



SBIH Group Financial Results

for the Nine-month Period Ended Dec. 31, 2008

(Fiscal Year Ending March 31, 2009)

January 29, 2009

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

FY2008/3Q (Apr-Dec) Consolidated Performance



(Unit: million yen)

	FY2007/3Q(9M) (Apr.-Dec. 2007)	FY2008/3Q(9M) (Apr.-Dec. 2008)	YoY Change (%)
Operating Revenues	170,113	101,172	-40.5
Operating Income	32,892	5,147	-84.4
Ordinary Income	28,000	1,730	-93.8
Income Before Income Taxes	30,614	-10,084	—
Net Income	10,523	-11,847	—

Highlights of Consolidated Financial Performance

(1) All major business units* recorded Operating Income in the first three quarters despite challenging market conditions

- Number of IPOs in Japan: Down from 78 during FY07 1Q-3Q to 28 during FY08 1Q-3Q
- Nikkei Average: Down 29.3% from 12,525.54 yen at end of March 2008 to 8,859.56 yen at end of December 2008
- Retail brokerage trading value: Down 30.4% from FY07 1Q-3Q to FY08 1Q-3Q

*Asset Management, Brokerage and Investment Banking, Financial Services, and Housing and Real Estate

(2) Net loss for 3Q (Oct-Dec) was due primarily to 9.8 billion yen securities valuation losses:

- Total of 8.3 billion yen of securities valuation losses, including 2.3 billion yen in operating expenses (1.4 billion yen for VSN, etc.) and 5.9 billion yen in extraordinary losses (5.5 billion yen for Sumitomo Trust & Banking, etc.)
- Also recorded extraordinary loss of 1.5 billion yen for valuation loss on real estate used as collateral (allowance for doubtful accounts) for 11.3 billion yen loan to ZEPHYR
- The above losses are valuation charges that did not involve a cash outflow

(3) The SBIH Group maintains a sound financial position

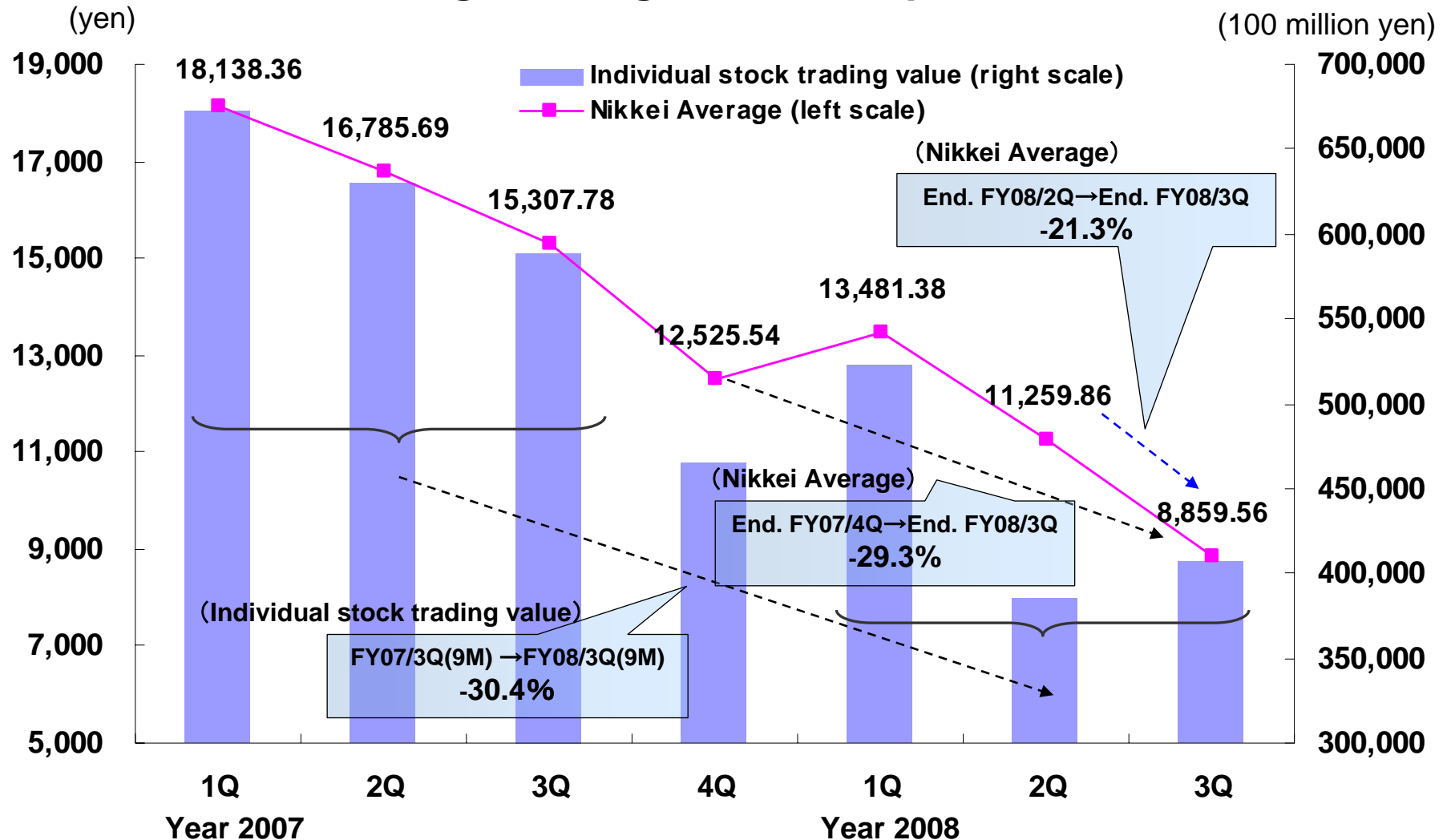
- Cash and cash equivalents (on consolidated cash flow statement) increased from 129.5 billion yen at the end of December 2007 to 185.4 billion yen at the end of December 2008

(4) Expect some new businesses to quickly become profitable

- SBI Liquidity Market, which started operations on Nov. 17, 2008, expects to contribute about 2.8 to 3.3 billion yen (before SG&A expenses) to consolidated earnings in FY08
- SBI Sumishin Net Bank, which had deposits of 550 billion yen at the end of December 2008, expects to become profitable in FY09

Adverse Effect of the Financial Meltdown on the Consolidated Performance

Change in end-of-period Nikkei Average and individual stock brokerage trading value on a quarter basis



Quarterly Operating Income by Segments

(Unit: million yen)

	FY2008			
	1Q (Apr.-Jun. 2008)	2Q (Jul.-Sept. 2008)	3Q (Oct.-Dec. 2008)	From 1Q to 3Q (Apr.-Dec. 2008)
Asset Management	331	2,193	*1 -517	2,007
Brokerage and Investment Banking	3,389	*2 1,265	*2 233	4,888
Financial Services	372	382	358	1,114
Housing and Real Estate	850	498	103	1,453
System Solution	-104	-137	98	-143

*1 Recorded 2.3 bil yen of valuation losses on portfolio securities (1.4 bil yen for VSN, etc.)

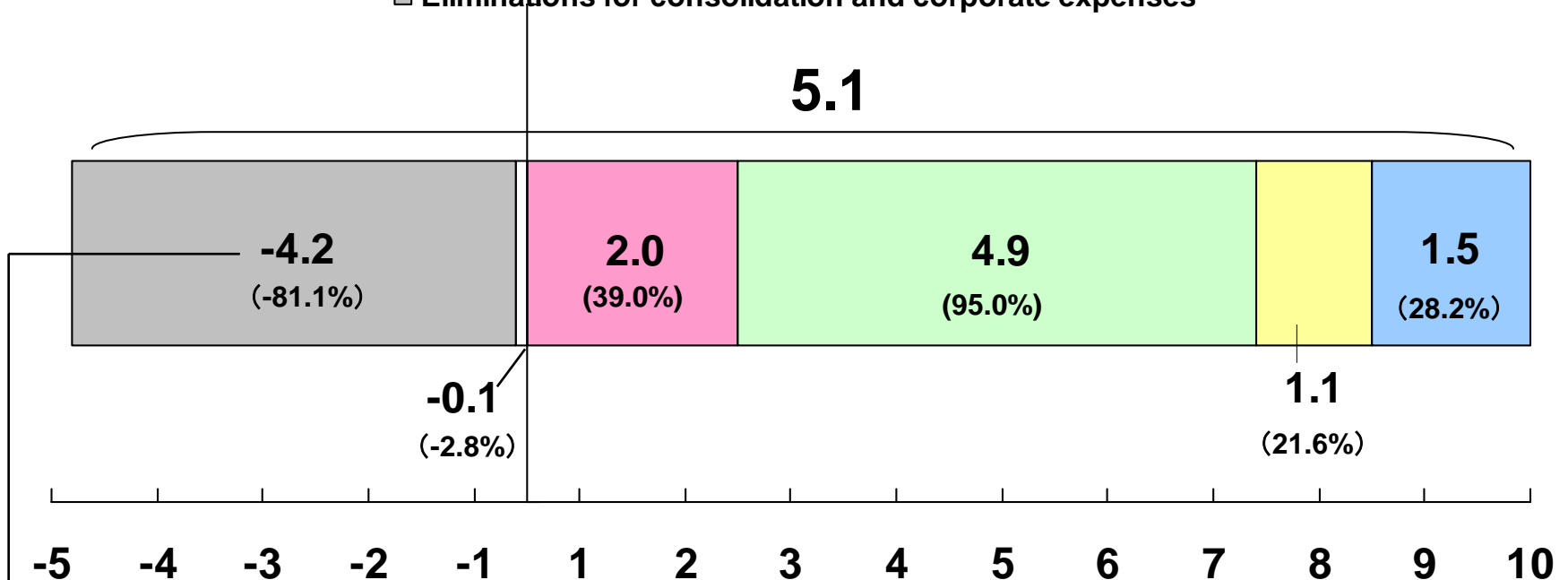
*2 Includes amortization of goodwill corresponding to making SBI SECURITIES a wholly owned subsidiary
(2Q: 698 mil. yen 3Q:1,047mil. yen)

Comparison of Operating Income by Segment

**FY2008 / 3Q(9M)
Operating Income**

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

(Unit: billion yen)



*Amounts are rounded to the nearest 100 million yen.

Eliminations for Consolidation: 0.9 billion yen

Corporate Expenses: 3.3 billion yen

(1,080 mil. yen of personnel cost, 360 mil. yen of rent account, commission paid, and others)

Securities Valuation Losses in Third Quarter (Oct-Dec)



Valuation losses in operating expenses and extraordinary losses: 8,301 mil yen

(Unit: million yen)

Valuation losses on portfolio securities • • **Recorded as operating expenses**

VSN	1,452	SBI Capital holds 24.89% of VSN stock through its SBI Value Up Fund No. 1 (Marked down because market price at end of Dec '08 was less than 954 yen, half the book value per share of 1,907 yen. Closing price on Jan 27 '09 was 1,000 yen.)
Others	887	359 mil yen for Fleg International (declared bankruptcy), 155 mil yen due to insolvency of Singapore-listed company in New Horizon Fund, and others
Total	2,339	

Valuation losses on investment securities • • • **Recorded as extraordinary losses**

Sumitomo Trust & Banking	5,539	SBIH Group has cross-shareholdings with Sumitomo Trust & Banking, which operates SBI Sumishin Net Bank with the SBIH Group
Others	422	358 mil yen (for stock purchased to acquire intellectual property) for ODC Therapy, an alliance partner of SBI Biotech
Total	5,962	

Loss on real estate collateral for 11.3 billion yen loan to ZEPHYR (allowance for doubtful accounts, extraordinary losses): 1,579 million yen

Bonds to be Redeemed (SBI SECURITIES)

Bonds of SBI SECURITIES to be redeemed during this fiscal year

	Amount (100 mil. yen)	Redemption period
Unsecured Straight Bond	500.0	Mar. 2009

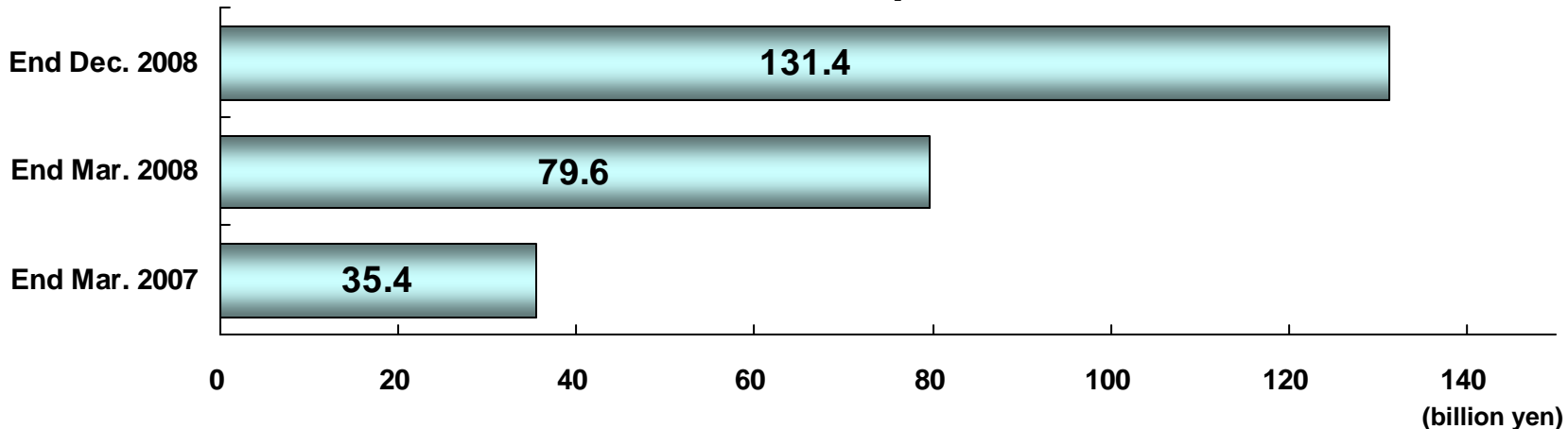


SBI SECURITIES
 (non-consolidated, as of the end of Dec. 2008)

Cash and deposits*: 131.4 billion yen

Cash and deposits*
 of SBI Holdings
 (consolidated)
 : 185.2 billion yen

SBI SECURITIES' cash and deposits (non-consolidated)

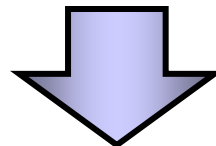


* Cash and cash equivalents on Balance Sheet

Bonds to be Redeemed (SBI Holdings)

Bonds of SBIH to be redeemed during next fiscal year (FY2009)

	Amount (100 mil. yen)	Redemption period
Yen-denominated CB (maturing in 2009)	127.7 [*]	Apr. 2009
Unsecured Straight Bond	300.0	Sept. 2009
Total	427.7	

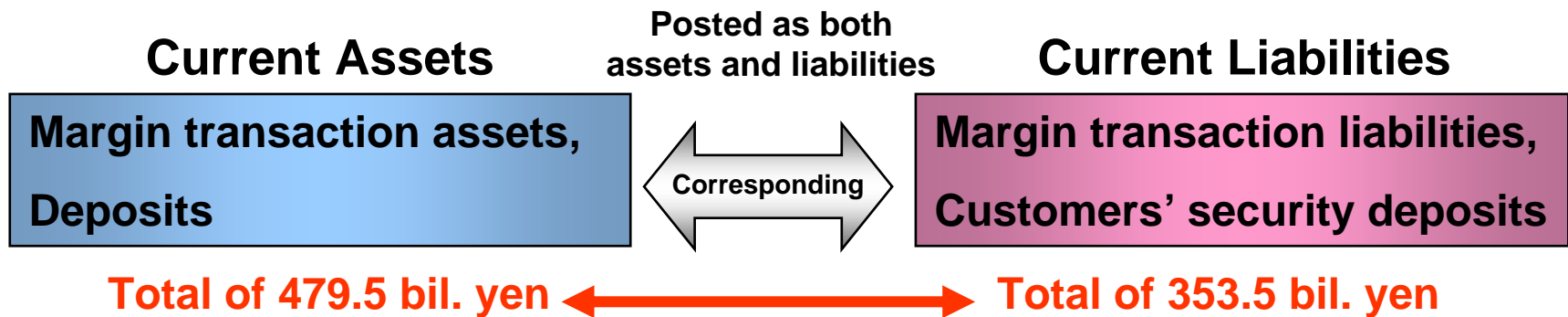


* Amount of bonds yet to be converted as of the end of Dec. 2008

Preparing to set Euro Medium Term Note (Euro MTN) Program to diversify financing method and to meet upcoming capital demand including the bond redemption above.

Characteristics of SBIH's Consolidated Balance Sheet (1)

The consolidated balance sheet is larger than normal in relation to the group's scale of operations because it includes deposits and other assets in customer accounts at subsidiary SBI SECURITIES.



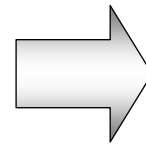
The difference is mainly margin transaction loans using SBI SECURITIES' own funds; normally, these margin transactions can be financed by margin loans of securities finance companies, etc.

Current assets (cash) increases even more if loans from securities finance companies are used for the margin transaction loans for all customers.

Characteristics of SBIH's Consolidated Balance Sheet (2)

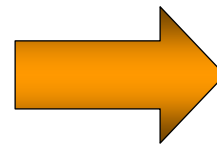
(Unit: billion yen)

- Eliminated all asset and liability items associated solely with the securities company
- Assumed that securities finance companies are used for all customer margin transaction loans, and then added the difference between these assets and liabilities to current assets



Same result as deducting an amount equal to all liability accounts from current assets and current liabilities

Assets 1,197.8	Liabilities, etc. 771.9
	Net Assets 425.9



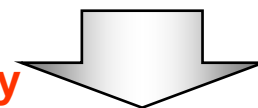
Assets 844.3	Liabilities, etc. 418.4
	Net Assets 425.9

Analysis of SBIH's Financial Statements

Consolidated financial indicators of SBI Holdings (%)

	Mar. 2008	Sept. 2008	Dec. 2008
Current Ratio	144.4	135.9	135.8
Interest-bearing Debt Ratio	101.0	70.1	64.9
Equity Ratio	19.8	30.0	30.0

Effective figures after adjusting for asset and liability accounts solely for the securities company



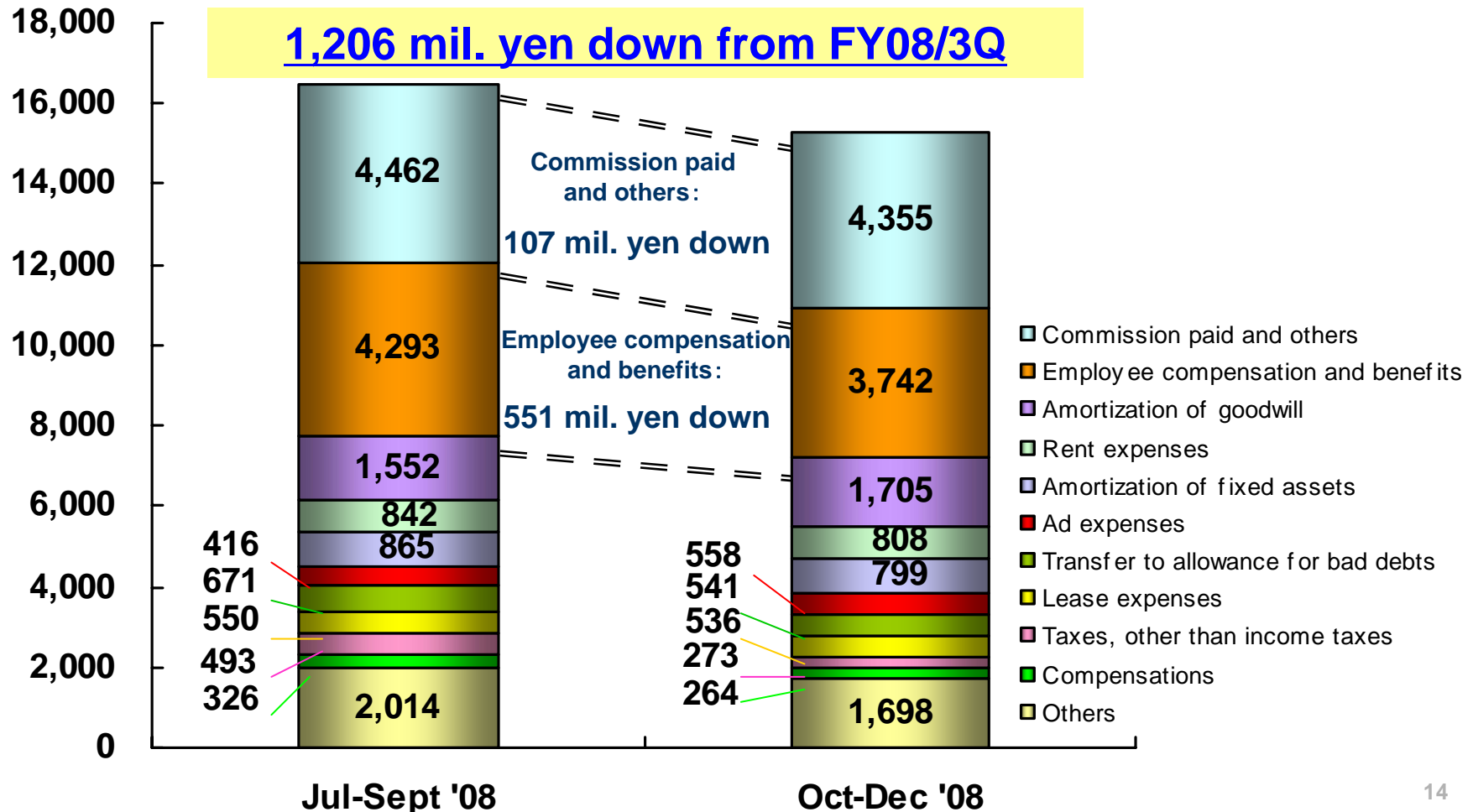
	Mar. 2008	Sept. 2008	Dec. 2008
Current Ratio	201.3	173.3	170.3
Interest-bearing Debt Ratio	101.0	70.1	64.9
Equity Ratio	30.0	43.3	42.6

Cost Cut Approach

From October 2008, each Group company assigned an officer to be responsible for cutting costs, in order to strengthen the cost cutting movement of the entire Group.

