



*Strategic
Business
Innovator*

SBI Holdings, Inc.
FY2013 Financial Results
(Year Ended Mar. 31, 2014)

May 8, 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. Summary of FY2013
Consolidated Financial Results
(Adopted IFRS from FY2012)**
- 2. FY2014 Priority Measures to
Achieve Continued Growth**

1. Summary of FY2013 Consolidated Financial Results (Adopted IFRS from FY2012)

Key Points for FY2013 Consolidated Results

- ◆ **Achieved record-high operating revenue (sales), including periods for which results were disclosed under J-GAAP, on higher revenue in all segments**
- ◆ **Achieved a substantial overall increase in operating income, on higher income in all segments. However, operating income fell short of the record high (JPY49.6bn in FY2005) owing to a sharp 4Q decline in shares of bio-related companies that were IPO'd in FY2013.**

FY2013 Consolidated Performance (IFRS) Recorded a Significant Increase in Revenue and Profit

(Unit: JPY million)

	FY2012 (Apr. 2012 -Mar. 2013)	FY2013 (Apr. 2013- Mar. 2014)	YoY % change
Operating revenue	153,476	232,822 <i>(Record high)</i>	+51.7
Operating income	16,577	42,224	+154.7
Profit before income tax expense	14,213	38,899	+173.7
Profit for the period	6,962	19,799	+184.4
Profit attributable to owners of the Company	3,202	21,439	+569.6

Achieved Significant Increases in Revenue and Income in All Segments, Including Profit Before Income Tax Expense



(i) FY2013 Operating Revenue by Segment (IFRS)

(Unit: JPY million)

	FY2012 (Apr. 2012 -Mar. 2013)	FY2013 (Apr. 2013- Mar. 2014)	YoY % change
Financial Services Business	113,340	147,835	+30.4
Asset Management Business	32,202	72,725	+125.8
Biotechnology-related Business	970	2,195	+126.3
Others (Primarily Housing and Real Estate Business)	9,240	11,626	+25.8

* Figures are before elimination of inter-segment transactions

Achieved Significant Increases in Revenue and Income in All Segments, Including Profit Before Income Tax Expense



(ii) FY2013 Profit Before Income Tax Expense by Segment (IFRS)

(Unit: JPY million)

	FY2012 (Apr. 2012 -Mar. 2013)	FY2013 (Apr. 2013- Mar. 2014)	YoY % change / amount
Financial Services Business	18,741	37,298	+99.0%
Asset Management Business	5,450	8,990	+65.0%
Biotechnology- related Business	-3,900	-2,432	+1,468
Others (Primarily Housing and Real Estate Business)	1,659	2,438	+46.9%

* Figures are before elimination of inter-segment transactions

Review of FY2013 Segment Results

Outlook at the time of 3Q FY2013 results announcement

- **Financial Services Business:** Expected to consistently accumulate profits
 - **Asset Management Business:** Acucela's IPO was scheduled for Feb. 13, 2014, and a significant decline in previously listed portfolio stocks was not anticipated.
 - **Biotechnology-related Business:** A partial receipt of a contingency fee was planned, along with the possibility of achieving a full-year profitability
- ➔ **FY2013 full-year operating income expected to exceed that of FY2005, when record-high operating income of JPY 49.6bn on a J-GAAP basis was recorded**



- ① **The Financial Services Business companies achieved favorable results, such as record-high income and full-year profitability, as anticipated.**
- ② **The Asset Management Business recorded significant loss from a change in fair value in 4Q, as a result of factors including the valuation loss of JPY 5.4bn on sharp declines in the shares of ReproCELL and Acucela, along with the valuation loss of JPY 1.5bn from the shares of Auto Server in 4Q.**
- ③ **The Biotechnology-related Business posted a full-year loss on a slippage of the planned receipt of a contingency fee into FY2014 or later.**
 - ➔ **As a result, achieved record-high consolidated operating revenue of JPY 232.8bn, whereas operating income was JPY 42.2bn.**

Major Group Companies that Achieved Record High Profits



[Financial Services Business]

◆ **SBI SECURITIES**

All profit items recorded an historical high

◆ **SBI Japannext**

Achieved operating profitability of 3.9x YoY

◆ **SBI FXTRADE**

Achieved a full-year operating profitability in the second operating year

◆ **SBI Mortgage**

Recorded an historical high in profits despite adverse market conditions

◆ **SBI MONEY PLAZA**

Achieved operating profitability for two operating years in a row since its launch

◆ **Morningstar Japan**

Increased non-consolidated profits for ten consecutive years

◆ **SBI Insurance**

(after adopting IFRS)

Significantly decreased deficits by JPY 1.1bn YoY

◆ **SBI SSI**

Expected to achieve its first full-year operating profitability since its establishment

◆ **SBI Sumishin Net Bank**

(announcement scheduled for May 14, 2014)

Expected to dramatically exceed its previous record high

[Other Business]

◆ **SBI Life Living**

Recorded an historical high for three consecutive operating years

Profit Before Income Tax Expense of Major Financial Services Business Companies (1)

[Profit before Income Tax Expense]

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

	FY2012 (Apr. 2012 -Mar. 2013)	FY2013 (Apr. 2013- Mar. 2014)	YoY change
SBI SECURITIES	11.6	33.3	+21.7
SBI Japannext	0.2	0.9	+0.7
SBI Liquidity Market	1.5	1.9	+0.4
SBI FXTRADE	-0.1	1.3	+1.4
SBI Insurance	-5.0	-3.9	+1.1
SBI Mortgage	3.8	4.1 *	+0.3

* Consolidated SBI Lease from Oct. 2013

Profit Before Income Tax Expense of Major Financial Services Business Companies (2)

[Profit before Income Tax Expense]

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

	FY2012 (Apr. 2012 -Mar. 2013)	FY2013 (Apr. 2013- Mar. 2014)	YoY change
SBI MONEY PLAZA	0	1.1	+1.1
Morningstar Japan	0.8	1.0	+0.2
SBI Sumishin Net Bank (Shares of results of associates using the equity method) *	1.6	2.1 [1Q: -0.8bn, 2Q: 0.6bn, 3Q: 0.3bn, 4Q: 2.0bn]	+0.5

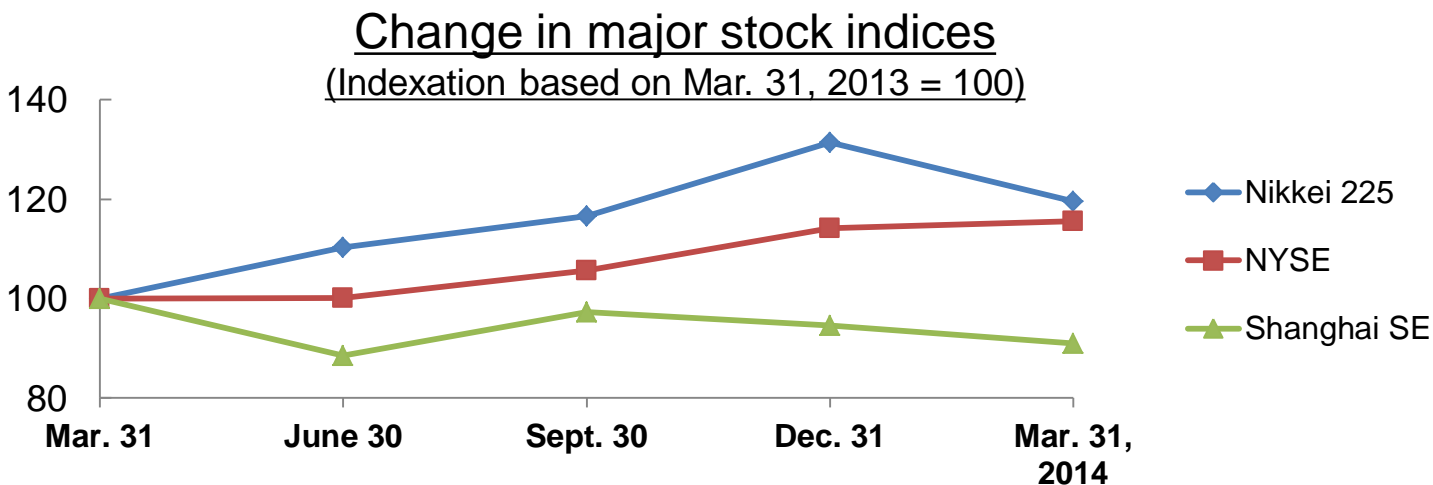
* Based on IFRS, SBI Sumishin Net Bank used interest rate swaps in preparation for the rise in interest rates, and accordingly SBIH recorded deferred losses from hedging, etc., in 1Q FY2012.

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.

Change in Major Stock Indices During FY2013 (Apr. 2013 – Mar. 2014)

	2013				2014	Change (%) (Mar. 31, 2013 – Mar. 31, 2014)
	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	
Nikkei 225	12,397.9	13,677.3 (+10.3)	14,455.8 (+5.7)	16,291.3 (+12.7)	14,827.8 (-9.0)	+19.6
NYSE	9,107.0	9,112.7 (+0.1)	9,621.2 (+5.6)	10,400.3 (+8.1)	10,527.7 (+1.2)	+15.6
Shanghai SE	2,236.6	1,979.2 (-11.5)	2,174.6 (+9.9)	2,115.9 (-2.7)	2,033.3 (-3.9)	-9.1

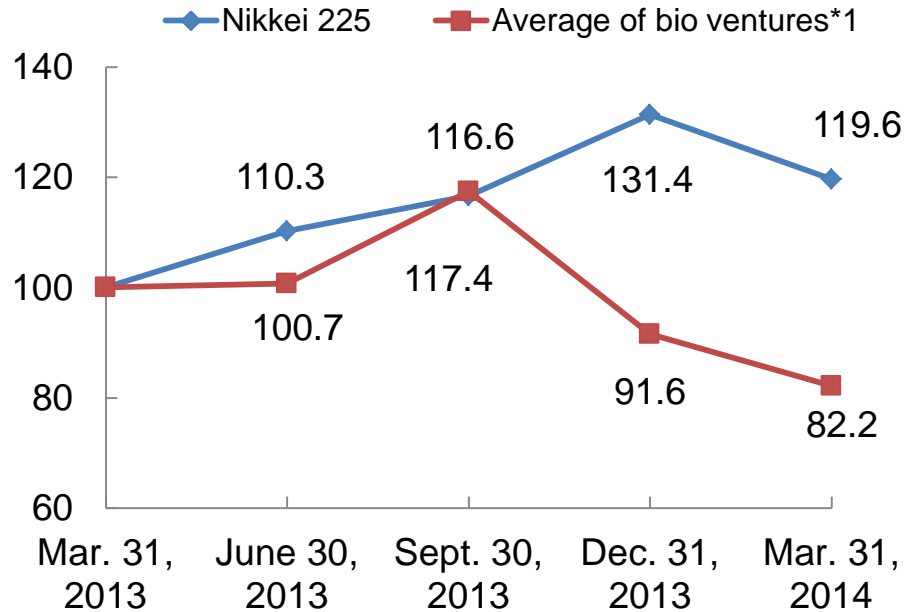
*1: Figures in parentheses represent QoQ changes (%)



Bio-related Stocks Fell Sharply Toward the Fiscal Year-end

Change in Nikkei 225 and stock prices of bio ventures that conducted IPOs from Jan. 2010 to Mar. 2013*1

(Indexation based on the figure on Mar. 31, 2013 = 100)



*1: Bio ventures that conducted IPOs from Jan. 2010 to Mar. 2013
 CellSeed Inc., RaQualia Pharma Inc., SymBio Pharmaceuticals Limited, 3-D Matrix, Ltd., Chiome Bioscience Inc., Gene Techno Science Co. Ltd., UMN Pharma Inc., MEDRx Co., Ltd, euglena Co.,Ltd. and Adjuvant Cosme Japan Co., Ltd.

Bio-related stocks that conducted IPOs in FY2013 (Apr. 2013 – Mar. 2014)

The number of companies	5 companies
Initial price / public offering price	2.7(x)
Average stock price change from Initial prices (As of Mar. 31, 2014)	-39.5%
Average stock price*3 change for 4Q FY2013 (Jan. 2014 – Mar. 2014)	-51.3%

*2: Bio-related companies:
 ReproCELL Incorporated, PeptiDream Inc., Oncolys BioPharma Inc., Human Metabolome Technologies Inc., and Accucela Inc.

*3: Only stocks that conducted IPOs from Apr. 2013 to Dec. 2013

Japanese bio-venture stocks that conducted IPOs in FY2013, along with the U.S. biotechnology stocks, declined sharply in Feb. and Mar. 2014, and eventually ended FY2013 at lower levels.

② Asset Management Business:

The Asset Management Business' Factors for Stagnant Profits, Affected by the Change in Fair Value Valuation

The portfolio price of the bio-related stocks declined sharply during 4Q FY2013, which depressed profits for the Asset Management Business

[Primary Fluctuations Factors in Profit for FY2013

(IFRS, JPY billion)

	9 months FY2013 (Apr. 2013 - Dec. 2013)	4Q FY2013 (Jan. 2014 – Mar. 2014)	FY2013 (Apr. 2013 – Mar. 2014)
Profit before income tax expense for Asset Management Business	12.9	-4.0	9.0
<u>Profit/loss from the change in fair value and profit/loss on sales of investment securities</u>	12.6	-3.2	9.4

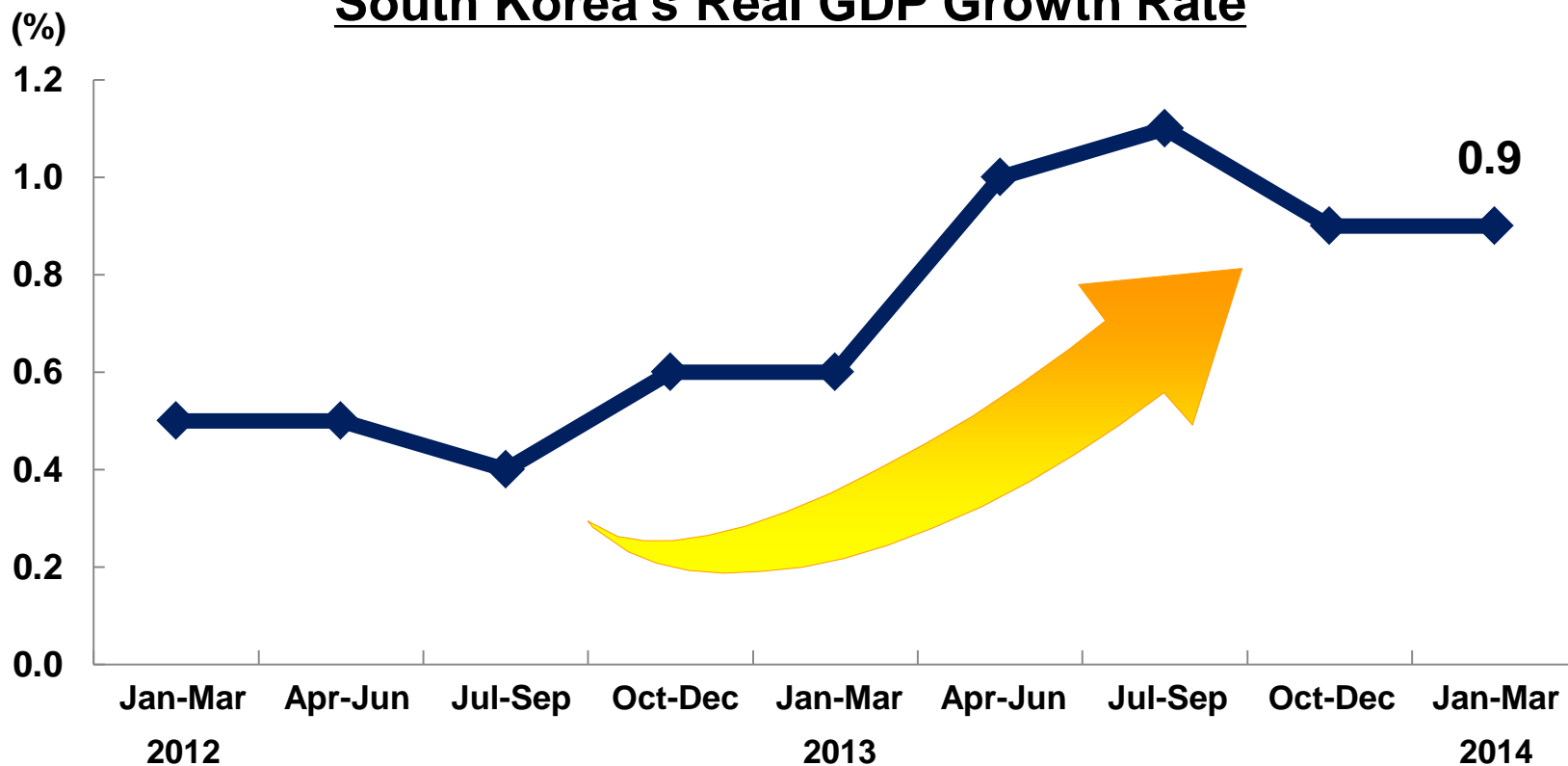
Recorded fair value loss of approx. JPY 5.4bn for the bio-related stock portfolio, which depressed profits for 4Q FY2013, and restrained the full-year profit growth.

Profit/loss from major bio-related stock portfolio for 4Q FY2013 (Jan. 2014 – Mar. 2014)

Stock	Change in stock prices	Profit/loss in fair value and profit/loss on sales of investment securities
ReproCELL	As of Dec. 31, 2013: JPY 1,725 → As of Mar. 31, 2014: JPY 909	-3.9
Acucela	Initial Price: JPY 2,300 → As of Mar. 31, 2014: JPY 1,581	-1.5

Continued Improvement of SBI Savings Bank's Business Environment ①

South Korea's Real GDP Growth Rate

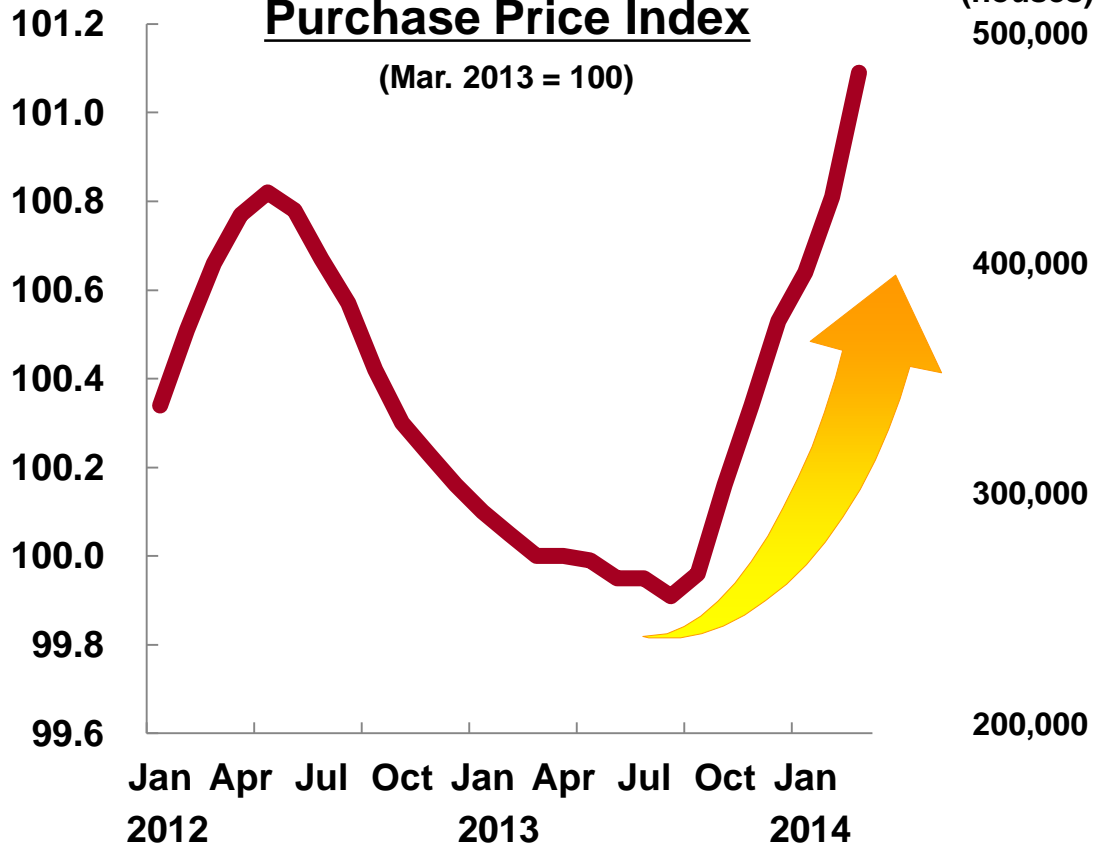


Source: The Bank of Korea

- Real GDP (preliminary estimate) grew by 0.9% QoQ in the Jan.-Mar. 2014 period, continuing a gradual recovery
- YoY growth rate hit 3.9%, a 3-year high

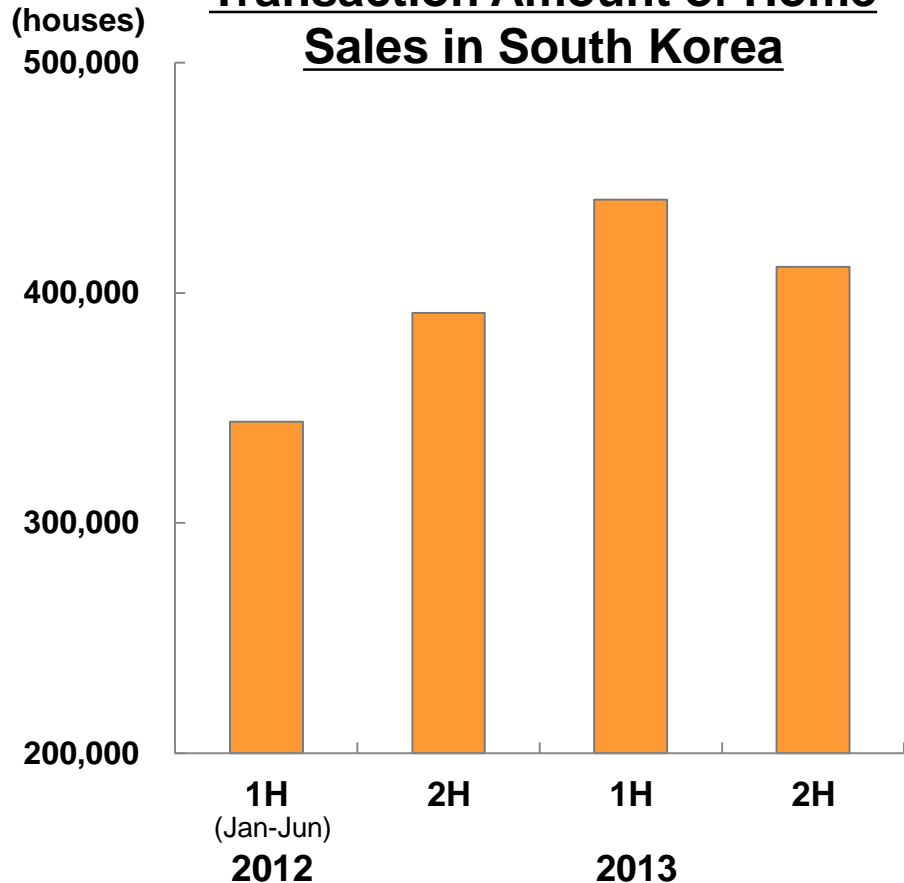
Continued Improvement of SBI Savings Bank's Business Environment ②

South Korean Housing Purchase Price Index
(Mar. 2013 = 100)



Source: The Bank of Korea

Transaction Amount of Home Sales in South 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 rapidly.
- Transaction amount of home sales is steadily firming, compared with a year earlier.

Recorded a Profit before Income Tax Expense of JPY 4bn

FY2013 Results

(SBIH's consolidated accounts basis; IFRS)

JPY billion

Operating revenue	36.6
Operating income	4.6
Profit before income tax expense	4.0

Operating Receivables

(As of Mar. 31, 2014; IFRS)

JPY billion

Operating receivables	322.3
Allowance for bad debt	128.8
Bad debt provisioning %	40.0%

(Rounded to one decimal place)

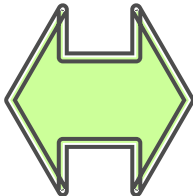
- Amid improvement in real estate market conditions, steady progress has been made with debt collection by means including the sale of bad debt (project finance and consumer loans).
- Capital injections from SBI Holdings made the strengthening of sales activities possible, and campaigns, TV commercials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

Management improvement orders issued by South Korean financial authorities were lifted on Apr. 30, 2014, which enabled normal business operations. The bank will continue to focus on increasing normal assets and decreasing non-performing assets, to further strengthen profitability

Consolidated Results of the Biotechnology-related Business for FY2013 (IFRS)

[Profit before income tax expense]

(JPY billion)

	FY2012		FY2013	YoY change
Total of the Biotechnology-related Business	-3.9		-2.4	+1.5

Although the Biotechnology-related Business was expected to achieve full-year profitability as a result of the partial receipt of a contingency fee in 2H FY2013 by Quark Pharmaceuticals, a wholly-owned subsidiary of SBI Biotech, the business recorded a loss owing to slippage of the schedule for receipt of the contingency fee, despite marked year-on-year improvement in profit before income tax expense.

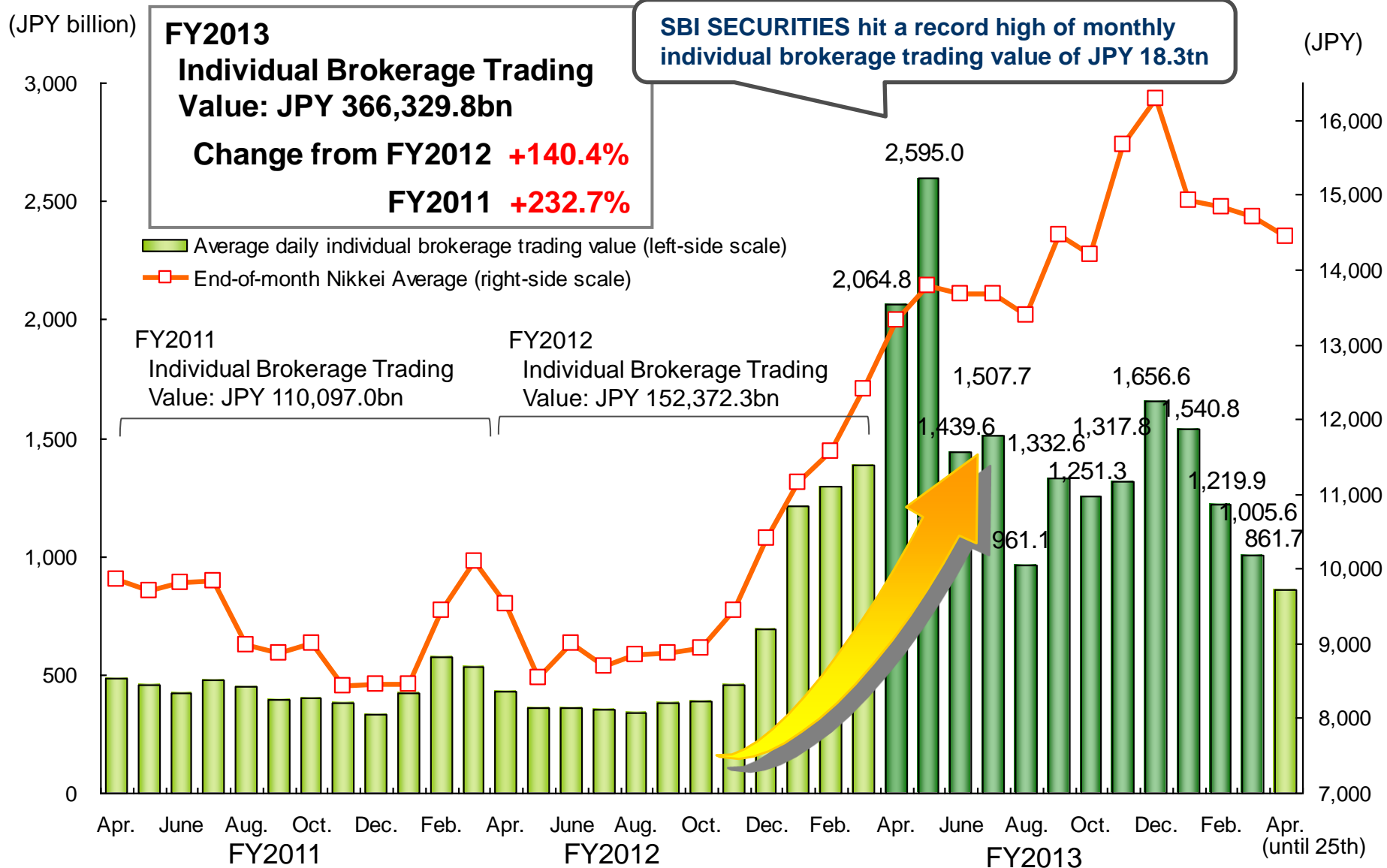
State of the Major Financial Services Business Companies

- 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**

① SBI SECURITIES

- **FY2013 (Apr. 2013-Mar. 2014) results were strong as operating revenue increased 71.2%, and operating income rose 185.7% year-on-year. Operating revenue and all 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 2-3 percentage points year-on-year, respectively**
- **Owing to the favorable market conditions, commissions and financial revenue rose 1.9 times year-on-year, respectively. Investment trust fees continued 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, JASDAQ and NSE Centrex)

SBI SECURITIES FY2013

Consolidated Results (J-GAAP)

[Year-on-year]

(Unit: JPY million)

	FY2012 (Apr. 2012 -Mar. 2013)	FY2013 (Apr. 2013- Mar. 2014)	YoY % change
Operating Revenue	43,401	74,298	+71.2
Net Operating Revenue	40,495	69,955	+72.7
Operating Income	11,478	32,799	+185.7
Ordinary Income	11,512	32,743	+184.4
Net Profit	6,733	18,069 *	+168.3

* Owing to the significant increase of stock trading value followed by the brisk market, SBI SECURITIES reserved approximately JPY 2,482m for financial instruments transaction liability reserves under the Financial Instruments and Exchange Act in the consolidated fiscal year ended 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

