



*Strategic
Business
Innovator*

SBI Holdings, Inc.
FY2014 Financial Results
(Year Ended Mar. 31, 2015)

May 12, 2015

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

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

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

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

1. Summary of FY2014 Consolidated Financial Results

- (1) FY2014 consolidated financial results that achieved record high operating revenue and operating income**
- (2) Based on the strong financial results, further enhances shareholder returns**

2. SBI's Corporate Value and the Efforts to Achieve Sustainable Expansion

- (1) SBI's corporate value consideration**
- (2) Future efforts to achieve sustainable expansion of corporate value**

1. Summary of FY2014 Consolidated Financial Results

- (1) FY2014 consolidated financial results that achieved record high operating revenue and operating income**
- (2) Based on the strong financial results, further enhances shareholder returns**

(1) FY2014 consolidated financial results that achieved record high operating revenue and operating income

- Operating income for FY2014 achieved JPY 68.2bn, which exceeded the past record high of JPY 49.6bn in FY2005 (increase of 61.5% year-on-year)
- Profit attributable to owners of the Company achieved JPY 45.7bn, a twofold increase of 113.3% year-on-year
- ROE for FY2014 reached 12.9%, a significant improvement from the 6.8% of the previous period

Achieved a Significant Increase in Each Item Including Record Operating Income

FY2014 Consolidated Performance (IFRS)

(Unit: JPY million)

	FY2013 (Apr. 2013 –Mar. 2014)	FY2014 (Apr. 2014 –Mar. 2015)	YoY % change
Operating revenue	232,822	245,045 (Historical high)	+5.3
Operating income	42,224	68,209 (Historical high)	+61.5
Profit before income tax expense	38,899	63,067	+62.1
Profit for the period	19,799	39,314	+98.6
Profit attributable to owners of the Company	21,439	45,721	+113.3
R O E (%)	6.8	12.9	+6.1p.

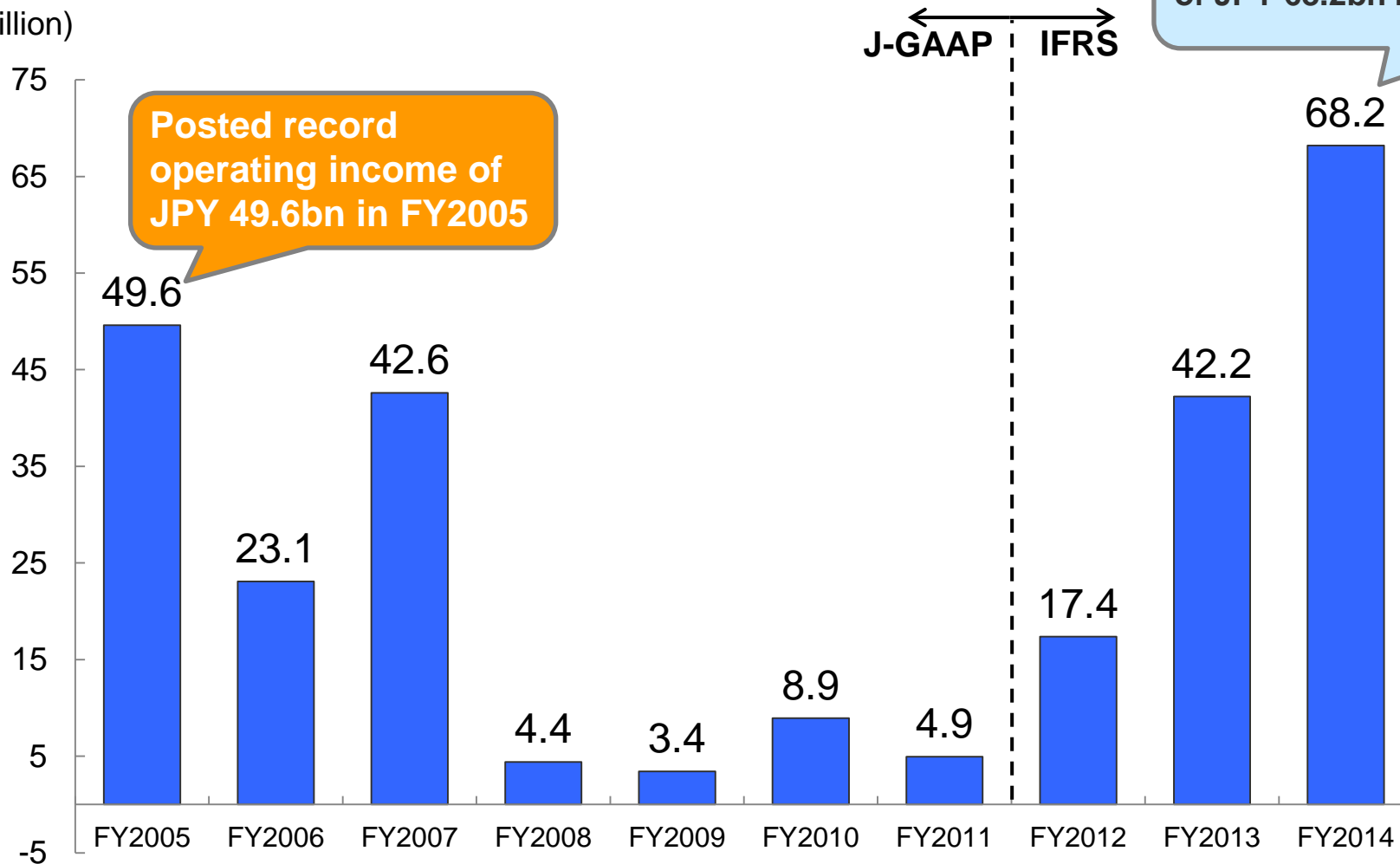
* Shows the increase in percentage points

Operating Income for FY2014 Exceeded the Record of the Past

Operating income in the past 10 years

Historical high in operating income of JPY 68.2bn in FY2014

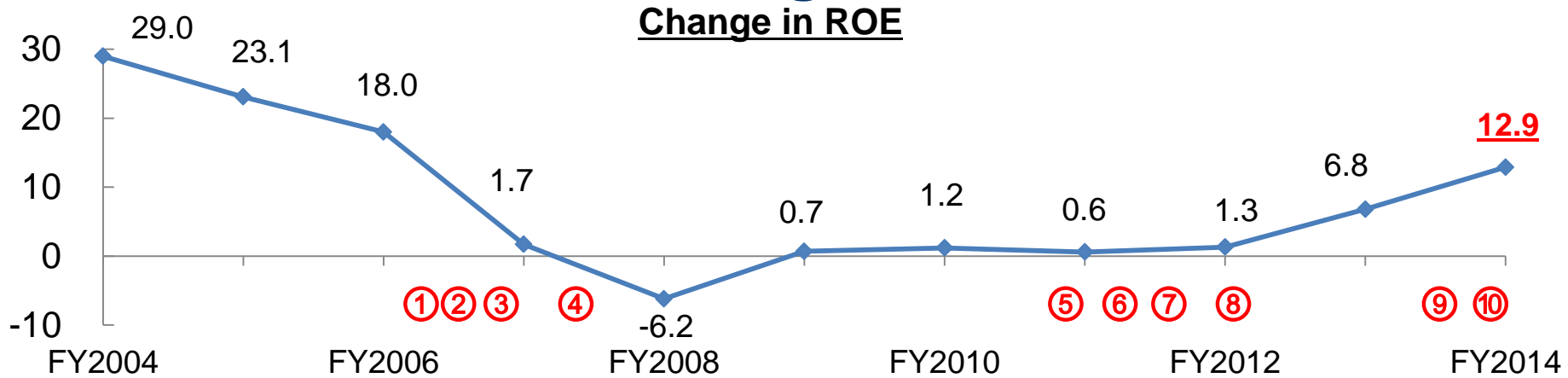
(JPY billion)



Posted record operating income of JPY 49.6bn in FY2005

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

ROE Exceeds 12%, Surpassing Milestone Target of 10%.



Business environment	<p>Suspension of investment funds by BNP Paribas</p> <p>The Livedoor shock</p> <p>Inauguration of G20 summit</p> <p>Exposure of Greece debt problem</p> <p>European debt crisis</p> <p>Recurrence of Greece debt problem</p> <p>Abenomics</p> <p>Economic deterioration in developing countries</p>
Business strategy	<p>Expansion of scale</p> <p>Emphasis on Profitability ("Selection and Concentration")</p>
Specific measures	<p>① Aug. 2007 SBI Japannext began operation of PTS</p> <p>② Sept. 2007 SBI Sumishin Net Bank commenced business</p> <p>③ Jan. 2008 SBI Insurance commenced business</p> <p>④ Nov. 2008 SBI Liquidity Market started operations</p> <p>⑤ Mar. 2012 Sales of the former SBI VeriTrans</p> <p>⑥ May 2012 SBI FXTRADE started operations</p> <p>⑦ Sept. 2012 Consolidated SBI Japannext</p> <p>⑧ Mar. 2013 Consolidated current SBI Savings Bank</p> <p>⑨ Aug. 2014 Sales of SBI Mortgage</p> <p>⑩ Feb. 2015 Consolidated SBI Life Ins (former PCA Life Insurance)</p>

SBI Holdings' Stable Financial Base



Consolidated Financial Indicators of SBI Holdings (%)

Substantive figures after deducting the asset and liability accounts associated specifically with the securities company *1

	Mar. 31, 2014	Mar. 31, 2015
Interest-bearing Debt Ratio *2	135.2	97.7
Ratio of Equity Attributable to Owners of the Company *3	22.2	22.2

[Reference] Figures including the asset and liability accounts associated specifically with the securities company

Ratio of Equity Attributable to Owners of the Company	11.3	11.3
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*1 Assets related to securities business = cash segregated as deposits + margin transaction assets + other assets related to securities business
 Liabilities related to securities business = margin transaction liabilities + guarantee deposits received + deposits from customers + other liabilities related to securities business

*2 Interest-bearing Debt / Equity Attributable to Owners of the Company.
 Interest-bearing Debt does not include Margin Transaction Liabilities.

*3 Equity attributable to owners of the Company/Total Assets

FY2014 Cash Flow Summary

(Unit: JPY million)

	FY2013 (Apr. 2013 –Mar. 2014)	FY2014 (Apr. 2014 –Mar. 2015)	YoY change
Net cash generated from (used in) operating activities	29,401	-36,197	-65,598
Profit before income tax expense	38,899	63,067	+24,168
Increase/decrease in assets/liabilities related to securities business <i>(*Negative contribution primarily owing to the increase of margin trading of SBI SECURITIES)</i>	7,370	-46,629	-53,999
Others <i>(*Negative contribution primarily owing to the acquirement of loans of SBI Savings Bank)</i>	-16,868	-52,635	-35,767
Net cash generated from investing activities <i>(*Positive contribution primarily owing to sales of investment securities and shares of SBI Mortgage)</i>	16,811	52,305	+35,494
Net cash generated from (used in) financing activities <i>(*Negative contribution primarily owing to redemption of bonds and repayment of borrowings)</i>	92,538	-15,524	-108,062

- Operating cash flows turned negative, owing to the business expansion of SBI SECURITIES and SBI Savings Bank
- Through active "Selection and Concentration" initiatives, aggressively recovering capital to reduce interest bearing debt

FY2014 Operating Revenue by Segment (IFRS)

[Year-on-year]

(Unit: JPY million)

	FY2013 (Apr. 2013 –Mar. 2014)	FY2014 (Apr. 2014 –Mar. 2015)	YoY % change
Financial Services Business	147,835	162,645	+10.0
Asset Management Business	72,725	65,843	-9.5
Biotechnology-related Business	2,195	2,182	-0.6
Others (Primarily Housing and Real Estate Business)	11,626	15,710	+35.1

* Figures are before elimination of inter-segment transactions

FY2014 Profit before Income Tax Expense by Segment (IFRS)

[Year-on-year]

(Unit: JPY million)

	FY2013 (Apr. 2013 –Mar. 2014)	FY2014 (Apr. 2014 –Mar. 2015)	YoY % change
Financial Services Business	37,298	67,309	+80.5
Asset Management Business	8,990	8,132	-9.5
Biotechnology-related Business	-2,432	-7,310	—
Others (Primarily Housing and Real Estate Business)	2,438	2,779	+14.0

* Figures are before elimination of inter-segment transactions

[Key Points for Each Segment's FY2014 Results]

① Financial Services Business

- While many of the online securities companies experienced a profit decrease, SBI SECURITIES' FY2014 profit before income tax expense increased to a record high
- SBI Japannext, SBI Liquidity Market, SBI FXTRADE, SBI MONEY PLAZA, Morningstar Japan (cons.) and SBI Sumishin Net Bank (shares of results of associates using the equity method) achieved record highs in profit before income tax expense for FY2014, respectively
- Performance markedly improved at SBI Insurance, SBI Card and other loss making companies as well

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



[Profit before income tax expense]

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

	FY2013 (Apr. 2013 – Mar. 2014)	FY2014 (Apr. 2014 – Mar. 2015)	YoY change (YoY % change)
SBI SECURITIES	33,344	34,828 Record high	+1,484 (+4.5)
SBI Japannext	905	1,081 Record high	+176 (+19.4)
SBI Liquidity Market	1,899	3,046 Record high	+1,147 (+60.4)
SBI FXTRADE	1,261	1,695 Record high	+434 (+34.4)
SBI Insurance	-3,868	-618 Significant improvement	+3,250 (—)

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

[Profit before income tax expense]

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

	FY2013 (Apr. 2013 – Mar. 2014)	FY2014 (Apr. 2014 – Mar. 2015)	YoY change (YoY % change)
SBI MONEY PLAZA	1,062	1,496 Record high	+434 (+40.9)
Morningstar Japan (includes its subsidiary, i.e. SBI Asset Management)	980	1,147 Record high	+167 (+17.0)
SBI Card	-3,196	-1,212 Significant improvement	+1,984 (—)
SBI Sumishin Net Bank (Shares of results of associates using the equity method) *	2,062	5,196 Record high	+3,134 (+152.0)

* SBI Sumishin Net Bank recorded profit / loss on revaluation of securities based on IFRS, due to the change in the valuation of treasuries held. Therefore the amount are different from that based on J-GAAP.

In addition to the above, recognized a negative goodwill of JPY 2.0bn associated with the purchase of SBI Life Insurance (former PCA Life Insurance)

② Asset Management Business

- In addition to the write down of U.S. shale gas-related stocks due to the decline in crude oil prices, the stock prices of listed stocks declined, resulting in a recorded loss from a change in fair value of approx. JPY 4.3bn
- SBI Savings Bank of South Korea recorded profit before income tax expense of approx. JPY 16.7bn, leading the way in the Asset Management Business

Full-year Financial Results of the Asset Management Business (IFRS)



(JPY billion) Holdings

	FY2013	FY2014
Operating revenue	72.7	65.8
Profit before income tax expense	9.0	8.1
Profit/loss from the change in fair value and profit/loss on sales of investment securities	9.4	-4.3
SBI Savings Bank	4.0	16.7
Others (SG&A, profit/loss accounted for using equity method)	-4.4	-4.3

Details of profit/loss from the change in fair value and profit/loss on sales of investment securities FY2014

(JPY billion)

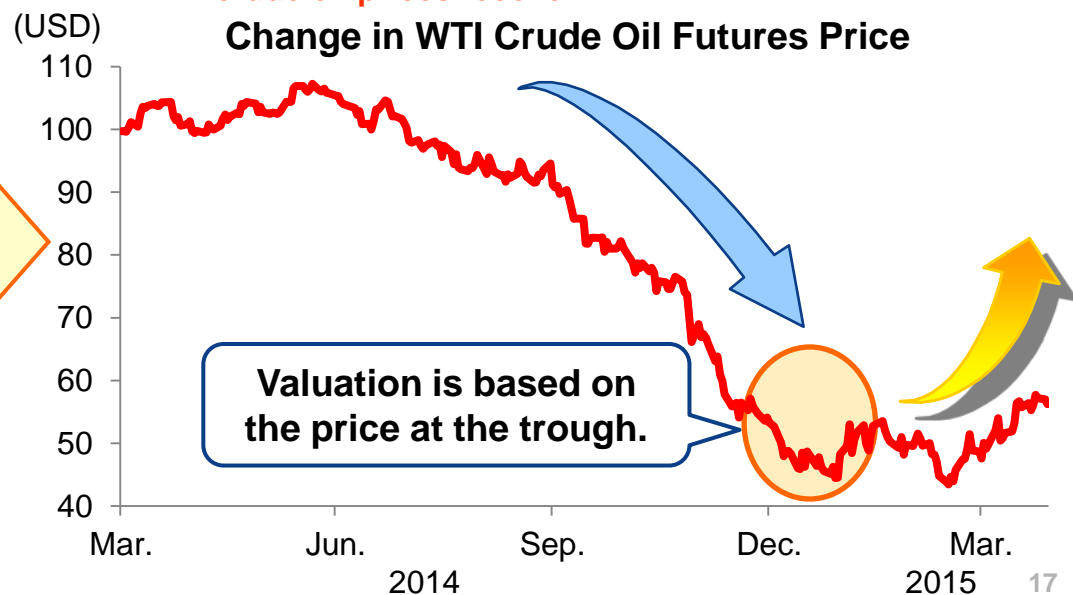
	FY2014
Unlisted Securities	0.7
Shale gas-related securities held by Jefferies SBI USA Fund	-3.4
Listed Securities	-5.0

<Reference>

Unrealized gains of JPY 2.9bn versus acquisition cost

The write down of U.S. shale gas-related stocks held by Jefferies SBI USA Fund due to the decline in crude oil prices, resulting in a recorded loss of JPY 3.4bn

Fair value valuation is expected to improve as crude oil prices recover.



SBI Savings Bank of South Korea Recorded Profit before Income Tax Expense of Approx. JPY 16.7bn, Contributing to the Asset Management Business' Results



FY2014 Results

(SBIH's consolidated accounts basis; IFRS)

(JPY million)

	FY2013	FY2014	YoY % change
Operating revenue	36,553	41,557	+13.7
Operating income	4,629	17,129	+270.0
Profit before income tax expense	4,011	16,672	+315.7

With the backdrop of a firm real estate market, profits were recorded through substantive collection efforts that resulted in loan collections exceeding book values

③ Biotechnology-related Business

- SBI Biotech subsidiary Quark experienced a setback with pipeline drug PF-655 (a therapeutic agent indicated for diabetic macular edema). Owing to an error in the trial population secured by the CRO (contract research organization), which was subsequently determined to be statistically insignificant, an asset revaluation was necessitated, resulting in a temporary loss of approx. JPY 3.79bn being recorded, which in turn resulted in an increase in loss before income tax expense on a year-on-year basis. However, Quark will continue its development of PF-655, and since PF-655 is a candidate to be developed as a therapeutic agent for glaucoma, Quark will also continue to proceed with the development for this indication
- Along with the airing of TV commercials and the increase in the number of pharmacies that handles its products, the product range offering was successfully expanded, resulting in a significant increase in the shipment volumes of health foods and cosmetics containing 5-ALA

Profit before Income Tax Expense of the Biotechnology-related Business for FY2014 (IFRS)

(JPY million)

		FY2013		FY2014
Total of the Biotechnology-related Business		-2,432		-7,310
	SBI Biotech	-611		-637
	Quark Pharmaceuticals	-721	① →	-1,436
	Partial write-down of Quark's pipeline		② →	-3,793
	SBI Pharmaceuticals	-1,083		-1,220
	SBI ALApromo	-176	③ →	-426

- ① The loss at Quark increased year-on-year as a result of special factors in FY2013 such as the transfer of seeds for future drug development activities to a Japanese company
- ② Owing to an error in the trial population secured by the CRO (contract research organization), which was subsequently determined to be statistically insignificant, an asset revaluation was necessitated, resulting in a temporary loss of approx. JPY 3.79bn being recorded, which in turn resulted in an increase in loss before income tax expense on a year-on-year basis. Quark has since filed a claim for damages against the CRO, and has collected on partial damages. However, Quark will continue its development of PF-655, and since PF-655 is a candidate to be developed as a therapeutic agent for glaucoma, Quark will also continue to proceed with the development for this indication
- ③ Owing to aggressive promotional activities, SBI ALApromo's SG&A expenses have increased



Current State of IPO Readiness of SBI Biotech ①

[Pipeline Drugs that is an IPO Requirement]

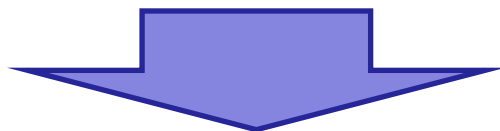
① Renewal of Novartis Pharmaceuticals' license option for QPI-1002 has been completed. **A Phase III trial in the U.S. will be initiated** by autumn at the latest, and the outlook is for **receipt of an upfront fee of USD 20m in early August**.

Submission of minutes of a meeting with the European Medicines Agency (EMA) to be held in July is required as the final condition for renewal of the abovementioned license option. A similar meeting, a Type-C meeting with the US Food and Drug Administration (FDA), whose criteria are considered more rigorous than the EMA's approval conditions, has already been completed.

	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 in early August from a renewal of license option		Planning to start at the latest by the autumn of 2015
		Acute kidney injury (AKI)			Planning to start Phase II in this year	
② PF-655	Pfizer Inc.	Diabetic macular edema (DME)	Compensation for damages sought from the CRO, and partial damages already collected. R&D to continue.		Completed Phase II a	
		Glaucoma			Start of Phase II a protocol finalization	
③ Anti-ILT7 antibody	MedImmune, Inc. (Subsidiary of AstraZeneca)	Autoimmune diseases	Pre-clinical			

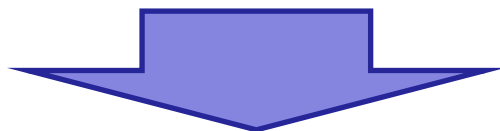
Current State of IPO Readiness of SBI Biotech ② [Management Structure]

The previous Representative Director of SBI Biotech resigned because of poor health, and a change of Representative Directors occurred on Sept. 30, 2014



Following the General Meeting of Shareholders in late Mar. 2015;

- Takeshi Irie, former Managing Director, assumed office as Representative Director and President
- Tohru Mizushima Ph.D. (Professor and Chairman of Department of Drug Discovery and Development of Faculty of Pharmacy at Keio University and CTO of LTT Bio-Pharma), who is specialized in drug discovery and has venture firm management experience, was appointed as an Outside Director



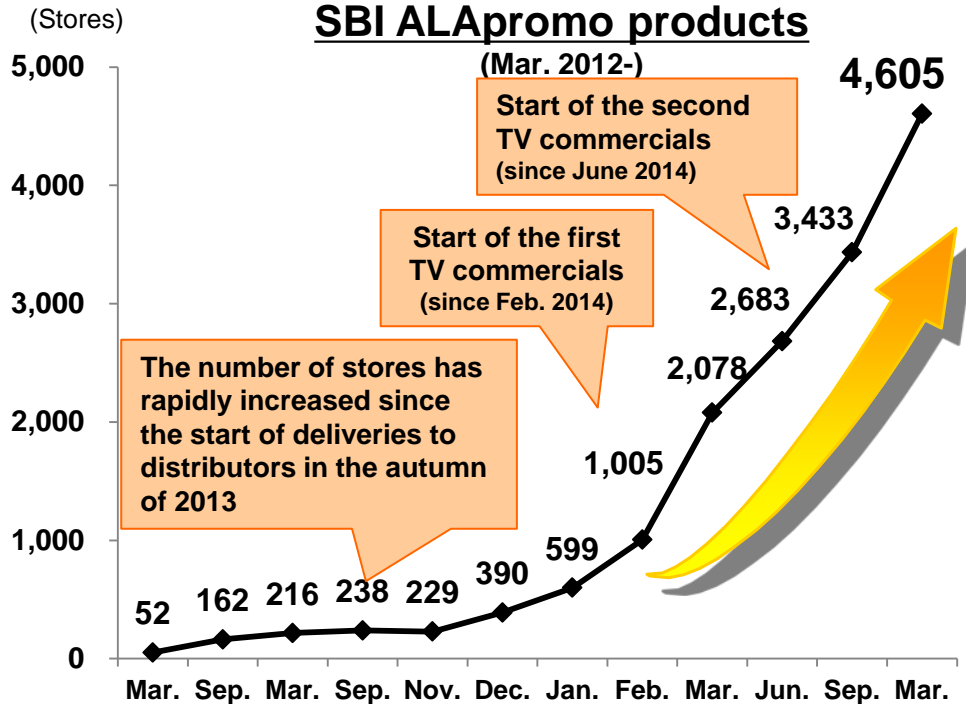
Resume IPO preparation

③ Biotechnology-related Business:

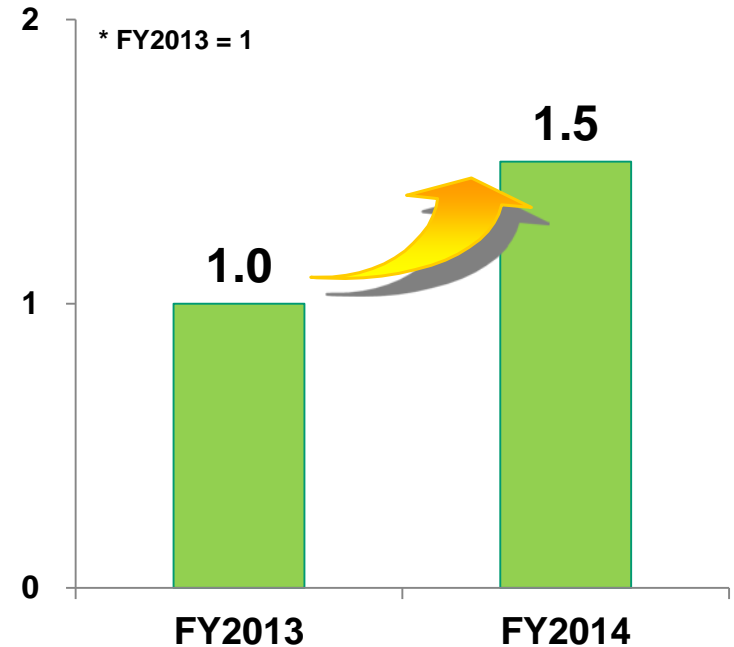
Significant Increase in Shipment Volumes of Health Foods and Cosmetics Containing 5-ALA as well as Consulting Pharmacies and Drugstores Offering SBI ALApromo Products

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



Comparison of shipment volumes (SBI ALApromo)



- Product line expanded with the launch of ALAPi a full-body moisturizing cream in Mar.
- Preparations underway for an Aug. launch of a new “food with function claims” product (targeting people with high blood sugar)

**(2) Based on the strong finance results,
further enhances shareholder returns**

- **FY2014 full-year dividend is JPY 35 per share,
an increase of JPY 15 year-on-year**
- **Additionally, determined the share repurchase
to a maximum of JPY 10.0bn**

Along with Strong Financial Results, Further Enhancing Shareholder Returns ① [Dividends]

[Basic dividend policy]

The Company will pay a minimum annual dividend of JPY 10 per share, and endeavor to increase the dividend when it has determined that a further return of profits is possible, after a comprehensive consideration of the appropriate level of internal reserves required for sustained growth, along with a consideration of the ongoing business performance.

- ✓ **Regardless of the business performance, promises stable dividend of JPY 10 per share annually**
- ✓ **On that basis, considers further profit allocation depending on the business performance**



◆ FY2014 full-year dividend per share

JPY 35 per share, an increase of JPY 15 year-on-year

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

(Reference) FY2013 full-year dividend result: JPY 20 per share (ordinary dividend)

Along with Strong Financial Results, Further Enhancing Shareholder Returns ② [Repurchase of SBIH's Own Shares] (Announced on May 12, 2015)

[Details of SBIH share repurchase]

➤ Number of shares to be repurchased

Up to **7,000,000 shares**

*3.23% of total issued shares outstanding, excluding treasury stock

➤ Total cost of shares to be repurchased

Up to **JPY 10.0bn**

➤ Period for share repurchase

From May 13, 2015 to June 23, 2015



**Total amount of shareholder returns is approx. JPY 17.6bn,
with shareholder return ratio of 38.5%, calculated by the
sum of dividend payouts and share repurchase costs**

[State of the Major Financial Services Business Companies]

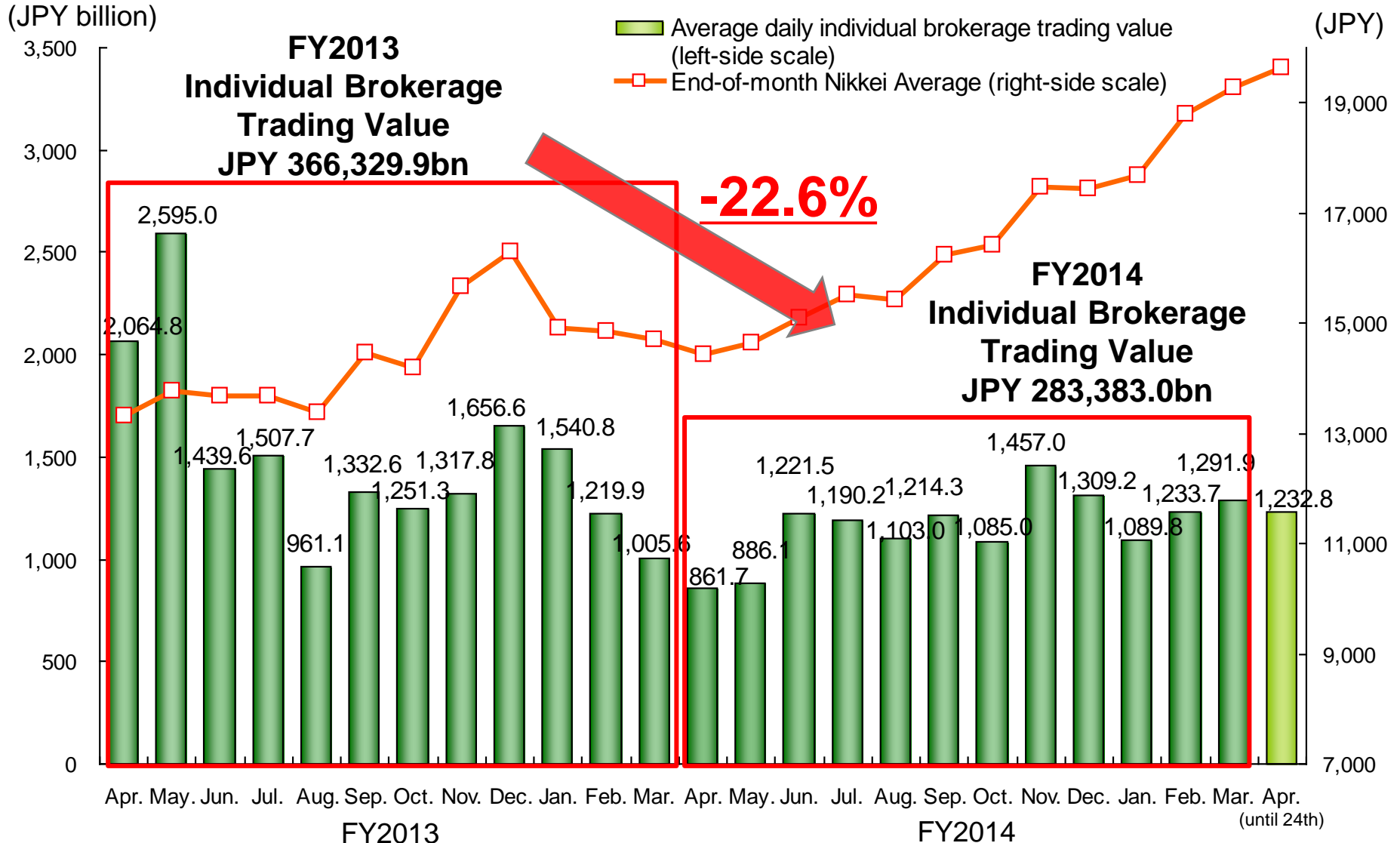
- (i) SBI SECURITIES**
- (ii) SBI Japannext (PTS)**
- (iii) SBI Liquidity Market, SBI FXTRADE**
- (iv) SBI Sumishin Net Bank**
- (v) Insurance Business**
- (vi) SBI MONEY PLAZA**

(i) SBI SECURITIES

- **While most of its industry peers experienced profit decreases amid a 23% year-on-year decline in average daily individual stock brokerage trading value, SBI SECURITIES achieved increases in both operating income and profits, with all categories recording an historical high**
- **Share of individual stock trading value continued to increase by 2.8 percentage points year-on-year**
- **Improved earnings capacity through further diversification of earning sources, and expansion of sales of stable revenue generating products**
Financial revenue rose 17.8% year-on-year, due to a favorable increase in open interest credit balance. Also, the investment trust balance continued at record levels

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)

SBI SECURITIES FY2014 Consolidated Results (J-GAAP)

All categories recorded an historical high

[Year-on-year]

(Unit: JPY million)

	FY2013 (Apr. 2013 –Mar. 2014)	FY2014 (Apr. 2014 –Mar. 2015)	YoY % change
Operating Revenue	74,177	77,577	+4.6
Net Operating Revenue	69,878	72,188	+3.3
Operating Income	32,759	34,680	+5.9
Ordinary Income	32,731	34,736	+6.1
Net Income	17,864	20,127	+12.7

* Since SBI SECURITIES has sell off its sole consolidated company, SBI Benefit Systems, in FY2013, it disclosed its financial results on a non-consolidated basis from FY2014. Also the results for FY2013 presented above are non-consolidated figures.

