



*Strategic
Business
Innovator*

Briefing on Latest Management News ~ Celebrating our 10th Anniversary ~

June 26, 2009

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Representative Director & CEO
SBI Holdings, Inc.**

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

Part 1 SBI Holdings

A Decade Since Our Founding

- 1. SBIH Group's Fundamental Business Building Concepts and the Path Undertaken**
- 2. Track Record of Corporate Value Enhancement for the Past Ten Year Period Since the Founding**

1. SBIH Group's Fundamental Business Building Concepts and the Path Undertaken

SBIH Group's Fundamental Business Building Concepts

- 1. Adherence to the “Customer-Centric Principle”**
- 2. Formation of “Business Ecosystem” and Development of “Structural Differentiation”**
- 3. Creation of a “Network Value”**

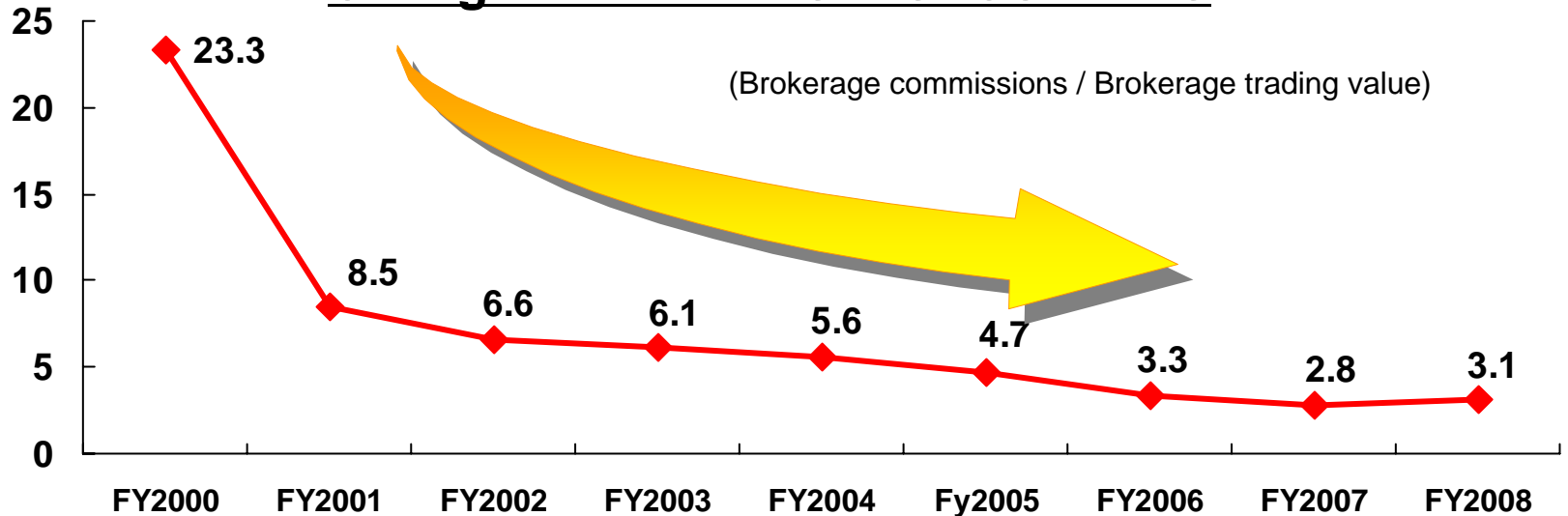
Fundamental Business Building Concepts 1

Adherence to the “Customer-Centric Principle”

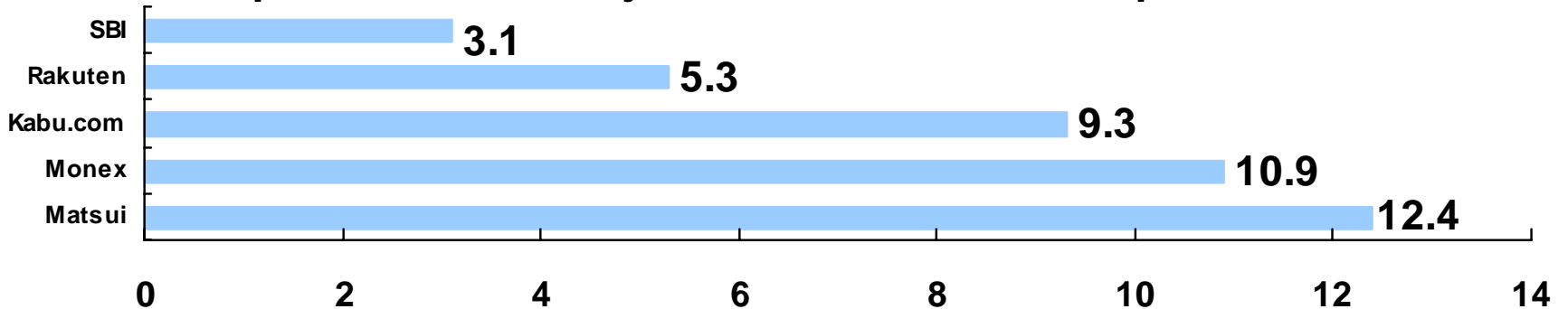
Momentous Reduction of Brokerage Commissions

SBI SECURITIES realized a momentous reduction of brokerage commissions by offering overwhelmingly low trading commissions

Change in basis of SBI SECURITIES



Basis comparison of five major online securities companies in FY 2008



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

Operating Japan's Largest Financial Comparison Website as a Neutral Service Provider

“InsWeb”

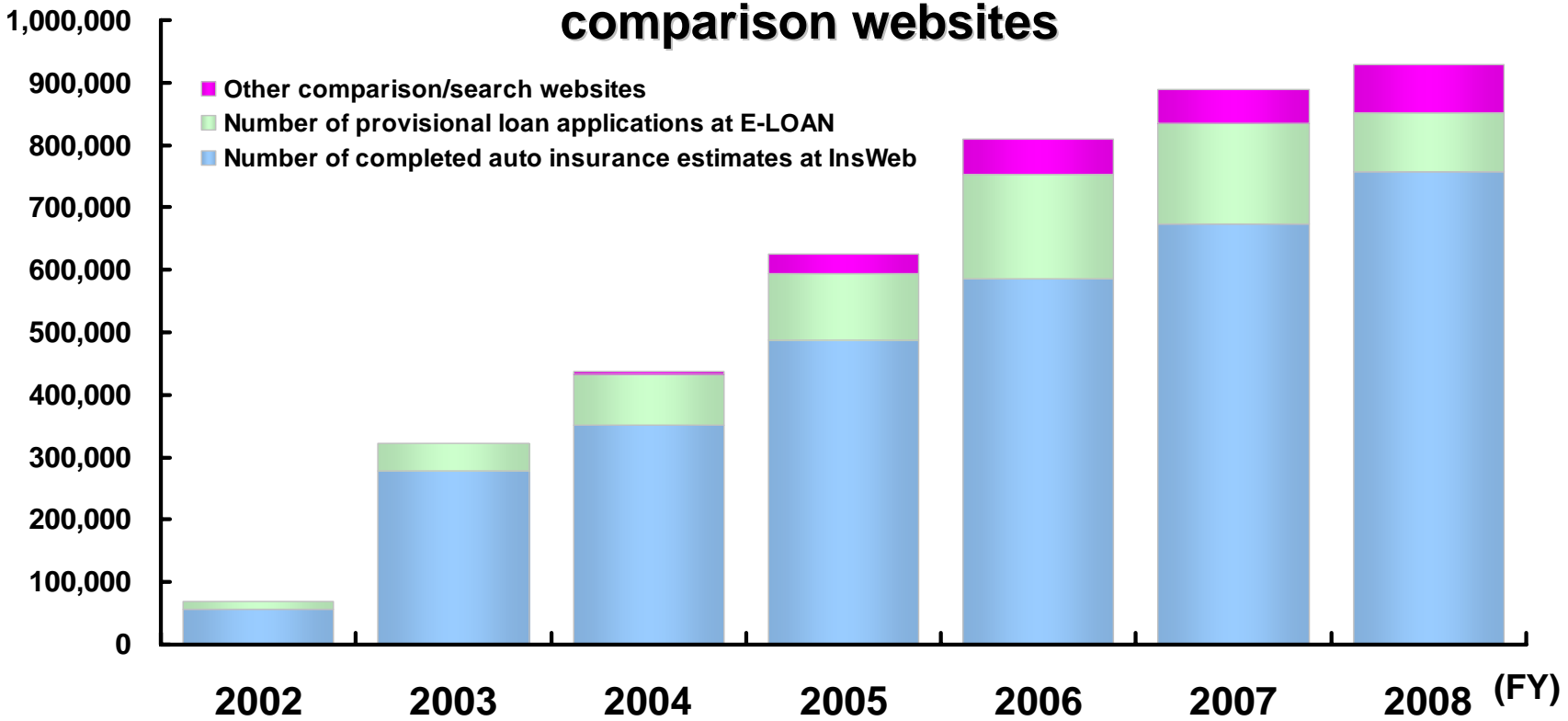
Affiliated non-life insurance companies, etc.: 23
 Affiliated life insurance companies, etc.: 20

“E-LOAN”

Affiliated financial institutions: 62
 Types of loan products : 492

(Unit: transactions)

Number of transaction users in the SBIH Group’s financial comparison websites

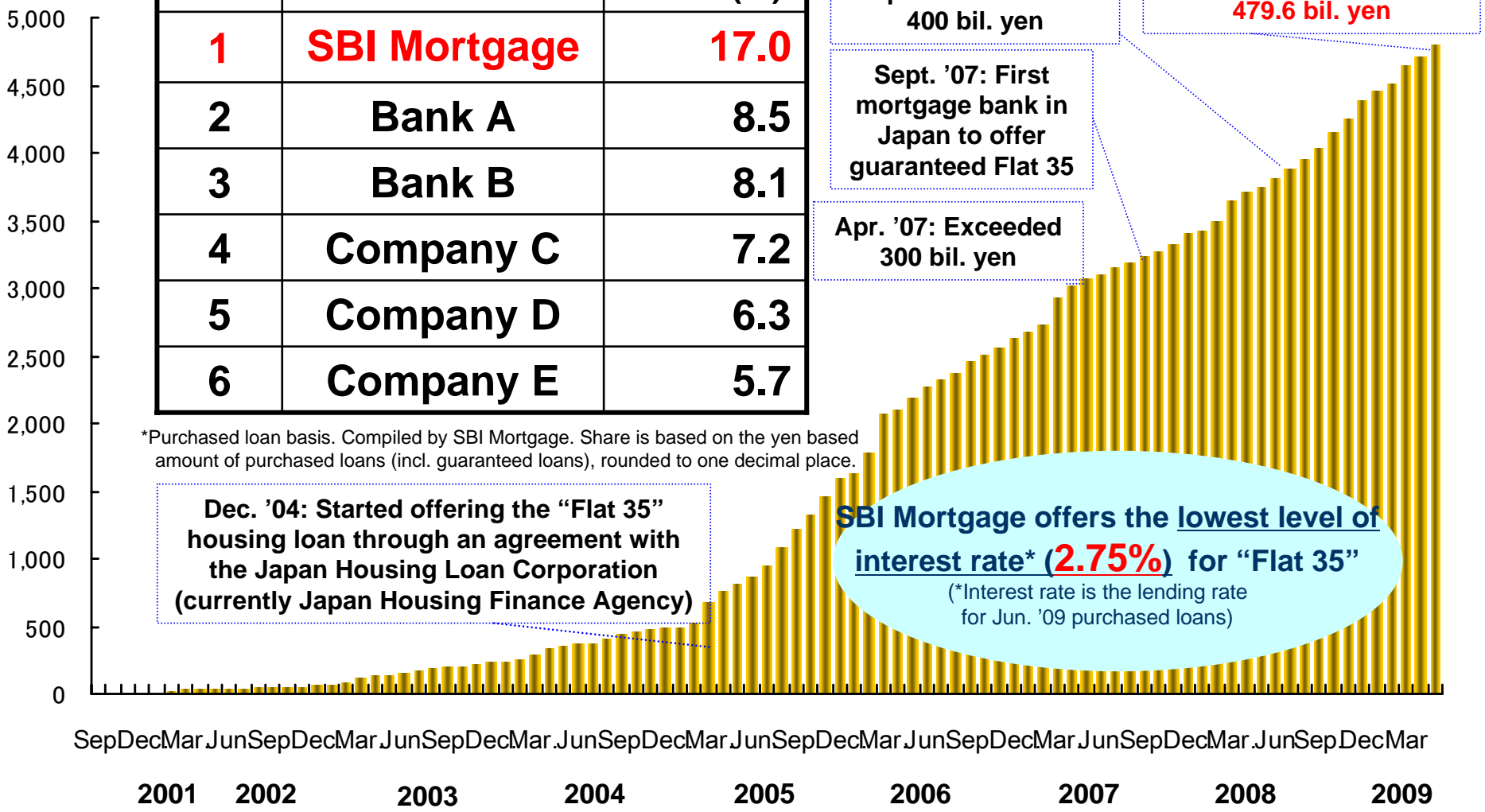


Providing the Industry's Lowest Housing Loan Interest Rate

“Flat 35” Share Ranking in May 2009

Change in Housing Loans Outstanding

Rank		Share (%)
1	SBI Mortgage	17.0
2	Bank A	8.5
3	Bank B	8.1
4	Company C	7.2
5	Company D	6.3
6	Company E	5.7



*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.

SBI Mortgage offers the lowest level of interest rate* (2.75%) for “Flat 35”
 (*Interest rate is the lending rate for Jun. '09 purchased loans)

Offering Favorable Interest Rates

Owing to lower personnel and operating costs as compared to major city banks that operate branches nationwide, favorable interest rates can be offered

Example: Comparison of term deposit interest

Average of 3 major city banks

	Less than 3 million			Over 3 million		
Term of deposit (year)	1	3	5	1	4	5
Interest (%)	0.2	0.25	0.34	0.2	0.3	0.38

住信SBIネット銀行 

 **Approx. 2.62 times**

	Less than 3 million			Over 3 million		
Term of deposit (year)	1	3	5	1	4	5
Interest (%)	0.514	0.523	0.601	0.524	0.533	0.611

(*) Yearly rate, before taxes. As of June 24 2009. Based on SBIH's research 9

Providing Auto Insurance Products with the Least Expensive Premium

According to the “Diamond Weekly”, **SBI Insurance was ranked first** among the carriers with the least expensive premium. **Only direct insurance companies** could gain more net insurance premium than a year earlier.

	Company	Car insurance premium	Direct premium written	YoY (%)
1	SBI Insurance	19,120	5	-
2	Mitsui Direct	20,300	139	11.2
3	AXA NON-LIFE INSURANCE	20,450	147	15.6
4	SECOM General Insurance	23,010	45	-2.2
5	SAISON AUTOMOBILE&FIRE INSURANCE CO.,LTD	24,400	46	-4.2
6	ZENROSAI	24,520	-	-
7	Adlick Insurance Company Limited	26,640	-	-
8	Sony Assurance	26,860	267	11.3
9	Zurich Insurance Company	27,650	-	-
10	SONPO24 INSURANCE	28,220	39	11.4
11	American Home Direct	28,610	-	-
12	NIPPONKOA INSURANCE	31,400	1,637	-1.6
13	THE FUJI FIRE AND MARINE INSURANCE	32,200	798	-2.0

	Company	Car insurance premium	Direct premium written	YoY (%)
14	Mitsui Sumitomo Insurance	32,890	2,728	-1.9
15	JA Kyosai	33,230	1,540	-0.8
16	Sompo Japan Insurance	33,630	3,307	-0.1
17	Nisshin Fire & Marine Insurance	34,840	374	-1.3
18	Nissay Dowa General Ins	35,680	801	-0.9
19	ASAHI FIRE & MARINE INSURANCE	36,540	70	-2.8
20	Tokio Marine & Nichido Fire Insurance	36,940	4,287	-1.5
21	Aioi Insurance	37,430	2,311	-1.5
22	Kyoei Fire & Marine Insurance	40,110	312	-1.9
23	AIU	40,550	-	-

* 1 Condition of the ranking: •Car: HONDA FIT Type: DBA-GE Grade L (Registered on December 2008) •The expiration date: February 1 2009 •Type of contract: New contract switched from another company, •The covered: a man, 35 years old, in Tokyo •Purpose of using a car: usual use, leisure • Length of drive a year: 5000 km •Color of driving license: blue •Coverage of contract: limited to his family •Next class: 14th class (13th class presently) •bodily injury insurance(to others), property damage insurance: no limitation •Bodily injury: 50 million yen Passenger injury: 10 million yen
 *2 Net insurance premium is based on the first half of FY 2008. “-” indicates it is not disclosed.

Providing Life Insurance Products with the Least Expensive Gross Premium*

*Insurance premium after the cost deduction

~In the ranking of gross premium of term insurance from “The Diamond Weekly”, SBI AXA Life Insurance’s (781 yen) was ranked as the cheapest. Compared to the SUMITOMO LIFE INSURANCE’s and ASAHI MUTUAL LIFE INSURANCE’s, the 2 most expensive companies (4,741 yen), its monthly premium is about a half, and its gross premium is about one-sixth (approx. 4000 yen cheaper)~

Ranking of loading of premium of term insurance

Death payment of 30 million yen, term: 10 years *monthly premium for a thirty-year-old man

	Company	Divid end	monthly premium		
			(Net premium)	(Gross Premium)	
1	SBI AXA Life Insurance Co., Ltd.	×	3450	2669	781
2	LIFENET INSURANCE COMPANY	×	3484	2669	815
3	Sony Life Insurance Co., Ltd.	×	4110	2669	1441
4	DAIDO LIFE INSURANCE COMPANY	×	4380	2669	1711
5	Sompo Japan Himawari Life Insurance Co., Ltd.	×	4650	2669	1981
6	NIPPONKOA Insurance Company, Limited	×	4890	2669	2221
7	ORIX Life Insurance Corporation	×	4920	2669	2251
8	American Family Life Assurance Company of Columbus	×	5070	2669	2401
9	SOMPO JAPAN DIY LIFE INSURANCE CO., LTD	×	5457	2669	2788
10	Aioi Life Insurance Co., Ltd	×	5640	2669	2971
11	Mitsui Sumitomo Kirameki Life Insurance Company, Limited	×	5790	2669	3121
12	ALICO: American Life Insurance Company	×	5940	2669	3271
13	Tokyo Marine Anshin life insurance	×	5970	2669	3301

14	TAIYO LIFE INSURANCE COMPANY	×	6536	2669	3867
15	Nippon Life Insurance Company	○	6660	2669	3991
16	AIG Edison Life Insurance	×	6780	2669	4111
17	AIG Star Life Insurance	×	6840	2669	4171
18	THE DAI-ICHI MUTUAL LIFE INSURANCE COMPANY	○	6870	2669	4201
19	FUKOKU MUTUAL LIFE INSURANCE COMPANY	×	6930	2669	4261
20	Meiji Yasuda Life Insurance Company	△	6990	2669	4321
21	THE FUJILIFE INSURANCE Co., Ltd.	×	6990	2669	4321
22	MITSUI LIFE INSURANCE COMPANY	×	7170	2669	4501
23	JA kyosai	○	7200	2669	4531
24	SUMITOMO LIFE INSURANCE COMPANY	△	7410	2669	4741
25	ASAHI MUTUAL LIFE INSURANCE CO.	△	7410	2669	4741

Life insurance: 30 million yen, Term: 10 years, monthly payment, single product.

* Loading of the premium is calculated subtracting net premium disclosed by LIFENET Insurance (2,669 yen) from monthly premium of each companies' products.

* Since the period of SOMPO JAPAN DIY LIFE INSURANCE's product is one year, the figure is calculated by an average of premiums for the 30-39 years old. 11

Fundamental Business Building Concepts 2

**Formation of “Business Ecosystem” and
Development of “Structural Differentiation”**

Structural differentiation is an winning factor in the age of the Internet.

Before the Internet

Competition
drivers

- Differentiation of “prices”
- Differentiation of “service quality”
- Differentiation of “product diversity”

Other companies may be easily promoted to keep pace, resulting in excessive competition.

After the Internet

Competition
drivers

“Structural differentiation”

- (1) Securing of an advantage in terms of organizational strategy
- (2) Further improvement in the level of customer satisfaction
- (3) Creation of “network value”

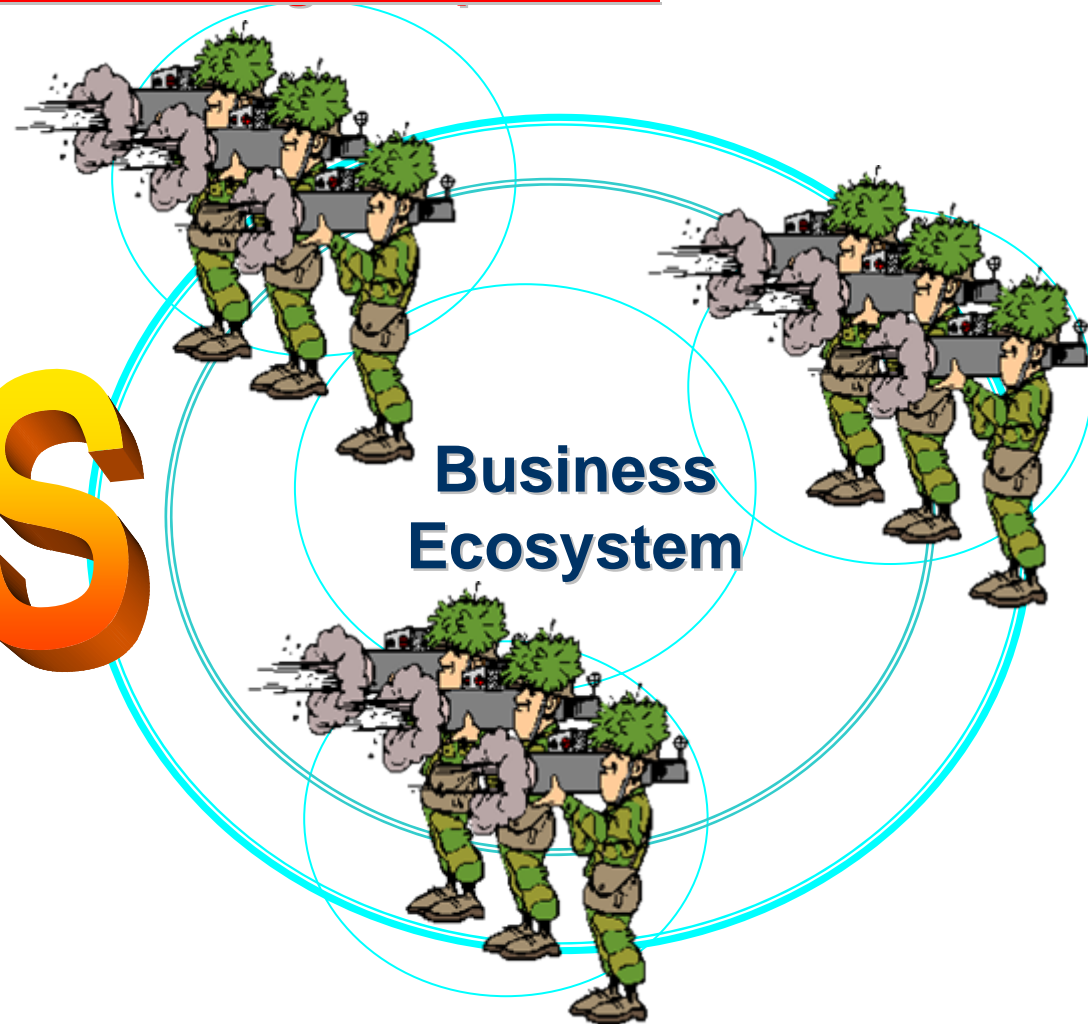
A company can build its own competitive advantage without being caught in excessive competition.

In today's Internet-driven marketplace, establishing a business ecosystem is the most effective and powerful measures in achieving a differentiating framework, and is essential in realizing an overwhelming competitive advantage.



Single Enterprise

VS

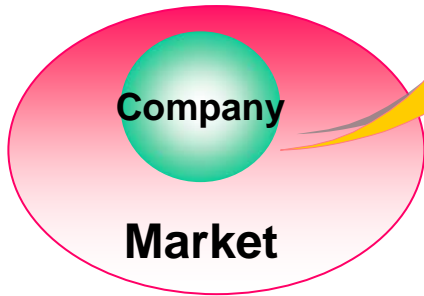


No company can compete and win by itself!

