



*Strategic
Business
Innovator*

SBI Holdings, Inc. 2013 Information Meeting

May 28	Tokyo
May 31	Nagoya
June 3	Osaka

The items in this document are provided as information related to the financial results and 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 Mar. 31 of the following year

Today's Program

Part I Explanations for the Key Questions

Part II Q&A

Part I Key Questions

- 1. How should the FY2012 financial results be interpreted?**
- 2. It was proclaimed that this fiscal year will see a "Shift to Managing More Aggressively", but what is the strategy behind this proclamation?**
- 3. What is the SBI Group's intended direction?**
- 4. What are management's thoughts on the share price?**

1. How should the FY2012 financial results be interpreted?

- (1) The First Full-year Consolidated Financial Announcement After the Introduction of IFRS**
- (2) Consolidated Balance Sheet**
- (3) Operating Cash Flow Status**
- (4) Summary by Segment**
- (5) Dividend Policy and Shareholder Composition**

Key Points for FY2012 Consolidated Financial Results

① Adopted IFRS from FY2012

Consolidated performance for FY2011 was prepared solely for comparison purposes with the IFRS numbers, as SBIH officially adopted IFRS based results disclosures from 1Q FY2012.

② FY2012 1H and 2H results were complete polar opposites

Along with the market recovery from year-end 2012, the second half businesses of both the Financial Services Business and the Asset Management Business increased significantly

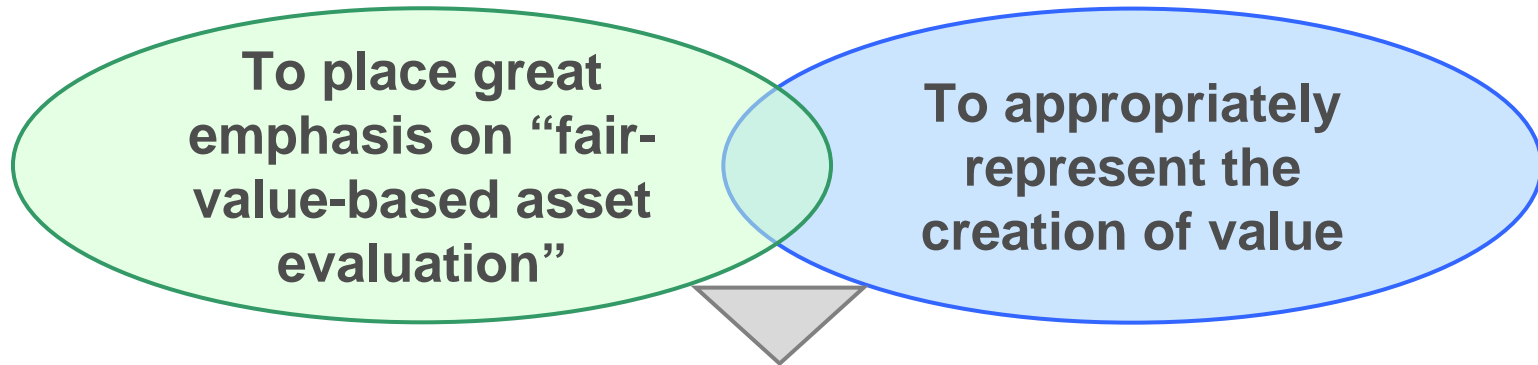
(1) The First Full-year Consolidated Financial Announcement After the Introduction of IFRS

Adopted IFRS from FY2012, as per committed at the time of HK listing

International Financial Reporting Standards (IFRS):
International accounting standard adopted in over 110 countries worldwide

Only 12 Japanese listed companies, such as Sumitomo Corp., JT, HOYA, DeNA, Rakuten and Monex have introduced IFRS (as of May 2013)

Purposes of the Adoption of IFRS



Highly Transparent Management and Financial Reporting

In these days, companies are required to be adaptable to environmental changes. With a view to matching global standards, we have decided to adopt IFRS, a tool we can employ to “develop self-awareness”, identify various risks and accomplish our constant evolution

FY2012 Consolidated Performance (IFRS)

~Without the impact from the organizational restructure in FY2011, both revenue and profit improved from FY2011~

(JPY million)

	FY2011 (Apr. 2011-Mar. 2012)		FY2012 (Apr. 2012-Mar. 2013)	YoY change (%) (IFRS-based)
	J-GAAP	IFRS *		
Operating Revenue	145,074	177,409	153,476	-13.5
Operating Income	7,575	17,530	16,577	-5.4
Profit Before Income Tax Expense	17,552	15,600	14,213	-8.9
Profit for the Period	3,200	2,762	6,962	+152.1
Profit Attributable to Owners of the Company	—	303	3,202	+955.9

* The figures for FY2011 include an extraordinary gain of approx. JPY 10.2bn from the sale of the former SBI VeriTrans as part of an organizational restructuring, and approx. JPY 5.8bn from the sale of VSN, which was consolidated upon IFRS base.

(2) Consolidated Balance Sheet

Factors affecting the significant increase in total asset
on the consolidated balance sheet

(JPY billion)

	Mar. 31, 2012	Mar. 31, 2013	Change
Total Assets	1,655.6	2,494.4	+838.8
(Breakdown)			
Consolidation of the Hyundai Swiss	—	449.7	+449.7
Securities-related asset	990.2	1,433.6	+443.4
Others	665.4	611.1	-54.3

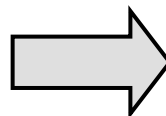
Along with the sharp recovery in the stock market, owing to SBI SECURITIES' increase in customer's transactions, cash deposits and securities related assets also increased.

Mar. 31, 2013

Substantive number reflecting asset and liability(*2) related to securities company

22.9%

Ownership ratio of owners of the Company*1 12.2%



Cash and cash equivalent (Mar. 31, 2013, consolidated): JPY 133.4bn

*1 Calculated by dividing the total assets ascribed to owners of the Company by the total assets

*2 Asset related to securities company = Deposit + Margin trading asset + Other securities-related asset

Liabilities related to securities company = Margin trading liability + Customers' deposits + Other securities-related liability

(3) Operating Cash Flow Status

(JPY million)

	FY2012
Net cash from (used in) operating activities	-36,984
Profit before income tax expense	14,213
Decrease (increase) in account receivables and other receivables	10,614
Increase in operational liabilities and other liabilities	14,167
Increase in assets/liabilities related to securities business	-72,300
Others	-3,678

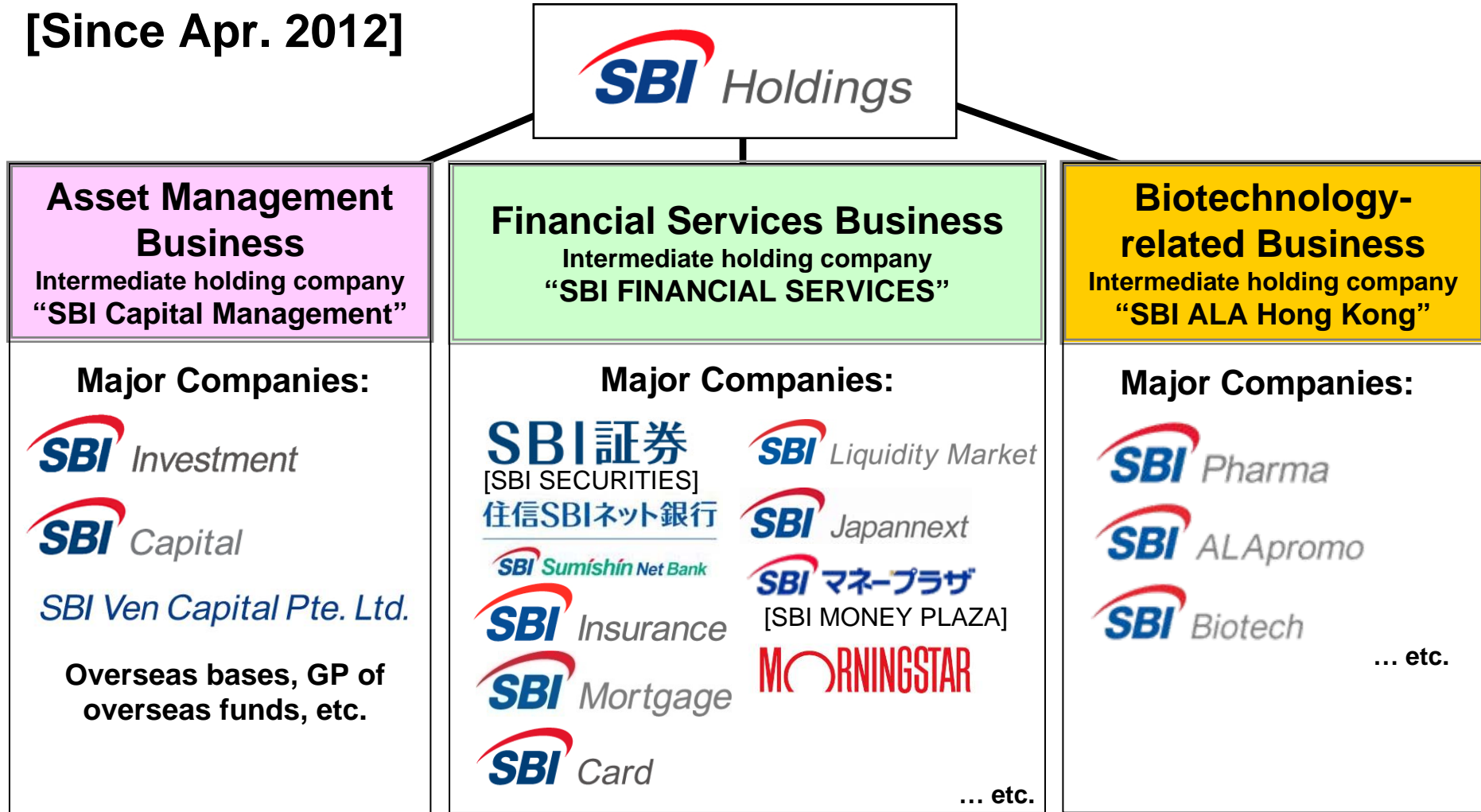
Reflects the significant increase in loans that SBI SECURITIES satisfied by using its own funds, for margin trading caused by the sharp recovery in the stock market, so the FY2012 cash flow from operating activity was negative, but excluding this loan factor it was approx. a positive JPY 35.3bn.

(4) Summary by Segment

Group Organization System

Focusing on the Three Major Businesses

[Since Apr. 2012]



Each business segment has established an intermediate holding company

Future Segmentation of Subsidiary Overseas Financial Institutions

Domestic and overseas subsidiaries providing financial services, such as securities, banking and insurance

Business foundation:

Domestic

Overseas

Segment:

Financial Services Business

Asset Management Business

Subsidiaries and assets related to the overseas businesses are managed by the HK subsidiary
→ Assuming a future Hong Kong second headquarter

Including the future possibilities of an IPO or M&A in the overseas markets, depending on the status of each country's portfolio companies

Future segmentation will follow the structure above

FY2012 Operating Revenue by Segment (IFRS)

(JPY million)

	1H FY2012 (Apr. 2012-Sept. 2012)	2H FY2012 (Oct. 2012-Mar. 2013)	HoH change (%)	FY2012 full year (Apr. 2012-Mar. 2013)
Financial Services Business	50,627	62,713	+23.9	113,340
Asset Management Business	13,665	18,537	+35.7	32,202
Biotechnology-related Business	500	470	-6.2	970
Others (Mainly Housing and Real Estate Business)	4,190	5,050	+20.5	9,240

* Figures are before elimination of inter-segment transactions.

FY2012 Profit Before Income Tax Expense by Segment (IFRS)

(JPY million)

	1H FY2012 (Apr. 2012-Sept. 2012)	2H FY2012 (Oct. 2012-Mar. 2013)	HoH change (%)	FY2012 full year (Apr. 2012-Mar. 2013)
Financial Services Business	3,878	14,863	+283.2	18,741
Asset Management Business	479	4,971	+938.8	5,450
Biotechnology-related Business	-1,160	-2,740	-	-3,900
Others (Mainly Housing and Real Estate Business)	646	1,013	+56.7	1,659

* Figures are before elimination of inter-segment transactions.

① **Financial Services Business**

<State of the Major Financial Service Business Companies>

- (i) SBI SECURITIES**
- (ii) SBI Sumishin Net Bank** (Equity-method Company)
- (iii) SBI Insurance**
- (iv) SBI MONEY PLAZA**

(i) SBI SECURITIES

- **Quarterly results were strong as 4Q (Jan.-Mar.) FY2012 operating revenue increased 52.3%, and operating income rose 154.9% quarter-on-quarter.**
- **Under brisk market conditions, the situation changed dramatically from Apr. 2013 onward, with the monthly individual brokerage trading value hitting a record high in Apr., and the non-consolidated results of Apr. nearly reaching the monthly high profit levels recorded in FY2005, when a full year historical high in profits were recorded.**

SBI SECURITIES

FY2012 Consolidated Results (J-GAAP)

[Year-on-year]

(JPY million, %)

	FY2011 (Apr. 2011-Mar. 2012)	FY2012 (Apr. 2012-Mar. 2013)	YoY change (%)
Operating Revenue	39,738	43,401	+9.2
Net Operating Revenue	36,406	40,495	+11.2
Operating Income	7,532	11,478	+52.4
Ordinary Income	7,464	11,512	+54.2
Net Profit	5,645 (*1)	6,733 (*2)	+19.3

*1 In FY2011, JPY 4.9bn for "gains on sales of investment securities" was recorded as extraordinary income.

*2 Regarding the financial instruments transaction liability reserves, owing to the significant increase in the stock trading value propagated by the brisk stock market movement since 3Q FY2012, in accordance with the Financial Instruments and Exchange Act, SBI SECURITIES implemented a reserve of approximately JPY 520m (indicates a decrease in extraordinary income).

SBI SECURITIES

FY2012 Consolidated Results (J-GAAP)

~Performance significantly expanded compared to 3Q FY2012~

[Quarter-on-quarter]

(JPY million, %)

	1Q FY2012 (Apr. 2012 – June 2012)	2Q FY2012 (July 2012 – Sept. 2012)	3Q FY2012 (Oct. 2012 – Dec. 2012)	4Q FY2012 (Jan. 2013 – Mar. 2013)	QoQ change (%)
Operating Revenue	9,178	9,031	9,984	15,207	+52.3
Net Operating Revenue	8,536	8,263	9,260	14,435	+55.9
Operating Income	1,426	1,661	2,364	6,026	+154.9
Ordinary Income	1,455	1,701	2,443	5,911	+141.9
Net Profit	1,370	1,043	1,441	2,879 ^(*)	+99.8

Historical high 4Q FY2005 (Jan.-Mar. 2006): JPY 10.5bn

* Regarding the financial instruments transaction liability reserves, owing to the significant increase in the stock trading value propagated by the brisk stock market movement since 3Q FY2012, in accordance with the Financial Instruments and Exchange Act, SBI SECURITIES implemented a reserve of approximately JPY 520m (indicates a decrease in extraordinary income).

Performance Comparison of Major Online Securities Companies (J-GAAP)

(JPY million, %)

	Operating Revenue	YoY change (%)	Operating Income	YoY change (%)
SBI	43,401	+9.2	11,478	+52.4
Monex (*1)	37,390	+15.8	2,067	-15.6
Rakuten (*2)	24,548	+18.0	7,064	+73.0
Matsui (non-cons.) (*3)	20,799	+17.5	10,195	+38.5
kabu.com (non-cons.)	13,132	+6.2	3,882	+30.8

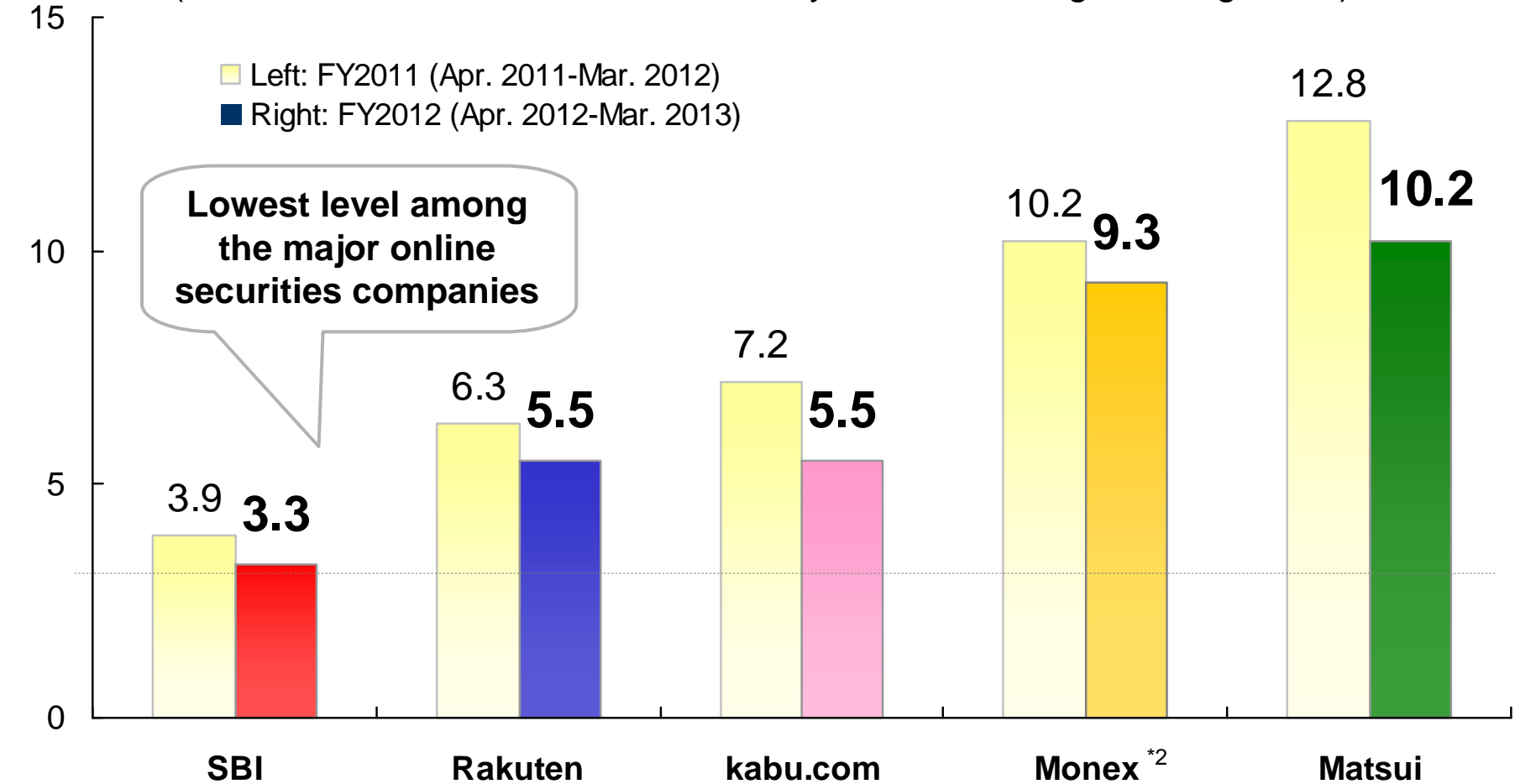
*1 TradeStation (US) was consolidated from 2Q FY2011. The numbers above are based on J-GAAP announced by Monex, although Monex adopted IFRS from FY2012

*2 Began disclosing its consolidated results after the consolidation of Dot Commodity from 2Q FY2011.

*3 Non-consolidated results are shown, because Matsui adsorbed its only consolidated subsidiary during 1Q FY2012.
YoY % change is calculated from the consolidated results of the year-earlier period.

Comparison of Basis among the Major Online Securities Companies

(Basis point) (Calculated as commissions divided by stock brokerage trading value)



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

*2 Figures of Monex based on commission of Monex, Inc.'s commission figures

Sources: Compiled by SBIH from financial results announcement materials and monthly disclosure reports of each company

Commissions are from earnings briefings
Figures for SBI SECURITIES based on the Internet Division only

SBI SECURITIES' Ranking in the Securities Industry (FY2012)

Ranking by Net Operating Revenue

(JPY billion)

1	Nomura	1,813.6
2	Daiwa	417.3
3	Mitsubishi UFJ	306.0
4	SMBC Nikko	274.7
5	Mizuho	257.2
6	Okasan	77.1
7	Tokai Tokyo	65.9
8	SMBC Friend	59.4
9	SBI	40.4
10	Monex	36.0
11	Rakuten	23.4
12	Matsui	19.9
13	kabu.com	11.4

Ranking by Net Income

(JPY billion)

1	Nomura	107.2
2	Daiwa	72.9
3	Mitsubishi UFJ	46.9
4	SMBC Nikko	45.7
5	Mizuho	28.6
6	Okasan	14.3
7	Tokai Tokyo	11.2
8	SMBC Friend	10.3
9	SBI	6.7
10	Matsui	6.4
11	Rakuten	5.6
12	Monex	3.9
13	kabu.com	2.2

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

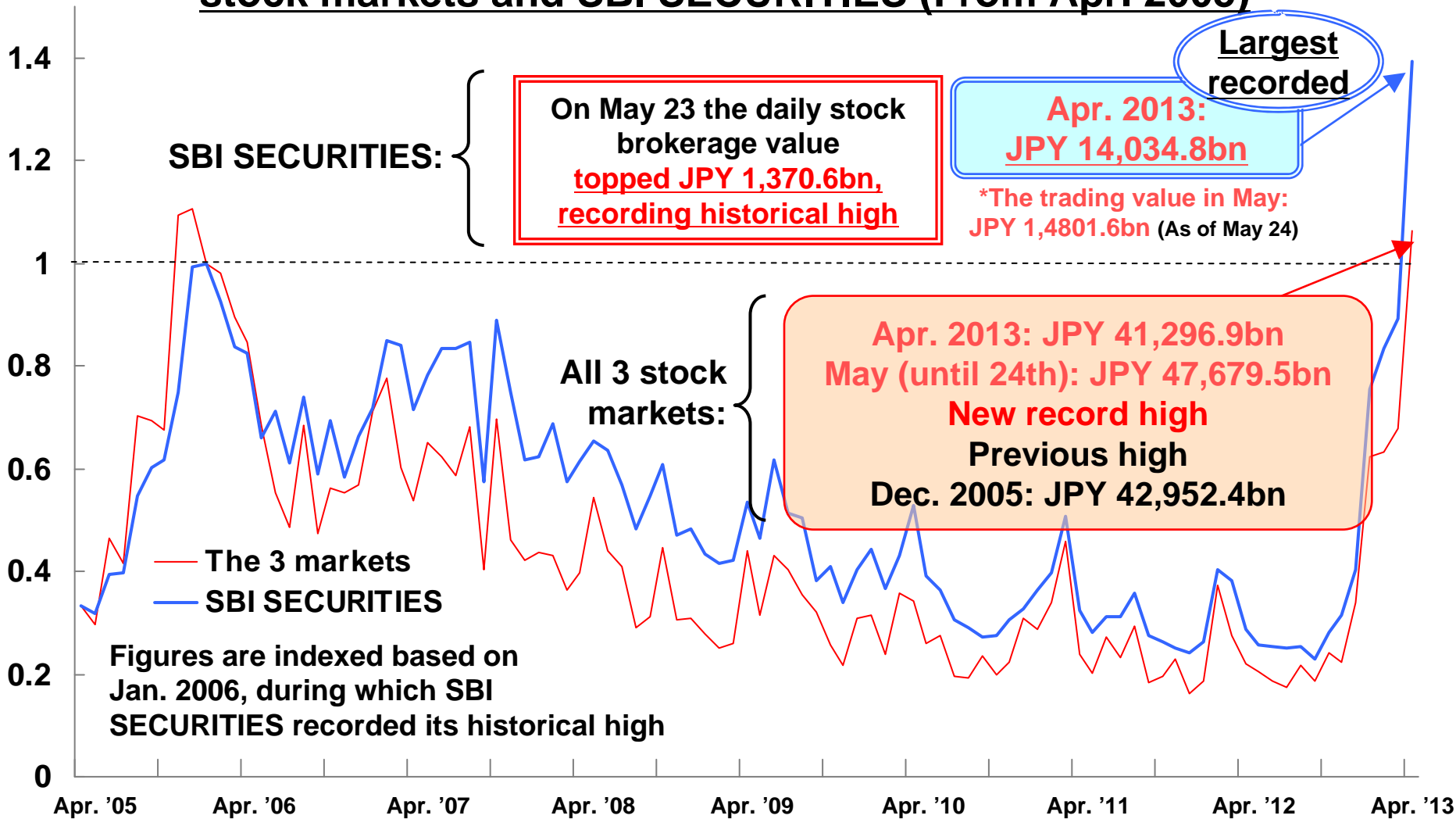
*2 On a consolidated basis, except as to the companies with no consolidated subsidiary

*3 Figures of Nomura are based on the U.S. accounting standard, and Net Revenue is substituted for Net Operating Revenues (after deduction of financial expense)

Brisk Market Environment Dramatically Increases

SBI SECURITIES' Transactions (1)

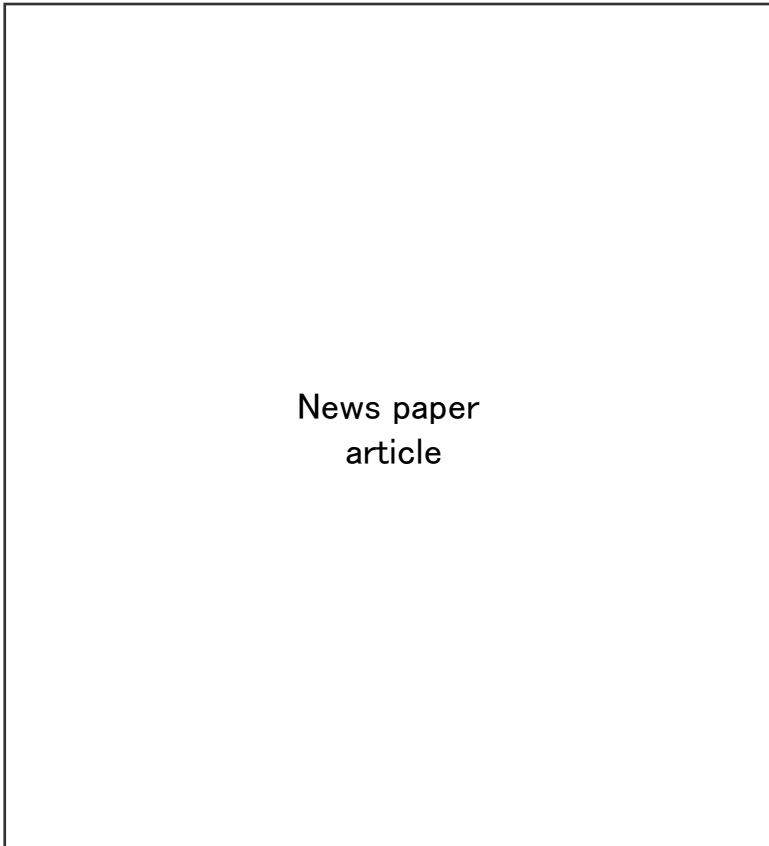
Individual brokerage trading value (monthly) until Apr. for all 3 stock markets and SBI SECURITIES (From Apr. 2005)



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

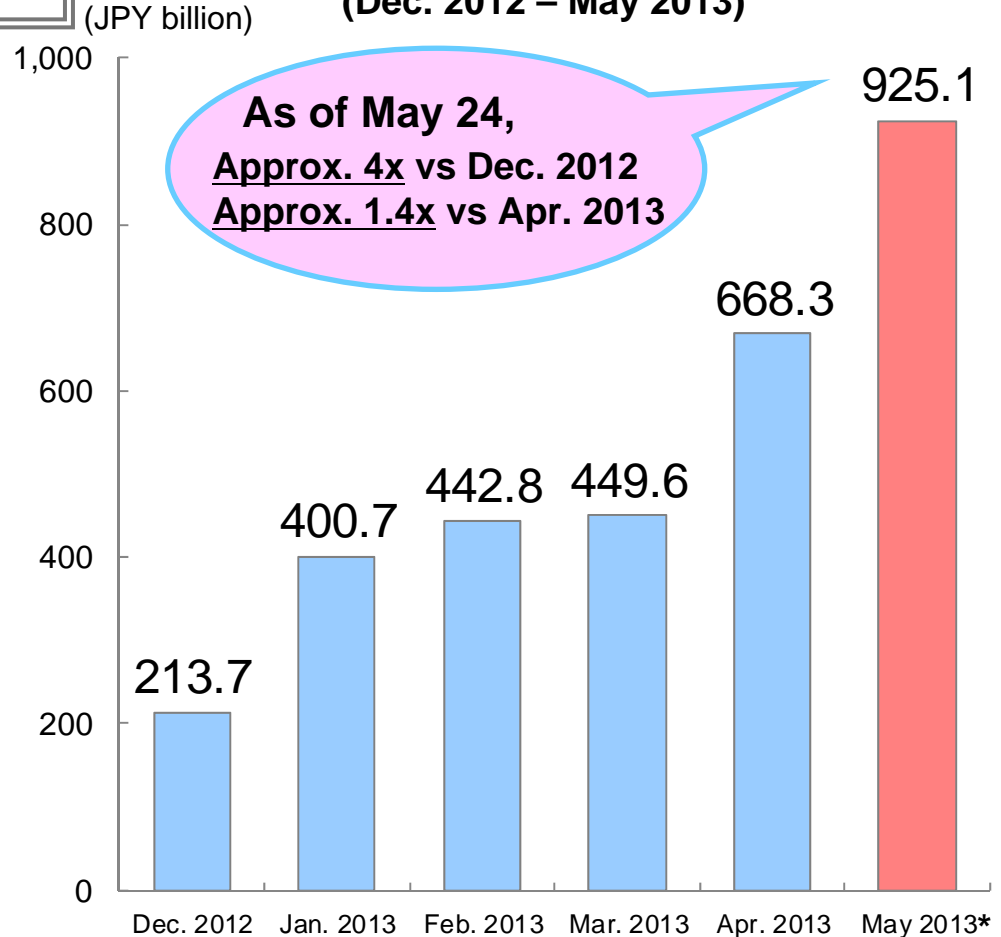
Brisk Market Environment Dramatically Increases SBI SECURITIES' Transactions (2)

“Brokerage Trading Value rose 55%
7 online brokers posted JPY 35tn in Apr.



(May 8, 2013 “The Nikkei” newspaper morning edition)

[SBI SECURITIES' Average Daily Brokerage Trading Value]
(Dec. 2012 – May 2013)



* Average daily a brokerage trading value of May 2013 is provisional (as of May 24).

Brisk Market Environment Dramatically Increases SBI SECURITIES' Transactions (3)

- Customer base increased significantly with the backdrop of an upswing in the stock market

	Dec. 2012	Average during Jan.-May 24
Newly opened accounts (daily average)	830	1,684

Over 2x
vs Dec. 2012

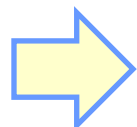
	End of Dec. 2012	End of Mar. 2013
Customers' deposit assets	JPY 5,141.8bn	JPY 6,360.3bn

+23.7%
vs Dec. 2012

- “Tax Exempt System for Small Investment (Japanese version of ISA)” expected to be effective from Jan. 2014

An increase in longer-term stock and investment trust holdings is anticipated

SBI SECURITIES started accepting preliminary applications for opening an account from Mar. 29, 2013.