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

(Unit: JPY million)

	Operating Revenue	YoY % Change	Operating Income	YoY % Change
SBI	77,577	+4.6	34,680	+5.9
Monex * (cons.)	50,975	-6.8	8,066	-46.5
Rakuten	45,705	+2.6	20,417	-9.7
Matsui	34,306	-14.0	22,087	-18.5
kabu.com	23,374	+0.1	10,120	-12.6

* 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



SBI SECURITIES Attains an Overwhelming Customer Base

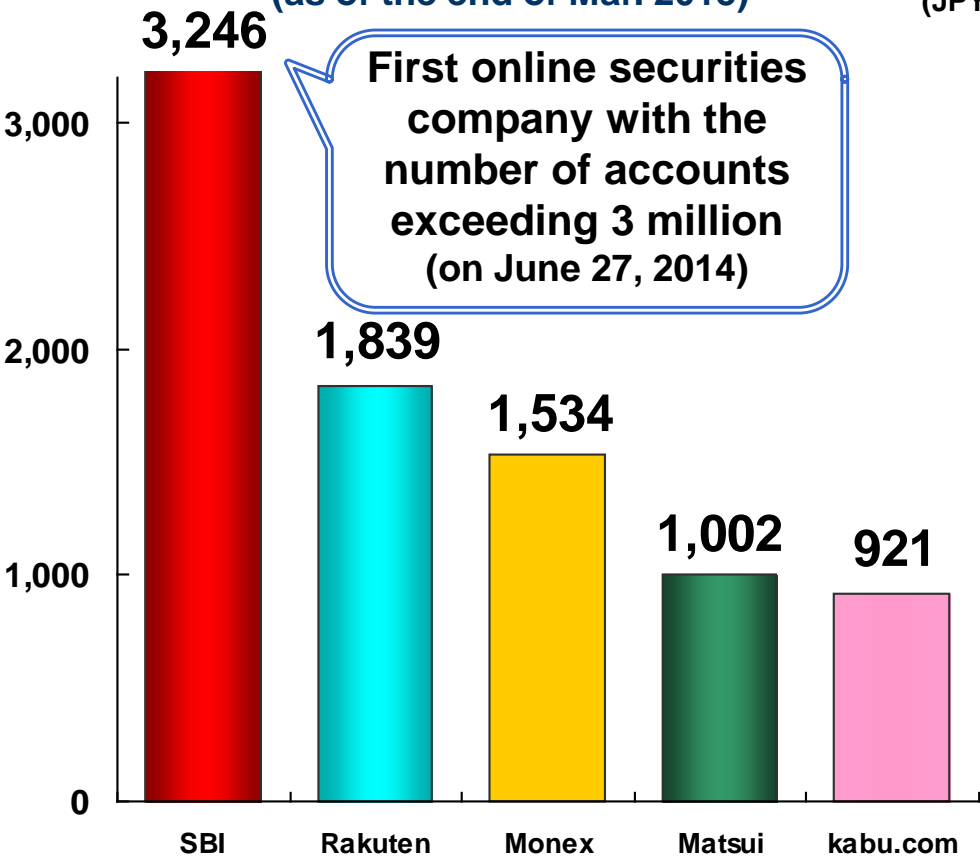
[Number of Accounts and Amount of Customer Asset]

Customer Accounts of 5 Major Online Securities Companies

(Thousand accounts)

(as of the end of Mar. 2015)

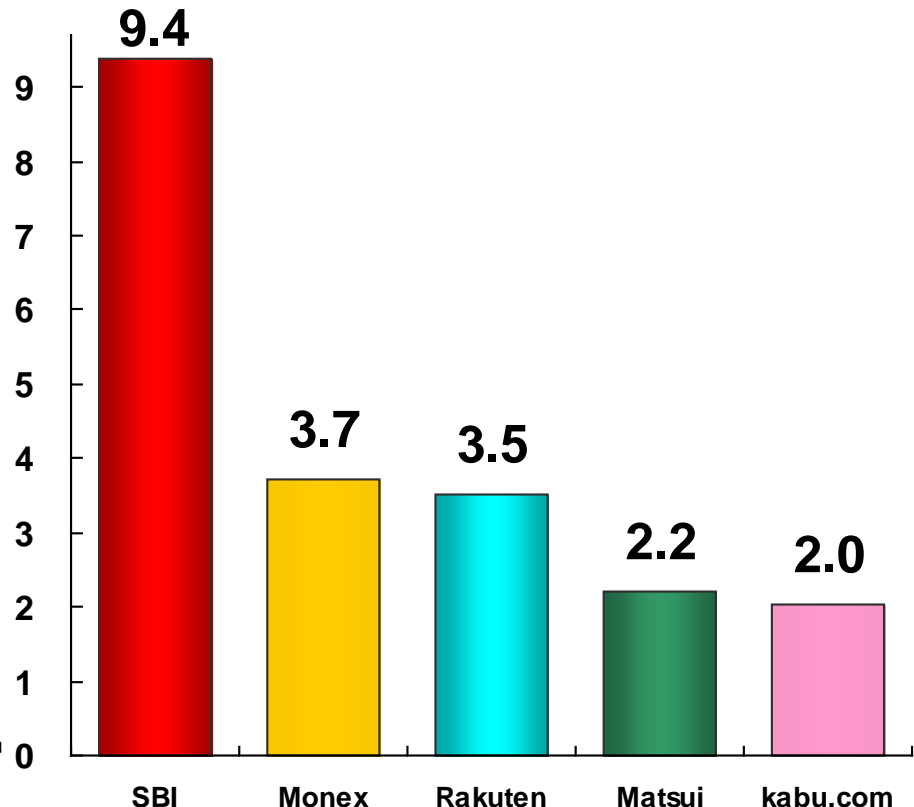
First online securities company with the number of accounts exceeding 3 million (on June 27, 2014)



Customers' Deposit Assets of 5 Major Online Securities Companies

(JPY trillion)

(as of the end of Mar. 2015)



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

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

(Unit: JPY million)

	Operating Revenue	YoY % change	Income before Income Taxes	YoY % change	ROE (%)
SBI	77,577	+4.6	32,656	+7.3	12.9
Nomura (*) (cons.)	1,930,588	+5.4	346,759	-4.1	8.6
Daiwa (cons.)	659,396	+2.6	181,916	-7.0	12.8
SMBC Nikko (cons.)	352,607	+0.2	95,675	-5.9	9.7

* Figures for Nomura are based on US-GAAP.

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

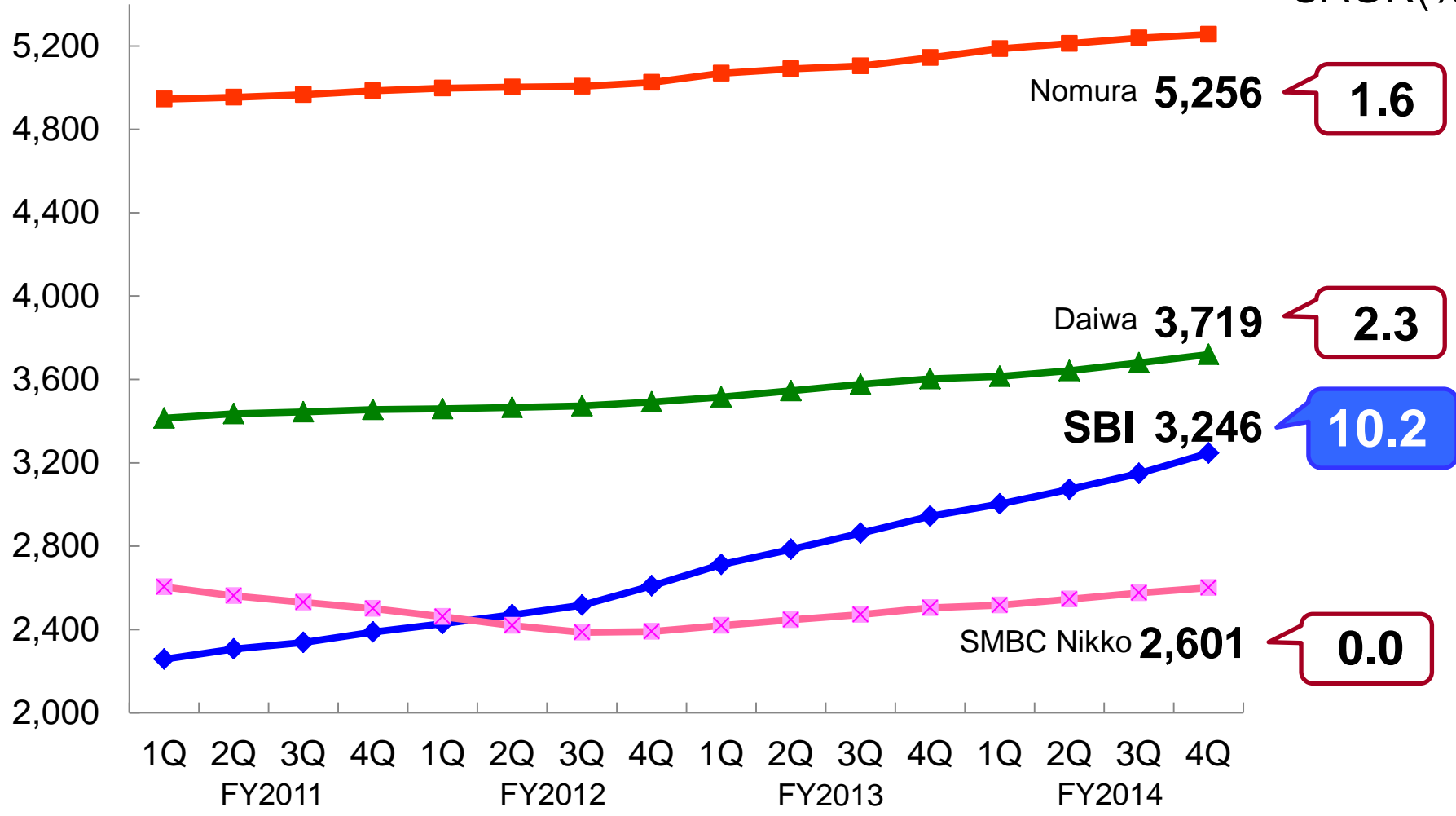
(i) SBI SECURITIES:



Number of Accounts of SBI SECURITIES and 3 Major Face-to-face Securities Companies

(Thousand accounts)

CAGR(%)

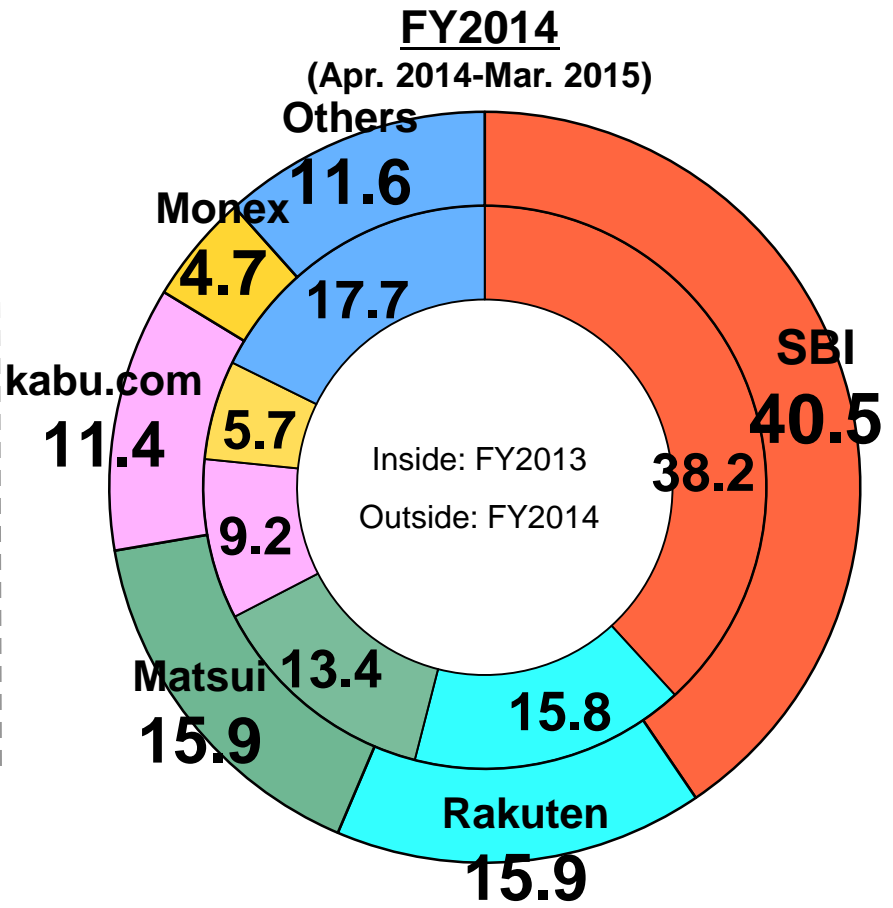
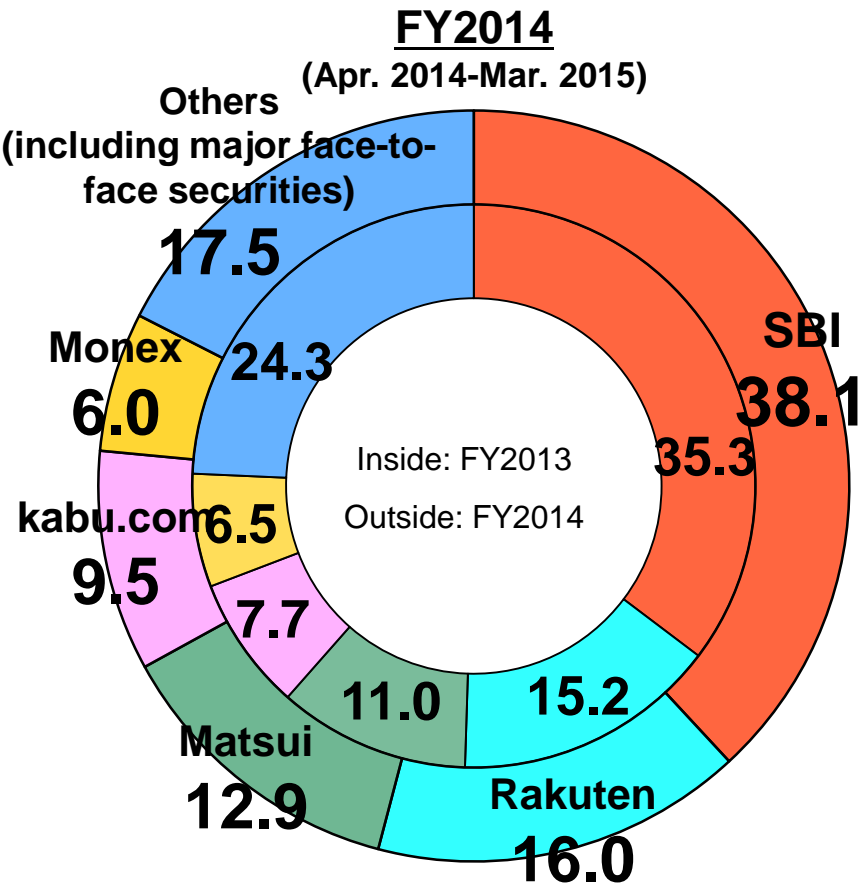


SBI SECURITIES is ranked No. 3 in customer base, following Nomura and Daiwa

SBI SECURITIES' Share of Individual Stock Trading is Continuously Expanding

Share of Individual Stock Trading Value (%)

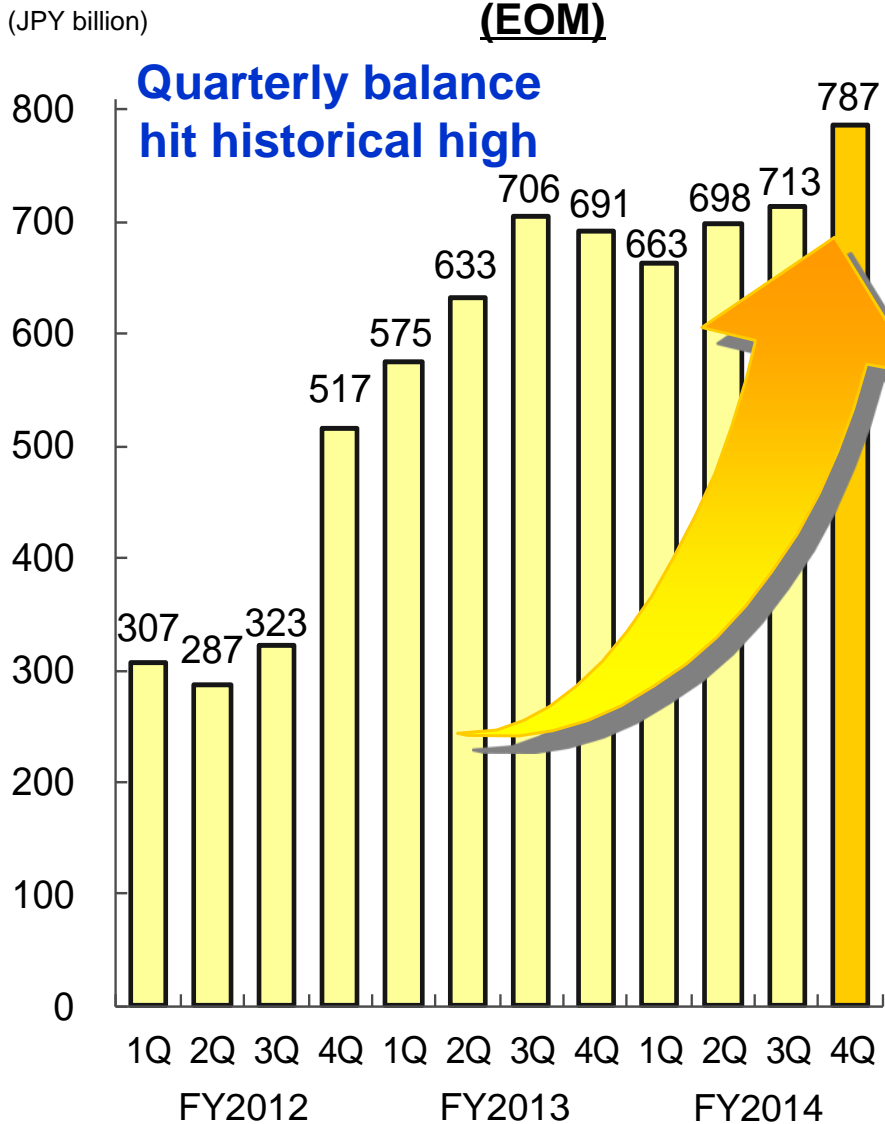
(of which) Share of Individual Margin Trading Value (%)



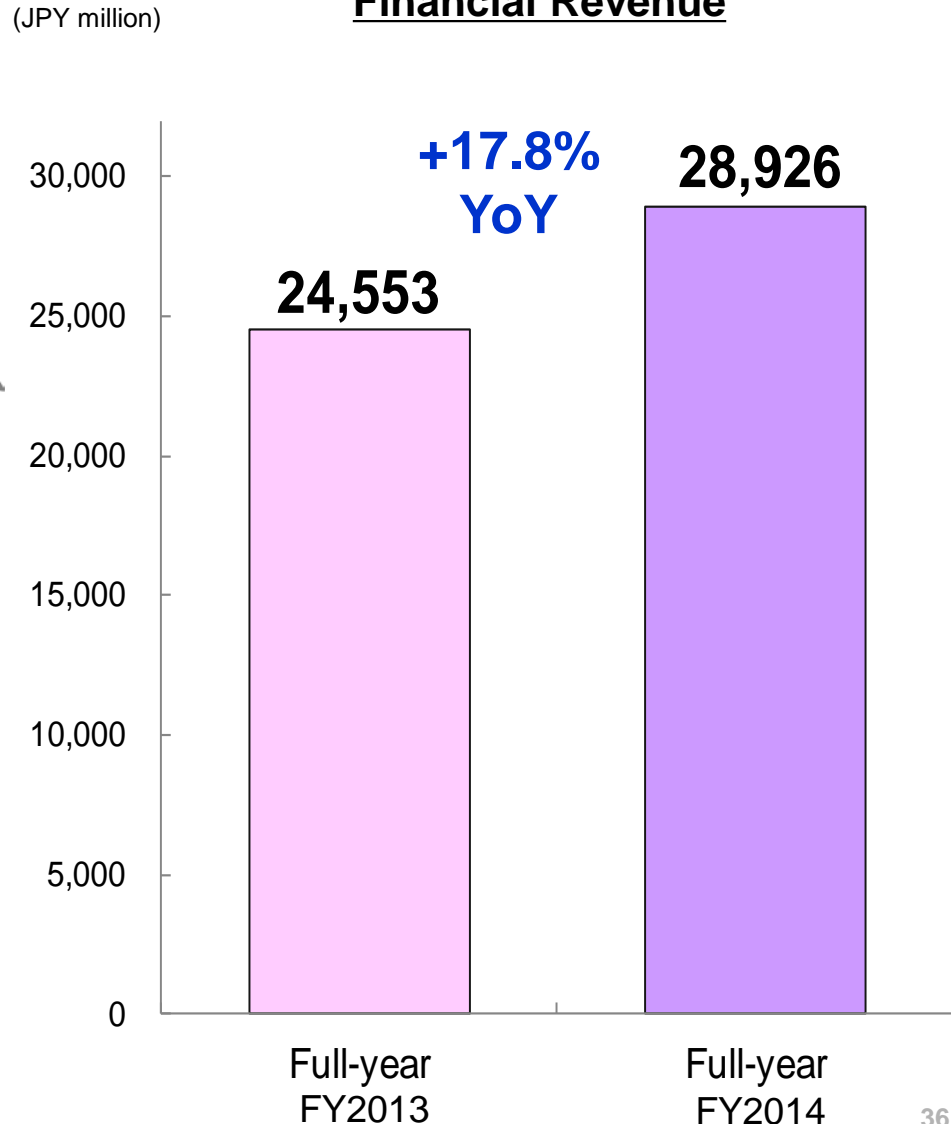
Source: Compiled by SBI SECURITIES based on Tokyo Stock Exchange and JASDAQ materials and websites of each company.
 * The whole individual stock trading value and individual margin trading value are the sum of 1st and 2nd section of the Tokyo and Nagoya Stock Exchange, respectively.

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

Open Interest Credit Balance

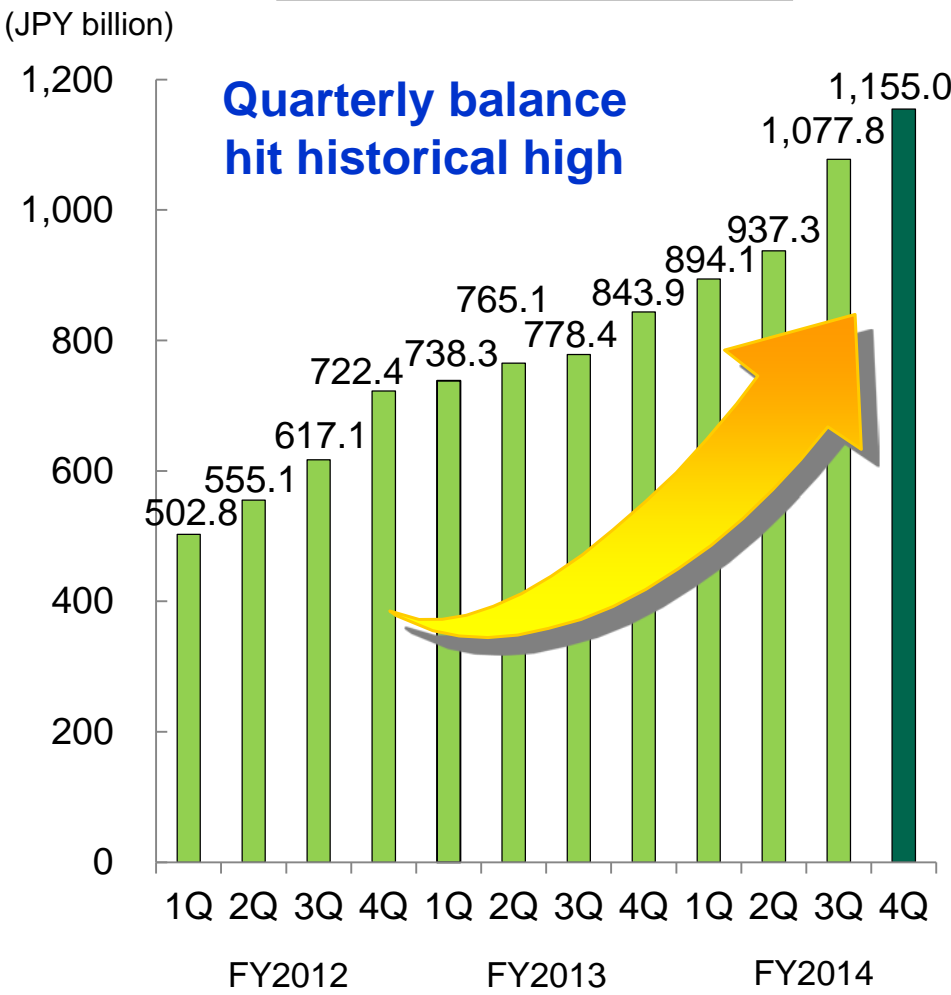


Financial Revenue

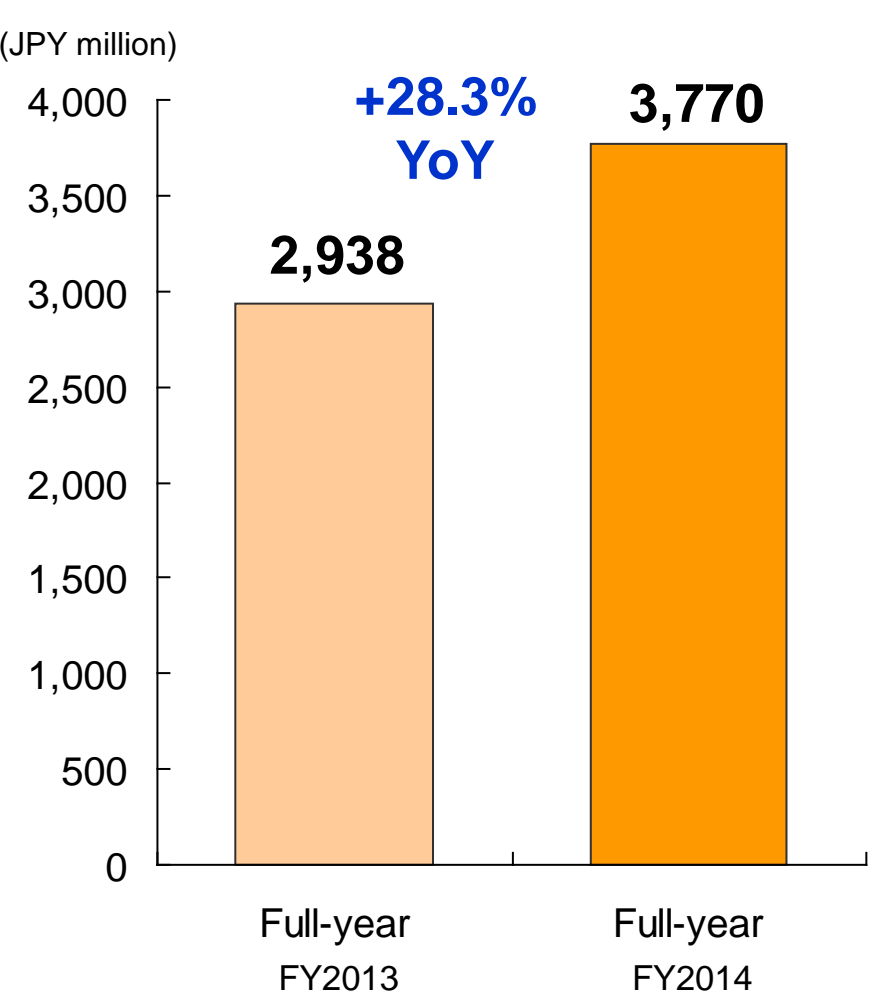


SBI SECURITIES' Investment Trust Balance and Investment Trust Fees Both Hit a Record

Investment Trust Balance



Investment Trust Fees



* 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.

(i) SBI SECURITIES:



Succeeded at Attaining New Customers through NISA

Despite initiating the customer acquisition process at the same time, the gap with online peers is conspicuous

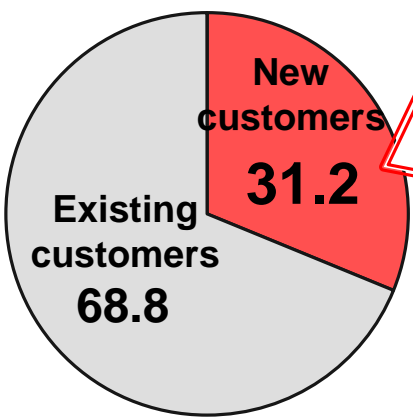
(Mar. 2015)	SBI	Matsui	kabu.com	Nomura	Daiwa
No. of NISA accounts	<u>ca. 640,000</u>	ca. 90,000	ca. 100,000	ca. 1,510,000	ca. 700,000

* The number of accounts are as of the end of Mar. 2015, compiled by SBIH from the information on websites of each company.

As of Apr. 30, 2015, SBI SECURITIES has approx. 660,000 accounts, and deposits of JPY 285.2bn

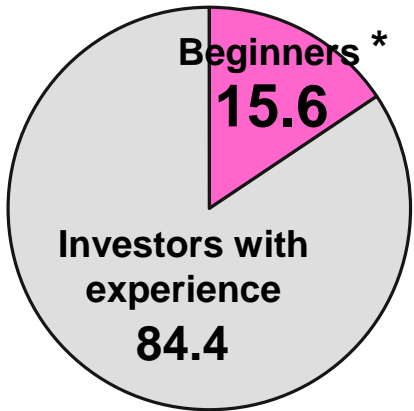
Comparison of Customer Attributes (as of the end of Dec. 2014)

SBI SECURITIES (%)



Number of new customers opening NISA accounts account for over 30%, and within that 66.9% are beginner investors

Entire Securities Industry (%)



* "Beginners" represent investors who opened their accounts after Apr. 2013; equivalent to SBI SECURITIES' "New customers".

Source: JSDA

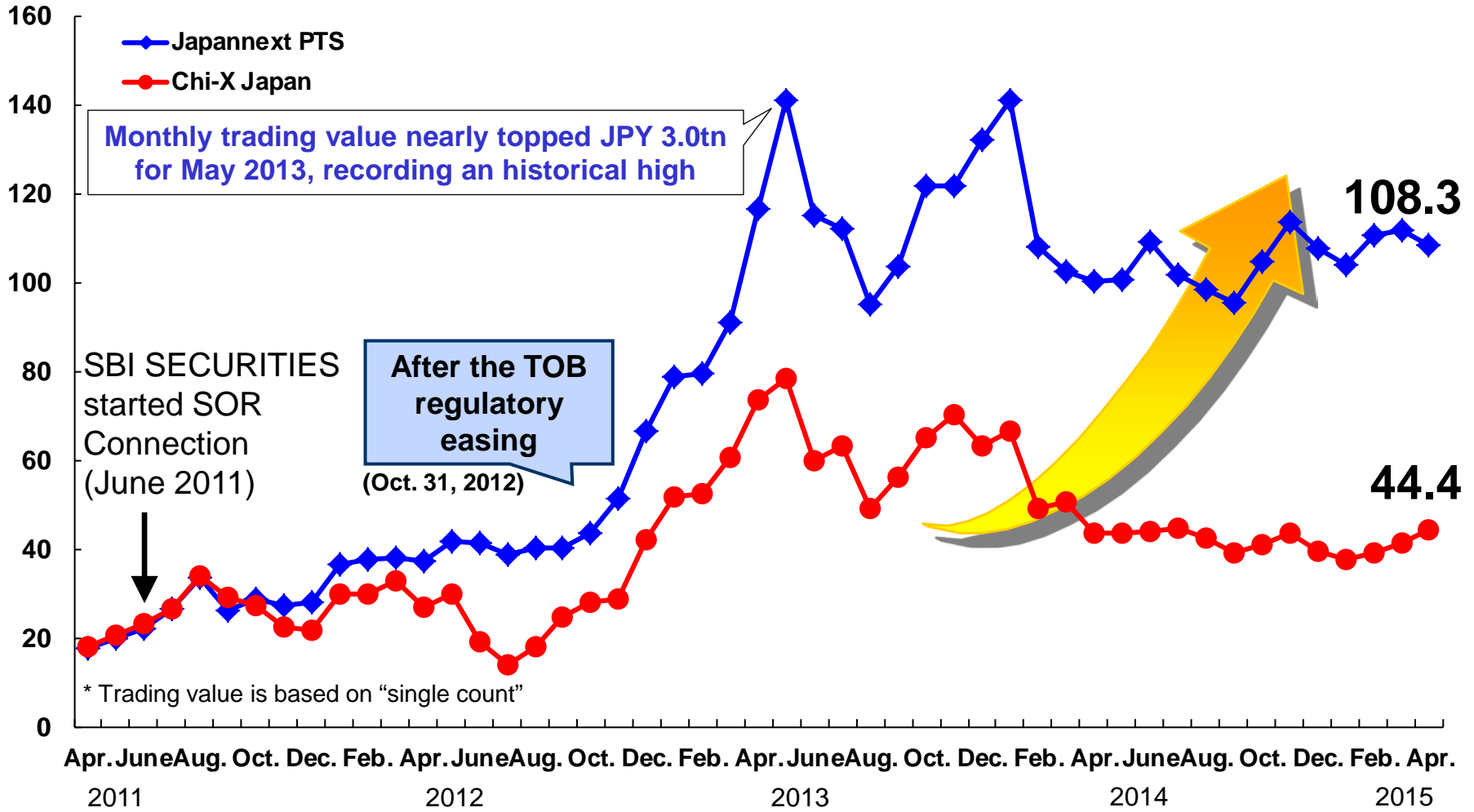
- Persons age 20 to 49 make up 59.6% of customers opening NISA accounts (Regarding the entire securities industry, persons age over 60 make up 58.3%)
- Active account ratio of 57.9% (Among the entire securities industry, the ratio is 45.4%)

(ii) SBI Japannext (PTS)

- **Despite the weakness in the stock market, Japannext PTS's stock trading value increased steadily, and the increase in FY2014 operating income was 24.4% year-on-year**

Average Daily Trading Value at Japannext PTS Surged

(JPY billion)



TOB (take-over-bid) regulation

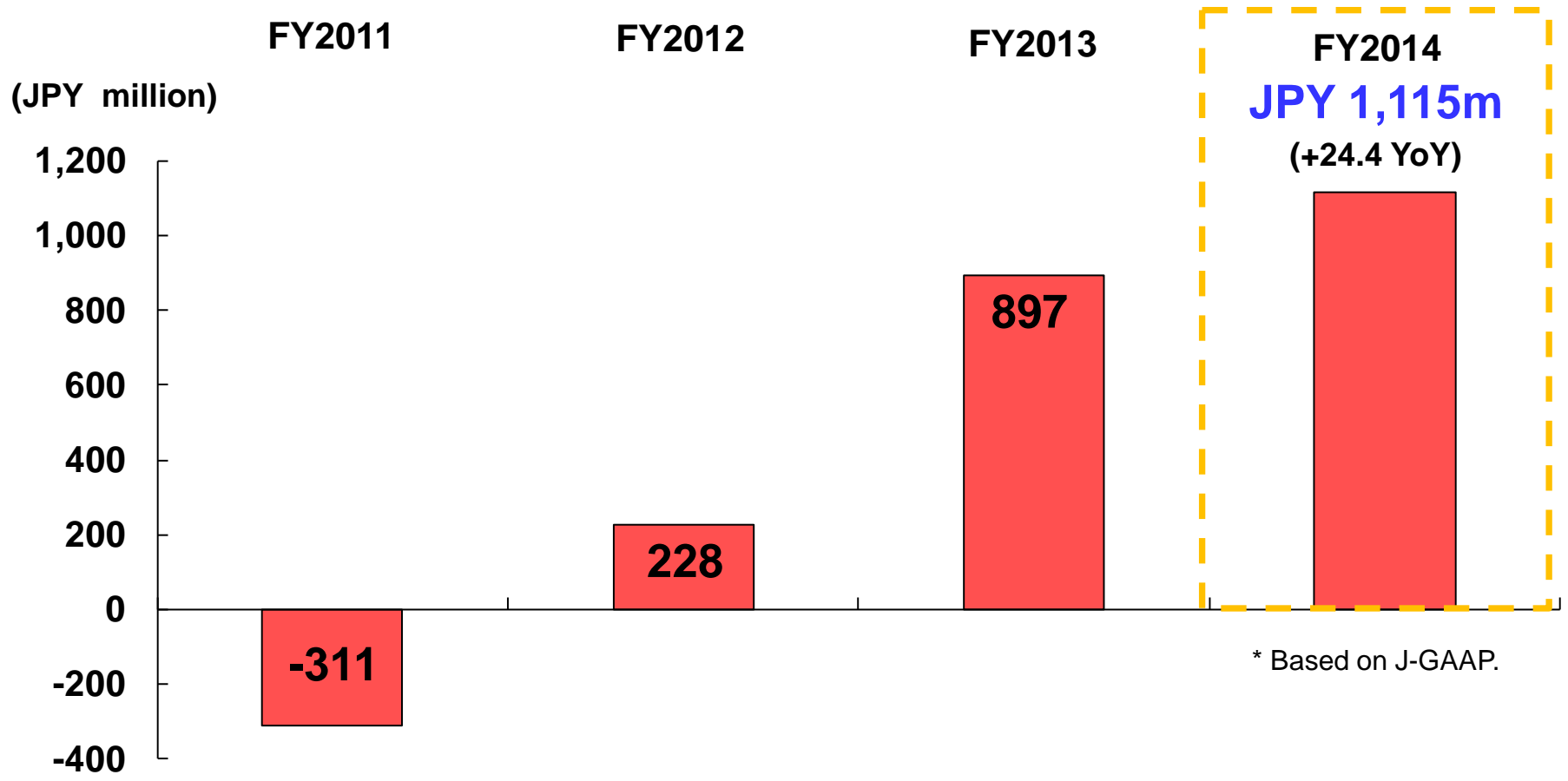
The regulation obliges investors who acquire more than 5% of a company through off-exchange transactions, or for investors who already own more than 5% that decide to increase their holdings, to conduct a takeover bid. This had hindered large institutional investors from utilizing the PTS.

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



Change in SBI Japannext's Operating Income/Loss

(Consolidated in Sept. 2012)



* Based on J-GAAP.

