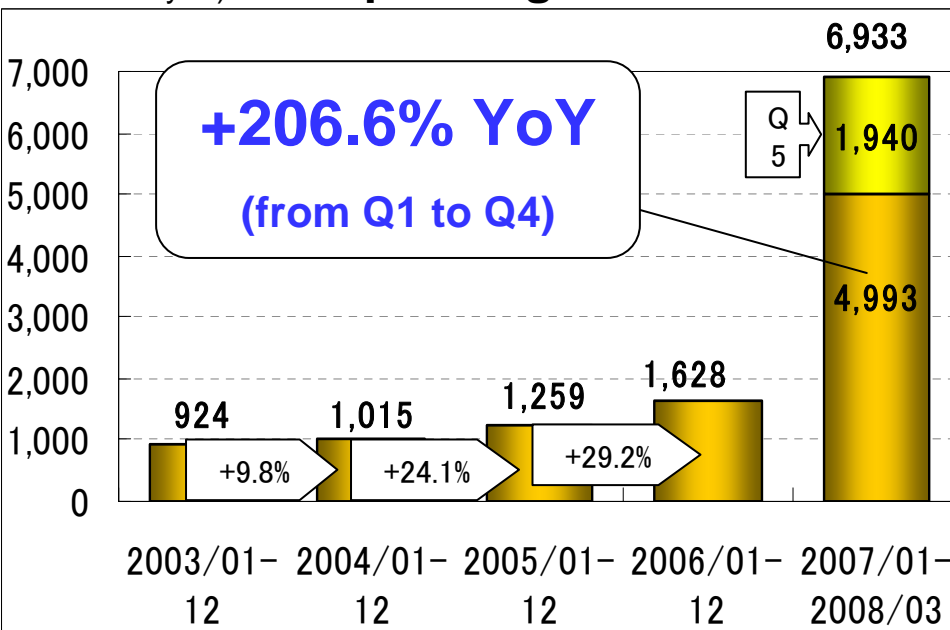
*1 Morningstar Japan figures are consolidated, whereas Gomez Consulting and SBI VeriTrans figures are non-consolidated.

*2 Morningstar Japan and Gomez Consulting changed from a December to March fiscal year in 2007. The current fiscal period for these two companies is the 15-month period from Jan. 2007 through Mar. 2008, therefore, YoY change is not available for these two companies.

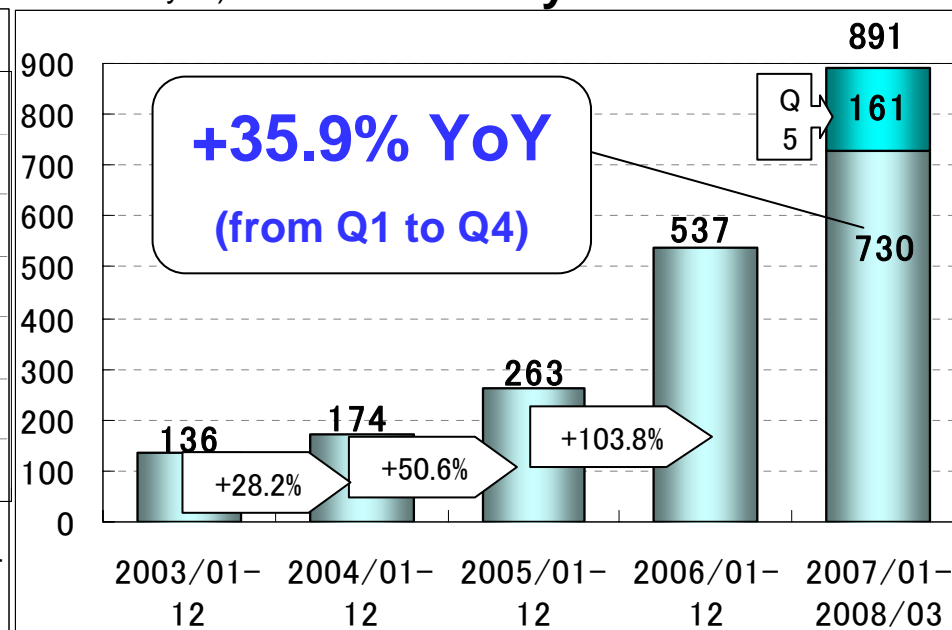
Performance Comparison of Past Five Fiscal Years

There was a significant increase in revenues and a solid growth in ordinary income owing to the addition of two subsidiaries, Kabushiki Shimbun and SBI Marketing, in FY07

(million yen) **Operating Revenues**



(million yen) **Ordinary Income**



* Morningstar Japan changed from a December to March fiscal year in 2007. Therefore, the current fiscal period for this company is the 15-month period from Jan. 2007 through Mar. 2008.

Merger of Morningstar Japan and Kabushiki Shimbun

Objective of merger

- Offer even higher grade information by combining content of the two companies
- Build [a comprehensive financial information website](#) with unprecedented depth and breadth
- Improve sales capabilities and operating efficiency by integrating operations of the two companies

MORNINGSTAR



To merge with and
absorb Kabushiki
Shimbun on April 1, 2008

Kabushiki Shimbun

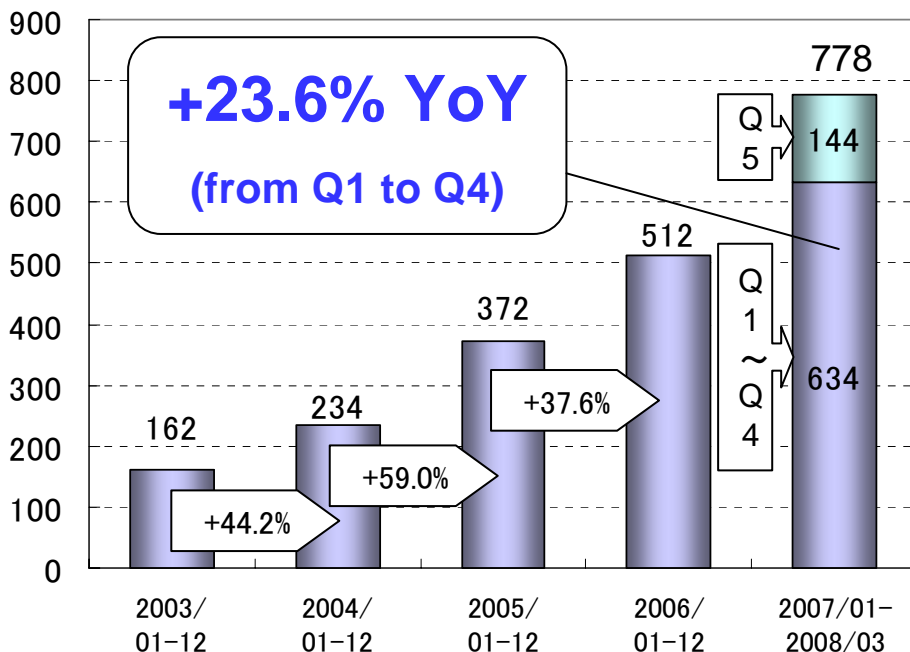
Issuer of Kabushiki Shimbun, Japan's largest specialty securities newspaper with official circulation of 39,000

Performance Comparison of Past Five Fiscal Years

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

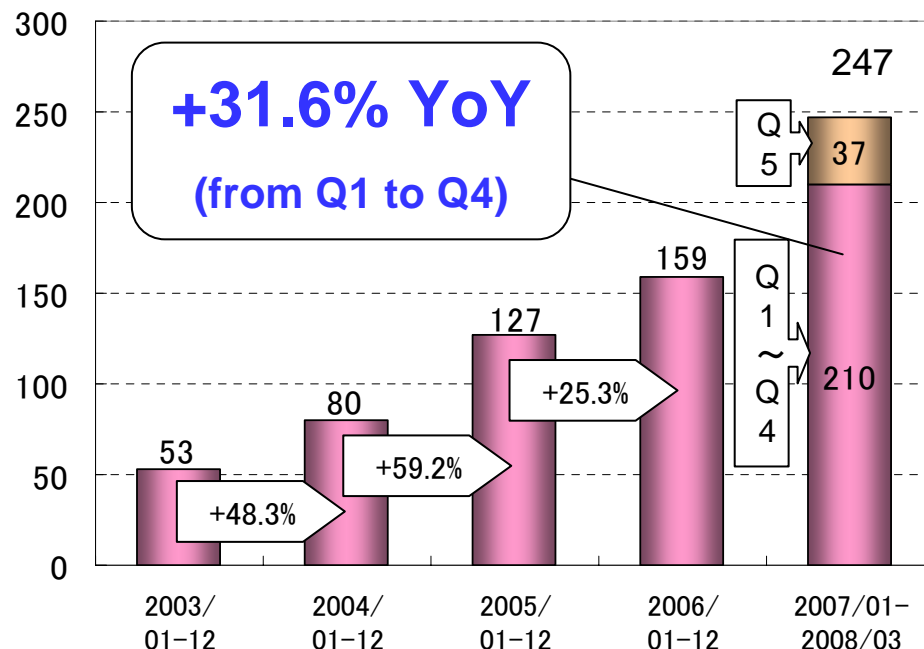
Operating Revenues

(million yen)



Ordinary Income

(million yen)

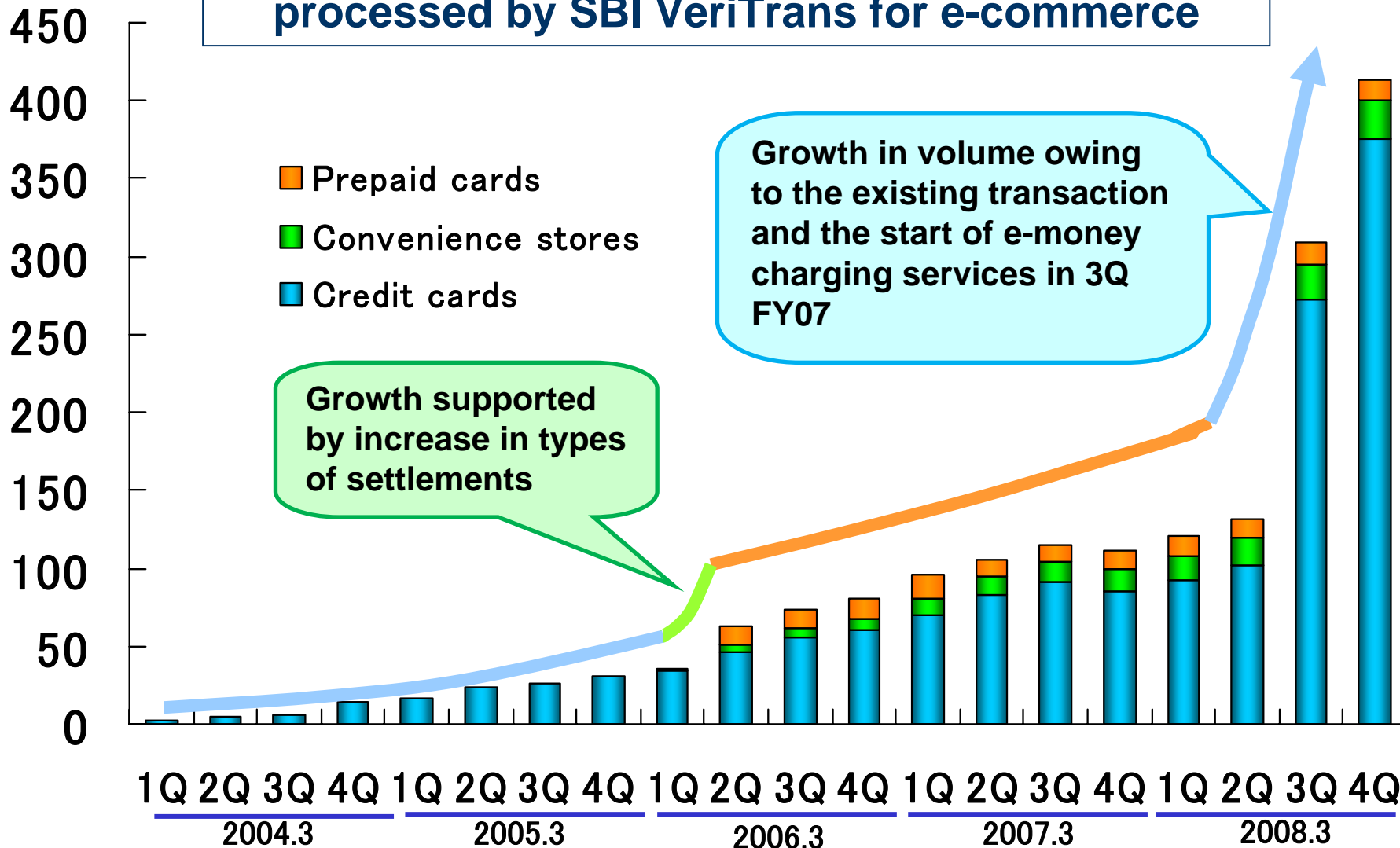


* Gomez Consulting changed from a December to March fiscal year in 2007. Therefore, the current fiscal period for this company is the 15-month period from Jan. 2007 through Mar. 2008.

