



*Strategic
Business
Innovator*

SBI Holdings, Inc. 2014 Information Meeting

May 30 Nagoya

June 2 Osaka

June 5 Tokyo

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

Today's Program

Part I: Explanations for the Key Questions

Part II: Q&A

Part I: Key Questions

- 1. How should the FY2013 financial results be interpreted?**
- 2. What are FY2014 priority measures for the domestic businesses, in light of the economic environment surrounding the SBI Group?**
- 3. What is the current state of the prioritized Biotechnology-related Business?**
- 4. What is the near-term strategy for the overseas investment and financial services businesses?**
- 5. How do you actualize the company's inherent enterprise value?**

- 1. How should the FY2013 financial results be interpreted?**
 - (1) Summary of FY2013 Consolidated Results with Record High Operating Revenue**
 - (2) FY2013 Segmental State of Major Companies**

(1) Summary of FY2013 Consolidated Results with Record High Operating Revenue

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**
(announced on May 14, 2014)

Dramatically exceeded its previous record high

[Other Business]

◆ **SBI Life Living**

Recorded an historical high for three consecutive operating years

For Shareholders of Record as of the End of Mar. 2014, Implementing a Year-end Dividend Payout of JPY 20 Per Share, a Doubling from the Previous Year

[Basic Dividend Policy]

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

 **Considering a profit allocation depending on its financial results**

Dividend results per share

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

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

(2) FY2013 Segmental State of Major Companies

- ① Financial Services Business**
- ② Asset Management Business**
- ③ Biotechnology-related Business**

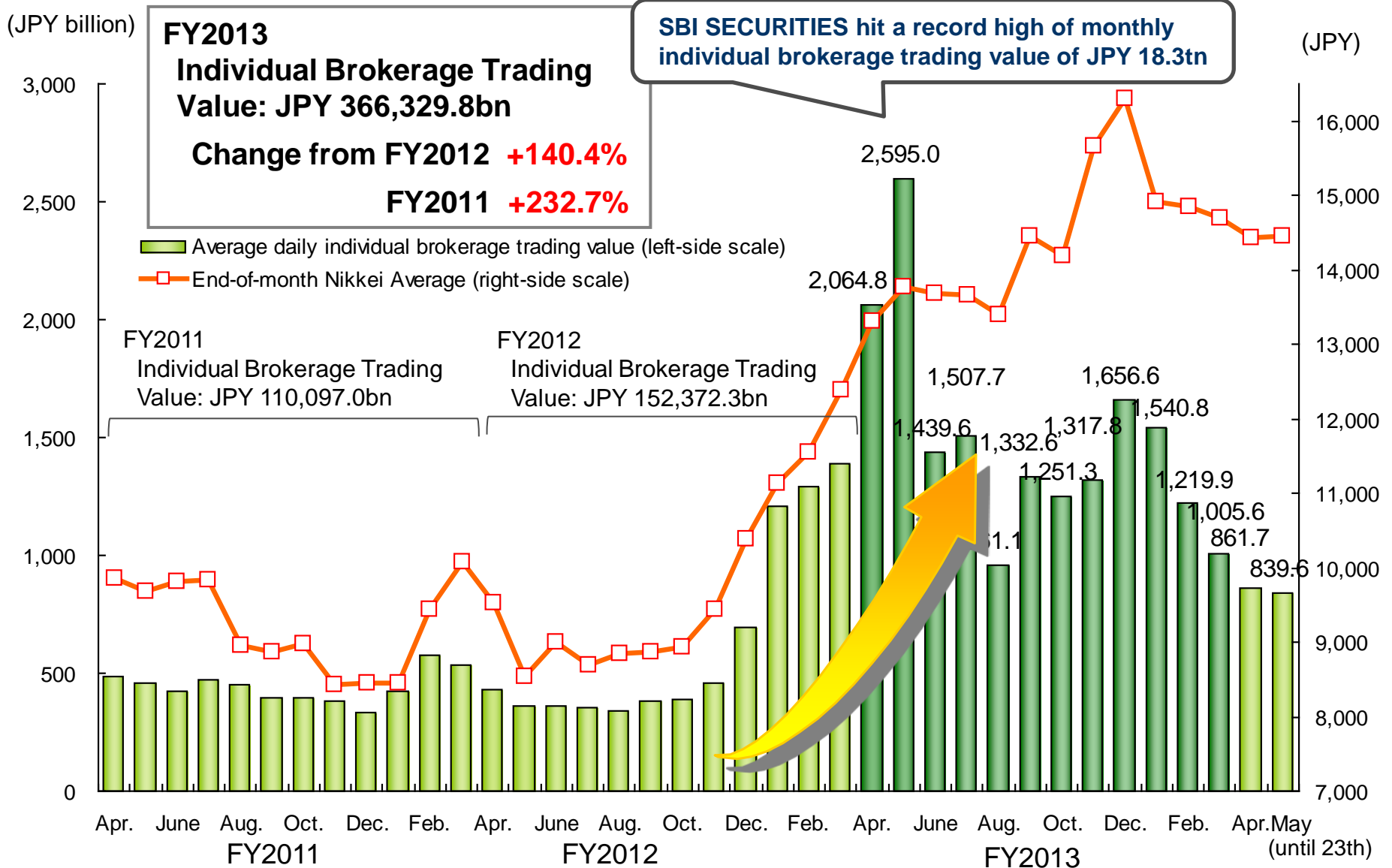
① Financial Services Business

State of the Major Financial Services Business Companies

- (i) **SBI SECURITIES**
- (ii) **SBI Japannext**
- (iii) **SBI Liquidity Market, SBI FXTRADE**
- (iv) **SBI Sumishin Net Bank (Equity method company)**
- (v) **SBI Insurance**
- (vi) **SBI SSI, SBI IKIIKI SSI***
- (vii) **SBI Mortgage**
- (viii) **SBI MONEY PLAZA**
- (ix) **Morningstar Japan**

(i) SBI SECURITIES:

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)

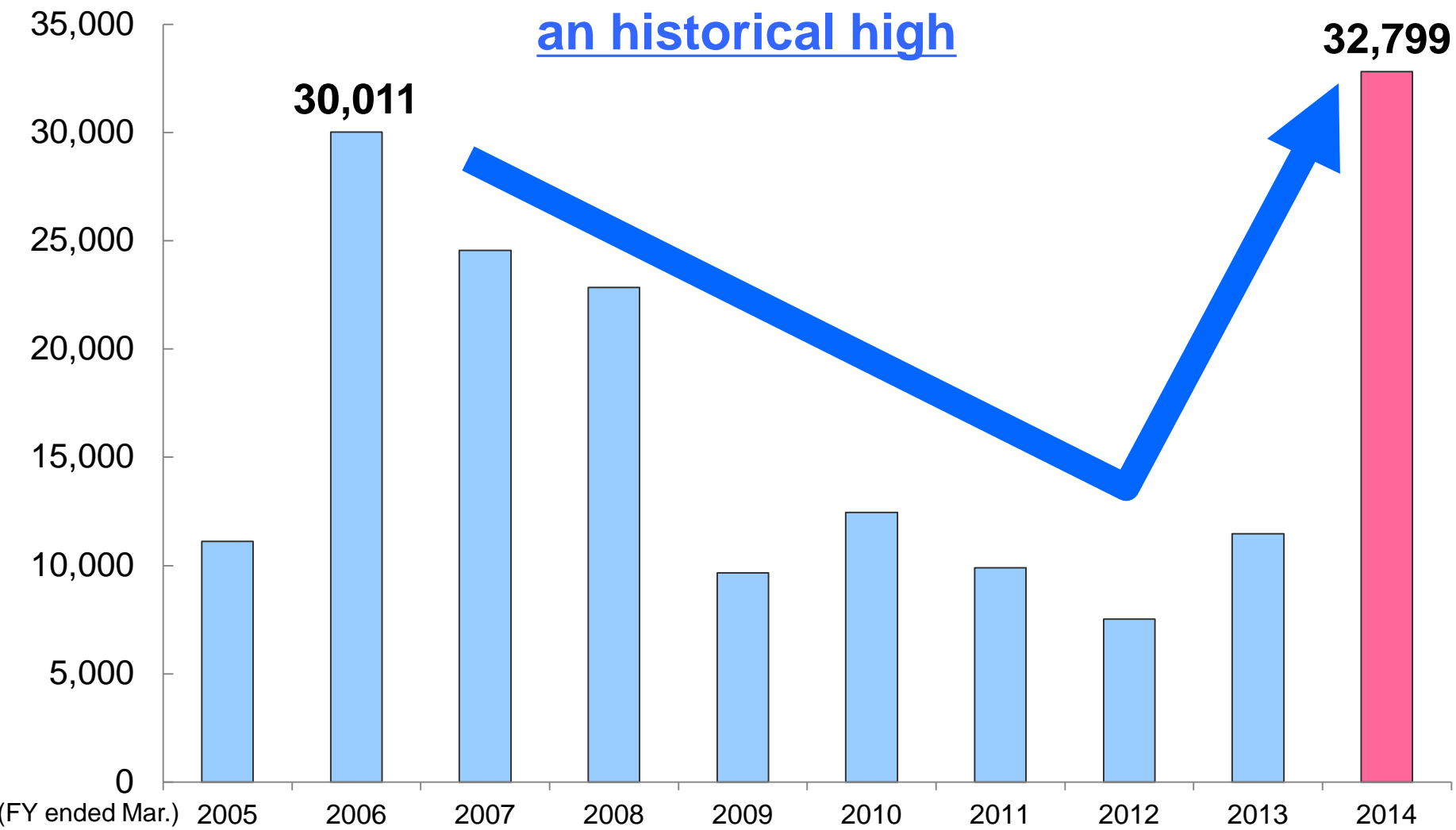
	FY2012 (Apr. 2012 -Mar. 2013)	FY2013 (Apr. 2013- Mar. 2014)	YoY % change
Operating Revenue	43,401	74,298	+71.2
Net Operating Revenue	40,495	69,955	+72.7
Operating Income	11,478	32,799	+185.7
Ordinary Income	11,512	32,743	+184.4
Net Profit	6,733	18,069 *	+168.3

* 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.

Change in Operating Income Since FY2004

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

(JPY million)





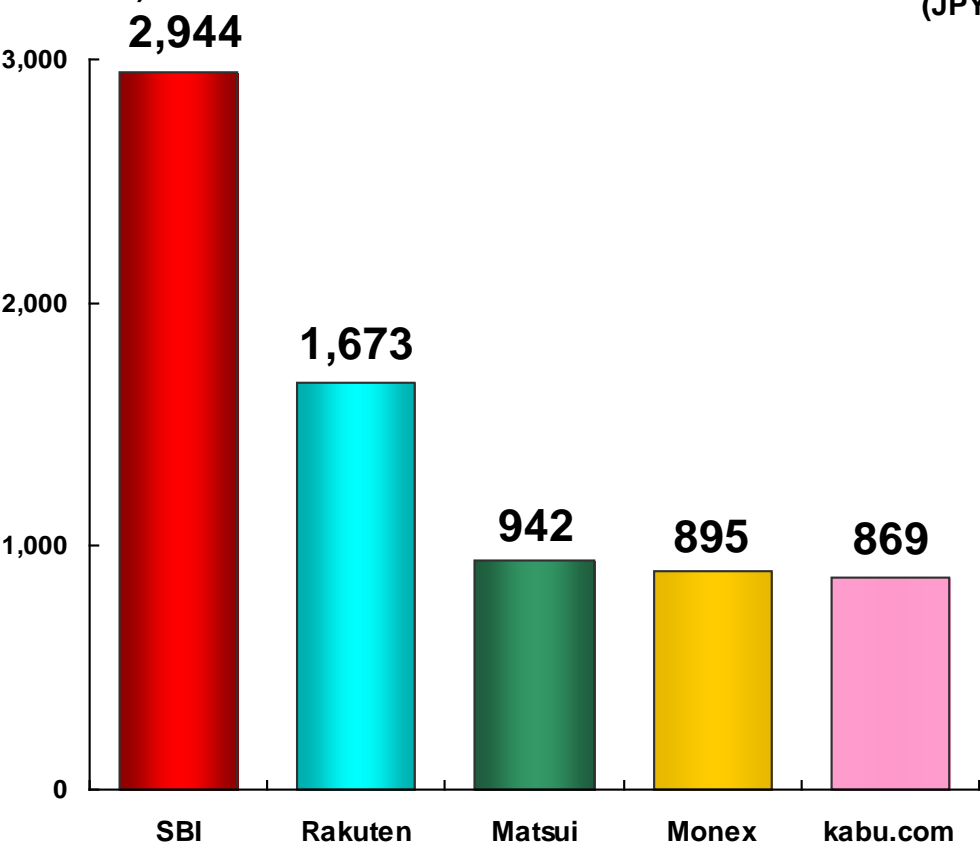
Customer Base of SBI SECURITIES

[Number of Accounts and Amount of Customer Asset]

Customer Accounts of 5 Online Securities Companies

(as of the end of Mar. 2014)

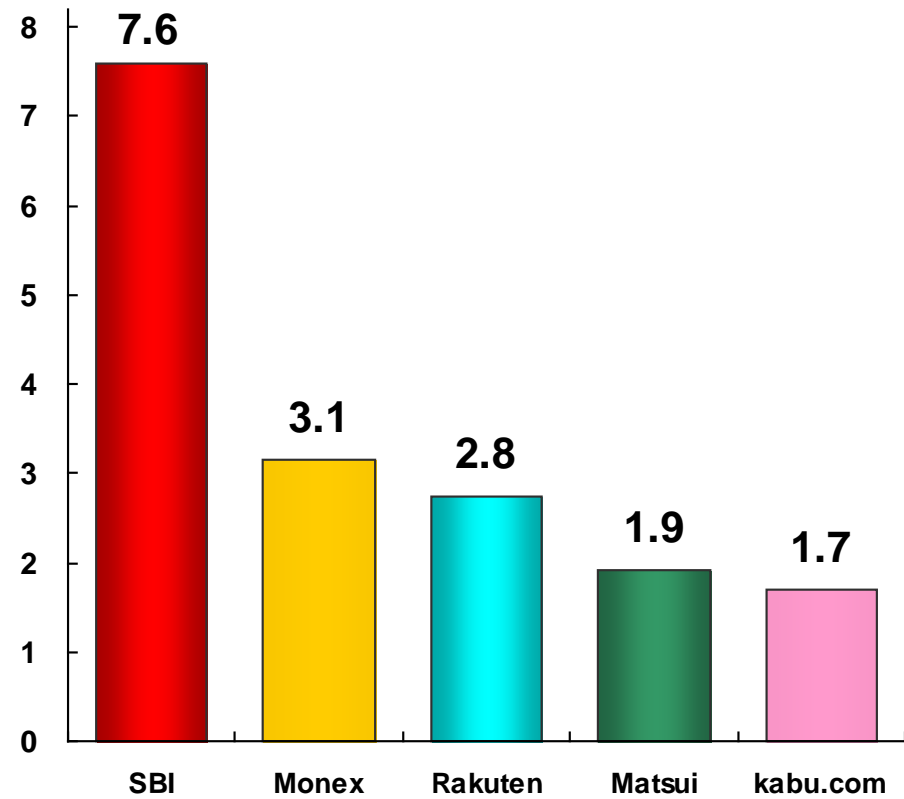
(Thousand accounts)



Customers' Deposit Assets of 5 Online Securities Companies

(as of the end of Mar. 2014)

(JPY trillion)



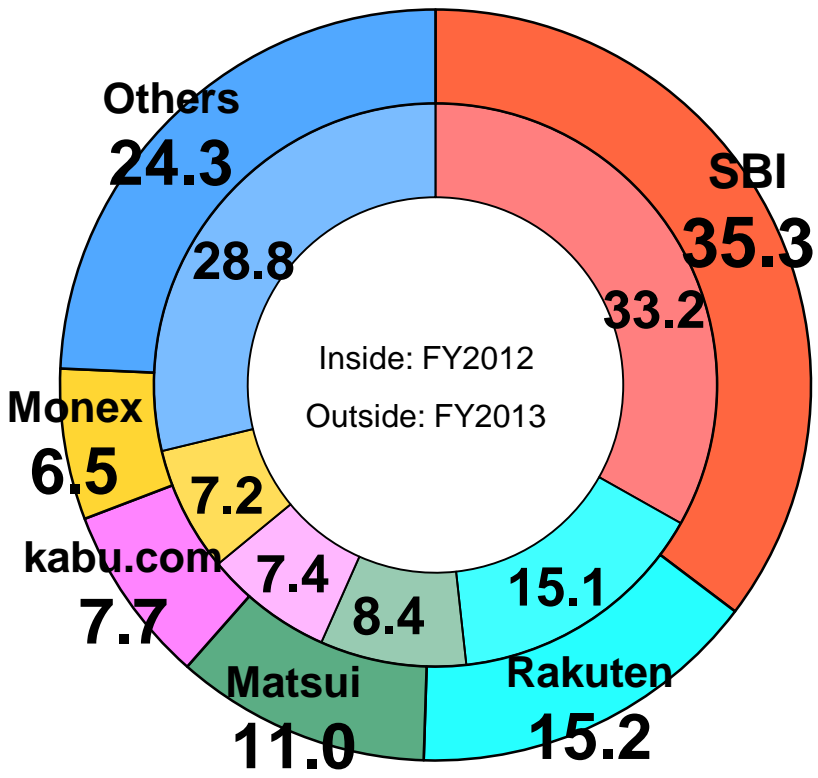
Source: Compiled by SBIH from the information on websites of each company.

SBI SECURITIES' Share of Individual Stock Trading Value Significantly Increased

Share of Individual Stock Trading Value (%)

FY2013

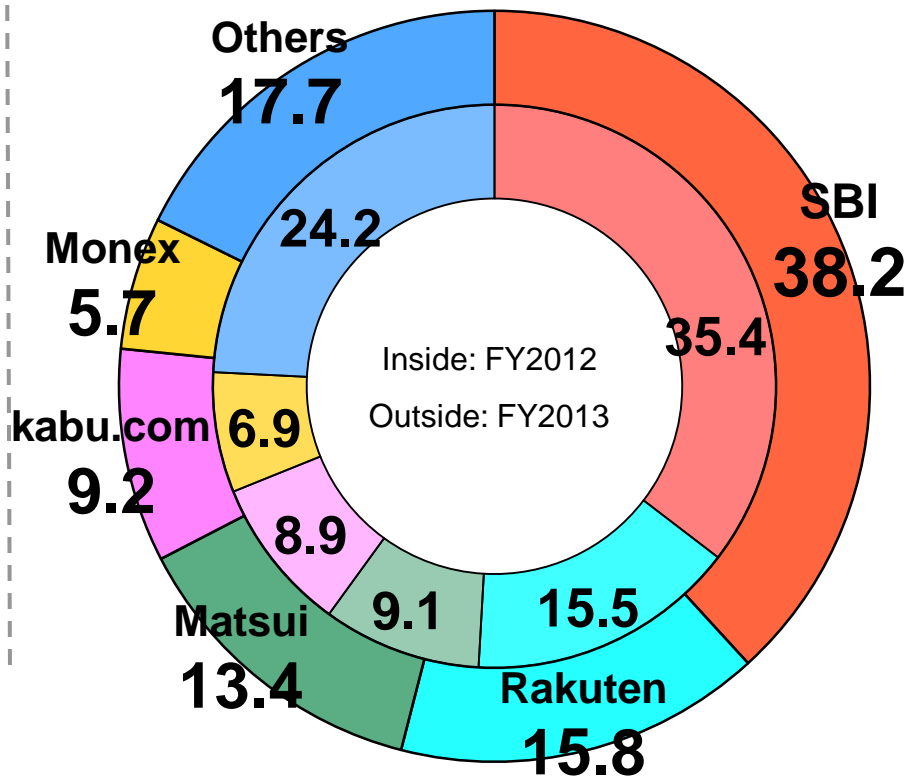
(Apr. 2013-Mar. 2014)



(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.

SBI SECURITIES Continuously Achieving a High Customer Satisfaction Assessment



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



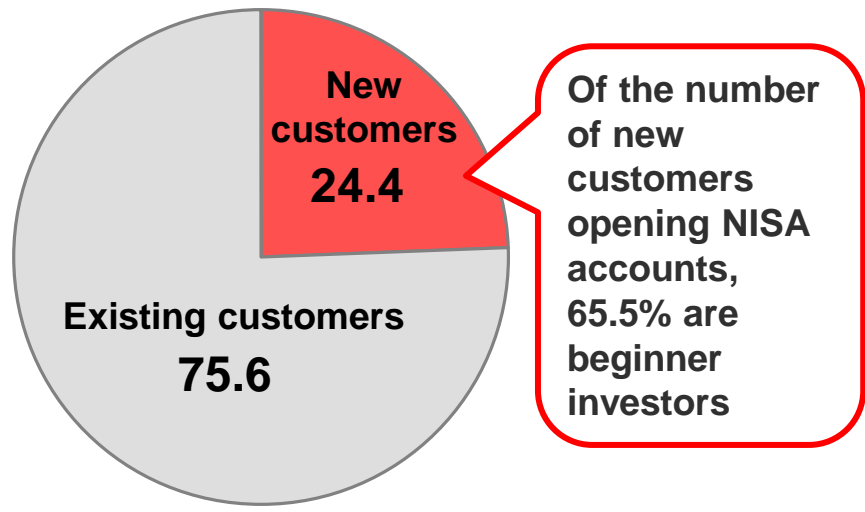
HDI (Help Desk Institute) Certification in 2013
[Securities Industry]
“Support Portal Raking (Official Website)”
Achieved the highest rank “three stars”

**4th time
3 years in a row!!**

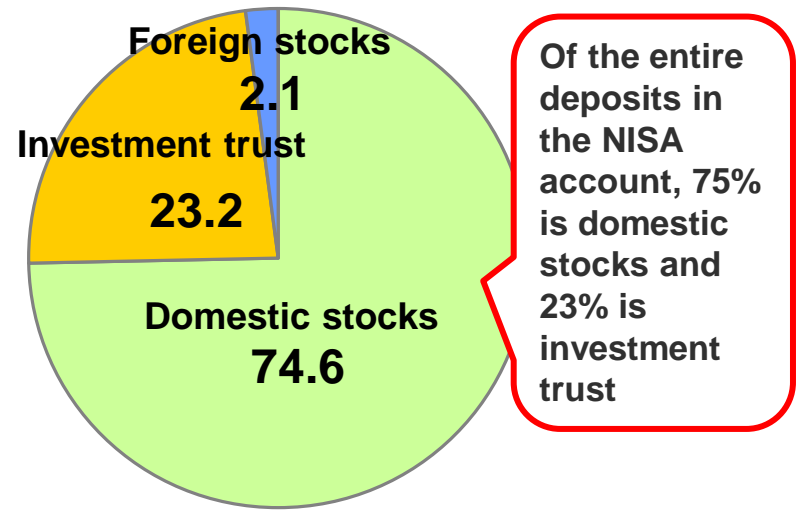
Status of NISA (Tax Exempt System for Small Investment) Accounts

[NISA accounts and customers' deposits (as of the end of Apr. 2014)]
Number of accounts: approx. 440,000 / Deposits: JPY 84,957m

Breakdown by customer (%) (*)



Breakdown by product (%) (*)



- **Persons age 20 to 49 make up 57.1% 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)

