



*Strategic
Business
Innovator*

**Current Management Information Briefing
- Celebrating the 15th Year Anniversary -
(Established on July 8, 1999)**

June 27, 2014

Yoshitaka Kitao

Representative Director, President & CEO

SBI Holdings, Inc.

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

- I. SBI Holdings' 15 Year History**
- II. SBI Group's Future Business Strategy and Policies**

I. SBI Holdings' 15 Year History

(Establishment: July 8, 1999)

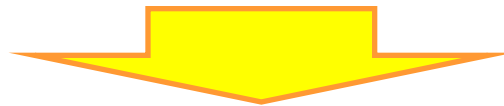
- 1. SBI Group's Stated Business Building Concepts and the Resulting Progress**
- 2. Becoming a "New Industry Creator"**
- 3. Japan's SBI to the World's SBI**
- 4. The Path to Enhancement of Corporate Value**

1. SBI Group's Stated Business Building Concepts and the Resulting Progress

- (1) Established a financial ecosystem and thoroughly pursued Group synergies**
- (2) Earned high customer satisfaction through the adherence to the “Customer-centric Principle”**
- (3) “Network Value” creation through derivative information, product and service offerings**

The SBI Group's Fundamental Business Building Concepts

- **Formation of “Business Ecosystem” and Establishment of “Structural Differentiation”**
- **Adherence to the “Customer-centric Principle”**
- **Creation of a “Network Value”**



Dramatic growth was achieved in various financial businesses

(1) Established a financial ecosystem and thoroughly pursued Group synergies

① Basic Concepts

Organizational View

Based on Complexity Knowing

Two complexity propositions

- The whole is greater than the sum of the parts.**
- The whole has new qualities that an individual part cannot perceive.**

The Business Ecosystem

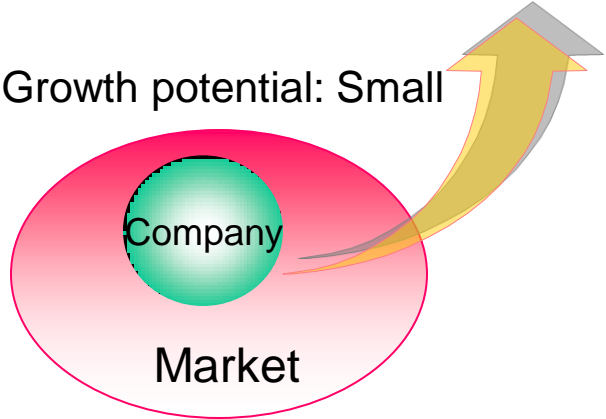
A business ecosystem is an economic community based on the interaction of organizations and individuals.

② Strategic Advantages (i)

Synergies and mutual evolution

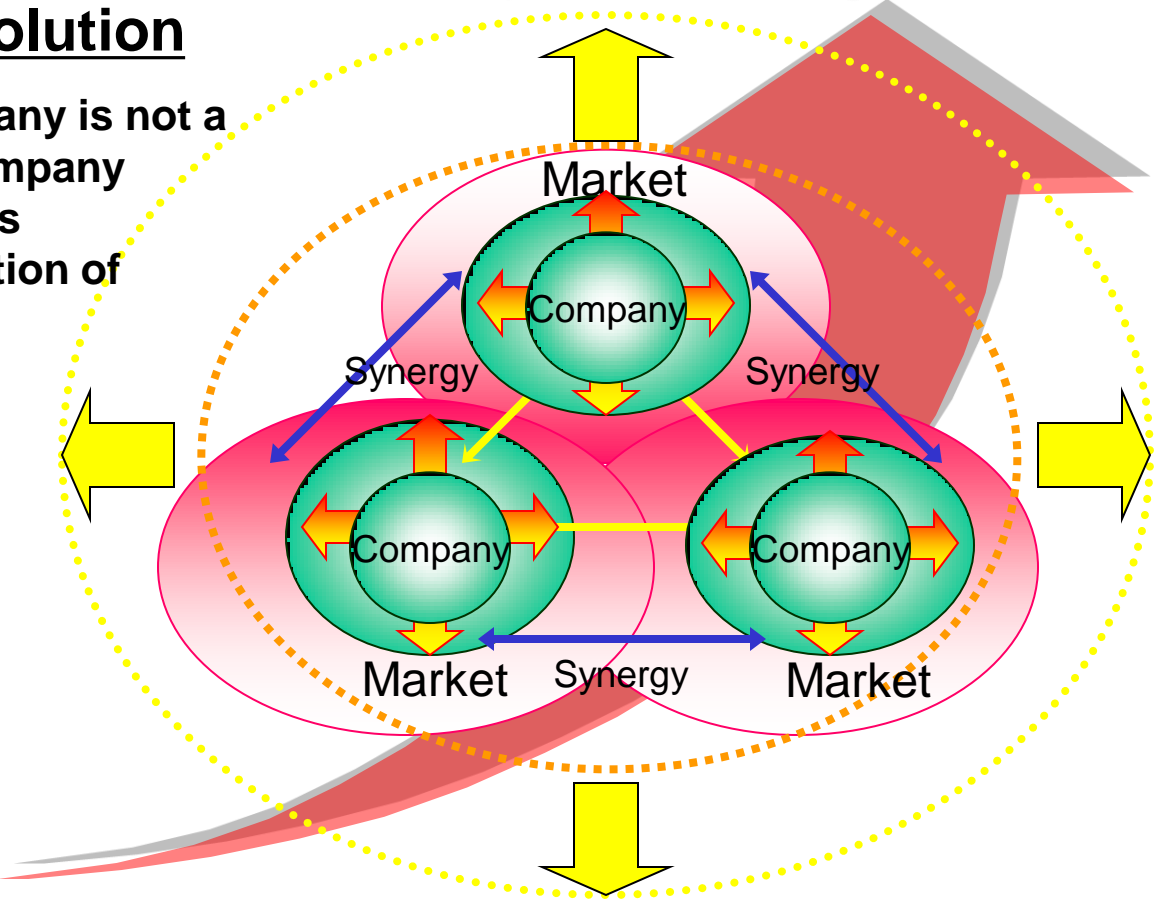
In a business ecosystem, a company is not a member of one industry, but a company belongs to diverse industries. This relationship allows for the realization of synergies and mutual evolution.

Growth potential: Significant



Growth potential: Small

A company as a single economic entity



A "business ecosystem" in which a variety of constituent companies work together to achieve mutual evolution

② Strategic Advantages (ii)

Consistent with the near-future vision of the financial business

The triple “One Service” will inevitably be expected

One Stop

A wide range of financial services provided by a single financial institution.

One List

Comparison of the various financial services desired by customers summarized in one list.

One-to-one

Concierge service that provides individual customer consultation.

Any type of financial product based on the risk and return profile should be provided at an one-stop service



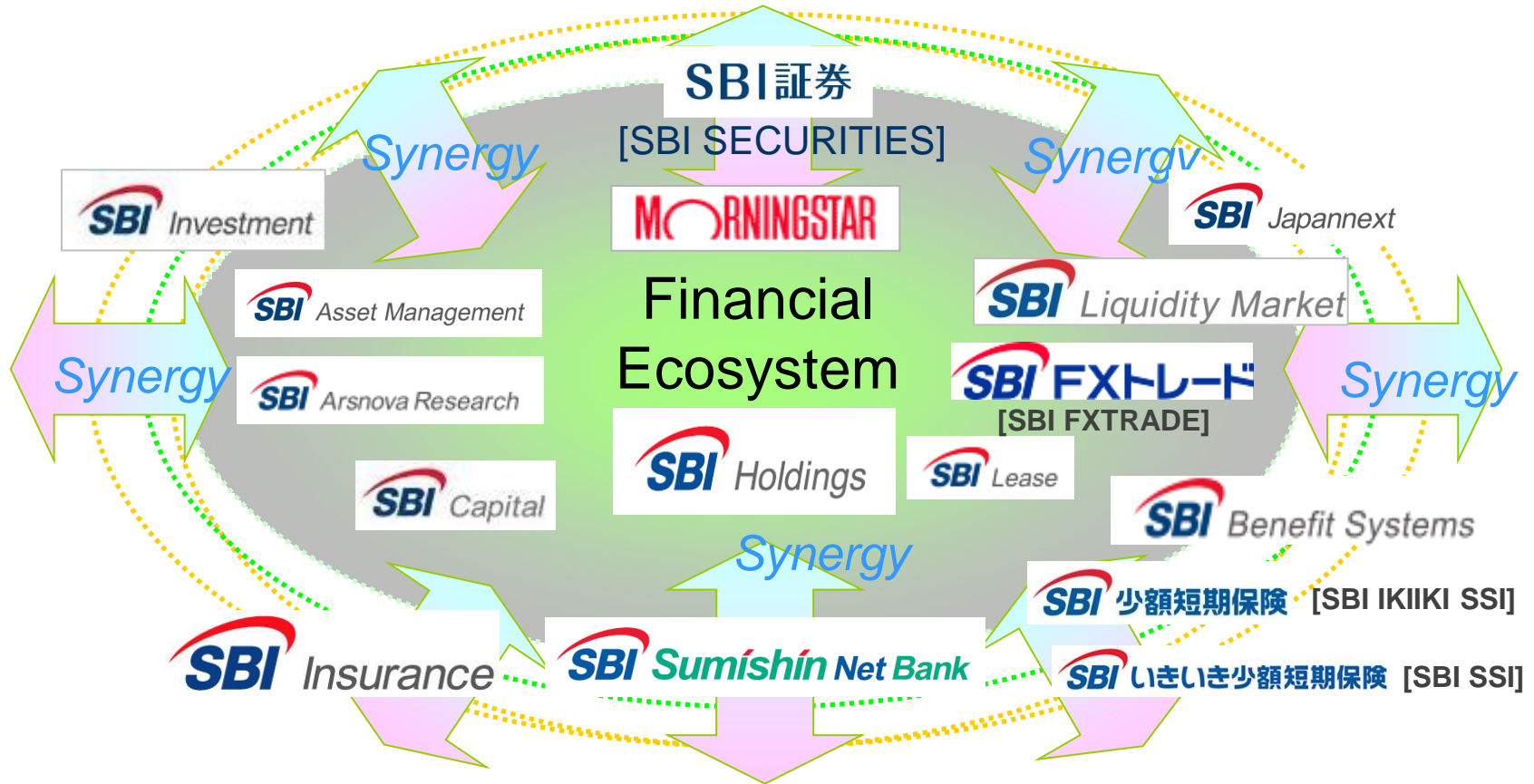
A single-role enterprise cannot achieve its growth potential. To achieve growth potential through synergy effects and co-evolution, an enterprise must build a new type of organizational ecosystem.



Since the founding, established various subsidiaries in the financial sector to form a financial conglomerate

SBI Group's Establishment of a Financial Ecosystem

The SBI Group established a financial ecosystem by launching a variety of businesses, starting with the securities business and the establishment of joint ventures with prominent partners in the financial sector



A globally unique Internet-based financial conglomerate that offers a one-stop service is established

SBI SECURITIES and SBI Sumishin Net Bank's Synergy as an Example

Asset Management

Deposit & Settlement

SBI証券

[SBI SECURITIES]

Synergy SBI Sumishin Net Bank

Examples of Affiliation Services:

Aggregation functions

Simultaneous display of accounts of SBI Sumishin Net Bank and SBI SECURITIES. Easy access to stock trading platform of SBI SECURITIES, with one click on the Bank's stock information page

Automatic transfer services for additional margin deposits

Automatic cash transfer from a yen savings account at SBI Sumishin Net Bank to an account at SBI SECURITIES when additional margin deposits are needed

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

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

One-time account opening




One-time account opening at both SBI Sumishin Net Bank and SBI SECURITIES

Solid customer base of SBI SECURITIES contributes to an increase in the number of accounts and deposit amount at SBI Sumishin Net Bank.

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

Synergies Generated Soon After Start of Operations

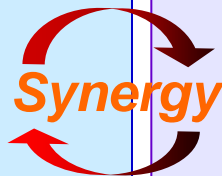
Increase in liquidity of SBI LM that covers the transactions provides for profitable contributions to customers of both SBI SECURITIES and SBI FXTRADE

Started operation on Nov. 17, 2008

Started operation on May 30, 2012

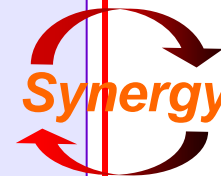
SBI証券

[SBI SECURITIES]
Customers with large size transactions



SBI Liquidity Market

Provides FX market infrastructure



SBI FXTレード

[SBI FXTRADE]
Customers with small size frequent transactions

[Initial earnings estimate for FY2008]

[Initial earnings estimate for FY2008]

Achieved early profitability owing to further increased liquidity from attaining new customers

Target for contributions to earnings from SBI LM: JPY 800m of operating income

Targeted earnings of SBI LM: JPY 400m of operating income



Contributions to operating income from SBI LM: JPY 1,830m

Operating income for FY2008: JPY 840m

Elimination of cumulative loss in a little more than a year after its establishment

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)

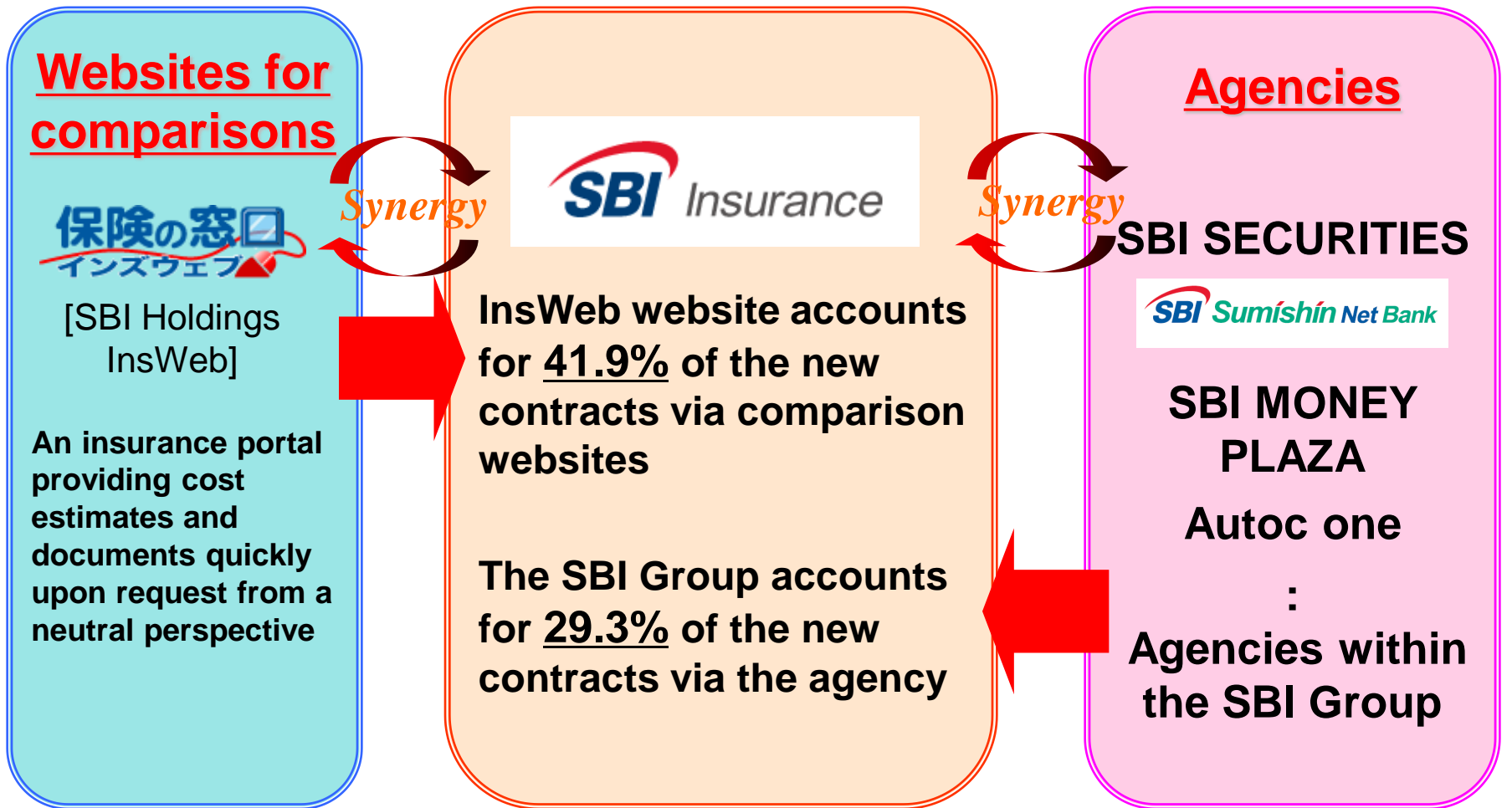
No.	Company name	Number of accounts	MoM change
1	SBI Group	479,172	8,830
2	DMM.com	384,653	4,622
3	Gaitame.com	379,444	780
4	GMO CLICK	337,611	3,667
5	YJFX	283,295	3,108
6	MONEY PARTNERS	237,340	1,533
7	Traders Securities	220,152	1,887
8	Hirose FX	163,497	1,393
9	FX PRIME by GMO Corporation	147,623	849
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



Group Synergy Provides a Favorable Impact on SBI Insurance

SBI Group companies, including SBI SECURITIES and the insurance comparison website “InsWeb,” through their respective customer bases, become a sales channel that exerts synergy effects that contribute to SBI Insurance’s business expansion.



Comparison of Auto Insurance Premium Income at Major Direct Insurance Companies

[Comparison of Auto Insurance Premium Income]

(JPY million)

	Date of operation started	FY2011
Sony Assurance	Sept. 1999	70,712
AXA GENERAL INSURANCE	July 1999	35,261
Mitsui Direct	June 2000	33,830
Zurich Insurance	July 1986*1	27,326
American Home Direct	Dec. 1960	16,594
SBI Insurance	Jan. 2008	14,288
Sonpo 24	Mar. 2001	11,810
SAISON AUTOMOBILE&FIRE	Apr. 1983	7,990
E.design Insurance	June 2009	5,213

	FY2012
Sony Assurance	74,406
AXA	38,136
Mitsui Direct	34,735
Zurich Insurance	31,259
SBI Insurance	19,501
American Home	15,078
Sonpo 24	12,890
SAISON	10,893
E.design	10,523

	FY2013
Sony Assurance	78,735
AXA	40,824
Mitsui Direct	34,998
Zurich Insurance	32,954
SBI Insurance	23,156 (3Q: 17,260)
American Home	N/A (3Q: 10,529)
E.design	14,269
Sonpo 24	13,646
SAISON	13,329

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

*1 establishment of Japan Branch *2 Figures for E.design are net premiums written.

(2) Earned high customer satisfaction through the adherence to the “Customer-centric Principle”

- (i) SBI SECURITIES**
- (ii) SBI Sumishin Net Bank**
- (iii) SBI Insurance**

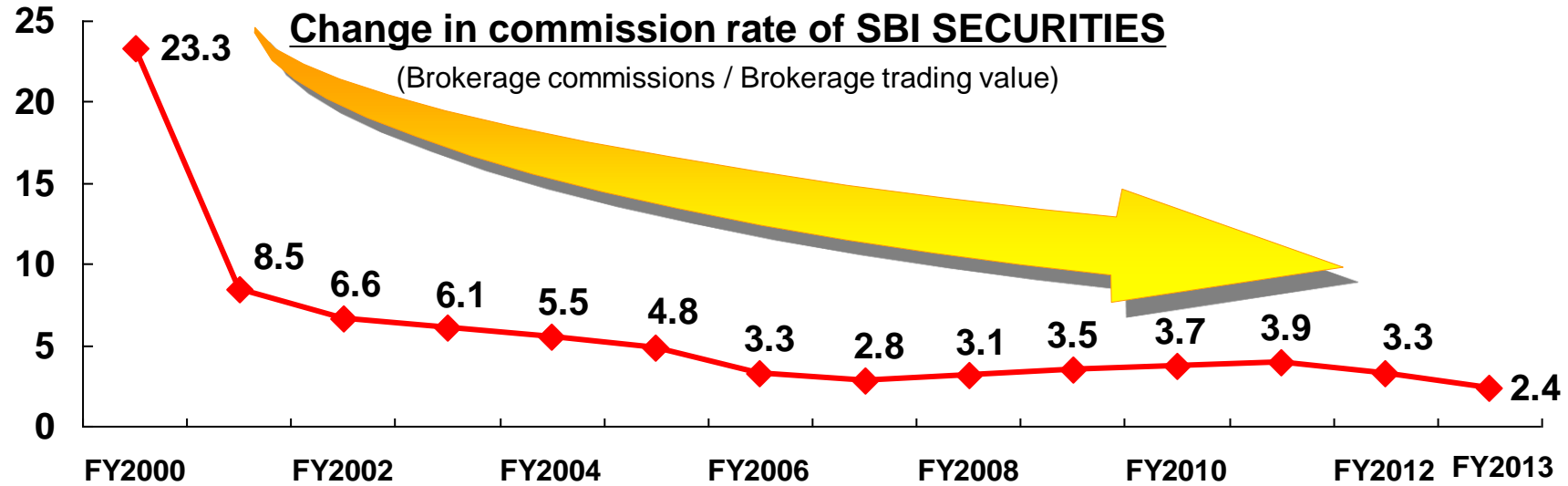


Adherence to the “Customer-centric Principle” – SBI SECURITIES

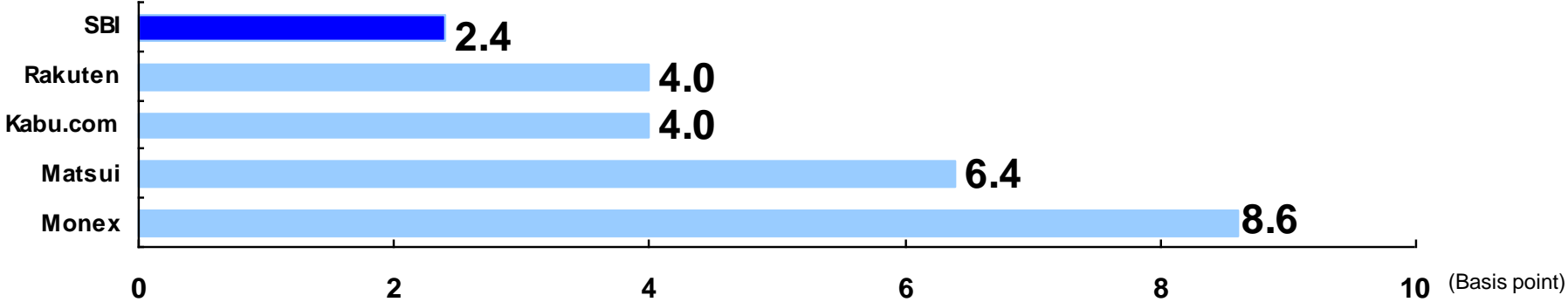
~Momentous Reduction of Brokerage Commissions~