Growth in Volume of Business for Settlement Services

YoY growth of 127.9% in the volume of payments processed by SBI VeriTrans for e-commerce

(100 million yen)



Marketplace businesses, Primarily through Japan's Largest Financial Comparison Websites "E-LOAN" and "InsWeb", Continues to Set New Transaction Records

Website of auto insurance estimates



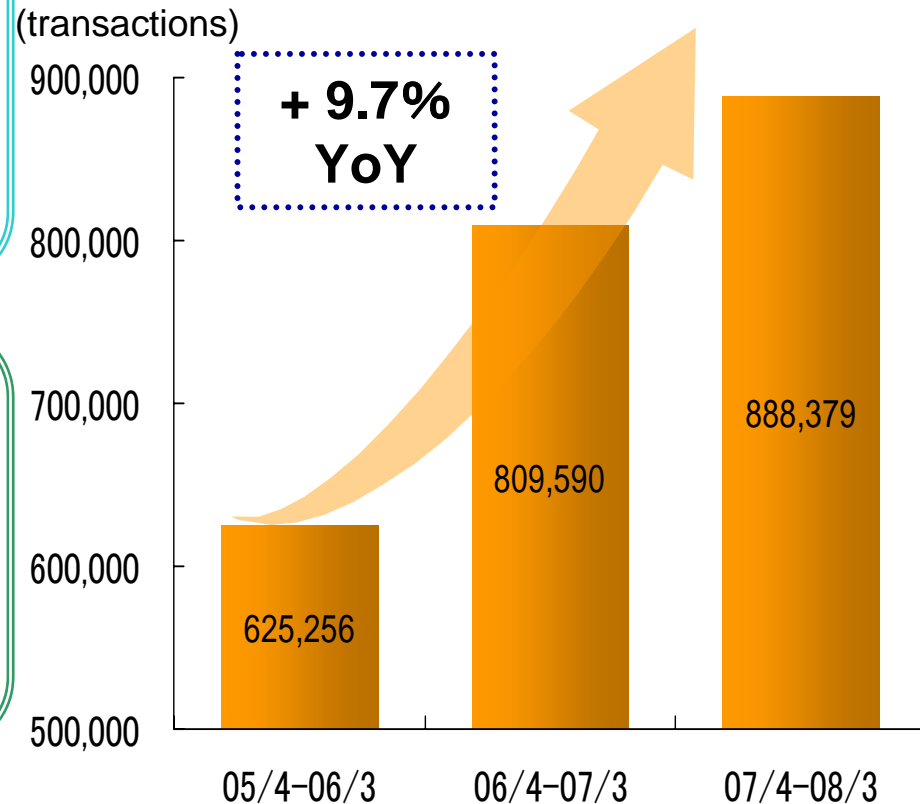
Affiliated non-life insurance companies, etc.: 23
 Affiliated life insurance companies, etc.: 22

Website of loan products comparison



Affiliated financial institutions: 68
 Types of loan products : 609

Growth in transactions* such as completed auto insurance estimates, provisional loan applications, etc.



*Financial-related comparison websites: 8 websites in total

“Let’s Start! Asset Management DS Supervised by SBIH Group”

Sales started April 17, 2008

A new asset management-themed game for the Nintendo DS®



An asset management seminar was held on April 18, 2008 to mark the launch of this product.

“Let’s start! Asset Management DS” is...

Designed to allow people to learn about stocks as well as many other types of investments, as individuals in Japan continue to shift their monetary assets “from savings to investments.” Even people with little or no investment experience can master the basics of asset management while gaining useful knowledge through an enjoyable game format.

(4) Housing and Real Estate Business

Fiscal Year 2007 (Year ended March 31, 2008)

Operating revenues: 75.1 billion yen (+213% YoY)

Operating income: 8.1 billion yen (+584% YoY)

Notes:

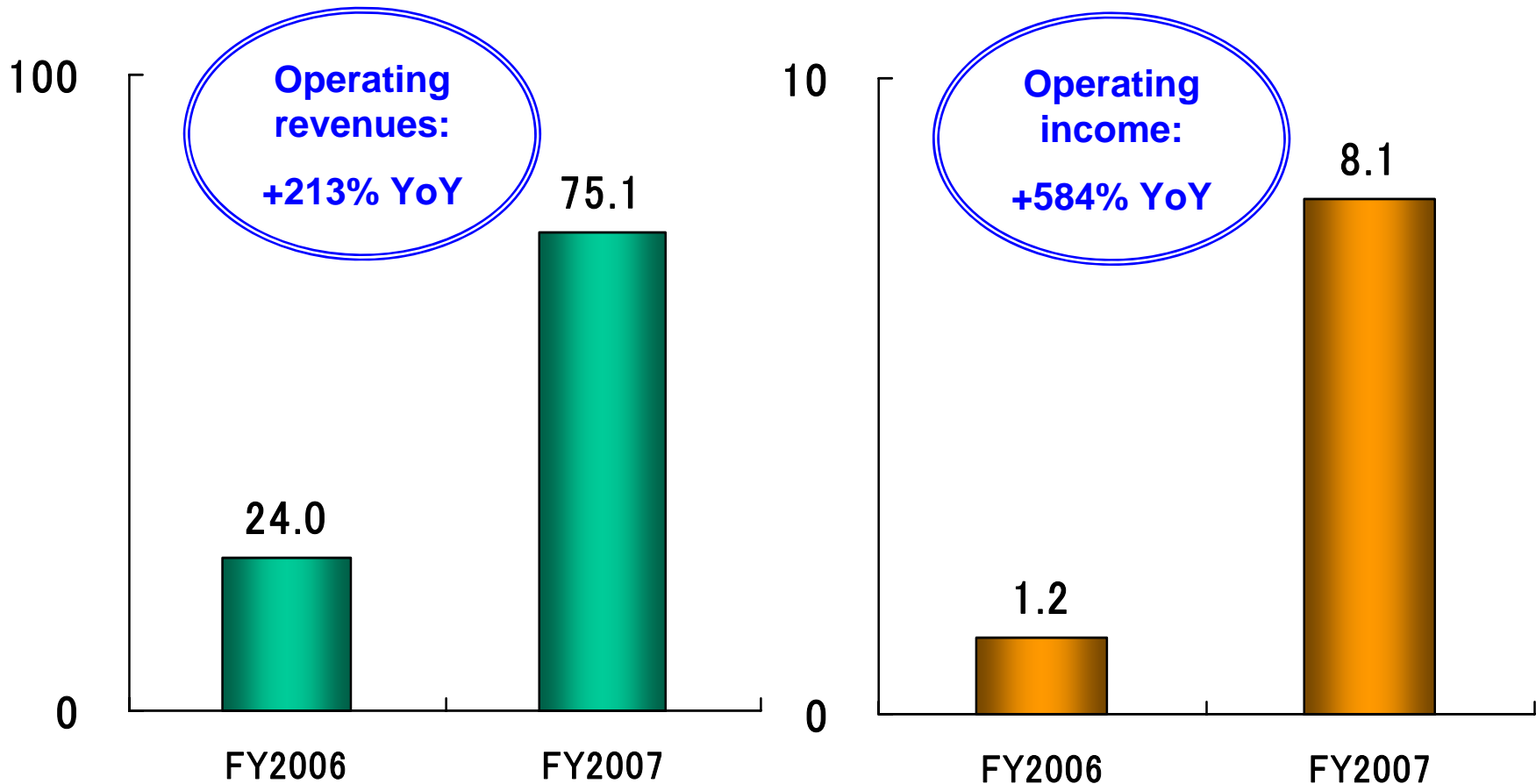
1. The above figures were calculated using the new accounting standard (with fund consolidation) for each segment.
2. The above figures do not include eliminations for consolidation and the deduction of corporate expenses.
3. Rounded to the nearest 100 million yen.

Highlights of Housing and Real Estate Business

- I. Housing and Real Estate Business were up 213% YoY in operating revenues and up 584% YoY in operating income.
- II. Expanded its business with the addition of LIVING Corporation as a consolidated subsidiary and the start of operations of SBI ArchiQuality, which was designated as a housing inspection organization as authorized by the Minister of Land, Infrastructure, Transport and Tourism.
- III. SBI Mortgage continues to offer the industry's lowest level of interest rate for "Flat 35", and steadily expanded its loans outstanding to 365.1 billion yen as of Mar 2008.
- IV. Lifestyle Networks Business achieved consistent growth, with the Internet Media sector recording 29 million yen in operating income and Market Intermediary sector recording 211 million yen in operating income, with both sectors becoming profitable in FY07.

Strong Performance at Housing and Real Estate Business of SBIH

Operating revenues and operating income of FY2007 (billion yen)



SBI ArchiQuality Started Operations as a Designated Housing Inspection Organization as Authorized by the Minister of Land, Infrastructure, Transport and Tourism

Since the enforcement of the revised building standard law of Japan from June 2007, housing inspection operation have queued, along with a decrease in the number of construction work. Owing to this situation, SBI ArchiQuality was designated as a housing inspection organization as authorized by the Minister of Land, Infrastructure, Transport and Tourism.

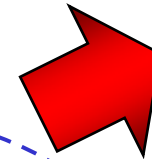
SBI ArchiQuality Co., Ltd.

Feb. 29, 2008; Designated as a housing inspection organization as authorized by the Minister of Land, Infrastructure, Transport and Tourism.

Mar. 14, 2008; Started operations as a designated housing inspection organization

Activities: Housing Inspection
Housing performance evaluation
Investigation, evaluation and appraisalment of buildings

Maintaining and improving the property value of houses and buildings



LIVING Corporation

ZEPHER

CEM Corporation

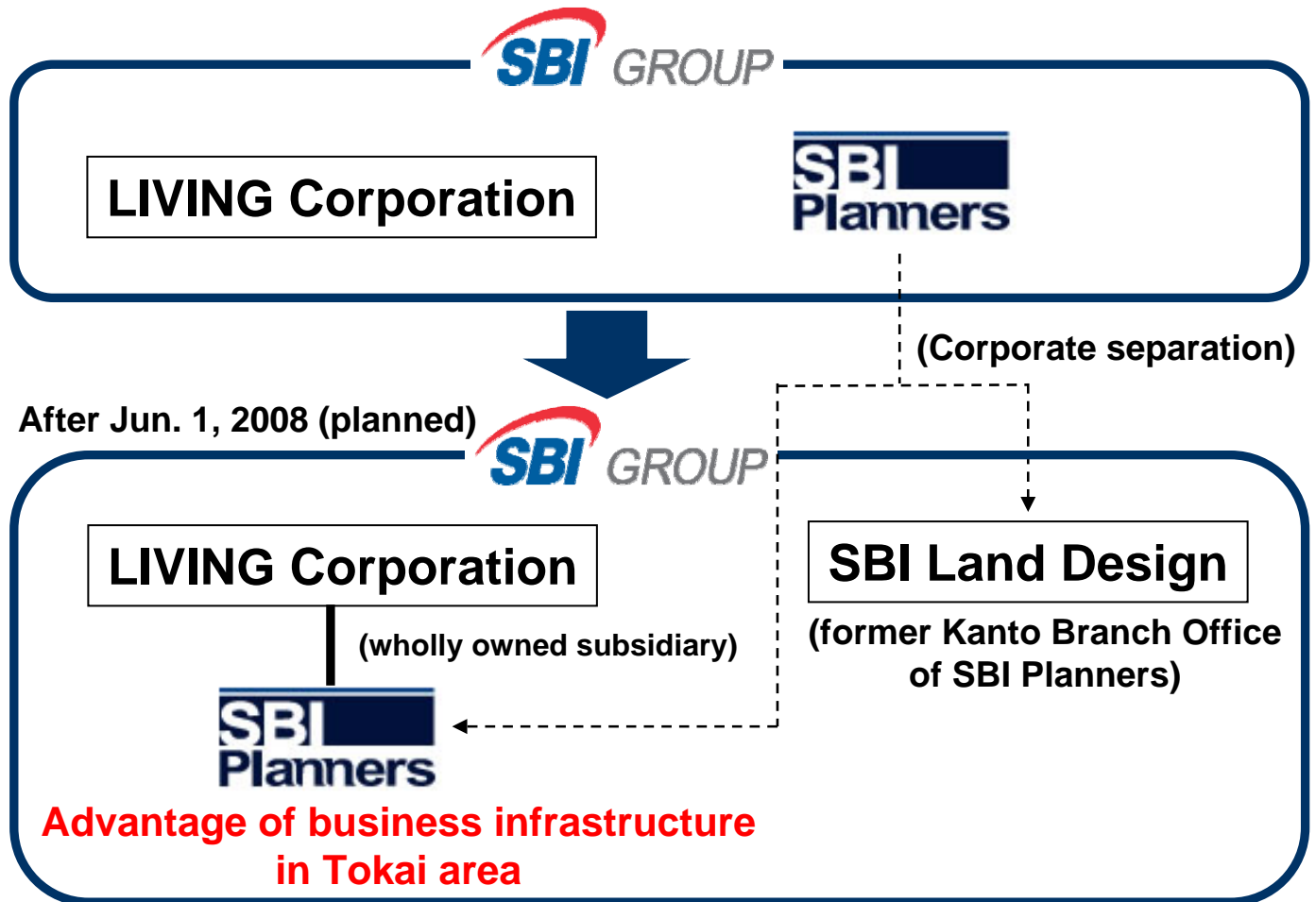
Corporate Separation of SBI Planners and Making it a Wholly Owned Subsidiary of LIVING Corporation

Continuous reorganization to strengthen the Housing and Real Estate Business, to create a sustainable growth model

[LIVING Corporation]
(million yen)

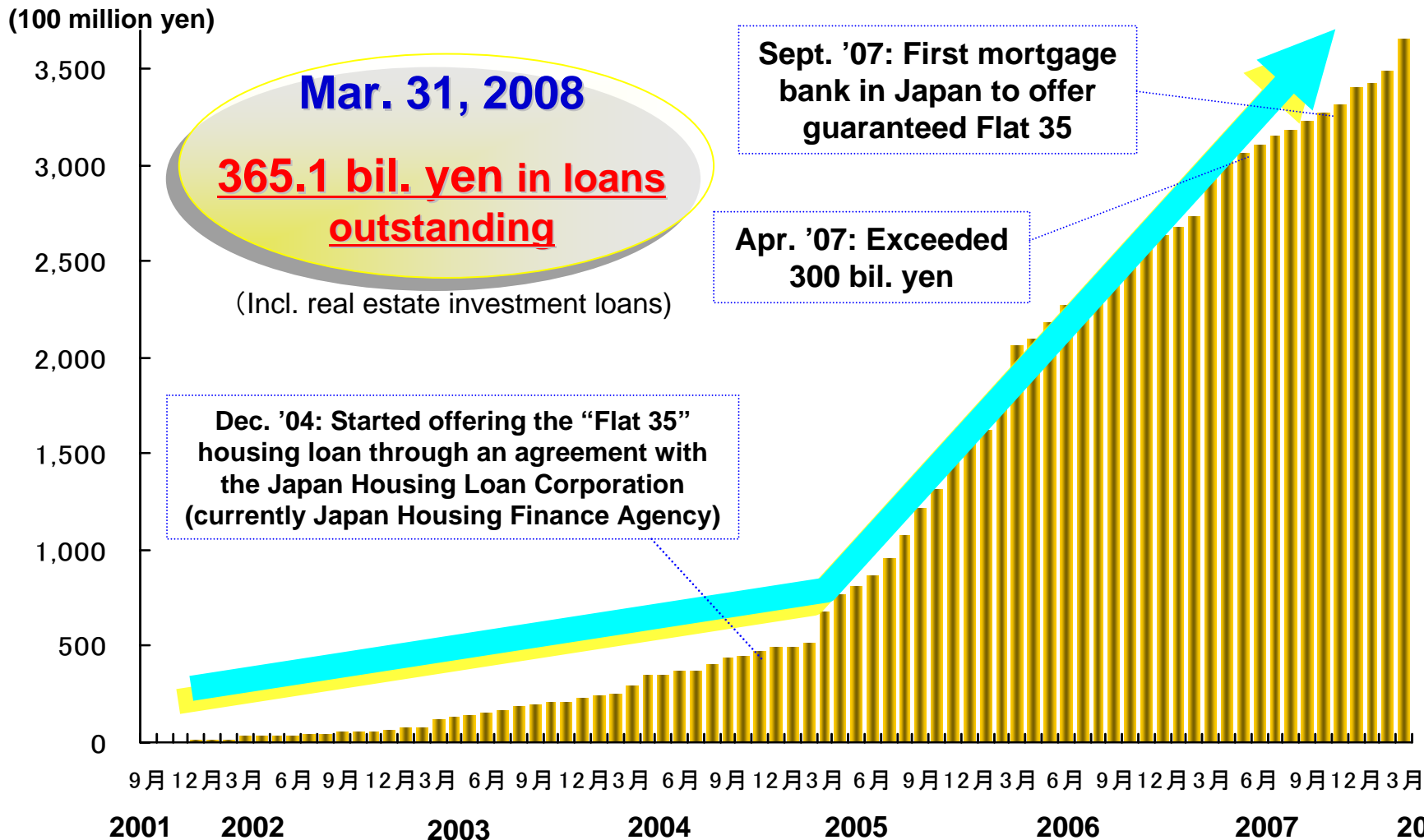
	FY ended Dec. 2007
Operating revenues	8,214
Operating income	586

	FY ending Dec. 2008 (forecast)
Operating revenues	13,000
Operating income	730



Steady Growth of Housing Loans at SBI Mortgage

SBI Mortgage offers the lowest level of interest rate* (2.64%) for “Flat 35” (a securitized loan of Japan Housing Finance Agency). **Housing loans outstanding rose to 365.1 bil. yen as of the end of Mar. 2008 and continue to increase steadily.** (*Interest rate is the lending rate for Apr. '08 purchased loans.)