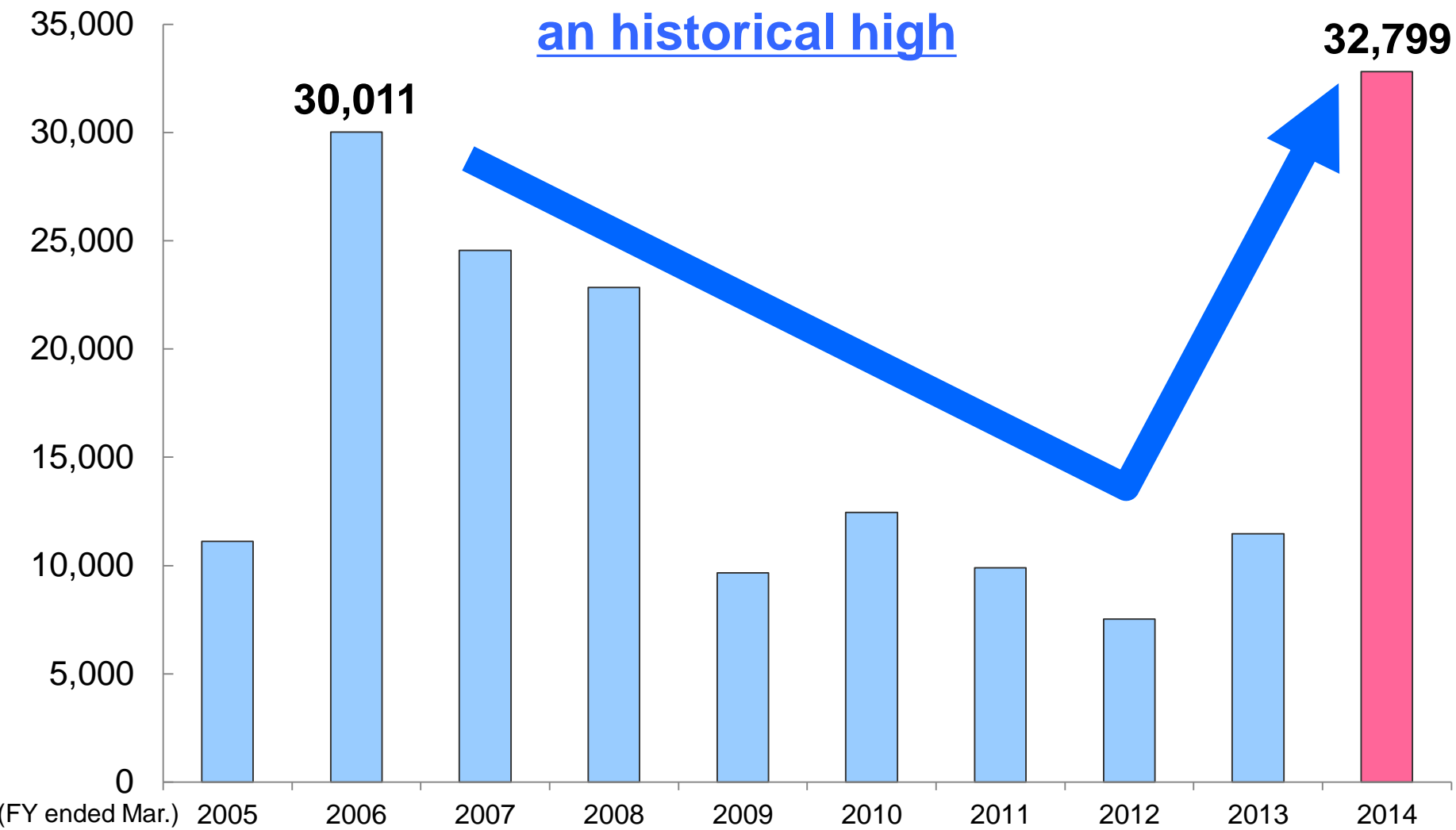
(Unit: JPY million)

	Previous Record High (Period of Achievement)	FY2013 (Apr. 2013- Mar. 2014)	Rate of Increase (%)
Operating Revenue	64,499 (FY2007)	74,298	+15.2
Net Operating Revenue	58,017 (FY2007)	69,955	+20.6
Operating Income	30,011 (FY2005)	32,799	+9.3
Ordinary Income	30,077 (FY2005)	32,743	+8.9
Net Profit	16,970 (FY2005)	18,069	+6.5

Change in Operating Income Since FY2004

Surpassed the amount of operating income recorded in FY2005 and achieved an historical high

(JPY million)



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.)	74,298	+71.2	32,799	+185.7	30,651	+165.2
Monex (*) (cons.)	54,722	+51.6	15,069	+341.9	16,895	+141.4
Rakuten (cons.)	45,773	+86.5	22,393	+217.0	21,097	+140.8
Matsui	39,883	+91.8	27,090	+165.7	26,348	+156.3
kabu.com	23,347	+77.8	11,579	+198.2	11,106	+193.6

* From full year FY2012, Monex has adopted IFRS, so 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 FY2012 was JPY 3,410m)

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



Customer Base of SBI SECURITIES

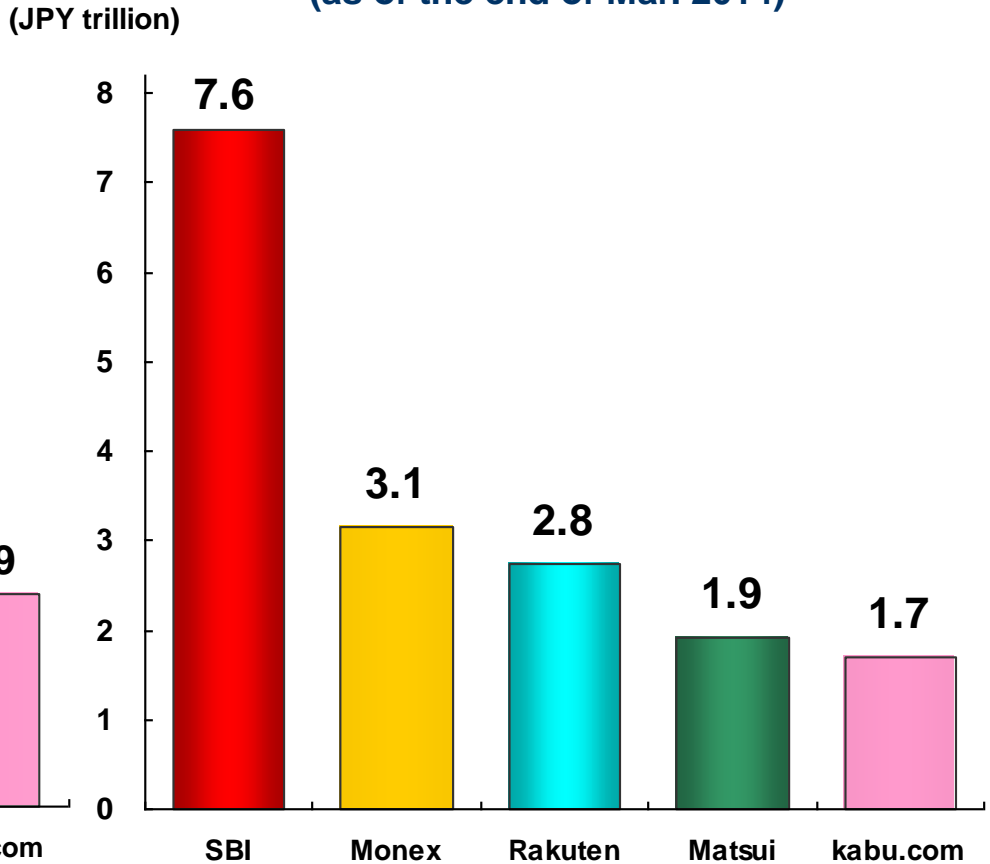
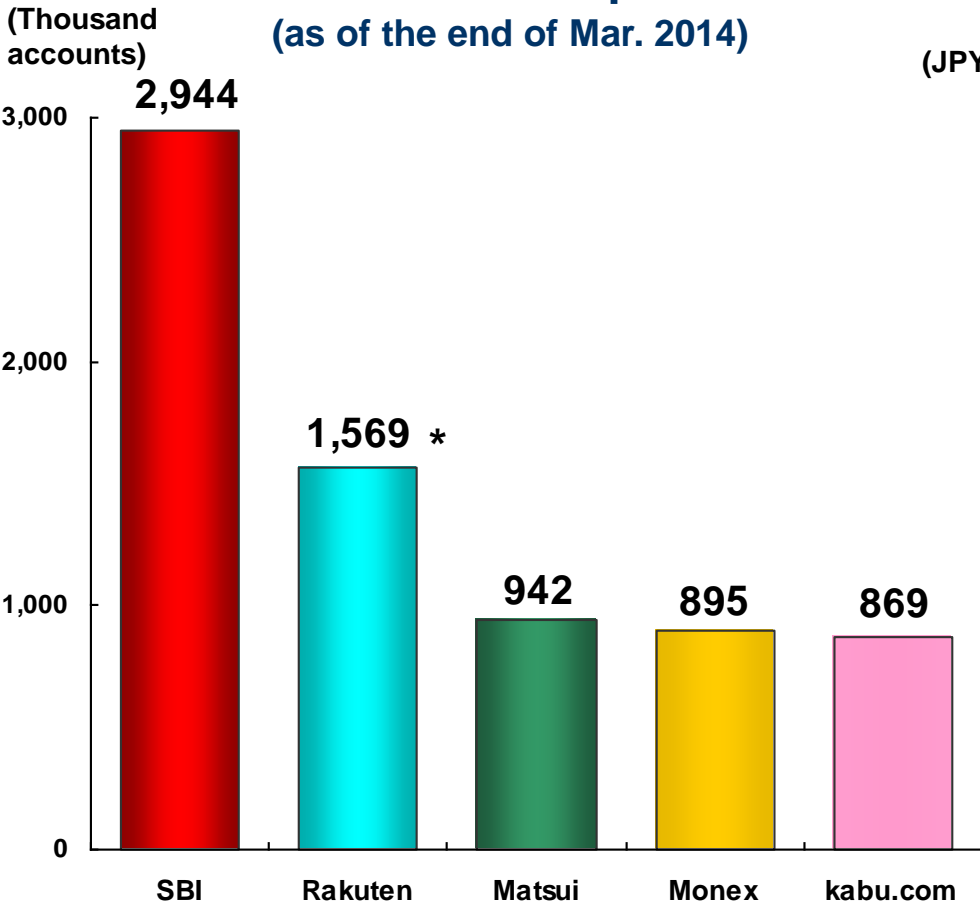
[Number of Accounts and Amount of Customer Asset]

Customer Accounts of 5 Online Securities Companies

(as of the end of Mar. 2014)

Customers' Deposit Assets of 5 Online Securities Companies

(as of the end of Mar. 2014)



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

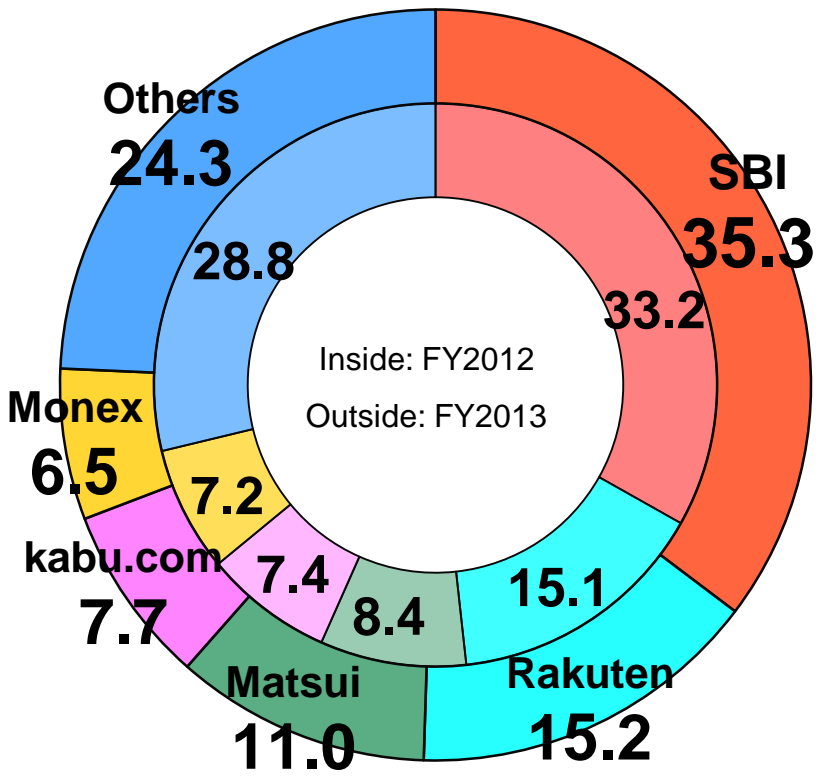
Source: Compiled by SBIH from the information on websites of each company.

SBI SECURITIES' Share of Individual Stock Trading Value Significantly Increased

Share of Individual Stock Trading Value (%)

FY2013

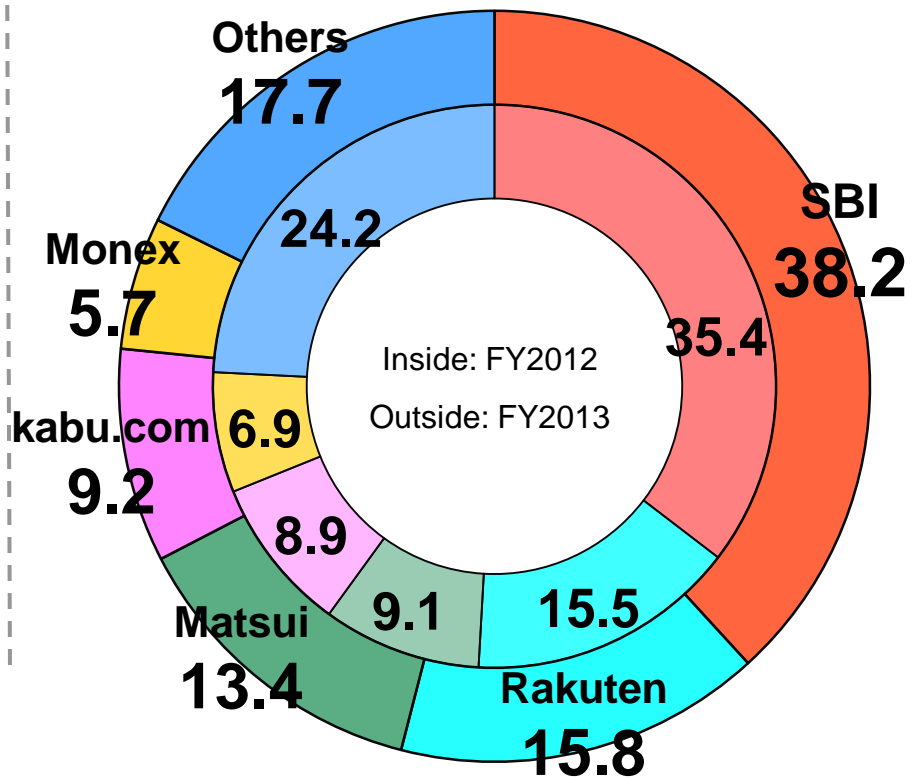
(Apr. 2013-Mar. 2014)



(of which) Share of Individual Margin Trading Value (%)

FY2013

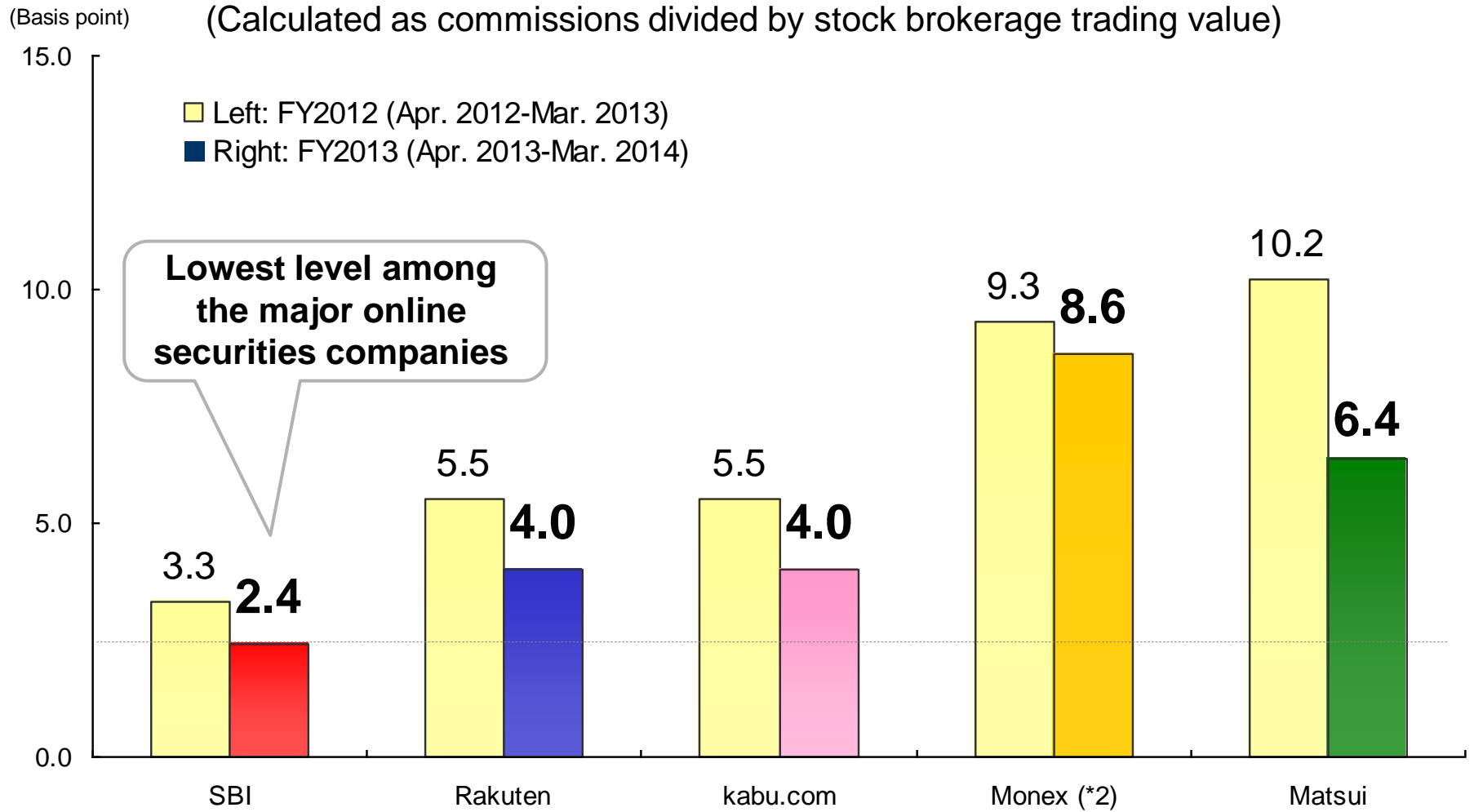
(Apr. 2013-Mar. 2014)



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

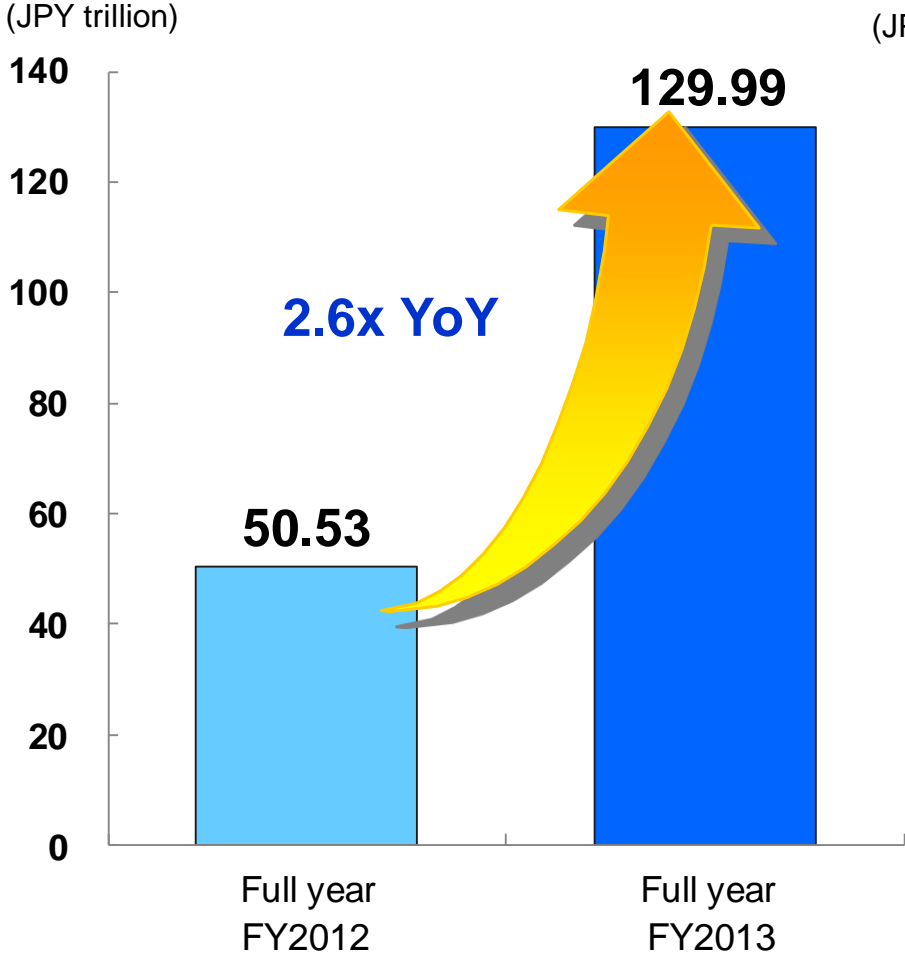
*2 Figures of Monex are based on commission of Monex, Inc.'s commission figures

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

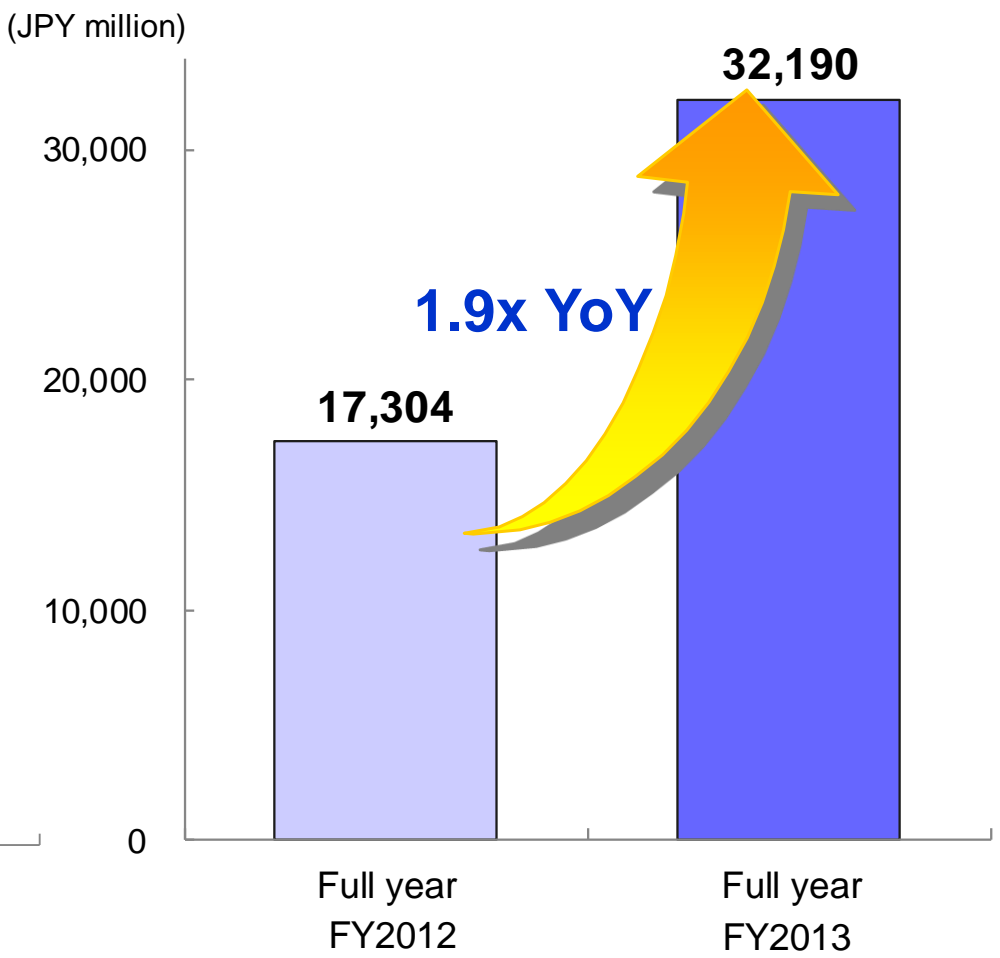
Commissions are from earnings briefings.

SBI SECURITIES' Stock Brokerage Trading Value and Commissions Dramatically Increased

Stock Brokerage Trading Value

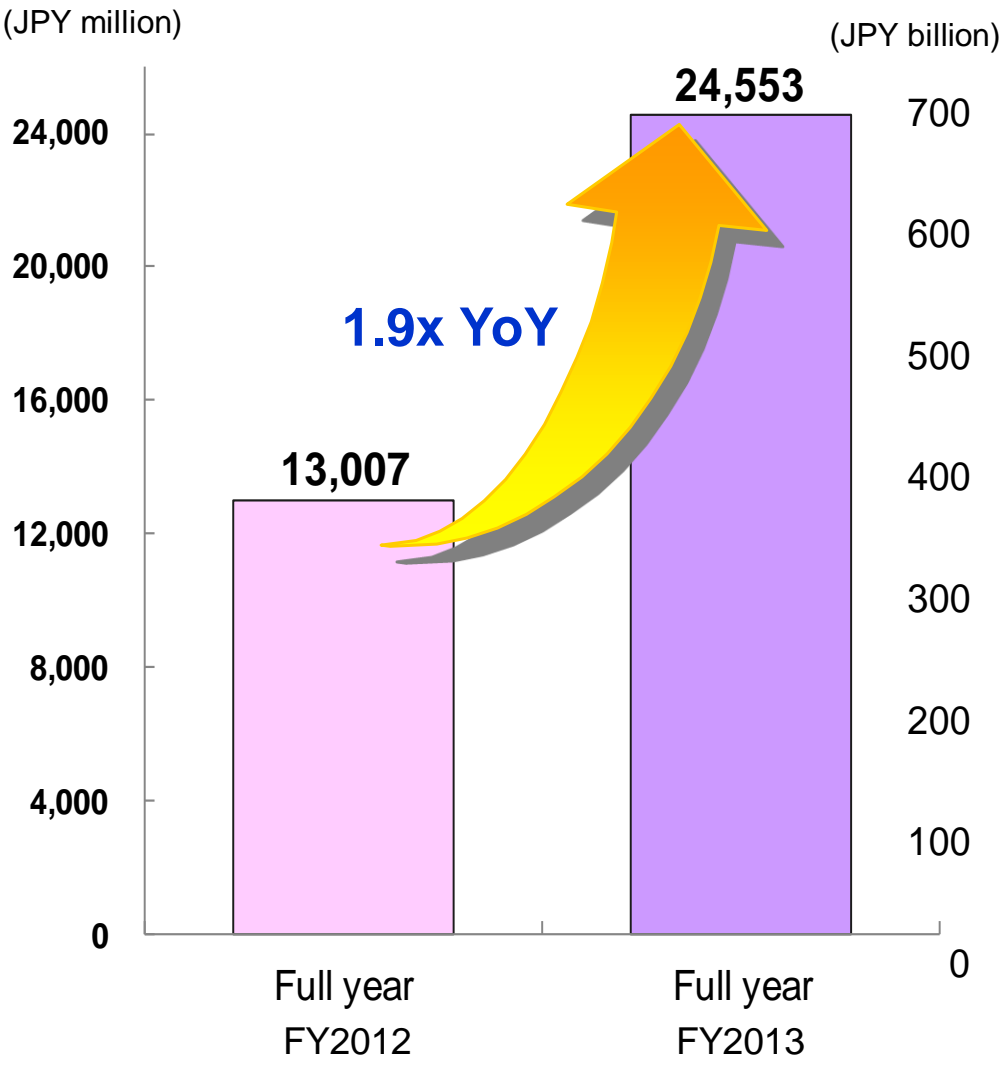


Commissions

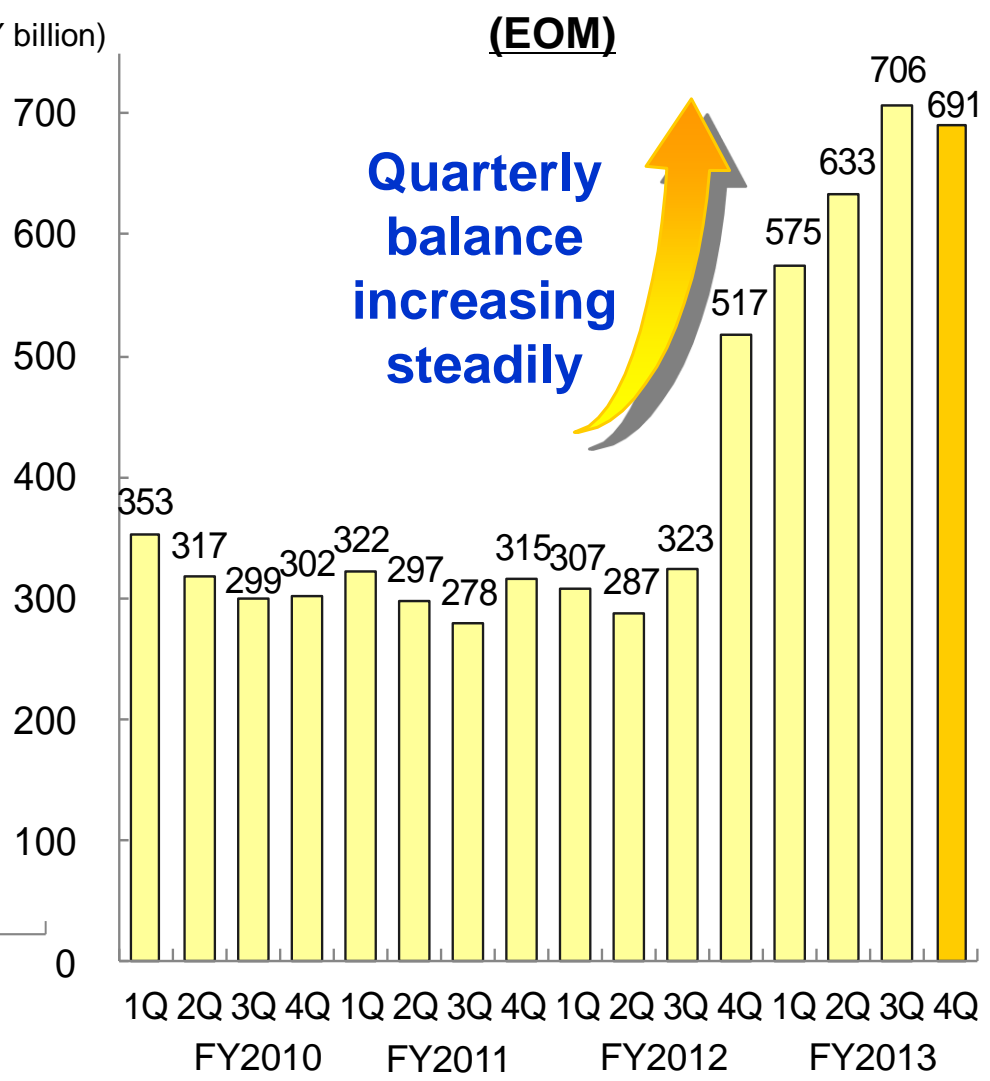


SBI SECURITIES' Financial Revenue and Open Interest Credit Balance Significantly Increased