Selling, General and Administrative Expenses on a quarterly basis (consolidated)

(mil. yen) 2Q(Jul-Sept): 16,489 mil. yen ...➔ 3Q(Oct-Dec) 15,283 mil. yen



2. Summary of Major Business Segments

(1) Asset Management Business

Fiscal 2008 / 3Q (Apr-Dec)

(Nine month period ended December 31, 2008)

Operating Revenues: 12.6 billion yen (-73% YoY)

Operating Income: 2.0 billion yen (-81% YoY)

Major consolidated subsidiaries and affiliated companies

- **SBI Investment**
- **SBI CAPITAL**
- **SBI Capital Solutions**
- **SBI Asset Management**

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 Asset Management Business

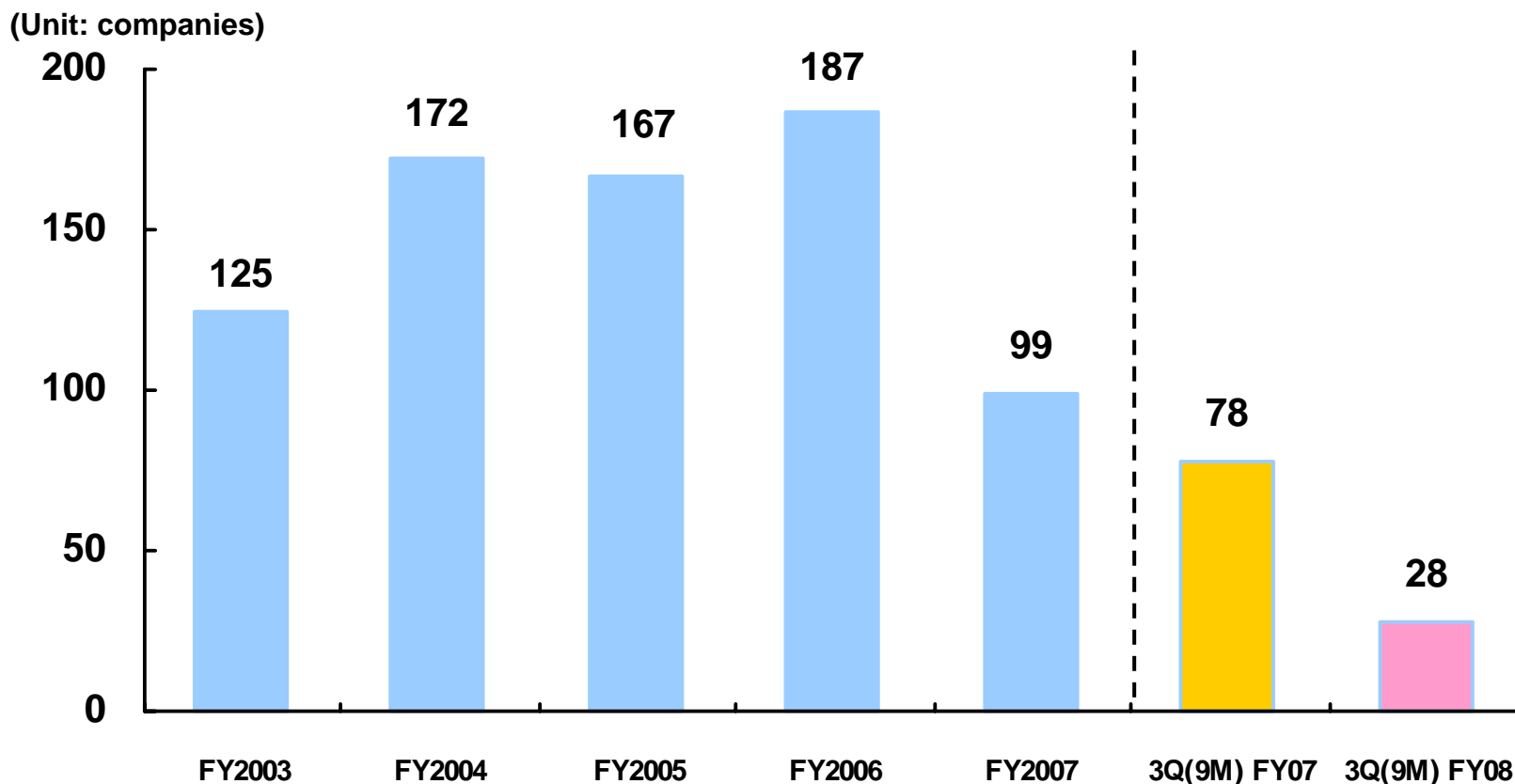


- I. **Falling stock prices and a steep drop in the number of IPOs created an extremely difficult operating climate. However, the Asset Management Business performed much better than competitors, remaining profitable at the operating level in the first three quarters, including a 3.3 billion yen Operating Income contribution from the New Horizon Fund, which is now realizing gains on past investments.**
- II. **Asset Management Business had an operating loss in FY2008/3Q (Oct-Dec). However, after excluding the valuation losses on VSN stock held by SBI Value Up Fund No.1 and other portfolio securities, third quarter Operating Income was about 1.8 billion yen.**
- III. **New investments continued at a consistent pace, totaling 72.1 billion yen in the first three quarters. Investments by the SBIH Group continue to be much larger as compared to its competitors.**
- IV. **Expect the New Horizon Fund to continue contributing to earnings.**

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 the first nine months of FY2008, only 28 companies completed IPOs, which was even fewer than in 3Q (9M) of FY 2007.



Comparison with the Major VC Companies

FY08/3Q (9M) performance comparison of the SBIH Asset Management Business and major venture capital companies

(Unit: billion yen, %)

	Operating Revenues	YoY Change	Operating Income	YoY Change
SBIH Group's Asset Management Business	12.6	-73.0	2.0	-80.5
JAFCO (*without consolidating funds)	18.0	-35.5	-1.0	- *2
Daiwa SMBC Capital	9.4	-33.4	-8.9	- *3
JAIC	7.8	-36.2	-16.0	- *4

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

*1 JAFCO adopts method of excluding the consolidation of funds, whereas the performances of other 3 companies include the consolidation of funds.

*2 Operating Income of FY07/3Q(9M) posted 7.1 billion yen.

*3 Operating Income of FY07/3Q(9M) posted -6.0 billion yen.

*4 Operating Income of FY07/3Q(9M) posted 2.5 billion yen.

*5 Amounts are rounded to nearest 100 million yen.

IPOs and M&A Deals

	From start of operations to FY2006	FY2007	FY2008 Forecast
IPOs and M&A deals	99	12	2

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 choosing to wait to apply for an IPO owing to poor market conditions.

Note: The estimated number of IPOs represents companies in the highest of five categories used to evaluate portfolio companies by SBI Investment's Investment Committee, which meets weekly. The IPO estimate represents the outlook of SBI Investment 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.

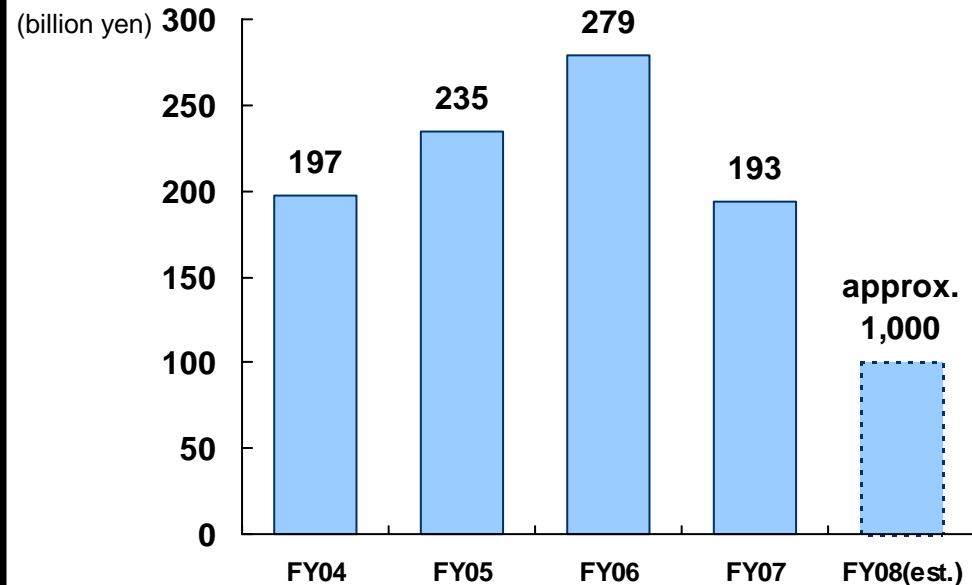
Owing to the Downturn in the IPO Market, VC Companies Remain Cautious

Among Japan's 90 VC companies, new investment amount is expected to decrease by 48%

~Among Japan's major 90 VC companies, the total new investment amount for FY08 is expected to reach 100 billion yen, which is a 48% decrease from a year earlier, and is one third of the total new investment amount for FY06, which was a peak year. ~

Newspaper article

Change in annual investment amount of VC companies



(Nikkei Shimbun on Jan. 28, 2009)

Source: VEC (Investment amount is excerpted from each year's examination.)

*Investment amount includes some loans.

New Investments During FY2008/3Q (Apr-Dec)

Unit: million yen
(Number of Invested companies)

	New Investment Amount			
	3Q FY2008 (Oct. - Dec.)	3Q(9M) FY2008 (Apr. - Dec.)	(Reference) 3Q(9M) FY2007	(Reference) FY2007 (full year)
[Funds' Investment]	19,253 (39 companies)	59,307 (81 companies)	66,672 (132 companies)	96,596 (175 companies)
Breakdown: Stocks	5,550 (17 companies)	17,053 (41 companies)	29,351 (77 companies)	40,444 (104 companies)
Others (incl. bonds)	13,702 (22 companies)	42,254 (40 companies)	37,321 (55 companies)	56,151 (71 companies)
[Direct Investment]	2,138 (4 companies)	12,801 (13 companies)	3,556 (29 companies)	4,444 (33 companies)
Breakdown: Stocks	641 (3 companies)	11,224 (11 companies)	3,556 (29 companies)	4,444 (33 companies)
Others (incl. bonds)	1,497 (1 companies)	1,577 (2 companies)	—	—
[TOTAL]	21,392 (43 companies)	72,109 (94 companies)	70,228 (161 companies)	101,041 (208 companies)
[Comparison: JAFCO]	5,110 (18 companies)	28,137 (82 companies)	34,635 (141 companies)	39,094 (168 companies)

*Where there are first and second quarter investments in the same company, the investment is counted as a single company to eliminate duplications.

Performance of New Horizon Fund



Six of the 10 companies in the New Horizon Fund portfolio are now publicly traded companies since its launch in May 2005. **3.3 billion yen** of Operating Income was recorded through the sales of a portion of its portfolio in FY08/3Q(9M) (accumulated total of **6.4 billion yen** from the beginning through Dec '08). Expect to receive 2.6 billion yen, as a part of FY08/4Q estimated dividend(*1) in February 2009.

Portfolio companies	Invest-ment	Category	IPO / M&A (planned)	Capital gain			(Unit: US\$ million)
				End Mar.07	End Sept. 08	As of Jan.27	
Sichuan Meifeng Chemical Industry	14.8	A-Class share		63.7	16.3	27.1	IPO'd (market value)
Changsha Zoomlion Heavy Industry Science & Technology Development	7.7	A-Class share		144.6	87.8	60.5	
China Printing & Dyeing Holding	-	IPO		0.2	-1.9	*2 -	
Yingli Green Energy Holding	-	IPO		4.5	-	-	
Kingsoft	9.3	IPO		2.3	-0.5	2.0	
Goldwind Science and Technology	2.2	IPO		124.9	50.5	42.5	
China Stem Cells Holdings	4.1	Pre-IPO	2009	17.6	17.6	17.6	Pre-IPO/M&A (estimated value)
Jiangsu Ealong Biotech	2.5	Pre-M&A	2010	5.6	5.6	5.6	
Shineway Group	20.4	Pre-IPO	2010	15.0	15.0	15.0	
Cathay Industrial Biotech	12.0	Pre-IPO	2011	79.1	79.1	79.1	
Total	73.0			457.5	269.3	249.4	

bil. yen (approx.): (45.8) (27.9) (22.3)

[Received Dividend] → **[Estimated Dividend after 4Q FY2008]** (as of Jan. 27, 2009) (Unit: billion yen)

Foundation – FY2007	FY2008/1-3Q	FY2008/4Q	FY2009	FY2010	FY2011	Total Estimated Dividend after FY08/4Q
0.9	3.8	4.8	4.4	2.7	3.7	15.6

Note 1: Receipt of dividends depends on the timing of sales, but is expected to fully start in 2009 when lock-up period expires

Note 2: The estimated dividend are not confirmed as they are based on estimated stock values of pre-IPO or M&A companies

*1 Sales of stocks after deduction of sales ancillary expenses

*2 The SGX announced of the trading suspension of China Printing & Dyeing Holding stock

Assets under Management of the SBIH Group

AUM of the SBIH Group amounted to 499.1 billion yen as of the end of Dec. 2008 (incl. "Real estate and others")

Private equity total: 244.4 bil. yen

[IT/Biotechnology] Total: 120.9

Internet 6.7

Broadband/Media 58.2

Mobile services 27.7

Biotech/Others 28.3

[Direct investment] 26.3

[Environment/Energy] 6.8

[Buyout/Mezzanine] Total: 35.3

Value Up 19.2

Mezzanine 16.1

[Overseas] Total: 55.1

China/ Hong Kong/ Others* 35.8

Vietnam* 10.2

India* 9.1

[Investment trusts,others]

Total: 198.7 bil. yen

Investment trusts 33.9

Investment advisory 162.5

Investment companies 2.4

[Real estate, others]

Total: 56.0 bil. yen

Development 23.7

Completed properties 32.3

Note: Figures for real estate reflect the total amount of investments. Figures for investment trusts, investment advisory and others reflect net assets at market value as of the end of Dec. 2008. Figures for other funds are net assets at market value based on the latest financial reports of each fund as of the end of Dec. 2008. All figures are rounded to the nearest 100 million yen.

*Based on the investment commitment amount since the fiscal year is not yet closed

(2) Brokerage & Investment Banking Business

Fiscal 2008 / 3Q (Apr-Dec)

(Nine month period ended December 31, 2008)

Operating Revenues: 37.9 billion yen (-29% YoY)

Operating Income: 4.9 billion yen (-71% YoY)

Major consolidated subsidiaries
and affiliated companies

- **SBI SECURITIES**
- **SBI Futures**
- **SBI Japannext**
(equity method affiliate)
- **SBI Liquidity Market**

Loss of 1.7 billion yen for amortization of goodwill
corresponding to SBI SECURITIES becoming a
wholly owned subsidiary.

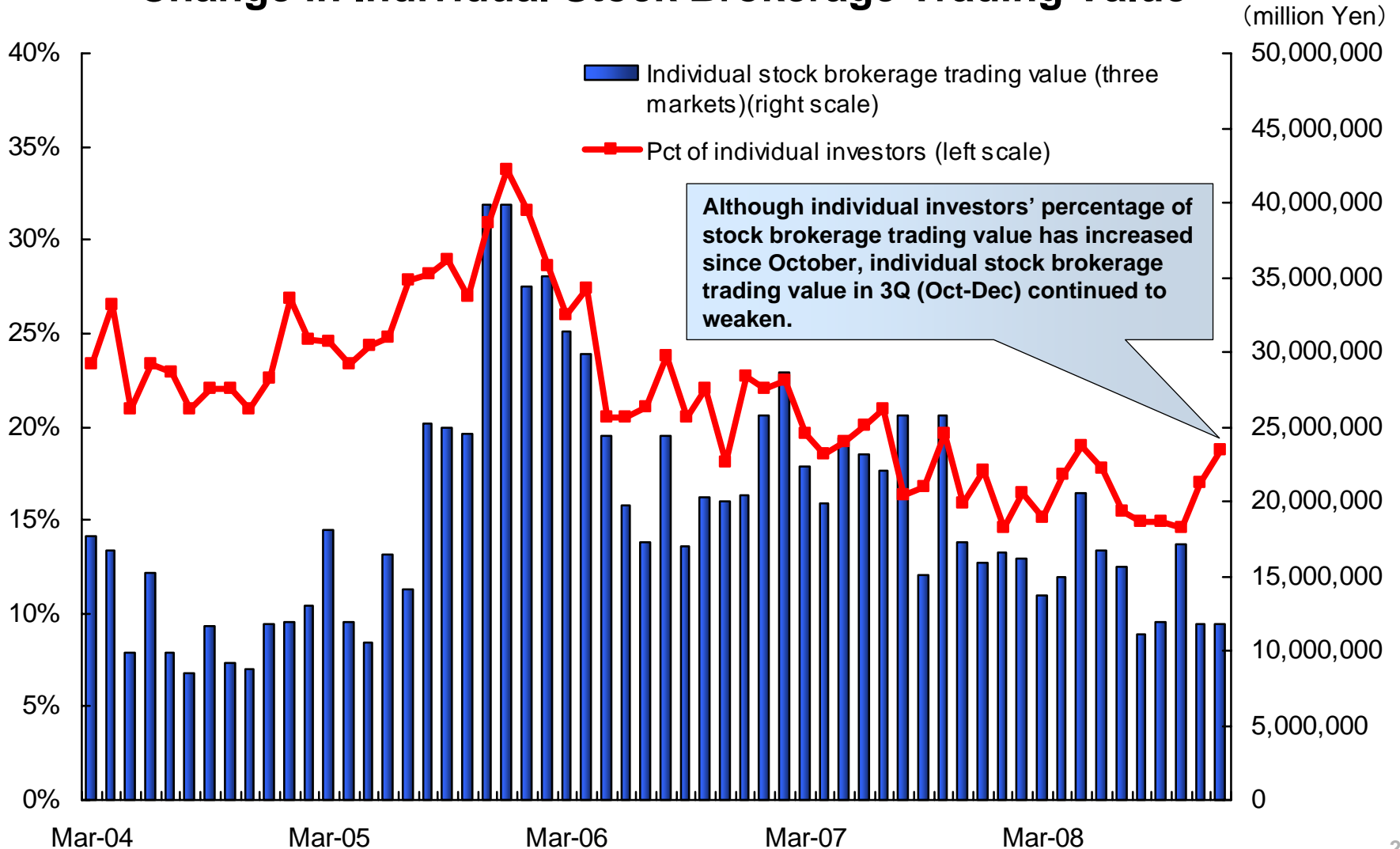
Operating Income without the amortization:
6.6 billion yen (down 60% YoY)

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.

Continuously Slumping Individual Stock Brokerage Trading Value

Change in Individual Stock Brokerage Trading Value



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

The downturn in the securities markets, such as the 30% decrease in retail trading value in Japan, resulted in the reduction of commission fees. Operating Revenues decreased by 25% YoY to 37.2 billion yen, and Operating Income decreased by 57% to 8.0 billion yen. Extraordinary losses of approx. 370 million yen (expense for corporate name change) and approx. 460 million yen (expense for system integration) were recorded in 3Q FY2008 (Oct. to Dec. 2008)

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

- Total number of customer accounts as of the end of Dec. 2008 : 1.81 million accounts
- The number of accounts increased by 81,435 in 3Q FY2008 (Oct. to Dec. 2008), which was a substantial increase since 1Q FY2006 (Apr. to Jun. 2006)

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

- Retail trading value share was at 38.0% which was a YoY increase of 2.9%, and retail margin trading value share was at 44.0% which was a YoY increase of 4.4% for 3Q(9M) FY08; both shares are higher than a year earlier.

(3) Continuing to diversify the profit structure to stabilize earnings

- Foreign exchange margin trading value achieved a substantial increase upon the offering of foreign margin trading services without a regular fee, with significantly narrowed spreads (started in Jul. 1, 2008), and provided “SBI FX α ” using SBI Liquidity Market (started in Nov. 17, 2008). Monthly trading value in December 2008 was 4,667.8 billion yen, which is 11 times greater than that recorded in June 2008.
- SBI Liquidity Market's contributions to earnings of SBI SECURITIES totaled 340 million yen in 3Q(Oct.-Dec.) FY2008 with an expected 1.8 – 2.1 billion yen in FY2008

SBI Japannext, a PTS operating company, started daytime trading

SBI SECURITIES

FY2008/3Q(Apr-Dec) Consolidated Performance



	3Q(9M) FY2007 (Apr. to Dec. 2007)	3Q(9M) FY2008 (Apr. to Dec. 2008)	YoY Change (million yen, %)
Operating Revenues	49,784	37,226	-25.2
Net Operating Revenues	44,924	33,156	-26.2
Operating Income	18,624	8,017	-57.0
Ordinary Income	18,460	8,008	-56.6
Net Income	11,537	9,337	-19.1

【Reference】

FY2008/3Q (Apr-Dec) performance of the major online securities companies*

	Operating Revenues	Operating Income	Net Income
Rakuten	18,134	3,470	-4,197
kabu.com	13,240	5,028	3,115

