



*Strategic
Business
Innovator*

SBI Holdings, Inc.

Financial Results

for the Six-month Period Ended Sept. 30, 2014

(Fiscal Year Ending March 31, 2015)

October 30, 2014

The items in this document are provided as information related to the financial results and the business strategy of the SBI Group companies and not as an invitation to invest in the stock or securities issued by each company.

None of the Group companies guarantees the completeness of this document in terms of information and future business strategy.

The content of this document is subject to revision or cancellation without warning.

Note: Fiscal Year (“FY”) ends March 31 of the following year

- 1. 1H FY2014 Consolidated Results**
- 2. Efforts to Realize Further Growth and Strengthened Profitability**

1. 1H FY2014 Consolidated Results

[Key Points for 1H FY2014 Consolidated Results]

- (1) Despite weak stock market conditions compared to 1H FY2013, overall operating income set a new record for the 1st half period. Profit attributable to owners of the Company increased 46.8% year-on-year on record-high 1H operating income from the Financial Services Business.

Increases in revenue and profit were achieved in 2Q (July–Sept. 2014). Operating revenues increased 55.1%, operating income 472.1%, and quarterly profit attributable to owners of the Company 173.3% compared to 1Q (Apr.–June 2014).

- (2) An annual dividend of JPY 25 per share for FY2014, up JPY 5 from FY2013, is planned, including a 15th anniversary commemorative dividend. An increase in the ordinary dividend will also be considered, depending on 2H results.

1H FY2014 Operating Income Achieved a Record High

[1H FY2014 Consolidated Performance (IFRS)]

(Unit: JPY million)

	1H FY2013 (Apr.–Sept. 2013)	1H FY2014 (Apr.–Sept. 2014)	YoY % change
Operating revenue	128,114	113,303	-11.6
Operating income	34,467	34,915	+1.3
Profit before income tax expense	32,997	32,498	-1.5
Profit for the period	18,583	20,609	+10.9
Profit attributable to owners of the Company	17,570	25,787	+46.8

2Q FY2014 Recorded a Significant Increase in Revenue and Profit Compared to 1Q FY2014

[Quarter-on-quarter]

(Unit: JPY million)

	1Q FY2014 (Apr.–June 2014)	2Q FY2014 (July–Sept. 2014)	QoQ % change
Operating revenue	44,413	68,890	+55.1
Operating income	5,195	29,720	+472.1
Profit before income tax expense	4,166	28,332	+580.1
Profit for the period	2,312	18,297	+691.3
Profit attributable to owners of the Company	6,908	18,879	+173.3

Year-end Dividend for FY2014 is Forecasted to be JPY 25 Per Share, Up JPY 5 from the Previous Year

Dividends for shareholders of record as of the end of Mar. 2015

- ① Ordinary dividend: JPY 20 per share in consideration of the positive results for 1H FY2014
- ② Commemorative dividend: JPY 5 per share in commemoration of the Company's 15th anniversary



Forecasts JPY 25 per share, up JPY 5 from the previous year

If it is determined that a further return of profits is possible after taking into account the business performance in FY2014, SBIH will consider increasing the ordinary dividend.

[Dividend forecast (results) per share]

(Unit: JPY)	End of 2Q	Year-end	Full-year
FY2014 (forecast)	—	<u>25</u> (Ordinary dividend: 20) (Commemorative dividend: 5)	<u>25</u> (Ordinary dividend: 20) (Commemorative dividend: 5)
FY2013 (results)	—	20	20

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

Key Points for Each Segment's 1H FY2014 Results (1)



Operating revenue and profit before income tax expense in 2Q (July–Sept. 2014) increased quarter-on-quarter in all segments.

(1) Financial Services Business

1H operating revenue increased 16.1% and profit before income tax expense increased 106.2% year-on-year.

- ① Steady expansion of the banking business, insurance business, and other businesses resistant to the impact of stock market conditions, along with increased profitability from further cost reduction and pursuit of synergies at each company, contributed to the results.**
- ② Diversification of revenue sources at SBI SECURITIES is progressing, and decline in profit before income tax expense at SBI SECURITIES was only 10% despite a 35% decline year-on-year in average daily individual stock brokerage trading value.**

Key Points for Each Segment's 1H FY2014 Results (2)

(2) Asset Management Business

Because of the adoption of International Financial Reporting Standards (IFRS), change in share prices of listed securities held at the end of each quarter has a significant impact on business performance. Gain on the partial sales of shares held, coupled with strong performance from SBI Savings Bank, contributed significantly to the performance of the Asset Management Business.

- ① SBI Savings Bank, which became a consolidated subsidiary in Mar. 2013 and is already contributing significantly to business performance, is making aggressive business moves, including opening branches and introducing new products.
- ② Sixteen IPOs or M&As of SBI Group investee companies are expected in FY2014.

(3) Biotechnology-related Business

Enhanced promotion in Japan and overseas in pursuit of future sales expansion of health foods and cosmetics that contain 5-ALA.

1H FY2014 Operating Revenue by Segment (IFRS)

[Year-on-year]

(Unit: JPY million)

	1H FY2013 (Apr.–Sept. 2013)	1H FY2014 (Apr.–Sept. 2014)	YoY % change
Financial Services Business	72,582	84,276	+16.1
Asset Management Business	49,933	25,180	-49.6
Biotechnology-related Business	1,486	827	-44.4
Others (Primarily Housing and Real Estate Business)	4,933	3,786	-23.3

* Figures are before elimination of inter-segment transactions

1H FY2014 Profit Before Income Tax Expense by Segment (IFRS)

[Year-on-year]

(Unit: JPY million)

	1H FY2013 (Apr.–Sept. 2013)	1H FY2014 (Apr.–Sept. 2014)	YoY % change
Financial Services Business	18,556	38,266	+106.2
Asset Management Business	18,205	-557	—
Biotechnology-related Business	-748	-1,751	—
Others (Primarily Housing and Real Estate Business)	771	646	-16.2

* Figures are before elimination of inter-segment transactions

FY2014 Quarterly Operating Revenue by Segment (IFRS)

[Quarter-on-quarter]

(Unit: JPY million)

	1Q FY2014 (Apr.–June 2014)	2Q FY2014 (July–Sept. 2014)	QoQ % change
Financial Services Business	33,242	51,034	+53.5
Asset Management Business	9,940	15,240	+53.3
Biotechnology-related Business	177	650	+268.2
Others (Primarily Housing and Real Estate Business)	1,584	2,202	+39.0

* Figures are before elimination of inter-segment transactions

FY2014 Quarterly Profit Before Income Tax Expense by Segment (IFRS)

[Quarter-on-quarter]

(Unit: JPY million)

	1Q FY2014 (Apr.–June 2014)	2Q FY2014 (July–Sept. 2014)	QoQ % change / amount
Financial Services Business	9,534	28,732	+201.4
Asset Management Business	-2,304	1,747	+4,051
Biotechnology-related Business	-1,248	-503	+744
Others (Primarily Housing and Real Estate Business)	311	335	+7.8

* Figures are before elimination of inter-segment transactions

(1) Financial Services Business

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

[Profit before Income Tax Expense]

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

	1H FY2013 (Apr.–Sept. 2013)	1H FY2014 (Apr.–Sept. 2014)	YoY change
SBI SECURITIES	16.9	15.2	-1.7
SBI Japannext	0.5	Achieved record high profit → 0.5	0.0
SBI Liquidity Market	0.7	1.1	+0.4
SBI FXTRADE	0.3	Achieved record high profit → 0.5	+0.2
SBI Insurance	-1.8	Significant improvement → -0.3	+1.5

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

[Profit before Income Tax Expense]

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

	1H FY2013 (Apr.–Sept. 2013)	1H FY2014 (Apr.–Sept. 2014)	YoY change
SBI MONEY PLAZA	0.6	Achieved record high profit → 0.7	+0.1
SBI Card	-1.5	Significant improvement → -0.6	+0.9
SBI Mortgage (Shares transferred in Aug. 2014)	1.9	1.0 [Profit for 4 months]	-0.9
SBI Sumishin Net Bank (Shares of results of associates using the equity method)	-0.2 *	Achieved record high profit → 1.8	+2.0

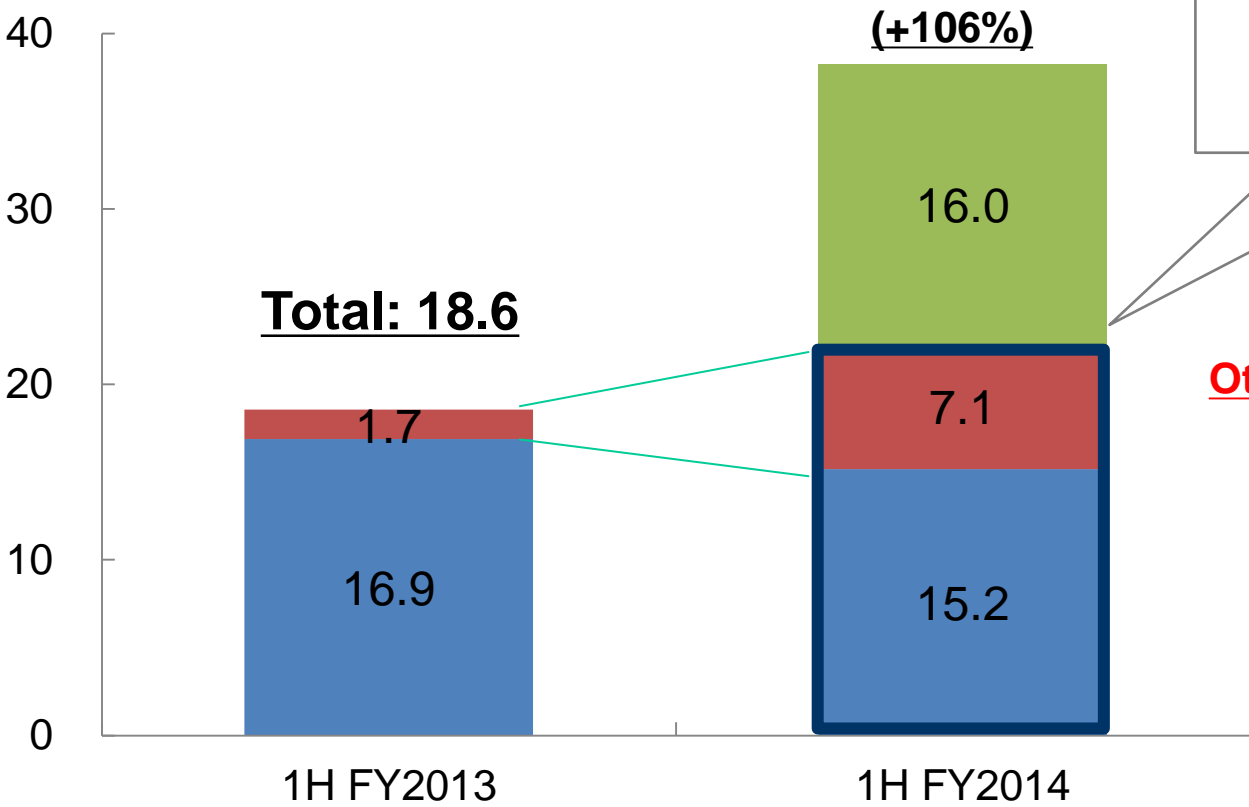
* For 1Q FY2013, SBI Sumishin Net Bank recorded loss on revaluation of securities based on IFRS, due to the devaluation of treasuries held. Therefore the amount are different from that based on J-GAAP.



Steady Expansion of Businesses Resistant to the Impact of Stock Market Conditions and Implementation of the Brilliant Cut Initiative Contributed to the Improvement of Profitability

Change in profit before income tax expense

(JPY billion)



Profit before income tax expense excluding the gain on the sales of SBI Mortgage shares: JPY 22.3bn (+20% YoY)

Other than SBI SECURITIES
+318%*

SBI SECURITIES
-10%

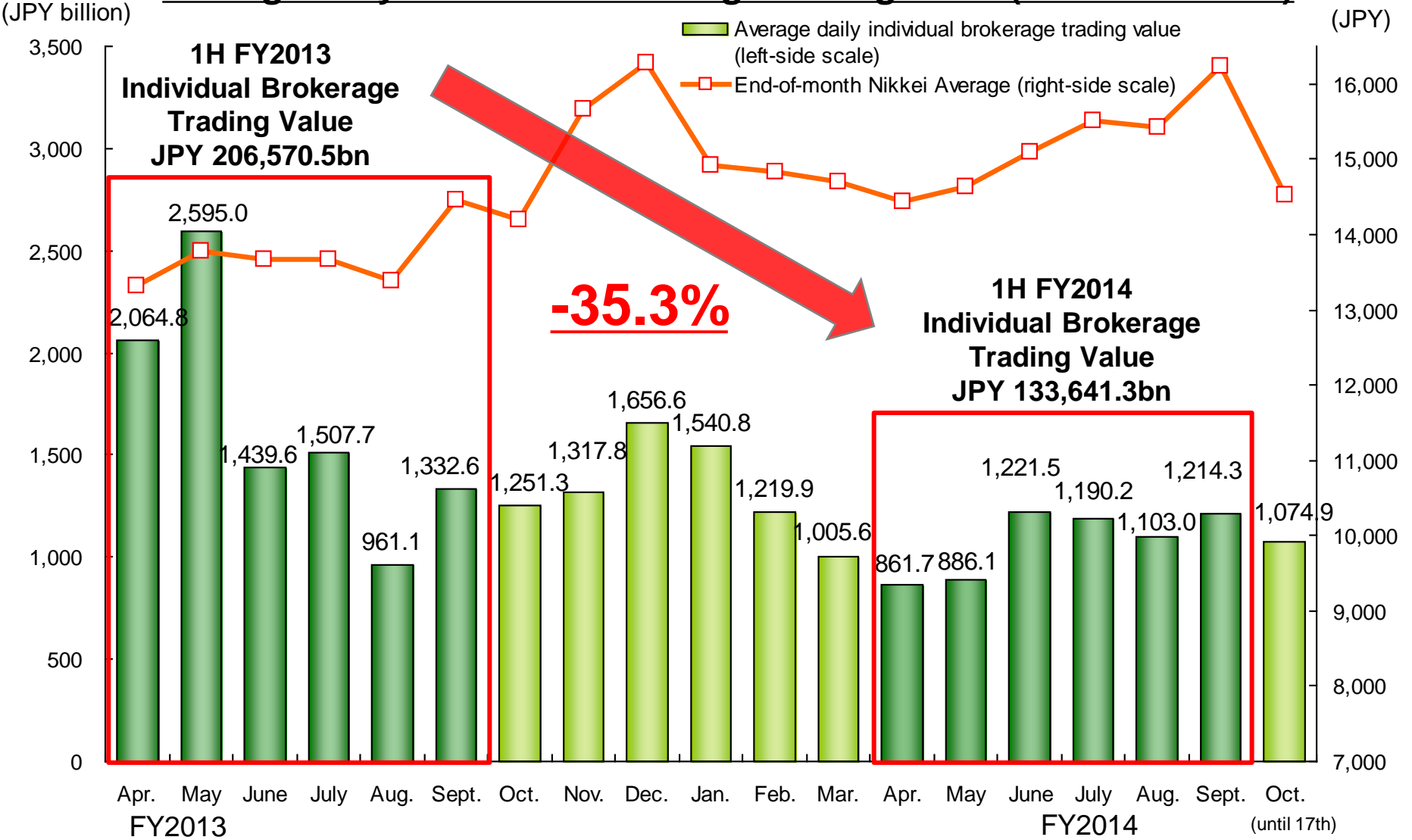
- Gain on the sales of SBI Mortgage shares
- Other than SBI SECURITIES
- SBI SECURITIES

* Includes SBI Mortgage's profit for the Apr.-July period (JPY 1.0bn)



Average Daily Individual Brokerage Trading Value Trended Lower as Compared to FY2013

Average daily individual brokerage trading value (2 market total *)



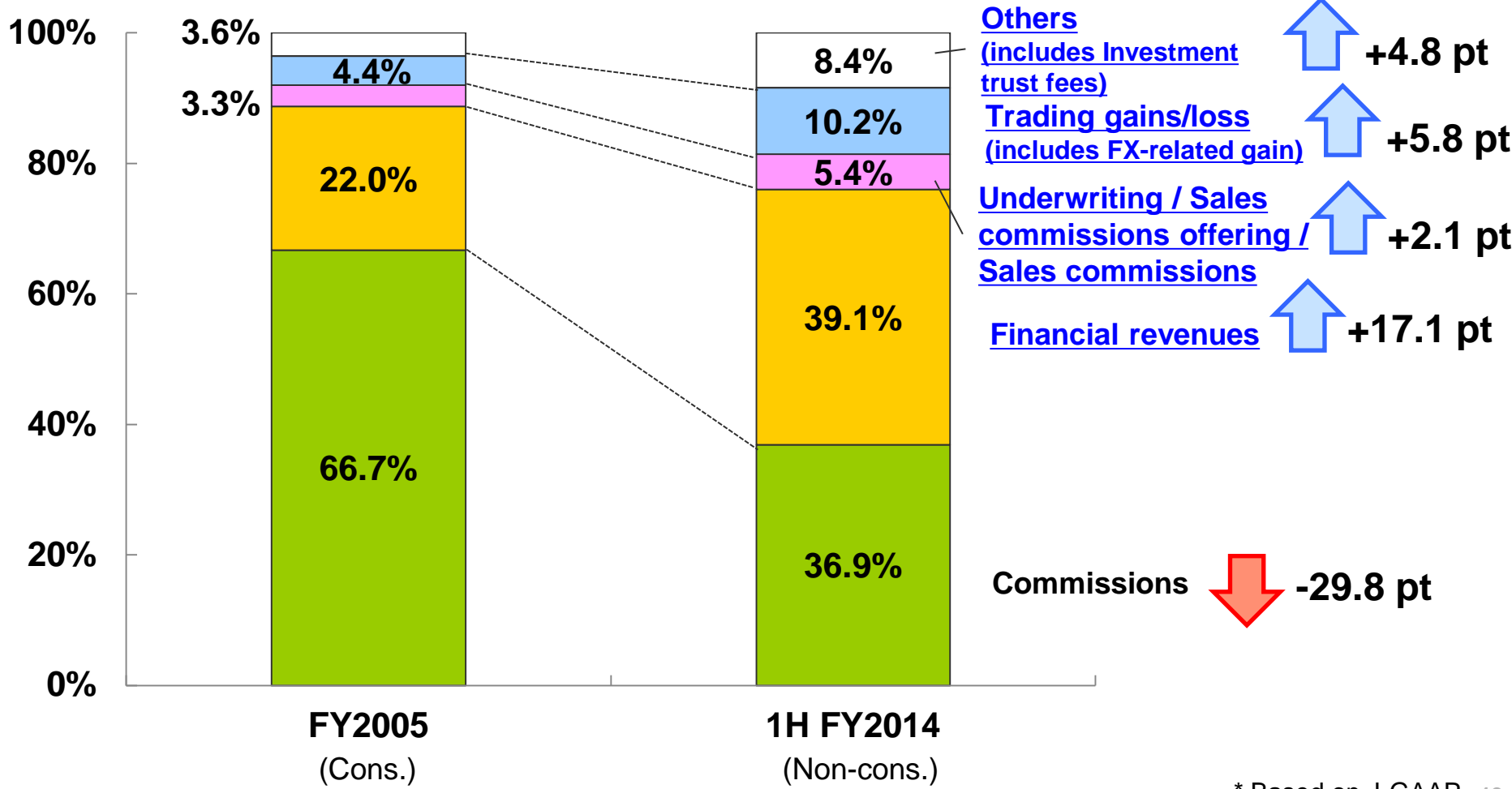
*Japanese Stocks listed on Tokyo Stock Exchange and Nagoya Stock Exchange (Including TSE Mothers, JASDAQ and NSE Centrex)



Diversification of SBI SECURITIES' Earnings Sources

Owing to the diversification of earnings sources, revenue from stable revenue generating products such as financial revenue and investment trust fees contributed to support the financial results.

Changes in SBI SECURITIES' Operating Revenue Structure



* Based on J-GAAP 19

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

(Unit: JPY million)

	Operating Revenue	YoY % change	Operating Income	YoY % change	Net Profit	YoY % change
SBI	35,055	-7.4	14,990	-11.3	8,737	-4.9
Monex (*1) (cons.)	22,843	-22.0	2,251	-75.6	-304	—
Rakuten (*2) (cons.)	20,511	-14.7	8,720	-28.2	5,721	-13.9
Matsui	16,309	-26.5	10,308	-34.0	6,469	-31.4
kabu.com	10,622	-14.5	4,207	-33.0	3,246	-9.6

*1 From full year FY2012, Monex adopted IFRS, so the relevant figures above are based on IFRS. The amount of "Operating Income" is "The amount equivalent to operating income" disclosed by Monex

*2 Although the figures of 1H FY2014 disclosed by Rakuten are non-consolidated figures, the year-on-year % changes are calculated using the consolidated results of 1H FY2013.

Performance Comparison with Brick-and-mortar Securities Companies (J-GAAP)

(Unit: JPY million)

	Operating Revenue	YoY % change	Operating Income	YoY % change	Net Profit	YoY % change
SBI	35,055	-7.4	14,990	-11.3	8,737	-4.9
Nomura (*) (cons.)	912,974	-2.2	—	—	72,732	-30.1
Daiwa (cons.)	304,357	-8.3	75,600	-26.2	71,465	-23.0
SMBC Nikko (cons.)	156,475	-19.0	35,237	-45.3	24,002	-41.8
Ichiyoshi (cons.)	9,845	-25.5	1,621	-67.9	1,826	-65.2
IwaiCosmo (cons.)	9,431	-28.9	1,684	-61.5	1,794	-54.7

* Figures for Nomura are based on US-GAAP.

(2) Asset Management Business

Quarterly Financial Results of the Asset Management Business

(IFRS, JPY billion)

	FY2013				FY2014	
	1Q (Apr. 2013– June 2013)	2Q (July 2013– Sept.2013)	3Q (Oct. 2013– Dec. 2013)	4Q (Jan. 2014– Mar. 2014)	1Q (Apr. 2014– June 2014)	2Q (July 2014– Sept. 2014)
Operating revenue	39.0	10.9	9.1	13.7	9.9	15.2
Profit before income tax expense	21.9	-3.7	-5.3	-4.0	-2.3	1.7
Profit/loss from the change in fair value and profit/loss on sales of investment securities	22.8	-4.8	-5.4	-3.2	-5.6	-0.8
ReproCELL	20.7	-7.7	-2.0	-3.9	0.3	-0.3
Acucela	—	—	—	-1.5	-3.6	-0.9
WH Group	—	—	—	—	—	-2.8
Others	2.1	2.9	-3.4	2.2	-2.3	3.2
SBI Savings Bank	0.8	1.2	1.1	1.0	5.0	2.7
Others	-1.7	-0.1	-1.0	-1.8	-1.7	-0.2

SBI Savings Bank Recorded Profit Before Income Tax Expense of Approx. JPY 7.7bn, Contributing to the Asset Management Business' Results

1H FY2014 Results

(SBIH's consolidated accounts basis; IFRS)

(JPY million)

	1H FY2013	2H FY2013	1H FY2014	YoY % change
Operating revenue	20,065	16,487	18,857	-6.0
Operating income	2,356	2,272	7,933	+236.7
Profit before income tax expense	1,969	2,041	7,659	+289.0

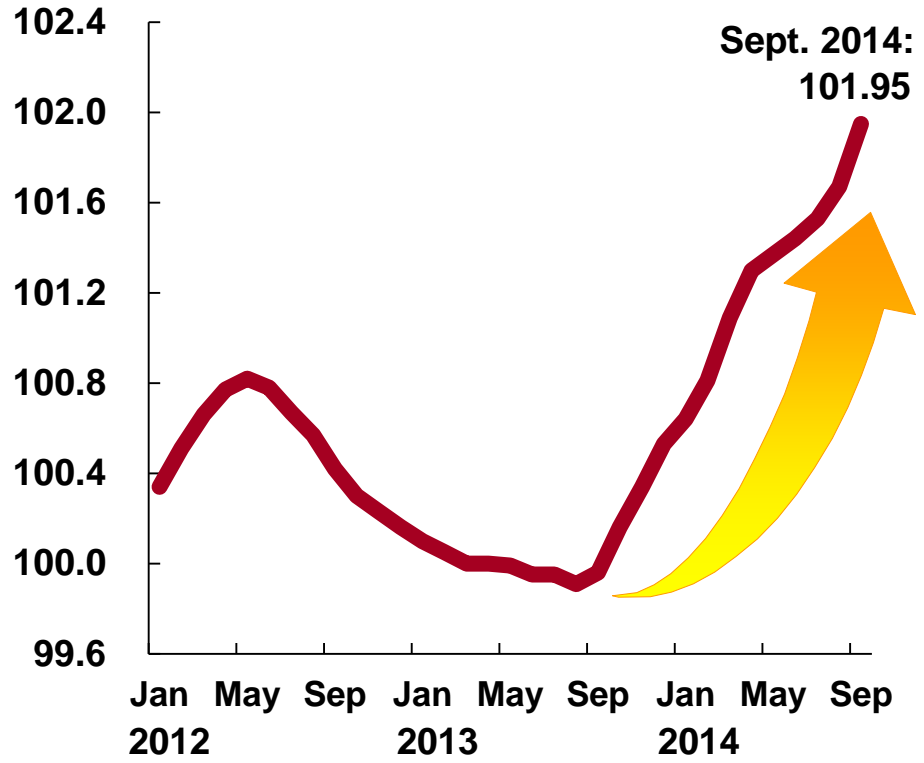
- Steady debt collection continued in a firm real estate market
- Possibility of attaining a quarterly profit in the Oct.-Dec. 2014 period on a K-GAAP basis

