



*Strategic  
Business  
Innovator*

**SBIH Group**

**First Quarter Financial Results**

**(Fiscal Year Ending March 31, 2009)**

**July 31, 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

# 1Q FY2008 Consolidated Performance

(Unit: million yen)

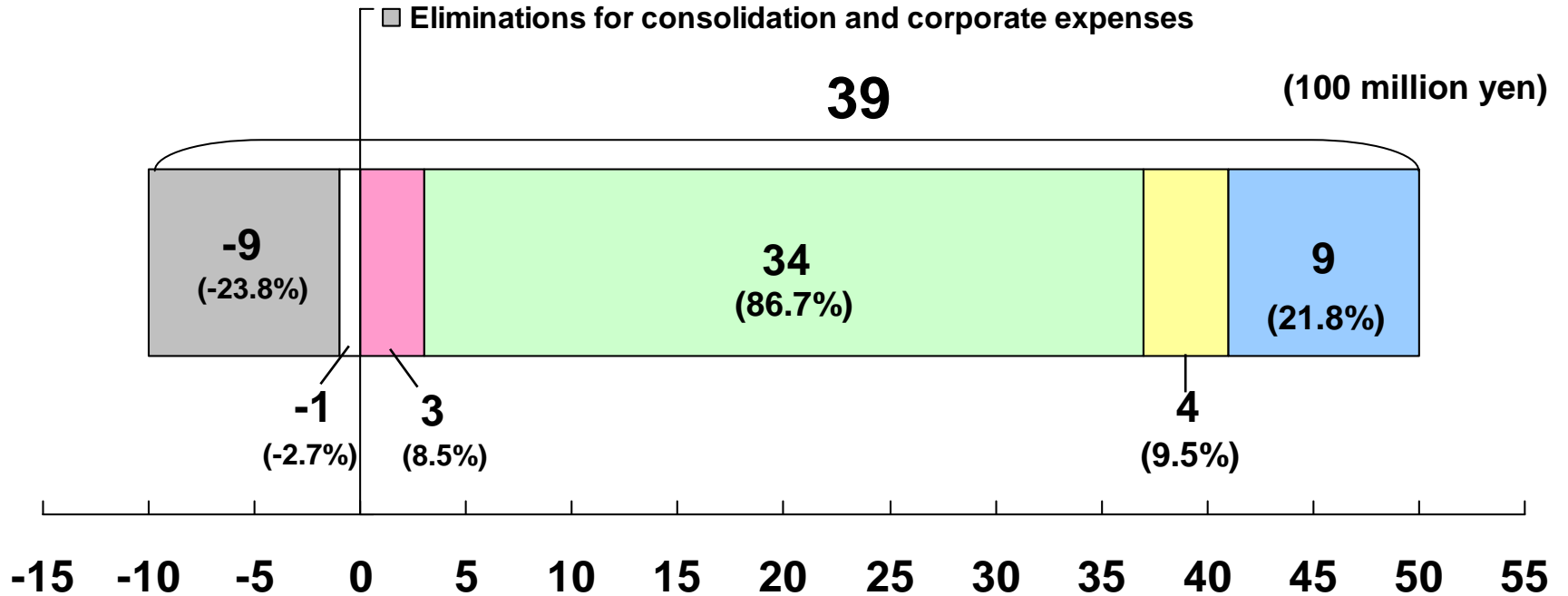
	1Q FY2007	1Q FY2008	YoY Change (%)
Operating Revenues	56,086	34,603	-38.3
Operating Income	12,721	3,908	-69.3
Ordinary Income	12,190	3,296	-73.0
Income Before Income Taxes	16,242	* -7,327	—
Net Income	5,903	* -5,908	—

\* Recorded an extraordinary loss of 9,469 million yen for ZEPHYR stock

# Comparison of Operating Income by Segment

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

**1Q FY2008  
Operating Income**



\*Amounts are rounded to the nearest 100 million yen.

# Analysis of Change in Operating Income (1)

(Unit: 100 million yen)

	FY2007	FY2008	YoY change
<b>1st Quarter Consolidated Operating Income</b>	<b>127</b>	<b>39</b>	<b>-88</b>
<b>Asset Management</b>	<b>45</b>	<b>3</b>	<b>-42</b>
<b>Brokerage &amp; Investment Banking</b>	<b>56</b>	<b>34</b>	<b>-22</b>
<b>Financial Services</b>	<b>5</b>	<b>4</b>	<b>-1</b>
<b>Housing and Real Estate</b>	<b>22</b>	<b>9</b>	<b>-13</b>
<b>System Solution</b>	<b>-</b>	<b>-1</b>	<b>-1</b>
<b>Eliminations for consolidation and corporate expenses</b>	<b>-0</b>	<b>-9</b>	<b>-9</b>

## [Major components of changes]

### Asset Management

- Capital gain in prior FY due to sale of stock held by IT fund (-2.3 billion yen)
- Capital gain in prior FY from sale of FOODX GLOBE stock (-1.7 billion yen)

### Brokerage & Investment Banking

- Lower operating revenues owing to decline in brokerage commissions and financial income at SBI SECURITIES due to the downturn in stock prices

## Analysis of Change in Operating Income (2)

### [Major components of changes (continued)]

#### Financial Services

- Earnings down at established businesses (-100 million yen) mostly because of an operating loss at Gomez Consulting, the result of weak sales from services for financial institutions, and lower earnings at E-LOAN caused by Japan's sluggish consumer finance market

#### Housing and Real Estate

- Revenues down because of Japan's shrinking real estate market
- Additional operating income in FY07 1Q as earnings were recorded from projects remaining in FY06 4Q (-1.5 billion yen)

#### System Solutions

- Started the business in the second half of FY07 with the consolidation of SBI Robo

#### Eliminations for consolidation and corporate expenses

- Decreases in inter-segment eliminations for non-operating expenses (FY07 1Q +700 million yen; FY08 1Q -200 million yen; total of -900 million yen)

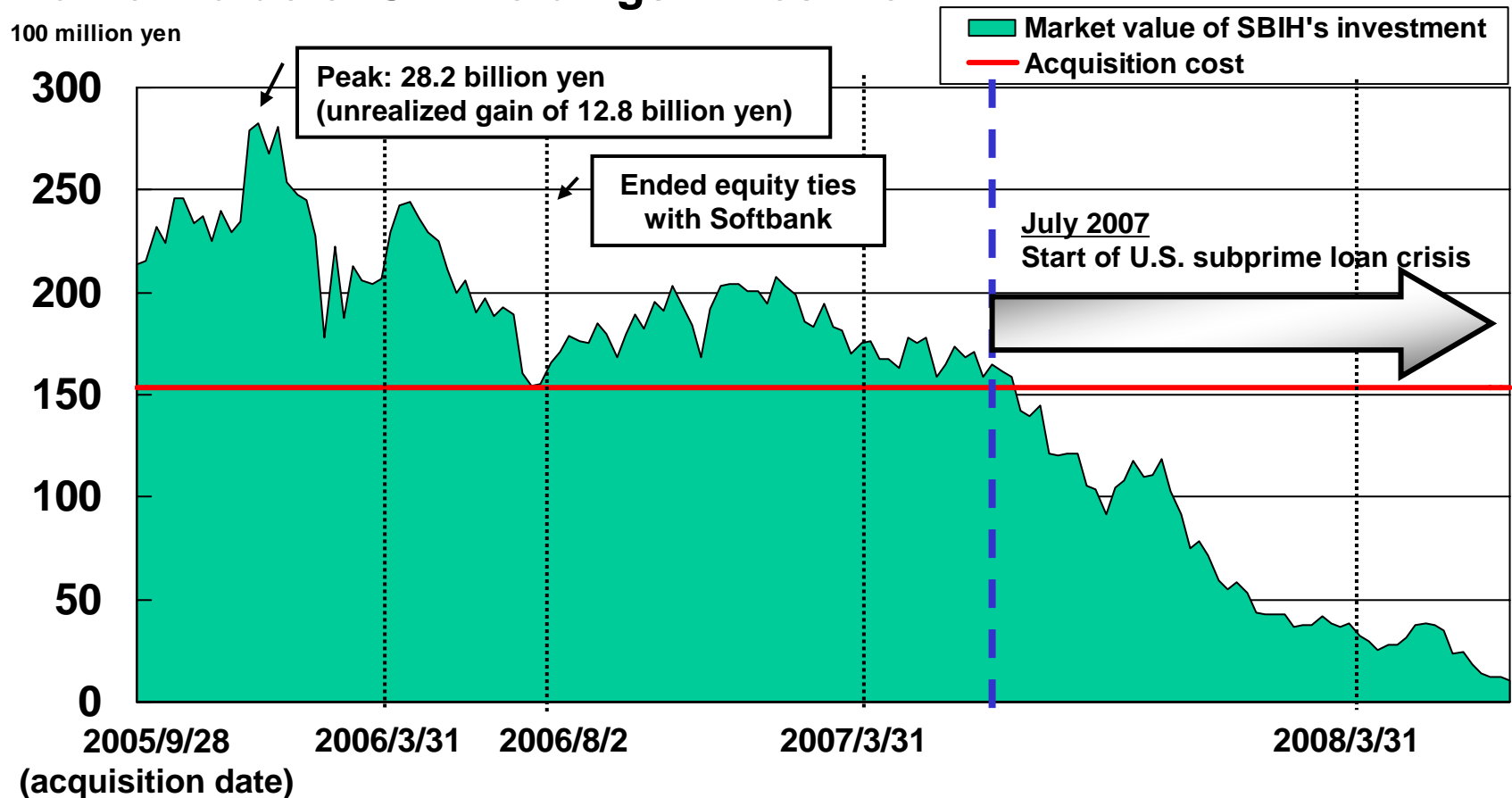
# **ZEPHYR Bankruptcy Filing Effect on First Quarter Performance**



# Market Value of SBI Holdings' Investment in ZEPHYR

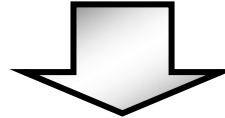
**Acquisition date:** September 28, 2005  
**Acquisition cost:** 241,830 yen per share  
**No. of shares:** 63,622 (21.36% of shares issued as of March 31, '08)  
**Total cost:** 15,385 million yen

## Market Value of SBI Holdings' Investment in ZEPHYR



# ZEPHYR Ownership of SBI Holdings Stock

Cross-holding of stock along with capital alliance formed in September 2005



**ZEPHYR becomes a valuable major shareholder following the end of SBI Holdings' equity ties with Softbank on Aug. 2, 2008**

**SBI Holdings stock owned by Softbank\* and ZEPHYR** (\*held through a subsidiary)

(percentage, shareholder ranking in parentheses)

	FY2004	FY2005	FY2006	FY2007
<b>Softbank</b>	<b>38.2</b> (1st)	<b>26.4</b> (1st)	—	—
<b>ZEPHYR</b>	—	<b>2.8</b> (5th)	<b>2.8</b> (4th)	<b>2.8</b> (4th)

In June 2008, ZEPHYR sold all its SBI Holdings stock to a British institutional investor

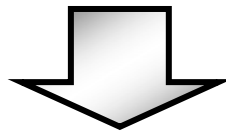
Notes: 1. Percentages based on all shares issued including treasury stock

2. In FY 2006 and 2007, the largest SBI Holdings shareholder was treasury stock <sup>9</sup>

# Collateral for SBIH Group Loans to ZEPHYR

**SBIH Group loans outstanding to ZEPHYR:  
12.0 billion yen (as of July 18, '08)**

- **These loans are collateralized by several high-quality properties owned by ZEPHYR**
- **Even if these properties are valued at 70% of their book value on ZEPHYR's balance sheet, the total value of the properties would be far more than all of the SBIH Group's loans to ZEPHYR**



**SBIH believes there is adequate collateral to ensure the recovery of these loans**

# Sale of ZEPHYR Stock

**Determined that this stock should be sold quickly since ZEPHYR stock will be delisted on August 19 due to the bankruptcy filing**



**All shares owned by SBI Holdings were sold on July 24 (63,622 shares, 21.36% of all shares issued)**

**Sale resulted in extraordinary loss of 9.4 billion yen for valuation loss for related company stock**

## Recent ZEPHYR stock price and trading volume

(15 minutes. Top: stock price; Bottom: trading volume)



# Transfer of E\*TRADE Korea shares will be made after Aug. 2008

- An agreement was reached, and an official approval is currently under consideration by the Financial Supervisory Services of Korea
- After the approval, expect to record extraordinary gain in the second quarter of FY2009

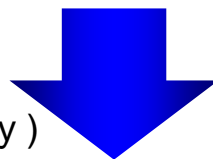
## Effect on SBI Holdings consolidated performance

**Extraordinary gain 13.2 billion yen**  
**Effect on net income +4.3 billion yen**

### Reference

The price of transfer  
:22,000 won per share  
Stock price of E\*TRADE  
Korea as of July 29  
:12,250 won

If the approval from the Financial Supervisory Services of Korea comes after Aug. 1 (SBI SECURITIES becomes a wholly owned subsidiary )



**Extraordinary gain 13.2 billion yen**  
**Effect on net income +7.8 billion yen**

\* Estimated figures converted from won to yen based on the exchange rate as of Jul. 22, 2008  
(consolidated book value is based on the figures as of the end of June)

## **2. Summary of Major Business Segments**

# **(1) Asset Management Business**

## **Fiscal 2008 First Quarter**

**(Three months ended June 2008)**

**Operating Revenues: 2.9 billion yen (-82% YoY)**

**Operating Income: 0.3 billion yen (-93% YoY)**

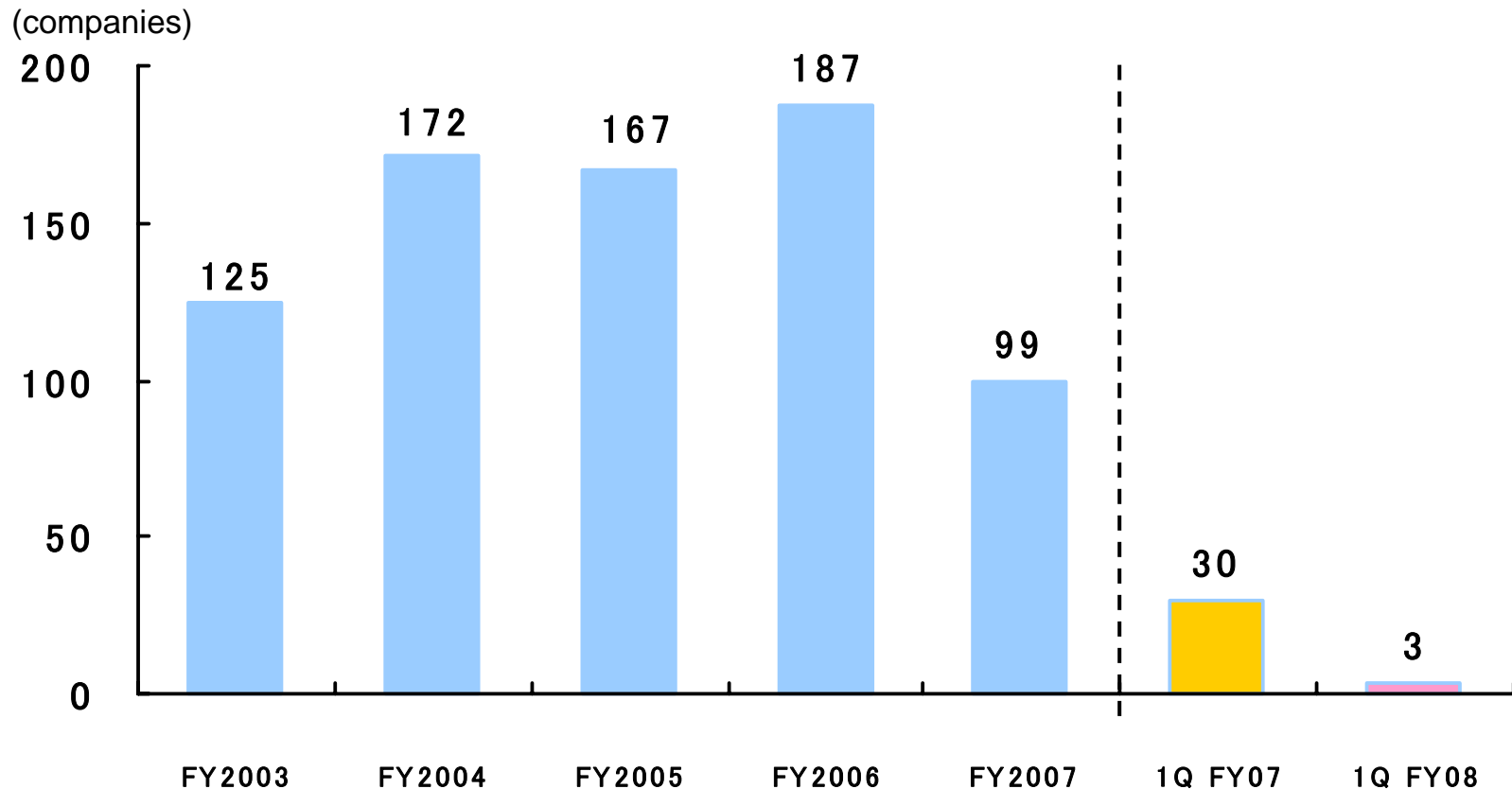
**Notes:**

- 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.**

# Number of IPOs in Japan on a FY Basis

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

**In 1Q FY2008, only 3 companies conducted IPOs, which was even fewer than in 1Q FY 2006.**



Source: Stock exchanges in Japan



# The Global IPO Market Downturn

~ IPOs down by 50% worldwide ~

“Funds procured by IPOs worldwide totaled US\$69.6 billion (about 7.4 trillion yen) in the first half of 2008, 48% less than one year earlier.”

YoY change in IPO procurement for selected countries

<b>India</b>	<b>-5%</b>
<b>China</b>	<b>-34%</b>
<b>United Kingdom</b>	<b>-84%</b>

Resource-rich country performed well

<b>Mexico</b>	<b>+400%</b>
<b>Saudi Arabia</b>	<b>+150%</b>



Exerpt from Nikkei Shimbun (evening edition)  
on Jul. 23, 2007

# 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 **3.8 billion yen** was recorded through the sales of a portion of its portfolio as of June 2008.

Portfolio companies	Invest-ment	Category	IPO (planned)	Capital gain			(Unit: US\$ million)
				End Mar.07	End Jun. 08	As of Jul. 29	
Sichuan Meifeng Chemical Industry	14. 8	A-Class share		63. 7	29. 6	37. 4	IPO'd (market value)
Changsha Zoomlion Heavy Industry Science & Technology Development	10. 2	A-Class share		144. 6	89. 4	97. 3	
China Printing & Dyeing Holding	3. 4	IPO		0. 2	-0. 9	-1. 1	
Yingli Green Energy Holding	0. 2	IPO		4. 5	0. 6	0. 6	
Kingsoft	9. 4	IPO		2. 3	7. 6	4. 7	
Goldwind Science and Technology	4. 1	IPO		124. 9	100. 9	97. 7	Pre-IPO (estimated value)
Cathay Industrial Biotech	12. 0	Pre-IPO	2008	79. 1	79. 1	79. 1	
China Stem Cells Holdings	4. 1	Pre-IPO	2008	17. 6	17. 6	17. 6	
Jiangsu Ealong Biotech	2. 5	Pre-IPO	2008	5. 6	5. 6	5. 6	
Shineway Group	20. 4	Pre-IPO	2009	15. 0	15. 0	47. 8	
<b>TOTAL</b>	<b>81. 1</b>			<b>457. 5</b>	<b>344. 5</b>	<b>353. 7</b>	

(Approx. 45.8 bil. Yen) (Approx. 36.7 bil. Yen) (Approx. 38.0 bil. Yen)

## 【Estimated Dividend】

**FY2008 6.6 billion yen**

**FY2009 8.5 billion yen**

**FY2010 8.3 billion yen**

**Estimated total dividend 23.4 billion yen**

Receipt of dividends depends on the timing of sales, but is expected to fully start in August when lock-up period expires

Note: The above figures are not confirmed as they are based on estimated stock values of pre-IPO companies

# IPOs and M&A Deals

	From start of operations to FY2006	FY2007	FY2008 Forecast
IPOs and M&A deals	99	12	8

\* Two of eight are foreign companies

“Sign of IPO market recovery”

**Portfolio companies continue to prepare for their IPOs even as the investigation and approval process becomes more rigorous and requires more time.**

**However, these companies are waiting to apply for an IPO because of poor market conditions.**

**Newspaper Article**

Note: 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 includes companies that have already been sold.

# New Investments during 1Q FY2008

Unit: million yen  
(Number of Invested companies)

	New Investment Amount		
	1Q FY2007	1Q FY2008	(Reference) FY2007 (full year)
<b>[ Funds' Investment ]</b>	20, 580 (66 companies)	19, 515 (32 companies)	96, 596 (175 companies)
<b>Breakdown: Stocks</b>	7, 972 (33 companies)	6, 051 (12 companies)	40, 444 (104 companies)
<b>Others</b> (incl. bonds)	12, 607 (33 companies)	13, 463 (20 companies)	56, 151 (71 companies)
<b>[Direct Investment]</b>	3, 556 (29 companies)	7, 658 (6 companies)	4, 444 (33 companies)
<b>Breakdown: Stocks</b>	3, 556 (29 companies)	7, 658 (6 companies)	4, 444 (33 companies)
<b>Others</b> (incl. bonds)	—	—	—
<b>[ TOTAL ]</b>	24, 136 (95 companies)	27, 173 (38 companies)	101, 041 (208 companies)

# Assets under Management of the SBIH Group

**AUM of the SBIH Group amounted to 604.1 billion yen (incl. Real estate and others)**

**Private equity total: 250.4 bil. yen**

**[IT/Biotechnology] Total: 117.8**

Internet 5.0

Broadband/Media 62.7

Mobile services 28.8

Biotech/Others 21.2

**[Direct investment] 34.6**

**[Environment/Energy] 7.0**

**[Buyout/Mezzanine] Total: 32.3**

Value Up 21.0

Mezzanine 11.3

**[Overseas] Total: 58.7**

China/ Hong Kong 38.0

Vietnam\* 10.1

India\* 10.6

**[Investment trusts, others]**

**Total: 303.2 bil. yen**

Investment trusts 51.8

Investment advisory 230.0

Investment companies 2.8

**[Real estate, others]**

**Total: 50.5 bil. Yen**

Development 19.6

Completed properties 30.9

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.

