



*Strategic
Business
Innovator*

- Daiwa Investment Conference Tokyo 2015 -

**SBI Holdings' 15 Year History Since Its
Establishment, and the New Challenges for the
Company that has Entered a Rapid Growth Stage**

March 4, 2015

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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 Since Its Establishment**
- II. New Challenges for the SBI Group that has Entered a Rapid Growth Stage**

I. SBI Holdings' 15 Year History Since Its Establishment

- 1. SBI Group's Corporate Mission and Profile**
- 2. What SBI has realized in each business segment since its establishment**

1. SBI Group's Corporate Mission and Profile

The Origin of the SBI Group

—The SBI Group’s Five Corporate Mission Statements

Sound Ethical Values

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

Financial Innovator

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

New Industry Creator

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

Self Evolution







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

Social Responsibility

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

SBI Holdings' Transition Since Its Founding

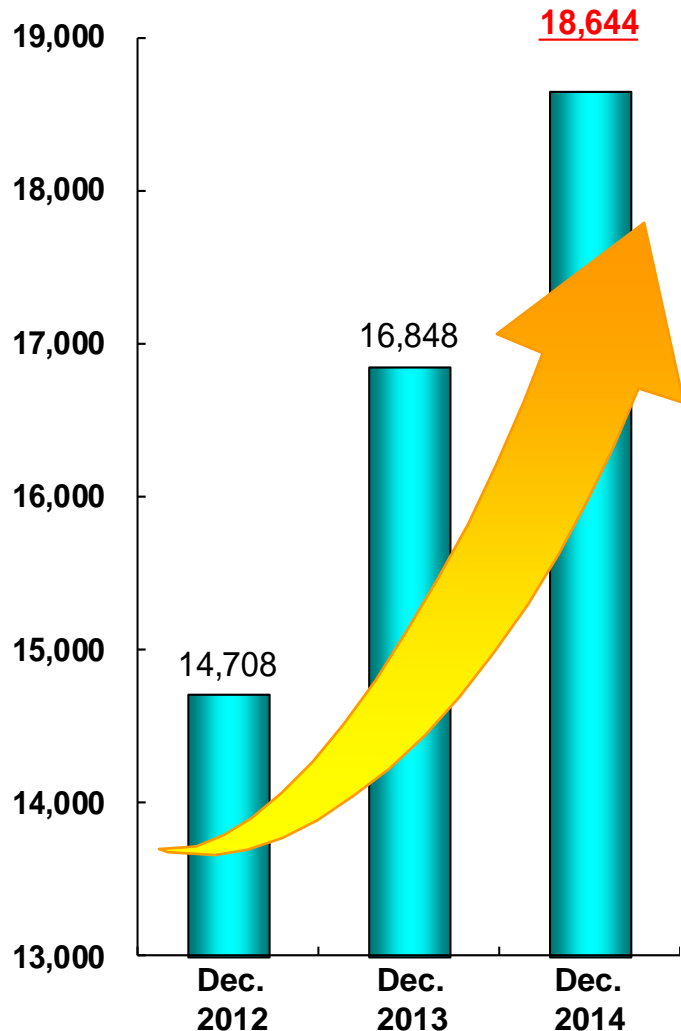
(Established on July 8, 1999)

	Establishment 1999	End of Dec. 2014
Employees (cons.)	55 	5,225
Operating revenues (cons.)	0 	JPY 174.3bn (9M FY2014) Peak time (FY2013): JPY 232.8bn
Consolidated subsidiaries	0 	140
Publicly owned companies	0 	6 (including SBIH) Peak time (FY2007): 11
Capital	JPY 50m 	JPY 81.7bn
Net assets	JPY 50m 	JPY 426.7bn

Rapid Expansion of the SBI Group's Customer Base



(Thousand)



Breakdown of the Customer Base

(As of the end of Dec. 2014) (Thousand)

SBI SECURITIES	(Accounts)	3,149
SBIH InsWeb	(No. of customers)	6,673
E-LOAN	(No. of customers)	1,685
MoneyLook	(Total no. of customer registrations)	909
Morningstar Japan	(New portfolio customer registrations)	130
SBI Card	(Valid cards issued)	79
SBI Sumishin Net Bank	(Accounts)	2,200
SBI Insurance	(Total no. of contracts)	716
Autoc one	(Total no. of service users in 2014)	960
Others (SBI Point etc.)		2,143
Total		18,644

* 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

Principal SBI Group Companies



Financial Services Business

SBI証券
(SBI SECURITIES)
[Online securities]

SBI Japannext
[Proprietary trading system]

SBI Sumishin Net Bank
[Internet bank]

MORNINGSTAR
[Investment trusts ratings]

SBI Insurance
[Internet nonlife insurance]

SBI Liquidity Market
[Provision of market infrastructure to FX trading]

SBI Card
[Credit card]

SBI FXTRADE
[Pure-play FX broker]

SBI マネープラザ
(SBI MONEY PLAZA)
[Operation of "Face-to-face" shops]

A diversified line of financial services

Asset Management Business

SBI Investment
[Venture capital fund management]

SBI Asset Management
[Investment advisory]

SBI Ven Capital Pte. Ltd.
[Singaporean subsidiary]

SBI Savings Bank
[Savings bank in South Korea]

**Overseas bases,
GP of overseas funds**

**Fund management,
investment advisory
services, etc.**

Biotechnology-related Business

SBI Pharma
[Development of 5-ALA related products (pharmaceutical business)]

SBI ALApromo
[Sales of 5-ALA related products]

SBI Biotech
[R&D of pharmaceuticals]

Investee companies

**Development, manufacturing
and sales of pharmaceuticals,
health foods and cosmetics**

2. What SBI has realized in each business segment since its establishment

- (1) In the Financial Services Business, attained the No. 1 position in various financial businesses, and promoted the transference of the financial ecosystem abroad as well**
- (2) In the Asset Management Business, as a "New Industry Creator" focused on investments into growth industries of the 21st century, and accelerated the development of overseas businesses with a primary emphasis on rapidly growing Asia**
- (3) In the Biotechnology-related Business, as a designated next generation growth sector, along with the acquisition of key patents, the expansion of product offerings and the establishment of a global research network for drug development, concluded the preparatory stage**

SBI Group is the Pioneer and No.1 in Various Financial Businesses

SBI証券 [SBI SECURITIES]

- **Ranks No.1 in terms of the share** of individual brokerage trading value (37.5% in 9M FY2014)
- **Ranks No.1 in terms of the share** of individual margin trading value (39.5% in 9M FY2014)
- Ranks No.1 in terms of the number of accounts among 5 major online securities (3.15 million accounts as of end of Dec. 2014)

住信SBIネット銀行



- **Ranks No. 1 in terms of the deposits** among 6 Internet-based banks (JPY 3.542tn as of the end of Dec. 2014)
- Fastest among Internet-based banks to raise its cumulative total of housing loans to more than JPY 2.1tn

SBI マネープラザ [SBI MONEY PLAZA]

- First comprehensive financial products distributor in Japan, providing “Asset Management,” “Insurance” and “Housing Loans”

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

- **Ranks No.1 in terms of trading value** (Daily average trading value of JPY 104.1bn as of Jan. 2015; 2nd largest stock market in Japan)
- Only PTS offering for nighttime trading in Japan

MORNINGSTAR Morningstar Japan MoneyLook

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

SBI Holdings' Marketplace Division



[InsWeb]



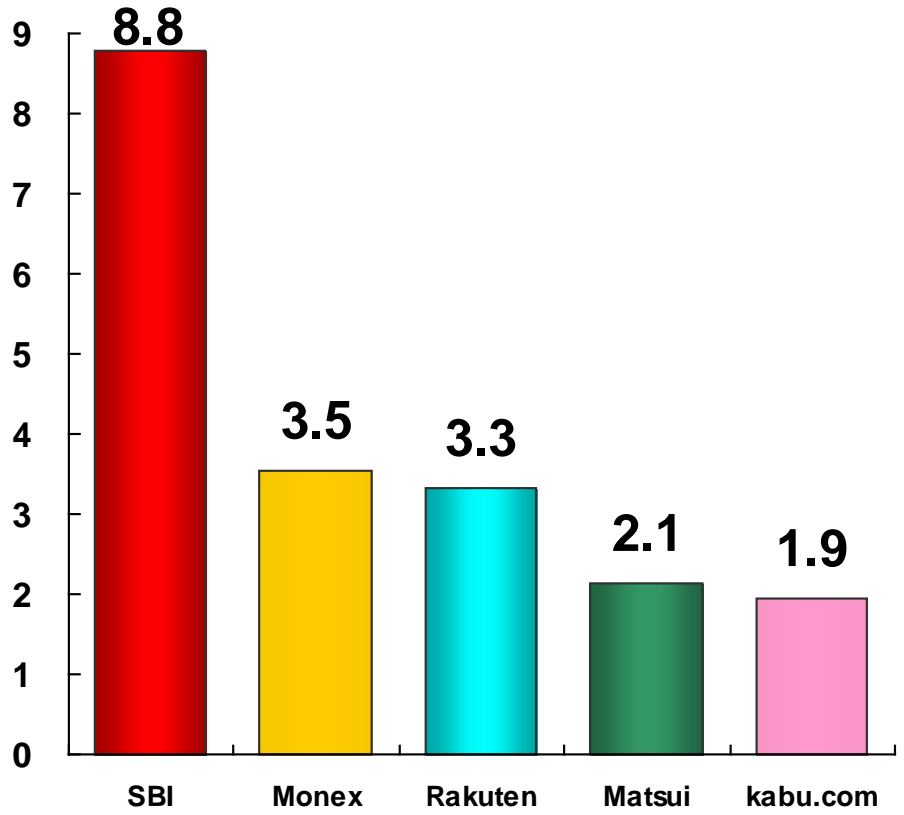
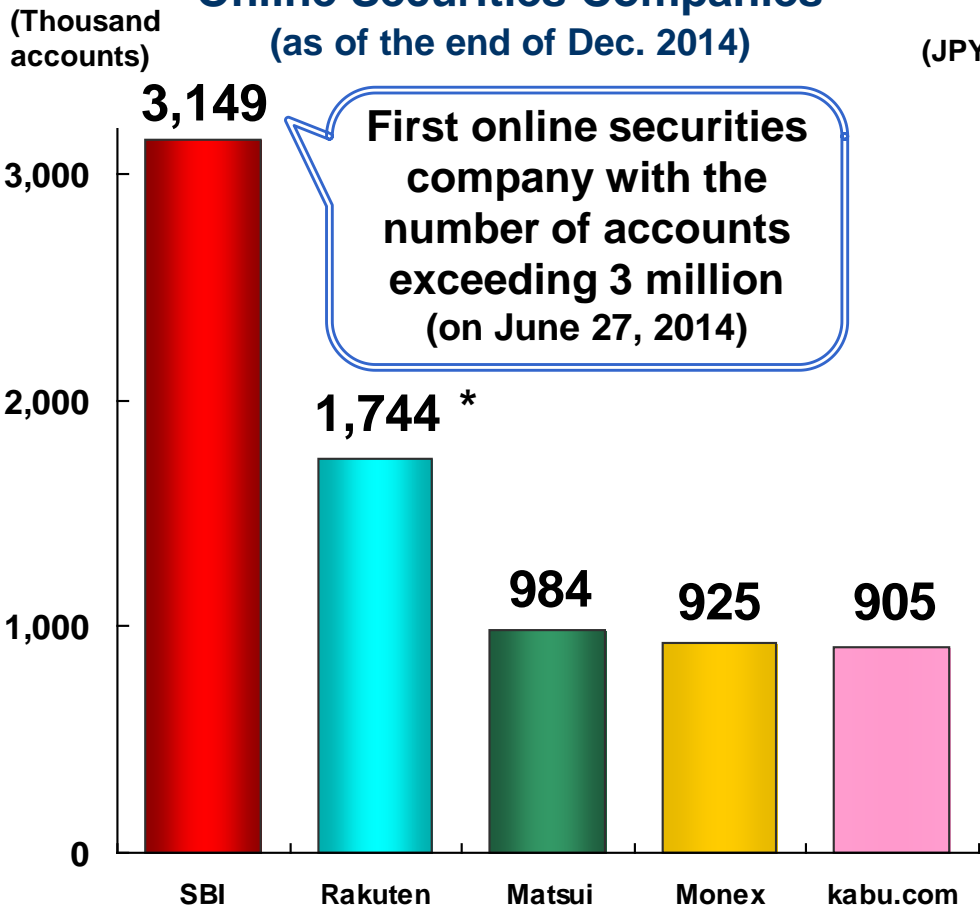
- Operates InsWeb, **one of Japan's largest insurance marketplaces** where you can compare and quote
- Operates E-LOAN, **Japan's largest loan comparison website in terms of the number of users and registered financial institutions**

Attained No. 1 Position in Various Financial Businesses – SBI SECURITIES

~No. 1 in number of accounts and total customer assets among the 5 major online securities companies~

Customer Accounts of 5 Major Online Securities Companies (as of the end of Dec. 2014)

Customers' Deposit Assets of 5 Major Online Securities Companies (as of the end of Dec. 2014)



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



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

Attained No. 1 Position in Various Financial Businesses – SBI Sumishin Net Bank

~No. 1 in deposit balance and balance of loans among the
pure-play Internet banks~

Pure-play Internet Banks' Financial Results for 9M FY2014

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	 3,541.7	 1,643.6	2,199 (16.6)	10.5 (30.4)
Daiwa Next	May 2011	2,772.4	135.3	985 (13.9)	10.9 (248.0)
Sony Bank (cons.)	June 2001	1,863.6	1,121.9	1,010 (7.4)	5.3 (0.9)
Rakuten (cons.)	July 2001	1,182.8	321.6	4,858 (7.8)	7.9 (43.1)
Jibun	July 2008	666.2	85.1	1,870 (17.2)	1.1 (-28.3)
The Japan Net	Oct. 2000	578.8	40.3	2,784 (8.6)	2.5 (-39.6)

Note: Amounts are rounded to the nearest 100 million yen or thousand accounts. The number of accounts is as of the end of Dec. 2014.
The number of accounts for Sony Bank is as of the end of Sept. 2014.

Attained No. 1 Position in Various Financial Businesses

– SBI Insurance

~Steadily growing to become No. 1 in auto insurance premiums among the major direct insurance companies~

[Comparison of Auto Insurance Premium Income]

(JPY million)

	Date of operation started	FY2010		FY2012		9M FY2014
Sony Assurance	Sept. 1999	65,516	Sony Assurance	74,406	Sony Assurance	61,319
AXA GENERAL INSURANCE	July 1999	33,271	AXA	38,136	AXA	33,219
Mitsui Direct	June 2000	32,688	Mitsui Direct	34,735	Mitsui Direct	25,427
Zurich Insurance	July 1986*1	27,894	Zurich	31,337	Zurich	25,016
American Home Direct	Dec. 1960	17,143	SBI Insurance	19,501	SBI Insurance	19,211
Sonpo 24	Mar. 2001	10,697	American Home	15,078	SAISON	13,242
SBI Insurance	Jan. 2008	10,069	Sonpo 24	12,890	E.design	12,225
SAISON AUTO-MOBILE&FIRE	Apr. 1983	7,755	SAISON	10,893	Sonpo 24	10,490
E.design Insurance	June 2009	2,856	E.design	10,523	American Home	N/A

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

*1 Figures for Zurich Insurance are of Japan Branch, including underwritten reinsurance premium. *2 Figures for E.design are net premiums written.

Attained No. 1 Position in Various Financial Businesses

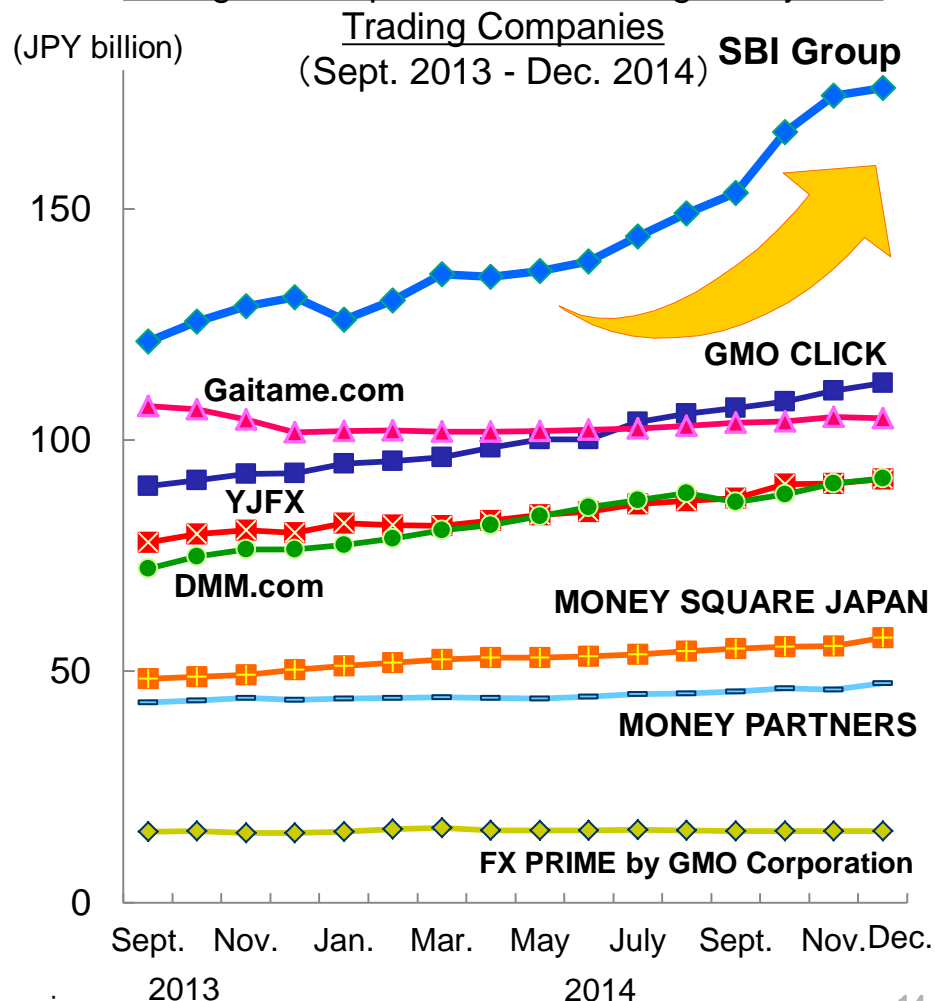
– SBI Liquidity Market

~The SBI Group's (SBI SECURITIES, SBI FXTRADE and SBI Sumishin Net Bank) total number of accounts and customer deposit assets are the largest in the OTC FX industry~

Number of FX Trading Accounts (as of the end of Dec.)

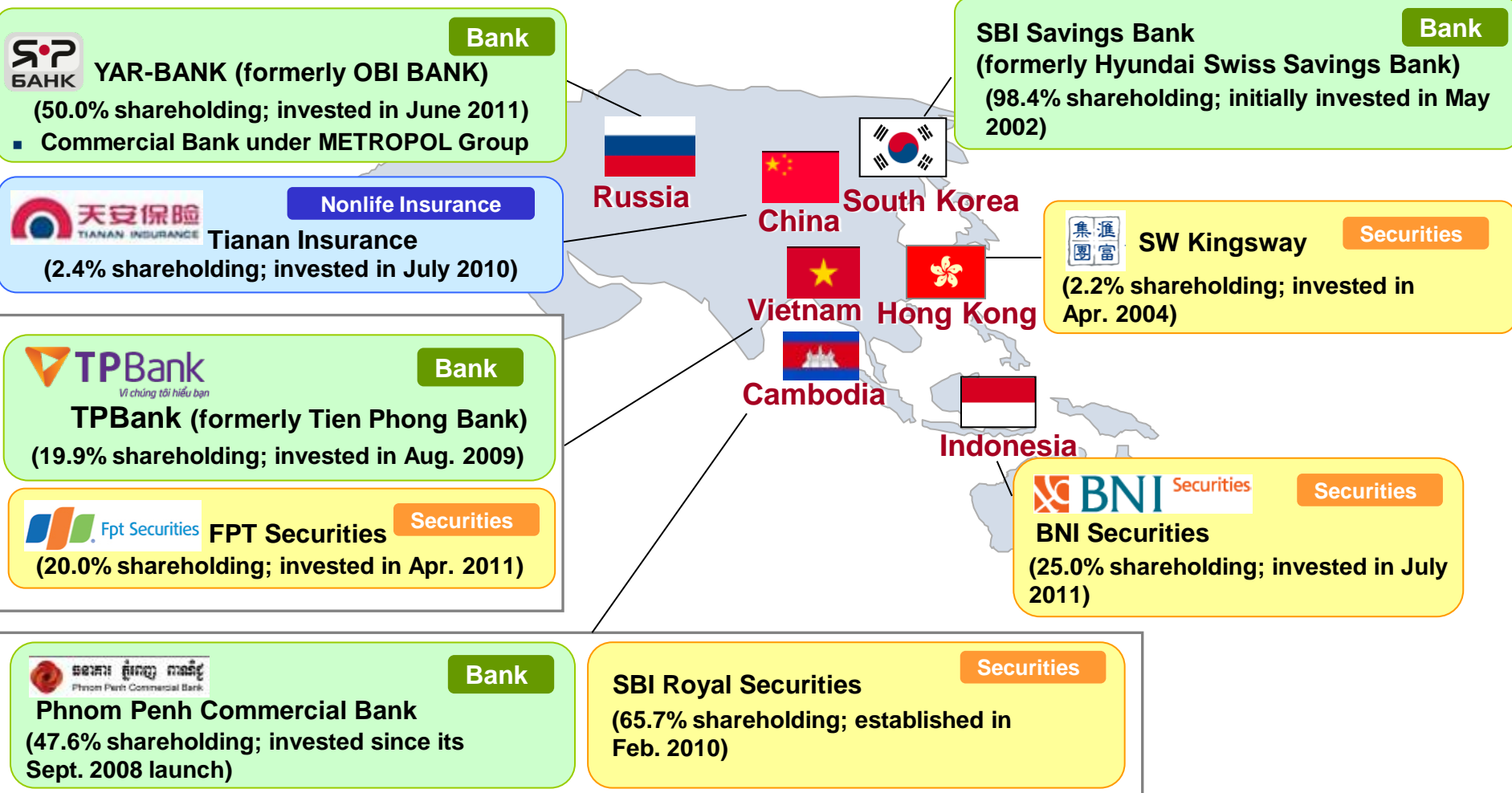
No.	Company name	Number of accounts
1	SBI Group	530,461
2	DMM.com	421,319
3	Gaitame.com	386,646
4	GMO CLICK	378,872
5	YJFX	304,693
6	MONEY PARTNERS	251,189
7	Traders Securities	239,337
8	Hirose FX	176,878
9	FX PRIME by GMO Corporation	155,391
10	Central Tanshi FX	152,094
11	MONEY SQUARE JAPAN	79,303
12	Ueda Harlow	52,342
	Other (1 company)	57,261
	Total	3,185,786

Changes in Deposit Assets among 8 major FX Trading Companies (Sept. 2013 - Dec. 2014)



(1) Financial Services Business: Promotes the transference of the financial ecosystem abroad

Through the Cooperation with Prominent Overseas Partners, along with the Consideration of the Circumstances of Each Country, Promote the Establishment of Financial Ecosystems Overseas



(As of the end of Dec. 2014)