SBI SECURITIES realized a momentous reduction of brokerage commissions by offering overwhelmingly low trading commissions

(Basis point)



Commission rate comparison of five major online securities companies of FY2013



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

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

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

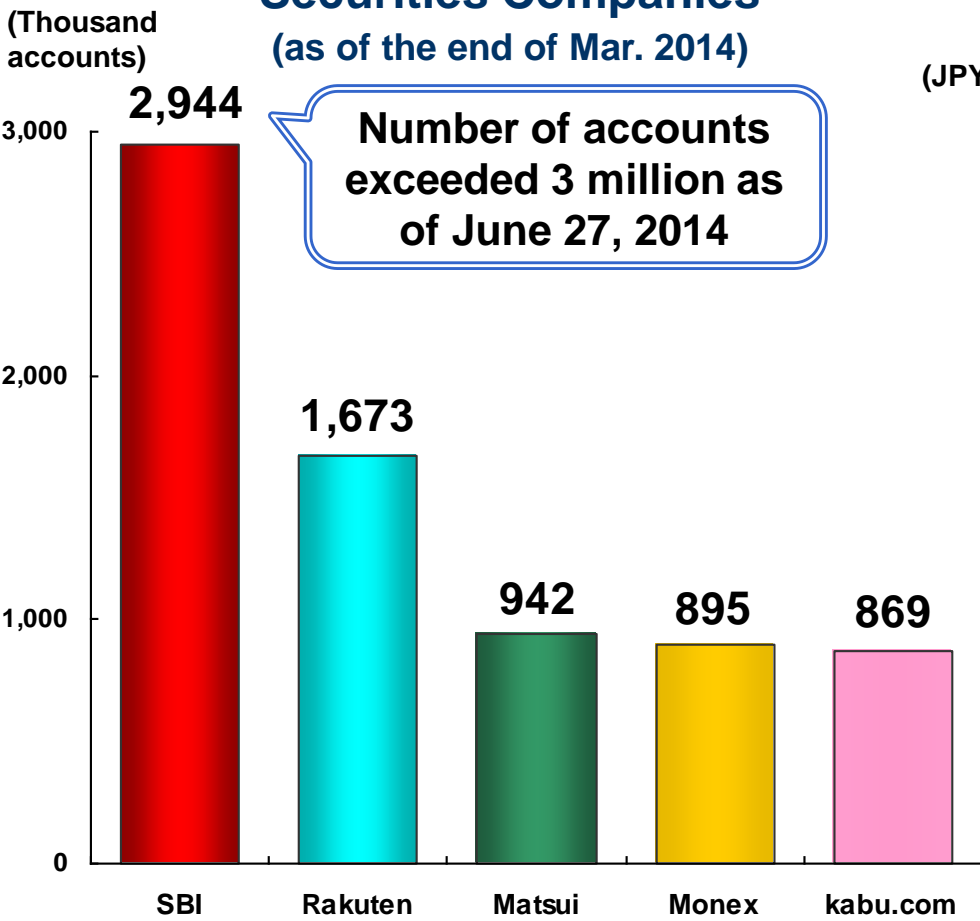


Customer Base of SBI SECURITIES

[Number of Accounts and Amount of Customer Asset]

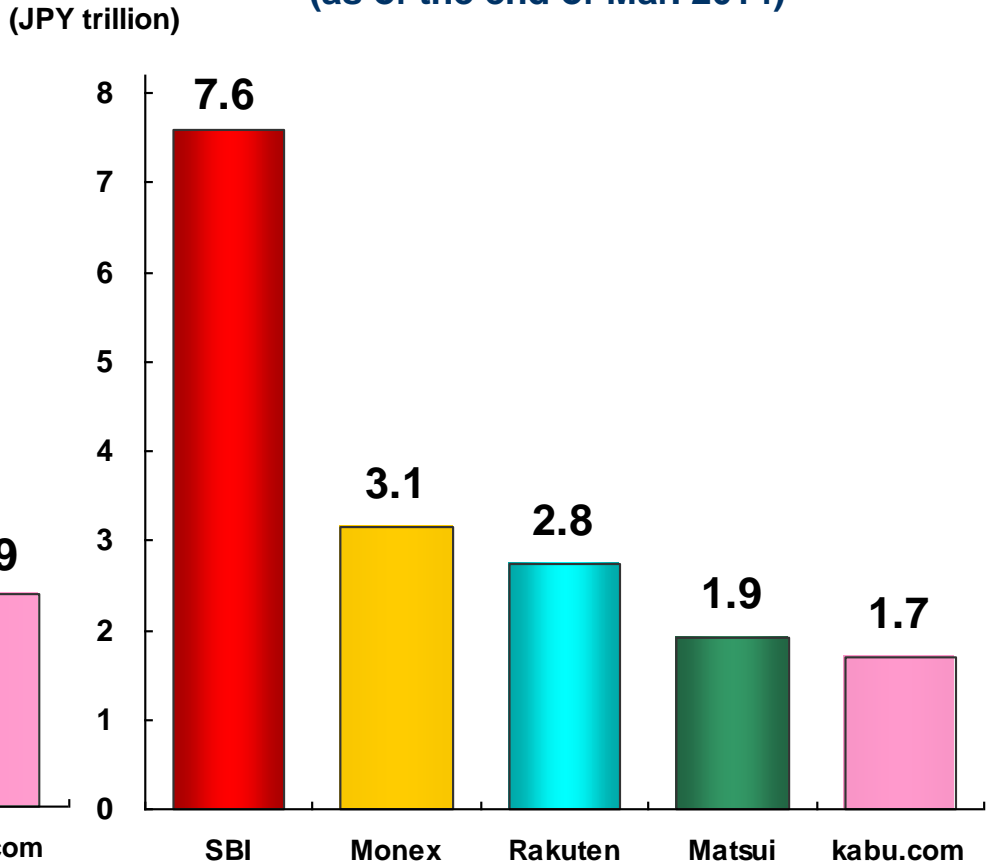
Customer Accounts of 5 Online Securities Companies

(as of the end of Mar. 2014)



Customers' Deposit Assets of 5 Online Securities Companies

(as of the end of Mar. 2014)

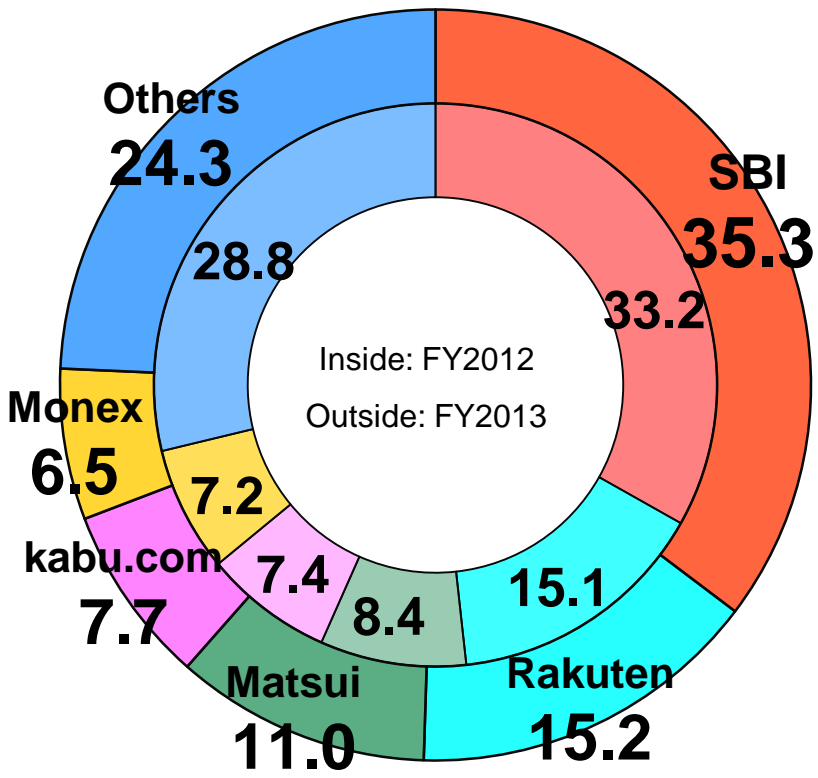


Source: Compiled by SBIH from the information on websites of each company.

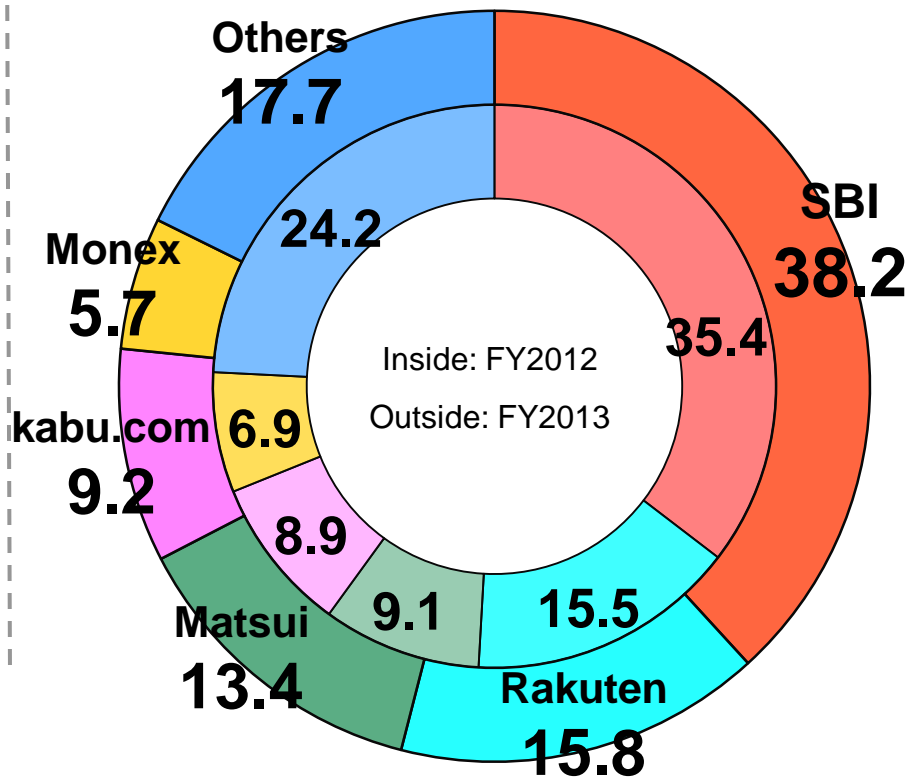


SBI SECURITIES' Share of Individual Stock Trading Value Significantly Increased

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!!**



Adherence to the “Customer-centric Principle” – SBI Sumishin Net Bank ~Offering Favorable Interest Rates~

Owing to lower personnel and operating costs as compared to major city banks that operate branches nationwide, favorable interest rates can be offered

Example: Comparison of term deposit interest

Average of 3 major city banks

	Less than JPY 3m			Over JPY 3m		
Term of deposit (year)	1	3	5	1	4	5
Interest (%)	0.025	0.030	0.037	0.025	0.030	0.047



↓ 10 times

	More than JPY 1m and less than JPY 3m			Over JPY 3m		
Term of deposit (year)	1	3	5	1	4	5
Interest (%)	0.250	0.140	0.200	0.250	0.140	0.200

(*) Yearly rate, before taxes. As of June 26, 2014. Based on SBIH’s research

SBI Sumishin Net Bank Continuously Achieving a High Customer Satisfaction Assessment



1st

JCSI Customer Satisfaction Survey (Japanese Customer Satisfaction Index) Banking industry



1st

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



1st

JMA Research “Assessment of Mortgage Products” by mortgage personnel



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)

(iii) SBI Insurance:

Example of “Customer-centric Principle”: SBI Insurance

In auto insurance premium rankings published in Apr. 2014, with outstanding price competitiveness, 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, Sompoto 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
(2014) 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



Significantly Increased SBI Group's Customer Base

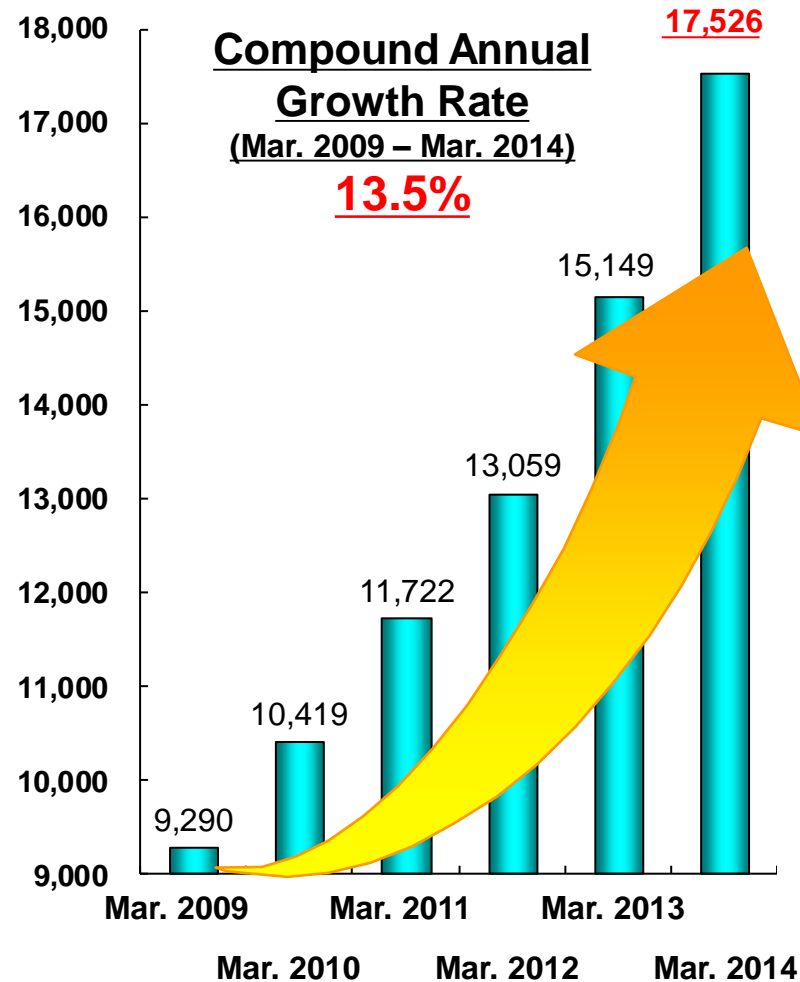


Breakdown of the Customer Base

(As of the end of Mar. 2014)

(Thousand)

(Thousand)



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

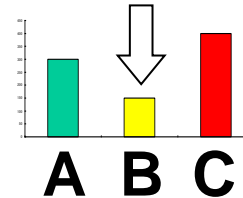
* Repetition customers between Group companies are counted double while it is omitting repetition in each service site when it can be recognized as a unique user.

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

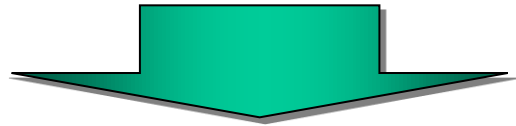
(3) “Network Value” creation through derivative information, product and service offerings

From Pursuit of Value to Pursuit of Network Value

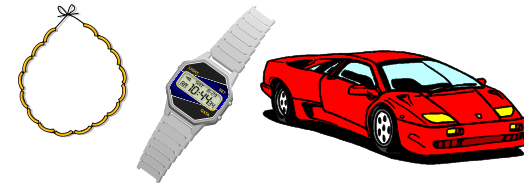
Pursuit of Price



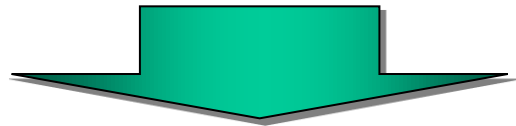
Cheap product
Cheap service



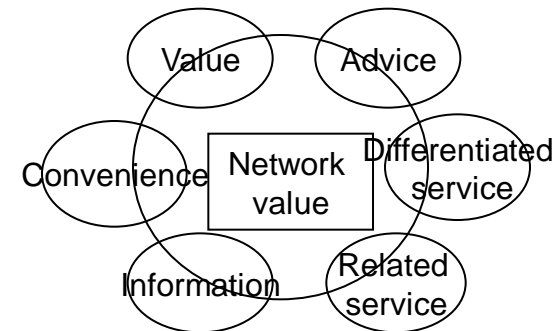
Pursuit of Value



Simple principle value of a product or a service



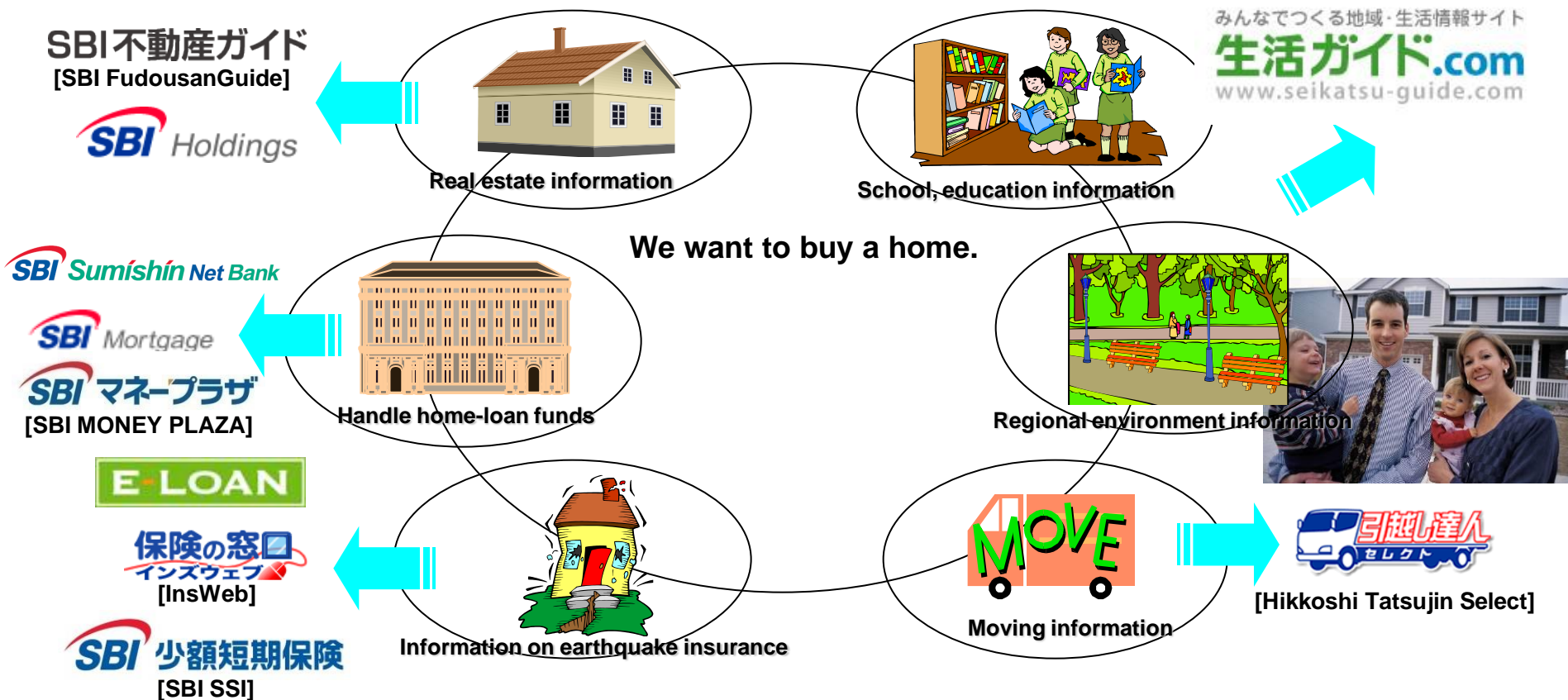
Pursuit of Network Value



Create added value for customers by offering combined information and asset services

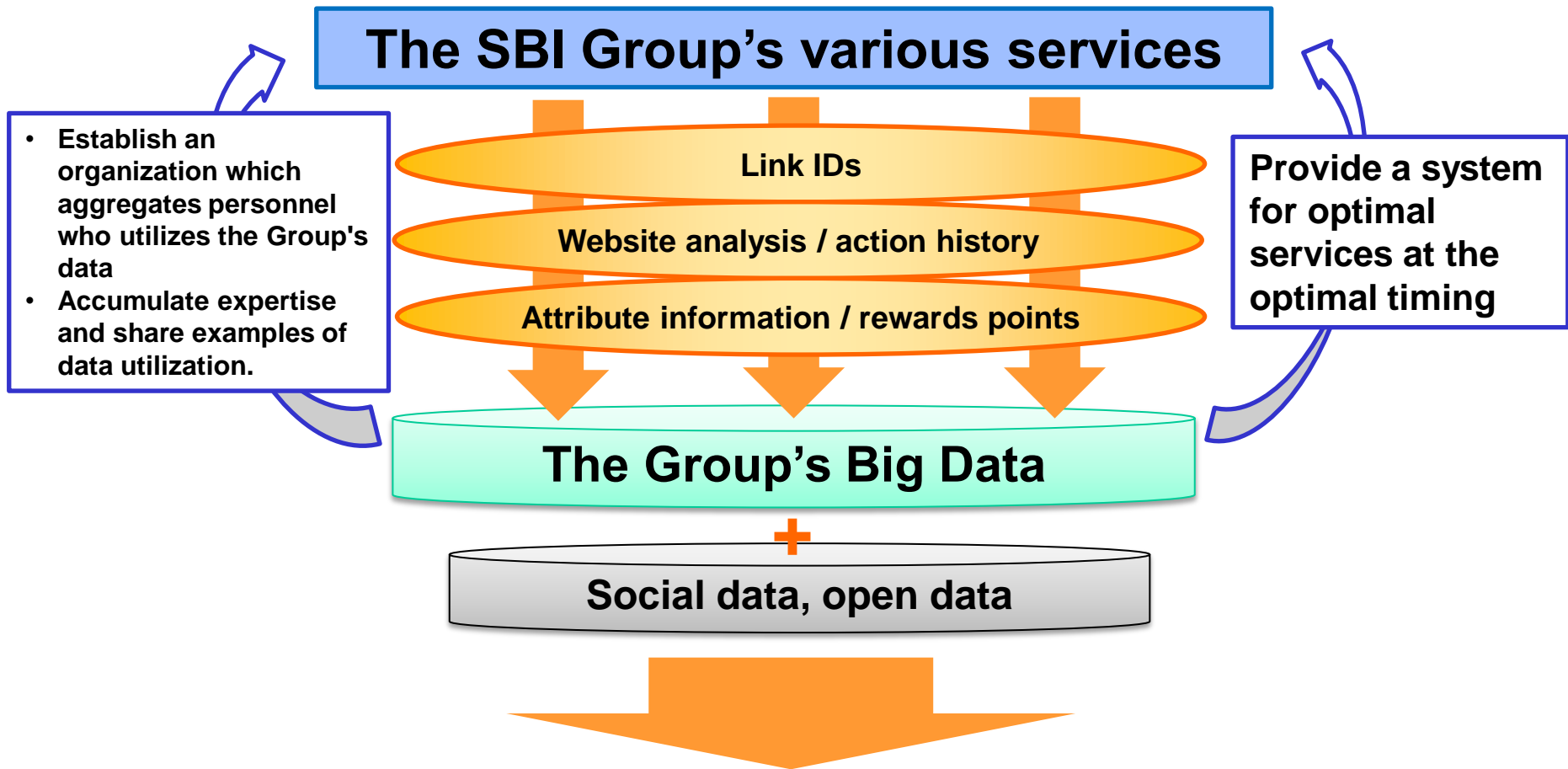
Network Value Creation

Example: “We want to buy a home”