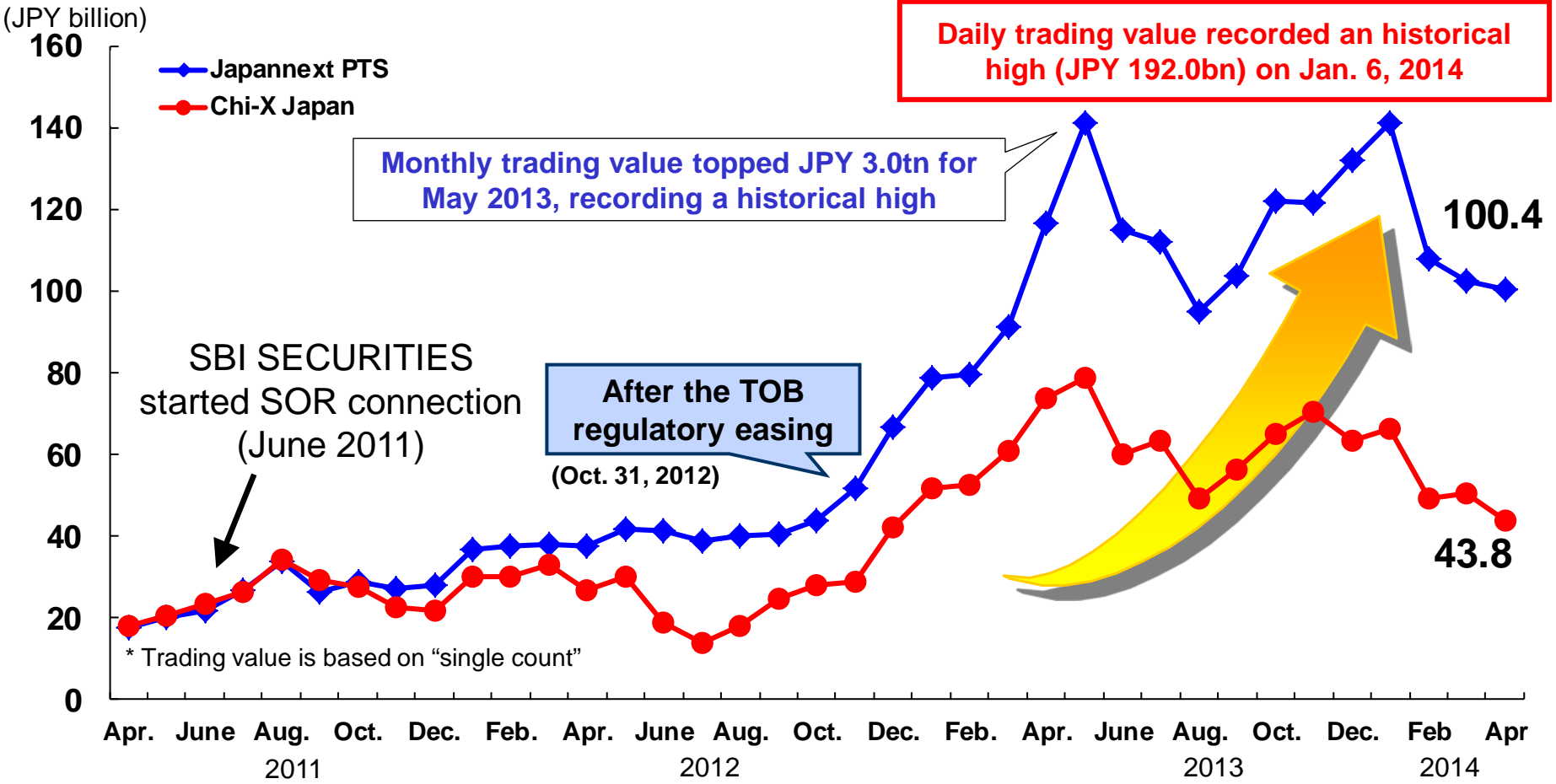
* Based on the numerical data of Dec. 26, 2013 to Apr. 30, 2014

(ii) SBI Japannext (PTS):



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

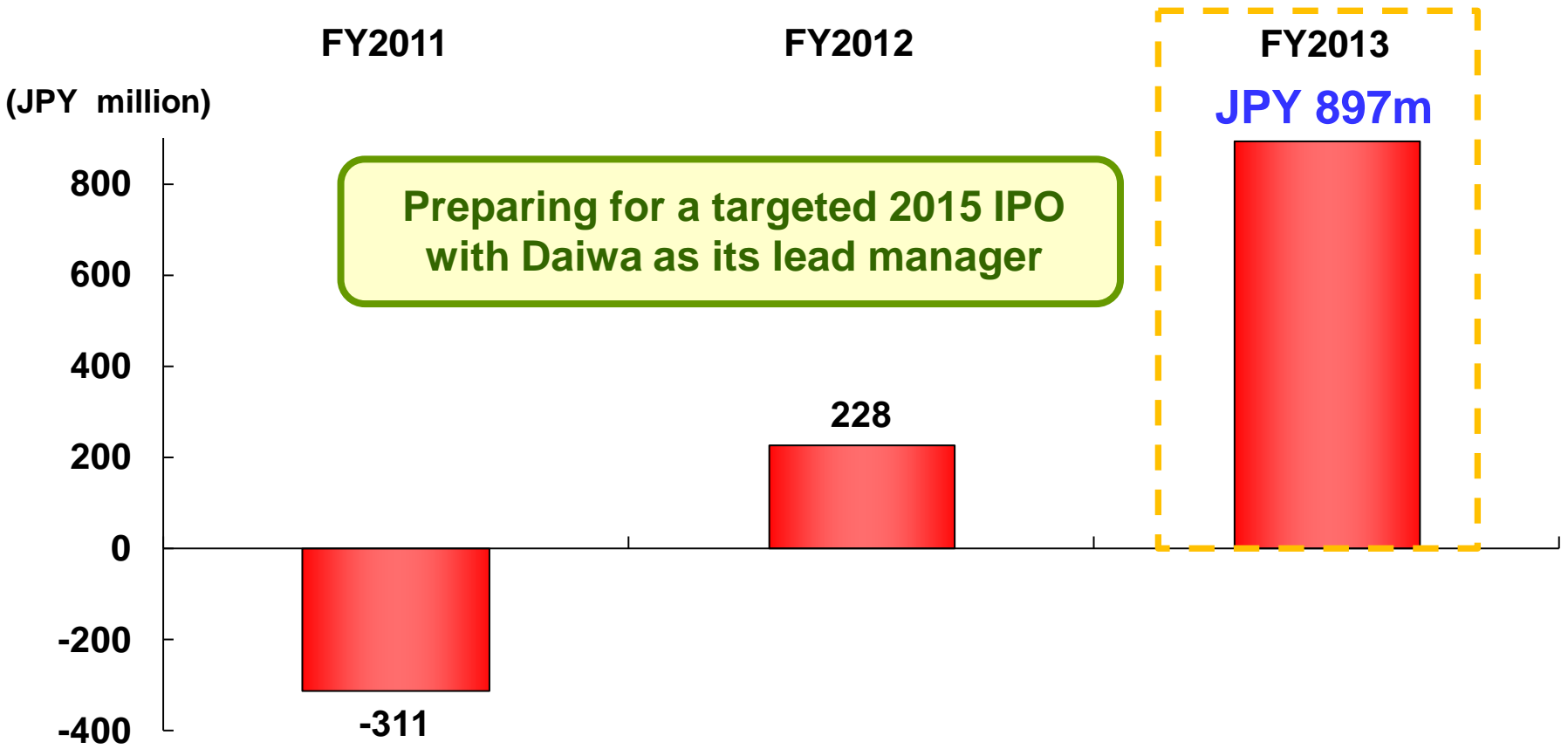


Change in SBI Japannext's Financial Results

(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

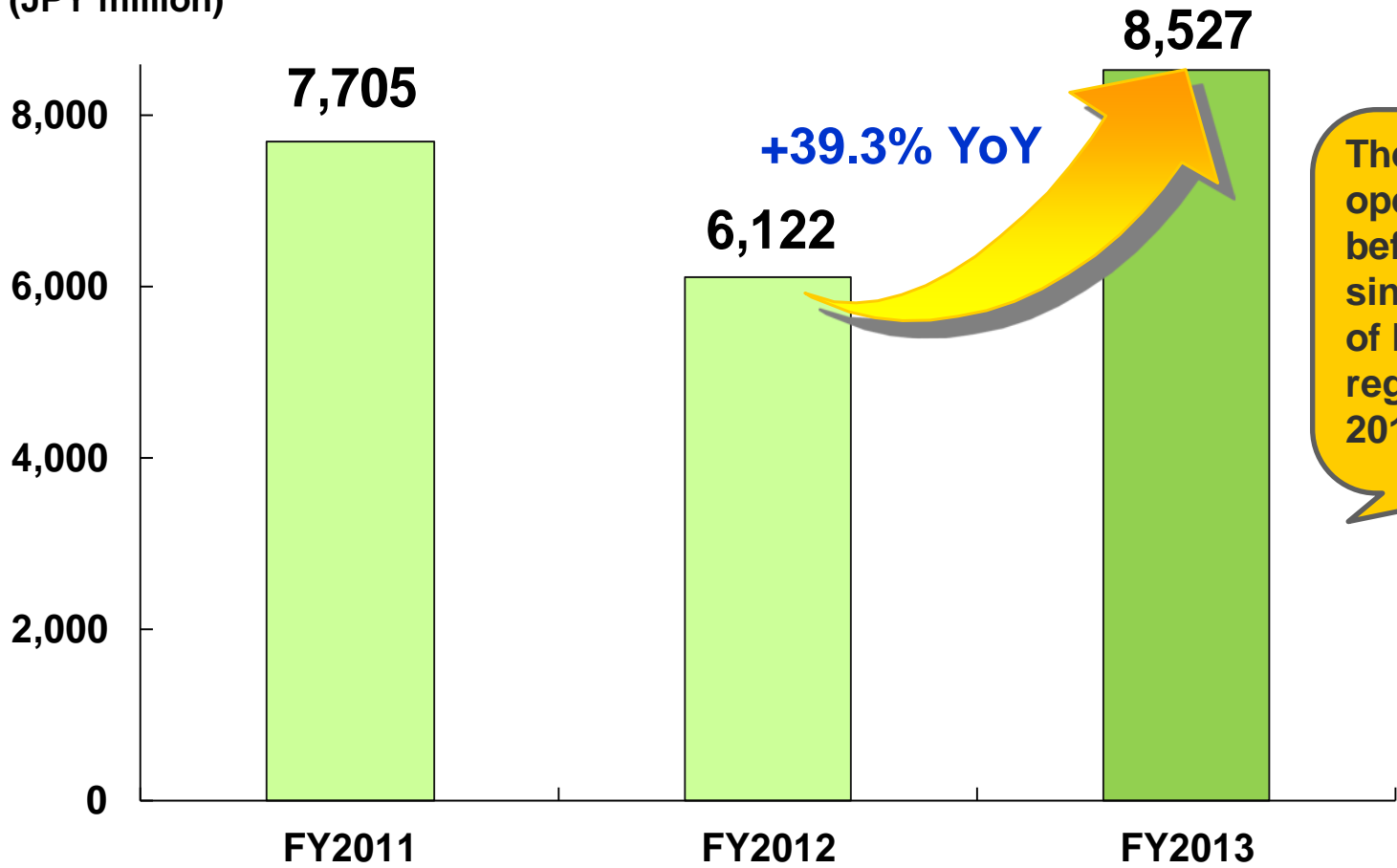


Financial Results of SBI Liquidity Market

Operating Income Before Allocation

(JPY million)

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



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

* Based on J-GAAP

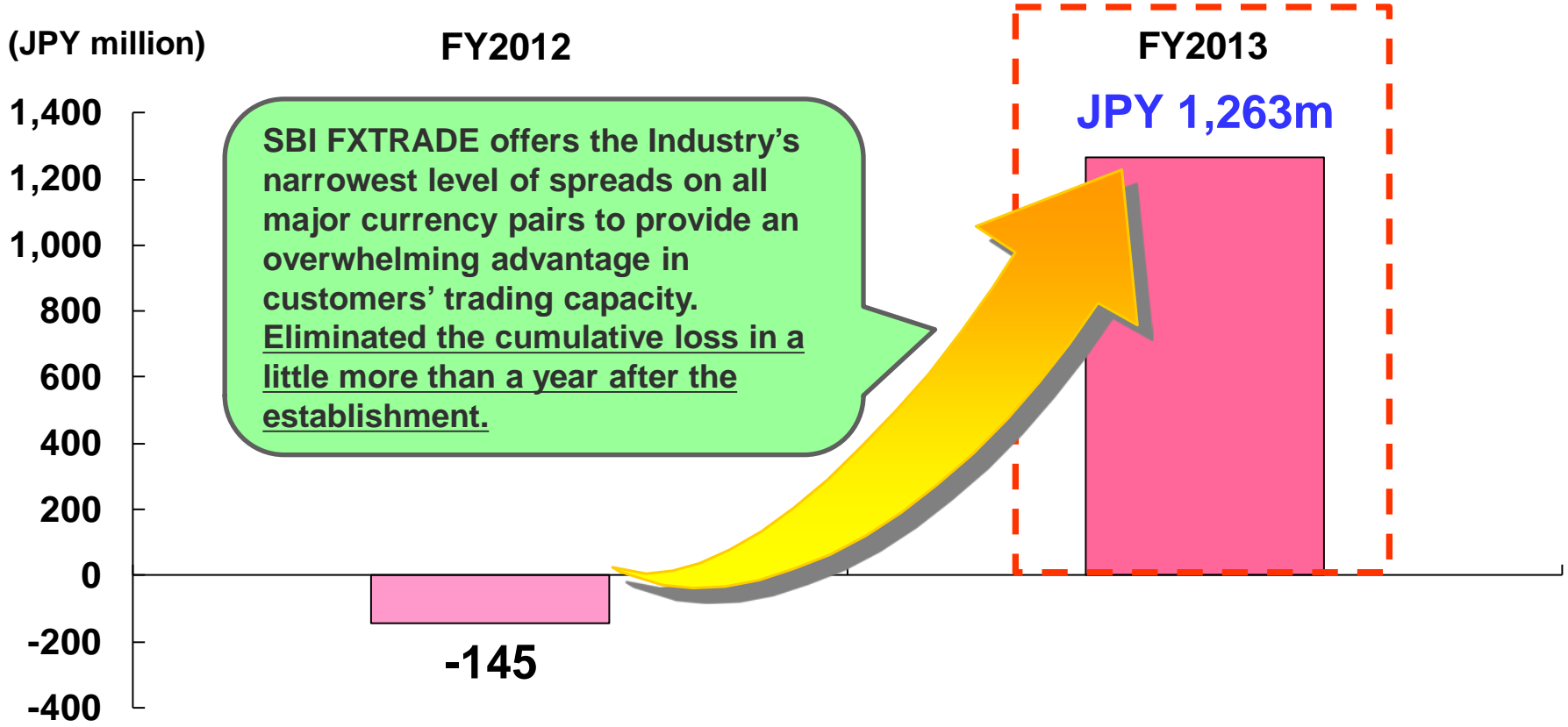


SBI FXTRADE Achieved a Full-year Operating Profitability in the Second Operating Year

(Started its business on May 30, 2012)

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

Change in Operating Income/Loss

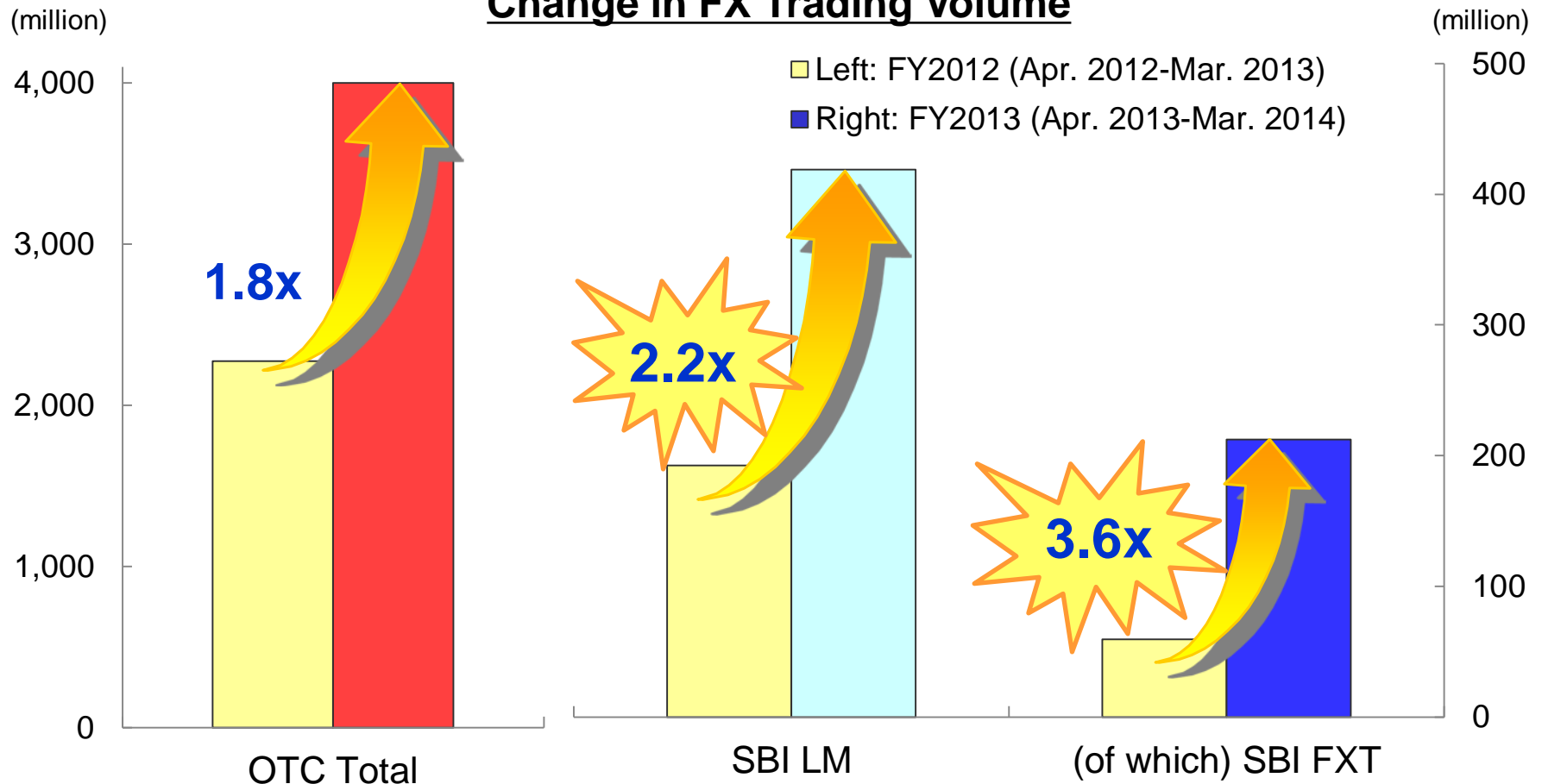


* Based on J-GAAP

SBI 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

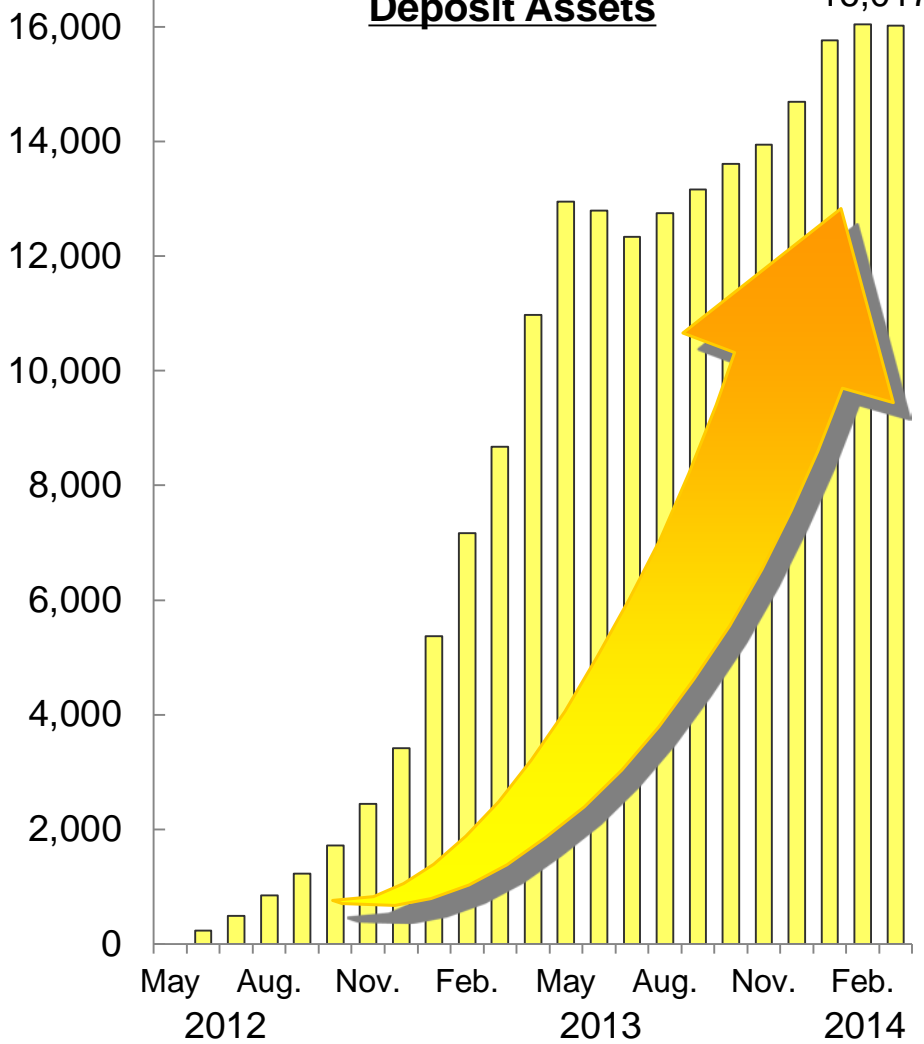


SBI FXTRADE's Deposit Assets and Number of Accounts Significantly Increased

(Started its business on May 30, 2012)

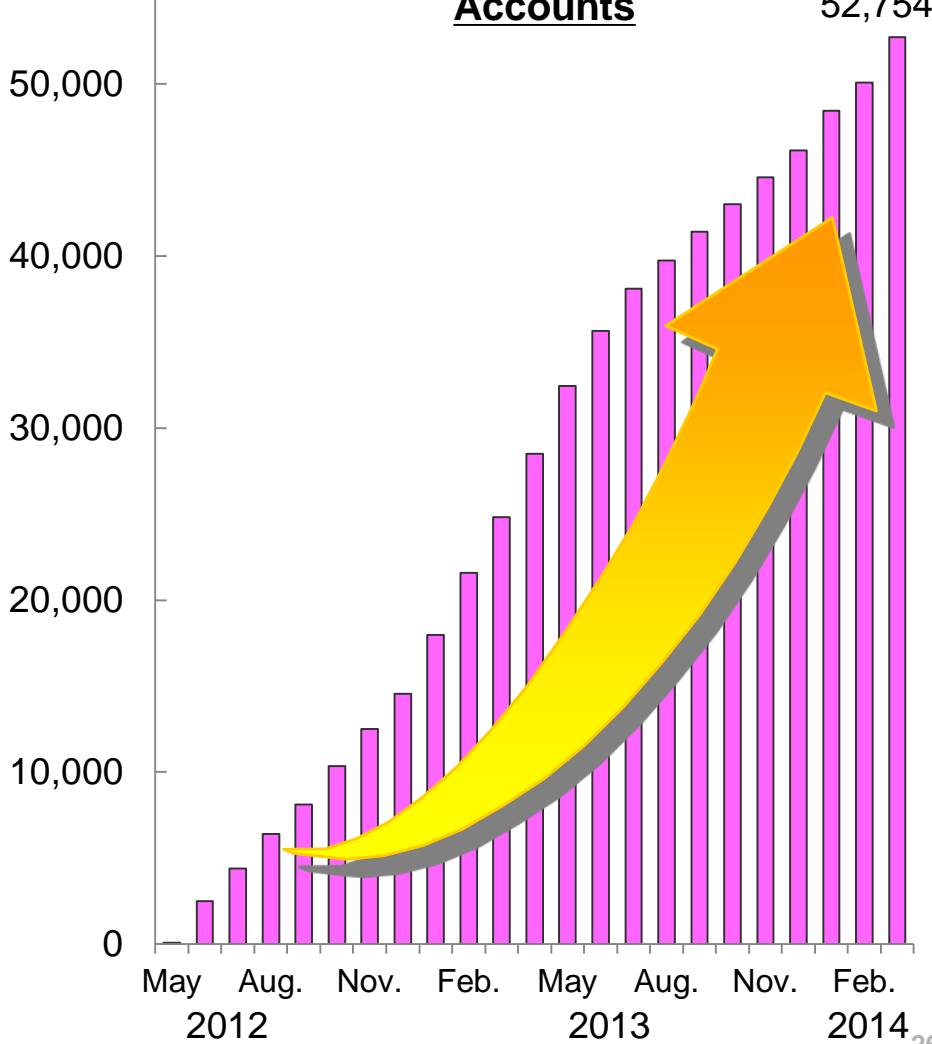
Change in Customers' Deposit Assets

(JPY million)