Already acquired over 30% of the targeted number of accounts during the first month of application acceptance

Comparison with FY2005, During Which Time Historical Highs were Recorded for All Revenue Entries (Operating Income, Ordinary Income and Net Profit)

SBI SECURITIES Comparison of net operating revenue (non-consolidated)

(JPY million)		FY2005	FY2012	Amount of change	Rate of change	
	Financial revenue	8,198	10,187	1,988	24.3%	24% up
	Foreign exchange	1,395	3,708	2,313	165.8%	multiplied by 2.6
	Investment trust fee	241	2,327	2,085	861.7%	multiplied by 9.6
	Bonds	1,218	1,886	668	54.8%	55% up
	Subscription commissions	1,510	1,858	347	23.0%	23% up
	Other commission received	983	1,590	607	61.8%	
	Other trading	356	1,135	778	218.4%	Gain from FX was multiplied by 3
	Underwriting commissions	255	297	42	16.6%	
	Other operating revenue	258	74	-184	-71.3%	Increased free information from paid information
	Revenue from non-brokerage commissions	14,418	23,065	8,647	60.0%	60% up
	Commissions	36,922	17,304	-19,618	-53.1%	53% down
	Net operating revenue	51,341	40,370	-10,971	-21.4%	21% down

Annual brokerage value JPY 77,655.8bn [4.8 bp]

Annual brokerage value JPY 50,053.0bn [3.3 bp]

Apr. 2013 Profit Level Approaches Record

Monthly Profit Levels of FY2005

[Comparison of profit level by month (non-consolidated)]

(JPY billion)

	2005	2006			2013		
	Dec.	Jan.	Feb.	Mar.	Mar.	Apr.	May * (est.)
Operating Revenue	6.2	6.4	5.7	5.8	5.7	6.6	7.6
Operating Income	3.7	3.6	3.2	3.3	2.4	3.1	3.6+

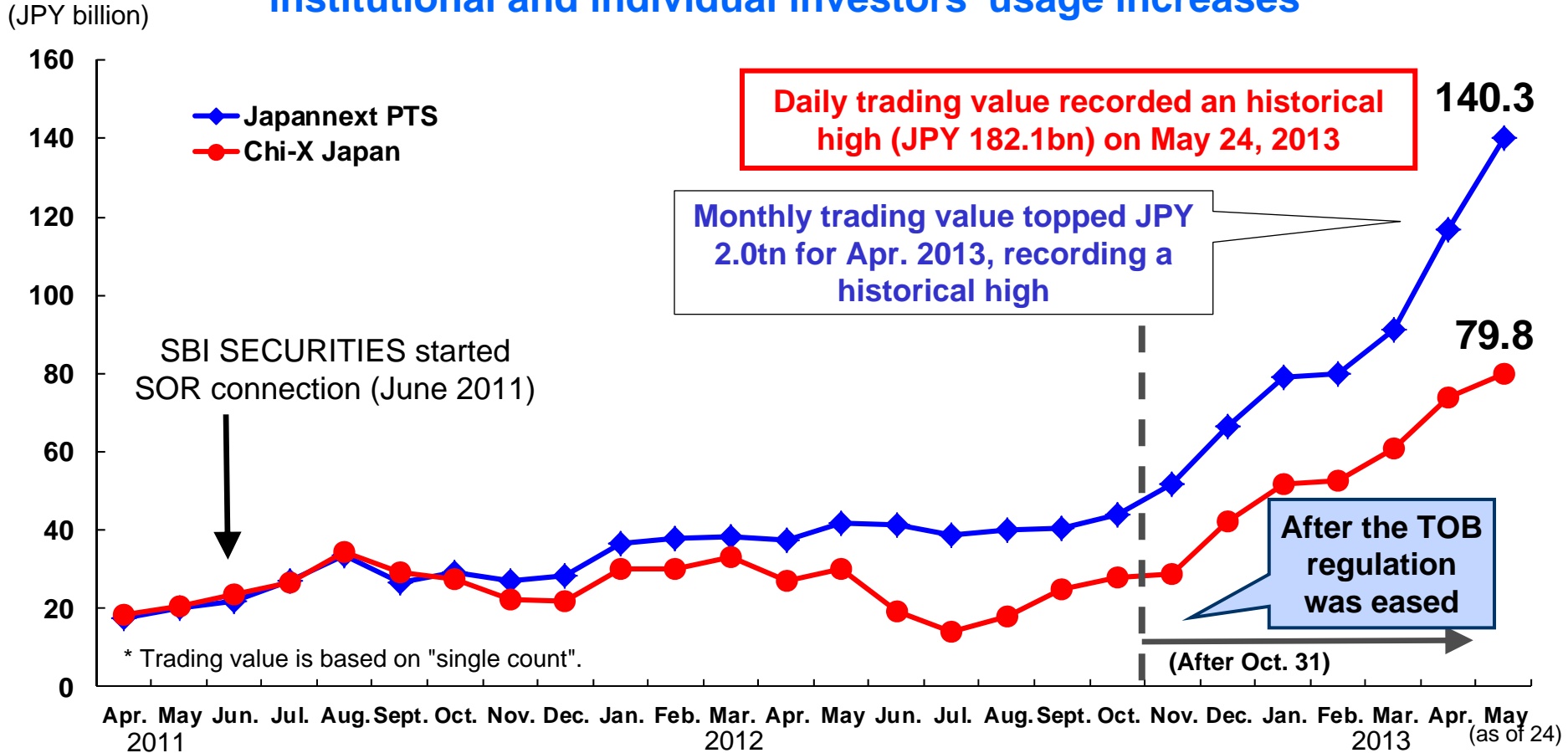
Monthly historical high

FY2005 also recorded an historical high in consolidated operating income of JPY 30.0bn

* Estimated operating revenue and operating income (non-consolidated) for May 2013 is provisional as of May 23, 2013.

Average Daily Trading Value at SBI Japannext PTS Surged

Owing to the effects of TOB regulatory easing and "Abenomics", institutional and individual investors' usage increases



TOB (take-over bid) regulation
 The regulation obliges investors who acquire more than 5% of a company through off-exchange transactions, or for investors who already own more than 5% that decide to increase their holdings, to make a takeover bid. This had hindered large institutional investors from utilizing the PTS.

Sources: Compiled by SBIH from information on websites of each company and Reuters

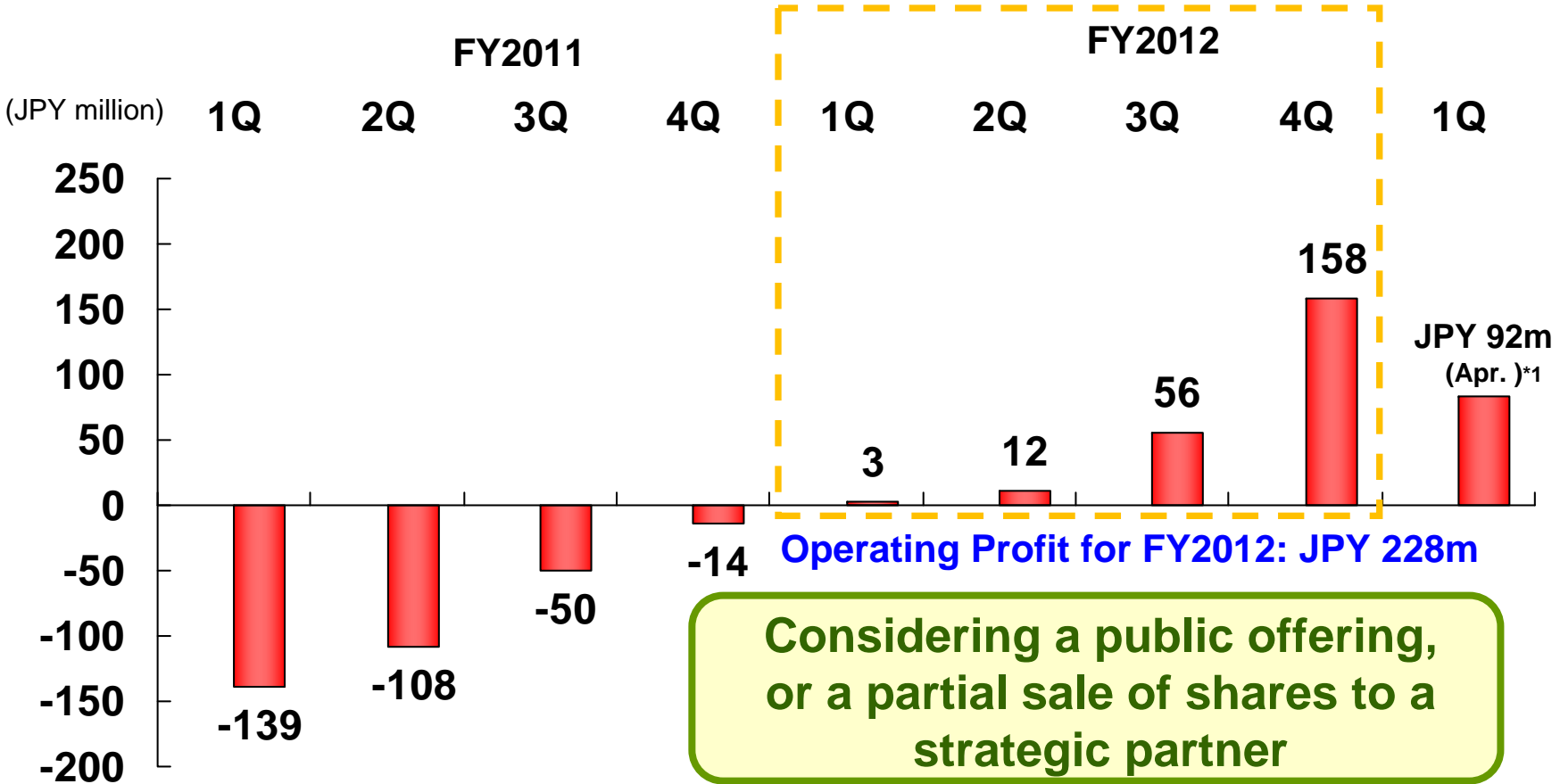


Change in SBI Japannext's Financial Results

(Consolidated in Sept. 2012)

Trading value has been increasing steadily, and since achieving profitability in 1Q FY2012, profits have been increasing at an accelerated pace

Quarterly Change in Operating Profit/Loss



*1 Figures of Apr. 2013 is provisional *2 Based on J-GAAP

Steadily Increasing Participant Companies

[Participating companies] (total 20)

- SBI SECURITIES
- Goldman Sachs Japan
- Morgan Stanley MUFG Securities
- Merrill Lynch Japan Finance
- Deutsche Securities
- Societe Generale Securities
- JP Morgan Securities
- Credit Suisse Securities (Japan)
- UBS Japan
- BNP Paribas Securities (Japan)
- Citigroup Global Markets Japan
- Mizuho Securities
- Barclays Securities
- Nomura Securities
- Newedge Japan Securities
- Macquarie Capital Securities
- **SMBC Nikko Securities (May 2012)**
- **Mitsubishi UFJ MS Securities (May 2012)**
- **Daiwa Securities (Oct. 2012)**
- **THE TACHIBANA SECURITIES (Nov. 2012)**

4 newly participating companies during FY2012

[Companies expected to participate]

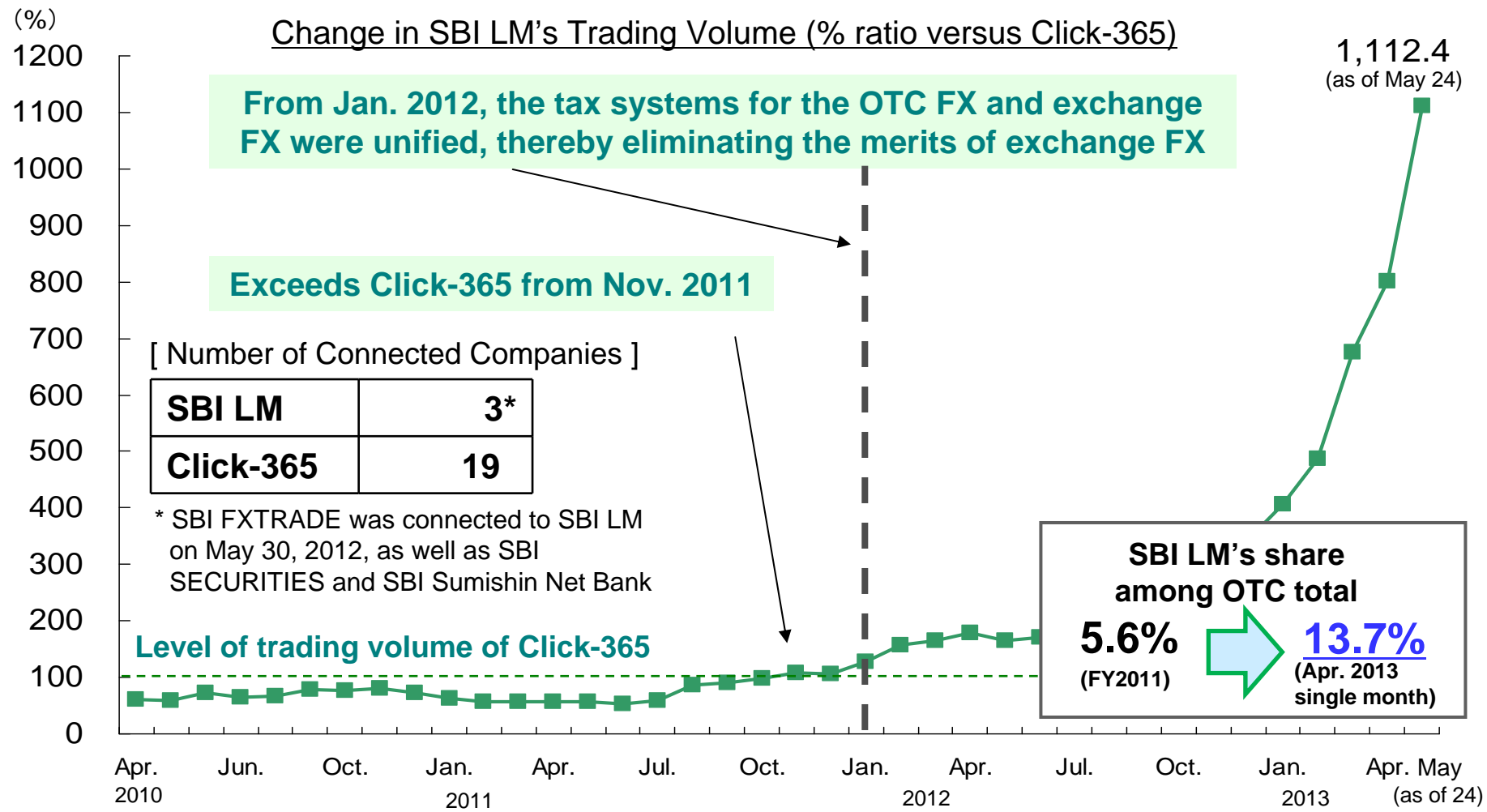
2 foreign companies and a few Japanese companies are expected to participate.

In order to extract maximum leverage from the performance of the world's fastest matching engine, Japannext PTS provides a new communication protocol since mid-Feb. 2013 in order to achieve optimal performance



SBI Liquidity Market's Trading Volume Significantly Exceeds that of Exchange FX's Click-365

Owing to the change in the tax system relevant to OTC FX (Foreign Tax Reform) in Jan. 2012 and the establishment of SBI FXTRADE, trading volume increased substantially



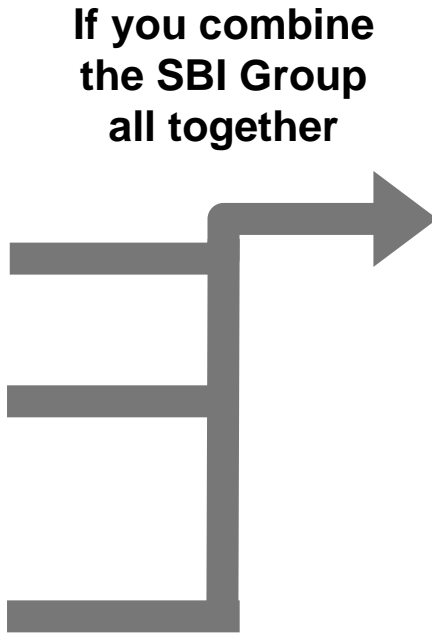
Source: Materials announced by Tokyo Financial Exchange

The SBI Group is Ranked Third in the OTC Market

The SBI Group **ranked third** in terms of trading volume among 50 OTC FX companies (*compiled by SBI) in Apr. 2013

Monthly Trading Volume of FX Transactions (Apr. 2013)

	Company name
No.1	Company A
No.2	Company B
No.3	Company C
No.4	SBI FXTRADE
No.5	Company D
No.6	SBI SECURITIES
No.7	Company E
⋮	⋮
No.18	SBI Sumishin Net Bank
⋮	⋮
No.50	Company X



Launched on
May 30, 2012

	Company name
No.1	Company A
No.2	Company B
No.3	SBI Group (SBI LM's trading volume)
No.4	Company C
No.5	Company D
No.6	Company E
No.7	Company F
⋮	⋮
⋮	⋮
No.48	Company X

* Ranking based on transaction currency amount

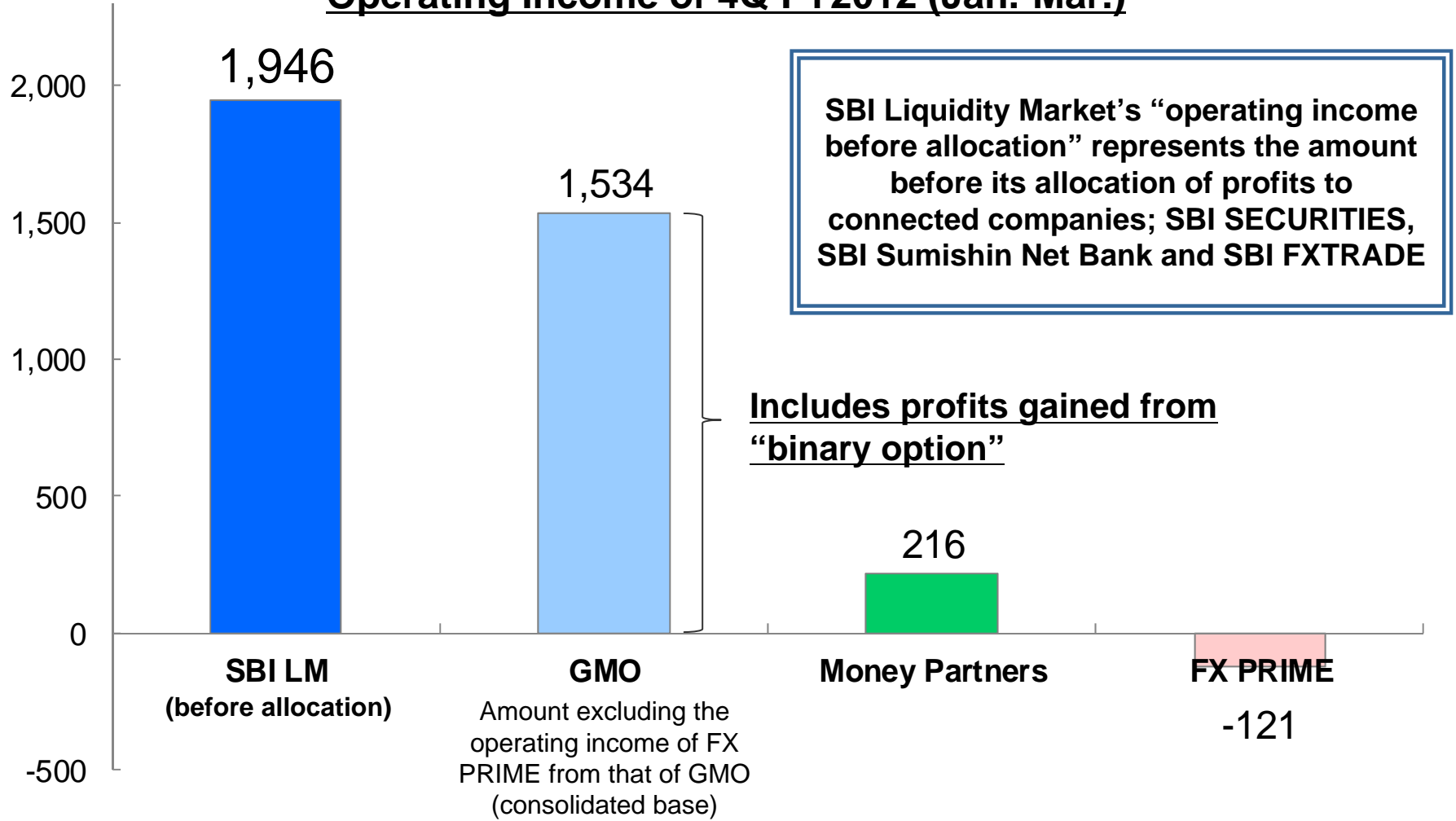


Comparison of Operating Income with OTC FX Peers

SBI Liquidity Market's operating income (before allocation) significantly exceeds that of its competitors

(JPY million)

Operating Income of 4Q FY2012 (Jan.-Mar.)

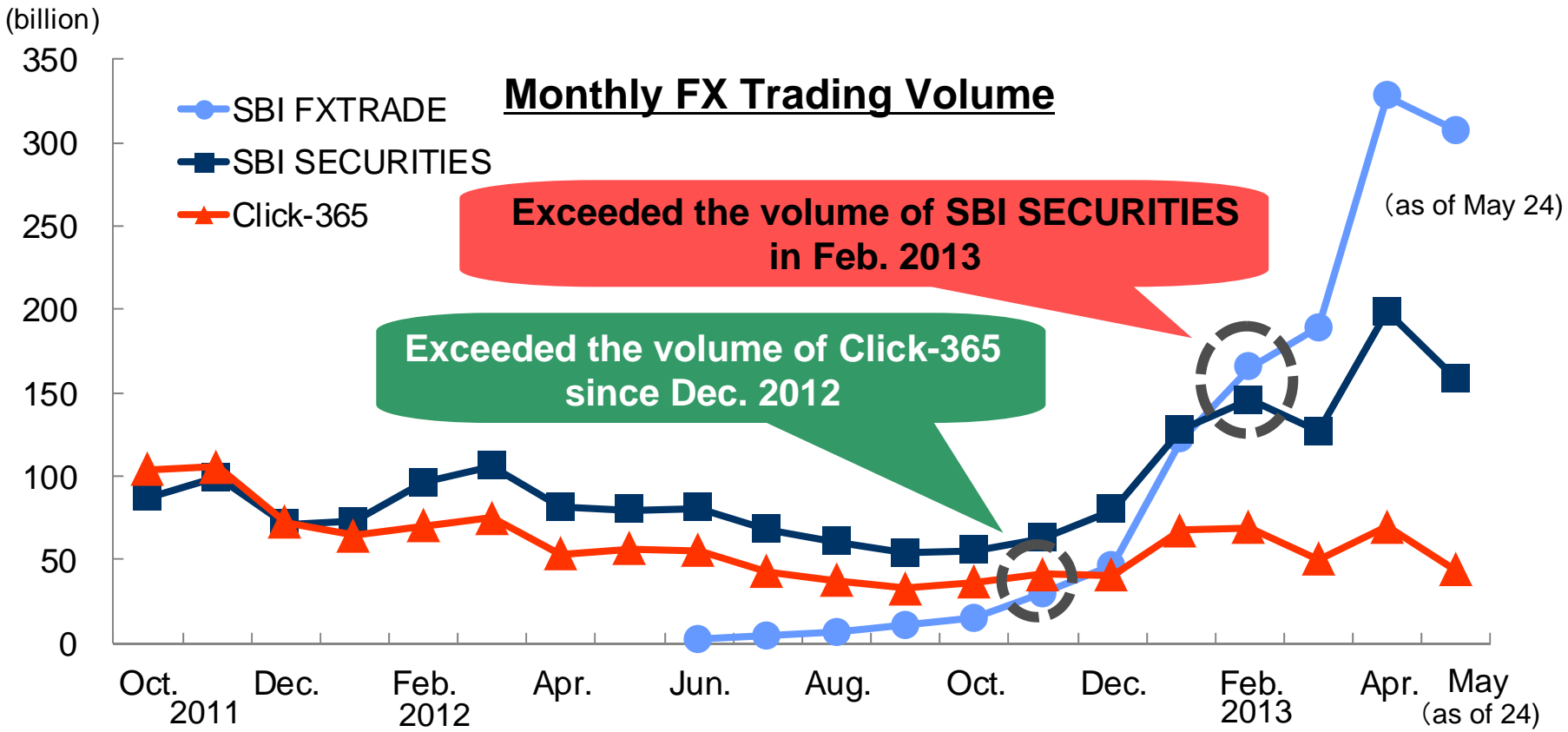


Source: Compiled by SBI from the information on websites of each company

Narrowing Spreads on All Major Currency Pairs to Provide an Overwhelming Advantage in Trading Capacity

(e.g.: USD/JPY 1-10 thousand currency at unit 0.10 sen (0.001 yen))

SBI FXTRADE's ranking in terms of trading volume among 50 OTC FX companies advances rapidly from No.19 (Sept.)→No.15 (Oct.)→No.11 (Nov./Dec.)→No.8 (Jan.)→No.6 (Feb.)→No.5 (Mar.)→No. 4 (Apr.)



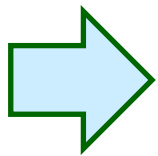
Awarded 1st Prize in "Oricon Customer Satisfaction Ranking for 2013" of "Beginner Category for FX Transactions," owing to the high praise received for offering customers an improvement in convenience and an enhancement in services.

Source: Material announced by Tokyo Financial Exchange and the Financial Future Association of Japan

Regulatory Tightening of the FX Industry

■ Development of regulation on “binary option”

A binary option is a type of option where investors bet whether or not a certain condition will be met (whether the foreign currency market will go up or down) and receive a return if the option expires in-the-money, while they receive nothing if it expires out-of-the-money. It is a popular product available at some of the major FX brokers.

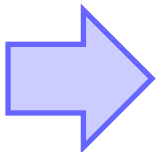


Since the product is considered to contain a strong element of gambling, it is thought to be a problematic product that may fuel excessive speculation, so the Financial Futures Association of Japan has organized a self-imposed regulation, with a revision of applicable laws and regulations in progress.

Until now, SBI FXTRADE has purposely not dealt with binary options, but it is now under consideration given the new regulations

■ Possibility of imposing regulations to “slippage*” problem

There have been reports of FX brokers that make profit by deliberately delaying the execution of orders input by investors via computers, using the lag time and executing the transactions at the rate that is unfavorable for investors.



In Jan. 2013, the Financial Services Agency asked the Financial Future Association of Japan to establish a regulation.

Inspections at some FX brokers revealed problematic trading customs, and it is highly likely that a self-imposed regulation will be established just like in the U.S. to penalize fraudulent brokers.

The SBI Group companies execute transactions at the best rate when investors’ orders reach the server

* A rate difference that occurs due to the lag between the time when an investor places an order and the time when the order actually reaches the FX broker’s server for execution

(ii) SBI Sumishin Net Bank **(Equity-method company)**

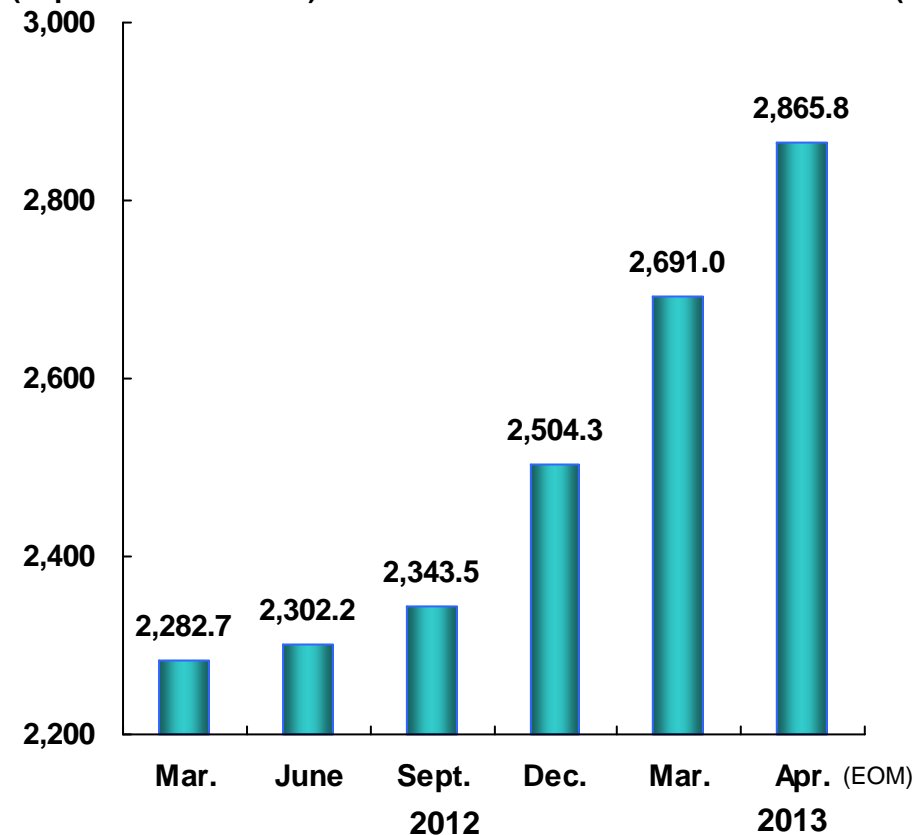
- **As of Mar. 31, 2013, the number of accounts was 1.64 million and deposits were JPY 2,691bn. The business base continues to steadily expand, with deposits passing the JPY 2,900bn. milestone on May 10, 2013.**
- **ii) Proceeding with successful diversification of its fund management methods, including housing, personal and auto loans.**
- **iii) SBI Sumishin Net Bank is steadily expanding its operations, and ordinary income for FY2012 was JPY 7.9bn, increased 36.4% YoY.**

Deposit Balance Exceeds JPY 2.9tn (on May 10, 2013) for the First Time Among Pure-play Internet Banks

Number of accounts: 1,675,624 / Deposits: JPY 2,865.8bn
(as of the end of Apr. 2013)

Change in Deposits in the Last Year

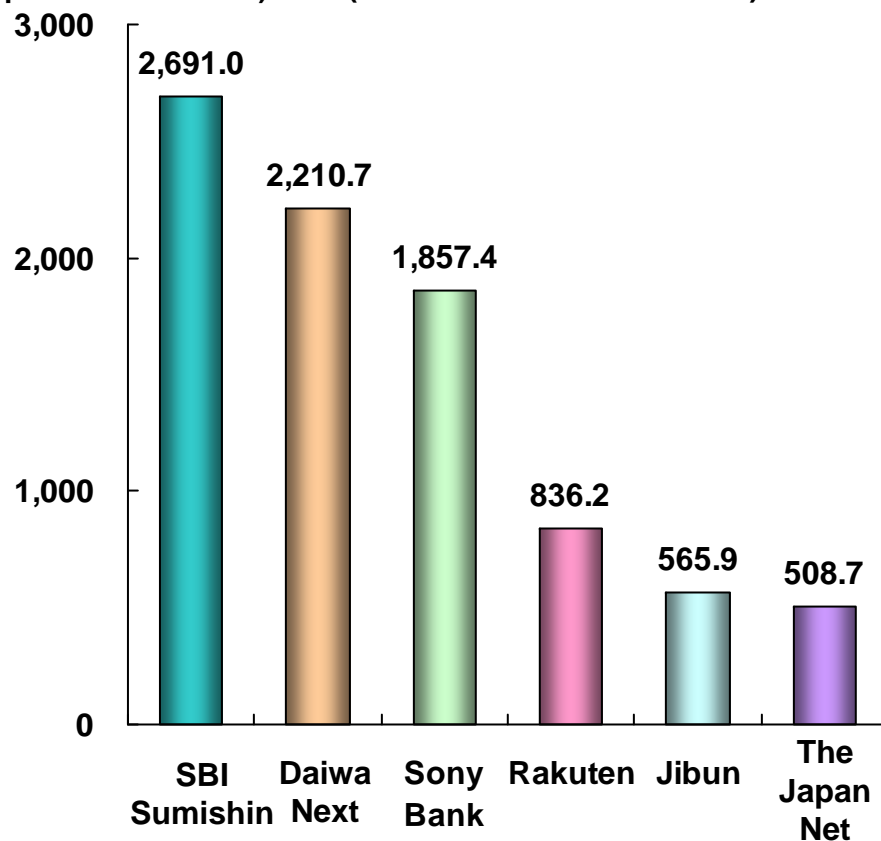
(deposits: JPY billion)



Deposits of 6 Internet Banks

(deposits: JPY billion)

(as of the end of Mar. 2013)



Deposits Accumulating Steadily

SBI Sumishin Net Bank is 37th (at Mar. 31, 2013) among 75 banks

including community banks and New Entrant Banks

Will rank within 30th in this fiscal year

Ranking in deposits (community banks and New Entrant Banks)

(JPY billion)