Continued Improvement of SBI Savings Bank's Business Environment



South Korean Housing Purchase Price Index

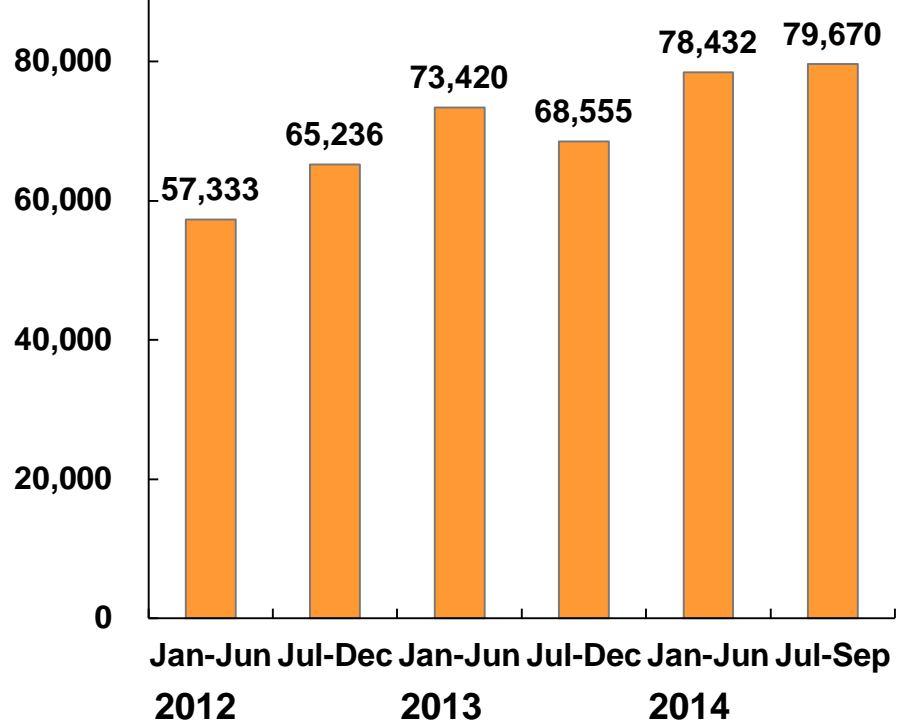
(Nationwide; Mar. 2013 = 100)



Source: The Bank of Korea

Average Monthly Transaction Amount of Home Sales in South Korea

(houses)



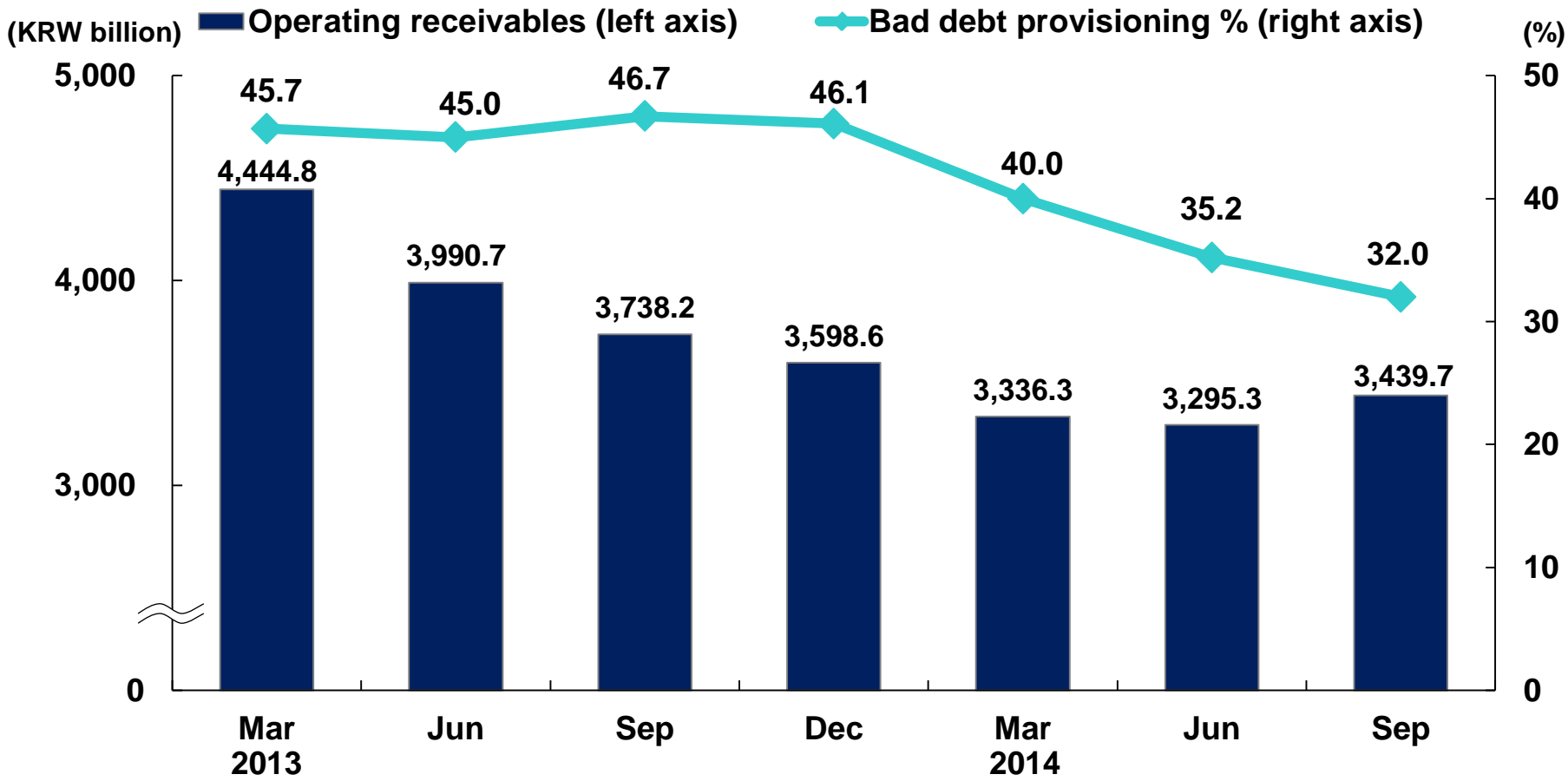
Source: Ministry of Land, Infrastructure and Transport (Korea)

- 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.
- In Oct. 2014, the Bank of Korea cut its benchmark interest rate to 2.0%, a 4-year low, with the expectations of supporting economic activities.



Since Mar. 2013, when SBI Savings Bank was Converted into a Consolidated Subsidiary, Focused Efforts Produced Steady Progress in Restoring the Bank's Soundness

Operating receivables (based on IFRS)



- ✓ The balance of operating receivables increased
- ✓ Bad debt provisioning ratio declined, as bad debts decreased

Owing to the Progress in Restructuring, Adopting an Aggressive Management Approach to Strengthening Sales Activities

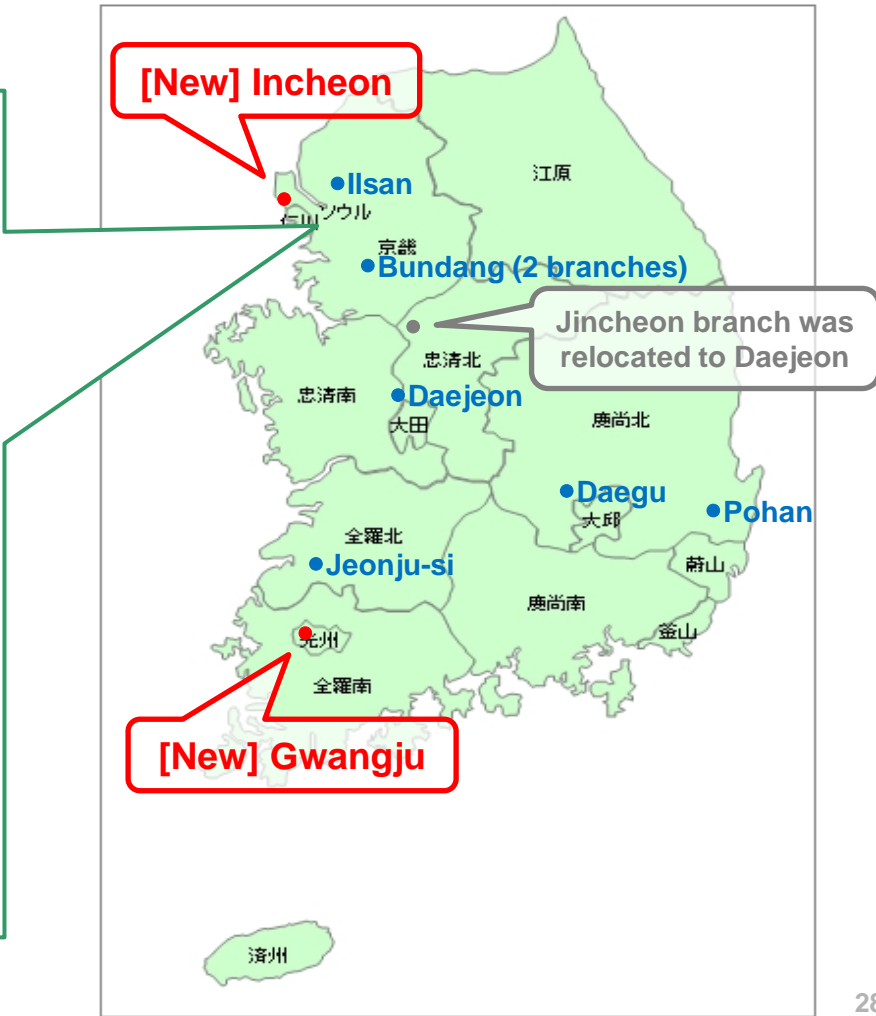
- ◆ Implementing mergers and integration between SBI Savings Bank, the parent company, and its three affiliated banks, effective Oct. 31, 2014, in order to enhance management efficiency. Additionally, promoting online banking services.
- ◆ Restructuring the branch network with a focus on highly populated areas
- ◆ Continuously introducing new products, to service a broad set of customer needs.
- ◆ Targeting an early stage IPO



To become the No. 1 savings bank both in name and actuality

Branch Network Restructuring

- Two new branches are opening in Nov. 2014, in Incheon and Gwangju
- Subject to approval from relevant authorities, will continue to actively open new branches with a focus on highly populated areas
- Unprofitable branches will be closed or relocated



IPO and M&A Deals Prospect for FY2014

	Up to FY2012	FY2013 full year	FY2014 full year prospect
IPO and M&A deals*	167	14	16

* 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.

In FY2014, seven companies have already conducted an IPO, and two companies were M&A'd

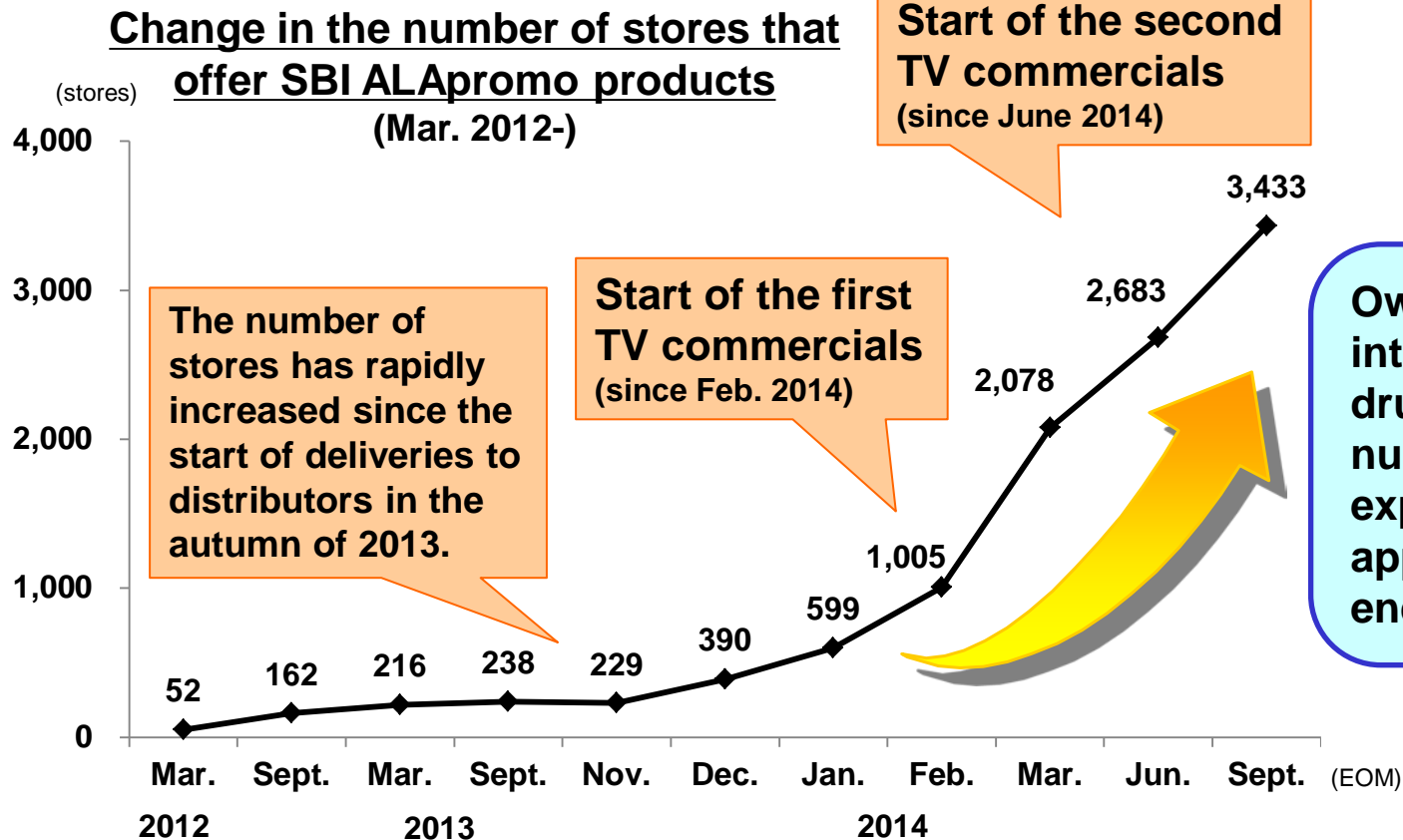
EXIT Date	Company	Market (Country)
Apr. 2	Smart Navi Co.,Ltd.	M&A
June 16	NEWTON FINANCIAL CONSULTING, Inc.	TSE JASDAQ
July 23	Nippon View Hotel Co., Ltd.	TSE 2 nd Section
Aug. 5	WH Group Limited	Main board (Hong Kong)
Aug. 11	Pandora TV Co., Ltd	KONEX (Korea)
Sept. 15	GCS HOLDINGS, INC.	GTSM (Taiwan)
Sept. 25	RIBOMIC Inc.	TSE Mothers
Oct. 1	YAPPA Corporation	M&A
Oct. 22	Ceres inc.	TSE Mothers

(3) Biotechnology-related Business

Enhancing Promotion of Health Foods and Cosmetics for the Domestic Market, to Drive Sales Growth in the 5-ALA related Businesses (i)

Promotion including TV commercials and POP display at drugstores of the ALAplus series featuring singer Hiromi Go stepped up

Consulting pharmacies and drugstores nationwide that offer SBI ALA promo products topped 3,500 stores in Oct. 2014



Owing to an introduction to a major drugstore chain, the number of stores is expected to reach approx. 4,500 at the end of Nov.

Enhancing Promotion of Health Foods and Cosmetics for the Domestic Market, to Drive Sales Growth in the 5-ALA related Businesses (ii)

Supplements

(e.g.) ALAPLUS Series



**ALAPLUS
GOLD**



ALAPLUS

ALAPLUS Beauty Series



ALAPLUS CoQ10
(Containing 5-ALA and CoQ10)



ALAPLUS Biotin
(Containing 5-ALA and Biotin)

Cosmetics

ALAPLUS series



**Essential
lotion**



**Moisturizing
cream**

A new ALAPLUS GOLD product in different potency and a full-body moisturizing cream (planned product name: ALAPi) are being developed, and existing cosmetics are being renewed, with planned further product line enhancement.

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)



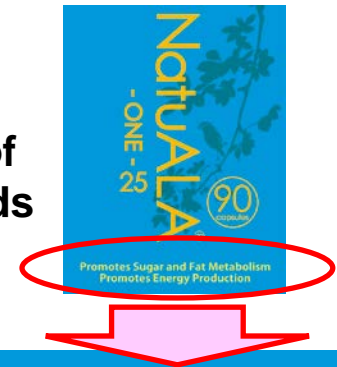
Taiyo Co., Ltd., where Mr. Ken Hayashibara, former president of Hayashibara Biochemical Labs., Inc., is involved, also launched new supplements containing trehalose and 5-ALA

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 them as a mainstay product in pharmacies, etc. We are planning a sales promotion in Bahrain
- “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.
- Primarily to increase doctor recommended sales, continuously conducting educational campaigns and seminars for doctors.



Label design of the health foods



Promotes Sugar and Fat Metabolism
Promotes Energy Production

* The above description is permitted only in Bahrain.

**State of the Major Financial Services
Business Companies**

① SBI SECURITIES

- Share of individual stock trading value continued to increase by 2 percentage points year-on-year
- Improved earnings capacity through further diversification of earning sources, and expansion of sales of stock-oriented products.

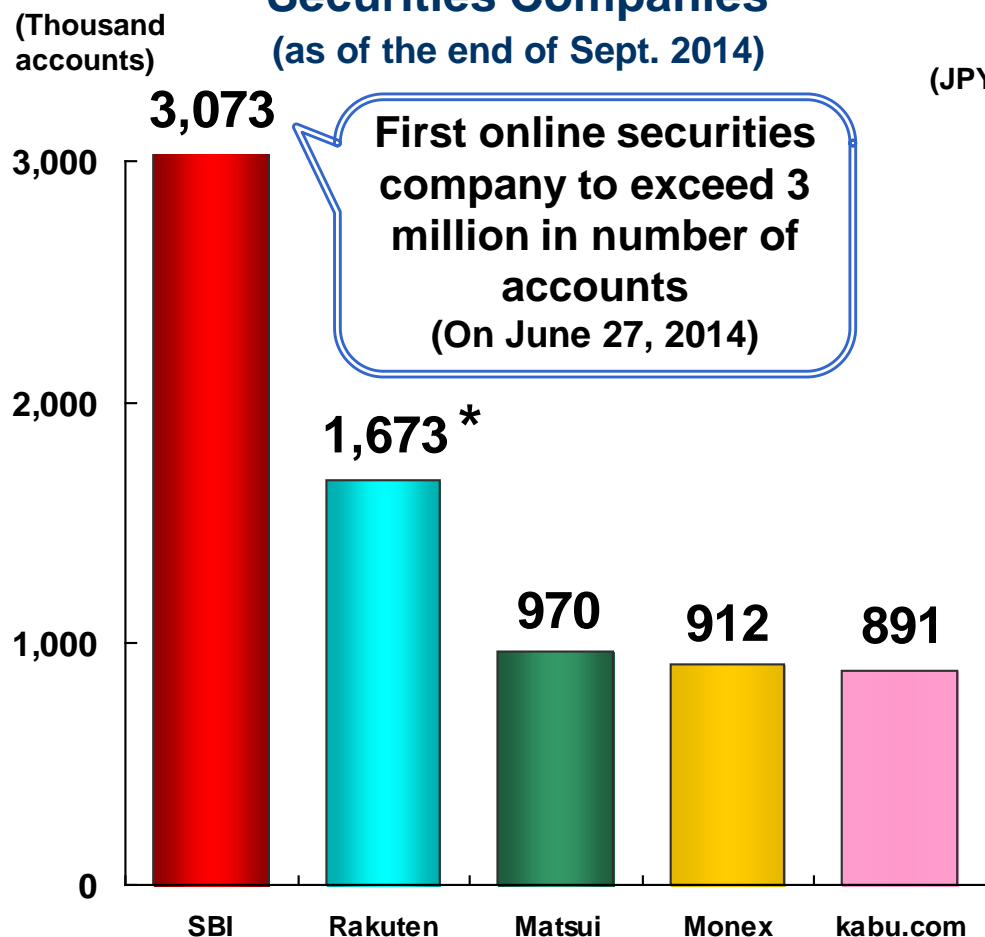
Financial revenue rose 20.6% year-on-year due to a favorable increase in open interest credit balance. Also, the investment trust balance continued at record levels.

Customer Base of SBI SECURITIES

[Number of Accounts and Amount of Customer Asset]

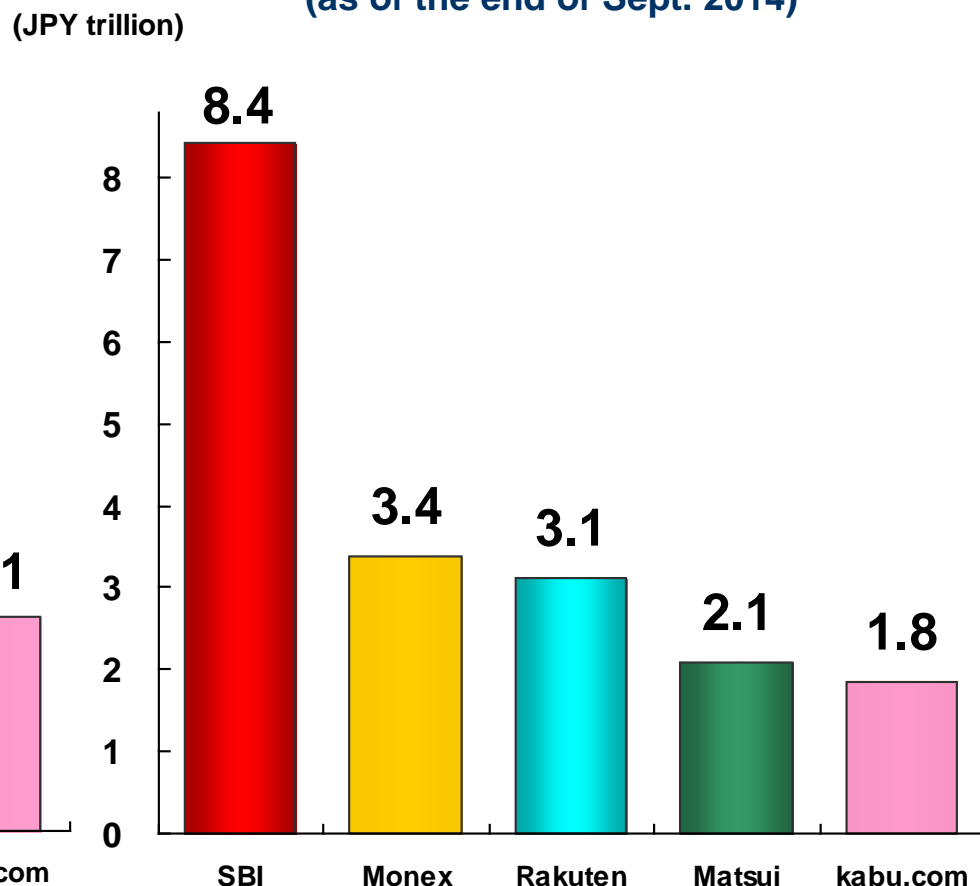
Customer Accounts of 5 Online Securities Companies

(as of the end of Sept. 2014)



Customers' Deposit Assets of 5 Online Securities Companies

(as of the end of Sept. 2014)



* The figure of Rakuten is that of the end of Mar. 2014. The figure as of the end of Sept. is not disclosed.

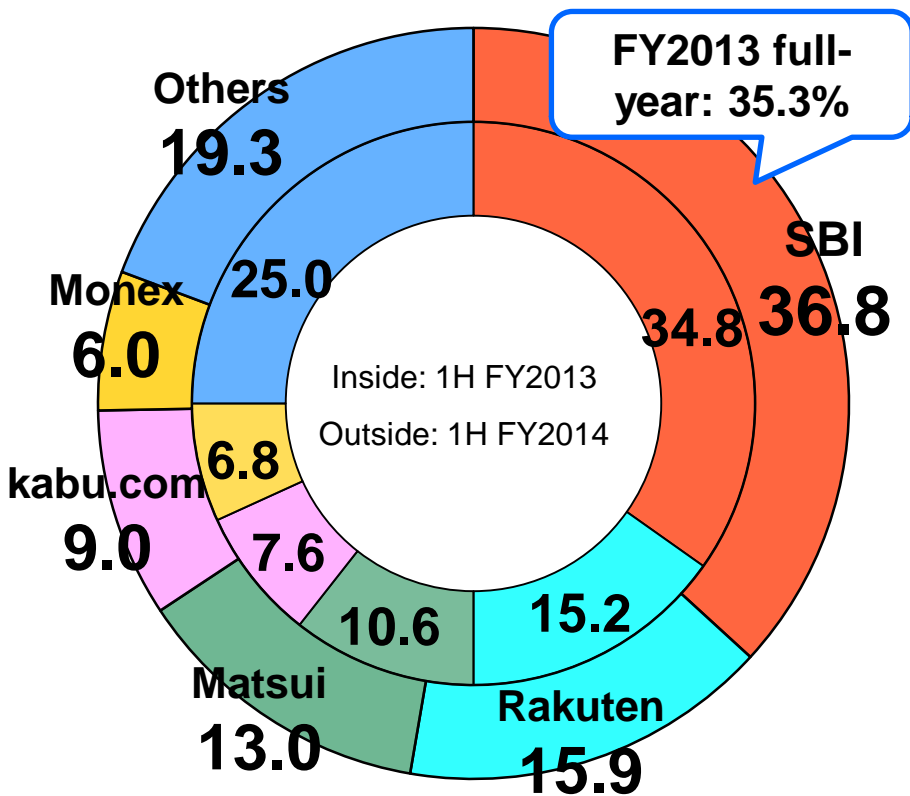
Source: Compiled by SBIH from the information on websites of each company.