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



“New Industry Creator” Initiatives

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

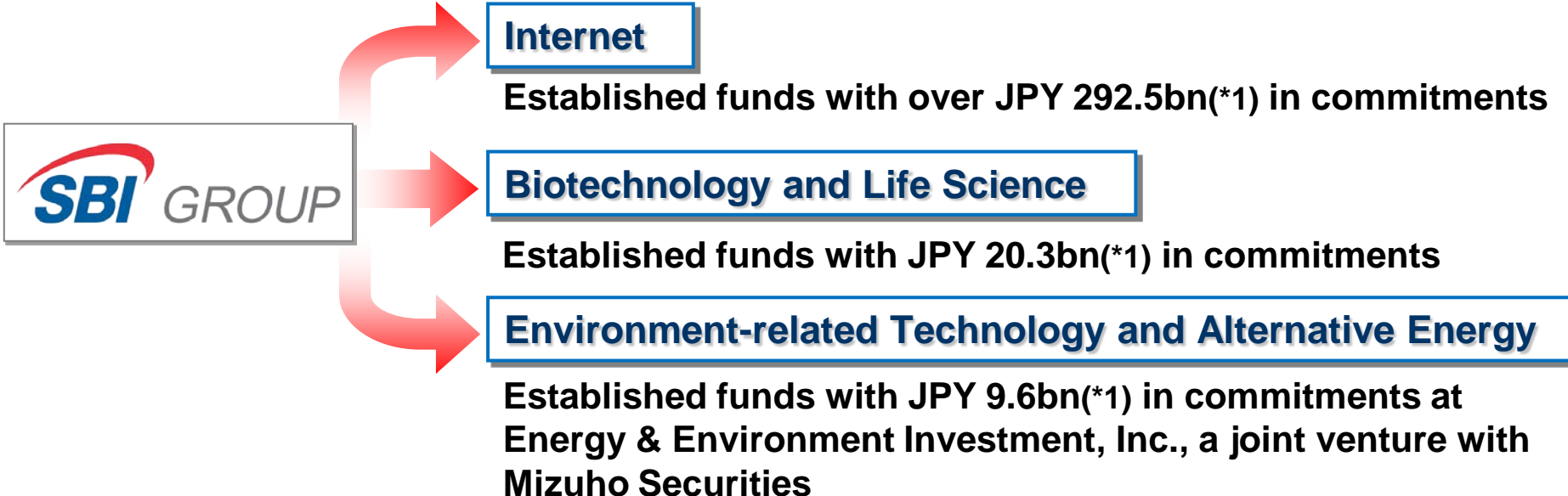
Cumulative Investments

No. of Companies Invested in	Japan	Overseas
978	680	298

EXITs (IPO, M&A)

No. of Companies EXITed:	Japan		Overseas	
	IPO	M&A	IPO	M&A
170	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)

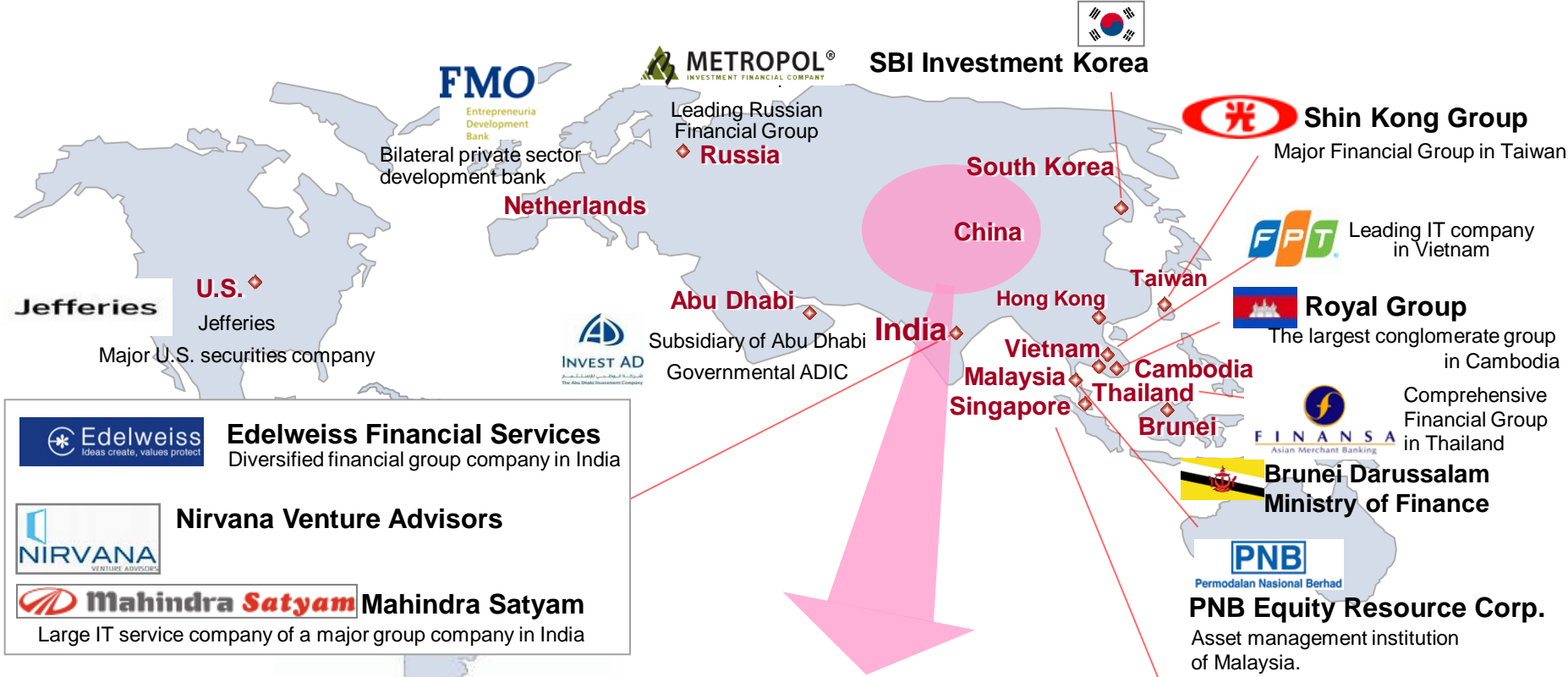
*2: Simple average for each fund. One Fund with negative IRR is excluded from the calculation.

(2) Asset Management Business: Acceleration of the development of overseas businesses primarily in Asia



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



Edelweiss Financial Services
 Diversified financial group company in India

Nirvana Venture Advisors

Mahindra Satyam
 Large IT service company of a major group company in India

清华控股有限公司
 TSINGHUA HOLDINGS CO., LTD.
 An investee subsidiary of Tsinghua University Group

北大青鸟集团
 BEIDA JADE BIRD GROUP
 Strategic investment division under Beijing University Group

FORWARD
 复旦复华
 Industry group under the aegis of Fudan University

INESEA
 仪电控股

New Horizon Fund
 (Jointly established with Temasek Holdings, a governmental investment company of Singapore)



SBI Investment KOREA Expands the Management of Funds in South Korea ①

- From Jan. 2014, as the chart below depicts, a total of 5 funds were commissioned by government agencies to be managed by SBI Investment Korea, leading to **a successful fund raise of an investment commitment total of over KRW 200.0bn (approx. JPY 22.0bn*)**
- In recognition of this success, **awarded the "Best Fund Raising House Award" from the "2015 Korea Venture Capital Awards"**

	Commitment amount	Mission
Future Creation M&A Fund	KRW 50.0bn (approx. JPY 5.5bn*)	To support mid-sized South Korean companies conducting M&A and to enter the ASEAN region
KONEX Market Vitalization Fund	KRW 40.0bn (approx. JPY 4.4bn*) (An additional KRW 20.0bn scheduled to be invested)	To support the vitalization of the KONEX market, an emerging market in South Korea
Overseas Expansion Platform Fund	KRW 60.0bn (approx. JPY 6.6bn*)	To support mid-sized and venture companies in South Korea to expand into the ASEAN region
Digital Contents Fund	KRW 25.0bn (approx. JPY 2.7bn*)	To support the integration of South Korean content industry and IT industry, both of which are expected to play a key role in Korea's future economic growth
2014 KIF Fund	KRW 30.0bn (approx. JPY 3.3bn*)	To develop South Korean venture companies involved in the Telecommunications and IT industries

In addition, currently endeavoring to be selected to manage an additional 4 funds (the aggregate commitment amount of KRW 600bn (approx. JPY 66bn*)) this year.

* Converted at KRW 1 = JPY 0.11



SBI Investment KOREA Expands the Management of Funds in South Korea ②

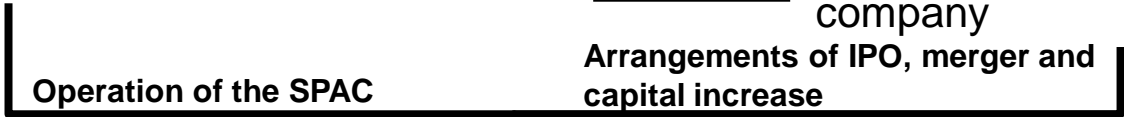
Jointly established a SPAC* with KDB Daewoo Securities in Feb. 2015

* SPAC: Special Purpose Acquisition Company, a listed investment fund that is created for the sole purpose of acquiring an interest in another company. South Korea's unique scheme enabling the listing of the acquired company by eventually merging the said acquired company and the SPAC itself.



KDB Daewoo Securities
South Korea's largest securities company

KRW 750m
(approx. JPY 80m*)



KRW 750m
(approx. JPY 80m*)

DAEWOO SBI SPAC 1
(Established in Feb. 2015; IPO scheduled in May 2015)

- Planning a May 2015 IPO, and upon such listing, considerations will be made to increase its capital through public offerings to increase the size to KRW 7bn (approx. JPY 770m*)
- Acquisition target companies will be selected from companies in all industries, including biotechnology and entertainment

Considering the aggressive utilization of SPACs, as one component of the diversification of management operations



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 2015

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.

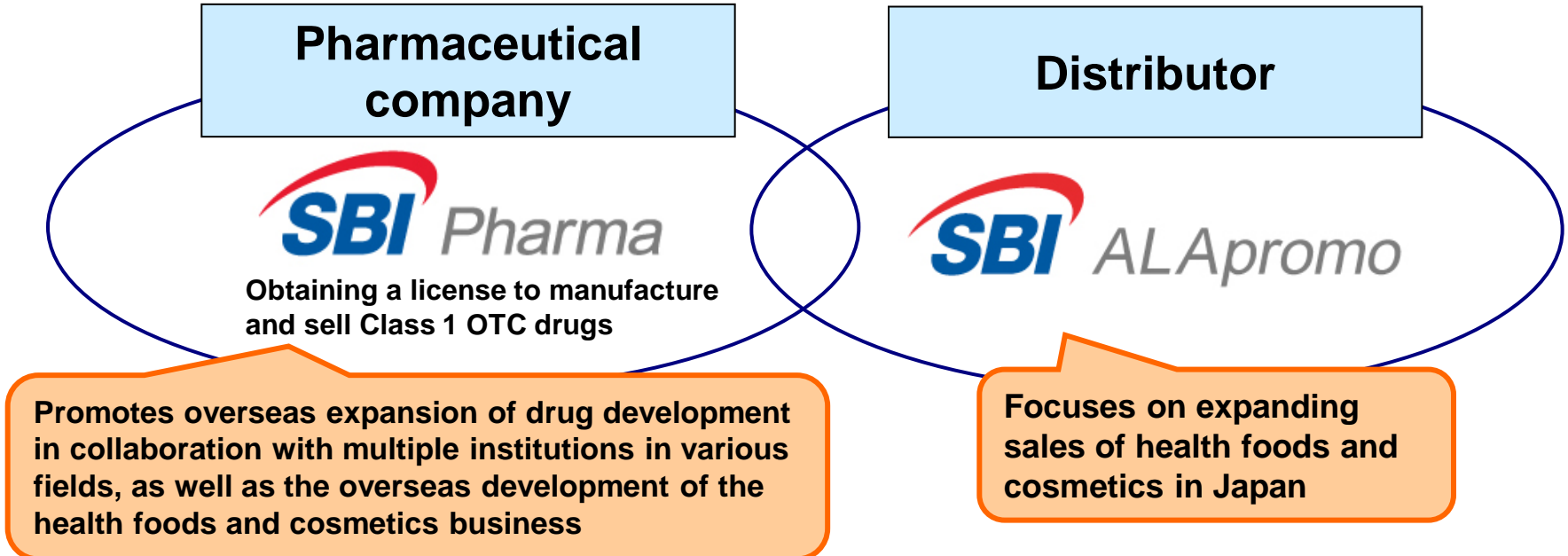
Development of 5-ALA Related Businesses

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

II. New Challenges for the SBI Group that has Entered a Rapid Growth Stage

- 1. Adhere to the ROE-oriented management principle, and improving shareholder returns**
- 2. Latest business overview by segment and their current business strategies**

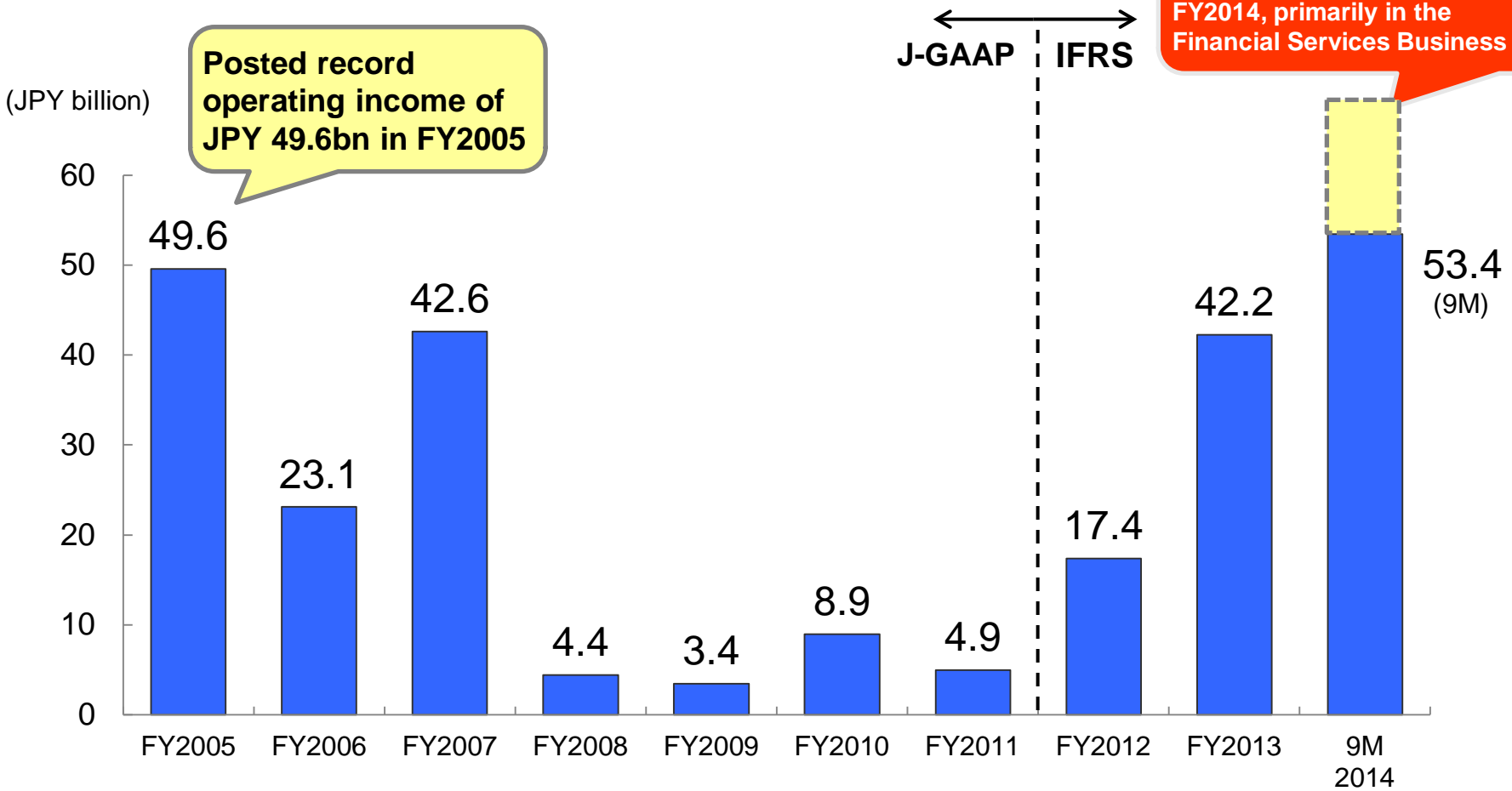
- 1. Adhere to the ROE-oriented management principle, and improving shareholder returns**
 - (1) While current ROE exceeded the milestone target of 10%, endeavoring to further improve ROE**
 - ① Cumulative ROE for 9 Months FY2014 reached 10.1%, which exceeded the milestone target of 10%**
 - ② Generation of cash flow through further "Selection and Concentration," for use in measures that will further improve ROE, such as stock repurchase**
 - (2) Based on the strong financial results, enhance shareholder returns**

(1)- ① Improving ROE :

FY2014 Full-year Results are Likely to Significantly Exceed Previous Record Results



Operating income in the past 10 years



Posted record operating income of JPY 49.6bn in FY2005

Operating income is expected to continuously increase in 4Q FY2014, primarily in the Financial Services Business

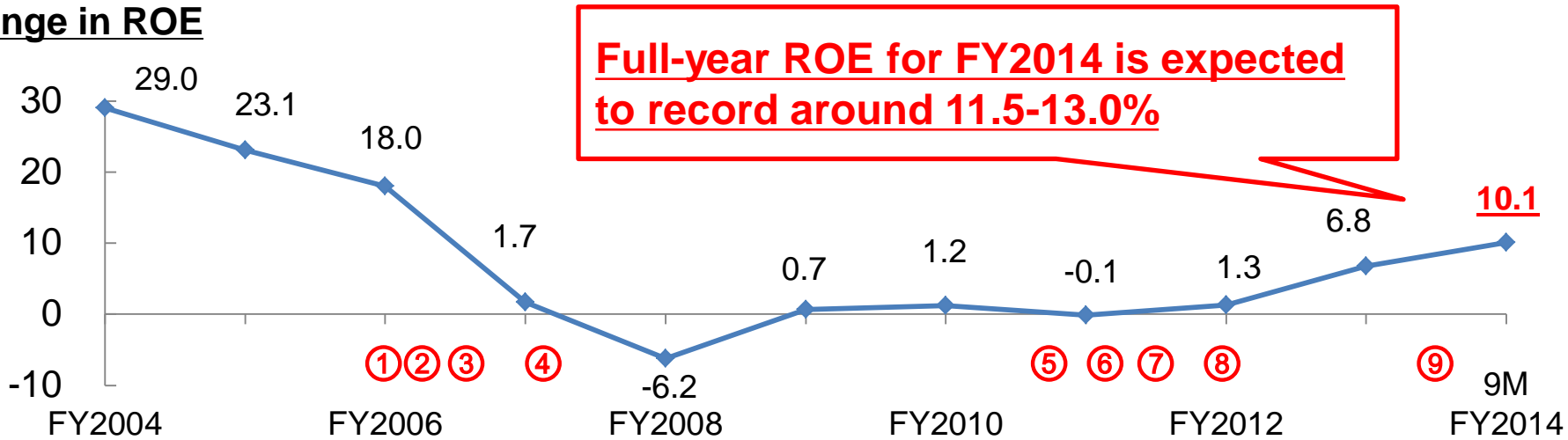
* Results for the fiscal years before FY2012 are based on J-GAAP. The Company introduced IFRS from FY2012.

- In 4Q FY2014, primarily owing to the Financial Services Business, an operating income increase of JPY10-15bn is expected, so consistent with such an increase, consolidated results should also significantly increase as well**

(1)- ① Improving ROE :

While Current ROE Exceeded the Milestone Target of 10%, Endeavoring to Further Improve ROE

Change in ROE



Full-year ROE for FY2014 is expected to record around 11.5-13.0%

Business environment



Business strategy




Specific measures


- | | |
|---|---|
| ① Aug. 2007 SBI Japannext began operation of PTS | ⑤ Mar. 2012 Sale of the former SBI VeriTrans |
| ② Sept. 2007 SBI Sumishin Net Bank commenced business | ⑥ May 2012 SBI FXTRADE started operations |
| ③ Jan. 2008 SBI Insurance commenced business | ⑦ Sept. 2012 Consolidated SBI Japannext |
| ④ Nov. 2008 SBI Liquidity Market started operations | ⑧ Mar. 2013 Consolidated current SBI Savings Bank |
| | ⑨ Aug. 2014 Sale of SBI Mortgage |

Improving ROE through Further Generation of Cash Flow

- Through the sales of non-core businesses, IPOs and intra-group reorganizations basically accomplished, recovered JPY 45bn through sales of subsidiaries, including partial sales since Mar. 2012
- Also, for FY2014, sales amount of the real estate holdings is expected to be approx. JPY 18bn



Generated cash will be appropriated to strengthen businesses with high return on invested capital, to acquire companies which are expected to realize synergies with our core businesses, and to improve various financial ratios



Endeavoring to improve ROE

Based on the Strong Financial Results, Enhances Shareholder Return

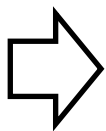
FY2013 full-year dividend results: JPY 20 per share



[Announced on Oct. 30, 2014]

FY2014 full-year dividend forecast

- Ordinary dividend: JPY 20 per share
- Commemorative dividend: JPY 5 per share in commemoration of the Company's 15th anniversary



**JPY 25 per share,
an increase of JPY 5
compared to FY2013**



Upward revision

[Announced on Feb. 26, 2015]

FY2014 full-year dividend forecast revised

- Ordinary dividend: **JPY 30** (increase of **JPY 10**) per share
- Commemorative dividend: JPY 5 per share in commemoration of the Company's 15th anniversary



**JPY 35 per share,
an increase of JPY
15 compared
to FY2013**

Continues to positively consider a share repurchase

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

2. Latest business overview by segment and their current business strategies

(1) Financial Services Business

(2) Asset Management Business

(3) Biotechnology-related Business

(1) Financial Services Business

- ① Securities-related Business**
- ② Banking-related Business**
- ③ Insurance-related Business**

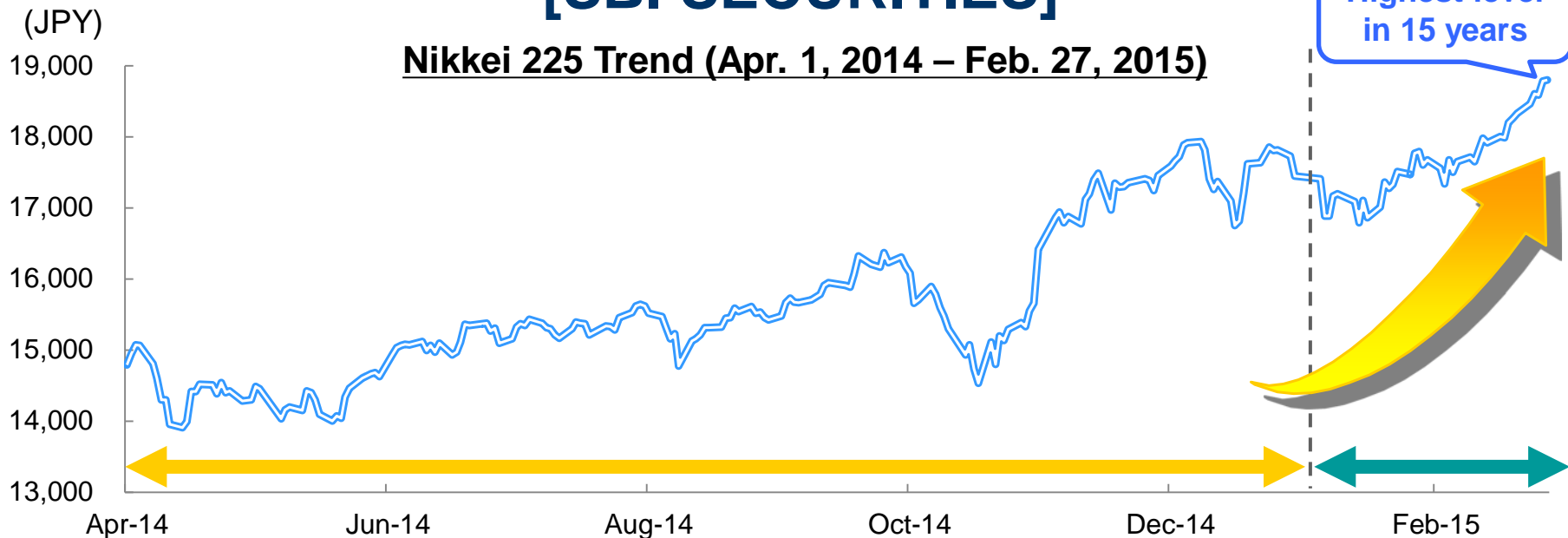
① **Securities-related Business**

~ Developing the means to compete with the major face-to-face securities companies ~

- (i) Current conditions of the securities-related business**
- (ii) Measures to further enhance the retail business that is clearly superior to the face-to-face securities companies**
- (iii) Along with further enhancing the retail business, in order to rank among the major face-to-face securities companies, expanding the corporate business**
 - a. Continuously enhance IPO underwriting business as well as PO underwriting business in SBI SECURITIES**
 - b. Through an alliance between SBI SECURITIES and SBI MONEY PLAZA, strengthening the customer base and sales capacity**

① -(i) Current conditions of the securities-related business:

4Q FY2014 (Jan. 2015 to Present) Conditions [SBI SECURITIES]



	Monthly average of 9 Months FY2014	Jan. 2015 (Monthly)
Operating income :	JPY 2.8bn	JPY 3.0bn
	Monthly average of 9 Months FY2014	Monthly average of Jan.-Feb. 2015
SBI SECURITIES' average daily trading value :	JPY 428.1bn	JPY 457.1bn* (+6.8%)

* Based on the preliminary figure for trading value of Feb. 2015

4Q FY2014 (Jan. 2015 to Present) Conditions [SBI Liquidity Market / SBI FXTRADE]

Despite the historical nosedive after Swiss National Bank's announcement to remove cap on euro on Jan. 15, the performances of the two FX-related companies, SBI Liquidity Market and SBI FXTRADE, demonstrated a strong performance

■ SBI Liquidity Market

- ◆ In Jan. 2015, SBI LM recorded approx. JPY 1.2bn in operating revenue, and recorded operating income before allocation of approx. JPY 1.1bn, an increase of +22.2%, compared to the monthly average of 9m FY2014.

