



*Strategic
Business
Innovator*

SBI Holdings, Inc. 2011 Information Meeting

November 28 Nagoya

December 1 Tokyo

December 5 Osaka

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

Today's Program

Part I Explanations for the Key Questions

Part II Q&A

Part I Key Questions

- 1. Please discuss the financial results of the first half of FY2011 including the general financial condition.**
- 2. What is the current state of “Brilliant Cut”?**
- 3. How is the outlook after the first half of FY2011?**
- 4. The business strategies for the growth of the SBI Group for the next several years.**
- 5. What is the current state of “ALA related businesses” that were prioritized?**
- 6. Your thoughts on SBI's share price.**

1. Please Discuss the Financial Results of the First Half of FY2011 Including the General Financial Condition.

Key Points of 1H FY2011 Consolidated Results

- (1) The SBI Group achieved a growth in ordinary and net income in the 1H of FY2011**
- (2) The operating environment is ever more challenging due to the Great East Japan Earthquake, delay in the US economic recovery, European debt crisis and slowdown in emerging economies.**
- (3) The SBI Group promoted cost reduction and reorganization on a group-wide basis in anticipation of a worsening business environment**
- (4) Financial stability maintained**

1H FY2011 Consolidated Performance

Achieved a year-on-year increase in ordinary income and net income

(JPY million)

| | FY2010 1H (Apr.-Sept. 2010) | FY2011 1H (Apr.-Sept. 2011) | YoY (%) |
|--------------------------|---|---|--------------------------|
| Operating Revenue | 62,948 | 63,606 | +1.0 |
| Operating Income | 3,605 | 2,511 | -30.3 |
| Ordinary Income | 695 | 1,277 | +83.6 |
| Net Income | 686 | 1,113 | +62.3 |

Newspaper Article on SBI Holdings' Performance for 1H FY2011

Newspaper article

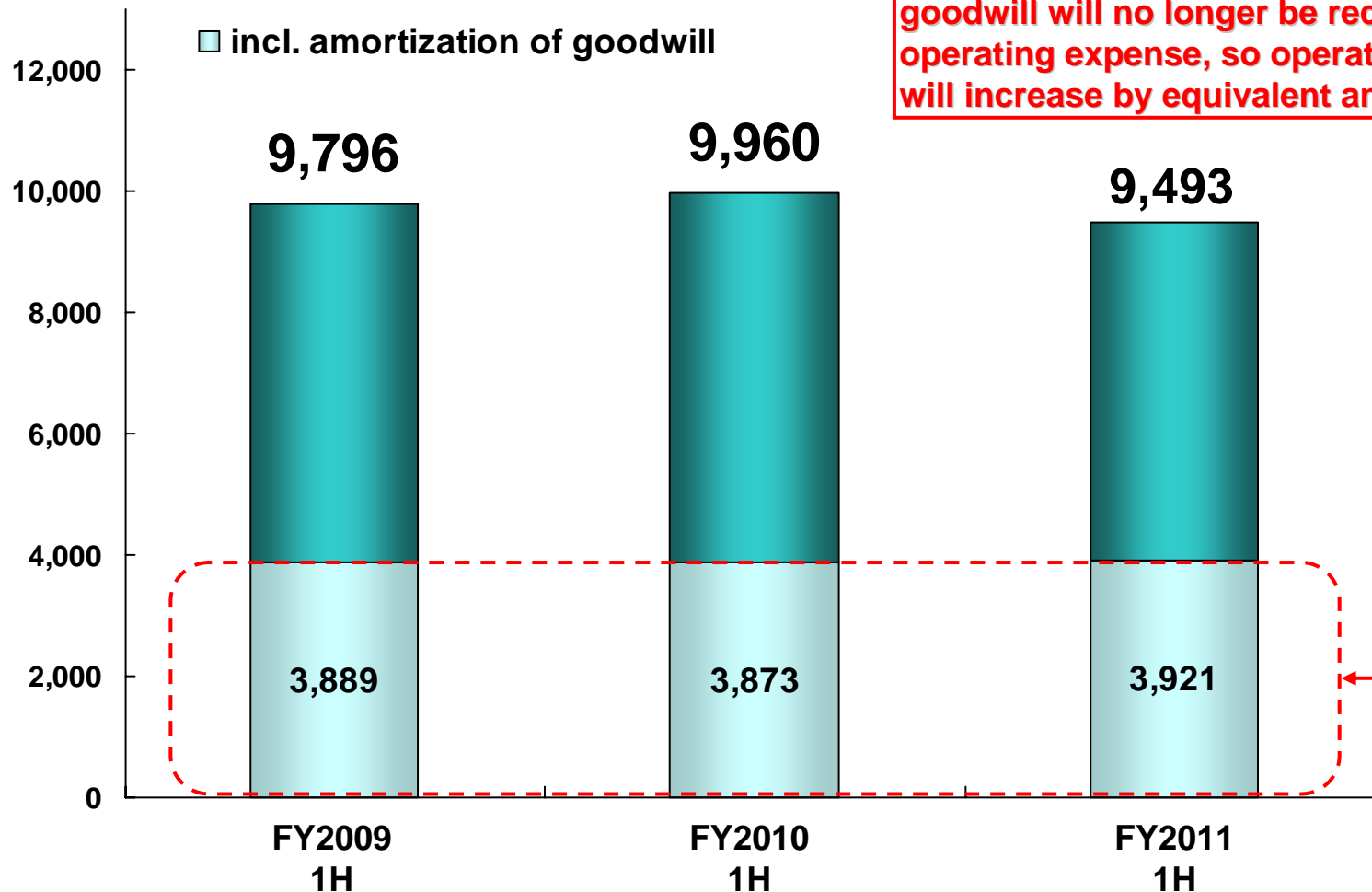
—SBI Holdings, Inc., a leading venture capital firm, posted a net income of JPY 1.1bn for the six months ended September 30, 2011, up 62% year-on-year, according to fiscal results it announced on November 26, 2011. Net income increased, backed by earnings of an online bank under its umbrella, although earnings from securities transactions worsened, owing to lower share trading values, caused chiefly by the financial uncertainty in Europe.

EBITDA Performance

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

EBITDA for 1H FY2011 showed a little YoY decrease to JPY 9,493m

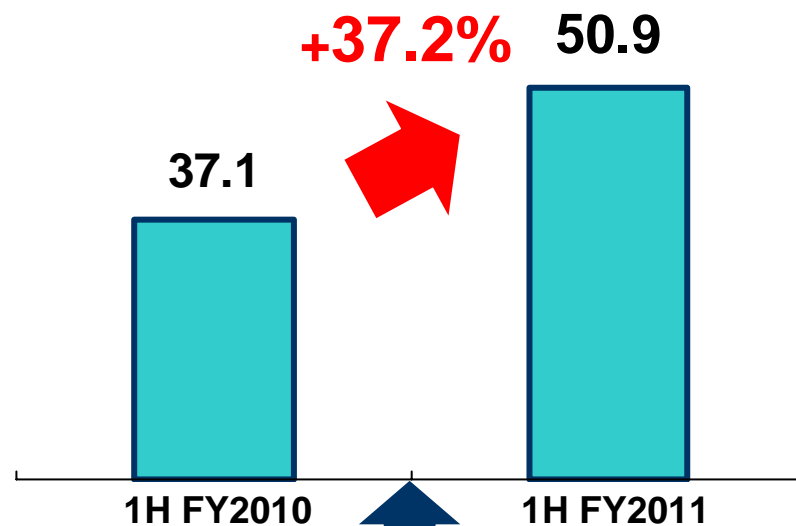
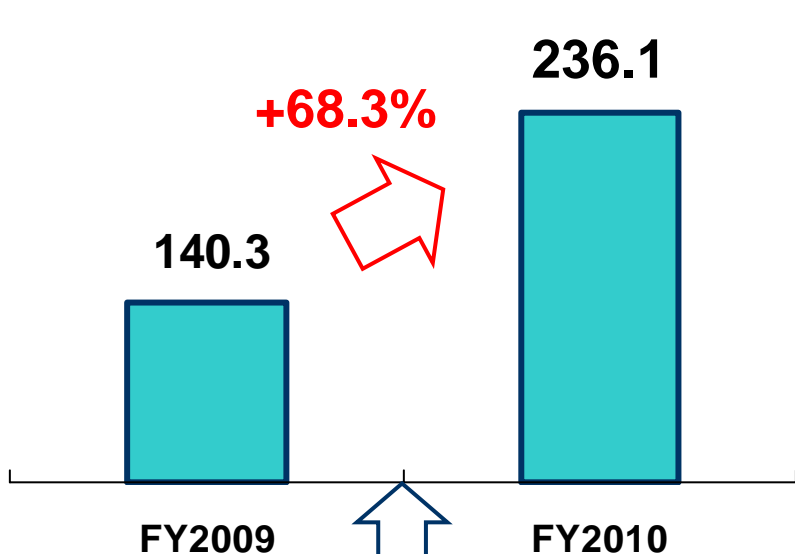
(JPY million)



Under IFRS, which SBI plans to voluntarily adopt from FY2012, amortization of goodwill will no longer be recorded as an operating expense, so operating income will increase by equivalent amount.

Net Earnings per Share after Public Offering (upon split of shares / JPY)

- The SBI Group's consideration of appropriate timing for the public offering:
 - ✓ An environment where EPS (earnings per share) can be expected to increase, even upon an increase in the number of shares



<1> PO in Mar. 2005

Capital raised *1 **JPY 35.3bn**

Dilution *3 **18.54%**

*1 total net proceeds of public offering

<3> IPO on HKEx in Apr. 2011

Capital raised *2 **JPY 16.2bn**

Dilution *3 **10.02%**

*2 total net proceeds of public offering and third party allocation.

*3 Dilution = number of shares issued / shares outstanding before capital increase

Key Points of Financial Results (2)

Deterioration of Stock Markets Worldwide Including the Eurozone Markets, Owing to the Aggravated Debt Problems in Europe

“European uncertainty sends stocks tumbling”

“German, French shares fell 25% in Jul-Sep, largest drop in 9 years”

**“Stocks in unusually thin trading worldwide;
Tokyo trading hit a 7-year low in Oct;
NY and Shanghai trading weak, too”**

Newspaper article

Newspaper article

Newspaper article

(Oct. 1, 2011 “The Nikkei” newspaper evening edition)

(Oct. 23, 2011 “The Nikkei Veritas”)

(Sept. 6, 2011 “The Nikkei” newspaper morning edition)

Stocks also Fell Sharply in the Emerging Countries, where Markets were Relatively Robust even after the Lehman Shock

Newspaper article

“Stocks and currencies also plunged in emerging countries”

—Challenges in balancing anti-inflation measures and growth

(Aug. 14, 2011 “The Nikkei Veritas”)

The market turmoil triggered by fears of economic recession in the U.S. and debt problems in Europe is also dealing a blow to emerging countries. Investors worldwide are increasingly reducing their risk assets, and there is mounting concern about slowdowns in emerging nations’ exports and economic growth. Under such circumstances, these nations’ stocks and currencies have depreciated. They look to curb inflation while achieving growth, but are now confronted with new and difficult problems.

Business Environment Worsening Owing to the Great East Japan Earthquake and the Continuance of the Debt Crisis of the Euro Zone

Stock prices fell around the world, even in emerging countries

Rates of decline from the highest prices since the Lehman Shock (Sept. 16, 2008)

| | The highest price during the term (date) | Current price (Dec. 1) | Change (%) |
|----------------|--|------------------------|------------|
| Nikkei 225 | 12,115.03 (09/24/08) | 8,597.38 | -29.0 |
| Dow Jones | 12,807.36 (05/02/11) | 12,045.68 | -5.9 |
| DAX (Germany) | 7,527.64 (05/02/11) | 6,035.88 | -19.8 |
| SENSEX (India) | 21,004.96 (11/05/10) | 16,483.45 | -21.5 |
| VN (Vietnam) | 624.1 (10/22/09) | 380.10 | -39.1 |
| SSE Composite | 3,471.442 (08/04/09) | 2,386.86 | -31.2 |

Since much anxiety remains, as the Greek crisis spilled over to Italy, the world economy may worsen than the time of the Lehman Shock

Promoting Cost Reduction and Fundamental Business Improvement on a Group-wide Basis in Anticipation of the Worsening Business Environment

~Excerpt from CEO's email sent to the SBI Group's employees in June 2011~

The SBI Group has been working toward recovery after the economic crisis that began in the autumn of 2008. The global economy is becoming more volatile by the day due to the following factors:

- Impact of the Great East Japan Earthquake
- Concern about inflation and a real estate bubble in China
- Concern about a double-dip recession in the US after the economic crisis of 2008
- Debt crisis in EU countries such as Greece

Opaque outlook on the global economy and unstable situation in the equity market are making the Group's management more difficult than it was before the autumn of 2008.

The SBI Group needs to be united and implement various countermeasures as early as possible to overcome such difficult situation. To this end, all employees are asked to drastically improve their operations and uncompromisingly slash expenses, more than they did before the economic crisis that began in 2008.

Change in SG&A

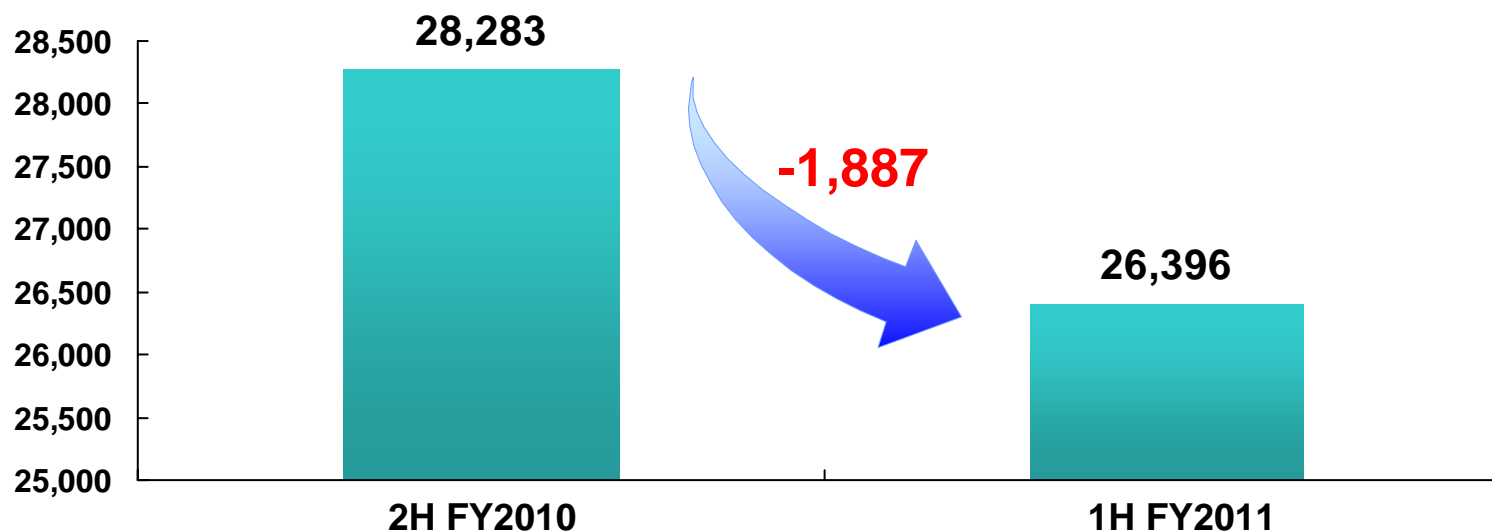
- ✓ In June 2011, each Group company assigned officers with the responsibility of cutting costs, in order to strengthen the cost cutting effort with respect to outside vendors (agent service fees, system costs, etc.)
- ✓ Curbed new hires in anticipation of the reassignment of employees upon a Group reorganization

(JPY million)

| | 2H FY2010 | 1H FY2011 | HoH change |
|---------------------|-----------|-----------|------------|
| Total SG&A | 33,916 | 31,342 | -2,574 |
| Controllable costs | 28,283 | 26,396 | -1,887 |
| Amortization etc. * | 5,633 | 4,945 | -687 |

*Amortization of goodwill and noncurrent assets, allowance for bad debts, and so forth

■ Change in controllable costs (JPY million)



Organizational Restructuring Implemented in 1H FY2011 <1>

Acquisition of Full Ownership

- **SBI Holdings acquired 100% ownership of SBI VeriTrans**

SBI VeriTrans was delisted on August 1, through a share exchange with SBI Holdings

- ➔ **The SBI Group utilizes SBI VeriTrans' management resources, and SBI VeriTrans accelerates 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 wholly owned subsidiary of Morningstar Japan through an exchange of shares, and merged with it on July 1

- ➔ **Led to cost reductions and enhanced sales capabilities, and operating profit of the business of former Gomez Consulting in 2Q (July-Sept.) recorded JPY 19m, a 13-quarter high**

Organizational Restructuring Implemented in 1H FY2011 <2>

JV Establishment

- Established **SBI-LG Systems**, a joint venture with Korea's **LG CNS**, targeting substantial system cost reductions
 - ➔ Invited Mr. Jun Suzuki, a former Corporate Executive Vice President of Nomura Research Institute, Ltd., to be Representative Director and CEO on April 1, and started full-fledged operations

Liquidation, Disposal of Equity Interest

- Liquidated **SBI ArchiWorks** on April 25
- Management of Hungary Fund ended at the end of June, and all holdings were sold by the end of September, locking in profits
 - ➔ Hold no Hungarian-related assets, where the currency dropped sharply in recent months

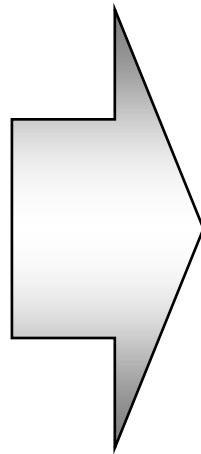
Features of SBIH's Consolidated Balance Sheet

The consolidated balance sheet is inflated as compared to a company's true present underlying financial condition, since it includes customer assets at subsidiary SBI SECURITIES

End of Sept. 2011 (JPY billion)

| | |
|---------------------------------|--------------------------------------|
| Assets 1,561.5 | Liabilities 1,098.5 |
| | Net Assets 463.0 |

Eliminated all asset and liability items associated solely with the securities company



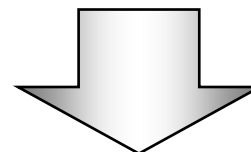
| | |
|-------------------------------|------------------------------------|
| Assets 846.2 | Liabilities 383.2 |
| | Net Assets 463.0 |

SBIH's Stable Financial Base

Consolidated financial indicators of SBI Holdings (%)

| | | Mar. 2010 | Sept. 2010 | Mar. 2011 | Sept. 2011 |
|-----------------------------|----|-----------|------------|-----------|------------|
| Current Ratio | *1 | 131.2 | 134.6 | 131.8 | 123.8 |
| Interest-bearing Debt Ratio | *2 | 58.2 | 55.9 | 54.1 | 57.3 |
| Equity Ratio | *3 | 29.2 | 30.9 | 30.2 | 25.6 |

Substantive figures after adjusting for asset and liability accounts associated solely with the securities company



Keeps sound levels

| | | Mar. 2010 | Sept. 2010 | Mar. 2011 | Sept. 2011 |
|-----------------------------|----|-----------|------------|-----------|------------|
| Current Ratio | *1 | 182.3 | 184.4 | 185.6 | 176.1 |
| Interest-bearing Debt Ratio | *2 | 58.2 | 55.9 | 54.1 | 57.3 |
| Equity Ratio | *3 | 46.9 | 47.3 | 48.7 | 47.3 |

*1 Current assets / Current liabilities

*2 Interest-bearing debt / Equity (Shareholders' equity + Accumulated other comprehensive income)
Note: Interest-bearing debt does not include Margin transaction liabilities

*3 Equity / Total assets

To Improve Long- and Short-term Debt Balance

Measures to improve balance

- Concluded a long-term commitment-line contract (period: three years; upper limit: JPY 40.0bn*) with the main bank in September, ensuring stable borrowings over the long term. (JPY 20.0bn has been borrowed as of the end of September.)
- Considering changing some (about JPY 30.0bn) one-year SBI Bonds (Euro MTN) to medium- to long-term bonds, taking into account the market environment.

Cash and deposits (end of Sept. 2011, consolidated basis): **JPY 134.9bn**

Interest-bearing debt balance (End of Sept. 2011) (If execute the above)

| | | | |
|---------------------------|--------------------|---|--------------------|
| Short-term debts * | JPY 178.6bn |  | JPY 128.6bn |
| Long-term debts * | JPY 50.5bn | | JPY 100.5bn |

* Borrowings based on the said contract are booked as short-term loans on consolidated balance sheets, but here they are accumulated as long-term debts.

Summary of Major Business Segments

Asset Management Business

- **The number of IPOs in the domestic market during the first half of FY2011 bounced back to 13. However, owing to the global market downturn, the average amount of fund procurement in the 2Q (July – Sept.) in the global IPO market was half the amount of the previous fiscal year.**
- **In the first half of FY2011, a total of 5 SBI portfolio companies conducted IPOs, with 3 being done overseas and 2 domestically.**
- **Net proceeds received on a JPY basis decreased due to the yen's appreciation, but operating income of the Asset Management Business expanded to JPY 6.0bn, up 125% year-on-year, as SBI made active investments overseas from an early stage.**
- **With the current lowering of the investment cost, SBI will continue to expand its investment in growing segments and emerging countries.**

Domestic and Overseas IPO Market

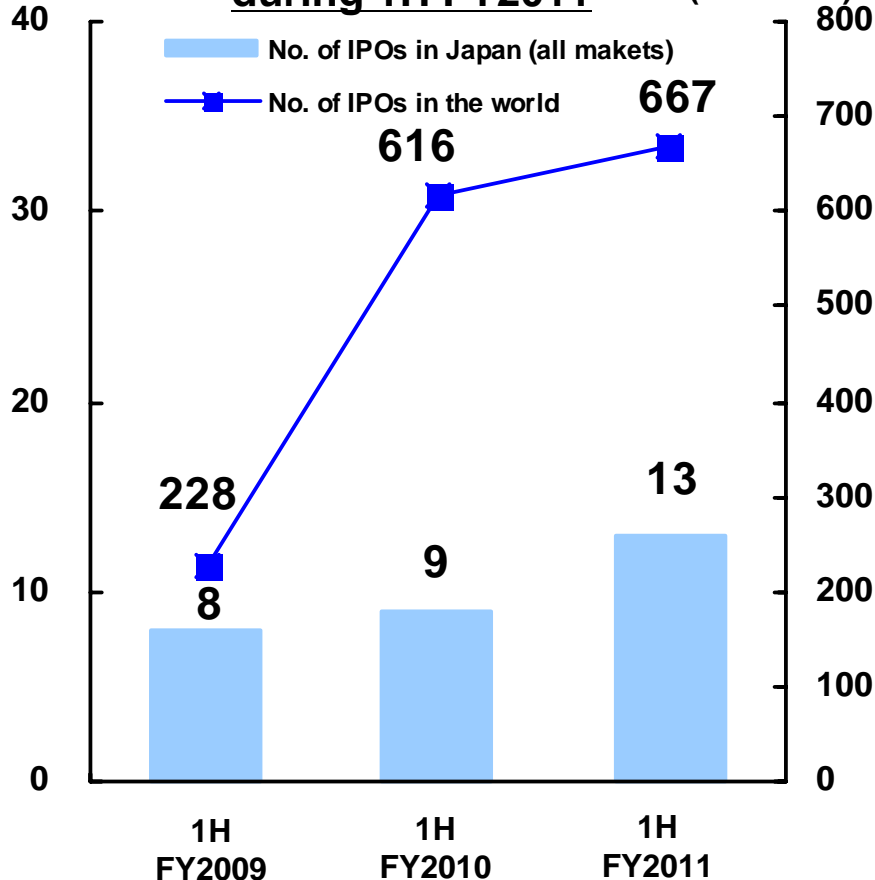
The average amount of capital raised during the 2nd quarter (July-Sept.) fell to half the value of the previous fiscal year due to the sluggish markets, though the number of both domestic and overseas IPOs in 1H increases YoY

(Companies)

Number of IPOs during 1H FY2011

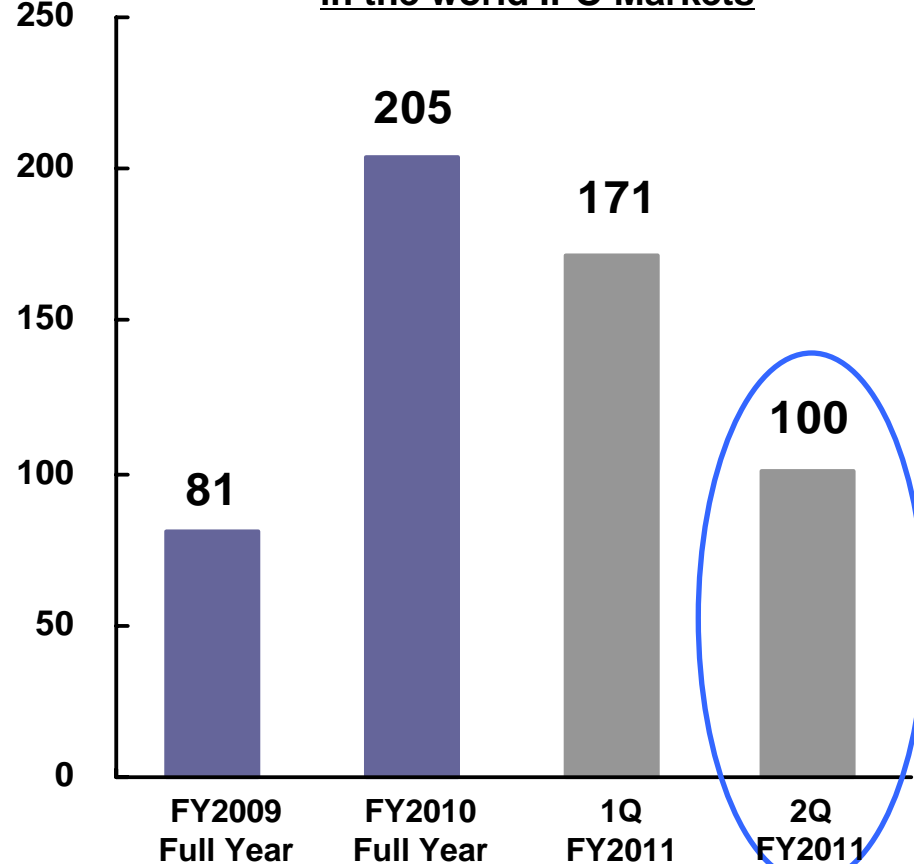
(Domestic)

(Overseas)



Change in average amount of capital raised in the world IPO Markets

(\$ million)

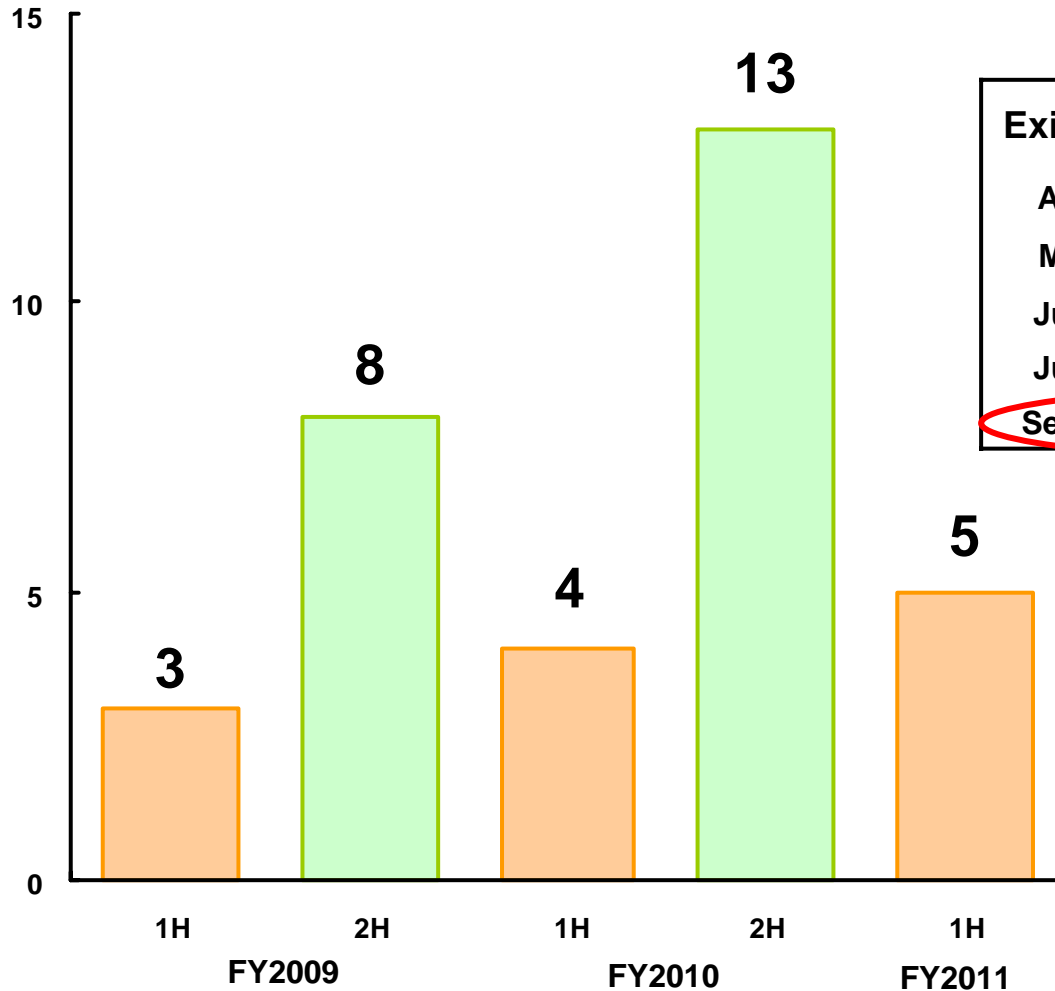


*Source: Stock exchanges, E&Y "Global IPO Update"²²

SBI Group's IPO and M&A Deals

5 Portfolio Companies Exited in 1H FY2011

(Companies)



| Exit Date | Company | Market (Country) |
|-----------|----------------------|------------------|
| Apr. 6 | PCHOMESTORE INC. | GTSM (Taiwan) |
| May 4 | Renren, Inc. | NYSE (U.S.) |
| Jul. 13 | NIBEC Co Ltd. | KOSDAQ (Korea) |
| Jul. 15 | Mebiopharm Co., Ltd. | TOKYO AIM |
| Sept. 27 | KLab Inc. | TSE Mothers |

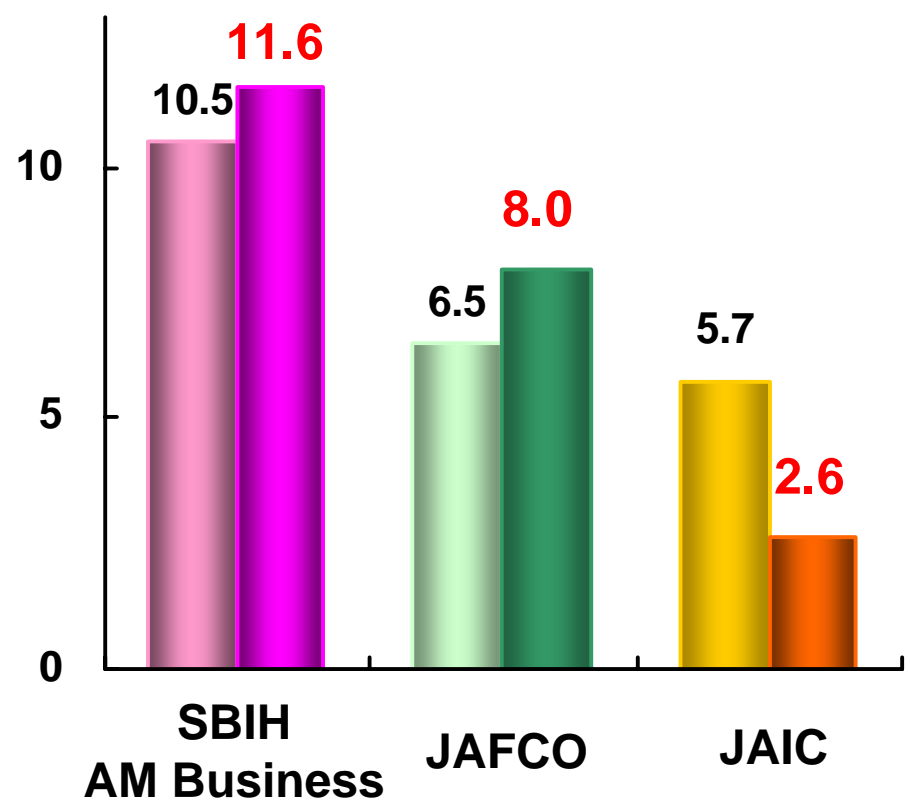
Stock price of KLab remains far higher than its public offering price, affected by the announcement of its full year financial result, of a 540% growth in operating income (FY ended Aug. 2011)

Performance Comparison of JAFCO, JAIC, and the SBI Group's Asset Management Business

Revenues

(Left: 1H FY2009, Right: 1H FY2011)

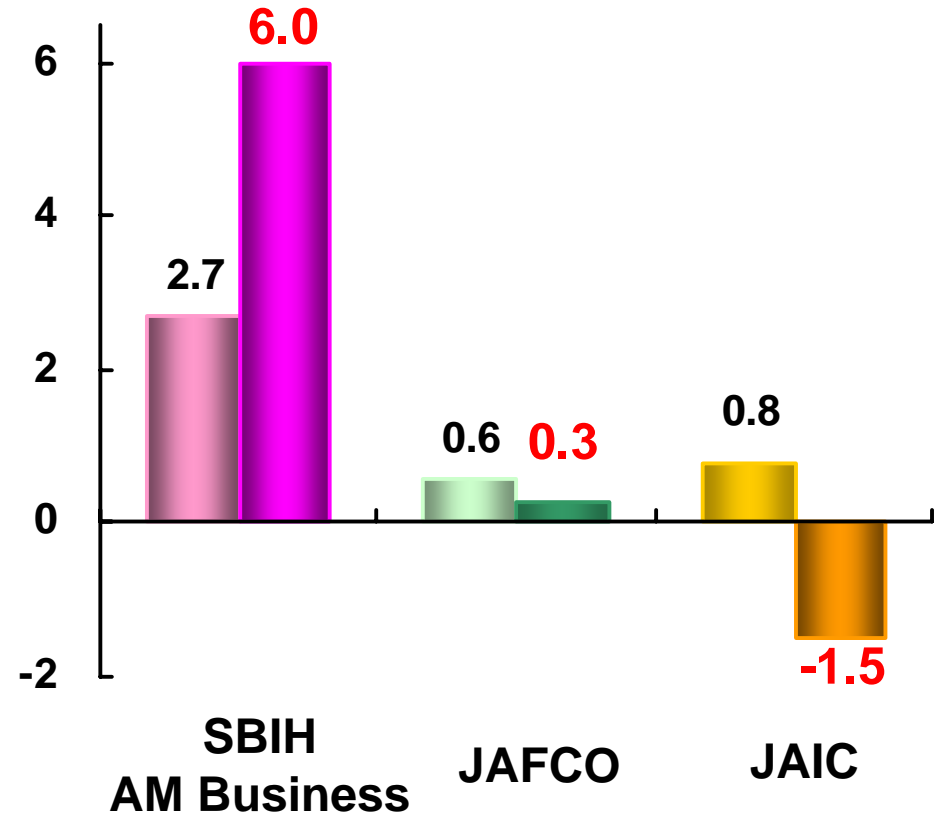
(JPY billion)



Operating Income

(Left: 1H FY2009, Right: 1H FY2011)

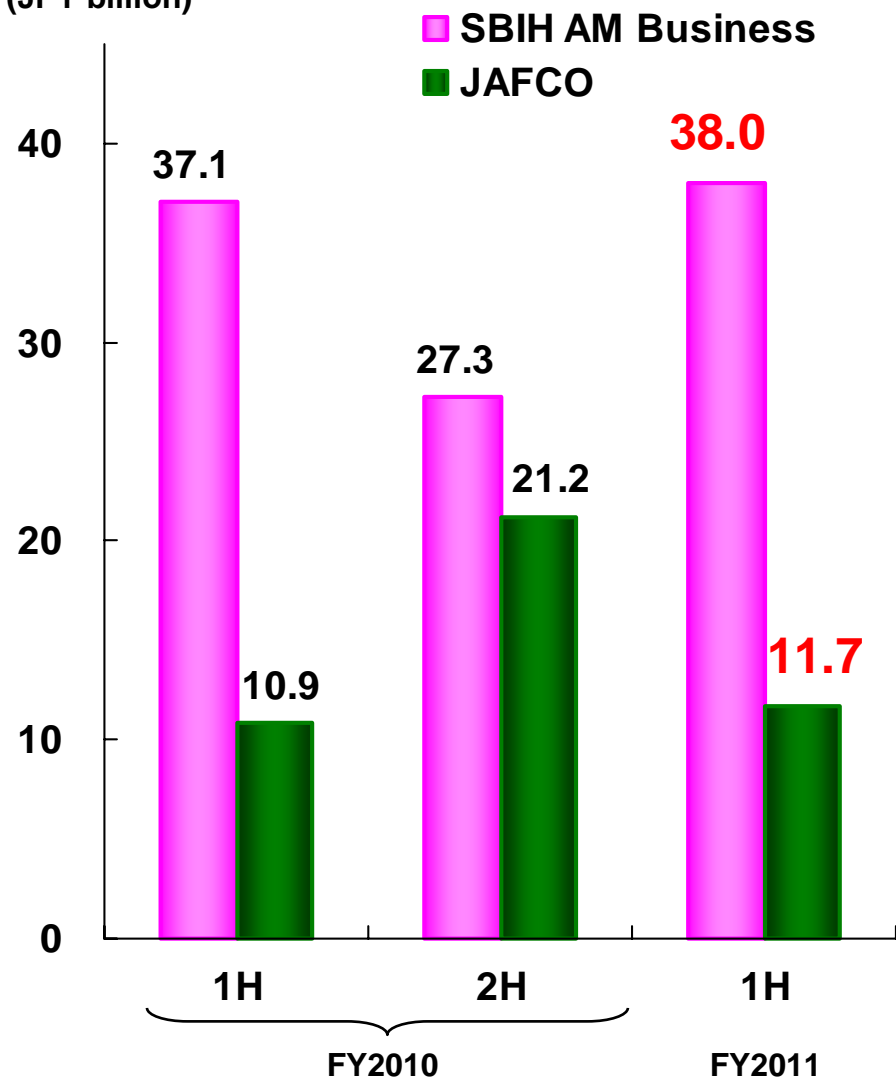
(JPY billion)



Comparison of SBI's and JAFCO's Investment Activity

New investment amount

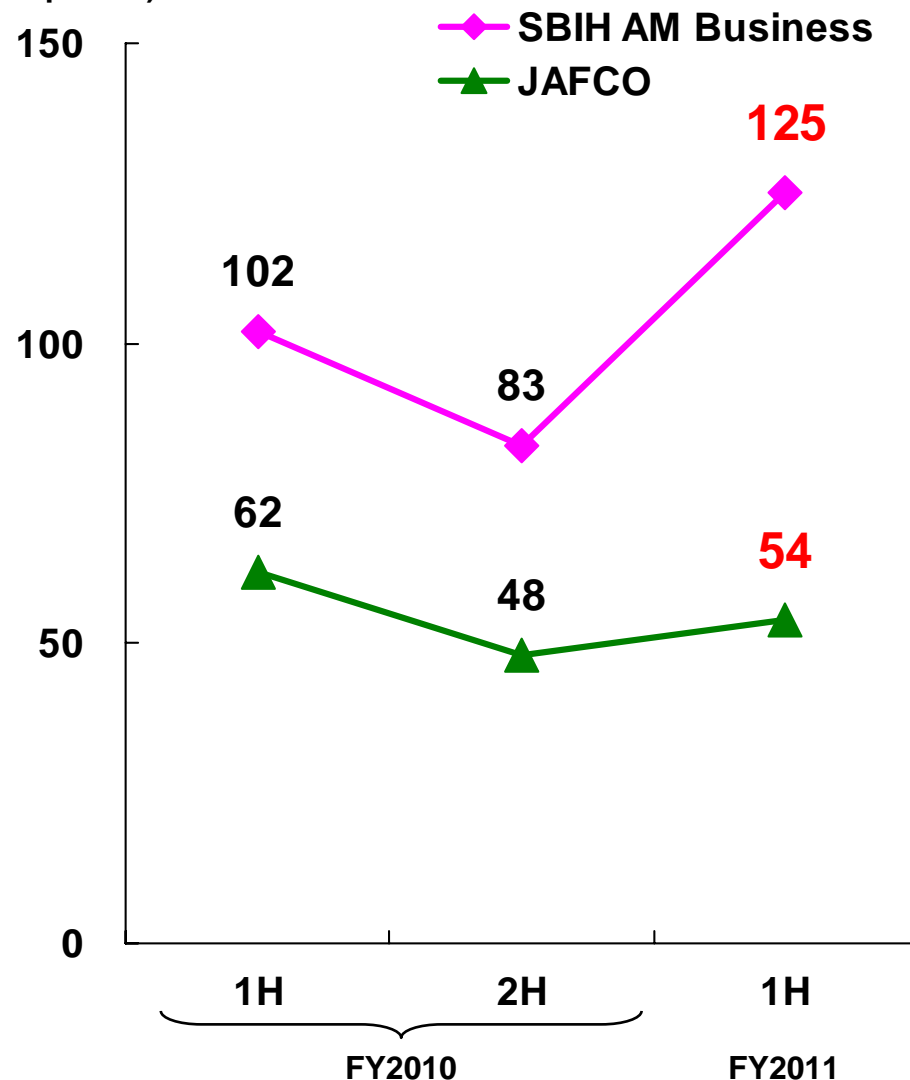
(JPY billion)



* Figures are rounded to the nearest JPY 0.1bn.