SBI SECURITIES' Share of Individual Stock Trading Value Continued to Increase

Share of Individual Stock Trading Value (%)

1H FY2014

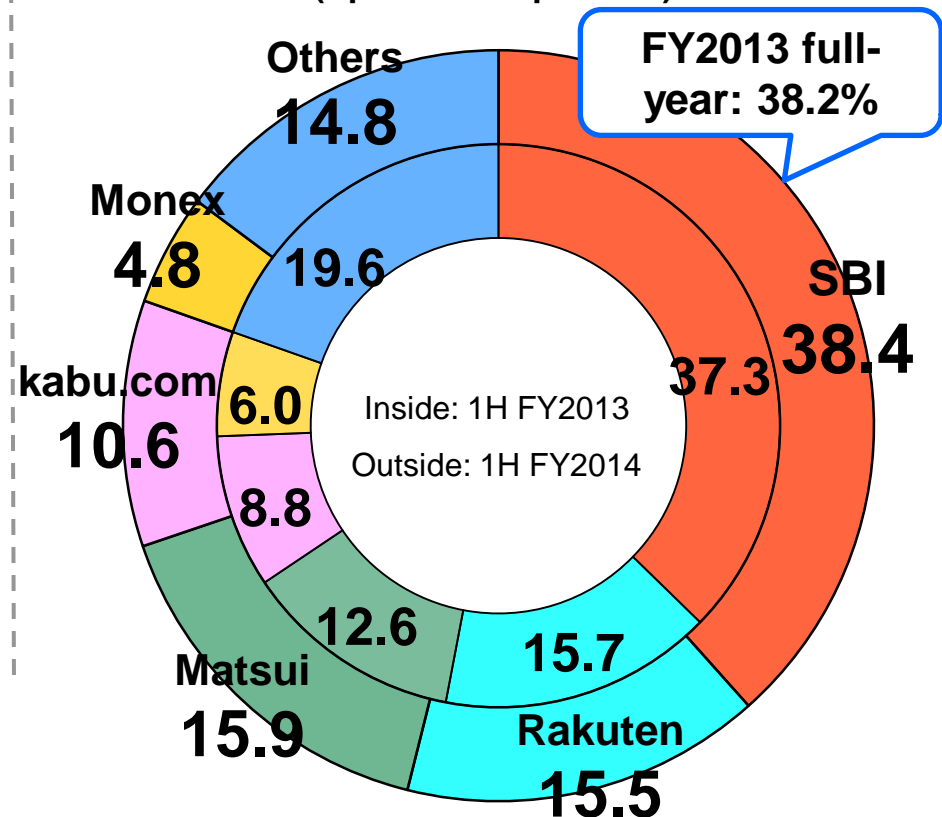
(Apr. 2014-Sept. 2014)



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

1H FY2014

(Apr. 2014-Sept. 2014)



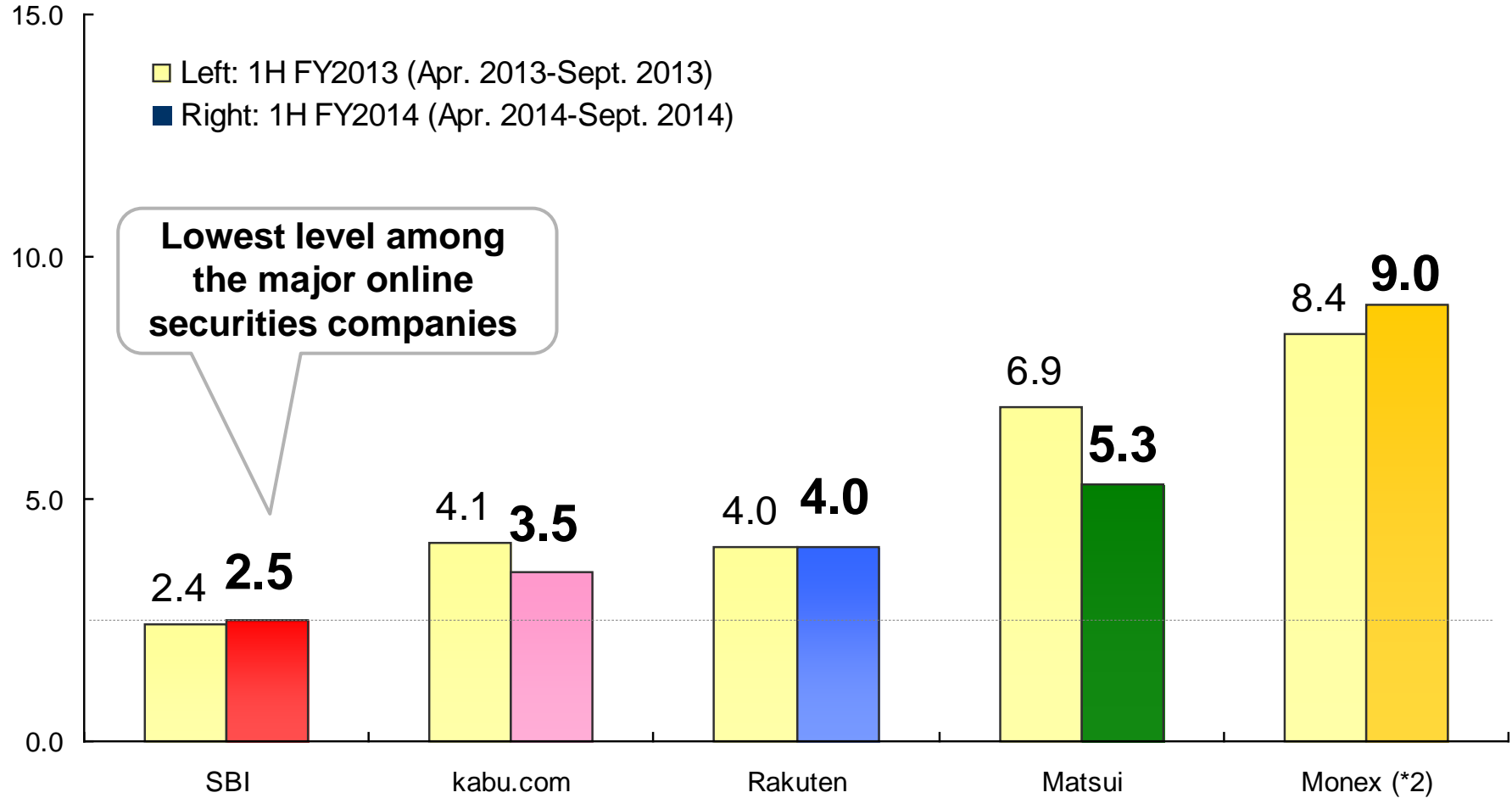
Source: Compiled by SBI SECURITIES based on Tokyo Stock Exchange and JASDAQ materials and websites of each company

* The whole individual stock trading value and individual margin trading value are the sum of 1st and 2nd section of the Tokyo and Nagoya Stock Exchange, respectively.

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

(Basis point)

(Calculated as commissions divided by stock brokerage trading value)



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

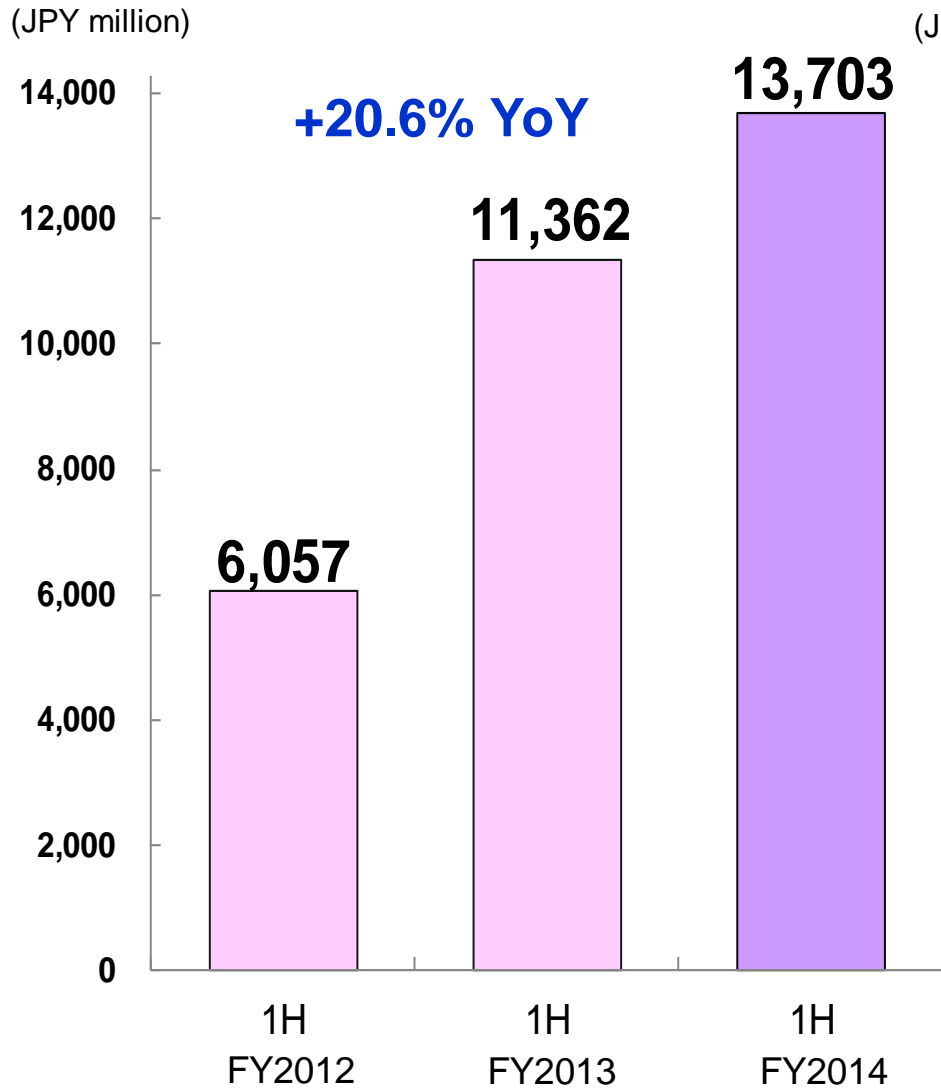
*2 Figures of Monex are based on commission of Monex, Inc.'s commission figures

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

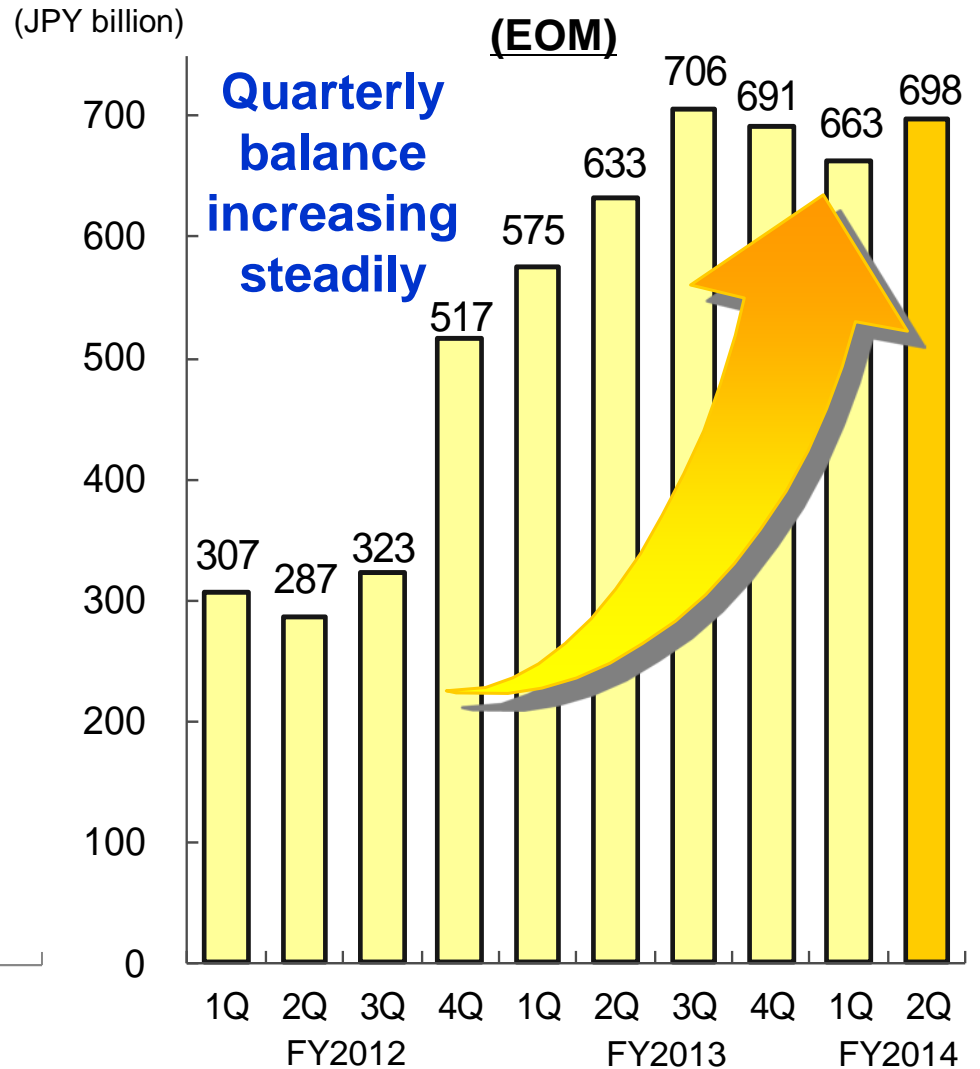
Commissions are from earnings briefings.

SBI SECURITIES' Financial Revenue and Open Interest Credit Balance Increased

Financial Revenue



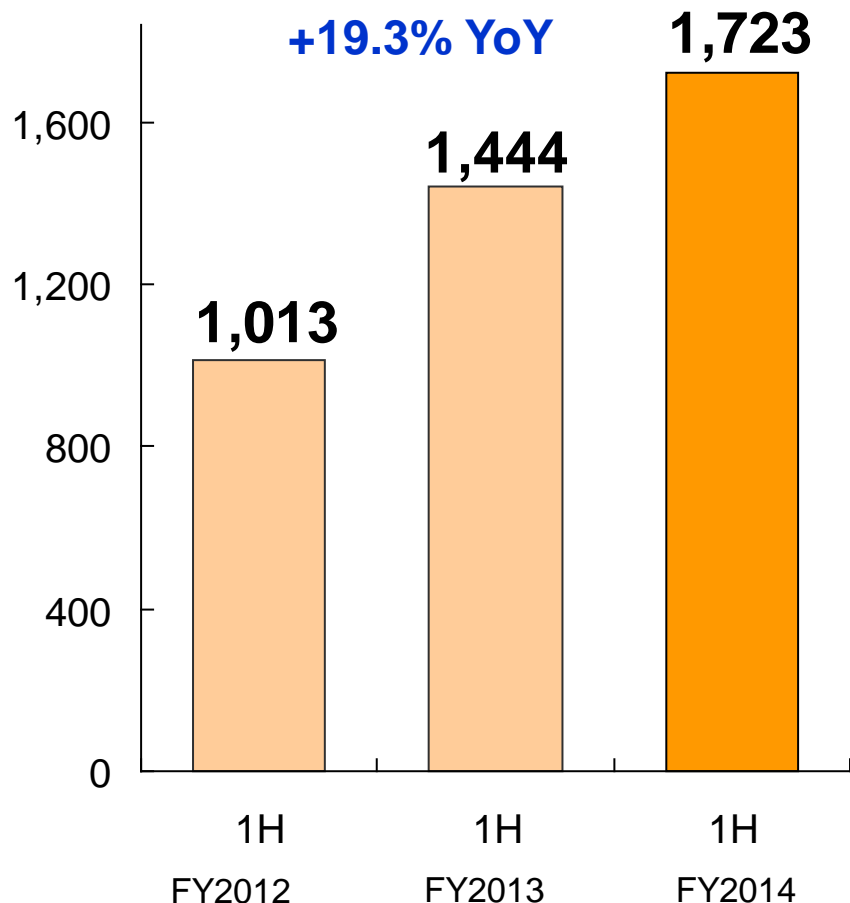
Open Interest Credit Balance



SBI SECURITIES' Investment Trust Fees and Investment Trust Balance Both Hit a Record High Without Regard to the Stock Market

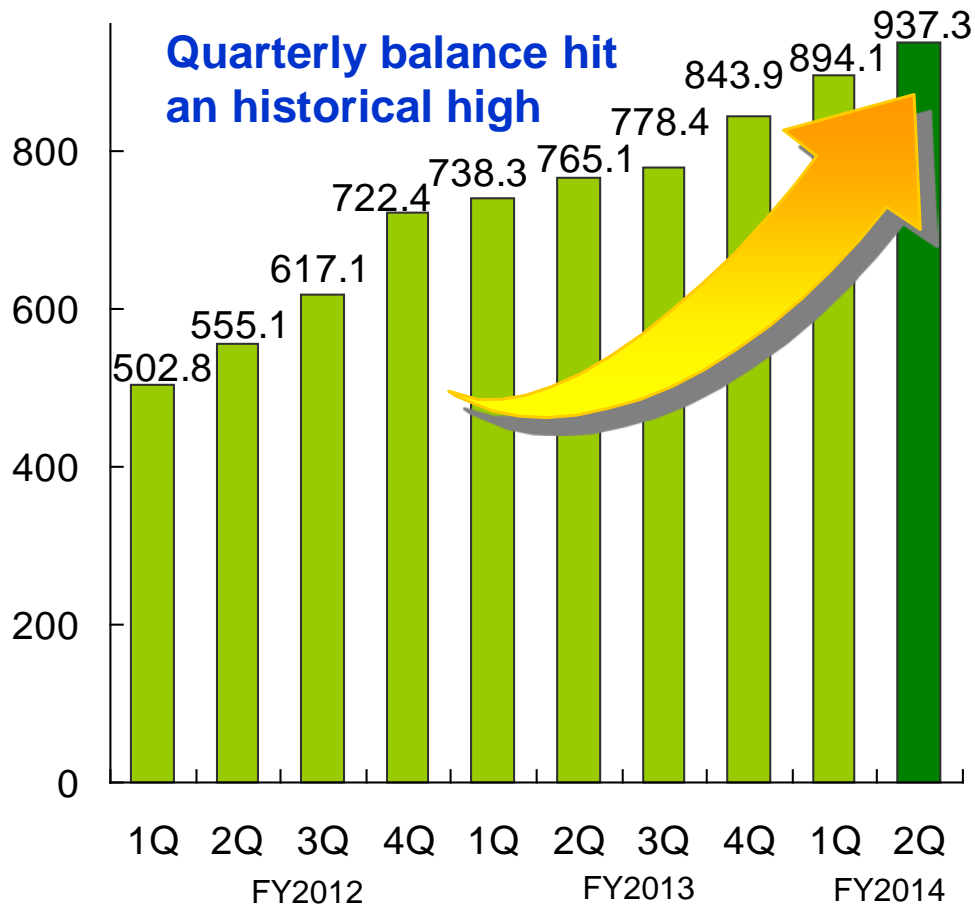
Investment Trust Fees

(JPY million)



(JPY billion)

Investment Trust Balance



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

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

* Trust fee excludes MRF

Succeeded at Attaining New Customers through NISA



	End of Mar. 2014	End of Sept. 2014
Number of NISA accounts	approx. 410,000	<u>approx. 510,000</u>
Deposits	JPY 77,531m	<u>JPY 136,413m</u>

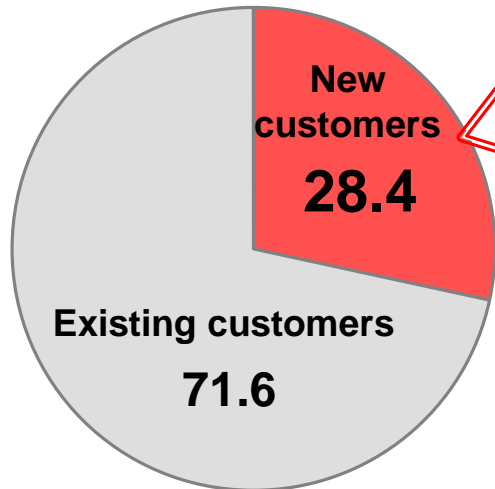
[Number of accounts of peers] (as of Sept. 30, 2014)

- ◆ Matsui 75,826
- ◆ kabu.com 84,852

Currently, SBI SECURITIES has approx. 530,000 accounts, and deposits of JPY 146.4bn (as of Oct. 29, 2014)

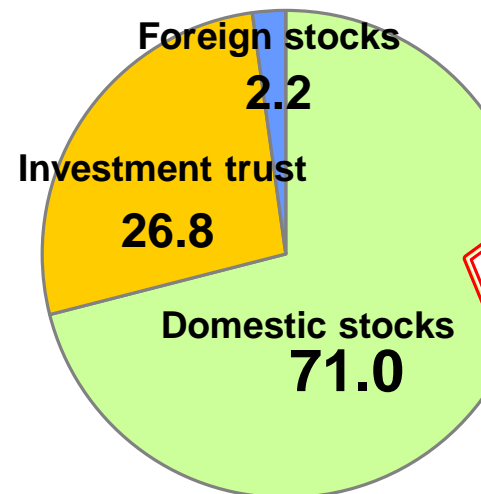
Usage situation of SBI SECURITIES' NISA accounts (as of the end of Sept. 2014)

Breakdown by customer (%)



Over 28% of customers opening NISA accounts are new customers, and among those, 66.5% are beginner investors

Breakdown by product (%)



Of the entire deposits in the NISA account, 71% consists of domestic stocks and 27% consists of investment trusts

- Persons age 20 to 49 make up 58.7% of customers opening NISA accounts (Among the major 10 securities companies, nearly 60% is over age 60 *)
- Active account ratio of 50.2% (Among the major 10 securities companies, the ratio is 29%*)

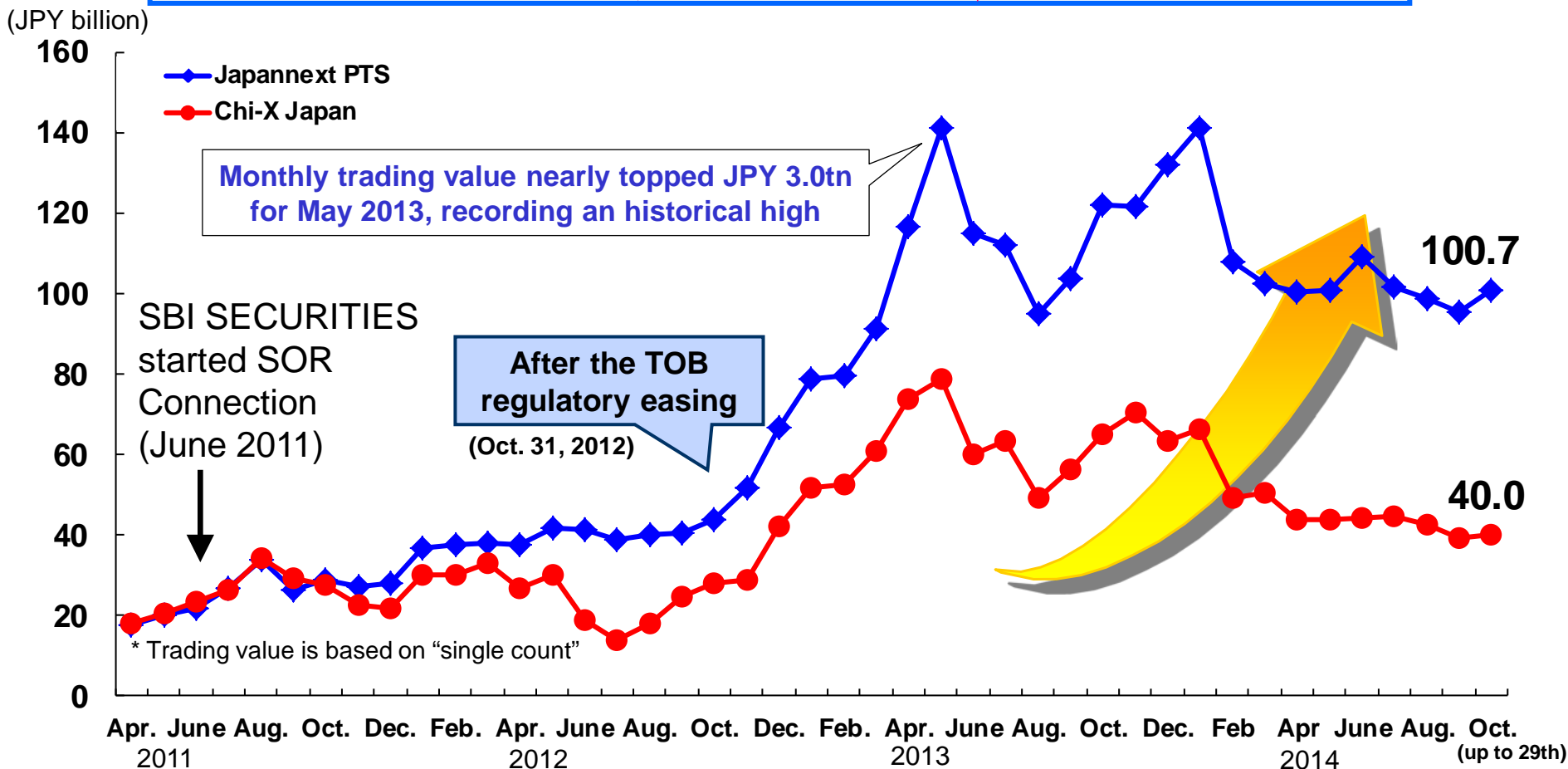
② SBI Japannext

- **Despite the weakness in the stock market, trading value increased steadily, and the increase in 1H FY2014 operating income was 5.2% year-on-year**
- **Start of J-NET trading of Nikkei 225 Futures and Nikkei 225 mini on Oct. 14**

② SBI Japannext (PTS):