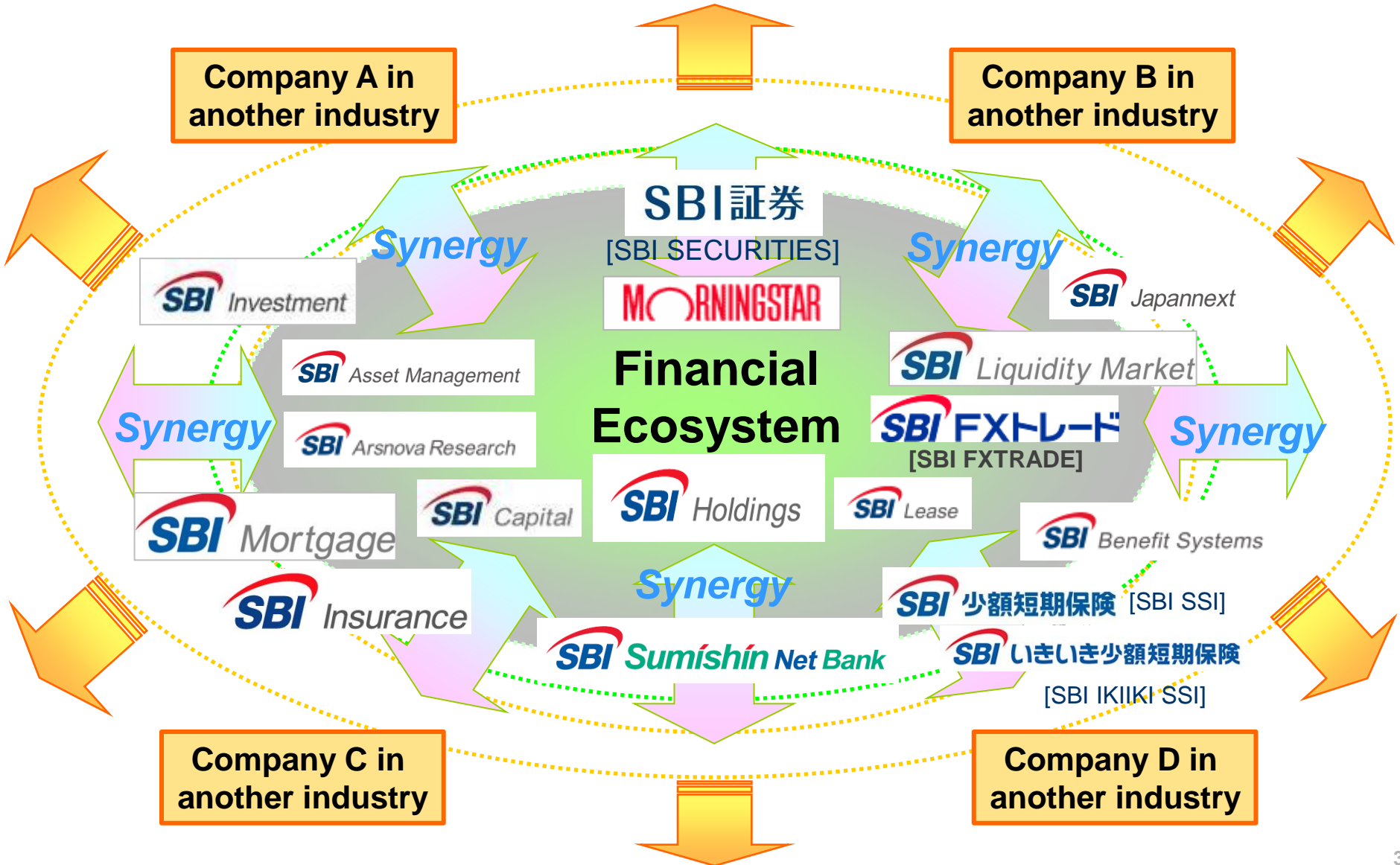
For people with the will and desire to purchase a home, we have established a network that provides all of the relevant related information, which may lead to a potential home purchase.

Endeavoring an Increase in “Network Value” by Utilizing the Big Data Analysis Method



**Make “Big Data” into “Bigger Data” through partnerships
with companies in other industries**

Effectuate a Business Ecosystem that Transcends the Existing Financial Ecosystem, through Intentional Inter-industrial Collaborations, to Realize “Network Value” Creation



2. Becoming a “New Industry Creator”

— Focused Investments into the New Growth Industries of the 21st Century by Developing Numerous IT and Bio-venture Companies

“New Industry Creator” Initiatives

~Focused Investments into Growth Industries of the 21st Century~

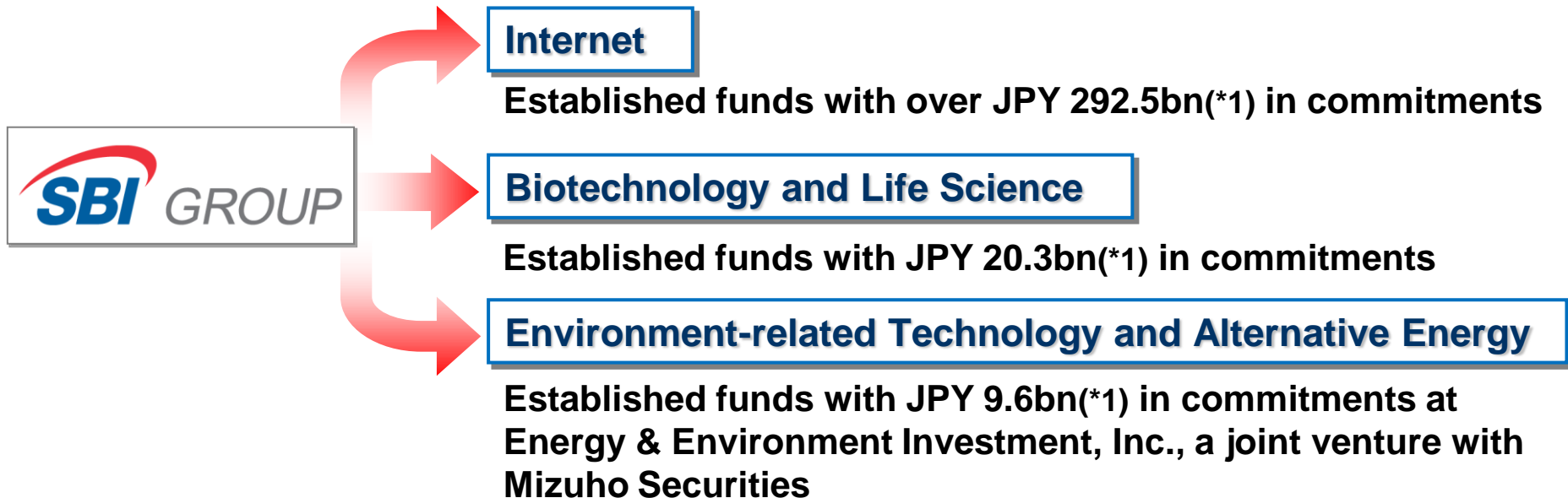
Cumulative Investments

No. of Companies Invested in	Japan	Overseas
<u>978</u>	680	298

EXITs (IPO, M&A)

No. of Companies EXITed:	Japan		Overseas	
	IPO	M&A	IPO	M&A
<u>170</u>	78	19	52	21

(As of the end of Mar. 2014)



*1: Based on aggregate commitment amount of domestic funds managed by the SBI Group since its establishment in 1999

- EXIT ratio is **17.4%**
- Average IRR of funds matured since 2000 is **17.7%** (*2)

*2: Simple average for each fund. One Fund with negative IRR is excluded from the calculation.

Subsidiaries Established in Information Technology Industry Since the Group's Establishment



[Online Securities Company]
Listed on JASDAQ in Nov. 2004

(Currently SBI SECURITIES)



[Market Infrastructure of Foreign Exchange]



[Internet Bank]



[Internet Insurance]



[Retail Foreign Exchange Trading]



[Online Securities Company (Korea)]



TSE 1st Section (8473)
Listed on former NJ in Dec. 2000
Listed on TSE 1st Section in Feb. 2002



[Financial Information]
JASDAQ (4765)
Listed on former
Osaka Hercules Stock Exchange
in June 2000



[PTS (Proprietary Trading System)]



[Interpersonal Loan]



Listed on former
Osaka Hercules Stock Exchange
on Aug. 16, 2006



[Administration of Defined Contribution Plan]



[International Remittance]



[Long-term, fixed-rate housing loans]
Listed on KOSPI Market of
the Korea Exchange
in Apr. 2012



[Supporting Back Office]

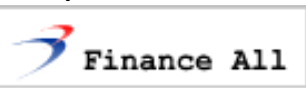


Listed on former
Osaka Hercules Stock Exchange
in Oct. 2004

Sold to the Digital Garage Group in Mar. 2012



[Credit Card]



Listed on former
Osaka Hercules Stock Exchange in Sept. 2003



Listed on former
Osaka Hercules Stock Exchange
on May 31, 2006

...etc.

Focused Investments into Biotechnology as a New Growth Field



Since its establishment, through the operation of VC funds, SBI has endeavored to invest in and incubate numerous venture companies focused on the IT and Biotechnology sectors

[Recent major bio-venture investee companies]

① euglena Co., Ltd. (Listed on TSE Mothers on Dec. 20, 2012)

(Shares held by funds, including non-consolidated funds, managed by the SBI Group (at its listing): 16.3%, the second largest shareholder) *

A bio-venture company that researches, develops, produces and markets microalgae, with a strong focus on euglena.

Invested: JPY 0.27bn → Sales proceeds: JPY 1.8bn

② ReproCELL Inc. (Listed on JASDAQ on June 26, 2013)

(Shares held by funds, including non-consolidated funds, managed by the SBI Group (at its listing): 18.1%, the largest shareholder) *

Japan's first venture company involved with iPS cells

Invested: JPY 0.23bn
→ Sales proceeds + market value of remaining shares: JPY 10.4bn (as of June 26, 2014)

③ Acucela Inc. (U.S.) (Listed on TSE Mothers on Feb. 13, 2014)

(Shares held by funds, including non-consolidated funds, managed by the SBI Group (at its listing): 21.8%, the second largest shareholder)

A clinical-stage biotechnology company that specializes in discovering and developing novel therapeutics to treat and slow the progression of sight-threatening ophthalmic diseases impacting millions of individuals worldwide

Invested: JPY 3.0bn → Current market value of shares held: JPY 8.5bn (as of June 26, 2014)

SBI Itself Enters into the Biotechnology Business, a Designated Next Generation Growth Sector

Biotechnology venture firms were established in and after 2007, and subsequently directly 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

In preparation for an IPO in 2014
(Lead manager: Mizuho Securities)

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.

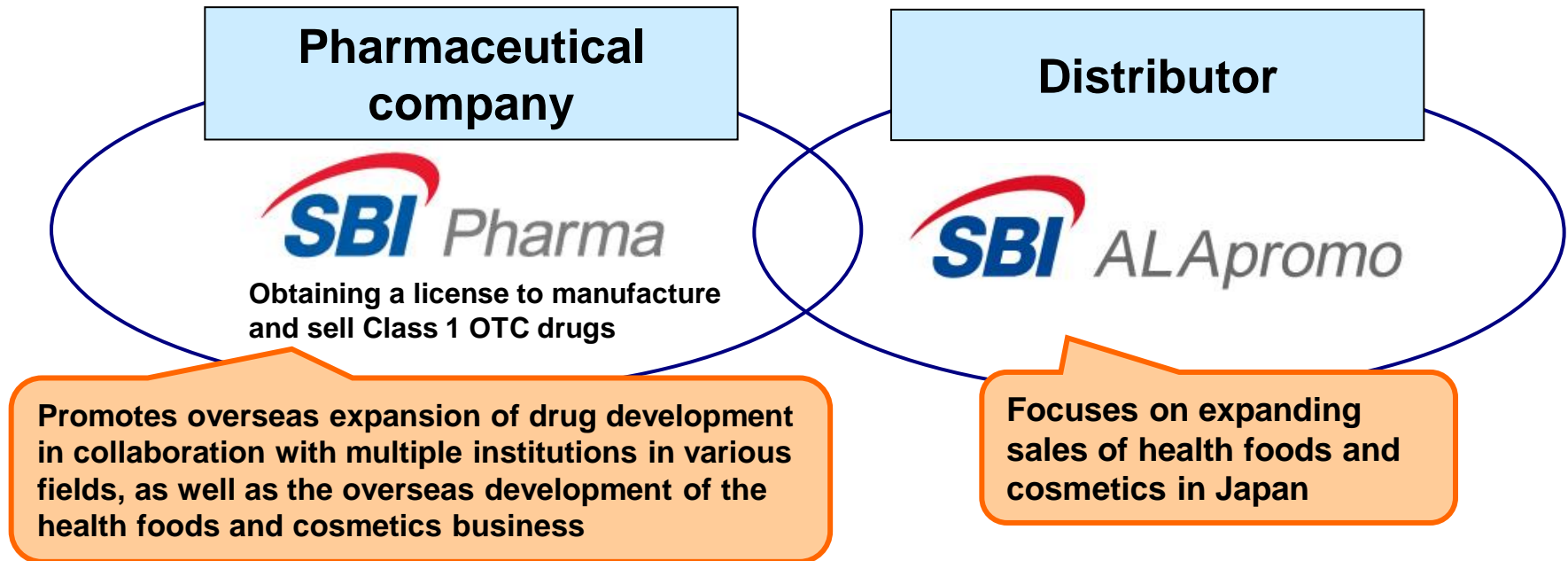
Development of 5-ALA Related Businesses

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

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

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

<Organizational system for the 5-ALA related business>



In the medical area utilizing 5-ALA, launched an intraoperative diagnostic agent for malignant glioma in Sept. 2013

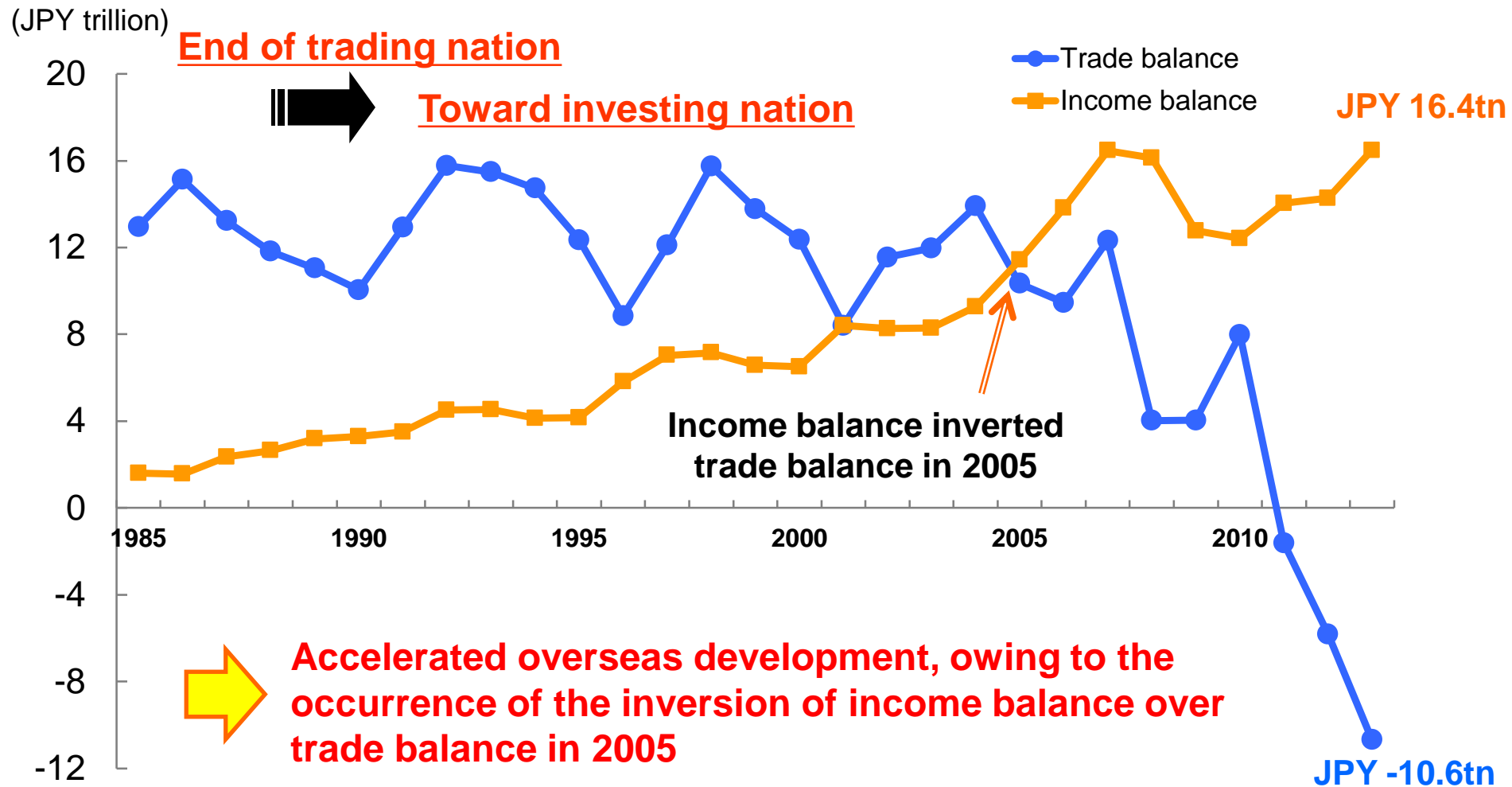
3. Japan's SBI to the World's SBI

— Accelerated the development of overseas businesses primarily in rapidly growing Asia

Japan's Trend Toward Monetization from Income Balance Rather Than from Trade Balance

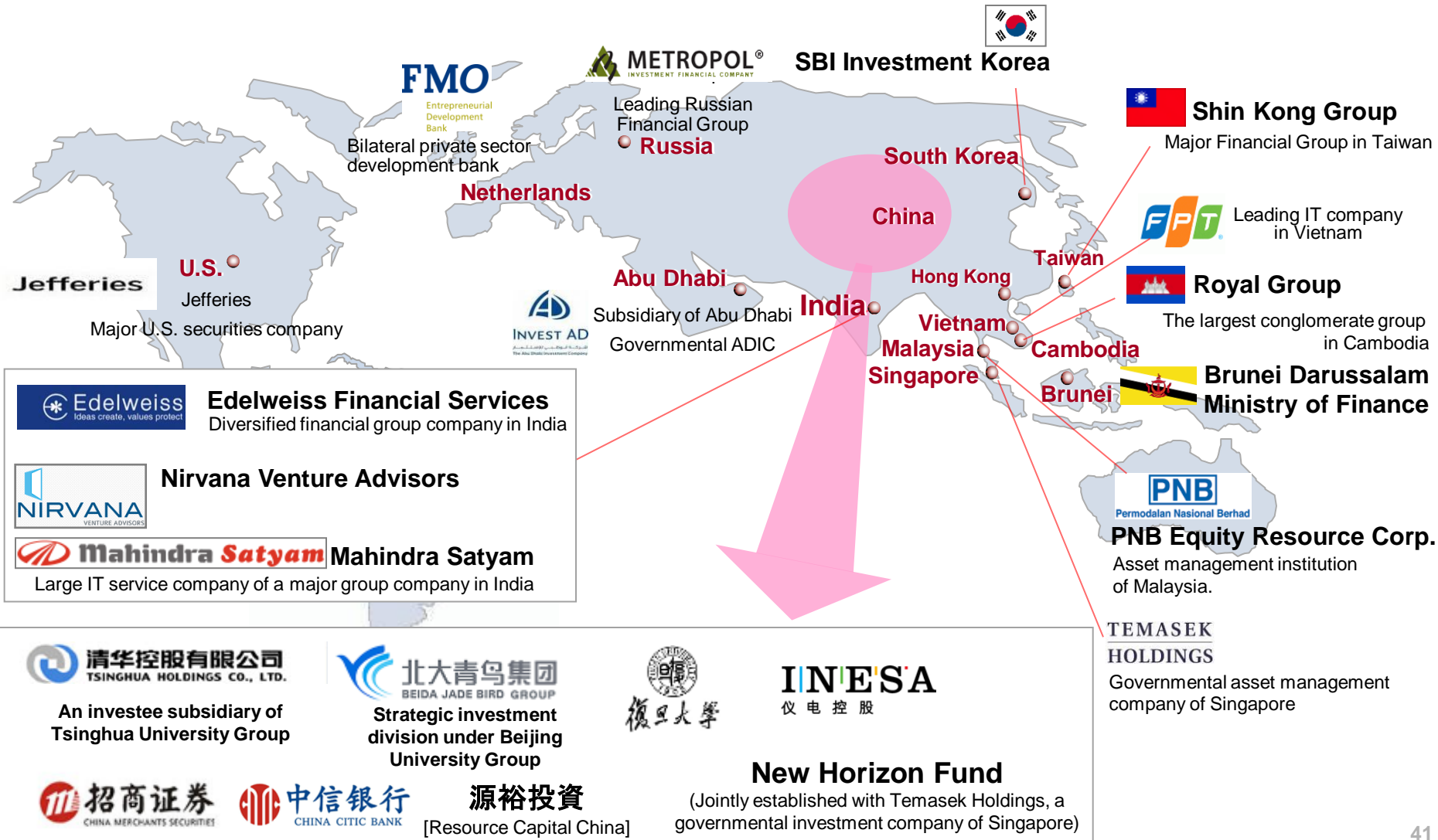
Change in trade balance and income balance of Japan

(1985 - 2013)