(iii) SBI Liquidity Market, SBI FXTRADE

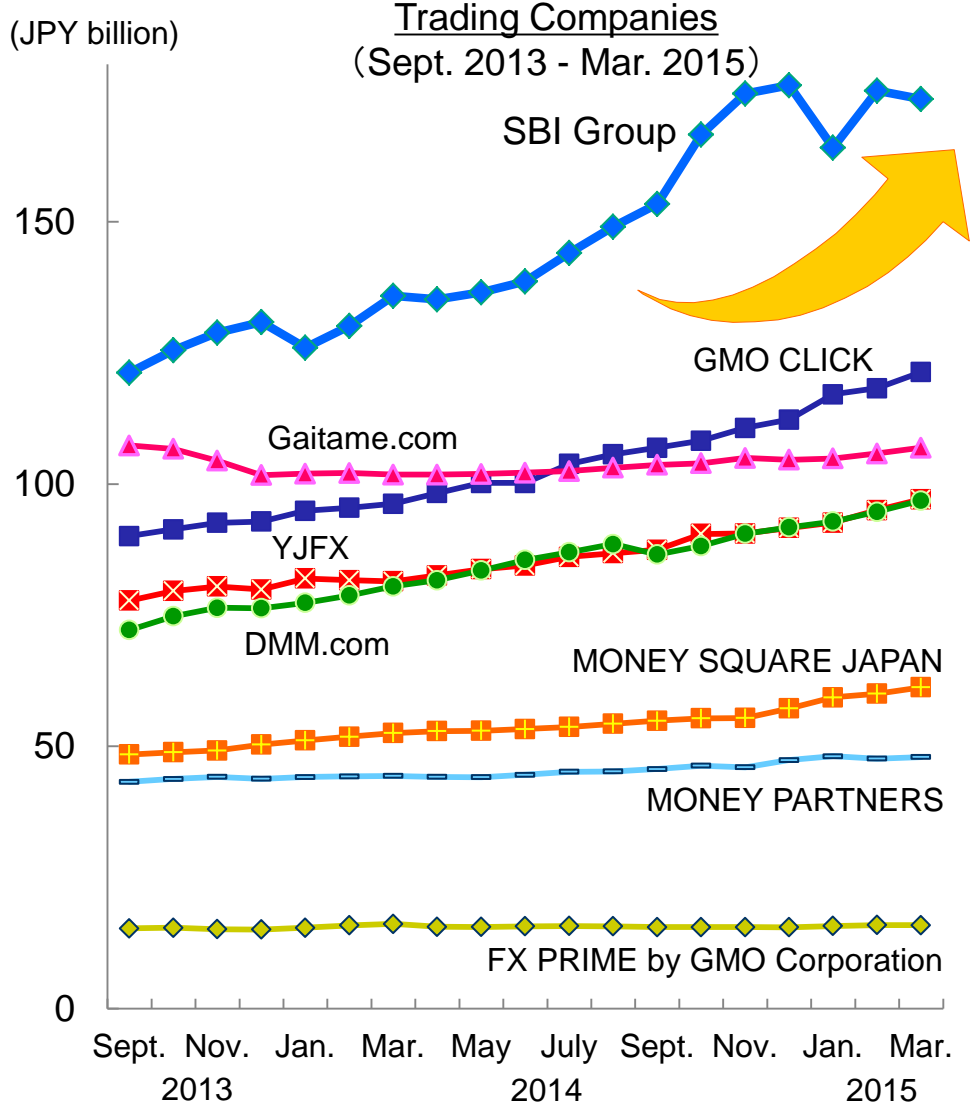
- **Group's total FX trading accounts and deposit assets have overwhelmingly surpassed that of its competitors**
- **SBI Liquidity Market's operating income before allocation for FY2014 was approx. JPY 11.1bn, up 30.1% year-on-year, which recorded a record high**
- **SBI FXTRADE continuously increased its customer base and customer deposit assets, and its operating income rose 1.3 times year-on-year**

(iii) SBI Liquidity Market, SBI FXTRADE:

The SBI Group's (SBI SECURITIES, SBI FXTRADE and SBI Sumishin Net Bank) Total Number of Accounts and Customer Deposit Assets have Overwhelmingly Surpassed That of Its Competitors in the OTC FX Industry

Number of FX Trading Accounts (as of the end of Mar. 2015) Changes in Deposit Assets among 8 major FX Trading Companies (JPY billion) (Sept. 2013 - Mar. 2015)

No.	Company name	Number of accounts
1	SBI Group	611,568
2	DMM.com	442,801
3	GMO CLICK	394,072
4	Gaitame.com	390,356
5	YJFX	263,650
6	MONEY PARTNERS	256,494
7	Traders Securities	245,619
8	Hirose FX	181,332
9	FX PRIME by GMO Corporation	158,266
10	Central Tanshi FX	153,582
11	MONEY SQUARE JAPAN	83,351
12	Ueda Harlow	52,990
	Other (1 company)	57,905
	Total	3,291,986



Source: Yano Research "Monthly Research on 16 Major FX Trading Companies."

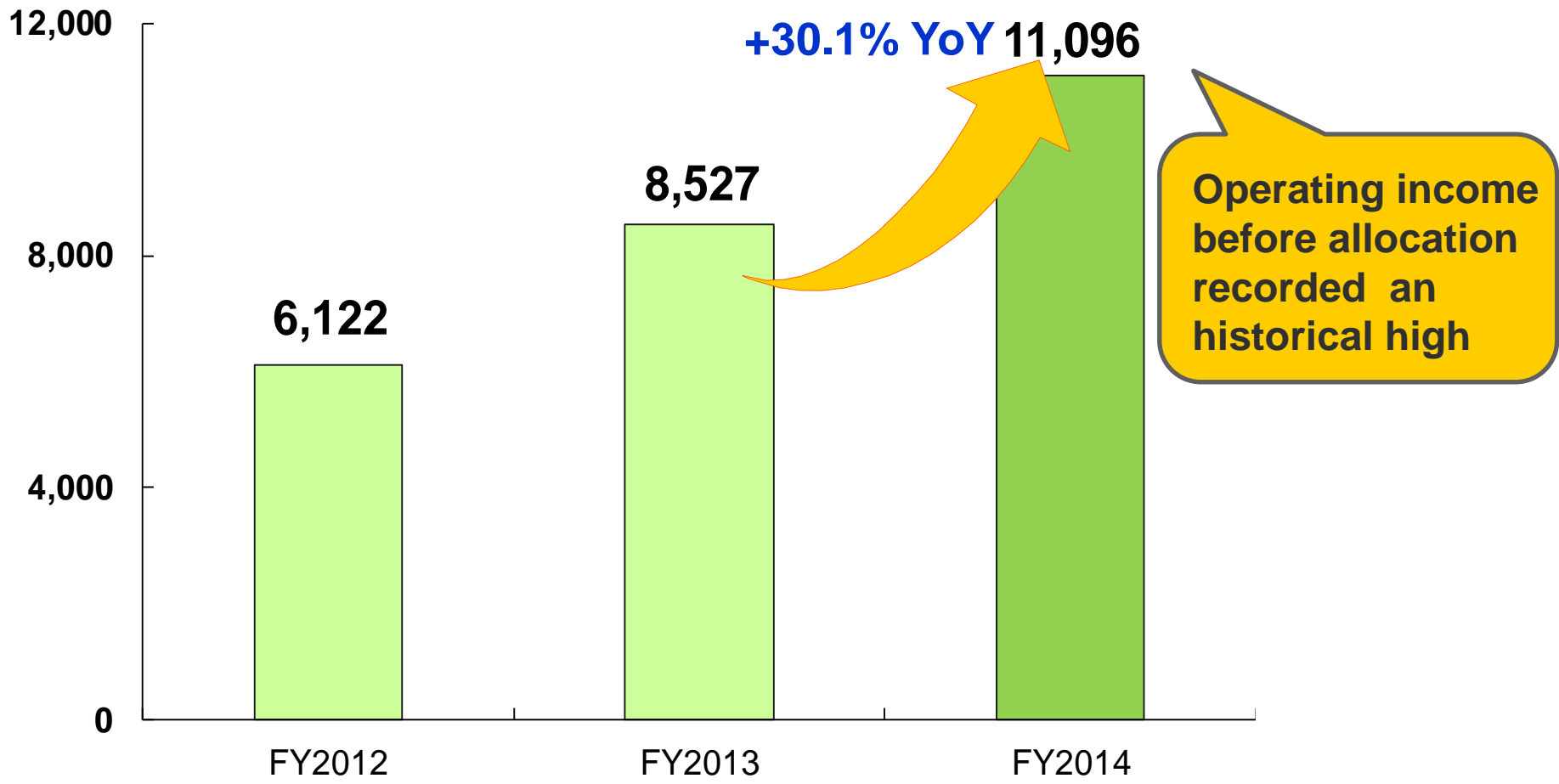


Financial Results of SBI Liquidity Market

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

Operating Income Before Allocation

(JPY million)



* Based on J-GAAP

Comparison with Listed Pure-play FX Trading Services Providers

(Unit: JPY million)

	Establishment	Number of accounts	Deposits (JPY billion)	Operating income (J-GAAP)		YoY % change
				FY2013	FY2014	
SBI Group *1	July 2008 [of SBI LM]	611,568 (Mar. 2015)	173.4 (Mar. 2015)	8,527	11,096	+30.1
of which, SBI FXT	May 2012 [Service launch]	84,057 (Mar. 2015)	25.6 (Mar. 2015)	1,263	1,689	+33.7
MONEY SQUARE *2	Oct. 2002	83,351 (Mar. 2015)	61.2 (Mar. 2015)	2,407	2,517	+4.6
Money Partners	June 2005	256,494 (Mar. 2015)	48.0 (Mar. 2015)	1,098	1,192	+8.5

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

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

(iv) SBI Sumishin Net Bank

- **As of the end of Apr. 2015, there were approx. 2.34 million accounts, with deposits approaching to JPY 3.7tn, 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 card loans in July 2014 contributing to the balance, the diversification of investment sources continues**
- **FY2014 financial results announcement is scheduled for May 13, 2015**



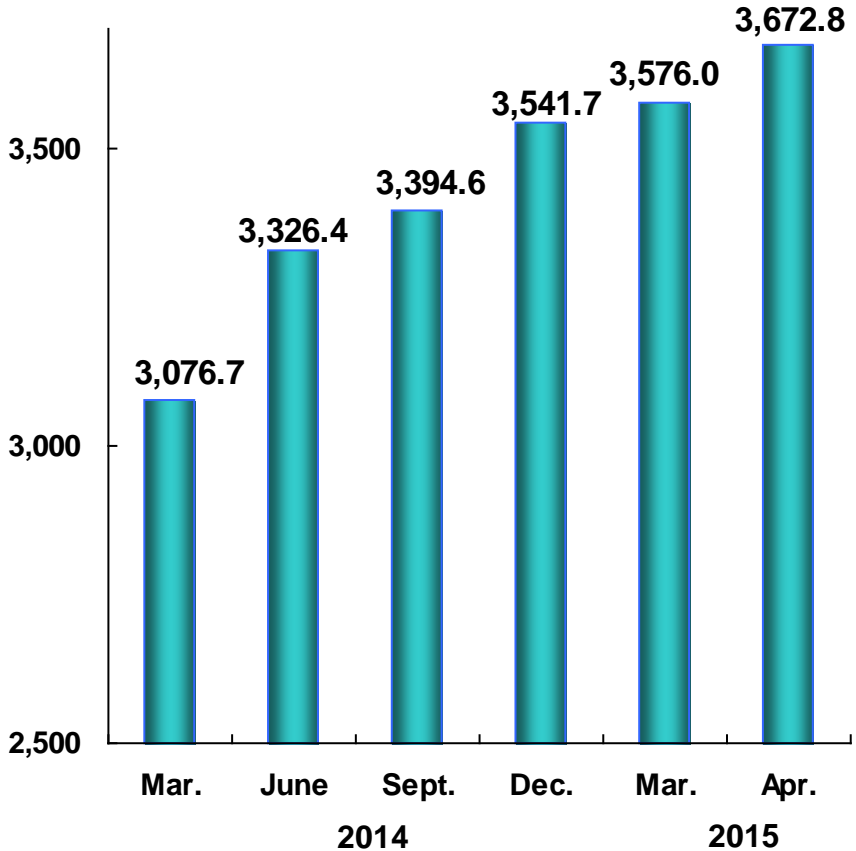
Deposit Balance Steadily Increasing

~ Deposits as of the end of Apr. 2015 approaching to JPY 3.7tn ~

Number of accounts: 2,338,907 / Deposits: JPY 3,672.8bn
(as of the end of Apr. 2015)

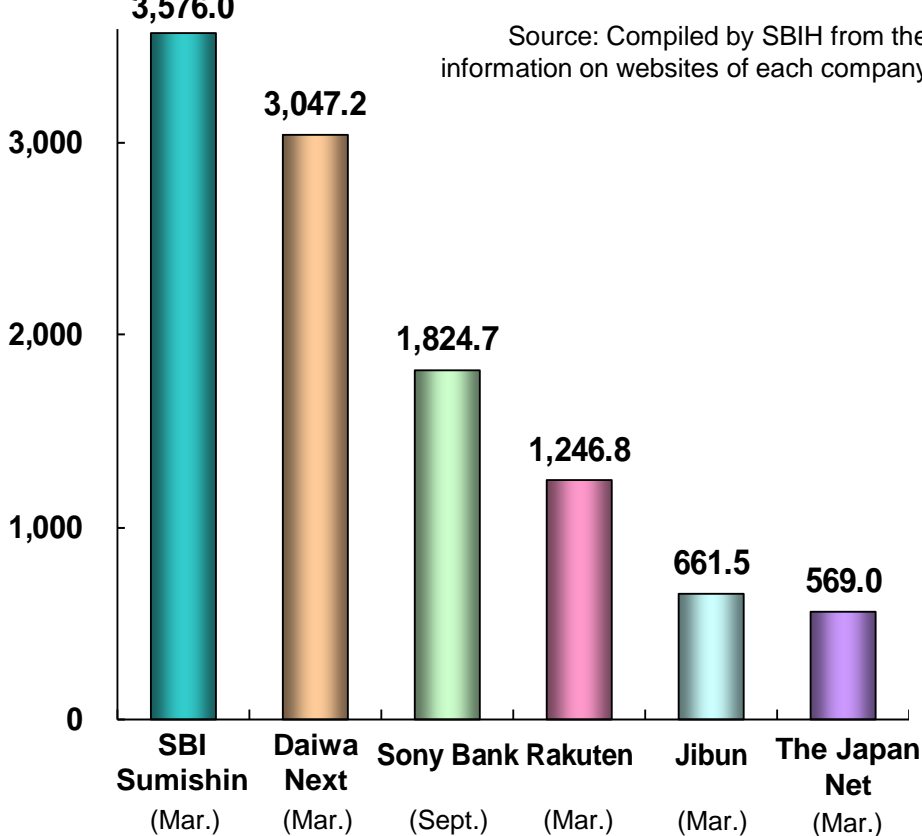
Change in SBI Sumishin Net Bank's Deposits

(JPY billion)



Deposits of 6 Internet Banks

(JPY billion) (Based on the latest data disclosure by each company)



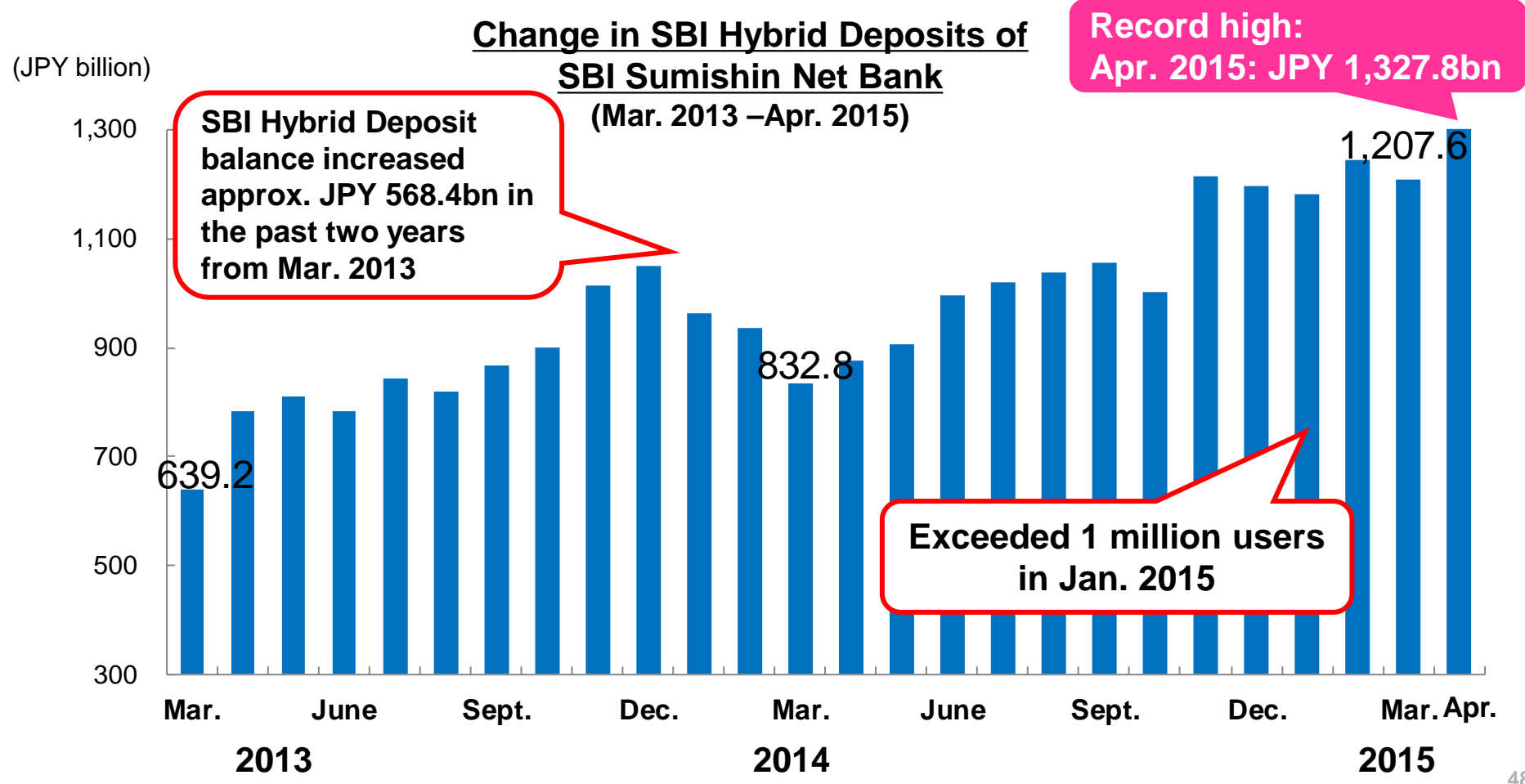
Source: Compiled by SBIH from the information on websites of each company

* Amounts are rounded to the nearest JPY 100 million.



Synergy between SBI SECURITIES and SBI Sumishin Net Bank has become a Differentiation Factor (SBI Hybrid Deposit)

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

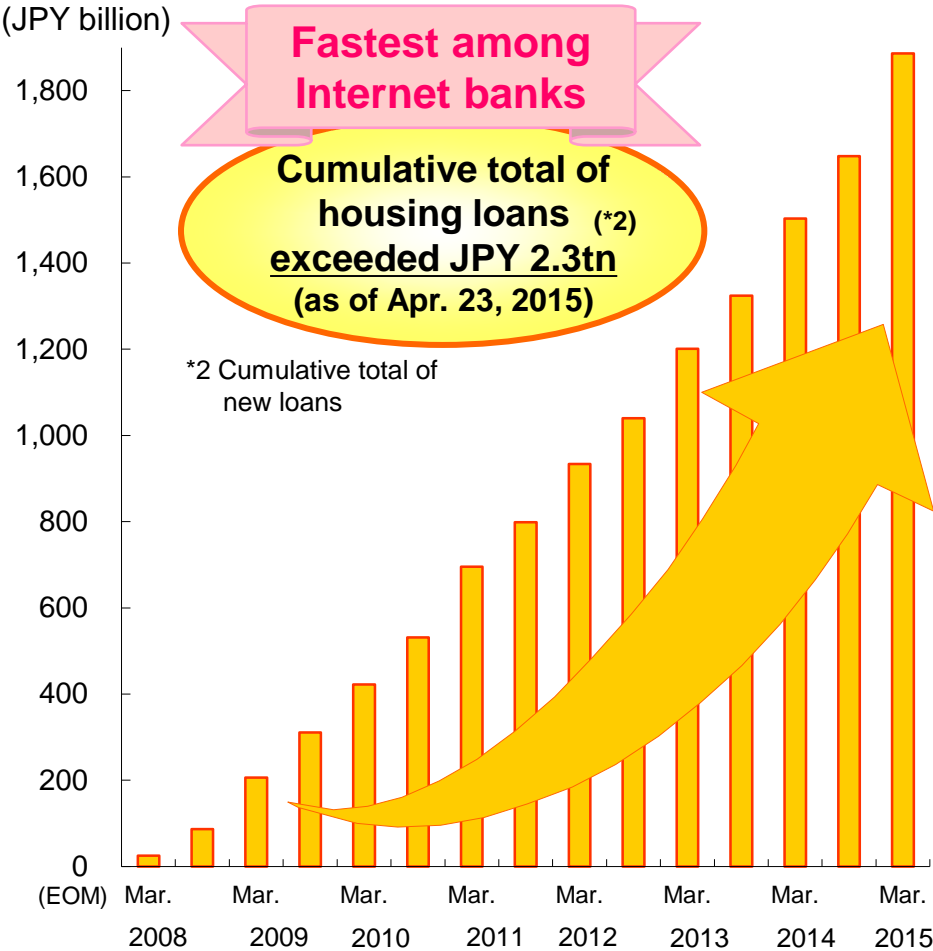


Diversification of Loans with Deposits Accumulating

Change in Balance of Housing Loans *1 (Mar. 2008 – Mar. 2015)

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

JPY 1,886.2bn (as of the end of Mar. 2015)



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 FY2014 increased 75.7% YoY



SBI Suminshin Net Bank's Loan Offerings, Such as Card Loans and Specific Loans Steadily Expanding

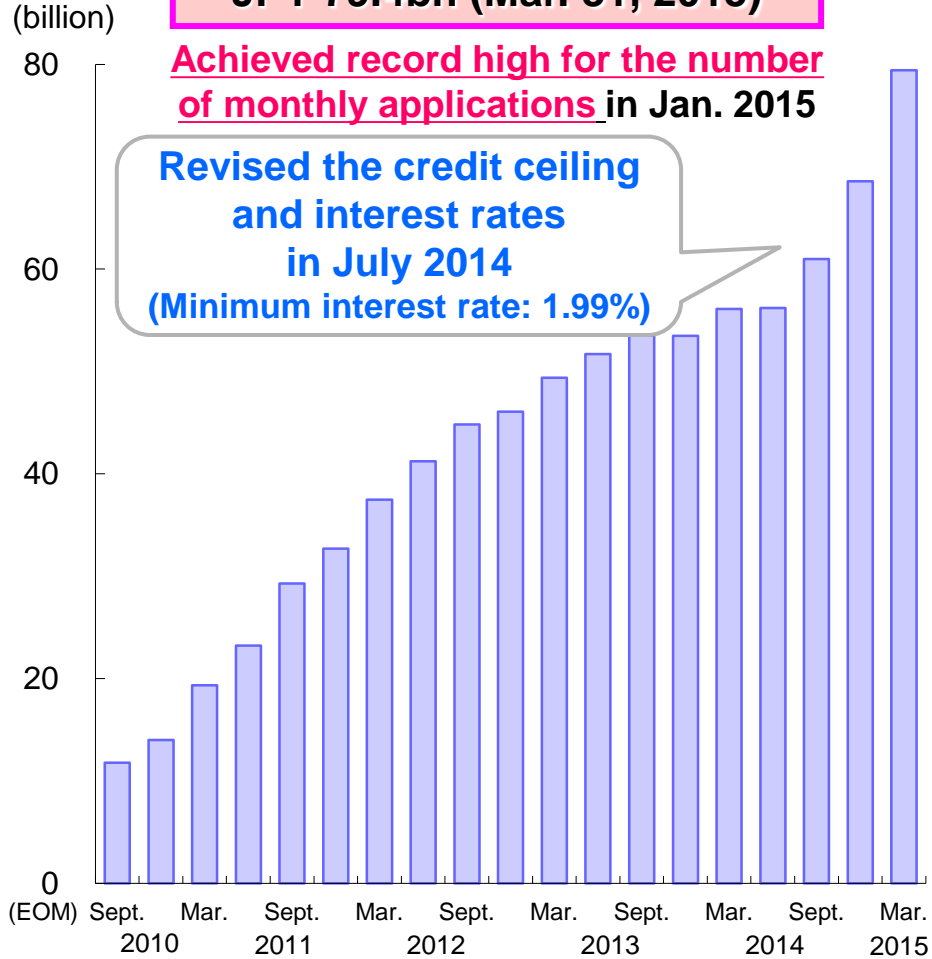
Changes in the Balance of Card Loans

(Sept. 2010-Mar. 2015)

JPY 79.4bn (Mar. 31, 2015)

Achieved record high for the number of monthly applications in Jan. 2015

Revised the credit ceiling and interest rates in July 2014 (Minimum interest rate: 1.99%)



Other asset management lineup:

Specific purpose loans (as of the end of Mar. 2015)

➡ Service launched in May 2013

Balance of loans increased 1.4 times YoY

Auto loans

(as of the end of Mar. 2015)

➡ Balance: JPY 121.1bn

SBI Sumishin Net Bank steadily accumulates the balance of not only card loans but also specific loans

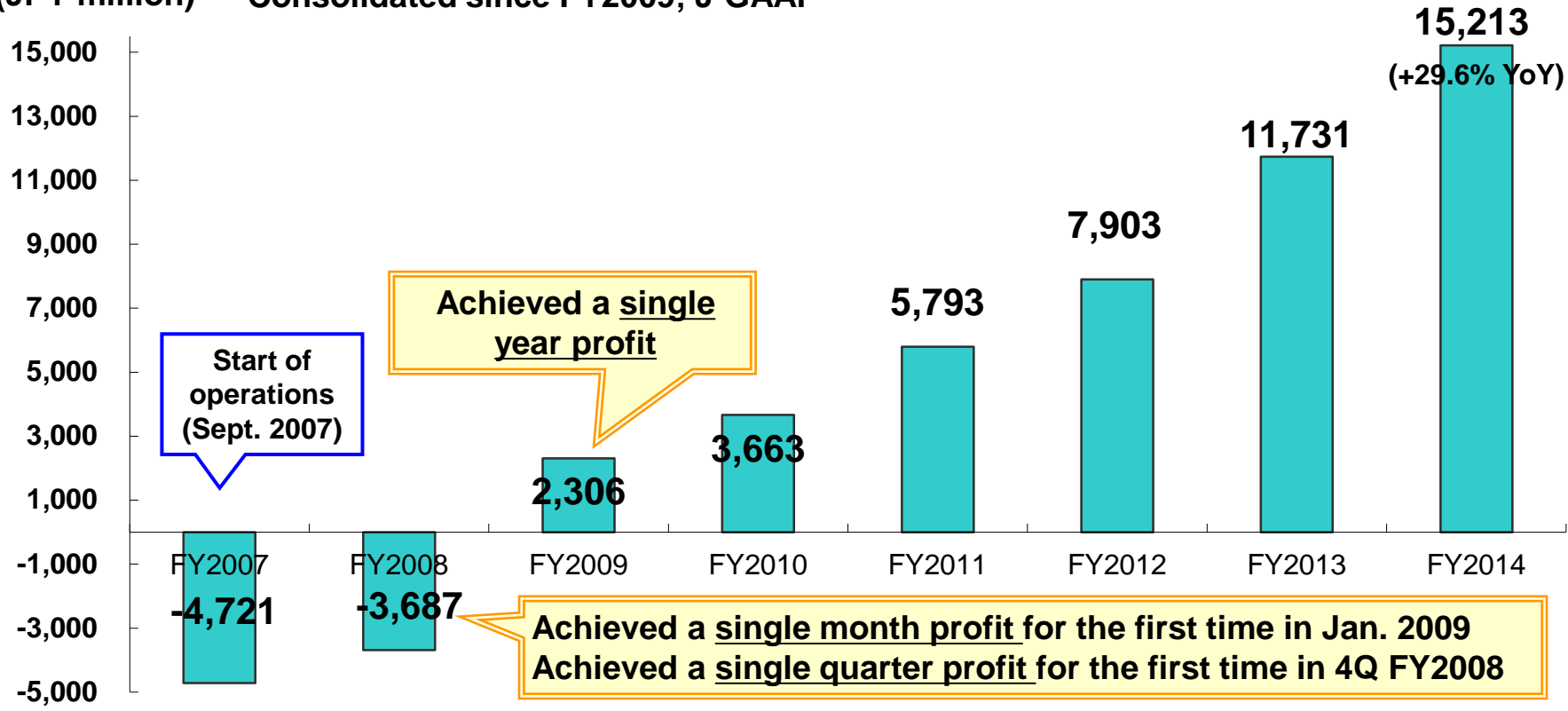


SBI Sumishin Net Bank Steadily Expands its Ordinary Income

**Ordinary income for FY2014 achieved JPY 15.2bn,
an increase of 29.6% 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

No. 1 in Deposit Balance and Balance of Loans Among the Pure-play Internet Banks

~Pure-play Internet Banks' Financial Results for FY2014~

JPY billion; parenthetical 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	<u>3,576.0</u>	<u>1748.9</u>	2,308	<u>15.2</u>
Daiwa Next	May 2011	3,047.2	148.4	1,018	13.6
Sony Bank (cons.)	June 2001	1,878.3	1,187.2	1,050	7.3
Rakuten (cons.)	July 2001	1,246.8	354.4	4,963	11.3
Jibun	July 2008	661.5	90.7	1,913	1.3
The Japan Net	Oct. 2000	569.0	42.2	2,856	3.2

Note: Amounts are rounded to the nearest 100 million yen or thousand accounts. The number of accounts is as of the end of Mar. 2015.

(v) Insurance Business

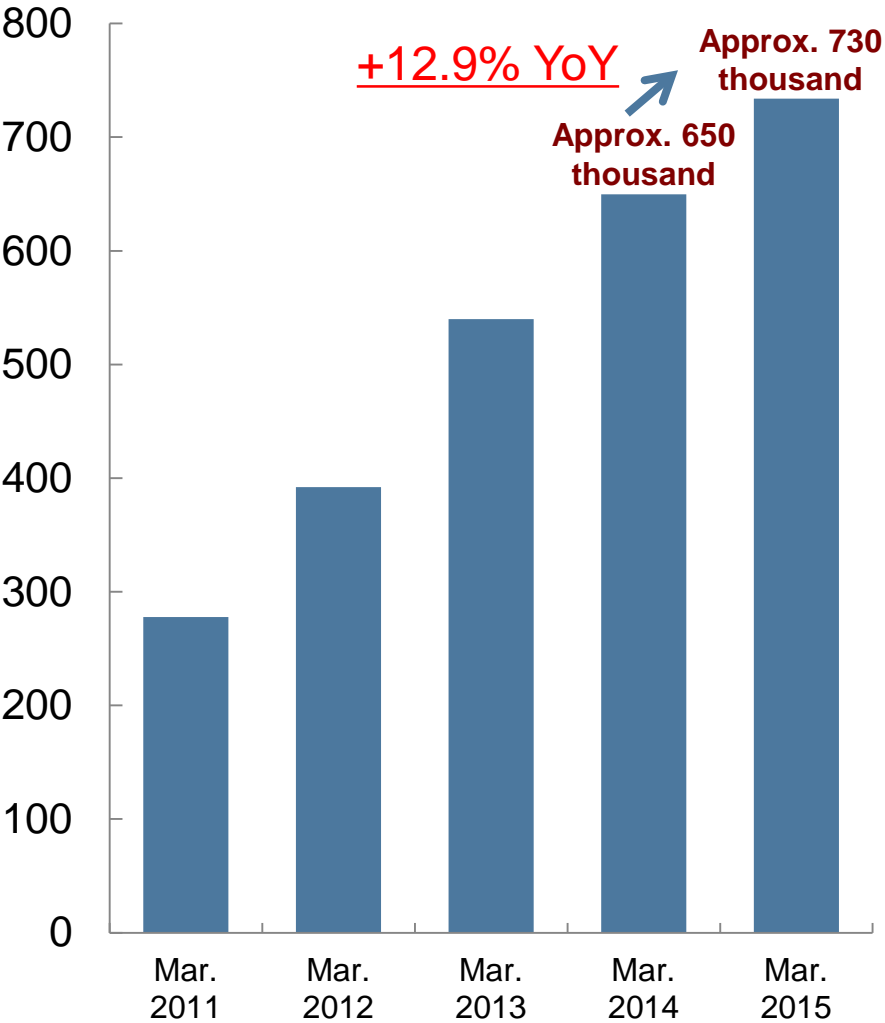
- **SBI Insurance's auto insurance business continues to rapidly expand with the number of contracts up 12.9%, and insurance premiums up 10.5% year-on-year respectively**
- **The performance of SBI Insurance in FY2014 (based on IFRS) significantly improved**
All indices are progressing smoothly toward a FY2015 full year profitability
- **Numbers of contracts of SBI SSI and SBI IKIIKI SSI significantly increase**



SBI Insurance's Number of Auto Insurance Contracts and Insurance Premium

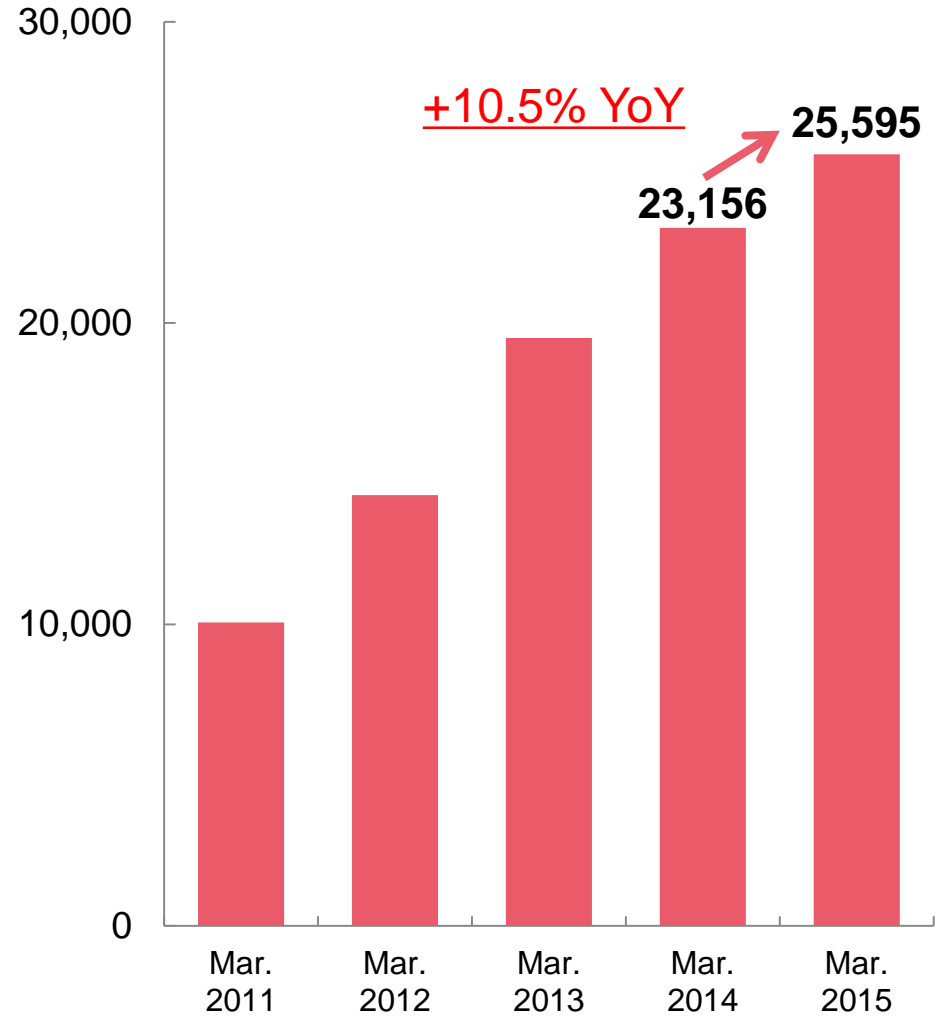
Number of Contracts (Written Basis*)

