



*Strategic
Business
Innovator*

SBI Holdings, Inc.

First Quarter Financial Results

(Fiscal Year Ending March 31, 2012)

July 28, 2011

The items in this document are provided as information related to the business strategy of the SBI 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. Earnings for 1Q of the Fiscal Year Ending March 2012: Materially Affected by the Weakened Market Following the Great East Japan Earthquake**
- 2. Establishment of a Business Structure Designed to Diversify Risk and Enhance Profitability**
- 3. Strengthening Business Foundation to Increase Profits when the Market Recovers**

1. Earnings for 1Q of the Fiscal Year Ending March 2012: Materially Affected by the Weakened Market Following the Great East Japan Earthquake

1Q FY2011 Consolidated Performance



Achieved a year-on-year increase in both revenues and profits, despite the impact of the Great East Japan Earthquake

(Y million)

	FY2010 1Q (Apr.-Jun. 2010)	FY2011 1Q (Apr.-Jun. 2011)	YoY (%)
Operating Revenues	32,743	33,512	+2.4
Operating Income	2,685	3,063	+14.1
Ordinary Income	*1 1,038	2,467	+137.7
Net Income	*2 1,264	1,515	+19.9

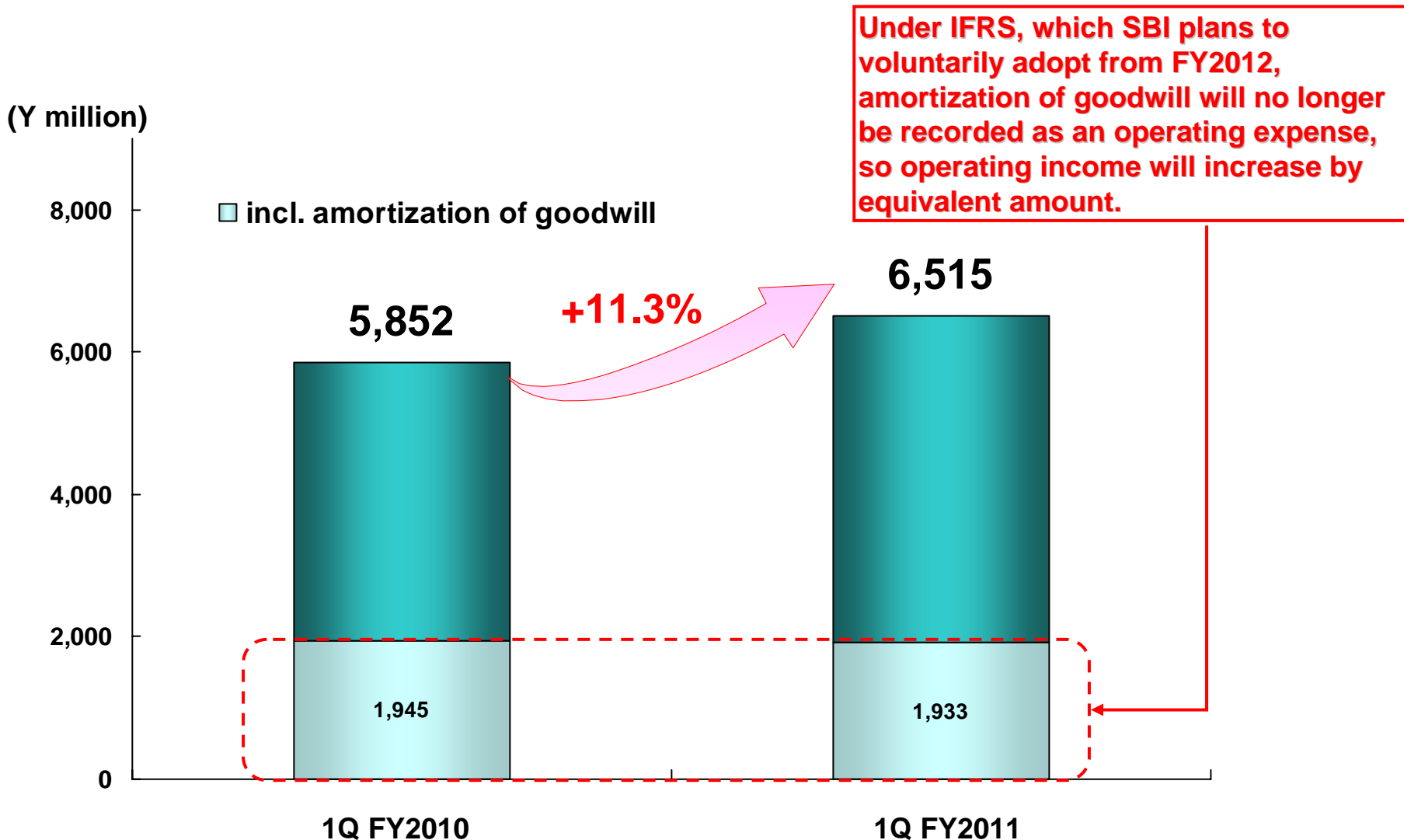
*1 Recorded Y0.9bn in foreign exchange loss on yen-denominated loans at SBI Korea Holdings.

*2 HOMEOSTYLE recorded Y1.0bn in extraordinary loss due to impairment of fixed assets.

EBITDA Performance

(EBITDA=operating income + allowance for depreciation + goodwill amortization)

EBITDA for 1Q FY2011 improved to Y6,515m, up 11.3% YoY



Operating Revenues by Segment

Adversely affected by the earthquake, the Brokerage & Investment Banking Business and the Housing and Real Estate Business recorded a year-on-year decrease in operating revenues, but the Asset Management Business and the Financial Services Business achieved a growth in revenues.

(Y million)

	FY2010 1Q (Apr. 2010–Jun. 2010)	FY2011 1Q (Apr. 2011–Jun. 2011)	YoY Change
Asset Management	6,058	7,487	+23.6%
Brokerage & Investment Banking	13,135	11,037	-16.0%
Financial Services	7,170	9,598	+33.9%
Housing and Real Estate	4,178	4,004	-4.2%
Others	3,596	3,095	-13.9%

Operating Income by Segment

The Brokerage & Investment Banking Business and the Housing and Real Estate Business faced a difficult business environment that was vastly different from a year ago, owing to the Great East Japan Earthquake. However, the resulting decline was offset by sharply higher profits of the Asset Management Business, as compared to a year ago, whose operations were previously expanded into the overseas markets.

(Y million)

	FY2010 1Q (Apr.-Jun.2010)	FY2011 1Q (Apr.-Jun. 2011)	Rate/amount of YoY Change
Asset Management	1,109	4,788	+331.7%
Brokerage & Investment Banking	2,806	927	-67.0%
Financial Services	*1 476	*2 -705	-1,182
Housing and Real Estate	525	331	-36.8%
Others	-749	-674	+74

*1 SBI Card recorded a Y0.3bn provision for allowance for doubtful accounts (mostly attributed to former SBI Equal Credit).

*2 SBI Card recorded a Y0.3bn provision for allowance for doubtful accounts (mostly attributed to former SBI Equal Credit), and SBI Credit, which became a consolidated subsidiary in 2Q FY2010, recorded a Y0.2bn operating loss.

Summary of Major Business Segments

Asset Management Business

Fiscal 2011 First Quarter

(Three months ended June 2011)

Operating Revenues	Y7.5 billion	(+24% YoY)
Operating Income	Y4.8 billion	(+332% YoY)

- The earthquake did not significantly impact the Asset Management Business, owing to the successful early and active overseas investments that diversified geographical risk.
- In a domestic equity market environment that only produced a total of 6 IPOs in 1Q FY2011, which was the same as in the previous fiscal year 1Q, 2 SBI portfolio companies conducted successful IPOs overseas. As of July 28, a total of 4 SBI portfolio companies have successfully conducted IPOs, with 3 overseas and one domestically. For the second half of the current fiscal year, there are a number of prospective IPOs planned for the overseas and domestic markets, which will total about the same as in the previous fiscal year.
- Investments continued at a high level as compared to others in the industry (Y19.3bn for 1Q FY2011).

* The above figures were calculated using the new accounting standard (with fund consolidation) for each segment.

* Percentage changes YoY reflect the changes in business segment.

* The above figures do not include eliminations for consolidation and the deduction of corporate expenses.

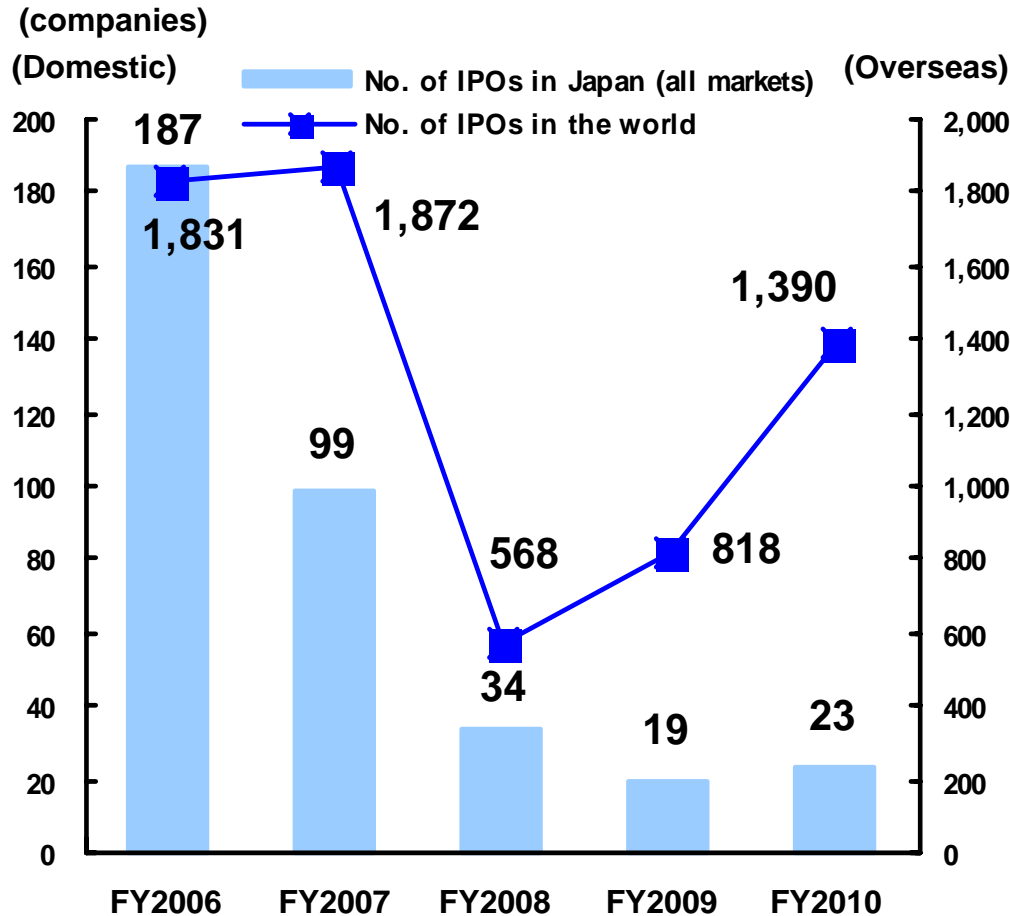
* Rounded to the nearest Y100m.

Domestic and Overseas IPO Market

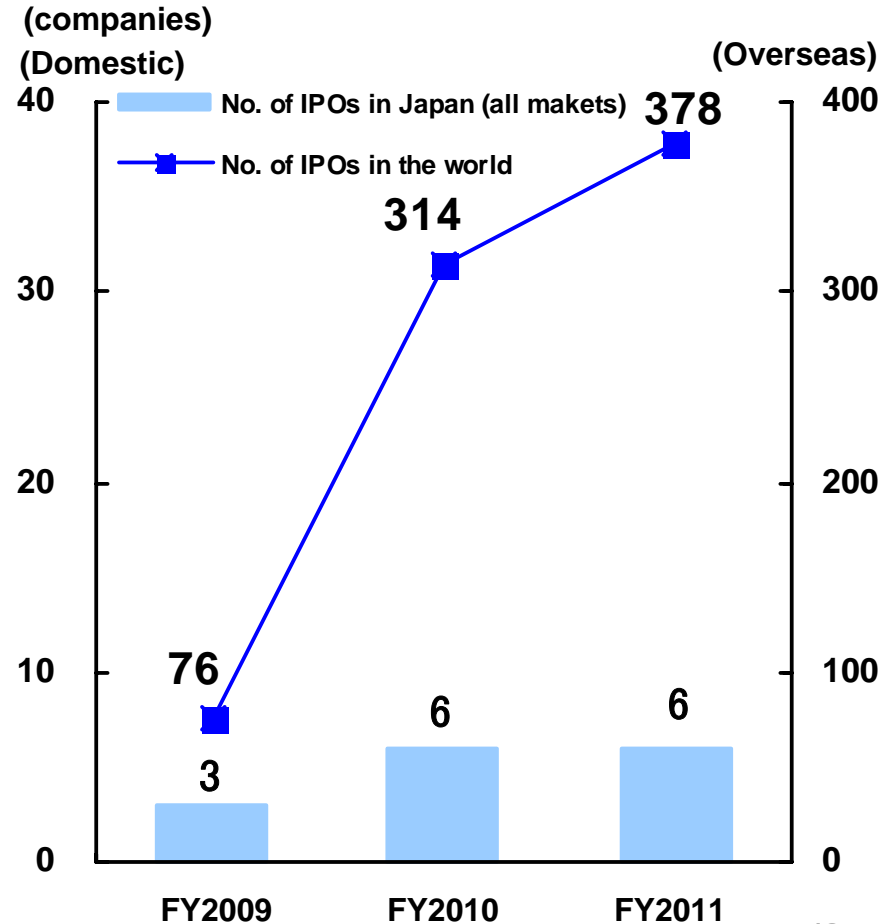
Led by Asia, the world IPO market recovered, but Japan's IPO market continues to flounder

Change in the number of domestic and overseas IPOs

Number of IPOs for full year (Apr.–Mar.)



Number of IPOs in 1Q (Apr.–Jun.)



*Source: Stock exchanges, E&Y "Global IPO Update" 10

Earthquake Impact on Japan's IPO Market

A number of scheduled IPOs were suspended due to the earthquake (No IPOs from Mar. 24-Jun. 8)

	Number of companies scheduled to be listed	Actual number of listed companies
Mar.	8	7 (of which 3 exited before the earthquake)
Apr.	2	0

<IPOs below were canceled or suspended>

- RaQualia Pharma JASDAQ Mar. 25 → Jul. 20
- AvanStrate Mothers (Plan) Apr. 12 → TBD
- SEMITEC JASDAQ Apr. 13 → Jun. 29

Japan's Earthquake Affected IPO Market

Companies that conducted IPO in FY2010 before the earthquake

Date of IPO	Company	Public offering price (A)	Initial price (B)	B/A (times)
Apr. 1	The Dai-ichi Life Insurance Company	140,000	160,000	1.14
Apr. 16	Azearth	470	470	1.00
Jun. 11	Voltage	2,300	3,500	1.52
Jun. 23	PAPYLESS	2,700	6,140	2.27
Jun. 24	Densan	3,500	3,600	1.03
Jun. 24	Total Medical Service	4,200	4,200	1.00
Jul. 23	IKI	1,320	1,112	0.84
Sept. 7	FPG	3,300	3,300	1.00
Sept.15	Fuhrmeister Electronics	1,000	970	0.97
Oct. 12	TRANSACTION	1,400	1,295	0.93
Dec. 1	E-Guardian	1,300	3,000	1.30
Dec. 1	1st Holdings	630	570	0.90
Dec. 10	POLA ORBIS HOLDINGS	1,800	1,693	0.94
Dec. 15	Otsuka Holdings	2,100	2,170	1.03
Dec. 16	Tera Probe	3,000	2,775	0.93
Dec. 21	japan medical net communications	840	1,750	2.08
Mar. 3	Ekitan	2,780	5,530	1.99
Mar. 11	AGS	950	890	0.94
Mar. 11	CALBEE	2,100	2,100	1.00
Average				1.25

Companies that conducted IPO after the earthquake

Date of IPO	Company	Public offering price (A)	Initial price (B)	B/A (times)
Mar.15	Shimane bank	560	685	1.22
Mar. 15	iDhome	2,850	1,800	0.63
Mar. 18	IR Japan	1,800	1,890	1.05
Mar. 23	PSC	1,000	1,020	1.02
Jun. 9	Kurotani Corporation	1,200	1,170	0.98
Jun. 23	Digital Media Professionals	2,400	3,050	1.27
Jun. 23	HOUSECOM	600	580	0.97
Jun. 24	Eat&	2,860	2,631	0.92
Jun. 29	SEMITEC	1,250	1,210	0.97
Jun. 29	Nippon Dry-Chemical	2,040	2,222	1.09
Jul. 15	Mebiopharm	*1,200	286	0.24
Jul. 20	RaQualia Pharma	1,600	1,480	0.93
Jul. 21	MORPHO	2,250	4,840	2.15
Average				1.03

Average percentage difference
between the public offering price and
the issued price varied before and after
the earthquake

22 percentage points down

*Substituting the central price in the order book determined by Tokyo AIM on the listing date, since Mebiopharm did not issue new shares.

IPO and M&A Deals in the Asset Management Businesses

In spite of the domestic IPO market, targeting the same number of IPOs as the previous fiscal year, with the inclusion of overseas IPOs

	*1 Up to FY2009				*1 FY2010 Full year				FY2011 Full year prospect			
IPO and M&A deals	124				17				17			
Breakdown	IPO		M&A		IPO		M&A		IPO		M&A	
	Japan	Overseas	Japan	Overseas	Japan	Overseas	Japan	Overseas	Japan	Overseas	Japan	Overseas
	64	32	9	19	0	11	1	5	8	7	2	0

4 companies already exited in 1Q

Exit Date	Company	Market (Country)	Initial price/Public offering price (times)	Shareholding ratio
Apr. 6	PCHOMESTORE INC.	GTSM (Taiwan)	1.43	4.24%
May. 4	Renren, Inc.	NYSE (U.S.)	1.39	*3 1.68%
Jul. 13	NIBEC Co Ltd.	KOSDAQ (Korea)	1.73	4.87%
Jul. 15	Mebiopharm Co., Ltd.	TOKYO AIM	*2 0.24	2.23%

*1 Includes portfolio companies (FY2009: 3 companies, FY2010: 6 companies) of New Horizon Capital, the second fund, in which SBIH invested as a limited partner.

*2 The central price in the order book (Y1,200), determined by Tokyo AIM, is substituted for public offering price, since Mebiopharm did not conducted a public offering.

*3 Shareholding ratio to the sum of Class A shares and Class B shares issued

Performance Comparison with a Major VC Company

1Q FY2011 performance comparison of SBI Asset Management Business and JAFCO

<Performance>

(Y billion, %)

	Operating Revenues	YoY % change	Operating Income	YoY % change
The SBI Group's Asset Management Business	7.5	+24	4.8	+332
JAFCO (Interests Consolidation)	3.8	+11	(*3) 0.6	+58

(*1) JAFCO adopts method of excluding the consolidation of funds, whereas SBI performances includes the consolidation of funds.

(*2) Amounts are rounded to nearest Y100m

(*3) JAFCO's net profit for 1Q FY2011 was Y5.3bn (including Y10.0bn in gains from transfer of shareholdings in Nomura Land and Building Co., Ltd.), and recorded extraordinary losses of -Y4.1bn as "Accumulated foreign exchange adjustment expenses," which is usually recorded as "Valuation Difference on Available-for-sale Securities" on net asset.

<New investment amount, number of invested companies>

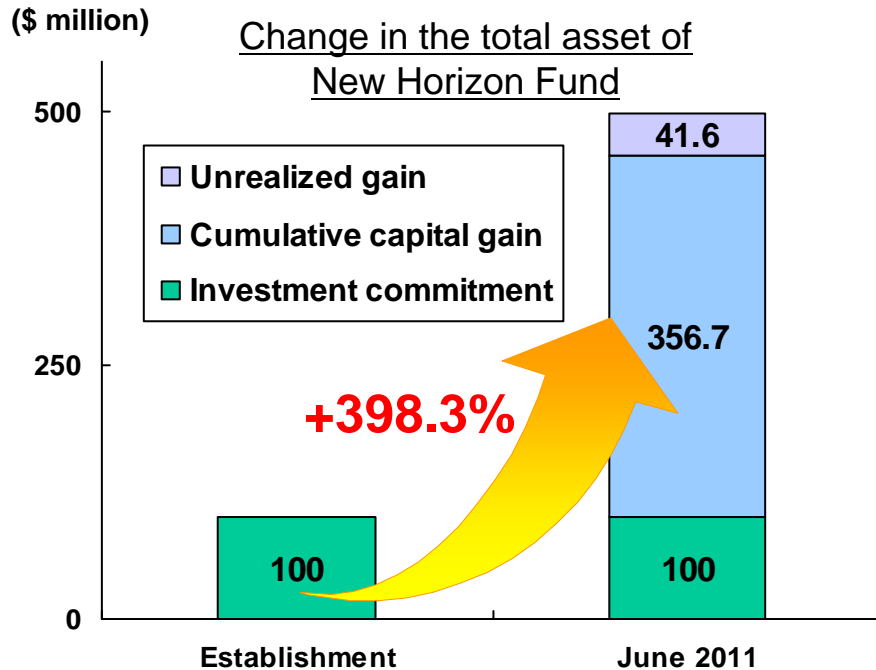
	New investment amount (Unit: Y million)		Number of invested companies (Unit: companies)	
	1Q FY2011	1Q FY2010	1Q FY2011	1Q FY2010
The SBI Group's Asset Management Business	19,323	17,936	49	54
JAFCO	3,981	5,399	27	31

New Horizon Fund Results

New Horizon Fund

(the first fund, SBI's investment ratio: 50%)

- 8 of the 10 investee companies had IPO/M&A



[Contribution amount to SBIH's operating income] (Y billion)

By FY2007	FY2008	FY2009	FY2010
2.64	3.98	2.16	3.32

New Horizon Capital

(the second fund, SBI's investment ratio: 10%, invest as a limited partner)

- 9 of the 19 investee companies exited through an IPO/M&A, and 5 others are expected to be IPO/M&A'd by 2012

Number of exit companies (anticipated)

	By FY2010	FY2011 (anticipated)	FY2012 (anticipated)
IPO	5	1	2
M&A (incl. Trade Sale)	4	-	2

Market value of the portfolio shares increased to approximately 6.3 times the investment cost

(as of the end of Jun. 2011)

Brokerage & Investment Banking Business

Fiscal 2011 First Quarter

(Three months ended June 2011)

Operating Revenues Y11.0 billion (-16% YoY)

Operating Income Y0.9 billion (-67% YoY)

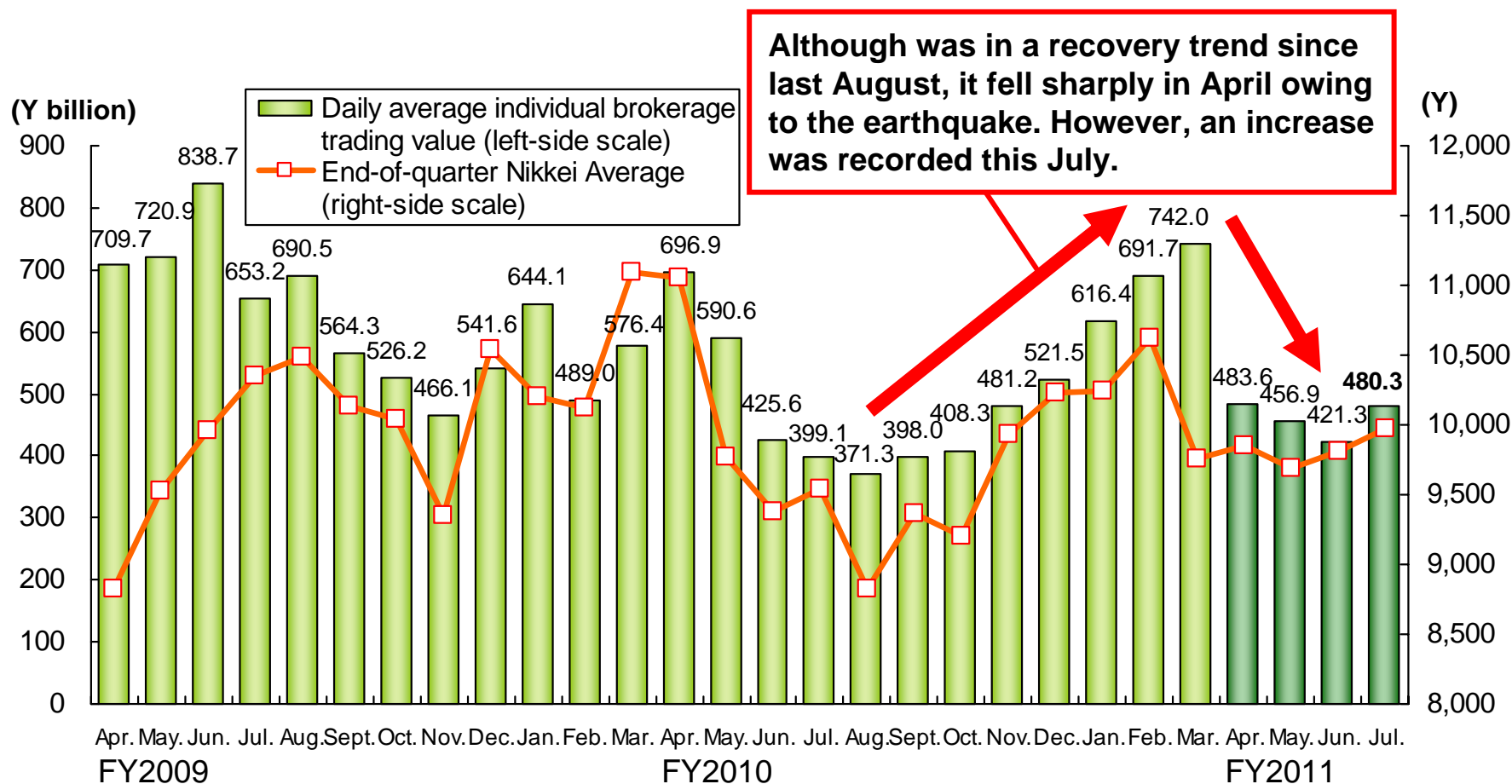
(*after exclusion of Y1.5bn for amortization of goodwill)

- Individual brokerage trading value decreased 16.4% from a year earlier, reflecting the dampened investor sentiment caused by the Great East Japan Earthquake and the subsequent nuclear power plant accidents. Under such circumstances, although SBI SECURITIES' brokerage commissions declined, strong sales of investment trusts and foreign bonds led to an increase in revenue in these two categories, attesting to the steady progress in their business diversification.
- Since its inception in November 2008, SBI Liquidity Market has grown to a subsidiary that contributes substantially to the Group's consolidated performance in a short period. Its contribution to the Group's operating income for this period on a consolidated basis was approximately Y1.8bn, including trading gains at SBI SECURITIES.

- * The above figures were calculated using the new accounting standard (with fund consolidation) for each segment.
- * YoY percentage changes reflect the changes in business segment.
- * The above figures do not include eliminations for consolidation and the deduction of corporate expenses.
- * Rounded to the nearest Y100m.

Changes in Average Daily Individual Brokerage Trading Value (3 markets of 1st and 2nd sections integrated)

- Due to the earthquake, individual brokerage trading value in the first quarter declined by 34.6 % in comparison with the previous quarter (Jan.- Mar.) (-16.4% compared to the same quarter of previous FY)
- In July average daily individual brokerage trading value began increasing in spite of a downtrend since April (as of Jul. 15)



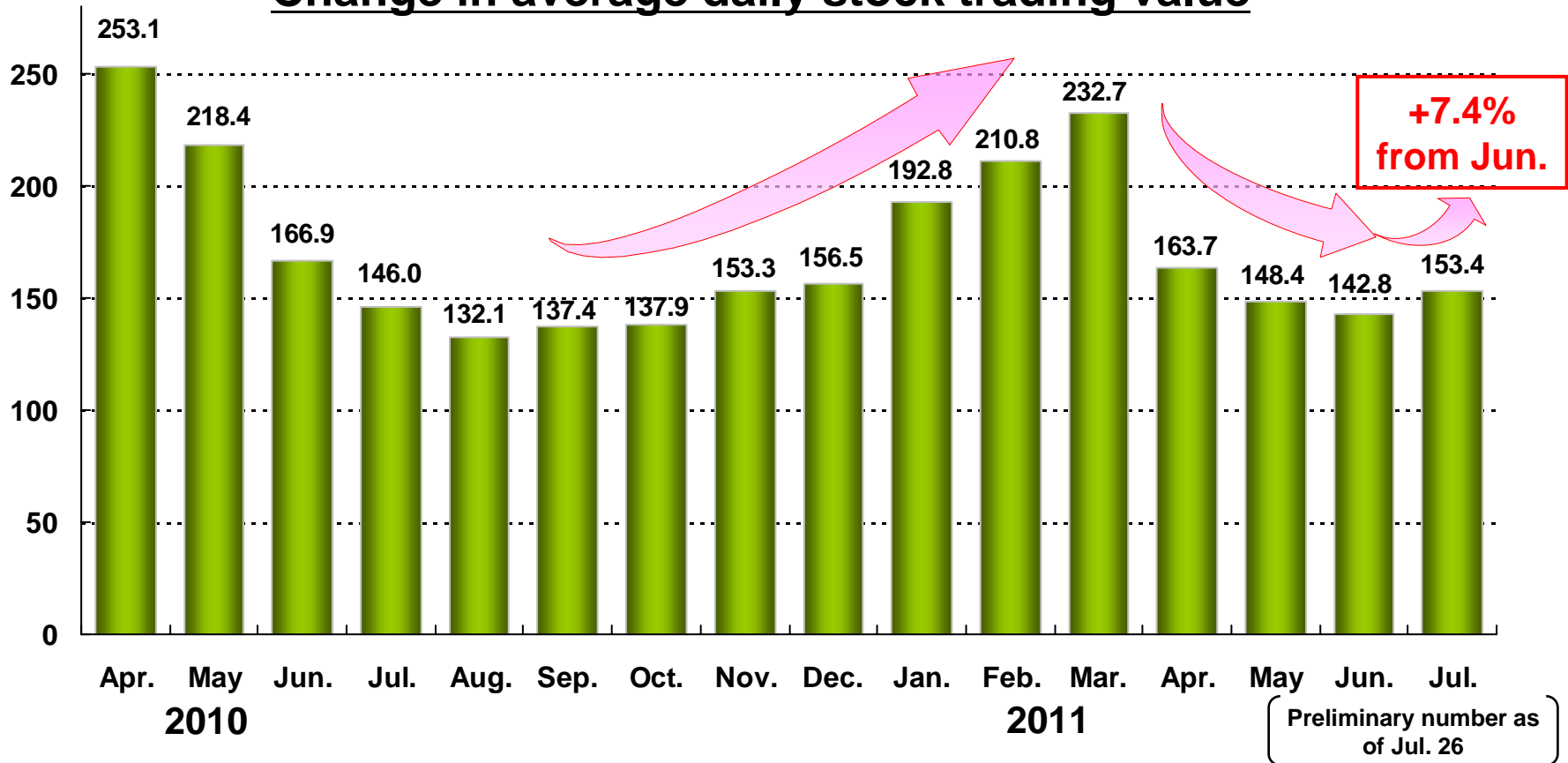
*Japanese Stocks listed on Tokyo Stock Exchange, Osaka Stock Exchange and Nagoya Stock Exchange (Including TSE Mothers, OSE JASDAQ and NSE Centrex)

Signs of Brokerage Trading Value Hitting Bottom at SBI SECURITIES in June

Although stock brokerage trading value was in a downtrend since April due to the earthquake, it increased in July

(Y billion)

Change in average daily stock trading value



SBI SECURITIES 1Q FY2011

Consolidated Results

(Y million, %)

	1Q FY2010	1Q FY2011	YoY Change
Operating Revenues	11,950	10,008	-16.3
Net Operating Revenues	10,964	9,278	-15.4
Operating Income	3,468	1,847	-46.7
Ordinary Income	3,607	1,913	-47.0
Net Income	3,900	1,956	-49.8

Performance Comparison of Major Online Securities Companies for 1Q FY2011

(Y million, %)