Number of invested companies

(companies)



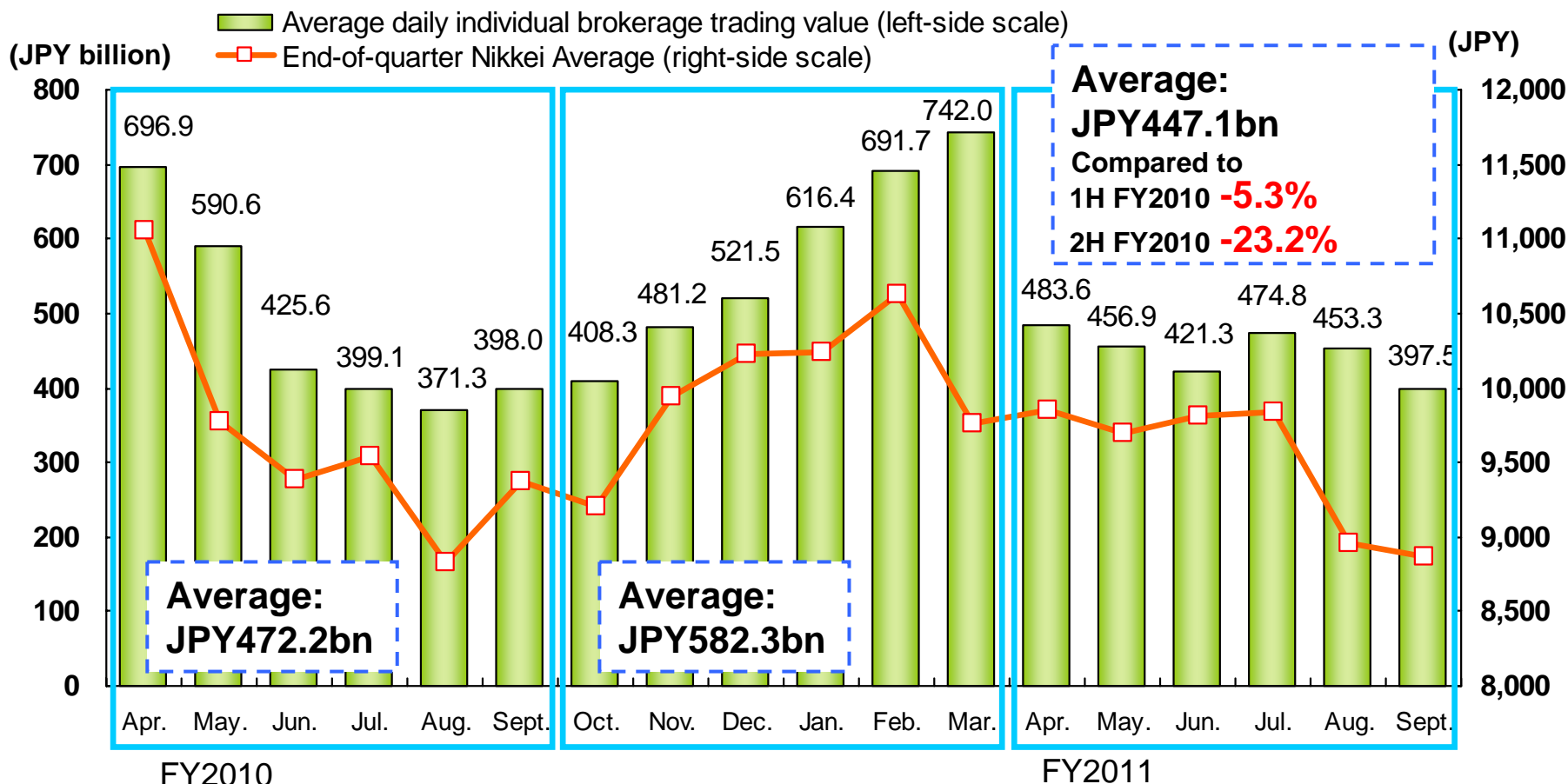
(Source: Information disclosed by each company) ²⁵

Brokerage & Investment Banking Business

- **The average daily individual brokerage trading value (three market total) decreased by 5.3% year-on-year and by 23.2% from the previous second half.** The operating environment is difficult for securities firms, as conventional securities firms recorded large deficits or declines.
- **SBI SECURITIES achieved an increase in operating revenue, operating income and ordinary income compared with the 1Q (Apr. – June),** owing to its diversification of earnings base including investment trusts, foreign bonds and FX, etc.

Comparison of Average Daily Individual Brokerage Trading Value (3 market total)

- Owing to the worldwide market downturn attributable to the continued EU crisis, the average individual brokerage trading value in the first half period declined by 5.3% from 1H FY2010 and 23.2% from 2H FY2010
- Most of the Japanese conventional securities companies recorded deficits for 1H FY2011, exemplifying the severe business conditions surrounding the securities industry



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

Conventional Securities Firms Record Large Deficits and Declines

Newspaper article

Major 3 Securities in Red
—Owing to the worldwide downturn of stock prices triggered by the Great East Japan Earthquake and the European Crisis, securities companies performed poorly. Net losses are tumbled to over JPY200bn at Nomura Holdings, Daiwa Securities Group and Mizuho Securities. Also, Mitsubishi UFJ Securities Holdings and SMBC Nikko Securities recorded double-digit year-on-year decreases in profits.

(Nov. 2, 2011. “The Nikkei” newspaper
Morning Edition Page 7)

SBI SECURITIES' Ranking in the Securities Industry

(1H FY2011)

Ranking by Net Operating Revenues

(JPY billion)

| | | |
|----|------------------|-------------|
| 1 | Nomura | 631.9 |
| 2 | Daiwa | 174.7 |
| 3 | Mitsubishi UFJ | 114.0 |
| 4 | SMBC Nikko | 112.5 |
| 5 | Mizuho | 88.4 |
| 6 | Okasan | 27.8 |
| 7 | Tokai Tokyo | 24.2 |
| 8 | Mizuho Investors | 22.4 |
| 9 | SMBC Friend | 22.1 |
| 10 | SBI | 18.6 |
| 11 | Monex | 13.1 |
| 12 | Rakuten | 9.7 |
| 13 | Matsui | 8.4 |
| 14 | kabu.com | 5.6 |

Ranking by Net Income

(JPY billion)

| | | |
|----|------------------|------------|
| 1 | Mitsubishi UFJ | 16.3 |
| 2 | SMBC Nikko | 10.7 |
| 3 | SBI | 3.1 |
| 4 | Matsui | 2.2 |
| 5 | SMBC Friend | 2.2 |
| 6 | Rakuten | 1.8 |
| 7 | Monex | 0.9 |
| 8 | kabu.com | 0.8 |
| 9 | Tokai Tokyo | 0.3 |
| 10 | Mizuho Investors | -0.4 |
| 11 | Okasan | -0.7 |
| 12 | Mizuho | -26.7 |
| 13 | Nomura | -28.3 |
| 14 | Daiwa | -28.7 |

*1 Compiled from information disclosed by securities companies with over JPY 20bn in net operating revenues and five online brokers

*2 Figures of Nomura are based on the U.S. accounting standard, and Net Revenue is substituted for Net Operating Revenues

*3 On a consolidated basis, except as to the companies with no consolidated subsidiary

Performance Comparison of Major Online Securities Companies for 1H FY2011

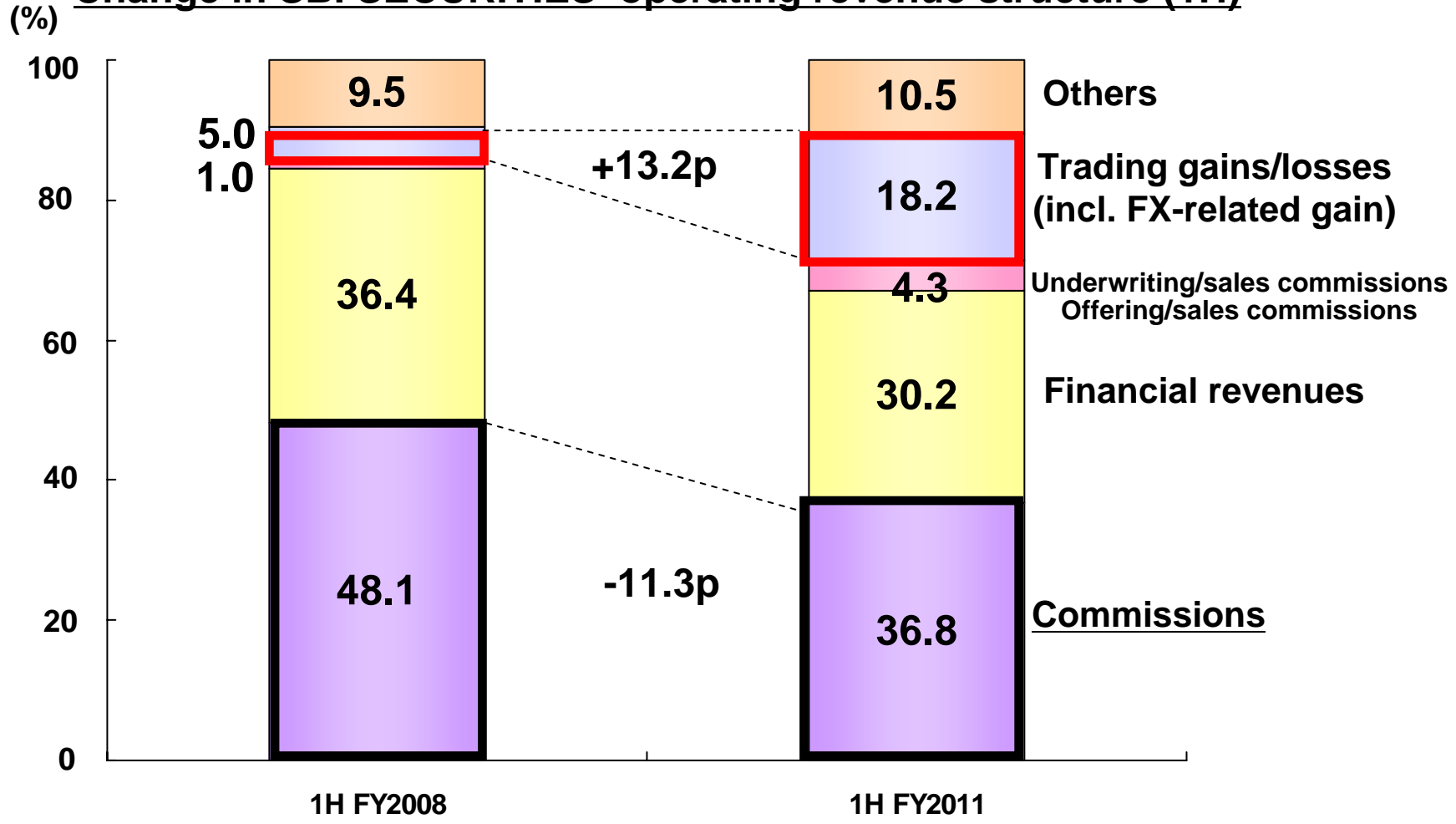
(JPY million, %)

| | 1H FY2011 Operating income | YoY change | 1Q FY2011 Operating income | 2Q FY2011 Operating income | QoQ change |
|-----------------------------|----------------------------------|---------------|----------------------------------|----------------------------------|---------------|
| SBI | 3,957 | -26.6 | 1,847 | 2,110 | +14.2 |
| Monex | 1,721 | -23.5 | 730 | 991 | +35.8 |
| Rakuten | 1,905 | -37.3 | 1,068 | 837 | -21.6 |
| Matsui | 3,736 | -29.2 | 1,778 | 1,958 | +10.1 |
| kabu.com (non cons.) | 1,554 | -27.6 | 731 | 823 | +12.6 |

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

Diversifying SBI SECURITIES' Earnings Sources

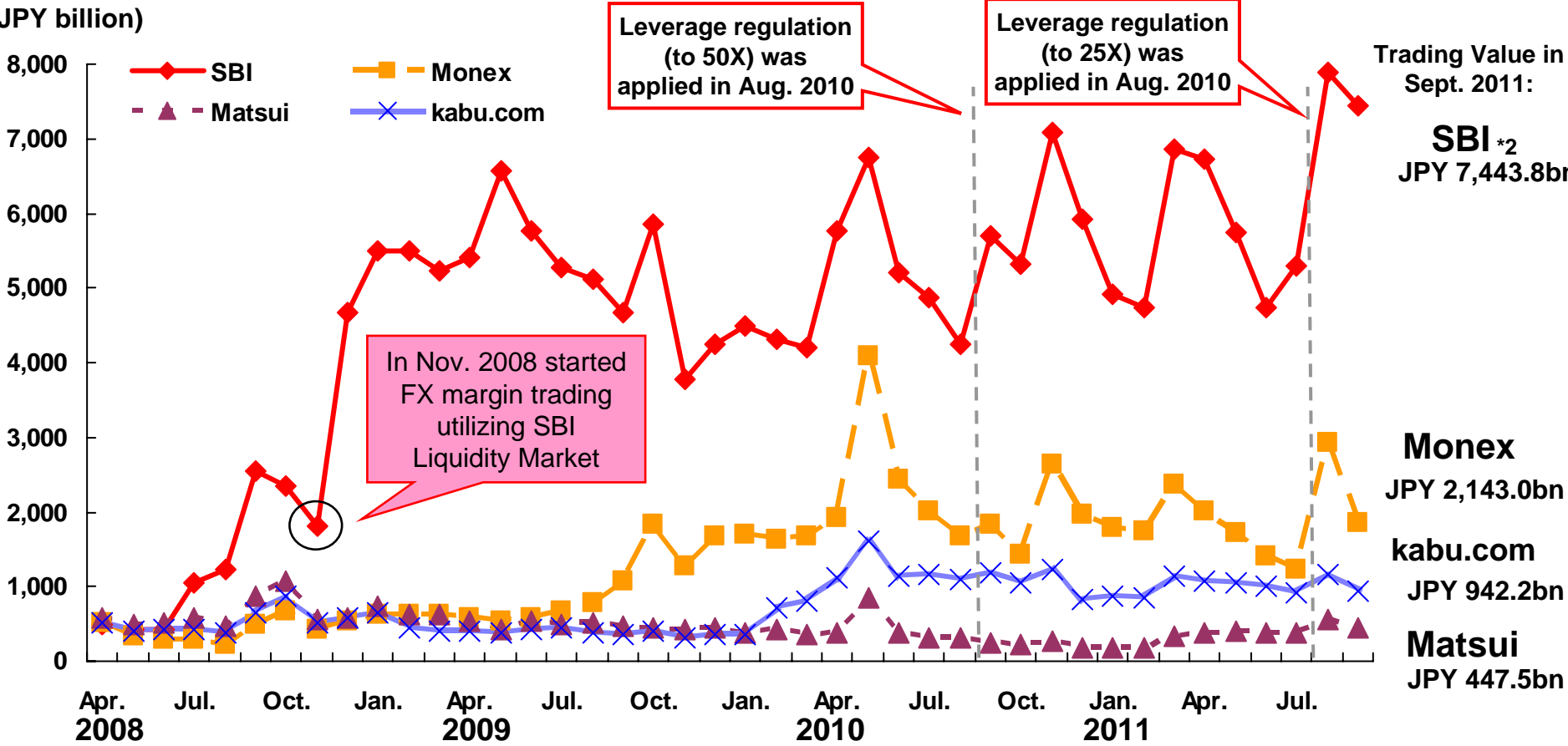
Change in SBI SECURITIES' operating revenue structure (1H)



Revenue diversification is in progress, such as an increase in trading gains, and SBI SECURITIES is becoming less reliant on stock brokerage trading commissions.

Trading Value Remains High Even after Enforcement of Leverage Regulations on August 2011 (to 25X)

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



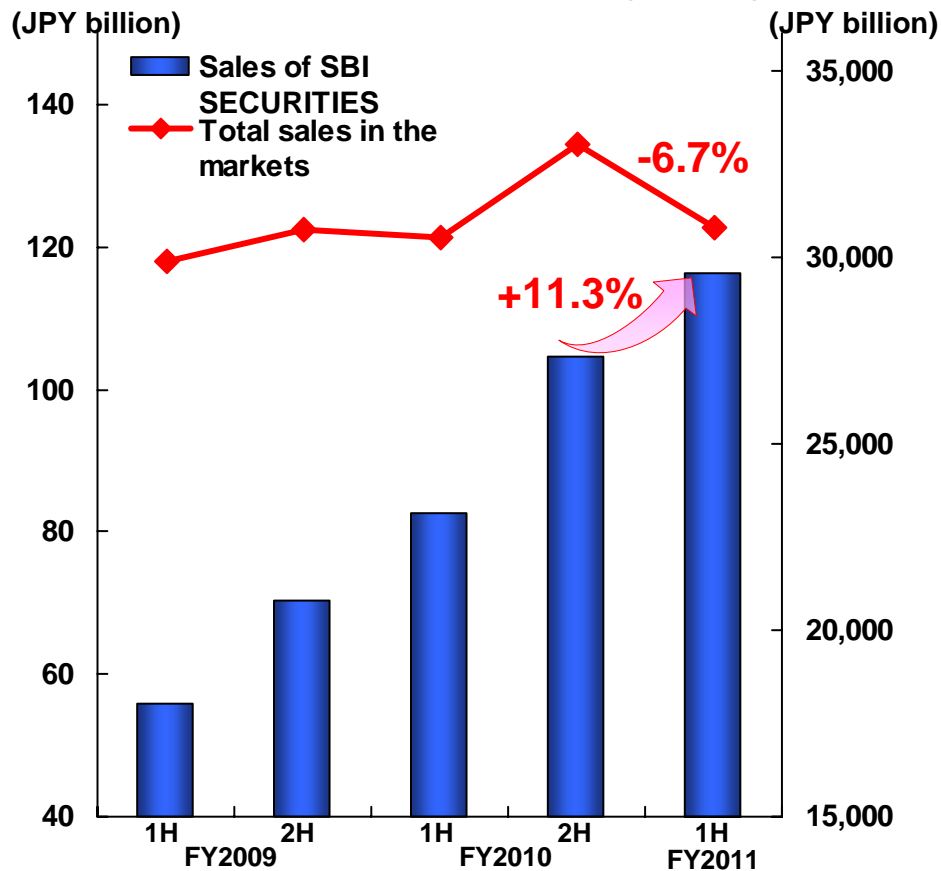
*1 Four online securities firms that disclosed the information (SBI SECURITIES, Monex, Matsui and kabu.com)

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

SBI SECURITIES Increased Its Sales of Investment Trusts While Total Sales of Investment Trust in Japan Recorded Sharp Decline

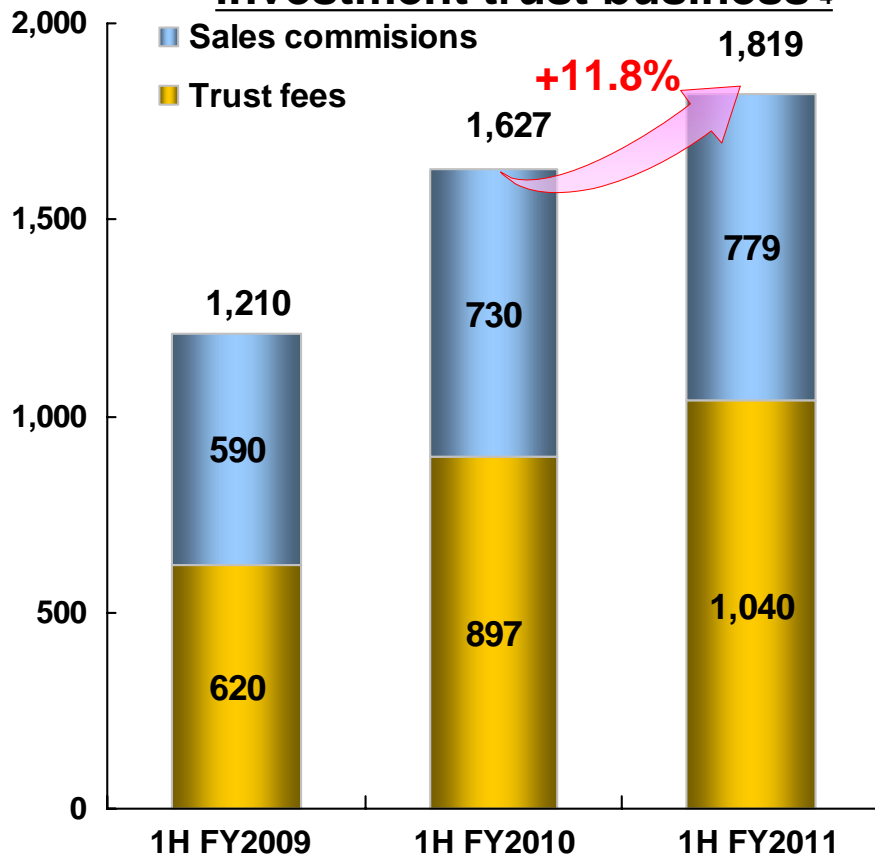
Offering the most attractive variety of investment trusts among the major online securities companies*₁ (1,133 as of Nov.15, 2011)

Sales of investment trusts in markets *₂ and at SBI SECURITIES*₃ (by half years)



Revenues from investment trust business*₄

(JPY million)



*1 Major online securities companies refer to: SBI SECURITIES, Rakuten securities, kabu.com securities and Monex securities

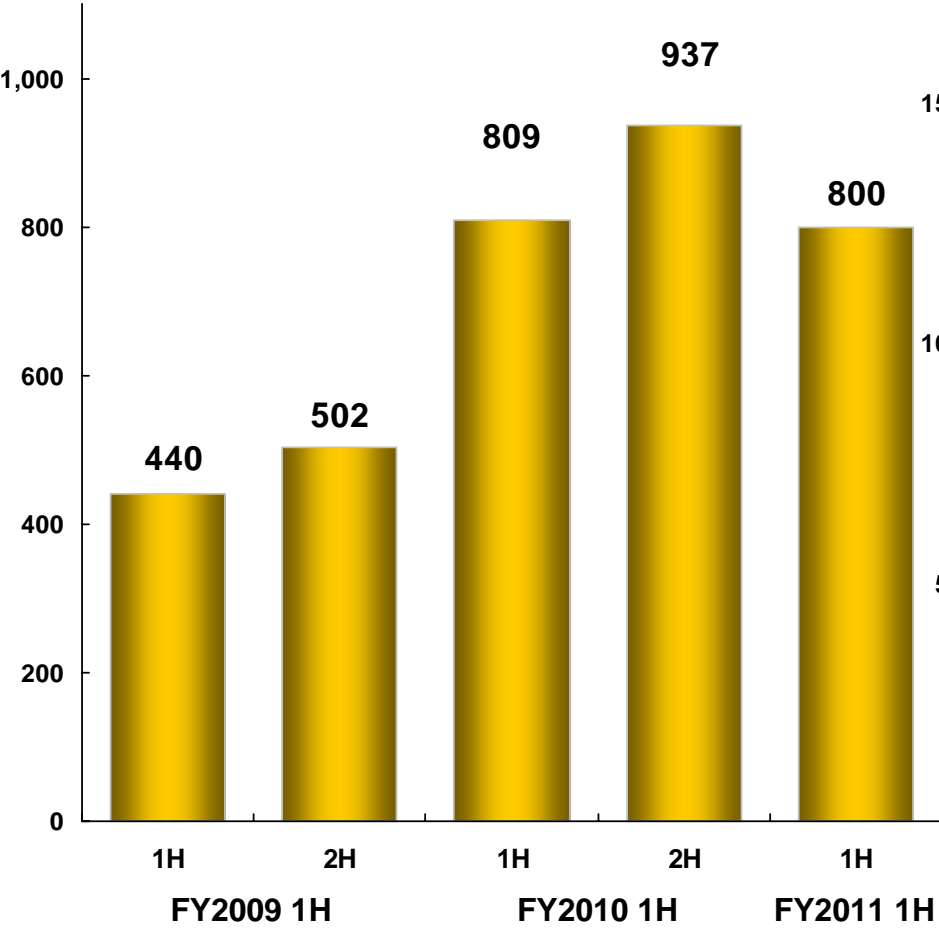
*2 The sum of contractual-type investment trust sales, compiled by SBIH from published sources such as The Investment Trust Association, Japan

*3 Includes MMF and China funds *4 Sum of sales commissions and trust fees (trust fees include MRF)

Foreign Bond Sales Continues Briskly

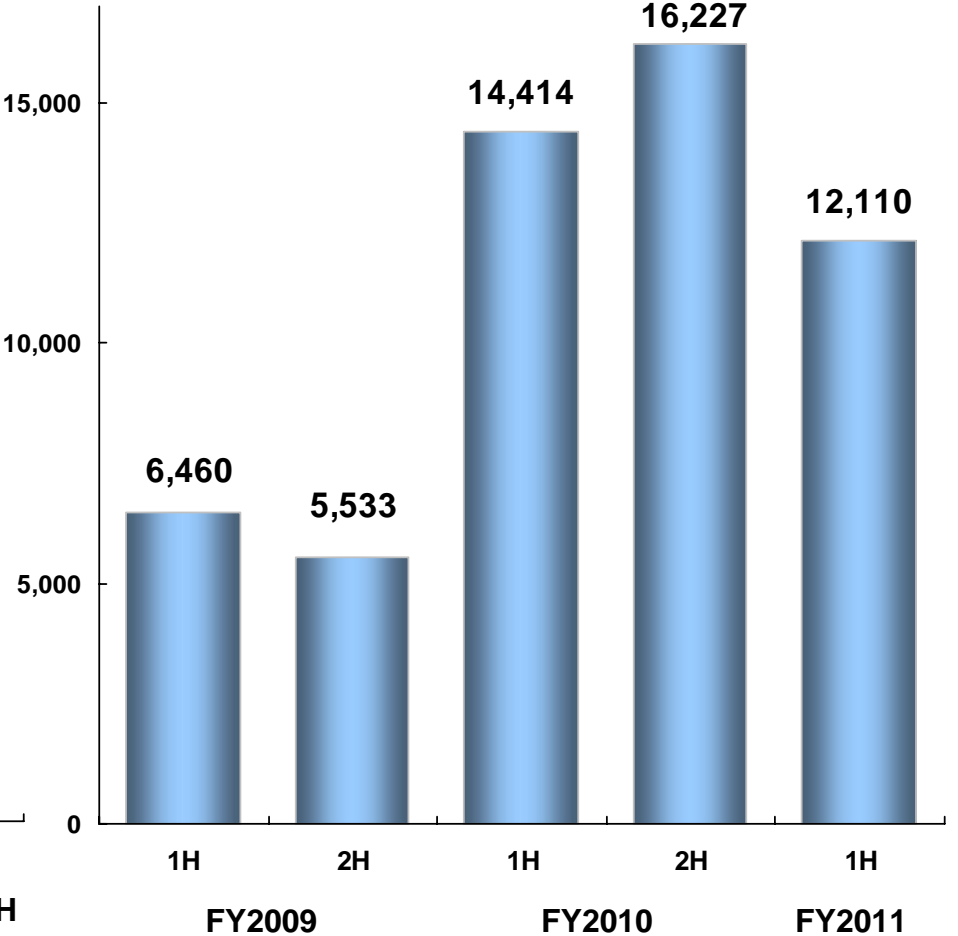
Revenues from bond business

(JPY million)



Sales of foreign currency-denominated bond (by half year)

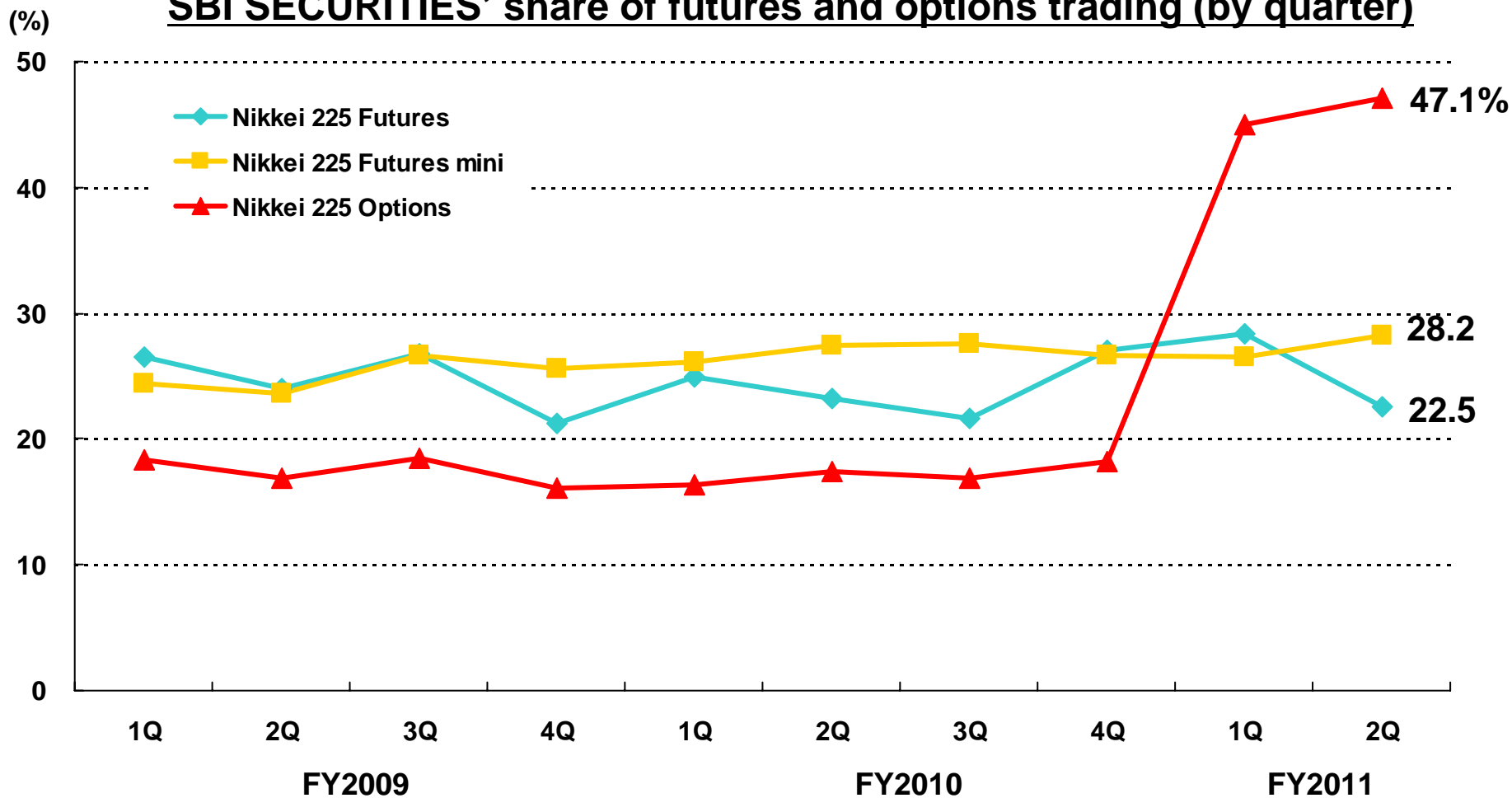
(JPY million)



Expanding Futures and Options Trading

SBI SECURITIES' market share* of Nikkei 225 options trading rose sharply to 47.1% in this second quarter

SBI SECURITIES' 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. 35

Financial Services Business

- Revenue from Morningstar Japan was down by 8.1% year-on-year due to the decrease in the number of “Kabushiki Shimbun” issued. However, the merger with Gomez Consulting on July 1 produced an integration effect, bringing the operating expense down by 13.5%, which contributed to an increase in all income categories.
- SBI VeriTrans achieved record highs in all categories of operating revenues, operating income, ordinary income and net income. As it became a fully consolidated subsidiary of SBI Holdings on Aug. 1, it will expand its operations overseas more actively in the future and will strive for “value creation” in collaboration with its overseas partners.
- SBI Sumishin Net Bank, which launched operations in Sept. 2007, recorded an ordinary income of JPY 2,548m for 1H FY2011 (consolidated basis), a substantial increase of 71.9% year-on-year.
- SBI Insurance's number of contracts written and insurance revenue increased, generating a positive operating cash flow of JPY 557m in 1H FY2011 for the first time since its establishment.

Morningstar Japan Consolidated Results

Although operating revenues declined by 8.1%, owing to a decrease in the subscription revenue of Kabushiki Shimbun, Morningstar **recorded an increase in all income categories**, owing to a 13.5% reduction in operating expenses, including the effect of its merger with Gomez Consulting on July 1.

(JPY million, %)

| | 1H FY2010 | 1H FY2011 | YoY |
|--------------------|-----------|-----------|-------|
| Operating Revenues | 1,179 | 1,084 | -8.1 |
| Operating Income | 254 | 284 | +11.6 |
| Ordinary Income | 308 | 336 | +9.1 |
| Net Income | 171 | 183 | +7.1 |

[Reference: Change in operating income of Gomez Consulting]

An increase in sales ability, owing to the effect of sharing the customer base of Morningstar, and a reduction of listing, auditing and rental cost, resulted in the 2Q FY2011 operating income as the highest in 13 quarters since 4Q FY2007. (JPY million, %)

| | FY2010 | | | | FY2011 | |
|------------------|--------|----|-----|----|--------|----|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q |
| Operating Income | 6 | 10 | -15 | 7 | 4 | 19 |

SBI VeriTrans Consolidated Results



Achieved record highs in all income categories of operating revenues, operating income, ordinary income, and net income

- **The number of transactions steadily increased by 30.5% YoY to 45.49 million,** along with the expansion of the e-commerce (EC) markets brought by prevalence of flash marketing etc.
- SBI VeriTrans delisted on July 27, and SBI Holdings acquired a 100% ownership on Aug. 1. The SBI Group will make effective use of SBI VeriTrans' operating resources (4,110 stores* of its clients), and SBI VeriTrans will accelerate its overseas business development and strive for new "Value Creation" in collaboration with its overseas partners.