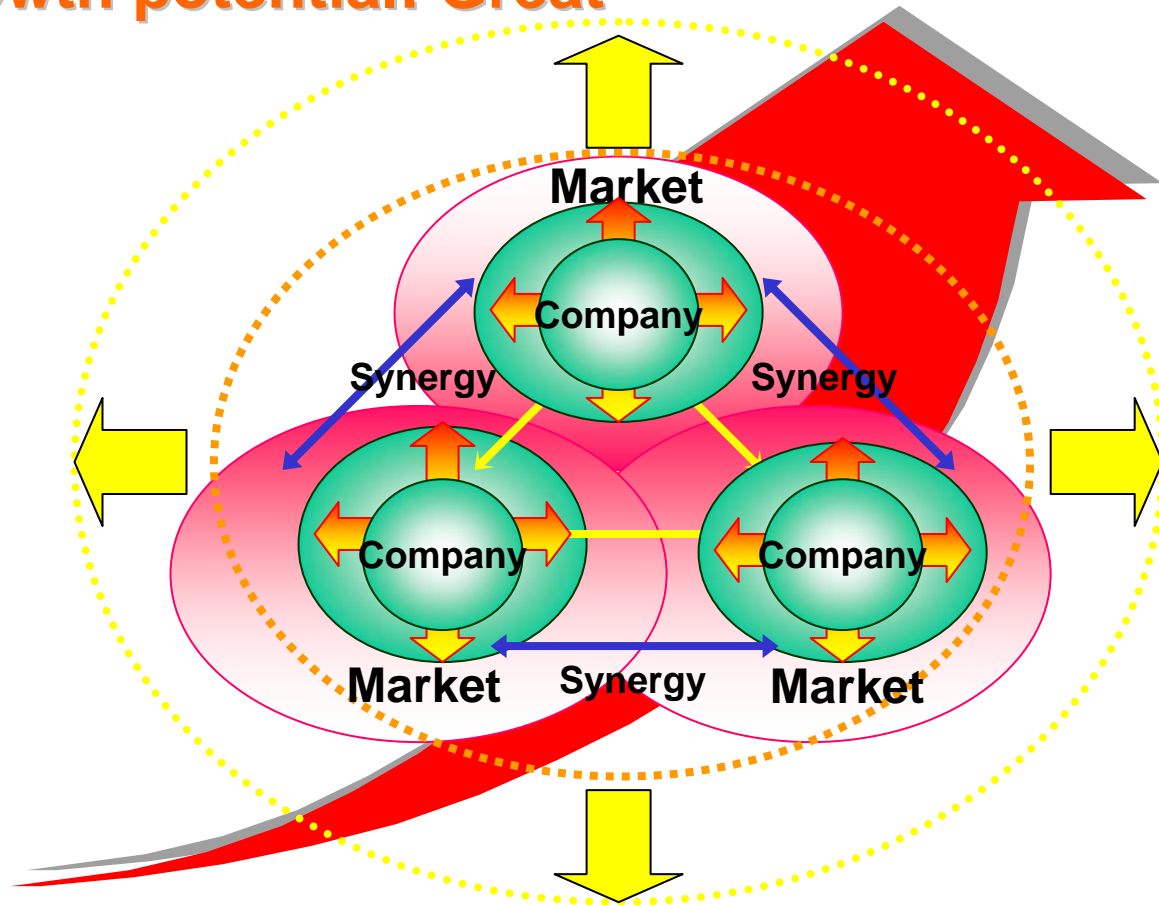
Assembling and expanding the business ecosystem produces positive synergies among the constituent companies. This process also creates a mutual evolution process in each company's market to support rapid growth.

Growth potential: Great

Growth potential: Small



A company as a single economic entity



A "business ecosystem" in which a variety of constituent companies work together to achieve mutual evolution

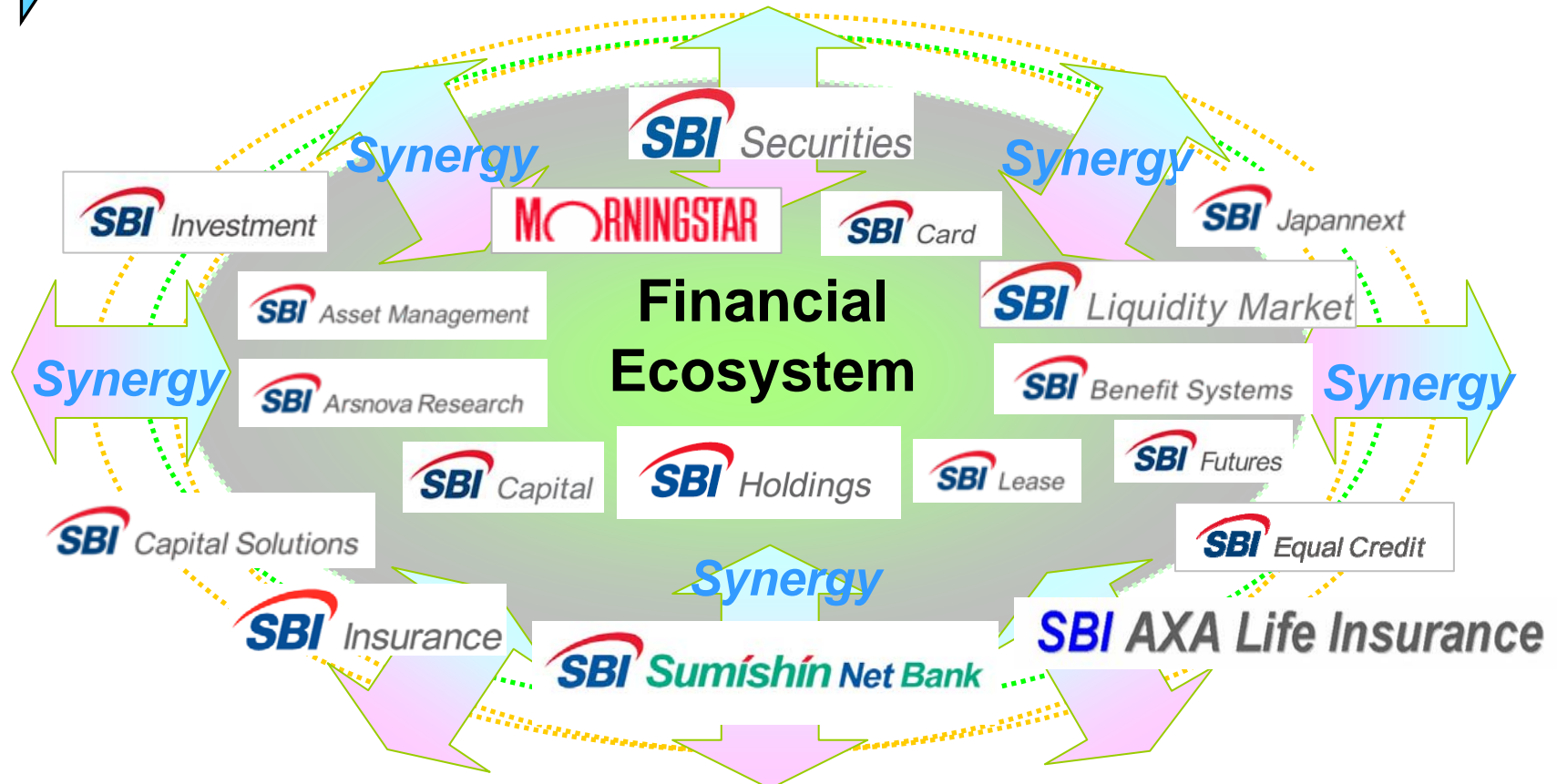
SBIH Group's Completed Financial Ecosystem



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

Since the establishment of the SBIH Group, the financial ecosystem has developed through the establishment of joint ventures with prominent operating partners, as well as independently establishing operating companies.

 *A globally unique Internet-based financial conglomerate is established*



Examples of Synergistic Effects Produced through the Formation of a Financial Business Ecosystem:

- (i) **SBI SECURITIES and SBI Japannext**
(Started a PTS operation in Aug. 2007)

- (ii) **SBI SECURITIES and SBI Sumishin Net Bank**
(Started operations in Sept. 2007)

- (iii) **InsWeb and SBI Insurance/ SBI AXA Life Insurance**
(Started operations in Jan. 2008)
(Started operations in Apr. 2008)

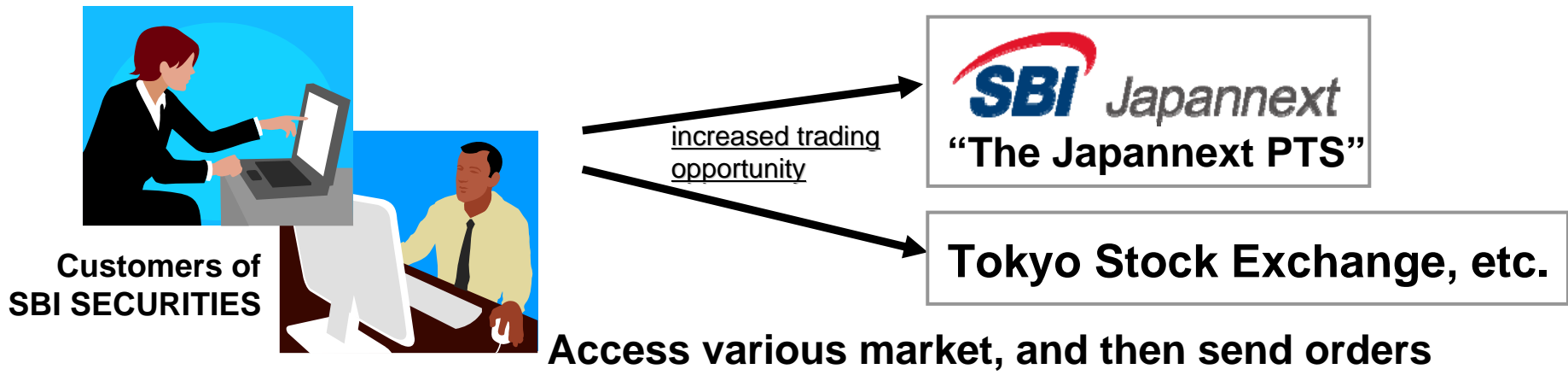
- (iv) **SBI SECURITIES and SBI Liquidity Market**
(Started operations on Nov. 2008)

- (v) **SBI SECURITIES, SBI Sumishin Net Bank,
SBI Insurance and SBI AXA Life Insurance**

(i) SBI SECURITIES and SBI Japannext



Started nighttime trading in Aug. 2007 / Started daytime trading in Dec. 2008



Since prices vary in each market, customers interested in realizing better prices will utilize the PTS market

SBI SECURITIES:

Increase in PTS users
(Accumulated No. of PTS customers accounts: 202,798) *

Increase in customer accounts



Increase in transactions at Japannext PTS

~SBI SECURITIES' PTS business stays profitable~

* Accumulated number since Aug. 27, 2009 as of Jun. 24, 2009 18

Through the Utilization of the Customer Base at SBI SECURITIES and Others, Japannext PTS has Become Japan's Largest PTS



SBI Japannext's monthly trading value continues its solid growth, while its competitors languish

Monthly Trading Value Comparison Among PTS Providers (2009) (Unit: million yen)

Operating Company	Start of Operation	Mar			Apr			May		
		Daytime	Nighttime	Total	Daytime	Nighttime	Total	Daytime	Nighttime	Total
SBI Japannext	Aug-07	45,823	20,806	66,629 (3,172)	81,816	29,025	110,841 (5,278)	65,439	25,302	90,741 (5,041)
Kabu.com	Sept-06	15,241	271	15,512	13,675	473	14,149	8,606	396	9,002
Monex	Jan-01	—	2,101	2,101	—	3,041	3,041	—	2,887	2,887
Daiwa	Aug-08	—	1,341	1,341	—	1,739	1,739	—	1,643	1,643
Matsui	May-08	8	—	8	23	—	23	11	—	11

Note: 1. Trading value is based on information from each company's website, Japan Securities Dealers Association's website and Nikkei QUICK

2. The above figures are compiled by SBIH and might be different from those announced by each company

3. Figures are single count (purchases and sales not counted separately)

exceeded 100 billion yen

**Monthly trading value in June:
121.7 bil. yen (as of June 24)**

(ii) SBI SECURITIES and SBI Sumishin Net Bank

Settlement

SBI Sumishin Net Bank

Synergy

SBI Securities

Asset Management

Examples of Affiliation Services :

Aggregation functions

Simultaneous display of accounts of SBI Sumishin Net Bank and SBI SECURITIES. Easy access to stock trading platform of SBI SECURITIES, with one click on the Bank's stock information page

Automatic transfer services for additional margin deposits

Automatic cash transfer from a yen savings account at SBI Sumishin Net Bank to an account at SBI SECURITIES when additional margin deposits are needed

SBI Hybrid Deposits (Automatic deposits and withdrawals of stock trading deposits)

SBI Hybrid Deposit balance can be integrated into available deposit balance for stock trading, margin trading, and actual receipt of stock purchased at SBI SECURITIES

One-time account opening

One-time account opening for both SBI Sumishin Net Bank and SBI SECURITIES
(SBI SECURITIES' banking agency)

About half* of new accounts at SBI SECURITIES apply for account opening at SBI Sumishin Net Bank

Steadily Growing Customer Base of SBI Sumishin Net Bank

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SBI Sumishin Net Bank

As of the end of May 2009

*parenthetic figures based on quick estimation as of Jun. 24, 2009

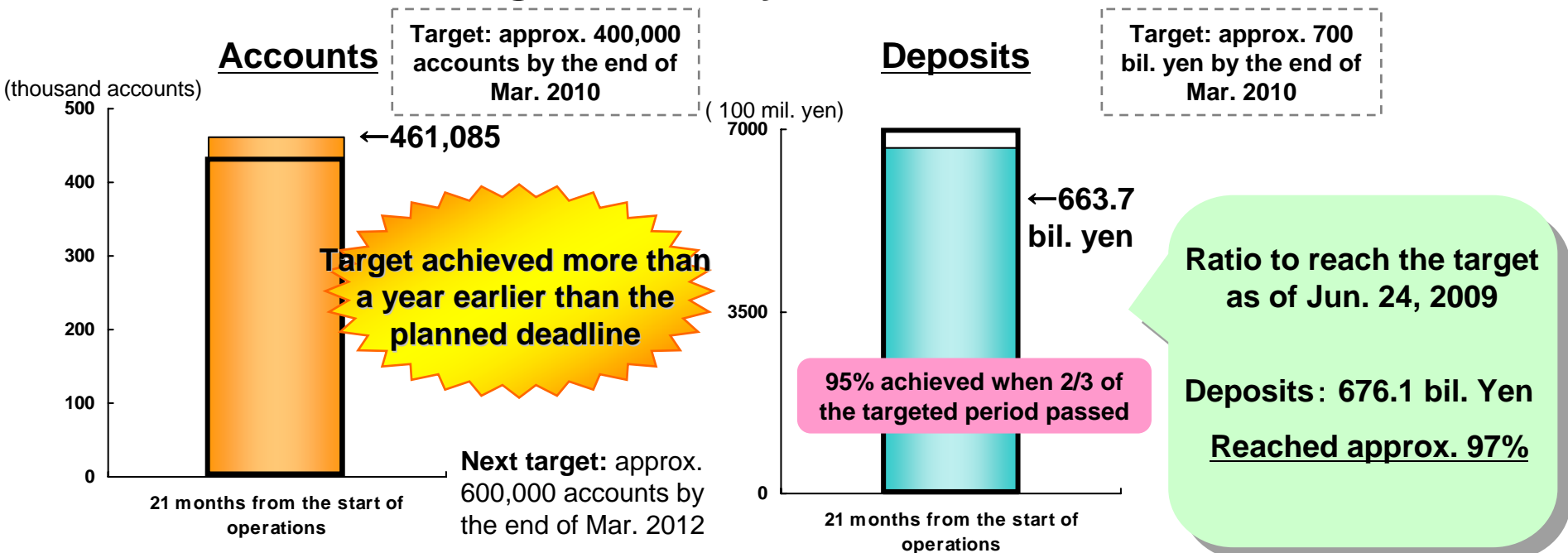
Accounts: 461,085 (480,596)

Deposits: 663.7 bil. yen (676.1 bil. yen)

Loans issued: 241.9 bil. yen (250.8 bil. yen)

(Mortgage + Internet loan)

<Ratio to reach the target as of May. 2009>



Steady Growth in Cumulative Total of Housing Loans Outstanding

~Topped **250 billion yen** after **639 Days** since the start of its business~
 (June 23, 2009)
 (Japan Net Bank and eBank do not provide housing loans products)

Number of mortgage contracts exceeded 10,000

Sony Bank

SBI Sumishin Net Bank (Note 1)

Start of operation	June 2001	September 2007
Start of housing loan business	March 2002	September 2007
Days required to reach 250 billion yen	1,659~1,750 days (Note 2)	639 days

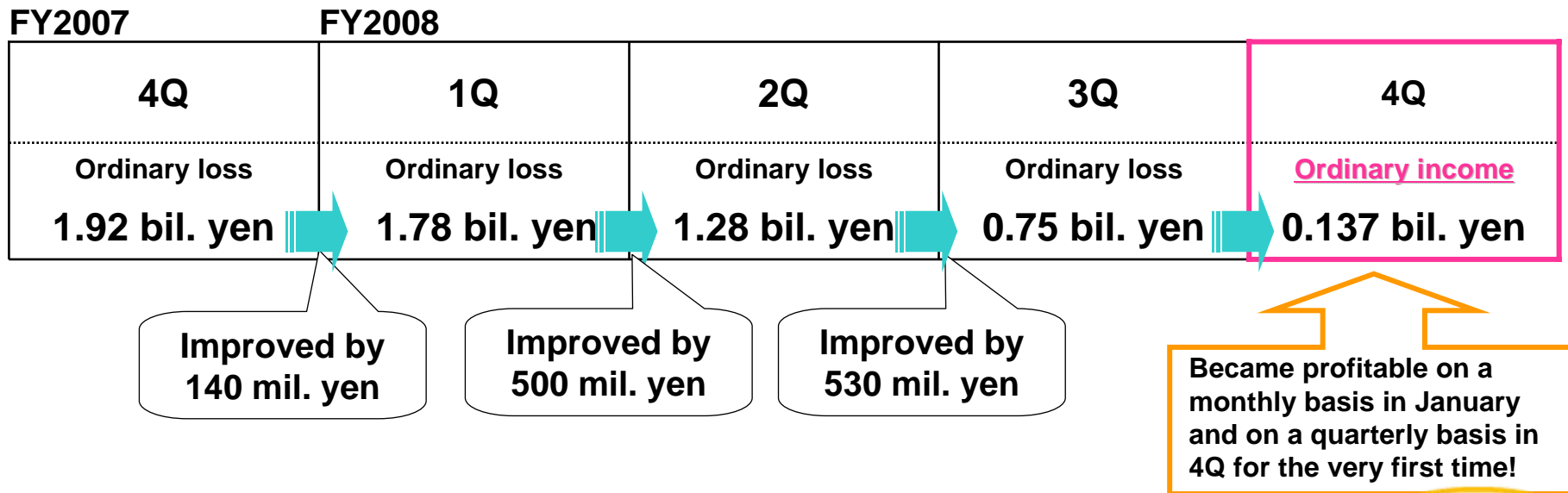
The fastest among the pure-play Internet banks!

Start of the operation – exceeded 200 bil. yen: 551 days
 (reached a pace of a 10 bil yen increase in approx. 27 days)
 Reached 200 bil. yen - exceeded 250 bil. yen: 88 days
 (reached a pace of a 10 bil yen increase in approx. 17 days)

(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. 254,690 mil. yen as of the end of Dec. 2009

SBI Sumishin Net Bank became Profitable on a Quarterly Basis in 4Q FY08, or in the Second Fiscal Year from the Start of its Operation

【Change in ordinary income and loss】



Became profitable on a monthly basis in April and May 2009, and expects to make a single-quarter profit in 1Q FY09 as well.



Time Period Required by Pure-play Internet Banks to Reach Profitability

SBI Sumishin Net Bank recorded a single-month profit in just 17 months (January 2009), which was much faster than any of its major competitors, such as eBank, Japan Net Bank, Sony Bank.

Recording a single-quarter profit in 4Q FY2008 is also the faster achievement than those other 3 banks.

	Start of operations	Single-month profit recorded	Number of months	Single-quarter profit recorded	Quarters term accomplished	FY profitability
eBank	2001/7/23	2003/12	30 th month	2003FY 4Q	4Q in the 3rd term	FY2005 (5 th FY)
Japan Net Bank	2000/10/12	2004/3	42 nd month	2004FY 1Q	1Q in the 5 th term	FY2004 (5 th FY)
Sony Bank	2001/6/11	Not disclosed		2004FY4Q	4Q in the 4 th term	FY2005 (5 th FY)
SBI Sumishin Net Bank	2007/9/24	2009/1	<u>17th month</u>	2008FY 4Q	4Q in the 2 nd term	Target : FY2009 (3 rd FY)

(iii) InsWeb and SBI Insurance/ SBI AXA Life Insurance

Japan's largest insurance estimate and comparison website, "Insurance Market Place"



An insurance portal providing cost estimates and documents quickly upon request.

Automobile insurance

Participated by 23 companies.

The estimated number of automobile insurance:

Over 750,000 a year (FY08)

Life insurance

Participated by 20 companies.

Fire insurance

Motorcycle insurance

Driver insurance

Personal pension

Educational endowment insurance

Overseas travel insurance

Golf insurance

Leisure insurance

Pet Insurance

SBI Insurance
- **A half of** new businesses are from InsWeb -

SBI AXA Life Insurance
- New businesses from InsWeb **are increasing steadily** -

Other nonlife insurance companies

Other life insurance companies

Other financial institutions

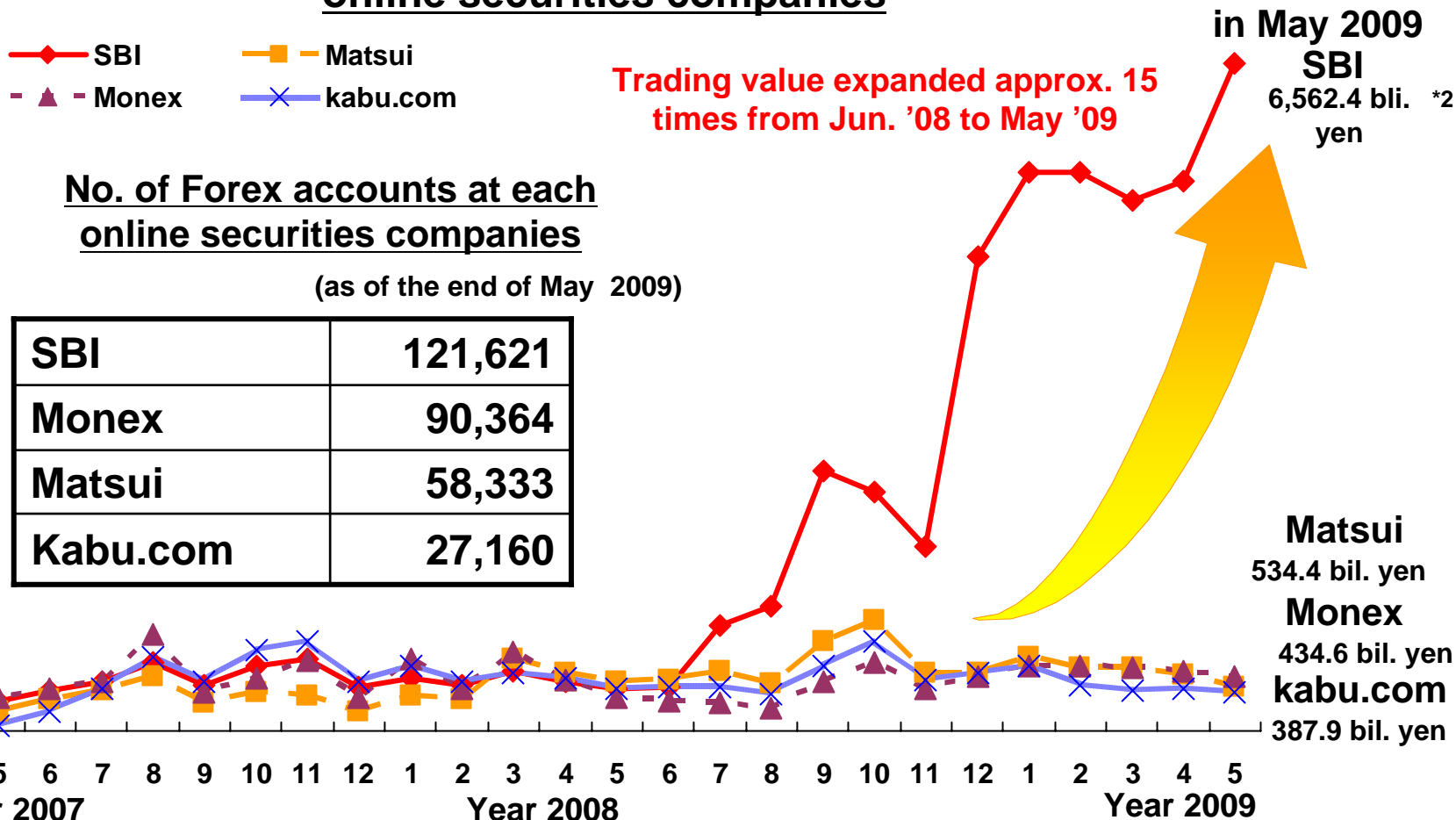
(iv) SBI SECURITIES and SBI Liquidity Market



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

Change in forex margin trading value of four major ^{*1} online securities companies

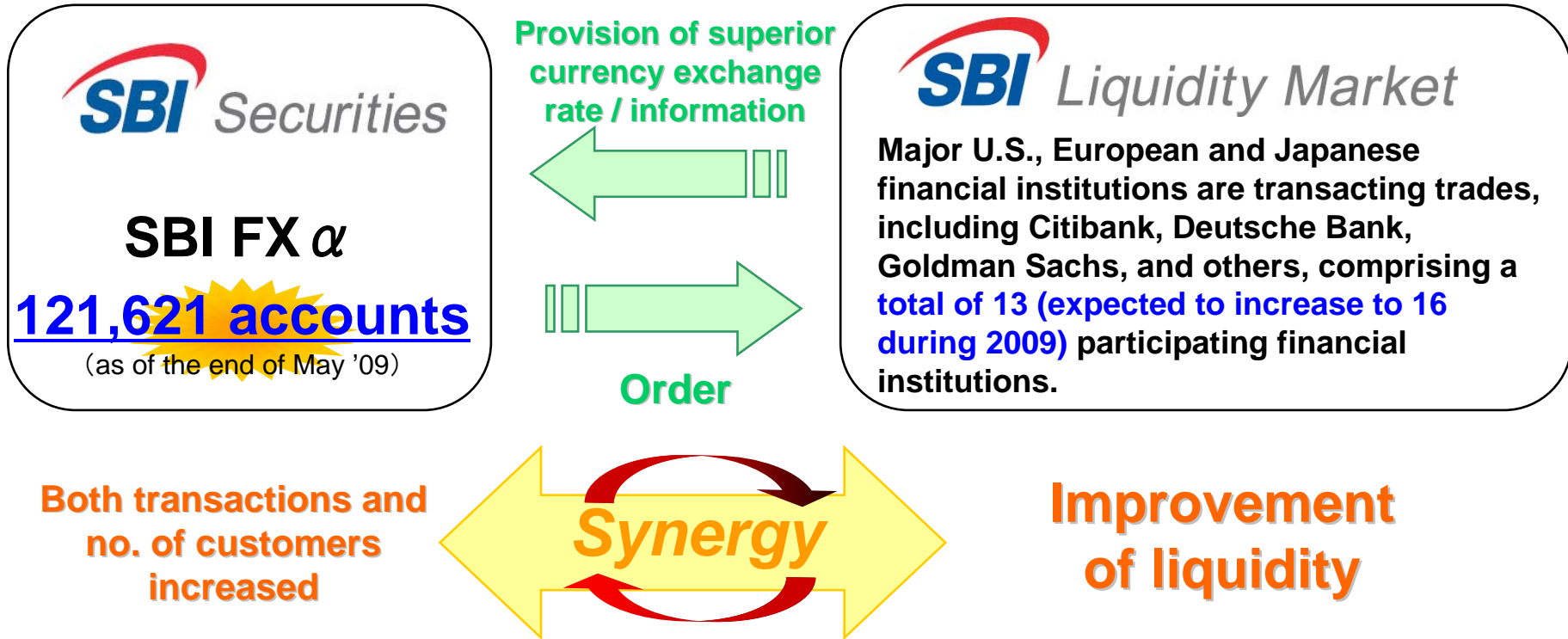
(Unit: 100 mil. yen)



*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" from Nov. 2008 to Feb. 2009

Virtuous Circle for SBI Liquidity Market's Growth Produced by the Increase in Transactions at SBI SECURITIES



Through the increased trading volume at SBI SECURITIES, the FX liquidity of SBI Liquidity Market increased. The increased liquidity creates a more user friendly FX trading environment, as well as the expansion of the FX market for individuals.