Rank	Bank name	Listing	Deposits
1	Bank of Yokohama	○	11,091.6
2	Chiba Bank	○	9,376.5
3	Bank of Fukuoka	* ₁	7,688.6
4	Shizuoka Bank	○	7,674.1
5	Joyo Bank	○	7,266.6
6	77 Bank	○	6,532.3
7	Nishi-Nippon City Bank	○	6,314.0
8	Bank of Kyoto	○	5,870.2
9	Hiroshima Bank	○	5,764.6
10	Hachijuni Bank	○	5,670.0
11	Gunma Bank	○	5,644.9
12	Shinsei Bank	○	5,610.1
13	Hokuriku Bank	* ₁	5,443.1
14	Chugoku Bank	○	5,315.0
15	Ashikaga Bank	* ₁	4,686.3

Rank	Bank name	Listing	Deposits
16	Iyo Bank	○	4,502.5
17	Senshu Ikeda Bank	* ₁	4,407.7
18	Yamaguchi Bank	* ₁	4,375.5
19	Nanto Bank	○	4,289.9
20	Juroku Bank	○	4,281.1
21	Hokkaido Bank	* ₁	4,147.6
22	Daishi Bank	○	4,047.0
23	Shiga Bank	○	3,994.5
24	Hyakugo Bank	○	3,937.8
25	Ogaki Kyoritsu Bank	○	3,814.7
26	Toho Bank	○	3,801.9
27	Higo Bank	○	3,590.9
28	San-in Godo Bank	○	3,585.0
29	Musashino Bank	○	3,516.2
30	Citibank Japan	×	3,510.5

Rank	Bank name	Listing	Deposits
31	Kiyo Bank	* ₁	3,447.0
32	Hyakujushi Bank	○	3,383.7
33	Suruga Bank	○	3,265.0
34	Kinki Osaka Bank	* ₁	3,236.1
35	Kagoshima Bank	○	3,099.9
36	Hokkoku Bank	○	2,964.0
37	SBI Sumishin Net Bank	×	2,957.9
38	Aozora Bank	○	2,727.6
39	Bank of Iwate	○	2,584.9
40	Yamanashi Chuo Bank	○	2,464.3

*1 Bank Holding Company is listed

▪
▪
▪

* As of the end of Mar. 2012

The number of SBI Sumishin Net Bank is as of May 26, 2013

(Source: Japanese Bankers Association, websites of each company)

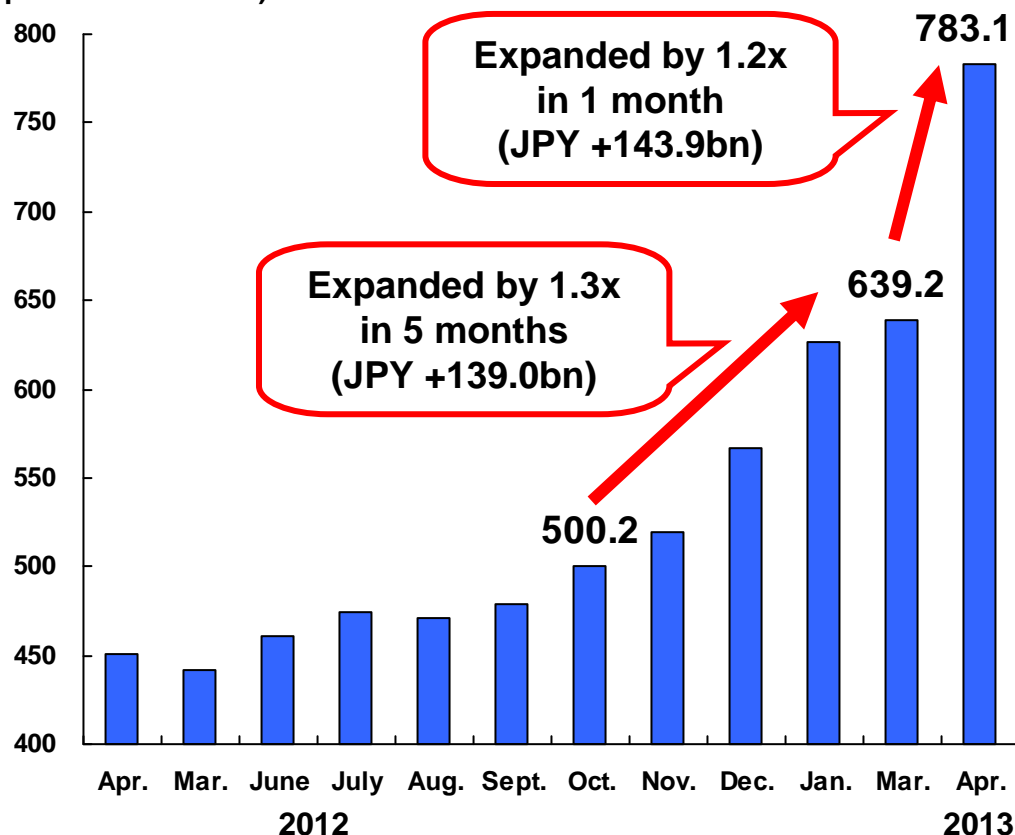
Synergy with SBI SECURITIES Contributed the Growth of Deposits (SBI Hybrid Deposit)

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

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

Change in SBI Hybrid Deposits of SBI Sumishin Net Bank

(deposits: JPY billion)



Background:

- The increase in account openings at SBI Sumishin Net Bank and SBI SECURITIES since the end of 2012 contributed to the increase in SBI Hybrid Depositors.

About 35% of new accounts at SBI SECURITIES applies for an account opening at SBI Sumishin Net Bank

- Affected by the recovery of the stock market, the outstanding deposit balance per account has also grown.

Diversification of Loans: (e.g.) Housing Loans

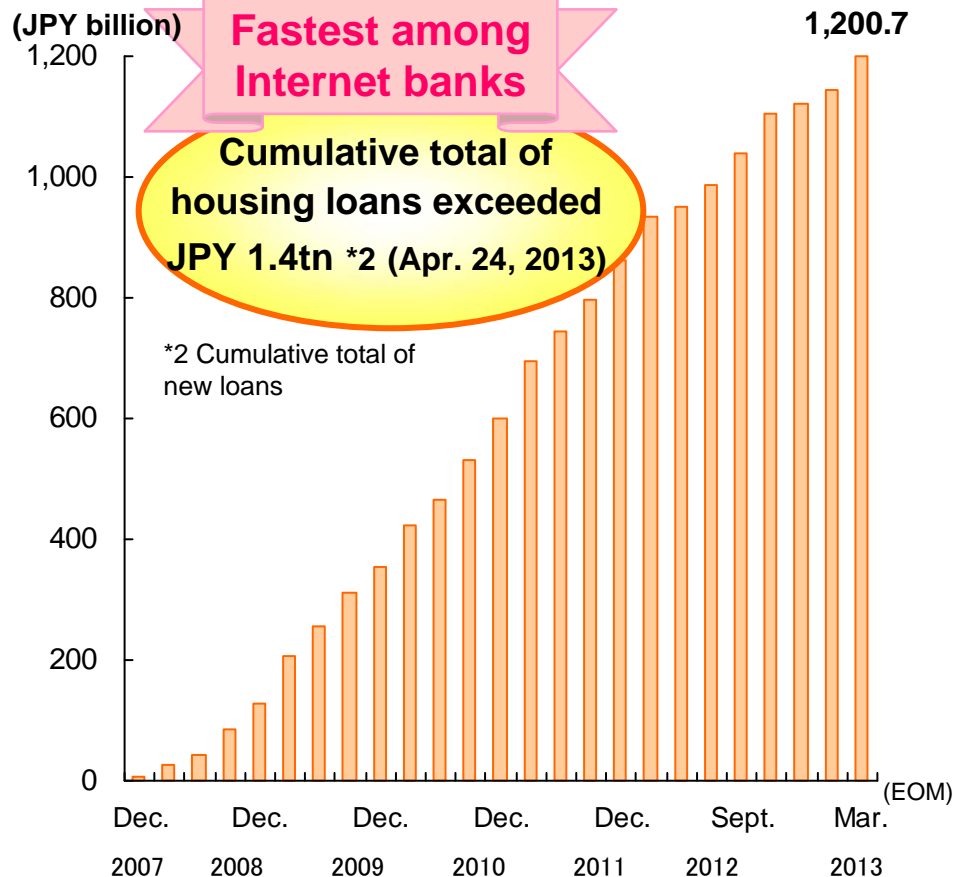
**Balance expanded at auto loan (JPY 162.0bn* as of Apr. 30, 2013)
and net loan (JPY 50.0bn* as of May 17, 2013)**

Change in Balance of Housing Loans *1

(Dec. 2007 – Mar. 2013)

*1 Include housing loans as a banking agency of Sumitomo Mitsui Trust Bank

JPY 1,200.7bn (as of the end of Mar. 2013)



SBI Sumishin Net Bank's Housing loans business

① Housing loans via SBI Sumishin Net Bank's alliance with real estate companies (from Sept. 2007)

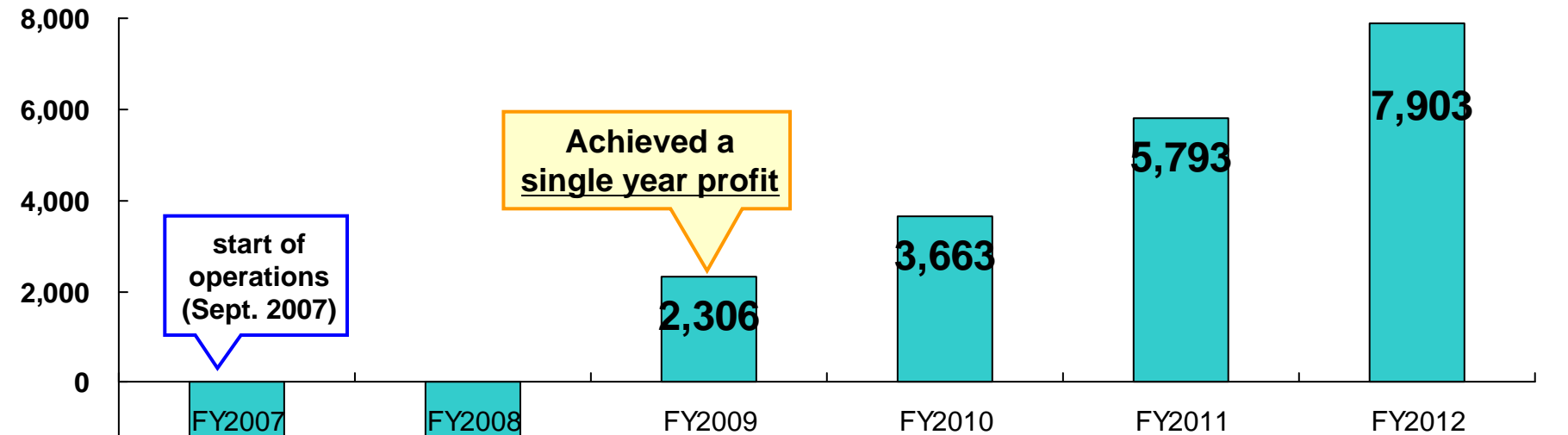
② Banking Agency Business for Sumitomo Mitsui Trust Bank (from Jan. 2012)

The total number of housing loans for FY2012 (①+②) increased 17% YoY and the commission revenue for the housing loans business also increased by 15% YoY

Ordinary Income for FY2012 was JPY 7.9bn up 36.4% YoY

Change in ordinary income after start of operations (J-GAPP)

(JPY million)*consolidated since FY2009



start of
operations
(Sept. 2007)

Achieved a
single year profit

Issued subordinated bonds for retail
investors at JPY 15.0bn (Nov. 2012)

Equity ratio:
8.36% (FY2011) → 9.79% (FY2012)

Achieved a single month profit for the first time in Jan. 2009
Achieved a single quarter profit for the first time in 4Q FY2008

Financial Results Comparison of Internet Banks (J-GAAP)

<Financial results for FY2012>

JPY billion; parenthetic figures are YoY % change

	Date of operation started	Balance of loans	Ordinary revenue	Ordinary income	Net profit
SBI Sumishin	<u>Sept. 2007</u>	<u>1,129.7</u>	<u>40.2</u> (16.1)	<u>7.9</u> (36.4)	<u>4.7</u> (-7.3)
Daiwa Next (non-cons.)	May 2011	89.2	28.5 (214.9)	5.0 (in deficit)	3.3 (in deficit)
Sony Bank	June 2001	970.2	34.3 (5.5)	4.5 (12.4)	3.3 (87.6)
Rakuten	July 2001	199.8	41.2 (7.7)	8.4 (32.9)	11.8 (9.8)
Jibun (non-cons.)	July 2008	64.9	17.1 (139.4)	1.8 (in deficit)	1.8 (in deficit)
The Japan Net (non-cons.)	Oct. 2000	28.9	18.5 (-0.8)	2.5 (11.2)	1.5 (9.9)

Without the benefit of the cumulative losses, the Bank began paying income taxes from 4Q FY2011, and as a result, net income for FY2012 fell 7.3% YoY to JPY 4.7bn.

SBI Sumishin Net Bank started its business well this fiscal year too

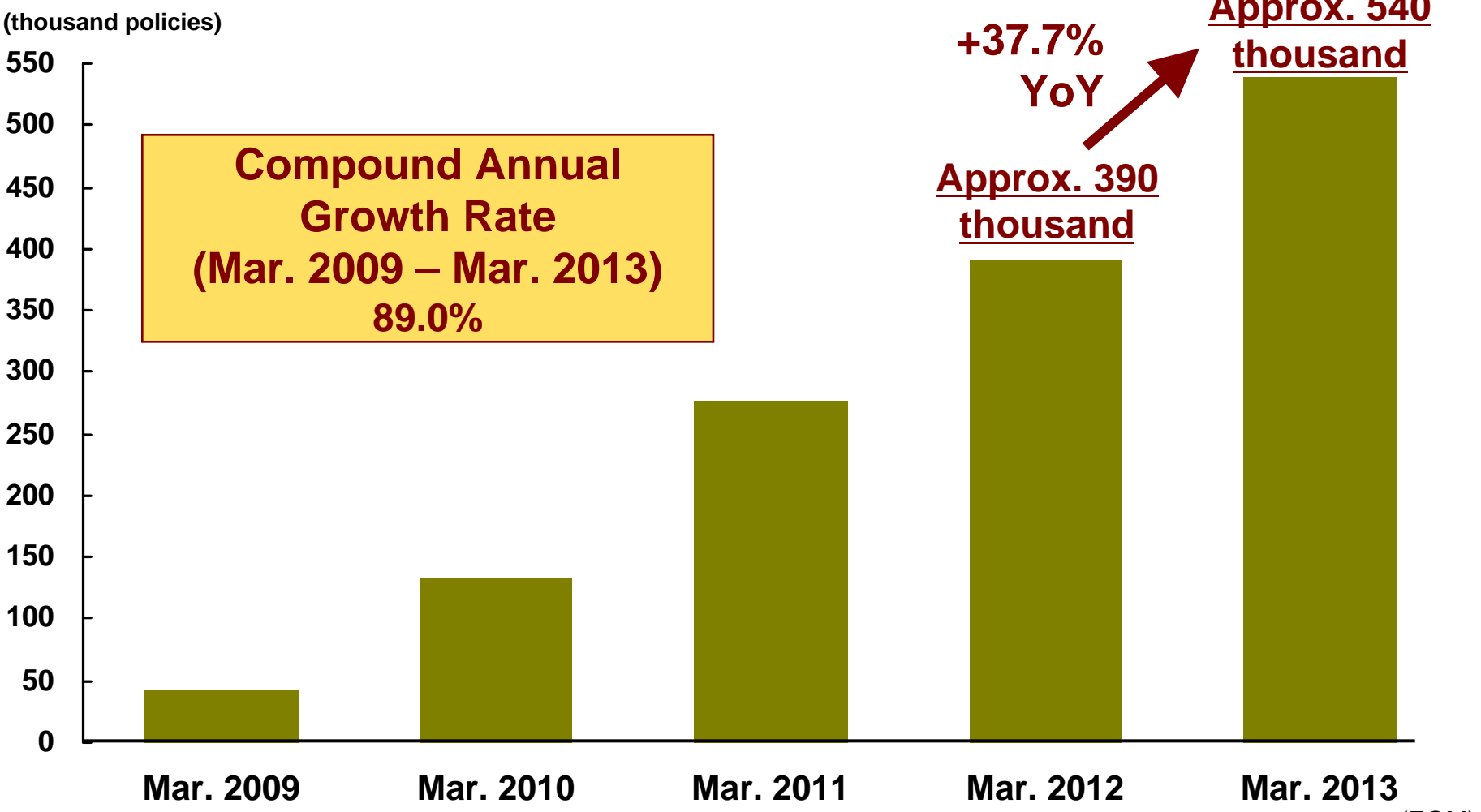
(iii) SBI Insurance

- i) SBI Insurance's auto insurance business continues to expand with the number of contracts up 37.7% and insurance premiums up 36.5% YoY.**
- ii) Measures to improve profitability have borne fruit, net loss is improving, and operating cash flow was a positive JPY 0.19bn.**
- iii) In FY2012, a combined ratio of less than 100% was substantively achieved (when a one-time settlement payment of JPY 0.76bn to former Aioi Insurance is excluded). For FY2013, targeting substantive quarterly profitability on an IFRS consolidated basis.**

SBI Insurance's Number of Auto Insurance Contracts Totaled Approx. 540,000 Contracts, Growing by 37.7% YoY

Number of Auto Insurance Contracts (Written Basis*)

Approx. 550 thousand as of the end of Apr. 2013



(EOM)

* Written basis: completion of receipt of insurance premium, excluding continuing contracts, expired continuing contracts and cancelled contracts.

Insurance Premium of SBI Insurance's Auto Insurance Continues to Increase

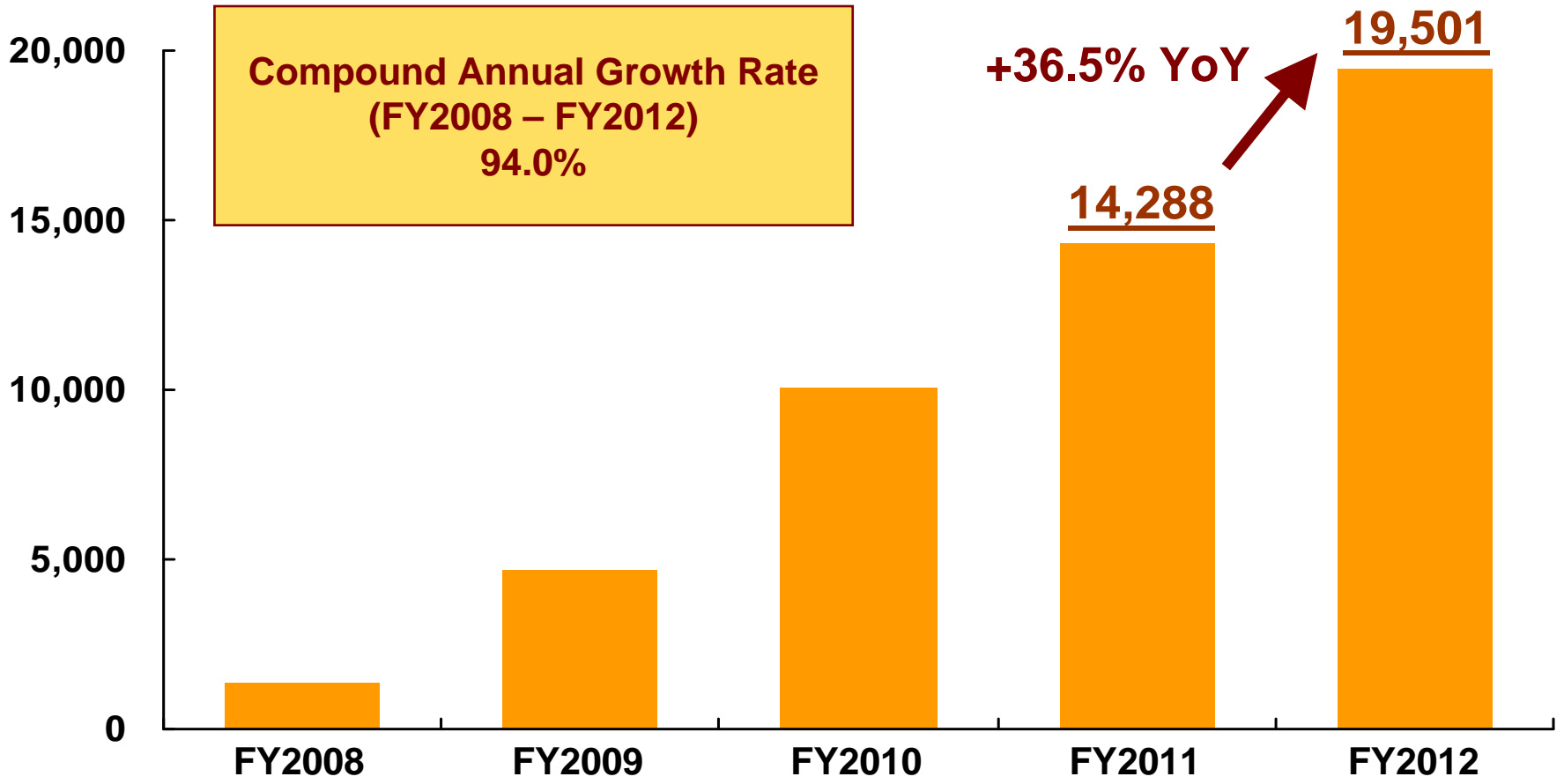


The Premium Income for FY2012 was up 36.5% YoY

Change in Insurance Premium Income

(JPY million)

[FY2013]
 Apr. 2013 single month
 (preliminary) : JPY 2,270m



Comparison of Auto Insurance Premium Income at Major Direct Insurance Companies

[Comparison of Auto Insurance Premium Income]

(JPY million)

	Date of operation started	FY2010		FY2011		FY2012
Sony Assurance	Sept. 1999	65,516	Sony Assurance	70,712	Sony Assurance	74,406
AXA GENERAL INSURANCE	July 1999	33,271	AXA	35,261	AXA	38,136
Mitsui Direct	June 2000	32,688	Mitsui Direct	33,830	Mitsui Direct	34,735
Zurich Insurance *1	July 1986	27,931	Zurich Insurance	30,126	Zurich Insurance	To be released (Cumulative premium income of 9 months : 22,810)
American Home Direct	Dec. 1960	17,143	American Home	16,594	SBI Insurance	19,501 (Cumulative premium income of 9 months :14,416)
Sonpo 24	Mar. 2001	10,697	SBI Insurance	14,288	American Home	To be released (Cumulative premium income of 9 months : 11,265)
SBI Insurance	Jan. 2008	10,069	Sonpo 24	11,810	Sonpo 24	12,890
E.design Insurance	June 2009	2,856	E.design	5,213	E.design	10,523

*Direct net premiums written. (Source: Disclosure from each company)

*1 Figures for Zurich Insurance are of Japan Branch, including underwritten reinsurance premium. *2 Figures for E.design are net premiums written.

Measures to Increase Profitability

[Phase 1]

Terminated the reinsurance agreement as of the end of Mar. 2011 and the outsourcing agreement as of the end of Mar. 2012 with Aioi Insurance (currently, Aioi Nissay Dowa Insurance).

- SBI Insurance terminated new purchases of reinsurance which was intended for offsetting insurance underwriting risk and the reducing capital burden during the start-up period.
- Terminated the outsourcing agreement, including on the call center, in order to stabilize cost.

[Phase 2]

Sequential execution of measures to further reduce business expenses and improve loss ratio. Good results are to be expected.

<Examples of measures>

- Reducing outsourcing costs by in-house handling of inquiries relating to accidents outside of business hours and business days.
- Change of operating hours at call center
- Taking full advantage of the sales counter channel of SBI MONEY PLAZA
- Diversification of product portfolios
- Promoting paperless operations and cutting back on postage by modifying various business forms and ledger sheets
- Cutting down on advertising expenses by improving target marketing skills

Combined Ratio Improvement

The combined ratio improved significantly, and was substantively below 100% for FY2012. For FY2013, targeting substantive quarterly profitability (on an IFRS consolidated basis).

	Combined ratio	=	Operating expenses ratio	+	Net loss ratio
FY2010	175.9%		82.3%		93.6%
FY2012	103.1%		33.4%		69.8%
<u>FY2012 (Adjusted)</u>	<u>99.2%</u>		<u>29.4%</u>		<u>69.8%</u>

When settlement money of JPY 0.76bn concerning reinsurance with Aioi Insurance is excluded

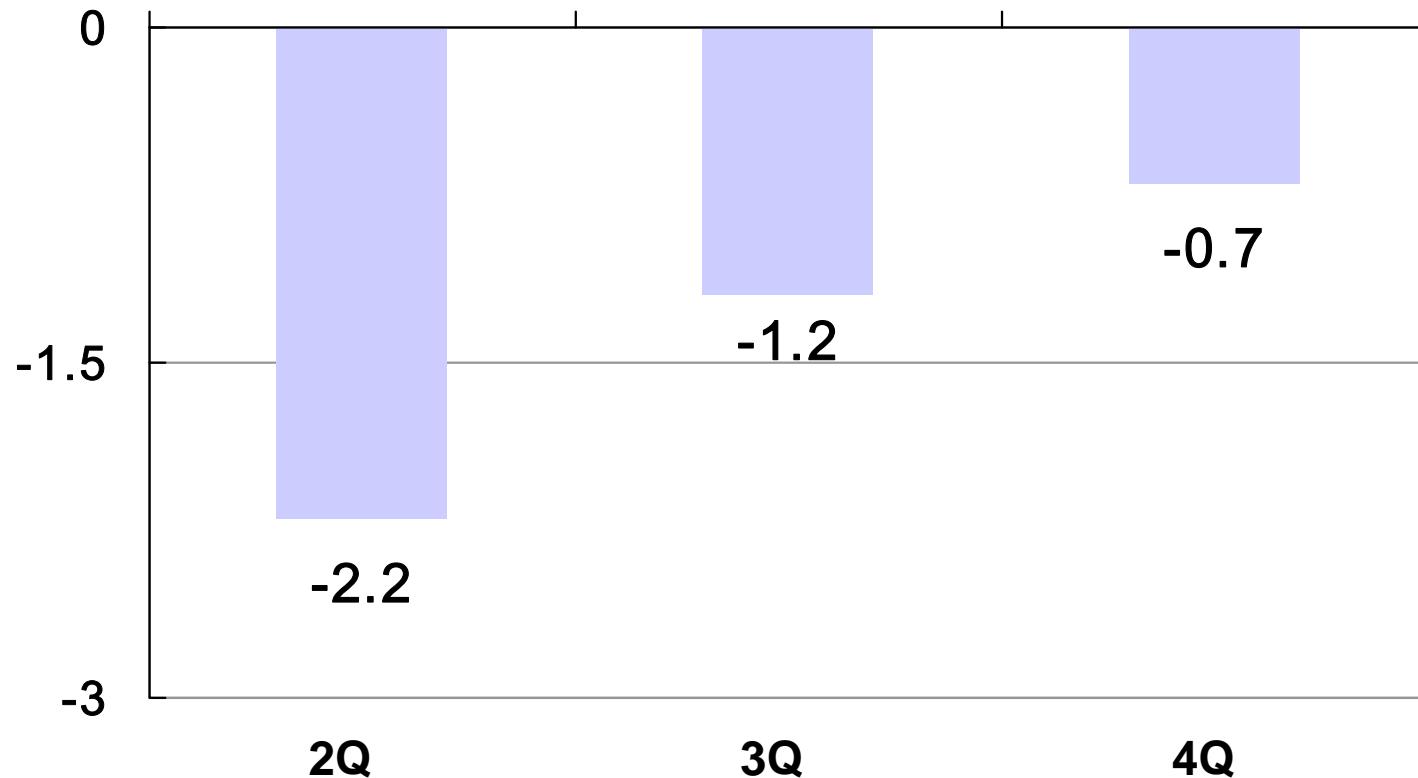
*Combined ratio: An index reflecting profitability of nonlife insurance companies. The ratio of the sum of insurance premium payment and expense to insurance premium income.

Business Results Showed Improvement

Net loss is improving after bottoming out in 2Q FY2012, and operating cash flow was a positive JPY 0.19bn

Premium income and net loss* (FY2012)

(JPY billion)



* In terms of the impact on SBI Holdings consolidated results, based on IFRS

(iv) SBI MONEY PLAZA

(Launched on June 15, 2012)

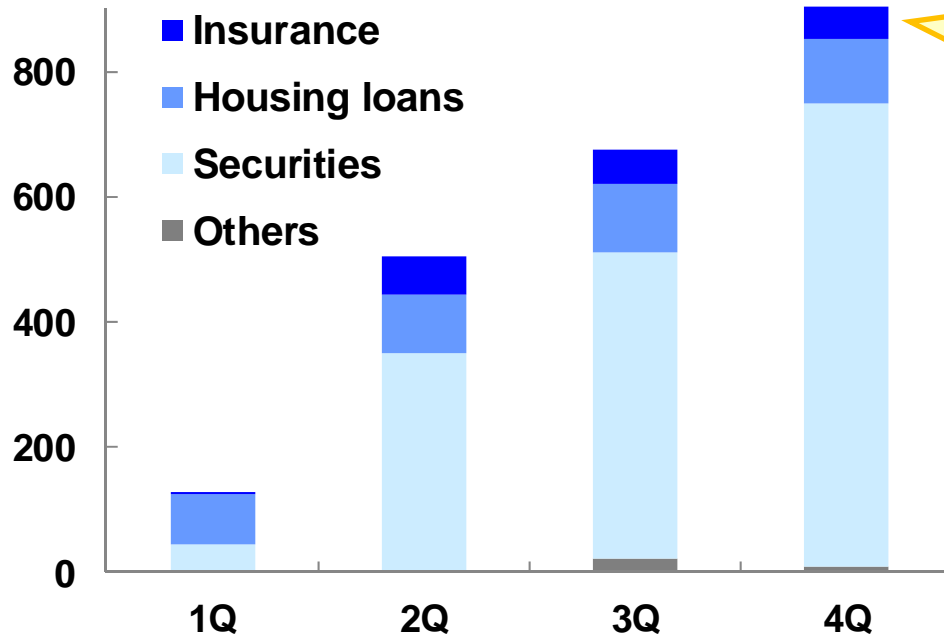
- i) During 4Q FY2012, the securities business revenues increased significantly, with the positive backdrop of the stock market**
- ii) The cumulative loss leading up to 2Q was eliminated, and a full year operating income of JPY 36m was recorded, achieving the objective of a full-year operating profitability in the first operating year.**
- iii) Targeting minimum operating income of JPY 500m for 1Q FY2013**

Achieved a Full year Operating Profitability in the First Operating Year

(Launched on June 15, 2012)

- During 4Q FY2012, the securities business revenues increased significantly, with the positive backdrop of the stock market. The cumulative loss leading up to 2Q was eliminated, and a full-year operating income of JPY 36m was recorded.
- Endeavor to build a stable earnings structure resistant to fluctuations in business conditions by thoroughly strengthening the insurance business and housing loan business in addition to the securities business, which has been the business base.

(JPY million) Change in Operating Revenue



Planning to increase the number of shops that offer insurance and housing loan products, to further increase revenue

With an expectation of total operating income of JPY 300m for Apr. and May 2013, targeting minimum operating income of JPY 500m for 1Q FY2013

② Asset Management Business

Asset Management Business FY2012 Financial Results

Along with an steady increase in the corporate values of some of the promising investee companies and a significantly improved market environment, despite a relatively large devaluation of a portion of the private market securities, the 2H results were significantly better than the 1H, both in terms of operating revenues and profit before income tax expense.

[Financial results by half year]

(Based on IFRS, JPY billion)

	1H FY2012 (Apr. 2012-Sept. 2012)	2H FY2012 (Oct. 2012-Mar. 2013)	Full year (Apr. 2012-Mar. 2013)
Operating revenue (Asset Management Business)	13.7	18.5	32.2
Profit before income tax expense (Asset Management Business)	0.5	5.0	5.5

Regarding the consolidation of the Hyundai Swiss Savings Bank of Korea, under the independent auditor's guidance, the book value of the existing shareholding (20.9% of Hyundai Swiss Savings Bank) was reduced to par value, and as a result, profit before income tax expense for 2H FY2012 for the Asset Management Business only reached JPY 5.0bn.