(Thousand policies)



Change in Insurance Premium Income (Total)

(JPY million)



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

Change in Combined Ratio

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

	FY2012	FY2013	FY2014
Combined Ratio^{*1} (%)	103.1	98.8	<u>96.8</u>
Operating expenses^{*2} ratio (%)	33.4	26.4	<u>23.0</u>
Loss ratio^{*3} (%)	69.8	72.4	<u>73.8</u>

*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. (Takes into consideration the possible impact of reinsurance, and calculates a more realistic number)

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

*3 Loss ratio (%) = (Net claims paid + Loss adjustment expenses) / Premium Income X 100

Achieved Quarterly Profitability in FY2014, and Endeavoring 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	0.1
4Q (Jan. - Mar.)	-1.4	-0.4
Full-year	-3.9	-0.6

[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



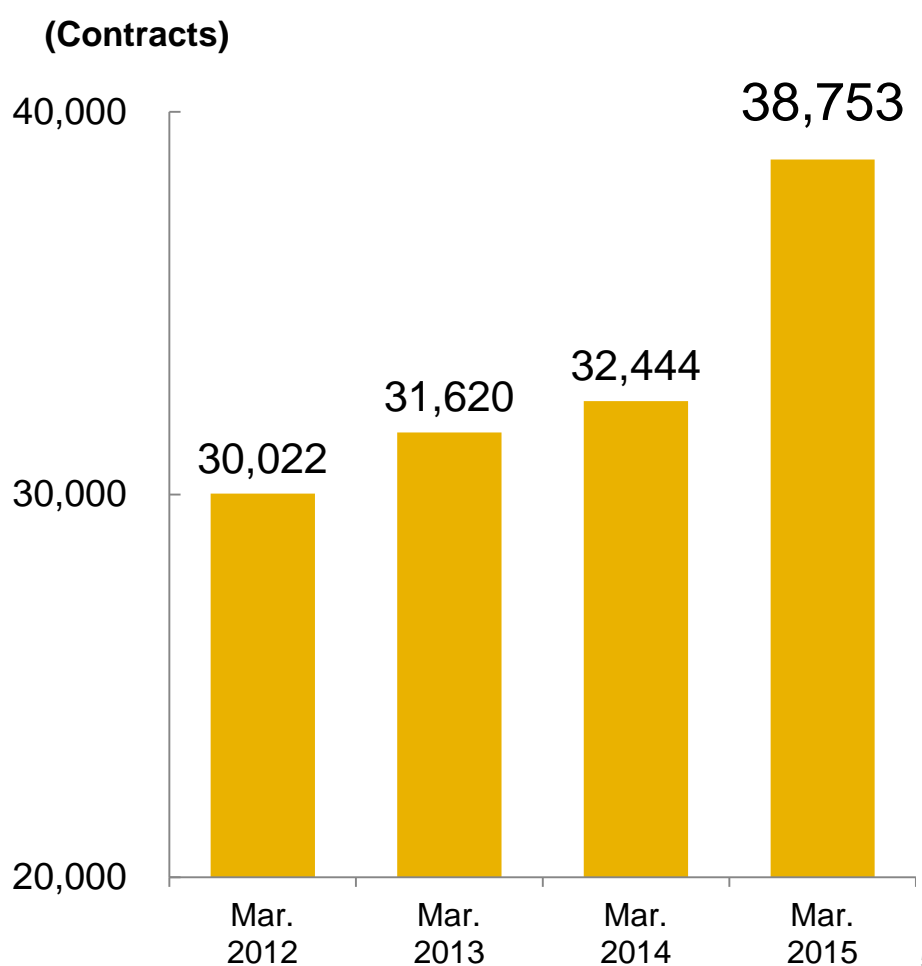
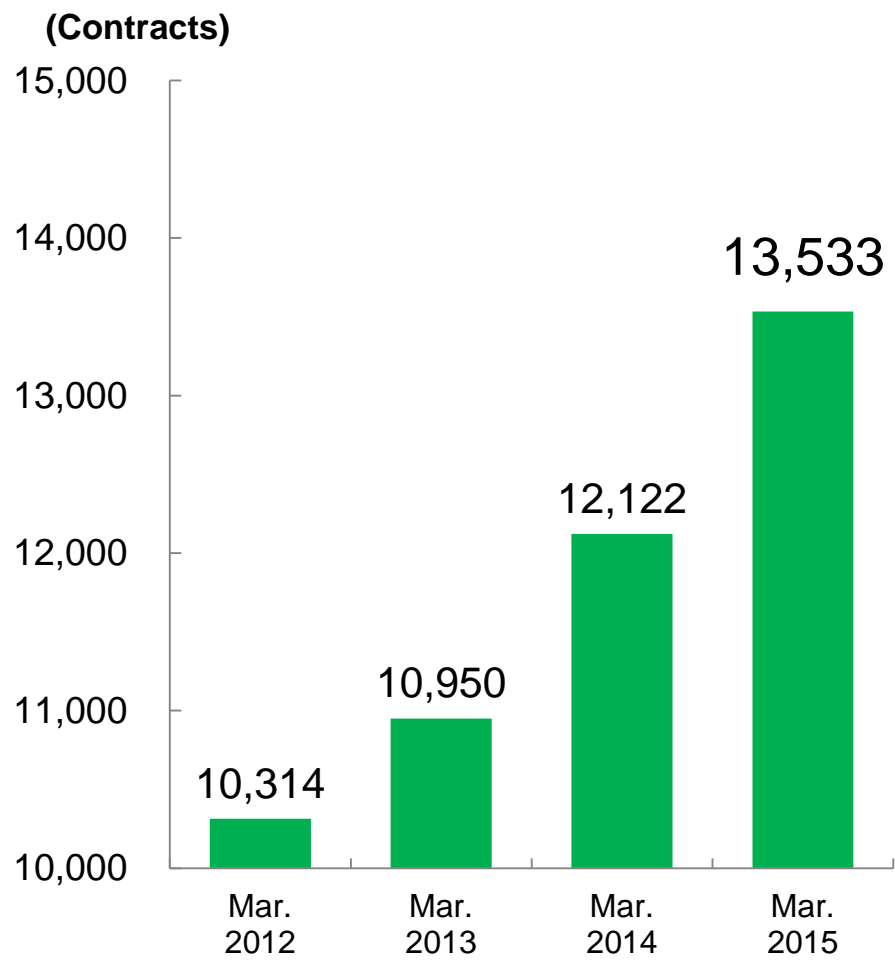
Number of Contracts of the Small-amount, Short-term Insurance Companies



[SBI SSI] (Acquired in Mar. 2012)
[Earthquake indemnity insurance]



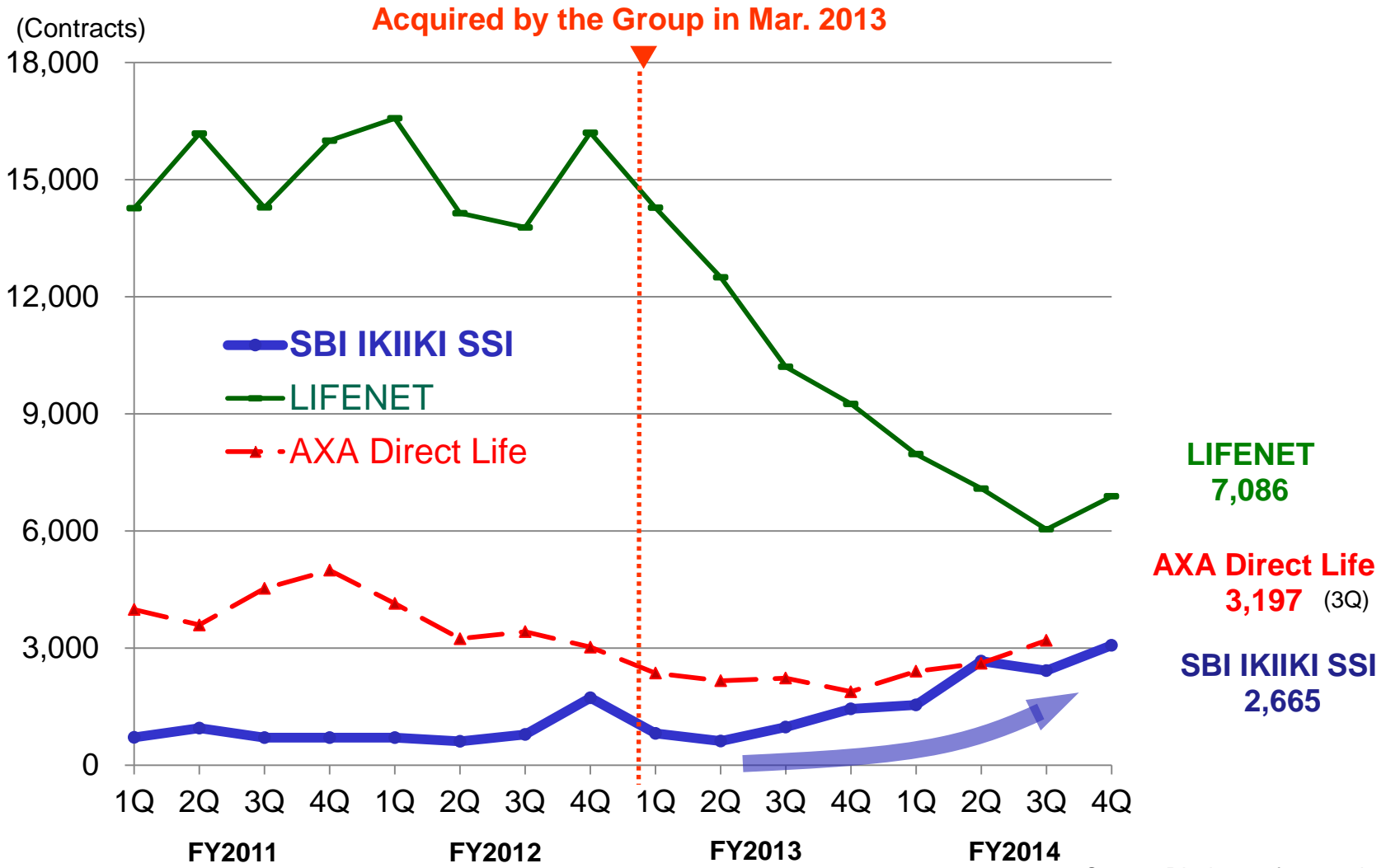
[SBI IKI IKI SSI] (Acquired in Mar. 2013)
[Death insurance, Medical insurance]





Since the Group's Acquisition of Shares, SBI IKI IKI SSI Continues to Grow

Quarterly Number of Newly Acquired Contracts



Source: Disclosure from each company 58

Owing to the Acquisition of SBI Life Insurance (former PCA Life Insurance), Recognized JPY 2.0bn as Gain on Negative Goodwill

The balance sheet of SBI Life Insurance

(As of the stock acquisition, Feb. 2015, based on IFRS)

(Unit: JPY million)

JGB: 59,989	Insurance liabilities: 141,781
Foreign securities: 47,262	
Other securities: 50,010	
Net asset: 11,971	

Net asset	JPY 11,971m
—) Acquisition cost*	JPY 9,963m
	<u>JPY 2,008m</u>

Recognized JPY 2,008m, which is the difference between net asset and acquisition cost, as gain on negative goodwill

* The acquisition cost was recognized as USD 85m, which is the upper limit of the transfer amount.
On the other hand, the difference of USD 17m from the USD 68m paid on the share transfer execution date (JPY 1,987bn, at the exchange rate agreed upon with the seller) was recorded as a liability, since it will only be paid in the event of certain conditions being satisfied that were agreed upon with the seller. At the end of each term additional payments will be estimated, and income will be recognized if the liability amount has decreased. (If it is determined that no additional payments will occur, the entire amount will be recognized as income.)

Its solvency margin ratio is 1,136.6% (as of the end of Dec. 2014; Based on J-GAAP), which is trustworthy for their payment ability

(vi) SBI MONEY PLAZA

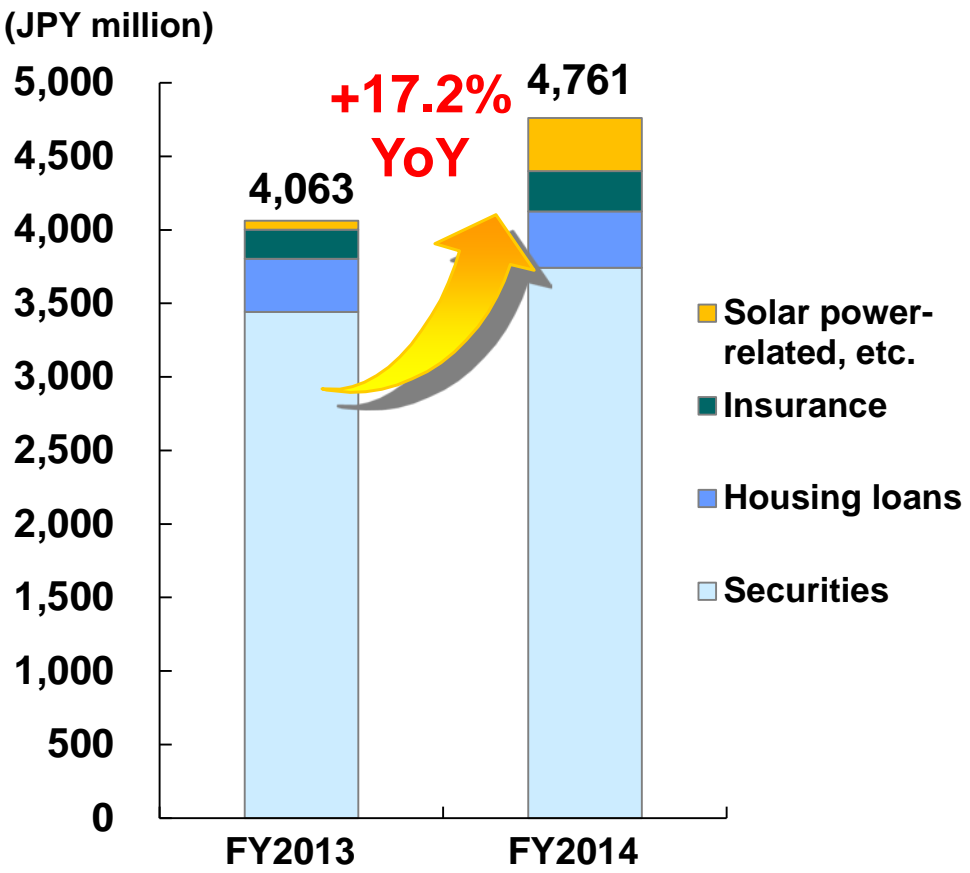
(Launched on June 15, 2012)

- **Recorded operating income (J-GAAP) of JPY 1,576m for FY2014, up 49.5% year-on-year, achieving increases both in sales and profit for two consecutive periods**
- **Customers' deposit assets and the number of accounts have increased rapidly, with customers' deposit assets having exceeded JPY 560bn**
- **Promoting the diversification of revenue sources, and pursuing growth with an emphasis on balance among each business**
- **Preparing an early stage IPO, with the selection of Daiwa Securities as lead manager**

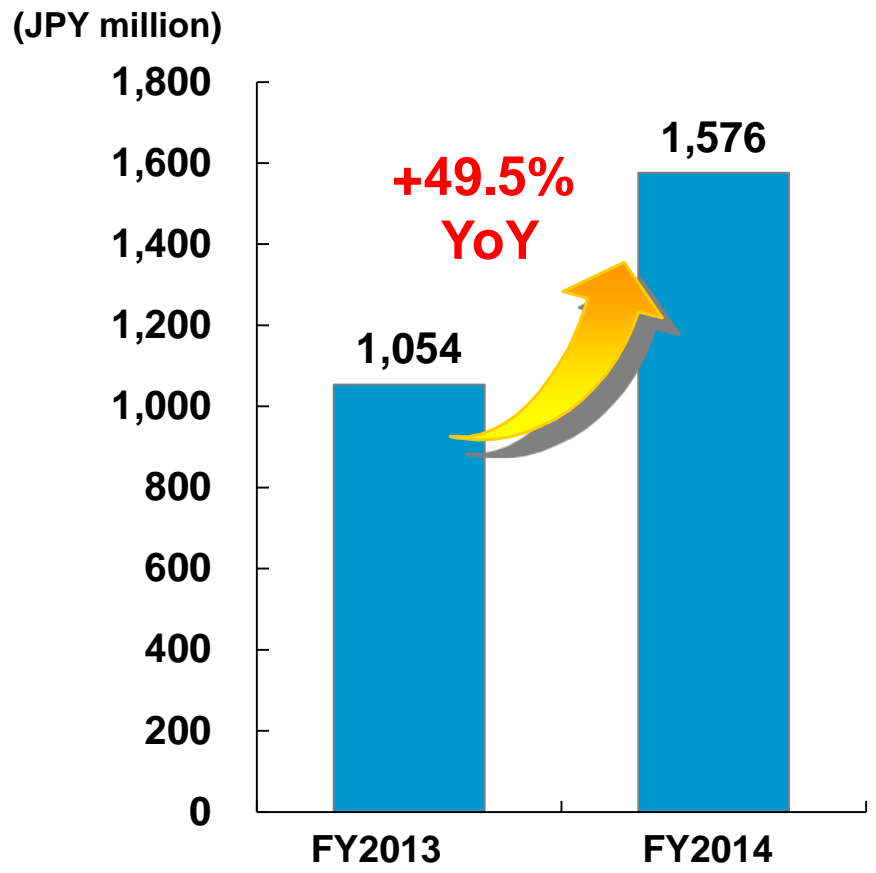
SBI MONEY PLAZA Steadily Expands Its Business

Recorded dramatic increases both in sales and profit for two consecutive periods, owing to the diversification of revenue sources, along with the expansion of the customer base

Operating Revenue

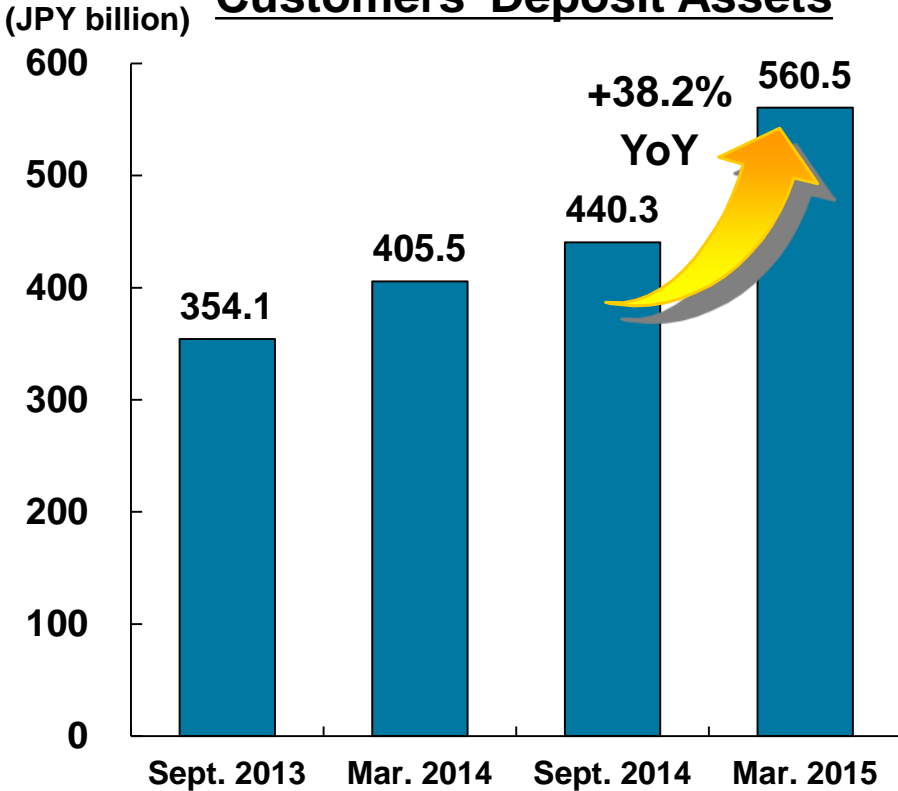


Operating Income

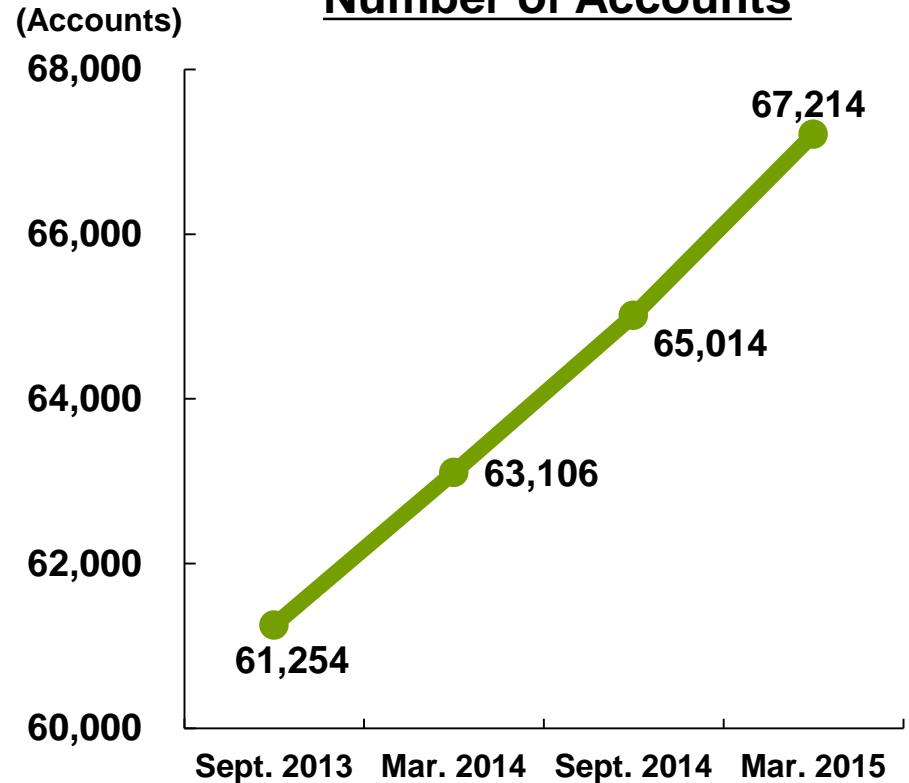


SBI MONEY PLAZA's Customer Base Rapidly Increasing

Customers' Deposit Assets



Number of Accounts



- **Customers' deposit assets exceeded JPY 560bn** through the strengthened cooperation with SBI SECURITIES
- Owing to the elimination and consolidation of existing shops, the number of SBI MONEY PLAZA shops (including franchisees) totaled 394 shops, as of Mar. 31, 2015
- In conjunction with the intention of establishing 500 shops nationwide, enhancing sales activities and "quality" of existing shops through the elimination and consolidation process

2. SBI's Corporate Value and the Efforts to Achieve Sustainable Expansion

(1) SBI's corporate value consideration

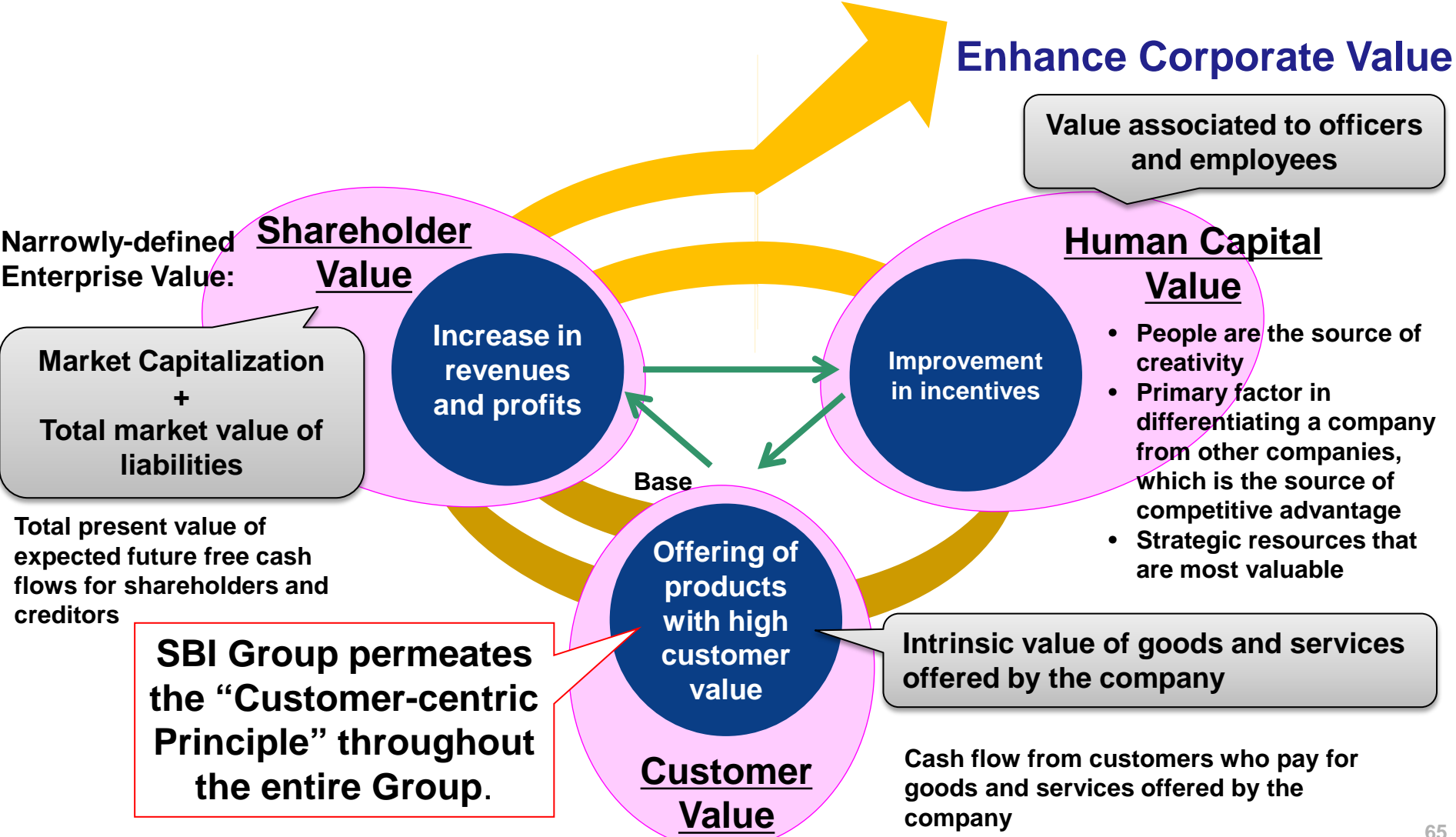
(2) Future efforts to achieve sustainable expansion of corporate value

(1) SBI's corporate value consideration

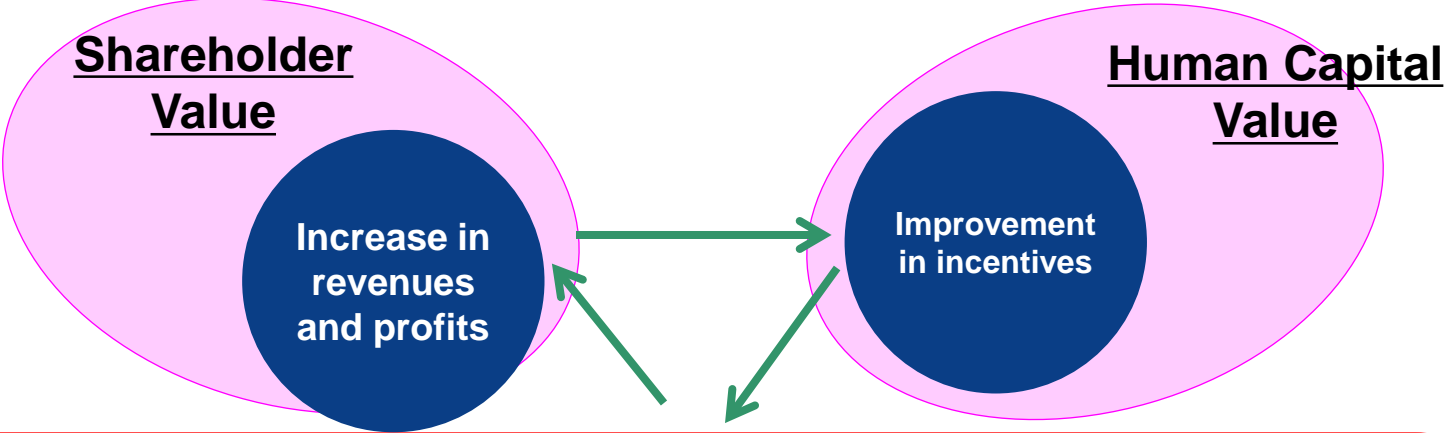
SBI's Corporate Value and the Mechanism for Enhancement

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

$$\text{Corporate Value} = \text{Customer Value} + \text{Shareholder Value} + \text{Human Capital Value}$$



$$\text{Corporate Value} = \text{Customer Value} + \text{Shareholder Value} + \text{Human Capital Value}$$



Base

Customer Value
Offering of products with high customer value

Intrinsic value of goods and services offered by the company

Cash flow from customers who pay for goods and services offered by the company

Measured by customer base and customer satisfaction

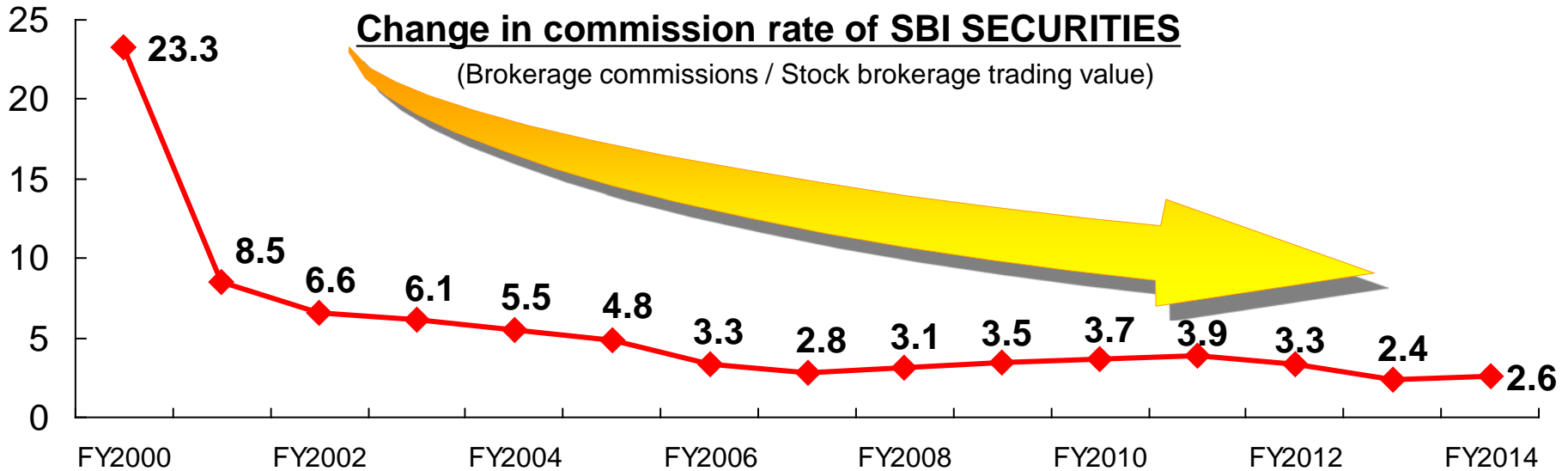
SBI Group permeates the "Customer-centric Principle" throughout the entire Group.

① Customer Value: Adherence to the “Customer-centric Principle”

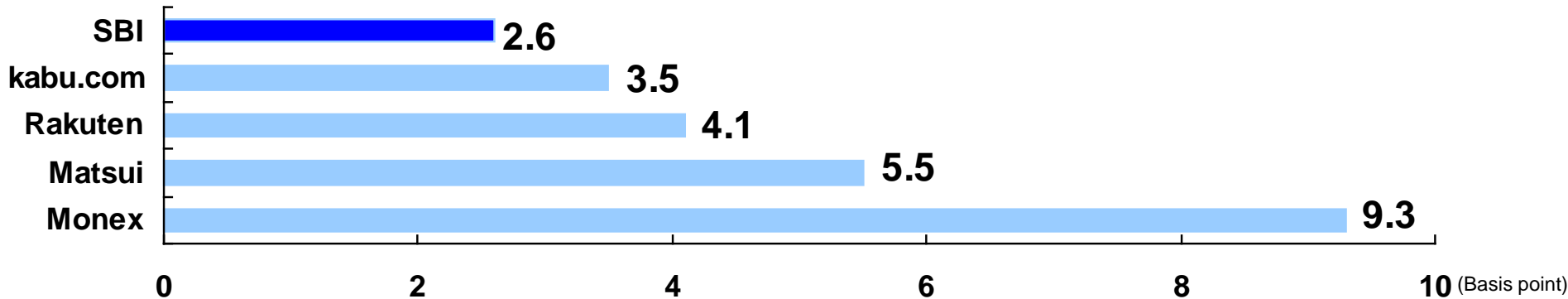
Adherence to the “Customer-centric Principle”

— ① SBI SECURITIES

~SBI SECURITIES thoroughly pursues customer advantages by offering overwhelmingly low trading commissions~



Commission rate comparison of five major online securities companies of FY2014



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

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

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

① Customer Value: Adherence to the “Customer-centric Principle”

Adherence to the “Customer-centric Principle”

— ② SBI Sumishin Net Bank

~Offering Favorable Interest Rates~

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

Example: Comparison of term deposit interest rates

Average of 3 major city banks

	Less than JPY 3m			JPY 3m or more		
Term of deposit	1 year	3 years	5 years	1 year	3 years	5 years
Interest (%)	0.025	0.030	0.030	0.025	0.030	0.030



 **3.2 times**

	Less than JPY 3m			JPY 3m or more		
Term of deposit	1 year	3 years	5 years	1 year	3 years	5 years
Interest (%)	0.080	0.100	0.110	0.080	0.100	0.110

① Customer Value: Adherence to the “Customer-centric Principle”

Adherence to the “Customer-centric Principle”

— ③ SBI Insurance

~Thorough pursuit of customer advantages through overwhelmingly low insurance premiums~

In the auto insurance premium ranking announced in Diamond Weekly issued in Jan. 2015, SBI Insurance ranks the highest for representative examples of generations: age 26 (6th class, new policy), age 35 (6th class, new policy), age 60 (20th class).