*As of Sept. 2011

(JPY million, %)

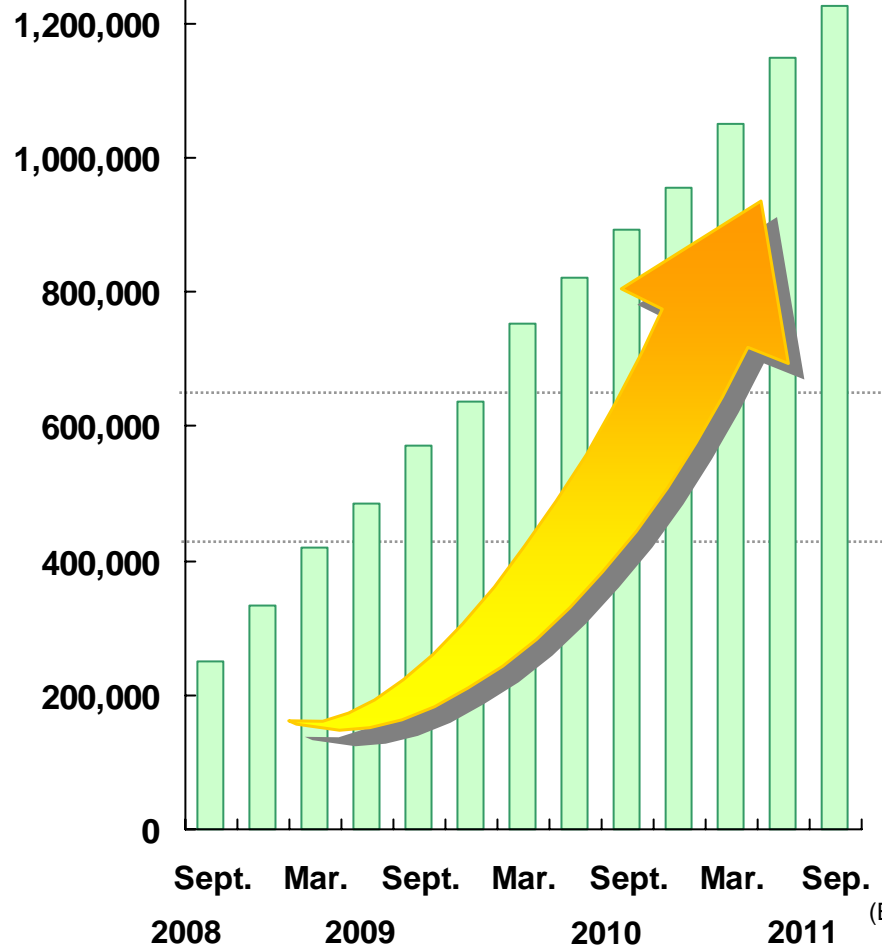
| | 1H FY2010 | 1H FY2011 | YoY Change |
|--------------------|-----------|-----------|------------|
| Operating Revenues | 2,888 | 3,578 | +23.9 |
| Operating Income | 570 | 629 | +10.3 |
| Ordinary Income | 574 | 639 | +11.3 |
| Net Profit | 341 | 377 | +10.5 |

SBI Sumishin Net Bank

Change in Number of Accounts and Deposits

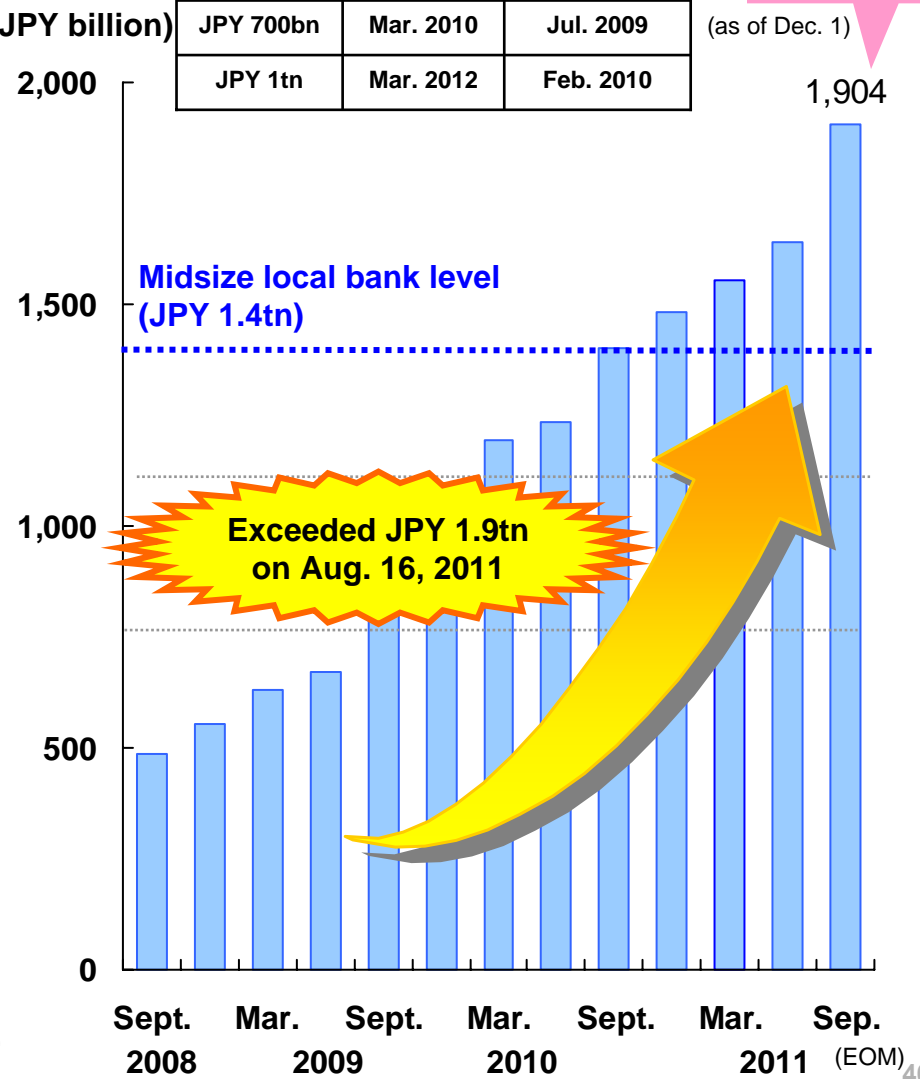
Change in numbers of accounts

| Accounts | Initial target | Achievement | (as of Dec. 1) |
|----------|----------------|-------------|------------------|
| 400,000 | Mar. 2010 | Mar. 2009 | 1,261,864 |
| 600,000 | Mar. 2012 | Nov. 2009 | 1,226,463 |



Change in deposits

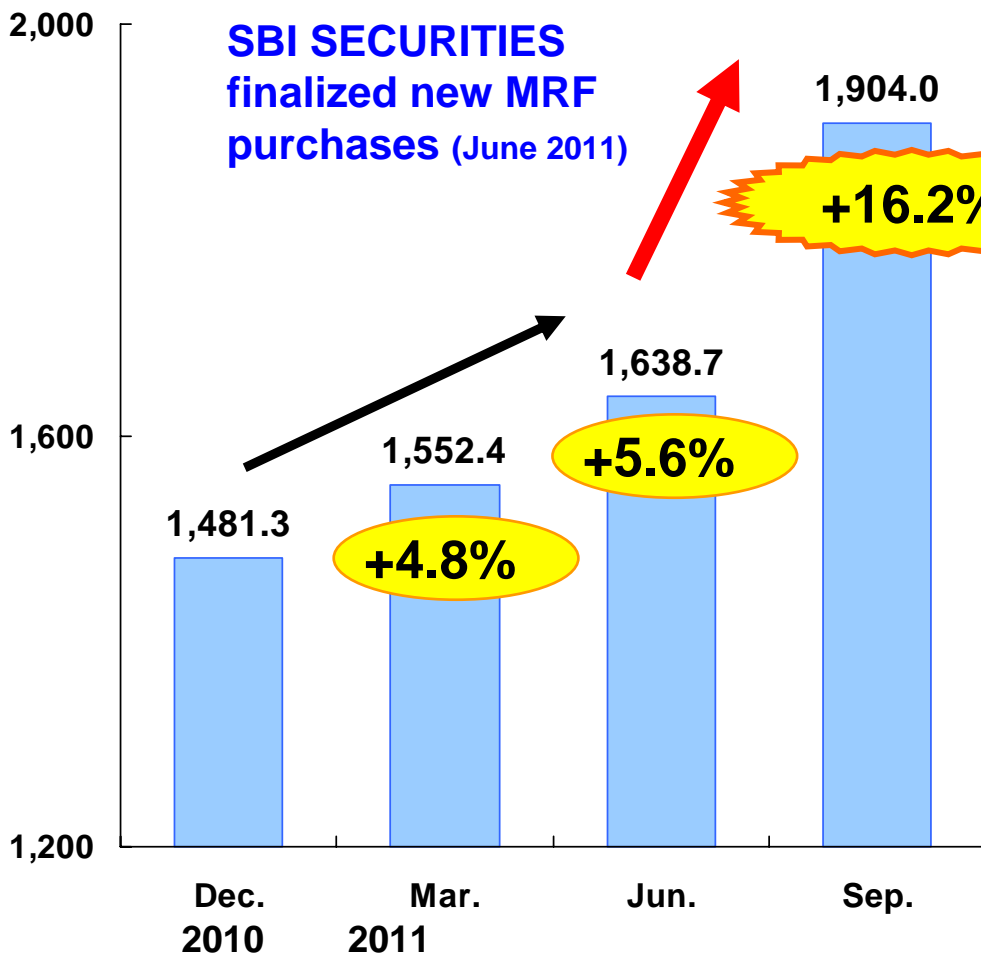
| Deposit | Initial target | Achievement | (as of Dec. 1) |
|-----------|----------------|-------------|----------------|
| JPY 700bn | Mar. 2010 | Jul. 2009 | 1,917.2 |
| JPY 1tn | Mar. 2012 | Feb. 2010 | 1,904 |



Synergy Effect Bought by the MRF Abolishment at SBI SECURITIES

Change in deposits
(Dec. 2010-Sept. 2011)

(JPY billion)



Major increase of SBI Hybrid Deposits resulted from the abolishment of MRF in SBI SECURITIES, which contributed to an increase in total deposits at SBI Sumishin Net Bank

SBI Sumishin Net Bank's benefit, owing to an increase in SBI Hybrid Deposits:

Funding cost: 0.53% (*1)

⇔ Hybrid Deposit interest rate: 0.10%(*2)

Average funding cost decreased

An increase in SBI Sumishin Net Bank's revenues

(*1) Average in FY2010 (*2) as of Nov. 25, 2011

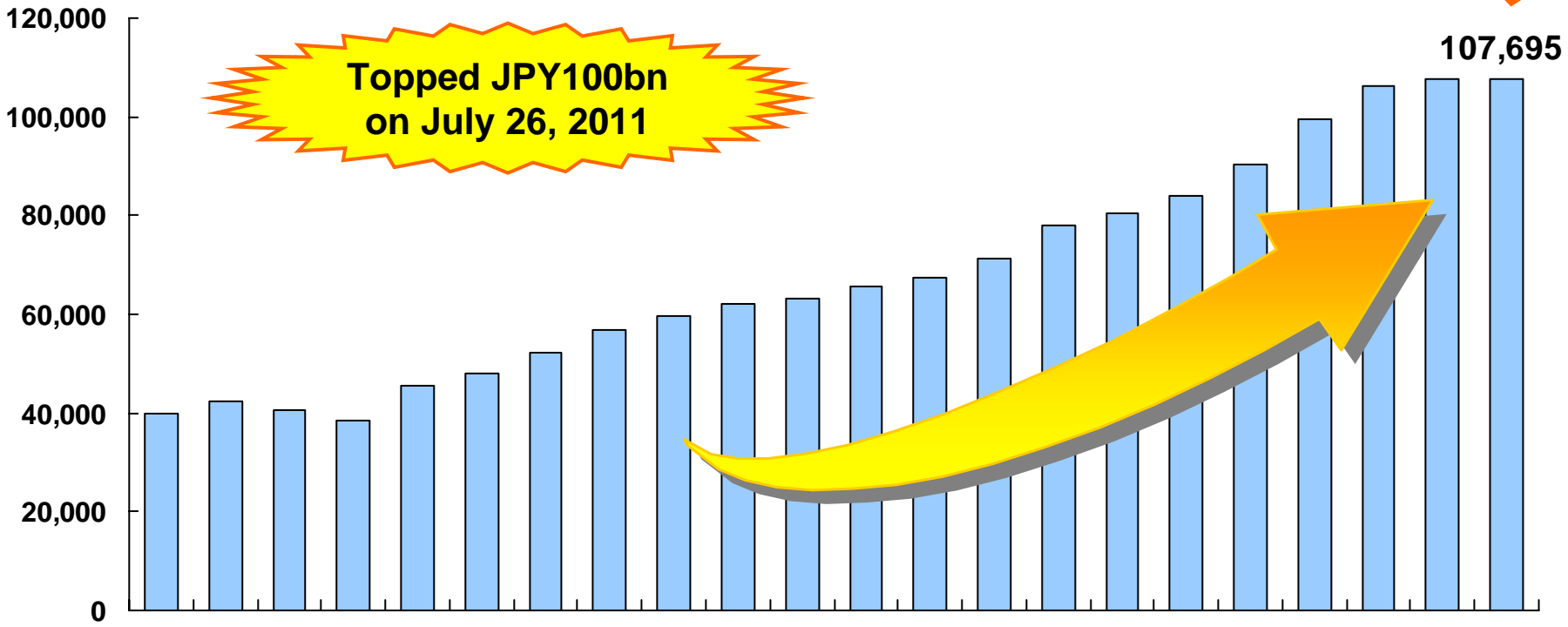
Current Trend of Exchange Market Led to Expansion of Foreign Currency Deposits

The balance steadily increased due to the fee system unique to Internet banks, expansion of the product lineup (9 currencies) and campaigns related to foreign currency deposits.

Change in balance of foreign currency deposits

(Jan. 2010 – Oct. 2011)

(JPY million)



Topped JPY100bn on July 26, 2011

1.7X in a year

Diversification of Loans <1> Personal Loans

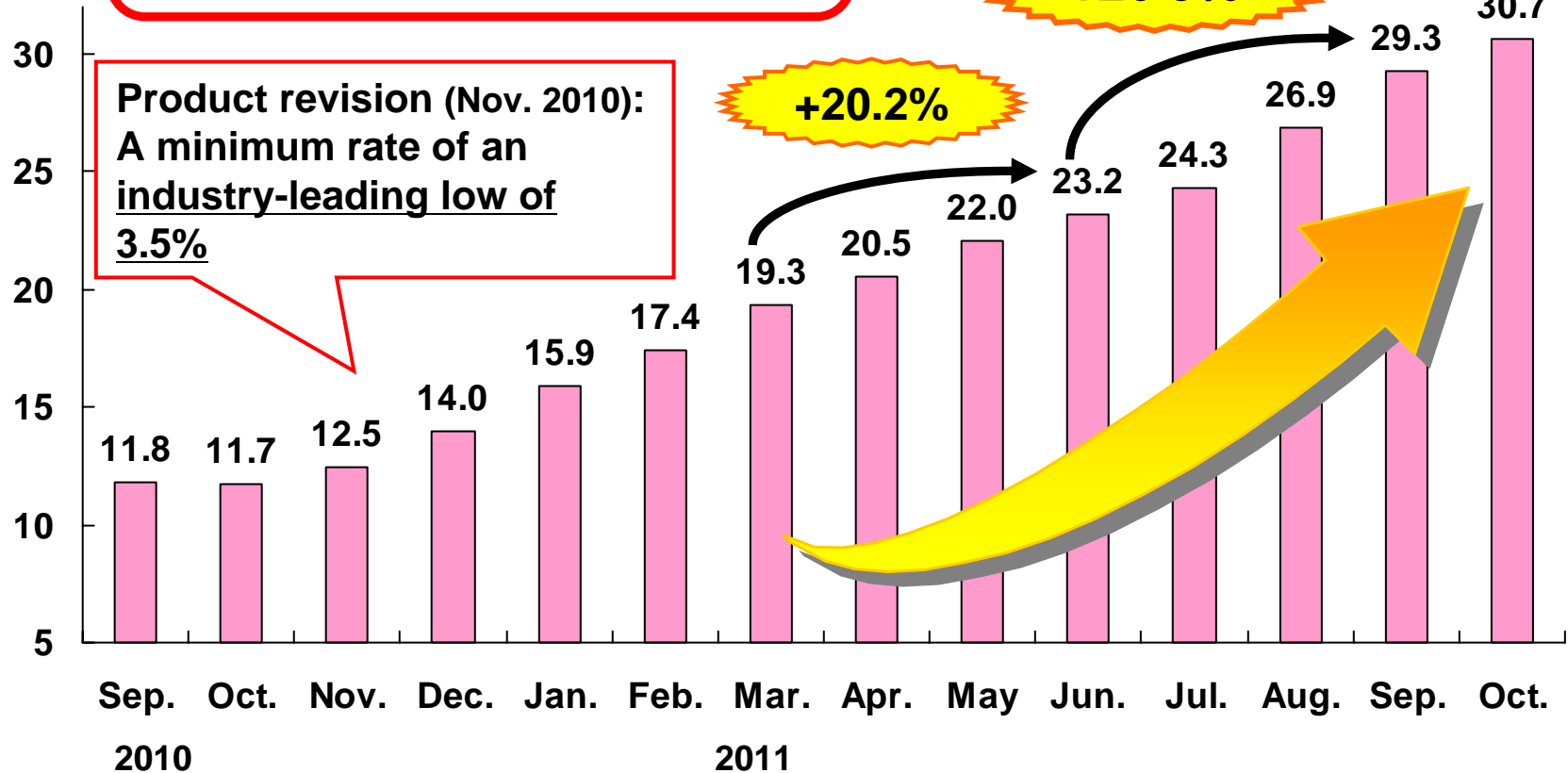
“Internet Loan” Balance

(Sept. 2010 – Oct, 2011)

SBI Sumishin:
topped JPY 10bn in May 2010,
JPY 20bn in Apr. 2011

SBI Sumishin
topped JPY 30bn
on Oct. 21, 2011

(JPY billion)



Product revision (Nov. 2010):
A minimum rate of an
industry-leading low of 3.5%

+20.2%

+26.3%

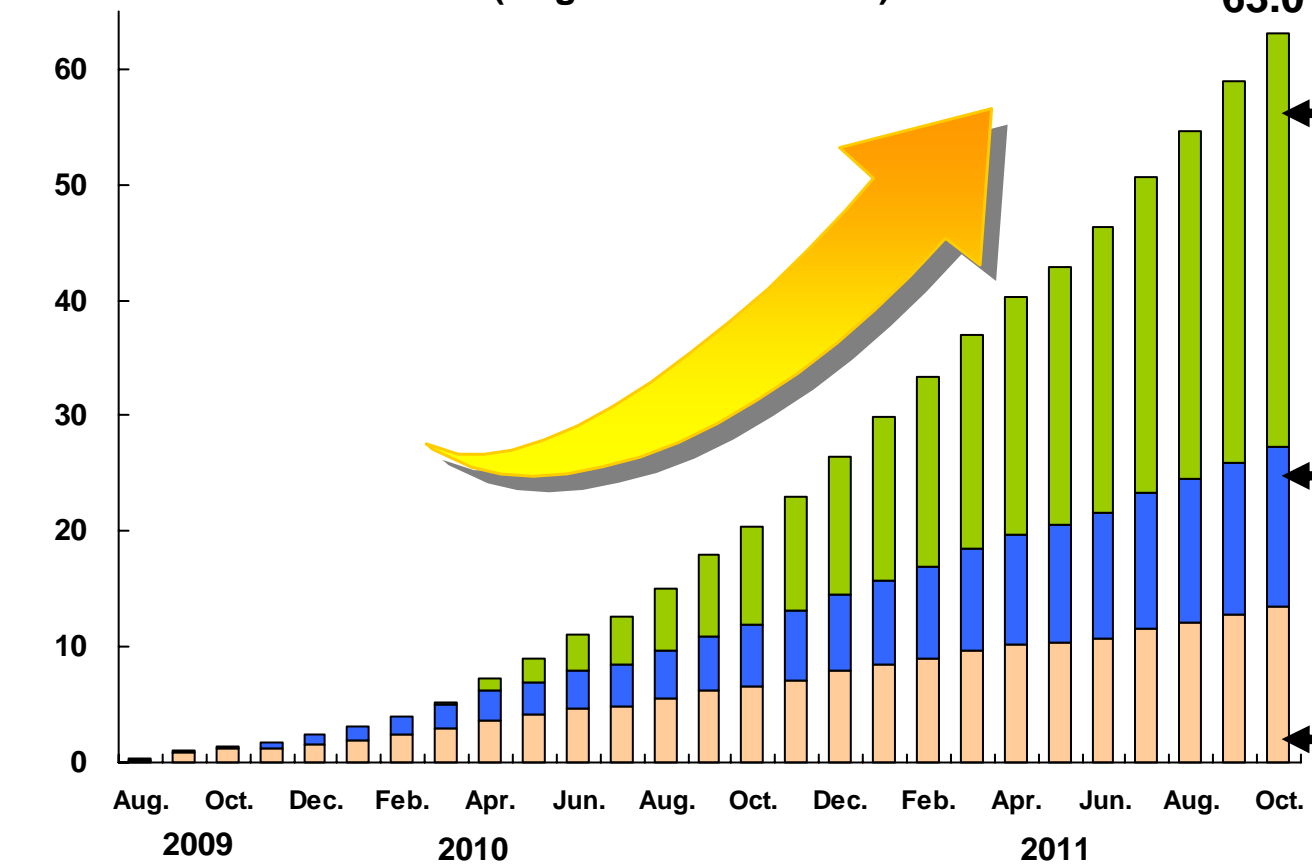
Diversification of Loans <2> Auto Loans

Auto loans outstanding expanded approx. 3 times in a year owing to synergies with SBI Credit and SBI AutoSupport

Cumulative total of auto loans

(Aug. 2009 - Oct. 2011)

(JPY billion)



Via: * Figures in parentheses are ratios

SBI Credit
(56.7%)

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

SBI AutoSupport
(21.9%)

SBI AutoSupport has been profitable since 4Q of FY2010.

Others
(Credit companies etc.)
(21.4%)

SBI Sumishin Net Bank's Financial Results for 2Q FY2011

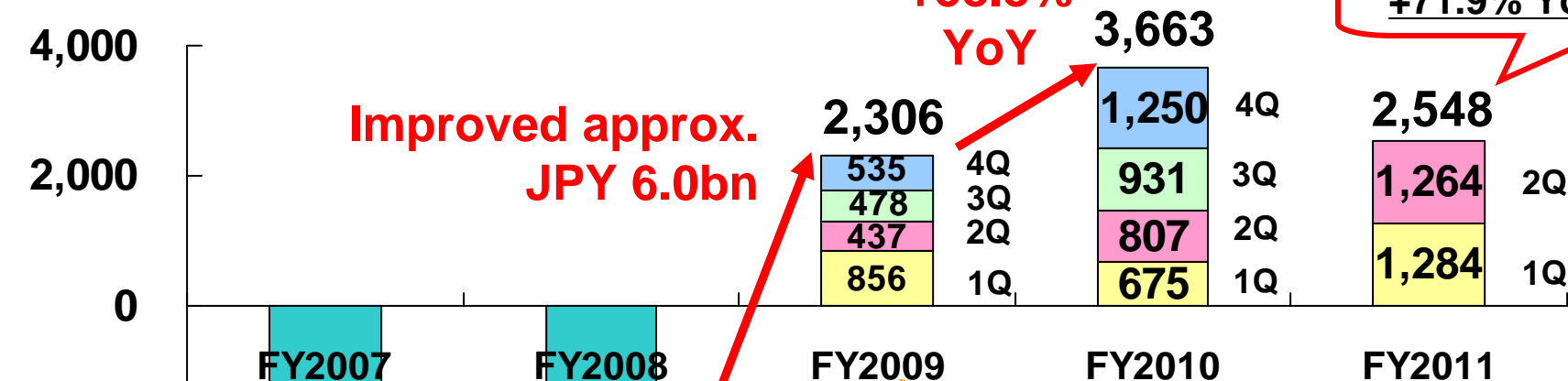
Grows Steady as Strong as That for 1Q

Expect realization of the original goal of JPY5bn in net income (dissolution of accumulated losses) in 5th FY, FY2011

Change in ordinary income/loss:

*consolidated since 2Q FY2009

(JPY million)



For the second consecutive year achieved single year profit

+71.9% YoY

+58.8% YoY

Improved approx. JPY 6.0bn

Achieved single year profit (3rd FY)

Achieved a single month profit for the first time in Jan. 2009 (17th month)
 Achieved a single quarter profit for the first time in 4Q FY2008 (7th quarter)

* (): Days after start of operations (Sept. 2011)

Newspaper Article on First Half Results of New Entrant Banks

Six New Entrant Banks finished in the black due to Increasing housing loans in the first half

(JPY billion,%)

Newspaper article

Newspaper article

| Bank name | Net income | Numbers of Accounts (million) | Deposits |
|---|-------------------------|-------------------------------|----------------------------|
| Pure-play Internet banks | | | |
| <u>SBI Sumishin</u> | <u>32 (2.2X)</u> | <u>1.22 (37)</u> | <u>1,903.9 (36)</u> |
| Sony | 9 (36) | 0.88 (6) | 16,45.2 (4) |
| Daiwa Next | -7 (N/A) | 0.32 (N/A) | 9,13.0 (N/A) |
| Rakuten | 37 (3.7X) | 3.48 (7) | 7,25.5 (3) |
| The Japan Net | 7 (-34) | 2.28 (4) | 4,45.7 (6) |
| Jibun | -26 (N/A) | 1.28 (16) | 2,69.9 (46) |
| Subsidiaries of major distributors | | | |
| Seven | 92 (5) | 0.92 (12) | 2,28.8 (62) |
| AEON | 35 (N/A) | 2.32 (30) | 10,24.9 (15) |

The Original Target for Establishment (in Sept. 2007) and the present state

➤ Target no.
of accounts

3rd FY: approx. 400 thousand 5th FY: approx. 600 thousand



Achieved in
2nd FY (in Mar. 2009)



Achieved in
3rd FY (in Nov. 2009)

➤ Target
deposits

3rd FY: approx. JPY 700bn 5th FY: approx. JPY 1,000bn



Achieved in
3rd FY (in July. 2009)



Achieved in
3rd FY (in Feb. 2010)

➤ Target
income

3rd FY: single-year profit



Achieved

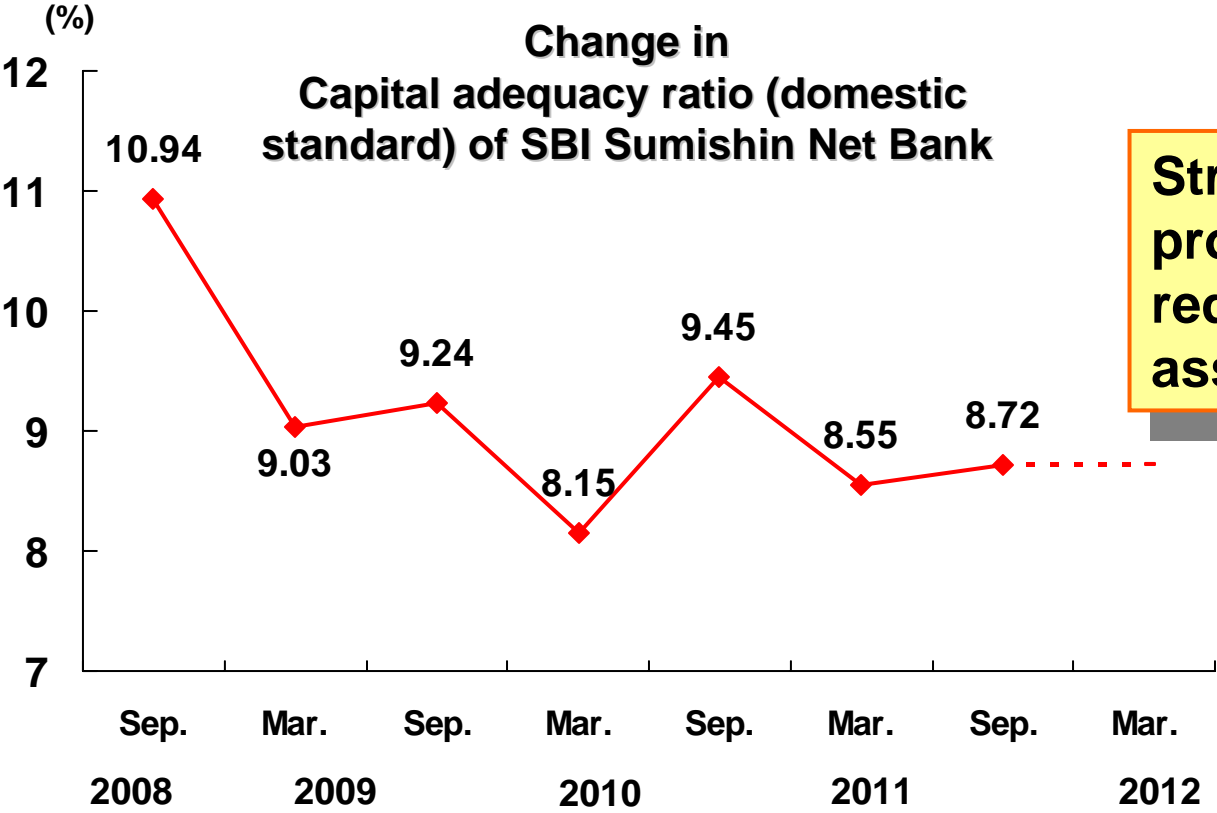
5th FY: approx. JPY 5bn net income

(Accumulated losses will dissolve in this fiscal year)

Financial Strength of SBI Sumishin Net Bank

Maintain capital adequacy ratio (domestic standard) above the standard

Capital adequacy ratio:
International/domestic banks in Japan are required to maintain at least 8% (international standard) / 4% (domestic standard).



Strive to increase profitability through reduction of risk assets and others

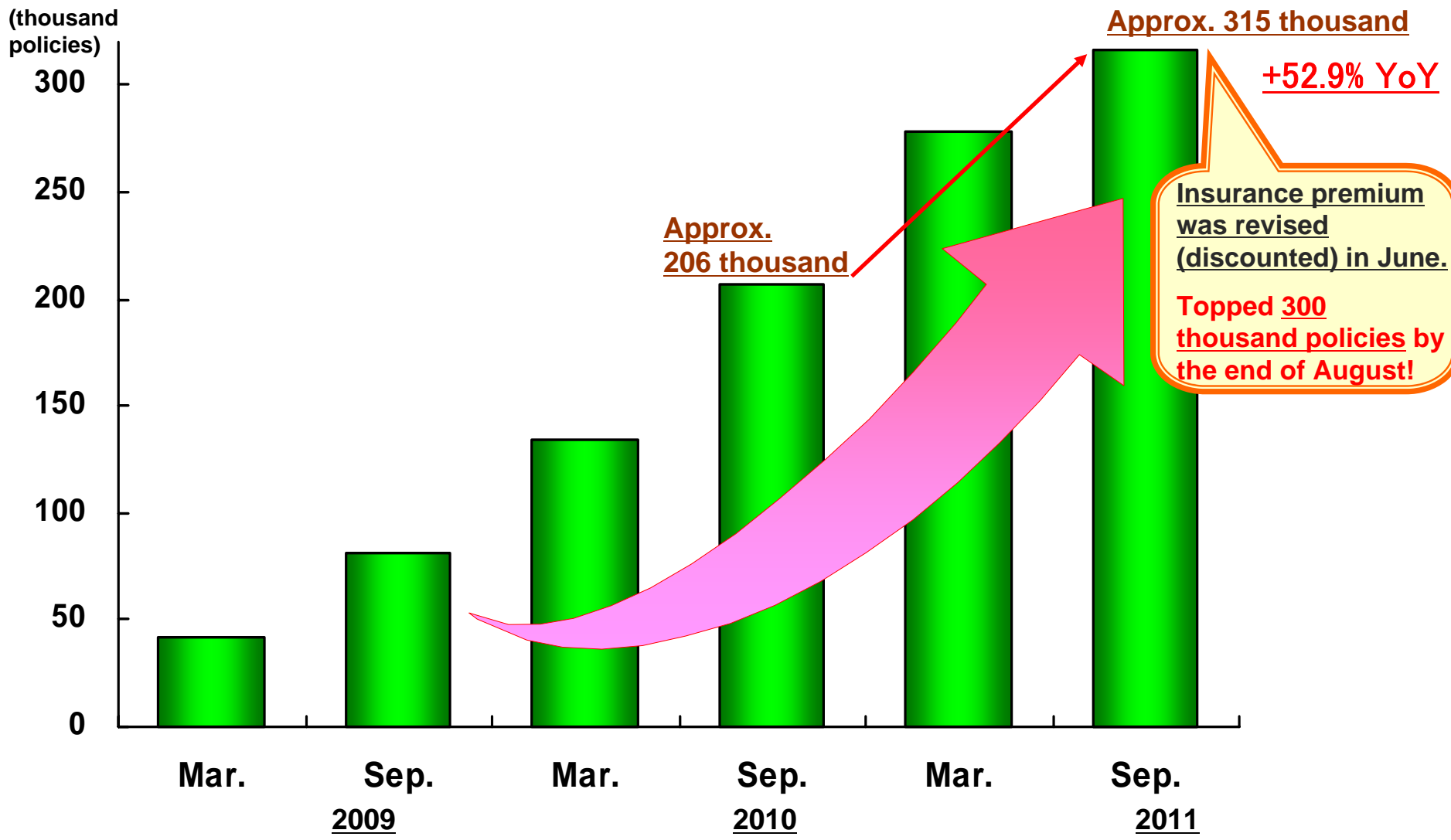
SBI Insurance

Number of SBI Insurance's Auto Insurance Contracts Written has Grown to Over 300,000



Targeting 400,000 contracts by the end of March 2012

Number of auto insurance contracts (written basis*) / cumulative



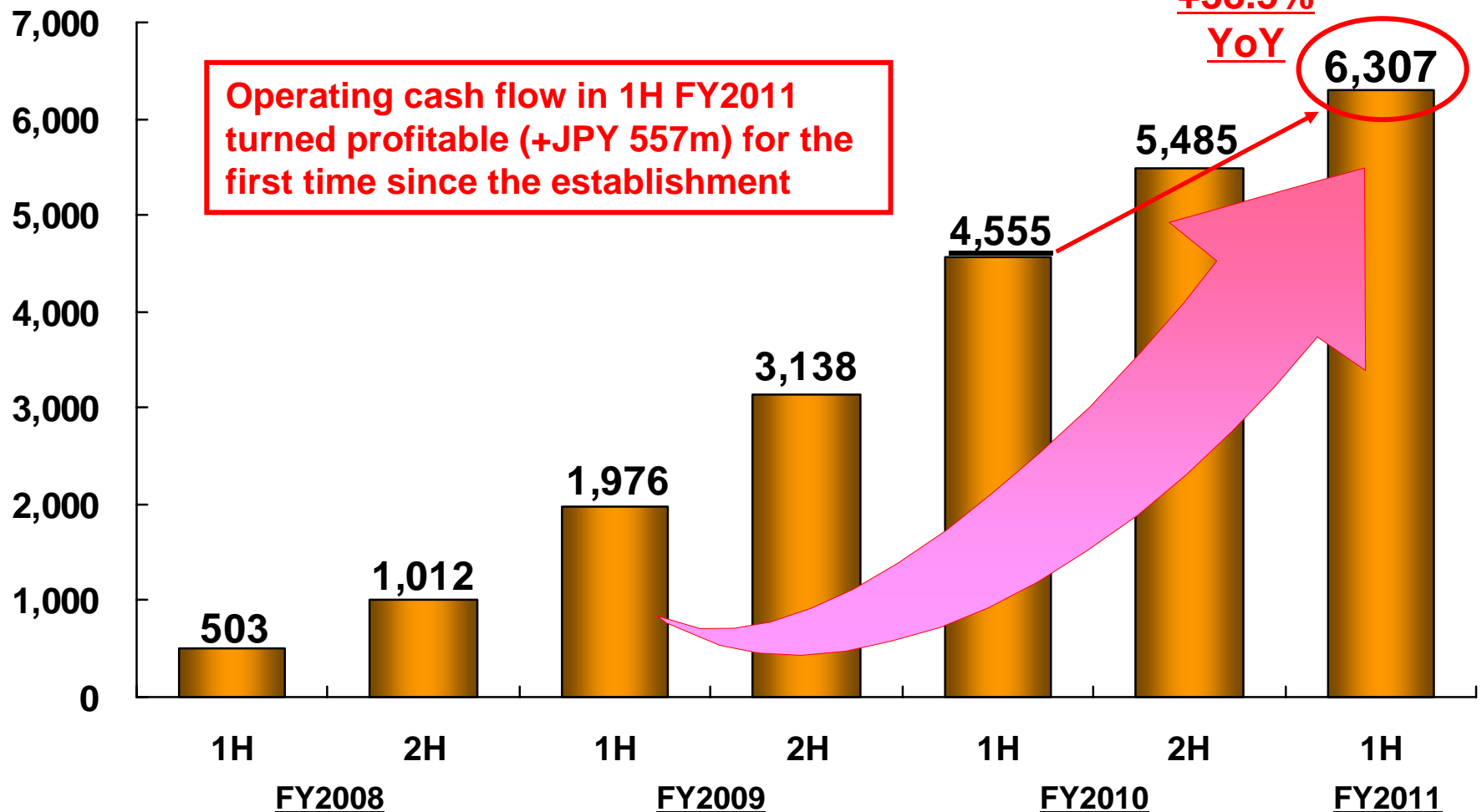
* Written basis: Completion of receipt of insurance premium

Insurance Premium Income at SBI Insurance Continues to Increase

The premium income for 1H FY2011 was approx. JPY 6.3bn, up 38.5% YoY

Change in insurance premium income (written basis*)

(JPY million)



* Written basis: Completion of receiving transaction of insurance premiums

Housing and Real Estate Business

- As for SBI Life Living, in the Internet Media Business, revenues from the major websites such as Ticket Ryutsu Center dropped temporarily due to a cancellation or postponement of entertainment shows immediately after the earthquake. However, revenues of the 2Q (July-Sept.) FY2011 improved compared with the 1Q (Apr.-June).
- As for SBI Mortgage, new loans declined in the 1Q (Apr.-June) due to effects of the earthquake, but they showed a steady recovery in the 2Q (July-Sept.). Revenues also got back on a recovery path.