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

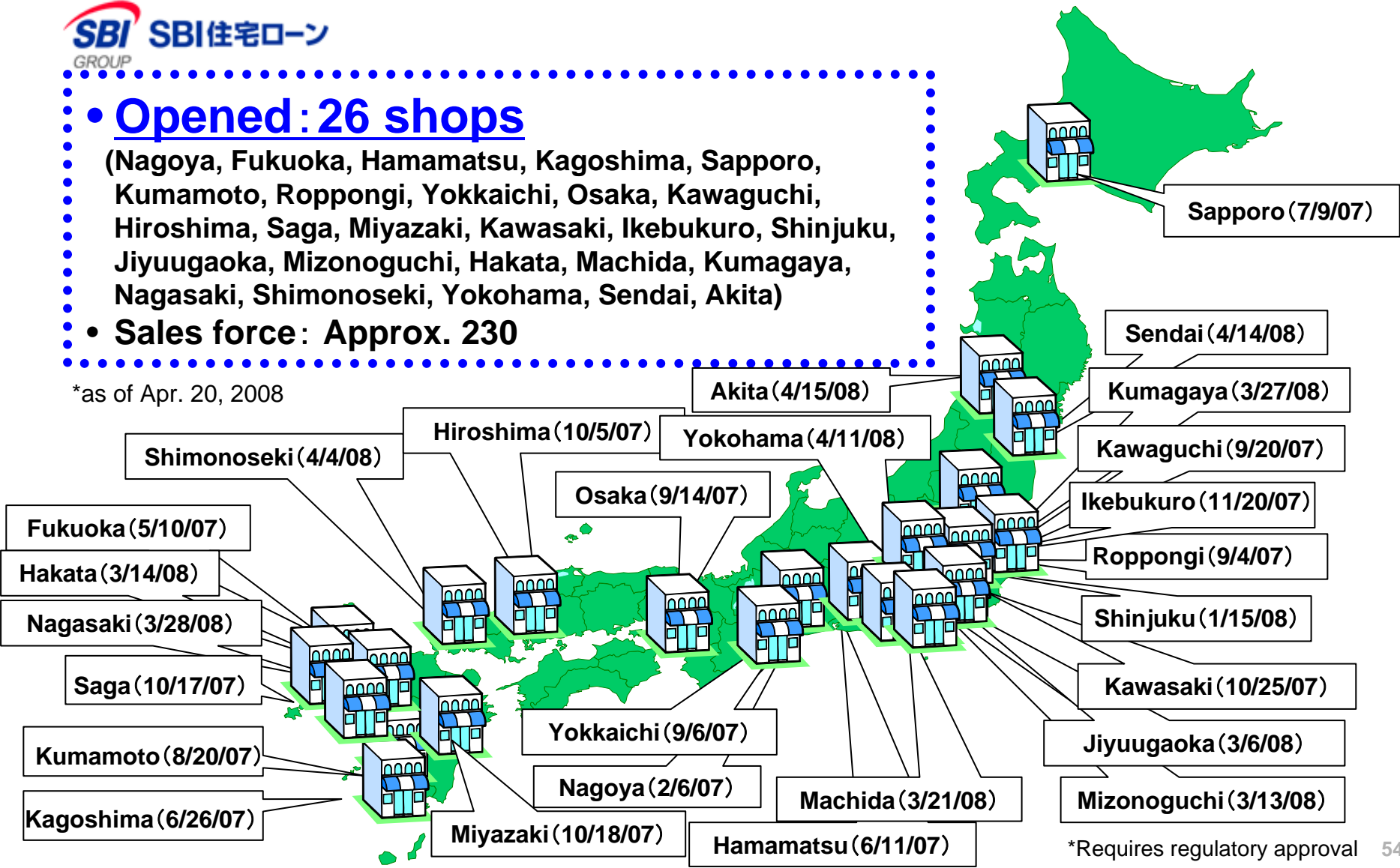


• Opened: 26 shops

(Nagoya, Fukuoka, Hamamatsu, Kagoshima, Sapporo, Kumamoto, Roppongi, Yokkaichi, Osaka, Kawaguchi, Hiroshima, Saga, Miyazaki, Kawasaki, Ikebukuro, Shinjuku, Jiyuugaoka, Mizonoguchi, Hakata, Machida, Kumagaya, Nagasaki, Shimonoseki, Yokohama, Sendai, Akita)

• Sales force: Approx. 230

*as of Apr. 20, 2008



Two Financial Real Estate Business Companies Preparing for an IPO

◆SBI Mortgage (:Housing loans business)

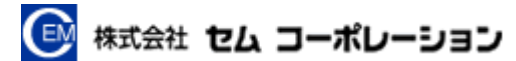


Base period (target): FY2007

Financial results: FY2007
(Apr.07 to Mar. 08) (million yen)

(full term)	FY ended Mar. 2008
Operating revenues	3,491
Ordinary income	948

◆SEM Corporation (:Real estate-secured loans)



Base period (target): FY2008

Financial results: (Sep.06 to Aug.07)
(million yen)

(full term)	FY ended Aug. 2007
Operating revenues	2,888
Ordinary income	1,423

SEM changed from an Aug. to Mar. fiscal year in 2007.

Recent seven months: (Sep.07 to Mar.08)

(7M)	Recent seven months
Operating revenues	2,033
Ordinary income	965

Steady Growth of Lifestyle Networks Business

The Internet Media sector, which operates life related comparison websites, recorded 29 mil. yen in operating income for FY07 owing primarily to favorable “Hikkoshi Tatsujin Select” transactions.
 The Market Intermediary sector, which increased transactions for “Musubi” websites, recorded 211 mil. yen in operating income for FY07.
 Both sectors became profitable, and the combined operating income for FY07 reached 240 mil. yen.

Lifestyle events and needs

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



3. New Vision of the SBIH Group

Initial Vision of SBIH Group (Formulated in July 2005)

Maximize corporate value through the synergies between customer value, which is the basis of our company, as well as the value created by shareholder and our own intrinsic human capital value.

Aim to increase the aggregate market capitalization of listed group companies from the current 1.0 trillion yen to 3.0 trillion yen in three years and 5.0 trillion yen in five years.

Aim to become not just a “strong company” but a “strong and respected company”.

Major Shifts in Operating Environment Since Establishment of the SBIH Group Vision

- Japan's income balance exceeded its trade balance for the first time in 2005, signaling the end of the nation's reliance on foreign trade. Even so, the weakening yen and a temporary upturn in demand from China have delayed the structural transformation of Japan's economy away from manufacturing to other business sectors. As a result, while per capita GDP has increased in countries progressing toward deindustrialization, Japan's per capita GDP has dropped from first in the world in 1993 to 18th in 2006. (OECD base)
- During this period, foreign investors have moved funds out of Japan. During 2007, China's stock market had the world's best performance (+95.5%) and India ranked second (+45.0%). The U.S. was 11th (+7.1%) and the U.K. was 16th (+3.0%). With a decline of 11.1%, Japan's stock markets placed 20th among the world's markets, clearly indicating how much Japanese stocks lag behind other countries. (Source: Nihon Keizai Shimbun)
- The subprime loan crisis that began in July 2007 triggered a credit crunch in the global financial system and a capital crunch for individual companies. Stock prices have dropped worldwide as volatility increased.
- Since the Livedoor scandal, prices of small company stocks in Japan have been much weaker than stocks in the Nikkei Average. During the year to March 2008, the Nikkei Average fell 26% while the TSE Mothers market index dropped 39% and the OSE Hercules market index was down 43%.
- Weak small company stock markets caused the number of IPOs in Japan to plummet. In FY08, there were 99 IPOs, down 47% from a year earlier, for the fewest IPOs in five years.

Realigning Business Activities to Reflect Shifts in the Operating Environment

Due to Japan's slow progress in industrial restructuring and the rapid growth of BRIC and other emerging economies, SBI started increasing overseas investments in 2005, as well as expanding overseas business operations.

Change in operating revenue from overseas business (billion yen, %)

	FY2004 (Apr.2004 to Mar. 2005)	FY2007 (Apr.2007 to Mar. 2008)
Consolidated operating revenue	81.5	222.5
Operating revenue from overseas	3.0	39.9
Ratio of the operating revenue from overseas to consolidated operating revenue	3.7	17.9

Progress of SBIH Group after the Formulation of the Initial Vision (1)

History of SBIH Group after establishment

	Establishment 1999	End of Mar. 2005	Today End of Mar. 2008
Customer Base	0	1.7 mill.	Up 300% 6.8 mill.
Employees (cons.)	55	1,374	Up 94% 2,666
Operating revenue (cons.)	0	81.5 bill. yen	Up 173% 222.5 bill. Yen (FY2007)
Consolidated subsidiaries	0	36	Up 106% (including funds) 74
Publicly owned companies	0	6 (including Softbank Investment (current SBI Holdings))	Up 83% (including SBI Holdings) 11
Capital	50 mill. yen	34.7 bill. yen	Up 59% 55.1 bill. yen

Progress of SBIH Group after the Formulation of the Initial Vision (2)

The SBIH Group's customer base that is the basis of its corporate value has expanded to a total of about 6.8 million served. *

SBIH Group Company and division		End of Mar. 2005	End of Mar. 2008
SBI E*TRADE	(Accounts)	590,000	Up 181% 1.66 mill.
InsWeb	(Total no. of customers with transactions)	690,000	Up 1.71 mill. 2.4 mill.
E-LOAN	(Total no. of customers with transactions)	140,000	Up 430 k 570,000
SBI Mortgage	(Balance of transactions executed)	68.1 bill. yen	Up 436% 365.1 bill. yen
SBI Sumishin Net Bank	(Deposits)	0	300 bill. yen (as of Apr. 1, '08)
SBI VeriTrans	(Branches used)	1,010	Up 148% 2,500
SBI Card	(Cards issued)	(Started Nov.06)	32,000
Morningstar Japan	(New portfolio customer registrations)	(Since fall of 06)	31,000
Lifestyle related comparison websites	(Total no. of customers with transactions)	50,000	Up 670 k 720,000
MoneyLook	(Total no. of customers with transactions)	300,000	Up 320 k 620,000
Autoc one	(Total no. of service users)		2.12 mill.(FY07)

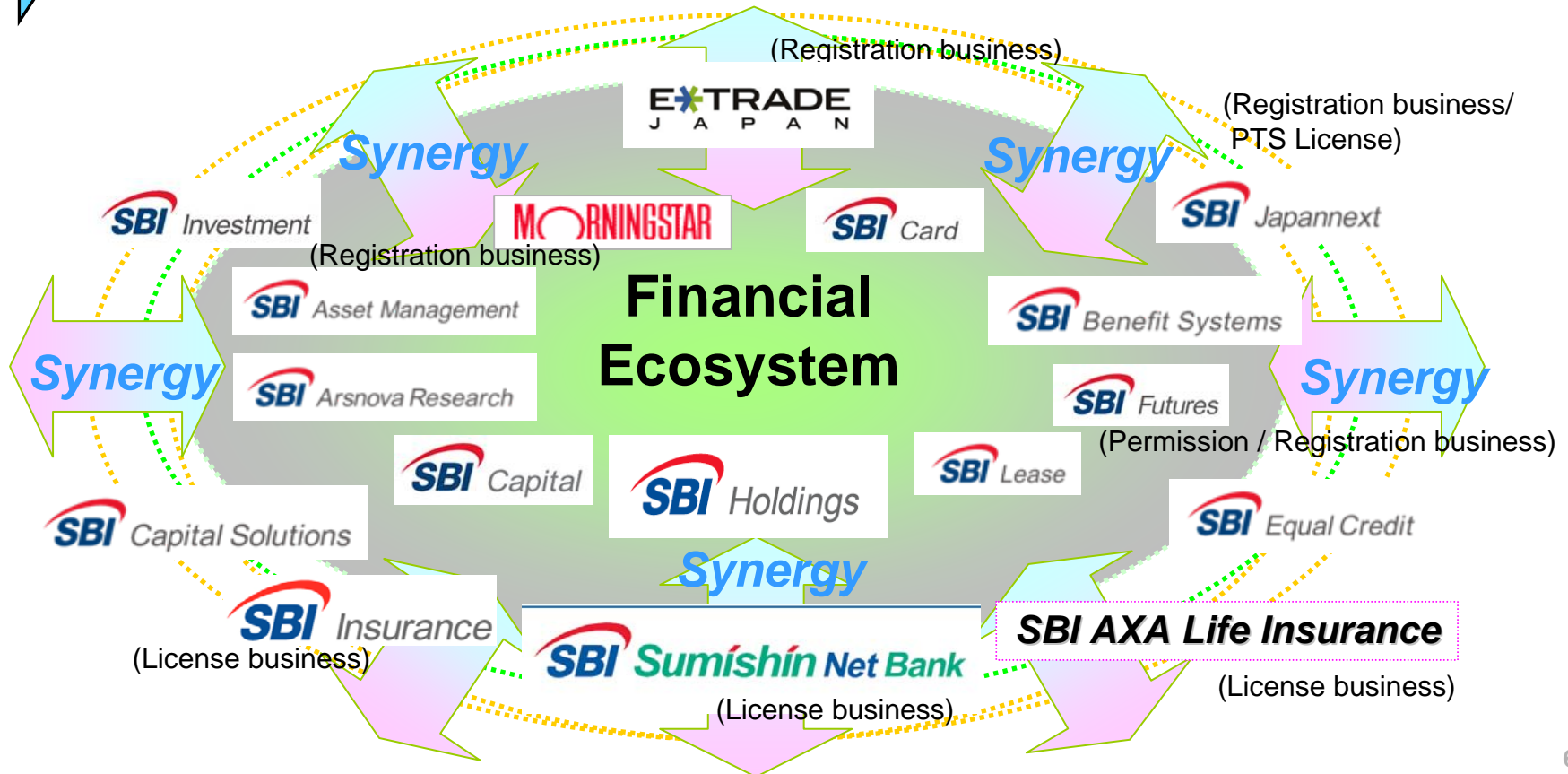
* Repetition customers between group companies are counted double while it is omitting repetition in each service site when it can be recognized as a unique user.