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

■ : Direct insurance product

: Started operation after 1998

	Company	Car insurance premium (JPY)*
1	<u>SBI Insurance #</u>	<u>40,200</u>
2	Saison Automobile & Fire Insurance	41,550
3	AXA GENERAL INSURANCE #	42,230
4	Zurich Insurance	42,450
5	Mitsui Direct #	44,090
6	E-design Insurance #	46,260

7	American Home Direct	49,190
8	Sony Assurance #	52,210
9	Secom General Insurance	53,290
10	Assicurazioni GENERALI	66,010
11	Sonpo 24 #	71,490
12	Mitsui Sumitomo Insurance	72,550

(Source: Excerpt from “The Diamond Weekly Jan. 17, 2015”)

*Insurance Premium Terms and Conditions

Vehicle type: Toyota Aqua / Model: DAA-NHP10 (applied new car discount) /Policy start date: Apr. 1, 2015(1-year policy, lump-sum payment)/ Policyholder: individual (male)•Age/grade conditions: age of insured person: 35, Tokyo residence, gold driver’s license, grade 6, new policy / Purpose of use: daily use or leisure/ Annual driving distance: 5,000km/ Vehicle damage: not covered / Personal injury: 50 million yen/ Discounts: Long-term discount and user restriction discount not applied

*Application of Internet discount: AXA GENERAL INSURANCE , Mitsui Direct, E-design Insurance, Saison Automobile & Fire Insurance, Sonpo 24, Zurich Insurance, Secom General Insurance, SBI Insurance, Sony Assurance , American Home Direct

*Application of policy non-issuance discount: Mitsui Direct, E-design Insurance, Saison Automobile & Fire Insurance, Zurich Insurance, Secom General Insurance, SBI Insurance, Sony Assurance, American Home Direct

*Application of early discount: Saison Automobile & Fire Insurance, Zurich Insurance

*Refusal to answer: Asahi Fire & Marine Insurance, Kyoei Fire & Marine Insurance, ZENROSAI, Daido Fire & Marine, Nissin Fire & Marine, The Fuji Fire & Marine, AIU, National Mutual Insurance Federation of Agricultural Cooperatives.

Adherence to the “Customer-centric Principle”

– ④ SBI FXTRADE

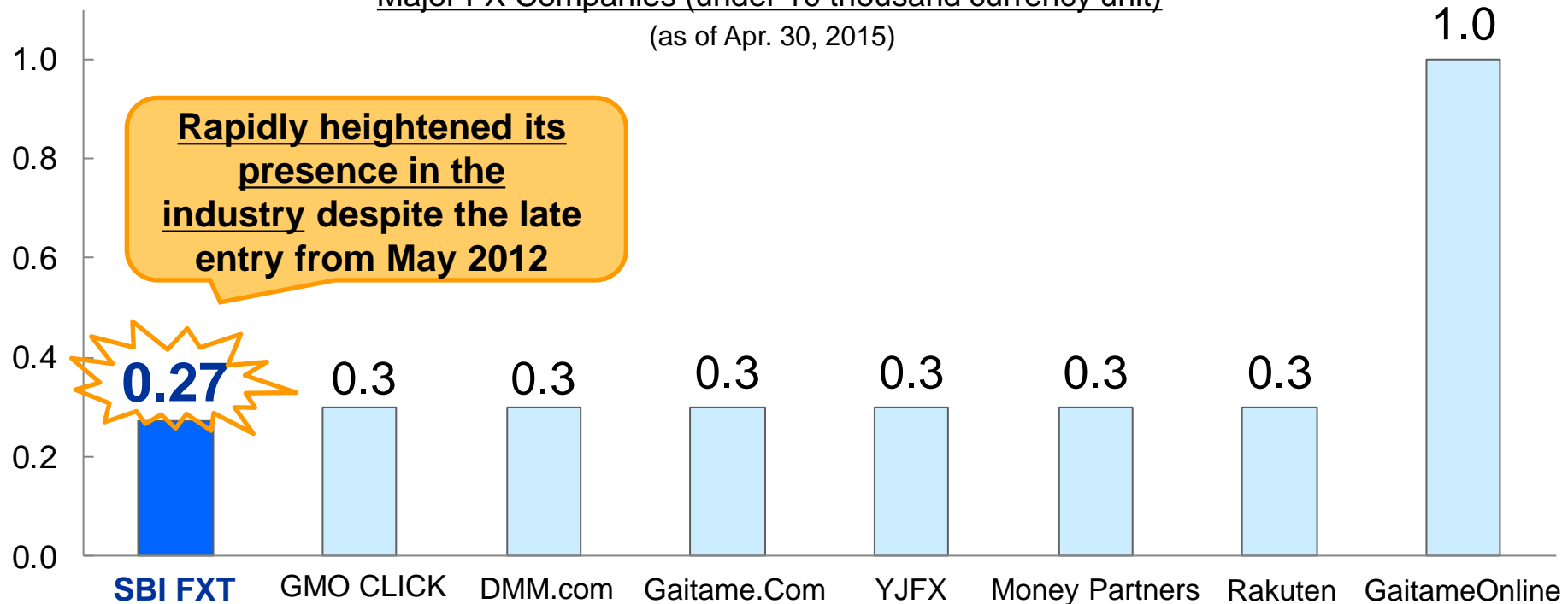
~Offering the Industry’s Narrowest Level of Spreads~

Demonstrating superior competitiveness even in a volatile market environment, thoroughly offering the industry’s narrowest level of spreads and a high performance trading system

Comparison of the Spread for USD/JPY Pair with Major FX Companies (under 10 thousand currency unit)

(as of Apr. 30, 2015)

(Unit: JPY 0.01)



In order to further heighten the recognition of SBI FXTRADE, which has rapidly promoted its presence in the industry, as well as to acquire new customers, new TV commercials were aired from Apr. 22, 2015

* Spread of SBI FXTRADE differs depending on order lot. (When loss-cut is executed, the narrowing spread will be applied.)
 * Spreads are basically fixed, but there are some cases that actual spread differs from indicated ones due to market’s sudden change and other external factors. However, the change in SBI FXT’s spread is the industry’s minimum level .

SBI SECURITIES Provides Various Services and Products, in Order to Realize the Highest Level of Service in the Industry



SBI証券 [SBI SECURITIES]

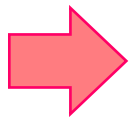
■ Launch of **J-NET Cross-trading Service** for futures and options trading

First-ever
in Japan!!

Provision of opportunities to trade at more favorable prices than floor trading by utilizing the J-NET (after-market hours) trading system for Nikkei 225 Futures and Nikkei 225 mini (beginning Oct. 14, 2014)

* Compiled by SBIH
as of Apr. 30, 2015

■ Offers **2,060 investment trusts**, the largest such offering in Japan (as of Apr. 24, 2015)



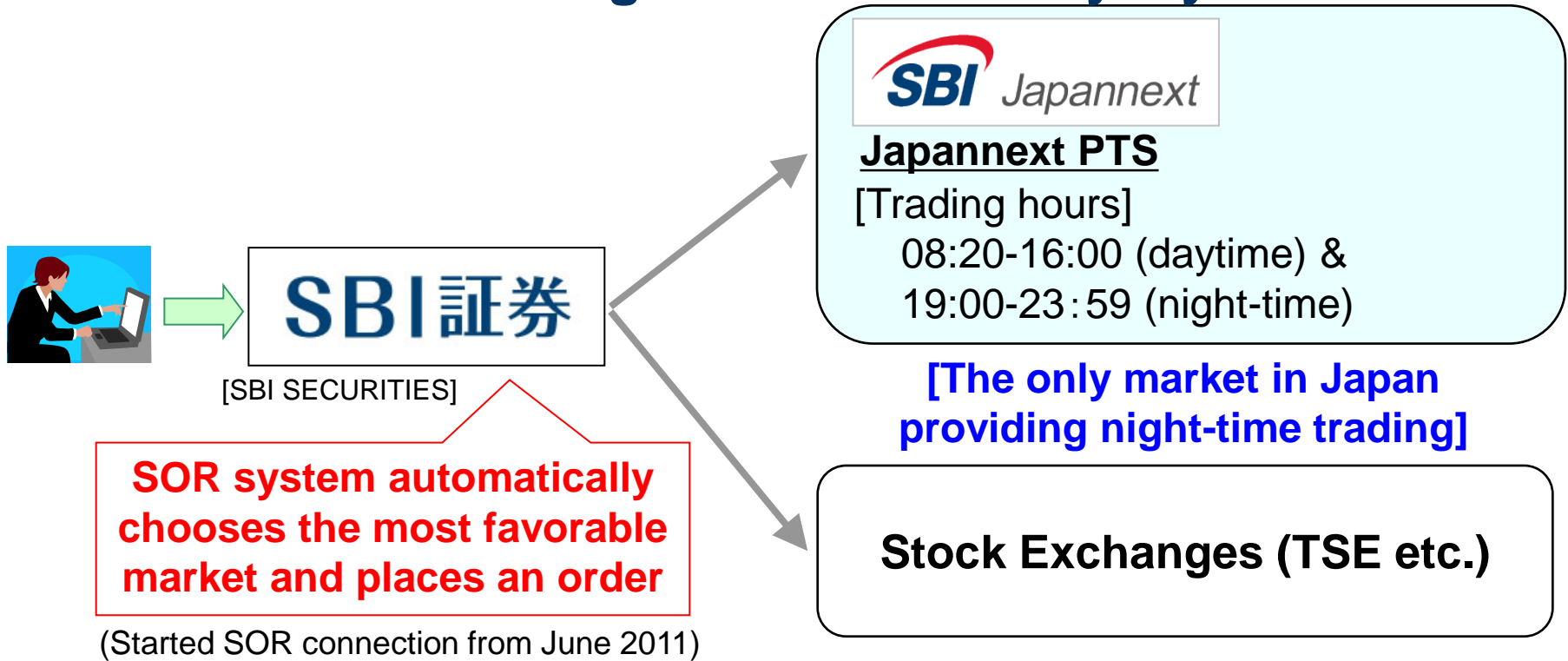
The Wrap-up Fund (sobriquet: My Wrap), to which the SBI Group has collectively contributed its resources, and other funds including no-load mutual funds comprising total 517 funds which are the largest such offering in Japan, continue to be aggressively increased

■ Provision of **Day Trading Service** for long/short positions ... etc.

In addition to the above;

- With regard to the smart phone-related transaction tools that were renewed from February 2014 on, in response to customer requests, improvements continue to be made in order to enhance customer convenience
- In Mar. 2015, a renewal for the mainstay FX product was implemented, with the provision of the "HYPER FX" app

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' shares the benefit of cost reduction mentioned above, as well as price advantage due to the difference in tick size for TSE listed stocks, with the exception of 55 stocks of all the TSE listed stocks, to its customers



Synergy created with SBI Japannext leads to SBI SECURITIES' competitive advantage

SBI Sumishin Net Bank Expands Its Products and Services to Further Improve Customer Convenience, and to Ensure Worry-free Usage

Inauguration of Smart Authentication, a smartphone-based authentication service

- An authentication security system unique to SBI Sumishin Net Bank that makes possible two-channel (two-factor) authentication by approving transaction details using a smartphone



Pure Gold Saving Service "Mr. Pure Gold Savings"

First such offering by a pure-play Internet bank

- Monthly withdrawal of fixed amount from customer's account to purchase and accumulate physical gold
- Within the shift from a deflationary to an inflationary economy, meets the needs for an anti-inflationary plan, and provides a solid asset building measure

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)

① Customer Value: Customer Satisfaction
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”



1st

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



1st

Kakaku.com / Auto Insurance Satisfaction Ranking (2014) Premium Section



1st

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



Official Website



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



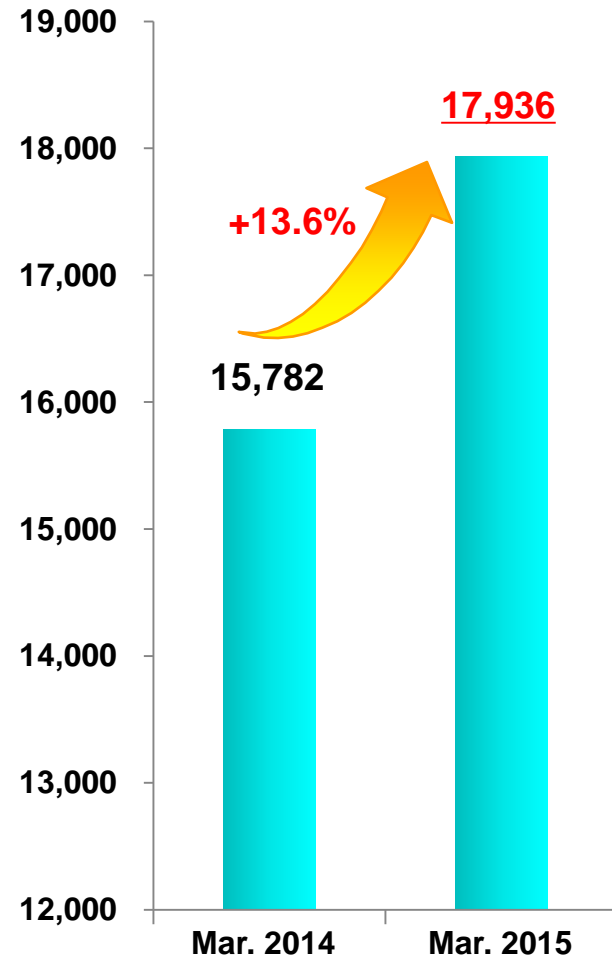
SBI Group's Continuously Expanding Customer Base

SBI Group's Customer Base

(Thousand)

[Year-on-year]

(Thousand)



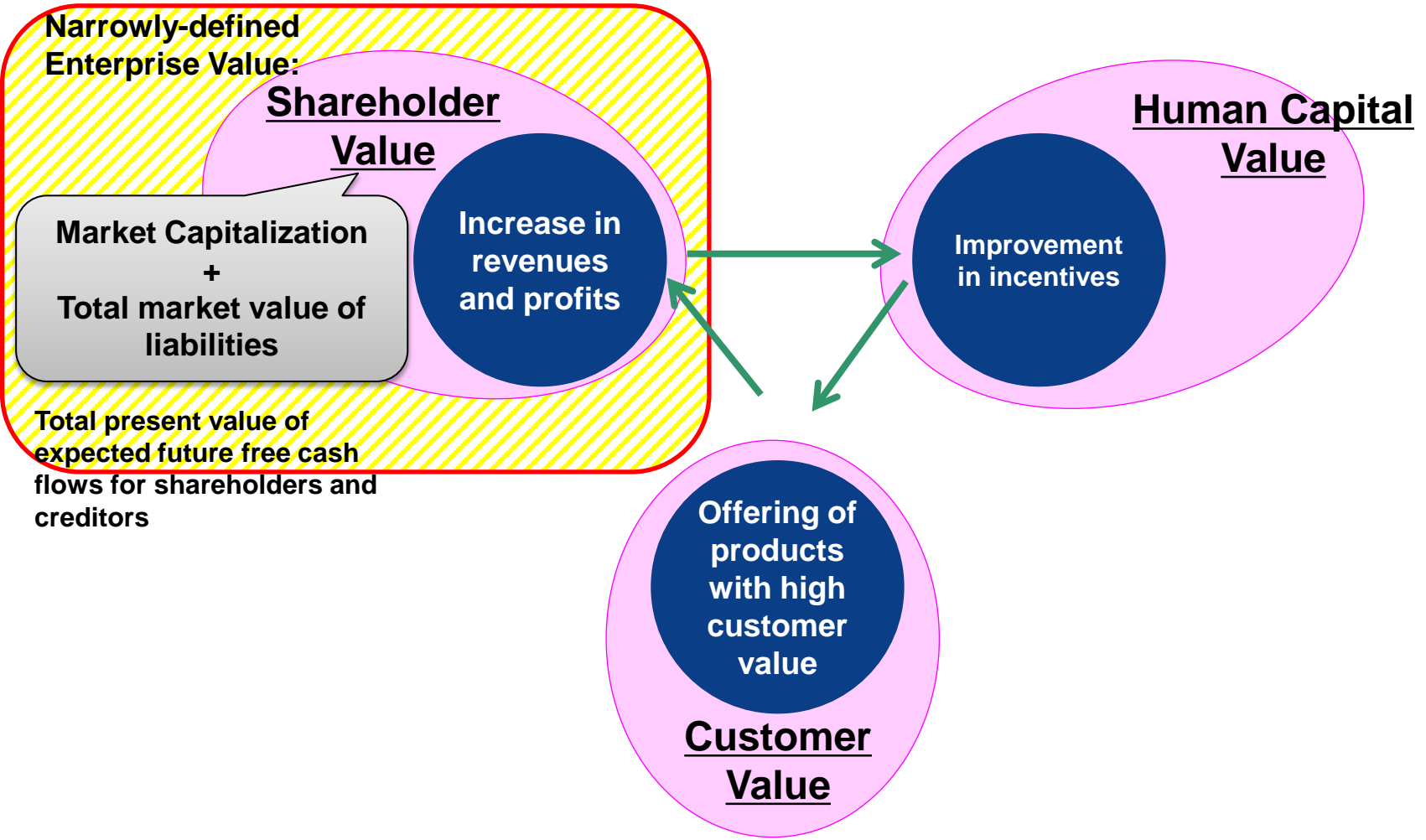
		Mar. 31, 2014	Mar. 31, 2015	YoY % change
SBI SECURITIES	(Accounts)	2,944	3,246	+10.3
SBIH InsWeb	(No. of customers)	6,104	6,938	+13.7
E-LOAN	(No. of customers)	1,529	1,745	+14.1
MoneyLook	(Total no. of customer registrations)	894	915	+2.3
Morningstar Japan	(New portfolio customer registrations)	119	134	+12.6
SBI Card	(Valid cards issued)	71	83	+16.9
SBI Sumishin Net Bank	(Accounts)	1,974	2,308	+16.9
SBI Insurance	(Total no. of contracts)	655	746	+13.9
SBI Life Insurance	(Total no. of contracts)	—	117	—
Autoc one	(Total no. of service users in 2014)	950	1,030	+8.4
Others (SBI Point etc.)		542	674	+24.4
Total		15,782	17,936	+13.6

* 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

* Customer numbers for Group companies excluded from consolidation during FY2014 due to reorganization are not included in the figures for Mar. 31, 2014.

$$\text{Corporate Value} = \text{Customer Value} + \text{Shareholder Value} + \text{Human Capital Value}$$



② Shareholder Value

Increase in Enterprise Value, as Narrowly Defined (Market Capitalization + Interest-Bearing Debt), on Improvement in ROE and Other Performance Indicators

(IFRS, JPY billion)

	Mar. 31, 2014	The latest figures (as at May 11, 2015)	YoY change
① Market cap	269.3	348.6	+79.3
② Interest-bearing debt*	238.7	211.5	-27.2
Narrowly-defined enterprise value (①+②)	508.0	560.1	+52.1

(*) Total amount of borrowings and bonds in SBIH's non-consolidated basis. The latest figures represented as of Mar. 31, 2015.

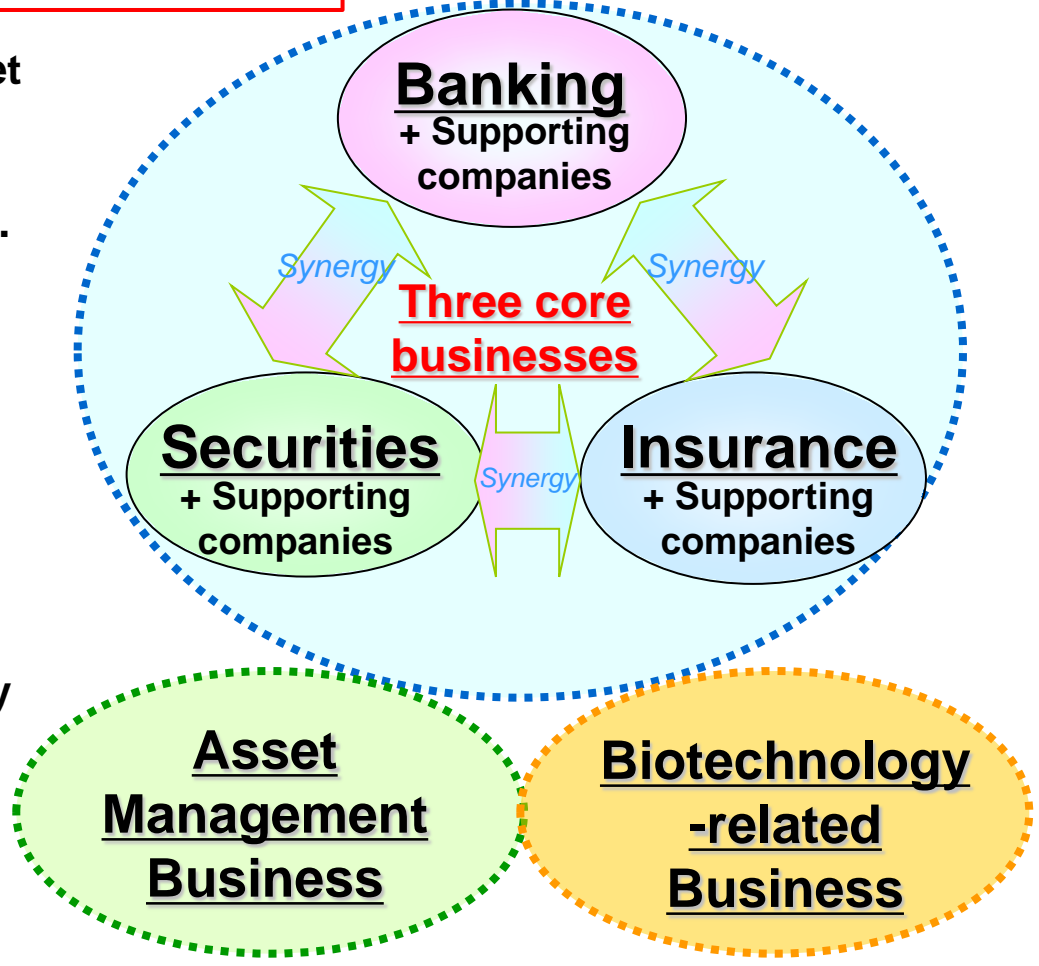
	FY2013	FY2014	YoY change
ROE (%)	6.8	12.9	+6.1p.

Enhance enterprise value by reinforcing core businesses and striving to increase profitability while allocating cash generated from promotion of “Selection and concentration” to reduce interest-bearing debt.

Generating Cash Flow and Strengthening of Earning Power through Business “Selection and Concentration”

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

Generation of Cash Flow through the "Selection and Concentration" Process

Sales of non-core subsidiaries

[Subsidiaries sold before FY2014]

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

[Subsidiaries sold in FY2014]

- SBI Mortgage (currently ARUHI; Aug. 2014)
Subscribed to the tender offer made by CSM Holdings Co., Ltd, which belongs to The Carlyle Group
- SBI Life Living (Feb. 2015)
Subscribed to the tender offer made by LL Holdings, Inc., which belongs to a fund to which Advantage Partners, LLP offers services



Recovered JPY 45bn through sales of subsidiaries, including partial sales since Mar. 2012

Sales of real estate holdings

Recovered approx. JPY 16.6bn in FY2014 through the sales of real estate holdings

Balanced Allocation of Earnings and Generated Cash Flow to not Only Shareholder Returns, but Also Investment for the Future



- In order to maximize cash flow, non-core businesses will be sold, IPOs will be advanced and Group company reorganizations will be aggressively conducted
- Earnings power will be strengthened through the concentration of capital into the three major businesses



In addition to allocating earnings and generated cash flow to shareholder returns in the form of dividend increases and the purchase of treasury stock, concurrently make investments for further business expansion.



Promote further business expansion and enhancement of shareholder value.

Aggressively Implement IR Activities to Support the Enhancement of Shareholder Value

[IR activities conducted in FY2014]

Activity	Times conducted	Details
Financial results briefing for institutional investors and analysts	4	Financial results briefing held quarterly focused on financial performance and outlook
Meetings for overseas institutional investors	3	Meetings for overseas institutional investors conducted by the president and executive officers
Meetings for individual investors	6	Meetings held semi-annually at Tokyo, Nagoya and Osaka
Current Management Information Briefing for shareholders	1	Briefing held shortly after the General Meeting of Shareholders every June
Individual meetings for institutional investors and analysts	As required	Meetings held as needed upon request from domestic and overseas institutional investors
Uploading of IR materials and videos to the Company website	As required	Posting of financial results and other timely disclosure materials, Annual Reports, business reports, securities reports, and press releases, as well as videos and information on CSR activities

Proactively posts various English translated briefing materials for investors, as well as press releases

As a new endeavor in FY2015, planning to hold Small Meetings for domestic institutional investors on a semi-annual basis



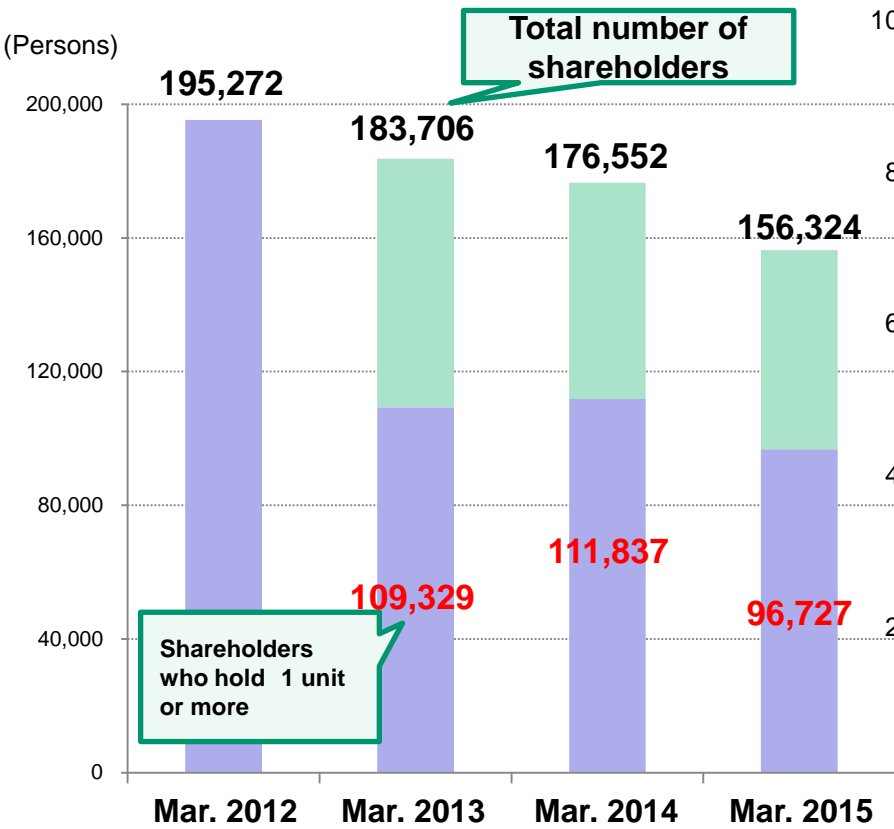
SBI Holdings' Shareholder Composition

(as of the end of Each Fiscal Year)

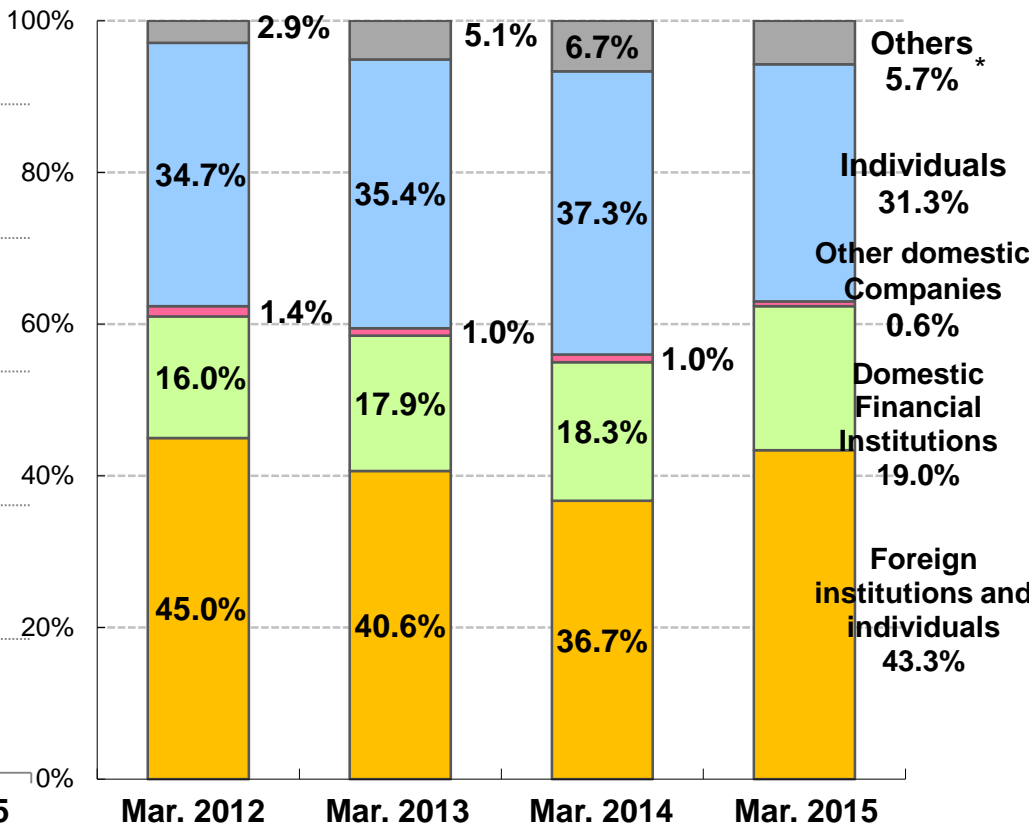
- As of the end of Mar. 2015, foreign share ownership was 43.3%.
- Share holding ratio of domestic and foreign institutional investors at the end of Mar. 2015 was 62.3%, a 7.3 percent points increase year-on-year.

Number of Shareholders

At the time of a 10-for-1 stock split conducted on Oct. 1, 2012, the Company simultaneously adopted a share unit system with a share unit of 100 shares.

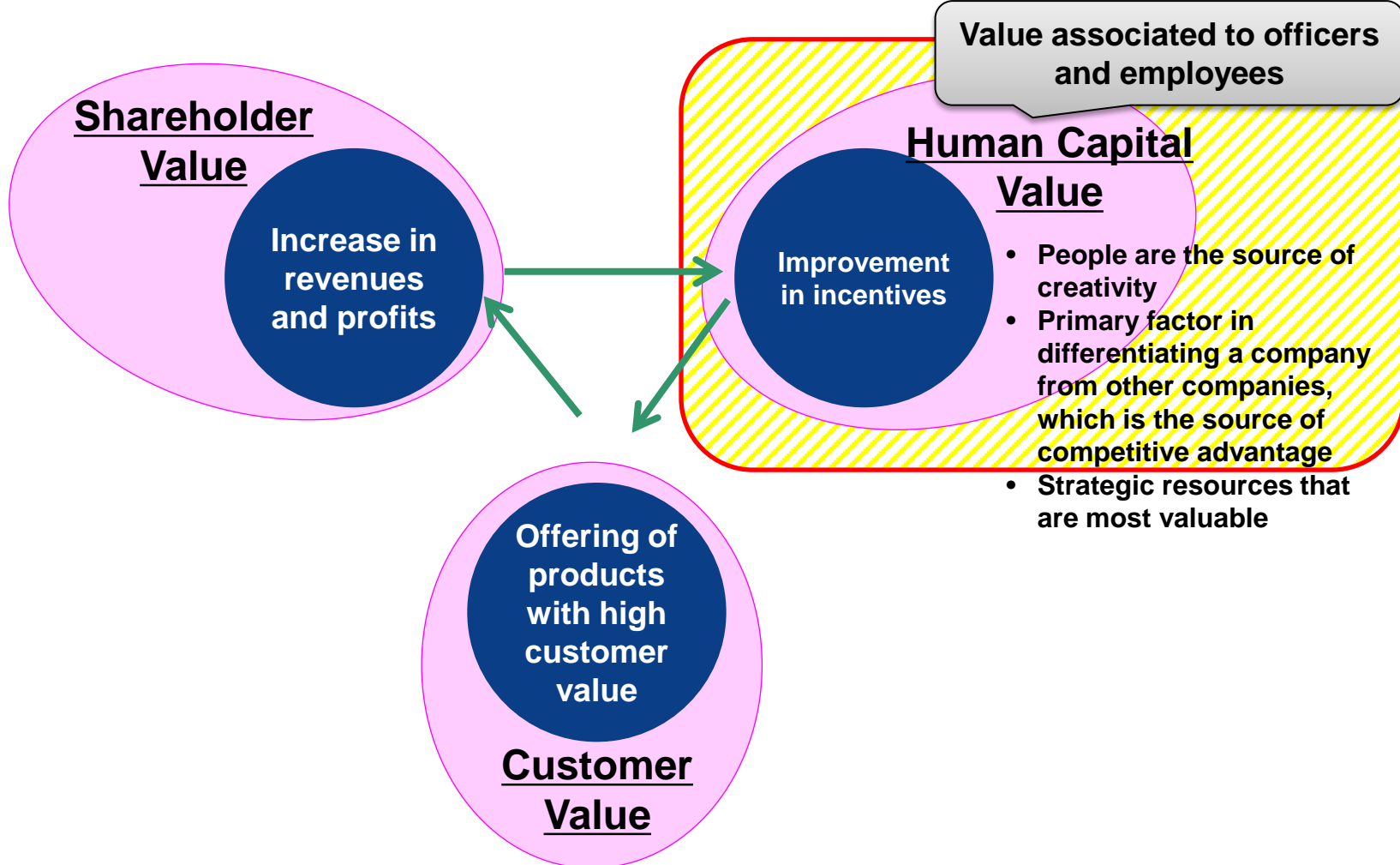


Shareholder Composition



* "Others" include treasury stock (3.4%) 84

$$\text{Corporate Value} = \text{Customer Value} + \text{Shareholder Value} + \text{Human Capital Value}$$



Securing "Human Capital" Which is the Source of Corporate Competitiveness



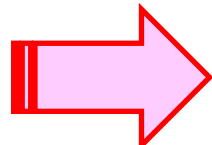
Along with the SBI Group's growth, both experienced personnel and new graduates were continuously hired, securing a talented pool of employees for the Group

Number of Employees (consolidated basis)

1999
55



The end of
FY2006
1,680



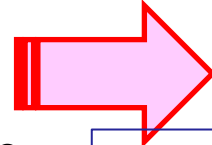
The end of
FY2014
6,094

Includes 756 personnel who are temporarily included in the headcount upon a buyout fund investment

Number of New Graduate Recruits (Cumulative Basis)

FY2006
43

(First New Graduate Recruitment)



FY2015
312

Also, new graduate recruiting activities were conducted in Korea this year, and as a result, for the first time, 5 new graduates are expected to be hired for positions in the head office

New Graduate Recruitment Objectives

- SBI is recruiting new graduates to ensure that it has a pool of talented individuals to groom as future candidates for positions of responsibility within the Group
- SBI will educate new recruits in the Group corporate culture, and groom human resources for future succession

Personnel Development and Promotion through Training and Other HR Systems

① Training conducted at SBI Graduate School, a distance business school (School of Business Administration, Major in Entrepreneurship)

SBI Graduate School Company Dispatch System

✓ **MBA course (approx. 2 years)**

Eligible persons: Officers and regular employees employed at least two years

Graduates are identified as senior management candidates and given preferential consideration in fast-tracking for positions such as officers of newly established Group companies.



45 employees have already earned MBAs.

Executive Management Training

✓ Enrollment in compulsory subjects designated by the company from SBI Graduate School courses (examples: Organizational Behavior, Finance, Requirements for leaders Found in Chinese Classics) and elective courses (from the MBA Program) (approx. 1 year)

Eligible persons: regular employees in management positions

Completion of training to be made a requirement for promotion

② Early development and fast-tracking of talented young employees for positions such as officers of Group companies

Current youngest president of a Group subsidiary: Age 31

Examples of youngest fast-tracked employees

*Age at the time of appointment and year appointed
 President of a listed Group subsidiary: Age 28 (2005)
 SBI Holdings director and executive officer: Age 31 (2008)

③ The female manager ratio is at 17.8%, with the evaluation process in accordance with ability and without gender bias

④ Introduction of a “career opening system” by means including an internal recruiting and self-application program

Enhancement of Employee Incentives

Payment of Special Bonuses

In light of the strong business performance in FY2014, special bonuses totaling approx. JPY 380m were paid, such as a bonus to approx. 1,700 employees of profit-making companies (JPY 200,000 to employees with service of at least one year) and congratulatory money to newly hired graduates.

Issuance of Stock Options

Although SBI Holdings discontinued the issuance of new share subscription rights (stock options) in June. 2005, in Nov. 2014 the company issued stock options in exchange for consideration to directors and employees of the company and subsidiaries.

*Treasury stock held by the company will be issued as shares granted upon the exercise of these stock options.