Average Daily Trading Value at Japannext PTS Surged

Ratio of Japannext PTS to 1st section of the TSE (%)
4.1 (FY2012) → **4.9** (FY2013) → **5.5** (1H FY2014)



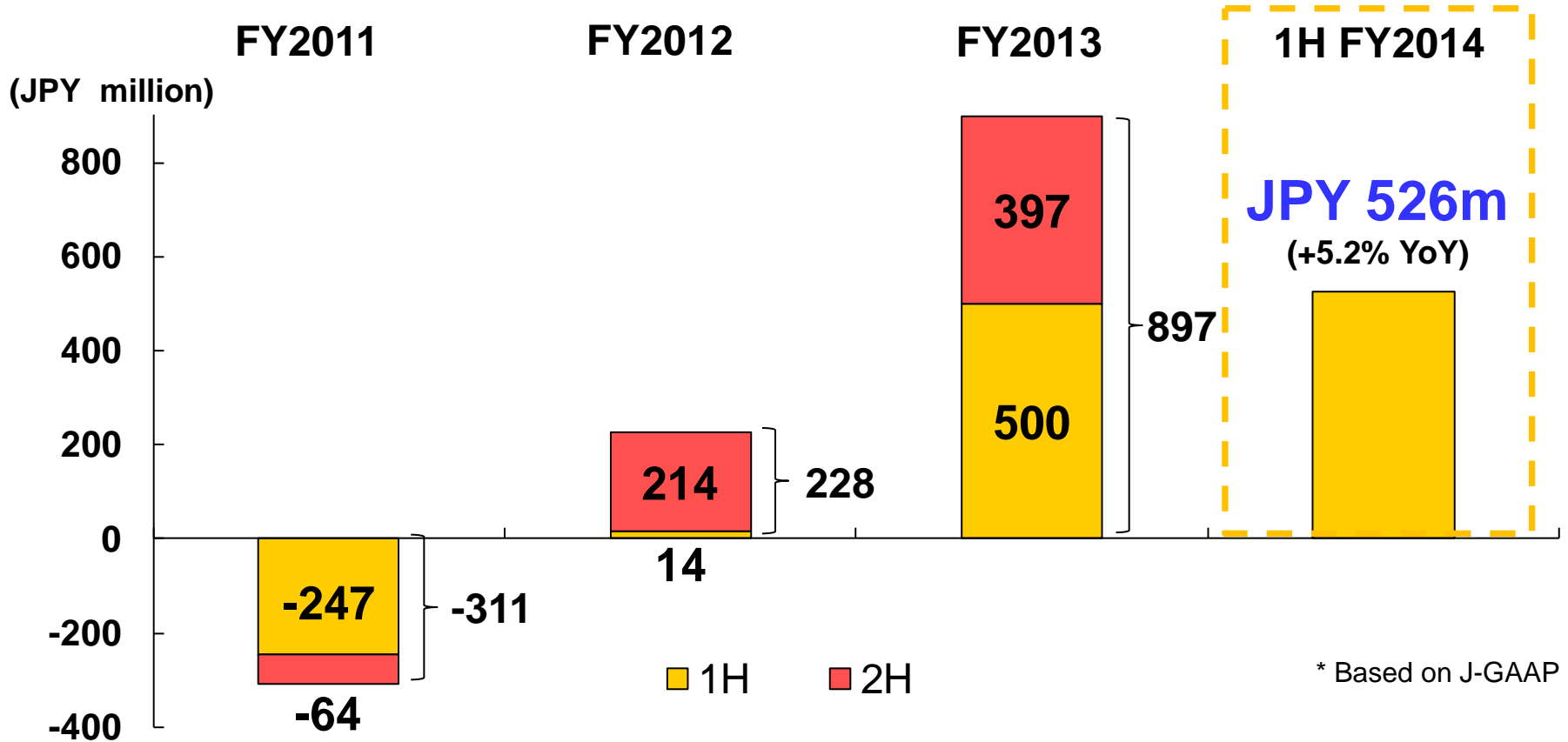
TOB (take-over-bid) regulation
 The regulation obliges investors who acquire more than 5% of a company through off-exchange transactions, or for investors who already own more than 5% that decide to increase their holdings, to conduct a takeover bid. This had hindered large institutional investors from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

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

Change in SBI Japannext's Financial Results

(Consolidated in Sept. 2012)

Change in Operating Income/Loss (FY2011 - 1H FY2014)



■ Start of J-NET trading of Nikkei 225 Futures and Nikkei 225 mini on Oct. 14

③ SBI Liquidity Market, SBI FXTRADE

- The SBI Group has grown its customer base and customer deposit assets to become one of the largest in the OTC FX industry
- SBI Liquidity Market's operating income before allocation for 1H FY2014 was JPY 4.3bn, up 18.0% year-on-year
- SBI FXTRADE continuously increased its customer base and customer deposit assets, and its operating income rose 1.5 times year-on-year

③ SBI Liquidity Market, SBI FXTRADE:

The SBI Group's (SBI SECURITIES, SBI FXTRADE and SBI Sumishin Net Bank) Total Number of Accounts and Customer Deposit Assets are One of the Largest in the OTC FX Industry

Number of FX Trading Accounts (Accounts)

No.	Company name	Number of accounts
1	SBI Group	490,069
2	DMM.com	402,129
3	Gaitame.com	382,294
4	GMO CLICK	357,960
5	YJFX	294,079
6	MONEY PARTNERS	243,854
7	Traders Securities	230,634
8	Hirose FX	162,772
9	FX PRIME by GMO Corporation	151,090
10	Central Tanshi FX	150,166
11	MONEY SQUARE JAPAN	73,449
12	Ueda Harlow	51,112
	Other (1 company)	56,242
	Total	3,045,850

Customers' Deposit Assets (JPY million)

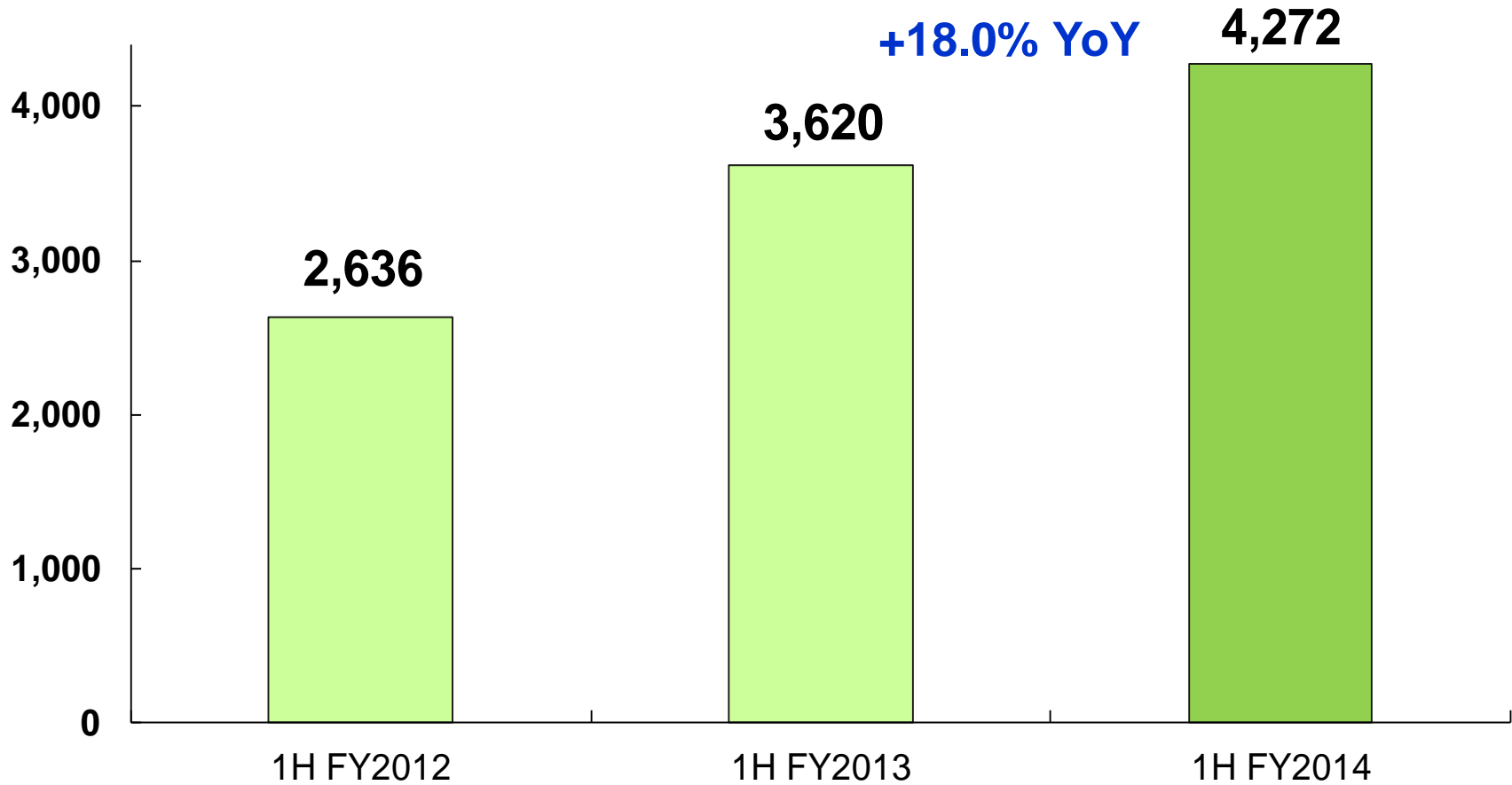
No.	Company name	Amount
1	SBI Group	149,038
2	GMO CLICK	105,667
3	Gaitame.com	103,096
4	DMM.com	88,539
5	YJFX	86,821
6	Central Tanshi FX	59,175
7	MONEY SQUARE JAPAN	54,304
8	MONEY PARTNERS	45,214
9	Hirose FX	24,965
10	FX PRIME by GMO Corporation	15,659
11	Traders Securities	13,858
12	Ueda Harlow	11,629
	Other (1 company)	8,418
	Total	766,383

Financial Results of SBI Liquidity Market

Operating Income Before Allocation

(JPY million)

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



* Based on J-GAAP

Operating Income of Listed Pure-play FX Trading Services Providers (J-GAAP)

(Unit: JPY million)

	1H FY2013 (Apr.-Sept. 2013)	1H FY2014 (Apr.-Sept. 2014)	YoY % change	Deposits (JPY billion)	Number of accounts	Establishment
SBI Group *	3,620	4,272	+18.0	153.4 (Sept. 2014)	499,783 (Sept. 2014)	July 2008 [of SBI LM]
of which, SBI FXT	333	512	+53.8	20.4 (Sept. 2014)	67,786 (Sept. 2014)	May 2012
MONEY SQUARE JAPAN	1,647	Announcement scheduled on Nov. 6		54.3 (Aug. 2014)	73,449 (Aug. 2014)	Oct. 2002
Money Partners	629	206	-67.2	45.6 (Sept. 2014)	245,880 (Sept. 2014)	June 2005
FX PRIME by GMO Corp.	408	-109	—	15.5 (Sept. 2014)	152,059 (Sept. 2014)	Sept. 2003

* Operating income of the SBI Group is SBI Liquidity Market's operating income before allocation



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

(Started its business on May 30, 2012)

(JPY million)

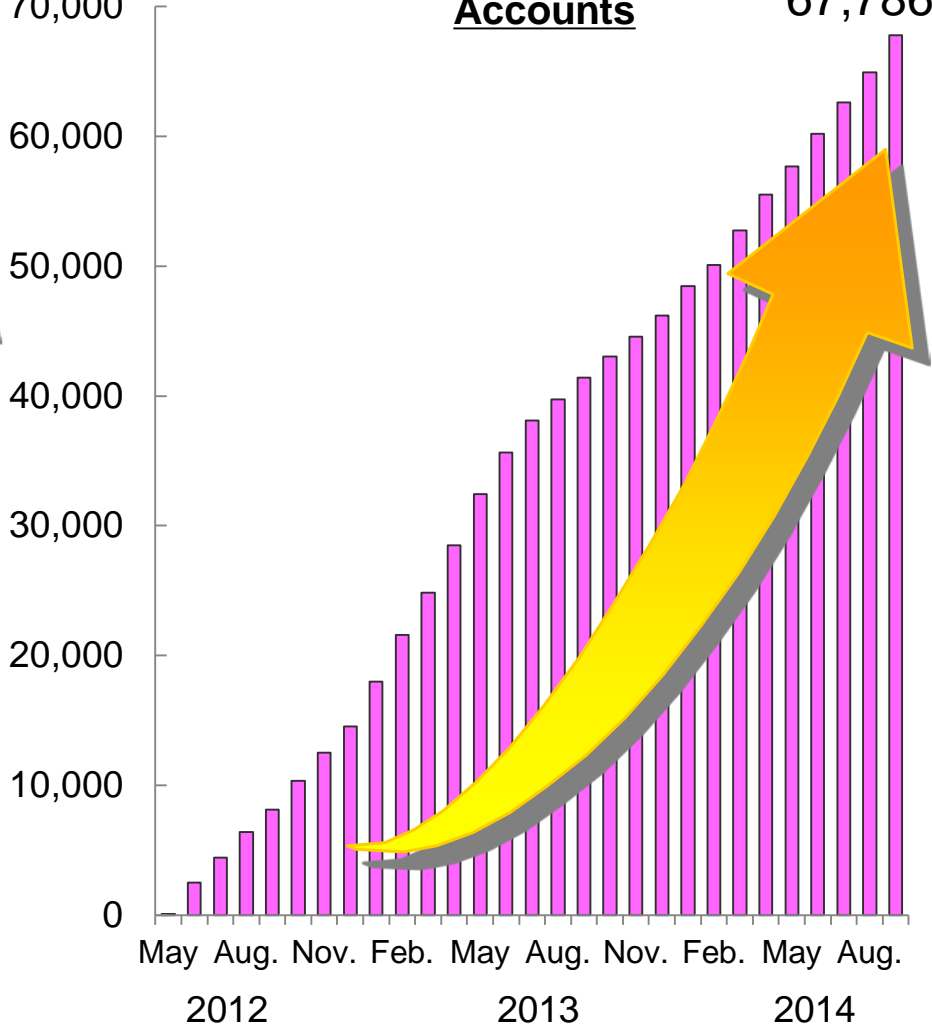
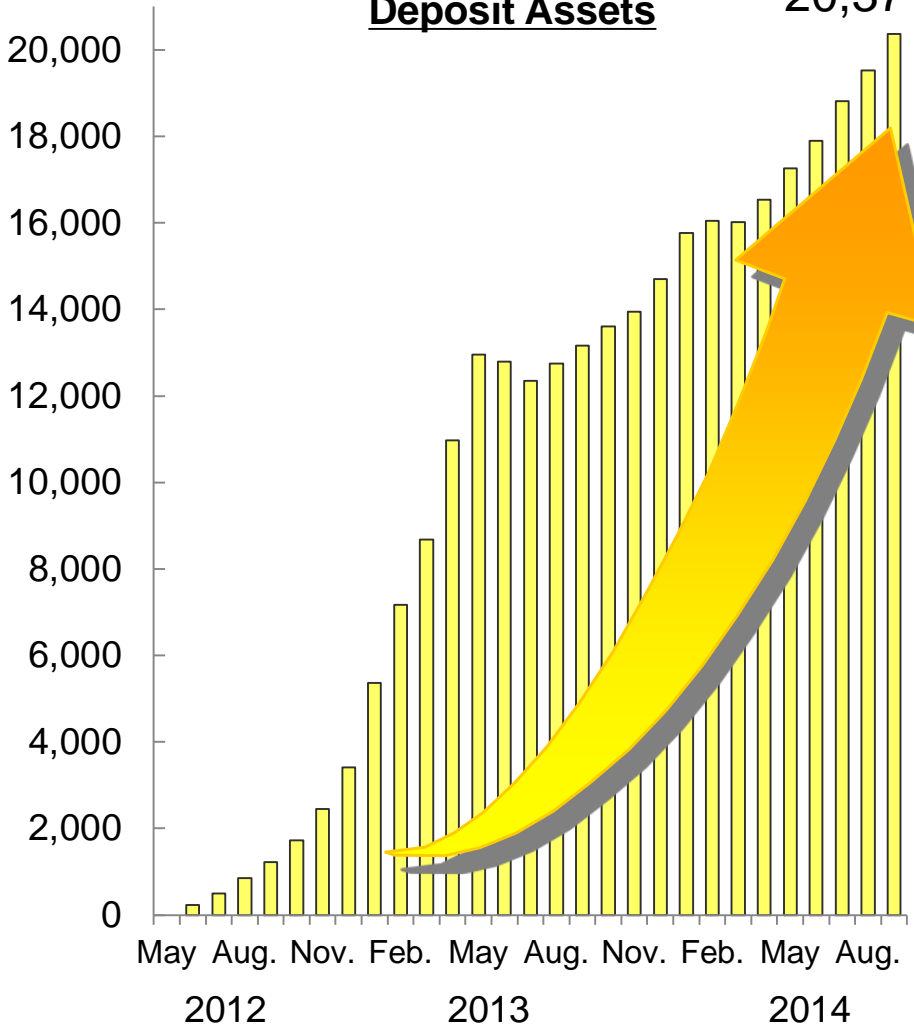
Change in Customers' Deposit Assets

20,371

(Accounts)

Change in Number of Accounts

67,786



④ SBI Sumishin Net Bank

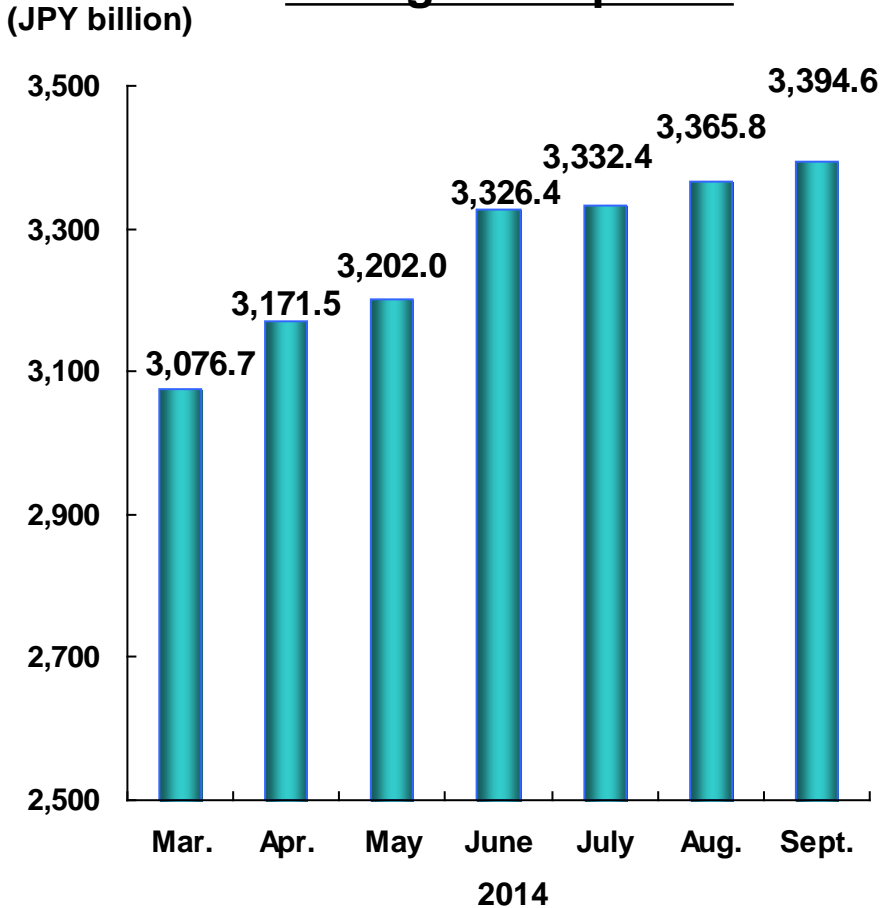
- **As of the end of Sept. 2014, there were approx. 2.12 million accounts, with approx. deposits of JPY 3.4tn, and a steadily expanding business base**
- **Specific purpose loan products and the “Mr. Housing Loan” product were launched in the previous fiscal year, and with the revised credit card loans in July 2014 contributing to the balance, the diversification of investment sources continues.**
- **1H FY2014 financial results announcement is scheduled for Nov. 13, 2014**



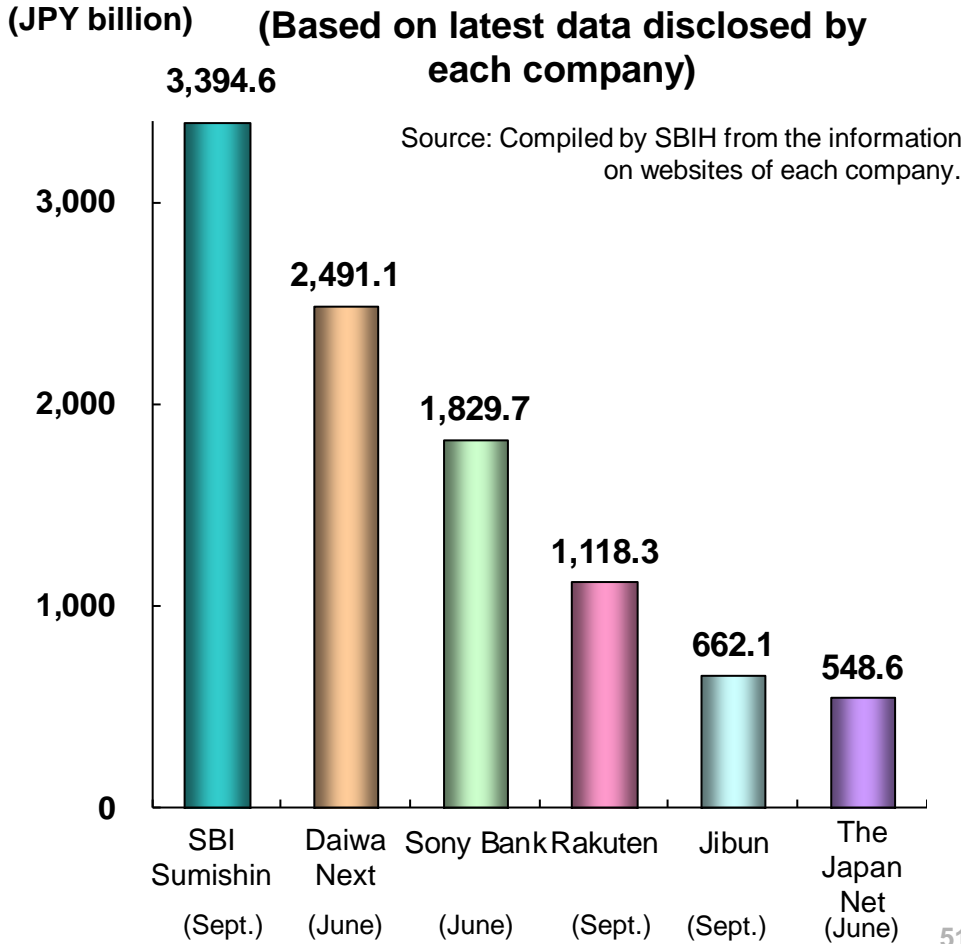
Deposit Balance Reached Approx. JPY 3.4tn

**Number of accounts: 2,115,203 / Deposits: JPY 3,394.6bn
(as of the end of Sept. 2014)**

Change in Deposits



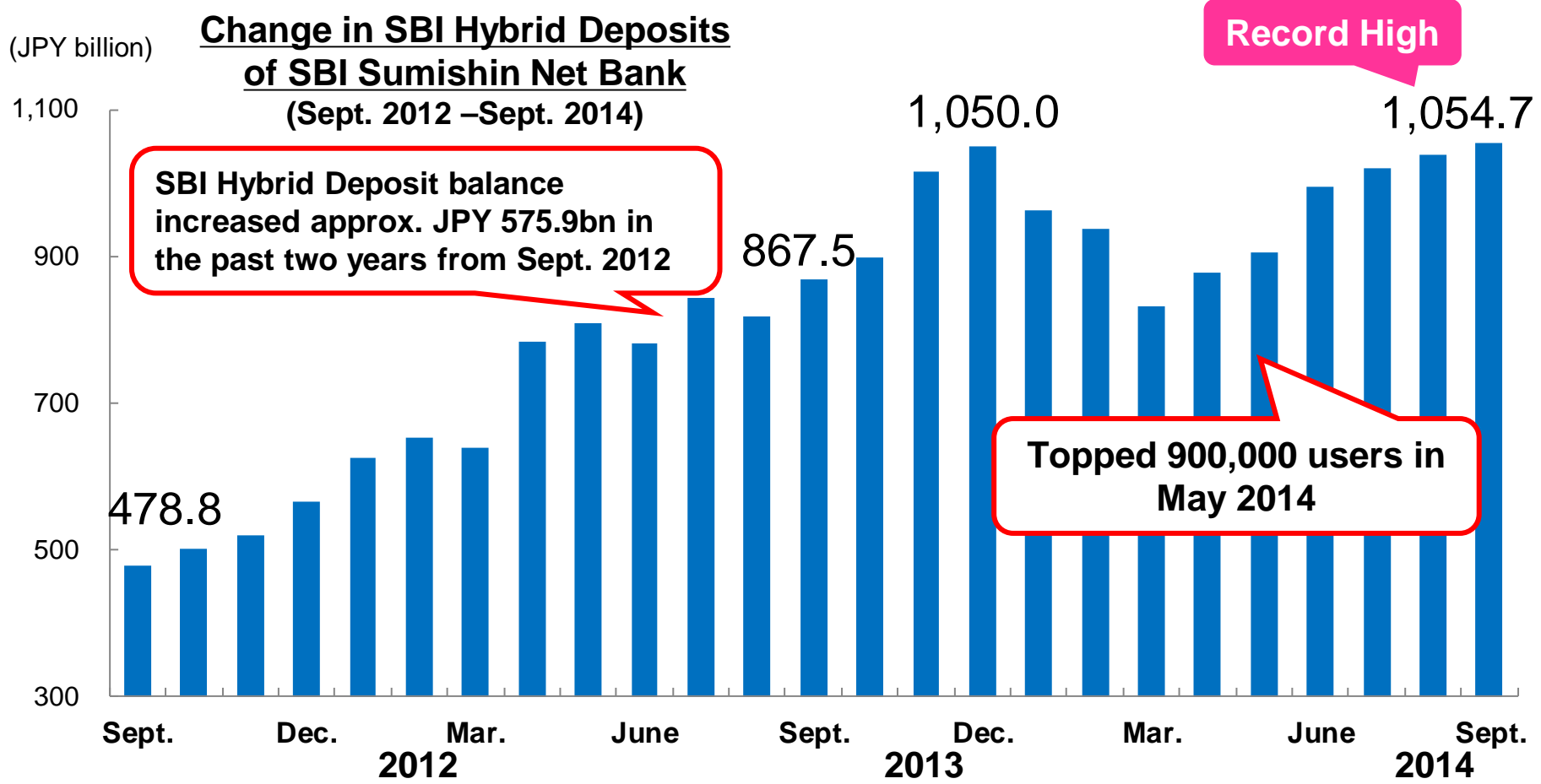
Deposits of 6 Internet Banks



* Amounts are rounded to the nearest JPY 100 million

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

SBI Hybrid Deposits (Automatic deposits and withdrawals of stock trading deposits) :
SBI Hybrid Deposit balance can be integrated into available deposit balance for stock trading, margin trading, and actual receipt of stock purchased at SBI SECURITIES