Financial Revenue



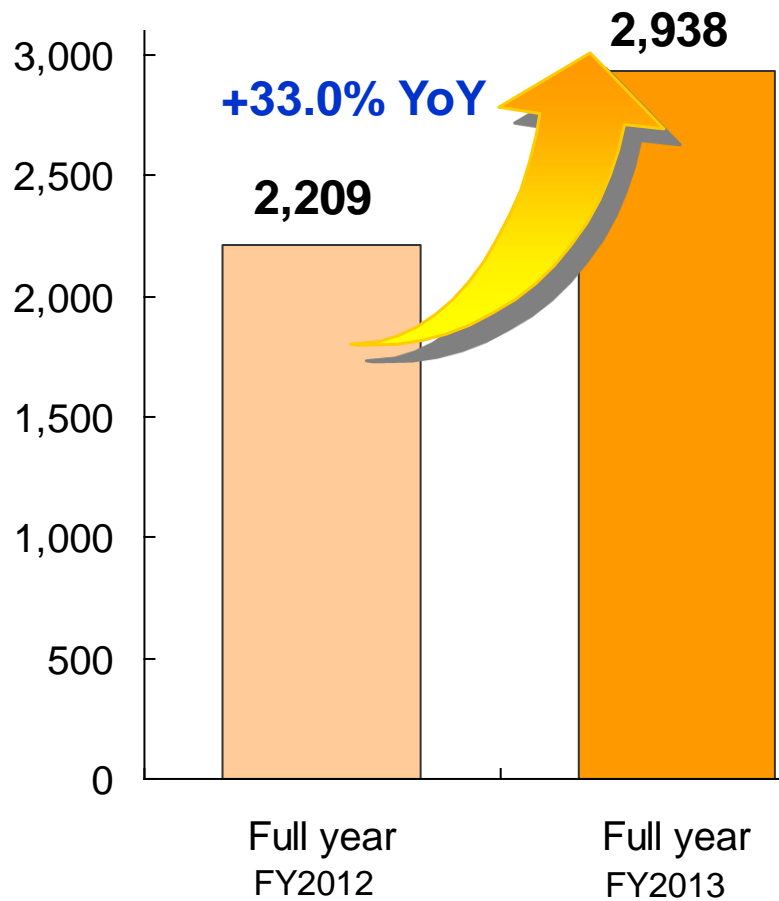
Open Interest Credit Balance



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

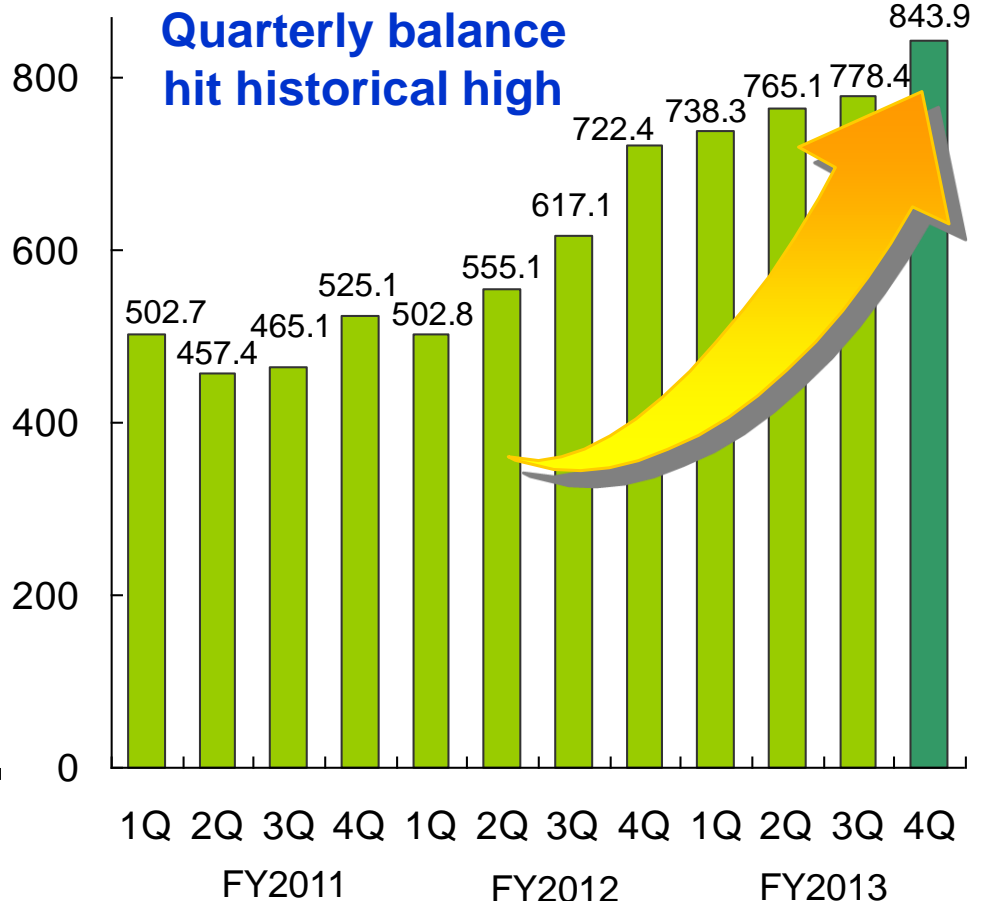
Investment Trust Fees

(JPY million)



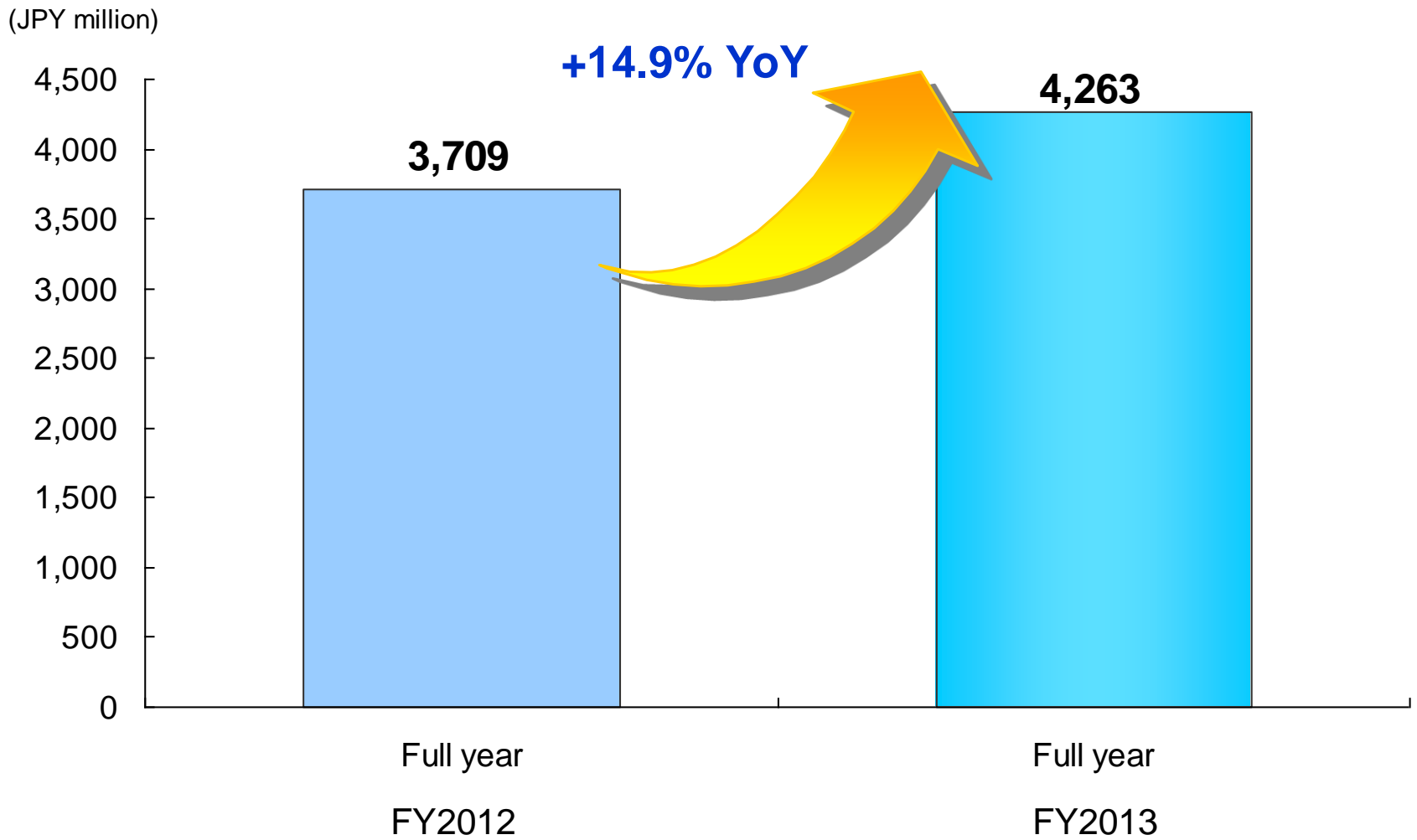
Investment Trust Balance

(JPY billion)



* 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

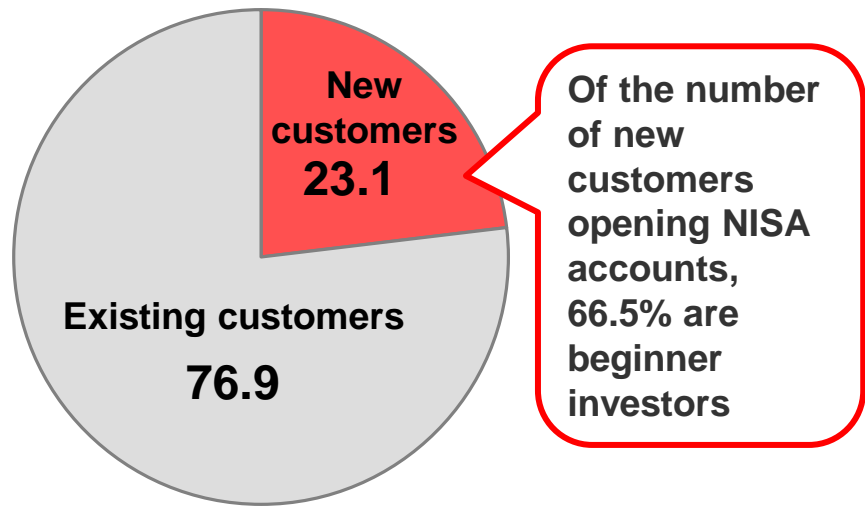
SBI SECURITIES' FX Trading-related Gains for FY2013



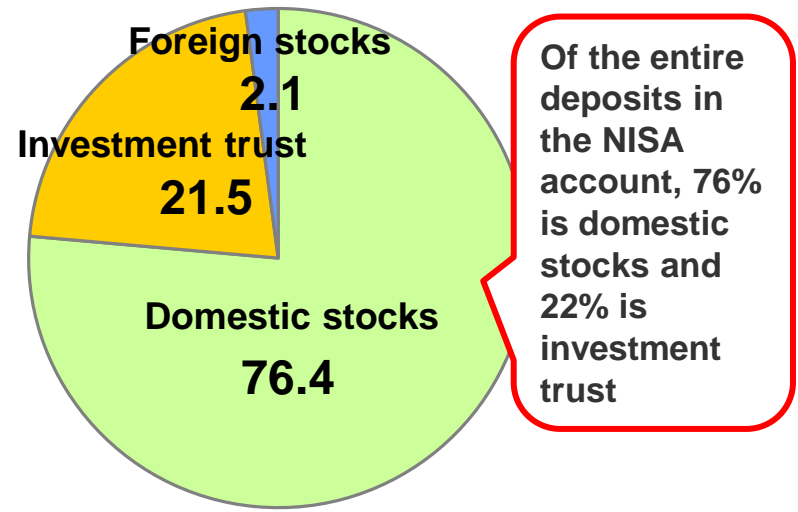
Status of NISA (Tax Exempt System for Small Investment) Accounts

[NISA accounts and customers' deposits (as of the end of Mar. 2014)]
Number of accounts: approx. 410,000 / Deposits: JPY 77,531m

Breakdown by customer (%) (*)



Breakdown by product (%) (*)



- **Persons age 20 to 49 make up 56.3% of customers opening NISA accounts**
- **Providing a service to obtain residence certificates free of charge**
(For applications to open NISA accounts from May 1 to June 30, 2014)

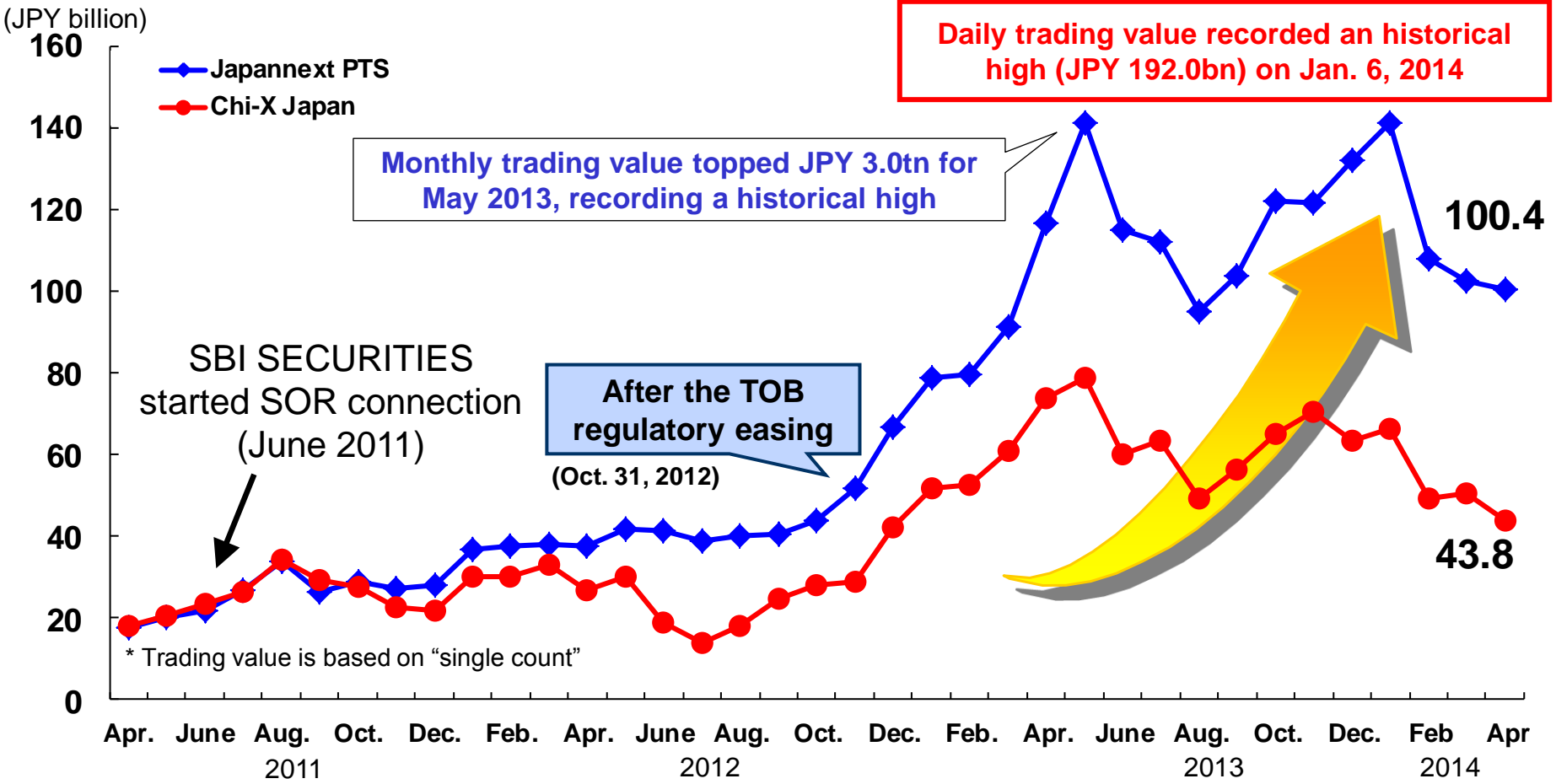
* Based on the numerical data of Dec. 26, 2013 to Mar. 31, 2014

② SBI Japannext

- **With an active stock market environment, trading value increased steadily and continuously, and FY2013 operating income resulted in an historical high, 3.9 times year-on-year increase.**
- **With Daiwa Securities as its lead manager, progressing smoothly toward a targeted 2015 IPO.**

Average Daily Trading Value at Japannext PTS Surged

Ratio of Japannext PTS to 1st section of the TSE (%)
4.1 (FY2012) **4.9** (FY2013) / **5.2** (4 month period; Jan.-Apr. 2014)



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.

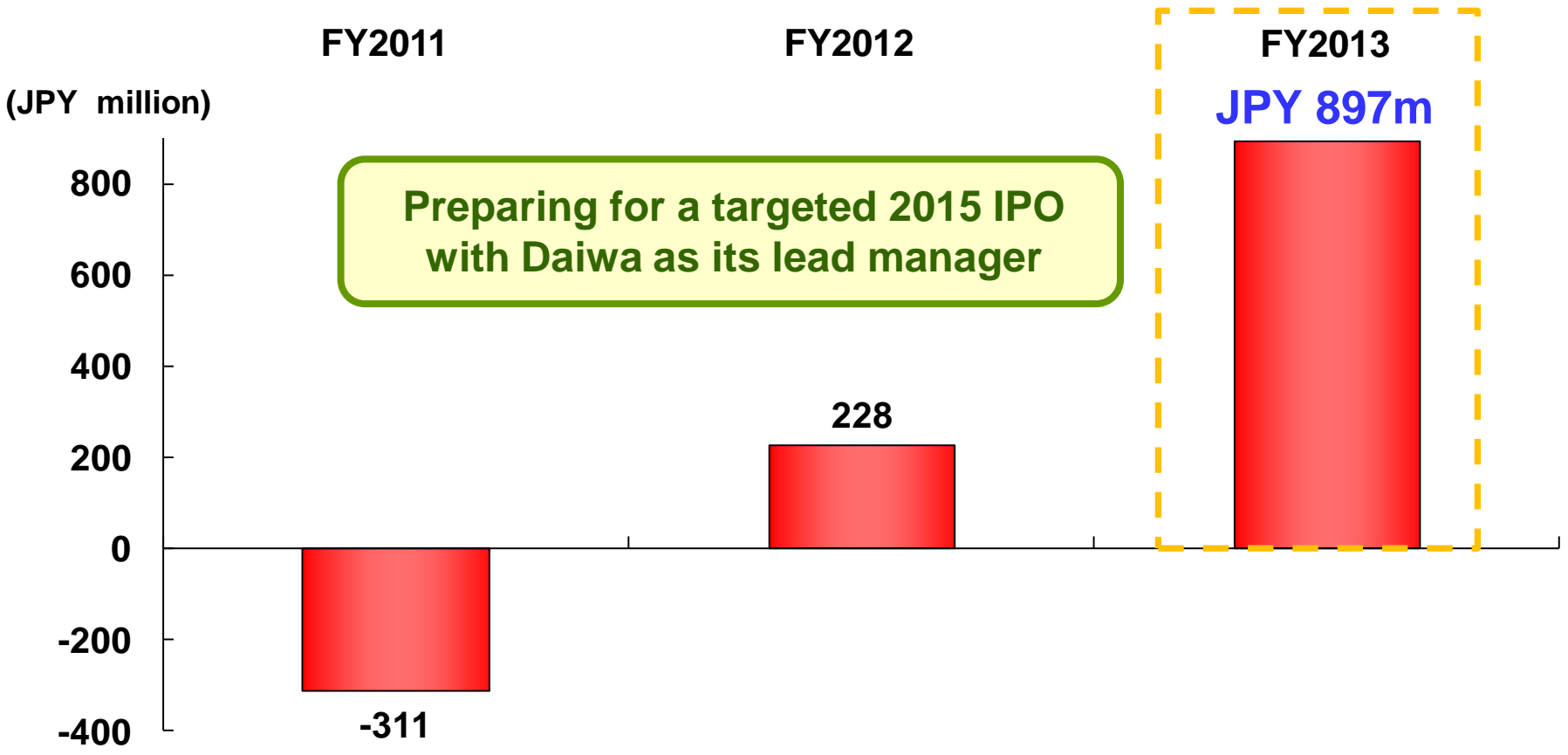
Source: Compiled by SBIH from information on websites of each company and Reuters

Change in SBI Japannext's Financial Results

(Consolidated in Sept. 2012)

FY2013 operating income resulted in an historical high,
3.9 times year-on-year increase

Change in Operating Income/Loss



* Based on J-GAAP

③ SBI Liquidity Market, SBI FXTRADE

- **SBI Liquidity Market's operating income before allocation for FY2013 was JPY 8.5bn, up 39.3% year-on-year**
- **SBI FXTRADE achieved a full-year operating profitability in the second operating year**
- **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 10.5% (as of 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**

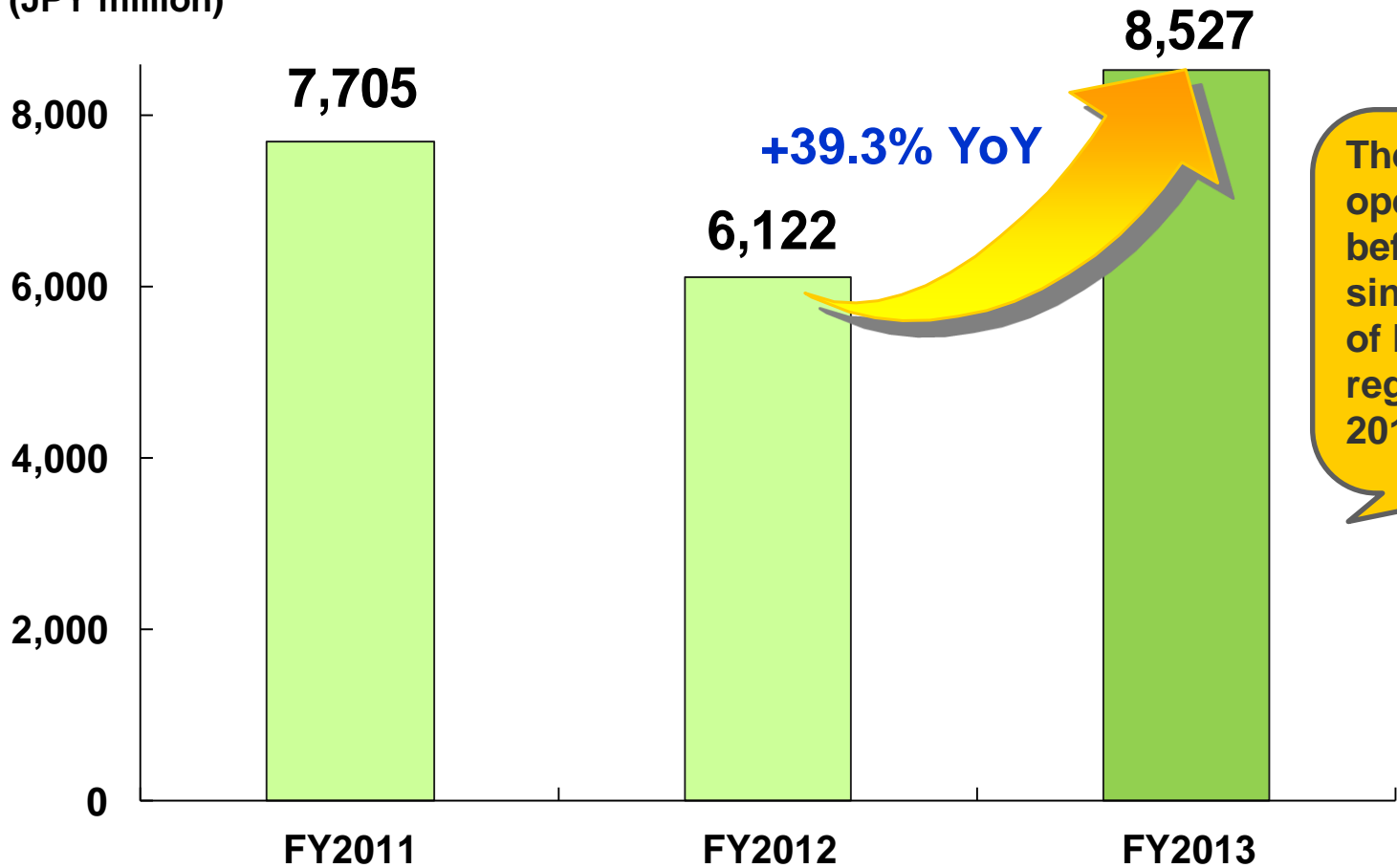


Financial Results of SBI Liquidity Market

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

Operating Income Before Allocation

(JPY million)



The highest operating income before allocation since introduction of leverage regulations (Aug. 2010, Aug. 2011)

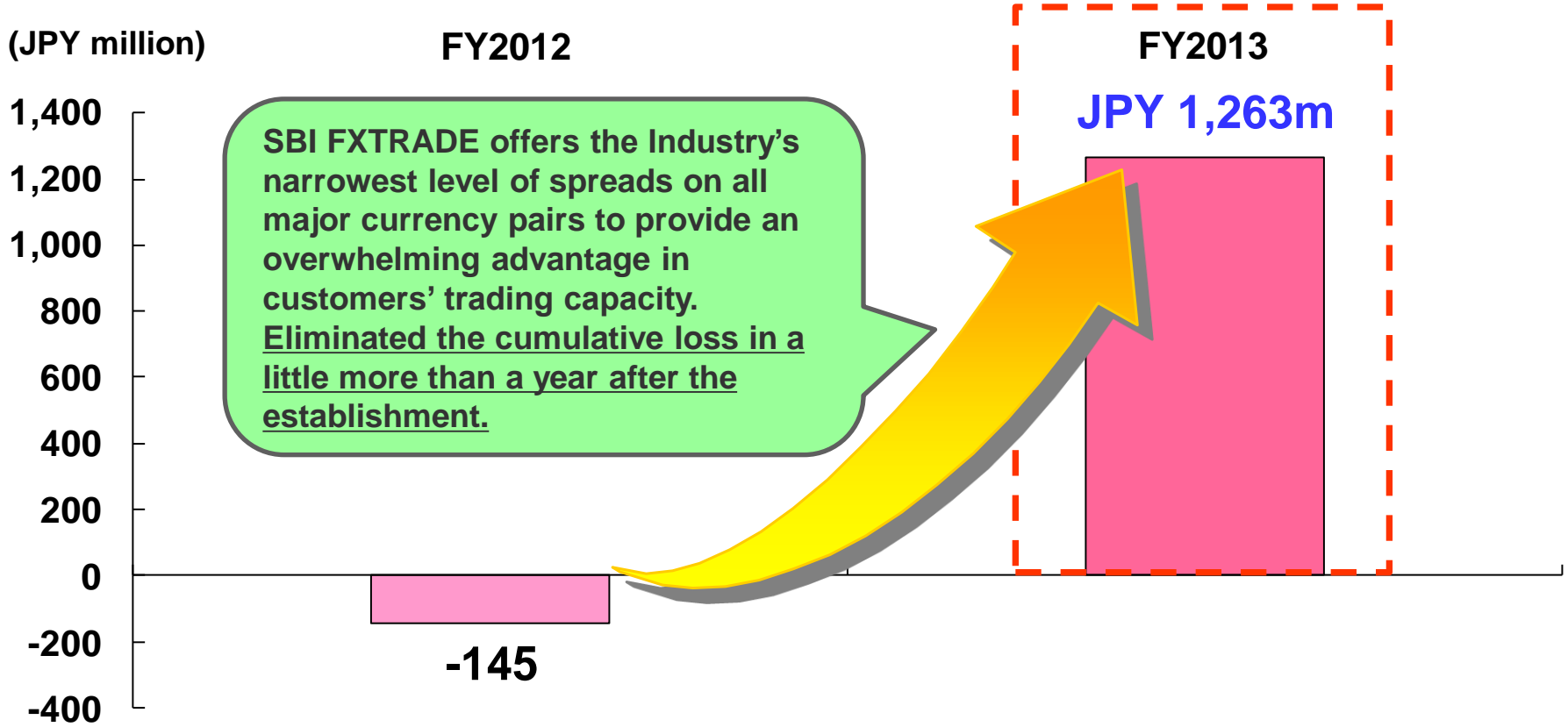
* Based on J-GAAP



SBI FXTRADE Achieved a Full-year Operating Profitability in the Second Operating Year (Started its business on May 30, 2012)

Operating income for FY2013 rose by JPY 1,408m year-on-year

Change in Operating Income/Loss



* Based on J-GAAP

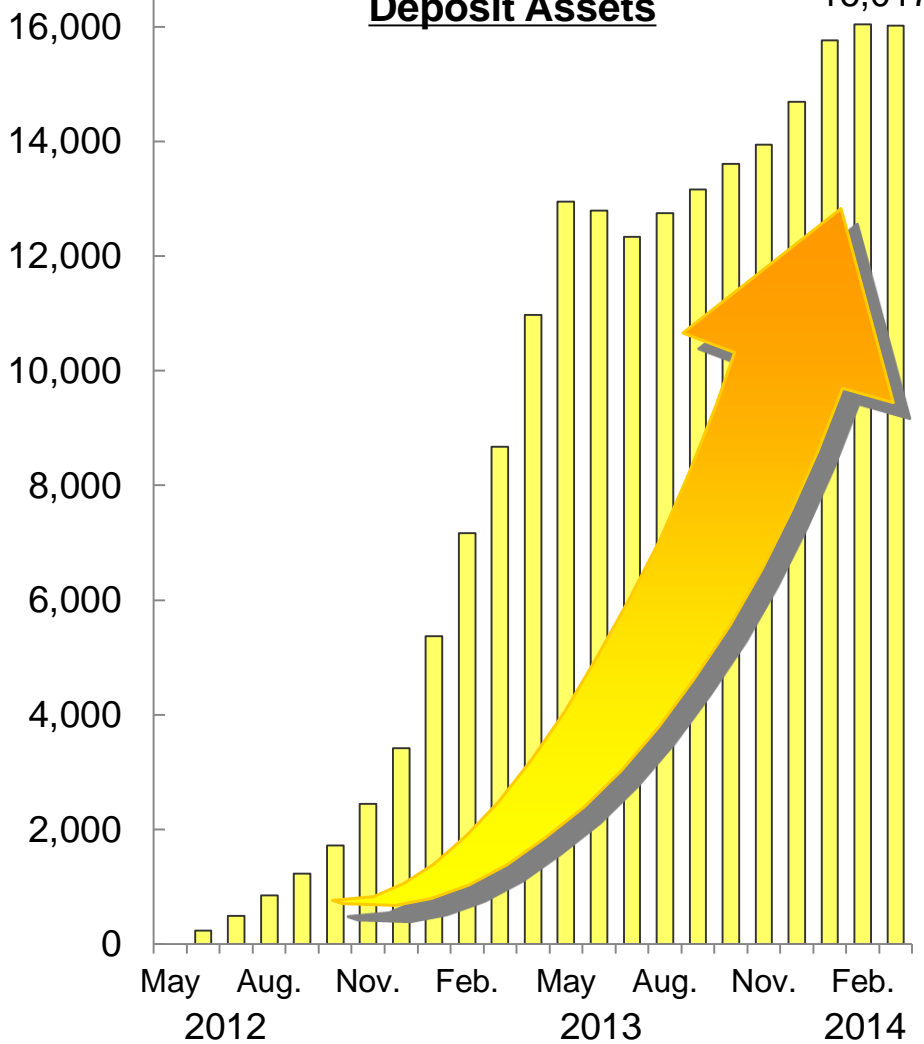


SBI FXTRADE's Deposit Assets and Number of Accounts Significantly Increased

(Started its business on May 30, 2012)