Progress of SBIH Group after the Formulation of the Initial Vision (3)

Completed establishment of financial ecosystem with the acquisition of banking, non-life insurance and life insurance business licenses

Since the establishment of the SBIH Group, we have been expanding our financial ecosystem by forming a variety of joint ventures with leading companies in the financial industry

A globally unique Internet-based financial conglomerate is established









Progress of SBIH Group after the Formulation of the Initial Vision (4)




The SBI Group's societal credibility heightened with the acquisition of a number of licenses, registrations and permissions from various governmental agencies.

License, permission and registration businesses operated by SBIH Group:

License · Permission · Designation

Approved Date	Entities	Business	Governmental Agency
Sep. 18, 2007		Banking	Financial Services Agency (License)
Dec. 26, 2007		Non-life insurance	Financial Services Agency (License)
Apr. 2, 2008	SBI AXA Life Insurance	Life insurance	Financial Services Agency (License)
Jun. 27, 2005		Servicer	Ministry of Justice (Permission)
Feb. 29, 2008		Housing inspection	Ministry of Land, Infrastructure, Transport and Tourism (Designation)
Nov. 27, 2007	SBI Graduate School	Graduate school operation	Ministry of Education, Culture, Sports, Science and Technology (Permission)
Jun. 27, 2007		Proprietary trading system	Financial Services Agency (Permission)
Jan. 2001		Acceptance of Consignment of Commodity Transactions	Ministry of Agriculture, Forestry and Fisheries (Permission) and Ministry of Economy, Trade and Industry (Permission)

Registration

Dec. 1998		Securities	Financial Services Agency
Mar. 9, 2007		Securities	Financial Services Agency
Feb. 2006		Futures brokerage	Financial Services Agency

Progress of SBIH Group after the Formulation of the Initial Vision (5)

The SBI Group's goal is not only to use businesses for indirect social contributions, but also to make significant direct contributions and conducting CSR programs that earn us a reputation as a "strong and respected company."

Indirect social contributions through business activities

SBIH Group companies

"Children's Heart Care House Ranzan Gakuen" (Ranzan-machi, Hiki-gun, Saitama prefecture)
Opened Dec. 1, 2007
Management:
Jitokuin (Social welfare corporation)
(Director: Yoshitaka Kitao)

Direct social contributions

SBI Graduate School

Opened Apr. 2008
Nurturing Talent

Healthcare services for members

Established Oct. 6, 2005
Support for the care of abused children
Total amount of donation by SBIH Group: 796 mill. yen

Established alliance with Clinique La Prairie of Switzerland, one of the world's most renowned anti-aging clinics. Now preparing to build Clinique La Prairie Yugawara (tentative name) in the Shizuoka city of Atami.

New Vision of SBIH Group

- **Increase operating income to 100 billion yen five years from now (year ending March 2013)**

Sustain long-term annual operating income growth of more than 15% thereafter

- **Expand asset management and brokerage & investment banking business to two-thirds of operating income by year ending March 2013, with all other businesses accounting for the remaining one-third**

Further expand the ecosystems for residential real estate, life style and IT systems. Create organic growth in business fields, including financial services, that are not significantly affected by security market volatility, thereby establishing a more stable earnings stream.

- **Transform the SBI Group into a global organization that earns half its operating income outside Japan by year ending March 2013**

Expand the overseas earnings base to transform SBI from domestic Japanese entity into a truly global organization

Continuous Growth of Operating Income

Estimates of operating income of each business segment

(billion yen)

	FY2007 (A)	FY2008 (E)	FY2009 (F)	FY2010 (F)		FY2012 (F)
Asset Management	16.5	18.0	20.0	20.0		66.6
Brokerage & Investment Banking	20.5	25.0	35.0	40.0		
Financial Services	0.8	0	1.0	5.0		33.4
Housing and Real Estate	8.1	8.0	9.0	10.0		
Total	42.6	51.0	65.0	75.0	15-20% Growth	100.0

Forecast by major sell-side analysts: 49.30 - 55.22 bil. yen

Minimum operating income target for FY2012

➔ 100.0 billion yen (around \$1 bil.)

Note1: All figures are actual (A), estimate (E) or focus (F) by the company.

Note2: For the figures of estimate (E) and focus (F), effects of eliminations for consolidation and the deduction of corporate expenses are divided into each business segment.

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 (%)	36.2	45.1	18.7
Within 5 years	$\frac{2}{3}$		$\frac{1}{3}$

[Comparison of Operating Income by Region]

	Domestic	Overseas*
FY2007 (%)	54.9	45.1
Within 3 Years	$\frac{2}{3}$	$\frac{1}{3}$
Within 5 Years	$\frac{1}{2}$	$\frac{1}{2}$

*Calculated by totaling operating income of sales of overseas assets and operating income of E*Trade Korea.

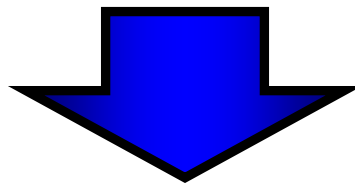
【FY2008 Highlight Events】

- (1) Transfer Shares of E*TRADE Korea**
- (2) Remarkable Performance of New Horizon Fund**
- (3) Making SBI E*TRADE SECURITIES a Wholly Owned Subsidiary**
- (4) Full-scale Restart of Real Estate Investment**

(1)

The Sale of E*TRADE Korea Stock Will Result in an Estimated Extraordinary Gain

Transferee of the shares	: LS Networks Corporation Limited (Korea) *LS Networks and its designated agent to be added
Number of shares to be transferred	: 9,744,000 (71.4% of the total outstanding shares)
The amount of transfer	: 214,368 mil. won (approx. 22,165 mil. yen*) 22,000 won per share (approx. 2,274 yen per share*)



Estimates to record an extraordinary gain in FY2008

SBI E*TRADE (non-consolidated)	Approx. 17.4 bil. yen [*]
SBI Holdings (consolidated)	Approx. 13.9 bil. yen [*]

*Converted from won to yen based on the exchange rate as of Apr. 9, 2008 (1 won=0.1034 yen)

Reasons for Sale of Stock

- ① Competition is expected to become more heated as many more companies enter the South Korean securities industry. Furthermore, there is a big gap between the brokerage trading value share of E*TRADE Korea (2%) and the Kiwoon, the market leader (10%), making it difficult for E*TRADE Korea to close the gap on its own. Moreover, although SBIH has invested in many financial service sector companies in South Korea, unlike Japan where a business ecosystem is established, it is difficult to capture synergies among those companies in South Korea.
- ② Conclusion of the licensing contract with E*TRADE U.S. in July 2008 will allow SBI E*TRADE SECURITIES to start overseas operations. Therefore, rather than allocating more resources to E*TRADE Korea, SBIH believes that the best strategy is to sell its E*TRADE Korea stock and use the earnings productively for business expansion, primarily for securities businesses in India, Vietnam and other Asian companies with growing economies.

Korean Equity Investment Amount and Proceeds from FY2002 to Present

Book value of the total equity investment : 23.6 bil. yen
 ⇒ Proceeds from the equity investment : 45.1 bil. yen
 (Remaining equity investment amount : 2 bil. yen)

Example:

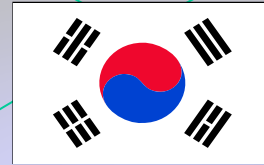
Unit: 100 mil. yen

	Total equity investment	Proceeds			IRR (%)
		Total	Sales proceed	Dividend	
Kyobo Life Insurance (Feb. 2007 - Sept. 2007)	179	216	214	2	43.1
E*TRADE Korea (Jun. 2004 – 1Q in 2008*)	43	221	221		50.4

(*as planned)

(Amounts are rounded to the nearest ¥100 million)

Investment Track Record in Korea



(To be sold in Apr. '08)

Online Securities
E*TRADE Korea

Feb.21, '07 IPO
on KOSDAQ

Provision of Information
of Investment Trusts

Morningstar Korea

19.98% equity

**(Sold the whole shares
in Sep. '07)**

Life Insurance

Kyobo Life
Insurance

Savings Bank

Hyundai Suisse I/II

I: 10.00% equity
II: 20.00% equity

**(Hyundai Suisse I
preparing for IPO in FY08)**

Enterprise

Revitalization Funds

Valuemeet Investment

32.59% equity

Real Estate

UNIASSET

25.71% equity

System Development

Finance All Solutions

Subsidiary

Establishment of Financial
Management System

Gatebank

9.04% equity

(Preparing for IPO in FY08)

(2)

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. A gain of **3.6 billion yen** was recorded through the sales of a portion of its portfolio.

(Unit: US\$ million)

Portfolio companies	Investment	Category	IPO (planned)	Capital gain		
				End Mar.07	End Mar.08	
Sichuan Meifeng Chemical Industry	14.8	A-Class share		30.5	63.7	IPOed (market value)
Changsha Zoomlion Heavy Industry Science & Technology Development	10.2	A-Class share		35.6	144.6	
China Printing & Dyeing Holding	3.4	IPO		1.0	0.2	
Yingli Green Energy Holding	1.8	IPO		Pre-IPO	4.5	
Kingsoft	6.6	IPO		Pre-IPO	2.3	
Goldwind Science and Technology	4.1	IPO		Pre-IPO	124.9	
Cathay Industrial Biotech	12.0	Pre-IPO	2008		79.1	Pre-IPO (estimated value)
China Stem Cells Holdings	4.1	Pre-IPO	2008		17.6	
Jiangsu Ealong Biotech	2.5	Pre-IPO	2008		5.6	
Shineway Group	20.4	Pre-IPO	2009		15.0	
TOTAL	79.8			67.1*	457.5	(Approx. 45.8 bil yen)

* The figures of capital gain (end mar. 07) were included three companies which completed IPO as of March 31, 2007

【Estimated Dividend (tentative)】

FY2008 US\$ 87 million (**8.7 billion yen**) Total dividend (tentative) US\$ 269 million (26.9 billion yen)

FY2009 US\$ 91 million (9.1 billion yen)

FY2010 US\$ 92 million (9.2 billion yen)

Note: The above figures are not confirmed

(3)

SBI E*TRADE SECURITIES Becomes a Wholly Owned Subsidiary in Aug. 2008

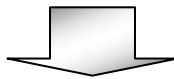


Background and Significance

1. Establish an infrastructure as a financial conglomerate capable of fully pursuing synergies within the group



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)...

1-1. Internet-based one-stop financial service

1-2. Efficient use of cash and other group assets

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.

Effect on Financial Results

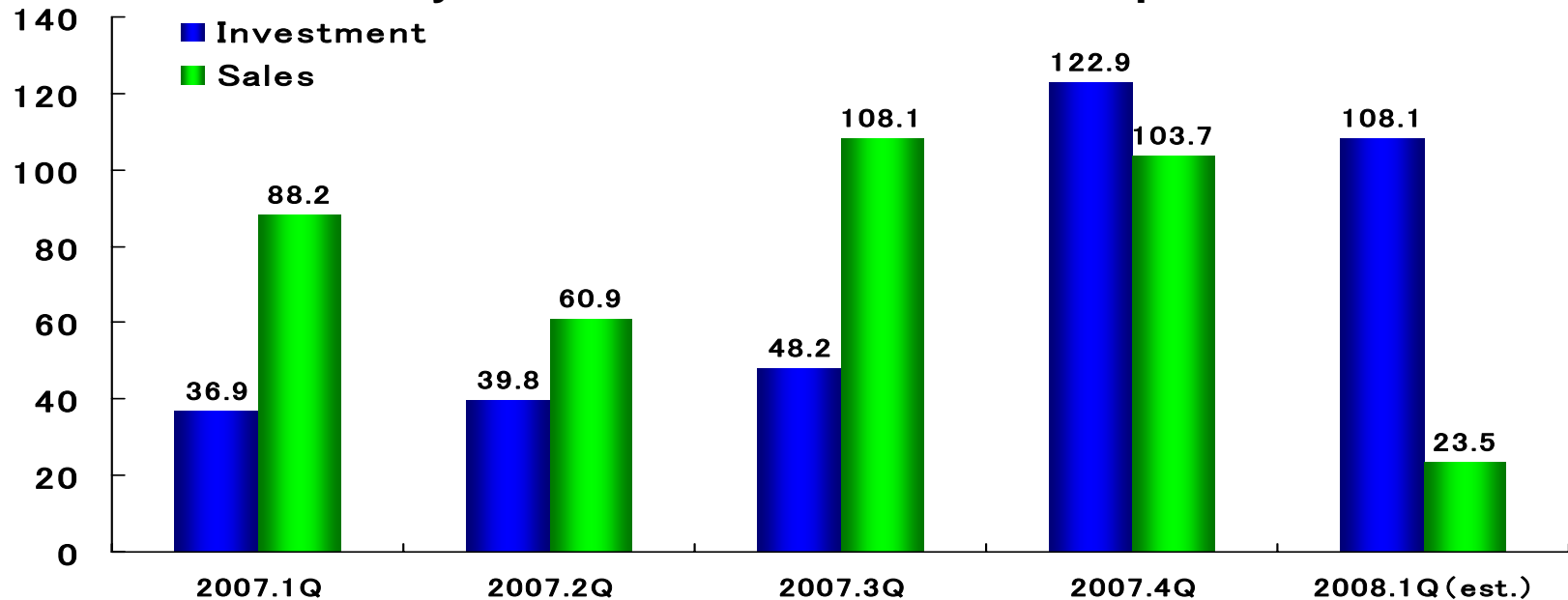
Amortization of goodwill (3.9 billion yen annually over a 20-year period) will increase operating expenses, but net income will now include the 44% of earnings at SBI E*TRADE SECURITIES that had been eliminated through a deduction for minority interests.