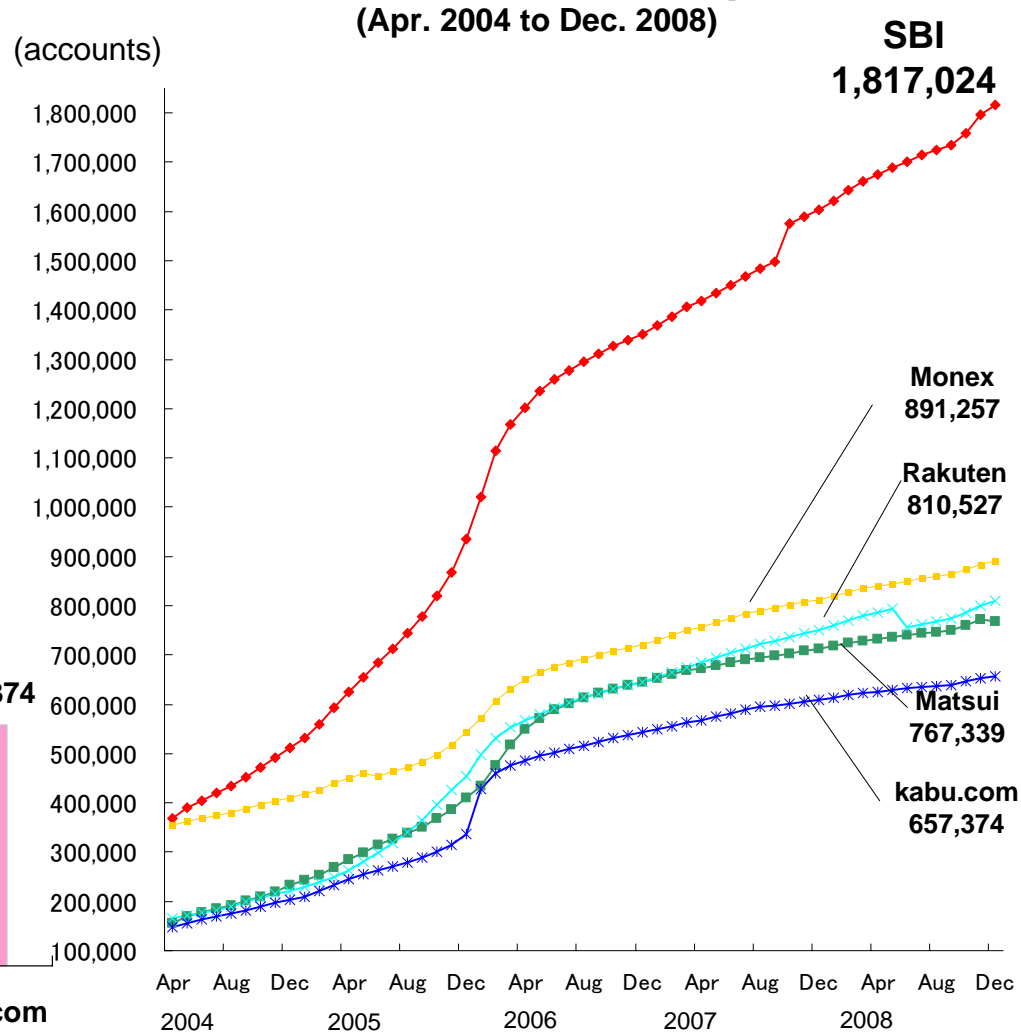
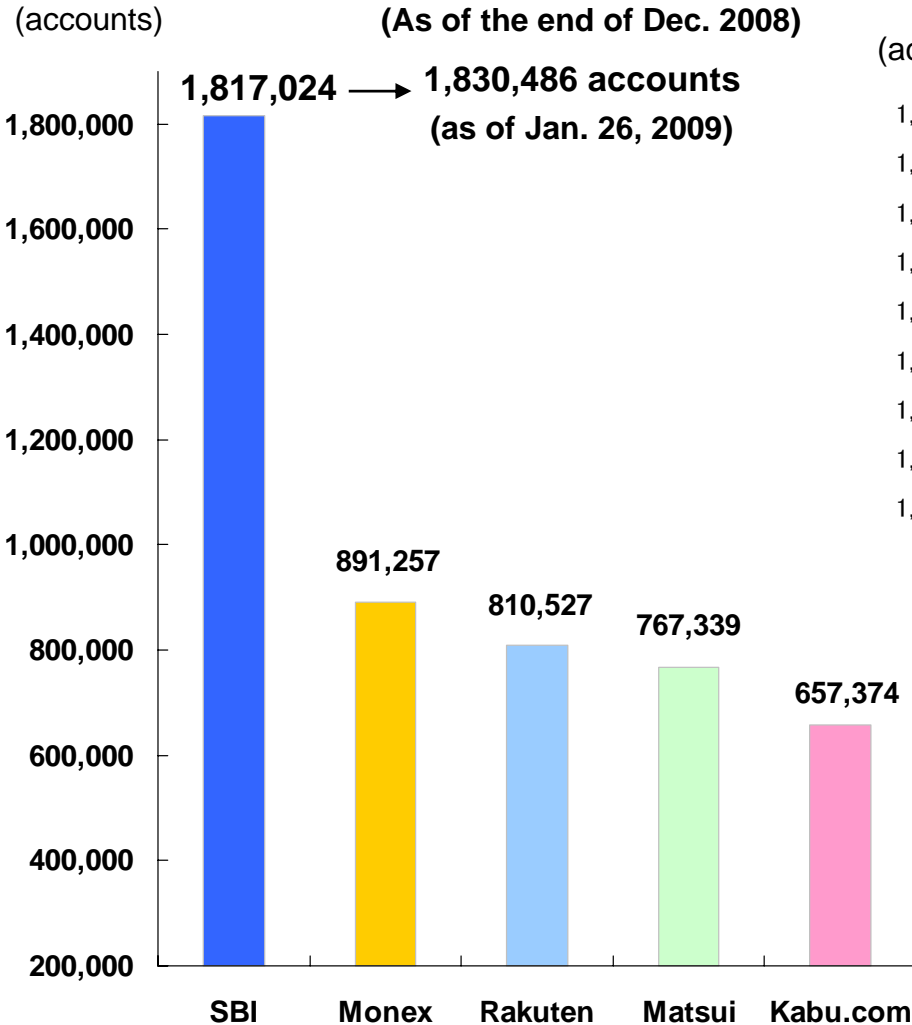
*Online securities companies that disclosed FY08/3Q financial results as of Jan. 28.

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

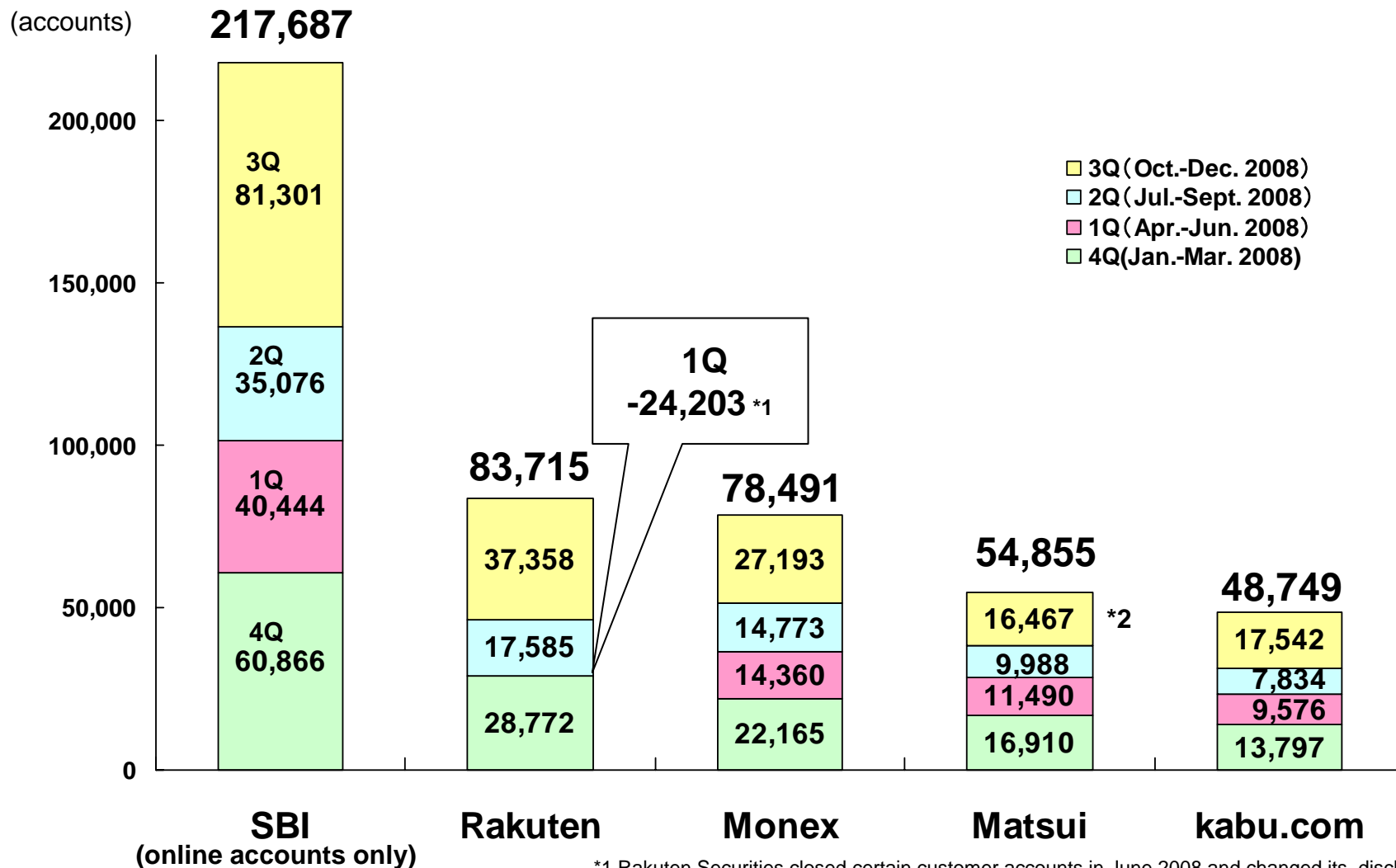


Note: 1. Monex includes the total of Monex Securities and Nikko Beans.
 2. Kabu.com Securities merged with MeNet Securities on January 1, 2006.
 3. SBI SECURITIES merged with SBI Securities on October 1, 2007.

4. Rakuten Securities closed certain non-active customer accounts in June 2008
 5. Matsui Securities closed certain non-active customer accounts in December 2008
 Sources: Competitor figures based on available public information from sources such as various company home pages.

New Accounts at Major Online Securities Companies

New accounts from January to December 2008



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

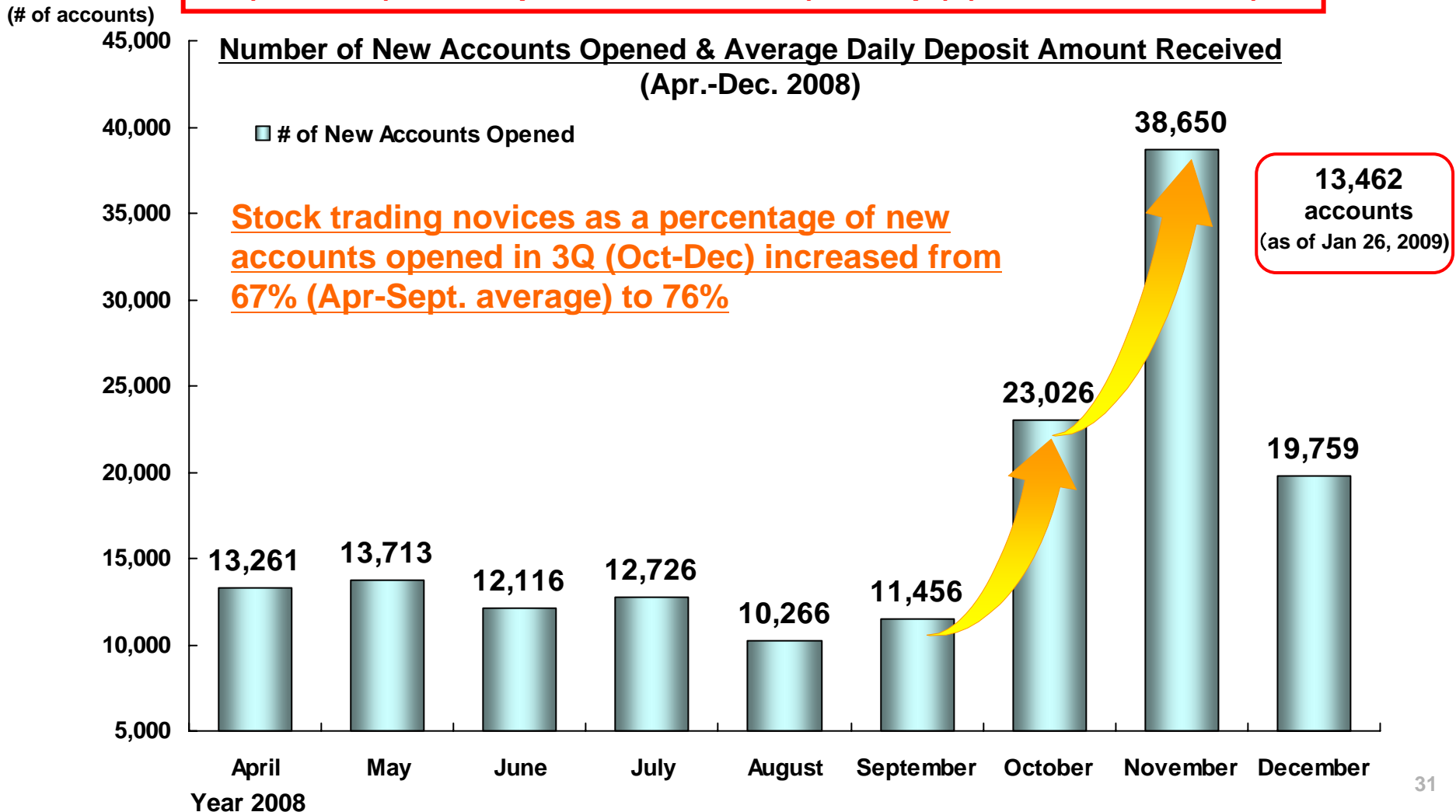
*1 Rakuten Securities closed certain customer accounts in June 2008 and changed its disclosure standard to an account opening basis

*2 Matsui Securities closed certain customer accounts (11,140 accounts) in December 2008

Rapid Expansion of Customer Base at SBI SECURITIES

The number of new accounts and deposits increased rapidly in October and November. The market downturn is considered an opportunity as the new account openings of stock trading novices also increased, leading to an expansion of the customer base

SBI SECURITIES' brokerage commissions increased 8.3% in FY08/3Q (Oct-Dec) as compared to FY08/2Q (Jul-Sept) (non-consolidated)

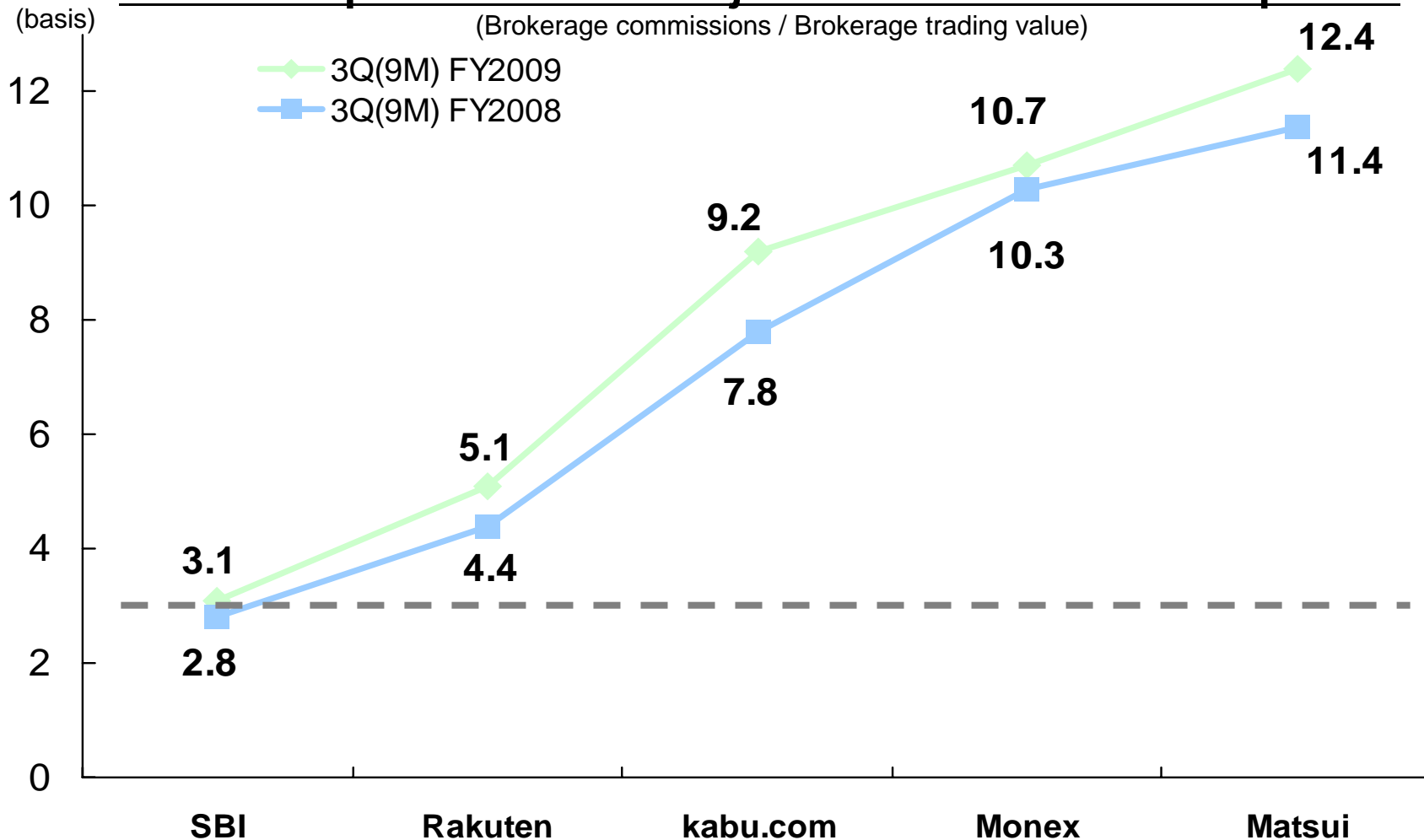


Basis Comparison of Major Online Securities Companies



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

Basis comparison of five major online securities companies

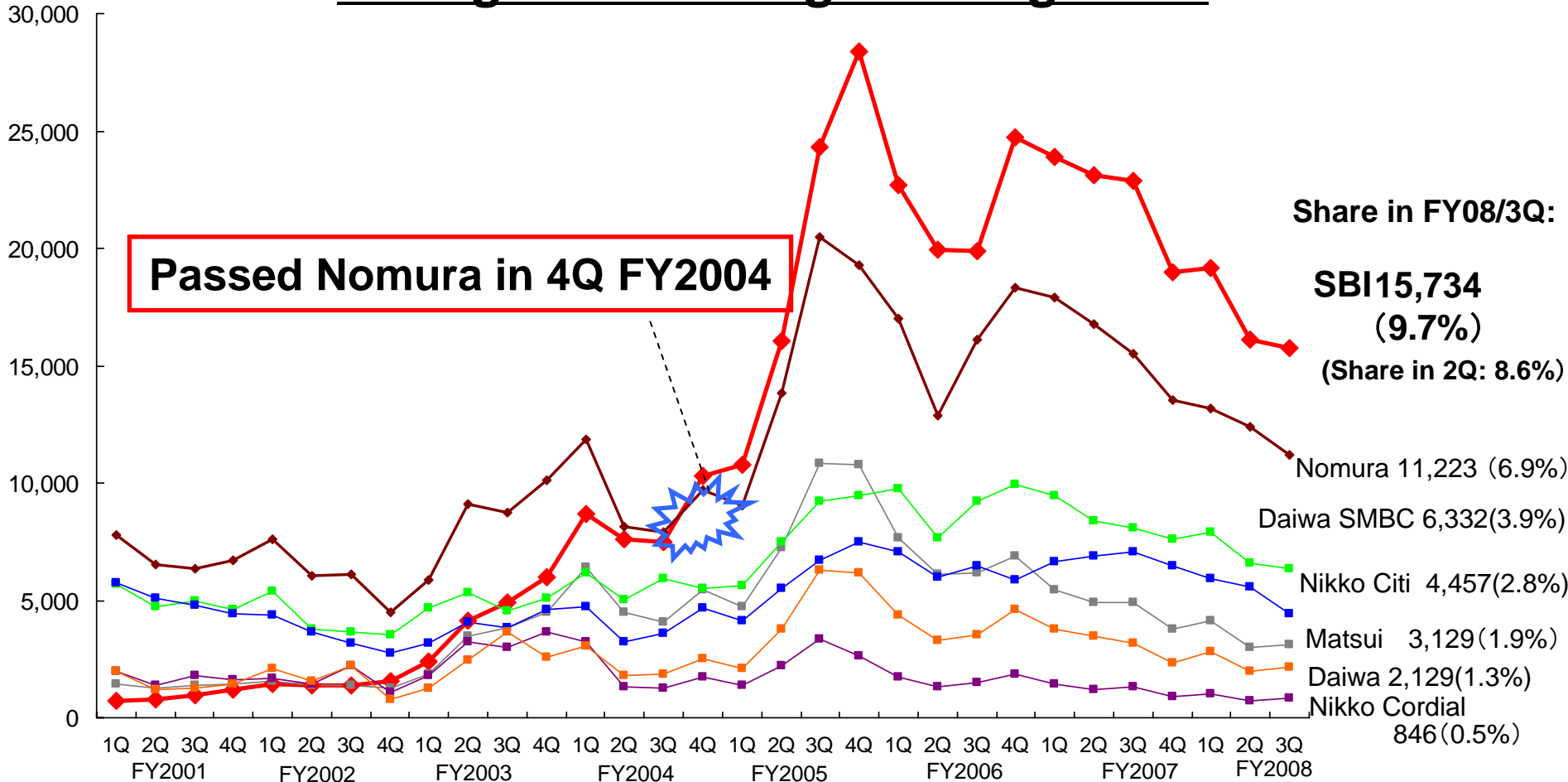


Source: Based on company materials and monthly announcements.
Brokerage commissions use non-consolidated data.
SBI SECURITIES includes only trades through Internet

Comparison of Stock Brokerage Trading Value with Big Three Securities Companies

Change in brokerage trading value

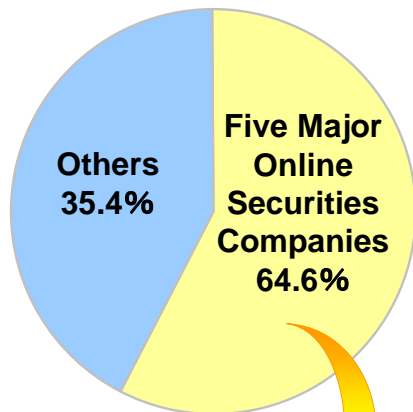
(billion yen)



Major Online Securities Companies Share of Individual Brokerage Trading Value

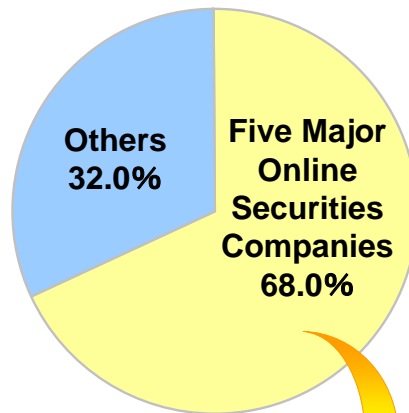
Change in share of individual brokerage trading value

3Q(9M) FY2006
(Apr. to Dec. 2006)



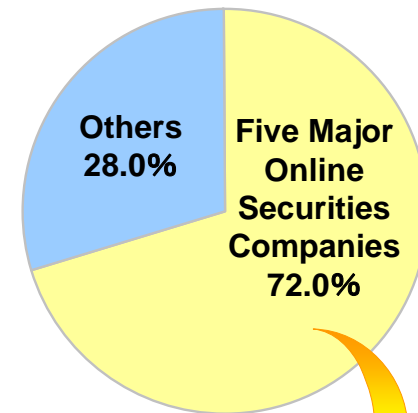
SBI	29.2%
Rakuten	13.6
Matsui	9.5
Monex	6.4
Kabu.com	6.0

3Q(9M) FY2007
(Apr. to Dec. 2007)



SBI	35.1%
Rakuten	13.3
Matsui	7.8
Monex	6.1
Kabu.com	5.8

3Q(9M) FY2008
(Apr. to Dec. 2008)



SBI	38.0%
Rakuten	14.2
Matsui	7.6
Monex	6.4
Kabu.com	5.7

Dec 2008
(single month)
40.3%

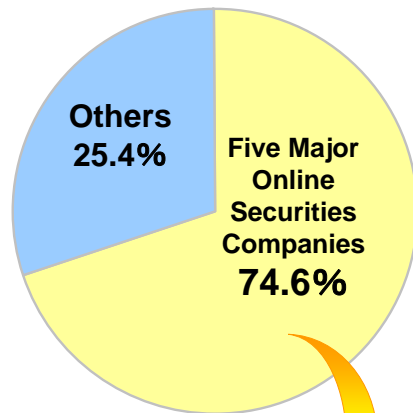
Source: Based on TSE, JASDAQ and company materials
* Individual brokerage trading value is the sum of trades on the three major exchanges and JASDAQ.

