



*Strategic
Business
Innovator*

SBI Holdings, Inc.

Financial Results

for the Nine-month Period Ended Dec. 31, 2013

(Fiscal Year Ending March 31, 2014)

February 5, 2014

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 March 31 of the following year

- 1. Record Consolidated Financial Results for Operating Revenue and Operating Income for the 9 Month FY2013 Period (Adopted IFRS from FY2012)**
- 2. Business Environment Outlook for 4Q and the Next Fiscal Year, and Future Business Development**

- 1. Record Consolidated Financial Results for Operating Revenue and Operating Income for the 9 Month FY2013 Period (Adopted IFRS from FY2012)**
 - (1) Summary of 9 Month FY2013 Period Consolidated Results**
 - (2) Overview of Principal Companies in Each Segment**

(1) Summary of 9 Month FY2013 Period Consolidated Results

[Key Points of 9 Months FY2013 Consolidated Results]

- ① Recorded a significant increase in revenue and profit, owing to favorable stock market trends and various measures for profitability improvement**
- ② FY2013 full-year consolidated operating revenue and operating income expected to exceed previous highs**
- ③ Operating cash flow increased, accompanied by a rise in profit before income tax expense**
- ④ Achieved a sharp increase in revenue and income in all segments, as well as a sharp increase in profit before income tax expense**
- ⑤ With the meaningful progress in financial results, shareholder dividend was doubled**

Key Points of 9 Months FY2013 Consolidated Results:



- ① Recorded a significant increase in revenue and profit, owing to favorable stock market trends and various measures for profitability improvement

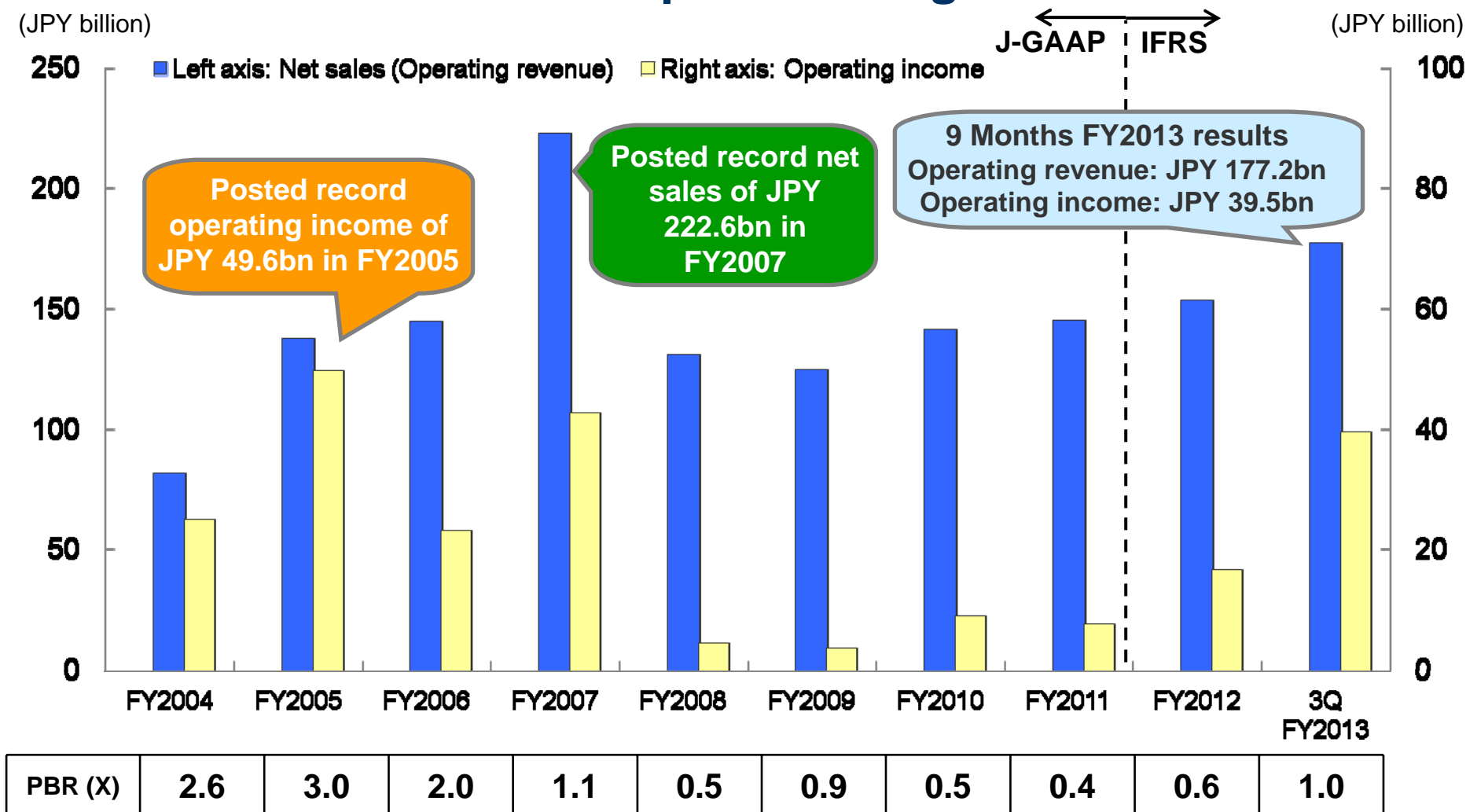
9 Months FY2013 Consolidated Performance (IFRS) (Unit: JPY million)

	9 Months FY2012 (Apr. –Dec. 2012)	9 Months FY2013 (Apr. –Dec. 2013)	YoY change rate (%)
Operating revenue	110,663	177,210	+60.1
Operating income	10,630	39,508	+271.7
Profit before income tax expense	8,932	37,154	+315.9
Profit for the period	4,018	21,062	+424.3
Profit attributable to owners of the Company	1,124	20,185	+1,696.1

Key Points of 9 Months FY2013 Consolidated Results:



② FY2013 full-year consolidated operating revenue and operating income expected to exceed previous high



* Results of the fiscal years before FY2011 are based on J-GAAP. The Company introduced IFRS from FY2012.

③ Operating cash flow increased, accompanied by a rise in profit before income tax expense

(Unit: JPY billion)

	9 Months FY2012	9 Months FY2013
Net cash from (used in) operating activities	40.0	117.2
Profit before income tax expense	8.9	37.2
Decrease (increase) in account receivables and other receivables	-2.8	96.9 ^(*1)
Decrease in deposits from customers	—	-98.4 ^(*2)
Increase in assets/liabilities related to securities business	34.6	21.1
Others	-0.7	60.4 ^(*3)

*1 Of which JPY 97.3bn is associated with SBI Savings Bank

*2 Entirely associated with SBI Savings Bank

*3 Includes an increase of JPY 50.9bn in capital gains tax withholding at SBI SECURITIES

Net Income per Share and Equity Ratio Comparison with Competitors

	9 months FY2013 Net income per share (JPY) (*1)	Equity ratio (%) (*2) as of Dec. 31, 2013
SBI Holdings	93.25	10.4
Nomura	39.83	5.7
Daiwa	79.41	5.1
Matsui	51.09	10.4
Monex	31.92	8.7
kabu.com	29.30	5.6

Substantive number reflecting asset and liability(*3) related to securities company

21.1%

*1 The SBI figure is profit per share attributable to owners of the company

*2 The SBI figure is the equity ratio attributable to owners of the company, and the Nomura figure is the total shareholders' equity as a percentage of total assets

*3 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

Key Points of 9 Months FY2013 Consolidated Results:



- ④ Achievement of sharp increases in revenue and income in all segments as well as a sharp increase in profit before income tax expense

(i) 9 Months FY2013 Operating Revenue by Segment (IFRS)

(Unit: JPY million)

	9 Months FY2012 (Apr. –Dec. 2012)	9 Months FY2013 (Apr. –Dec. 2013)	YoY change rate (%)
Financial Services Business	76,934	109,030	+41.7
Asset Management Business	28,784	59,022	+105.1
Biotechnology-related Business	690	2,139	+210.2
Others (Primarily Housing and Real Estate Business)	6,287	8,150	+29.6

* Figures are before elimination of inter-segment transactions

Key Points of 9 Months FY2013 Consolidated Results:



④ Achievement of sharp increases in revenue and income in all segments as well as a sharp increase in profit before income tax expense

(i) 9 Months FY2013 Profit before Income Tax Expense by Segment (IFRS)

(Unit: JPY million)

	9 Months FY2012 (Apr. –Dec. 2012)	9 Months FY2013 (Apr. –Dec. 2013)	YoY change rate (%) / amount
Financial Services Business	7,542	28,475	+277.6%
Asset Management Business	8,561	12,945	+51.2%
Biotechnology- related Business	-2,116	-1,332	+784
Others (Primarily Housing and Real Estate Business)	1,173	2,289	+95.1%

* Figures are before elimination of inter-segment transactions

⑤ With the meaningful progress in financial results, shareholder dividend was doubled

- (i) For shareholders of record as of the end of Mar. 2014, forecasting a year-end dividend payout of JPY 20 per share, a doubling from the previous year

[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 forecast (record) per share

	End of 2Q	Year-end	Full-year
FY2013 (forecast)	—	<u>JPY 20</u>	<u>JPY 20</u>
FY2012 (results)	—	<u>JPY 10</u>	<u>JPY 10</u>

Note: The dividend forecast shown above is an estimate made as of the current date. Actual dividend payments may differ from these forecasts due to various reasons.

⑤ With the meaningful progress in financial results, shareholder dividend was doubled

(ii) Along with the dividend increase, continuing to implement shareholder benefits for shareholders of record as of the end of Mar. 2014

[Eligible shareholders]

- All shareholders listed or recorded in the shareholder register as of March 31, 2014

[Benefits]

① The Company will provide all **shareholders who hold over 100 shares (one-unit)** a ticket that can be exchanged for **two “ALAPlus”** (priced at JPY 2,980), a health food (supplement) sold by SBI ALApromo **for free**.



“ALAPlus”

② The Company will provide all **shareholders who have held shares for more than one year, and who holds 1,000 or more shares**, a ticket that can be exchanged for **two “ALAPlus”** a health food (supplement), and also **two “ALAPlus GOLD”** (priced at JPY 9,800) sold by SBI ALApromo **for free** in place of the abovementioned benefit ①.



“ALAPlus GOLD”

*The Company will allot **all shareholders including shareholders of less-than one-unit shares (1-99 shares) one ticket, good for purchasing** any goods such as health foods (supplements) and cosmetics sold by SBI ALApromo at a **special 50% discount**

(2) Overview of Principal Companies in Each Segment

Financial Services Business

[State of the Major Financial Services Business Companies]

- ① **SBI SECURITIES**
- ② **SBI Japannext**
- ③ **SBI Liquidity Market, SBI FXTRADE**
- ④ **SBI Sumishin Net Bank (Equity method company)**
- ⑤ **Insurance Business**
- ⑥ **SBI Mortgage**
- ⑦ **SBI MONEY PLAZA**
- ⑧ **Morningstar Japan**

Performance Analysis by Business Segment

~ Financial Services Business ~



Quarterly Financial Results

Improvement in 3Q performance aided by a brisk stock market.

Profit before income tax expense at the 1Q level

(Unit: JPY billion)

	1Q FY2013 (Apr.-June 2013)	2Q FY2013 (July-Sept. 2013)	3Q FY2013 (Oct.-Dec. 2013)	QoQ change (%)
Operating revenue	38.5	34.1	36.4	+6.7
Profit before income tax expense	9.9	8.6	9.9	+15.1

Performance Analysis by Business Segment

~ Financial Services Business ~



Profit before Income Tax Expense of Major Subsidiaries Significantly Increased (i)

[Profit before Income Tax Expense]

(Based on IFRS, Unit: JPY billion, Amounts are rounded to the nearest JPY 100 million)

	9 Months FY2012 (Apr.-Dec. 2012)	9 Months FY2013 (Apr.-Dec. 2013)	YoY change
SBI SECURITIES	5.5	25.1	+19.6
SBI Japannext	0	0.8	+0.8
SBI Liquidity Market	1.1	1.2	+0.1
SBI FXTRADE	-0.1	0.8	+0.9
SBI Insurance	-4.3	-2.4	+1.9
SBI Mortgage	2.6	3.0 *	+0.4

* Consolidated SBI Lease on Oct. 2013

Performance Analysis by Business Segment

~ Financial Services Business ~



Profit before Income Tax Expense of Major Subsidiaries Significantly Increased (ii)

[Profit before Income Tax Expense]

(Based on IFRS, Unit: JPY billion, Amounts are rounded to the nearest JPY 100 million)

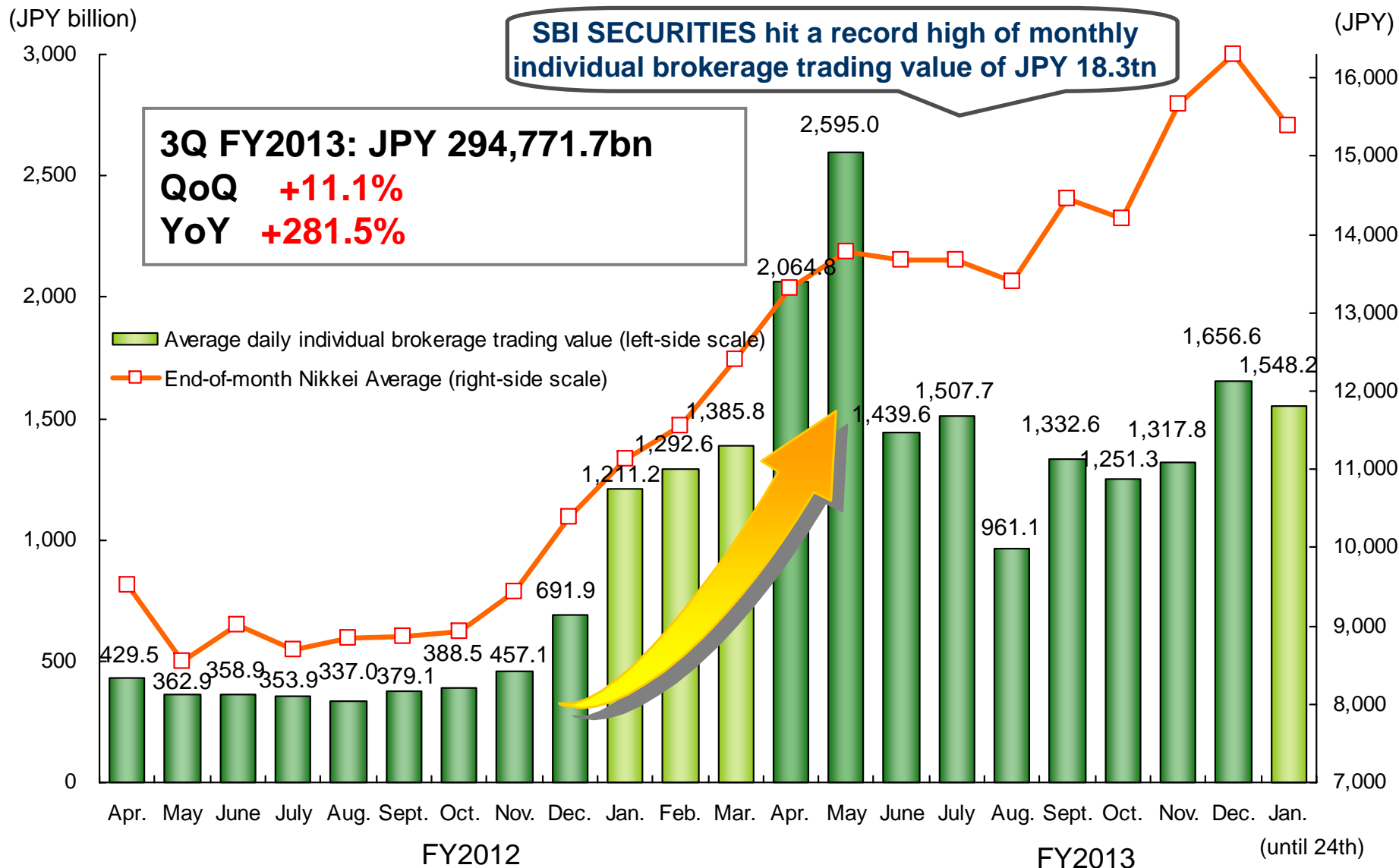
	9 Months FY2012 (Apr.-Dec. 2012)	9 Months FY2013 (Apr.-Dec. 2013)	YoY change
SBI MONEY PLAZA	-0.2	0.9	+1.0
Morningstar Japan	0.5	0.7	+0.2
SBI Sumishin Net Bank (Shares of results of associates using the equity method)	-0.2 *	0.1 [1Q: -0.8bn, 2Q: 0.6bn, 3Q: 0.3bn]	+0.2

* Based on IFRS, SBI Sumishin Net Bank used interest rate swaps in preparation for the rise in interest rates, and accordingly SBIH recorded deferred losses from hedging, etc., in 1Q FY2012. Also, for 1Q FY2013, SBI Sumishin Net Bank recorded loss on revaluation of securities based on IFRS, due to the devaluation of treasuries held. Therefore the amount are different from that based on J-GAAP.

① SBI SECURITIES

- **9 Months FY2013 (Apr.-Dec. 2013) results were strong as operating revenue increased 99.5%, and operating income rose 357.6% year-on-year. Operating revenue and all the profit items recorded an historical high**
- **Share of individual stock trading value of the overall trading, including that of the margin trading, significantly increased by approximately 2 points year-on-year, respectively**
- **Under the brisk market conditions, commissions rose 2.5 times year-on-year, and financial revenue increased 1.9 times. Also investment trust fees at record levels**

Average Daily Individual Brokerage Trading Value (2 market total *)



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

SBI SECURITIES 9 Months FY2013 Consolidated Results (J-GAAP)



[Year-on-year]

(Unit: JPY million)

	9 Months FY2012 (Apr.-Dec. 2012)	9 Months FY2013 (Apr.-Dec. 2013)	YoY change (%)
Operating Revenue	28,194	56,260	+99.5
Net Operating Revenue	26,059	53,140	+103.9
Operating Income	5,451	24,946	+357.6
Ordinary Income	5,600	24,919	+345.0
Net Profit	3,854	13,795 *	+257.9

* Owing to the significant increase in stock trading value followed by the brisk market, SBI SECURITIES reserved approximately JPY 1,972 million for financial instruments transaction liability reserves under the Financial Instruments and Exchange Act in the consolidated cumulative third quarter of the fiscal year ending March 2014, which means posting of an extraordinary loss. Due to this treatment, the year-on-year change of net income is smaller than those of operating income and ordinary income.

Operating Revenue and All the Profit Items Recorded an Historical High

(Unit: JPY million)

	Previous Record High (Period of Achievement)	9 Months FY2013 (Apr.-Dec. 2013)	Increasing rate (%)
Operating Revenue	49,784 (9 months FY2007)	56,260	+13.0
Net Operating Revenue	44,924 (9 months FY2007)	53,140	+18.3
Operating Income	19,480 (9 months FY2005)	24,946	+28.1
Ordinary Income	19,540 (9 months FY2005)	24,919	+27.5
Net Profit	11,537 (9 months FY2007)	13,795	+19.6

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

(Unit: JPY million)

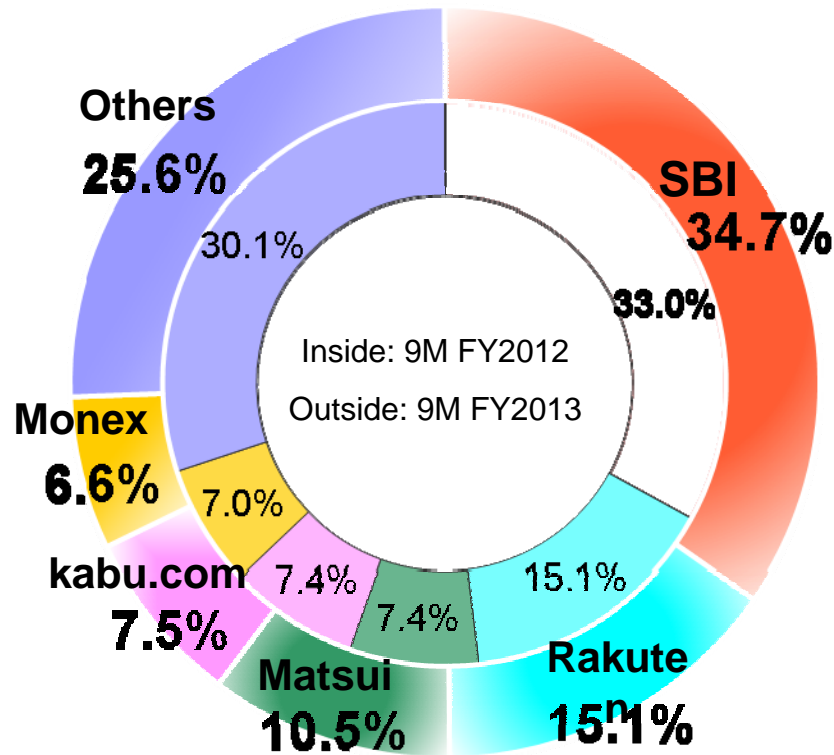
	Operating Revenue	YoY change (%)	Operating Income	YoY change (%)	Income before Income Taxes	YoY change (%)
SBI (cons.)	56,260	+99.5	24,946	+357.6	23,346	+270.3
Monex (*) (cons.)	42,668	+83.9	13,007	—	15,033	+843.4
Rakuten (cons.)	34,903	+133.4	17,513	+520.8	16,383	+673.9
Matsui	31,363	+154.4	21,690	+361.8	21,136	+341.7
kabu.com	18,066	+114.0	9,007	+422.1	8,627	+367.3

* From full year FY2012, Monex has adopted IFRS and the relevant figures above are based on IFRS. Incidentally, the amount of “Operating Income” is “The amount equivalent to operating income” disclosed by Monex. (“The amount equivalent to operating income ” of 9 months FY2012 was JPY -137 million)

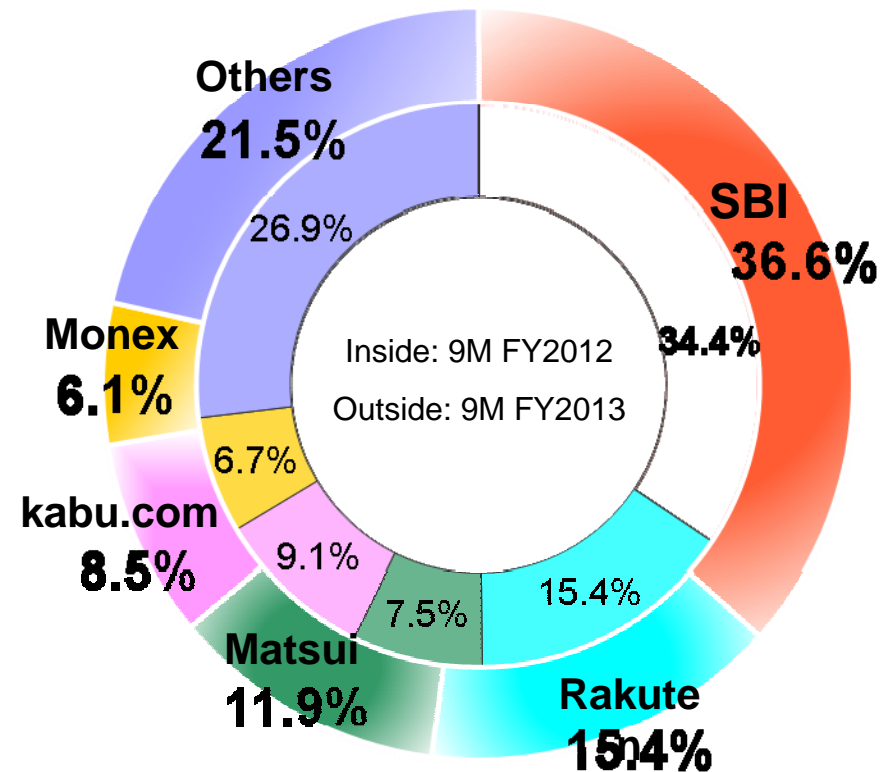
Source: Compiled by SBIH from the information on websites of each company.

SBI SECURITIES' Share of Individual Stock Trading Value Significantly Increased

Share of Individual Stock Trading Value (%)
9 months FY2013
 (Apr.-Dec. 2013)



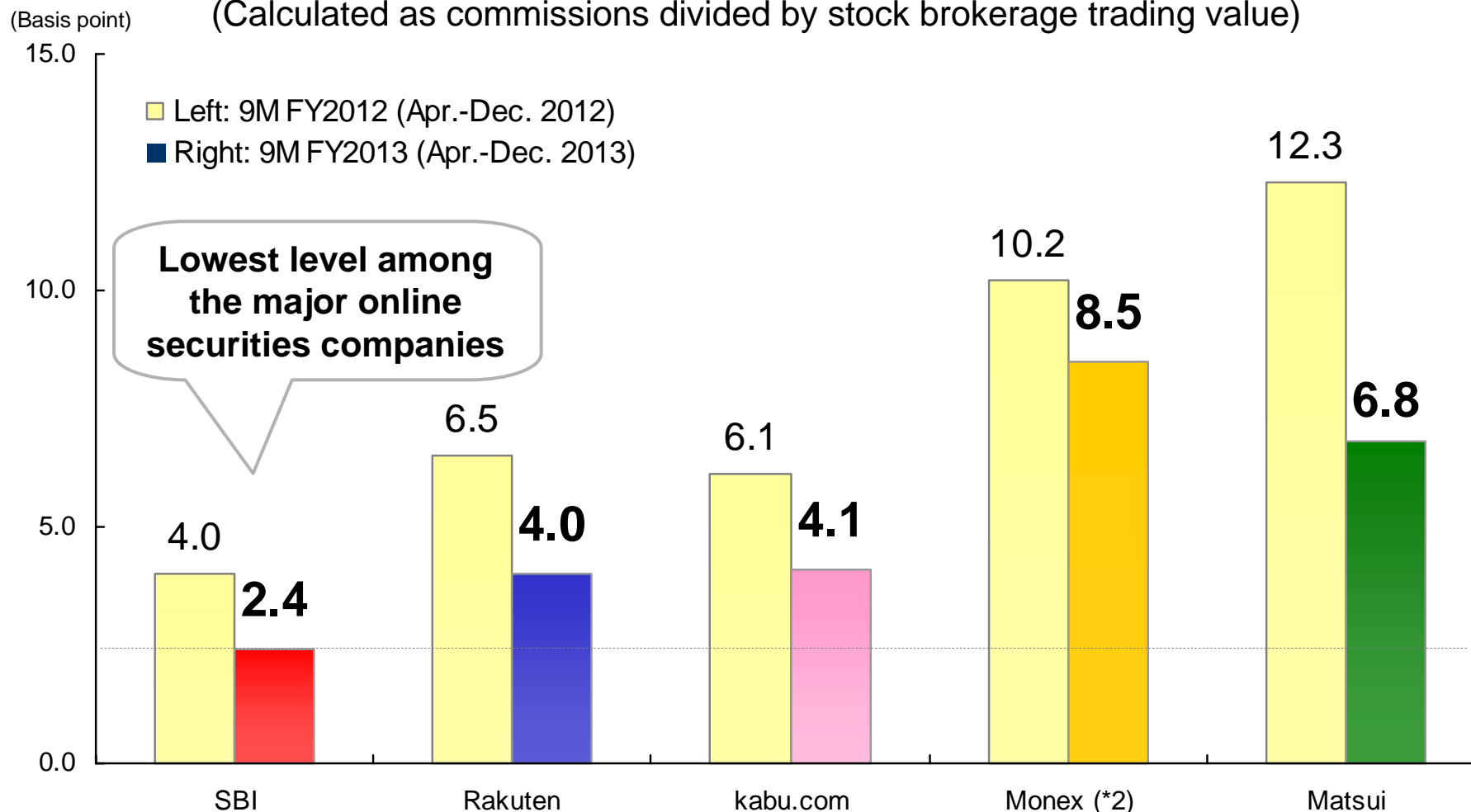
(of which) Share of Individual Margin Trading Value (%)
9 months FY2013
 (Apr.-Dec. 2013)



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 and Nagoya Stock Exchange, respectively.

Commission Rate Comparison Between the Major Online Securities Companies (*1)

(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 are based on commission of Monex, Inc.'s commission figures

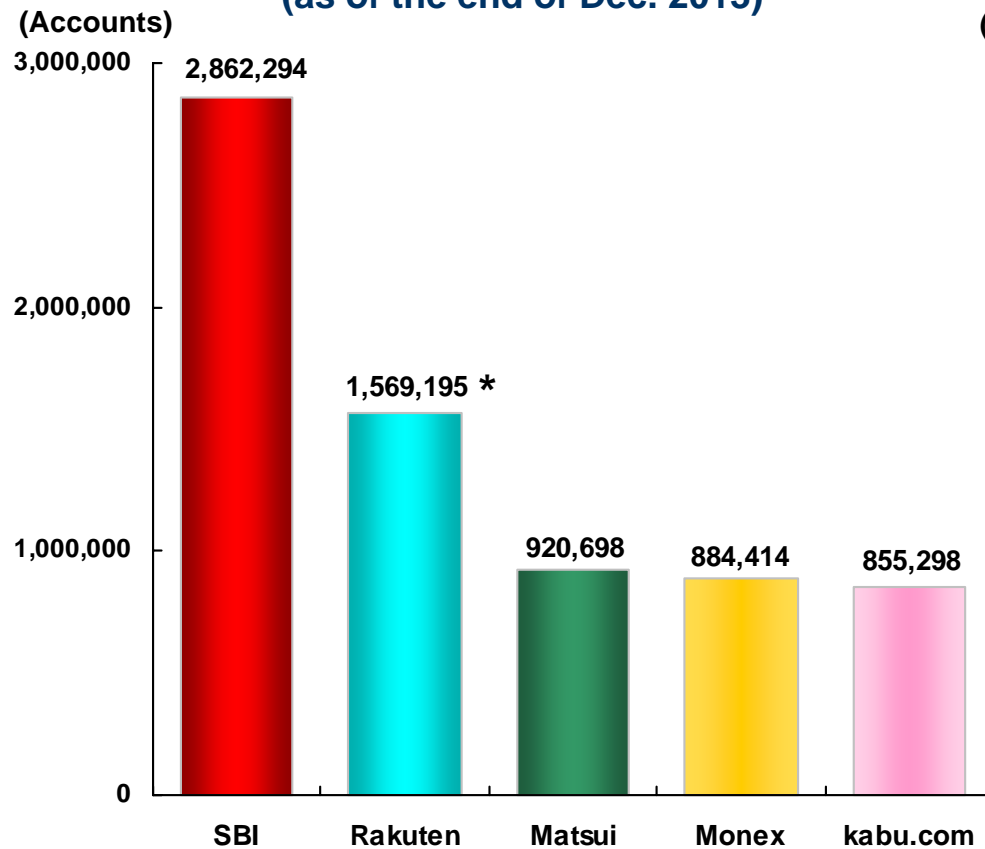
Source: Compiled by SBI SECURITIES from financial results announcement materials and monthly disclosure reports of each company.