■ SBI FXTRADE

- ◆ Based on the allocated operating income, SBI FXT recorded single month operating income of approx. JPY 0.2bn in Jan. 2015.

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

(Unit: JPY million)

	Operating Revenue	YoY % change	Income before Income Tax	YoY % change	ROE (%)
SBI	55,974	-0.3	23,570	+1.8	9.15
Nomura (*) (cons.)	1,420,583	+2.9	241,803	-11.4	5.46
Daiwa (cons.)	483,941	-2.3	132,074	-16.7	9.67
SMBC Nikko (cons.)	257,541	-6.9	69,356	-19.4	7.69

* Figures for Nomura are based on US-GAAP.

Source: Compiled by SBIH from the information on websites of each company.
ROEs are calculated based on the EPS of each company's 9m FY2014 results, and are not annualized.

① -(i) Current conditions of the securities-related business:

Positioning of SBI SECURITIES in the securities industry



(9 Months FY2014)

(Unit: JPY billion)

Operating Revenue Ranking

1	Nomura(US-GAAP)	1,420.6
2	Daiwa	483.9
3	MUFJ	355.5
4	Mizuho	316.3
5	SMBC Nikko	257.5
6	Okasan	71.2
7	Tokai Tokyo	62.7
8	SBI	56.0
9	SMBC Friend	39.0
10	Monex (IFRS)	37.0
11	Rakuten	33.0
12	Matsui	25.4
13	GMO CLICK	17.4
14	kabu.com	17.1
15	Ichiyoshi	15.0
16	IwaiCosmo	15.0
17	Marusan	15.0
18	Mito	11.6
19	Toyo	11.1
20	Aizawa	11.1

Operating Income Ranking

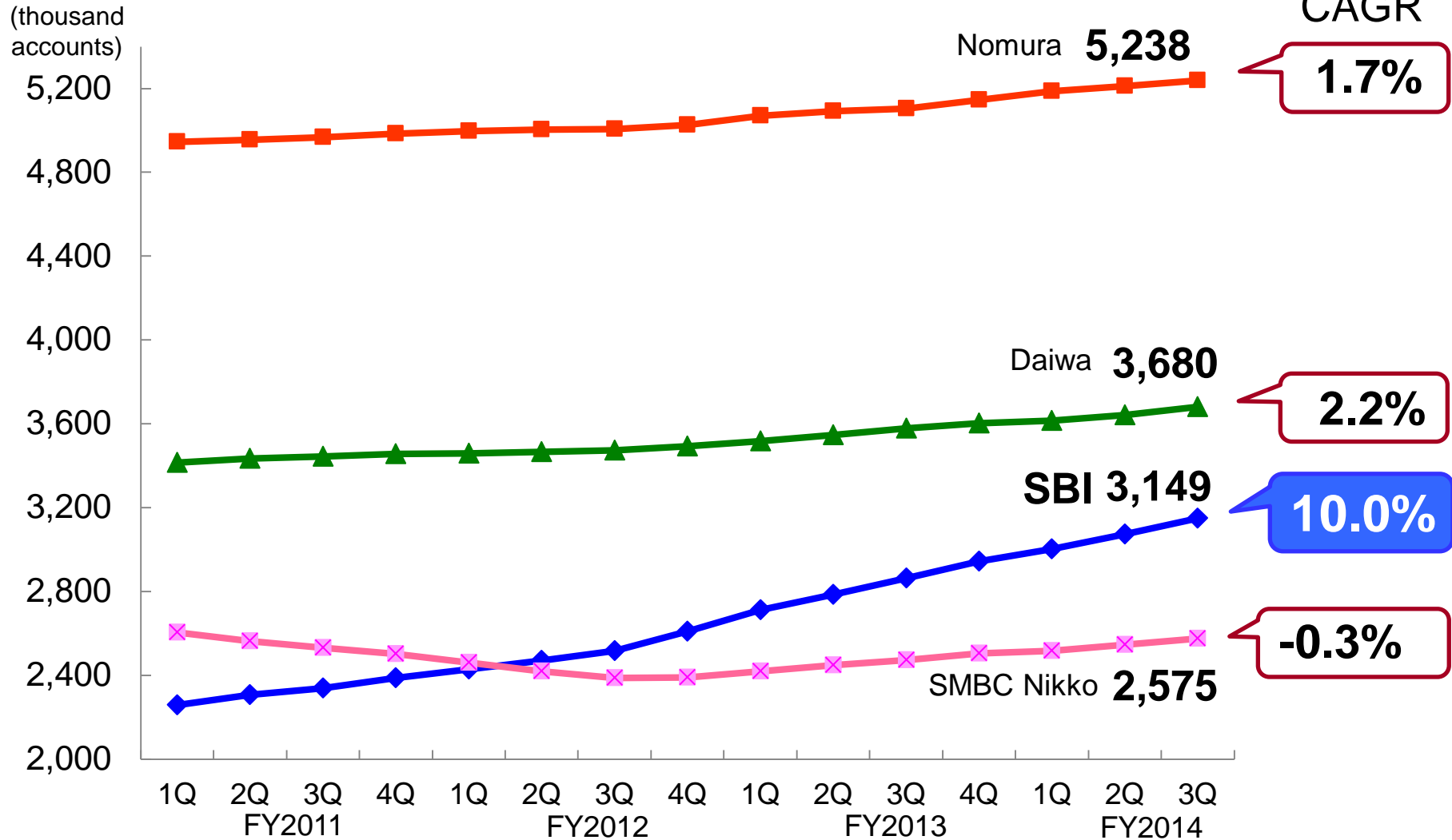
1	Nomura(US-GAAP)	241.8
2	Daiwa	124.4
3	MUFJ	71.3
4	SMBC Nikko	68.2
5	Mizuho	55.9
6	SBI	25.0
7	Okasan	21.0
8	Tokai Tokyo	19.8
9	Matsui	16.4
10	Rakuten	14.5
11	SMBC Friend	8.6
12	kabu.com	7.1
13	Monex (IFRS)	5.5
14	GMO CLICK	5.3
15	Marusan	3.5
16	IwaiCosmo	3.2
17	Mito	2.6
18	Ichiyoshi	2.5
19	Aizawa	2.1
20	Toyo	2.0

Net Income Ranking

1	Nomura(US-GAAP)	142.8
2	Daiwa	110.0
3	SMBC Nikko	46.0
4	Mizuho	42.6
5	MUFJ	41.9
6	SBI	14.6
7	Tokai Tokyo	14.5
8	Okasan	12.1
9	Matsui	10.8
10	Rakuten	9.3
11	SMBC Friend	6.5
12	kabu.com	5.2
13	Marusan	4.0
14	GMO CLICK	3.6
15	IwaiCosmo	3.3
16	Ichiyoshi	2.6
17	Aizawa	2.3
18	Toyo	2.3
19	Mito	2.0
20	Monex (IFRS)	1.9

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

Number of Accounts of SBI SECURITIES and Major Face-to-face Securities Companies



SBI SECURITIES is ranked No. 3 in customer base, following Nomura and Daiwa

① - (i) Current conditions of the securities-related business:

From the Perspective of Competing with the Major Face-to-face Securities Companies, SBI SECURITIES must Further Strengthen Its Underwriting, Sales and Trading Businesses

Comparison of Net Operating Revenue (excluding Financial Expenses) with Nomura in 9M FY2014

(Unit: JPY billion)	SBI	Nomura (cons.)*
Retail business	515	3,537
of which, Commission income	209	647
Net financial revenue	175	51
Acquisition commission of investment trust	26	1,048
Trading gains/loss (primarily FX-related gain)	61	—
Corporate business	8	5,584
of which, Underwriting commission	8	429
Trading gains/loss	—	3,971
Others (including Asset Management business)	0	2,577
Net operating revenue	523	11,697

1: Gap between Nomura is merely 3.1 times

2: SBI exceeds Nomura by 3.4 times

3: Gap between Nomura is 53.6 times, indicating the sizable gap in corporate business

* Complied by SBI based on the disclosed material

1: Whereas the difference in commission with Nomura is approx. 23 times, the gap in commission income is merely 3.1 times

➡ SBI SECURITIES' share of individual stock trading value is an overwhelmingly 37.5%

2: SBI SECURITIES' net financial revenue exceeds Nomura by 3.4 times

➡ SBI SECURITIES' share of individual margin trading value is an overwhelmingly 39.5%

3: As for the corporate business, there is a sizable gap between Nomura and SBI SECURITIES

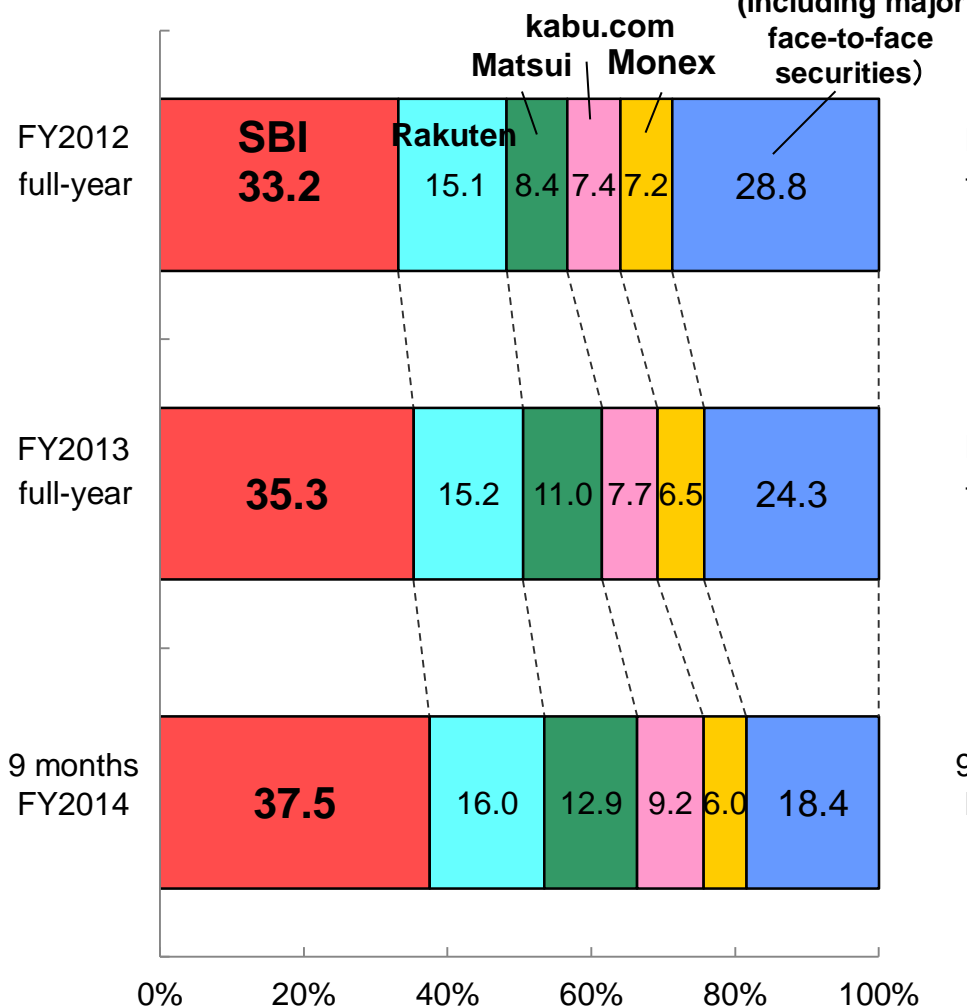
➡ Assets of customer accounts of the five major online securities companies is a mere 21.2% of the total shares held by individuals in Japan

① -(i) Current conditions of the securities-related business:

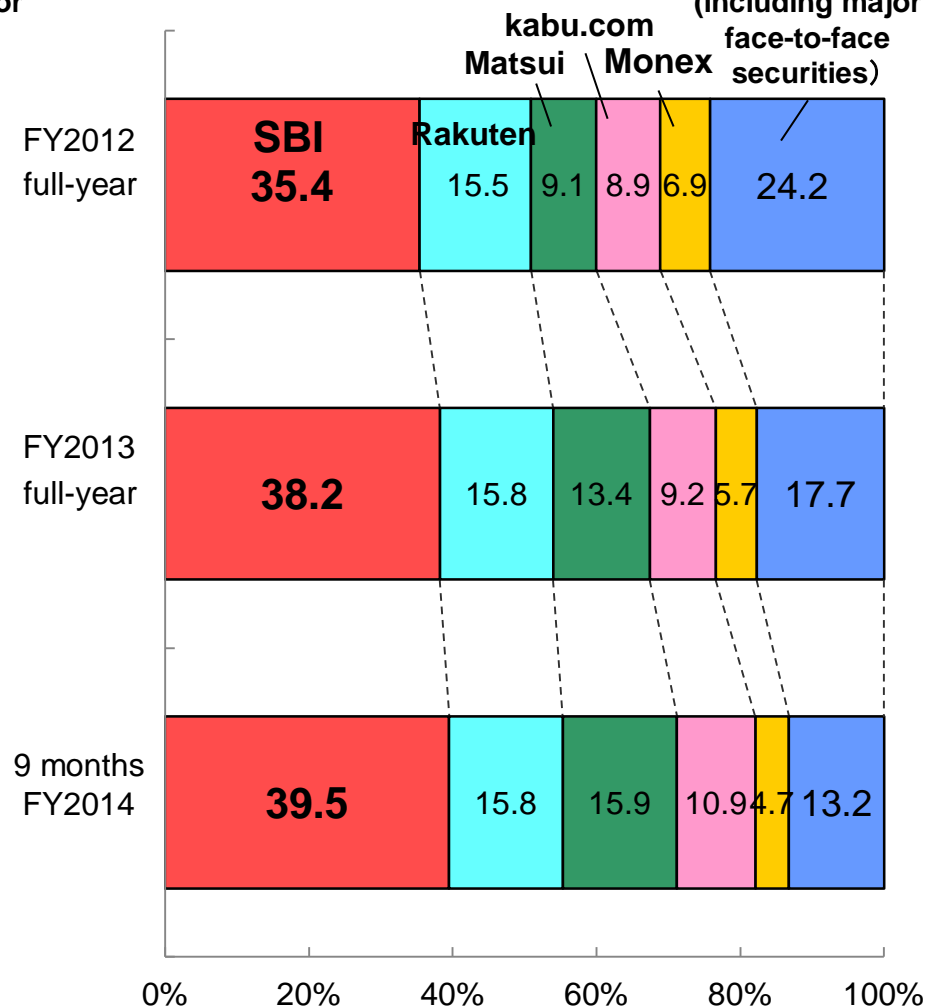
SBI SECURITIES' Share of Individual Stock Trading Value is Continuously Expanding



Share of Individual Stock Trading Value (%)



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

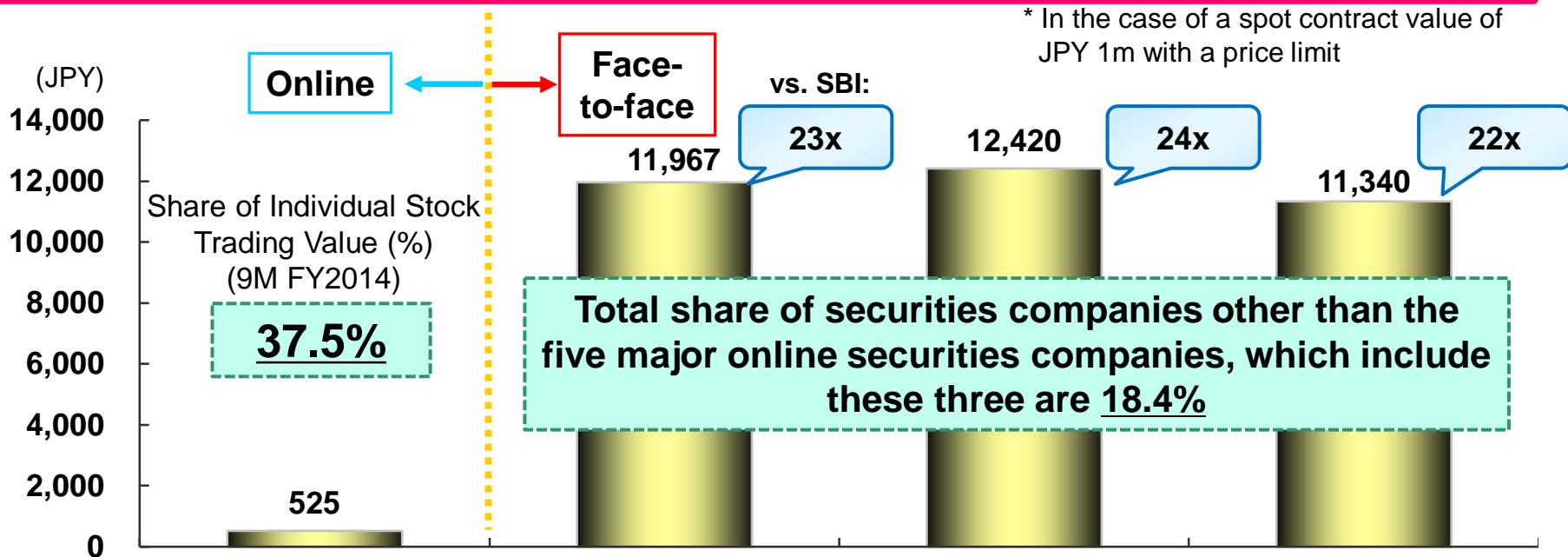


Source: Compiled by SBI SECURITIES based on Tokyo Stock Exchange and JASDAQ materials and websites of each company

* 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 Comparison Between SBI SECURITIES and Face-to-face Securities Companies

Whereas the difference in commission with the largest face-to-face broker, Nomura, is approx. 23 times, the gap in commission income is merely 3.1 times



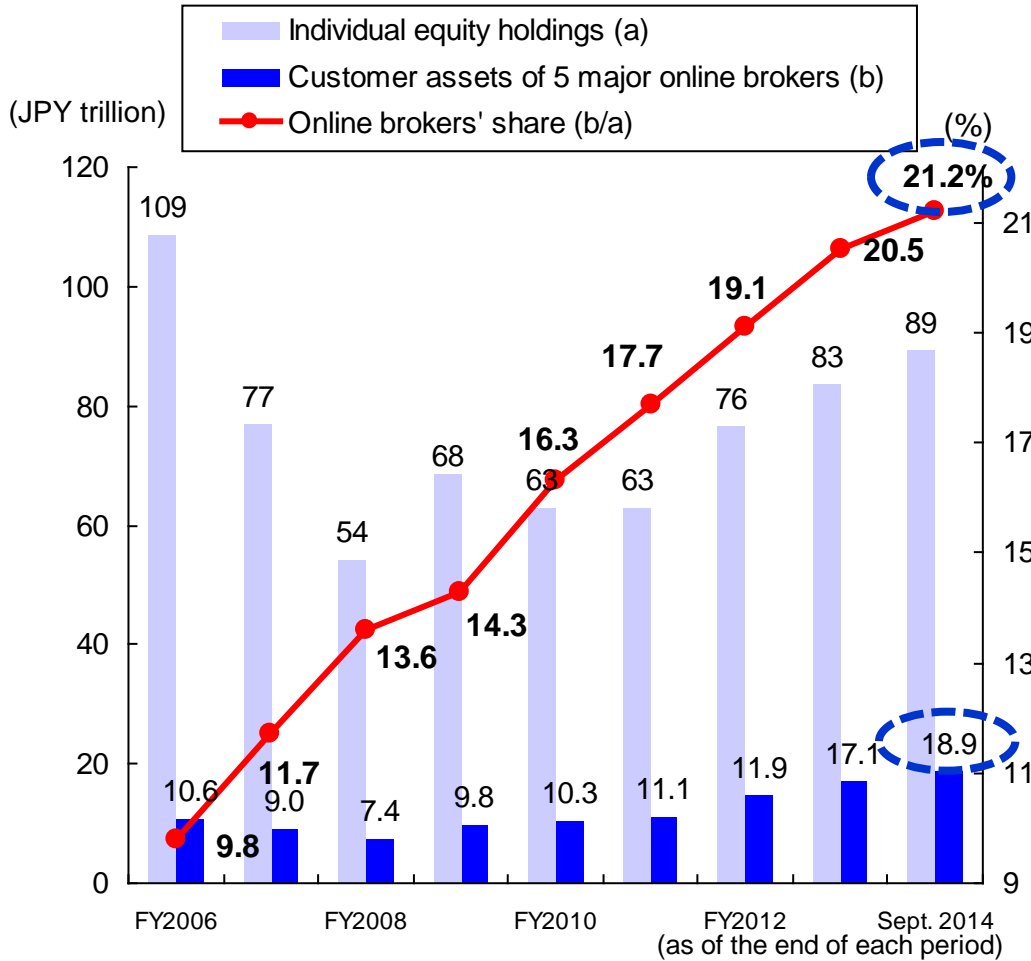
Contract value	SBI SBI SECURITIES	Nomura (face-to-face) Nomura (face-to-face)	Daiwa (face-to-face) Daiwa (face-to-face)	Mizuho (face-to-face) Mizuho (face-to-face)
JPY 1m	525	11,967	12,420	11,340
JPY 3m	994	29,247	31,428	28,620
JPY 5m	994	45,879	50,436	44,820

* 1. The above figures represent commissions on the contracted amount per order in a spot trade with a price limit.
 2. Special promotional commissions are not included.
 3. Commission systems differ depending on each firm. Figures above are just an example of them.