Enhancement of Benefits

- ✓ For corporate officers, payment in full of the cost of a complete physical examination at Tokyo International Clinic, a facility with state-of-the-art facilities founded by SBI Holdings. For SBI Group employees and their families, provision of influenza vaccinations at a specially reduced charge at Tokyo International Clinic
- ✓ Apr. 2015 introduction of a meal subsidy program using lunch chits (excluding some Group companies)
- ✓ Planned establishment of a company-owned tomb to collectively honor deceased employees at Baisoin Temple (Minato Ward, Tokyo)

*Eligible persons: Officers and employees who have continuously worked at least 20 years, their spouses, and children (under 18 years of age)

Expansion of Employment Opportunities

Planned abolishment of the age limit for reemployment after mandatory retirement and development of an environment in which people can continue to work at their own volition if they will be considered to still perform with great power, energy and intellect

(2) Future efforts to achieve sustainable expansion of corporate value

- ① Financial Services Business promoting new initiatives as a financial services innovator**
- ② Asset Management Business will Pursue an Increased Expansion of Scale and an Improvement in Quality**
- ③ Transition of 5-ALA related business from the preparation phase to the monetization phase**

- ① **Financial Services Business promoting new initiatives as a financial services innovator**
 - (i) Securities-related Business**
 - (ii) Banking-related Business**
 - (iii) Insurance-related Business**

(i) Securities-related Business

- a. With a significantly growing retail business as a foundation, expanding the corporate business to rank among the major face-to-face securities companies**
 - **Continuously enhancing IPO and PO underwriting business**
 - **Promoting self-origination of structured bonds**
- b. Further enhancing the retail business that is clearly superior to the face-to-face securities companies**
 - **In order to promote the development of SBI Group's unique online system for internal and external use, transferring SBI Japannext's IT department personnel to establish a system development company**
 - **By further strengthening relations between SBI SECURITIES and SBI Japannext, endeavoring to receive margin trading approval for Japannext PTS**
 - **Promoting FX-related business development in Asia**

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 (FY2014)

86 companies were listed in FY2014

Company name	No. of cases	Underwriting share (%)
SBI	73	84.9
SMBC Nikko	62	72.1
Mizuho	58	67.4
Nomura	47	54.7
Monex	44	51.2
Daiwa	40	46.5
Ichiyoshi	35	40.7
Okasan	34	39.5

* 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.

Number of IPOs Underwritten by SBI SECURITIES as Lead Manager is Increasing

Number of IPOs underwritten by SBI SECURITIES as lead manager

	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
Lead Manager	1	0	1	5	5	8

Underwrote 8 companies as lead manager in FY2014

Forecasts to underwrite over 10 companies as lead manager in FY2015

IPO Date	Company Name	Market
Sept. 11, 2014	Japan Investment Adviser	TSE Mothers
Sept. 19, 2014	AMBITION	TSE Mothers
Oct. 22, 2014	Ceres	TSE Mothers
Dec. 11, 2014	B-Lot	TSE Mothers
Dec. 16, 2014	MarkLines	TSE JASDAQ
Feb. 19, 2015	ALBERT	TSE Mothers
Mar. 24, 2015	RS Technologies	TSE Mothers
Mar. 26, 2015	Mobile Factory	TSE Mothers

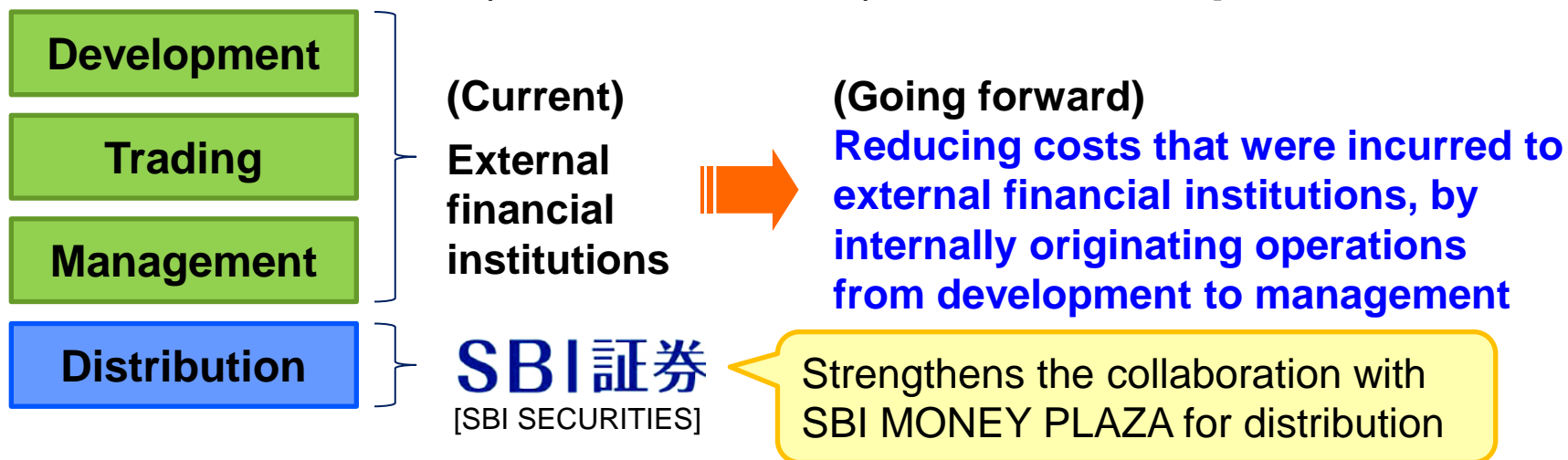


By maximally utilizing SBI MONEY PLAZA's customer base and sales network, a further expansion of the PO underwriting business will also be implemented

Promoting Self-origination of Structured Bonds

- By internally originating structured bonds that are currently purchased from third parties, strives to reduce cost and share the benefits to its customers

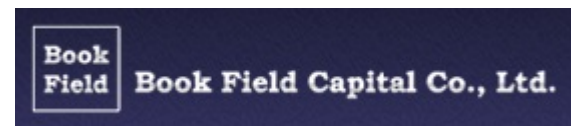
[Structured bonds' inherent operations from development to distribution]



- In order to accelerate the efforts to internally originate structured bonds, SBI SECURITIES acquired Book Field Capital, which possesses such expertise, on Apr. 1, 2015

[Outline of Book Field Capital]

Establishment	Apr. 6, 2005
Capital	JPY 50m
Total assets	JPY 197m (as of Nov. 30, 2014)



Establishment of a System Development Company to Promote the Development of SBI Group's Unique Online System for Internal and External Use



In the IT department, 59 out of 94 personnel are highly skilled foreign staff

(as of Apr. 30, 2015)

Integration of the systems development know-how

Transfer of IT department personnel

Establishment of a system development company

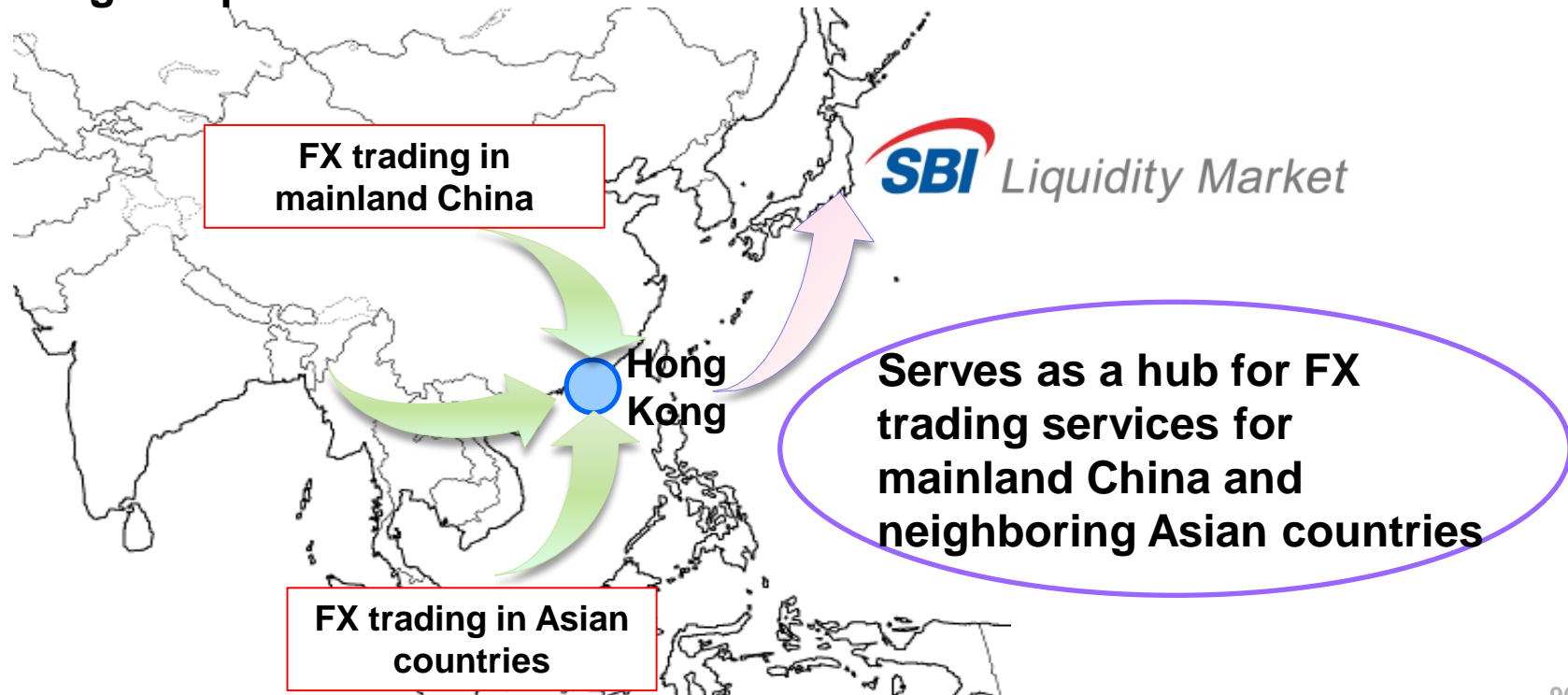
Preparing for the establishment of a system company that develops and structures online systems primarily for the internal and external securities business, during this coming summer

- ❑ In the future, endeavors to broadly provide system developments for internal and external banking and insurance business as well as securities by leveraging the accumulated expertise
- ❑ By strengthening ties between SBI SECURITIES and SBI Japannext, endeavors to receive approval in margin trading for Japannext PTS

Considering the Overseas Development of the FX-related Business in Asia

In order to acquire liquidity from China and the Asian countries by way of Hong Kong, SBI Liquidity Market will establish a Hong Kong subsidiary by the end of this summer.

Will provide trading systems and business know-how to local FX trading companies



(ii) Banking-related Business

- a. SBI Sumishin Net Bank making a full-fledged entry into the credit card business**
- b. Endeavoring to further improve profitability in banking business with the start of bank agency business at SBI MONEY PLAZA**

SBI Sumishin Net Bank's Acquisition of SBI Card

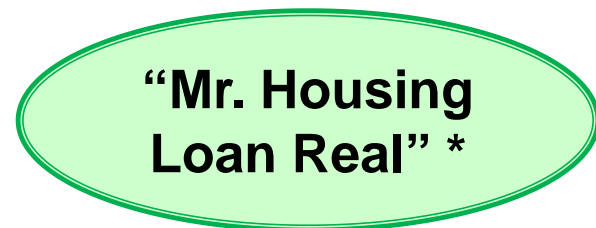
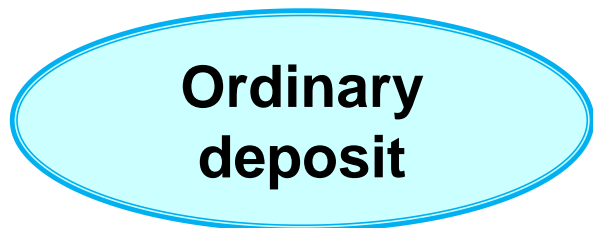


- Through a unified operation, including the development of products with a high affinity for SBI Sumishin Net Bank's card loans, cultivate the credit card business as one of the bank's core businesses
- In order to move forward to an early profitability of the credit card business, along with the enhancement of the card issuance process, both within and outside of the Group, established a committee composed of members from affiliated companies to strengthen such efforts

Endeavoring to Further Improve Profitability in Banking Business with the Start of Bank Agency Business at SBI MONEY PLAZA



[SBI MONEY PLAZA's new offerings]



* Dedicated product for bank agencies; offered only at 8 directly-managed SBI MONEY PLAZA shops

In order to further improve profitability, SBI Group's financial ecosystem continues to be fully utilized, such as with the thorough pursuit of synergies with SBI MONEY PLAZA

(iii) Insurance Business

- a. With the intent to become profitable in this fiscal year, SBI Insurance developed auto and fire insurance to be promoted by the entire the Group**
- b. SBI Life Insurance implemented a corporate name change, and is steadily progressing toward the resumption of the procurement of new contracts**
- c. To increase the efficiency of the insurance business, planning the establishment of an insurance holding company and a foray into the reinsurance business, to strengthen the profitability structure of the insurance companies**

SBI Insurance Proceeds to Expand on Its Product Offering



➤ Consideration of fire insurance



Fire insurance (under consideration)



Upon the launch of a fire insurance product, synergies with SBI Sumishin Net Bank and ARUHI (formerly 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 – Mar. 2015)

Total amount : JPY 2,279.6bn

Total number : 93,560

Number of newly acquired

(Apr. 2014 - Mar. 2015) : **19,152**

A R U H I

[ARUHI (formerly SBI Mortgage)]

(SBI Group's share holding*1: Approx. 10.53%)

Results of housing loans (Oct. 2007 – Mar. 2015)

Total amount : approx. JPY 2,900bn

Total number*2 : approx. 120,000

Number of newly acquired*2

(Apr. 2014 - Mar. 2015) : **approx. 19,000**

➤ Telematics insurance

(auto insurance which utilizes driving history information)

Contemplating the development of more personalized auto insurance through the collection and utilization of big data that is based on historical driving records, where an alliance with other companies may be considered

*1 Ratio of voting rights for ARUHI Group Co., Ltd., the holding company of ARUHI. 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 Mar. 2015)

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

Implementation of Corporate Name Change and Preparations for Resumption of the Procurement of New Contracts

- **Implementation of corporate name change (May 1, 2015)**



[SBI Life Insurance]

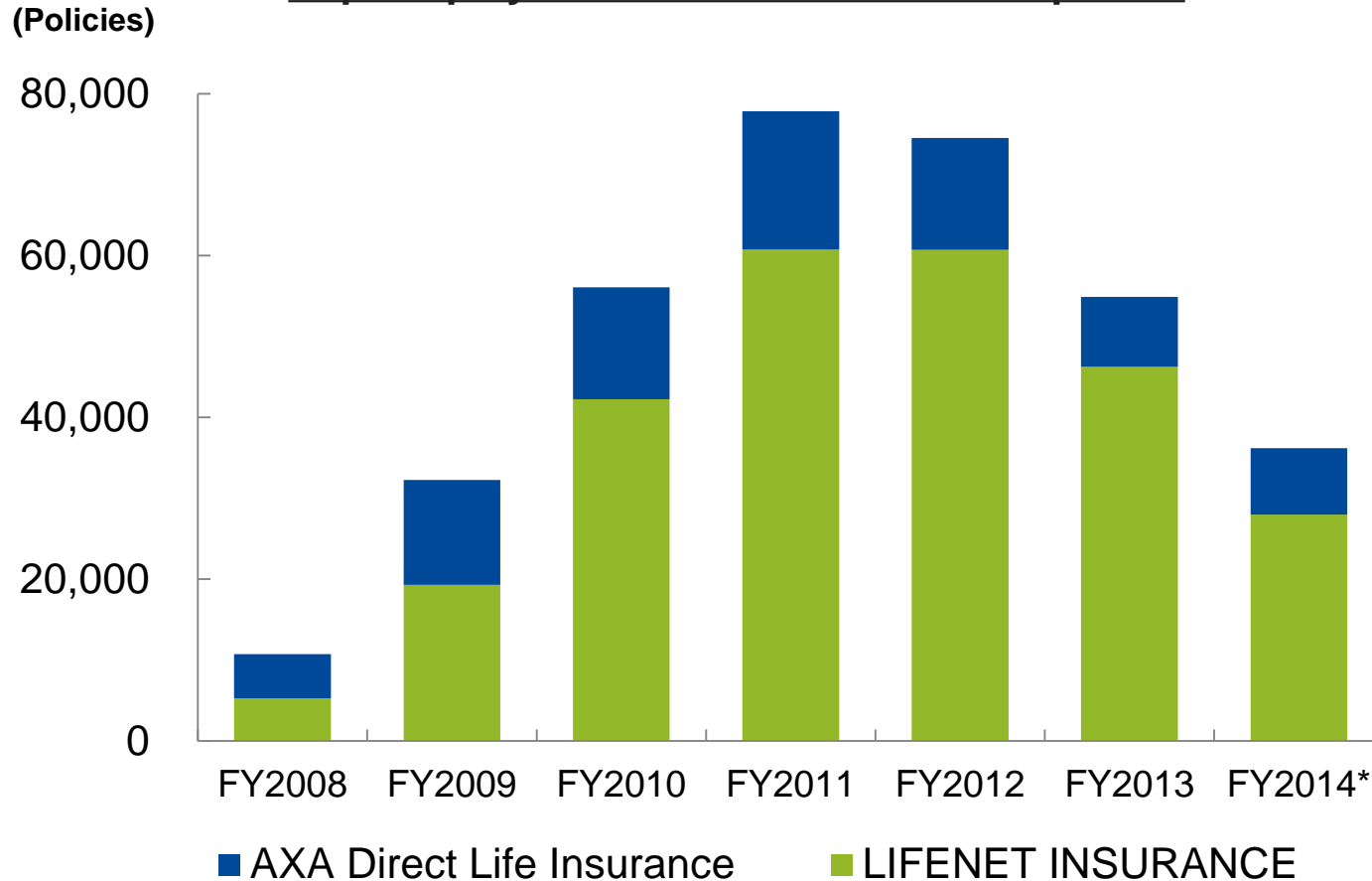
Implementation of corporate name change to SBI Life Insurance for the purpose of clarifying its position as a SBI Group company, and to enhance its public awareness

- **Measures for the resumption of the procurement of new contracts**

- **Enhance cost efficiency by relocating the office and reviewing personnel expenses, etc.**
- **Preparation for the development of new products and a sales structure**
- **Research and develop personalized new products more suitable for the digital age**

Pure-play Online Life Insurance Companies Reveal the Limits of their Growth Capability

Change in the number of new policies
of pure-play online life insurance companies

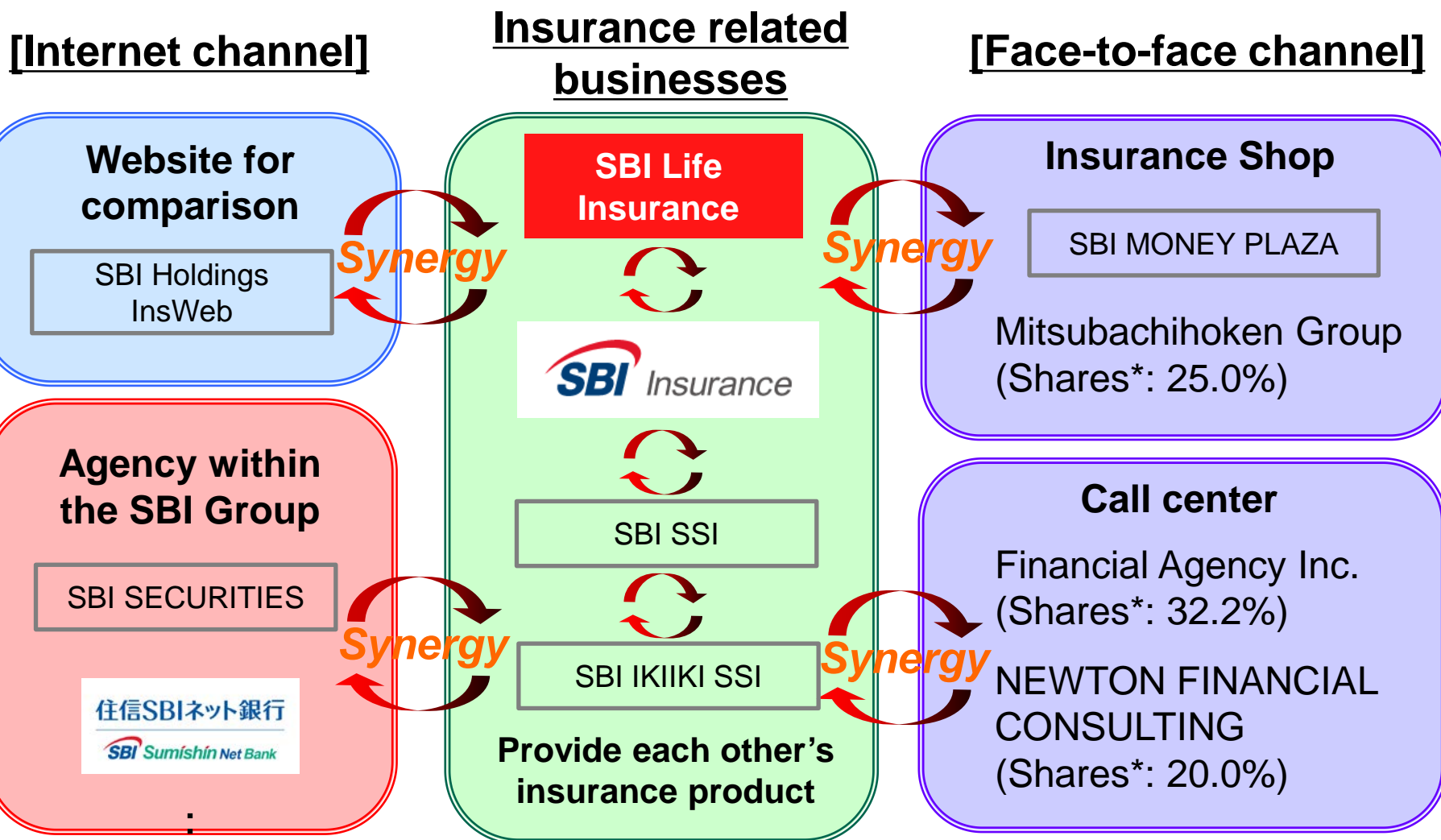


Compiled by SBIH from the information on websites of each company

* The number of policies of AXA Direct Life Insurance is for 9 months (April 2014 to December 2014), owing to AXA Direct Life Insurance's number of new contracts in the fourth quarter has not been disclosed yet.

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 Mar. 31, 2015)

②-(iii) -c. Foray into the Reinsurance Business and the Establishment of an Insurance Holding Company

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

➤ **Foray into the reinsurance business to strengthen the profitability structure of the insurance companies**

Finalized the selection of the domicile and service vendor of the reinsurance company
Advancing a feasibility study in order to establish a reinsurance company in FY2015

➤ **Through the establishment of an insurance holding company, efficiency enhancement and maximization of Group synergies will be endeavored**

- Efficient use of insurance business related resources, such as asset management, risk management, information, know-how, and human resources
- Strengthen synergies between insurance companies

 SBI Insurance

 SBI 生命
[SBI Life Insurance]

 SBI 少額短期保険
[SBI SSI]

 SBI いきいき少額短期保険
[SBI IKI IKI SSI]

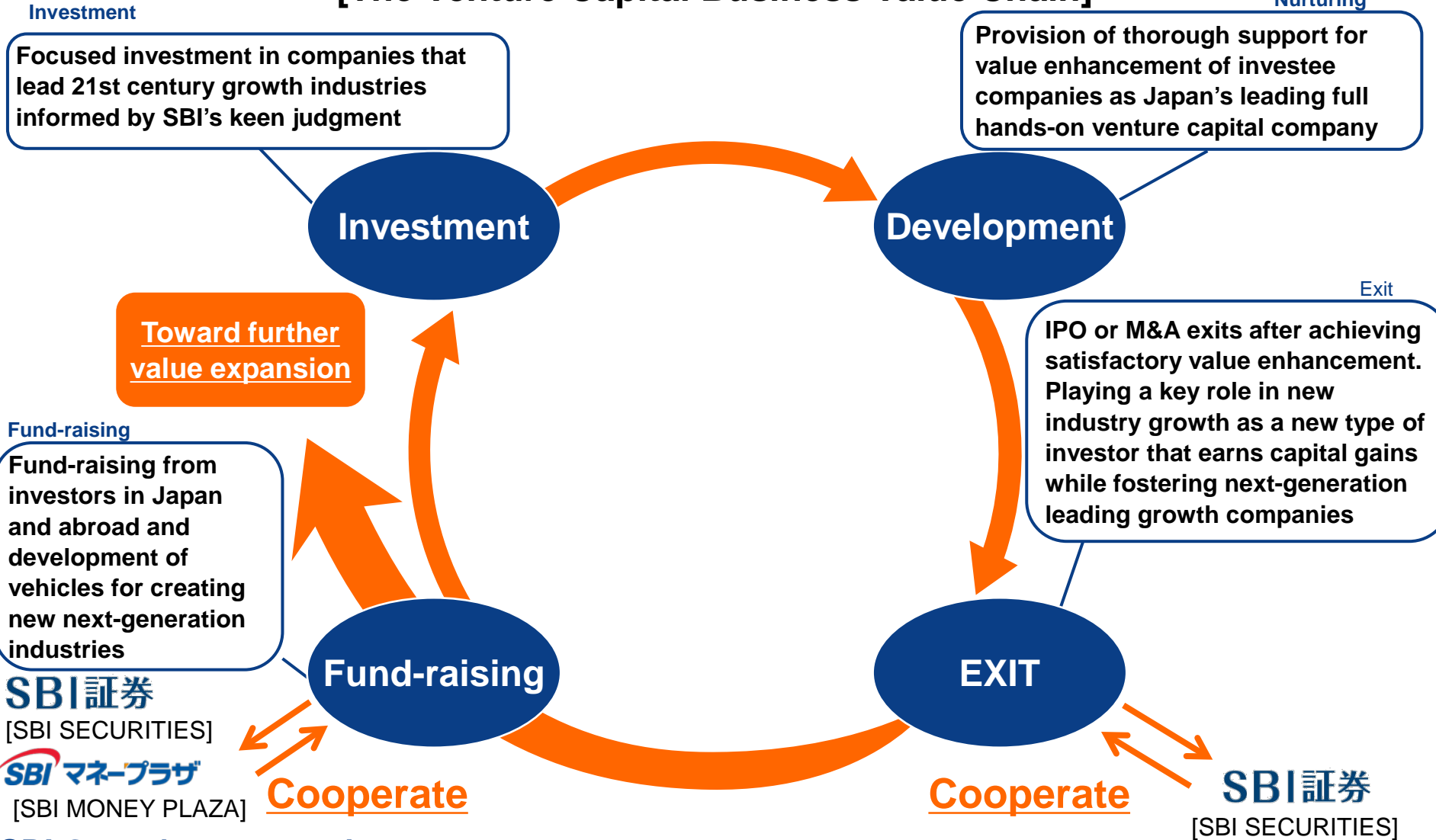
② Asset Management Business will Pursue an Increased Expansion of Scale and an Improvement in Quality

- (i) Increasing the scale of the venture capital business, both domestically and overseas**
- (ii) Further expansion of the scope of the financial services business overseas**
- (iii) With the increase in AUM through the addition of SBI Life Insurance as a subsidiary, the Group's asset management system will be restructured and strengthened**

(i) Increasing the scale of the venture capital business, both domestically and overseas

Structural Reinforcement of the Venture Capital Business in Every Value Chain

[The Venture Capital Business Value Chain]



SBI Group's overseas bases

Initiatives for Further Value Enhancement in the SBI Holdings Venture Capital Business ①

- Domestically, SBI Investment established a JPY 15bn flagship fund that targets next-generation companies

SBI VENTURE FUND INVESTMENT LPS



- Total commitment amount:
JPY 15.0bn
- Investment target:
Investment in promising unlisted companies in Japan and overseas engaged in IT, environment and energy, health care, services, materials and parts, and other promising businesses

Investee example: Rapyuta Robotics Co., Ltd.

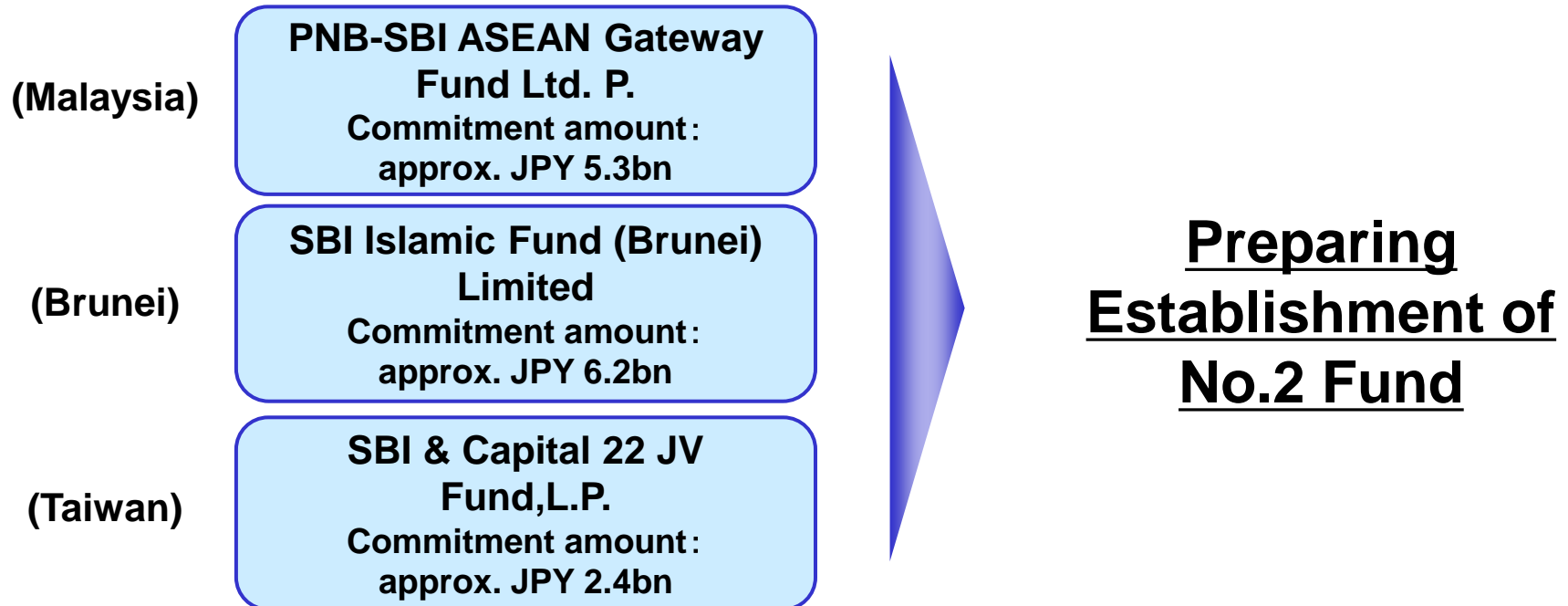
(Announced on a Jan. 26, 2015)

- A company engaged in the development of low-cost robots using the Rapyuta cloud robotics platform for operating robots via the Internet, a leading-edge endeavor in the Internet of Things (IoT) field
- Launched by key members of Raffaello D'Andrea's research laboratory at Swiss Federal Institute of Technology in Zurich, site of the world's most advanced robot technology research

Furthermore, SBI Investment is preparing to establish 3 new funds in FY2015

Initiatives for Further Value Enhancement in the Venture Capital Business ②

- Overseas, where funds jointly established with existing partners are steadily delivering results, preparations are underway to form No. 2 funds that will be larger than the No. 1 funds by securing capital contributions from outside investors.



The IPO and M&A pipeline is steady, with 8 IPOs or M&As of the SBI Group's overseas portfolio companies expected in FY2015, as compared to 5 in FY2014

SBI Investment KOREA Expands the Management of Funds in South Korea

- 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*)	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

Currently endeavoring to be selected to manage 5 funds (the aggregate commitment amount of KRW 430bn (approx. JPY 47.3bn*)) this year.

Additionally, MOUs with major financial organizations were signed to negotiate the establishment of new funds

b) Concentrated Investment in Core 21st Century Growth Industry:

In FY2014, Investments of JPY 19.6bn were Made, with a Concentration on
21st Century Domestic and Overseas Growth Industries

【Breakdown of Investment Amount in FY2014】

Breakdown by Industry	Portfolio Investment Amount (JPY million)	Number of companies
IT/Internet	5,532	28
Biotechnology/Health/Medical	3,850	16
Services	116	1
Materials/Chemicals	1,160	3
Environmental/Energy	3,678	18
Retail/Food	749	3
Construction/Real estate	995	1
Finance	3,429	4
Others	123	1
Total	19,631	75

Breakdown by Industry	Portfolio Investment Amount (JPY million)	Number of companies
Japan	6,150	28
China	958	2
Korea	6,793	26
Taiwan	203	1
Southeast Asia	1,655	4
India	1,307	7
U.S.	2,442	6
Others	123	1
Total	19,631	75

- Invested approx. JPY 16.5bn (84.0% of the total; 67 companies) in 21st century growth industries, such as Internet technology, biotechnology, environmental energy, and the finance-related industries.
- Invested approx. JPY 13.5bn (68.7% of the total; 47 companies) in foreign companies, with an emphasis on East Asia, as well as in Japan.

Realized Significant Value Enhancement through Advanced Development Abilities

[IPO Comparison with Major Japanese VCs from FY2014 to Present]

(Apr. 1, 2014 ~ May 12, 2015)

		SBI Investment	JAFCO	MUFG Capital	Mizuho Capital	SMBC Capital
Number of companies listed in Japan in 2014		9	23	19	13	12
Average market cap per company (JPY million)	Public offering basis	<u>26,393</u>	12,164	16,047	16,869	23,539
	First price basis	<u>30,561</u>	18,968	18,532	19,445	24,290
Number of companies whose market cap (at IPO) exceeded JPY 10.0bn		<u>6</u> (67%)	5 (22%)	5 (26%)	4 (31%)	5 (42%)

- SBI had the highest market capitalization per company at time of offering and of opening price formation
- Whereas JAFCO has 4.6 domestic investee companies per employee, SBI has 3.7 companies and maintains a structure to more deeply pursue investee value enhancement

With its "superior judgment" capabilities and focused full-hands on emphasis, with investments into growth industries, SBI Investment has worked to fully maximize the value of its investee companies, resulting in singular IPOs of a larger scale than competitor VCs to give it a significant advantage despite its late start as a VC

*Excludes Recruit Holdings

IPO and M&A Deals are Expected to Increase in FY2015

	Up to FY2013	FY2014 full year	FY2015 full year prospect
IPO and M&A deals*	181	14	20

* 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, 10 companies have conducted IPOs, and 4 companies were M&A'd

EXIT Date	Company	Market (Country)
Apr. 2, 2014	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	HKEx Main Board
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. 1	Kakao Corp.	M&A
Oct. 22	Ceres inc.	TSE Mothers
Dec. 25	Tokyo Board Industries Co., Ltd	TSE 2nd Section
Dec. 29	Yest Co., Ltd.	KONEX (Korea)
Jan. 1, 2015	Uphills, Inc.	M&A
Mar. 26	Mobile Factory, Inc.	TSE Mothers

(ii) Further expansion of the scope of the financial services business overseas

Completed Business Revitalization of SBI Savings Bank of South Korea ①

Achieved cumulative profit in the July. 2014-Mar. 2015 period, as well as a quarterly profit in the Jan.-Mar. 2015, on a K-GAAP basis.