Change in Number of Accounts

(Accounts)



(iii) SBI Liquidity Market, SBI FXTRADE:

**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)

Customers' Deposit Assets (JPY million)

No.	Company name	Number of accounts	MoM change
1	SBI Group	479,172	8,830
2	DMM.com	384,653	4,622
3	Gaitame.com	379,444	780
4	GMO CLICK	337,611	3,667
5	YJFX	283,295	3,108
6	MONEY PARTNERS	237,340	1,533
7	Traders Securities	220,152	1,887
8	Hirose FX	163,497	1,393
9	FX PRIME by GMO Corporation	147,623	849
10	Central Tanshi FX	146,512	1,266
11	MONEY SQUARE JAPAN	68,864	1,146
12	Ueda Harlow	49,296	191
	Others (2 companies)	297,041	2,094
	Total	3,194,500	31,366

No.	Company name	Amount	MoM change
1	SBI Group	135,211	-657
2	Gaitame.com	101,785	-12
3	GMO CLICK	98,277	2,035
4	YJFX	82,571	1,131
5	DMM.com	81,651	1,161
6	Central Tanshi FX	86,334	755
7	MONEY SQUARE JAPAN	52,891	367
8	MONEY PARTNERS	44,177	-171
9	Hirose FX	23,129	605
10	FX PRIME by GMO Corporation	15,573	-556
11	Traders Securities	13,890	176
12	Ueda Harlow	11,847	-46
	Others (2 companies)	56,637	472
	Total	773,973	5,260

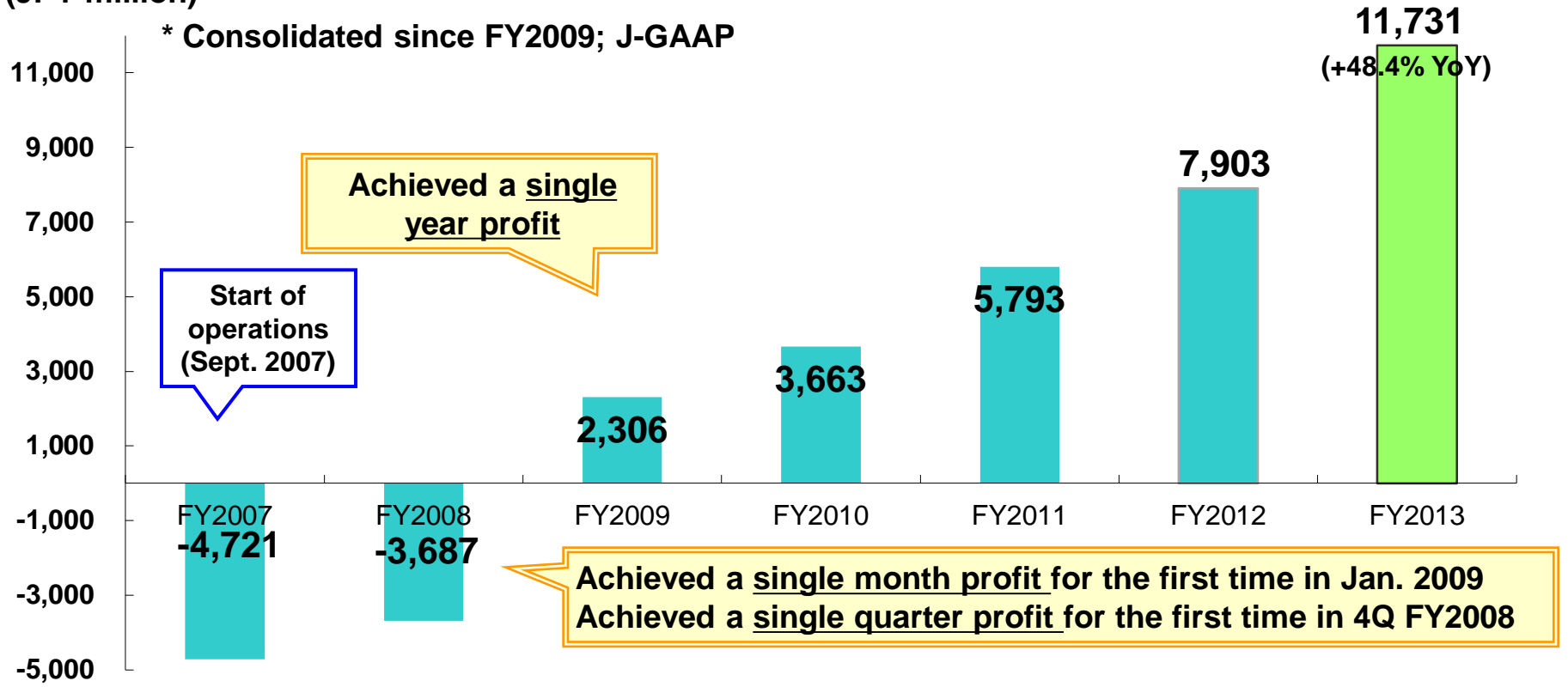


SBI Sumishin Net Bank FY2013 Consolidated Results (J-GAAP)

Change in ordinary income after start of operations

(JPY million)

* Consolidated since FY2009; J-GAAP






Ordinary income for FY2013 significantly increased to JPY 11.7bn, up 48.4% year-on-year

Financial Results Comparison of New Entrant Banks

~Pure-play Internet Banks' Financial Results for FY2013~

JPY billion; parenthetic figures are YoY % change. The number of accounts is in thousands.

	Date of operation started	Deposit amount	Balance of loans	Number of accounts	Ordinary income/loss
SBI Sumishin (cons.)	Sept. 2007	 3,076.6	 1,559.5	1,974 (19.8)	 11.7 (48.4)
Daiwa Next	May 2011	2,399.2	128.8	901 (25.3)	5.7 (13.3)
Sony Bank (cons.)	June 2001	1,890.0	1,057.4	970 (5.4)	5.6 (26.5)
Rakuten	July 2001	1,016.6	258.5	4,602 (8.2)	7.5 (-9.1)
Jibun	July 2008	565.7	71.2	1,625 (7.8)	1.6 (-14.5)
The Japan Net	Oct. 2000	542.7	34.4	2,621 (6.2)	4.7 (82.4)

Note: Amounts are rounded to the nearest 100 million yen or thousand accounts. The date of operation started indicates to the month each started business. The number of accounts is as of the end of Mar. 2014.

Number of accounts of SBI Sumishin Net Bank exceeded 2 million as of May 6, 2014.
Only pure-play Internet bank with deposits surpassing JPY 3tn

SBI Sumishin Net Bank Continuously Achieving a High Customer Satisfaction Assessment

	1st	JCSI Customer Satisfaction Survey (Japanese Customer Satisfaction Index) Banking industry	For 5 years!
	1st	J.D. Power “Japan Investor Satisfaction Study” Self-Directed Bank Segment *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)

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.

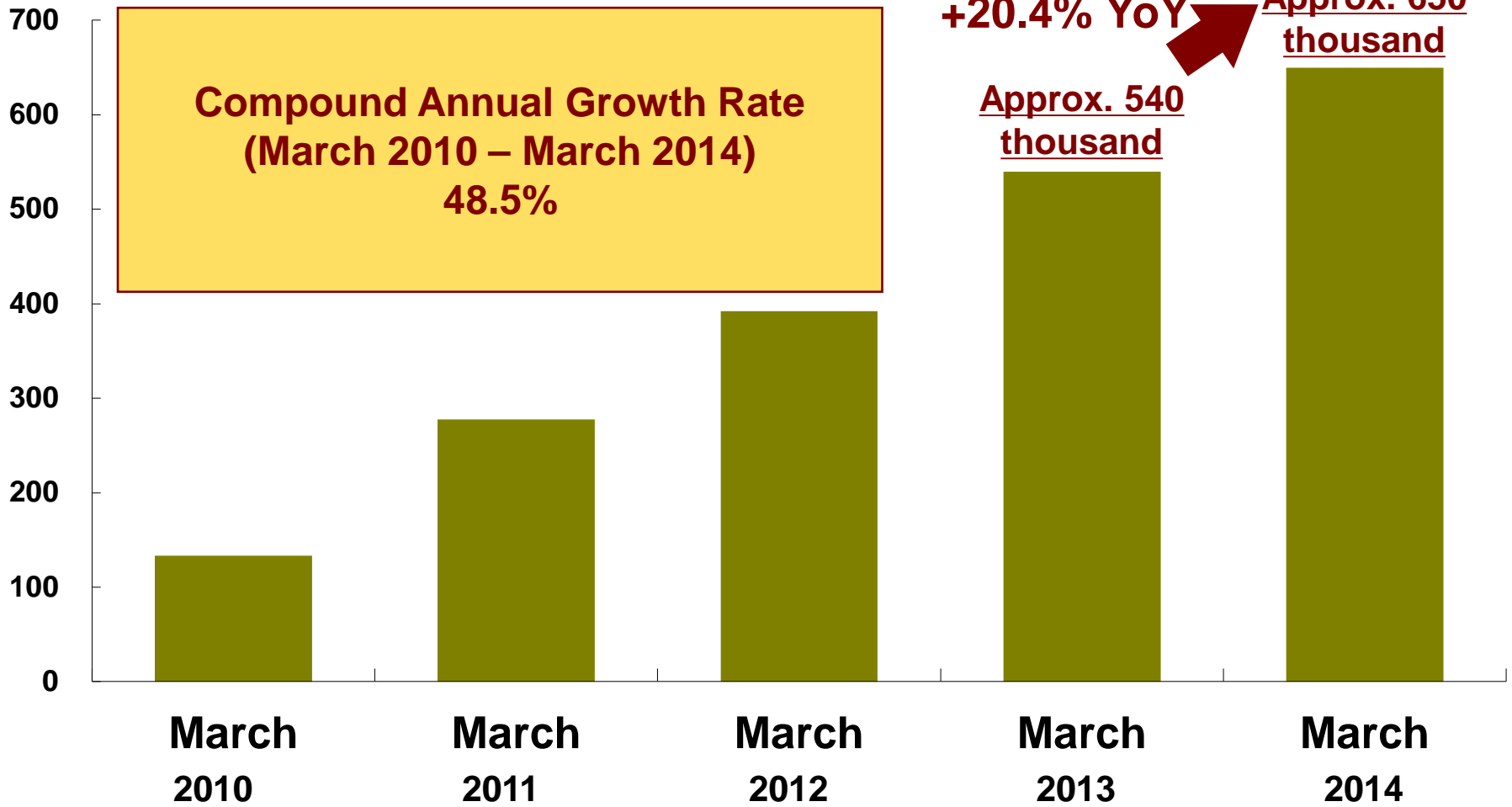
(Source: websites of each company)

SBI Insurance's Number of Auto Insurance Contracts

Number of Auto Insurance Contracts (Written Basis*)

As of the end of Apr. 2014
Approx. 660 thousand

(thousand policies)



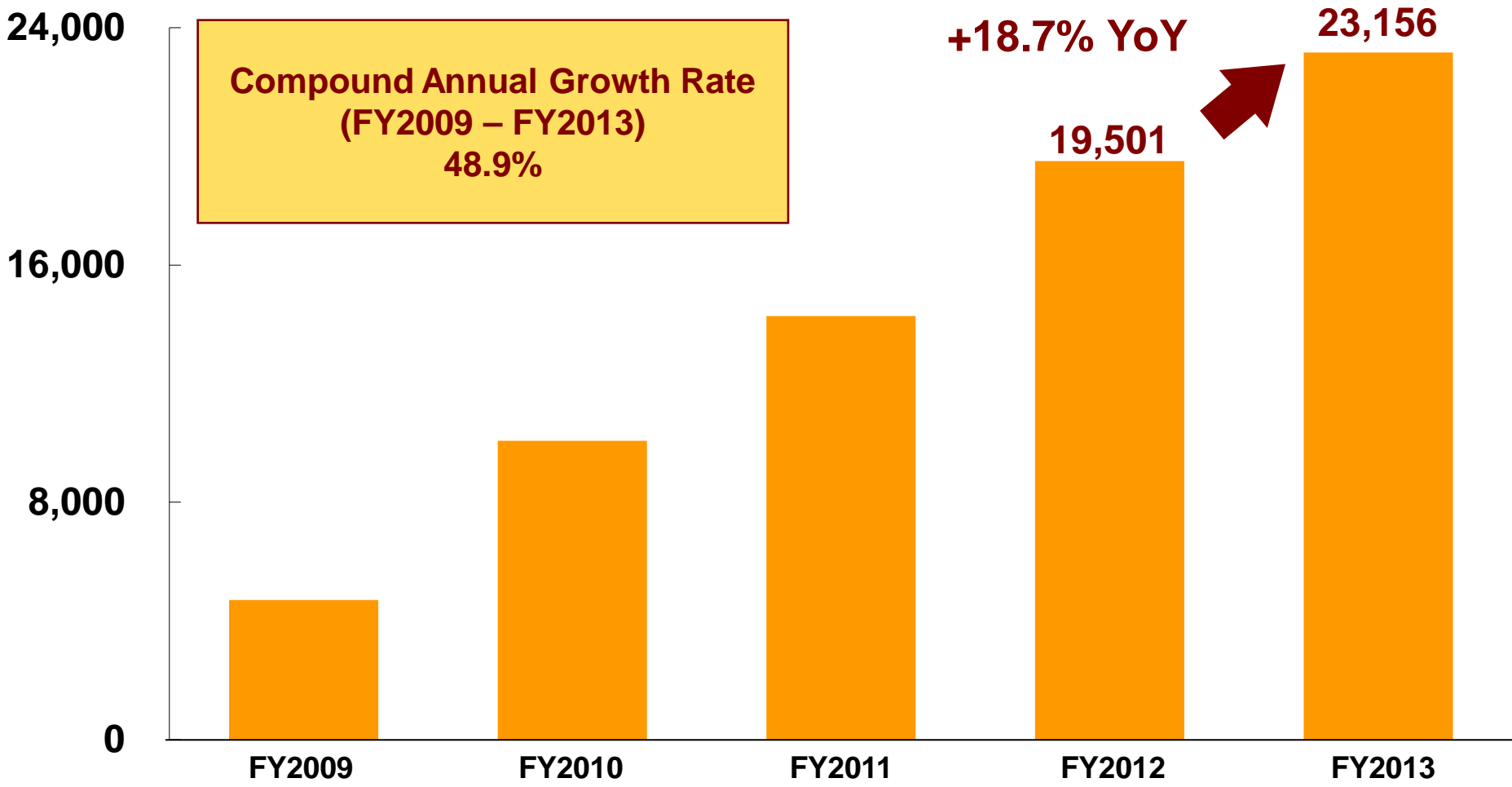
(EOM)

* 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)






Outstanding Price Competitiveness of SBI Insurance

In auto insurance premium rankings published in Apr. 2014, SBI Insurance ranks highest in all cases categorized in “Having no auto insurance” for representative examples of generations: age 26, age 35 and age 60.

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

 : Direct insurance company
: Started operation after 1998

	Company	Car insurance premium (JPY)*
1	SBI Insurance #	<u>28,830</u>
2	Zurich Insurance	34,320
3	Secom General Insurance	36,060
4	Mitsui Direct #	36,430
5	Saison Automobile & Fire Insurance	36,630

6	E.Design Insurance #	37,140
7	AXA GENERAL INSURANCE #	38,010
8	American Home Direct	41,820
9	Sony Assurance #	47,900
10	Sonpo 24 #	49,100

(Source: Excerpt from “The Diamond Weekly Apr. 5, 2014”)

*Insurance Premium Terms and Conditions

•Vehicle type: Toyota Aqua / Model: NHP10 •Policy start date: Apr. 1, 2014 (1-year policy, lump-sum payment) •Policyholder: individual (male) •Age/grade conditions: age of insured person: 35, Tokyo residence, , gold driver’s license, grade 6, new policy •Purpose of use: daily use/leisure •Annual driving distance: 10,000 km •Bodily injury/property damage coverage: unlimited •Vehicle damage: not covered •Personal injury: 50 million yen, accidents outside the vehicle also compensated •Passenger injury: not covered (additional coverage of 5 million yen for Zurich only) •Drivers: policyholder and spouse only (spouse’s age and driver’s license color the same as those of the policyholder, Tokyo residence,) •Discounts: Long-term discount and user restriction discount not applied •Other:

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

Companies of which insurance products are compared: SBI Insurance, Mitsui Direct, Saison, Secom, Zurich, Sonpo 24, E.Design Insurance, American Home Direct, AXA GENERAL INSURANCE, Generali, Sony, Asahi Fire & Marine Insurance, Aioi Nissay Dowa, Mitsui Sumitomo, Sompo Japan, NIPPONKOA and Tokio Marine & Nichido Fire.

SBI Insurance Continuously Achieving a High Customer Satisfaction Assessment

SBI損保の自動車保険 Auto Insurance



1st

Diamond Weekly * In the Apr. 5, 2014 special issue
“Auto Insurance Premium Ranking”

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



Comparison of Auto Insurance Premium Income at Major Direct Insurance Companies

[Comparison of Auto Insurance Premium Income]

(JPY million)

	Date of operation started	FY2011		FY2012		FY2013
Sony Assurance	Sept. 1999	70,712	Sony Assurance	74,406	Sony Assurance	78,735
AXA GENERAL INSURANCE	July 1999	35,261	AXA	38,136	AXA	40,824
Mitsui Direct	June 2000	33,830	Mitsui Direct	34,735	Mitsui Direct	34,998
Zurich Insurance *1	July 1986	30,126	Zurich Insurance	31,364	Zurich Insurance	N/A (3Q: 23,849)
American Home Direct	Dec. 1960	16,594	SBI Insurance	19,501	SBI Insurance	23,156 (3Q: 17,260)
SBI Insurance	Jan. 2008	14,288	American Home	15,078	American Home	N/A (3Q: 10,529)
Sonpo 24	Mar. 2001	11,810	Sonpo 24	12,890	E.design	14,269
SAISON AUTOMOBILE&FIRE	Apr. 1983	7,990	SAISON	10,893	Sonpo 24	13,646
E.design Insurance	June 2009	5,213	E.design	10,523	SAISON	13,329

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

*1 Figures for Zurich Insurance are of Japan Branch, including underwritten reinsurance premium.

*2 Figures for E.design are net premiums written.

(vi) SBI SSI, SBI IKIIKI SSI:

Both SBI SSI and SBI IKIIKI SSI* Continue to Steadily Grow



* IKIIKI SEDAI is scheduled to change its corporate name to SBI IKIIKI SSI on June 13, 2014



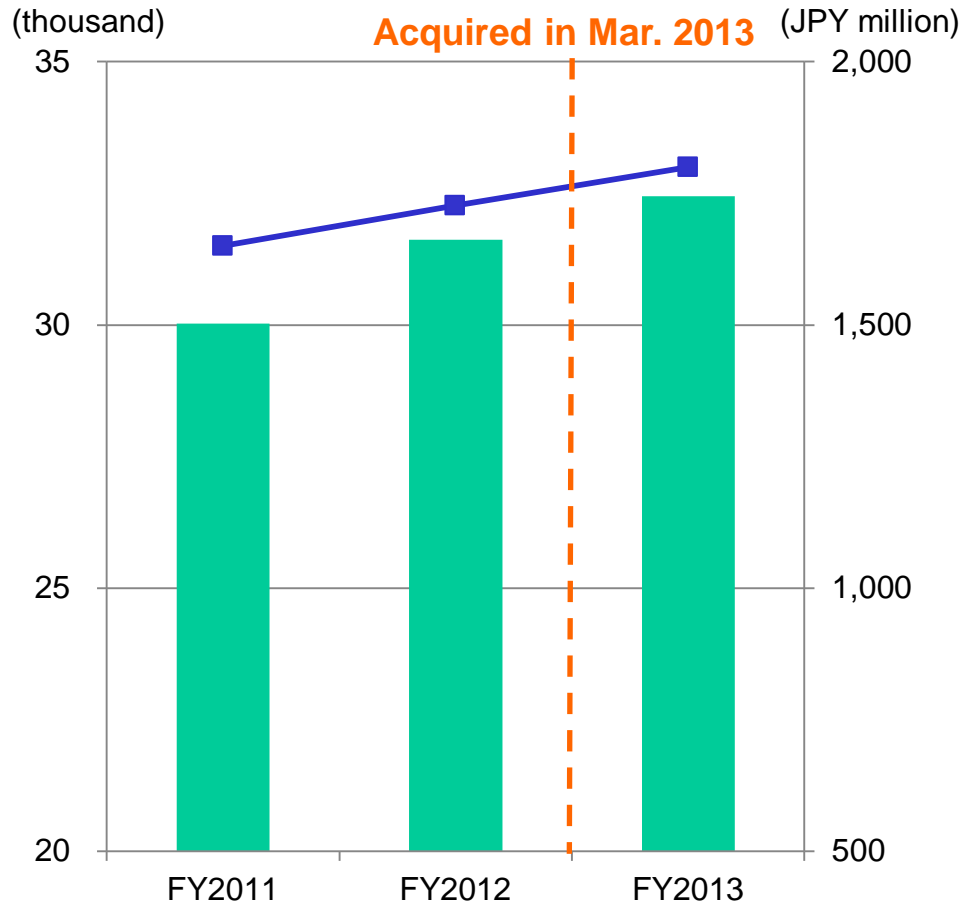
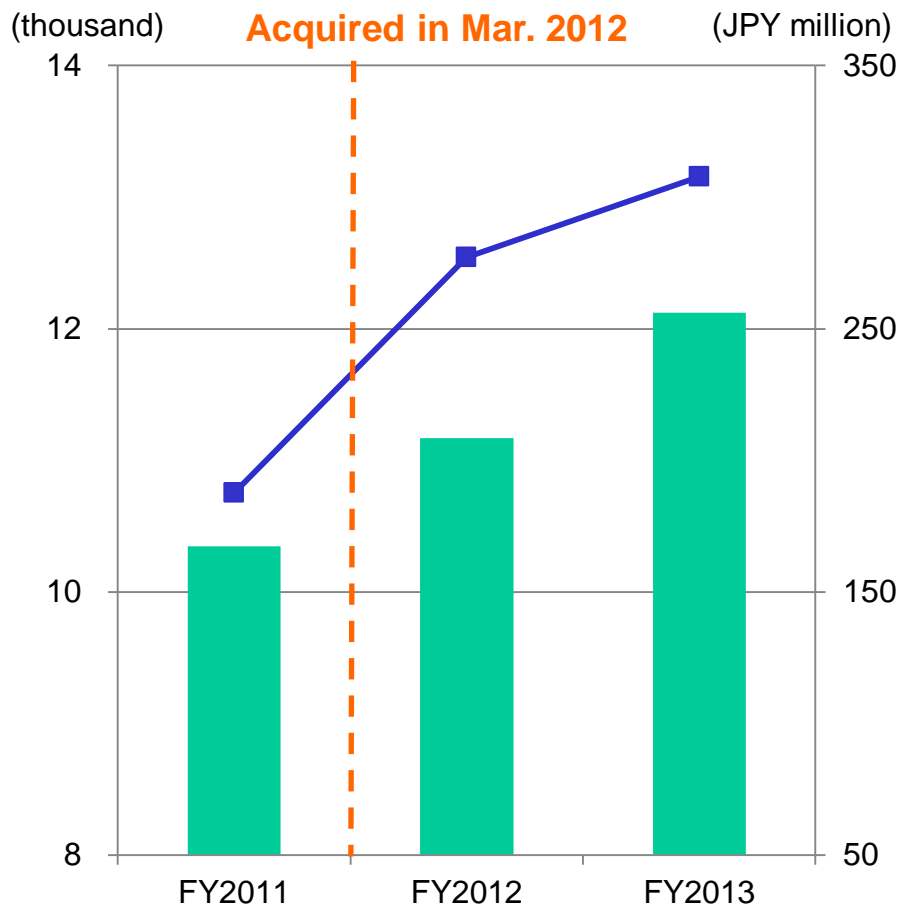
Fully expected to achieve a full-year profitability for the first time since its establishment *1