Figures of SBI SECURITIES only includes trades through Internet

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

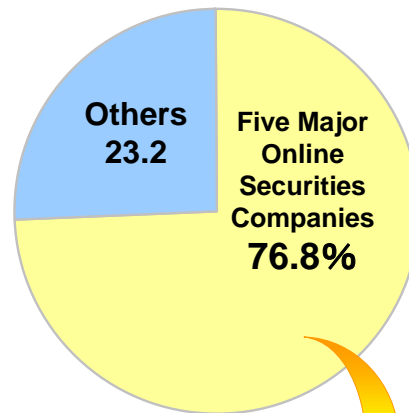
Change in share of retail margin trading value

3Q(9M) FY2006
(Apr. to Dec. 2006)



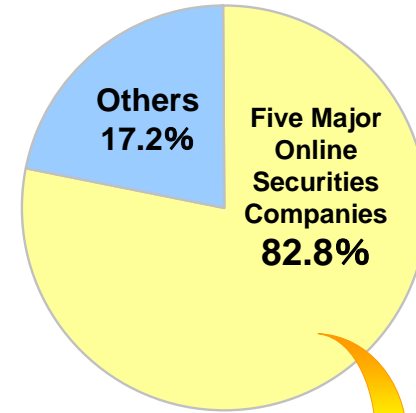
SBI	34.4%
Rakuten	14.8
Matsui	12.1
kabu.com	7.2
Monex	6.1

3Q(9M) FY2007
(Apr. to Dec. 2007)



SBI	39.6%
Rakuten	15.4
Matsui	9.1
kabu.com	6.6
Monex	6.1

3Q(9M) FY2008
(Apr. to Dec. 2008)



SBI	44.0%
Rakuten	17.0
Matsui	8.5
kabu.com	6.7
Monex	6.6

Dec 2008
(single month)
46.8%

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

Figures of SBI SECURITIES only includes trades through Internet

【SBI Japannext Co., Ltd.】

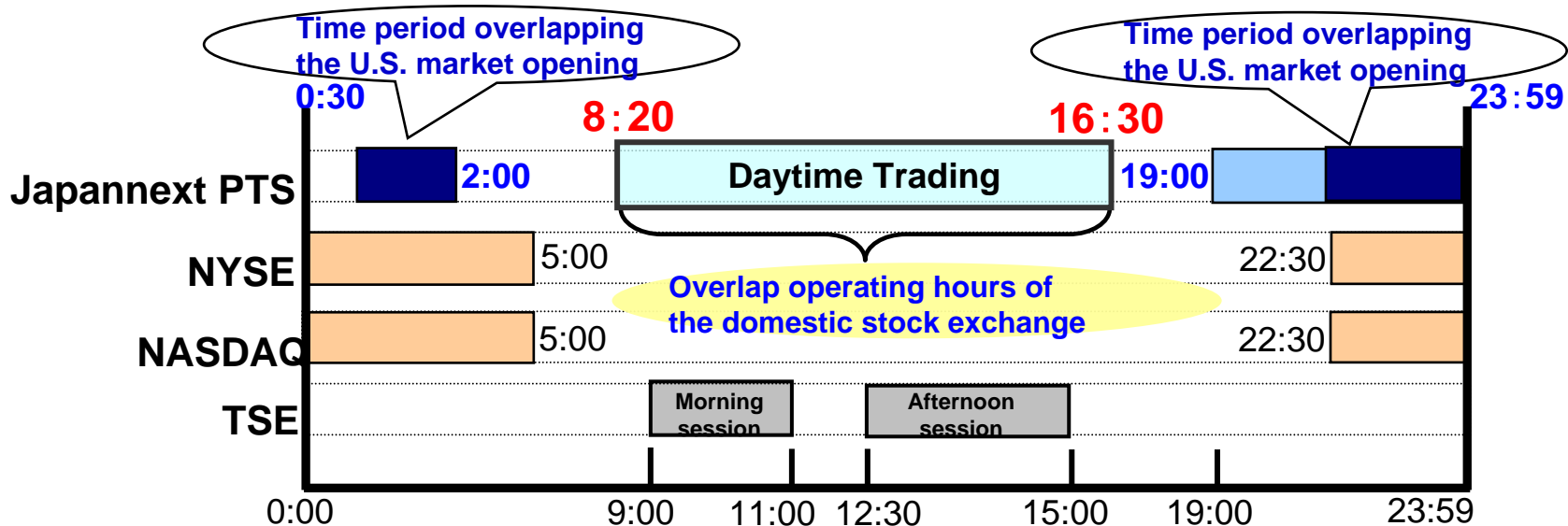
(started operations on Aug. 27, 2007)

Started Daytime Trading Session During the 3rd Quarter

Start of Daytime Trading

(8:20 AM - 4:30 PM)

Started test trading from October 28,
and shifted to full-fledged structure in December



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

Participating securities companies in daytime trading

- The Goldman Sachs Japan Co., Ltd.
 - Merrill Lynch Japan Securities Co., Ltd.
 - CREDIT SUISSE SECURITIES (JAPAN) LIMITED
 - UBS Securities Japan Ltd.
- Five major foreign affiliated securities companies incl. the above

SBI SECURITIES started its daytime trading in mid-December

Several other major foreign affiliated securities companies also plan to participate in daytime trading

*Each participating company will start trading after conducting their respective final checks for systems and operations 37

Becoming the Largest PTS in Japan

Average daily trading value in 3Q increased 156% to approx. 2.3 bil. yen from a year earlier

Monthly Trading Value Comparison Among PTS Providers (2008) (Unit: million yen)

Operating Company	Start of Operation	Oct.	Nov.			Dec.		
			Daytime	Nighttime	Total	Daytime	Nighttime	Total
SBI Japannext	Aug-07	38,503	32,397	23,201	55,599	27,532	17,871	45,404
Kabu.com	Sept-06	36,572	12,188	467	12,655	10,119	333	10,452
Monex	Jan-01	4,250	—	2,984	2,984	—	2,023	2,023
Daiwa	Aug-08	1,706	—	986	986	—	828	828
Matsui	May-08	181	17	—	17	20	—	20

**Trading value on Nov. 25 reached:
9.5 billion Yen**

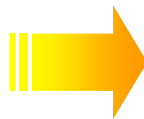
Recorded an all-time high on a monthly basis

- Note: 1. Trading value in October is based on Nikkan Kogyo Shimbun on November 18.
 2. Trading value in November is based on information from each company's website, Japan Securities Dealers Association's website and Nikkei QUICK
 3. The above figures are compiled by SBIH and might be different from those announced by each company
 4. Figures are single count (purchases and sales not counted separately)

Toward the Improvement of Customer Convenience

◆ Tick Size:

Tick-size during the daytime trading session is **smaller than a tenth of TSE**



Provide investors with the opportunity to trade stocks at more favorable prices than the best bid and ask prices offered on the stock exchanges

(Tick-size during the nighttime trading session corresponds with TSE)

Price Range		Tick Size (yen)		
		Japannext PTS (daytime)	kabu.comPTS	TSE
Over 1 yen	Under 2,000 yen	0.1	1	1
Over 2,000 yen	Under 3,000 yen	0.5	1	5
Over 3,000 yen	Under 30,000 yen	1	1	10
Over 30,000 yen	Under 50,000 yen	5	10	50
Over 50,000 yen	Under 300,000 yen	10	10	100
Over 300,000 yen	Under 3,000,000 yen	100	100	1,000
Over 3,000,000 yen	Under 20,000,000 yen	100	1,000	10,000
Over 20,000,000 yen	Under 30,000,000 yen	100	1,000	50,000
Over 30,000,000 yen		100	10,000	100,000

◆ Introduced various order types with specific conditions for the order execution attached

(Only limit orders available during the nighttime trading session)

(3) Financial Services Business

Fiscal 2008 / 3Q (Apr-Dec)

(Nine month period ended December 31, 2008)

Operating Revenues: 16.7 billion yen (+4% YoY)

Operating Income: 1.1 billion yen (+27% YoY)

Existing business:

Operating Revenues 16.6 bil. yen (+4% YoY)

Operating Income 2.1 bil. yen (-8% YoY)

New business:

Operating Revenues 0.7 bil. yen (+214% YoY)

Operating Income -1.0 bil. Yen (-)

SBI Card (-0.3 bil. yen)

SBI Card Processing (-0.5 bil. yen)

SBI Life Insurance (-0.2 bil. yen)

Major consolidated subsidiaries and affiliated companies

- SBI Holdings (Business Div.)
- Morningstar Japan
- Gomez Consulting
- SBI VeriTrans
- SBI Sumishin Net Bank (equity method affiliate)
- SBI Insurance
- SBI AXA Life Insurance
- SBI Card
- SBI Card Processing

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

Operating Income fell 8% for existing businesses, however, new businesses reduced its deficits by 400 million yen YoY, which resulted in a 27% increase to 1.1 billion yen in Operating Income for the Financial Services Business.

[Existing businesses]

- 1) Morningstar Japan's 08/3Q(9M) performance declined YoY in consolidated revenues and earnings due to the weak performance of its subsidiary Gomez Consulting. However, there was a significant increase in non-consolidated revenues and earnings. The non-consolidated result was a 127.7% increase to 1,851 million yen in revenues, and a 34.1% increase to 229 million yen in Net Income from a year earlier.
- 2) Gomez Consulting's 08/3Q(9M) performance fell short of the plan because of a decrease in sales for financial institutions.
- 3) SBI VeriTrans' consolidated and non-consolidated 08/3Q(9M) performance achieved growth in revenues and earnings, with operating revenues, Operating Income, Ordinary Income, and Net Income up more than 20% YoY.
- 4) Marketplace business recorded a 14.4% increase to 3,243 million yen in revenues.

[New businesses]

- 1) SBI Sumishin Net Bank continued to achieve steady growth in deposits to 551.9 billion yen, and customer accounts to 333,893 as of Dec. 31.
- 2) SBI Insurance started operations in January '08, and increased the number of contracts after the discount of premium and the redesign of its website. SBI AXA Life Insurance started operations in April '08, and will endeavor to acquire new customers through the sales of its products at its agencies.

Performance of Publicly Owned Subsidiaries

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

^{*1}	Operating Revenues	Operating Income	Ordinary Income	Net Income
^{*2} Morningstar Japan FY08/3Q (9M)	2,212 (-)	280 (-)	340 (-)	217 (-)
^{*2} Gomez Consulting FY08/3Q (9M)	301 (-)	-41 (-)	-35 (-)	-21 (-)
SBI VeriTrans FY08/3Q (9M)	3,264 (+26.3)	679 (+23.6)	688 (+23.8)	406 (+24.0)

*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.

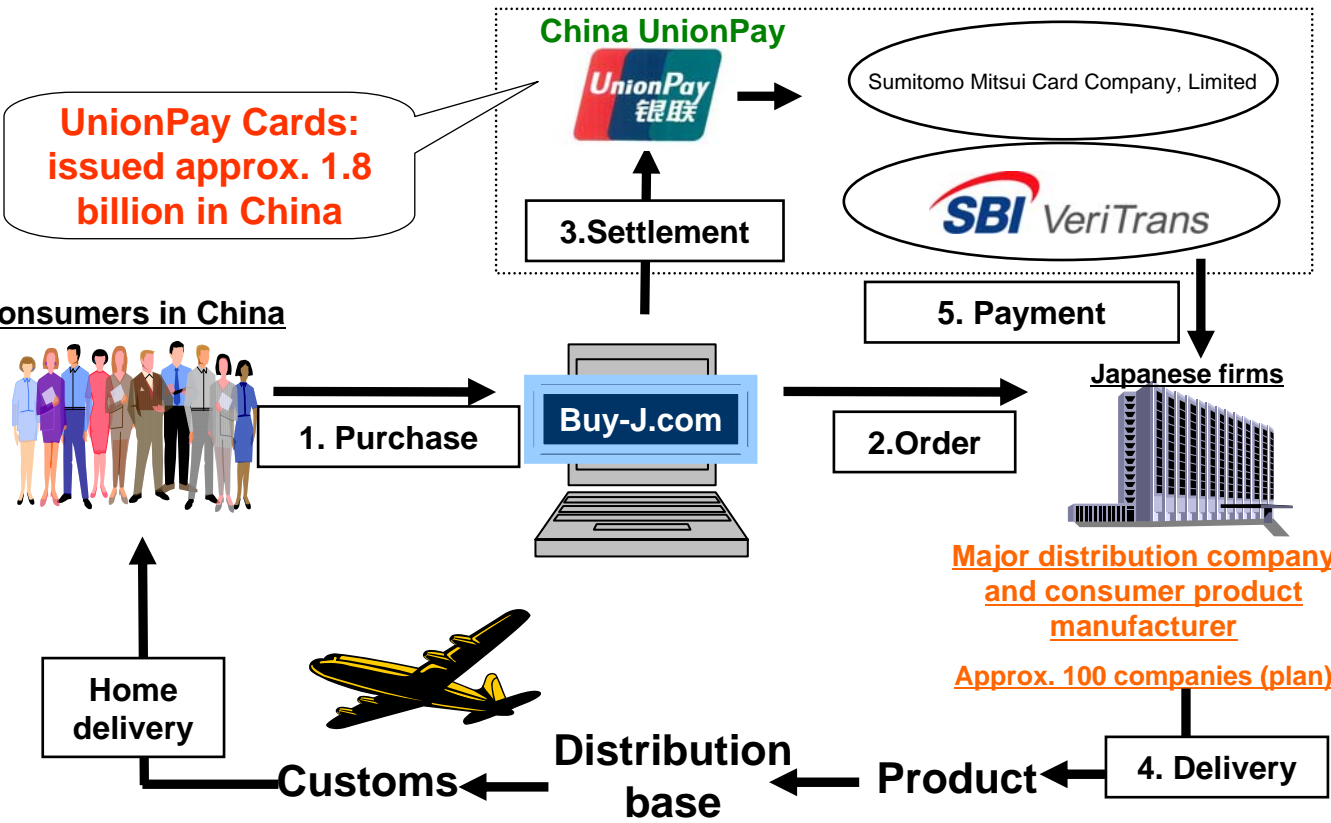
SBI VeriTrans: Development of China-related Business (1)

~Started UnionPay Card settlement for Internet mail order service in China, through an affiliation with Sumitomo Mitsui Card Company ~

→In Jan. 26, established “Buy-J.com”, an EC mall where “UnionPay Internet Settlement” is available

Provide comprehensive support for retail sellers, including a website design, translation of product descriptions, shipment, and customer relations

<Structure of Internet Mail Order>



EC mall
“Buy-J.com”
 Targeted operating revenue
 in the first fiscal year:
4.0 billion yen



Major distribution company and consumer product manufacturer
 Approx. 100 companies (plan)

SBI VeriTrans: Development of China-related Business (2)

~Established a subsidiary that operates Chinese advertising agency business for Japanese companies~

Provides know-how of “Buy-J.com” operation



Aligned with “Baidu, Inc. (Japan)*” as the first step

*Japanese arm of Baidu.com, Inc., a search engine that enjoys approx. 70% market share in China

Started to sell listing and other types of ad spots on Baidu’s website

- Company name: SBI China Branding Co., Ltd
- Principal business: Ad agent for Chinese market
- Date of establishment: January 22, 2009
- Representative: Representative Director Takashi Okita

SBI VeriTrans' China-related Business that Receives Much Media Attention

“First in Japan to adopt UnionPay Card settlement for Internet mail order, which had previously only been adopted in China and Hong Kong.”

Newspaper article

(Kinyu Keizai Shimbun on Jan. 19, 2009)

*“Internet population in China is **298 million** as of Dec. 2008. The market size of retail Internet mail order is estimated to be **56 billion yuan (approx. 730 billion yen)**.”*

Newspaper article

(Nikkei MJ on Jan. 26, 2009)

(4) Housing and Real Estate Business

Fiscal 2008 / 3Q (Apr-Dec)

(Nine month period ended December 31, 2008)

Operating Revenues 32.1 bil. yen (-41% YoY)

Operating Income 1.5 bil. yen (-80% YoY)

Major consolidated subsidiaries and affiliated companies

- **SBI Holdings (Business Div.)**
- **LIVING Corporation**
- **SBI Mortgage**
- **CEM Corporation**

Notes:

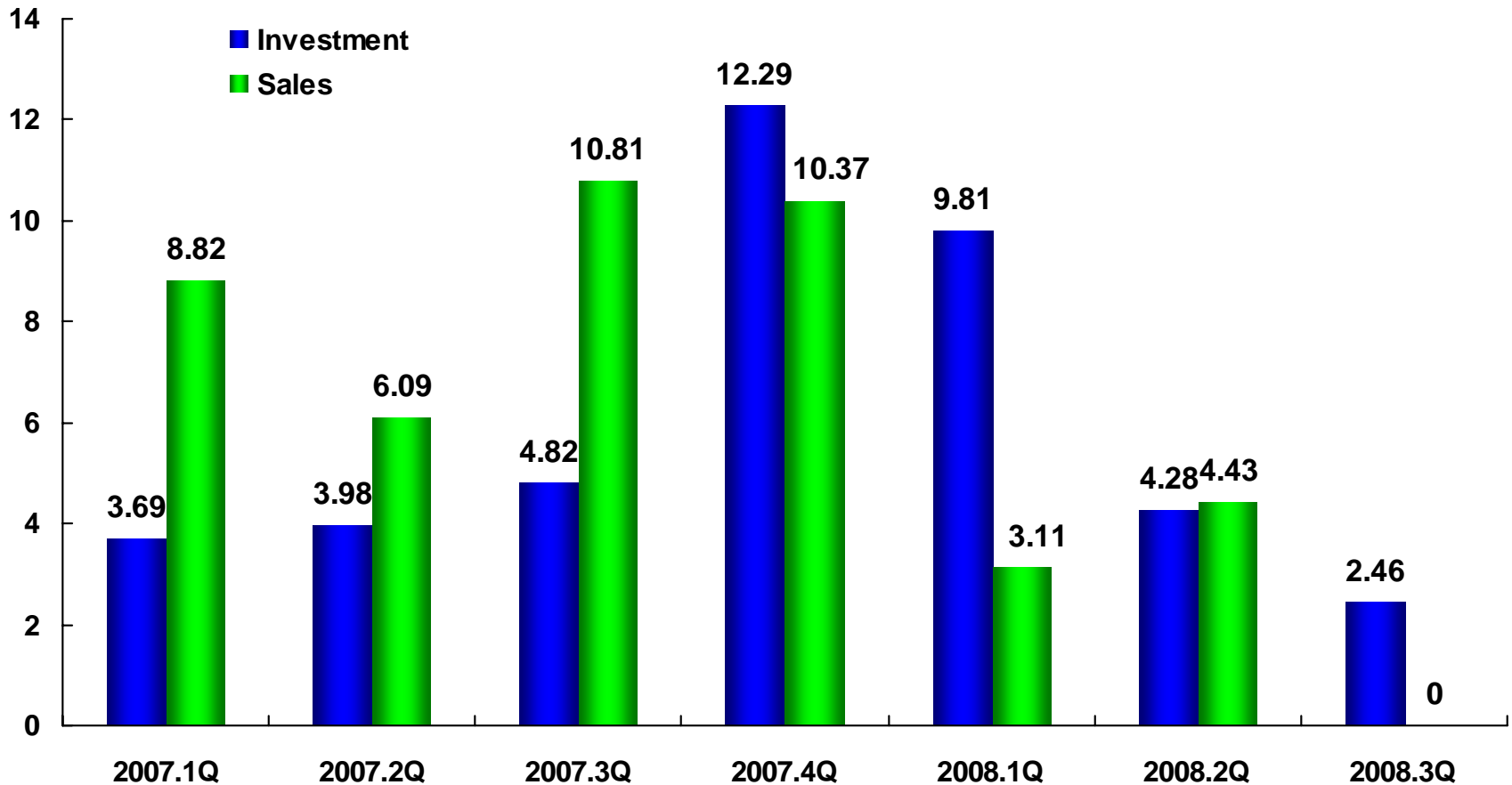
1. The above figures were calculated using the new accounting standard (with fund consolidation) for each segment.
2. The above figures do not include eliminations for consolidation and the deduction of corporate expenses.
3. Rounded to the nearest 100 million yen.

Highlights of Housing and Real Estate Business

- I. In the Housing and Real Estate Business, Japan's shrinking real estate market impacted the segment's performance. The result was a **41% drop to 32.1 billion** yen in revenues, and an **80% decrease to 1.5 billion yen** in Operating Income from a year earlier.
- II. In the real estate business, there were a number of property sales in FY2007. In FY2008, most planned property sales were completed in the first quarter (Apr.-Jun. '08). As a result, sales were down sharply from a year earlier. Currently, new investments are reduced and the sale of properties which are able to be capitalized are being accelerated.
- III. Due to the current real estate market conditions, the SBIH Group established a 5.5 billion yen credit facility for subsidiary LIVING Corporation. Only 800 million yen of this facility have been used as of the end of Dec. 2008, demonstrating that this company can operate largely on its own.
- IV. SBI Mortgage continues to offer the industry's lowest interest rate for "Flat 35", and has steadily increased its **loans outstanding to 439.0 billion yen** as of the end of Dec. 2008.
- V. The Lifestyle Networks Business achieved consistent growth, as the combined Operating Income of the Internet Media sector and Market Intermediary sector **increased 91.8% YoY to 349 million yen in Operating Income in 3Q(9M) FY2008.**

Quarterly Real Estate Investments and Sales by SBIH Real Estate Business Div.