Since its inception on November 17, 2008, in a very short period of time, SBI Liquidity Market has grown to become a subsidiary that contributes substantively to the Group's consolidated performance



[Earnings Contributions]

(Unit: million yen)

	FY2008			FY2009		
	3Q *1	4Q	full year	Apr.	May	Jun.
Operating Revenue	552	2,348	<u>2,900</u>	853	925	893
Incl. Gain on Trading of SBI SECURITIES (Operating Income for SBI SECURITIES)	346	1,486	<u>1,832</u>	541	583	563
Operating Income	114	732	<u>846</u>			

(estimate as of Jun 24)

*1. 1.5 months from the start of operations

*Amounts are rounded to nearest mil. yen

Reference: Financial Results of listed FX only brokerage company (FY2008) (mil. yen)

	Operating Rev.	Operating Income	Market Cap. (as of Jun. 25)
Money Partners Group *	10,772	4,332	16,167
FX Prime	5,835	2,470	5,104
Money Square Japan	1,410	48	1,361

* Financial result of Money Partners Group is on a consolidated basis, those of others are on a non-consolidated basis.

(v) Collaboration between SBI SECURITIES, SBI Sumishin Net Bank, SBI Insurance and SBI AXA Life Insurance



Pursuing and strengthening greater synergies, with each company acting as an agency for each other


 **Securities** (1.89 mil. customer base, which is the largest among online Securities *1)

★ Sept. 2007: started banking agency for **SBI Sumishin Net Bank**

★ Jan. 2008: started offering auto insurance of **SBI Insurance**

194,104 new accounts through this channel *2

★ Jun. 2008: started offering products of **SBI AXA Life Insurance**

 **Sumishin Net Bank** (0.46 mil. customer base *1)

★ Jul. 2008: started financial commodity agency with **SBI SECURITIES** as a consigned financial dealer

13,447 new accounts through this channel *3

★ Nov. 2008: started offering insurance products of **SBI AXA Life Insurance**

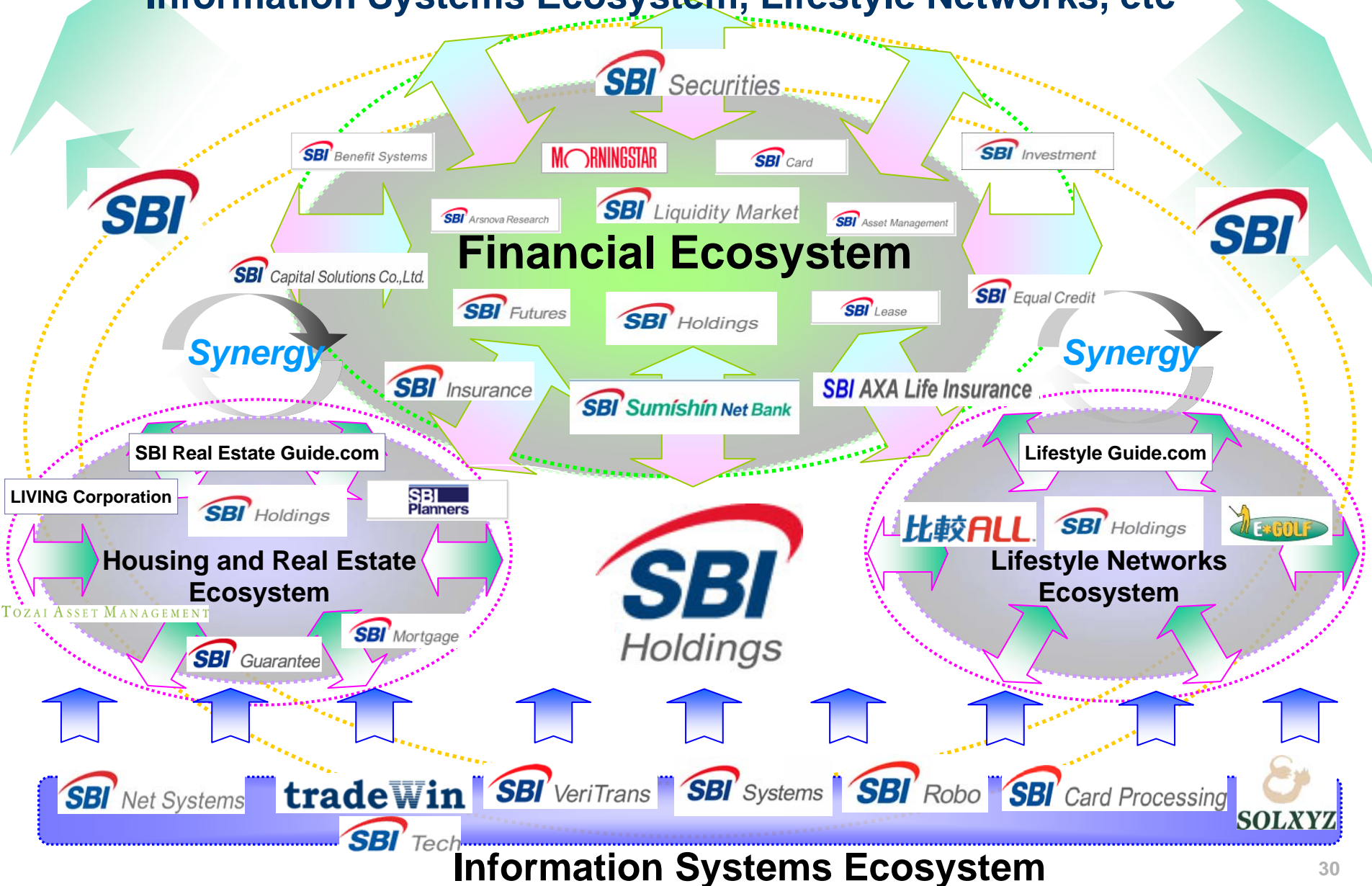
★ Apr. 2009: started offering auto insurance of **SBI Insurance**

 **Insurance**

★ Jun. 2009: started offering products of **SBI AXA Life Insurance**

SBI AXA Life Insurance In preparation (pending approval of relevant authorities)

As the next stage of development, we began to expand into non-financial business ecosystems such as Housing Real Estate, Information Systems Ecosystem, Lifestyle Networks, etc

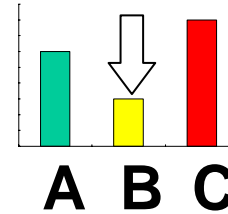


Fundamental Business Building Concepts 3

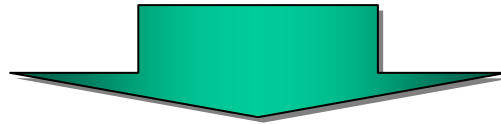
Creation of a “Network Value”

From Pursuit of Value to Pursuit of Network Value

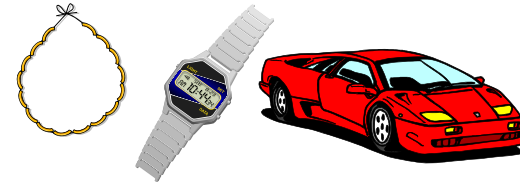
Pursue Value



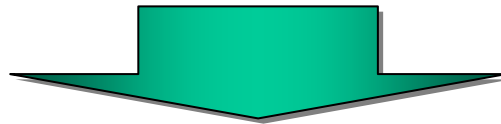
Cheap product
Cheap service



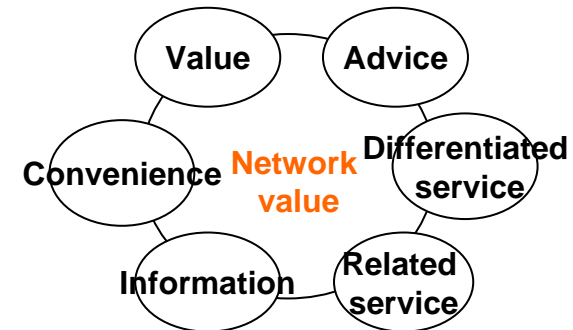
Pursue Value



Simple, principle value of a product or a service



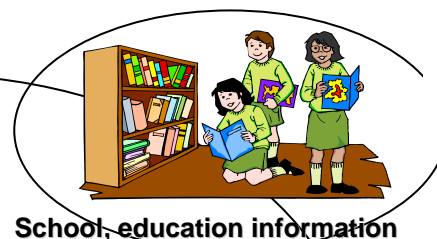
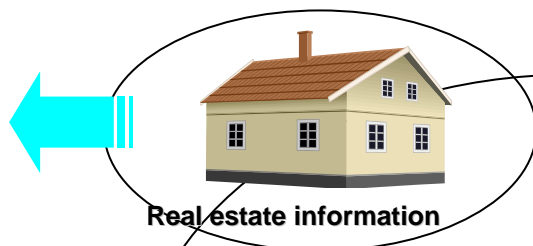
Pursue
Network Value



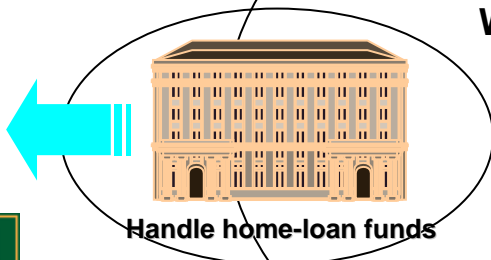
Create added value for customers by offering combined information and asset services.

Network Value Creation

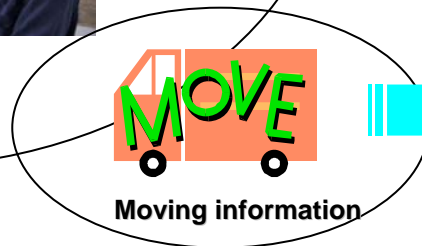
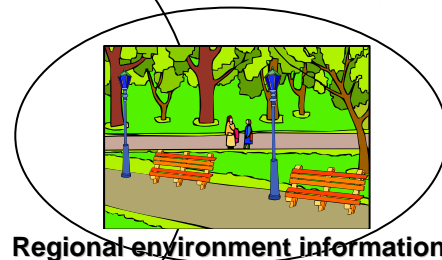
Example 1: “We want to buy a home”



みんなで作る地域・生活情報サイト
生活ガイド.com
www.seikatsu-guide.com



We want to buy a home.



For people with the will and desire to purchase a home, we have established a network that provides all of the relevant related information, which may lead to a potential home purchase.

Network Value Creation

Example 2: "We want to buy a car"

AutoCone

New car estimate site
(SBI Insurance's auto insurance agency)

AUTO SERVER

Bidding agency service for used car auctions

E-LOAN

住信SBIネット銀行

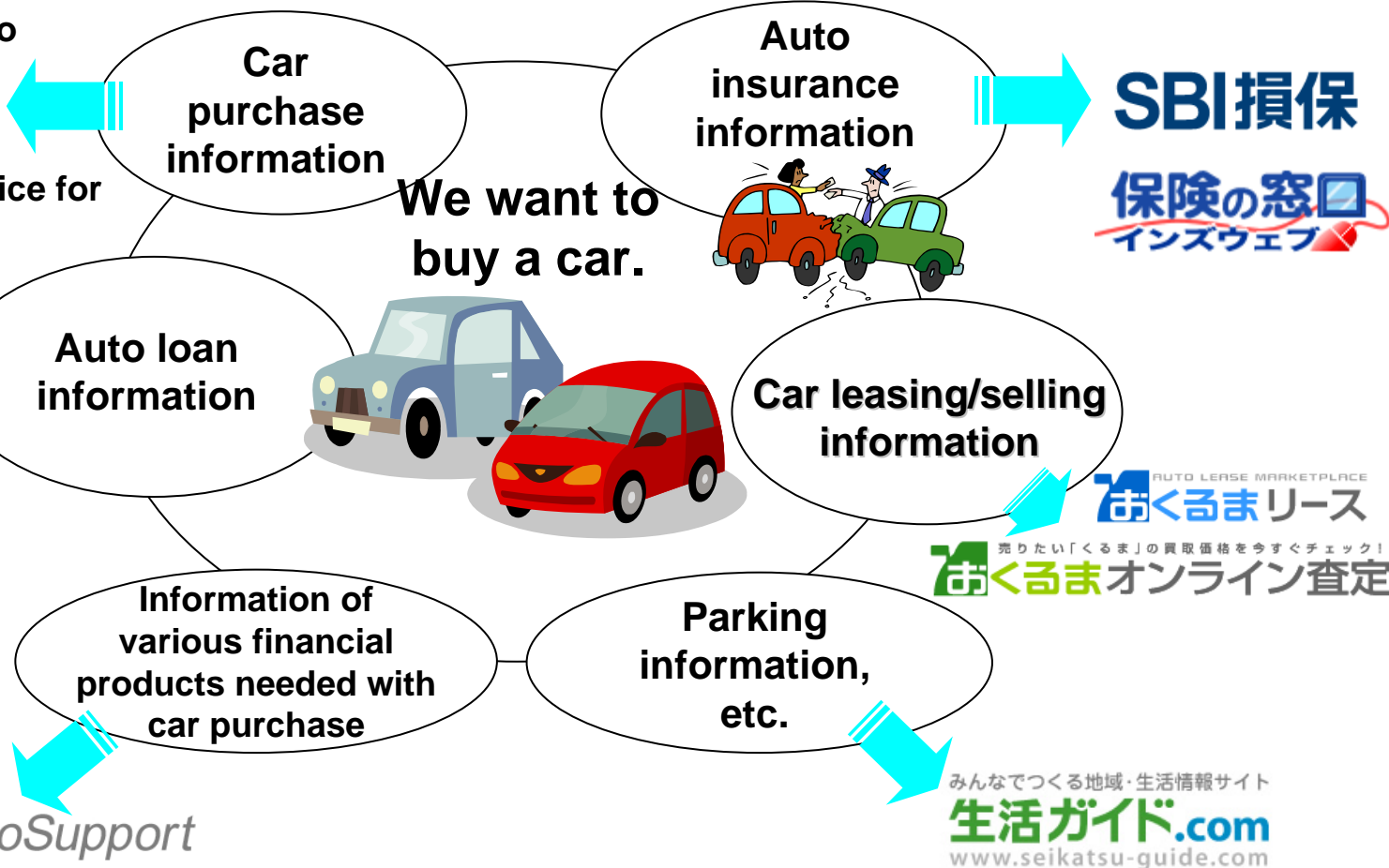
SBI Sumishin Net Bank

Plan to start in Jul. 2009

SBI AutoSupport

Provide service through used car dealers, whereby used car purchasers may access low cost financial services on a "one-stop basis"

(SBI Insurance's auto insurance agency)



Exchange information such as parking information between users

Pursuing Network Value Through the Utilization of SBIH Group Resources

Establishing networks to meet various demands spurred by life events such as marriage, child-raising and home purchases

Lifestyle events and needs



Example of SBI Investee:

ESCRIT (operation of wedding parlor) / Jubilee Lab (operation of a online virtual trading service) / Renaissance High School (correspondence course high school) / Kozocom (Operation of Social Networking Service for Seniors) / Last Resort (support for overseas educations) / Landowner Japan (Operation of hotels), etc.

Formulation of a New Business Model to Further Enhance a Network Value



SBI Holdings' Lifestyle Networks Business is partially merged with LIVING Corporation

SBI Life Living Co., Ltd.

(Company name will be changed from "LIVING Corporation, Inc." on Jul.1)

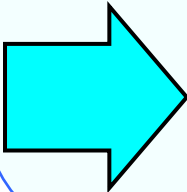
Property development

- Development and sales of rented apartments and hotels
- Designing and planning of developed properties



- General contractor
- Investment development of apartment, etc.

Lifestyle Networks Businesses utilizing the Internet

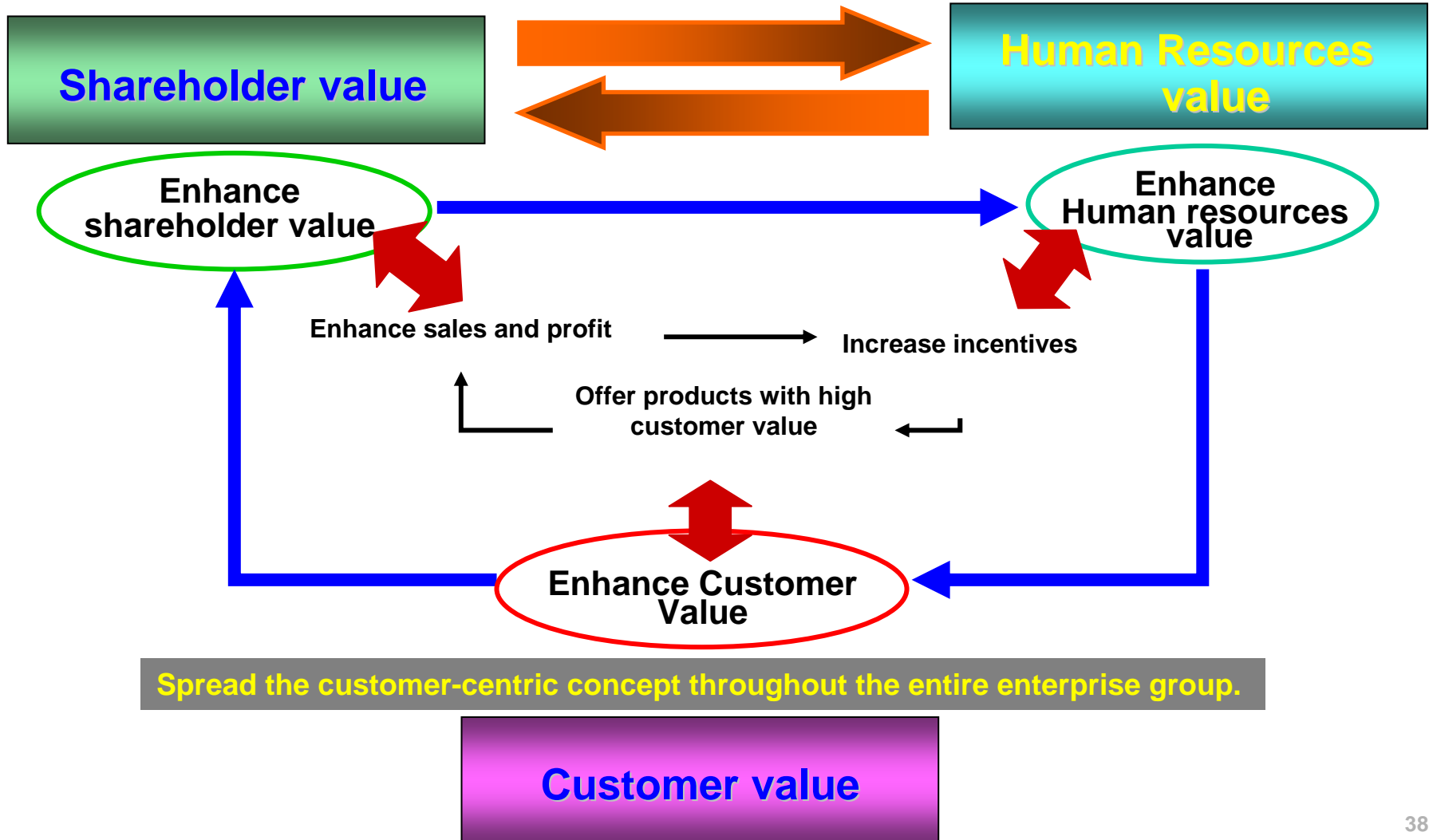


Through the utilization of the accumulated Internet knowledge of the SBIH Group, a unique business model that did not previously exist will be adopted by this real estate company. This will allow the company to have a diversified revenue source, that will also lead to an expansion of its business scope.

2. SBIH Group's Fundamental Business Building Concepts and the Path Undertaken

Mechanism to Enhance Corporate Value

The mechanism to enhance corporate value is based on customer value creation. Shareholder value and human resources value are mutually connected to customer value.



The Growing SBIH Group Customer Base



The SBIH Group's customer base has expanded to a total of about 8 million served

SBIH Group Company and division		End of Mar. 2005	End of Mar. 2008	End of Mar. 2009
SBI SECURITIES	(Accounts)	590,000	1.66 mil.	1.87 mil.
InsWeb	(Total no. of customers with transactions)	690,000	2.4 mil.	3.19 mil.
E-LOAN	(Total no. of customers with transactions)	140,000	570,000	670,000
SBI Mortgage	(Balance of transactions executed)	68.1 bill. yen	365.1 bil. yen	463.9 bil. yen
SBI Sumishin Net Bank	(Accounts)	0	120,000	410,000
SBI VeriTrans	(EC shops)	1,010	2,500	2,717
SBI Card	(Cards issued)	(Started Nov.06)	32,000	47,000
Morningstar Japan	(New portfolio customer registrations)	(Since fall of 06)	31,000	40,000
Lifestyle related comparison websites	(Annual no. of customers with transactions)	50,000	290,000	510,000
MoneyLook	(Annual no. of customers with transactions)	300,000	620,000	650,000
Autoc one	(Annual no. of service users)		2.12 mil.	1.80 mil.

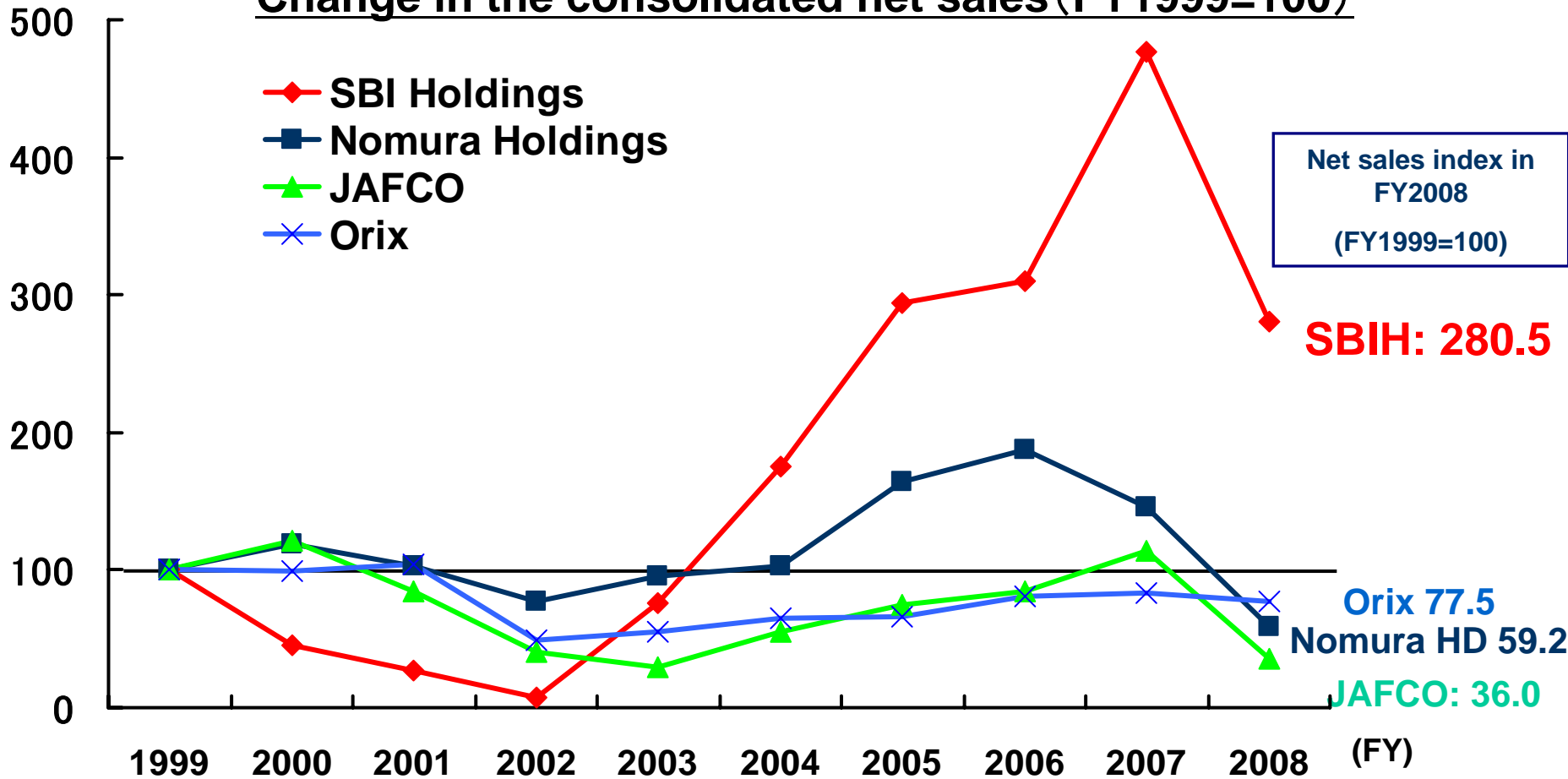
* Repetition customers between group companies are counted double while it is omitting repetition in each service site when it can be recognized as a unique user.