(4)

Planning to Resume Substantial Real Estate Investments after October 2008 by Taking Advantage of the Opportunities Presented in the Current Real Estate Market

Quarterly real estate investments and sales by SBIH Real Estate Business Dept.

(100 million yen)



Examples of recent investments (incl. planned investments) (100 million yen)

Principal investment area	Amount (total)	Properties
Overseas (Emerging economies)	3.5	Plan to diversify investments to assemble a diversified portfolio of properties
Prime sites in central Tokyo	3.5	
Yokohama area	3.9	

*Investments and sales are actual results for the Real Estate Business Dept. except in the first quarter of 2008, in which estimated investments and sales are included.

4. Key Goals for Achieving the New Group Vision

- ① **Streamline the SBIH Group to Align Operations for New Growth Vectors**
- ② **Build a Framework and Pursue Greater Synergies across the SBIH Group for Making the Three New Core Businesses Profitable Quickly**
- ③ **Accelerate the Development of Overseas Businesses Centering on Asset Management Business**
- ④ **Upon the Transition of SBI E*TRADE SECURITIES (to Be Renamed SBI Securities) to a Wholly Owned Subsidiary, Establish a Comprehensive “Internet-Based Real Securities Company” Business Model and Make SBI Securities a Global Company**
- ⑤ **Reinforce the Information Systems Ecosystem to Support Growth in Online Financial Services**
- ⑥ **Lay the Groundwork for Investments in Fields with Prospects for Generating Substantial Earnings over the Mid- and Long-term**

① Streamline the SBIH Group to Align Operations for New Growth Vectors

Central Themes for Reorganization

- From the CEO's 2008 New Year Greeting -

“... We will continue streamlining our organization based on the current outlook for our operating environment. We will establish clear priorities for each group business and project in order to conduct a focused allocation of resources. There is always a time where a company needs to create an environment for fostering new life through a pruning and streamlining process...”

(SBIH Group New Year ceremony, Jan. 4, 2008)

- From “SBI Money World” Blog -

“... Every SBIH Group company was created so that it can generate synergies with all other group companies. Our most important theme in 2008 is reorganizing the SBIH Group in order to make even greater use of those synergies...”

(excerpt from “SBI Money World”, Feb. 25, 2008)

Streamlining the SBIH Group for Renewed Growth (1)



Reallocation of resources ⇒ Create a framework for new growth vectors

SBI E*TRADE SECURITIES as a wholly owned subsidiary:

- **SBI E*TRADE SECURITIES** will become a wholly owned subsidiary with a vast potential to produce many synergies with the three new core businesses

Investment:

- Reinforce investment banking operations by acquiring a 44.4% equity stake in **Strategic Consulting Group**

Initial Public Offerings:

↳ average operating revenues of 350 million yen in four years since its inception (before deduction of outsourcing expenses)

- **SBI Mortgage**, which competes with SBI Sumishin Net Bank in the housing loan market, will conduct an IPO to gain more autonomy
- Planning for an IPO for **CEM Corporation**, a real estate-secured loans business
- Preparing for an IPO of two investee companies in South Korea (**Hyundai Switzerland I** (10% ownership) and **Gatebank** (9.04% ownership))

Transfer of assets to create an operating base better suited for growth:

- Plan to combine part of **SBI Equal Credit** with the consumer loan business of SBI Sumishin Net Bank

Reallocation of resources (continued)

Establish companies:

- Currently planning to establish a foreign exchange margin trading platform company to increase the earnings of SBI E*TRADE SECURITIES. The objective is to sharply reduce foreign exchange commissions and increase earnings from foreign exchange activities.
- Established SBI ALApromo in the biotechnology field.

Sell investments:

- Will use proceeds from sale of E*TRADE Korea shares to invest in businesses with the potential to be new source of growth.

Reposition and reorganize core companies to expand the non-financial ecosystem

- In the Real Estate Ecosystem, merge LIVING Corporation a subsidiary to combine this company with SBI Planners.
- In the Information Systems Ecosystem, merge C4 Technology (to be renamed SBI Net Systems in Aug. 2008) into a subsidiary to create a centralized base for system development services for the SBIH Group, and acquire businesses to further expand this ecosystem.

② Build a Framework and Pursue Greater Synergies Across the SBIH Group for Making the Three New Core Businesses Profitable Quickly

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

SBI Sumishin Net Bank Deposits Topped 300 Billion Yen After Only 191 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^(*1) and 300 billion yen after only 191 days^(*2) since its start of operations on Sept. 24.

(*1:as of Jan. 23, '08, *2:as of Apr. 1, '08)

Days required by major Internet banks to reach 300 billion yen in deposits:

	Start of operations	Time needed to reach 100 billion yen (*)	Days after start of operations	Time needed to reach 200 billion yen (*)	Days after start of operations	Time needed to reach 300 billion yen (*)	Days after start of operations
eBANK	2001/07/23	2003/10/01 ~2004/03/31	801- 983 days	2004/10/20	1186 days	2005/08/01 ~ 2005/8/31	1471- 1501 days
Japan Net Bank	2000/10/12	2002/10/01 ~2003/03/31	720- 901 days	2005/01/01 ~ 2005/3/31	1543- 1633 days	2006/10/01 ~ 2006/12/31	2181- 2272 days
Sony Bank	2001/06/11	2002/03/01 ~2002/03/31	264- 294 days	2002/12/01 ~ 2002/12/31	539- 569 days	2003/08/01 ~ 2003/08/31	782- 812 days
SBI Sumishin Net Bank	2007/09/24	2007/11/19	57 days	2008/01/23	122 days	2008/04/01	<u>191 days</u>

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

How did SBI Sumishin Net Bank Succeed in Reaching 300 Billion Yen Deposits So Rapidly?

1. Offered **competitive interest rates**.
2. Provided unique services as an Internet bank, such as “**Exclusive E*TRADE Deposits**”, a collaboration service with SBI E*TRADE SECURITIES, availability of **transactions in eight foreign currencies with real-time updates of exchange rates, and free limit orders (incl. IFD(*1) and OCO(*2)) through foreign currency deposits**.
3. **Free ATM transactions** for individual customers with no restriction in terms of transactions, time and frequency.
4. Various special campaigns such as **discounted exchange costs** for transactions in foreign currency deposits.

*1 IFD (IF Done)... Two linked orders. If the one is executed, then the other one is activated.

*2 OCO (One Cancels the Other)... Two linked orders. If the one is executed, then the other is automatically canceled

SBIH Starts Shareholder Special Benefit Plan to Promote Opening of Internet Bank Accounts

- Planning to introduce shareholder special benefit plan to other SBIH Group companies -

Number of shares owned as of Mar. 31, 2008 (share)	Number of rewards points offered
Over 1 – Under 10	500
Over 10 – Under 30	1,000
Over 30 – Under 50	3,000
Over 50 – Under 100	5,000
Over 100 – Under 300	10,000
Over 300	30,000

Offers rewards points “Arigaton”, which is available on “EG Satellite”, a website operated by SBI Point Union



(500 points = 400yen)



Shareholders are able to change “Arigaton” into cash if they designate SBI Sumishin Net Bank for transfer

(Number of shareholders of SBIH as of Mar. 31, 2008: 156,403)

Stabilize and Diversify Asset Management by Further Pursuing Group Synergies

◆ Housing Loans

- Operations are growing steadily; the creation of products that match customers' needs has raised the number of loans to more than 5,000, based on applications received.

◆ Unsecured Consumer Loans

- Loans up to 5 million yen with a preferential interest rate as low as 5.5%
- ⇒ Aiming to offer highly competitive interest rates for consumer loans
- Planning an integration with part of SBI Equal Credit's operations

◆ Auto Loans

- Planning to offer auto loans by using tie-ups with auto-related companies that the SBIH Group is investing in.

◆ Actions to Upgrade Asset Management

- Established Business Development Dept. for the planning and support of new asset management services
- Use the SBIH Group for providing information about global asset management products (determine whether allowable at banks)

Example: Gazprom yen-denominated bonds (3.2%)

**Strengthen asset management capabilities,
the key to success of the Internet bank**

- **SBI Insurance Co., Ltd.**
(started operations on Jan. 16, 2008)
- **SBI AXA Life Insurance Co., Ltd.**
(started operations on Apr. 7, 2008)

Progress of Internet Life and Non-life Insurance Businesses

(1) Internet Non-life Insurance: *SBI 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

- Capital :3 billion yen (including capital reserve of 1.45 bil yen)
- Shareholders :SBIH 61.6%, Aioi Insurance 33.4%, Softbank 5.0%

(2) Internet Life Insurance: *SBI AXA Life Insurance*

- 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
- Apr. 2, 2008 Received a license for the life insurance business from Financial Services Agency

• Apr. 7, 2008 SBI AXA Life Insurance Co., Ltd. started operations

- Capital :7.5 billion yen (including capital reserve of 3.75 bil yen)
- Shareholders :SBIH 55.0%, AXA Japan 40.0%, Softbank 5.0%

Full-scale Launch of SBI Insurance Business

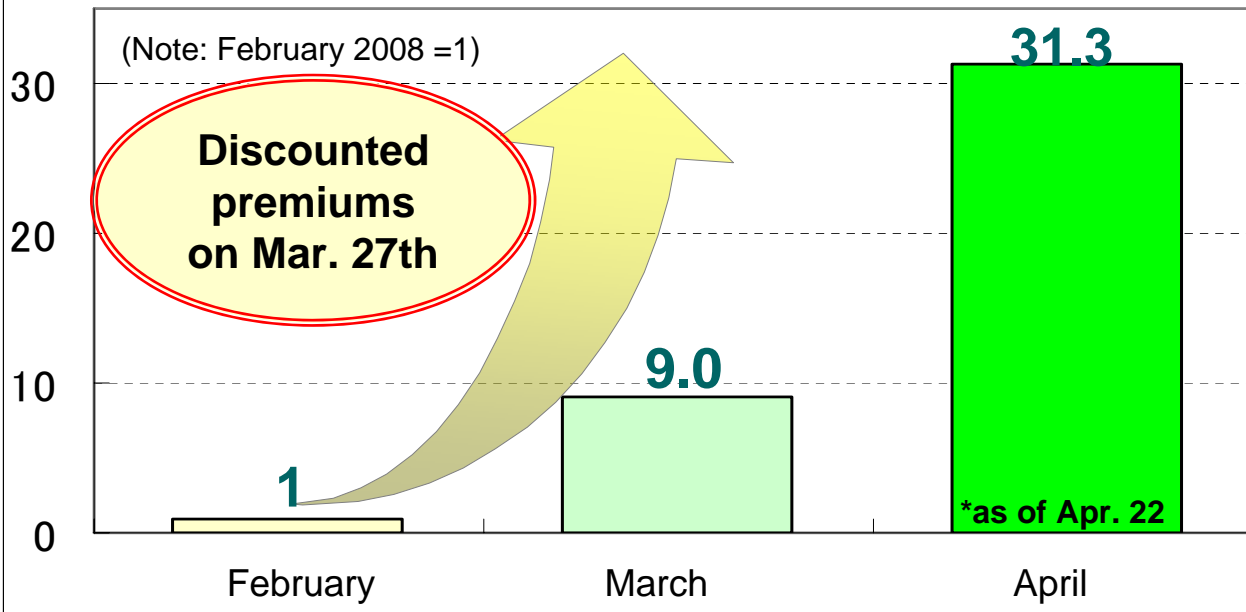
Characteristics of auto insurance of “SBI Insurance”, which is Internet based

- ① Lowest level insurance premiums in the industry
- ② Adopt a “Styling Concept”, which is the first of its kind in the industry

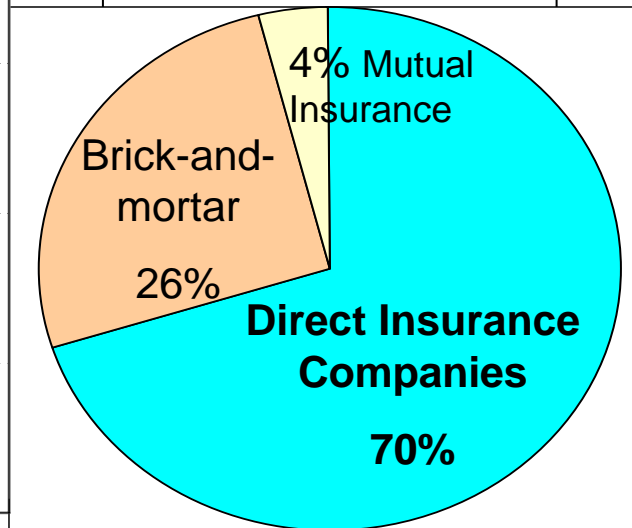
Anticipating the driver’s auto-preference and needs, provide the most suitable indemnity plan for the driver, with a classification of the type of vehicle, such as “compact”, “minivan” and “sedan/wagon”

- ③ Synergies with “SBI Sumishin Net Bank” and “SBI E*TRADE SECURITIES”, and cooperation with “Autoc one”, an auto purchase supporting website and a pre-owned auto auction related company

Growth in completed SBI Insurance’s auto insurance contracts



Client breakdown



Japan's First Internet Pure-play Life Insurance Company, "SBI AXA Life Insurance"

Notable Features of SBI AXA Life Insurance:

- (1) Lowest level premiums in the industry
- (2) The industry's first term insurance with full-scale web based services(*)

*There is a precedent for medical insurance

Customer is able to complete application only through the internet without any documents and health checkup

- (3) Able to get insurance anytime Easy to apply through the Internet

Easy-to-understand and simple products:

Premiums for 『Kachi tto Teiki』 『Kachi tto Iryo』



Monthly premium for
「Kachi tto Teiki」 (Unit: yen)

Insurance age	Premium
Age 20	1,310
Age 30	1,530
Age 40	2,690
Age 50	5,620

※Death/severe disability sum insured of 10 million yen (without riders). Male, policy period/premium paying period: 10 years



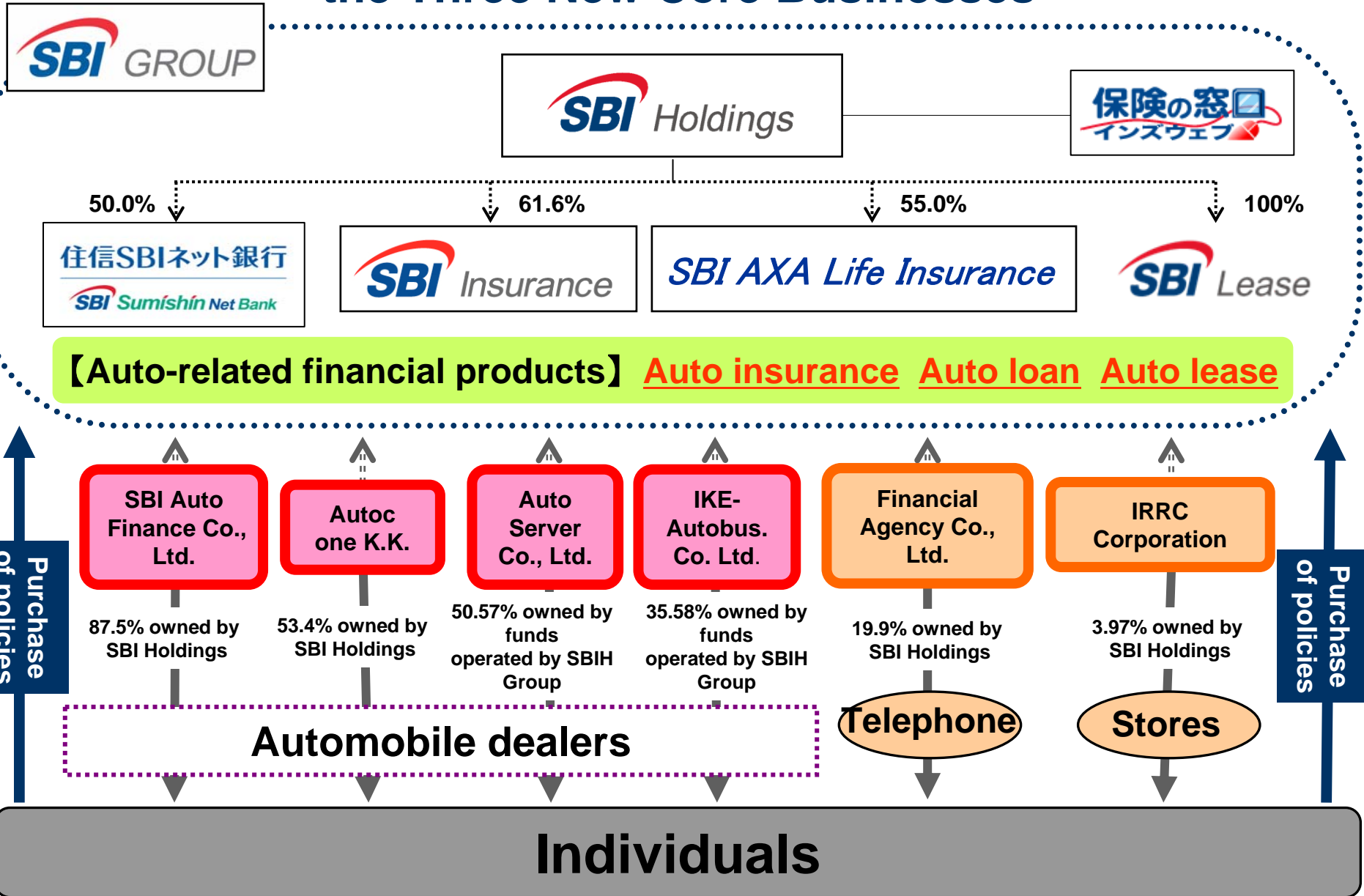
Monthly premium
「Kachi tto Iryo」 (Unit: yen)

Insurance age	Premium
Age 20	1,280
Age 30	1,600
Age 40	1,840
Age 50	2,850

※Daily hospital confinement of 10,000 yen. Male and female, policy period/premium paying period: 10 years

(as of April 7, 2008)

A Diversified Ownership Structure to Support the Three New Core Businesses



SBIH Reached a Basic Agreement with JAA Corp. to Jointly Establish an Auto-related Financial Services Company



30%



70%



- Runs 3 auction sites
- Registered companies: more than 14,000
- Annual number of cars listed: approx. 740,000

JV Company

Auto-related financial services

- **Auto insurance** (SBI Insurance)
- **Auto loan** (In preparation) (SBI Sumishin Net Bank)
- **Auto lease** (SBI Lease)

Signed basic agreement on Mar. 18, 2008

Joint venture will be established in the first quarter of FY2008

Provide SBIH Group's financial services to pre-owned auto buyers through JAA's registered members of pre-owned auto auctions

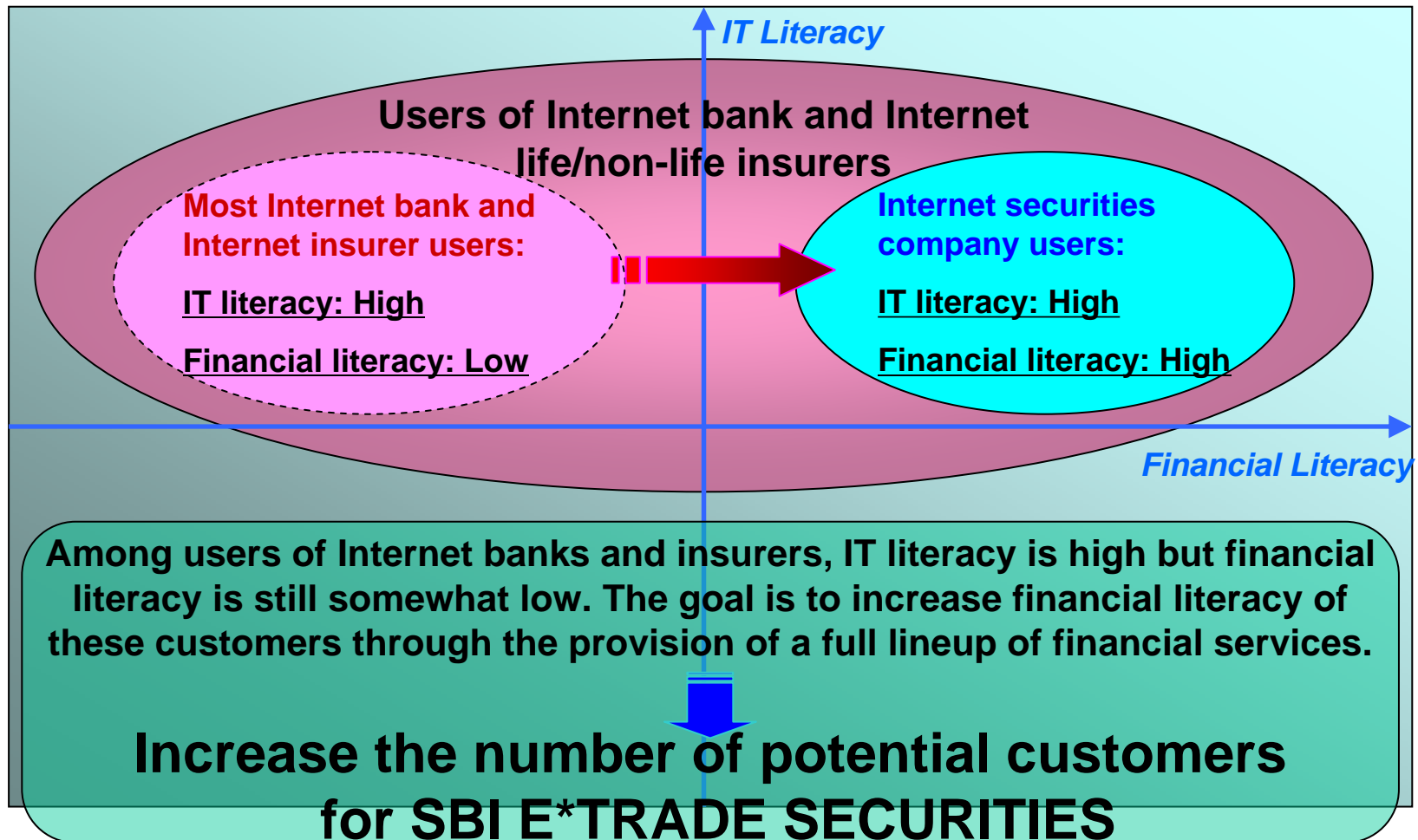
JAA's auction members: 14,492 companies

Auto buyer



Further Collaboration among Banking, Securities and Insurance Businesses will Drive Rapid Growth at SBI E*TRADE SECURITIES

The targeted population of customers for the banking and insurance businesses is much larger than that of the securities business.



③ Accelerate the Development of Overseas Businesses Centering on Asset Management Business

- 1) Target prospective countries with high potential growth such as China, India, Russia and Vietnam**
- 2) Establish JV funds through alliances with prominent domestic partners**
- 3) Transplant financial services that suit each foreign country such as online securities, utilizing SBIH's expertise in the formation of Internet-based financial conglomerate in Japan**

Move on to Large Scale Investments in Privately Owned Companies in China, India, Vietnam and Other Countries

Newspaper Article

FY2007:

A year in which agreements with partner companies were established and procedures were completed to obtain business permits from governments and regulatory agencies in the applicable countries



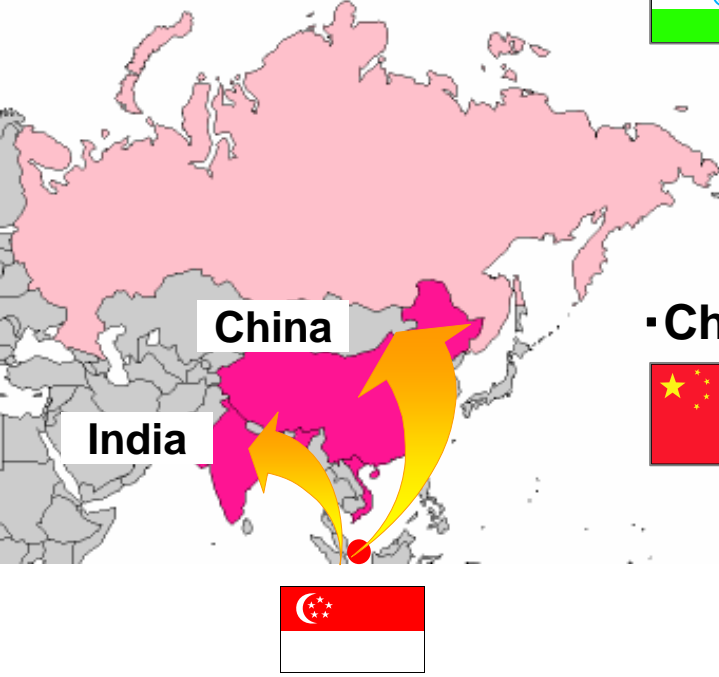
Resulting in the position of having many potentially lucrative investment opportunities to choose from, owing to the steep decline in the emerging country stock markets

FY2008:

Start full-scale investment activities

(Excerpt from Nikkei Shimbun, Mar. 26, 2008)

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

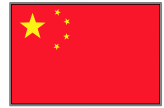


▪ **India:**



[Received final approval](#) from the authorities to jointly establish an investment fund with “[State Bank of India](#)”, India’s largest commercial bank. The fund has [made an investment in one promising company \(develops software for financial institutions\)](#) through Knowledge Investment (Mauritius) Limited ,a local subsidiary in Mauritius, which [will be started in April, 2008](#).

▪ **China:**



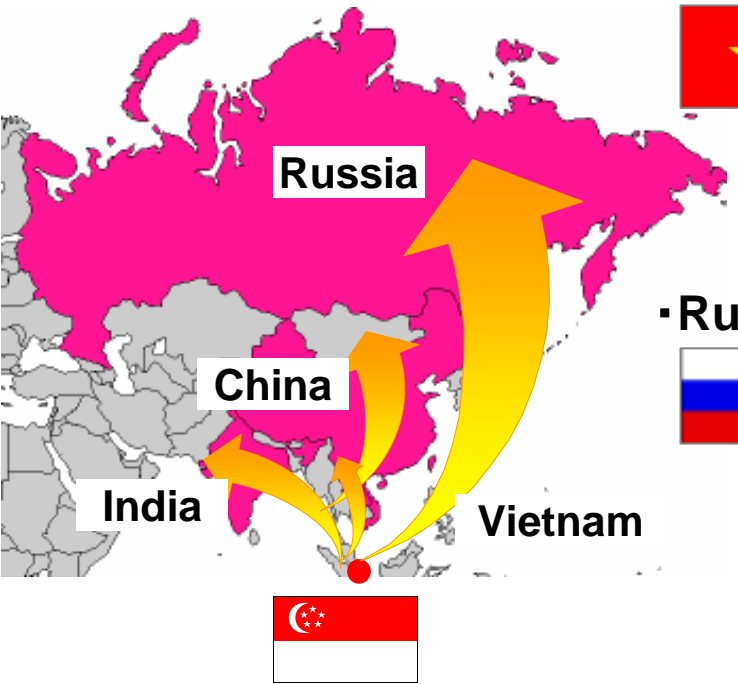
Received final approval from Ministry of Commerce to jointly establish an RMB based investment fund with “[Tsinghua Holdings](#)”, which is affiliated with Tsinghua University, one of China’s most prestigious universities. [In Beijing, this is the first fund](#) to be established with a foreign affiliated company, and the fund [started its operations in March of 2008](#).

SBI VEN CAPITAL PTE. LTD
Singapore

▪ [Signed contract](#) to jointly establish a new investment fund 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\$

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 2007 -



SBI VEN CAPITAL PTE. LTD
Singapore

▪ **Vietnam**: [Received final approval](#) from the authorities 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, which [started in April 2008](#).