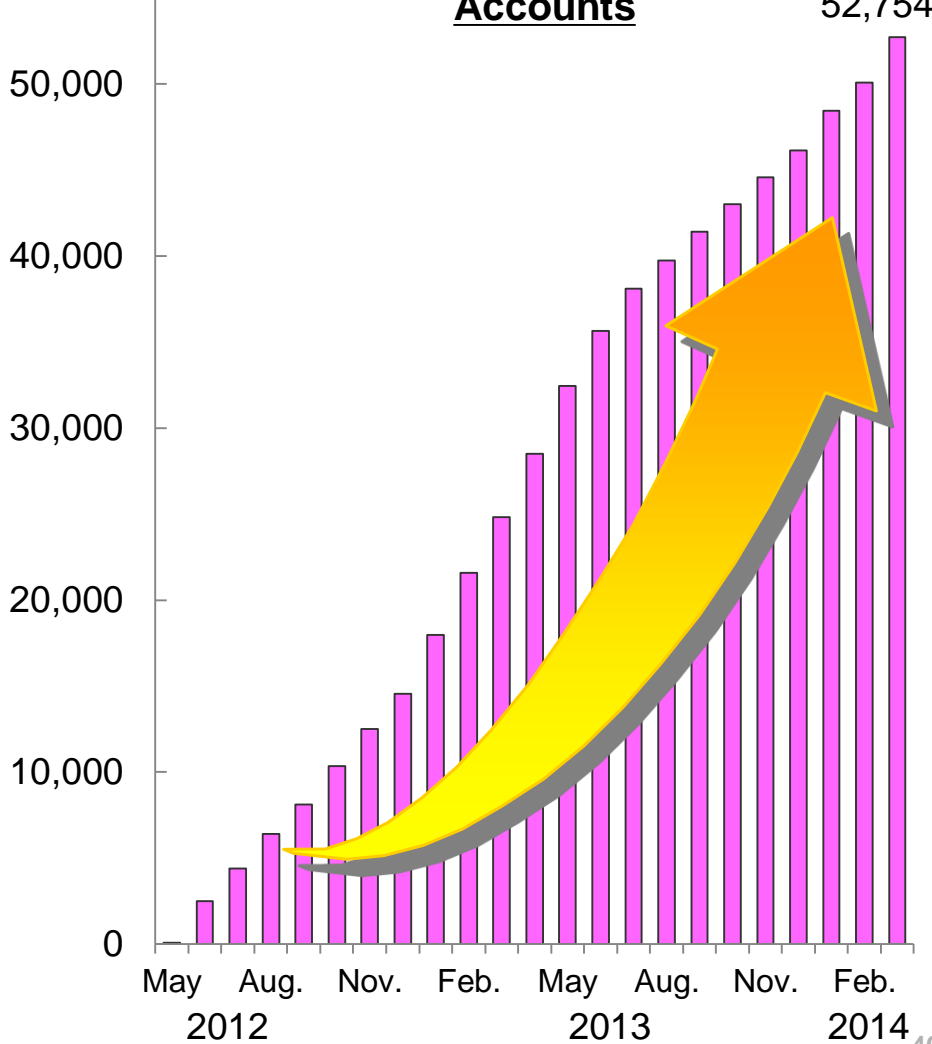
Change in Customers' Deposit Assets

(JPY million)



Change in Number of Accounts

(Accounts)

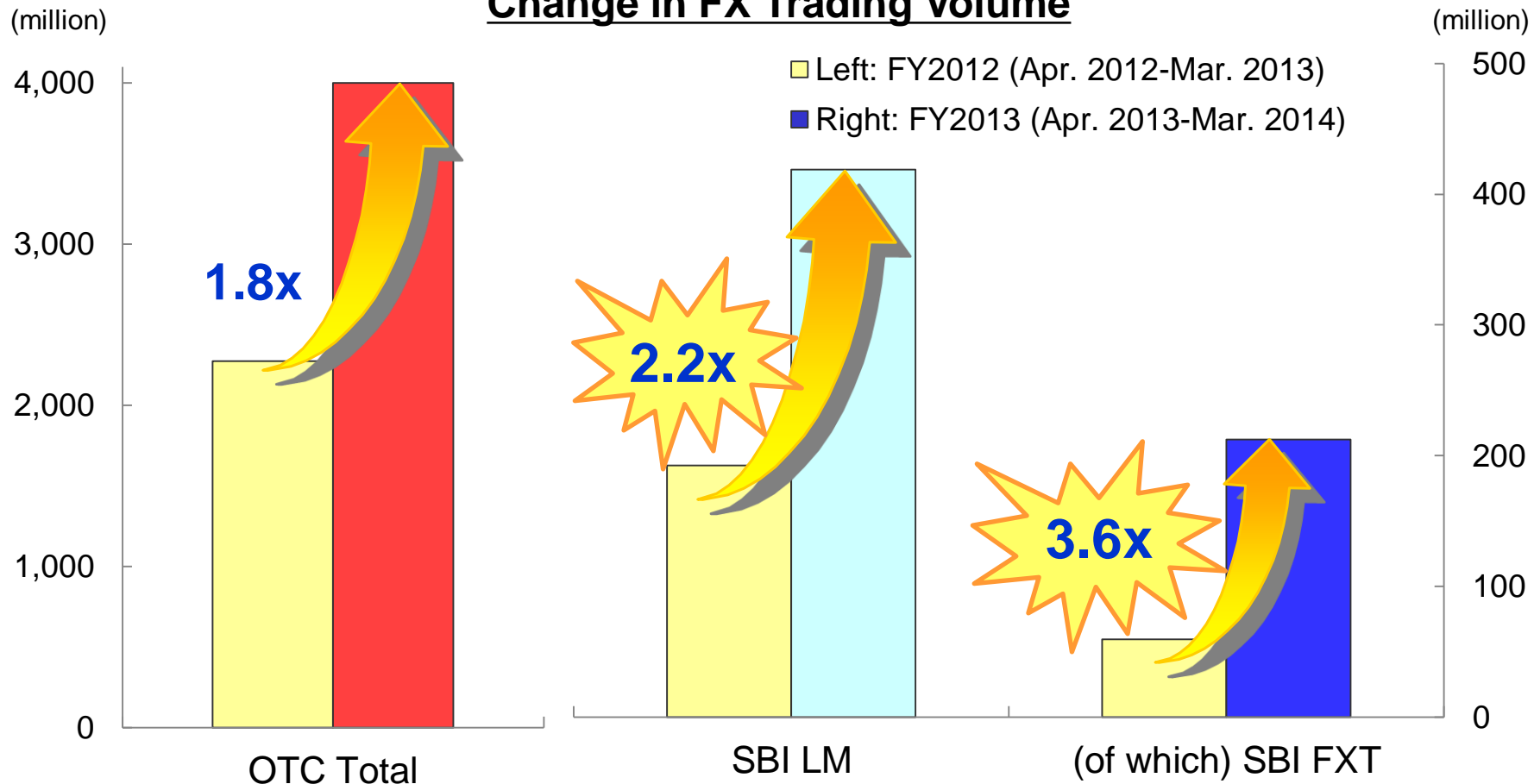


SBI Liquidity Market's Rise in Trading Volume Significantly Exceeds that of the Whole OTC FX Industry

SBI LM's share among the total OTC market is steadily increasing

5.6% (FY2011) ➡ 8.5% (FY2012) ➡ 10.5% (FY2013)

Change in FX Trading Volume



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

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

Number of FX Trading Accounts (Accounts)

No.	Company name	Number of accounts	MoM change
1	SBI Group	470,342	9,606
2	DMM.com	380,031	5,064
3	Gaitame.com	378,664	894
4	GMO CLICK	333,944	3,250
5	YJFX	280,187	2,711
6	MONEY PARTNERS	235,807	1,615
7	Traders Securities	218,265	1,473
8	Hirose FX	162,104	1,146
9	FX PRIME by GMO Corporation	146,774	908
10	Central Tanshi FX	145,246	1,288
11	MONEY SQUARE JAPAN	67,718	1,220
12	Ueda Harlow	49,105	183
	Others (2 companies)	294,947	1,915
	Total	3,163,134	31,273

Customers' Deposit Assets (JPY million)

No.	Company name	Amount	MoM change
1	SBI Group	135,868	5,730
2	Gaitame.com	101,797	-300
3	GMO CLICK	96,242	775
4	YJFX	81,440	-211
5	DMM.com	80,490	1,736
6	Central Tanshi FX	55,579	390
7	MONEY SQUARE JAPAN	52,524	712
8	MONEY PARTNERS	44,348	98
9	Hirose FX	22,524	-108
10	FX PRIME by GMO Corporation	16,129	274
11	Traders Securities	13,714	127
12	Ueda Harlow	11,893	-171
	Others (2 companies)	56,165	413
	Total	768,713	9,465

④ SBI Sumishin Net Bank

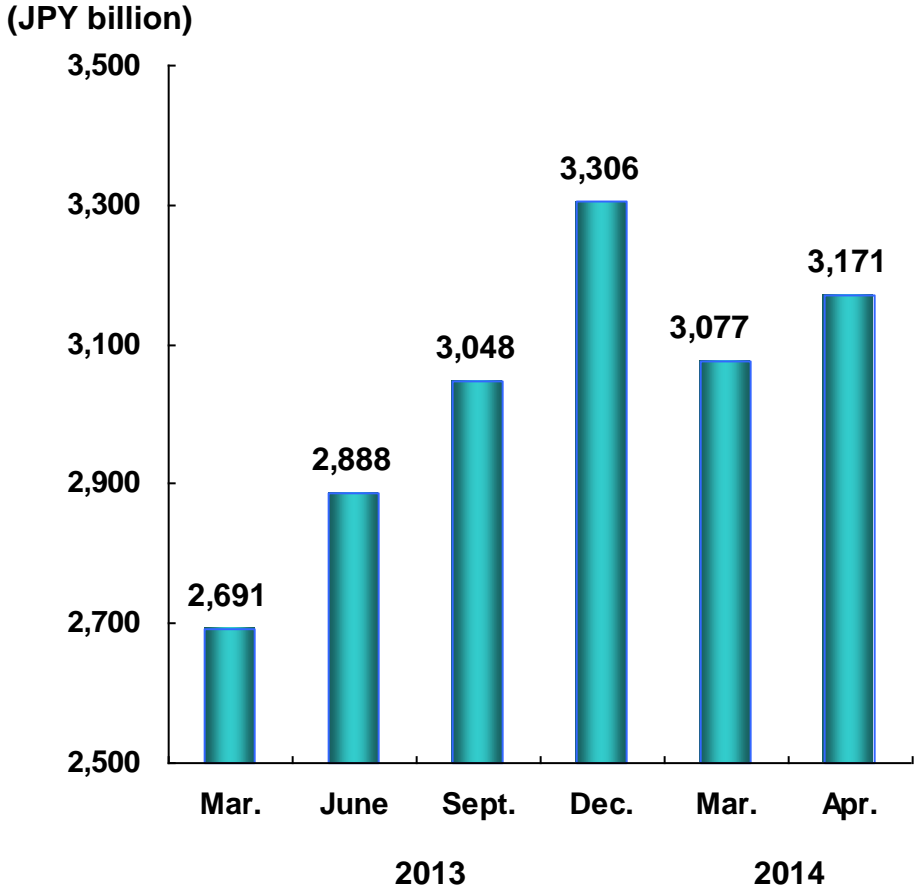
- **As of May 6, 2014, the number of accounts exceeded 2 million, and SBI Sumishin Net Bank is the only pure-play Internet bank with deposits surpassing JPY 3tn; the business base continues to steadily expand**
- **Specific purpose loan products and “Mr. Housing Loan” product launched this current fiscal year is steadily growing. Continuing a successful diversification of its fund management methods**
- **With ordinary income of SBI Sumishin Net Bank (J-GAAP) steadily growing, ordinary income appears to have substantially increased in 4Q FY2013**
- **FY2013 financial results announcement is scheduled for May 14, 2014**



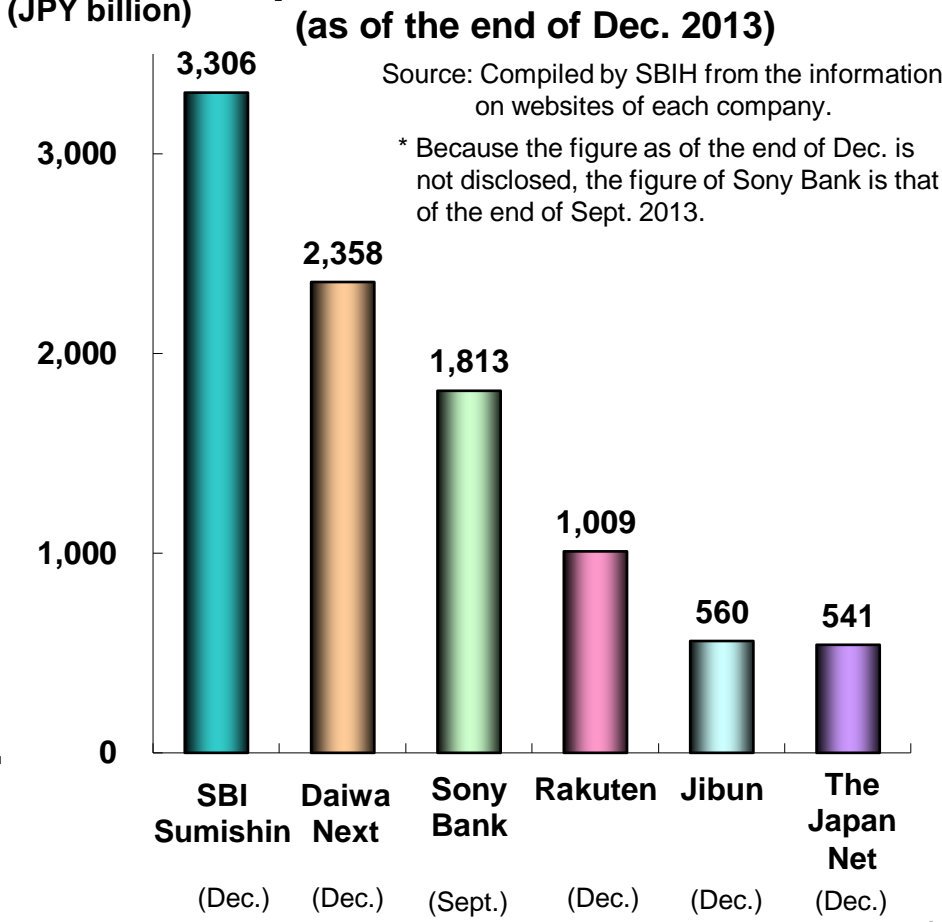
The Only Pure-play Internet Bank with Deposit Balance Exceeding JPY 3tn

**Number of accounts: 2,000,379 / Deposits: JPY 3,179.3bn
(as of May 6, 2014)**

Change in Deposits



Deposits of 6 Internet Banks

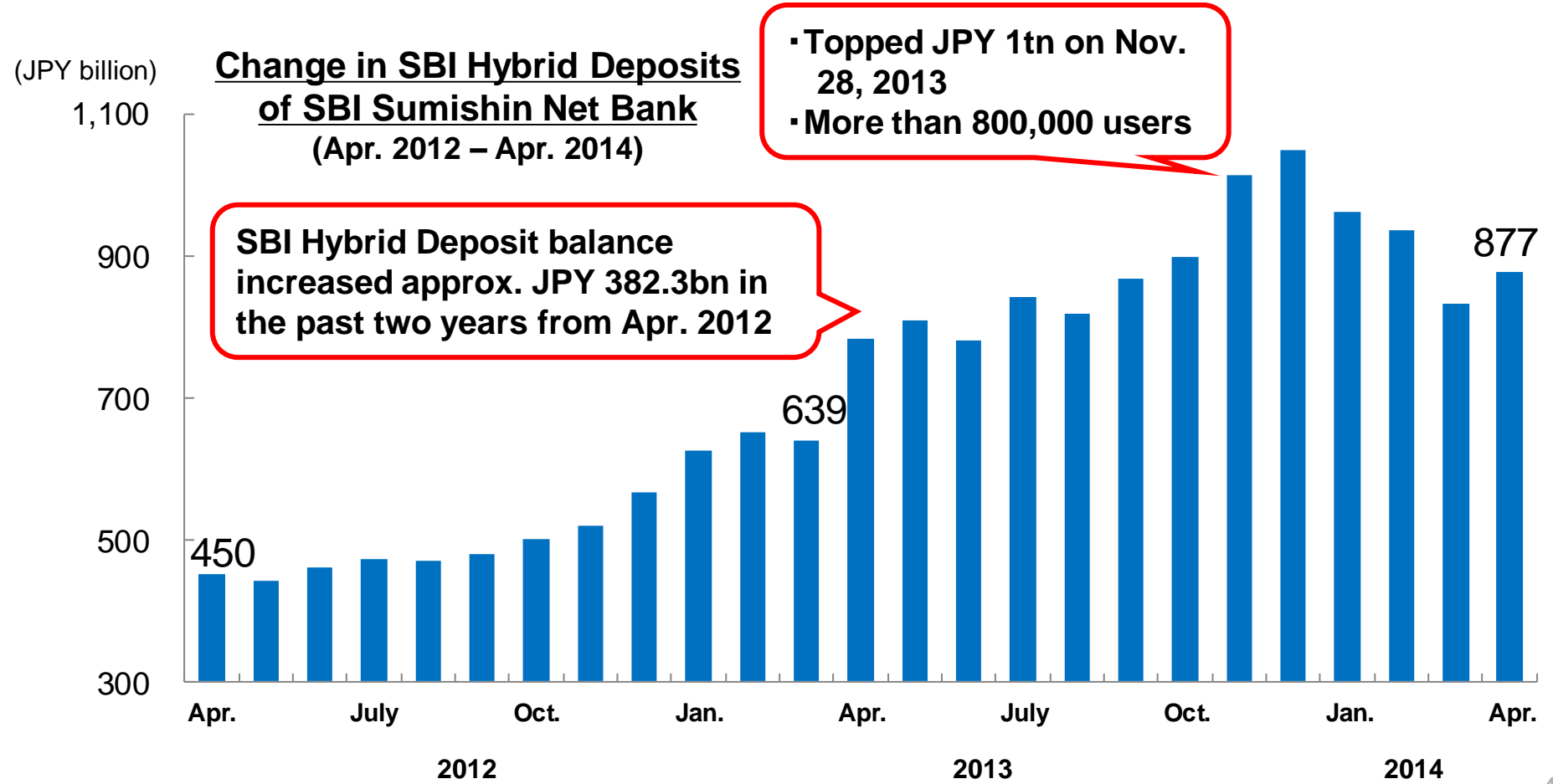


* Amounts are rounded to the nearest JPY 100 million



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

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



SBI Sumishin Net Bank is 35th among 77 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	Kinki Osaka Bank	* ₁	3,250.2
35	SBI Sumishin Net Bank	n/a	3,179.3
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 May 6, 2014. Amounts are rounded to the nearest 100 million yen.

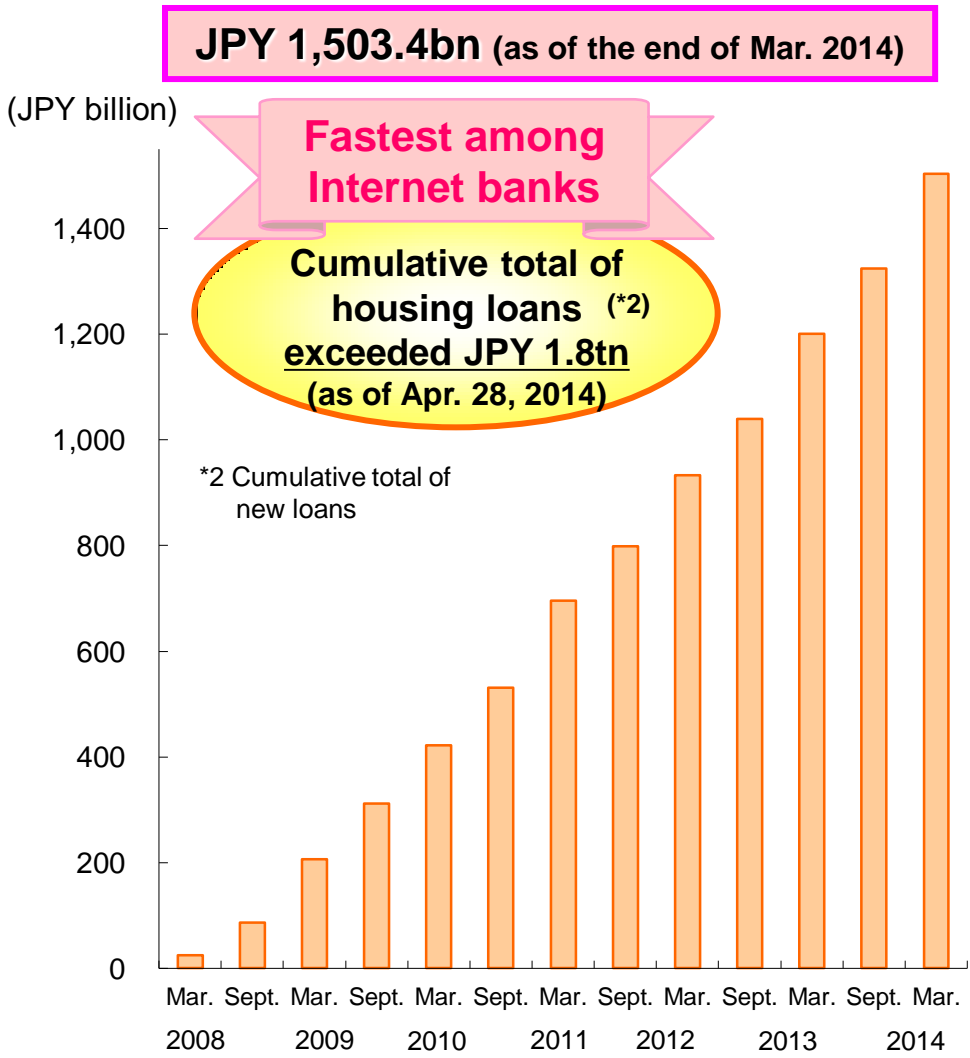
(Source: websites of each company)

Diversification of Loans with Deposits Accumulating

Balance expanded at auto loan (JPY 233.0bn*) and net loan (JPY 56.1bn*)

* as of the end of Mar.

Change in Balance of Housing Loans *1 (Mar. 2008 – Mar. 2014)



*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:

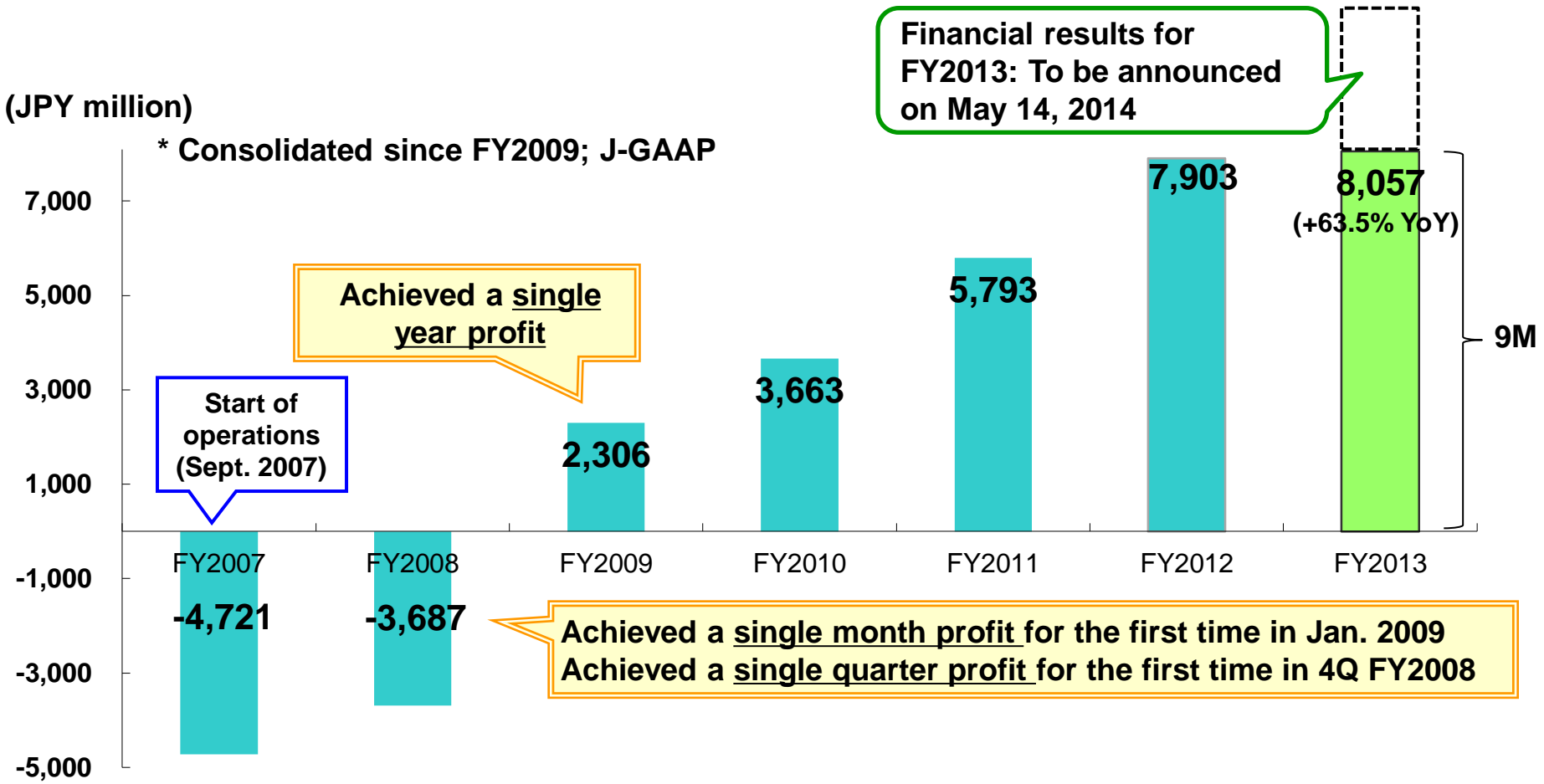
- ① Housing loans processed directly by SBI Sumishin Net Bank
 - Via alliance with real estate companies (from Sept. 2007)
 - "Mr. Housing Loan" (from Nov. 2013)
- ② Banking Agency Business for Sumitomo Mitsui Trust Bank (from Jan. 2012)



The total balance of new housing loans (①+②) for FY2013 increased 14.8% YoY

SBI Sumishin Net Bank Steadily Expands its Ordinary Income

FY2013 financial results announcement is scheduled for May 14, 2014



Ordinary income for the 9 month period FY2013 already exceeds the FY2012 full year ordinary income amount.

Ordinary income is expected to further exceed JPY 10bn for FY2013

Market Cap of Listed Local Banks with Ordinary Income of Around JPY 10bn

Ordinary income for FY2012: Listed local banks with ordinary income of nearly JPY 10.0bn *1

	Ordinary income (JPY billion)	YoY % change	Deposits (JPY billion)	Market cap (JPY billion) *2
Juroku Bank	10.9	-33.5	5,014.9	129.3
Chiba Kogyo Bank	10.2	+12.6	2,161.2	34.3
Yamanashi Chuo Bank	9.9	+13.4	2,547.6	76.8
Nanto Bank	9.9	+7.8	4,432.1	100.9
Senshu Ikeda Bank	9.5	+23.0	4,512.8	108.5*
Bank of Okinawa	9.3	+10.9	1,789.3	88.3
Hokuetsu Bank	9.1	+12.9	2,146.1	50.0
Hyakujushi Bank	8.9	-28.5	3,427.9	103.9
Oita Bank	8.7	-26.1	2,470.2	59.3
Yamagata Bank	8.7	+25.2	1,973.1	76.7
Shikoku Bank	8.6	+75.5	2,375.5	45.0
Miyazaki Bank	8.0	-25.1	1,853.0	53.6

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



Approx. JPY 77.0bn

Of which, market cap of local banks with deposit balances larger than JPY 3tn exceeds JPY 100bn

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

*1 Based on ordinary income and deposit balance of 77 banks including community banks and New Entrant Banks for FY2012 and on Mar. 31, 2013, respectively.