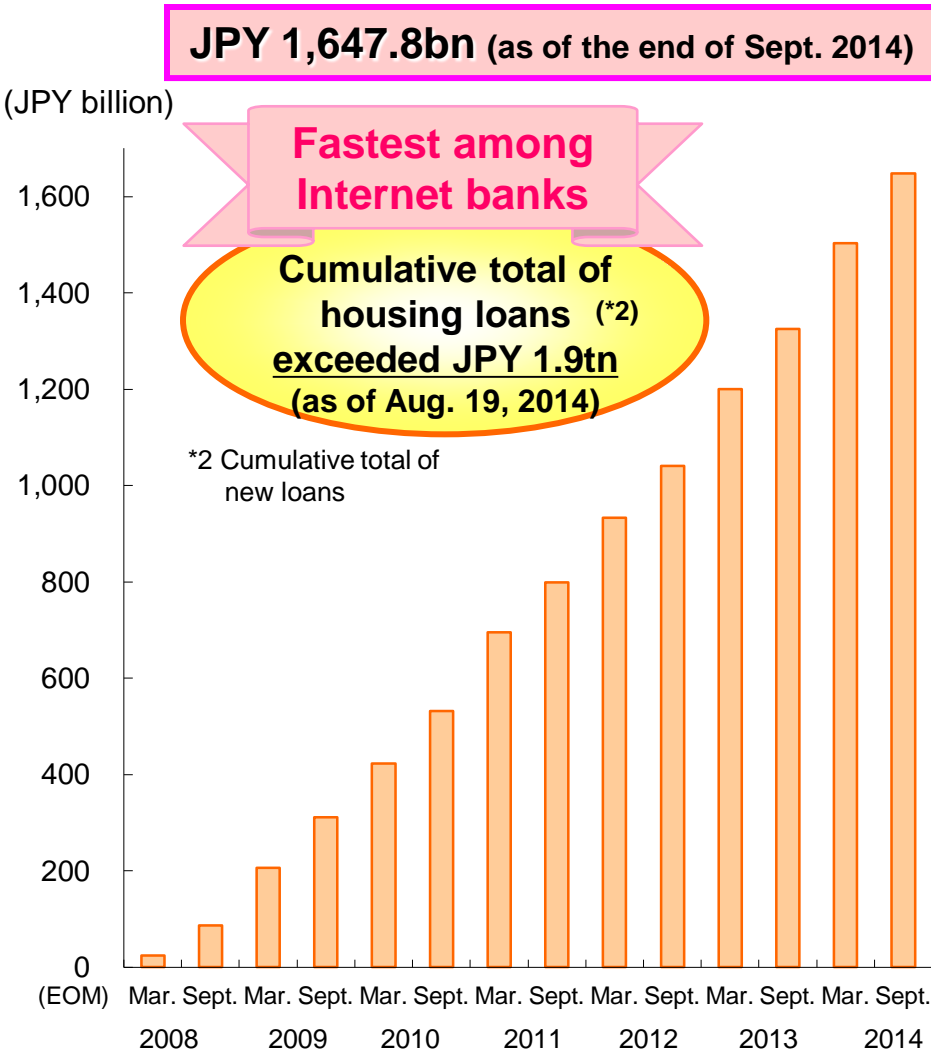


Diversification of Loans with Deposits Accumulating

Cumulative total of auto loans (JPY 263.0bn*) and balance of card loans (JPY 61.0bn*) also expanded * as of the end of Sept. 2014

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

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



SBI Sumishin Net Bank's housing loans business:

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



Owing to the increase in new loans for "Mr. Housing Loan," the balance of new housing loans for ① of 1H FY2014 increased 113.1% YoY

⑤ Insurance Business

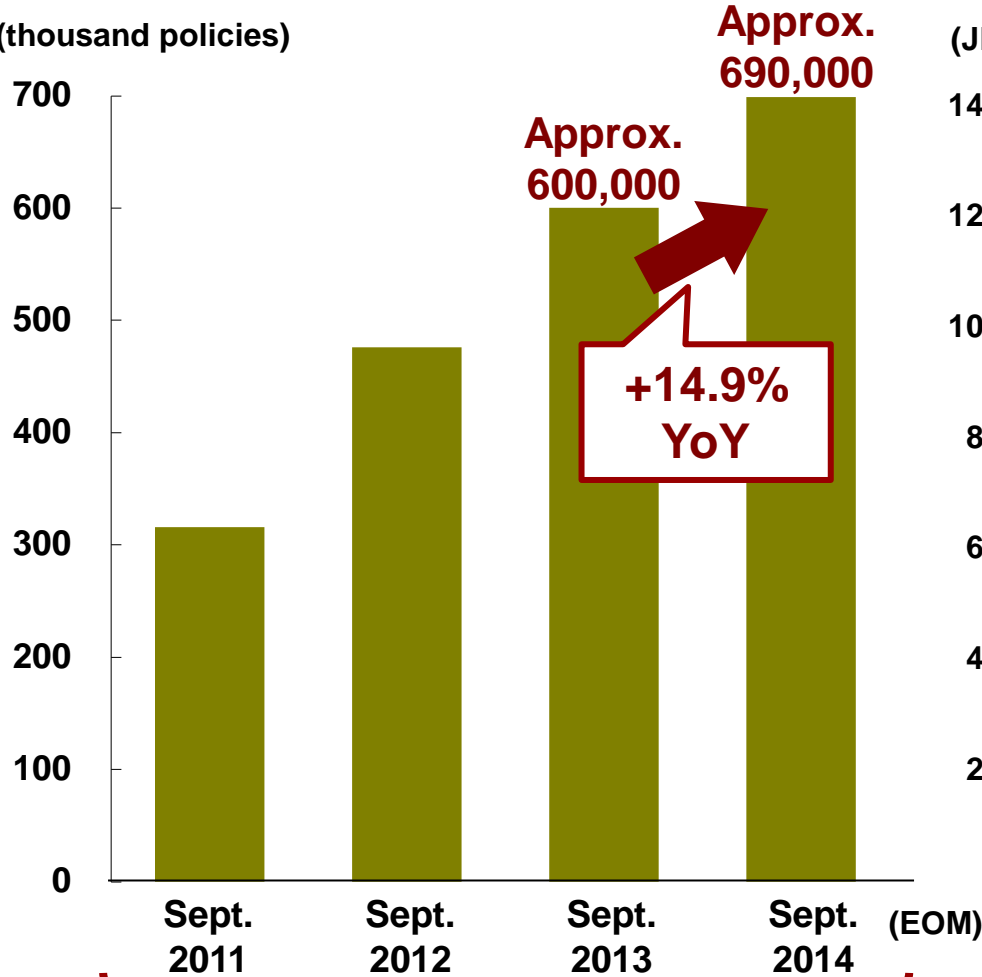
- **SBI Insurance's auto insurance business continues to expand with the number of contracts up 14.9% and insurance premiums up 11.2% year-on-year.**
- **Progressing smoothly to a full-year profitability on an IFRS basis in FY2015**
- **Both SBI SSI and IKIIKI SEDAI has continued steady growth.**

Change in Number of Auto Insurance Contracts and Insurance Premium



Number of Contracts (Written Basis*)

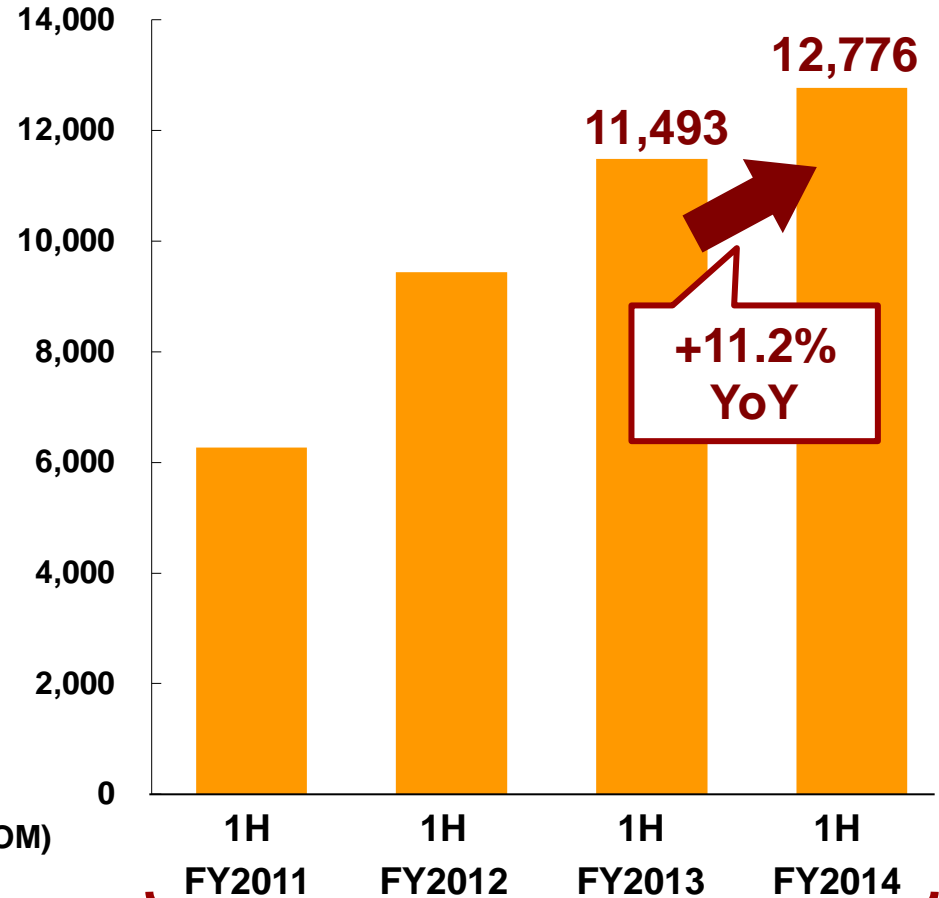
(thousand policies)



Compound Annual Growth Rate: 29.7%

Insurance Premium Income


(JPY million)



Compound Annual Growth Rate: 26.8%

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

The Combined Ratio Continued at Below 100%, and is in a Declining Trend

	FY2013		1H FY2014
Combined ratio*1	98.8%		<u>94.6%</u>
Net operating expenses ratio*2	26.4%		22.8%
Net loss ratio*2	72.4%		71.8%

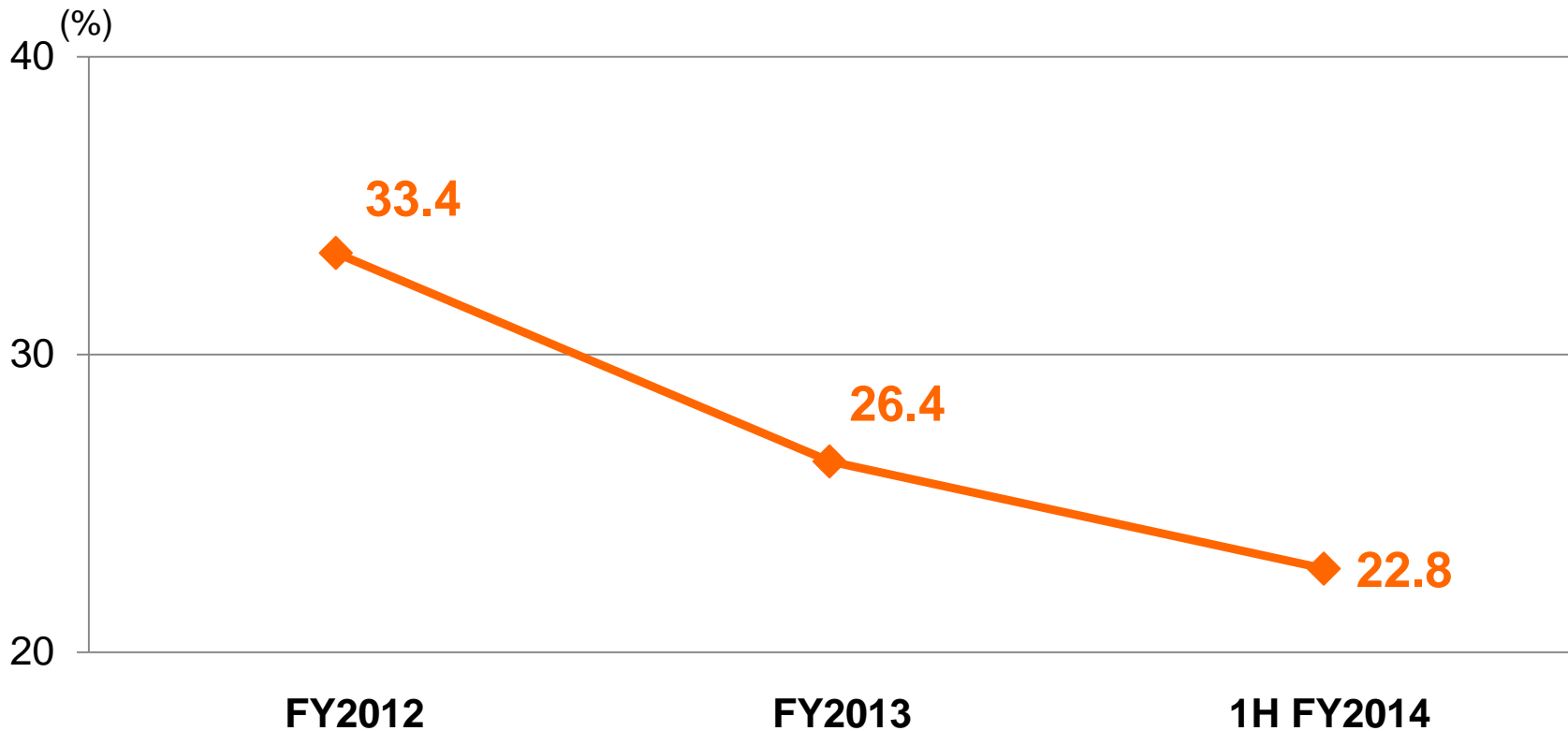
An increase in policy renewal ratio and a fall in claims ratio lead to full-year profitability in FY2015

*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

Net Operating Expenses Ratio Improvement



Examples of cost reduction measures in progress:

- Streamline back office work through greater use of the Web for policy changes, etc.
- Periodic review of outsourcing vendors etc.

Progressing Smoothly to a Full Year Profitability in FY2015

SBI Insurance profit before income tax expense (IFRS) (Unit: JPY billion)

	FY2013	FY2014
1Q (Apr. – June)	-0.7	0.1
2Q (July – Sept.)	-1.1	-0.4
3Q (Oct. – Dec.)	-0.7	—
4Q (Jan. – Mar.)	-1.4	—

[Since 2011]
Executed various measures to increase profitability including drastic overhaul of reinsurance and outsourcing



[1Q FY2014]
Achieved its first quarterly profitability



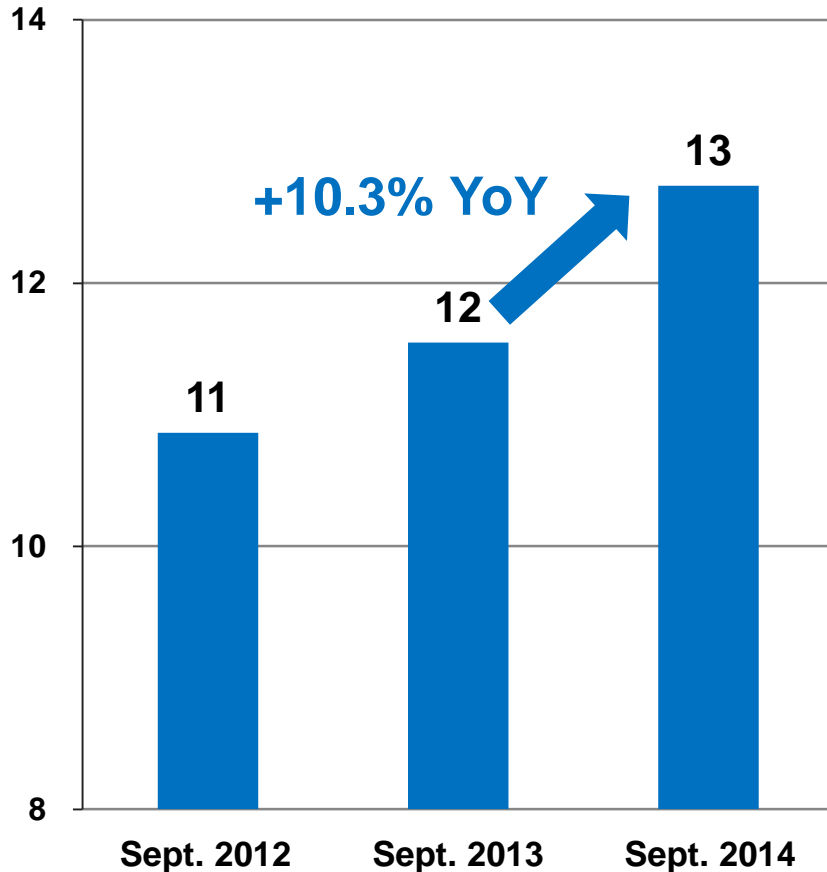
[FY2015]
Targeting full-year profitability in FY2015 on an IFRS consolidated base

The Small-amount, Short-term Insurance Business has Grown Steadily

SBI 少額短期保険

[SBI SSI] (Acquired in Mar. 2012)

(Number of Contracts, in thousands)

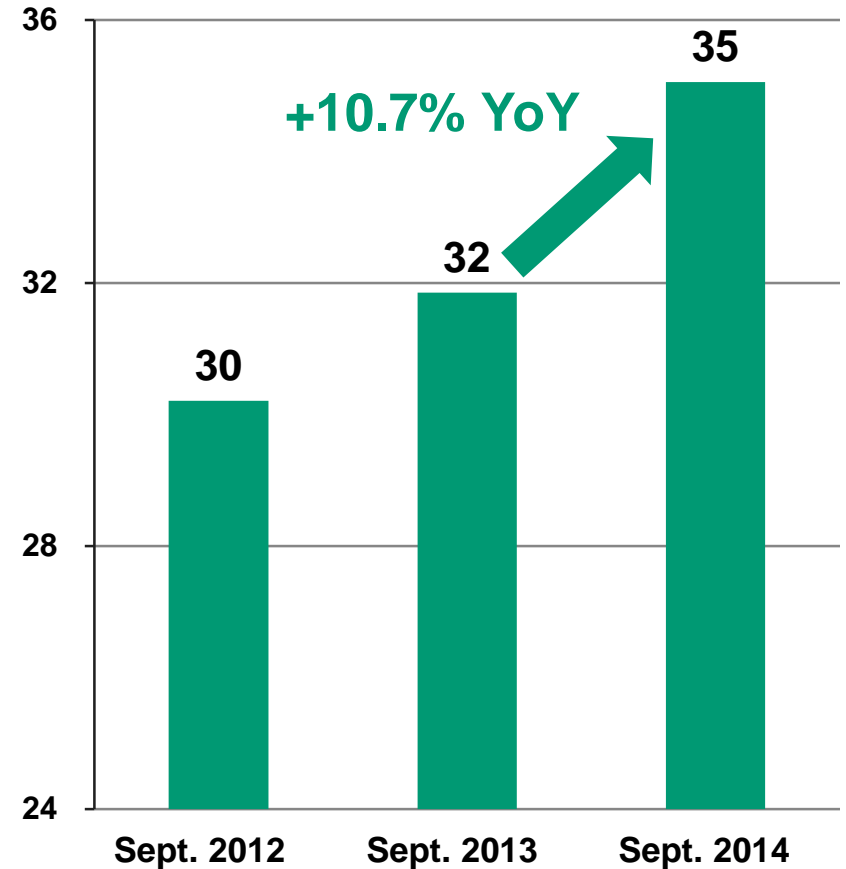


(EOM)

SBI いきいき少額短期保険

[SBI IKI IKI SSI] (Acquired in Mar. 2013)

(Number of Contracts, in thousands)



(EOM) 59

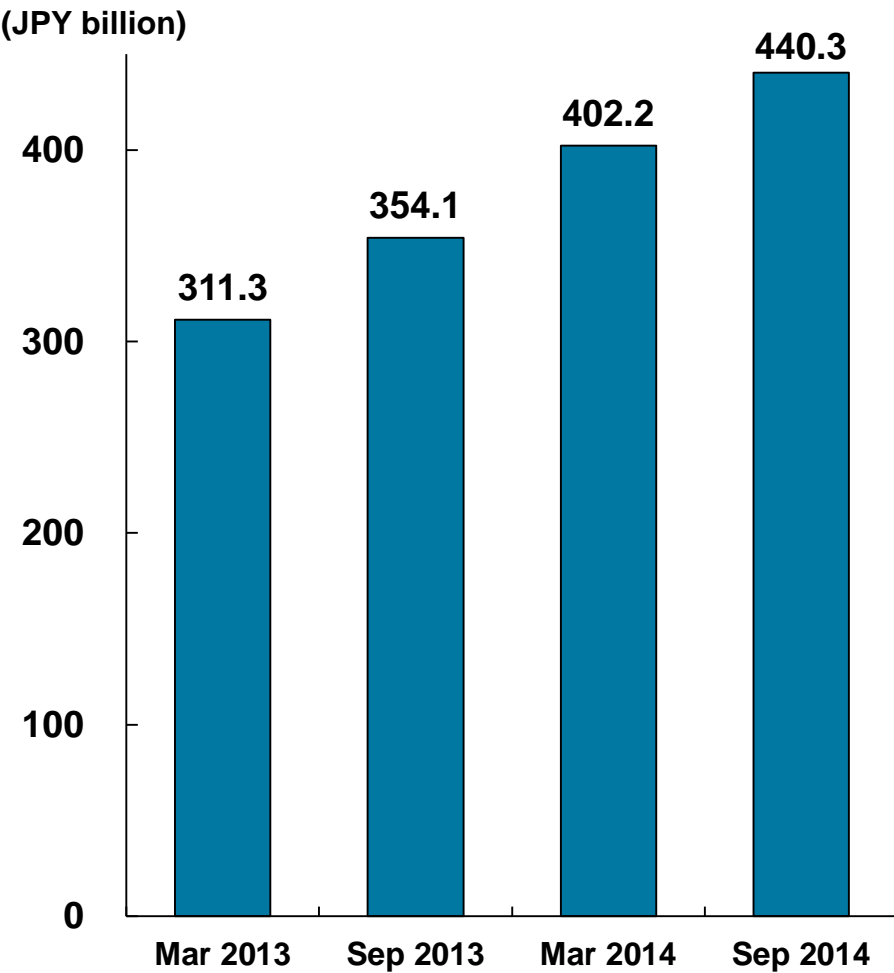
⑥ SBI MONEY PLAZA

(Launched on June 15, 2012)

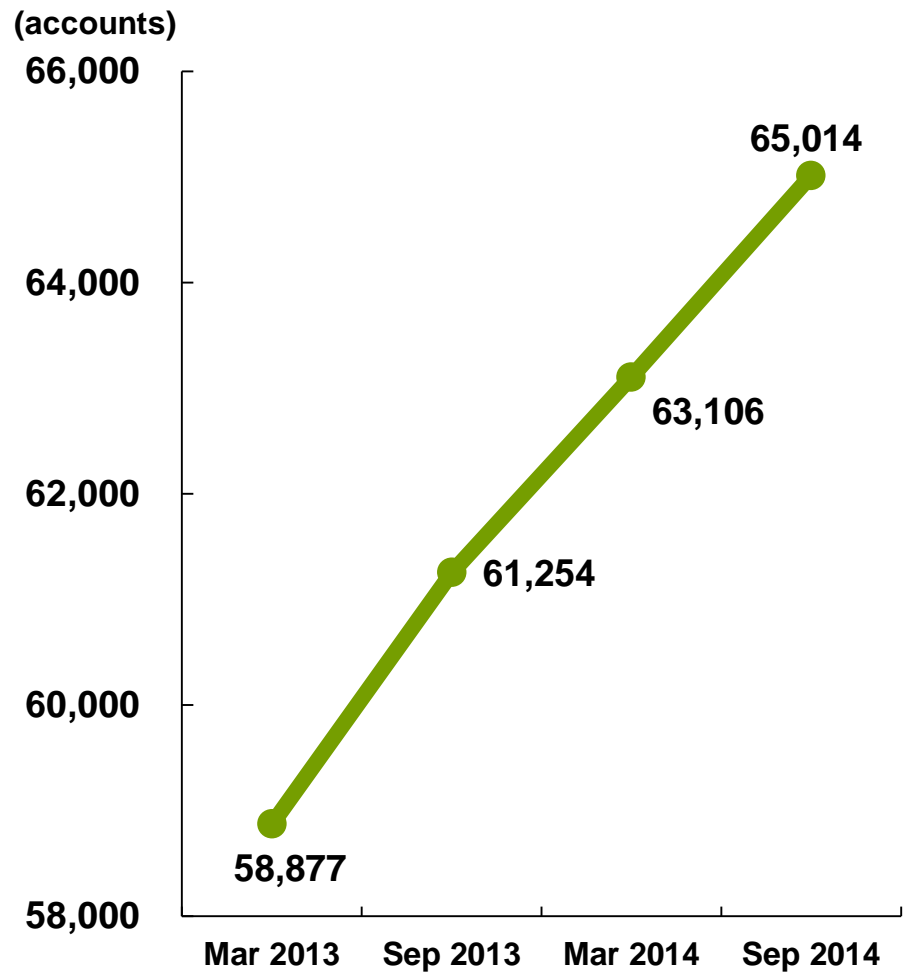
- Customers' deposit assets and the number of accounts have increased rapidly
- Recorded operating income (J-GAAP) of JPY 701m for 1H FY2014, up 15.4% year-on-year
- Pursuing well-balanced growth in each business, and revenues from the solar power-related business is significantly increasing this current fiscal year
- Targeting an early stage IPO