SBIH Group's Net Sales Over the 10 Years Since Its Establishment



The consolidated net sales of SBI Holdings grew approximately 3 fold over the 10 years since our founding

Change in the consolidated net sales (FY1999=100)



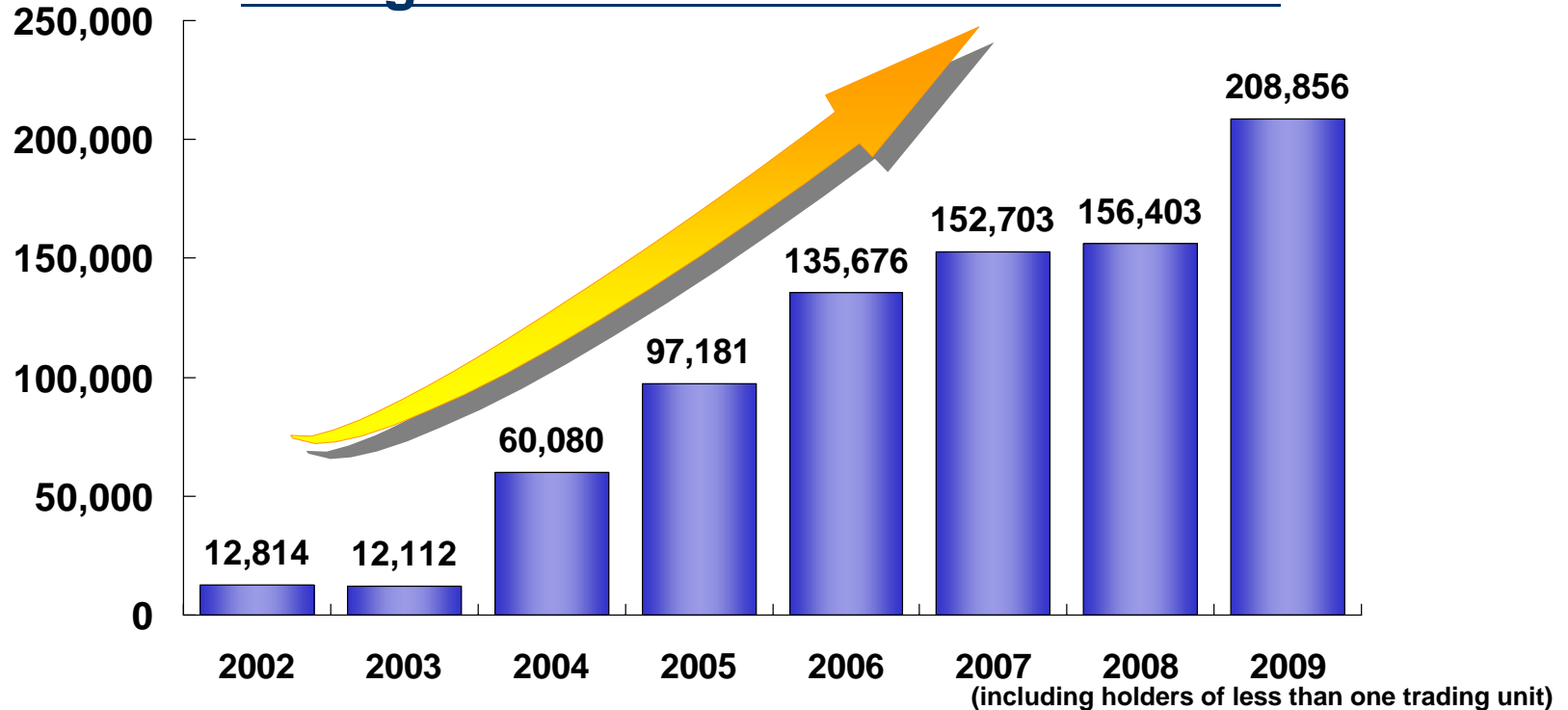
*1 SBI Holdings changed from September to March fiscal year in 2002. FY2002 period are the six-month period

*2 Nomura Holdings changed its accounting base from Japan GAAP to US GAAP in FY2002

Along with Heightened Expectations of an Increase in Shareholder Value, a Significant Increase in the Number of Shareholders and in the Ownership Ratio of Foreign Investors

(Number)

Change in the number of shareholders



Change in foreign ownership ratio

	2002	2003	2004	2005	2006	2007	2008	2009
Foreign investors' shareholding ratio (%)	2.0	1.2	10.5	9.9	19.5	29.9	24.2	44.2

Sizable Increase in Foreign Investors' Shareholding Ratio at SBI Holdings

Ranking of Increase in Foreign Investor's Shareholding Ratio (from the end of Mar.'08 to the end of Mar '09)

Rank	Company name	Increase in a year (% point)	Foreign shareholding ratio as of End Mar. '09 (%)
1	SBI Holdings	20.1	44.2
2	Toys“R”Us-Japan	19.8	(*Jan.) 68.2
3	FUJI FIRE AND MARINE INS.	14.9	51.2
4	ASAHI TEC	14.2	73.9
5	Asset Managers	12.6	(*Feb.) 54.1
6	Elpida Memory	9.5	35.8
7	Weathernews	8.8	(*Nov. '08) 9.8
8	ZAPPALLAS	8.5	(*Oct. '08) 26.1
9	SMS	8.3	9.3
10	HOKUTO	7.7	19.7

Foreign Investors'
Shareholding Ratio
at SBI Holdings

End of
Mar.'08

24.2%



End of
Sept.'08

42.5%



End of
Mar.'09

44.2%

*Excerpt from Nikkei Veritas, Jun. 21, 2009

(Year-to-year basis. The data only covered companies with more than 10 bil. yen of market capitalization . Some of the company names are abbreviated.)

SBI Holdings is Attracting a Substantial Number of Shareholders



The number of shareholders increased to **208,856**, which ranks **the 27th among 1,716 companies** listed on the first section of the TSE, indicating that it is among the most widely held stocks in Japan.

The ranking of the number of shareholders in listed companies on the 1st section of TSE

Rank	Company name	The number of Stockholders
1	NTT	1,047,883
2	Sony	610,790
3	TEPCO	598,245
4	TOYOTA	519,858
5	MUFJG	466,246
6	Mitsubishi Motors	423,006
7	Japan Airlines	379,649
8	SOFTBANK	374,397
9	NIPPON STEEL	368,273
10	Mizuho FG	354,041
11	KEPCO	346,615
12	MITSUBISHI HEAVY INDUSTRIES	331,884
13	TOSHIBA	331,200
14	NTT DOCOMO	319,462
15	Resona HD	297,435

Rank	Company name	The number of stockholders
16	T&D HD	289,236
17	CHUBU Electronic Power	276,877
18	East JR	269,546
19	Hitachi	265,029
20	ANA	261,518
21	NISSAN	255,480
22	NOMURA HD	248,408
23	Komatsu	228,327
24	SANYO Electric	224,635
25	NEC	217,921
26	Sumitomo Metal Industries	214,141
27	SBI Holdings	208,856
28	Yahoo Japan	196,066
29	JFE HD	196,044
30	AEON	188,433

Rank	Company name	The number of stockholders
31	Sumitomo Mitsui FG	185,815
32	HONDA	185,254
33	KINTETSU	184,268
34	TORAY	184,005
35	Tohoku-Electronic Power	181,658
36	Sojitsu	180,848
37	Canon	176,183
38	Mitsubishi Corp.	173,403
39	KOBE STEEL	172,608
40	FUJITSU	166,632
41	Kawasaki Heavy Industries	151,761
42	West JR	150,014
43	Takeda Pharmaceutical	146,517
44	YOSHINOYA HD	145,441
45	Panasonic	144,155

Foreign Investors' Expectations for SBI Holdings have Heightened as Well



SBIH ranked 36th among 466 listed Japanese companies whose market cap. is greater than 100 billion yen

Ranking of foreign investors' shareholdings ratio among companies with market caps greater than 100 billion.

Rank	Company name	Foreign ownership ratio (%)
1	JCOM	84.9
2	ORACLE JAPAN	80.3
3	Chugai-Pharmaceutical	74.9
4	AOZORA BANK	68.9
5	Nissan Motor	67.1
6	Showa Shell Sekiyu	63.5
7	Trend Micro	62.7
8	ORIX	57.6
9	eAccess	57.6
10	YAMADA-DENKI	56.7
11	Shinsei Bank	55.0
12	Mazda Motor	54.6
13	MISUMI G	53.9
14	McDonald's Japan	53.5
15	HOYA	51.6

Rank	Company name	Foreign ownership ratio (%)
16	Mitsui Fudosan	50.6
17	ROHM	50.5
18	SMC	49.7
19	Credit Saison	49.0
20	NOK	49.0
21	Sony	48.0
22	Kao	47.6
23	YHK	47.4
24	Miraka HD	47.2
25	FANUC	47.1
26	NITTO DENKO	46.9
27	FUJIFILM	46.5
28	Tokyo Electron	46.0
29	Nintendo	45.9
30	Mitsui Sumitomo Insurance	45.9

Rank	Company name	Foreign ownership ratio (%)
31	Konica Minolta	45.8
32	Osaka Securities Exchange	45.6
33	Astellas Pharma	45.1
34	HIROSE Electric	44.9
35	USS	44.8
36	SBI Holdings	44.2
37	CANON	44.1
38	SECOM	44.1
39	Leopalace 21	43.7
40	KEYENCE	43.2
41	Daito Trust Construction	43.2
42	NIPPONKOA INSURANCE	43.0
43	Yahoo Japan	42.5
44	KYOCERA	42.5
45	TDK	42.4

Hired Many Capable Personnel Along with the Growth of the Company

In 10 years since the founding, the number of employees (cons.) grew **45.3 times** from 55 to 2,492

Started college graduate recruitment since FY2006, and counted 196 graduates altogether

45.3X in 10 years



1999

(The year of Foundation)

55



End of Mar. 2009

2,492

SBI Holdings Today

	Establishment 1999	End of Mar. 2005	End of Mar. 2009
Customer base	0	About 1.7 mil.	About 8 million
Officers and employees (cons.)	55	1,374	2,492 Peak time : 2,666 (FY2007)
Operating revenues (cons.)	0	81.5 bil. yen	130.9 bil. yen Peak time : 22.6 bil. yen (FY2007)
Consolidated subsidiaries	0	36	82 companies (Including partnership)
Publicly owned companies	0	6*	9 companies (including the SBIH) Peak time : 11 (FY2007)
Capital	50 mil. yen	34.7 bil. yen	55.2 bil. yen
Net assets	50 mil. yen	129.4 bil. yen	419.3 bil. yen

Governmental License, Permission and Registration Businesses Operated by the SBIH Group



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

License · Permission · Designation

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

Registration

Dec. 1998	SBI Securities	Securities	Financial Services Agency
Mar. 9, 2007	SBI Japannext	Securities	Financial Services Agency
Feb. 2006	SBI Futures	Futures brokerage	Financial Services Agency
Nov. 28, 2000	SBI Asset Management	Invest trust management, investment advisory services	Financial Services Agency

SBIH Group is the First and Foremost in Diverse Business Areas (1)



Investment

- Best track record among Japanese domestic venture capital funds that redeemed after 2000
- Ranks No.1 in terms of the scale of IT and biotechnology funds

Capital

- Kawaden co., Ltd, which is one of SBI Capital's investee companies through SBI LBO Fund No.1, is Japan's first public company that listed its shares once again after applying for the Civil Rehabilitation Law

Securities

- Ranks No.1 in terms of the share of brokerage trading value
- Ranks No.1 in terms of the share of individual brokerage trading value
- Ranks No.1 in terms of the share of individual margin trading value

Japannext

- Ranks No.1 in terms of the number of stocks offered for nighttime trading
- Ranks No.1 in terms of the system performance measured by the time taken from receipt to acknowledgement of orders
- Ranks No.1 in terms of the turnover, volume and number of stocks traded per a day



- Ranks No.1 among investment trusts valuation websites in terms of the number of visitors

SBIH Group is the First and Foremost in Diverse Business Areas (2)



SBI Sumishin Net Bank

- Fastest among internet-based banks to raise its deposits to more than 600 billion yen; taking only 538 days from the start of operations
- Fastest among internet-based banks to become profitable on a quarterly basis in 4Q of the second FY
- First in Japan to develop and adopt SBI Hybrid Deposit systems where Internet bank accounts and securities accounts are completely linked

SBI AXA Life Insurance

- First in Japan to start the operation as the pure-play Internet life insurance company

SBI Card

- First in Japan to adopt “Real-time Cash Back”, “Multi-bank Online Repayment”, “Dual Currency Repayment”

SBI Mortgage

- First mortgage bank in Japan
- Ranks No.1 in the share of “Flat 35” on the written basis

SBI Holdings

- Offers “MoneyLook”, which is the No.1 account aggregation service software that holds the most registered members and affiliated websites
- “InsWeb” and “E-LOAN” are the No.1 comparison and estimate websites that have the most service users and affiliated financial institutions

SBI Graduate School

- Operates Japan’s first graduate school centering on E-Learning educational system

With the Keen Awareness of the "Social Nature" of a Corporation, CSR Activities are Focused Upon



CSR activities of the SBI Children's Hope Foundation
(established in Oct. 6, 2005)

The SBIH Group companies donate a reasonable portion of its earnings to child welfare facilities

◆ Donations to child welfare facilities from FY2004 to FY2008

• Donations (accumulated) 841 million yen

• Donated Facilities (accumulated) 623

*FY2004 donations are by the SBIH Group. All subsequent donations are by the Foundation.

SBI Children's Hope Foundation engages in other activities such as:

- Training for Child Care Personnel
- Support for children to live on their own after leaving a care facility
- Public Awareness Activities

Part 2

Business Strategy for the SBIH Group's Next Stage

- 1. Business Environment Encompassing the SBIH Group this Fiscal Year**
- 2. New Vision Formulated in April 2008 and the Strategy for its Achievement**
- 3. Strategic Direction for the Ensuing 10 Years**

1. Business Environment Encompassing the SBIH Group This Fiscal Year

Major Global Stock Market Indices Seem to Have Bottomed out

Comparison of major global stock market indices post the "Lehman Shock" of Sept. 15, 2008, from the low point to the most recent levels

	Nikkei Avg. (Japan)	NY Dow Jones (U.S.)	DAX (Germany)	Shanghai composite (China)	RTS (Russia)	SENSEX (India)	HO CHI MINH (Vietnam)
The lowest in the period*	7,054.98 (09/03/10)	6,547.05 (09/03/09)	3,666.41 (09/03/06)	1,706.70 (08/11/04)	498.20 (09/01/23)	8,160.40 (09/03/09)	235.50 (09/02/24)
The nearest stock price	9,796.08 (09/06/25)	8,299.86 (09/06/24)	4,836.01 (09/06/24)	2,925.05 (09/06/25)	958.18 (09/06/24)	14366.07 (09/06/25)	453.76 (09/06/25)
Rate of rise (%)	38.9	26.8	31.9	71.4	92.3	76.0	92.7

*The lowest which is recorded after the Lehman shock in Sept. 15

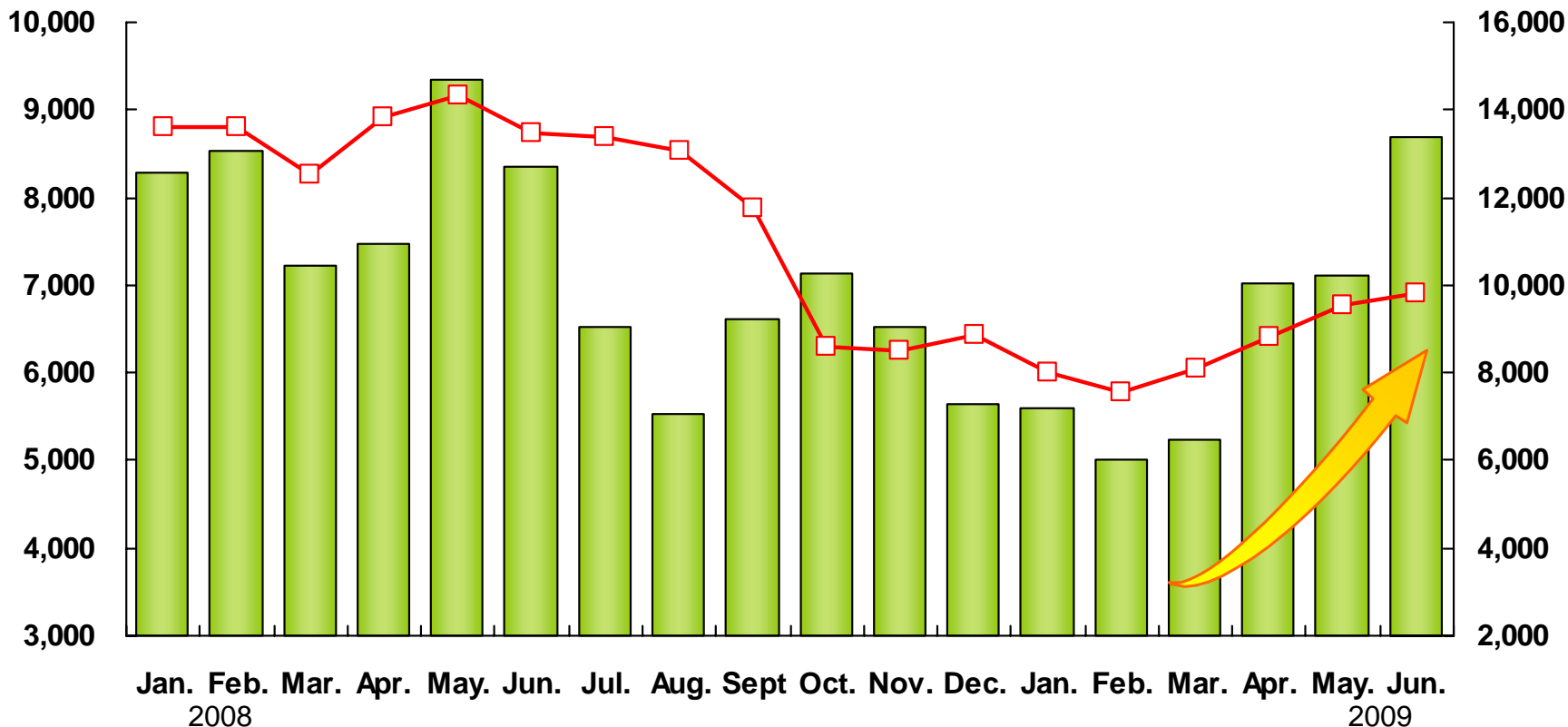
Source: Bloomberg

The Japanese Stock Market is Recovering from its Recent Lows

Change in daily average individual brokerage trading value (the total of the 1st and 2nd section of the 3 major markets) and end-of-month Nikkei Average

(100 mil. Yen)

(Yen)



Daily average individual brokerage trading value (left-scale)

 End-of-month Nikkei Average(right-scale)

Source: Compiled by SBIH from disclosed data from TSE

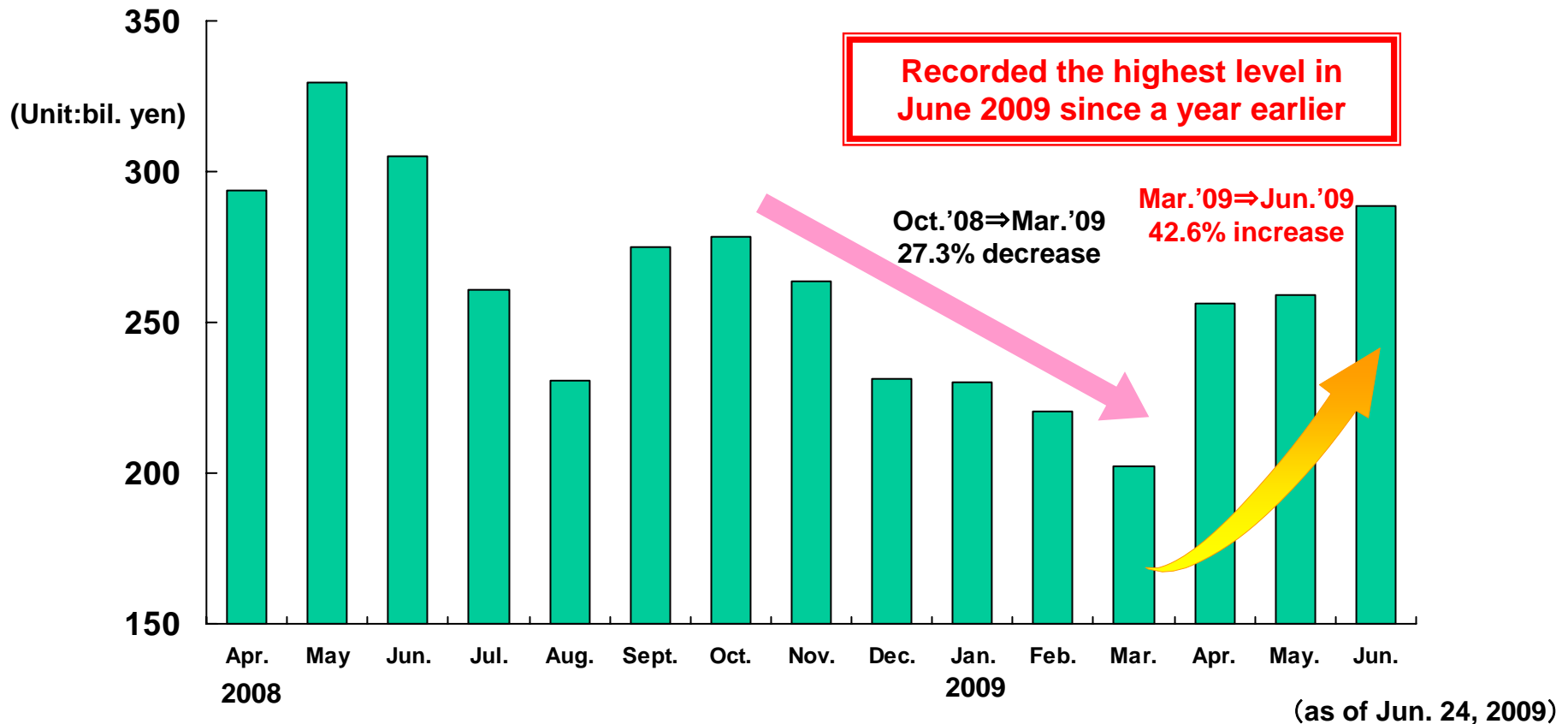
- Daily average individual brokerage trading value has increased from 501 billion yen in February to 869 billion yen in June in 4 consecutive months
- Nikkei Average has recovered from 7,568 yen at the end of February to 9,796 yen on June 25.

* Daily average individual brokerage trading value is as of June 19, 2009. Nikkei Average is as of June 25, 2009.

Recovery of the Daily Average Stock Brokerage Trading Value at SBI SECURITIES

Daily average stock brokerage trading value that continued to decrease from October 2008 **started to increase in April 2009**, as the market recovered

Change in daily average stock brokerage trading value at SBI SECURITIES

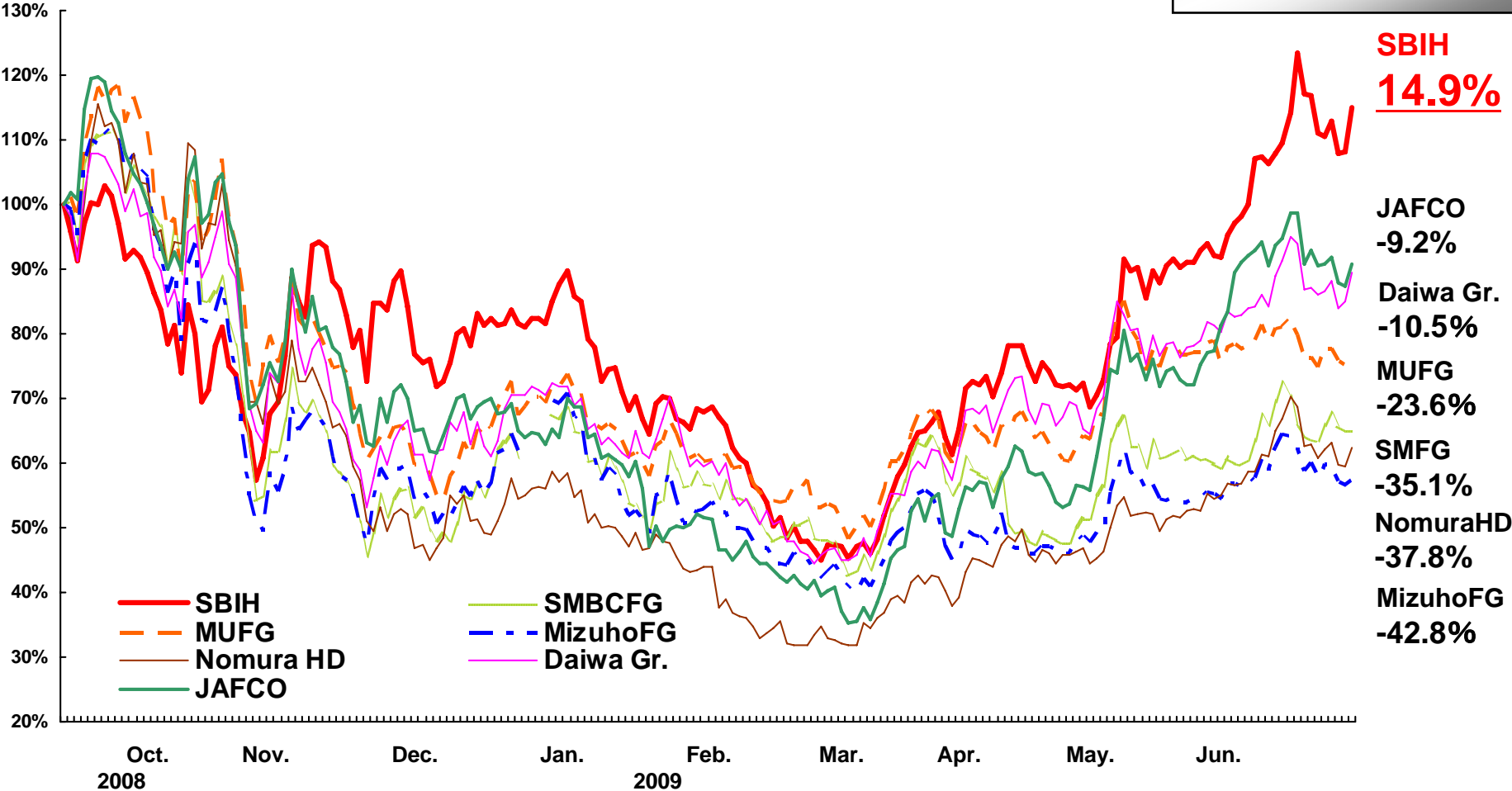


SBI SECURITIES' operating income and net income have already recorded an increase from 3Q to 4Q

Comparison of Stock Fluctuations of SBIH and Other Financial Firms after “Lehman Shock”

(September 16. 2009 – June 25. 2009)

Pct decline from September 16, 2008 to June 25, 2009.