\*based on investment commitment amount because fiscal year are not yet closed

## **(2) Brokerage & Investment Banking Business**

**Fiscal 2008 First Quarter**

**(Three months ended June 2008)**

**Operating Revenues: 14.1 billion yen (-19% YoY)**

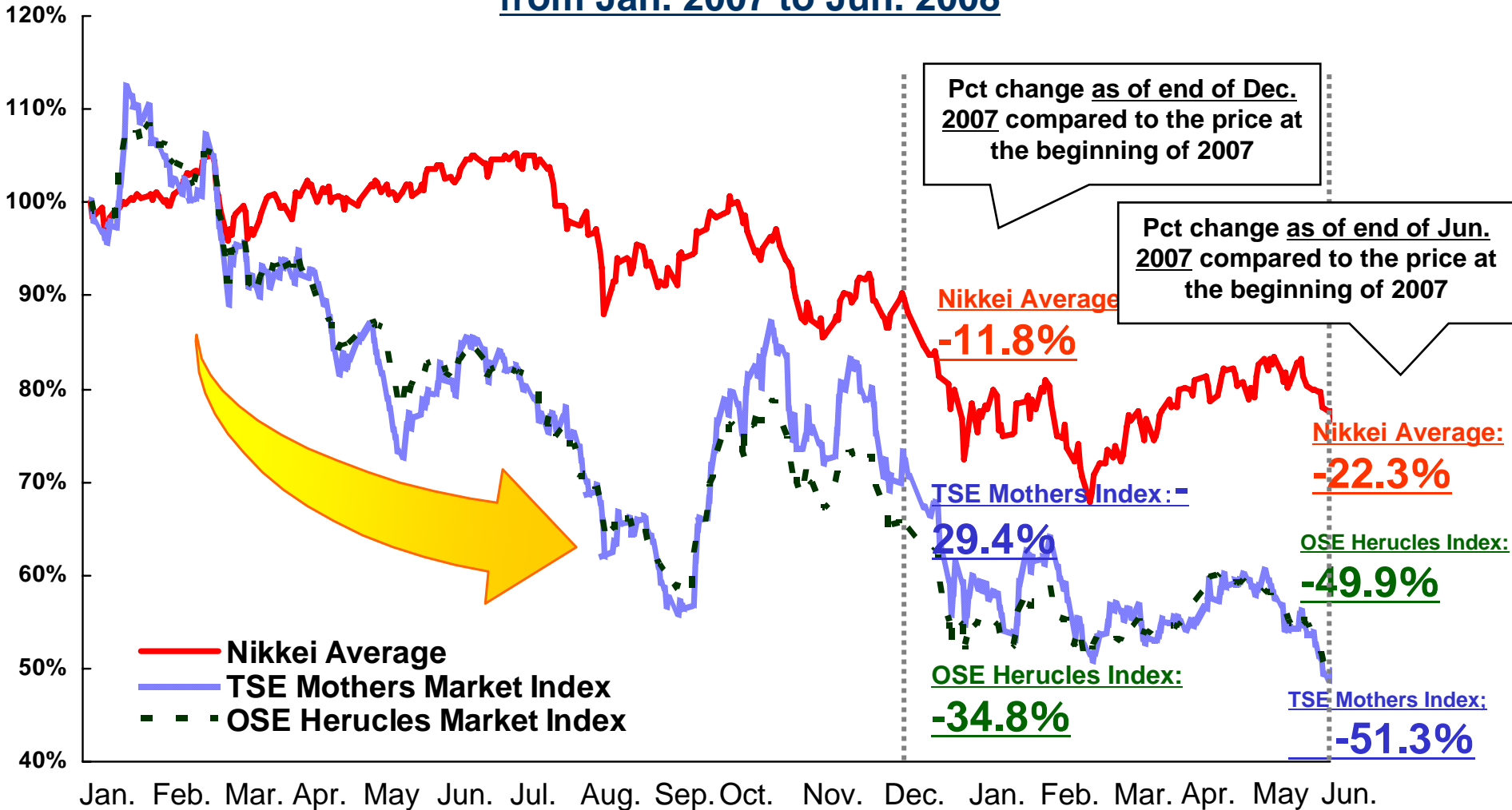
**Operating Income: 3.4 billion yen(-39% YoY)**

**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.**

# Stock Price of Nikkei Average and Emerging Markets

from Jan. 2007 to Jun. 2008



Jan. Feb. Mar. Apr. May Jun. Jul. Aug. Sep. Oct. Nov. Dec. Jan. Feb. Mar. Apr. May Jun.

2007

2008

(Source: Nikkei QUICK)

## 1. SBI SECURITIES' share continues to grow, supported by a dominant customer base

The downturn in the securities markets resulted in reduction of commission fees. Operating revenues decreased by 9.8% YoY to 13.9 bil. yen, and operating income decreased by 36.5% to 3.9 bil. yen.

### **(1) The increase in customer accounts continues to greatly exceed its competitors**

- Total number of customer accounts as of the end of Jun. 2008 : 1.70 million accounts
- The number of accounts increased by 40,444 in 1Q FY2008 (Apr. to Jun. 2008), which greatly exceeded its competitors' increase

### **(2) Trading value share continues to increase on a YoY basis**

- Retail trading value share was at 35.7%, and retail margin trading value share was at 42.7% in 1Q FY08; both shares are higher than a year earlier.

### **(3) Continues to diversify the profit structure to stabilize earnings**

- Revenues associated with investment trusts increased to 685 million yen, due to diversified line-up of products.
- Discounted commission rate and improved swap-point system led to the increase in the number of accounts and trading volume of foreign exchange margin trading

## 2. Japannext PTS continues to grow

**(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 while strengthening the system through a capital increase**



# SBI SECURITIES 1Q FY2008 Results (Consolidated)

(million yen, %)

	1Q FY2007 (Apr. 2007 to Jun. 2007)	1Q FY2008 (Apr. 2008 to Jun. 2008)	YoY Change
<b>Operating Revenues</b>	<b>15,440</b>	<b>13,921</b>	<b>-9.8</b>
<b>Net Operating Revenues</b>	<b>14,115</b>	<b>12,579</b>	<b>-10.9</b>
<b>Operating Income</b>	<b>6,113</b>	<b>3,879</b>	<b>-36.5</b>
<b>Ordinary Income</b>	<b>6,112</b>	<b>4,021</b>	<b>-34.2</b>
<b>Net Income</b>	<b>3,221</b>	<b>2,808</b>	<b>-12.8</b>

# SBI SECURITIES Quarterly Results (Consolidated)

(million yen, %)

	FY2007				FY2008	
	1Q (Apr.-Jun. 2007)	2Q (Jul.-Sep. 2007)	3Q (Oct.-Dec. 2007)	4Q (Jan.-Mar. 2008)	1Q (Apr.-Jun. 2008)	Change vs. 4Q
Operating Revenues	15,440	17,138	17,205	14,715	13,921	-5.4
Net Operating Revenues	14,115	15,133	15,675	13,092	12,579	-3.9
Operating Income	6,113	6,544	5,966	4,217	3,879	-8.0
Ordinary Income	6,112	6,426	5,921	3,945	4,021	+1.9
Net Income	3,221	4,113	4,202	* 385	2,808	+627.7

\*Deferred tax liabilities of about 1.49 billion yen were recorded due to the basic agreement to sell stock of E\*TRADE Korea

# SBI SECURITIES' Ranking in the Securities Industry (1)

## (Customer Base and Revenues – 1Q FY2008)

### Ranking by Customer Accounts

(number of accounts)

1	Nomura *1	4,206,000
2	Daiwa	3,088,000
3	Nikko *2	2,398,000
4	<b>SBI</b>	<b>1,701,141</b>
5	Mitsubishi UFJ *1, 3	1,207,000
6	Shinko	1,039,000
7	Monex	849,291
8	Rakuten	802,615
9	Matsui	740,884
10	Kabu.com	631,998

(Source: Compiled by SBIH based on available information)

\*1 Residual accounts

\*2 Nikko includes the total of Nikko Cordial Securities and Nikko Citigroup, but the the customer accounts are that of Nikko Cordial Securities

\*3 As of the end of June 2007

\*4 Total Revenues  
(based on the U.S. accounting standard)

\*5 Non-consolidated basis

\*6 as of the end of March 2008

### Ranking by Assets in Customer Accounts

(100 million yen)

1	Nomura	758,000
2	Daiwa	501,960
3	Nikko *2	426,000
4	Mitsubishi UFJ *6	236,737
5	Mizuho *6	190,468
6	Shinko	138,972
7	Mizuho Investors *6	66,098
8	Tokai Tokyo	41,200
9	SMBC Friend *6	40,607
10	Okasan	40,605
11	<b>SBI</b>	<b>39,501</b>
12	Monex	18,595
13	Cosmo *6	16,737
14	Ichiyoshi *6	15,902
15	Matsui *6	12,763
16	Rakuten	12,429
17	Toyo *6	12,406
18	Kabu.com	11,014

(Source: Compiled by SBIH based on information in May 2, 2008 Nikkan Kogyo Shimbun and May 11, 2008 Nikkei Veritas)

### Ranking by Operating Revenues

(100 million yen)

1	Nomura *4	2,579
2	Daiwa	1,654
3	Mitsubishi UFJ	1,435
4	Mizuho	1,105
5	Nikko *2	856
6	Shinko	366
7	Okasan	151
8	Tokai Tokyo	148
9	<b>SBI</b>	<b>139</b>
10	SMBC Friend	139
11	Mizuho Investors	132
12	Matsui	80
13	Monex	74
14	Rakuten	62
15	Ichiyoshi	50
16	Cosmo	48
17	Kabu.com *5	45
18	Toyo	40

(Source: Compiled by SBIH from information disclosed by each company)

# SBI SECURITIES' Ranking in the Securities Industry (2)

## (Income – 1Q FY2008)

### Ranking by Operating Income

(100 million yen)

1	Nikko *1	131
2	Daiwa	46
3	<b>SBI</b>	<b>39</b>
4	Matsui	37
5	Shinko	34
6	SMBC Friend	32
7	Tokai Tokyo	26
8	Monex	21
9	Kabu.com *2	18
10	Rakuten	14
11	Ichiyoshi	3
12	Okasan	3
13	Toyo	0
14	Mitsubishi UFJ	-1
15	Mizuho Investors	-3
16	Cosmo	-12
17	Mizuho	-34
18	Nomura *3	-843

(Source: Compiled by SBIH from information disclosed by each company)

### Ranking by Ordinary Income

(100 million yen)

1	Nikko *1	132
2	Daiwa	83
3	<b>SBI</b>	<b>40</b>
4	Shinko	40
5	Matsui	37
6	SMBC Friend	35
7	Tokai Tokyo	28
8	Monex	21
9	Kabu.com *2	19
10	Rakuten	13
11	Okasan	10
12	Ichiyoshi	4
13	Toyo	2
14	Mizuho Investors	-2
15	Mitsubishi UFJ	-4
16	Cosmo	-11
17	Mizuho	-30
18	Nomura *3	-843

(Source: Compiled by SBIH from information disclosed by each company)

### Ranking by Net Income

(100 million yen)

1	Nikko *1	68
2	Daiwa	59
3	<b>SBI</b>	<b>28</b>
4	SMBC Friend	28
5	Shinko	27
6	Matsui	22
7	Monex	22
8	Tokai Tokyo	20
9	Rakuten	16
10	Kabu.com *2	13
11	Okasan	7
12	Toyo	5
13	Ichiyoshi	4
14	Mizuho Investors	-2
15	Cosmo	-6
16	Mitsubishi UFJ	-69
17	Mizuho	-78
18	Nomura *3	-766

(Source: Compiled by SBIH from information disclosed by each company)

\*1 Nikko includes the total of Nikko Cordial Securities and Nikko Citigroup

\*2 Non-consolidated basis

\*3 Pre-tax income (based on the U.S. accounting standard)

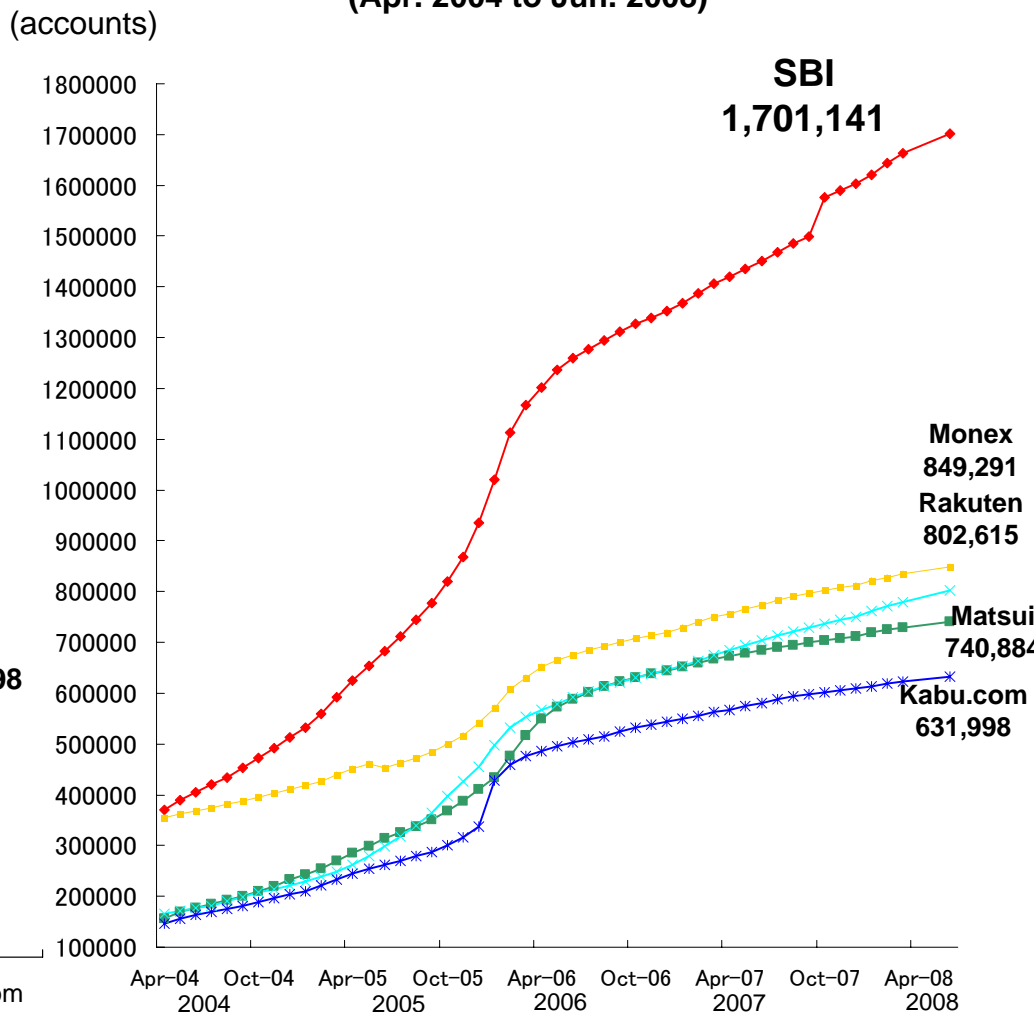
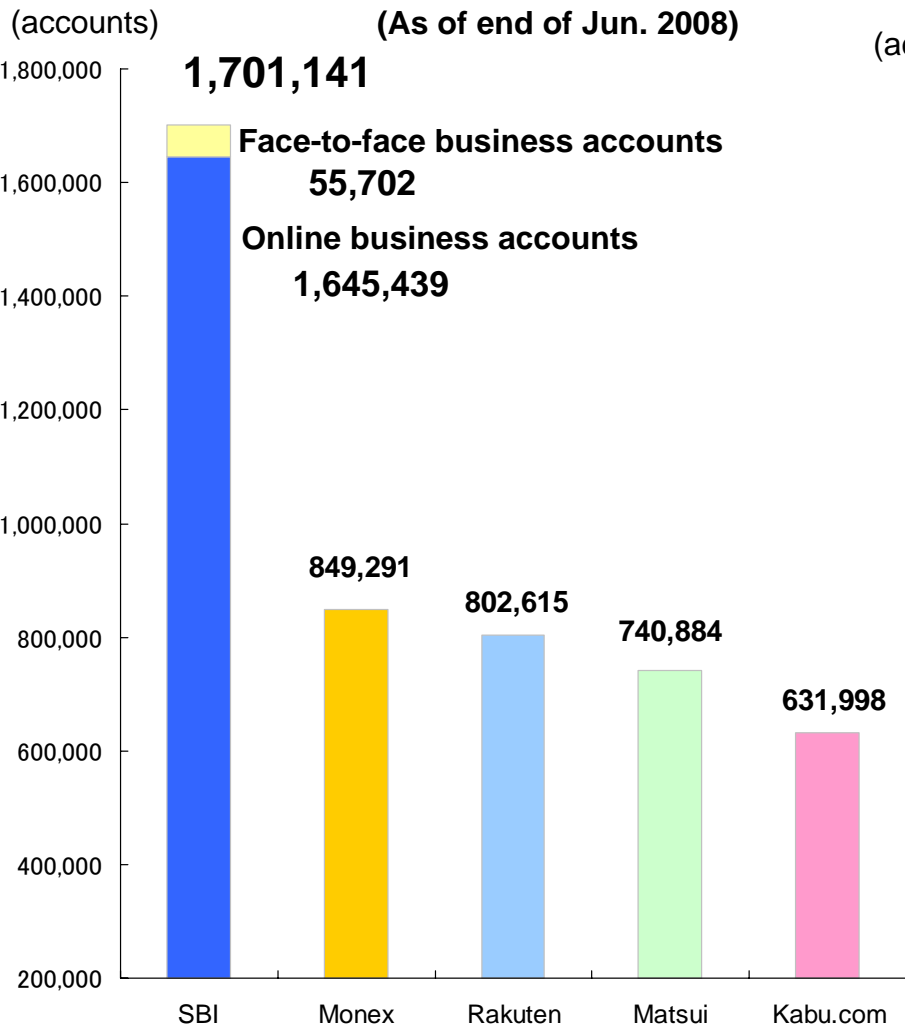
Consolidated accounting **27**  
Amounts are rounded to nearest 100 million yen

# Customer Account Comparison of Five Major Online Securities Companies



## Customer accounts of 5 major online securities companies

## Customer account trend of 5 major online securities companies

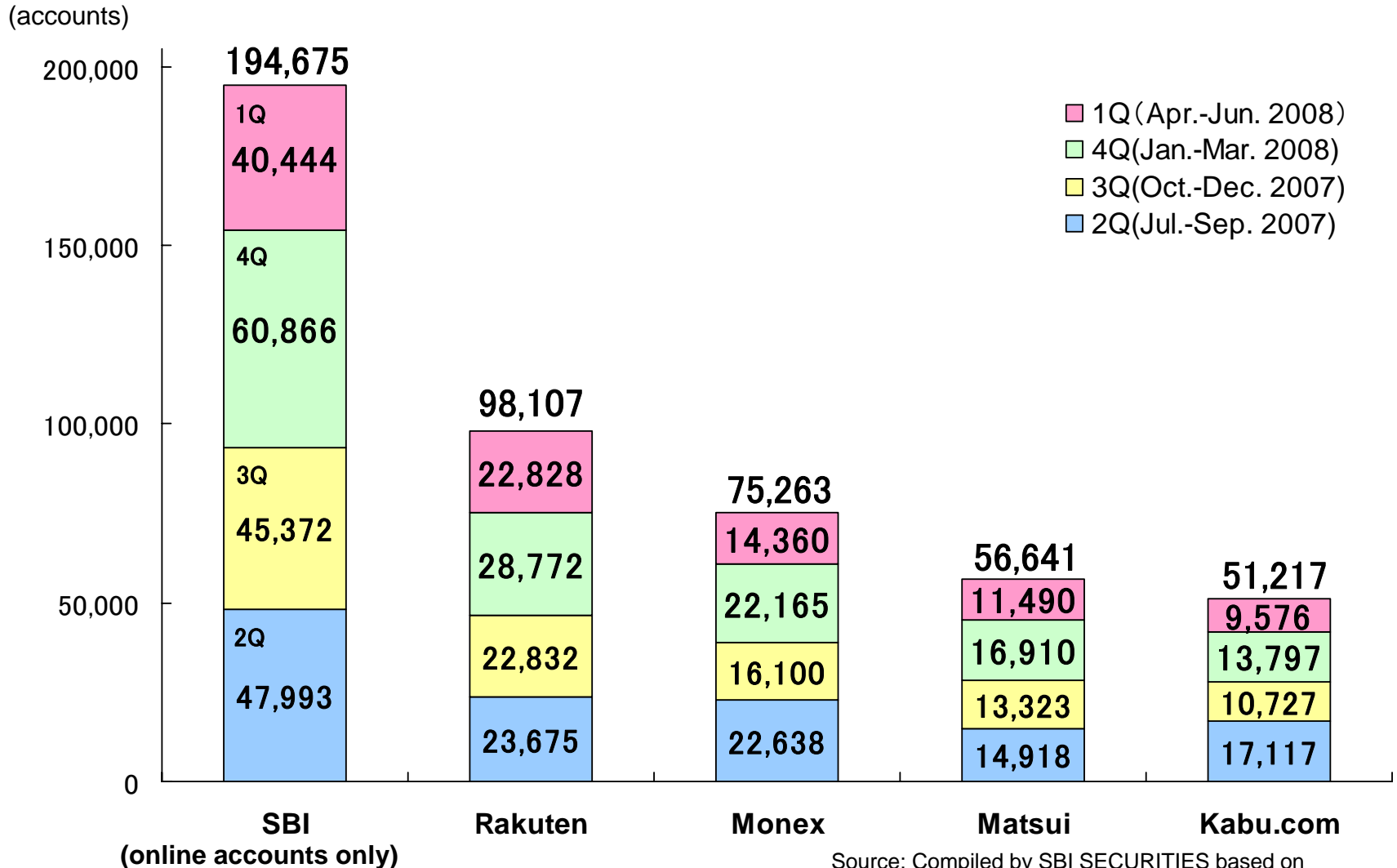


Sources: Competitor figures based on available public information from sources such as various company home pages.

Note: 1. Monex includes the total of Monex Securities and Nikko Beans.  
 2. Kabu.com Securities merged with MeNet Securities on January 1, 2006. **28**  
 3. SBI SECURITIES merged with SBI Securities on October 1, 2007.