Rapidly Increasing Customer Base

Customers' Deposit Assets



Number of Accounts

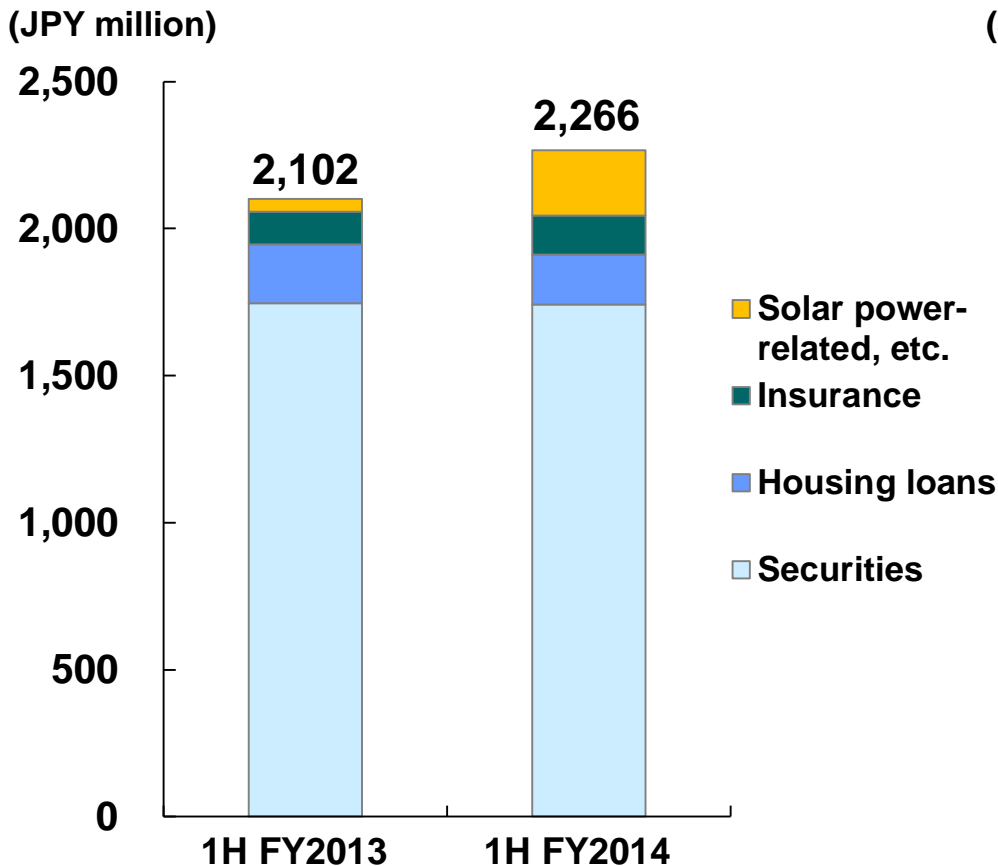


- The number of SBI MONEY PLAZA Shops is 408 as of Sept 30, 2014; **targeting early stage expansion of shops network to 500 shops**
- **Considering opening new shops in prime downtown locations**

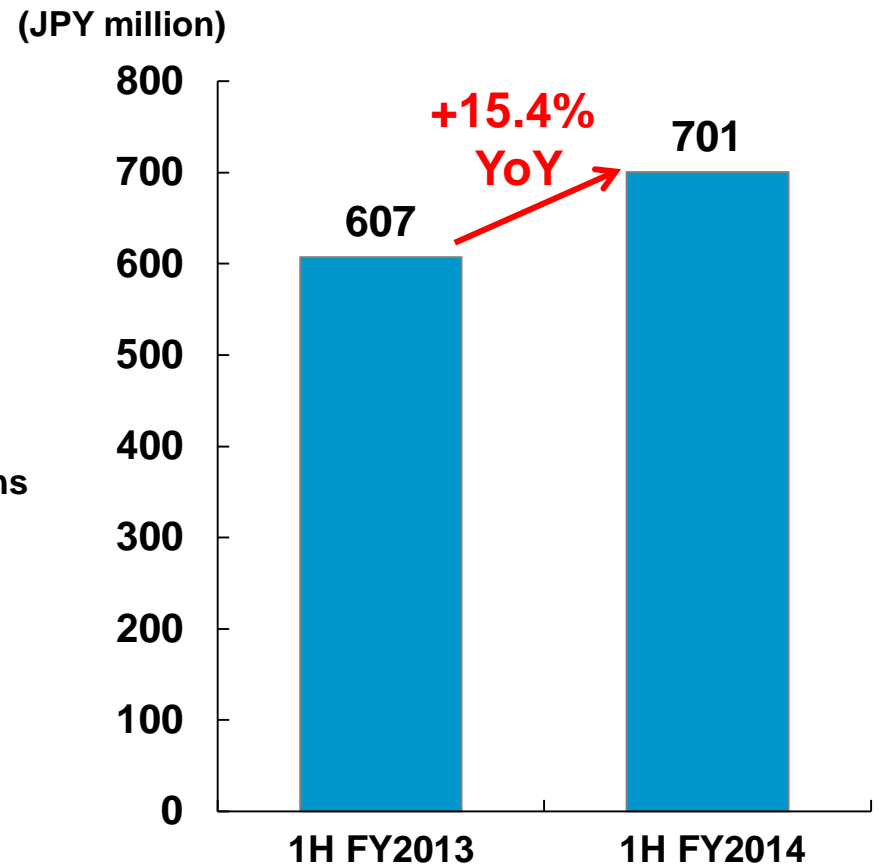
1H FY2014 Financial Results (J-GAAP)

Operating income increased 15.4% YoY, owing to the diversification of revenue sources, along with an expansion of the customer base

Operating Revenue



Operating Income



Upgrading Product Offerings

- Considering launching a bank agency business in 2H FY2014
- Endeavoring to develop a full financial services line, adding solar power-related products, tax-saving products, and ordinary/term deposit products to existing securities, insurance, and housing loan products

SBI MONEY PLAZA's Product Offerings

Securities

Insurance

**Housing
loans**



**Solar power-
related**

Tax-saving

**Ordinary/term
deposits**
(under consideration)

⑦ Morningstar Japan

- 1H FY2014 consolidated net sales and operating income achieved historical highs

Achieved All Time Highs in Half-Year Consolidated Net Sales and Operating Income

Half-year consolidated net sales and operating income recorded historical highs in 1H FY2014.

Consolidated Results (J-GAAP) (Unit: JPY million)

	1H FY2013		1H FY2014		YoY % change
	Amount	Income margin (%)	Amount	Income margin (%)	
Net sales	1,903	-	1,931	-	+1.5
Operating Income	498	26.2	553	28.6	+11.0
Ordinary Income	542	28.5	564	29.2	+4.0
Net Income	318	16.7	354	18.3	+11.4

2. Efforts to Realize Further Growth and Strengthened Profitability

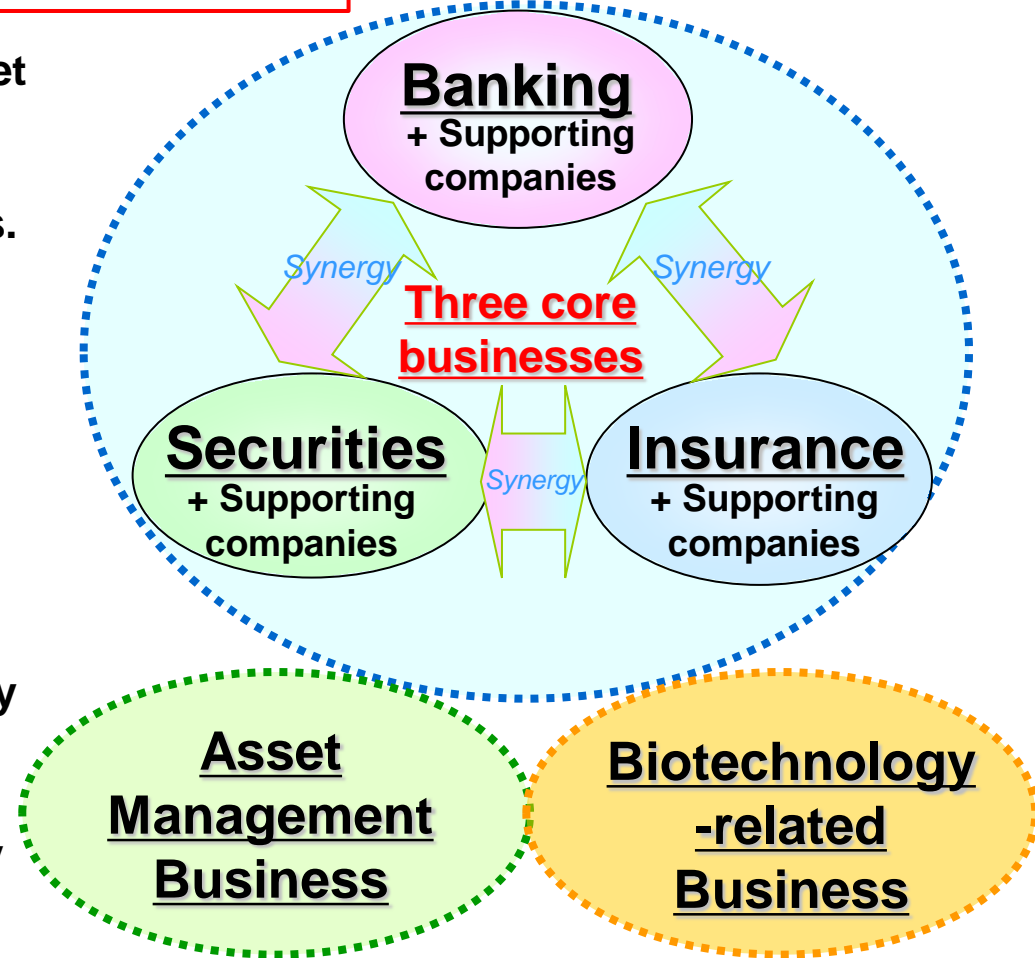
- (1) Pursue profitability enhancement by allocating cash flow generated from promotion of business “Selection and Concentration” to strengthen businesses with high rates of return on invested capital**
- (2) Thorough pursuit of synergies within the Group to improve profitability and expand the customer base**
- (3) Focusing on enhancement of the overseas financial services business, along with the overseas investment business, by increasing affiliated partners abroad**
- (4) In the 5-ALA related business, which is pursuing an early profitability, promote the sales of health foods, etc., and accelerate the research and development of pharmaceuticals in and outside of Japan**

(1) Pursue profitability enhancement by allocating cash flow generated from promotion of business “Selection and Concentration” to strengthen businesses with high rates of return on invested capital

Generating Cash Flow through Business “Selection and Concentration” 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



Further pursue business “Selection and Concentration” through EXITs of investee companies that are currently consolidated subsidiaries

Generating Cash Flow through Business “Selection and Concentration” ②

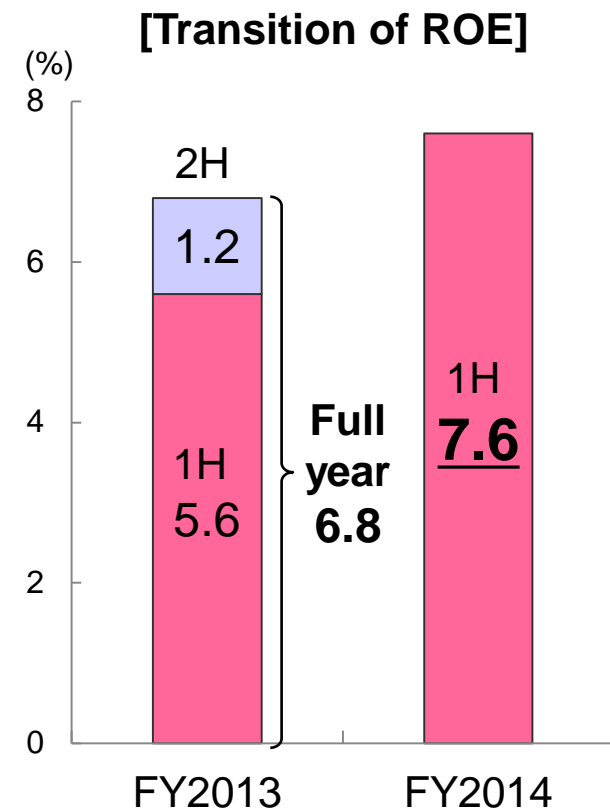
With regard to non-core business, sales, IPOs, and integration with other Group companies will be prioritized, thereby maximizing cash flow

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

Generated cash will be appropriated to strengthen businesses with high return on invested capital, and to improve various financial ratios

Endeavoring to Improve ROE

First target a 10% ROE, and then endeavor further improvement



(2) Thorough pursuit of synergies within the Group to improve profitability and expand the customer base

- ① SBI SECURITIES and SBI Japannext**
- ② SBI SECURITIES and SBI Investment (Venture Investments)**
- ③ SBI MONEY PLAZA and Group Companies**
- ④ FX Trading Businesses Utilizing SBI Liquidity Market**
- ⑤ SBI Insurance and Investee Companies**
- ⑥ Synergies through the Utilization of “Big Data”**

Synergies Delivered within SBI SECURITIES and SBI Japannext



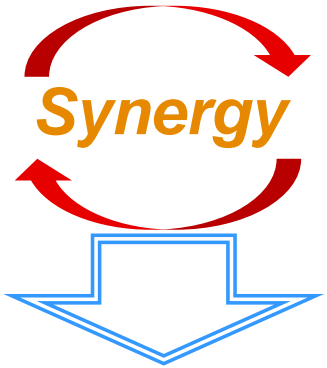
Aside from promoting the SOR (smart-order-routing) system by utilizing the PTS, SBI SECURITIES is enhancing its bond between SBI Japannext's IT Section

SBI証券

[SBI SECURITIES]

IT Section: 45 persons

* Includes contract workers, assigned employees and temporary staff. Excludes subcontractors.



Japannext

IT Section: 41 persons

28 persons that account for nearly 70% are highly skilled foreign staff

Contributes to SBI SECURITIES' system upgrades and launch of new services

Launch of new service

Provision of J-NET Cross-trading Service for futures and options trading

Provision of opportunities to trade at more favorable prices than floor trading by utilizing the J-NET (off-hours market) trading system provided by SBI Japannext (beginning Oct. 14, 2014)

First-ever in Japan!!

* Compiled by SBIH as of Sept. 30, 2014

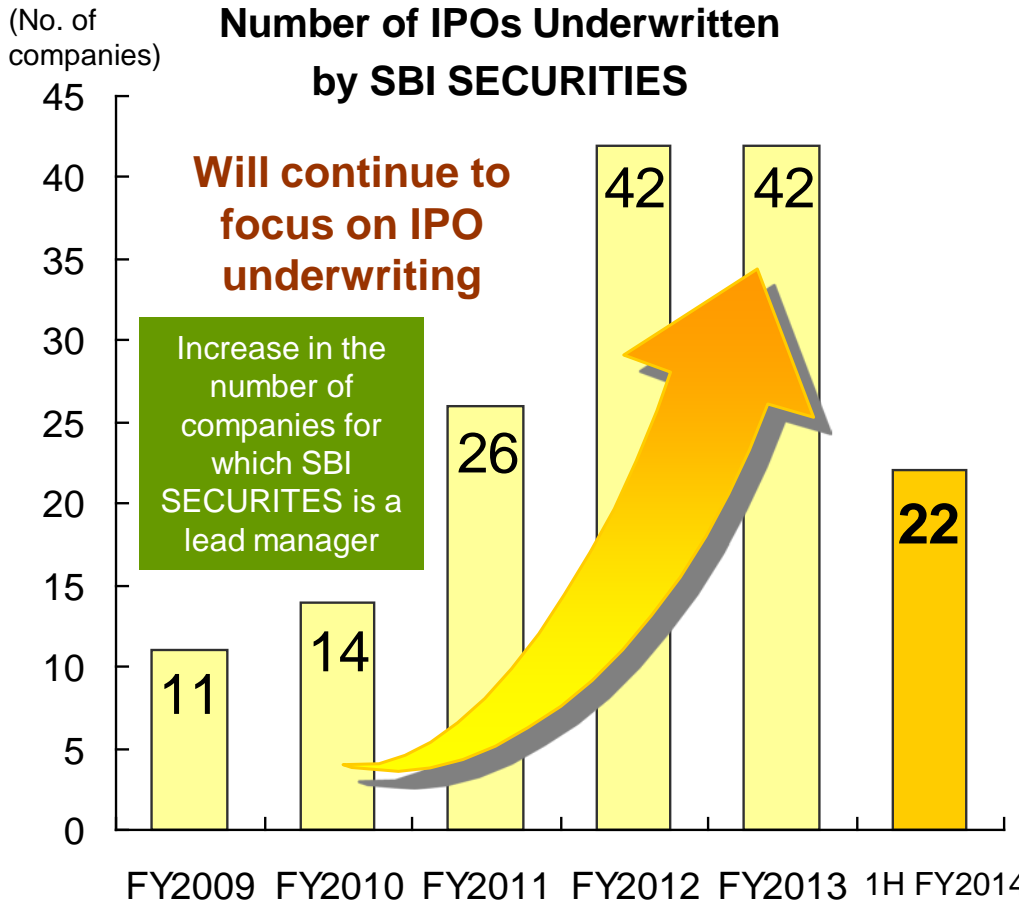
Reduction of system cost

Utilization of data centers operated and managed by SBI Japannext

Also considering the aggregation of data centers related to future mission critical systems



SBI SECURITIES Enhances Its Corporate Business by Expanding the IPO Underwriting Business ~ Continuously the Industry Leader in IPO Underwriting ~



IPO Underwriting Ranking (1H FY2014)
26 companies were listed during the period

Company name	No. of cases	Underwriting share (%)
SBI	22	84.6
Mizuho	19	73.1
Nomura	18	69.2
SMBC Nikko	14	53.8
Monex	14	53.8
Ichiyoshi	13	50.0
Daiwa	13	50.0
Okasan	10	38.5

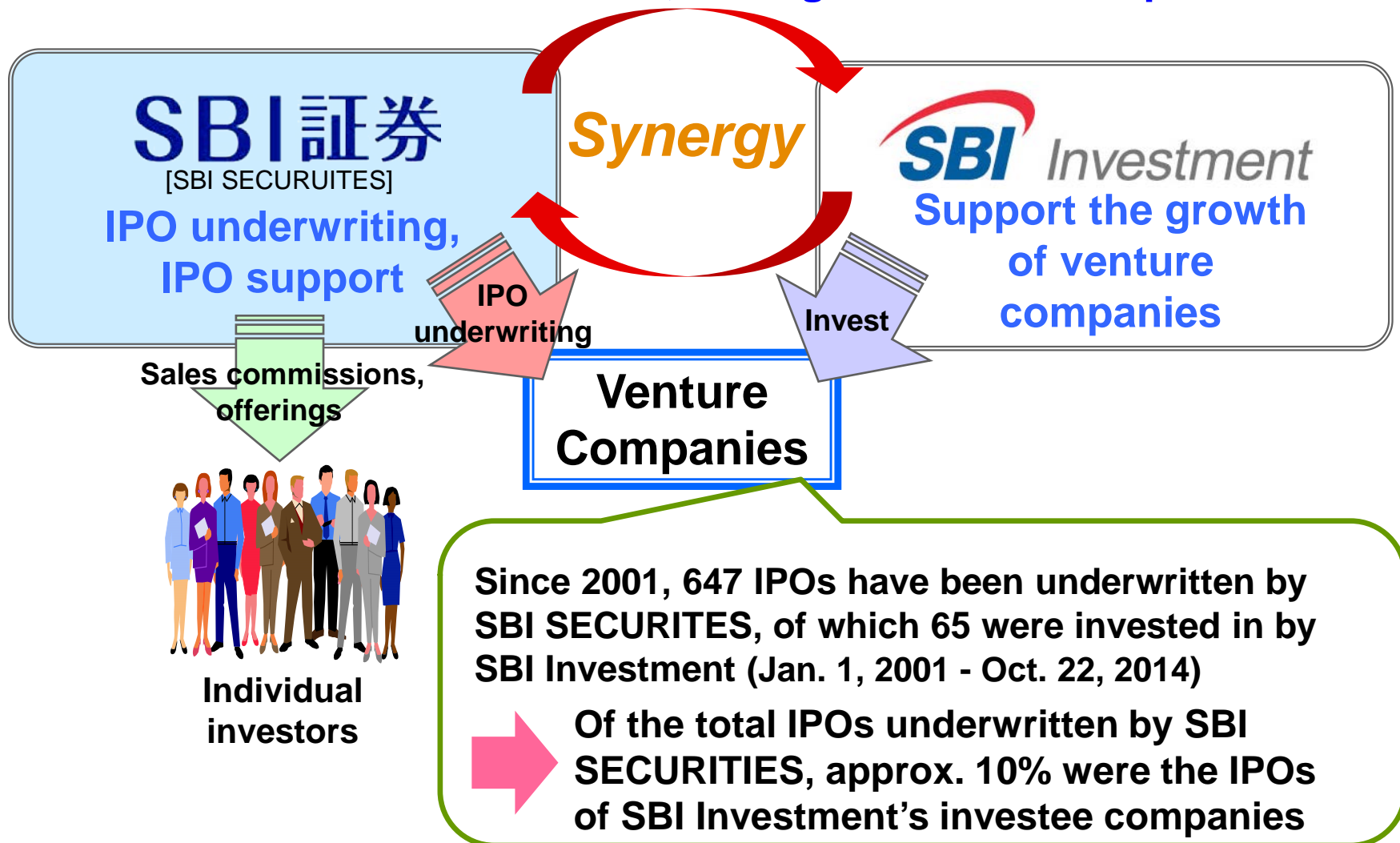
Lead managers	FY2009	FY2010	FY2011	FY2012	FY2013	1H FY2014
	1	0	1	5	5	2

* The above figures do not include consignments. Based on listing date. The figures exclude brokerage sales and REITs.
* The number of IPOs does not include issues listed on TOKYOAIM.

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

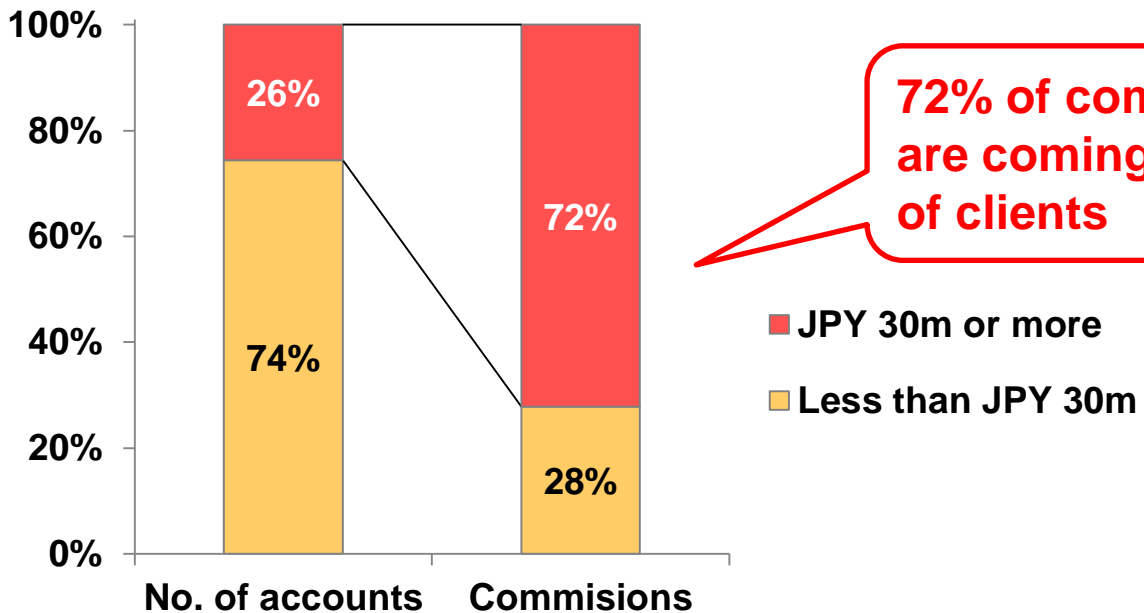
Synergy Contributing to SBI SECURITIES' Enhancement of Its Corporate Business

Seek to enhance an integrated IPO underwriting system through collaboration with SBI Investment, manager of venture capital funds.