Promising Signs in the Asset Management Business

Actual and expected IPOs and M&A deals in the Asset Management Business

	From start of operations to FY2006	FY2007	FY2008	FY2009 Forecast
IPOs and M&A deals	99	12	0	12 ^{*1}

Portfolio companies have postponed their IPOs because the investigation and approval process has become rigorous and requires more time. However, during FY2009, SBIH currently expects 12 portfolio companies to complete their IPOs.

Note 1: includes 4 portfolio companies of New Horizon Capital, in which SBIH invests as a limited partner)

Note 2: 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.

2. New Vision Formulated in April 2008 and the Strategy for its Achievement

- (1) Further Strengthening the Solid Business Base**
- (2) Streamlining the Businesses and Preparations
for Operating Environment Improvement**
- (3) Business Growth Through the Pursuit of Greater
Synergies**
- (4) Becoming Japan's Largest Distributor of
Financial Products**
- (5) Full-scale Launch of Investments in Emerging
Countries with High Growth Rates**

“Management philosophy” and “Corporate vision”

“Management philosophy”

Long-term and universal values to which we aspire and that this philosophy should not be easily altered because of a change in top management or shifts in the market

“Corporate vision”

Concrete goals which describe how the Company sees its desired corporate organization in the future and therefore must be realistic and attainable. In the current age of rapid change, a corporate vision is of a medium-term nature

In April 2008, announced a new corporate vision owing to substantial changes in SBIH Group’s operating environment

New Vision of SBIH Group

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

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

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

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

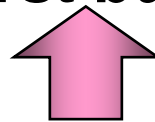
- **Transform the SBIH Group into a global organization that earns half its operating income outside Japan by year ending March 2013**

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

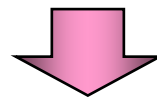
(1) Further Strengthening the Solid Business Base

The Business Foundation that Currently Supports the SBIH Group, and will Serve as the Foundation for Future Growth

Business structure that produced profits even during the worst business environment



- **Customer base comprising approximately 8 million accounts**
- **Completed establishment of financial ecosystem**
- **Synergistic effects within the SBIH Group**



Continued future growth and development

SBIH Group's Foundation for the Future

All Major Business Segments *₁ Recorded Positive Operating Income in spite of Challenging Market Conditions

Operating Income by Segments

(Unit: million yen)

	FY2007	FY2008
Asset Management	16,481	2,594
Brokerage & Investment Banking	20,511	* ₂ 5,714
Financial Services	849	1,491
Housing and Real Estate	8,093	923
System Solution	-473	-303

*₁ Asset Management, Brokerage and Investment Banking, Financial Services, and Housing and Real Estate

*₂ Includes 2,794 mil. yen of amortization of goodwill corresponding to making SBI SECURITIES a wholly owned subsidiary

Performance Comparison with the Major VC Companies

FY08 performance comparison of SBIH Asset Management business and major venture capital companies

(Unit: billion yen, %)

	Operating Revenues	Operating Income	YoY Change
SBIH Group's Asset Management Business	16.0	2.6	-84.3
JAFCO (*without consolidating funds)	21.4	-9.4	- *2
JAIC	11.9	-10.9	- *3
Daiwa SMBC Capital	9.5	-31.4	- *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 posted 10.9 billion yen

*3 Operating Income of FY07 posted -13.7 billion yen

*4 Operating Income of FY07 posted -5.2 billion yen

*5 Amounts are rounded to nearest 100 million yen

Newspaper Article

■ Japan Asia Investment Co., Ltd.:

“...JAIC announced the start of voluntary liquidation procedures with approx. 60 financial institutions to extend interest-bearing debt repayment dates. The worsening of the investment environment tightened cash flows leading to efforts to alleviate current repayment burdens...”

■ Daiwa SMBC Capital Co., Ltd.:

“...Daiwa Securities Group announced that it has made a TOB to Daiwa SMBC Capital, its venture capital subsidiary. Daiwa SMBC Capital, whose performance has been faltering, will be made private to implement managerial reforms...”

Newspaper Article

SBI SECURITIES' Ranking in the Securities Industry

(FY2008, consolidated)

Ranking by Customer Accounts (number of accounts)

1	Nomura *1	4,467,000
2	Daiwa	3,244,000
3	Nikko *2	2,461,000
4	SBI	1,866,508
5	Shinko	1,067,000
6	Monex	906,699
7	Rakuten	835,922
8	Matsui	783,879
9	kabu.com	665,922
10	Okasan	456,775

(Source: Compiled by SBIH based on available information)

※ Mitsubishi UFJ's disclosed data of June 2007 (1,207,000 accounts as of the end of the month)

*1 Residual accounts

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

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

*4 Non-consolidated basis

Ranking by Net Income (million yen)

1	SBI	10,148
2	Matsui	6,921
3	Kabu.com *4	3,643
4	Tokai Tokyo	2,482
5	SMBC Friend	1,559
6	Okasan	-1,880
7	Monex	-2,144
8	Toyo	-3,022
9	Rakuten	-3,681
10	Ichiyoshi	-4,804
11	Cosmo	-10,577
12	Shinko	-13,468
13	Nikko *2	-14,602
14	Mizuho Investors	-25,004
15	Mizuho	-34,497
16	Mitsubishi UFJ	-45,417
17	Daiwa	-85,039
18	Nomura *3	-709,436

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

(Consolidated, Amounts are rounded down to the nearest million yen.)

(2) Streamlining the Businesses and Preparations for Operating Environment Improvement

Continuous Reorganization of the SBIH Group for Further Enhance Management Efficiency (1)



Merging subsidiary wholly owned

SBI Futures (FY08 operating income: -0.45 bil. yen)

As the domestic commodity futures market continues to shrink and the business environment continues to dampen, SBIH will discontinue its commodity trading brokerage business, and will merge SBI Futures, a wholly owned subsidiary through a stock exchange.

Summary of Stock Exchange

- Schedule of stock exchange (plan)

April 27th	Signing of stock exchange agreement
July 27th	Final trading date for SBI Futures stocks
July 28th	Delisting date of SBI Futures
August 1st	Effective date of stock exchange

- Stock allowance ratio

3 SBI Holdings stock per SBI Futures stock

- Number of SBIH's treasury stock required for stock exchange

23,040 stocks (no issuance of new stocks)

Continuous Reorganization of the SBIH Group for Further Enhance Management Efficiency (2)



Sales

SBI Card Processing (FY08 operating income: -0.61 bil. yen)

Separated the card processing business due to its insignificance in the SBIH Group's business portfolio, and now negotiating its sale to a system vendor

Transfer of business segment to an environment with higher growth potential

SBI Equal Credit (FY08 operating income: 0.23 bil. yen)

As of April 21, all loan services are suspended with efforts focused on guaranteeing the online consumer loans of SBI Sumishin Net Bank

Integration to achieve business efficiency

SBI Card (FY08 operating income: -0.50 bil. yen)

A merger with SBI Equal Credit is planned to increase operating efficiency by integrating related businesses.

Toward a more efficient operational structure

E*GOLF (FY08 operating income: -0.03 bil. yen)

Exiting the unprofitable online golf reservation service that provided a nationwide customer guidance service, to focus on the Kansai and Chubu areas where the customer loyalty is very high.

Expanding Future Profits through Aggressive Investments during a Sluggish Market

In a sluggish market, it is possible to invest in promising companies at an attractive discount, thereby positioning investments for potentially high future capital gains.

Investment amount in the Asset Management Business

	FY2008 (full year)	(Reference) FY2007 (full year)
[Funds' Investment]	82,013 (105 companies)	96,596 (175 companies)
Breakdown: Stocks	26,277 (57 companies)	40,444 (104 companies)
Others (incl. bonds)	55,736 (48 companies)	56,151 (71 companies)
[Direct Investment]	13,165 (13 companies)	4,444 (33 companies)
Breakdown: Stocks	11,224 (11 companies)	4,444 (33 companies)
Others (incl. bonds)	1,940 (2 companies)	—
[TOTAL]	95,179 (118 companies)	101,041 (208 companies)
[Comparison: JAFCO]	32,546 (106 companies)	39,094 (168 companies)

Unit: million yen
(Number of Invested companies)

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.

FY2005

FY2008

Operating Income of the SBIH Group's subsidiary securities companies

38.0 bil. yen (Total)

SBI E*TRADE SECURITIES (consolidated):

30.0 bil. yen

Former SBI Securities:

8.0 bil. yen

9.6 bil. yen

SBI SECURITIES

Number of accounts and trading value share continue to grow. Therefore, earnings are expected to increase substantially when the market recovers.

1.23 mil. accounts^{*1}

No. of accounts
+630k accounts

1.89 mil. accounts

(as of the end of May 2009)

Share of Retail Stock Brokerage Trading Value^{*2}

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

+15.6 pts

SBI SECURITIES	38.7%
Rakuten	14.4
Matsui	7.7
Monex	6.3
kabu.com	5.9

*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.

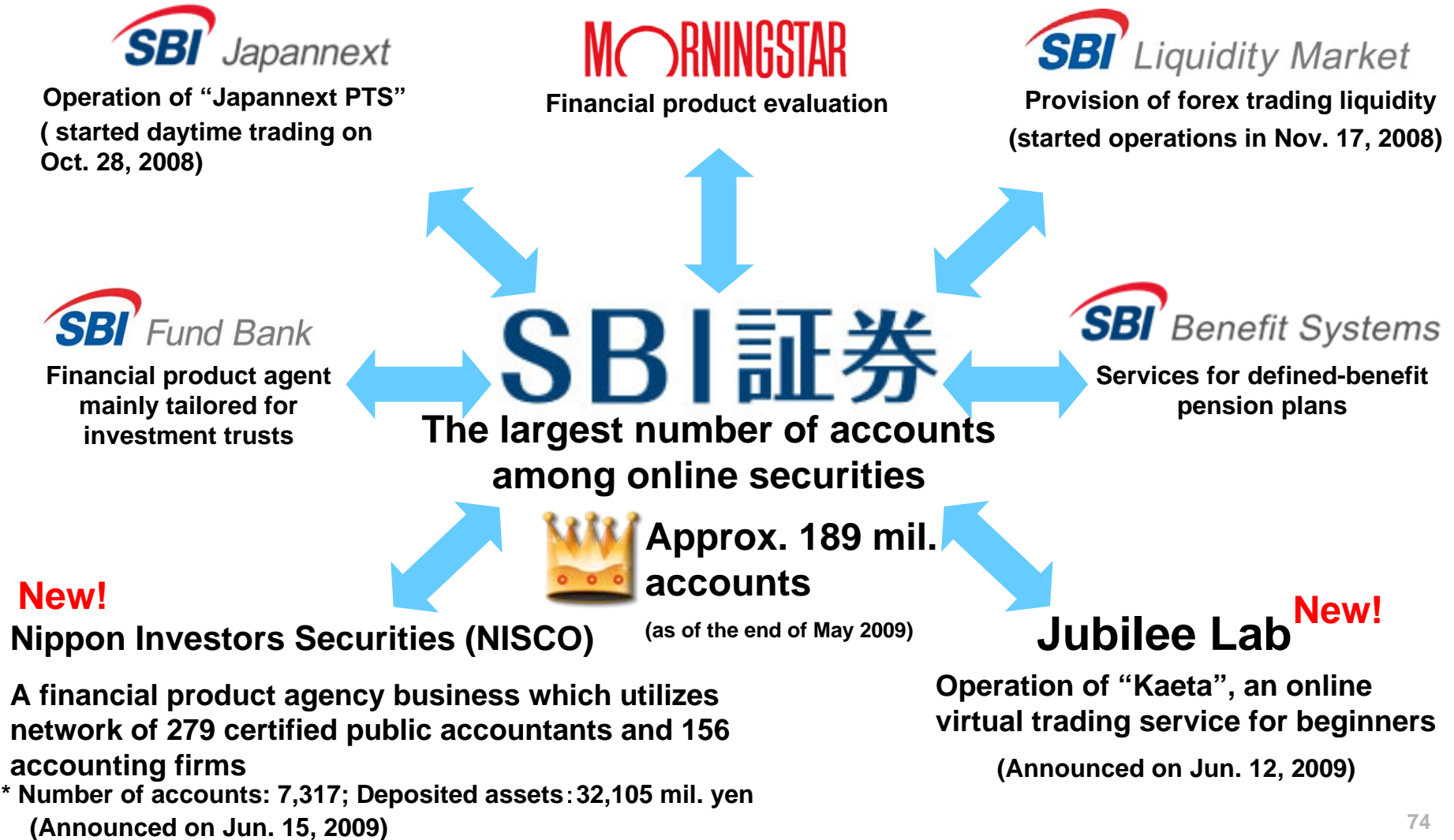
(3) Business Growth Through the Pursuit of Greater Synergies

- ① Synergies to Further Expand Securities Brokerage Business**
- ② Fully Utilizing Synergies to Accelerate the Profitability of New Businesses**
- ③ Potential to Realize New Synergies**

① Synergies to Further Expand Securities Brokerage Businesses

Expansion of SBI SECURITIES' Business Base

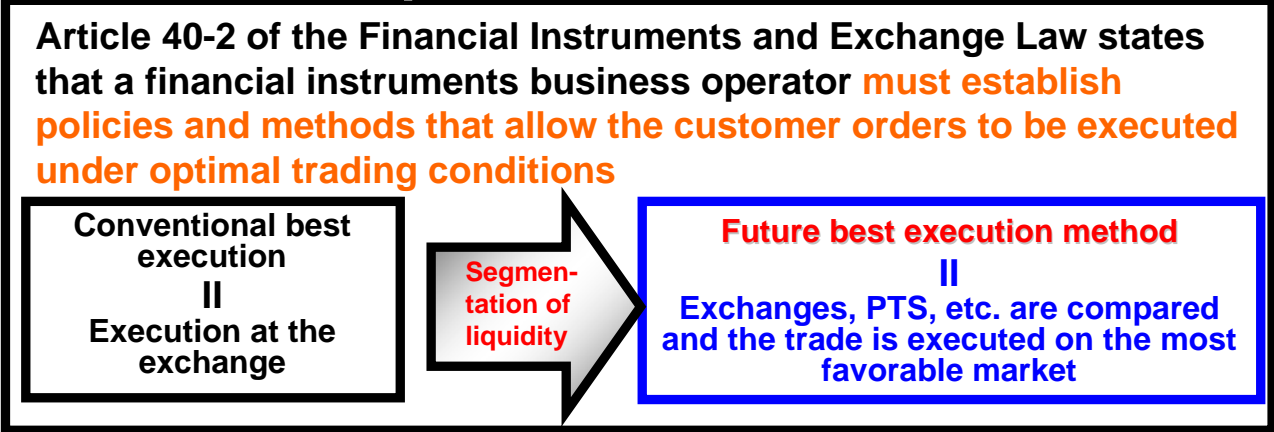
Pursue greater synergies both within and outside the Group to produce an "Internet-based real securities company"



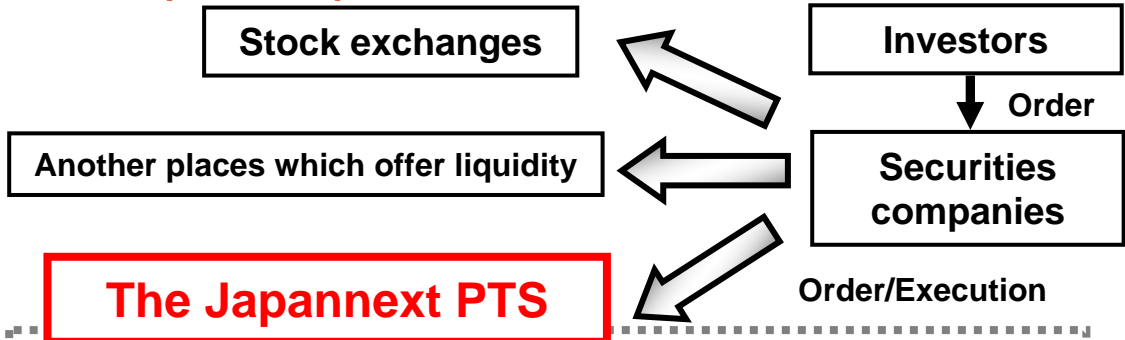
Best Execution Method Gaining Popularity Among Securities Companies

Newspaper Article

(From Nikkei Newspaper Apr. 12, 2009)



Best execution takes into consideration
“price,” “speed,” and “likelihood of execution”



CREDIT SUISSE SECURITIES (JAPAN)
 The most favorable market is selected and the trade is executed **automatically**



SBI SECURITIES are currently considering the adoption of Smart Order Routing (SOR) Function as well

The Japannext PTS
 Featuring such functions as the “highly functional system” or “small tick size”, the system is increasing its liquidity along with providing the best execution possibility that will further attract securities companies and investors.

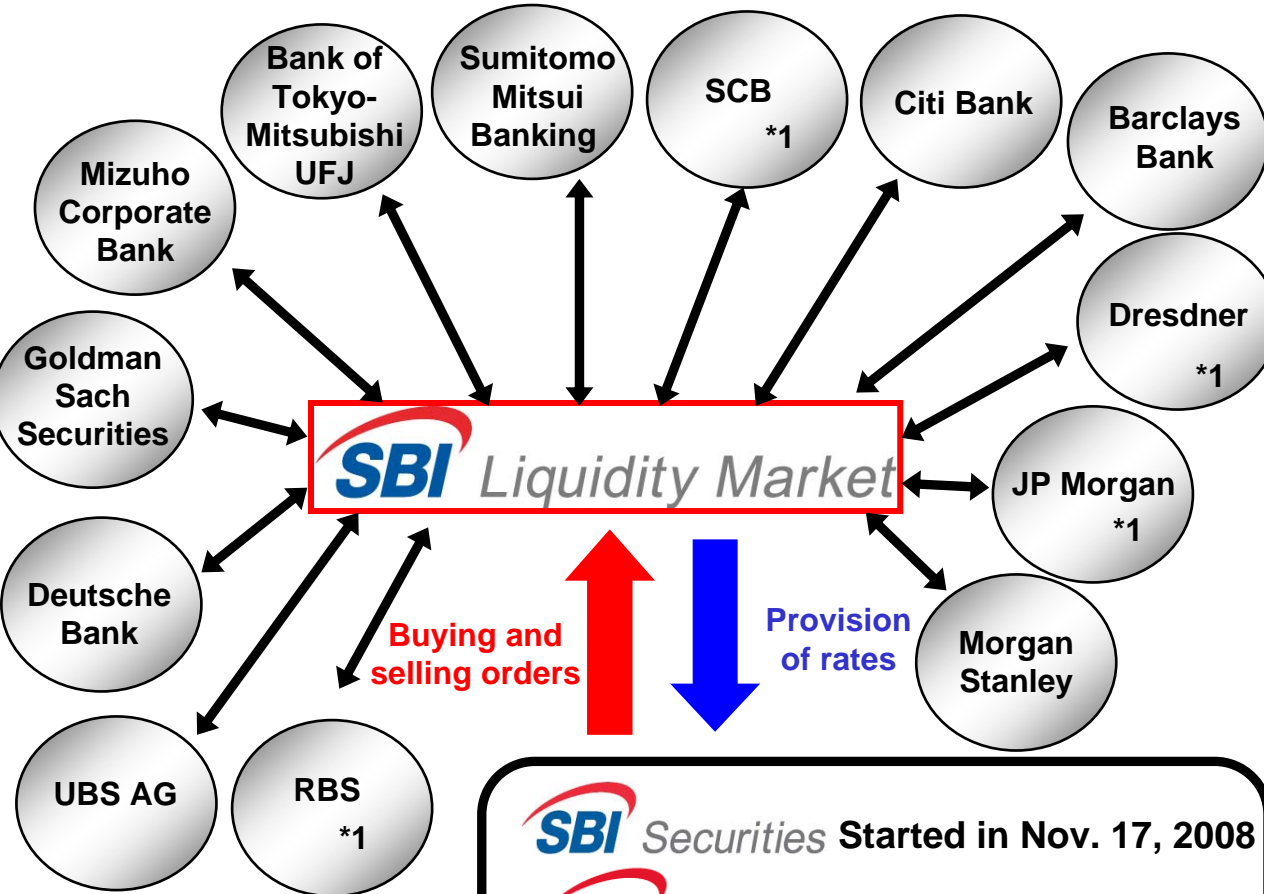
In addition, several foreign securities companies are preparing to connect to Japannext PTS in FY09

SBI Liquidity Market has Rapidly Increased Trading Volume

in a Short Period of Time Since the Start of Operations

Counter Parties

Total of 13 banks (planned) incl. the U.S. and European major financial institutions and major domestic banks
(Under negotiation with three other financial institutions)



 **Liquidity Market**
(Started operations in Nov. 17, 2008)


	No. of Accounts (SBI FX α)	Daily Average Trading Volume
May-09	121,621	294,534

[Reference] **CLICK 365**


(Started operations in Jul. 2005)

	No. of Accounts	Daily Average Trading Volume
May-09	149,236	279,513

Plan to further increase transactions, and therefore connecting other securities companies, etc.

 **Securities** Started in Nov. 17, 2008

 **Futures** Started in Jan. 26, 2009

 **Sumishin Net Bank** Preparing to start in Summer of 2009

*1 Abbreviated company name

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

Efforts to Strengthen FX Regulations May Have Positive Effects on SBI SECURITIES' Business

Proposals for strengthening FX regulations by the Ministry of Finance

Primary strengthening measures:

- Integration of classification management methods into a single money trust
- Enforcing the implementation and observance of the “loss-cut rule”
- Establishing maximum limits for leverage (regulate to 50X in 2010 and 25X in 2011)



Customers may move to larger service providers with the wherewithal to comply with regulations and continue operations

② Fully Utilizing Synergies to Accelerate the Profitability of New Businesses

“SBI SECURITIES/ SBI Sumishin Net Bank” and “SBI Insurance/ SBI AXA Life Insurance”



Leveraging the online securities customer base, individual sales channels will be utilized for internet securities, internet banking and internet nonlife insurance, for the fastest turn to profitability for the life and nonlife insurance businesses.



1.89 million
Accounts
(at the end of
May, 09)



0.46 million
Accounts
(at the end of
May, 09)

[Products offered]

- Auto Insurance of **SBI Insurance**
- Various Insurance Products of **SBI AXA Life Insurance**

Synergy



- Start sales through SBI Sumishin Net Bank channel from April 2009
[Share of contracts through Net Bank channel]
May: 3.05% of whole contracts
(Apr.: 0.59%)

- Starts sales products of SBI AXA Life Insurance through SBI Insurance (Jun. '09)



- [Share of contracts through Agency channel]
- **SBI SECURITIES: 11.0%**
 - **SBI Sumishin Net Bank: 8.9%**
- (* Actual figures as of May 2009)

Fully Utilizing the Existing Synergies for the Three Major New Businesses for Early Turn to Profitability



~Current Progress and Objectives to Achieve Profitability~



(Started operations on September 24, 2007)

- *Customer accounts: As of the end of Mar. 2009, no. of accounts totaled 418,000, thus reaching over a year ahead of schedule our third fiscal year (FY2010) objective of 400,000 accounts submitted to FSA.
- *Deposits: Total of 677.9 bil. yen as of Jun. 8, 2009, steadily progressing toward the objective of 700 bil. yen by the end of Mar. 2010.
- *Earnings: Profitability on single-month basis achieved in Jan. 2009, 137 mil. yen in ordinary income was recorded for 4Q FY2008, thereby achieving a profit on a quarterly basis. The months of Apr. and May 2009 saw profits on a single-month basis, and a quarterly profit is also expected in 1Q FY2009, thereby making positive strides toward our goal of achieving profitability on a single-year basis in FY2009.



(Started operations on January 16, 2008)

- * Number of policies: As of Mar. 31, 2009, no. of policies totaled 42,000, representing a steady progress toward the 150,000 policies in-house objective by the end of Mar. 2010 (as of Jun. 25, 2009, no. of policies exceeded 60,000). We expect to achieve a year ahead of schedule the objective of 300,000 accounts in FY2012 that was submitted to the FSA.
- * Earnings: The premium income (sales) for FY2008 totaled 1,378 mil. yen, representing a stable advance towards our goal of achieving profitability on a single-year basis in FY2012, as submitted to the FSA.



(Started operations on April 7, 2008)

- * Number of policies: Although the 5,400 policies as of the end of Mar. 2009 is lower than the initial target, growth has been sharply accelerating since the beginning of FY2008 thanks to thrifty consumers. We will work towards enhancing our name recognition and services to achieve the 5th term objective of 200,000 accounts in FY2012 submitted to the FSA.
- * Earnings: Ordinary income (sales) for FY2008 totaled 140 mil. yen, and expect to achieve profitability on a single-year basis in FY2012.