*2 Market cap based on the closing prices of May 7, 2014

⑤ Insurance Business

- **SBI Insurance's auto insurance business continues to expand with the number of contracts up 20.4% and insurance premiums up 18.7% year-on-year.**
- **SBI Insurance has improved its combined ratio steadily and expects full-year profitability in FY2015.**
- **Both SBI SSI and IKI IKI SEDAI has continued steady growth since the acquisition of their shares by the SBI Group, and SBI SSI is fully expected to achieve a full-year profitability for the first time since its establishment.**

SBI Insurance's Number of Auto Insurance Contracts

Number of Auto Insurance Contracts (Written Basis*)

(thousand policies)

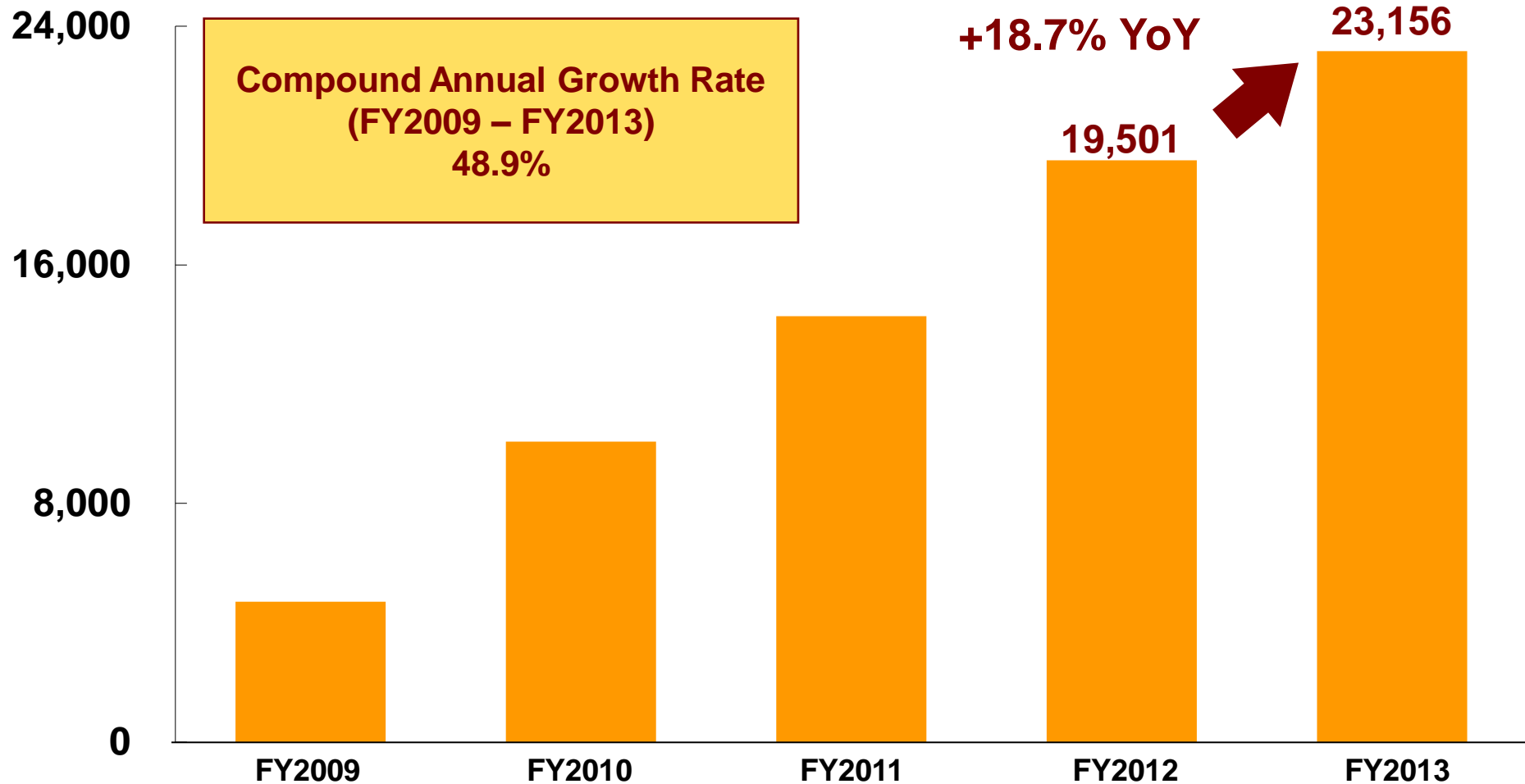


(EOM)

* 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)

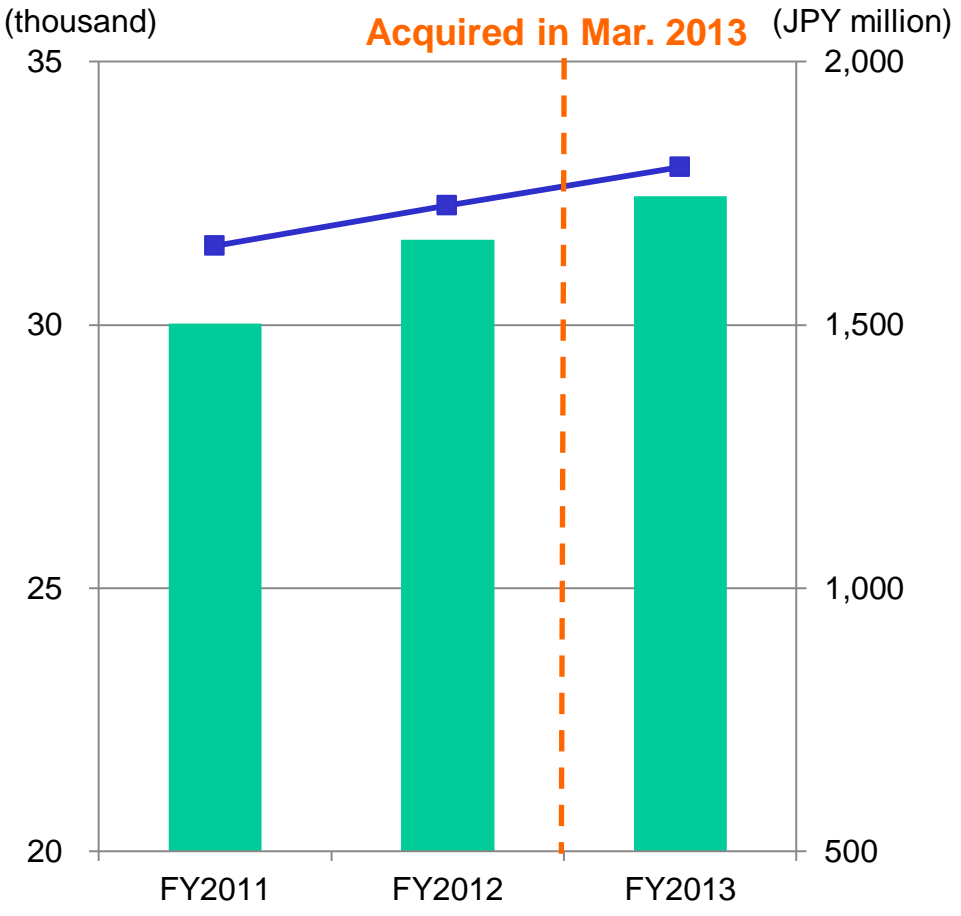
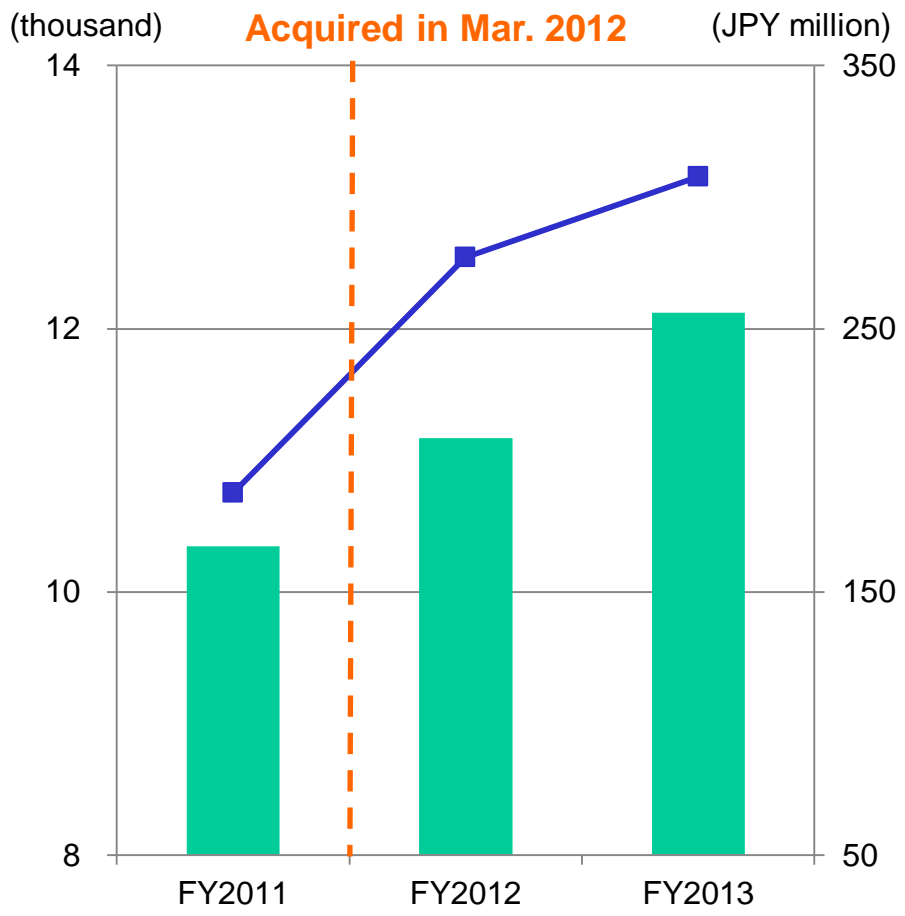


Both SBI SSI and IKIIKI SEDAI Continue Steady Growth



Fully expected to achieve a full-year profitability for the first time since its establishment *1

■ Number of Contracts (Left) ■ Premium Income (Right) ■ Number of Contracts (Left) ■ Premium Income (Right)



*1 The financial results of SBI SSI and IKIIKI SEDAI are to be announced in June 2014.

*2 Premium income after deduction of reinsurance income

⑥ SBI Mortgage

- In an adverse business environment where the “Flat 35” market shrank, profit before income tax expense for FY2013 increased 7.8% year-on-year, reaching a record high.
- SBI Mortgage’s “Flat 35” market share of the total number of loans issued was 25.8% in FY2013, placing the company as a market share leader for the 4th consecutive year.

SBI Mortgage FY2013 Consolidated Financial Results (IFRS) *1

(Announced on May 7, 2014)

(JPY million)

	FY2012 (Apr. 2012 – Mar. 2013)	FY2013 (Apr. 2013 – Mar. 2014) ^{*2}	YoY % change
Net Operating Revenue	11,527	12,394	+7.5
Profit Before Income Tax Expense	3,787	4,083	+7.8
Profit for the Period	2,340	2,524	+7.9

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

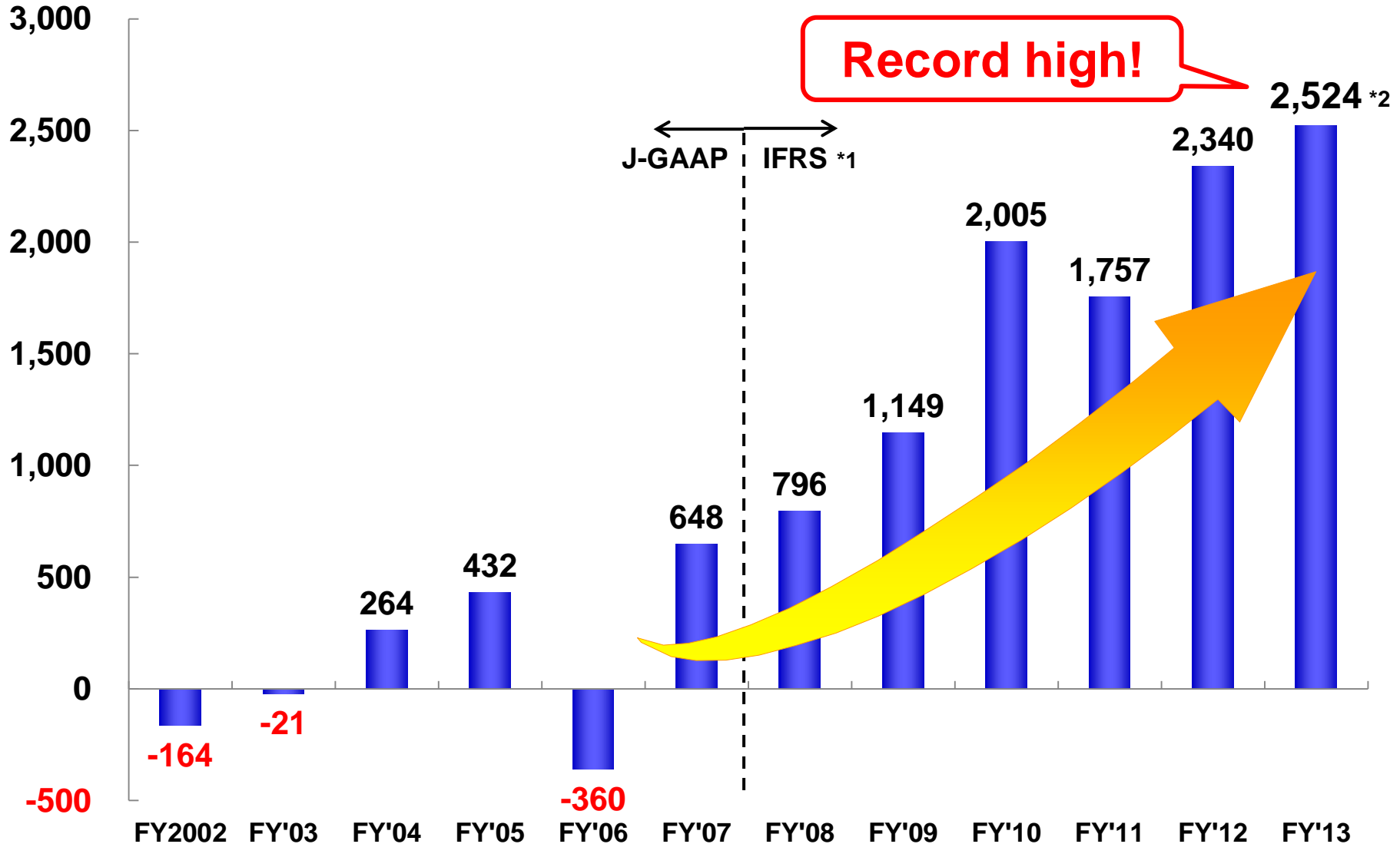
*2 Consolidated SBI Lease from Oct. 2013.

Market cap on Korea's KOSPI Market (as of May 7, 2014): JPY 33.2bn

(Converted at KRW 1 = JPY 0.0992)

Change in Net Profit

(JPY million)



*1 FY2008 – FY2010 financial statements were also provided on an IFRS basis, as it was required to prepare the IFRS-based financial statements for the last three fiscal years, at the time of its Apr. 2012 IPO on South Korea's KOSPI Market.

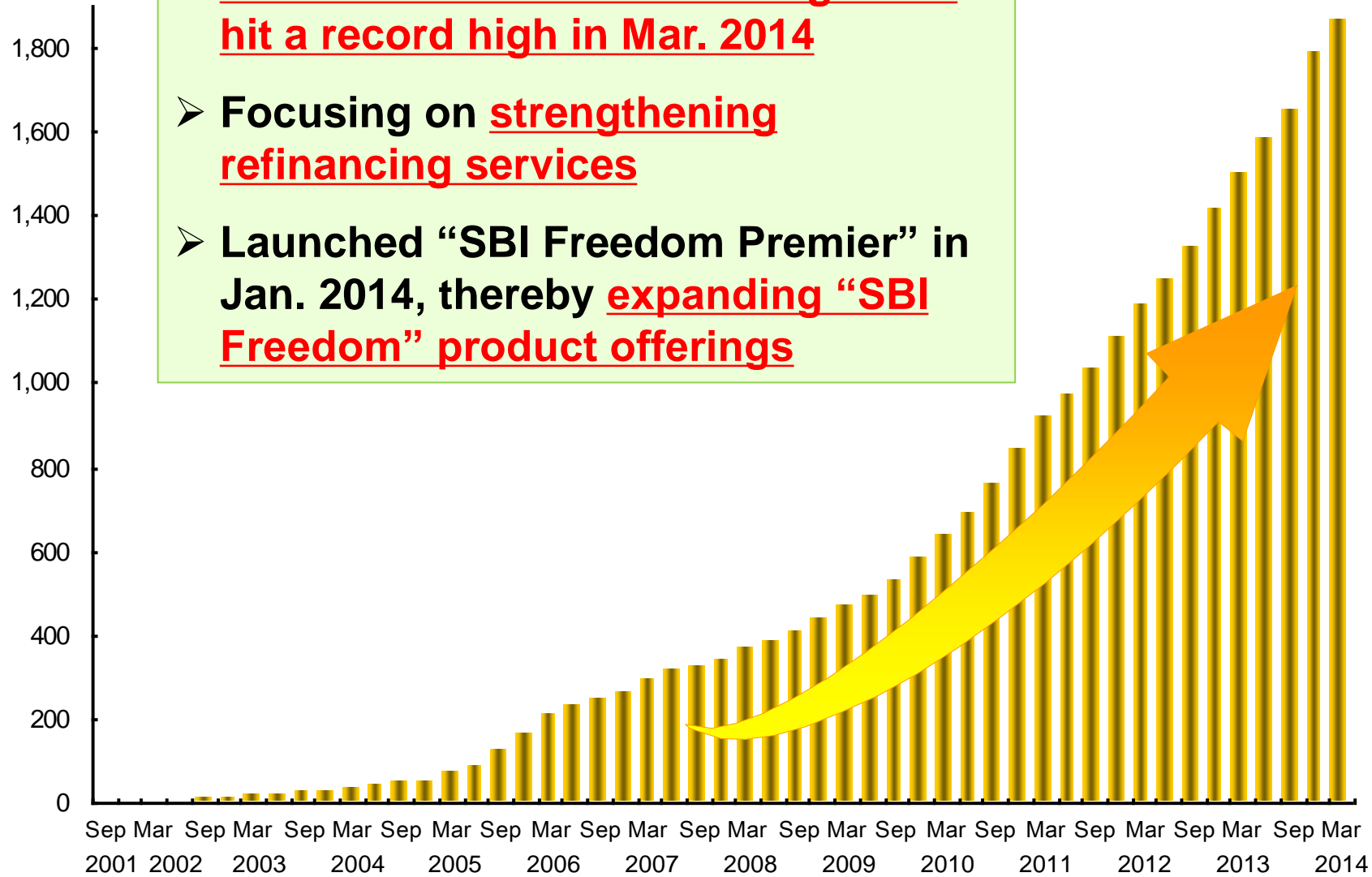
*2 Unaudited and therefore subject to change upon an audit by external auditors.

SBI Mortgage's Outstanding Loan Balance

End of Mar. 2014:
JPY 1,865.7bn

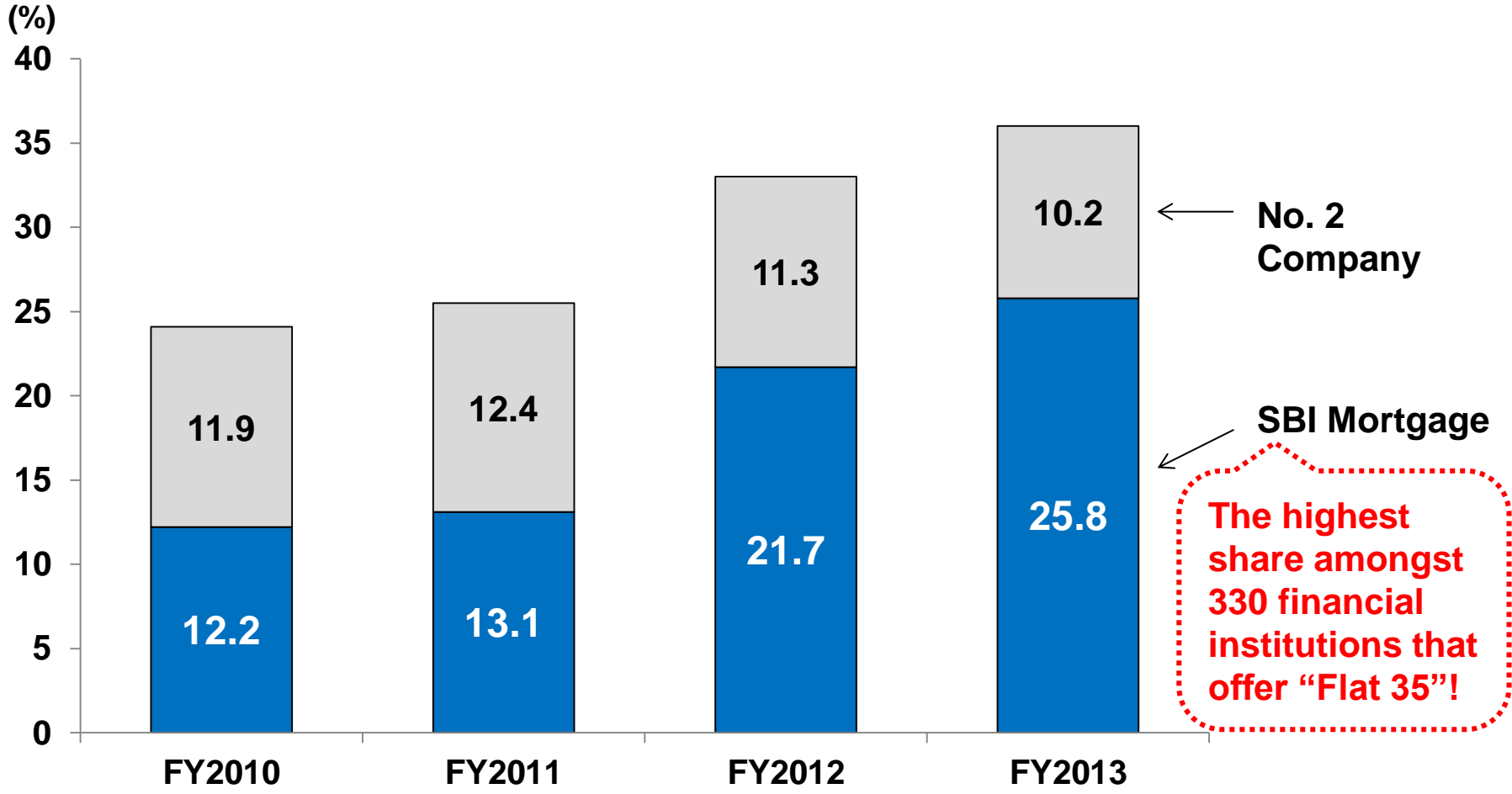
(JPY billion)

- Disbursed amount of housing loans hit a record high in Mar. 2014
- Focusing on strengthening refinancing services
- Launched "SBI Freedom Premier" in Jan. 2014, thereby expanding "SBI Freedom" product offerings



No. 1 in “Flat 35” Market Share for the 4th Consecutive Year

“Flat 35” Market Share in Terms of the Number of Loans Issued



Source: Compiled by SBI Mortgage

Endeavoring to further expand its market share

⑦ SBI MONEY PLAZA

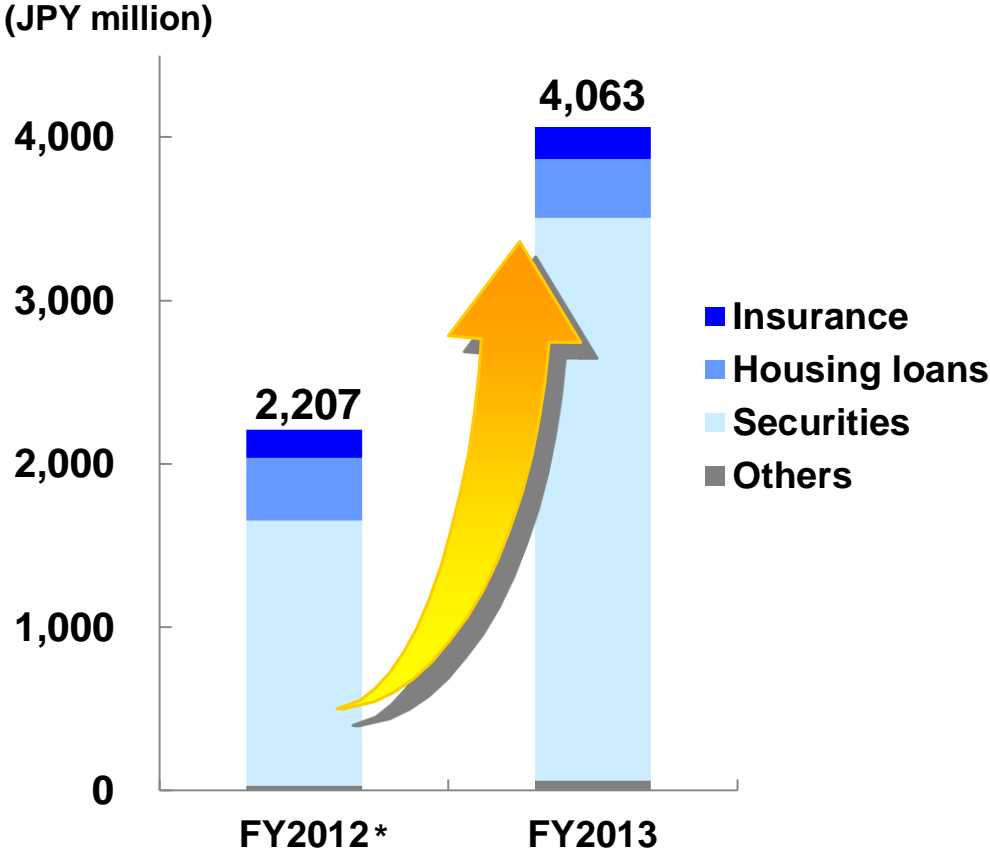
(Launched on June 15, 2012)

- Achieved operating profitability in the previous fiscal year, which was its first operating year
- Recorded operating income (J-GAAP) of JPY 1,054m for FY2013, which was a year-on-year increase of 29x
- Customers' deposit assets and the number of accounts have increased rapidly
- Targeting an early stage IPO

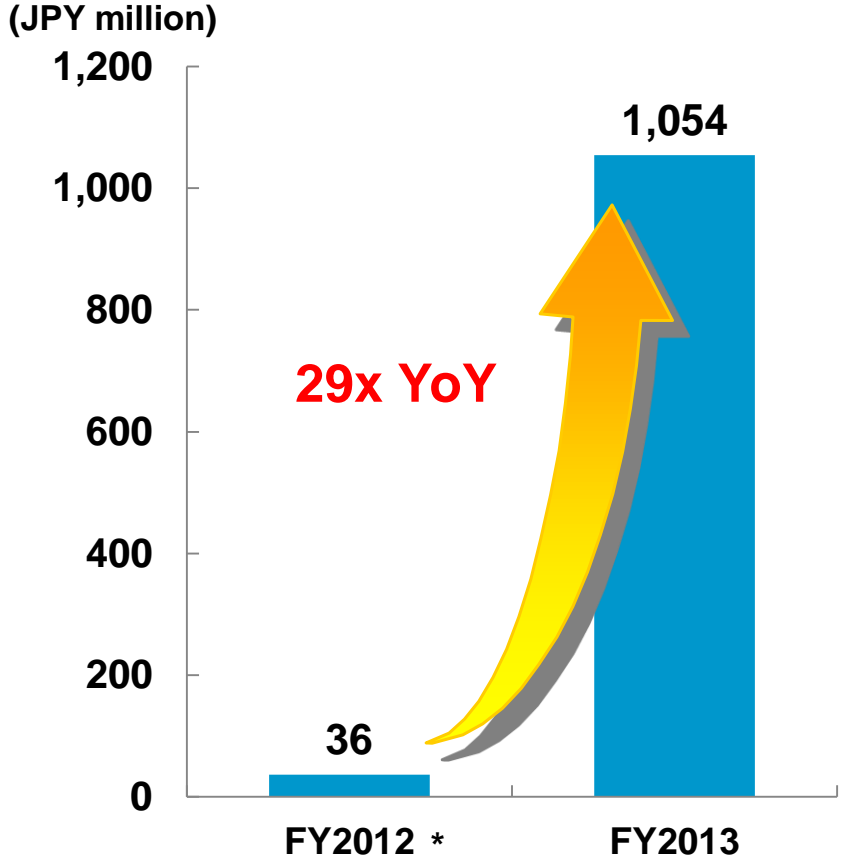
FY2013 Financial Results (J-GAAP)

Recorded operating income (J-GAAP) of JPY 1,054m for FY2013, which was a year-on-year increase of 29x

Operating Revenue



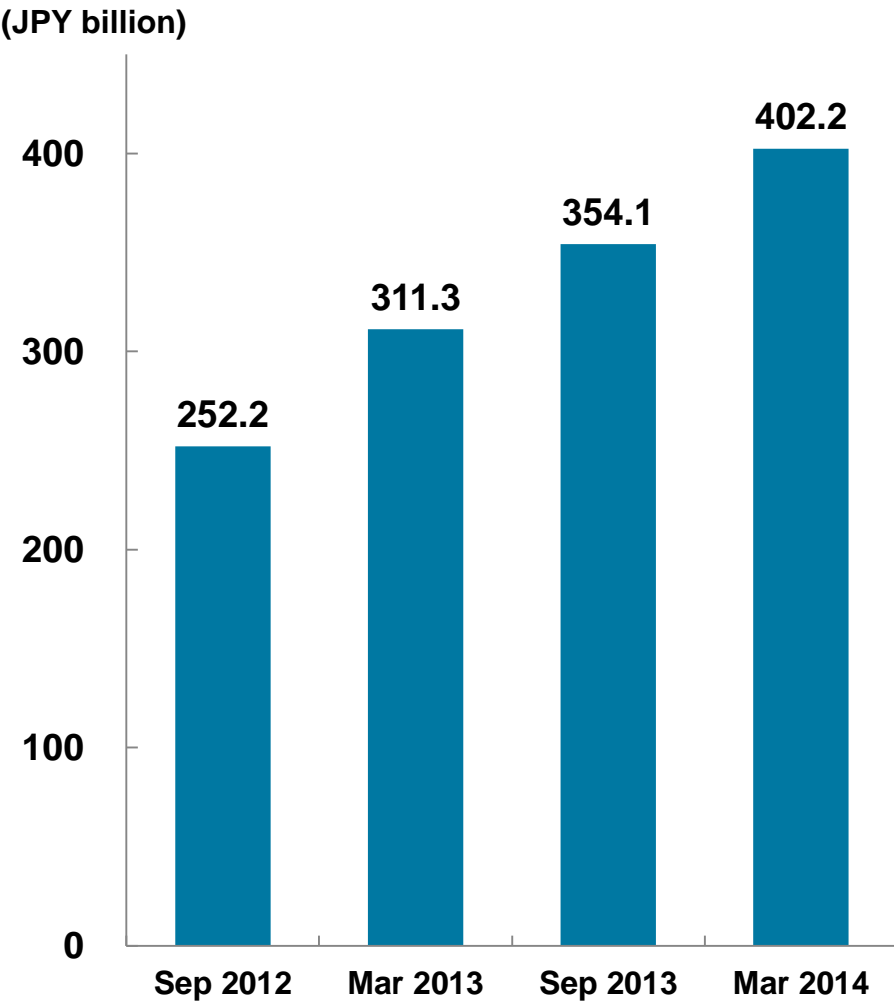
Operating Income



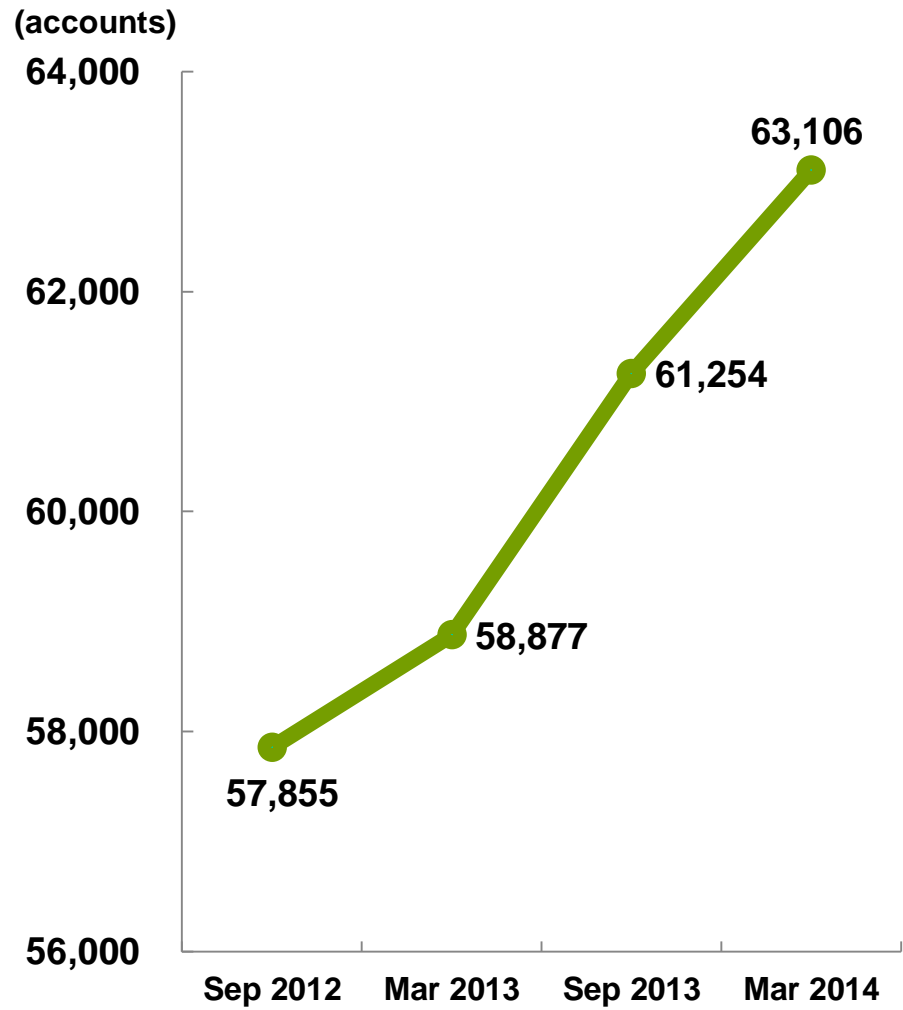
* Launched on June 15, 2012

Customers' Deposit Assets and the Number of Accounts have Increased Rapidly Since Its June 2012 Launch