Commissions are from earnings briefings.

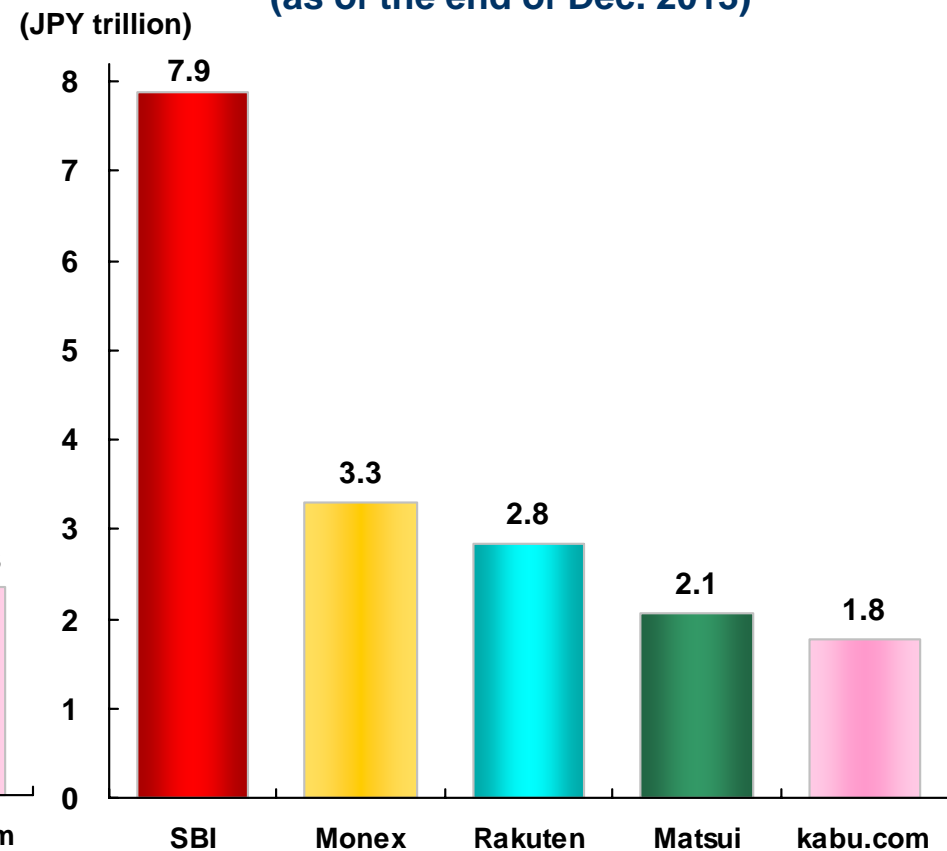
Customer Base of SBI SECURITIES

< Number of Accounts and Amount of Customer Asset >

Customer Accounts of 5 Online Securities Companies
(as of the end of Dec. 2013)



Customers' Deposit Assets of 5 Online Securities Companies
(as of the end of Dec. 2013)

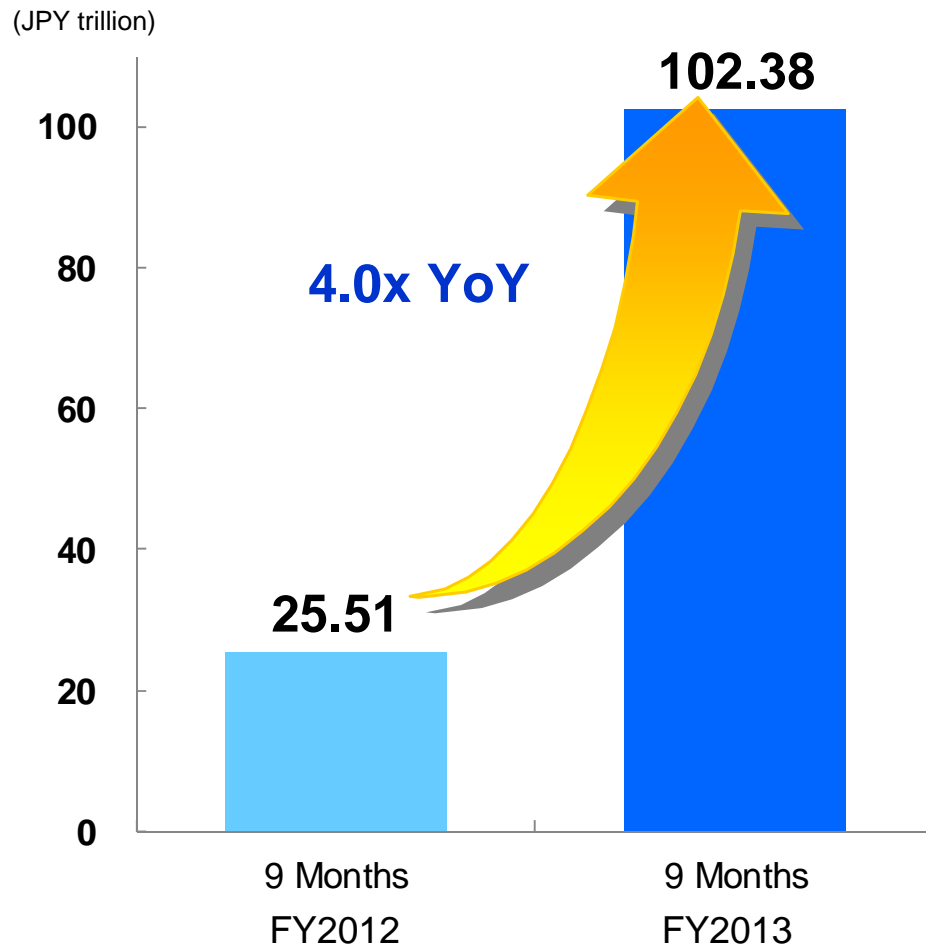


* The figure of Rakuten is that of the end of Sept. 2013. The figure as of the end of Dec. is not disclosed.

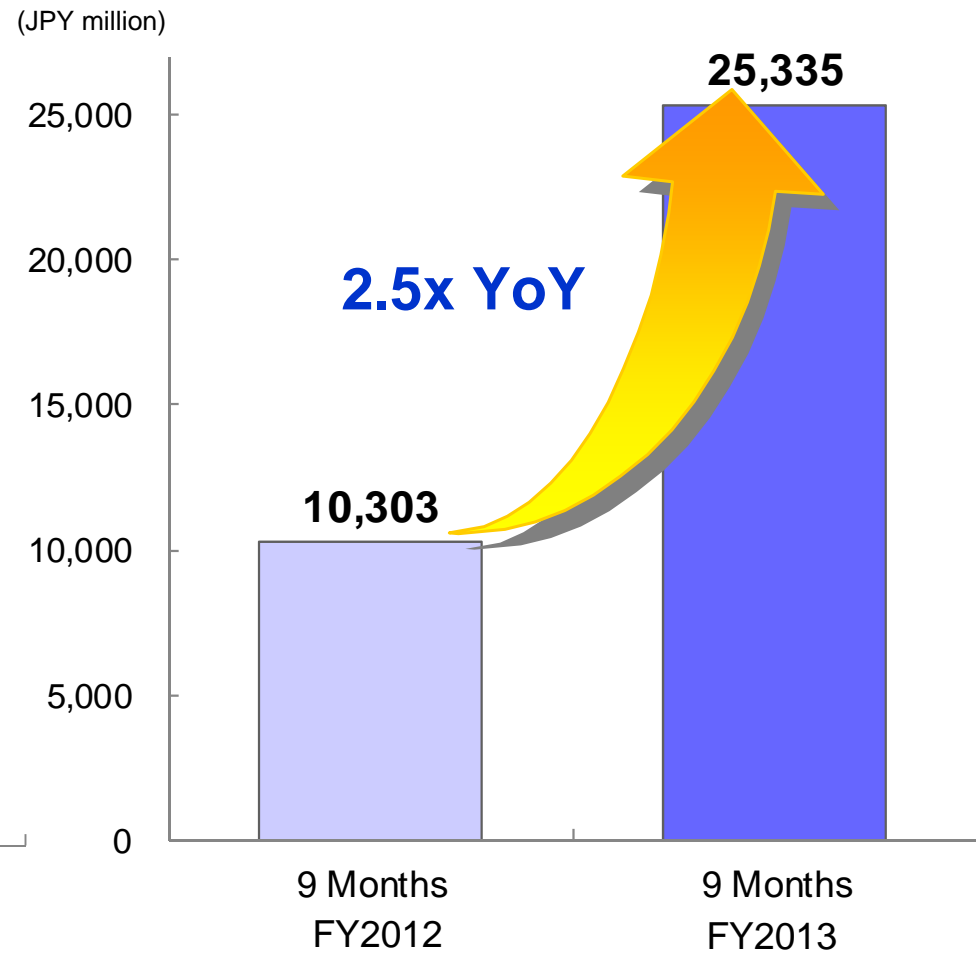
Source: Compiled by SBIH from the information on websites of each company.

SBI SECURITIES' Stock Brokerage Trading Value and Commissions Dramatically Increased

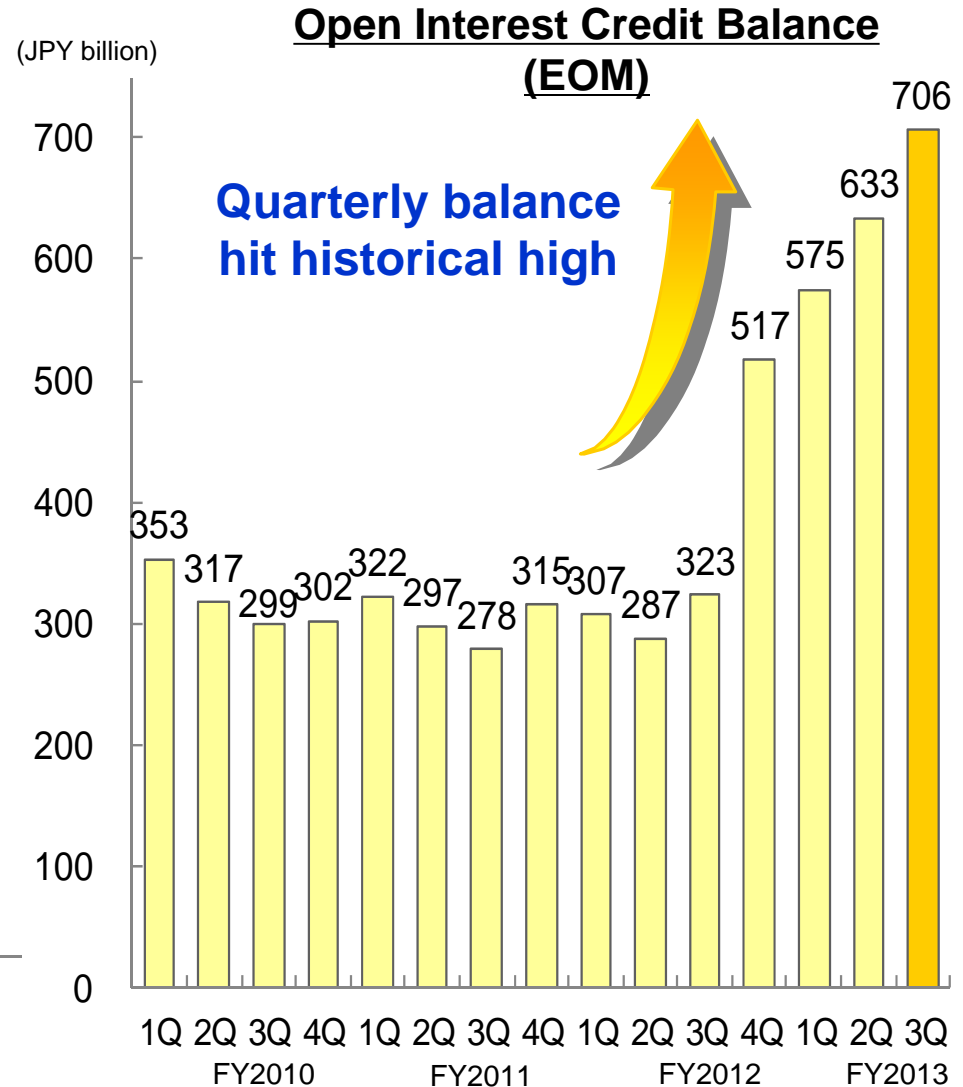
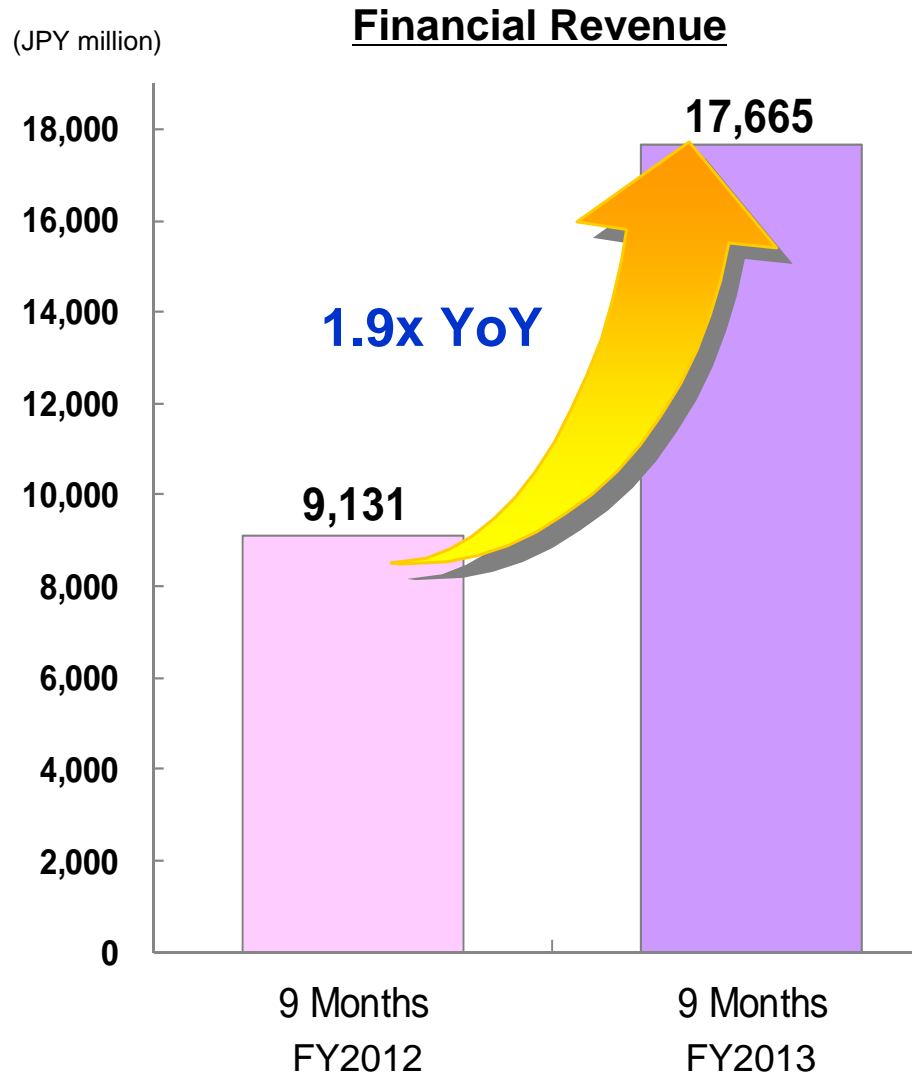
Stock Brokerage Trading Value



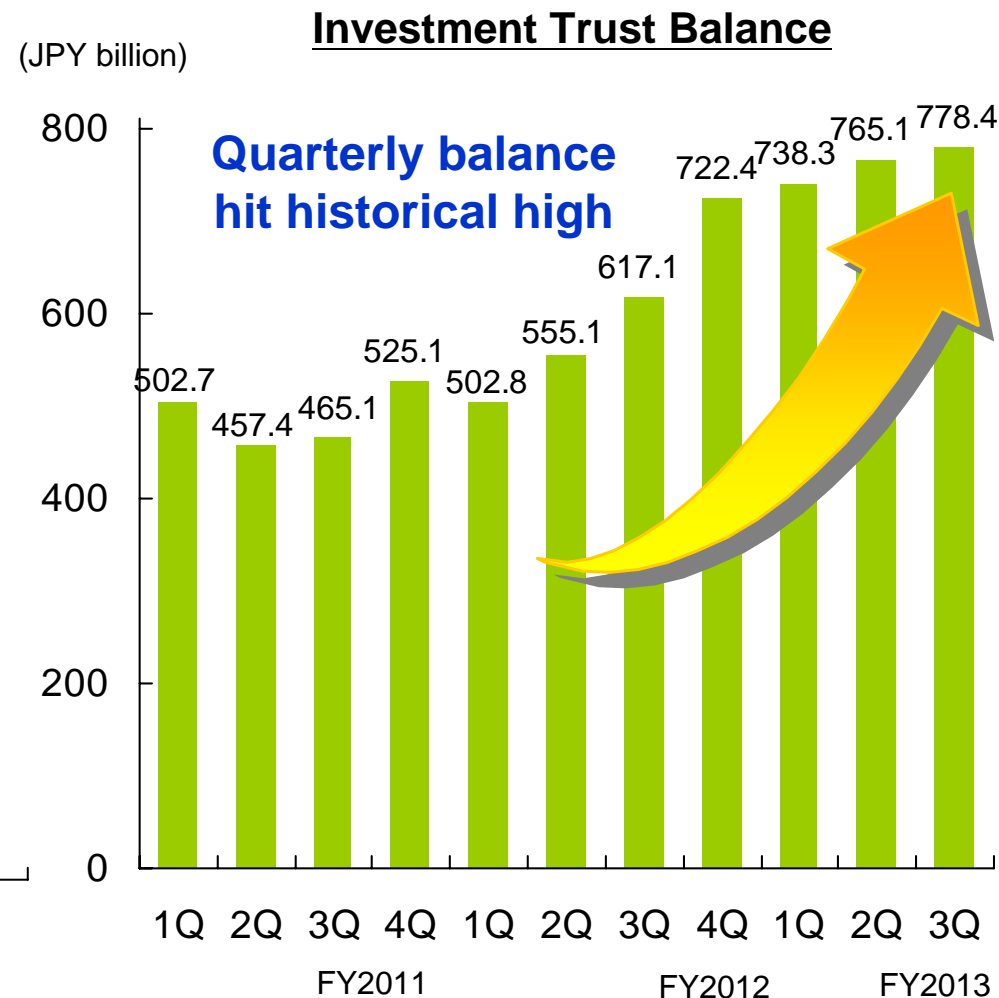
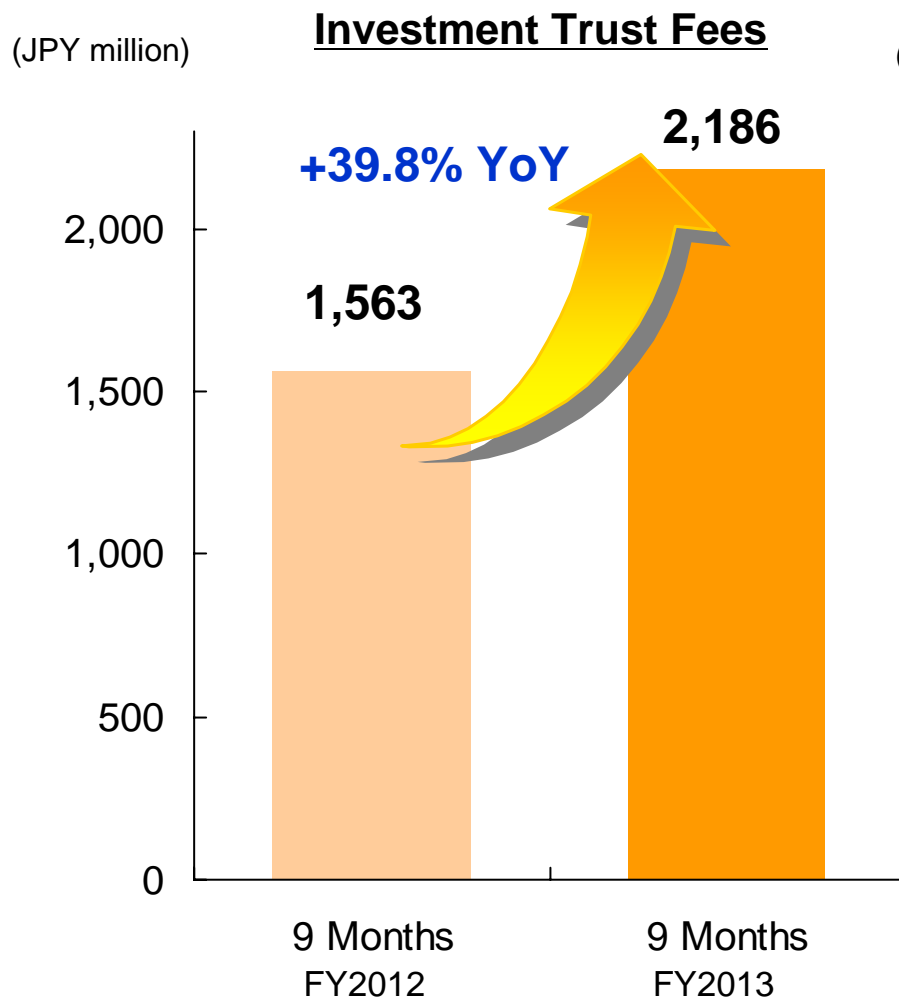
Commissions



SBI SECURITIES' Financial Revenue and Open Interest Credit Balance Significantly Increased



SBI SECURITIES' Investment Trust Fees and Investment Trust Balance Both Hit a Record

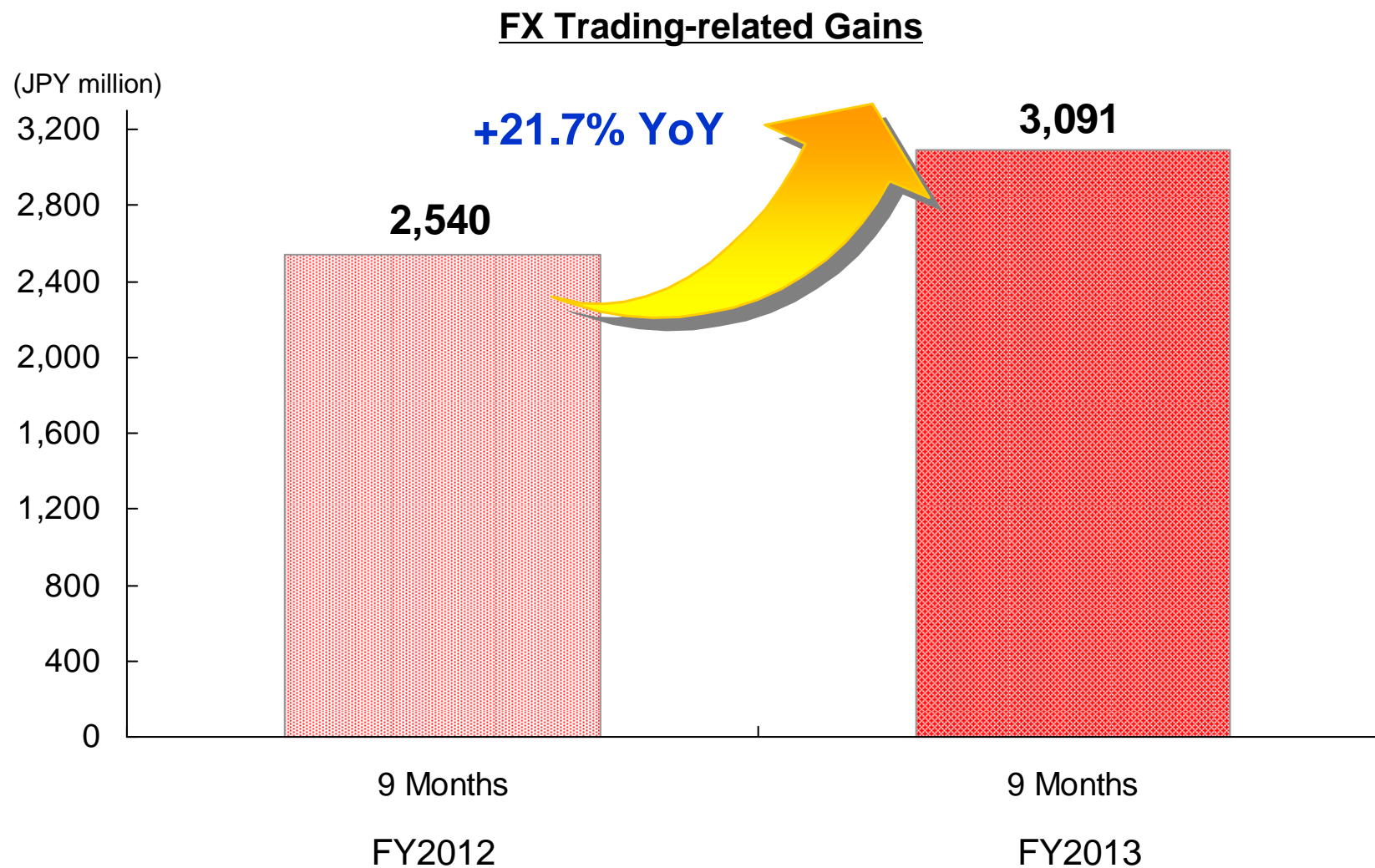


* Includes MMF, deposits of Chinese Fund and deposits of face-to-face accounts

* Investment trust fees is included in "Other commission received"

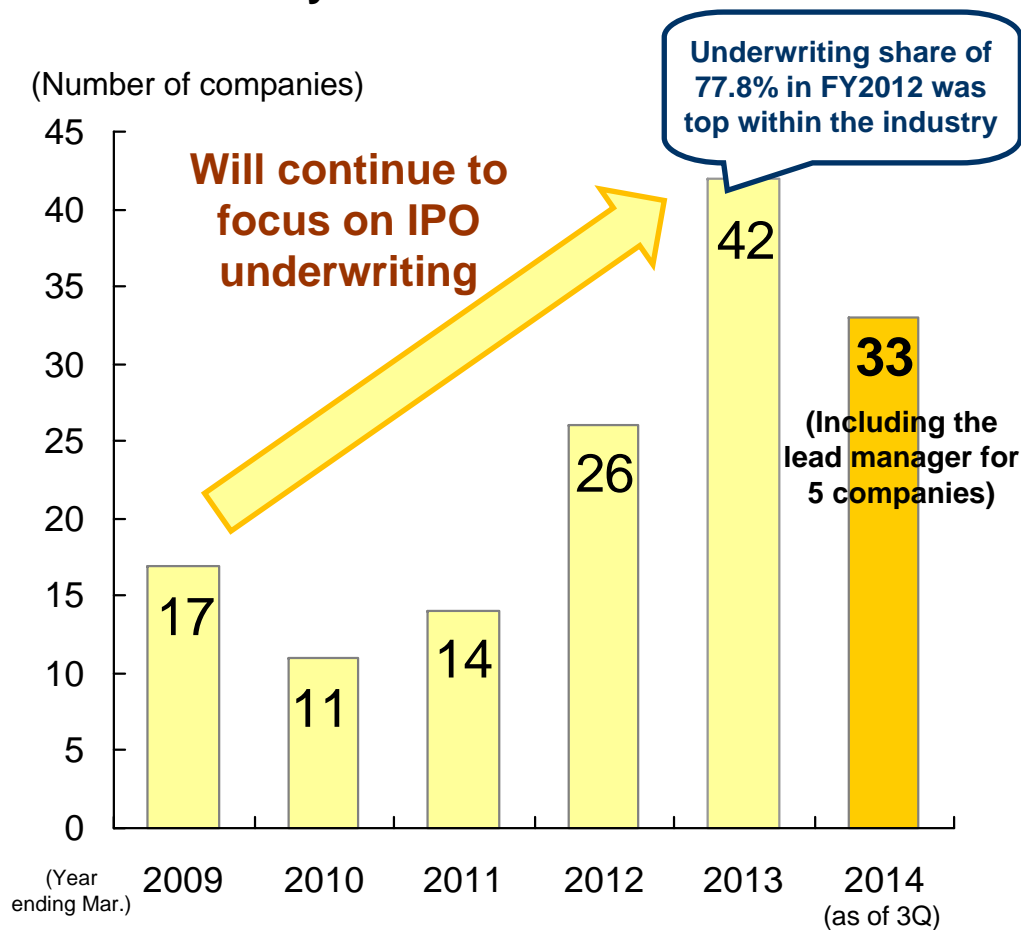
* Trust fee excludes MRF

SBI SECURITIES' FX Trading-related Gains for 9 Months (Apr.-Dec. 2013)



Expansion of IPO Underwriting Business

Number of IPOs Underwritten by SBI SECURITIES



- * The above figures do not include consignments. Based on listing date. The figures exclude brokerage sales and REITs.
- * The number of IPOs for FY2011 includes an issue listed on TOKYOAIM.