Full-scale Launch of SBI Nonlife Insurance Business



~Target number of policies in FY2009: 150,000~

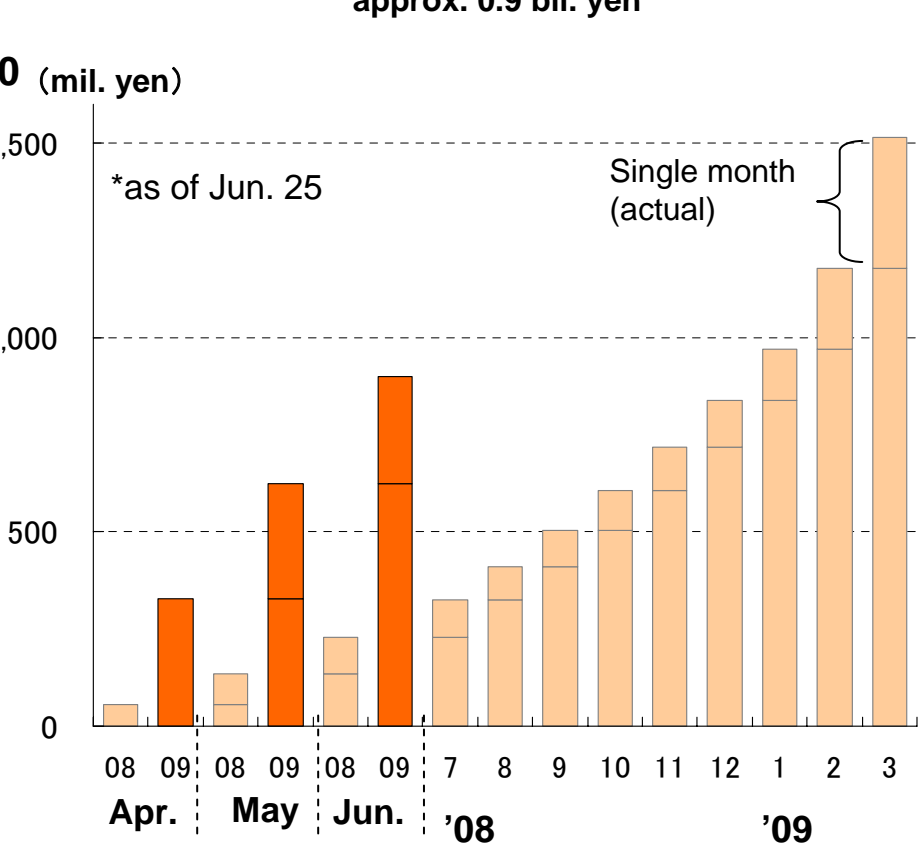
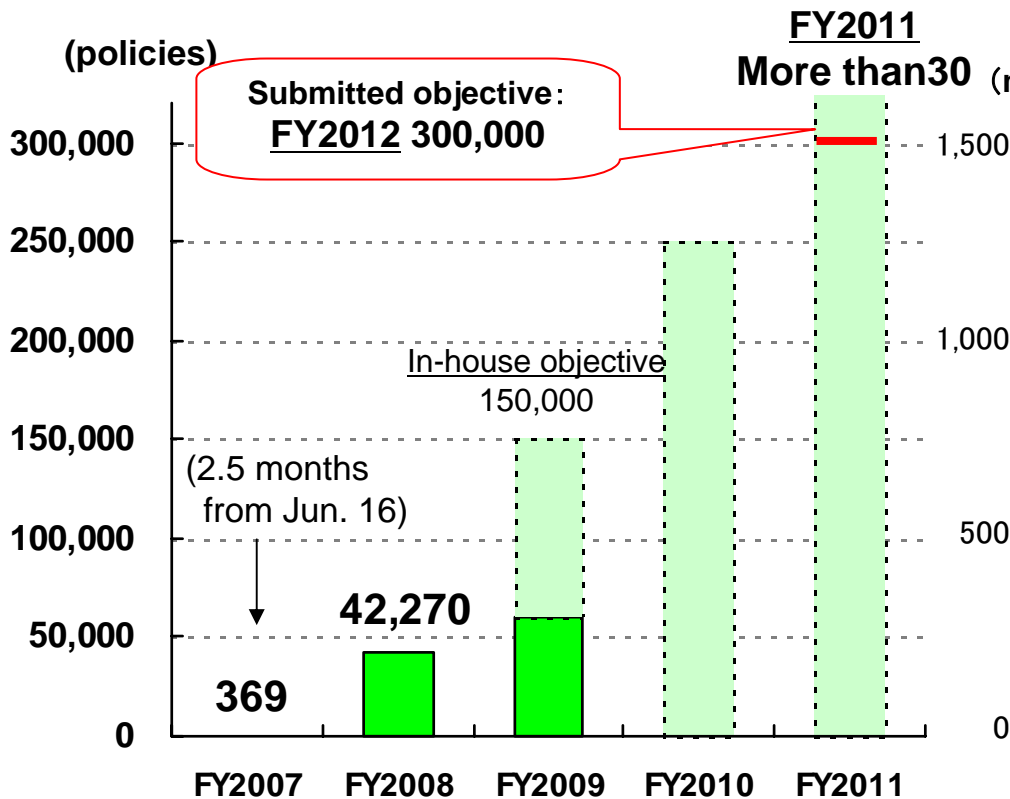
Growth in number of policies and direct income of insurance premium

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

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

The accumulated number of insurance contracts: more than 60,000 (as of Jun. 25, 2009)

Direct Income of Insurance Premium in 1Q(Apr.-Jun.) FY2009* increased approx. 6X YoY to approx. 0.9 bil. yen



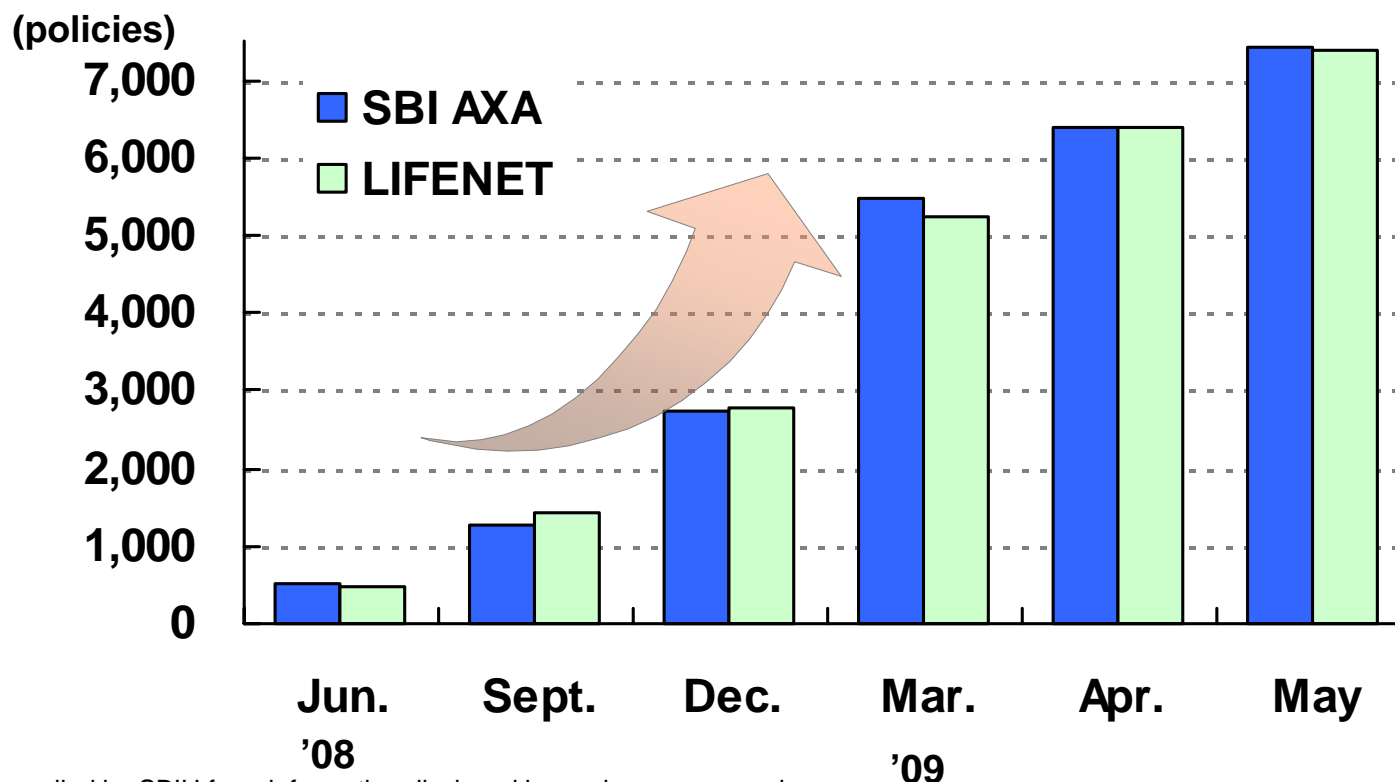
*Written basis: Completion of receiving transaction of insurance premiums.

Internet Life Insurance's Substantive Growth in the Stagnating Life Insurance Industry

~ In 2009, the number of monthly average policies written jumped up to approx. 1,000 owing to the new measures such as the publicity recognition and discount on policies ~

Accumulate Number of new insurance policies of "SBI AXA" and "LIFENET"

Surpassed the average of the two leading direct insurance companies
(Zurich: 666 monthly average policies, Sompo Japan DIY: 431 monthly average policies) *



(Source: Compiled by SBIH from information disclosed by each company and The Life Insurance Association of Japan) * Average Figures of Zurich and DIY are calculated based on the disclosed material for FY08

③ Potential to Realize New Synergies

- i. With the establishment of the Wall Street Journal Japan K.K., we have become a provider of financial and economic content, allowing us to work towards the creation of new synergies with existing financial businesses.**
- ii. Issuance of the SBI Visa Card will enhance existing synergies through the acquisition of new customers, and increased transactions among each group company**
- iii. Customer flow will divert from "From SBI SECURITIES" to "To SBI SECURITIES"**

- i. With the establishment of the Wall Street Journal Japan K.K., we have become a provider of financial and economic content, allowing us to work towards the creation of new synergies with existing financial businesses.

Easy access for private investors via the Internet, or mobile to articles from America's leading newspaper that may significantly impact the Japanese market, as well as serving as an important tool for investment decisions.

Wall Street Journal Japan K.K.

- Providing overseas news and articles that may significantly influence the stock and FX markets in Japanese via the Internet
- Encouraging investor trading by providing quality articles and a source of information to aid in investment decision making



Synergy

SBI Securities

- The largest customer base among online securities **[Individual investor]**

• **Stock:** 1.89 mil. accounts (at the end of May, 09)

• **FX:** 0.12 mil. accounts (at the end of May, 09)

SBI Sumishin Net Bank

- Offering services which require global information, such as “Foreign currency deposit” and “FX trading”

ii. Issuance of the SBI Visa Card will enhance existing synergies through the acquisition of new customers, and increased transactions among each group company

“SBI Card (VISA)” and “SBI SECURITIES/ SBI Sumishin Net Bank /SBI Insurance/ SBI AXA Life Insurance”

Schedule of SBI Card VISA

- Acquired the license of VISA in Feb. 2009
- As of the end of Mar. 2009, the number of cards issued reached more than 50,000, and the customer base has steadily increased
- In FY2009, expected to start the issuance of VISA-branded SBI Cards

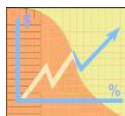
Planned Services

- Planning to provide services available exclusively to customers of SBIH Group -



·Reward Points :

Planning to award reward points according to the volume of transactions done with the SBIH Group companies



·Recommend Tool:

Planning to provide recommend tool, utilizing mined data such as place of residence where customer needs will be filtered to recommend the most suitable products offered by the SBIH Group



·Shopping Website:

Planning to provide various services utilizing reward points



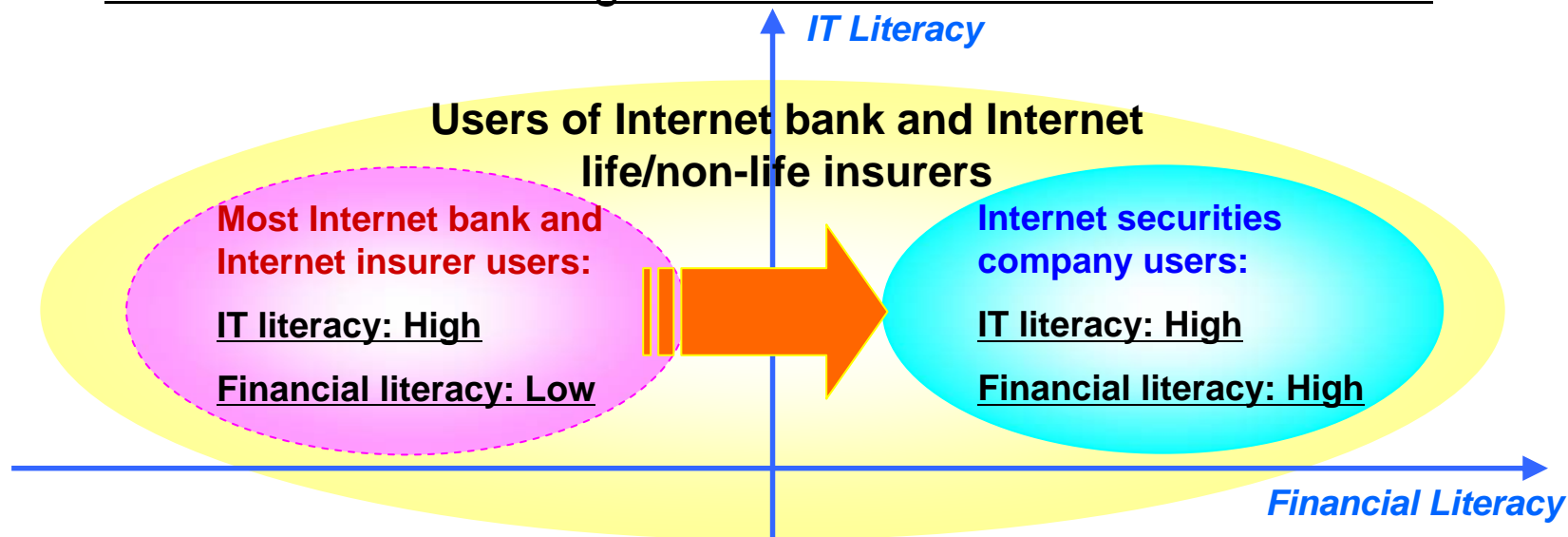
SBIH Group's Customer Base



iii. Customer flow will divert from "From SBI SECURITIES" to "To SBI SECURITIES"

Further Collaboration Between Banking, Securities and Insurance Businesses will Drive Rapid Growth at SBI SECURITIES

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



Among users of Internet banks and insurers, IT literacy is high but financial literacy is still somewhat low. The goal is to increase financial literacy of these customers through the provision of a full lineup of financial services.

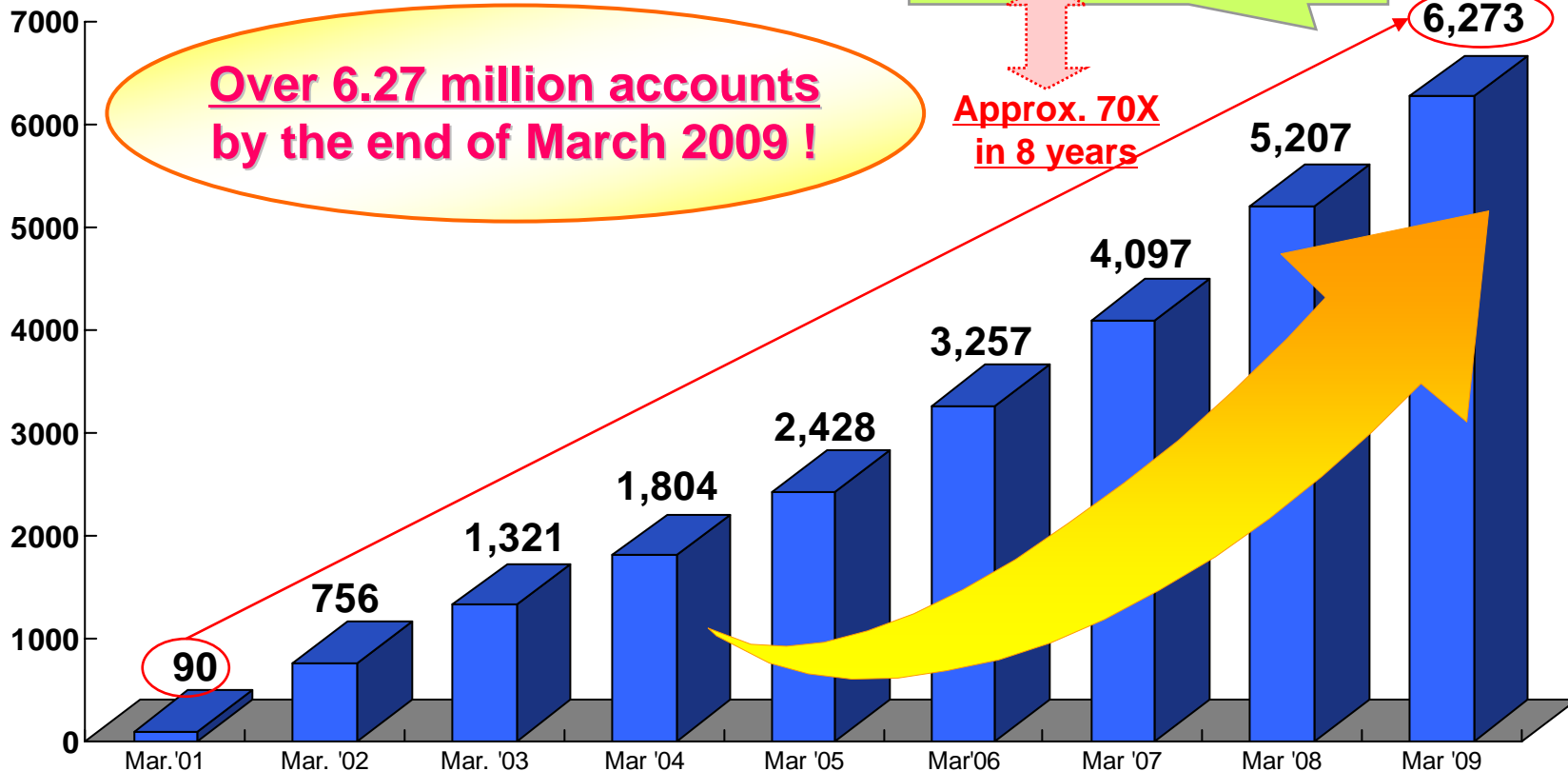
Increase the number of potential customers for SBI SECURITIES

Pure-play Internet Banks' Increasing Customer Base with a higher pace than that of Online Securities

Growth in accounts of pure-play Internet banks (*1) (end. Mar. '01 to end. Mar. '09)

Approx. 15.01 million online securities accounts as of end. Mar. 2009, for an approx. 50X increase in 9.5 years since the inception of the business. (*2)

(thousand accounts)



(※1) Compiled by SBIH from information disclosed by each company. Pure-play Internet Banks are Japan Net Bank, Sony Bank, eBank, SBI Sumishin Net Bank. SBI Sumishin Net bank has started its operation since September 2007.

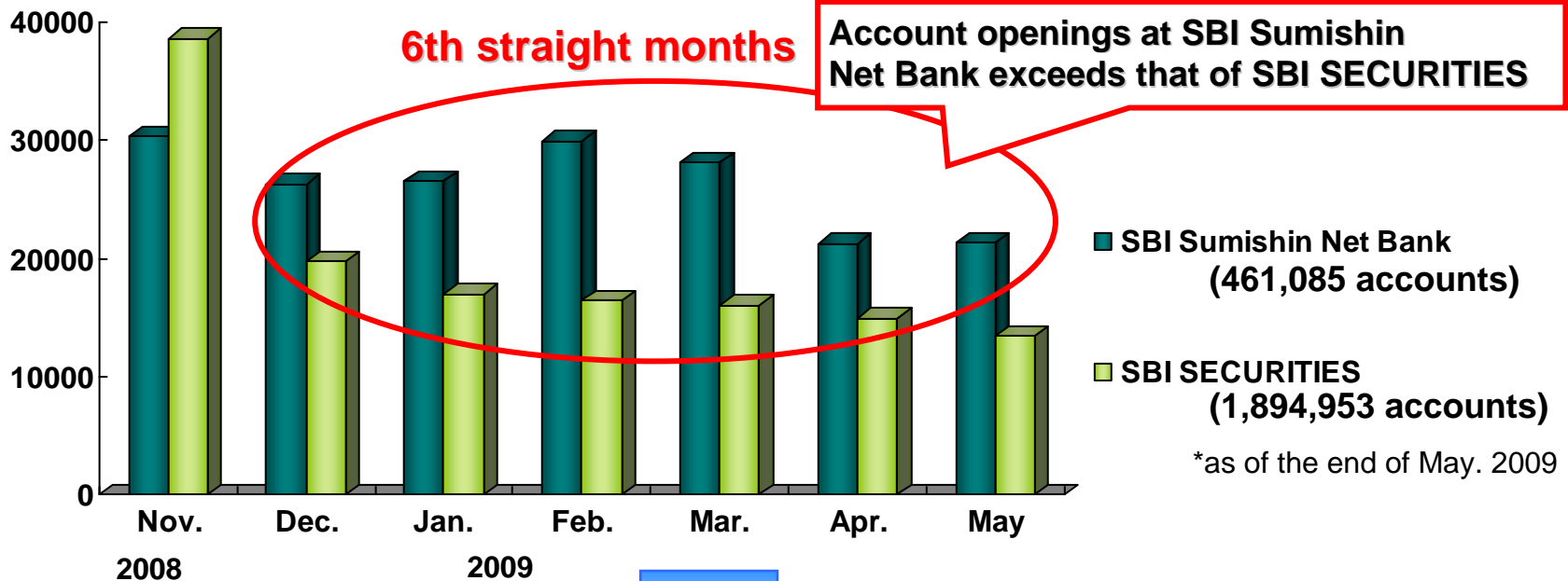
(※2) Figures based on "Research about Internet trading (as of the end. Mar, 2009)" Japan Securities Dealers Association

From "Securities to Banks" to "Banks to Securities"

Currently, customers flow from SBI SECURITIES to SBI Sumishin Net Bank within the SBIH Group

Change in the monthly number of opening accounts at SBI Sumishin Net Bank and SBI SECURITIES

(From Nov. 2008 to May. 2009)



In the future, a reversal of customer flow from SBI Sumishin Net Bank to SBI SECURITIES is anticipated

(4) Becoming Japan's Largest Distributor of Financial Products

A New Vision of “MONEY PLAZA”

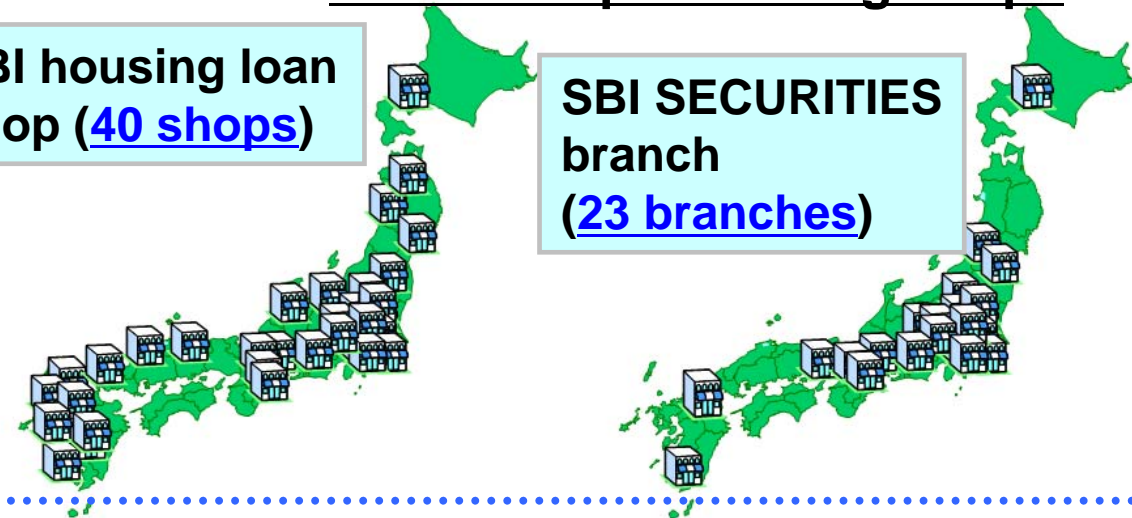
Develop a financial one stop service, which handles various financial products both within and outside of the SBIH Group

SBIH Group’s existing shops

SBI housing loan shop (40 shops)

SBI SECURITIES branch (23 branches)

Planning the cooperation between “SBI MONEY PLAZA”, SBI Loan Shop, SBI SECURITIES, and other SBIH Group companies with existing branch offices



Want to borrow housing loan

Want to look at insurance again at the same time

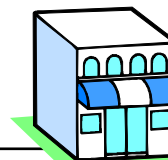
Need consulting for asset management



Planning to open one hundred shops mainly through franchise owners of the Hosing Loan shop

Complete at “One stop”

- Mortgage
- Life insurance
- Securities agency



Many of the franchise owners were originally insurance agents



Offering Auto-related Financial Services to “Real Channel ” with Utilizing SBI Auto Support



30%



70%



- Runs 3 domestic auction websites
- Registered companies: more than 14,000
- Annual number of cars listed: approx. 700,000



“SBI Auto Support”

Started operation on Oct. 14, 2008

Provide customers to get financial services through used car dealers.