SBI Life Living's Profit Improved from the First Quarter

In the Internet Media Business, revenues from the major websites such as Ticket Ryutsu Center dropped temporarily due to a cancellation or postponement of entertainment shows immediately after the earthquake. However, monthly income hit a record high in August, and overall earnings recovered to the previous year's levels.

(JPY million, %)

| | 1H FY2010 | 1H FY2011 | YoY change | Reference: FY2011 | |
|--------------------|--------------|--------------|---------------|-------------------|-------------------|
| | | | | 1Q (Apr.-June) | 2Q (July-Sep.) |
| Operating Revenues | 1,838 | 2,003 | 9.0 | 1,227 | 775 |
| Operating Income | * 161 | * 144 | -10.3 | 11 | 132 |
| Ordinary Income | 106 | 92 | -12.9 | -13 | 106 |
| Net Income | 7 | 6 | -19.7 | -41 | 47 |

*Includes depreciation of goodwill resulting from some business transfer from SBI Holdings (JPY 12m per quarter)

SBI Mortgage's 2Q Financial Results Recovered

Although the amount of new loans in 1Q (Apr.-June) was decreased due to the earthquake, it recovered in 2Q (July-Sept.) to JPY 85.1bn (+21.5%) and consequently its profit is recovering as well

(JPY million, %)

| | 1Q FY2011 (Apr.-June) | 2Q FY2011 (July-Sept.) | QoQ change |
|--------------------|--------------------------|---------------------------|---------------|
| Operating Revenues | 1,932 | 2,238 | +15.8 |
| Operating Income | 386 | 536 | +38.6 |
| Ordinary Income | 391 | 543 | +38.5 |
| Net Income | 221 | 320 | +44.6 |

2. What is the Current State of “Brilliant Cut”?

- (1) 5 Companies Turned Profitable in this 1H**
- (2) Operating deficit companies in FY2010 are
all on an upswing**
- (3) Ongoing Streamlining of the SBI Group**

The SBI Group's Major Business Entities Engaged in “Brilliant Cut” Initiative

The SBI Group's Major 49 Business Entities
(Excl. SBIH and 8 overseas local subsidiaries and representative offices)

1H FY2011

Profitable companies and divisions

35 companies and divisions Operating profit: JPY 12.9bn

Unprofitable companies and divisions

8 companies and divisions Operating loss: JPY 4.3bn

Approx. 30% of the loss was recorded at SBI Insurance

Newly established or acquired companies *

(New group companies which started/will start operation or were acquired after April 2009)

6 companies

Established/acquired companies (4)

SBI Credit (became a consolidated subsidiary in July 2010)

SBI Remit (established in Aug. 2010) etc.

Companies preparing for starting operation (2)

Preparation for life Insurance company

SBI Phnom Penh Securities

* Consistently profitable companies in “Newly established or acquired companies” have been moved to “Profitable companies and divisions”

(1) 5 Companies Turned Profitable


- **SBI Guarantee**
- **SBI AutoSupport**
- **SBI Asset Management**
- **SBIGEO Marketing**
- **CSJ-SBI Financial Media (CSF)**

Performance of Companies that Turned Profitable


■ Change in operating income

(JPY million)

| | 1H FY2010 | 1H FY2011 | YoY change |
|----------------------|------------|-----------|------------|
| SBI Guarantee | -28 | 40 | +69 |

 The number of users of SBI Fixed-Rate 40, a fixed-rate plan instrument, in the 1H has increased compared with the whole of the previous year, contributing to an increase in sales. Efforts to reduce selling, general and administrative expenses were also successful, improving operating profits.

| | | | |
|------------------------|-----------|----------|------------|
| SBI AutoSupport | -9 | 6 | +16 |
|------------------------|-----------|----------|------------|

 As demand rapidly increased around the disaster-affected areas, prices of used cars rose nationwide. As a result, the loan unit volume increased, and the loan execution amount also favorably increased.

| | | | |
|-----------------------------|-----------|------------|------------|
| SBI Asset Management | -9 | 0.7 | +10 |
|-----------------------------|-----------|------------|------------|

 Turned profitable by reducing costs through reorganization of operations and personnel.

| | | | |
|-------------------------|-----------|----------|-----------|
| SBIGEO Marketing | -4 | 2 | +6 |
|-------------------------|-----------|----------|-----------|

 Due to the increase in the number of GEO PONTA CARD issues and measures conducted to promote their use, card-related sales that serve as the earnings base increased and the company enjoyed a profitable period.

| | | | |
|--------------------------------------|----------|-----------|------------|
| CSJ-SBI Financial Media (CSF) | 0 | 31 | +31 |
|--------------------------------------|----------|-----------|------------|

 Achieved profitability from its founding, as a profitable advertising firm was transferred from China Securities Journal into the company.

(2) Operating deficit companies in FY2010 are all on an upswing

<1> SBI Card

<2> SBI Japannext

<3> SBI ALApromo

<1> SBI Card

(Consolidated subsidiary)

Operating loss for FY2010: Approx. JPY 3.5 billion



1H FY2011: Approx. JPY 1.6 billion

SBI Card Performance <1>

Change in operating income/loss by business segment


(JPY million)

| | | 1H FY2010 | 2H FY2010 | 1H FY2011 | Change from 2H FY2010 |
|--|----------------|--------------|--------------|--------------|-----------------------------|
| Credit Card Business | Visa Card | -453 | -971 | -772 | <u>+198</u> |
| | Master Card | -438 | -407 | -221 | <u>+186</u> |
| Consumer credit business (Acquired former SBI Equal Credit in Jan. 2010) | | -378 | -445 | -339 | <u>+106</u> |

Since starting “GEO Ponta card” in June 2010, “SBI Card Plus” in Oct. 2010, **continuously suffered an operating deficit.**

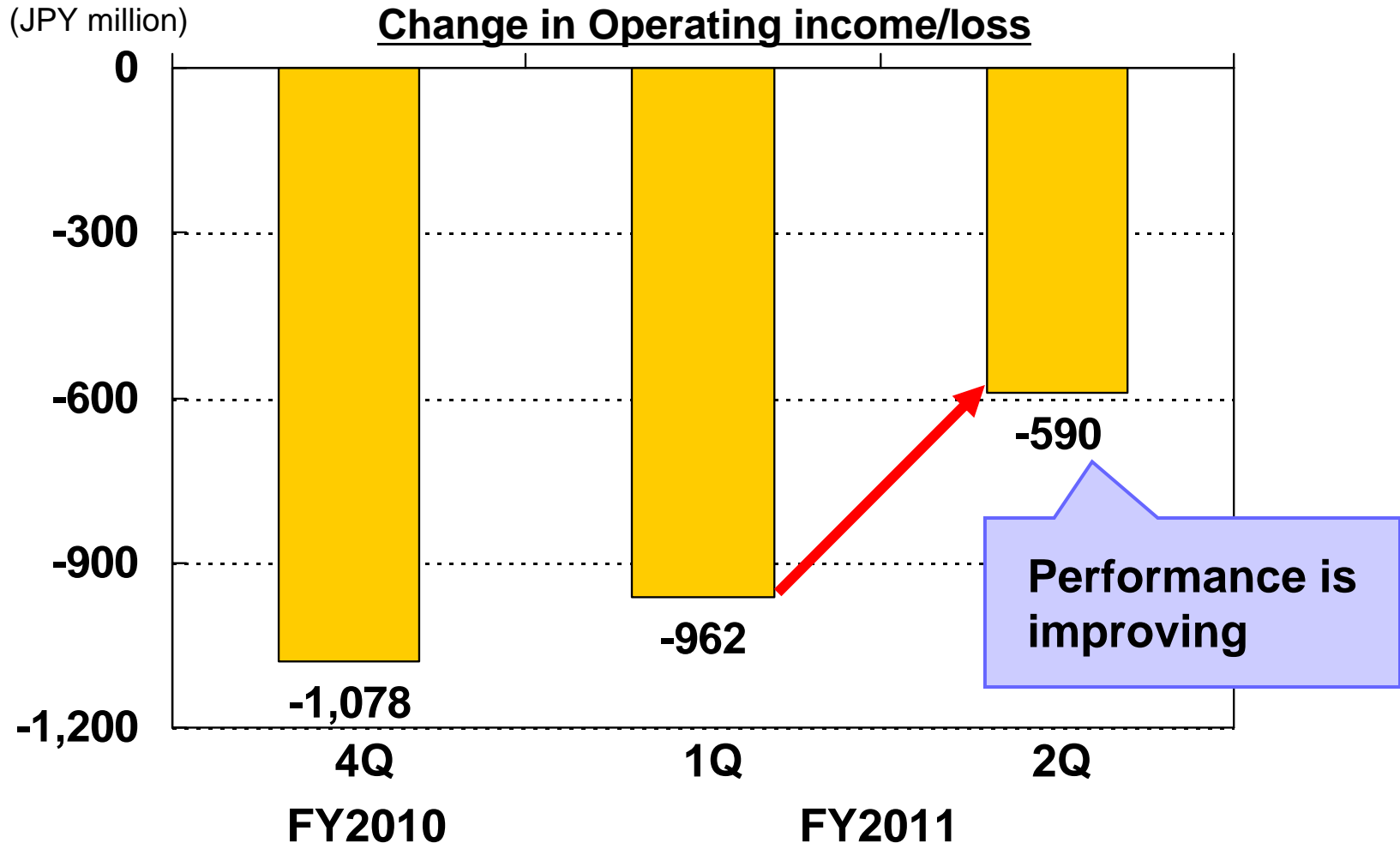
Operating loss improved steadily.

New lending was curtailed, and **loan balance is decreasing steadily.**

■ Loan balance (after deduction of bad-debt provisions) (From Apr. 2010)
 (Apr. 2010) **JPY 9,697m**  (Oct. 2011) **JPY 4,560m**
 -53%

SBI Card Performance <2>

Reviews on operating management etc. led significant
diminishment of operating loss with bottoming out in 4Q FY2010



➤ Plan to set a policy this FY for a thorough review of the business

<2> SBI Japannext **(Equity-method company)**

Operating loss for FY2010: Approx. JPY 1.1 billion



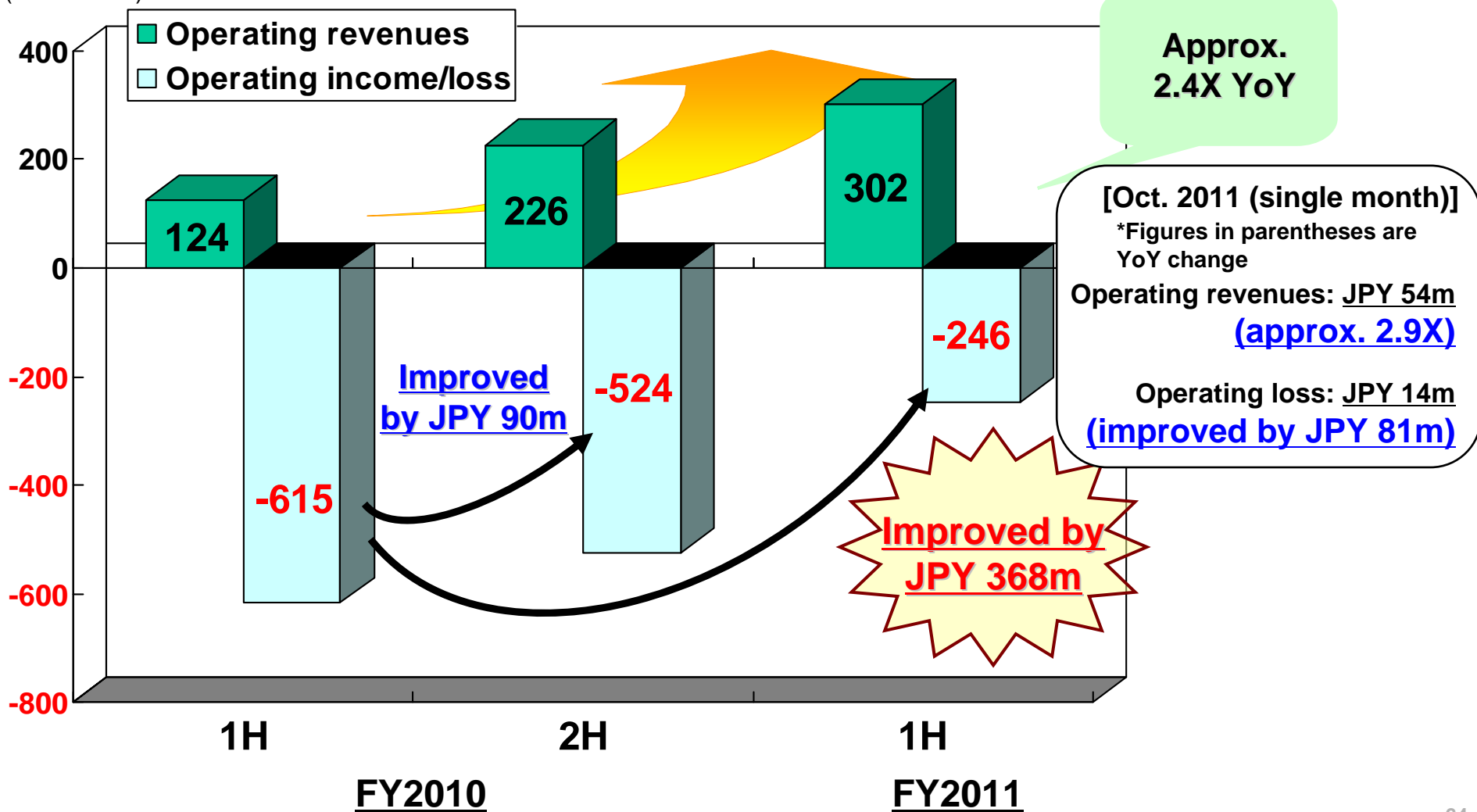
1H FY2011: Approx. JPY 0.2 billion

Operating Income/Loss Improved Significantly on a Year-to-year Comparison

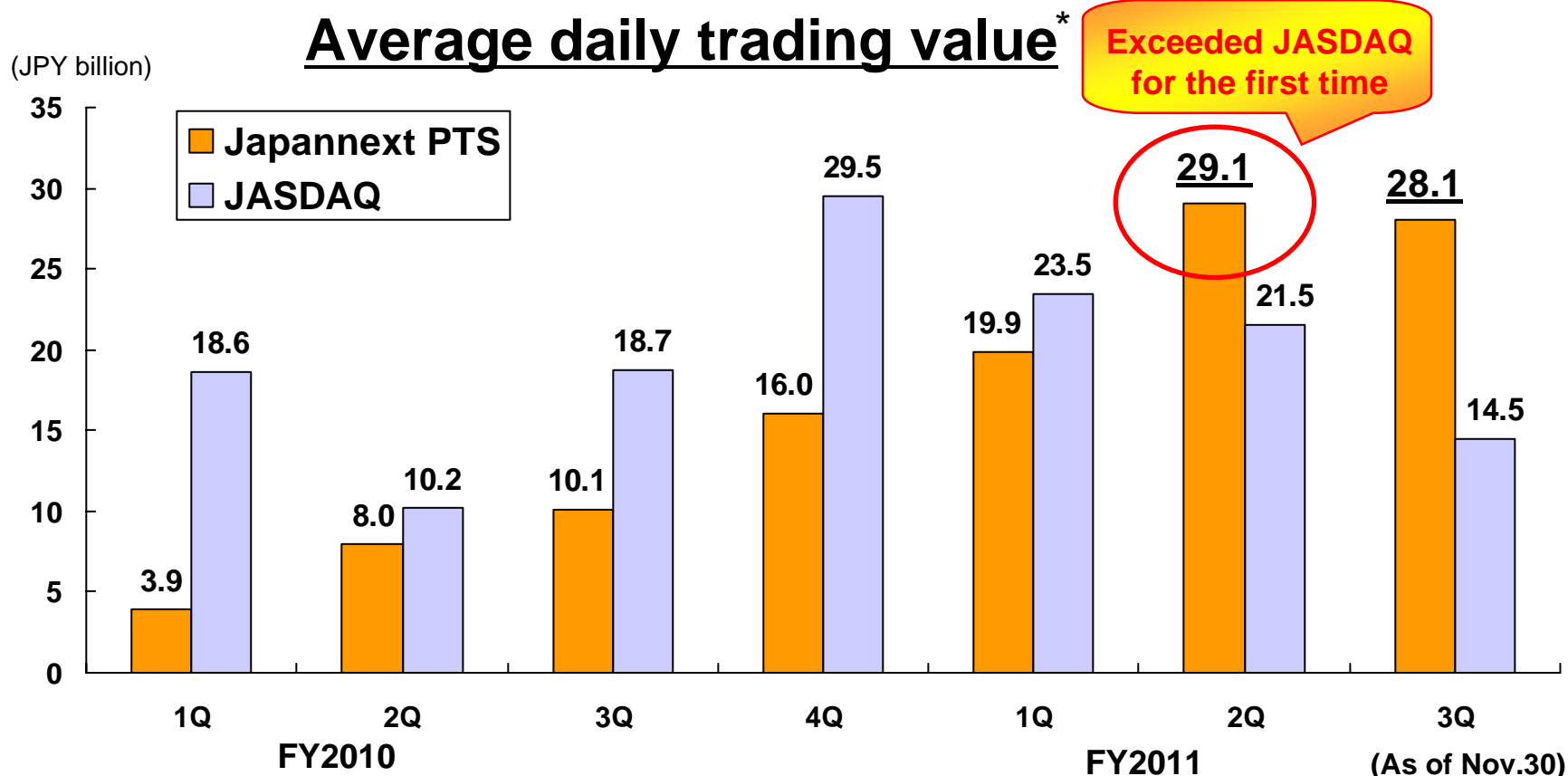
Operating income/loss improved sharply, owing to increased income from brokerage fees and cost-cutting

Change in SBI Japannext half-yearly results

(JPY million)



Trading Value Exceeds That of JASDAQ since 2Q FY2011



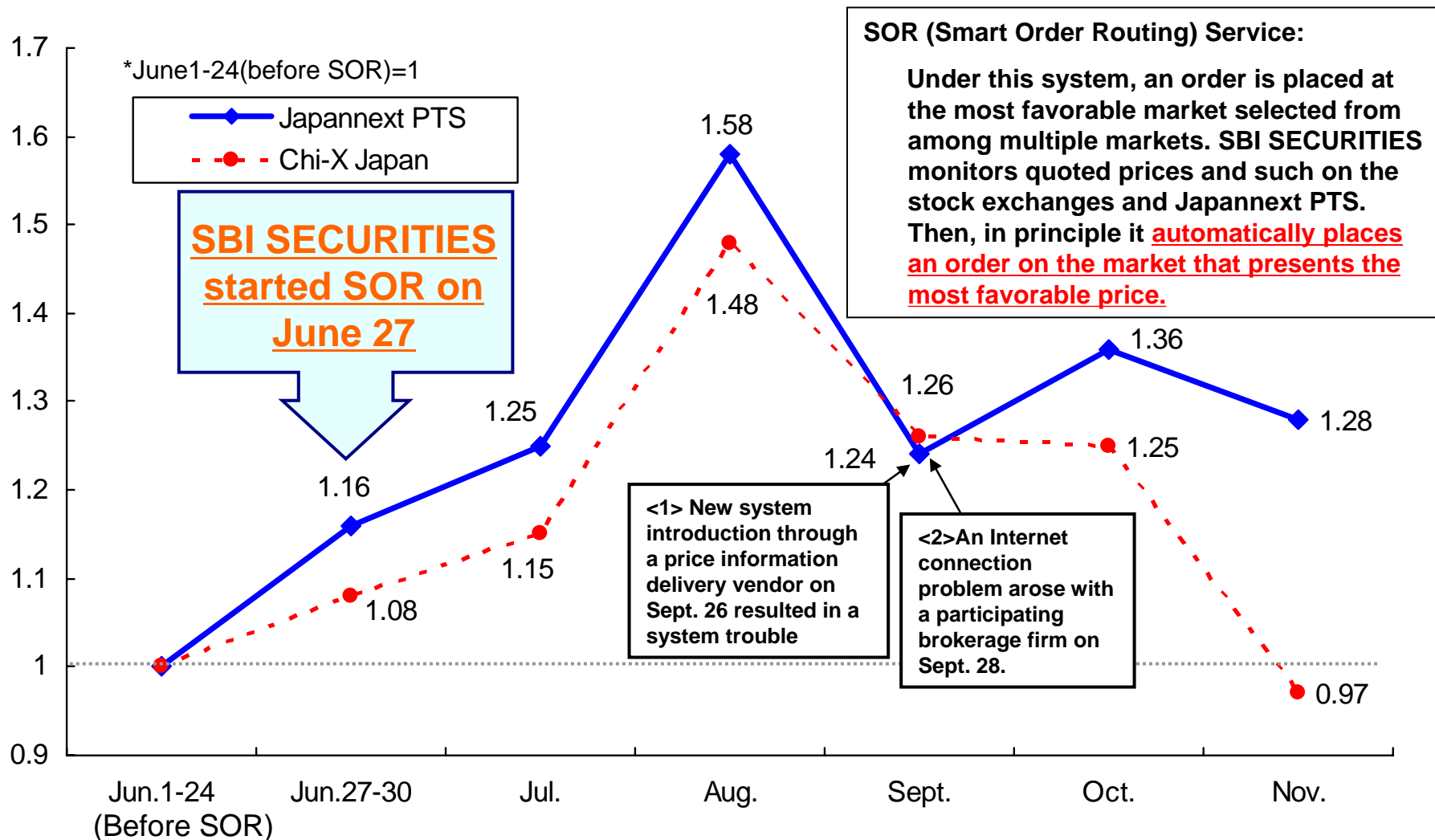
[Market share of avg. daily trading value in 2011 (ratio to TSE 1st section)] (%)

| Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. |
|------|------|------|------|------|-------|------|------|
| 1.22 | 1.46 | 1.89 | 2.38 | 2.58 | 2.27 | 2.78 | 2.86 |

* Trading value is based on "single count".

After SOR Service Started, Trading Value of Japannext PTS Improved Significantly

Average daily trading value (index)



Participating Companies Increasing Smoothly



[Participating companies] (total 16)

- SBI SECURITIES - Rakuten Securities*
- Goldman Sachs Japan - Credit Suisse Securities (Japan)
- Morgan Stanley MUFG Securities
- Merrill Lynch Japan Finance - UBS Japan
- Instinet - BNP Paribas Securities (Japan)
- Deutsche Securities - Citigroup Global Markets Japan

*Night time session only

5 companies newly participated in 2011

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

[Companies expected to participate] (total 5)

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

Trade is scheduled to start early next year

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

<3> SBI ALA promo

(Consolidated subsidiary)

Operating loss for FY2010: Approx. JPY 1.1 billion



1H FY2011: Approx. JPY 0.4 billion

Focus on Strengthening Sales Structure of Health Foods and Beauty Goods

Active deployment of sales promotions for the amino acid ALA

▶ Marketing activities: ALA awareness improvement

Deployment example:

- Newspaper advertisement:
An announcement from ALAplus Research Laboratory
- Infomercials:
Deployed at various television stations
- Web deployment: Listing advertisements

▶ Operating activities: Establishment of a lasting sales structure

Deployment example:

- Sales: EC site (previous)
+
 - Agencies: Under development
- The HIKARI TSUSHIN Group company L-Arrange (sells drugs and medicines via household distributors to 400,000 households nationwide), Nexyz, etc.
- Use of SBI Investment's network

Three months sales figures (Sept.-Nov.) achieved sales target of JPY 130m

Targeting an increase in sales through the efficient distribution of marketing expenses.
In addition, striving to maintain sales over marketing expenses through the improvement of sales distribution.

(3) Ongoing Streamlining of the SBI Group

Continual Organizational Restructuring after 1H



Acquisition of full ownership

➤ **SBI Holdings acquired 100% ownership of SBI Net Systems**

(Released on Oct. 26 2011)

- After joined the SBI Group, developments, operations and maintenances of systems for the SBI Group mainly, in financial field, have been increasing and sales for the Group accounts for the half of SBI Net Systems' total sales in FY2010.
- We will make SBI Net Systems a wholly-owned subsidiary through business integration and incorporate its system development know-how in the Group promptly and efficiently. In this way, we aim to create larger synergies and strengthen profitability by conducting unified business deployment both in Japan and overseas.
- SBI Net Systems is to be delisted (scheduled for Jan. 27, 2012) to be wholly owned subsidiary of SBI Holdings through a share exchange (scheduled for Feb. 1, 2012).

Liquidation, Disposal of Equity Interest

➤ **Sold Shares of HOMEOSTYLE (offering beauty care services/products)**

(Sold on Nov.25, 2011)

- Maintain relationship through consignment sales of supplements and cosmetics of SBI ALApromo

3. How is the Outlook after the First Half of FY2011?

Outlook of IPO and M&A Deals in the Asset Management Businesses



Following KLab's IPO, exits of other qualified domestic investee companies are expected

| | *1 Up to FY2009 | | | | *1 FY2010 Full year | | | | FY2011 Full year prospect | | | |
|-------------------|--------------------|----------|-------|----------|---------------------------|----------|-------|----------|------------------------------|----------|-------|----------|
| IPO and M&A deals | 124 | | | | 17 | | | | 16 | | | |
| 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 | 7 | 7 | 2 | 0 |

5 companies already exited in 1H

| Exit Date | Company | Market (Country) |
|-----------|----------------------|------------------|
| Apr. 6 | PCHOMESTORE INC. | GTSM (Taiwan) |
| May. 4 | Renren, Inc. | NYSE (U.S.) |
| July 13 | NIBEC Co Ltd. | KOSDAQ (Korea) |
| July 15 | Mebiopharm Co., Ltd. | TOKYO AIM |
| Sept. 27 | KLab Inc. | TSE Mothers |

3 companies already exited in 2H

| Exit Date | Company | Market (Country) |
|-----------|--------------------------------|------------------|
| Oct. 1 | FRROUTE Corporation | M&A |
| Oct. 20 | SymBio Pharmaceuticals Limited | JASDAQ |
| Nov. 1 | Bestcreate corp. | M&A |

Overseas IPO of Japanese companies



AXES Holdings Co., Ltd.
(SBI's Shareholdings: 70%)

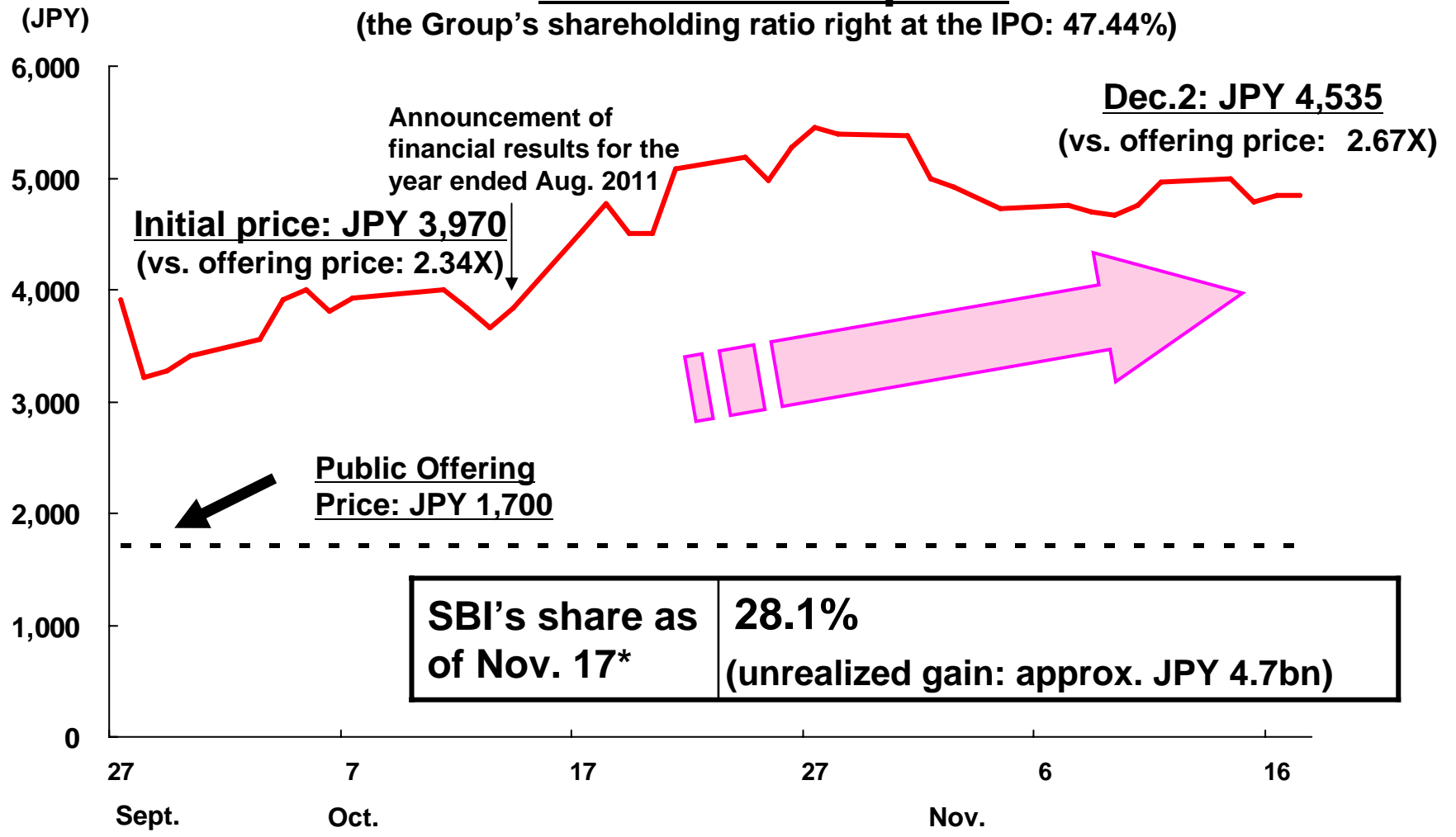
Preparing for listing on Korea's KOSDAQ in March 2012 (plan)

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

Stock Price of KLab, an Investee Company Remains Far Above Its Public Offering Price

KLab's stock price

(the Group's shareholding ratio right at the IPO: 47.44%)



*based on announcement at report of possession of large volume

Online Securities' Accounts Continue to Increase

Change in number of accounts at online securities companies

(Oct.1999-Mar.2011)

(): Proportion of SBI SECURITIES

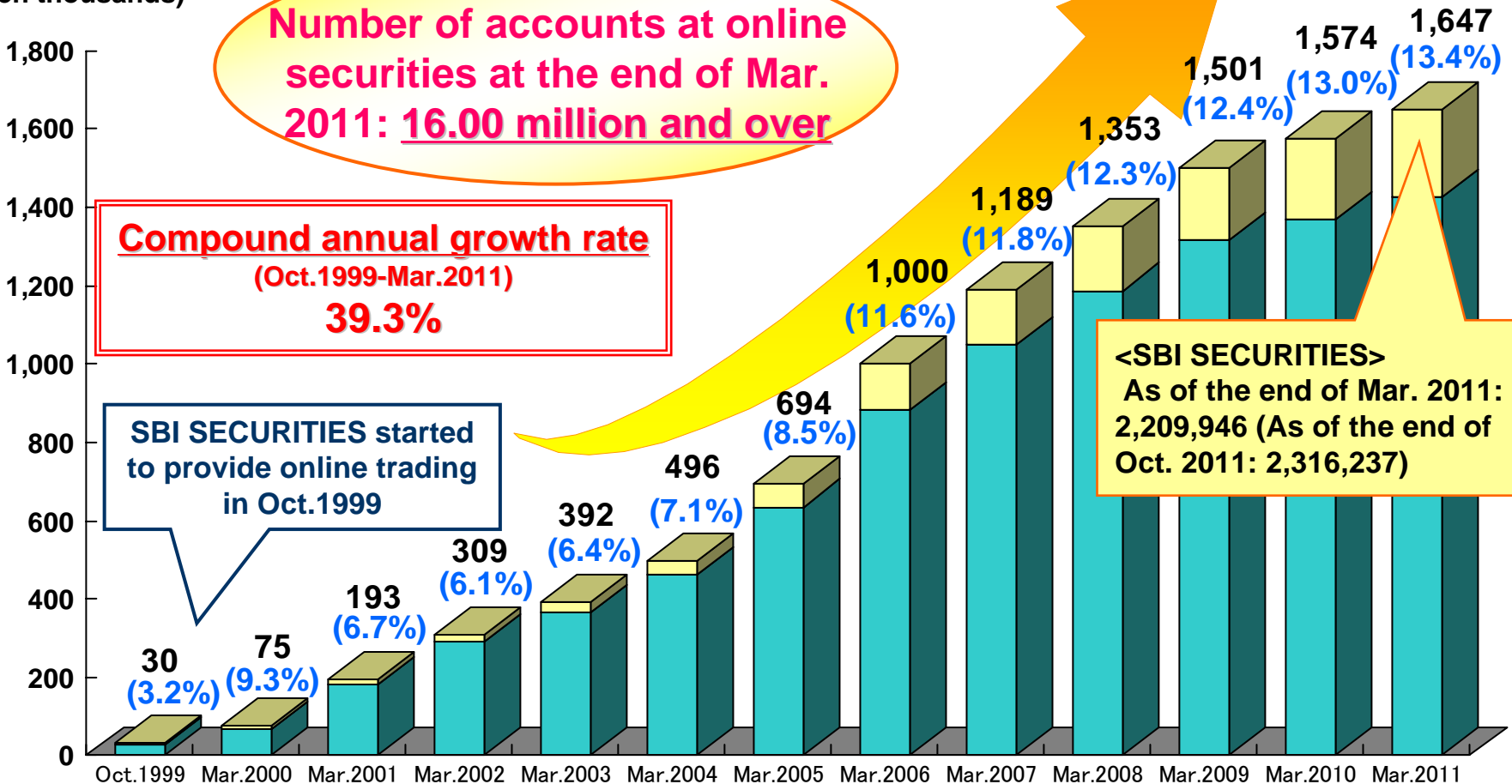
(ten thousands)

Number of accounts at online securities at the end of Mar. 2011: 16.00 million and over

Compound annual growth rate (Oct.1999-Mar.2011) 39.3%

SBI SECURITIES started to provide online trading in Oct.1999

<SBI SECURITIES>
As of the end of Mar. 2011: 2,209,946 (As of the end of Oct. 2011: 2,316,237)



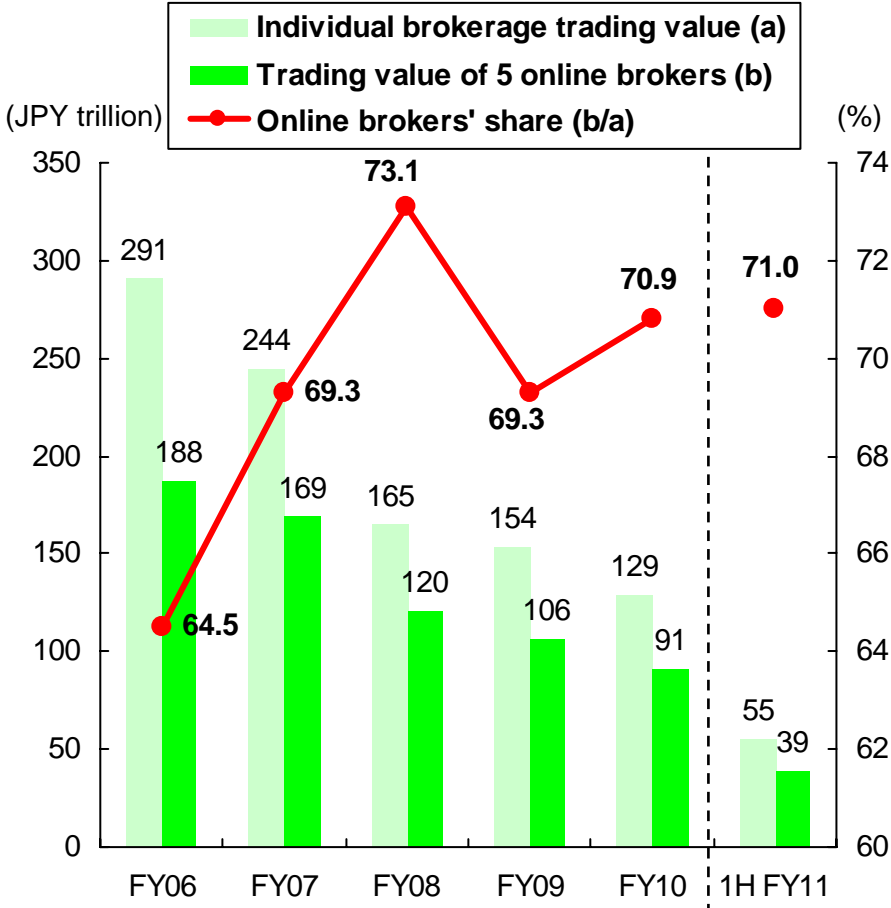
Source: Japan Securities dealers association, "Survey of Online Trading"(Mar.2011), records began in Oct.1999