IPO Underwriting Ranking (9M FY2013)

41 companies were listed during the period

Company name	No. of cases	Underwriting share (%)
SBI	33	80.5
SMBC Nikko	29	70.7
Mizuho	27	65.9
Nomura	26	63.4
Okasan	26	63.4
Monex	26	63.4
Ace	20	48.8

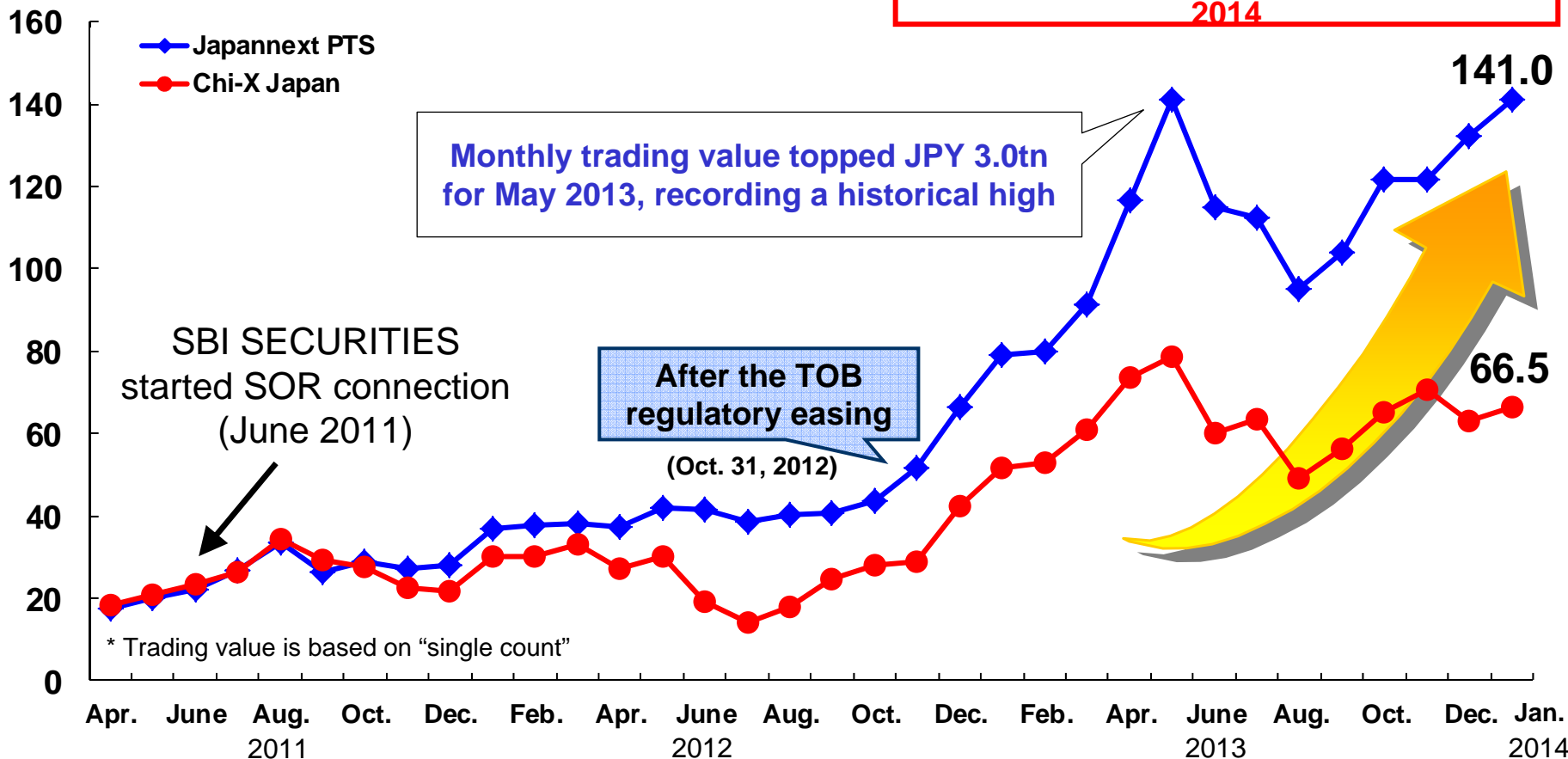
- * The above IPOs represent issues underwritten in Japan only and do not include additional secondary offerings or overseas issues.
- * The number of underwritten issues represents both lead managed underwritings and syndicate participation.
- * The data was compiled by SBI SECURITIES based on each company's published information.

② SBI Japannext

- **With an active stock market environment, trading value increased steadily and continuously. Thereby operating income for 9 month FY2013 period resulted in over triple the amount of the full year operating income for FY2012**
- **Favorably preparing for an IPO targeted in 2015 with Daiwa as its lead manager**

Average Daily Trading Value at Japannext PTS Surged

(JPY billion)



TOB (take-over-bid) regulation

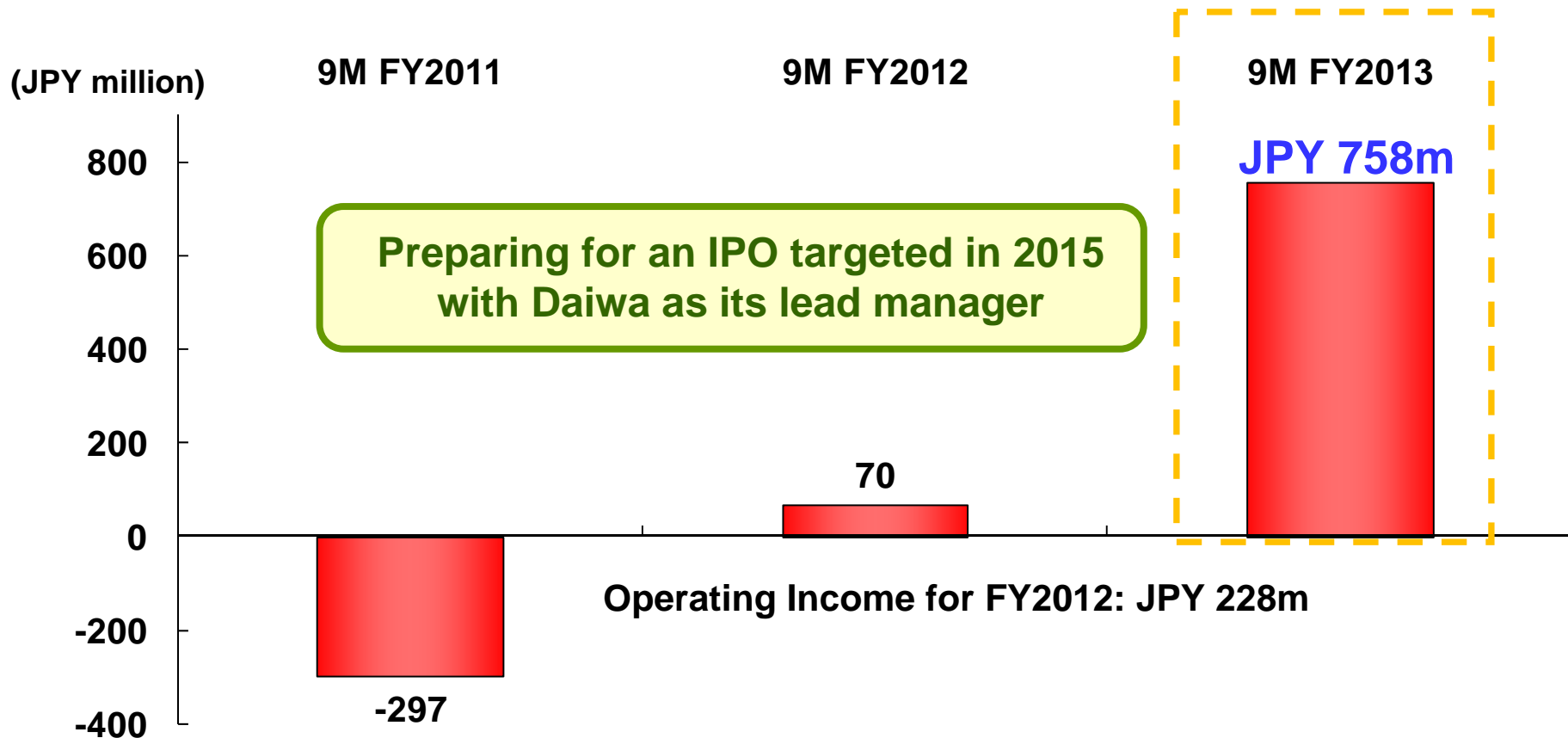
The regulation obliges investors who acquire more than 5% of a company through off-exchange transactions, or for investors who already own more than 5% that decide to increase their holdings, to make a takeover bid. This has hindered large institutional investors from utilizing the PTS.

Change in SBI Japannext's Financial Results

(Consolidated in Sept. 2012)

Operating income for 9 months FY2013 resulted in 3.3 times the amount of the full year operating income for FY2012

Change in Operating Income/Loss



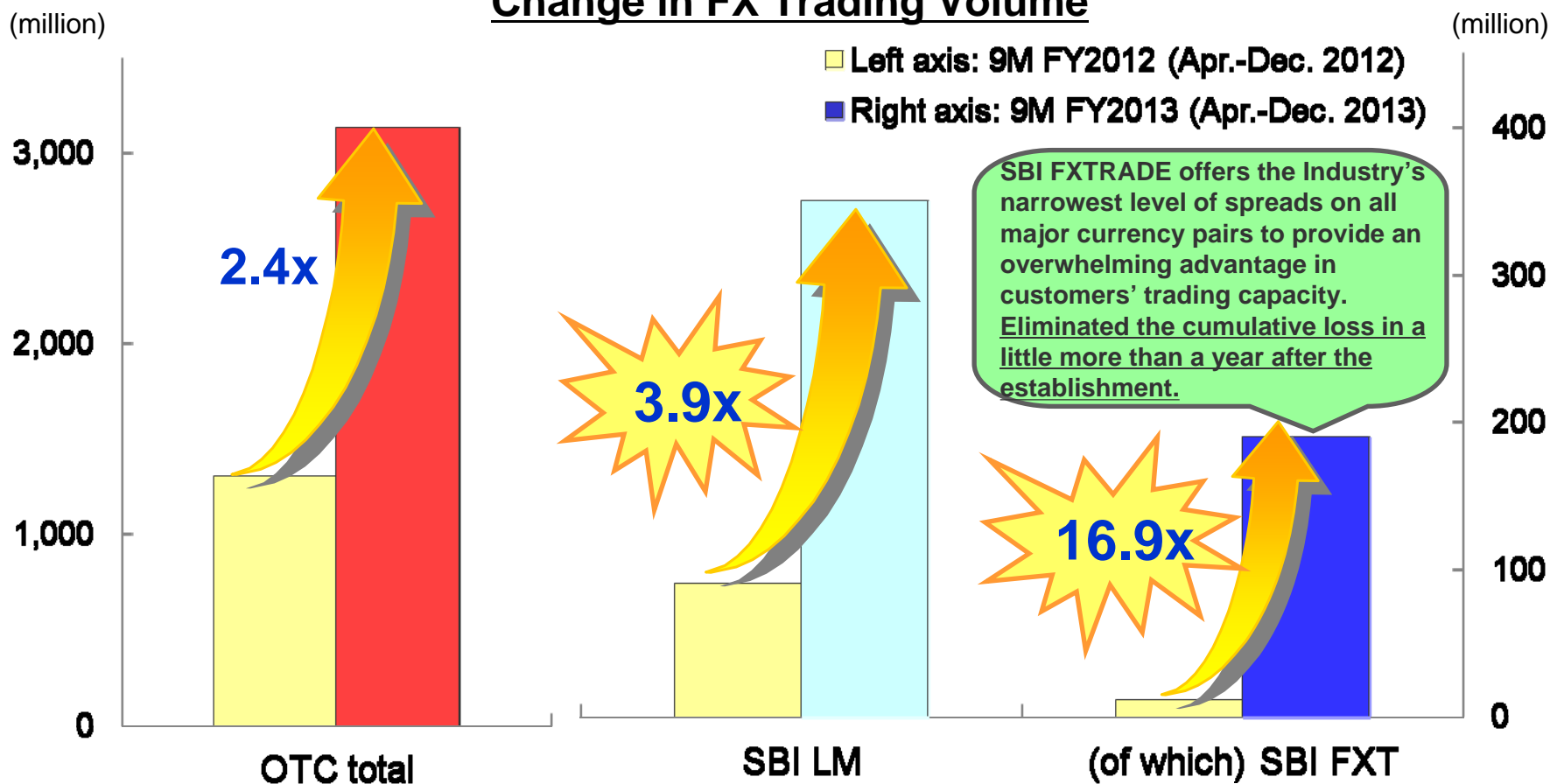
③ SBI Liquidity Market, SBI FXTRADE

- **SBI Liquidity Market has acquired new customers through the establishment of SBI FXTRADE (started its business on May 30, 2012), with a consequent increase in liquidity, accordingly the share among the OTC FX industry greatly increased to be 11.2% (as of 3Q FY2013)**
- **As a result, the SBI Group has grown its customer base and customer deposit assets to become No.1 in the OTC FX industry**
- **SBI Liquidity Market's operating income before allocation for 3Q FY2013 was JPY 5.9bn, up 40.7% year-on-year**

SBI Liquidity Market's Rise in Trading Volume Significantly Exceeds that of the Whole OTC FX Industry

SBI LM's share among the total OTC market is steadily increasing
 5.6% (FY2011) → 8.4% (FY2012) → **11.2%** (3Q FY2013)

Change in FX Trading Volume



* Note: Counts 10,000 currency unit as 1
 Source: Material announced by the Financial Future Association of Japan

SBI Liquidity Market, SBI FXTRADE:

**The SBI Group's (SBI SECURITIES, SBI FXTRADE and SBI Sumishin Net Bank)
Customer Deposit Assets and Total Number of Accounts are No.1
in the OTC FX Industry**



Customers' Deposit Assets (JPY million)

No.	Company name	Amount	MoM change
1	SBI Group	130,874	2,026
2	Gaitame.com	101,688	-2,747
3	GMO CLICK	92,868	250
4	CyberAgent FX	79,902	-578
5	DMM.com	76,321	-78
6	Central Tanshi FX	53,336	-435
7	MONEY SQUARE JAPAN	50,312	1,113
8	MONEY PARTNERS	43,797	-382
9	Hirose FX	21,475	-238
10	FX PRIME by GMO Corporation	15,059	-49
11	Traders Securities	13,471	-52
12	Ueda Harlow	12,045	-56
	Others (2 companies)	54,826	742
	Total	745,974	-484

Number of FX Trading Accounts (Accounts)

No.	Company name	Number of accounts	MoM change
1	SBI Group	438,473	11,349
2	Gaitame.com	374,816	1,502
3	DMM.com	363,087	3,865
4	GMO CLICK	323,646	3,285
5	CyberAgent FX	272,512	2,685
6	MONEY PARTNERS	230,717	1,513
7	Traders Securities	213,646	1,408
8	Hirose FX	158,344	1,108
9	FX PRIME by GMO Corporation	143,805	850
10	Central Tanshi FX	141,591	416
11	MONEY SQUARE JAPAN	63,728	830
12	Ueda Harlow	48,913	39
	Others (2 companies)	288,340	2,005
	Total	3,061,618	30,855

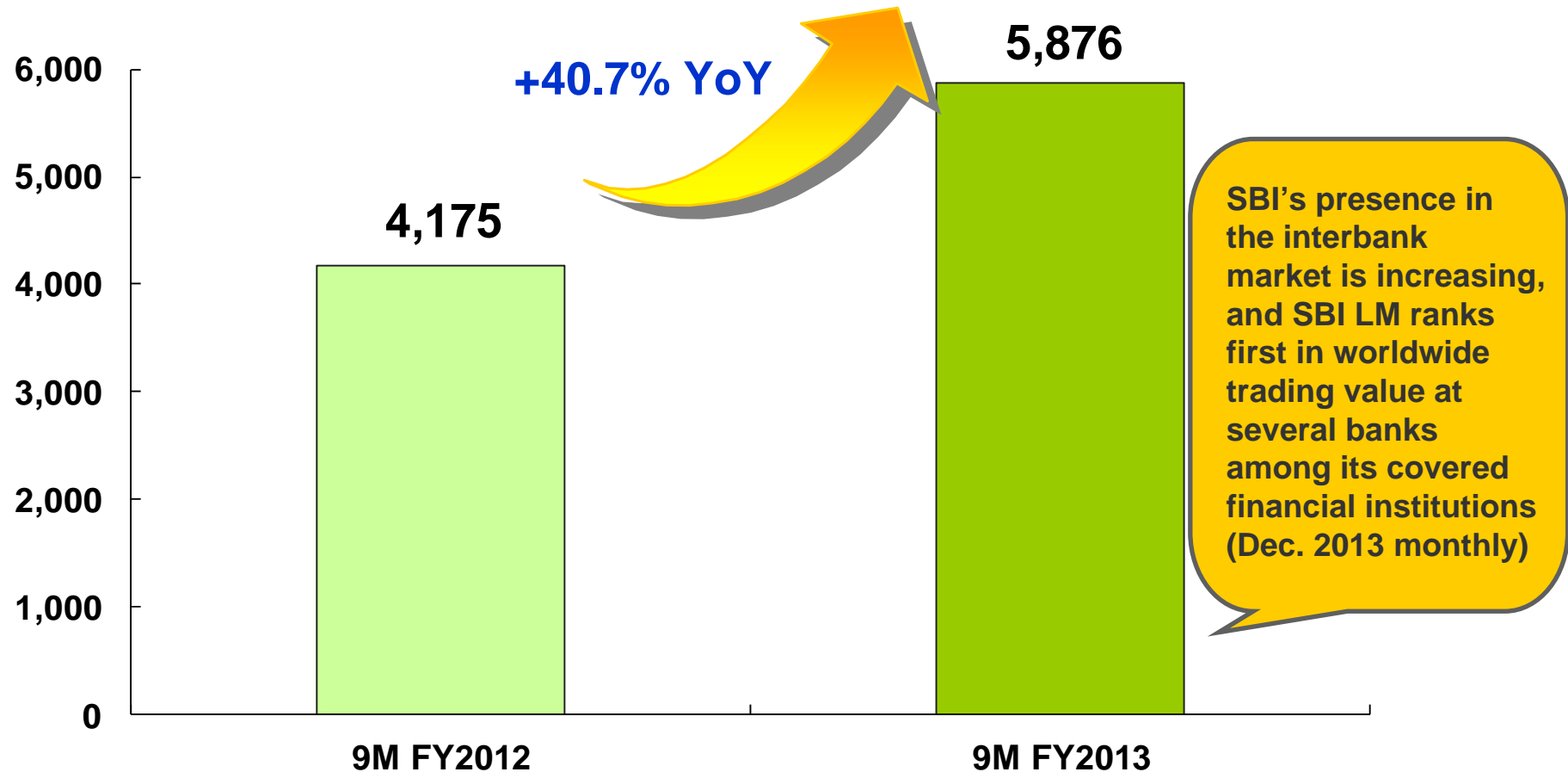
Source: Yano Research "Monthly Research on 17 Major FX Trading Companies – Dec. 2013"

Financial Results of SBI Liquidity Market

Operating Income Before Allocation

(JPY million)

SBI Liquidity Market's "Operating Income Before Allocation" represents the amount before its allocation of profits to affiliated companies: SBI SECURITIES, SBI Sumishin Net Bank and SBI FXTRADE



* Based on J-GAAP

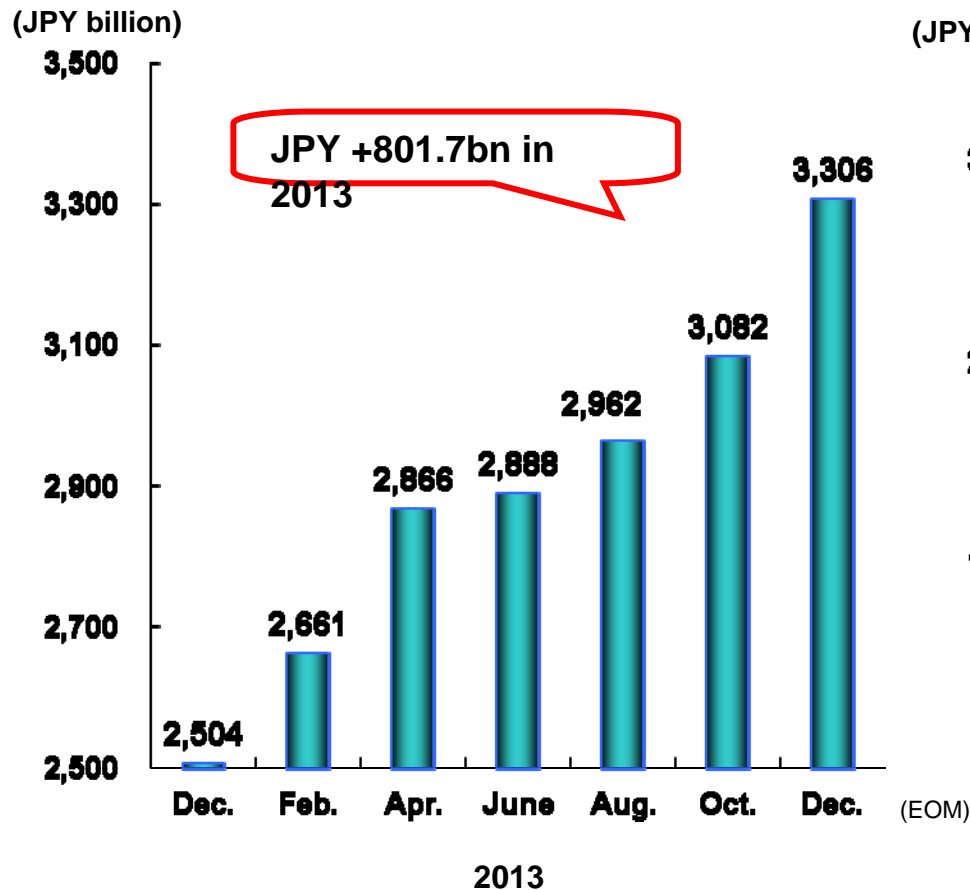
④ SBI Sumishin Net Bank

- **As of Dec. 31, 2013, the number of accounts reached 1.88 million and deposits surpasses JPY 3.3tn. The business base continues to steadily expand.**
- **Specific purpose loan products launched in May 2013 is steadily growing. Continuing a successful diversification of its fund management methods.**
- **9 month FY2013 period ordinary income (J-GAAP) rose 63.5% year-on-year to approx. JPY 8.1bn. FY2013 full-year ordinary income is expected to exceed JPY 10.0bn. On the IFRS basis used at SBI Holdings, since a loss on revaluation of securities accompanying devaluation of government bonds and other securities held was recorded in 1Q, the profit contribution in 9 months FY2013 was small: profit before income tax expense was JPY 0.1bn.**

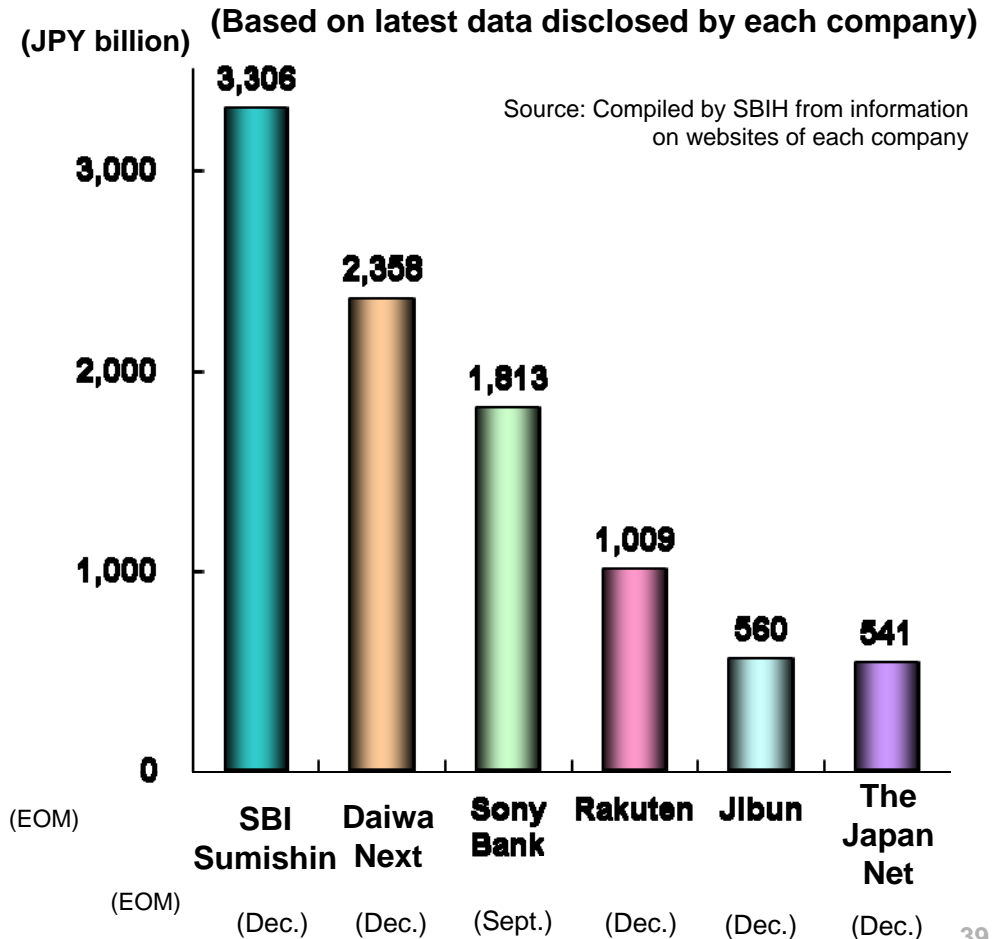
Deposit Balance Exceeds JPY 3.3tn (on Dec. 26, 2013) for the First Time Among Pure-play Internet Banks

Number of accounts: 1,886,065 / Deposits: JPY 3,306.0bn
(as of the end of Dec. 2013)

Change in Deposits



Deposits of 6 Internet Banks



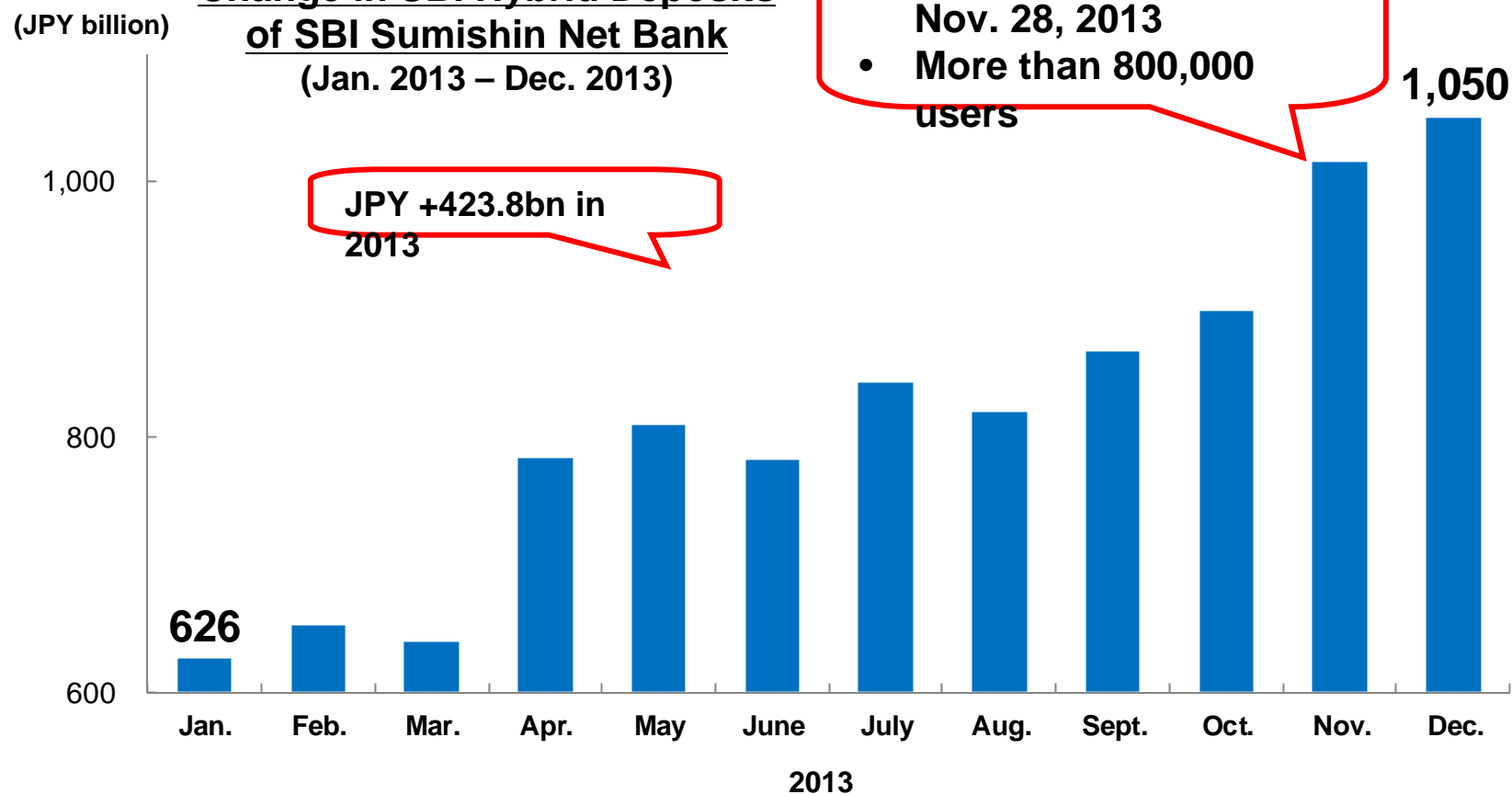
* Amounts are rounded to the nearest 100 million yen.

Synergy with SBI SECURITIES Contributed to 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
(Jan. 2013 – Dec. 2013)**



SBI Sumishin Net Bank is 34th among 75 Banks Including Community Banks and New Entrant Banks

Ranking in deposits (community banks and New Entrant Banks) (JPY billion)

Rank	Bank name	Listing	Deposits
1	Bank of Yokohama	✓	11,484.9
2	Chiba Bank	✓	9,636.8
3	Bank of Fukuoka	*1	8,063.7
4	Shizuoka Bank	✓	7,932.4
5	Joyo Bank	✓	7,355.3
6	77 Bank	✓	6,897.1
7	Nishi-Nippon City Bank	✓	6,400.6
8	Bank of Kyoto	✓	6,091.5
9	Hiroshima Bank	✓	5,932.5
10	Hachijuni Bank	✓	5,823.3
11	Gunma Bank	✓	5,822.8
12	Shinsei Bank	✓	5,631.6
13	Hokuriku Bank	*1	5,585.4
14	Chugoku Bank	✓	5,492.5
15	Juroku Bank	✓	5,014.9

Rank	Bank name	Listing	Deposits
16	Ashikaga Bank	*1	4,782.1
17	Iyo Bank	✓	4,639.3
18	Yamaguchi Bank	*1	4,583.2
19	Senshu Ikeda Bank	*1	4,512.8
20	Nanto Bank	✓	4,432.1
21	Hokkaido Bank	*1	4,250.6
22	Daishi Bank	✓	4,180.7
23	Shiga Bank	✓	4,094.9
24	Hyakugo Bank	✓	4,077.5
25	Toho Bank	✓	4,068.2
26	Ogaki Kyoritsu Bank	✓	3,986.5
27	Higo Bank	✓	3,729.8
28	Musashino Bank	✓	3,634.8
29	San-in Godo Bank	✓	3,618.2
30	Citibank Japan	n/a	3,541.5

Rank	Bank name	Listing	Deposits
31	Kiyo Bank	*1	3,540.0
32	Suruga Bank	✓	3,514.8
33	Hyakujushi Bank	✓	3,427.9
34	SBI Sumishin Net Bank	n/a	3,306.0
35	Kinki Osaka Bank	*1	3,250.2
36	Kagoshima Bank	✓	3,146.3
37	Bank of Iwate	✓	3,023.9
38	Hokkoku Bank	✓	3,016.5
39	Aozora Bank	✓	2,714.0
40	Yamanashi Chuo Bank	✓	2,547.6

*1 Bank Holding Company is listed

⋮

* As of the end of Mar. 2013

The number of SBI Sumishin Net Bank is as of Dec. 31, 2013. Amounts are rounded to the nearest 100 million yen.