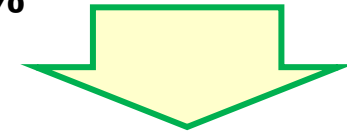
① -(i) Current conditions of the securities-related business:

Five Major Online Securities Companies' Market Share in Terms of Deposit Assets

Change in the share of individual equity holdings (stock)



5 major online securities companies handle an overwhelming share of the flow of stock trades, which stands at over 80%



Assets of customer accounts of the five major online securities companies is gradually increasing and totaled JPY 18.9tn, as of the end of Sept. 2014, but this represents a mere 21.2% of the total shares held by individuals in Japan

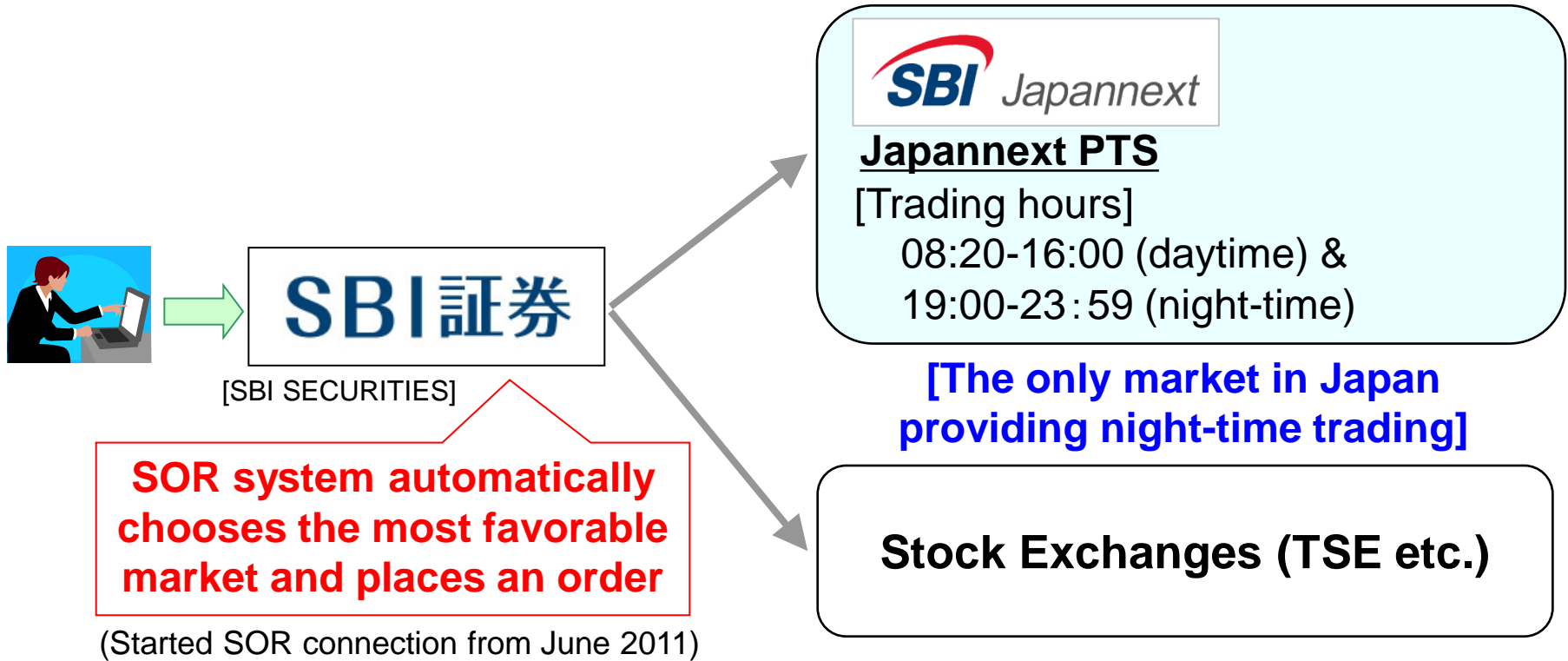
Source: Compiled by SBI based on disclosed data from each company websites, and Bank of Japan "Flow of Funds"

Share of individual equity holdings has steadily increased along with the passage of time, but relationships with emerging companies will need to be strengthened in order to expand further growth

(ii) Measures to further enhance the retail business that is clearly superior to the face-to-face securities companies

①-(ii) Further enhancing the retail business that is clearly superior to the face-to-face securities companies:

By Leveraging Japannext PTS, Earned Higher Customer Loyalty



- When deals are executed on PTSs, the [commission is approx. 5% cheaper](#) than on the exchanges
- SBI SECURITIES' customers' investment performance will be enhanced through the benefit of cost reduction mentioned above, as well as from price improvements due to the difference in tick size for TSE listed stocks, with the exception of approx. 60 stocks of all the TSE listed stocks

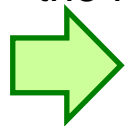


Synergy created with SBI Japannext leads to a competitive advantage

①-(ii) Further enhancing the retail business that is clearly superior to the face-to-face securities companies:

In Order to Further Improve Investors' Convenience, Deregulation of Margin Trading on PTS is Sought

Although nearly 70% of individual investors' trading value at online brokers is from margin trading, currently margin trading is not allowed on the PTS, so investors cannot fully enjoy the merits of using the PTS, including the benefit of trading cost reduction



Biggest reason investors' use of PTS is limited

[Discussions on margin trading on PTS]

➤ **Conflict of interest arising from the management of PTS and credit administration**



Conflict of interest will not arise if the PTS itself does not lend funds or stocks for margin trading, as with transactions on stock exchanges

➤ **Consideration that the imposing of self-restrictions on the PTS for margin trading is impractical**



The framework for investor protection is already required in cash trading, and this issue will be solved by further enhancing and strengthening the trading administrative structure upon initiating margin trading.

Meanwhile, it is also possible to use the current self-regulating organization.

The deregulation of margin trading on PTS will improve investors' convenience, and as with the TOB regulatory easing, it may contribute toward the development of new investors

Entire stock market liquidity will be increased, which will lead to higher investors' profits and market efficiency

①-(ii) Further enhancing the retail business that is clearly superior to the face-to-face securities companies:



Collaboration with SBI Japannext Securities' IT Dept., that Leads to SBI SECURITIES' Significant Cost Reduction (Consolidation of Data Centers)

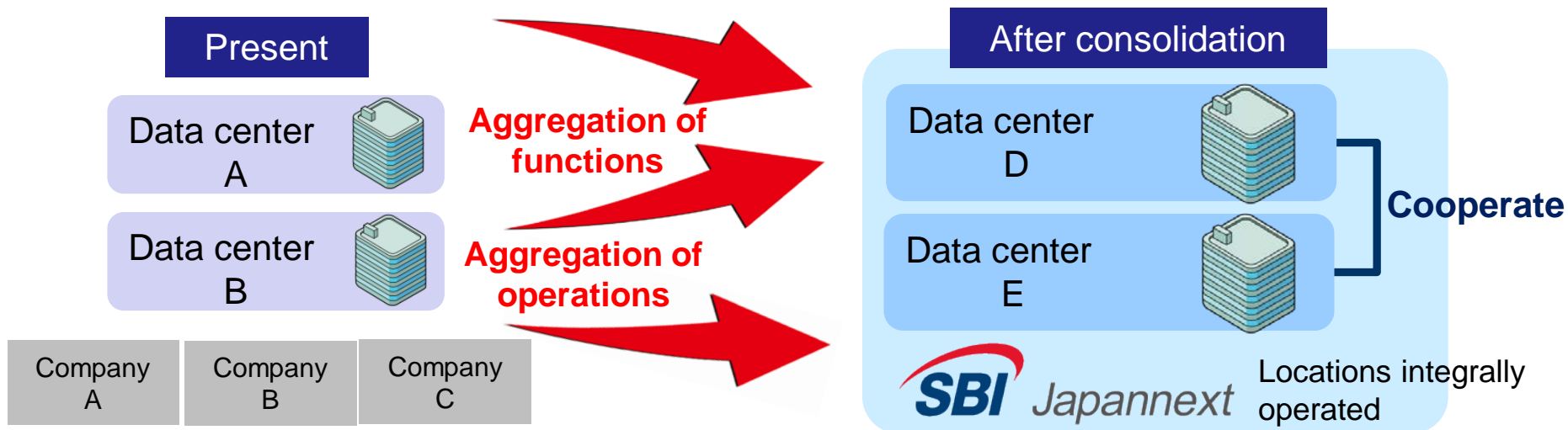
SBI証券
[SBI SECURITIES]



SBI Japannext

In the IT section, 48 persons that account for nearly 80% are highly skilled foreign staff

Pursue to consolidate the current data centers with decentralized functions



SBI証券
[SBI SECURITIES]

- Substantial cost reduction through efficiency improvement
- Stable operation through load balancing and enhanced service continuity in times of disaster

Through the integration of the systems development know-how of SBI SECURITIES and SBI Japannext, considering the establishment of a systems company that will aggregate the business opportunities in the online systems development needs, both within and outside of the company

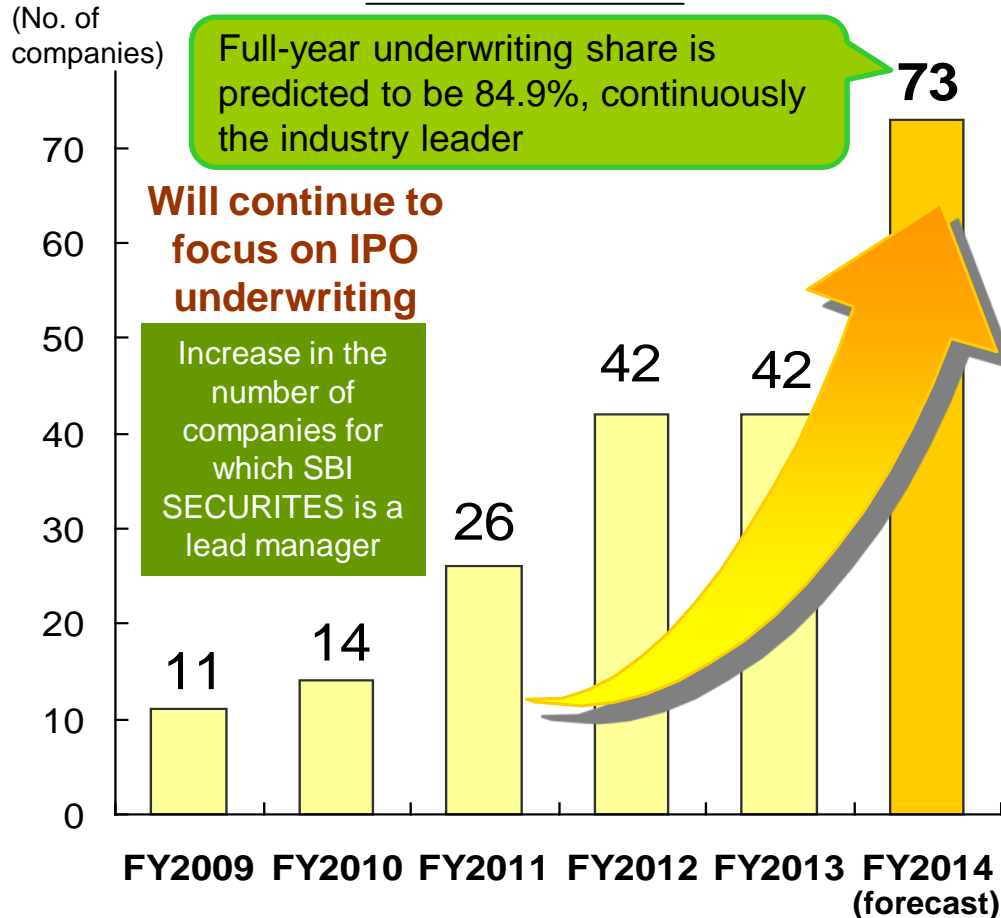
(iii) Along with further enhancing the retail business, in order to rank among the major face-to-face securities companies, expanding the corporate business

- a. Continuously enhance IPO underwriting business as well as PO underwriting business in SBI SECURITIES**
- b. Through an alliance between SBI SECURITIES and SBI MONEY PLAZA, strengthening the customer base and sales capacity**

①-(iii)-a. Continuously enhance IPO and PO underwriting businesses:

SBI SECURITIES Enhances its IPO Underwriting Business and is Continuously the Industry Leader in IPO Underwriting

Number of IPOs Underwritten by SBI SECURITIES



IPO Underwriting Ranking (9M FY2014)

65 companies were listed in 9 months FY2014

Company name	No. of cases	Underwriting share (%)
SBI	55	84.6
Mizuho	45	69.2
SMBC Nikko	44	67.7
Nomura	40	61.5
Daiwa	36	55.4
Monex	33	50.8
Ichiyoshi	30	46.2
Okasan	23	35.4

Lead Managers	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014 (forecast)
	1	0	1	5	5	8

* 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.

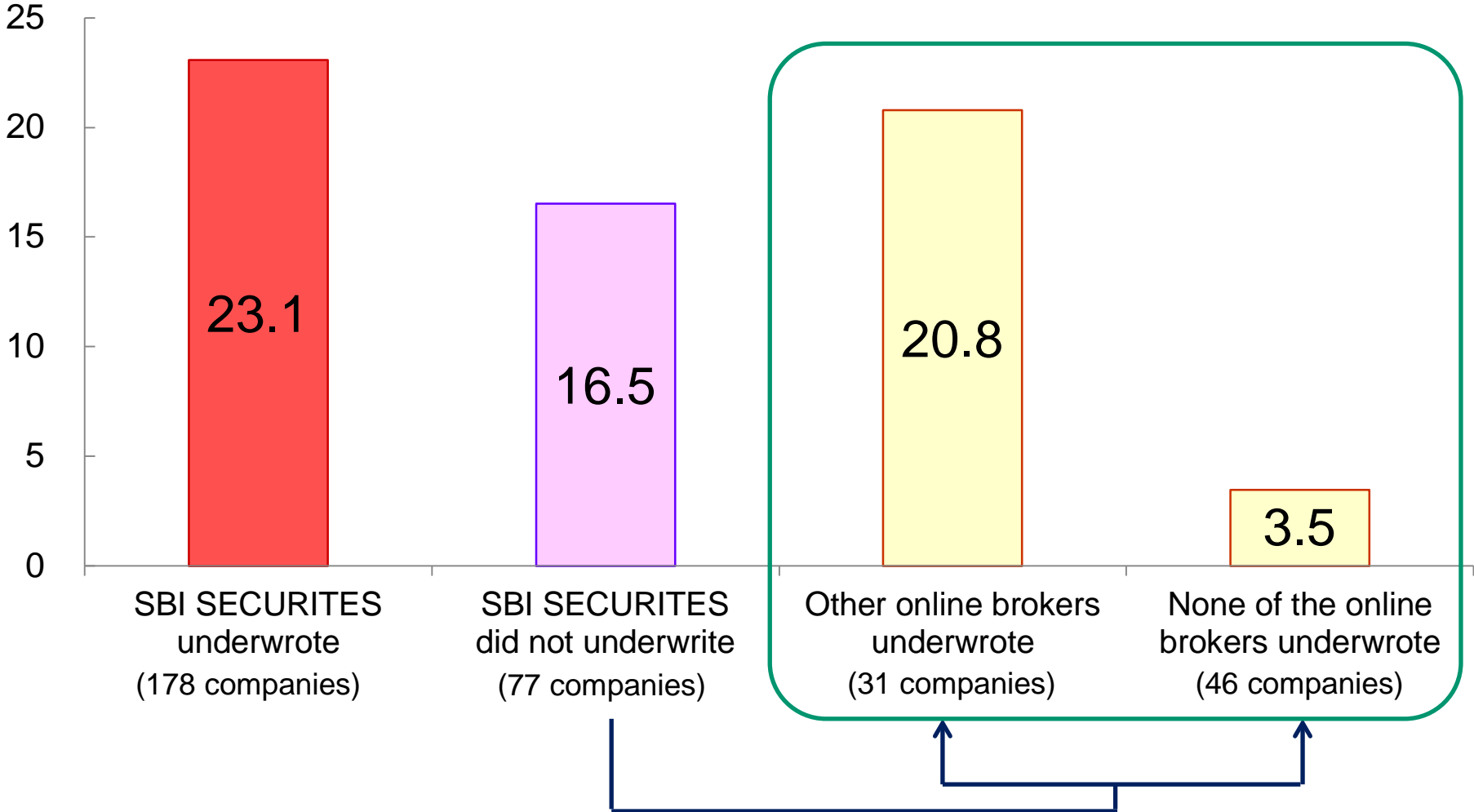
* The data was compiled by SBIH based on each company's published information.



Post-IPO Share Turnover Ratio

(Calculated as total trading volume during the first month after listing divided by the number of publicly traded shares)

(Times) [255 companies in total from 2008 to Sept. 2014]



Focus on PO Underwriting as well as IPO Underwriting

In calendar 2014, rose in ranking and won 2 lead manager positions

PO Underwriting Amount Ranking

[2013]

No.	Name	Amount (JPY bn)	Share (%)
1	Nomura	378.1	27.6
2	Daiwa	291.1	21.3
3	MUFJ	180.7	13.2
4	SMBC Nikko	174.1	12.7
5	Mizuho	173.9	12.7
6	Goldman	30.7	2.2
7	Citi Group	27.0	2.0
8	Tokai Tokyo	17.2	1.3
9	Okasan	13.1	1.0
:			
19	SBI	2.5	0.2

* Excludes the amount for overseas issues and REITs
* Excludes the amount for over allotment

[2014]

No.	Name	Amount (JPY bn)	Share (%)
1	Nomura	327.7	37.1
2	Daiwa	147.9	16.7
3	SMBC Nikko	132.2	15.0
4	MUFJ	120.6	13.6
5	Mizuho	115.2	13.0
:			
9	SBI	4.7	0.5



Major Leader case 1 S TRUST

- Launch: July 25
- Mothers Market → TSE 1st
- No. of shares offered: 1,150,000 shares
- Amount financed: approx. JPY 0.7bn
- Acquired 1,545 shareholders via SBI SECURITIES

PO Lead Underwriter Ranking

[2014]

No.	Name	No. of cases
1	Nomura	32
2	Daiwa	22
3	SMBC Nikko	17
4	Mizuho	15
5	MUFJ	8
6	SBI	2
6	Ichiyoshi	2

* Excludes the amount for overseas issues and REITs

* Includes the amount for over allotment



Major Leader case 2 Vector

- Launch: Nov. 7
- Mothers Market → TSE 1st
- No. of shares offered: 2,931,000 shares
- Amount financed: approx. JPY 4.9bn
- Acquired 1,829 shareholders via SBI SECURITIES

PO underwriting amount

2013 2014

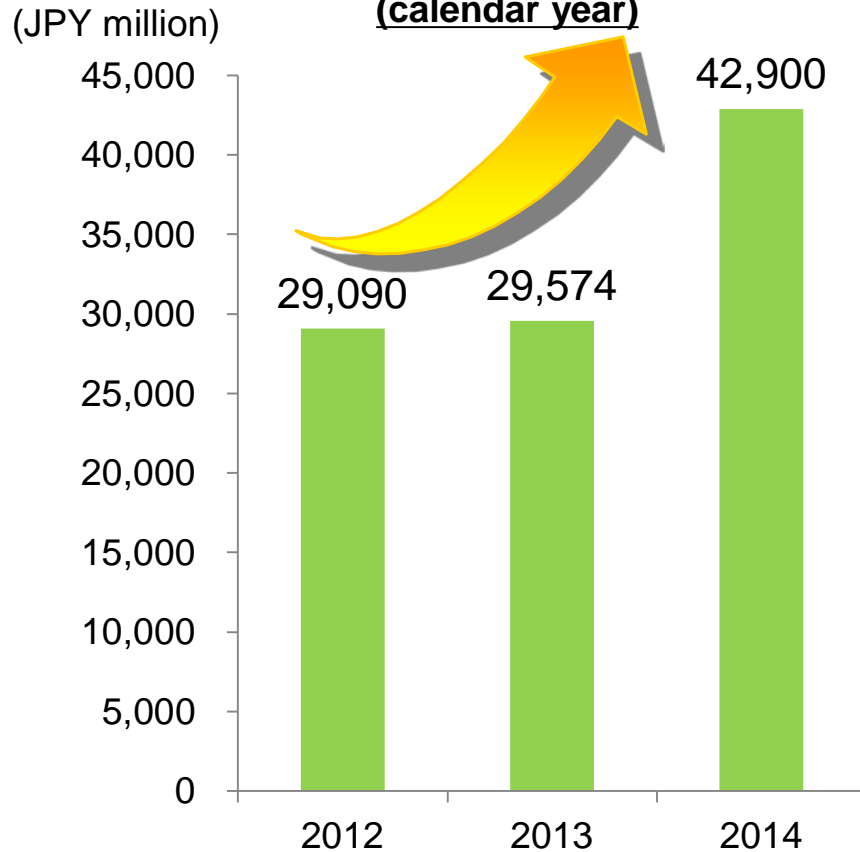
Ranking 19 → 9

Amount JPY 2.5bn → JPY 4.7bn

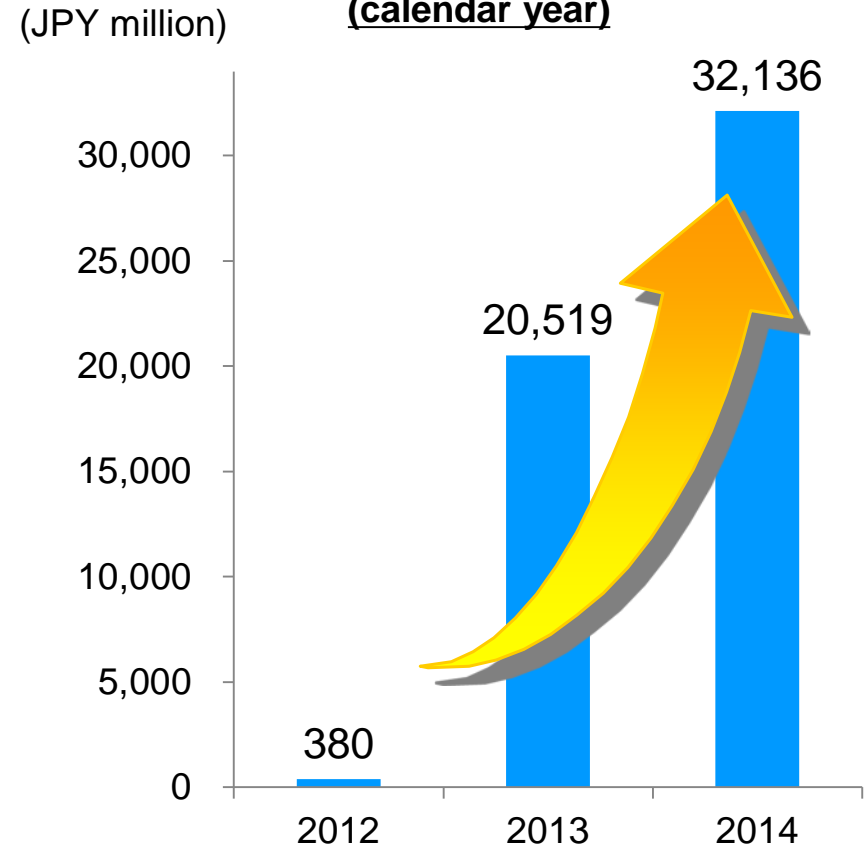
SBI SECURITIES' Bond Sales Increasing Steadily (ii)

Sales amount of Exchangeable Bonds increased from JPY 380m in 2012 to JPY 32.14bn in 2014, an 85-fold increase

Yen Bond Underwriting Amount
(calendar year)



EB Sales Amount
(calendar year)



* Includes non-public offering of EB

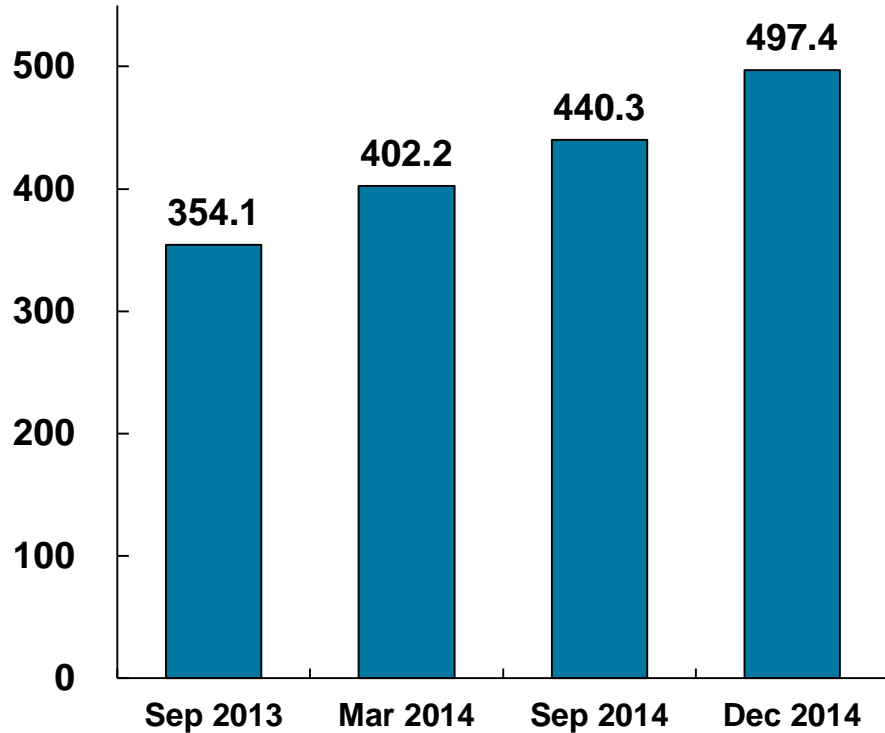


By maximally utilizing SBI MONEY PLAZA's customer base and sales network, a further expansion of the PO underwriting business may be implemented