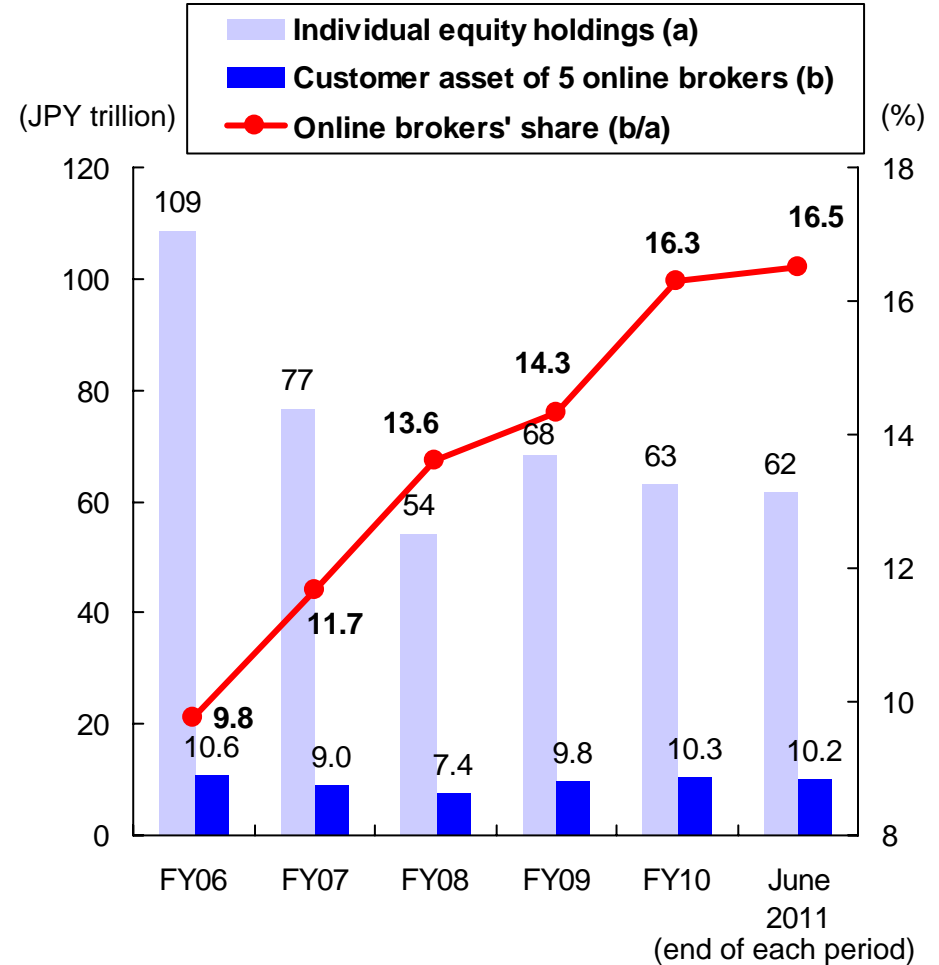
5 Online Brokers' Share of Retail Stock Trading Market

5 Online brokers' share of "stock" is expected to increase

Change in the share of individual stock trading value (flow)

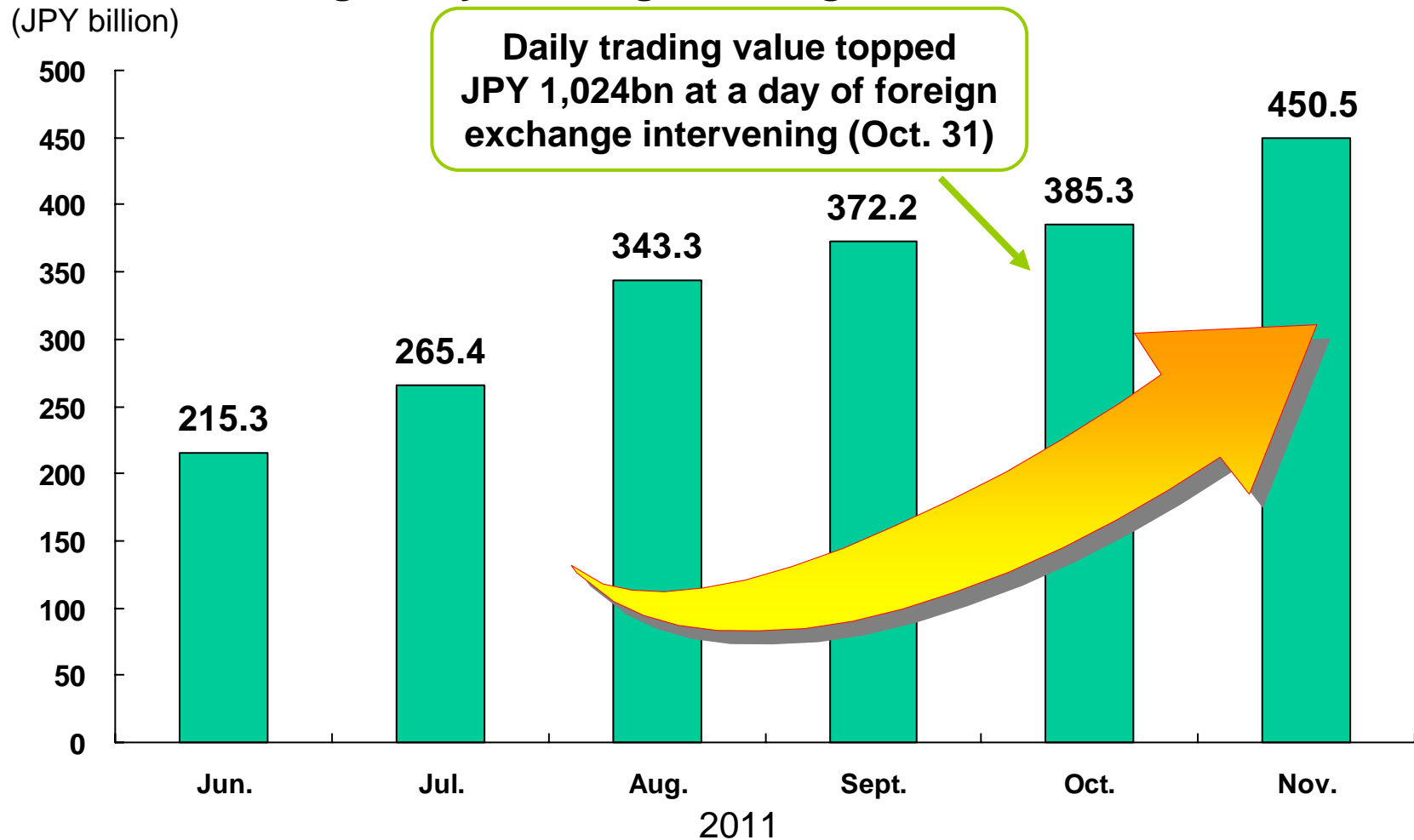


Change in the share of individual equity holdings (stock)



Trading Value of FX Margin Trading Increases Month-to-month since June

Average daily FX margin trading value at SBI SECURITIES

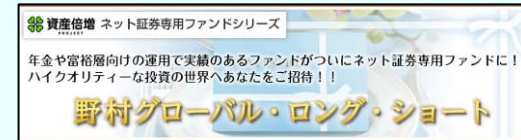
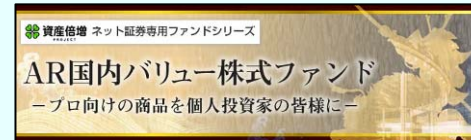
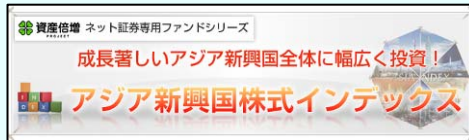


* Calculated as monthly trading value/ the number of business days

For Further Revenue Diversification (1)

“Asset Doubling Project” started soliciting subscriptions for 2nd series of mutual funds exclusive for online securities companies

Subscription of the second “Mutual fund series exclusive for online securities companies” was started by SBI, kabu.com, Monex and Rakuten, as described below



- <1> “Asian Emerging Country Stocks Index” (from Nov. 4)
- <2> “AR Domestic Value Stock Fund (Nick name: Samurai Value)” (from Nov. 14)
- <3> “Nomura Global Long/Short” (from Nov. 4)

The “Asset Doubling Project”:

A project that the 4 major online securities companies jointly cooperates, for the promotion of mutual fund sales and the education of investors who utilize investment trusts to manage their assets.



For Further Revenue Diversification (2)

Started handling of futures and options products listed on the Tokyo Stock Exchange (Nov. 21, 2011)

Products listed on TSE as below were newly started to deal with besides that on OSE which has been already dealt with

| TSE index futures | TSE index option | TSE securities option |
|--|------------------|---------------------------------|
| TOPIX Futures Mini TOPIX Futures TOPIX Core30 Futures TSE REIT Index Futures | TOPIX Option | Securities option (Kabu-opu) |

Raised stock lending interest (Oct. 6 and Nov.16, 2011)

| | SBI | kabu.com | Monex | Matsui | Rakuten |
|---------------------------------|--|--|------------------------------------|--------|---------|
| Stock lending interest (annual) | 1.0%~ 20-50 stocks 0.5% approx.600 stocks 0.4% approx.2,800 stocks 0.1% approx.135 stocks | 1.0%~ 20-50 stocks 0.4% approx.3,200 stocks 0.1% approx.200 stocks | 0.5% 645 stocks 0.1% the others | * | - |
| Max rate | 5.5% | 5.5% | 0.5% | - | - |

* has stock deposit services limited at the loanable stocks dealt with Japan Security Finance

SBI SECURITIES also Valued Highly on Customer Satisfaction

■ **Oricon customer satisfaction ranking** (Announced on Dec. 1, 2011)

<Online securities comprehensive ranking>



| Rank | Company |
|-----------------|-----------------------|
| 1 st | SBI SECURITIES |



<Evaluation item>

12 items, such as “Commissions& dealing cost”, “easy account opening” “variety of products” “Provision of Information” and “Analytics tools etc.”

■ **JCSI Customer Satisfaction Survey**

(Japanese Customer Satisfaction Index)

(Announced on Apr. 12, 2011)

<Securities industry ranking>



| Rank | Company |
|-----------------|-----------------------|
| 1 st | SBI SECURITIES |

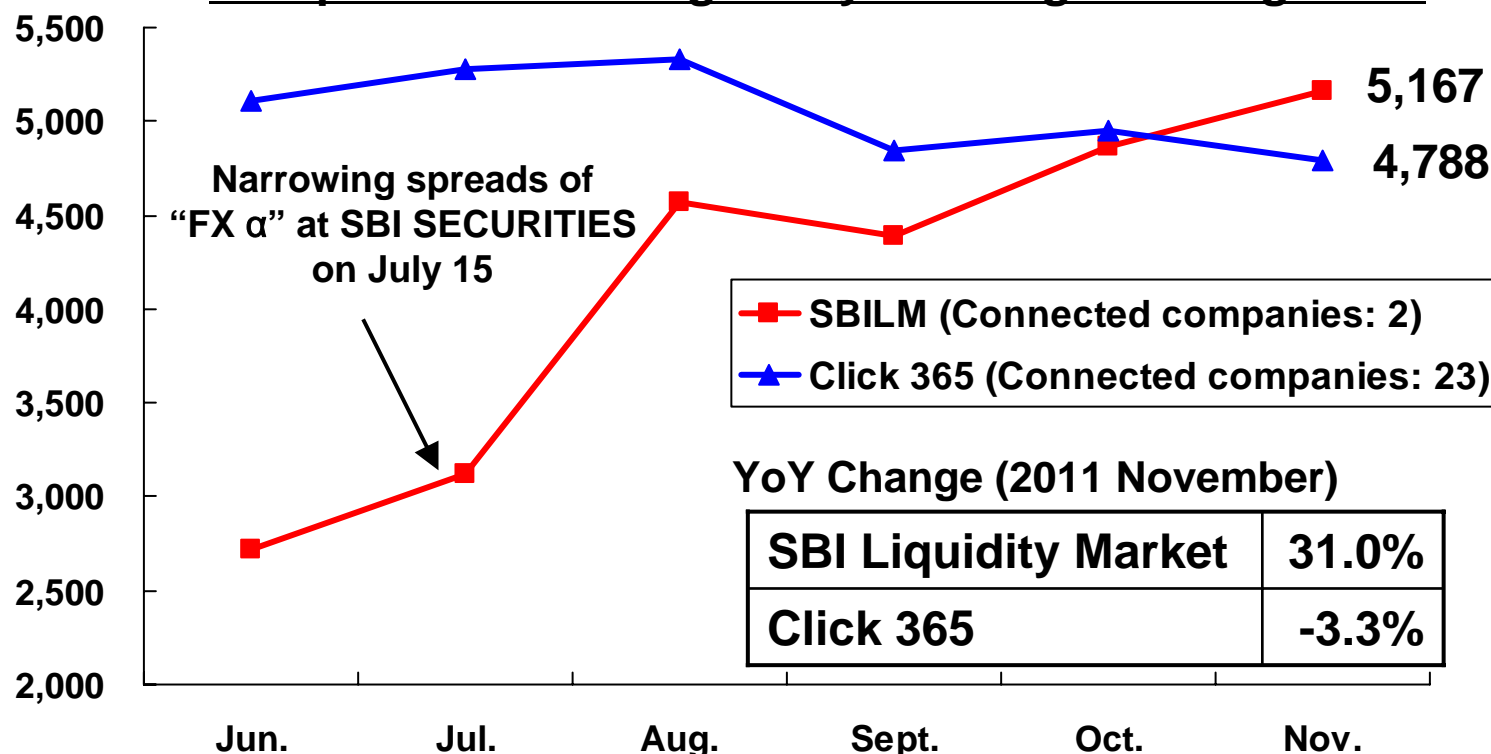


Increasing SBI Liquidity Market's Trading Value

Narrowing spreads at SBI SECURITIES resulted in the expansion of its trading, and SBILM's trading value exceeded that of Click 365, which has 23 connected FX companies

(millions of base currency)

Comparison of average daily FX margin trading value



From Jan. 2012, the tax systems for the OTC FX and exchange FX will be unified and the merit for exchange FX will disappear. Therefore, customer inflow from Click 365 and OSE FX is anticipated.

To Further Improve Liquidity

SBI Liquidity Market, which already has 23 covering transaction partners (the most in the industry*), will expand further

Number of covering transaction partners of major FX companies

| | |
|----------------------------|-----------|
| SBI | 23 |
| Central Tanshi FX | 19 |
| Himawari Securities | 19 |
| Ueda Harlow | 16 |
| Gaitame.com | 16 |
| Money Partners | 15 |
| Hirose FX | 13 |
| FX Prime | 10 |
| Foreland Forex | 9 |
| Monex FX | 8 |

➔ Will be expanded to 27

Increase number of transaction partners, and the consequent increase in liquidity will enable SBI Liquidity Market to offer more competitive rates

Source: "The Nikkei" newspaper evening edition on Oct. 5, 2011

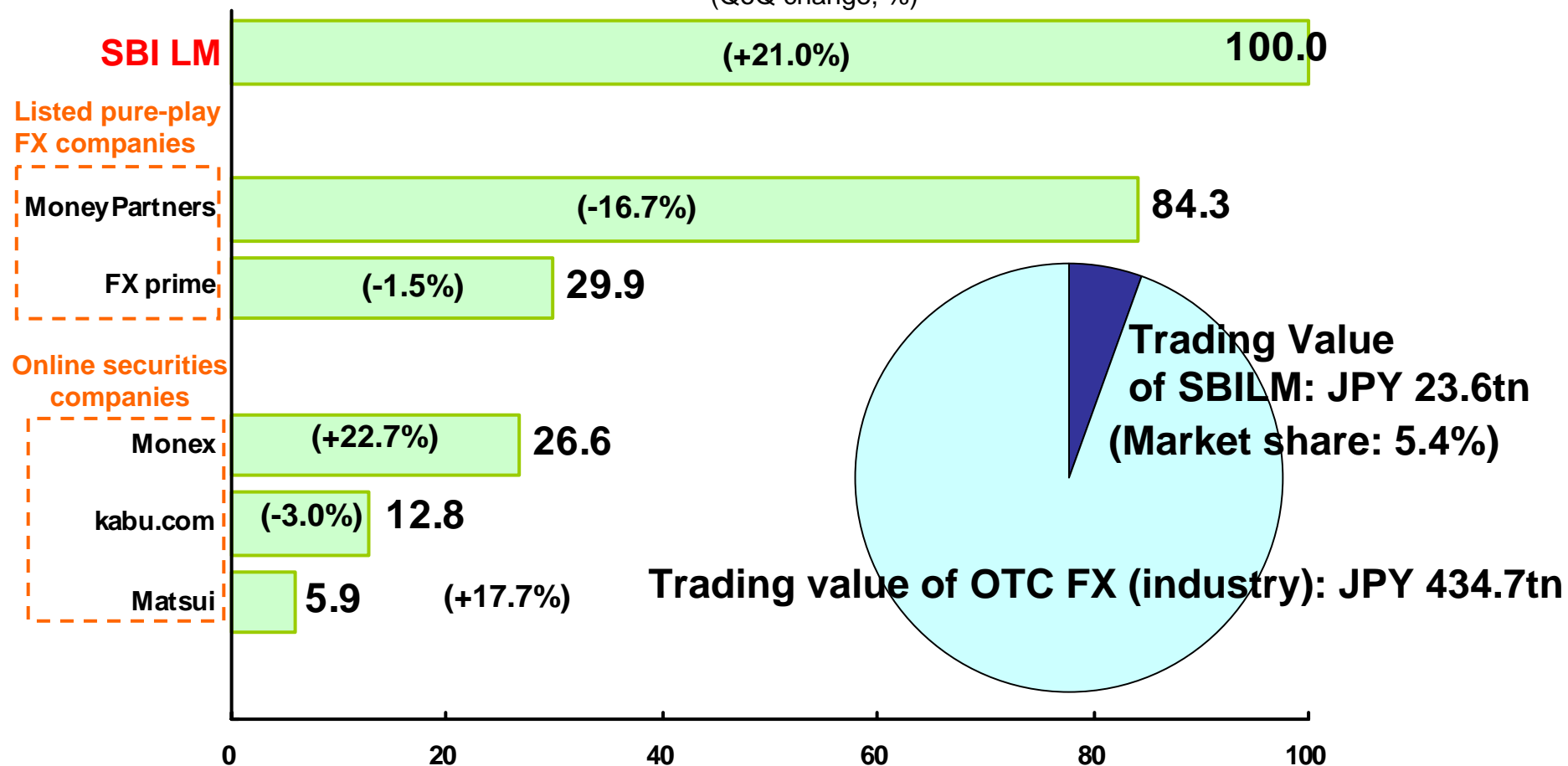
* As of Sept. 28

*Researched by SBI Liquidity Market 82

SBI Liquidity Market's Position in the FX Industry

2011 Trading volume/value comparison in 2Q FY2011

Trading value/volume of SBI Liquidity market=100
(QoQ change, %)

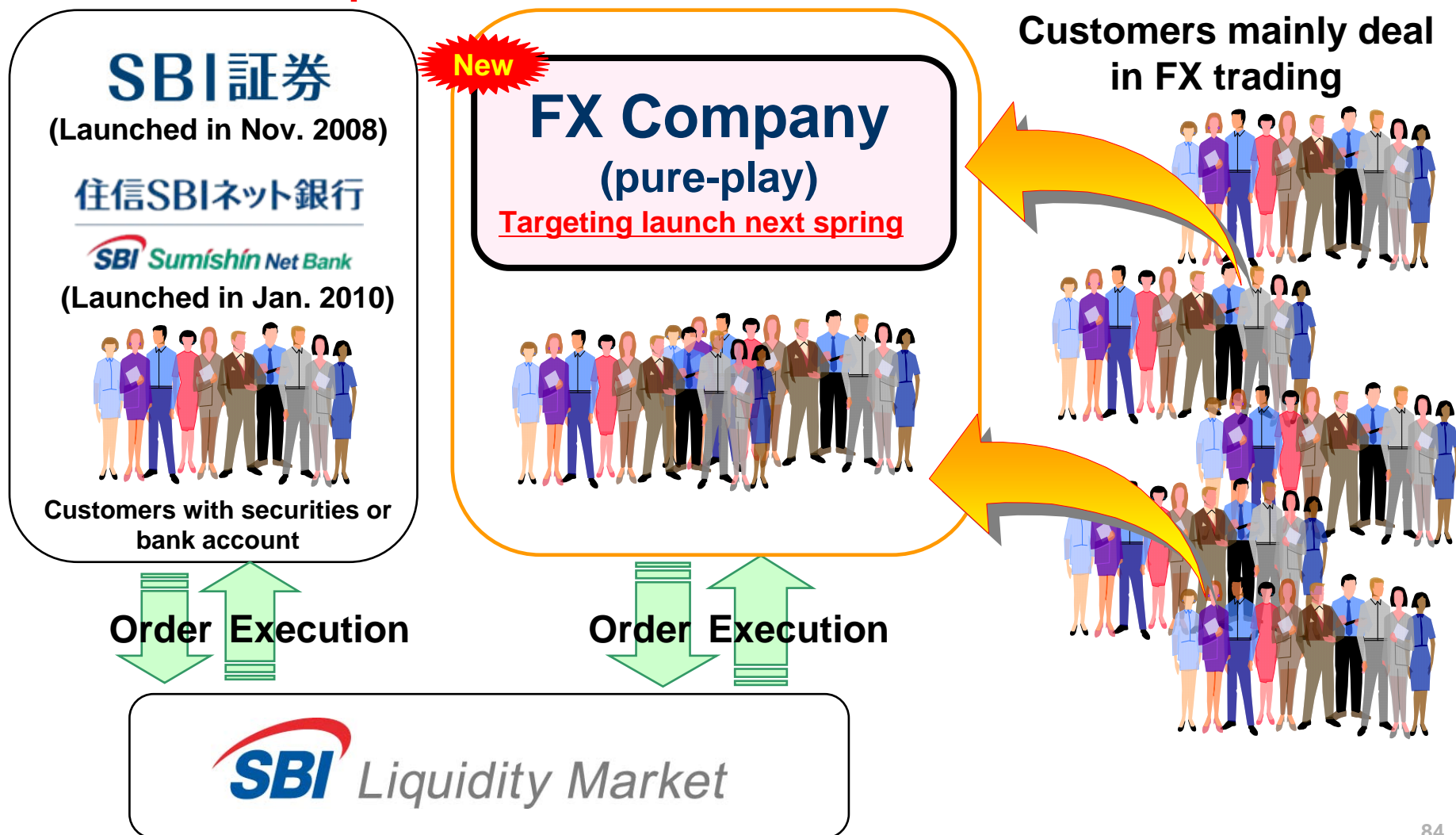


Source: The Financial Futures Association of Japan, disclosed materials of each company

There is still plenty of room for expansion in the OTC FX market, while SBILM's trading volume/value highly exceeds that of the other online securities companies and listed pure-play companies



Planning to Establish a New FX Company to Acquire New Customer Cluster

Besides customers via SBI SECURITIES and SBI Sumishin Net Bank, **procure FX dealers as new customers**



The Composition of Growing Customer Base of SBI Sumishin Net Bank

Comparison of customer base of pure-play Internet banks
(at the end of Sept. 2011)

| | Numbers of Accounts (accounts) *():YoY % change | Deposits (JPY billion) | Deposits per customer (JPY) |
|--|---|--|-----------------------------|
| SBI Sumishin Net Bank (Started in Sept. 2007) | <u>1,226,463</u> |  <u>1904.0</u> | <u>1,552,460</u> |
| Sony Bank (Started in June 2001) | 881,000 | 1645.2 | 1,867,423 |
| Rakuten Bank (formerly eBank) (Started in July 2001) |  3,848,000 | 725.5 | 188,540 |
| Japan Net Bank (Started in Oct. 2000) | 2,289,000 | 475.4 | 207,727 |

SBI Sumishin Net Bank and Sony Bank are better suited to manage personal assets.
Rakuten Bank and Japan Net Bank are better suited for account settlements.

SBI Sumishin Net Bank vs. Sony Bank <1>



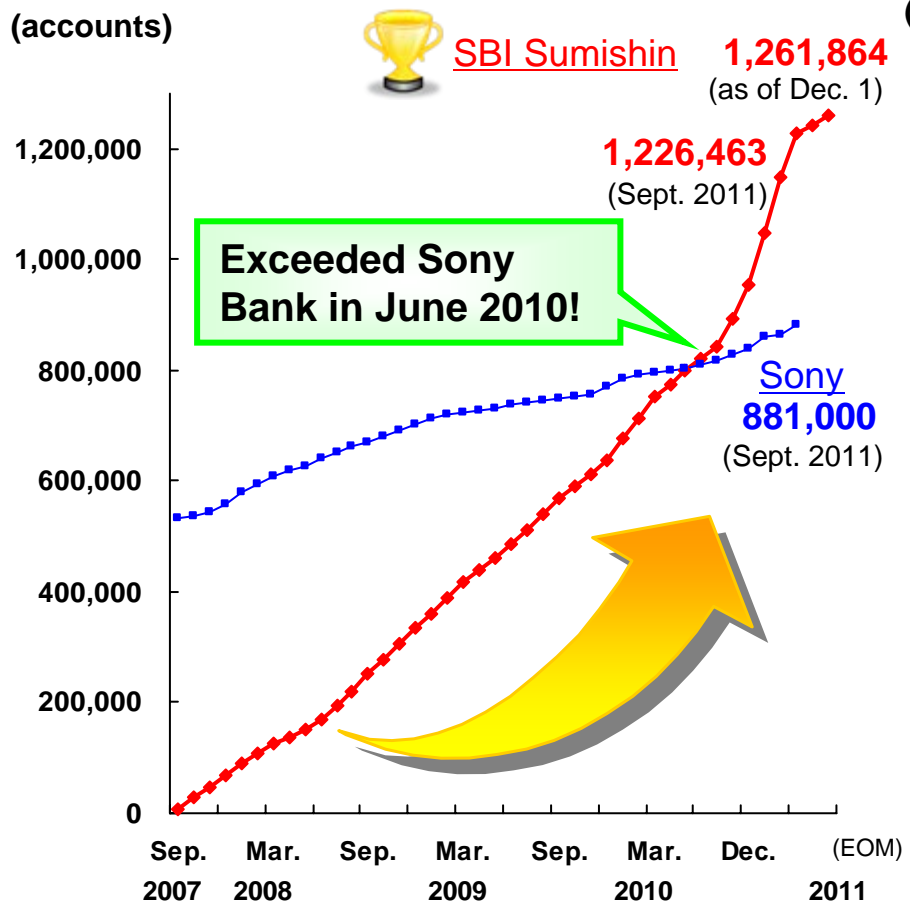
(Launched in Sept. 2007)

(Launched in June 2001)

*Sony Bank refrained from monthly disclosures after Aug. 2010

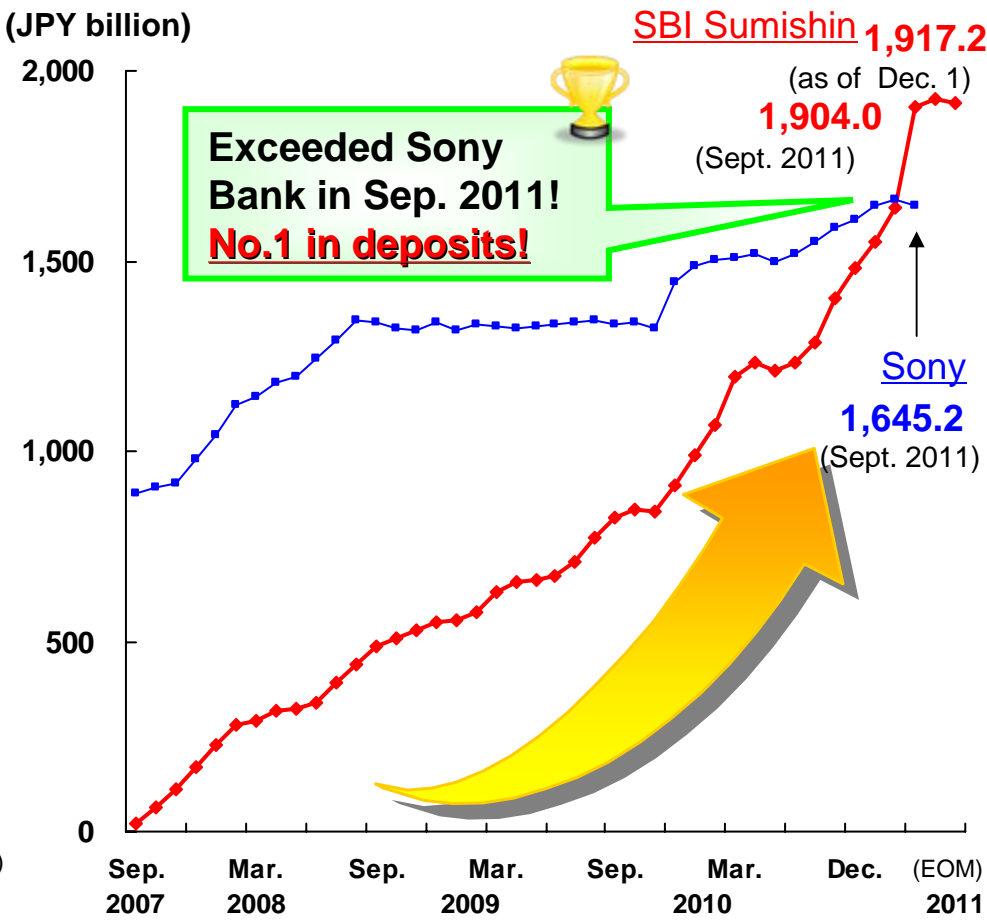
Change in number of customer accounts

(Sept. 30, 2007-Dec. 1, 2011)



Change in deposit amount

(Sept. 30, 2007-Dec. 1, 2011)



SBI Sumishin Net Bank exceeded Sony Bank in both number of customer accounts and deposit amount

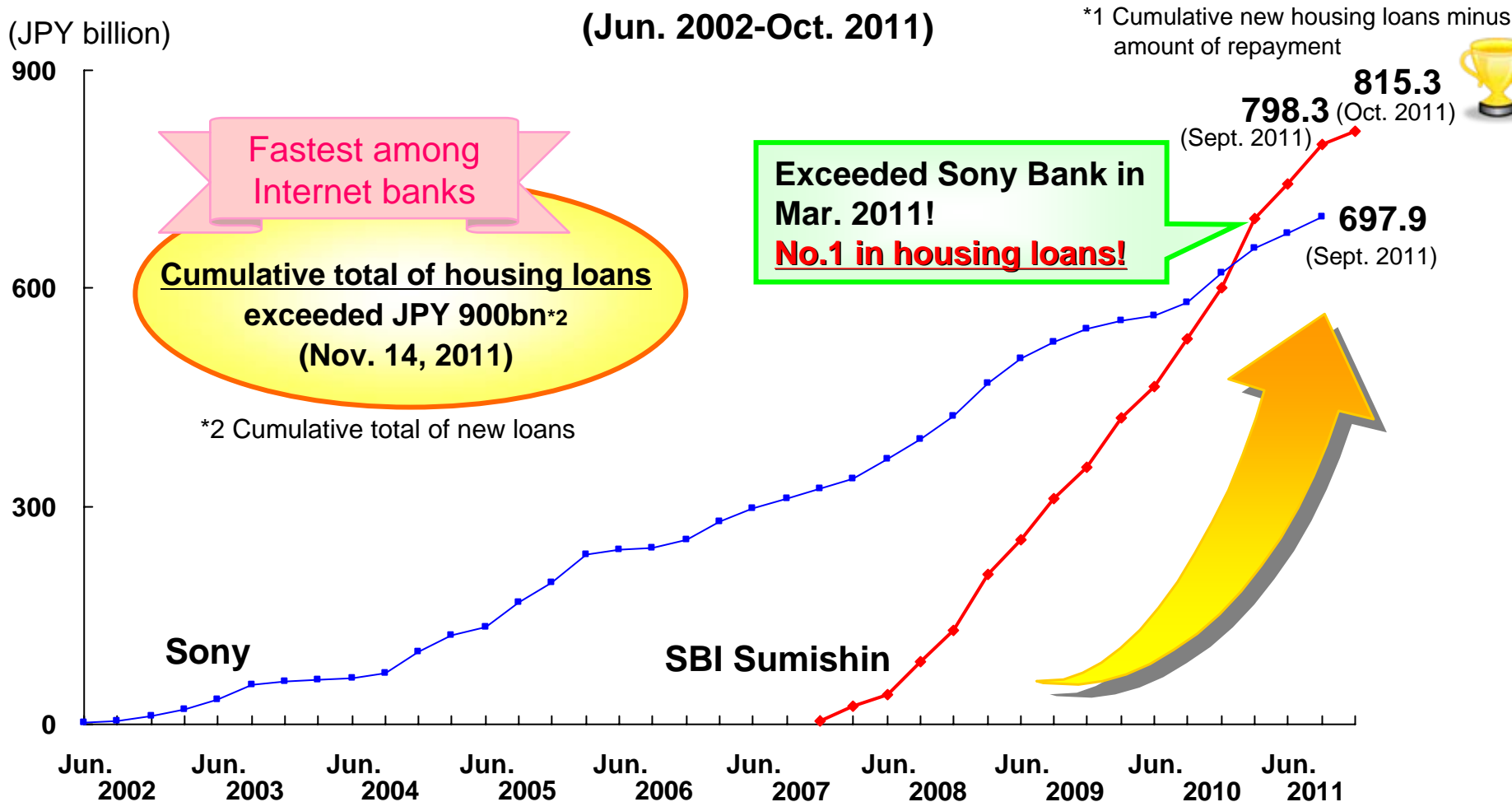
SBI Sumishin Net Bank vs. Sony Bank <2>



(Launched in Sept. 2007)

(Launched in Jun. 2001)

Change in balance of housing loans *1





- The housing loans outstanding increased approximately 1.5X in the past year
- The proportion of fixed-rate loans in the housing loan balance decreased, due to increased sales of variable-rate housing loans

Significant Increase in Numbers of Accounts of SBI Sumishin Net Bank as against Other Pure-play Internet Banks

Change in Numbers of Accounts of pure-play Internet Banks for the past year

(accounts, %)

| Suited for | | End of Sep. 2010 | End of Sep. 2011 | YoY change |
|----------------------------------|--|--|---------------------|---|
| Management of personal assets | SBI Sumishin Net Bank (Started in Sept. 2007) | 892,009 | → 1,226,463 |  37.5 |
| | Sony Bank (Started in June 2001) | 828,000 | → 881,000 | 6.4 |
| Account settlements | Rakuten Bank (formerly eBank) (Started in July 2001) |  3,591,000 | → 3,848,000 | 7.2 |
| | Japan Net Bank (Started in Oct. 2000) | 2,183,000 | → 2,289,000 | 4.9 |

To Further Increase Convenience for Clients by Expanding Lineups of Products and Services

Example performances of products transacted:

Investment trusts

As part of financial products brokerage services, we advertised financial products handled by SBI SECURITIES



Balance increased about twice year-on-year!

Structured deposits

Launched in December 2010

High interest rate deposit product whose period may be extended if so decided by SBI Sumishin Net Bank



Balance topped JPY 50.0bn in 7 months!
Balance has steadily accumulated and exceeded JPY 70.0bn!

Examples of services:

Settlement service

Service that enables companies to pay charges incurred when using partners' services



Number of partners has increased to 39 firms!

Internet fundraising

Started on July 28, 2011

Donations can be made through the service to 13 organizations, such as the National Network for Child Abuse Prevention and incorporated foundations.

Services compatible with smart phones

Launched on July 21, 2011

Services include balance inquiries, confirmation of deposit and withdrawal statements, and transactions such as remittances and transfers.

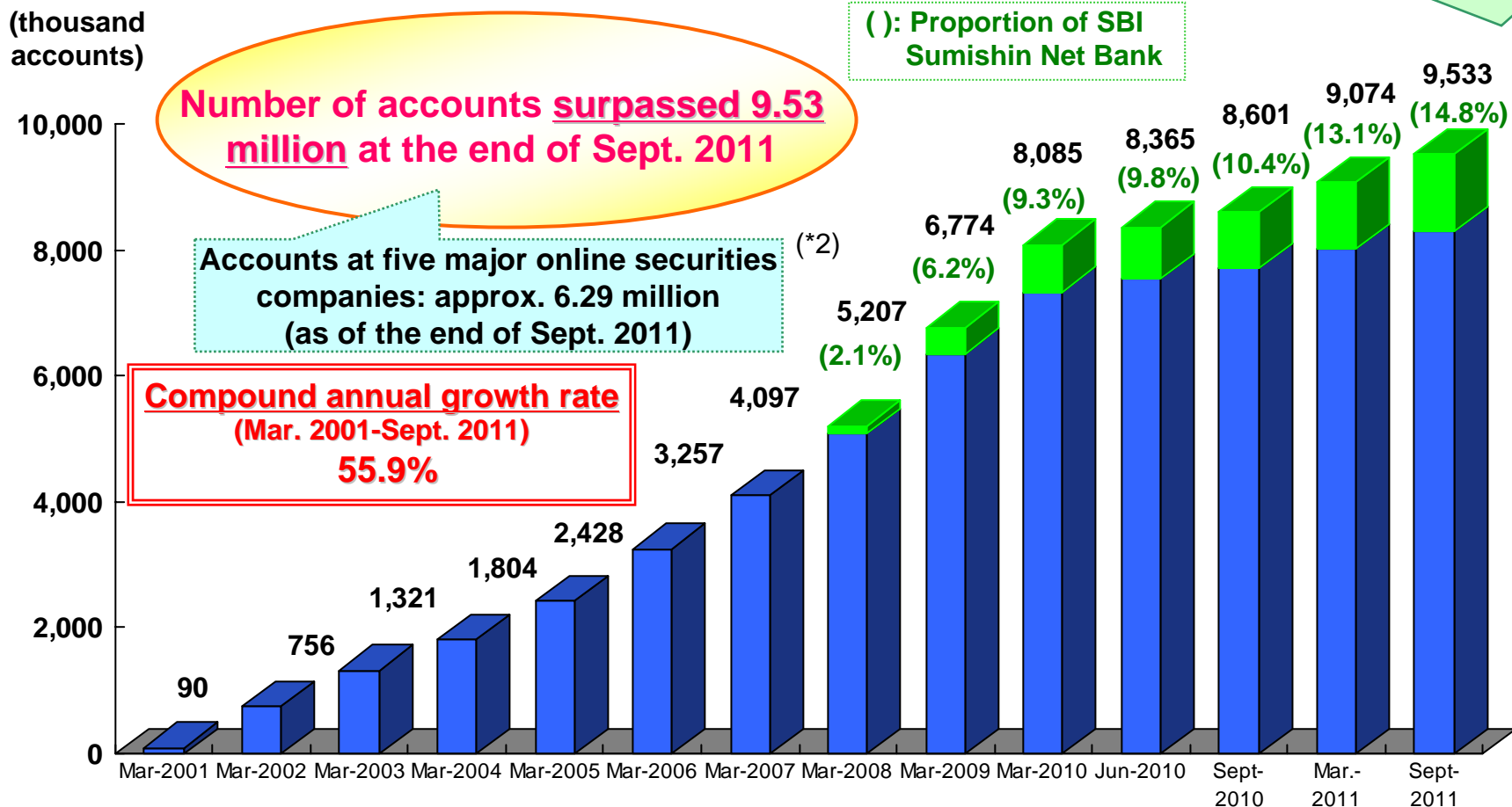


Prospect of Future Growth<1> : Industry Growth

Change in number of customer accounts at five pure-play internet banks in Japan

(Mar. 2001-Sept. 2011) (*1)

Market Share of SBI Sumishin Net Bank Expanded



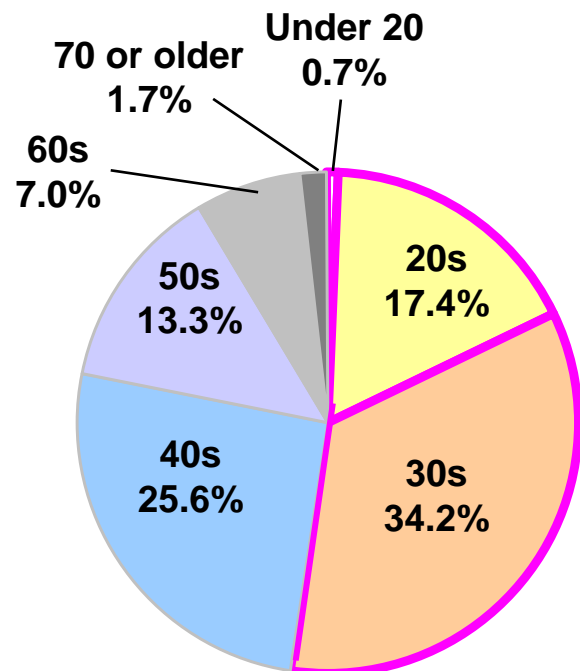
(*1) Compiled by SBIH from information disclosed by each company. Pure-play internet banks refer to SBI Sumishin Net Bank, Japan Net Bank, Sony Bank, Rakuten Bank and Jibun Bank.