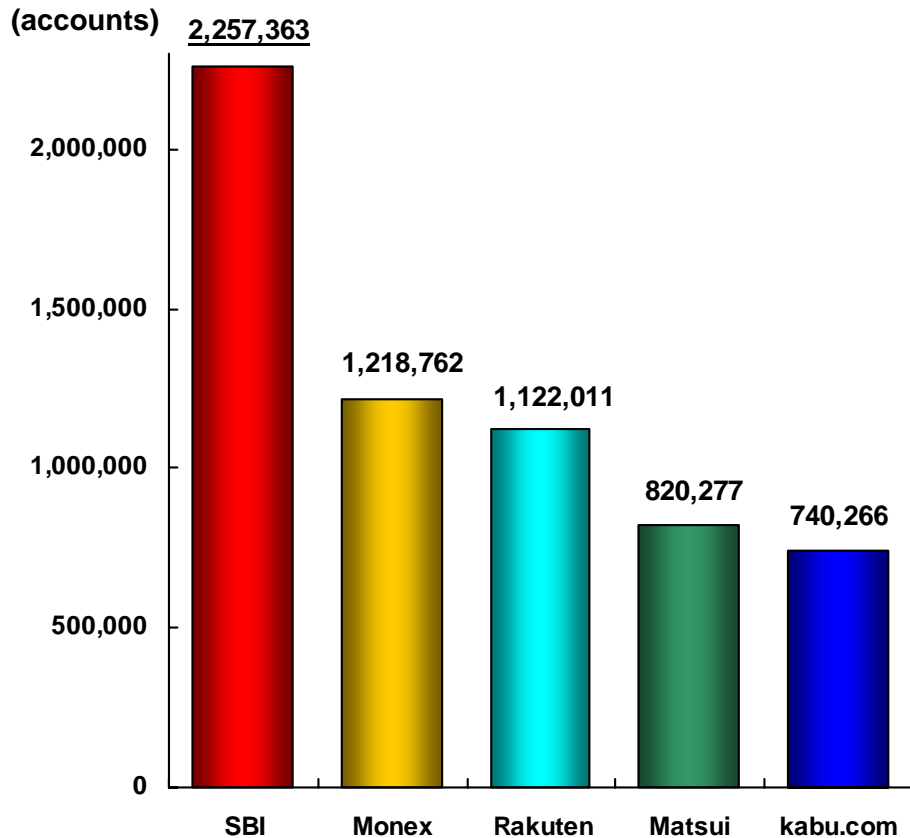
	Operating Revenues	YoY Change	Net Income	YoY Change
SBI SECURITIES	10,008	-16.3	1,956	-49.8
Monex	6,057	-18.2	528	-56.4
Rakuten (non cons.)	5,015	-21.5	759	-62.9
Matsui	4,364	-29.3	1,080	-46.7
kabu.com (non cons.)	3,293	-18.5	517	-50.3

Source: Compiled by SBIH from information disclosed by each company

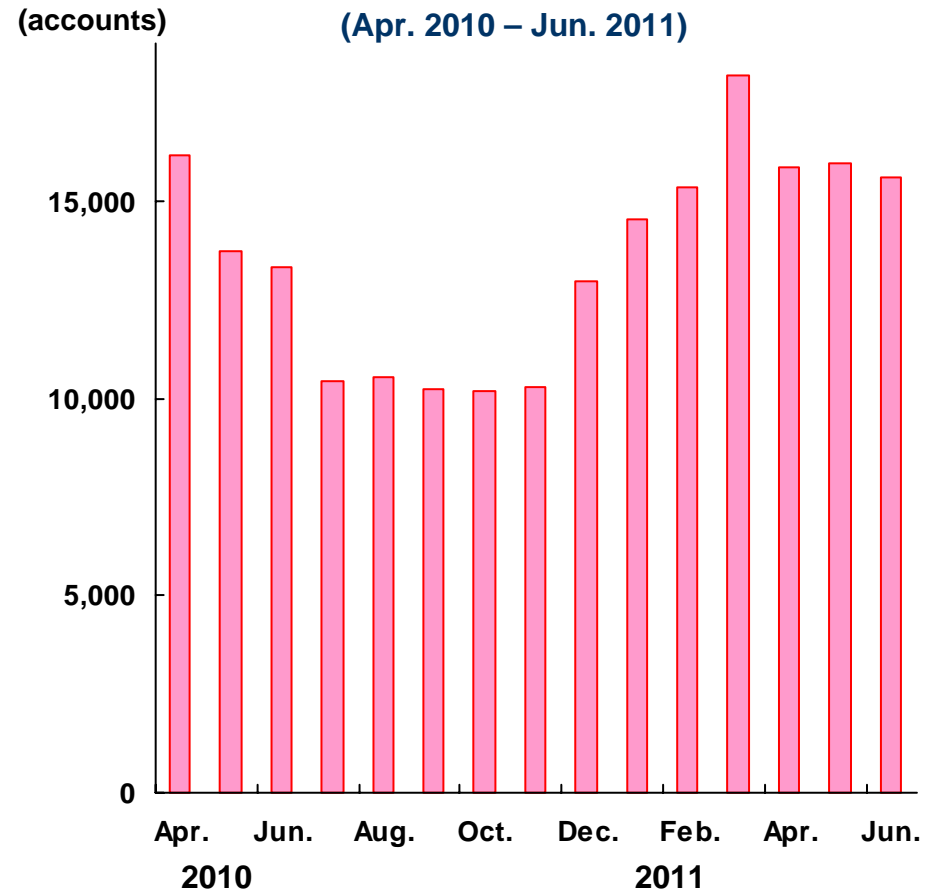
Solid Customer Base of SBI SECURITIES <1> <Number of Accounts>

The number of accounts at SBI SECURITIES far exceeds that of its rivals, and continues to increase steadily

Customer accounts of 5 online brokers
(as of the end of Jun. 2011)



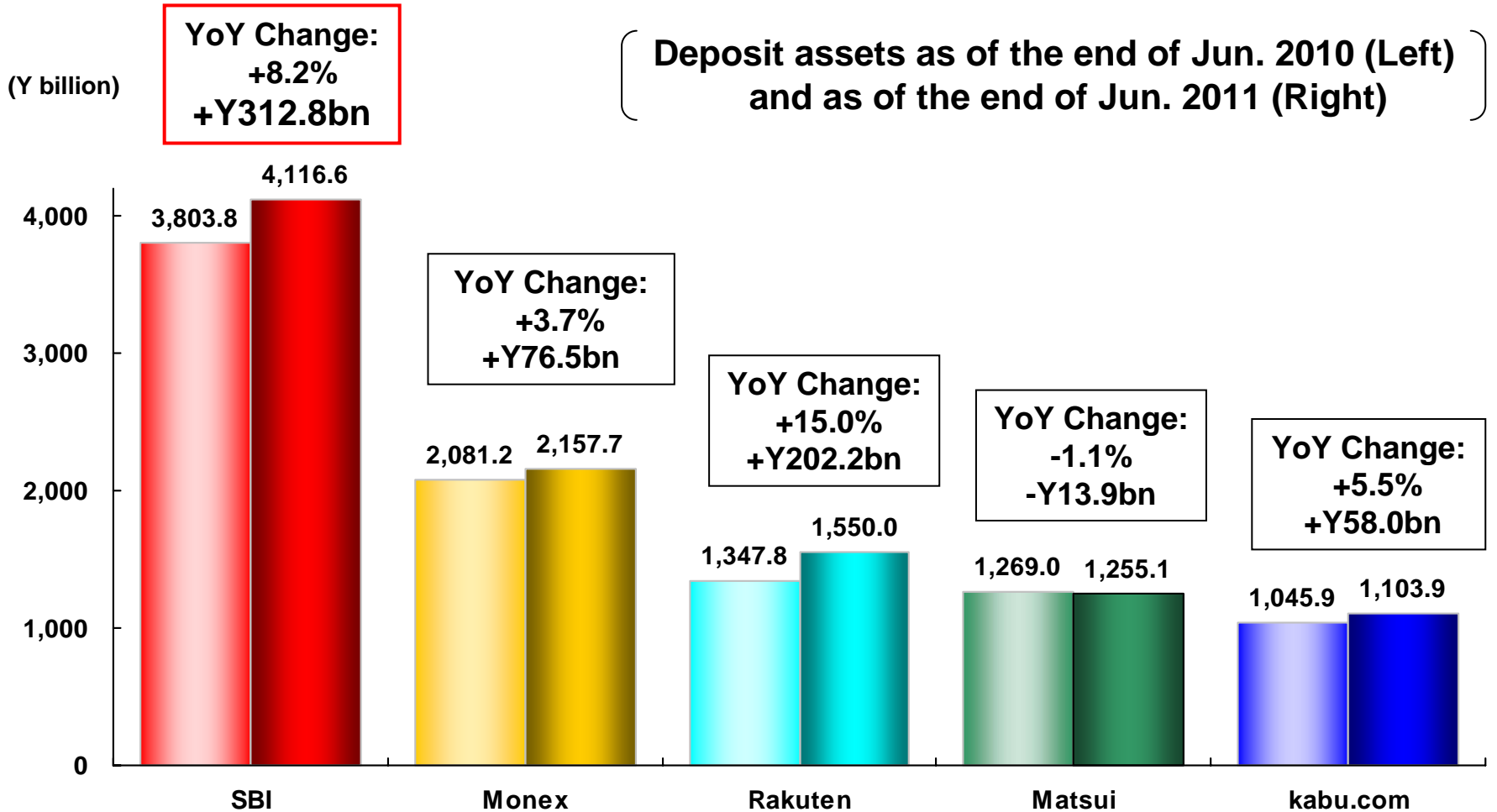
Net increase in customer accounts at SBI SECURITIES



Source: Compiled by SBIH from information on websites of each company

Solid Customer Base of SBI SECURITIES <2>

<Deposit Assets>



Solid Customer Base of SBI SECURITIES <3> <Individual Brokerage Trading Value>

**SBI SECURITIES' overwhelming share of individual trading value
and individual margin trading value**

Share of individual stock trading value (%)

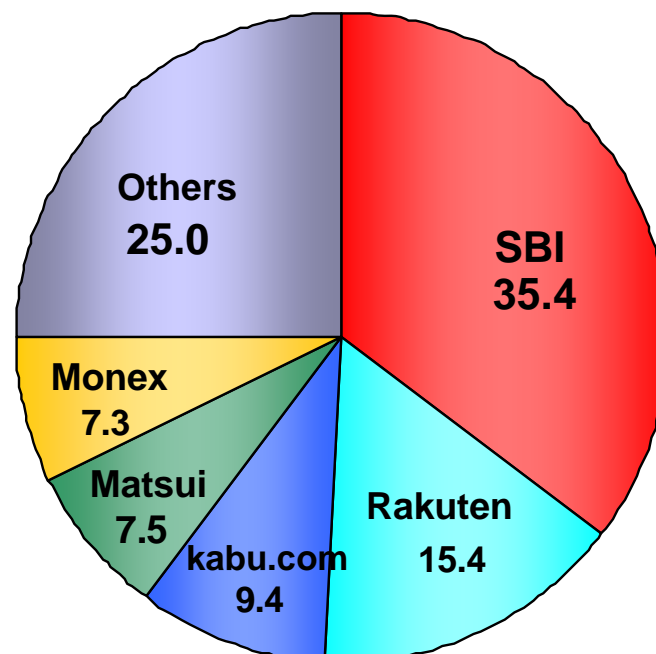
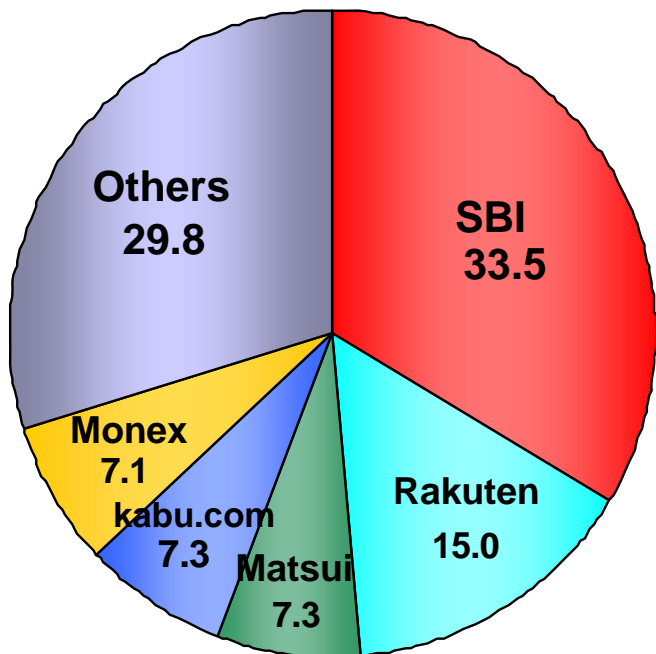
Share of individual margin trading value (%)

1Q FY2011

(Apr. 2011 – Jun. 2011)

1Q FY2011

(Apr. 2011 – Jun. 2011)



Source: Compiled by SBI SECURITIES based on Tokyo Stock Exchange and JASDAQ materials and Websites of each company.

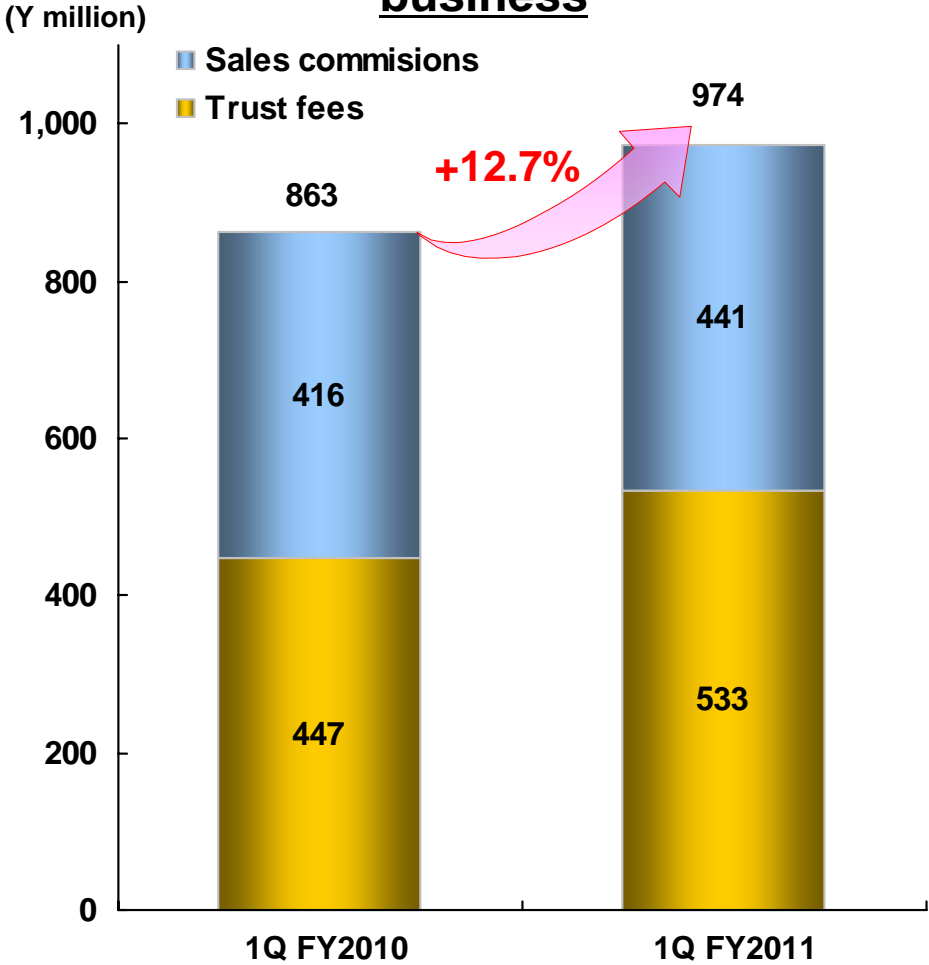
*Individual stock brokerage trading value is the sum of Tokyo, Nagoya and Osaka exchanges (first and second sections) and JASDAQ.

*The numbers for SBI SECURITIES are based solely on the Internet division.

*Monex merged with Orix on May 1, 2010.

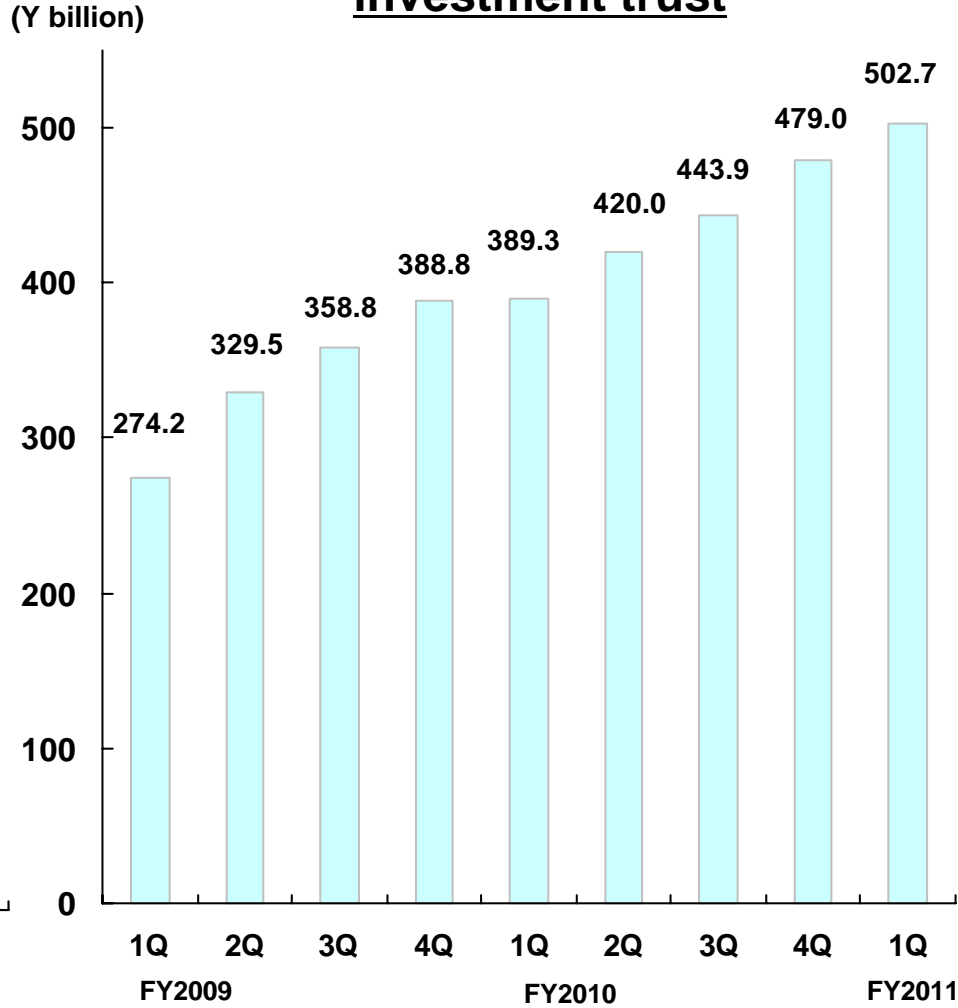
Expanding Sales of Investment Trusts <1>

Revenues* from investment trust business



*Sum of sales commissions and trust fees (trust fees include MRF)

Quarterly change in balance of investment trust

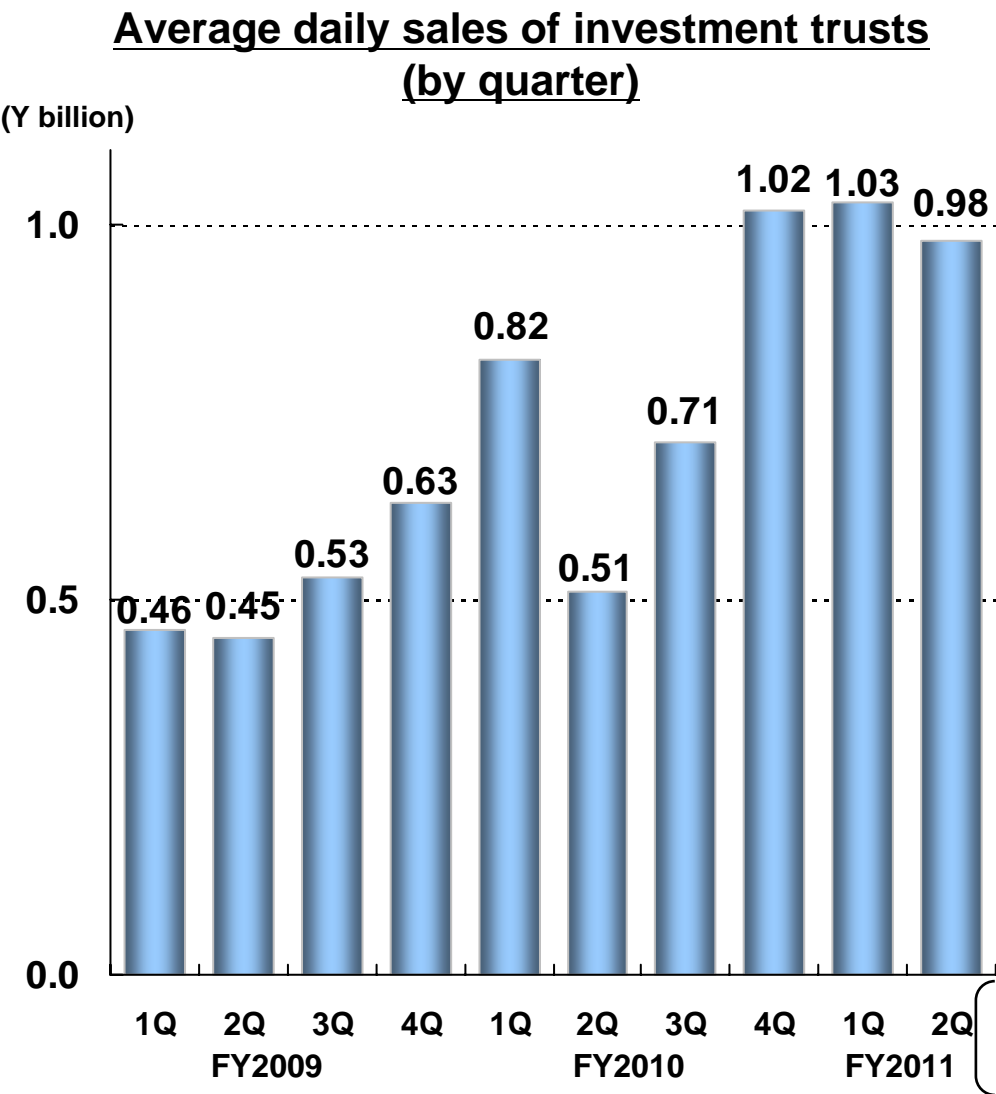


*Including MMF, China funds and balance in face-to-face accounts

Expanding Sales of Investment Trusts <2>

Continuing product line-up enhancement to expand sales

Further strengthen efforts to expand sales of investment trusts



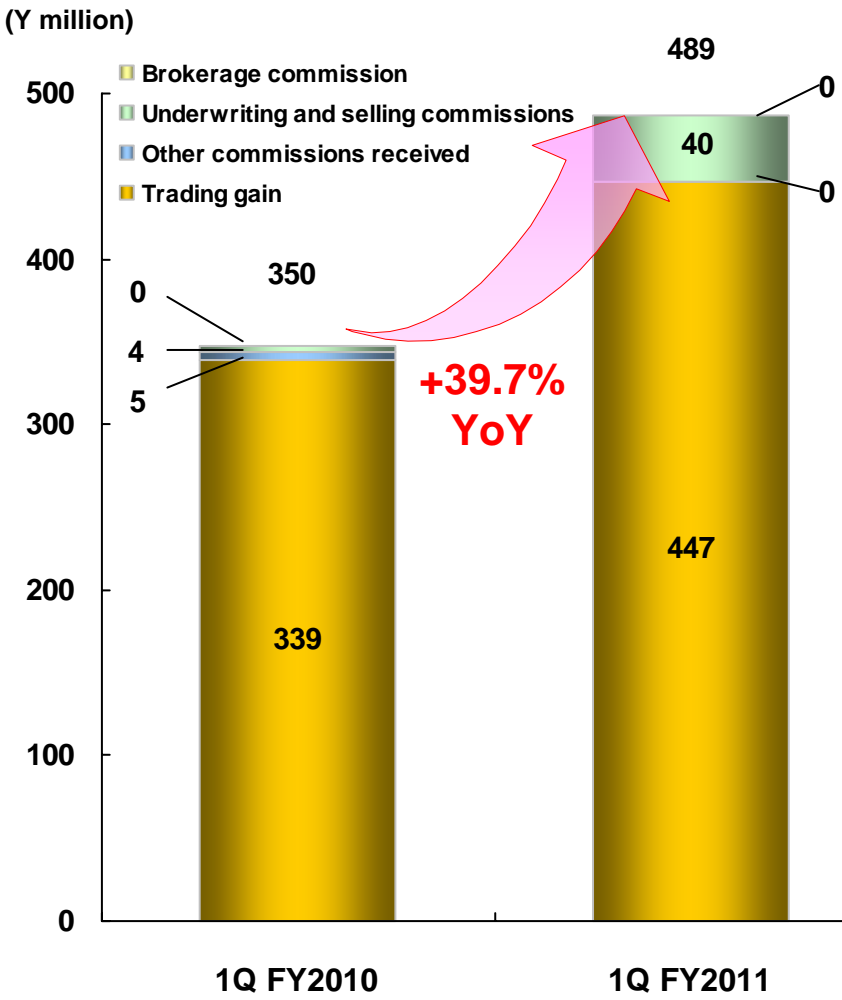
- ◆ The largest number of products offered among online brokers: **1,111** (as of Jul. 12)
 - ◆ Expanding number of no-load investment trusts: **285** (as of Jul. 12)
 - ◆ Started soliciting subscriptions for investment trusts dedicated to the “Asset Doubling Project,” conducted jointly with three other online brokers
- Started soliciting the 1st product on Jun. 20, and now soliciting the 3rd product

*Including MMF and China funds

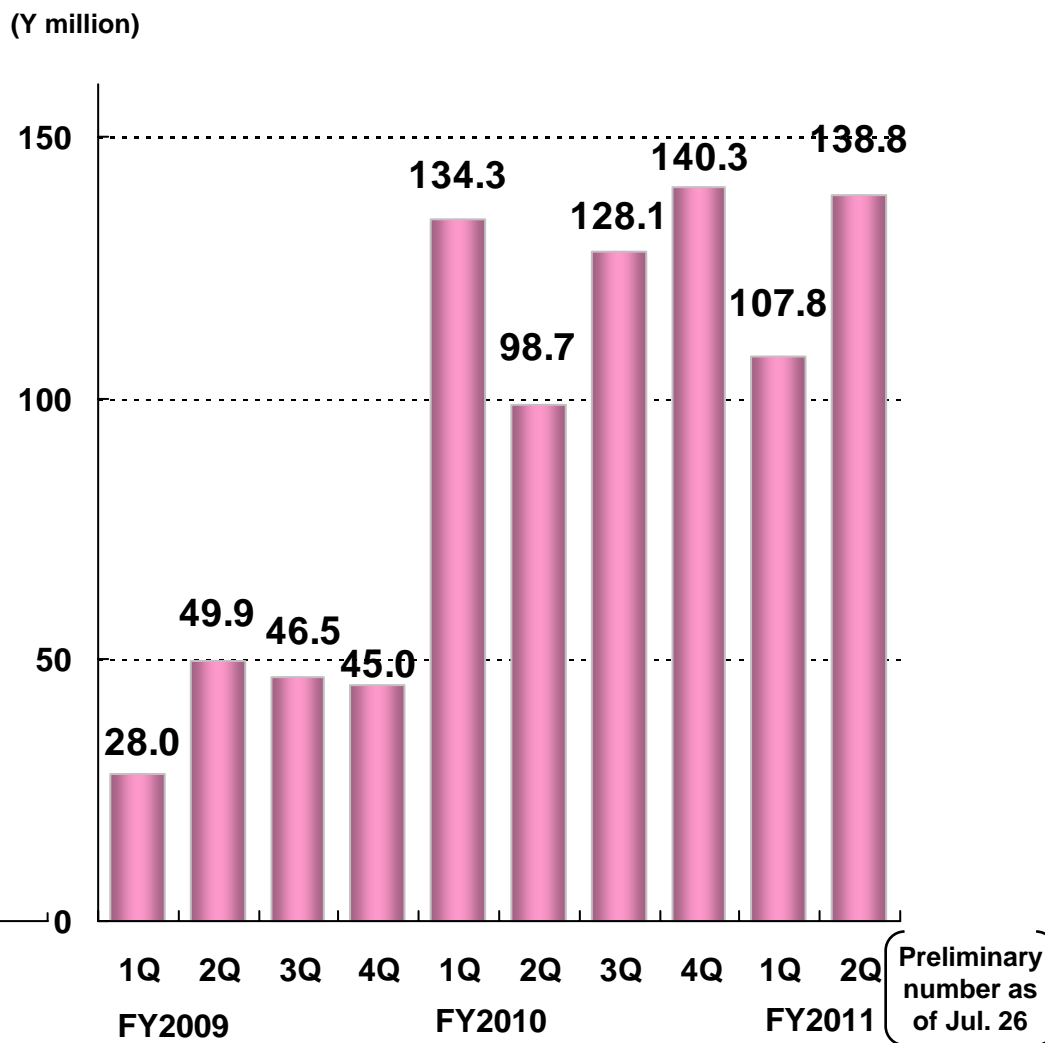
*Number of investment trusts includes that of foreign currency-denominated MMF, MMF, MRF and initially offered investment trusts

Foreign Bond Sales Continues Briskly

Revenues from bond business






Average daily foreign bond sales (by quarter)



Expansion of Foreign Stocks Offering

Bolster Brokerage of Emerging Market Equities to Offer Investment Opportunities in High Economic Growth Potential Countries

Equities Brokered

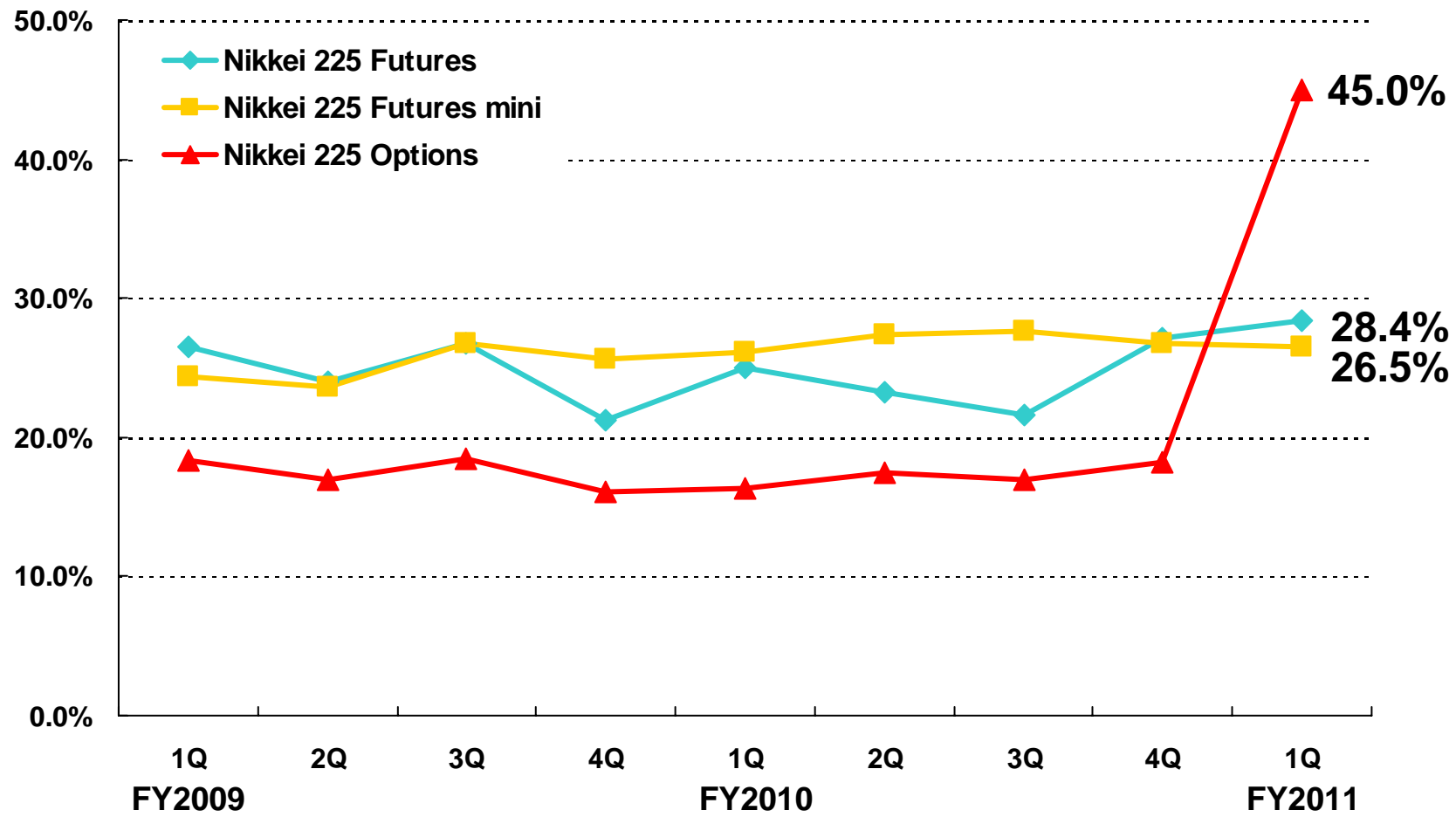
-  **U.S. stocks: NYSE, NYSE Arca, NASDAQ-listed U.S. stocks, U.S. ETF, ADR (Aug. 2003-) (American Depositary Receipts) 649 stocks**
-  **Chinese stocks: Hong Kong Stock Exchange Main Board and GEM-listed Chinese stocks, China ETF, HDR (HK Depositary Receipts) 1,376 stocks**
-  **Korean stocks: Stocks listed on the Korea Stock Exchange and over-the-counter market 54 stocks** (May 2005-)
-  **Russian stocks: MICEX-listed stocks 41 stocks** (Nov. 2009-)
-  **Vietnamese stocks: In principle, all stocks listed on Hochiminh Stock Exchange and Hanoi Stock Exchange 637 stocks** (Jan. 2011-)
-  **Indonesian Stocks: in preparation**