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



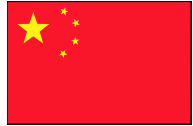
The commitment will be USD 100 million, primarily targeting prospective unlisted companies in Russia. Planning to increase the investment amount up to a maximum of USD 500 million after evaluating the performance of the first fund and the investment environment in Russia.

Planning to establish an investment fund (500 mil yen) with [Keio University](#) in May 2008, primarily targeting venture companies originating from universities and research institutions.

Alliances Focused on the Real Estate Business in China

◆ In April 2007

Signed MOU to form comprehensive alliance with Weifang City



Weifang City,
Shandong Province

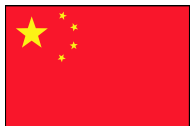
In March 2008, SBIH newly established the “Shandong Representative Office of SBI Holdings” in Weifang City

【Projects currently planned】

Real estate development with an investment company operated by the local government and a domestic general contractor, after the bidding process.

◆ In April 2008

SBIH signed strategic MOU with CSLAND, which the Chinese and Singaporean government have indirectly invested in.



China-Singapore Suzhou
Industrial Park land Co., Ltd.



【Outline】

- Jointly invest in projects being planned in Suzhou Industrial Park
- Establish a joint venture related to real estate investment by the above projects

④ Upon the Transition of SBI E*TRADE SECURITIES (to be renamed SBI Securities) to a Wholly Owned Subsidiary, Establish a Comprehensive “Internet-Based Real Securities Company” Business Model and Make SBI Securities a Global Company

Becoming a Comprehensive Global Securities Company (1)

Offices

- Increase functions that supplement online services

Held small seminars

Held a total of 1,351 seminars for 2,804 participants*
(76% were online customers*)

Use websites to provide information about office personnel

Online customers account for 60% of inquiries received at face-to-face offices

- Expanding stock brokerage accounts to investment trust and wrap accounts
- Offering a broader range of financial products by using a “money plaza” approach
- Using call centers to provide investment advice

*For period from Jan. to Mar. in 2008

Reassign and retrain some staff members

Wholesale

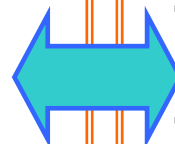
Corporate sales more closely linked to investment banking

Internet

- Endeavor to capture a larger share of stock brokerage transactions
- Offer customers greater convenience and diversify the profit structure by handling a broader spectrum of financial products, such as futures and options, investment trusts, and bonds
- Build a foreign exchange margin trading framework that can significantly cut commissions and boost profits
- Collaborate with SBI Sumishin Net Bank and other companies
- In addition to handling U.S., Chinese and Korean stocks, have started accepting orders for Russian stocks. Goal is to continue to expand globally

Investment Banking

- Leverage the dominant share of the stock brokerage market
- Use investment in Strategic Consulting Group to extend operations into new fields



Becoming a Comprehensive and Global Securities Company (2)

Create a new business model for the retail business by combining online and face-to-face operations



SBI E*TRADE SECURITIES plans a corporate name change to SBI Securities on Jul. 1, 2008

Internet
Best services with the industry's lowest commissions

1.66 million accounts

Supplementing and Reinforcing



Offices
Wholesale business
Retail business

- Money plaza
- Seminars
- Private banking



Call Center

- Call center
- A source of investment advice



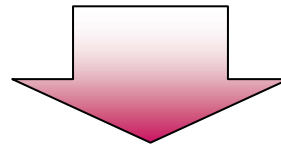
Endeavoring to become Japan's first ideal securities company for individual investors

Becoming a Comprehensive and Global Securities Company (3)

Becoming Global

Expiration of the trademark agreement with E*TRADE FINANCIAL Corporation will enable SBI E*TRADE SECURITIES to operate outside of Japan, which was not possible until now.

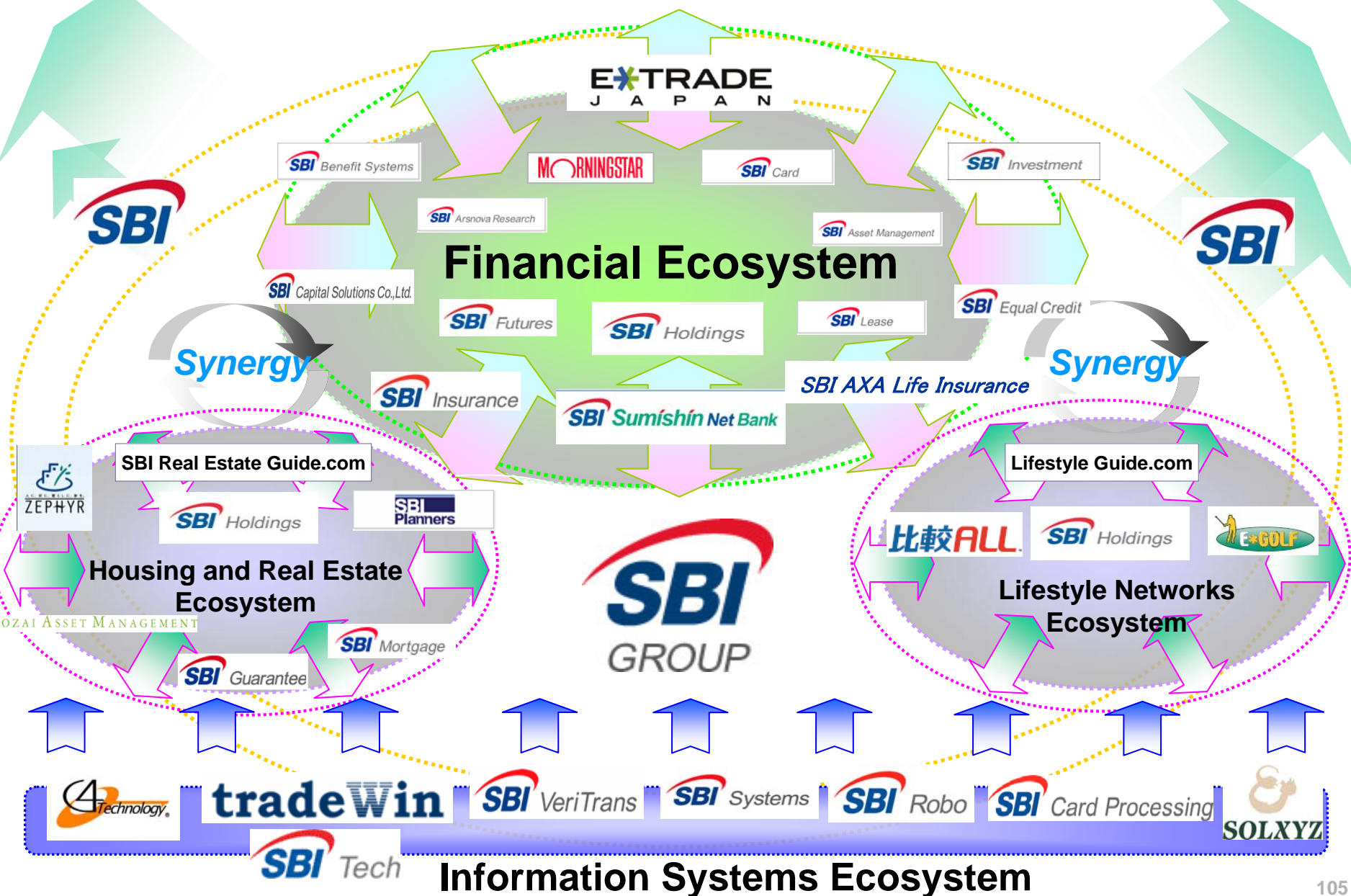
SBIH plans to expand its online securities business in emerging markets, primarily by utilizing existing relationships with prominent companies in those countries which were cultivated through SBIH's asset management business.



Transplant online trading businesses into India, Vietnam and other countries, utilizing SBI E*TRADE SECURITIES' experience of successes in Japan and Korea

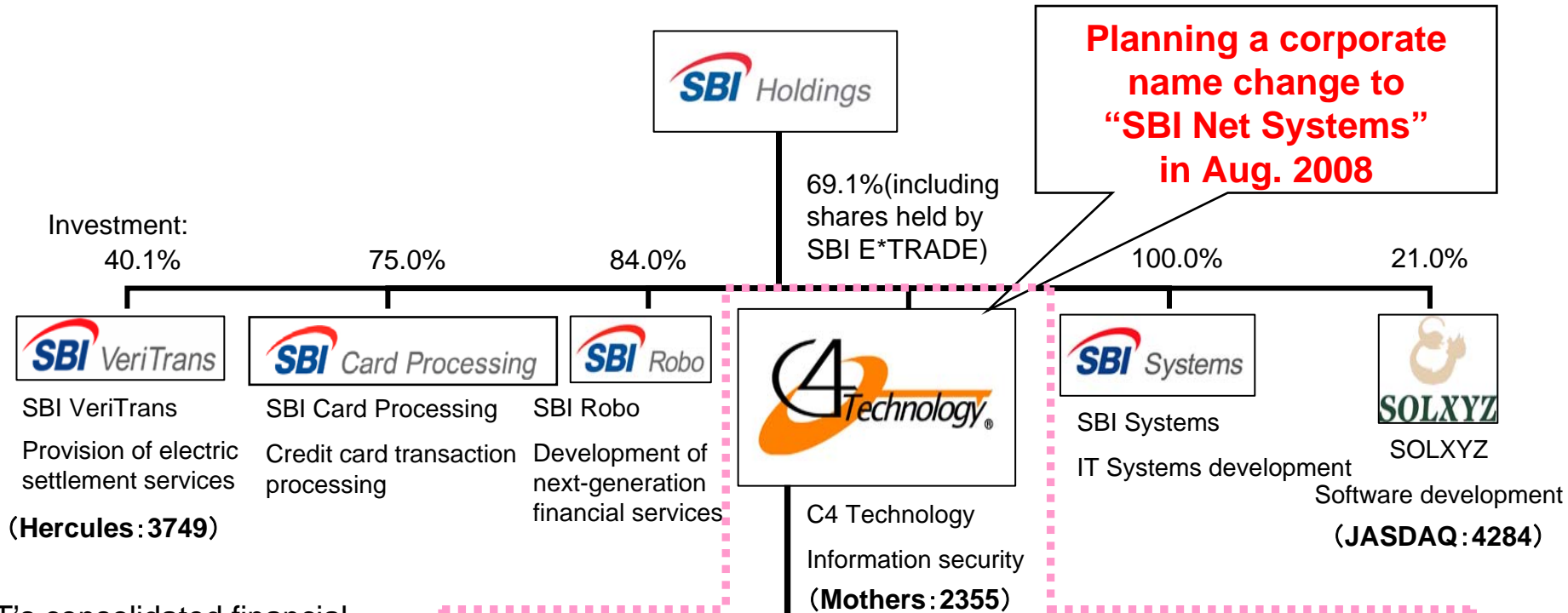
⑤ Reinforce the Information Systems Ecosystem to Support Growth in Online Financial Services

Increase Investment to Complete the Formation of Information Systems Ecosystem That Supports Internet Finance



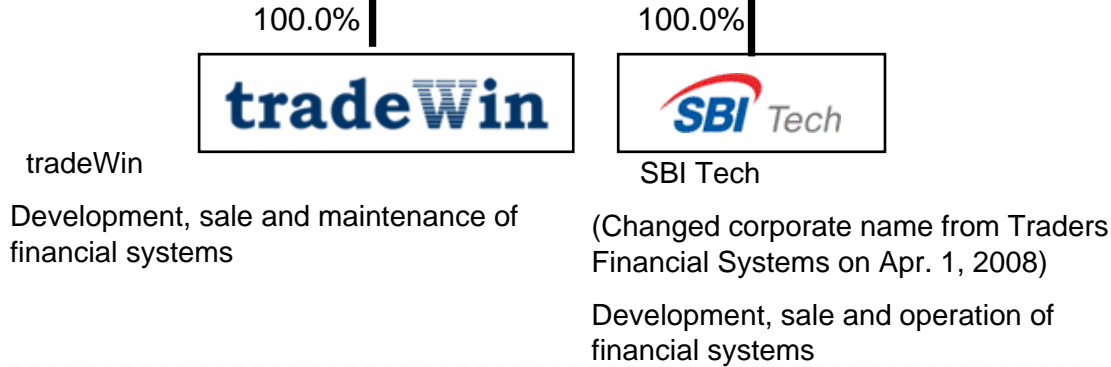
C4 Technology was Merged into a Subsidiary in March 2008

- Integrate system development for SBIH Group -



C4T's consolidated financial performance of FY2008 (forecast):

(mil. yen)	1H	Full term
Operating revenues	2,400	5,000
Operating income	10	140
Net income	5	70



C4 Technology Develops and Sells Information Security Software

Newspaper Article

(Excerpt from Nikkei Sangyo Shimbun, Mar. 24, 2008)

“Aqua-graphy Movie Mark”

: Enables users to insert copyright information at a high speed without losing quality of movies

Newspaper Article

(Excerpt from Nikkei Sangyo Shimbun, Apr. 16, 2008)

“Permanent Code SDK”

: Codes important files permanently and maintains their security even if they change ownership

⑥ Lay the groundwork for investments in fields with prospects for generating substantial earnings over the long term

- (1) Focus on biotechnology and environmental energy areas, which are the next major potential themes post the Internet for Japanese domestic investment vehicles. In the biotechnology area, the SBIH Group will strive to improve the incubation capability for the biotechnology companies by establishing joint ventures with prominent companies in the industry, as well as endeavoring to invest wisely in these companies**
- (2) Offer new Internet-related services and form communities pursuing Finance 2.0, and deliver seamless connections among SBIH Group's service websites**

Developments in Biotechnology and Environment Energy

- Biotechnology has been attracting more and more attention since the discovery of iPS cells -

Operation of biotech-related funds

Operating biotech-related funds whose total investment amount reached 20.5 billion ^{*}yen.

SBI Biotech Co., Ltd.

In preparations in the U.S. for clinical investigation of the nucleic acid medical pipeline which was introduced by “Changchun Huapu Biotechnology Co., Ltd.”, SBIH’s partner in China.

SBI ALApromo Co., Ltd.

Established a research company in Apr. 2008 to conduct product design, development and marketing of medicine, healthy foods and cosmetic related products that include “5-aminolaevulinic acid (5-ALA)” (Biologically active agent).