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



[SBI IKIIKI SSI]

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



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

*2 Premium income after deduction of reinsurance income

SBI Mortgage FY2013

Consolidated Financial Results (IFRS)

(Announced on May 7, 2014)

(JPY million)

	FY2012 (Apr. 2012 – Mar. 2013)	FY2013 (Apr. 2013 – Mar. 2014) *	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

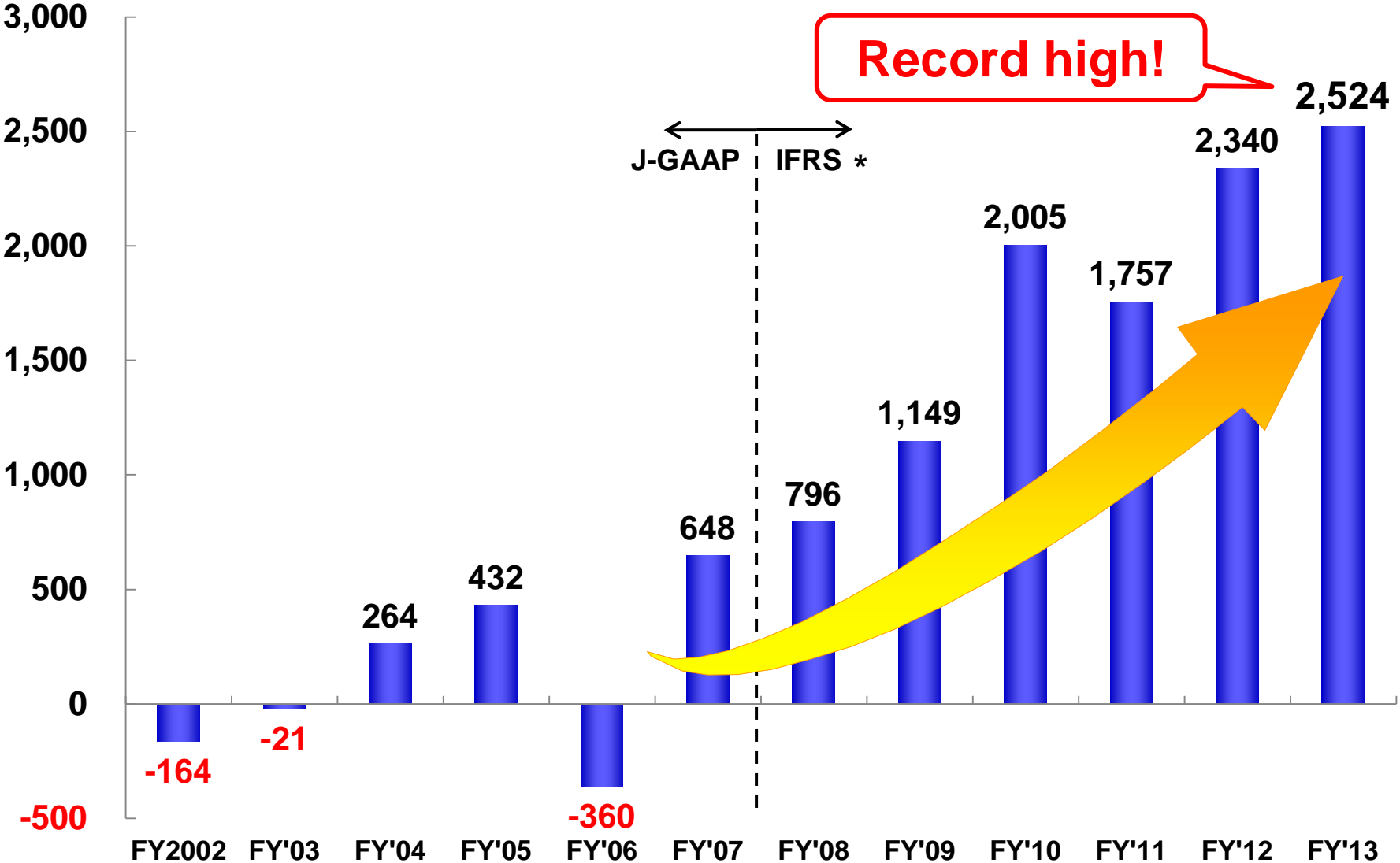
* Consolidated SBI Lease from Oct. 2013.

Market cap on Korea's KOSPI Market (as of June 4, 2014): JPY 30.8bn

(Converted at KRW 1 = JPY 0.1002)

SBI Mortgage's Change in Net Profit

(JPY million)

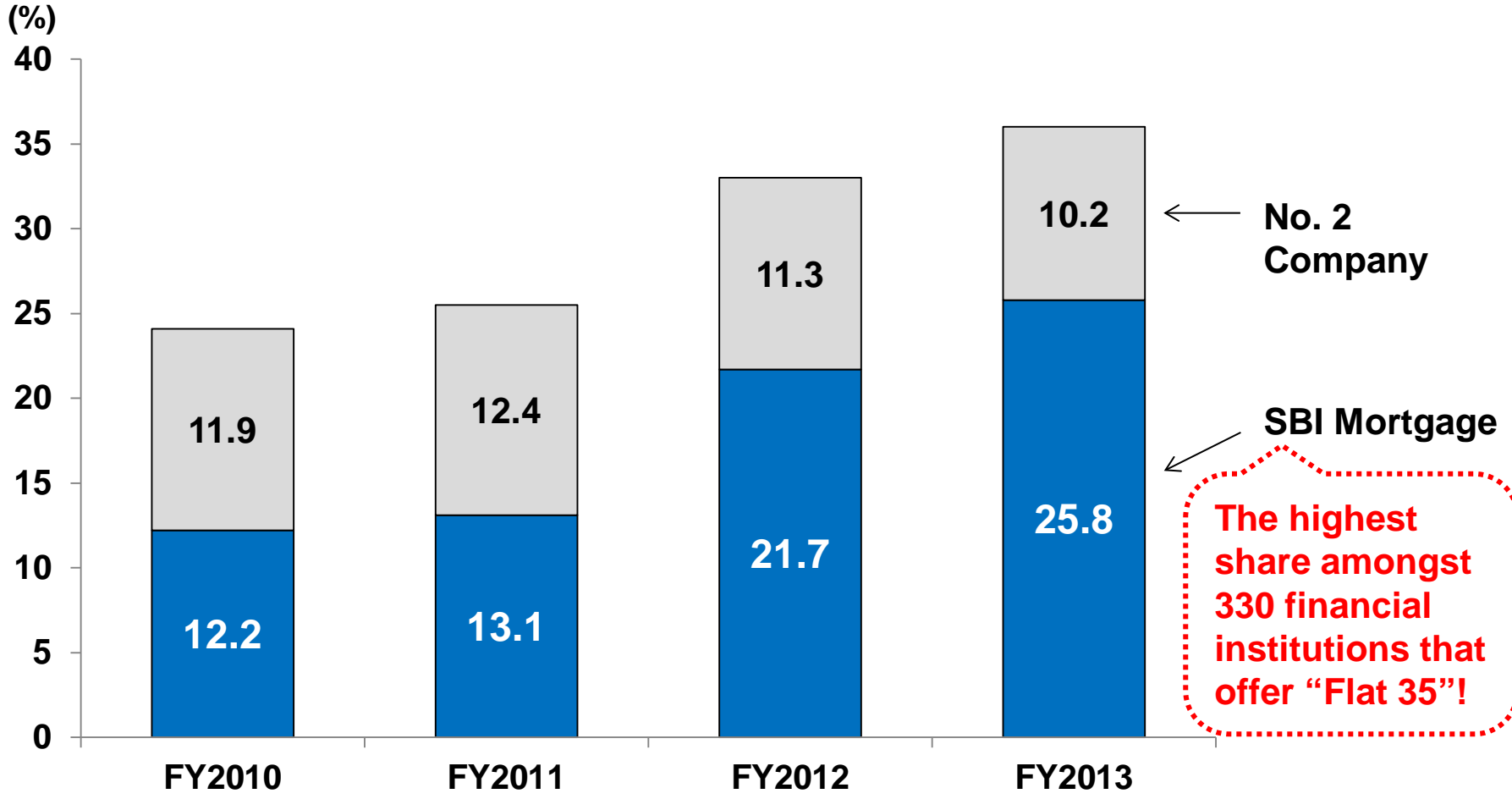


* FY2008 – FY2010 financial statements were also provided on an IFRS basis, as it was required to prepare the IFRS-based financial statements for the last three fiscal years, at the time of its Apr. 2012 IPO on South Korea's KOSPI Market.



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

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



← No. 2 Company

← SBI Mortgage

The highest share amongst 330 financial institutions that offer "Flat 35"!

Source: Compiled by SBI Mortgage

Endeavoring to further expand its market share

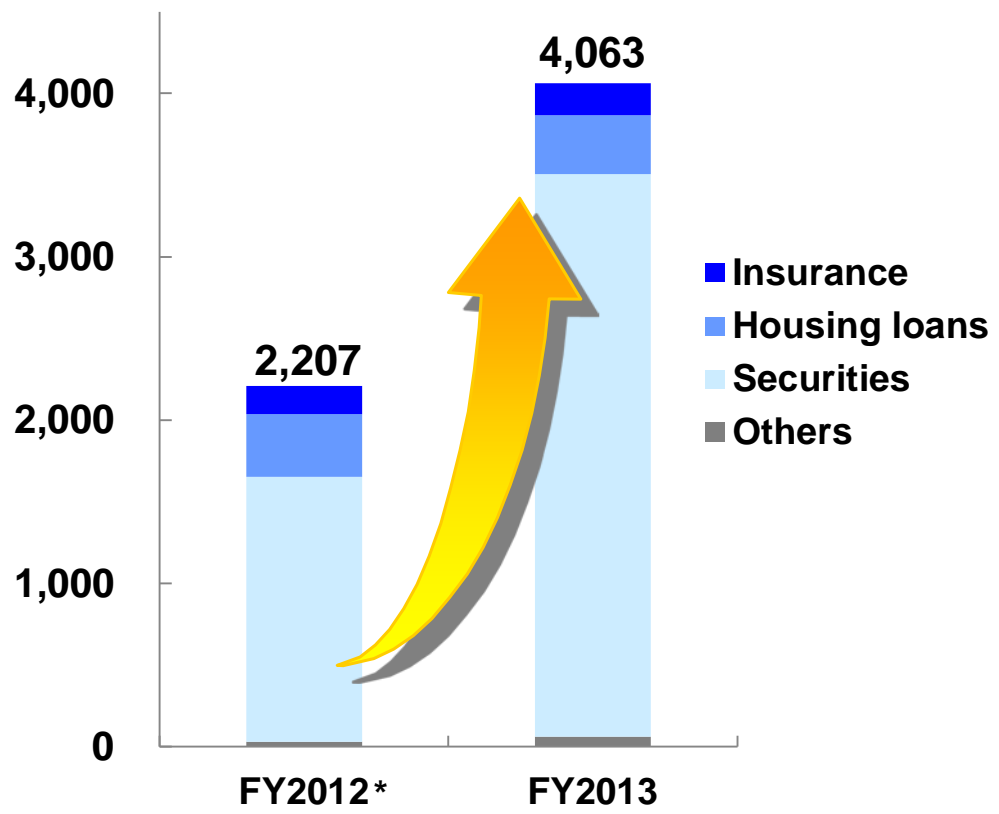


SBI MONEY PLAZA's FY2013 Financial Results (J-GAAP)

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

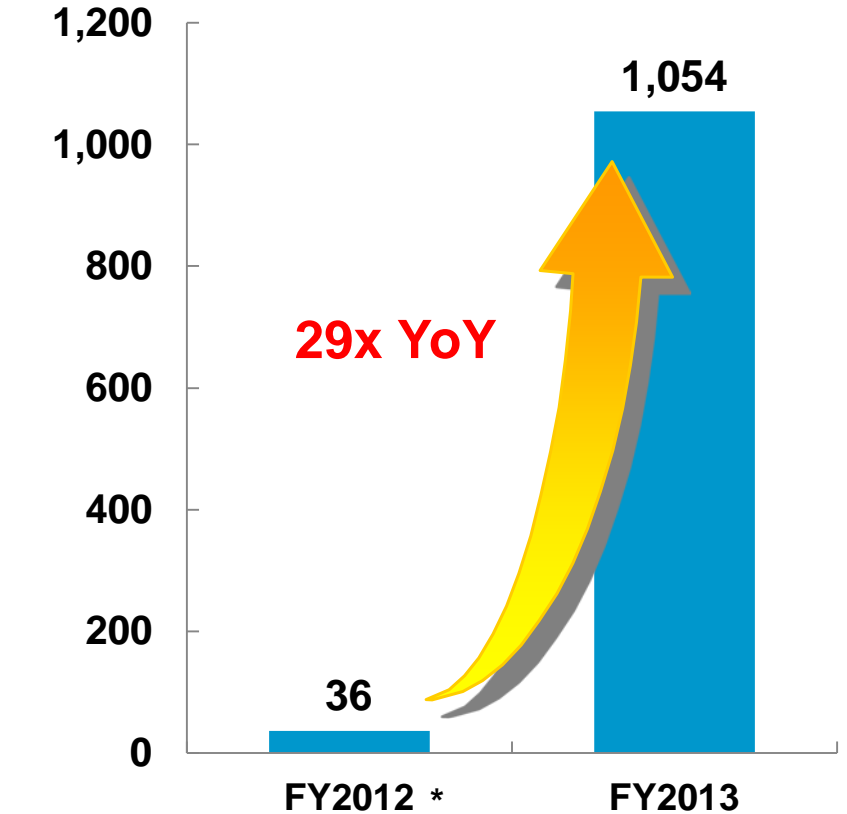
Operating Revenue

(JPY million)



Operating Income

(JPY million)

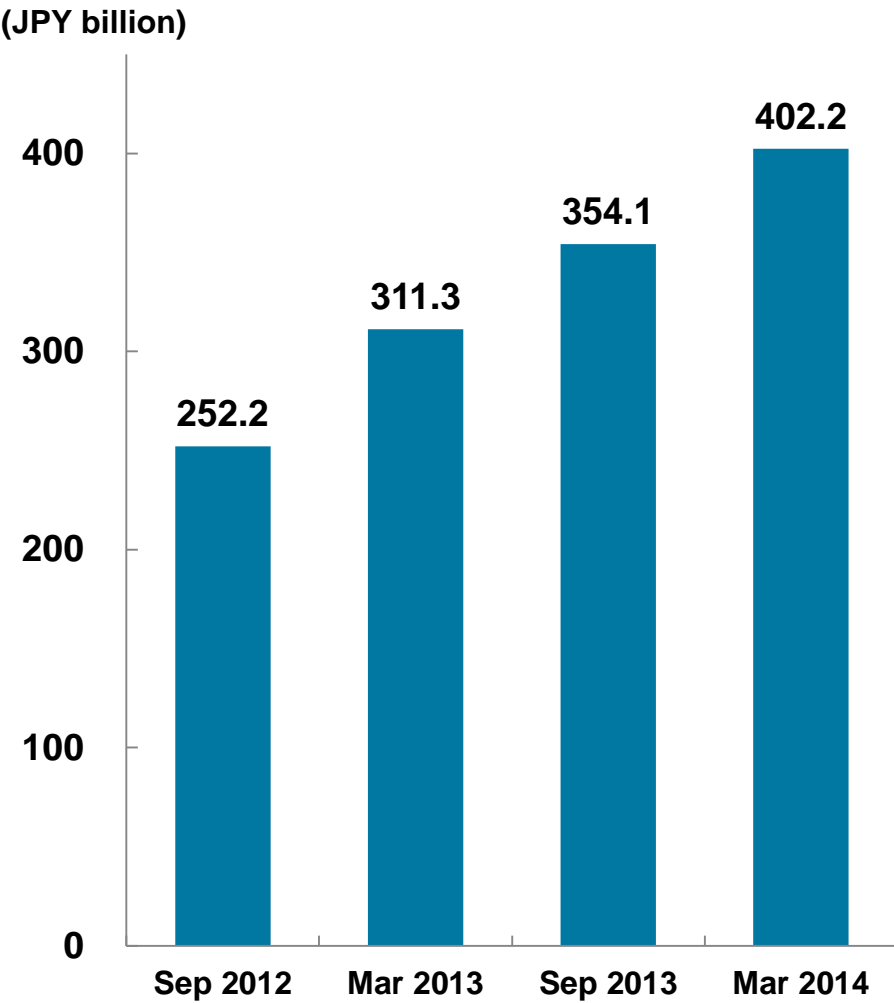


* Launched on June 15, 2012

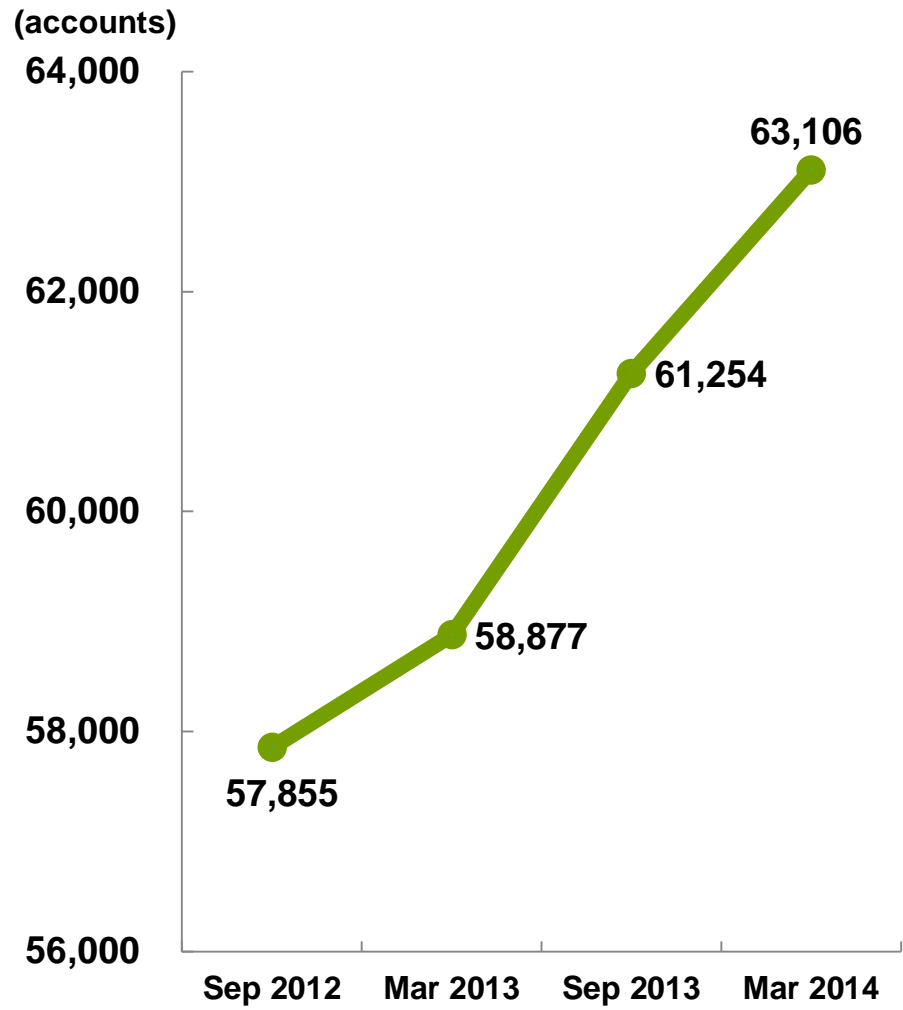


Customers' Deposit Assets and the Number of Accounts have Increased Rapidly Since Its June 2012 Launch

Customers' Deposit Assets



Number of Accounts



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

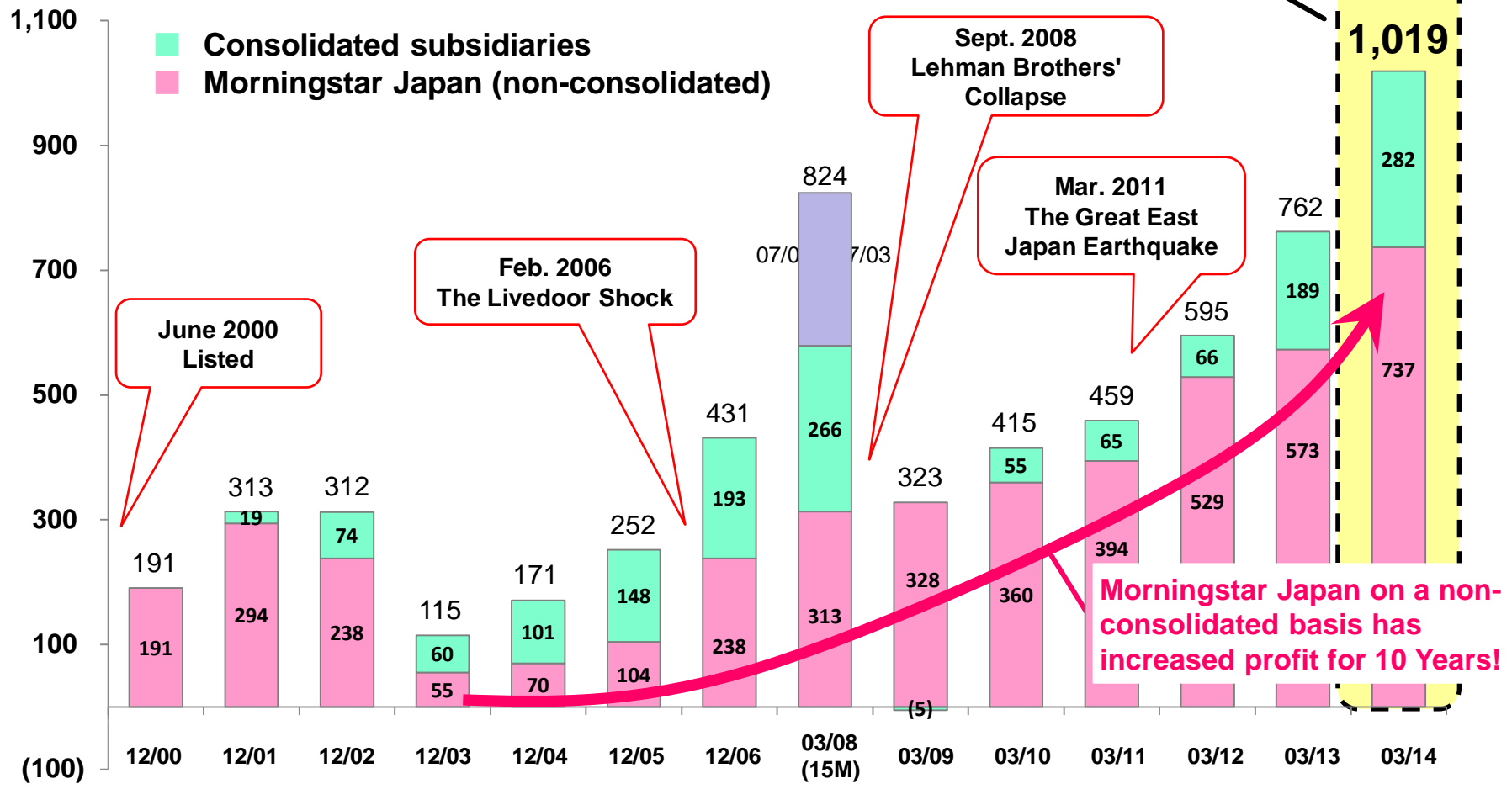
Note: Operating income and ordinary income reached record highs, exceeding the FY2007 level of JPY 824m and JPY 891m, respectively. Net profit also reached a record high, exceeding JPY 673m recorded in FY2005, when an extraordinary gain of JPY 329m related to the listing of a subsidiary (equivalent to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