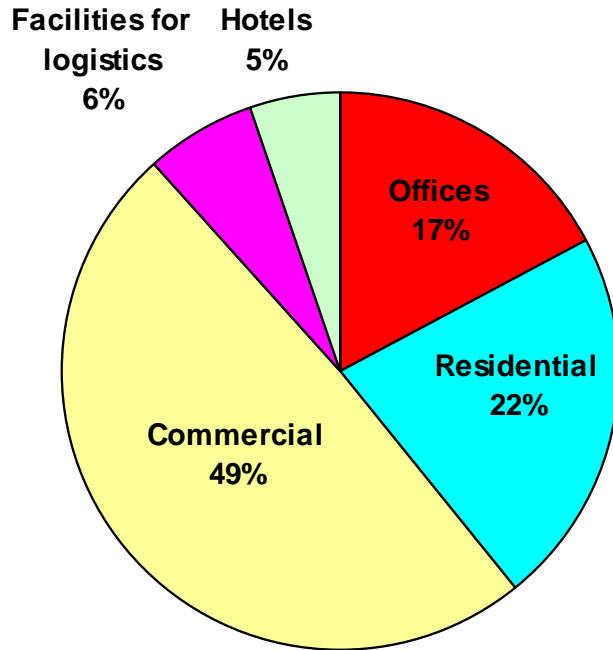
(billion yen)



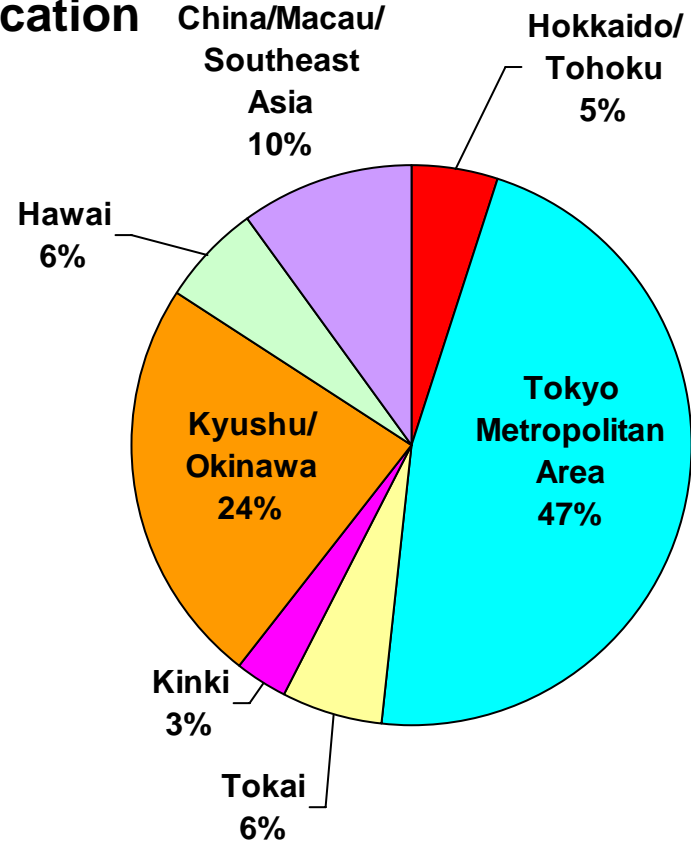
*Investments and sales are actual results for the Real Estate Business Div.

Properties Owned by the SBIH Real Estate Business Division

Property Type



Location



*as of the end of December 2008

Principally developing properties with our own capital instead of leveraged loans

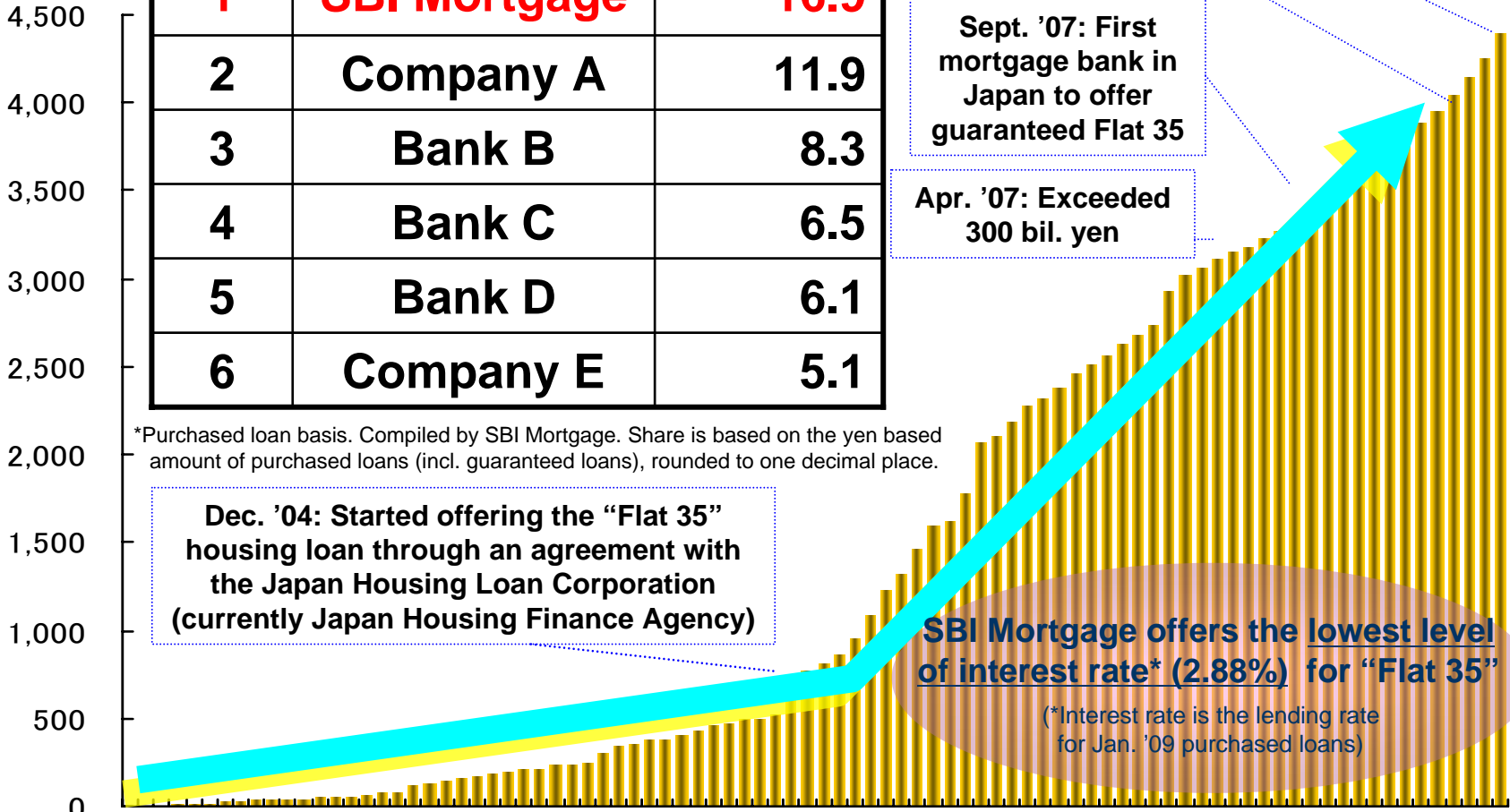
Steady Growth of Housing Loans at SBI Mortgage

“Flat 35” Share Ranking in Dec. 2008

Change in Housing Loans Outstanding

Rank		Share (%)
1	SBI Mortgage	16.9
2	Company A	11.9
3	Bank B	8.3
4	Bank C	6.5
5	Bank D	6.1
6	Company E	5.1

(100 million yen)



*Purchased loan basis. Compiled by SBI Mortgage. Share is based on the yen based amount of purchased loans (incl. guaranteed loans), rounded to one decimal place.

Dec. '04: Started offering the “Flat 35” housing loan through an agreement with the Japan Housing Loan Corporation (currently Japan Housing Finance Agency)

Sept. '08: Exceeded 400 bil. yen

Dec. '08: Exceeded 439 bil. yen

Sept. '07: First mortgage bank in Japan to offer guaranteed Flat 35

Apr. '07: Exceeded 300 bil. yen

SBI Mortgage offers the lowest level of interest rate* (2.88%) for “Flat 35”

(*Interest rate is the lending rate for Jan. '09 purchased loans)

SepDec.Mar.Jun. SepDec.Mar.Jun. SepDec.Mar.Jun. SepDec.Mar.Jun. SepDec.Mar.Jun. SepDec.Mar.Jun. SepDec.Mar.Jun. SepDec.Mar.Jun. SepDec.

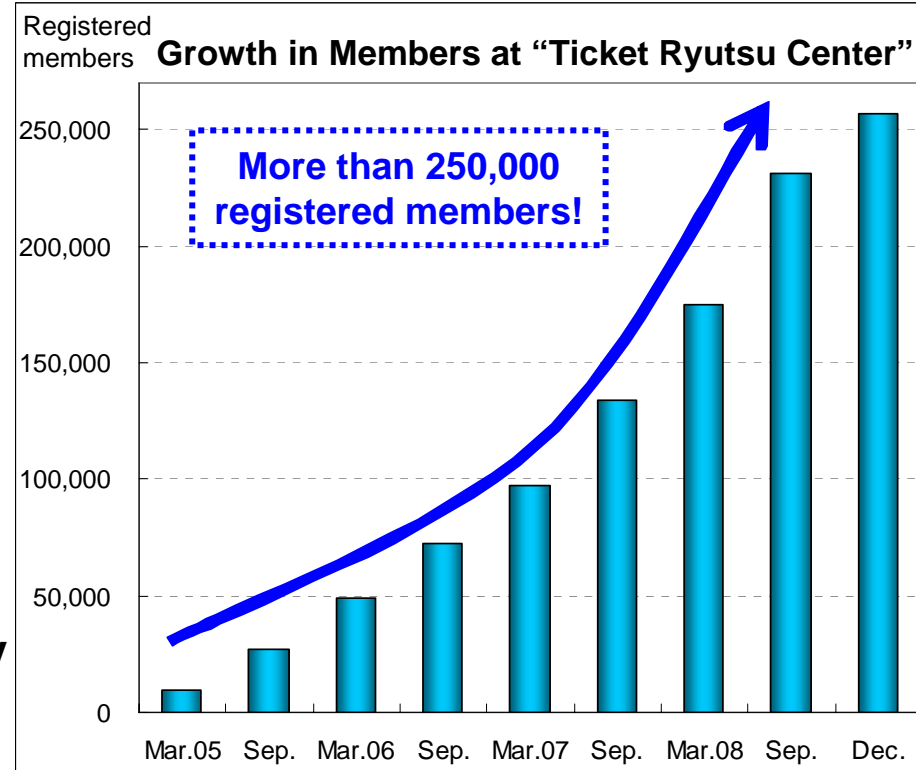
2001 2002 2003 2004 2005 2006 2007 2008

Lifestyle Networks Business Posted Significant Growth **SBI**

Holdings

Intermediary Market Sector – Operation of intermediary websites

- FY2008/3Q (Apr-Dec) **revenues up 71.9%** YoY to 617 million yen, and **operating income up 98.8%** YoY to 323 million yen
- The number of registered members of “Ticket Ryutsu Center”, an online ticket sales agency, **exceeded 250,000**.
- Large increase in number of trades and members** at the “muSBI”, an intermediary website for purchases and sales of merchandise



Internet Media Sector – Comparison and search websites

- FY2008/3Q (Apr-Dec) **operating income was up 32.2%** to 26 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 “ALL Kakuyasu Koukuken Hikaku”, **the number of participating companies increased**.

3. The Current Economic Environment as a Pre-condition for Current Business Strategy

(1) Market Outlook and the SBIH Group's Business Policy Outline

- The SBIH Group's Market Outlook
- Major Objectives

(2) Rapid Development of New Businesses That Are Not as Sensitive to Stock Market Volatility

① New Businesses in the Financial Segment

【SBI Sumishin Net Bank】

【SBI Insurance】 【SBI AXA Life Insurance】

【SBI Finance Portal】

② Biotechnology Related Businesses

【SBI Biotech】 【SBI ALApromo】

【Biotechnology Related Investee Companies】

The SBIH Group's Market Outlook

Japanese Equities:

It is anticipated that the U.S. economy will start to show signs of recovery sometime during the middle of 2010, which is when the U.S. housing market downturn is currently expected to subside. Therefore, expectations are that a rebound in the U.S. stock market will start sometime between the third and fourth quarters of 2009. Until then, the stock market is expected to remain in a trading range. Being closely correlated to U.S. stock market trends, the Japanese stock market is expected to follow similar pattern.

Overseas Equities:

Among the major emerging economies, China is likely to recover quickly followed by Vietnam and then India.

Foreign Exchange:

Expect the yen to continue strengthening for the next 12 to 18 months, climbing relatively quickly to 85 yen to the dollar, and then perhaps topping 80 yen to the dollar briefly).

Japanese Real Estate:

Expect a recovery to start about one year after the stock market begins to recover.

Major objectives

Asset Management:

Negotiations for establishing two overseas funds are in the final stage. If an agreement is reached, this will largely complete current measures to establish a framework for overseas operations. The only remaining goal is starting operations in Brazil.

Funds that have been established and are currently contemplating investments will quickly build their portfolios while the yen remains strong and global stock markets are on their way to recovery, so as to capture existing attractive investment opportunities.

Brokerage & Investment Banking:

Positioning itself to further increase its share of trading volume to maximize earnings as the stock markets recover.

Using foreign exchange and other activities to diversify sources of earnings.

Housing and Real Estate:

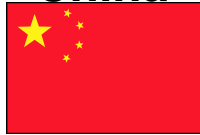
Aggressively selling properties, while holding off on new investments.

Started in 2005

Started in
Mar. 2008

Plan to start
in Feb. 2009

Final phase to close
the official contract

Fund Name (abbreviated)	New Horizon Fund	Tsinghua University Fund	Peking University Fund	JV Fund with three Chinese companies
Progress	6 of the 10 companies IPOed. Another company plans to go public in 2009.	The first fund in Beijing to be established with a foreign affiliated company. Invested in two promising companies.	Received final approval. The fund is primarily targeting promising unlisted companies in China.	In Jun. 2008, reached an agreement in principal to jointly establish an investment fund, and currently preparing to establish an asset management company through which investments in Chinese unlisted companies will be made.
Partner	TEMASEK	Tsinghua Holdings	Beida Jade Bird	<ul style="list-style-type: none"> • China Merchants Securities • Resource Capital China • China CITIC Bank
Countries to Invest in	China 			
Investment Object	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
Investment Amount (mil. USD)	100 (SBIH's investment ratio : 50%)	30 (SBIH's investment ratio : 99%)	100 (SBIH's investment ratio : 50%)	Offshore: approx. 17.1 (SBIH) Onshore: approx. 7.3 (China)




Overseas Funds Waiting for Investment Opportunities (2)

Plan to start
in Mar. 2009

Started in
Apr. 2008

Started in
Apr. 2008

Started in
Jun. 2008

Fund Name (abbreviated)	SBI-METROPOL Investment Fund	India Japan Fund	Vietnam Japan Fund	SBI SOI Fund
Progress	Reached an final agreement to sign definitive agreements. The fund targets prospective listed and unlisted companies in Russia.	This fund targets unlisted companies which are based in India. Invested in two promising companies.	Established a VND based investment fund, which targets promising listed and unlisted companies in Vietnam. Invested in two listed companies.	Established in Jun. 2008 This fund invests in businesses originating from Asian universities.
Partner	IFC METROPOL	State Bank of India	FPT	Keio University
Countries to Invest in	Russia 	India 	Vietnam 	Asia
Investment Object	Unlisted companies (70%) Listed companies (30%)	Unlisted companies (70%) Listed companies (30%)	Domestic listed and unlisted companies	Venture companies originating from universities
Investment Amount (mil. USD)	100 (SBIH's investment ratio : 50%)	100 (SBIH's investment ratio : 95%)	100 (SBIH's investment ratio : 90%)	500 mil. yen (SBIH's investment ratio : 100%)

New Overseas Funds for Which Basic Agreements Were Signed During 2-3Q FY2008





Plan to start
in Feb. 2009

Started in
Oct. 2008

Started in
Nov. 2008

Plan to start
in Mar. 2009

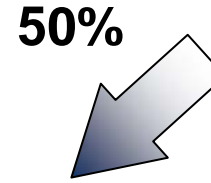
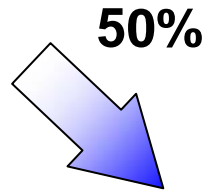
Plan to start
in Mar. 2009

Fund Name (abbreviated)	Hungary Fund	Fullerton Asia Financials Fund	Taiwan Fund	SBI PRIVATE EQUITY FUND	MASDAR-SBI Fund
Progress	Reached a final contract to establish a fund in Dec. 2008.	Jointly established in Oct. 2008.	Established in Oct. 2008.	To be established in Mar. 2009.	Signed definitive agreements to establish a fund in Jan. 2009.
Partner	MFB Invest Ltd., a wholly owned subsidiary of the Hungarian Development Bank	Fullerton Fund Management Company Ltd, a wholly owned subsidiary of TEMASEK	Founder of a Taiwanese IT company	—	Masdar Clean Tech Fund
Countries to Invest in	<p>Hungary</p>  <p>and other countries in Central and Eastern Europe</p>	<p>Major Asian countries</p>	<p>Taiwan and China</p> 	<p>Korea</p> 	<p>Japan</p> 
Investment Object	Promising unlisted companies in Central and Eastern Europe	Listed financial institutions (banks and others)	Taiwanese and Chinese unlisted companies	Listed financial institutions and chaebol-related companies	Prominent alternative energy related companies
Investment Amount	100 mil. EUR (SBIH's investment ratio : 60%)	60 mil. USD (SBIH's investment ratio : 50%)	22.5 mil. USD (SBIH's investment ratio : 66.7%)	100-300 bil. KRW	20 mil. USD (SBIH's investment ratio : 50%)

SBI Holdings and Masdar Have Reached a Final Agreement to Create a Fund Mainly Targeting Alternative Energy Related Companies in Japan



- Increasing investment in the “Environment and Energy” sector as the future growth industries of the 21st century, in addition to the “IT” and “Biotechnology” sectors



- Leader in investments in the renewable industries related to new energy technologies
- Leverages the “Masdar Initiative” to champion the development of advanced energy technologies



Investment Amount: USD 20 million

Target: prominent alternative energy related companies in Japan

Reached definitive agreements in January 2009

Plan to start investments in March 2009

Increase investment in the alternative energy related industries with high growth potential, utilizing SBIH Group’s investment network for the environment related sector and Masdar’s rich financial resources

【SBI Liquidity Market Co., Ltd.】

(Started operation on November 17, 2008)

Started with substantial earnings contribution as compared to the initial estimate

(Initial earnings estimate for FY2008)

Target for contributions to earnings of SBI SECURITIES:

approx. 800 mil. yen of Operating Income

Targeted earnings of SBI Liquidity Market:

approx. 400 mil. yen of Operating Income

Currently Expected Earnings Contributions for FY2008 (100 mil. yen)

	Nov&Dec-08 (actual)	Jan-09 (single month)	Feb-09 (single month)	Mar-09 (single month)	FY2008 (full term)
Net Gain on Trading (after deduction of bank commissions)	5.3	7.3~7.8*	7.0~8.0	9.0~12.0	28.6~33.1
Net Gain on Trading for SBI SECURITIES (from above figure)	3.4	4.6~5.0	4.4~5.1	5.7~7.7	18.4~21.3

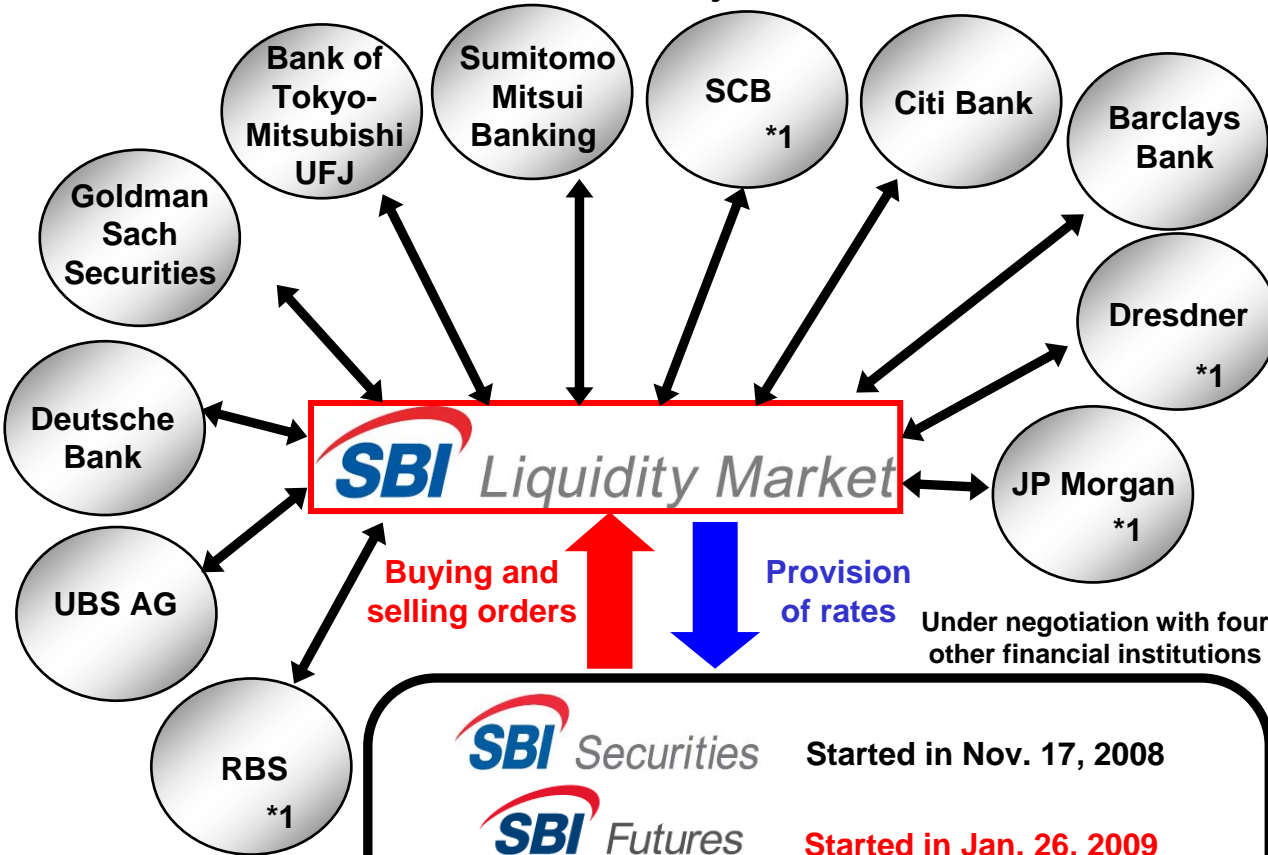
*As of Jan. 20 (12 out of 20 business days in January passed) 460 mil. yen

SBI Liquidity Market has Rapidly Increased Trading Volume

in a Short Period of Time Since the Start of Operations

Counter Parties

Total of 15 banks (planned) incl. the U.S. and European major financial institutions and major domestic banks



(Started operations in Nov. 17, 2008)

	No. of Accounts (SBI FX α)	Daily Average Trading Volume
Nov-08	70,683	71,400
Dec-08	93,498	175,544
Jan-09	*2 104,316	*2 264,883

【Reference】

Click365

(Started operations in Jul. 2005)

	No. of Accounts	Daily Average Trading Volume
Nov-08	114,301	144,496
Dec-08	120,713	113,767
Jan-09	-	*2 165,082

Source: Compiled by SBIH based on disclosed company materials on websites and other sources

*1 Abbreviated company name

RBS···Royal Bank of Scotland
 SCB···Standard Chartered Bank
 Dresdner···Dresdner Kleinwort
 JPM···JPMorgan Chase Bank

*2 As of Jan. 27, 2009

SBI SECURITIES Starts “SBI FX α ,” a New Foreign Exchange Service Utilizing SBI Liquidity Market

“SBI FX α ”

Launched on **November 17**

- Up to 20 pairs of currencies, more than any other major Internet securities company*¹
- Larger selection of choices for leverage
- Addition of “SBI FX Mini” to permit buying and selling in blocks of 1,000 units of currencies, one-tenth of the previous minimum
- More ways to place orders to provide greater flexibility

No. of trading accounts for forex margin trading at online securities firms
(as of the end of Dec. 2008)

SBI FX	139,893
SBI FX α	* ² 93,498
Monex	84,939
Matsui	55,335
kabu.com	24,351

No. of trading accounts for “SBI FX α ”
(as of the end of Dec. 2008)

93,498 accounts

Exceeded the number of accounts at each of the three other major online securities firms*³ after no more than **45 days** of operations.