(Source: websites of each company)

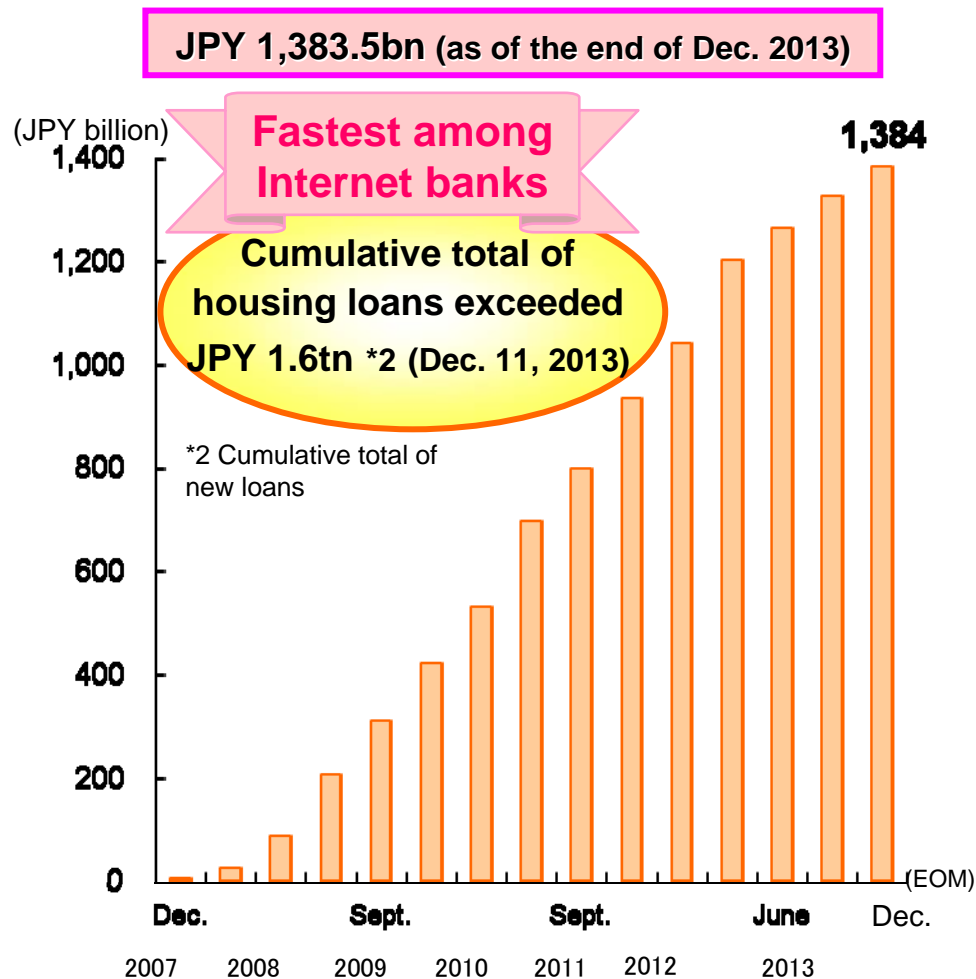
Diversification of Loans with Deposits Accumulating

Balance expanded at auto loan (JPY 211.3bn*) and net loan (JPY 53.5bn*)

* as of the end of Dec.

Change in Balance of Housing Loans *1 (Dec. 2007 – Dec. 2013)

*1 Deducts repayments from the cumulative total of new loans. Include housing loans as a banking agency of Sumitomo Mitsui Trust Bank



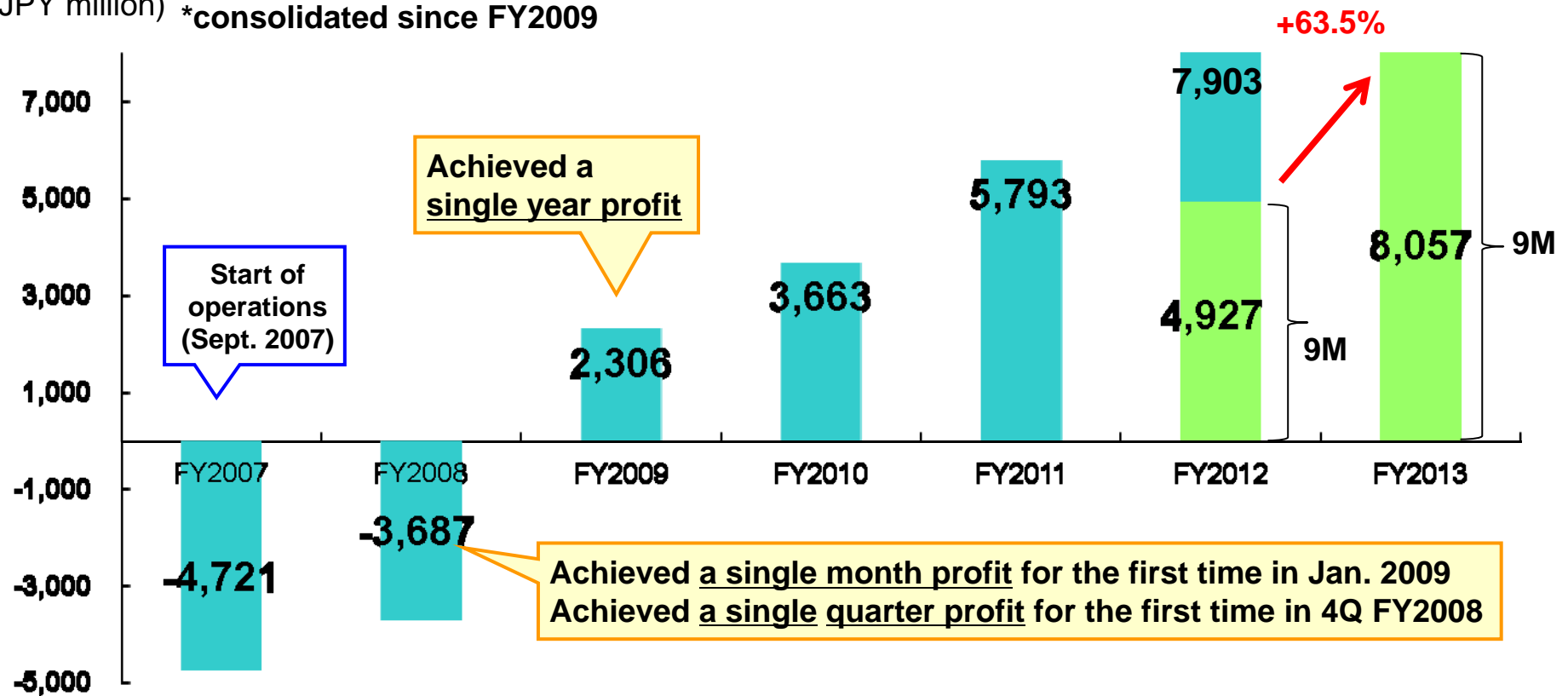
SBI Sumishin Net Bank's housing loans business:

- ① Housing loans processed directly by SBI Sumishin Net Bank
 - Via alliance with real estate companies(from Sept. 2007)
 - "Mr. Housing Loan" (from Nov. 2013)
- ② Banking Agency Business for Sumitomo Mitsui Trust Bank (from Jan. 2012)

The total of new housing loans (①+②) for 9 months FY2013 increased 10.9% YoY

Change in Ordinary Income after Start of Operations (J-GAAP)

(JPY million) *consolidated since FY2009



Expectations are for ordinary income to exceed JPY 10bn for this fiscal year

Financial Results Comparison of Internet Banks for the 9 Month FY2013 Period (J-GAAP)

JPY billion; parenthetic figures are YoY % change

	Date of operation started	Balance of loans	Ordinary revenue		Ordinary income		Net profit	
SBI Sumishin (cons.)	<u>Sept. 2007</u>	<u>1,259.0</u>	<u>34.6</u>	<u>(20.9)</u>	<u>8.1</u>	<u>(63.5)</u>	<u>4.9</u>	<u>(61.2)</u>
Daiwa Next	May 2011	98.3	22.8	(15.3)	3.1	(40.6)	2.0	(29.2)
Jibun	July 2008	69.4	14.9	(22.0)	1.5	(13.3)	1.4	(7.8)
The Japan Net	Oct. 2000	32.3	17.4	(27.8)	4.1	(179.3)	2.5	(201.7)
Sony Bank (cons.)	June 2001	To be announced on Feb.14, 2014						
Rakuten (cons.)	July 2001	To be announced on Feb.14, 2014						

* Amounts are rounded to the nearest 100 million yen.

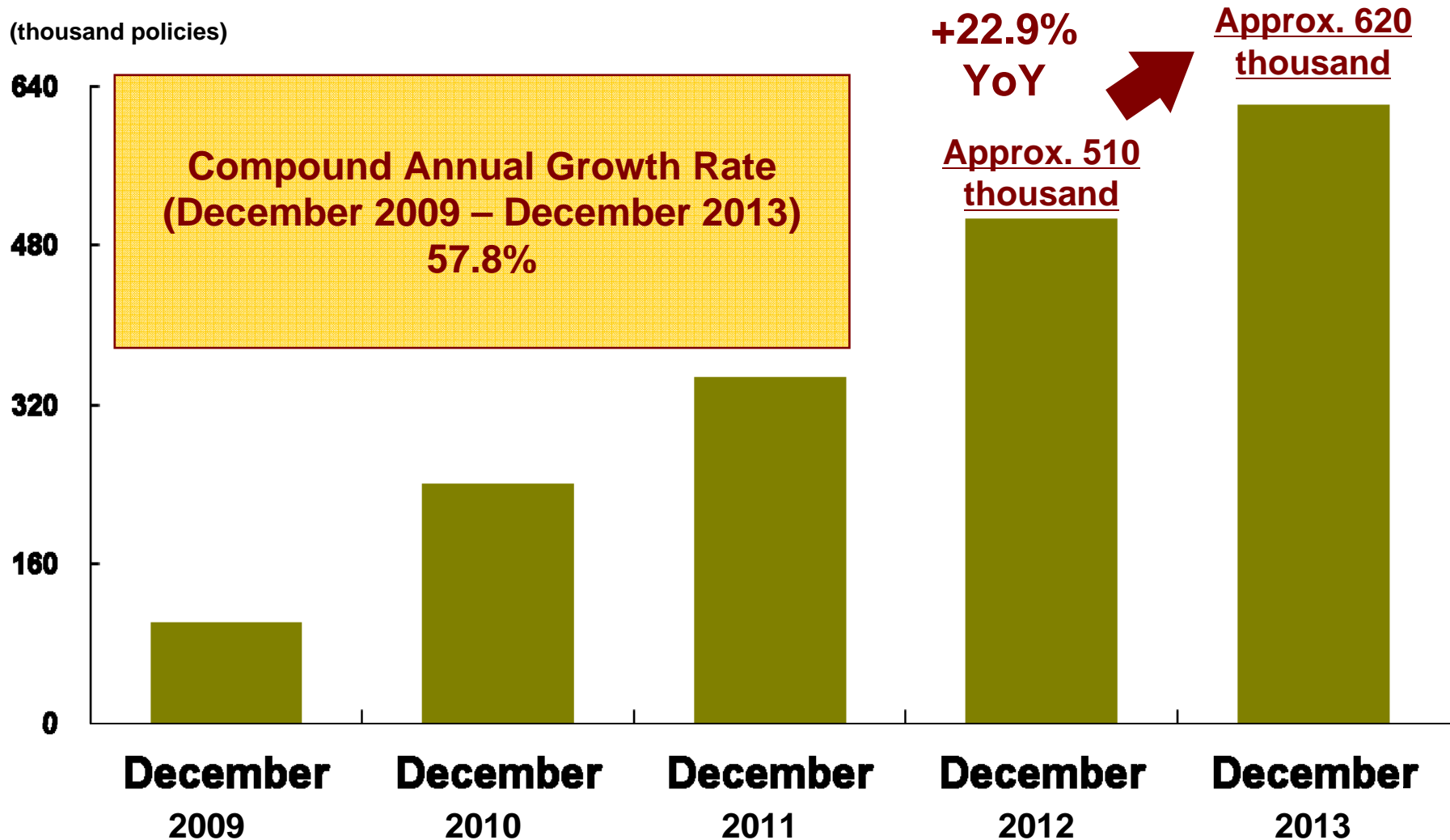
⑤ Insurance Business

- **SBI Insurance's auto insurance business continues to expand with the number of contracts up 22.9% and insurance premiums up 19.7% year-on-year.**
- **SBI Insurance has improved its combined ratio steadily and expects full-year profitability in FY2015.**
- **Both SBI SSI and IKI KI SEDAI has grown rapidly since the acquisition of their shares by the SBI Group**

SBI Insurance's Number of Auto Insurance Contracts



Number of Auto Insurance Contracts (Written Basis*)



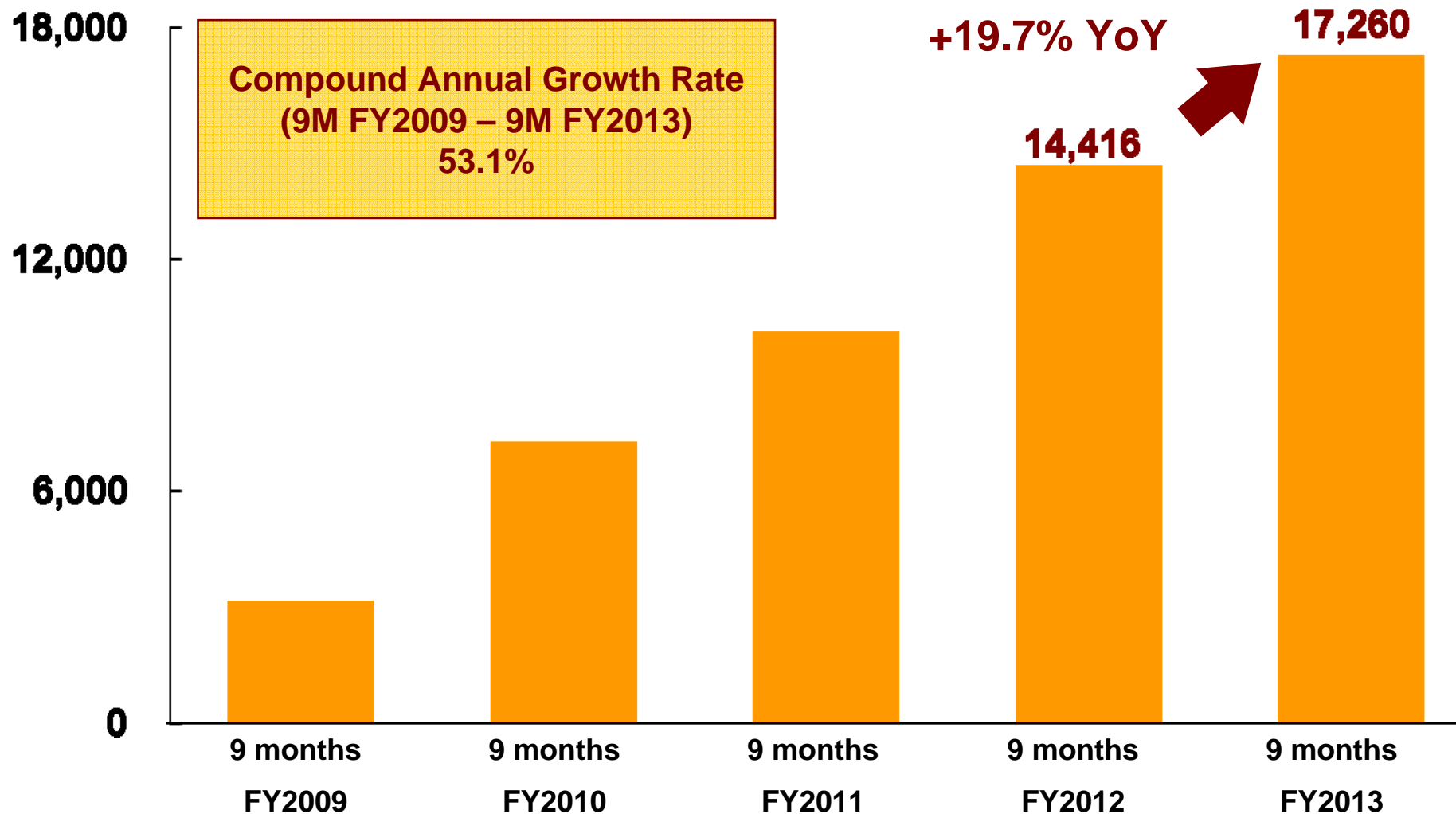
(EOM)

* 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



Change in Insurance Premium Income (JPY million)



Combined Ratio^{*1} Improvement

	9 months FY2012	9 months FY2013
Combined ratio	102.7%	<u>98.7%</u>
Net operating expenses ratio	34.6%	<u>25.7%</u>
Net loss ratio	68.1%	<u>73.0%</u>

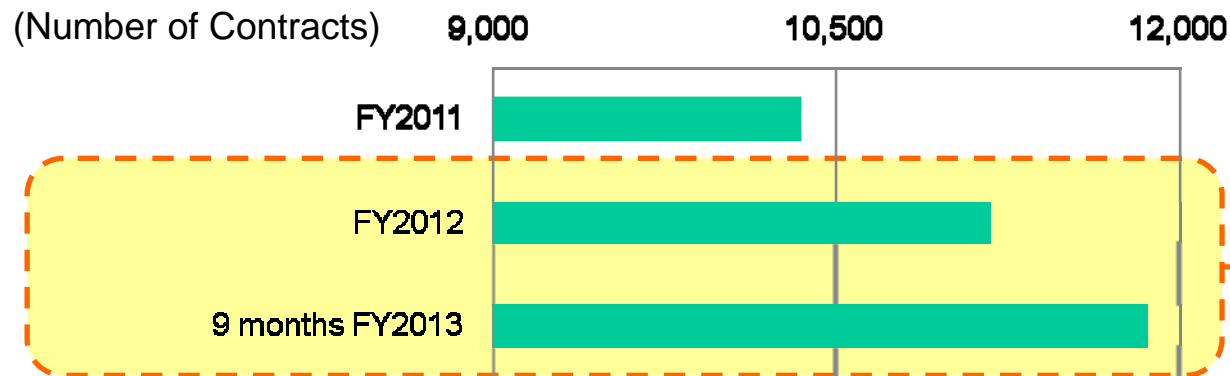
In general, the net loss ratio tends to relatively increase as growth in insurance premium income, the denominator, slows. However, the E/B loss ratio, calculated on the basis of premiums earned during past year, which indicates the occurrence of substantive losses, is trending down.

Targeting full-year profitability in FY2015 on an IFRS consolidated basis.

*1 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.

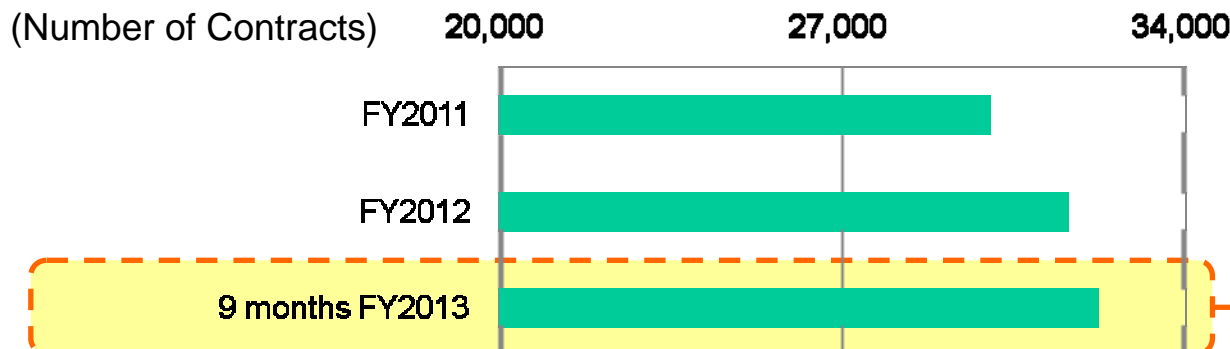
The Two Small Amount and Short Term Insurance Companies Continue Steady Growth through the Full Utilization of the SBI Group's Know-how and Synergies

[SBI SSI] (Acquired on Mar. 2012)



Shows rapid growth after the acquisition of shares by the SBI Group

[IKI IKI SEDAI] (Acquired on Mar. 2013)



⑥ SBI Mortgage

- **In an adverse business environment where the “Flat 35” market shrank, profit before income tax expense for the 9 month FY2013 period (Apr. – Dec.) increased 11.7% year-on-year, and profit for the period rose 12.3%.**
- **The number of refinancing housing loans issued (monthly basis) reached a record in Dec. 2013.**
- **SBI Mortgage’s “Flat 35” market share, of the total number of loans issued, further expanded to 29.0% in Dec. 2013.**

SBI Mortgage Consolidated Financial Results for the 9 Months FY2013 (IFRS) ^{*1}

(Announced on Jan. 29, 2014)

(JPY million)

	9 Months FY2012 (Apr. 2012 – Dec. 2012)	9 Months FY2013 (Apr. 2013 – Dec. 2013) ^{*2}	YoY % change
Net Operating Revenue	8,493	9,224	+8.6
Profit Before Income Tax Expense	2,715	3,033	+11.7
Profit for the Period	1,677	1,883	+12.3

*1 The results above are unaudited and therefore subject to change upon an audit by external auditors.

*2 Consolidated SBI Lease from Oct. 2013.

Market cap on Korea's KOSPI Market (as of Dec. 31, 2013): JPY 27.5bn

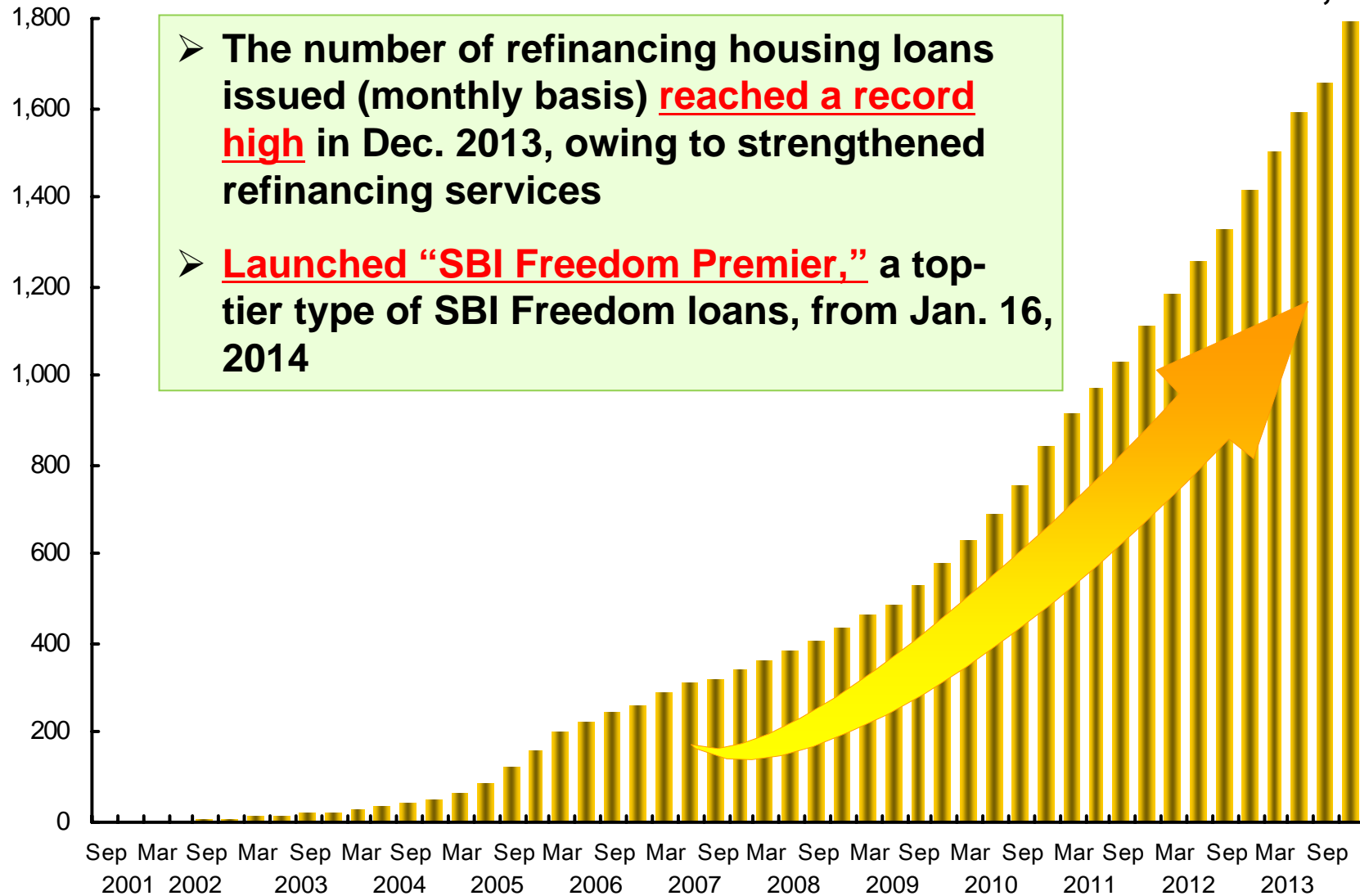
(Converted at KRW 1 = JPY 0.0998)

SBI Mortgage's Outstanding Loan Balance



End of Dec. 2013:
JPY 1,795.7bn

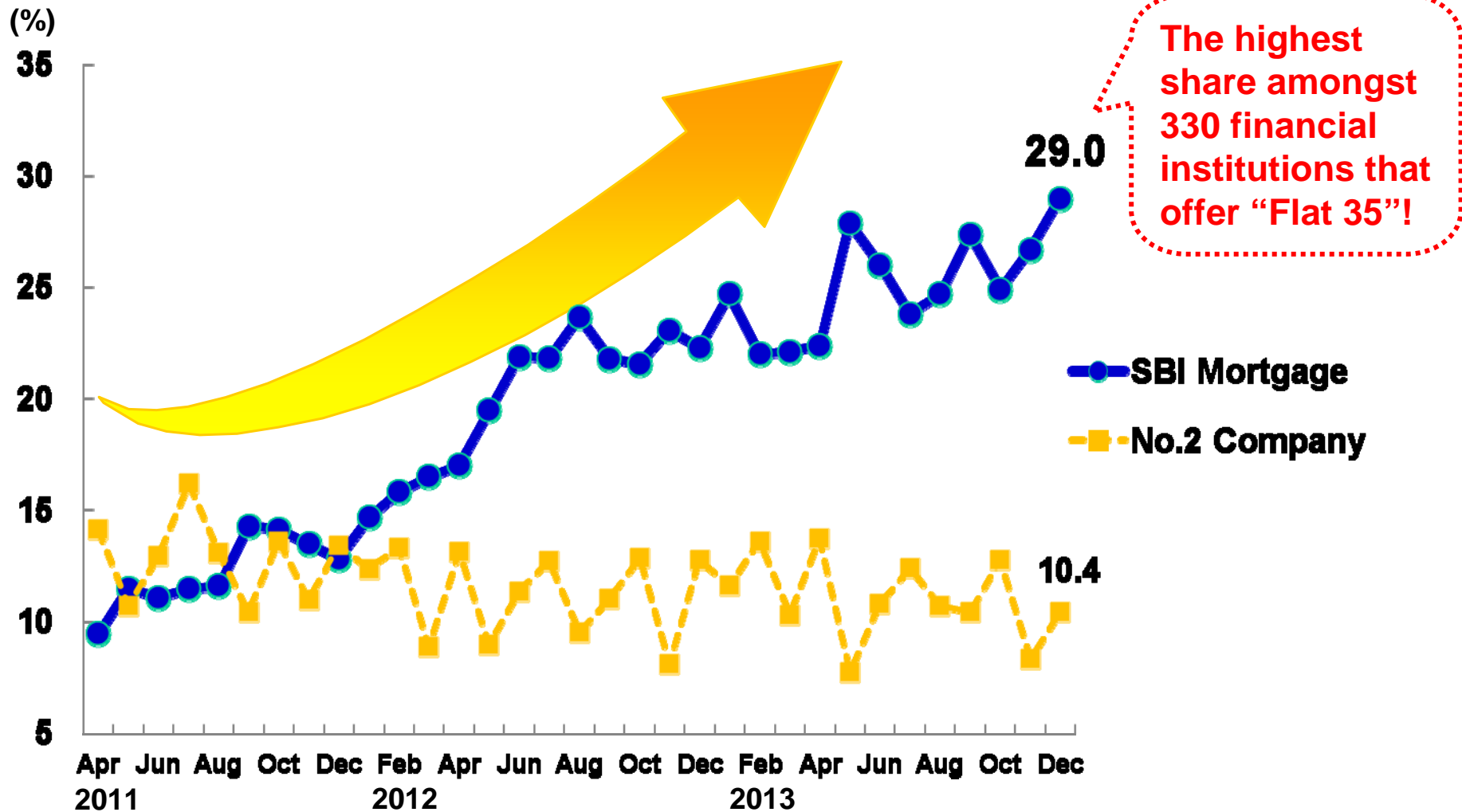
(JPY billion)



- The number of refinancing housing loans issued (monthly basis) **reached a record high** in Dec. 2013, owing to strengthened refinancing services
- **Launched “SBI Freedom Premier,”** a top-tier type of SBI Freedom loans, from Jan. 16, 2014

SBI Mortgage's "Flat 35" Market Share

"Flat 35" Market Share in Terms of the Number of Loans Issued



Source: Compiled by SBI Mortgage

⑦ SBI MONEY PLAZA

(Launched on June 15, 2012)

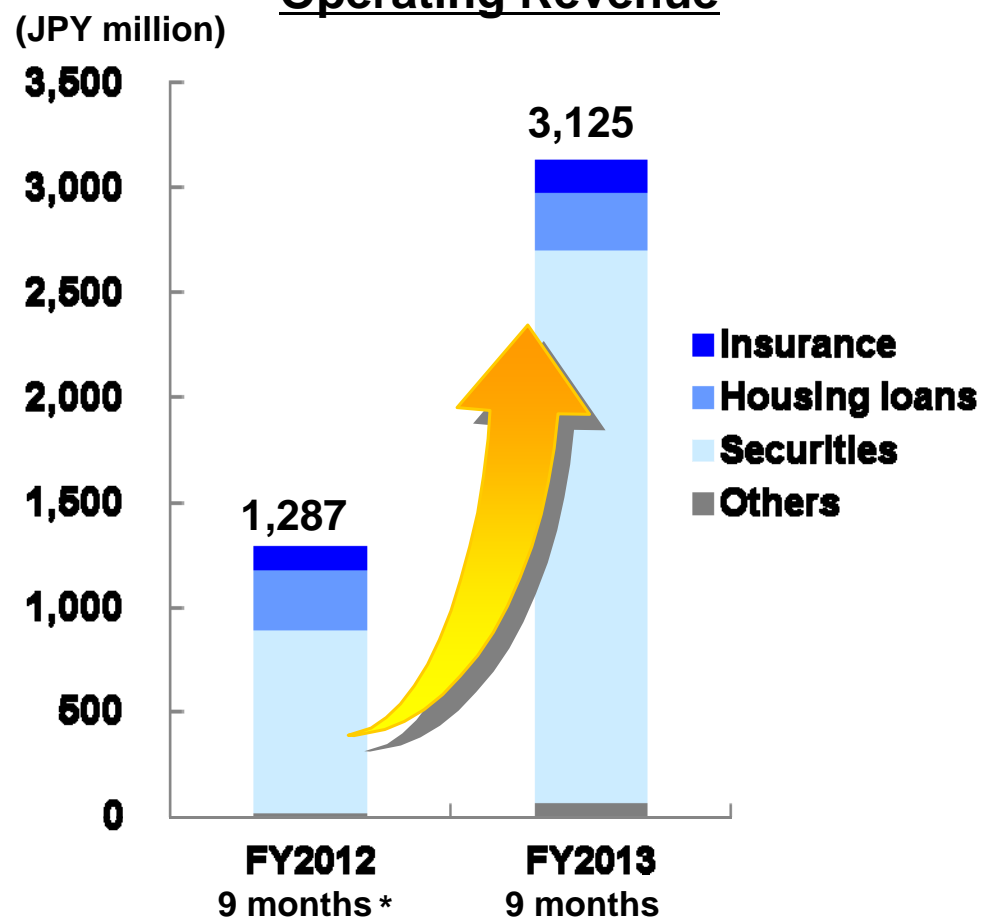
- Recorded operating income (J-GAAP) of JPY 871m for the 9 month FY2013 period, for a year-on-year increase of JPY 1,019m
- Further expanded SBI MONEY PLAZA network to 330 shops, or 635 shops if Insurance Clinic and Mitsubachi Insurance shops both operated by SBI's investee companies are included, as of the end of Dec. 2013