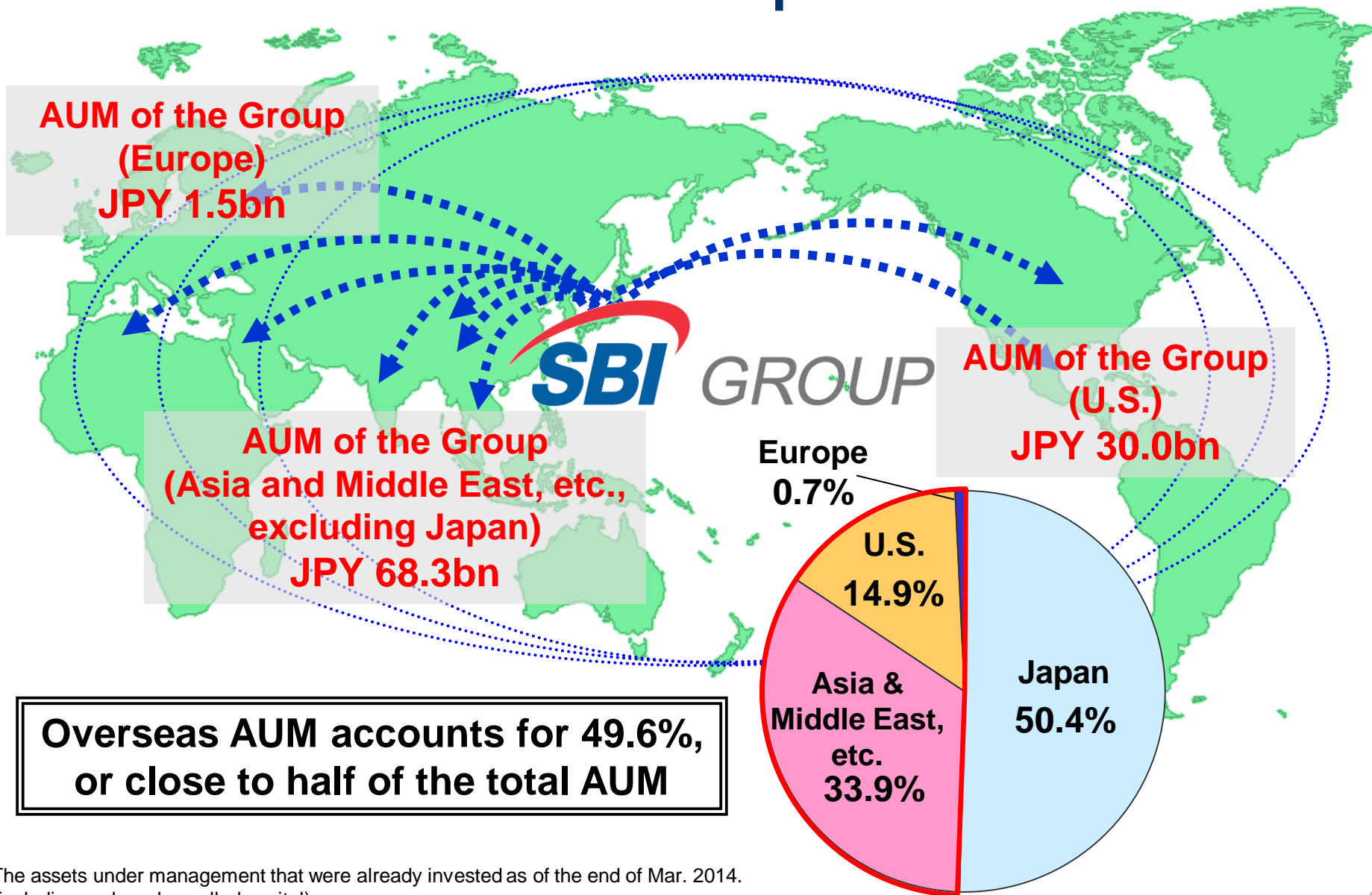


Establishment of Global Investment Structure Centering on Asia

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



Globally Diversified AUM in Asia, the U.S. and Europe

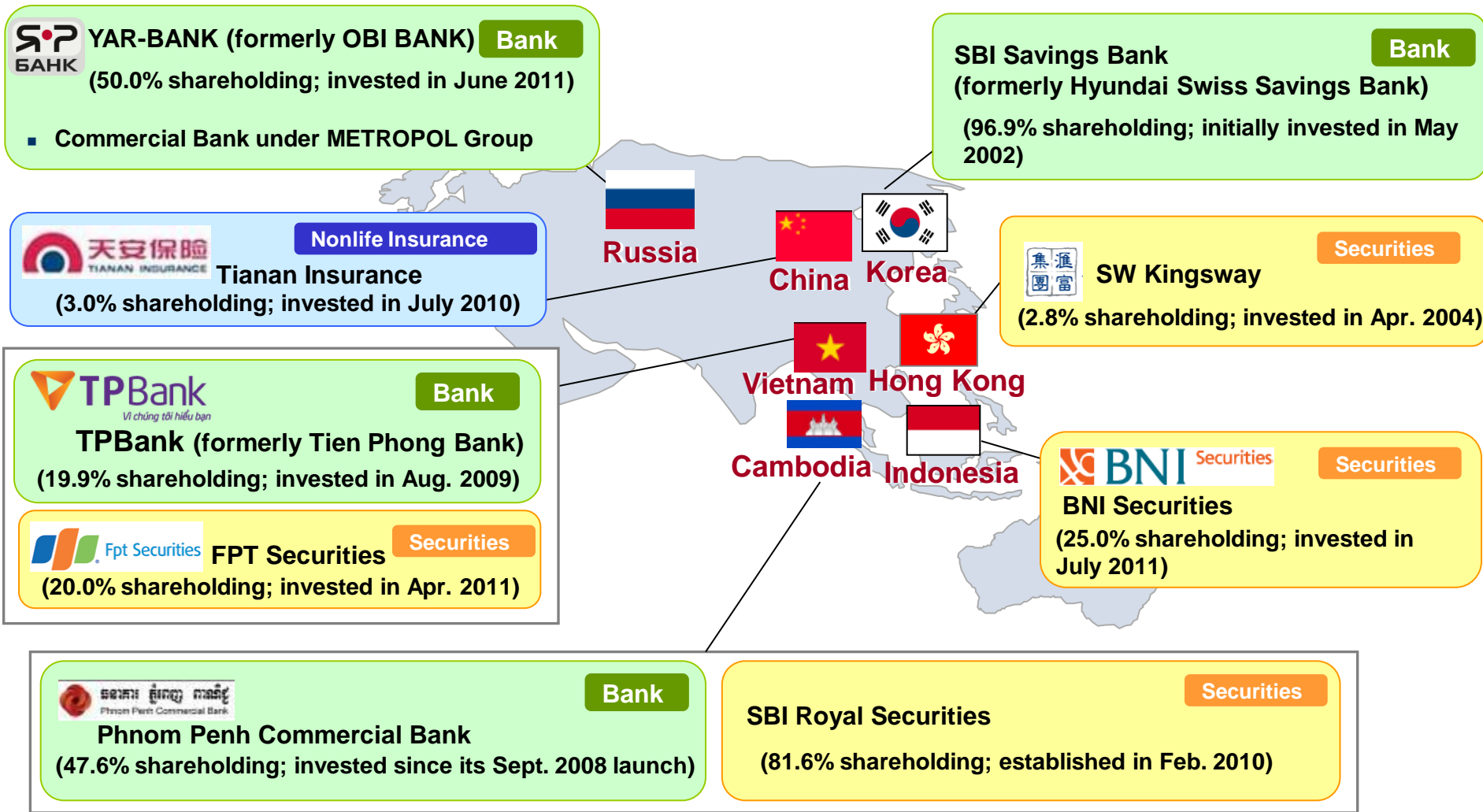


*The assets under management that were already invested as of the end of Mar. 2014. (Excluding cash and uncalled capital)

Financial Services Business Proliferating 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)

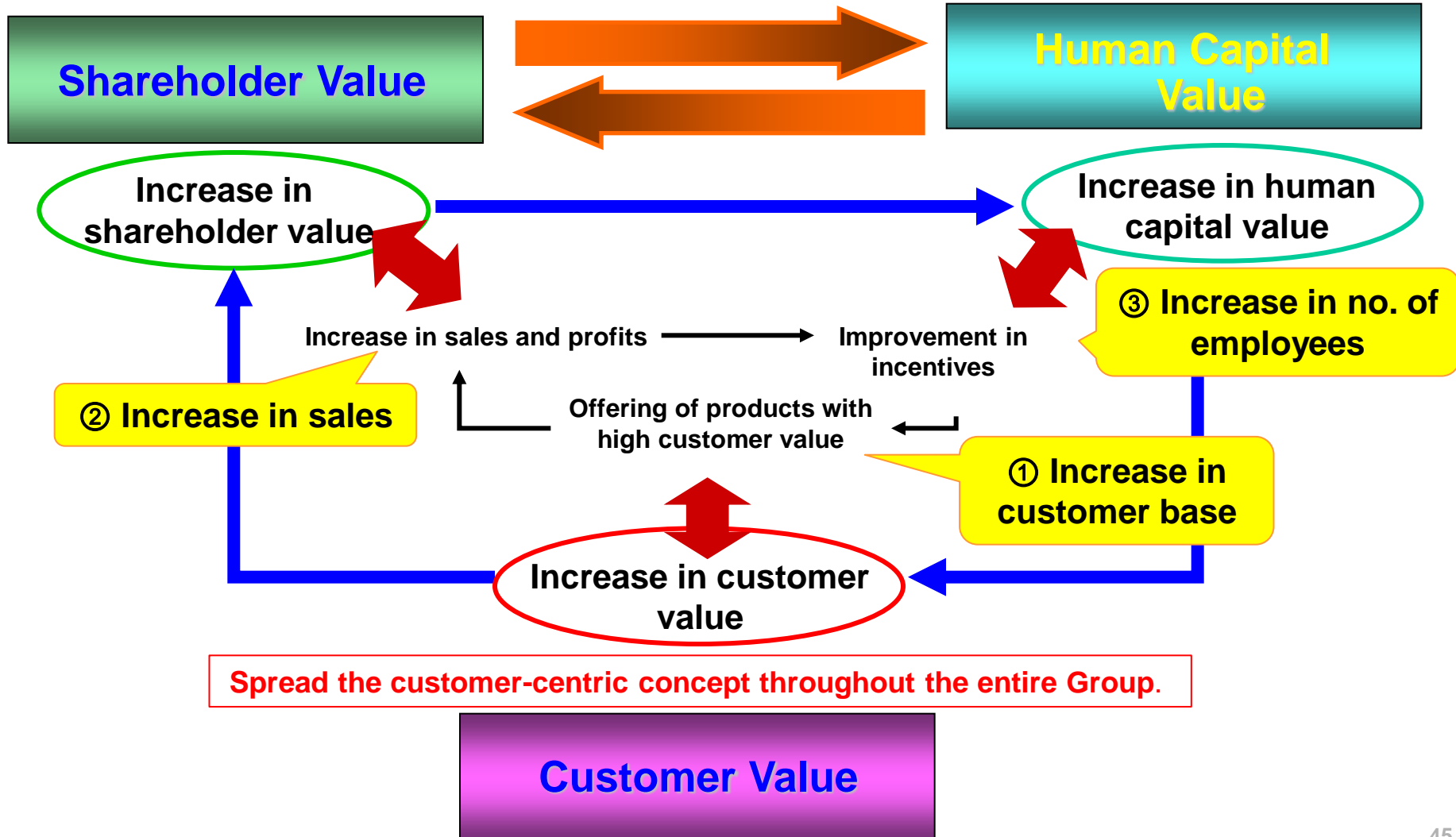


* SBI's shareholding percentage corresponds to a total percentage based on the IFRS criteria for subsidiary companies and subsidiary funds of the Group.

4. The Path to Enhancement of Corporate Value

Mechanism to Enhance Corporate Value

The mechanism to enhance corporate value is based on customer value creation. Shareholder value and human resources value are mutually connected to customer value.



SBI Holdings' Transition

July 2005: Changed to a holding company structure and changed name to SBI Holdings, Inc.

	Establishment 1999	End of Mar. 2005	End of Mar. 2014
① Increase in customer base			
Customer base	0	Approx. 1.7 million	17.526 million
② Increase in sales			
Operating revenues (cons.)	0	JPY 81.5bn (FY2004)	JPY 232.8bn (FY2013)
③ Increase in no. of employees			
Officers and employees (cons.)	55	1,374	5,352
Consolidated subsidiaries	0	36 Companies	213 Companies <small>(Consolidated subsidiaries: 139 companies, consolidated partnerships: 36 companies, equity method associates: 38 companies)</small>
Publicly owned companies	0	6 Companies <small>(Including Softbank Investment, currently SBI Holdings)</small>	7 Companies <small>(Including SBI Holdings) Peak time: 11 companies (FY2007)</small>
Capital	JPY 50m	JPY 34.7bn	JPY 81.7bn
Net assets	JPY 50m	JPY 129.4bn	JPY 388.5bn

Owing to a Strong Awareness of the “Social Nature” of Companies, the SBI Group is Focused on CSR Activities

SBI Children’s Hope Foundation conducts various activities to improve the welfare of children in difficult circumstances.

SBI Group companies also contribute applicable part of their profits as their direct social contribution.

Total amount of donation of SBI Children’s Hope Foundation (FY2005 - FY2013)

Donations to childcare facilities, nurseries	<u>JPY 780m</u>
The total number of donated facilities	<u>496</u>
Donations to support self-reliance of children at welfare facilities	<u>JPY 145m</u>



Other activities of the foundation :

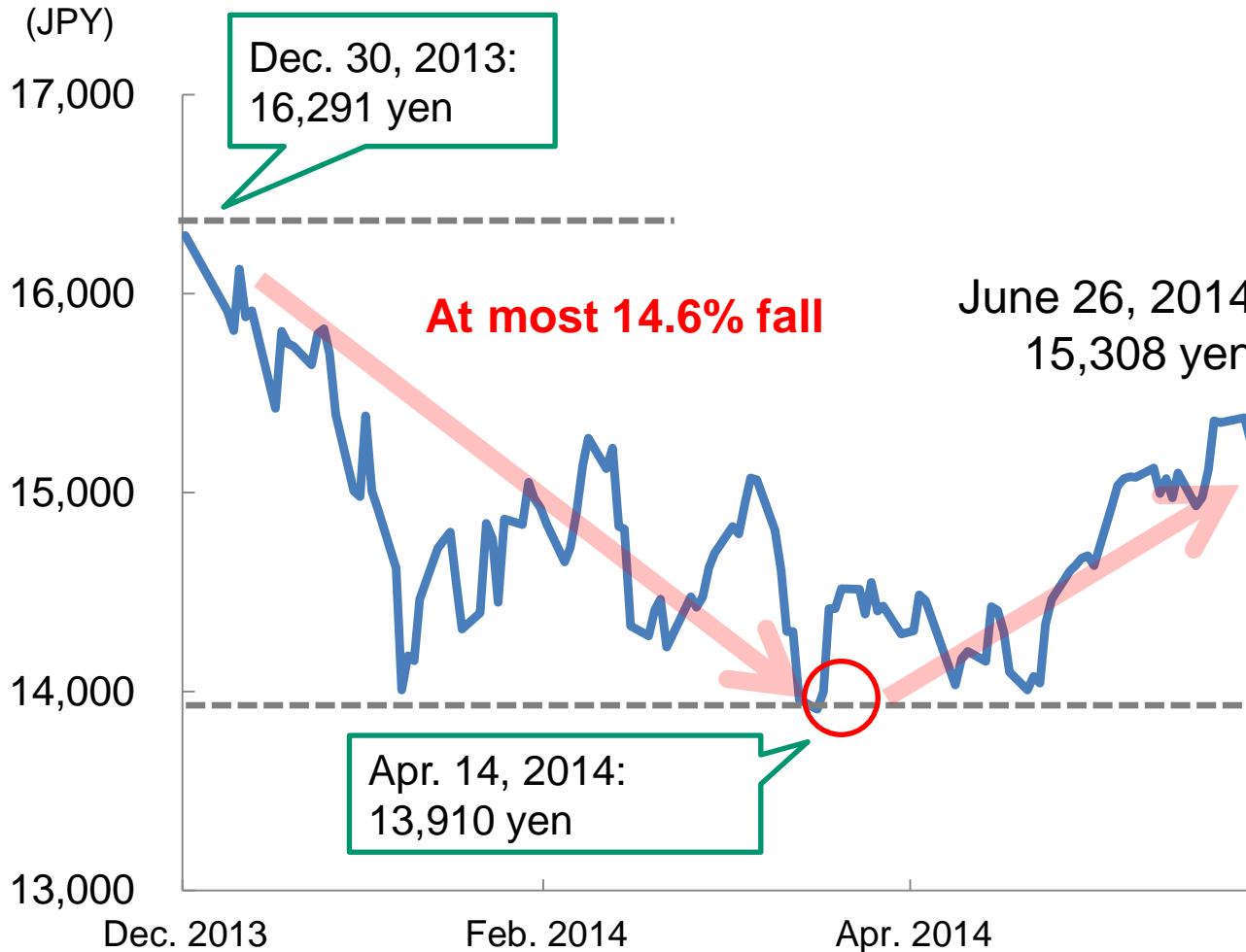
- To provide training programs for care workers at childcare facilities
- To support activities for self-reliance of children after graduation from facilities
- To support “the Orange Ribbon Campaign,” which raises public awareness for child abuse prevention.
- To co-host “the Forum for the Support of Childcare” in various places in Japan with the Japan Medical Association

II. SBI Group's Future Business Strategy and Policies

- 1. FY2014 Business Environment Surrounding the SBI Group**
- 2. Domestic Businesses' FY2014 Priority Measures**
- 3. Future Strategy for the Overseas Investment Business and the Overseas Financial Services Business**
- 4. Seeking Dramatic Growth in the Biotechnology-related Business**
- 5. Endeavor to Actualize SBI's Business Value**

1. FY2014 Business Environment Surrounding the SBI Group

Nikkei 225 Recovery



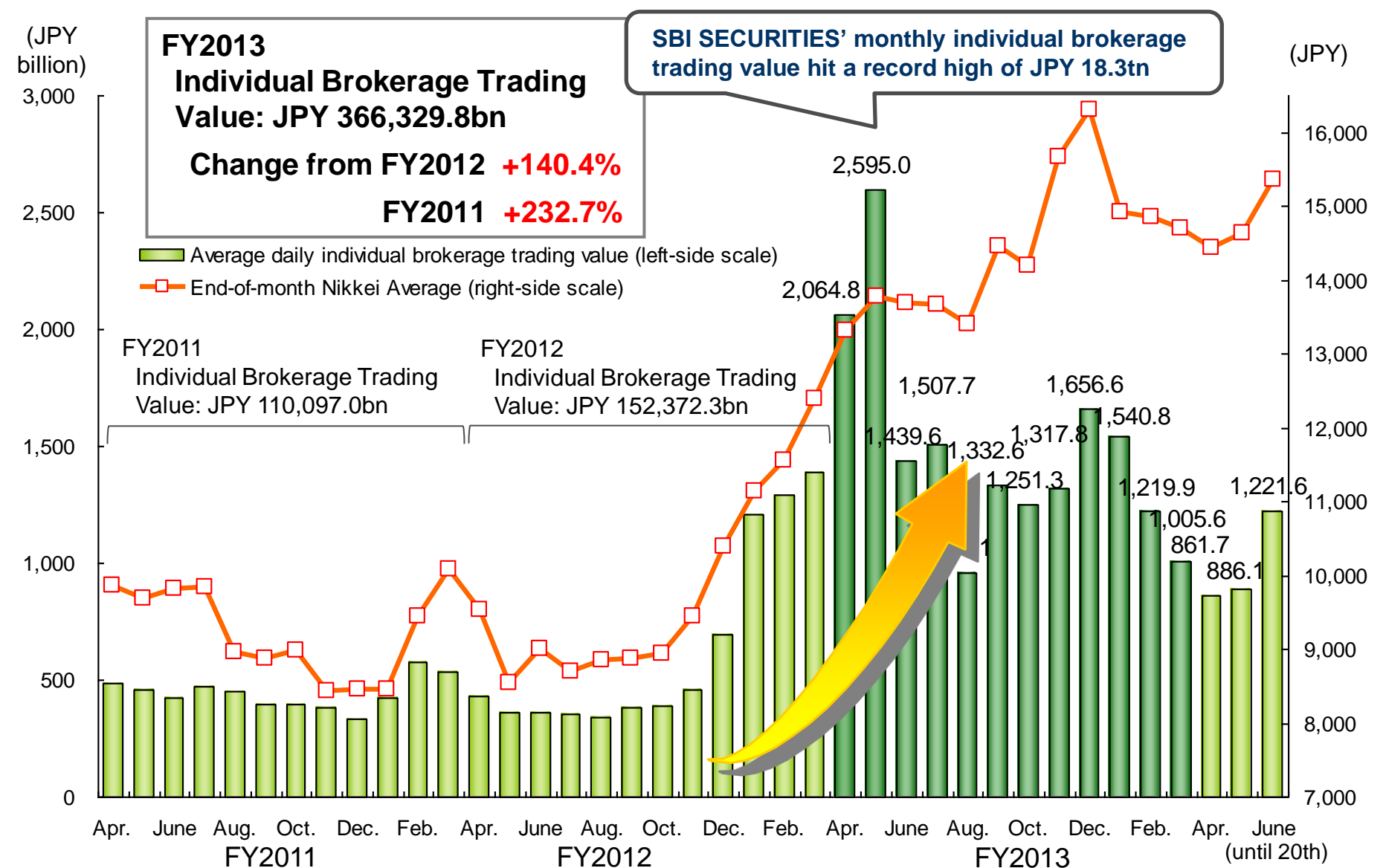
% changes in stock indices since the end of last year (As of June 26, 2014)

Dow Jones	1.6%
DAX	2.6%
SSE Composite	-3.7%

The Japanese stock market experienced a temporary setback, owing to concerns such as the global economy, consumption tax hike impact and doubts regarding Abenomics' third arrow, but has regained its momentum since late May.

Surge in Average Daily Individual Trading Value from June 2014

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)

Measures that are Expected to Support the Stock Market (1)

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

Professor Takatoshi Ito (63) of the National Graduate Institute for Policy Studies, who chaired the blue ribbon panel, **said that it is advisable to “Increase the basic proportion of domestic stocks from 12% to 20%.” Since the rule allows up or down fluctuation of 10%, the maximum proportion would be 30%** (Nov. 2013). (Abbrev) Then, in early June (GPIF investment committee chairman Yasuhiro Yonezawa) **expressed the intention to consider a 20% proportion of stocks.**


The Nikkei newspaper morning edition on June 17, 2014

Newspaper article

Linked Stock Buying

Mutual aid pension programs will set up a model portfolio jointly with the GPIF and use the model as a basis for asset management. **The asset structure of previously independent pension programs will come to resemble that of the GPIF.**

For instance, the proportion of domestic stocks held by the National Public Service Personnel Mutual Aid Association scheme was less than 7% as of Mar. 31, 2013. This is lower than the 17% proportion held by the GPIF as of Dec. 31, 2013, which will necessitate an increase in purchases. **Mutual aid pension programs have assets of about JPY 50tn, and Employees' Pension Fund plans have assets of about JPY 18tn. If the GPIF, which has assets of about JPY 130tn, increases the proportion of domestic stocks in its portfolio, these programs and plans will move in the same direction.**



It is also expected that the change in portfolio allocations in the GPIF will also effect other pension funds.