# New Accounts at Major Online Securities Companies

## New accounts from July 2007 to June 2008

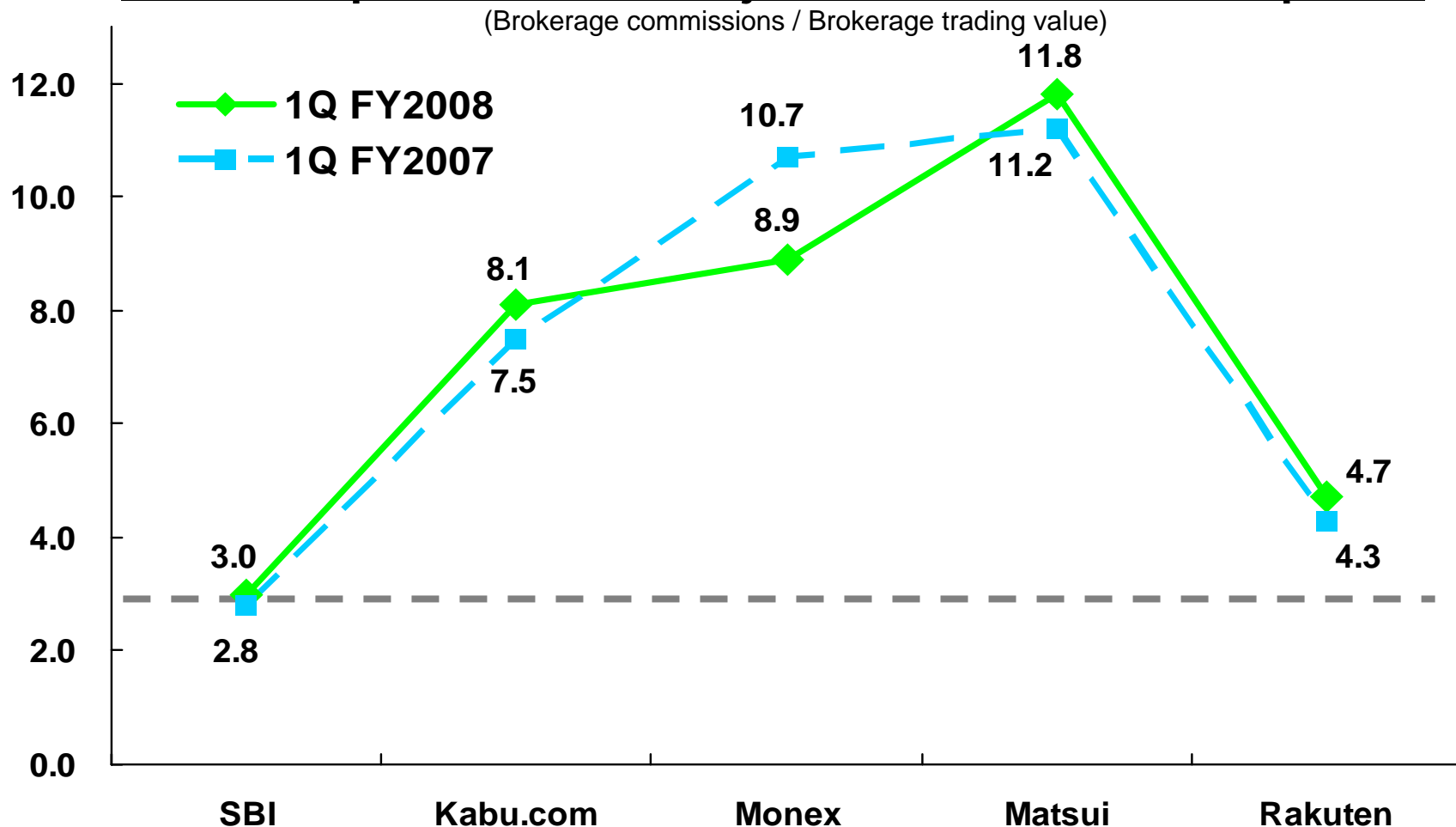


Source: Compiled by SBI SECURITIES based on websites and other public information for each company

# Basis Comparison of Major Online Securities Companies

Basis increased because of the decrease in trading value per trade although there was no change in the fee structure

## (basis) Basis comparison of five 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.

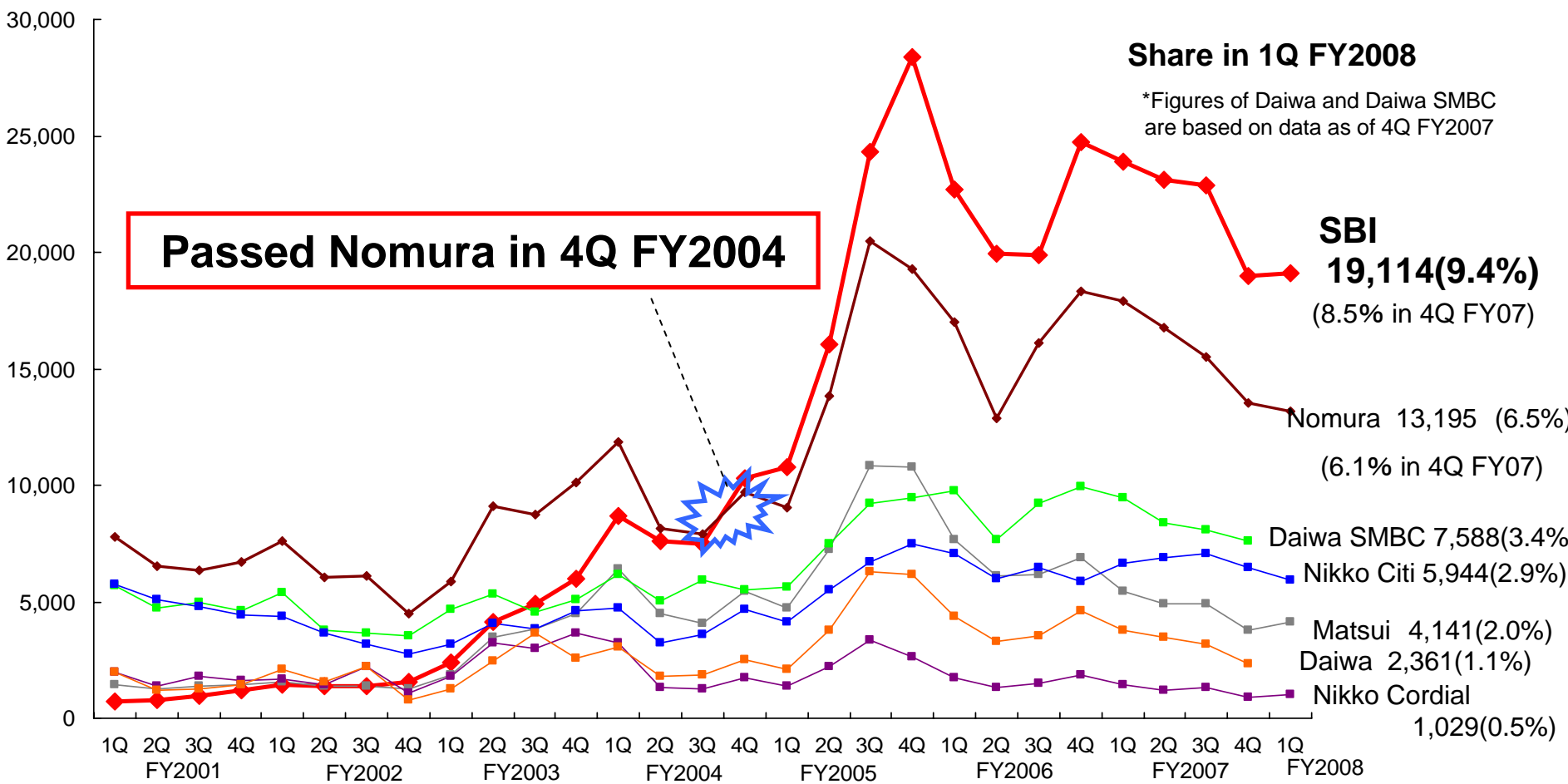
SBI SECURITIES includes only trades through Internet

# Comparison of Stock Brokerage Trading Value with Big Three Securities Companies



## Change in brokerage trading value

(billion yen)



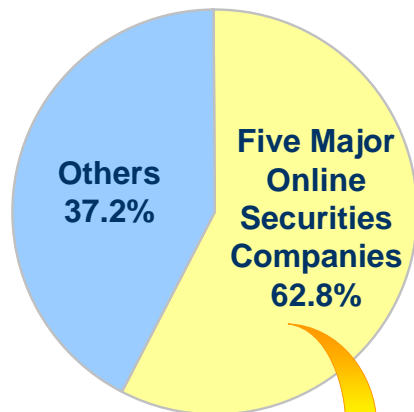
Source: Based on TSE and company materials (SBI includes orders from overseas investors) (Unit: billion yen; percentages based on brokerage trading value of three major exchanges)



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

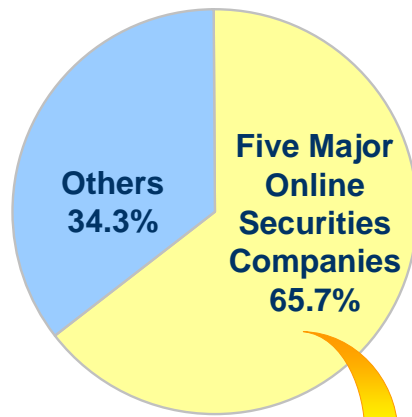
## Change in share of retail trading value

**1Q FY2006**  
**(Apr.2006-Jun.2006)**



<b>SBI</b>	<b>27.3%</b>
<b>Rakuten</b>	<b>13.2</b>
<b>Matsui</b>	<b>9.5</b>
<b>Monex</b>	<b>6.8</b>
<b>Kabu.com</b>	<b>6.0</b>

**1Q FY2007**  
**(Apr.2007-Jun.2007)**



<b>SBI</b>	<b>33.4%</b>
<b>Rakuten</b>	<b>13.2</b>
<b>Matsui</b>	<b>7.7</b>
<b>Kabu.com</b>	<b>5.8</b>
<b>Monex</b>	<b>5.6</b>

**1Q FY2008**  
**(Apr.2008-Jun.2008)**



<b>SBI</b>	<b>35.7%</b>
<b>Rakuten</b>	<b>13.9</b>
<b>Matsui</b>	<b>7.7</b>
<b>Monex</b>	<b>7.4</b>
<b>Kabu.com</b>	<b>5.9</b>

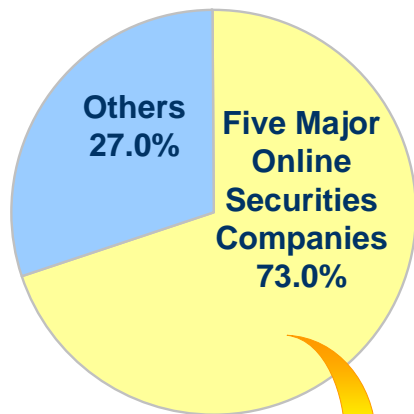
Source: Based on TSE, JASDAQ and company materials  
\* Individual brokerage trading value is the sum of trades on the three major exchanges and JASDAQ.

Kabu.com Securities merged with MeNet Securities on January 1, 2006.  
Figures of SBI SECURITIES only includes trades through Internet

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

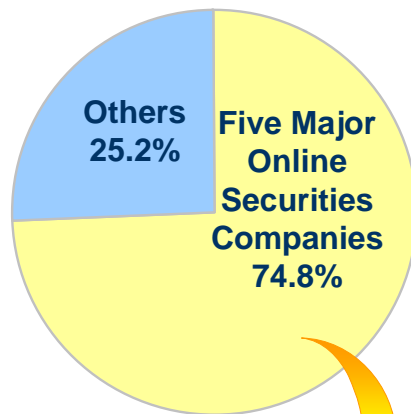
## Change in share of retail margin trading value

**1Q FY2006**  
**(Apr.2006-Jun.2006)**



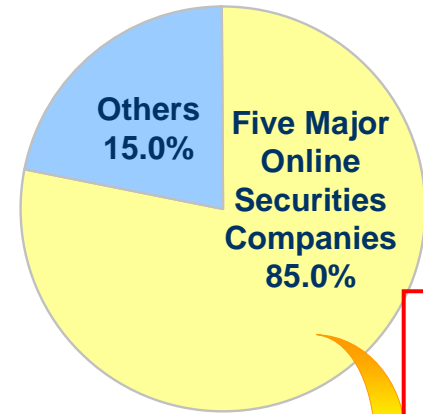
<b>SBI</b>	<b>32.2%</b>
<b>Matsui</b>	<b>12.5</b>
<b>Rakuten</b>	<b>14.4</b>
<b>Kabu.com</b>	<b>7.4</b>
<b>Monex</b>	<b>6.6</b>

**1Q FY2007**  
**(Apr.2007-Jun.2007)**



<b>SBI</b>	<b>38.2%</b>
<b>Rakuten</b>	<b>15.4</b>
<b>Matsui</b>	<b>9.3</b>
<b>Kabu.com</b>	<b>6.8</b>
<b>Monex</b>	<b>5.1</b>

**1Q FY2008**  
**(Apr.2008-Jun.2008)**



<b>SBI</b>	<b>42.7%</b>
<b>Rakuten</b>	<b>17.3</b>
<b>Matsui</b>	<b>9.1</b>
<b>Monex</b>	<b>8.8</b>
<b>Kabu.com</b>	<b>7.1</b>

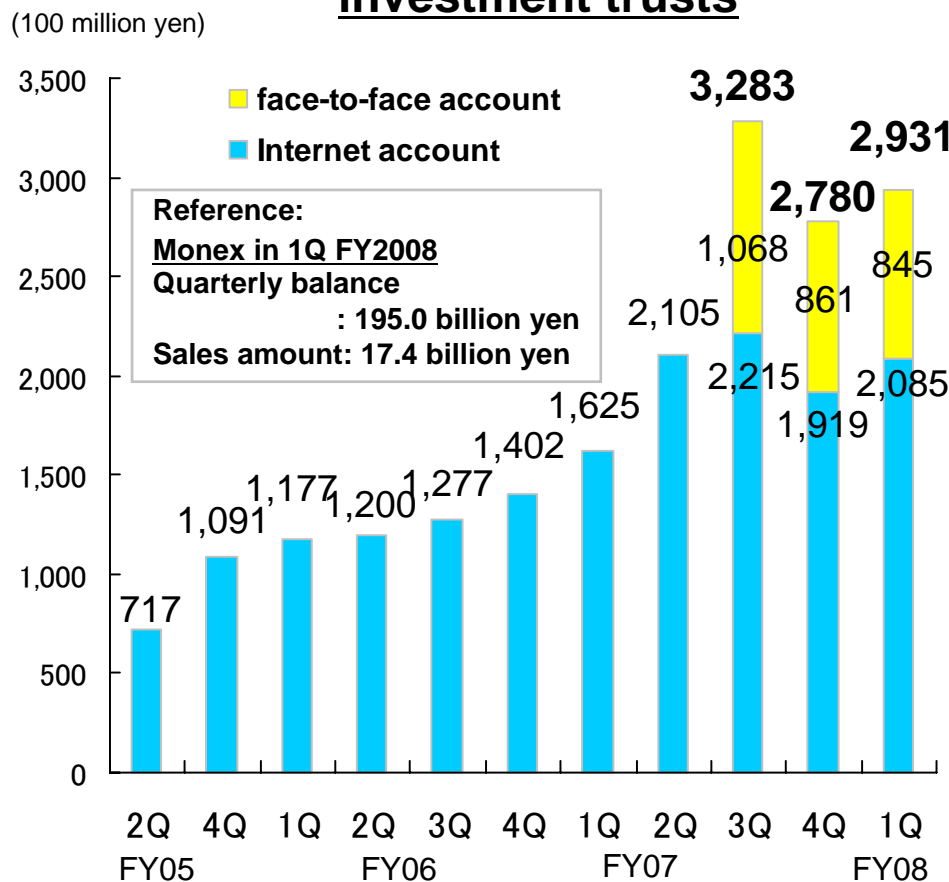
Source: Based on TSE, JASDAQ and company materials  
\* Individual brokerage trading value is the sum of trades on the three major exchanges and JASDAQ.

Kabu.com Securities merged with MeNet Securities on January 1, 2006.  
Figures of SBI SECURITIES only includes trades through Internet

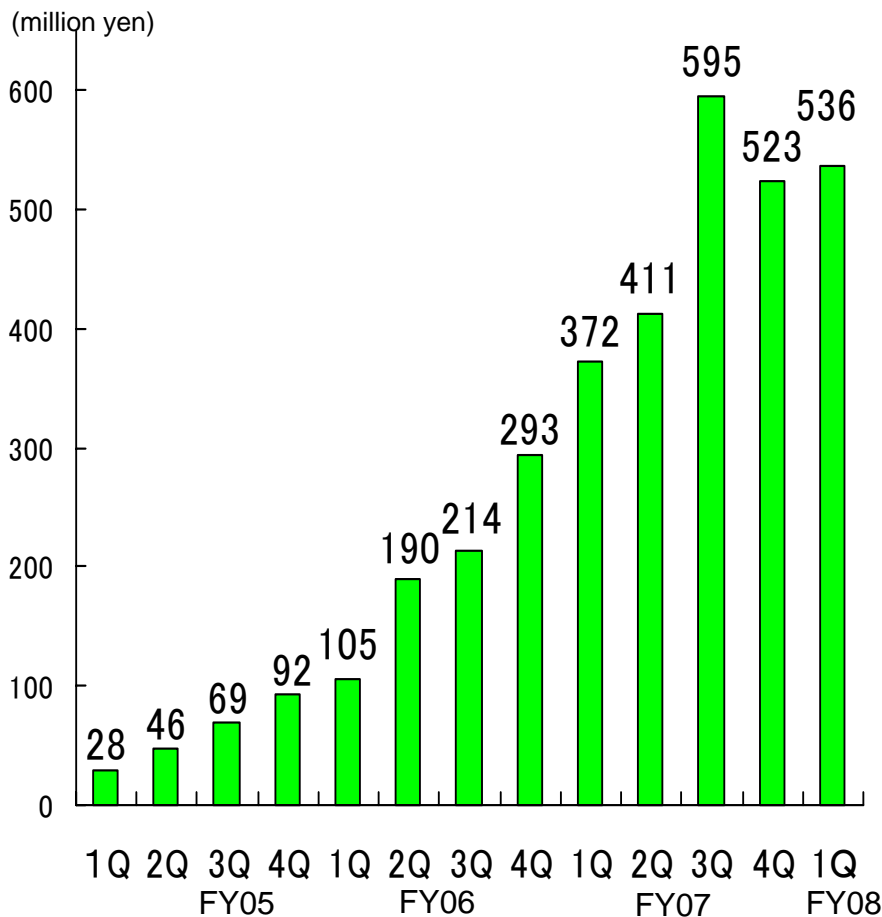
# Change in Investment Trust Balance and Trust Fee

**SBI SECURITIES was ranked the No.1 in this quarter in terms of the balance and sales amount (22.7 bil. yen) among major online securities companies**

### Quarterly balance of investment trusts



### Change in trust fee of investment trusts

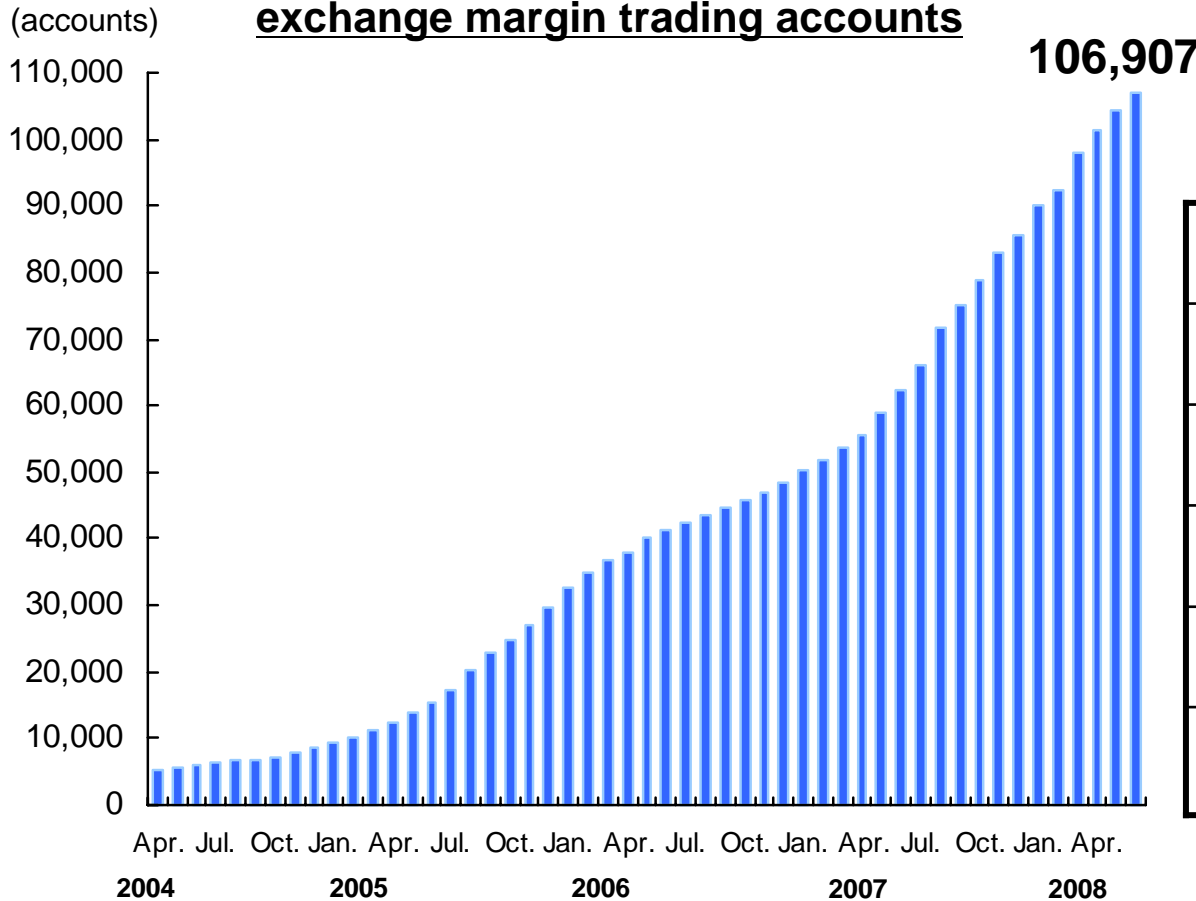


\*Includes MMF, China fund and deposit of face-to-face accounts

\*Includes MMF, MRF, China fund and deposit of face-to-face accounts  
 Trust fee is included in "other commission received"

# Increase in Foreign Exchange Margin Trading with Discounted Commission Rate in June 2007

**Change in the Number of foreign exchange margin trading accounts**



**106,907**

**Number of foreign exchange margin trading accounts at online securities companies (as of the end Jun. 2008)**

<b>SBI</b>	<b>106,907</b>
<b>Monex</b>	<b>74,239</b>
<b>Matsui</b>	<b>50,462</b>
<b>Kabu.com</b>	<b>19,060</b>
<b>Orix</b>	<b>32,936</b>
<b>Joinvest</b>	<b>17,705</b>

# Plan to Start Japan's First Service for Individual Defined Contribution Pensions (Japanese 401k)

**Expect to start a plan by next spring that allows individuals to select specific listed stocks for their pension plan portfolios**

## Individual defined contribution pension:

Individuals make contributions themselves as the participant in their own pension plans. Individuals then select a number of financial instruments for the portfolio, and upon retirement, receive an annuity or single payment based on the amount of assets in the plan at that time.