Increasing Share of Futures and Options Trading

SBI SECURITIES' share* of Nikkei 225 options trading rose to 45.0% in this first quarter

SBI's share of futures and options trading (by quarter)

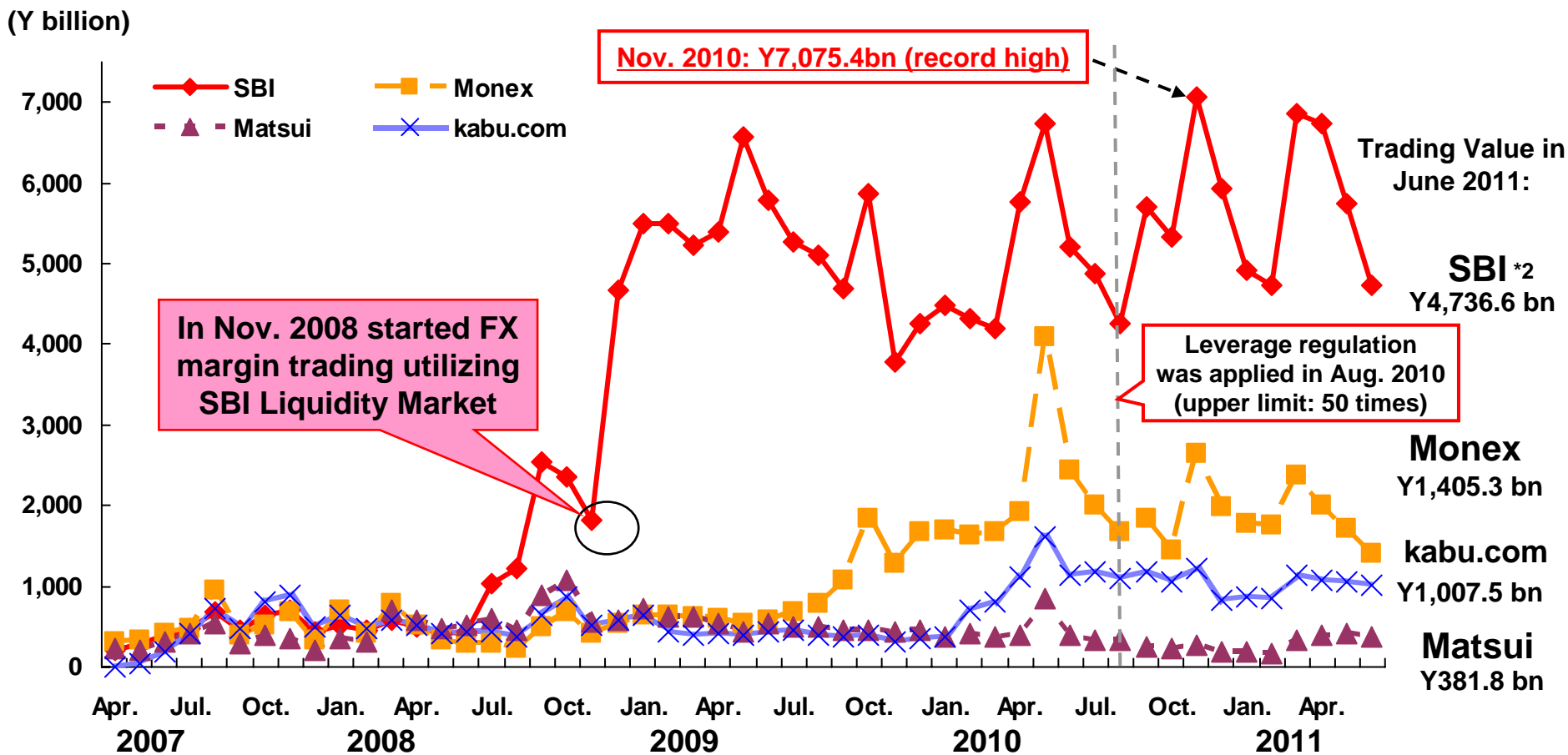


* Calculated based on the share of SBI SECURITIES to the total individual brokerage trading volume disclosed by the Osaka Securities Exchange. 28

FX Margin Trading at SBI SECURITIES Increased Sharply Using SBI Liquidity Market

Even after enforcement of leverage regulation in Aug. 2010, maintained high level of trading value owing to **21** major domestic and foreign financial institutions as counterparties

FX margin trading value of the four major online securities companies *1



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

*2 Trading value from Nov. 2008 to Feb. 2009 is total of "SBI FX" and "SBI FX α"

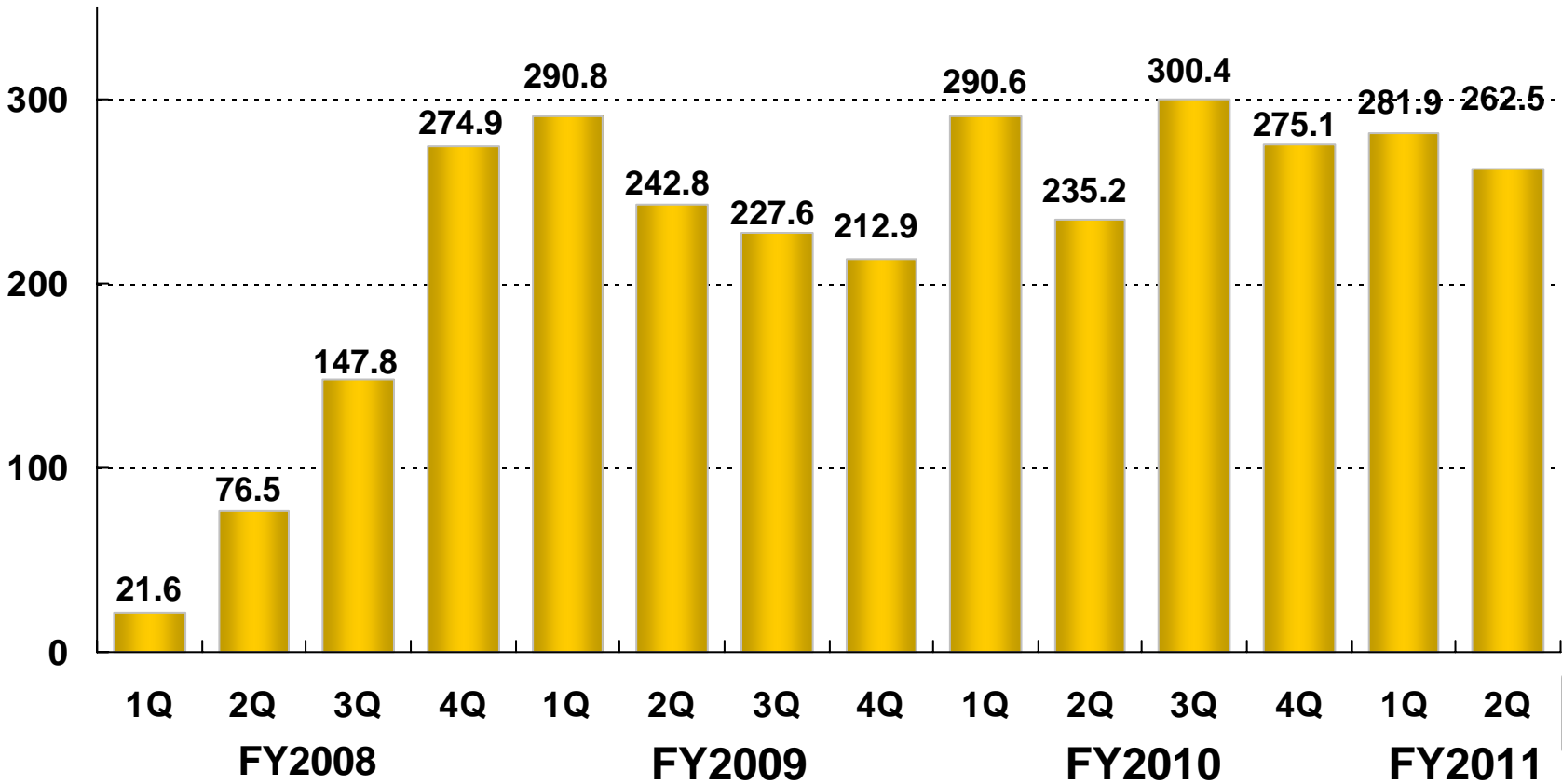


FX Margin Trading Value Remains High

FX margin trading value at SBI SECURITIES continues to be steady this fiscal year

Average daily FX margin trading value (by quarter)

(Y billion)



Preliminary number as of Jul. 26

Efforts to Further Expand FX Margin Trading

Implementation of measures to respond to the leverage regulations that will be tightened after August (upper limit of leverage: 50 to 25 times) and to expand future transactions

- SBI SECURITIES will have individual customers who conduct transactions using the Leverage 50 Course shift to transactions using the newly launched Leverage 25 Course (from Jul. 30)
- Narrowed spreads of major currency-pairs to the industry's lowest level (from July 15)

Comparison of spreads of major currency-pairs among online securities firms and a pure-play FX broker

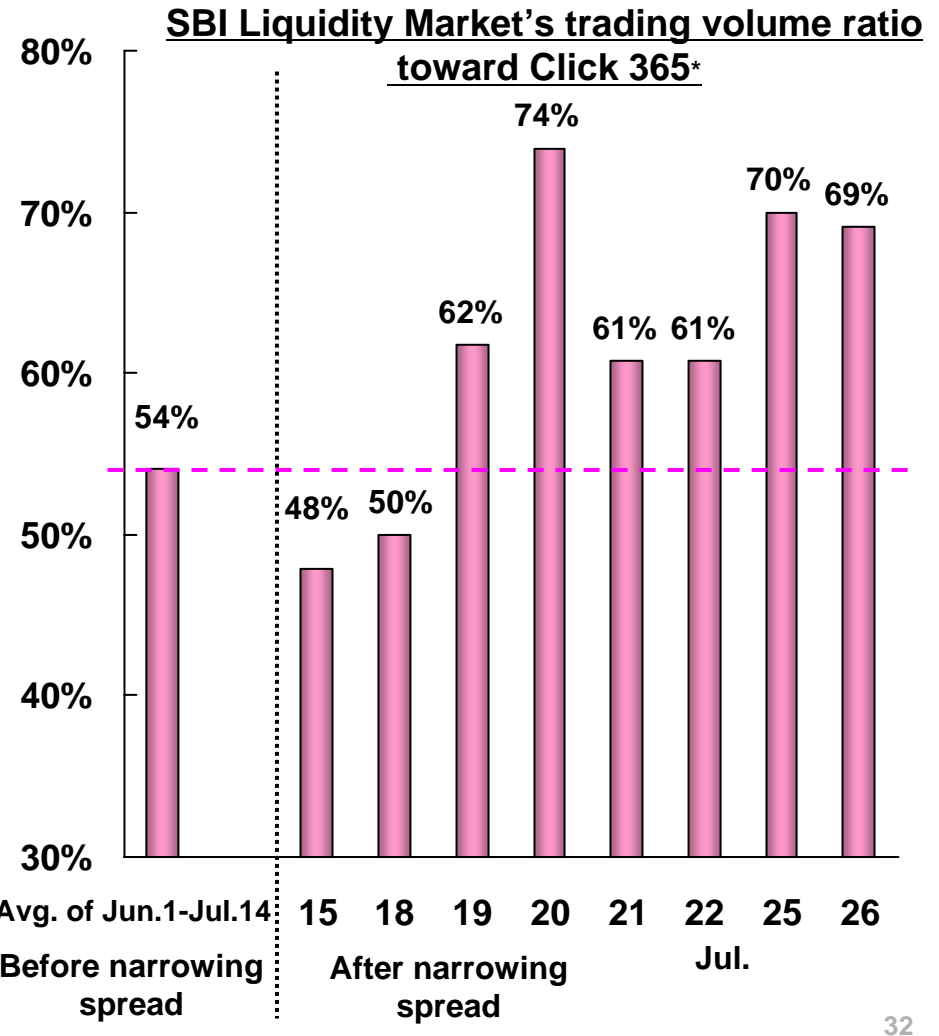
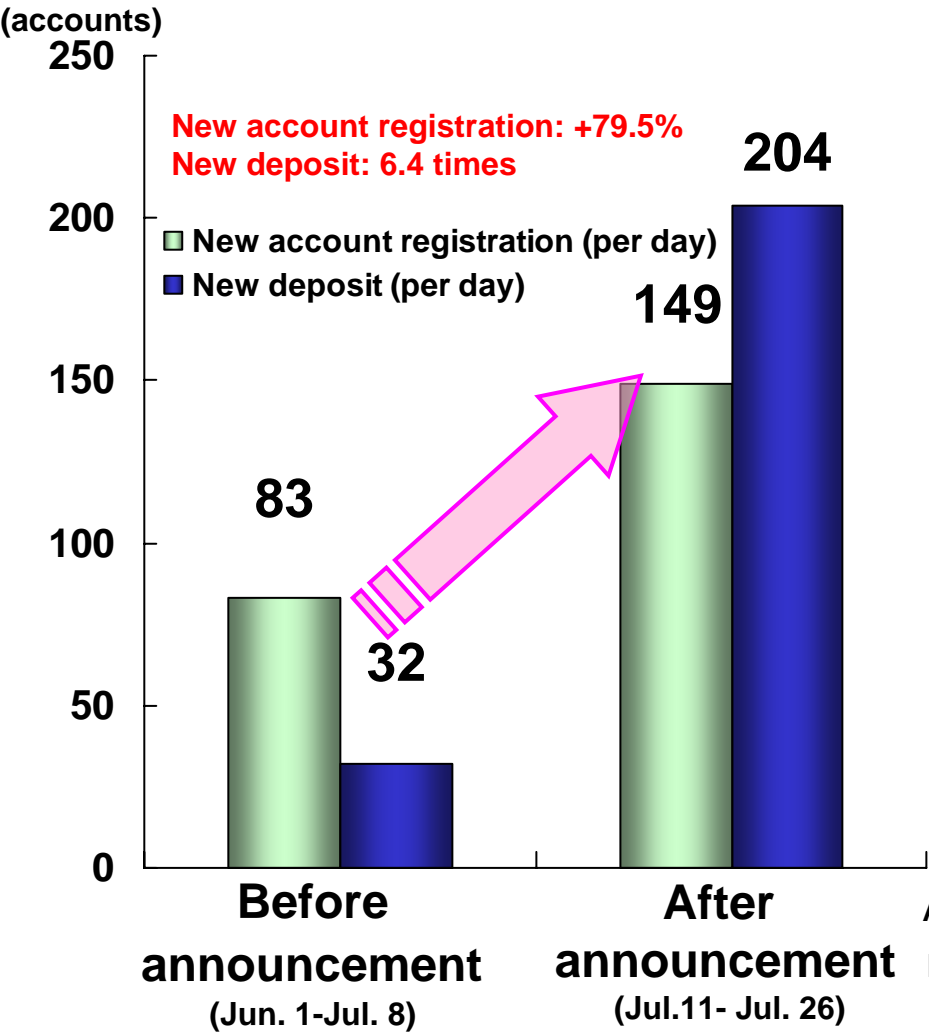
	SBI (Jul.15-)	Monex	Rakuten	kabu.com	Matsui	Gaitame Online
USD/JPY	1 sen	2 sen	1.9 sen	2 sen	2 sen	1 sen
EUR/JPY	2 sen	3 sen	4.0 sen	3 sen	4 sen	2 sen
GBP/JPY	3 sen	5 sen	6.5 sen	4 sen	6 sen	5 sen
AUD/JPY	2 sen	4 sen	3.9 sen	3 sen	4 sen	5 sen
NZD/JPY	4 sen	6 sen	5.0 sen	4 sen	6 sen	6 sen
CAD/JPY	4 sen	6 sen	5.0 sen	4 sen	6 sen	5 sen

*The above is a comparison of basic spreads and does not reflect temporal changes due to campaigns at each company.

- Started offering of “SBI FX α for iPhone,” an iPhone app for FX margin trading (from Jul. 19)

With Narrowing Spreads to Increasing Trading Volume

Upon the announcement of narrowing spreads of major currency pairs on Jul. 8, the number of new account registrations and new deposits increased, and the trading volume for Click 365 increased after Jul. 15, when spreads narrowed.



* Calculated as "Trading volume of Click 365/ that of SBI Liquidity Market"

“Inaugural Year of PTS” 2011

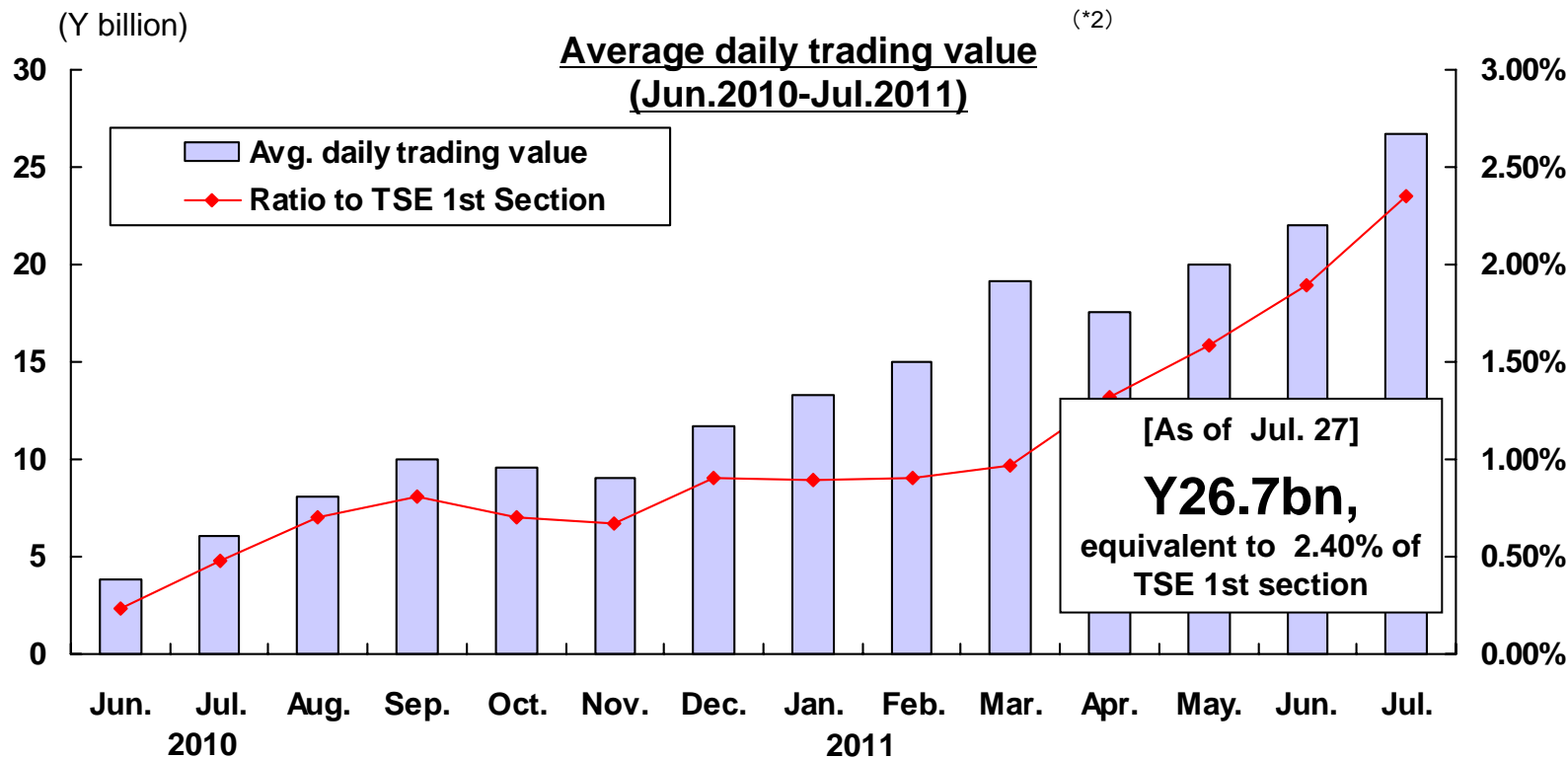


Ordinary income/loss improved sharply since the start of the current fiscal year, due primarily to increased income from brokerage fees.

SBI Japannext PTS Monthly gain and loss (Apr.-Jun. 2011) ^(*) (Y million)

	Apr.	May.	Jun.
Market Share (TSE 1st section)	1.32%	1.59%	1.89%
Operating Revenues	38.8	44.0	52.7
Ordinary Loss	-52.8	-47.1	-38.3

-Y5.72m
-Y8.80m



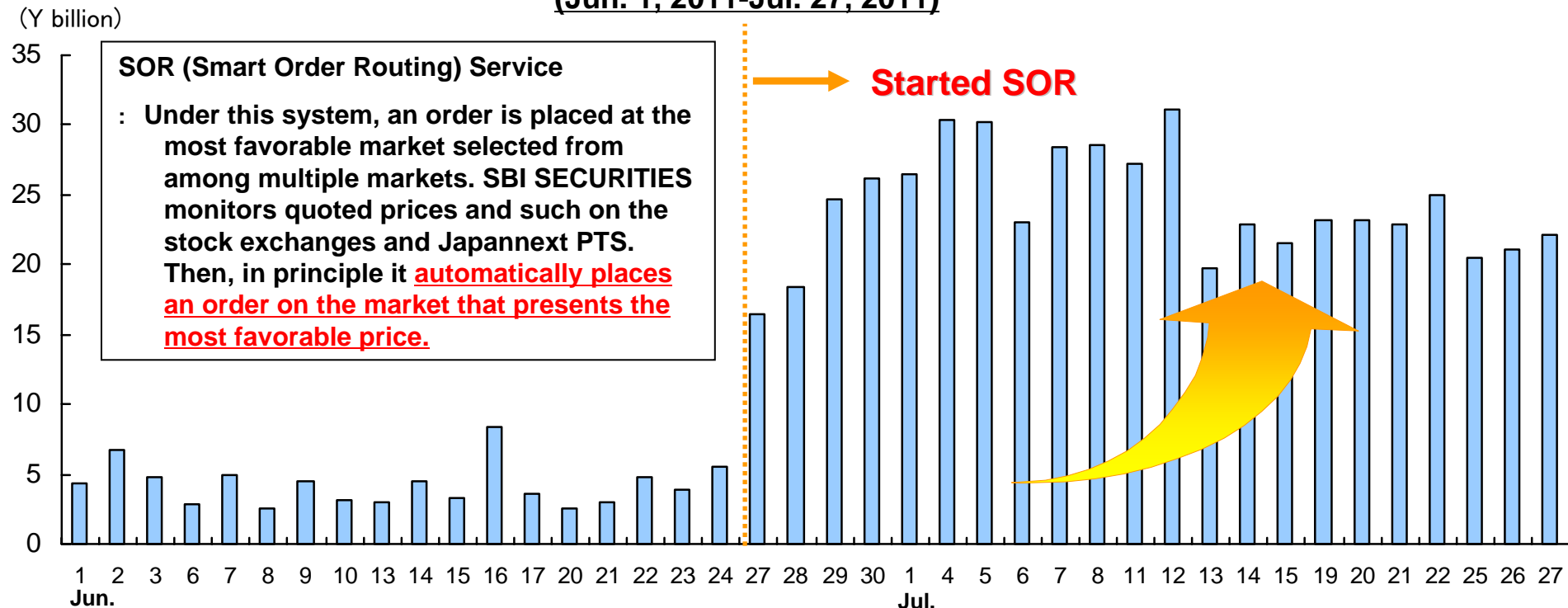
(*) Equity-method company/non-consolidated subsidiary. SBIH's shareholding ratio: 37.02% (47.39% held by the SBI Group)

(*) Trading value is based on "single count".

SBI SECURITIES Started “Smart Order Routing” Service on Jun. 27, 2011

Trading value trend for SBI SECURITIES around the time of SOR service introduction

(Jun. 1, 2011-Jul. 27, 2011)



[SBI Japannext PTS]

Avg. 10bp (0.1%)^(*) price improvement
(Comparison with Stock exchange:
Buying low/Selling high) (*) Based on Jul.11 to 15



^(*)
For SBI SECURITIES' customers, it is tantamount to receiving a cashback payment of Y3.0m per day, or Y60.0m per month (*2).

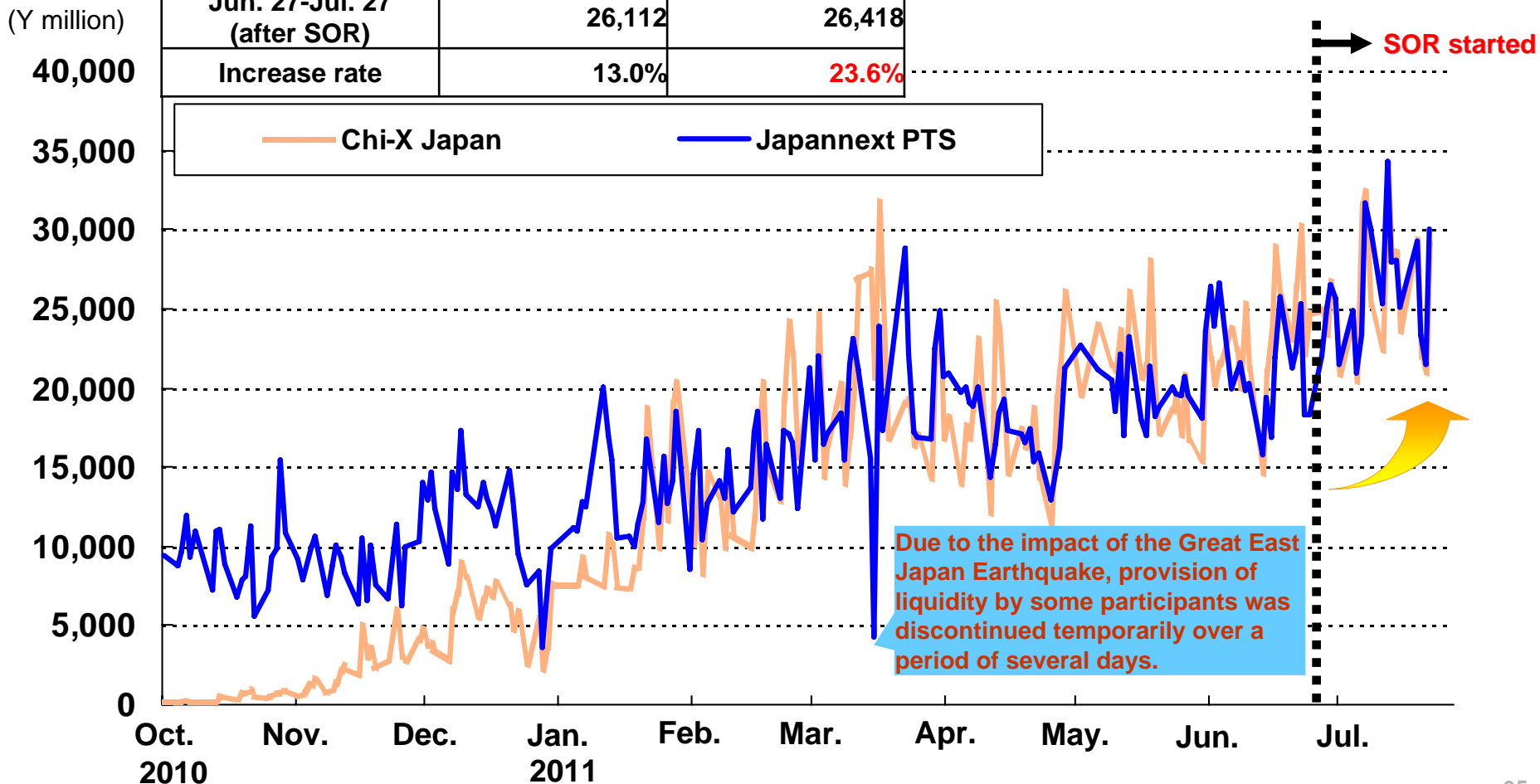
(*) Approx. Y3bn (“Avg. daily as of Jul.12”) times 0.1%
 (*2) Y3m times 20 business day (Jul.)

*Day time session only (Night time session is on hiatus from Mar.14, 2011)

Trading Value is Increased Markedly After Start of SOR Service

Change in daily value (Japannext PTS, Chi-X Japan)

Avg. daily trading value (Y million)	Chi-X	Japannext
Jun. 1-Jun. 24 (before SOR)	23,102	21,375
Jun. 27-Jul. 27 (after SOR)	26,112	26,418
Increase rate	13.0%	23.6%



With Increased Visibility, PTS is Widely Utilized in Japan



**Notable Increased Use
by Foreign Investors**

Newspaper article

Stock PTS Gradually Increasing Its Presence

Newspaper article

(Jul.17,2011 Nikkei Veritas)

Trading Value of domestic PTS

time	Trading value
2009 (Jan.-Dec.)	Y2,992.8bn ^{+4.8%}
2010 (Jan.-Dec.)	Y3,135.6bn
2011 (Jan.-Jun.)	Y5,169.0bn

**3.3 times
(annualized) of
the trading value
in 2010.**

(Jul.8, 2011 "The Nikkei" newspaper morning edition)

Participating Companies

[Participating companies] (Total 16)

- SBI SECURITIES ▪ Rakuten Securities* ▪ GMO CLICK Securities*
- Goldman Sachs Japan ▪ Credit Suisse Securities (Japan) Limited
- Morgan Stanley MUFG Securities
- Merrill Lynch Japan Finance Co., Ltd. ▪ UBS Japan
- Instinet ▪ BNP Paribas Securities (Japan) Limited
- Deutsche Securities ▪ Citigroup Global Markets Japan

4 firms newly
connected in 2011

- Mizuho Securities (Feb. 2011) ▪ Societe Generale Securities (Feb. 2011)
- JP Morgan Securities (Mar. 2011) ▪ Barclays Capital Japan Limited (May. 2011)

[Companies expected to participate] (total 6)

- Daiwa Capital Markets
 - Nomura Securities
- two other domestic companies and two other foreign companies.

Japannext PTS will switch to a new system next spring, with the world's fastest matching engine

Rules for Best Execution in the United States, Europe and Japan

U.S.

- 1996 SEC adopted rules on Order Execution Obligations (enacted Jan. 1997)
Market makers are prohibited from ignoring customers' limit orders; forwarding orders to PTS allowed
- 2005 SEC adopted the new Regulation NMS

Under the new trade-through regulation (enacted Apr. 2006) deals must be executed on the market offering the best price available

This regulation is advantageous for PTS, which utilizes electronic trading
(Merger of NYSE and Archipelago; acquisition of Instinet by NASDAQ)

Europe

- 2007 EU Markets in Financial Instruments Directive (MiFID) (implemented Nov. 2007)

All EU countries supplanted internal regulations with MiFID

➔ Introduced best execution obligation and MTF (corresponds to PTS in Japan), and concentration rule was abolished throughout Europe

Japan

- 2005 “Best Execution Obligation” was introduced (prescribed in “Act Article 40-2” of Financial Instruments and Exchange)

—A Financial Instruments Business Operator, etc. shall execute orders for Transactions of Securities, etc. in accordance with the Best Execution Policy, etc.