SBI MONEY PLAZA's Customer Base Rapidly Increasing

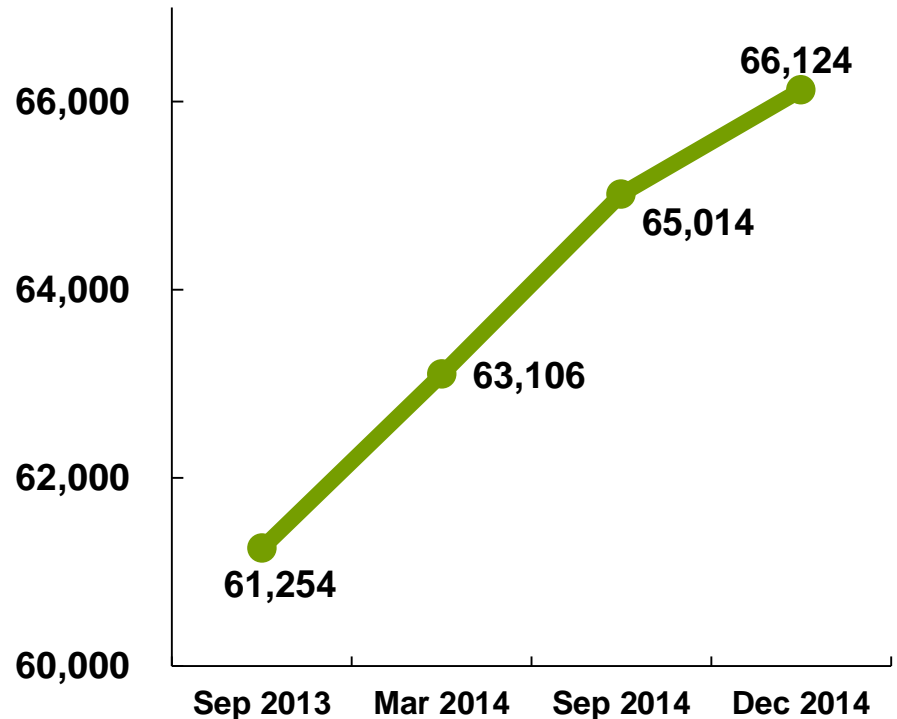
Customers' Deposit Assets

(JPY billion)



Number of Accounts

(accounts)

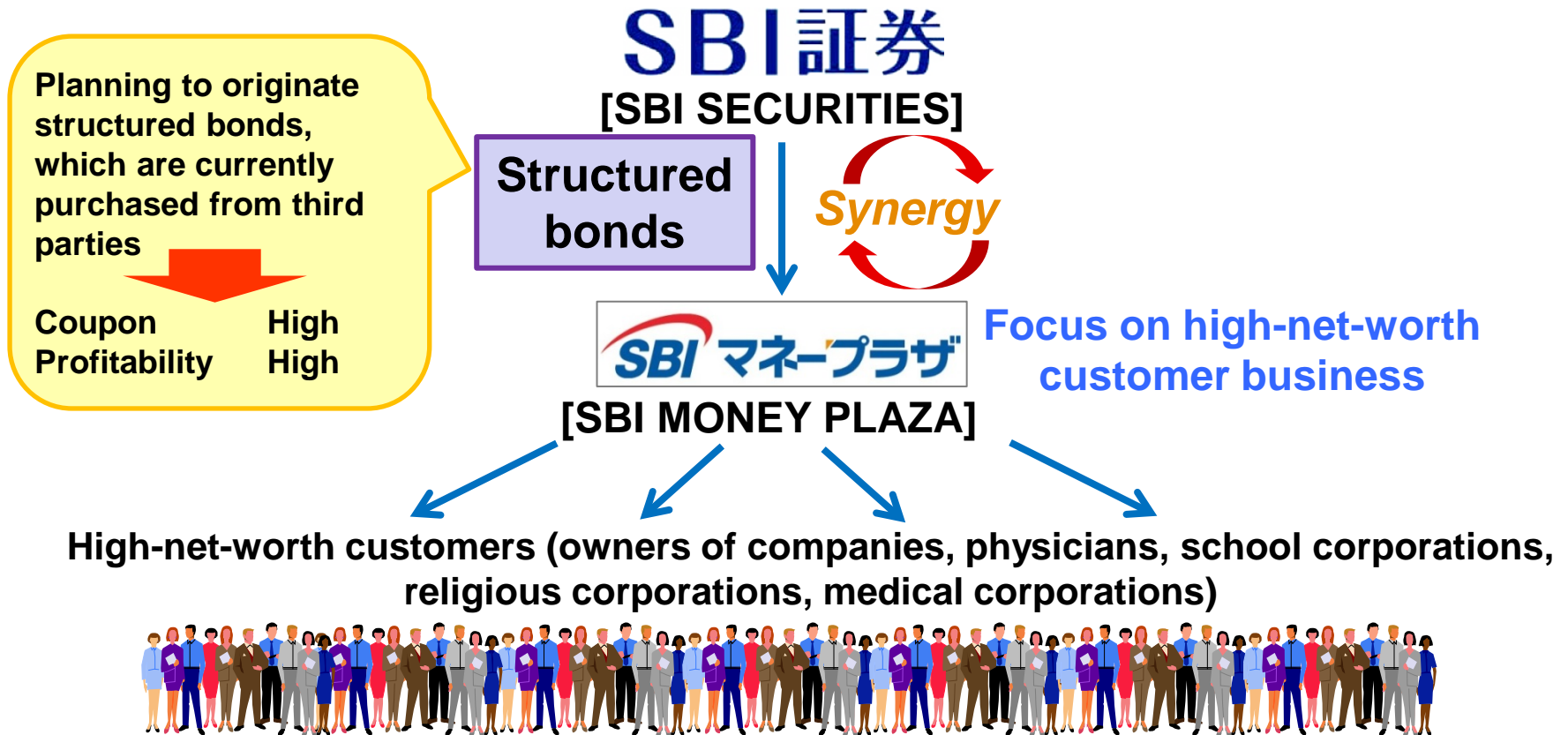


- Number of SBI MONEY PLAZA shops totaled 402 shops, including 25 directly-managed shops, as of Dec. 31, 2014
- With the intention of establishing 500 shops nationwide, planning to open stores in prime major city locations, as well as considering the opening of shops within regional bank premises
- Also, through the elimination and consolidation of the existing shops, enhancing sales activities and the "quality" of existing shops

①-(iii)-b. Cooperation with SBI MONEY PLAZA :

In Cooperation with SBI MONEY PLAZA, Focus on the Development of the High-net-worth Customer Base, and the Strengthening of the Sales Force

—Sale of structured bonds originated at SBI SECURITIES, through SBI MONEY PLAZA



Maximum utilization of SBI MONEY PLAZA's sales network will increase the ability to sell products offered by SBI SECURITIES, and as a result, SBI SECURITIES underwriting capability will be enhanced. This will lead to the expansion of the corporate business, such as public offering (PO) underwriting, which is an area that is targeted for future emphasis.

② Banking-related Business

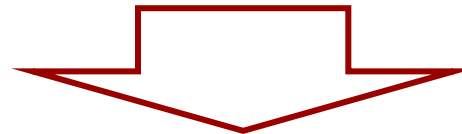
- (i) Current conditions of the banking-related business**
- (ii) By thoroughly pursuing synergies with the SBI Group companies, endeavoring to improve profitability**
- (iii) SBI Sumishin Net Bank planning a full-fledged entry into the credit card business**
- (iv) Based on the accumulated know-how and experience in the banking-related business garnered to this day, supporting regional banks in forming a new system for improvement in the earnings capacity, and establishing a fee business**

4Q FY2014 (Jan. 2015 to Present) Conditions [SBI Sumishin Net Bank]

**Number of accounts: 2,270,036 / Deposits: JPY 3,608.6bn
(as of the end of Feb. 2015)**

- Deposits surpassed JPY 3.6tn on Feb. 23, 2015
- SBI Hybrid Deposits that exert synergies with SBI SECURITIES, increased to JPY 1,245.5bn as of the end of Feb. 2015, owing to the backdrop of the buoyant stock market conditions in and after Feb. 2015

Loans, primarily housing loans, are steadily increasing, as cumulative total of housing loans exceeded JPY 2.1tn on Jan. 29, 2015, after 7 years and 4 months since its launch



Monthly ordinary income for Jan. 2015 (non-consolidated, based on J-GAAP), increased steadily, with the cumulative amount significantly exceeding the bank's full-year target, demonstrating a strong performance

Full-year ordinary income for FY2014 is anticipated to significantly increase year-on-year

SBI Sumishin Net Bank 9 Months FY2014 Consolidated Results

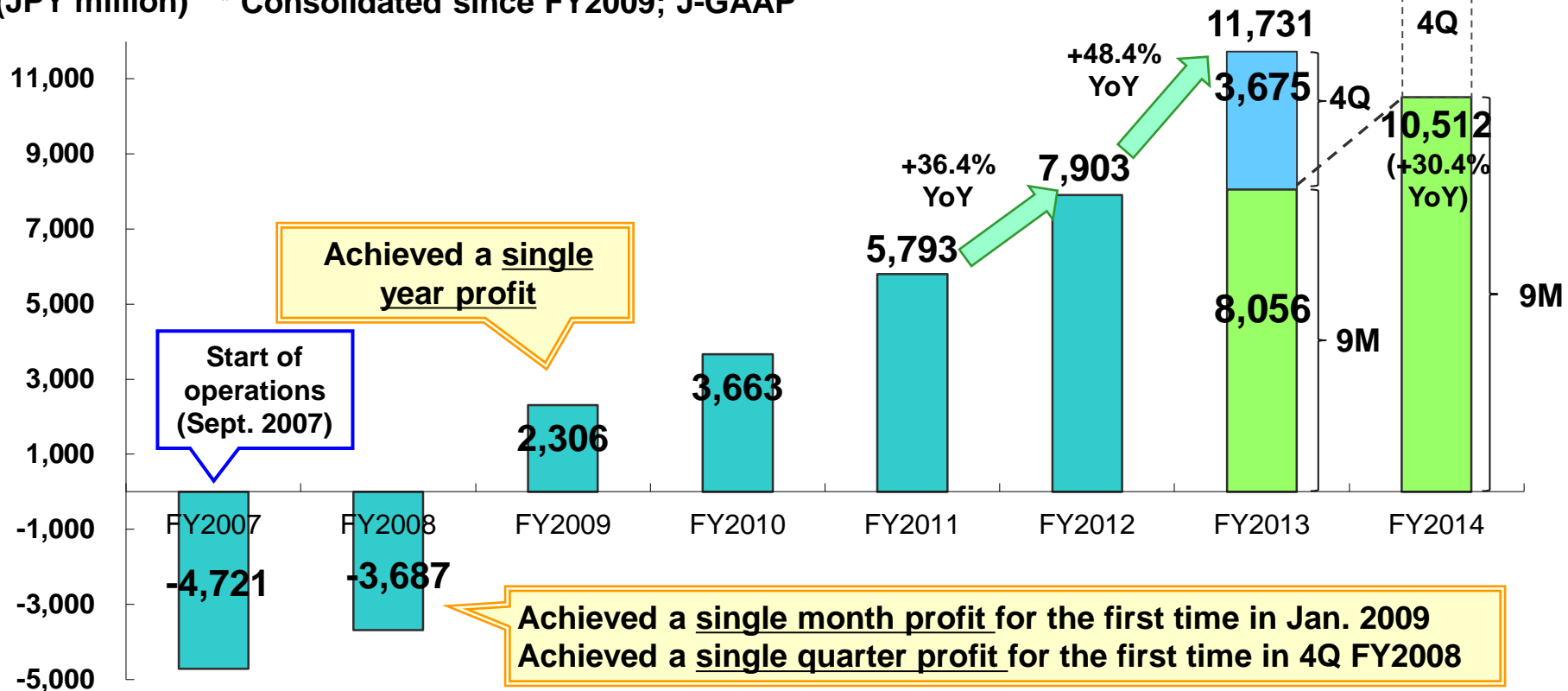


Ordinary income for 9m FY2014 significantly increased to JPY 10.5bn, up 30.4% year-on-year

Anticipated that full-year profit will significantly increase year-on-year

Change in Ordinary Income after Start of Operations

(JPY million) * Consolidated since FY2009; J-GAAP

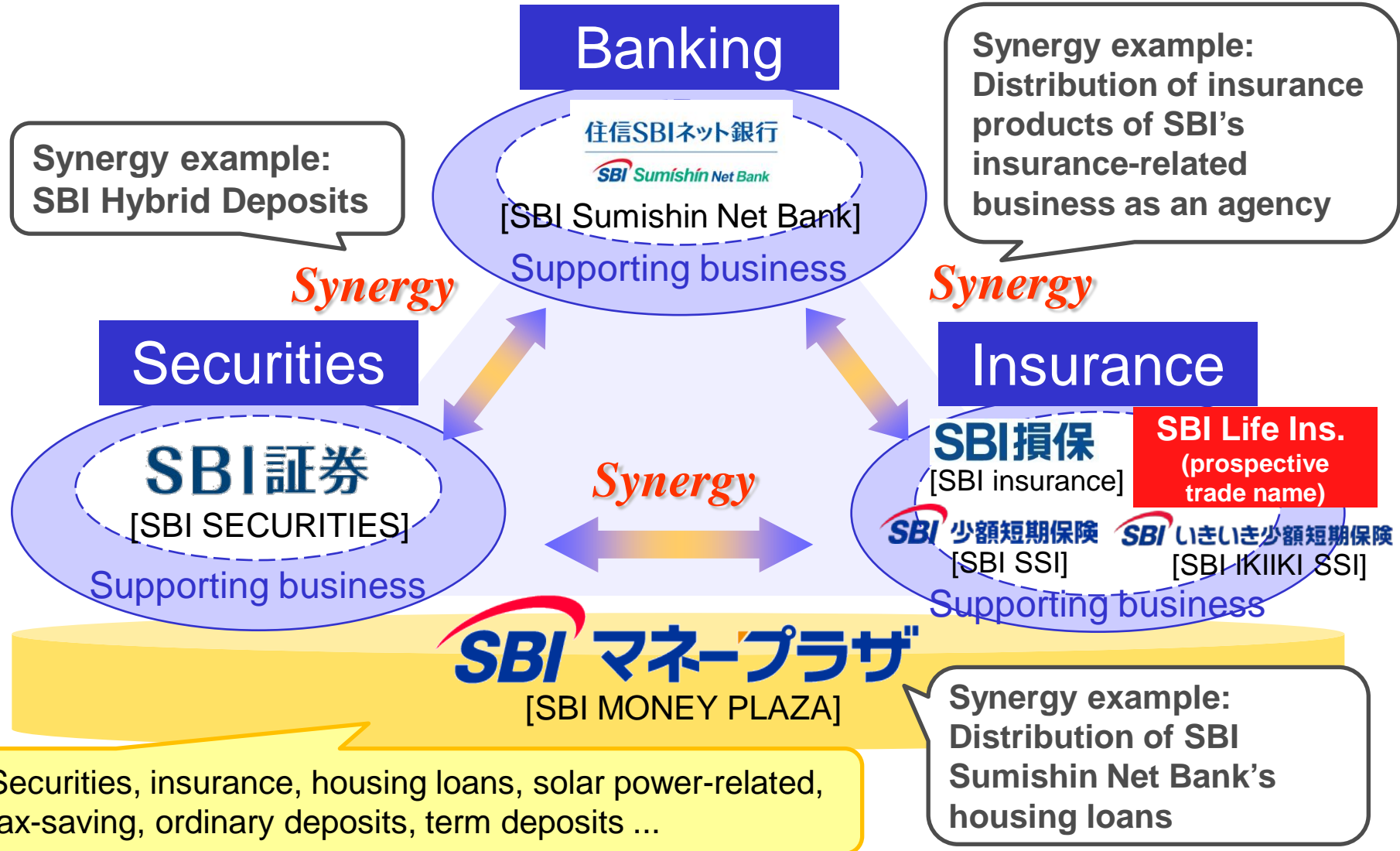


To prepare for rapid changes in the market environment, will consider the appropriate flexible sales of securities held

② - (ii) Thoroughly pursuing synergies between the SBI Group companies:

Endeavoring to Improve Profitability through the Thorough Pursuit of Synergies between the SBI Group Companies

[Making maximal use of SBI's financial ecosystem]

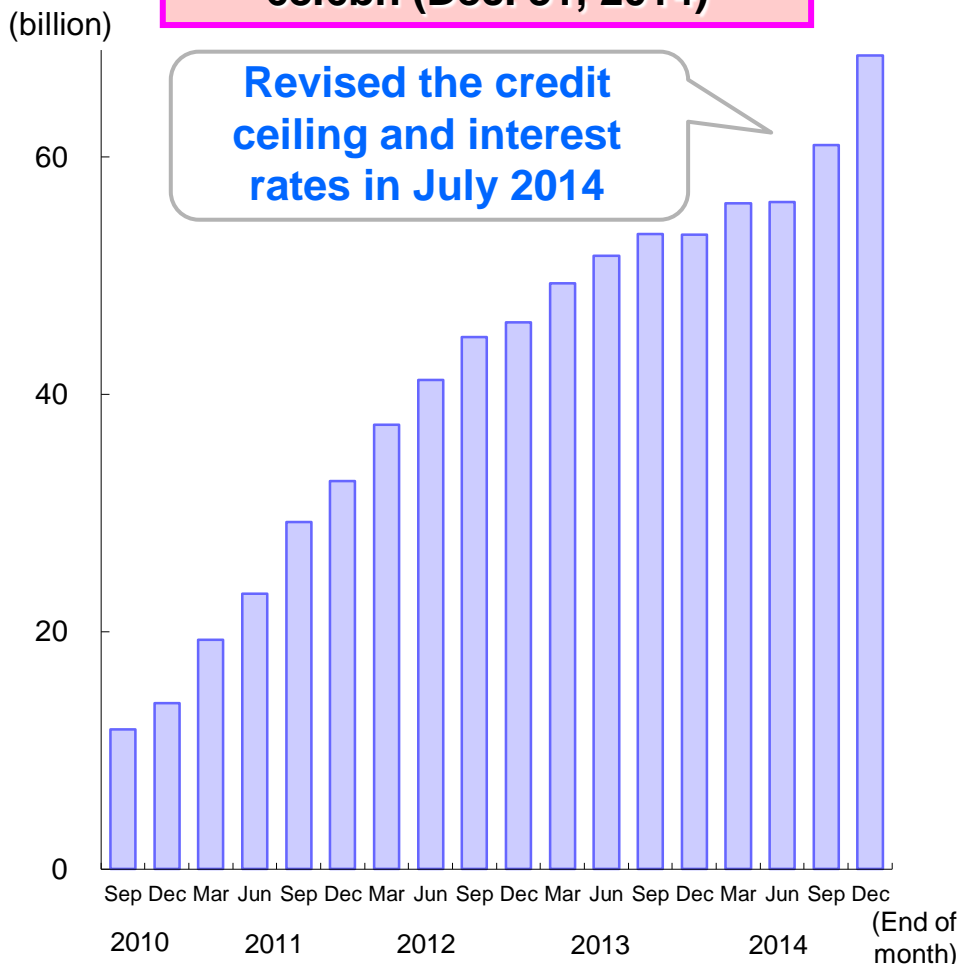


SBI Sumishin Net Bank Planning a Full-fledged Entry into the Credit Card Business

Changes in the Balance of Card Loans

(Sept. 2010-Dec. 2014)

68.6bn (Dec. 31, 2014)



Other asset management lineup:

Specific purpose loans

(as of the end of Dec. 2014)



Service launched on May 2013

Balance of loans increased 2.9 times YoY

SBI Sumishin Net Bank steadily accumulates the balance of specific purpose loans in addition to card loans

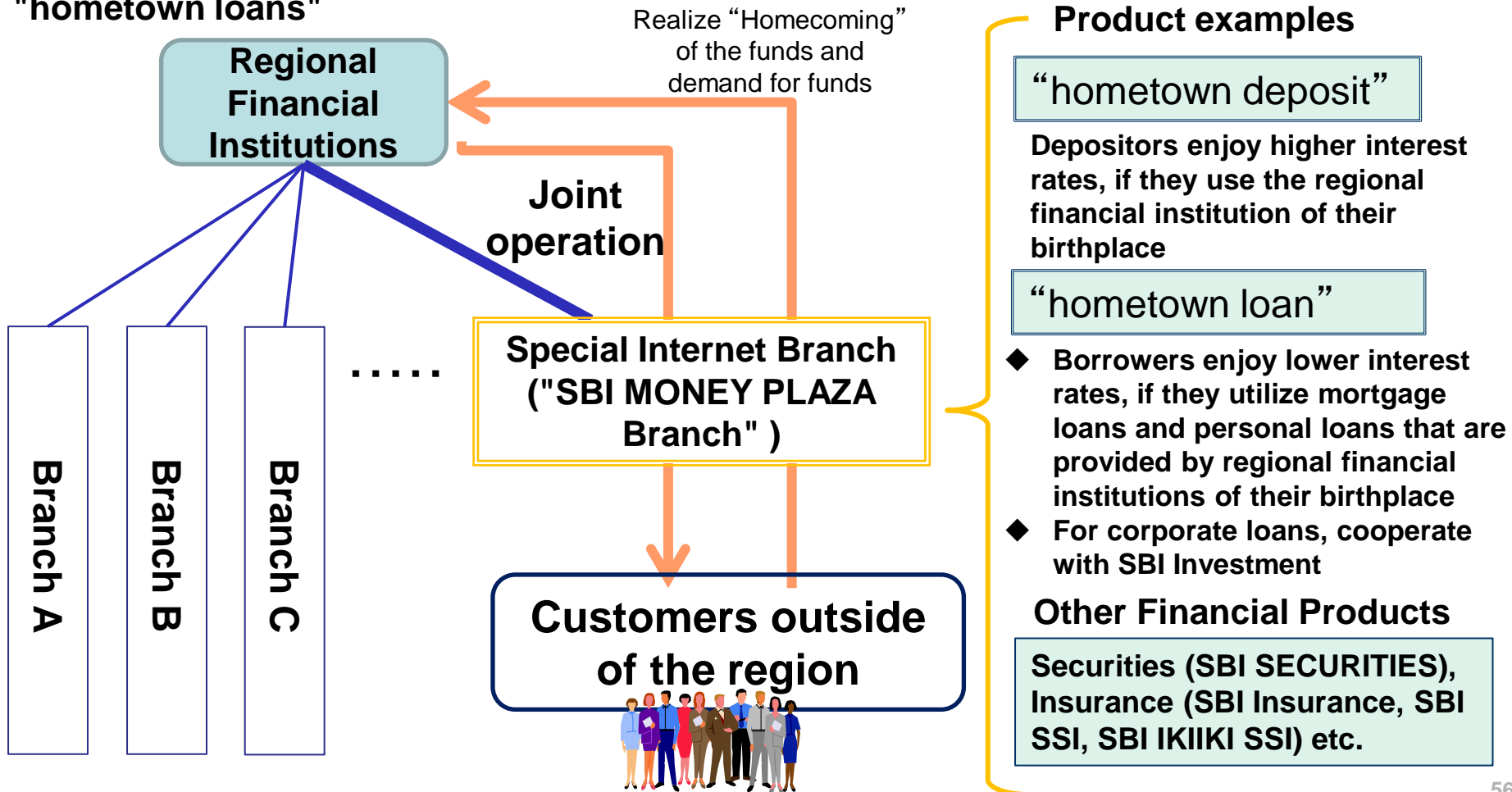


Going forward, planning a full-fledged entry into the credit card business, for the creation of new synergies

Supporting Regional Banks in Forming a New System to Improve Earnings Capacity, and Establishing a Fee Business (i)