SBI MONEY PLAZA Strengthens Services for High-net-worth Individuals in Collaboration with Group Companies Including SBI SECURITIES

SBI MONEY PLAZA: Registered Financial Assets by Share
(Securities business, FY2013)



72% of commission revenues are coming from the top 26% of clients

Initiatives to Strengthen Businesses Targeting High-net-worth Individuals

- Introduction of ultra-high-net-worth individuals to SBI MONEY PLAZA by the Corporate Division of SBI SECURITIES. Meet client needs for business succession and inheritance services.
- SBI MONEY PLAZA meets needs that cannot be completely met by online services only, such as needs for consultation about investments, inheritance, and donations. Work to attract customers from Group companies through seminars and individual consultation.

Synergy with the SBI Group Companies with High-net-worth Clients

Collaboration in areas such as considering utilization of SBI Medical Spa Club, a members-only health management service of SBI Wellness Bank, by SBI MONEY PLAZA and other group companies to provide services to high net-worth individuals and introducing SBI Medical Spa Club to customers of group companies



SBI Medical Spa Club

SBI Wellness Bank offers leading-edge preventive techniques, treatment, techniques, and aging care techniques with superb hospitality and provides members-only health management services beneficial for health promotion. The medical facility is Tokyo International Clinic, whose operation is supported by SBI Wellness Bank.

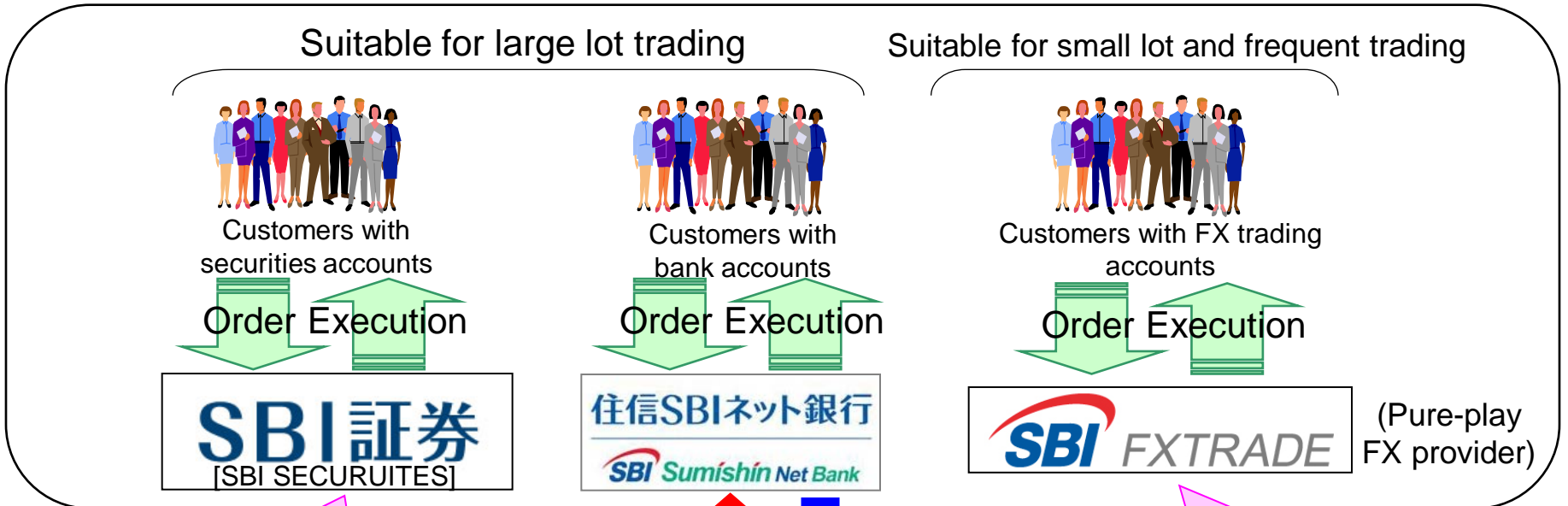


Tokyo International Clinic
Opening: Feb. 2014
Location: 9F, Pacific Century Place
Marunouchi, 1-11-1 Marunouchi,
Chiyoda-Ku, Tokyo (3 minutes on
foot from Tokyo Station)

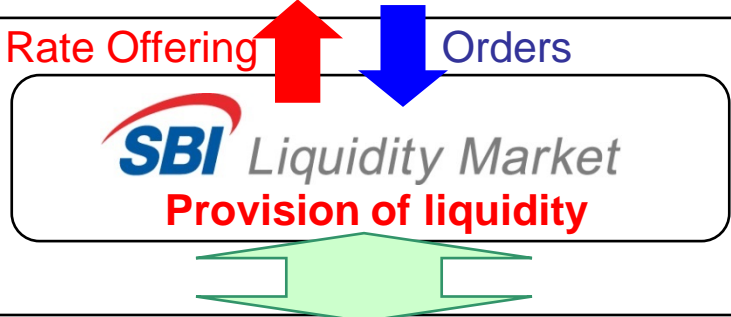
SBI Wellness Bank also endeavors to increase invitations to medical tourists from China through collaboration with Hangzhou SBI Wellness Management Co., Ltd., a joint venture company in China.

Group Synergy Providing a Favorable Cycle in FX Margin Trading

Increase in liquidity of SBI LM that covers the transactions provides profitable contributions to customers of both SBI SECURITIES and SBI FXTRADE and the expansion of each customer base



No. of FX trading accounts: 371,849 (as of the end of Sept. 2014)



No. of accounts: 67,786
Deposits: JPY 20.4bn (as of the end of Sept. 2014)

Counter Parties: Major western financial institutions and domestic leading banks (27 companies for total)

New Synergies with SBI Group Companies and SBI's Portfolio Companies

SBI MONEY PLAZA and SBI's portfolio company contribute to the solicitation of SBI Insurance's cancer insurance.

[SBI Insurance's cancer insurance]

SBI損保のがん保険 自由診療タイプ



Financial Agency

(SBI Group's shareholding: 34.4%*1)

Of the direct deal contracts*2 with SBI Insurance, those via Financial Agency account for 56.9%*3

マネープラザ [SBI MONEY PLAZA]

Mitsubachihoken Group

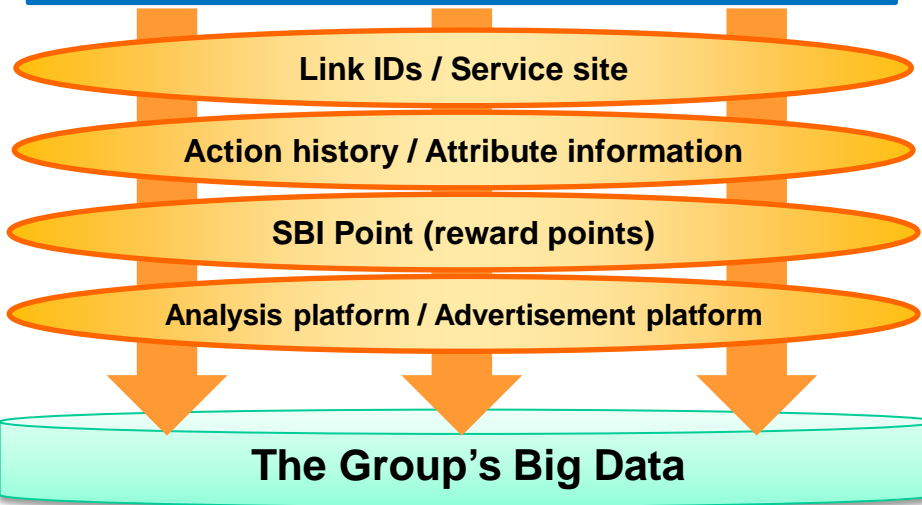
(SBI Group's shareholding: 48.5%*1)

Of the contracts with the Insurance shops, those via SBI MONEY PLAZA and Mitsubachi Hoken account for 89.9%*3

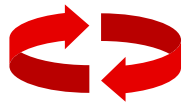
*1 As of the end of Sept. 2014. *2 The contracts without the agency *3 As of the end of Sept. 2014

Pursuit of Group Synergies through the Strategic Utilization of “Big Data”

The SBI Group’s various services



Extensive data through the Group’s 18 million customers and approx. 580 million page views per month (as of Sept. 2014)



Formation of “Bigger Data” through partnerships with external companies

Big Data held by partner companies in other industries

Establishment of “Group’s big data”

- Internal customer transfer through the utilization of common ID platform and the service site (to be launched)
- Linking IDs will be initiated at some companies in early 2015, and will be completed on a Group-wide basis by the end of 1H 2015
- Customer analysis based on action history and attribute information
- Customer loyalty program utilizing SBI Point

Utilization of “Group’s big data”

- Establishment of an organization that aggregates personnel who utilize the Group’s data, and the sharing of each company’s expertise
- Data-driven decision making through cross-sectional data management
- Advertisement based on statistical analysis
- Establishment of analysis platform utilizing distributed environment (Hadoop)

Actualizing aggregation and enhancement of the Group’s customer base with a focus on linking IDs, and the creation of “network value” by utilizing the Group’s big data

(3) Focusing on enhancement of the overseas financial services business, along with the overseas investment business, by increasing affiliated partners abroad

Strategic Alliance with Israel's Vertex

(Announced on Sept. 16, 2014)



**Vertex Venture
Capital**

A leading Israeli venture capital firm founded in 1997, with approx. USD 650m (approx. JPY 69.4bn*) in assets under management. With its long track record of successful investments, it has attracted growing attention for its early investment in Waze Inc. that was acquired by Google Inc. for approx. USD 1bn (approx. JPY 106.8bn*).

* Converted at USD = JPY 106.80

- As part of the strategic alliance, the SBI Group will invest in a fund managed by Vertex as an active limited partner, and will assign a resident officer
- Will provide value-added support to the fund's portfolio companies in Japan and other Asian countries where the SBI Group has competitive advantages
- Looking to create a wide range of synergies between the SBI Group companies and up-and-coming firms and technologies in Israel

Planning to expand the investment business in Israel, home to one of the highest concentrations of advanced technology and bioventure companies in the world.

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.



- Established a preparation company, Shanghai New Successful Way Investment Consulting Co., Ltd., in Mar. 2014.
- The preparation company is currently implementing a systems development, and is preparing for a license application, in an effort to develop an online financial services business in China.

Investment Valuation Business and Investment Advisory Service in Indonesia

E-advisor, a subsidiary of Morningstar Japan, concluded a joint venture agreement with a local company to launch an investment valuation business and an investment advisory service in Indonesia



A wholly-owned subsidiary of Morningstar Japan



PT. Anugrah Surya Semesta

An affiliated company of The Corfina Group, which is engaged in finance and the IT business in Indonesia

Joint Venture Company

The first company in Indonesia to obtain an investment advisory license

PT. Bina Investama Infonet

The company will provide information and data on investment trusts and other financial instruments, investment education, and advice to individual investors in Indonesia. It plans to open a service website at the end of December 2014.



Indonesia

- The Indonesian market offers enormous future growth potential. Of a population of 247 million*¹, there are fewer than 300,000 investment trust owners, and investment trust assets account for a low 2.1% of GDP*².
- The average age is a low 29.2 years*³, the Internet usage rate is high, and the number of investors who gather information or trade online is expected to increase.

Sources: *¹ Indonesian government statistics (2012)

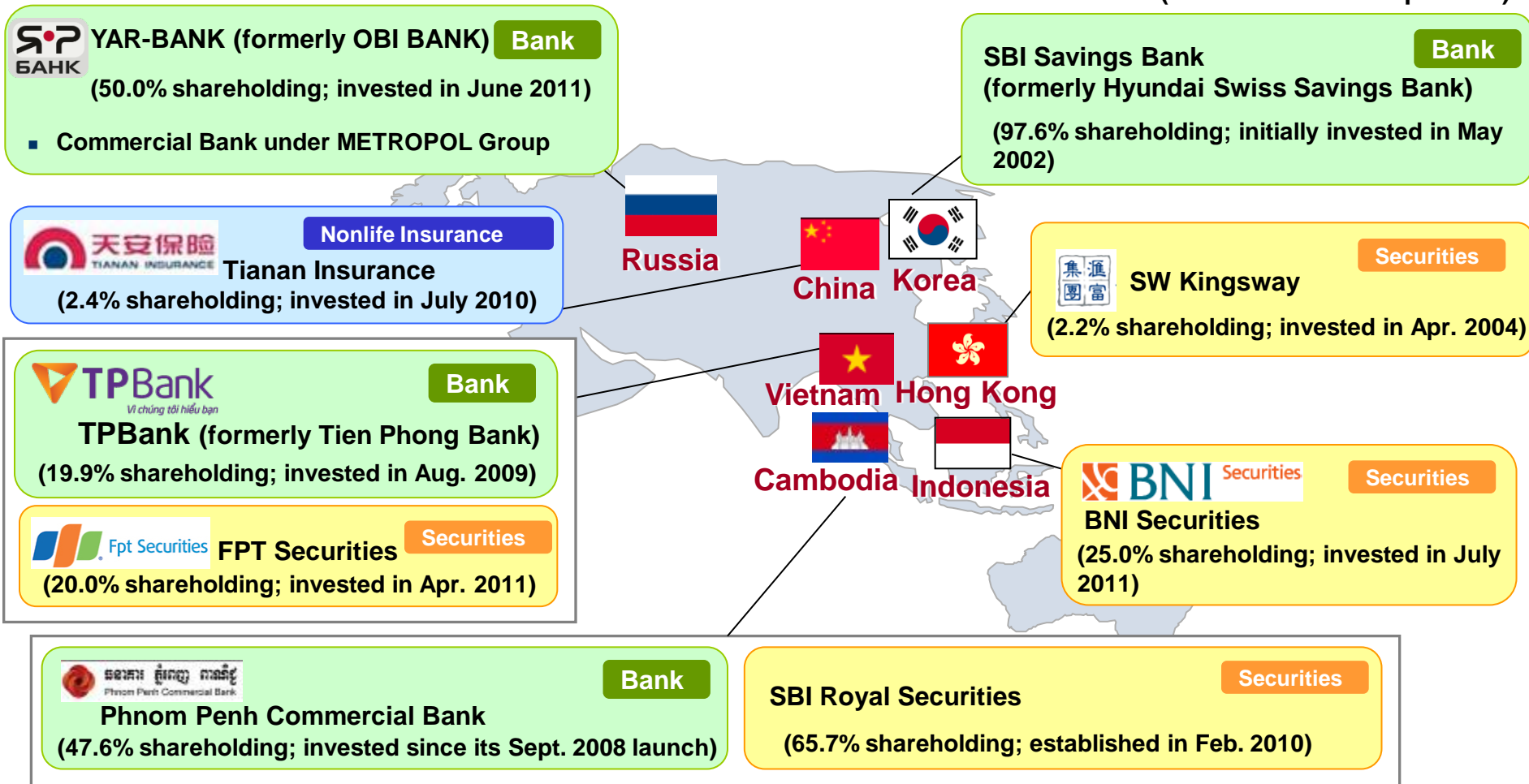
*² Global Business Guide Indonesia, Indonesian Financial Services Authority (OJK)

The figure for Japan is approx. 14.5% (domestic publicly offered stock investment trusts as of July 2014).

*³ Central Intelligence Agency

Financial Services Business Proliferating Primarily in Asia

(As of the end of Sept. 2014)



Additionally, in preparation to launch an online securities service in another Southeast Asian country, through collaboration with a local company

* SBI's shareholding percentage corresponds to a total percentage based on the IFRS criteria for subsidiary companies and subsidiary funds of the Group. 83

(4) In the 5-ALA related business, which is pursuing an early profitability, promote the sales of health foods, etc., and accelerate the research and development of pharmaceuticals in and outside of Japan

About the IPO of SBI Biotech Co., Ltd. (Bio-venture firm mainly developing drugs)

→Owing to a change of president and CEO on Sept. 30, 2014, the company will promptly resume IPO preparations once the new management organization is in place. (The plan is for Mizuho Securities to remain the lead manager.)

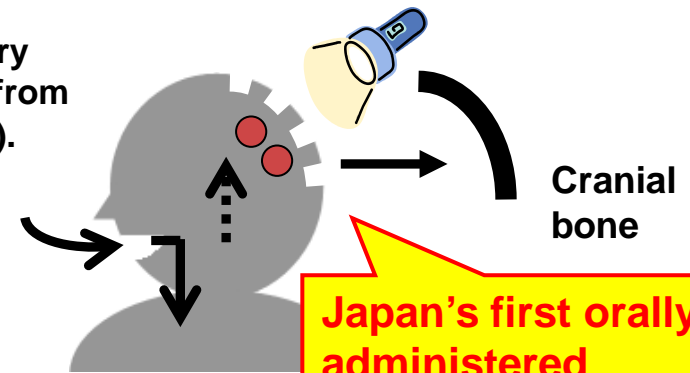
R&D Progress in the Medical Field(1)

-Diagnostic Agent for Cancer Treatment-

Brain tumor

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

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



Carcinoma vesicae

Designated as an orphan drug

- ✓ Doctor sponsored investigation has been ongoing at 5 universities, led by Kochi University. They are preparing for 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

R&D Progress in the Medical Field(2)

-A Drug to Treat Cancer Chemotherapy-induced Anemia-

Dec. 2012 Phase I Clinical testing started in UK



May 2013 Phase I Clinical testing completed



Mar. 2014 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-led Phase II clinical trial, with Kitasato Academic Research Organization as the ARO

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

R&D Progress in the Medical Field(3)

-Increasing Partner Medical Institutions for Drug Development Research and Clinical Research in Bahrain-

Partner institutions for clinical study of diabetes utilizing 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 administration on some subjects.

- Arabian Gulf University Hospital
- Royal College of Surgeons in Ireland - Medical University of Bahrain (RCSI) etc.

Partner institutions for clinical study on the utilization 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 seven 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 etc.

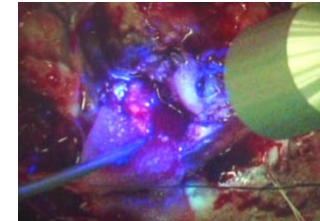
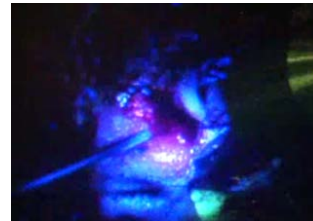
Two Types of Medical Light Source Devices Developed by SBI Pharmaceuticals

LED light source



Started 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



(Clinical images: Examples of use as light source for diagnosis of cancer)

Laser light source



The violet LD light source Alcedo LS-VLD

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)

Conclusion of Agreement on Joint Research between the University of Oxford (July 2014)

Planning to start an investigator-led phase II clinical trial to assess the effectiveness of 5-ALA in preventing a reduction in cardiac output* after heart bypass surgery

* the volume of blood pumped per stroke

Professor Houman Ashrafian, Associate Professor of Medicine and Head of Experimental Therapeutics, Radcliffe Department of Medicine, University of Oxford, our research partner, has shown the effectiveness of 5-ALA in preventing cardiac ischemia–reperfusion injury through preclinical models in mice, that preoperative administration of 5-ALA inhibits apoptosis of myocardial cells that occurs after ischemia–reperfusion injury. He said 5-ALA had a protective effect on ischemia–reperfusion injury in myocardial cells.



Professor Ashrafian will implement an investigator-led phase II clinical trial in the United Kingdom to assess whether 5-ALA would be effective in preventing ischemia–reperfusion injury related to heart bypass surgery.

(Phase II clinical trial will be implemented in department cardiothoracic surgery, University Hospitals Birmingham)

Planning to jointly submit a test plan to the Medicines and Healthcare products Regulatory Agency (“MHRA”) by the end of the fiscal year and starting phase II clinical trial

Osaka City University and SBI Pharmaceuticals Jointly Engaging in Application Research of 5-ALA, and a Photodynamic Therapy Method

World's first successful treatment of cutaneous ulcers infected with methicillin-resistant staphylococcus aureus (MRSA), a common hospital-acquired infection, by performing photodynamic therapy (PDT) using systemic administration of the natural amino acid 5-ALA and LED irradiation.

–By a group led by Assistant Professor Toshiyuki Ozawa, Department of Dermatology, Graduate School of Medicine, Osaka City University–

Published in PLOS ONE, a U.S.
scientific journal

An journal article

MRSA-infected cutaneous ulcers were prepared on the backs of mice and treated by performing PDT using systemic administration of 5-ALA and irradiation with a 410-nm wavelength light-emitting diode (LED).



Disinfection of MRSA occurred. Wound healing was significantly promoted, with healing effects equivalent to that for uninfected ulcers obtained.

Since this treatment method does not give rise to new drug-resistant strains, expectations are high for use as a new treatment method for bacterial infection at a time when modern medicine is struggling with treatment of drug-resistant bacteria.

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

Target illnesses for which basic research and clinical 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 preparing for additional Phase III Clinical testing.



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

Solar keratoses (cancer of skin)

photonamic GmbH & Co. KG in Germany sells in Europe



Photodynamic therapy

Cervical intraepithelial neoplasia

Nagoya Univ.

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.

Preventing nephrotoxicity by an anticancer agent

Kochi Univ. and Kawasaki Medical School

Preventing the aggravation of influenza

Tokushima Univ., etc.

Malaria

The Univ. of Tokyo, Tokyo Institute of Technology, and SBI Pharmaceuticals

Accelerating 5-ALA Related Business in China ①

Sept. 2012:

Completion of the investment in Chinese bioventure Suzhou Yian Biotech Co., Ltd. (SBI Group's shareholding ratio: 40%)

Business:

- Manufacture of an active ingredient of 5-ALA
- Production of medicines, health foods and cosmetics that contain 5-ALA

[Progress of the business]

- Steady Progress toward obtaining various licenses in China

The 5-ALA manufactured by Yian has already passed the safety and toxicity tests of a state designated institution, and meets the national standards of China.

(i) Materials license for containing 5-ALA in food products

→ Currently under review by the Ministry of Agriculture (equivalent to the Ministry of Agriculture, Forestry and Fisheries in Japan)

→ Upon completion of review by the Ministry of Agriculture, planning to submit to the Ministry of Health (equivalent to the Ministry of Health, Labour and Welfare in Japan)

(ii) Product license for health products planned to be sold

→ After efficacy trials, planning to submit to the China Food and Drug Administration (CFDA)

→ Expecting to obtain a products license in early 2015

- Completed construction of health food manufacturing plant

→ Selecting, procurement and set-up of equipment is under way



[Exterior of the plant]

Accelerating 5-ALA Related Business in China ②

- ✓ Agreed to form a Strategic Alliance with the New Hope Group and Fudan Forward for sales of 5-ALA products in China (Nov. 2013)
→ Procedure underway for the **establishment of an import and sales company** with New Hope Group, which imports 5-ALA products and other products from Japan, **in the Shanghai Free Trade Zone**, after which a business license will be applied for.
- ✓ New Hope Group in China **plans to sell forages and fertilizers containing 5-ALA**, and collaborative testing is being conducted for potential sales activities.
→ **Will strengthen sales of fertilizers containing 5-ALA**
- ✓ 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.
- ✓ CTO Toru Tanaka and CSO Motowo Nakajima were invited by Fudan University as visiting professors

Future Business Development Plans

1. 5-ALA related businesses in China

- ① Procedure underway to establish an import and sales company, which imports 5-ALA products and other products from Japan, in the Shanghai Free Trade Zone, with the New Hope Group.
- ② Considering entering into the pharmaceutical business, currently in negotiations to license 5-ALA technology for pharmaceutical development to Chinese companies.

2. 5-ALA related businesses in the UAE

Currently in negotiations to establish a joint venture company in the United Arab Emirates (UAE) that will manufacture, sell, and market 5-ALA related products such as medical products and health foods in the Middle East and North Africa (MENA, except for Bahrain), and India.