➔ **Though it is prescribed, it has not prevailed yet.**

Financial Services Business

Fiscal 2011 First Quarter

(Three months ended June 2011)

Operating Revenues Y9.6bn (+34% YoY)

Operating Income -Y0.7bn (-)

Incl. Credit card business	-Y0.9bn
Non-insurance business	-Y0.5bn
Other business	Y0.7bn

Operating loss of former SBI Equal Credit other than duplicated cost accounts for approx. 34%

- The major subsidiaries, Morningstar Japan and SBI VeriTrans, achieved year-on-year increase in operating income.
- SBI Sumishin Net Bank, which started its operations in September 2007, continued to expand its customer base steadily. Its non consolidated financial results for 1Q FY2011 was Y1,264m (+82% YoY), and consolidated was Y1,284m(+90% YoY).

- * The above figures were calculated using the new accounting standard (with fund consolidation) for each segment.
- * Percentage changes YoY reflect the changes in business segment.
- * The above figures do not include eliminations for consolidation and the deduction of corporate expenses.
- * Rounded to the nearest Y100m.

SBI VeriTrans 1Q FY2011 Consolidated Results

Hit a record high in all income categories, namely operating revenues, operating income, ordinary income, and net income.

- The number of transactions steadily increased by 30.6% YoY to 21.54 million, along with the expansion of the e-commerce (EC) markets brought by prevalence of flash marketing etc.
- SBI VeriTrans was delisted on Jul. 27, and SBI Holdings is to acquire 100% ownership in Aug. 1

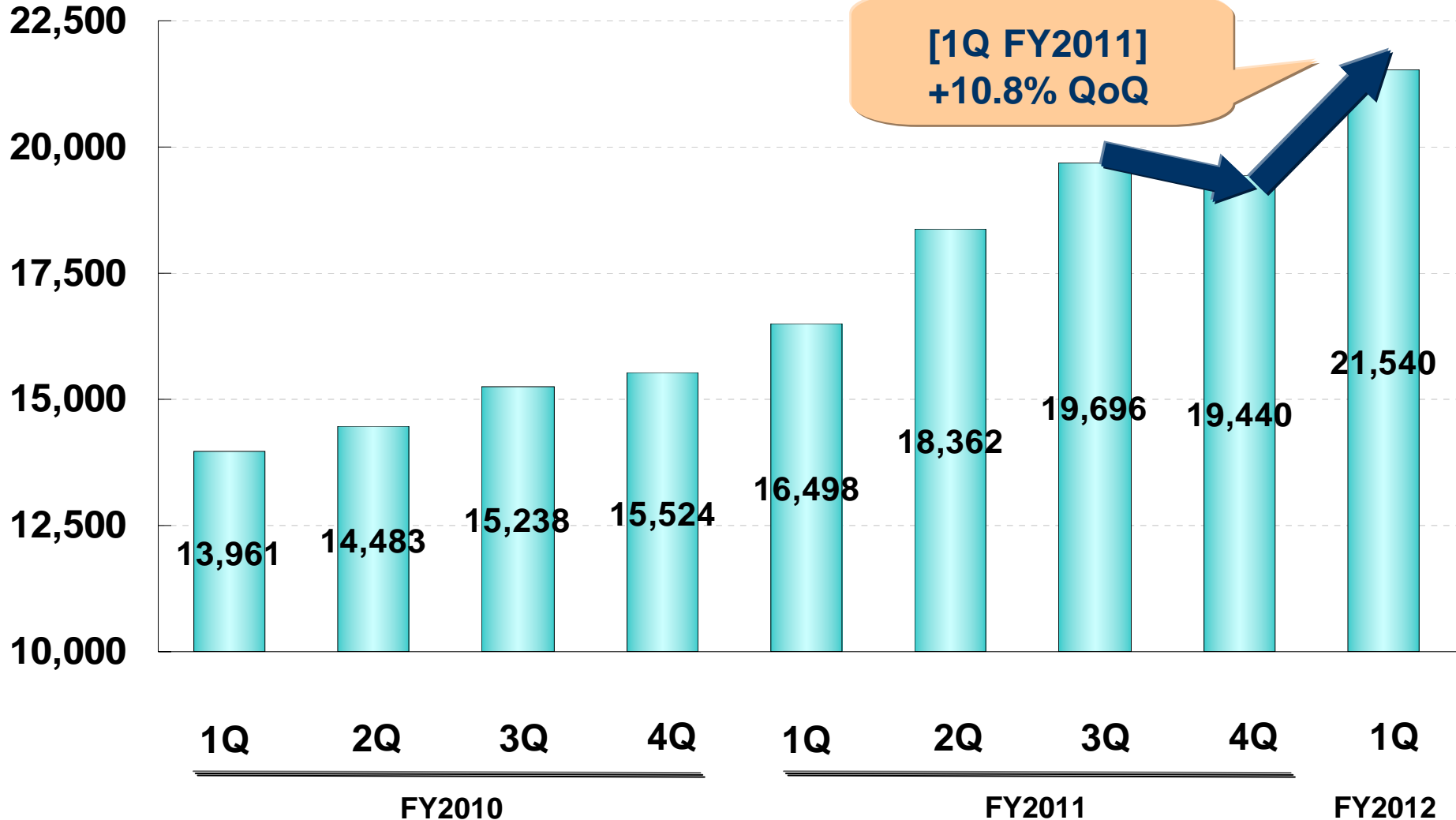
(Y million,%)

	1Q FY2011	1Q FY2012	YoY Change
Operating Revenues	1,383	1,765	+27.6
Operating Income	280	324	+15.7
Ordinary Income	282	331	+17.3
Ordinary Income	164	196	+19.3

Change in the Number of Transactions

Although transactions decreased in 4Q due to the earthquake, it recovered in 1Q, and has regained its growth trend

(thousand transactions)



Morningstar Japan 1Q FY2011 Consolidated Results

Morningstar Japan's operating revenues decreased year-on-year, owing to a fall in revenues at Gomez Consulting from its web consulting business. Nevertheless, it **posted an increase in all income categories** due to cost reductions, which were achieved as Gomez Consulting was delisted and became a wholly owned subsidiary of Morningstar.

(Y million, %)

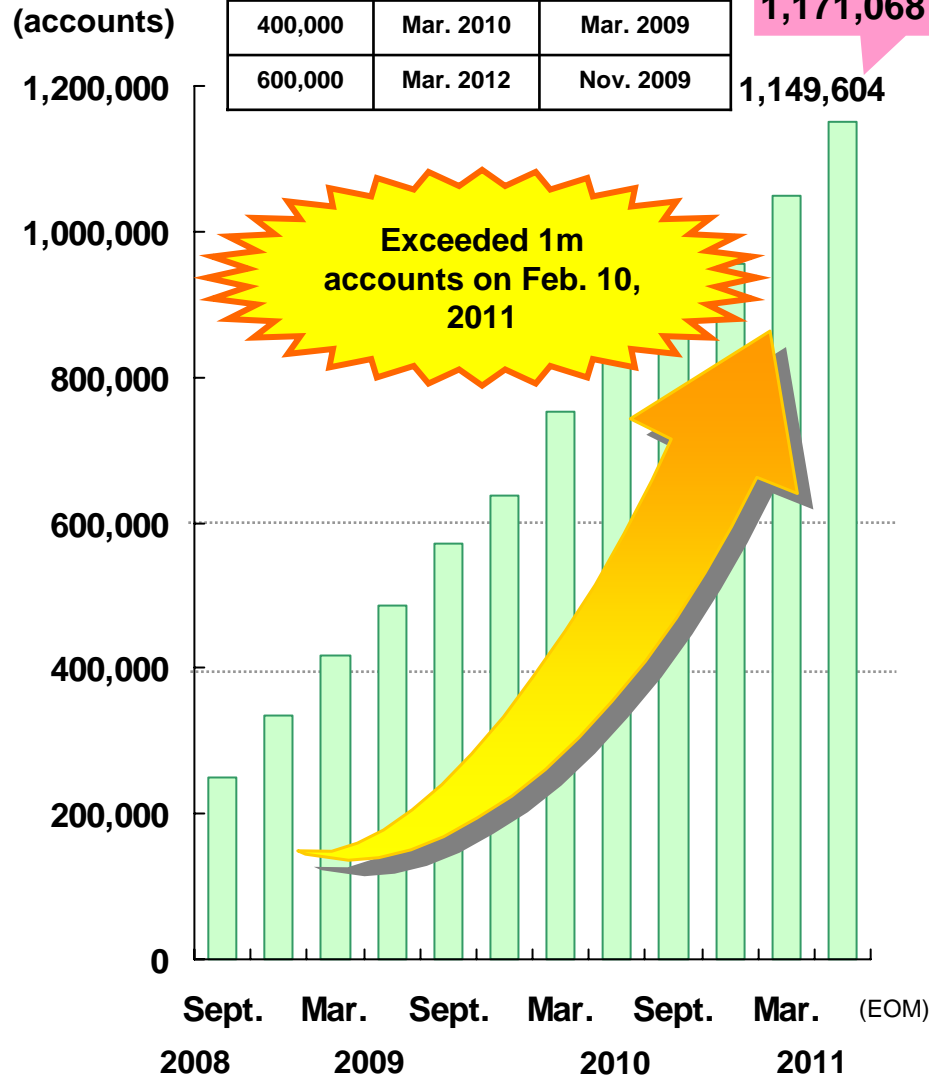
	1Q FY2010	1Q FY2011	YoY
Operating Revenue	607	560	-7.7
Operating Income	142	154	+8.0
Ordinary income	169	180	+6.6
Net Income	94	103	+9.7

SBI Sumishin Net Bank

Change in Number of Accounts and Deposits

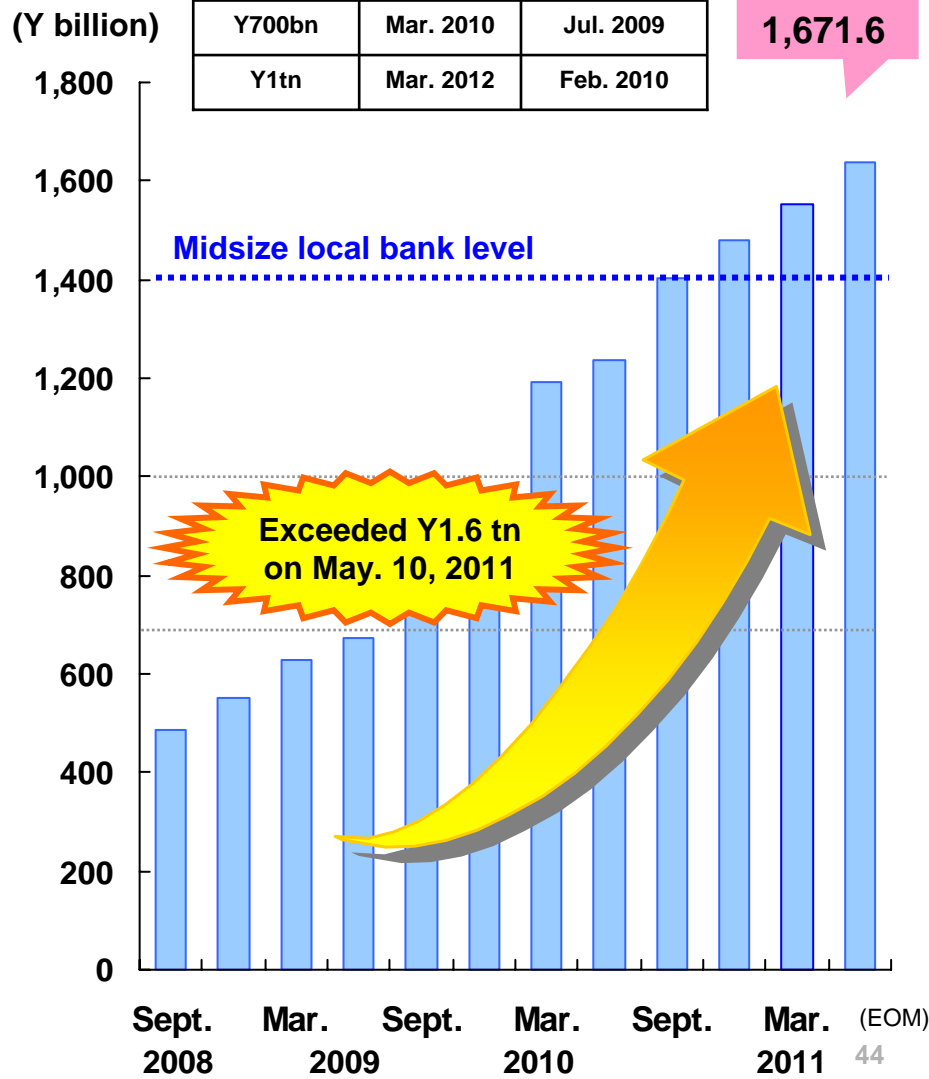
Change in numbers of accounts

Accounts	Initial target	Achievement	(as of Jul. 26)
400,000	Mar. 2010	Mar. 2009	1,171,068
600,000	Mar. 2012	Nov. 2009	1,149,604



Change in deposits

Deposit	Initial target	Achievement	(as of Jul. 26)
Y700bn	Mar. 2010	Jul. 2009	1,671.6
Y1tn	Mar. 2012	Feb. 2010	



Synergies with SBI SECURITIES



<1> Service for simultaneous account opening

SBI証券
[SBI SECURITIES]

About 40% of SBI SECURITIES depositors are via SBI Sumishin Net Bank



About 40% of SBI Sumishin Net Bank depositors are via SBI SECURITIES



<2> SBI Hybrid Deposits

Deposit:

Y375.8bn

(Jun. 2011)



SBI Hybrid Deposits

Allocated as purchasing funds for spot trading or such like at SBI SECURITIES



Funding cost: 0.53% (*1)

⇔ Hybrid Deposit interest rate: 0.10%

Funding cost will decrease, even after taking into account deposit insurance rate (*2)

SBI証券

SBI SECURITIES finalized new MRF purchases

(Jun. 2011)

MRF balance

(Jun. 2011)

Y303.4bn



(*1) Average in FY2010 (*2) as of Jul. 19, 2011

SBI Sumishin Net Bank vs. Sony Bank <1>



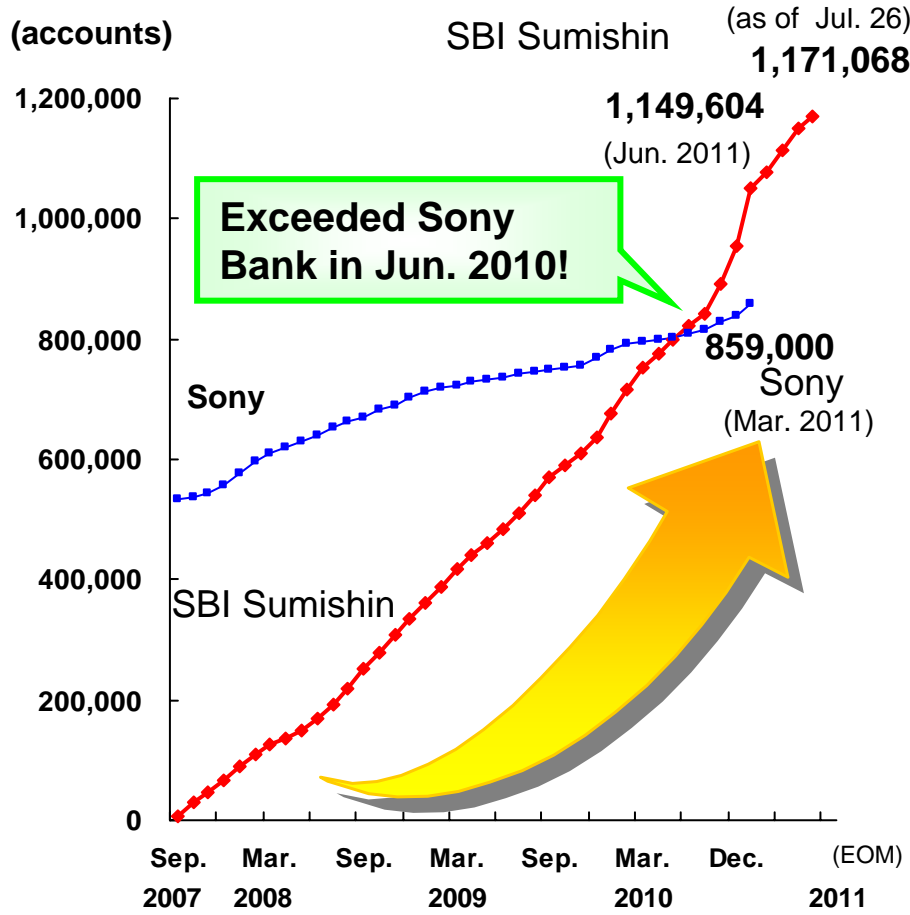
(Launched in Sept. 2007)

(Launched in Jun. 2001)

*Sony Bank refrained from monthly disclosures after Aug. 2010

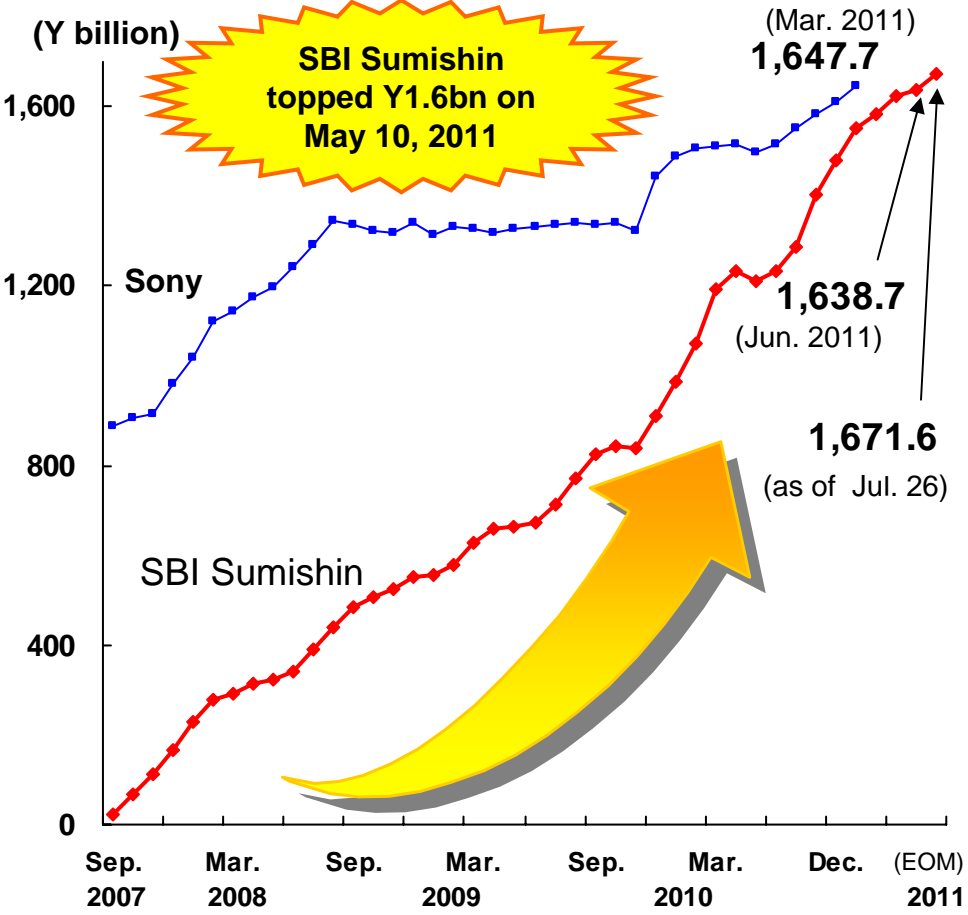
Change in number of customer accounts

(the end of Sept. 2007-Jul. 26, 2011)



Change in deposit amount

(the end of Sept. 2007 -Jul. 26, 2011)



SBI Sumishin Net Bank recorded solid growth in both number of customer accounts and deposit amount

SBI Sumishin Net Bank vs. Sony Bank <2>



(Launched in Sept. 2007)

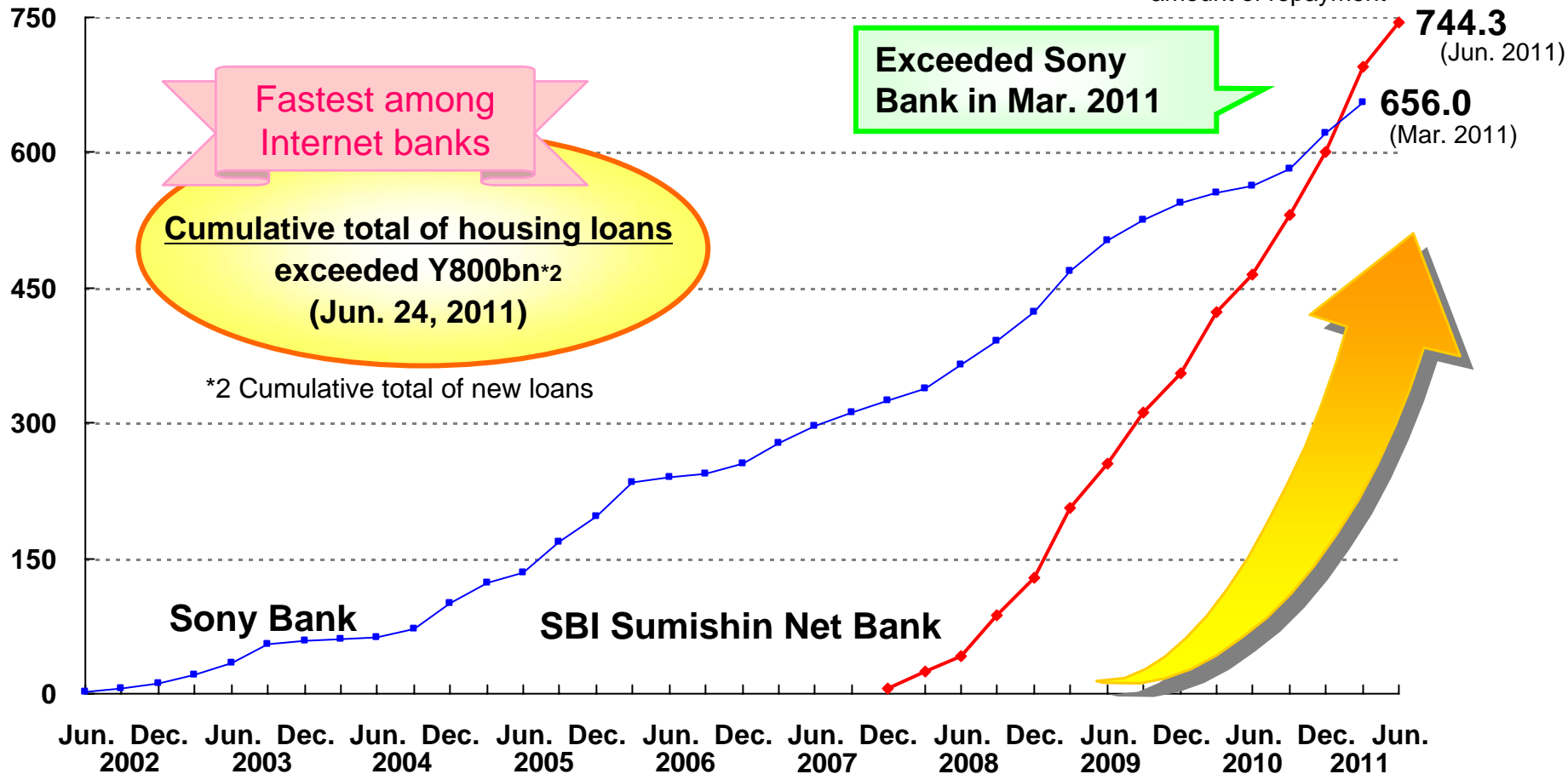
(Launched in Jun. 2001)

Change in balance of housing loans *1

(Jun. 2002-Jun. 2011)

*1 Cumulative new housing loans minus amount of repayment

(Y billion)



• The housing loans outstanding almost doubled in a year

• The proportion of fixed-rate loans in the housing loan balance decreased, due to increased sales of variable-rate housing loans

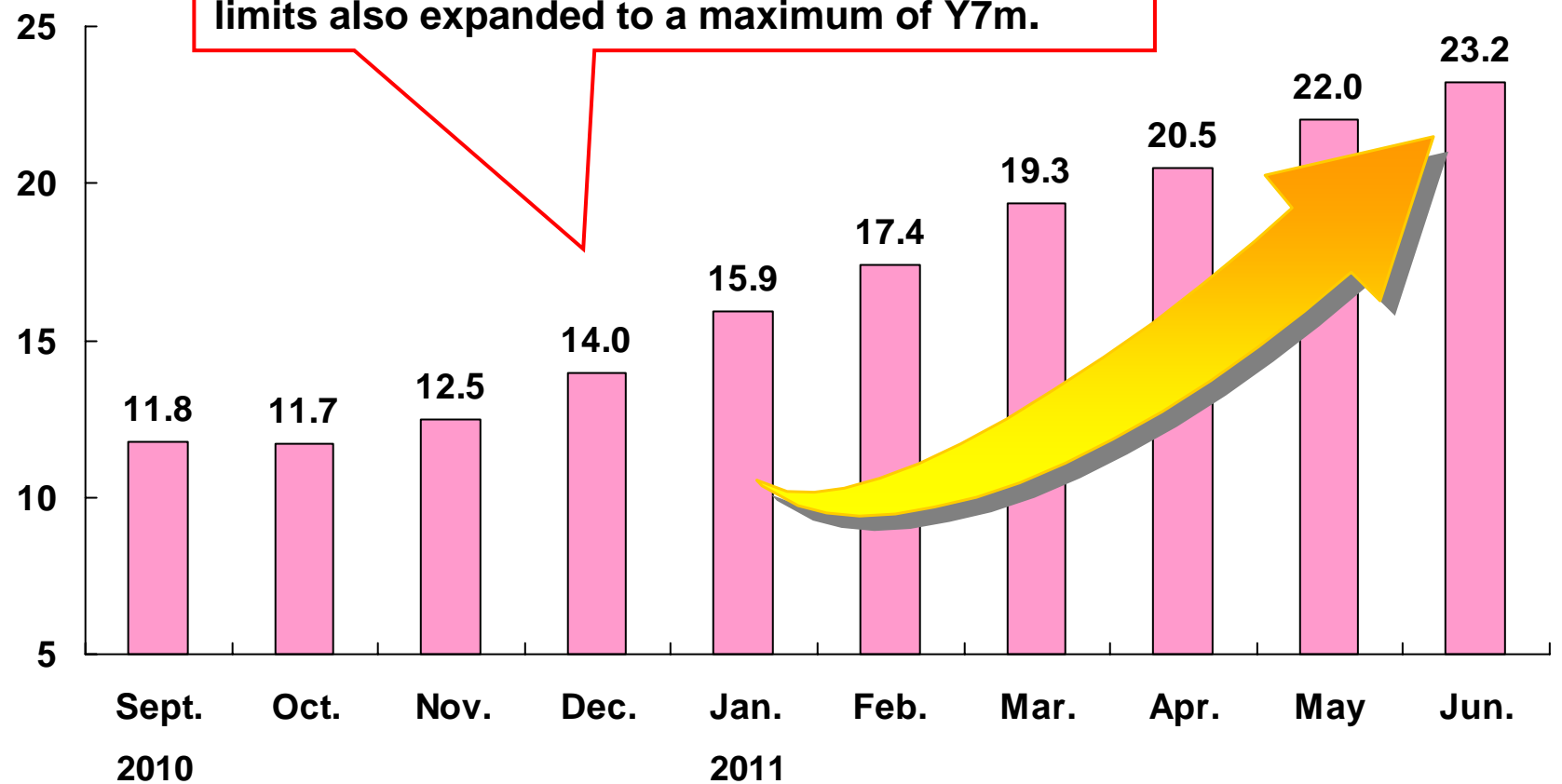
Diversification of Loans <1> Personal Loans

“Internet Loan” Balance

(Sept. 2010 - Jun. 2011)

Product revision (Nov. 2010):
A minimum rate of an industry-leading low of 3.5% is applied to unsecured card loans. Credit limits also expanded to a maximum of Y7m.

(Y billion)



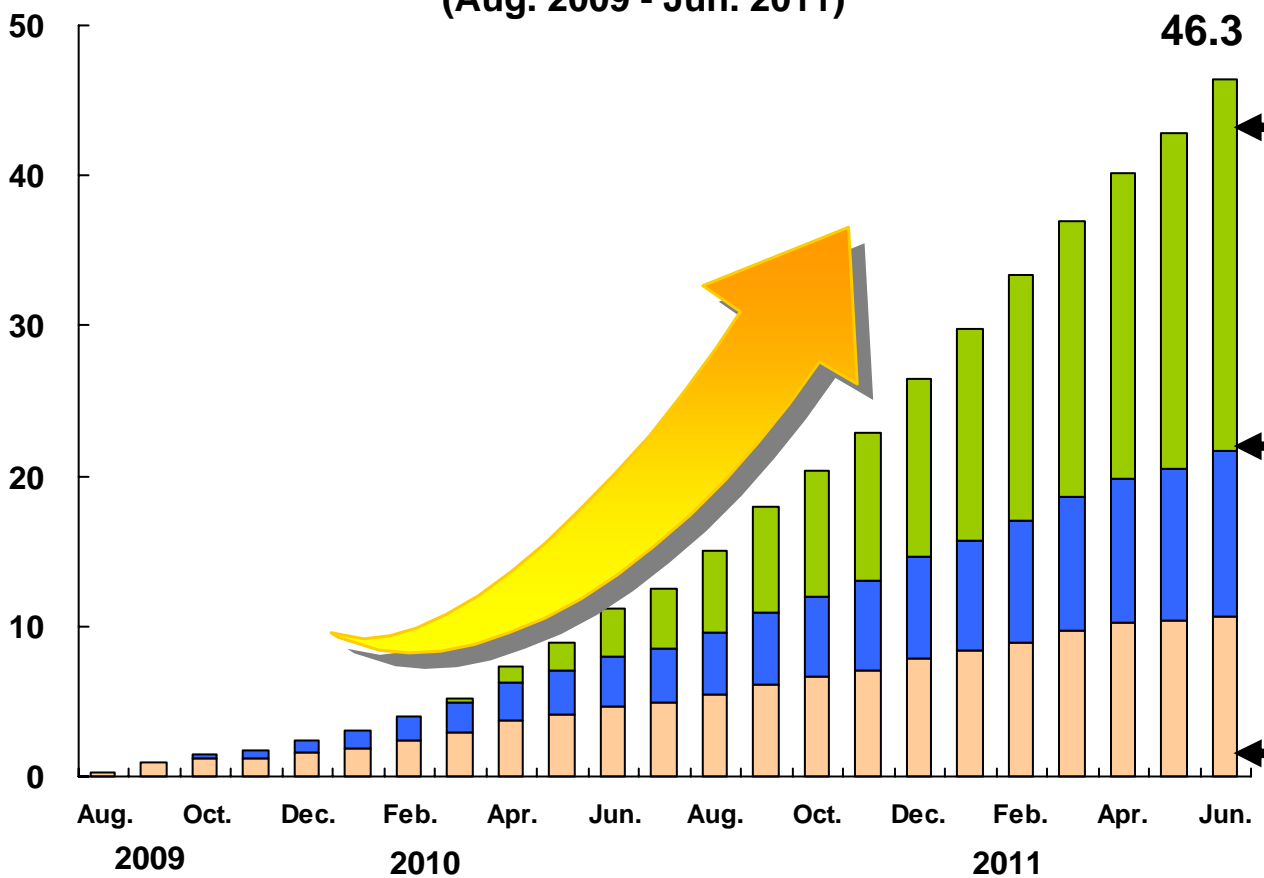
Diversification of Loans <2> Auto Loans

Auto loans outstanding expanded approx. 4.2 times from the past year owing to synergies with SBI Credit and SBI AutoSupport

Cumulative auto loans outstanding

(Aug. 2009 - Jun. 2011)

(Y billion)



Via: * Figures in parentheses are ratios

SBI Credit
(53.3%)

Providing auto loans through network of approx. 4,500 participating stores including used car dealers

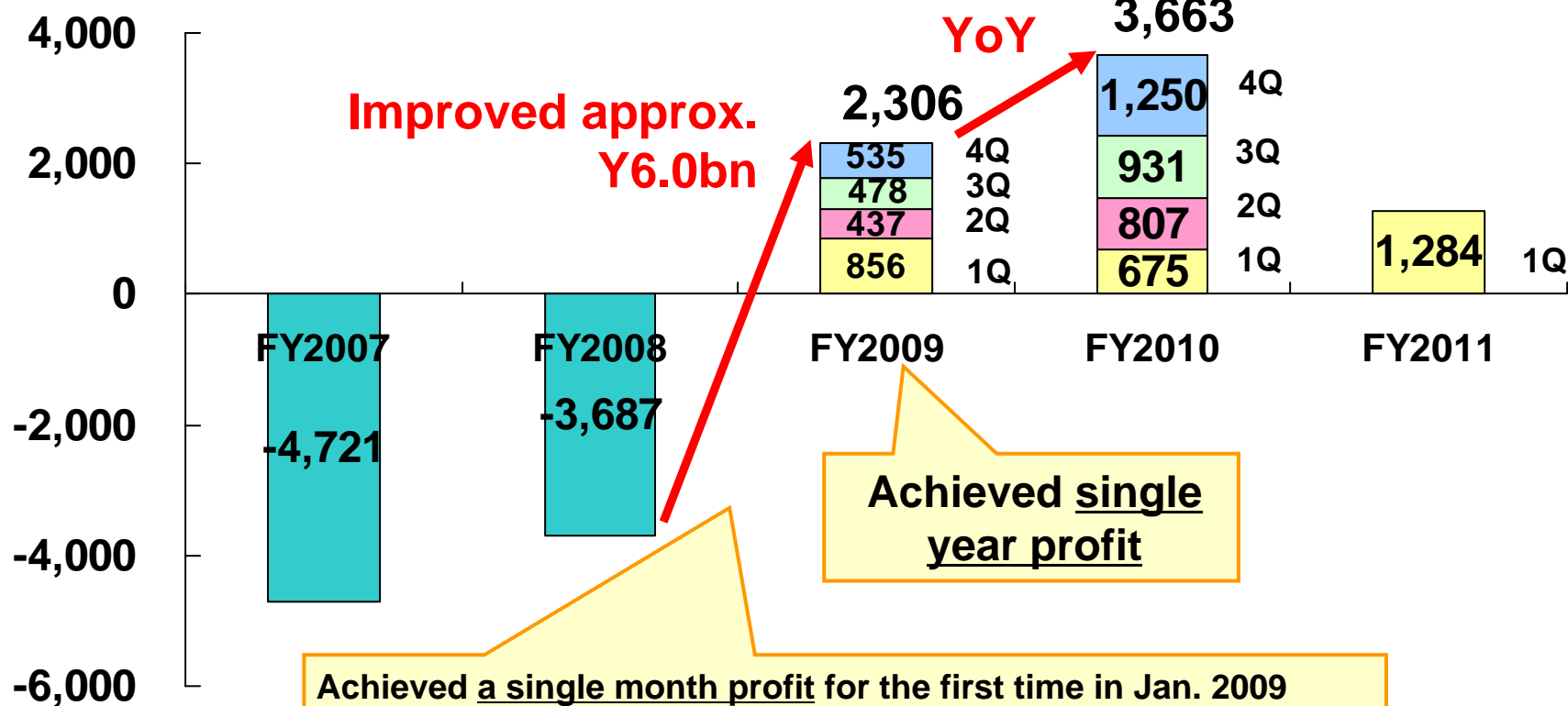
SBI AutoSupport
(23.7%)

SBI AutoSupport has been profitable since 4Q of FY2010.