Also, capital adequacy ratio improved steadily, and the financial condition is now sound

9 Month Ended Mar. 31, 2015 Result (K-GAAP basis)

(Announced on May 12, 2015)

(KRW billion)

	1Q* (July.-Sept. 2014)	2Q* (Oct.-Dec. 2014)	3Q (Jan.-Mar. 2015)	9 Months (July. 2014-Mar. 2015)
Operating Revenue	111.3	110.0	116.1	337.5
Operating Income	-16.1	14.5	24.0	22.4
Profit before income tax expense	-19.9	10.1	27.4	17.6

*Results for the four-month period from July to Oct. are equity-method income or loss adjusted from the sum of the pre-merger non-consolidated results of the former SBI 1 Savings Bank and three subsidiary banks.

Change in Capital Adequacy Ratio (K-GAAP basis)

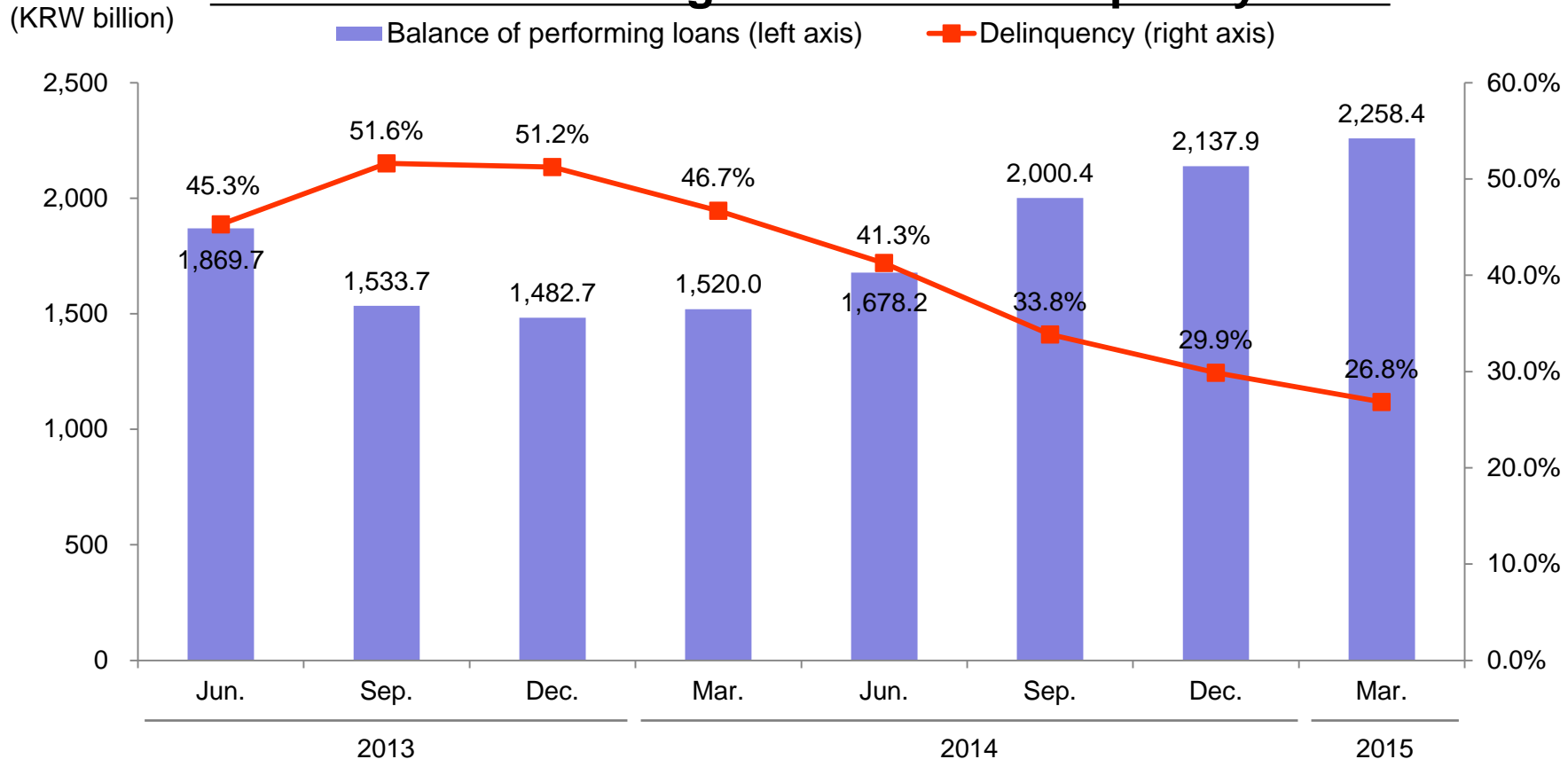
**As of the end of Dec. 2014: 10.69% → As of the end of Mar. 2015: 11.31%
(Improved by 0.62 percent points from the previous quarter)**



Completed Business Revitalization of SBI Savings Bank of South Korea ②

**Performing loans increased steadily from 2014.
Delinquency ratio continued to decline, and soundness of loans improved dramatically**

Balance of Performing Loans and Delinquency Ratio



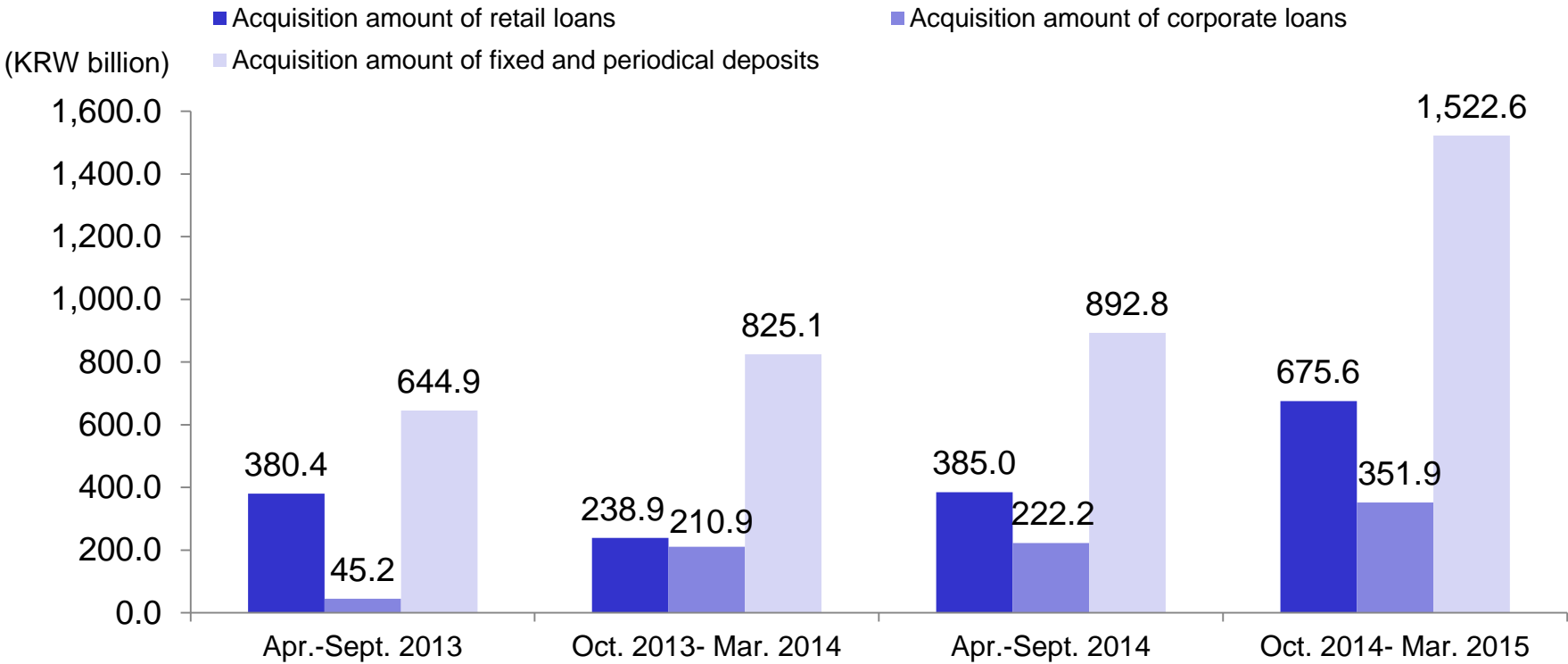
* Balance of performing loans is based on K-GAAP



Completed Business Revitalization of SBI Savings Bank of South Korea ③

The continued steady progress in the restructuring of the business at SBI Savings Bank has enabled it to strengthen its sales activities, allowing the bank to steadily acquire new credits and deposits since Apr. 2014

Change in SBI Savings Bank's New Credits and Deposits by Major Products



Strategies for Further Growth of SBI Savings Bank in South Korea

- **Management structure change that will allow for a leap forward in the new business stage**
 - Mr. Hideo Nakamura, who is very knowledgeable of the banking business in Japan, was appointed Representative Director, as the bank entered a turning point to aggressively deploy its business expansion initiatives.*¹
 - Along with Mr. Lim Jin Koo*², who will assume office as Co-Representative and the management team in Korea, a collective concerted effort will be made to further expand the business and to drive the industry growth as Korea's No.1 savings bank.
- *¹ Previous title: Director & Executive Vice President. Assumed office as Representative Director on Apr. 16, 2015
- *² Current title: Senior Managing Director. Scheduled to assume office upon approval at the Ordinary General Meeting of Shareholders scheduled to be held in Sept. 2015
- **Promoting efforts to increase new credits**
 - Endeavoring to acquire new customers by utilizing placement agents
 - Planning to develop auto-loan business within this year, as a part of service diversification
 - Promoting aggressive purchase of loans including performing loans from other banks
 - Promoting online banking services by riding the momentum created by deregulation

Targeting the realization of an early IPO

Enhancing and Expanding Collaboration with Chinese Companies for Development of an Online Financial Ecosystem in China



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.



A preparation company jointly established among the three companies "Shanghai New Successful Way Investment Consulting Co., Ltd."

The SBI Group sent President and CTO to this company, and will now take the initiative to promote a license application and systems development, in an effort to develop an online financial services business in China.



Further Expansion of Online Financial Service Business in Southeast Asia



Memorandum of Understanding on business alliance to provide online financial services for retail customers with Rizal Commercial Banking Corporation (Mar. 2015)

Plan to engage in a wide range of collaboration and provide a variety of retail online financial services such as banking, securities and insurance, etc.,



Commercial bank under the umbrella of the Yuchengco Group, a leading financial conglomerate in the Philippines



Entry into the first ever pure-play online securities business in Thailand (Apr. 2015)

A preparation company jointly established with one of Thailand's leading securities company, Finansia Syrus Securities Pcl., has received a basic approval for the issuance of a securities business license from the Securities and Exchange Commission of Thailand.



Scheduled to commence operations in the autumn of 2015, as Thailand's first pure-play online securities company. Provides securities services such as stock trading and derivatives trading over the Internet to local investors, including Japanese living in Thailand

Existing Business in Southeast Asia is also Steadily Expanding (i)



Cambodia: Phnom Penh Commercial Bank



ធនាគារ ភ្នំពេញ ពាណិជ្ជ
Phnom Penh Commercial Bank

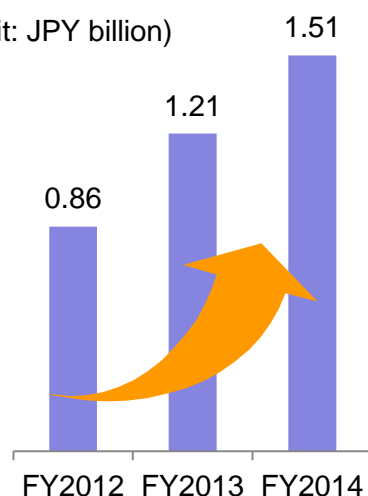
SBI Group's shareholding: 47.6% *1 (As of the end of Mar. 2015)
SBI Group's shareholding, including dilutive shares: 91.0%

- Invested in Phnom Penh Commercial Bank when it opened in Sept. 2008
- Operates 10 branches throughout the country: 8 branches are in Phnom Penh, one branch is in Siem Reap and another in Battambang
- Preparing to establish a representative office in Yangon, Myanmar
- Rapid growth in both revenue and income

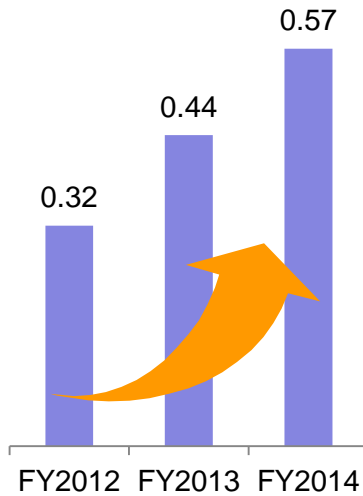
[Financial results *2]

Ordinary Revenue

(Unit: JPY billion)



Net Income



Unit: JPY billion	FY2010	FY2011	FY2012	FY2013	FY2014
Total assets	7.0	12.2	14.7	25.1	35.7
Deposits	5.0	7.2	9.4	19.0	28.8
Loans	2.9	5.1	8.3	14.6	20.4

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

*2 Converted at USD 1 = JPY 119.90

Existing Business in Southeast Asia is also Steadily Expanding (ii)



Vietnam: TPBank



(SBI Group's shareholding: 19.9%) *1 (As of end of Mar. 2015)

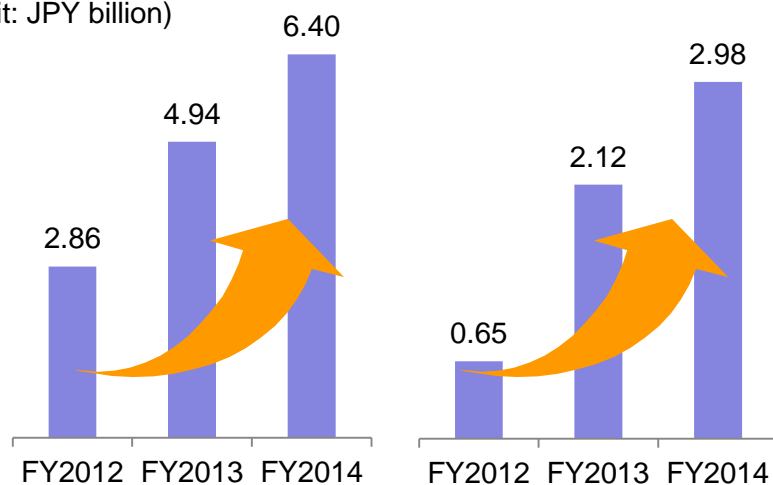
- Acquired shares in Aug. 2009
- Operates 38 branches throughout the country, including the central branch in Hanoi
- Rapid growth in both revenue and income

[Financial results *2]

Ordinary Revenue

Net Income

(Unit: JPY billion)



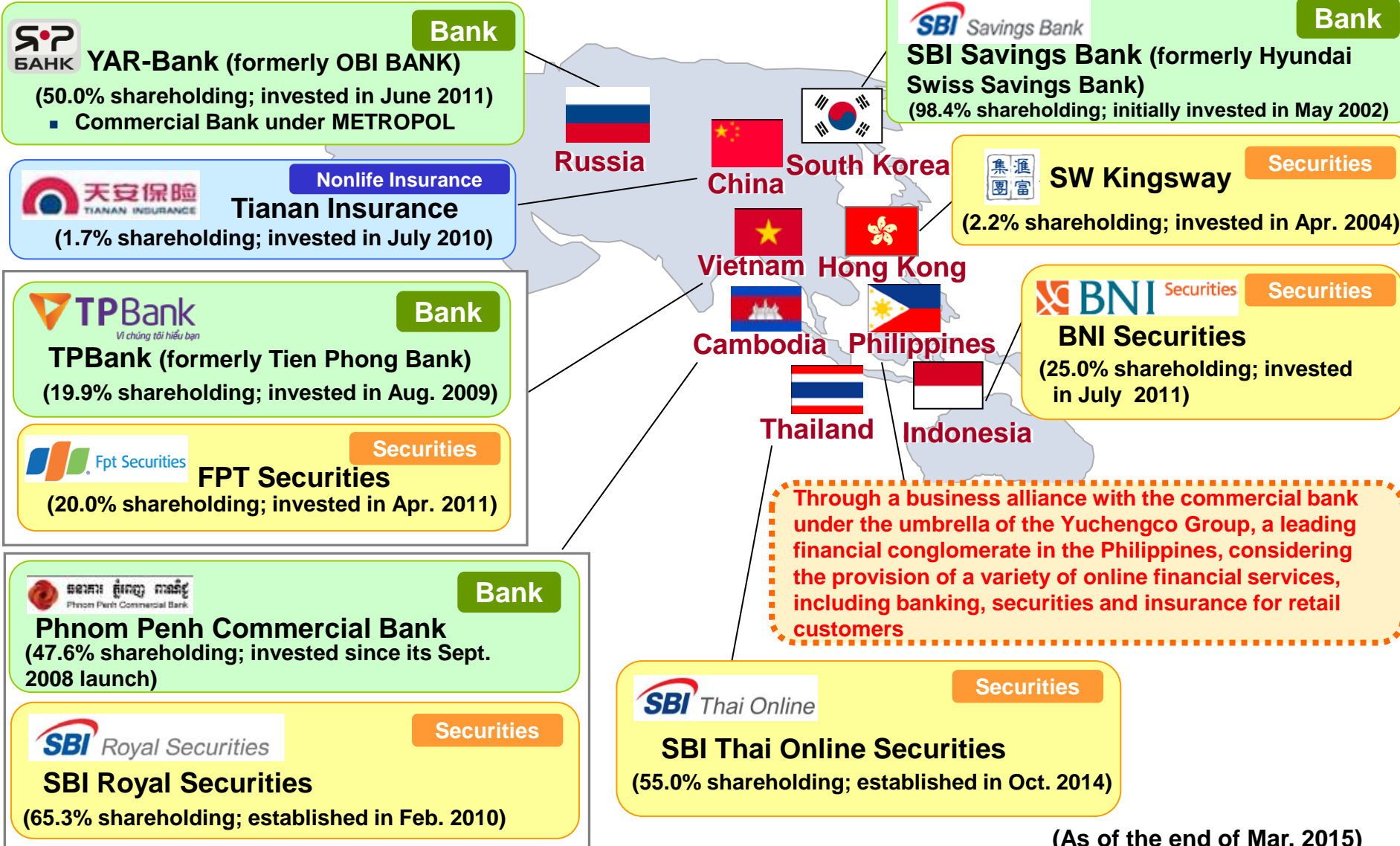
Unit: JPY billion	FY2012	FY2013	FY2014
Total assets	84.1	178.4	286.2
Deposits	51.5	79.7	120.2
Loans	33.3	65.7	109.2

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

*2 Converted at VND 1 = JPY 0.0055

(ii) Expansion of Financial Services Business Overseas

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 Mar. 2015)

* SBI's shareholding percentage corresponds to a total percentage based on the IFRS criteria for subsidiary companies and subsidiary funds of the Group 124

(iii) With the increase in AUM through the addition of SBI Life Insurance as a subsidiary, the Group's asset management structure will be restructured and strengthened

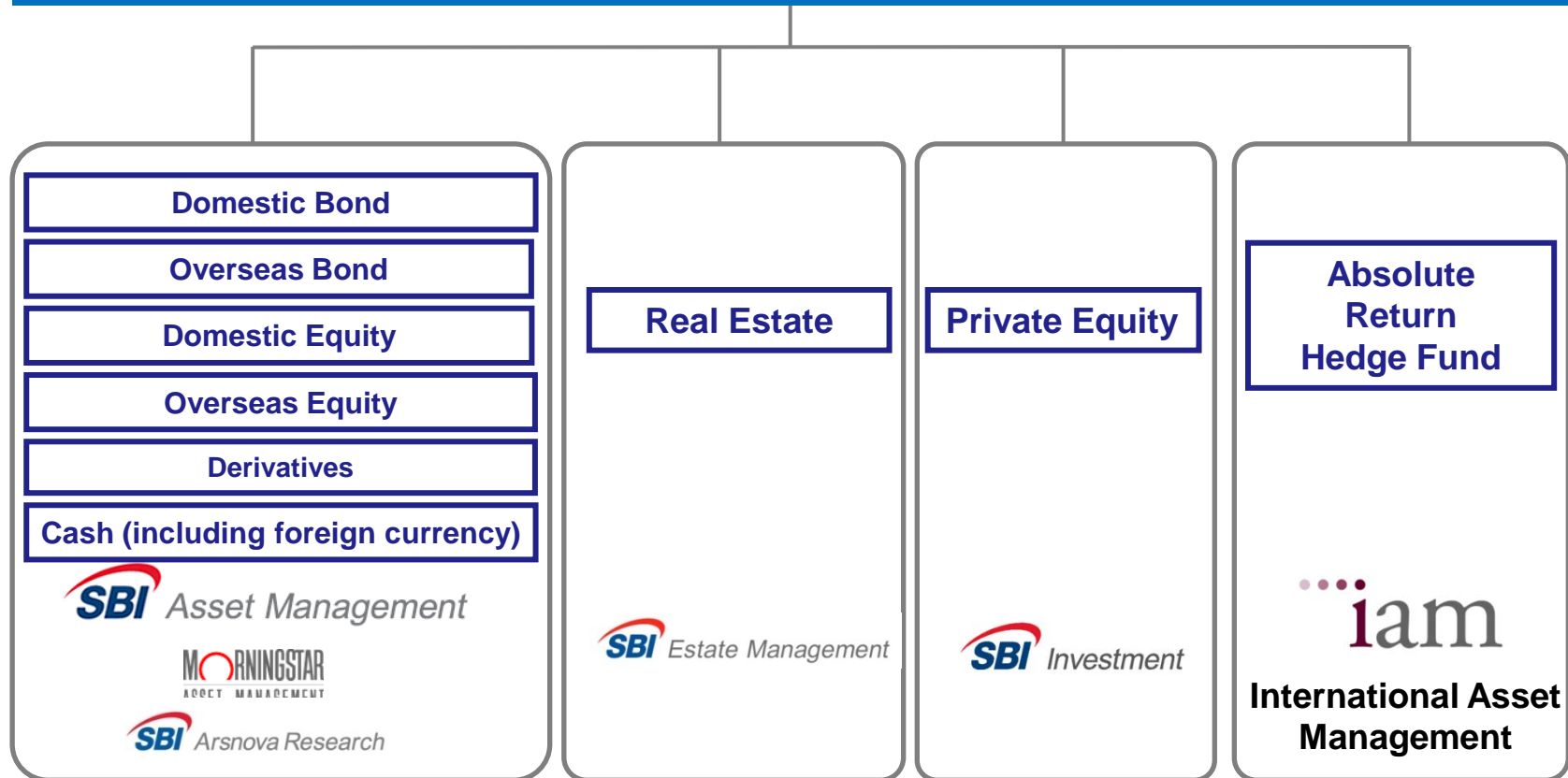
(iii) Restructure and reinforce the Group asset management organization

Establishment of a Company

Presiding over Asset Management

Owing to the addition of SBI Life Insurance as a Group subsidiary company, the AUM of the SBI Group's institutional investors will increase correspondingly, consequently SBI Group's Asset Management Division will be restructured and strengthened through the establishment of "SBI Global Asset Management." (tentative name)

SBI Global Asset Management (tentative name)

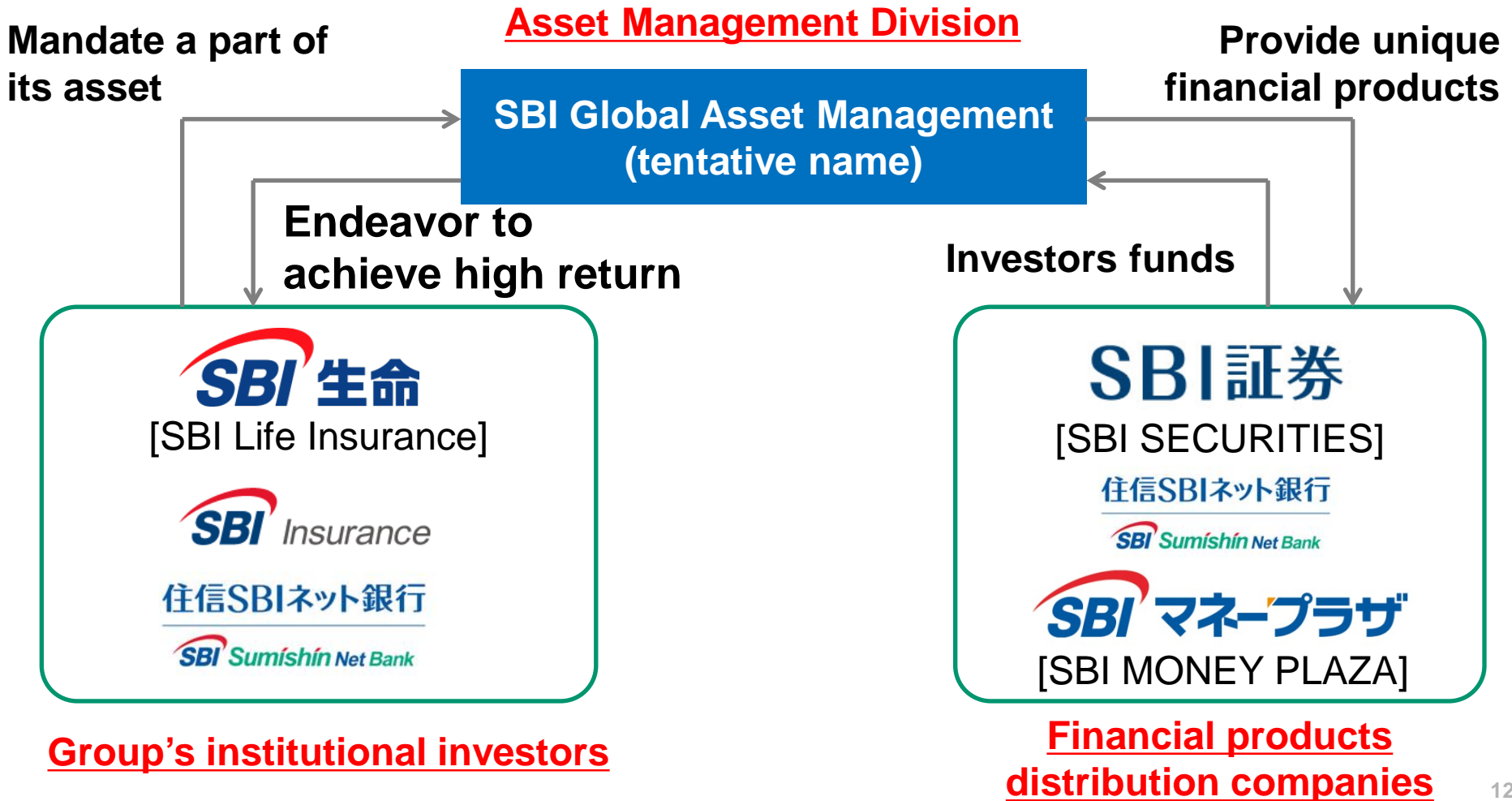


Asset types

Partner company

Synergies through Restructuring and Strengthening of the Asset Management Division

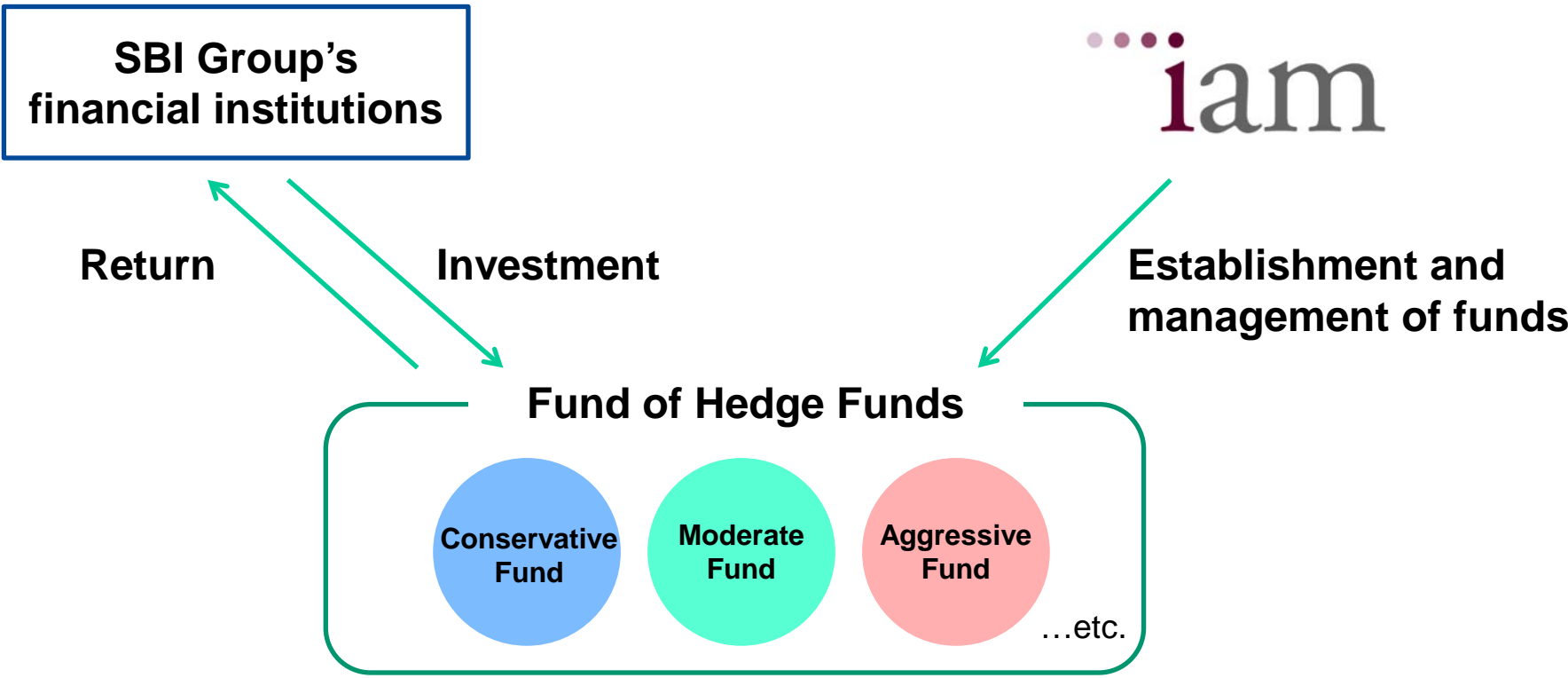
The restructured and strengthened Asset Management Division will be expected to generate synergies with the Group's institutional investors, such as the bank and insurance companies, along with the generation of synergies with companies that distribute financial products, such as SBI SECURITIES.





Alliance with a Leading Hedge Fund Management Company

Signed a MOU with International Asset Management Limited, a leading UK-based hedge fund management company, to offer hedge fund investment products



International Asset Management:
An U.K.-based leading hedge fund manager, with AUM of approx. USD 4.15bn (as of Mar. 2015), with 17 portfolio managers engaged in fund management, as well as investing on a fund-of-funds basis, by utilizing a database of nearly 8,300 hedge fund managers.

③ Transition of 5-ALA-related business from the preparation phase to the monetization phase

- (i) As a result of collaboration with more than 90 research organizations in Japan and overseas, basic and other research concerning 5-ALA is advancing in various fields.**
- (ii) SBI Pharmaceuticals has already obtained 21 patents in Japan and is gradually obtaining patents overseas as well.**
- (iii) Clinical trials for the development of pharmaceuticals containing 5-ALA are progressing in Japan and overseas (three Phase II trials, one Phase III trial, and one product introduced).**
- (iv) Two types of medical light source devices used in Photodynamic Diagnosis (PDD) have been developed and introduced on the market.**
- (v) Future business strategy for further enterprise value growth**

Research on the Effects of 5-ALA on Various Target Illnesses is Proceeding

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](#)
SBI sponsored clinical trials (Phase III) will start at 5 universities, led by physicians and Kochi University from May 2015

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

[Cervical intraepithelial neoplasia](#)
Nagoya Univ.

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

[Methicillin-resistant Staphylococcus aureus-infected ulcers](#)
Osaka City University

Photodynamic therapy

Chemotherapy-induced anemia

[Cancer chemotherapy-induced anemia](#)
With Phase I clinical trials completed in the U.K., a physician-led Phase II trial has commenced at Saitama Medical University

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.

[Intractable neurodegenerative disease](#)
Center for iPS Cell Research and Application, Kyoto Univ. **NEW!!**

Others

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

[Cardiac ischemia-reperfusion injury](#)
The University of Oxford

[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

[Organ Transplantation](#) **NEW!!**
National Center for Child Health and Development, and Huazhong Univ. of Science and Technology

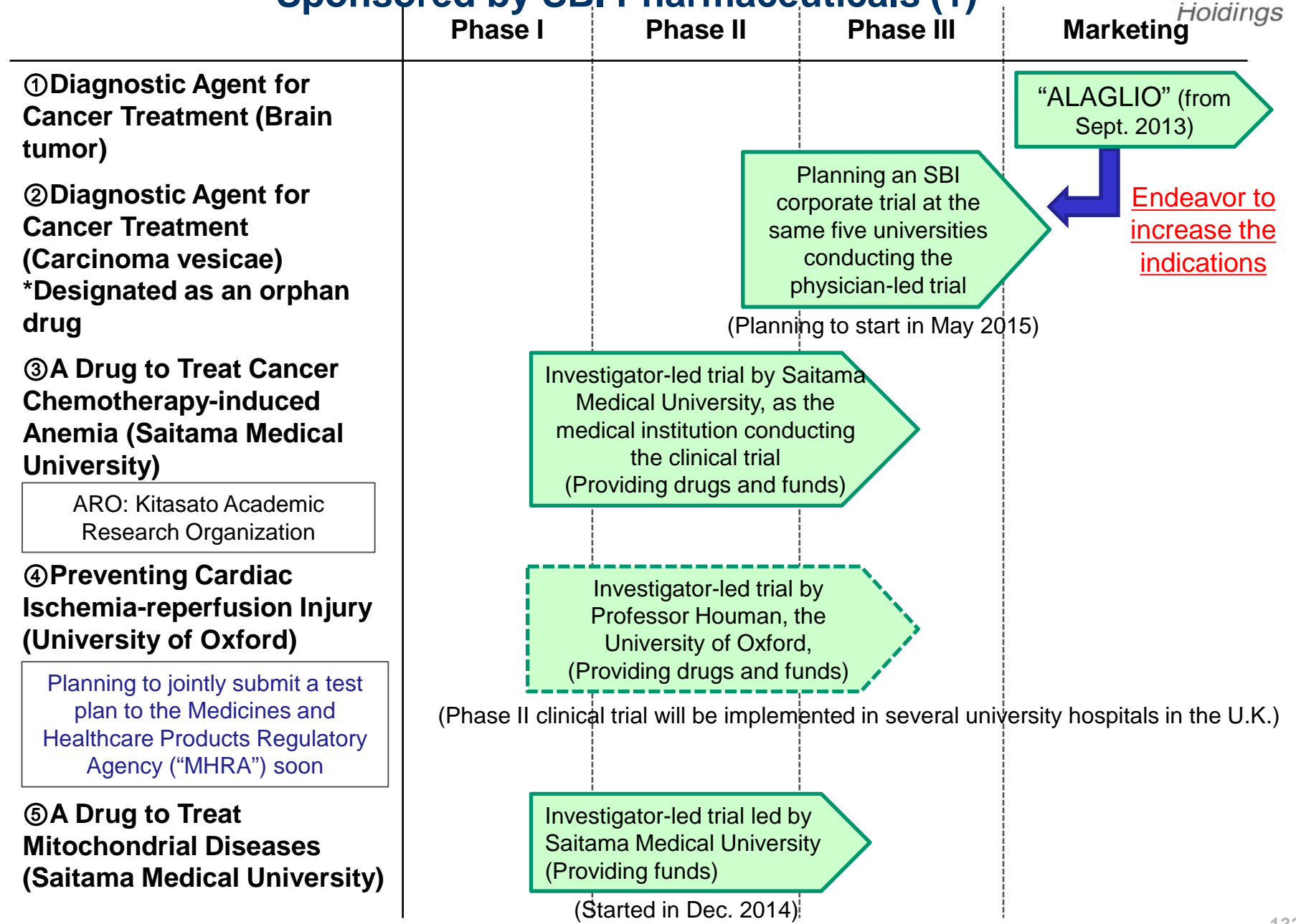
(ii) About Granted Patents

Patents Held by SBI Pharmaceuticals in Japan (Total of 21 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 Okayama University/Kochi University
Mitochondrial fluorescence staining method	July 11, 2014	The University of Tokyo
Antimalarial drug whose active ingredient is 5-aminolevulinic acid or a derivative thereof	July 25, 2014	Single application
Cancer prophylactic and/or improving agent whose active ingredient is 5-aminolevulinic acid or a derivative thereof or a salt thereof	Sept. 12, 2014	Tokyo Institute of Technology
Alaremycin derivative	Nov. 14, 2014	Single application
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	Tokyo Institute of Technology
Antimalarial drug whose active ingredient is alaremycin or a derivative thereof	Dec. 26, 2014	National Hospital Organization
Treatment for allergic rhinitis NEW!!	Mar 20, 2015	

R&D Progress in the Pharmaceutical Field Sponsored by SBI Pharmaceuticals (1)



R&D Progress in the Pharmaceutical Field

Sponsored by SBI Pharmaceuticals (2)

Start of a investigator-led trial of a therapeutic agent provided by SBI Pharmaceuticals for mitochondrial disease

Newspaper article

Start of a investigator-led trial by a nationwide network of pediatrics departments for a therapy involving administration of 5-aminolevulinic acid (5-ALA) and sodium ferrous citrate (SFC)

From the *Nikkan Kogyo Shimbun* column “Exploration and Leading-Edge Research”

5-aminolevulinic Acid

Therapy with an additional dosage of a biological material

Use in treatment of mitochondrial disease

“The advantage of 5-ALA is that it is smoothly incorporated into the cytoplasm since no foreign synthetic material enters the cells.”