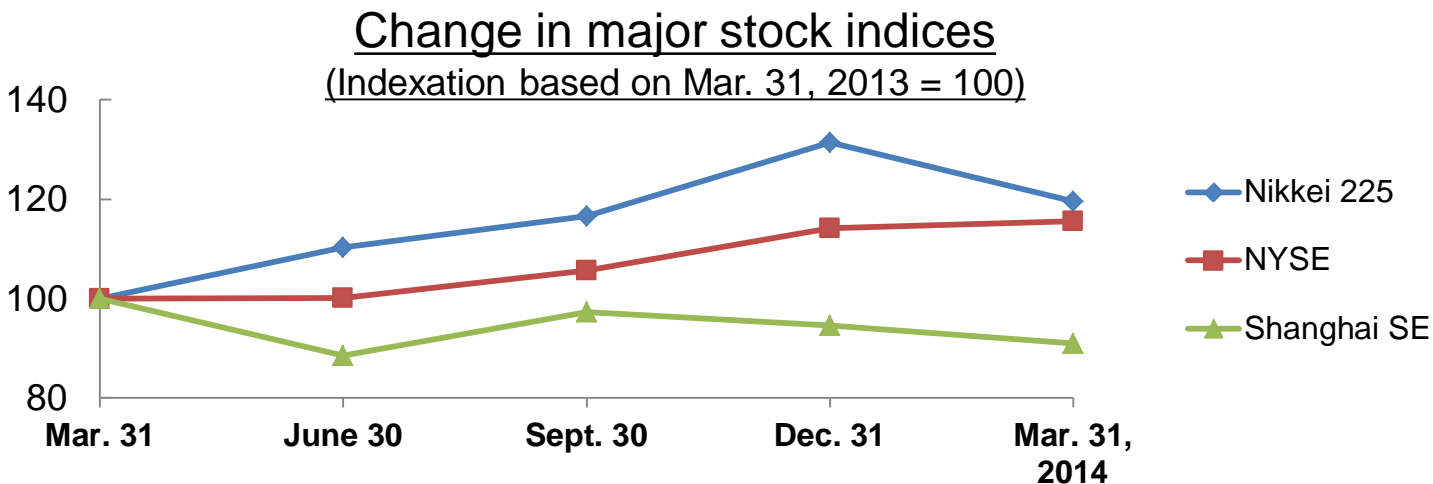


② Asset Management Business

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

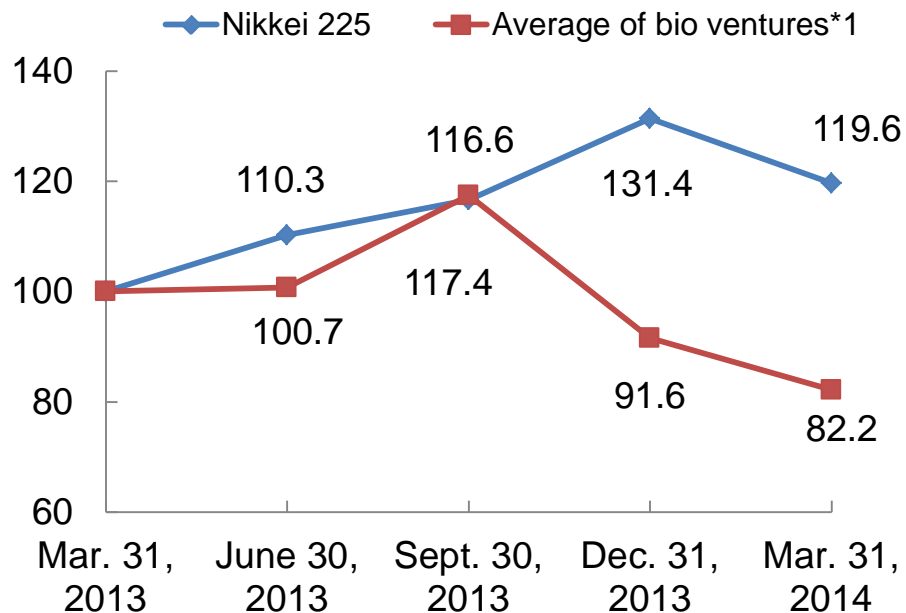
*1: Figures in parentheses represent QoQ changes (%)



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.

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

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).
- SBI Holdings' capital infusion enabled the strengthening of sales activities, and along with the aggressive promotion of personal loans through TV commercials, new products such as housing loans have also been launched.
- 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

③ Biotechnology-related Business

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.

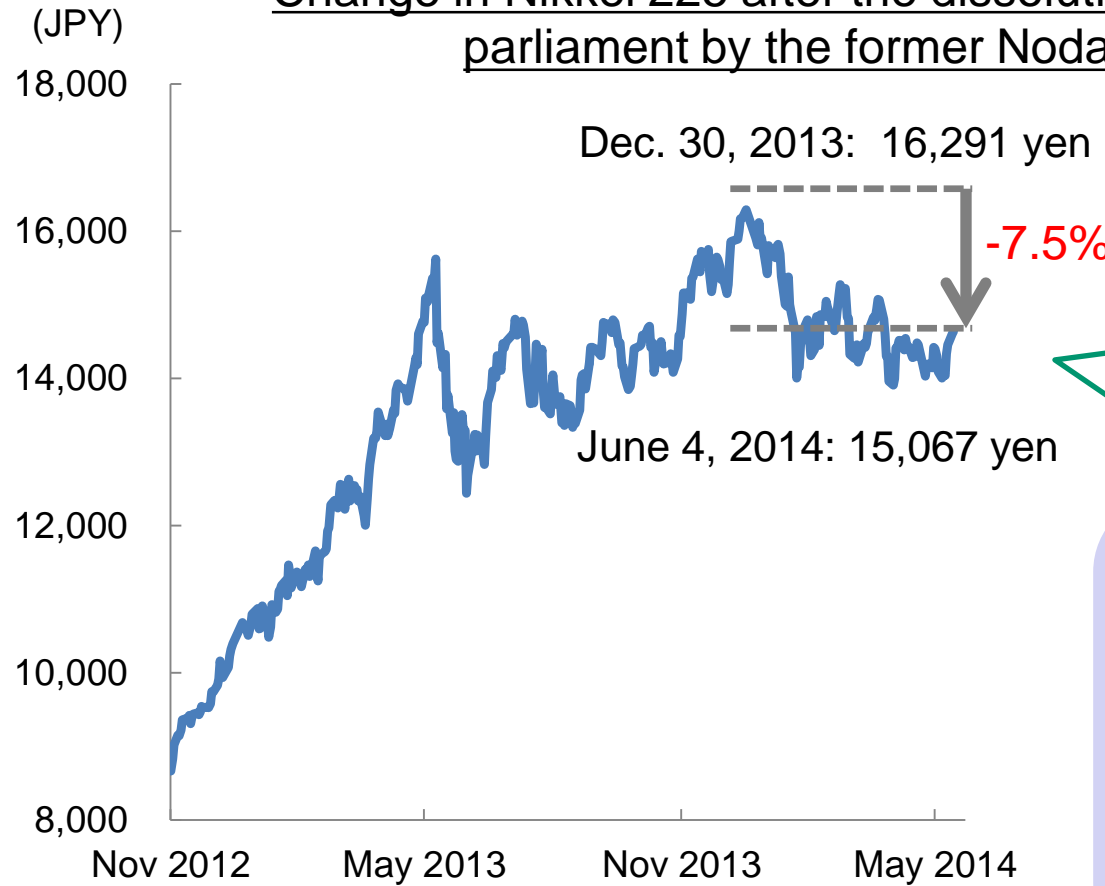
2. What are FY2014 priority measures for the domestic businesses, in light of the economic environment surrounding the SBI Group?

(1) Economic Environment Outlook

(2) Domestic Businesses' FY2014 Priority Measures to Achieve Continued Growth

The Stagnant Stock Market of 2014

Change in Nikkei 225 after the dissolution of the lower house of parliament by the former Noda administration



- **Concerns for world economy**
- **The consumption tax hike impact**
- **Doubts about Abenomics' third arrow**

% changes in stock indices since the end of last year
(As of June 4, 2014)

Dow Jones	1.0%
DAX	3.9%
SSE composite	-4.3%

Has the Japanese stock market rally ended?

Rising Geopolitical Risk

Newspaper article

Newspaper article

Newspaper
article

The Yomiuri newspaper morning
edition on Mar. 19, 2014

The Nikkei newspaper morning
edition on May 25, 2014

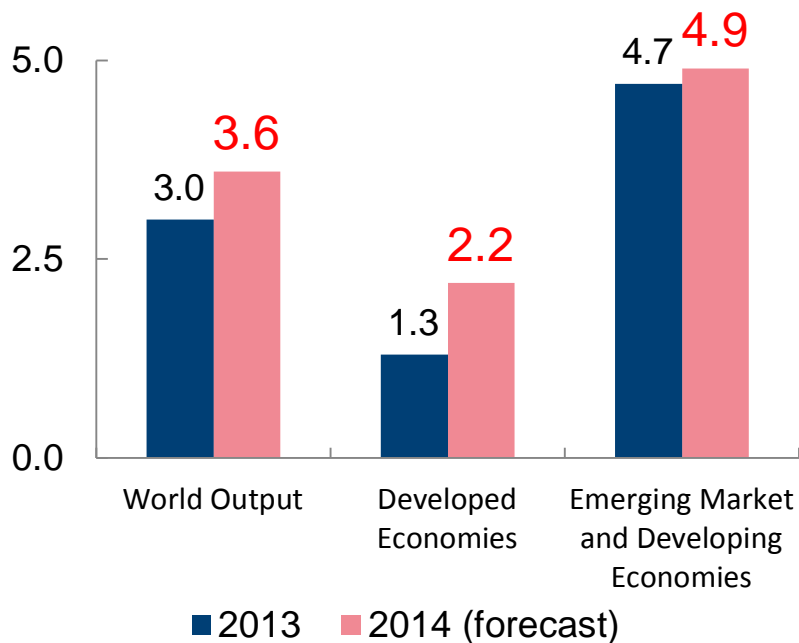
The Nikkei newspaper morning
edition on May 27, 2014

Notwithstanding the problems in the Ukraine, the disputes over the Senkaku Islands, Spratly Islands and the Paracel Islands, there is the possibility of international dispute outbreaks in countries such as Syria, Afghanistan, and Pakistan, which have received less notice.

Global economic concerns

Higher Economic Growth is expected in 2014

Economic growth rate comparison between 2013 (results) and 2014 (forecast)



	2013	2014 (forecast)
U.S.	1.9	2.8
Euro area	-0.5	1.2
Japan	1.5	1.4
China	7.7	7.5
India	4.4	5.4
ASEAN5 *1	5.2	4.9

Highest growth rate in Developed Economies

Turning positive for the first time in 3 years

Retention of 7% growth rate is expected

Source: IMF Apr. 2014 "World Economic Outlook"

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

Although concerns such as the Ukraine crisis and shadow banking in China continue to exist, the general economic growth rate is expected to be higher in 2014 than in 2013.

The consumption tax hike impact

The Consumption Tax Hike Impact Appears Limited

Newspaper article

A month has passed since the April 1 consumption tax increase, **and the view that the temporary economic slowdown will be only modest has spread.** The April decline in production in the mining and manufacturing industries was modest, **and a sharp decrease in production** similar to the one experienced at the time of the previous tax increase in 1997 **seems avoidable. Wage growth will also support business activity.**

Abenomics' third arrow

Abenomics' "Third Arrow" is about to Launch

*"Japan is determined to carry out reform without fail.
Moreover, reform is already underway."*

—OECD Ministerial Council Meeting - Keynote Speech by Prime Minister Abe

Corporate tax cut

A corporate tax cut is expected to be set forth in the policy blueprint to be released in June. This is expected to become a driver of further economic stimulation.

TPP/EPA

Japan has reached broad agreement with Australia on an EPA (a comprehensive economic partnership agreement including non-trade sectors in addition to a free trade agreement) and aims to come to broad agreement on an EPA with the EU in 2015. Early conclusion of the TPP is also anticipated.

National Strategic Economic Growth Areas

The government designated six areas, including Tokyo and Osaka, as National Strategic Economic Growth Areas. A concrete plan is expected to be incorporated into the new growth strategy to be released in June.

Further Corporate Earnings Improvement is Expected in FY2014

Newspaper article

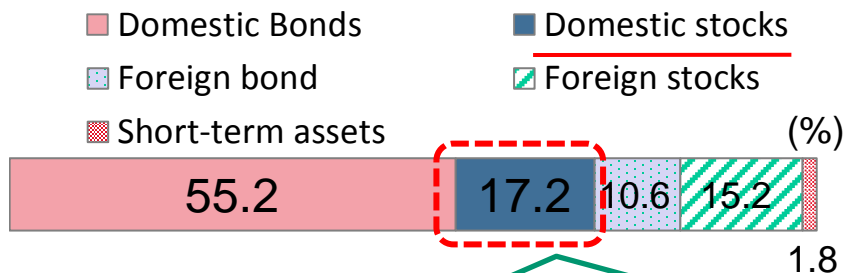
The earnings of listed companies are regaining vigor. (Abbrev) Following an earnings increase in fiscal 2014, companies seem poised to show a modest increase again in fiscal 2015. Overall ordinary income is expected to come in nearly at the level of fiscal 2008, the pre-Lehman Brothers peak, and reach a new record high if it overperforms expectations.

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

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

The basic asset portfolio of GPIF (total asset amount: JPY 128tn)

(As of the end of Dec. 2013)



Increase of the ratio is considered

If the ratio of the domestic stocks increases by 1%, **JPY 1.3tn flow into the stock market**

Professor Takatoshi Ito of the National Graduate Institute for Policy Studies, who chaired the blue ribbon panel that offered recommendations such as a review of government bond-centered investment of public and quasi-public funds, says, “It is advisable to cap domestic and foreign bonds at 30%-40% and increase domestic and foreign stocks to 50%.” Increased investment in domestic stocks is anticipated for reasons including the selection of panel deputy chairman Professor Yasuhiro Yonezawa of the Graduate School of Finance, Accounting and Law at Waseda University to chair the GPIF’s investment committee.

② Tax Exempt System for Small Investment (NISA)

The number of individuals investing in stocks and investment trusts is increasing. (Abbrev)
 The backdrop to the increase is the stock market recovery and increased investment interest among individuals stimulated by the start of the tax-free investment system (NISA). The “From savings to investment” trend is spreading. (Abbrev) Approx. JPY 500bn in funds flowed into stocks and investment trusts during the first three months of the NISA system, established in 2014 to stimulate investment through preferential tax treatment.



Domestic and Overseas IPO Markets Continue to be Firm in 2014

Domestic

The number of pre-IPO companies continues to increase, and **we estimate around 70 to 80 IPOs in Japan in total in 2014**

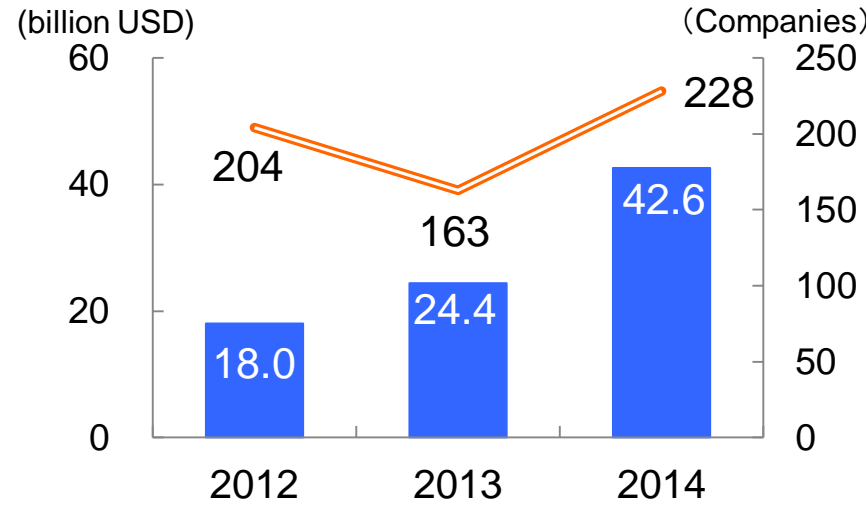
Overseas

We are optimistic that the growth in IPOs will be sustained. The pipeline is extremely healthy with more than 1,000 companies registered around the world and a particularly strong run anticipated in Greater China , the US and EMEIA.

The number of IPOs until the end of May

2012	14 companies
2013	15 companies
2014	19 companies

The amount of capital raised and the number of IPO companies



2012 Jan. - Mar. 2013 Jan. - Mar. 2014 Jan. - Mar.

■ the amount of capital raised (left handside)
 — Number of IPO companies (right handside)

Source: EY "EY Global IPO Trends 2014 Q1"

IPO and M&A Deals Prospect in the Asset Management Business for FY2014 ①

	Up to FY2012	FY2013 full year	FY2014 full year prospect
IPO and M&A deals *	167	14	17

* Includes portfolio companies (FY2009: 3 companies, FY2010: 6 companies, FY2013: 2 companies) of New Horizon Capital, the second fund, in which SBIH invests as a limited partner.

M&A for one company has already been conducted

Smart Navi

M&A Conducted on Apr. 2

- ✓ Provider of solutions such as sales support, customer management, and sales promotion using tablets

Two companies have been approved for an IPO

Scheduled to IPO on JASDAQ market on June 16

NEWTON FINANCIAL CONSULTING (SBI's shareholding: 29.07%) *

- ✓ Insurance policy distributor that operated one of the best outbound telemarketing centers in Japan

Scheduled to IPO on TSE Mothers market on June 26

Japan CableCast (SBI's shareholding: 12.50%) *

- ✓ Provider of a dedicated platform service for video, audio, and data transmission to cable TV operators

* 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.

IPO and M&A Deals Prospect in the Asset Management Business for FY2014 ②

Promising Portfolio Companies Expected to IPO in FY2014

Japan

ELIYPower (SBI's shareholding: 5.97%) *

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

SBI Biotech (SBI's shareholding: 77.25%) *

- ✓ Bio-venture firm developing drugs for diseases including cancer, autoimmune diseases and allergies, as well as immune cell therapy and special functional foods
- ✓ At the end of 2012, consolidated Quark Pharmaceuticals, a U.S based bio-venture

Overseas

WH Group (formerly Shuanghui International) (SBI's shareholding: 0.67%) *

- ✓ Headquartered in China, world's largest pork producer and processor
- ✓ Controlling shareholder of Shenzhen-listed Henan Shuanghui Investment & Development (Market cap as of June 4: approx. JPY 1.2tn, converted at RMB 1 = JPY 16.4)
- ✓ Acquired Smithfield (U.S.), the largest pork producer in the world, for USD 4.7bn in Sept. 2013

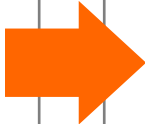
* SBI's shareholding percentage corresponds to a figure based on the IFRS criteria that excludes a percentage of outside shareholder's interest of subsidiary companies and subsidiary funds of the Group.

(2) Domestic Businesses' FY2014 Priority Measures to Achieve Continued Growth

- ① The nonlife insurance business will endeavor to improve the combined ratio and expand product offerings, targeting quarterly profitability in FY2014**
- ② 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 **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

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

Compensation for the amount of actual medical expenses*

[Partner companies' products]

Life insurance

あんしん ◆ 世代

"Anshin (secure) -sedai"

Underwriter:
SBI IKIIKI SSI *

Medical insurance

新しいいき ◆ 世代

"Shin-ikiiki (new lively) -sedai"

Underwriter:
SBI IKIIKI SSI *

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 IKIIKI SSI]

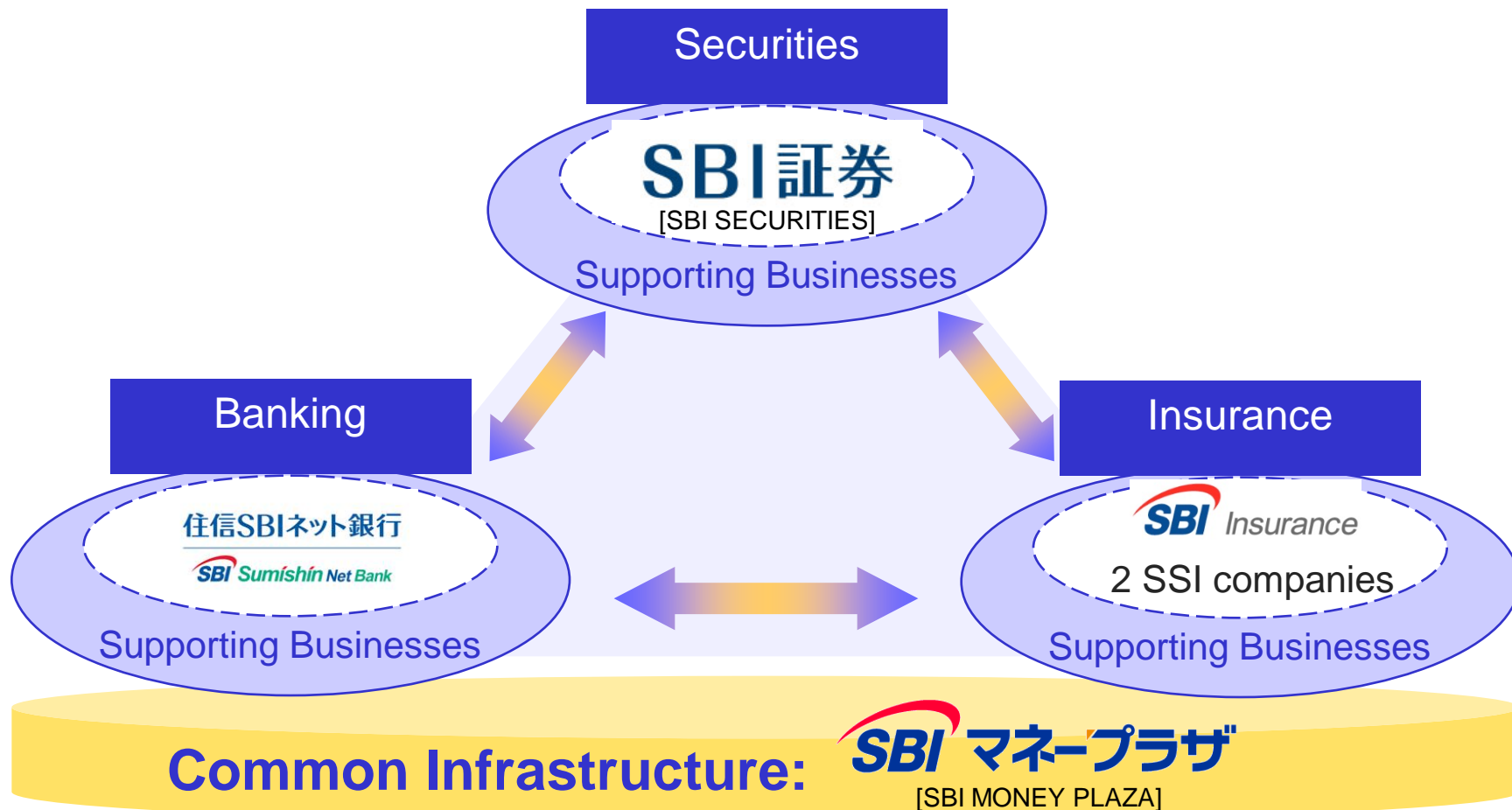


[SBI SSI]



② 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

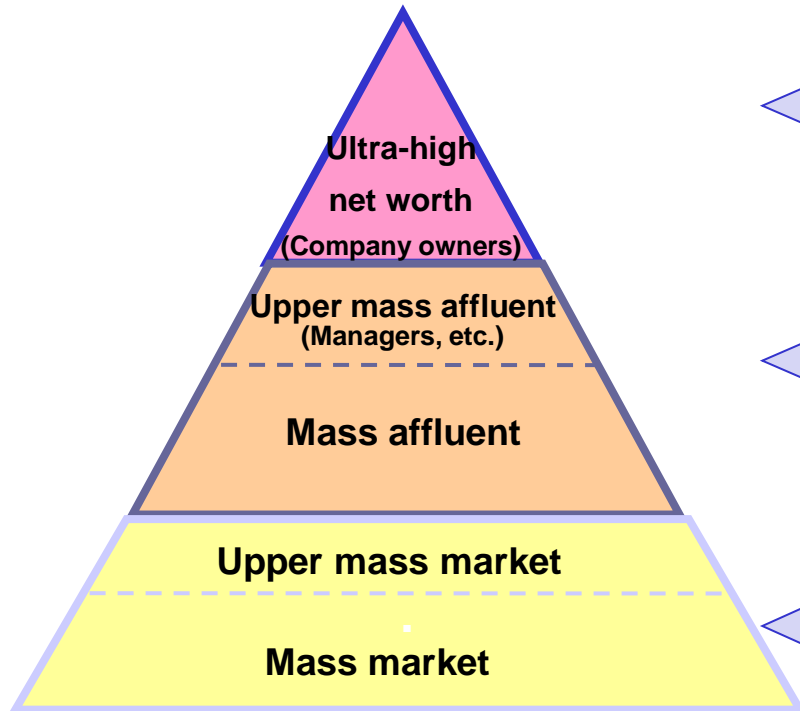


Implement an online-to-offline strategy with SBI MONEY PLAZA as a common infrastructure, and continue its quest to become Japan's largest financial products distributor that offers products from both within and outside of the Group on a neutral basis.