Others
(Credit companies etc.)
(23.0%)

Secured an Approximately 90% Year-on-year Increase in Ordinary Income in 1Q FY2011

Change in ordinary income and loss : *consolidated since 2Q FY2009
(Y million)



For the second consecutive year achieved single year profit

+58.8% YoY

Improved approx. Y6.0bn

Achieved single year profit

Achieved a single month profit for the first time in Jan. 2009
Achieved a single quarter profit (net profit of Y135m) for the first time in 4Q FY2008

Auto-related Business

<1> SBI Auto Support

(a JV with JAA: invested 70% by SBI and 30% by JAA 30%)

<2> SBI Credit

Affected by the Earthquake, Demand for Used Cars is Increasing

“Price of Used Cars is Gradually Rising.”

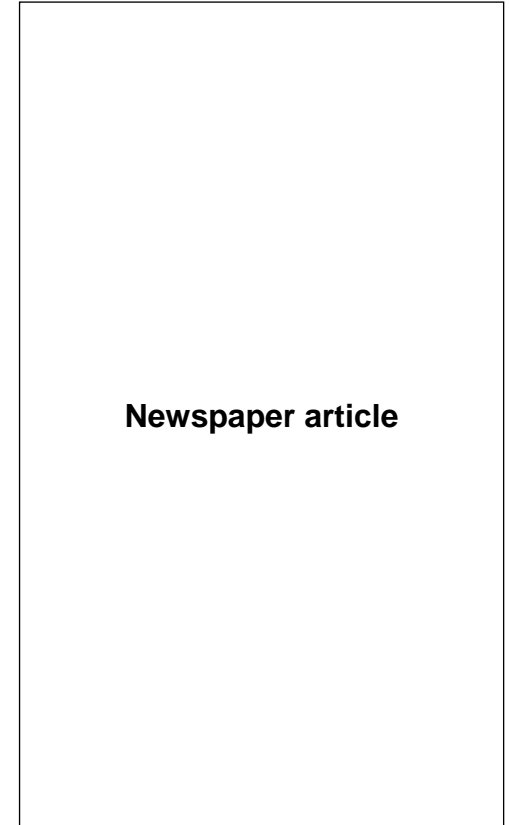


May 7th, 2011 “The Saga” newspaper

“In the 3 Disaster-Affected Prefectures, the Demand for Used Cars is Expanding.”



“the Demand for Used Cars remains high.”



As demand has rapidly increased around the disaster-affected prefectures, there is a increased price of used cars.

As a result, the loan unit volume has increased, and has lead to an increase in the number of auto loans.

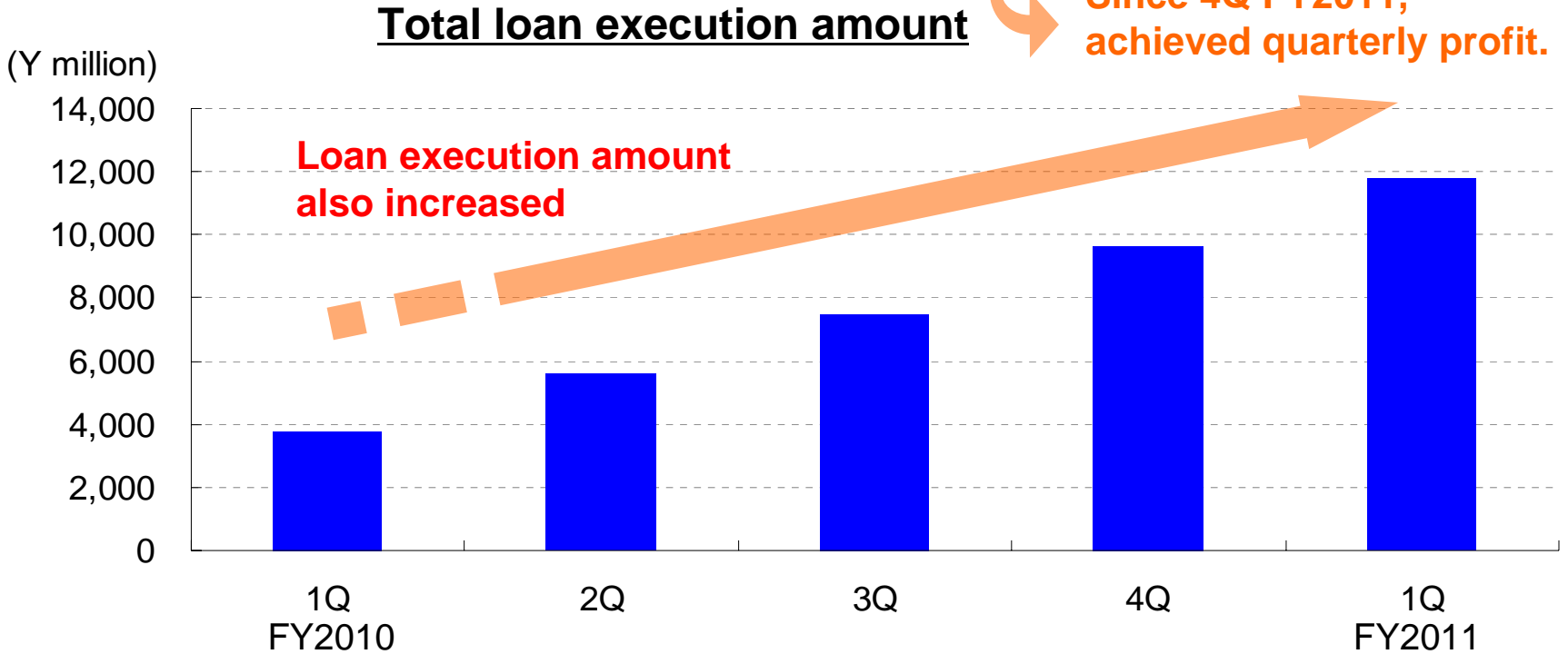
June 17th, 2011
“The Nikkei” newspaper

May 17th, 2011 “The Nikkei” newspaper

SBI AutoSupport Became Profitable in 4Q 2011, and will Increased Its Profits in 1Q Followed by the Market Demand

	FY2010				FY2011
	1Q	2Q	3Q	4Q	1Q
Operating Income (Y thousand)	-7,630	-2,138	-1,188	406	1,433

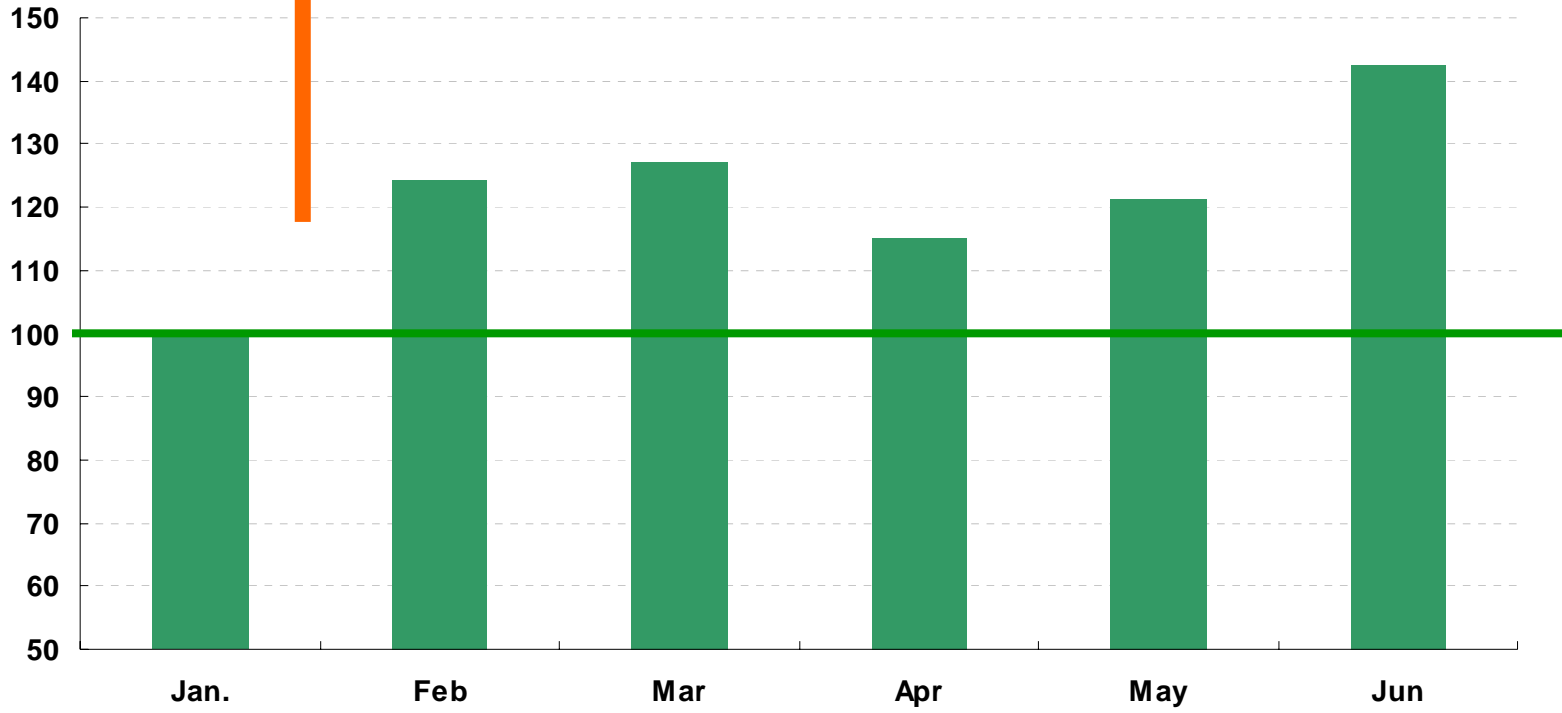
Since 4Q FY2011, achieved quarterly profit.



SBI AutoSupport's Insurance Business Shows Signs of Growth

SBI AutoSupport implemented a strategy to forward deals introduced by member shops to InsWeb from February 2011.

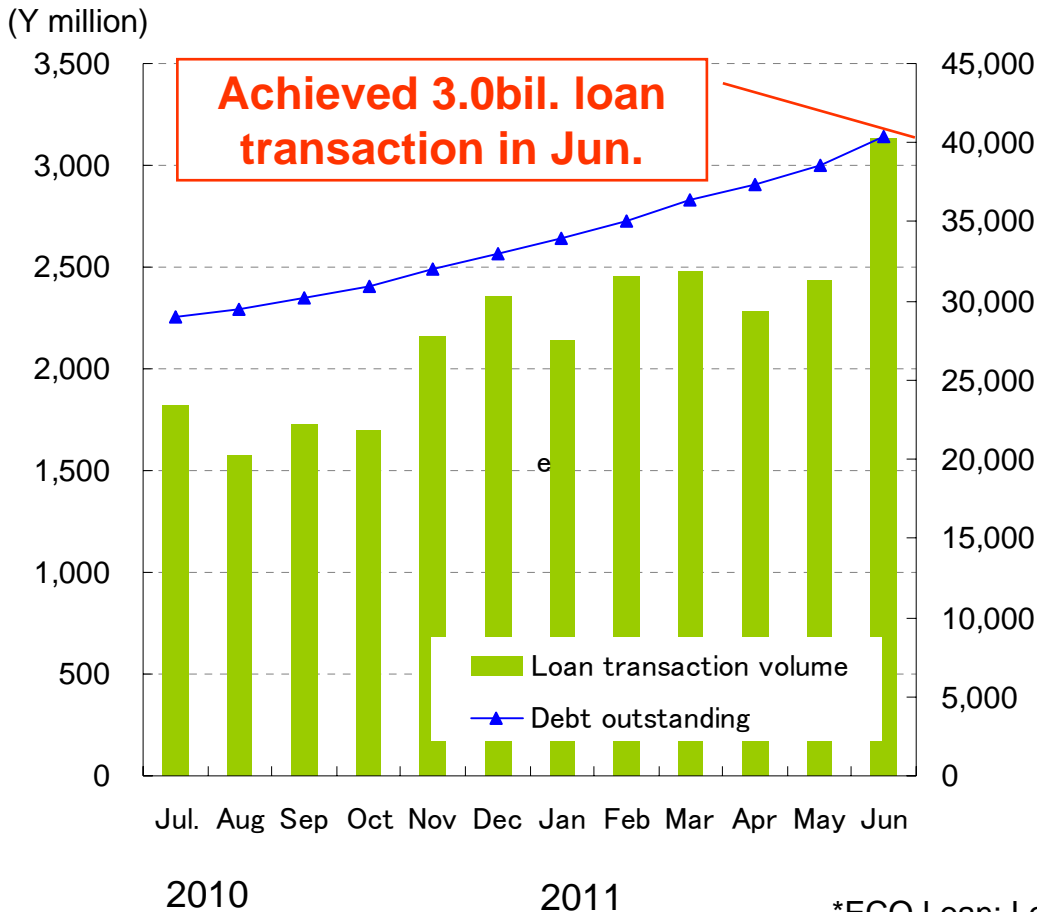
Since then, SBI AutoSupport promoted measures to generate higher group synergy effects through an alliance with SBI Mortgage.



Number of automobile insurance estimates against the base of 100 for January 2011, the period before the new strategy was launched

SBI Credit Improves Sales Infrastructure, Especially of Auto Loans, and Expands its Loan Transactions

Loan transaction volume trends, including auto loans and ECO loans* and debt outstanding



Enhancement of Business Infrastructure Improvements

Alliance with major Auto Dealers

- Auto Communications Company, Limited
Operating "ONIX" FC. (new and used car dealers)
- NEXTAGE Co., Ltd.
New and used car sales, and repairs
- ENEXAUTO CO., LTD
Car purchase and sales information and sales

Execution of M&A

Absorption-type merger of a company split from Do Financial Service Co., Ltd. in an incorporation-type company split (slated for August)

Expansion of Sales offices

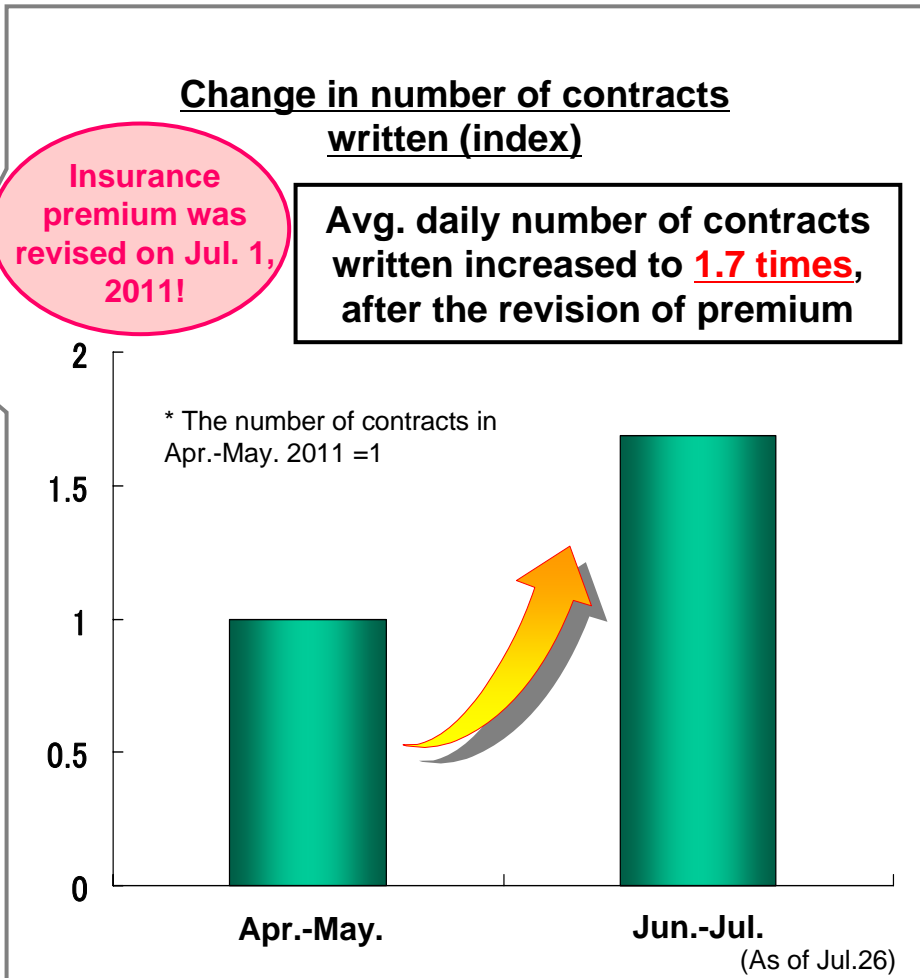
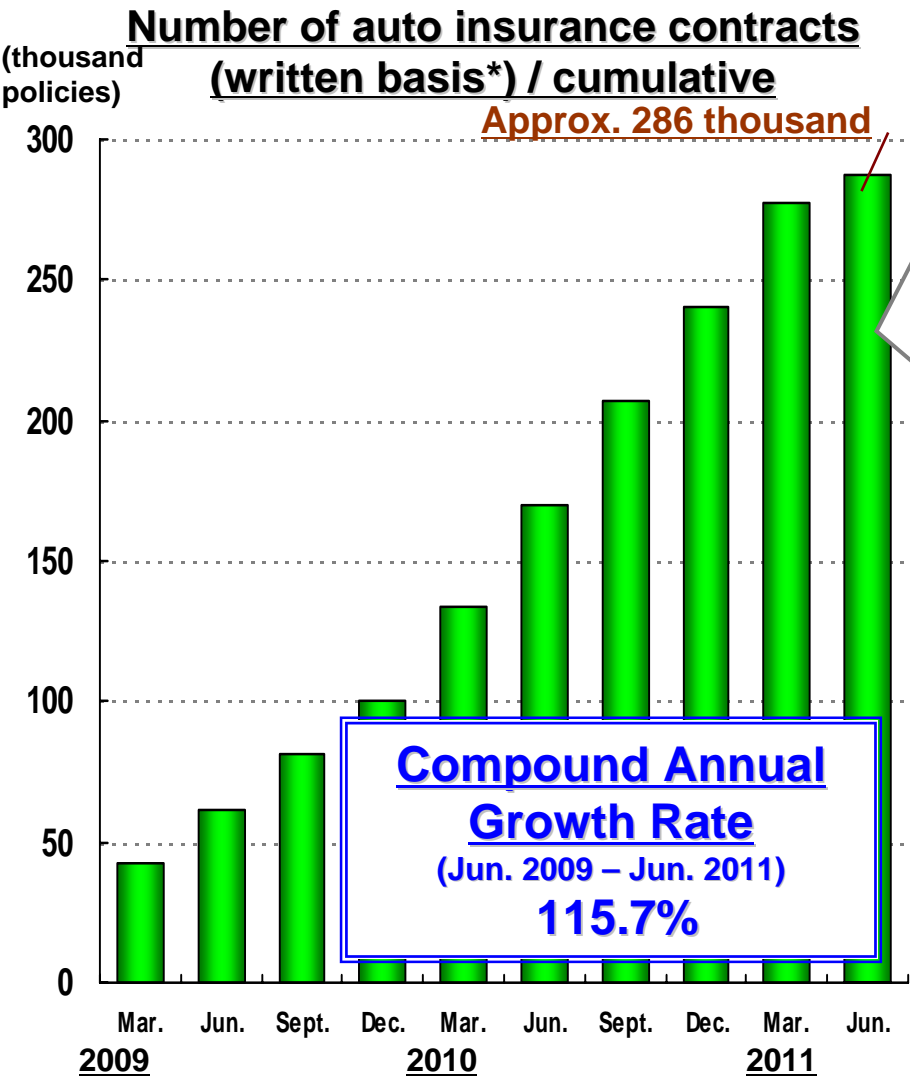
- Okayama / Keiji (July)
- Sapporo (August)

*ECO Loan: Loan for installation of solar photovoltaic system etc.

SBI Insurance

More than 280,000 Contracts Written

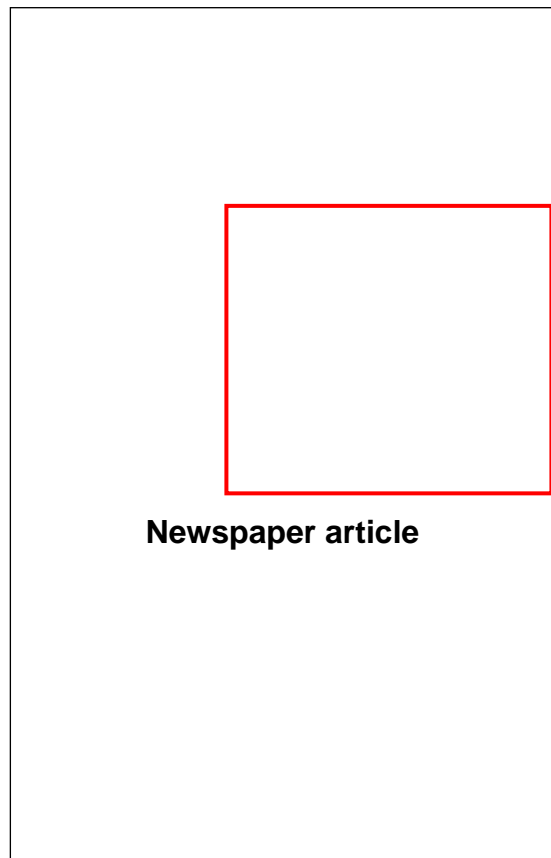
Number of contracts written surged after revision of insurance premium in June.



* Written basis: Completion of receipt of insurance premium

Sales of Direct Insurance is Steadily Increasing Along with the Propensity to Save

Auto insurance premium income of major 7 direct nonlife insurance companies in FY2010 (Y million, %)



Newspaper article

(Jul.19,2011 "The Nikkei" newspaper morning edition)

	Auto insurance premium income	YoY
Sony	65,516	+9.5
AXA Direct	25,847	-9.2
Mitsui Direct	32,623	+2.0
American Home Direct	17,143	-1.3
Sompo 24	10,623	+8.9
SBI	10,069	+113.6
e.Design	2,856	+160.0
Total	164,677	+7.5

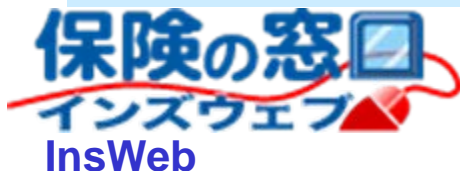
Targeting to surpass Sompo 24 in FY2011 and American Home Direct in FY2012 by Premium Income

SBI Insurance and SBIH InsWeb <1>

InsWeb neutrally introduces the most suited products to customers; not only financial products of the SBI Group but also non-SBI products

Insurance estimate and comparison website, “Insurance Market Place” InsWeb

Available on smart phones



An insurance portal providing cost estimates and documents quickly upon request

Automobile insurance

Participation by 20 companies

Life insurance, personal pension, educational endowment insurance, fire insurance, overseas travel insurance, golf insurance, leisure insurance, motorcycle insurance, driver insurance, pet insurance ,etc



Other life insurance companies, non-life insurance companies and financial institutions etc.

Cumulative number of InsWeb estimation service users **topped 5.07 million !**

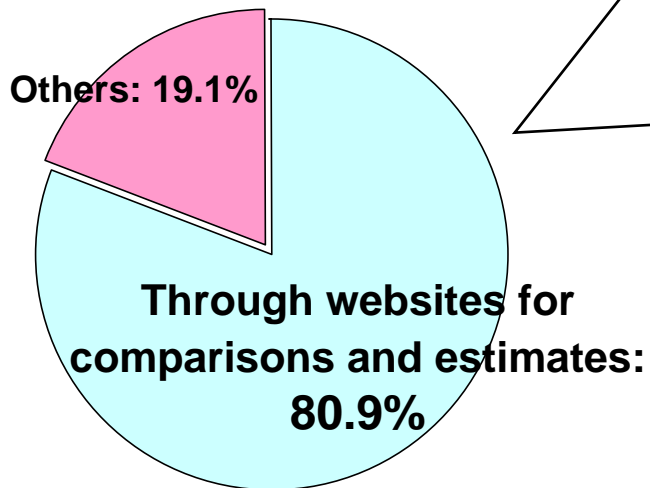
* Participating companies are as of Jul. 15, 2011. The number of the service users is cumulative total users from Apr. 2000, when it started its operation, to Jun. 2011.