Expected earnings contribution for
FY2008 (full-term)

1.8~2.1 bil. yen

Source: Compiled by SBIH based on disclosed company materials on websites and other sources

*1 SBI, Monex, Matsui, kabu.com, Rakuten

*2 Omitting repetition of both of the trading accounts when it can be recognized as a unique user

*3 Securities firms that disclosed company data (Monex, Matsui and kabu.com)

Foreign Exchange Margin Trading Value of the Four Major Online Securities Companies ^{*1}Holdings


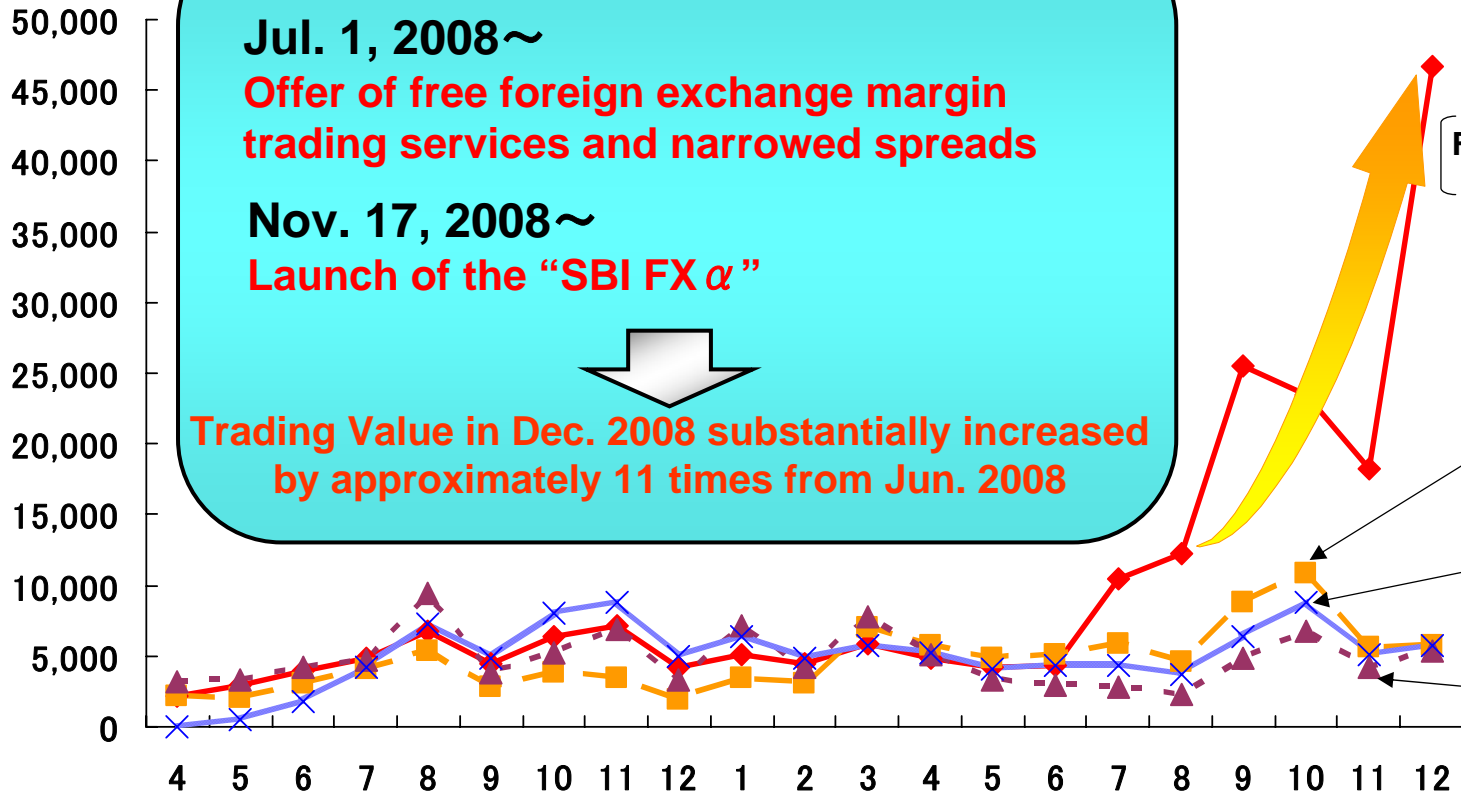


Forex margin trading value at SBI SECURITIES increased sharply after the improvement of service offerings

(100 million yen)

SBI SECURITIES
Jul. 1, 2008~
Offer of free foreign exchange margin trading services and narrowed spreads
Nov. 17, 2008~
Launch of the "SBI FX α "

Trading Value in Dec. 2008 substantially increased by approximately 11 times from Jun. 2008

Year 2007

Year 2008

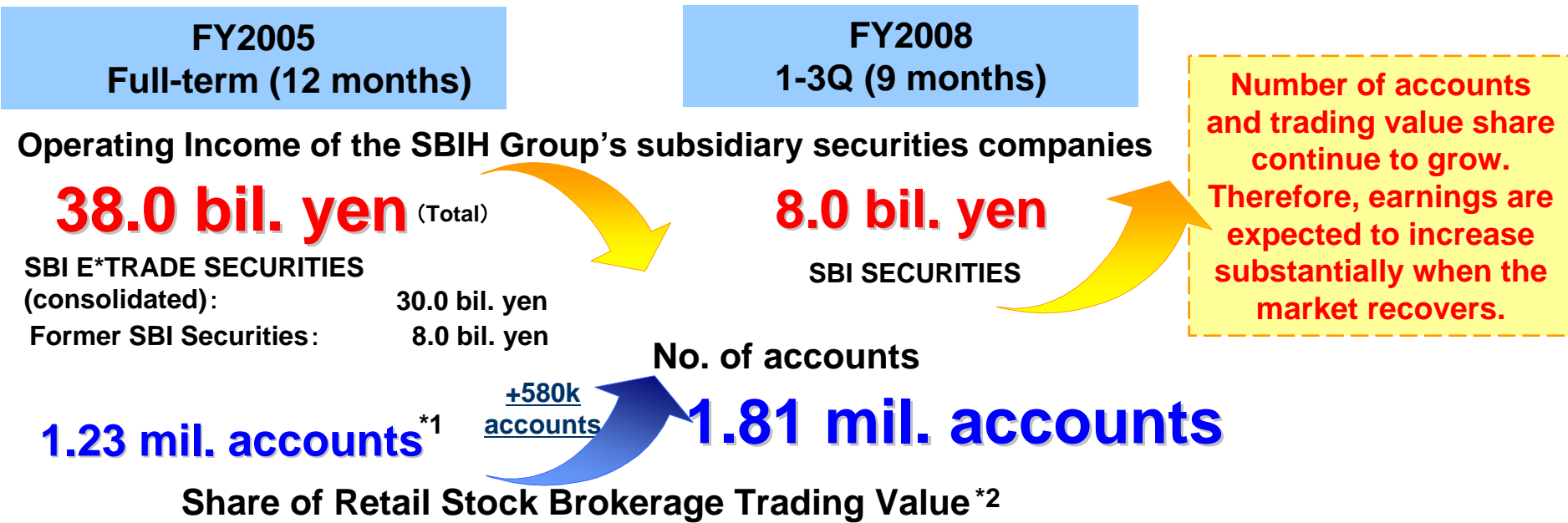
*1 Four online securities firms that disclosed the information (SBI SECURITIES, Monex, Matsui and kabu.com)

*2 Trading value total of "SBI FX" and "SBI FX α " after November 2008

Brokerage & Investment Banking Business:


Capturing Market Share During Downturns Leads to Higher Earnings As Markets Recover

Operating Income at SBI SECURITIES, the nucleus of the Brokerage and Investment Banking Business, decreased because of stock market weakness. However, the company's share of customer accounts and retail brokerage trading value both increased.



E*TRADE	23.1%
Rakuten	11.1
Matsui	10.0
Monex	8.0
kabu.com	5.2

+14.9 pts



SBI SECURITIES	38.0%
Rakuten	14.2
Matsui	7.6
Monex	6.4
kabu.com	5.7

*1 Total of SBI E*TRADE SECURITIES and Former SBI Securities

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

Source: Based on TSE, JASDAQ and company materials

(2) Rapid Development of New Businesses That Are Not as Sensitive to Stock Market Volatility

① New businesses in the financial segment

【SBI Sumishin Net Bank】 (Launched in September 2007)

【SBI Insurance】 (Launched in January 2008)

【SBI AXA Life Insurance】 (Launched in April 2008)

【SBI Finance Portal】 (Launched in January 2009)

② Biotechnology related businesses

【SBI Biotech】

【SBI ALApromo】

【 Biotechnology Related Investee Companies 】

【SBI Sumishin Net Bank, Ltd.】

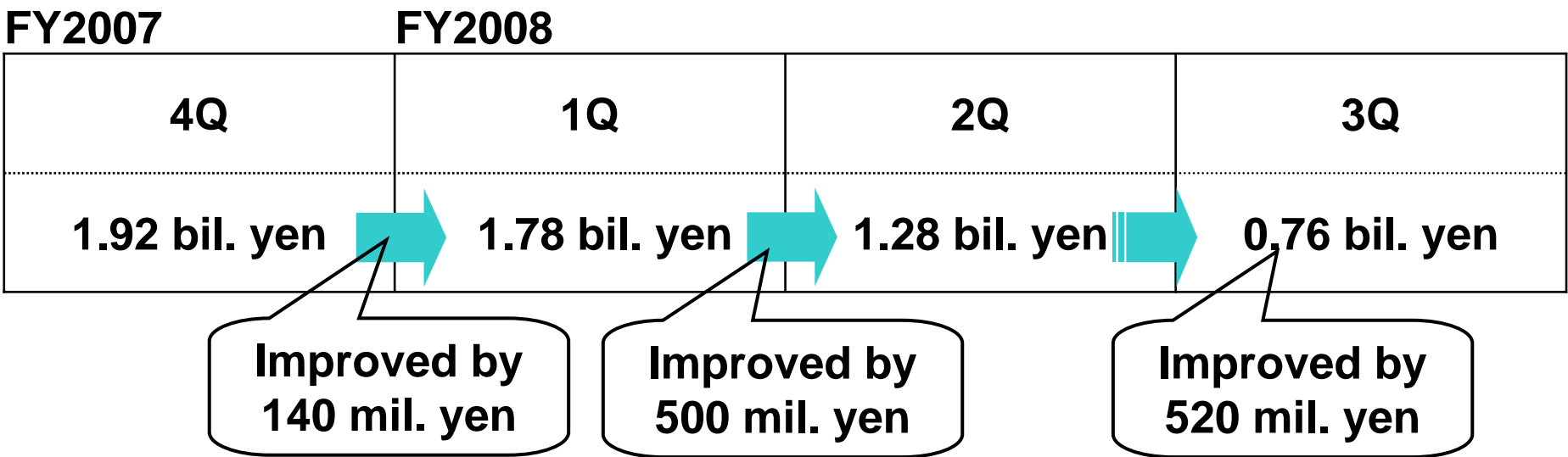
Internal targets at the start of operations

(started operations in Sept. 24, 2007)

- | | |
|-----------------------------------|--|
| ▪ <u>Targeted No. of accounts</u> | FY2009: around 400,000
FY2011: around 600,000 |
| ▪ <u>Targeted deposit amount</u> | FY2009: around 700 billion yen
FY2011: around 1 trillion yen |
| ▪ <u>Targeted profits</u> | FY2009: <u>Become profitable</u>
FY2011: around 5 billion yen of Net Income
eliminate cumulative loss |

- Single-year Profitability in Sight for the Next Fiscal Year -

【Change in Ordinary Loss】



Expect continuous improvement of financial performance toward single-year profit in FY2009

SBI Sumishin Net Bank Deposits Topped 500 Billion Yen After Only 389 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 500 billion yen after only 389 days^(*2) since its start of operations on Sept. 24.

Days required by major Internet banks to reach 500 billion yen in deposits:

	Start of operations	Time needed to reach 100 billion yen (*1)	Days after start of operations	Time needed to reach 500 billion yen (*1)	Days after start of operations	Deposit outstanding (*2)
eBANK	2001/07/23	2003/10/01 ~ 2004/03/31	801-983 days	2007/4/20	<u>2,098 days</u>	772.6 bil. yen
Japan Net Bank	2000/10/12	2002/10/01 ~ 2003/03/31	720-901 days	—	—	448.4 bil. Yen
Sony Bank	2001/06/11	2002/03/01 ~ 2002/03/31	264-294 days	2004/121 ~ 2004/12/31	<u>1,270-1,300 days</u>	1,339.2 bil. yen
SBI Sumishin Net Bank	2007/09/24	2007/11/19	57 days	2008/10/16	<u>389 days</u>	564.2 bil. Yen

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

*2 Deposit outstanding of SBI Sumishin Net Bank are based on the figures as of Jan. 27, 2009, that of eBank, Japan Net Bank and Sony Bank as of the end of Dec. 2008.

Steady Growth in Accumulated Total of Housing Loans Outstanding

~Topped **100 billion yen** after **411 Days** since the start of its business~
(November 7, 2008)

(Japan Net Bank and eBank do not provide housing loans products)

	Sony Bank	SBI Sumishin Net Bank (Note 1)
Start of operation	June 2001	September 2007
Start of housing loans business	March 2002	September 2007
Days required to reach 100 billion yen	1020~1110 days (Note 2)	411 days

The fastest among the pure-play Internet banks!

SBI Sumishin Net Bank offers various customer-oriented services, such as competitive interest rates including the preferred rate during the campaign period which is 2.2% lower than the standard rate, free indemnification coverage for eight major illnesses, free partial advanced payment, free rate change, and a service for customers to close the contract without visiting branches.

(Note 1) Calculation for Sony Bank is based upon loans outstanding after reflecting agreed repayment. Calculation for SBI Sumishin Net Bank is based upon loan provided. (Note 2) Compiled by SBIH from information disclosed. (Note 3) Incl. applications received until Mar. 31, 2009.

Improvement of Service and Product Offerings

Direct payment account service (after November 2008) : 16 firms

APLUS Co., Ltd.	QUOQ Inc.	Mitsubishi UFJ NICOS Co.,Ltd.
Idemitsu Credit Co., Ltd.	Credit Saison Co.,Ltd.	The Mitsubishi UFJ Factors Limited
SMBC Finance Service Co.,Ltd.	JACCS CO.,LTD.	UC Card Co.,Ltd.
NTT DOCOMO, INC.	SOFTBANK MOBILE Corp.	LIFE CO., LTD.
OMC Card, Inc.	Mizuho Factors, Limited	Rakuten KC Co., Ltd.
Orient Corporation		

(in the order of the Japanese syllabary, as of Jan. 5, 2009 (planned))

Started direct payment account service for SBI AXA Life Insurance on November 14, 2008. This service makes it possible to pay life insurance premiums through electronic withdrawal.

Start offering new products

-Started providing life insurance offered by SBI AXA Life Insurance life through insurance agency agreements

-Started selling structured deposits as a new deposit product

Other

Ratio of blanket account opening application
(before*) approx. 23%⇒(after) approx. 48%

Blanket account opening application (FLASH) for both SBI SECURITIES and SBI Sumishin Net Bank since January 6, 2009

Steadily Growing Customer Base of SBI Sumishin Net Bank

住信SBIネット銀行

SBI Sumishin Net Bank

As of the end of Dec. 2008

*parenthetic figures based on quick estimation as of Jan. 27, 2009

Accounts: 333,893 (356,056)

Deposits: 551.9 bil. yen (564.2 bil. yen)

Loans issued: 133.8 bil. yen (144.0 bil. yen)

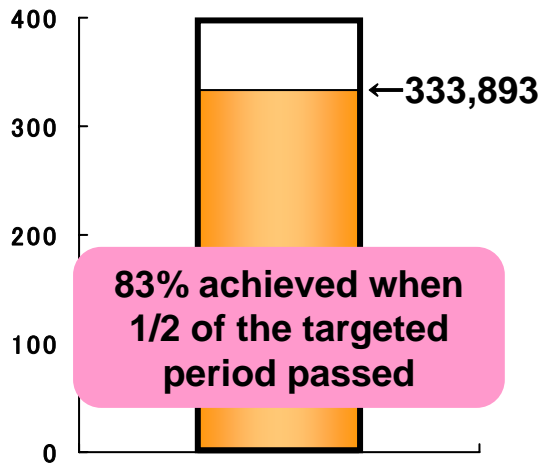
(Mortgage + Internet loan)

<Ratio to reach the target as of Dec. 2008>

Accounts

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

(thousand accounts)

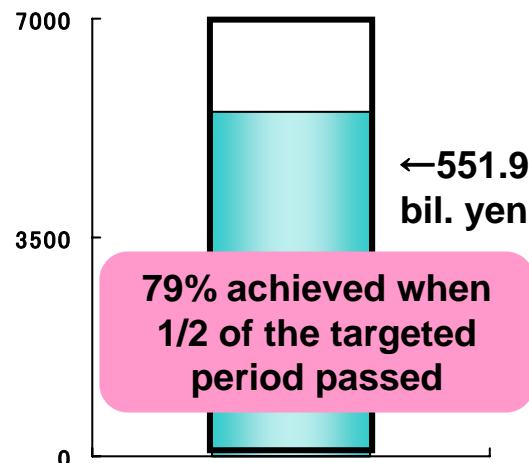


15 months from the start of operations

Deposits

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

(100 mil. yen)



15 months from the start of operations

Ratio to reach the target as of Jan. 27, 2009

Accounts: 356,056

Reached approx. 89%

Deposits: 564.2bil. yen

Reached approx. 81%

Steadily Expanding Customer Base

Comparison of FY08/3Q (Oct-Dec) Results of Five Online Banking Companies

	Increase/Decrease in FY08/3Q (Oct-Dec)		At the end of Sept. 08
	Number of Account	Deposit Balance (million yen)	Deposit per customer (thousand yen) (*2)
SBI Sumishin Net Bank	<u>83,326</u>	<u>65,340</u>	<u>1,653</u>
Sony Bank	31,001	1,000	1,909
eBANK	108,000 (*1)	-4,200	257
Japan Net Bank	40,000	2,200	231
Jibun Bank (*3)	—	—	—

*1 Increase of approvals for accumulated account opening (excluding cancellation)

*2 Total deposit / Number of accounts

*3 Not disclosed

Five Pillars to Strengthen Asset Management Services for Rapidly Increasing Customer Deposits

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 10,000 in the first half of FY2008 (6M) based on applications received (4,691 in FY2007)

◆ Unsecured Consumer Loans

-Loans up to 5 million yen with a preferential interest rate as low as 5.5%

-SBI Equal Credit guarantees online loans of SBI Sumishin Net Bank (from Nov.)