**Taxes are reduced because all contributions are deducted from taxable income each year**

- Applications can be submitted through the SBI SECURITIES website
- ◆ SBI Benefit Systems is experienced as a record keeper for these plans since 2002, the year after Japan established the defined contribution pension system.
- ◆ Provides an asset management service for the stocks handled by SG Private Banking

**Offering a new pension service through investments in individual stocks**

# (3) Financial Services Business

## Fiscal 2008 First Quarter

(Three months ended June 2008)

**Operating Revenues: 5.6 billion yen (+5% YoY)**

**Operating Income: 0.4 billion yen (-19% YoY)**

### Established business:

**Operating Revenues 5.7 bil. yen (+6% YoY)**

**Operating Income 0.8 bil. yen(-12% YoY)**

### New business:

**Operating Revenues 0.2 bil. yen (+274% YoY)**

**Operating Income -0.4 bil. Yen (-)**

•SBI Card: (-0.2 bil. yen)

•SBI Card Processing: (-0.2 bil. Yen)

•Internet life insurance: (-0.1 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

## [Established businesses]

- 1) **Morningstar Japan** had a YoY decline in consolidated revenues due to the exclusion from consolidation of SBI Marketing, which had substantial advertising agency revenues. However, there were significant increases in non-consolidated revenues and earnings due to much higher revenues from sales of reports and data, a business that is relatively immune to market volatility.
- 2) **Gomez Consulting**'s performance fell short of the plan because of weak sales of services to financial institutions.
- 3) **SBI VeriTrans set new records** for revenues and earnings, with non-cons. and consolidated revenues, operating income, ordinary income and net income up more than 40% YoY.
- 4) InsWeb transactions continued growing with a 20.9% YoY increase. Transactions for all financial comparison websites **increased 4.3% to 220,000, another all-time high**. Although weakness in Japan's consumer finance industry affected E-LOAN's performance, **the marketplace business achieved YoY growth in revenues**.

## [New businesses]

- 1) **SBI Card** increased cards issued to more than 39,000 only 19 months after the start of operations (more than 40,000 cards as of July), **making steady progress in attracting more customers**.
- 2) **SBI Sumishin Net Bank** increased deposits to **more than 400 billion yen** only 320 days after the September '07 start of operations.
- 3) In the insurance business, companies are moving quickly to establish sales channels. **SBI Insurance** started operations in January '08 and formed an alliance with Autoc one in May '08. **SBI AXA Life Insurance** started operations in April '08 and started selling policies through agents in June.

# Performance of Publicly Owned Subsidiaries

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

<sup>*1</sup>	Operating Revenues	Operating Income	Ordinary Income	Net Income
<sup>*2</sup> <b>Morningstar Japan (1Q FY08)</b>	<b>833</b> ( - )	<b>142</b> ( - )	<b>160</b> ( - )	<b>121</b> ( - )
<sup>*2</sup> <b>Gomez Consulting (1Q FY08)</b>	<b>102</b> ( - )	<b>-9</b> ( - )	<b>-7</b> ( - )	<b>-4</b> ( - )
<b>SBI VeriTrans (1Q FY08)</b>	<b>1,119</b> <b>(+48.8)</b>	<b>234</b> <b>(+54.3)</b>	<b>231</b> <b>(+50.8)</b>	<b>137</b> <b>(+50.2)</b>

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



# Providing Free Magazines for Customers of Financial Institutions

Morningstar Japan issues **380,000 free magazines, which is the largest nationwide**

<as of June 2008>

Japan Post Bank:	150,000
Yokohama Bank:	20,000
Kansai Urban Banking:	60,000
Ashikaga Bank:	30,000
Gunma Bank:	70,000
Hiroshima Bank:	50,000
<hr/>	
<b>Total Amount:</b>	<b>380,000</b>

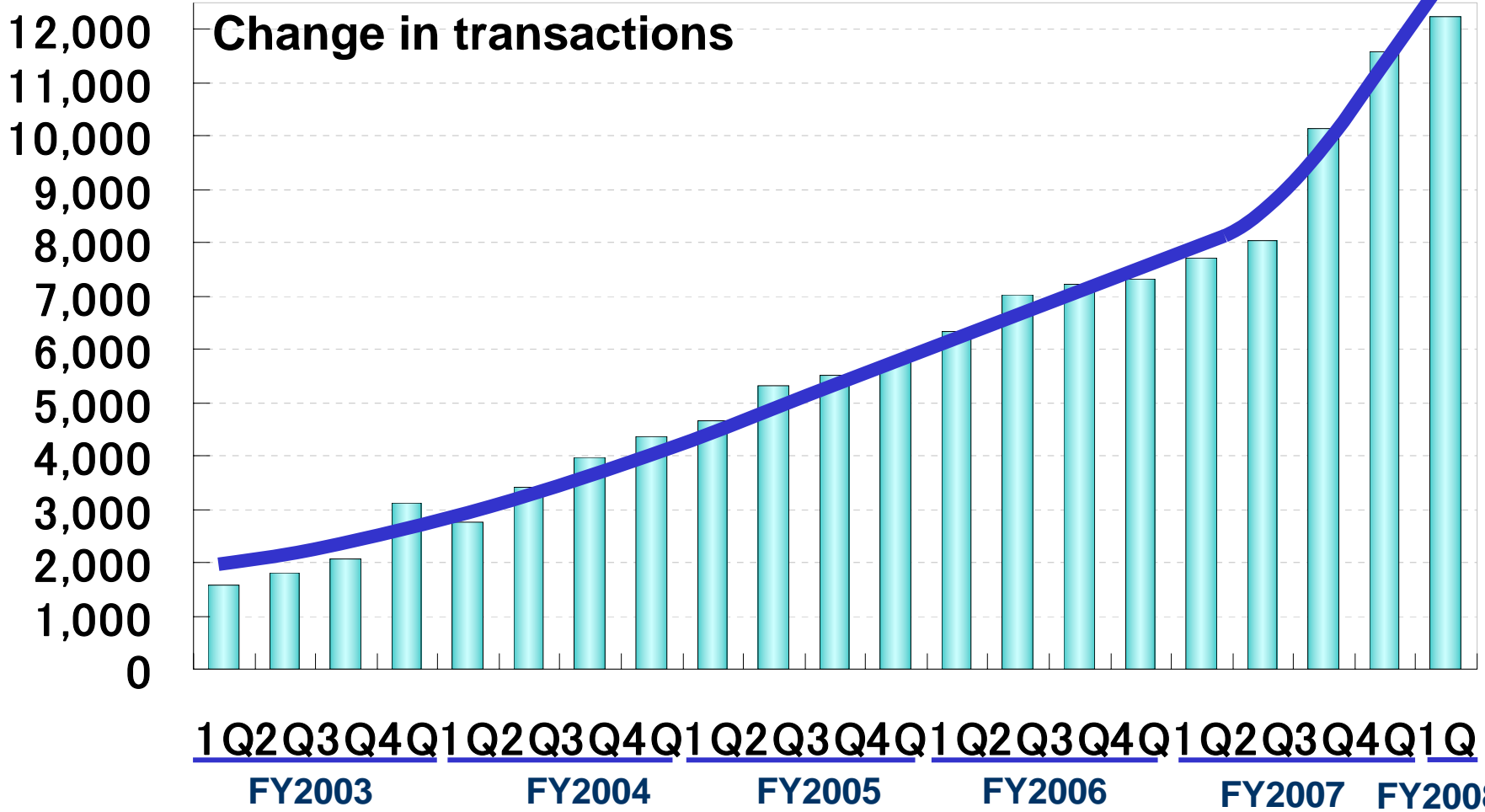


Morningstar Japan plans to increase revenues and heighten the profile of the Morningstar brand by cooperating with investment trust management companies, variable annuity insurance companies and other sponsors to issue free magazines

# Accelerating Growth with the Development of the E-commerce Market

Transactions increased 58.8% YoY to more than 12 million, along with the steady growth of Japan's e-commerce market.

(thousand)



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

## Website of insurance estimates



Affiliated non-life insurance companies, etc.: 21  
 Affiliated life insurance companies, etc.: 25

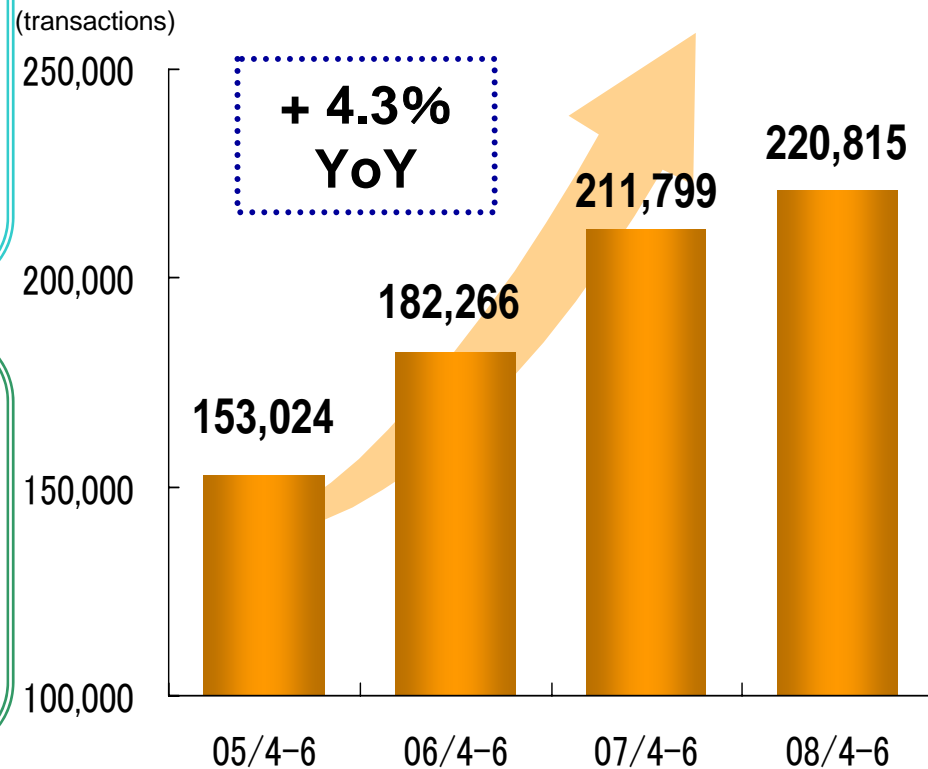
## Website of loan products comparison



Affiliated financial institutions: 69  
 Types of loan products : 577

## Transactions in Marketplace business

(Financial-related comparison websites: 8 websites in total)

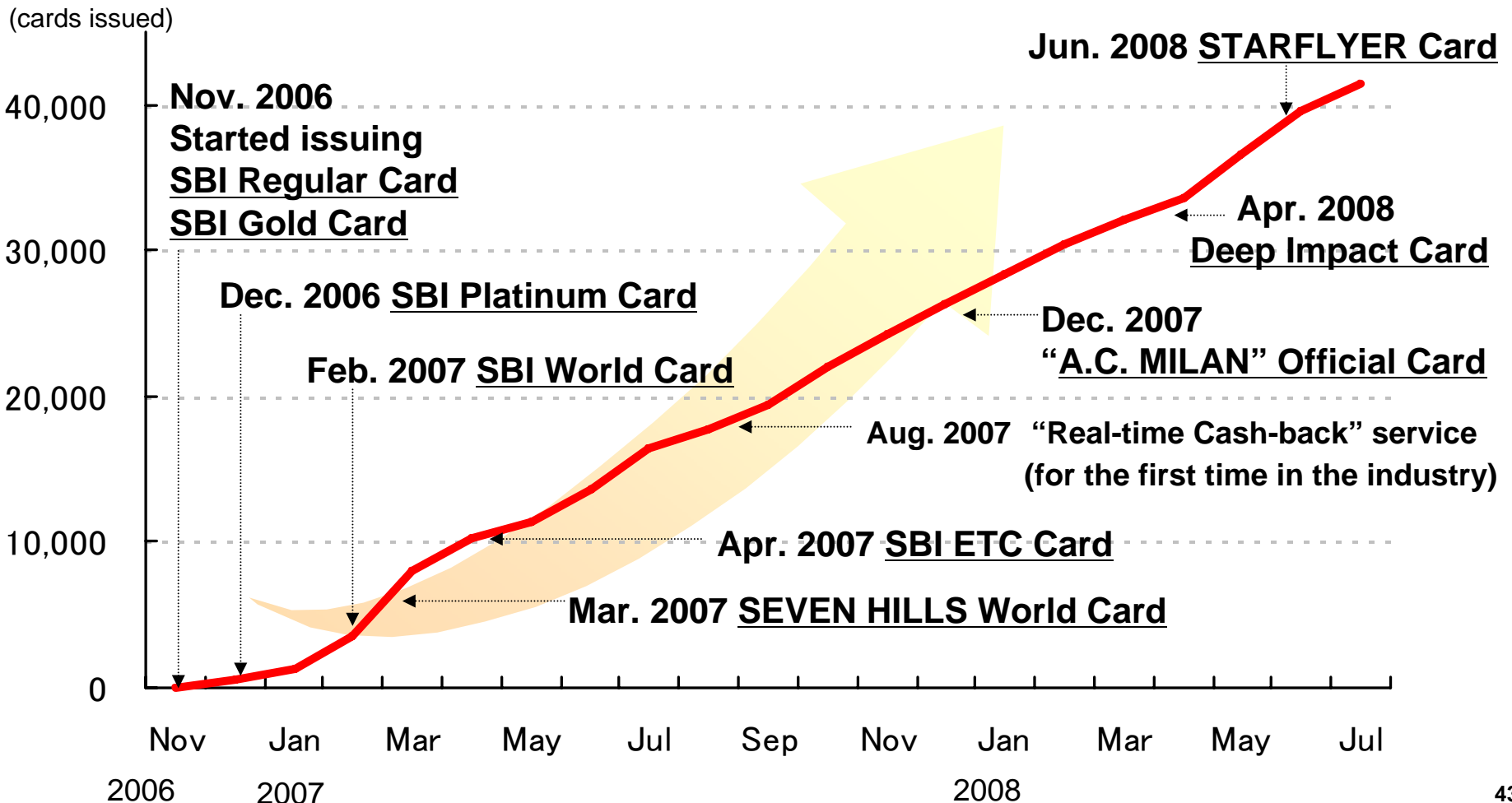


Number of affiliated companies as of July '08

Transactions are number of estimation, document requests and pre-applications though Internet

# SBI Card is Making Steady Progress in Attracting New Customers

SBI Card issues a variety of Mastercard-branded SBI cards. Number of cards issued reached **more than 41,000 cards** only 20 months after the start of operations (as of Jul. 25) and is making steady progress. The current goal is to **achieve a single-month profit in 2009**



## **(4) Housing and Real Estate Business**

### **Fiscal 2008 First Quarter**

**(Three months ended June 2008)**

**Operating Revenues: 11.2 billion yen (-35% YoY)**

**Operating Income: 0.9 billion yen (-61% 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. In the Housing and Real Estate business, earnings were recorded in 1Q FY07 from projects remaining in 4Q FY06. Japan's shrinking real estate market also impacted performance. The result was a **35% drop** in revenues and **61% decrease** in operating income from a year earlier.
- II. Even as Japan's real estate market weakened, **real estate investments made overseas are starting to contribute to FY08 earnings**. We plan to increase real estate investment and development activities primarily in Asian countries where economies continue to expand.
- III. **SBI Mortgage** continues to offer the industry's lowest level of interest rate for "Flat 35", and steadily expanded its **loans outstanding to 381.1 billion yen** as of the end of Jun. 2008.
- IV. Lifestyle Networks Business achieved consistent growth as **the combined operating income of the Internet Media sector and Market Intermediary sector increased 270% YoY to 85 million yen**.

# Overseas Real Estate Investments Contribute to Profits

## Real estate investment in Macau through SBI MACAU HOLDINGS LIMITED

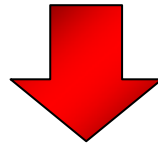
- ◆ Acquired property: A floor of two office buildings at the center of Macau Island
- ◆ Timing of Investment: October 2006
- ◆ Investment amount: about 1.2 billion yen

**Sold at the price of about 1.4 billion yen in April 2008  
(Net IRR 19%: after the interest payment)**



# New Investments in Macau

**SBI MACAU HOLDINGS LIMITED** acquired shares of **Macau Success's subsidiary** (Macau Success: Listed on Hong Kong Stoch Exchange)



**Acquired right to receive about 2% profit from Pier 16- Property Development Limited**

**Pier 16- Property Development Limited**  
Integrated resort-facility management company in Macau

**<Facilities operated>**

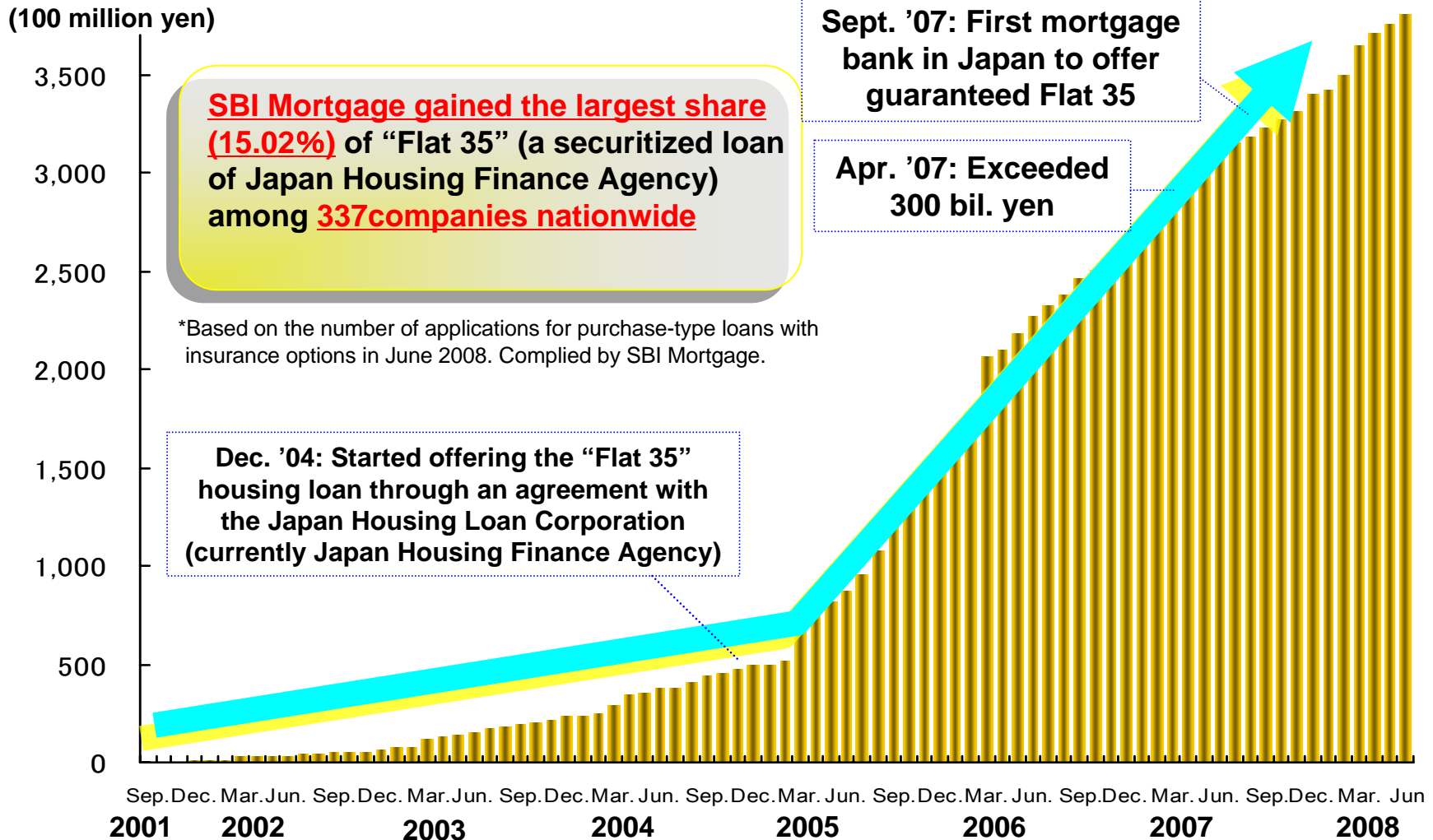
- Luxury hotels
- Shopping arcades
- Restaurants, etc.