SBI Insurance and SBIH InsWeb <2>

Comparison of number of contracts at SBI Insurance by channel

Share of new contracts through “websites for comparisons and estimates”

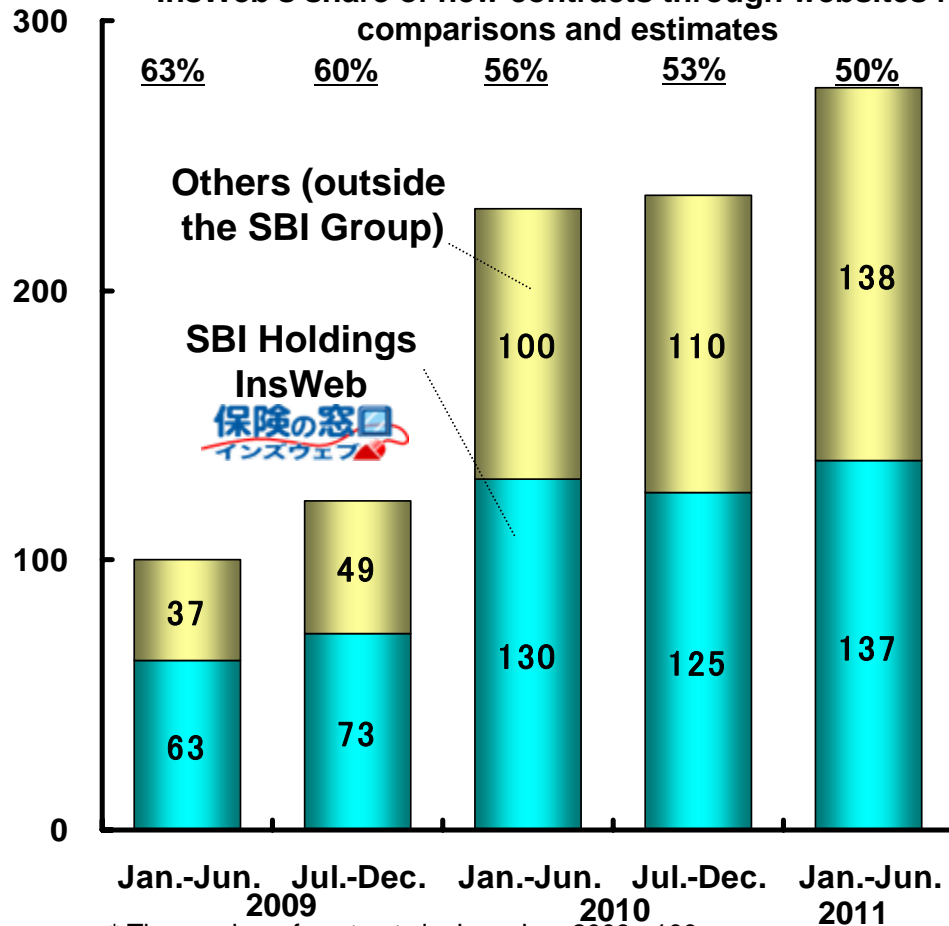
(Jan. 2011– Jun. 2011)



*Excluding direct contracts at SBI Insurance

Breakdown of contracts through websites for comparisons and estimates (index)

InsWeb's share of new contracts through websites for comparisons and estimates



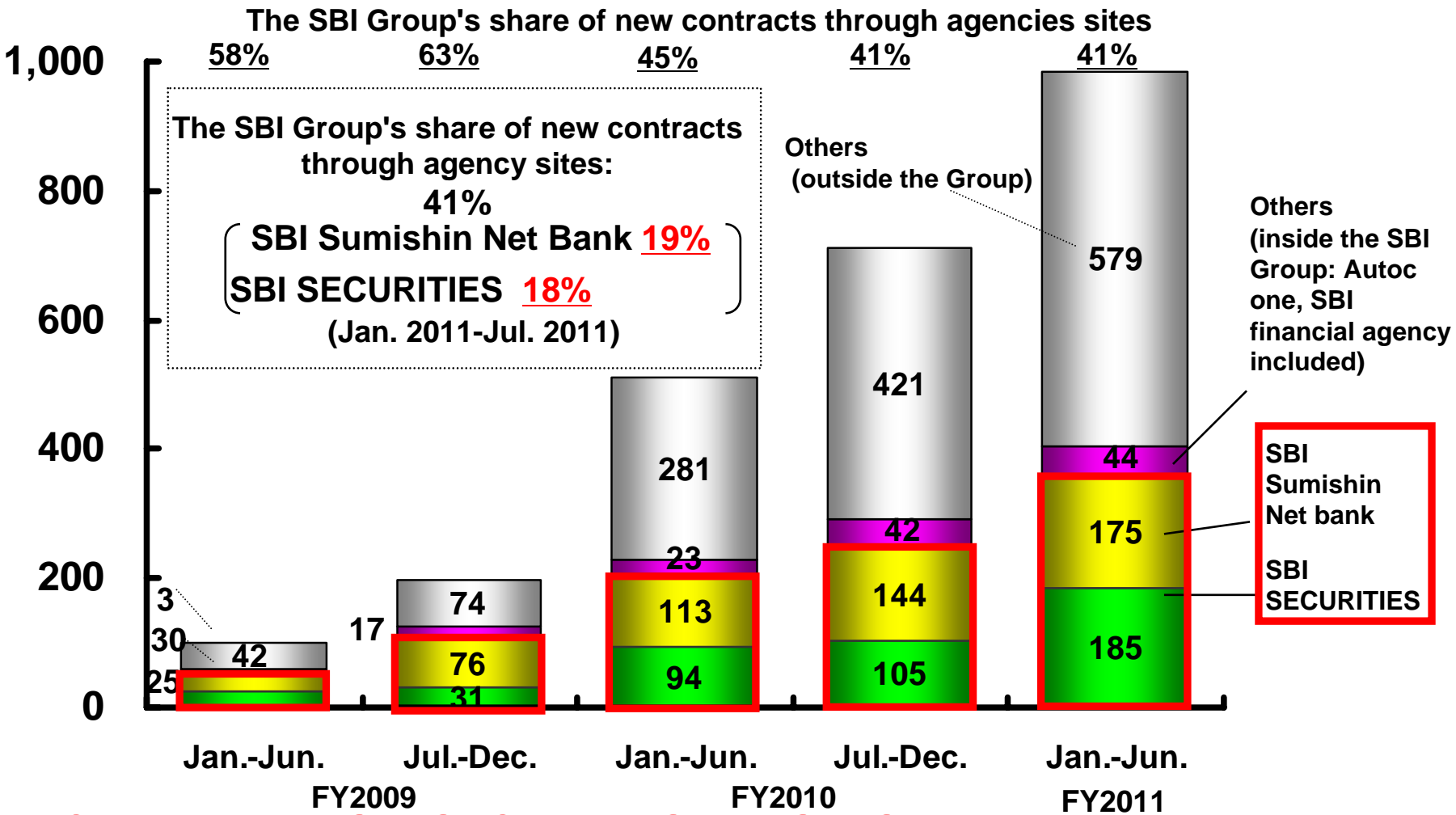
* The number of contracts in Jan.-Jun. 2009 =100

Over 80% of contracts are obtained from “websites for comparisons and estimates”, of which InsWeb accounts for over half

Comparison of Number of Contracts at SBI Insurance by Channel



Number of contracts at each agency channel (index)
 (Calculated with the total number of agency sites as of Jan-July FY2009 as a base of 100)



Contracts via SBI SECURITIES and SBI Sumishin Net Bank have contributed considerably to an increase in "contracts through agency"

Housing and Real Estate Business

Fiscal 2011 First Quarter

(Three months ended June 2011)

Operating Revenues	Y4.0 billion	(-4% YoY)
Operating Income	Y0.3 billion	(-37% YoY)

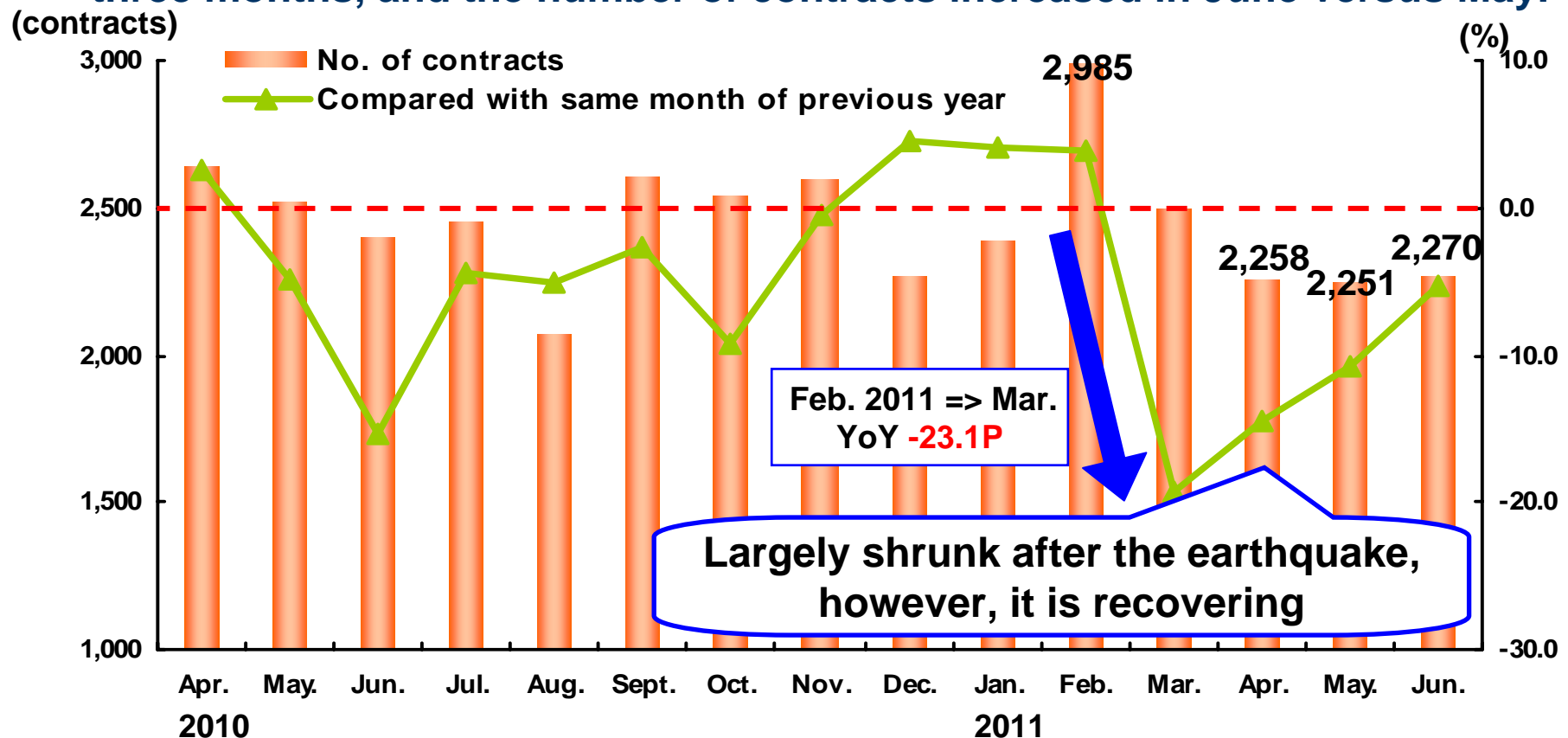
- Operating revenues of SBI Mortgage increased from a year earlier, but fell short of the forecasted figure affected by the weakened real estate demand due to the Great East Japan Earthquake.
- SBI Life Living saw revenues from the Internet Media business, such as the ticket distribution center, decline temporarily owing to a cancellation or postponement of entertainment shows immediately after the earthquake.

* The above figures were calculated using the new accounting standard (with fund consolidation) for each segment.
* Percentage changes YoY reflect the changes in business segment.
* The above figures do not include eliminations for consolidation and the deduction of corporate expenses.
* Rounded to the nearest Y100m.

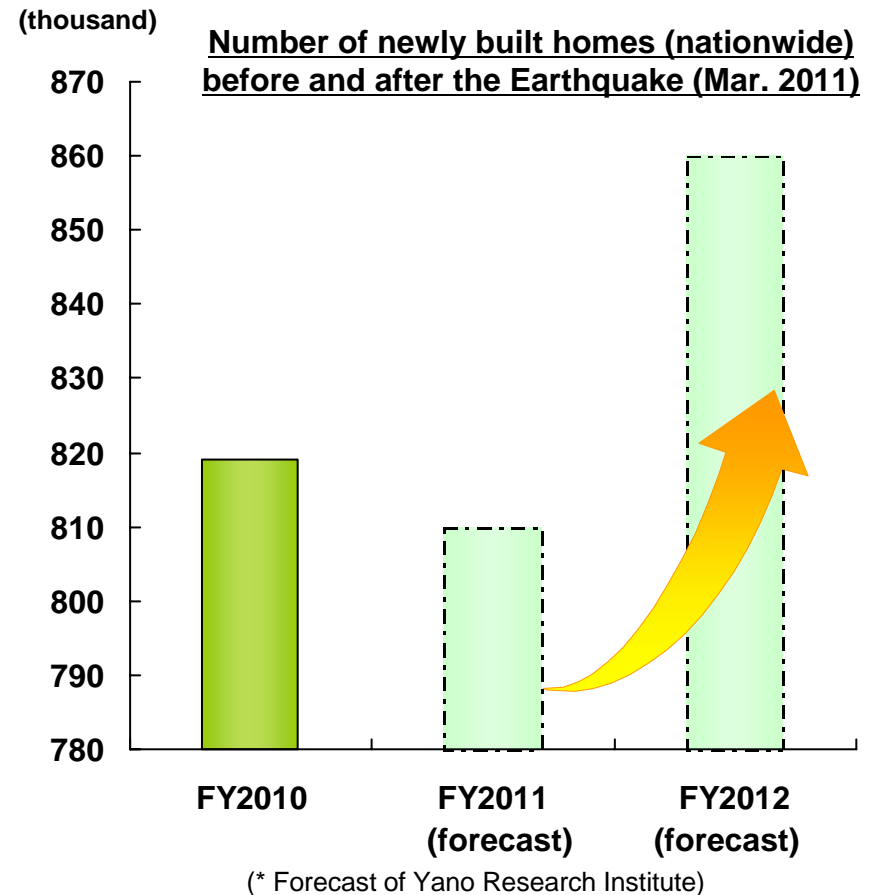
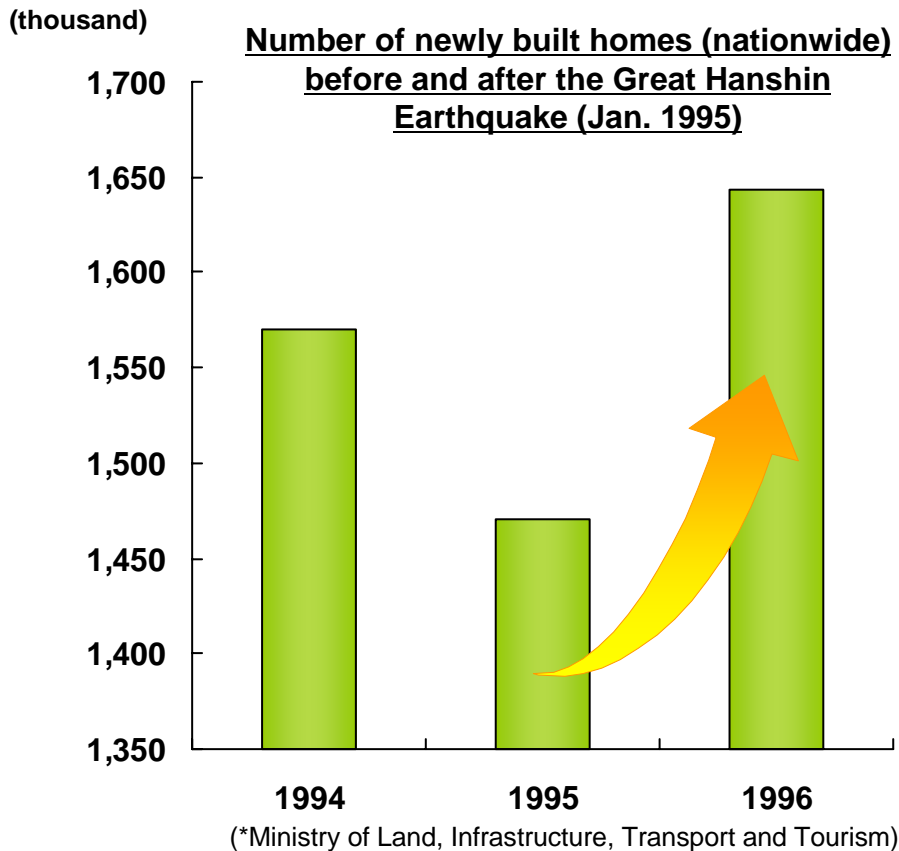
Change in Conditions of Real Estate Market Before and After the Earthquake

<Case: Number of existing condominium contracts in the Tokyo metropolitan area>

- Although the numbers were positive year-on-year from last fall to February, they declined sharply after the earthquake.
- However, from April the monthly rate of decline decreased for the following three months, and the number of contracts increased in June versus May.



Decline in the Construction of New Homes Post the Earthquake is Expected to Recover Next Year



Reconstruction demand is forecasted to gradually manifest itself from the latter half of fiscal 2011, and new housing starts are projected to recover on a full-scale basis from 2012.

SBI Life Living's Operating Income Declined Year-on-year, Affected by the Earthquake

In the Internet media business, revenues from the major websites (*1) dropped temporarily due to a cancellation or postponement of entertainment shows immediately after the earthquake disaster. However, the number of page views on the major websites increased in July from the previous month, as the psychology of self-restraint diminished gradually.

(Y million, %)

	1Q FY2010	1Q FY2011	YoY (%)	FY2011 Full year prospect
Operating Revenues	857	1,227	+43.1	6,300
Operating Income	42	(*2) 11	-72.2	530
Ordinary Income	15	-13	—	420
Net Income	-34	(*3) -41	—	300

*1: Websites related to daily life such as the Ticket Ryutsu Center.

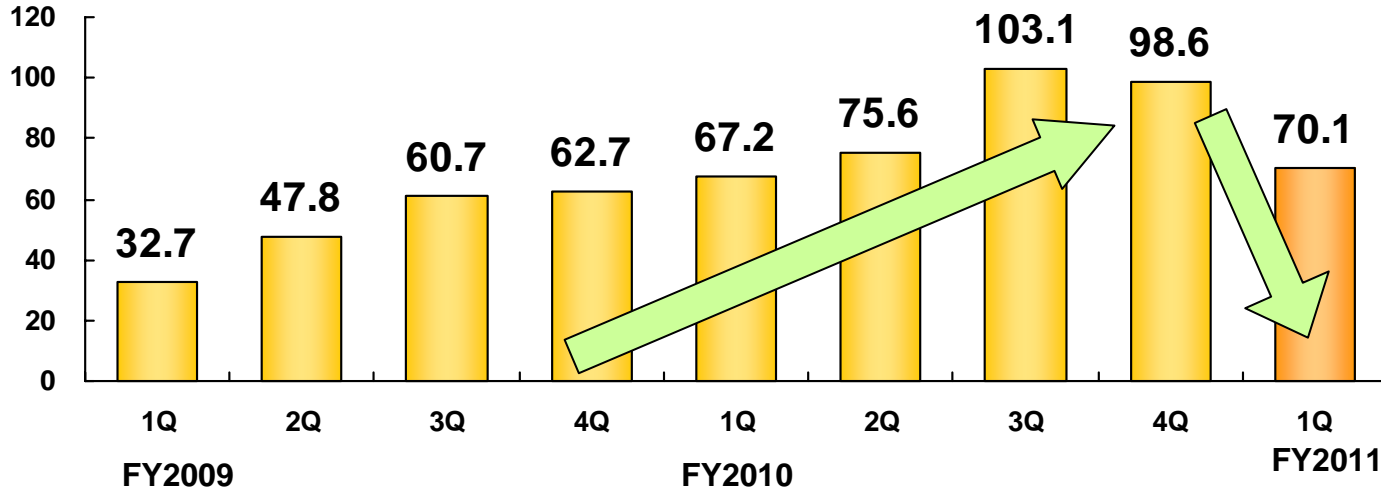
*2: Including depreciation of goodwill resulting from some business transfer from SBI Holdings (Y12m per quarter)

*3: Booking of tax expenses of Y26m in adjustments of corporate tax, etc. due to partial reversal of deferred tax assets

After the Recent Earthquake Disaster, the Number of Housing Loans Outstanding at SBI Mortgage Dropped More Significantly than During Normal Years, but has been Increasing Since May

(Y billion)

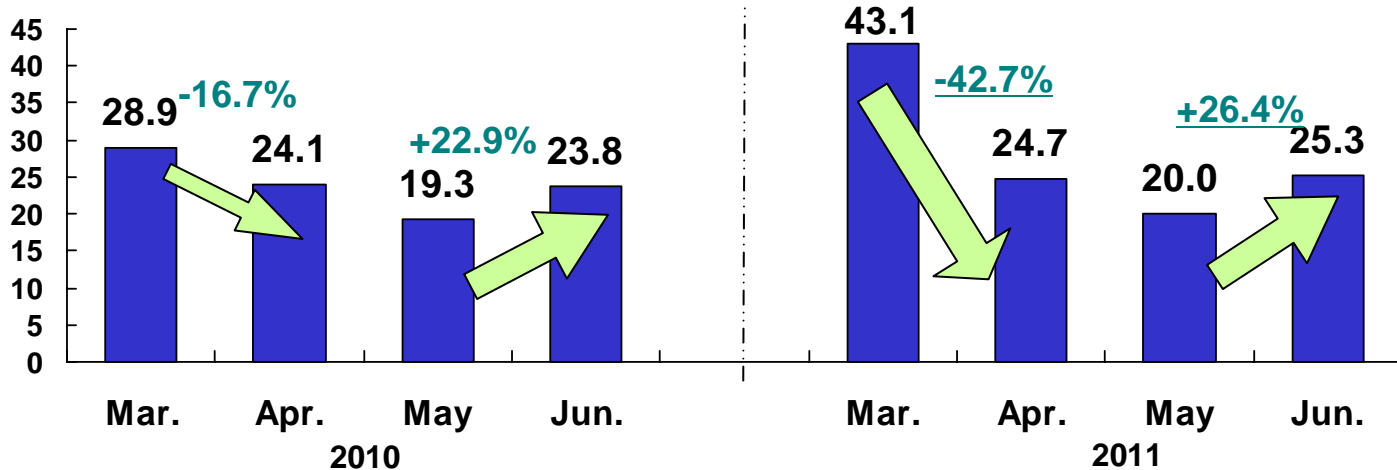
Quarterly change in new loans of SBI Mortgage



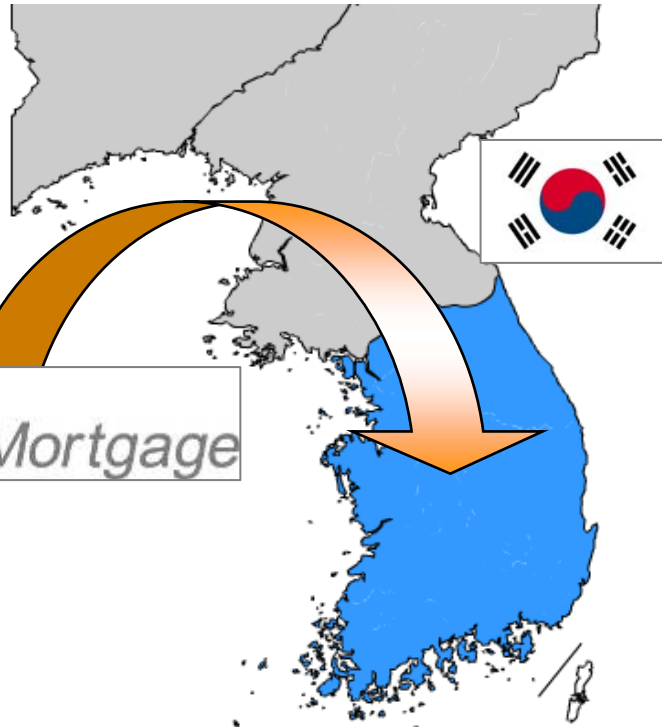
4 months comparison in new loans of SBI Mortgage

(Mar.-Jun.)

(Y billion)



Rapidly Growing SBI Mortgage is Preparing for a KOSPI Market Listing on the Korea Exchange, as the First Japanese Company



Features of KOSPI Market

- The main market of KRX
- Mainly consists of blue-chips
- Stock prices of KOSPI-listed companies tend to be stable post-listing, when there is no change in fundamentals

[Planned Timeline]

<Late Aug.>	Application for listing eligibility examination
<From end Oct. to Nov.>	Approval of Listing
<Dec.>*	Listing

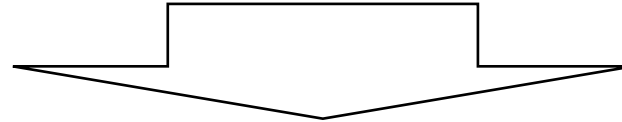
* Within 6 months from approval.
Timing of listing depends on the market condition

2. Establishment of a Business Structure Designed to Diversify Risk and Enhance Profitability

Reducing Risk Exposure

- Sept. 2008: Lehman Shock**
- Jan. 2010: Sovereign debt shock in Europe, starting from Greece**
- Jan. 2011: Movement for democratization in MENA area starting from Tunisia**
- Mar. 2011: Great East Japan Earthquake**
- May. 2011: Revival of the Greece Crisis**
- May. 2011: Concern for debt default triggered by difficult situation on rising upper limitation on governmental debt in the U.S. congress**

Given that various unforeseen problems may occur at any time, how can risk exposure be reduced?



- <1> Swiftly and flexibly streamline the SBI Group to reflect the existing environmental change**
- <2> Diversify risk exposure by establishing a group of companies with a diverse business portfolio**
- <3> Diversify risks regionally by developing businesses not only in Japan, but also in foreign countries**

(1) Swiftly and Flexibly Streamline the SBI Group to Reflect the Existing Environmental Change <1>



Organizational restructuring implemented (or to be implemented) this FY toward “Brilliant Cut Initiative”

Acquisition of Full Ownership

- **SBI Holdings acquired 100% ownership of SBI VeriTrans (scheduled for Aug. 1)**
SBI VeriTrans to be delisted, through a share exchange with SBI Holdings
 - ➔ Accelerate the overseas development of the EC settlement services business together with SBI Holdings

Merger and Integration

- **Integrated Gomez Consulting with Morningstar Japan**
Gomez Consulting was delisted, to become a wholly owned subsidiary through an exchange of shares with Morningstar Japan on July 1
 - ➔ To realize cost reductions and enhanced sales capabilities

JV Establishment

- **Established SBI-LG Systems, a joint venture with Korea's LG CNS, targeting substantial system cost reductions**
 - ➔ Aim for 25-40% reduction of system costs (currently Y15bn p.a.) in 3 years

Liquidation, Disposal of Equity Interest

- **Liquidated SBI ArchiWorks on April 25**
- **Shares of HOMEOSTYLE (offering beauty care services/products) are to be sold**

(1) Swiftly and Flexibly Streamline the SBI Group to Reflect the Existing Environmental Change <2>



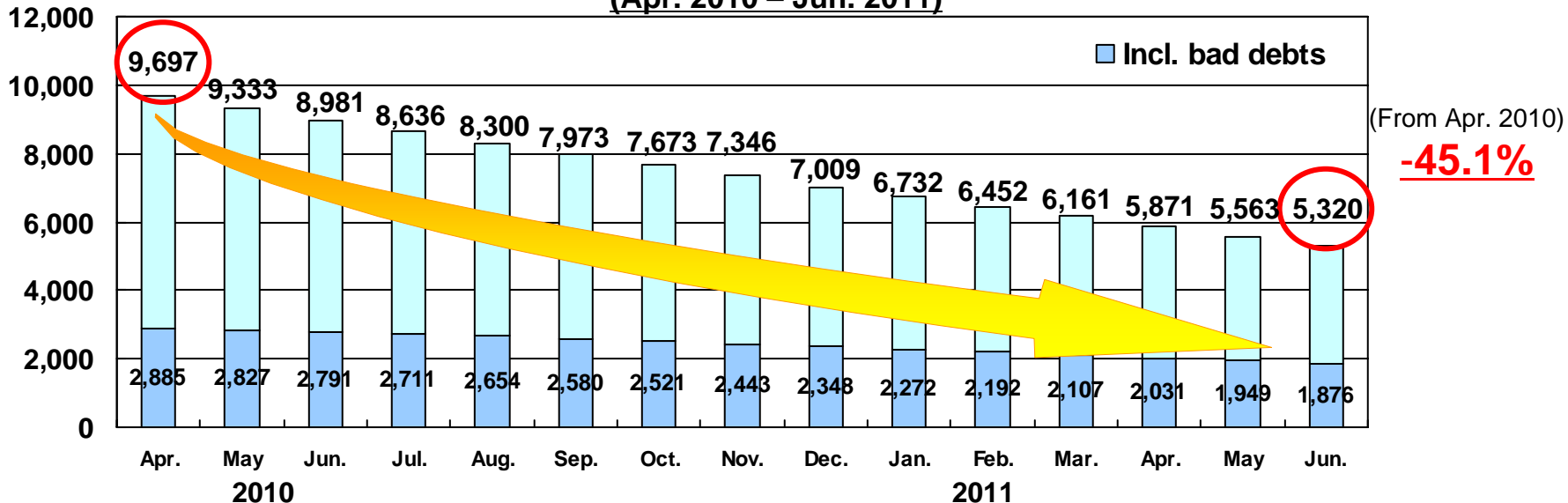
Current state of major unprofitable companies (of the 58 major business entities, there are 11 unprofitable companies with 3 companies accounting for 81% of the total losses*1) and policies for them (i)

SBI Card

(Consolidated subsidiary / Operating loss: approx. Y3.5bn in FY2010, Y0.96bn in 1Q FY2011*2)

- Acquired former SBI Equal Credit in January 2010, currently operating consumer credit business and credit card business
- In the consumer credit business, new lending has been curtailed and only debt collection is underway

(Y million) Outstanding unsecured consumer loan balance (after deduction of bad-debt provisions) (Apr. 2010 – Jun. 2011)



- Plan to **set a policy this year** for a thorough review of the business

*1 Based on operating loss in FY2010

*2 Includes temporary cost of approx. Y0.2bn, such as campaign cost

(1) Swiftly and Flexibly Streamline the SBI Group to Reflect the Existing Environmental Change <2>



Current state of major unprofitable companies (of the 58 major business entities, there are 11 unprofitable companies with 3 companies accounting for 81% of the total losses*) and policies for them (ii)

SBI Japannext

(Equity-method company / Operating loss: approx. Y1.1bn in FY2010, Y0.14bn in 1Q FY2012)

- Ordinary income/loss has been improving month-by-month since the start of this fiscal year (income loss in 1Q FY2011 improved by Y0.17bn YoY) due primarily to a rise in income from brokerage fees.
- There are some companies looking to obtain an equity stake in or acquire the company, with thoughts toward an industry reorganization. We will determine our course of action within a year

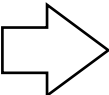
SBI ALApromo

(Consolidated subsidiary / Operating loss: approx. Y1.1bn in FY2010, Y0.24bn in 1Q FY2012)

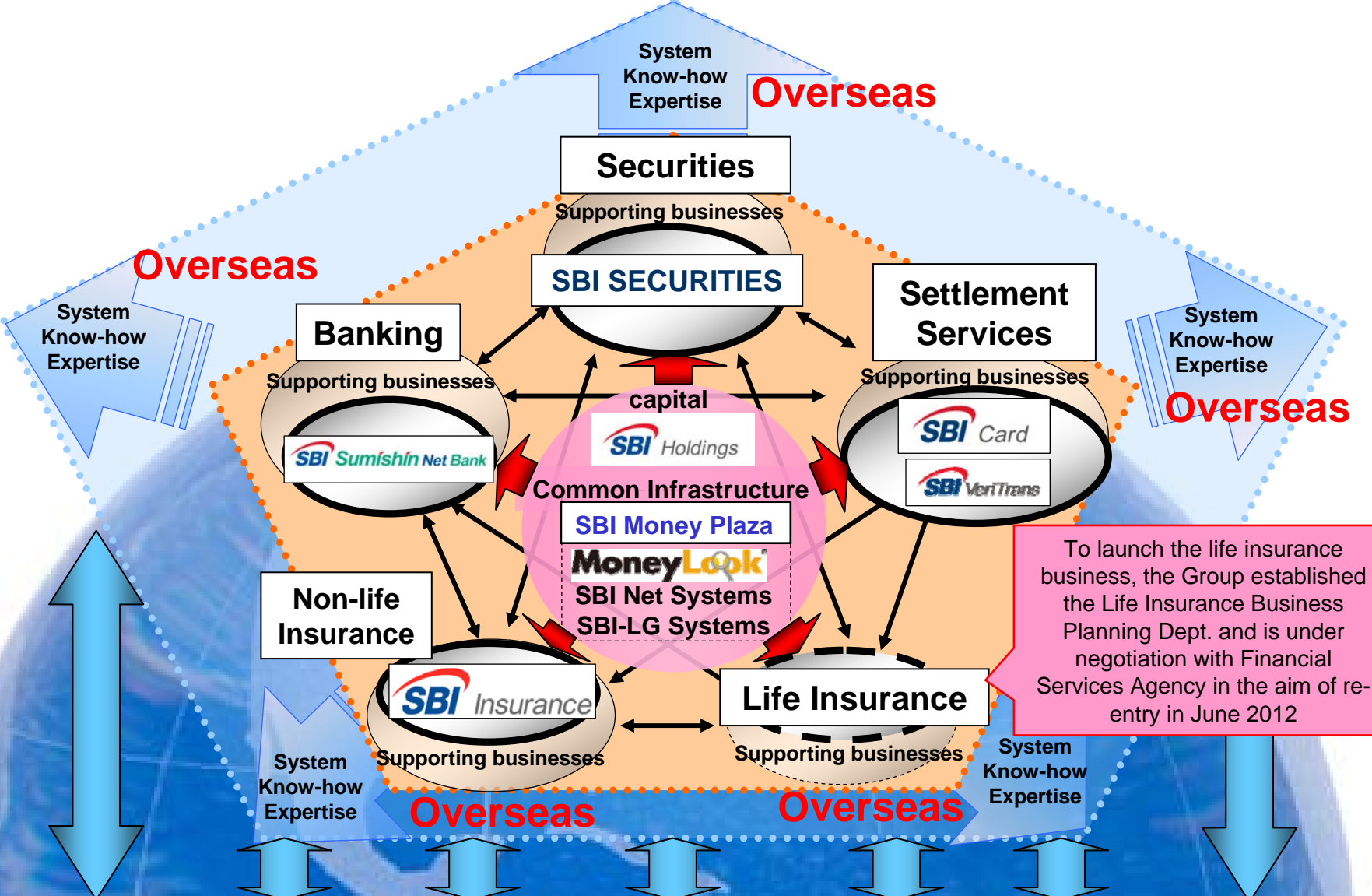
- Established “ALAplus Research Laboratory” to send out various reports on ALA in conjunction with academic presentations. Full-fledged promotions to be launched in September to enhance sales of beauty goods and health foods
- There are domestic and overseas companies and investors that are interested in acquiring a stake in SBI ALAPromo, in anticipation of its future growth prospects. Companies and investors will be selected based on collaboration prospects in relevant or related fields. We plan to maintain a 50-60% equity stake, but may sell the remaining stake sequentially to allocate more capital for the development of medicines utilizing 5-ALA.

* Based on FY2010 results

(2) Diversify Risk Exposure by Establishing a Group of Companies with a Diverse Business Portfolio

- **Establish businesses that have little correlation with stock markets**
 - SBI Sumishin Net Bank, Ltd. (started operations in September 2007) and SBI Insurance Co., Ltd. (started operations in January 2008) have continued to grow rapidly. To launch the life insurance business, the Group established the Life Insurance Business Planning Dept. and is under negotiation with Financial Services Agency in the aim of re-entry in June 2012.
 - Establish biotechnology-related businesses, which are expected to become new earnings drivers
 - **Drive rapid growth among individual businesses by capturing synergies through the formation of corporate ecosystems and the promotion of pentagon management**
 - Form a corporate ecosystem comprising of diverse businesses
 - Promote pentagon management
-  Drive growth among individual businesses by building a business system that consistently generates group synergies

Concept Image of Pentagon Management in the Financial Services Business Promoted through a Thorough Pursuit of Synergies



To launch the life insurance business, the Group established the Life Insurance Business Planning Dept. and is under negotiation with Financial Services Agency in the aim of re-entry in June 2012

Investment Business

**The Biotechnology-related Businesses That are
Expected to Become a New Revenue Source**

SBI ALApromo

Principal business:

Development and sales of cosmetics, health food and drugs that use “5-ALA” (5-Aminolevulinic acid hydrochloride)

SBI ALA promo Targeting Early Profitability

Sales enhancement of beauty goods and health foods during this fiscal year

Approach to expansion of product sales:

Supplements:

NatuALA-Bio



NatuALA-Black Garlic



NatuALA-BCAA



From this autumn : (E.G.) Leveraging a subsidiary of HIKARI TSUSHIN Inc. that sells drugs and medicines via household distributors, to 400,000 households nationwide

Sept.- Direct marketing through TVCM/newspapers/magazines, etc.