⇒ Establishing a new company, "NEX", to build a guarantee scheme after system developments and its registration as moneylender

◆ Auto Loans

-Selecting a loan guarantee company

◆ Real estate-secured loans

-Started offering this loan service guaranteed by First Credit Corporation (for individuals) and CEM Corporation (for corporations)

◆ Health care financing

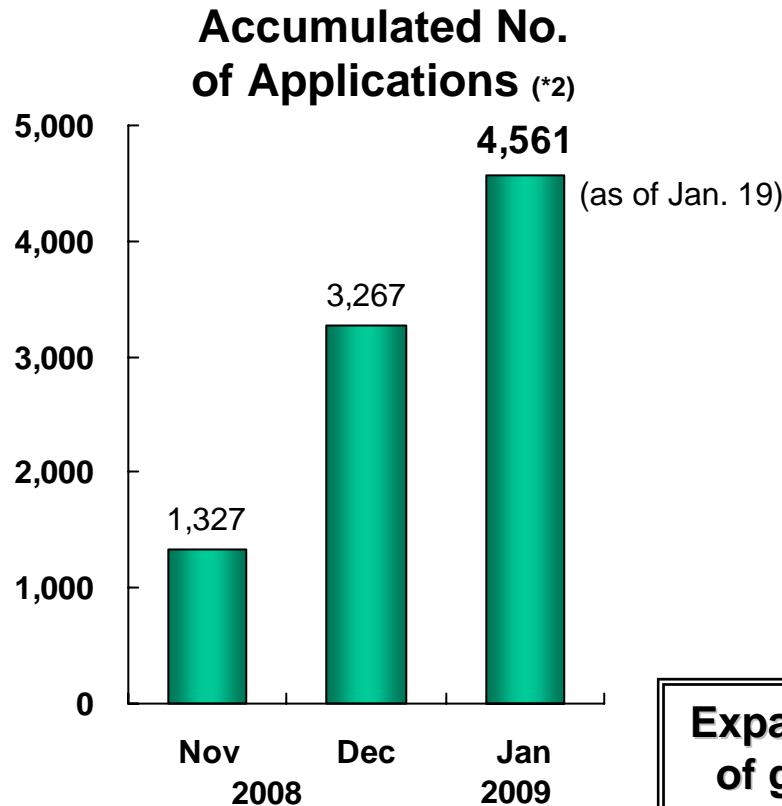
-Started a program where SBI Receipt purchases receivables for medical care and other services fees in November ⇒ Conducted 325 mil. yen of loans (as of Jan. 22, 2009)

Successfully Started a New Consumer Loan Service Guaranteed by SBI Equal Credit: “Internet Loan”

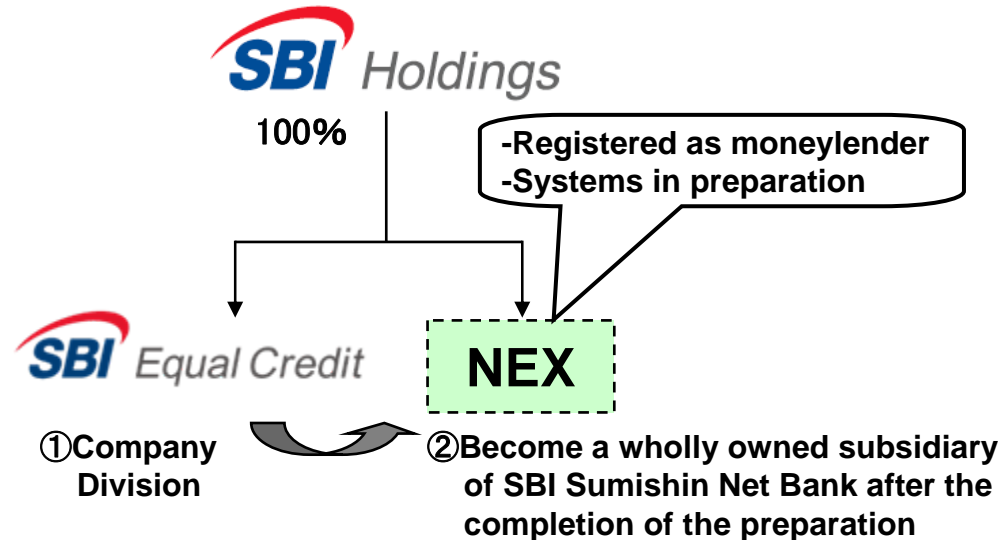


Establish a guarantee program by utilizing SBI Equal Credit's know-how for individual loan business

SBI Equal Credit guarantees online loans of SBI Sumishin Net Bank (started since November 15) (*1)



~Plans Underway~



Expand the Internet loan business after the launch of guarantee scheme by “NEX”, a new company

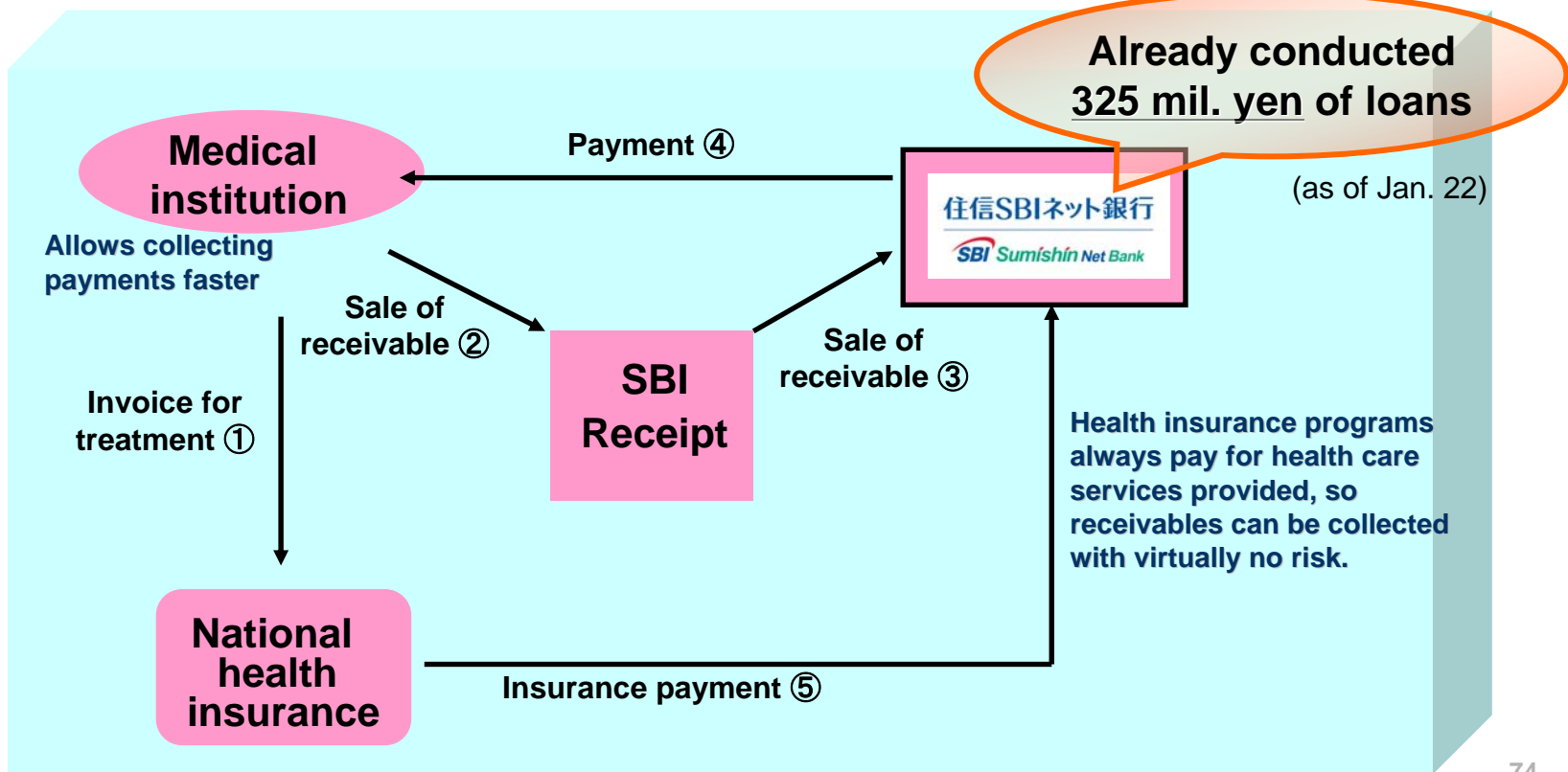
*1 SBI Equal Credit guarantees the “Standard Internet loan (100-500 thousand yen)” offered by SBI Sumishin Net Bank.

*2 Different from the actual number of loans outstanding.

Alliance with SBI Receipt to Start a Medical Care Payment Receivable Factoring Business as a New Asset Investment Vehicle

~ Made the first deal in November ~

Medical institutions submit billing services provided to one of Japan's two national health care systems. Medical institutions then sell the portion that becomes a receivable for future payment to SBI Receipt. Then, SBI Sumishin Net Bank buys the confirmed receivable portion. This scheme shortens the payment collection cycle for medical institutions. Risk is minimal because SBI Sumishin Net Bank collects these payments from Japan's two national health insurance programs.



【SBI Insurance Co., Ltd.】

Internal targets at the start of operations

(started operations in Jan. 16, 2008)

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

Comparison of Insurance Premiums for “SBI Insurance” and Other Non-Life Insurance Companies



Example1:
Insurance Premium
(Mini Van)

When a couple drives for weekend outings and regular shopping (with vehicle insurance)

(Note) annual premium, unit: yen

SBI Insurance	Company A (Direct selling)	Company B (Direct selling)	Company C (Agency selling)
41,510 (annual)	43,950	51,200	69,460

Start of insurance: Dec. 1, 2008
 Model: Serena Type: NC25 District of residence: Kanagawa
 Gender: male Driving distance: 5,000km/year
 Initial registration: Oct. 2007
 Drivers: limited to insurer and spouse NF class: 15
 License color: Gold Purpose of use: Daily and leisure activities
 Limitation of age: Over 30 years old

Coverage

Body injury liability: No limit
 Property Damage Liability: No limit
 Driver's Medical Payments: 50 mil. yen
 Passenger's Medical Payments: 10 mil. Yen
 Vehicle: General 2 mil. yen (indemnity 0 - 100,000 yen)

Additions/Discounts

New vehicle, Application through Internet, Non securities issuing

Example2:
Insurance Premium
(Compact)

When only the insurer commutes to work by car everyday (no vehicle insurance)

(Note) annual premium, unit: yen

SBI Insurance	Company A (Direct selling)	Company B (Direct selling)	Company C (Agency selling)
14,770 (annual)	16,050	18,360	26,760

Start of insurance: Dec. 1, 2008
 Model: Wagon R Type: MH21S District of residence: Miyagi
 Gender: Male Driving distance: 5,000km/year
 Initial registration: Oct. 2006 Drivers: limited to insurer
 NF class:12 License color: Gold Purpose of use: Commuting
 Limitation of age: Over 30

Coverage

Body injury liability: No limit
 Property Damage Liability: No limit
 Driver's Medical Payments: 50 mil. yen
 Passenger's Medical Payments: 5 mil. yen
 Vehicle: None

Additions/Discounts

Airbags/Shock Absorbing Body/ABS, Application through Internet, Non securities issuing

Example3:
Insurance Premium
(Sedan)

When someone outside of the family also drives (with vehicle insurance)

(Note) annual premium, unit: yen

SBI Insurance	Company A (Direct selling)	Company B (Direct selling)	Company C (Agency selling)
53,440 (annual)	54,500	67,590	85,470

Start of insurance: Dec. 1, 2008
 Model: Mark X Type: GRX121 District of residence: Tokyo
 Gender: Male Driving distance: 2,000 km/year
 Initial registration: Oct. 2007
 Drivers: no limitation NF class: 17
 License color: Gold Purpose of use: Daily and leisure activities
 Limitation of age: Over 26

Coverage

Body injury liability: No limit
 Property Damage Liability: No limit
 Medical Payments : 5,0 mil. yen
 Passenger's Medical Payments: 5 mil. Yen
 Vehicle: General 4.2 mil. yen (indemnity 0 - 100,000 yen)

Additions/Discounts

New vehicle, antitheft security system, Application through Internet, non securities issuing

*The terms of contract, coverage and other conditions offered by SBI Life Insurance Co., Ltd. are not necessarily identical in all cases, although they may be identical or very similar in certain cases, to those offered by insurance companies A, B, and C, peer companies that market their policies directly to customers, and to those offered by company D, which markets its policies through a network of insurance agents.

*The insurance premiums quoted above are as of October 24, 2008 and may be changed due to revisions of premium rates. Premium rates also vary according to policy terms and other factors.

Comparison of Major Direct Non-life Insurance Companies as of the Start of Operation



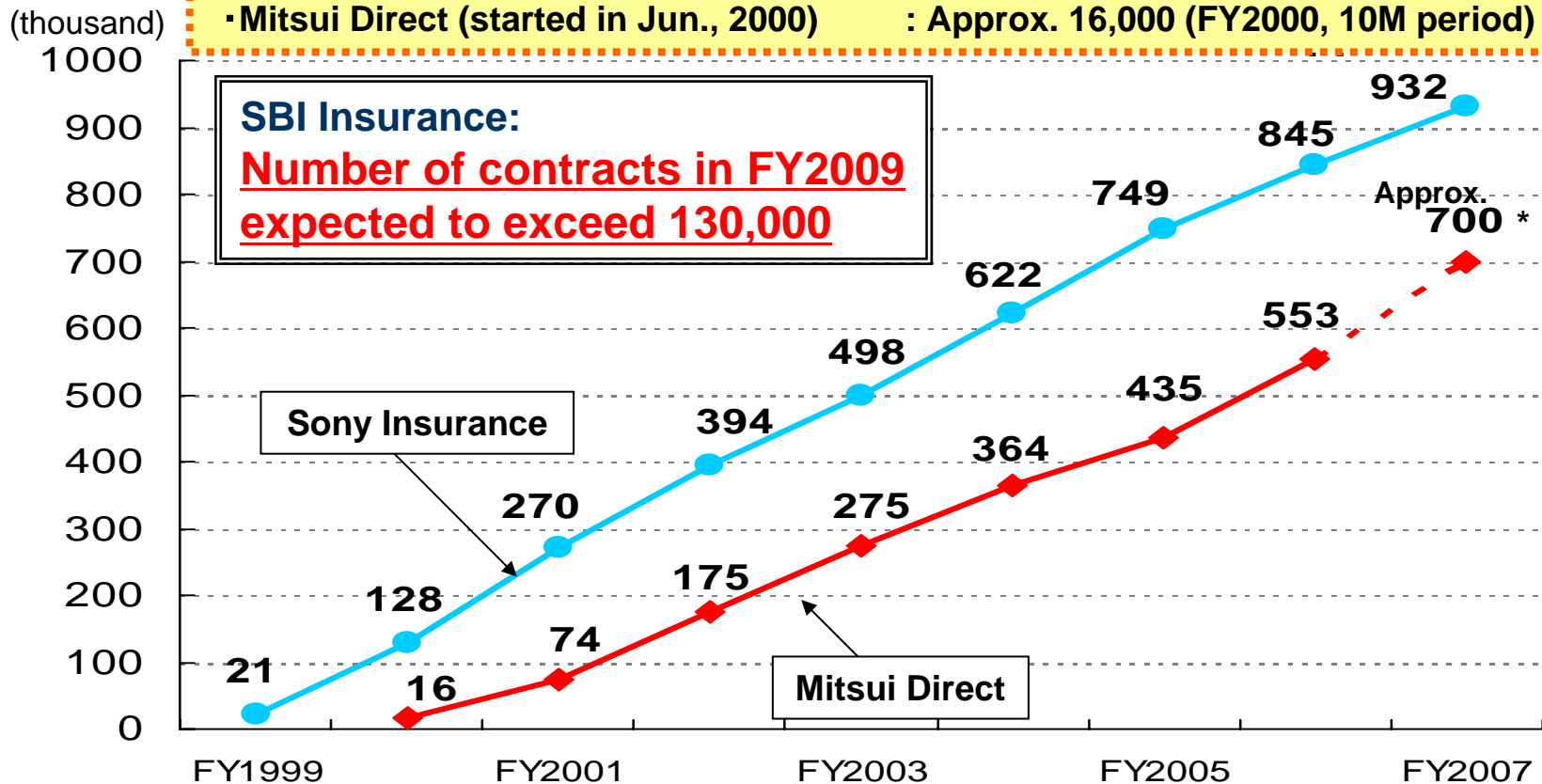
Growth in the Number of Contracts Since the Start of Operations

[Number of contracts since the start of operation]

• **SBI Insurance** (started on Jan. 16, 2008) : Approx. 25,000 (until Jan. 16, 2009)
 ⇒ On Mar. 27, lowered the insurance premium level. Due to a substantial price cut, the number of contracts steadily increased afterwards

• **Sony Insurance** (started in Sept., 1999) : Approx. 21,000 (FY1999, 7M period)

• **Mitsui Direct** (started in Jun., 2000) : Approx. 16,000 (FY2000, 10M period)



*Number of contracts of Mitsui Direct as of FY2007 is a figure estimated by SBIH (Source: Compiled by SBIH from information disclosed by each company)

Comparison of Financial Results at the Start of Operations

■ Sony Insurance (started operations in Sept. 1999)

(million yen)	FY1999	FY2000	FY2001
Ordinary Revenues	1,316	7,600	16,488
Insurance Expense	1,709	7,019	12,910
SG&A	5,502	9,297	9,486
Ordinary Income	-3,430	-5,641	-4,097

■ Mitsui Direct (started operations in Jun. 2000)

(million yen)	FY2000	FY2001	FY2002
Ordinary Revenues	892	3,758	8,301
Insurance Expense	997	3,413	6,834
SG&A	3,497	4,352	5,349
Ordinary Income	-763	-908	-1,431

■ SBI Insurance * (started operations in Jan. 2008)

(million yen)	FY2007	FY2008(Planned)	FY2009(Planned)
Ordinary Revenues	7	1,524	4,886
Insurance Expense	15	1,611	4,370
SG&A	508	1,384	2,017
Ordinary Income	-335	-261	-362

Cost per contract of the 2nd fiscal year since the start of operations (*)
(unit: thousand yen)

Sony Ins.: 72
Mitsui D. : 58
SBI Ins. : 39

(*) Cost per contract = SG&A of the 2nd fiscal year since the start of operations / annual contracts of the 2nd fiscal year since the start of operations. Figures for SBI Insurance are planned.

*Fiscal 2007 is the three-month period following the start of operations. Plans for fiscal 2008 and 2009 are goals calculated solely by SBI Insurance. These plans do not include any reinsurance payments. Consequently, actual performance may differ significantly from these goals. Insurance underwriting earnings are an indicator of only the profitability of insurance underwriting activities.

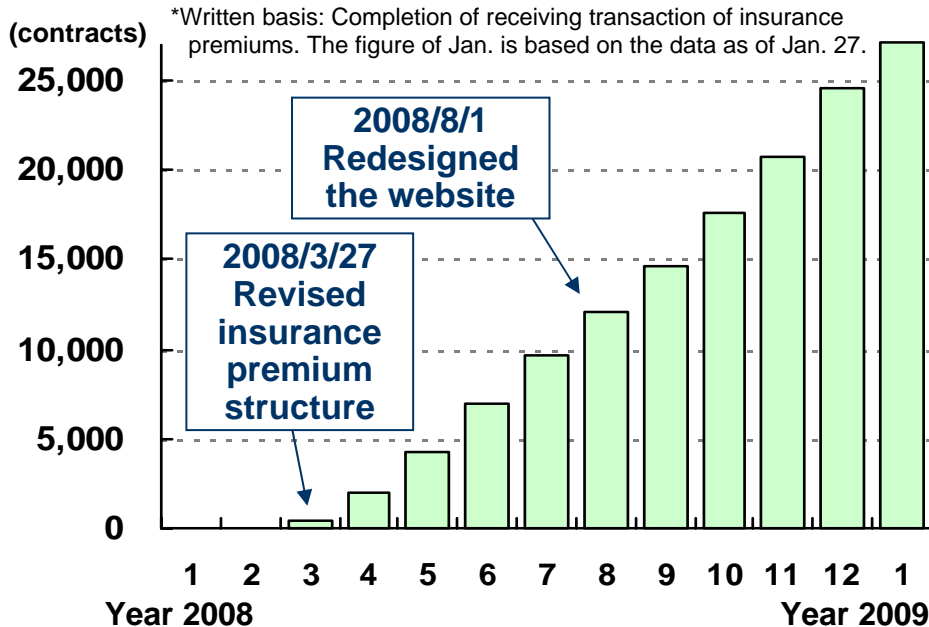
Full-scale Launch of SBI Nonlife Insurance Business

Current Status

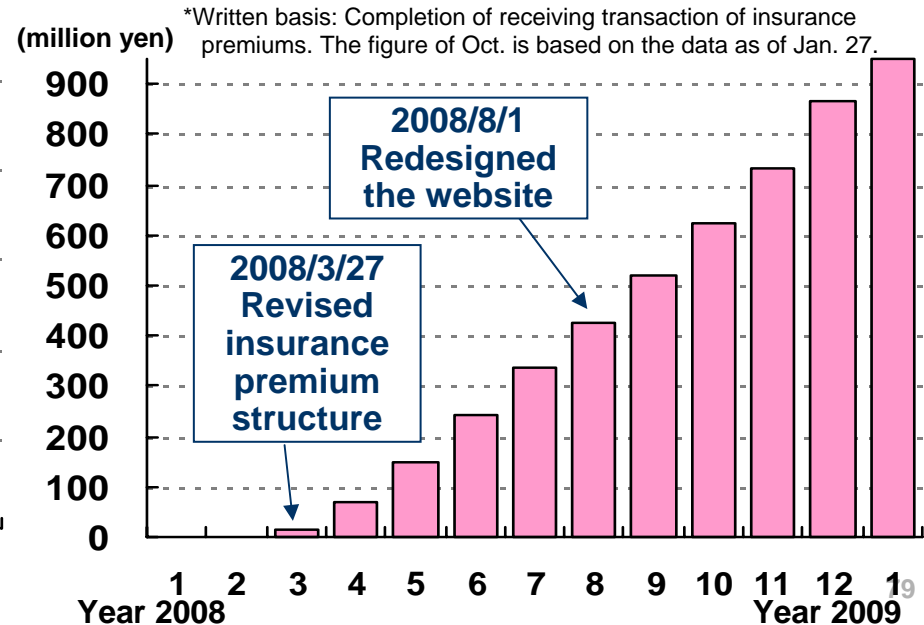
- On Oct. 10, started “SBI Insurance GPS Navi”, a location information notification service utilizing the mobile GPS
- In Jan. 2009, daily number of insurance contracts reached a record high of 195
- As of Jan. 27, the accumulated number of insurance contracts increased by more than 27,000, and accumulated insurance premiums totaled 950 million yen (written basis).