Performance Analysis by Business Segment

~Asset Management Business~



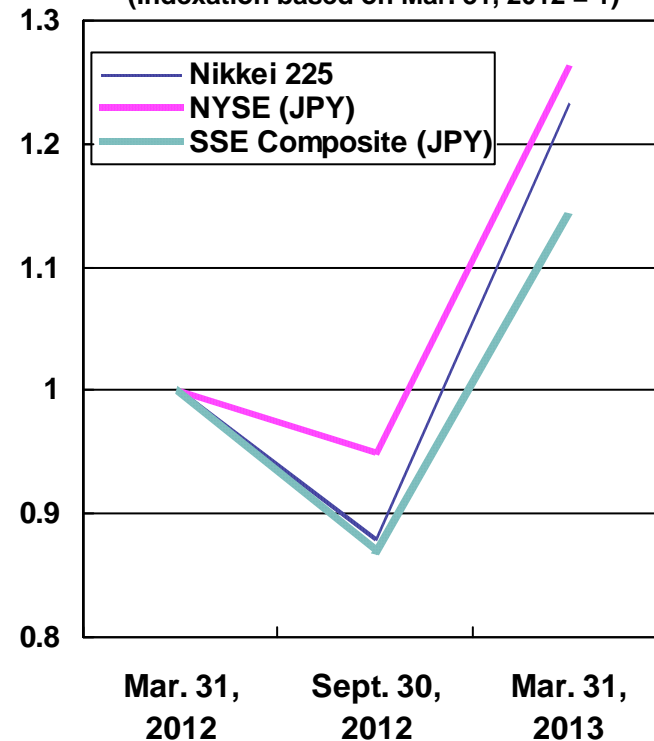
The radical change in the stock market led to a dramatically different business environment from the 1H to the 2H

[The Stock Market]

	Mar. 31, 2012	Sept. 30, 2012	Mar. 31, 2013	Change (%)	
				Mar. 31, '12 vs. Sept. 30, '12	Sept. 30, '12 vs. Mar. 31, '13
Nikkei 225	10,083.56	8,870.16	12,397.91	-12.0	+39.8
NYSE	8,206.93	8,251.00	9,107.05	+0.5	+10.4
Shanghai SE	2,262.79	2,086.17	2,236.62	-7.8	+7.2

Change in Major World Stock Indices

(Indexation based on Mar. 31, 2012 = 1)



[The Exchange Rates Against the Yen] (1 currency unit = yen)

	Mar. 31, 2012	Sept. 30, 2012	Mar. 31, 2013	Change (%)	
				Mar. 31, '12 vs. Sept. 30, '12	Sept. 30, '12 vs. Mar. 31, '13
USD	82.87	77.96	94.22	-5.9	+20.9
EUR	110.56	100.21	120.76	-9.4	+20.5
CNY	13.16	12.41	15.17	-5.7	+22.2

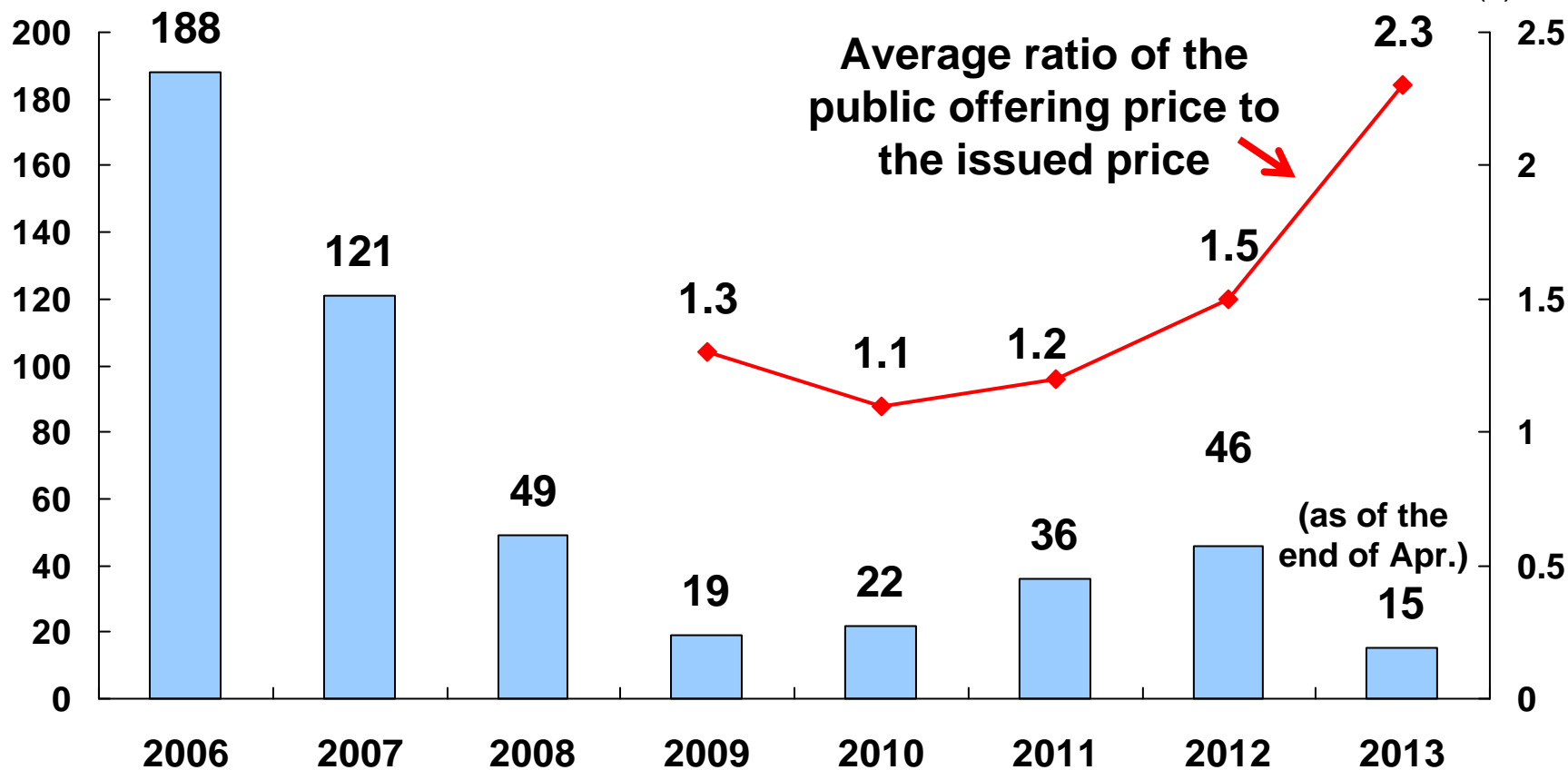
*Numbers for NYSE and SSE Composite before indexation are based on JPY (Source: Bloomberg)

IPO Market Environment in Japan

The number of IPO in 2012 recovered as the same level as in 2008

Change in Number of IPOs in Japan (2006-Apr. 2013)

(The number of IPOs)



(as of the end of Apr.)

IPO and M&A Deals in the Asset Management Business

	FY2011 Full year	FY2012 Full year	FY2013 Full year prospect
IPO and M&A deals	14	12	15

Exit Date	Company	Market (Country)
Apr. 30, 2012	SBI Mortgage Co., Ltd.	KOSPI (Korea)
Sept. 25	Modacom Co.,Ltd.	KOSDAQ (Korea)
Sept. 28	Mediaflag Inc.	TSE Mothers
Dec. 17	SBI AXES Co., Ltd.	KOSDAQ (Korea)
Dec. 20	Syuppin Co., Ltd.	TSE Mothers
Dec. 20	euglena Co., Ltd.	TSE Mothers
Jan. 1, 2013	Tokyo Stock Exchange Group, Inc.	M&A
Jan. 30	i-Sens Inc.	KOSDAQ (Korea)
Feb. 1	All Japan Solution, INC	M&A
Feb. 1	Support For Business Creation inc.	M&A
Feb. 13	Global Display Co., Ltd.	KOSDAQ (Korea)
Mar. 27	Tama Home Co., Ltd.	TSE 1st Section

Promising Investee Companies in the Venture Capital Business (1)

Investment example①

ReproCELL Inc.

(Shares held by the SBI Group companies and its managing funds: 18.1%)

Scheduled to be listed on JASDAQ on June 26, 2013

Japan's first venture company related to iPS cells

<Business summary>

- Sale of reagent for ES/iPS cells
- Entrusted with drug development screenings and toxicity tests using ES/iPS cells
- Entrusted with sale of primary cultured cell for drug development and its toxicity tests

Licensed first from Prof. Yamanaka at Kyoto University in Apr. 2009, and marketed human iPS cells for cardiac myocyte for a first in the world.

Started sale of neurocyte originated in human iPS cells in Oct. 2010.

News paper article

Jan. 29, 2013 "The Nikkei" Morning Edition

Promising Investee Companies in the Venture Capital Business (2)

Investment example②

Acucela Inc.

(Shares: 16.9%,
the second largest shareholder)

IPO Target: within 2013

Lead manager:

Mitsubishi UFJ Morgan

Stanley Securities

(Extract from the book)

A drug to save 120 million people from blindness in the world

If ACU-4429 is approved as a drug, the AMD market size is estimated at least at JPY 0.5tn and possibly up to JPY 1.0tn.

<Acucela's Pipelines>

Drug or project code (partners)	Adaptation disease	Current status
ACU-4429 (Otsuka Pharmaceutical)	Dry Advanced Macular Degeneration (AMD)	P2b/3 Clinical Trial Final trial
Rebamipide (Otsuka Pharmaceutical)	Dry Eye Syndrome	P3 Clinical Trial Final trial
OPA-6566 (Otsuka Pharmaceutical)	Glaucoma	P1/2 Clinical Trial

Cover of
“Those who become masters get more easily bored”

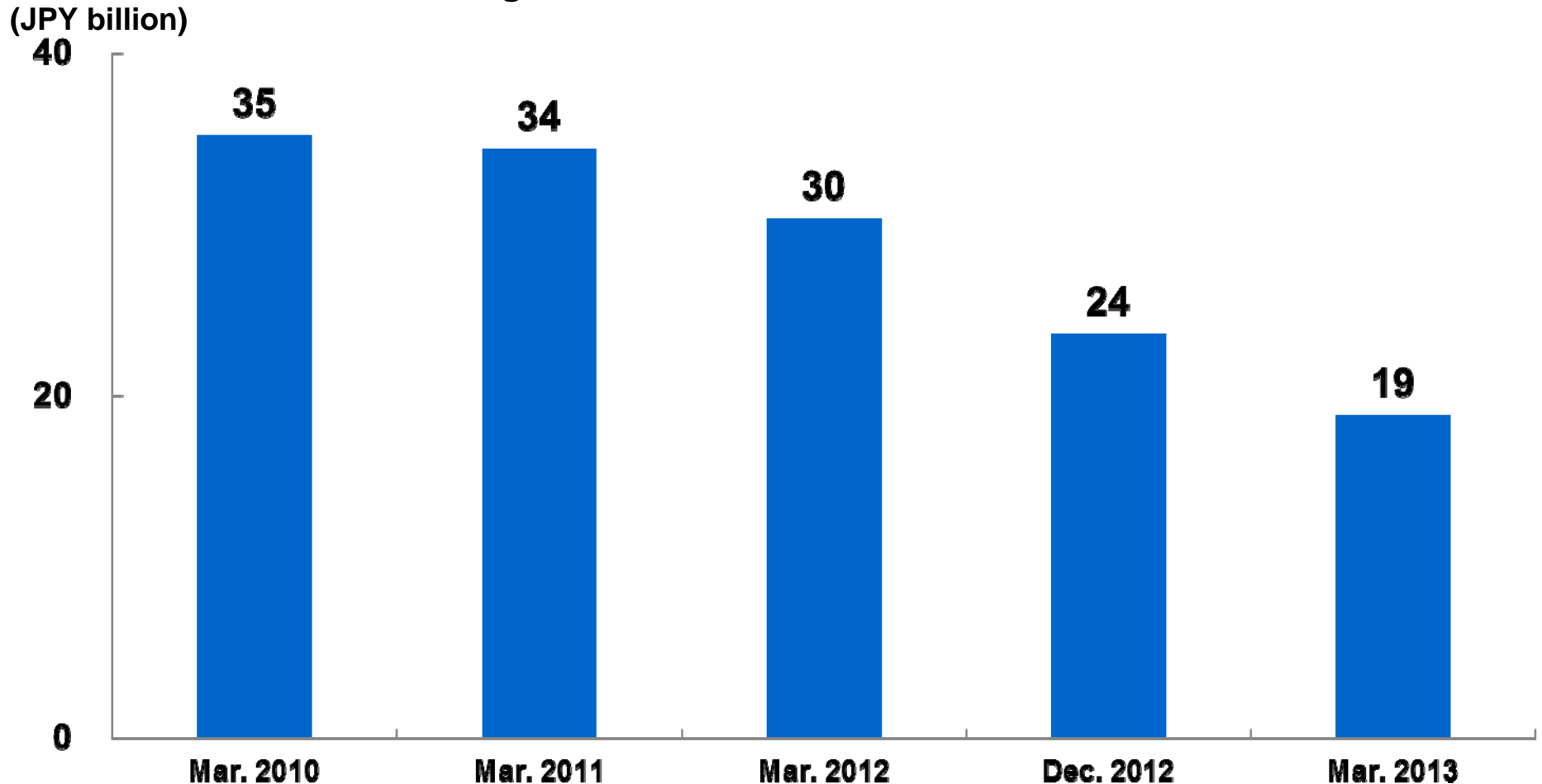
(Written by Acucela's CEO Mr. Kubota, Nikkei Business Publications.)

③ Housing and Real Estate Business

Utilizing the Market Recovery to Sell Assets

SBI Holdings' Real Estate Business Division will focus on the reduction of assets, by taking advantage of the market recovery to further intensify its funds recovery process.

Trend of SBI Holdings' Real Estate Business Division's Investment Amount



SBI Life Living FY2012 Performance

- SBI Life Living posted record level profits in all income entries for the second consecutive year since its listing
- The sale of “Branche”, SBI Life Living’s leading product, which is a rental intended and designed apartment, is progressing very smoothly. (JPY million)

	FY2011 (consolidated)	FY2012*1 (Non- consolidated)	YoY change(%)
Sales	5,677	6,066	+6.9
Operating Income	744	1,106	+48.5
Ordinary Income	646	1,024	+58.5
Net Profit	644	*2 675	+4.7

*1. Non-consolidated since FY2012. Year-on-year changes are presented for reference purposes.

*2. Through the reversal of some deferred tax assets, an adjustment in corporate taxes of JPY 233m was recognized and recorded as a tax expense.

With an effective date of June 1, 2013, SBI Life Living executed a split of its shares at a ratio of 500 shares to 1 share in light of its stock price level, and adopted the share unit system which sets a share trading unit at 100 shares.

(5) Dividend Policy and Shareholder Composition

Basic Dividend Policy

[Basic Dividend Policy]

Minimum annual dividend payout of 10 yen per share, and endeavor to increase dividends when it is determined that a further return of profits is possible.

Dividend record per share

	End of 2Q	Year-end	Full year
FY2012 (results)	—	<u>10 yen</u>	<u>10 yen</u>
The 10-for-1 stock split was implemented on October 1, 2012 as the effective date.			
FY2011 (results)	—	100 yen	100 yen

SBI Holdings' Shareholder Composition

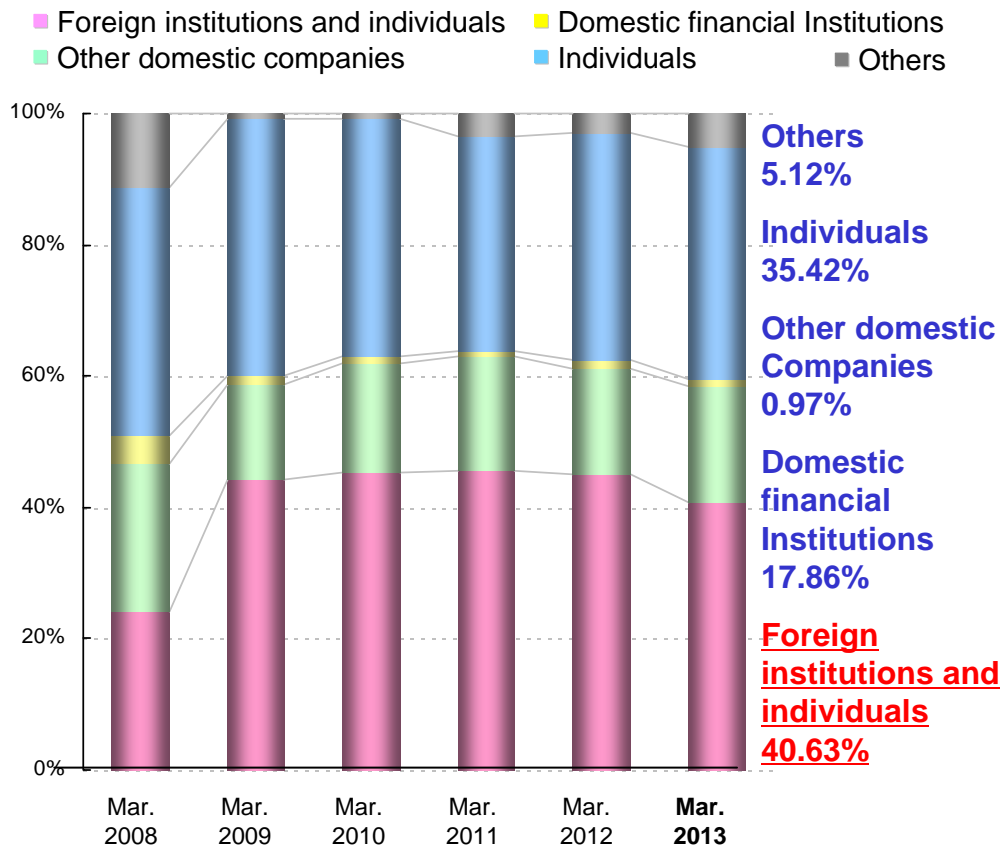
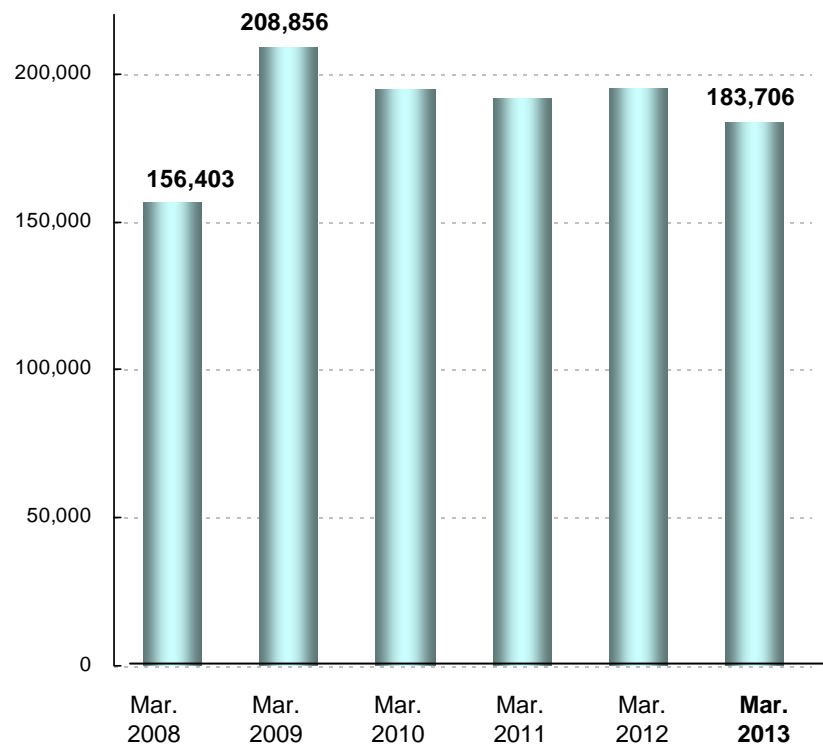


Foreign investors' shareholding ratio rapidly increased after the end of Mar. 2009, and have held over 40% of the shares since then.

Number of Shareholders

Shareholder Composition

(Number of holders)



* end of the month

* end of the month * "Others" includes treasury stock (3.33%)

2. It was proclaimed that this fiscal year will see a "Shift to Managing More Aggressively," but what is the strategy behind this proclamation?

- (1) Undertakings in the Domestic Financial Services Business**
- (2) Transitioning of the Overseas Businesses into the Next Growth Stage**
- (3) The Biotechnology-related Businesses Expand Drug Research and Development Network, and Accelerate Its Overseas Development**

Aggressive Management (1) Undertakings in the Domestic Financial Services Business

- ① **SBI SECURITIES**
- ② **SBI MONEY PLAZA**
- ③ **SBI Sumishin Net Bank**
- ④ **SBI Insurance**
- ⑤ **SBI SSI Holdings**
- ⑥ **SBI Mortgage**

Aggressive Strategies to Deal with the Changing Business Environment

Measures 1

Enhancement in system performance and call center

Planning system enhancement(*) and increase in call center personnel due to the further increase in trading volume and expansion of customer base

(*) Measures including server expansion and replacement to expand main system capacity and improve processing performance

Measures 2

New product distribution

Strengthening of the group synergies and from Apr. 8, 2013 started the recruitment for the EXE-i series, developed by SBI Asset Management, a subsidiary of Morningstar Japan

<Features>

- Offers an unconventional "form" of an index fund, which invests in multiple overseas ETFs
- The product is suited for long-term and/or reserve investments, in that it realizes low costs by minimizing trust fees and eliminates sales commissions

Engage in sales promotion leveraging the customer base of 2.6 million

SBI証券
[SBI SECURITIES]

Strengthening the Group's product composition and sales

SBI Asset Management

Measures 3

Endeavor to expand the high-net-worth customers

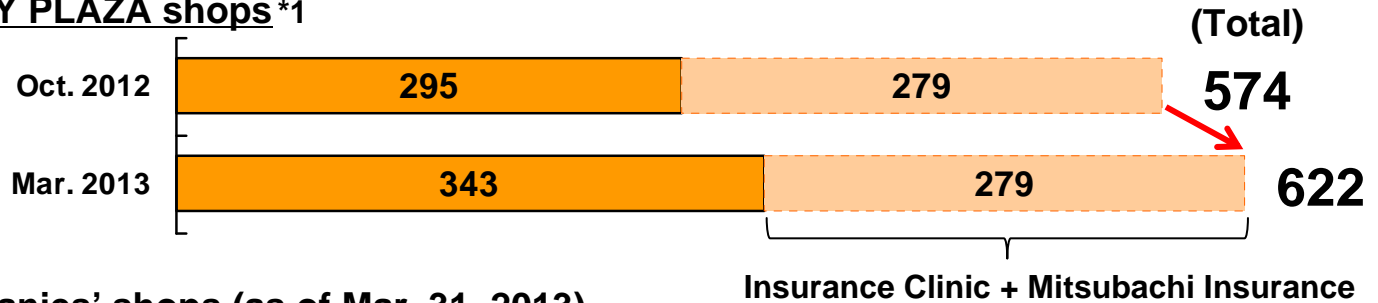
Strengthen cooperation with SBI MONEY PLAZA and enhance corporate sales

Further Expanding SBI MONEY PLAZA Network to Improve Sales Capabilities

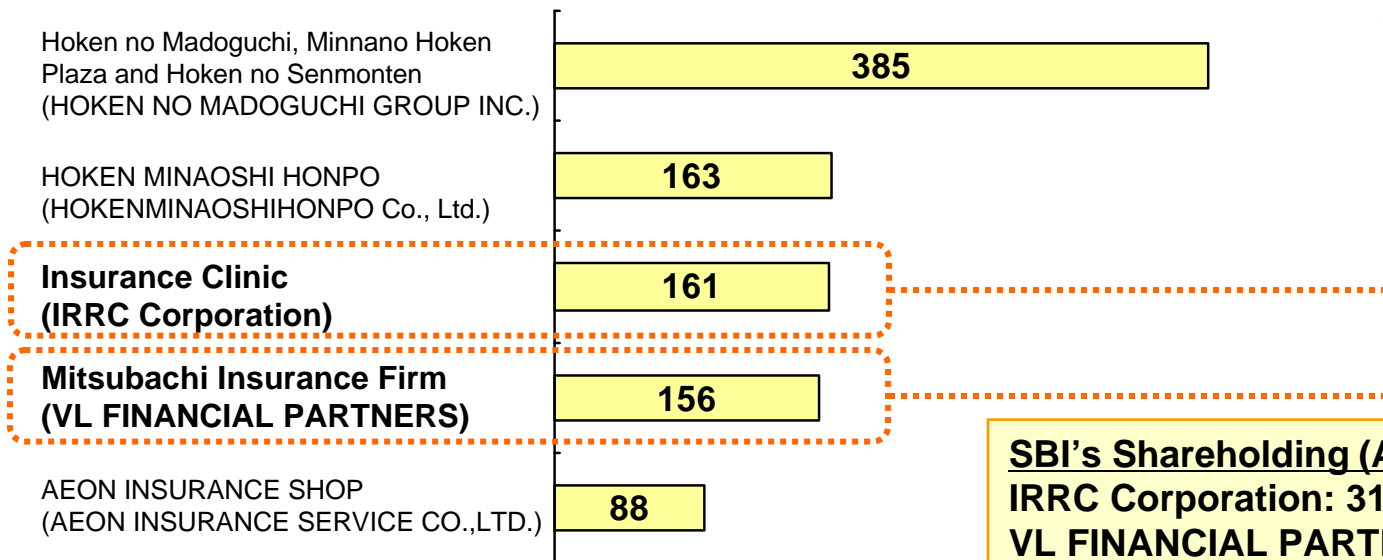


The nationwide number of SBI MONEY PLAZA shops including Insurance Clinic / Mitsubachi Insurance shops by far surpasses that of other companies. Insurance Clinic and Mitsubachi Insurance will carry the SBI MONEY PLAZA brand primarily at directly-managed shops (38 Mitsubachi Insurance shops already did as of Mar. 31, 2013).

Number of SBI MONEY PLAZA shops *1



Number of peer companies' shops (as of Mar. 31, 2013)



SBI's Shareholding (As of Mar. 31, 2013) *3
IRRC Corporation: 31.8%
VL FINANCIAL PARTNERS: 43.9%

*1 SBI MONEY PLAZA includes shops that are not insurance dealers.

*2 Some Mitsubachi Insurance shops that already carry the SBI MONEY PLAZA brand (38 shops as of Mar. 31, 2013) are subtracted, as they are included as SBI MONEY PLAZA shops.

*3 SBI's shareholding percentage corresponds to a total percentage based on the IFRS criteria for subsidiary companies and subsidiary funds of the Group.

Initiatives for Japanese Version ISA Scheduled to be Launched in Jan. 2014

- **SBI SECURITIES** started accepting preliminary applications for opening an account from Mar. 29, 2013.
- **SBI MONEY PLAZA** frequently holds NISA seminars
- **Morningstar Japan** launched a NISA portal website on May 20



- Financial institutions comparison service
- Original column on stock and investment trust
- Investment advice service (paid service)
- Financial planner introduction service (paid service)
- Initiated a Smartphone page

*Some are under planning

Enhancing and Strengthening the Business Ecosystem Centering on SBI Sumishin Net Bank

~Enhancements to stabilize and diversify its fund management methods for growing deposit balances~

Enhancing and strengthening the business ecosystem centering on SBI Sumishin Net Bank



Fund management examples:

Housing Loans

- ✓ Housing loans via SBI Sumishin Net Bank's alliance with real estate companies
- ✓ Developing fee business as a banking agency of Sumitomo Mitsui Trust Bank

Providing two different services to manage increasing housing loans business

NEW!!

Purpose Loans (Launched on May 10, 2013)

Personal Loans

Deposits



Auto Loans
Via SBI Credit and SBI Auto Support ,etc.



Number of accounts: approx. 1.68 million accounts
Deposits: approx. JPY 2.9tn
(As of the end of Apr. 2013)

SBI Holdings sold all shares of SBI Credit to an investment fund operated by a Marubeni Corporation subsidiary. (Mar. 2013)
→ SBI Credit's business expansion into non-automobile fields under Marubeni umbrella will ultimately contribute to the enhancement of SBI Sumishin Net Bank's asset management

Measures for Further Profitability Improvement

- Implemented measures to achieve further improvements in the loss ratio and a reduction in the expense ratio, resulting in a combined ratio of less than 100% for FY2013
- Targeting substantive quarterly profitability in FY2013 on an IFRS consolidated basis, as well as full-year profitability in FY2015, and an IPO in FY2016.

Accompanying revision of the advisory rate, raise premiums 1% on average while maintaining price competitiveness.
(from Apr. 1, 2013)

Revision of the auto insurances:
suspension of the zero-100,000 yen self-payment* by the person insured at vehicle insurance, and revision of special agreements
(new contract : from Oct. 2, 2012
extended contract: from expiry date of Feb. 6, 2013)

At the point of insurance solicitation, further segmenting and tightening filtering function

Taking full advantage of the sales counter channel at SBI MONEY PLAZA

Diversification of product portfolio

*The zero-100,000 yen self-payment: the payment method that in a case of car accident, there is a 0 deductible for the first time, and 100,000yen for the second time and after.

Implementation of measures to improve service levels is underway, including upgrading and expansion of the damage assessment system.

SBI Insurance Diversification of the Product Portfolio

Expanded the product line-ups through the launch of new products, as well as providing partner company products

[SBI's products]

Cancer Insurance

Aug. 2012 on sale

SBI損保のがん保険 自由診療タイプ

Auto Insurance

SBI損保の自動車保険

Newly launched special contract for bicycle accident indemnification on Apr. 2013



Taking full advantage of the sales counter channel at 343 nationwide branches (as of the end of Mar. 2013), the face-to-face channel of SBI MONEY PLAZA

[Partner companies' products]

Life insurance

あんしん ◆ 世代

"Anshin (secure) -sedai"

Underwriter:
IKIIKI SEDAI

Medical insurance

新しいいき ◆ 世代

"Shin-ikiiki (new lively) -sedai"

Underwriter:
IKIIKI SEDAI



Scheduled to offer services upon receipt of approval

Fire insurance Aug. 2012 on sale



"Self choice Fire insurance"

Underwriter:
SAISON AUTOMOBILE&FIRE INSURANCE

Earthquake insurance



Underwriter: SBI SSI

Traveler's insurance



"Smart net"

Underwriter: HS Insurance

Actions to Advance Service Level

Announced the co-launch of "SBI Insurance Kyushu Contact Center (temporary name)" in Tosu City, with SBI Business Support as the business expands

By fully utilizing SBI Business Support's expertise, launching a branch that provides telephone/document processing operations and transaction inquiries for new applicants and existing subscribers, to upgrade the customer service level.



SBI *Business Support*

A corporate oriented total staffing service company that provides contact centers for planning, operating, construction, and staffing services, to companies such as the SBI Group and many other corporate entities.

News paper
article

(Mar. 28, 2013 Saga
Shimbun Morning Edition)

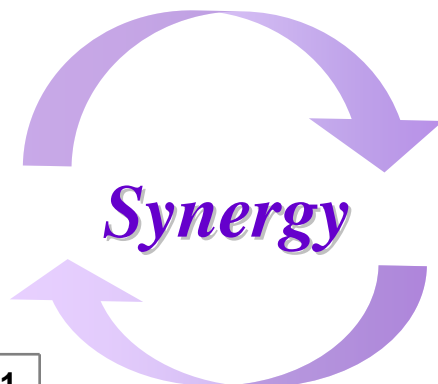
Acquired All Shares of a Small-amount Short-term Insurance Company, “IKIIKI SEDAI Inc.”

- SBI SSI Holdings (established in Dec. 2012) acquired all shares of IKIIKI SEDAI, which provides both medical and life insurance, making it a consolidated subsidiary of SBIH.
- SBI SSI Holdings will make SBI SSI its subsidiary, and will endeavor to expand the small-amount short-term insurance business.