# Steady Growth of Housing Loans at SBI Mortgage

**SBI Mortgage offers the lowest level of interest rate\* (2.98%) for “Flat 35” (a securitized loan of Japan Housing Finance Agency). Housing loans outstanding rose to 381.1bil. yen as of the end of Jun. 2008 and continues to increase steadily. (\*Interest rate is the lending rate for Jul. '08 purchased loans.)**



# Accelerating the Expansion of “SBI Housing Loan Shops”

Nationwide network that started in Feb. 2007  
continues to expand since the beginning of 2008

## Number of SBI Housing Loan Shops

\* Number of shops as of the end of each month

No. of Flat 35 contracts signed through shops as Pct.  
 (Incl. applications on Internet at first)

Feb. 2007	Jan. 2008	Jun. 2008
0%	46%	84%

\*incl. guaranteed Flat 35

By the end of 2008  
**70 shops** (planned)

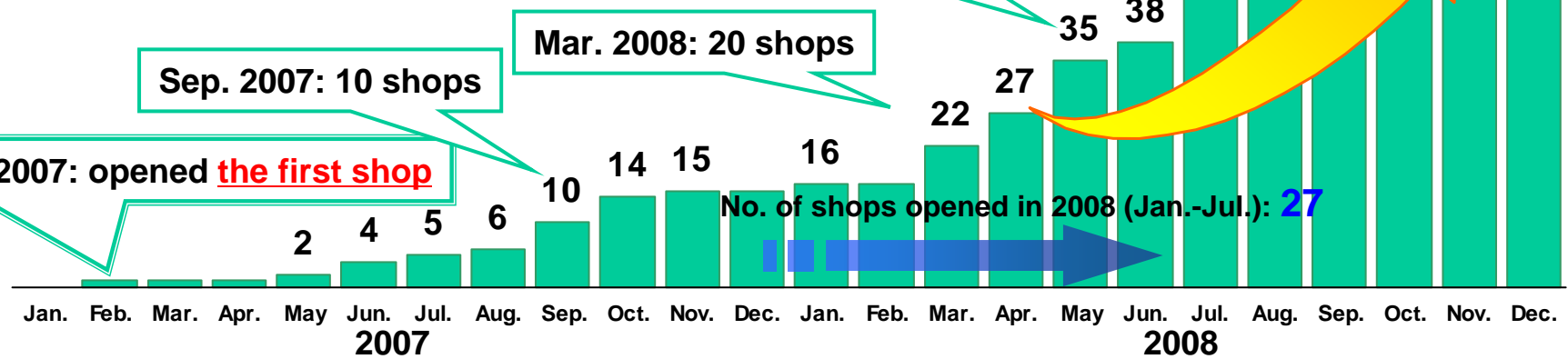
As of Jul. 31, 2008 **42 shops**

May 2008: 30 shops

Mar. 2008: 20 shops

Sep. 2007: 10 shops

Feb. 2007: opened **the first shop**



No. of shops opened in 2008 (Jan.-Jul.): 27

- Broaden the lineup of financial products other than housing loans (started to sell life insurance on July)
- Preparing an IPO to gain independence and autonomy, taking into account the competition with SBI Sumishin Net Bank within the group
- Considering sharing and operating shops with SBI SECURITIES

# Lifestyle Networks Business Posts Significant Growth

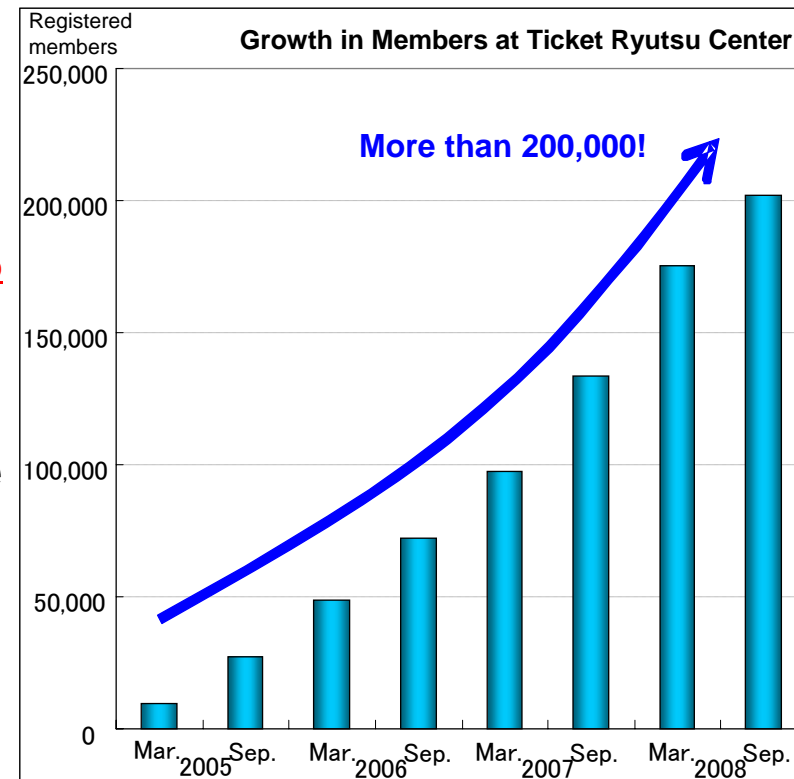
## Internet Media Sector – Comparison and search websites

- First quarter revenues increased 9.5% to 66 million yen and operating income was up 282.9% to 12 million yen.
- At the moving estimate website “Hikkoshi Tatsujin Select”, there was a large increase in requests for estimates from cell phones. Other websites also performed well. At the discount airline ticket comparison website, the number of participating companies increased

## Intermediary Market Sector – Operation of intermediary websites

- First quarter revenues up 97.6% YoY to 163 million yen and operating income up 156.8% to 72 million yen
- Large increase in number of trades and members at the muSBI intermediary website for purchases and sales of merchandise

Combined operating income of 85 million yen for these two businesses is sufficient for a stock listing as a separate company.



### **3. Strategic Goals Based on the Current Worldwide Downturn in Stock Prices**

# **Faster Growth of Businesses to Capitalize on Opportunities Created by Stock Market Weakness**

- (1) Use the Global Bear Market as an Opportunity to Begin Full-scale Overseas Operations in the Asset Management Business and Diversify Investment Domains in This Business**
- (2) Utilize SBIH Group Resources to Diversify the Profit Structure for Businesses Associated with Securities**
- (3) Quickly Achieve Profitability at the Three Core New Businesses, Which Are Largely Unaffected by Stock Market Volatility**

# **(1) Use the Global Bear Market as an Opportunity to Begin Full-scale Overseas Operations in the Asset Management Business and Diversify Investment Domains in This Business**

- 1) Use Joint Ventures to Establish Overseas Funds Faster**
- 2) Launch New Funds to Capture Investment Opportunities as Share Prices Continue to Fall**
- 3) Alter the Investment Operations in Japan in Response to the Business Environment of Today and the Near Future**
  - i. Focus on privately owned IT companies as the primary targets for investments, but also invest in publicly owned companies which were recently IPO'd, where fundamentals are strong but stock prices have dropped sharply**
  - ii. Aggressively participate in MBO and LBO deals, which are increasing because of slumping stock prices**
  - iii. Develop start-up companies within the SBIH Group in the biotechnology sector**

# **1) Use Joint Ventures to Establish Overseas Funds Faster**

**~Start operations at the most appropriate timing when investment costs are low~**

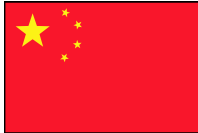
# Full-scale Launch of the Overseas Funds (1)

Started in 2005

Started in  
Mar. 2008

Waiting for the  
governmental  
approval

Reached  
basic agreement

<b>Fund name</b>	<b>New Horizon Fund</b>	<b>Tsinghua University Fund</b>	<b>Peking University Fund</b>	<b>JV Fund with three Chinese companies</b>
<b>Progress</b>	6 of the 10 companies IPOed. <b><u>Three companies plan to go public in 2008.</u></b>	The first fund in Beijing to be established with a foreign affiliated company. <b><u>Invested in two promising companies.</u></b>	Received final approval. <b><u>The fund is primarily targeting promising unlisted companies in China.</u></b>	In Jun. 2008, reached an agreement in principal to jointly establish an investment fund. This fund <b><u>targets unlisted companies in China through a management company which will be jointly established by four companies.</u></b>
<b>Partner</b>	TEMASEK	Tsinghua Holdings	Beida Jade Bird	<ul style="list-style-type: none"> <li>• China Merchants Securities</li> <li>• Resource Capital China</li> <li>• China CITIC Bank</li> </ul>
<b>Countries to Invest in</b>	<b>China</b> 			
<b>Investment Object</b>	Non-distributed shares and Unlisted companies	Domestic unlisted companies	Companies and real estate related	Manufacture, consumer goods, service and retail industries, logistics and transportation, energy and resource industries
<b>Investment Amount (mil. USD)</b>	100 ( SBIH's investment ratio : 50% )	30 ( SBIH's Investment ratio : 50% )	100 ( SBIH's investment ratio : 50% )	Offshore: approx. 50 (SBIH) Onshore: approx. 21 (China)






# Full-scale Launch of the Overseas Funds (2)

Final phase to close the official contract

Started in Apr. 2008

Started in Apr. 2008

Started in Jun. 2008

Fund name	SBI-METROPOL Investment Fund	India Japan Fund	Vietnam Japan Fund	SBI SOI Fund
Progress	In Dec. 2007, reached an agreement in principal to jointly establish an investment fund. This fund <b>targets prospective listed and unlisted companies in Russia.</b>	<b><u>This fund targets unlisted companies which are based in India.</u></b> <b><u>Invested in two promising companies.</u></b>	Established a VND based investment fund, which <b>targets promising unlisted companies in Vietnam.</b>	Established in Jun. 2008 This fund <b>invests in businesses originating from Asian universities.</b>
Partner	IFC METROPOL	State Bank of India	FPT	Keio University
Countries to Invest in	<b>Russia</b> 	<b>India</b> 	<b>Vietnam</b> 	<b>Asia</b>
Investment Object	Unlisted companies (70%) Listed companies (30%)	Domestic unlisted companies	Domestic unlisted companies	Venture companies originating from universities
Investment Amount (mil. USD)	100 (Maximum of 500) ( SBIH's Investment ratio : 50% )	100 ( SBIH's Investment ratio : 95% )	100 ( SBIH's Investment ratio : 90% )	5 mil. yen ( SBIH's Investment ratio : 100% )

## Other Overseas Developments

- **Establishing a JV fund (30 mil. USD) with a Taiwanese information technology company in August**
- **Establishing a JV fund (50 mil. USD) with a Korean financial institution in August**
- **Establishing a JV fund with a governmental organization in the Middle East**
- **Forming jointly with a Singaporean investor an investment fund (approx. 60 mil. USD) that targets stocks and bonds of Asian financial institutions**
- **Establishing a JV fund in Malaysia in about three months**
- **Establishing a JV fund in Brunei**
- **Reached agreement to acquire 49% of “FPT Capital” a fund management company affiliated with FPT. Plan to invest the total of 30 mil. USD in prospective publicly owned companies in Vietnam, after carefully observing the investment environment (already decided to invest in two companies)**

# Aggressively Invest in Prospective Companies Utilizing Pipelines With Leading Universities

## Tsinghua University Fund's Investments

### Investment committee approved investment categories

**Company A: Development and sales of application software for mobile phones**

→ Invested in June

**Company B: Cleantech related technology** → Invested in July

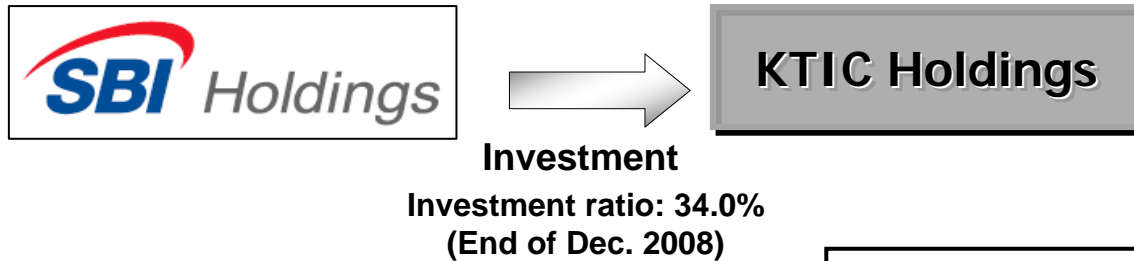
**Company C: Development and operation of videogames**

→ **Preparing for investment**

### Other potential investments:

	<b>Relation with Tsinghua University</b>	<b>Business Outline</b>
Company D	Established by alumni Tsinghua related VC also holds shares	Development and design of semiconductor memory and related IC chip
Company E	Tsinghua related companies Tsinghua HD holds 30% of shares	<ul style="list-style-type: none"> <li>•Manufacturer of solar energy related device</li> <li>•Holds 60 solar energy related patents</li> <li>•Expanded into the European market</li> </ul>
Company F	Created business from research theme at Tsinghua University	Development of systems related to emergency medical care

# Invest in KTIC Holdings, a Korean Investment company



## Purpose of the Investment

- **Expand investment businesses in Korea through cooperation**
- **Jointly develop businesses in the Middle East and other countries**



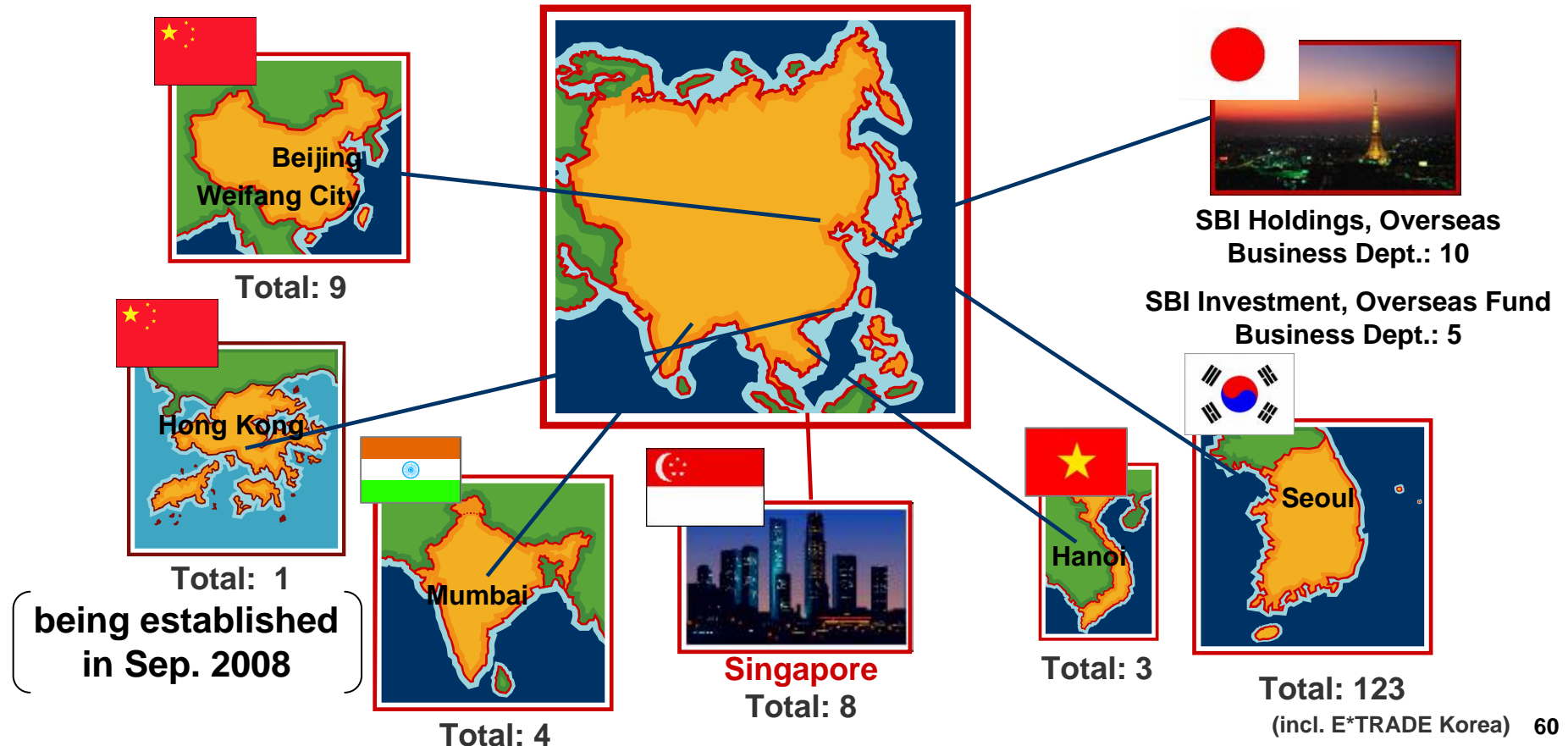
(Excerpt from Nikkei Shimbun, Jun. 11, 2008)

## Recent overseas business developments of KTIC

- Selected as the asset management company for the sovereign wealth fund (300 mil. USD) which UAE and Saudi Arabia invested in
- Selected as the asset management company for the sovereign wealth fund (300 mil. USD) which government-affiliated institution of Dubai invested in
- Strategic Alliance with Tsinghua Holdings for some businesses including jointly establishing a JV fund
- Plans to establish an investment fund (100 mil. USD) which Asia Development Bank invested in

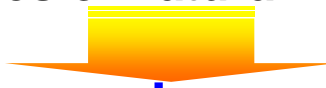
# SBIH Group's Overseas Bases Established Mainly in Asia

SBIH Group's overseas bases have continuously expanded since the establishment of its representative office in Singapore in May 2007, and now covers almost the greater part of the Asian emerging countries with high growth potential. SBIH plans to continue to strengthen its human infrastructure and form a solid overseas investment unit.



# Entered New Investment Areas Primarily in Resource-rich Countries

Progressed to resource-rich countries that possess relatively steady growth potential under the weakened market conditions due to the appreciating prices of natural resources worldwide



## Continuously expand overseas businesses, regardless of market conditions



**Russia**  
(IFC METROPOL)  
Forming a JV fund



**Cambodia**  
Received permission to jointly establish **“Phnom Penh Commercial Bank”** with a Korean bank, an alliance partner. The bank plans to **start operations on September 1**, and will primarily manage moneylending business for overseas companies that start businesses in Cambodia as the stock market opens in 2007



**Malaysia**  
Preparing to close the final contract after the basic agreement to establish a JV fund

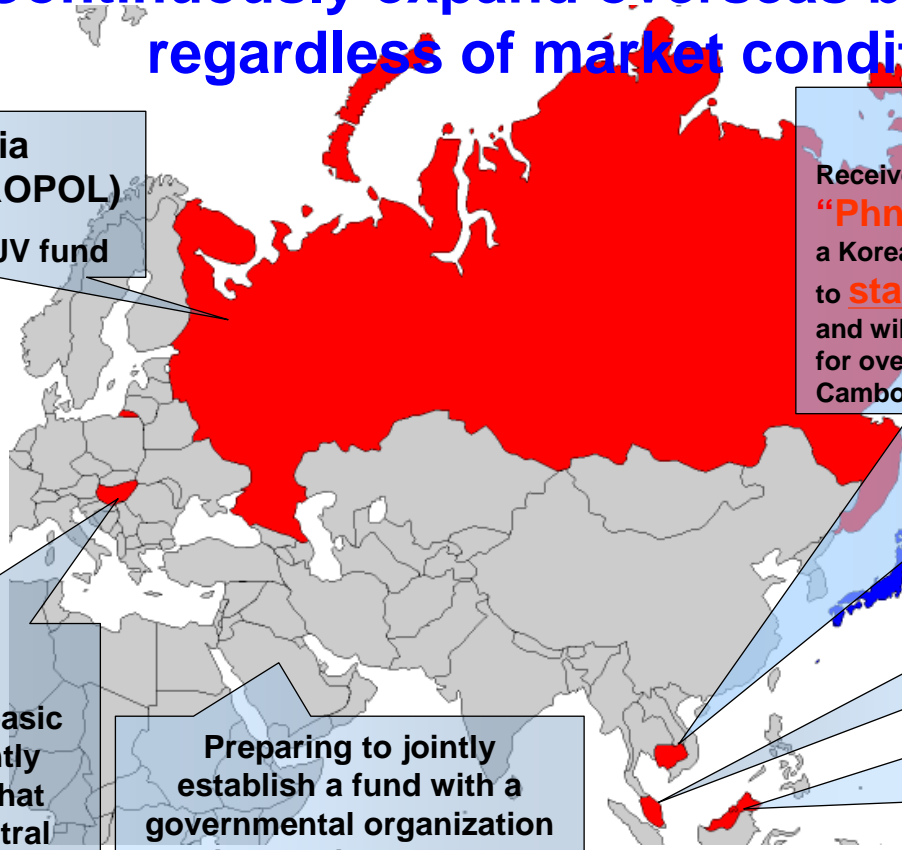


**Brunei**  
Preparing to close the final contract after the basic agreement to establish a JV fund



**Hungary**  
Preparing for the basic agreement to jointly establish a fund that invests in the Central and Eastern Europe

Preparing to jointly establish a fund with a governmental organization in the Middle East (making the final contract)



## **2) Launch New Funds to Capture Investment Opportunities as Share Prices Continue to Fall**

# Launch New Funds to Capture Investment Opportunities as Share Prices Continue to Fall

(The figures on the slide #20 (“Assets under Management of the SBIH Group”) do not include the figures on this list)

Fund Name	Amount (incl. expected amount)
Peking University Fund	100 million USD
JV fund with China Merchants Securities and two other Chinese companies	50 million USD
SBI-METROPOL Investment Fund	100 million USD
JV fund with a Taiwanese information technology company	30 million USD
JV fund with a Korean financial institution	50 million USD
JV fund which targets Asian financial institutions	60 million USD
SBI-NEO Technology Fund	*1 30 – 50 billion yen
SBI Value Up Fund #2	22.5 billion yen
JV fund with government owned organization in the Middle and Near East	(+)
JV fund to be established in Brunei	(+)
JV fund to be established in Malaysia	(+)
<b>Total (yen basis)</b>	<b>*2 94.6 – 114.6 billion yen (+)</b>

\*1 The fund plans to start with approx. ¥10 billion of initial commitment, and increase investments to ¥30 – 50 billion by around December

\*2 Based on the closing price of the currency rate as of July 29 (1\$ = ¥108 )



### **3) Alter the Investment Operations in Japan in Response to the Business Environment of Today and the Near Future**

- i. Focus on privately owned IT companies as the primary targets for investments, but also invest in publicly owned companies which were recently IPO'd, where fundamentals are strong but stock prices have dropped sharply**
- ii. Aggressively participate in MBO and LBO deals, which are increasing because of slumping stock prices**
- iii. Develop start-up companies within the SBIH Group in the biotechnology sector**

i )

# New Domestic Venture Capital Fund Adds Publicly Owned Companies and Emerging Countries as its Investment Targets

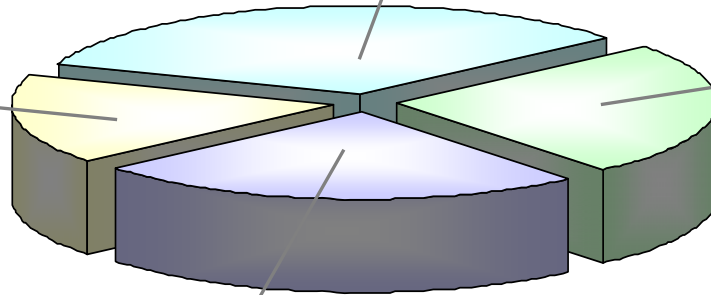
## SBI-NEO Technology Fund (in preparation)

Image of investment targets:

Approx. 10-15%

**Listed Companies (Domestic and Overseas):**  
Listed companies that are evaluated relatively low in emerging and other markets (JASDAQ, Mothers, Hercules, NASDAQ and others) in spite of their excellent performances, and are expected to increase their market values through the SBIH Group's support.