The Nikkei newspaper morning edition on June 18, 2014

Measures that are Expected to Support the Stock Market (2)

— Banks have Reduced Their JGB Holdings and are Moving to Alter Their Asset Allocation

Newspaper article

Bank of Japan the Top Holder of Government Bonds

The balance of Japanese government bonds held by the Bank of Japan as of Mar. 31 increased by 57.2% compared to the previous year to **a record high of JPY 201tn**. Looking at the holdings of other bondholders, (Abbrev) the holdings of small and medium-size financial institutions including Japan Post Bank decreased by 7.8% year-on-year to JPY 159tn, and the holdings of **domestic banks decreased by 18.1% to JPY 130tn**.



If the BOJ fails to control long-term interest rates, the JGB may possibly experience a significant correction in the future

Measures that are Expected to Support the Stock Market (3)

— NISA (Tax Exempt System for Small Investment)

Newspaper article

Newspaper article

The Nikkei newspaper morning edition on June 21, 2014

The amount of stocks and other financial instruments purchased by individual investors through the Tax Exempt System for Small Investment (NISA), initiated in Jan. reached JPY 1,003.4bn as of Mar. 31. (Abbrev) If investments in the NISA continue at the Jan.–Mar. pace, JPY 4tn will flow into investment trusts and stocks during 2014. (Abbrev) In the U.K., ISA investments often increase at the year-end, and the Financial Services Agency expects a similar trend to occur with the NISA.

The Nikkei newspaper morning edition on May 31, 2014

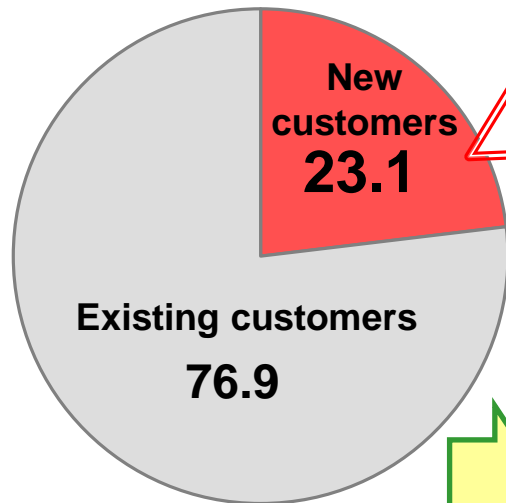
The government's policy is to expand the Tax Exempt System for Small Investment (NISA) launched in January of this year. (Abbrev) The policy will be set forth in the Basic Policies for Economic and Fiscal Management and Structural Reform to be drawn up in June. (Abbrev) Expansion of the tax-free system from JPY 1m per year to JPY 2m to 3m has been proposed.

Status of NISA Accounts of SBI SECURITIES

	End of Mar. 2014	End of May 2014
Number of accounts	approx. 410,000	<u>approx. 450,000</u>
Deposits	JPY 77,531m	<u>JPY 94,730m</u>

Usage situation of SBI SECURITIES' NISA accounts (as of the end of Mar. 2014)

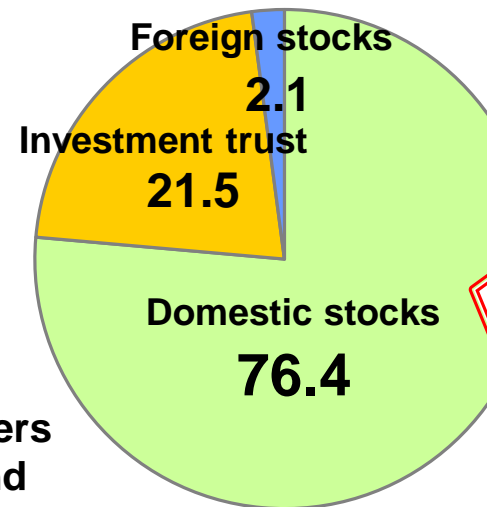
Breakdown by customer (%)



Over 20% of customers opening NISA accounts are new customers, and among those, 64.4% are beginner investors

Ratio of new customers is 25.2%, as of the end of May

Breakdown by product (%)



Of the entire deposits in the NISA account, 76% consists of domestic stocks and 21% consists of investment trusts

Usage situation of NISA among securities firms (as of Mar. 31, 2014; JSDA survey)

- Ratio of "New Customers" opening accounts: 11%
- Ratio of "Stocks" in investment products: 60%

The Consumption Tax Hike Impact Appears Limited

Newspaper article

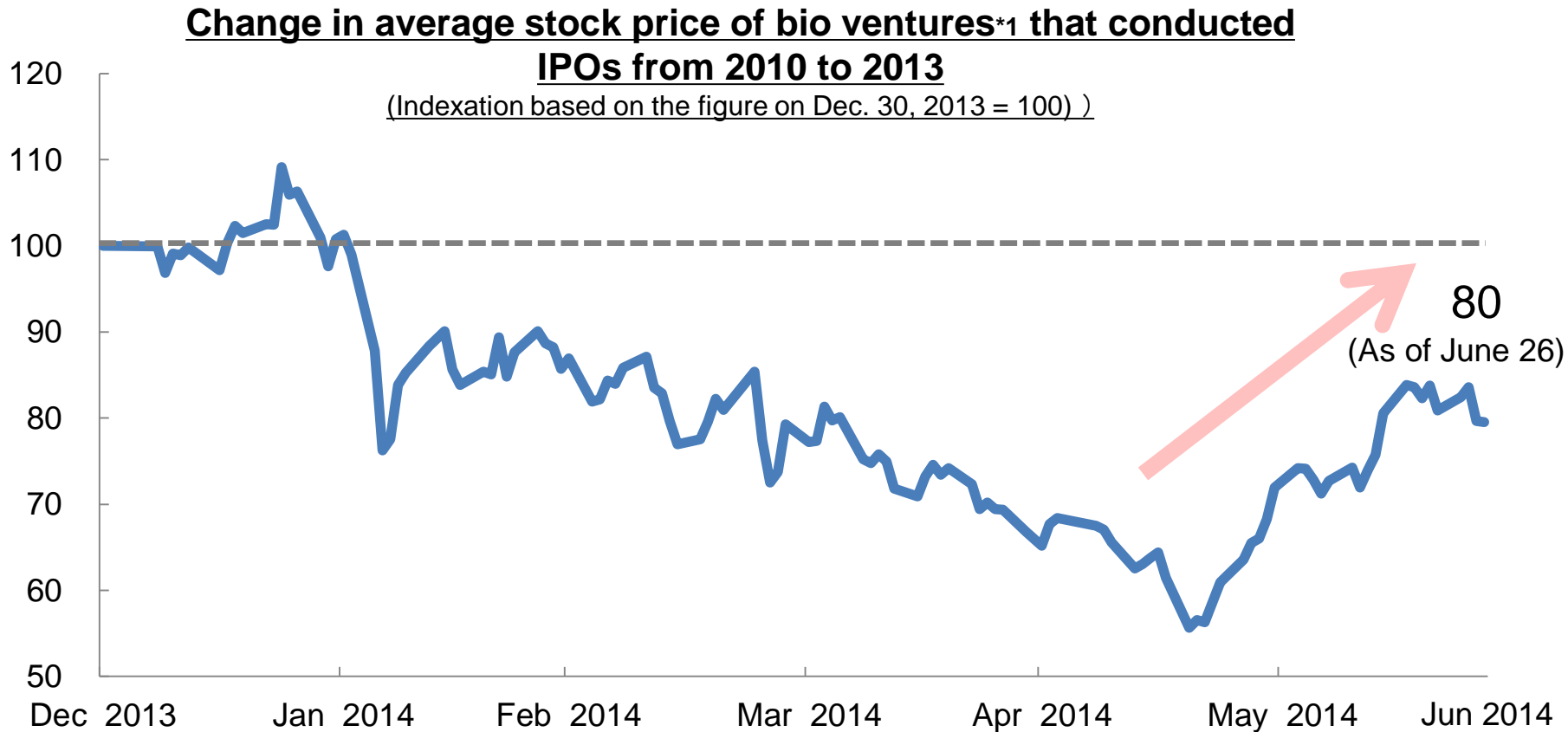
Approximately 60% of major listed companies see no impact on business performance from the Apr. consumption tax increase.

Nikkei Inc. asked 250 CFOs for their views on the earnings environment and other matters. (Abbrev) Two months after the tax increase, it seems that the CFOs have begun to receive positive indications of firm consumption.

The Nikkei newspaper morning edition on June 12, 2014

The Stock Prices of Bio-ventures are Bottoming Out

The stock prices of bio-ventures, which experienced a significant correction in 2014, are bottoming out



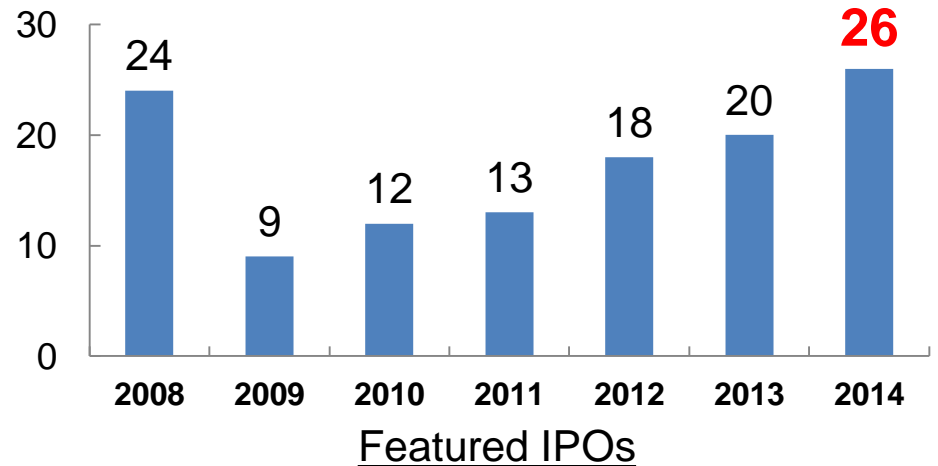
*1: Bio-ventures that conducted IPOs from 2010 to 2013

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

Domestic IPOs at 7-Year High

The recovery of the IPO market is clear. The number of companies that conducted IPOs in the first half of 2014 was 26 companies, a 30% increase from the same period last year and exceeded the first half 2008 numbers, which was the period before the “Lehman Shock.” (Abbrev) The individual investors' funding of newly listed stocks and emerging market stocks has sustained its momentum, and given life to the overall stock market.

(companies) The number of IPOs until the end of June



Newspaper article

Featured IPOs	
Feb. 13	Acucela Inc.
Mar. 19	Japan Display Inc.
Mar. 26	CYBERDYNE Inc.
Apr. 23	SEIBU HOLDINGS INC.
June 16	NEWTON FINANCIAL CONSULTING, Inc.
Second half of 2014	Skylark CO., LTD., Recruit Holdings Co.,Ltd., LINE Corporation, etc.

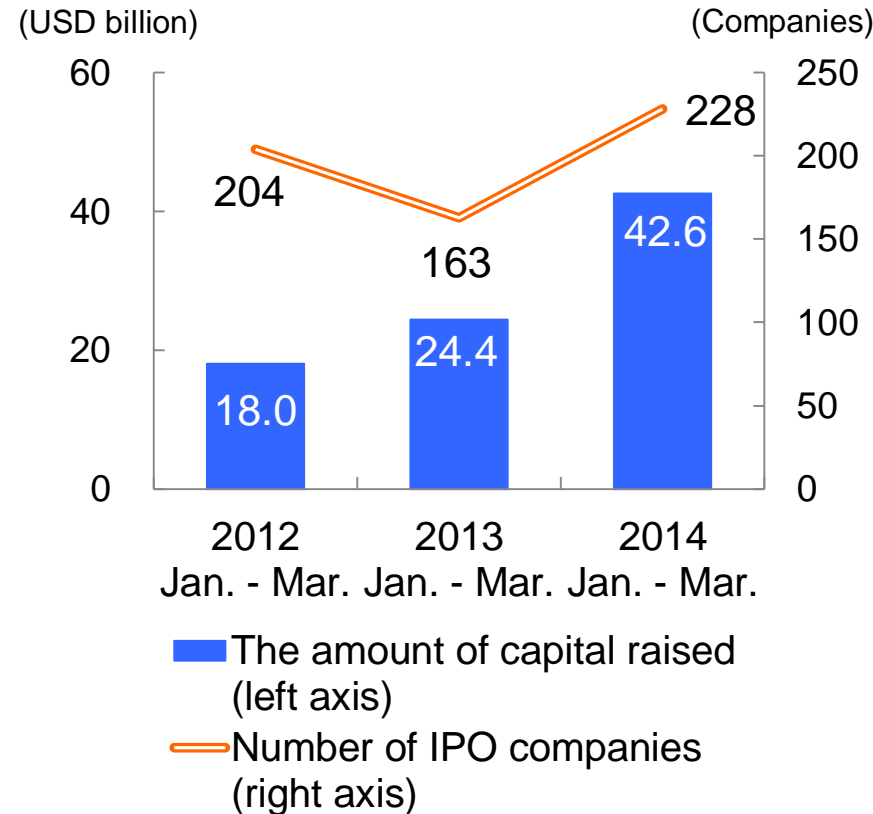
Domestic and Overseas IPO Markets Continue to be Firm in 2014

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.

Source: EY “EY Global IPO Trends 2014 Q1”

The amount of capital raised and the number of IPO companies



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	12	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

One company has already IPO'd

Listed 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

* 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 26: approx. JPY 1.3tn, converted at RMB 1 = JPY 16.3)
- ✓ 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.

Rising Geopolitical Risks

Newspaper article

Newspaper article

Newspaper article

The Yomiuri newspaper morning
edition on Mar. 19, 2014

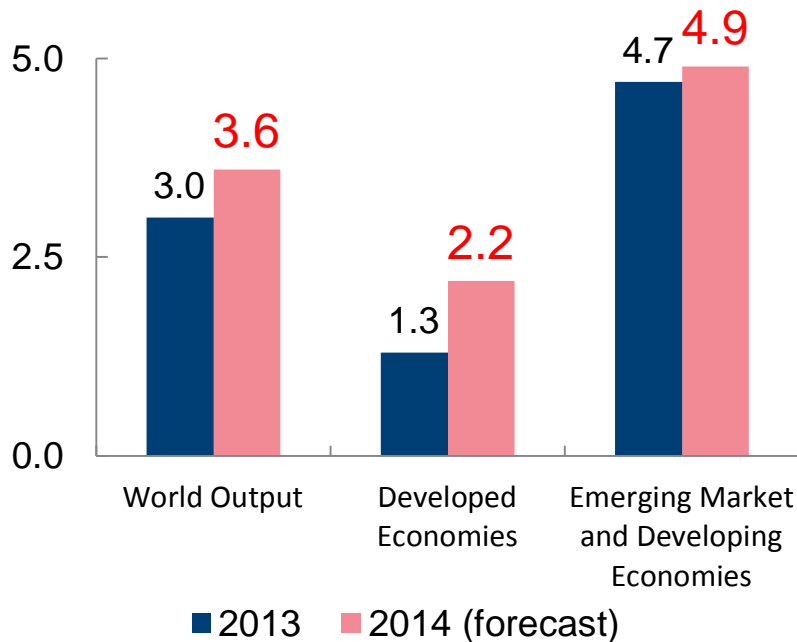
The Nikkei newspaper morning
edition on May 25, 2014

The Nikkei newspaper morning
edition on June 14, 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.

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.

Abenomics' "Third Arrow" is about to Launch (1)

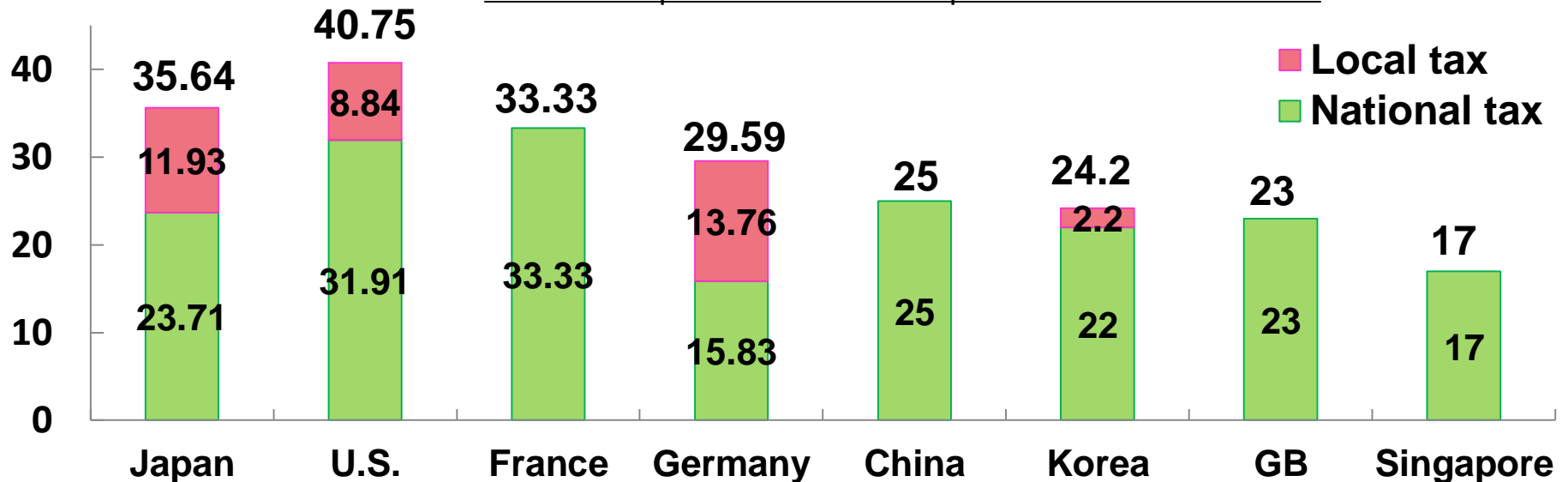
"The mission of Abenomics is to proactively initiate a positive economic cycle in Japan, that will be felt throughout every corner of the country. This entirely depends on the execution of the growth strategy."

— Prime Minister Shinzo Abe, at a press conference upon the cabinet decision of the Basic Policies for Economic and Fiscal Management

Corporate Tax Cut

Although a formal schedule is yet to be decided, the Basic Policies for Economic and Fiscal Management ("big-boned policy") released on June 24 included a policy of lowering the effective corporate tax rate to less than 30% in stages from FY2015. It is expected that the tax cut will become a driver of further economic stimulation.

Effective corporate tax rates comparison between countries



* The figures of Japan, the U.S., Germany and Korea are based on those of Tokyo, California, a German average and Seoul, respectively.

*Source: Ministry of Finance Japan (As of the end of Mar. 2014)

Abenomics' "Third Arrow" is about to Launch (2)

Attention is gathering on regulatory reforms that may be enacted on the "bedrock" fields of employment, agriculture and healthcare.

Employment

- Develop a new system based on evaluation of work rather than working hours.
- "Financial settlement of dismissal" will be on the agenda as a topic for further consideration.

Agriculture

- Agricultural reform will be promoted through the overhaul of the Central Union of Agricultural Cooperatives (JA-Zenchu), and the National Federation of Agricultural Cooperative Association (ZEN-NOH) will be allowed to be transitioned into a joint-stock company, etc.
- The easing of restrictions on private companies' ownership of agricultural land will be reconsidered in five years.

Health-Care

- Medical treatment, combining insured and uninsured services, based on patients' requests, will be introduced around FY2016
- Creation of non-profit holding company system that integrally provides medical and welfare care

2. Domestic Businesses' FY2014 Priority Measures

- 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.

*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 from Apr. 2014

[SBI's products]

Auto Insurance

SBI損保の自動車保険

Possesses a special contract for bicycle accident indemnification from Apr. 2014

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 IKI IKI SSI *

Medical insurance

新しいいき ◆ 世代

"Shin-ikiiki (new lively) -sedai"

Underwriter:
SBI IKI IKI 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
AUTOMOBILE&FIRE INSURANCE

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.

Achieved Monthly Profit for 2 Consecutive Months (Apr. and May 2014)

Owing to various measures to increase profitability since 2011,

- The combined ratio has been less than 100% since the beginning of FY2013
- The profit sources were diversified by expanding product offerings



Achieved its first monthly profit since its establishment in Apr. 2014, and also in May 2014.
Quarterly profitability is within sight for 1Q FY2014.
(IFRS consolidated basis)



Targeting substantive quarterly profitability in FY2014, and full-year profitability in FY2015, on an IFRS consolidated basis.