- Customer segments centered on seniors
- Sales channels, mainly health-related magazines

(JPY million)	FY2010	FY2011
Ordinary revenue	2,669	2,792
Ordinary income	236	384
Net income	157	242



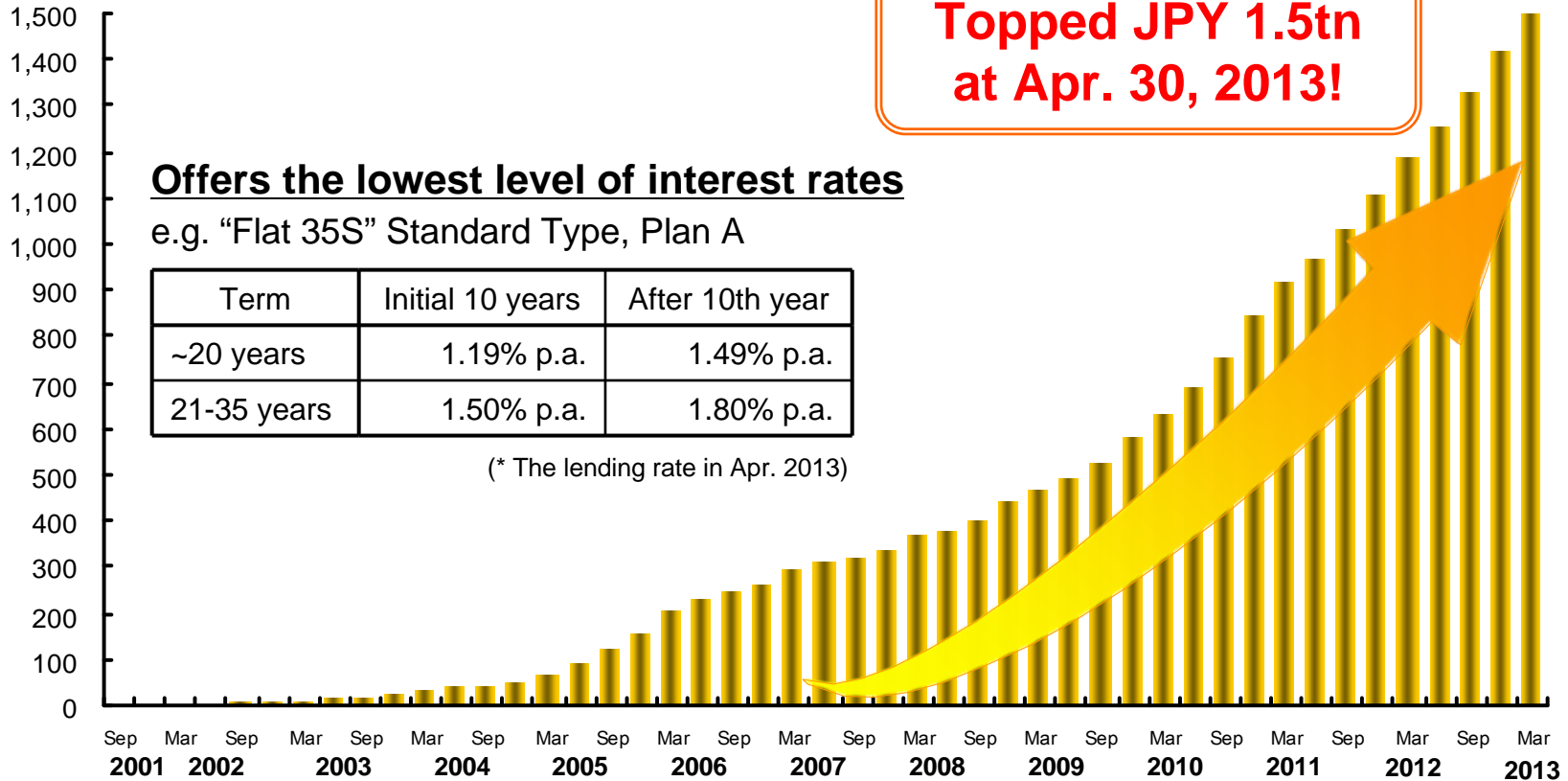
Cross-promotion of products to mutual customers.
 Mutual utilization of sales channels and sales know-how.
 Strengthening of collaboration between insurance companies, efficient use of resources.

In connection with resumption of the life insurance business, acquisition of an existing life insurance company remains under consideration.

SBI Mortgage's Steadily Increasing Outstanding Loan Balance

Outstanding Balance of Housing Loans

(JPY billion)



Topped JPY 1.5tn at Apr. 30, 2013!

Offers the lowest level of interest rates

e.g. "Flat 35S" Standard Type, Plan A

Term	Initial 10 years	After 10th year
~20 years	1.19% p.a.	1.49% p.a.
21-35 years	1.50% p.a.	1.80% p.a.

(* The lending rate in Apr. 2013)

- The amount of housing loans issued in FY2012 **increased by 25.1% YoY**
- SBI Mortgage's "Flat 35" market share of the total number of loans issued in FY 2012 was 21.7%, which was **the largest share among 330 companies offering "Flat 35" for the third consecutive year** (Compiled by SBI Mortgage. "Flat 35" Includes guaranteed loans.)

Enhancing the Product Line-up to Further Increase Competitiveness

Endeavoring to further develop housing loan demand, through the creation and offering of various other products, in addition to its leading product, "Flat 35"

"Flat 35"

- Fixed rate
- A 35-year fixed rate housing loan
- Maximum loan limit of 90% of property price

SBI Flat α

- Variable rate
- Maximum loan limit of 100% is possible through combination with Flat 35

SBI "Flat Tsunagi"

- Fixed rate
- Bridge loan for funds required in the process up to property transfer



Launched in June 2012

SBI Flat Reform

- Variable rate
- A housing loan targeting the renovation loan market

Launched in Jan. 2013

SBI Freedom

- Variable/fixed rate
- Specialized for the Internet
- Response on credit check results in one business day shortest

SBI Mortgage Preparing for a Business Launch in South Korea

- Since its IPO in Apr. 2012, the stock price has dramatically risen

	Offer price (KRW)	Current price (as of May 31, 2013; KRW)	Change from offer price (%)	Market cap (JPY billion) *
SBI Mortgage (SBI's share: 66.5%; Listed on Korea's KOSPI)	7,000 (Listed on Apr. 30, 2012)	13,700	+95.7	28.9

* Calculated by the exchange rate of 1 KRW = 0.0889 JPY (as of May 31, 2013)

- Business development in South Korea
 - Established a local subsidiary on Oct. 1, 2012
 - To develop business in South Korea as the first mortgage bank in the country, SBI Mortgage is preparing to acquire a license

Domestic Financial Services Business Thoroughly Strengthening the Three Core Businesses (Securities, Banking and Insurance)

Measure ①

Sell or publicly offer shares of companies that are not expected to generate strong synergies with the three core businesses, with the proceeds to be appropriated to strengthen the three core businesses

Measure ②

Organizational restructuring to integrally operate closely-related businesses

Measure ③

Promotion of alliances with companies outside the Group to strengthen the three core businesses

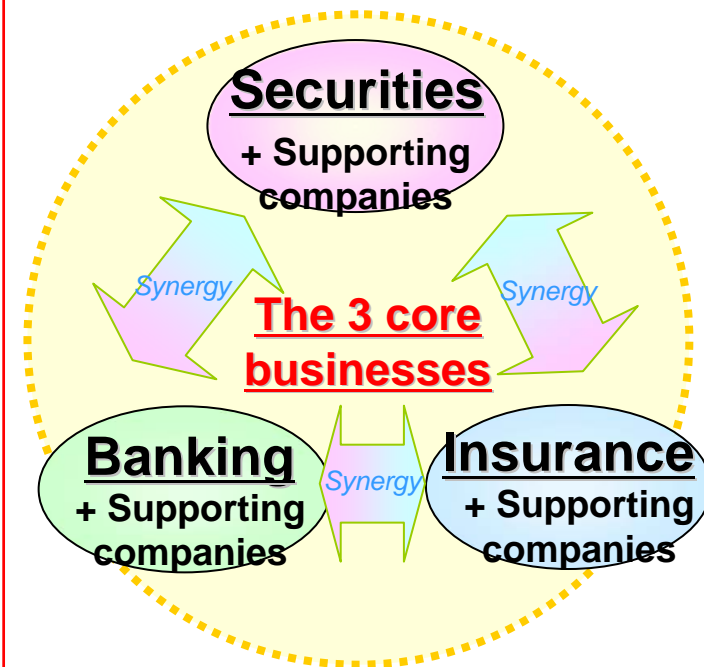
Measure ④

Effectively use Big Data from all the Group companies

Measure ⑤

Further enrichment of asset management function in the Group as nonlife and life insurance and investment trust business expand

The SBI Group's Domestic Financial Services Business



Aggressive Management (2)

Transitioning of the Overseas Businesses into the Next Growth Stage

- ① Overseas Investment Business Moves into Phase 2 to Recruit Outside Investors and Grow Funds' Scales**
- ② Further Enhancing the Overseas Financial Services Business and Promoting Internet Services of Financial Services**

① Overseas Investment Business Moves into Phase 2 to Recruit Outside Investors and Grow Funds' Scales

Phase 1

Established fund number 1 through co-investment with local overseas partners



Phase 2

Recruiting outside investors to establish a larger fund number 2

Enhancing the recruitment process of outside investors

Overseas: Placing personnel specializing in the recruitment of outside investors at each overseas office

Japan: Utilizing the domestic corporate network established by SBI Investment, SBI SECURITIES, SBI MONEY PLAZA, et al.

Establishing an investment structure that will support the expected global market recoveries and the subsequent continued uptrend



Example of Successfully Increasing a Fund's Size by Raising Outside Capital

Jointly established a fund focused on the financial sector of emerging Asian countries with FMO



[Outline of the Fund]

Commitment amount : USD 60m initially (max USD 100m)
Target of investment : Financial sector of emerging Asian countries
Fund GP : SBI VEN CAPITAL



Through a total capital raise of USD 60m from the SBI Group, FMO and outside investors, investments are scheduled to start from Aug. 2013

② Further Enhancing the Overseas Financial Services Business and Promoting Internet Services of Financial Services



Russia

Encouraging YAR-BANK (formerly OBIBANK) to launch an online banking service (SBI: 50.0% shareholding)



YAR•BANK
Bank of the Rising Opportunities

The SBI Group invested in the commercial bank of the METROPOL Group, a major financial conglomerate in Russia, with a 50% shareholding of the joint venture company

Net profit for FY2012 ending Dec. was JPY 110m (Converted at 1 RUB = 3.26 JPY)



In preparation for a scheduled launch in Oct. 2013, with the system requirements definition completed, and now at the actual start of development.



Indonesia

Implementing management rationalization of BNI Securities, and improving the Internet trading system in collaboration with SBI SECURITIES

 (SBI: 25.0% shareholding)

By connecting to BNI Securities, real time transactions of Indonesian stocks have been available at SBI SECURITIES from Apr. 23, 2012



By dispatching individuals with the appropriate experience in Japan to BNI Securities, and in cooperation with the parent company, BNI Bank, promoting the development of a rationalized management structure and an Internet trading system.

Aggressive Management (3)

**The Biotechnology-related Business Expand
Drug Research and Development Network, and
Accelerate Its Overseas Development**

① SBI Biotech

② SBI Pharmaceuticals

SBI Biotech's R&D Progress in the Medical Field

(Shares: 71.6%)



<Planning to go public in 2014 (Lead manager: Mizuho Securities)>

Drug or project code (partners)	Adaptation disease	Current status
GNKG168 (CN Huapu)	B cell chronic lymphocytic leukemia	P1 Clinical Trial
Immuno-cell therapy (US Baylor Research Institute)	Cancers	US: P2 Clinical Trial JPN: Pre-Clinical Trial at Kyoto University Hospital /Preparing for Clinical Trial
Anti-ILT-7 antibody	Autoimmune diseases	Gave development and commercialization rights to the subsidiary of AstraZeneca
Below are the pipelines of Quark Pharmaceuticals, SBI Biotech's subsidiary		
PF-655 (Pfizer Inc.)	Diabetic macular edema (DME) Wet age-related macular degeneration	P2b Clinical Trial
QPI-1002 (Novartis Pharmaceuticals Corp.)	Kidney Transplantation (DGF) Acute Kidney Injury (AKI)	P2a Clinical Trial
QPI-1007	Non-arteritic Anterior Ischemic Optic Neuropathy (NAION)	P2 Clinical Trial

Absorbed Quark Pharmaceuticals as a wholly-owned subsidiary in Dec. 2012

Potential contingency fee (total): USD 713m (approx. JPY 67.2bn)
Received so far: USD 28.35m

Potential contingency fee (total): USD 670m (approx. JPY 63.1bn)
(Not yet received, but will receive as a part of the fee shortly)

*Calculated by the exchange rate as of the end of Mar. 2013

* SBI's shareholding percentage corresponds to a total percentage based on the IFRS criteria for subsidiary companies and subsidiary funds of the Group.

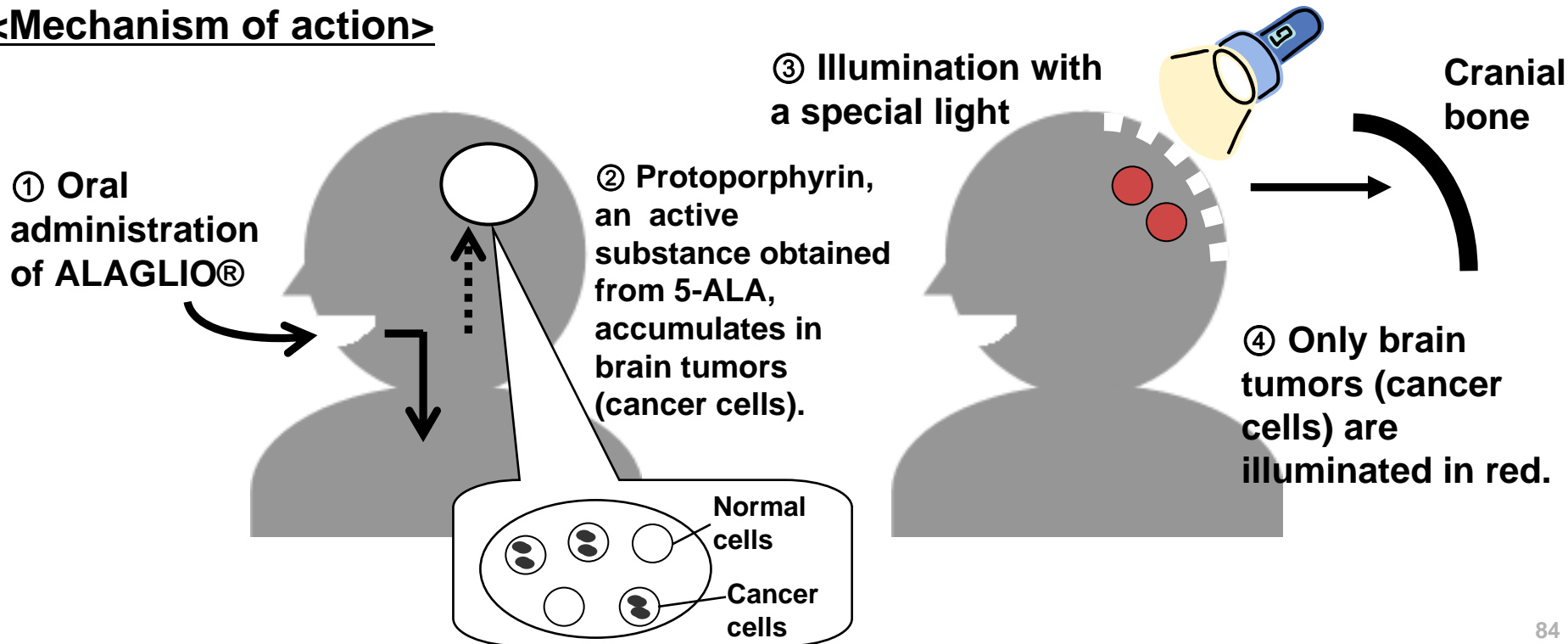
Obtained Manufacture and Marketing Approval for the First Pharmaceutical Agent Using 5-ALA

Orally-administered *in vivo* Diagnostic Agent “ALAGLIO®” for Malignant Glioma



Japan’s First Orally-administered Fluorescence Diagnostic Agent for Use in the Surgical Resection of Brain Tumor

Although the current standard treatment for malignant glioma in Japan is an excision of the tumor site through microscopically-controlled surgery, in clinical trials in Japan for this diagnostic agent, the efficacy and safety of easily discriminating between brain tumors and normal tissue has been confirmed.

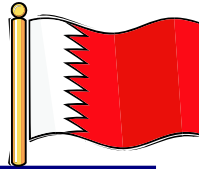
<Mechanism of action>



Other R&D Progress in Medical Field Using 5-ALA

Indications	Progress
 <p>Diagnostic agent for cancer treatment: Carcinoma vesicae</p> <p>Designated as an orphan drug</p>	<p>Doctor sponsored investigation has been on going at 5 universities, led by Kochi University since Jan. 2012</p> <p>➔ <u>Phase III Clinical testing completed at the end of 2012</u></p> <p>➔ Will endeavor to be approved by late 2014</p>
<p>A drug to treat cancer chemotherapy-induced anemia</p> 	<ul style="list-style-type: none"> • Starting phase I clinical trial in the UK from Dec. 2012 <div style="border: 1px solid orange; border-radius: 15px; padding: 10px; margin: 10px 0;"> <p>German business partner in the 5-ALA related business, medac GmbH, is approved by the European Medicines Evaluation Agency (EMA) to market intraoperative diagnostic agents in Germany, UK and 20-plus other European countries; underlining that <u>5-aminolevulinic acid hydrochloride is already recognized as a pharmaceutical ingredient in Europe.</u></p> <p>➔ We expect that the phase I clinical trials for treatment will be completed smoothly in about half a year. In the phase II clinical trials, we will consider applying for permission to administer pharmaceuticals in multiple medical fields.</p> </div> <ul style="list-style-type: none"> • Planned start in the US beginning with a phase II trial same time as start of a phase II clinical trial in the UK, following the conclusion of the phase I trial in the UK

Steady Development of a Business Structure for 5-ALA in Bahrain is Under Way



Apr. 2012 : Agreement for the Promotion of the 5-ALA Business with Bahrain Government



Mar. 2013: The Crown Prince of Bahrain and top executives of local companies visited Japan, and SBI Pharmaceuticals signed five contracts at a business reception held by the Embassy of Bahrain.

① Concluded a basic agreement concerning collaboration in the 5-ALA business, principally in the pharmaceuticals market in Bahrain, with Mumtalakat Holding Company, a government fund in Bahrain



Endeavoring to establish an 5-ALA production base with a view to export to neighboring countries in the Middle East.

② Agreement arrived to receive advice and support on local laws and financing from Bahrain Development Bank

③ Final agreement arrived to establish a joint venture company concerning local marketing of health foods and cosmetics with Dawani Group Holdings, a major local distributor

④ Concluded a basic agreement with Medical University of Bahrain to prepare for the start of multiple clinical research projects (research areas to be decided)



Concerning clinical research, collaborate with multiple university hospitals and research organizations and accelerate local R&D.

⑤ Final agreement arrived for joint clinical research related to diabetes with Arabian Gulf University in Bahrain

Future Business Plans in Bahrain

Lists below are scheduled in the next 6 months:

1. Report preparation by a panel of experts on Bahrain

Meeting of a Japan-Bahrain expert committee in mid-June and preparation of a report concerning 5-ALA for the Crown Prince of Bahrain from the end of June to early July

2. Initiation of clinical trials related to diabetes

Planned conduct of a series of add-on trials* of patients being treated for diabetes at Arabian Gulf University in Bahrain after Ramadan (mid-Aug.)

*Evaluation of a therapeutic agent vs. a placebo among patients undergoing standard therapy using an existing therapeutic agent

3. Initiation of an 5-ALA-USTD (5-ALA ultrasound sonodynamic therapy) clinical study

Planned 5-ALA-USTD (5-ALA ultrasound sonodynamic therapy) at Medical University of Bahrain

Days elapsed:

Research article

Cancer shrinkage in mice administered 5-ALA in ultra-sonodynamic therapy in mice

Source: Scientific Research *Journal of Cancer Therapy*, DOI:10.4236

4. Planned 5-ALA and Porphyrin Research Society international conference

5-ALA and Porphyrin Research Society international conference planned for late Oct. with support from the government of Bahrain

3. What is the SBI Group's intended direction?

- (1) In the Internet-based financial services business, completed the implementation of the customer-centric principle, to realize the dramatic growth of the Group companies through the utilization of the Internet's evolution and enhancement**
- (2) Promoting the globalization of the Asset Management Business to become the "World's SBI"**
- (3) Developing Japan's first global contribution of biotechnology businesses utilizing 5-ALA**

The SBI Group's intended direction:

(1) In the Internet-based financial services business, completed the implementation of the customer-centric principle, to realize the dramatic growth of the Group companies through the utilization of the Internet's evolution and enhancement

Through the evolution of the Internet, along with the enhancement of speed, network ubiquity and the furtherance of various Web-expressions, Internet utilization continues to evolve in fields that were previously not served.

Continuous Growth in Number of Accounts at Online Securities Companies

Change in Number of Accounts at Online Securities Companies (Oct.1999 – Sept. 2012)

(ten thousands)

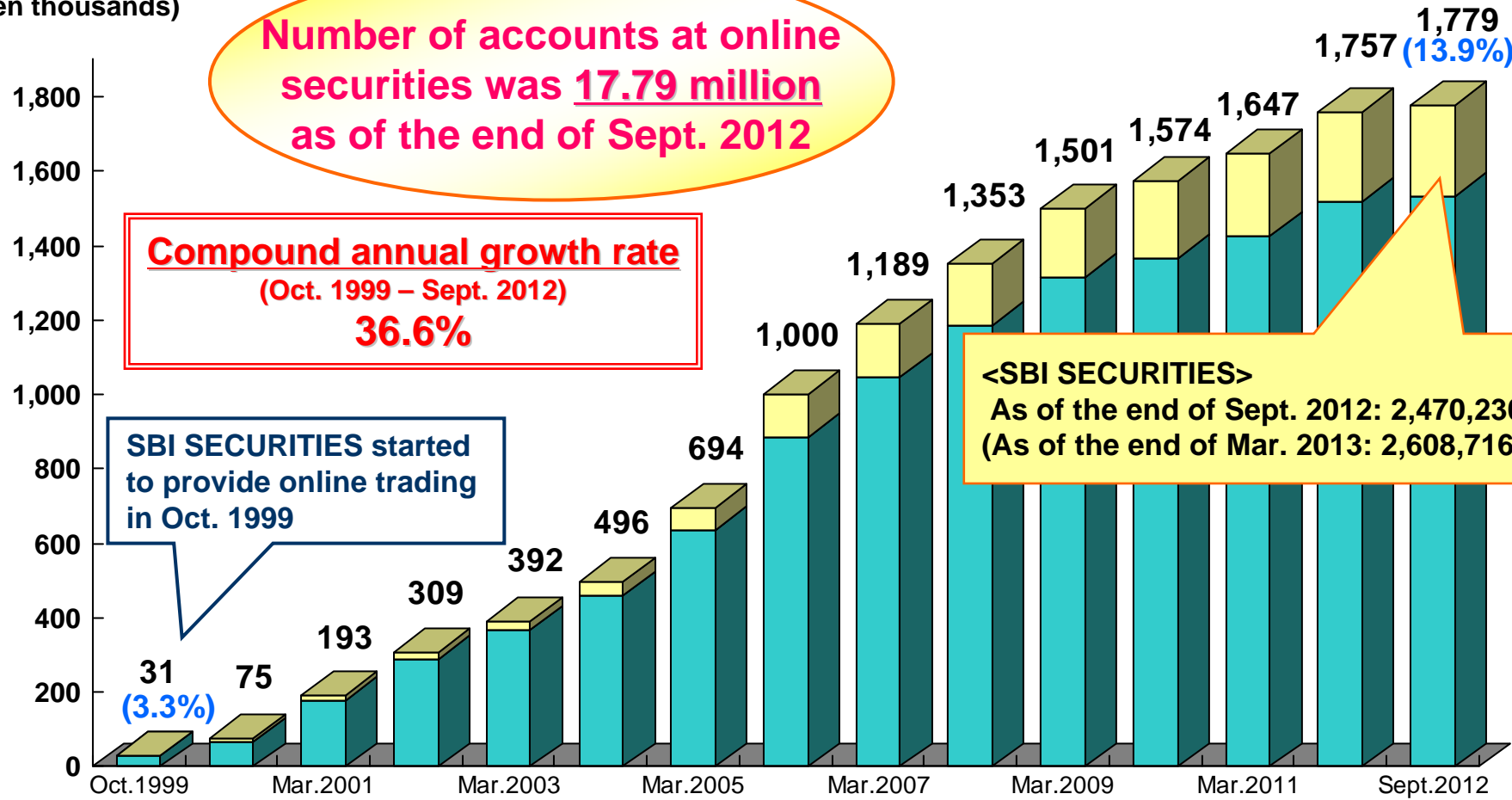
(): Proportion of SBI SECURITIES

Number of accounts at online securities was 17.79 million as of the end of Sept. 2012

Compound annual growth rate (Oct. 1999 – Sept. 2012) 36.6%

SBI SECURITIES started to provide online trading in Oct. 1999

<SBI SECURITIES>
As of the end of Sept. 2012: 2,470,230 (As of the end of Mar. 2013: 2,608,716)



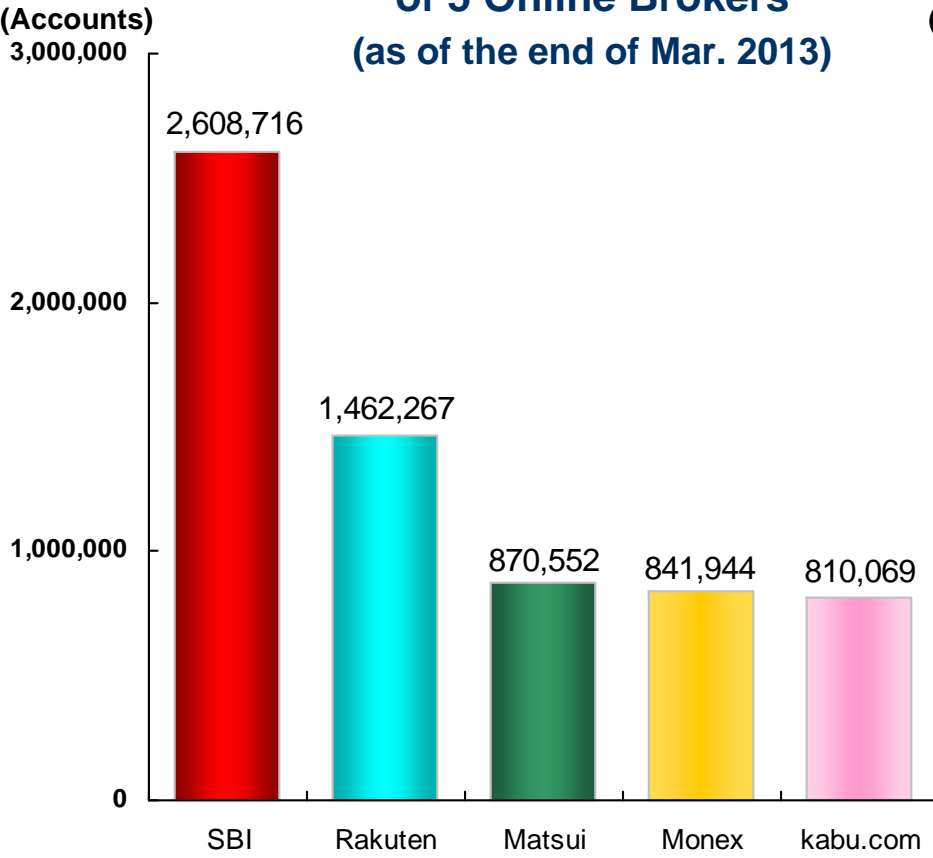
Source: Japan Securities dealers association, "Survey of Online Trading" (Sept. 2011), records began in Oct.1999

Solid Customer Base of SBI SECURITIES ①

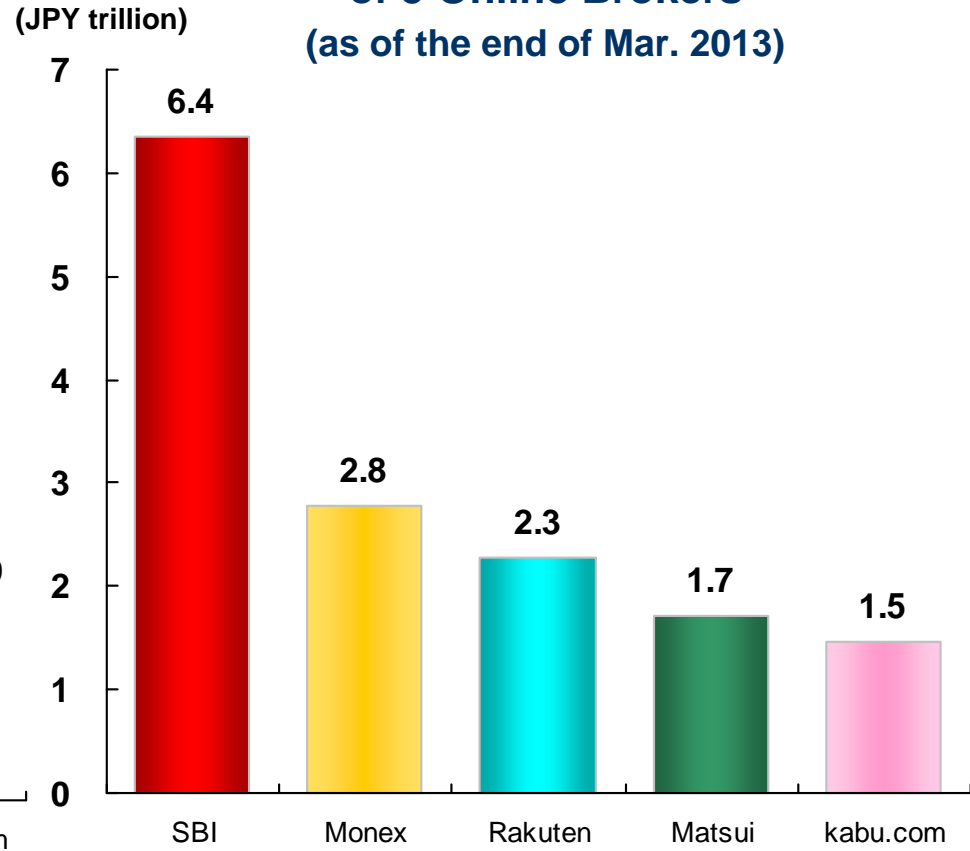
< Number of Accounts and Amount of Customer Asset >

SBI SECURITIES far exceeds its competitors in terms of the number of accounts and deposit assets

**Customer Accounts
of 5 Online Brokers
(as of the end of Mar. 2013)**



**Customers' Deposit Assets
of 5 Online Brokers
(as of the end of Mar. 2013)**



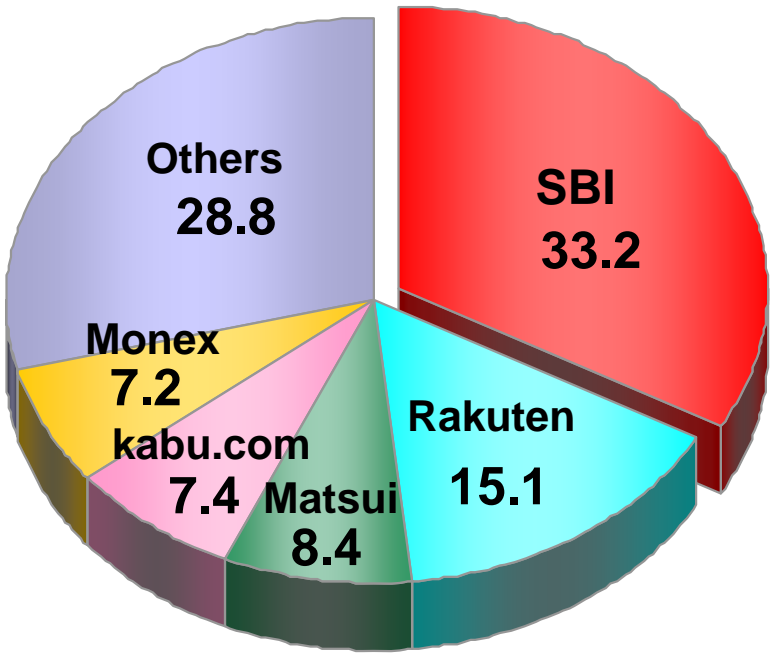
Sources: Compiled by SBIH from information on websites of each company

Solid Customer Base of SBI SECURITIES ②

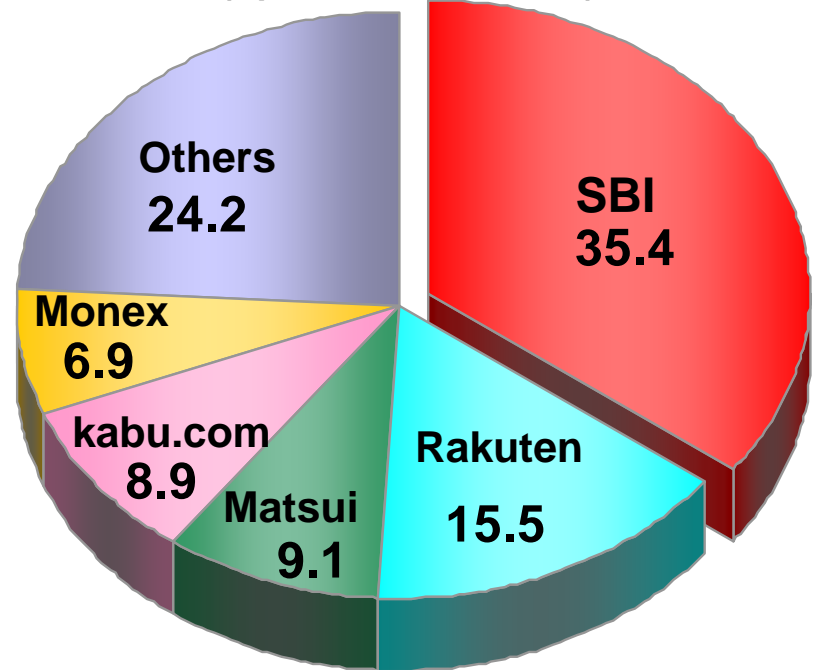
< Individual Brokerage Trading Value >

Online securities companies account for approximately 70% of the entire individual stock trading value, with SBI SECURITIES accounting for an approximate 33% share.