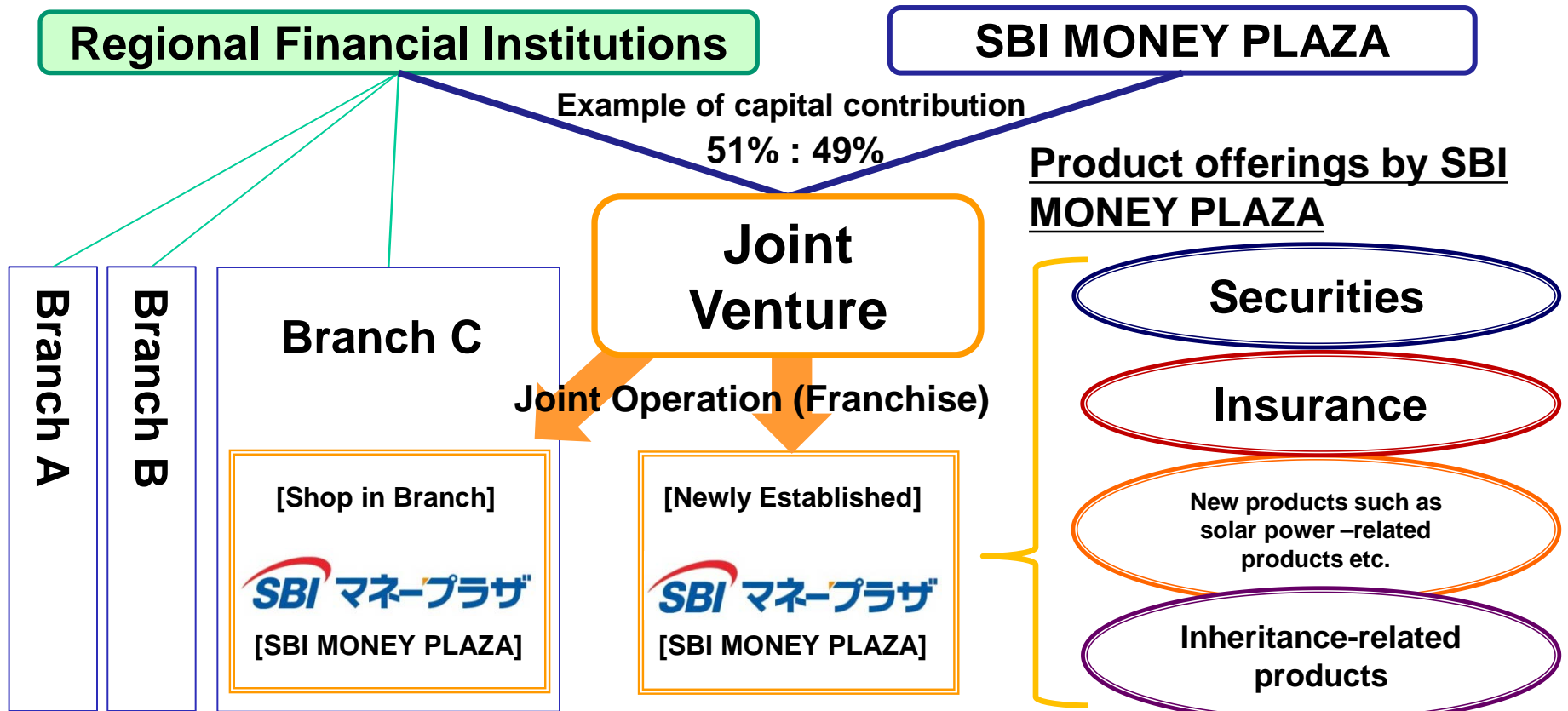
Through the joint management of a "Special Internet Branch," present a new approach to solicit new customers

Realize the "Homecoming" of the funds and the demand for funds that flowed into urban areas, by offering preferential interest rates on "hometown deposits" and "hometown loans"



Supporting Regional Banks in Forming a New System to Improve Earnings Capacity, and Establishing a Fee Business (ii)

Expanding the face-to-face service by establishing joint ventures
 At the face-to-face shops of the joint venture of regional banks and SBI MONEY PLAZA, various products such as securities-related products, insurance, solar power-related products, etc., are offered, to provide customers with a one-stop convenience for various financial products



③ Insurance-related Business

Further diversify earning sources and enhance profitability

- (i) Current condition in insurance-related business**
- (ii) Pursue for synergies between insurance-related business and the Group companies**
- (iii) SBI Insurance's expansion of product offerings**
- (iv) Considering a foray into the reinsurance business and the establishment of an insurance holding company**

Change in SBI Insurance's Auto Insurance Premium Income

Auto Insurance Premium Income

(Unit: JPY million)

	2014	2015*	YoY change
Jan. (single month)	1,265	1,377	8.9%

[Reference]

(Unit: JPY million)

	2013	2014	YoY change
Jan. to Mar.	5,085	5,896	15.9%
Apr. to June	5,797	6,566	13.3%
July to Sept.	5,696	6,210	9.0%
Oct. to Dec.	5,767	6,305	9.3%

* January 2015 figures are preliminary

③-(i) Current condition in insurance-related business

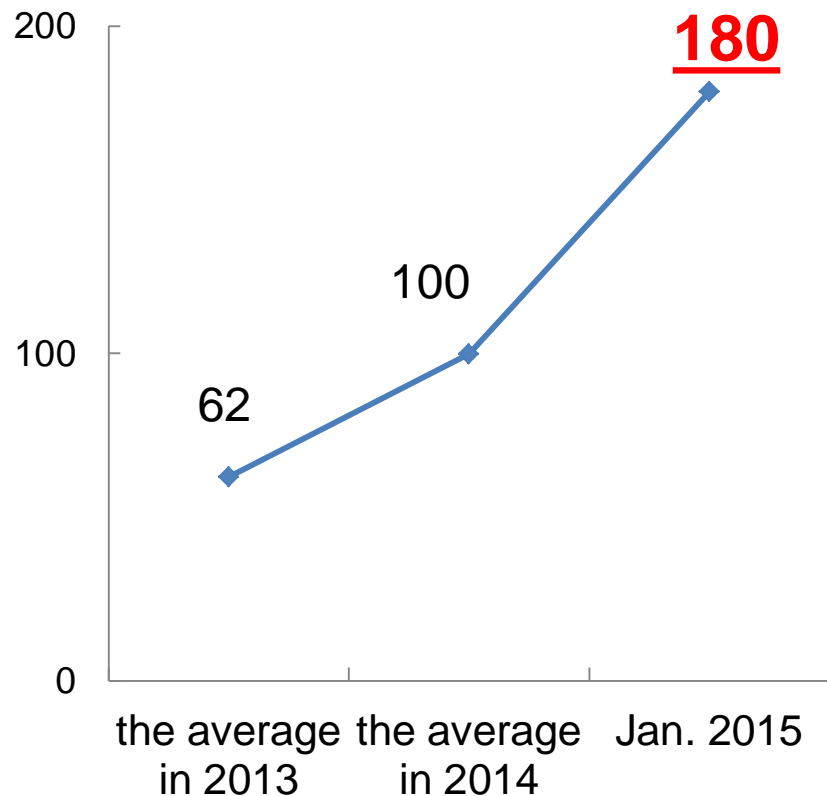
Change in Monthly Increase in the Number of Small-amount, Short-term Business Holding Contracts



[Earthquake indemnity insurance]

[Monthly increase in the number of holding contracts]

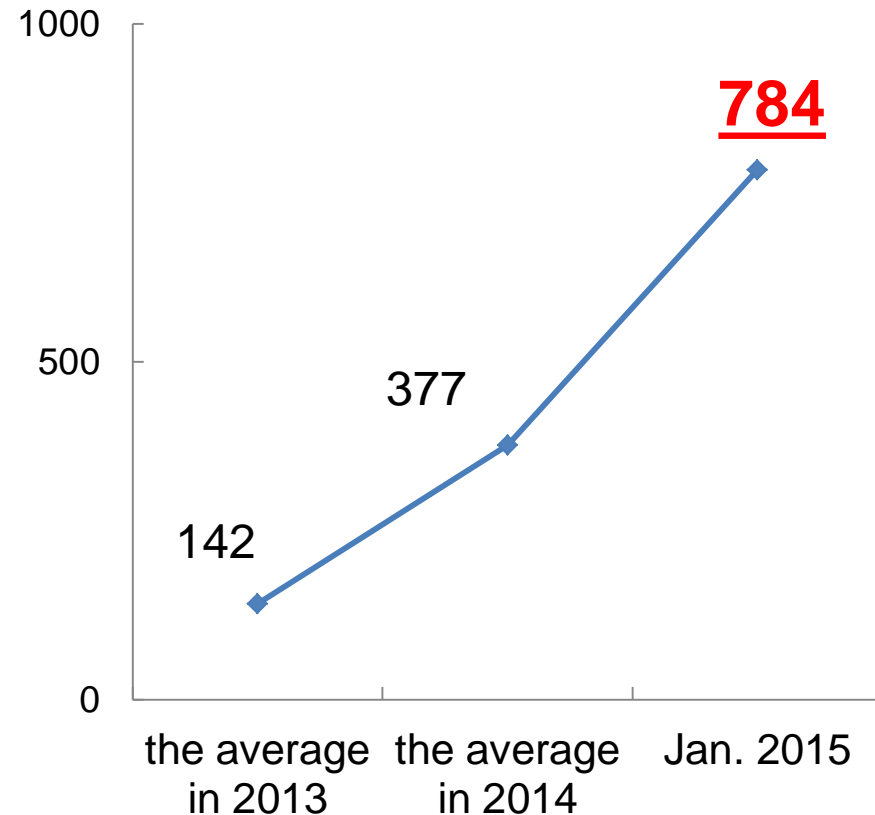
(Number of contracts)



[Death insurance, Medical insurance]

[Monthly increase in the number of holding contracts]

(Number of contracts)



* Shougaku-tanki-hoken stands for "Small-amount, Short-term Insurance (SSI)"

* The figures of the average in 2013 and 2014 are rounded to the nearest integer

Reentry into the Life Insurance Business

Obtained approval of the Insurance Major Shareholder from the Financial Services Agency on Jan. 26, 2015, and acquired all outstanding shares of PCA LIFE Insurance on Feb. 5, 2015.

- **USD 68m was paid on the share transfer execution date (Since nearly all of the funds for compensation have been held in US dollars for a long time, the impact of the recent depreciation of yen is limited.)**
- **The total transfer amount will be a minimum of USD 68m (the amount paid on the share transfer execution date) and a maximum of USD 85m. JPY 1,987m (fixed at an exchange rate agreed with the seller), equivalent to the difference of USD 17m, will be paid only in the event that the state of progress of PCA LIFE Japan's business satisfies certain conditions agreed with the seller.**

PCA LIFE Insurance



SBI Life Insurance (prospective trade name)

- **Used to be the Japanese arm of Prudential plc (Capital: JPY 47.5bn as of the end of Dec. 2014)**
- **Ceased writing new policies from Feb. 2010, and has since dedicated their resources to support and conserve in-force life policies**
- **Provides broad types of insurances such as term life insurance, whole life insurance, medical insurance and individual variable annuity insurance**
- **Holds more than 120 thousand in-force life policies as of Sept. 30, 2014**
- **Its solvency margin ratio is 1,130.5% (as of Sept. 30, 2014), which is trustworthy for their payment ability**

Current Status of PCA LIFE Insurance

PCA Life Japan has ceased writing new policies from Feb. 2010

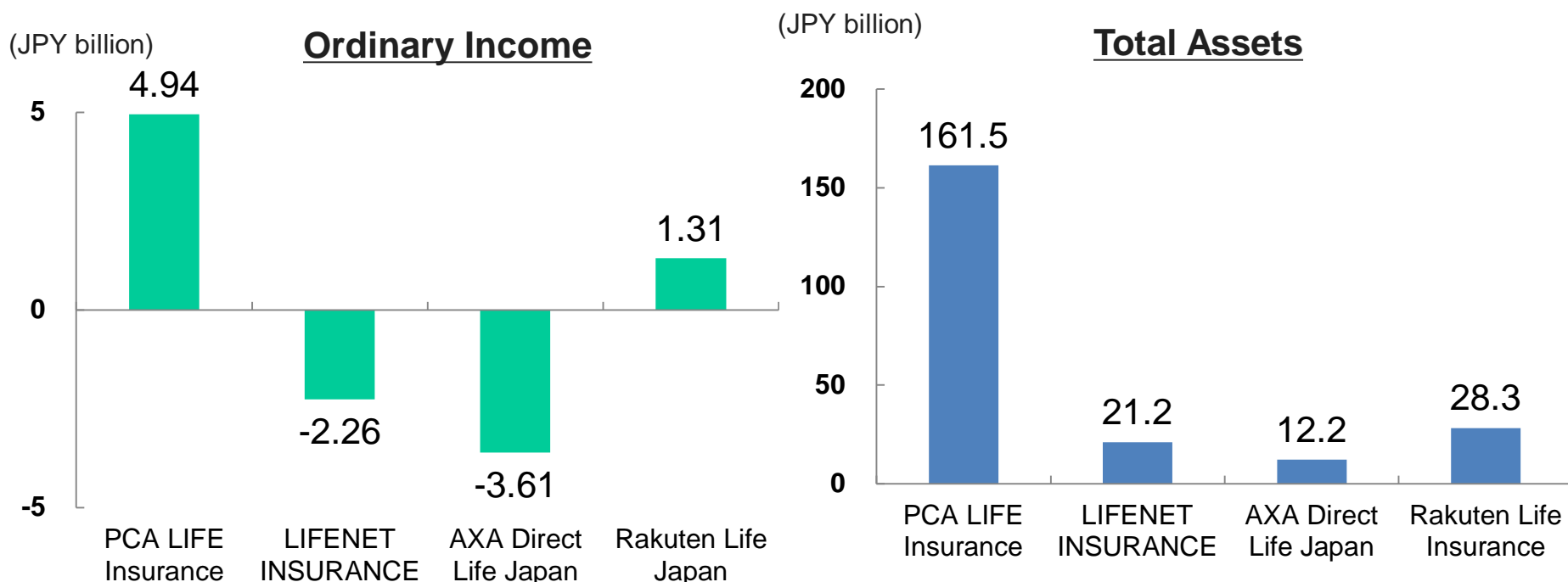
[Business Performance]

(JPY million)

	FY2010	FY2011	FY2012	FY2013
Ordinary Revenue *	30,240	32,363	30,828	33,530
Net Income	775	2,147	4,088	4,578

*equivalent to sales in ordinary operating company

[Comparison of ordinary income and total assets with other companies (FY2013)]



The Impact of the Purchase of PCA LIFE Insurance on Consolidated Performance

- Acquired all outstanding shares of PCA LIFE Insurance at USD 85m*
- With the consolidation, the assets and liabilities of PCA LIFE Insurance are to be evaluated on a fair valuation basis

*USD 68m was paid on the share transfer execution date (Feb. 5, 2015). The total transfer amount will be a minimum of USD 68m (the amount paid on the share transfer execution date) and a maximum of USD 85m. JPY 1,987m (fixed at an exchange rate agreed with the seller), equivalent to the difference of USD 17m, will be paid only in the event that the state of progress of PCA LIFE Japan's business satisfies certain conditions agreed with the seller.

The balance sheet of PCA LIFE Insurance (As of the end of Sept. 2014, based on J-GAAP)

(Unit: JPY million)

JGB: 55,382	Policy reserves: 129,684
Foreign securities: 45,527	
	Net asset: 21,112



Evaluated on a fair valuation basis

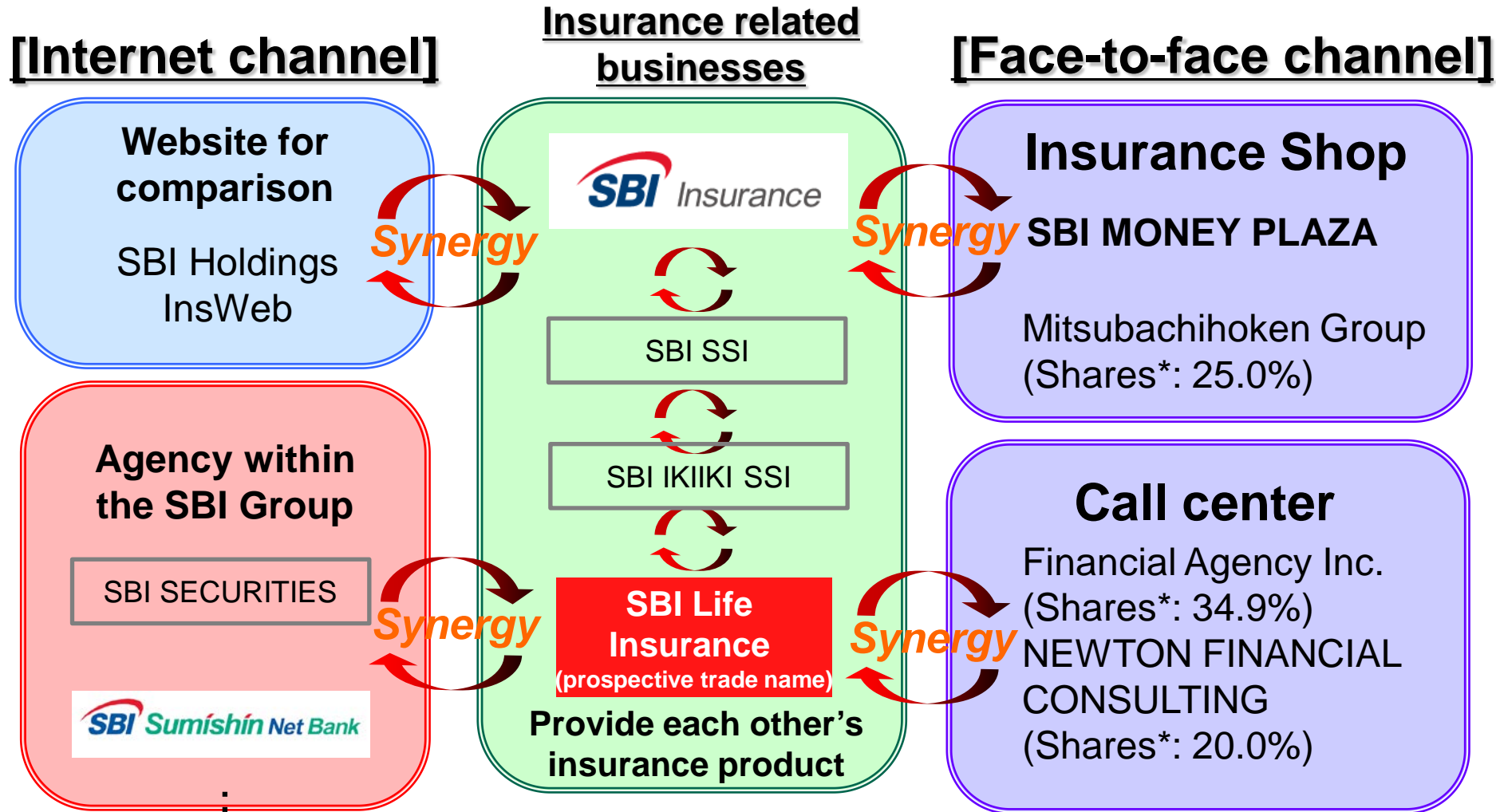
If the amount of net assets after revaluation exceeds the acquisition cost (USD 85m), the difference will be recognized as one-time income.

The difference is under calculation, which includes the commissioning of outside professionals

③-(ii) Pursuit of Group synergies

Thorough Pursuit of Synergies between Insurance-related Businesses and Each Group Company

Maximally utilize the Group synergies, such as group customer base and marketing channels, to expand the business scale of the insurance-related businesses



* Shares:
SBI's shareholding percentage corresponds to a total percentage based on the IFRS criteria for subsidiary companies and subsidiary funds of the Group.
(As of Dec. 31, 2014)

SBI Insurance's Expansion of Product Offerings

SBI Insurance's profitability is in sight, centering on its core auto and cancer insurance products, and is now in the process of considering fire insurance as a new core product



Fire insurance (under consideration)



Upon the launch of a fire insurance product, synergies with SBI Sumishin Net Bank and SBI Mortgage, both of which deal in housing loans, will be thoroughly pursued

住信SBIネット銀行



Results of housing loans (Oct. 2007- Dec. 2014)

Total amount : JPY 2,081.1bn

Total number : 86,264

Number of newly acquired (Apr.-Dec. 2014)
: 11,856



(SBI Group's shareholding*1
Approx. 11%)

Results of housing loans (Jul. 2001 -Dec. 2014)

Total amount : JPY 2,707.6bn

Total number : 109,866 *2

Number of newly acquired (Apr.-Dec. 2014)
: 12,435 *2

*1 Ratio of voting rights for CSM Holdings Co., Ltd., the holding company of SBI Mortgage. SBI Group's shareholding percentage corresponds to a total percentage based on the IFRS criteria for subsidiary companies and subsidiary funds of the Group. (As of the end of Dec. 2014)

*2 The number of loans backed, excluding package loans and loans for expenses related to housing acquisition

③-(iv) Considering a foray into the reinsurance business and the establishment of an insurance holding company

Considering a Foray into the Reinsurance Business and the Establishment of an Insurance Holding Company

- Considering a foray into the reinsurance business, in order to enhance the profitability of each company, for risk hedging purposes and the optimization of the corresponding risk capital
- With the insurance-related business, the establishment of a holding company that aggregates and reorganizes the related businesses to enhance efficiency and maximize Group synergies, may be considered

- Efficient use of insurance business related resources, such as asset management, risk management, information, know-how, and human resources
- Strengthen cooperation between insurance companies, and create related synergies
- Along with the expansion in business scope, diversification of financing methods to raise further capital



SBI Life Insurance
(prospective trade name)

(2) Asset Management Business

- ① Restructure the management system of the Asset Management Business, in order to enhance necessary disclosure**
- ② Current business strategy for SBI Savings Bank to realize an early stage IPO**

① Measures to enhance disclosure:

Difference in Accounting Method between the Group's Asset Management Business and Other VCs

	SBI Holdings (IFRS)	JAFCO (Interests Consolidation)	Other Domestic VCs (Fund Consolidation)
Gain or loss recognition of operated funds	Consolidation of all funds classified as subsidiaries	Only the amount corresponding to JAFCO's interests recognized, owing to the scheme of which nearly all funds are excluded from consolidation due to entrustment	In principal, consolidation of all funds deemed to be controlled
Gain or loss on securities held	In principle, recognition of fair value valuation gain or loss for all issues	In principle, recognition of gain or loss only if sold Note: Recognition of impairment loss or allowance for investment loss in cases where current value falls markedly below book value, etc.	
Management fees from funds, etc.	Offsetting of all fees from funds classified as consolidated subsidiaries	Recognition as income of fees corresponding to the outside equity interest	Offsetting of all fees from funds classified as consolidated subsidiaries
Investee consolidation	Uniform determination of consolidation regardless of the purpose of investment	Excluded from consolidation	Exclusion from consolidation is possible in the case of investees held for the purpose of investment

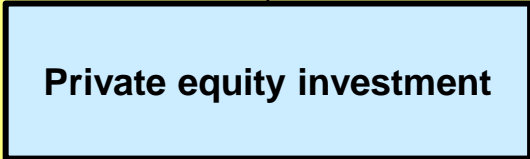
*** Additionally, the SBI Group records profits and losses of the overseas financial institutions, such as the SBI Savings Bank, as part of the Asset Management Business**

Comparability Issues Arising from Accounting Procedures in the Asset Management Business and Future Countermeasures (i)

(Gap between legal financial accounting and business management ①)

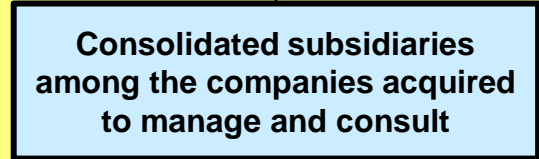
Since portfolio companies are required to be classified as consolidated subsidiaries, there is a difference between the actual business management practices and the expression in the consolidated financial statements

[Structure of the Asset Management Business]



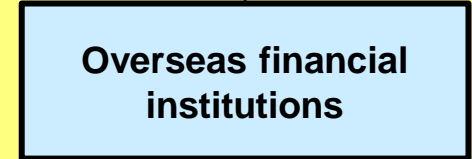
- SBI Investment and funds under its aegis
- Overseas investment business

In principle, securities held are revalued at fair value through profit or loss



- NARUMIYA INTERNATIONAL etc.
- SBI AXES

Although classified as securities held, their "financial results" are reflected in the consolidated financial statements as consolidated subsidiaries or equity method affiliates, instead of their "corporate values"



- SBI Savings Bank
- Phnom Penh Commercial Bank etc.