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損保 [SBI Insurance]

SBI SSI Holdings

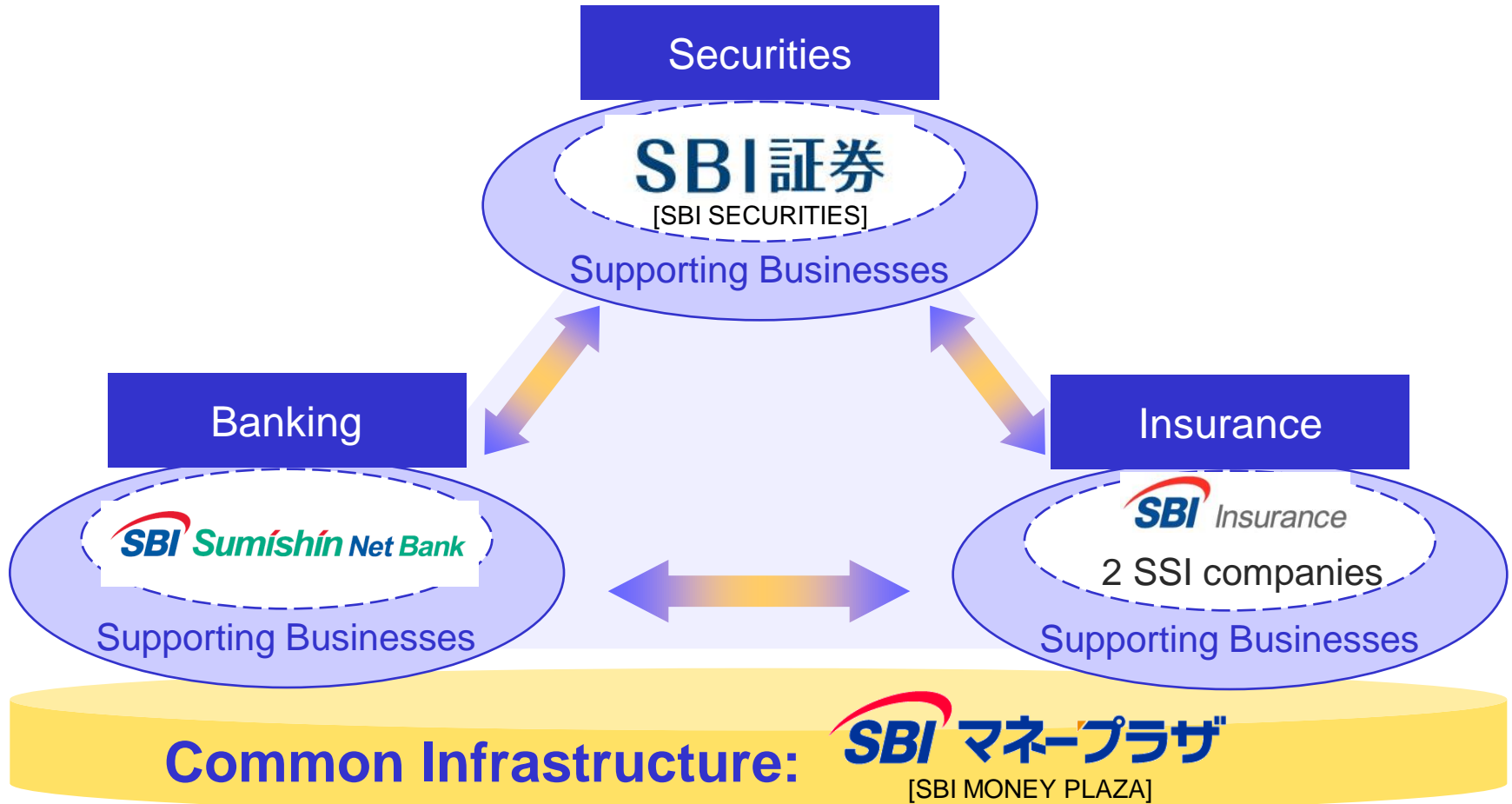
SBI 少額短期保険 [SBI SSI]
(Acquired in Mar. 2012)

[SBI IKIIKI SSI]
SBI いきいき少額短期保険
(Formerly “IKIIKI SEDAI,” acquired in Mar. 2013)

- Number of contracts and insurance premium income rapidly increased after SBI Group’s share acquisition.
- SBI SSI achieved its first full-year profit in FY2013 since its establishment.

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

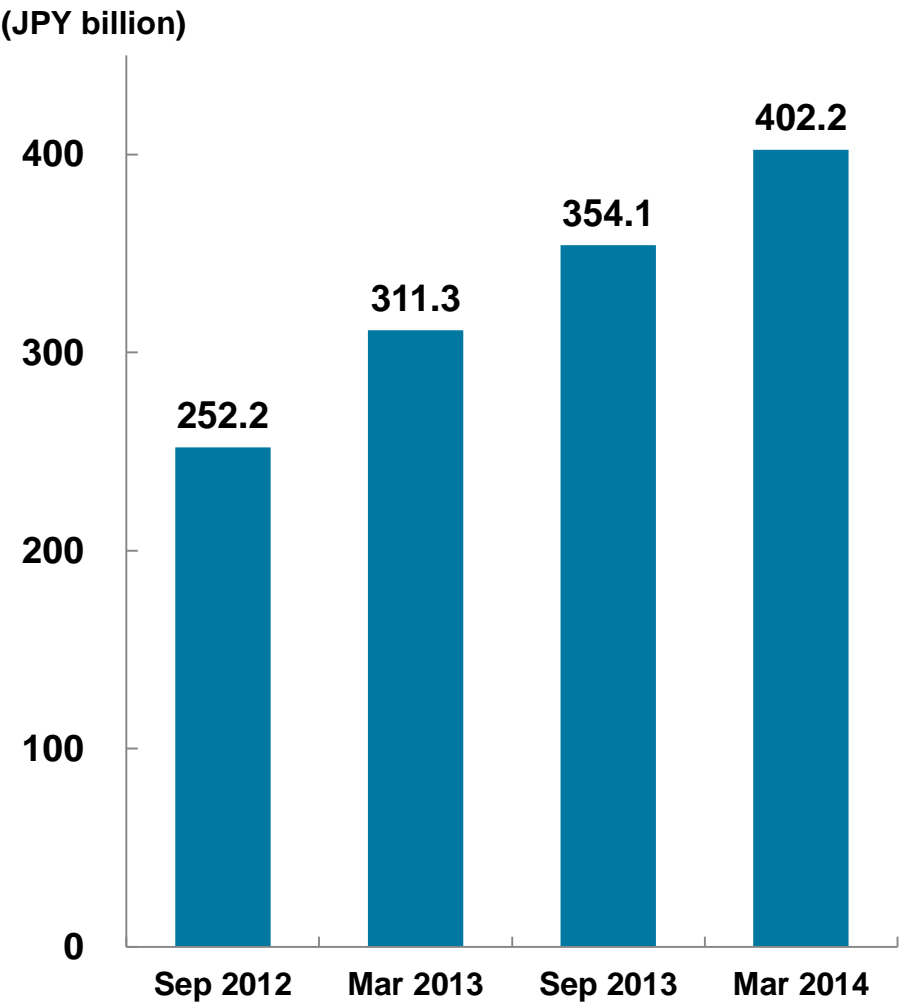
Integrating Online and Face-to-face Services by Thoroughly Utilizing SBI MONEY PLAZA as the Group's Common Infrastructure



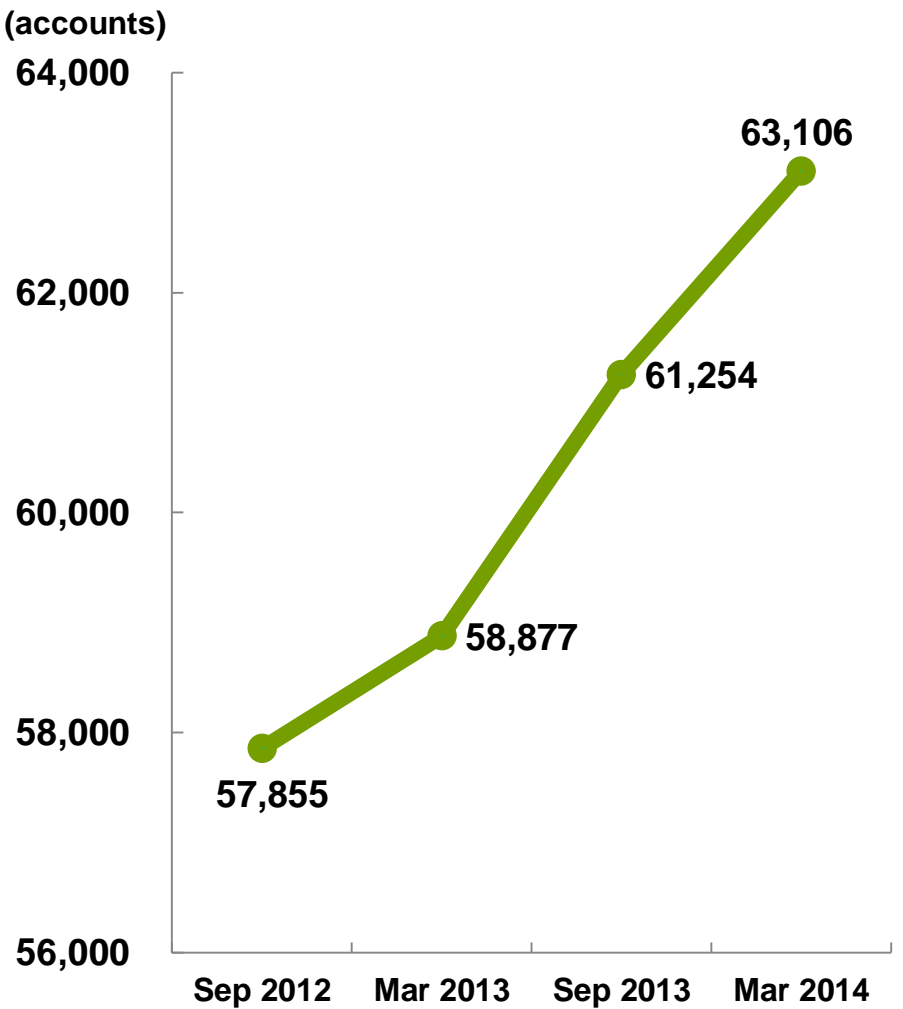
Implement an online-to-offline strategy with SBI MONEY PLAZA as a common infrastructure, and continue its quest to become Japan's largest financial products distributor that offers products from both within and outside of the Group on a neutral basis.

Rapidly Increasing Customer Base

Customers' Deposit Assets



Number of Accounts

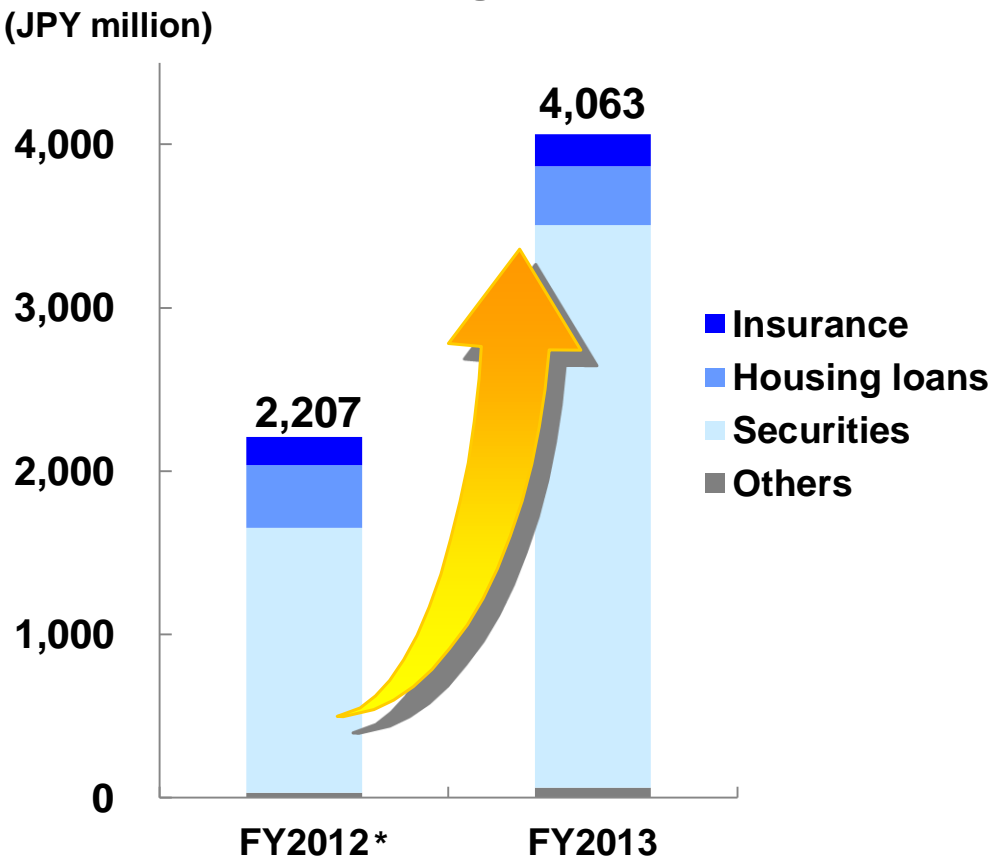


The number of SBI MONEY PLAZA Shops is 395 as of May 31, 2014;
Targeting early stage expansion of shops network to 500 shops

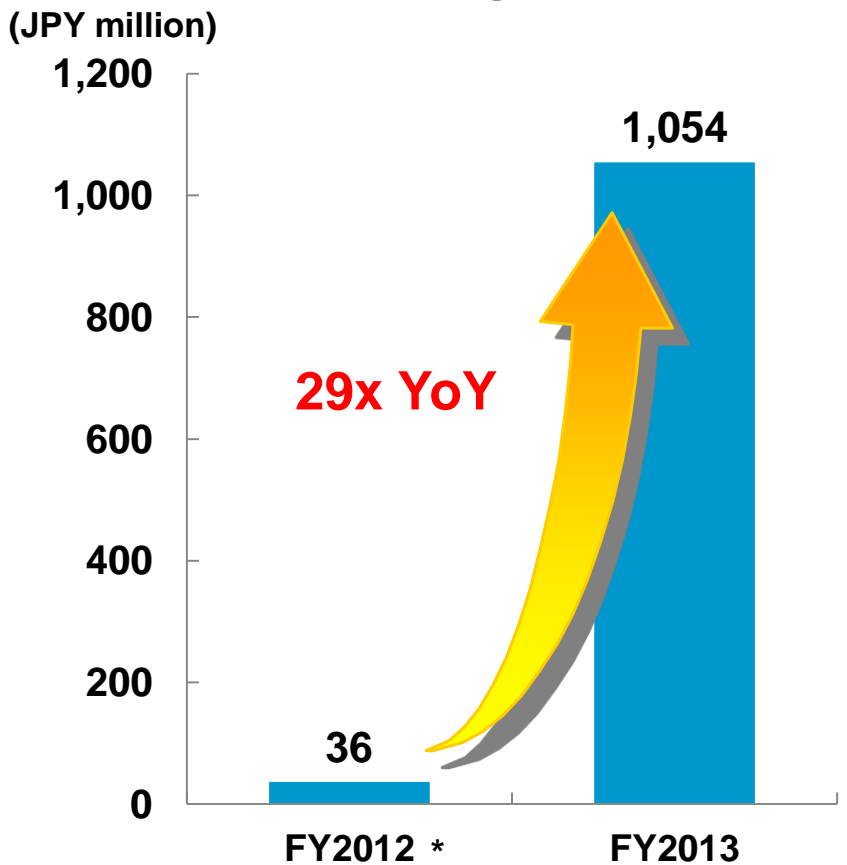
SBI MONEY PLAZA's FY2013 Financial Results (J-GAAP)

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

Operating Revenue



Operating Income

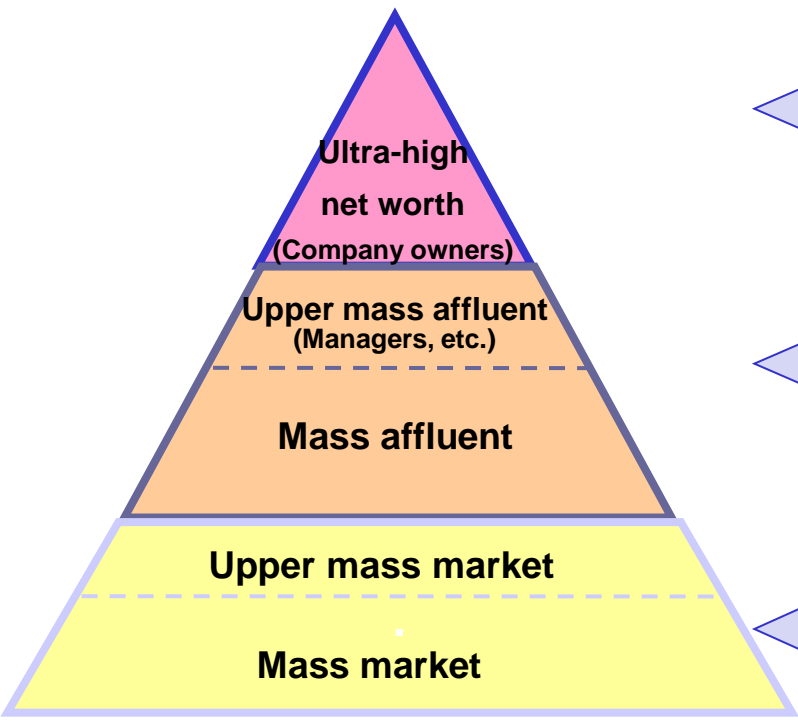


* Launched on June 15, 2012

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

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

Customer Segments



Measures

- Greater collaboration with the Corporate Division of SBI SECURITIES
- Collaboration with business partners of Group companies
- Greater collaboration with brokers
- Strengthening of insurance sales
- Draw people to shops through O2O
- Shop network expansion

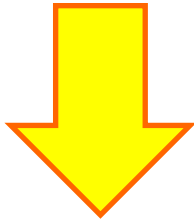
3. Future Strategy for the Overseas Investment Business and the Overseas Financial Services Business

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

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 22.5bn*), from Jan. 2014.

Preparing for Development of an Online Financial Ecosystem in China in Collaboration 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)

Launched its service 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)

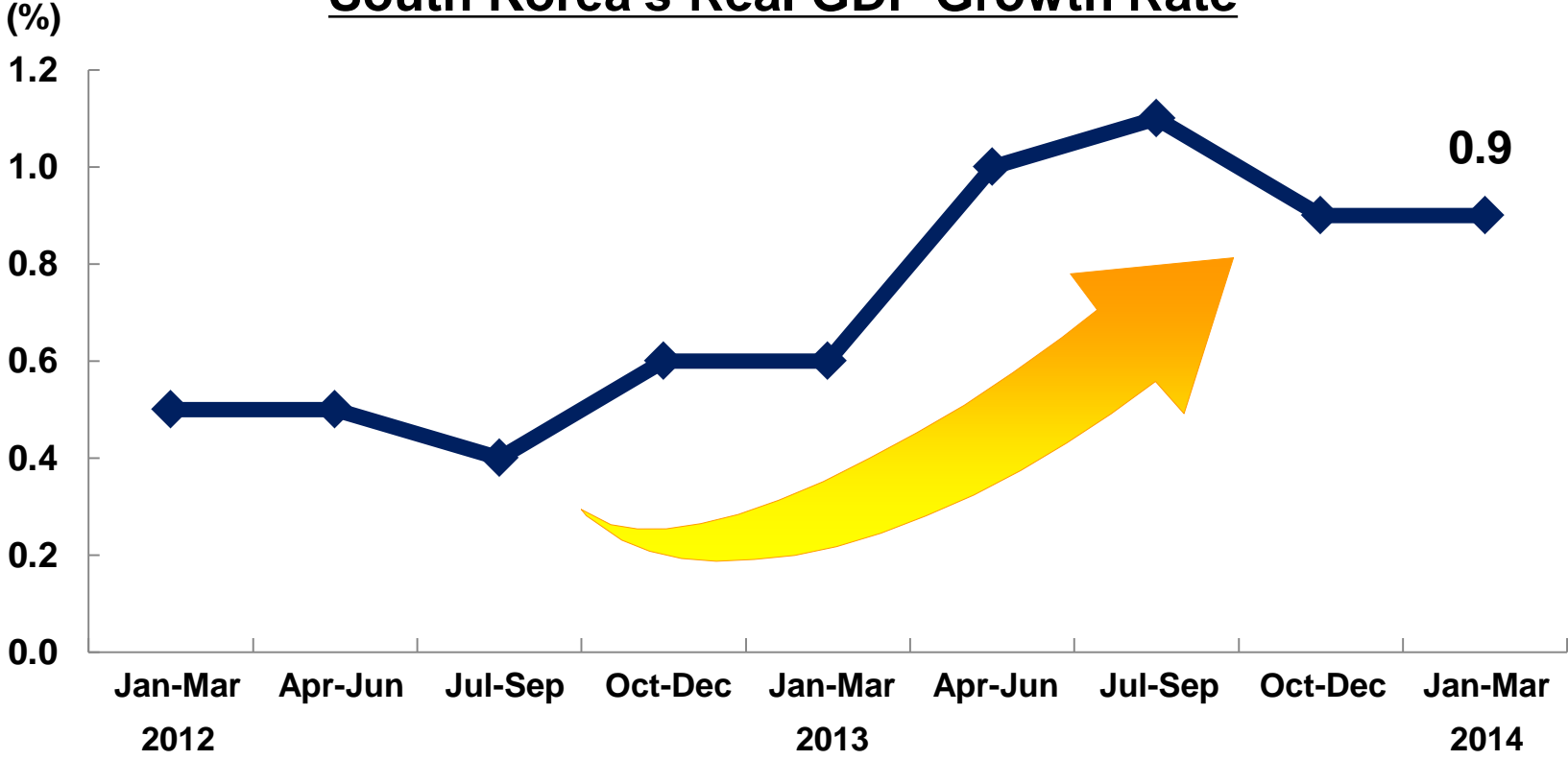
By dispatching individuals with the appropriate experience in Japan to BNI Securities, and in cooperation with the parent company, BNI Bank, promoting the development of a rationalized management structure and an Internet trading system.