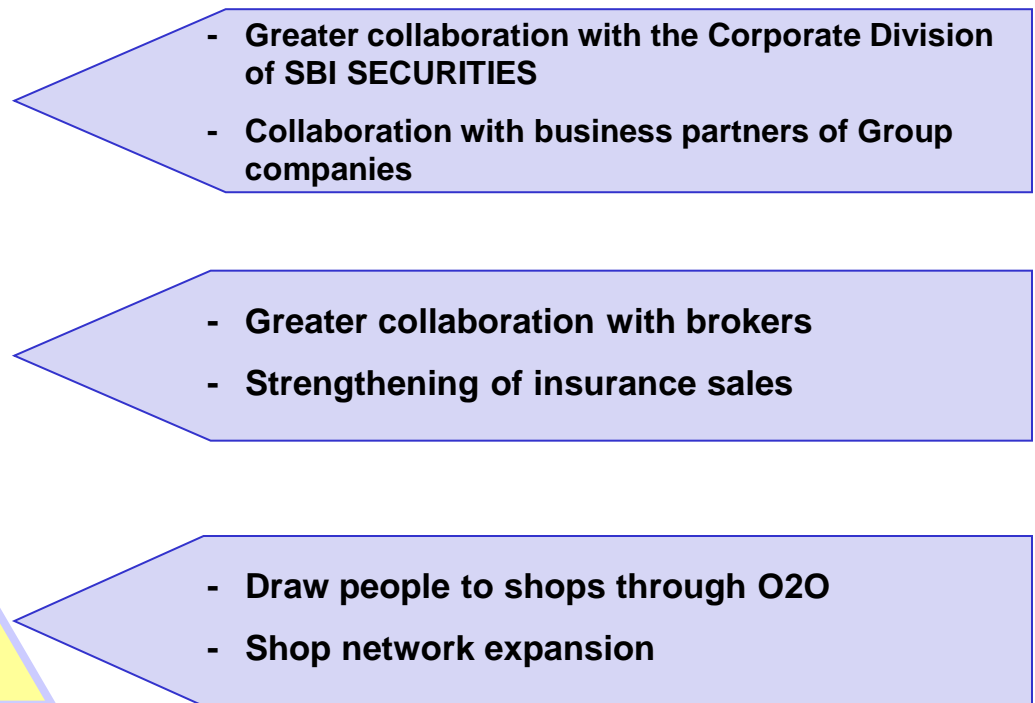
SBI MONEY PLAZA Endeavors to Construct a Business Model for Meeting the Wide-ranging Financial Needs of a Broad Base of Customers

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

Customer Segments



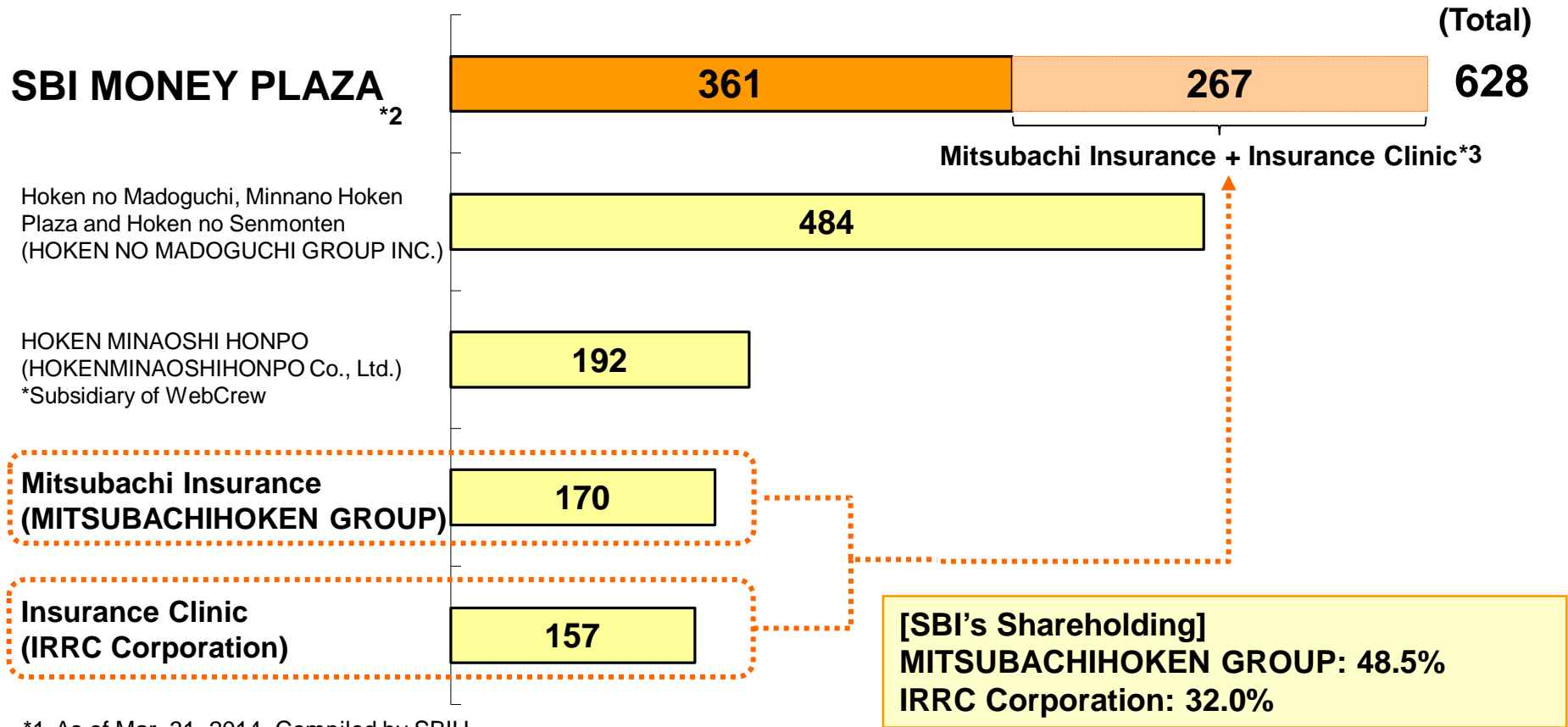
Measures



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

3. What is the current state of the prioritized Biotechnology-related Business?

(1) SBI Biotech

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

SBI Itself Enters into the Biotechnology Business, a Designated 21 Century Growth Sector

Biotechnology venture firms were established in and after 2007, and not only investing in the sector but also subsequently involved in the biotechnology business

Jan. 2007~

Enters drug creation business



Joint drug creation bio-venture firm with partners across Japan, the U.S., China, South Korea and Israel

Apr. 2008~

5-ALA (5-aminolevulinic acid) related businesses



The world's first pharmaceutical company engaged in the development of drugs, and the manufacturing and sales of cosmetics and health foods using 5-ALA.



Distributor of cosmetics, health foods using 5-ALA (Apr. 2012~)

Clinical studies and trials with leading alliance partners both inside and outside of Japan have made progresses. SBI Pharmaceuticals endeavors to provide pharmaceuticals that satisfy the unmet medical needs of as many people as possible around the world.

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. Currently analyzing the data. →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 in Dec. 2013)</p> <ul style="list-style-type: none"> ✓ Already, the SBI Group has received USD 0.75m. ✓ Planned receipt of a total of USD 1.5m by Oct. 2014.

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 ongoing at 5 universities, led by Kochi University. They are conducting additional Phase III Clinical testing.
→Scheduled to submit an application for production and marketing approval to the Ministry of Health, Labour and Welfare in 2016
- ✓ 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 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)

Selected for NEDO's "FY2013 Innovation Commercialization Venture Support Project"

SBI Pharmaceuticals' proposed development scheme based on joint research efforts with Osaka University and other universities has been selected to qualify for the "Innovation Commercialization Venture Support Project" sponsored by New Energy and Industrial Technology Development Organization (NEDO).

Period of support: Between June 1, 2014 and Feb. 28, 2015

NEDO-designated project: Development of Green Light Source Device for Use in ALA-PDT*

Grant-in-aid amount: Up to two thirds of the development costs

***ALA-PDT is a form of therapy to kill cancer cells by irradiating them with excitation light and offers various benefits. For example, it may be applied as an alternative treatment to surgery for cancer patients or the light beam can be positioned at the tumor site to kill any cancer cells that could not be removed by surgery.**

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

→Administration in several cases has already begun at Saitama Medical University, and follow-up is underway

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

Indications	Country	Progress
NEW!! Type 2 Diabetes	Bahrain	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)



- ✓ 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
- ✓ Preparation for 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

- **Arabian Gulf University Hospital** (preparing a clinical study in the Bahrain Defense Force Royal Medical Service Hospitals the ARO)

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

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

Partner institutions for clinical study on the use of 5-ALA in the photodynamic diagnosis

- **Arabian Gulf University Hospital**
- **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 (RCSI)**
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
Doctor sponsored investigation has been ongoing at 5 universities, led by Kochi University. They are conducting additional Phase III Clinical testing.

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, Saitama Medical University has started Phase II

Metabolic disease

Diabetic disease
Bahrain Defense Force Royal Medical Service Hospital, Arabian Gulf Univ , RCSI, 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.

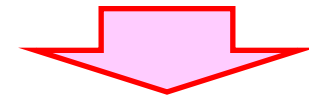
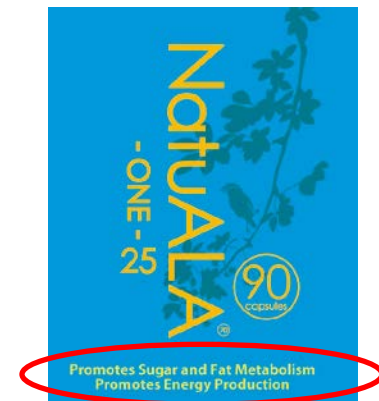
Prevented the aggravation of influenza
Tokushima Univ., etc.

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 with NHRA approval.

Label design of the health foods



Promotes Sugar and Fat Metabolism
Promotes Energy Production

* The above description is permitted only in Bahrain.

Accelerating 5-ALA Related Business in China

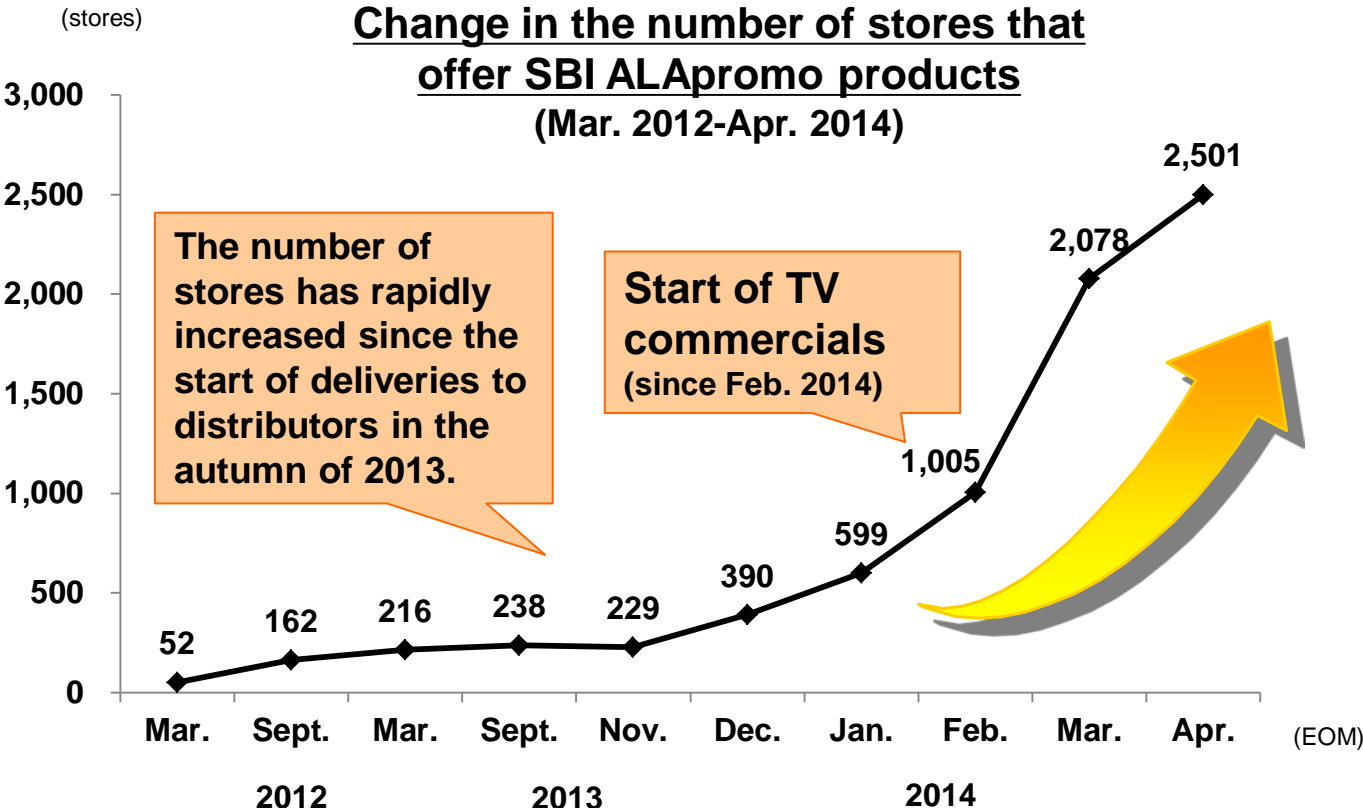
- ✓ Chinese bio-venture Suzhou Yian Biotech Co., Ltd. (SBI Group's shareholding: 40%) **plans to start operation of an 5-ALA health food manufacturing plant during 2014** (scheduled completion of the plant in May 2014). The company has applied in China for a materials license to use 5-ALA in food products 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 Chocolate 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)



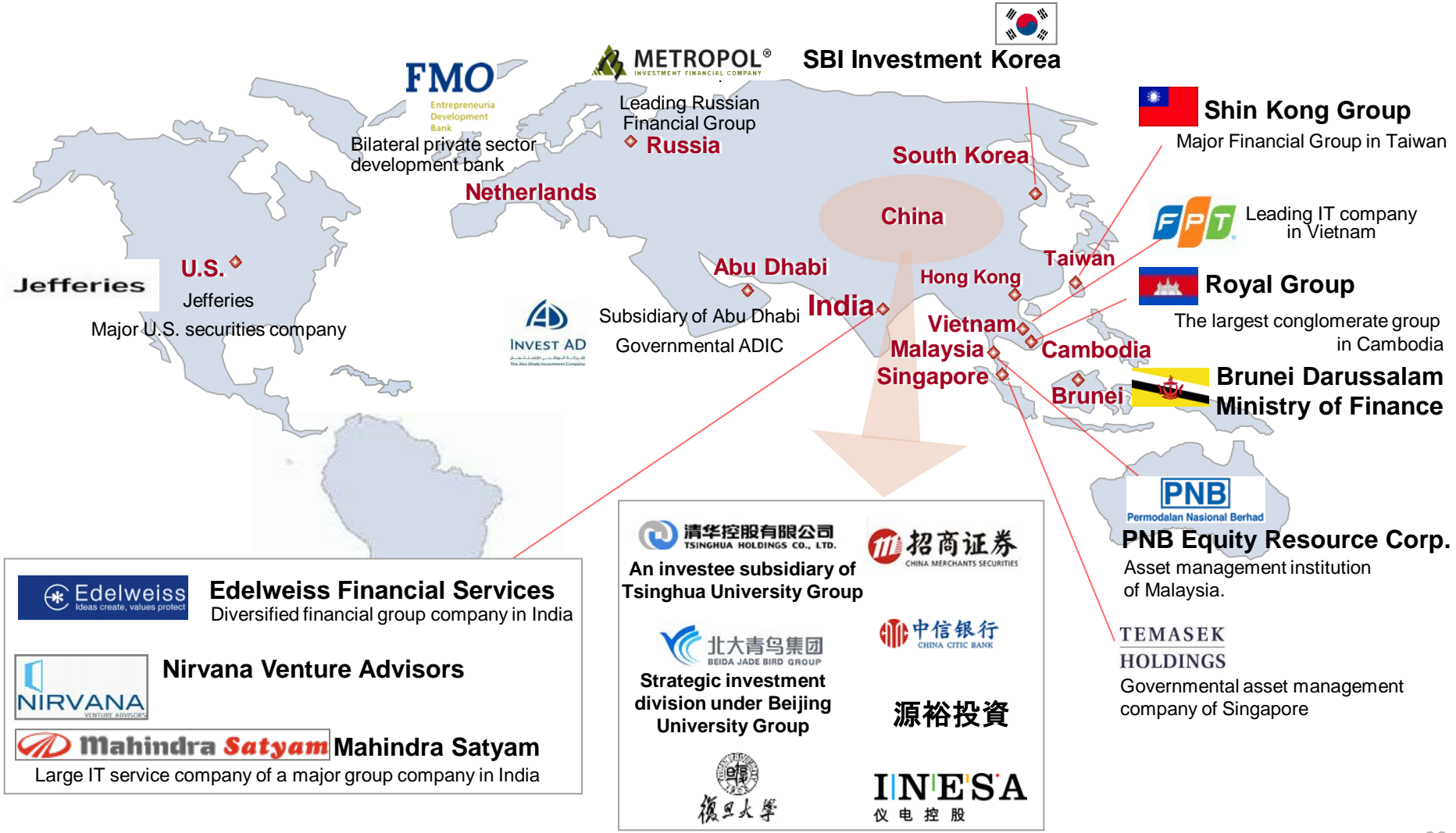
ALApplus Biotin
(Containing 5-ALA and Biotin)

4. What is the near-term strategy for the overseas investment and financial services businesses?

- (1) The Overseas Investment Business Expands Management of Government Funds**
- (2) Continued Enhancement of the Overseas Financial Services Business**

Establishment of Global Investment Structure Centering on Asia

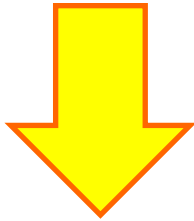
Established global investment structure through formation of JV funds with local partners such as financial institutions, government agencies and universities



Singapore Government Agency Decides to Contribute Funding to SBI Ven Capital's Planned Fund Establishment



Singapore National Research Foundation



Maximum funding of SGD 10m (approx. USD 8m*)

*converted at SGD 1 = USD 0.798

Won approval, owing to SBI Ven Capital's past track record, as well as its investment sector focus on the technology sector

[Outline of the Fund]

Commitment amount:

Maximum USD 50m

Target of investment:

Technology (primarily software) companies in South/Southeast Asia with a focus on Singapore and India

Fund management company:

SBI Ven Capital

Fund establishment scheduled in Aug. 2014

SBI Investment KOREA Expands the Management of Funds from South Korean Government Agencies ①



Future Creation M&A Fund

Commitment amount: KRW 50.0bn (approx. JPY 5.0bn*), of which KRW 20.0bn was invested by South Korean government agencies

Establishment: Jan. 2014

Mission: To support mid-sized South Korean companies conducting M&A and to enter the ASEAN region

KONEX Market Vitalization Fund

Commitment amount: KRW 60.0bn (approx. JPY 6.0bn*), of which KRW 25.0bn will be invested by South Korean government agencies

Establishment: Scheduled for July 2014

Mission: To support the vitalization of the KONEX market, an emerging market in South Korea

Overseas Expansion Platform Fund

Commitment amount: KRW 60.0bn (approx. JPY 6.0bn*), of which KRW 30.0bn will be invested by South Korean government agencies

Establishment: Scheduled for Aug. 2014

Mission: To support mid-sized and venture companies in South Korea to expand into the ASEAN region

SBI Investment KOREA Expands the Management of Funds from South Korean Government Agencies ②

Digital Contents Fund

Commitment amount: KRW 25.0bn (approx. JPY 2.5bn*), of which KRW 12.5bn will be invested by South Korean government agencies

Establishment: Scheduled for Aug. 2014

Mission: To support the integration of South Korean contents industry and IT industry, both of which are expected to play a key role in Korea's future economic growth

2014 KIF Fund

Commitment amount: KRW 30.0bn (approx. JPY 3.0bn*), of which KRW 17.0bn will be invested by South Korean government agencies

Establishment: Scheduled for Aug. 2014

Mission: To develop South Korean venture companies involved in the Telecommunications and IT industries

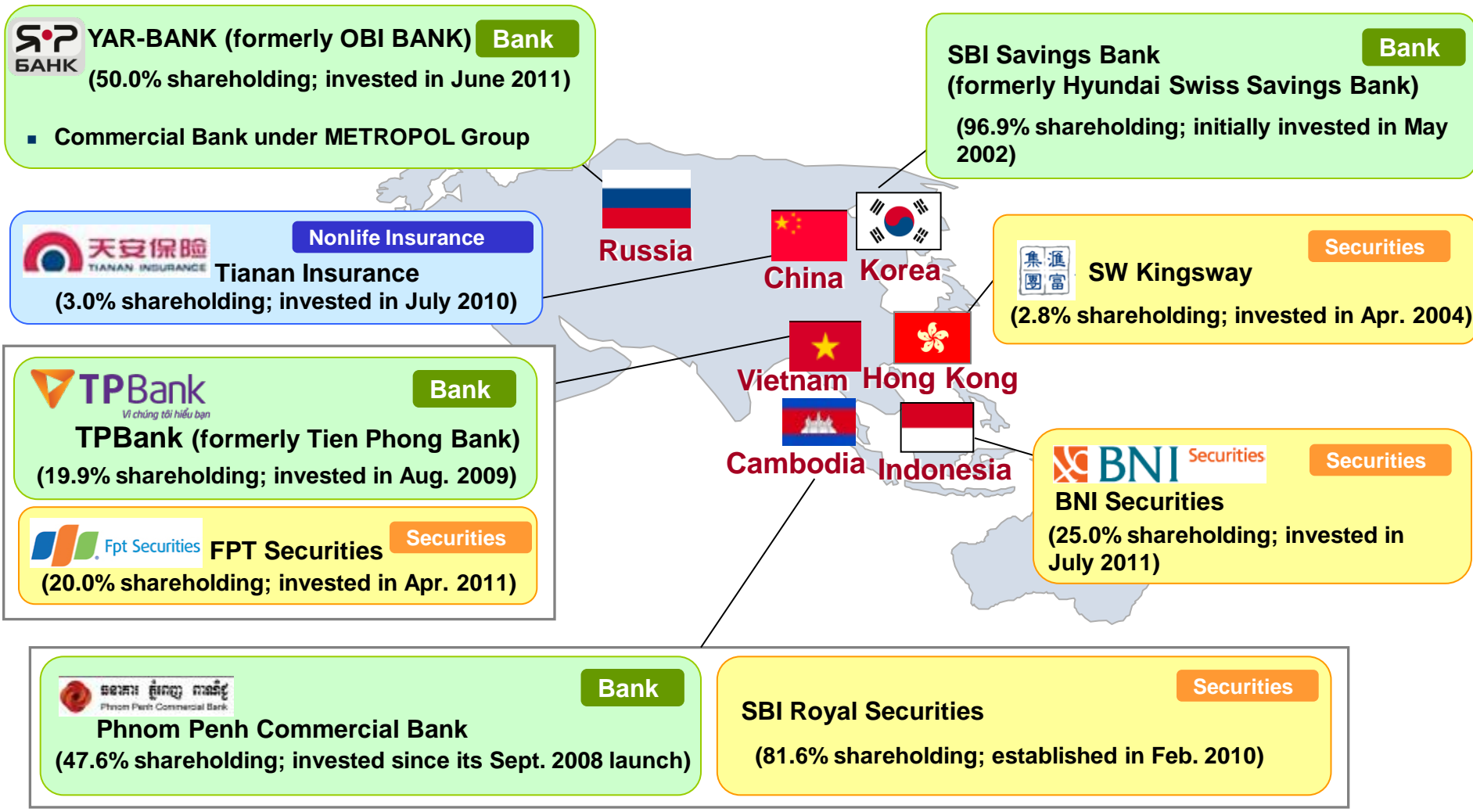


SBI Investment KOREA was selected to manage a total of 5 funds, with the aggregate commitment amount of KRW 225.0bn (approx. JPY 2.25bn*), from Jan. 2014.