First, internally considering an optimal performance measuring method in line with the actual business management, with the possibility of restructuring business segment management

Comparability Issues Arising from Accounting Procedures in the Asset Management Business and Future Countermeasures (ii)

(Gap between Legal Financial Accounting and Business Management②)

Fair value valuation gain or loss fluctuates substantially each quarter and may affect exit strategies.

- Valuation gain or loss is recognized according to the stock price on the final day of each term as a consequence of merely holding an issue.
- Since a valuation loss is recognized if the stock price decreases from the previous term, this may have an impact on SBI's stance of emphasizing medium- to long-term performance.

Details of operating revenue in the Asset Management Business

	(JPY million)
	9 Months FY2014
Operating Revenue	43,206
Profit/loss from the change in fair value and profit/loss on sales of investment securities	-6,361
Operating revenue from overseas financial institutions(SBI Savings Bank etc.)	30,452
Operating revenue from the companies invested for business development	16,586
Others	2,529

Unrealized gains and losses from cost to fair value of listed investees

	(JPY million)
	9 Months FY2014
Cost	21,093
Fair Value	27,789
Unrealized gains and losses	+6,697

The Company will search for a new accounting measurement method, other than fair value valuation in the statement of income, to make possible management decisions with a view to medium- to long-term benefits.

IPO Comparison with Major Japanese VCs from 2014 to Present



(as of Mar. 4, 2015)

		SBI Investment	JAFECO	MUFJ Capital	Mizuho Capital	SMBC Capital
Number of companies listed in Japan in 2014		7	16	15	9	7
Average market cap per company (JPY million)	Public offering basis	<u>27,236</u>	12,506	16,315	17,301	22,631
	First price basis	<u>36,703</u>	21,657	20,868	22,717	24,520
Number of companies whose market cap (at IPO) exceeded JPY 10.0bn		<u>5</u> (71%)	3 (19%)	4 (27%)	3 (33%)	3 (43%)

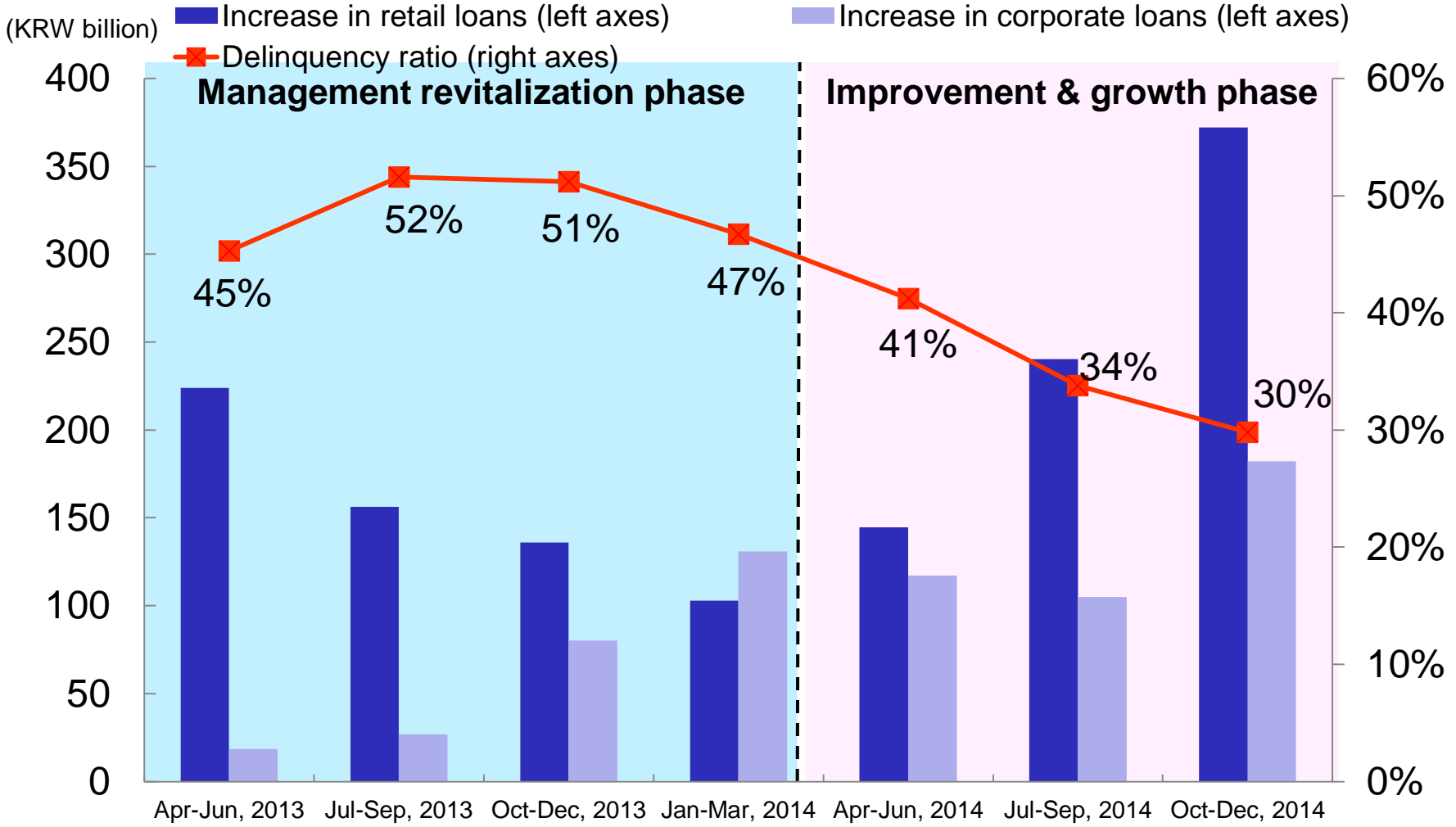
- SBI has the highest market capitalization per company at time of offering and of opening price formation.
- With respect to listed company size, SBI had 5 companies with market capitalization of at least JPY 10.0bn, representing 71% of the total number, whereas the other firms had only around 3 companies each.
- Whereas JAFECO has 4.6 domestic investee companies per employee, SBI has 3.7 companies and maintains a structure for more deeply pursuing investee value enhancement.

To undertake thorough value enhancement of investee companies through keen discernment and full hands-on concentrated investment focused on growth industries, SBI achieves far larger IPO size per company than other VCs and boasts overwhelming competitive advantage despite a late start as a VC.

*Excludes Recruit Holdings



Changes in SBI Saving Bank's New Credits by Major Products



From Dec 2014, SBI Savings Bank resumed the utilization of placement agents to increase new credits, thereby strengthening its ability to increase new credits

Immediate Strategy of SBI Savings Bank

- After implementing mergers and integration between SBI Savings Bank and its three affiliated banks, effective Oct. 31, 2014, SBI Savings Bank has become the only savings bank whose assets exceed KRW 3tn (approx. JPY 330bn) in South Korea, and SBI Savings Bank will endeavor to strengthen its brand.
- SBI Savings Bank achieved quarterly profit in the Oct.-Dec. 2014 period on a K-GAAP basis, and completed its revitalization. The bank is strengthening its growth strategy efforts toward the realization of an early IPO.

[Efforts to pursue more sustainable revenue, targeting an IPO in 2-3 years]

- ◆ Endeavoring to acquire new customers and increase new credits, by utilizing placement agents
- ◆ Planning to develop auto-loan business within this year, as a part of service diversification
- ◆ Promoting aggressive purchase of loans from other banks
- ◆ Promoting online banking services by riding the momentum created by deregulation
- ◆ Considering the possibility of establishing a pure-play Internet bank, in collaboration with local partners

(3) Biotechnology-related Business

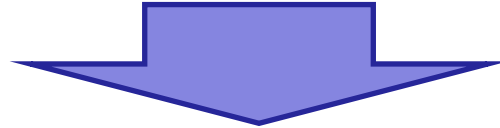
① SBI Biotech targeting a 2015 IPO

~ Plans to receive USD 20m from the pipeline, which is an associated IPO requirement ~

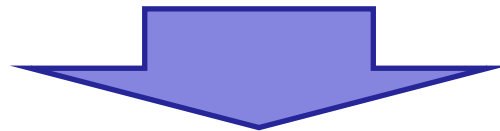
② Transition of 5-ALA related business from the preparation phase to the monetization phase

Current State of IPO Readiness of SBI Biotech ① [Management Structure]

The previous representative director of SBI Biotech resigned because of poor health, and a change of representative directors occurred on Sept. 30, 2014



Although SBI Biotech delayed a planned 2014 IPO, following the general meeting of shareholders in late Mar. 2015, the company plans to increase corporate value by appointing a person with specialized in the drug discovery field and management experience in venture firm as outside director. Once current managing director Takeshi Irie assumes office as representative director and president, the company will resume IPO preparations. (Lead manager: Mizuho Securities)



IPO targeted in 2015



Current State of IPO Readiness of SBI Biotech ② [Pipeline Drugs that is an IPO Requirement]

As for QPI-1002, plans **to initiate a Phase III trial in the U.S.** by around autumn at the latest, and to **receive an upfront fee of USD 20m** from a renewal of Novartis International AG's license option. Also for other pipelines, SBI Biotech expects to receive contingency fees, in accordance with the development process.

	Licensing partner	Adaptation disease	Pre-clinical	Phase I	Phase II	Phase III
① QPI-1002	Novartis International AG	Kidney Transplantation (DGF)		Plans to receive an upfront fee of USD 20m from a renewal of license option		Planning to start at the latest by the autumn of 2015
② PF-655	Pfizer Inc.	Diabetic macular edema (DME)		Completed Phase II a		
		Glaucoma		Preparing for Phase II a		
③ Anti-ILT7 antibody	MedImmune, Inc. (Subsidiary of AstraZeneca)	Autoimmune diseases	Pre-clinical			

Concentrate management resources toward prospective pipelines, and discontinue drug discovery projects that are considered to have little prospect of commercialization

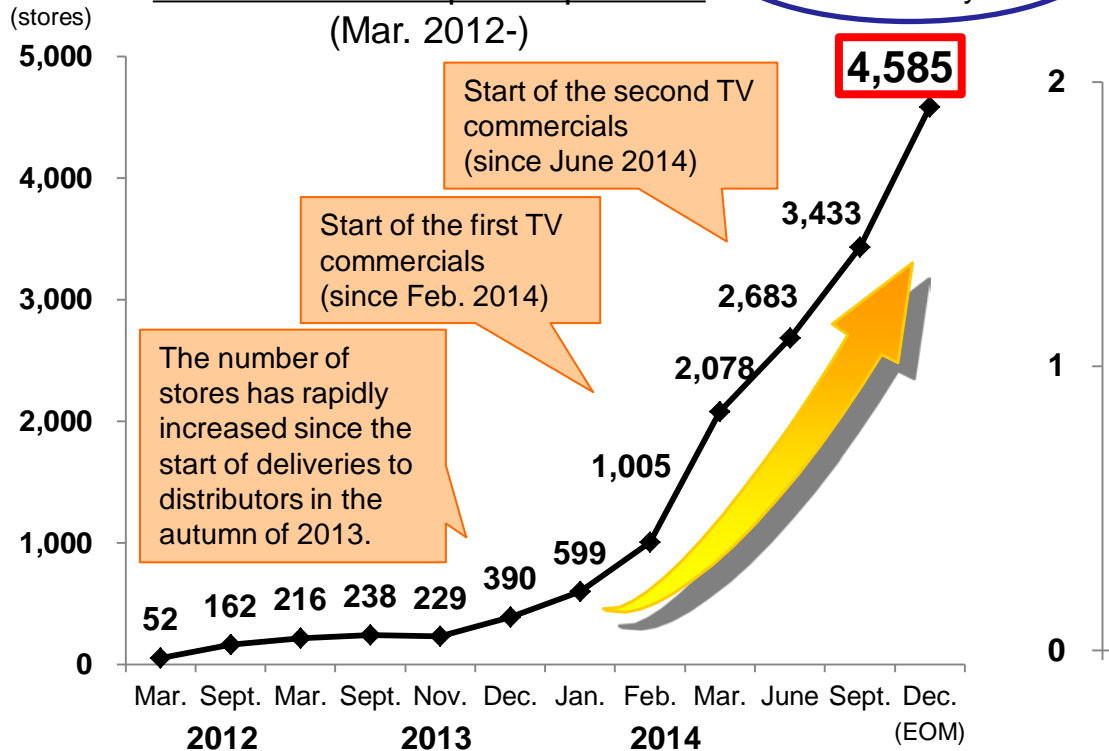
- ② Transition of 5-ALA related businesses from the preparation phase to the monetization phase**
 - (i) Current conditions of 5-ALA related business**
 - (ii) Total of 20 patents obtained by SBI Pharmaceuticals**
 - (iii) Progress in 5-ALA related medical research in various fields**
 - (iv) Conclusion of a patent licensing agreement with Cosmo Oil and development of an integrated system extending from product development to production and sales**
 - (v) Future business strategy for the Biotechnology-related Business**

② -(i) Current conditions of 5-ALA related business:

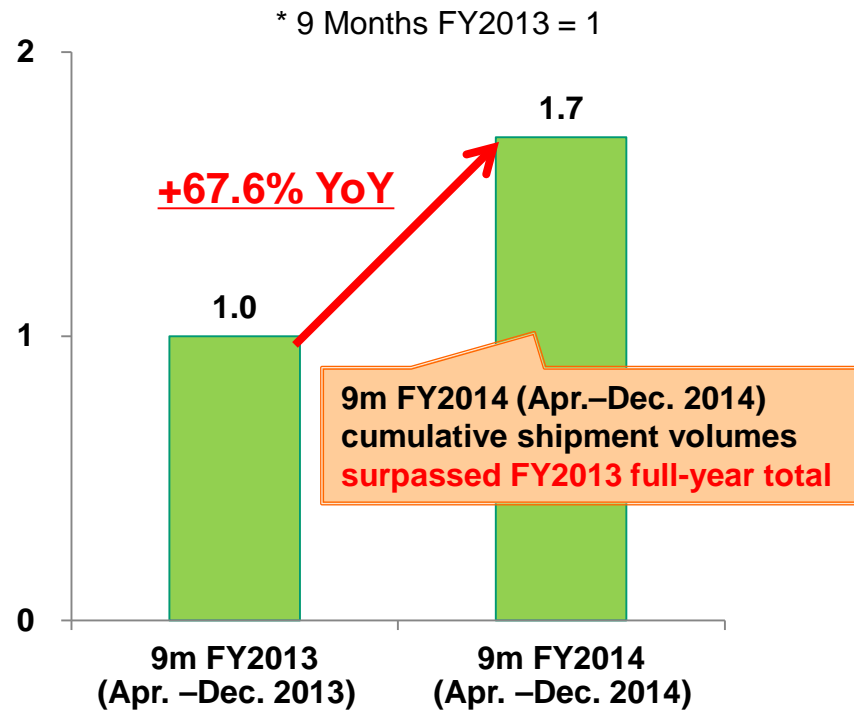
Large Increase in Shipment Volumes of Health Foods and Cosmetics Containing 5-ALA and Consulting Pharmacies and Drugstores Offering SBI ALApromo Products

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

Change in the number of stores that offer SBI ALApromo products (Mar. 2012-)



Comparison of shipment volumes (SBI ALApromo)



Scheduled to release a full-body moisturizing cream (planned product name: ALAPi) as a new product in Mar.

② - (ii) About granted patents:

Patents Held by SBI Pharmaceuticals (Total of 20 Patents)

The name of the invention	Registration date	Co-applicants
Composition for peeling	June 15, 2007	Single application
External preparation for the skin	July 27, 2007	Single application
Antioxidation function improver	Sept. 2, 2011	Cosmo Oil
Health function improver	Sept. 2, 2011	Cosmo Oil
Immune function improver	Sept. 2, 2011	Cosmo Oil
Tumor diagnostic agent	July 13, 2012	Single application
Mitochondrial damage brain disorder treatment and diagnostic agent	Oct. 5, 2012	Single application
Urinary tract tumor determination system	Mar. 22, 2013	Kochi University
Photolesion alleviator	June 21, 2013	Single application
Automatic tumor identification device and automatic tumor location identification method	Feb. 7, 2014	Single application
Bladder cancer detection method	Feb. 14, 2014	Kochi University
Urothelial cancer detection method	Feb. 21, 2014	Kochi University
Male infertility treatment	Mar. 14, 2014	Single application
Cancer thermotherapy action enhancer	Apr. 18, 2014	Tokyo University of Agriculture
Mitochondrial fluorescence staining method	July 11, 2014	Okayama University/Kochi University
Antimalarial drug whose active ingredient is 5-aminolevulinic acid or a derivative thereof	July 25, 2014	The University of Tokyo
Cancer prophylactic and/or improving agent whose active ingredient is 5-aminolevulinic acid or a derivative thereof or a salt thereof	Sept. 12, 2014	Single application
Alaremycin derivative	Nov. 14, 2014	Tokyo Institute of Technology
Adult disease prophylactic and/or improving agent whose active ingredient is 5-aminolevulinic acid or a derivative thereof or a salt thereof	Dec. 19, 2014	Single application
Antimalarial drug whose active ingredient is alaremycin or a derivative thereof	Dec. 26, 2014	Tokyo Institute of Technology

Most Recent Patents Obtained by SBI Pharmaceuticals

② - (ii) About granted patents:

Obtained on Dec. 19, 2014

Obtained a patent for **a prophylactic/ameliorating composition** containing 5-ALA as an active ingredient, **for one or more adult diseases** selected from a group consisting of hyperlipidemia, diabetes, hypertension, shoulder stiffness, postmenopausal disorders, gray hair, wrinkles, obesity, poor circulation, and constipation.



Published research papers on the results of clinical studies conducted jointly with Hiroshima University, University of Hawaii, and the Institute of Medical Science, the University of Tokyo

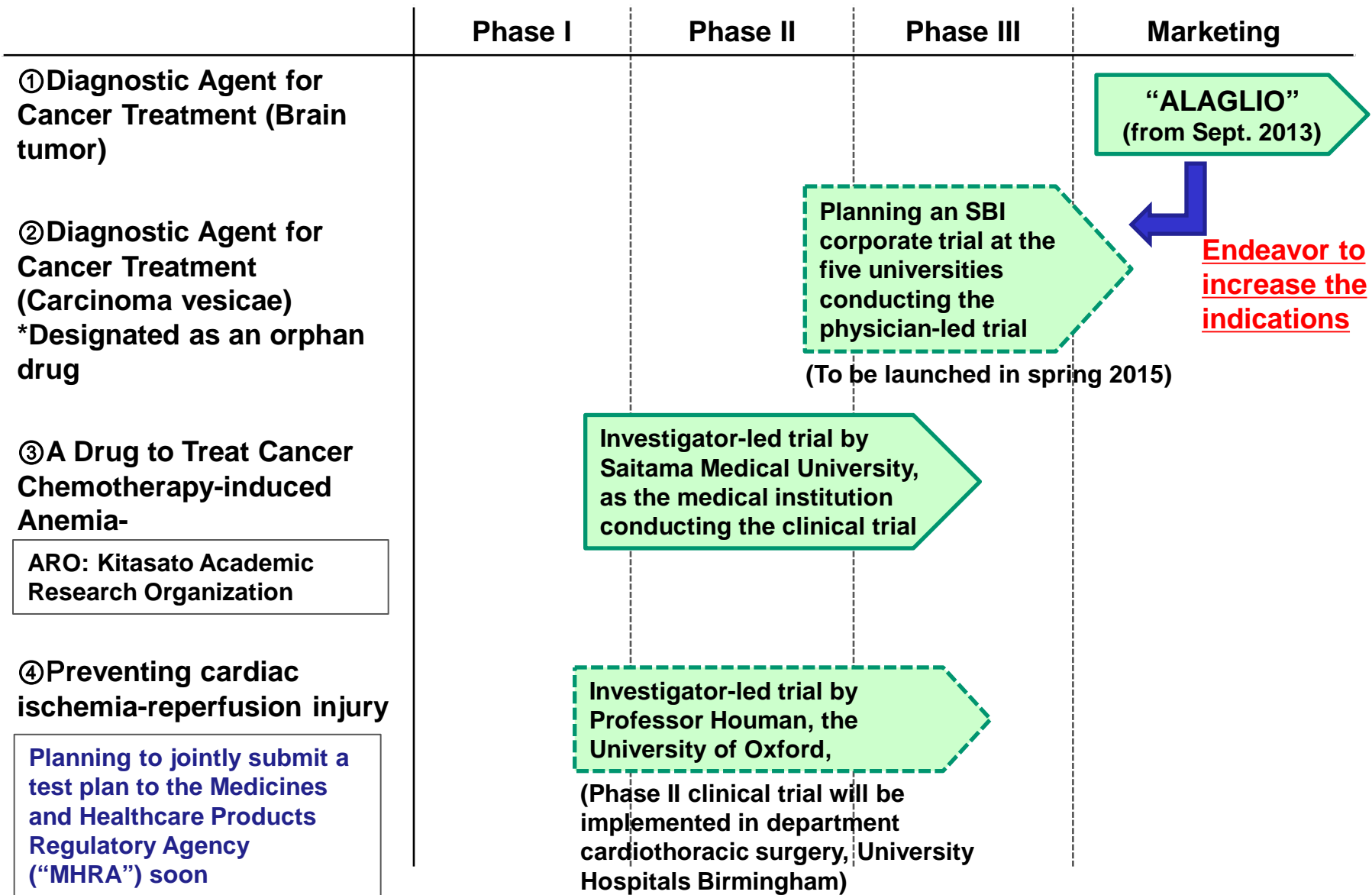
Obtained on Dec. 26, 2014

Obtained a patent for **a prophylactic and/or therapeutic agent for malaria**, consisting of the active ingredient alaremycin or a derivative thereof or a pharmacologically allowable salt thereof (filed jointly with the Tokyo Institute of Technology)



The Tokyo Institute of Technology and SBI Pharmaceuticals predicted a new mechanism of action of antimalarial drugs based on the function of the existing antimalarial drugs and demonstrated that alaremycin shows antimalarial activity as predicted. The patent acquired this time is related to this mechanism.

R&D Progress in the Pharmaceutical Field of SBI Pharmaceuticals

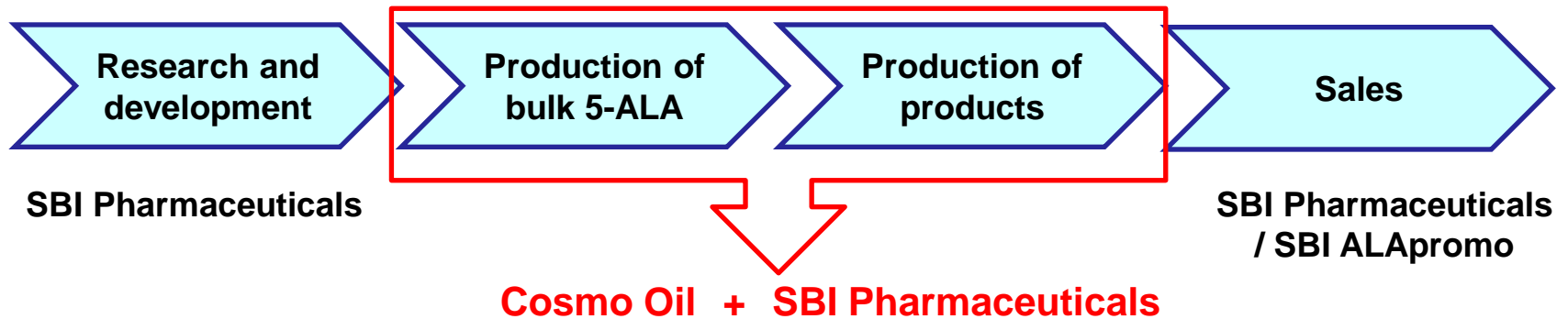


Conclusion of a Patent Licensing Agreement with Cosmo Oil and Development of an Integrated System Extending from Product Development to Production and Sales

The outline of the exclusive license agreement:

- The patent right and the right to obtain a patent related to 5-ALA and its production methods for use in pharmaceuticals, quasi-pharmaceuticals, cosmetics and food products (except for use in hair growth of head and body hair)
- Technical information

Process from development to sales:



Further expansion of 5-ALA related businesses within an integrated system extending from product development to production and sales

SBI Pharmaceuticals will Endeavor to Expand Revenue Growth Opportunities through Alliances

- ① **Full-scale startup in preparation for establishment of an overseas production base** through the conclusion of a patent licensing agreement with Cosmo Oil, and the legal establishment of an integrated system that extends from production to sales of pharmaceuticals, health foods and cosmetics containing 5-ALA
- ② Now negotiating with two Chinese medical companies to establish a JV, and out-license 5-ALA drug development technology as an **entry into the pharmaceutical business in China**
- ③ SBI Pharmaceuticals will engage in **out-licensing in the pharmaceuticals sector**. It has already received and is considering approaches from major pharmaceuticals in several fields, including Alzheimer's and ulcerative colitis
- ④ As for health foods and cosmetics containing 5-ALA, will seek to **enter into alliances with major suppliers and gain profit from out-licensing**, in order to promote new product development
- ⑤ SBI Pharmaceuticals targets an IPO in three years
- ⑥ In the 5-ALA related business, a practical 30% of shares in photonamic in Germany is already held, and going forward, considerations are being made to establish an exclusive global business structure

[Appendix]

Continuously Achieving a High Customer Satisfaction Assessment ① SBI SECURITIES



1st

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

For 8 years!!