**Unlisted Venture Companies (Domestic):**  
**(1) IT related**  
Unlisted venture companies that have cutting-edge expertise for information technology and services in the ubiquitous era.



**Unlisted Venture Companies (Domestic):**  
**(2) Environment related**  
Unlisted venture companies in the environment & energy industries

**Unlisted Venture Companies (Overseas):**  
Unlisted venture companies in rapidly growing Asian markets including Russia.

### **SBI-NEO Technology Fund**

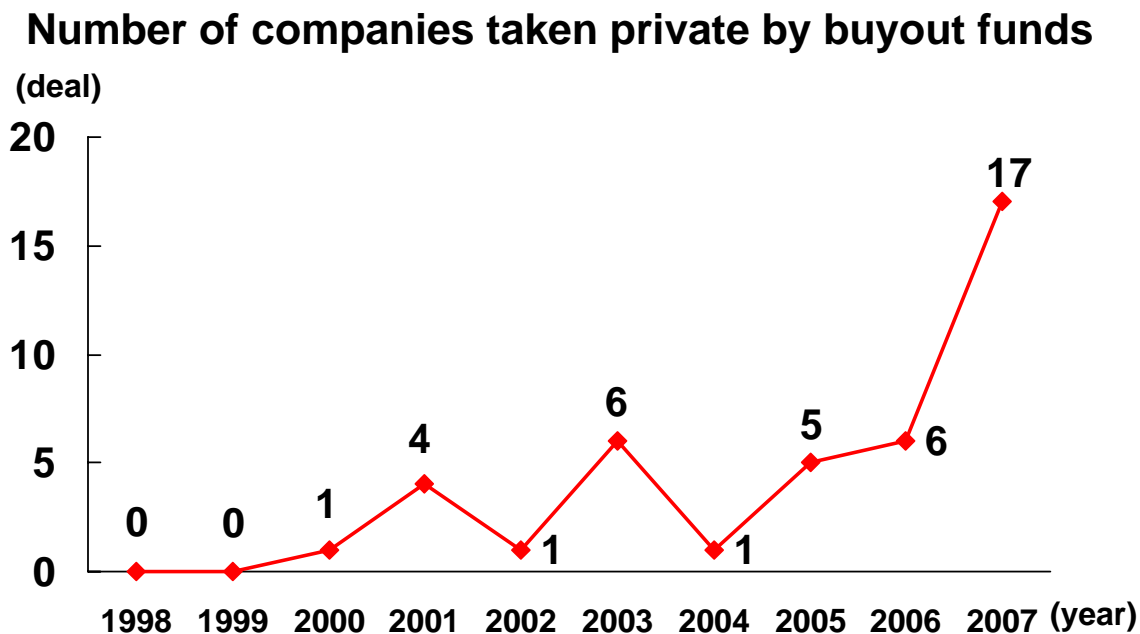
*SBIH Group's know-how in the IT and environment sectors*

*Excellent performance and strength in venture capital*

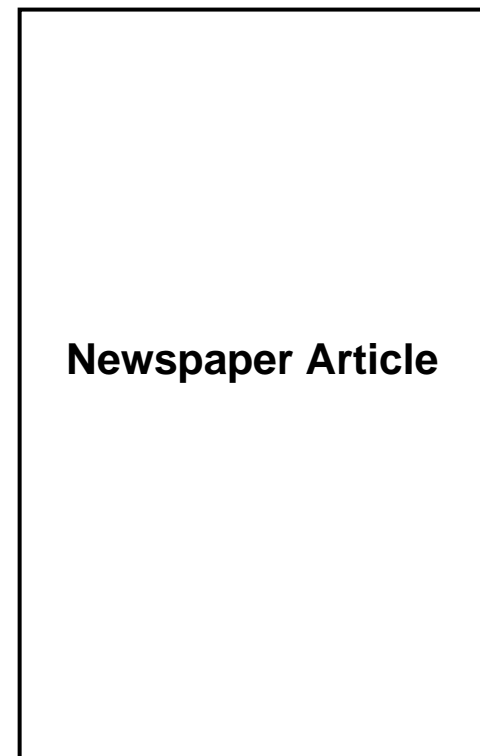
*Broad networks through local partners in Asia*

# Aggressively participate in MBO and LBO deals, which are increasing because of slumping stock prices

Japan's IPO market is very weak, owing to the downturn of small company stock markets, but there is an increase in the number of LBO, MBO and other buyout deals.



Source: "Trends in Japan's Buyout Market," Japan Buy-out Research Institute, Inc.



Article in March 27, 2008 issue of Nikkei Shimbun

# SBI Capital's New Buyout Fund for Deals in Japan

(preparations under way)

## *SBI Value Up Fund No.2*

### Buyout Investments

Spin-offs of non-core businesses to management using an MBO; acquisition of majority interest of company with no successor, appointment of new management team, review of growth strategy and other actions to increase corporate value (value-up investments)

### PIPEs Investments

Identify publicly owned companies with a stock price below the value of its assets and acquire a minority equity stake. Use a friendly partnership with management to bring out the full potential value of the company from the standpoint of shareholders.

**Fund assets: 22.5 billion yen**

### ■ Investment Universe

- Companies with business operations mainly in Japan where value can be added by fully utilizing the SBIH Group's network, and playing a central role in extending assistance to management
- Plan to aggressively identify opportunities in regions of Japan other than metropolitan areas, where the minimal competition to buy companies makes it possible to acquire quality businesses at reasonable prices
- Avoid auctions, which tend to boost purchase prices, instead targeting quality midsize and middle market companies where we can gain exclusive rights to negotiate with the seller<sup>67</sup>

iii)

# JV Contract with Cosmo Oil to Expand Biotech Businesses

A joint venture contract was signed on May 27 to jointly develop methods to utilize 5-aminolaevulinic acid (5-ALA), and to expand the market for 5-ALA related products



85.0%\*

15.0%\*

Provide expertise including marketing, in order to nurture venture companies

## SBI ALApromo

( Established on Apr. 24 as a wholly owned subsidiary of SBIH )

Established low-cost methods to produce "5-ALA", an essential source of nutrition for creatures including plants

Newspaper Article

5-ALA is expected to be utilized in a variety of ways for diagnosis during operations for brain cancer, cancer screening, prevention of anemia and medical care for rough skin, or atopy



## Strive to expand diverse markets including medicine, health foods and cosmetics

## **(2) Utilize SBIH Group Resources to Diversify the Profit Structure for Businesses Associated with Securities**

**1) Enhance the SBI brand awareness, and develop competitive products and diverse channels upon the merger with SBI SECURITIES (making it a wholly owned subsidiary)**

**2) Start of daytime trading on the PTS and Expansion of the wholesale business**

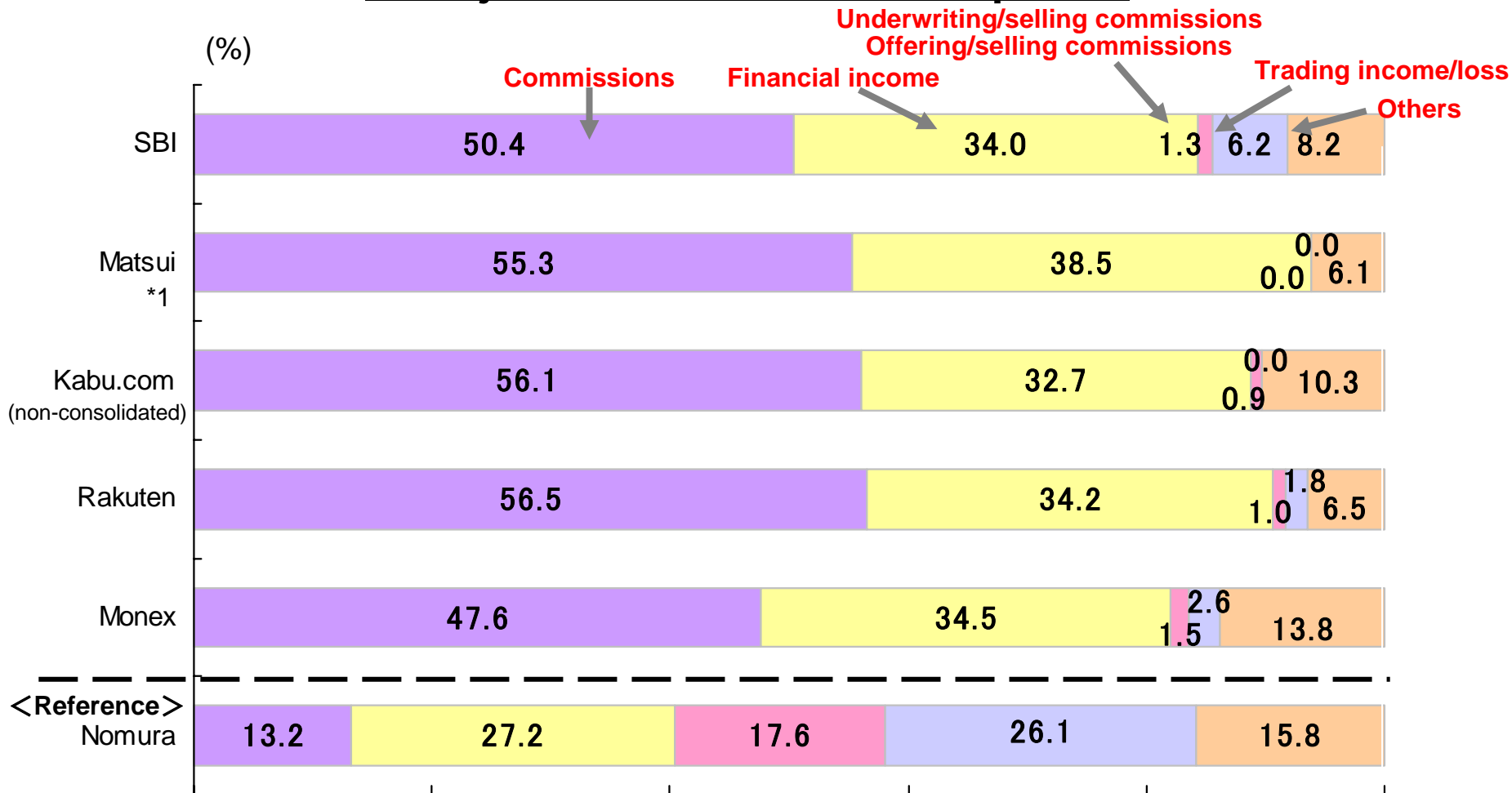
**(Promote institutional investors to open accounts at SBI SECURITIES)**

**3) Strengthen the investment banking business**

**4) Global development**

# Establish a Stable Profit Structure Less Susceptible to the Market Volatility

## Composition of 1Q FY08 consolidated operating revenues at major online securities companies



Source: Websites of each company and earnings releases (Nomura Securities figures are from its financial statements based on the Japanese standard)

\*1 Based on figures as of the end of Mar. 2008

- 1) Enhance the SBI brand awareness, and develop competitive products and diverse channels after the merger with SBI SECURITES (making it a wholly owned subsidiary)**



# Enhance the SBI Brand Awareness after Corporate Name Change

Jul. 1, 2008 SBI E\*TRADE SECURITIES changed its corporate name to “**SBI SECURITIES**”

Aug. 1, 2008 SBI Holdings merged with SBI SECURITIES, a wholly owned subsidiary



## Enhance the “SBI” brand Awareness through various media outlets

### Examples of SBI SECURITIES’ ads:

- Jul.**
- Nikkei Shimbun (nationalwide morningpaper / 15 columns)
  - Sankei Shimbun (NEWS SPACE)
  - Magazine (Arujan, Zai, etc.)
  - Yahoo! Brand Panel
  - Pay per click

- Jul.-Sept.** -Sticker ads at ticket wickets\*  
(36 stations on Yamanote Line, 75 stations in the JR  
Yokohama Area, 30 stations on Tokyu Line, 61 stations in Kansai)

<Planning to advertise on TV>



\*Advertised during the different periods for each station

# Increase the Customer Base by Fully Utilizing the Branches and Call Centers

**Synergies within the SBIH Group**

- Trend toward universal banking
- Launch of new businesses
- Plans to share branches with SBI Mortgage



**Internet**  
Best services with the industry's lowest commissions

1.70 million accounts

Supplementing and Reinforcing

**Call Center**

- Call center
- A source of investment advice

“SBI Direct”

Experimentally started to offer investment consultant services through call centers for customers at several of the face-to-face branches. Plans to promote investors to trade more often by offering even lower trading fees than those at face-to-face branches.

→Service offering planned at other branches as well

**Branches**

Wholesale business

Retail business

- Money plaza
- Seminars
- Private banking



5,361 seminars (as of Jul.27, 2008)

170 operators

27 branches

# Broader Lineup of Foreign ETFs, Stocks and Investment Trusts

## Foreign ETFs



In June 2007, started to offer foreign ETFs (Exchange Traded Funds linked to foreign stock price indices)

- [American ETF](#) : [17 funds](#)
- [Chinese \(Hong Kong\) ETFs](#) : [9 funds](#)

## Foreign Stocks



In preparations to offer Russia, Vietnam and Singapore stocks

- [American stocks](#) : [approx. 200 stocks](#)
- [Chinese Stocks](#) : [approx. 170 stocks](#)
- [Korean Stocks](#): [approx. 50 stocks](#)

## Major investment trusts that invest in foreign securities

[Approx. 160 funds](#) offered

(Stocks worldwide, emerging countries including BRICs, and resource-rich countries such as Russia, Brazil and Middle East and resource-related stocks)

- [SBI - India & Vietnam Mutual Fund](#):

Invests mainly in Indian and Vietnamese stocks

- [Morningstar - Morningstar World Masters \(nickname: Three Oracles\)](#):

Invests mainly in prospective stocks and commodities worldwide

- [Goldman Sachs - GS BRIC Fund](#):

Invests mainly in BRIC countries

- [BlackRock - World Gold Fund](#):

Invests mainly in gold mining company in South Africa, Australia, Canada, the U.S., etc.

- [Societe Generale - SG Arab Fund](#):

Invests mainly in the Arabian area

# Launch a Number of New Overseas Products and Services and Conduct High-profile Marketing Campaigns

- Started selling an International Finance Corporation yen-denominated bond linked to the Brazilian real (April 24 –) First in Japan



First in Japan

This bond is linked to the yen-real exchange rate and used to be sold only to high-net-worth individuals

- Started e-VA Good for Your Body Present Campaign (June 1 –)

Gifts of health management products for individuals who newly register for or purchase a new type of individual annuity policy

- Summer Brazil Fair (June 5 –)

Cash-back for part of commissions and other expenses for investment products associated with Brazil

- Started sales of Eco-Link Bonds that are linked to the price of emission allowance futures (July 4 –)

A euro-denominated bond linked to the price of CO2 emission allowance futures on the London Intercontinental Exchange



First for an Internet securities company

- Reduced to nothing the official commission for foreign exchange margin trading and greatly reduced spreads (July 7 –)

- Started a stock lending service (July 10 –)

Special campaign interest rate for the first month \*1.0% rate for the three small-company stock exchanges and 0.5% for all other stock exchanges

- Started agency service for the financial products of SBI Sumishin Net Bank (July 14 –)

Started offering Japanese stocks and many financial products to the customers of SBI Sumishin Net Bank

- Started sales of World Bank Russian ruble-denominated interest-bearing bonds (July 17 –)

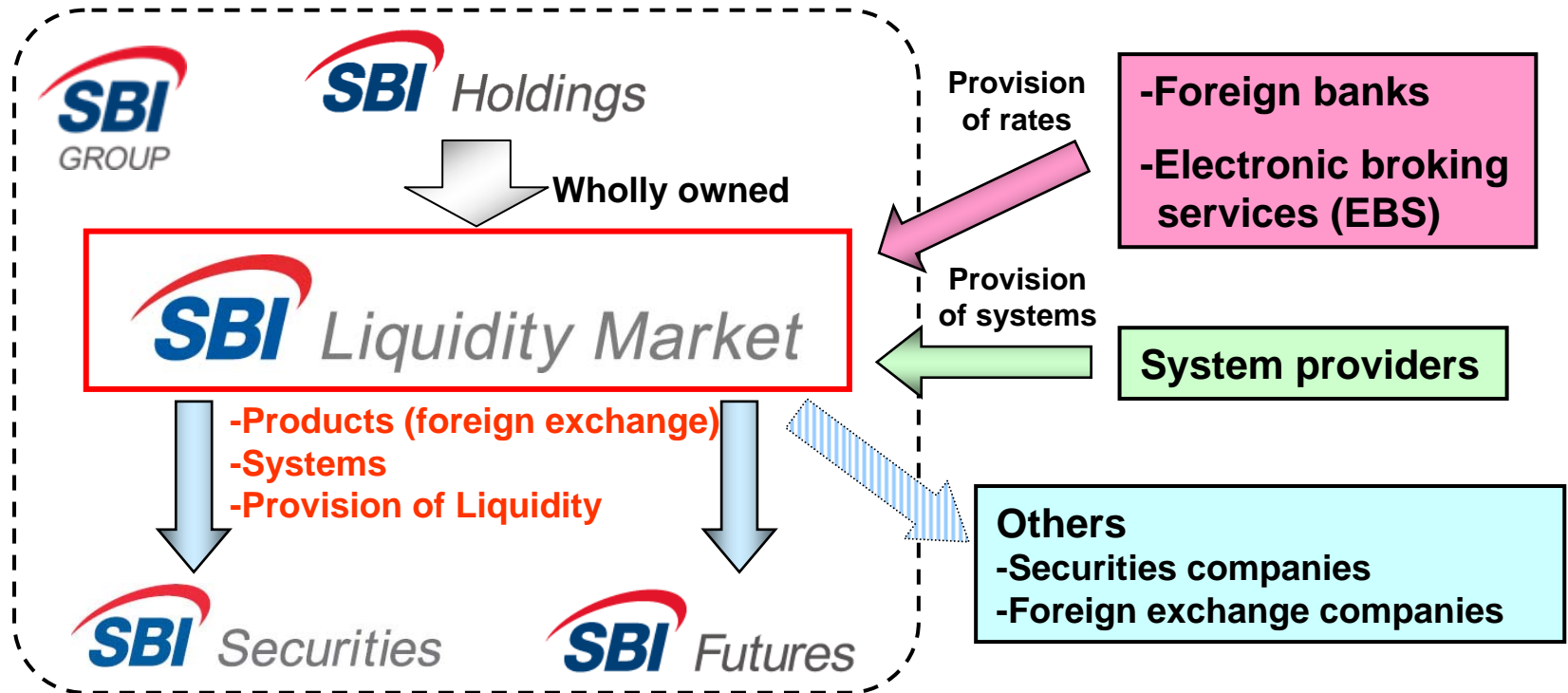
→Now preparing to start handling Russian stocks in addition to bonds



First in Japan

# Establishment of SBI Liquidity Market

A framework for the provision of competitive foreign exchange transactions by SBI SECURITIES and SBI Futures for their customers



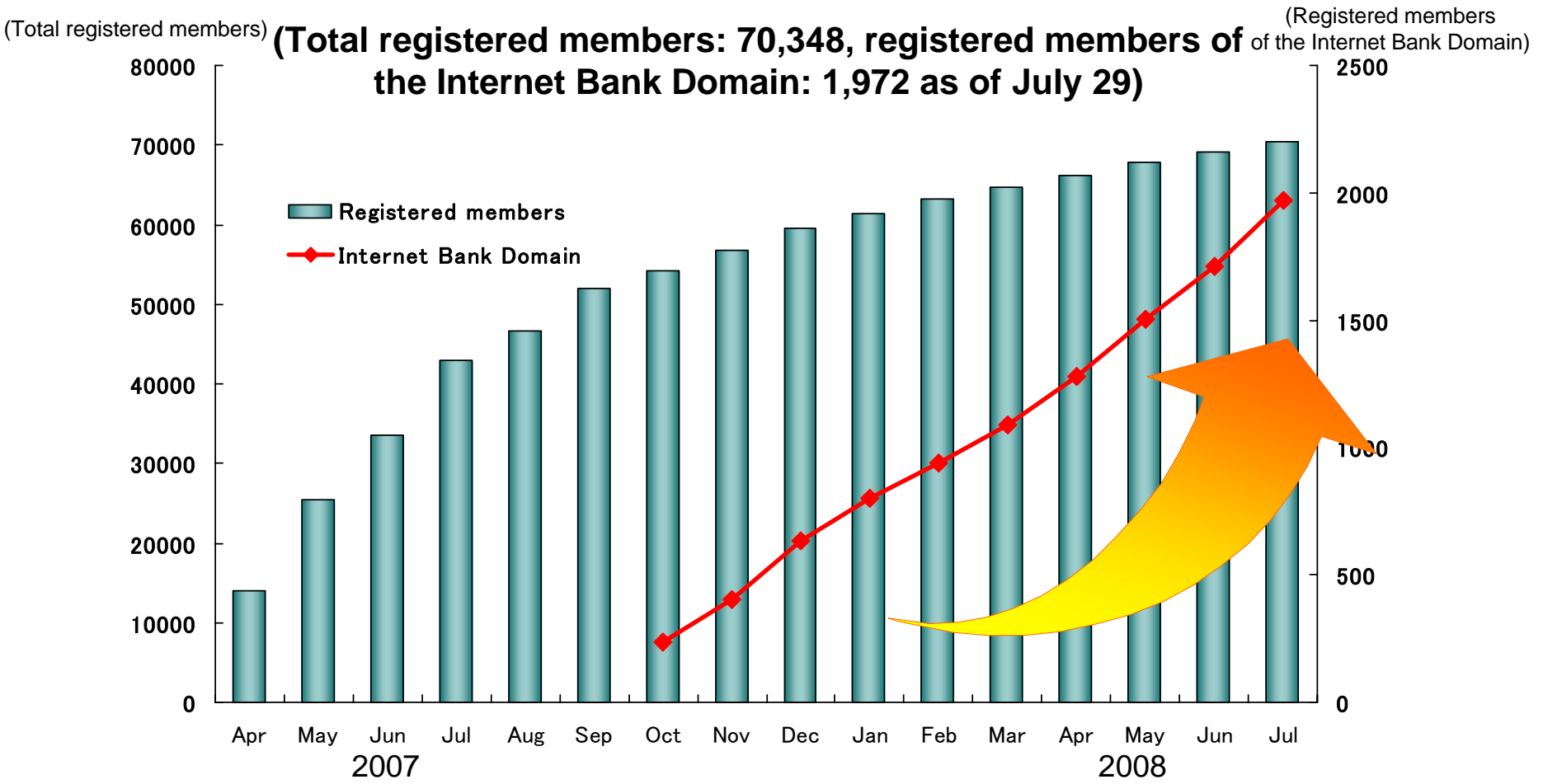
In the future, SBI Liquidity Market plans to handle a full lineup of OTC derivatives (overseas stock indexes, gold, petroleum, etc.)