Insurance contractors of SBI Insurance are increasing in their 50’s to 60’s as well as in the 30’s to 40’s

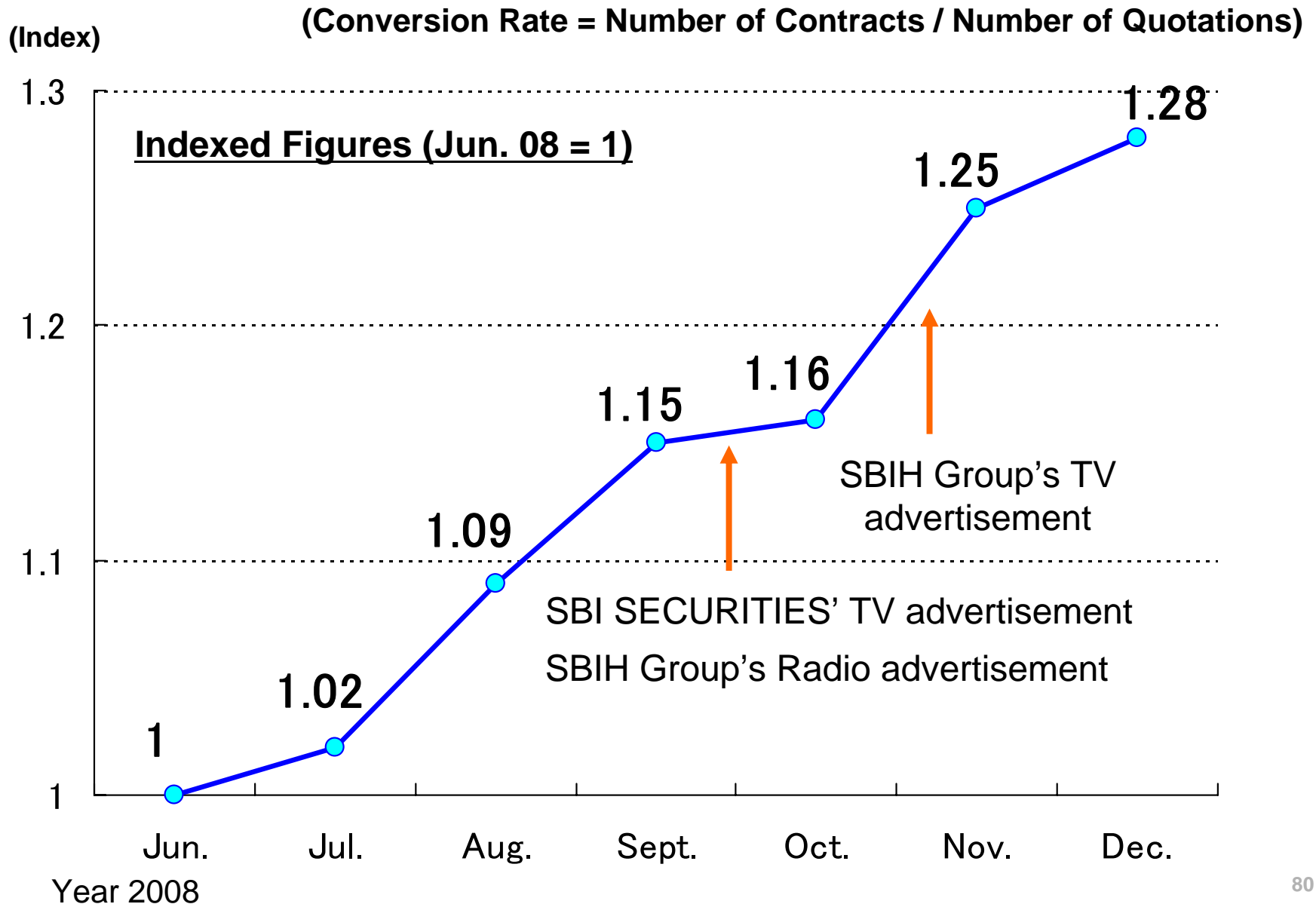
Change in the Number of Insurance Contracts (written basis) / accumulated total



Change in Direct Income of Insurance Premium (written basis) / accumulated total



Conversion Rate at SBI Insurance



To Increase the Insurance Premium by Threefold (1)

Launched full-scale approach to bricks-and-mortar services of “SBI AutoSupport”

-At the start: Plan to acquire auto insurance contracts offered by SBI Insurance



30%



-Runs 3 domestic auction websites

-Registered companies: more than 14,000

-Annual number of cars listed: approx. 700,000



SBI AutoSupport

Provide financial services to auto buyers through pre-owned auto companies

70%



[Auto-related financial services]

-Auto insurance
(SBI Insurance)

-Auto loan (In preparation)
(SBI Sumishin Net Bank)

-In the future, expect to significantly increase the number of registered companies by maximizing the full capabilities of the SBIH Group!!

Auto Insurance

Auto Loan



To Increase the Insurance Premium by Threefold (2)

884 preowned auto companies already registered as a service provider of SBI AutoSupport, and expected approximately 100 companies to register monthly

Note: as of Jan. 27, 2009

★ Plan to start end Jan. 2009



Short-term loan guarantees and payment processing service

- Member auto dealers: About 345 companies
- Affiliated used car auction sites: 35 sites

★ Started in Jan. 2009

Auto Server Co., Ltd.

Used car auction bidding agency service

- Registered dealers: About 32,000 companies



SBI AutoSupport

Started operations on October 14

★ Started in Oct. 2008



Runs auction website
•Registered companies: more than 14,000



【SBI AXA Life Insurance Co., Ltd.】

Internal targets at the start of operations

(started operations in Apr. 7, 2008)

▪ Targeted No. of contracts

1st fiscal year: around 20,000

5th term: around 200,000

▪ Targeted revenues

5th term: Turn a single-year profit

An Increase in the Sales of Policies, Due to Insurance Premium Reductions and the Offering of Greater Convenience

Since Oct.
2, 2008

SBI AXA's "Kachitto Term Policy," which already offers the lowest premiums of any term life policy in Japan, added a discount for high premium policies.

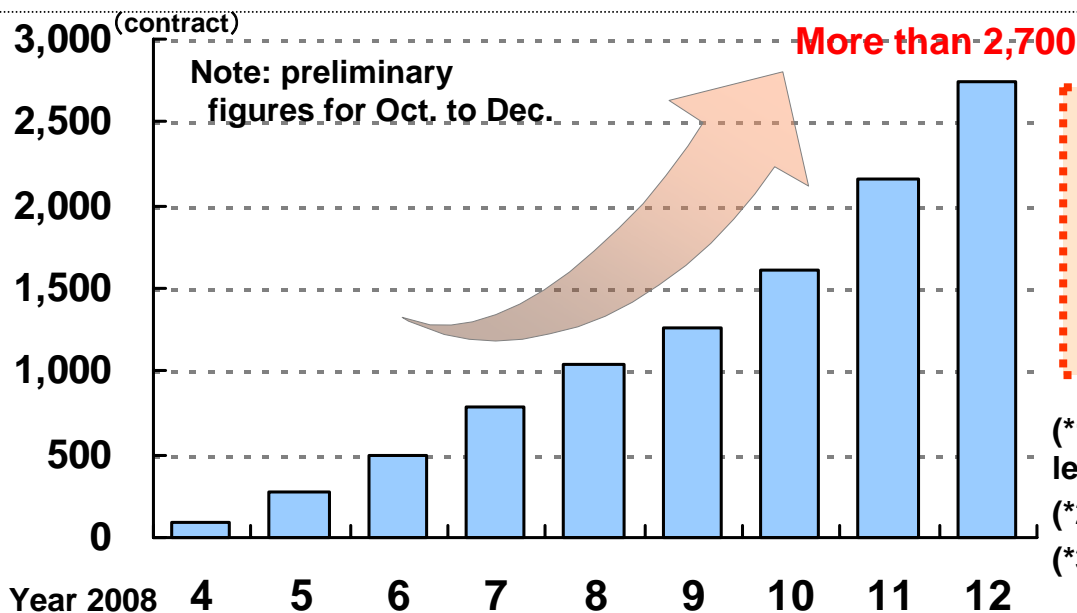
=> Discounts of up to 46.6% compared with previous premiums(*1)

Since Nov.
14, 2008

Started accepting applications for our Account Transfer Service through the Web. **The first of its kind in the insurance industry** (*2), the service simplifies bothersome account transfer formalities.

=> Now customers can complete account transfer formalities easily through our website.

Sales of New Term Life and Medical Policies /accumulated total



New product plan:
=> **Provide new products in FY2008** (*3)

(*1) Discount applies to death benefits of at least 20 million yen

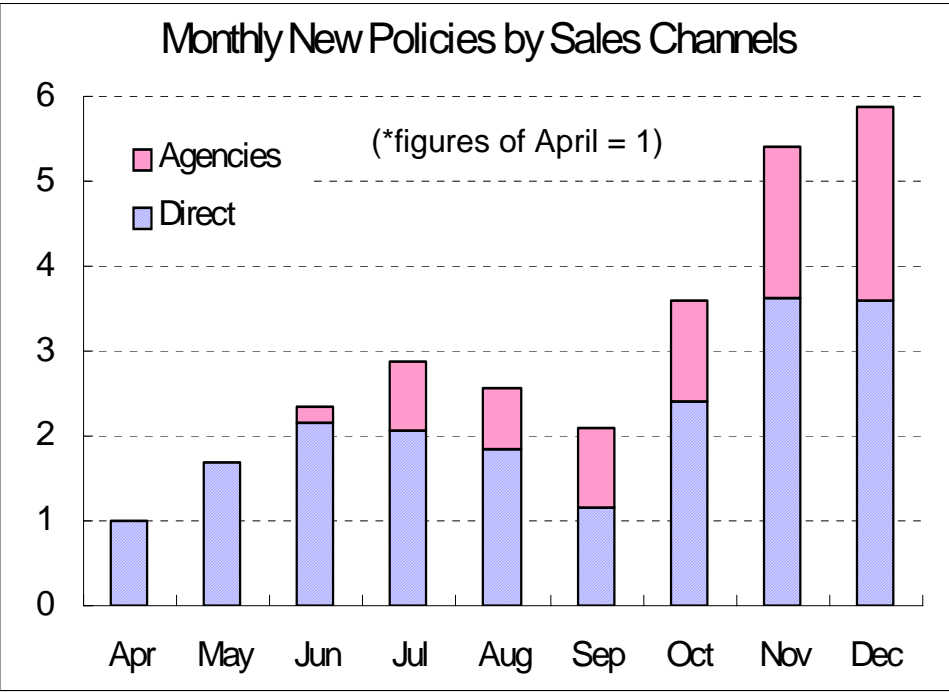
(*2) Based on data compiled by SBIH

(*3) Based on the approval of relevant authorities.

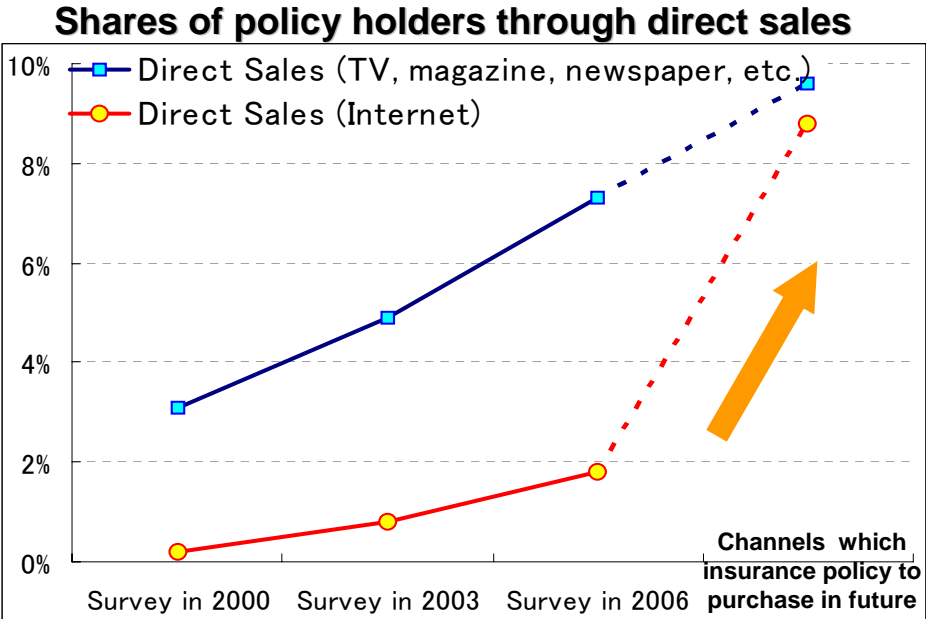
Increased Sales Channels Due to an Effective Integration of Online and Face-to-face Operations

Plan to further increase the sales of policies at agencies, by expanding other sales channels as well as through the Internet

- In June 2008, started using agents to sell policies in addition to selling policies directly
Agents selling SBI AXA policies: 36 as of the end of Dec., 2008
- In Oct. 2008, started trial sales of policies at insurance agencies (total at 63 locations)
- In November 2008, SBI Sumishin Net Bank started SBI AXA policies



Year 2008



(Note) Survey in 2000: purchased insurance policy from 1995 to 2000, survey in 2003: purchased from 1998 to 2003, survey in 2006: purchased from 2001 to 2006. "Channels which insurance policy to purchase in future" are results from a survey in 2007. (Source from JILI Life Insurance Culture Center)

“Initiated Advertisements of the SBIH Group”

Enhance the “SBI” brand awareness for consumers at large with little economic or financial knowledge

TV advertisements

Oct. 1 - 31 '08: Notification of the change of the company name from “SBI E*TRADE SECURITIES” to “SBI SECURITIES”

Nov. 4 '08 - : “What is SBI?” Introduction to company names and services of the SBIH Group

Jan. 17 '09 - : “Equation”

Feb. - : “Equation” & “Synergistic Effects”

Radio advertisements

Oct. 1 '08 - : Introduction of company names and services of the SBIH Group

～Enhance the “SBI” Brand Awareness～ Development of TV Advertisements ①

Introduce the SBIH Group’s features by various methods

“Equation”

(Started on Jan. 17)

The SBIH Group has an Equation.

SBIグループには方程式がある



PC + Mobile × 便利 + SBI =



F: PC + Mobile × Convenience + SBI =
M: Net Bank !

F: Safe × Safe – Cost + SBI =
M: Net Insurance !



F: Money × Money × Bright Future + SBI =
M: Net Securities !



(S) Subeteni (for everything)
(B) Benriga (convenience)
(I) Ippai (full)
SBI ♪

~Enhance the “SBI” Brand Awareness~ Development of TV Advertisements ②

“Synergistic Effects” (Started in Feb.)



The SBIH Group is a comprehensive financial group that operates an Internet banking, Internet securities brokerage, Internet life insurance, and Internet nonlife insurance business.



Our advantages are the synergistic effects generated through the interactions between the Group’s various financial businesses.



All for customers, All for Investors,
And All for the people
We are the SBIH Group.

【SBI Finance Portal】

(Launched in January 2009)

Opened a Financial Portal Site: "SBI Finance Portal"

Experimentally started on January 13 for the one-table provision of financial services such as securities brokerage, banking, insurances, etc.

Online securities brokerage

SBI Securities

Online Banking - Housing loans

SBI Sumishin Net Bank

Housing loans

SBI Mortgage

Online insurance (Auto insurance)

SBI Insurance

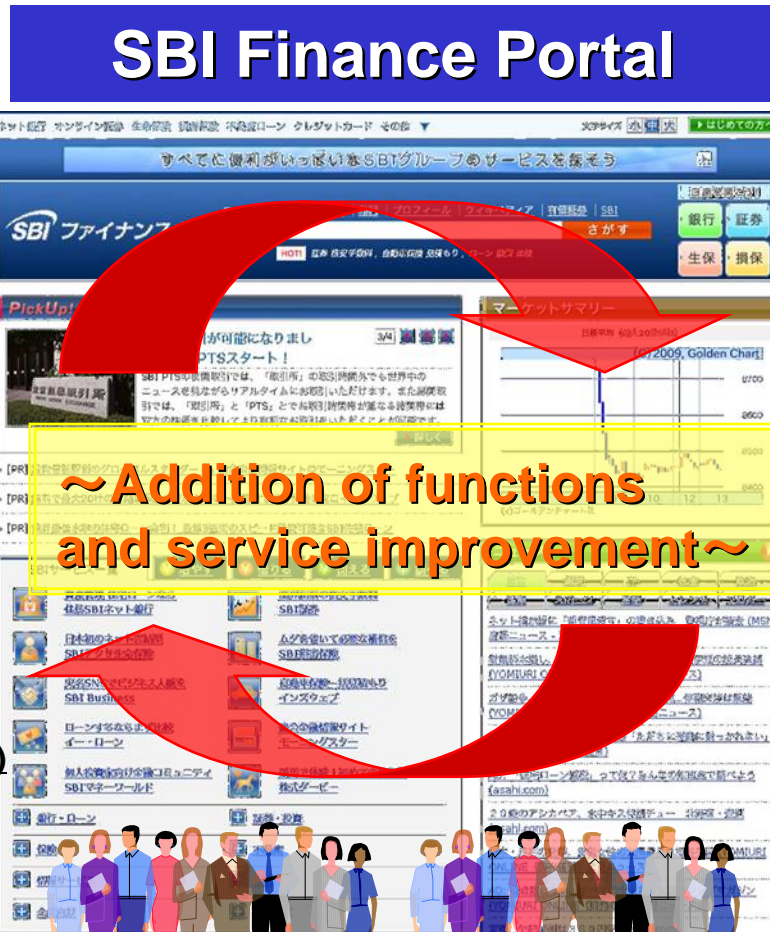
Online life insurance (life insurance/medical insurance)

SBI AXA Life Insurance

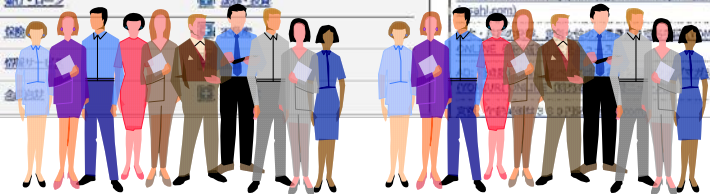
Credit cards

SBI Card

... ,etc.



~ Addition of functions and service improvement ~



Provide services through the Internet

Service providers

Cloud Computing System

Adopted to the Group for the first time

Establish an outside data center

*Flexible adjustment for the number of servers without any physical limitations

② Biotechnology Related Businesses

【SBI Biotech】

SBI Biotech's Full-Fledged Entrance into the Drug Creation Business

SBI Biotech formed alliance with leading institutions, bio-ventures and pharmaceutical companies in the U.S., China and Korea



• In Oct. : Entered into a contract with Helixir in Korea to develop and sell Helixir's nutraceutical, Sarunashi (kind of a kiwi fruit) extract, PG102 with anti-allergic effect.

• Plan to sell PG102 as health food in February 2009. PG102 is expected to be useful for the therapy of allergic diseases, such as atopic dermatitis, pollen allergy, the allergic rhinitis, the food allergies, and asthma.



• In Sept. : Entered into a licensing and collaboration agreement with MedImmune, the global biologics unit of AstraZeneca to develop and commercialize SBI Biotech's anti-ILT-7 protein for the potential treatment of systemic lupus erythematosus and other autoimmune diseases. MedImmune has global rights to any resulting product candidates, and will be responsible for preclinical and clinical development in the U.S.



• In Oct. : Entered into a contract with Baylor Research Institute (BRI), located in Texas, to develop DC (dendritic cell) immunotherapy, one of the latest treatments for cancer. SBI Biotech obtained a license in certain Asian countries including Japan under BRI's proprietary DC technology and is to expand further research in DC.



• In Oct. : Entered into a license agreement with Changchun Huapu Biotechnology in China, to expand novel nucleotide drug pipeline. SBI Biotech acquired the three licensed compounds, and plan to collaboratively develop these in the U.S., China, and Japan, depending on indications to develop drugs for the treatment of cancers, infections and autoimmune diseases.

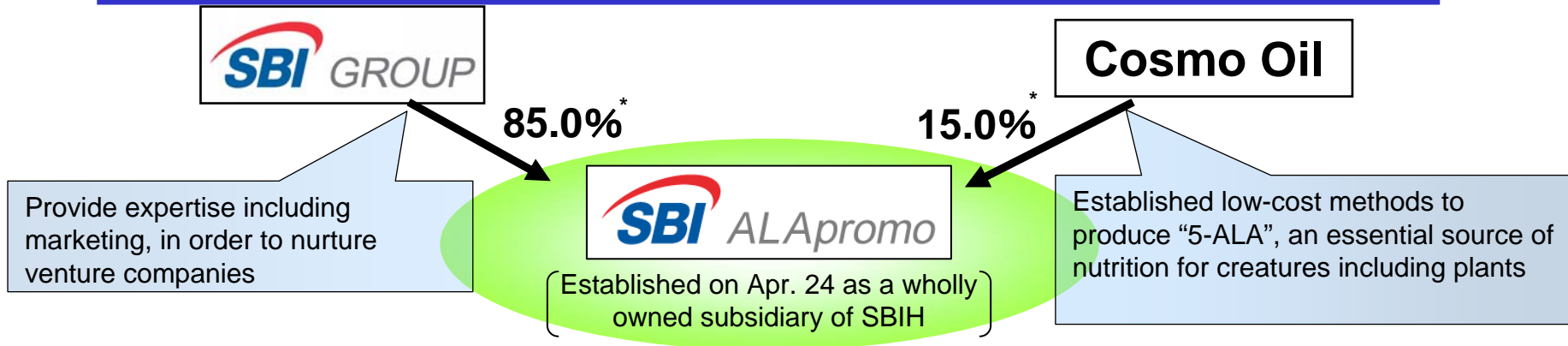
【SBI ALApromo】

~Practical application of the first product in Dec 2008~

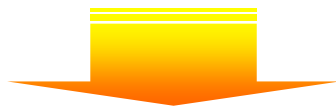
R&D Progress Report at SBI ALApromo

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

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



In Nov. 2008, Established R&D base in Tokyo



<R&D Progress Report>

- ◆ **Cosmetics:** In December '08 started to experimentally sell "Hatarakute" a hand cream, as the first line of products.
- ◆ **Therapeutic drugs:** Plan to establish a company with an overseas partner by the end of 2008 to conduct joint R&D programs.

- ◆ **Diagnostic drugs:** Negotiations under way with several companies in Japan concerning the establishment of business alliances
- ◆ **Health food:** Clinical trials under way to receive certification of health food products as food for specified health use

【 Biotechnology Related Investee Companies 】

Biotechnology Related Investee Companies Expected to Be a Profit-Making Source



Quark Pharmaceuticals, Inc. (Shareholding ratio of the SBI Group: 24.87%)

- Development of novel therapeutic RNAi drug candidates.
- In Jun. 2006, entered into licensing agreements with Pfizer for PF-4523655, molecules targeting AMD. Potential milestone payments from Pfizer totaling over \$600 million.
- In Jul. 2008, initiated dosing in DME and received milestone payment.
- In Oct. 2008, published the paper that reports efficacy of siRNA targeting its proprietary target gene against NSCLC on "*Cancer Research*". The results provide a basis for a potential new drug candidate to be added to Quark's pipeline.
- Mr. Kazuyuki Matsui, a Director and Officer of SBIH, assumed a board membership of Quark Pharmaceuticals

New!

- In Jan. 2009, initiated dosing in its Phase I/II clinical trial evaluating QPI-1002, a siRNA drug candidate, for prevention of Delayed Graft Function (DGF). Currently there is no marketed treatment for DGF.
- Considering Conducting an IPO or M&A to a major foreign or domestic pharmaceutical company.

Acucela Inc. (Shareholding ratio of the SBI Group: 26.34 %)

- Development of new drug therapies for blinding eye diseases.
- In Sept. 2008, entered co-development agreement with Otsuka Pharmaceutical for ACU-4429 in dry AMD and for Rebamipide Ophthalmic Suspension for Dry Eye. Potential milestone payments from Otsuka Pharmaceutical totaling \$258 million.
- Considering Conducting an IPO on stock exchanges including NASDAQ.

(Stock Information)

Recent Major Shareholdings Report of SBIH Submitted by Foreign Investors

Shareholding entity		Report Obligation Incurred	Number of shares currently held (shares)	Currently held shares as Pct. of the total outstanding shares of SBIH (%)
The Capital Group (U.S.)	Capital Guardian Trust Company Capital International Limited Capital International Inc. Capital International S.A. Capital International K.K.	Aug. 29, 2008	1,201,929	<u>7.17</u>
The Orbis Group (U.K.)	Orbis Investment Management (B.V.I.) Limited Orbis Investment Management Limited	Nov. 19, 2008	2,031,092	12.12
		Dec. 12, 2008	2,215,558	13.22
		Jan. 15, 2009	2,407,482	<u>14.36</u>

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

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