Customers' Deposit Assets



Number of Accounts



⑧ Morningstar Japan

- Consistently recorded a profit since its June 2000 listing, and for FY2013 recorded all time highs in operating income, ordinary income and net profit.
- On a non-consolidated basis, Morningstar Japan achieved an increase in profit for the 10th consecutive year

Recorded All Time Highs in Operating Income, Ordinary Income and Net Profit

Consolidated Results (J-GAAP)

(JPY million)

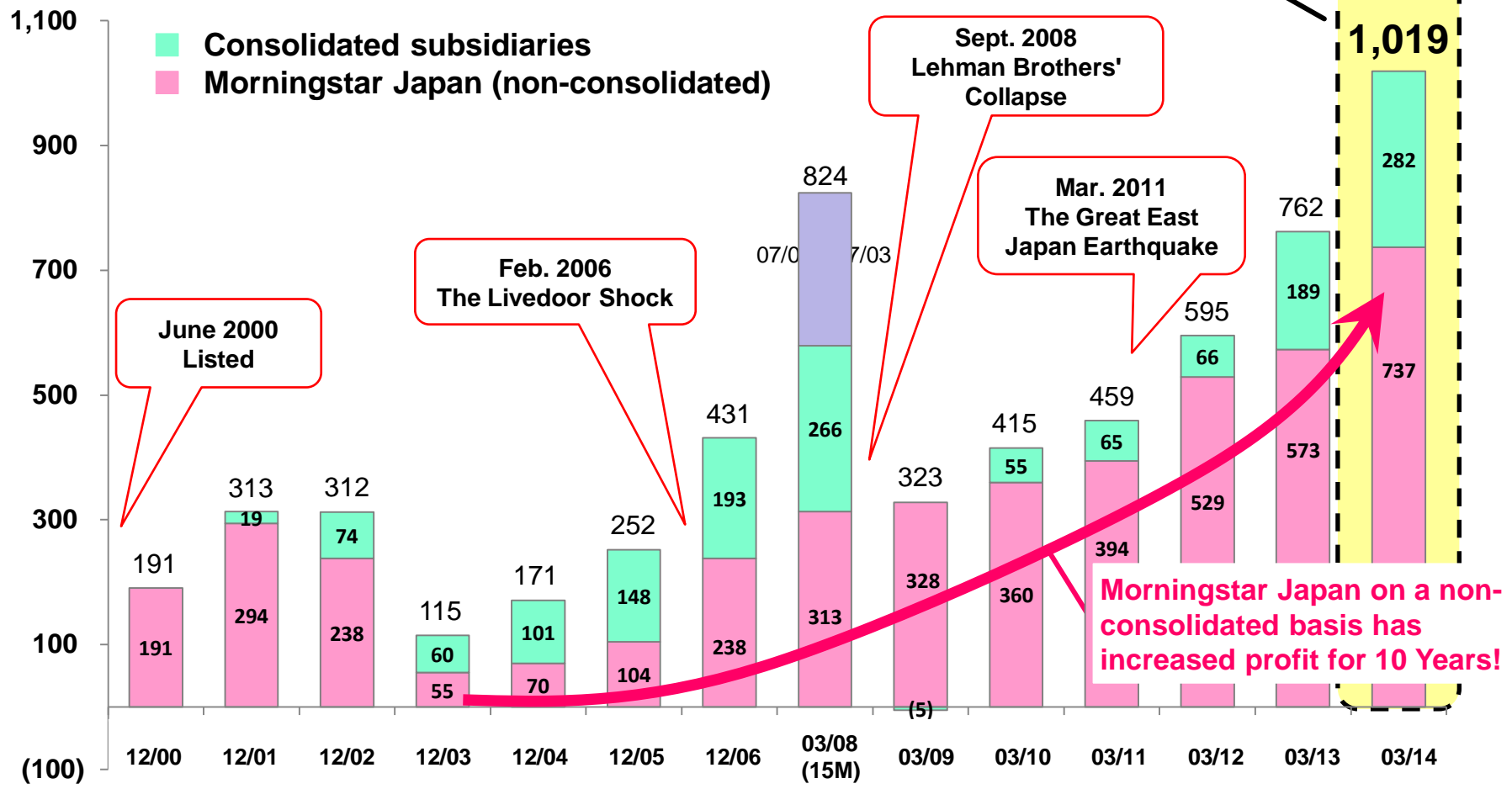
	FY2012 (Apr. 2012 – Mar. 2013)	FY2013 (Apr. 2013 – Mar. 2014)	YoY % change
Net Sales	2,987	3,920	+31.2
Operating Income	762	1,019	+33.6
Ordinary Income	855	1,107	+29.5
Net Profit	508	683	+34.3

Note: Operating income and ordinary income reached record highs, exceeding the FY2007 level of JPY 824m and JPY 891m, respectively. Net profit also reached a record high, exceeding JPY 673m recorded in FY2005, when an extraordinary gain of JPY 329m related to the listing of a subsidiary (equivalent to net income of JPY 282m) was recorded.

Consolidated Operating Income (J-GAAP)

- Surpassed FY2007 record for consolidated operating income over a 15 month period
- On a non-consolidated basis, Morningstar Japan achieved an increase in profit for the 10th consecutive year

(JPY million)



Morningstar Japan on a non-consolidated basis has increased profit for 10 Years!

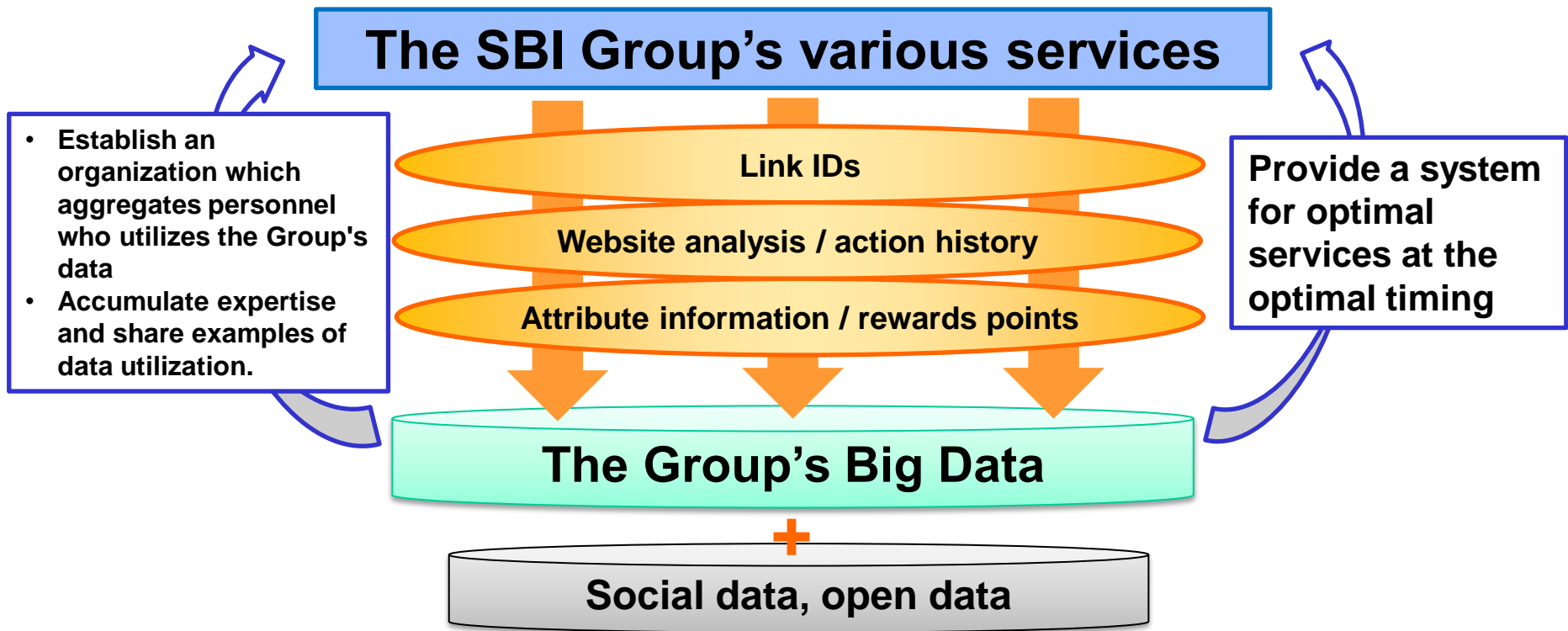
2. FY2014 Priority Measures to Achieve Continued Growth

- (1) In the Financial Services Business, further expand synergies within the domestic financial ecosystem and strive to reinforce profitability**
- (2) Generate cash flow and strengthen the financial base through business “selection and concentration” and seek to actualize the company’s inherent enterprise value and increase ROE**
- (3) Target early profitability of the Biotechnology-related Business by means including an SBI Biotech IPO and acceleration of overseas development of the 5-ALA related business**
- (4) Under the alliances with prominent local partners, the SBI Group has advanced the overseas development of its various financial services**

- (1) In the Financial Services Business, further expand synergies within the domestic financial ecosystem and strive to reinforce profitability**
- ① Thorough pursuit of Group synergies through the strategic utilization of “Big Data”**
 - ② The nonlife insurance business will endeavor to improve the combined ratio and expand product offerings, targeting quarterly profitability in FY2014**
 - ③ Implement integration of online and face-to-face channels, primarily at SBI MONEY PLAZA, in order to become Japan’s largest financial products distributor**

- ① **Thorough pursuit of Group synergies through the strategic utilization of “Big Data”**

Customers' Data from Respective Services of the SBI Group will be Centralized and Analyzed as "Group Big Data" to Offer Best Services and to Achieve Further Customer Satisfaction and Customer Base Expansion



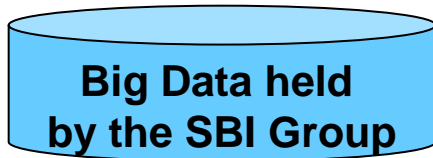
Number of page views by the Group's 17.53 million customers is 540 million per month (as of Mar. 2014), and a cross-sectional utilization of the Group's Big Data will become possible through the detailed analysis of this data

Make “Big Data” into “Bigger Data” through Partnerships with Companies in Other Industries

Construct “Bigger Data” through collaboration with data held by companies from different industries and strive for a higher level of database marketing and new business creation.



A company in another industry



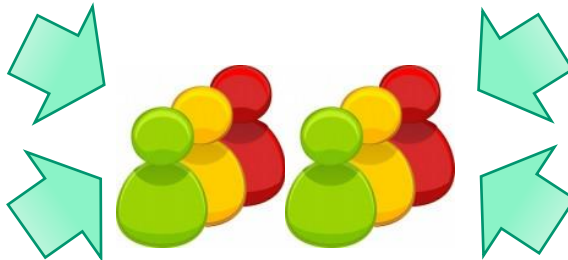
Finance, real estate, automotive, life events, pharmaceuticals...

Retail, food service, real estate beauty, healthcare...

Rapidly, deeply, and accurately understand customer issues

Customer activity history

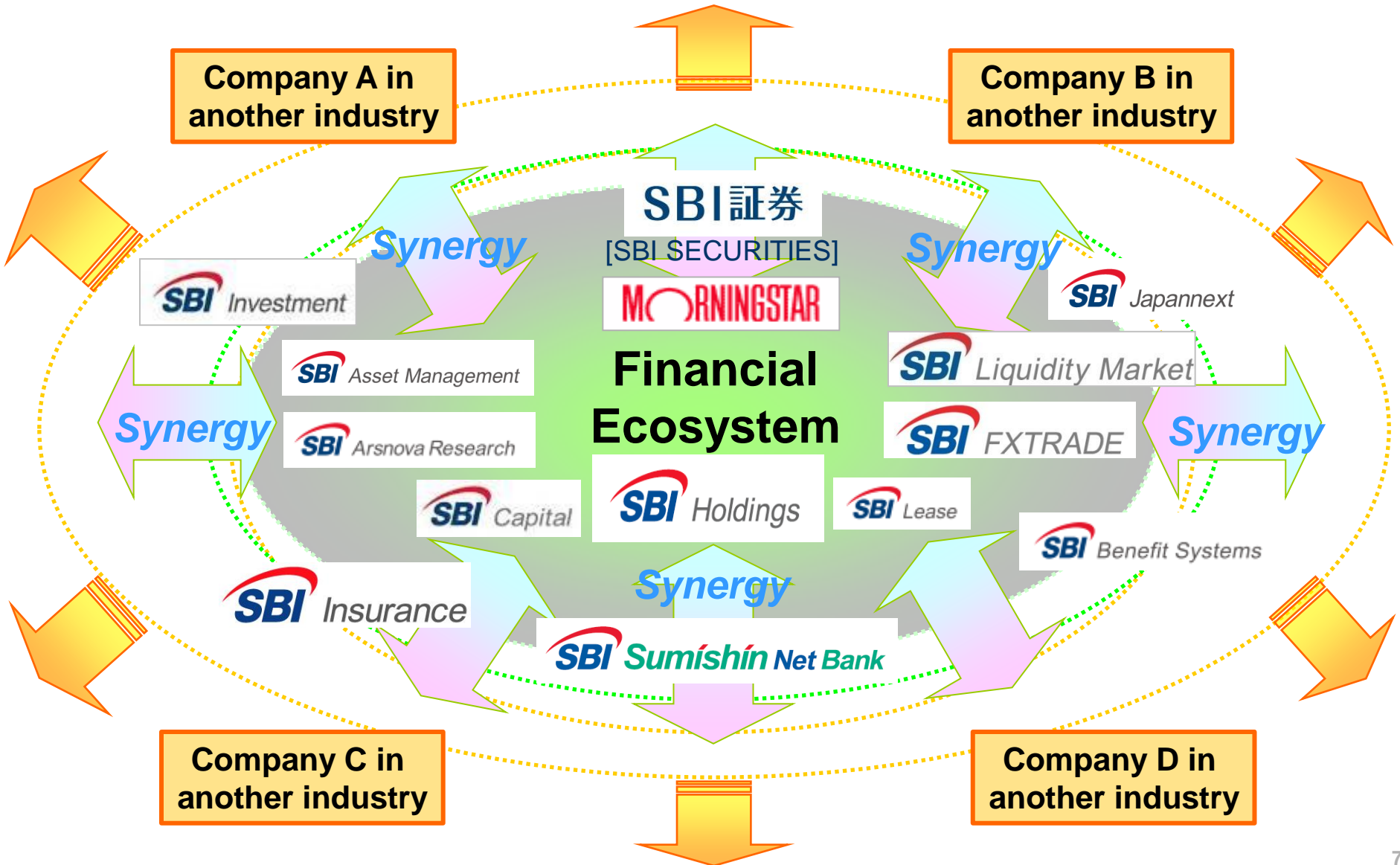
Customer issues and values



Customer interests

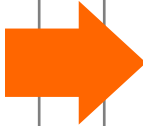
Purchase information, offline shopping data

By Utilizing Big Data, Realize a Business Ecosystem that Transcends the Existing Financial Ecosystem



② The nonlife insurance business will endeavor to improve the combined ratio and expand product offerings, targeting quarterly profitability in FY2014

Combined Ratio^{*1} Improvement

	FY2012		FY2013
Combined ratio	103.1%		<u>98.8%</u>
Net operating expenses ratio ^{*2}	33.4%		<u>26.4%</u>
Net loss ratio ^{*2}	69.8%		<u>72.4%</u>

The E/B loss ratio, calculated on the basis of premiums earned during the past year, which indicates the occurrence of substantive losses, is trending down.

Targeting substantive quarterly profitability in FY2014 and 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.

*2 Net operating expenses ratio (%) = (Operating and general administrative expenses + Agency commission and brokerage) / Net premium Income X 100

Net loss ratio (%) = (Net claims paid + Loss adjustment expenses) / Net premium Income X 100

Expanded Product Offerings to Increase Profitability



Initiated the combined sale of SBI Insurance's existing cancer insurance product with cancer insurance products of other companies

[SBI's products]

Auto Insurance

SBI損保の自動車保険

Possesses a special contract for bicycle accident indemnification

Cancer Insurance

SBI損保のがん保険 自由診療タイプ

Compensation for the amount of actual medical expenses*

Offering and combining products with different compensation details makes possible new solicitation opportunities.

[Partner companies' products]

Life insurance

あんしん ◆ 世代

"Anshin (secure) -sedai"

Underwriter:
IKI IKI SEDAI

Medical insurance

新しいいき ◆ 世代

"Shin-ikiiki (new lively) -sedai"

Underwriter:
IKI IKI SEDAI

Cancer Insurance Launched in Apr. 2014

がん ベスト・ゴールド
Best Gold

Underwriter:
AIG Fuji Life Insurance

Fire insurance



Underwriter: SAISON

Earthquake insurance



Underwriter: SBI SSI

Traveler's insurance



Underwriter: HS Insurance

* Amounts covered by the public medical insurance system (amounts equivalent to medical treatment at one's own expense that should be compensated under the public medical insurance system and high-cost medical care expenses) are not covered by this policy. If the policyholder has other insurance agreements that pay the amount of actual medical expenses, the maximum compensation is the amount of actual medical expenses, including amounts covered by such other agreements.

The Domestic Insurance Business will Pursue Greater Business Efficiency and Synergies, through Considerations such as Consolidation into a Holding Company, or Restructuring, to Target an Early Stage IPO

[Measures to Increase Profitability]

- Efficient use of resources related to the insurance business, including the information and know-how on fund management and risk management information as well as human resources.
- Strengthening cooperation and creating synergies between insurance companies.
- Diversifying the financing means for implementing a capital increase following business expansion.



[SBI SSI]

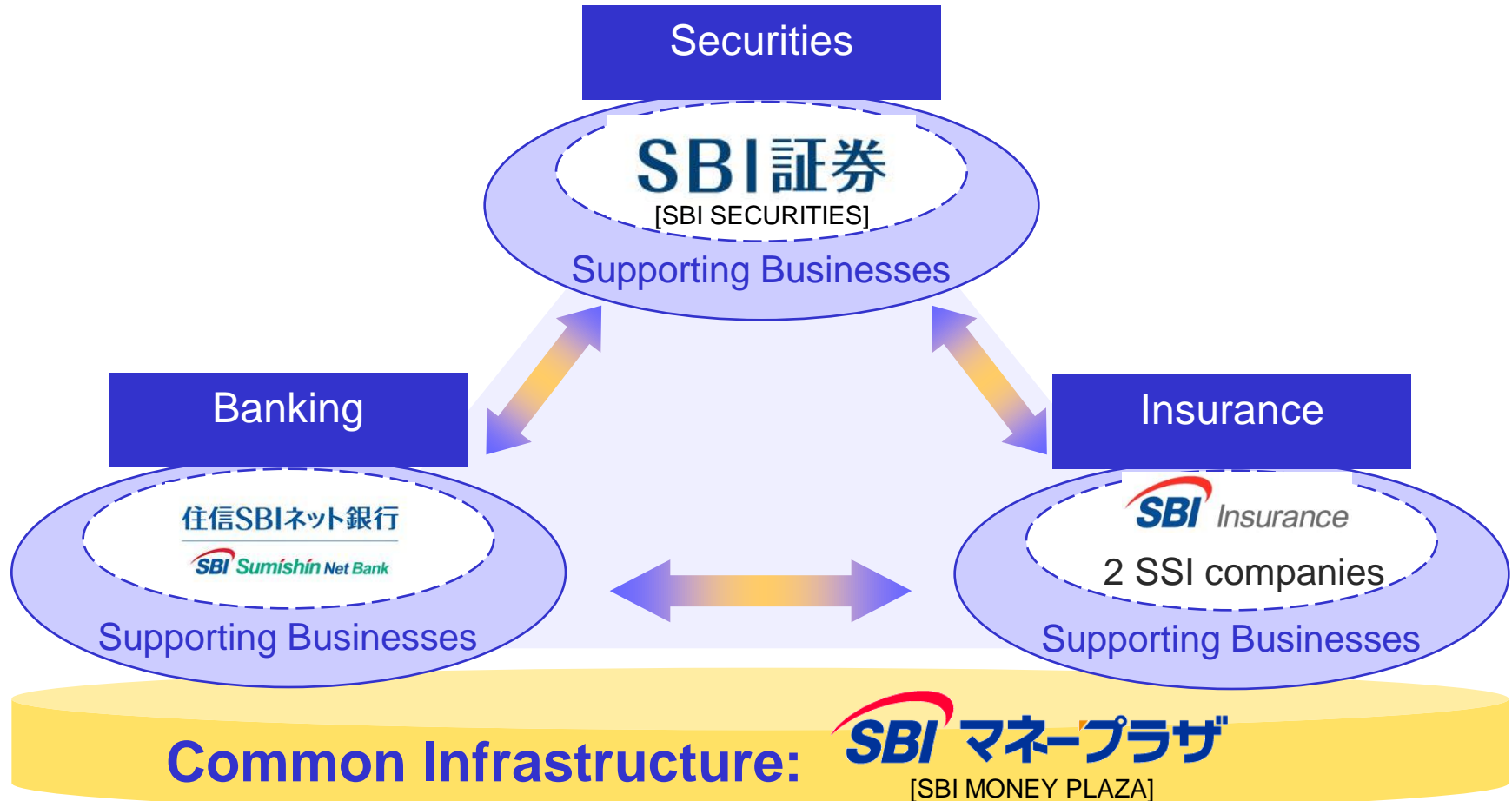


[IKI IKI SEDAI]



③ Implement integration of online and face-to-face channels, primarily at SBI MONEY PLAZA, in order to become Japan's largest financial products distributor

Integrating Online and Face-to-face Services by Thoroughly Utilizing SBI MONEY PLAZA as the Group's Common Infrastructure

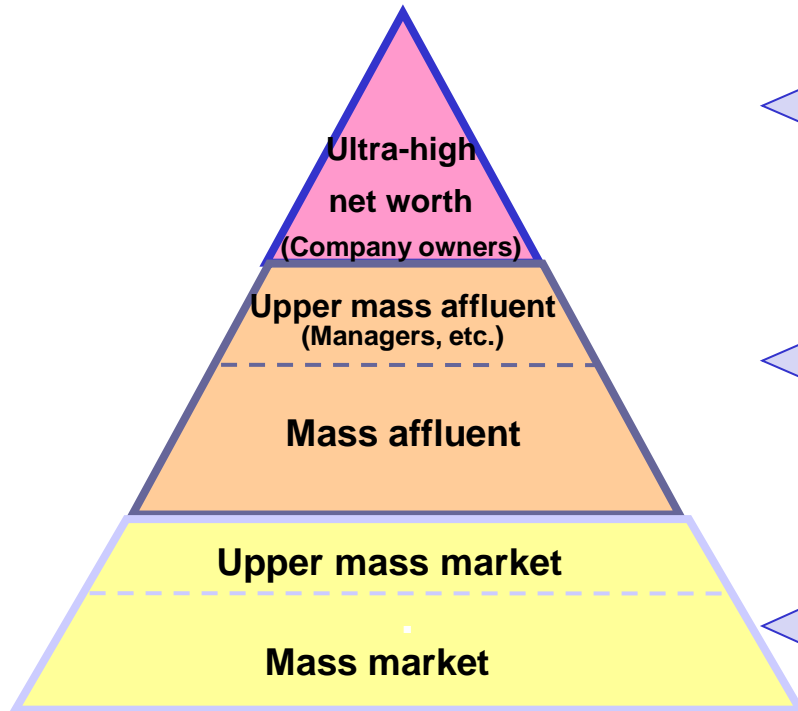


Implement an online-to-offline strategy with SBI MONEY PLAZA as a common infrastructure, and continue its quest to become Japan's largest financial products distributor that offers products from both within and outside of the Group on a neutral basis.

SBI MONEY PLAZA Endeavors to Construct a Business Model for Meeting the Wide-ranging Financial Needs of a Broad Base of Customers

SBI MONEY PLAZA is implementing measures to approach each customer segment, some in collaboration with Group companies.

Customer Segments



Measures

- Greater collaboration with the Corporate Division of SBI SECURITIES
- Collaboration with business partners of Group companies

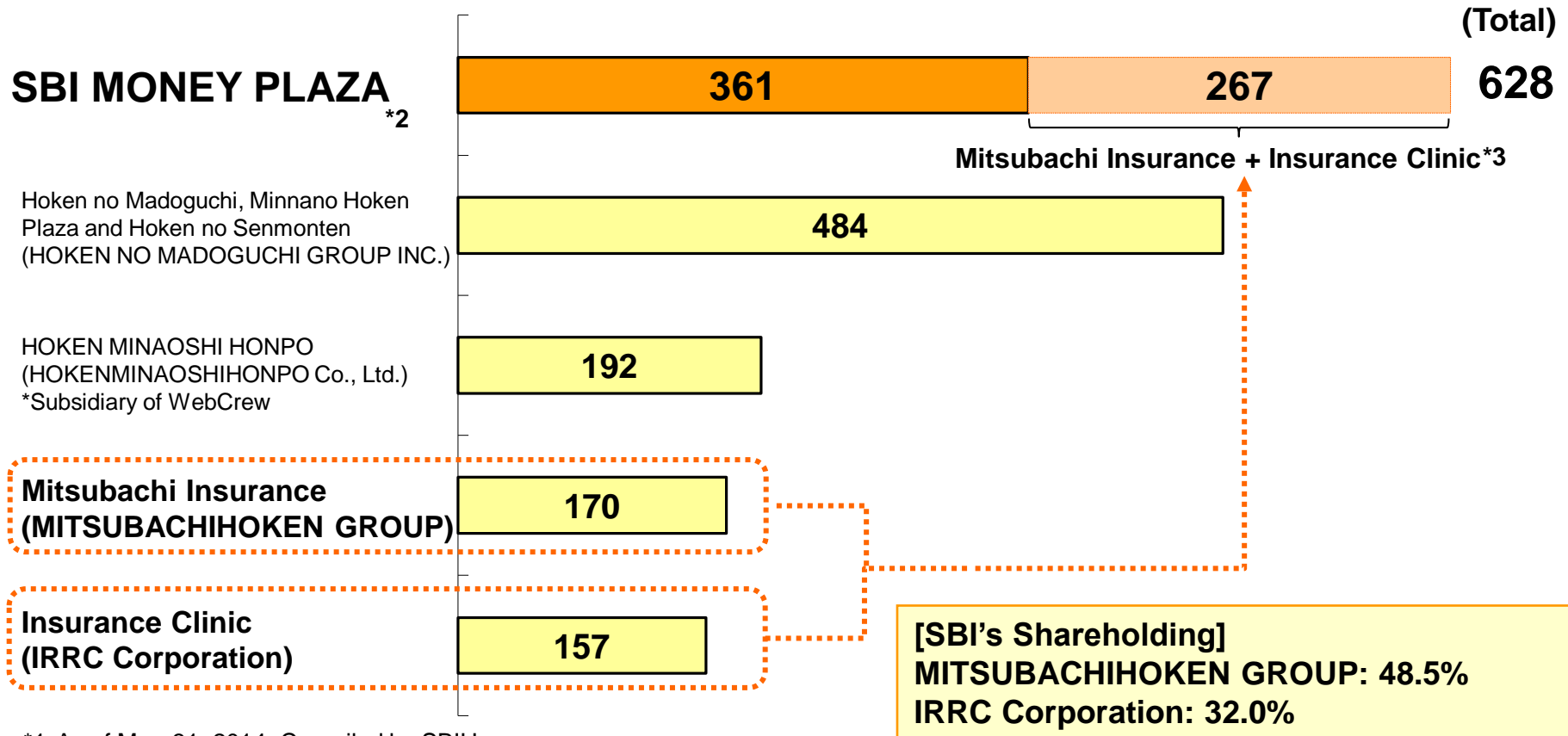
- Greater collaboration with brokers
- Strengthening of insurance sales

- Draw people to shops through O2O
- Shop network expansion

SBI MONEY PLAZA Shops Network



Sequentially transitioning Mitsubachi Insurance and Insurance Clinic shops, both operated by SBI Group's portfolio companies, into SBI MONEY PLAZA shops to further expand the shops network



*1 As of Mar. 31, 2014. 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 (60 shops as of Mar. 31, 2014).