Financial Services Business Primarily in Asia

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

(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



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.

Further Enhancing the Overseas Financial Services Business

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



Russia

[Encouraging YAR-BANK \(formerly OBIBANK\) to launch an online banking service](#)



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

Net profit for FY ended Dec. 2013 was JPY 32m

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

In preparation for a scheduled launch in June 2014



Indonesia

[BNI Securities started to offer an Internet trading system from the end of Feb. 2014, in collaboration with SBI SECURITIES which participated in the design and development of the system](#)



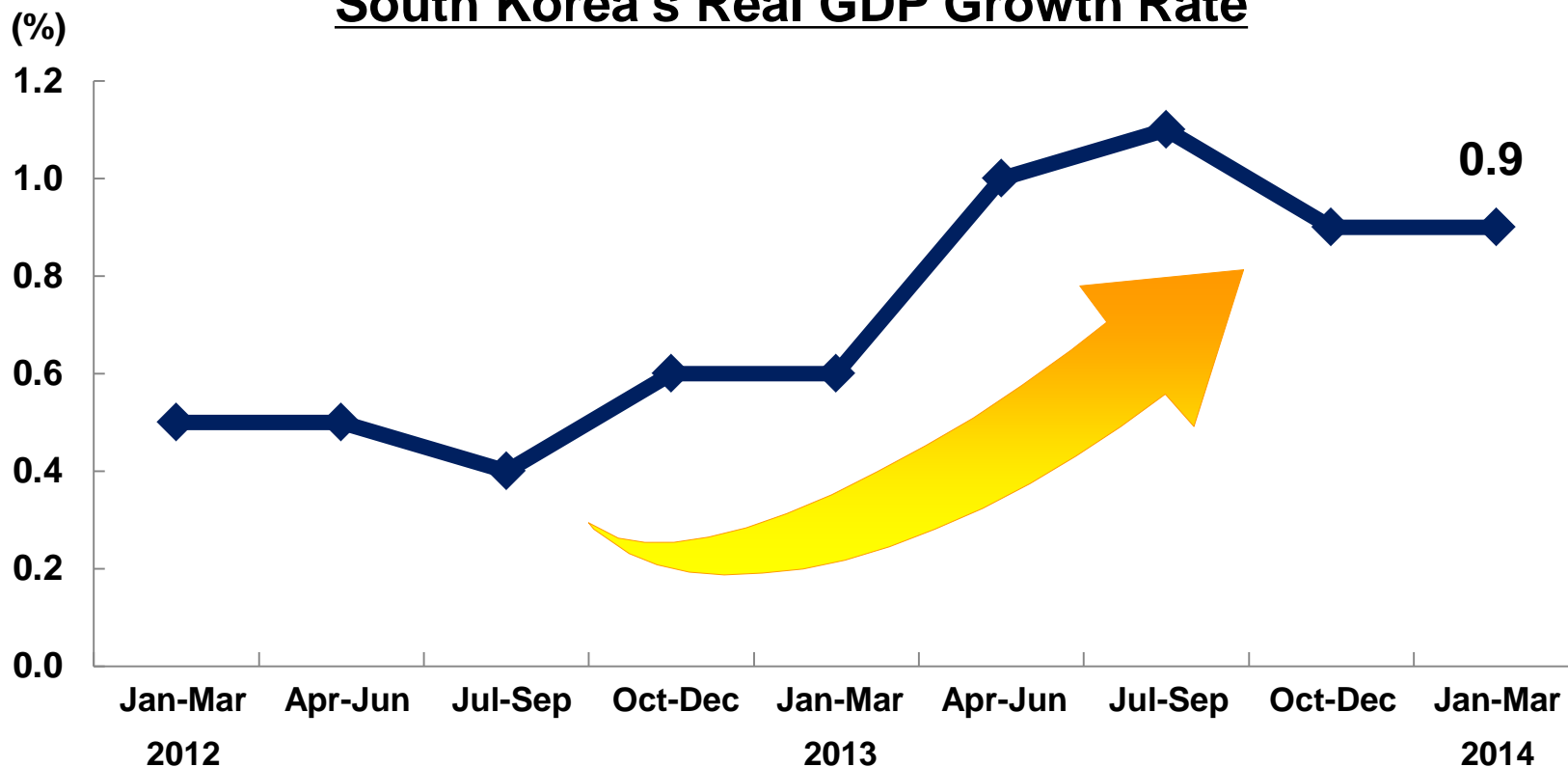
(SBI: 25.0% shareholding)

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

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

Continued Improvement of SBI Savings Bank's Business Environment ①

South Korea's Real GDP Growth Rate



Source: The Bank of Korea

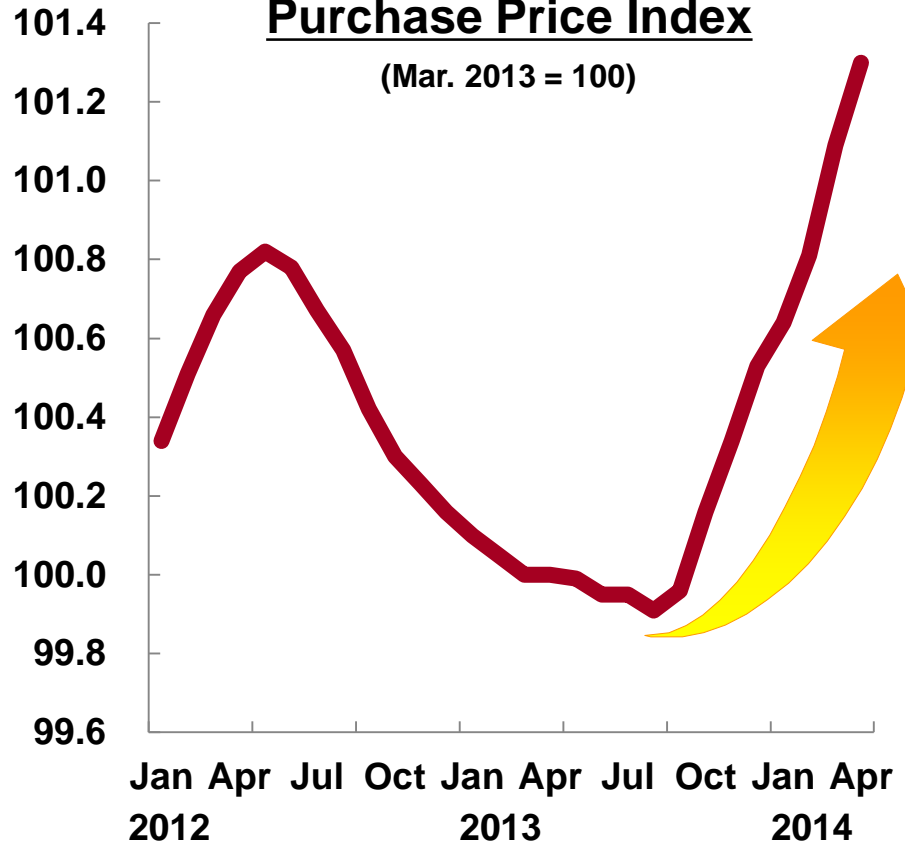
- Real GDP (preliminary estimate) grew by 0.9% QoQ in the Jan.-Mar. 2014 period, continuing a gradual recovery
- YoY growth rate hit 3.9%, a 3-year high



Continued Improvement of SBI Savings Bank's Business Environment ②

South Korean Housing Purchase Price Index

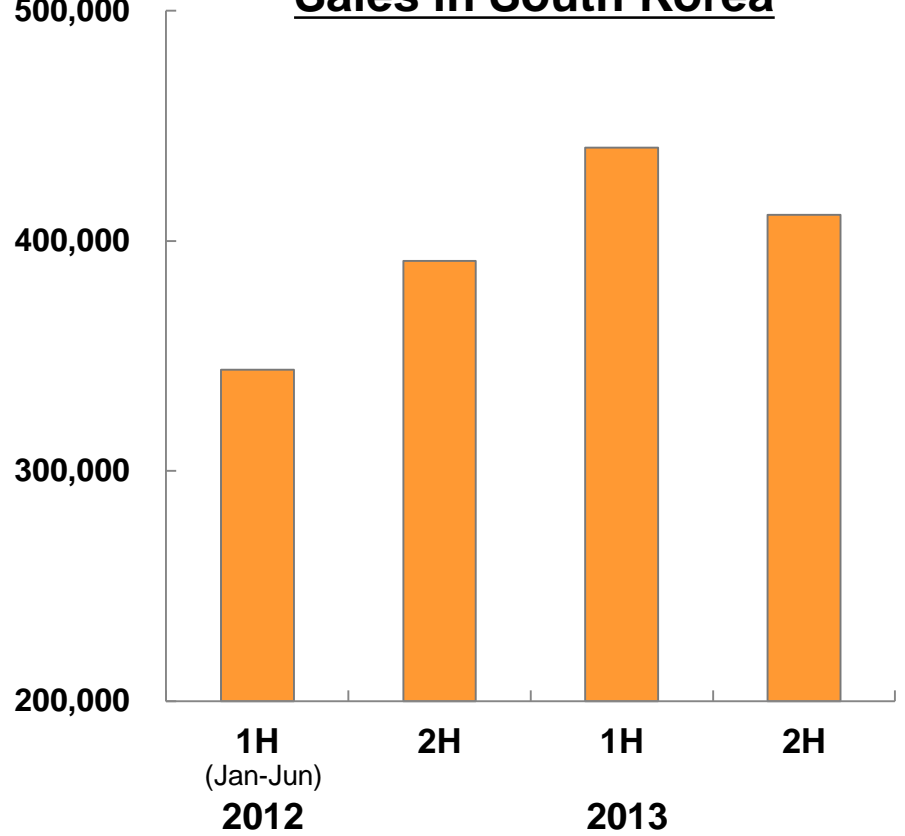
(Mar. 2013 = 100)



Source: The Bank of Korea

Transaction Amount of Home Sales in South Korea

(houses)
500,000



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.

Measures to Further Enhance SBI Savings Bank's Profitability

- ◆ In line with the “economic democratization” policy of the Park administration, the bank is stepping up lending to small and medium-sized enterprises and individuals, which are likely to obtain government support.
- ◆ Actively purchasing other bank's loans to increase loan receivables
- ◆ Planning to implement mergers and integration between SBI 1 Savings Bank, the parent company, and its three affiliated banks by the end of 2014, subject to an approval from the supervisory authorities

5. How do you actualize the company's inherent enterprise value?

SBI Holding's Recent Stock Price

Market cap (actual value as of June 4, 2014): **JPY 273.3bn**

[Last 3 years]

Recent high:
Apr. 24, 2013: **1,990 yen**

Closing price on June 4, 2014: JPY 1,217

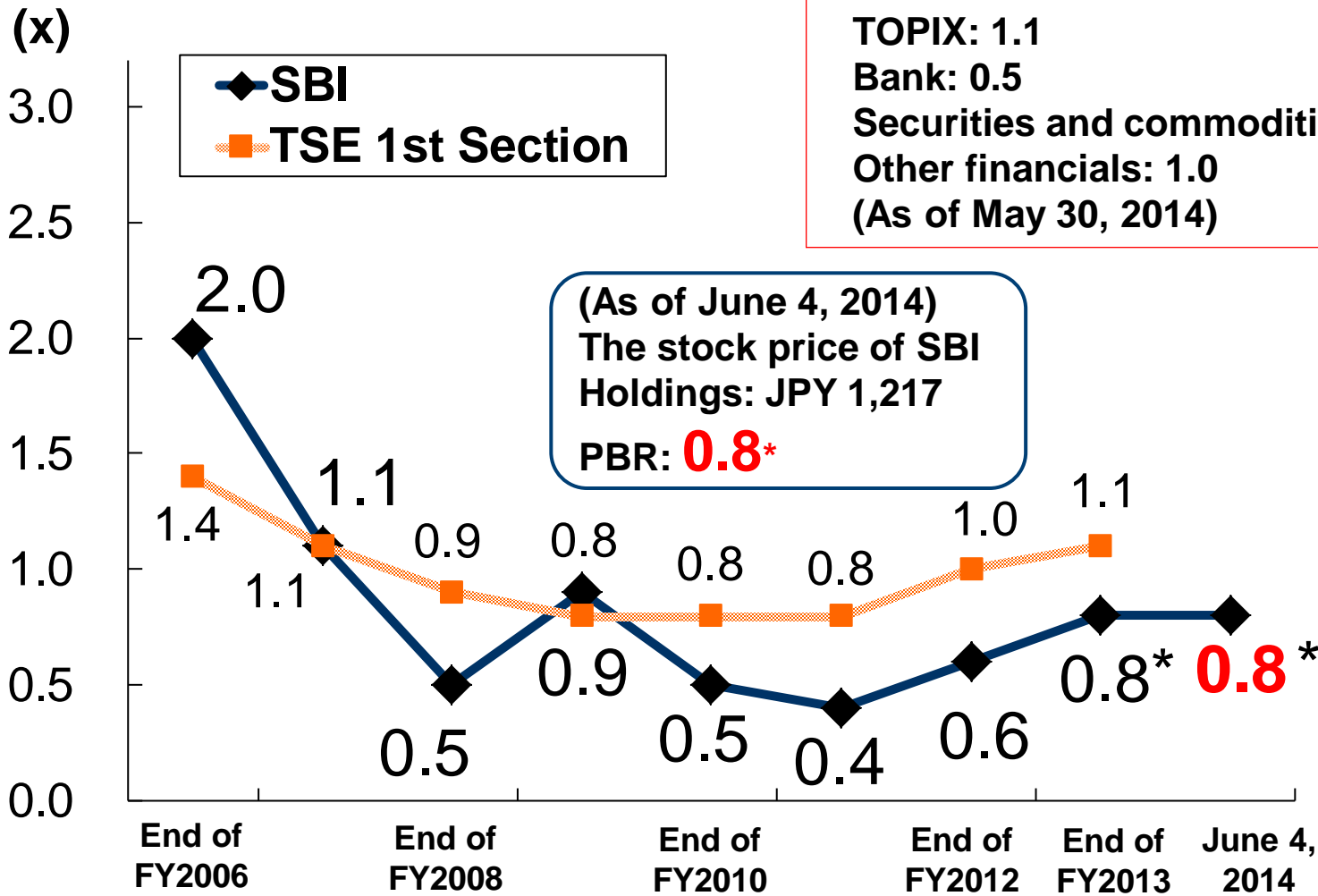
Record low:
Sept. 5, 2012: **463 yen**

Expanded by 4.3x



Change in PBR of SBI Holdings

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



TOPIX: 1.1
 Bank: 0.5
 Securities and commodities: 1.2
 Other financials: 1.0
 (As of May 30, 2014)

(As of June 4, 2014)
 The stock price of SBI Holdings: JPY 1,217
 PBR: **0.8***

[Reference]
 SBI Holdings' PER based on forecast EPS (As of June 4, 2014)
 PER:
9.6 (Nikkei Kaisha Joho)
9.1 (Japanese company handbook)

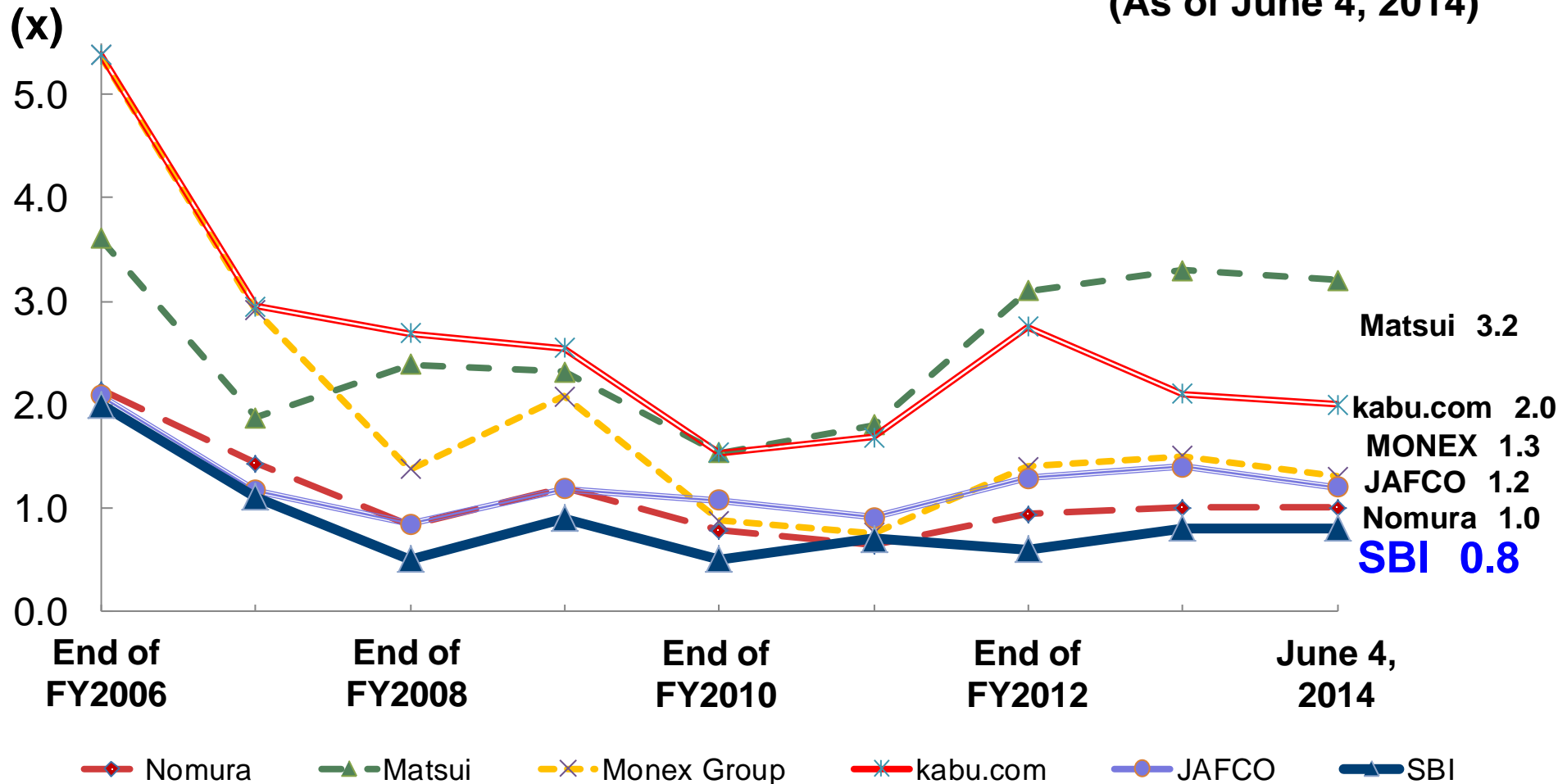
*PBR of SBI Holdings for the end of FY2013 and June 4, 2014 are calculated based on the BPS of the end of Mar. 2014.

*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 June 4, 2014)

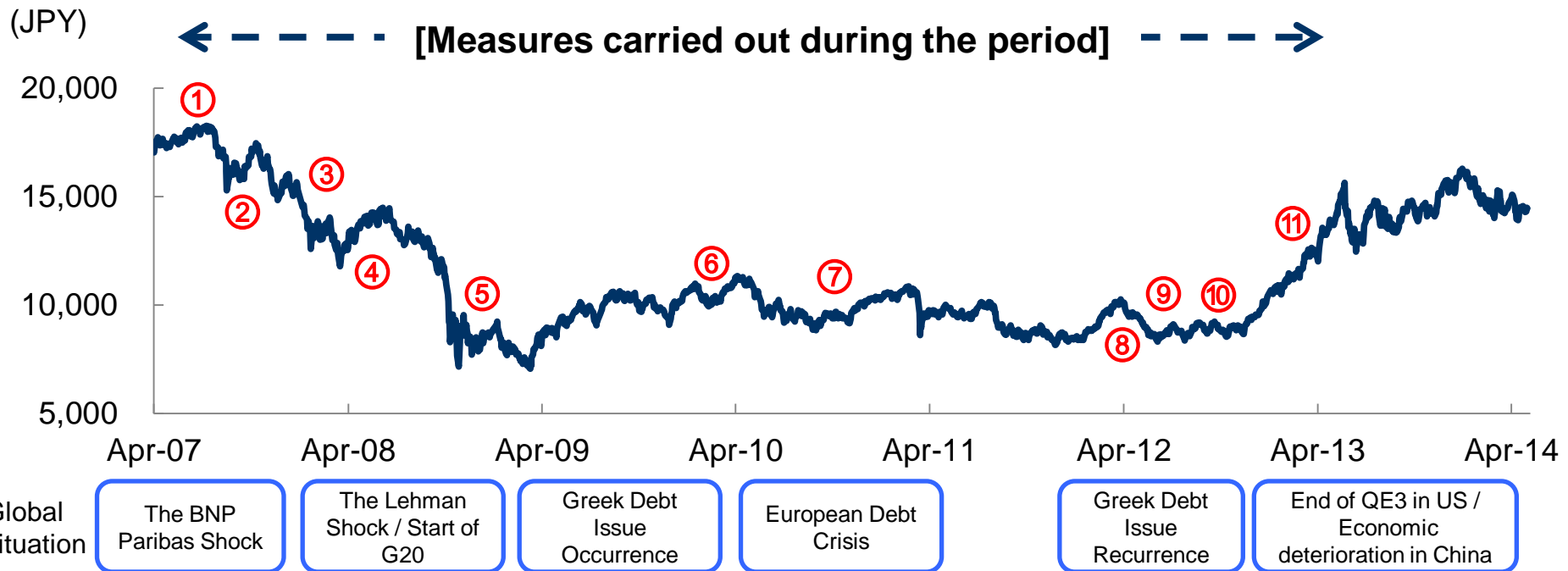


*PBR for June 4, 2014 is calculated based on the BPS of the end of Mar. 2014.