(*2) Following five companies: SBI SECURITIES, Monex, Rakuten Securities, Matsui Securities and kabu.com Securities. 90

Prospect of Future Growth<2> : Features of Customer Segment

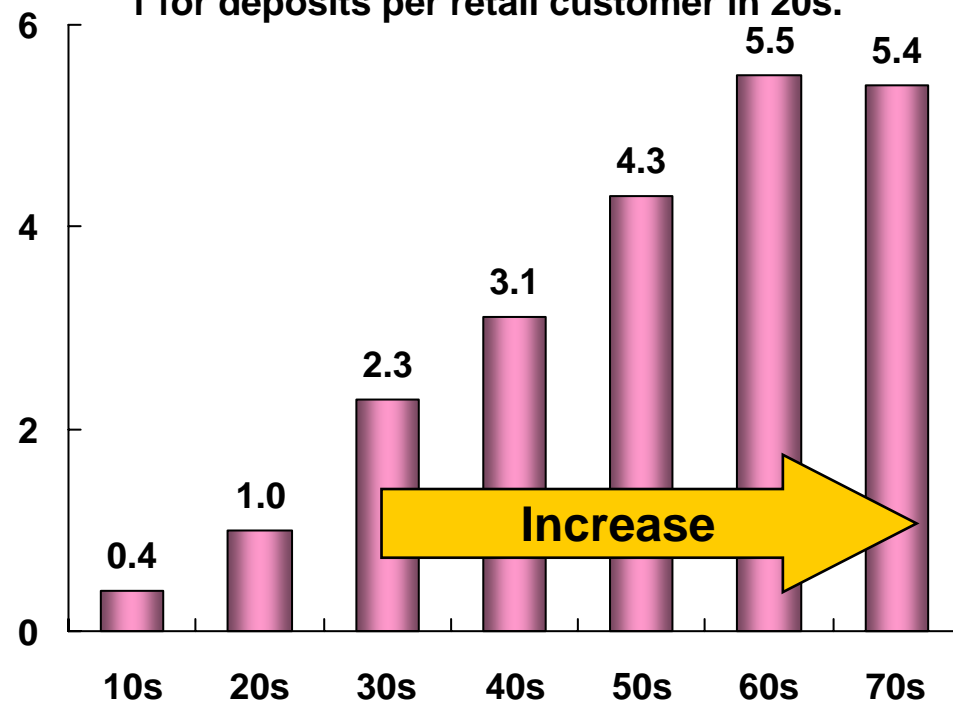
Customers of SBI Sumishin Net Bank (As of March 31, 2011)

■ Retail customer age brackets



■ Deposit per customer

* Indexed figures assuming a base value of 1 for deposits per retail customer in 20s.



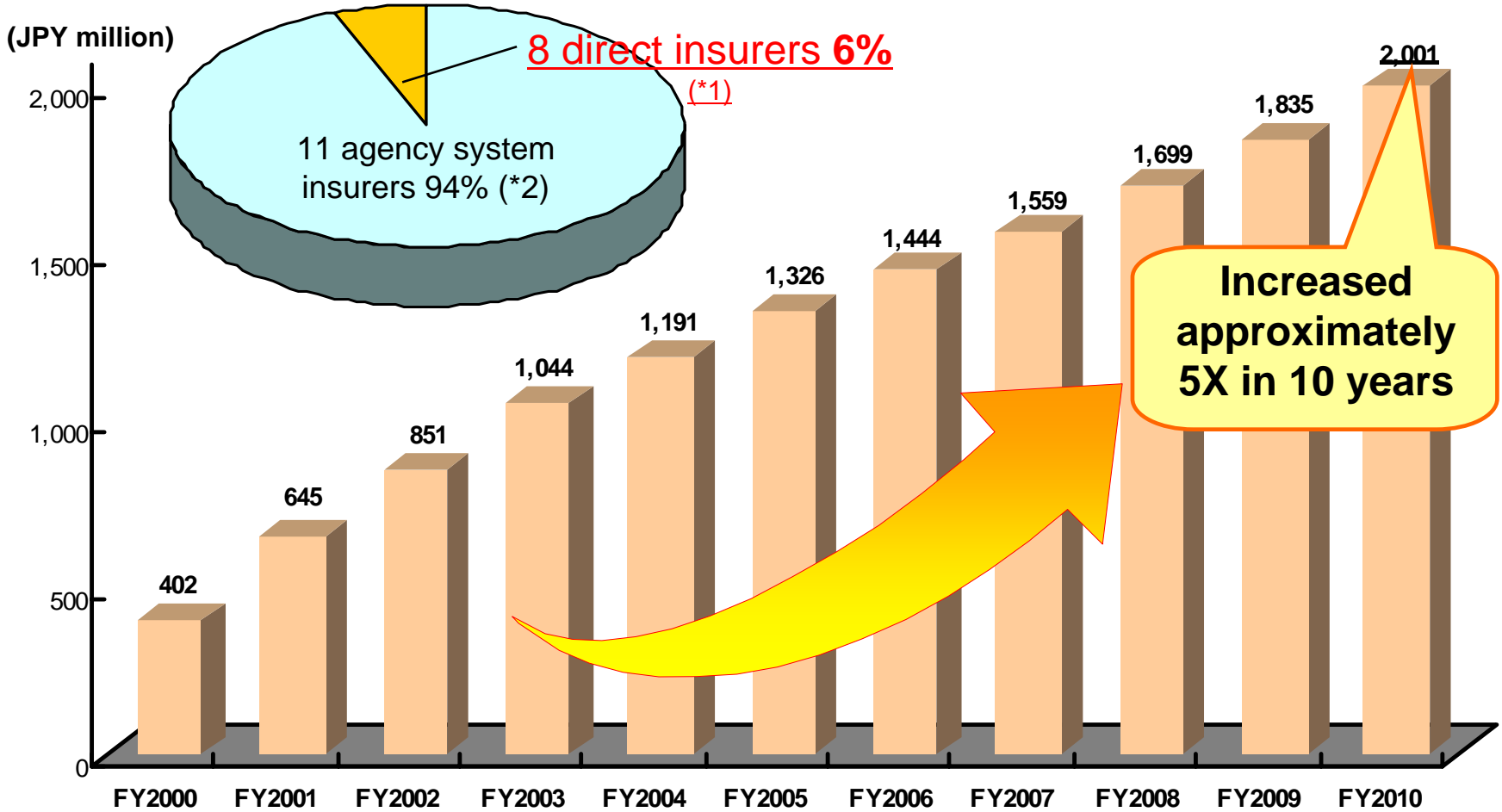
The assets of retail customers currently in their 20s and 30s will increase over time, along with **increases in various financial transactions** for asset management purposes. The same trend will also be experienced at SBI SECURITIES

Direct Non-life Insurance Sales Continue to Increase Steadily



Change in direct income of insurance premium (8 direct insurers)

■ Market share of direct income of insurance premium in FY2010



(*1) 8 direct insurers: Sony Insurance, Mitsui Direct, Sonpo 24, E. design, Zurich, AXA, American Home, SBI Insurance

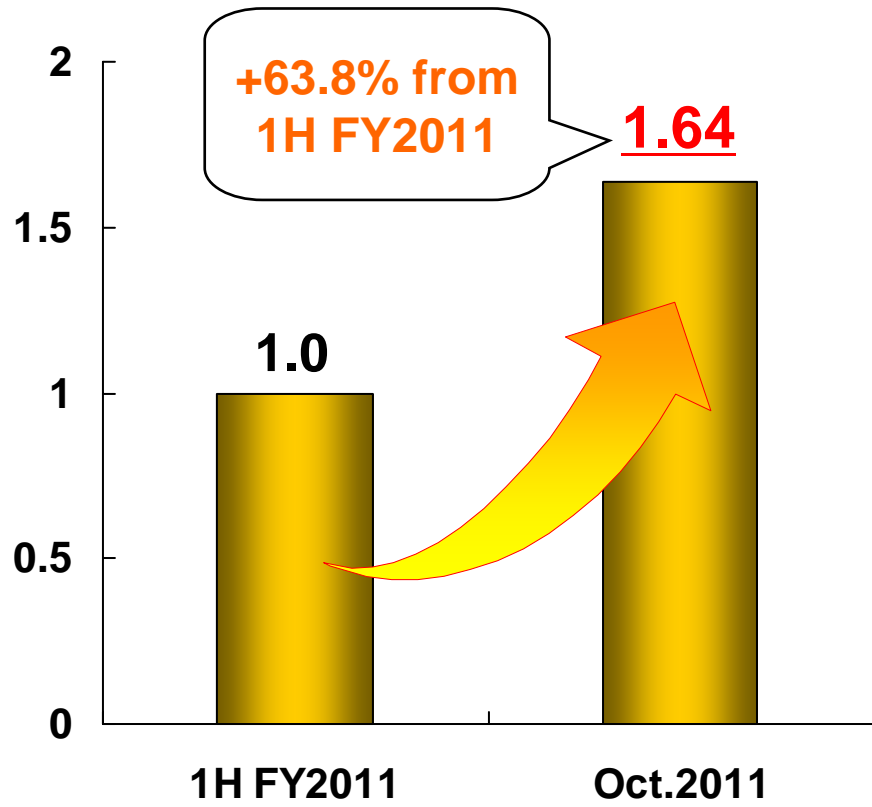
(*2) 11 agency system insurers: Tokio Marine & Nichido Fire Insurance, Sompo Japan, Mitsui Sumitomo Insurance, NIPPONKOA Insurance, Aioi Nissay Dowa Insurance, Nisshin Fire & Marine Insurance, THE FUJI FIRE AND MARINE INSURANCE, Kyoei Fire & Marine Insurance, SECOM General Insurance, ASAHI FIRE & MARINE INSURANCE, Daido Fire Insurance. (Source) Compiled by SBIH from information disclosed by each company.

Number of Auto Insurance Contracts Written Grew Steadily in October

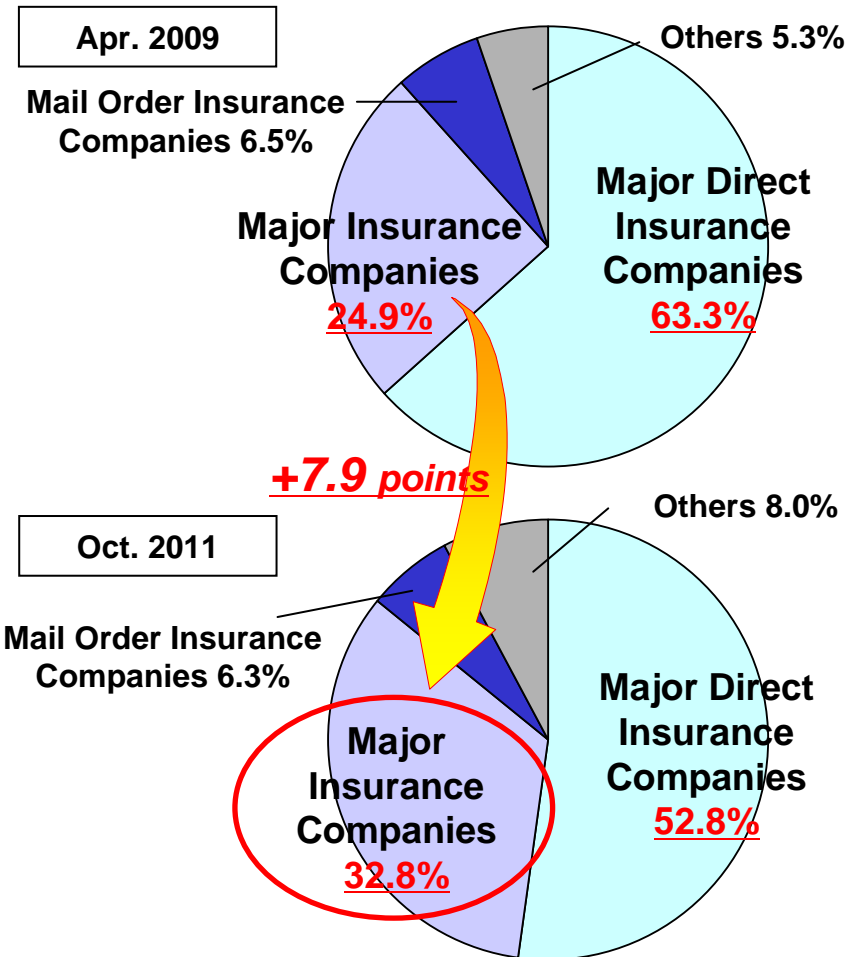
Comparison of avg. monthly number of contracts written in 1H FY2011 and Oct.

2011 (indexed)

* The number of contracts in 1H FY2011 = 1



Breakdown of companies, to which new customers enrolled



Those switching from major insurance companies increased, while major direct insurance companies account for half of the total.

SBI Insurance Praised for Offering Industry's Lowest Premiums and Accident Response



No.1: In Oricon customer satisfaction ranking
“Satisfaction in Insurance Premium” 2012



3 Years!



No.1: Weekly Economist Magazine
“Auto Insurance Premium Ranking”

(*) Nov. 15, 2011 issue

→ **No. 1** in any age (Customers aged 26, 35, 60)



No.1 overall: Rakuten’s Insurance “Automobile Insurance Accident
Response Satisfaction Ranking in FY2011”

→ **No.1** in categories “payment of insurance claim”
and “progress report ”

[In Survey]

- They explained what I did not know and responded to the details. (Single-car accident / Male, 30’s)
- I felt the service was safe. (Road service / Male, 50’s)
- They gave me a quick response after the accident, also carefully explained what I didn’t understand. (Property damage accident / Female, 20’s)

SBI Mortgage's Loans Outstanding Topped JPY1 Trillion in Just 10 Years and 3 Months Since its Start of Operations

(JPY billion)

Change in Housing Loans Outstanding

As of the end of Oct. 2011:
JPY 1,057.1bn

Offers the lowest level of interest rates; 2.2%
(1.9% in initial 10 years)

* The lending rate for 21-35 year loans purchased in Nov.2011 (no annexed life insurance)



Targeting Further Business Expansion with Launch of New Products and Re-expansion of Flat 35S's Advantageous Interest Rate

[New product: SBI Flat Half& Half]

Launched on Oct. 1, 2011



固定金利と変動金利でお悩みの方に! 新登場

SBIフラット【ハーフ&ハーフ】

*下記は平成23年11月実行時点の金利であり、変動金利は景気の動向や金融情勢により得変動いたします。
*全期間固定金利の表示金利は、当初10年金利引下げタイプです。また、お借り換えの場合当初10年金利引下げはありません。

お借り換えにも対応!!

| 変動金利 | 全期間固定金利 | |
|----------------|-----------------------|-----------------------|
| 返済期間 15~35年 | 返済期間 15~20年 | 返済期間 21~35年 |
| 年 1.10% | 当初10年間 年 1.61% | 当初10年間 年 1.90% |
| | 11年目以降 年1.91% | 11年目以降 年2.20% |

Mixed loan of fixed (Flat35) and floating rate

[New service: Rate Watcher]

Launched on Oct. 24, 2011

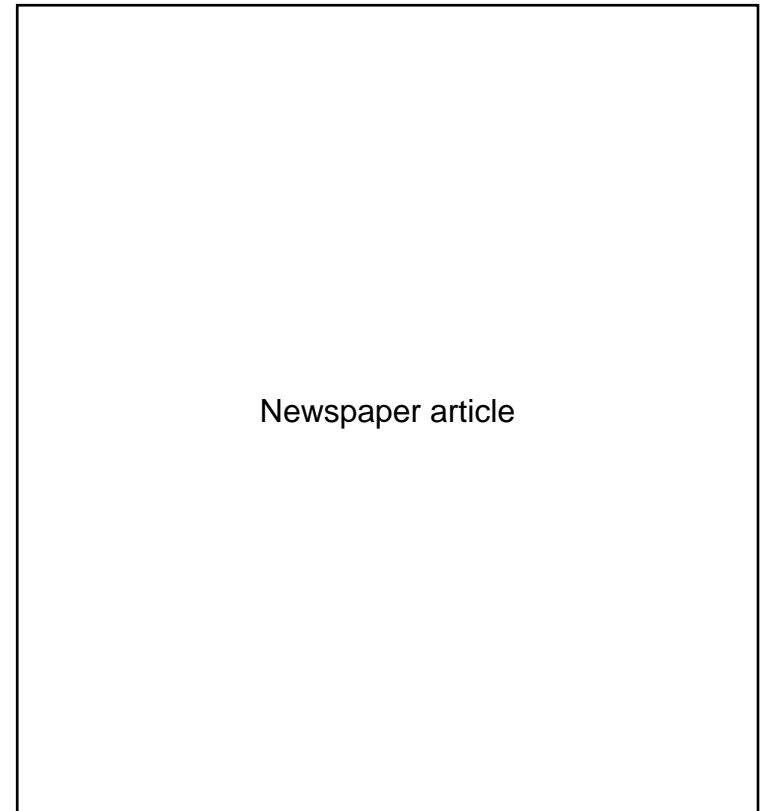


お借り換え **ドット** をお知らせする 新登場

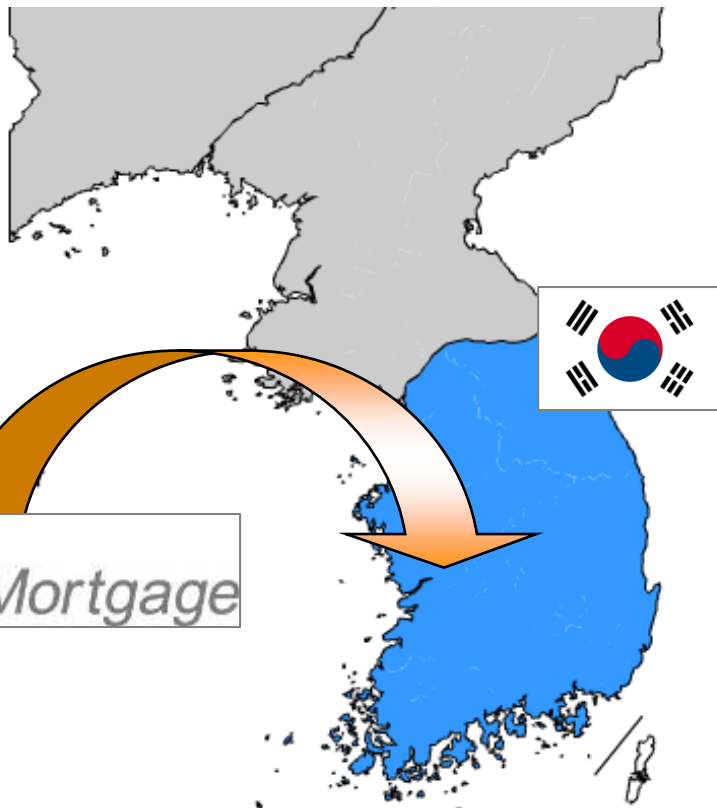
SBI住宅ローン【レートウォッチャー】

Automatically notifies appropriate timing of housing loan conversion for registrant

[Flat 35S's expansion of its advantageous interest rate]
(from 0.3% to 0.7%)



SBI Mortgage's Listing on KOSPI Market was Approved by the Korea Exchange on November 17, 2011 as the First Japan-based Company Listing



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
- Samsung Electronics and Hyundai Motor, POSCO and LG Display are examples of its major listing companies

| | |
|-------------------------|--------------------------------|
| No. of listed companies | 777 |
| Market Cap. | Approx. KRW 1,141tn (JPY 77tn) |
| Annual trading volume | Approx. KRW 1,410tn (JPY 95tn) |

*as of the end of 2010

*KWR100=JPY6.751

To be listed within 6 months from approval

4. The Business Strategies for the Growth of the SBI Group for the Next Several Years.

Organizational Restructuring to Realize Continued Growth of the SBI Group and Priority Strategic Issues Focused on “Value Creation”

[Ratio of survival of Japan-based companies]

10 years : 6 out of 100

20 years : 3 out of 1,000

30 years and more : 2.5 out of 10,000

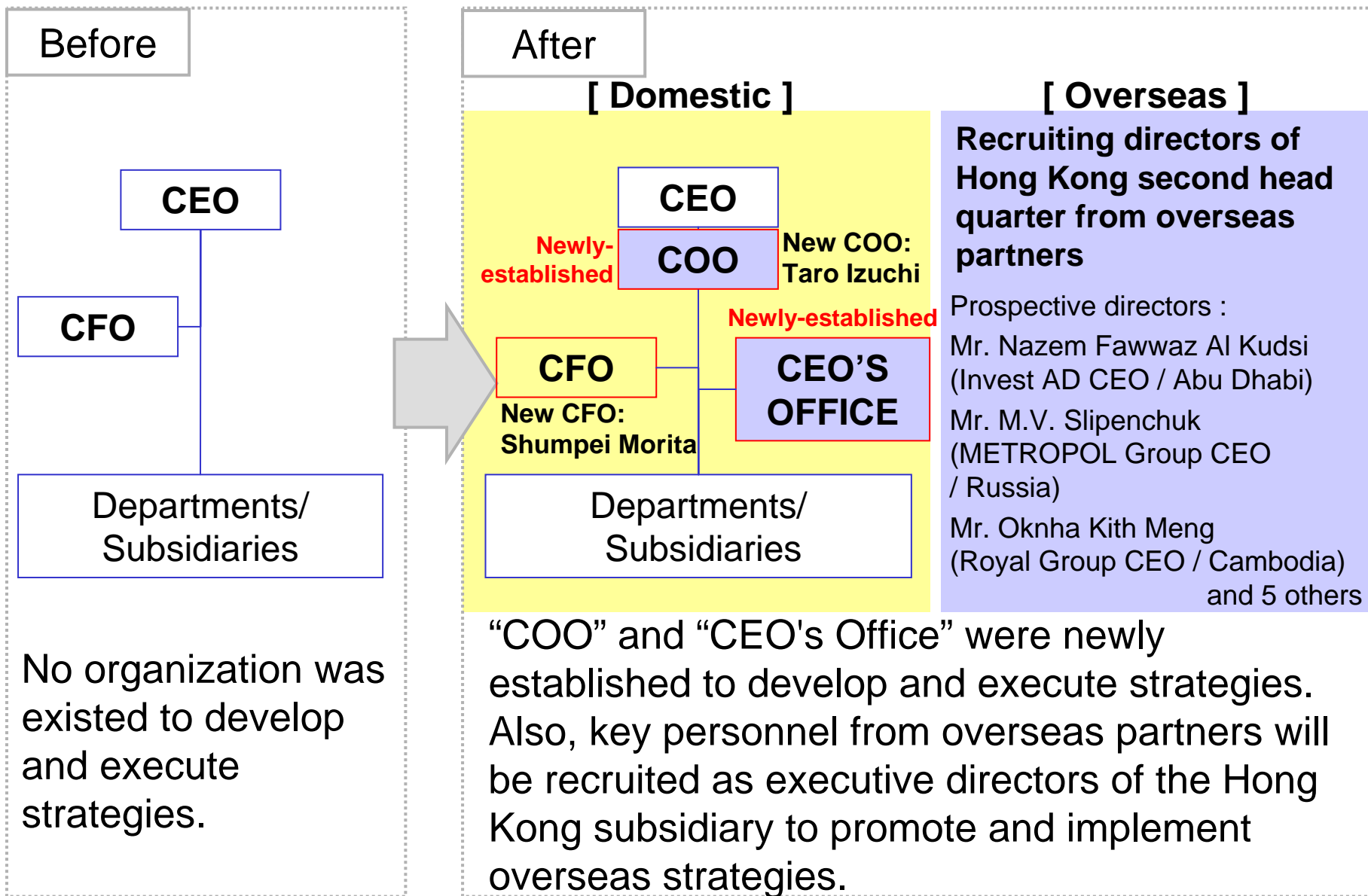
* “Financial Japan” May 2007

Organizational Restructuring to Realize Continued Growth of the SBI Group

Building a new framework to develop and execute strategies more systematically and independently of individuals

- Further enhancement of Group synergies through the effective use of business resources, and the pursuit of strategic partners domestically and overseas.
- Develop "Value Creation" strategies both domestically and overseas, to increase profitability through a concentrated Group effort.
- Diversify and decrease business risks in order to survive this age of rapid change, as globalism increases and politics and economy of each country in the world mutually effects increasingly

New Organization for Realization of Continued Growth of the SBI Group



Priority Strategic Issues Focused on “Value Creation”

<1> Promote measures to create and enforce synergies for existing businesses

<2> Active promotion of alliances with overseas companies to augment domestic financial service businesses

<3> Promote overseas development of domestic Group company’s business (including non-financial services)

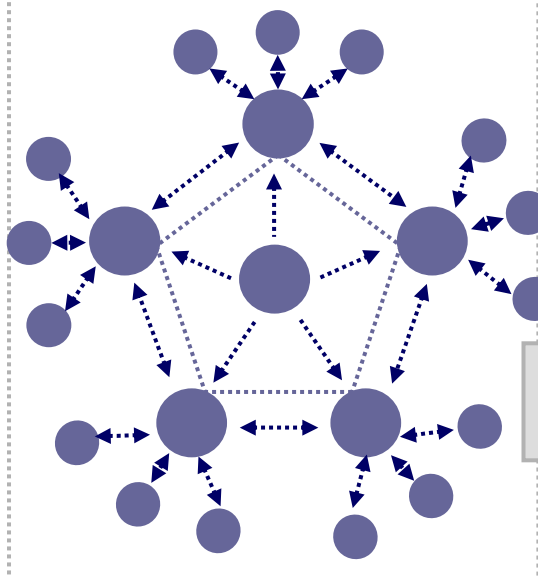
<4> Promotion of M&A activities, including cross border deals, which also contributes to the Group securities business

<5> Smooth and efficient introduction of new Internet technologies to the Group companies

<6> Active promotion IPOs of the Group companies, related companies and investee companies on the overseas stock markets

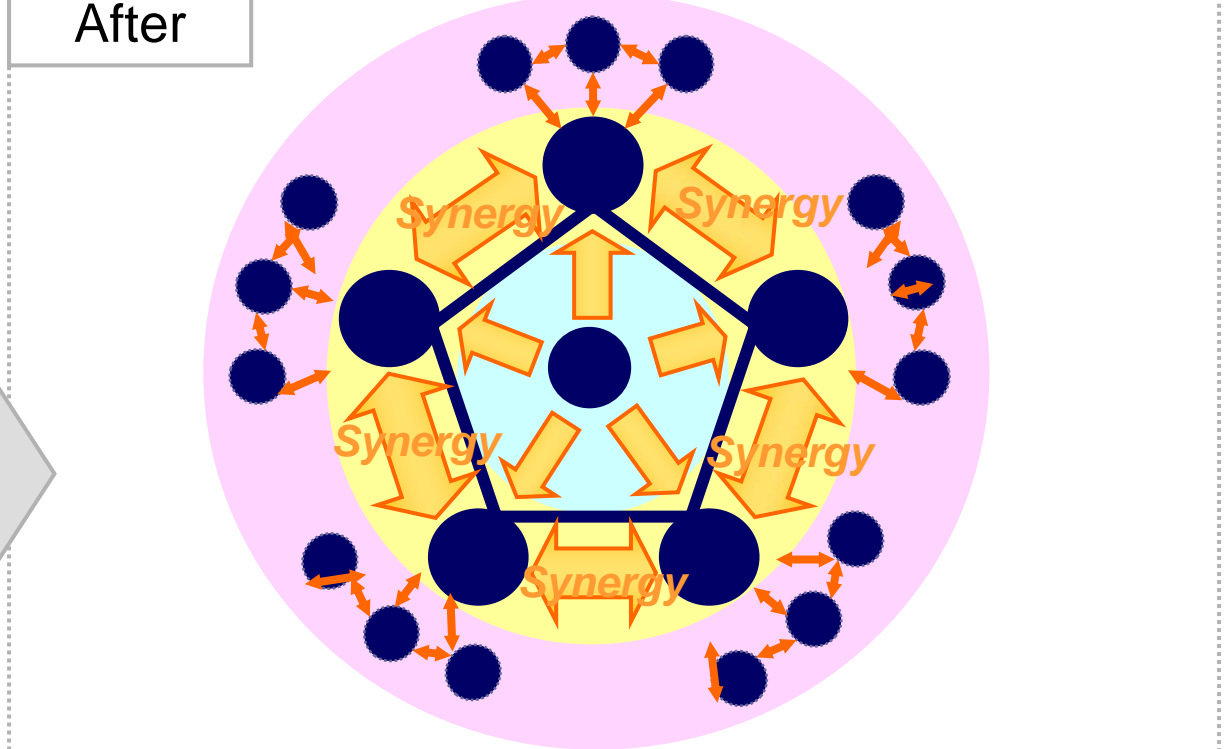
<1> Promote Measures to Create and Enhance Synergies for Existing Businesses

Before



Synergies exist primarily domestically, between core businesses, or between core businesses and their supporting companies.

After



Creation of various synergies by different combinations of core businesses, companies that support core businesses and 828 investee companies* of the Group both in Japan and abroad.

* As of May 31, 2011

Pursue Various Synergistic Combinations, both within and outside of the Financial Services Business

- **Strive to create new synergies from various aspects by regularly holding “Pentagon Meetings,” where the heads and marketing directors of five core businesses and representatives of companies that support core businesses participate.**
- **Representatives of non-financial services companies and overseas offices participate “Pentagon Meetings” as needed, to create various synergistic combinations**

(e.g.) Strengthening partnerships of SBI ALApromo and powerful companies in Japan and abroad
 - **Expansion of product sales of beauty products and health foods in Japan and abroad**
 - **Enhancement of systems for research and development in Japan and abroad**

An Example of New Synergy with Core Business and Supporting Company

~SBI VeriTrans and SBI Pay For All~

Utilizing smartphones to promote further use of settlement services

Card reader



Read information



Provision of apps for settlement, card reader, printer (planning to start business in Jan. 2012)

Data encryption

Smartphone
Download the app for settlement



Data encryption



Data transmission



Bluetooth connection

To expand affiliated stores, mainly restaurants, in cooperation with HIKARI TSUSHIN group



Printer

Receipt



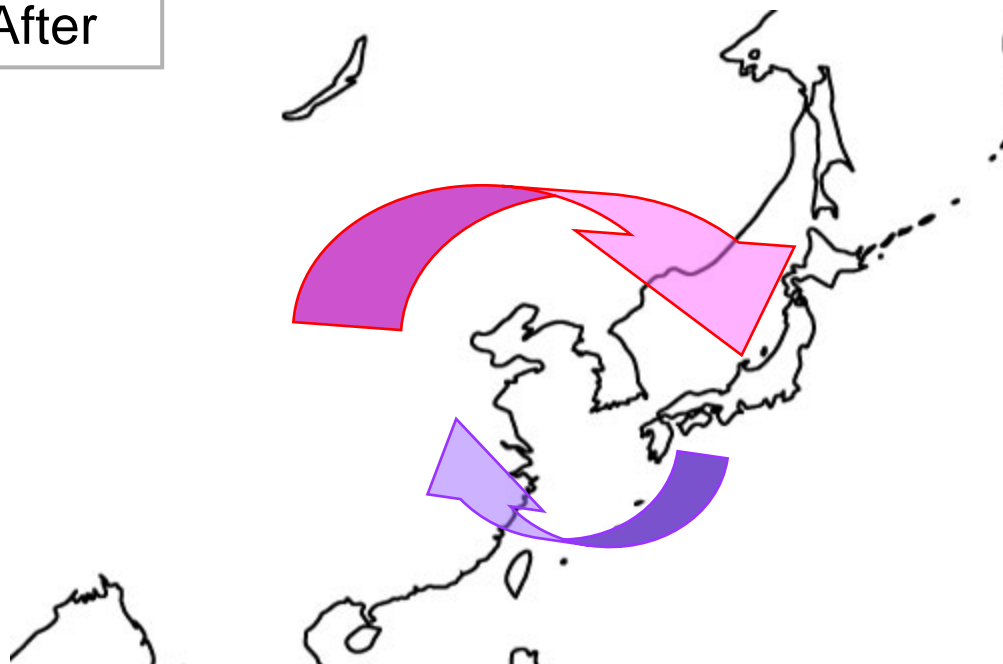
<2> Active Promotion of Alliances with Overseas Companies to Augment Domestic Financial Service Businesses

Before



Export systems and know-how regarding financial services business.

After

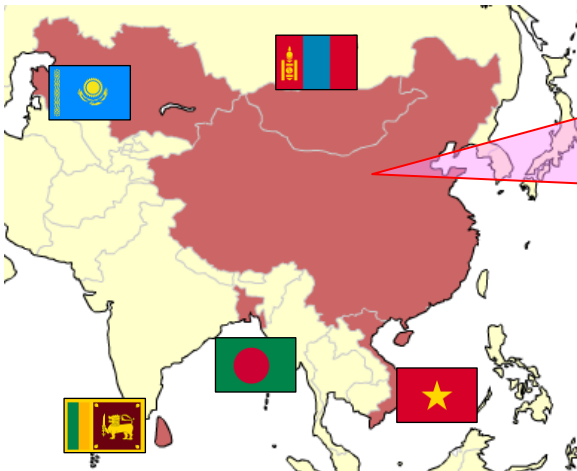


Support domestic financial services businesses through alliances with overseas financial services businesses.

SBI Asset Management Established the First Investment Trust in Japan that Covers the Entire Frontier Market in Asia



SBI Asset Management established an investment trust that incorporates a fund managed by Harvest Global Investment, a Hong-Kong subsidiary of the second largest asset management company in China, in its portfolio.



The fund invests in companies located in countries with abundant natural resources and a young workforce such as Bangladesh, Mongolia, Kazakhstan, Sri Lanka, Vietnam and the frontier regions in Western China (Inner Mongolia, Tibet, Xinjiang and Yunnan, etc.) that are expected to grow next to emerging countries such as BRICS.

Harvest Global Investment Limited

Established in Hong Kong in 2008. Its parent company, Harvest Fund Management, was established in 1999 as an asset management company in China. Its assets under management of the publicly-offered investment trusts as of the end of June 2011 ranked second in China (total assets in deposit as of the end of June 2011: USD 35.27 billion). SBI plans to develop a partnership with the Harvest Group in various areas.

Strengthening the Overseas Financial Content Business to Provide Information for Investors

Searchina



Launched "EMeye," the first Japanese media specialized in investment information of emerging countries

Providing financial information on 38 emerging countries, primarily BRICS and VISTA



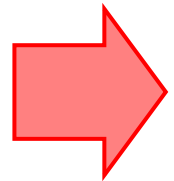
China Securities Journal



EMeye



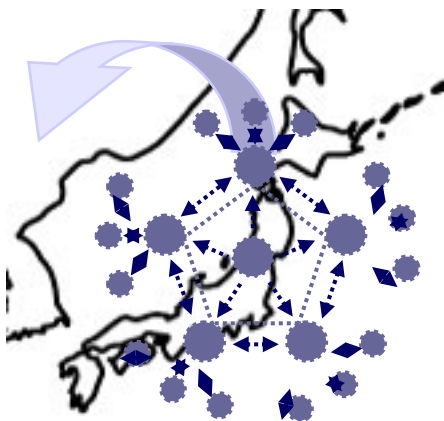
Wall Street Journal Japan



To further strengthen SBI SECURITIES' sales of foreign equities and investment trusts, by providing overseas information, especially pertaining to emerging markets that had not been previously provided enough.