[Reference]

The Company's current stock price, and our method in calculating the estimated corporate value

Corporate Value by Business Segment Valuation

Each Business Segment Valuation is Conservatively Estimated

■ Sum of the values by segment (as of Oct. 29, 2014) (JPY billion)

	Valuation of each segment (theoretical value)
Financial Services	360.9 (+)*
Asset Management	113.3
Biotechnology-related	62.5
Housing and Real Estate	28.9
Sum total	565.7 (+)

Business valuation per share: 2,519 yen

* Other businesses including SBIH's comparison website business and SBI MONEY PLAZA 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

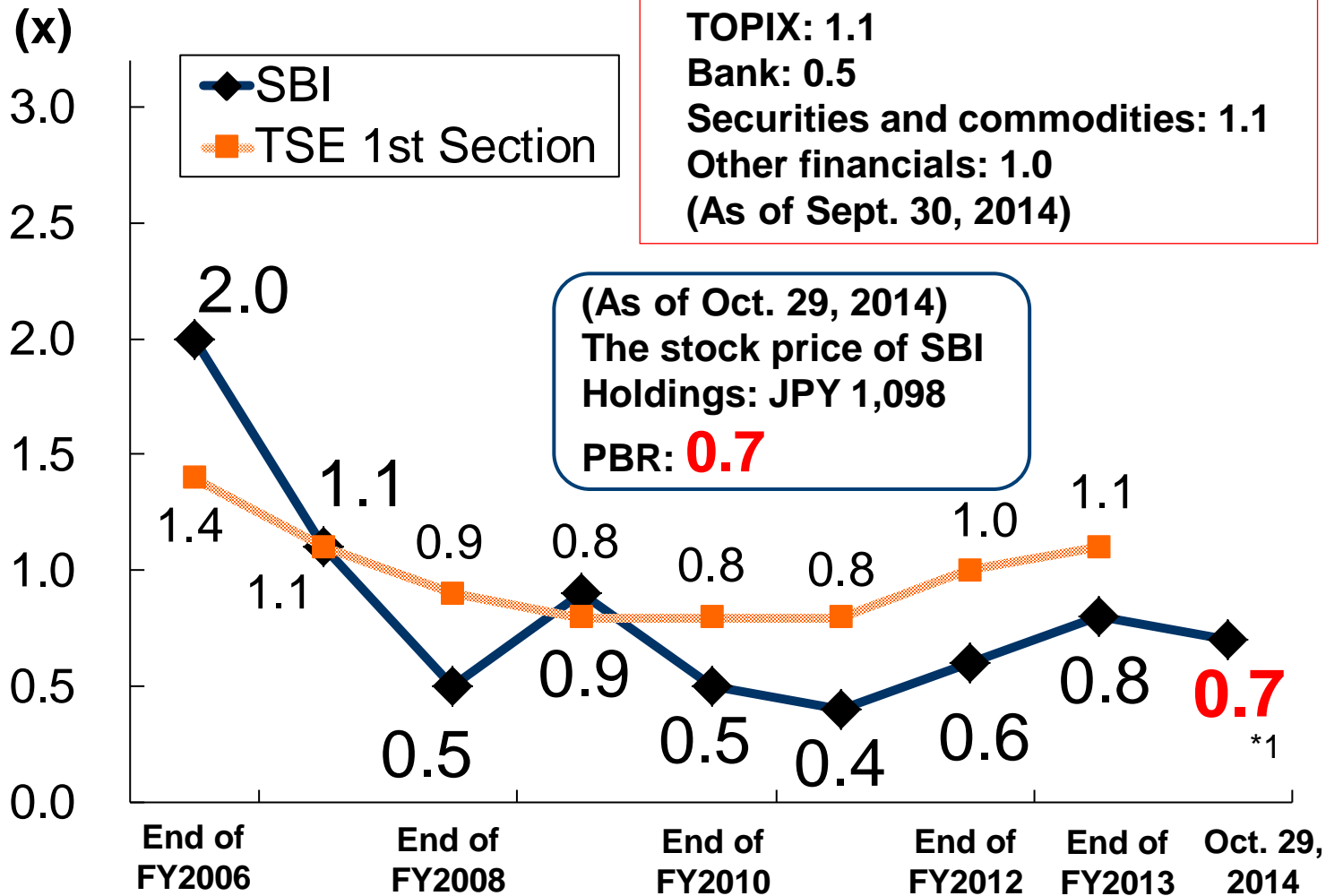
Market cap (actual value as of Oct. 29, 2014): **JPY 246.6bn**

[Last 3 years]



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: 1.1
 Other financials: 1.0
 (As of Sept. 30, 2014)

(As of Oct. 29, 2014)
 The stock price of SBI Holdings: JPY 1,098
 PBR: **0.7**

SBI Holdings' PER based on the EPS of 1H FY2014 is **9.2**^{*2} (As of Oct. 29, 2014)

[Reference]
 SBI Holdings' PER based on forecast EPS

PER:
11.2 (Nikkei Kaisha Joho)
7.9 (Japanese company handbook)

^{*1} PBR of SBI Holdings for Oct. 29, 2014 is calculated based on the BPS of the end of Sept. 2014.

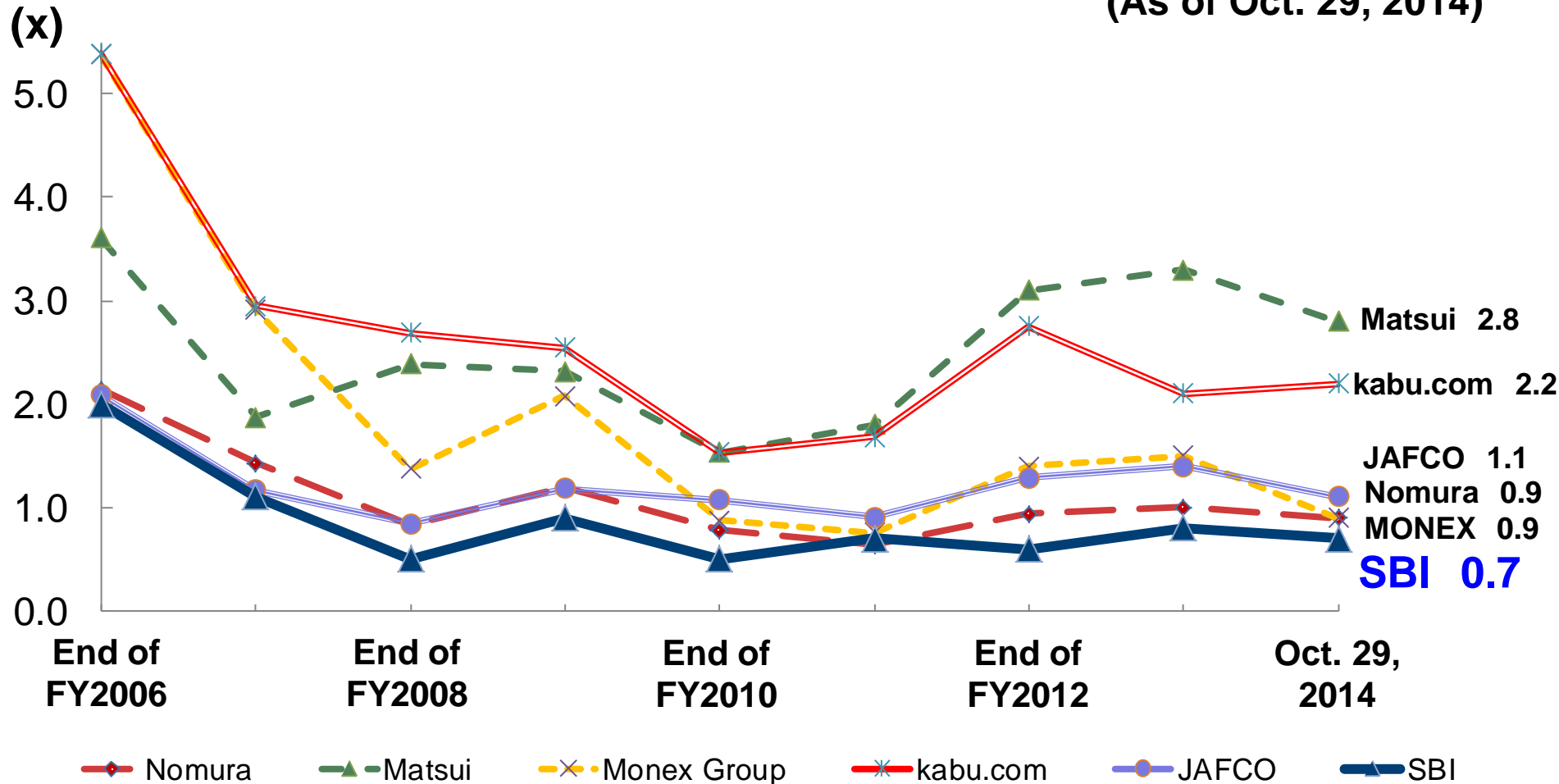
^{*2} For convenience, EPS of 1H FY2014 (JPY 119.11) is used to calculate SBI Holdings' PER.

Note: 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 Oct. 29, 2014)



*PBR for Oct. 29, 2014 is calculated based on the BPS of the end of Sept. 2014. For Monex, it is calculated based on the BPS of the end of June 2014.

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

Valuation by Segment Estimated by SBI

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

① SBI SECURITIES

Valuation is conservatively estimated at JPY **272.2bn**

(based on the closing prices of Oct. 29, 2014)

SBIH's market cap as of Oct. 29 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 a 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 assets (*3) (as of Sept. 30, 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 Sept. 30, 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) Holdings

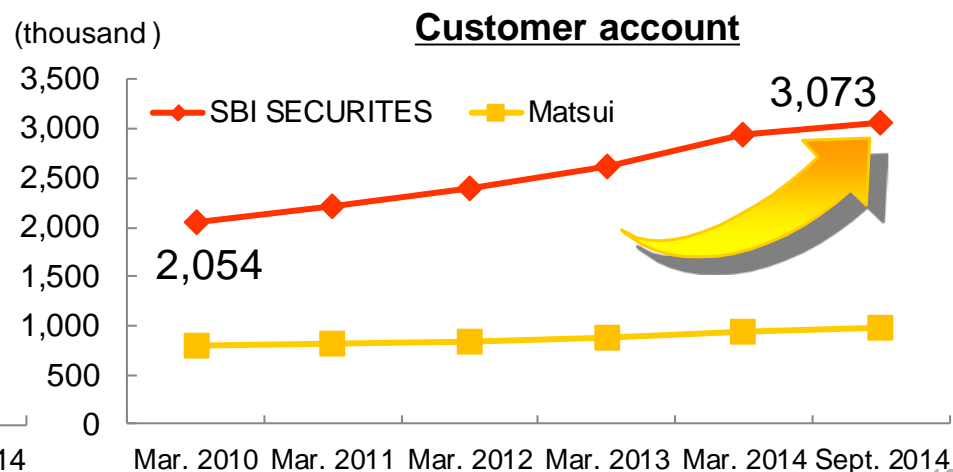
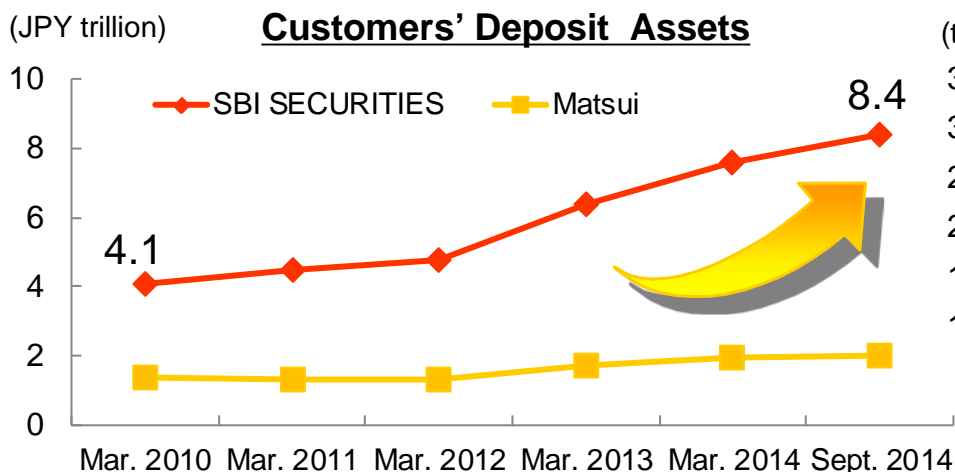


Is SBI SECURITIES' valuation reasonable?

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

*Calculated by the closing prices of Oct. 29, 2014

(1H FY2014)	SBI SECURITIES	Matsui Securities
Valuation (market cap) *	JPY 272.2bn	JPY 256.9bn
Deposit assets (Sept. 2014)	No.1 JPY 8.4tn	JPY 2.1tn
Number of accounts (As of the end of Sept. 2014)	No.1 3.1 million	970 thousand
Share of individual stock brokerage trading value	No.1 36.8%	13.0%
Operating income	No.1 JPY 15.0bn (down 11.3% YoY)	JPY 10.3bn (down 34.0% YoY)



Valuation by Segment Estimated by SBI

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

② SBI Sumishin Net Bank

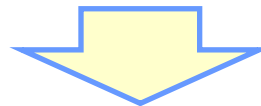
Valuation is conservatively estimated at JPY 51.1bn

(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 3,394.6bn (as of Sept. 30, 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 13.0bn: approx. JPY 96.9bn

Of which, market cap of local banks with deposit balances larger than JPY 3tn is JPY 114.5bn

*1 Based on ordinary income and deposit balance of 77 banks including community banks and New Entrant Banks for FY2013 and on Mar. 31, 2014, respectively.

*2 Market cap based on the closing prices of Oct. 29, 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 25.2bn** (based on the closing price of Oct. 29, 2014)

Estimation of the valuation is as follows:

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

Compares the market cap and profits of a comparable public companies, namely Money Partners and MONEY SQUARE JAPAN

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

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

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

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

CyberAgent FX (FY2011)		SBI Liquidity Market (FY2013)
JPY 8,498m	Operating revenue	JPY 10,524m
JPY 4,021m	Operating income	JPY 1,901m
JPY 2,289m	Net profit	JPY 1,165m
JPY 9,067m	Net assets	JPY 4,087m

Operating income before allocation to SBI SECURITIES was 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	21.4	10.5
SOLXYZ	26.3	Equity method associate	JASDAQ	7.0	1.8
Sum of the market cap of listed subsidiaries and equity method associates				28.4	<u>12.4</u>

(Based on the closing price of Oct. 29, 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 272.2bn** (based on the closing prices of Oct. 29, 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 25.2bn**
(based on the closing price of Oct. 29, 2014)

④ Total market cap upon SBIH's shareholding of other listed subsidiaries and equity method companies, in total 2 companies, in the FS Business

The sum of market caps of Morningstar Japan and SOLXYZ (Shareholding of the SBI Group) **JPY 12.4bn** (based on the closing prices of Oct. 29, 2014)



Total of the valuation above: **JPY 360.9bn** (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	Operation of PTS (Proprietary Trading System)	0.9	52.8
SBI MONEY PLAZA	Insurance agency, financial instruments intermediary service provider, housing loan agency	0.9	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 with one of the three core businesses

 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 113.3bn**

<Reference>

JAFCO's Market Cap: **JPY 192.0bn** (based on the closing price of Oct. 29, 2014)

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

(i) Value of holding securities (at the end of Sept. 2014) **Approx. JPY 95.7bn**

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 Oct. 29, 2014)

(* Valuation excluding asset such as securities hold) **Approx. JPY 12.9bn**

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

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

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

*PER of JAFCO is calculated by the estimated net income per share for 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) Asset Management Business

② Other Profitable Business Entities

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

	SBI's shareholding pct. (%)	Classification	Listed market	Market cap (JPY billion)	SBI's equity interest of market cap (JPY billion)
SBI AXES	42.7	Consolidated subsidiary	KOSDAQ of KRX	4.3*	1.8
SBI Investment Korea	43.9	Equity method associate	KOSDAQ of KRX	6.4*	2.8
Sum of the market cap of listed subsidiaries and equity method associates				10.7	<u>4.7</u>

(Based on the closing price of Oct. 29, 2014. *Calculated by the exchange rate as of Oct. 29, 2014.)

[Other profitable businesses of the Asset Management Business that are not included in the above valuation]

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

Total valuation of the Biotechnology-related Business is estimated at approx. JPY 62.5bn

① SBI Pharmaceuticals

Estimation of the valuation is as follows:

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



Based on SBIH's equity interest (excluding external holdings) as of the end of Sept. 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 Other companies in the Biotechnology-related Business

SBI Biotech (SBI's shareholding percentage*: 37.8%)

Considering future strategies, which includes an IPO and M&A on the premise of strategic alliance

* SBI's shareholding percentage corresponds to a figure based on the IFRS criteria that excludes from the total shareholding percentage (78.2%) the 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 28.9bn**

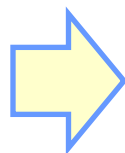
Estimation of the valuation is as follows:

Sum of the calculated value of the commercial real estate properties of SBIH as of the end of Sept. 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 Sept. 2014, valuation is **approx. JPY 21.1bn**

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	10.8	<u>7.9</u>

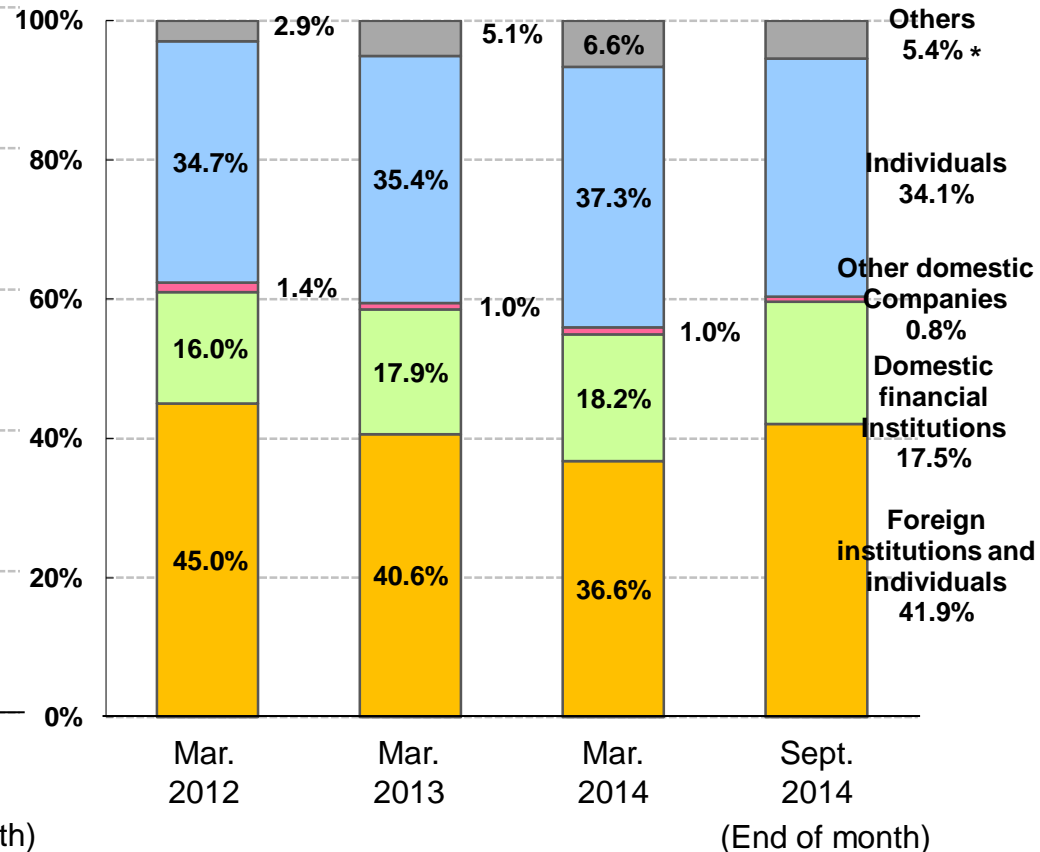
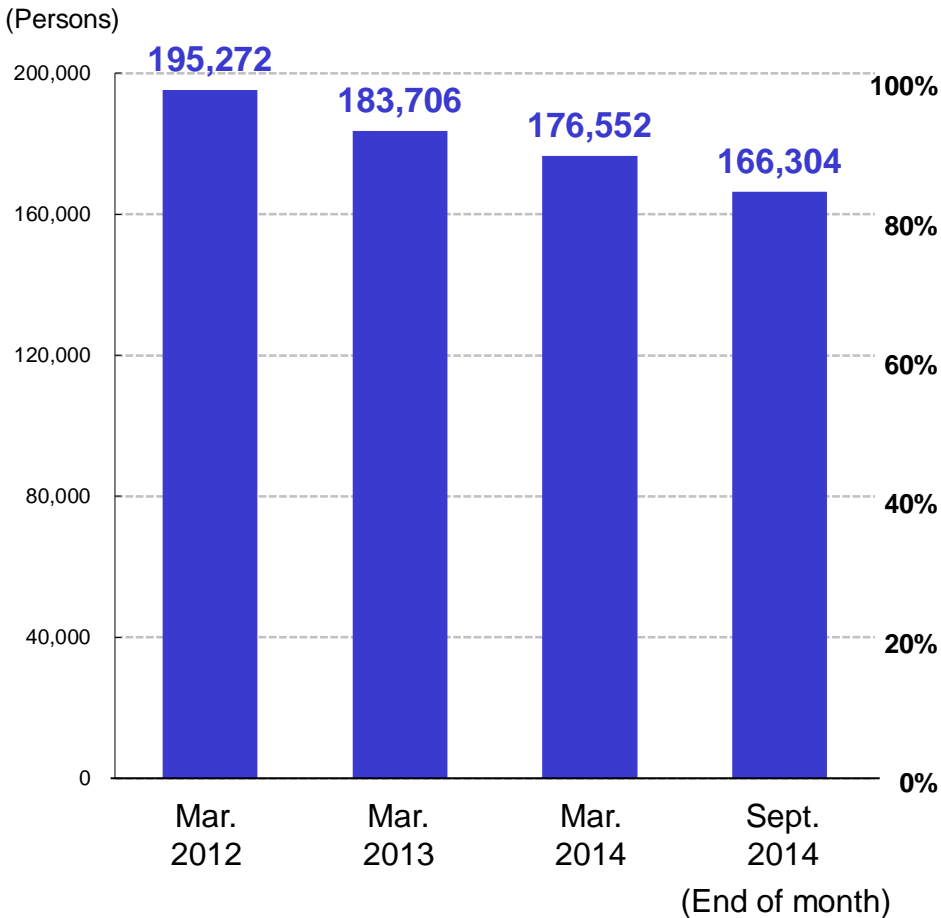
[Appendix]

SBI Holdings' Shareholder Composition



Number of Shareholders

Shareholder Composition



* "Others" includes treasury stock (3.3%)

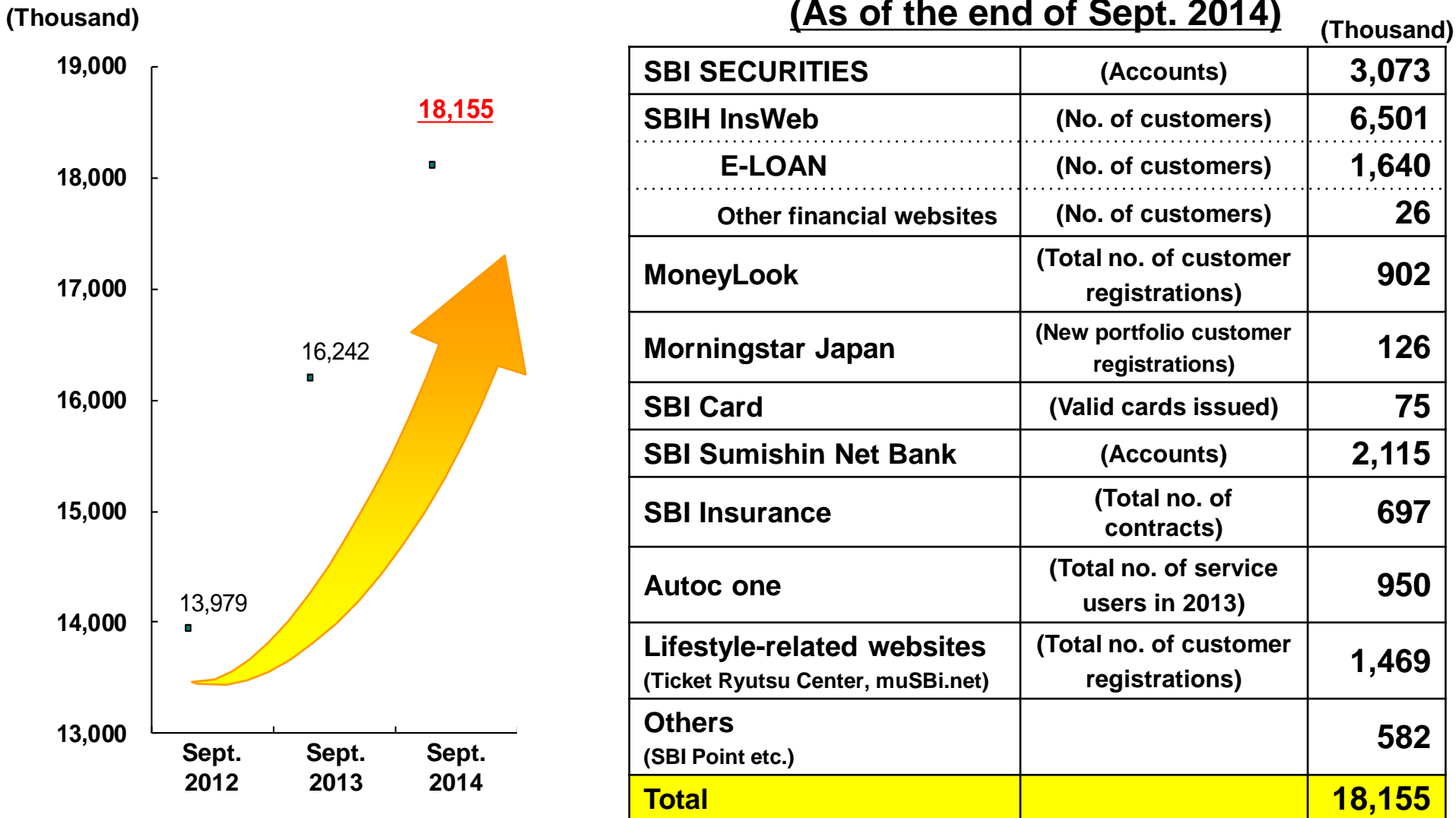
* Percentages are rounded down to one decimal place

The SBI Group's Customer Base



Breakdown of the Customer Base

(As of the end of Sept. 2014)



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

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

Number of Companies and Consolidated Employees of the SBI Group

Number of Group companies

	Mar. 31, 2014	Sept. 30, 2014
Consolidated subsidiaries (companies)	139	141
Consolidated partnerships (partnerships)	36	34
Total consolidated subsidiaries (companies)	175	175
Equity method companies (companies)	38	37
Total Group companies (companies)	213	212

Number of consolidated employees

	Mar. 31, 2014	Sept. 30, 2014
Total employees (persons)	5,352	5,150

Assets Under Management of the SBI Group

(As of the end of Sept. 2014)



Private equity, etc. JPY 289.2bn (Including JPY 106.2bn of both cash and commitment amount to be paid in) (*3)

Breakdown by Industry	Amount
IT/Internet	23.8
Biotechnology/Health/Medical	42.5
Services	18.0
Materials/Chemicals	2.6
Environmental/Energy	18.5
Retail/Food	14.0
Construction/Real estate	0.7
Machine/Automobile	8.6
Finance	32.0
Others	22.3
Total	183.0

Breakdown by region	Amount
Japan	85.2
China	31.4
Korea	21.3
Taiwan	1.9
Southeast Asia	10.0
India	1.9
U.S.	28.6
Others	2.8
Total	183.0

Investment trusts, etc. JPY 199.3bn

Investment trusts	114.1
Investment advisory	81.6
Investment companies	3.6

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

*2 Amounts are rounded to the nearest JPY 100m

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

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