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

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)

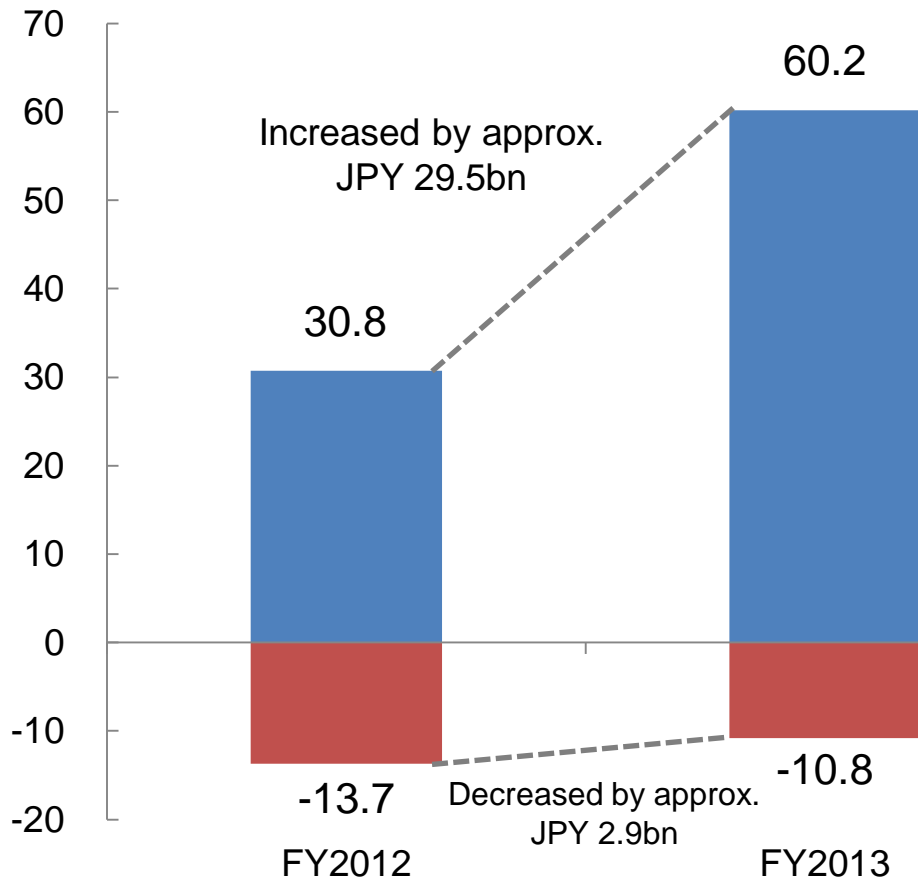
⑪ Mar. 2013 Consolidated current SBI Savings Bank

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

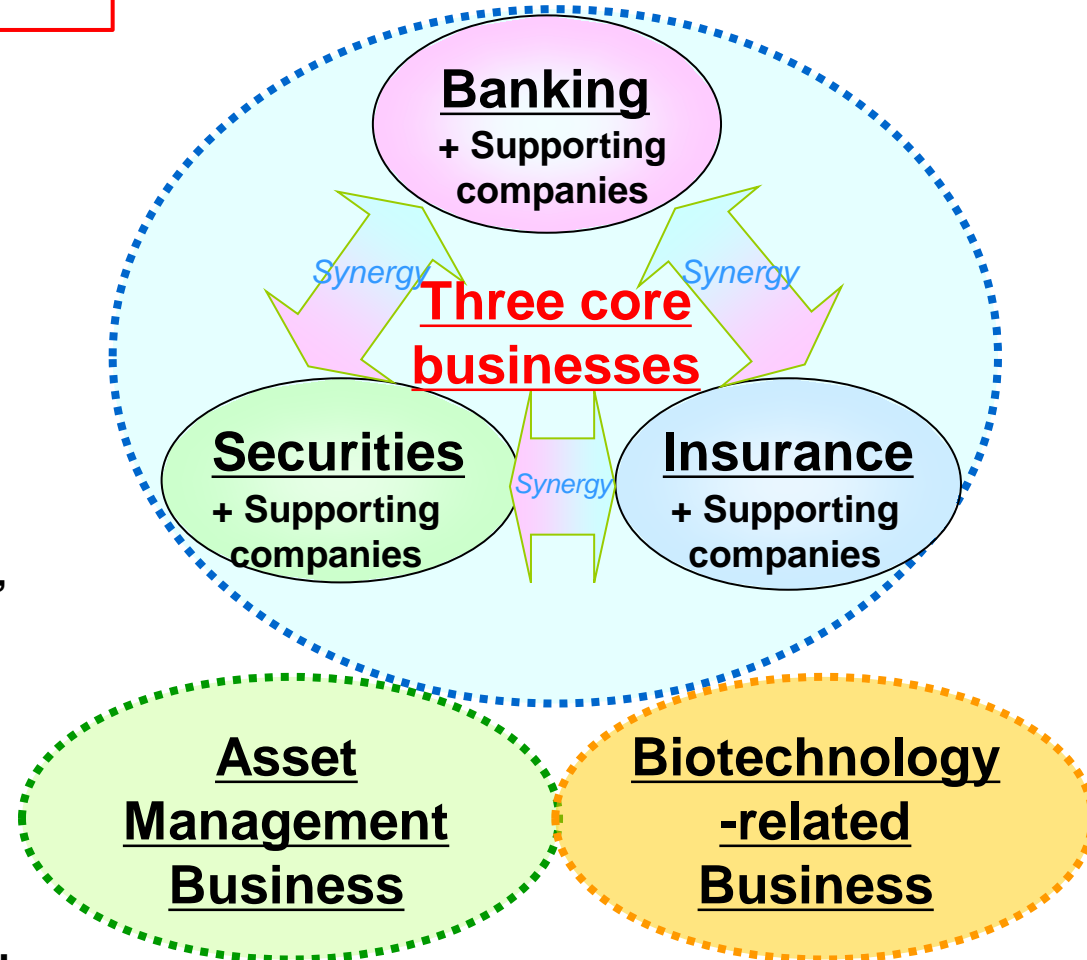
SBI Card: approx. JPY 3.1bn
Owing to the termination of the SBI Card Plus, a substantial reduction in losses is expected from reduced systems cost of JPY 150m per month

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

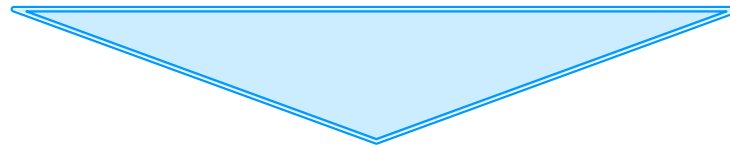
Principal examples

- **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 June 4, 2014) (JPY billion)

	Valuation of each segment (theoretical value)
Financial Services	416.8 (+)*
Asset Management	112.7
Biotechnology-related	60.2
Housing and Real Estate	25.9
Sum total	615.5 (+)

Business valuation per share: 2,741 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)

[Reference]

**The specific formula for the estimation of
our corporate value**

Valuation by Segment Estimated by SBI

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

① SBI SECURITIES

Valuation is conservatively estimated at JPY **314.9bn**

(based on the closing prices of June 4, 2014)

SBIH's market cap as of June 4 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)

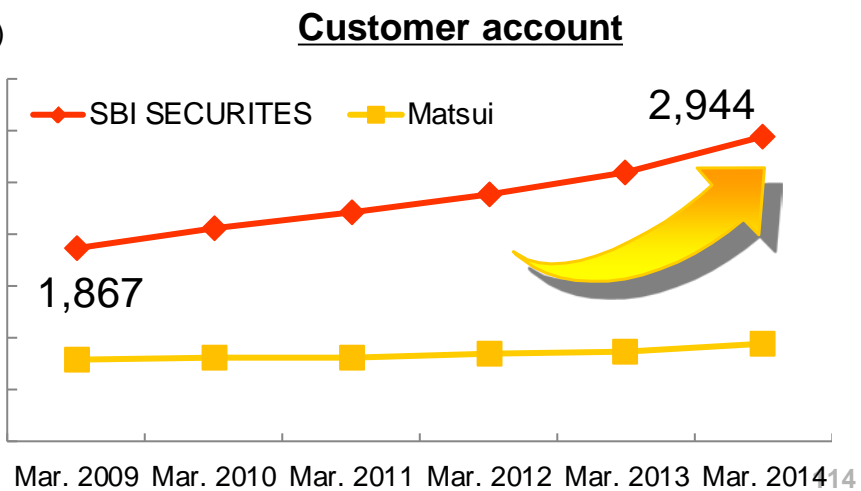
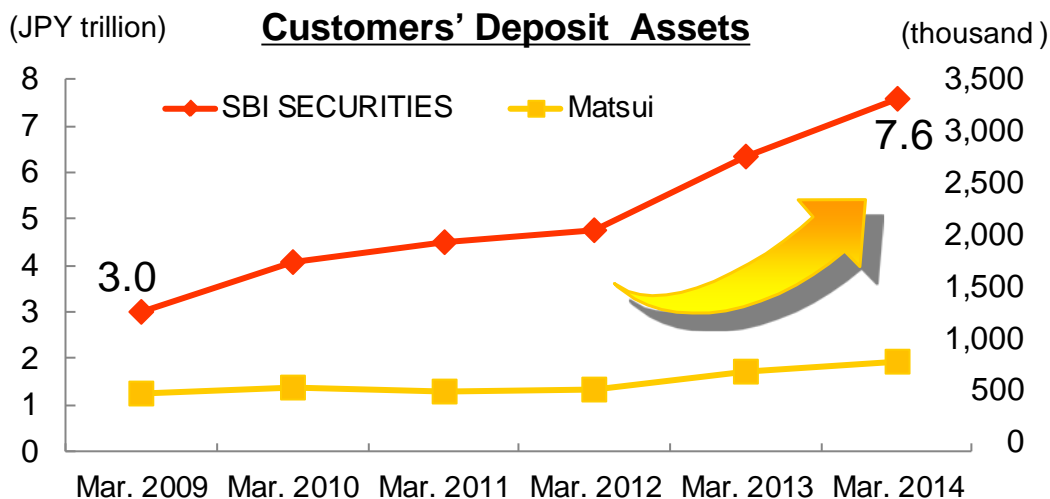


Is SBI SECURITIES' valuation reasonable?

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

*Calculated by the closing prices of June 4, 2014

(FY2013)	SBI SECURITIES		Matsui Securities
Valuation (market cap) *		JPY 314.9bn	JPY 283.5bn
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

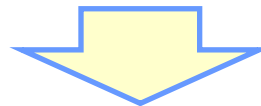
Valuation is conservatively estimated at JPY 51.1bn

(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 FY2013 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, 2014 to the excess earning power.

* Under a calculation based on the ordinary income as JPY 11.7bn, and the profit after tax for the corresponding fiscal year as JPY 7.1bn.



Conservatively estimated the valuation of SBI Sumishin Net Bank with high growth potential in terms of profitability and scale at JPY 102.1bn → JPY 51.1bn

(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 102.1bn)

住信SBIネット銀行

- Ordinary income for FY2013 (JPY 11.7bn (+48.4% YoY))

SBI Sumishin Net Bank

- Deposit balance: JPY 3,179.3bn (as of May 6, 2014)

Comparison with listed local banks with equivalent level of scale

Compared by profit

The average market cap of 6 listed local banks with ordinary income of around JPY 12.0bn: approx. JPY 120.0bn

Of which, market cap of local banks with deposit balances larger than JPY 3tn exceeds JPY 130bn

*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 June 4, 2014

Valuation by Segment Estimated by SBI

(1)Financial Services Business ③SBI Liquidity Market

③SBI Liquidity Market (including SBI FXTRADE)

Valuation is estimated at **JPY 19.1bn** (based on the closing price of June 4, 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 companies, namely Money Partners and MONEY SQUARE JAPAN

$$\frac{\{(Money Partner's PER + MONEY SQUARE JAPAN's PER)\}^{(*)}}{2} \times \text{Net profit of SBI Liquidity Market (cons.) (FY2013)}$$

* PER of Money Partners and MONEY SQUARE JAPAN is calculated by its net income per share for FY2013 .

<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	22.9	11.3
SBI Mortgage	60.7	Consolidated subsidiary	KOSPI of KRX	30.8*	18.7
SOLXYZ	26.3	Equity-method associate	JASDAQ	6.8	1.8
Sum of the market cap of listed subsidiaries and equity-method associates				60.5	<u>31.8</u>

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

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

Valuation by Segment Estimated by SBIH

(1) Financial Services Business Total Valuation of the Businesses

① SBI SECURITIES

Upon comparison with similar listed companies calculated conservatively as **JPY 314.9bn** (based on the closing prices of June 4, 2014)

② SBI Sumishin Net Bank

Conservatively estimated the valuation of SBI Sumishin Net Bank that has high growth potential in terms of profitability and scale at JPY 102.1bn
JPY 51.1bn (Shareholding of the SBI Group: 50.0%)

③ SBI Liquidity Market (cons.)

Upon comparison with similar listed companies calculated as **JPY 19.1bn**
(based on the closing price of June 4, 2014)

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

The sum of market caps of Morningstar Japan, SBI Mortgage and SOLXYZ
(Shareholding of the SBI Group) **JPY 31.8bn** (based on the closing prices of June 4, 2014)



Total of the valuation above: **JPY 416.8bn** (The SBI Group's total shareholding)

Valuation by Segment Estimated by SBIH

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

The FS Business also consists of many other profitable business entities

		Business lineup	OP for 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 112.7bn**

<Reference>

JAFCO's Market Cap: **JPY 209.8bn** (based on the closing price of June 4, 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 June 4, 2014)

(* Valuation excluding asset such as securities hold) **Approx. JPY 15.6bn**

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 shareholding pct. (%)	Classification	Listed market	Market cap (JPY billion)	SBI's equity interest of market cap (JPY billion)
SBI AXES	42.7	Consolidated subsidiary	KOSDAQ of KRX	5.6*	2.4
SBI Investment Korea	43.9	Equity-method associate	KOSDAQ of KRX	5.4*	2.4
Sum of the market cap of listed subsidiaries and equity-method associates				11.0	<u>4.8</u>

(Based on the closing price of June 4, 2014, *Calculated by the exchange rate as of June 4, 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 60.2bn

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 25.9bn**

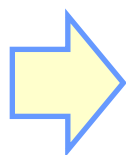
Estimation of the valuation is as follows:

Sum of the calculated value of the commercial real estate properties of SBIH as of the end of Mar. 2014 were calculated, along with SBI Life Living's market cap.

① Value of the commercial real estate properties

Asset Value = Balance of investment real estate + Balance of real estate included in tangible assets

(Balance of investment real estate for 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	7.6	<u>5.6</u>

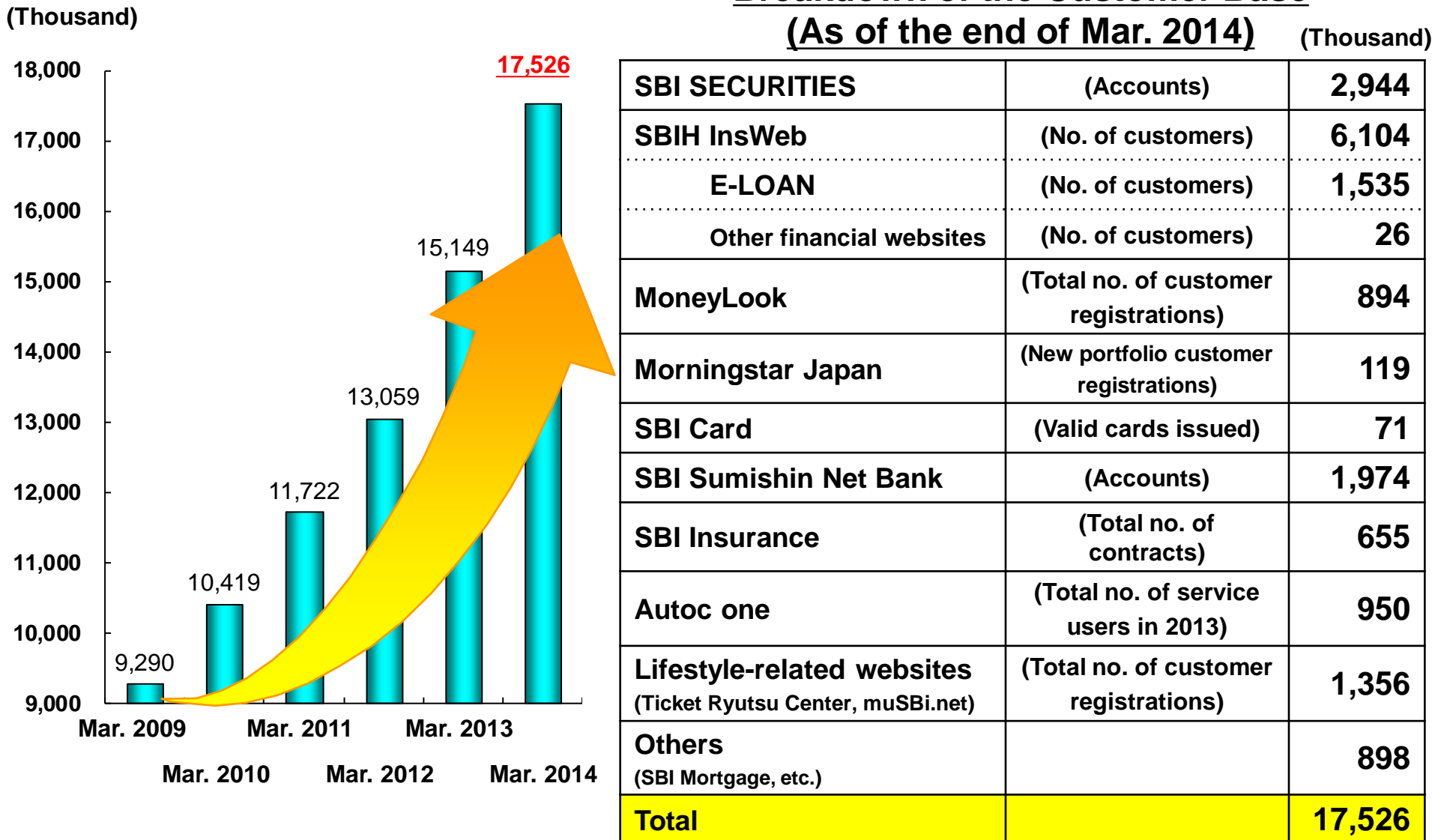
[Appendix]

The SBI Group's Customer Base



Breakdown of the Customer Base

(As of the end of Mar. 2014)



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

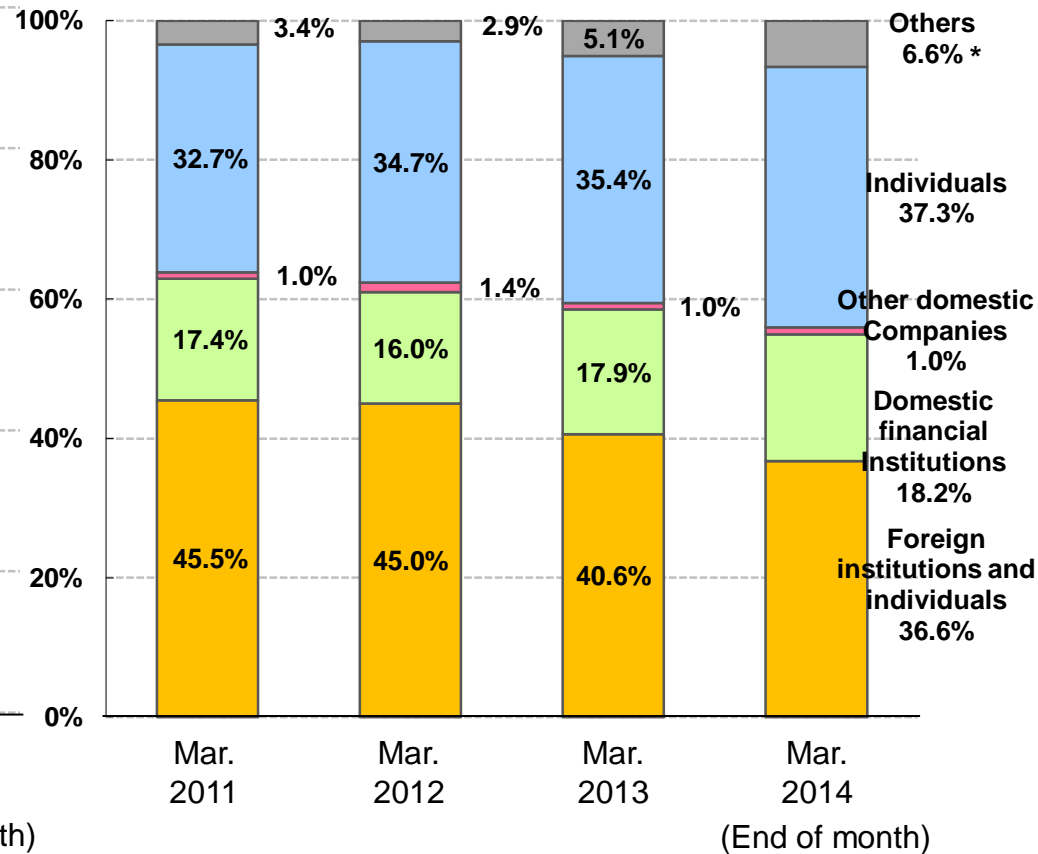
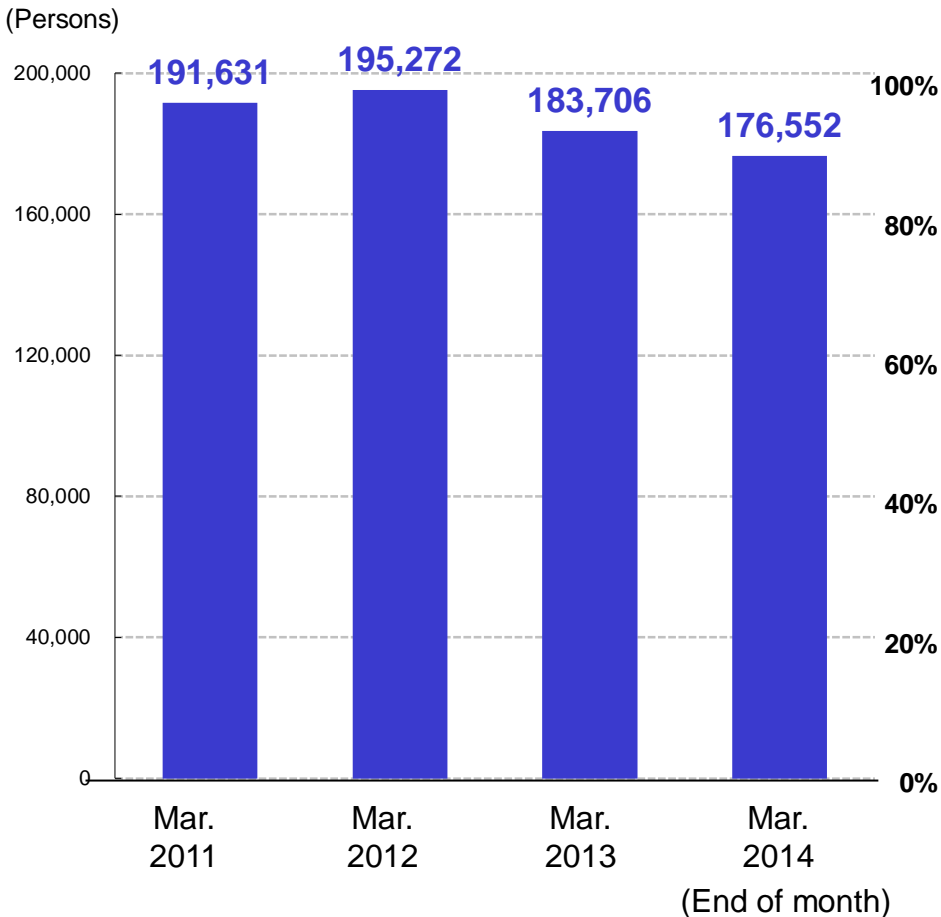
* The total number of contracts of SBI Insurance excludes continuing contracts, expiring contracts and early-withdrawal

SBI 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/>