Share of Individual Stock Trading Value (%)
FY2012
(Apr. 2012 – Mar. 2013)



(of which) Share of Individual Margin Trading Value (%)
FY2012
(Apr. 2012 – Mar. 2013)



Source: Compiled by SBI SECURITIES based on Tokyo Stock Exchange and JASDAQ materials and websites of each company
* The whole individual stock trading value and individual margin trading value are the sum of 1st and 2nd section of the Tokyo, Nagoya and Osaka Stock Exchange, respectively.

The Internet Immersed Generation is Coming of Age

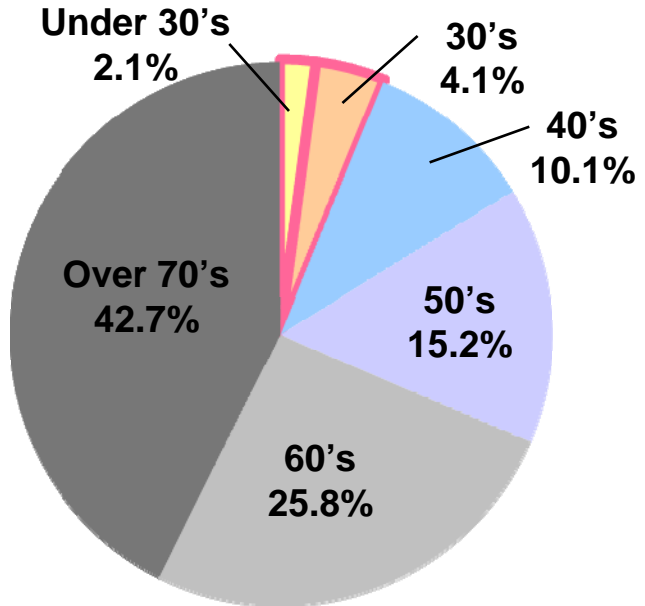
Start of commercial Internet in Japan: 1992



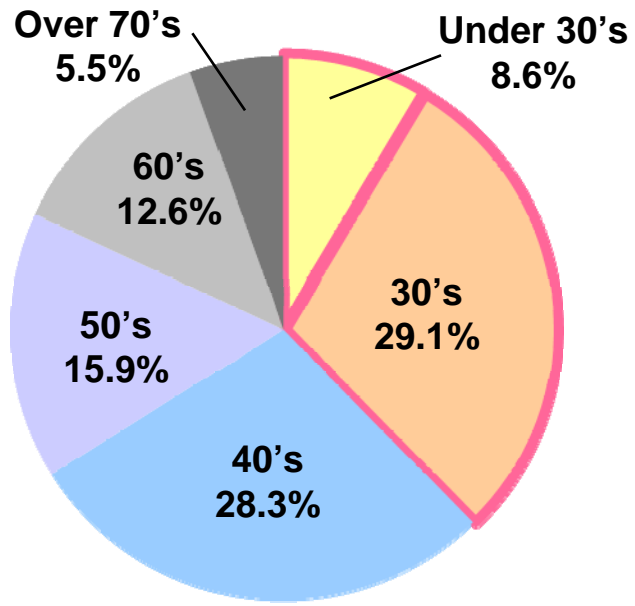
The generation immersed in the Internet since childhood have started full-scale purchases and financial activities from around 2010

Breakdown of SBI SECURITIES' customers' age by channel
(as of the end of Apr. 2013)

■ Face-to-face (SBI MONEY PLAZA) ■ Online



The older generation as a percentage of customers of face-to-face channels is generally higher.

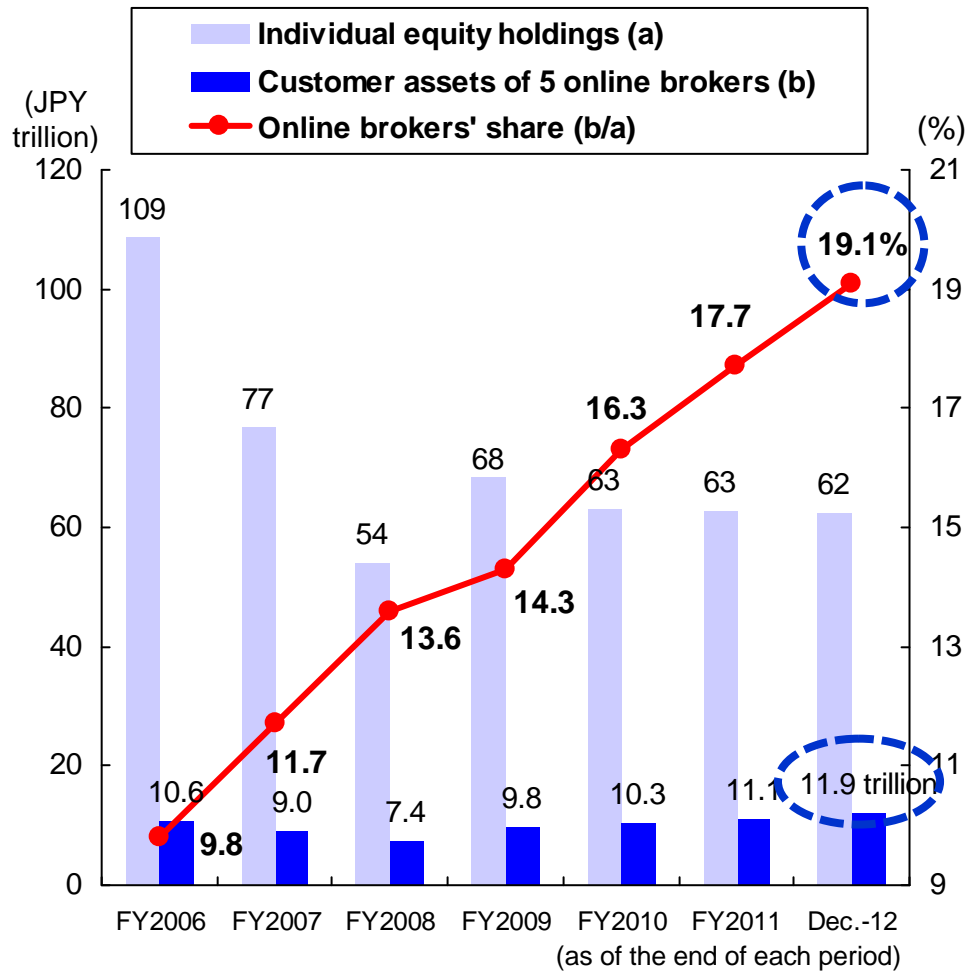


The percentage of the current 20's and 30's that will **carry out a full-scale asset building**, as time goes by, is high.

* Corporate accounts are not included

The Five Major Online Securities Companies' Market Share of Individual Equity Holdings in Terms of Deposit Assets

Change in the share of individual equity holdings (stock)



The five major online securities companies handle an overwhelming share of the flow of stock trades, which stands at over 70%



Assets of customer accounts of the five major online securities companies totaled JPY 11.9 trillion, as of the end of Dec. 2012, but this represents a mere 19.1% of the total shares held by individuals in Japan

There is much more market share that the online securities companies may gain, in terms of deposit assets



1st: “Oricon customer satisfaction ranking” in 2012 **[Online securities comprehensive ranking]**

For 7 years!!

<Evaluation item>

12 items, such as “commissions & dealing cost,” “easy account opening,” “variety of products,” “provision of Information” and “analytics tools,” etc.



Three Stars: HDI (Help Desk Institute) Certification in 2012 **[Securities Industry]**

- “Call-center Contact Ranking” **For 3 years!!**

- “Support Portal Rating” **3rd time**
2 years in a row!!

SBI SECURITIES' call center's high quality telephone services, as well as the ease of accessibility to information and usability on their website, were highly praised

Likewise, focusing on customer satisfaction for support services

Overseas Examples of the Impact of the Adoption of IT in Banking Services

Current U.S. situation



➤ Around 1985: 70% of banking transactions were conducted via branches and cash.

→ In 2010: 75-90% of individual banking transactions were conducted via the Internet, call centers, mobile devices and ATMs. Also, there is a statistic that points to a transaction ratio of branches to the total of 5-13%.



ATM



Computers

- Frequency of customers' visits to branches: less than 5 times a year
- Average monthly transaction numbers at branches decreased from 11,400 in 2006 to 8,440 in 2010 (Source: published information by Novantas, US consulting company, and American Banker, US information service company)
- Estimated transactions at banks' tellers' windows will decrease 56 % by 2015

Current Sweden situation



➤ 88% of Swedes did not visited Banks' branches in 2010

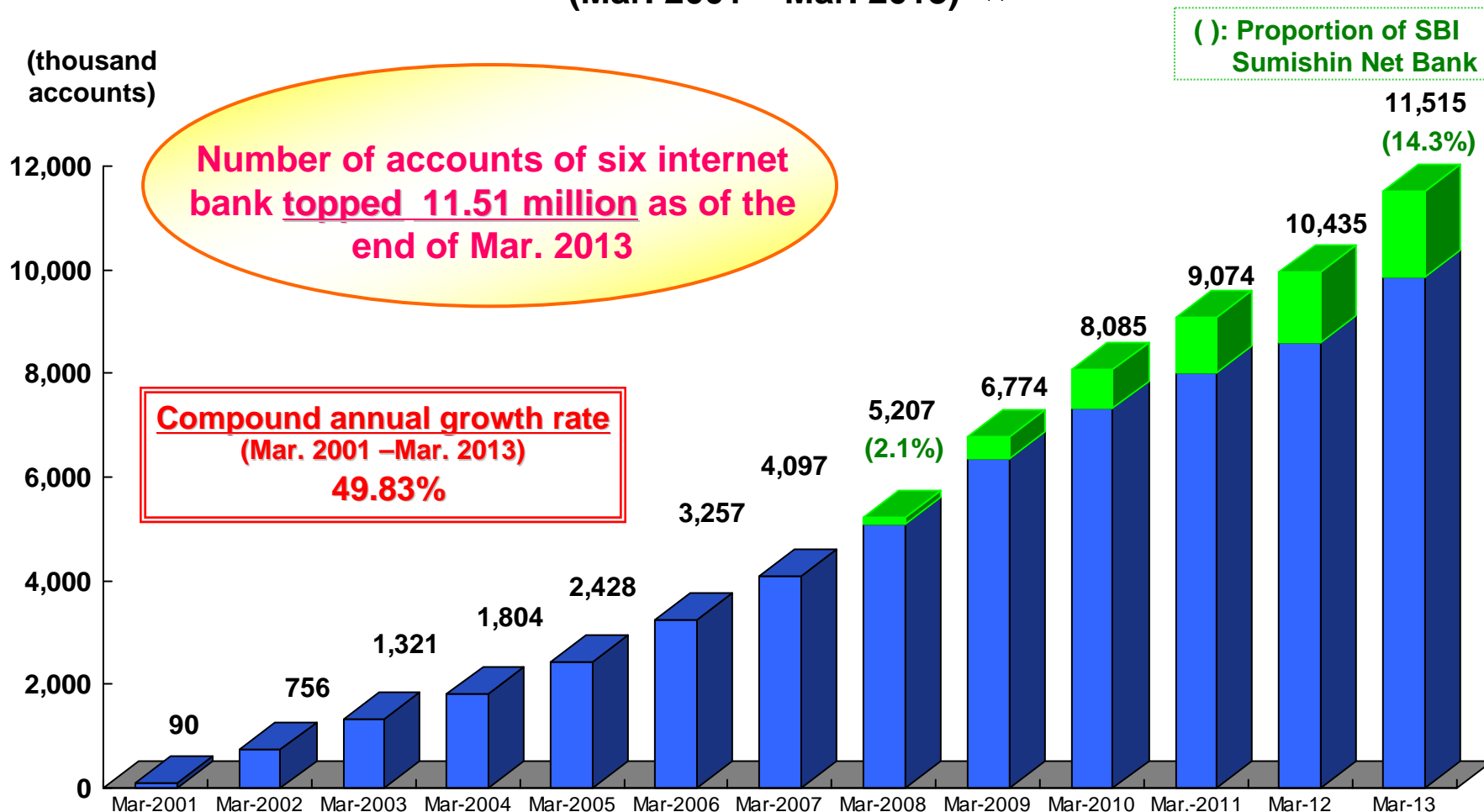
(Source: published information by Tieto, European major IT service company)



Technology innovation has been transforming the form of financial services offerings

Rapid Expansion of the Internet Finance Sector (Internet Banks)

**Change in Number of Customer Accounts of Six Pure-play Internet Banks in Japan
(Mar. 2001 – Mar. 2013) (*)**

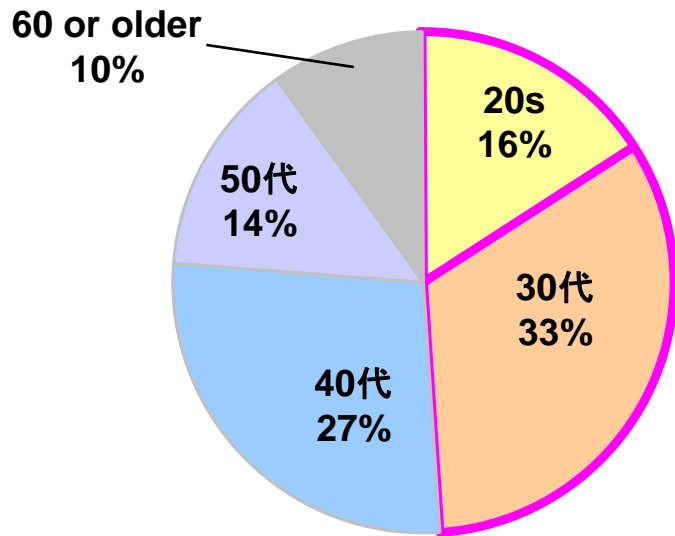


(*) Compiled by SBIH from information disclosed by each company. Pure-play internet banks refer to SBI Sumishin Net Bank, Japan Net Bank, Sony Bank, Rakuten Bank, Jibun Bank and Daiwa Next Bank. Daiwa Next Bank began businesses in Apr.2011. The numbers for Sony Bank is as of the end of Sept. 2012.

Prospect for Future Growth - Features of Customer Segment

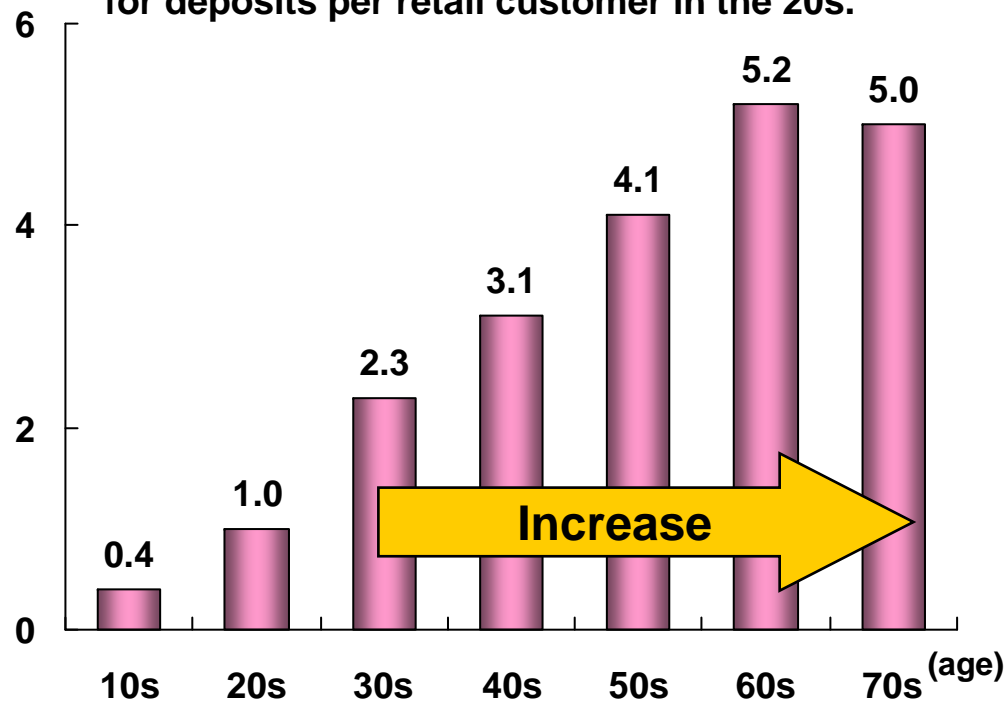
Customers of SBI Sumishin Net Bank

■ Retail Customer Age Brackets



■ Deposit Per Customer

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



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



1st: JCSI Customer Satisfaction Survey in FY2012
(Japanese Customer Satisfaction Index)
Banking industry

for 4 years!

~Ranked 1st in all 6 categories, including "perceived value",
a representation of price consent~



1st: "Oricon customer satisfaction ranking" in FY2012
The general category for Pure-play Internet Banks

for 3 years!

No.1 categories:

"Fees (including bank transfer/ATMs/procedures for after-hours use
and so on)", "Wide Variety of Financial Products", "Time Deposit and
Reserve", "Foreign Currency Deposit"



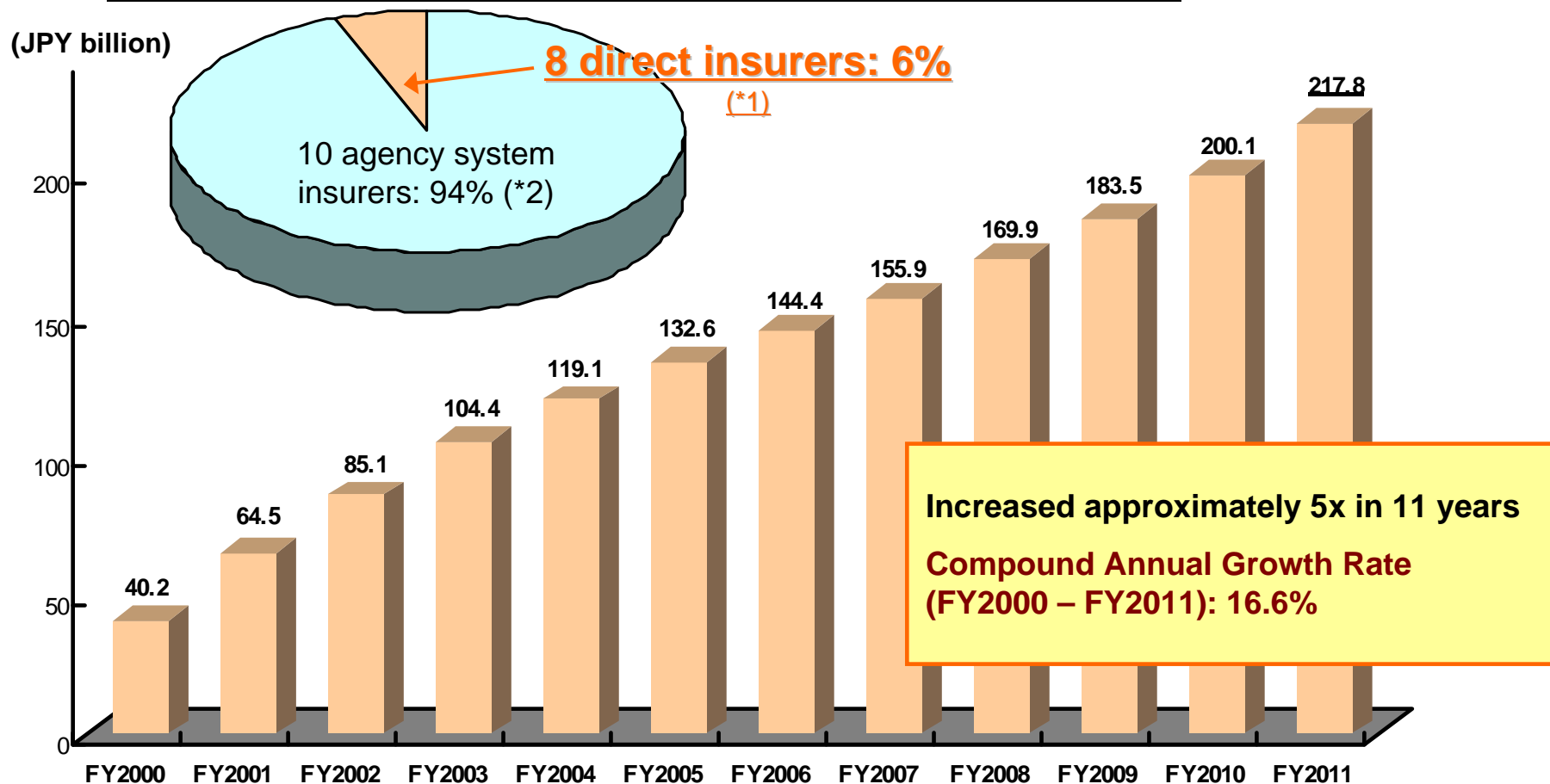
1st: "Japan Investor Satisfaction Study 2012"
Self-Directed Bank Segment

* This customer satisfaction and consulting services research was conducted by
J.D. Power Asia Pacific, a global professional agency.

Direct Nonlife Insurance Sales Continue to Increase Steadily in Japan

Change in Direct Income of Auto Insurance Premiums of 8 Direct Insurers

■ Market Share of Direct Income of Auto Insurance Premiums in FY2011



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

(*2) 10 agency system insurers: Tokio Marine & Nichido Fire Insurance, Sompo Japan, MS&AD (Mitsui Sumitomo Insurance, Aioi Nissay Dowa Insurance) NIPPONKOA 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.

Outstanding Price Competitiveness of SBI Insurance

In auto insurance premium rankings published in Mar. 2013, SBI Insurance ranks highest for representative examples of generations: age 26 (grade 6, new policy), age 35 (grade 6, new policy) and age 60 (grade 14, renewal).

The Diamond Weekly “Auto Insurance Premium Ranking” (35-year-old, 6th class, Male)

	Company	Car insurance premium (JPY)*
1	SBI Insurance #	<u>31,350</u>
2	Saison Automobile & Fire Insurance	36,250
3	American Home Direct	36,510
4	Secom General Insurance	37,130
5	E.Design Insurance #	38,540
6	Mitsui Direct #	39,350

 : Direct insurance company

: Started operation after 1998

7	AXA GENERAL INSURANCE #	43,210
8	Zurich Insurance	46,560
9	Sonpo 24 #	47,600
10	Sony Insurance #	53,810
11	Mitsui Sumitomo Insurance	55,320
12	Aioi Nissay Dowa Insurance	55,910

(Source: Excerpt from “The Diamond Weekly Mar. 9, 2013”)

*Insurance Premium Terms and Conditions

•Vehicle type: Toyota Prius / Model: ZVW30 (new vehicle discount applied) •Policy start date: Mar. 1, 2013 (1-year policy, lump-sum payment) •Policyholder: individual (male) •Age/grade conditions: age of insured person: 35 (compensation for age 35 and above), gold driver's license, grade 6, new policy •Purpose of use: daily use/leisure •Annual driving distance: 10,000 km •Bodily injury/property damage coverage: unlimited (zero deductible) •Vehicle damage: not covered •Personal injury: 50 million yen, accidents outside the vehicle also compensated •Passenger injury: not covered (additional coverage of 5 million yen for Zurich only) •Drivers: policyholder and spouse only (spouse's age and driver's license color the same as those of the policyholder) •Discounts: Long-term discount and user restriction discount not applied •Other: Tokyo residence, no accident in past 5 years

*Application of Internet discount: SBI, American Home, Secom, Saison, Mitsui Direct, E-design, Zurich, AXA, Sony *Application of policy non-issuance discount: SBI, American Home, Secom, Saison, E-design, Zurich, NIPPONKOA, Sony *Application of prior-year accident discount: E-design, Saison, Sonpo24, Mitsui Direct *Refusal to answer: Asahi Fire & Marine Insurance, Kyoei Fire & Marine Insurance, ZENROSAI, Daido Fire & Marine, Nissin Fire & Marine, The Fuji Fire & Marine, AIU, National Mutual Insurance Federation of Agricultural Cooperatives

SBI損保の自動車保険 Auto Insurance



No.1

Oricon customer satisfaction ranking FY 2012
/ Auto Insurance Category
“Auto Insurance Premium Ranking”

for 4 years!



No.1

Diamond Weekly * In the Mar. 9, 2013 special issue
“Auto Insurance Premium Ranking”

for 5 years!



No.1

Rakuten Insurance
Ranking of Most Popular Auto Insurance
the First Half of FY2012

for 4 years!



No.1

Kakaku.com
“Auto Insurance Ranking (2012) Premium Section ”

for 3 years!

Official Website



HDI-Japan HDI’s Call-center Customer Satisfaction Ratings
Top “three-star” rating in the Support Portal (Official
Website) Category

The SBI Group's intended direction:

(2) Promoting the globalization of the Asset Management Business to become the "World's SBI"

- ① Basically Completed Establishment of a Global Investment Structure, which Covers a Broad Area of the World, with a Focus on the Emerging Countries**
- ② Focus Efforts on the Globalization of the Financial Services Business**



① Basically Completed Establishment of a Global Investment Structure, which Covers a Broad Area of the World, with a Focus on the Emerging Countries



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



Edelweiss Financial Services
Diversified financial group company in India

Nirvana Venture Advisors

Mahindra Satyam
Large IT service company of a major group company in India

清华控股有限公司
TSINGHUA HOLDINGS CO., LTD.

招商证券
CHINA MERCHANTS SECURITIES

北大青鸟集团
BEIDA JADE BIRD GROUP

中信银行
CHINA CITIC BANK

源裕投资

复旦大学

仪电控股

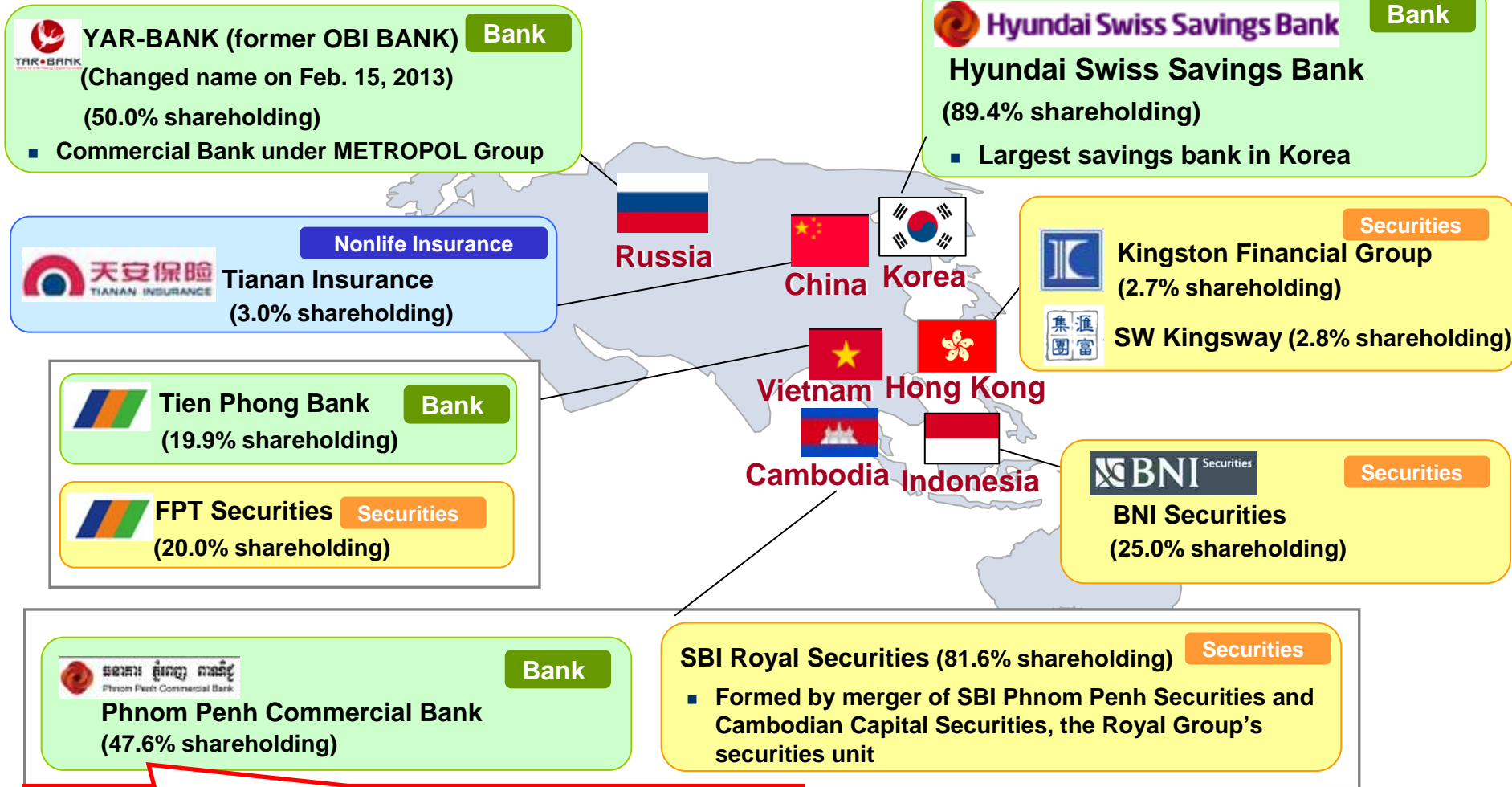
PNB
Permodalan Nasional Berhad

PNB Equity Resource Corp.
Asset management institution of Malaysia.