SBI MONEY PLAZA Financial Results for the 9 Month Period (J-GAAP)

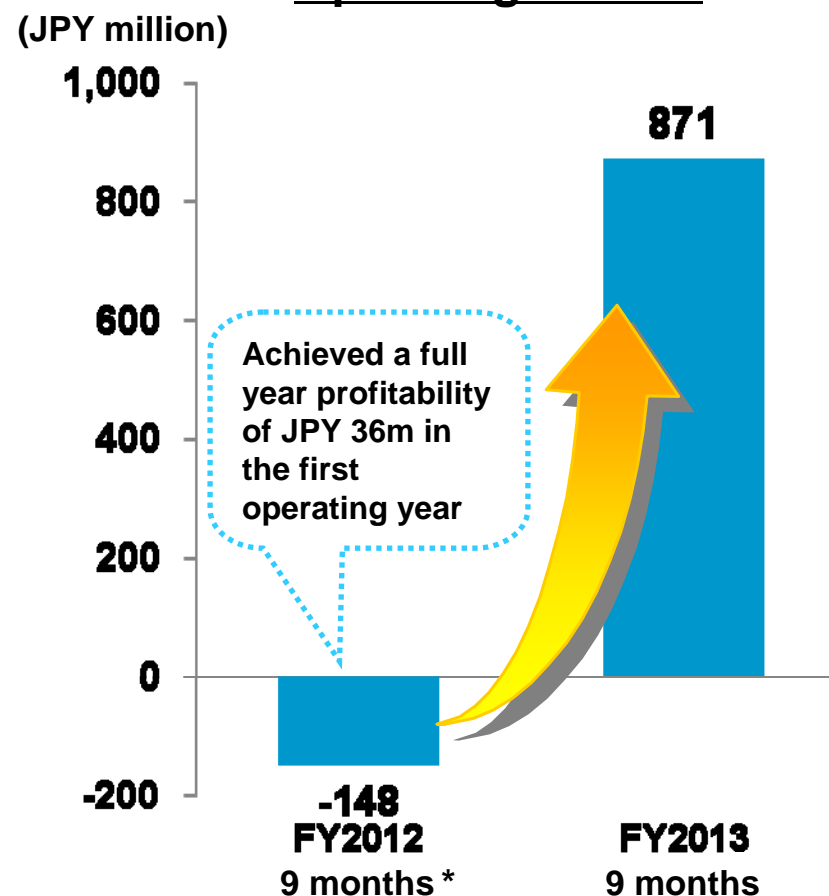


With the rise in stock markets toward the end of last year, the securities business continued its steady performance in 3Q FY2013. **Operating income for the 9 month FY2013 period (J-GAAP) was JPY 871m, up JPY 1,019m YoY.**

Operating Revenue

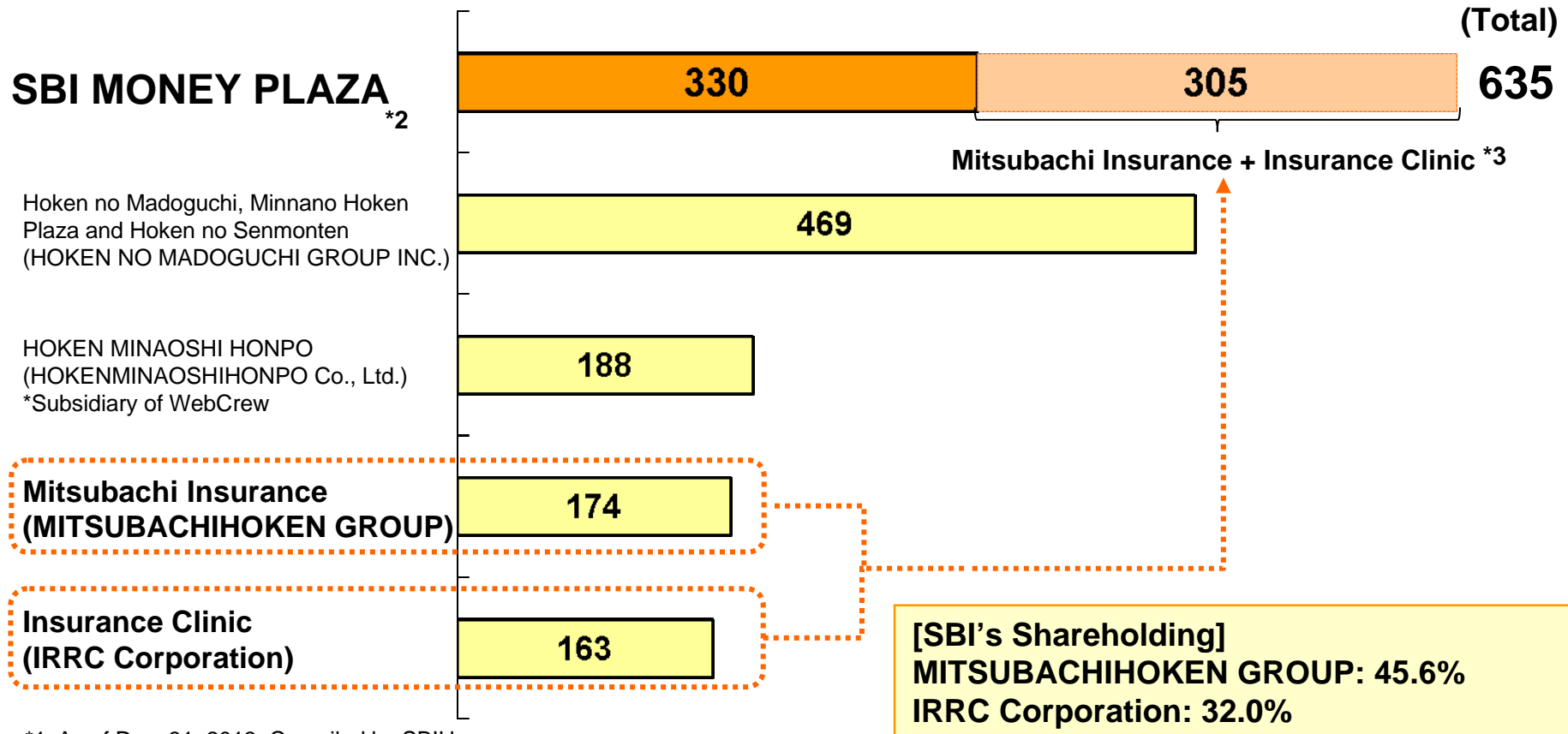


Operating Income



* Launched on June 15, 2012

Further Expanding SBI MONEY PLAZA Network to Improve Sales Capabilities



*1 As of Dec. 31, 2013. Compiled by SBIH.

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

*3 The number of Mitsubachi Insurance shops are added after subtracting the number of shops that already carry the SBI MONEY PLAZA brand (32 shops as of Dec. 31, 2013).

Although a policy of prohibiting subcontracting of sales by insurance agents was announced by the Financial Services Agency on Jan. 16, SBI MONEY PLAZA does not subcontract sales to commissioned insurance solicitors, and the policy is expected to prove advantageous from the standpoint of competing against industry rivals.

⑧ Morningstar Japan

- **Achieved a significant year-on-year increase in revenue and profit, with operating income and ordinary income reaching record highs for the 9 month period**
- **SBI Asset Management and SBI Searchina, both of which Morningstar Japan absorbed in Oct. 2012, contributed considerably to the improved financial results**

Achieved a Significant Year-on-year Increase in Revenue and Profit, with Operating Income and Ordinary Income Reaching Record Highs for the 9 Month Period



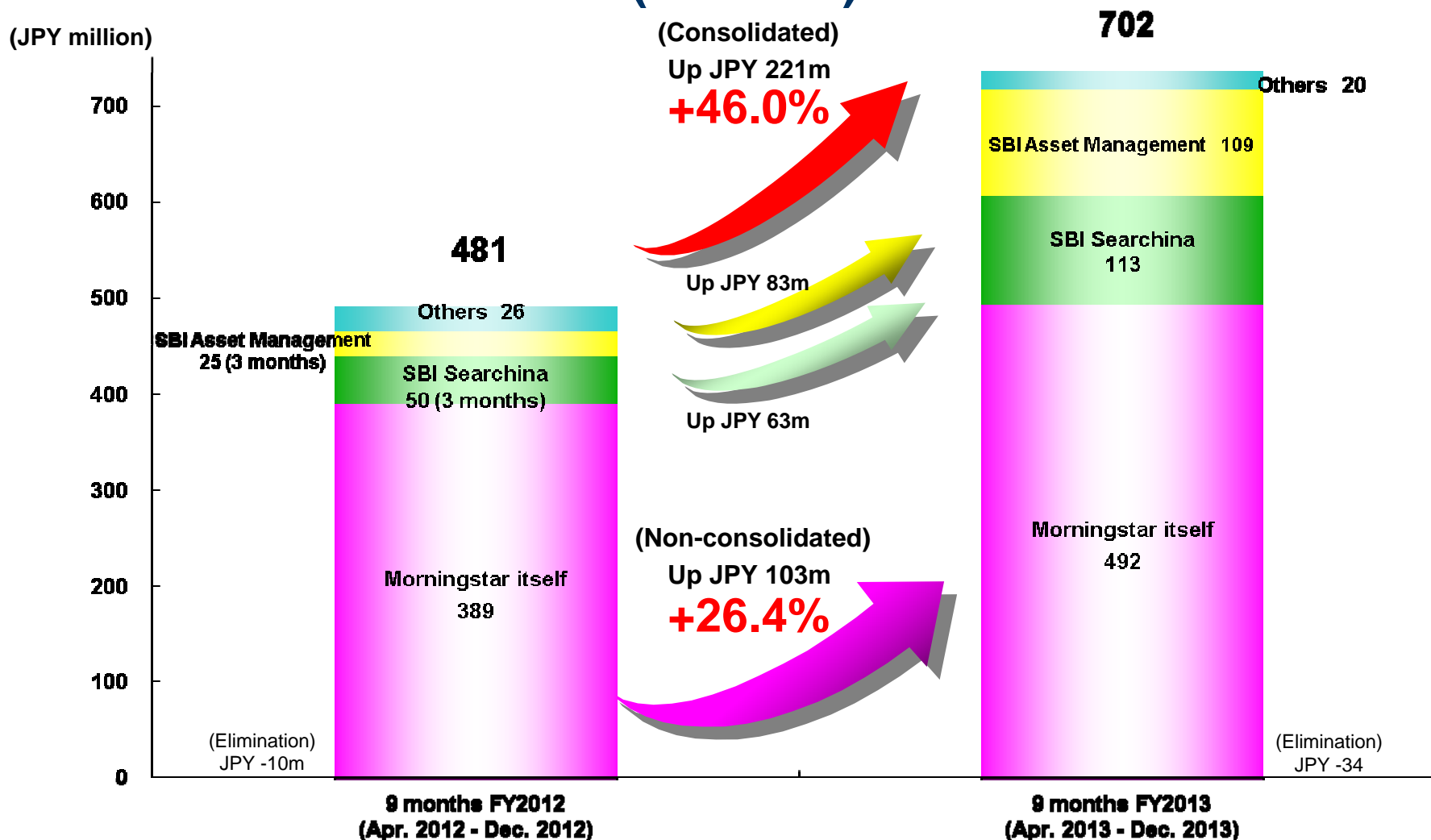
- Advertising revenue increased as the number of website's page views surged, and the provision of fund data increased primarily through tablet devices. NISA-related business is expanding as well.
- SBI Asset Management and SBI Searchina, both absorbed in Oct. 2012, also contributed.

Consolidated Results for 9 Months FY2013 (J-GAAP)

(JPY million)

	9 months FY2012 (Apr. 2012 – Dec. 2012)	9 months FY2013 (Apr. 2013 – Dec. 2013)	YoY % change
Net Sales	1,943	2,823	+45.3
Operating Income	481	702	+46.0
Ordinary Income	552	765	+38.7
Net Profit	329	448	+36.2

Breakdown of Consolidated Operating Income (J-GAAP)



* Figures of SBI Searchchina and SBI Asset Management reflect their respective consolidated operating income.

* In the 9 month FY2012 period, operating income of SBI Searchchina and SBI Asset Management was consolidated for the 3 months (Oct. – Dec. 2012), as the two companies became subsidiaries on Oct. 12, 2012.

* From the total sum of consolidated subsidiaries' operating income, JPY 10m and JPY 34m were eliminated upon consolidation in the Apr. – Dec. 2012 period and in the Apr. – Dec. 2013 period, respectively. These eliminations are omitted on the graph above.

Asset Management Business

Change in Major Stock Indices for the 9 Month FY2013 Period (Apr.-Dec.)

	2013				% change		
	Mar. 31	June 30	Sept. 30	Dec. 31	1Q (Apr.-June)	2Q (July-Sept)	3Q (Oct.-Dec.)
Nikkei 225	12,397.91	13,677.32	14,455.80	16,291.31	10.3	5.7	12.7
NYSE	9,107.05	9,112.7	9,621.25	10,400.33	0.1	5.6	8.1
SSE Composite	2,236.62	1,979.21	2,174.67	2,115.98	-11.5	9.9	-2.7

A Roaring Domestic IPO Market in FY2013

	FY2012 (Apr. 2012 – Mar. 2013)	FY2013*1 (Apr. 2013 – Mar. 2014)	
			Of which Bio-related companies *2
Number of IPOs *3	52 Companies	41 Companies	4 Companies
Initial price/ Public offering price	1.7(x)	2.2(x)	3.1(x)

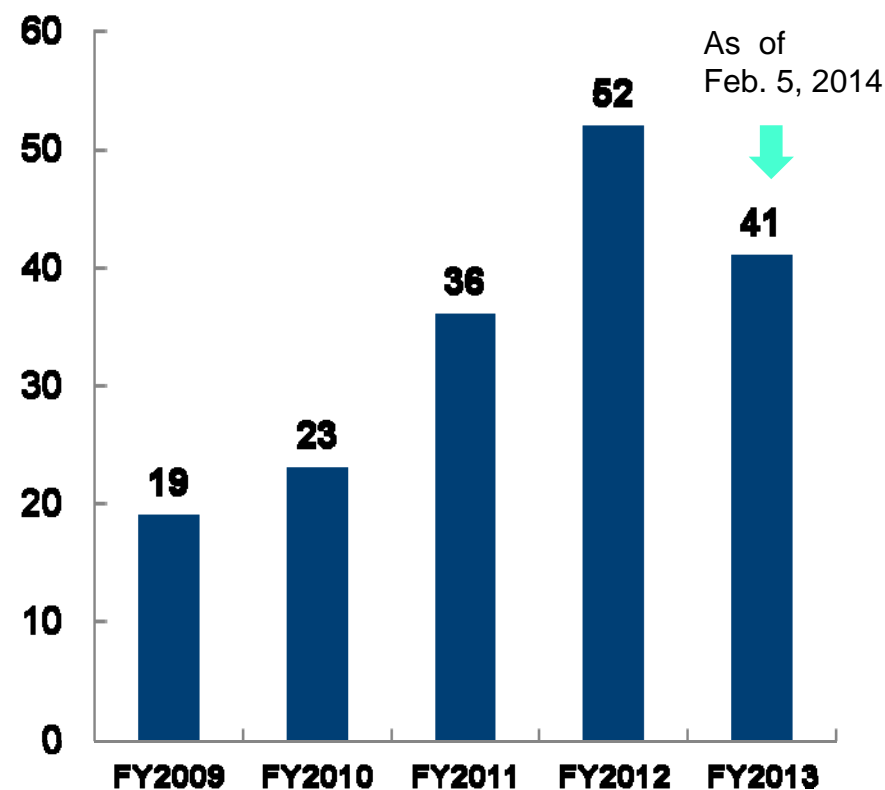
*1: The number of FY2013 is as of Feb. 5, 2014

*2: Bio-related companies:

ReproCELL Incorporated, PeptiDream Inc., Oncolys BioPharma Inc., and Human Metabolome Technologies Inc.

*3: Except the number of companies that listed on Tokyo PRO market

The number of IPOs by fiscal year*4



*4: Each fiscal year is the period from Apr.-Mar.

Performance Analysis by Business Segment

Asset Management Business



The favorable stock market environment contributed to an increase in revenue and profit, through the fair value evaluation of operational investment securities.

[Primary Fluctuations Factors]

(IFRS, JPY billion)

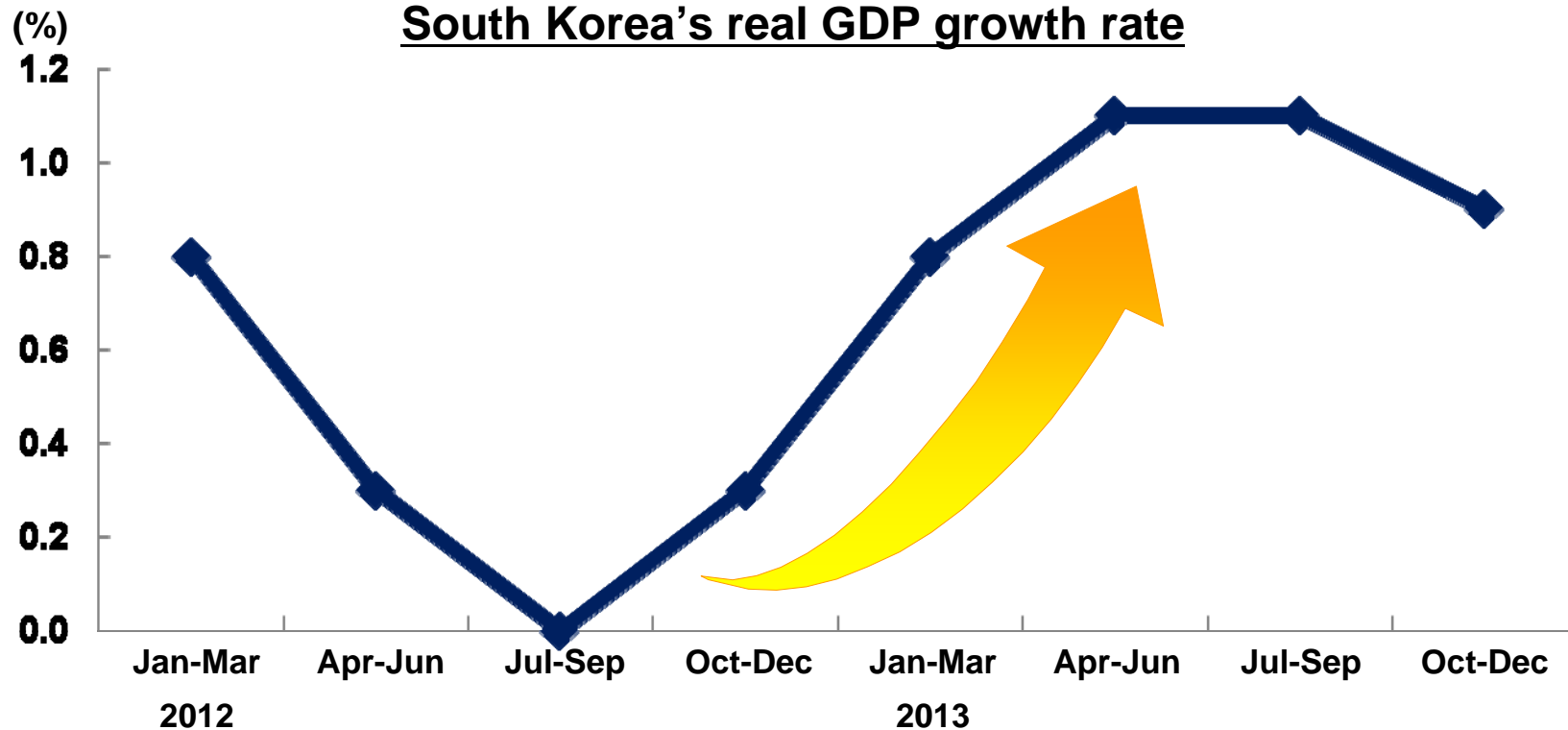
	9M FY2012 (Apr. 2012- Dec. 2012)	9M FY2013 (Apr. 2013- Dec. 2013)	YoY change (amount)
Operating revenue (Sales) for Asset Management Business	28.8	59.0	30.2
Profit before income tax expense for Asset Management Business	8.6	12.9	4.4
<u>Profit/loss from the change in fair value and profit/loss on sales of investment securities</u>	11.8	12.6	0.8
Investees under management and consultation *1	0.4	-0.2	-0.6
Others *2	-3.6	0.5	4.1

*1 Controlling companies among the companies acquired to manage and consult are consolidated and the results are reflected in the Asset Management Business.

*2 "Others" include profit of SBI Savings Bank, along with profit/loss from the change in fair value and profit/loss on sales of investment securities held by SBI Savings Bank

[Current State of SBI Savings Bank]

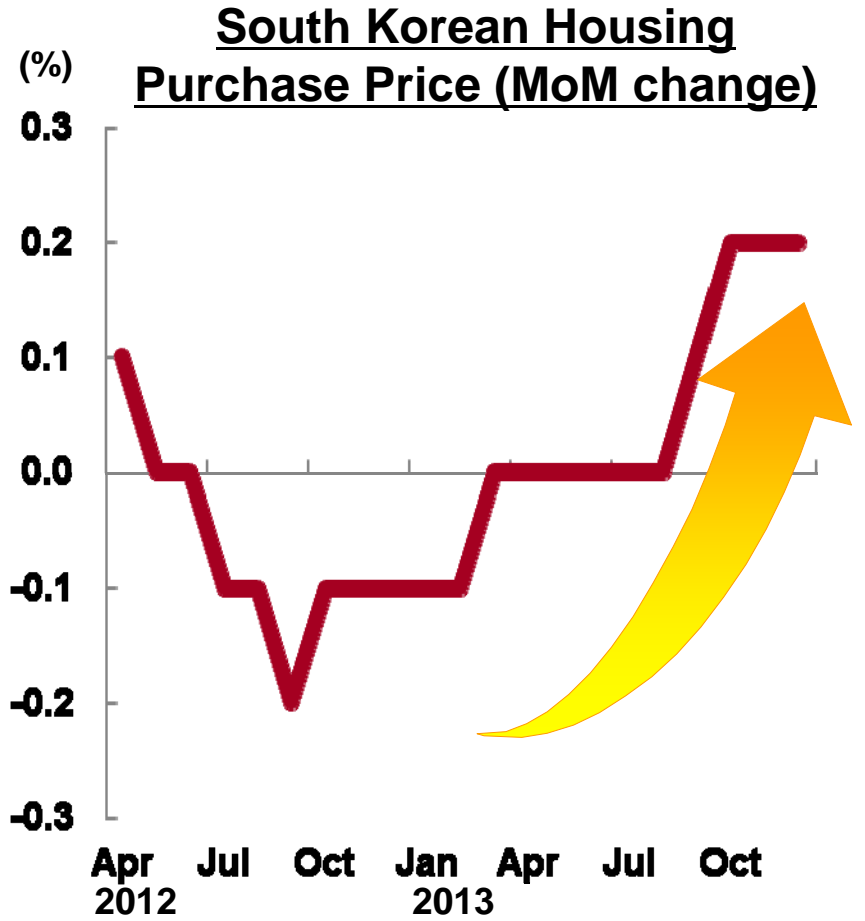
Continued Improvement of SBI Savings Bank's Business Environment ①



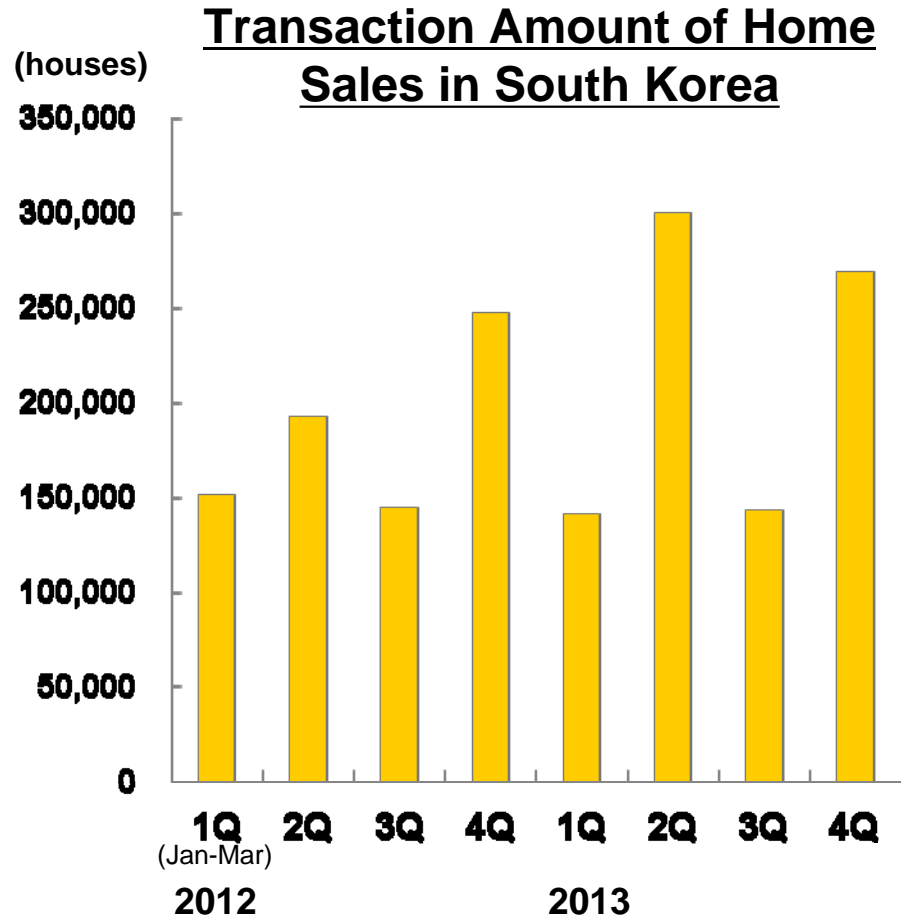
Source: The Bank of Korea

- Real GDP growth rate for 2013 was 2.8%.
- 2014 GDP growth forecasts: 3.8% (The Bank of Korea)
3.9% (South Korea Government) 3.7% (IMF)
3.7% (Goldman Sachs)
4.0% (Nomura Securities)

Continued Improvement of SBI Savings Bank's Business Environment ②



Source: The Bank of Korea



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

- Lowering of the real estate acquisition tax rate and other real estate transaction stimulation policies of the Korean government have succeeded, and housing prices continue to recover.
- Transaction amount of home sales is steadily firming, compared with a year earlier.

SBI Savings Bank Financial Results



9 months FY2013 results
(SBIH's consolidated accounts basis; IFRS)

JPY billion

Operating revenue	28.3
Operating income	3.6
Profit before income tax expense	3.0
Profit for the period	2.9

Operating receivables
(As of Dec. 31, 2013; IFRS)

JPY billion

Operating receivables	359.5
Allowance for bad debt	165.6
Bad debt provisioning %	46.1%

(Rounded to the nearest unit)

- Amid improvement in real estate market conditions, steady progress has been made with debt collection by means including the sale of bad debt (project finance and consumer loans).
- Capital injections from SBI Holdings made the strengthening of sales activities possible, and campaigns, TV commercials and other active promotions for personal loans are underway.
- The business loan structure has been strengthened, and new lending has increased.

Will continue to focus on increasing normal assets and decreasing non-performing assets, to strengthen profitability

Biotechnology-related Business

(1) SBI Biotech

(2) 5-ALA Related Business

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

(Shares: 77.25%)

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 was safely conducted for melanoma patients 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		
①PF-655 (Pfizer Inc.)	Diabetic macular edema (DME) Wet age-related macular degeneration	P2b Clinical Trial
②QPI-1002 (Novartis Pharmaceuticals Corp.)	Kidney Transplantation (DGF) Acute Kidney Injury (AKI)	P2a Clinical Trial
③QPI-1007	Non-arteritic Anterior Ischemic Optic Neuropathy (NAION)	P2 Clinical Trial

①Potential contingency fee (total): USD 713m (approx. JPY 67.2bn)

✓Received so far: USD 28.35m

✓Scheduled for receiving USD 25.8m at the conclusion of Phase 2b

*Based on the premise of an acceptance by Pfizer Inc.

②Potential contingency fee (total): USD 670m (approx. JPY 63.1bn)

✓Not yet received, but will receive USD 8m at the conclusion of Phase2a

*Based on the premise of an acceptance by Novartis Pharmaceuticals Corp.

③Conclusion of an out-licensing and technical cooperation agreement with Biocon, a leading pharmaceuticals company in India (announced Dec. 2013) and planned receipt of a total of US\$1.5 million by October, 2014.

✓Already, SBI Group has received US\$0.5 million.

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

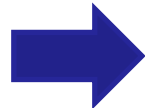
* SBI's shareholding percentage corresponds to a total percentage based on the IFRS criteria for subsidiary companies and subsidiary funds of the Group.

New Top Management Team in Preparation for an IPO in 2014 (Lead manager: Mizuho Securities)

~New Top Management Team of SBI Biotech~

Director, Chairman: Ken-ichi Arai

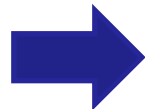
As a leading authority on molecular biology and molecular immunology in Japan, served as dean of The Institute of Medical Science, The University of Tokyo and founded Ginkgo Biomedical Research Institute, forerunner of SBI Biotech. The company became an SBI Holdings affiliate in 2007 and is involved globally in immunotherapy and cellular therapy.



Hereafter will focus on research and academic activities in his areas of specialization

Representative Director, President: Hiroshi Matsumori <New>

Graduated from Meiji Pharmaceutical University Graduate School of Pharmacy with a master's degree in microbiology in Mar. 1982. Joined Pfizer Taito Co., Ltd. (now Pfizer Japan Inc.) in Apr. 1982, where he became involved in wide-ranging areas including research and development, marketing, and management planning. Was appointed director and operating officer in Dec. 2009 and served in capacities including head of the established pharmaceuticals business unit and vice-president of strategy for the Asia-Pacific region.