Trial leader Professor Akira Ohtake of the Saitama Medical University Pediatrics Department stresses, “Administration of 5-ALA/SFC may become an essential therapy for increasing the activity of the mitochondrial respiration chain.”

(Feb. 27, 2015 Nikkan Kogyo Shimbun)

Increasing Partner Medical Institutions for Clinical Research on foods and medicines using 5-ALA 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 intervention test on type 2 diabetes at the Bahrain Defense Force Royal Medical Service Hospital and completed the registration of all 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

- **The hospital affiliated with 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 ten 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 and Sold by SBI Pharmaceuticals

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

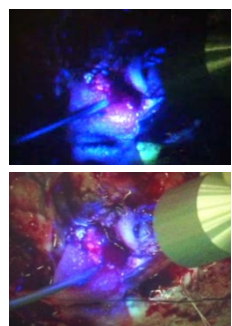


LED light source

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(photo to the right): Examples of use as light source for diagnosis of cancer

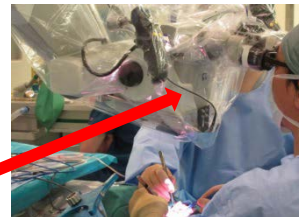


Laser light source

Started sales of the violet LD light source Alcedo LS-VLD (from Feb. 2015)

**Alcedo LS-VLD is the second medical device that SBI Pharmaceuticals sells in Japan
Use in combination with a surgical microscope possible**

Clinical image (photo to the right): Example of use as an auxiliary light source in cancer diagnosis. The Alcedo is installed on the tip of the laser fiber (not shown)



Newly developed green light source was selected for the Innovation Commercialization Venture Support Project.



“Development of Green Light Source Device for Use in ALA-PDT” was selected for the Innovation Commercialization Venture Support Project of the New Energy and Industrial Technology Development Organization (NEDO). During the term of the project, SBI pharmaceuticals developed a green light source device and demonstrated through animal testing and other means that it is more effective the conventional red light source devices. The project objective was nearly 100% achieved.

SBI Pharmaceuticals Moving to the Monetization Phase through Alliance Strategy Implementation

1. **Establish a manufacturing base and ensure a stable supply of 5-ALA-related products globally** by concluding a patent licensing agreement with Cosmo Oil and developing our business base for an integrated system extending from production to sales of pharmaceuticals, health foods, and cosmetics containing
2. To secure operating bases in Europe through acquisitions, **expanding our drug offerings, and strengthening the global drug development and sales network**
3. The prospects for obtaining a license to manufacture and sell health foods containing 5-ALA from the authorities in Jordan are good. **Strengthen sales of health foods in the Middle East region by expanding the sales area** beyond Bahrain and the United Arab Emirates, where licenses have already been obtained.
4. We have an offer from a globally operating CRO (Contract Research Organization) to offer their pharmaceutical clients 5-ALA of novel drug seeds, and will engage in consultations
5. To enter the health care market in China, discuss a product development and sales alliance with a Chinese pharmaceuticals-related company.
6. Concentrate the company's enterprise resources on the pharmaceuticals sector and seek to **accelerate product development and increase earnings by licensing technology to major players in the health foods field**. Currently, licensing to multiple companies in Japan and overseas is being considered, and preparations are underway to conclude an agreement in June. Presently discussing out-licensing with certain domestic and overseas companies, toward an agreement conclusion in June
7. SBI Pharmaceuticals is targeting an IPO within three years

[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 May 11, 2015) (JPY billion)

	Valuation of each segment (theoretical value)
Financial Services	525.4
Asset Management	94.0
Biotechnology-related	66.5
Sum total	685.9(+)*

Business valuation per share: **JPY 3,054**

Of the major Group companies, 12 are profitable companies that are not included in the above calculations (Total FY2014 Profit before Income Tax Expense: approx. JPY 20.0bn)

* Since the figure is a simple sum of the values of each segment with interest-bearing liabilities of SBIH not taken into account in the calculation, the abovementioned business valuation per share does not show the theoretical stock price of SBIH.

SBI Holding's Recent Stock Price

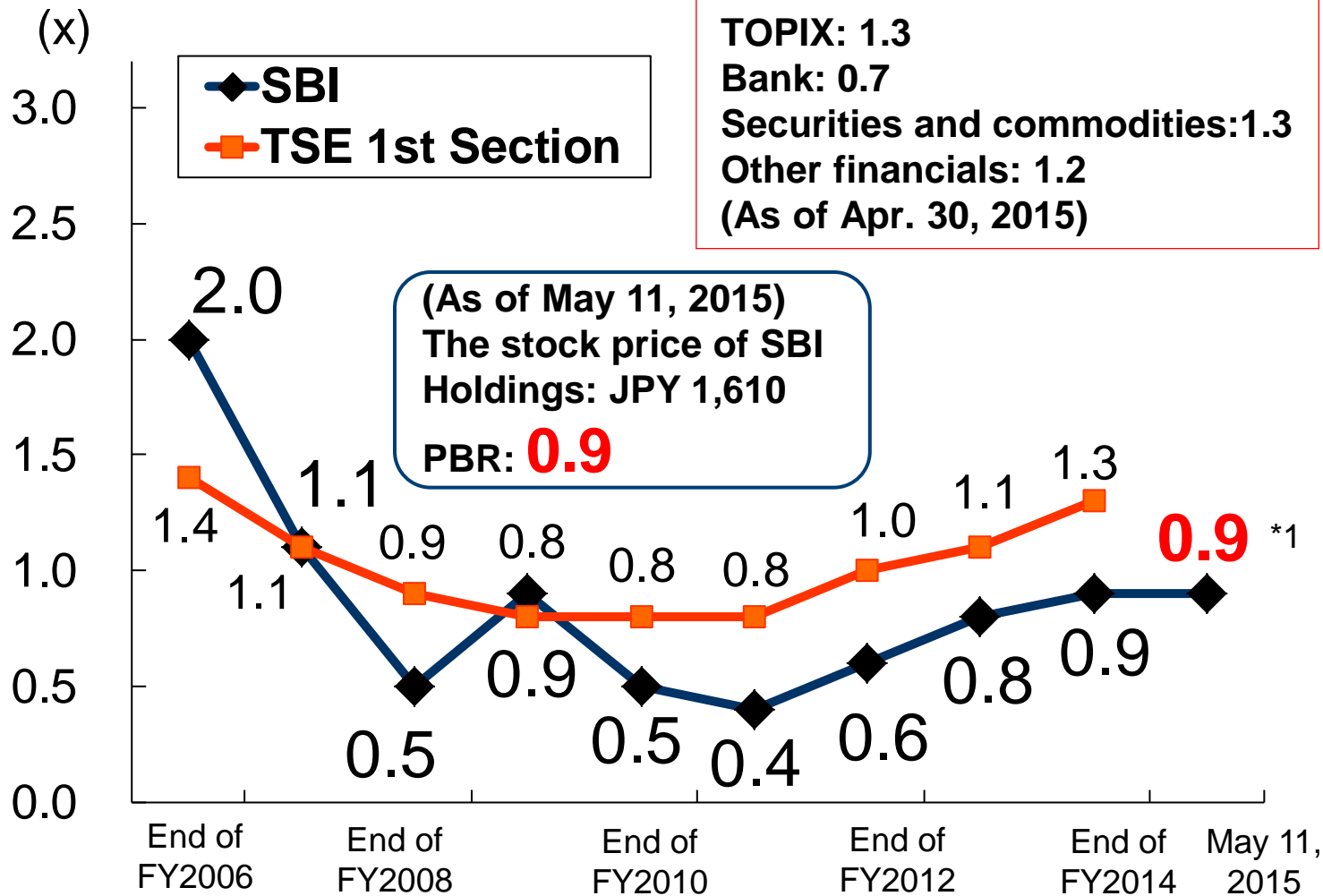


Market cap (based on the closing price on May 11, 2015): **JPY 361.5bn**



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 FY2014 is 7.6^{*2}
(As of May 11, 2015)

[Reference]
SBI Holdings' PER based on forecast EPS

PER:
9.3 (Nikkei Kaisha Joho)
7.4 (Japanese company handbook)

^{*1} PBR of SBI Holdings for May 11, 2015 is calculated based on the BPS of the end of Mar. 2015.

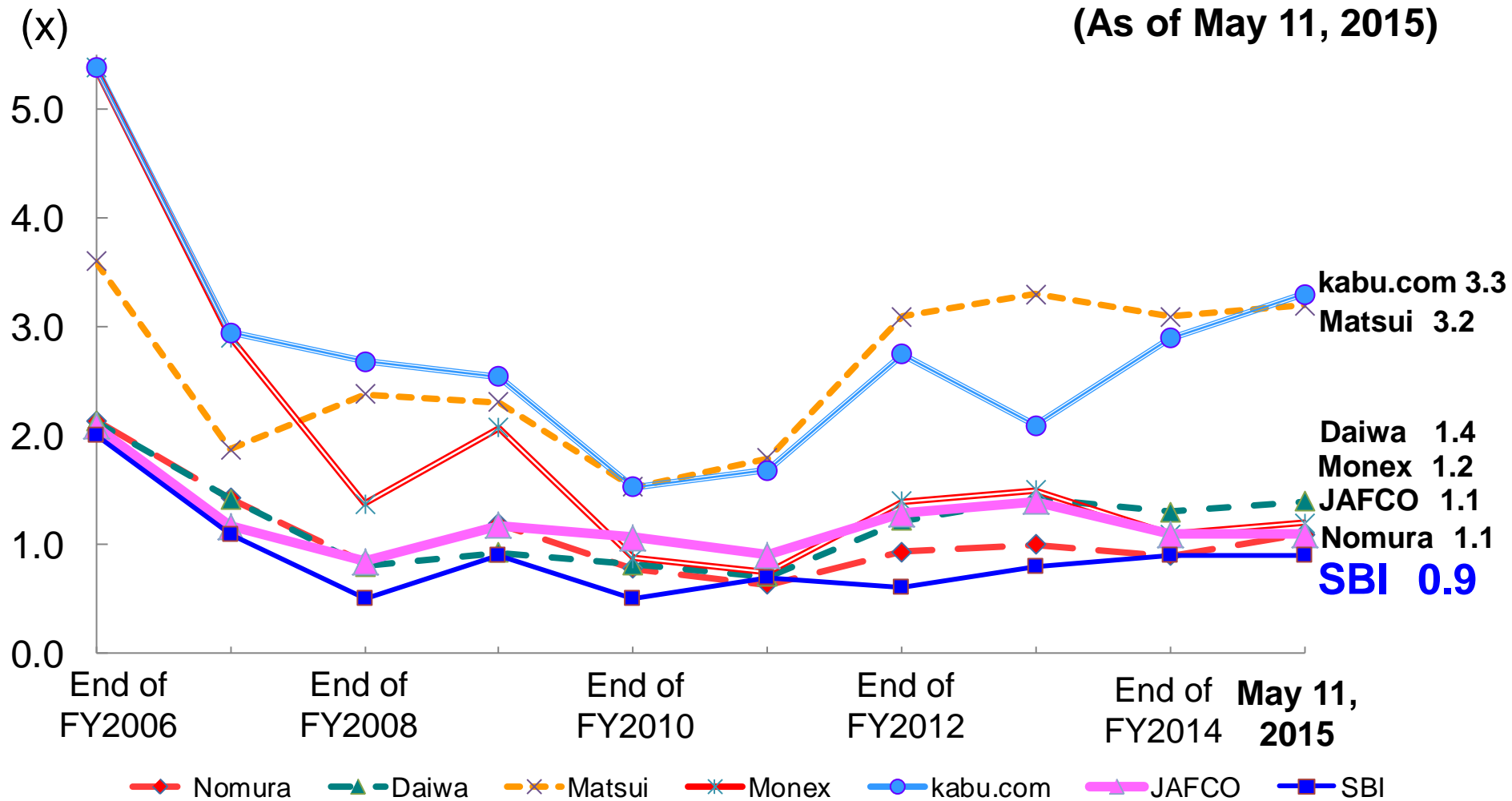
^{*2} EPS of FY2014 (JPY 211.18) is used to calculate SBI Holdings' PER.

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 May 11, 2015)



*PBR for May 11, 2015 is calculated based on the BPS of the end of Mar. 2015.

*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 **325.8bn**

(based on the closing prices of May 11, 2015)

SBIH's market cap as of May 11 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 (FY2014) ... (A)

Matsui's PBR (*2) × SBI SECURITIES's Net Asset (*3) (as of Mar 31, 2015) ... (B)

*1 PER of Matsui is calculated by its net income per share for FY2014.

*2 PBR of Matsui is calculated by its BPS as of Mar. 31, 2015.

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

Valuation by Segment Estimated by SBI

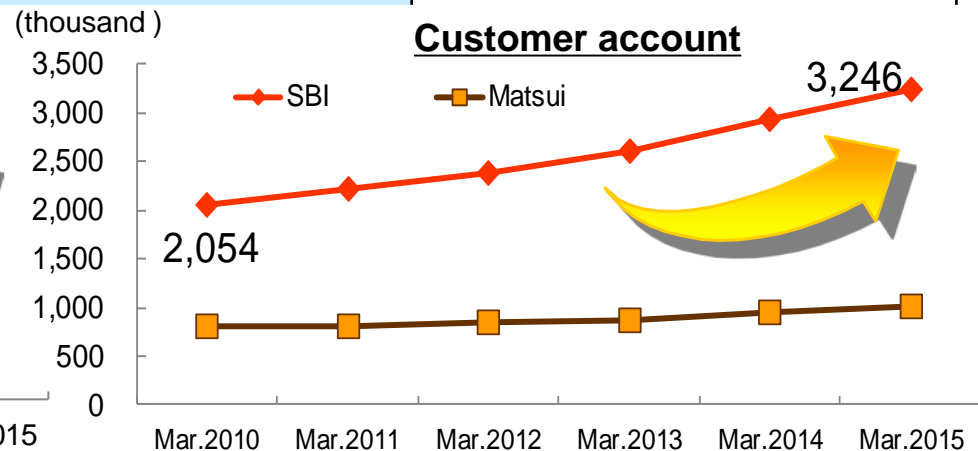
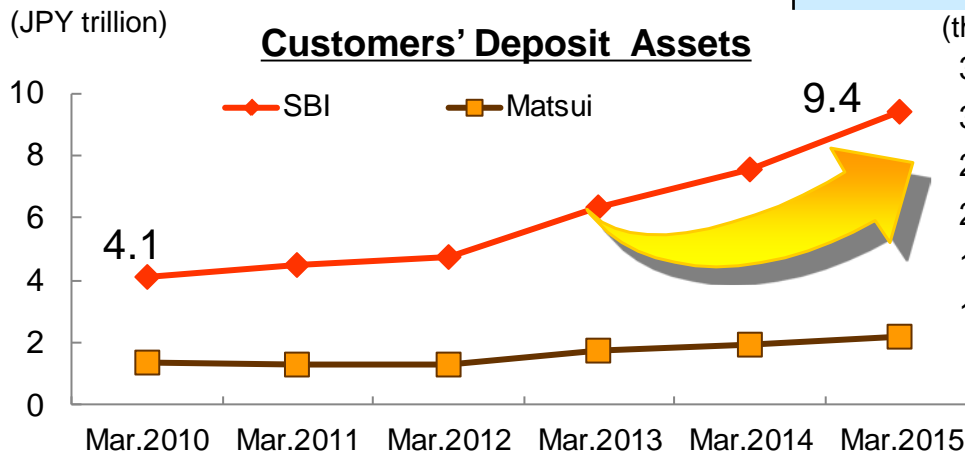
(1) Financial Services Business ① SBI SECURITIES -(ii)

Is SBI SECURITIES' valuation reasonable?

Comparison of SBI SECURITIES Matsui Securities

*Calculated by the closing prices of May 11, 2015

(FY2014)	SBI SECURITIES	Matsui Securities
Valuation (market cap) *	JPY 325.8bn	JPY 297.0bn
Deposit assets (Mar. 2015)	No.1 JPY 9.4tn	JPY 2.2tn
Number of accounts (As of the end of Mar. 2015)	No.1 3.25 million	1.00 million
Share of individual stock brokerage trading value	No.1 38.1%	12.9%
Operating income	No.1 JPY 34.7bn (up 5.9% YoY)	JPY 22.1bn (down 18.5 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 182.6bn → JPY 91.3bn (based on the closing prices of May 11, 2015)

(Shareholding of the SBI Group: 50.0%)

Estimation of the valuation is as follows:

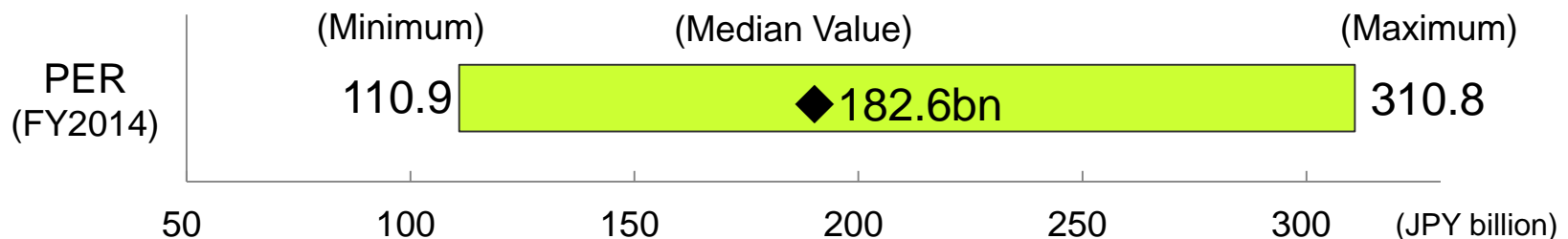
Calculated according to the **Comparable Public Company Analysis**

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 (*) × SBI Sumishin Net Bank's Net Income (FY2014)

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

[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 35.9bn** (based on the closing price of May 11, 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

$$\frac{\{(Money\ Partner's\ PER + MONEY\ SQUARE\ JAPAN's\ PER)\}^{(*)}}{2} \times Net\ Income\ of\ SBI\ Liquidity\ Market\ (cons.)\ (FY2014)$$

* PER of Money Partners and MONEY SQUARE JAPAN is calculated by its net income per share for FY2014.

<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 (FY2014)
JPY 8,498m	Operating revenue	JPY 12,885m
JPY 4,021m	Operating income	JPY 3,114m
JPY 2,289m	Net income	JPY 1,947m
JPY 9,067m	Net assets	JPY 6,023m

Operating income before allocation to SBI SECURITIES was JPY 11,096m

Valuation by Segment Estimated by SBI

(1) Financial Services Business ④ SBI Japannext

④ SBI Japannext

Estimates the valuation of SBI Japannext at JPY 30.1bn

→ JPY 15.9bn (based on the closing prices of May 11, 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 (FY2015)

* PER of Japan Exchange Group is calculated by the estimated net income per share for FY2015.

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 40.8bn (based on the closing price of May 11, 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

Kakaku.com's PER (*) × Net Income of SBI Comparison Website Business (FY2014)

* PER of Kakaku.com is 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	49.7	Consolidated subsidiary	JASDAQ	27.7	13.8
SOLXYZ	26.3	Equity method associate	JASDAQ	7.1	1.9
Sum of the market cap of listed subsidiaries and equity method associates				34.8	<u>15.7</u>

(Based on the closing price of May 11, 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 May 11, 2015)

Upon comparison with similar listed companies calculated conservatively as **JPY 325.8bn**

② SBI Sumishin Net Bank

(based on the closing prices of May 11, 2015)

Estimated the valuation of SBI Sumishin Net Bank that has high growth potential in terms of profitability and scale at JPY 182.6bn → **JPY 91.3bn** (Shareholding of the SBI Group: 50.0%)

③ SBI Liquidity Market (cons.)

(based on the closing prices of May 11, 2015)

Upon comparison with similar listed companies calculated as **JPY 35.9bn**

④ SBI Japannext

(based on the closing prices of May 11, 2015)

Upon comparison with similar listed companies estimated the valuation at JPY 30.1bn → **JPY 15.9bn** (Shareholding of the SBI Group: 52.8%)

⑤ SBI Comparison Website Business

(based on the closing prices of May 11, 2015)

Upon comparison with similar listed companies calculated as **JPY 40.8bn**

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 15.7bn (based on the closing prices of May 11, 2015)

Total of the valuation above: JPY 525.4bn (The sum according to the SBI Group's 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	Profit before income tax expense for FY2014 (JPY billion)	SBI's shareholding pct. (%)
SBI MONEY PLAZA	Insurance agency, financial instruments intermediary service provider, housing loan agency	1.5	100.0
CEM Corporation	Real estate secured loans	0.5	79.7
SBI Life Insurance	Life insurance	0.5	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 117.3bn

<Reference>

JAFCO's Market Cap: **JPY 215.6bn** (based on the closing price of May 11, 2015)

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

(i) Value of holding securities (at the end of Mar. 2015) Approx. JPY 96.4bn

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

(ii) Value of SBI Investment (based on the closing price of May 11, 2015)

(* Valuation excluding assets such as securities hold) Approx. JPY 12.5bn

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 FY2015.

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	42.8	Consolidated subsidiary	KOSDAQ of KRX	7.3*	3.1
SBI Investment KOREA	43.9	Equity method associate	KOSDAQ of KRX	12.0*	5.3
Sum of the market cap of listed subsidiaries and equity method associates				19.3	8.4

(Based on the closing price of May 11, 2015. *Calculated by the exchange rate as of May 11, 2015.)

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

		Business lineup	Profit before income tax expense for FY2014 (JPY billion)	SBI's shareholding pct. (%)
Phnom Penh Commercial Bank	Overseas Business	Commercial Bank	0.3	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 66.5bn

① SBI Pharmaceuticals

Estimation of the valuation is as follows:

Market value at the point of partial transference of former SBI ALApromo's shares × 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 Mar. 2015, the amount is calculated to be approx. JPY 49.2bn

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.

[Reference]

Number of Companies and Consolidated Employees of the SBI Group

Number of Group companies

	Mar. 31, 2014	Mar. 31, 2015
Consolidated subsidiaries (companies)	139	142
Consolidated partnerships (partnerships)	36	31
Total consolidated subsidiaries (companies)	175	173
Equity method companies (companies)	38	39
Total Group companies (companies)	213	212

Number of consolidated employees

	Mar. 31, 2014	Mar. 31, 2015
Total employees (persons)	5,352	6,094

Assets Under Management of the SBI Group

(As of the end of Mar. 2015)



Private equity, etc. JPY 294.7bn (Including JPY 103.1bn of both cash and commitment amount to be paid in) (*3)

Breakdown by Industry	Amount
IT/Internet	25.8
Biotechnology/Health/Medical	45.2
Services	18.6
Materials/Chemicals	2.2
Environmental/Energy	20.6
Retail/Food	16.1
Construction/Real estate	1.6
Machine/Automobile	8.3
Finance	36.3
Others	16.7
Total	191.6

Breakdown by region	Amount
Japan	88.7
China	29.3
Korea	25.2
Taiwan	2.0
Southeast Asia	11.5
India	2.8
U.S.	28.8
Others	3.3
Total	191.6

Investment trusts, etc. JPY 230.6bn (*4)

Investment trusts	128.0
Investment advisory	98.8
Investment companies	3.8

*1 Calculated by the exchange rate as of the end of Mar. 2015

*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.

*4 For funds that SBI Asset Management provides investment instruction to, if Morningstar Asset Management provides investment advisory services, assets are recorded in both "Investment trusts" and "Investment advisory," respectively, and such overlapping amounts totaled JPY 24bn

Investment Balance Attributable to SBIH and External Investors at End of Each FY

(JPY billion)

	Mar. 31, 2014	Mar. 31, 2015
Total investment balances	201.2	191.6
Ratio of overseas investment	46.9%	53.7%
① Investment balance in entities classified as consolidated subsidiaries	34.3	31.7
Investment balance in operational investees except ①	167.0	159.9
Attributable to SBIH	89.1	88.9
Investment through funds	57.5	52.2
Direct investment (mainly overseas investment)	31.6	36.7
Attributable to external investors of funds	77.9	71.0
Consolidated funds	31.4	18.1
Funds classified as operational securities	29.4	27.9
Others (funds operated by associates accounted for equity method, etc.)	17.1	25.0

Note 1) Total of direct investments and investments through funds

Note 2) The investment balance is recorded at fair value for direct investments, at market price for listed stocks and at acquisition price for unlisted stocks with no market pricing for the investments made by funds. (The balance is the amount after deduction of impairment losses for instruments for which impairment loss was recognized.)

- **The company's shareholding percentage amounts to 55.6% of the investment balance (42.4% for fund investments only)**
- **Additionally, external investors' shareholding reflected in the consolidated financial statement reflects only those of consolidated funds.**

Investment Amount Attributable to SBIH and External Investors for Each FY

(JPY billion)

	FY2013	FY2014
Total amount of investment for the FY	24.1	19.6
Ratio of overseas investment	75.9%	68.7%
① Investment amount for the FY in entities classified as consolidated subsidiaries	3.5	0.3
Investment amount for the FY in operational investees except ①	20.6	19.3
Attributable to SBIH	8.2	8.9
Investment through funds	7.5	5.1
Direct investment (mainly overseas investment)	0.7	3.8
Attributable to external investors of funds	12.4	10.4
Consolidated funds	0.7	0.4
Funds classified as operational securities	3.4	3.8
Others (funds operated by associates accounted for equity method, etc.)	8.3	6.2

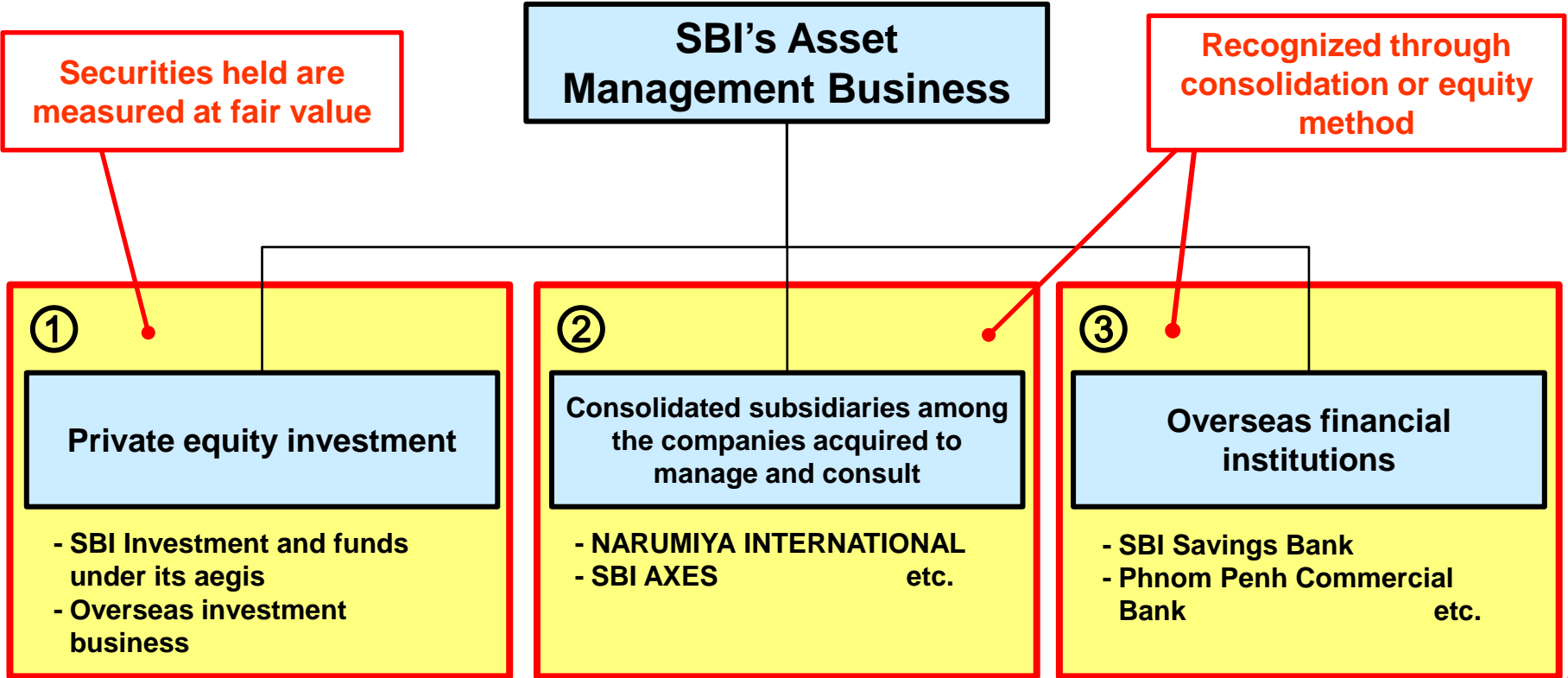
Note 1) Total of direct investments and investments through funds

- New investments through funds account for nearly the entire amount, of which a large portion is investments from non-consolidated funds, such as funds operated as joint ventures with overseas partners.
- For this reason, since external investors' shareholding in consolidated funds are not increasing, and there are also dividends, non-controlling shareholding on the consolidated balance sheets is decreasing. In the future, however, external investors' shareholding in consolidated funds are expected to increase due to the full-scale operation of new domestic flagship funds.

Structure of the Asset Management Business

- Owing to accounting requirements, the Asset Management Business has three completely different recognitions: fair value, consolidation and equity method
 - ➔ Through an analysis of the following slides which depicts the BS and PL of the various businesses, current conditions can be understood

[Structure of the Asset Management Business]



Analysis of Each Segment of the Asset Management Business

-① Private equity investment-

[Consolidated statement of financial position]

(IFRS; JPY billion)

	Mar. 31, 2014	Mar. 31, 2015
Cash and cash equivalents	15.2	18.6
Securities	129.7	118.7
Other assets	25.4	26.8
Total assets	170.3	164.1
Intragroup borrowings	22.2	21.4
Other liabilities	6.6	5.5
Total liabilities	28.8	26.9
Equity capital	92.5	96.2
Non-controlling interests* ¹ (Mainly interests of external shareholders of consolidated funds)	49.0	41.0
Total equity	141.5	137.2
Total liabilities and equity	170.3	164.1

- Securities held, whether listed or unlisted, are assessed at fair value.
- Non-consolidated funds are assessed at fair value, and only the amount corresponding to the company's interest is recognized.
- For this reason, the amount of non-controlling interests (outside equity interests) is low.

[Consolidated statement of income]

(IFRS; JPY billion)

	FY2013	FY2014
Operating revenue	14.0	(0.6)
Profit / loss related to FVTPL	9.4	(4.3)
Fee from non-cons. funds* ²	1.0	1.3
Others (FX gain etc.)	3.6	2.4
Operating expense (including expense related to allowance etc.)	(8.0)	(6.5)
Operating income	6.1	(6.9)
Profit for the FY	3.4	(9.7)
Attributable to owners of SBIH	6.3	(4.9)
Non-controlling interests	(2.9)	(4.8)

*1 External investors' shareholding in consolidated funds. External investors' shareholding in funds operated as joint ventures and classified as operational investment securities are not included. Non-controlling interests decrease accompanying payment of dividends.

*2 Only the amount of management commissions, etc. from funds classified as investment securities is recorded as income corresponding to external investors' shareholding

- **Marketable securities account for approximately 40% of overall consolidation (the rest is SBI Savings Bank, SBI Life Insurance, etc.), for nearly all of which change in fair value is recognized as profit or loss as FVTPL.**
- **In FY2014, the balance was decreased JPY 11.0bn, in consequence of the negative of sale and fair value measurement while promoting investment**

Analysis of Each Segment of the Asset Management Business

-② Consolidated subsidiaries among the companies acquired to manage and consult-

[Consolidated statement of financial position]

(IFRS; JPY billion)

	Mar. 31, 2014	Mar. 31, 2015
Cash and cash equivalents	8.5	11.7
Inventories (products)	2.1	2.5
Intangible assets	5.7	7.3
Other assets	4.6	8.4
Total assets	20.9	29.9
Total liabilities	8.3	11.6
Equity capital	11.9	17.4
Non-controlling interests	0.7	0.9
Total equity	12.6	18.3
Total liabilities and equity	20.9	29.9

[Investee companies consolidated]

- NARUMIYA INTERNATIONAL(apparel company)
- SBI AXES(settlement service company)

[Consolidated statement of income]

(IFRS; JPY billion)

	FY2013	FY2014
Operating revenue	21.3	23.9
Operating income	0.1	1.0
Profit before income tax expense	0.2	1.0
Profit for the FY	0.1	0.7
Attributable to owners of SBIH	0.3	0.4
Non-controlling interests	(0.2)	0.3

- One of the major differences between IFRS and J-GAAP lies in expansion of the scope of consolidation.
- Whereas under IFRS, even pure investees are uniformly consolidated, under J-GAAP, there is an exclusion rule.
- Although the accounting treatment under IFRS differs from J-GAAP, the impact on the company's consolidated financial statements is insignificant.

Analysis of Each Segment of the Asset Management Business

-③ Overseas financial institutions-

[Consolidated statement of financial position]

(IFRS; JPY billion)

	Mar. 31, 2014	Mar. 31, 2015
Cash and cash equivalents	52.5	49.5
Trade accounts receivable	208.9	294.9
Intangible assets	116.9	127.6
Other assets	84.0	60.2
Total assets	462.3	532.2
Customer deposits	302.3	361.1
Other liabilities	58.7	45.5
Total liabilities	361.0	406.6
Equity capital	103.0	124.6
Non-controlling interests	(1.7)	1.0
Total equity	101.3	125.6
Total liabilities and equity	462.3	532.2

- SBI Savings Bank (Korea), SBI Royal Securities (Cambodia) are consolidated
- Profit / loss of Phnom Penh Commercial Bank (Cambodia), SBI Thai Online Securities (Thailand), YAR Bank (Russia), etc. are recognized through equity method

[Consolidated statement of income]

(IFRS; JPY billion)

	FY2013	FY2014
Operating revenue	36.6	41.7
Operating income	3.8	16.3
Profit before income tax expense	3.2	14.3
Profit for the FY	2.8	13.7
Attributable to owners of SBIH	1.8	12.7
Non-controlling interests	1.0	1.0

- The results of mainly SBI Savings Bank (Korea) are reflected in the financial statements.
- Total equity increased, driven by improvement in the results of SBI Savings Bank (Korea).
- The results of Phnom Penh Commercial Bank (Cambodia) also made a positive contribution.

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