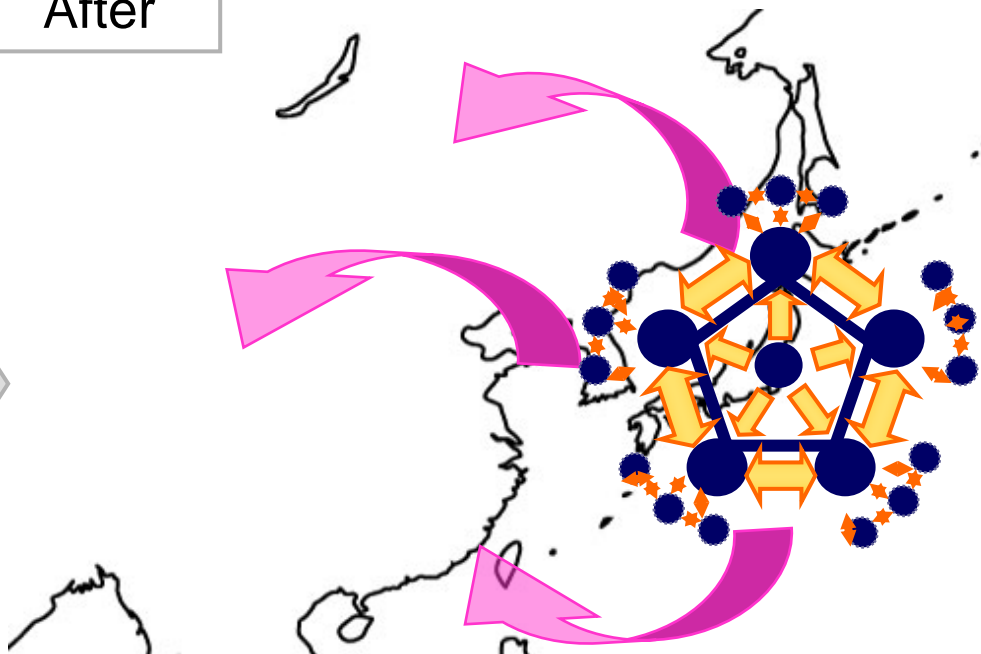
<3> Promote Overseas Development of Domestic Group Company's Business (Including Non-financial Services)

Before



Export systems and know-how regarding financial services business.

After



Export SBI Group's accumulated know-how in Japan, not only in the field of financial services businesses, but in many other fields as well.

Joint Establishment of Information Industry Funds with a Large State-owned Company Directly Managed by the Shanghai Municipal Government

Shanghai Yidian Holding



SBI Holdings

Jointly established USD and RMB funds

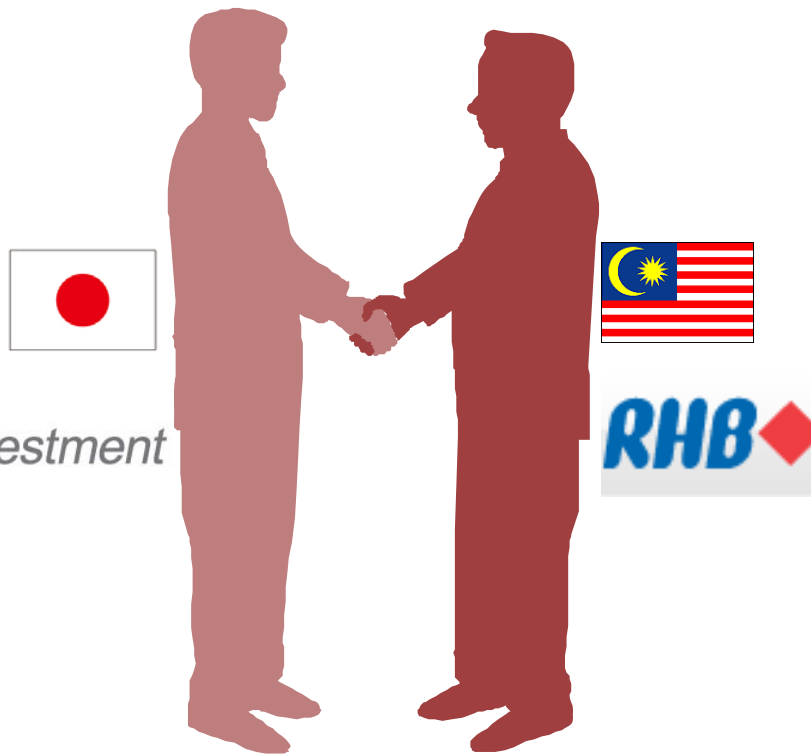
- **Primary targets are Chinese companies engaged in the information service business related to intelligent technology and Internet of things**
- **Shanghai Yidian Holding is considering acquiring and integrating promising companies among those in which the funds invest**

Outline of Shanghai Yidian Holding

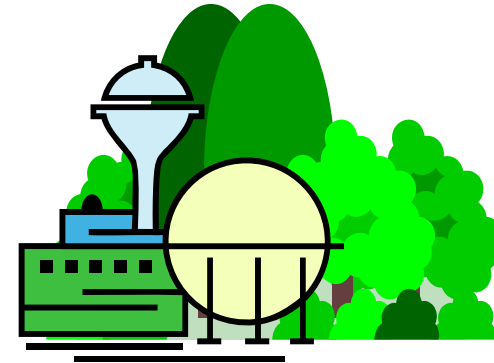
Founded in 1960, Shanghai Yidian Holding is a large state-owned company directly under the aegis of the Shanghai Municipal Government and the only information company under the Shanghai State-owned Assets Supervision and Administration Commission. The Group has 120 or more companies under its umbrella.

SBI Investment to Provide Fund Management and Enterprise Development Know-how

SBI Investment will offer investment management advisory services to RHB Private Equity Fund Management Ltd (indirect subsidiary of RHB Capital) to establish an “Asia CleanTech Fund”



“Asian CleanTech Fund”



The total commitment of the Fund:
Minimum of USD 50m

Investment destination:
Listed and unlisted companies related to the clean technology industry mainly in Japan, China and other Asian emerging countries.

Explore the Market of Internet-based Financial Services in Mainland China

Conclusion of a memorandum of understanding with AEON LIFE INSURANCE COMPANY, Ltd. to form a strategic alliance

**AEON LIFE
INSURANCE
COMPANY**



Extensive experience in the insurance business in China

Group's expertise in the Internet-based financial business cultivated in Japan

Newspaper article

First initiative

(excerpt from Nikkan Kogyo Shimbun on Nov. 25, 2011)

The two parties will embark on a joint enterprise to provide an Internet-based marketplace services for insurance products, aiming to start its operation by the second half of fiscal year 2012 (plan)

About AEON LIFE INSURANCE COMPANY, Ltd.

Newly established with Chinese domestic capital in 2009

The first of such company in Northeastern China.

It holds a nationwide license to conduct insurance operations throughout the country, through its branches in 11 provinces

SBI VeriTrans Accelerates Its Overseas E-Commerce Settlement Strategy

Tap into Asian markets, especially China, where economies are expected to grow significantly



UnionPay settlement services



UnionPay
(The number of issued cards: 2.5 billion)*

The first EC mall that accepts UnionPay Settlement in Japan

(*As of Mar.2011)

Online Shopping Site Targeting Chinese People



佰宜杰.com (Buy-J.com)

The largest shopping site which has 130 thousand membership.

(*As of Jan. 2011)

Indonesia

New!

Start settlement services in local markets (Scheduled for launch next spring)

- Establish joint ventures with prominent local partners
- Also will consider alliances using the SBI Group's global network

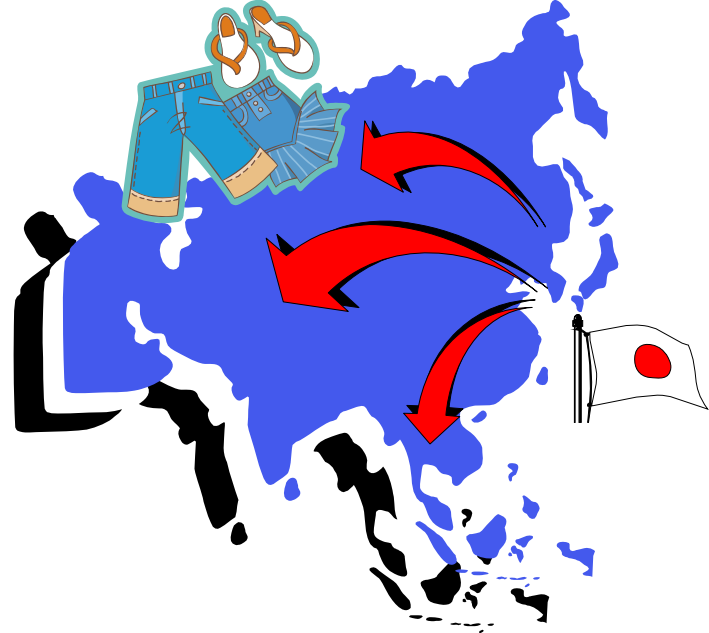
All over Asia

ECAA (E-Commerce Asia Association)



Participant Companies: 50 companies in Japan and abroad in 13 fields
(*As of July 2011)

E-Commerce Association all over Asia

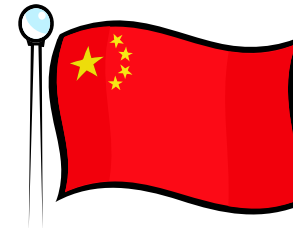


Searchina Secures Competitiveness in Chinese Information with its Unique Research



Monthly Page Views: 112.03 million
Monthly Unique Visitors: 6.11 million

(* as of the end of Oct. 2011)



Local subsidiary in Shanghai “Searchina Shanghai” (Searchina Research Institute)

Self-monitoring database of approximately 0.45 million.

- Commissioned to Operate JETRO Antenna Shop

As part of a project by the JETRO Shanghai Center to study the feasibility of exporting Japanese foods to China, an antenna shop for Japanese foods has been set up in Changsha, Hunan Province.

- Disclosure of “Lifestyle Survey of Chinese Consumers” as an Online White Paper on China

Online disclosure of a white paper (book) concerning consumer awareness survey and fixed-point observations conducted every year since 2004.

- Developed and Published Statistics on Chinese Cities

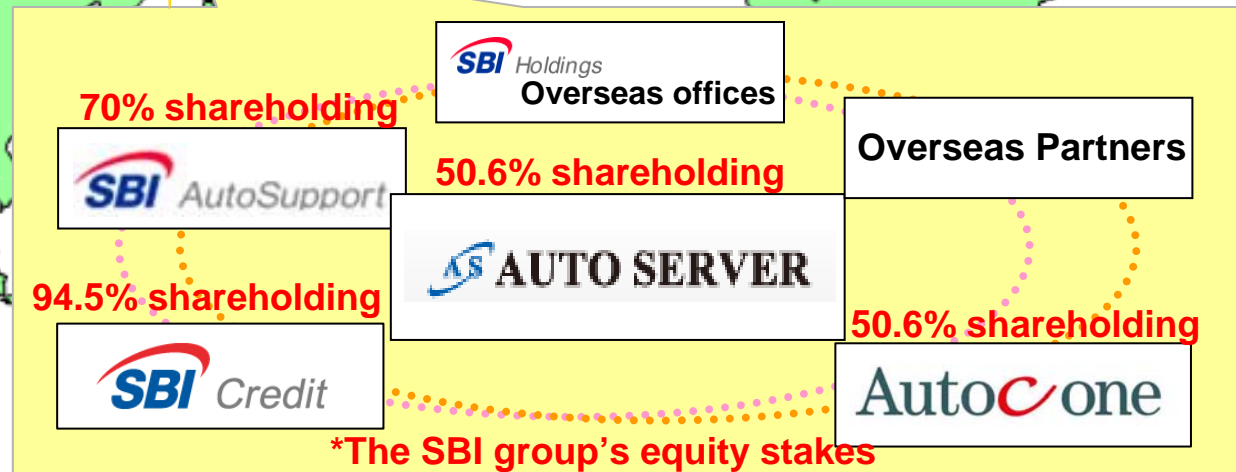
Published over the Internet major economic indicators for each Chinese city since 2003 in a time-series format.

- Current Affairs Opinion Survey (in Japanese and Chinese)

Local Chinese consumer monitors post questionnaires on the latest news in China, and other member monitors respond to them. The results are displayed in graphs by city, gender, and age group, and are made available to the public.

New Business in Used Car Service

Using combination of Auto-related companies assumed domestic supporting functions for the core business of Pentagon Management such as banking and insurance, create new synergies and increase profitability of each.



New Business Creation to Respond to Local Needs in Foreign Countries

(Example 1)

Leasing Business

Expanding overseas,
outside of the five core
financial businesses

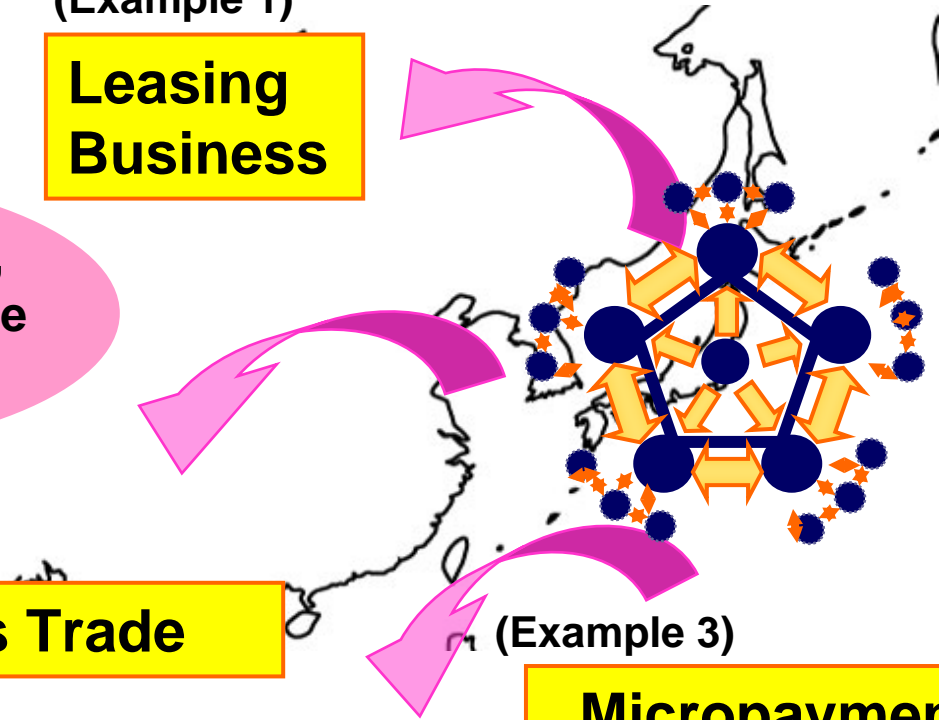
(Example 2)

Futures Trade

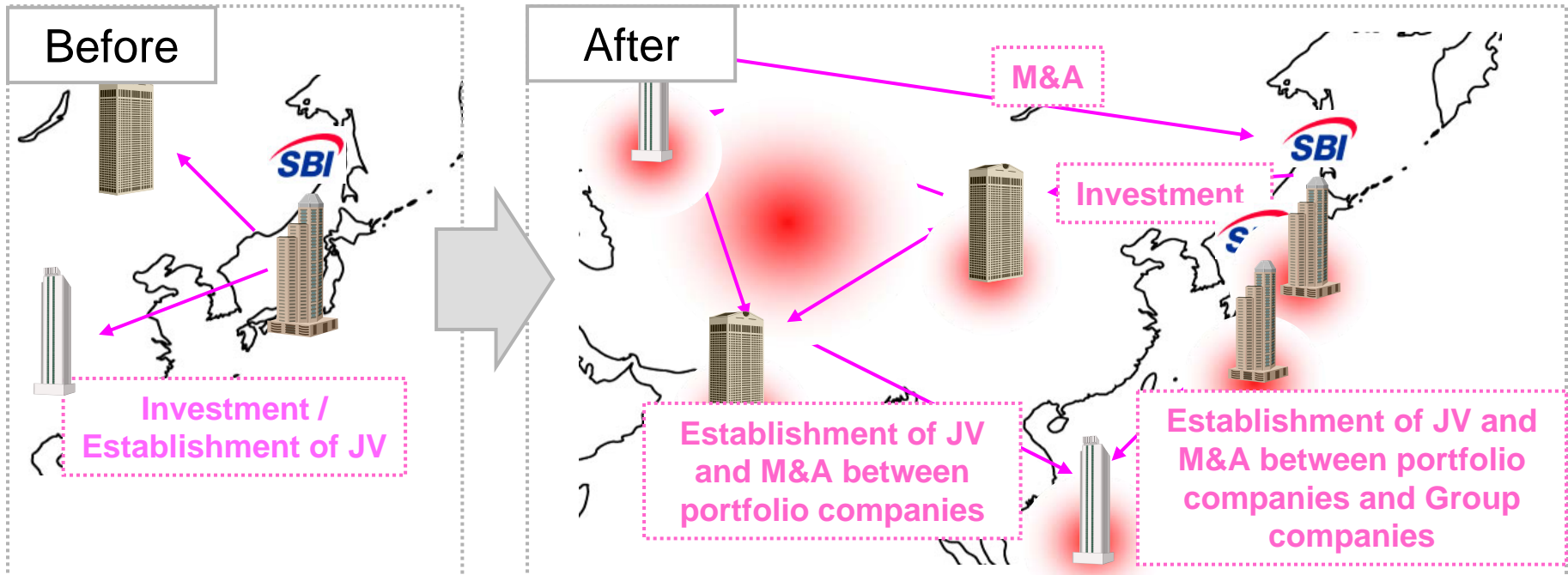
(Example 3)

Micropayment

The use of the SBI Group's payment settlement services



<4> Promotion of M&A Activities, Including Cross Border Deals, which also Contributes to the Group Securities Business



Proactive overseas investment

New value creation & Increase of each company's value

Accelerate M&A activities at foreign and domestic investee companies. In addition, create new value through joint ventures with overseas partners and the promotion of M&A activities with Group companies and investee companies both overseas and in Japan.

The cumulative number of companies the Group invested in: 828*

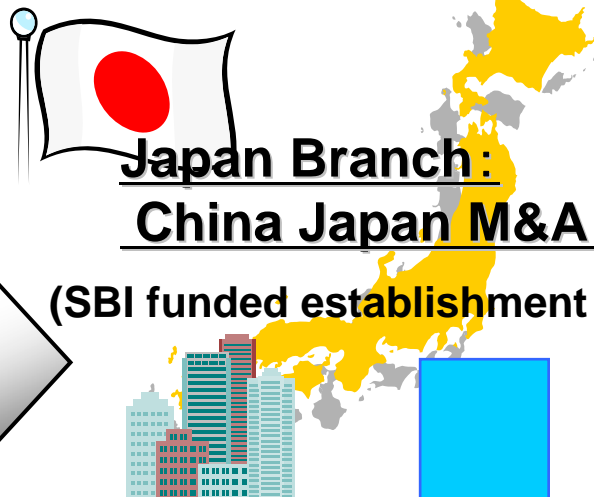
*As of the end of Mar. 2011

To Activate Cross-border M&A

Utilizing “China Japan M&A Club,” which was established in Nov. 2010 to be a specialized institute for assistance in M&A between Chinese and Japanese companies



Head office:
China Mergers & Acquisitions Association



Japan Branch:
China Japan M&A Club

(SBI funded establishment capital)



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

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

(e.g.)



[SBI SECURITIES]

Expect expansion of M&A Businesses utilizing domestic network

CSF Strengthens Tie-ups with Companies in China and Overseas

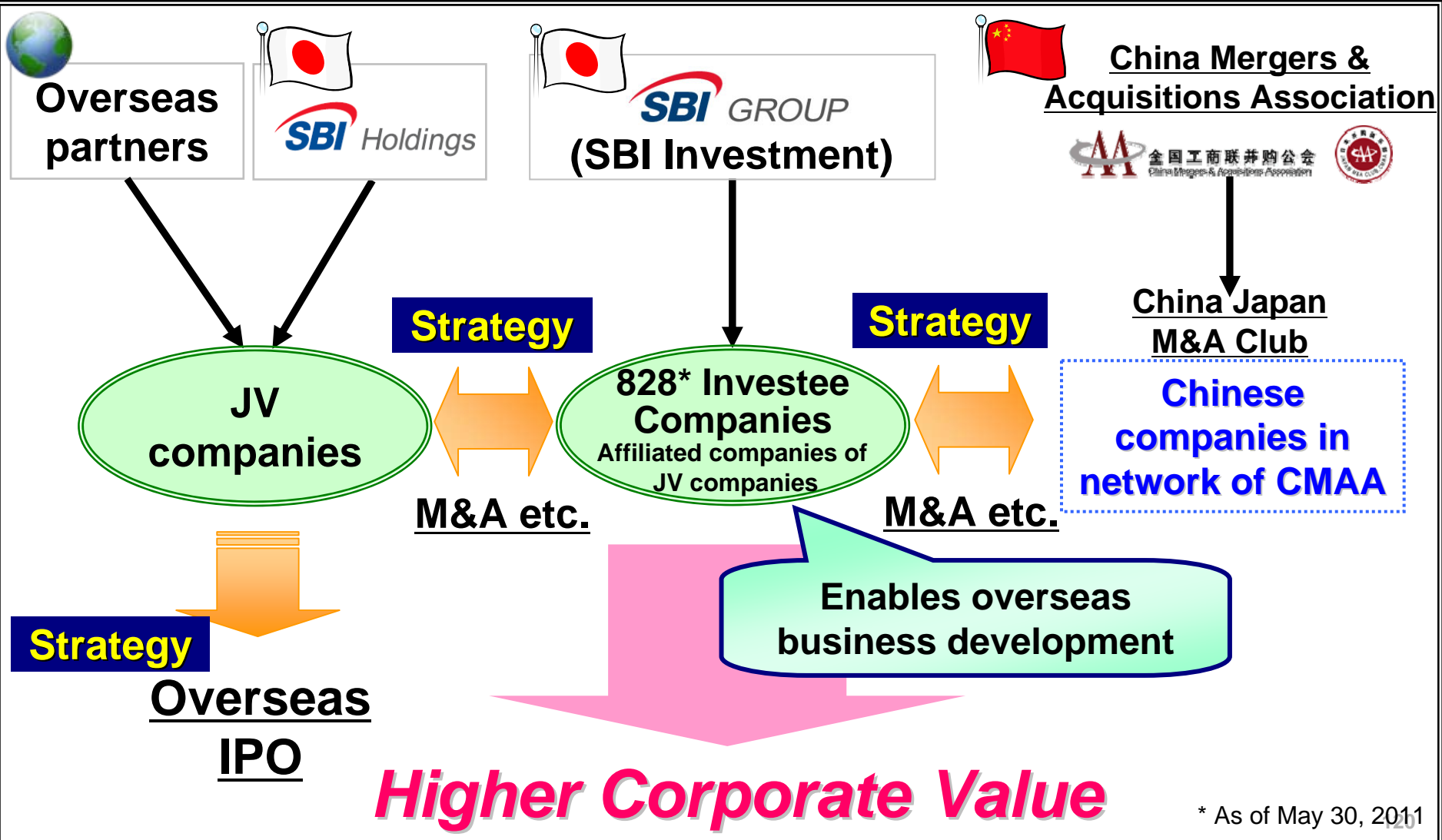


CSF considering platform to transmit comprehensive Chinese financial information globally



Targeting an Increase of Corporate Value Utilizing Global Network

<Strategy image>

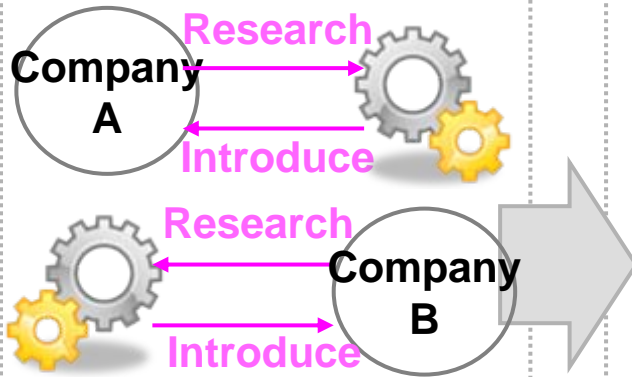


Higher Corporate Value

* As of May 30, 2011

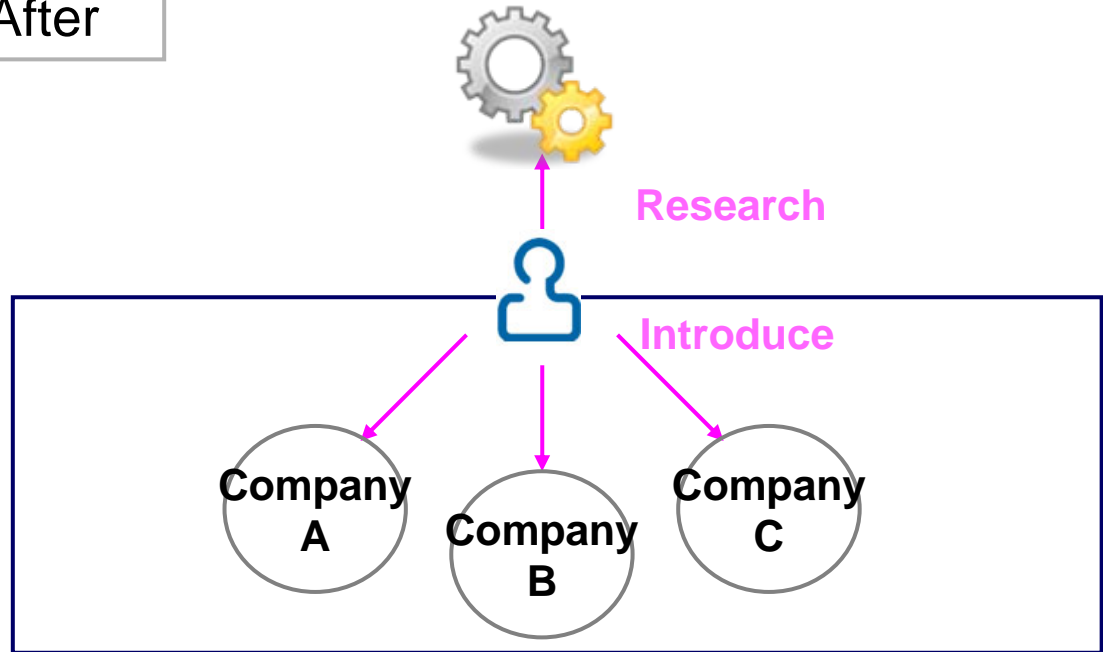
<5> Smooth and Efficient Introduction of New Internet Technologies to the Group Companies

Before



Group companies to independently research and Introduce new technologies

After



A dedicated team in CEO's office will conduct research and analysis on the global usage trends of the latest technologies and adopt them throughout the Group all at once. In this way, we will aim to have prompt penetration of the latest technologies and mutually functional links, while also reducing adoption costs.

Utilization of New Platforms Such as Facebook and iPad



Utilization of Facebook

- The SBI Group's information media services, such as SBIFinance, EMeye, Morningstar Japan, deliver articles through Facebook
- Blog "Yoshitaka Kitao's Diary" is updated on Facebook, instead of "SBI Money World"
- To consider more effective operation of the group companies' Facebook pages.

Provide investment trusts selling tools utilizing the iPad

Install Morningstar's information on investment trusts and simulation tools on the iPad, and provide it to financial institutions such as SBI SECURITIES that sells investment trusts.



Content delivery through smart device applications

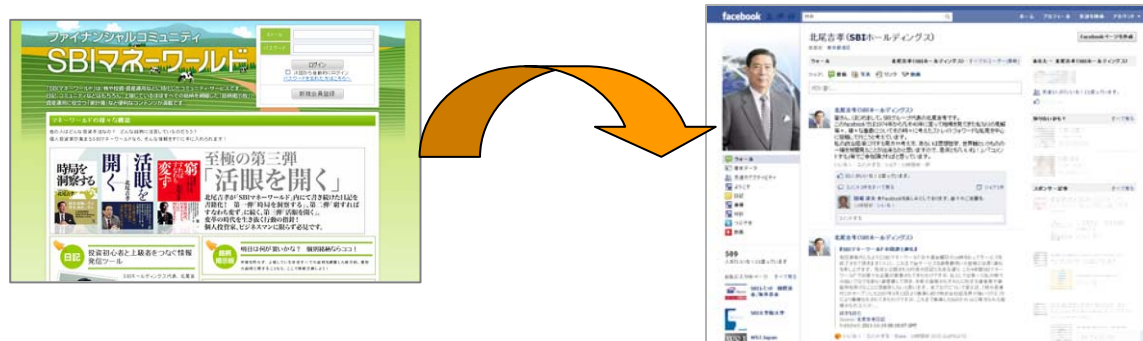
The Wall Street Journal Japan, Kabushiki Shimbun and others utilize the smart device applications like the iPad or Android to deliver their articles.



Review Businesses and Enact Efficiency through Utilization of New Tools

- Financial community site **“SBI Money World”** (annual operating loss: JPY 60m) was closed (on Nov. 18, 2011).

Core contents were transferred to Facebook



- The operation of **“MoneyLook”** (annual operating loss: JPY 250m) will be effectively integrated with the resources of Morningstar Japan, to make it a profitable operation.

* MoneyLook: Number enrolled is 713,000 (as of the end of Sept. 2011)
One of the biggest account aggregation services in Japan

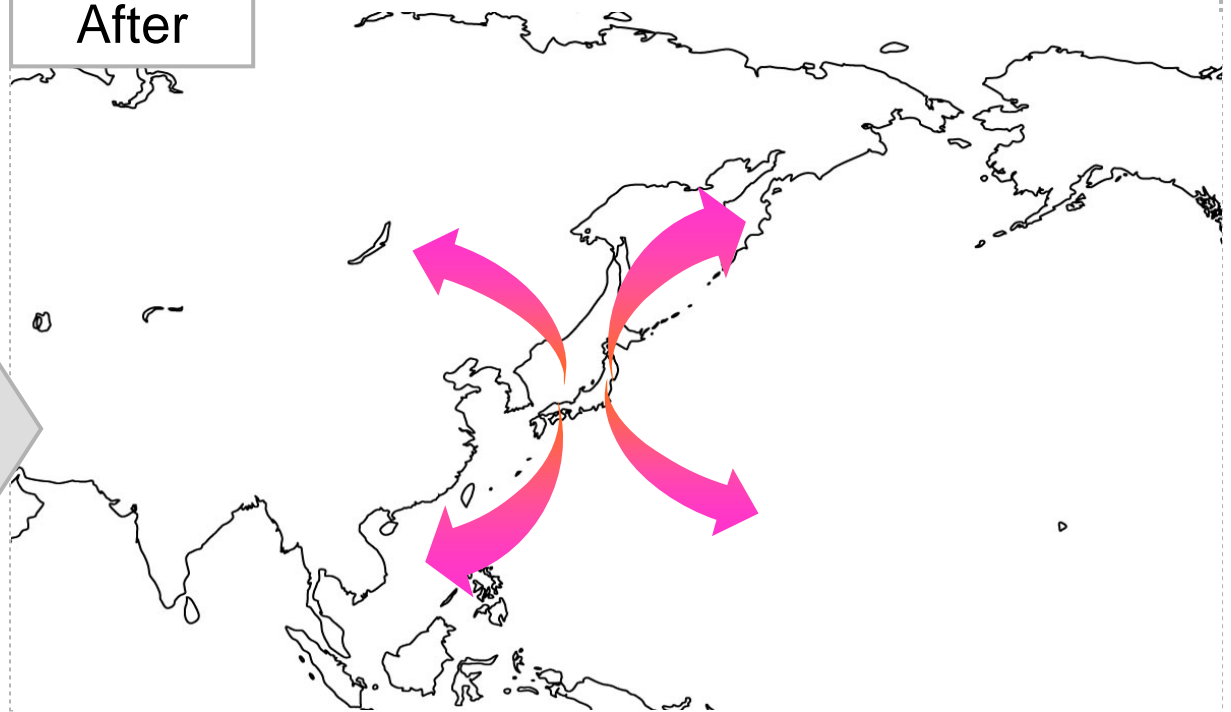
<6> Active Promotion IPOs of the Group Companies, Related Companies and Investee Companies on the Overseas Stock Markets

Before



Financing in domestic securities market.


After



Create value and acquire capital gain through the active utilization of capital markets, both domestically and overseas.

Overseas Market Listing of the Group Companies, Related Companies and Investee Companies (1)

We aim to expand local business and improve corporate value by gaining a foothold. We will do this by being listed on the stock markets of emerging nations that are expected to see a higher economic performance than Japan.

SBI Holdings Apr. 2011 (Done) 
Listing on the Hong Kong Stock Exchange

The first Japan-based company!
Also the first listing of
depository receipts associated
with issuance of new shares.

SBI Mortgage Nov. 2011 
Approval for Initial Listing on KOSPI Market of Korea Exchange

The first Japan-based company!

To be listed within 6 months from the approval.
Timing of listing depends on the market conditions.

Investee company AXES Holdings 
(SBI Group's equity stake 70%)

Dec. 2011 Planning to file a request for preliminary examination for listing on the KOSDAQ in March 2012.

Overseas Market Listing of the Group Companies, Related Companies and Investee Companies (2)

Auto Server Co., Ltd.*, which runs an Internet-based used car distribution business, targets listing on Taiwan's over-the-counter market by the end of FY2012

(*Ownership percentage of a fund managed by the SBI Group: 50.57%)

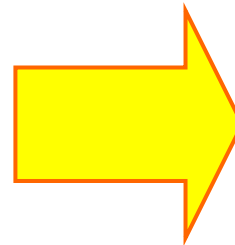
- On November 10, 2011, Auto Server held a joint press conference in Taiwan with Yuanta Securities, the lead manager, and GTSM, an operator of the Emerging Stock Market.



-Has established a platform that connects more than 80% of used car auction sites in Japan via the Internet.

-Has a membership of over 35,000, including car dealers, repairs and maintenance service providers, and car exporters.

-Number of used cars put up for auction: over 6.50 million per year



The Taiwanese stock market mainly consists of companies in IT industry

Hong Kong: financial and real estate
Singapore: small and midsize manufacturers

By listing on Taiwan's GTSM, Auto Server endeavors to make inroads into the Chinese market.

Auto Server's listing on GTSM, if approved, will be the first primary listing on the market by a Japanese company.

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



* Including plans

| | Asset Management Business (Fund, Company) | Financial Services Business (Investee) | Global Synergy | Promote overseas development of domestic group company's business (including non-financial services) |
|---------------|---|--|---|--|
| China | New Horizon Fund SBI & TH VC Fund SBI & BDJB China Fund Fudan Univ. Fund SBI Zhaoxin Fund Joint Establishment of Info Industry Fund with Shanghai Yidian Holding | Tianan Insurance Co., Ltd. (Nonlife insurance) | Transfer SBI Insurance's online business expertise to Tianan Insurance | <ul style="list-style-type: none"> Establishment of "China Japan M&A Club" (in order to activate cross-border M&A) SBI VeriTrans, first and only Japanese company to provide net settlements for China Union Pay |
| Hong Kong | (Included the areas of the Chinese World) | Kingston Financial Group (Brokerage) SW Kingsway (Brokerage) | Offering Chinese stocks (SBI SECURITIES) | |
| Taiwan | SBI & Capital 22 JV Fund | | | Support investee companies for listing and/or overseas business development |
| Greater China | SNSI Fund Kingston/SBI Credence Fund | | | |
| Korea | SBI Investment Korea | | | Support group companies and investee companies for listing |
| Vietnam | Vietnam Japan Fund | Tien Phong Bank(Bank) FPT Securities(Brokerage) | Provision of Vietnamese stocks, IPO deals related to privatizations (SBI SECURITIES) | |
| Cambodia | | Phnom Penh Commercial Bank (Bank) SBI Phnom Penh Securities (Brokerage) | Provision of Cambodian IPO deals related to privatizations (SBI SECURITIES) | |
| Sri Lanka | | Commercial Bank of Ceylon(Bank) Hatton National Bank(Bank) | | |
| Indonesia | | BNI Securities (Brokerage) | Provision of Indonesian stocks, IPO deals related to privatizations (SBI SECURITIES) | E-commerce settlement business by SBI VeriTrans |
| Across Asia | SBI-Jefferies Asia Fund SBI-Islamic Fund PNB-SBI ASEAN Gateway Fund Asia CleanTech Fund | | | |
| Russia | SBI-METROPOL Investment Fund | OBIBANK (Bank) | Provision of Indonesian stocks (SBI SECURITIES) Transfer online banking expertise to OBIBANK | |
| Turkey | INVEST AD/SBI TURKEY FUND | | | |
| Africa | INVEST AD/SBI AFRICA FUND | | | |
| U.S | Jefferies-SBI USA Fund | | | |
| Brazil | Brazil Fund | | | |

**5. What is the current state of
“ALA related businesses”
that were prioritized?**

Drug Development Process Progress

Clinical testing (phase 3) for the intraoperative diagnostic agent will be completed in December and we expect them to be approved in the next fiscal year. Hence, we have submitted applications to the relevant authorities to gain the business licenses required as a pharmaceuticals company.

| | |
|--|---|
| <p>Cancer treatment: Brain tumor diagnostic agent</p> <p>*Orphan drug designation (Nov. 2010)</p> | <p>After obtaining approval from the European Medicines Evaluation Agency, a business alliance was formed with Germany's medac, which has already used the diagnostic agent using ALA in over 20 countries in Europe (October 2009)</p> <p><u>Phase-3 clinical testing</u> in JV with Nobelpharma is scheduled to end in December</p> <p>➔ If all goes as planned, it will be approved as a treatment within FY2012</p> <p>Sponsor investigator headed by Kochi University into expanded indication for carcinoma is ongoing</p> |
| <p>Cancer diagnosis</p> | <p>In a joint research project with the Tokyo Institute of Technology <u>for the potential application of cancer screening</u>, the development of an urine test instrument is <u>under study</u>.</p> |

ALA Attracts Attention in Various Presentation (1)

| Academy | Research Progress |
|---|--|
| <p>The 70th Annual Meeting of the Japanese Cancer Association (Oct. 4, 2011) -Joint research with the Tokyo Institute of Technology</p> | <p>Discovered that ALA administration suppressed weight reduction in cancer-bearing mice and that it has a life-extending effect.</p> |
| <p>- Joint research with Tokyo University of Agriculture and the Tokyo Institute of Technology</p> | <p>Discovered that ALA has an augmentative effect for cancer thermotherapy. *Through the addition of ALA under thermal conditions, the survival rate of cancer cells was lowered depending on concentration.</p> |
| <p>- Joint research with the Tokyo Institute of Technology, Kanazawa University, Organization to support Peritoneal Dissemination Treatment and RIKEN</p> | <p>The factor that affects the sensitivity of photodynamic therapy using ALA was identified. ➔ Photodynamic therapy (a therapy in which cancer cells are destroyed through irradiation with light) using ALA has been put into practical application in Europe and North America. This therapy's accuracy for combatting skin cancer is expected to improve.</p> |

ALA Attracts Attention in Various Presentation (2)

| Academy | Research Progress |
|---|--|
| <p>The 71st Annual Meeting of Eastern Branch of Japanese Society of Parasitology (Oct. 1, 2011) - Joint research with the University of Tokyo</p> | <p>Antiproliferative effect for the falciparum malaria parasite discovered</p> |
| <p>The 39th Annual Meeting of the Japanese Association for Acute Medicine (Oct. 20, 2011) - Joint research with Nihon University</p> | <p>Discovered that ALA has an inhibitory effect on inflammatory cytokine production, which is a direct cause of death for septicemia.</p> |

Others:

<CHEMISTRY & CHEMICAL INDUSTRY>

(Academic journal, Publisher: The Chemical Society of Japan)

OVERVIEW—In the evolution of new technologies that is expected for cancer treatment and diagnosis, initiative has been taken through the intraoperative diagnostic agent (phase-3 clinical testing is underway) for the photodynamic therapy being promoted by SBI ALA promo and cancer diagnosis.