Is knowledgeable about the global pharmaceutical industry and will undertake further strengthening of the management capabilities of SBI Biotech, which is making concrete preparations for an IPO in 2014

R&D Progress in Medical Field Using 5-ALA

Indications	Country	Progress
Diagnostic agent for cancer treatment: Brain tumor	Japan	We sell a diagnostic agent for malignant glioma, “ALAGLIO®” (from Sept. 2013)
Diagnostic agent for cancer treatment: Carcinoma vesicae	Japan	Designated as an orphan drug Doctor sponsored investigation has been on going at 5 universities, led by Kochi University since Jan. 2012 → Endeavoring to obtain approval by late 2014 Mechanism of a diagnostic agent for bladder cancer <u>underwent patent examination</u> NEW!!
	Bahrain	<u>Performed the first successful surgical removal of bladder cancer in the world using 5-ALA as an intraoperative diagnostic drug and medical devices of SBI Pharmaceuticals at a medical center of Arabian Gulf University in Bahrain</u> NEW!!

Detection Method for Bladder Cancer by Oral Administration of 5-ALA Undergoes Patent Examination in Japan

Mechanism of diagnostic agent for cancer treatment through oral administration of 5-ALA

A case of diagnostic agent “ALAGLIO®” for malignant glioma launched on Sept. 2013:

- ① Oral administration of ALAGLIO®
- ② Protoporphyrin, an active substance obtained from 5-ALA, accumulates in brain tumors (cancer cells).
- ③ Illumination with a special light
- ④ Only brain tumors (cancer cells) are illuminated in red.



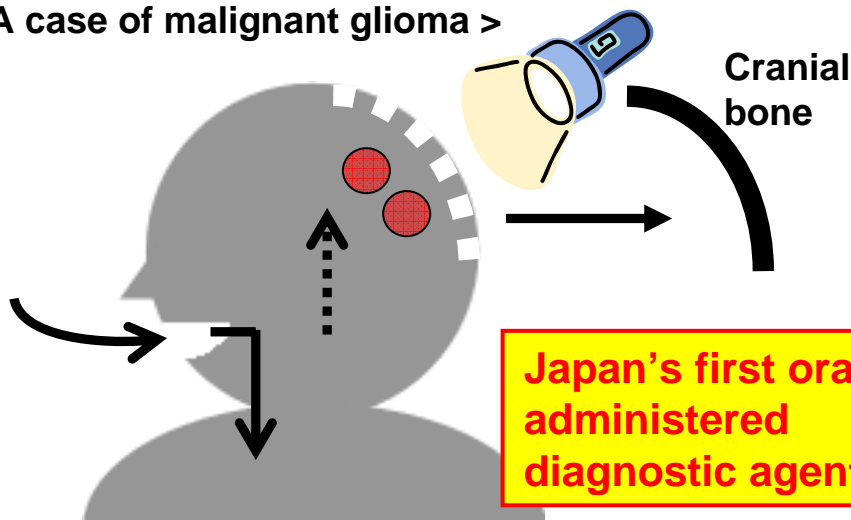
Patent application as a technology that facilitates discrimination between bladder cancer and normal tissue by a similar mechanism

[Patent application number] 2010-509075

[Name of invention] Method of detecting bladder cancer

[Patent applicant] SBI Pharmaceuticals Co., Ltd., Kochi University

<A case of malignant glioma >



Japan's first orally-administered diagnostic agent

(2) 5-ALA Related Business: Diagnostic agent for cancer treatment



The First Successful Surgical Removal of Bladder Cancer outside Japan in Bahrain Using 5-ALA as an Intraoperative Diagnostic Drug in the World

King Abdulla Medical City, a medical center of Arabian Gulf University, a medical university established in Bahrain by the six Gulf states in GCC countries performed the first successful surgical removal of bladder cancer in the world using 5-ALA as an intraoperative diagnostic drug and medical devices of SBI Pharmaceuticals. Moreover, they are preparing for surgical removal of cancer of prostate

Joint press conference in Bahrain held by AGU and SBI Pharmaceuticals

Attended by Ambassador Shigeki Sumi of the Embassy of Japan in Bahrain



Bladder cancer is the fourth most common cancer in men and the eighth most common in women in Gulf Cooperation Council (GCC) countries in the Middle East

By leveraging AGU's network, we will strive to accelerate the spread of an intraoperative diagnostic drug using 5-ALA and medical devices of SBI Pharmaceuticals in the six Gulf states

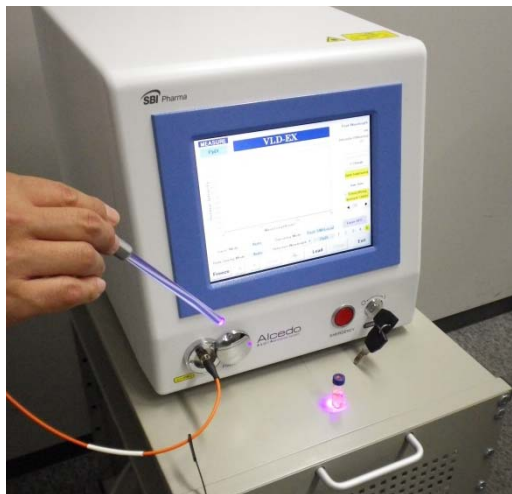
(2) 5-ALA Related Business: Diagnostic agent for cancer treatment



Two Types of Medical Light Source Device for Use of 5-ALA Diagnostic Agents Developed by SBI Pharmaceuticals

Business license for the sale and leasing of specially controlled medical devices obtained in Japan (Sept. 2013)

Laser light source



LED light source



SBI Pharmaceuticals is making preparations to register the light sources as medical devices and aims to sell them in Japan as well.

R&D Progress in Medical Field Using 5-ALA②

Indications	Country	Progress
A drug to treat cancer chemotherapy-induced anemia	UK	Phase I Clinical testing started in Dec. 2012 →Phase I Clinical testing completed in May 2013 →Phase II Clinical testing initiated through doctor sponsored investigation in Japan, considering Japan's cost advantages and the conformity with its national policy for innovative drug discovery
	Japan	Saitama Medical University as the medical institution conducting the clinical trial has started an investigator-initiated trial , with Kitasato Academic Research Organization as the ARO NEW!! →Saitama Medical Institution has already started recruiting, and is planning to acquire 20 subjects by Mar. 2014

The European Patent Office has issued a communication* to grant a patent for therapeutic agent for male sterility through administration of 5-ALA. Patent process underway.

* A communication under Rule 71(3) EPC. This is equivalent to a notice of a decision to grant a patent in Japan.

Study Results on 5-ALA①

Findings of Mechanism of 5-ALA and Iron in Synergistically Inhibiting Growth of *Plasmodium Falciparum* Malaria Parasites (announced on Dec. 2013)

The University of Tokyo, Tokyo Institute of Technology, MRC National Institute for Medical Research and SBI Pharmaceuticals presented their findings in *The Journal of Biochemistry*

Malaria: One of the world's three major infectious diseases and it reportedly infects hundreds of millions of people and kills over 1 million people each year



<Details of Findings>

The combined use of 5-ALA and bivalent iron causes an accumulation of porphyrins in certain organelles* and generates active oxygen which in turn inhibits the growth of *P. falciparum*.

* Organelle: a small structure within a cell.

With fewer side effects compared to any of the existing antimalarial drugs, 5-ALA and bivalent iron are expected to be revolutionary antimalarial drugs that can be administered for prophylactic purposes.

Study Results on 5-ALA②

Presentation of Research Paper on relation between 5-ALA and Cisplatin-Induced Acute Kidney Injury by Kochi University, who conduct cooperative research with SBI Pharmaceuticals, to PLoS ONE, a U.S. Scientific Journal (announced on Dec. 2013)

Nephrotoxicity is a frequent and major limitation in cisplatin (CDDP: a type of anticancer agent)-based chemotherapy



<Details of Findings>

- ✓ CDDP, when used alone, increased Cr (creatinine) and BUN (blood urea nitrogen) in rat renal tissues. However, application of 5-ALA significantly reduced these changes. In addition, 5-ALA ameliorated CDDP-induced morphological renal damage.
- ✓ 5-ALA has the potential to prevent CDDP nephrotoxicity without compromising its anticancer efficacy

5-ALA + Fe treatment is believed to be effective for treating acute kidney injury (AKI) induced by other anticancer agents, sensitizers, and antibacterial agents, expanding the scope of the future 5-ALA study

Status of Development of Health Foods Containing 5-ALA

Three new products released in FY2013

Released in July 2013

ALAPlus GOLD



Price: JPY 9,800
(including tax)

Released in Nov. 2013

ALAPlus



Price: JPY 2,980
(including tax)

Released in Oct. 2013

Eisai Co., Ltd. has
launched a new health
food containing 5-ALA,
"Bi Chocola Enrich,"
for mail order

Sequential launch at approximately 600* dispensing pharmacies, consulting pharmacies, and drugstores nationwide that offer SBI ALA promo products

**Goal of availability at
1,000 stores in FY2013**

**Promotion of the ALAplus series featuring singer Hiromi Go
will be stepped up from around the end of Feb.**

2. Business Environment Outlook for 4Q and the Next Fiscal Year, and Future Business Development

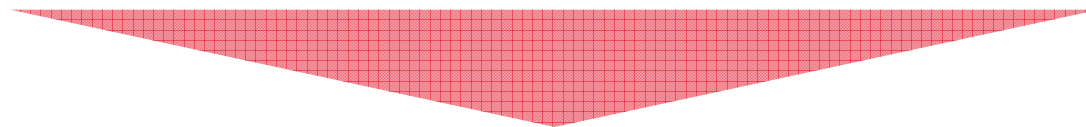
- (1) Macroeconomic Forecast**
- (2) The Domestic Financial Services Business will Continue to Focus on Profitability Improvement**
- (3) The Asset Management Business will More Aggressively Engage in Business Activities in Japan and Overseas, with the Backdrop of the Favorable Market Environment.**
- (4) Overseas Development of 5-ALA Related Business is Progressing**
- (5) With the Upcoming 15th Anniversary Since Its Founding, Continuing to Further Enhance and Strengthen the Management Capabilities**

(1) Macroeconomic Forecast

Macroeconomic concerns ①:

QE3-tapering

FRB decided to reduce asset purchases by USD 10bn in Dec. 2013 and Jan. 2014, respectively

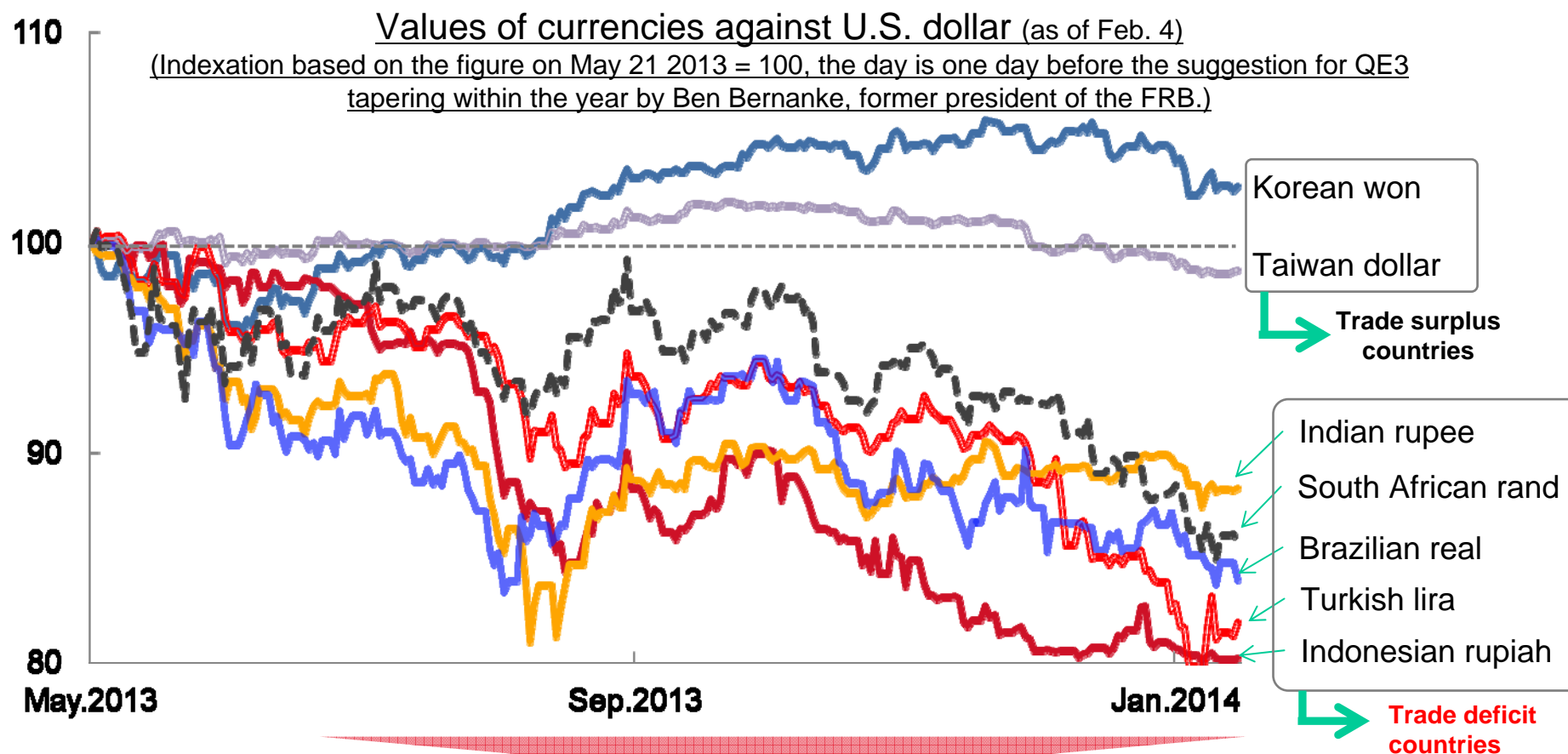


FRB faces some difficult maneuvering, restraining market unrest through forward guidance without being affected by results of some economic indicators for QE3-tapering

Macroeconomic concerns ②:

Capital Flight from Emerging Countries

While QE3-tapering may cause capital flight from some emerging countries, inflation and a rise in interest rates may further adversely influence their real economies.



Along with an economic recovery in the developed countries, an improvement of the current balance, which is derived from an expansion of exports, and a flexible rise in interest rates in emerging countries, especially in the “Fragile Five,” will be the keys.

Macroeconomic concerns ③:

Anxiety Over Chinese Economy

Concerns manifested regarding possible default on advanced financial products

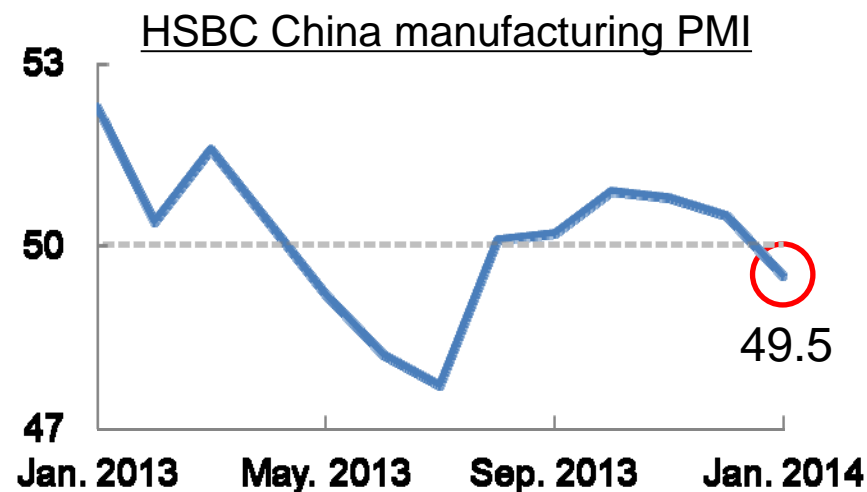
High profile trust:

Advanced financial products. Their funds are to be invested and lent for real-estate and regional government affiliated companies that may not be able to obtain bank loans.



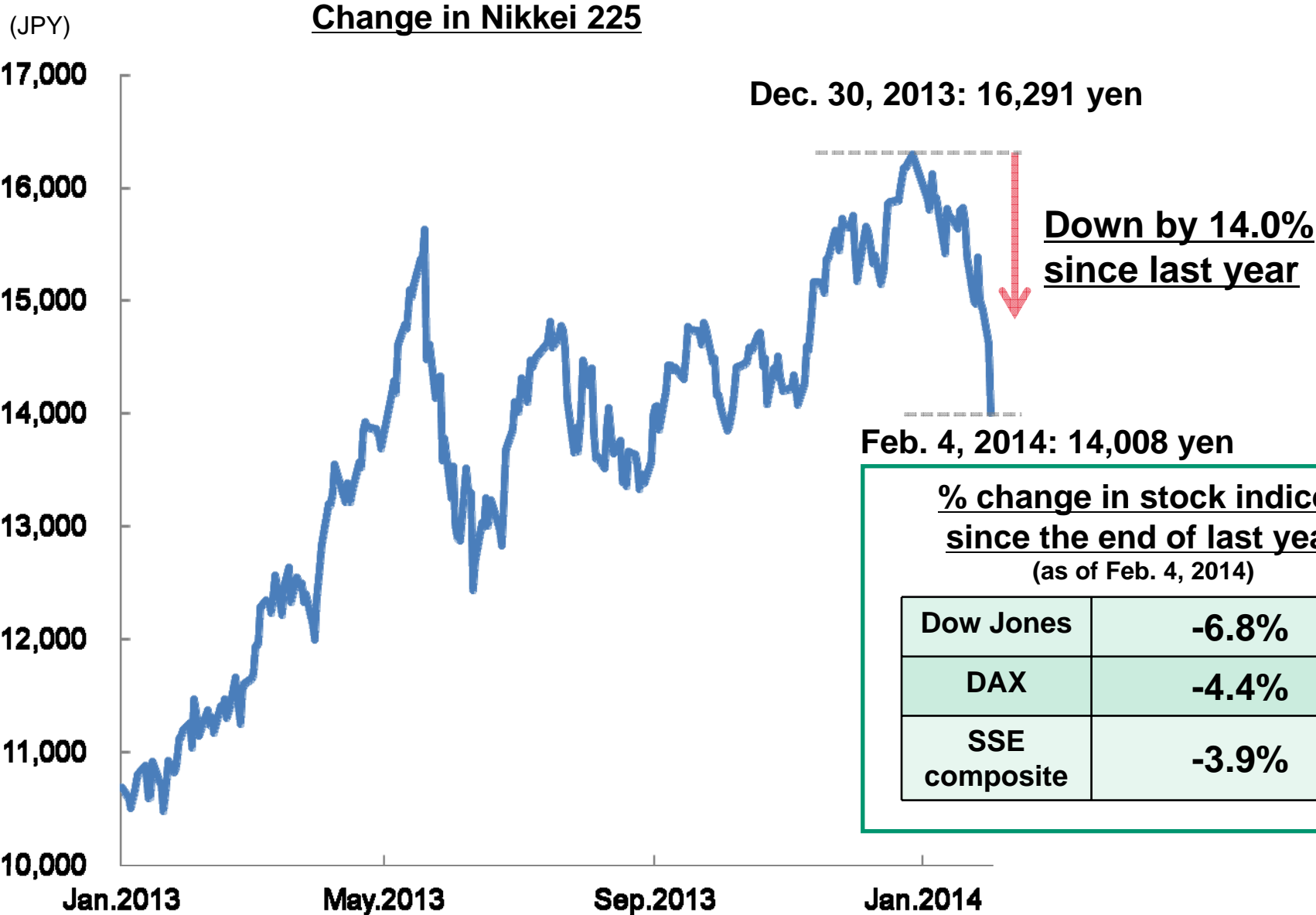
Owing to its large investment balance, RMB 9.9 trillion (as of Sept. 2013) and indistinctness of investee and loan customers, it is concerned about financial market turmoil when default may actually occur.

Manufacturing PMI dropped below 50 for the first time in 6 months, portending a contraction in activity



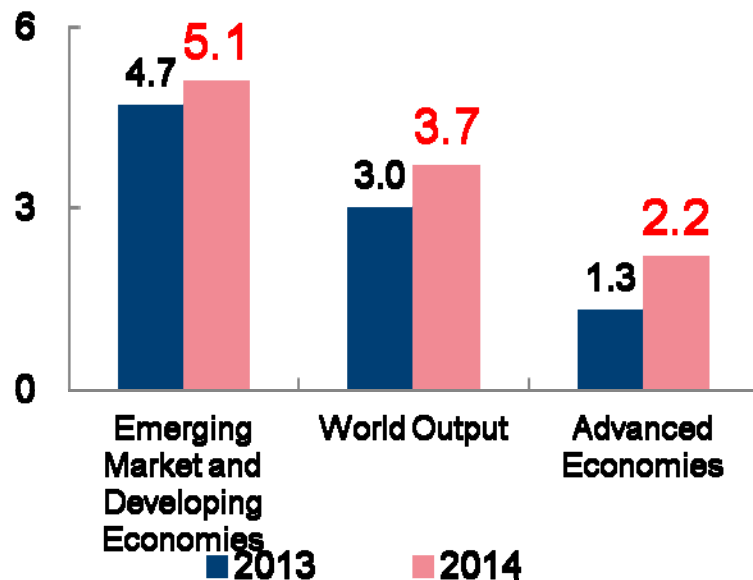
Although the economic reform under the Xi Jinping administration will decelerate economic growth in the short term, it will also affect Chinese economic positively. For example, the reform may reduce the possibility of an economic hard landing, and promote deregulation in the China (Shanghai) Pilot Free Trade Zone.

Stock Market Faces Early Year Correction



Further Economic Growth is Expected in 2014

Comparison in economic growth rate*1
between 2013 and 2014



	2013 calculated by IMF	Forecast in 2014	
		IMF	Nomura
U.S.	1.9	<u>2.8</u>	<u>2.8</u>
Euro area	-0.4	<u>1.0</u>	<u>0.7</u>
Japan	1.7	<u>1.7</u>	<u>2.4</u>
China	7.7	7.5	7.4
India	4.4	5.4	4.8
ASEAN5 *2	5.0	5.1	5.0

Economic indicators are steady

Turn positive first time in 3 years

Consumption tax increase influence is slight

Source: IMF: Jan. 21, 2014 "World Economic Outlook Update"; Nomura: Jan. 2014 "Japan in the world"

*1: Figures in 2014 are outlook projections

*2: Indonesia, Thailand, Malaysia, Philippine and Vietnam

Specific Measures of the Third Arrow of “Abenomics”



Statement of Prime Minister Abe at the World Economic Forum (Jan. 24, 2014)

Corporate tax reduction

We must also make the tax system for companies internationally competitive. (Abbrev)
This year, we will set about further reform on corporate tax.

Agrarian reform

We are also doing away with the "rice production adjustment" system. Private companies will be able to engage in farming without barriers and grow the crops they want, without artificial control over supply and demand.

Labor market reform

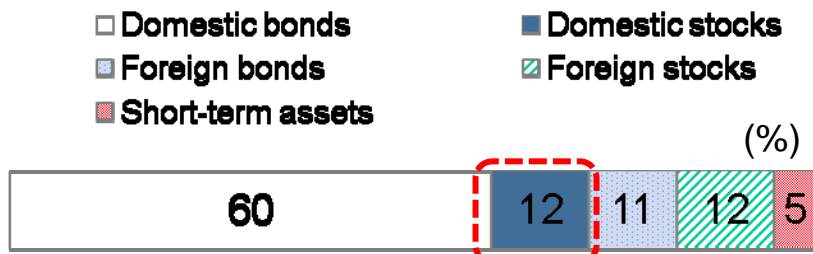
We will reform the labor market that ties workers to old industries. (Abbrev) We will re-direct our subsidies so that workers without meaningful work in old industries can move to new industries that require good human resources.

Source: Prime Minister of Japan and His Cabinet
A New Vision from a New Japan, World Economic Forum 2014 Annual Meeting, Speech by Prime Minister Abe

Certain Factors are Expected to Underpin the Stock Market's Support

① The change of portfolio allocations in the Government Pension Investment Fund (GPIF)

The basic asset portfolio of GPIF (total asset amount: JPY 120tn)



Increase of the ratio is considered

If the ratio of the domestic stocks increases by 1%, **JPY 1.2tn flow into the stock market**

Japan's public fund management will also change a great deal. Japan's Government Pension Investment Fund now holds about 1.2 trillion US dollars. We will press ahead with forward-looking reforms, including a review of that portfolio. The GPIF will contribute to investments leading to growth.

Source: Prime Minister of Japan and His Cabinet

A New Vision from a New Japan, World Economic Forum 2014 Annual Meeting, Speech by Prime Minister Abe

② Tax Exempt System for Small Investment (NISA) that has been introduced in Jan. 2014

Share trading by using NISA account starts on Dec. 26, 2013

According to a think tank study, **within the next five years up to JPY 68tn in funds may flow into stocks, etc.**



Accelerate “the shift from savings to investments”

Bright IPO Outlook in the Domestic and Overseas Markets

Japan

The number of IPOs recovers significantly.

70-80 companies are expected to conduct IPOs in 2014.

U.S.

PE- and VC-backed IPOs will continue to be the driving force, and **the U.S. IPO market is expected to soar in 2014.**

China

In January, Chinese mainland market **resumed IPO listings for the first time in 14 months.** Some say **the number of IPO companies will reach approximately 300 companies throughout 2014.**

(2) The Domestic Financial Services Business will Continue to Focus on Profitability Improvement

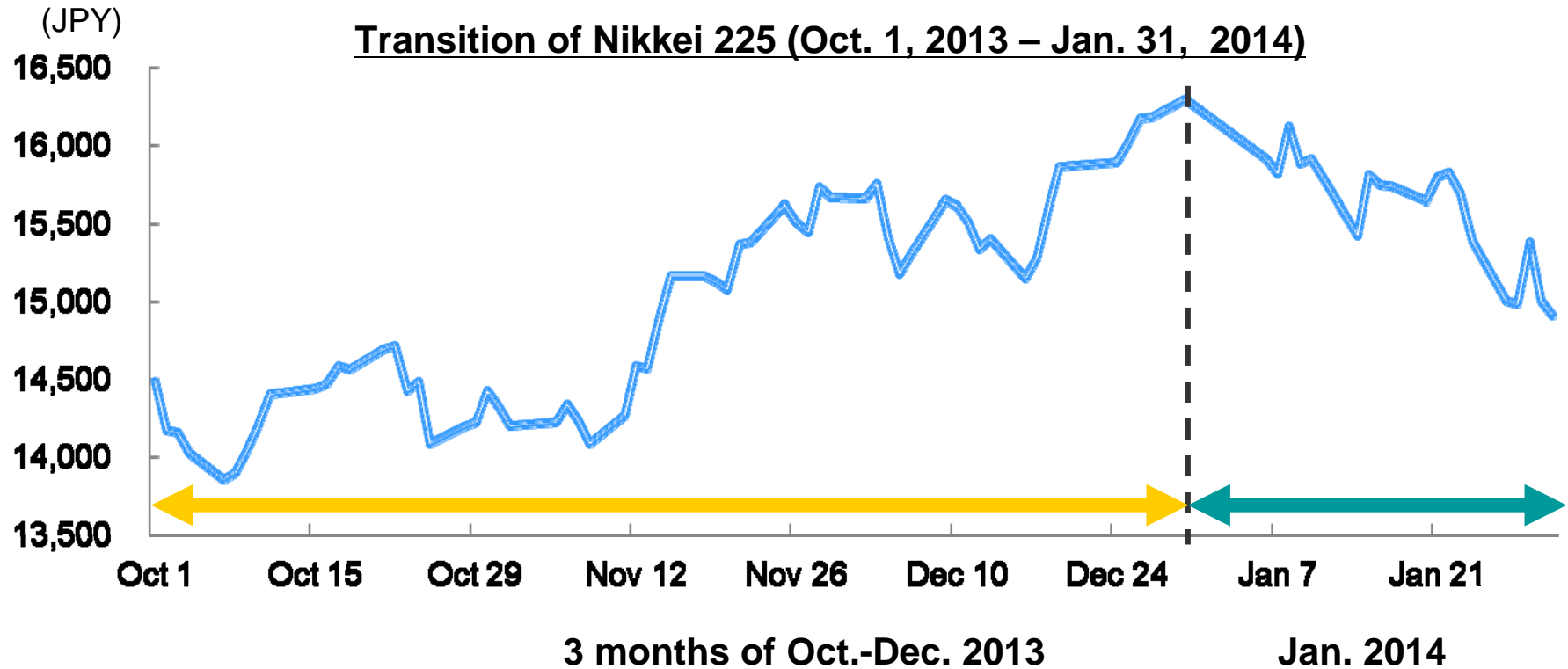
- ① Current volatile market conditions benefit both SBIH's securities business and FX business**
- ② The banking business endeavors to increase profitability through enhanced product offerings and fund management diversification**
- ③ Nonlife insurance business executes efforts to improve its profitability**

① Current volatile market conditions benefit both SBIH's securities business and FX business

SBI SECURITIES:

Increase in Trading Volume Accompanied by Volatility Contributes to a Rise in the Income of Securities and FX Businesses (i)

— SBI SECURITIES —



Number of days when the
Nikkei 225 changed over JPY
100

▪ **31 days**
▪ (50% during 62 business days)

▪ **11 days**
▪ (57.9% during 19 business days)

SBI SECURITIES' average
daily trading value

▪ **JPY 484.0bn**



▪ **JPY 564.9bn ***
▪ **(+16.7%)**

* Daily average trading value of Jan. 2014 is a preliminary figure

Increase in Trading Volume Accompanied by Volatility Contributes to a Rise in the Income of Securities and FX Businesses (ii)

— SBI Liquidity Market —

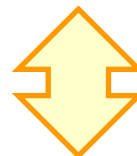
An increase in volatility resulting from major fluctuations in overseas foreign exchange markets has a positive impact on the SBI Liquidity Market's profit

[Example]

■ SBI Liquidity Market's daily foreign exchange profits when the exchange rate of the USD dramatically fluctuated during the day

- Profit of Jan. 23, 2014 JPY 73m
- Profit of Jan. 24, 2014 JPY 85m
- Profit of Jan. 29, 2014 JPY 75m

On each day,
there was
appreciation of
about 1 yen from
the previous day.