## Target for FY08 contributions to earnings

SBI Liquidity Market	400 million yen
SBI SECURITIES	800 million yen

# SBI Money World is Expanding into One of Japan's Largest SNS, Focusing on Sharing Financial Knowledge

Number of existing registered members reached 70,000, and the number of registered members of the Internet Bank Domain in the SBI Money World coming from SBI Sumishin Net Bank's website is also steadily increasing.



**-Plan to make part of "Kitao's blog" public in late August-**

# Building the SBI Financial Portal Site

**Mobile Financial Searches**

**Use of Common ID**

**Release mobile and PC websites in Oct.**

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

**SBI Financial Portal Site**

***Usability***

*Direct and flexible user interface that allows users to obtain preferable and necessary information only*

***Entertainment***

*For broadening the customer base of finance, "Finance & Entertainment" contents added*

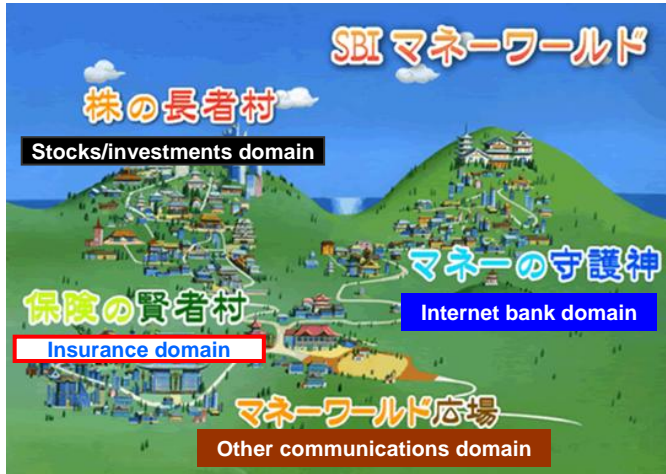
***Analysis***

*Gather companies' financial data, combine it with analysis tools that analysts at asset management companies utilize, and provide investment and analysis know-how for individual investors*

# Planning a Unified Platform for SNS and Other Web-related Services

Financial communities website

## SBI Money World



Registered members: 70,348  
(ex. Internet bank domain: 1,972)

SNS exclusively for business that recommends to use real names

## SBI Business



- Wikipedia search
- Mobile version
- Search for annual security reports, etc.
- Increasing services

Registered members: over 50,000



Newspaper Article

<Currently built>

\*To be released by Oct.

## SBI Finance Portal Site

Goal is to create a comprehensive service website that can provide users with high-quality information by leveraging all SBIH Group resources, such as Morningstar Japan, a supplier of information on many financial products, and SBI Fund Bank, a specialist in the provision of investment trust information.

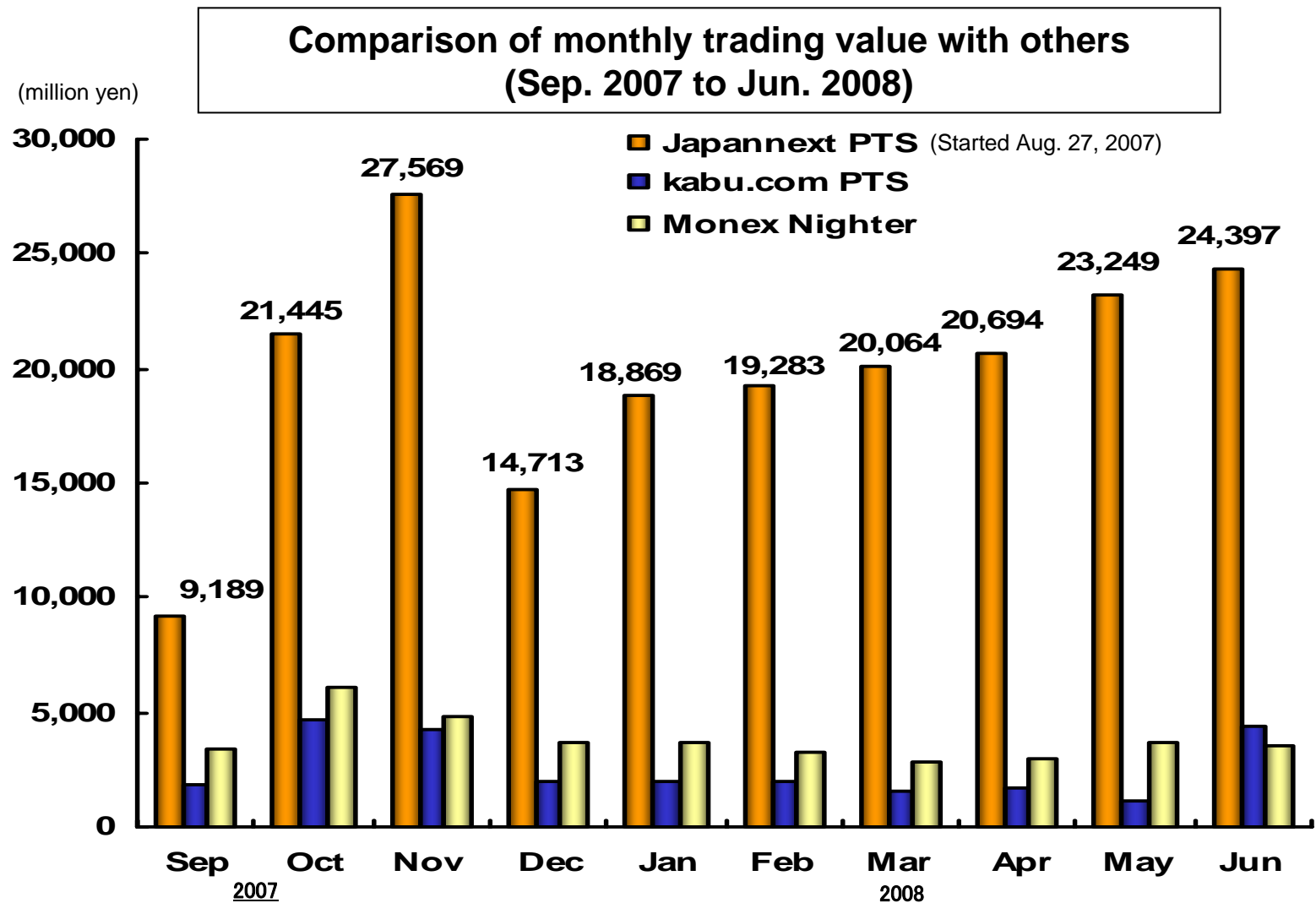


## **2) Start of daytime trading on the PTS and Expansion of the wholesale business**

**(Promote institutional investors to open accounts at SBI SECURITIES)**

# Japannext PTS : Change in Trading Value

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



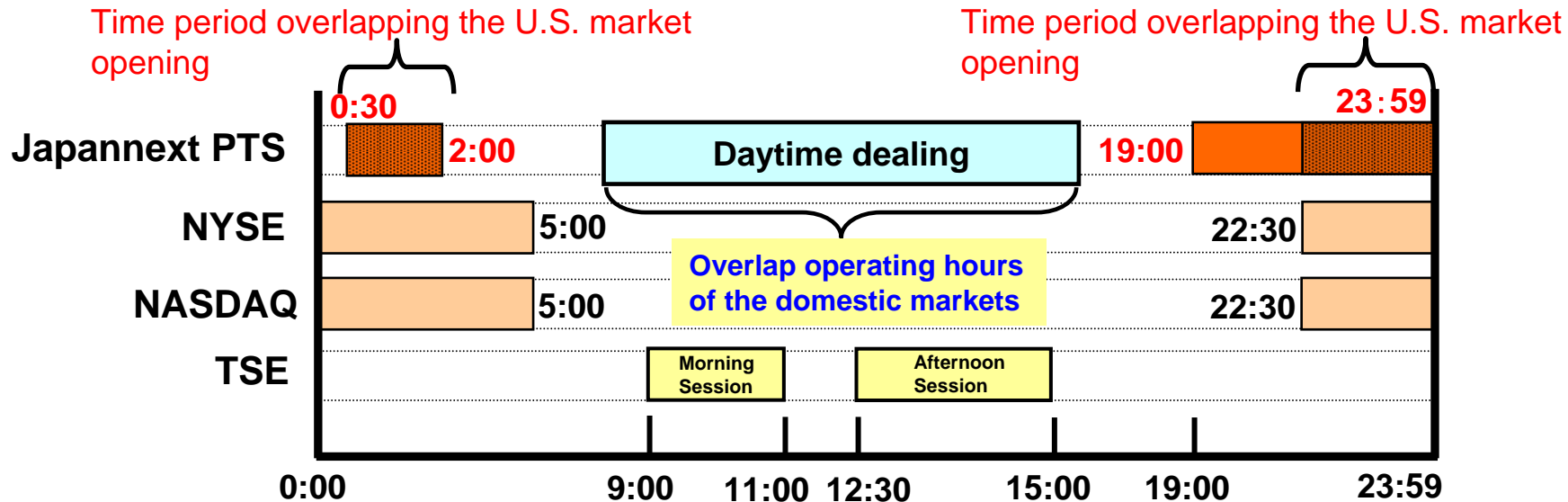
Source: Companies' materials

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

# Measures to Increase Trading Opportunities

## Extension of dealing period

Increase investment opportunities by extending the time overlap with the U.S. market and providing institutional investors' entry through the offering of a daytime trading session.



\*Time in JST. NYSE and NASDAQ on daylight savings time

**Various systems and operational projects for daytime trading are underway, through negotiations with the FSA**

- Expect continuous dealing period from 8:10 to 16:30
- Expect smaller “tick size” than that of TSE for the day session  
(night session corresponds with the TSE)
- In preparations for a targeted operation commencement between Oct.-Dec. 2008

# Measures to Increase Trading Opportunities ②

Increased capital by 3.0 billion yen by issuing new shares through a third party allotment in order to improve the financial condition and to reinforce systems (July 2008)

## 【Shareholders and shareholding ratios after the capital increase】

SBI Holdings, Inc.	35.7%
The Goldman Sachs Group, Inc.	35.7%
SBI SECURITIES Co., Ltd.	10.0%
Credit Suisse Securities (Japan) Limited	3.3%
Merrill Lynch Japan Finance Co., Ltd.	3.3%
Lehman Brothers Japan Inc.	3.3%
Rakuten Securities, Inc.	2.9%
ORIX Securities Corporation	2.9%
CLICK Securities, Inc.	2.9%

In addition, UBS Securities Japan Ltd. and other securities companies will begin participating after the start of daytime trading.

These companies or their group securities companies have made equity investments based on the assumption that they will participate in the Japannext PTS

## Currently connected securities companies

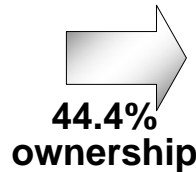
SBI SECURITIES Co., Ltd.  
The Goldman Sachs Group, Inc.  
Rakuten Securities, Inc. (started connecting on Apr. 21)  
ORIX Securities Corporation (started connecting on June 30)  
CLICK Securities, Inc.



## **3) Strengthen the Investment Banking Business**

# Investment in Strategic Consulting Group

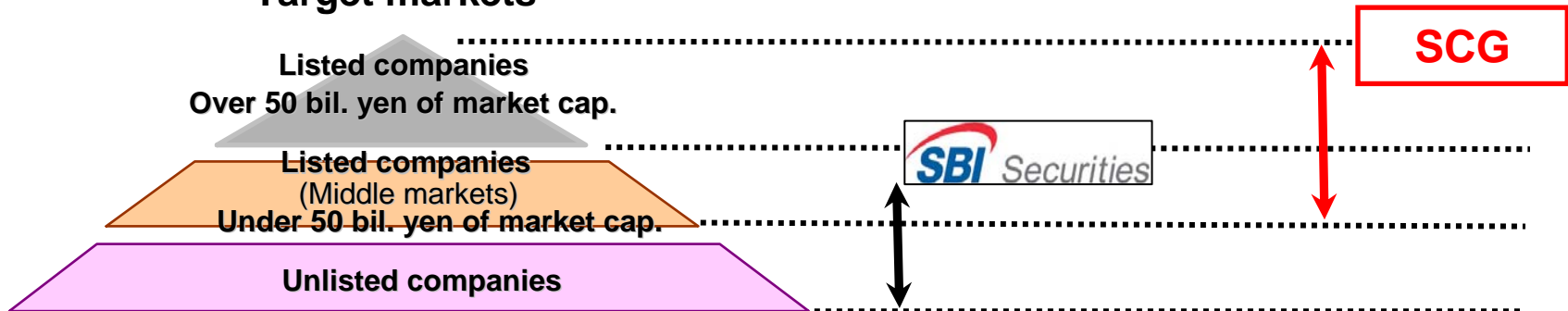
Expand investment banking businesses including M&A advisory



## -Highlight of SCG's Past Businesses-

- ✓ Capital and business alliance between Takashimaya and Credit Saison
- ✓ Led the strategic business alliance between Cosmo Oil and AEON Credit Service
- ✓ CSK Holdings' acquisition of shares of Osaka Securities Exchange from MAC Asset Management
- ✓ Advisory for the allocation of new shares of Cosmo Oil to IPIC (the Emirate of Abu Dhabi)

### Target markets



## **4) Global development**

# Global Development of Online Securities Business

## Expiration of the License Agreement

Renamed “SBI SECURITIES” on July 1, 2008

Expiration of the trademark agreement with E\*TRADE FINANCIAL Corporation will enable SBI 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.



**In discussion to launch an online securities business through a joint venture in Vietnam**



**(3) Quickly Achieve Profitability at the Three Core New Businesses, Which Are Largely Unaffected by Stock Market Volatility**

# [SBI Sumishin Net Bank, Ltd.]

## Internal targets at the start of operations

(started operations in Sep. 24, 2007)

- Targeted No. of accounts
  - 3<sup>rd</sup> term: around 400,000
  - 5<sup>th</sup> term: around 600,000
- Targeted deposit amount
  - 3<sup>rd</sup> term: around 700 billion yen
  - 5<sup>th</sup> term: around 1 trillion yen
- Targeted revenues
  - 3<sup>rd</sup> term: Turn a single-year profit
  - 5<sup>th</sup> term: around 5 billion yen of net income  
Eliminate cumulative loss

# Steadily Growing Customer Base of SBI Sumishin Net Bank



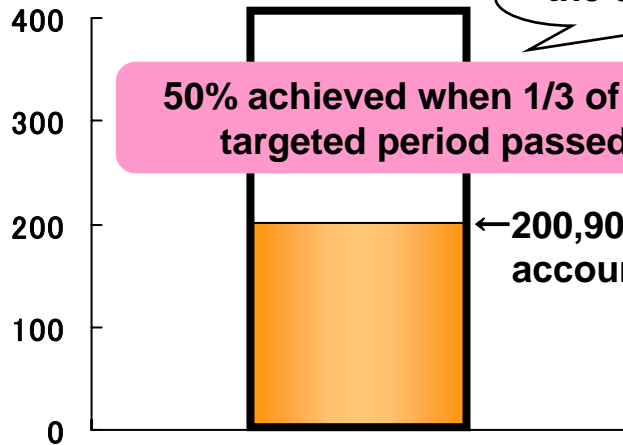
(Advance report on Aug. 10, 2008)

**Accounts: 200,907** (No. of applications to open accounts: 273,934)  
**Deposits: 402.8 billion yen** \*based on the no. of applications received on the website and other channels  
**Deposit per customer: approx. 2.00 million yen**  
**Loans issued: 56.7 billion yen** (26.4 billion yen as of the end Mar. 2008)  
**No. of loans issued: already 7,619** (4,691 (full term of the previous year))

## <Ratio to reach the target>

### Accounts

(thousand accounts)



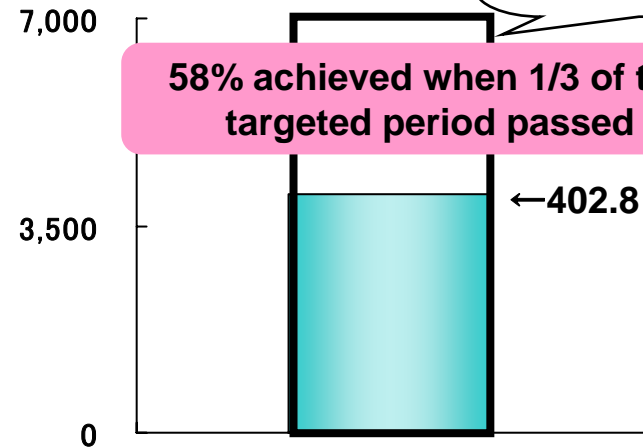
Target: approx. 400,000 accounts by the end of Mar. 2010

50% achieved when 1/3 of the targeted period passed

320 days from the start of operations

### Deposits

(100 mil. yen)



Target: approx. 700 bil. yen by the end of Mar. 2010

58% achieved when 1/3 of the targeted period passed

320 days from the start of operations

# Ongoing Initiatives to Increase Deposits and Accounts

## -Increased capital for further business expansion:


**June 30, 2008**

- Increased capital by 5.0 bil. yen through shareholder allocation
- SBIH and The Sumitomo Trust & Banking invest 2.5 bil. yen each
- Paid-in capital will increase to 22.5 bil. yen

## -Number of ATMs available to be sharply increased:

**From July 22, 2008 Number of ATMs available to be sharply increased**

**Before Japan Post Bank**      **+**      **ATMs placed at nationwide convenience stores including LAWSON, Familymart and Mini Stop, and supermarkets**  
**Jul.22: Seven Bank**



(No. of LANs placed nationwide: 5,639 (as of Jun. 6). No. of e-net placed nationwide: 8,417 (as of the end of May))

## -Started intermediary services for financial products on July 14, 2008:

**Provision of services for SBI SECURITIES**

Acceptance of applications to open securities accounts at SBI SECURITIES and provision of information about financial products sold by SBI SECURITIES

# Upgrading All Services by Increasing Number of Alliance Partners

(Examples)

## Direct payment account service

Allows customers to use an SBI Sumishin Net Bank account for the payment of monthly bills and other amounts due for services provided by alliance partners

(May 1, 2008~)

**Softbank Mobile** Cell phone bills

(May 7~) **Credit Saison**

(Jul. 28~) **OMC Card**

(Jun. 4~) **SMBC Finance Service**

Payment of membership fees, insurance premiums, loan repayments and other items to the approximately 20,000 companies that have a bill collection agency contract with SMBC Finance Service

Credit card bills

(Jun. 20~)

**Orient Corporation**

Payment of amounts due for cash advances and other transactions using Orico credit cards, auto loans and other items

(Jun. 27~)

**Mitsubishi UFJ**

(Jul. 25~)

**Mizuho Factors**

Payment to convenience stores, post offices, Pay-easy and other alliance partners

## Immediate settlement service

Payments for services and merchandise sold on the websites of member merchants that participate in this settlement service can be completed immediately by transferring funds from an SBI Sumishin Net Bank account with no need to input remittance data.

(May 27, 2008~)

**Japan Airlines (JAL)**

Online payment for airline tickets

(May 30~)

**FX PRIME**

Online payment for foreign exchange margin trading services

(Jun. 30~)

**Hirose Tusyo**

(Jun. 11~)

**Gaitame.com**

(Jul. 28~)

**NTT Smart Trade**

(Jun. 23~)

**Cyber Agent FX**

Online payment for foreign exchange margin trading services

**Started transfer services for corporations in July:**

One-time Receipt and transaction of massive transfer data

# More Potential Customers for the “SBI Hybrid Deposit” (formerly Exclusive E\*TRADE Deposit) Through Cooperation with SBI SECURITIES

Will start offering the SBI Hybrid Deposit services to margin trading customers of SBI SECURITIES on August 4

**Until now**

SBI SECURITIES margin trading customers were not eligible to use the SBI Hybrid Savings Account

SBI SECURITIES margin trading accounts: 173,805

Monthly stock brokerage trading value: 4,133.2 bil. yen \*1 (about 66% of total)



**Starting on August 4**

**SBI Hybrid Deposit**  
***Annual interest rate: 0.45%*** \*2

By using the SBI Hybrid Deposit, holders of margin trading accounts can:

- 1) Combine funds in the SBI Hybrid Deposit with margin trading deposits to conduct larger margin transactions.
- 2) Funds that exceed a predetermined level of margin deposits are automatically swept into the SBI Hybrid Deposit to increase interest income.

# Five Pillars for Strengthening Asset Management

**Stabilize and diversify asset management by further pursuing group synergies as well as providing total solutions for a variety of customer's needs**

## ◆ Housing Loans

-Operations are growing steadily; number of loans reached 6,500 in this fiscal year based on applications received (4,691 in the previous fiscal year)

## ◆ 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 claimable assets

## ◆ Auto Loans

-Have selected a loan guarantee company and determined almost all terms for these loans. Now developing the required IT systems.

## ◆ Real estate-secured loans

-Established loan guarantee agreements on July 1 with CEM Corporation and First Credit Corporation. Plan to start offering this loan in August.

## ◆ Health care financing

-Working with SBI Capital Solutions to create a scheme for the purchase of receivables for medical care and other services

FLEXSOL, a subsidiary of SBICS, will purchase the receivables for health care payments that are charged to Japan's national health insurance system by hospitals, pharmacies, elderly care facilities, and other health care facilities. Confirmed receivables for care that has been completed are purchased by banks. This is a safe and reliable scheme because payments for health care will always be submitted for health care services that have been performed.

# SBI Sumishin Net Bank was Ranked First Position in a Money Magazine “Ranking of the Most Useful Bank”

(“Diamond money!” / Ranked major 20 banks with Internet channels)

Broadening the lineup!