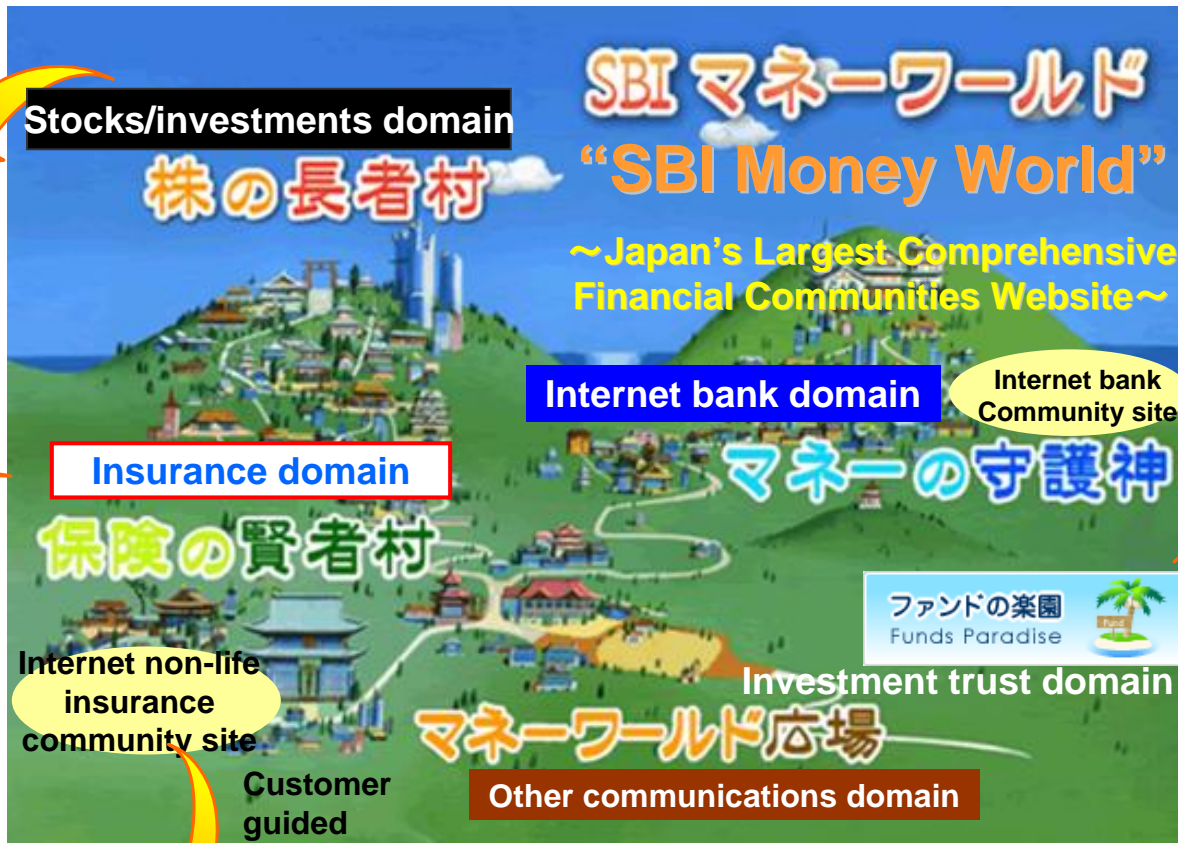
Operations of an environmental energy fund

Established a 7.5 bil. Yen* fund in Sep. 2007 and made new investments.

Since SBI Money World Started Its Service a Year ago, It Is Expanding into One of Japan's Largest SNS Focusing on Sharing Financial Knowledge

Launch date: April 12, 2007, Registered members: 65,596
Total page views: Approx. 46 million PV, Monthly average PV: Approx. over 3.5 million PV

※as of April 23, 2008



Customer guided

Stocks/investments domain

株の長者村

SBI マネーワールド

“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

マネーの守護神

ファンドの楽園
Funds Paradise

Investment trust domain

マネーワールド広場

Other communications domain

Internet non-life insurance community site

Customer guided

Started operations on Sept. 24, 2007

Customer guided

Customer guided

SBI Fund Bank Started operations on Nov. 14, 2007

Started operations on Jan. 16, 2008

NEW !!
SBI AXA Life Insurance Started operations on Apr.7, 2008

SBI Finance School
A source of knowledge for finance

1st lecture: Investment Trust by Mr. Asakura (COO of Morningstar Japan)
.....
2nd lecture: Financial Engineering by Prof. Sawa from Kyoto University

SBI Robo Launches SBI Business, a SNS Exclusive for Businesses

- Already has **20,000 registered users** after only about 3 months, making it **Japan's largest business social networking service (SNS exclusive for businesses that recommends the use of real names)**
- Profiles of **more than 100,000 people**
- High ranking on search results** using search engine optimization (SEO) profiles

(*Includes Wikipedia data; service started in Jan. 2008)

A tool for business people in an age where searching and being found by searches are vital to success (SNS exclusively for business that recommends to use real names)



About SBI Business

A social networking service exclusive to the business person. SBI Business allows users to be ranked high on search results by name, when they register their real names and post their own profiles. This system ensures that the proper information is sent to each counterparty.

This service has already assisted some clients to achieve a high ranking in certain search results.

Building a SBI Financial Portal Site

Mobile Financial Searches

Use of Common ID

Provision of financial and corporate information as well as data for macroeconomic analysis

SBI Financial Portal Site

Focus mainly on services for mobile devices, a market with much growth potential!

Established the Web Finance Dept. on Feb. 21, which is overseen directly by the CEO, in order to create Web strategies for the entire company

- *A mobile site that places priority on ease of use*
- *Growth in the numbers of both unique users and page views*
- *Enhance the presence of the SBIH Group by increasing opportunities to reach customers*

5. The SBIH's Commitment to Shareholder Value

SBIH Group Companies' Firm Commitment to Distributing Earnings to Shareholders - FY2007 Dividends



SBI E*TRADE

The FY07 ordinary dividend is 1,700 yen per share, which is the same as in FY06 that included a 100 yen commemorative dividend for the E*TRADE Korea IPO that year.

Morningstar Japan

The FY07 ordinary dividend is 550 yen per share, which is 120% higher than the 250 yen dividend in FY06, owing to the strong consolidated operating results of that company. Even after including the 250 yen commemorative dividend in FY06 for the IPO of subsidiary Gomez Consulting, the dividend is 50 yen higher.

Gomez Consulting: Started paying a dividend in FY07

The FY07 ordinary dividend is 2,400 yen per share, including an interim dividend of 1,200 yen.

SBI VeriTrans: Started paying a dividend in FY07

The FY07 ordinary dividend is 500 yen per share.

SBI Holdings Dividend

**Total dividend of 1,200 yen per share to be paid for FY2007
(allotment by 600 yen each in interim and year-end)**

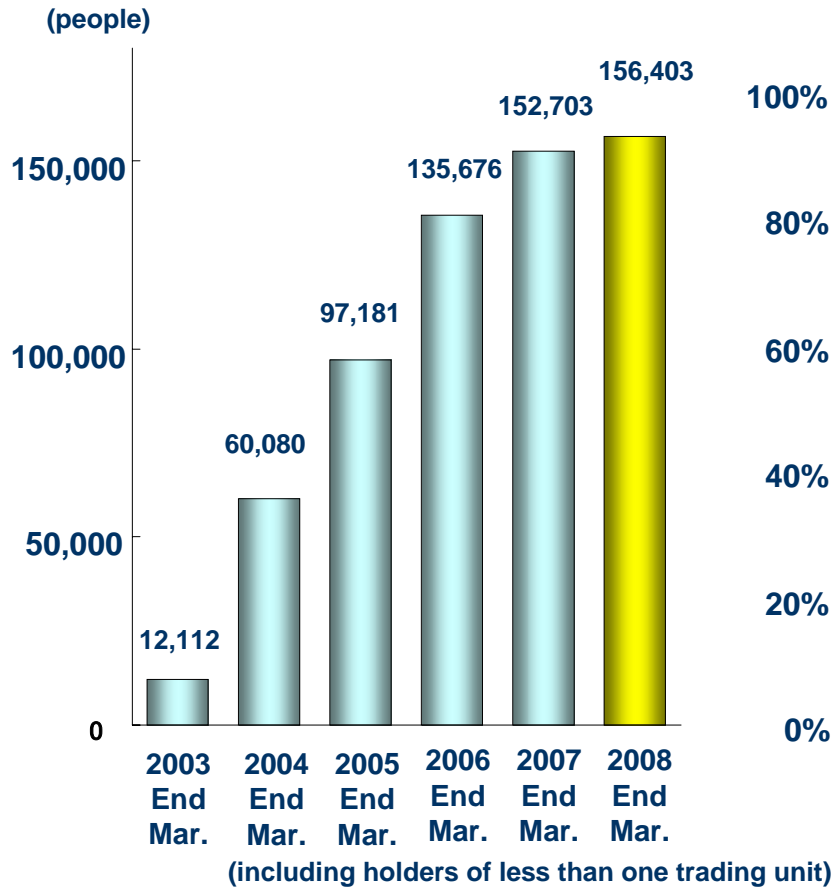
(Expected starting date of year-end dividend payment : June 13, 2008)

(Unit: yen per share)

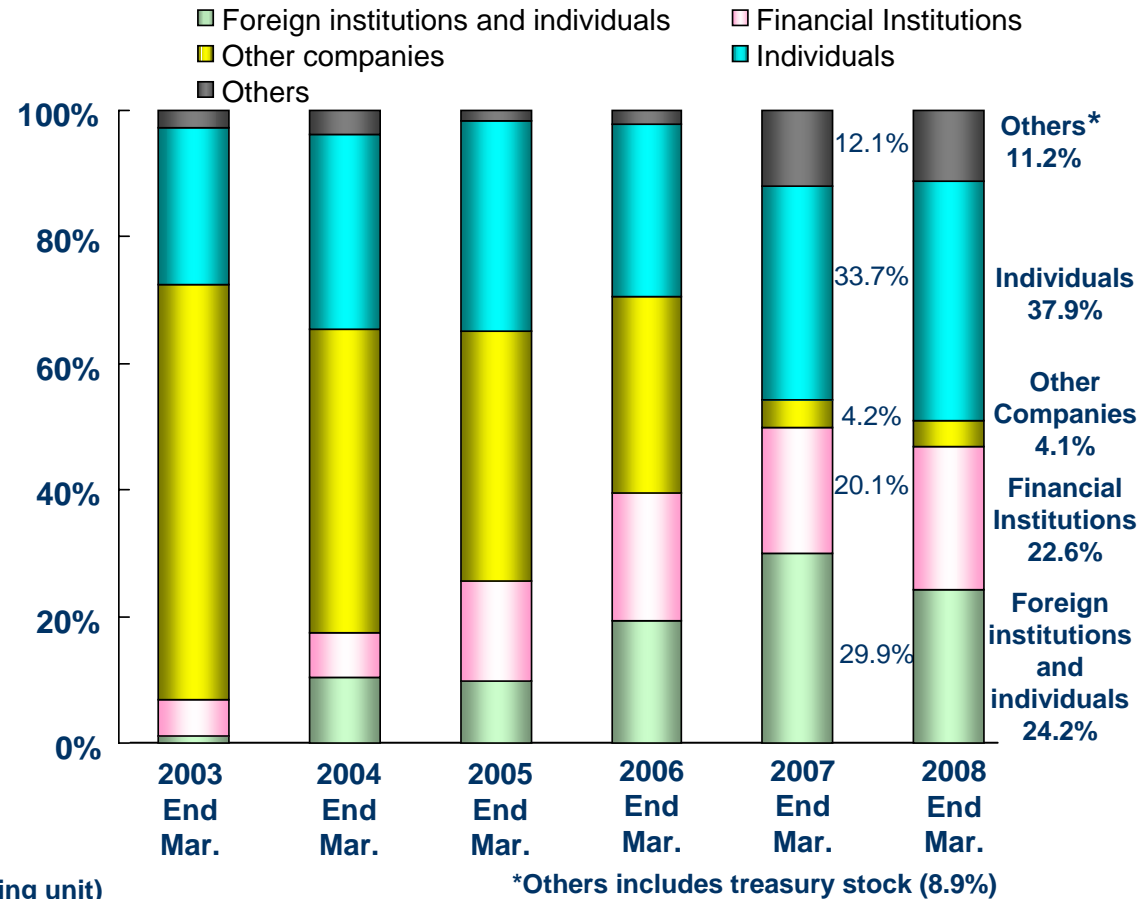
	Interim	Year end		Annual
		Commemorative (for merger)	Ordinary	
Fiscal 2007	<u>600</u>	-	<u>600</u>	<u>1,200</u>
Fiscal 2006	600	-	600	1,200
Fiscal 2005	-	100	500	600
Fiscal 2004	-	-	350	350

SBI Holdings Shareholder Composition

Number of Shareholders



Shareholder Composition



【Reference】

Number of shareholders of SBI E*TRADE SECURITIES as of Mar. 31, 2008: 86,368

Simple combination with that of SBIH as of Mar. 31, 2008: 242,771

Recent Major Shareholdings Report of SBIH

Report Obligation Incurred	Shareholding entity	Number of shares currently held	Currently held shares as Pct. of the total outstanding shares of SBIH (%)
Apr. 15, 2008 (Feb. 29, 2008)	Capital Guardian Trust Company Capital International Limited Capital International Inc. Capital International S.A.	922,561 (717,348)	Total: <u>7.42</u> (5.77)
			Capital Guardian Trust Company 1.82
			Capital International Limited 3.89
			Capital International Inc. 1.15
			Capital International S.A. 0.56
Jan. 14, 2008	Mitsubishi UFJ Trust and Banking Mitsubishi UFJ Securities Mitsubishi UFJ Asset Management MU Investments	627,131	Total: <u>5.05</u>
			Mitsubishi UFJ Trust and Banking 1.73
			Mitsubishi UFJ Securities 0.14
			Mitsubishi UFJ Asset Management 1.35
			MU Investments 1.82

Capital Group purchased and increased shares of SBIH

5 companies of Capital Group International (incl. 4 companies that purchased shares of SBIH), are the asset management section for institutional investors such as pension funds and acknowledged for its excellent long-term investment returns. Their total assets under management estimated at 39 trillion yen, and they have been investing in Japanese stocks for about 50 years. Their investment amount in Japan is estimated at about 5 trillion yen, exceeding Fidelity Investments' estimated assets in Japan of about 4 trillion yen (as of June 2007).

*1 The number of shares held and those as pct. of the total outstanding shares as of the dates of each report obligation incurred.

*2 Parenthetic figures indicate the number of shares held and those as pct. of the total outstanding shares as of the date of the previous report obligation incurred.

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