Average daily foreign exchange profit for Jan. 2014: JPY 50m

Monthly foreign exchange profit significantly exceeded JPY 1.1bn for Jan. 2014 and recorded a historical high

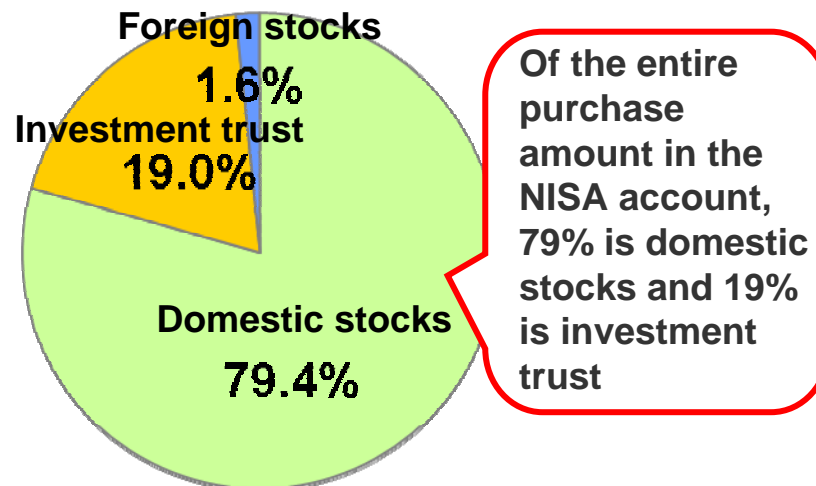
When the Market Settles Down, a Rapid Increase in Transactions by New Long-term Investors will Support the Growth of SBI SECURITIES

- **“Tax Exempt System for Small Investment (NISA)” effective from Jan. 2014**
According to the National Tax Agency, 4.75 million accounts were opened by the end of 2013. NISA is expected to be a catalyst for attracting new individual investors, and a further increase in trading of stocks and investment trusts for long-term holding is expected.

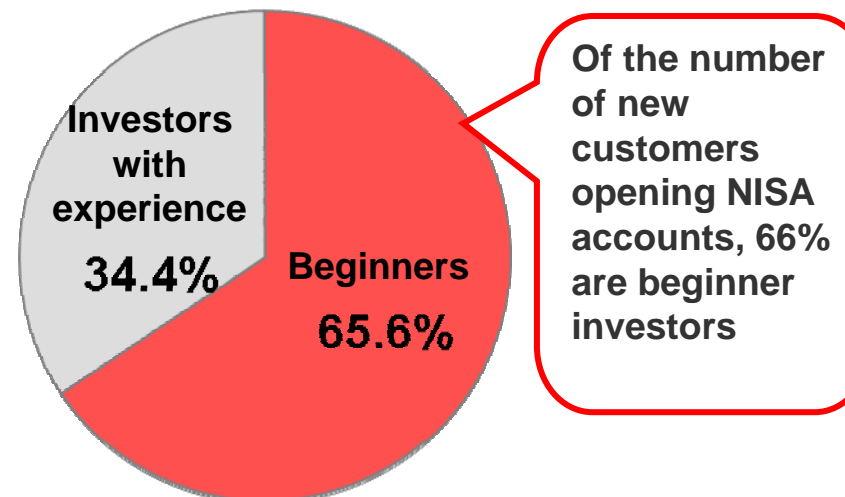
[SBI SECURITIES’ NISA Accounts]

Number of applications for NISA accounts: approx. 0.4m accounts (as of Jan. 31, 2014)

Breakdown by product (*)



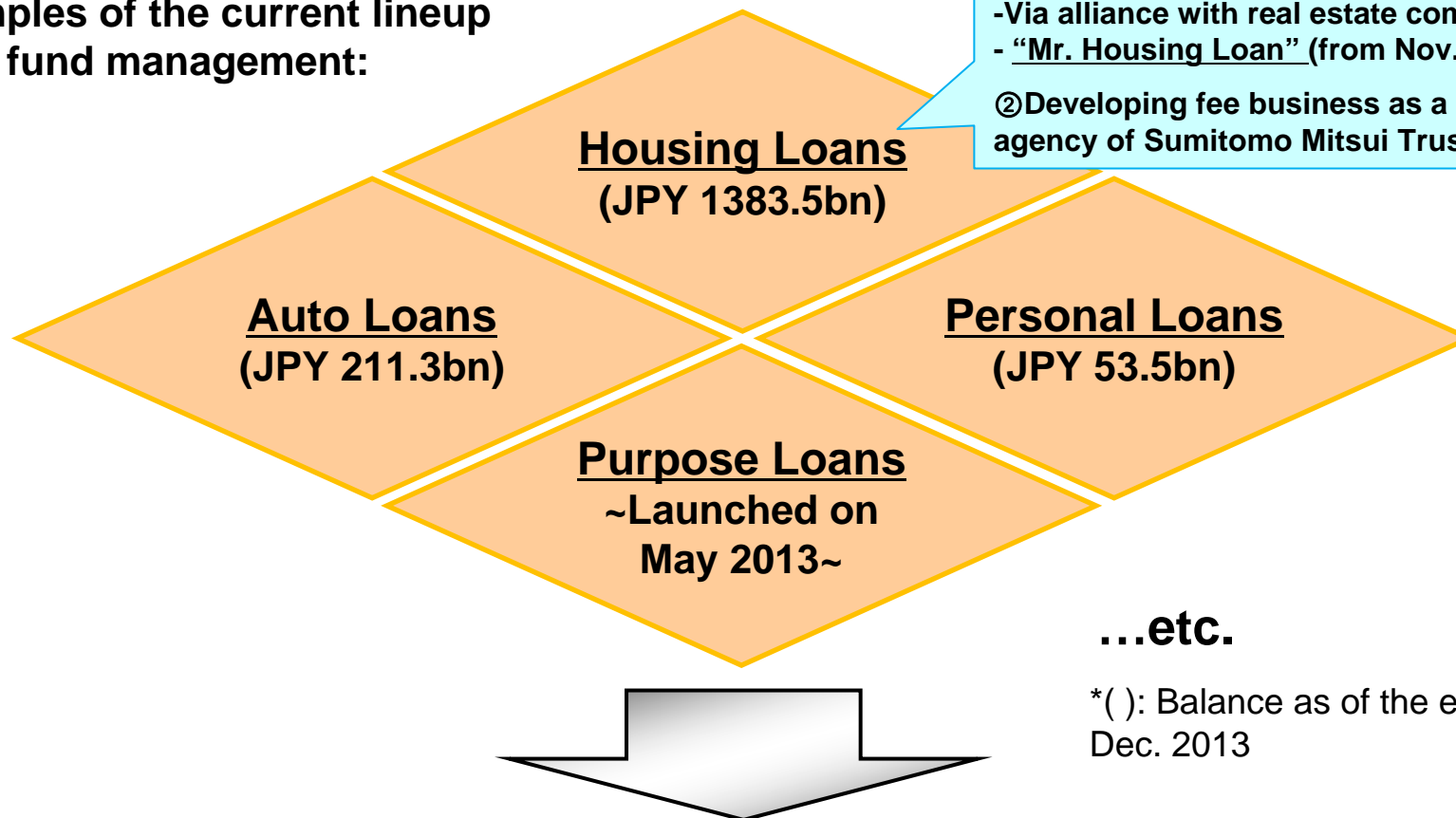
Breakdown by new customers (*)



* Based on the numerical data of Dec. 26, 2013 to Jan. 31, 2014

② The banking business endeavors to increase profitability through enhanced product offerings and fund management diversification

Examples of the current lineup of its fund management:



- ① Housing loans processed directly by SBI Sumishin Net Bank
 - Via alliance with real estate companies
 - “Mr. Housing Loan” (from Nov. 2013)
- ② Developing fee business as a banking agency of Sumitomo Mitsui Trust Bank

The bank will consider an entry into the credit card business and an expansion of the corporate business.

③ Nonlife insurance business executes efforts to improve its profitability

Continued measures

- Taking full advantage of the sales counter channel at SBI MONEY PLAZA
- Improving target marketing skills
- Reconsideration of insurance premium and product content

etc.

New measure

Oct. 2013

Began to offer IKIIKISEDAI's medical insurance and death insurance

- ➔ Continuing to consider new products, to diversify the product portfolio

(3) The Asset Management Business will More Aggressively Engage in Business Activities in Japan and Overseas, with the Backdrop of the Favorable Market Environment

- ① Investment business expects promising portfolio companies' IPOs both inside and outside Japan, and an expansion in the assets under management will be prioritized**
- ② Continued enhancement of overseas financial services business**

① Investment business expects promising portfolio companies' IPOs both inside and outside Japan, and an expansion in the assets under management will be prioritized

Continued Portfolio Company IPOs During 4Q FY2013

- In Jan. 2014, Auto Server was listed on Taiwan's GreTai Securities Market (GTSM), and its listing was the first primary listing on GTSM by a Japanese company. In addition, it was the first listing by a foreign company since the amendment of Taiwanese laws in 2012.
- Acucela (U.S.) is scheduled to be listed on the TSE Mothers Market in Feb. 2014.

Acucela, Inc.

(SBI's shareholding after listing*: 21.76%, the second largest shareholder)

- ✓ Established in Seattle in 2002
- ✓ A clinical-stage biotechnology company that specializes in discovering and developing novel therapeutics to treat and slow the progression of sight-threatening ophthalmic diseases impacting millions of individuals worldwide
- ✓ Obtained approval for listing on the Mothers market of the Tokyo Stock Exchange as of Dec. 27, 2013, and scheduled to be listed on Feb. 13, 2014

Provisional issue price range: JPY 1,650-1,800 → Issue price: JPY 1,800

Market cap based on the issue price: approx. JPY 64.1bn

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

Promising Portfolio Companies Expected to IPO Next Fiscal Year

Japan

ELIYPower (SBI's shareholding: 5.97%)*

- ✓ Mass production of high-capacity lithium-ion batteries and development and manufacture of batteries and peripheral equipment and systems
- ✓ Standard equipment in the smart houses of a leading housing company

Overseas

WH Group (formerly Shuanghui International)

(SBI's shareholding: 0.67%)*

- ✓ Headquartered in China, world's largest pork producer and processor
- ✓ Controlling shareholder of Shenzhen-listed Henan Shuanghui Investment & Development (Market cap as of Feb. 4: approx. JPY 1.6tn, converted at RMB 1 = JPY 16.7)
- ✓ Acquired Smithfield (U.S.), the largest pork producer in the world, for USD 4.7bn in Sept. 2013
- ✓ Said to have submitted a listing application to the Hong Kong Stock Exchange (reported by Bloomberg on Jan. 24)

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

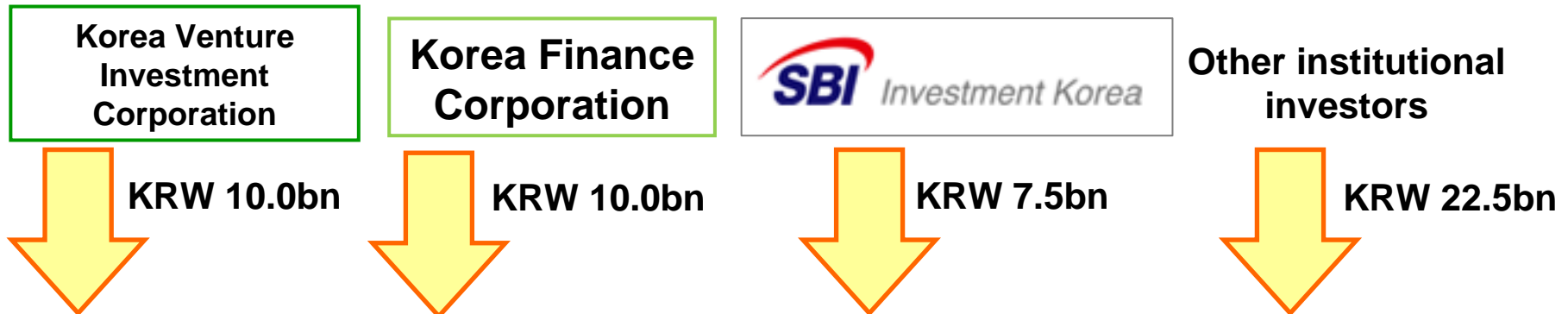
Selected to Manage “Future Creation M&A Fund” by South Korean Government Agencies



(Announced on Dec. 20, 2013)



South Korean Government’s policy is to invest in private equity funds through governmental organizations in order to foster new industries



SBI Future Creation ASEAN M&A Fund

Commitment amount: KRW 50.0bn (approx. JPY 4.9bn, converted at KRW 1 = JPY 0.098)

Establishment: Jan. 2014

- Mission:
- ① To invest in mid-sized South Korean companies with a high likelihood of an IPO, in the form of M&A funds when these companies consider an M&A in or outside of Korea, for the purpose of acquiring technology or expanding the size of their businesses.
 - ② To support mid-sized South Korean companies entering the ASEAN region in cooperation with the SBI Group’s overseas subsidiaries, or affiliated financial institutions, and provide these companies with the funds necessary to make such an entry.

② Continued enhancement of overseas financial services business

② Overseas Financial Services Business

Joint Development of an Online Financial Services Business in China with the Lujiazui Group and New Hope Group



Planning the establishment of a joint planning company in early Mar. 2014, for the joint development of an Internet-based financial service business in the China (Shanghai) Pilot Free Trade Zone

The China (Shanghai) Pilot Free Trade Zone (FTZ):

FTZ is a special zone set up on Sept. 29, 2013 by the Chinese government as a step to actively demonstrate its openness to the international community in line with economic globalization. FTZ is expected to serve as a testing ground for China's financial experiments including substantial deregulations in the fields of finance, investment and trade, convertibility of the Chinese yuan, and interest rate deregulation.

Further Enhancing the Overseas Financial Services Business

Actively transferring management know-how and knowledge of the financial services business that the SBI Group has accumulated, to further enhance and strengthen the overseas partners' network, as well as investing directly into overseas financial institutions.



Russia

Encouraging YAR-BANK (formerly OBIBANK) to launch an online banking service



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 FY ended Dec. 2013 was JPY 32m

(*Calculated by the exchange rate of RUB 1 = JPY 3.03; The figure is preliminary and unaudited)

In preparation for a scheduled launch in the middle of 2014, with the system requirements definition completed, and now at the actual start of development.

(4) Overseas Development of 5-ALA Related Business is Progressing

5-ALA Related Business:

Bahrain as a Base for the 5-ALA Related Business in the Middle East①
(Drug Development Research, Clinical Research, Manufacturing, Export, etc.)



Drug Development Research, Clinical Research

<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.

AGU is working to establish a clinical development structure that complies with GCP (Good Clinical Practice, which is a standard for performing clinical tests on pharmaceutical products) to support Arabic people in the region. And to help treat diabetic patients, the university has chosen a supplement containing 5-ALA as its first model of clinical research

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

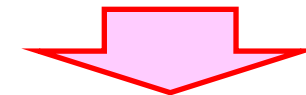
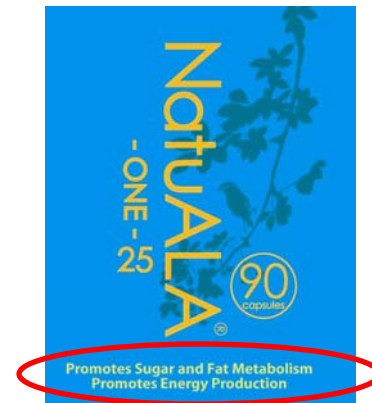
KING HAMAD UNIVERSITY HOSPITAL / the Royal College of Surgeons in Ireland -
Medical University of Bahrain

Future plans call for performing photodynamic diagnosis of prostate cancer using 5-ALA.

Sale of Health Foods and Cosmetics

- Established a joint venture company concerning local marketing of health foods and cosmetics with **Dawani Group Holdings**, a major local distributor. Establishment planned for the near future.
- In addition to health foods for which approval for sale in Bahrain had already been obtained, **approval for sale of health foods containing 25 mg of 5-ALA (label at right) obtained (Jan. 2014). Distribution as a mainstay product is planned.**
- “Promotes Sugar and Fat Metabolism”
“Promotes Energy Production” are listed on labels of the health foods containing 25mg 5-ALA planned to be sell in Bahrain

Label design planned to be sell in Bahrain



**Promotes Sugar and Fat Metabolism
Promotes Energy Production**

* Currently, the SBI Group has no plans to sell health foods containing 25 mg of 5-ALA in Japan

Accelerating 5-ALA Related Business in China

- ✓ 5-ALA manufactured by Suzhou Yian Biotech Co., Ltd. (SBI Group's shareholding ratio: 40%) has already passed the safety and toxicity tests of a state designated institution and meets national standards in China.
 - The aim is to obtain a health food license as soon as possible after obtaining a materials license.
 - Planned operation of a food products production plant during 2014
- ✓ Agreeing to form a Strategic Alliance with New Hope Group and Fudan Forward for sales of 5-ALA products in China (Nov. 2013)
 - Preparations underway for establishment of an import and sales company, which imports 5-ALA products and other products from Japan, in the Shanghai Free Trade Zone
- ✓ New Hope Group in China plans to sell fertilizers and forages containing 5-ALA
- ✓ It is said that diabetes patients number 113.93 million and pre-diabetes patients in China number 493.40 million that one in two persons is at risk of diabetes (Journal of the American Medical Association (JAMA). The SBI Group has donated RMB 2 million (approx. JPY 33 million) to an education fund at Fudan University in China for research concerning the efficacy of 5-ALA on the diabetes mechanism at the Fudan University School of Life Science.

(5) With the Upcoming 15th Anniversary Since Its Founding, Continuing to Further Enhance and Strengthen the Management Capabilities

- ① Reaffirming the SBI Group's Corporate Mission and DNA Culture for Future Inheritance**
- ② The SBI Group's "Selection and Concentration" and Accelerated Organizational Restructuring, in Anticipation of a Future Transition to a New Management Structure**
- ③ Establishment of a Management Advisory Committee**

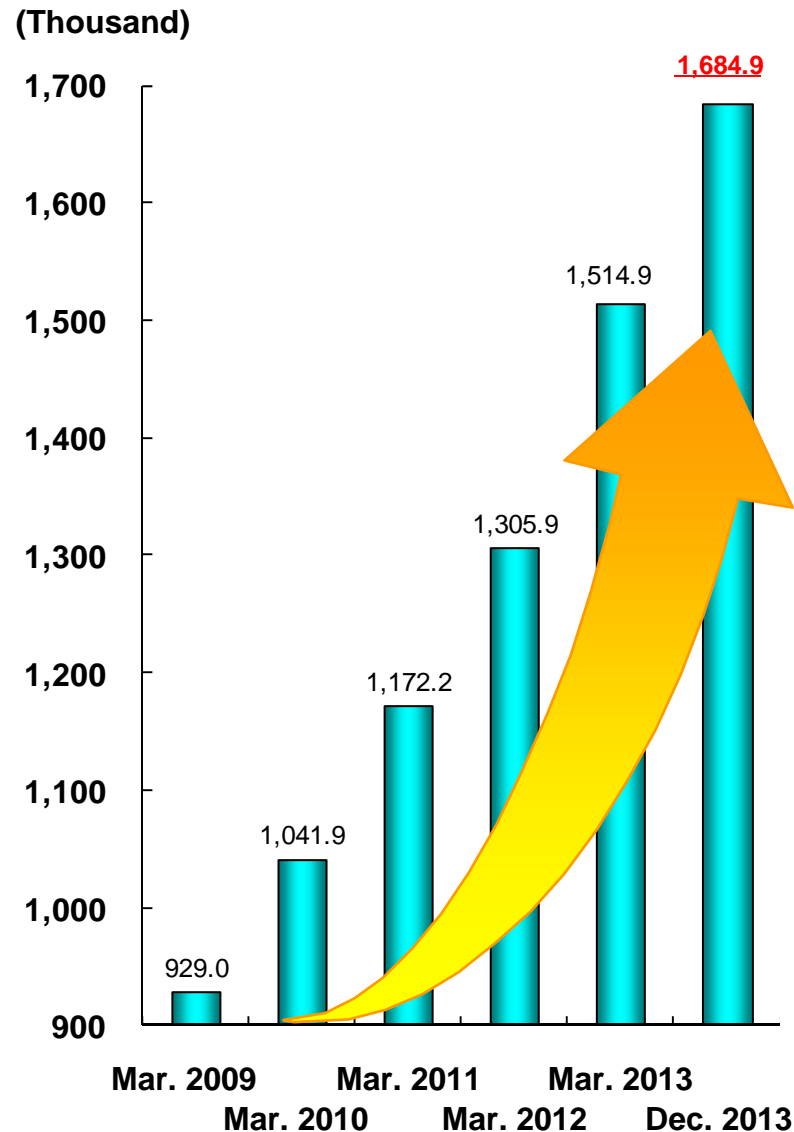
① Reaffirming the SBI Group's Corporate Mission and DNA Culture for Future Inheritance

SBI Holdings Today



	Establishment 1999	End of Dec. 2013
Officers and employees (cons.)	55	5,309
Operating revenues (cons.)	0	9M FY2013: JPY 177.2bn Peak time (FY2007): JPY 222.6bn
Consolidated subsidiaries	0	141 companies
Publicly owned companies	0	7 companies (including SBIH) Peak time: 11 (FY2007)
Capital	JPY 50m	JPY 81.7bn
Net assets	JPY 50m	JPY 394.2bn

The SBI Group's Customer Base



Breakdown of the Customer Base

(As of the end of Dec. 2013)

(Thousand)

SBI SECURITIES	(Accounts)	2,862
SBIH InsWeb	(No. of customers)	5,854
E-LOAN	(No. of customers)	1,473
Other financial websites	(No. of customers)	26
MoneyLook	(Total no. of customer registrations)	839
Morningstar Japan	(New portfolio customer registrations)	115
SBI Card	(Valid cards issued)	69
SBI Sumishin Net Bank	(Accounts)	1,886
SBI Insurance	(Total no. of contracts)	626
Autoc one	(Total no. of service users in 2012)	950
Lifestyle-related websites (Ticket Ryutsu Center, muSBI.net)	(Total no. of customer registrations)	1,307
Others (SBI Mortgage, etc.)		842
Total		16,849

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

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

SBI Group is the Pioneer and No.1 in a Diversity of Businesses (1)



SBI証券 [SBI SECURITIES]

- **Ranks No.1 in terms of the share** of individual brokerage trading value (34.7% in Apr. – Dec. 2013)
- **Ranks No.1 in terms of the share** of individual margin trading value (35.4% in Apr. – Dec. 2013)
- Ranks No.1 in terms of the number of accounts among 5 major online securities (2.86 million accounts as of end of Dec. 2013)

SBI Sumishin Net Bank

- **Ranks No. 1 in terms of the deposits** among 6 Internet-based banks (JPY 3,306bn as of the end of Dec. 2013)
- Fastest among Internet-based banks to raise its cumulative total of housing loans to more than JPY 1.6tn

SBI Mortgage

- First mortgage bank in Japan
- **Ranks No.1 in terms of the share** of “Flat 35” on a written basis **among 330 financial institutions** (29.0% share in Dec. 2013)

SBI マネープラザ [SBI MONEY PLAZA]

- First comprehensive financial products distributor in Japan, providing “Asset Management,” “Insurance” and “Housing Loans”
- **Ranks No.1** in terms of the number of face-to-face financial shops (sum total of the shops of SBI MONEY PLAZA, Mitsubachi Insurance and Insurance Clinic)

SBI Japannext (Operates the largest PTS in Japan, Japannext PTS)

- **Ranks No.1 in terms of trading value** (Average daily trading value of JPY 141.0bn as of Jan. 2014; 2nd largest stock market in Japan)
- Only PTS offering for nighttime trading in Japan

SBI Group is the Pioneer and No.1 in a Diversity of Businesses (2)



Liquidity Market

- **Ranks No.1** in the OTC FX Industry **in terms of customer deposit assets and total number of accounts** (as of Nov. 2013; Sum of SBI SECIRITIES, SBI FXTRADE and SBI Sumishin Net Bank)

Morningstar Japan

- **Ranks No.1** among investment trust valuation websites **in terms of the number of visitors**
- Provides “MoneyLook”, the **No.1** account aggregation software **in terms of the number of users and registered financial institutions**

SBI Holdings’ Marketplace Division



[InsWeb]



- Operates InsWeb, **one of Japan’s largest insurance marketplaces** where you can compare and quote
- Operates E-LOAN, **Japan’s largest loan comparison website in terms of the number of users and registered financial institutions**

Investment

- Ranks **No.1 in terms of performance among domestic VC funds** matured since 2000 (average IRR: 13.1% cf. JAFSCO 5.9%)
- High performance of 131 IPO and M&A cases from 684 investee companies (as of Mar. 31, 2013)
- Ranks No.1 in terms of the scale of IT and biotechnology funds

Pharma

- World’s first company developing pharmaceuticals, cosmetics and health food products that contain 5-Aminolevulinic acid (5-ALA)

Graduate School

- Japan’s first graduate school that offers educational system primarily through e-Learning

The SBI Group's Five Corporate Mission Statements



Sound Ethical Values

We shall undertake judgments on actions based not only on whether they conform to the law or profit the company, but also whether they are socially equitable.

Financial Innovator

We will transcend traditional methods and bring financial innovations to the forefront of the financial industry, utilizing opportunities provided by the powerful price-cutting forces of the Internet and developing financial services that further enhance benefits for customers.

New Industry Creator

We will work to become the leader in creating and cultivating the core industries of the 21st century.

Self Evolution

We will continue to be a company that evolves of its own volition by forming an organization that flexibly adapts to changes in the operating environment and incorporates corporate "Ingenuity" and "Self-transformation" as part of its organizational DNA.

Social Responsibility

We will ensure that each company in the SBI Group recognizes its social responsibilities as a member of society, while fulfilling the demands of its stakeholders, contributing to the betterment of society.

The SBI Group's DNA



Maintain Entrepreneurship

Do not fall into a large company complacency, but continue to be open to new ideas as a challenger

Emphasize Speed

Be decisive and act quickly

Encourage Innovation

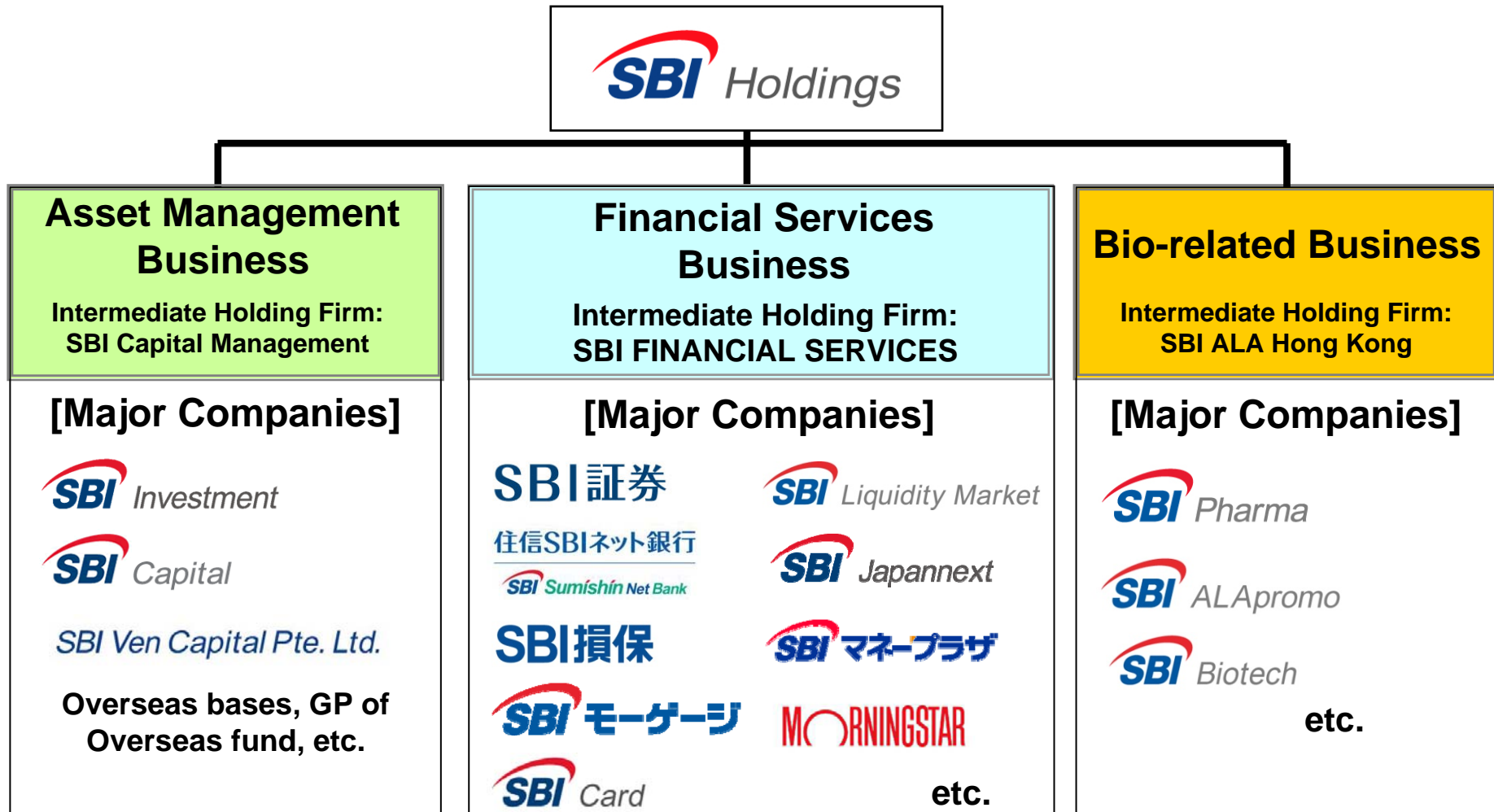
Do not be bound by past success, and never stop exercising the creative spirit

Continue to Self-evolve

Flexibly adapt to the changing environment, and continue to change and grow accordingly

② The SBI Group’s “Selection and Concentration” and Accelerated Organizational Restructuring, in Anticipation of a Future Transition to a New Management Structure

Transitioning into a Group Organizational System Based on the Three Major Businesses of Financial Services, Asset Management and Bio-related Businesses



Established intermediate holding firms for each business segment, delegating authority respectively

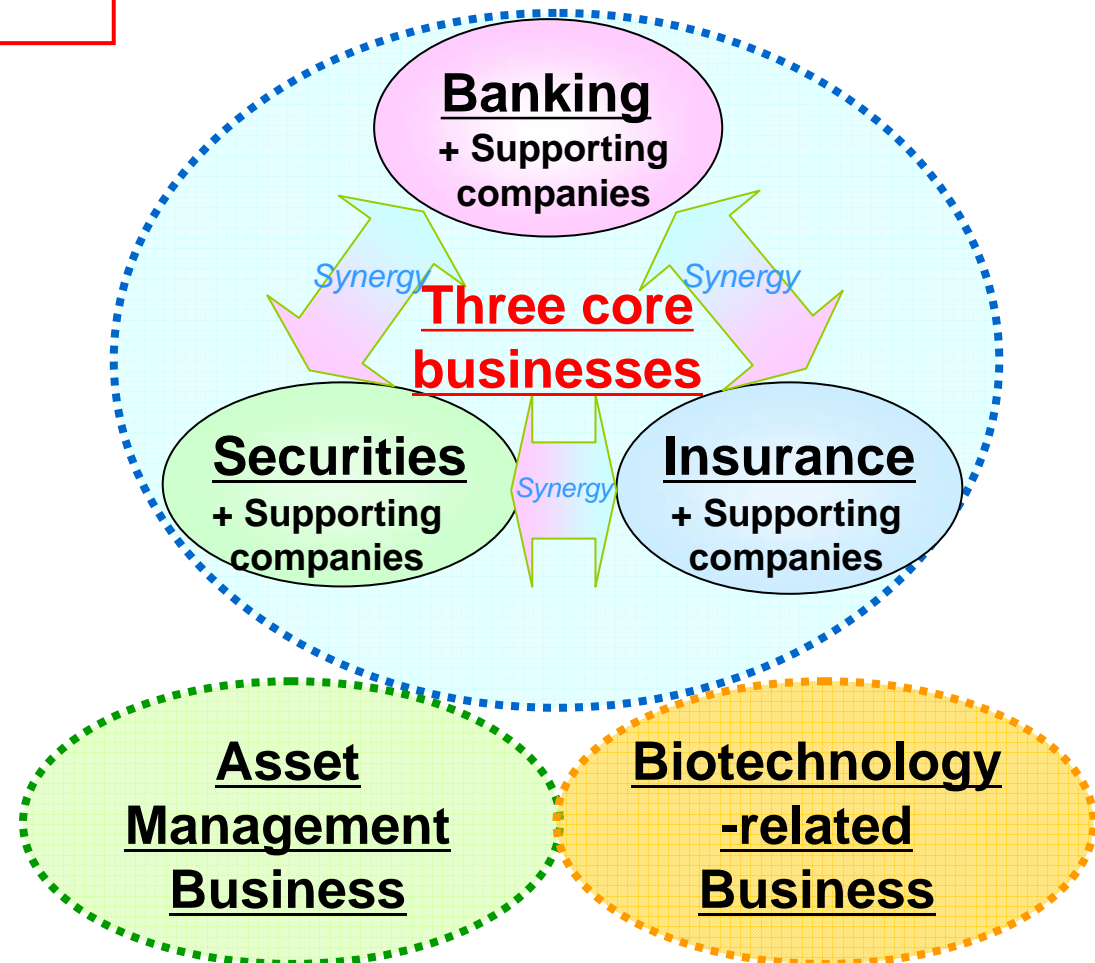
Further Foray into the "Selection and Concentration"

To ease group management and to narrow the business field

Basic "Selection and Concentration" policy

- The Financial Services Business, Asset Management Business and Biotechnology-related Business are defined as the three major businesses. As a general rule, regardless of their profitability, businesses and companies involved in other fields should be sold, integrated with other Group companies, or IPO'd.
- Basic "Selection and Concentration" policy for the Financial Services Business is based on whether a business provides meaningful synergy with one of the core businesses of securities, banking or insurance.