【Auto-related financial services】

SBI損保

“Auto Insurance”

住信SBIネット銀行

SBI Sumishin Net Bank

“Auto Loan”

Planning to start service at the end of Jul. 2009

The number of registered preowned auto companies* : **1,053**

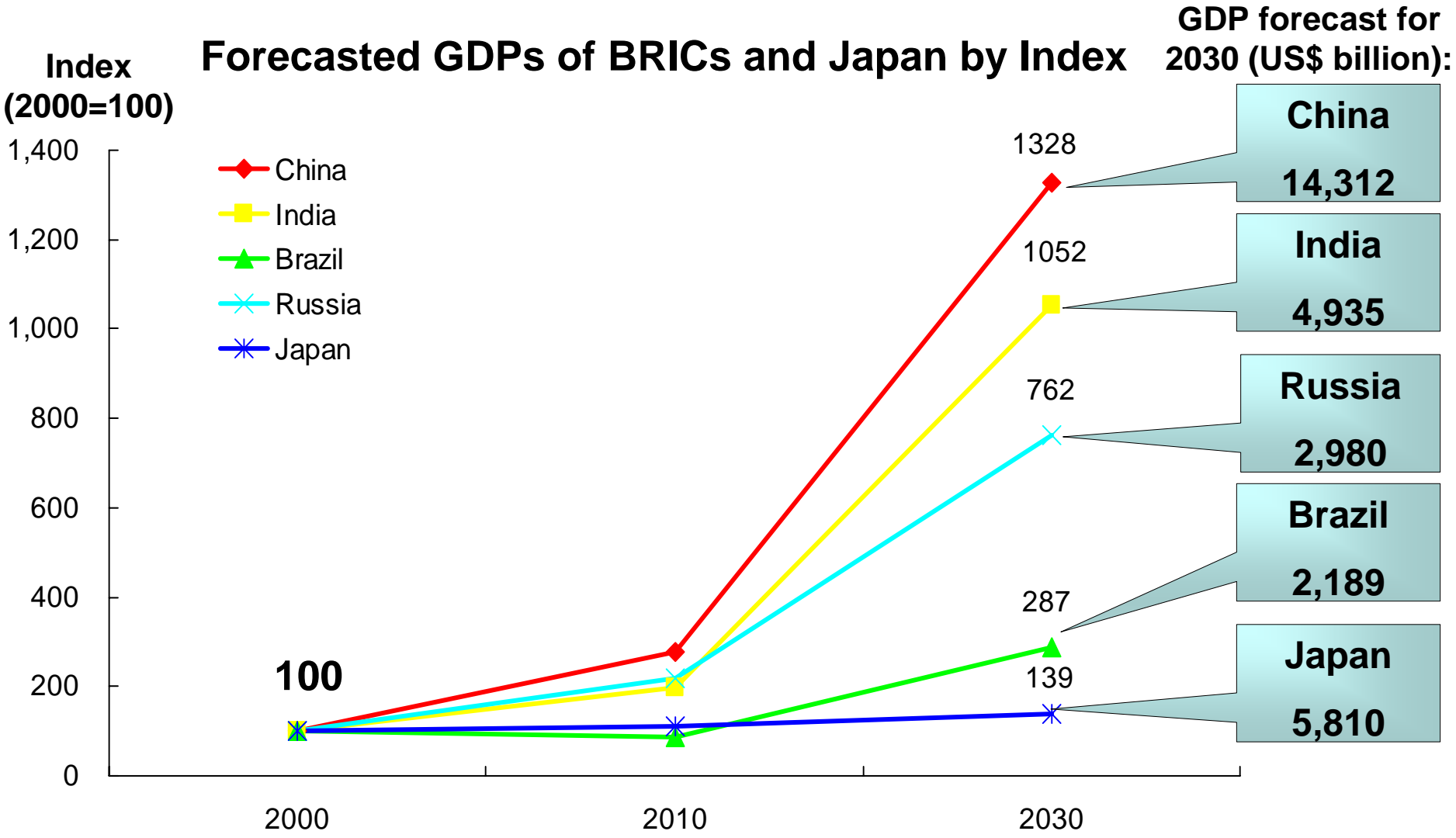


*as of Jun.24,2009

(5) Full-scale Launch of Investments in Emerging Countries with High Growth Rates

Emerging Countries Sustain Growth

~Emerging countries are expected to grow rapidly after 2010~



Source: Dreaming With BRICs: The Path to 2050

Performance of New Horizon Fund

- Six of the 10 companies are now public since its launch in May 2005
- **4.6 billion yen** of operating income was recorded through the sales of a portion of its portfolio in FY08
- Accumulated total operating income was **7.7 billion yen** from the beginning through Mar. '09
- Due to the change of fiscal term to a quarterly settlement, the sale of stocks during each quarter directly impacted its revenues and profits since FY08/4Q.

Portfolio companies	Invest-ment	Category	IPO / M&A (planned)	Capital Gain			(Unit: US\$ million)
				End Mar.08	End Mar. 09	As of Jun. 25	
Sichuan Meifeng Chemical Industry	12.9	A-Class share		63.7	26.4	27.1	IPO'd (market value)
Changsha Zoomlion Heavy Industry Science & Technology Development	5.9	A-Class share		144.6	66.6	75.7	
China Printing & Dyeing Holding	-	IPO		0.2	-	*1 -	
Yingli Green Energy Holding	-	IPO		4.5	-	-	
Kingsoft	9.4	IPO		2.3	4.4	13.2	
Goldwind Science and Technology	1.2	IPO		124.9	29.9	31.0	Pre-IPO/M&A (estimated value)
China Stem Cells Holdings	4.1	Pre-IPO	2009	17.6	17.6	17.6	
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	68.4			457.5	244.6	264.3	

bil. yen (approx.): (45.8) (24.0) (25.3)

【Received Dividend】※2 (Unit: billion yen) → 【Estimated Dividend after 4Q FY2008】 (as of Jun. 25, 2009)

Foundation – FY2007	FY2008/1-3Q	FY2008/4Q	FY2009	FY2010	FY2011	Total Estimated Dividend after FY08/4Q
0.9	3.8	2.3	7.2	3.0	3.2	13.4

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

*1 in the course of liquidation

*2 Sales amount after deduction of expenses associated with sales. Estimated dividend has been reduced due to the occurrence of success fee payment for the general partner.

"New Horizon Capital", the 2nd Fund, is Also Expected to Perform Exceptionally Well



Of the 14 companies in the New Horizon Capital portfolio, one has already exited via a merger deal. Six other companies are planning to go public, or to be merged in this or the next fiscal year.

Already Exited: 1 company















Company name	IPO / M&A	Date
GCL	M&A	Jun. 23, 2009

Planned to Exit: 6 companies

* Below are the estimation as of June 26, and are subject to change over time

Company name	IPO / M&A (planned)	Date (planned)
BBMG	IPO	Jul. 2009
New Century	M&A	Later 2009
Meihua	M&A	2009
Navinfo	IPO	Earlier 2010
YuHeng	IPO	Later 2010
Rong Sheng	M&A	2010

Funds Established Through Alliances with Prominent Overseas Companies

Fund Name (abbreviated)		Start of operations	Partner	Investment Amount	SBIH's investment ratio
New Horizon Fund		'05	TEMASEK	100 mil. USD	50%
Tsinghua University Fund		Mar. '08	Tsinghua Holdings	30 mil. USD	99%
Peking University Fund		Feb. '09	Beida Jade Bird	100 mil. USD	50%
JV Fund with three Chinese companies		May '09	China Merchants Securities, Resource Capital China, China CITIC Bank	Offshore: approx. 20.5 mil. USD (SBIH) Onshore: approx. 8.8 mil. USD (China)	
SBI-METROPOL Investment Fund		Jul. '09 (Plan)	IFC METROPOL	100 mil. USD	50%
India Japan Fund		Apr. '08	State Bank of India	100 mil. USD	95%
Vietnam Japan Fund		Apr. '08	FPT	100 mil. USD	90%
SBI SOI Fund		Jun. '08	Keio University	500 mil. yen	100%
Hungary Fund		May '09	MFB Invest Ltd., a wholly owned subsidiary of the Hungarian Development Bank	100 mil. EUR	60%
Fullerton Asia Financials Fund		Oct. '08 (Exit in Jun. '09)	Fullerton Fund Management Company Ltd, a wholly owned subsidiary of TEMASEK	60 mil. USD	50%
Taiwan Fund		Nov. '08	Founder of a Taiwanese IT company	22.5 mil. USD	66.7%
SBI PRIVATE EQUITY FUND		Early '09 (Plan)	—	100 bil. KRW	-
MASDAR-SBI Fund		Jun. '09	Masdar Clean Tech Fund	20 mil. USD	50%
Malaysia Fund		Jul. '09 (Plan)	PNB Equity Resource Corporation	50 mil. USD	50%

Overseas VC Fund Management Status

New Horizon Fund

The New Horizon Fund, which started with relatively low book value, continuously sold stocks in its portfolio as the Chinese stock market recovered. Total of after-tax sales value since April 2009 amounted **3,895 mil. yen.**

Stocks Sold during 1Q FY2009 (as of June 25)

	Zoomlion	Goldwind	Kingsoft
Number of stocks (million)	2.86	3.00	29.43
After-tax sales value (million yen)	842	1,615	1,436

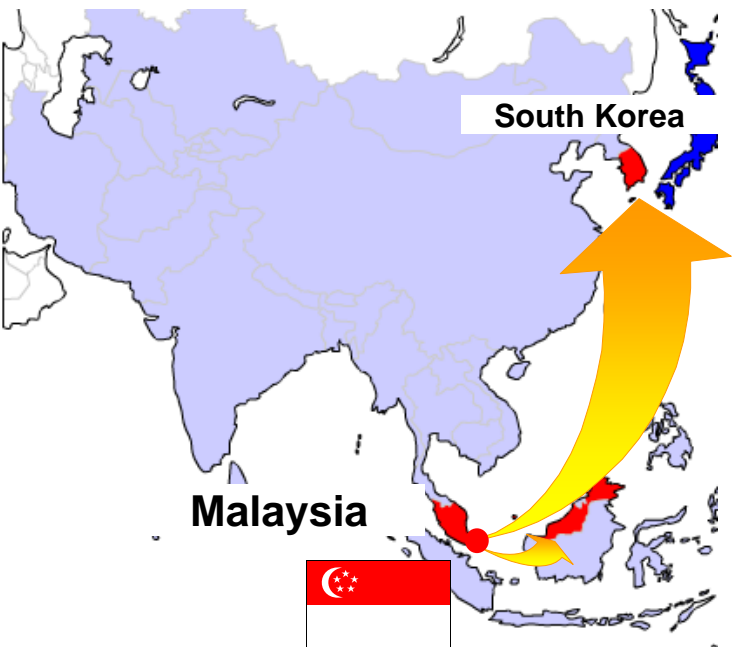
-Some of the funds restarted investment that had been once suspended

Fullerton Asia Financial Fund

The Fullerton Asia Financial Fund, which started its investment operations in October 2008, has steadily managed its investment portfolio in Hong Kong, Taiwan and Southeast Asia. Shares held were sold by June 19, and **the annualized IRR was 55.2%.**

Progress of the New JV Funds Established with Prominent Foreign Companies

In Jun. '09, announced the alliance with the Malaysian governmental investment management company



SBI VEN CAPITAL PTE. LTD
Singapore

• **Malaysia:** On June 8, reached a final contract to establish a JV fund with PNB Equity, a wholly owned subsidiary of Permodalan Nasional Berhad (a Malaysian governmental investment management company).



-Target: Prominent companies in ASEAN countries, India and China

-Investment Amount: 50 mil. USD

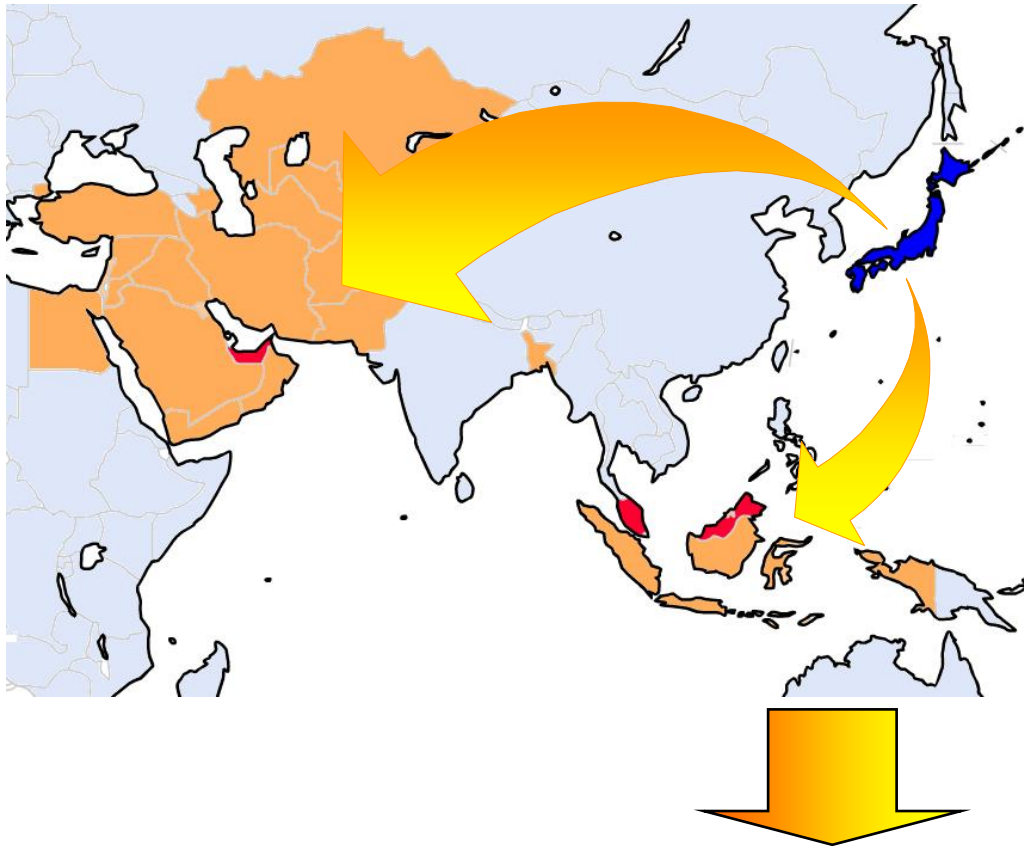
-SBIH's investment ratio: 50%

• **South Korea:** Plan to set up a new investment fund with a minimum of approximately 7.5 billion yen in early FY09 in South Korea



Accelerate Business Expansion in the Islamic World

Building relationships with Islamic nations



United Arab Emirates (UAE)



Established a new fund with a governmental fund, “Masdar Clean Tech Fund”

Malaysia



Established a new fund with a subsidiary of a governmental investment management company, “PNB Equity”

With these as a beginning, as well as the eventual establishment of a Sharia Law compliant fund, **our business in the Islamic world will continue to expand**

3. Strategic Direction for the Ensuing 10 Years

- (1) Overseas Transference of the Financial Ecosystem**
- (2) Business Development in Emerging Countries
Based on Their Economic Development Stage**
- (3) Focus on the 21st Century's Growth
Industries in the Post-industrial Realm**

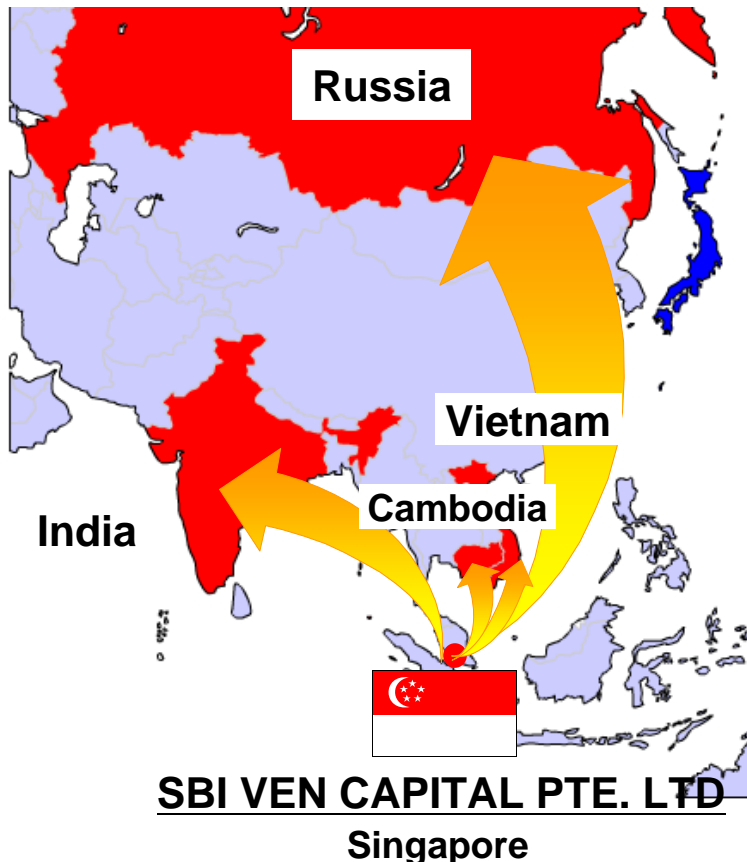
(1) Overseas Transference of the Financial Ecosystem

Asian Growth Power Accelerates SBIH's Rate of Growth

-Develop financial businesses along with fund management as the core business-

While the world's GDP is expected to show negative growth, SBIH will further expand its businesses in the emerging countries such as China and India, which expect to achieve stable economic growth after FY2009

Absorb potential growth in the emerging countries, and build an "Asian business ecosystems", which will lead to the Group's continuous growth



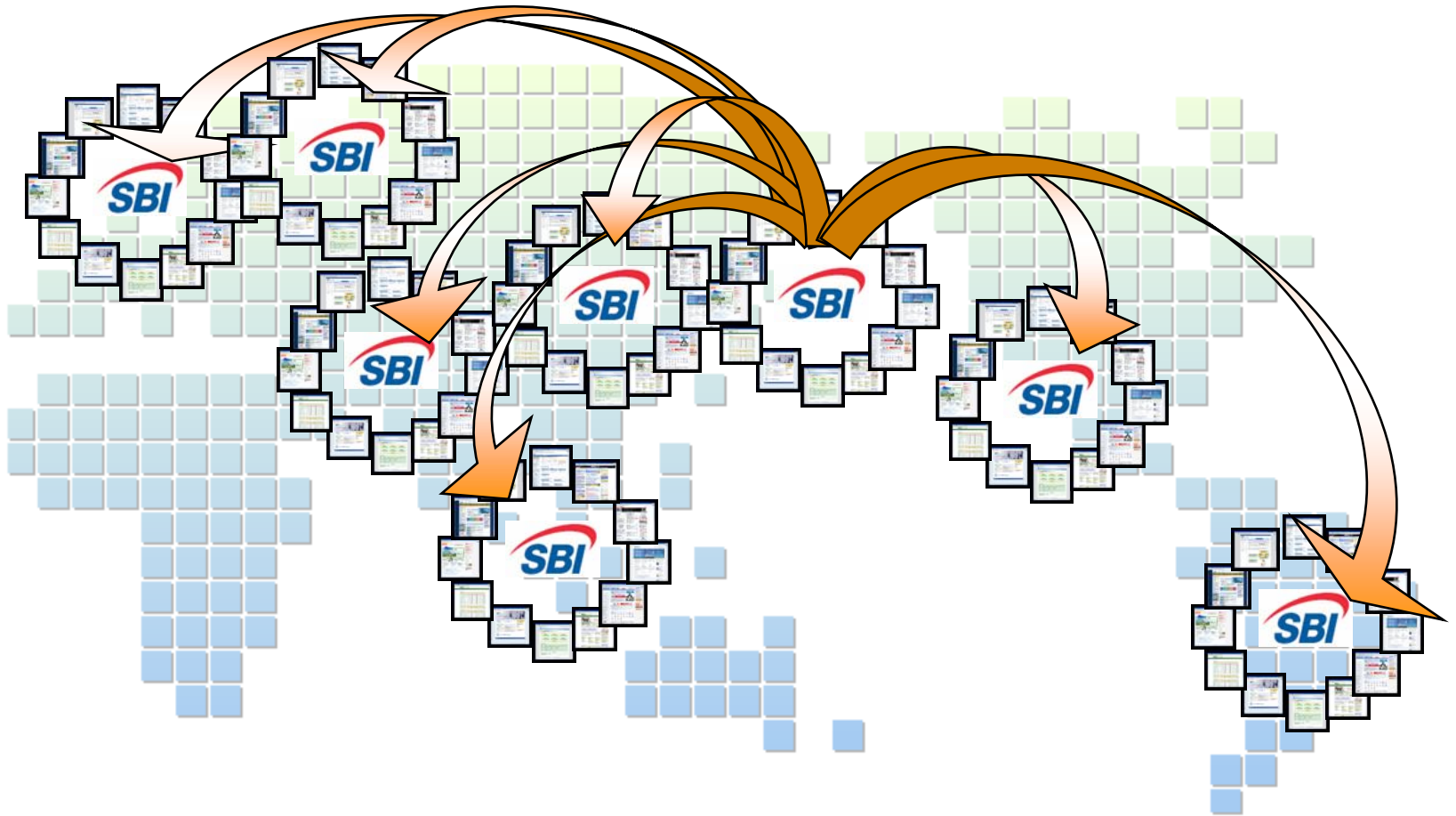
- **Cambodia:** [Phnom Penh Commercial Bank](#), which was launched in September 2008, [recovered a cumulative loss for the fiscal year starting Jan. 2009, and became profitable for the fiscal year](#) in April 2009.

- **Vietnam:** Expect to complete [20% investment in a Vietnamese bank](#) in Jul. 2009

- **India:** Negotiating to [establish a securities company in India](#) as a joint venture with an Indian financial institution

- **Russia:** Considering an [investment in a Russian bank](#), an affiliate bank of IFC METROPOL, which is SBIH's business partner in Russia

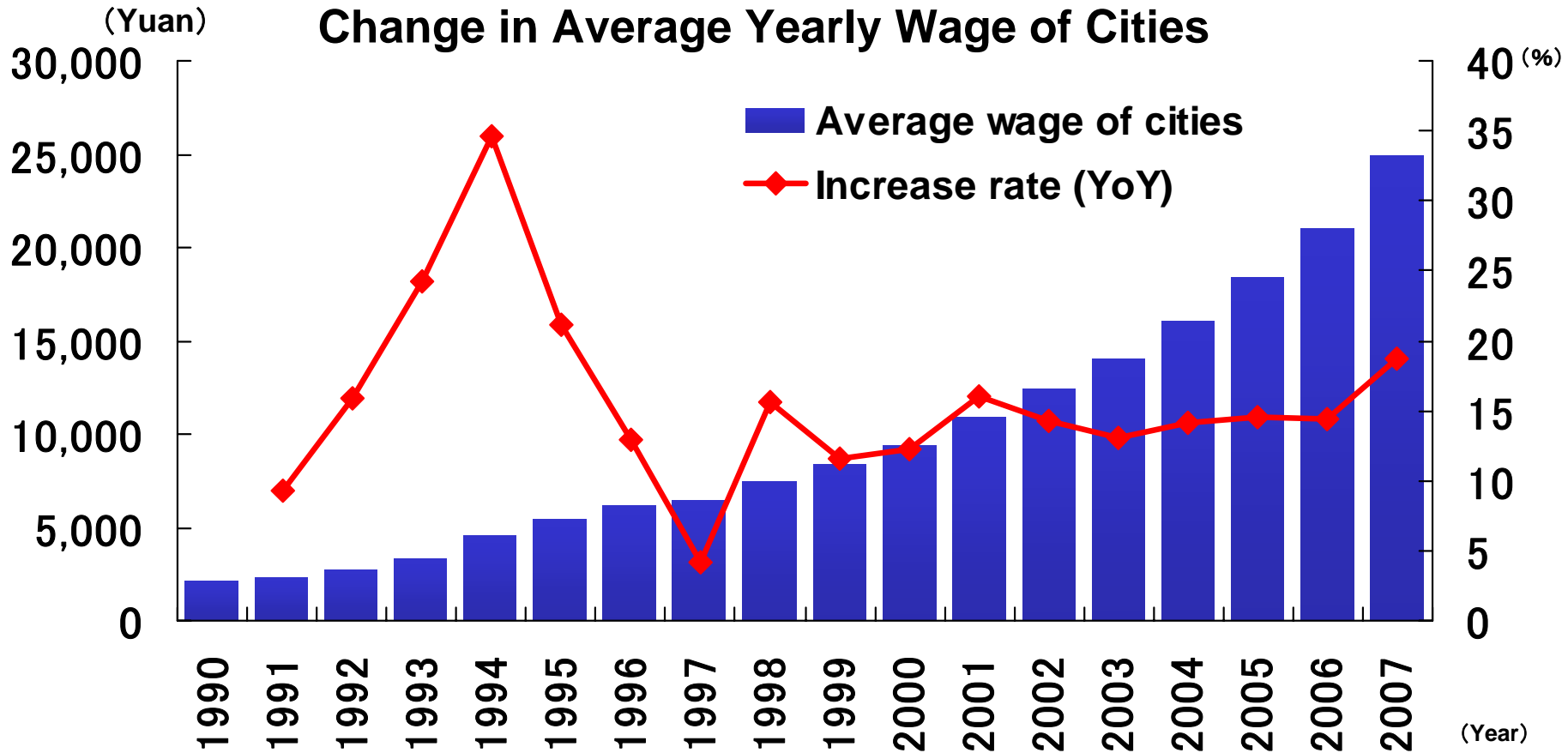

Transferring SBIH Group's Internet based financial ecosystem to emerging markets in Asia and elsewhere, utilizing partnerships built through the establishment of overseas JV funds



(2) Business Development in Emerging Countries Based on Their Economic Development Stage

Income Level in China Continue to Rise

Japanese market shrinks due to the population decrease and negative economic growth. On the other hand, in China, where lives 1.3 bil. people, the average wages favorably increase. In the near future, it is expected to become much larger market that Japanese firm can not neglect



SBIH Group's Development of China-related Businesses

~SBI VeriTrans started UnionPay Card settlement for Internet mail order service in China~

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

EC mall "Buy-J.com"

Provision of settlement services

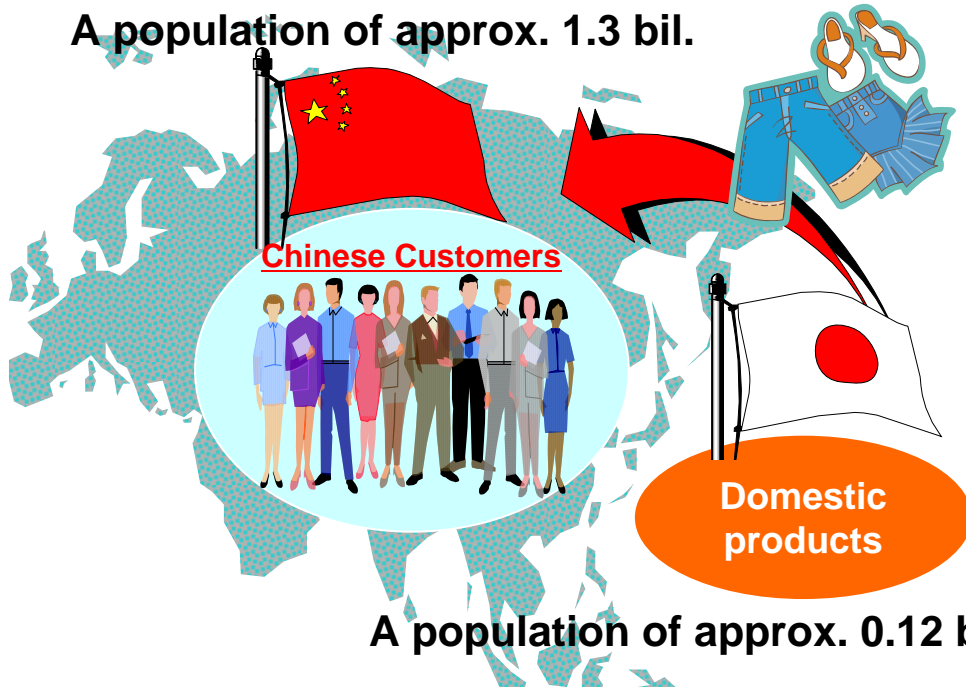
Sumitomo Mitsui Card Company, Limited

China UnionPay



Market Development

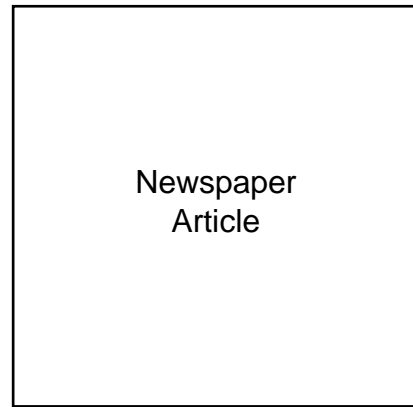
A population of approx. 1.3 bil.