Aiming to Expand Business Alliances Overseas

There have been a succession of presentations at academic conferences for various fields (malaria, cancer, and septicemia). Thus, there has been a drastic increase in inquiries and joint research requests from both foreign and domestic research bodies addressed to SBI ALA promo



German

JV company with
German drug company
ALAlpha
(Pharmaceutical R&D in
Europe, etc)



China

Seeking alliances to
expand ALA
businesses

Conducting alliances with local
companies and studying the sales
of supplements overseas

Network with universities and
research institutes in the world

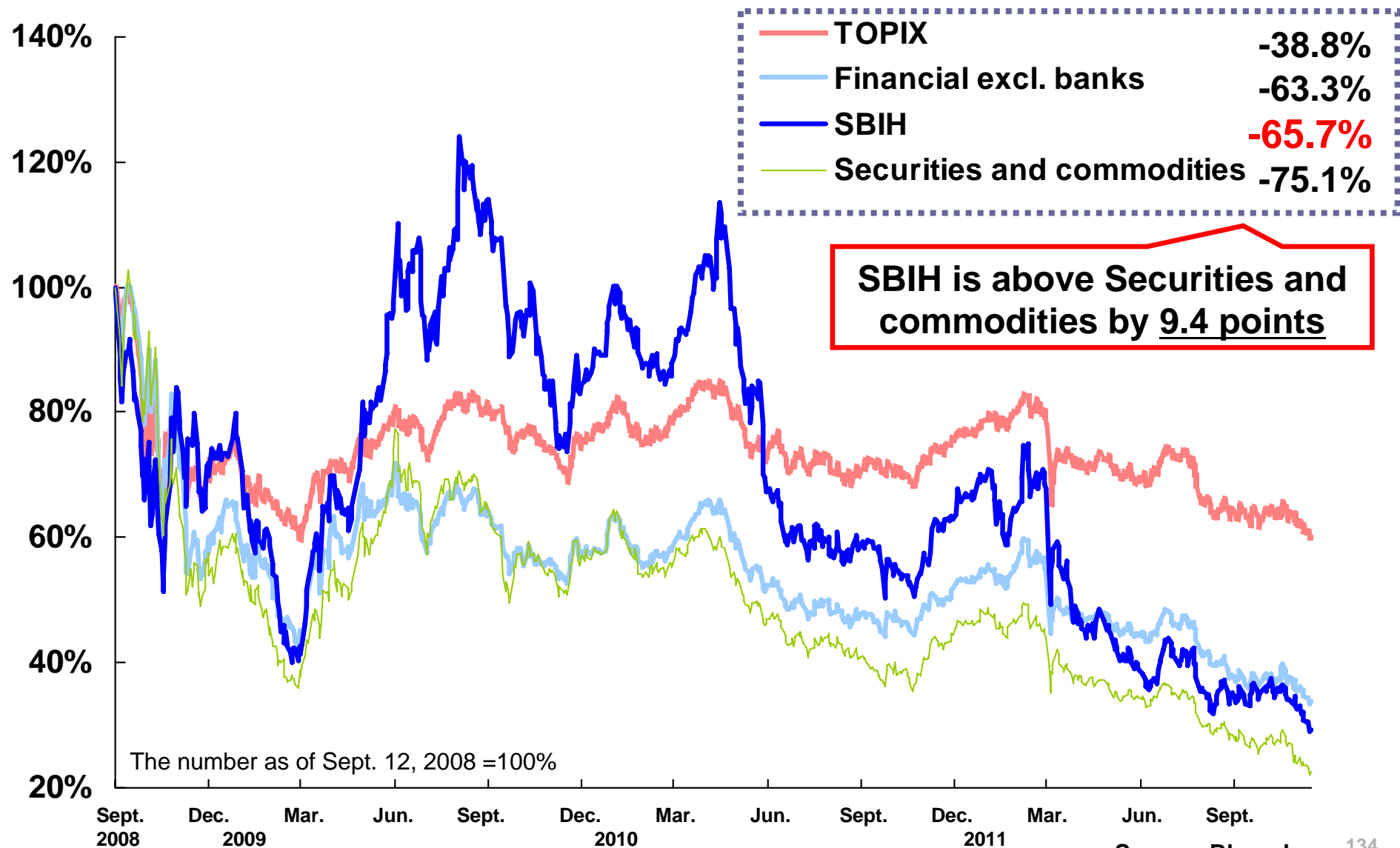
Essays published in foreign magazines

- [International Immunopharmacology \(an international academic journal\)](#): An article was published concerning the diagnosis and treatment of malignant tumors.
- [BMC Research Notes \(an international general science journal\)](#): An article was published on the results of joint research with the Tokyo Institute of Technology. The article related to a test on mice in which the activity of cytochrome c oxidase (COX), an enzyme which becomes less active with aging, is increased through the intake of ALA.

6. Your Thoughts on SBI's Share Price.

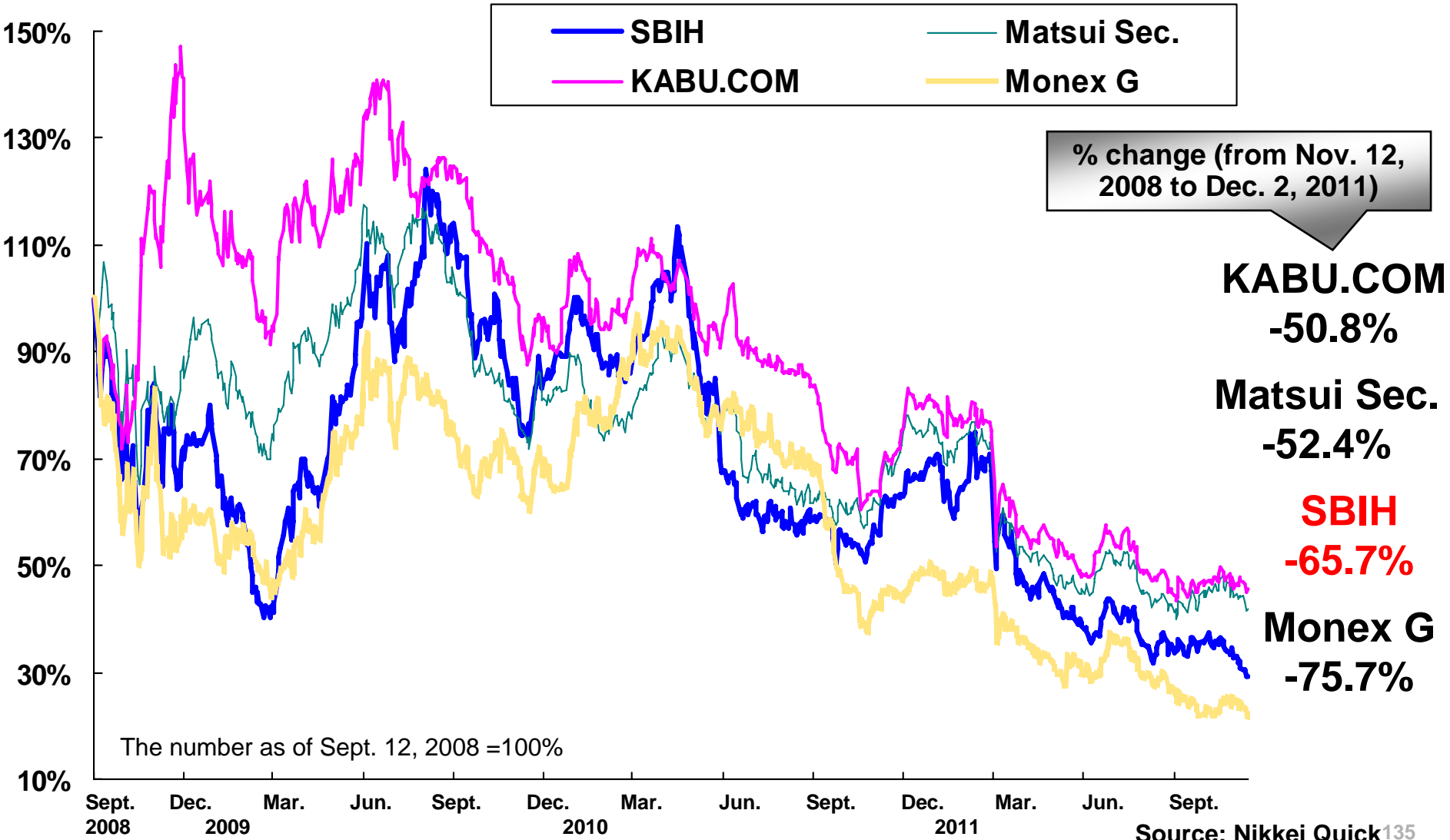
Comparison of TOPIX Industry Indexes

(Sept. 12, 2008 – Dec. 2, 2011)



Comparison of Stock Fluctuations <1> Online Securities Companies after the Lehman Shock

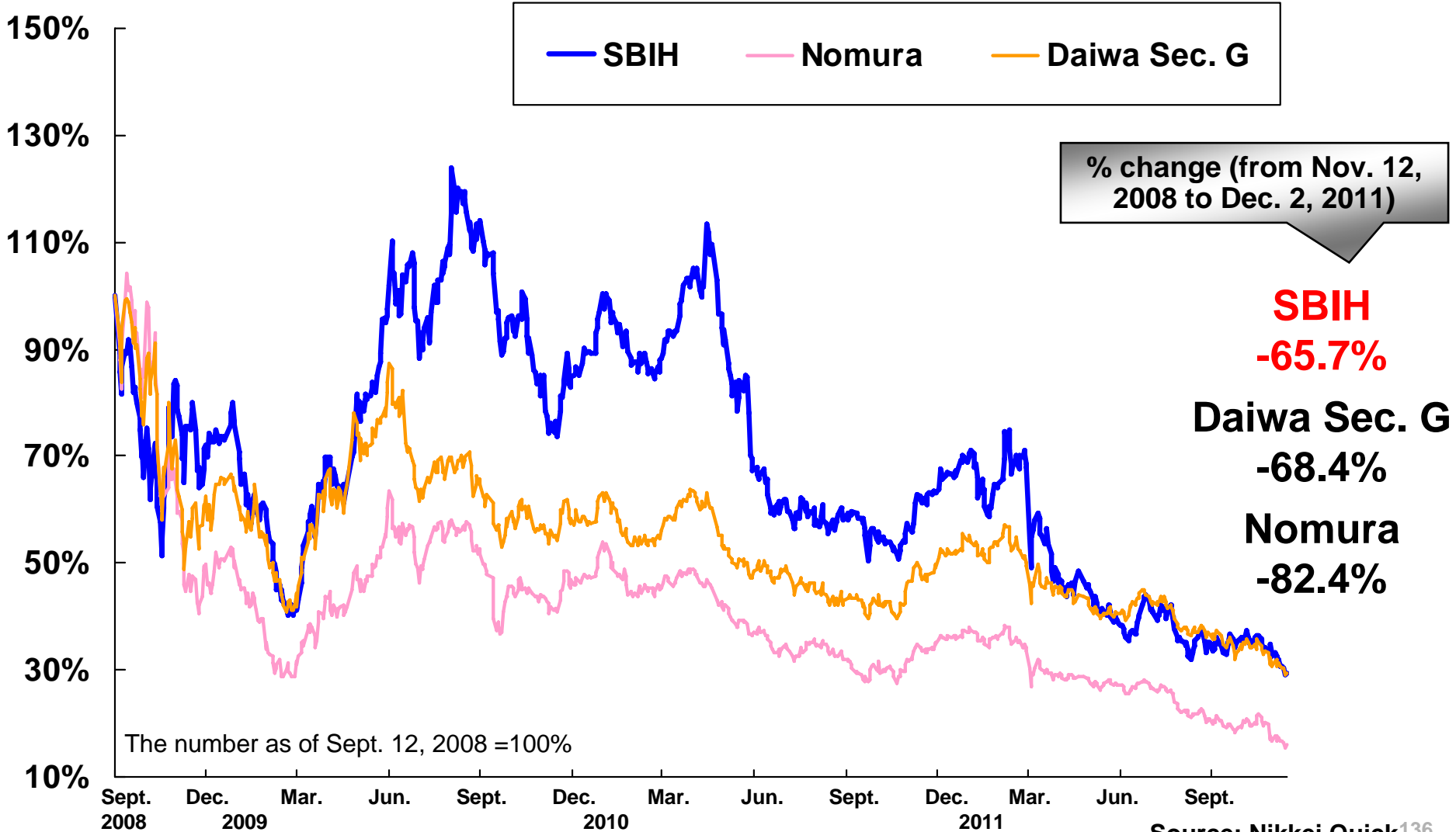
(Sept. 12, 2008 – Dec. 2, 2011)



Comparison of Stock Fluctuations <2>

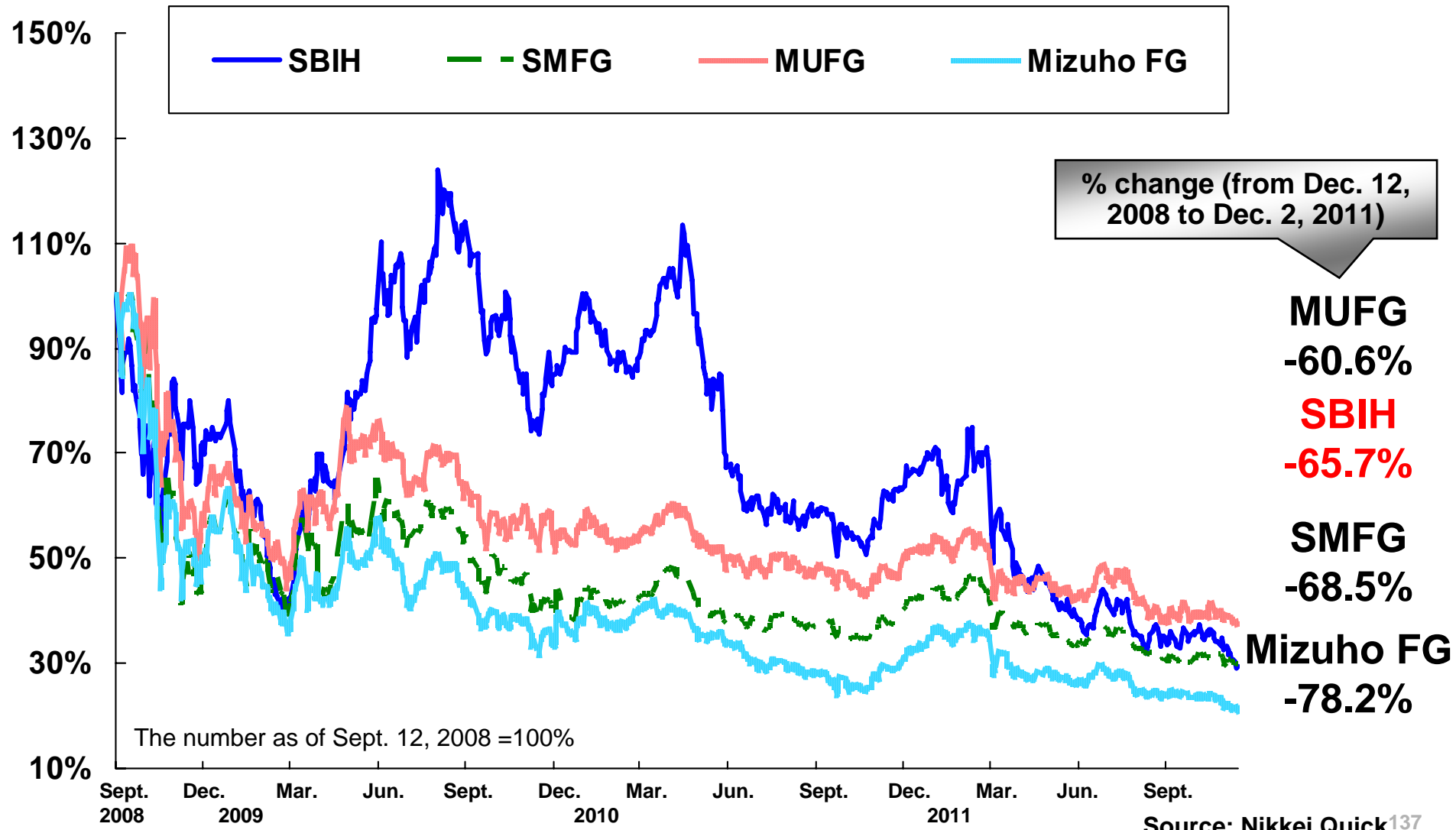
Major Securities Companies after the Lehman Shock

(Sept. 12, 2008 – Dec. 2, 2011)



Comparison of Stock Fluctuations <3> Major Securities Companies after the Lehman Shock

(Sept. 12, 2008 – Dec. 2, 2011)



Market Cap Decline Rates Post the Lehman Shock



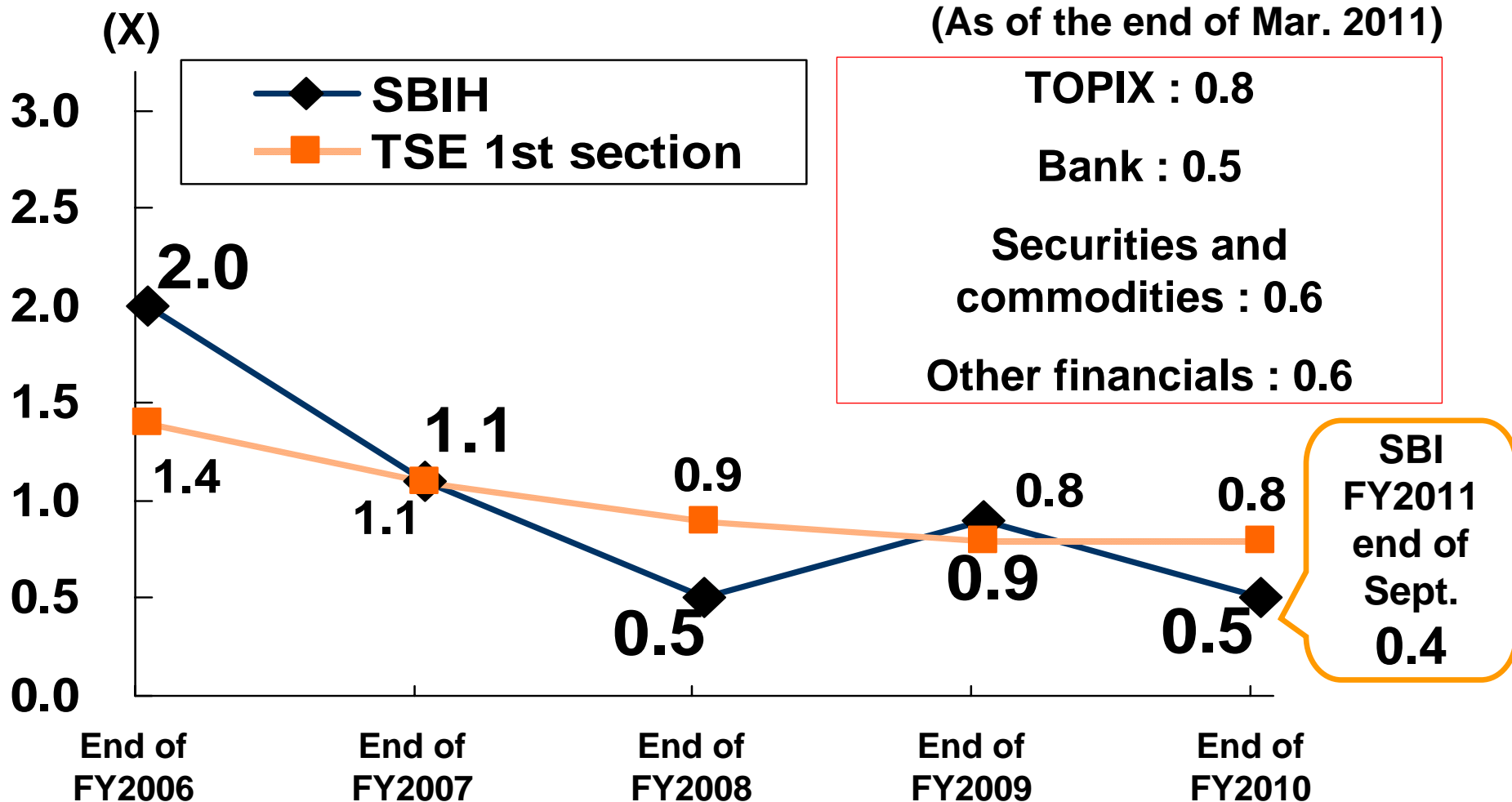
Comparison of before (at Sept. 12, 2008) and after (at Dec. 2, 2011)

| | Sept. 2008 (JPY bn) | Current (JPY bn) | Decline rate | Capital increase |
|---------------------|------------------------|---------------------|-----------------|--|
| SBIH | 311.5 | 142.5 | 54.3% | June 2010: JPY 35.3bn Apr. 2011: JPY 16.9bn |
| KABU.COM | 89.4 | 41.8 | 53.2% | None |
| Matsui Sec. | 210.2 | 100.1 | 52.4% | None |
| Monex G | 115.8 | 38.4 | 66.8% | Oct. 2010: JPY 3.1bn |
| Daiwa Sec. G | 1,139.1 | 447.8 | 60.7% | July 2009: JPY 170.4bn |
| Nomura | 2,840.7 | 974.7 | 65.7% | Mar. 2009: JPY 299.8bn Oct. 2009: JPY 435.4bn |
| SMFG | 5,413.0 | 3,060.0 | 43.5% | June 2009: JPY 861.0bn Jan. 2010: JPY 973.0bn |
| MUFG | 9,319.2 | 4,784.2 | 48.7% | Dec. 2008: JPY 279.8bn Dec. 2009: JPY 1,031.3bn |
| Mizuho FG | 5,344.9 | 2,449.8 | 54.2% | July 2009: JPY 529.2bn July 2010: JPY 727.1bn |

Change in PBR of SBI Holdings



PBR = Last price at the end of FY / Net assets per share at the end of FY



Share Repurchase

Announced on November 29, 2011

- To improve capital efficiency by repurchasing shares in a situation where PBR is approximately 0.4 (as of the end of Sept. 2011), remaining at lower levels than the market and the industrial average
- Anticipating utilizing repurchased shares as acquisition currency in the future

[Details of share repurchase]

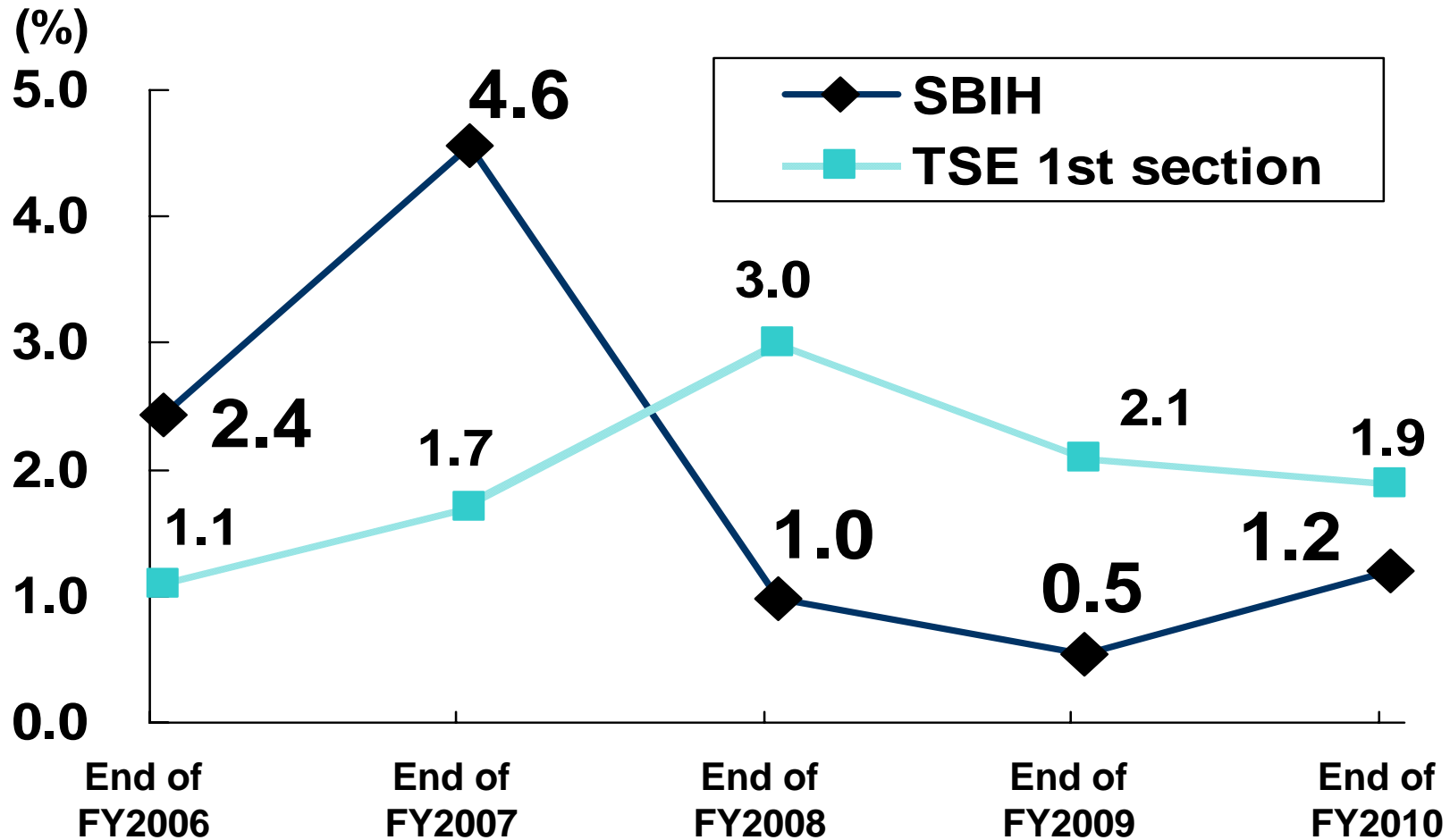
Number of shares to be repurchased: Up to **370,000 shares**
Represent 1.66 % of the number of shares issued excluding treasury shares

Total cost of shares to be repurchased: Up to **JPY 2.0bn**

Period for share repurchase: From Nov. 30, 2011 to Dec. 21, 2011

Change in Dividend Yield of SBI Holdings

Dividend yield = Total dividend paid / Market Cap at the end of the FY x 100



SBI Holdings' Shareholder Composition



- Foreign investors' shareholding ratio rapidly increased after FY2008

Foreign institutions and individuals have held over 40% of the shares since FY2008.

As of the end of Sept. 2011: 42.07%

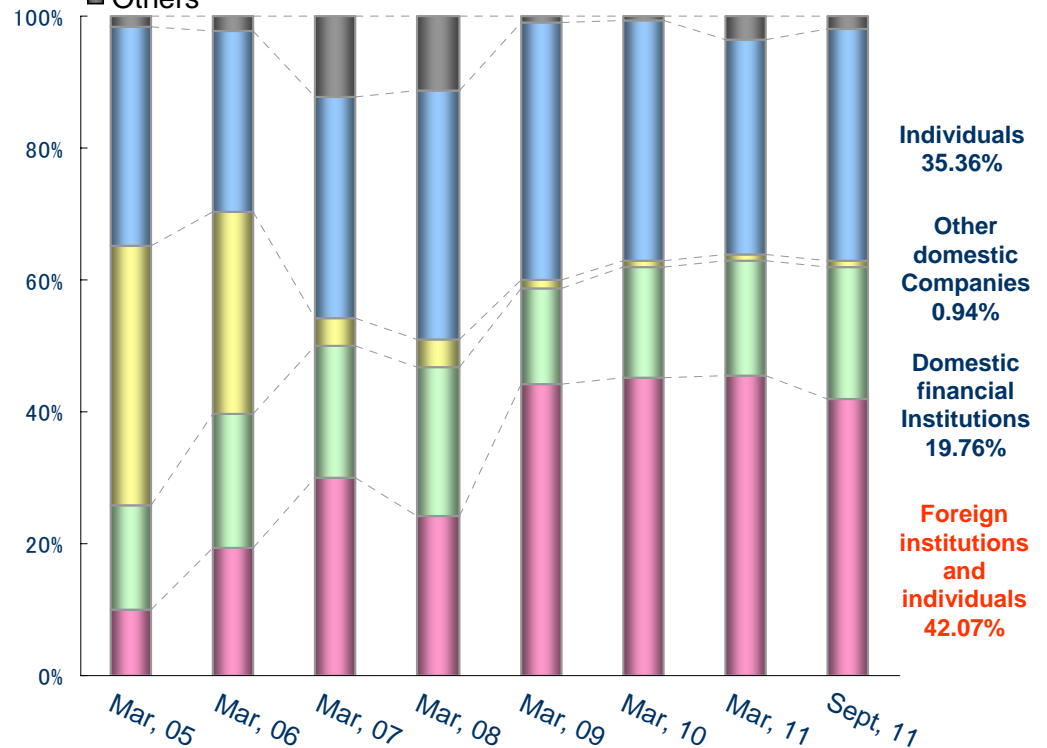
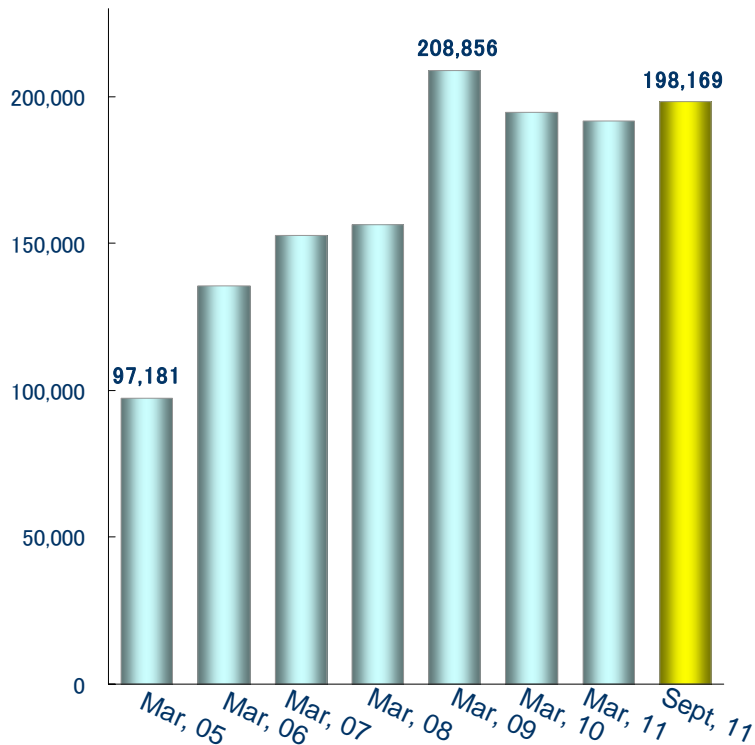
- Employee Shareholding Association and ESOP (Employee Stock Ownership Plan) were established in Sept. 2011 and determined to introduce in Oct. 2011. That will contribute to maintain stable shareholders.

Number of shareholders

Shareholder composition

(Number of holders)

■ Foreign institutions and individuals ■ Domestic financial Institutions
■ Other domestic companies ■ Individuals
■ Others



* end of the month

* end of the month * "Others" includes treasury stock (0.33%)

Ranking by Number of Shareholders (TSE 1st section, FY2010)



The number of shareholders: **191,631**, Rank: **34th among 1,675 companies** listed on the TSE 1st sec.
Indicating SBIH is among the most widely held stocks in Japan.

**At the end of
Sept. 198,169**

| Rank | Company name | No. of Shareholders | Rank | Company name | No. of Shareholders | Rank | Company name | No. of Shareholders |
|------|-------------------------|---------------------|------|-----------------------------|---------------------|------|-----------------------|---------------------|
| 1 | Dai-ichi Life Insurance | 1,116,298 | 16 | Panasonic | 338,320 | 31 | HONDA | 202,129 |
| 2 | NTT | 952,845 | 17 | Mitsubishi Heavy Industries | 335,485 | 32 | Sojitz | 193,291 |
| 3 | Mizuho FG | 775,035 | 18 | Kansai Electric Power | 333,344 | 33 | JFE Holdings | 193,235 |
| 4 | TEPCO | 746,932 | 19 | NTT DOCOMO | 315,544 | 34 | SBI Holdings | 191,631 |
| 5 | MUFG | 732,694 | 20 | T&D Holdings | 280,861 | 35 | KINTETSU | 188,293 |
| 6 | Sony | 648,166 | 21 | East JR | 271,449 | 36 | Tohoku Electric Power | 185,920 |
| 7 | TOYOTA | 623,439 | 22 | AEON | 269,269 | 37 | TORAY | 176,978 |
| 8 | NOMURA Holdings | 434,191 | 23 | Chubu Electric Power | 269,144 | 38 | ZENSHO | 170,932 |
| 9 | TOSHIBA | 403,314 | 24 | NISSAN | 257,784 | 39 | Kagome | 169,758 |
| 10 | Mitsubishi Motors | 390,179 | 25 | NEC | 257,759 | 40 | YOSHINOYA HOLDINGS | 167,004 |
| 11 | NIPPON STEEL | 373,133 | 26 | SOFTBANK | 250,615 | 41 | West JR | 166,507 |
| 12 | Resona Holdings | 354,724 | 27 | Takeda Pharmaceutical | 246,834 | 42 | Canon | 165,775 |
| 13 | Hitachi | 352,677 | 28 | Mitsubishi Corp. | 245,245 | 43 | Fujitsu | 162,905 |
| 14 | Sumitomo Mitsui FG | 352,642 | 29 | Sumitomo Metals | 227,263 | 44 | Yahoo Japan | 162,632 |
| 15 | ANA | 350,736 | 30 | Komatsu | 204,270 | 45 | Kobe Steel | 162,224 |

Ranking by Foreign Ownership Ratio (TSE 1st section, FY2010)



Foreign ownership ratio: **45.5%**, Rank: **40th among 1,675 companies** listed on the TSE 1st sec.
Indicating SBIH is among the most greatly focused on in Japan.

**At the end of
Sept. 42.07%**

| Rank | Company name | Foreign ownership ratio (%) | Rank | Company name | Foreign ownership ratio (%) | Rank | Company name | Foreign ownership ratio (%) |
|------|--------------------------------|-----------------------------|------|-----------------|-----------------------------|------|-----------------------|-----------------------------|
| 1 | Fuji Fire and Marine Insurance | 88.52 | 16 | YAMADA-DENKI | 55.92 | 31 | NITTO DENKO | 47.90 |
| 2 | ORACLE JAPAN | 81.13 | 17 | Miraca Holdings | 55.60 | 32 | DeNA | 46.70 |
| 3 | Chugai-Pharmaceutical | 75.27 | 18 | Asahitech | 54.99 | 33 | Kao | 46.60 |
| 4 | PGM Holdings | 70.36 | 19 | TOKAI KANKO | 54.56 | 34 | MIYAKOSHI Corp. | 46.57 |
| 5 | Nissan | 69.60 | 20 | BP Castrol | 54.04 | 35 | VANTEC | 46.53 |
| 6 | MonotaRO | 67.18 | 21 | JT | 53.19 | 36 | eAccess | 46.13 |
| 7 | AOZORA BANK | 65.95 | 22 | HOYA | 52.47 | 37 | Astellas Pharma | 45.87 |
| 8 | Trend Micro | 63.58 | 23 | ORIX | 51.78 | 38 | NAMCO BANDAI Holdings | 45.63 |
| 9 | Shinsei Bank | 62.73 | 24 | THK | 51.45 | 39 | Don Quijote | 45.60 |
| 10 | Showa Shell Sekiyu | 61.49 | 25 | FANUC | 51.29 | 40 | SBI Holdings | 45.50 |
| 11 | Daito Trust Construction | 59.54 | 26 | Meitec | 51.21 | 41 | Keyence | 45.44 |
| 12 | ADK | 58.39 | 27 | LAND | 50.35 | 42 | Yahoo Japan | 45.39 |
| 13 | MISUMI G | 57.98 | 28 | SMC | 49.85 | 42 | Yamaha Motor | 45.39 |
| 14 | Unihair | 57.06 | 29 | ROHM | 49.07 | 44 | SUZUKI MOTOR | 44.73 |
| 15 | Kenedix | 57.04 | 30 | Mitsui Fudosan | 48.50 | 45 | RENOWN | 44.60 |

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