The SBI Group's Domestic Financial Services Business



Examples of “Selection and Concentration” (i)



Regardless of profitability, a company's shares should be sold, if they are not expected to generate meaningful synergies with one of the three core businesses.

Principal examples

- **Sold all shares of SBI VeriTrans (currently VeriTrans) to a subsidiary of Digital Garage Group.**
(Mar. 30, 2012)
- **Sold shares of Wall Street Journal Japan to Dow Jones & Company**
(Announced on July 13, 2012)
- **Transferred all shares of SBI Capital Solutions and the Group's equity interest in funds managed by the company**
(Sept. 28, 2012)



Recovered more than JPY 20.0bn, on a total basis, since Mar. 2012

Examples of “Selection and Concentration” (ii)



Divisions deemed not synergistic with one of the three core businesses may be prepared for a listing on either the domestic or foreign markets

➤ **SBI Mortgage (the SBI Group’s share: 66.5%)**

(Apr. 30, 2012)

Listed on KOSPI Market of KRX

Market cap: approx. JPY 25.5bn (as of Jan. 30, 2014)

➤ **SBI AXES (the SBI Group’s share: 75.0%)**

(Dec. 17, 2012)

Listed on KOSDAQ Market of KRX

Market cap: approx. JPY 5.6bn (as of Jan. 30, 2014)

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

Examples of “Selection and Concentration” (iii)



To manage businesses that have strong business relevancy, reorganizations within the Group will be actively considered

- **Implementing reorganization of the face-to-face sales business, with SBI MONEY PLAZA Co., Ltd, as the managing entity**
(June 15, 2012)
- **Morningstar Japan absorbed both SBI Searchina and SBI Asset Management as its subsidiaries**
(Oct. 11, 2012)
- **CSJ-SBI Financial Media, a joint venture between China Securities Journal and SBI Holdings, is absorbing Searchina (Shanghai) as its subsidiary**
(To be completed by mid-Feb. 2014)
- **SBI Card split off the consumer credit business, and proceeded to inherit SBI Point Union's point business through an absorption-type split**
(Split off : July 1, 2012, succession: Jan. 1, 2013)

③ Establishment of a Management Advisory Committee

[Primary Purpose of Establishing a Management Advisory Committee]

- **To receive management advice from experts in various fields, including law, accounting, management and economy. Especially from those with considerable experience and knowledge from a broader perspective.**
 - **To heighten soundness and transparency of the SBI Group's management, as well as to strengthen corporate governance.**
-
- **The Management Advisory Committee will serve as an advisory body to the representative director**
 - **The Management Advisory Committee will meet at least once each quarter.**

[SBI's Corporate Value Consideration]

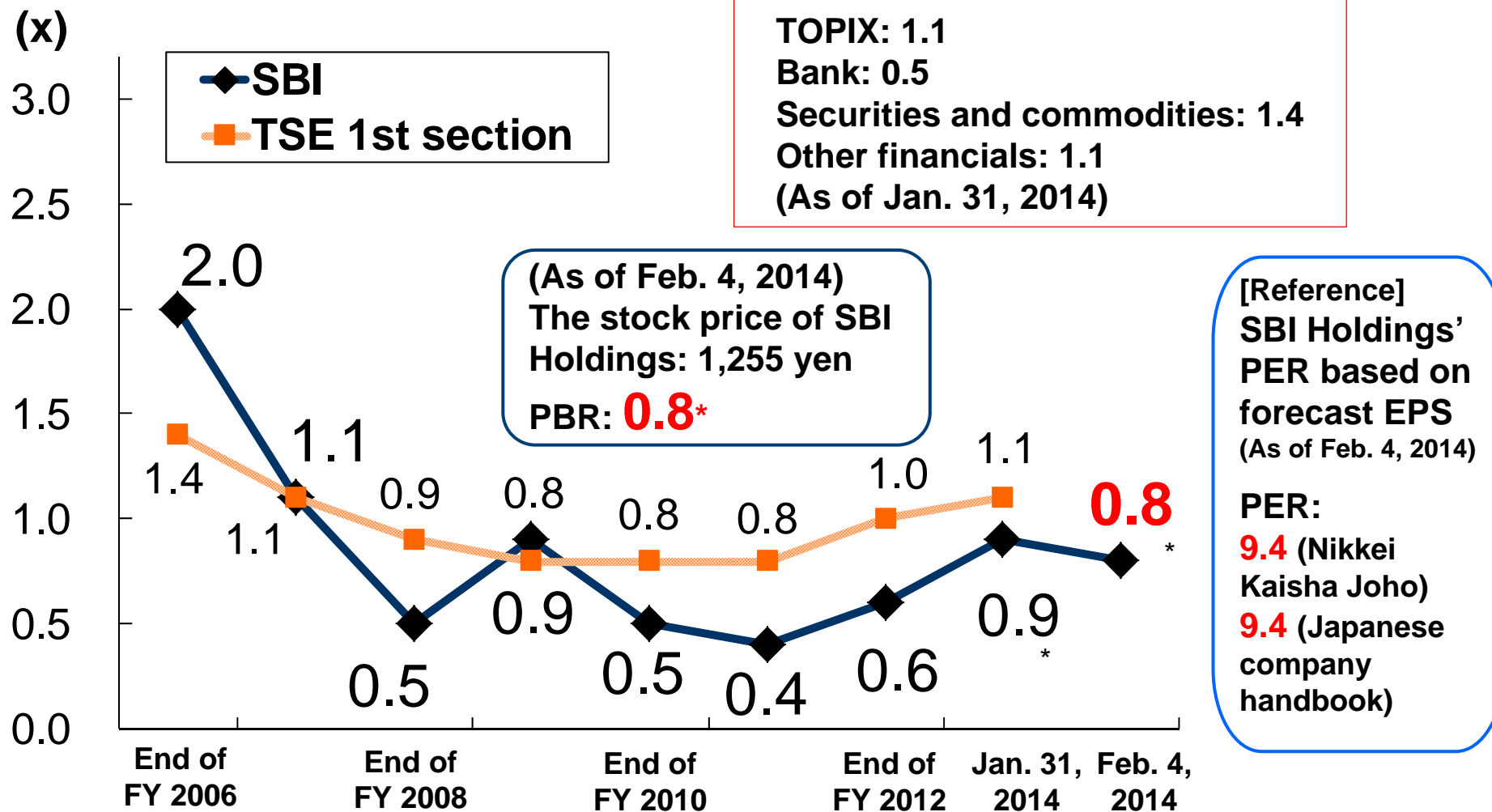
SBI Holding's Recent Stock Price

Market cap (actual value as of Feb. 4, 2014): JPY 281.8bn



Change in PBR of SBI Holdings

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



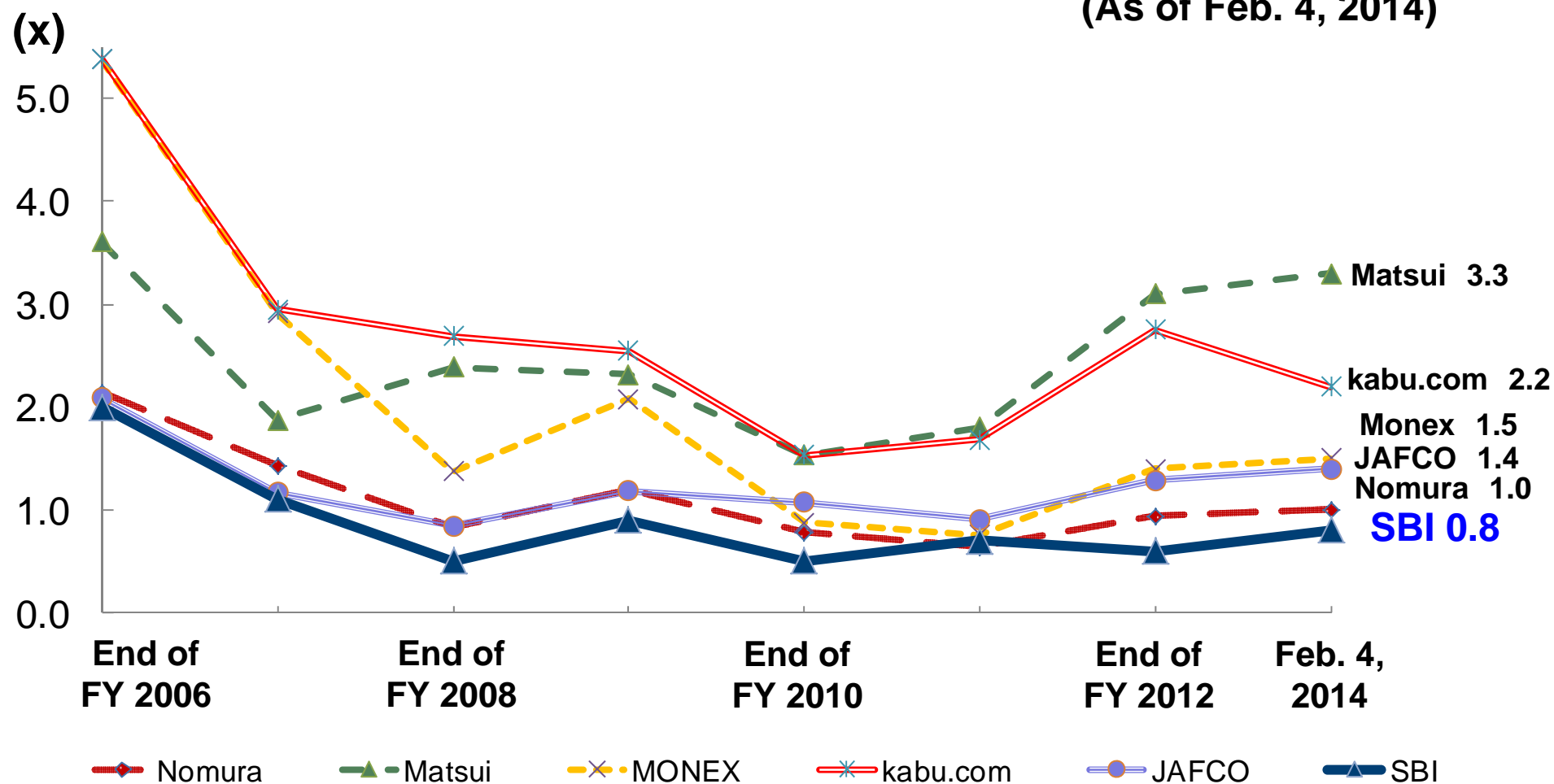
*PBR of SBI Holdings for Jan. 31, 2014 and Feb. 4, 2014 are calculated based on the BPS of the end of Dec. 2013.

*PBR of SBI Holdings prior to FY2011 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 Feb. 4, 2014)



*PBR for Feb. 4, 2014 is calculated based on the BPS of the end of Dec. 2013.

*PBR of Monex and SBI Holdings prior to FY2011 are calculated based on J-GAAP BPS.

Source: Bloomberg 126

Our Corporate Value by Each Businesses' Valuation



■ Sum of the values by segment (as of Feb. 4, 2014) (JPY billion)

	Valuation of each segment (theoretical value)
Financial Services	392.0 (+)*
Asset Management	124.7
Biotechnology-related	62.3
Housing and Real Estate	29.8
Sum total	608.8 (+)

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

The above-mentioned values are conservatively estimated,
and more specific estimates follow on the following slides.

Valuation by Segment Estimated by SBI (1) Financial Services Business ① SBI SECURITIES -(i)



① SBI
SECURITIES

Valuation is conservatively estimated at JPY 310.8bn

(based on the closing prices of Feb. 4, 2014)

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 company, Matsui Securities.

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

$$\left\{ \begin{array}{l} \text{Matsui's PER (*1)} \quad \times \quad \text{SBI SECURITIES's Net income (FY2012)} \quad \dots \text{ (A)} \\ \text{Matsui's PBR (*2)} \quad \times \quad \text{SBI SECURITIES's Net asset (*3) (as of Dec. 31, 2013)} \quad \dots \text{ (B)} \end{array} \right.$$

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

*2 PBR of Matsui is calculated by its BPS as of Dec. 31, 2013.

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

Valuation by Segment Estimated by SBI

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

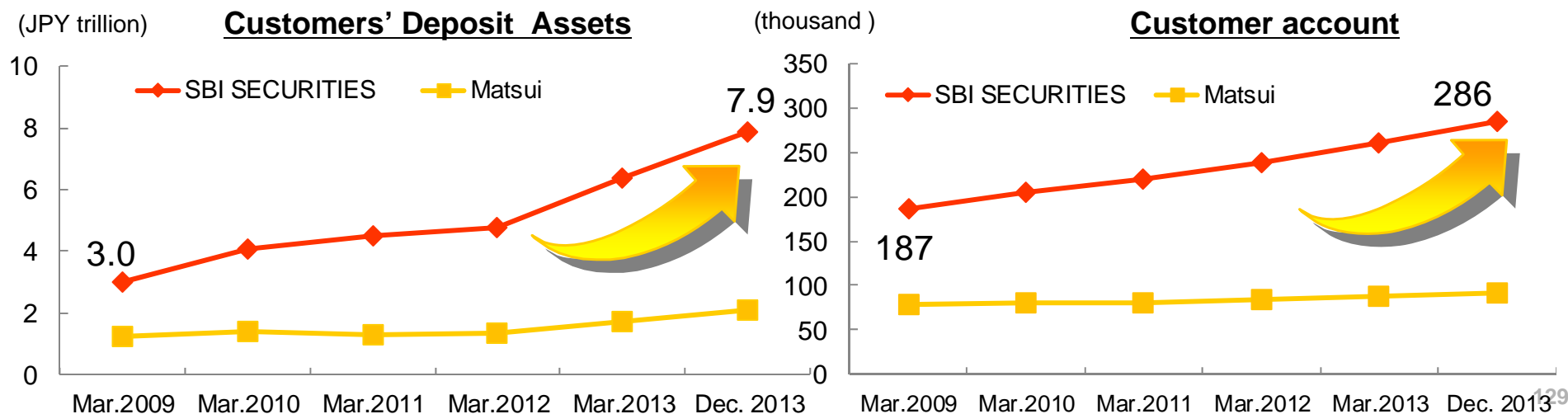


Is SBI SECURITIES' valuation reasonable?

Comparison of SBI SECURITIES and listed online securities company (Matsui Securities)

*Calculated by the closing prices of Feb. 4, 2014

(3Q FY2013)	SBI SECURITIES	Matsui Securities
Valuation(market cap)*	JPY 310.8bn	JPY 289.2bn
Deposit assets (Dec. 2013)	No.1 JPY 7.9tn	JPY 2.1tn
Number of accounts (As of the end of Dec. 2013)	No.1 2.86 million	920 thousand
Share of individual stock brokerage	No.1 34.7%	10.5%
Operating income	No.1 JPY 24.9bn (up 357.6% YoY)	JPY 21.7bn (up 361.8% YoY)



Valuation by Segment Estimated by SBI (1) Financial Services Business ② SBI Sumishin Net Bank -(i)

② SBI Sumishin Net Bank

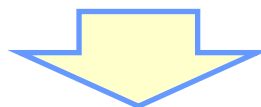
Valuation is conservatively estimated at **JPY 38.6bn**

(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 SBI

(1) Financial Services 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 3Q FY2013 (JPY 8.0bn (+63.5% YoY))
 ~ Within reach of achieving ordinary income of JPY 10.0bn ~
 SBI Sumishin Net Bank - Deposit balance topped JPY 3.3tn (as of Dec. 26, 2013)

Ordinary income for FY2012

Local listed banks with ordinary income of nearly JPY 10.0bn

	Ordinary income (JPY billion)	YoY Change (%)	Market Cap (JPY billion)	Ranking*1
Juroku Bank	10.9	-33.5	124.0	15
Chiba Kogyo Bank	10.2	+12.6	31.9	48
Yamanashi Chuo Bank	9.9	+13.4	71.1	40
Nanto Bank	9.9	+7.8	92.7	20
Senshu Ikeda Bank	9.5	+23.0	105.2*	19
Bank of Okinawa	9.3	+10.9	72.0	59
Hokuetsu Bank	9.1	+12.9	47.0	49
Hyakujushi Bank	8.9	-28.5	95.5	33
Oita Bank	8.7	-26.1	63.2	41
Yamagata Bank	8.7	+25.2	64.3	53
Shikoku Bank	8.6	+75.5	45.4	43
Miyazaki Bank	8.0	-25.1	46.7	56

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 72.0bn

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

* Market cap is of Sensyu Ikeda Holdings whose main subsidiary is Sensyu Ikeda 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 Feb. 4, 2014

Valuation by Segment Estimated by SBI

(1) Financial Services Business ③ SBI Liquidity Market

③ SBI Liquidity Market

Valuation is estimated at **JPY 12.0bn**

(based on the closing price of Feb. 4, 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 Net profit of SBI Liquidity Market (FY2012)

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

<Reference> Acquisition of CyberAgent FX by Yahoo Japan (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 SBI (1) Financial Services Business

④ Other Financial Services Business (listed companies)

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

	SBI's shareholding pct. (%)	Classification	Listed market	Market cap (JPY billion)	SBI's equity interest of market cap (JPY billion)
Morningstar Japan	49.2	Consolidated subsidiary	JASDAQ	26.2	12.9
SBI Mortgage	60.7	Consolidated subsidiary	KOSPI of KRX	26.8*	16.3
SOLXYZ	26.3	Equity method affiliate	JASDAQ	5.3	1.4
Sum of the market cap of listed subsidiaries and equity method affiliates				58.3	<u>30.6</u>

(Based on the closing price of Feb. 4, 2014, *Calculated by the exchange rate as of Feb. 4, 2014.)

* SBI's shareholding percentage corresponds to a figure based on the IFRS criteria that excludes a percentage of outside shareholder's interest of subsidiary companies and subsidiary funds of the Group.

Valuation by Segment Estimated by SBIH

(1) Financial Services Business Total Valuation of the Businesses



① SBI SECURITIES

Upon comparison with similar listed companies calculated conservatively as **JPY 310.8bn** (based on the closing prices of Feb. 4, 2014)

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 12.0bn** (based on the closing price of Feb. 4, 2014)

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) **JPY 30.6bn** (based on the closing prices of Feb. 4, 2014)



Total of the valuation above: **JPY 392.0bn** (The SBI Group's total shareholding)

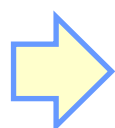
Valuation by Segment Estimated by SBIH

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

The FS Business also consists of many other profitable business entities

	Business lineup	OP for 3Q FY2013 (JPY billion)	SBI's shareholding pct. (%)
SBI Comparison Website Business	Operation of comparison websites for loans and insurances	0.9	100.0
SBI Japannext	Growing Business	Operation of PTS (Proprietary Trading System)	0.8
SBI Business Support	Contact center business for corporations and a temporary staffing agency	0.1	100.0
CEM Corporation	Real estate secured loans	0.3	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”

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

Valuation by Segment Estimated by SBIH

(2) Asset Management Business

① Valuation Measuring Method



Asset Management Business

Valuation for the AM Business is estimated at **JPY 124.7bn**

<Reference>

JAFCO's Market Cap: **JPY 237.1bn** (based on the closing price of Feb. 4, 2014)

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

(i) Value of holding securities (at the end of Dec. 2013) **Approx. JPY 92.1bn**

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 Feb. 4, 2014)

(* Valuation excluding asset such as securities hold) **Approx. JPY 27.9bn**

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 the estimated net income per share for FY2013.

The estimated net income per share used in the calculation is the average between that of Japanese company handbook and Nikkei Kaisha Joho.

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 billion)	SBI's equity interest of market cap (JPY billion)
SBI AXES	42.7	Consolidated subsidiary	KOSDAQ of KRX	5.4*	2.3
SBI Investment Korea	43.9	Equity-method affiliate	KOSDAQ of KRX	5.4*	2.4
Sum of the market cap of listed subsidiaries and equity method affiliates				10.8	<u>4.7</u>

(Based on the closing price of Feb. 4, 2014, *Calculated by the exchange rate as of Feb. 4, 2014.)

[Other profitable businesses of the Asset Management Business]

		Business lineup	OP for 3Q FY2013 (JPY billion)	SBI's shareholding pct. (%)
Phnom Penh Commercial Bank	Overseas Business	Commercial Bank	0.2	47.6

* SBI's shareholding percentage corresponds to a figure based on the IFRS criteria that excludes a percentage of outside shareholder's interest of subsidiary companies and subsidiary funds of the Group.

Valuation by Segment Estimated by SBIH

(3) Biotechnology-related Business

① SBI Pharmaceuticals



Biotechnology-related Business

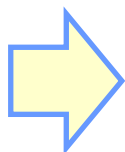
Each bio-venture company has multiple promising pipelines, and the Biotechnology-related Business will become a core business that makes a substantial contribution through progress in areas including pharmaceutical clinical research in Japan and overseas.

Total valuation of the Biotechnology-related Business is estimated at approx. JPY 62.3bn

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 external holdings)



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

Beside SBI Pharmaceuticals, the total shareholder value of the Biotechnology-related Business includes the estimated shareholder value of 2 IPO scheduled companies, 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. *2	IPO target	Lead manager
SBI Biotech *1	38.6%	within 2014	Mizuho Securities

*1 Wholly acquired (U.S.) Quark as a subsidiary in Dec. 2012

* SBI's shareholding percentage corresponds to a figure based on the IFRS criteria that excludes a percentage of outside shareholder's interest of subsidiary companies and subsidiary funds of the Group.

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
				(Feb. 4, 2014)
CellSeed	Mar. 16, 2010	-650	7.5	11.8
RaQualia Pharma	July 20, 2011	-1,307	19.6	7.1
SymBio Pharmaceuticals	Oct. 20, 2011	-642	8.6	8.4
3-D MATRIX	Oct. 24, 2011	-533	5.4	87.8
Chiome Bioscience	Dec. 20, 2011	-180	5.1	27.9
Gene Techno Science	Nov. 30, 2012	-320	3.0	3.8
UMN Pharma	Dec. 11, 2012	-477	8.3	21.2
MEDRx	Feb. 13, 2013	-433	11.3	9.4
PeptiDream	June 11, 2013	10	118.6	130.1
ReproCELL	June 26, 2013	-22	151.9	46.0

Valuation by Segment Estimated by SBIH

(3) Biotechnology-related Business



②-2 Favorable IPO environment for the biotechnology-related companies

Out of the expected 54 IPOs during the calendar year 2013, initial prices of the 52 IPOs exceeded their public offering prices, and the number of IPOs are expected to increase through the calendar year 2014

	FY2012 (Apr. 2012 – Mar. 2013)	FY2013*1 (Apr. 2013 – Mar. 2014)	
			Particularly Bio-related companies *2
Number of IPOs *3	52 Companies	41 Companies	4 Companies
Initial price/ Public offering price	1.7(x)	2.2(x)	3.1(x)

*1: The number of FY2013 is as of Feb. 4, 2014

*2: Bio-related companies

ReproCELL Incorporated, PeptiDream Inc. , Oncolys BioPharma Inc. , Human Metabolome Technologies Inc.

*3: Except the number of companies that listed for Tokyo PRO market

Although most bio-venture companies are not profitable, many have gone public and have experienced high initial price ratios

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 **approx. JPY 29.8bn**

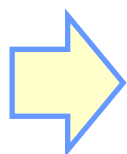
Estimation of the valuation is as follows:

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

① Value of the commercial real estate properties

$$\text{Asset Value} = \text{Balance of investment real estate} + \text{Balance of real estate included in tangible assets}$$

(Balance of investment real estate for SBI Savings Bank and SBI Life Living are excluded)



As of the end of Dec. 2013, valuation is **approx. 24.0bn**

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 billion)	SBI's equity interest of market cap (JPY billion)
SBI Life Living	73.8	Consolidated subsidiary	TSE Mothers	8.0	<u>5.9</u>

(based on the closing price of Feb. 4, 2014) 141

Our Corporate Value by Each Businesses' Valuation Estimated Based on the Closing Prices of Feb. 4



① Sum of the values by segment

(JPY billion)

(based on the closing prices of Feb. 4, 2014)	Valuation of each segment (theoretical value)
Financial Services	392.0 (+)*
Asset Management	124.7
Biotechnology-related	62.3
Housing and Real Estate	29.8
Sum total	608.8 (+)

Business valuation per share: JPY 2,711

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

Of the major 58 Group companies, 18 are profitable companies that are not included in the above calculations (Total Operating Income: approx. JPY 3.4bn)

[Stellar Reputation of the Financial Services Business]

(i) SBI SECURITIES:

Customer Satisfaction Assessment (SBI SECURITIES)

	1st	“Oricon customer satisfaction ranking” of 2014 [Online securities comprehensive ranking] <Evaluation item> 12 items, such as “commissions & dealing cost,” “easy account opening,” “variety of products,” “provision of Information” and “analytics tools,” etc.	For 8 years!!
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Customer Service Center

		HDI (Help Desk Institute) Certification in 2013 [Securities Industry] “Call-center Contact Ranking” Achieved the highest rank “three stars”	For 4 years!!
	Highest Award for the Category	“CCJA 2013” (10th Call Center Award) Received the highest award for “Best Operation” category	For 3 years!!
	Award for Excellence	Japan Telecom Users Association 17th Corporate Telephone Response Contest in 2013	

Official Website

		HDI (Help Desk Institute) Certification in 2013 [Securities Industry] “Support Portal Raking (Official Website)” Achieved the highest rank “three stars”	4th time 3 years in a row!!
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Customer Satisfaction Assessment

	1st	JCSI Customer Satisfaction Survey (Japanese Customer Satisfaction Index) Banking industry	For 5 years!
	1st	J.D. Power “Japan Investor Satisfaction Study” Self-Directed Bank Segment *	For 2 years!
	1st	“10th Nikkei Financial Institution Ranking“ Customer Satisfaction by generations, 20s and 30s	For 2 years!

* Source: J.D. Power Asia Pacific 2013 Japan Investor Satisfaction StudySM
This result was obtained from 3,224 respondents who uses investment services of Self-Directed Bank Segment.
japan.jdpower.com

“The wide selection of loan products and other products contributes to the high rating. The bank’s most favorable interest rate on fixed-rate housing loans is 1.28% (offered in January), the industry’s lowest. The bank also offers many original services unique to an Internet bank, such as advanced repayment with no fees starting from one yen.” (Source: *Nikkei Veritas*, Issue 307)

307)

(iii) SBI Insurance:

Customer Satisfaction Assessment




SBI損保の自動車保険

Auto Insurance

	No.1	Diamond Weekly “Auto Insurance Premium Ranking” <small>* In the Mar. 9, 2013 special issue</small>	For 5 years !
	No.1	Rakuten Insurance / Ranking of Most Popular Auto Insurance the First Half of FY2013	For 5 years !
	No.1	Oricon customer satisfaction ranking FY 2014 Auto Insurance Category “Auto Insurance Premium Ranking”	For 5 years !
	No.1	Kakaku.com / Auto Insurance Satisfaction Ranking (2013) Premium Section	For 4 years !

Official Website

	HDI-Japan HDI’s Call-center Customer Satisfaction Ratings 2013 Top “three-star” rating in the Support Portal (Official Website) Category	For 2 years !
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[Appendix]

Number of Consolidated Subsidiaries and Consolidated Employees of the SBI Group



Transition of the number of consolidated subsidiaries

	Mar. 31, 2013	Dec. 31, 2013
Consolidated subsidiaries	144	141
Consolidated partnerships	34	35
Equity-method companies	38	39
Total (companies)	216	215

Transition of the number of consolidated employees

	Mar. 31, 2013	Dec. 31, 2013
Total (persons)	5,007	5,309

Assets Under Management of the SBI Group

Private equity, etc. JPY 301.3bn (Including JPY 104.3bn of both cash and commitment amount to be paid in) ^(*3)

Breakdown by Industry	Amount
IT/Internet	28.1
Biotechnology/Health/Medical	45.6
Services	22.1
Materials/Chemicals	2.4
Environmental/Energy	15.3
Retail/Food	9.1
Construction/Real estate	1.0
Machine/Automobile	9.9
Finance	38.7
Others	24.8
Total	197.0

Breakdown by region	Amount
Japan	111.5
China	28.1
Korea	19.5
Taiwan	1.1
Southeast Asia	9.1
U.S.	22.0
Europe	1.5
Others	4.2
Total	197.0

Investment trust etc. JPY185.8bn

Investment trusts	100.6
Investment advisory	79.9
Investment companies	5.3

*1 Calculated by the exchange rate as of the end of Dec. 2013

*2 Amounts are rounded to the nearest 100 million yen

*3 Composed of cash in funds and unpaid capital which is to be paid on a capital call.

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