A population of approx. 0.12 bil.

Japan is recognized as a high quality brand

A SBIH Group investee company, NARUMIYA INTERNATIONAL plans to develop Chinese markets



~In Japan, children's clothing industry continues to shrink due to the low birthrate. The company opens a branch in the Chinese coastal areas, targeting demand from the wealthy class~

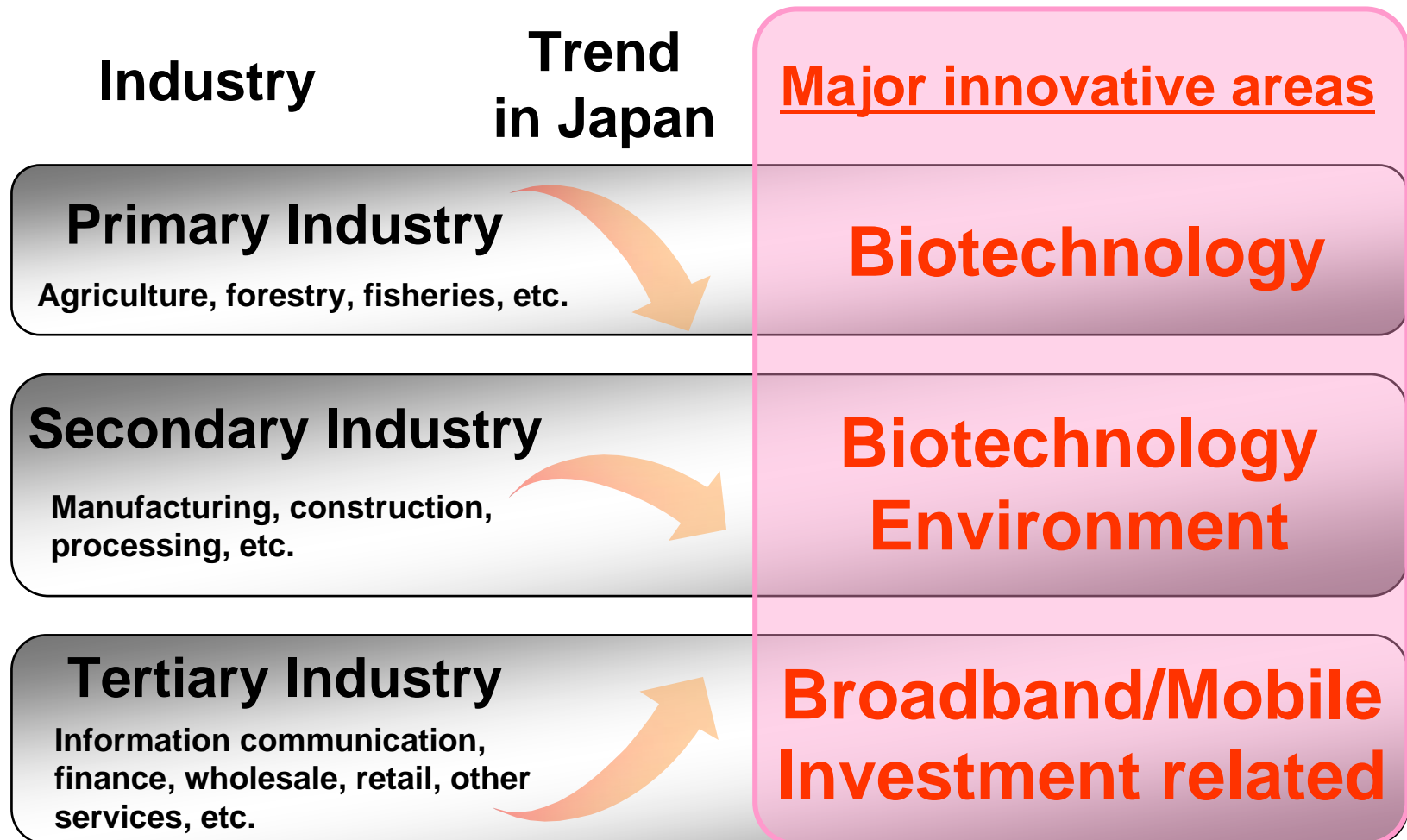
* Excerpt from Nikkei Shimbun on Oct 23, 2008

Transfer Japan's declining industry, which may become a growing industry in China

(3) Focus on the 21st Century's Growth Industries in the Post-industrial Realm

As an advanced country, Japan is Experiencing Wide Gaps in Growth Between Industries and Companies

- Need to be selective -



SBI Biotech's Full-Fledged Entrance into the Drug Creation, Immunotherapy, and Health Food Businesses



To be a global drug discovery company with promising drug creation seeds by networking in Japan, United States, China, and Korea. SBI Biotech is working with top world researchers and forming alliances with leading institutions, bio-ventures and pharmaceutical companies in the world.

[Drug Creation Seeds]

Huapu: -GNKG168 (B cells, Chronic lymphatic leukemia)
 - Three pipelines (Cpg nucleic acid medicine)

MedImmune: -ILT-7
 (license collaboration)

Helixir: -PG102
 (allergy disease)

SBI Biotech:

- ILT-7 (autoimmune disease)
- BST2 (cancer, autoimmune)
- Cdc7 (cancer, cell growth)

Baylor Research Institute (BRI)
 -Immunotherapy (cancer)



[PG102]
 •Started to sell PG102 as health food, called **“Nose tto Sarunashi”** in Feb. 2009.



[Huapu (Cpg nucleic acid medicine)]

- GNKG168 (Cpg nucleic acid medicine) was approved by IRB in May 2009 to start phase I clinical trials at Ohio State University.
- Plan to start SBI Biotech's first clinical test in June 2009.
- New “Three Pipelines”:
 Cpg nucleic acid medicine was licensed in on June 4, 2009

[BRI (dendritic cell therapy)]

- Dendritic cell therapy (Phase 2, in USA) was licensed on June 4, 2009

On July 1-3
Plan to participate in a bio expo, the largest bio event in Asia

Globally Collaborative Project Promoting Drug Discovery and Cellular Immunotherapy

【Immunocell therapy】

Contract with Baylor Research Institute (BRI), to develop DC (dendritic cell) immunotherapy

Example of melanoma (skin cancer) case in complete remission thanks to BRI immunocell therapy:



Under clinical test in the U.S.(Phase II)

DC (dendritic cell) immunotherapy is a state-of-the-art immunocell therapy utilizing special dead cells from cancer cell lines, a technique developed by BRI

These cells are advantageous for enabling DC vaccines even if the cancer tissue cannot be surgically obtained from the patient and can be transported and sold in a frozen state.

【Novel nucleotide project】

License agreement with Changchun Huapu Biotechnology in China

Planning to start clinical test (phase I) in June

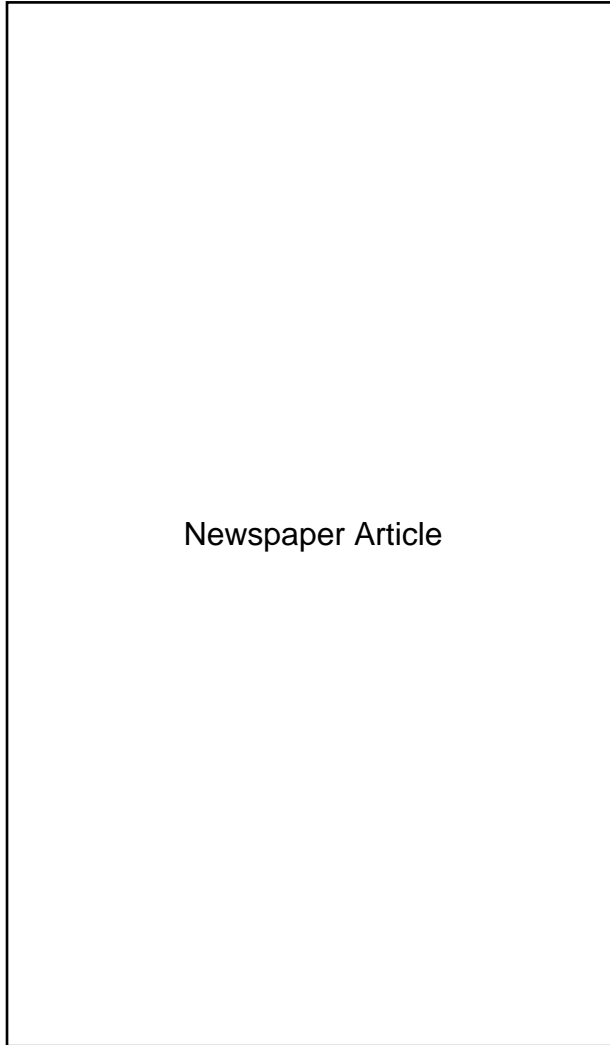
Nucleic acid therapy treats diseases using the power of genes by injecting them and their components in patients.

Nucleic acid drugs are used for such therapy. They are lower in manufacturing cost than those used in antibody drug and their few side effects are increasing their popularity as next-generation biomedicines.

Existing cancer treatments:

- ◆ Surgery
- ◆ Chemotherapy
- ◆ Radiotherapy

Enhancing Drug Discovery Capabilities will be a Key Growth Strategy to Survive the “2010 Problem” of Multiple Patent Expirations for Major Drugs Owned by Large Pharmaceutical Companies



Newspaper Article

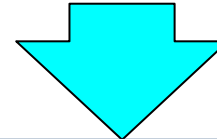
[Current status of the pharmaceutical industry]

* FDA (U.S. Food and Drug Administration):

With the tightening of review standards, new drug development is becoming more and more difficult.

*Large pharmaceutical companies in Japan:

New focus on biomedicines offering higher success rates and shorter development periods than the small molecular compound pharmaceuticals they made in the past. Partnerships through bio-ventures are increasing for technology linked to nucleic acid drugs, known as “post-antibody drugs,” which utilize gene compounds. Discovering new drug candidates is becoming an urgent task.



SBI Biotech is committed to the operation of drug discoveries and cellular immunotherapy, through the strength of its collaboration between Japan, the U.S., China, and South Korea, in the field of the influential drug creation seeds.

A Biotechnology Related Investee Company Expected to Be a Profit-Making Source



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

Development of novel therapeutic RNAi drug candidates.

PF-4523655, molecules targeting AMD

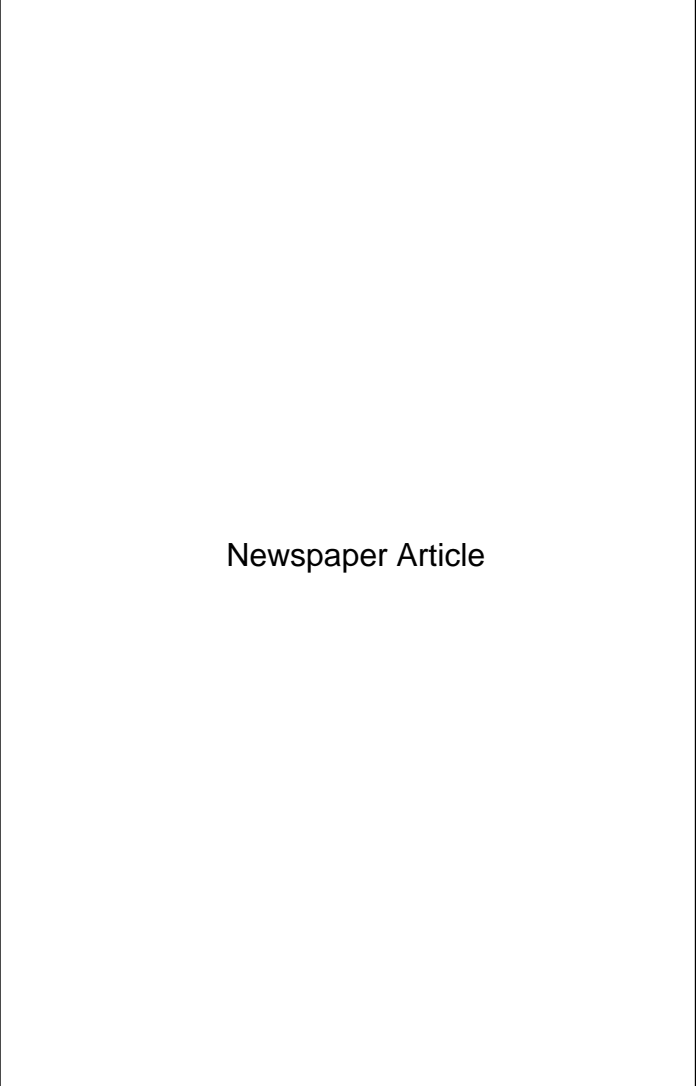
- In Sept. 2006, entered into licensing agreements with Pfizer for PF-4523655. Potential milestone payments from Pfizer totaling over \$600 million.
- In Jul. 2008, initiated dosing in a Phase II trial in patients with DME and received milestone payment.
- In 2009, the result of a Phase IIa will become available. If the results are positive, the probability of a merger will increase dramatically

QPI-1002, a siRNA drug candidate

- In Jan. 2009, initiated dosing in its Phase I/II clinical trial drug QPI-1002 for prevention of Delayed Graft Function (DGF). Currently there is no marketed treatment for DGF, and a global pharmaceutical company has much interest in it.

Joint Venture For Pharmaceutical R&D

(Announced on June 5, 2009)



Newspaper Article



SBI ALApromo

(Apr. 2008)

In December '08, started to experimentally sell "Hatarakute" a hand cream, as the first line of products.



medac GmbH

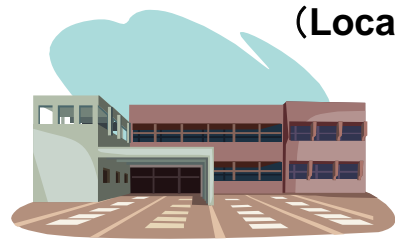
A German pharmaceutical company that developed a drug using 5-ALA for diagnosis of brain tumors during surgery, which is now on the market after being approved by the European Medicines Agency.

50%

50%

ALAlpha GmbH

(Located in Germany)



Pharmaceutical Research & Development using 5-ALA in Europe

Expecting a clinical test in 2009 and early commercialization

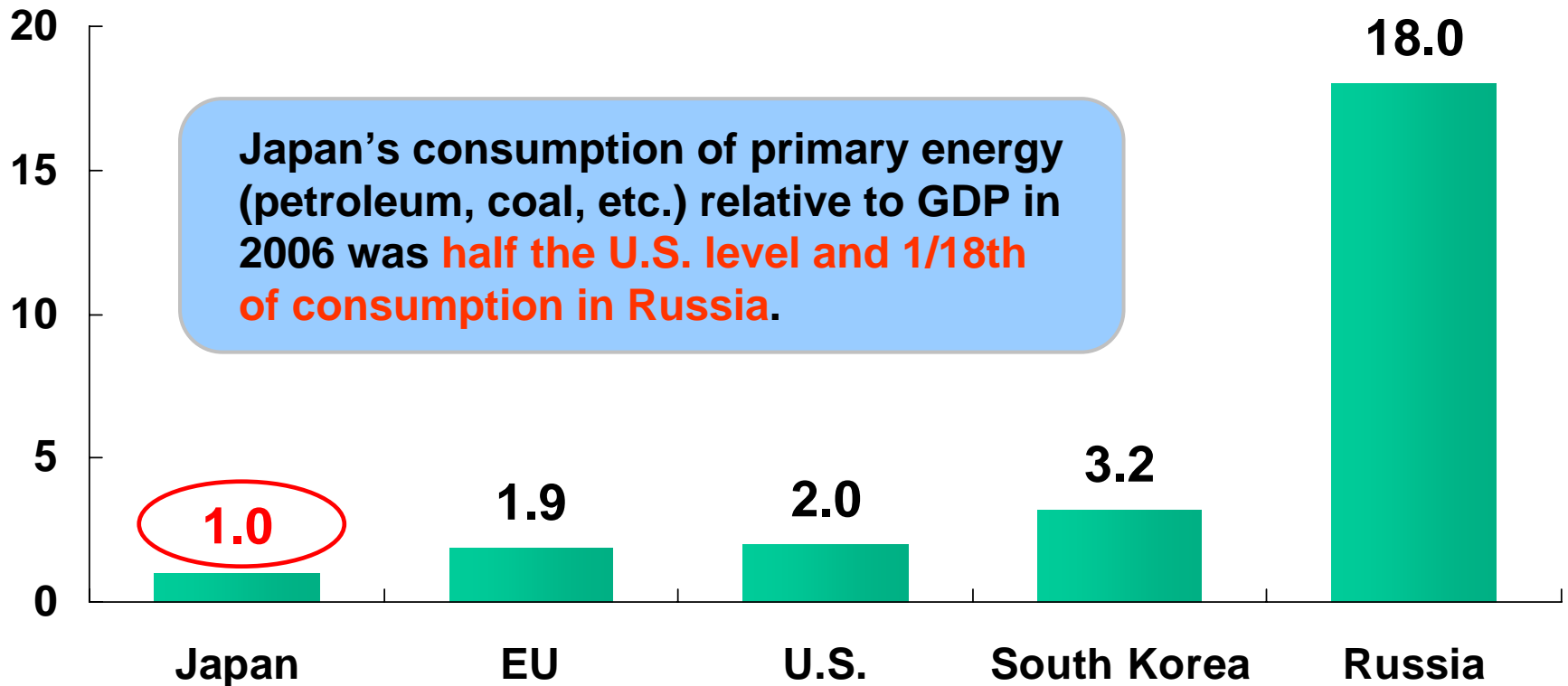
(Excerpt from Nikkei Sangyo Shimbun Jun. 5, 2009)

Japan's Advantages in the Fields of Environmental Services and Energy Conservation

Japanese companies with competitive environmental services are expected to grow rapidly

Primary Energy Consumption Relative to GDP as of 2006

(Japan = 1)



(Source: International Energy Agency)

- Resource recycling of discarded TVs and other home appliances
- Low-cost, highly advanced solar cells
- Fuel cell automobiles using hydrogen and oxygen power generation

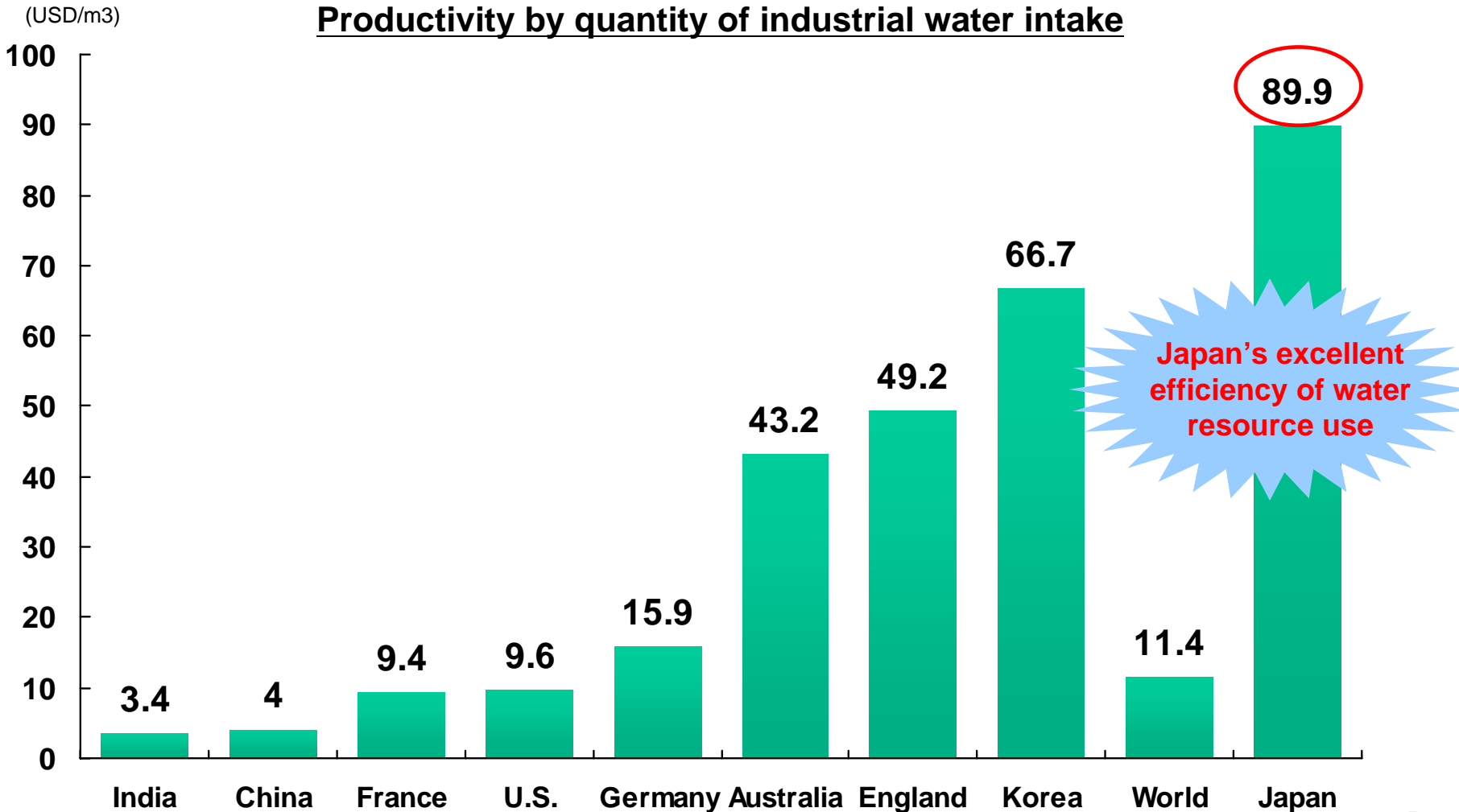
Water Production Efficiency Is Becoming More Significant to the World

Demand for water use for industries and metropolitan areas have continuously increased, as demand for agricultural water has sharply dropped



Industrial water production becomes more and more important as the economy develops

Productivity by quantity of industrial water intake



Status of Venture Capital Funds Operated by the SBIH Group

Private equity total: 241.2 bil. yen

[IT/Biotechnology] Total: 120.5

Internet 6.7

Broadband/Media 57.3

Mobile services 27.7

Biotech/Others 28.7

[Direct investment] 25.1

[Environment/Energy] 6.8

[Buyout/Mezzanine] Total: 35.2

Value Up 19.2

Mezzanine 16.0

[Overseas] Total: 53.6

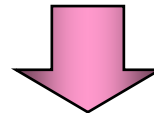
China/ Hong Kong/ Others* 35.9

Vietnam* 8.2

India* 9.6

* As of the end of Mar. 2009

VC funds operated by the SBIH Group primarily invest in IT (including Broadband and Mobile), biotechnology, and environment/energy fields, which are expected to be key growth industries



Capitalize on the industries' growth for investment returns

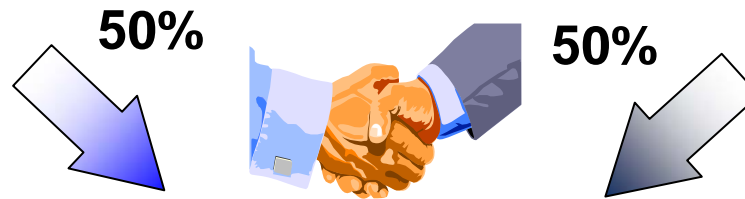
Note: Figures for the funds are net assets at market value based on the latest financial reports of each fund as of the end of Mar. 2009. All figures are rounded to the nearest 100 million yen.

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

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



Masdar Clean Tech Fund

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

MASDAR-SBI Fund

Investment Amount: USD 20 million

Target: prominent alternative energy related companies in Japan

Reached definitive agreements in January 2009

Plan to start investments in June 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

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