Rank	Bank Name	Commission (30-point scale)	Usability (30-point scale)	Interest Rate (20-point scale)	Product Lineup (20-point scale)	Total
<b>1</b>	<b>SBI Sumishin Net Bank</b>	<b>26</b>	<b>24</b>	<b>20</b>	<b>9</b>	<b>79</b>
2	Sony Bank	16	23	19	14	72
3	Shinsei Bank	22	25	8	12	67
4	SURUGA bank	13	23	19	10	65
5	eBANK	20	22	13	9	64
6	Mizuho Bank	14	25	9	12	60
7	Tokyo Star Bank	16	24	10	9	59
8	Japan Net Bank	12	24	19	3	58
9	Bank of Tokyo-Mitsubishi UFJ	13	25	7	13	58
10	Sumitomo Mitsui Banking	10	24	7	13	54

\*For SURUGA Bank, services at online branches compared



## [SBI Insurance Co., Ltd.]

### Internal targets at the start of operations

(started operations in Jan. 16, 2008)

- Targeted No. of contracts 5<sup>th</sup> term: around 300,000
- Targeted revenues 5<sup>th</sup> term: Turn a single-year profit  
10<sup>th</sup> term: 25-30 bil. yen of net premium income

# Internet Nonlife Insurance's Significant Growth Opportunities in the Auto Insurance Market

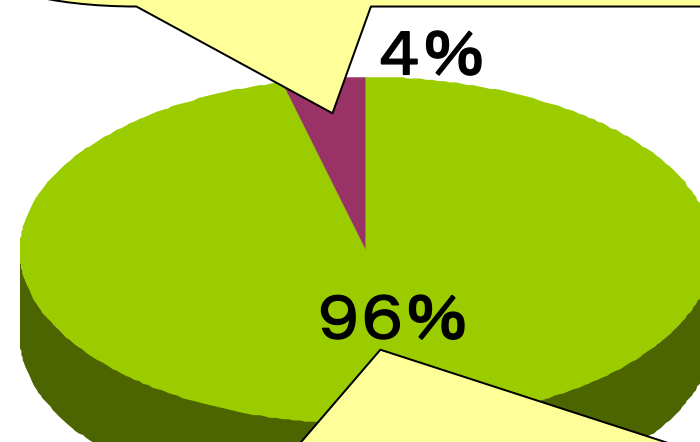
**\* Share of the direct insurance companies in FY2007: 7.4%\***  
**(Increase from last fiscal year's share, which was 4%)**

■ **Net insurance premium**  
 <automobile>

	FY2006 (bil. yen)
Brick-and-mortar	3,444.0
<b><u>Direct</u></b>	<b><u>144.4</u></b>
Total	3,588.4

**Direct Insurance: 6 companies**

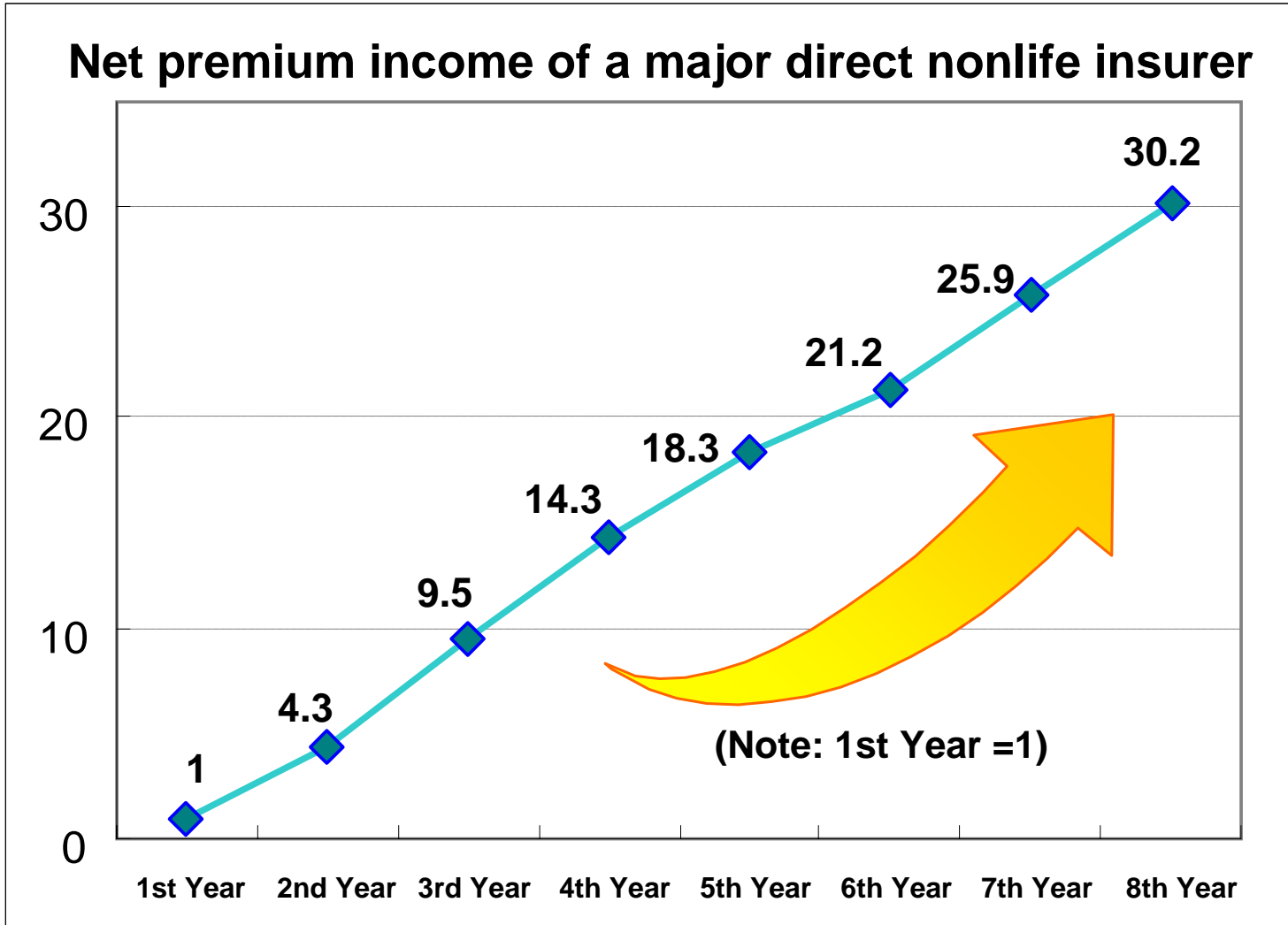
American Home Assurance Corporation / AXA Non-Life Insurance Co.,Ltd. / Sony Assurance Inc. / Sonpo 24 Insurance Co.,Ltd. / Zurich Insurance Company / Mitsui Direct General Insurance Co.,Ltd.



**Brick-and-mortar: 17 companies**

Aioi Insurance Co.,Ltd. / Asahi Fire & Marine Insurance / Kyoei Fire & Marine Insurance Co.,Ltd. / JI Accident & Fire Insurance Co.,Ltd. / The Sumi-Sei General Insurance Co., Ltd. / SECOM General Insurance Co., Ltd. / SAISON Automobile & Fire Insurance Co.,Ltd. / Sompo Japan Insurance Inc. / Daido Fire & Marine Insurance Co., Ltd. / Tokio Marine & Nichido Fire Insurance Co., Ltd./ Nisshin Fire & Marine Insurance Co.,Ltd. / Nissei Dowa General Insurance Co., Ltd. / NIPPONKOA Insurance Co.,Ltd. / Hitachi Capital Insurance Corporation / The FUJI Fire and Marine Insurance Co., Ltd. / Mitsui Sumitomo Insurance Co., Ltd. / Meiji Yasuda General Insurance Co., Ltd.

# Internet Nonlife Insurance Business Expects to Accelerate Increase in Premium Income Following the Procurement of Stable Customers



# Full-scale Launch of SBI Insurance Business

## Current Status

### Number of insurance contracts

-After discounting premiums in March, number of contracts is growing steadily

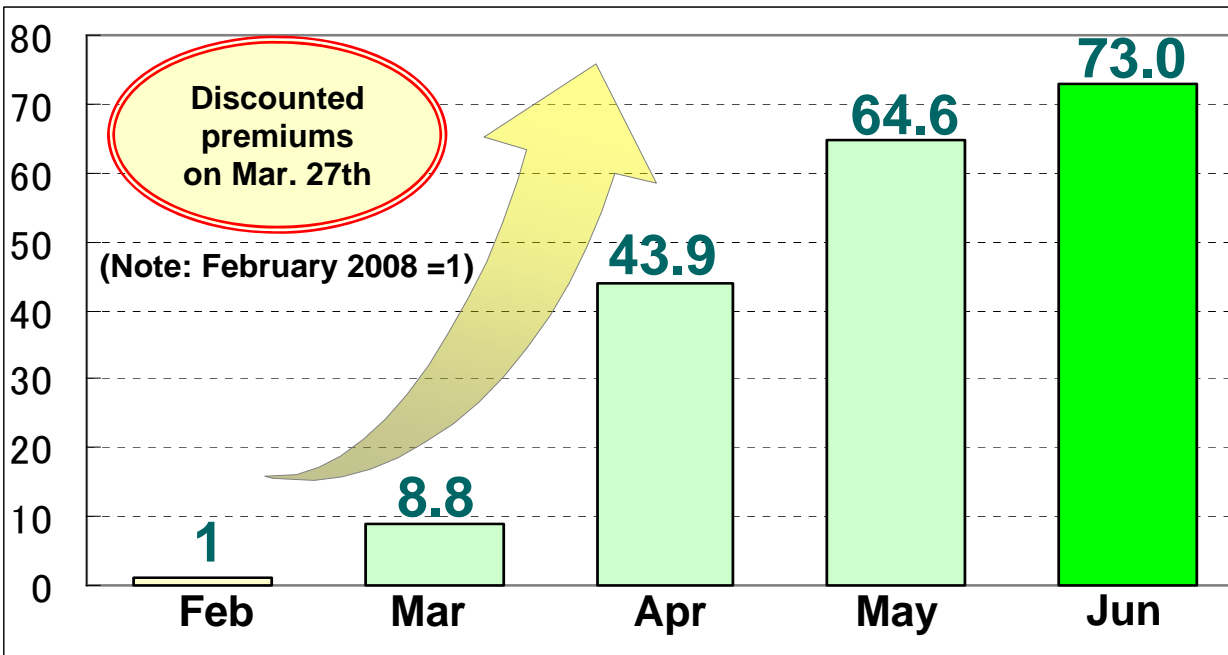
### Development of distribution channels

-In May, established an alliance with “Autoc one”, which operates an auto purchase supporting website

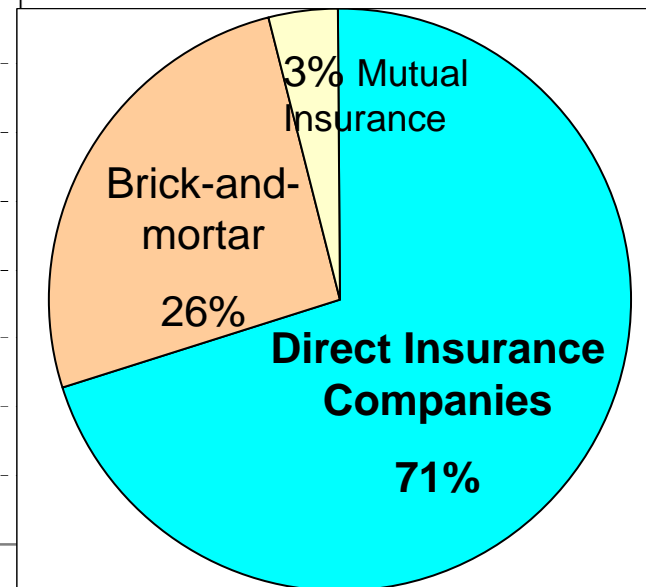
Participation in the “Car Life Concierge” service of Autoc one in order to market insurance policies directly to automobile buyers when they are making comparisons and receiving estimates.

-In June Signed agency outsourcing agreement with Autoc

### Growth in completed SBI Insurance’s auto insurance contracts



### Client breakdown



# [SBI AXA Life Insurance Co., Ltd.]

## Internal targets at the start of operations

(started operations in Apr. 7, 2008)

▪ Targeted No. of contracts

1<sup>st</sup> fiscal year: around 20,000

5<sup>th</sup> term: around 200,000

▪ Targeted revenues

5<sup>th</sup> term: Turn a single-year profit

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

## Toward the enhancement of the SBI Brand Awareness

### -Page views increasing steadily

April: 390,000    May: 410,000    June: 680,000 (July:350,000, as of Jul. 14)

### -Aggressive public relation activities

Posted on a total of 137 media sites since the start of the operations  
(TV: 4, Newspapers and Magazines: 133, as of the end of June)

**Started broadcasting advertisement on July 28!**

- Yuki Shimizu, an actress appears in the advertisement
- Started movie ads on the JR line and subway lines on July 28

Plan to start TV ads soon



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

## Expansion of channels

-In June 2008, started selling products using sales agents in addition to using the existing direct marketing channel

**Combines sales using agents with the convenience of comprehensive Internet-based life insurance services**

**【Dealing Agencies: [Total 20 companies](#)】**

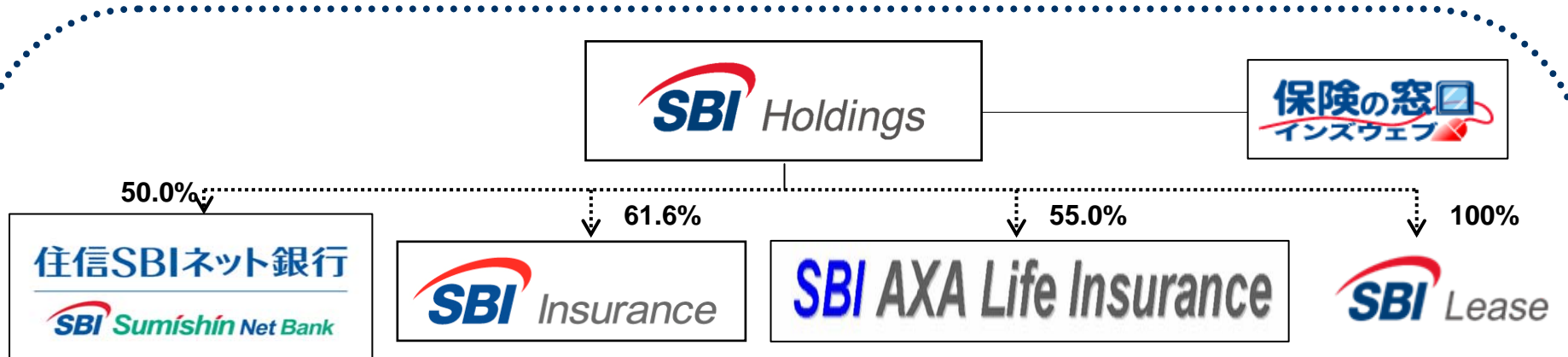
(incl. plans: in the order of the Japanese syllabary except for SBIH related companies)

<b>SBI SECURITIES Co., Ltd.</b>	<b>Kakaku.com Insurance, Inc.</b>
<b>SBI Financial Agency Co., Ltd.</b>	<b>SALLY JOYCE JAPAN</b> (Insurance mall)
<b>SBI Mortgage Co., Ltd.</b>	<b>SONIA PARTNERS CORPORATION</b>
<b>Real Marketing Co., Ltd.</b> (formerly SBI Real Marketing Co., Ltd.)	<b>Takashimaya hoken &amp; telecom co., ltd.</b>
<b>IRRC Corporation</b>	<b>NIFY CORPORATION</b>
<b>Advance Create Co., Ltd.</b>	<b>Financial Agency Inc.</b>
<b>Attractive. inc</b> (“Insurance consultation Acarumic”)	<b>FORTUNE FIELD CO., LTD.</b>
<b>NTT IF Corporation</b>	<b>Insurance Design Research Co., Ltd.</b>
<b>FA Partners Co., Ltd.</b>	<b>HOKENMINAOSHIHONPO Co., Ltd.</b>
<b>OMC Card, Inc.</b>	<b>Lify Co., Ltd.</b>

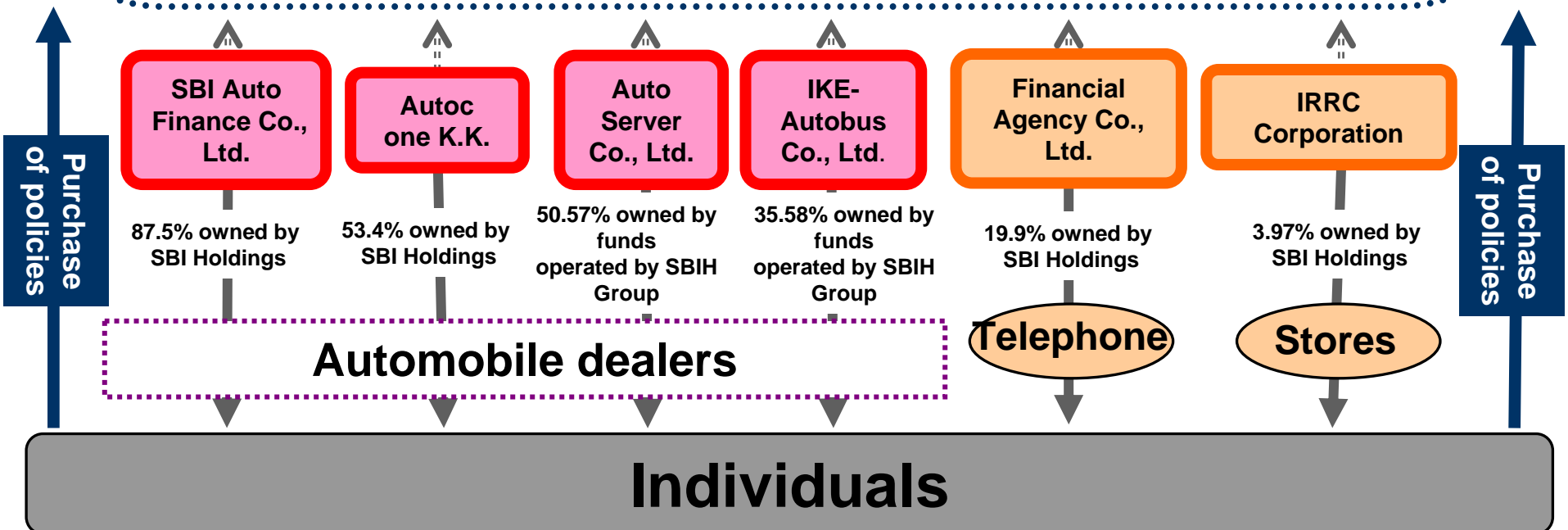
**[Groundwork for the Auto-related Field Which is Expected to Produce Significant Synergies with Banks and Securities Businesses]**



# A Diversified Ownership Structure to Support the Three New Core Businesses



**【Auto-related financial products】** Auto insurance Auto loan Auto lease



# Preparing to Connect with a Variety of Automobile Related Companies

## 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 345 companies**

**Affiliated used car auction sites: 35 sites**

## Autoc one K.K.

Activities: Internet auto purchasing service

**Affiliated dealers: 849 companies (as of March 31, 2008)**

**New car estimate service users: 2.12 million (as of March 31, 2008)**

## Auto Server Co., Ltd.

Activities: Used car auction bidding agency service through the Internet

**Affiliated companies: 32,000, annual no. of vehicles auctioned off: 124,000 cars (FY07)**

**No. of vehicles: Covers approx. 77% of the entire used car auction markets**

## IKE-Autobus Co., Ltd.

Activities: Retail, wholesale and residual value guarantee of automobiles

## Financial Agency Co., Ltd.

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

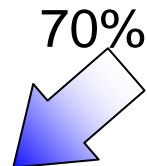
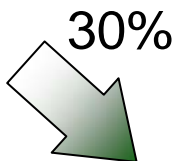
## IRRC Corporation

Operates **97 Insurance Clinic Shops** (consulting and sales) nationwide (as of June 2008) and developed an insurance agency business

# Established "SBI AutoSupport Co., Ltd." in July to Provide Financial Services to Auto Buyers at Pre-owned Auto Shops



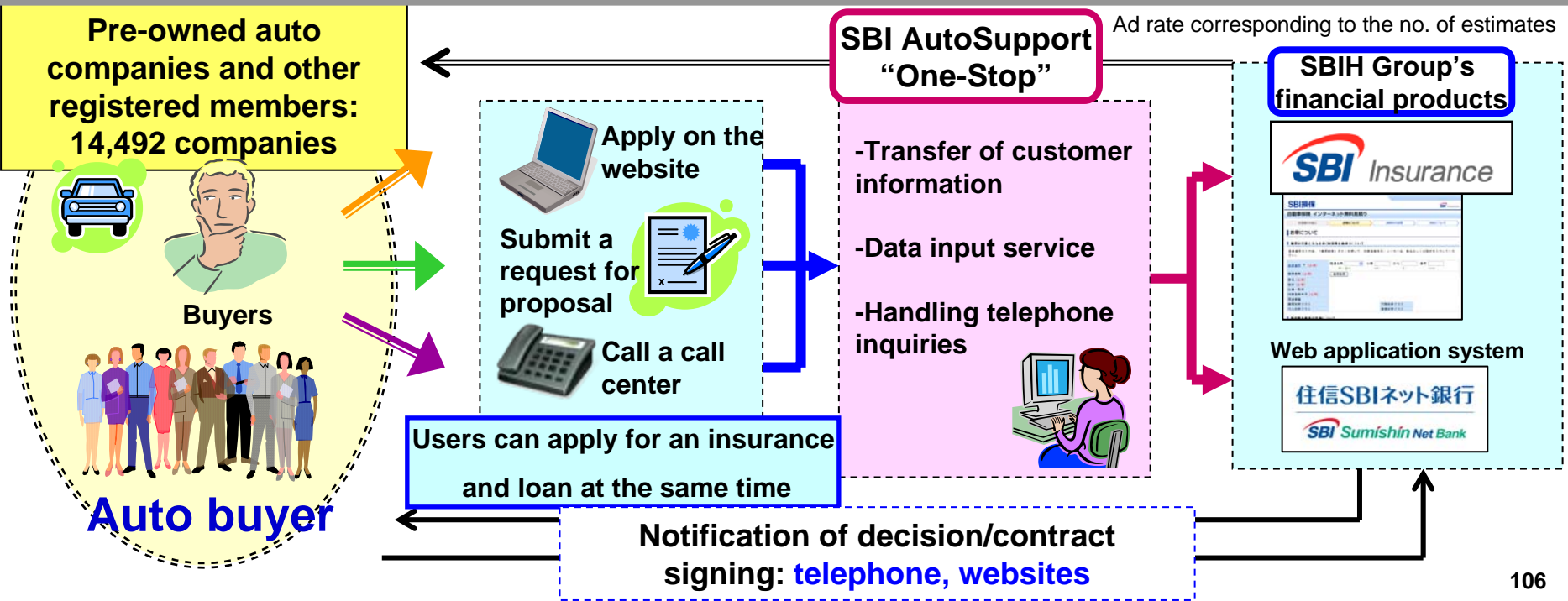
- Runs 3 auction sites
- Registered companies: more than 14,000
- Annual number of cars listed: approx. 740,000



Auto-related financial services

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

**SBI AutoSupport**



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