Sept.- EC site Renewal

Increasing recognition of "5-ALA"

Marketing approval of a drug

Beauty products:

ALAPlus

- Essential lotion
- Moisturizing cream

(To be released in Sept. 2011)



Jun. 28, 2011 Established "ALApus Research Laboratory" to send out various reports on ALA

Various research papers are scheduled to be released in the future by universities and research institutes



R&D Progress in the Field of 5-ALA <1>

Academy	Research Progress
<p>The 65th Annual Meeting of the Japanese Society of Nutrition and Food Science (May 13-15, 2011) —Professor Yasuhiro Kido, Kyoto Prefectural University</p>	<ul style="list-style-type: none"> • Through the administration of ALA, improved metabolism, including increased oxygen consumption and a rise in body temperature • Suppression of accumulation of body fat (Based on the oral study in rats)



- Through the administration of ALA, the body temperature rises, leading to an expected improvement in the body's immune system.
- By suppressing the accumulation of body fat, it is anticipated that ALA can make a broad contribution to health beyond merely assisting with diets.

Inauguration of “ALA Porphyrin Association”

Chairman: Ichiro Okura, Chairman of former Porphyrin Association (Vice President of Tokyo Institute of Technology, President-to-be since Oct. 2011)

Members: 300 mainly consisting of medical and chemical researchers

<Future activity plan> Annual symposium/Biannual international conference/Quarterly issuance of academic journal “ALA Porphyrin Science”

R&D Progress in the Field of 5-ALA <2>

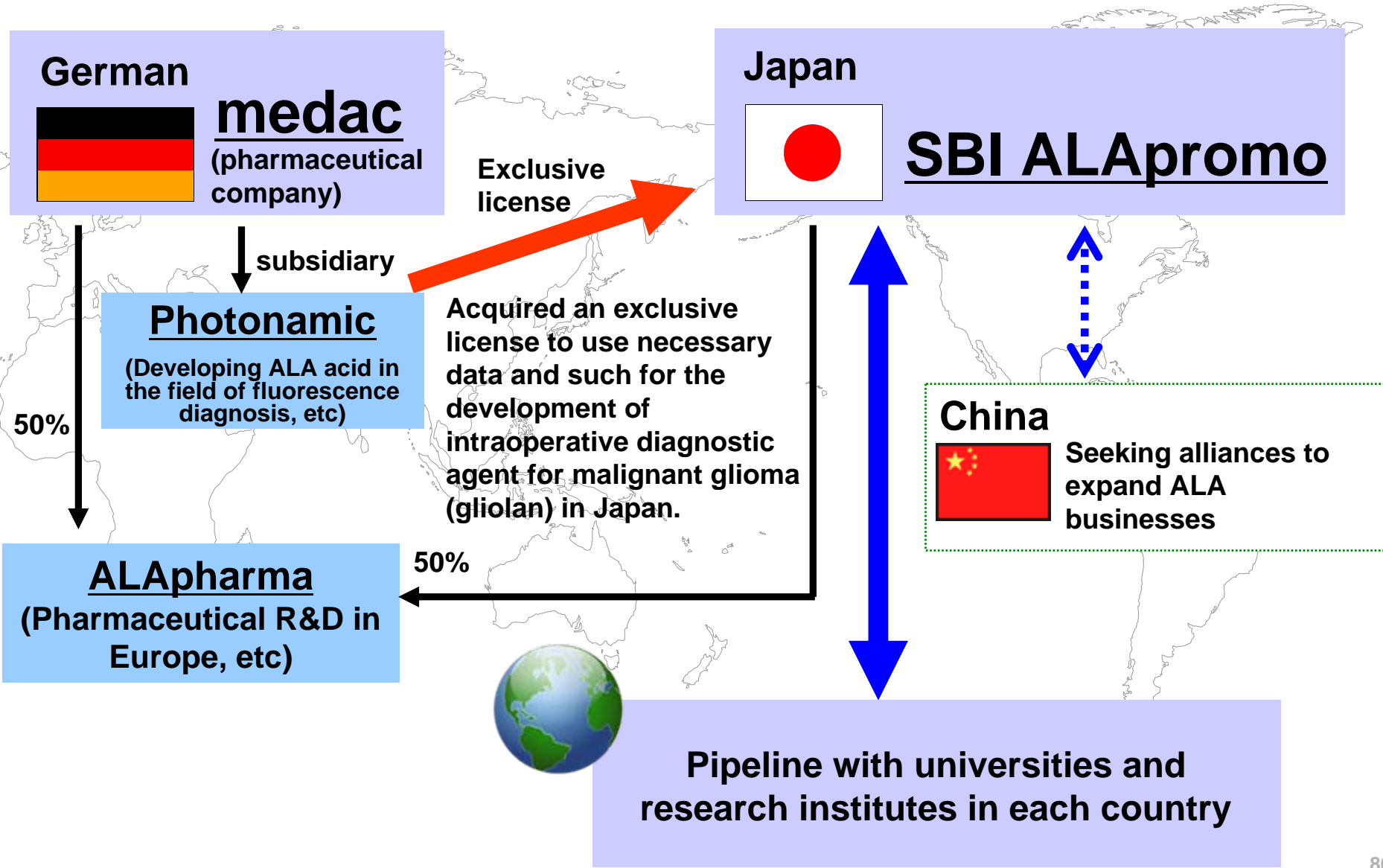
Medical R&D	Progress situation
<p>Cancer treatment: Brain tumor diagnostic agent</p> <p>*Orphan drug designation (Nov, 2010)</p>	<p><u>Phase-3 clinical testing</u> in JV with Nobelpharma is scheduled to end in October</p> <p>➔ If all goes as planned, it will be approved as a treatment within FY2012</p> <p style="border: 1px dashed black; background-color: #e0ffe0; padding: 5px;">Joint research with Kochi University into expanded indication for carcinoma is going on now</p>
<p>Cancer diagnosis</p>	<p>In a joint research project with the Tokyo Institute of Technology, <u>potential application for cancer screening</u>, through a development of an urine test instrument <u>is under study</u></p>

[Other]

The mice experiment in joint research with Tokyo Institute of Technology succeeded in proving 'Cytochrome c oxidase' (COX), a enzyme that weakens with age, is activated by taking 5-ALA

Advancing Global Partnerships in ALA Business

- Planning establishment of global network of ALA Business



SBI Biotech

Principal business:

Drug discovery research, development of immunocell therapies and specialty foods for the people suffering from cancers, autoimmune disease and allergies

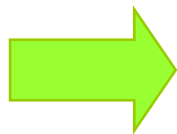
SBI Biotech Launches Clinical Research on Immuno-cell Therapy Jointly with Kyoto Univ.

- Clinical tests (phase II) on melanoma patients are in progress in the U.S.

Clinical research started on melanoma patients at Kyoto Univ. Hospital by introducing technologies from U.S. bio-venture Baylor Research Institute, an alliance partner of SBI Biotech.

(Excerpt from a press release of Kyoto Univ.)

This therapy, if the safety and effectiveness are confirmed, is expected to be a new treatment **for melanoma patients in progression, for which no effective treatment is available at present.** It hopefully will maintain their quality of life while extending their survival time. Furthermore, the therapy is expected to **improve prognostic survival of melanoma patients.**

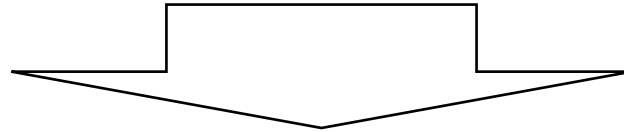


The above therapy is also planned to be applied to the treatment of solid cancers such as prostate and breast cancers.

Drug discovery projects are progressing taking advantage of a global network

<3> Diversify Regional Risk by Developing Businesses not Only in Japan but Also in Foreign Countries

- Diversification of country risk
 - Diversification of foreign exchange risk
- (Developing businesses in several countries/regions for currency diversification of business operations)



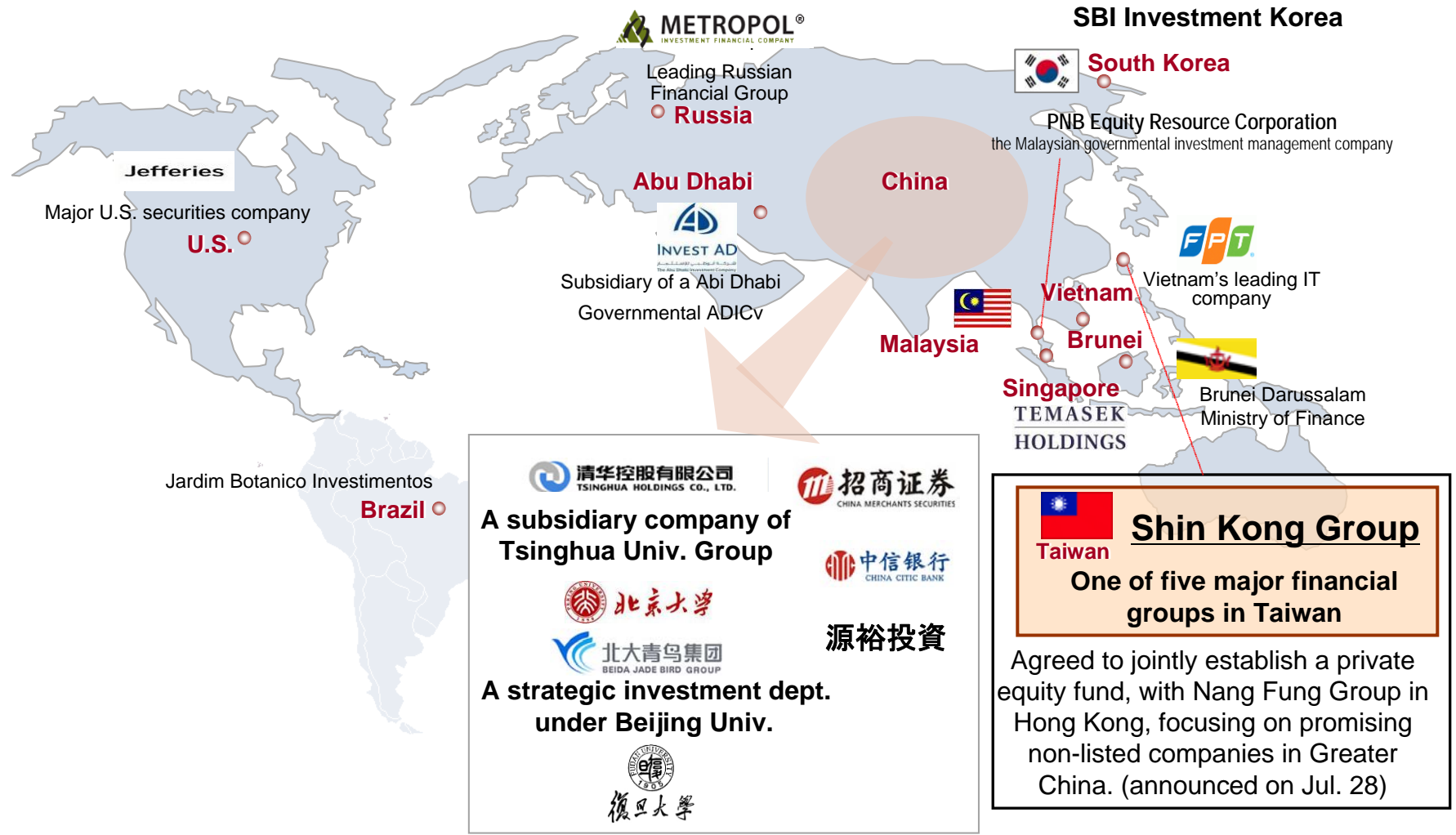
Expand business regions to emerging countries primarily in Asia, rather than remaining only in Japan

- Establish joint venture funds in partnership with prominent overseas partners
- Accelerate overseas business development of the securities, banking, and insurance businesses leveraging established overseas partnerships

New phase of global business development to increase “Global Network Value”

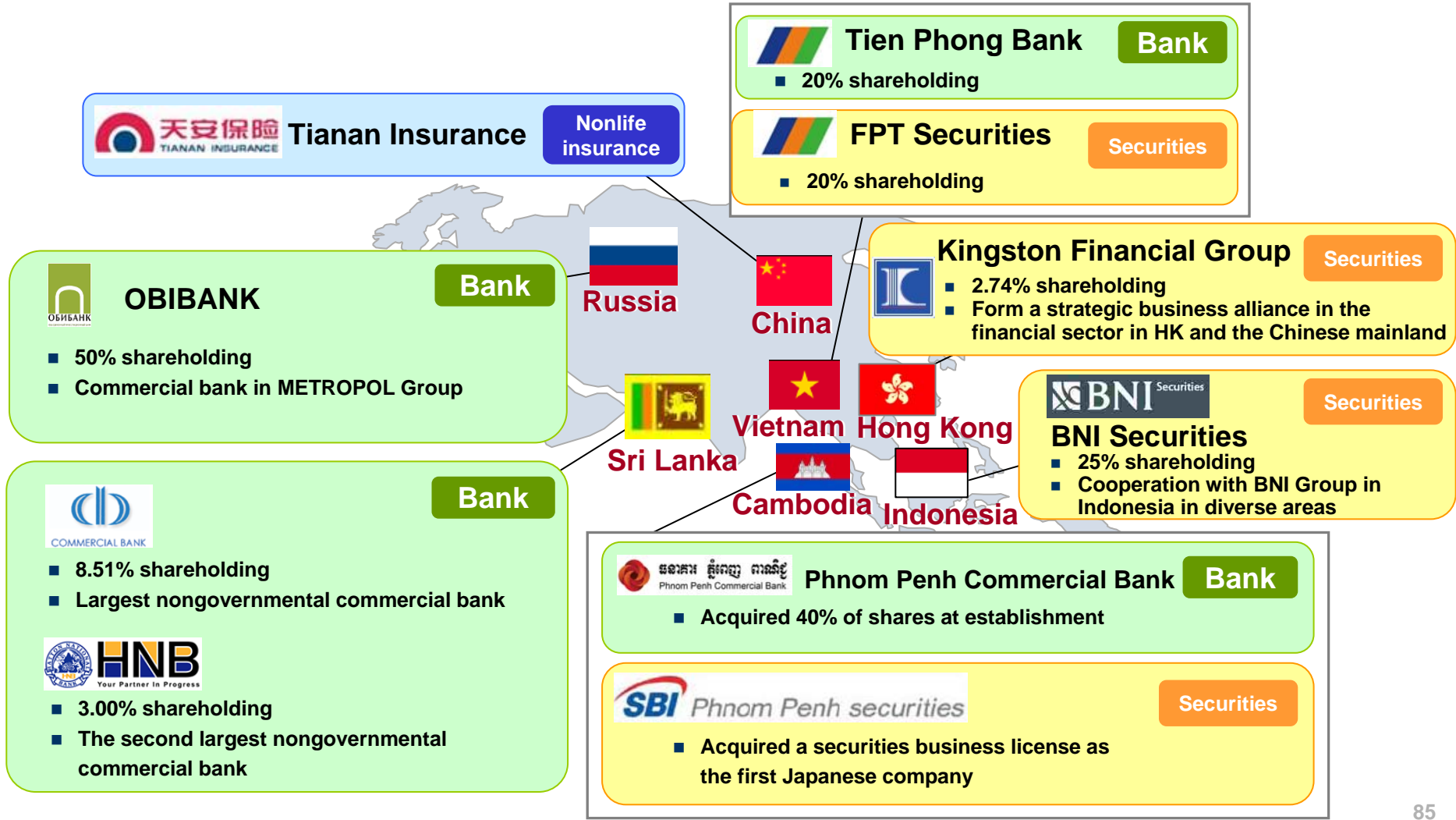
The 1st Stage: Establishment of Global PE Investment Structure

Established global investment structure through formation of JV funds with local partners such as financial institutions, government agencies and universities



The 2nd Stage: Development of Overseas Financial Services

Invest in financial institutions, such as securities companies, banks and insurers, depending on the economic growth of each country



3rd stage:

Creating Network Value by Organically Coordinating the Group's Domestic and Overseas Businesses

<Examples>

[Asset management business]

- i. Expansion of investment scale through co-investments
- ii. Expand management of government funds

[Financial services business]

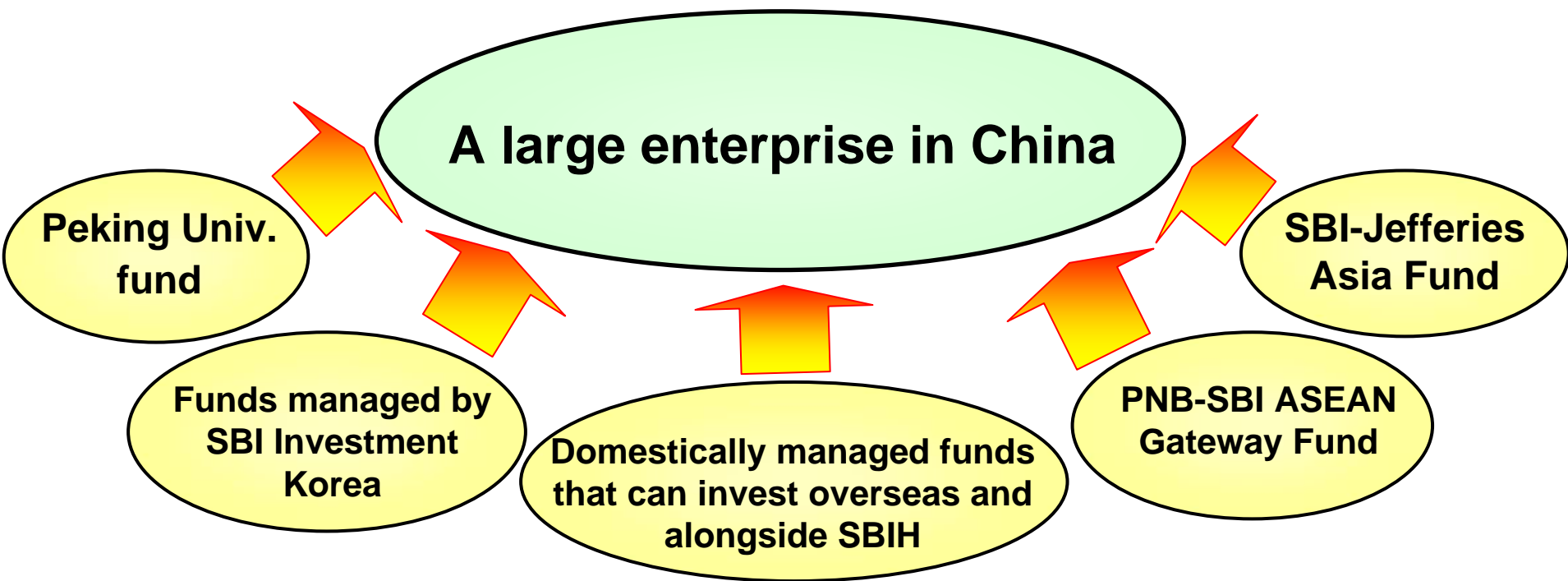
- iii. Developing global underwriting system for securitization of state-owned enterprises through their privatization
- iv. Promoting the introduction of online systems at the financial institutions in which the SBI Group has a stake in, and recovering the investment costs by offering systems and know-how.
- v. Sharing opportunities for investments and loans with financial institutions in which the Group has a stake in, along with overseas partners

[Collaboration between asset management business and financial services business]

- vi. Building a system for providing integrated support to venture companies by utilizing overseas investment funds, securities companies and banks
- vii. Expanding the overseas businesses of the domestic Group companies with the possibility of their listing on overseas stock markets, and expanding their scale through M&As with overseas companies, etc.
- viii. Supporting fund procurement and other activities of Japanese companies operating businesses in Asia. (Investment through investment funds, coordination with overseas banks and securities companies in which the Group has a stake)

Co-investment by multiple funds

(Example)

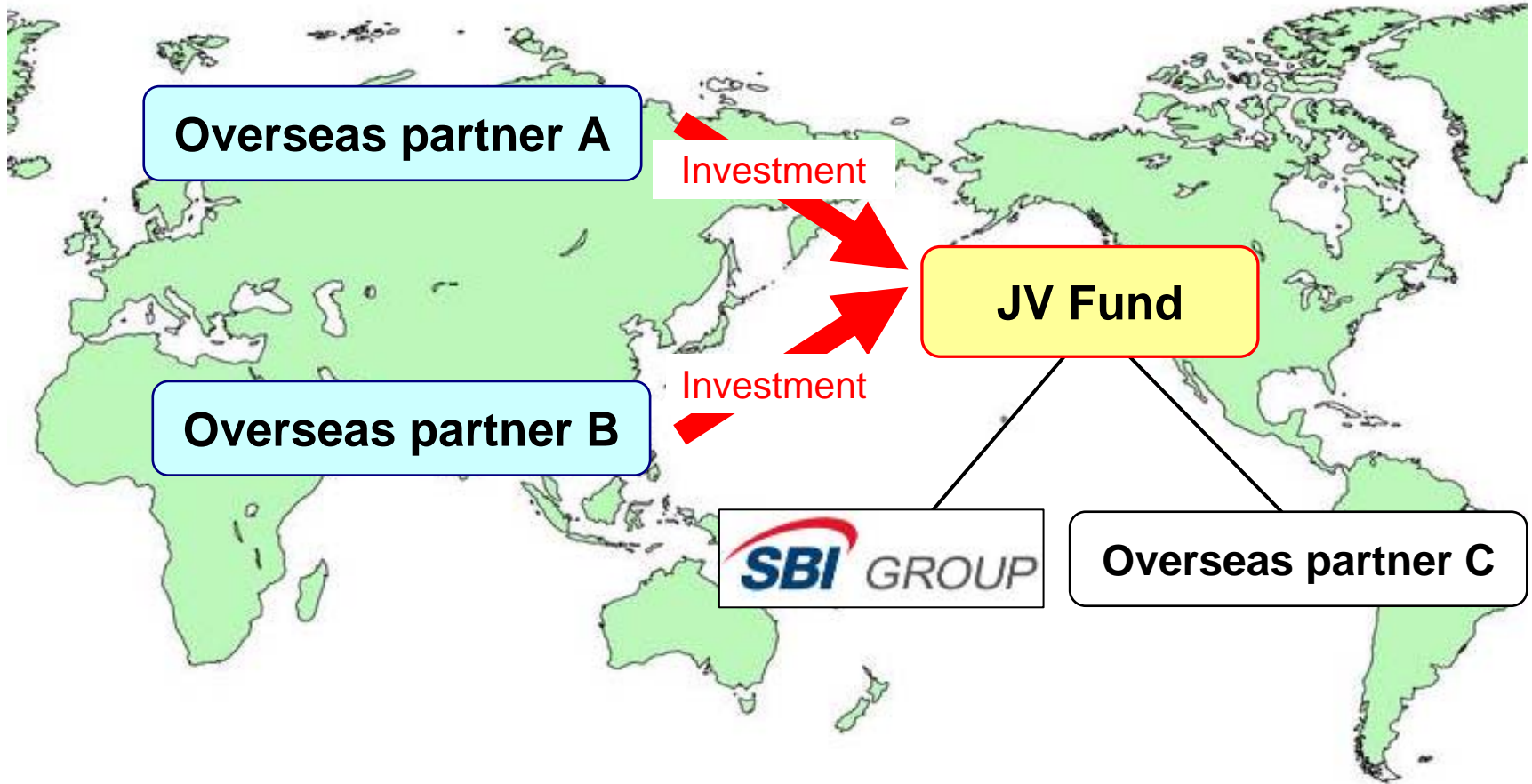


- Beyond the investment capacity of each fund
- Beyond each fund's shareholding limitation for an investee company, the SBI Group as a whole can make an investment

 **Enables larger stake holding of a corporation along with due influence**

Expansion of Investment Scale through Co-investments (2)

Investment into a JV fund from multiple overseas partners



Co-investment into a JV fund with other overseas partners, which the SBI Group collaborate with in the asset management business and financial services business field

Expand Management of Government Funds

Korean Government's policy is to invest in private equity funds through governmental organizations in order to cultivate new industries



*Converted at KRW100 = Y7.41

Develop Global Underwriting System for the Securitization of State-owned Enterprises Through Their Privatizations

Targeting the sale of IPOs of state-owned enterprises to Japanese customers through SBI group's overseas securities companies

<Example>



SBI Phnom Penh Securities Co., Ltd.

(A wholly subsidiary of SBI Holdings, Inc.)

Oct. 20, 2010

The only Japanese company which acquired a securities business license in Cambodia.

Feb. 21, 2011

Appointed to lead underwriter of state-owned Sihanoukville Autonomous Port ("PAS")'s IPO
Preparing for IPO at the end of 2011 (target)



FPT Securities Joint Stock Company

Vietnam

(Shareholding: 20%)

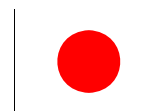


BNI Securities

Indonesia

(Shareholding: 25%)

IPOs of government owned companies



Japan

SBI証券
[SBI SECURITIES]

Offers investors in Japan with IPOs of state-owned enterprises

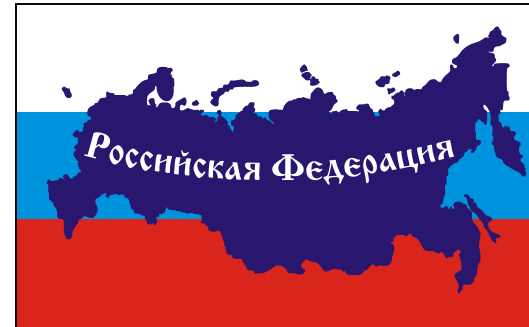


Approx. 2.25m accounts
(as of the end of Jun. 2011)

Developing Online Financial Business Oversea Through the Transferences of Systems and Know-how that the SBI Group Attained in Japan to the Investee Financial Institutions



The know-how of online banking business, cultivated in Japan



OBIBANK A commercial bank of METROPOL Group,
(50% shareholding) Russia's leading financial group

Equity investment completed on Jun. 14, 2011
after approval from Central Bank of Russia

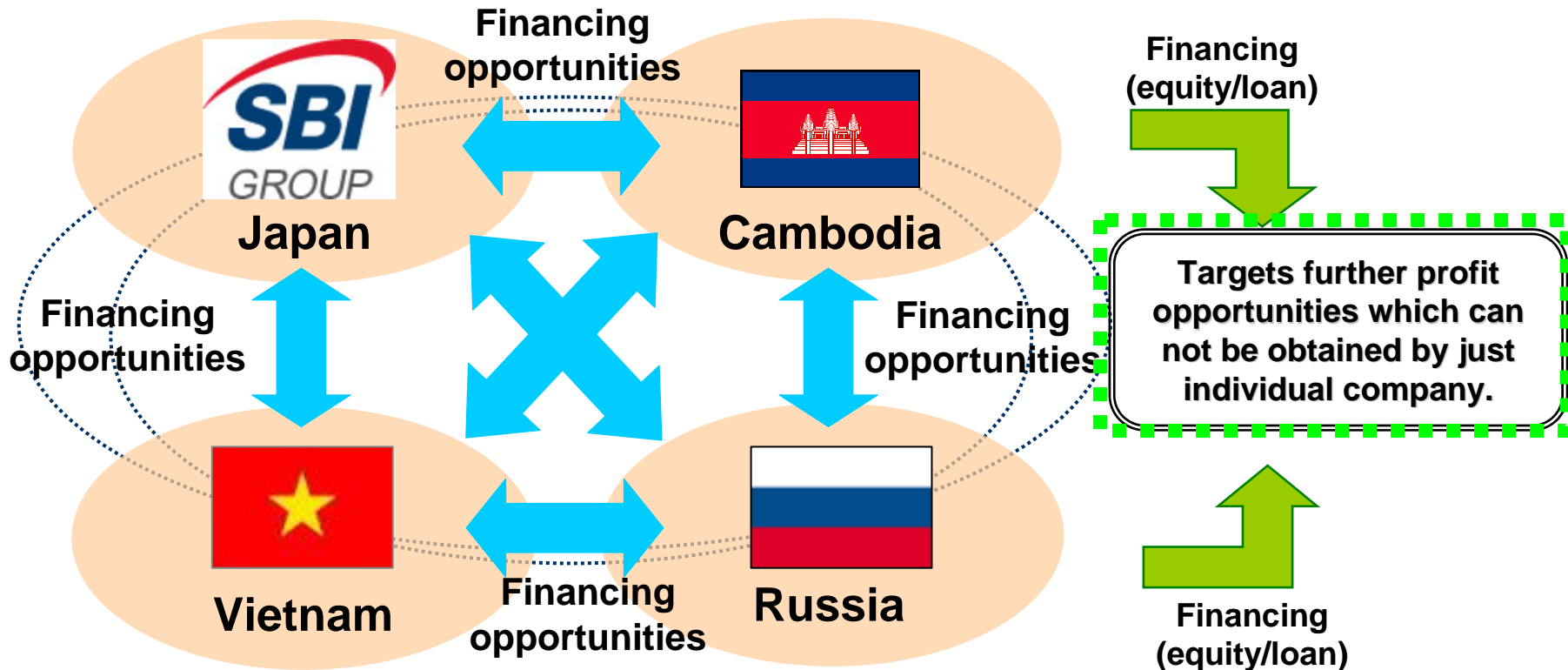
→ Started preparation for full-scale development of online banking business in Russia

We will strive to increase the corporate value of each company by introducing online systems, and export systems and know-how. In this way, we will receive fees and recover the system development costs that the Group has incurred so far.

Mutually Provide Financing Opportunities Between Overseas Partners, Investee Banks and the SBI Group

e.g. Co-underwriting of foreign bonds by investee banks

Image:



*Based on the premise that each bank investigates in accordance with laws and regulations in respective countries

Form Integrated Support Structure for Overseas Investees Start-ups Such as Provision of Seed Money, Underwriting IPOs, and Provision of Loans

(Example)  **Partner: FPT Group**
Vietnam

JV fund

Vietnam Japan Fund

Securities

FPT Securities

Bank

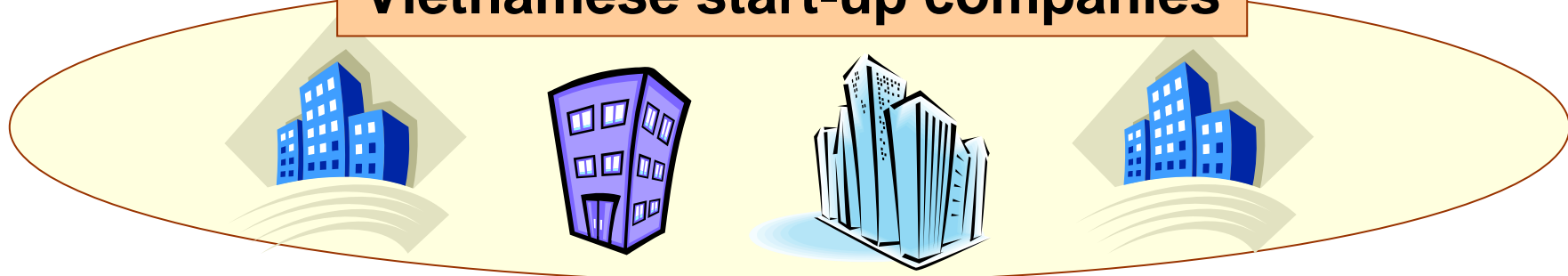
Tien Phong Bank

Seed money

**Underwriting at
IPO and PO**

Loans

Vietnamese start-up companies



Continue financing support of investee companies through utilization of the capital market post an IPO

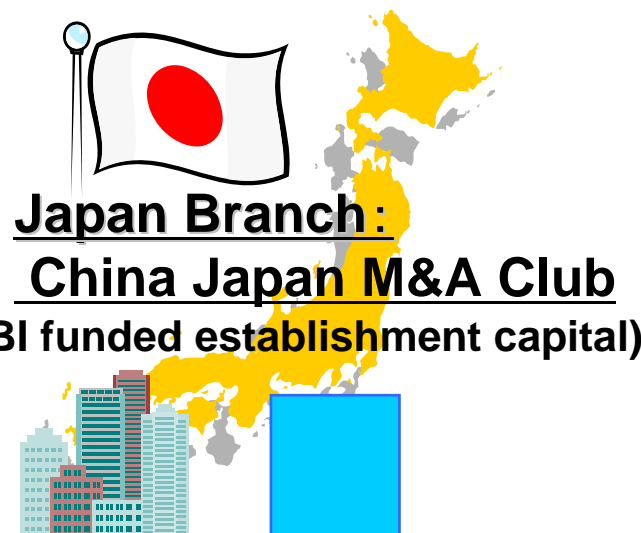
Activate Cross-border M&A

Utilizing “China Japan M&A Club,” which was established to be a specialized institution to support Cross-border M&A

(Established in Nov. 2010)



Head office:
China Mergers & Acquisitions Association



Japan Branch:
China Japan M&A Club
(SBI funded establishment capital)



Providing opportunities to share useful information between its members in both countries

Members:
More than 14,000 corporate members who conduct M&A related businesses in China

Main activities:
Operating “Mergers-China”, an Internet portal for information sharing and publishing reports such as “China M&A Yearbook” and “China Industrial Map,” and holding the “China M&A Annual Conference” with the full support of the Chinese government

(e.g.)