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



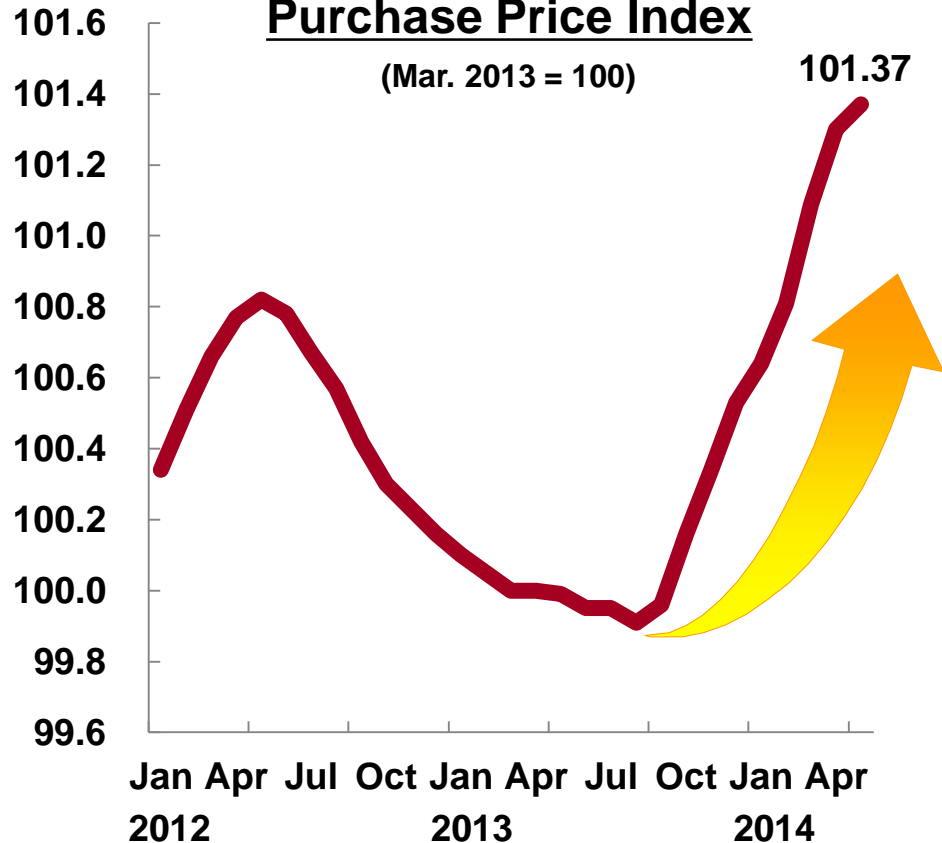
Source: The Bank of Korea

- 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



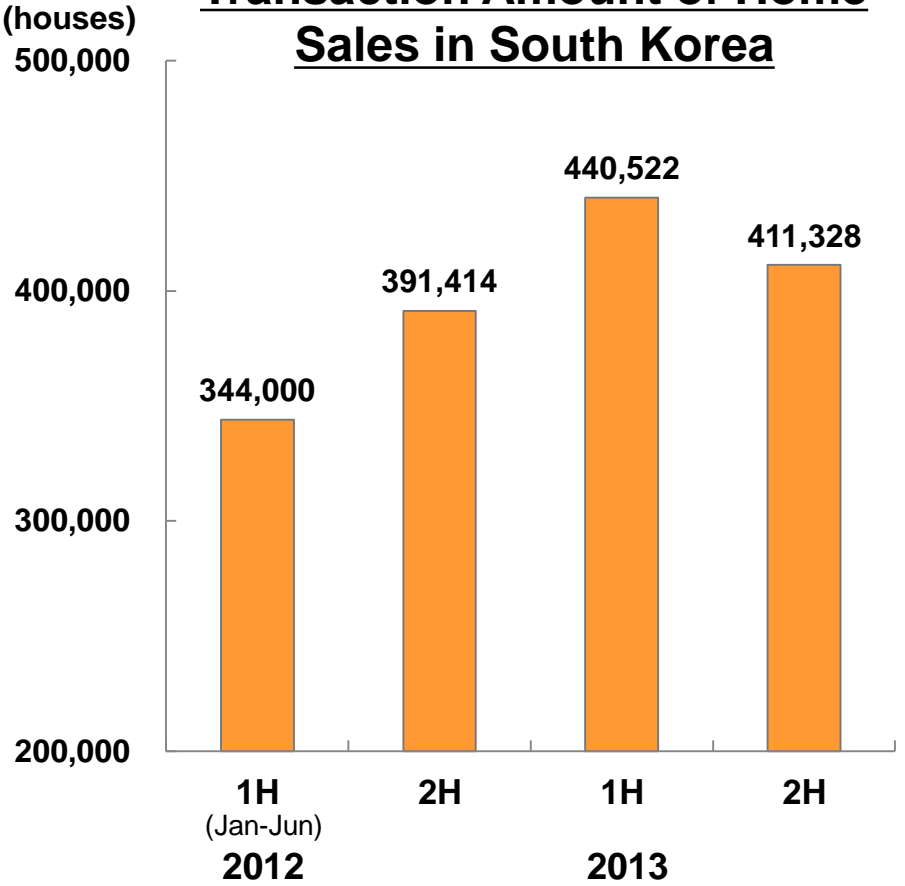
Continued Improvement of SBI Savings Bank's Business Environment ②

South Korean Housing Purchase Price Index



Source: The Bank of Korea

Transaction Amount of Home Sales in South Korea



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

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

Recorded a Profit before Income Tax Expense of JPY 4bn

FY2013 Results

(SBIH's consolidated accounts basis; IFRS)

JPY billion

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

Operating Receivables

(As of Mar. 31, 2014; IFRS)

JPY billion

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

(Rounded to one decimal place)

- Amid improvement in real estate market conditions, steady progress has been made with debt collection by means including the sale of bad debt (project finance and consumer loans).
- 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

Measures to Further Enhance SBI Savings Bank's Soundness and Profitability

- ◆ Upon the fulfillment of the self-funding opportunity in South Korea, KRW 130bn (approx. JPY13bn, converted at KRW 1=JPY 0.100) was raised from local institutional investors, including a major life insurance company.
- ◆ South Korean financial authorities' examination was conducted in June, and was completed without any difficulties. The capital adequacy ratios at the end of June 2014 are expected to exceed the required level of the South Korean financial authorities.

SBI 1 Savings Bank: over 8%

SBI 2 Savings Bank, SBI 3 Savings Bank and SBI 4 Savings Bank: over 10%

- ◆ 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, in order to increase management efficiency. Additionally, planning to promote online banking services, and targeting an IPO within 3 years.

4. Seeking Dramatic Growth in the Biotechnology-related Business

(1) SBI Biotech

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

(2) 5-ALA Related Business

- SBI Pharmaceuticals**

Targeting an IPO within 3 years

- SBI ALApromo**

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

(Shares: 77.25%)

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

Drug or project code (partners)	Adaptation disease	Current status
GNKG168 (CN Huapu)	B cell chronic lymphocytic leukemia	<ul style="list-style-type: none"> • A clinical trial (Phase 1) is underway at the University of Oregon, the University of California, and other sites in the U.S. • Planned an interim analysis of the clinical trial data, based on the administration results of 18 patients, to the present time
Immuno-cell therapy (US Baylor Research Institute: a leading research institute located in Texas, conducting research into cutting-edge immune cell therapy for cancer)	Cancers <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> Activate the dendritic cells of cancer patients, boost the immune function, and enable the immune system to attack cancer. </div>	US: P2 Clinical Trial Japan: Treatment of all 10 melanoma patients at Kyoto University Hospital is complete, and data is being analyzed. →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

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

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 →DME: Administration to patients has been completed, and the data analysis and verification is in progress.	<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 →DGF: Administration to patients has been completed, and data analysis is finished.	<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), Acute angle closure glaucoma(AACG)	P2a Clinical Trial →AACG: First patient has been dosed in a Phase IIa trial in the United States, Vietnam, and Singapore	<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.

**Next, a video presentation on 5-ALA.
(5-aminolevulinic acid)**

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 planning 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 six surgeries. 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

- Diabetes Department of the Bahrain Defense Force Royal Medical Service Hospital

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 and started recruitment of trial subjects

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

- 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 six surgeries.
- Additionally, preparations are being made for the surgical removal of the cancer of the prostate.

- King Hamad University Hospital
- 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 planning additional Phase III Clinical testing.

Solar keratoses

(cancer of skin)

photonamic GmbH & Co. KG in Germany sells in Europe



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



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

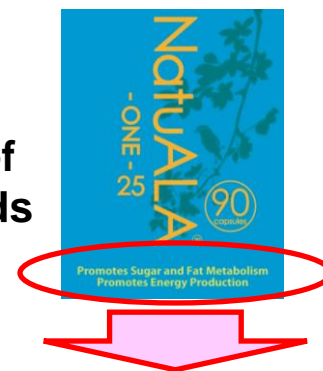
The Univ. of Tokyo, Tokyo Institute of Technology, MRC National Institute for Medical Research and SBI Pharmaceuticals

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) was obtained (Jan. 2014). We have started selling as a mainstay product in pharmacies, etc.**
- “Promotes Sugar and Fat Metabolism” and “Promotes Energy Production” are listed on labels of the health foods containing 25 mg 5-ALA sold in Bahrain with NHRA approval.



Label design of the health foods



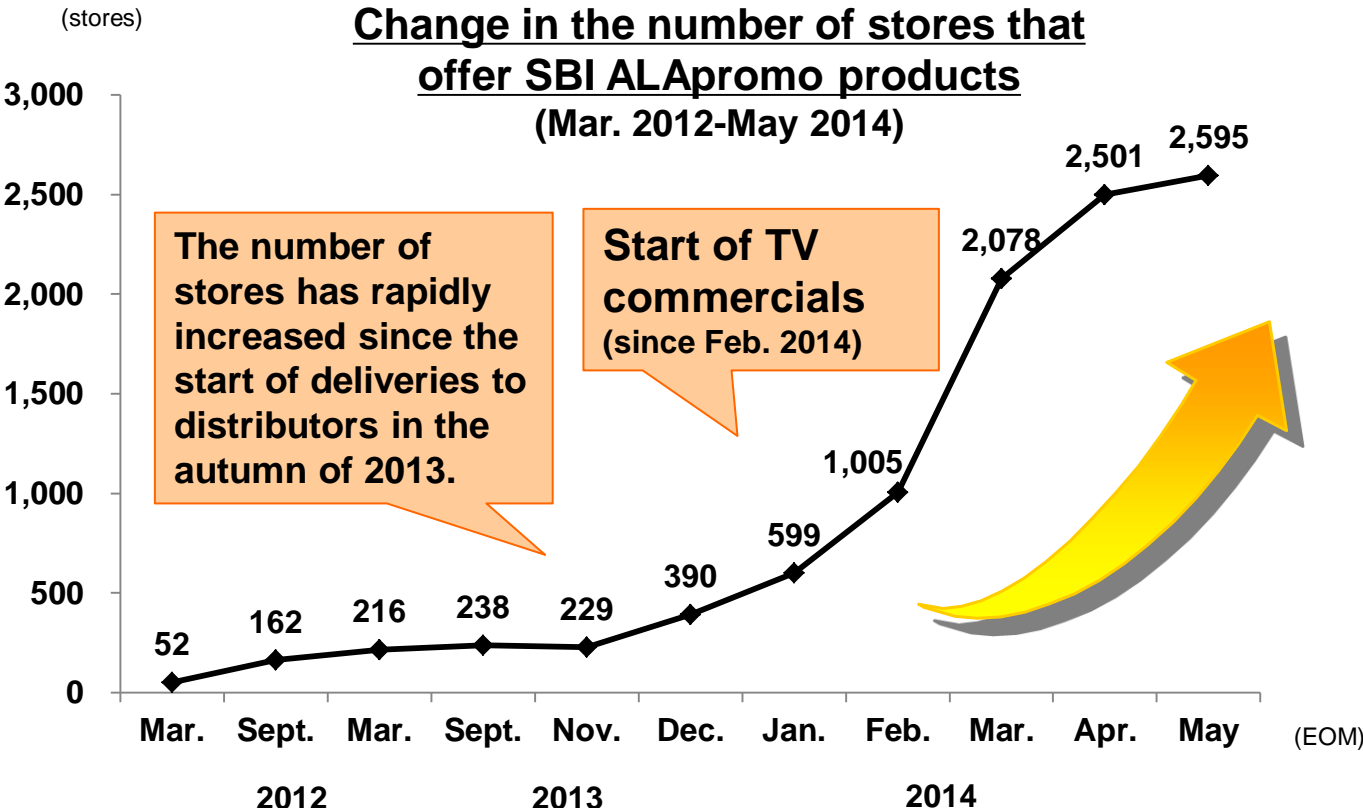
Accelerating 5-ALA Related Business in China

- ✓ 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.** 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

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

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 Lineup of Health Foods Containing 5-ALA

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

Supplements

(e.g.)





ALAPLUS GOLD



ALAPLUS

Latest release (From Apr. 2014):
 Launch of the ALAPLUS Beauty Series, a new product series that contains 5-ALA and ingredients that support beauty and health


ALAPLUS CoQ10
 (Containing 5-ALA and CoQ10)


ALAPLUS Biotin
 (Containing 5-ALA and Biotin)

Cosmetics

ALAPLUS series



Essential lotion



Moisturizing cream

Other companies released products containing SBI Pharmaceuticals' 5-ALA

Bi Chocola Enrich
(Exclusive Supplement for mail-order by Eisai Co., Ltd)



L'ala Solomon series
(Cosmetics)



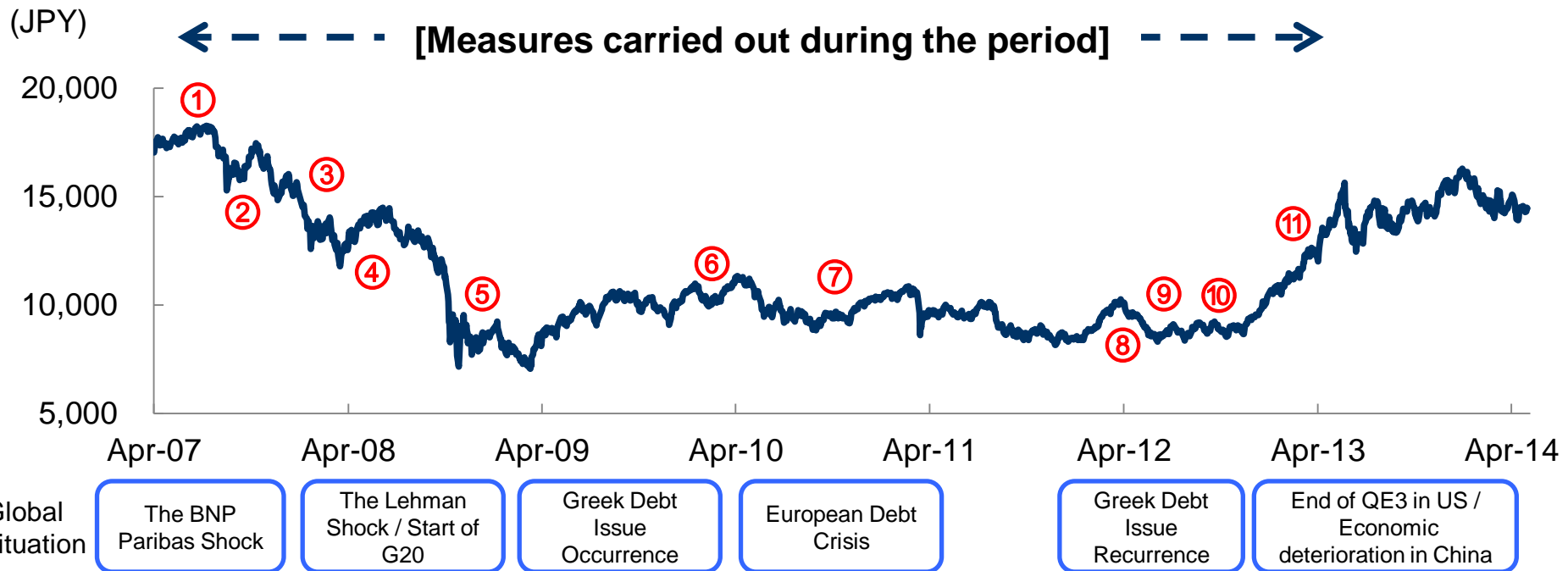
Genostyle series
(Cosmetics)



5. Endeavor to Actualize SBI's Business Value

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)

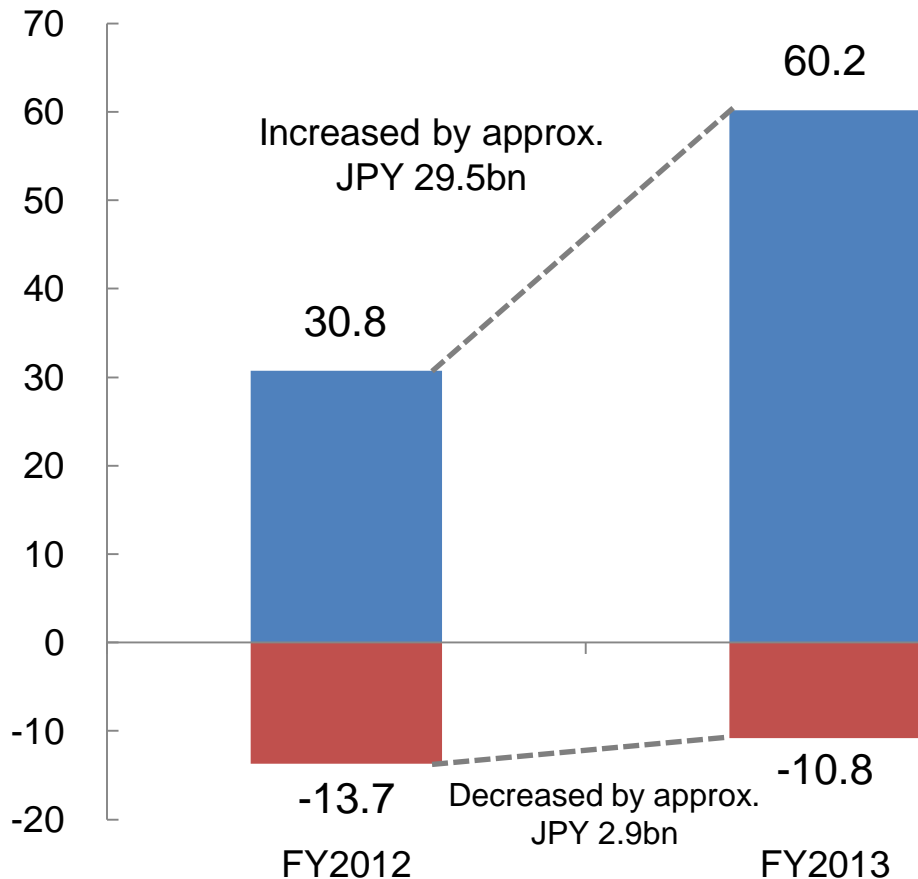
⑪ Mar. 2013 Consolidated current SBI Savings Bank

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

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

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

Corporate Value by Business Segment Valuation

— Each Business Segment Valuation is Conservatively Estimated

■ Sum of the values by segment (as of June 26, 2014) (JPY billion)

	Valuation of each segment (theoretical value)
Financial Services	415.4 (+)*
Asset Management	112.3
Biotechnology-related	59.8
Housing and Real Estate	26.6
Sum total	614.2 (+)

Business valuation per share: 2,735 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)

SBI Holding's Recent Stock Price



Market cap (actual value as of June 26, 2014): **JPY 278.5bn**

[Last 3 years]

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

Closing price on June 26, 2014: **JPY 1,240**

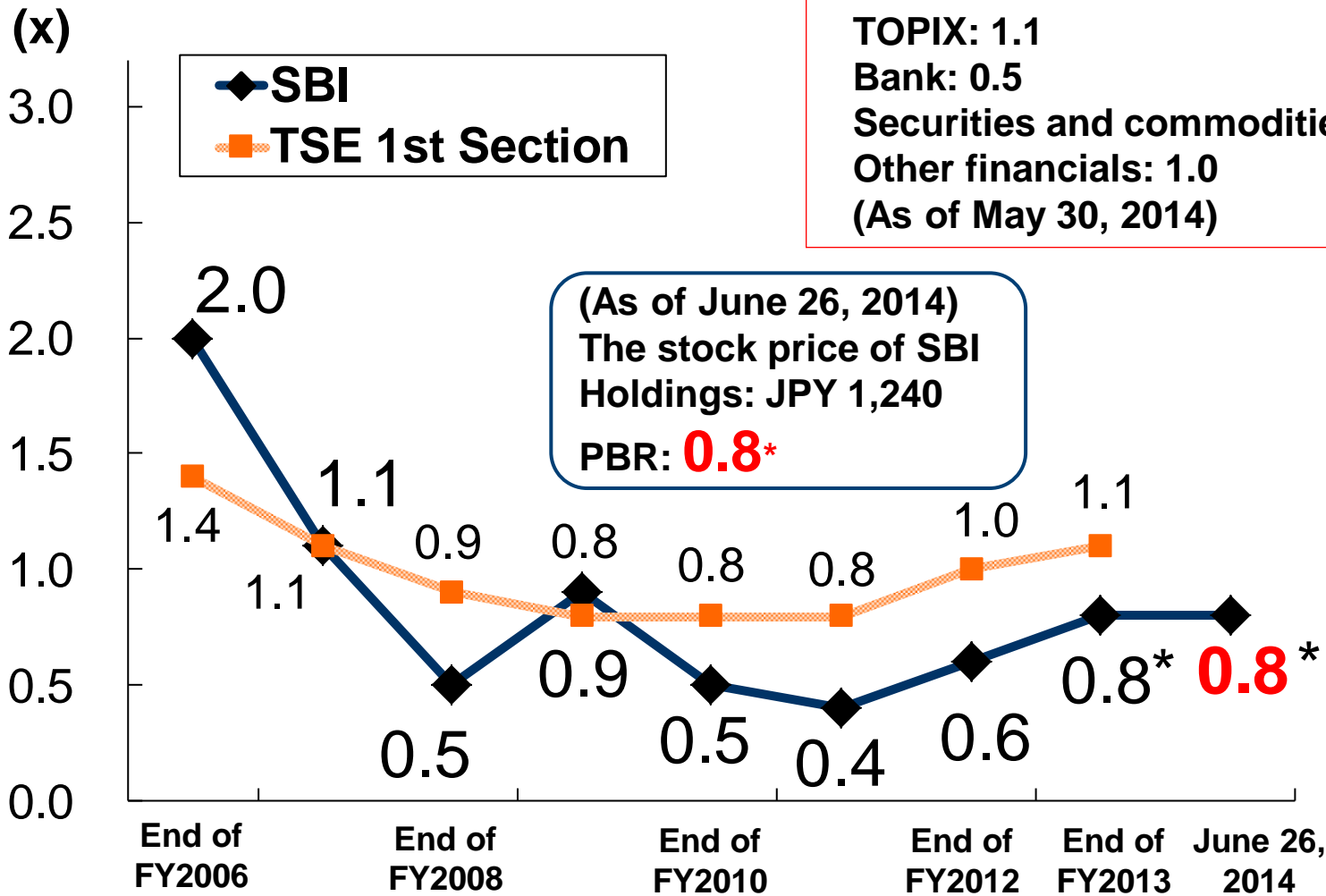
Record low:
Sept. 5, 2012: **463 yen**

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 26, 2014)
 The stock price of SBI Holdings: JPY 1,240
 PBR: **0.8***

[Reference]
 SBI Holdings' PER based on forecast EPS (As of June 26, 2014)
 PER:
12.7 (Nikkei Kaisha Joho)
16.8 (Japanese company handbook)

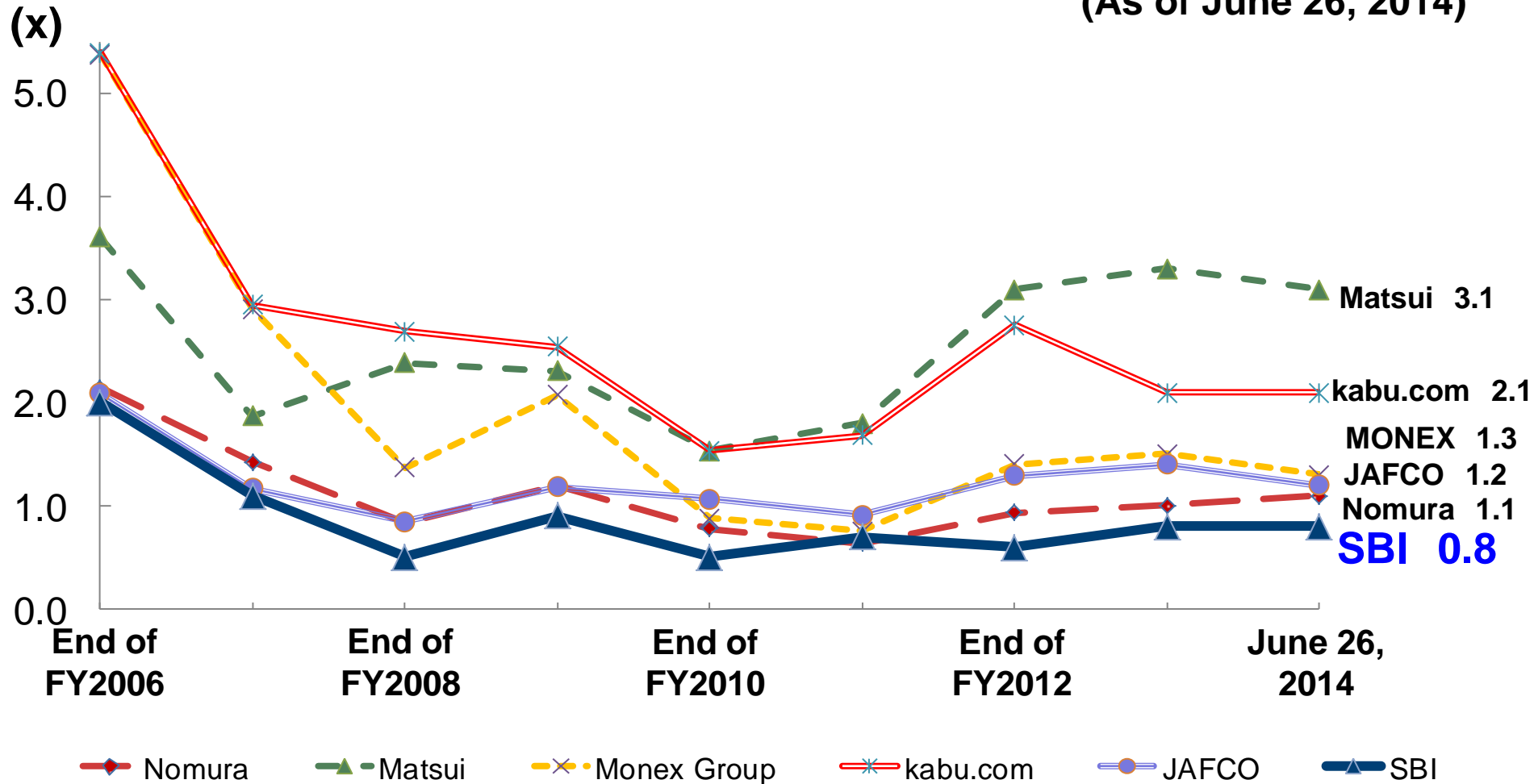
*PBR of SBI Holdings for the end of FY2013 and June 26, 2014 are calculated based on the BPS of the end of Mar. 2014.