TEMASEK HOLDINGS
Governmental asset management company of Singapore

② Focus Efforts on the Globalization of the Financial Services Business

Investments in overseas financial institutions, primarily in Asia
(as of the end of Apr. 2013)



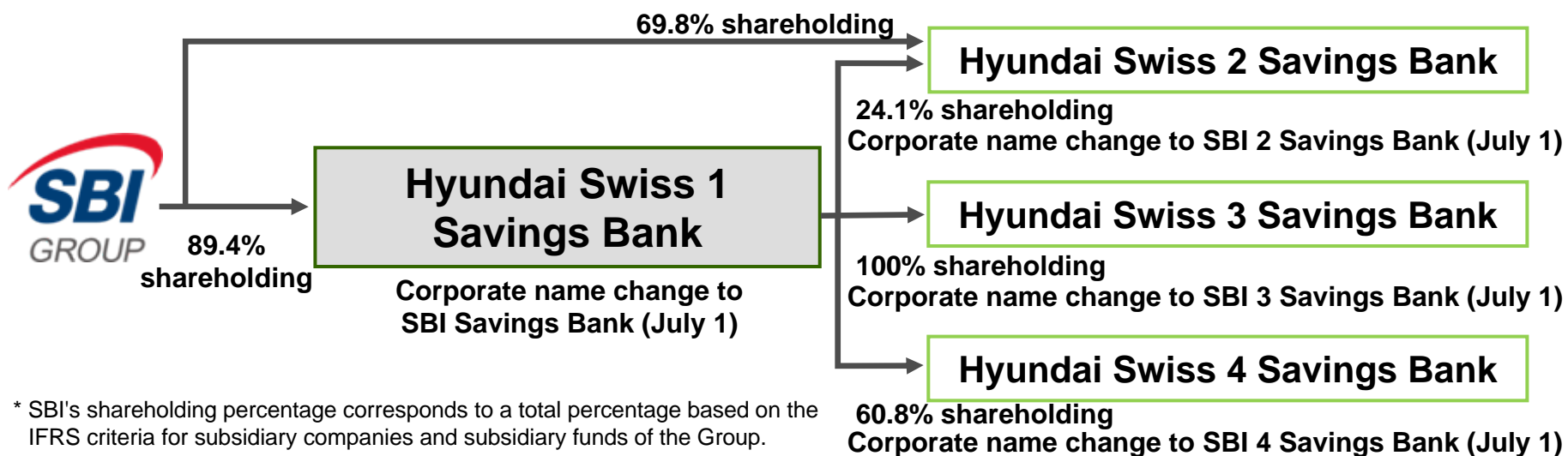
Approved by Cambodian financial authorities, and an eventual majority shareholding is expected

Investment in Hyundai Swiss Savings Bank



~ Background for Converting Hyundai Swiss Savings Bank into a Consolidated Subsidiary ① ~

- ◆ In May 2002, made a 10% investment in Hyundai Swiss 1 Savings Bank and a 20% investment in Hyundai Swiss 2 Savings Bank (total amount of investment: JPY 790m)
- ◆ In Mar. 2012, integrated the shares of Hyundai Swiss 1 Savings Bank and Hyundai Swiss 2 Savings Bank held separately into shares of Hyundai Swiss 1 Savings Bank, the parent company of Hyundai Swiss Savings Bank Group. As a result, SBI's shareholding ratio totaled 20.9% for Hyundai Swiss 1 Savings Bank and zero for Hyundai Swiss 2 Savings Bank.
- ◆ Depiction of Hyundai Swiss Savings Bank Group after the absorption through underwriting additional shares (total amount: approx. JPY 20.2bn)



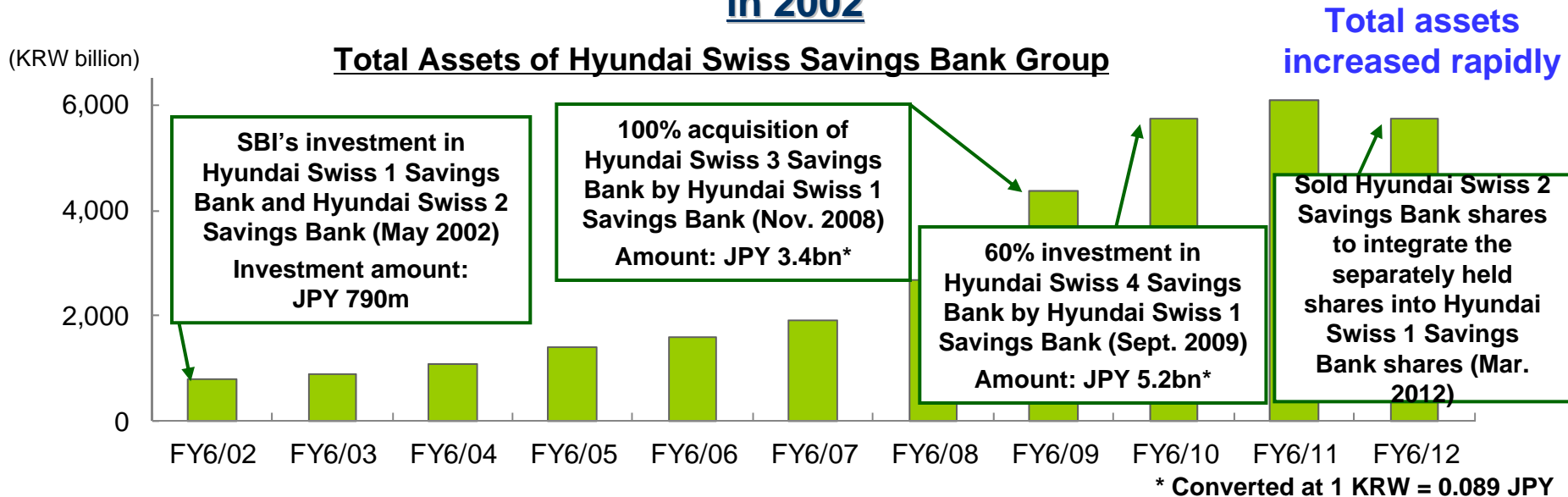
* SBI's shareholding percentage corresponds to a total percentage based on the IFRS criteria for subsidiary companies and subsidiary funds of the Group.

Investment in Hyundai Swiss Savings Bank



~ Background for Converting Hyundai Swiss Savings Bank into a Consolidated Subsidiary ② ~

Hyundai Swiss Savings Bank Group's swift expansion post SBI's Investment in 2002



[Hyundai Swiss Savings Bank Group's Performances Since SBI's Capital Subscription] (Unit: KRW billion)

	FY6/02	FY6/03	FY6/04	FY6/05	FY6/06	FY6/07	FY6/08	FY6/09	FY6/10	FY6/11	FY6/12
Total assets	791.0	902.0	1,073.1	1,391.3	1,588.5	1,905.7	2,683.6	4,377.9	5,726.8	6,096.0	5,734.5
Operating revenue	178.9	160.7	155.6	237.7	263.3	271.6	324.4	512.6	653.0	797.5	755.6
Operating income	21.6	34.0	9.2	25.6	15.7	36.1	46.5	72.3	-7.4	-55.0	0.1
Net income	13.8	3.4	4.7	11.5	25.5	18.1	35.0	59.6	17.2	-63.4	-53.1

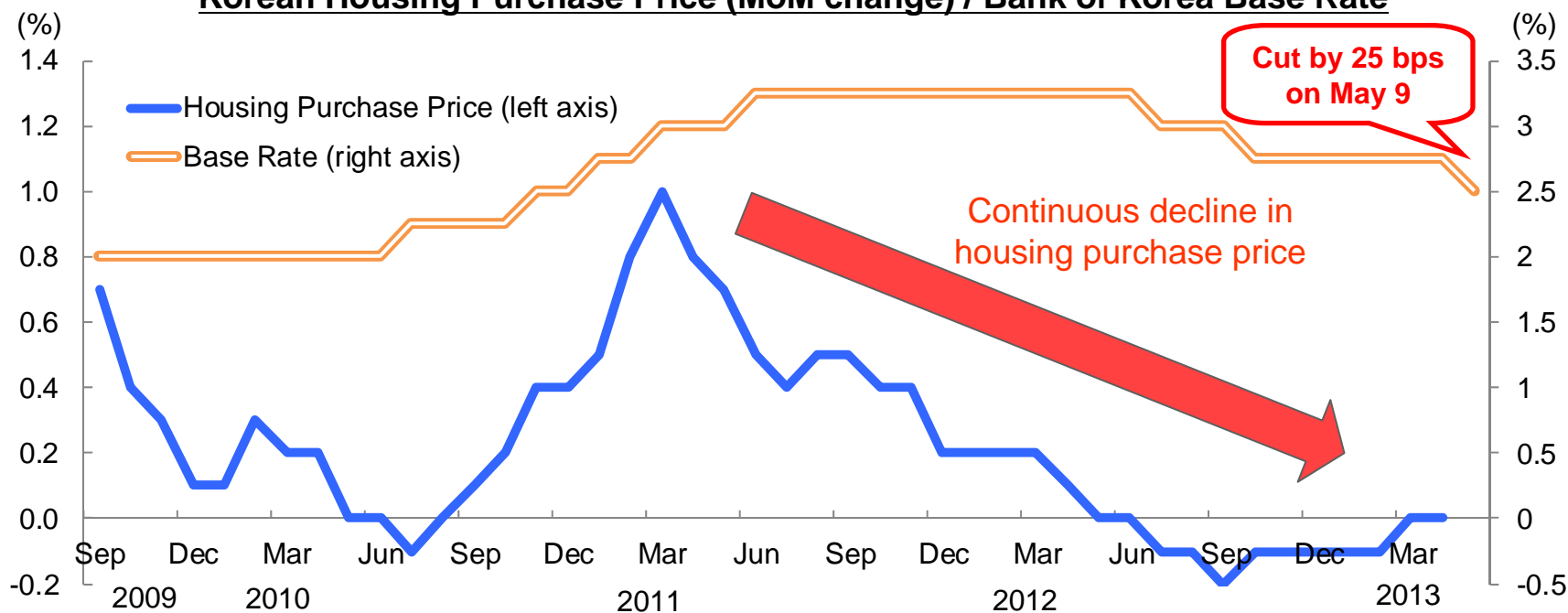
Investment in Hyundai Swiss Savings Bank



~ Background for Converting Hyundai Swiss Savings Bank into a Consolidated Subsidiary ③ ~

- ✓ To expand its business scale, the primary focus was to provide large-scale real estate collateralized loans and project finance (PF) to corporations (In principle, loans mentioned above are collateralized by real estate.)
- ✓ Owing to the deterioration in the real estate market in recent months, its capital was significantly impaired, and upon a request from the Korean authorities, a large amount of additional reserves were added

Korean Housing Purchase Price (MoM change) / Bank of Korea Base Rate

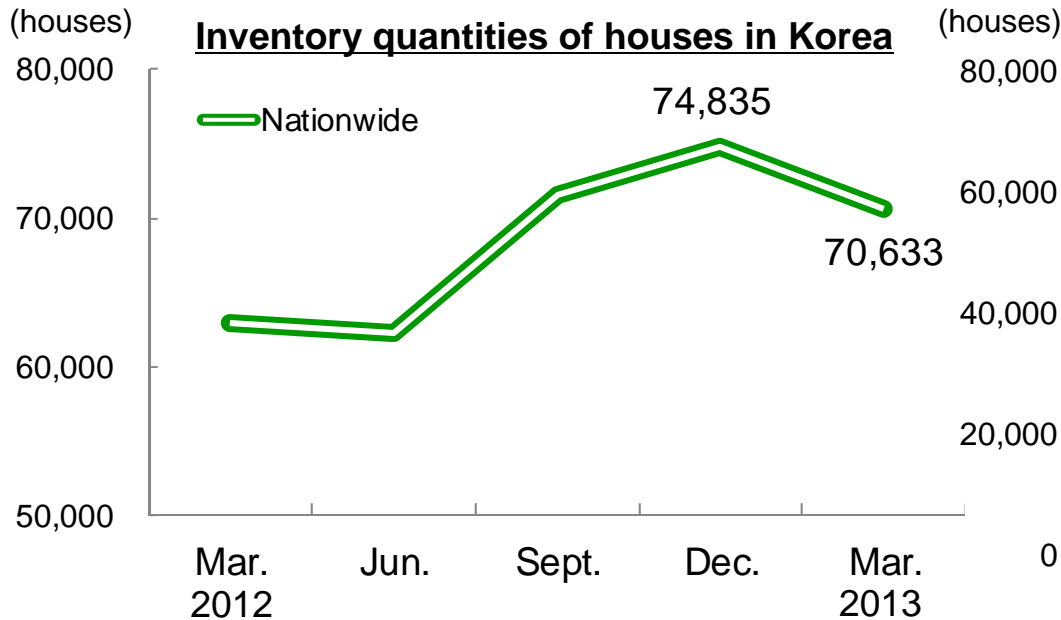


Source: Economic Statistics System, The Bank of Korea

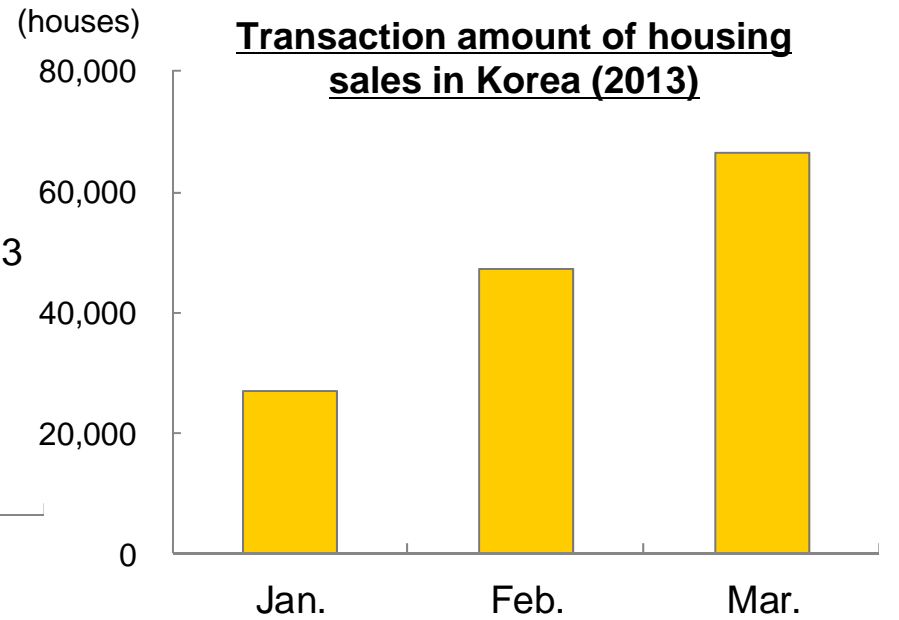
At the time of acquisition, SBI Holdings revalued the assets of Hyundai Swiss Group, and started business operations by factoring in most of the potential non-performing assets on a consolidated basis

Korean Real Estate Market in a Recovery Trend

- Inventory quantities of houses as of the end of Mar. 2013 decreased by 5.6% as compared to that of Dec. 2012
- Transaction amount of home sales improving so far in 2013



Source: Ministry of Land, Infrastructure and Transport (Korea)



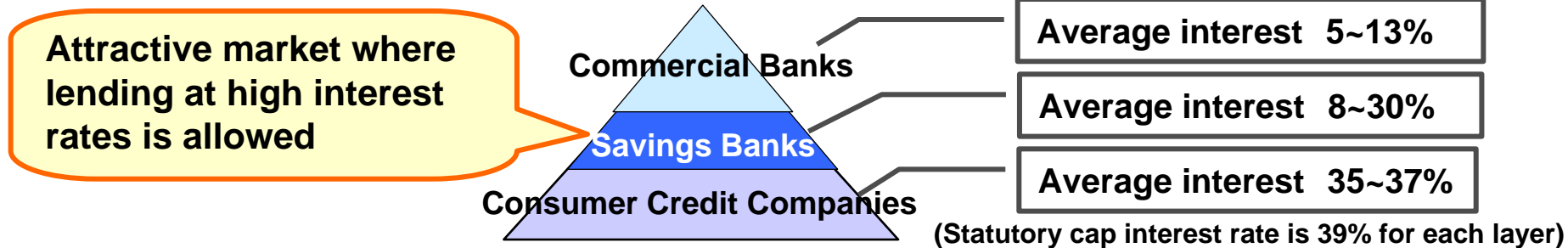
Source: Ministry of Land, Infrastructure and Transport (Korea)

Also, since real estate acquisition taxes and income taxes were exempted or reduced from Apr. 1, 2013, some signs are beginning to be seen that the Korean real estate prices bottomed out, therefore the bank's business environment is expected to become more favorable.

Investment in Hyundai Swiss Savings Bank

~ Background for Converting Hyundai Swiss Savings Bank into a Consolidated Subsidiary ④ ~

- More attractive market than in Japan, because the upper limit of a loan's interest rate is higher
[Position of savings banks among the present Korean loan finance industry]

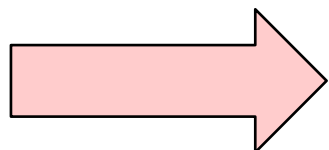


- Owing to competitive industry selection, Hyundai Swiss Savings Bank became the overwhelming No.1 bank

Through the recent government-led reorganization of the savings bank industry, many major savings banks have withdrawn from the market, with the exception of Hyundai Swiss Savings Bank. Since June 2012, 11 of the top 25 banks have withdrawn from the market, or were forced to suspend operations.

[Ranking of the Savings Banks by Total Assets (as of June 2012)] (Unit: KRW million)

1	Hyundai Swiss 1 SB	2,602,529
2	HK Mutual SB	2,582,105
3	Gyeonggi Mutual SB	1,890,446
4	Dongbu Mutual SB	1,888,460
5	Hyundai Swiss 2 SB	1,783,109
⋮	⋮	⋮
25	Hyundai Swiss 3 SB	681,350



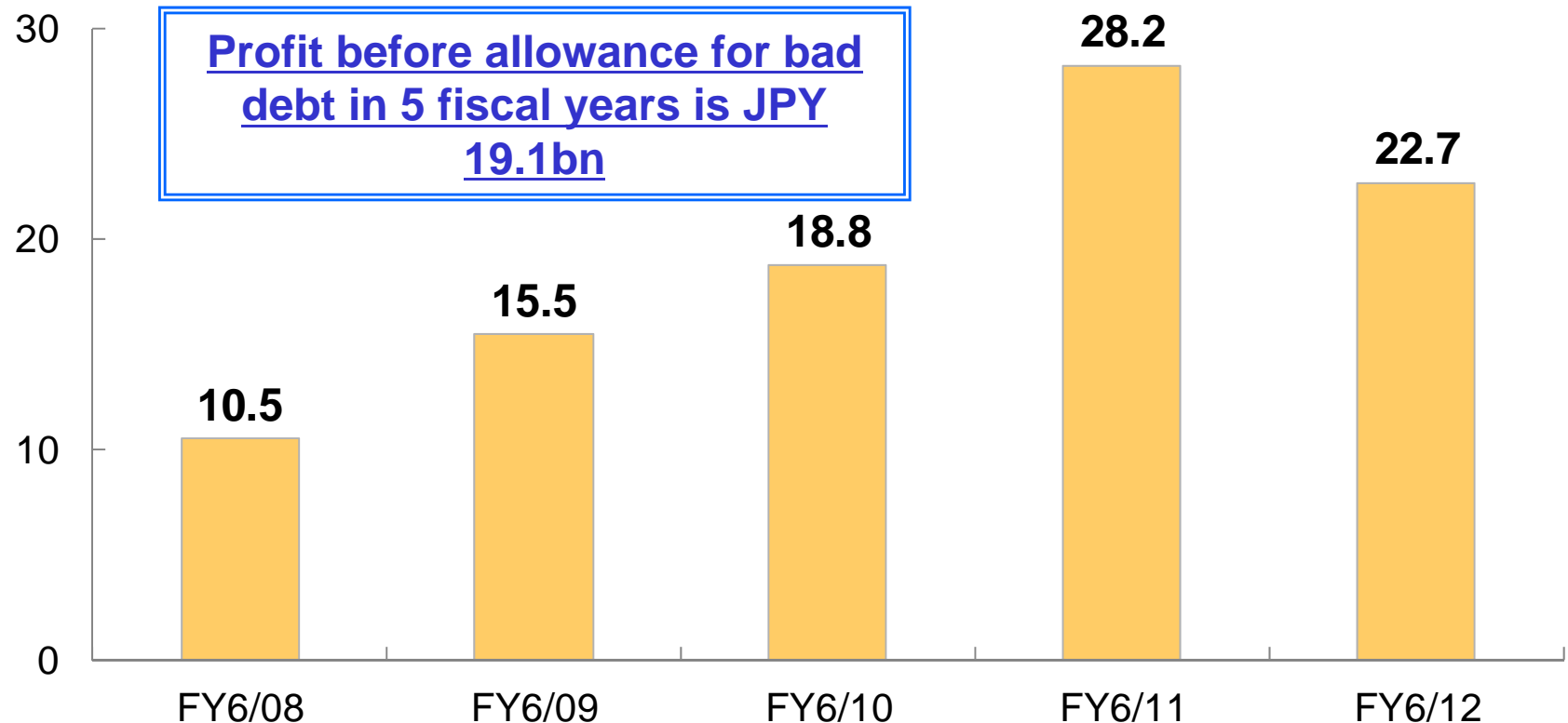
**Greatly enhancing
the competitiveness
of Hyundai Swiss
Savings Bank**

1	Hyundai Swiss 1 SB
2	HK Mutual SB
3	Dongbu Mutual SB
4	Hyundai Swiss 2 SB
5	Moa Mutual SB
⋮	⋮
14	Hyundai Swiss 3 SB

Hyundai Swiss Savings Bank's Profit Before Allowance for Bad Debt

Trends in profit before allowance for bad debt* of Hyundai Swiss Savings Bank (Since FY6/08)

(JPY billion)



(Calculated by the exchange rate as of May 27, 2013)

* Profit before allowance for bad debt

Calculated by subtracting expenses such as SG&A, from the sum total of net interest income, which is lending profits subtracted from deposit interest, commission and fees, and bond and forex trading profits and losses.

Hyundai Swiss Savings Bank's Future Business Strategy

1. Switch the business strategy from focusing on large loans to corporations, to **extensively provide small loans** to both individuals and corporations
2. By fully leveraging the know-how that SBI has cultivated thus far, Hyundai Swiss Savings Bank Group will **launch an online service** within the limits of legal authorization
3. **Dispatched directors** and **implemented the hiring of talented Korean executives**. Also Initiated measures to **strengthen risk management** through strict asset evaluation.
4. While increasing uncollateralized personal loans, of which interest rates are approx. 30%, the bank is cutting deposit costs (avg. 4.3%) by reducing interest rates on new time deposits. As a result, **loan-deposit interest margin is expected to increase.**

Regarding the Investment into Hyundai Swiss Savings Bank ~ Background for Converting Hyundai Swiss Savings Bank into a Consolidated Subsidiary ⑤ ~



Establishment of Financial Business Ecosystem in Korea with Hyundai Swiss Savings Bank (corporate name change to SBI Savings Bank on July 1) as a center



The SBI Group's Businesses in South Korea

Hyundai Swiss Savings Bank

*Corporate name change to SBI Savings Bank on July 1

South Korea's largest savings bank in terms of total assets, with nationwide sales network excluding Busan and Gyeongsangnam-do



Preparing to acquire a license as the first mortgage bank in Korea

(Listed on Korea's KOSPI)



Providing settlement service
Its Korean affiliated company started its operation on Jan. 7, 2013

(Listed on Korea's KOSDAQ)

Financial Ecosystem

Hyundai Swiss Asset Management

*Corporate name change to SBI Asset Management Korea on July 1

Asset management company specialized in real estate

SBI Investment Korea

Venture capital in South Korea

(Listed on Korea's KOSDAQ)

SBI Global

Investment advisory service, discretionary investment business

(Listed on Korea's KOSDAQ)

Consolidation of Hyundai Swiss 1 Savings Bank Leads to an Acquisition of the Management Rights of its Principal Subsidiaries (1)

By consolidating Hyundai Swiss Savings Bank and its subsidiaries, **the management rights** to two potential high growth entities, Hyundai Swiss Asset Management and Phnom Penh Commercial Bank in Cambodia is possibly acquired, through the acquisition of a majority of all issued shares of both companies.

(1) Hyundai Swiss Asset Management (South Korea)

(Corporate name change to SBI Asset Management Korea on July 1)

[Assets Under Management and Financial Performance]

(Unit: KRW billion)

	FY3/09	FY3/10	FY3/11	FY3/12	FY3/13*
AUM	149.4	602.5	672.6	266.4	686.0
Operating Revenue	0.97	2.11	4.77	3.61	4.21
Net Income	-1.02	-0.60	1.65	0.14	0.33

*The figures for FY3/13 are unaudited and therefore subject to change upon an audit by external auditors.

Consolidation of Hyundai Swiss 1 Savings Bank Leads to an Acquisition of the Management Rights of its Principal Subsidiaries (2)



(2) Phnom Penh Commercial Bank (Cambodia)

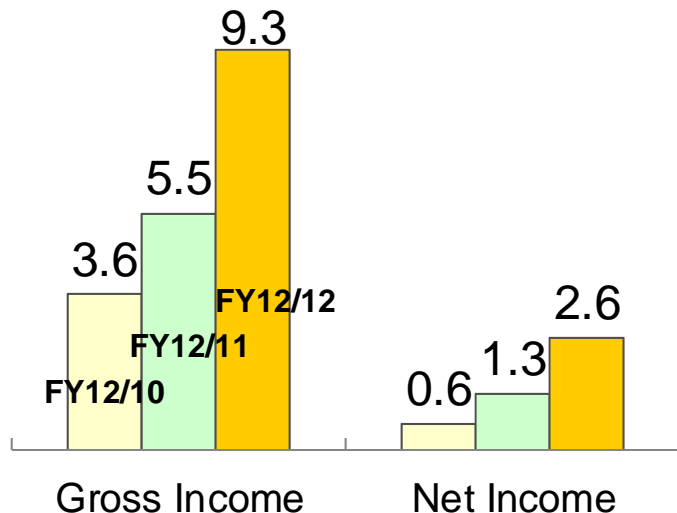


ធនាគារ ភ្នំពេញ ពាណិជ្ជ (Present investment ratio of SBI: 47.6%)
Phnom Penh Commercial Bank

- There is a strong possibility that SBI may eventually acquire **over 90%** of its shares
- A high quality commercial bank that presently has received an acquisition offer of USD 70 million

* SBI's shareholding percentage corresponds to a total percentage based on the IFRS criteria for subsidiary companies and subsidiary funds of the Group.

[3 Years Performance] (USD million)



(USD million)	FY 12/10	FY 12/11	FY 12/12	FY 12/13 (E)	FY 12/14 (P)	FY 12/15 (P)
Total assets	80	102 (No.15)	123 (No.18)	212	282	358 (No.10)
Deposits	40	60 (No.15)	78 (No.19)	150	209	270 (No.7)
Loans	30	43 (No.14)	69 (No.17)	129	183	244 (No.7)

* Figures enclosed in parentheses represent the ranking of PPCB among 39 commercial banks in Cambodia. As for FY12/11 and FY12/12, the rankings are actual and as for FY12/15, rankings are expectations.

The SBI Group's intended direction:

(3) Developing Japan's first global contribution of biotechnology businesses utilizing 5-ALA

The 5-ALA Related Business that the SBI Group Exclusively Develops Globally (Drugs, Health Food and Cosmetics)

ALA=5-aminolevulinic acid (one type of amino acid)

5-ALA is an important element in the biosynthesis of chlorophyll, which is necessary for photosynthesis in plants, as well as in the biosynthesis of hemoglobin in the red blood cells of humans and animals. 5-ALA is essential for mitochondrial energy production inside cells.

A enzyme working to suppress oxidation

1.5 times active in the mice experiment

“(Tokyo Institute of Technology and SBI Pharmaceuticals’ group) Succeeded the mice experiment to prove ‘Cytochrome c oxidase’ (COX), a enzyme that becomes weak with aging, is activated by taking 5-ALA.

Administration of 5-ALA made COX functions 1.5 times effective than normal.

This finding will attract attentions as a achievement that will lead to anti-aging studies.”

Newspaper article

5-ALA Also Attracts Attention at Conferences (i)

5-ALA and Porphyrin Research Society

(established in May 2011)



ALA and Porphyrin Research Society
ポルフィリン-ALA学会

Numerous researchers of porphyrin and 5-ALA meet and promote cross-disciplinary exchanges.

(Example) Annual symposium

- the 1st was held in May 2011
- the 2nd was held in Apr. 2012
- the 3rd was held in Apr. 2013

→ over 100 people annually attend the conference

Chairman: Ichiro OKURA (Professor Emeritus of Tokyo Institute of Technology)
Vice-chairman: Norio MIYOSHI (Department of Pathological Sciences, Faculty of Medicine, University of Fukui)

7th World Congress on Prevention of Diabetes and Its Complications

(Nov. 11-14, 2012 at Madrid, Spain)

5-ALA Session was held

Title: Mitochondria and 5-Aminolevulinic acid(5-ALA) in type 2 diabetes

Chair: Hiroshi Ito, Professor and Chairman, Division of Endocrinology, Metabolism and Nephrology, Department of Internal Medicine, Keio University School of Medicine

UAE-Japan Life Science Forum

(Apr. 2013, Tokyo/Hiroshima)

Periodic meetings of representatives of the Ministry of Health in Abu Dhabi, the Ministry of Health, Labour and Welfare, Hiroshima University, The Institute of Medical Science of the University of Tokyo, and other organizations concerning research and technology seeds in life sciences

SBI had an opportunity to introduce many applications of 5-ALA in the forum.

5-ALA Also Attracts Attention at Conferences (ii)

3rd 5-ALA and Porphyrin Research Society (excerpt)

(Held in Apr. 2013)

- **“Basic and clinical study concerning combined application of photodynamic therapy using 5-ALA and anticancer agent”**
(Veterinary Surgery, Tottori University/SBI Pharmaceuticals/Osada Research Institute Ltd.)
- **“Assessment on 5-ALA PDT sensitivity against brain cancer stem cells”**
(Department of Neurosurgery, Osaka Medical College/RIKEN Center for Life Science Technologies)
- **“Dry skin remedial effect by external application of 5-aminolevulinic acid and iron combination preparation”**
(SBI Pharmaceuticals/Ginza Skin Clinic)
- **“Radiation damage reduction effect of 5-ALA in the mouse acute radiation damage model”**
(Graduate School of Medicine and Faculty of Medicine, University of Tokyo/SBI Pharmaceuticals)
- **“Basic study on radiosensitizing effect of 5-aminolevulinic acid”** (Department of Neurosurgery, University of Occupational and Environmental Health/Tokyo Tech, School and Graduate School of Bioscience and Biotechnology/SBI Pharmaceuticals)

...etc.

Currently Expanding Network for Various Types of 5-ALA Related Research and Development Inside and Outside of Japan

~Several studies with 5-ALA are in progress at 90 universities and hospitals at home and overseas ~

Entrusted the development of the drug to treat cancer chemotherapy-induced anemia in the UK and U.S. to Contract Research Organization (CRO), and if all goes well, phase I clinical trials (safety trial) will be completed in about half a year. Upon completion of phase II clinical trials, deployment in other fields will be considered, and in those prospective fields collaborations with the world's leading pharmaceutical companies will be sought.

(Examples)

Research on malaria

- University of Tokyo
- Tokyo Institute of Technology
- National Institute for Medical Research, etc.

Co-developing drugs, etc. with both domestic and overseas major pharmaceuticals

Cooperation with food manufacturer and cosmetics manufacturer

Clinical study on drugs for metabolic syndrome, including diabetes

- Kyoto Prefectural University
- Hiroshima University
- University of Hawaii
- Arabian Gulf University
- the Royal College of Surgeons in Ireland - Medical University of Bahrain, etc.



Development of PDD and PDT equipment for the diagnosis and treatment of cancer cells by illumination with light

Research projects involving 5-ALA in health science laboratories in cooperation with a university's medical school

Research on cancer diagnosis
Tokyo Institute of Technology, etc.

...etc

Bahrain to Become a Base for the 5-ALA Business in the Middle East

(Drug Development Research, Clinical Research, Manufacturing, Export, etc.)

Initiation of multiple clinical research projects involving 5-ALA, starting with the field of diabetes

Background

High diabetes prevalence in the MENA such as Bahrain

(%)

In the MENA	Bahrain	Qatar	Kuwait	Saudi Arabia
Diabetes patients rate	15.4	15.4	14.6	16.8
In major advanced country	U.S.	U.K.	German	Japan
Diabetes patients rate	10.3	3.6	8.9	5.0

(Source: Database published by International Diabetes Federation)

<Partner institutions for clinical study on diabetes by using 5-ALA>

Diabetes Department of the Bahrain Defense Force Royal Medical Service Hospital / the Arabian Gulf University Hospital / the Royal College of Surgeons in Ireland - Medical University of Bahrain, etc.