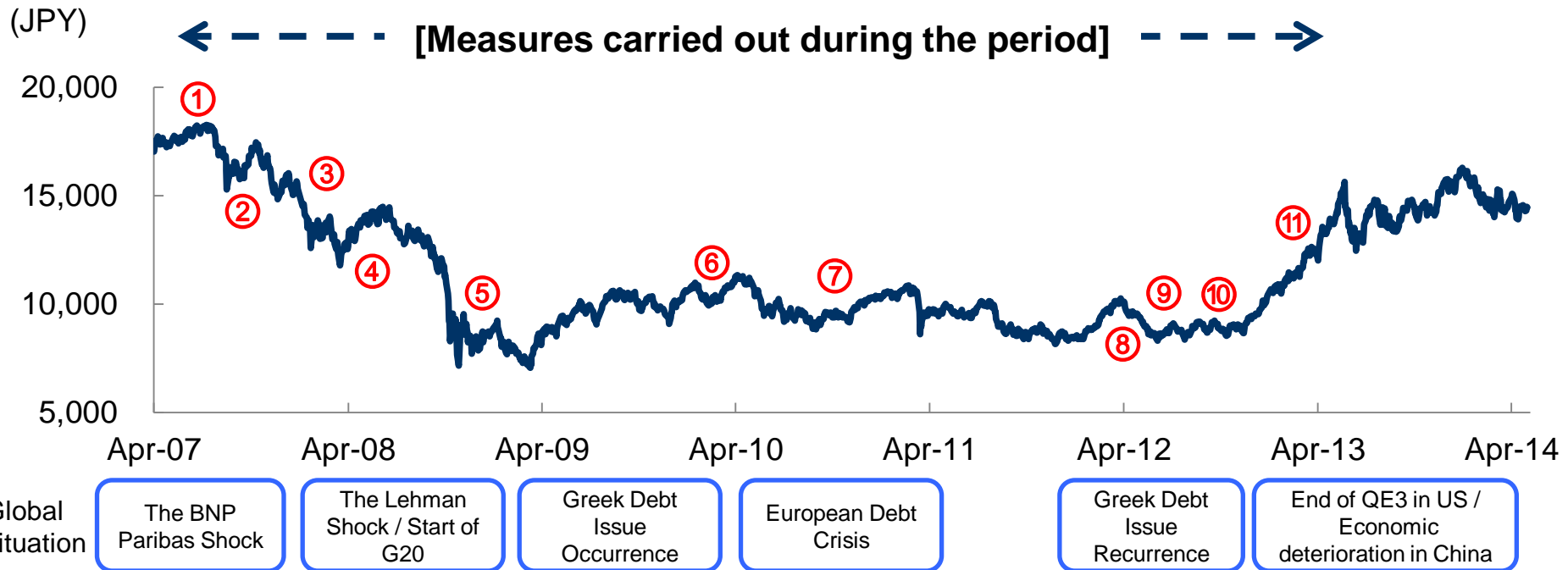


Targeting early stage expansion of shops network to 500 shops

(2) Generate cash flow and strengthen the financial base through business “selection and concentration” and seek to actualize the company’s inherent enterprise value and increase ROE

Pursued a Forward-looking Business Strategy in a Prolonged Adverse Business Environment

Nikkei 225 Trend



① Aug. 2007 SBI Japannext began operation of PTS

② Sept. 2007 SBI Sumishin Net Bank commenced business

③ Jan. 2008 SBI Insurance commenced business

④ Apr. 2008 SBI AXA Life Insurance commenced business

⑤ Nov. 2008 SBI Liquidity Market started operations

⑥ Feb. 2010 Transferred all shares of SBI AXA Life Insurance
(posted JPY0.8bn as extraordinary income)

⑦ July 2010 Announcement of “Brilliant Cut Initiative” and promotion of “selection and concentration”

⑧ May 2012 SBI FXTRADE started operations

⑨ June 2012 Established an intermediate holding company for FS and AM Businesses

⑩ Sept. 2012 Consolidated SBI Japannext
(posted JPY 2.8bn as gain on step acquisition associated with the consolidation)

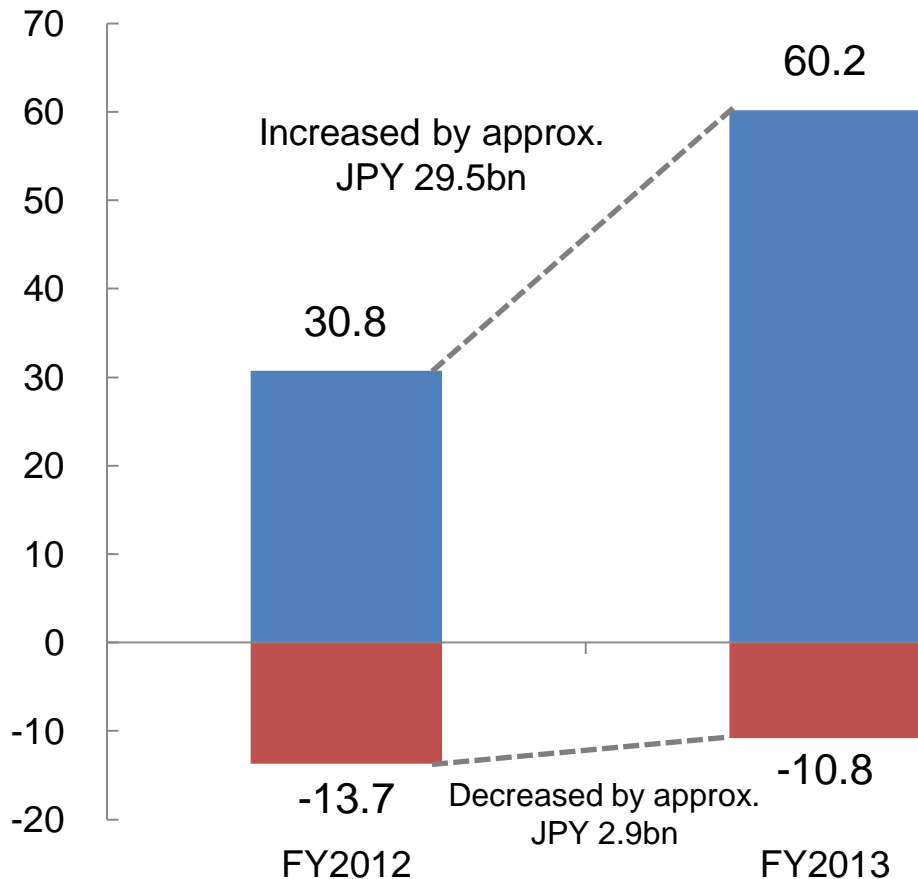
⑪ Mar. 2013 Consolidated current SBI Savings Bank

Group Profitability Enhancement through the Promotion of the “Brilliant Cut Initiative”

Compared with FY2012, the total sum of the operating income of the profitable companies/divisions of the major entities increased by approx. JPY 29.5bn, whereas the total sum of the operating loss of the unprofitable companies/divisions was reduced by approx. JPY 2.9bn.

Change in the total sum of operating income/loss of the major entities
(based on J-GAAP)

(JPY billion)



Major unprofitable entities

SBI Insurance: approx. JPY 4.1bn
Improving steadily toward full-year profitability in FY2015

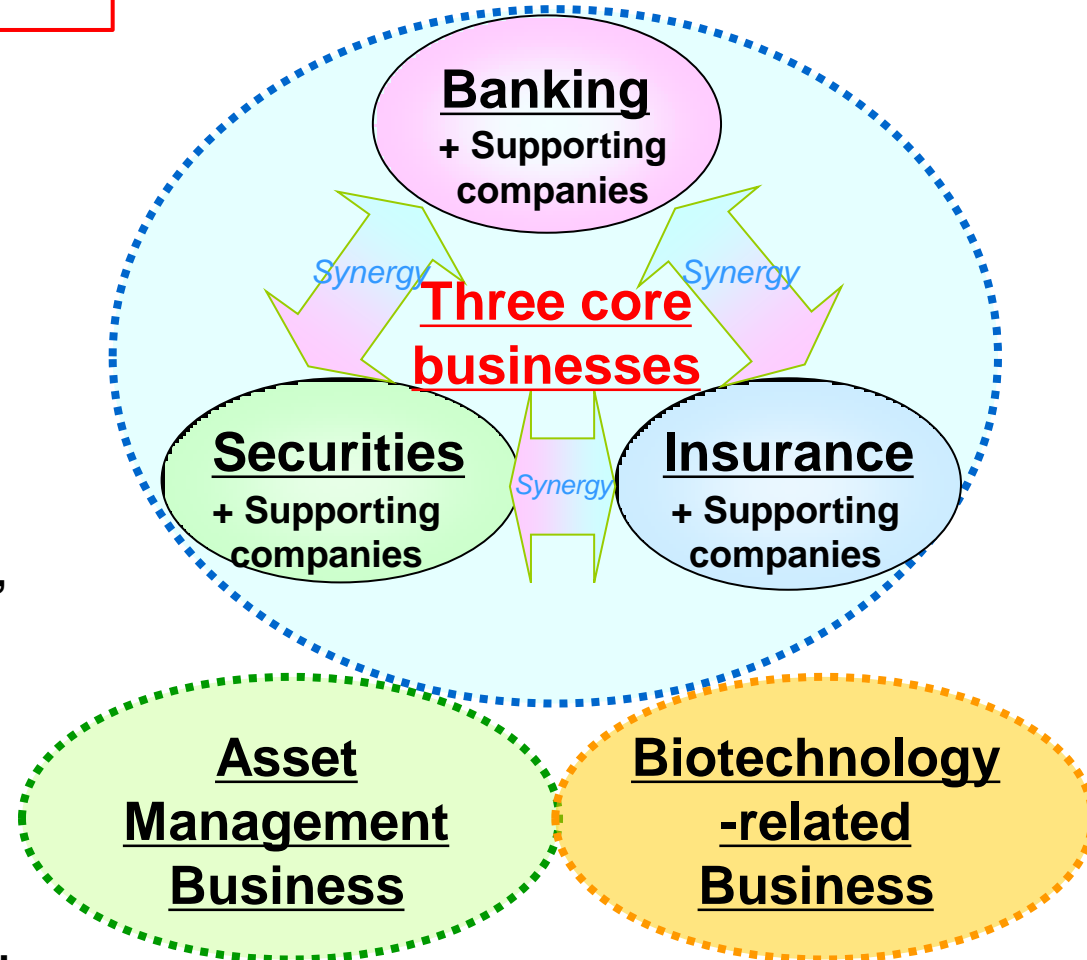
SBI Card: approx. JPY 3.1bn
Owing to the termination of the SBI Card Plus, a substantial reduction in losses is expected from reduced systems cost of JPY 150m per month

SBI Pharmaceutical + SBI ALApromo: approx. JPY 1.3bn
Improvement in deficit is expected owing to an expansion in the sales of health foods containing 5-ALA in Japan and overseas

Cash Flow Management through Business “Selection and Concentration” to Actualize SBI’s Estimated Business Value ①

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.
- Overlapping businesses will generally be consolidated



Cash Flow Management through Business “Selection and Concentration” to Actualize SBI’s Estimated Business Value ②

With regard to non-core businesses, sales, IPOs, and integration with other Group companies will be prioritized, thereby maximizing cash flow

IPOs will be implemented after value is maximally increased through measures including reorganizations within the Group

Generated cash will be appropriated to
reduce debt with high interest rates

An improving equity ratio will contribute to an improvement of the financial condition.

Share repurchases will also be considered.

Examples of Generating Cash Flow through “Selection and Concentration”

- ① Selling subsidiaries that are not expected to generate meaningful synergies with one of the three core businesses

Principal examples

SBI VeriTrans (currently VeriTrans), Wall Street Journal Japan and SBI Capital Solutions



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

- ② Listing subsidiaries, on either the domestic or foreign markets, deemed not synergistic with one of the three core businesses

- SBI Mortgage (SBI Group's share: 66.5%)
- SBI AXES (SBI Group's share: 75.0%)

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

Regarding the HKEx, while SBIH is now in process of delisting, SBIH is proactively considering listing its subsidiaries on this exchange

- ③ Consider reorganizations within the Group to manage businesses that have strong business relevancy

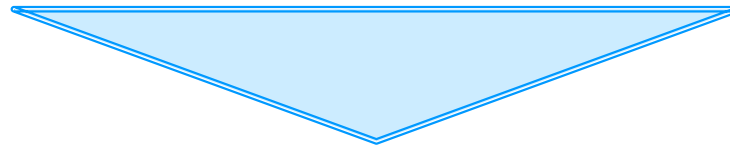
Principal examples

- Implementing reorganization of the face-to-face sales business of SBI SECURITIES, with SBI MONEY PLAZA as the managing entity
- Morningstar Japan absorbed both SBI Searchina and SBI Asset Management as its subsidiaries

Endeavoring to Improve ROE

Level of ROE pre-Lehman Shock

- ◆ Average for FY2003 to FY2006 : **20.7%**
- ◆ Peak during the period (FY2004) : **29.0%**



- ◆ ROE for FY2013 (results) : **6.8%**

Targeting pre-Lehman Shock level

Continued Focus on Shareholder Return

Dividend per share for shareholders as of Mar. 2014 was JPY 20

Total amount of dividends

	Total amount of dividends (JPY million)
FY2013 (IFRS)	4,340
FY2012 (IFRS) *	2,170
FY2011	2,207
FY2010	2,391
FY2009	1,676
FY2008	1,673
FY2007	13,579
FY2006	13,514
FY2005	7,337
FY2004	2,985
FY2003	1,784

* Figures for the fiscal years up until FY2011 are based on J-GAAP. The Company introduced IFRS from FY2012. The Company executed a split of its shares at a ratio of 10 shares to 1 shares on October 1, 2012.

Corporate Value by Business Segment Valuation

—Each Business Segment Valuation is Conservatively Estimated

■ Sum of the values by segment (as of May 7, 2014) (JPY billion)

	Valuation of each segment (theoretical value)
Financial Services	366.5 (+)*
Asset Management	111.0
Biotechnology-related	59.8
Housing and Real Estate	25.7
Sum total	563.0 (+)

Business valuation per share: 2,507 yen

* 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 Group companies, 14 are profitable companies that are not included in the above calculations (Total Operating Income: approx. JPY 3.9bn)

(3) Target early profitability of the Biotechnology-related Business by means including an SBI Biotech IPO and acceleration of overseas development of the 5-ALA related business

① SBI Biotech

**② 5-ALA Related Business
(SBI Pharmaceuticals / SBI ALApromo)**

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

(Shares: 77.25%)

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

Drug or project code (partners)	Adaptation disease	Current status
GNKG168 (CN Huapu)	B cell chronic lymphocytic leukemia	US: 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 → Moreover, seriously considering Clinical Trial for Immuno-cell therapy in Japan
Anti-ILT-7 antibody	Autoimmune diseases	Gave development and commercialization rights to MedImmune, Inc., a subsidiary of AstraZeneca

Conclusion of Out-licensing Agreement, etc., Regarding the Subsidiary's Independent Drug Development Efforts with Pfizer Inc. and Novartis Pharmaceuticals Corp.

The pipelines of the U.S. biotechnology company Quark Pharmaceuticals, SBI Biotech's subsidiary (Shares: 100%)

Drug or project code (partners)	Adaptation disease	Current status	Content of conclusions
PF-655 (Pfizer Inc.)	Diabetic macular edema (DME), Wet age-related macular degeneration	P2b Clinical Trial	<p>Potential contingency fee (total): USD 713m</p> <ul style="list-style-type: none"> ✓ Received so far: USD 28.35m ✓ Scheduled for receiving USD 25.8m at the conclusion of Phase 2b <p>*Based on the premise of an acceptance by Pfizer Inc.</p>
QPI-1002 (Novartis Pharmaceuticals Corp.)	Kidney Transplantation (DGF), Acute Kidney Injury (AKI)	P2a Clinical Trial	<p>Potential contingency fee (total): USD 670m</p> <p>Not yet received, but will receive USD 8m at the conclusion of Phase 2a</p> <p>*Based on the premise of an acceptance by Novartis Pharmaceuticals Corp.</p>
QPI-1007 (IN Biocon)	Non-arteritic Anterior Ischemic Optic Neuropathy (NAION)	P2 Clinical Trial	<p>Conclusion of an out-licensing and technical cooperation agreement with Biocon, a leading pharmaceuticals company in India (announced Dec. 2013)</p> <ul style="list-style-type: none"> ✓ Already, the SBI Group has received USD 0.5m. ✓ Planned receipt of a total of USD 1.5m by Oct. 2014.

Newly Listed Bio-venture Companies Since 2010 in Japan

It is often the case that bio-venture companies get listed while still unprofitable

Company name	Listed date	Sales for the base fiscal year (JPY million)	Net profit for the base fiscal year (JPY million)	Market cap by the initial price (JPY billion)	Latest market cap (Apr. 30, 2014) (JPY billion)
CellSeed	Mar. 16, 2010	61	-650	7.5	8.3
RaQualia Pharma	July 20, 2011	1,186	-1,307	19.6	6.5
SymBio Pharmaceuticals	Oct. 20, 2011	1,449	-642	8.6	7.0
3-D MATRIX	Oct. 24, 2011	158	-533	5.4	72.5
Chiome Bioscience	Dec. 20, 2011	463	-180	5.1	39.6
Gene Techno Science	Nov. 30, 2012	207	-320	3.0	4.0
UMN Pharma	Dec. 11, 2012	1,000	-477	8.3	22.9
euglena	Dec. 20, 2012	1,166	204	10.4	74.6
MEDRx	Feb. 13, 2013	741	-433	11.2	9.0
PeptiDream	June 11, 2013	269	9	101.8	82.0
ReproCELL	June 26, 2013	316	-22	147.8	36.9
Oncolys BioPharma	Dec. 6, 2013	396	-102	29.8	5.9
Human Metabolome Technologies	Dec. 24, 2013	496	-95	14.7	8.2
Acucela	Feb. 13, 2014	4,755	427	81.9	41.6

Advancement of R&D in Diagnostic Agent for Cancer Treatment

Intraoperative diagnostic drug for cancer: Easily discriminates tumors (cancer) from normal tissue, through the oral administration of the drug to patients before the surgical resection of tumors, and by applying a special light during surgery.

Brain tumor

- ✓ We sell a diagnostic agent for malignant glioma, “ALAGLIO®” (from Sept. 2013)

Carcinoma vesicae

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
- ✓ Received the patent for mechanism of a diagnostic agent for bladder cancer
[Patent applicant] SBI Pharmaceuticals Co., Ltd., Kochi University



Endeavor to increase the indications for ALAGLIO to include bladder cancer and will proceed with preparations for an NDA

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, along with medical devices of SBI Pharmaceuticals. They have already succeeded in three surgeries, and are preparing for a fourth surgical removal of bladder cancer. Additionally, preparations are being made for the surgical removal of the cancer of the 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

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

LED light source



Starting sales of the bicolor medical LED light source Aladuck LS-DLED (from Apr. 2014)

Aladuck LS-DLED is the first medical device that SBI Pharmaceuticals sells in Japan

Laser light source



Completion of registration of medical device, and preparing for sales in Japan

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

Saitama Medical University Started an Investigator-Initiated Trial on a Drug to Treat Cancer Chemotherapy-induced Anemia

Dec. 2012 Phase I Clinical testing started in UK



May 2013 Phase I Clinical testing completed



Owing to Japan's cost advantages for clinical trials, Phase II clinical trials were initiated in 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

Start of Clinical Studies on Type 2 Diabetes by Using 5-ALA in Bahrain

Indications	Country	Progress
<p>NEW!!</p> <p>Type 2 Diabetes</p>	<p>Bahrain</p>	<p>Received approval from the National Health Regulatory Authority (“NHRA”) in Bahrain to conduct clinical studies on type 2 diabetes at the Bahrain Defense Force Royal Medical Service Hospital (Mar. 2014)</p>



- ✓ Plan to confirm the safety and effectiveness of a combination drug of 5-ALA + Fe for type 2 diabetes patients at the Bahrain Defense Force Royal Medical Service Hospital
- ✓ Clinical studies have already been initiated in area hospitals by screening for patients
- ✓ This hospital will conduct the clinical studies using the combination drug of 5-ALA + Fe provided by SBI Pharmaceuticals. The clinical studies will be conducted carefully while making periodic reports to the NHRA.

Spreading Partner Medical Institutions for Drug Development Research and Clinical Research in Bahrain

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

- **Diabetes Department of the Bahrain Defense Force Royal Medical Service Hospital** (started recruitment of trial subjects)
- **Arabian Gulf University Hospital** (preparing)
- **Royal College of Surgeons in Ireland - Medical University of Bahrain** etc.

AGU established 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**
Established by King Hamad in 2010, the second national general hospital in Bahrain and operated by the Bahrain Defense Force. The hospital cooperates with the Ministry of Health of Bahrain in matters regarding related medical centers and first aid and emergency services.
- **Royal College of Surgeons in Ireland- Medical University of Bahrain** etc.

Research on the Effects of 5-ALA on Various Target Illnesses is Proceeding through the Utilization of the Global Academic Network

Target illnesses for which clinical research and basic research of 5-ALA and porphyrin are proceeding

Photodynamic diagnosis and therapy

[Glioma \(malignant glioma\)](#)
Product launched by SBI Pharmaceuticals

[Carcinoma vesicae](#)
Phase III Clinical testing by doctor sponsored investigation at 5 universities including Kochi University completed, preparing for Notification

➔

The following target illnesses are under consideration for photodynamic diagnosis: prostate cancer, colon cancer, peritoneal dissemination, liver cancer, etc.

[Solar keratoses \(cancer of skin\)](#)
photonamic GmbH & Co. KG in Germany sells in Europe

➔

Photodynamic therapy

Chemotherapy-induced anemia

[Cancer chemotherapy-induced anemia](#)
Phase I Clinical testing completed in UK, Phase II has started in Japan

Metabolic disease

[Diabetic disease](#)
Bahrain Defense Force Royal Medical Service Hospital, Arabian Gulf Univ, Hiroshima Univ., Univ. of Hawaii, etc.

[Chronic kidney disease](#)
Kochi Univ., etc.

Neurogenic disease

[Alzheimer's Disease](#)
Hokkaido Univ., etc.

[Parkinson's disease](#)
Shimane Univ., etc.

Others

[Mitochondrial diseases](#)
Saitama Medical Univ., etc.

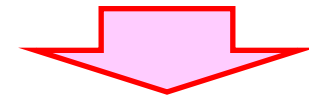
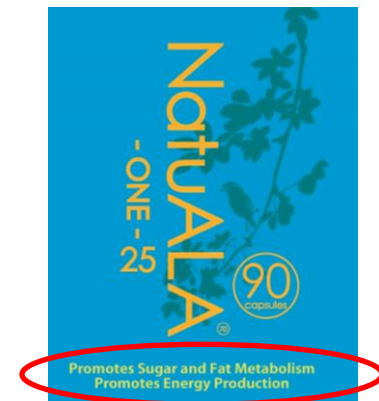
[Prevented the aggravation of influenza](#)
Tokushima Univ., etc.

[Malaria](#)
The Univ. of Tokyo, Tokyo Institute of Technology, MRC National Institute for Medical Research and SBI Pharmaceuticals

Start Sales of Health Foods in Bahrain

- Established a joint venture company concerning local marketing of health foods and cosmetics with **Dawani Group Holdings**, a major local distributor.
- 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). We have started selling as a mainstay product in pharmacies, etc.**
- “Promotes Sugar and Fat Metabolism”
“Promotes Energy Production” are listed on labels of the health foods containing 25 mg 5-ALA planned to be sold in Bahrain

Label design of the health foods



Promotes Sugar and Fat Metabolism
Promotes Energy Production

Accelerating 5-ALA Related Business in China

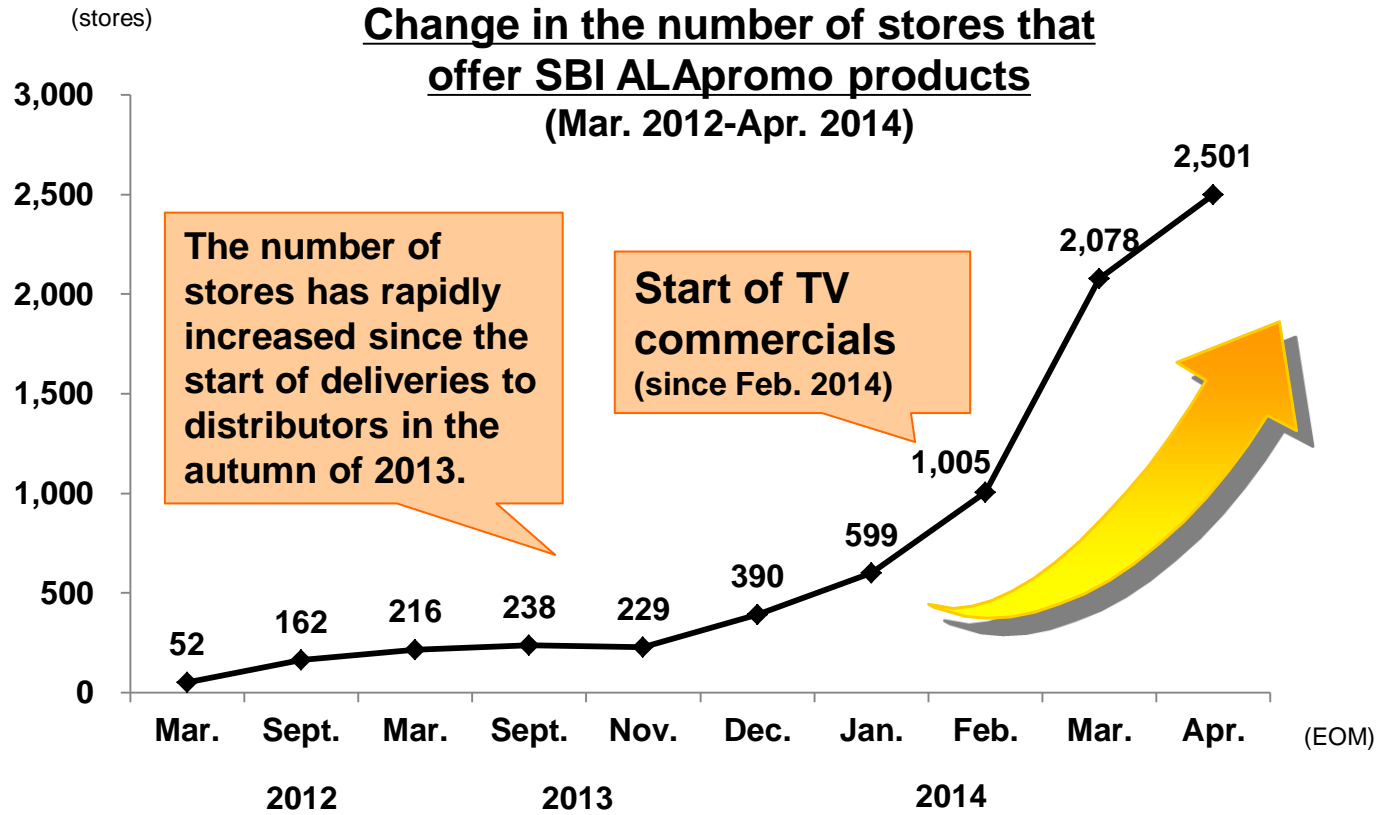
- ✓ Chinese bio-venture Suzhou Yian Biotech Co., Ltd. (SBI Group's shareholding: 40%) **plans to start operation of an 5-ALA health food manufacturing plant during 2014** (scheduled completion of the plant in May 2014). The company has applied in China for a materials license to use 5-ALA in food products and a health food manufacturing license.
- ✓ Agreed 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 around July**, after which a business license will be applied for.
- ✓ New Hope Group in China **plans to sell fertilizers and forages containing 5-ALA**, and collaborative testing is being conducted for potential sales activities.
 - Supply structure: Imports of finished products from Japan and production at Yian Biotech are planned
 - Will strengthen sales of various crops at each priority area
- ✓ It is estimated by Journal of the American Medical Association (JAMA) that there are 113.93 million diabetic patients in China, and that one in two adults, or about 493.4 million people are at risk of contracting diabetes. The SBI Group has donated RMB 2m (approx. JPY 33m) to an education fund at Fudan University in China, for the research of the efficacy of 5-ALA on the diabetic mechanism at the Fudan University School of Life Science.
- ✓ Decision for CTO Toru Tanaka and CSO Motowo Nakajima to accept an invitation from Fudan University to serve as visiting professors

NEW!!

The Number of Stores in Japan Offering 5-ALA Products is Increasing

Consulting pharmacies and drugstores nationwide that offer SBI ALA promo products topped 2,500 stores
(as of the end of Apr. 2014)

Promotion including TV commercials and POP display at drugstores of the ALAplus series featuring singer Hiromi Go stepped up from the end of Feb. 2014



Expansion of the Line of Health Foods Containing 5-ALA

Introduction of two new mail-order-only products in Apr. 2014

Existing products:

(e.g.)



**ALAPIus
GOLD**



ALAPIus

"Bi Chocola Enrich"
(Exclusive product for mail order by Eisai Co., Ltd):
Containing 5-ALA of SBI
Pharmaceuticals

+

From Apr. 2014 **NEW!!**

Launch of the ALAPLUS Beauty Series, a new product series that contains 5-ALA and ingredients that support beauty and health



ALApplus CoQ10
(Containing 5-ALA and CoQ10)

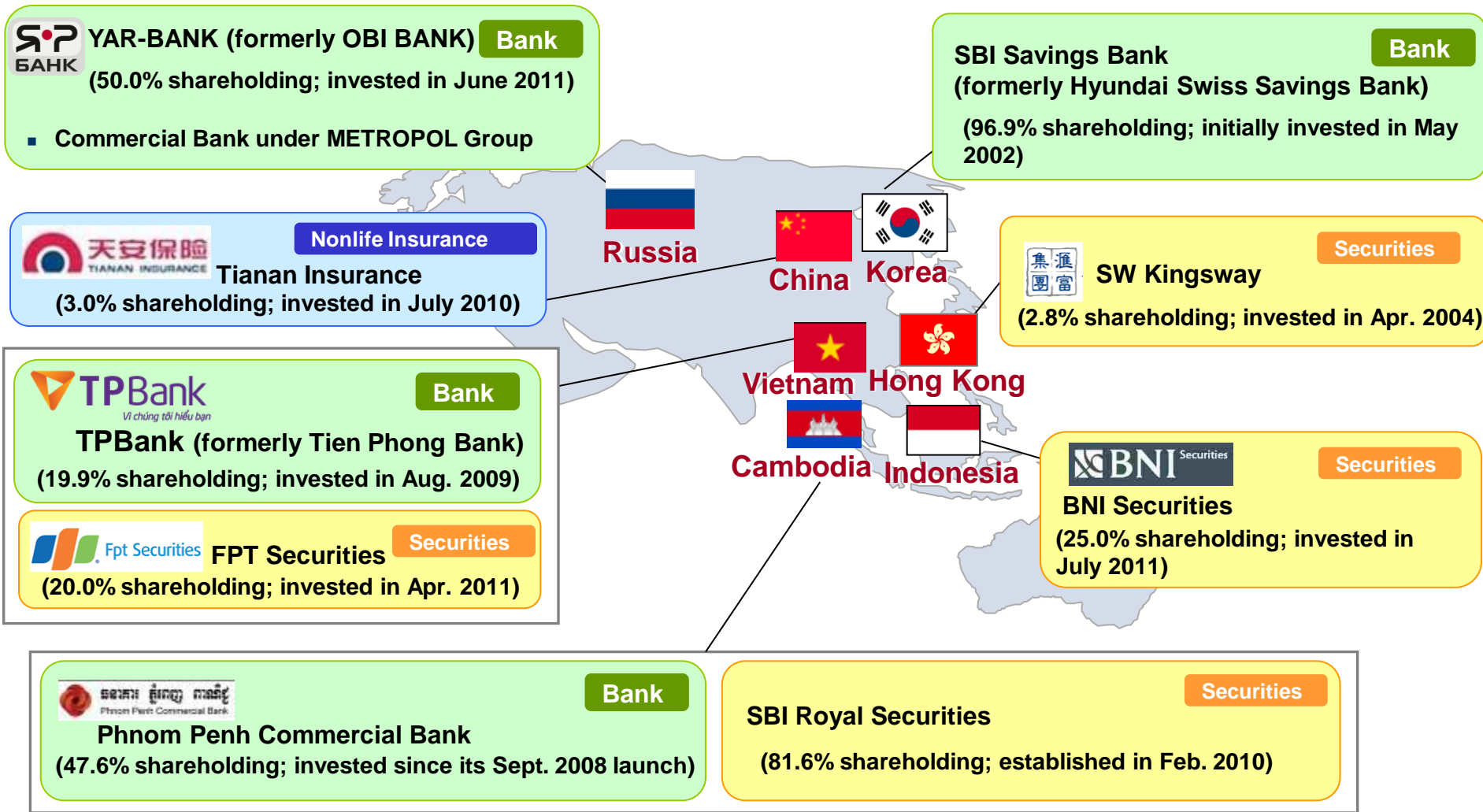


ALApplus Biotin
(Containing 5-ALA and Biotin)

(4) Under the alliances with prominent local partners, the SBI Group has advanced the overseas development of its various financial services

Investments in Overseas Financial Institutions Primarily in Asia

(As of the end of Mar. 2014)



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

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



陆家嘴集团
LUJIAZUI GROUP



新希望集团
NEW HOPE GROUP

Lujiazui Group:

Founded in 1990, the Lujiazui Group is a large state-owned company directly managed by the Shanghai Municipal Government and the only comprehensive financial and real estate group that falls under the jurisdiction of the Shanghai Municipal Government. Its group companies include Shanghai Lujiazui Finance & Trade Zone Development (listed on China's A-share market), Aijian Securities and Lujiazui International Trust Corporation.