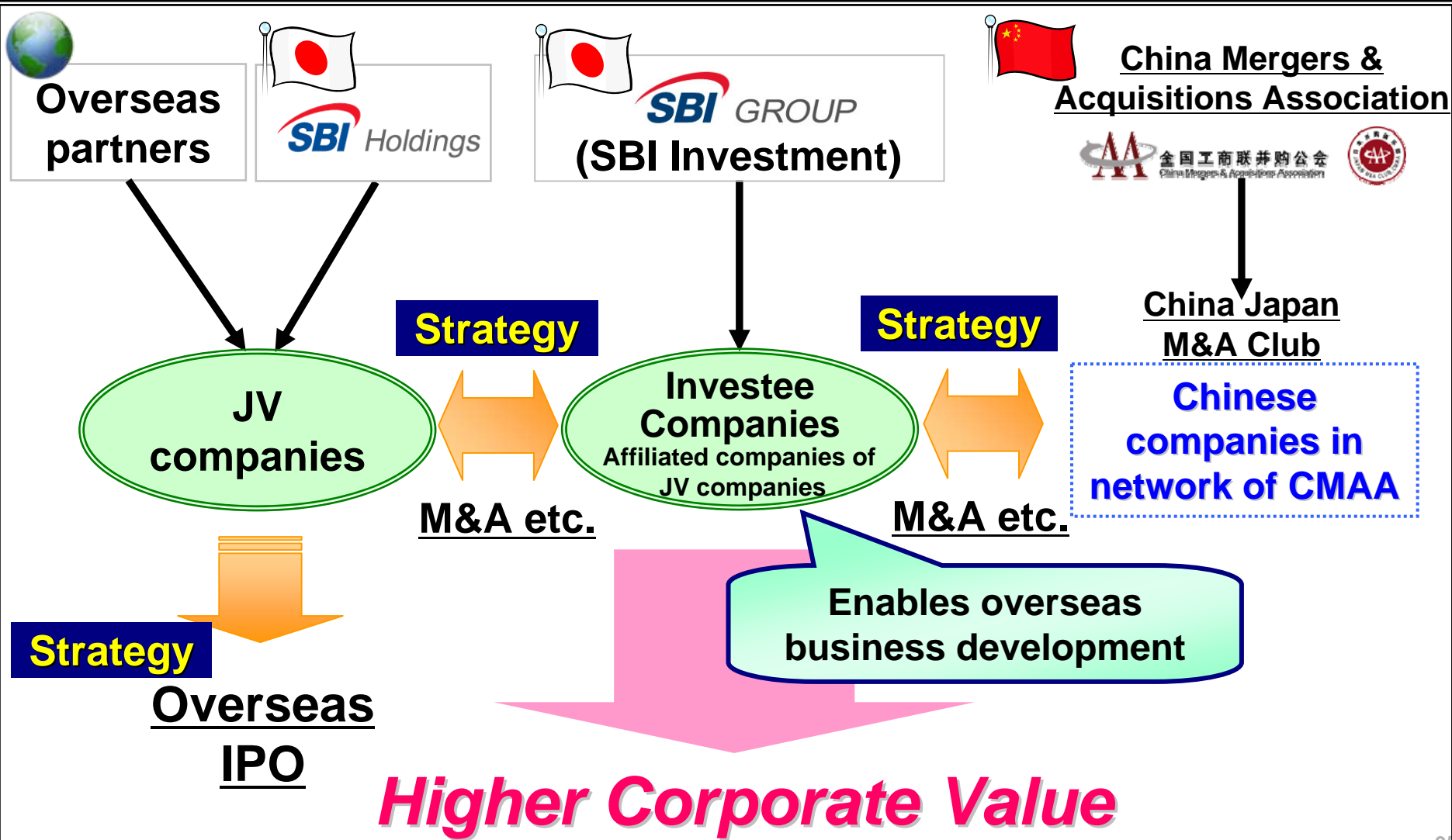


SBI SECURITIES

Also expecting to utilize domestic networks to expand M&A business

Targeting an Increase Corporate Value Utilizing Global Network

<Strategy image>



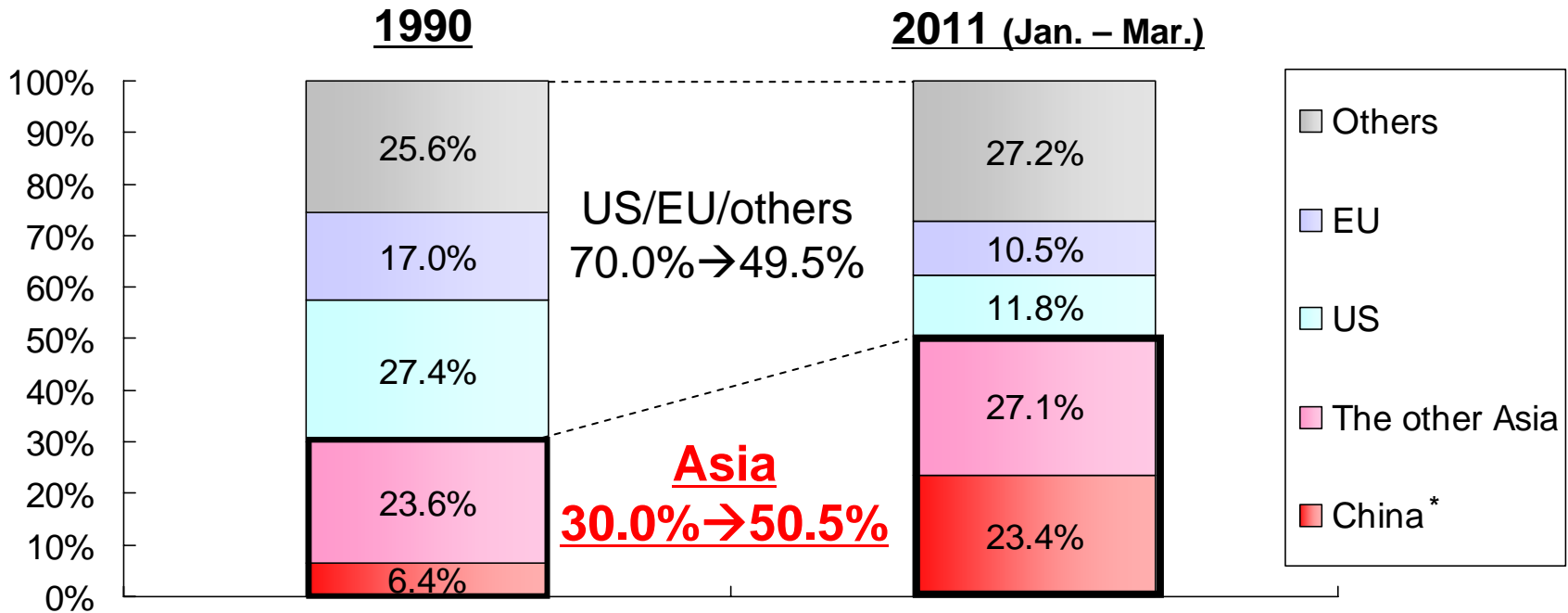
Supporting Financing of Japanese Companies Expanding Businesses in Asia

The share of the U.S. and EU of the total volume of trade has declined and that of Asian countries has increased substantially



Japanese companies have shifted their focus of overseas business expansion to Asia

[Share of each country (region) to the total volume of trade in Japan]



By utilizing overseas financial institutions in which the Group has a stake and overseas investment funds, we will respond to local financing needs of Japanese companies that have expanded their businesses overseas

*Including Hong Kong and Macau

Source: Ministry of Finance “Trade Statistics of Japan”

SBI Group's Overseas Development at a Glance by Business Segment



	Asset Management Business (Fund, Company)	Financial Services Business (Investee)	Global Synergy
China	New Horizon Fund SBI & TH VC Fund SBI & BDJB China Fund Fudan University Fund SBI Zhaoxin Fund	Tianan Insurance (Nonlife insurance)	Transfer SBI Insurance's online business expertise to Tianan Insurance
Hong Kong		Kingston Financial Group (Securities) SW Kingsway (Securities)	Offering Chinese stocks (SBI SECURITIES)
Taiwan	SBI & Capital 22 JV Fund		
Greater China	SNSI Fund		
Korea	SBI Investment Korea		
Vietnam	Vietnam Japan Fund	Tien Phong Bank FPT Securities	Provision of Vietnamese stocks, IPO deals related to privatizations (SBI SECURITIES)
Cambodia		Phnom Penh Commercial Bank SBI Phnom Penh Securities	Provision of Cambodian IPO deals related to privatizations (SBI SECURITIES)
Sri Lanka		Commercial Bank of Ceylon Hatton National Bank	
Indonesia		BNI Securities	Provision of Indonesian stocks, IPO deals related to privatizations (SBI SECURITIES)
Asian Region	SBI-Jefferies Asia Fund SBI-Islamic Fund PNB-SBI ASEAN Gateway Fund		
Russia	SBI-METROPOL Investment Fund	OBIBANK	Provision of Indonesian stocks (SBI SECURITIES) Transfer online banking expertise to OBIBANK
Turkey	Turkey Fund		
Africa	Africa Fund		
The U.S.	Jefferies-SBI USA Fund		
Brazil	Brazil Fund		

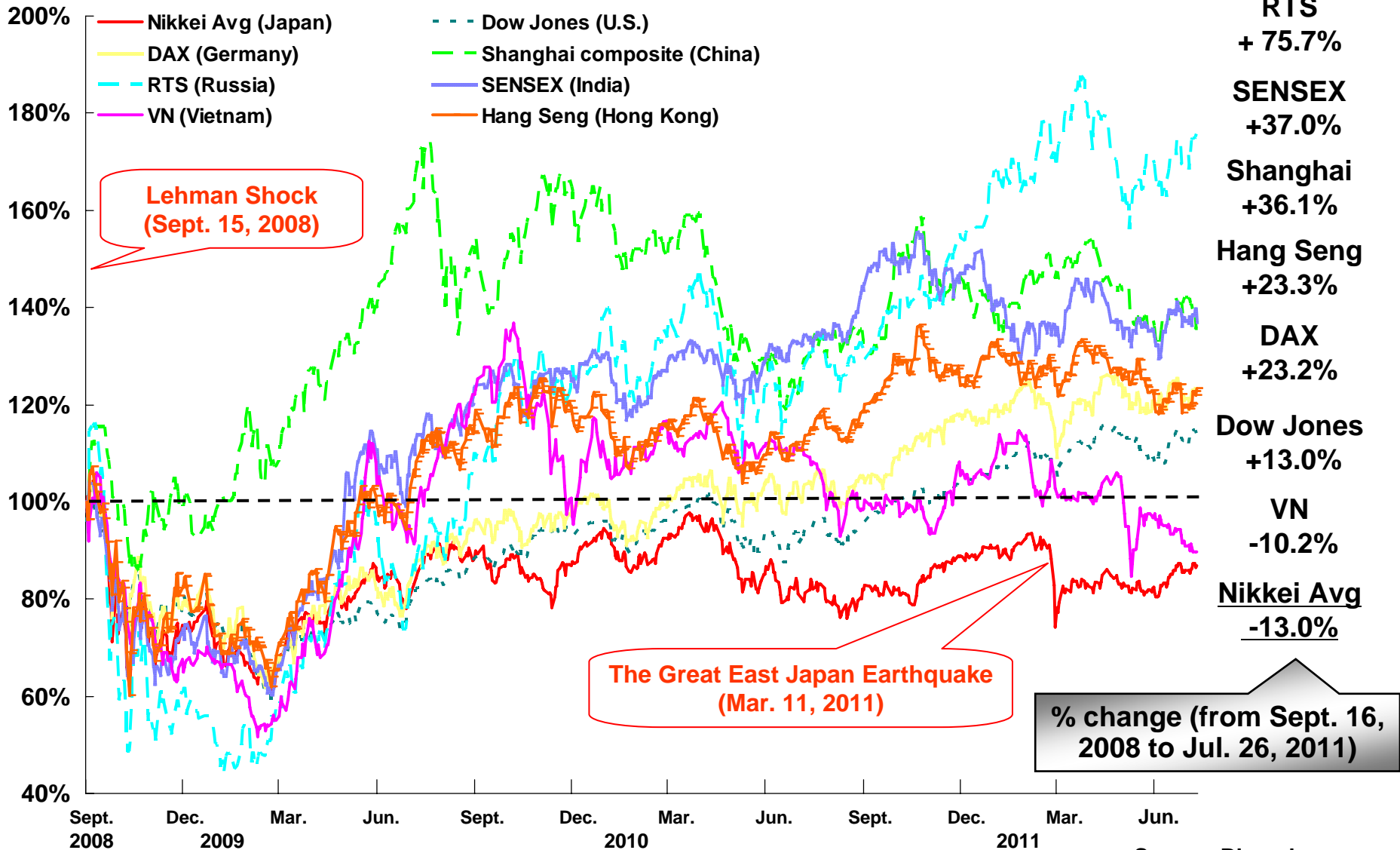
* Including plans

3. Strengthening Business Foundation to Increase Profits when the Market Recovers

Change in Major World Stock Indexes after Lehman Shock

(Sept. 16, 2008 – Jul. 26, 2011)






**Major world indexes recovered their pre-Lehman Shock levels, leaving
Nikkei Average with its weak recovery**



% change (from Sept. 16, 2008 to Jul. 26, 2011)

Strengthening Business Foundations During Recessions Will Substantially Increase Profits When the Market Recovers

[e.g. SBI SECURITIES]

	Period with highest income (FY2005)* ₁		FY2010	Change
Individual brokerage trading value of 3 exchanges (1 st , 2 nd sections) and JASDAQ (Y trillion) ^{*2}	335.8		128.5	-61.7%
Number of accounts at SBI SECURITIES	1.23 million		2.21m	+0.98m
SBI's share in trading value (%)	23.1		33.8	+10.7 pts.
Avg. commission rate (basis point)	4.7		3.7	-1.0 bps.
(Y billion)				
Brokerage commissions	48.6		16.3	-66.5%
Other revenues	22.4		27.7	+23.7%
Operating income	36.9		9.9	-73.2%

Although brokerage commissions decreased because of a decline in individual trading value and average commission rates, the share of trading value increased, and other revenues grew due to profit diversification

*1 Figures of FY2005 is based on the sum of E*TRADE SECURITIES and former SBI Securities, with the exception of average commission rate that is based on E*TRADE SECURITIES only.

*2 Source: Disclosed data from TSE and OSE

Simulation^{*1}: When Trading Value Recovers to Past Levels

Assumptions: Items below will not change from FY2010

- ◆ The share in individual brokerage trading value (33.8%)
- ◆ The average commission rate (3.7 basis points)
- ◆ Revenues from investment trusts, bonds and FX trading businesses

If individual trading value recovered to:

**Level of the highest
income period
(FY2005)**

Y335.8 trillion

**Y74.1 billion
(+68.2%)**

**Y36.5 billion
(+269.9%)**

**Level of pre-
Lehman Shock
(FY2007)**

Y244.2 trillion

**Y61.6 billion
(+39.9%)**

**Y25.6 billion
(+159.1%)**

**Individual brokerage trading value of the 3
exchanges (1st, 2nd sections) and JASDAQ**

SBI SECURITIES

Operating revenues ^{*2}

Operating income ^{*2}

 **Profits expected to increase substantially when the market recovers**

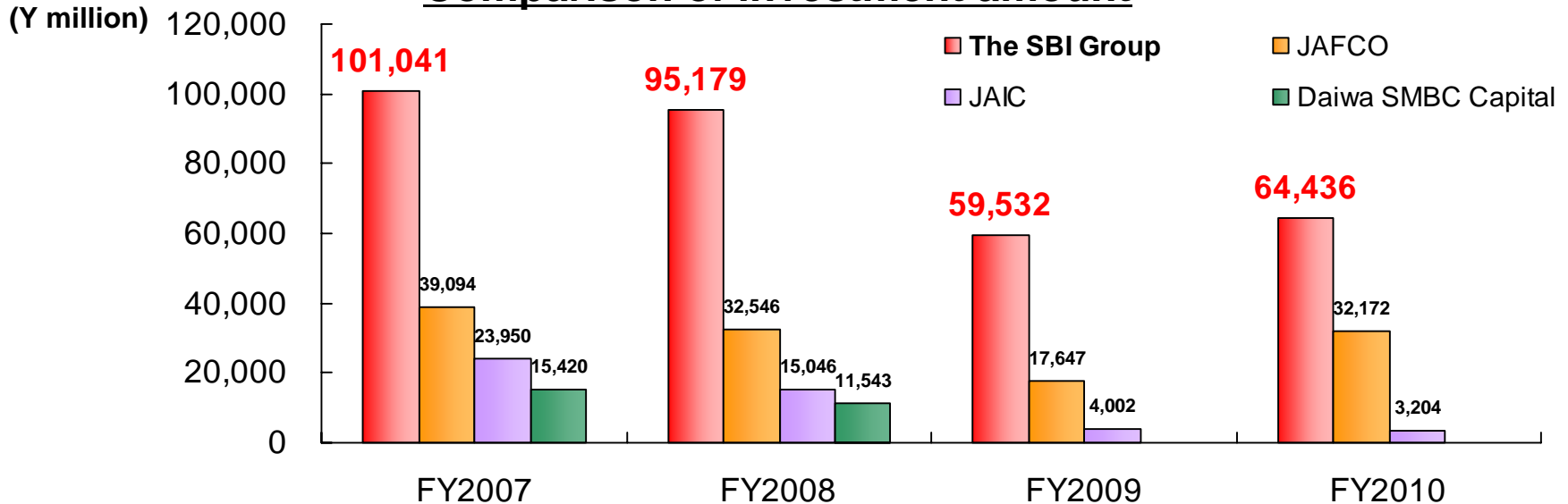
^{*1} These are just simulations based on simple assumptions, and are not forecasts of future results.

^{*2} Figures in parentheses are % changes from FY2010 consolidated results.

Even After the “Lehman Shock”, Strategic Investments Continues

SBI regards the downturn in the world economy as a chance to invest at a low price

Comparison of investment amount



Comparison of number of invested companies

	FY2007	FY2008	FY2009	FY2010
SBI Group	208	118	143	185
JAFCO	168	106	101	110
JAIC	219	132	68	66
Daiwa SMBC Capital	138	63	-	-

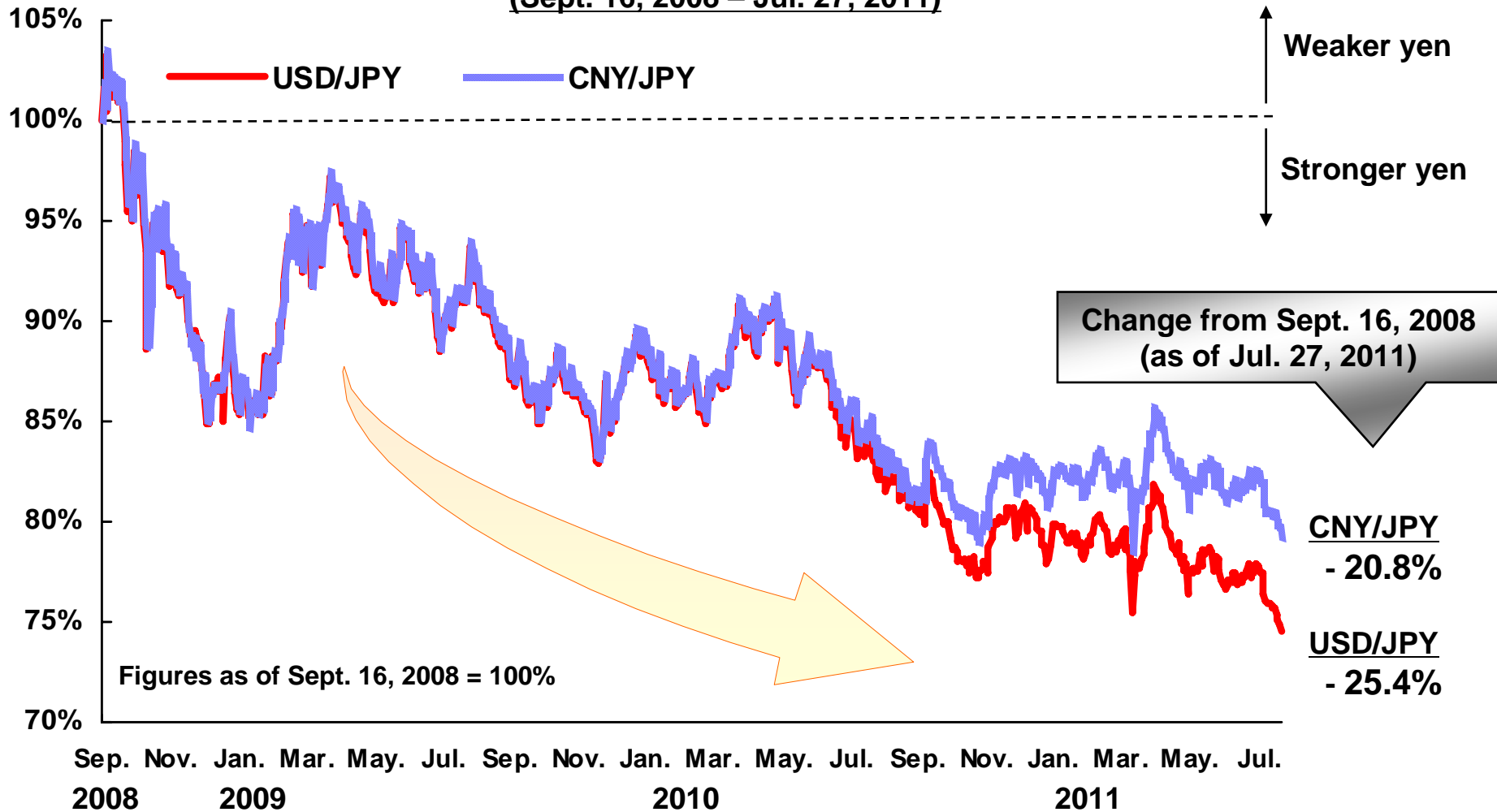
Source: Compiled by SBIH from information disclosed by each company

* Daiwa SMBC Capital delisted in Sept. 2009 and the FY2009 performance isn't disclosed.

* Includes buyout and mezzanine

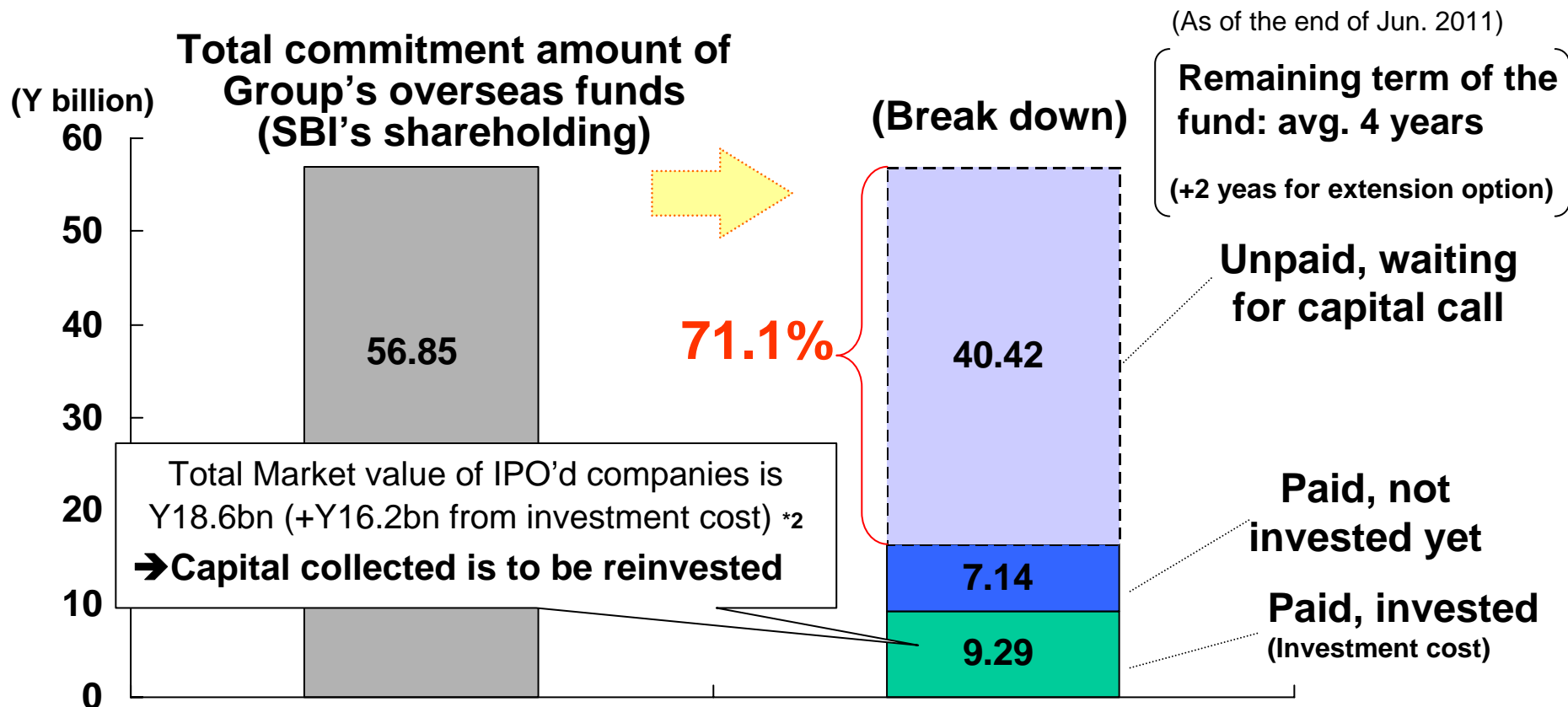
Cost of Foreign Investments on a Full-fledged Scale have been Reduced Considerably Due to the Appreciation of the Yen

Change in foreign exchange rates after Lehman Shock (Sept. 16, 2008 – Jul. 27, 2011)



Investments will Start on a Full-fledged Scale, as the Funds Established are Almost Complete

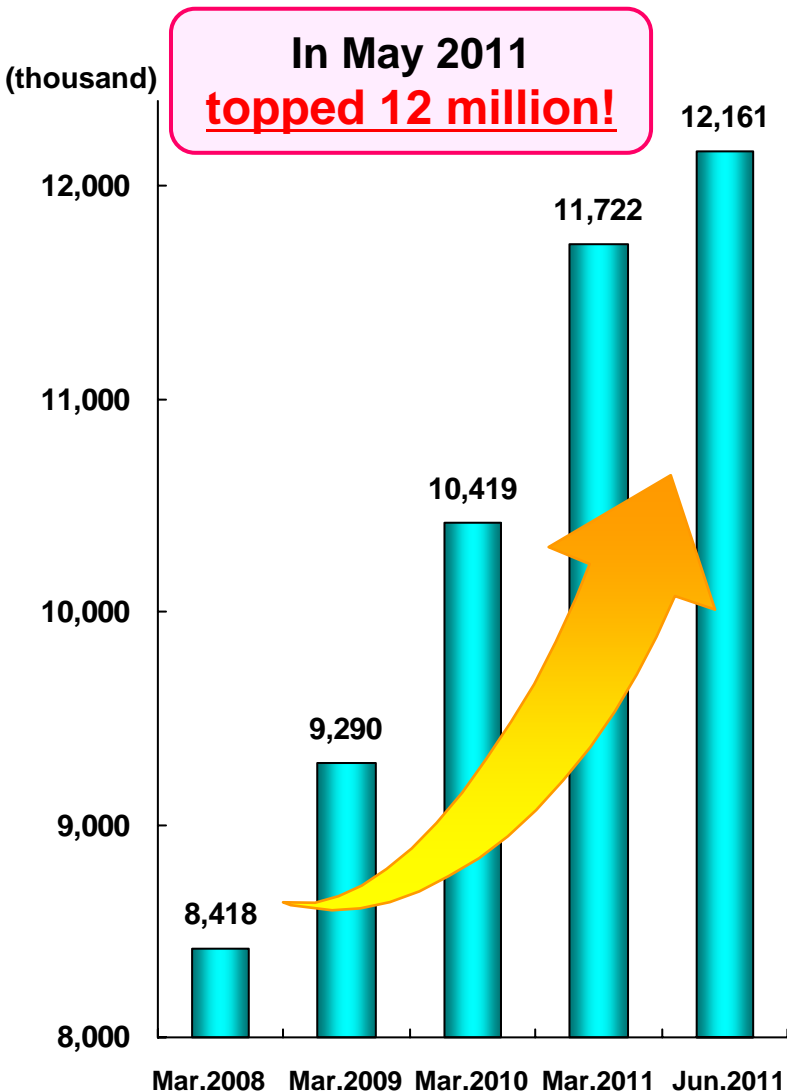
Of the total commitment amount for overseas funds of Y56.85bn (SBI's interest), 71.1% will be paid in the future, so the investment cost is reduced substantially with the appreciation of the yen. *1



*1 Total amount of the funds which SBI invested as GP (based on financial summary of 1Q FY2011), New Horizon Fund 2 and New Horizon Fund 3 (Exclude New Horizon Fund 1 which is in harvest period and MASDAR-SBI Fund, SBI European Fund which are to be liquidated). FX rate is as of the end of reporting period of each fund.

*2 FX rate is as of the end of June2.

The SBI Group's Rapidly Expanding Customer Base



Breakdown of the customer base (as of the end of Jun. 2011)

	(thousand)	(thousand)
SBI SECURITIES	(Accounts)	2,257
SBIH InsWeb	(No. of customers)	4,075
E-LOAN	(No. of customers)	1,032
Other financial websites	(No. of customers)	139
MoneyLook	(Total no. of customer registrations)	688
Morningstar Japan	(New portfolio customer registrations)	74
SBI Card	(Valid cards issued)	120
SBI Sumishin Net Bank	(Accounts)	1,150
SBI Insurance	(Total no. of contracts)	287
Autoc one	(Total no. of service users in 2010)	1,100
Lifestyle-related websites	(Total no. of customer registrations)	735
SBI Credit	(No. of customers)	96
Others		410
Total		12,161

* 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.

* The total number of contract of SBI Insurance excludes continuing contracts, expiring contracts and early-withdrawal

<Appendix>

Assets under Management of the SBI Group

Y515.5bn as of the end of Jun. 2011

Private equity, etc. total: Y296.3bn

[IT/Biotechnology]	Total: 111.5
Broadband/Media	43.4
Mobile services	25.2
Biotech	13.6
Others *1,2	29.3

[Buyout/Mezzanine]	Total: 31.5
Value Up	20.8
Mezzanine	10.7

[Direct investment]	42.1
----------------------------	-------------

[Environment/Energy *2]	6.4
--------------------------------	------------

[Overseas]	Total: 104.8
China *2	19.0
Korea	13.5
Vietnam	6.3
India	7.5
Hungary	10.8
USA *2	12.2
Others *2	35.5

Investment trusts, others	Total: Y188.6bn
Investment trusts	42.2
Investment advisory	145.1
Investment companies	1.3

Real estate, others	Total: Y30.6bn
Development	19.5
Completed properties	11.2

Figures for real estate reflect a total investment amount, and investment trusts, investment advisory and others reflect net assets at market value as of the end of Jun. 2011. Figures for other funds are net assets at market value based on the latest financial reports of each fund as of the end of Jun. 2011. All figures are rounded to the nearest Y100m.

*1 Includes funds managed by HIKARI Private Equity and by SBI Trans-Science.

*2 Calculated based on the investment commitment amount if the fiscal year is not yet closed

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