<Evaluation item>

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

Customer Service Center



HDI (Help Desk Institute) Certification in 2014
[Securities Industry]
“Call-center Contact Ranking”
Achieved the highest rank “three stars”

For 5 years!!



Highest Award for the Category

“CCJA 2014” (11th Contact Center Award)
Received the highest award for “Best Operation” category

**For 4 years!!
First ever**



Chairman's Prize

Japan Telecom Users Association
18th Corporate Telephone Response Contest in 2014

Prized 4 years in a row!!

Official Website



HDI (Help Desk Institute) Certification in 2014
[Securities Industry]
“Support Portal Raking (Official Website)”
Achieved the highest rank “three stars”

**5th time
4 years in a row!!**

Continuously Achieving a High Customer Satisfaction Assessment ② SBI Sumishin Net Bank

	1st “Oricon customer satisfaction ranking” of 2014 [Online banking]	4th time
	1st JCSI Customer Satisfaction Survey (Japanese Customer Satisfaction Index) Banking industry	For 6 years!
	1st “10th Nikkei Financial Institution Ranking” Customer Satisfaction by generations, 20s and 30s	For 2 years!
	1st JMA Research “Assessment of Mortgage Products” by mortgage personnel	For the first time!

Appraised as No. 1 among the 7 banks (*) 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.”

* The comparison among 4 city 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)

Continuously Achieving a High Customer Satisfaction Assessment ③ SBI Insurance



1st

Diamond Weekly
“Auto Insurance Premium Ranking”

* In the Jan 17, 2015 special issue

“Auto Insurance Premium Ranking: SBI Insurance takes No.1 in the most categories”

For 7 years !



1st

Oricon customer satisfaction ranking FY 2015
Auto Insurance Category
“Auto Insurance Premium Ranking”

For 6 years !



1st

Kakaku.com / Auto Insurance Satisfaction Ranking (2015) Overall Ranking

For the first time!



1st

JCSI (Japanese Customer Satisfaction Index)
Customer Satisfaction Survey 2014
Nonlife insurance industry customer satisfaction

For the first time!

Official Website



HDI-Japan HDI's Call-center Customer Satisfaction Ratings 2014
Top “three-star” rating in the Support Portal (Official Website) Category

For 3 years !

Number of Companies and Consolidated Employees of the SBI Group

Number of Group companies

	Mar. 31, 2014	Dec. 31, 2014
Consolidated subsidiaries (companies)	139	140
Consolidated partnerships (partnerships)	36	34
Total consolidated subsidiaries (companies)	175	174
Equity method companies (companies)	38	38
Total Group companies (companies)	213	212

Number of consolidated employees

	Mar. 31, 2014	Dec. 31, 2014
Total employees (persons)	5,352	5,225

Assets Under Management of the SBI Group

(As of the end of Dec. 2014)



Private equity, etc. JPY 309.6bn (Including JPY 121.5bn of both cash and commitment amount to be paid in) (*3)

Breakdown by Industry	Amount
IT/Internet	25.9
Biotechnology/Health/Medical	42.1
Services	18.8
Materials/Chemicals	2.1
Environmental/Energy	19.7
Retail/Food	14.3
Construction/Real estate	0.6
Machine/Automobile	8.5
Finance	35.4
Others	20.8
Total	188.1

Breakdown by region	Amount
Japan	86.0
China	31.5
Korea	23.4
Taiwan	1.9
Southeast Asia	10.9
India	2.0
U.S.	29.1
Others	3.3
Total	188.1

Investment trusts, etc. JPY 215.1bn

Investment trusts	116.7
Investment advisory	94.8
Investment companies	3.6

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

[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 Feb. 27, 2015) (JPY billion)

	Valuation of each segment (theoretical value)
Financial Services	503.5 (+)*
Asset Management	118.6
Biotechnology-related	63.2
Sum total	685.2 (+)

Business valuation per share: JPY 3,051

* Other businesses including SBI MONEY PLAZA and SBI Guarantee are also profitable, but these businesses are not included in this valuation estimation.

Of the major Group companies, 12 are profitable companies that are not included in the above calculations (Total FY2013 Operating Income: approx. JPY 1.6bn)

* As for specific formula, refer to the after-mentioned reference part.

SBI Holding's Recent Stock Price

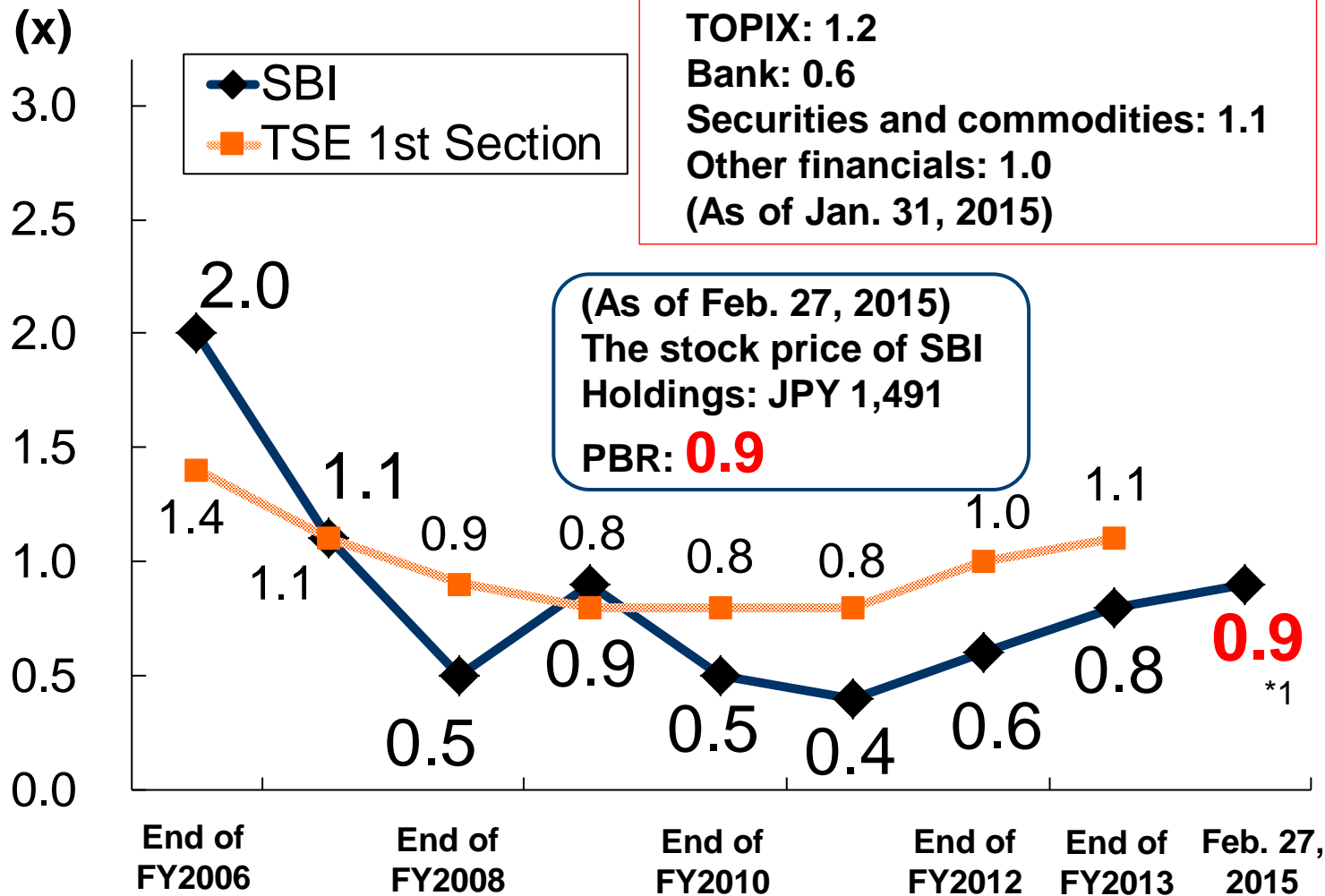


Market cap (based on the closing price on Feb. 27, 2015): **JPY 334.8bn**



Change in PBR of SBI Holdings

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



SBI Holdings' PER based on the EPS of 1H FY2014 is 12.5^{*2}
(As of Feb. 27, 2015)

[Reference]
SBI Holdings' PER based on forecast EPS

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

^{*1} PBR of SBI Holdings for Feb. 27, 2015 is calculated based on the BPS of the end of Sept. 2014.

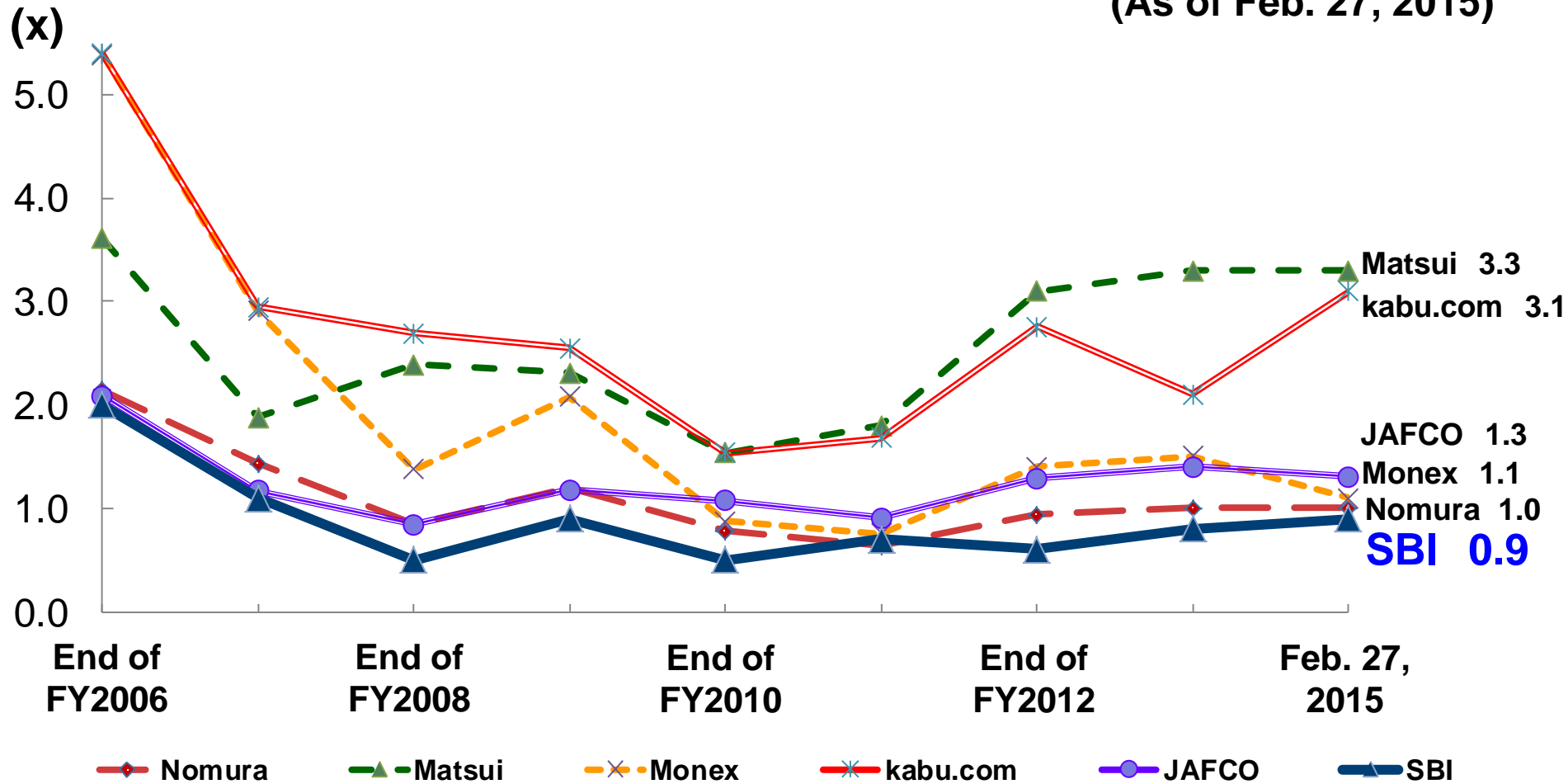
^{*2} For convenience, EPS of 1H FY2014 (JPY 119.11) is used to calculate SBI Holdings' PER.

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 Feb. 27, 2015)



*PBR for Feb. 27, 2015 is calculated based on the BPS of the end of Sept. 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 **327.9bn**

(based on the closing prices of Feb. 27, 2015)

SBIH's market cap as of Feb. 27 is likely to be equivalent to 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) × SBI SECURITIES's net income (FY2013) ... (A)

Matsui's PBR (*2) × SBI SECURITIES's net asset (*3) (as of Dec. 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 Sept. 30, 2014.

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

Valuation by Segment Estimated by SBI

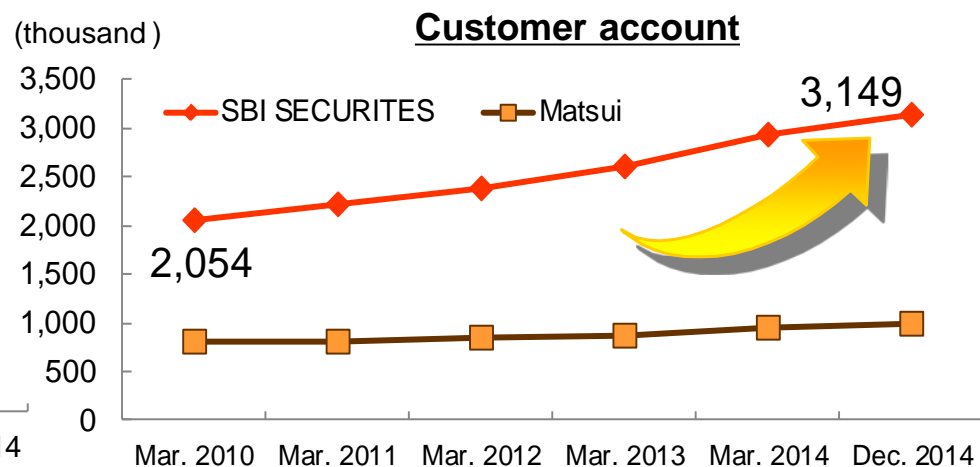
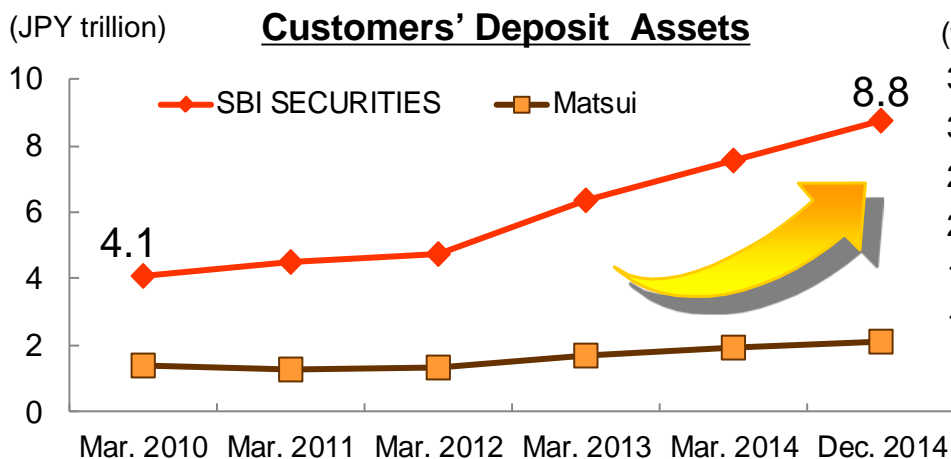
(1) Financial Services Business ① SBI SECURITIES -(ii)

Is SBI SECURITIES' valuation reasonable?

Comparison of SBI SECURITIES Matsui Securities

*Calculated by the closing prices of Feb. 27, 2015

(9 Months FY2014)	SBI SECURITIES	Matsui Securities
Valuation (market cap) *	JPY 327.9bn	JPY 300.2bn
Deposit assets (Dec. 2014)	No.1 JPY 8.8tn	JPY 2.1tn
Number of accounts (As of the end of Dec. 2014)	No.1 3.15 million	0.98 million
Share of individual stock brokerage trading value	No.1 37.5%	12.9%
Operating income	No.1 JPY 25.0bn (up 0.3% YoY)	JPY 16.4bn (down 24.5% YoY)



Valuation by Segment Estimated by SBI

(1) Financial Services Business ② SBI Sumishin Net Bank

② SBI Sumishin Net Bank

Estimates the valuation of SBI Sumishin Net Bank with high growth potential in terms of profitability and scale at

JPY 176.9bn → JPY 88.4bn (based on the closing prices of Feb. 27, 2015)
 (Shareholding of the SBI Group: 50.0%)

Estimation of the valuation is as follows:

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

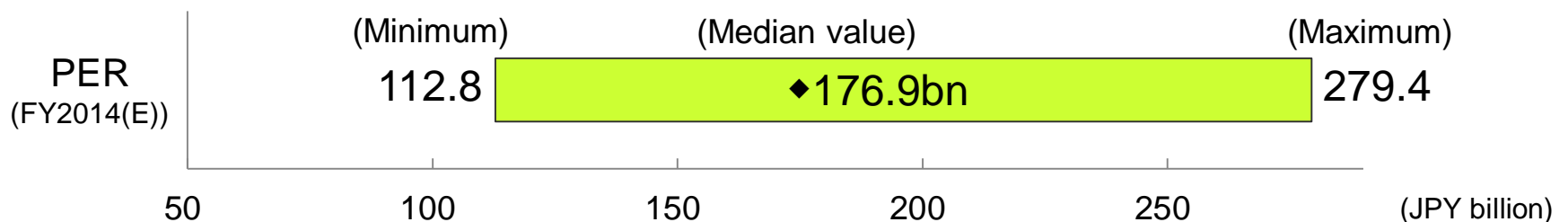
Compares the profits of comparable public companies of which the deposit balance exceeds JPY 3tn as of the end of Mar. 2014

Median value of estimated PERs of listed local banks of which the deposit balance exceeds JPY 3tn (*1) × SBI Sumishin Net Bank's estimated net income (FY2014) (*2)

*1 Compiled by the Company from the materials disclosed by the listed local banks of which the deposit balance exceeds JPY 3tn

*2 Estimated net income for FY2014 is calculated by doubling the 1H FY2014 net income

[Reference] Valuation distribution based on the abovementioned pro forma calculation



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 28.1bn** (based on the closing price of Feb. 27, 2015)

Estimation of the valuation is as follows:

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

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

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

* 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 income	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 SBI Japannext

④ SBI Japannext

Estimates the valuation of SBI Japannext at JPY 41.1bn

→ JPY 21.7bn (based on the closing prices of Feb. 27, 2015)

(Shareholding of the SBI Group: 52.8%)

Estimation of the valuation is as follows:

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

Compares the profit of a comparable public company, namely Japan Exchange Group

Japan Exchange Group's PER (*) × SBI Japannext's estimated net income (FY2014)

* PER of Japan Exchange Group is calculated by the estimated net income per share for FY2014.

Valuation by Segment Estimated by SBI

(1) Financial Services Business

⑤ SBI Comparison Website Business / ⑥ Other Financial Services Business

⑤ SBI Comparison Website Business

Valuation is estimated at **JPY 22.3bn** (based on the closing price of Feb. 27, 2015)

Estimation of the valuation is as follows:

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

Compares the profits of comparable public companies, namely Kakaku.com and WebCrew

$\frac{\{(Kakaku.com's\ PER + WebCrew's\ PER)\}}{2} \times$ Net income of SBI Comparison Website Business (FY2013)

2

* PER of Kakaku.com and WebCrew are calculated by their estimated net income per share for FY2014.

⑥ Other listed subsidiaries and equity method companies in this business segment

	SBI's shareholding pct. (%)	Classification	Listed market	Market cap (JPY billion)	SBI's equity interest of market cap (JPY billion)
Morningstar Japan	49.2	Consolidated subsidiary	JASDAQ	26.7	13.1
SOLXYZ	26.3	Equity method associate	JASDAQ	7.3	1.9
Sum of the market cap of listed subsidiaries and equity method associates				34.0	15.0

(Based on the closing price of Feb. 27, 2015)

* 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

(based on the closing prices of Feb. 27, 2015)

Upon comparison with similar listed companies calculated conservatively as **JPY 327.9bn**

② SBI Sumishin Net Bank

(based on the closing prices of Feb. 27, 2015)

Estimated the valuation of SBI Sumishin Net Bank that has high growth potential in terms of profitability and scale at JPY 176.9bn → **JPY 88.4bn** (Shareholding of the SBI Group: 50.0%)

③ SBI Liquidity Market (cons.)

(based on the closing prices of Feb. 27, 2015)

Upon comparison with similar listed companies calculated as **JPY 28.1bn**

④ SBI Japannext

(based on the closing prices of Feb. 27, 2015)

Upon comparison with similar listed companies estimated the valuation at JPY 41.1bn → **JPY 21.7bn** (Shareholding of the SBI Group: 52.8%)

⑤ SBI Comparison Website Business

(based on the closing prices of Feb. 27, 2015)

Upon comparison with similar listed companies calculated as **JPY 22.3bn**

⑥ Total market cap upon SBIH's shareholding of other listed subsidiaries and equity method companies, in total 2 companies, in this segment

The sum of market caps of Morningstar Japan and SOLXYZ (Shareholding of the SBI Group) **JPY 15.0bn** (based on the closing prices of Feb. 27, 2015)

Total of the valuation above: JPY 503.5bn (The SBI Group's total shareholding)

Valuation by Segment Estimated by SBIH

(1) Financial Services Business

⑦ Other Financial Services Businesses (Profitable Entities)

There are many other profitable business entities in this segment

	Business lineup	Operating income for FY2013 (JPY billion)	SBI's shareholding pct. (%)
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
SBI Guarantee	Various guarantee services including mainly the guarantee of nonpayment of rent	0.1	100.0

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 this segment is estimated at approx. JPY 118.6bn

<Reference>

JAFCO's Market Cap: **JPY 222.9bn** (based on the closing price of Feb. 27, 2015)

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

(i) Value of holding securities (at the end of Dec. 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 Feb. 27, 2015)

(* Valuation excluding assets such as securities hold) Approx. JPY 15.0bn

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 × 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	8.1*	3.5
SBI Investment KOREA	43.9	Equity method associate	KOSDAQ of KRX	9.9*	4.4
Sum of the market cap of listed subsidiaries and equity method associates				18.0	<u>7.9</u>

(Based on the closing price of Feb. 27, 2015. *Calculated by the exchange rate as of Feb. 27, 2015.)

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

		Business lineup	Operating income 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 63.2bn

① SBI Pharmaceuticals

Estimation of the valuation is as follows:

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



Based on SBIH's equity interest (excluding external holdings) as of the end of Dec. 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*: 38.3%)

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.

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