New Hope Group:

The New Hope Group, established in 1982, is China's largest agribusiness operator. The Group is the top shareholder of China Minsheng Banking Corp., the largest privately owned bank in China, and has been the shareholder of Minsheng Life Insurance since its inception. The Group has more than 400 affiliated companies and over 60,000 employees.



- On Mar. 24, 2014, established Shanghai New Successful Way Investment Consulting Co., Ltd., a preparation company for joint development of an online financial services business in China.
- The preparation company will promote the launch of a company engaged in the online financial services business by carrying out feasibility studies, license applications, and other related operations.

[Reference]

**Recent stock price and the specific formula
for the estimation of our corporate value**

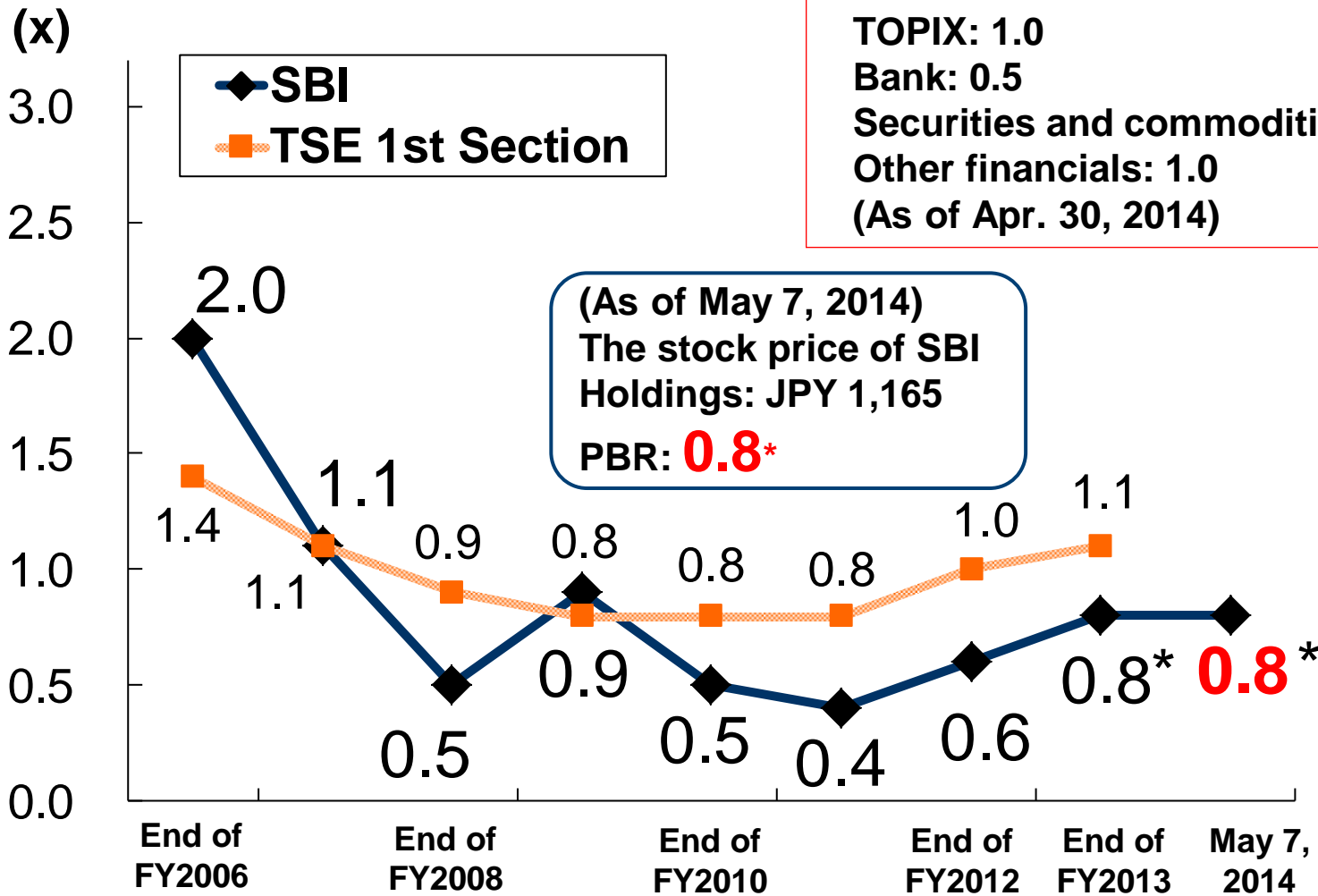
SBI Holding's Recent Stock Price

Market cap (actual value as of May 7, 2014): **JPY 261.6bn**



Change in PBR of SBI Holdings

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



TOPIX: 1.0
 Bank: 0.5
 Securities and commodities: 1.1
 Other financials: 1.0
 (As of Apr. 30, 2014)

(As of May 7, 2014)
 The stock price of SBI Holdings: JPY 1,165
 PBR: **0.8***

[Reference]
 SBI Holdings' PER based on forecast EPS (As of May 7, 2014)
 PER:
9.1 (Nikkei Kaisha Joho)
8.7 (Japanese company handbook)

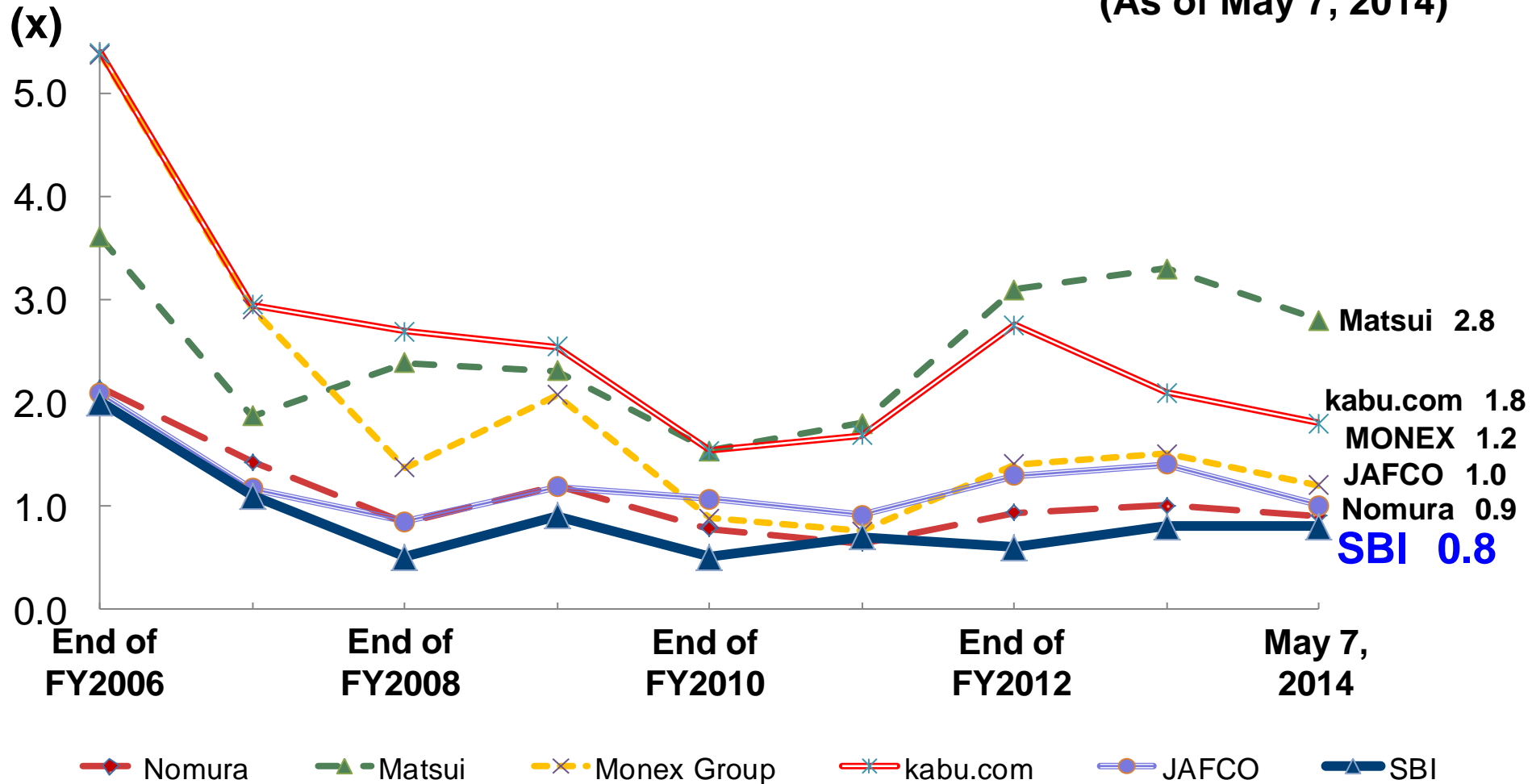
*PBR of SBI Holdings for the end of FY2013 and May 7, 2014 are calculated based on the BPS of the end of Mar. 2014.

*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 May 7, 2014)



*PBR for May 7, 2014 is calculated based on the BPS of the end of Mar. 2014.

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

Valuation by Segment Estimated by SBI

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

① SBI SECURITIES

Valuation is conservatively estimated at JPY 276.3bn

(based on the closing prices of May 7, 2014)

SBIH's market cap as of May 7 is likely to fall below the estimated valuation of SBI SECURITIES

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

Matsui's PER (*1) x SBI SECURITIES's Net income (FY2013) ... (A)

Matsui's PBR (*2) x SBI SECURITIES's Net asset (*3) (as of Mar 31, 2014) ... (B)

*1 PER of Matsui is calculated by its net income per share for FY2013.

*2 PBR of Matsui is calculated by its BPS as of Mar. 31, 2014.

*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)

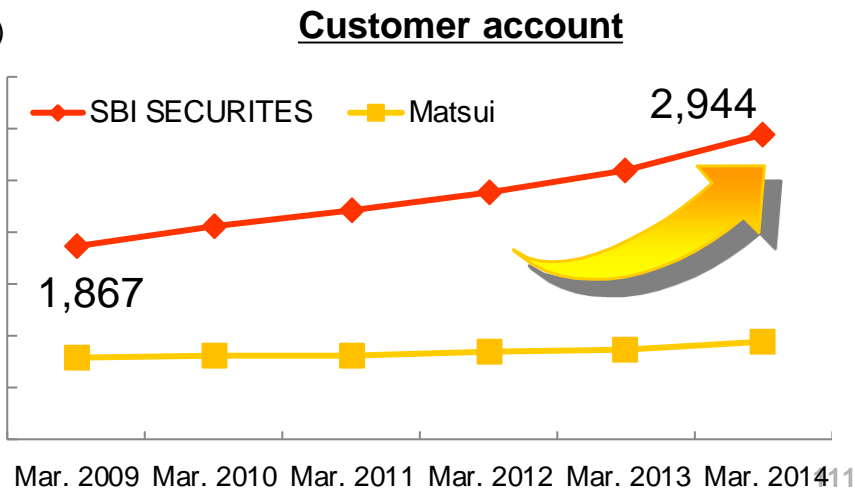
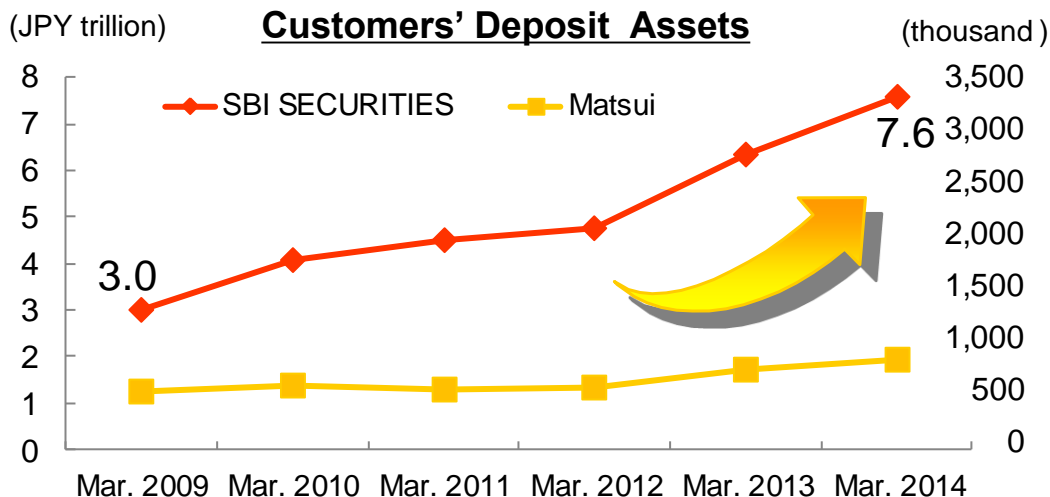


Is SBI SECURITIES' valuation reasonable?

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

*Calculated by the closing prices of May 7, 2014

(FY2013)	SBI SECURITIES	Matsui Securities
Valuation (market cap) *	JPY 276.3bn	JPY 248.8bn
Deposit assets (Mar. 2014)	No.1 JPY 7.6tn	JPY 1.9tn
Number of accounts (As of the end of Mar. 2014)	No.1 2.94 million	940 thousand
Share of individual stock brokerage	No.1 35.3%	11.0%
Operating income	No.1 JPY 32.8bn (up 185.7% YoY)	JPY 27.1bn (up 165.7% YoY)



Mar. 2009 Mar. 2010 Mar. 2011 Mar. 2012 Mar. 2013 Mar. 2014

Valuation by Segment Estimated by SBI

(1) Financial Services Business ② SBI Sumishin Net Bank -(i)

② SBI Sumishin Net Bank

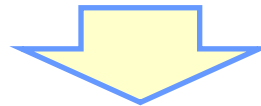
Valuation is conservatively estimated at JPY 38.6bn

(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

SBI Sumishin Net Bank

- Ordinary income for 9 months FY2013 (JPY 8.0bn (+63.5% YoY))
- ~ Within reach of achieving ordinary income of JPY 10.0bn ~
- Deposit balance topped JPY 3.3tn (as of Dec. 26, 2013)

Comparison with listed local banks with equivalent level of scale

Compared by profit

The average market cap of 12 listed local banks with ordinary income of around JPY 10.0bn: approx. JPY 77.0bn

Of which, market cap of local banks with deposit balances larger than JPY 3tn exceeds JPY 100bn

*1 Based on ordinary income and deposit balance of 75 banks including community banks and New Entrant Banks for FY2012 and on Mar. 31, 2013, respectively.

*2 Market cap based on the closing prices of May 7, 2014

Valuation by Segment Estimated by SBI

(1) Financial Services Business ③ SBI Liquidity Market

③ SBI Liquidity Market

Valuation is estimated at **JPY 18.1bn**

(based on the closing price of May 7, 2014)

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 (FY2013)

* 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 (FY2013)
JPY 8,498m	Operating revenue	JPY 10,524m
JPY 4,021m	Operating income	JPY 1,901m
JPY 2,289m	Net Profit	JPY 1,165m
JPY 9,067m	Net Asset	JPY 4,087m

Operating income before allocation to SBI SECURITIES is JPY 8,527m

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	23.5	11.6
SBI Mortgage	60.7	Consolidated subsidiary	KOSPI of KRX	33.2*	20.2
SOLXYZ	26.3	Equity-method associate	JASDAQ	6.3	1.7
Sum of the market cap of listed subsidiaries and equity-method associates				63.0	<u>33.5</u>

(Based on the closing price of May 7, 2014, *Calculated by the exchange rate as of May 7, 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 276.3bn** (based on the closing prices of May 7, 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 18.1bn** (based on the closing price of May 7, 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 33.5bn** (based on the closing prices of May 7, 2014)



Total of the valuation above: **JPY 366.5bn** (The SBI Group's total shareholding)

Valuation by Segment Estimated by SBIH

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

The FS Business also consists of many other profitable business entities

		Business lineup	OP for FY2013 (JPY billion)	SBI's shareholding pct. (%)
SBI Comparison Website Business		Operation of comparison websites for loans and insurances	1.4	100.0
SBI Japannext	Growing Business	Operation of PTS (Proprietary Trading System)	0.9	52.8
SBI Business Support		Contact center business for corporations and a temporary staffing agency	0.1	100.0
CEM Corporation		Real estate secured loans	0.5	79.7

Based on the “Selection and Concentration” policy for the Financial Services Business, regardless of profit contributions, a sale, an IPO or reorganizations within the Group of non-core businesses will be accelerated, though a judgment of the existence of strength of synergies.

Proceeds generated may be appropriated to strengthen the three core businesses

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 111.0bn**

<Reference>

JAFCO's Market Cap: **JPY 179.7bn** (based on the closing price of May 7, 2014)

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

(i) Value of holding securities (at the end of Mar. 2014) **Approx. JPY 92.4bn**

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

(ii) Value of SBI Investment (based on the closing price of May 7, 2014)

(* Valuation excluding asset such as securities hold) **Approx. JPY 13.3bn**

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 FY2014.

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 associates

	SBI's share-holding 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	6.0*	2.6
SBI Investment Korea	43.9	Equity-method associate	KOSDAQ of KRX	6.1*	2.7
Sum of the market cap of listed subsidiaries and equity-method associates				12.1	<u>5.3</u>

(Based on the closing price of May 7, 2014, *Calculated by the exchange rate as of May 7, 2014.)

[Other profitable businesses of the Asset Management Business]

		Business lineup	OP for FY2013 (JPY billion)	SBI's shareholding pct. (%)
Phnom Penh Commercial Bank	Overseas Business	Commercial Bank	0.5	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

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 59.8bn

① SBI Pharmaceuticals

Estimation of the valuation is as follows:

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



Based on SBIH's equity interest (excluding external holdings) as of the end of Mar. 2014, the amount is calculated to be approx. JPY 46.6bn

Besides, the total shareholder value of this Business includes the estimated shareholder value of 1 IPO scheduled company and 1 listed company, with the estimation based on SBIH's shareholding of paid-in capital and the market values of operational investment securities that SBIH owns.

② Companies reserved for IPO in the Biotechnology-related Business

	SBI's shareholding pct. *	IPO target	Lead manager
SBI Biotech	37.8%	within 2014	Mizuho Securities

* 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

(4) Housing and Real Estate Business

Housing and Real Estate Business

Valuation for the Housing and Real Estate Business estimated at **approx. JPY 25.7bn**

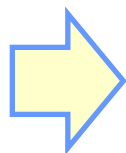
Estimation of the valuation is as follows:

Sum of the calculated value of the commercial real estate properties of SBIH as of the end of Mar. 2014 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 Mar. 2014, valuation is **approx. JPY 20.3bn**

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	73.3	Consolidated subsidiary	TSE Mothers	7.4	5.4

[Appendix]

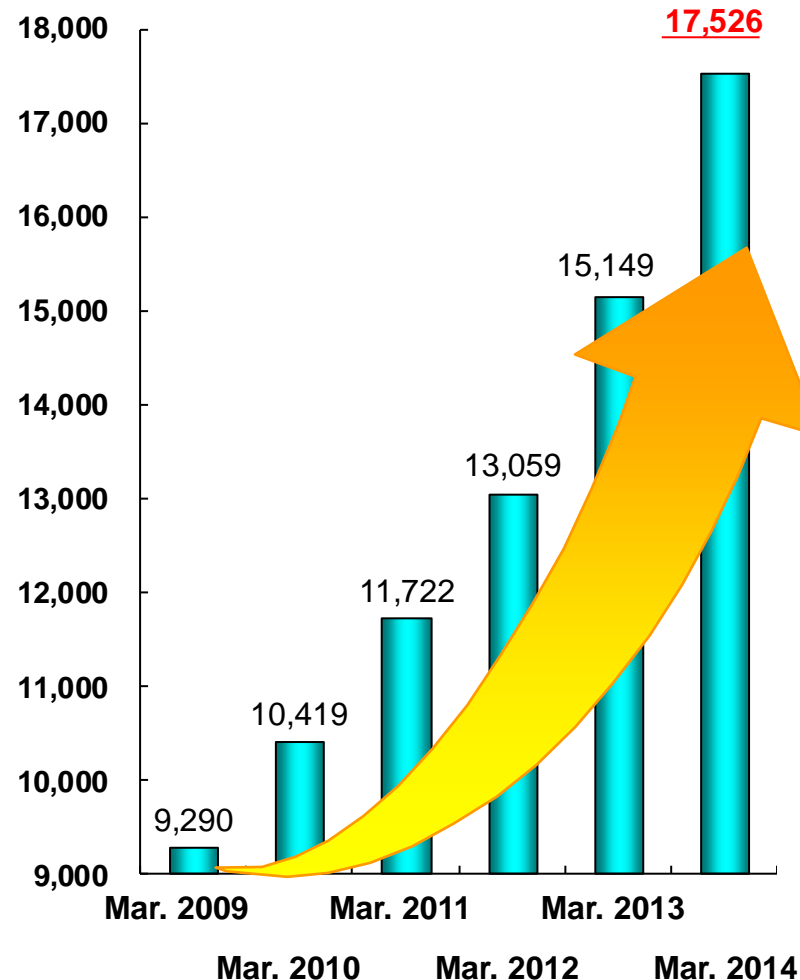
The SBI Group's Customer Base



Breakdown of the Customer Base

(As of the end of Mar. 2014)

(Thousand) (Thousand)



SBI SECURITIES	(Accounts)	2,944
SBIH InsWeb	(No. of customers)	6,104
E-LOAN	(No. of customers)	1,535
Other financial websites	(No. of customers)	26
MoneyLook	(Total no. of customer registrations)	894
Morningstar Japan	(New portfolio customer registrations)	119
SBI Card	(Valid cards issued)	71
SBI Sumishin Net Bank	(Accounts)	1,974
SBI Insurance	(Total no. of contracts)	655
Autoc one	(Total no. of service users in 2013)	950
Lifestyle-related websites (Ticket Ryutsu Center, muSBI.net)	(Total no. of customer registrations)	1,356
Others (SBI Mortgage, etc.)		898
Total		17,526

* 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

Group Companies Achieving a High Customer Satisfaction Assessment (SBI SECURITIES)



1st

“Oricon customer satisfaction ranking” of 2014
[Online securities comprehensive ranking]

For 8 years!!

<Evaluation item>

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

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 Contact 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!!**

Group Companies Achieving a High Customer Satisfaction Assessment (SBI Sumishin Net Bank)



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 *1**

*1 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



1st

**“10th Nikkei Financial Institution Ranking”
Customer Satisfaction by generations, 20s and 30s**

**For 2
years!**



1st

**JMA Research
“Assessment of Mortgage Products” by mortgage
personnel**

**For the
first time!**

Appraised as No. 1 among the 7 banks (*2) in all 5 categories, which were: “Mortgage which you want to utilize,” “Mortgage which you want to recommend,” “Mortgage which interest is attractive,” “Mortgage which has best collection of ancillary services,” and “Mortgage which is reliable in an emergency.”

*2 The number of financial institutions compared are 7 that are 4 major banks (The Bank of Tokyo-Mitsubishi UFJ, Mizuho Bank, Sumitomo Mitsui Banking Corporation and Resona Bank) and 3 Internet banks (SBI Sumishin Net Bank, Sony Bank and Rakuten Bank)

Group Companies Achieving a High Customer Satisfaction Assessment (SBI Insurance)



SBI損保の自動車保険

Auto Insurance



1st

Diamond Weekly
“Auto Insurance Premium Ranking”

* In the Apr. 5, 2014 special issue

No. 1 for all surveyed patterns of insurance without physical damage coverage!



1st

Oricon customer satisfaction ranking FY 2014
Auto Insurance Category
“Auto Insurance Premium Ranking”



1st

Kakaku.com / Auto Insurance Satisfaction Ranking
(2013) Premium Section



Official Website



HDI-Japan HDI's Call-center Customer Satisfaction
Ratings 2013 Top “three-star” rating in the
Support Portal (Official Website) Category

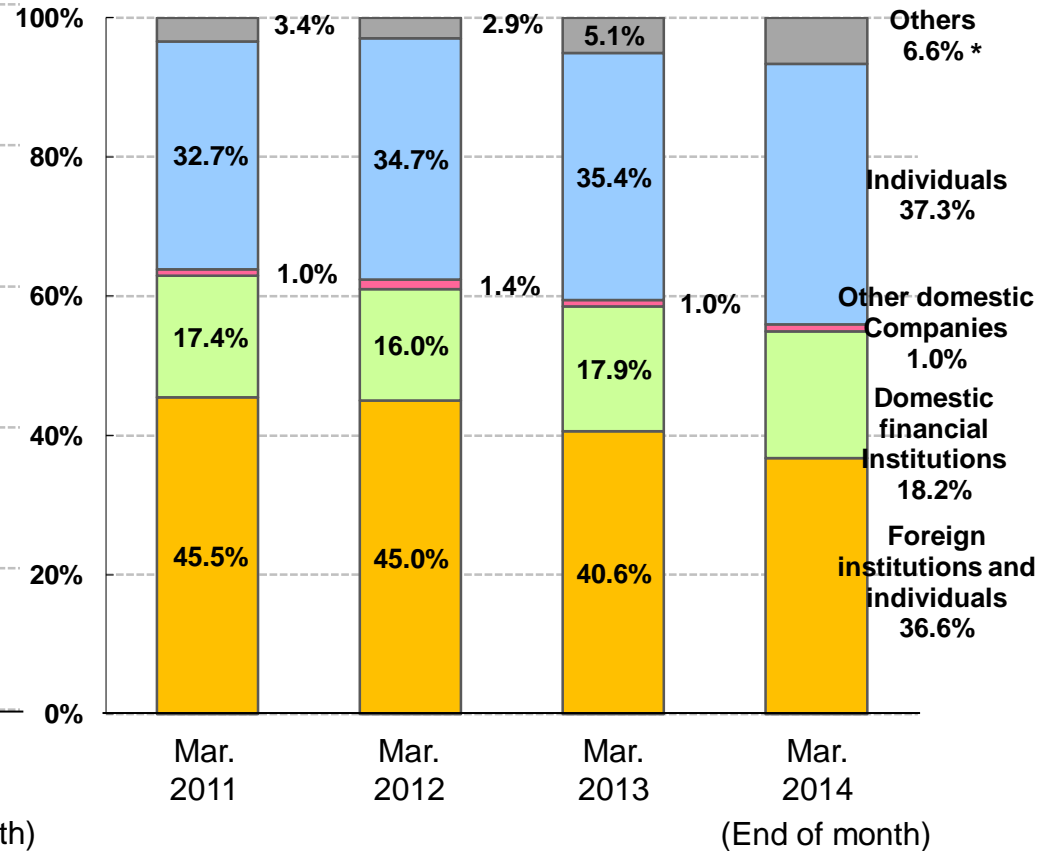
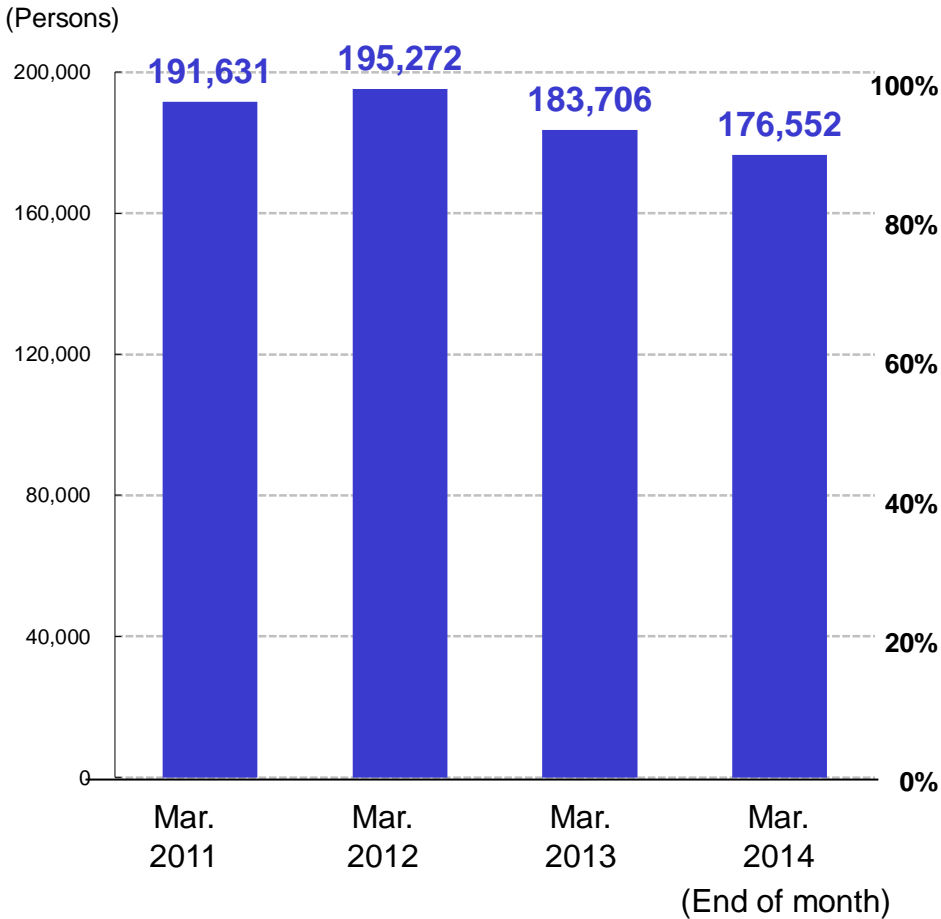


SBI Holdings' Shareholder Composition



Number of Shareholders

Shareholder Composition



* "Others" includes treasury stock (3.3%)

* Percentages are rounded down to one decimal place

Number of Consolidated Subsidiaries and Consolidated Employees of the SBI Group

Transition of the number of consolidated subsidiaries

	Mar. 31, 2013	Mar. 31, 2014
Consolidated subsidiaries	144	139
Consolidated partnerships	34	36
Equity-method companies	38	38
Total (companies)	216	213

Transition of the number of consolidated employees

	Mar. 31, 2013	Mar. 31, 2014
Total (persons)	5,007	5,352

Assets Under Management of the SBI Group

Private equity, etc. JPY 308.0bn

(Including JPY 106.8bn of both cash and commitment amount to be paid in) (*3)

Breakdown by Industry	Amount
IT/Internet	26.0
Biotechnology/Health/Medical	48.4
Services	21.8
Materials/Chemicals	2.3
Environmental/Energy	15.5
Retail/Food	13.1
Construction/Real estate	0.9
Machine/Automobile	9.0
Finance	38.3
Others	25.8
Total	201.2

Breakdown by region	Amount
Japan	101.4
China	34.7
Korea	18.5
Taiwan	1.5
Southeast Asia	9.8
U.S.	30.0
Europe	1.5
Others	3.8
Total	201.2

Investment trust etc. JPY 183.6bn

Investment trusts	103.5
Investment advisory	76.7
Investment companies	3.3

*1 Calculated by the exchange rate as of the end of Mar. 2014

*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/>