<Partner institutions for clinical study on the use of 5-ALA in the photodynamic diagnosis of colorectal cancer>

KING HAMAD UNIVERSITY HOSPITAL / the Royal College of Surgeons in Ireland - Medical University of Bahrain

Several Projects in Drug Medicine Field are in Progress in the World



U.K

Started a phase 1 clinical trial for a drug of 5-Aminolevulinic acid hydrochloride to treat cancer chemotherapy-induced anemia



China

40% investment in Chinese bio-venture Yian Biotech



German

20% investment in photonamic, a subsidiary of German drug company, medac GmbH



Bahrain

Started a clinical research in collaboration mainly with the Department of Diabetes at Bahrain Defense Force Royal Medical Service Hospital, the Arabian Gulf University Hospital



U.S

- After the conclusion of phase 1 clinical trial for a drug of 5-Aminolevulinic acid hydrochloride to treat cancer chemotherapy-induced anemia in the UK, planning start of a phase 2 study in the US
- in the US beginning Study on 5-ALA in relation to diabetes is in progress in the University of Hawaii

Steady Progress in Obtaining Business Licenses from Local Authorities, toward the Development of Overseas Health Food Markets

~Accelerating expansion into Asia, as well as the Middle East~



Bahrain

- Obtainment of the Product License of healthy supplement on 'NatuALA ONE' from Ministry of Health Bahrain to market in the Bahrain.
- Establishment of a JV company for selling goods containing 5-ALA with the Dawani Group, a major enterprise group in Bahrain

UAE

- Obtainment of the Product License of healthy supplement on "NatuALA ONE" from the Dubai Municipality Consumer Product Safety Section to market in UAE
- Establishing a sales structure

China

Preparing for an establishment of a JV company for selling goods containing 5-ALA

Korea

Malaysia

India

Indonesia

Discussing with local large pharmaceutical companies to expand 5-ALA businesses

Philippine

- Health food, 'NatuALA ONE' was officially licensed by Food and Drug Administration (FDA) Philippines.
- Scheduling on the launch in the Philippines from June, collaborating with local firms having a network of doctors

The SBI Group's Biotechnology-related Business and Insurance Business Share the Potential to Create Immense Synergy

(Image)

Biotechnology-related Business

The Group companies:
SBI Pharmaceuticals,
SBI ALApromo
etc.

Synergy

Insurance Business

The Group companies:
IKI KI SEDAI,
SBI Insurance
etc.

Example of services utilizing the synergy:

A bio-technology company offers exclusive services and products to insurance policyholders* etc.



By the Biotechnology-related business contributing to the health of the insurance policyholders, the insurance companies may reduce insurance payments, creating the possibility of a win-win situation for both businesses

4. Management's thoughts on SBI's share price

SBI Holding's Recent Stock Price

Market cap (actual value as of May 31, 2013): **JPY 2,914bn**



SBIH's Stock Price Experiences a Price Correction Since Apr. 2013



As of the end of Mar. 2013, change in principal shareholders occurred compared to that of the end of Sept. 2012

Percentage of the total outstanding shares

(%)

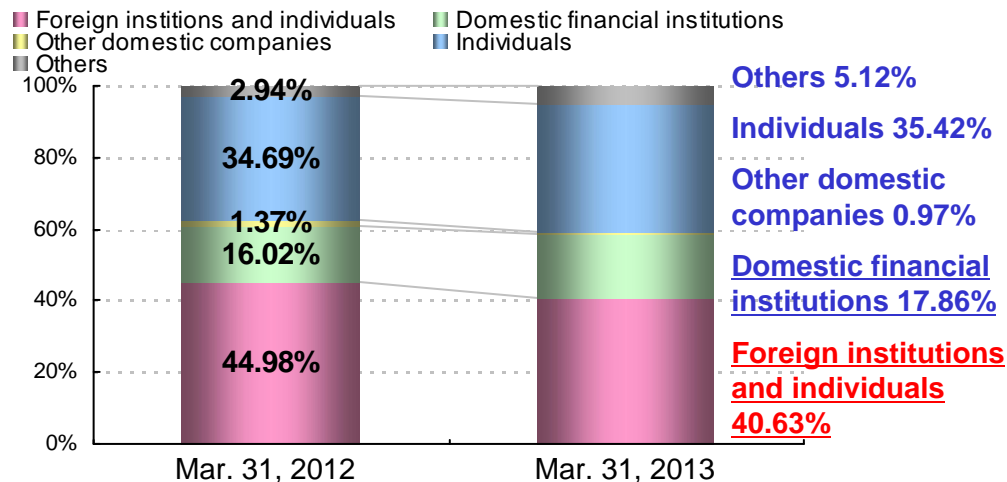
	End of Sept. 2012	End of Mar. 2013	As of Apr. 15, 2013
The Orbis Group *2 (UK)	18.84	6.35	2.89 *1
Reno *3 (Japan)	4.79	0.13	Data N/A

(Note) The percentage of the total outstanding shares indicates the figures as of the dates of each report obligation incurred.

*1 The percentage based on the latest Major Shareholding Report submitted on Apr. 15, 2013.

*2 Held maximum 20.36% as of Feb. 2, 2012 (date of report obligation incurred) *3 Held maximum 5.85% as of Oct. 12, 2012 (date of report obligation incurred)

Shareholder Composition

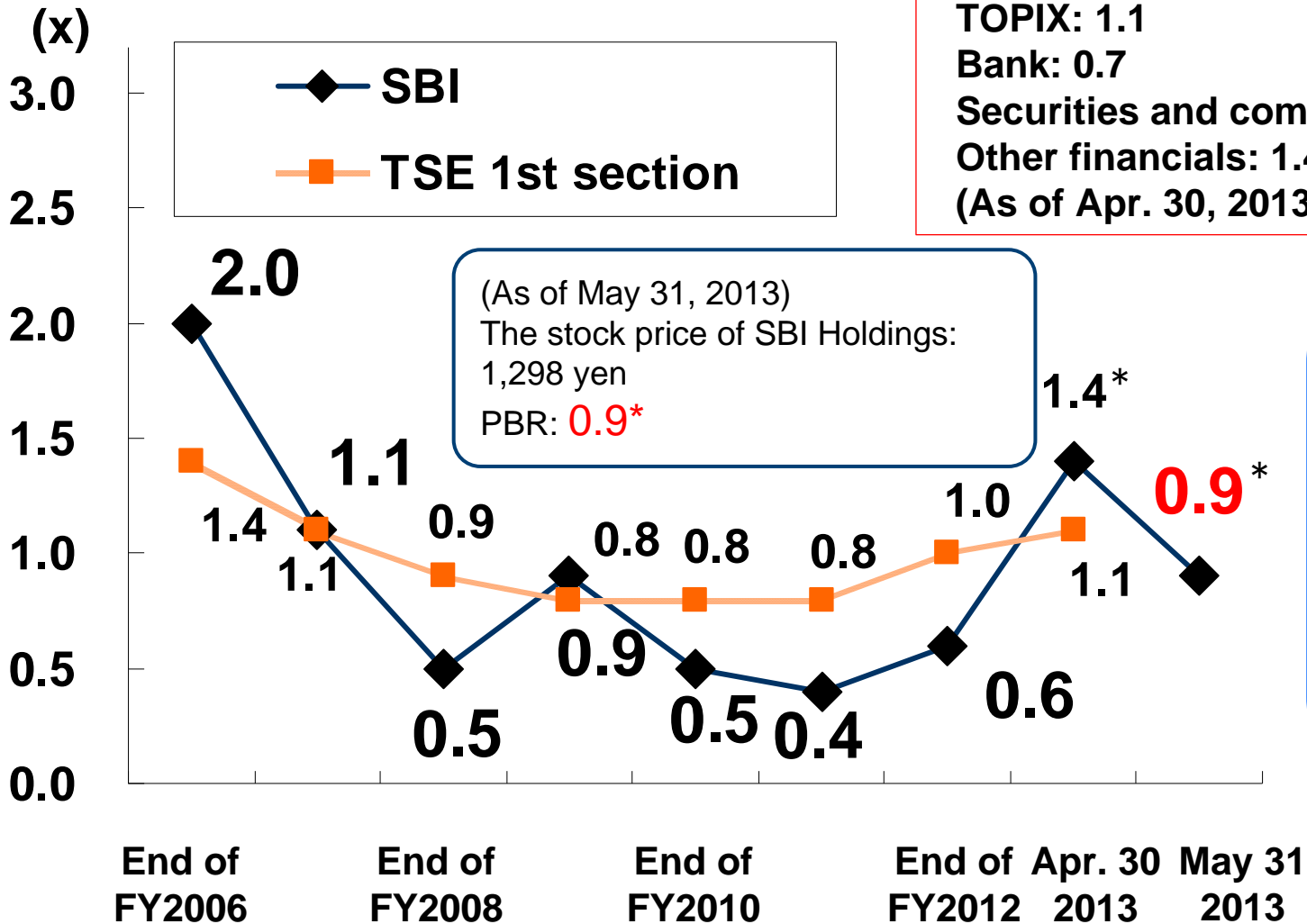


Shares held by Foreign Institutions and Individuals totaled 40.63%, remaining steadfastly **over 40%**, despite the decrease in shares held by the Orbis Group

The share sales by the Orbis Group, the largest shareholder, was basically completed in Apr. 2013, and subsequently the share price rebounded sharply, as if a lid was removed. A share price correction may be likely.

Change in PBR of SBI Holdings

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



[Reference]
SBI Holdings' PER is based on forecasted EPS calculated by Nikkei Inc. (As of May 31, 2013)

PER: 19.4x

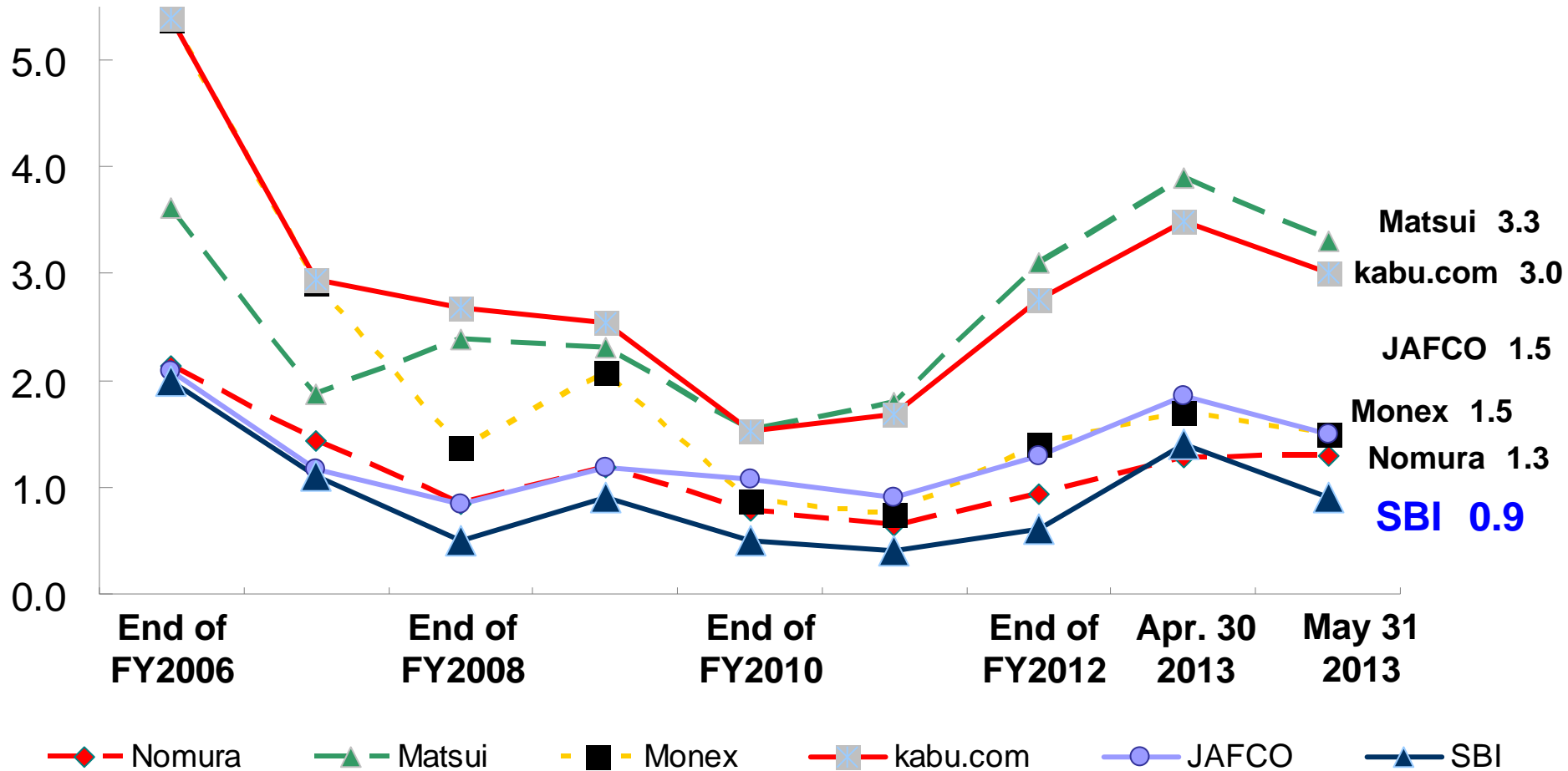
*PBR of SBI Holdings for May 31, 2013 is calculated based on the BPS of the end of Mar. 2013.

*PBR of SBI Holdings prior to FY2012 is calculated based on J-GAAP BPS.

PBR Comparison with Competitors

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

(As of May 31, 2013)



*PBR for Apr. 30, 2013 and May 31, 2013 are calculated based on the BPS of the end of Mar. 2013.

*PBR of Monex and SBI Holdings prior to FY2012 are calculated based on J-GAAP BPS.

Valuation by Segment Estimated by SBIH

(1) FS Business (Financial Services Business) ① SBI SECURITIES-(i)

① SBI SECURITIES

Valuation is conservatively estimated at **JPY 297.5bn**

(based on the closing price of May 31, 2013)

Estimation of the valuation is as follows:

Calculated according to the **Comparable Public Company Analysis**

Compares the market cap and profits of the comparable public companies, Matsui and kabu.com.

Valuation of SBI SECURITIES is calculated as the mean of the two values [(A) and (B)] resulting from the equations below

$$\frac{(\text{Matsui's PER} + \text{kabu.com's PER}) (*1)}{2} \times \text{SBI SECURITIES's Net income (FY2012)} \dots \text{(A)}$$

$$\frac{(\text{Matsui's PBR} + \text{kabu.com's PBR}) (*2)}{2} \times \text{SBI SECURITIES's Net asset (*3) (as of Mar. 31, 2012)} \dots \text{(B)}$$

*1 PERs of Matsui and kabu.com are calculated by their net income per share for FY2012.

*2 PBRs of Matsui and kabu.com are calculated by its BPS as of Mar. 31, 2013.

*3 Represents SBI SECURITIES' balance of net asset excluding short-term loans receivable from SBIH

Valuation by Segment Estimated by SBIH



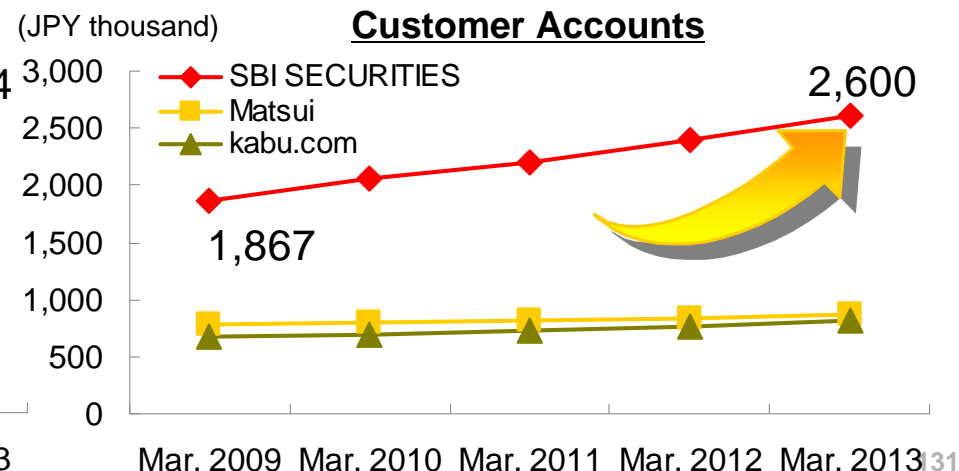
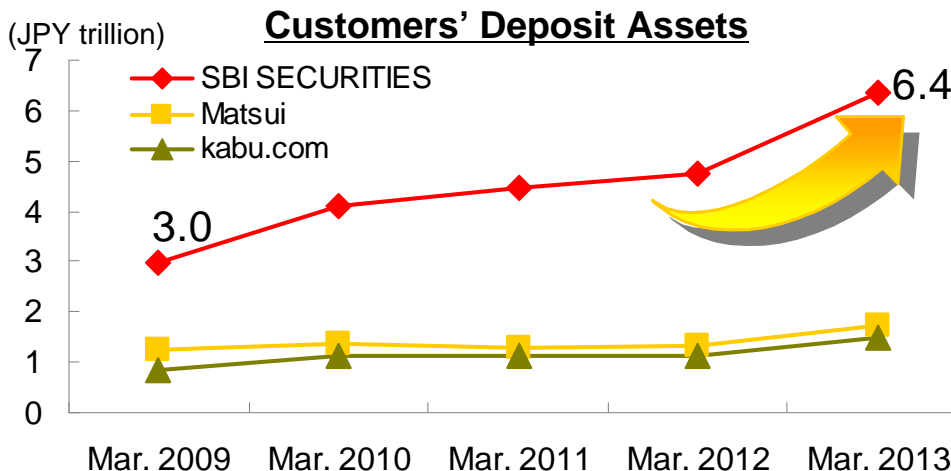
(1) FS Business (Financial Services Business) ① SBI SECURITIES-(ii)

Is SBI SECURITIES' valuation reasonable?

Comparison of SBI SECURITIES and two listed online securities companies (Matsui Securities and kabu.com Securities)

*Calculated by the closing prices of May 31, 2013

(FY2012)	SBI SECURITIES	Matsui Securities	kabu.com Securities
Valuation (market cap)*	JPY 297.5bn	JPY 280.6bn	JPY 108.5bn
Deposit assets (Mar. 2013)	No.1 JPY 6,360.3bn	JPY 1,715.9bn	JPY 1,472.0bn
Number of accounts (as of the end of Mar. 2013)	No.1 2.6 million	870 thousand	810 thousand
Share of individual stock brokerage	No.1 33.2%	8.4%	7.4%
Operating income	No.1 JPY 11.5bn (up 52.4% YoY)	JPY 10.2bn (up 38.1% YoY)	JPY 3.9bn (up 30.8% YoY)



Valuation by Segment Estimated by SBIH

(1) FS Business ②SBI Sumishin Net Bank-(i)

②SBI Sumishin Net Bank

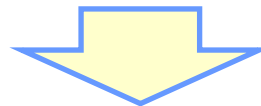
Valuation is conservatively estimated at JPY 38.6bn

(Shareholding of the SBI Group: 50.0%)

Estimation of the valuation is as follows:

The excess earning power of the bank for the five fiscal years beginning in FY2012 is estimated with the assumption that the after-tax income (*) of SBI Sumishin Net Bank will grow 20 percent annually for those five fiscal years. Then, valuation is calculated by adding the bank's net asset of SBIH's shareholding as of Mar. 31, 2013 to the excess earning power.

* Under a calculation based on the ordinary income as JPY 7.9bn, and the profit after tax for the corresponding fiscal year as JPY 4.8bn.



Conservatively estimated the valuation of SBI Sumishin Net Bank with high growth potential in terms of profitability and scale at JPY 77.2bn → JPY 38.6bn

(Shareholding of the SBI Group: 50.0%)

Valuation by Segment Estimated by SBIH

(1) FS Business ② SBI Sumishin Net Bank-(ii)

Consideration of SBI Sumishin Net Bank's valuation (JPY 77.2bn)

- 住信SBIネット銀行 - Ordinary income for full year FY2012 (JPY 7.9bn (+36.4% YoY))
 ~ Within reach of achieving ordinary income of JPY 10.0bn ~
 SBI Sumishin Net Bank - Deposit balance topped JPY 2.9tn (as of May 10, 2013)

Ordinary income for FY2011

Local listed banks with ordinary income of nearly JPY 10.0bn

	Ordinary income (JPY billion)	Change (%)	Market Cap (JPY billion)	Ranking*1
Bank of Iwate	10.0	+12.9	73.1	38
Nanto Bank	9.2	-19.8	104.5	19
Awa Bank	9.0	+46.0	119.9	42
Chiba Kogyo Bank	9.0	+33.0	38.3	48
Yamanashi Chuo Bank	8.7	+18.5	73.6	40
Bank of Okinawa	8.4	-11.8	82.7	59
Hokuetsu Bank	8.0	+19.8	48.9	49
Senshu Ikeda Bank	7.7	+33.3	118.5*	17
Eighteenth Bank	7.4	+12.0	40.1	46
Bank of Saga	7.3	+0.4	35.3	54
Akita Bank	7.1	+26.9	48.3	45
Yamagata Bank	7.0	+11.7	67.3	52

Comparison with listed local banks of a similar scale

Compared by profitability

The average market cap of 12 listed local banks with ordinary income of nearly JPY 10.0bn is approx. JPY 70.0bn

Market cap of local banks with deposit balances greater than JPY 3tn exceeds JPY 100bn

* Market cap is of Ikeda Sensyu Holdings whose main subsidiary is Ikeda Sensyu Bank

*1 Ranking of deposit balance of 75 banks including community banks and New Entrant Banks

*2 Market cap based on the closing prices of May 31, 2013

Valuation by Segment Estimated by SBIH

(1) FS Business ③SBI Liquidity Market

③SBI Liquidity Market

Valuation is estimated at **JPY 21.8bn**

(based on the closing price of May 31, 2013)

Estimation of the valuation is as follows:

Calculated according to the **Comparable Public Company Analysis**

Compares the market cap and profits of a comparable public company, MONEY SQUARE JAPAN
 MONEY SQUARE JAPAN's PER (*) x SBI Liquidity Market's Net profit (as of Mar. 31, 2012)

* PER of MONEY SQUARE JAPAN is calculated by its net income per share for FY2012 .

<Reference> Acquisition of CyberAgent FX by Yahoo (Jan. 31, 2013)

Acquired all shares of CyberAgent FX (16,200 shares) at **JPY 21.0bn**

CyberAgent FX (FY2011)		SBI Liquidity Market (FY2012)
JPY 8,498m	Operating revenue	JPY 7,743m
JPY 4,021m	Operating income	JPY 1,512m
JPY 2,289m	Net Profit	JPY 941m
JPY 9,067m	Net Asset	JPY 3,470m

Operating income before allocation to SBI SECURITIES is JPY 6.1bn

Valuation by Segment Estimated by SBIH

(1) FS Business

④ Other Financial Services Business (listed companies)

④ Other listed subsidiaries and equity-method companies in the FS Business

	SBI's share-holding pct. (%)	Classification	Listed market	Market cap (JPY billion)	SBI's equity interest of market cap (JPY billion)
Moringstar Japan	49.2	Consolidated subsidiary	JASDAQ	28.3	13.9
SBI Mortgage	66.5	Consolidated subsidiary	KOSPI of KRX	28.9*	19.2
SOLXYZ	26.3	Equity method affiliate	JASDAQ	5.4	1.4
Sum of the market cap of listed subsidiaries and equity method affiliates				62.6	<u>34.5</u>

* Calculated by the exchange rate as of May 31, 2013.
(based on the closing price of May 31, 2013)

Valuation by Segment Estimated by SBIH

(1) FS Business Total Valuation of the Businesses

① SBI SECURITIES

Upon comparison with similar listed companies calculated conservatively as **JPY 297.5bn** (based on the closing prices of May 31, 2013)

② SBI Sumishin Net Bank

Conservatively estimated the valuation of SBI Sumishin Net Bank that has high growth potential in terms of profitability and scale at **JPY 77.2bn**
JPY 38.6bn (Shareholding of the SBI Group: 50.0%)

③ SBI Liquidity Market

Upon comparison with similar listed companies calculated as **JPY 21.8bn** (based on the closing prices of May 31, 2013)

④ Total market cap upon SBIH's shareholding of other listed subsidiaries and equity-method companies, in total 3 companies, in the FS Business

The sum of market caps of Morningstar Japan, SBI Mortgage and SOXYZ
(Shareholding of the SBI Group) **JPY34.5bn** (based on the closing prices of May 31, 2013)



Total of the valuation above: **JPY 392.4bn** (The SBI Group's total shareholding)

Valuation by Segment Estimated by SBIH

(1) FS Business ⑤ Other FS Business (Profitable Entities)

The FS Business also consists of many other profitable business entities

	Business lineup	OP for FY2012 (JPY billion)	SBI's shareholding pct. (%)
SBIH's Comparison Website Business	Operation of comparison websites for loans and insurances	1.2	100.0
SBI Lease	ICT-centered comprehensive leasing business and operation of an Internet-based lease-estimate website	0.5	100.0
SBI Japannext	Growing Operation of PTS (Proprietary Trading System)	0.2	52.8
SBI Business Support	Contact center business for corporations and a temporary staffing agency	0.2	100.0
CEM Corporation	Real estate secured loans	0.2	79.7

Since Mar. 2012, conducted a sale of divisions in the Financial Services Business which deemed not synergistic with the three core businesses even with high contribution to earning, such as SBI VeriTrans (OP for FY2011 was JPY 1.3bn: based on J-GAAP) and SBI Credit (OP for FY2012 was JPY 0.5bn: IFRS based profit undertaken by SBIH)



At the FS Business recovered JPY 17.0bn through
“selection and concentration”

Valuation by Segment Estimated by SBIH



(2) AM Business (Asset Management Business)

① Valuation Measuring Method

Asset Management Business

Valuation for the AM Business is estimated at **JPY 155.1bn**

<Reference>

JAFCO's Market Cap: **JPY 178.2bn** (based on the closing price of May 31, 2013)

Valuation estimation is the sum of the valuation (i)-(iii) below.

(i) Value of holding securities (at the end of Mar. 2013) **Approx. JPY 91.8bn**

Operational investment securities and other investment securities held are quarterly evaluated through fair value, and the calculated number above reflects the **fair value of SBIH's ownership**

(ii) Value of SBI Investment (based on the closing price of May 31, 2013)

(* Valuation excluding asset such as securities hold) **Approx. JPY 49.7bn**

Calculated according to the **Comparable Public Company Analysis**

Compares the market cap and profit of the comparable public company, JAFCO

Provisional amount of SBI Investment's net income that represents the actual status deducting expenses produced relevant to the holding company function held by it x JAFCO's PER (*)

*PER of JAFCO is calculated by its net income per share for FY2012.

Valuation by Segment Estimated by SBIH

(2) AM Business ② Other Profitable Business Entities

(iii) Total market cap of listed subsidiaries and equity-method affiliates

	SBI's shareholding pct. (%)	Classification	Listed market	Market cap (JPY bn)	SBI's equity interest of market cap (JPY bn)
SBI AXES	75.0	Consolidated subsidiary	KOSDAQ of KRX	11.9*	8.9
SBI Investment Korea	43.9	Equity-method affiliate	KOSDAQ of KRX	8.5*	3.7
SBI Global	43.3	Operational investment securities	KOSDAQ of KRX	2.3*	1.0
Sum of the market cap of listed subsidiaries and equity method affiliates				22.7	13.6

(Based on the closing price of May 31, 2013, *Calculated by the exchange rate as of May 31, 2013.)

[Other profitable businesses of the Asset Management Business]

		Business lineup	OP for FY2012 (JPY bn)	SBI's shareholding pct. (%)
SBI CAPITAL		Operate and manage buyout and revitalization funds	0.6	100.0
Phnom Penh Commercial Bank	Overseas	Commercial Bank	0.4	47.6
YAR-BANK	Overseas	Commercial Bank	0.2	50.0
NARUMIYA INTERNATIONAL		Manufacture, process and sale of children wear and related products via original and licensed brands	0.3	100.0

Valuation by Segment Estimated by SBIH

(3) Biotechnology-related Business

① SBI Pharmaceuticals

Biotechnology-related Business

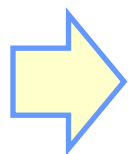
Each bio-venture company has multiple promising pipelines, and the Biotechnology-related Business will become a core business that makes a substantial contribution through progress in areas including pharmaceutical clinical research in Japan and overseas.

Total valuation of the Biotechnology-related Business is estimated at **JPY 64.0bn**

① SBI Pharmaceuticals

Estimation of the valuation is as follows:

Market value at the point of partial transference of former SBI ALApromo's shares x Number of shares issued x SBIH's equity interest (excluding indirect holdings)



Based on SBIH's equity interest (excluding indirect holdings) as of the end of Mar. 2013, the amount is calculated to be **approx. 46.6bn**

Beside SBI Pharmaceuticals, the total shareholder value of the Biotechnology-related Business includes the estimated shareholder value of 2 IPO scheduled companies for 2013 and 2014, with the estimation based on SBIH's shareholding of paid-in capital and the market values of operational investment securities that SBIH owns.

Valuation by Segment Estimated by SBIH

(3) Biotechnology-related Business

② Companies reserved for IPO in the Biotechnology-related Business

	SBI's shareholding pct.	IPO target	Lead manager
SBI Biotech *1	71.6%	within 2014	Mizuho Securities
(U.S.) Acucela *2	16.9%	within 2013	Mitsubishi UFJ Morgan Stanley Securities

*1 Wholly acquired (U.S.) Quark as a subsidiary in Dec. 2012 *2 (U.S.) Acucela is classified in the Asset Management Segment

* SBI's shareholding percentage corresponds to a total percentage based on the IFRS criteria for subsidiary companies and subsidiary funds of the Group.

Although most bio-venture companies are not profitable, many have gone public

Newly listed drug development bio-venture companies in the last three years

(Unit: JPY billion)

Company name	Listed date	Net profit of the base fiscal year (JPY million)	Market cap by the initial price	Latest market cap
				(May 31, 2013)
CellSeed	Mar. 16, 2010	-650	7.5	21.2
RaQualia Pharma	July 20, 2011	-1,307	19.6	14.3
SymBio Pharmaceuticals	Oct. 20, 2011	-642	8.6	17.4
3-D MATRIX	Oct. 24, 2011	-533	5.4	123.1
Chiome Bioscience	Dec. 20, 2011	-180	5.1	58.0
Gene Techno Science	Nov. 30, 2012	-320	3.0	15.5
UMN Pharma	Dec. 11, 2012	-477	8.3	41.5
MEDRx	Feb. 13, 2013	-433	11.3	25.4

Valuation by Segment Estimated by SBIH

(4) Housing and Real Estate Business

Housing and Real Estate Business

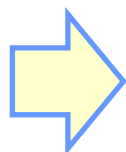
Valuation for the Housing and Real Estate Business estimated at **JPY 33.9bn**

Estimation of the valuation is as follows:

Sum of the calculated value of the commercial real estate properties of SBIH as of the end of Mar. 2013 were calculated, along with SBI Life Living's

① **market cap** Value of the commercial real estate properties

Asset Value = **Balance of investment real estate** + **Balance of real estate included in tangible assets**
(Balance of investment real estate for Hyudai Swiss Savings Bank and SBI Life Living are excluded)



As of the end of Mar. 2013, valuation is **approx. 26.8bn**

② Market cap of a listed subsidiary in the Housing and Real Estate Business

	SBI's share-holding pct. (%)	Classification	Listed market	Market cap (JPY bn)	SBI's equity interest of market cap (JPY bn)
SBI Life Living	74.2	Consolidated subsidiary	TSE Mothers	9.5	7.1

Our Corporate Value by Each Businesses' Valuation Estimated Based on the Closing Prices of May 31



① Sum of the values by segment

(JPY billion)

(based on the closing prices of May 31, 2013)	Valuation of each segment (theoretical value)
Financial Services	392.4 (+)*
Asset Management	155.1
Biotechnology-related	64.0
Housing and Real Estate	33.9
Sum total	645.4 (+)

② Outside borrowings

(SBIH non-consolidated, as of Mar. 31, 2013)

JPY 137.0bn

SBIH's corporate value (total of ① and ② above):

JPY 782.4bn

* Other business including SBIH's comparison website business, SBI Lease, SBI Business Support are also profitable, but these businesses are not included in this valuation estimation.

Of the major 58 Group companies, 19 are profitable companies that are not included in the above calculations (Total Operating Income: approx. JPY 3.9bn)



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