*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 26, 2014)

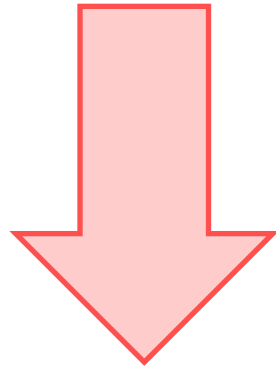


*PBR for June 26, 2014 is calculated based on the BPS of the end of Mar. 2014.

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

SBI's Business Value Consideration

Compared to its industry peers, SBI's PBR is considered to be undervalued



What causes the gap between the estimated business value and the actual value?

- ◆ **Conglomerate discount (*) owing to SBI's operations of its Biotechnology-related Business, as well as its financial businesses**
- ◆ **Financial results of the Asset Management Business are volatile, owing to the introduction of IFRS, which is significantly affected by the stock and foreign exchange markets ...etc.**

* Conglomerate discount is said to exist when the total business value of the individual business entities that comprise a conglomerate, which is a simple summation of the potential corporate value of the individual business entities, is larger than the overall corporate value of the conglomerate.

Actualizing SBI's Business Value

- **Implementing Collaborations with the Biotechnology-related Business Primarily in 5-ALA Related Business**

(Image)



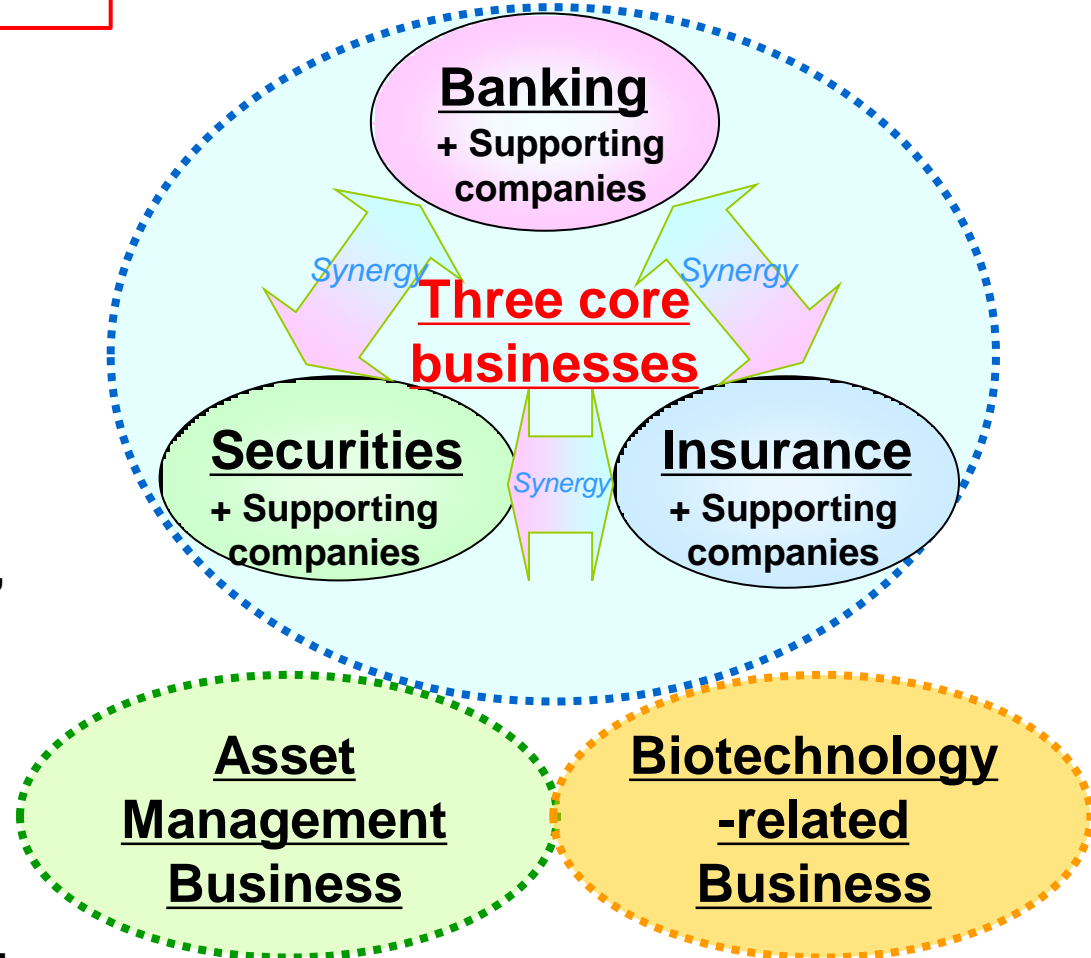
As the Biotechnology-related Business contributes to the health of the insurance policyholders by offering exclusive services and products to insurance policyholders*, the insurance companies may reduce insurance payouts. Additionally, SBI will be able to create a possible win-win situation for both policyholders and the SBI Group

- **Actualize the enterprise value of the companies in the Asset Management Business and the Biotechnology-related Business, which is affected by the conglomerate discount, as soon as possible through IPOs**

Generating Cash Flow and Improving the Financial Condition 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



Generating Cash Flow and Improving the Financial Condition 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.

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

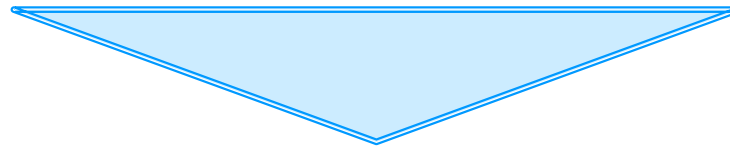
Principal examples

- **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%**
(Average ROE for FY2013 of TSE 1st section-listed companies (including financial institutions) : 8.67%)

**First target a 10% ROE,
then target the pre-Lehman Shock levels**

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.

Implementation of Shareholder Benefits

[Eligible shareholders]

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

[Benefits]

- The Company will give **shareholders who hold one hundred or more shares (1 unit)** a gift certificate that can be redeemed for **two packs of ALAPlus (priced at JPY 2,980 (incl. tax) per pack)** dietary supplements sold by our subsidiary, SBI ALApromo
- The Company will also give shareholders who have held shares for more than one year and who hold one thousand or more shares as recorded in the shareholders register as of Mar. 31, 2014, instead of the benefits mentioned above, a gift certificate that can be redeemed for **two packs of ALAPlus dietary supplements and two bottles of ALAPlus GOLD (priced at JPY 9,800 (incl. tax) per bottle)** dietary supplements



“ALAPlus”



“ALAPlus GOLD”

* Eligible shareholders who wish to redeem their gifts of ALAPlus and ALAPlus GOLD are required to [apply for redemption of their gift with the aforementioned gift certificate](#).

The cut-off date for applications to redeem gifts with gift certificates shall be [Sept. 30, 2014](#) (applications postmarked up until that date will be accepted).

* The schedule for shipment of gifts to shareholders who apply for redemption of their gifts with gift certificates shall be generally as follows.

- (1) For applications arriving by June 30, 2014: Shipment will be around July 31, 2014
- (2) For applications arriving by July 31, 2014: Shipment will be around Aug. 31, 2014
- (3) For applications arriving by Sept. 30, 2014: Shipment will be around late Oct. 2014.

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

[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 310.7bn

(based on the closing prices of June 26, 2014)

SBIH's market cap as of June 26 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)

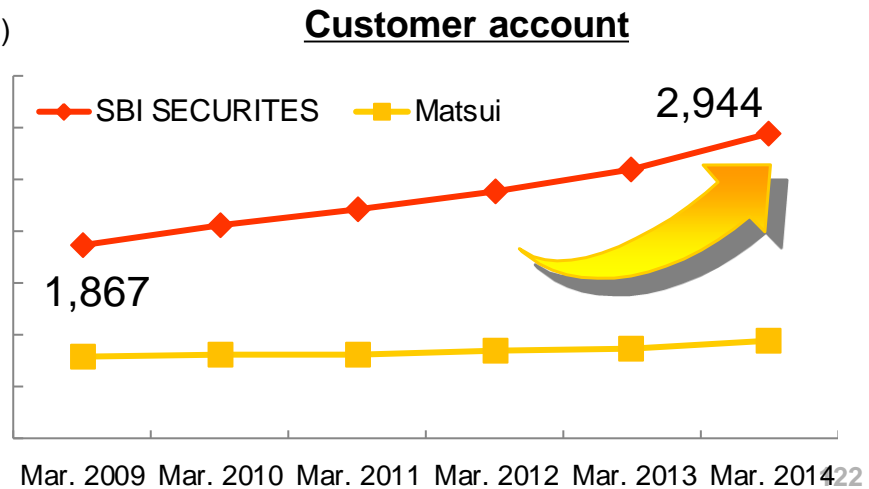
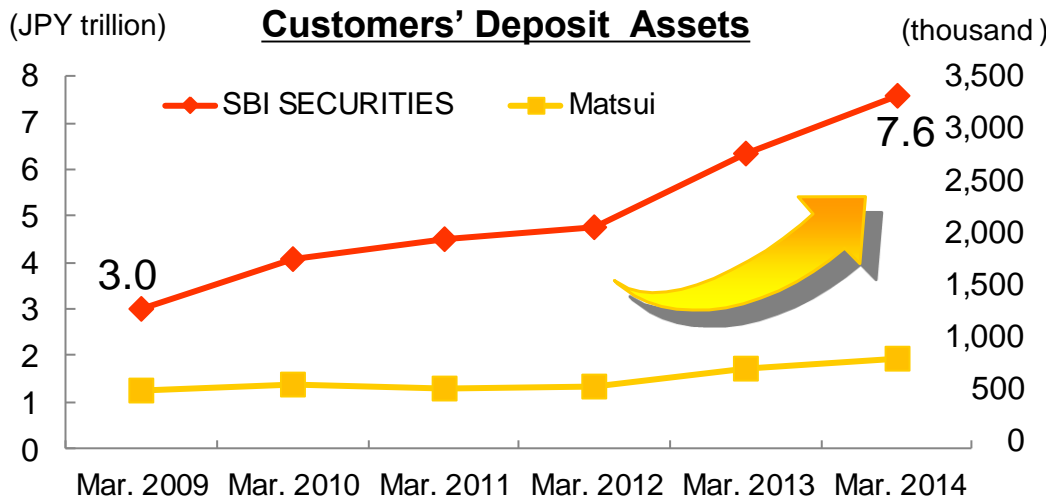


Is SBI SECURITIES' valuation reasonable?

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

*Calculated by the closing prices of June 26, 2014

(FY2013)	SBI SECURITIES	Matsui Securities
Valuation (market cap) *	JPY 310.7bn	JPY 279.8bn
Deposit assets (Mar. 2014)	No.1 JPY 7.6tn	JPY 1.9tn
Number of accounts (As of the end of Mar. 2014)	No.1 2.94 million	940 thousand
Share of individual stock brokerage	No.1 35.3%	11.0%
Operating income	No.1 JPY 32.8bn (up 185.7% YoY)	JPY 27.1bn (up 165.7% YoY)



Valuation by Segment Estimated by SBI

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

② SBI Sumishin Net Bank

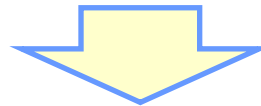
Valuation is conservatively estimated at JPY 51.1bn

(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)



- Ordinary income for FY2013 (JPY 11.7bn (+48.4% YoY))
- 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 127.0bn

Of which, market cap of local banks with deposit balances larger than JPY 3tn exceeds JPY 140bn

*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 26, 2014

Valuation by Segment Estimated by SBI

(1) Financial Services Business ③ SBI Liquidity Market

③ SBI Liquidity Market (including SBI FXTRADE)

Valuation is estimated at **JPY 18.7bn** (based on the closing price of June 26, 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

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

* 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	22.8	11.2
SBI Mortgage	60.7	Consolidated subsidiary	KOSPI of KRX	35.7*	21.6
SOLXYZ	26.3	Equity-method associate	JASDAQ	8.1	2.1
Sum of the market cap of listed subsidiaries and equity-method associates				66.6	<u>34.9</u>

(Based on the closing price of June 26, 2014, *Calculated by the exchange rate as of June 26, 2014.)

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

Valuation by Segment Estimated by SBIH

(1) Financial Services Business Total Valuation of the Businesses

① SBI SECURITIES

Upon comparison with similar listed companies calculated conservatively as **JPY 310.7bn** (based on the closing prices of June 26, 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 18.7bn**
(based on the closing price of June 26, 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 34.9bn** (based on the closing prices of June 26, 2014)



Total of the valuation above: **JPY 415.4bn** (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 or 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 112.3bn**

<Reference>

JAFCO's Market Cap: **JPY 213.0bn** (based on the closing price of June 26, 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 26, 2014)

(* Valuation excluding asset such as securities hold) **Approx. JPY 15.3bn**

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

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

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

*PER of JAFCO is calculated by the estimated net income per share for FY2014.

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

Valuation by Segment Estimated by SBIH

(2) AM Business ② Other Profitable Business Entities



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

	SBI's share-holding pct. (%)	Classification	Listed market	Market cap (JPY billion)	SBI's equity interest of market cap (JPY billion)
SBI AXES	42.7	Consolidated subsidiary	KOSDAQ of KRX	5.3*	2.2
SBI Investment Korea	43.9	Equity-method associate	KOSDAQ of KRX	5.5*	2.4
Sum of the market cap of listed subsidiaries and equity-method associates				10.8	<u>4.6</u>

(Based on the closing price of June 26, 2014, *Calculated by the exchange rate as of June 26, 2014.)

[Other profitable businesses of the Asset Management Business]

		Business lineup	OP for FY2013 (JPY billion)	SBI's shareholding pct. (%)
Phnom Penh Commercial Bank	Overseas Business	Commercial Bank	0.5	47.6

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

Valuation by Segment Estimated by SBIH

(3) Biotechnology-related Business

Biotechnology-related Business

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

Total valuation of the Biotechnology-related Business is estimated at approx. JPY 59.8bn

① SBI Pharmaceuticals

Estimation of the valuation is as follows:

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



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

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

② Companies reserved for IPO in the Biotechnology-related Business

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

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

Valuation by Segment Estimated by SBIH

(4) Housing and Real Estate Business

Housing and Real Estate Business

Valuation for the Housing and Real Estate Business estimated at **approx. JPY 26.6bn**

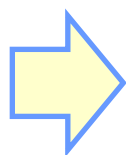
Estimation of the valuation is as follows:

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	8.6	<u>6.3</u>

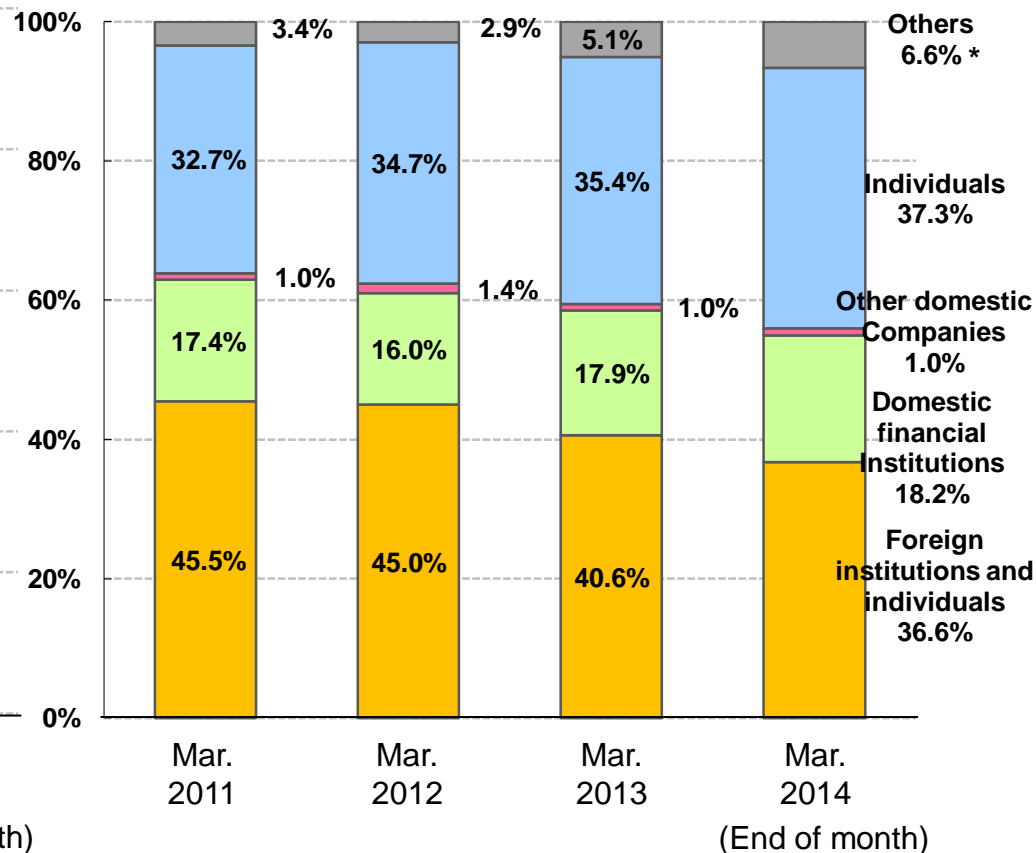
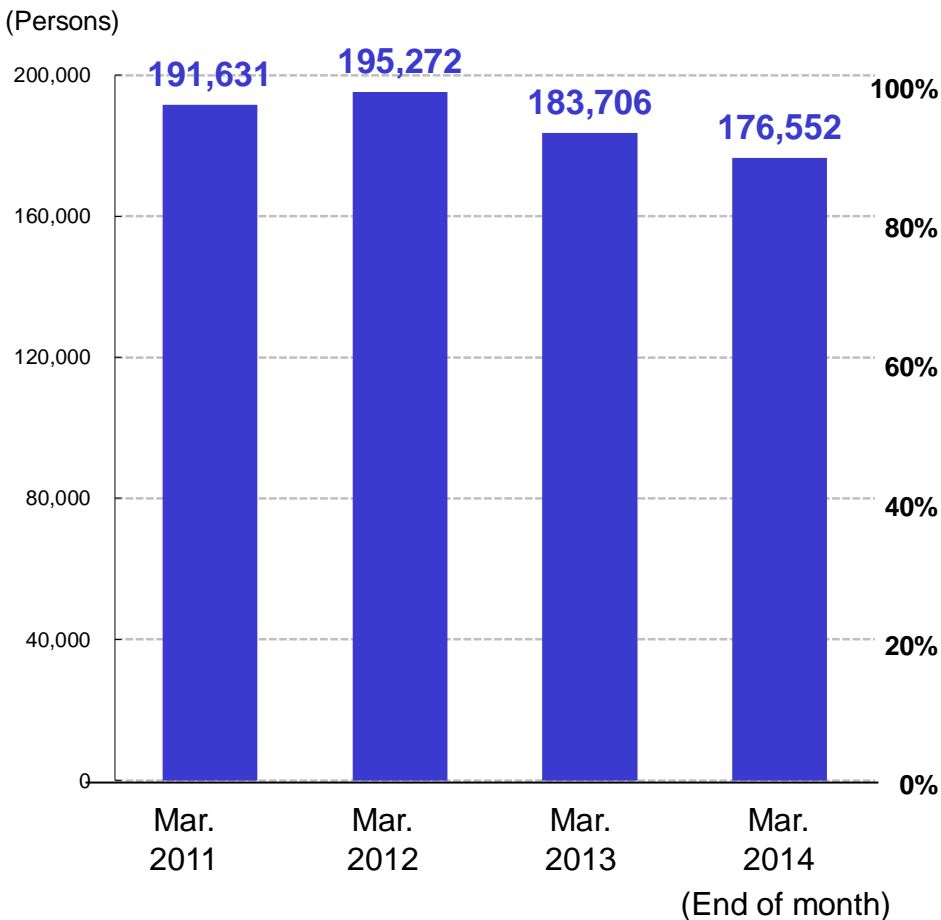
[Appendix]

SBI Holdings' Shareholder Composition



Number of Shareholders

Shareholder Composition



* "Others" includes treasury stock (3.3%)

* Percentages are rounded down to one decimal place

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.

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